

Eurofins' Core Business¹ organic revenue growth in Q3 2022 accelerates to its mid-term objective

18 October 2022

- Record-high 9M 2022 revenues of €5,033m, +2.7% vs. 9M 2021, driven by steady organic growth and acquisitions that more than compensated for the year-on-year decrease in revenues from COVID-19 testing and reagents of approximately €500m.
- The Core Business¹ (excluding COVID-19 related testing and reagent revenues) delivered solid revenue organic growth² of +6.7% in Q3 2022 vs. Q3 2021 (adjusted for the small impact from public working days), above its mid-term organic growth objective of 6.5% p.a.
 - Disruptions related to the war in Ukraine continue to be a growth headwind in Europe, in particular in the Food Testing business.
 - In contrast, better economic perspectives in North America and Rest of the World helped to sustain Group organic growth, as these regions accounted for more than half of the Group revenues in Q3 2022 (Europe: 49%, North America: 40%, Rest of the World: 11%).
- Revenue from COVID-19 testing and reagents continue to decline as expected:
 - Due to further reductions in COVID-19 testing requirements by governments, revenues from COVID-19 testing and reagents were approximately €60m in Q3 2022, materially lower than the level in H1 2022 of over €470m and the level in Q3 2021 of over €300m.
 - Based on current trends, Eurofins continues to foresee revenues of about €600m from COVID-19 testing and reagents in FY 2022.
- Outside of COVID-19 testing, Eurofins remains an important innovator and contributor to improving human health and enabling sustainability:
 - Eurofins Transplant Genomics has made commercially available TruGraf® Liver, the first and only non-invasive gene expression diagnostic test to optimise immunosuppression in liver transplant recipients.
 - Eurofins Genoma launched niPGT-A, a non-invasive, embryo biopsy free, preimplantation genetic aneuploidy screening test that determines chromosomal abnormalities which may lead to complications during pregnancy.
 - Eurofins Belgium NV has begun carrying out the largest European biomonitoring project for PFAS in blood in Antwerp, commissioned by the Agency for Care and Health of the Flemish Government.
 - Eurofins Sustainability Solutions has been launched to bring together a wide range of Eurofins companies' sustainability offerings in one place, enabling global customers to benefit from the Eurofins network's market leading solutions to contribute to product and enterprise sustainability.

Outlook

- Eurofins is confirming its objectives for 2022 and plans to update its objectives for 2023 and 2024 when publishing its FY 2022 results on 22 February 2023. By then, the potential impacts of the war in Ukraine, supply chain disruptions, ongoing/permanent COVID-19 testing, inflation and foreign exchange rates will hopefully be clearer.

Comments from the CEO, Dr Gilles Martin:

“As has been the case in the 35 years since its founding in October 1987, Eurofins remains unique in its capacity for growth, innovation and value creation. Despite the current environment of economic uncertainty and inflationary pressures, we were able to generate organic growth in Q3 2022 ahead of our mid-term target of 6.5% p.a. Our scientists continue to invent new and novel tests that have a significant potential to improve human health outcomes and protect our environment, while our network of entrepreneurs pioneer new business opportunities related to sustainability. And just as we have always done, we remain steadfast in our strategy of investing significantly for future growth of revenues and returns to generate sustainable shareholder value over the long term. With these aspects in mind, I am confident that Eurofins will be as successful and vibrant in the coming years as it has been over the previous 35.”

Conference Call

Eurofins will hold a conference call with analysts and investors today at 15:00 CET to discuss the results and the performance of Eurofins, as well as its 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:

UK: + 44 330 165 4027

US: + 1 323 794 2551

FR: + 33 176 772 274

BE: + 32 240 406 59

DE: + 49 692 222 134 20

9M 2022 Organic Growth Calculation and Revenue Reconciliation

	<i>In €m except otherwise stated</i>
9M 2021 reported revenues	4,902
+ 2021 acquisitions - revenue part not consolidated in 9M 2021 at 9M 2021 FX rates	151
- 9M 2021 revenues of discontinued activities / disposals ¹⁰	-20
= 9M 2021 pro-forma revenues (at 9M 2021 FX rates)	5,034
+ 9M 2022 FX impact on 9M 2021 pro-forma revenues	216
= 9M 2021 pro-forma revenues (at 9M 2022 FX rates) (a)	5,250
9M 2022 organic scope* revenues (at 9M 2022 FX rates) (b)	4,938
9M 2022 organic growth rate (b/a-1)**	-5.9%
9M 2022 acquisitions - revenue part consolidated in 9M 2022 at 9M 2022 FX rates	89
9M 2022 revenues of discontinued activities / disposals ¹⁰	6
9M 2022 reported revenues	5,033

* Organic scope consists of all companies that were part of the Group as at 01/01/2022. This corresponds to the 2021 pro-forma scope.

** Including the impact from a year-on-year decrease in revenues from COVID-19 testing and reagents of approximately €500m.

Breakdown of Revenue by Operating Segment

€m	9M 2022	As % of total	9M 2021	As % of total	Growth %
Europe	2,651	52.7%	2,939	60.0%	-9.8%
North America	1,851	36.8%	1,557	31.8%	18.9%
Rest of the World	531	10.6%	406	8.3%	30.7%
Total	5,033	100.0%	4,902	100.0%	2.7%

€m	Q3 2022	As % of total	Q3 2021	As % of total	Growth %
Europe	796	49.1%	934	57.3%	-14.8%
North America	645	39.8%	549	33.7%	17.6%
Rest of the World	180	11.1%	147	9.0%	22.7%
Total	1,621	100.0%	1,630	100.0%	-0.5%

¹ Core Business excludes COVID-19 related clinical testing and reagents revenues

² 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 operations¹⁰.

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

³ Adjusted results – reflect the ongoing performance of the mature⁹ and recurring activities excluding "separately disclosed items"⁴.

⁴ Separately disclosed items – include one-off costs from integration and reorganisation, discontinued operations, 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 charge, impairment of goodwill, amortisation of acquired intangible assets and 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), net finance costs related to hybrid capital, and the related tax effects.

⁵ EBITDA – Earnings before interest, taxes, depreciation and amortisation, share-based payment charge⁶, 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.

⁶ Share-based payment charge and acquisition-related expenses, net – 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.

⁷ Net capex – Purchase of intangible assets, property, plant and equipment, less proceeds from disposals of such assets.

⁸ Free Cash Flow to the Firm - Net cash provided by operating activities, less Net capex.

⁹ 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.

¹⁰ 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. For more information, please refer to Note 2.26 of the Consolidated Financial Statements for the year ended 31 December 2021.

¹¹ FCFF before investment in owned sites: FCFF less Net capex spent on purchase of land, buildings and investments to purchase, build or modernise owned sites/buildings (excludes laboratory equipment and IT).

¹² FY 2022 objectives have been set at H1 2022 average FX rates, assuming 6.5% organic growth in the Core Business in H2 2022, €250m in revenues from acquisitions in FY 2022 consolidated at mid-year and €600m revenues from COVID-19 testing and reagents in FY 2022.

Notes to Editors:

For more information, please visit www.eurofins.com or contact:

Investor Relations
Eurofins Scientific SE
Phone: +32 2 766 1620
E-mail: ir@eurofins.com

About Eurofins – the global leader in bio-analysis

Eurofins is Testing for Life. Eurofins is the global leader in food, environment, pharmaceutical and cosmetic product testing, and in discovery pharmacology, forensics, advanced material sciences and agrosience Contract Research services. Eurofins is also a market leader in certain testing and laboratory services for genomics, and in the support of clinical studies, as well as in BioPharma Contract Development and Manufacturing. The Group also has a rapidly developing presence in highly specialised and molecular clinical diagnostic testing and in-vitro diagnostic products.

With over 61,000 staff across a decentralised and entrepreneurial network of 940 laboratories in 59 countries, 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 and in-vitro diagnostic products.

The Group's objective is to provide its customers with high-quality services, innovative solutions and accurate results on time. Eurofins is ideally positioned to support its clients' increasingly stringent quality and safety standards and the increasing demands of regulatory authorities as well as the requirements of healthcare practitioners around the world.

In 2020 and 2021, Eurofins reacted quickly to meet the global challenge of COVID-19, by creating the capacity to help over 20 million patients monthly who may have been impacted by the pandemic with our testing products and our services and directly supporting healthcare professionals working on the front line to fight the virus. The Group has established widespread PCR testing capabilities and has carried out over 40 million tests in its own laboratories, is supporting the development of a number of vaccines and has established its SAFER@WORK™ testing, monitoring and consulting programmes to help ensure safer environments, travel and events during COVID-19.

Eurofins has grown very strongly since its inception and its strategy is to continue expanding 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.

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.