Eurofins delivered very strong revenues, margin and cash flow in FY 2020, ahead of its objectives, thanks to a fast-paced response to COVID-19 and the resilience of its core businesses

1 March 2021

- Total revenues grew 19.2% from EUR 4,563m to EUR 5,439m for the full financial year 2020 (FY 2020), slightly above the Group's recently upgraded EUR 5,400m revenue objective for FY 2020 and 8.8% higher than the EUR 5,000m objective set in October 2018[16], and already upgraded from the original EUR 4,000m objective set in October 2015.
- Organic growth[10] was strong at 19.3% in FY 2020 with 5.1% in H1 2020, 32.7% in H2 2020 and a record 42.4% in Q4 2020.
- Results demonstrate the resilience of the Group's core business (excluding COVID-19 clinical testing and reagents revenues), with positive organic growth in FY 2020 and organic growth returning to 5% in Q4 2020 despite continued lockdowns in many countries.
- The Group has risen to the challenges of COVID-19, quickly developing a very broad range of products and services critical to the management of COVID-19. It set up, at pace, significant scale testing capacity and remained at the forefront of both scientific and product innovation. The Group supported the development of vaccines by most leading providers. It also innovated to produce new critical tests and testing formats for the individual and the workplace and recently the Novatype RT-PCR for fast variant identification.
- The Group estimates that COVID-19 testing and reagents delivered in excess of EUR 800m revenues in FY 2020. While they required some additional Net capex and inventory building, these activities were accretive to EBITDA[3] margins and cash flow.
- The Group continued to execute on its strategy to reinforce its position as the global leader in "Testing for Life" and entered the final stage of its significant 2015-2020 investment programme to create a network of large state-of-the-art laboratories enabling scale effects, with the most innovative equipment and fully digital with advanced IT solutions.
- Adjusted[1] EBITDA increased by 52% year-on-year to EUR 1,413m in FY 2020 from EUR 931m in FY 2019, representing a 26.0% adjusted EBITDA margin (+560bps year-on-year) exceeding the Group's latest EUR 1,300m adjusted EBITDA objective set in December 2020 and the EUR 1,000m adjusted EBITDA objective first set in October 2018 and restated to EUR 1,100m in March 2020 to reflect the impact of IFRS16[17].
- Adjusted basic earnings per share[7] (EPS) increased by 107% to EUR 3.63 in FY 2020 compared to EUR 1.75 in FY 2019, largely driven by the increase in profitability and lower tax compared to last year.
- Net Operating Cash Flow[8] significantly increased in FY2020, up 81% to EUR 1,224m in FY2020 vs EUR 678m in FY 2019. Net working capital stood at 4.5% of Group's revenues in FY 2020 vs 5.3% in FY2019 (-80bps year-on-year).
- Free Cash Flow to the Firm[9] was EUR 873m, a significant increase of 143.5% compared to EUR 359m in FY 2019 and well above our most recent objective of EUR 700m set in December 2020 and the original

EUR 500m objective first set in March 2020[18], restated to EUR 600m in October 2020 to reflect IFRS 16 reclassification.

- Year-end net debt[14] decreased to EUR 2,242m from EUR 3,245m in FY 2019 thanks to the strong cash flow generation and a successful equity issuance (EUR 535m total gross proceeds) in May 2020. As a result, the leverage ratio (net debt divided by proforma adjusted EBITDA[19]) decreased to 1.6x at the end of December 2020, from 2.5x at the end of June 2020 and 3.2x at the end of December 2019 returning below 2.0x, 2 years ahead of the 2022 target.

- Eurofins closed 26 acquisitions during the year 2020, representing full-year equivalent proforma revenues of EUR 103m in FY 2020 and a total investment of EUR 177m, slightly above the EUR 171m investment in FY 2019 and still considerably lower than 2017 and 2018, reflecting the Group's reduced focus on M&A.

- Eurofins intends to propose, at its upcoming Annual General Meeting (AGM), to distribute a dividend of EUR 0.68 per share, corresponding to 25% of FY 2020 basic reported EPS attributable to equity holders.

- In FY 2020, the Group continued to embed best practices in business operations and make further progress on all three dimensions of ESG, including disclosure**,** notably with the introduction of specific ESG targets focused on gender diversity, safety, environment and compliance, applicable for all Business units and more senior leaders from 2021 onwards, the appointment of a fourth independent director with over 40 years of experience in audit and accounting to the Board of Directors in 2020 and the proposal to bring the Board of Directors to eight members comprised of four women and five independent directors at the April 2021 AGM.

- Outlook: following a very strong set of 2020 results, Eurofins is confirming its 2021 financial objectives, updating its objectives for 2022 and setting new objectives for 2023, all at average 2020 currency exchange rates, as follows:

    - The COVID-19 pandemic evolution and its impact over the coming months and years remains very much uncertain, especially considering the unknown efficacy of vaccines on new Variants of Concern, leading to a wide range of potential financial outcomes.

    - Consequently, keeping our previous revenues objective for FY2021 of EUR 5.45bn first set on 4 March 2020, before the pandemic significantly hit Europe and North America, appears the best estimate that can be made for now. This objective was initially made at 2019 average exchange rates and assumed EUR 200m from M&A consolidated at mid-year in 2020 (revised down to EUR 150m on 22 October 2020), while there was actually a negative FX effect of EUR 60m in 2020 and only EUR 103m of full year revenues from M&A in 2020. These objectives also assume EUR 150m revenues from M&A in 2021 consolidated at mid-year.

    - The Group also maintains its FY2021 objectives of EUR 1.25bn adjusted EBITDA and EUR 700m Free Cash Flow to the Firm. This includes an objective of EUR 350m for Net capex and EUR 30m for SDI at the EBITDA level.

    - 2021 results could well be materially higher than these objectives should COVID-19 testing continue at current levels through 2021.

    - The objectives outlined below for 2022 and 2023 are set excluding any revenues from COVID-19 testing and reagents and any M&A beyond 31/12/2020 (i.e. organic core business ex. COVID-19 objectives). They also assume a full return to normal of the economies and markets to a pre pandemic situation by 01/01/2022.

    - In 2020, the Group generated over EUR 800m of revenues from COVID-19 testing and reagents. It remains very difficult to estimate the lost growth in 2020 due to the impact of COVID-19 lockdowns, social distancing & travel restrictions on our clients and our activities. Nevertheless, given the strong performance of our core business in Q1 and Q4 of 2020, we estimate this impact to be of ca. EUR 250m in 2020, implying a net positive COVID-19 impact of about EUR 550m on FY2020 revenues. If the pandemic is fully resolved by the end of 2021, we believe that the EUR 250m lost growth on our core business in 2020 could be caught up in 2022 (in addition to

the 5% organic growth of that year), as those missing sales are mainly due to the reduction of testing for activities impacted at our clients (restaurants, events and travel industry, clinical trials, etc.) and environment testing that requires on site sampling. For 2022 and 2023, we believe that setting a 5% annual organic growth objective for our core business (excluding COVID-19 testing and reagents revenues) is an achievable target.

- Based on those objectives and hypotheses Eurofins organic ex. COVID-19 revenues should therefore reach EUR 5.45bn in 2022. This would lead to ex. COVID-19 objectives of EUR 1.30bn adjusted EBITDA and EUR 750m Free Cash Flow to the Firm.
- For 2023, based on 5% organic growth, the organic ex. COVID-19 revenues objective is set at EUR 5.725bn, and thanks to expected continued progress on profitability and cash flow generation, Eurofins sets objectives of EUR 1.375bn adjusted EBITDA and EUR 800m Free Cash Flow to the Firm.
- Should the above Free Cash Flow objectives be achieved throughout 2021-2023, without any M&A spend in the period, the leverage (net debt to adjusted EBITDA), should fall below 1.0x by the end of 2023.

These organic objectives reflect both the significant opportunities available to the Group as well as the poor visibility of future COVID-19 contributions. Should vaccination programs not achieve sufficient population immunity in many countries by this summer or Variants of Concern significantly reduce Vaccine effectiveness, a level of COVID-19 testing and reagents revenues could well continue in 2022 and beyond as well as some market disruptions. At this time, Eurofins continues to carry out significant volumes of COVID-19 testing and anticipate this activity to continue at some level at least during 2021.

In addition to these organic objectives, whilst M&A is not currently a priority, Eurofins considers a likely scenario that it may add EUR 150m proforma revenues from acquisitions in 2021 and EUR 200m in each of 2022 and 2023. Including these M&A activities, the Group revenues would reach EUR 5.70bn in 2022 and EUR 6.175bn in 2023 if it achieves its organic objectives.

Comments from the CEO, Dr. Gilles Martin:

"I am humbled by the outstanding way Eurofins teams responded to the challenges of 2020, rapidly developing and delivering an unmatched set of solutions to fight the pandemic, demonstrating the resilience of our core business, and growing revenues, margins and cash flow significantly. The Group has also used the year to further invest in its infrastructure, especially IT, to be stronger in future years and offer superior services to clients. Eurofins is now in a very strong financial position, which offers optionality and the ability to invest in high growth markets, such as in Asia.

For 2021, the impact of further economic disruptions and the contribution from COVID-19 testing and reagents services on our Group remains very hard to estimate, especially considering the rapid spread of variants of concern. Scenarios range from return to normal in the spring of 2021 to continued disruptions and some need for testing continuing into 2023. Looking beyond the pandemic, the Group is very excited by its broader prospects driven by return to growth in global economies, continued growth in our core markets, rapidly rising levels of investment in global BioPharma, and the many opportunities from new technologies coming from recent advances in relation to the COVID-19 pandemic. The speed of reaction and innovative strength shown by our entrepreneurial units to develop an unparalleled range of solutions to fight COVID-19 will no doubt enable our Group to capture significant opportunities in other areas in the future."

The Full Year Report 2020 can be found on Eurofins' website at the following location: https://www.eurofins.com/investors/reports-and-presentations/

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 3333 009 273
US: + 1 833 249 8406
FR: + 33 1 70 75 07 18
BE: + 32 2 620 05 48
DE: + 49 69 22 22 39 165
DK: + 45 78 72 32 51

Business Review

The following figures are extracts from the Consolidated Financial Statements and should be read in conjunction with the Consolidated Financial Statements and Notes for the year ended 31 December 2020.

Table 1: Full Year 2020 Results Summary

	FY 2020			FY 2019			+/- %	+/- %
In EUR m except otherwise stated	**Adjusted[1] Results**	Separately disclosed items[2]	Reported Results	**Adjusted[1] Results**	Separately disclosed items[2]	Reported Results	**Adjusted Results**	**Reported Results**
Revenues	5,438.8	-	5,438.8	4,562.8	-	4,562.8	*19.2%*	*19.2%*
EBITDA[3]	1,412.7	-61.8	1,350.8	930.7	-97.8	833.0	*51.8%*	*62.2%*
EBITDA Margin (%)	26.0%		24.8%	20.4%		18.3%	*+560bps*	*+650bps*
EBITAS[4]	1,023.6	-98.7	924.9	573.5	-136.5	437.0	*78.5%*	*111.6%*
Net Profit[6]	706.5	-167.0	539.4	359.4	-164.1	195.2	*96.6%*	*176.3%*
Basic EPS[7] (EUR)	3.63	-0.91	2.71	1.75	-0.93	0.82	*107.4%*	*230.5%*
Net Operating Cash Flow[8]			1,223.5			677.9		*80.5%*
Free Cash Flow to the Firm[9]			873.2			358.6		*143.5%*
Net capex[13]			350.3			319.3		*9.7%*
Net Debt[14]			2,242.3			3,244.7		*-30.9%*
Leverage Ratio (net debt/ proforma adjusted EBITDA[19])			1.6x			3.2x		

Note: Definitions of the terms used can be found at the end of this press release

Revenues

Revenues increased 38.6% year-on-year to EUR 1,703m in Q4 2020 from EUR 1,228m in Q4 2019. For the full financial year 2020, revenues grew 19.2% from EUR 4,563m to EUR 5,439m, exceeding the most recent revenue objective of EUR 5,300m set in December 2020 and 8.8% above the original objective of EUR 5,000m first set in October 2018. Organic growth was strong at 19.3% in FY 2020 with 5.1% in H1 2020, 32.7% in H2 2020 and a record 42.4% in Q4 2020. The strong trading performance was driven by both the core business (excluding COVID-19 clinical reagents and testing revenues) and COVID-19 related activities which demonstrated the very strong agility of the Group to develop new activities at pace and the benefit of its broad-based activities (genomics, technologies, clinical diagnostics IVD products, routine and specialty clinical testing). The core business showed very strong resilience despite the impact of lockdowns in many geographies, delivering a ca. 5% organic growth rate in Q4 2020.

Table 2: Organic Growth Calculation and Revenue Reconciliation

	EURm (unless otherwise stated)
2019 reported revenues	**4,563**
+ 2019 acquisitions - revenue part not consolidated in 2019 at 2019 FX	42
- 2019 revenues of discontinued activities / disposals[12]	-23
= 2019 pro-forma revenues (at 2019 FX rates)	4,582
- 2020 FX impact on 2019 pro-forma revenues	-60
= 2019 pro-forma revenues (at 2020 FX rates) (a)	**4,522**
2020 organic scope* revenues (at 2020 FX rates) (b)	**5,393**
2020 organic growth rate (b/a-1)	**19.3%**
2020 acquisitions - revenue part consolidated in 2020 at 2020 FX	40
2020 revenues of discontinued activities / disposals[12]	6
2020 reported revenues	**5,439**

** Organic scope consists of all companies that were part of the group as at 01/01/2020. This corresponds to 2019 pro-forma scope.*

Table 3: Breakdown of Revenue by Operating Segment

(EUR m)	**FY 2020**	**As % of total**	**FY 2019**	**As % of total**	***Growth %***
Europe	3,145.7	57.8%	2,500.6	54.8%	25.8%
North America	1,886.6	34.7%	1,677.2	36.8%	12.5%
Rest of the World	406.5	7.5%	385.0	8.4%	5.6%
Total	**5,438.8**	**100.0%**	**4,562.8**	**100.0%**	**19.2%**

In Europe, Eurofins' largest market representing 57.8% of Group revenues (54.8% in FY2019), revenues increased 25.8% to EUR 3,146m compared to EUR 2,501m in FY 2019. The region delivered double-digit revenue growth primarily driven by the Group's ramp-up of COVID-19 activities. Thirty-seven laboratories across Europe were created or repurposed to offer capacity and fast turnaround times for PCR testing and more than 10 million PCR tests were performed. A large part of the COVID-19 activities of these laboratories has been focused on supporting health authorities and patients directly. The Group continues to develop additional solutions and deploy additional services to support authorities including in identifying new variants early, through further sampling points and increasing sequencing activity in several countries. Eurofins recently launched its GSD NovaPrime® SARS-CoV-2 PCR kit which is validated and CE-marked for gargling and saliva sampling methods. Such methods are preferred for testing children and vulnerable groups and could be used to help reopen schools or support them to remain open. They also lend themselves very well to mass testing. Eurofins also recently launched GSD NovaPrime® SARS-CoV-2 Direct RT-PCR kit, a new extraction-free RT-PCR method validated and CE-marked which allows for extremely fast (one hour) onsite testing without compromising the high accuracy of PCR testing. The Group has also been supporting companies, the travel industry, sports events, municipalities, regional and national testing operations.

After a robust start in 2020, the Food and Feed testing activities in Europe felt the impact of the lockdowns, especially in Q2 2020, before returning to more normal growth levels in the second half of the year. Activities involving physical contact with the customer such as audit and sensory, environment sampling or clinical trials continue to be challenged. Environment testing also had a strong start in Europe in 2020 with positive growth in Q1 2020, with particularly strong performance in the DACH, Benelux and Nordics regions, on the back of good quality and service delivery, as well as innovation. In Q2 2020, the business was severely impacted by COVID-19 restrictions, in France, Spain, Austria, the UK and Ireland where strict lockdown measures put many of our client

activities on hold. It has been progressively catching up since May with the business back to positive organic growth in Q4 2020 despite some activities still being impacted by the COVID-19 related restrictive measures in some countries (e.g. testing related to the construction sector), resulting in overall flat organic growth for this area of activity in Europe in FY 2020.

In North America, Eurofins' second largest market which accounts for 34.7% of Group sales (36.8% in FY 2019), revenues increased 12.5% to EUR 1,887m in FY 2020. Revenues in North America were positively impacted by COVID-19 related activities in the Clinical, BioPharma, and Genomic segments. The U.S. Clinical business was well positioned to respond to COVID-19 testing demand, and extensive capacity was developed at our twenty CLIA-certified testing laboratories geographically dispersed across the U.S.. In BioPharma services, growth continued to be strong thanks to new offerings and increased customer outsourcing trends, as well as the Group's support of numerous COVID-19 related therapeutics and vaccines. This was partly offset by delays and cancellations of early phase clinical trials, particularly early on in the pandemic, which primarily impacted the CDMO and Central Laboratory businesses. Strong growth was also achieved in Genomics as the business directly contributed to the development and manufacturing of diagnostics and therapeutics for COVID-19. Agroscience saw weaker study activity, largely attributable to cancellations and delays in new awards due to COVID-19 related customer disruptions.

Food testing also performed strongly in the U.S. in 2020, benefiting from the strong positive effects of its nationwide network of microbiology laboratories and the continued consolidation and integration of the assets of the former Covance Food Solutions businesses which drove increasing sales and margin expansion. Additionally, one of the effects of the pandemic was also to strengthen demand for supplements, vitamins, and pet foods, which further supported growth in the region. Finally, the integration of Covance Food Solutions, acquired in the second half of 2018, is largely completed with the opening, six weeks ahead of schedule, of the large new Food Chemistry laboratory in Madison, Wisconsin. This state-of-the-art facility is expected to drive new innovations and efficiencies for our customers benefit beginning in 2021 and become the Centre of Excellence for much of the Group's U.S. specialty food chemistry departments, serving the nutritional supplements market and other large food industry clients. In Environment Testing, revenues were impacted by the COVID-19 pandemic to varying degrees depending on national/state government policies and protocols. In Canada, where government policy incentivised the retention of staff, Environmental field activity was maintained thereby supporting a strong flow of samples into our laboratories which, as a result, managed to generate positive year-on-year revenue growth. In the U.S., after a very strong start in Q1 2020, the Environment Testing business was impacted by state-by-state shelter-in-place orders in Q2 2020, which affected field-sampling activities. Sample flow partly recovered from May onwards.

In FY2020 in the Rest of the World, Eurofins generated 7.5% of revenues (vs 8.4% in FY2019) or EUR 407m compared to EUR 385m in FY 2019, an increase of 5.6% compared to prior year with varying performance across both countries and areas of activity, as the COVID-19 impact on sales was largely driven by the specific national government policies and protocols applicable locally. Asia and the Middle East performed well overall, with the regions delivering high double-digit organic growth in Q4 2020 and low double digit organic growth in FY 2020, driven in particular by strong performance of the laboratories focusing on Biopharma Product Testing, Genomics services and SAFER@WORK Initiatives as Eurofins continued to partner with governments, pharmaceutical companies and other corporates to help control the pandemic. On the other hand, Environment Testing, Food and Feed Testing and Consumer Product Testing businesses were particularly affected by COVID-19 lockdowns. India performed strongly supported by a sharp surge of demand in both Genomics and Pharma services with the production of probes and primers for diagnostics use and for research laboratories developing vaccines and therapeutics against COVID-19. The Consumer Product Testing business developed capabilities in-house to initiate testing of sanitisers, masks and coveralls. In Japan, Genomics benefited from demand for primers and probes to detect SARS-CoV-2 and Biopharma Testing diversified its service portfolio to focus on innovations and activities for new modalities. During the year 2020, the Group made a number of strategically significant acquisitions to further strengthen its positioning in Asia. In Japan in particular, through the acquisition of Taiyo Techno Research in November 2020, the Group became market leader in asbestos testing and, overall, Environment Testing in Japan whilst through the acquisition of GeneTech Inc. in August 2020 it became the market leader in Non-Invasive Prenatal Testing (NIPT). In Taiwan, the Group became market leader in Environment Testing with the acquisition of the SunDream Group.

In the Pacific region (Australia/New Zealand) solid growth was reported in spite of COVID-19 lockdowns. The BioPharma Testing, Environment Testing, and NZ Food & Water Business Lines reported strong top line growth. BioPharma growth was supported by increased demand for biocide and disinfectant product testing. The BioPharma Testing Chemical Analysis business acquired in 2019 was relocated to the 5,200 m² full service state-of-the-art laboratory campus in Melbourne as scheduled. The Australian Environment Testing business continued its trend of organic market share growth, supplemented by the acquisition of Perth based ARL and a tuck in Mold Testing business in Newcastle.

Performance in Latin America was mixed as the region was particularly hard hit by COVID-19. The Agroscience business, on the back of completing construction of a new full service GLP in Laboratory in Brazil and further enhancement of field services reported very strong top line. The Clinical business saw both a COVID-19 upswing and a downturn in traditional clinical testing and imaging to finish in a positive position. The consolidated Brazil and Chile Food & Feed businesses experienced both COVID-19 impacts and civil unrest (Chile), to finish the year in a near neutral top line position.

Profitability

Group adjusted EBITDA increased by 51.8% year-on-year from EUR 931m in FY 2019 to EUR 1,413m in FY 2020, representing a 26.0% adjusted EBITDA margin (+560bps year-on-year). This is above the Group's most recent EUR 1,300m adjusted EBITDA objective set in December 2020 (which was revised upward from the EUR 1,100m objective set in March 2020 as a result of strong trading performance). Overall, these results demonstrate that, whilst the year 2020 brought exceptional challenges, the Group's successful response particularly validated its entrepreneurial set up, allowing for agility and innovation in the development of new products and services. This confirms that, thanks to the network effect, the strong revenues for FY 2020 converted into improving margins and cash flow as well. It is impossible to accurately segregate profitability between COVID-19 and non-COVID-19 activities. Whilst we invested in extra laboratory equipment, personnel and facilities to facilitate additional COVID-19 activities, there is also a large part of these COVID-19 activities which were delivered thanks to existing facilities, personnel and equipment. This improved margins and supported the positioning of the Group in Life Sciences as a whole and in specific activities (genomics, IVD, technologies, routine and specialty clinical testing) which made it faster and easier for Eurofins to ramp up and deliver substantial COVID-19 testing capabilities quickly.

Table 4: Separately Disclosed Items[2]

In EUR m except otherwise stated	**FY 2020**	**FY 2019**
One-off costs from integrations, reorganisations and discontinued operations[12], and other non-recurring income and costs	-53.5	-48.0
Temporary losses and other costs related to network expansion, start-ups and new acquisitions in significant restructuring	-8.3	-49.8
EBITDA[3] impact	-61.8	-97.8
Depreciation costs specific to start-ups and new acquisitions in significant restructuring	-36.9	-38.7
EBITAS[4] impact	-98.7	-136.5
Share-based payment charge and acquisition-related expenses, net[5]	-124.5	-70.5
Net finance costs related to borrowing and investing excess cash and one-off financial effects (net of finance income)	-2.6	1.3
Tax effect from the adjustment of all separately disclosed items	59.1	40.6
Non-controlling interest on separately disclosed items	-0.3	0.9
Total impact on Net Profit[6]	-167.0	-164.1
Impact on Basic EPS[7] (EUR)	-3.1	-1.6

Separately Disclosed Items[2] (SDI) at EBITDA level significantly decreased by 37% to EUR 62m (FY 2019: EUR 98m) and stood at 4.4% of adjusted EBITDA in FY 2020 vs. 10.5% in FY 2019, in line with the Group's objective of achieving a significant reduction in SDI. In FY 2020, SDI comprised:

- One-off costs from integrations, reorganisations and discontinued operations, and other non-recurring income and costs of EUR 54m, up 12.5% from EUR 48m in FY 2019, mostly in the following sites: UK Forensics sites consolidation, consolidation of Environmental sites in California and generally from the

merger of TestAmerica's network with Eurofins' legacy Environment laboratories, U.S. Food Chemistry from the consolidation of Covance Food safety network into Eurofins historic network, consolidation of our IVD products sites in Germany.

- Temporary losses and other costs related to network expansion, start-ups and new acquisitions, of EUR 8m, significantly lower when compared to FY 2019 (EUR 50m) thanks to improvements in start-ups and acquisitions undergoing significant restructuring, including at Boston Heart Diagnostics and EGL which recorded positive EBITDA as they benefited from activities in relation to the fight against the COVID-19 pandemic. The remaining losses mostly relate to EmpowerDX (direct to consumer products) and Transplant Genomics start-ups in the U.S.

The significant year-on-year reduction of 37% in SDI at EBITDA level highlights that the period of consolidation which followed acquisition activity in 2017 and 2018 is coming to an end. It also reflects the Group's reduced M&A focus and the overall reduction of losses in start-ups and other acquisitions in restructuring recorded in FY 2020 underlines the success of this organic development programme.

Reported EBITDA[3] increased 62% year-on-year to EUR 1,351m in FY 2020 from EUR 833m in FY 2019, representing a 24.8% reported EBITDA margin, a 650bps improvement year-on-year. This includes EUR 30m of cyber insurance reimbursement, weighing for 55bps. This strong increase in profitability is in part attributable to COVID-19 related activities which posted an accretive marginal EBITDA (benefiting in many cases from existing facilities, equipment and personnel, hence contributing to the absorption of fixed costs).

Table 5: Breakdown of Reported EBITDA by Operating Segment

(EUR m)	FY 2020	EBITDA margin, %	FY 2019	EBITDA margin, %	*Growth %*
Europe	833.3	26.5%	464.0	18.6%	79.6%
North America	537.9	28.5%	385.1	23.0%	39.7%
Rest of the World	86.7	21.3%	74.0	19.2%	17.2%
Other[1]	-107.0	-2.0%	-90.1	-2.0%	18.8%
Total	1,350.8	24.8%	833.0	18.3%	62.2%

(1) Other corresponds to Group Service Centres

At regional level, Europe and North America benefited most, with Europe in particular recording a ca. 80% growth in Reported EBITDA and a 790bps year-on-year change in Reported EBITDA margin. North America also delivered strong results, with EBITDA growth of ca. 40% year-on-year and a 550bps EBITDA margin improvement compared to FY 2019, thanks to strong trading performance and COVID-19 related activities in the Clinical, BioPharma, and Genomic segments. As a result, both North America and Europe remained accretive for the Group. The Rest of the World segment delivered strong double digit growth of 17.2% growth in Reported EBITDA and generated an EBITDA margin of 21.3% in FY 2020 (+210bps year-on-year), demonstrating some good progress too, though dilutive to the Group average reported EBITDA margin driven by varying performance between countries and activities.

The Group's mature scope[11], represented 94% of the Group's revenues in FY 2020 (EUR 5,112m) compared to 93% in FY 2019 (EUR 4,250m) and generated an adjusted[15] EBITDA margin of 27.6% in FY 2020, a 570bps increase year-on-year.

Depreciation and amortisation increased by 7.6% year-on-year to EUR 426m. As a percentage of revenues, D&A stood at 7.8% of Group revenues in FY 2020 vs. 8.7% in FY 2019, a 90bps decrease year-on-year, reflecting the fact that the Group has entered the final stage of its significant 2015-2020 investment programme to create a network of state-of-the-art laboratories in large buildings enabling scale effects, with the most innovative equipment and fully digital with advanced IT solutions and the rapid depreciation policy chosen by the Group.

EBITAS[4] stood at EUR 925m (17.0% EBITAS margin, +112% compared to FY 2019) while EBIT amounted to EUR 800m (14.7% EBIT margin, +118% vs FY 2019).

Finance costs amounted to EUR 110m, representing a 9.4% increase compared to FY 2019. Profit before tax increased 156% year-on-year to EUR 694m from EUR 272m in FY 2019, mostly driven by the very strong trading performance of the Group in FY 2020.

Income tax rate decreased to 22.2% of profit before tax in FY 2020 from 28.1% in 2019, representing a tax expense of EUR 154m (+102% year-on-year). The improvement in the tax rate was primarily driven by the activation of net operating losses and the higher profit base, especially in the U.S. and Germany.

Net profit[6] stood at EUR 539m (9.9% of revenues, +176% compared to EUR 195m FY 2019), resulting in a basic EPS of EUR 2.71 (+232% year-on-year from EUR 0.82 in FY 2019).

Adjusted net profit stood at EUR 707m compared to EUR 359m in FY 2019, resulting in adjusted basic reported earnings per share (EPS) to increase by 107% to EUR 3.63 in FY 2020 compared to EUR 1.75 in FY 2019. The increase was largely driven by the increase in profitability and lower tax paid in comparison to last year thanks to the usage of loss-carry forwards.

Cash Flow & Financing

Table 6: Cash Flows Reconciliation

(EURm)	FY 2020 reported	FY 2019 reported	*Y-o-Y variation* *FY 2020 vs. FY 2019*	*% Y-o-Y variation* *FY 2020 vs. FY 2019*
Net Cash from Operations	1,224	678	+546	+80.5%
Net capex (i)	-350	-319	-31	-9.7%
Free Cash Flow to the Firm	873	359	+514	+143.5%
Acquisitions spend and other investments (ii)	-175	-121	-54	-44.6%
Net Cash from Investing (i) + (ii)	-525	-440	-86	-19.4%
Net Cash from Financing	-49	-443	+394	+89.0%
Net increase / (decrease) in Cash and cash equivalents and bank overdrafts	616	-201	+817	+407.2%
Cash and cash equivalents at end of period and bank overdrafts	911	295	+616	+209.2%

Cash flow was strong, with Net Operating Cash Flow[8] increasing by 81% to EUR 1,224m, from EUR 678m in FY 2019. Net working capital stood at 4.5% of Group's revenues in FY 2020 vs 5.3% in FY2019 (-80bps year-on-year). The change in net working capital was largely driven by the impact of COVID-19 related activities and significant improvements in Days Sales Outstanding (52 vs 60 days), despite slightly degraded Days Payables Outstanding (53 vs 55 days) and inventories which doubled to EUR 157m including significant COVID-19 reagents and plastics inventory.

Net capex[13] spend increased by 9.7% year-on-year to EUR 350m in FY 2020 compared to EUR 319m in FY 2019 and represented 6.4% of Group's revenues vs. 7.0% in FY 2019, slightly above the Group's initial objective of EUR 300m set in March 2020 and reflecting the initial Net capex freeze implemented at the start of the COVID-19 pandemic, which was subsequently offset by the requirements to ramp up the Group's COVID-19 testing capacity. Laboratory equipment represented ca. 35% of the total FY 2020 Net capex spend, reflecting both the ramp-up in our COVID-19 testing capacity and the completion stages of our infrastructure programme. Buildings and leasehold improvements represented ca. 40%, consistent with the finalisation of our hub and spoke network following the significant acquisitions made in 2017 and 2018, and IT spend amounted to ca. 20%, in line with our sustained effort to develop unique laboratory information management systems (LIMS) and accompany the digital transformation of our activities. The geographical breakdown of the FY 2020 Net capex spend was in line with our revenues split, with Europe representing ca. 55%, North America ca. 35% and the Rest of the World ca. 10%.

Free Cash Flow to the Firm increased very significantly by 143.5% to EUR 873m vs EUR 359m for FY 2019. Eurofins has managed to significantly improve its cash flow generation in 2020 thanks to a combination of factors including the very strong resilience of our core business, back to 5% organic growth in Q4 2020 and the very strong agility of the Group to develop new products and services to support the fight against the COVID-19 pandemic as well as very good working capital management and tax rate improvements. The year-on-year cash flow variation shows that the additional revenues were significantly converted into additional profits and cash generation, enabling the Group to reduce its leverage (net debt to adjusted proforma EBITDA) to 1.6x, faster than planned and in line with its historical range of 1.5-2.5x with current leverage already below the 2022 objective.

M&A spend was EUR 177m in FY 2020, representing a slight 3.6% year-on-year increase (EUR171m in FY 2019) as the Group has continued to reduce M&A, given the uncertain environment and in line with the deleveraging plans Eurofins set for 2019-2022. The Group closed 26 acquisitions (including asset deals) generating proforma revenues of EUR 103m. Combined Net capex and M&A spend totalled EUR 527m in 2020, below the Group's self-imposed limit for combined Net capex and M&A of EUR 600m.

Year-end net debt decreased significantly by 31% year-on-year and stood at EUR 2,242m (vs. EUR 2,584m at the end of June 2020 and EUR 3,245m at the end of December 2019), thanks to the strong FY 2020 cash generation and May 2020 equity raise which enabled the Group to pay back all its bilateral credit lines (from EUR 405m in 2019) and most of its short-term borrowings (from EUR 455m in FY 2019 to EUR 238m in FY 2020, of which EUR 97m of Schuldschein debt repaid in January 2021) and bring forward the refinancing of some of its senior debt.

The Group closed the year with a very solid liquidity position, with EUR 912m of cash on its balance sheet vs EUR 297m in FY2019 and over EUR 1 billion of undrawn credit lines at the end of December 2020. In July 2020, Eurofins received its first public long-term issuer credit rating by Moody's, which assigned an investment grade rating of Baa3 with stable outlook. Such rating will enable the Group to access a broader investor base and get even better conditions from debt capital markets for Eurofins' upcoming (re)financing needs.

COVID-19 Response

COVID-19 has affected many Eurofins business lines, business units and employees. Eurofins is extremely focused on safeguarding the health and safety of every Eurofins employee. In addition to following the guidelines relevant to their own communities and countries, each Eurofins company has developed internal guidelines to safeguard the health of its employees, whether they work in an office or laboratory environment.

In addition, in 2020, Eurofins reacted quickly to meet the global challenge of COVID-19, by creating capacity to help over 20 million patients monthly with innovative testing products and services and by directly supporting healthcare professionals working on the front line to fight the pandemic. The Group has also established widespread PCR testing capabilities and has carried out over 15 million tests in its own laboratories.

In terms of COVID-19 related innovations, Eurofins has been at the forefront of scientific research and development from the onset of the pandemic. Notably, the Group has developed the following innovative testing products and services:

- Highly sensitive clinical testing Multiplex Real-Time PCR kits for the direct qualitative pathogen detection of SARS-CoV-2 that provide results in approximately one hour. Having been successfully validated for pharynx gargling samples, which are non-invasive and easy-to-use, these tests allow for self-sampling applications and are particularly useful for the testing of children.
- Viracor's SARS-CoV-2 RT-PCR diagnostic test, ranked as the most sensitive of 118 laboratories' kits by the FDA's SARS-CoV-2 Reference Panel[20].
- SAFER@WORK programmes, which include the Eurofins COVID-19 Sentinel™ tests, designed to help companies set up advanced risk management protocols to contribute to limiting the impact of COVID-19 on the workplace.
- Antigen Rapid Tests for the qualitative detection of SARS-CoV-2 antigens that provide reliable results from nasopharyngeal samples in 15 minutes.
- The ARTIC Next Generation Sequencing (NGS) Oligo mix, a whole-genome sequencing service providing full-length viral genome sequences, essential in the identification of viral mutations. The ARTIC approach

utilises an optimised oligo pool for multiplexed PCR amplification of the complete viral genome, achieving highest performance and best-in-class uniformity of coverage for the full-length viral genome.
- GSD NovaType SARS-CoV-2 Detect & ID RT-PCR assay, clinically validated for detecting variants such as B.1.1.7 and B.1.351, with a short turn-around time. This RT-PCR test is ideal for retesting millions of positive samples to identify the presence of a new variant in the virus and maintains very high sensitivity in the detection of variants such as B.1.1.7 and B.1.351.
- Rapid ELISA testing kits supporting vaccine launches.

The Group has been central to the COVID-19 therapeutic treatment and vaccine development, supporting six of the seven leading vaccine candidates being developed and funded under the U.S. government's Operation Warp Speed (OWS), as well as three of the leading COVID-19 therapeutics.

- One particularly significant programme involved relentless work to support a key customer, Janssen Pharmaceutical Companies of Johnson & Johnson, advance their investigational COVID-19 vaccine candidate. Services include upstream support involving preculture and culture optimisation, downstream and sampling support, method development and validation, product release and stability, raw materials testing, extractables and leachables testing, and onsite Professional Scientific Services (PSS) at Janssen facilities.
- Additionally, Eurofins-Viracor BioPharma Services provided all the Phase II and III COVID-19 qPCR testing for Moderna beginning in late spring and continuing through to Moderna's successful EUA grant in December of 2020. Eurofins utilised our best in class EUA bridged qPCR COVID-19 assay to conduct more than 2,000 tests for their Phase II and more than 85,000 tests for their Phase III studies, all under very intense turnaround time requirements.

Concurrent to ongoing COVID-19 assay innovation and support for vaccine development, Eurofins repurposed several laboratories and increased capacity throughout its network of Clinical Diagnostics laboratories to ensure sufficient capacity and consistency of turnaround time. For instance, between March and October 2020, Eurofins U.S. Clinical Diagnostics managed to ramp up testing capacity to over 500,000 samples per week with average turnaround time of results below 18 hours from receipt in the laboratory.

Finally, in terms of social support measures, the Group, through the Eurofins Foundation, set up a dedicated Solidarity Fund to provide support to Eurofins employees who may have experienced exceptional hardship due to the impact of the pandemic and had the opportunity to offer pro-bono testing to a number of social communities, both in the U.S. and Europe. Furthermore, Eurofins has made several testing donations, including in December 2020, when it donated part of its sequencing capacity to national public health authorities with no approved funding to identify in their positive samples, and evaluate local prevalence of the VUI-2020-12/01 strain reported to spread faster in the UK.

More details can be found in the "COVID-19 Response" section of the 2020 Annual Report and on the website (visit https://www.eurofins.com/covid-19-response/).

Focus on Scientific Innovation

Although in 2020 the majority of Eurofins' innovation activity was clearly focused on supporting public health authorities, governments and healthcare providers to combat the COVID-19 pandemic, our experts have continued making scientific advancements and developed unique solutions across multiple sectors. Such innovations have included, among many others, genomic methodology to differentiate identical twins, multi-pesticide detection methods, tests to predict the risk of stem cell transplant rejection in individuals and innovative pre-natal testing methods. Thanks to their exceptional efforts, the Group continued to make advances and innovations in multiple core business areas in 2020, including:

Biopharmaceutical Testing Services

- The Androgen Receptor (AR), a cell-based assay part of the Nuclear Hormone Receptor (NHR) super family which is composed of important therapeutic targets in the pathology of cancer, inflammation cardiovascular disease, inflammation and reproduction;

- Antibody-dependent Cellular Cytotoxicity (ADCC), a patented cell-mediated immune defense mechanism to activate the effector cells of the immune system and analyse the target cells for protection against viral infections and cancers; and
- Flow cytometry-based receptor occupancy (R.O.), increasingly important in development of biologically-based therapeutic agents**.**

Food and Feed Testing Services

- The world's first official method for the identification of fructans, mandatory components in infant formula and adult nutritionals matrices. The method received official standard status from leading organisations in standardisation, including the Association of Official Analytical Chemists (AOAC), and the International Organization for Standardization (ISO). Fructans are added as ingredients to all kinds of food, feed and pet food products and are strictly regulated by various authorities worldwide.
- New accredited method for authenticating products containing agave (agave syrup and inulin) which can be compromised by high risk of adulteration using exogenous sugars. This new method is based on the Nuclear Magnetic Resonance (NMR) profiling technique and will provide customers with an improved analytical testing method to detect adulteration of agave products.

Clinical Diagnostics

- Viracor TRAC™, a proprietary donor-derived cell-free DNA assay for detection of acute kidney rejection which complements Eurofins Viracor's suite of testing, enhancing its portfolio of diagnostic tests for renal transplant management
- TruGraf Liver, a unique, non-invasive blood-based test to support lowering immunosuppression in liver transplant patients
- TRULO, a multi-centre observational registry study to evaluate post-transplant clinical outcomes in recipients of kidney transplants who are undergoing serial TruGraf testing. TRULO is the first study to provide long-term data, beyond 2 years post-transplant, regarding the benefits of non-invasive surveillance of stable kidney transplant recipients to rule out silent subclinical rejection. Eurofins believes its TruGraf technology will make a big difference for transplant patients, healthcare providers and payers.

Infrastructure Programme

As of the end of 2020, Eurofins occupied more than 1,400 sites throughout the world (laboratories, offices, phlebotomy sites, storage/warehouses, etc.). The total net floor area of these sites amounted to about 1.4 million m^2, of which more than 1.2 million m^2 is laboratory space.

Between 2005 and 2020, Eurofins has added or brought to the most modern standards close to 850,000 m^2 of laboratory and office surface (including space used by companies acquired during this period). This is a clear demonstration of Eurofins' commitment to continue to invest significantly in new buildings, extensions and renovations to build the largest and most efficient state-of-the-art laboratory network in its industry. In 2021 and 2022, Eurofins has planned an additional ca. 83,500 m^2 expansion and modernisation of its laboratory network.

In 2020, 37 real estate projects were delivered to build, expand, renovate, relocate or acquire new state-of-the-art laboratories and offices. In total, ca. 35,000 m^2 of new or renovated laboratory and office space was added in 2020.

A few examples of the several strategic new laboratories and extensions to existing campuses delivered in 2020 are provided below:

- Following the acquisition of TestAmerica in the U.S. in 2018, site rationalisations and reorganisations have been progressing according to plan. TestAmerica sites in Richland (Washington) and Nashville (Tennessee) have been exited with workload redistributed throughout the network. The Eurofins Frontier Specialty metals laboratory located in Bothell (Washington) has been relocated to the TestAmerica Seattle (Washington) site and a number of Eurofins and TestAmerica service centres have been co-located. In Tustin (California), two environment testing laboratories, Eurofins (Garden Grove) Calscience and TestAmerica Irvine, are being combined into a state-of-the-art high throughput laboratory which will service both local and global clients. The 8,000 m^2 facility will enable cost reductions by optimising space,

time, and materials while providing an enjoyable place to work for our employees. This project is expected to be completed in the second half of 2021.

- Following the acquisition of Covance Food Solutions in the U.S. in 2018, Eurofins has started to organise its U.S. Food testing laboratory network around larger Centres of Excellence where customers can be better served with shorter turnaround times, personalised service and innovative testing offerings. The chemistry laboratories from Battle Creek (Michigan) and Boulder (Colorado) were moved to the existing Madison (Wisconsin) laboratory. In Madison, Eurofins purchased a new site in 2019, and the construction of a new 10,000 m^2 state-of-the art laboratory was completed in December of 2020. With capacity to support up to 380 employees, the new facility will become the Centre of Excellence for much of the Group's U.S. specialty food chemistry departments serving the nutritional supplements market and other large food industry clients.

- Located in Murcia, Spain, Eurofins Villapharma, Eurofins Discovery's flagship centre for synthetic chemistry, and for Eurofins Discovery's integrated drug discovery business, DiscoveryOne™, expanded its building footprint to serve the growing market of outsourced drug discovery. The new 5,800 m^2 facility is located in close proximity to the original Eurofins Villapharma site and will initially support chemical synthesis and purification, more than doubling current capacity and enabling new, associated services. The building's design utilises lean principles, optimizing sample and supply flows with laboratories and demonstrating a modern and functional design to support industry demand for key productivity metrics. The investment provides the facility and footprint necessary to sustain growth and meet market demand into the future. The construction project was completed and operations began on 1 February 2021.

- A new state-of the-art 1,000 m^2 BioPharma Product Testing laboratory was completed at the Eurofins Melbourne Campus in December 2020, enabling an additional 50 employees from the BioPharma Product Testing business to join their Eurofins colleagues in the Environment, Food and regional businesses at the campus. The BioPharma Product Testing laboratory is GMP licensed by the TGA, APVMA and U.S. FDA and carries out a wide range of chemical and biological in process and finished product testing. The facility also includes over 100 m^2 of stability sample storage in accordance with ICH guidelines.

Start-ups Programme

Start-ups or green-field laboratories are generally undertaken in new markets and in particular in emerging markets, where there are often limited viable options in terms of acquisitions or in developed markets where Eurofins transfers technology developed by its R&D and Competence Centres abroad or expands geographically.

In 2020, the Group opened 18 new start-up laboratories, mainly in relation to the ramp-up of the Group's COVID-19 activities, bringing the total number of start-ups created since 2000 to 178. In 2020, these start-ups continued to contribute to the overall organic growth of the Group, accounting for 3.2% out of the 19.3% organic growth achieved. Their EBITDA margin continued to progress while remaining dilutive to the Group. The EBITDA margin from our two most recent programmes (2010-2013 and 2014-2020) improved significantly to reach levels in the mid-teens, but this is heavily influenced by the ability of our start-up clinical laboratories to contribute to the fight against COVID-19 by facilitating access to SARS-CoV-2 tests.

Of these 178 start-ups, over 40% are located in Europe, ca. 20% in North America and close to 40% in the Rest of the World. By area of activity, ca. 40% are in Food and Feed testing, ca. 20% are in Pharma/Biotech/Agroscience services, ca. 20% in Environment testing, and ca. 8% in Clinical Diagnostics."

Acquisitions

During 2020, the Group completed 26 acquisitions, representing full-year equivalent proforma revenues of EUR 103m in FY 2020 and a total investment of EUR 177m, slightly above the EUR 171m investment in FY 2019 and still considerably lower than 2017 and 2018, reflecting the Group's reduced focus on M&A.

In August 2020, Eurofins acquired GeneTech Inc. (“GeneTech”), the pioneer in Non-Invasive Prenatal Testing (NIPT) and a leading player in genetic analysis in Japan. GeneTech is the number one player in the NIPT market in Japan. GeneTech employs over 35 staff and generated revenues over EUR 10m in 2019.

In September 2020, Eurofins acquired SunDream Group. The SunDream Group is the second largest player in the environment testing market in Taiwan. SunDream Environment Testing employs over 350 staff and generated revenues over EUR 17m in 2019.

Post-Closing Events

Since the beginning of 2021, Eurofins has acquired four companies / asset deals: one in Belgium, one in Germany, one in Ireland and one in the U.S. (Beacon Discovery, expected to be closed in the coming weeks upon fulfilment of customary closing conditions).
The total annual revenues of these acquisitions were over EUR 20m in 2020.

Summary financial statements:

Table 7: Summarised Income Statement

	FY 2020	FY 2019
In EUR m except otherwise stated	Reported Results	Reported Results
Revenues	5,438.8	4,562.8
Operating costs, net	-4,087.9	-3,729.8
EBITDA	1,350.8	833.0
EBITDA Margin	24.8%	18.3%
Depreciation and amortisation	-426.0	-395.9
EBITAS	924.9	437.0
Share-based payment charge and acquisition-related expenses, net	-124.5	-70.5
EBIT	800.3	366.6
Finance income	2.7	5.2
Finance costs	-110.4	-100.9
Share of profit of associates	1.7	0.6
Profit before income taxes	694.4	271.5
Income tax expense	-153.9	-76.3
Net profit for the year	540.5	195.3
Attributable to:		
Equity holders of the Company and hybrid capital investors	539.4	195.2
Non-controlling interests	1.0	-
Earnings per share (basic) in EUR		
- Total	2.90	1.10
- Attributable to owners of the Company	2.71	0.82
- Attributable to hybrid capital investors	0.18	0.28
Earnings per share (diluted) in EUR		
- Total	2.75	1.05
- Attributable to owners of the Company	2.58	0.78
- Attributable to hybrid capital investors	0.17	0.27
Weighted average shares outstanding (basic) - in millions	186.2	178.0
Weighted average shares outstanding (diluted) - in millions	195.9	186.5

Table 8: Summarised Balance Sheet

	FY 2020	FY 2019
In EUR m except otherwise stated	Reported Results	Reported Results
Property, plant and equipment	1,574.9	1,593.5
Goodwill	3,524.1	3,608.8
Other intangible assets	825.1	918.2
Investments in associates	5.6	5.3
Financial assets and other receivables	51.0	49.2
Deferred tax assets	76.6	44.0
Total non-current assets	**6,057.3**	**6,218.9**
Inventories	157.0	79.3
Trade receivables and contract assets	1,193.5	1,001.2
Prepaid expenses and other current assets	189.0	153.0
Current income tax assets	66.2	73.4
Derivative financial instruments assets	0.1	0.3
Cash and cash equivalents	912.4	297.0
Total current assets	**2,518.2**	**1,604.1**
Total assets	**8,575.5**	**7,823.1**
Share capital	1.9	1.8
Treasury shares	-	-0.2
Hybrid capital	1,000.0	1,000.0
Other reserves	1,542.6	978.2
Retained earnings	1,310.5	718.9
Currency translation reserve	-164.7	139.8
Total attributable to owners of the Company	3,690.3	2,838.6
Non-controlling interests	26.1	59.5
Total shareholders' equity	**3,716.4**	**2,898.1**
Borrowings	2,917.2	3,086.9
Deferred tax liabilities	115.3	124.5
Amounts due for business acquisitions	48.5	51.7
Employee benefit obligations	73.3	75.3
Provisions	8.4	5.1
Total non-current liabilities	**3,162.7**	**3,343.4**
Borrowings	237.6	454.8
Interest due on borrowings and earnings due on hybrid capital	51.3	50.0
Trade accounts payable	542.0	409.8
Contract liabilities	136.7	116.4
Current income tax liabilities	84.3	20.7
Amounts due for business acquisitions	55.9	62.2
Provisions	36.3	22.0
Other current liabilities	552.3	445.6
Total current liabilities	**1,696.4**	**1,581.6**
Total liabilities and shareholders' equity	**8,575.5**	**7,823.1**

Table 9: Summarised Cash Flow Statement

	FY 2020	FY 2019
In EUR m except otherwise stated	Reported	Reported
Cash flows from operating activities		
Profit before income taxes	694.4	271.5
Depreciation and amortisation	426.0	395.9
Share-based payment charge and acquisition-related expenses, net	124.5	70.5
Financial income and expense, net	101.8	96.1
Share of profit from associates	-1.7	-0.6
Transactions costs and income related to acquisitions	-6.2	-8.3
Changes in provisions employee benefit obligations	18.7	7.3
Other non-cash effects	8.5	4.6
Change in net working capital	-48.4	-64.2
Cash generated from operations	**1,317.5**	**772.9**
Income taxes paid	-94.0	-95.0
Net cash provided by operating activities	**1,223.5**	**677.9**
Cash flows from investing activities		
Purchase of property, plant and equipment	-310.8	-278.2
Purchase, capitalisation of intangible assets	-44.7	-44.3
Proceeds from sale of property, plant and equipment	5.2	3.2
Net capex	-350.3	-319.3
Free cash Flow to the Firm	873.2	358.6
Acquisitions of subsidiaries net of cash acquired and proceeds from disposals of subsidiaries	-177.2	-171.0
Acquisition and disposal in investments, financial assets and derivative financial instrument, net	-0.1	47.6
Interest received	2.6	2.9
Net cash used in investing activities	**-525.0**	**-439.8**
Cash flows from financing activities		
Proceeds from issuance of share capital	564.8	23.4
Proceeds from issuance of hybrid capital	-	297.6
Proceeds from borrowings	946.2	192.2
Repayments of borrowings	-1,304.5	-330.9
Repayments of lease liabilities	-150.6	-142.4
Repayment of hybrid capital	-	-300.0
Dividends paid to shareholders and non-controlling interests	-0.5	-51.4
Earnings paid to hybrid capital investors	-36.3	-68.4
Interest paid	-67.8	-62.7
Net cash provided by financing activities	**-48.6**	**-442.6**
Net effect of currency translation on cash and cash equivalents and bank overdrafts	-33.9	4.1
Net increase (decrease) in cash equivalents and bank overdrafts	**616.0**	**-200.5**
Cash and cash equivalents and bank overdrafts at beginning of period	294.5	495.0
Cash and cash equivalents and bank overdrafts at end of period	**910.5**	**294.5**

[1] Adjusted - reflects the ongoing performance of the mature[11] and recurring activities excluding "separately disclosed items[2]".

[2] Separately disclosed items - includes one-off costs from integration, reorganisation, discontinued operations[12] 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 charge[5], 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.

[3] 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.

[4] EBITAS – EBITDA less depreciation and amortisation.

[5] 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.

[6] Net Profit - Net profit for equity holders after non-controlling interests but before payment to Hybrid capital holders.

[7] Basic EPS – earnings per share (basic) total (to equity holders before payment of dividends to Hybrid capital holders).

[8] Net Operating Cash Flow – Net cash provided by operating activities.

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

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

[11] 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.

[12] 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 3.20 of the Consolidated Financial Statements for the year ended 31 December 2020.

[13] Net capex – Purchase of intangible assets (incl. capitalisation) property, plant and equipment, less proceeds on sale of same assets.

[14] Net debt – Borrowings, less cash and cash equivalents

[15] Net Working Capital – Inventories, trade receivables and contract assets, prepaid expenses and other current assets less trade accounts payable, contract liabilities and other current liabilities excluding accrued interest receivable and payable

[16] The EUR 5,000m FY 2020 revenue objective was first set in October 2018 and reiterated in March 2019 and March 2020

[17] The EUR 1,000m FY 2020 adjusted EBITDA objective was first set in October 2018, reiterated in March 2019 and revised to EUR 1,100m in March 2020 to reflect the impact of IFRS16

[18] The EUR 500m FY 2020 free cash flow to the firm objective was first set in March 2020 and restated to EUR 600m in October 2020 to reflect IFRS16 reclassification

[19] Proforma adjusted EBITDA – corrected for the estimated impact of the cyber-attack in 2019

[20] https://www.fda.gov/medical-devices/coronavirus-covid-19-and-medical-devices/sars-cov-2-reference-panel-comparative-data#table2c

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 agroscience Contract Research Organisation services. Eurofins is one of the market leaders in certain testing and laboratory services for genomics, discovery pharmacology, forensics, advanced material sciences and in the support of clinical studies, as well as having an emerging global presence in Contract Development and Manufacturing Organisations. The Group also has a rapidly developing presence in highly specialised and molecular clinical diagnostic testing and in-vitro diagnostic products.
With over 50,000 staff across a decentralised and entrepreneurial network of more than 800 laboratories in over 50 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, 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 15 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 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.