



# 9M 2024 Trading Update

Eurofins confirms profitability and cash flow objectives for 2024 leading to higher profit margins in spite of the impact of the post-COVID reset of BioPharma pipelines

22 October 2024



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Alternative Performance Measures (APMs) are also defined at the end of this presentation.

# Key financial and operational highlights



## Reported Revenues

9M 2024	Q3 2024
€5,142m	€1,723m

## Core Business<sup>1</sup> Org. Growth<sup>2</sup>

+4.4% ▲ Q3 2024 vs Q3 2023  
+5.2% ▲ 9M 2024 vs 9M 2023

## Key Highlights

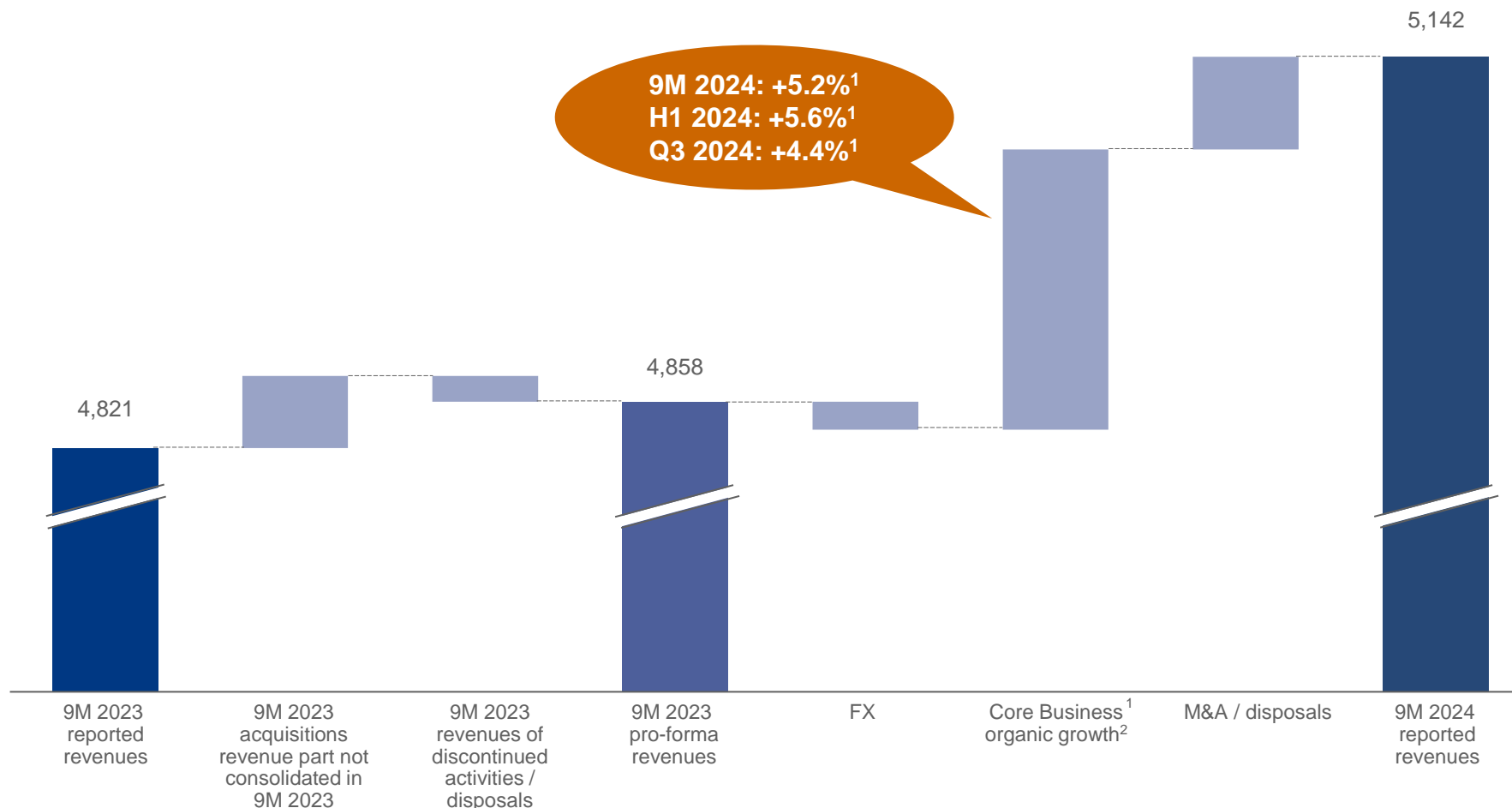
- Reported revenues in 9M 2024 reached €5,142m, +6.7% vs 9M 2023, supported by organic growth<sup>2</sup> in the Core Business<sup>1</sup> but restrained by FX headwinds (-0.5%).
- Organic revenue growth<sup>2</sup> in the Core Business (excluding COVID-19 related clinical testing and reagent revenues) was 5.2% in 9M 2024 and 4.4% in Q3 2024:
  - In Europe, organic growth<sup>2</sup> (9M 2024: 5.4%, Q3 2024: 5.1%) was led by Environment Testing and Food and Feed Testing but restrained by negative market trends in ancillary BioPharma activities such as Agrosiences, Discovery and CDMO.
  - Organic growth<sup>2</sup> in North America (9M 2024: 3.9%, Q3 2024: 2.0%) was driven by the continued strong development of Environment and Food and Feed Testing but restrained by soft demand in BioPharma activities, in particular early-stage clinical activities and Agrosiences.
  - Organic growth<sup>2</sup> in Rest of the World (9M 2024: 8.6%, Q3 2024: 10.0%) remained at a robust level, led by diverse activities including Food and Feed Testing and Consumer and Technology Products Testing.
  - Start-ups contributed 0.9% to organic growth<sup>2</sup> in 9M 2024, with 18 new start-up laboratories and 23 blood collection points opened during the period.
- The pace of acquisitions has remained strong throughout 9M 2024, as Eurofins closed 24 business combinations with FY 2023 pro-forma revenues of more than €200m.

<sup>1</sup> Excluding COVID-19 clinical reagents and testing revenues

<sup>2</sup> Alternative Performance Measures (APMs) are defined at the end of this presentation

# Revenue bridge

(€m)



- FX headwind of 0.5% due to strength of the Euro against the US Dollar and numerous Asian currencies
- Organic revenue growth in the Core Business<sup>1</sup> was 5.2% in 9M 2024 and 4.4% in Q3 2024
- The pace of acquisitions has remained strong throughout 9M 2024, as Eurofins closed 24 business combinations with FY 2023 pro-forma revenues of more than €200m (contribution to 9M 2024 consolidated revenues: €77m)

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<sup>1</sup> Excluding COVID-19 clinical reagents and testing revenues

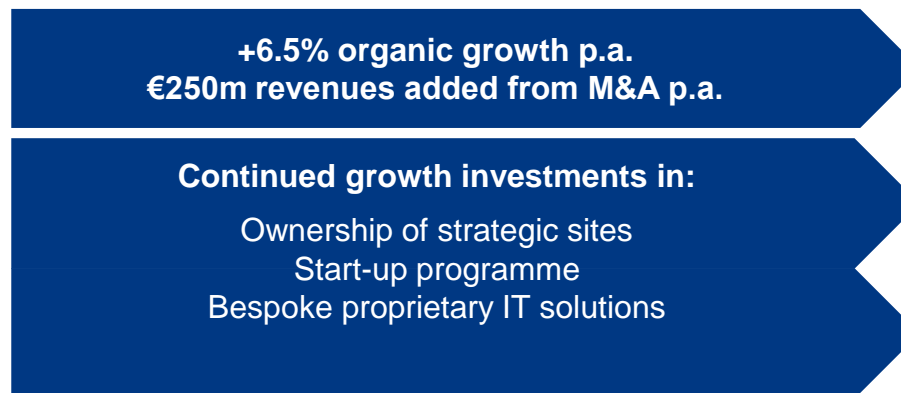
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# 2024 profitability and cash flow objectives confirmed



(€m)	FY 2024
Revenues	Close to €7bn (Previously €7.075bn – €7.175bn)
Adj. <sup>1</sup> EBITDA <sup>1</sup>	€1.525bn – €1.575bn (Margin increase vs previous objectives)
FCFF before investment in owned sites <sup>1</sup>	€800m - €840m (unchanged)

## Mid-term objectives



FY 2027
Approaching €10bn
Margin: 24%
Approaching €1.5bn

- Due to the strong profitability improvement, currency valuation changes, and the stronger than expected temporary effect from the reset of BioPharma pipelines, objectives for FY 2024, which were announced at the FY 2023 results presentation on 27 February 2024, have been partly updated
- The FY 2024 and FY 2027 objectives assume the same average exchange rates as in FY 2023 and zero contribution from COVID-19 clinical testing and reagents
- In addition, Eurofins will remain prudent with its acquisition strategy and only acquire businesses that meet its objectives for return on capital employed
- Eurofins is highly confident in its ability to deliver on our profitability and cash flow objectives for FY 2024 in absolute value and therefore increasing both profit margin and cash conversion ratio vs the initially announced objectives for this year

## Outlook: In 2025 and beyond

Management expects continued strength in Life and Consumer and Technology Products Testing, low-to-mid single digit growth in Clinical Diagnostics, post absorption of reimbursement cuts of 10 September 2024 in routine clinical testing in France as faster growth specialty testing compensates lower routine testing growth, and a strong rebound in BioPharma in the second half of 2025 when large studies that ended in early 2024 should be replaced by larger programmes partly already contracted. The outlook for Agrosiences, which was down over 10% in Q3 2024, is more uncertain as expected growth in seeds and biostimulants may not compensate for reductions in client spending on research and development for agrochemicals.

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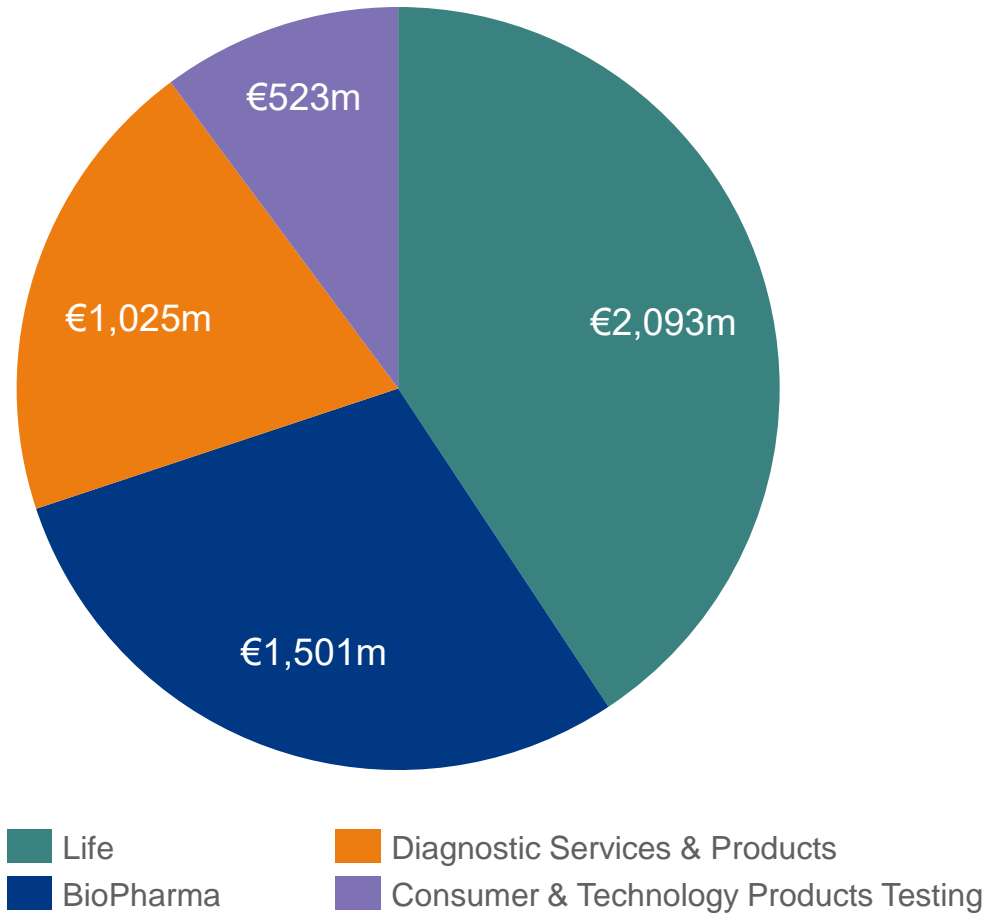
## Q&A





# Appendix

# Revenue by activity in 9M 2024



## Activities are defined as follows:

- **Life:**
  - Food and Feed Testing
  - Agro Testing
  - Environment Testing
- **BioPharma:**
  - BioPharma Services
  - Agrosiences
  - Genomics
  - Forensic Services
- **Diagnostic Services & Products:**
  - Clinical Diagnostics Testing
  - In Vitro Diagnostics (IVD) Solutions
- **Consumer & Technology Products Testing:**
  - Consumer Product Testing
  - Advanced Material Sciences



# Revenue by Operating Segment



€m	9M 2024	As % of total	9M 2023	As % of total	Y-o-Y variation %	Organic growth in the Core Business <sup>1</sup>
Europe	2,620	51%	2,435	51%	+7.6%	+5.4%
North America	1,974	38%	1,870	39%	+5.6%	+3.9%
Rest of the World	547	11%	515	11%	+6.2%	+8.6%
<b>Total</b>	<b>5,142</b>	<b>100%</b>	<b>4,821</b>	<b>100%</b>	<b>+6.7%</b>	<b>+5.2%</b>

€m	Q3 2024	As % of total	Q3 2023	As % of total	Y-o-Y variation %	Organic growth in the Core Business <sup>1</sup>
Europe	873	51%	813	50%	+7.4%	+5.1%
North America	663	38%	628	39%	+5.6%	+2.0%
Rest of the World	188	11%	171	11%	+9.7%	+10.0%
<b>Total</b>	<b>1,723</b>	<b>100%</b>	<b>1,611</b>	<b>100%</b>	<b>+7.0%</b>	<b>+4.4%</b>

# Revenue by Area of activity



€m	9M 2024	As % of total	9M 2023	As % of total	Y-o-Y variation %	Organic growth in the Core Business <sup>1</sup>
Life	2,093	41%	1,904	39%	+9.9%	+7.6%
BioPharma	1,501	29%	1,473	31%	+1.9%	+1.6%
Diagnostic Services & Products	1,025	20%	958	20%	+6.9%	+4.3%
Consumer & Technology Products Testing	523	10%	485	10%	+7.8%	+7.9%
<b>Total</b>	<b>5,142</b>	<b>100%</b>	<b>4,821</b>	<b>100%</b>	<b>+6.7%</b>	<b>+5.2%</b>

€m	Q3 2024	As % of total	Q3 2023	As % of total	Y-o-Y variation %	Organic growth in the Core Business <sup>1</sup>
Life	714	41%	647	40%	+10.3%	+7.2%
BioPharma	501	29%	498	31%	+0.7%	-0.3%
Diagnostic Services & Products	334	19%	306	19%	+9.1%	+3.9%
Consumer & Technology Products Testing	174	10%	160	10%	+8.9%	+8.8%
<b>Total</b>	<b>1,723</b>	<b>100%</b>	<b>1,611</b>	<b>100%</b>	<b>+7.0%</b>	<b>+4.4%</b>

# Definitions / Alternative Performance Measures (APMs)



## APMs used in this presentation

Adjusted results – reflect the ongoing performance of the mature and recurring activities excluding “separately disclosed items”.

Separately disclosed items (SDI) – include:

- one-off costs from integration and reorganisation;
- discontinued operations;
- other non-recurring income and costs;
- temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring;
- share-based payment charge;
- acquisition-related expenses, net – impairment of goodwill, amortisation/impairment of acquired intangible assets, negative goodwill, transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions;
- gain and loss on disposal of subsidiaries, net;
- 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.

EBITDA – Earnings before interest, taxes, depreciation and amortisation, share-based payment charge, acquisition-related expenses, net and gain and loss on disposal of subsidiaries, net.

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.

Net capex – Purchase, capitalisation of intangible assets, purchase of property, plant and equipment, less proceeds from disposals of such assets less capex trade payables change of the period.

Free Cash Flow to the Firm (FCFF) – Net cash provided by operating activities, less Net capex.

Organic growth for a given period (Q3, 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.

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.

Free Cash Flow to the Firm before investment in owned sites – Free Cash Flow to the Firm less Net capex spent on purchase of land, buildings and investments to purchase, build or modernise owned sites/buildings (excludes laboratory equipment and IT).

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.