

Eurofins raises its 2020 objectives after strong momentum in its core business, as well as in COVID-19 related activities in October and November

15 December 2020

- October and November 2020 trading performance has been strong. It is therefore now confirmed that Eurofins will significantly exceed its financial objectives for 2020 (which were set on 4 March 2020, before the COVID-19 disruptions started in Europe and North America and had remained unchanged since).
- Our core business (excluding COVID-19 clinical reagents and testing revenues) has remained resilient, despite the impact of further lockdowns in many geographies in H2 2020. It has quickly recovered and posted organic growth in the months of October and November close to our secular organic growth¹ objective of 5% per annum.
- Given the strong performance to date, the Group has now upgraded its objectives for 2020 as follows:
 - FY2020 Revenues of EUR 5.3bn (up from EUR 5.0bn)
 - FY2020 Adjusted² EBITDA⁴ of EUR 1.3bn (up from EUR 1.1bn)
 - FY2020 Free Cash Flow to the Firm⁵ of EUR 700m (up from EUR 600m^A)
- Determined to support healthcare authorities and clients fighting the pandemic, the Group has continued to show speed, agility and innovation in its response to meet their changing needs. Eurofins continues to deliver PCR testing at scale, with several million tests performed in 2020. Furthermore, the Group continues to innovate with the development of faster, self-sampling modalities for its highly sensitive Multiplex Real-Time PCR test. The availability of trained personnel to perform Nasopharyngeal patients' swabs is a bottleneck in many countries and reliable at home self-sampling, followed by very sensitive fast RT PCR testing is making these tests more accessible. For situations where PCR is not available, the Group has also launched a rapid antigen test providing results from nasopharyngeal samples within 15 minutes. Eurofins companies are also working on a range of other tests to support the restart of normal work, travel and social activities and the vaccine roll-out.
- The business outlook remains robust into 2021. The Group expects to continue to benefit from the non-cyclical, secular growth markets in which it operates and is pleased to report that its core business returned to its target organic growth rate in October and November.
- COVID-19 related activity is unfortunately likely to continue into at least Q1 2020. However significant uncertainty remains, particularly regarding the timing of lockdown restrictions, the roll-out of vaccination programmes and the overall contribution of COVID-19 related activities to Group performance. Therefore, the financial objectives for 2021 and 2022 (first set with the full

^A The 2020 FCFF objective of EUR 500m was introduced in March 2020, but adjusted to EUR 600m in H1 2020 to include the IFRS 16 related reclassification.

year 2019 results publication on 4 March 2020 for the 2021 objectives and with Q3 2020 results on 22 October 2020 for the 2022 objectives) remain unchanged.

Comments from the CEO, Dr. Gilles Martin:

“Q4 has been another period of intense innovation and operational activity and strong financial performance, building on the momentum of Q3 2020. The Group’s agility and speed to market has resulted in the development of several very important new products and solutions to support healthcare authorities and our clients fighting the pandemic.

Our core business (excluding COVID-19 related activities) remains robust, despite lockdown restrictions during the period. October and November saw organic growth close to 5% year-on-year, returning to the Group’s long run organic growth objective.

Despite the uncertainty caused by the pandemic, we look to 2021 and beyond with strong confidence in the Group’s outlook and the delivery of its long-term objectives. I remain humbled by the talent, energy and commitment of Eurofins employees and leaders around the world and thank them for their considerable contributions in 2020.”

¹ 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 (of year Y) but excluding discontinued operations⁷.

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 01 January Y-1. All revenues from businesses acquired since 01 January Y are excluded from the calculation.

² Adjusted - reflects the ongoing performance of the mature⁶ and recurring activities excluding “separately disclosed items^{3”}.

³ Separately disclosed items - includes one-off costs from integration, reorganisation, discontinued operations⁷ and other non-recurring income and costs, temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring, share-based payment charge⁸, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal 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 (net of finance income) and the related tax effects.

⁴ EBITDA – Earnings before interest, taxes, depreciation and amortisation, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

⁵ Free Cash Flow to the Firm - Net cash provided by operating activities, less Net capex.

⁶ Mature scope: excludes start-ups and acquisitions in significant restructuring. A business will generally be considered mature when: i) The Group’s systems, structure and processes have been deployed; ii) It has been audited, accredited and qualified and used by the relevant regulatory bodies and the targeted client base; iii) It no longer requires above-average annual capital expenditures, exceptional restructuring or abnormally large costs with respect to current revenues for deploying new Group IT systems. The list of entities classified as mature is reviewed at the beginning of each year and is relevant for the whole year.

⁷ Discontinued activities / disposals: discontinued operations are a component of the Group’s core business or product lines that have been disposed of, or liquidated; or a specific business unit or a branch of a business unit that has been shut down or terminated, and is reported separately from continued operations. Disposals correspond to the sale by Eurofins of business assets to a third party. For more information, please refer to Note 3.18 of the Consolidated Financial Statements for the year ended 31 December 2019.

⁸ Share-based payment charge and acquisition-related expenses, net – Share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, loss/gain on disposal, 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.

Conference Call

Eurofins will hold a conference call with analysts and investors today at 16:00 CET to discuss the trading update and revised outlook and will be followed by a questions and answers (Q&A) session.

[Click here to Join Call >>](#)

No need to dial in. From any device, click the link above to join the conference call.

Alternatively, you may dial-in to the conference call via telephone using one of the numbers below (**no pin code is required**):

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Notes to Editors:

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About Eurofins – the global leader in bio-analysis

Eurofins Scientific, through its subsidiaries (hereinafter “Eurofins” or “the Group”), believes it is the global leader in food, environmental, pharmaceutical and cosmetics products testing and in agrosience CRO services. It is also one of the global independent market leaders in certain testing and laboratory services for genomics, discovery pharmacology, forensics, CDMO, advanced material sciences and in the support of clinical studies. In addition, Eurofins is one of the leading global emerging players in esoteric and molecular clinical diagnostic testing. With over **50,000 staff** across a network of more than 900 independent companies in over **50 countries** generally specialised by end client markets and operating more than **800 laboratories**, Eurofins offers a portfolio of over **200,000 analytical methods** to evaluate the safety, identity, composition, authenticity, origin, traceability and purity of a wide range of products, as well as providing innovative clinical diagnostic testing services. The Group’s objective is to provide its customers with high-quality and innovative services, accurate results on time and, when requested, 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 a very large range of testing methods.

As one of the most innovative and quality-oriented international groups in its industry, Eurofins is ideally positioned to support its clients’ increasingly stringent quality and safety standards and the increasing demands of regulatory authorities and healthcare practitioners around the world.

Shares in Eurofins Scientific are listed on the Euronext Paris Stock Exchange (ISIN FR0014000MR3, Reuters EUFI.PA, Bloomberg ERF FP).

Until it has been lawfully made public widely by Eurofins through approved distribution channels, this document contains inside information for the purpose of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended.

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 judgment of Eurofins Scientific’s 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 guarantees can be made as to their completeness or validity.