

## **Outstanding 2015 results above recently upgraded objectives on all metrics**

**Full year revenues up 38%, EBITDA up 50%**

**Organic growth over 9.5% in Q4, almost 7.5% for the full year**

**29 February 2016**

- Q4 2015 organic growth<sup>9</sup> over 9.5%, and almost 7.5% for the full year, well above 5% objective
- In Q4, revenues grew 52% to EUR 603m versus the EUR 593m implied by the last upgraded full year objective of EUR 1.94bn published on 24 November 2015
- For 2015, revenues were EUR 1.95bn, representing growth of 38%, the highest growth rate since 2006, with consistent sequential growth acceleration during the year (Q1 29%, Q2 32%, Q3 37%, Q4 52%)
- Achieved 2017 revenue objective 2 years early with pro-forma revenues of EUR 2.24bn versus the EUR 2.20bn announced on 26 October 2015
- Adjusted<sup>1</sup> EBITDA<sup>3</sup> was up 39% to EUR 361m, versus the EUR 300m adjusted EBITDA objective announced in March 2015. Margin was stable at 18.5% despite inclusion of businesses that had only recently become profitable, and acquisitions that are not yet at Group profitability level
- 2017 adjusted EBITDA objective was also achieved two years early with 2015 pro-forma adjusted EBITDA of EUR 404m
- Losses from start-ups and companies in significant restructuring and associated costs as contained in the separately disclosed items<sup>2</sup> (SDI), were nearly halved, narrowing from 11.7% of EBITDA generated by the mature businesses in 2014 to just 4.4% in 2015
- EBITDA increased 50% to EUR 345m, a 140bp margin expansion to 17.7% as losses from start-ups and businesses undergoing significant restructuring decreased significantly, and operating leverage drives profits to grow faster than the top line. On a pro-forma basis, 2015 EBITDA was EUR 386m
- Adjusted net profit<sup>5</sup> of EUR 164m represents 24% growth versus 2014
- 95% increase in free cash flow<sup>8</sup> (FCF) to EUR 100m despite higher interest expense and absolute CAPEX amount, as operating cash flow<sup>7</sup> expanded by 37% on the back of the significant profit improvements and successful management of working capital to below 4% of sales
- 21 acquisitions with total annualized revenue contribution of over EUR 570m completed in 2015. Entered 3 new countries, added 55,000m<sup>2</sup> of world class laboratory surface, and completed 10 start-ups during the year, bringing total start-ups completed to date to 21 out of the 35 planned by 2017
- Continued rapid expansion in the US (+80% in 2015), which now makes up a third of total Group revenues
- Having taken only 3 years to double in size for the third time in 10 years, Eurofins began the preparations for its next 5-year growth plan by:
  - expanding into specialty/genomics clinical testing as a fourth growth leg for the Group
  - investing heavily in large, efficient sites; as well as start-up labs in the Group's fast-growing markets
  - continued investment in development and deployment of its new generation of IT solutions
  - raising EUR 1.3bn of funds for growth before the markets turned volatile
  - EUR 794m of unused cash on balance sheet at year end. Although carrying this unused cash represented a cost of EUR 1.43 on Basic EPS<sup>6</sup> in 2015, it provides the Group flexibility to respond swiftly to compelling opportunities
- Proposed 10% increase in dividends to EUR 1.45 per share
- **2016 Outlook:** The Group has set an objective to achieve revenues in excess of EUR 2.5bn and adjusted EBITDA above EUR 460m (at constant currency)

## Comment from Dr. Gilles Martin, CEO:

"After the best year in Eurofins' history, I am pleased to confirm the achievement of our previous mid-term (2017) financial objectives two years ahead of schedule with pro-forma revenues and adjusted EBITDA in excess of EUR 2.2bn and EUR 400m respectively for 2015. The early achievement of our objectives reflects the successful execution of our strategy to pursue sustainable growth.

Given the positive trends in the markets where we operate, Eurofins' leaders believe that organic growth in 2016 could once again be higher than 5% in spite of the lower growth profile of certain new clinical assets. Therefore, including only a modest level of acquisitions, the Group objective is to achieve revenues in excess of EUR 2.5bn and adjusted EBITDA above EUR 460m (at constant currency) this year. Furthermore, beyond geographic expansion, innovation, start-ups, IT and operational excellence programs, one of the priorities in 2016-2020 will be a more tax optimum structuring of the Group's newly acquired businesses, as well as the management of finance costs, to ensure that the rapid growth in revenues and operating profits is more fully reflected in EPS. Eurofins' management is committed to deploying the cash it has gathered on its balance sheet in preparation of its new 5 year plan to generate high rates of return, and plans to pursue more flexible funding in the future after it repays some of its existing older, more expensive instruments.

After doubling in size for the third time in 10 years, and having taken only 3 years to double from EUR 1bn to EUR 2bn, Eurofins' management believes that the continued strength in underlying fundamentals of its business and markets, in addition to its ongoing investments, should allow the Group to double in size again to reach EUR 4bn of revenues and EUR 800m of adjusted EBITDA by 2020. As communicated previously, we believe that the Group should be able to continue generating at least 5% organic growth and acquire about EUR 200m of external revenues per year to progress towards these 2020 objectives. If this growth plan is executed in this manner, Eurofins should not need additional equity and already has sufficient funding to execute on the first phase of this 5 year plan. Equity issuance would only be considered should compelling larger opportunities materialize, or become likely, which could significantly accelerate the achievement of Eurofins' new mid-term objectives."

**Table 1: Full Year 2015 Results Highlights**

<i>In EUR m except otherwise stated</i>	FY 2015			FY 2014			<b>+/- % Adjusted Results</b>
	<b>Adjusted<sup>1</sup> Results</b>	Separately disclosed items <sup>2</sup>	<i>Statutory Results</i>	Adjusted Results	Separately disclosed items	<i>Statutory Results</i>	
Revenues	1,950.1		1,950.1	1,410.2		1,410.2	+38.3%
EBITDA <sup>3</sup>	360.8	-15.8	345.0	260.4	-30.4	230.0	+38.5%
EBITDA Margin (%)	18.5%			18.5%			-
EBITAS <sup>4</sup>	264.3	-30.3	234.0	189.9	-41.2	148.7	+39.2%
EBITAS Margin (%)	13.6%			13.5%			+10 bp
Net Profit <sup>5</sup>	163.9	-76.6	87.3	132.1*	-53.0	79.1	+24.1%
Basic EPS <sup>6</sup> (EUR)	10.72	-5.01	5.71	8.73*	-3.50	5.23	+22.8%
Operating Cash Flow <sup>7</sup>			291.1			212.2	37.2%
Free Cash Flow <sup>8</sup>			99.9			51.1	+95.4%
Capex			163.8			131.2	+24.8%
Net Debt			916.2			493.6	+85.6%
Leverage Ratio (net debt/adjusted EBITDA)			2.54x			1.90x	
Leverage Ratio (net debt/pro-forma adjusted EBITDA)			2.27x				

N.B. H2 2015 results can be found on page 7 of this press release

\*Re-stated for impact of net finance costs related to borrowing and investing excess cash and one-off financial effects and the related tax effects.

## Revenues

Revenues in the fourth quarter grew 52.1% to EUR 603.1m, on organic growth of over 9.5%. For the full year 2015, revenues stood at EUR 1,950.1m, representing year-on-year increase of 38.3%, of which nearly 7.5% was organic. Currency translation had a positive impact of 5.5%. Taking the annualized revenues of all the acquisitions completed during the year, 2015 pro-forma revenues were EUR 2.24bn.

The stronger organic growth generated by the Group compared to its 5% annual growth objective was driven mainly by a ramp-up in volumes, and supported by continued strength in the underlying trends across many of its businesses. In 2015, Eurofins' food testing laboratories continued to generate solid organic growth. Growth in the food testing business continues to be robust, supported by the food manufacturers' and retailers' ever-increasing efforts to increase safety of their products, as well as

regulatory developments to ensure consumer safety by improving transparency and increasing accountability in the food supply chain. In addition, technological innovations such as new tests enabled by genome sequencing<sup>i</sup>, provide additional support to the food industry, as well as additional volume for testing. Incidents of fatal food contamination, as well as product recalls<sup>ii</sup> continue to highlight the need for more effective food testing.

Results from Eurofins' environment testing business in 2015 demonstrate both the scale of the network, and the benefits of the completed restructuring of the Group's French water testing business, partially offsetting some of the impact of slower economic activity in Europe. Although organic growth generated by the environment testing business in 2015 was slightly below its mid-term objective, the Group is positive that the business is now positioned for growth following the completion of several restructuring and reorganization programmes.

The pharmaceutical testing business achieved organic growth above the Group's 5% objective during the year, as continued strength in pharma products testing, as well as stabilization in the central laboratory business following the completion of its relocation to the Group's Lancaster campus in the US, offset the impact of the ongoing reorganization in the discovery services business. Record FDA drug applications and approvals again in 2015<sup>iii</sup>, in addition to strong growth in drug sales<sup>iv</sup>, point to strong underlying fundamentals for the pharma testing business in the medium term.

In 2015, Eurofins continued its expansion into the specialty clinical diagnostics area with the acquisition of Boston Heart Diagnostics (BHD), Diatherix, and Emory Genetics Lab (EGL) in the US, BioAccess in France, and Biomnis in France and Ireland, following its entry into the space with the acquisition of ViraCor IBT in 2014. These strategic acquisitions firmly establish Eurofins' footprint in this fast-growing niche testing area to leverage its expertise in genomics, and more broadly in pharmaceutical testing.

**Table 2: Geographical Revenue Breakdown**

(EUR m)	2015	As % of total	2014	As % of total
North America	643.2	33.0%	356.9	25.3%
France	369.6	19.0%	226.5	16.1%
Germany	250.4	12.8%	236.1	16.7%
Nordic Countries	163.3	8.4%	160.9	11.4%
Benelux	158.1	8.1%	144.3	10.2%
UK & Ireland	96.2	4.9%	77.8	5.5%
Others	269.2	13.8%	207.7	14.7%
<b>Total</b>	<b>1,950.1</b>	<b>100%</b>	<b>1,410.2</b>	<b>100.0%</b>

Revenues in North America grew 80.2% to EUR 643.2m (+50.4% at constant currency), and now make up a third of total Group revenues, as underlying trends continue to be supportive of the business, and certain tailwinds accelerated, resulting in high single-digit organic growth. Positive developments in the US food testing market, driven by regulatory developments as the FDA moves closer to partial implementation of the FSMA in late 2016-early 2017, as well as ongoing food contamination scandals, are reflected in the high single-digit organic growth generated by the Group's US food testing business. Organic growth in environment testing was somewhat below Group objective as the market continues to be driven largely by consolidation, with Eurofins' footprint further boosted by the acquisition of Spectrum Analytical and QC Labs. The pharma testing business delivered another solid performance in 2015, as strong organic growth in biopharma products testing on the back of rising drug sales and new drug approvals offset the continued drag from the site reorganization programme in the Group's discovery services business, expected to be completed at the end of 2016.

In France, Eurofins' second largest market bringing-in 19.0% of total Group sales, revenues increased 63.2% to EUR 369.6m on organic growth well above the annual objective as the Group continues to benefit from scale in all of its businesses. The French food testing business performed strongly during the year on the back of market share gains and contract wins such as the long-term partnership agreed with SODEXO. Eurofins has also once again been selected by the National Food Safety Agency (ANSES) to conduct nutritional analysis for the Table Ciqua<sup>v</sup>, underscoring the Group's strong reputation in the industry. Likewise, Eurofins' environment testing business delivered organic growth well above Group objective driven by market share gains and strong trends especially in indoor air testing. Furthermore, the removal of the performance overhang following the completion of the restructuring of the Group's water-testing business (IPL), provides Eurofins with a solid spring

<sup>i</sup> <http://fortune.com/2015/09/25/food-industry-contamination/>

<sup>ii</sup> <http://fortune.com/2015/09/25/food-industry-contamination/>

<sup>iii</sup> <http://www.fda.gov/downloads/Drugs/DevelopmentApprovalProcess/DrugInnovation/UCM481709.pdf>

<sup>iv</sup> [http://www.fiercepharma.com/story/drug-sales-expected-top-13-trillion-2018/2015-08-04?utm\\_medium=nl&utm\\_source=internal](http://www.fiercepharma.com/story/drug-sales-expected-top-13-trillion-2018/2015-08-04?utm_medium=nl&utm_source=internal)

<sup>v</sup> Ciqua : French food composition database run by the French Data Centre on Food Quality (CIQUAL).

board to win new contracts, such as the recently-won long-term contracts from 2 of the 6 national water agencies (both contracts commencing in 2016).

Revenue contribution from Germany, which makes up 12.8% of Group revenues, was EUR 250.4m in 2015, as acceleration in the second half of the year resulted in ca. 6.0% organic growth for the full year. Growth acceleration in food microbiology and successful launch of new tests resulted in volume ramp-up in the third and fourth quarters, more than compensating for the slower start of the year, when the legionella trough was reflected in lower volumes compared to previous years.

Revenues from Eurofins' businesses in the Nordic region, which generated 8.4% of total Group revenues, grew to EUR 163.3m. The modest growth despite a 2% negative currency impact reflects the scale and efficiency gains from the completed site consolidation in Denmark in 2014, providing the Group greater capacity to win market share. The food and environment businesses in the Benelux generated revenues of EUR 158.1m, up 9.6% versus 2014. The Group expects that once completed, its site consolidation program in the region will result in further efficiency and market share gains. In 2015, the temporary impact of this program and the absence of revenues from soil derogation activities in the Netherlands which will recur only in 2018, are reflected in lower organic growth than the Group's annual objective.

In the UK & Ireland, revenues grew 23.6% to EUR 96.2m on organic growth above Group objective, and positive currency impact of 8.5%. The strong performance of the food and pharma testing businesses offset some of the weakness in environment testing. Elsewhere, Eurofins' continues to expand its footprint in emerging markets and the Asia Pacific region, where revenues increased 29.6% to EUR 269.2m on strong organic growth and selective acquisitions.

In summary, the strong results achieved by Eurofins in most of its markets reflect the progress that the Group is making in securing leadership and strengthening its footprint in each of its areas of competence.

## Profitability

Group adjusted EBITDA rose 38.5% to EUR 360.8m, with adjusted EBITDA margin stable at 18.5% despite the inclusion of start-ups which only recently became profitable, and of recent acquisitions that are not yet at the Group's profitability level. The mature businesses of the Group, i.e. excluding start-ups and acquisitions in significant restructuring, achieved an EBITDA margin of 21.1% on revenues of EUR 1,706.8m for the full year 2015. In 2014, the Group's mature businesses had generated an EBITDA margin of 20.9% on revenues of EUR 1,243.5m. The margin expansion of the mature businesses in 2015 is notable given that the companies that have recently been upgraded to the mature perimeter (start-ups and acquisitions made over the past two years that are no longer in restructuring) are still diluting the margin of that perimeter.

Start-up losses and restructuring costs as disclosed in the separately disclosed items (SDI) were almost halved to EUR 15.8m in 2015 (EUR 30.4m in 2014, EUR 30.2m in 2013) despite the roll-out of multiple start-up laboratories in rapidly-growing markets. The significant reduction in SDI was due to a faster ramp-up in profitability of some of the Group's start-up businesses, as well as the completion of significant restructuring or reorganization programs (IPL, Denmark site consolidation and central lab relocation). For the full year 2015, SDI narrowed to 4.4% of the EBITDA generated by the mature businesses of the Group, compared to 11.7% in 2014.

Strong top line growth, continued profit expansion in the Group's mature businesses, and reduction in start-up losses and restructuring costs resulted in a 140bp expansion in the Group EBITDA margin to 17.7% as EBITDA increased by 50% to EUR 345m. Despite the 36.6% increase in depreciation and amortization charges due to the steady growth in capital expenditures in recent years, EBITAS<sup>4</sup> still increased 57.3% due to the strong growth in EBITDA.

Non-cash stock option charge and net acquisition-related expenses increased 112.4% due to employee stock options<sup>vi</sup> related to the appreciation of Eurofins' share price and the issuance of 2 new plans in 2015, in addition to the accounting treatment of amortization of intangible assets related to acquisitions<sup>vii</sup>, as well as the increase in transaction costs due to the increased volume of acquisitions, resulting in a negative impact of EUR 19m versus 2014. Profit before tax still shows a 30.6% increase to EUR 132.4m despite a significant increase in financial expense to EUR 66.1m. This increase comes on the back of carrying record excess cash following multiple debt and hybrid capital issuances during the year to secure financing at favourable rates in preparation for the Group's next growth plan of doubling in size again over the next 5 years. Although a large part of this excess cash should be deployed to generate high rates of return and repay older, more expensive instruments during the next few quarters, the cost of borrowing and investing this unused cash not required for the existing business was EUR 28.1m in 2015 at the net profit level, versus the EUR 4.2m cost of carrying excess cash in 2014 (average month end excess cash was EUR 585m in 2015 versus EUR 183m in 2014). Month end excess cash is defined as month end cash above 5% of the annualized revenues of the last 3 months.

---

<sup>vi</sup> According to IFRS 2

<sup>vii</sup> According to IFRS 3 and IAS36R

In 2015, Eurofins' effective tax rate stood at 31.9%, versus 21.9% in 2014, driving Group tax expense to EUR 42.2m. The significant uptick in tax expense is driven largely by the strong ramp-up in profits in the Group's businesses in the US, where the nominal tax rate is much higher at 39%. More generally, the increase in tax expense was also related to the recently acquired businesses not yet integrated in Eurofins' IP/central services franchise model. The management has initiated a review of the tax optimum structuring of its new businesses with the objective to define measures appropriate for the Group's new weighted geographical footprint, and make use of its large tax NOLs (net operating losses carry forward), which stood at EUR 470m at the end of 2015. Also noteworthy is that in 2014, the Group was able to utilize some of its tax NOLS, resulting in a negative comparable impact in 2015.

Adjusted net profit for FY 2015 increased 24.1% to EUR 164.0m, and adjusted EPS stood at EUR 10.72. Despite the significant non-operating charges, and the limited earnings contribution from acquisitions due to the timing of consolidation, reported net profit<sup>5</sup> still grew 10.4% to EUR 87.3m, and basic EPS<sup>6</sup> was up 9.2% to EUR 5.71 on the back of the strong growth in revenues and operating profits.

## **Cash Flow and Financing**

The 30.6% increase in pre-tax profit to EUR 132.4m, in addition to the successful management of net working capital to 3.6% of sales (versus 4.3% in 2014, and against 5% NWC/Sales annual objective), resulted in a 37.2% increase in operating cash flow for the Group, to EUR 291.1m in 2015.

Capital expenditures in 2015 stood at EUR 163.8m. Although the absolute amount represents a 24.8% increase from the previous year, capex/sales declined by 90bp to 8.4%, compared to 9.3% in 2014. Capital expenditures during the year were, among others, related to 55,000m<sup>2</sup> of additional state-of-the-art lab surface, 10 of its 35 start-up laboratory programme for 2014-2017 delivered, as well as continued development and deployment of the Group's new generation of IT solutions. Despite the Group's high capex spend and higher interest payments, the stronger increase in operating cash flow resulted in Free Cash Flow of EUR 99.9m in 2015, 95.4% higher than in 2014. Even adjusting for the timing of certain interest payments (only paid in January 2016 for some), Free Cash Flow would have been EUR 80.1m, still representing a 56.7% increase over the previous year.

During the year, Eurofins further strengthened its balance sheet and overall capital structure. In January, the Group issued a EUR 500m 7-yr Eurobond at an annual interest of 2.25%. In April, the Group further optimized its funding position with the issuance of a second hybrid instrument of EUR 300m at an annual coupon of 4.875%. In July, another Eurobond was issued for EUR 500m with a maturity of 7.5 years at an annual interest of 3.375%. At the end of December 2015, the Group's net debt stood at EUR 916.3m, with a strong cash balance of EUR 793.8m. Despite the record volume of acquisitions completed during the year, capital expenditures and SDI remaining high in absolute amount, Eurofins' leverage ratio at the end of 2015 remained well below its limit at 2.54x net debt/adjusted EBITDA, versus its debt covenant limit of 3.5x. Net debt/pro-forma adjusted EBITDA was 2.27x.

## **Business Developments**

### **Acquisitions & Outsourcing**

Eurofins completed 21 acquisitions in 2015 to strengthen its leadership in existing markets or enter new segments within the Group's areas of competency. In February, Eurofins announced that it successfully closed the transaction to acquire Boston Heart Diagnostics (BHD), expanding the Group's footprint in specialty clinical diagnostics for prevention of cardiovascular diseases. Shortly thereafter, the Group acquired BioDiagnostics Inc. (BDI), a renowned laboratory for genetic testing of seeds and plants, securing the Group's leadership in agricultural testing in the US. In March, Eurofins acquired NUA GmbH in Austria, and CEBAT (France) was acquired in April, strengthening the Group's leadership in the environment testing market in Europe. Eurofins also acquired a product testing laboratory in Belgium to leverage its existing competencies and technical know-how. In May, the Group acquired QC Labs to reinforce its food and environment testing footprint in the US. In the same month, Eurofins entered 2 new geographies with the acquisition of Experchem in Canada, and SẮc KÝ HẢI ĐĂNG (EDC-HD) in Vietnam. In June, the Group reinforced its leading footprint in agrosiences with the acquisition of Trialcamp in Spain.

In July, Eurofins acquired Diatherix, a highly-specialised laboratory providing cutting-edge molecular diagnostic testing services in the US using proprietary technology for precise, highly parallel detection of a large range of infectious disease agents. Shortly thereafter, Eurofins acquired Nihon Soken in Japan, one of the country's leading environmental testing service providers with a strong focus in pollution analysis, and the largest laboratory serving the Fukushima prefecture. At the end of July, Eurofins completed the transaction to take control of BioAccess, a leading group of clinical diagnostic laboratories in France, providing Eurofins entry into the European clinical diagnostic market. In September, the Group acquired Emory Genetics Laboratory (EGL), a specialty diagnostics laboratory providing high-complexity molecular, biochemical and cytogenetic testing for rare and common genetic diseases and disorders, further advancing Eurofins' footprint in the genetics

and genomic segment of the specialty clinical diagnostic testing market. In October, the Group acquired the Biomnis Group, one of the largest independent laboratories in Europe focusing on specialty diagnostic testing. In November, Eurofins entered the Malaysian testing market with the acquisition of the NM Group. Before the close of the year, the Group acquired Water & Waste laboratory, providing Eurofins leadership in the Austrian environmental testing market, and Radonlab, the premier radon testing laboratory in Norway.

Total acquisition spend in 2015 was ca. EUR 627m<sup>viii</sup> for combined total annualized revenues of over EUR 570m.

## **Infrastructure**

Eurofins is currently engaged in several site rationalization projects that involve constructing new laboratories in growth markets, or consolidating several small sites into fewer but larger industrialized sites, or simply moving some businesses into our large campuses to maximize synergies and optimize efficiencies across our businesses. In 2015, the Group added 55,000m<sup>2</sup> of additional modern laboratory surface, versus 40,000m<sup>2</sup> originally planned for the year, and following the 60,000m<sup>2</sup> delivered in 2014. This brings total state-of-the-art lab surface added or modernized since 2005 to 350,000m<sup>2</sup>.

As previously communicated, Eurofins has launched its second start-up programme to support its next growth cycle. Out of the 35 start-up laboratories that the Group plans for 2014-2017, 10 were completed in 2015, bringing total completed to 21. In the US, Eurofins is accelerating its network expansion program to reinforce its footprint in the rapidly-growing domestic food testing market.

In Asia Pacific, the Group is continuing its network expansion program to develop its footprint to become the leading food and environment testing service provider in the region. In Hong Kong, the Group's newly-opened laboratory, which will perform time-sensitive bacteriology tests, is expected to increase the Group's penetration of the local food testing market. Eurofins is also expanding its main Chinese food testing laboratory in Suzhou, to support the growth in testing. In India, Eurofins opened a food testing laboratory in New Delhi, its second laboratory in the country. During the year, the Group also opened a new laboratory in Coimbatore, in Southern India, housing the Group's agrosociences expertise to support the country's vast agricultural services sector.

In France, Eurofins launched 6 start-up laboratories in 2015, taking the Group's nationwide coverage to 13 satellite laboratories, complementing the large, regional central laboratory for water testing in Maxéville. Furthermore, the Group has also opened 3 laboratories in Nantes, Bordeaux and Vergèze to reinforce its market leadership in ambient air and building materials testing.

In addition to the new laboratory surface to add capacity or network/client reach, the Group is continuously investing in site rationalization programmes to optimize network efficiency. For example, Eurofins is shifting several multi-building or multi-location laboratories in Germany into our large, single-site campus in Hamburg. The Group is also undertaking a site consolidation project in the Benelux to bring several small laboratories into 2 large sites in The Netherlands. In Sweden, Eurofins is combining 2 laboratories into 1 larger site in Uppsala. In the US, the programme to integrate Eurofins drug discovery services business which includes site rationalization is well underway.

Between 2016 and 2017, the Group has plans for another 120,000m<sup>2</sup> of modern laboratory surface, of which over 75,000m<sup>2</sup> is expected to come on stream in 2016. These programs include both upgrade and modernization of laboratory surface to consolidate smaller laboratories into large, industrial facilities with higher automation, greater efficiencies and ultimately higher profitability, as well as construction of new facilities in high-growth markets or expansion of Eurofins' existing large sites.

## **Post-closing events:**

In January 2016, Eurofins completed 3 further acquisitions: Biotech Germande, an environmental testing laboratory focusing on the healthcare and hospital hygiene in France, Sinensis Life Sciences B.V., the leading provider of pharmaceutical product testing and cGMP Quality Control (QC) services in the Netherlands, and SCEC, an agrosociences laboratory in Australia.

---

<sup>viii</sup> Including earn-out payments on acquisitions completed in previous years

**Table 3: H2 2015 Results Highlights**

<i>In EUR m except otherwise stated</i>	H2 2015			H2 2014			+/- % Adjusted Results
	Adjusted <sup>1</sup> Results	Separately disclosed items <sup>2</sup>	Statutory Results	Adjusted Results	Separately disclosed items	Statutory Results	
Revenues	1,108.2		1,108.2	766.7		766.7	+44.5%
EBITDA <sup>3</sup>	218.6	-5.6	213.0	151.4	-12.4	139.0	+44.3%
EBITDA Margin (%)	19.7%			19.8%			-10 bp
EBITAS <sup>4</sup>	166.0	-13.8	152.2	113.6	-18.2	95.5	+46.1%
EBITAS Margin (%)	15.0%			14.8%			+20 bp
Net Profit <sup>5</sup>	102.3	-45.3	57.0	80.8	-24.3	56.5	+26.6%
Basic EPS <sup>6</sup>	6.69	-2.95	3.73	5.34	-1.60	3.74	+25.3%

**Table 4: Separately disclosed items**

FY & HY Separately disclosed items <sup>2</sup> :	H1 2015	H2 2015	FY 2015	H1 2014	H2 2014	FY 2014
One-off costs from integrations, reorganizations and discontinued operations, and other non-recurring costs	5.9	10.4	16.3	8.8	12.0	20.8
Temporary losses related to network expansion, Start-ups and new acquisitions in significant restructuring	4.2	-4.7	-0.5	9.2	0.4	9.6
EBITDA <sup>3</sup> impact	10.1	5.6	15.8	18.0	12.4	30.4
Depreciation costs specific to start-ups and new acquisitions in significant restructuring	6.3	8.2	14.6	5.0	5.7	10.7
EBITAS <sup>4</sup> impact	16.5	13.8	30.3	23.0	18.2	41.2
Amortisation of intangible assets related to acquisitions, goodwill impairment, transaction costs related to acquisitions and non-cash accounting charges for stock options	15.8	20.0	35.9	7.1	9.7	16.9
Net finance costs related to borrowing and investing excess cash and one-off financial effects (net of finance income)	4.3	23.8	28.1	2.5	1.6	4.2
Tax effect from the adjustment of all separately disclosed items	-5.4	-12.0	-17.3	-3.8	-5.4	-9.2
Non controlling interest on separately disclosed items	0.1	-0.5	-0.3	-0.1	0.1	0.0
Total impact on Net Profit <sup>5</sup>	31.4	45.3	76.6	28.7	24.3	53.0
Impact on Basic EPS <sup>6</sup>	2.06	2.95	5.01	1.90	1.60	3.50

<sup>1</sup> Adjusted – reflect the ongoing performance of the mature and recurring activities excluding “separately disclosed items”.

<sup>2</sup> Separately disclosed items - includes one-off costs from integration, reorganisation, discontinued operations and other non-recurring income and costs, temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring, non-cash accounting charges for stock options, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions, net finance costs related to borrowing and investing excess cash and one-off financial effects and the related tax effects. (Details in Note 2.3 of the Annual Report)

<sup>3</sup> EBITDA – Earnings before interest, taxes, depreciation and amortisation, non-cash accounting charges for stock options, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill and transaction costs related to acquisitions as well as income from unused amounts due for business acquisitions.

<sup>4</sup> EBITAS – Earnings before interest, taxes, non-cash accounting charges for stock options, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, and transaction costs related to acquisitions as well as income from unused amounts due for business acquisitions.

<sup>5</sup> Net Profit – Net profit for equity holders after non-controlling interests but before payment to Hybrid holders

<sup>6</sup> Basic EPS – earnings per share (basic) total (to equity holders before payment of dividends to hybrid bond holders)

<sup>7</sup> Operating Cash Flow – Net cash provided by operating activities (after tax)

<sup>8</sup> Free Cash (Out)Flow – Operating Cash Flow, less interest paid and net cash used in investing activities other than for acquisitions of subsidiaries net of cash acquired and for derivative financial instruments

<sup>9</sup> Organic growth for a given period (Q1, Q2, Q3, Half Year, Nine Months or Full Year) - non-IFRS measure calculating the growth in revenues during that period between 2 successive years for the same scope of businesses using the same exchange rates but excluding discontinued operations.

For the purpose of organic growth calculation for year Y, the relevant scope used is the scope of businesses that have been consolidated in the Group's income statement of the previous financial year (Y-1). Revenue contribution from companies acquired in the course of Y-1 but not consolidated for the full year are adjusted as if they had been consolidated as from 1st January Y-1. All revenues from businesses acquired since 1st January Y are excluded from the calculation.

**For details of the FY 2015 results, including consolidated financial statements and related notes, please visit:**

<http://www.eurofins.com/en/investor-relations/reports-presentations.aspx>

**For further information please contact:**

**Investor Relations**

Phone: +32-2-769 1620

E-mail: [ir@eurofins.com](mailto:ir@eurofins.com)

## Notes for the editor:

### **Eurofins – a global leader in bio-analysis**

Eurofins Scientific is the world leader in food, environment and pharmaceutical products testing. It is also one of the global market leaders in agrosience, genomics, discovery pharmacology and central laboratory services. In addition, Eurofins is one of the key emerging players in specialty clinical diagnostic testing in Europe and the USA.

With over 22,000 staff in over 225 laboratories across 39 countries, Eurofins offers a portfolio of over 130,000 reliable analytical methods for evaluating the safety, identity, composition, authenticity, origin and purity of biological substances and products, as well as for innovative clinical diagnostic. The Group provides its customers with high-quality services, accurate results on time and expert advice by its highly qualified staff.

Eurofins is committed to pursuing its dynamic growth strategy by expanding both its technology portfolio and its geographic reach. Through R&D and acquisitions, the Group draws on the latest developments in the field of biotechnology and analytical chemistry to offer its clients unique analytical solutions and the most comprehensive range of testing methods.

As one of the most innovative and quality oriented international players in its industry, Eurofins is ideally positioned to support its clients' increasingly stringent quality and safety standards and the expanding demands of regulatory authorities around the world.

The shares of Eurofins Scientific are listed on the Euronext Paris Stock Exchange (ISIN FR0000038259, Reuters EUFI.PA, Bloomberg ERF FP).

## **Important disclaimer:**

This press release contains forward-looking statements and estimates that involve risks and uncertainties. The forward-looking statements and estimates contained herein represent the judgement of Eurofins Scientific' management as of the date of this release. These forward-looking statements are not guarantees for future performance, and the forward-looking events discussed in this release may not occur. Eurofins Scientific disclaims any intent or obligation to update any of these forward-looking statements and estimates. All statements and estimates are made based on the information available to the Company's management as of the date of publication, but no guarantee can be made as to their validity.

Eurofins provides in the Income Statement certain non-IFRS information ("Adjusted Results and Separately Disclosed Items") that excludes certain items because of the nature of these items and the impact they have on the analysis of underlying business performance and trends. (Refer to description of Separately Disclosed Items).

In addition, Eurofins shows the following two earnings measures in the Income Statement with the objective to be close and consistent with the information used in internal Group reporting to measure the performance of Group companies and information published by other companies in the sector:

*EBITDA*: Earnings before interest, taxes, depreciation and amortisation, non-cash accounting charges for stock options, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill and transaction costs related to acquisitions as well as income from unused amounts due for business acquisitions"

*EBITAS*: Earnings before interest, taxes, non-cash accounting charges for stock options, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill and transaction costs related to acquisitions as well as income from unused amounts due for business acquisitions"

Organic growth for a given period (Q1, Q2, Q3, Half Year, Nine Months or Full Year) - non-IFRS measure calculating the growth in revenues during that period between 2 successive years for the same scope of businesses using the same exchange rates but excluding discontinued operations. For the purpose of organic growth calculation for year Y, the relevant scope used is the scope of businesses that have been consolidated in the Group's income statement of the previous financial year (Y-1). Revenue contribution from companies acquired in the course of Y-1 but not consolidated for the full year are adjusted as if they had been consolidated as from 1st January Y-1. All revenues from businesses acquired since 1st January Y are excluded from the calculation.

Management believes that providing this information enhances investors' understanding of the company's core operating results and future prospects, consistent with how management measures and forecasts the company's performance, especially when comparing such results to previous periods or forecasts and to the performance of our competitors. This information should be considered in addition to, but not in lieu of, information prepared in accordance with IFRS.