

Eurofins achieves organic growth of 6.8% in Q1 2024, ahead of its objectives

24 April 2024

The Eurofins network of companies continues to deliver resilient growth:

- Reported revenues in Q1 2024 totalled €1,653m, an increase of 5.0% vs Q1 2023, driven by solid organic growth but slightly restrained by FX (-1.0%). The period also comprised nearly one less public working day, an effect that will mostly reverse in Q2 2024.
- Adjusted for public working days in Q1 2024, organic revenue growth⁷ in the Core Business (excluding COVID-19 related clinical testing and reagent revenues) was 6.8%, ahead of objectives:
 - In Europe, organic growth of 6.1% was supported by a moderate recovery in Food and Feed Testing and continued strong demand in Environment Testing.
 - In North America, organic growth remained resilient at 7.2%, with significant growth observed in Environment Testing and solid growth in Food and Feed Testing as well as Consumer and Technology Product Testing.
 - In Rest of the World, strong organic growth of 8.8% was led by strong business momentum in China, Taiwan, Australia and India.
 - Start-ups contributed 1.2% to organic growth in Q1 2024, with 11 new start-up laboratories and 5 blood collection points established in the period.
- The pace of acquisitions was strong in Q1 2024, as Eurofins closed 7 business combinations with FY 2023 pro-forma revenues of over €110m.
- In Q1 2024, Eurofins companies continued contributing to the advancement of scientific innovation through Testing for Life:
 - Eurofins CDMO Alphora Inc. successfully completed its pilot-scale biologics development facility in Mississauga, Canada.
 - Eurofins Environment Testing in Sacramento, California, in partnership with EPA Region 10, worked with the EPA's Office of Water to publish Draft Method 1634, an analytical procedure to test for 6PPD-Quinone in surface water and stormwater.
 - Eurofins MET Labs, a global leader in product safety approvals and regulatory certification, has been officially recognised by Intuitive Machines for their crucial contribution to their IM-1 lunar mission.

Objectives

- Eurofins is confirming its objectives for FY 2024 to FY 2027 as announced at the FY 2023 results presentation on 27 February 2024:

€m	FY 2024	FY 2027
Revenues	€7.075bn – €7.175bn	Approaching €10bn
Adjusted ¹ EBITDA ³	€1.525bn – €1.575bn	Margin: 24%
FCFF ⁶ before investment in owned sites ⁹	€800m - €840m	Approaching €1.5bn

- Eurofins targets average organic growth⁷ of 6.5% p.a. and potential average revenues from acquisitions of €250m p.a. over the 5-year period (from 2023 to 2027) consolidated at mid-year.
- The FY 2024 and FY 2027 objectives assume same average exchange rates as in FY 2023 and zero contribution from COVID-19 testing and reagents.

Comments from the CEO, Dr Gilles Martin:

"I am proud to see that the Eurofins network of laboratories has maintained its solid organic growth track record in Q1 2024, ahead of our objectives. Eurofins teams continue to focus on further implementing programmes related to digitalisation, productivity improvement, pricing and cross-selling initiatives and the ramp up of start-up activities. Despite a challenging geopolitical and macro environment in parts of the world, Eurofins management remains confident in achieving our objectives for the year."

Conference Call

Eurofins will hold a conference call with analysts and investors today at 15:00 CEST 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 >>](#)

From any device, click the link above to join the conference call.

Table 1: Organic Growth⁷ Calculation and Revenue Reconciliation

	<i>In €m except otherwise stated</i>
Q1 2023 reported revenues	1,574
+ 2023 acquisitions - revenue part not consolidated in Q1 2023 at Q1 2023 FX	27
- Q1 2023 revenues of discontinued activities / disposals ⁸	-16**
= Q1 2023 pro-forma revenues (at Q1 2023 FX rates)	1,586
+ Q1 2024 FX impact on Q1 2023 pro-forma revenues	-16
= Q1 2023 pro-forma revenues (at Q1 2024 FX rates) (a)	1,570
Q1 2024 organic scope* revenues (at Q1 2024 FX rates) (b)	1,647
Q1 2024 organic growth rate (b/a-1)	4.9%***
Q1 2024 acquisitions - revenue part consolidated in Q1 2024 at Q1 2024 FX	6
Q1 2024 revenues of discontinued activities / disposals ⁸	0
Q1 2024 reported revenues	1,653

* Organic scope consists of all companies that were part of the Group as at 01/01/2024. This corresponds to the 2023 pro-forma scope

** Impacted by discontinuation of the OmniGraf dual-biomarker rejection panel following revised billing guidance by MoLDX in the U.S. effective 1 April 2023

*** Impacted by decline in COVID-19 related clinical testing and reagent revenues and not adjusted for public working days (nearly one less day in Q1 2024)

Table 2: Breakdown of Revenue by Operating Segment

€m	Q1 2024	As % of total	Q1 2023	As % of total	Y-o-Y variation %	Organic growth ⁷ in the Core Business*	Organic growth ⁷ in the Core Business* adjusted for public working days
Europe	850	51.4%	797	50.6%	6.6%	4.1%	6.1%
North America	628	38.0%	607	38.5%	3.5%**	7.2%	7.2%
Rest of the World	175	10.6%	170	10.8%	2.5%	6.9%	8.8%
Total	1,653	100%	1,574	100%	5.0%	5.5%	6.8%

* Excluding COVID-19 related clinical testing and reagent revenues

** Impacted by discontinuation of the OmniGraf dual-biomarker rejection panel following revised billing guidance by MoLDX in the U.S. effective 1 April 2023

Breakdown of Revenue by Area of Activity

In Q1 2024, Life (consisting of Food and Feed Testing, Agro Testing and Environment Testing) represented about 40% of Eurofins' revenues while BioPharma (consisting of BioPharma Services, Agrosiences, Genomics and Forensic Services) represented about 30%, Diagnostic Services and Products (consisting of Clinical Diagnostics Testing and In Vitro Diagnostics (IVD) Solutions) represented about 20% and Consumer and Technology Products Testing (consisting of Consumer Product Testing and Advanced Material Sciences) represented about 10%.

- ¹ Adjusted results – reflect the ongoing performance of the mature¹⁰ and recurring activities excluding separately disclosed items².
- ² Separately disclosed items – include one-off costs from integration and reorganisation, discontinued operations, other non-recurring income and costs, temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring, share-based payment charge⁴, impairment of goodwill, amortisation of acquired intangible assets and 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), net finance costs related to hybrid capital and the related tax effects.
- ³ EBITDA – Earnings before interest, taxes, depreciation and amortisation, share-based payment charge and acquisition-related expenses⁴, net and gain and loss on disposal of subsidiaries, net.
- ⁴ Share-based payment charge and acquisition-related expenses, net – Share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, 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.
- ⁵ Net capex – Purchase, capitalisation of intangible assets, purchase of property, plant and equipment less capex trade payables change of the period and proceeds from disposals of such assets.
- ⁶ Free Cash Flow to the Firm (FCFF) – Net cash provided by operating activities, less Net capex⁵.
- ⁷ 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. Also, all revenues from discontinued activities / disposals in both the previous financial year (Y-1) and year Y are excluded from the calculation.
- ⁸ Discontinued activities / disposals: discontinued operations are a component of the Group's Core Business or product lines that have been disposed of, or liquidated; or a specific business unit or a branch of a business unit that has been shut down or terminated, and is reported separately from continued operations. For more information, please refer to Note 2.26 of the Consolidated Financial Statements for the year ended 31 December 2023.
- ⁹ FCFF before investment in owned sites: FCFF⁶ less Net capex spent on purchase of land, buildings and investments to purchase, build or modernise owned sites/buildings (excludes laboratory equipment and IT).
- 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.

Notes to Editors:

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

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About Eurofins – the global leader in bio-analysis

Eurofins is Testing for Life. The Eurofins Scientific S.E. network of independent companies believes that it is a global leader in food, environment, pharmaceutical and cosmetic product testing and in discovery pharmacology, forensics, advanced material sciences and agrosience contract research services. It is also one of the market leaders in certain testing and laboratory services for genomics, and in the support of clinical studies, as well as in biopharma contract development and manufacturing. It also has a rapidly developing presence in highly specialised and molecular clinical diagnostic testing and in-vitro diagnostic products.

With ca. 62,000 staff across a decentralised and entrepreneurial network of more than 900 laboratories in over 1,000 companies in 62 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.

Eurofins companies' broad range of services are important for the health and safety of people and our planet. The ongoing investment to become fully digital and maintain the best network of state-of-the-art laboratories and equipment supports our objective to provide our customers with high-quality services, innovative solutions and accurate results in the best possible turnaround time (TAT). Eurofins companies are well positioned to support clients' increasingly stringent quality and safety standards and the increasing demands of regulatory authorities as well as the evolving requirements of healthcare practitioners around the world.

The Eurofins network 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, its companies draw on the latest developments in the field of biotechnology and analytical chemistry to offer their clients unique analytical solutions.

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