

## **Eurofins strengthens its growth options with a EUR 200 million private placement to La Caisse de dépôt et placement du Québec**

**29 June 2016**

Eurofins Scientific (EUFI.PA), a world leader in bioanalytical testing, announces that it has privately placed 606,061 newly-issued shares with La Caisse de dépôt et placement du Québec ("CDPQ"), one of Canada's largest institutional fund managers, at a subscription price of EUR 330 per share, raising EUR 200m of additional cash for the Group.

Other than stock options and warrants for its staff and management, this is Eurofins' first equity issuance since October 2000, and represents a slight dilution of under 3.8% for its existing shareholders. Proceeds of the transaction will be used to optimize the Group's capital structure, thereby increasing Eurofins' ability to respond swiftly to strategic, value-enhancing opportunities, with the objective to create higher earnings per share (EPS) than the dilution impact from the new issuance. The transaction should increase Eurofins' strategic options going forward, as well as the Group's ability to generate value for its shareholders.

As communicated several times previously<sup>1</sup>, even without this additional equity, as can be judged based on current trends, the Group management believes that Eurofins should be able to continue generating at least 5% organic growth and acquire about EUR 200m of external revenues per year to progress towards its objective of doubling in size again to reach EUR 4bn of revenues and EUR 800m of adjusted EBITDA by 2020. Indeed, given its liquidity and the strength in current operating trends (continuing in line with the ones observed in the first quarter of 2016)<sup>2</sup>, Eurofins' management does not believe it required additional funding to execute on this mid-term plan. However, the management also believes that the further optimization of its balance sheet and overall capital structure resulting from the CDPQ investment should enable the Group to respond swiftly to compelling larger opportunities if, and when they materialize, which could significantly accelerate the achievement of its mid-term objectives.

One of Eurofins' stated objectives for 2016, rather than hoarding cash on its balance sheet, was to work towards a more flexible access to funding to be able to respond to large M&A opportunities should they arise<sup>3</sup>. In addition to this EUR 200m investment, CDPQ has indicated a strong interest in supporting further investments by Eurofins. Several current large investors of Eurofins have also indicated strong interest in participating in further equity raises should they become required for one or several larger transactions. In this context, an investment of 606,061 shares from an investor committed to further capital deployment appeared preferable to issuing 1 million shares immediately, as considered in December 2015.

In addition, over the last few quarters, Eurofins has also secured further flexible bank financing that it only needs to draw as required. Over the next few months, Eurofins also intends to repay and refinance its older Schuldschein and OBSAAR bonds (of which EUR 170m and EUR 59m respectively remain due as of end June 2016) with instruments with longer maturities.

CDPQ, one of the largest institutional fund managers in North America, has a solid track record of long-term investments in companies that are leaders in their fields of activities, and that have proven ability to generate sustainable shareholder returns. As a manager of pension and insurance funds, CDPQ has a long investment horizon, providing the companies it invests in stable financial support over time.

Comment from Dr. Gilles Martin, Eurofins CEO: "This transaction provides Eurofins with the ability to potentially accelerate the achievement of its mid-term plan, should the opportunity arise, and create significant incremental shareholder value with limited dilution. CDPQ's approach of focusing on long-term financial returns on its

<sup>1</sup> Press releases dated 13 October 2015; 10 December 2015 and 29 February 2016.

<sup>2</sup> Full year 2015 results press release dated 29 February 2016; Q1 2016 Interim Management Statement dated 25 April 2016.

<sup>3</sup> Full year 2015 results press release dated 29 February 2016, p.2 Comment from the CEO

investment and deploying long-term partnerships with the companies it invests in, which may include supporting larger acquisitions, is entirely consistent with Eurofins' strategy of deploying capital for long-term value creation and securing flexibility in its future funding. We look forward to a mutually beneficial partnership with CDPQ."

Comment from Roland Lescure, Executive Vice-President and Chief Investment Officer at CDPQ: "With a solid, visionary management team, Eurofins has successfully established itself as a world leader in the cutting-edge market segment of bio-analysis testing. Under the leadership of Stephane Etroy, Head of Europe Private Equity, CDPQ will support Eurofins' management team as it pursues its international growth plans and puts innovation forward to develop the company over the long term."

**For more information about Eurofins, please visit [www.eurofins.com](http://www.eurofins.com) or contact:**

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#### **Notes for the editor:**

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

Eurofins Scientific believes it is the world leader in food, environment and pharmaceutical products testing, as well as 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 23,000 staff in more than 225 laboratories across 39 countries, Eurofins offers a portfolio of over 130,000 validated analytical methods for evaluating the safety, identity, composition, authenticity, origin, traceability 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 and healthcare practitioners around the world.

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

#### **About Caisse de dépôt et placement du Québec**

CDPQ is a long-term institutional investor that manages funds primarily for public and parapublic pension and insurance plans. As at December 31, 2015, it held CAD 248 billion in net assets. As one of Canada's leading institutional fund managers, CDPQ invests globally in major financial markets, private equity, infrastructure and real estate. CDPQ is headquartered in Quebec City and has offices in Montréal, London, Paris, New York, Washington, Mexico City, New Delhi, Singapore and Sydney. [www.cdpq.com](http://www.cdpq.com)

#### **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.