Eurofins delivers strong organic growth of 11.7% in Q3 2021, above expectations and raises its objective for 2021

21 October 2021

- Q3 2021 revenues increased 14.6% year-on-year to EUR 1,630m vs. EUR 1,423m[1] in Q3 2020, despite a negative FX headwind of -0.4%. Over the first nine months of 2021 (NM 2021), revenues grew 30.9% to EUR 4,902m vs. EUR 3,746m[1] during the same period last year.
- Organic growth[2] was very strong at 11.7% in Q3 2021 vs. Q3 2020 and 30.8% in NM 2021 vs. NM 2020.
- The Core Business (excluding COVID-19 related clinical testing and reagent revenues) delivered strong organic growth in Q3 2021 (about 9% vs. Q3 2020) and in NM 2021 (about 14% vs. NM 2020). Core Business organic growth corrected for the impact of the 2 June 2019 cyber-attack was around 10%[3] in Q3 2021 vs. Q3 2019 in spite of stronger comparative due to the catch-up of revenues and billing post the cyber-attack and around 12%[3] in NM 2021 vs. NM 2019, demonstrating the growth dynamism and resilience of our life sciences and health related end markets.
- Revenues from COVID-19 clinical testing and reagents continued at high levels in Q3 2021, generating slightly over EUR 300m, totalling ca. EUR 1,050m in NM 2021
    - There has been a gradual change in the demand mix, with a greater proportion of antigen tests and testing requiring more sampling and logistic costs, which contributed to a lower EBITDA[6] margin level than in previous quarters.
    - COVID testing continues at significant levels but the future evolution of the pandemic and related government measures remain difficult to predict. For now, Eurofins is upgrading its COVID revenues objective from EUR 1bn to EUR 1.2bn for the full year 2021.
- Eurofins leadership and teams were delighted to join the large cap CAC 40 Index on September 17, only 34 years after the Group's creation in 1987.
- Outlook: The Core Business once again performed strongly in Q3, above the Group's long-run organic growth target of 5% per annum. Eurofins continues to see strong demand across its markets for the remainder of the year and in the mid-term.

  Overall including the additional anticipated COVID revenues, we are upgrading our FY 2021 revenue objective to EUR 6,350m. As the Group works to maintain significant COVID-19 testing capacity and staffing levels for Q4 to support healthcare authorities containment efforts in case of new COVID or flu waves this winter, and the actual volume and geographic mix of testing is uncertain, we are not changing the FY 2021 EBITDA and Free Cash Flow to the Firm[9] objectives for the time being.

  Although it is likely that COVID testing will continue in 2022, the financial objectives for FY 2022 and FY 2023, which exclude any COVID related revenues, are also unchanged at this time and are set out in table number 5 below.

  Eurofins will exceed its objective to add EUR 150m annualised proforma revenues from acquisitions in 2021, having completed 28 acquisitions in NM 2021. These acquired businesses generated revenues of over EUR 160m for the full year ended 31 December 2020. Eurofins M&A pipeline remains substantial. We stay very selective and disciplined on valuation, in order to continue to create significant long-term value for our shareholders.

Comments from the CEO, Dr. Gilles Martin:

"I am pleased with the performance delivered in Q3. Our Core Business continues to perform very well with growth across business lines and geographies. Our markets are very dynamic and are growing significantly on the back of recent genomic, proteomic, and life sciences scientific breakthroughs. The outlook for our markets is very positive. The focus in the Core Business remains on growing market share, improving utilisation of our laboratories, becoming increasingly digital and aiming for a gradual improvement of profitability margins. Global demand for BioPharma services remains very strong particularly Discovery services and Product Testing services for biologics and Advanced Therapy Medicinal Products (ATMPs). Pharmaceutical companies continue to outsource an increasing amount of testing services and Eurofins is actively expanding capacity across its laboratory network in the U.S., Europe and Asia.

Food and Environment testing needs appear to also be increasing significantly in most markets.

The outlook for the pandemic is unclear, but we remain ready to respond very quickly to any new public health crisis. We are maintaining capacity of high-quality laboratory testing services to help monitor the development of variants and to provide critical support to the efforts of healthcare authorities with a current focus on protecting children returning to schools and universities."

Table 1: Q3 2021 Organic Growth Calculation and Revenue Reconciliation

	In EUR m except otherwise stated
Q3 2020 reported revenues[1]	**1,423**
+ 2020 acquisitions - revenue part not consolidated in Q3 2020 at Q3 2020 FX rates	14
- Q3 2020 revenues of discontinued activities / disposals[11]	-1
= Q3 2020 pro-forma revenues (at Q3 2020 FX rates)	1,436
+ Q3 2021 FX impact on Q3 2020 pro-forma revenues	-5
= Q3 2020 pro-forma revenues (at Q3 2021 FX rates) (a)	**1,432**
Q3 2021 organic scope* revenues (at Q3 2021 FX rates) (b)	**1,599**
Q3 2021 organic growth rate (b/a-1)	**11.7%**
Q3 2021 acquisitions - revenue part consolidated in Q3 2021 at Q3 2021 FX rates	31
Q3 2021 revenues of discontinued activities / disposals[11]	0
Q3 2021 reported revenues	**1,630**

** Organic scope consists of all companies that were part of the Group as at 01/01/2021. This corresponds to the 2020 pro-forma scope.*

Table 2: NM 2021 Organic Growth Calculation and Revenue Reconciliation

	In EUR m except otherwise stated
NM 2020 reported revenues[1]	**3,746**
+ 2020 acquisitions - revenue part not consolidated in NM 2020 at NM 2020 FX rates	58
- NM 2020 revenues of discontinued activities / disposals[11]	-6
= NM 2020 pro-forma revenues (at NM 2020 FX rates)	3,798
+ NM 2021 FX impact on NM 2020 pro-forma revenues	-83
= NM 2020 pro-forma revenues (at NM 2021 FX rates) (a)	**3,715**
NM 2021 organic scope* revenues (at NM 2021 FX rates) (b)	**4,859**
NM 2021 organic growth rate (b/a-1)	**30.8%**
NM 2021 acquisitions - revenue part consolidated in NM 2021 at NM 2021 FX rates	43
NM 2021 revenues of discontinued activities / disposals[11]	0
NM 2021 reported revenues	**4,902**

** Organic scope consists of all companies that were part of the Group as at 01/01/2021. This corresponds to the 2020 pro-forma scope.*

Table 3: Q3 Geographical Revenue Breakdown

In EUR m except otherwise stated	**Q3 2021**	***As % of total***	**Q3 2020[1]**	***As % of total***	***Growth %***
Europe	934	57.3%	825	58.0%	13.3%
North America	549	33.7%	495	34.8%	10.9%
Rest of the World	147	9.0%	103	7.2%	42.5%
Total	**1,630**	100.0%	**1,423**	100.0%	14.6%

Table 4: NM Geographical Revenue Breakdown

In EUR m except otherwise stated	**NM 2021**	***As % of total***	**NM 2020[1]**	***As % of total***	***Growth %***
Europe	2,939	60.0%	2,101	56.1%	39.9%
North America	1,557	31.8%	1,354	36.1%	15.0%
Rest of the World	406	8.3%	291	7.8%	39.6%
Total	**4,902**	100.0%	**3,746**	100.0%	30.9%

Europe

In Europe, revenues increased 13.3% to EUR 934m in Q3 2021 compared to EUR 825m in Q3 2020. Revenues increased 39.9% to EUR 2,939m in NM 2021 compared to EUR 2,101m in NM 2020.

In relation to COVID-19, Eurofins has been very active in Q3 helping to facilitate travel for passengers, providing testing through its network of more than 1,000 owned or contracted sampling stations across Europe providing high quality and fast turn-around times.

Eurofins BioPharma services in Europe is expanding its testing portfolio for its chemistry clients by offering Absorption, Degradation, Metabolism and Excretion (ADME) characteristics testing for compounds developed and synthesised at the Eurofins Villapharma site. Eurofins is also introducing high throughput experimentation capabilities at Villapharma to develop and synthesise chemicals at much faster turnaround times. As a result, Eurofins will be able to provide faster testing for its client's compounds helping them to determine in a timely manner whether they should proceed with further testing and progress the molecule to the next phase of drug discovery. Eurofins DiscoverX, the industry's leading provider of innovative cell-based assays and services for drug discovery and development, is now fully operational in Europe. Eurofins DiscoverX can now offer its capabilities in protein production and custom protein production out of its site in Poitiers, France, contributing to growth through direct sales and faster supply to clients in Europe.

Eurofins Technologies continues to innovate and launch new tests. It launched four new food allergen lateral flow device (LFD) tests for the detection of hazelnuts, total milk, pistachios and walnuts in food, as well as two new animal health diagnostics tests, a PTB ELISA kit for the detection of bovine paratuberculosis and a test to detect African Swine Fever Virus (ASFV) through real time PCR. Eurofins Gold Standard Diagnostics (GSD) launched a new generation of its NovaPrime IVD RNA extraction kit using more internally developed components supporting Eurofins' ongoing efforts to vertically integrate its supply chain where significant savings and performance improvements are possible.

In Germany, a new reimbursement rule for Hepatitis B virus testing and screening is expected to lead to significantly higher sample volumes.

PFAS testing in the European food market is increasing significantly as a result of the stricter safety thresholds set by the EFSA regulations in late 2020. Eurofins is investing in a Food Chemistry Centre of Excellence in Cork, Ireland, which will be located in the heart of the dairy industry. This state-of-the-art facility will position Eurofins as the market leader for dairy nutritional testing capabilities.

North America

In North America, revenues increased 10.9% to EUR 549m in Q3 2021 compared to EUR 495m in Q3 2020. Revenues increased by 15.0% to EUR 1,557m in NM 2021 compared to EUR 1,354m in NM 2020.

The U.S. Department of Air Force (DAF), in coordination with the Department of Health and Human Services (HHS), awarded a USD 30m contract to Eurofins Genomics US to build a new production facility and expand capacity for the manufacturing of reagents used in COVID-19 diagnostic tests. The new facility will focus on the production of oligonucleotides, a key reagent in molecular diagnostic testing but vulnerable to supply shortages. Eurofins' new production facility will help combat current and future pandemics and empower a broader range of research in the molecular diagnostic field.

Eurofins was awarded a significant contract from the Ministry of Health in Canada to provide regional COVID-19 testing. EmpowerDx, our direct to consumer brand, launched eighteen new tests in Q3, including heart health, women's and men's health, mental vitality, sexually transmitted infections (STIs), and metabolism testing. Eurofins Transplant Genomics (TGI) launched OmniGraf™ in September which combines its proprietary TruGraf® blood gene expression test and Eurofins Viracor's TRAC® donor-derived cell-free DNA assays providing the only combination biomarker panel that provides earliest indication of rejection in kidney transplant recipients. TruGraf® continues to show significant growth in sample volumes (+46% in Q3 2021 vs. Q2 2021). The first patients have been enrolled for the TGRP01 European study with both TRAC® and TruGraf®. Eurofins Viracor is on schedule to move into its new facility in Kansas City in Q1 2022. This new site covering over 10,000 m^2, offers significant capacity to accommodate for future growth for our post-transplant testing and BioPharma services businesses already located at the Kansas campus.

This year many pharmaceutical companies have decided to outsource their testing services for new compounds to private laboratories following the COVID shutdowns and disruptions experience in 2020. Eurofins Discovery has launched a new business initiative, applying research informatics to explore and support the use of artificial intelligence (AI) in drug discovery. Eurofins Discovery is working on a new standardised LIMS programme to drive efficiency, harmonise processes, harmonise data reporting and improve turnaround times throughout the Eurofins Discovery operations, worldwide. Organic growth in BioPharma Product Testing remained very strong across the business globally. In particular the demand for services to support biologics and advanced therapy medicinal products (ATMPs) is extremely robust. As a result, the Group is actively expanding capacity across its laboratory network, including expansion of services in Lancaster (PA), Columbia (MO) and San Diego (CA) in the U.S. and across multiple sites in Europe (France, Denmark, Italy, Spain, Ireland, Germany, Netherlands, Sweden, UK, Slovakia) and in Kyoto, Japan.

Eurofins Food Testing business in Madison, Wisconsin, is now offering analysis of Vitamin A/E/D/K by supercritical fluid extraction and chromatography. This technology is environmentally friendly, using twenty-times less solvent than conventional analysis methods, and can achieve a one-day turnaround time for vitamins in dietary supplements. Eurofins Quality Trait Analysis (QTA) submitted a patent application for a novel testing method not yet available in the market titled "System, Method and Device for On-Site Rapid, Direct, and Non-destructive Analysis of a Material Sample Using a Portable High Performance Near–Infrared Spectrometer".

The Environment Testing Business in North America is currently developing at-home collections kits for its new product "PFAS Exposure Self-Collection Blood Test" based on whole blood using a simple finger prick. New large U.S. laboratory site developments in Los Angeles (CA) and Canton (OH) remain on track for Q4 commissioning. Plans have been finalised for expanding the footprint of a specialty drinking water laboratory in Los Angeles.

Rest of the World

In the Rest of the World, revenues increased 42.5% to EUR 147m in Q3 2021 compared to EUR 103m in Q3 2020. Revenues increased by 39.6% to EUR 406m in NM 2021 compared to EUR 291m in NM 2020.

Eurofins Food and Environment Testing businesses joined forces to win the Singapore Food Agency SARS-CoV-2 virus surface swabs testing project tender. Eurofins continues to play an important role supporting the Ministry of Health in controlling the pandemic through reliable and quick turnaround PCR testing services. Singapore has increased the frequency of COVID-19 tests for workers in "high-risk" settings to once a week. The National

Environment Agency (NEA) is also expanding its wastewater surveillance programme to cover more than 400 sites by 2022, supporting the monitoring and management of the pandemic.

Eurofins is developing a new Eurofins DiscoverX products business in Shanghai, China to support drug discovery research clients in China. In addition a biologics start up laboratory expansion has been initiated in Shanghai to support the rapidly developing biologics market in China. In Australia, Therapeutic Goods Association (TGA) granted registration of the Eurofins Gold Standard Diagnostics (GSD) NovaGen SARS-CoV-2 Antigen Rapid Test which will be instrumental in supporting the reopening of Australia's economy. Eurofins Clinical Testing Services laboratory in Singapore received College of American Pathologists (CAP) accreditation in September 2021. In Brazil, Centro de Genomas developed three new tests: fetal gender in mother's blood, hereditary cancer and Nutrigenetics. Centro de Genomas is investing in a new hub for research and testing in Sao Paulo which is ready for commissioning in Q4 2021.

Eurofins Brea in the U.S. established a strategic collaboration with China's largest infant formula and dietary supplement manufacturer, Feihe Dairy, on new analytical methods development for value-added food and nutraceutical ingredients. Eurofins has three accredited laboratories in China that can provide the necessary pesticide residue testing service to comply with China's new pesticide MRL GB 2763-2021 standard which went into effect in September 2021. Eurofins Environment Testing business now offers full regional coverage in the Pacific region, from Perth, Australia to Auckland, New Zealand.

2021-2023 Objectives

Table 5: 2021-2023 Objectives

In EUR m except otherwise stated	**FY 2021[A]**	**FY 2022[B]**	**FY 2023[B]**
Revenues excl. potential M&A	6,275	5,450	5,725
Adjusted[4] EBITDA	1,700	1,300	1,375
Free Cash Flow to the Firm	700[C]	750	800
Revenues incl. potential M&A[D]	6,350	5,700	6,175

A FY 2021 revenue objective has been updated and FY 2021 Adj. EBITDA objective, which was upgraded on 5 August 2021, remains unchanged
B 2022 & 2023 objectives set at average 2020 exchange rates and 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), assuming full return to normal of economies / markets to pre-pandemic levels
C Note this objective has not been upgraded since 1 March 2021
D Including potential proforma revenues from acquisitions of EUR 150m in 2021 and EUR 200m in both 2022 & 2023 (consolidated at mid-year)

1 Q3/NM 2020 revenue figures have been adjusted for an additional EUR 10m COVID revenues which were previously accounted for in Q4 2020 pending verification at end of Q3 2020. FY 2020 revenues are not affected by this adjustment.

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 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.

3 Core Business organic growth corrected for 2019 cyber-attack impact (EUR 7m impact on Q3 2019 revenues and EUR 69 impact on NM 2019 revenues).

4 Adjusted results - reflect the ongoing performance of the mature[10] and recurring activities excluding "separately disclosed items[5]".

5 Separately disclosed items - include one-off costs from integration, reorganisation, discontinued operations[11] 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 charges[7], impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, gains/losses on disposal of businesses 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.

6 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.

7 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.

8 Net capex – Acquisition of intangible assets, property, plant and equipment, less proceeds from the disposal of such assets.

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

[10] 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.

[11] 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.

Notes to Editors:

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: + 44 330 336 9105
US: + 1 646 828 8143
FR: + 33 1 76 77 22 74
BE: + 32 2 404 0659
DE: + 49 69 22 22 13 420

Confirmation Code: 277 30 08

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 services. Eurofins is also one of the market leaders in certain testing and laboratory services for genomics, discovery pharmacology, forensics, BioPharma Contract Development and Manufacturing, advanced material sciences and in the support of clinical studies. The Group also has a rapidly developing presence in highly specialised and molecular clinical diagnostic testing and in-vitro diagnostic products.

With 55,000 staff across a decentralised and entrepreneurial network of 900 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 30 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.