



# 2024 European Investor Day

London

23 October 2024



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# CEO Presentation

Dr Gilles Martin

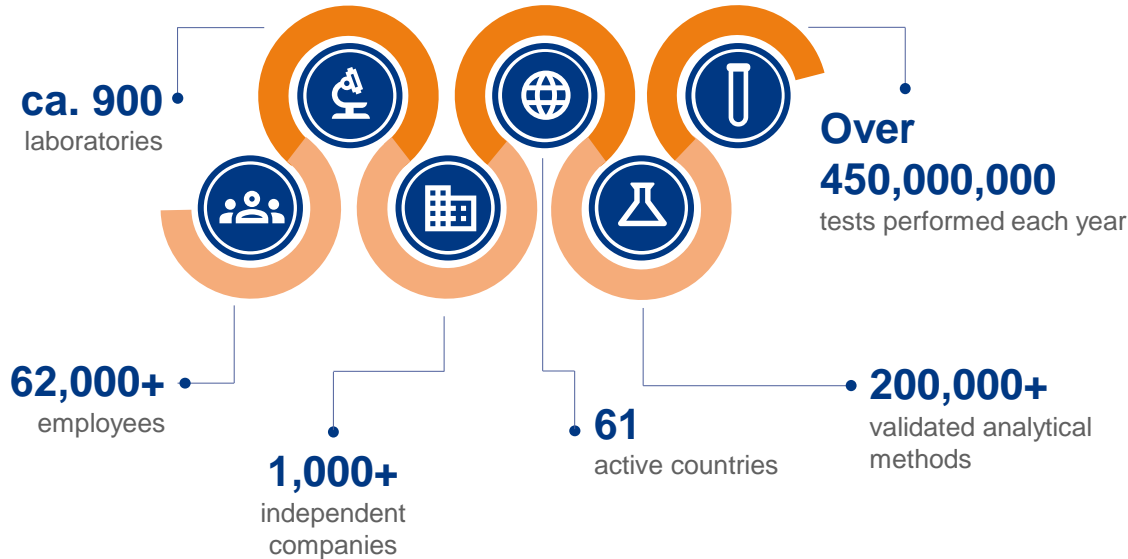
Chairman and Chief Executive Officer



# Eurofins: The World Leader in Testing for Life



## Key Figures



## 37 years of value creation

- Long-term track record of turning investments into growth, productivity, margin expansion and Return on Capital Employed
- Competitive advantages based on scale and one-of-a-kind fully digital 'hub and spoke' laboratory network infrastructure
- Well positioned for the future in terms of technological capabilities, scientific expertise and innovation power
- Committed to sustainability and ESG

# Eurofins remains confident in its objectives for organic growth<sup>1</sup> and M&A



## Revenue bridge (2019 to 2027E)



average  
organic growth<sup>1</sup>

**6.5% p.a.**

**Drivers**  
In 2025 and  
beyond

- Continued strength in Life and Consumer and Technology Products Testing,
- Low-to-mid single digit growth in Clinical Diagnostics after absorption of reimbursement cut of 10 September 2024 in routine clinical testing in France as faster growth specialty testing compensates lower routine testing growth
- Strong rebound in BioPharma in H2 2025 when large studies that ended in early 2024 should be replaced by larger programmes partly already contracted
- The outlook for Agrosiences (~2% of Eurofins revenues), 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.

potential average  
revenues from  
acquisitions

**€250m p.a.**

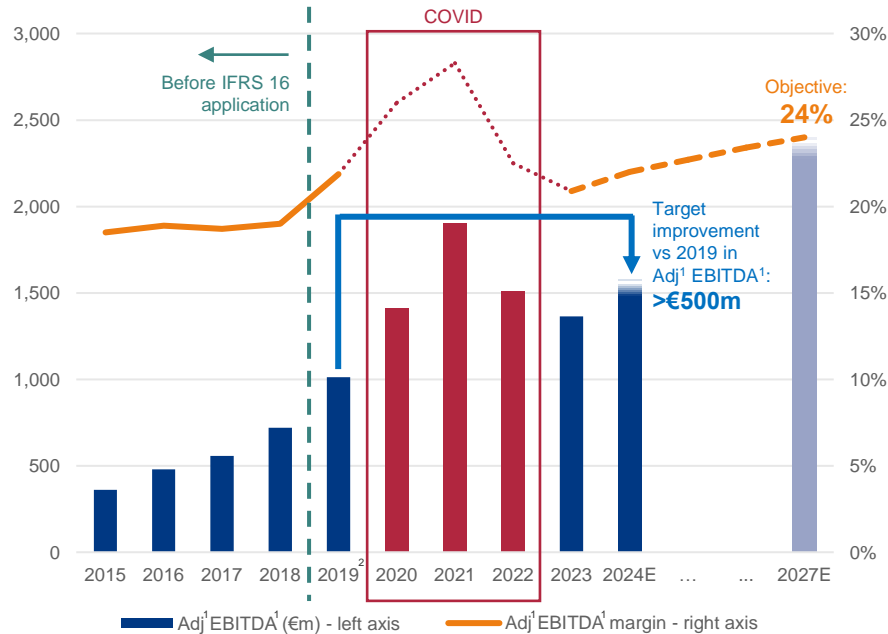
**Drivers**

- Opportunistic consolidation of fragmented competitive landscape in many activities and regions
- Focus on reasonably valued smaller bolt-on acquisitions

<sup>1</sup> Alternative Performance Measures (APMs) are defined at the end of this presentation

<sup>2</sup> Adjusted for estimated cyber-attack impact on revenues (€69m)

# Recovery in profitability is well underway, with high confidence in achieving 24% adjusted EBITDA<sup>1</sup> margin objective by 2027



## Challenges 2019-H1 2023:

- Unexpected acceleration of inflation starting in Q2 2022 due to the war in Ukraine not adequately compensated by pricing initiatives
- Disruptions during COVID period impacted progress on operational improvements, and digitalisation initiatives in Core Business, in particular in Europe
- Costs to manage pandemic surge not fully removed in H1 2023

## Recovery H2 2023 & 2024:

- Improvements in profitability resulting from a combination of:
  - Pricing attainment, volume growth and disciplined cost management, in particular personnel expenses, consumables and building costs
  - Accelerated Investments in innovation, productivity, digitalisation and automation initiatives

## Further improvement 2024E-2027E:

- Anticipate significant decline in IT expenses by 2027:
  - Fully new state-of-the-art, more decentral, secure and resilient IT infrastructure should complete in 2025.
  - Planned completion of deployment of unique suite of IT solutions for Life area of activity by mid 2026 for several business lines, with substantial benefits expected to be felt by 2027.
- Continuation of programmes to align pricing to cost inflation, as well as innovation, productivity, digitalisation and automation initiatives, and better utilisation of Eurofins' state-of-the-art laboratory network.

After reset in 2023 to absorb post-COVID and Ukraine war-related inflation and reorganisations, Eurofins is returning to historic margin growth trends

<sup>1</sup> Alternative Performance Measures (APMs) are defined at the end of this presentation

<sup>2</sup> Adjusted for estimated cyber-attack impact on revenues (€69m) and adjusted EBITDA (€68m)

# Start-ups continue to contribute materially to growth, but losses are on the decline



## Long track record

### Number of start-ups initiated

Programme	Total	Per year
1 2000-2009:	25	3
2 2010-2013:	18	5
3 2014-2018:	102	20
4 2019-2021:	56	19
5 2022:	50 + 18 BCPs <sup>1</sup>	
2023:	50 + 49 BCPs <sup>1</sup>	
9M 2024:	18 + 23 BCPs <sup>1</sup>	

➤ **Total of 319 start-ups and 90 BCPs initiated since 2000**

## Strategic rationale

### **Complements M&A strategy:**

- When acquisitions are too expensive or unavailable
- High growth markets often lack reasonably-priced acquisition targets
- Right locations for national hub & spoke network

### **Upfront investment but attractive long-term returns:**

- ~€30m of capex invested in H1 2024 for active start-ups established since 2019 (programmes 4 and 5)
- Lower temporary EBITDA losses related to start-ups included in H1 2024 SDIs
- Can achieve higher returns from year 3 and beyond (no goodwill)

## Contributions by start-ups in 9M 2024

Organic growth contribution  
**+90 bps**

From developing start-ups

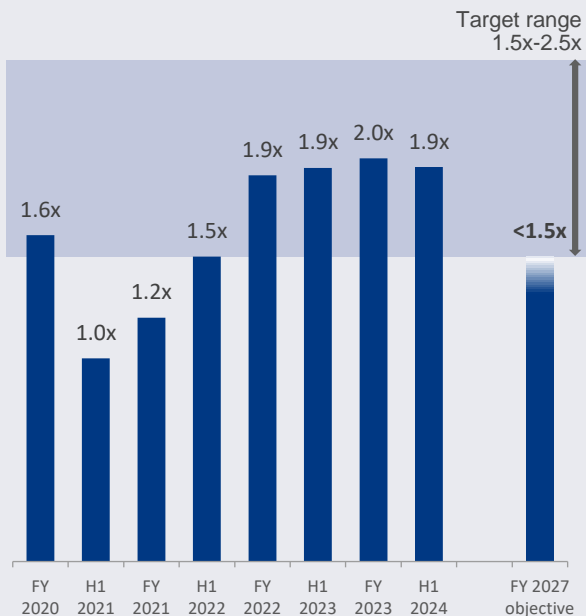
Revenues  
**€523m**

Contribution from all start-ups created since 2000

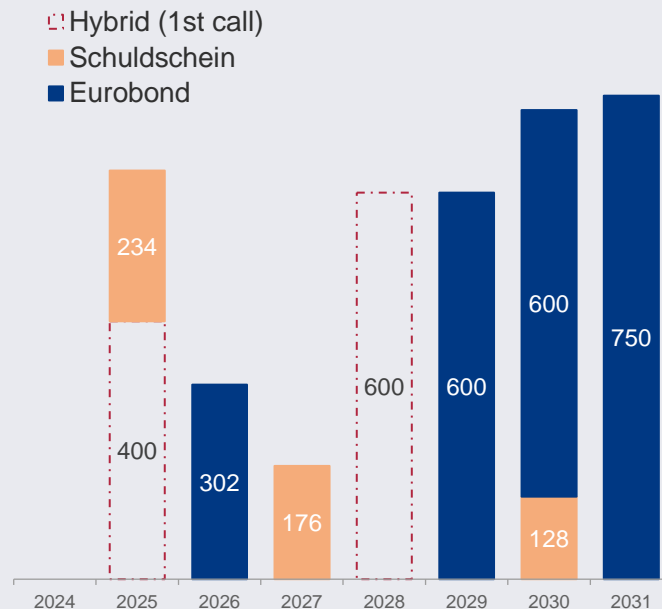
<sup>1</sup> Blood collection point / phlebotomy site

# Strong credit profile and long maturities

## Leverage<sup>1</sup>



## Debt maturity profile<sup>2</sup> (€m)



## Key Highlights

Eurofins' balance sheet remains very solid at the end of June 2024:

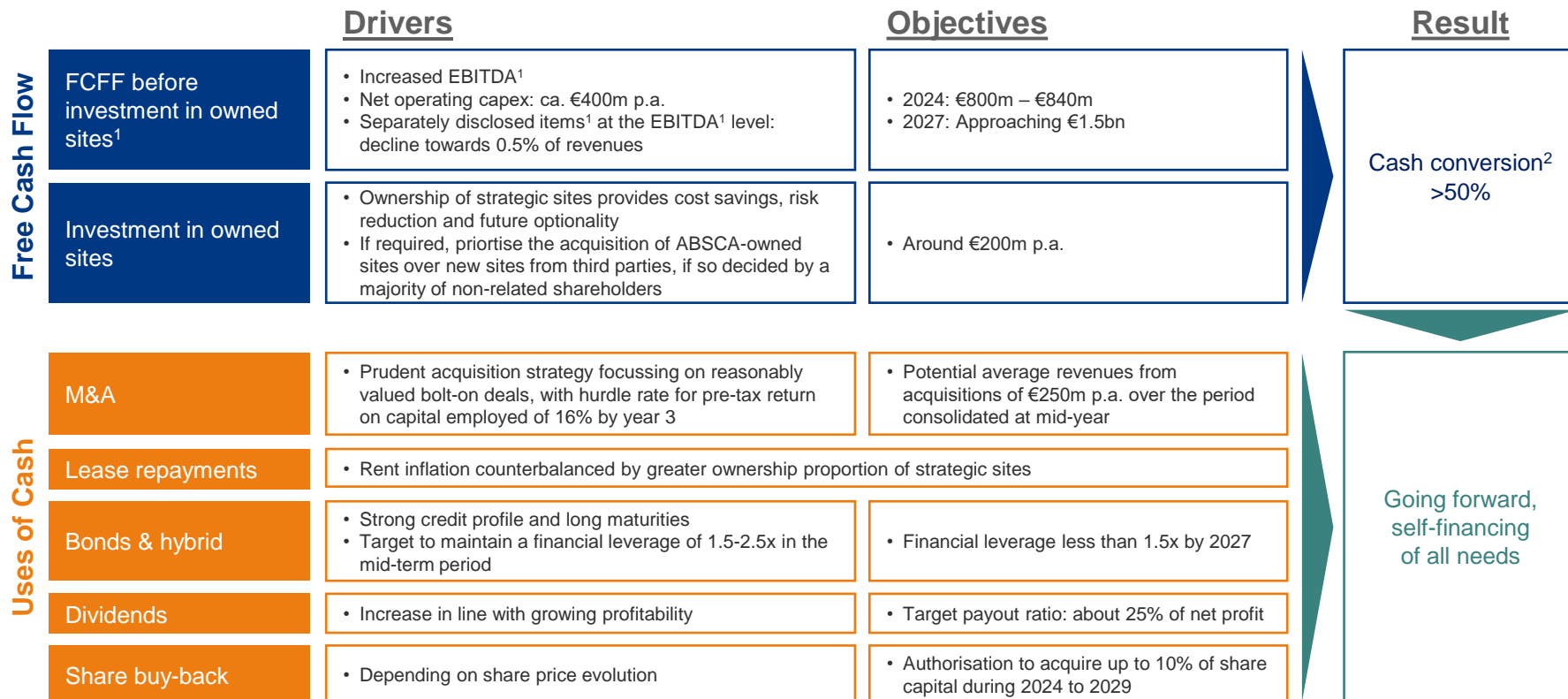
- Financial leverage<sup>1</sup> was 1.9x at the end of June 2024 vs 2.0x at the end of 2023 and well within its targeted range of 1.5-2.5x
- Having carried out an early redemption of a €448m Eurobond on 19 June 2024, one month ahead of its maturity date on 25 July 2024, Eurofins has no major financing requirements for the remainder of 2024
- Eurofins has access to over €1bn of committed, undrawn mid-term (3-5 years) bilateral bank credit lines

<sup>1</sup> Leverage: net debt / PF12M adjusted EBITDA

<sup>2</sup> Maturity profile as of 30 June 2024



# Achieve self-financing of all needs by increasing cash conversion<sup>2</sup> and disciplined use of cash

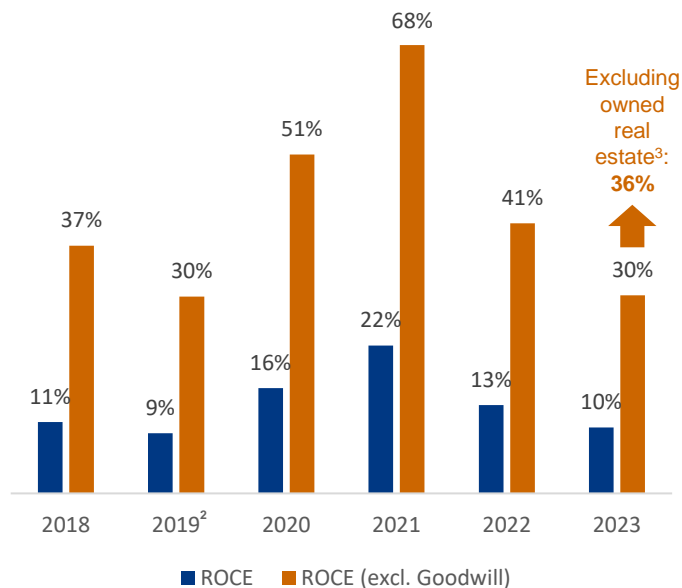


<sup>1</sup> Alternative Performance Measures (APMs) are defined at the end of this presentation

<sup>2</sup> Free cash flow to the firm / Reported EBITDA

# Return on Capital Employed (ROCE) to improve in coming years

## ROCE & ROCE excluding Goodwill<sup>1</sup>



- ROCE development affected by the following factors in 2023:
  - Lower EBITAS due to decline in accretive COVID-19 testing, COVID-19 cost overhang and sudden inflationary headwinds
  - Increase in Capital Employed related to higher net capex to support strategic initiatives for accelerating growth, including:
    - Start-ups (€60m in 2023 for programmes 4 & 5)
    - IT (€108m in 2023)
    - Owned sites (€152m in 2023 and €660m during 2018-2023)
- In 2022, the hurdle rate was raised from 12% ROCE (pre-tax) by Year 3 to 16% for assessing both M&A and organic opportunities
- 30% ROCE excluding goodwill in 2023 despite end of COVID-19 testing contribution, COVID-19 cost overhang, sudden cost inflation and consequences of the war in Ukraine
- 36% ROCE excluding goodwill and owned real estate in 2023 (assuming rental savings of €79m and net book value of owned real estate of >€650m)

<sup>1</sup> ROCE = Adjusted EBITAS / Average Capital Employed over previous 4 quarters (2018 figures adjusted to include IFRS 16 application)

<sup>3</sup> Dilutive at 12% ROCE

<sup>2</sup> Affected by 2 June 2019 cyber-attack

# Our mid-term objectives & drivers

(€m)	FY 2023	FY 2024
Revenues	€6.515bn	Close to €7bn (Previously €7.075bn – €7.175bn)
Adj. <sup>1</sup> EBITDA <sup>1</sup>	€1.364bn	€1.525bn – €1.575bn (Margin increase vs previous objectives)
FCFF before investment in owned sites <sup>1</sup>	€626m	€800m – €840m (Unchanged)
Investment in owned sites	€152m	Around €200m
Financial leverage <sup>2</sup> ratio	2.0x (at the end of Dec 2023)	1.9x (at the end of June 2024)

## Mid-term objectives & drivers

- Average +6.5% organic growth p.a.
- Potential average revenues from acquisitions of €250m p.a.

- Organic growth and acquisitions
- Align pricing to cost inflation
- Innovation and productivity improvement measures
- Digitalisation and automation initiatives

- Increased EBITDA
- Net operating capex: ca. €400m p.a.
- Separately disclosed items at the EBITDA level: decline towards 0.5% of revenues

- If required, prioritise the acquisition of ABSCA-owned sites over new sites from third parties, if so decided by a majority of non-related shareholders

- Protect the sustainability of Eurofins' balance sheet within stated financial leverage objectives (target range of 1.5x-2.5x) with adequate headroom throughout the period

FY 2027
Approaching €10bn
Margin: 24%
Approaching €1.5bn
Around €200m
<1.5x

<sup>1</sup> Alternative Performance Measures (APMs) are defined at the end of this presentation

<sup>2</sup> Leverage: net debt / PF12M adjusted EBITDA

# All of Muddy Waters' baseless allegations and disparaging claims have been disproved




<u>Subjects<sup>1</sup></u>	<u>Eurofins' response and refutations<sup>1</sup></u>
1 Eurofins' business activities	<ul style="list-style-type: none"><li>Clearly demonstrated MW's complete lack of understanding of Eurofins, its activities and representative peers</li><li>Eurofins' decentralised structure of entrepreneur-led companies promotes closer relationships with, and more individualised services for clients, while fostering business agility, empowerment, entrepreneurship, scientific innovation and risk segregation</li></ul>
2 Financial controls and reporting	<ul style="list-style-type: none"><li>Eurofins utilises well recognised standard finance applications, including Microsoft Dynamics, Microsoft Great Plains, IBM Cognos Controller and TM1, Coupa P2P, etc.</li><li>Eurofins goes beyond its legal obligations, in order to ensure reliability and strong control of financial statements, by commissioning local statutory and independent audits on all its subsidiaries</li></ul>
3 Corporate governance	<ul style="list-style-type: none"><li>5 Board members are independent, non-executive directors and form a majority (63%)</li><li>None of the members of the Martin family sit in Board committees</li><li>Independent non-executive directors are all highly qualified individuals</li></ul>
4 Related party transactions	<ul style="list-style-type: none"><li>Sustainability and Corporate Governance Committee of the Eurofins Board has been set up to independently assess that all related party transactions are at arm's length terms</li><li>Eurofins has already confirmed in multiple annual reports and publications that related party lease transactions are conducted at arm's length as can be assessed with comparable transactions and assessments by independent valuation specialists.</li><li>Analysis of archived data clearly, and once again, disprove Muddy Water's allegations that Eurofins overpaid for acquisitions to subsidise related party real estate transactions</li></ul>

<sup>1</sup> These are only selected examples. Eurofins' comprehensive responses can be found in [press releases published on 25 June 2024, 3 July 2024, 5 July 2024, 11 July 2024 and 22 October 2024](#).

# Planned actions on subjects of greatest importance to Eurofins' key stakeholders



<u>Subjects</u>	<u>Planned actions</u>
1 Cash accounting	<ul style="list-style-type: none"><li>• Ernst &amp; Young Paris has performed an additional independent audit Eurofins' cash pooling arrangements and cash situation in its consolidated financial statements as at 31 December 2023.</li><li>• Results of cash audit confirm Eurofins' FY 2023 cash balance and the high integrity of its systems and controls</li></ul>
2 Related party transactions	<ul style="list-style-type: none"><li>• It is planned to provide Eurofins the opportunity to acquire those ABSCA-owned sites that Eurofins companies wish to use long term, subject to a vote by non-related shareholders (i.e., ABSCA and its representative directors following majority of non-related shareholders).</li><li>• The timeline for this process is dependent on numerous conditions, including the significant preparation work required (i.e., appraisals by independent external experts) and Eurofins' financial development, but it is Eurofins' intention to conduct this vote at the earliest appropriate occasion.</li></ul>
3 Board composition	<ul style="list-style-type: none"><li>• Eurofins is considering increasing the proportion of independent, non-executive directors on its Board of Directors by potentially adding one director with appropriate experience and seniority, subject to identifying a person adding true value.</li><li>• Among other factors, Eurofins will consider the qualifications, recognition and work experience of potential candidates, with any appointment subject to a shareholder vote at an Annual General Meeting</li></ul>



Continued strong secular growth outlook in all Eurofins activities; mid-term Biopharma outlook is strong after reset of post-COVID pipelines

Recovery in profitability is well underway, with high confidence in achieving 24% adjusted EBITDA margin objective by 2027

Strong credit profile with long maturities

Achieve self-financing of all needs by increasing cash conversion and disciplined use of cash – plan to own large laboratory campuses to complete by 2027

Return on Capital Employed (ROCE) to improve in coming years

Disproved all disparaging claims made by Muddy Waters

Committed to resolve subjects of greatest importance to key stakeholders

# Who you will meet today



**Laurent Lebras**  
Group Finance & Administration Director



**Timothy Oostdyk**  
Group Executive Vice President  
BioPharma, Clinical Diagnostics, Genomics  
and Technologies North America



**Joachim Reichelt**  
Senior Vice President  
Food & Feed Testing Europe



**Yvoine Rémy**  
Senior Vice President  
Environment Testing Europe



# CFO Presentation

Laurent Lebras

Group Finance & Administration Director





## **Eurofins network organisation**

- >1,000 companies (= legal entities, or LEs) in the Eurofins network
  - As a comparison, Bureau Veritas<sup>1</sup> has 507 LEs and Intertek<sup>2</sup> has approximately 600 LEs
- Each laboratory is a LE led by a local leader (= managing director) focussed on commercial & operational aspects
- NSC (National Service Centre) companies are led by finance directors focussed on support and control
- Also LEs for national and international holding companies, real estate companies

## **Finance organisation**

- NSC services typically encompass accounting, payroll, procurement, treasury and financial reporting
- Shared service centres (SSCs) located in Poland & Portugal support NSCs with transactional activities
- Consolidation team located in France
- Group internal audit team reporting to Audit Committee and CFO

<sup>1</sup> [Bureau Veritas Universal Registration Document 2023](#), p. 459

<sup>2</sup> [Intertek Annual Report 2023](#), p. 245

## **Standard global systems, including:**

- Microsoft Dynamics and Microsoft Great Plains for accounting platforms in Europe and North America with a coverage of ca. 90% of activities
- IBM Cognos Controller and TM1 for consolidation, budgeting and monthly financial reporting, with a coverage of ca. 100% of activities
- Coupa P2P solution for all third-party purchases, with a coverage of over 90% of purchasing spend

## **Cash management**

- Wherever possible, daily cash upstreams to NSCs, and from NSCs to HQ

## **Compliance & control**

- 100% local statutory audits
- Strong matrix of authority for significant and exceptional transactions supported by digital tools and dedicated compliance team
- Central, regional and local controllers to ensure proper budgeting, monitoring of actuals and implementation of rules

**The forensic tests performed by Ernst & Young Paris provide direct refutations to the baseless allegations in short seller reports published by Muddy Waters, LLC in June and July 2024:**

- No indication of irregularly altered documents was identified when performing dedicated forensic tests to detect potential data authenticity anomalies for all the bank statements, bank confirmations and statutory audit reports used in tests.
- The cash pooled at national level is up-streamed through a second layer of cash-pooling to centralise the available cash at the Group's headquarters. The Group invests the cash surplus on short-term fixed deposit accounts which correspond to the Cash Equivalents reported.
- All the tests were applied to all bank accounts selected through the sampling methodology. They identified two individual exceptions above €100k each totalling an overstatement of €1.2m. These exceptions, already identified during the 2023 year-end audit, were considered immaterial at that time (0.1% of the Cash and Cash Equivalents balance as at 31 December 2023).



- Eurofins framework organised for focus and efficiency

- Effective systems and controls

- Results of cash audit confirm Eurofins' FY 2023 cash balance and the high integrity of its systems and controls



# BioPharma Services

Timothy Oostdyk

Executive Vice President BioPharma Services, Clinical Diagnostics,  
Genomics and Technologies North America



# BioPharma Services – Comprehensive Global Offering



Genomics

US  
Germany  
Denmark  
Japan  
India



Discovery

US  
France  
Spain  
UK  
Taiwan  
China  
India



Pre-clinical /  
Early  
Development

US  
Germany  
France  
India



Clinical  
(Central  
Laboratory/  
Bioanalytical)

US  
France  
Netherlands  
Singapore  
China  
India



BioPharma  
Product  
Testing

21 countries  
50 sites

Key hubs:  
US  
Ireland  
Germany  
Italy  
France  
Netherlands  
Japan



Development  
&  
Manufacturing  
(CDMO)

US  
Canada  
Belgium  
France  
India



PSS<sup>1</sup>  
Insourcing  
Solutions

Serving Big  
Pharma  
clients at  
sites in the  
US, Europe  
and Pacific



Agroscience  
Services

Germany  
US  
UK  
Spain  
Japan  
Brazil  
France  
Netherlands  
Australia  
Italy  
and more

# BioPharma Services Evolution



Started	Select milestones / acquisitions		Market position today
2001	<b>Central Laboratory / Bioanalytical</b>	Acquisitions:  Viracor-IBT™ 2011: Global infrastructure established (US, Netherlands, Singapore, China, India)	Among top 5 global players
2005	<b>Genomic Services</b>	Acquisitions:  GATC Services  Blue Heron  REPERTOIRE GENESIS	Among top 5 global players
2006	<b>BioPharma Product Testing</b>	Acquisitions:  Lancaster Laboratories  PHAST quality standards  astellas  PROXY Laboratories  Infinity Laboratories	Global leader since 2011
2006	<b>Agroscience Services</b>	Acquisitions:  EAG INCORPORATED	Global CRO leader since 2017
2007	<b>Medical Device Testing</b>	Acquisitions:  biolab	
2012	<b>Discovery Pharmacology</b>	Acquisitions:  Panlabs  Cerep  MERCK MILLIPORE Discovery & Development Solutions  CALIXAR  villapharma  DiscoverX	Global leader since 2012
2017	<b>CDMO Services</b>	Acquisitions:  AMATSI GROUP  Alphora  ADVINUS	Emerging player
2020	<b>Integrated Discovery Services</b>	Acquisitions:  BEACON DISCOVERY 2020: all global Eurofins Discovery sites integrated together as DiscoveryOne™	
2022	<b>Medical Device Services</b>	Acquisitions:  inpac  Human Factors MD 2022: significantly expanded service offering into Packaging and Sterilisation of medical products	Among top 5 global players

# Leading Global BioPharma Network



## Leader in significant markets

- Global leader in BioPharma Product Testing
- Global leader in Discovery Pharmacology Services
- Global leader in Agrosience CRO Services

**144** laboratories  
in  
**35** countries

**~390,000** m² laboratory capacity



## Major Biopharma companies



+ regional & local players

## Innovative biotech

Example clients

BIONTECH

moderna

NEUROCRINE  
BIOSCIENCES

VERTEX

SAREPTA  
THERAPEUTICS

bridgebio

REGENERON

EXELIXIS

**Typical contractual relationship:**

- Product Testing: annual master service agreements
- Research & Development Services: project-based agreements

Clients<sup>1</sup>

Peers



+ regional & local competitors

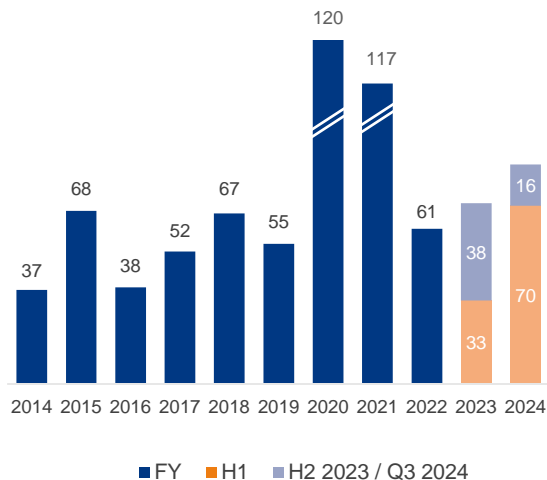
<sup>1</sup> Examples of typical clients shown for illustrative purposes only

# Market Update



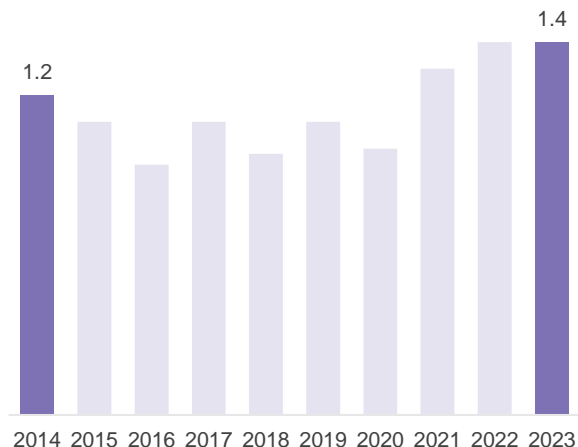
# State of BioPharma Industry Funding

BioPharma Funding (\$bn)  
(IPOs, Follow-ons, Private and Public/Other)



Source: BioWorld, accessed 16 October 2024.

BioPharma Firepower (\$tn)



Source: Ernst & Young, [2024 EY M&A Firepower report](#)

- Biotech funding has improved significantly in H1 2024, although it remains more heavily focused on later phase assets
- VC funds remain selective in terms of size and valuation, but are very active in raising & deploying capital
- BioPharma firepower remains at a high level, and is being actively deployed, even while internal costs are under ongoing pressure
- Expect big pharma to utilise their strong balance sheets to replenish their R&D pipelines by supporting biotechs through licensing, partnering, M&A, etc.

## September 2024

- Bain Capital Life Sciences - \$3B fund - transformative medicines, medical devices
- Arch Venture Partners - \$3B fund - support early stage biotech companies

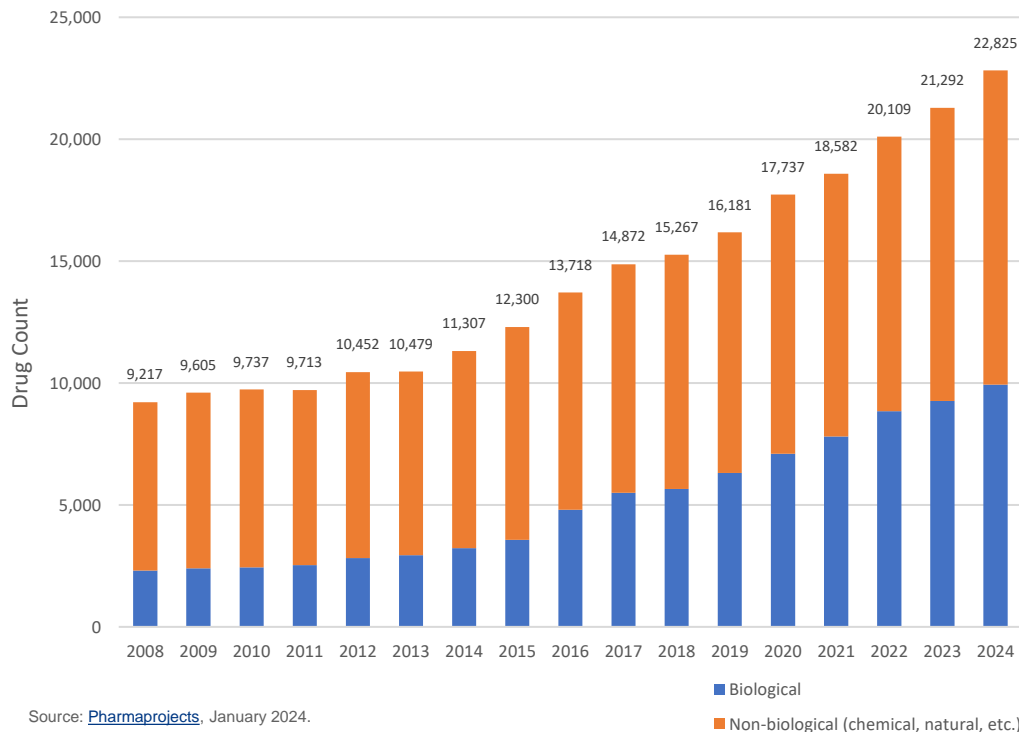
## October 2024

- Frazier Life Sciences - \$630M fund – small and mid-cap biotechs
- Forbion - 2.1B euro fund - to be invested in 30 portfolio companies

“We continue to see great opportunities to deploy capital in Europe and North America, backing talented management teams that develop novel therapeutics with the potential to impact the future of medicine” Forbion statement

# Continued growth of R&D candidates in pipeline and proportion of biologics to grow

Total R&D pipeline size



## Market drivers

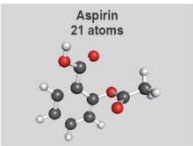
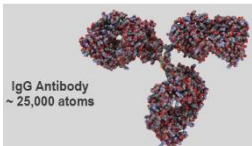

R&D pipeline size continues to grow substantially, driven by intensity & speed of innovation

- Increased focus on biologics vs. small molecules = increasing amounts spent per drug
- Competitive intensity between big pharma & biotech to decrease time to market

Outsourcing of R&D has grown even faster:

- Pressure to reduce fixed cost base despite increasing complexity
- Externally available infrastructure & capabilities = more speed & agility and less capital employed
- Access scientific & regulatory expertise, experience and competencies that are difficult & expensive to insource

# Large Market Opportunities

Novel innovations <sup>1</sup>			
	Chemicals	Biologics	Cell and gene therapies
<b>Description / Complexity<sup>2</sup></b>	 <p>Aspirin 21 atoms</p>	 <p>IgG Antibody ~ 25,000 atoms</p>	 <p>In Vitro Genetic Modification (Gene Editing CAR)    Gene Inserted For CAR    CART Cell</p> <p>Altering of genetic material</p>
<b>Evidence / Endpoints</b>	Traditional, biomarkers, discrete	Traditional, biomarkers, discrete	Traditional, biomarkers, genomics, digital, patient centred, longitudinal
<b>Target population / Business model</b>	Large population, volume maximisation	Price-volume optimisation	Outcome-based / personalised
<b>SoC<sup>3</sup> change / Innovation rate</b>	Slow Many new classes, many me-toos	Moderate More new classes, fewer me-toos	Fast Many new classes and combinations
<b>Testing requirements</b>	Biologics & New therapies: ~4-10x higher than chemicals		
<b>Development timeline / cost<sup>4</sup></b>	New: >10 years / ~€3bn Generic: ~2 years / ~€1-2m	New: >10 years / ~€3bn Biosimilar: ~5 to 9 years / >€100m	Personalised therapies: ~€2bn <sup>5</sup>

## Opportunities for Eurofins

Increasing complexity in testing and clinical trials

Increased likelihood of outsourcing of testing and other activities to dynamic, flexible and reliable partners

More potential for customised and higher-value services

Higher demand for flexible, project-based insourcing solutions

<sup>1</sup> Source: IQVIA | EFPIA Pipeline Innovation Review 2022

<sup>2</sup> Source of visuals: [Sagent Biosimilars](#)

<sup>3</sup> SoC: Standards of Care

<sup>4</sup> Source: [Pfizer](#)

<sup>5</sup> Source: [Pharmaceut Med](#)

# Established leading player in Cell and Gene Therapy with comprehensive client offering and >10 years of experience



**Successful and long track record with Cell and Gene Therapies (C&GT)**

Supported the development of:

- 21 of 30 FDA-approved<sup>1</sup> Cell and Gene Therapy Products
- All 9 CAR-T therapies

## **Eurofins Offering**

**Comprehensive portfolio of solutions**



**Multiple service models**



**Global network**



**Vast experience & Credibility**



**Facilitation of digitalization**



## **Advantages to C&GT Clients**


- End-to-end support through one testing partner that can cover the entire development, manufacturing and commercialisation stages and accommodate diverse client needs
- Clients can choose from FFS (Fee For Service for individual needs), FTE (for method development and validation) or PSS Insourcing Solutions
- Facilities, capacity and experts around the world to meet regulatory requirements and fast turnaround times
- Able to manage complexities of cell & gene therapy technologies and projects for various customer groups, from therapy sponsors to contract manufacturers
- Experienced project management and technical teams serve as single-source solution for clients' testing needs
- Eurofins' proprietary eLIMS and LabAccess Web Services provide clients with real-time direct data transfer of test results

<sup>1</sup> Excluding umbilical cord blood derivatives

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# Delivering Value to our Clients

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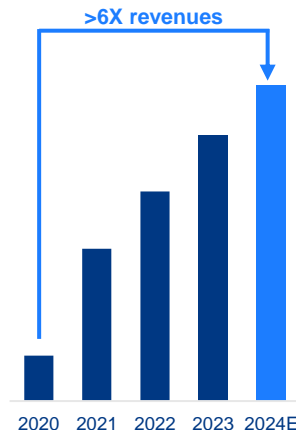
### 10 Eurofins Companies



### Integrated service offering



### Strong Growth



### A comprehensive discovery services portfolio

- We provide knowledge and expertise at early stages of the client's drug discovery journey which are critical for success
- In-depth, consultative approach is needed for biotechs and virtual pharmas both newly funded and established
- Combined with **DiscoveryAI™**: based on a proprietary dataset developed since 2012

# Eurofins Discovery Provides a Wide Portfolio of Solutions for Obesity and Diabetes Drug Discovery and Development

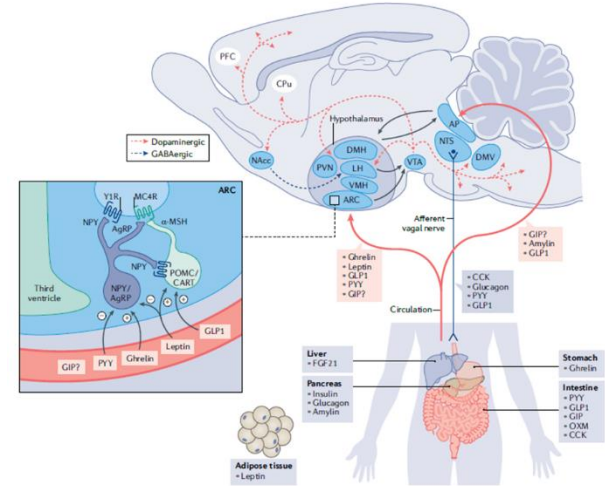


## Market Leading GLP1R Agonist Anti-Obesity Drugs

- Novo Nordisk Semaglutide
- Eli Lilly Tirzepatide and Retatrutide

## Eurofins Discovery obesityLITE Panel of Cell Based Assays

- The obesityLITE panel contains 25 relevant assays for cellular targets with important roles in the gut-brain signaling axis

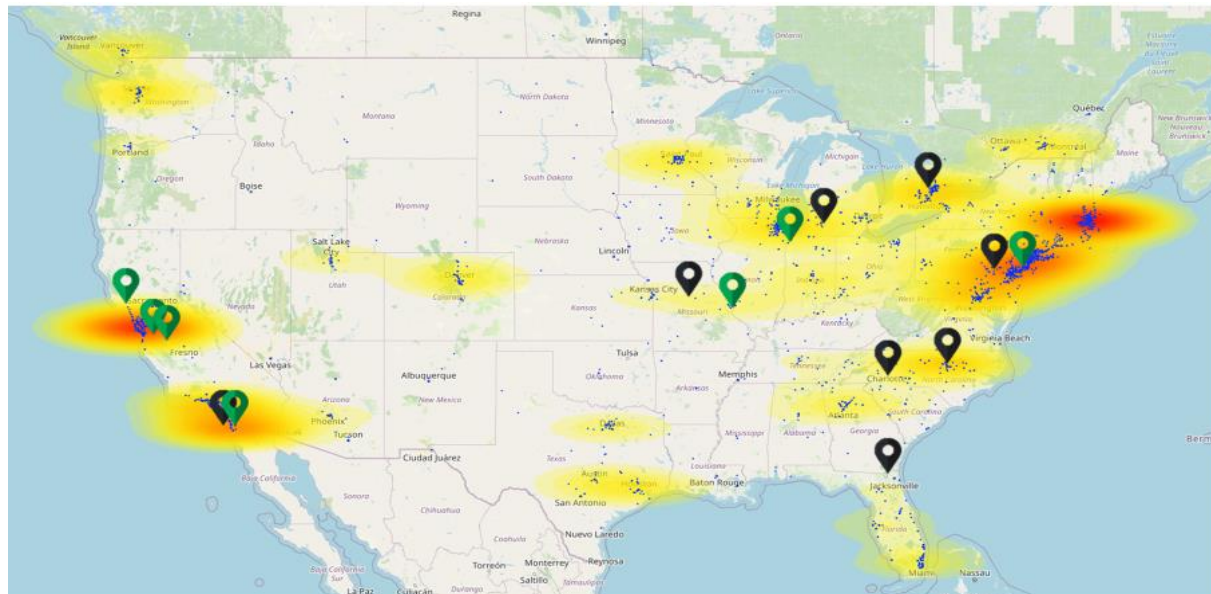




Müller, T.D., Blüher, M., Tschöp, M.H. et al. Anti-obesity drug discovery: advances and challenges. Nat Rev Drug Discov 21, 201–223 (2022). <https://doi.org/10.1038/s41573-021-00337-8>

Eurofins Discovery is currently working on over **25 client programmes** supporting obesity drug discovery and development through a variety of solutions designed for assessing the key obesity targets

# BioPharma Product Testing Footprint Strategy in North America

## Heat map of addressable customers for BioPharma Product Testing



-  Eurofins BPT sites
-  Former Infinity laboratories - Eurofins BPT sites

- >4,000 addressable customers in the US
- We currently service 1,200
- Smaller regional customers value local relationships and nearby access to the laboratory
- Infinity Laboratories acquisition and plans to open smaller regional sites will accelerate the capture of this segment of the market

# CDMO capacity and capability expansion: to provide fully integrated services offering



## Toronto Large Scale API Manufacturing Expansion

- 1<sup>st</sup> plant completed H2 2024. Multiple 2,000L reactors installed
- Plant capacity is nearly fully sold for next several years
- Site can accommodate two additional plant expansions. 2<sup>nd</sup> plant in active planning phase
- Addresses late-stage clinical & commercial demand

## Toronto Campus Buildout

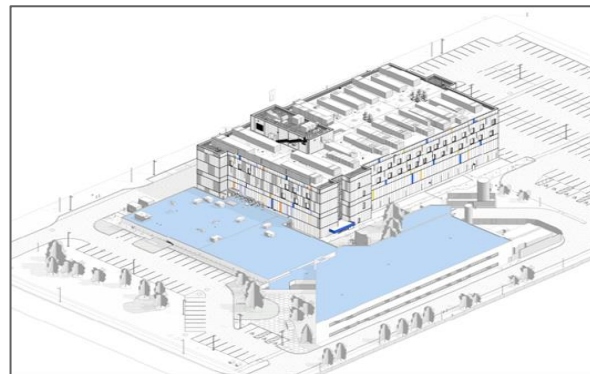
- 112,000ft<sup>2</sup> expansion, to be completed H2 2026
- Biologics manufacturing & expanded laboratories
- BioPharma Product Testing Laboratories
  - Co-located with CDMO, offering additional synergies & offering

## Biologics (mAbs & therapeutic proteins)

- Government funding support
- Development facility operational Jan 2024
- Multiple 2,000L Bioreactors & Sterile Fill facility, to open in H2 2026

## Integrated Antibody Drug Conjugate (ADC) capability

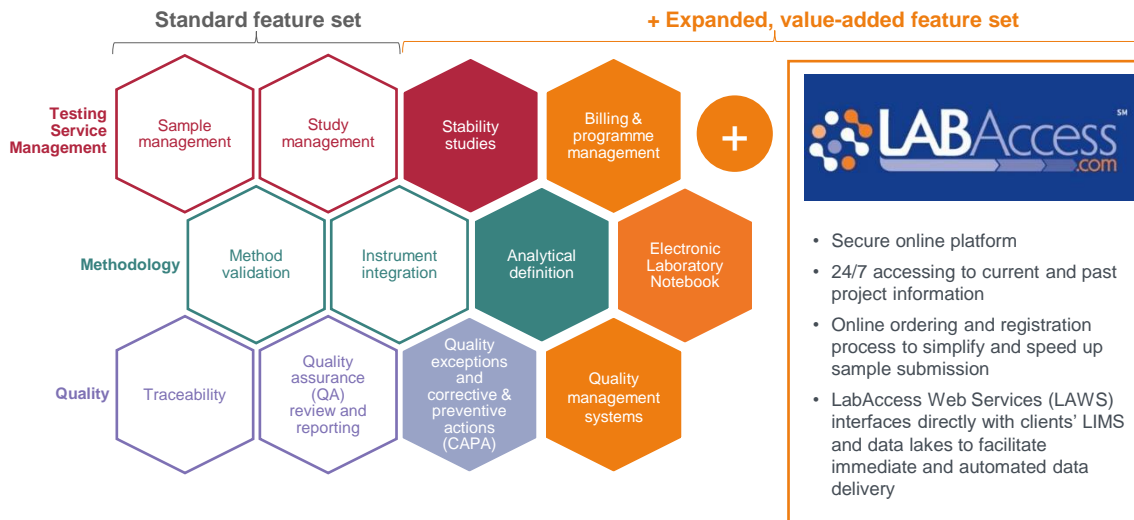
- Site has 15-year site history in Linkers & HPAPI
- New offering: Conjugation (mAb + Linker/HPAPI)
- Unique offering with all capabilities “under one roof”



# Eurofins' proprietary IT solution offers more for clients and costs less than externally available software (example BioPharma Product Testing solutions suite)



## Eurofins' proprietary BPT solution



## Benefits of Eurofins bespoke proprietary IT solutions

### Advantage: Differentiation and standardisation across network

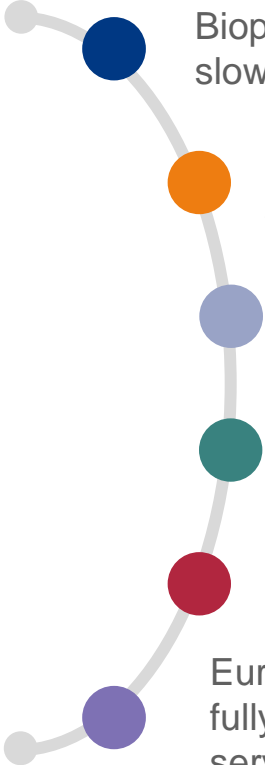
- Enables **differentiated, standardised global solutions** to support larger clients across multiple countries
- Leverage and safeguard Eurofins' **proprietary databases and tools** (i.e., AI, automation, client access)

### Advantage: Performance/Control

- Benefits from Eurofins' economies of scale and ensures adoption of Eurofins' proprietary best practices
- Drives implementation of Eurofins' processes
- **Complete control of features and changes/improvements**

### Advantage: Cost

- **Immediate payback**, as internal development costs for software suites are less than external licenses with custom development
- Annual maintenance costs for internal solutions **>50% lower** than external solutions
- Better & more cost-effective integration with all other Eurofins systems
- **Proprietary reusable interfaces** to laboratory instruments and external systems/clients



Biopharma funding environment will continue to drive secular mid-term growth, despite temporary slowdown following post-COVID pipeline resets and higher interest rates

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.

Solid organic growth currently being achieved in our North American discovery, product testing and CDMO businesses

During this period of lower organic growth the focus has been on cost reductions and margin improvement

Capacity has been increased in key areas across our biopharma portfolio, positioning us very well for the next several years of growth

Eurofins is very well positioned to capture the improving biopharma market with state-of-the-art, fully-digitised laboratories, with globally standardised processes; QA & IT solutions and strategic service offerings



# Food & Feed Testing European Network

Joachim Reichelt

Senior Vice President Food & Feed Testing Europe

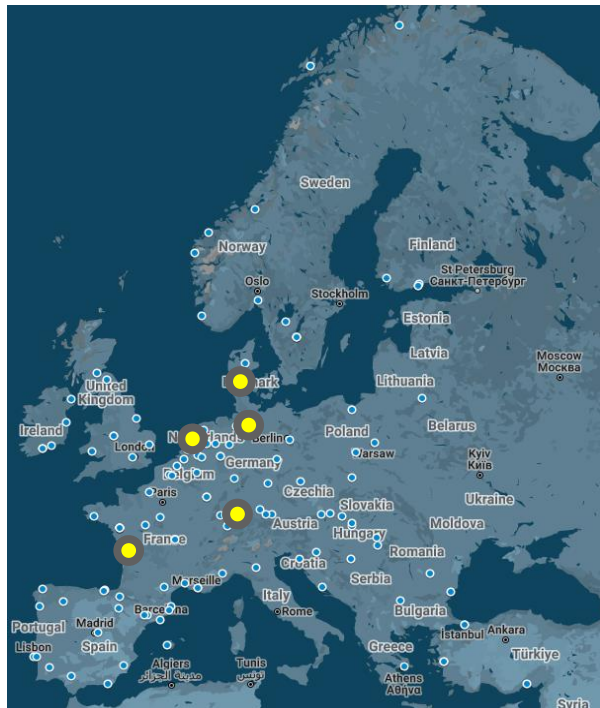




# Eurofins operates the best-in-class Food & Feed Testing network in Europe



## Eurofins Food and Feed Testing European Network



Competence Centre



Local Laboratory

## Market leader in significant markets

- Nordics
- Germany
- France
- Spain
- Benelux
- UK & Ireland

**>100** laboratories throughout Europe,

including **5 hubs** offering specialised testing services

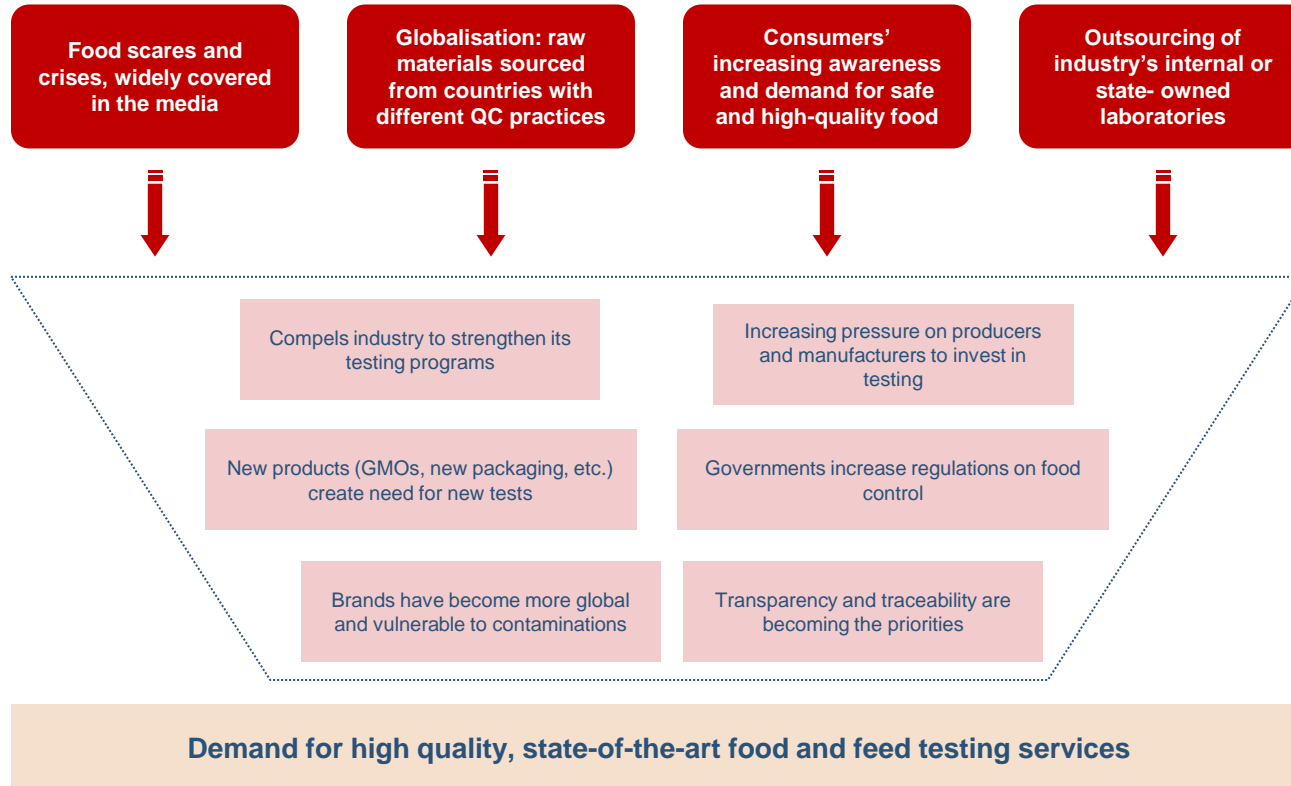
- Nantes, France – Authenticity, Isotopic analysis, Allergens
- Hamburg, Germany – Pesticides, Contaminants, Irradiation, Dioxins, Persistent Organic Pollutants (POPs)
- Freiburg, Germany – Genetically Modified Organisms (GMO)
- Vejen, Denmark – Vitamins, Amino Acids
- Heerenveen, Netherlands – Carbohydrates, Dietary Fibres

**6,500+** employees able to perform

**130,000+** different validated analytical test methods

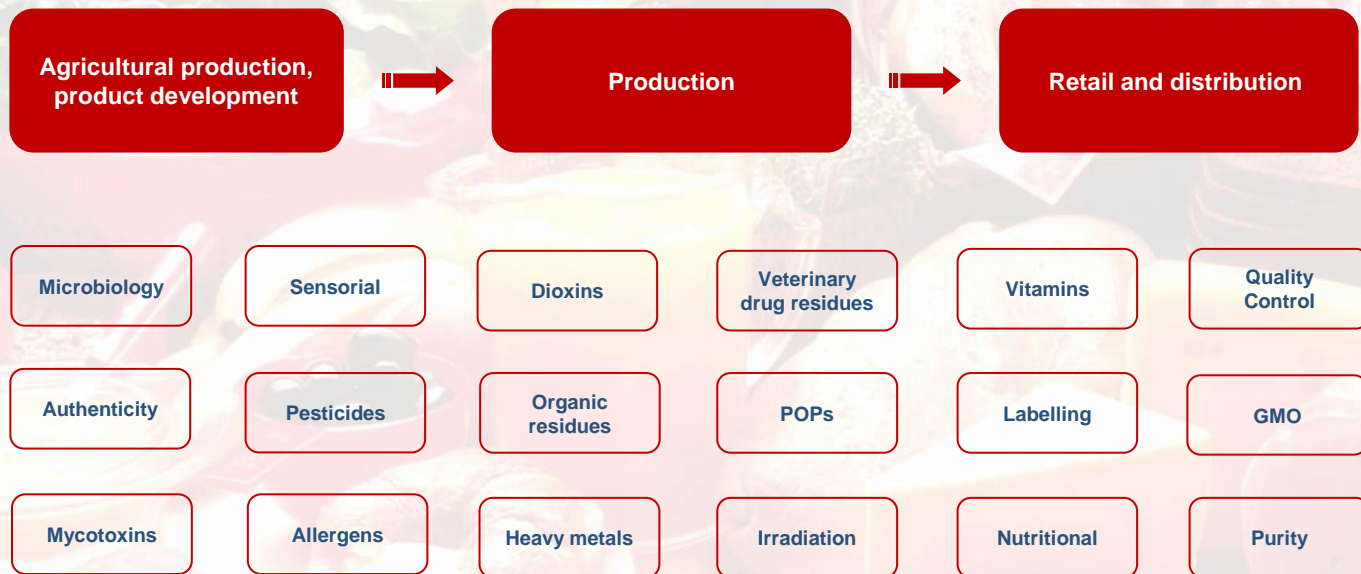


# Eurofins' >\$4bn<sup>1</sup> addressable global food & feed testing market enjoys robust growth drivers



<sup>1</sup> Internal estimate to the best of Eurofins' knowledge

# Eurofins' Food & Feed Testing offering is the most comprehensive in the market



# Our leading Food & Feed Testing market position is underpinned by the trust of our customers



Customers<sup>1</sup> & Contracts

## Agriculture

Global players



+ local farms & food processors

## Food & beverage producers

International conglomerates



+ regional & local producers

## Retailers

Supermarket chains



+ regional & local markets

## Restaurants & Caterers

Major operators



Caterers



+ regional & local restaurants

### Typical contractual relationship:

- Large customers: annual master service agreements
- Medium & small customers: based on purchase orders

Competitors

Eurofins' position<sup>2</sup>  
#1

Other major players



Small local players<sup>2</sup>  
~40%

<sup>1</sup> Examples of typical customers shown for illustrative purposes only

<sup>2</sup> Internal European market estimates to the best of Eurofins' knowledge

# Why customers choose Eurofins



## Leading expertise

- Comprehensive portfolio of state-of-the-art analytical techniques, always up to date with emerging food hazards and trends
- Deep understanding of complex global food supply chains thanks to international presence
- Participation in industry associations and regulatory bodies allowing early advice on potential food scares and legal obligations



## One-stop-shop

- We test almost all types of products that are consumed or used in food & feed production
- Broad coverage of customer requirements for:
  - Testing
  - Training & consulting
  - Auditing & certification



## Customer service

- Fast and swift local service - in the laboratory and when taking samples or conducting audits at customers' sites
- High quality and reliability of analysis, recognised by many customers and confirmed by many audits each year
- Best-in-class Eurofins OnLine (EOL) platform

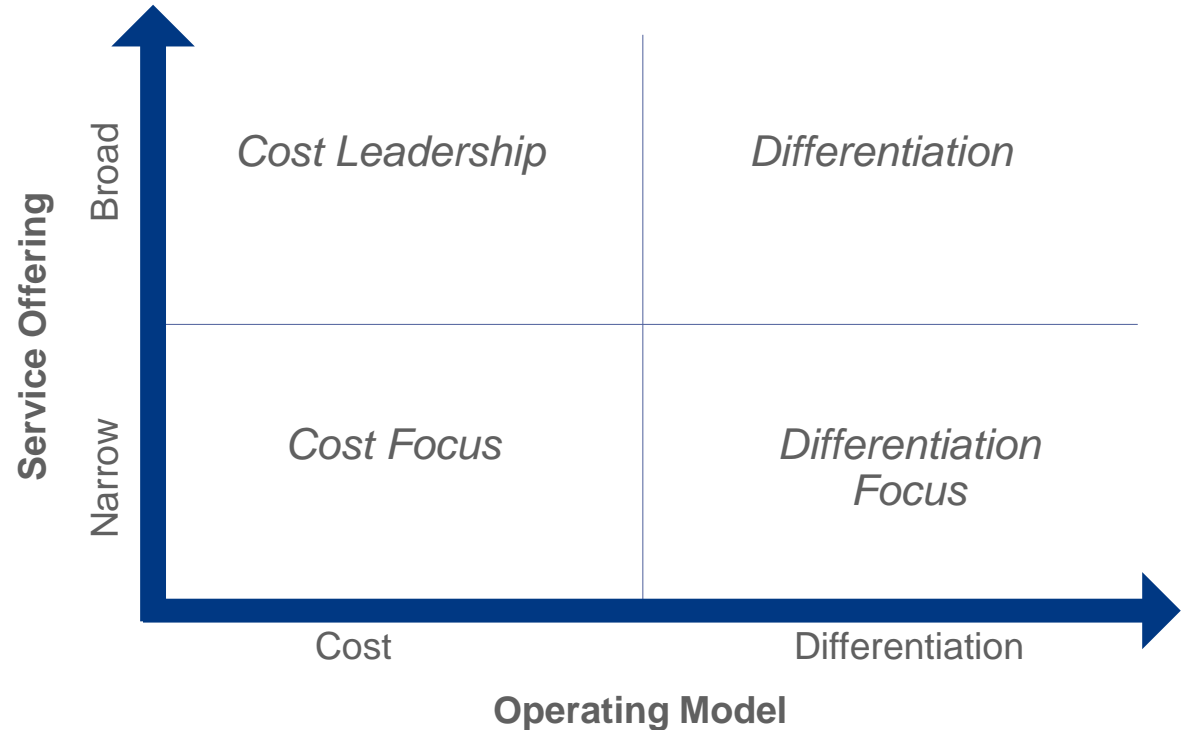
**Sustainable competitive advantages based on our scale, expertise and customer focus**

# Eurofins' Food & Feed Testing offers pricing and automation opportunities



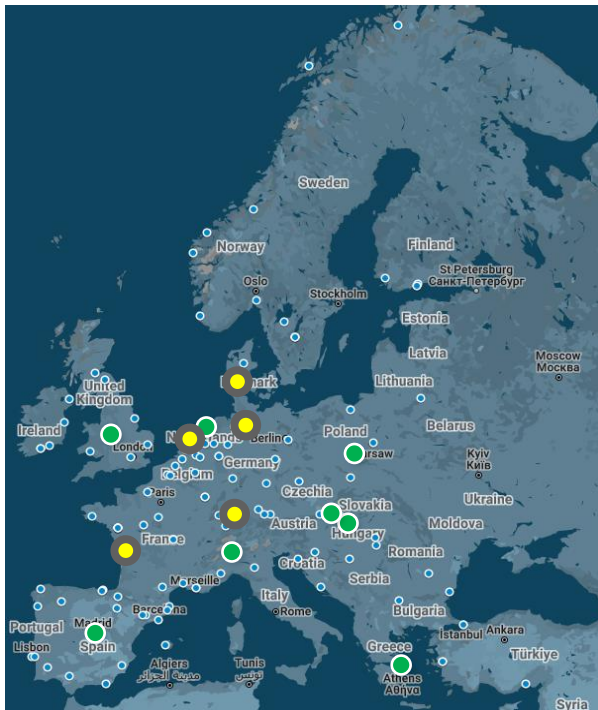
- niche vs. blockbuster tests
- boutique vs. automated lab

- ***enhanced customer service***
- ***optimized footprint setup***



# Finishing the Food & Feed Testing European Hub & Spoke network of specialty, chemical and microbiology laboratories

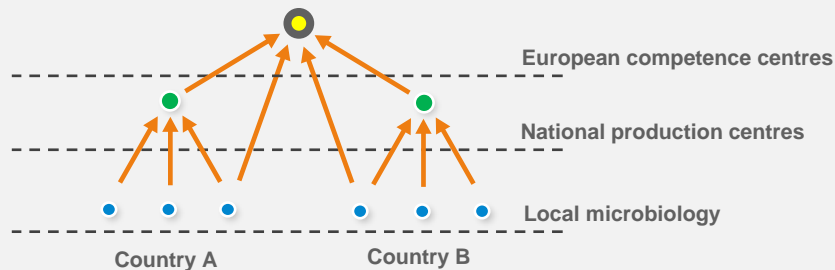
## Today's footprint



● European competence centres  
● National production centres<sup>1</sup> ● Local microbiology

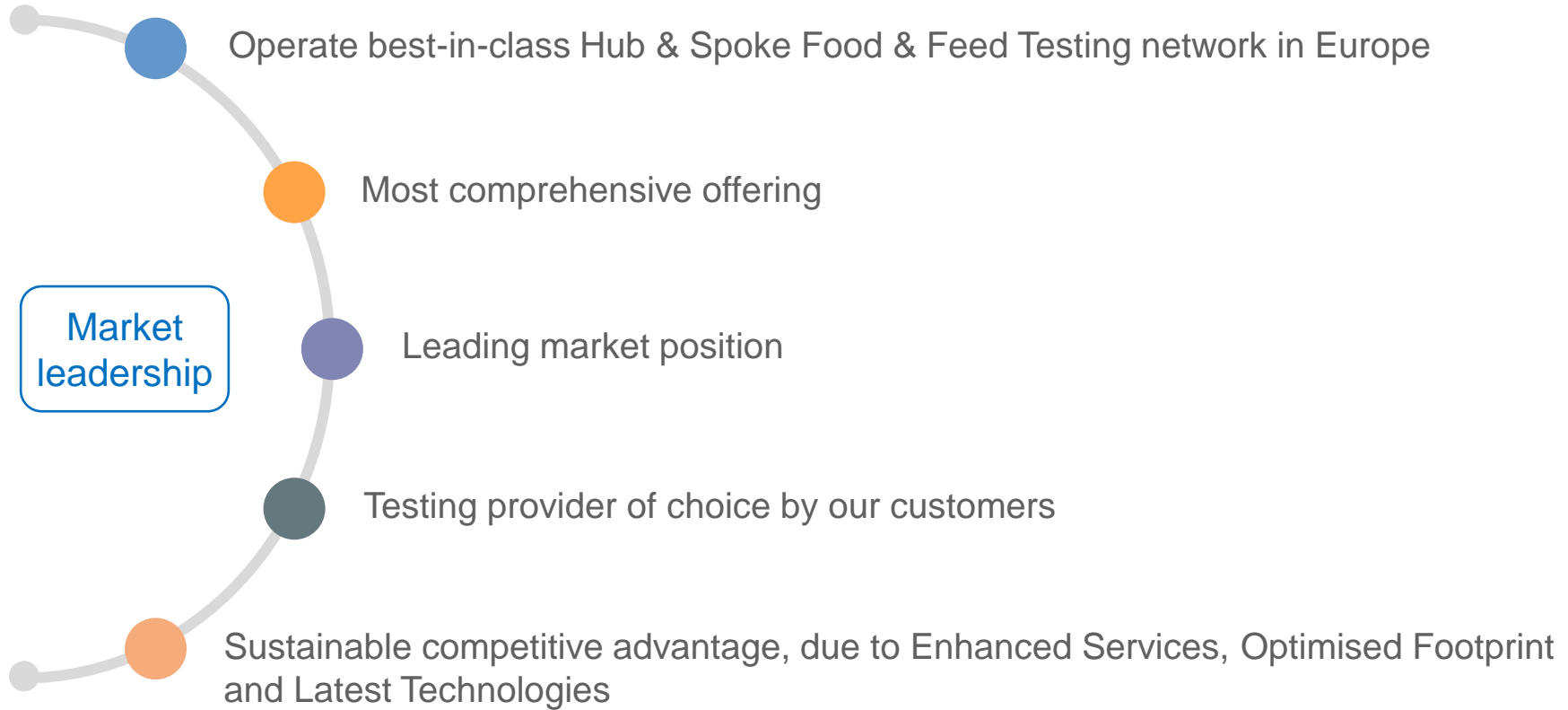
## Target footprint

- Standardised network composed of:
  - Local time-critical microbiology laboratories
  - National chemistry production centres
  - European specialty testing competence centres
- Optimisation of footprint to drive volume concentration and unlock further digitalisation and automation opportunities
- Network of national production centres and European competence centres to be completed in all EU countries by 2026



<sup>1</sup> Non-exhaustive examples shown for illustrative purposes only

## Differentiators and unique positioning





# Environment Testing European Network

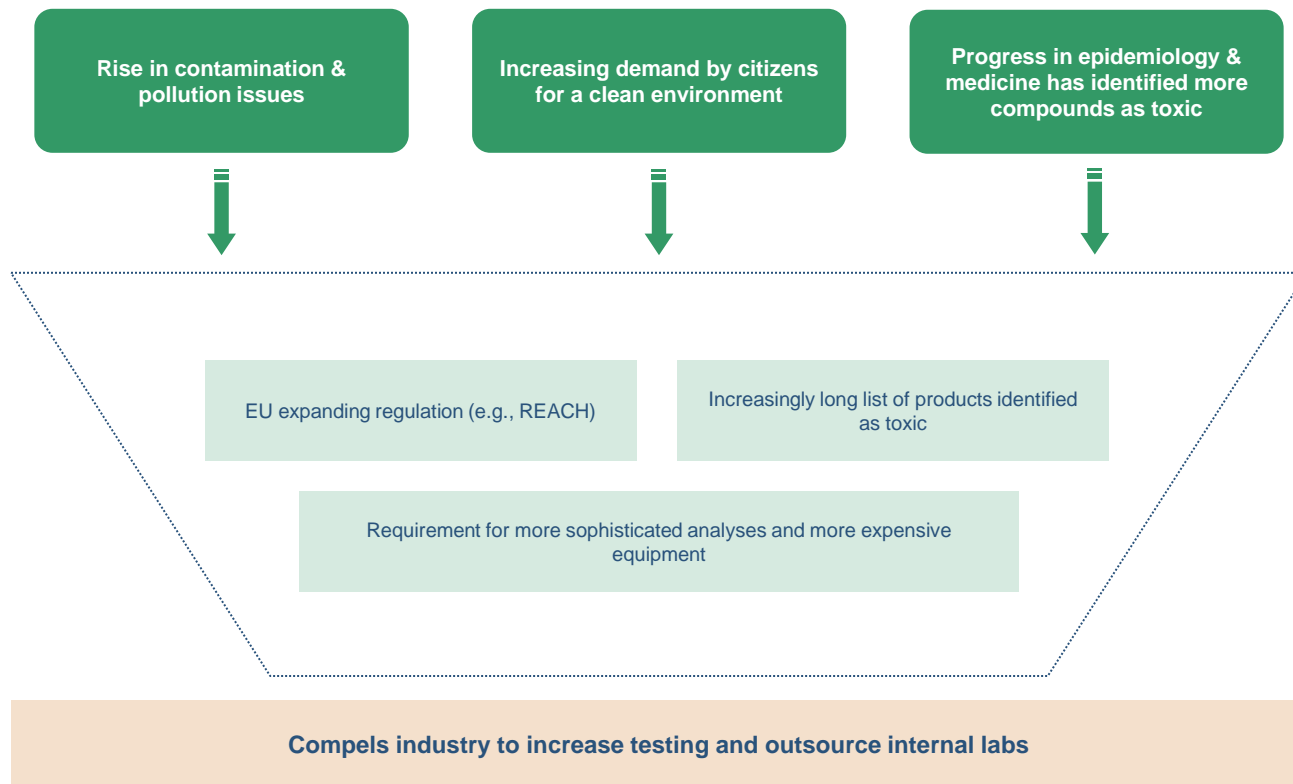
Yvoine Rémy

Senior Vice President Environment Testing Europe





# Eurofins' >\$5bn<sup>1</sup> addressable global environment testing market enjoys robust growth drivers



<sup>1</sup> Internal estimate to the best of Eurofins' knowledge

# Eurofins' Environment Testing offering is the most comprehensive in the market

## Water

- Drinking water, waste waters, groundwater analysis
- Full range of contaminants



## Soil

- Analysis of soil for full range of contaminants



## Air

- Outdoor pollutants
- Indoor and ambient pollutants



## Other

- Biofuels
- Building materials
- Chemicals & hazardous waste analysis
- Biodegradability testing
- Waste, tribology, radioactivity



Cost and time effective customised testing services is driving the environmental testing market growth

# Eurofins operates the leading Environment Testing network in Europe



## France

- Specialties: asbestos, water, hospital hygiene, polluted sites, air, radioactivity, oil

## Germany

- Specialties: waste, ecotox, PFAS, services to drinking water installations

## Austria

- Specialties: Inspection body, Industrial air testing

## Belgium / Netherlands

- Specialties: TerraTest, PFAS, hormones, pesticides, pharmaceuticals, asbestos, X-Rays

## Ireland

- N°1 in Water
- Specialties – Pesticides, Dairy Env, Solvent residue analysis

## Hungary/Poland/Slovakia/Slovenia/Estonia/Romania

- Specialties: Microplastics, Radiochemistry, Lighting vibration, DNA, asbestos

## Sweden

- Specialties: indoor air testing, solid fuels & radon

## Finland

- Specialties: on-site industrial testing, waste and fuels, ecotox, pulp&paper, mining

## Norway

- Specialties: POM passive samplers, sediments, microplastics

## Switzerland

- Specialties: drinking water, underground water and soil, PFAS

## Italy

- Specialties: drinking water, soil and sludge, waste, air emission, acoustics

## Denmark

- Specialties: Covid Waste Water, DNA, Geotechnical, Pesticides, Non-target, Chemical Fingerprint in soil and air

## Spain

- Specialties: Drinking water, air, hydrobiology

## Portugal

- Specialties: waste, asbestos

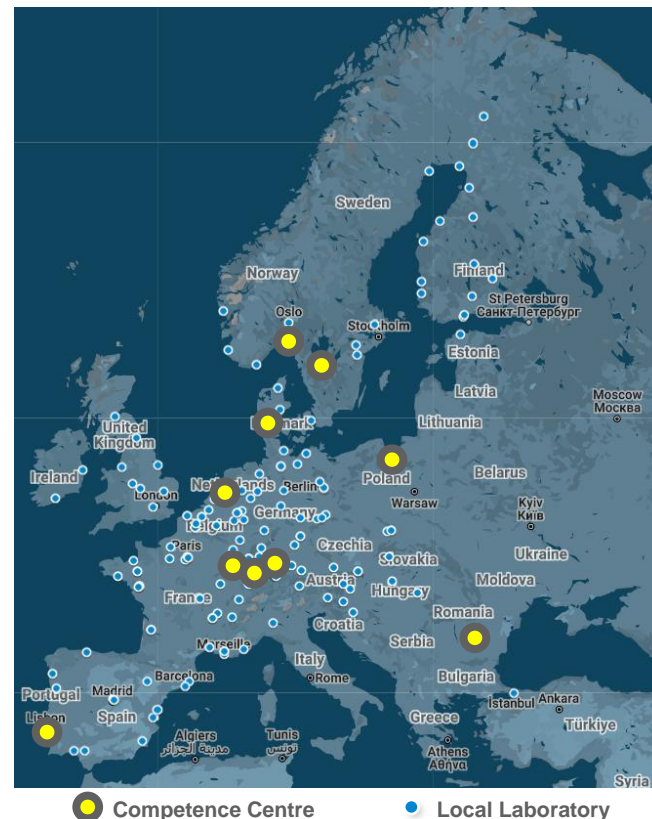
## United Kingdom

- Active in soil, water and asbestos

**21**  
Countries

**200+**  
Sites

**6,700**  
Staff



# Our leading Environment Testing market position is underpinned by the trust of our customers



Customers<sup>1</sup> & Contracts

## Engineering, Consulting, Industry, Manufacturing & Construction firms

Global players



+ regional & local players

### Typical contractual relationship:

- Large customers: annual master service agreements
- Medium & small customers: based on purchase orders
- Governments/municipalities: multi-year contracts

## Soil & Hazardous Waste firms

Global players



+ regional & local players

## Governments, Universities & Non-Profits

Typical services

- PFAS studies
- Water hygiene studies
- Wastewater monitoring
- Microplastics studies
- Land remediation projects

Competitors

Eurofins' position<sup>2</sup>  
#1

Other major players



Small local players<sup>2</sup>  
~40%

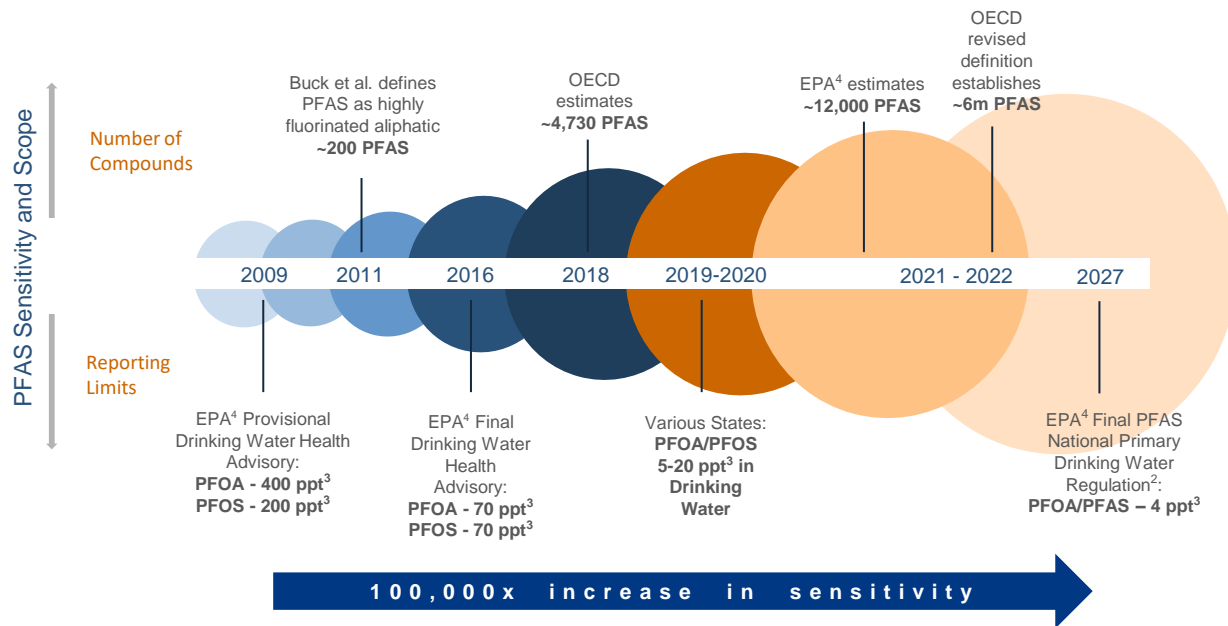
<sup>1</sup> Examples of typical customers shown for illustrative purposes only

<sup>2</sup> Internal European market estimates to the best of Eurofins' knowledge

# Also leading through innovation: Eurofins is a technology and thought leader in PFAS testing



## Science behind PFAS testing increasing in scope and complexity



## Eurofins industry leadership

- >20 years of PFAS analytical experience
- Largest instrument capacity in the world
- Extensive list of PFAS compounds
- Our focus:

### Best Turnaround Time (TAT)

### Lowest achievable limits of detection

**Most diverse number of matrices tested, including water, air, sludge, soil, blood...**

### Trusted technical expertise

# The PFAS market in Europe, a sleeping giant: regulations and public interest expanding in many countries to cover more matrices



- EU Directive intends to implement PFAS monitoring in drinking water in 2026 [Link](#)
- USA announce the National Primary Drinking Water Regulation, monitoring for six PFAS by 2027 [Link](#)



- EPA finalised Method 1633 to detect PFAS in soil [Link](#)
- Texas farmers file a federal lawsuit, claiming company sold them PFAS-contaminated sludge [Link](#)



- French General Directorate for Risk Prevention's ministerial note on emissions from stationary sources [Link](#)
- French Government adopts a text to monitor PFAS in air starting with incinerators by June 2025 [Link](#)



- New EU rules to improve urban wastewater treatment and reuse adopted in April 2024 [Link](#)
- USA: guidelines propose effluent limitations for PFAS emitting facilities by end of 2024 [Link](#)



- European Commission sets maximum levels for certain PFAS contaminants in foodstuffs [Link](#)
- New study reveals diet link to PFAS "forever chemicals" in human body [Link](#)



- Eurofins leads the largest European biomonitoring project for PFAS in blood in Antwerp, Belgium [Link](#)
- In 2024, the Danish EPA will lead population-level monitoring to better understand PFAS [Link](#)



- Authorities from Denmark, Germany the Netherlands, Norway and Sweden published proposal to restrict around 10,000 PFAS under REACH, the EU's chemicals regulation [Link](#)
- The POPs Regulation bans or severely restricts the production and use of persistent organic pollutants in the EU [Link](#)



- Proposal for EU-wide restriction on all PFAS in firefighting foams [Link](#)
- Firefighting foam company reaches \$750m PFAS settlement [Link](#)

# Regulations expanding to cover even more specialised contaminants

## EU Urban Waster Water Treatment Directive



- Updated Directive approved in **April 2024** to cover **micro-pollutants**<sup>1</sup>
- **92%** of toxic pollutants come from **pharmaceuticals** and **cosmetics** sectors<sup>2</sup>

## Consequences for wastewater treatment

### 1. Extended treatment obligations

to cover micro-pollutants (quaternary treatment)

### 2. Increased scope

starting with large wastewater treatment plants (WWTPs), then gradually require compliance by smaller plants

### 3. “Polluter pays” principle:

Extended producer responsibility scheme to make producers contribute minimum **80%** of treatment costs<sup>1</sup>

## Potential market opportunity

- **26,523** WWTPs in Europe<sup>4</sup>



- Pharmaceutical industry in Europe represented **€363bn**<sup>5</sup> of production value in 2022
- Eurofins already working with major Pharma companies to assess their wastewater footprints

<sup>1</sup> European Parliament, “New EU rules to improve urban wastewater treatment and reuse, April 2024” <sup>2</sup> European Commission, “Questions and answers on the new EU rules on treating urban wastewater”, October 2022

<sup>4</sup> European Commission, “Are waste-water treatment plants failing to protect the ecological health of European streams?”, February 2023 <sup>5</sup> EFPIA (European Federation of Pharmaceutical Industries and Associations), The Pharmaceutical Industry in Figures, 2024



# Parallel to stricter regulations, Eurofins' proprietary standardisation, automation and digitalisation initiatives support strong profitable growth



## Sampling

Proprietary test kit and digital solution



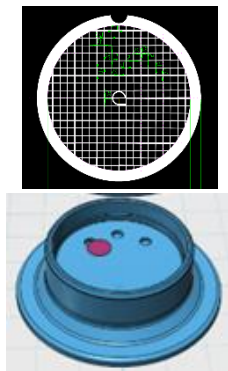
## Reception

Samples collected in standardised bags with pre-encoded QR codes



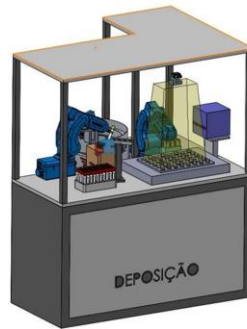
## Consumables

Proprietary micro grids and petri dishes



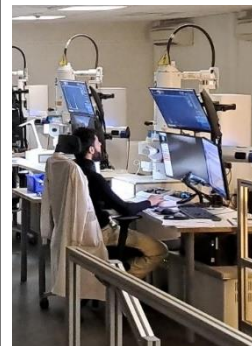
## Preparation

Deployment of modular automation systems



## Analysis

Accredited visual AI detection method on TEM microscopes



## Reporting

Online tracking and reporting for customers



Results for  
Asbestos  
testing:

NPS<sup>1</sup> +84

High customer satisfaction

Productivity +17%

Greater competitiveness



# When agility, best in class TAT and capacity position us as the only possible testing provider in high exposure cases: the Nordic Waste case study (Denmark)

## Environmental crisis in Randers, Denmark



- In early 2024, a 75m tall heap of contaminated soil at Nordic Waste's reprocessing plant began collapsing, threatening the town's inhabitants<sup>1</sup>
- To facilitate a rapid cleanup, tonnes of contaminated soil had to be quickly tested before being moved

## Project requirements

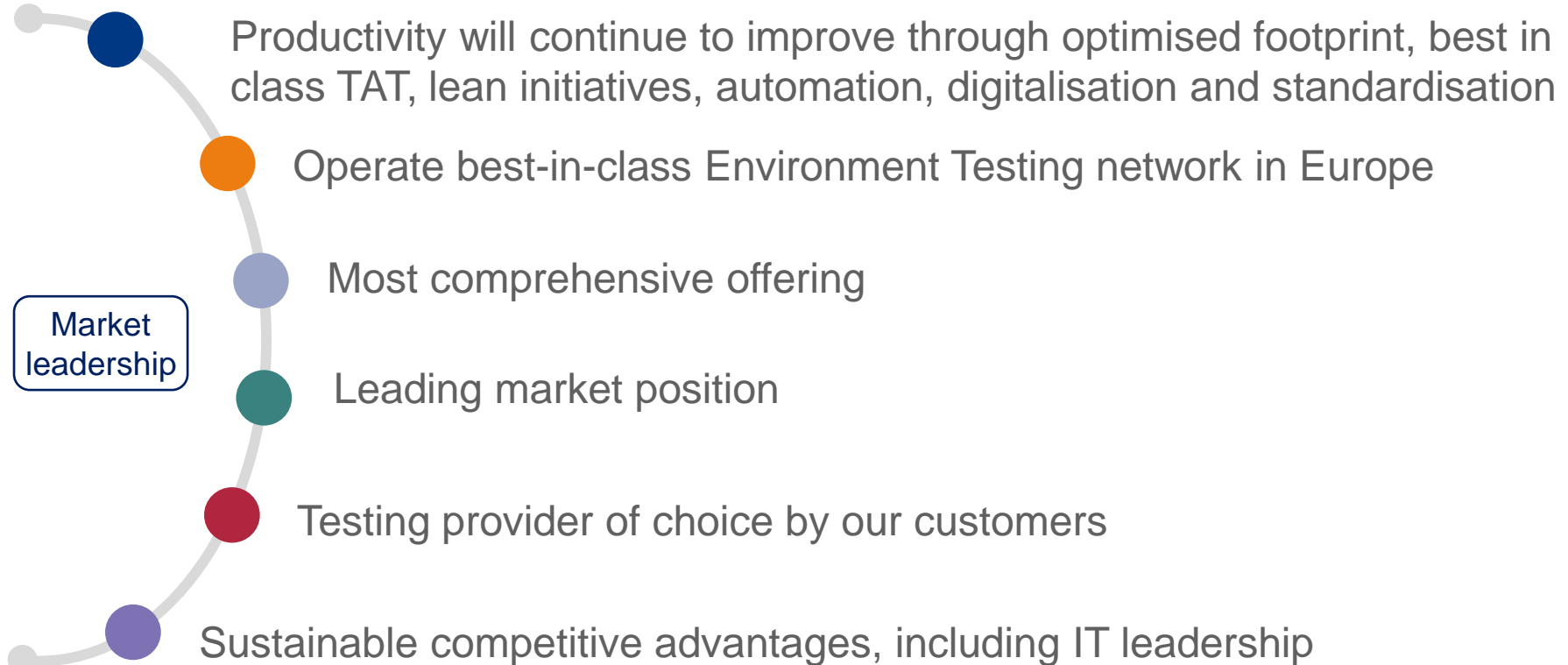
- High availability: 50-100 samples per day
- High speed: rush turnaround time of 24 hours
- High capabilities: contaminants including toxic metals and PFAS



## Eurofins deliverables

- Rapid expansion of capacity, including setting up new lab and new equipment, plus added night shift
- Fast development and accreditation of method fitting project requirements
- Eurofins Online platform to track sample workflow in real time

<sup>1</sup> Euronews, "Toxic landslide threatens Danish village as argument over clean up costs escalates", January 2024 [Link](#)



# 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.

EBITAS – EBITDA less depreciation and amortisation.

Acquisition-related expenses, net – impairment of goodwill, amortisation/impairment 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.

EBIT – EBITAS less share-based payment charge, acquisition-related expenses, net and gain and loss on disposal of subsidiaries, net.

Net Profit – Net profit for owners of the Company and hybrid capital investors before non-controlling interests.

Basic EPS – Basic EPS attributable to owners of the Company and hybrid capital investors.

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 – Net cash provided by operating activities, less Net capex.

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).

Net debt – Current and non-current borrowings, less Cash and cash equivalents.

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.

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.