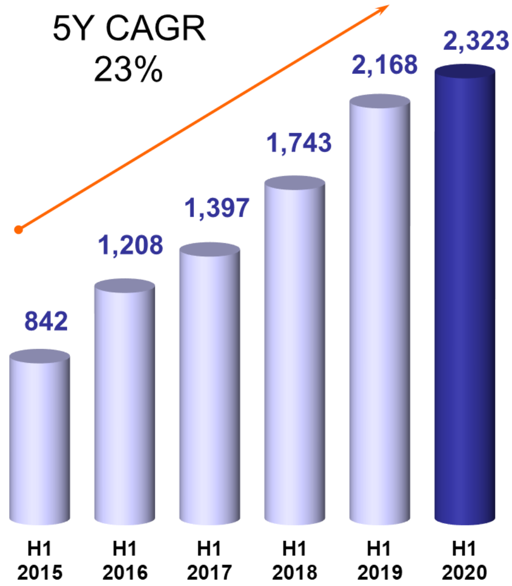
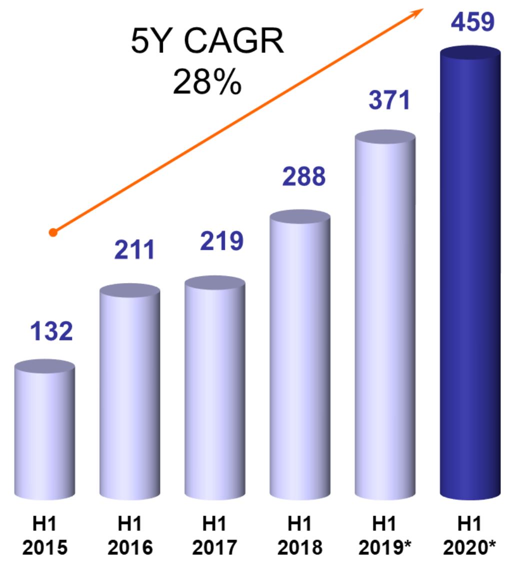
2020 Half Year Report

Key Figures – Eurofins Scientific Group

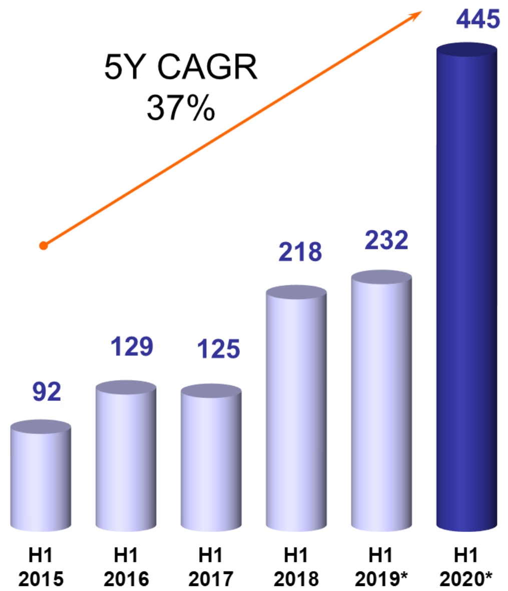
Revenues in EUR million



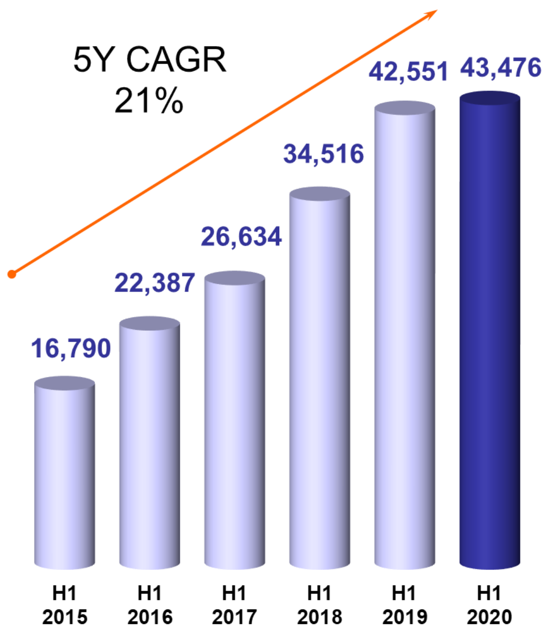
Reported EBITDA in EUR million



Net Operating Cash Flow in EUR million



Average Number of Full Time Employees (FTE)



EUR = Euro
5Y CAGR = Five Year Compound Annual Growth Rate
Average Number of Full Time Employees (FTE) = average weighted number of employees, expressed as full time equivalent (FTE)
*Includes IFRS 16 impact

Disclaimer

Shareholders’ information

Listing

Euronext Paris (IPO on 24 October 1997)

Segments/Indexes

Euronext Paris: EURONEXT 100, SBF 120, SBF TOP 80 EW, CAC ALL SHARES, CAC ALL-TRADABLE, CAC HEALTH CARE, CAC L60 RI SW, CAC LARGE 60, CAC LARGE 60 EW, CAC NEXT 20, EN H C EQ&SER EW.

Euronext Amsterdam: EN CORE E100 EW, EN EUR N100 EW, EN EUROZONE 150 EW, EN EUROPE 500, EN EUROZONE 300, EN EZ L&M 60 EW.

Other: MSCI Europe, STOXX Europe 600.

Industry Group/Prime Sector

Healthcare/Healthcare Providers

Codes

ISIN: FR0000038259

Tickers

Paris: Euronext ERF, Reuters EUFI.PA, Bloomberg ERF FP

Nominal Capital (as at 30 June 2020)

EUR 1,898,419.90 (18,984,199 x EUR 0.10)

Simplified Ownership Structure

Free Float 66.2%
Martin Family 33.8%

H1 2020 Share Price development

Eurofins Scientific: 13.0%
SBF 120: -17.4%
Next 150 Index: -16.9%
CAC 40 Index: -17.4%
Euro Stoxx 50 Index: -13.7%
Nasdaq Composite Index: 12.1%
Dow Jones Industrial Average Index: -9.6%

Since its IPO in 1997 Eurofins has been one of the best performing shares in Europe, with a CAGR (Compound Annual Growth Rate) of its share price of 29% between its IPO on 24 October 1997 at €1.83 and 30 June 2020 at €558.60.

Analyst coverage

AlphaValue	Mohit Rathi
Bank of America	Patrick Wood
Berenberg	Thomas Burlton
Bryan Garnier	Bruno de La Rochebrochard
Credit Suisse	Andy Grobler
Deutsche Bank	Steven Goulden
Exane BNP Paribas	Allen Wells
Gilbert Dupont	Guillaume Cuvillier
Goldman Sachs	Suhasini Varanasi
HSBC	Murielle André-Pinard
Jefferies	Will Kirkness
MainFirst	Nicolas Tabor
Morgan Stanley	Edward Stanley
ODDO BHF	Geoffroy Michalet
Société Générale	Jean-Michel Belanger

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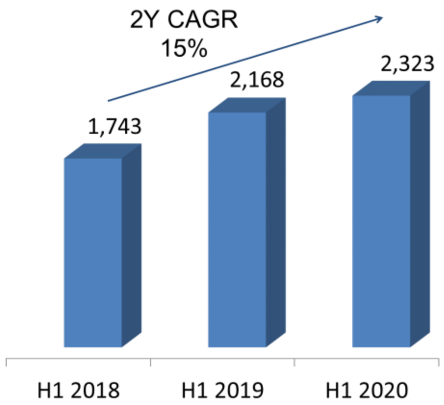
I. MANAGEMENT REPORT as of 30 June 2020

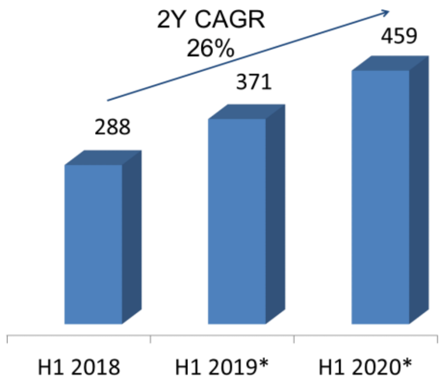
1 Key Performance Indicators (KPIs)

Developments in some of Eurofins' Key Performance Indicators (KPIs), as illustrated by the charts below, are discussed in detail in later sections of this report.

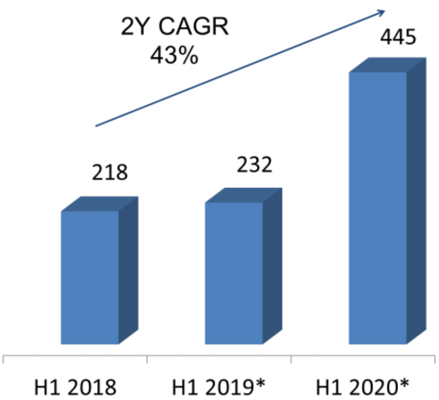
Revenues EUR m



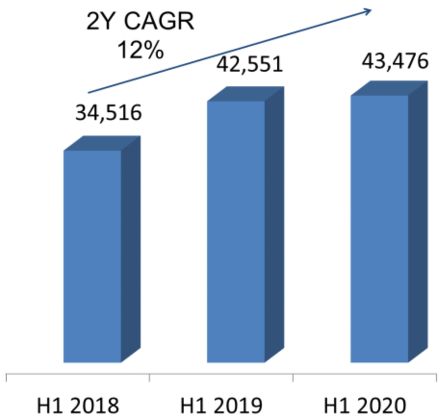
Reported EBITDA EUR m



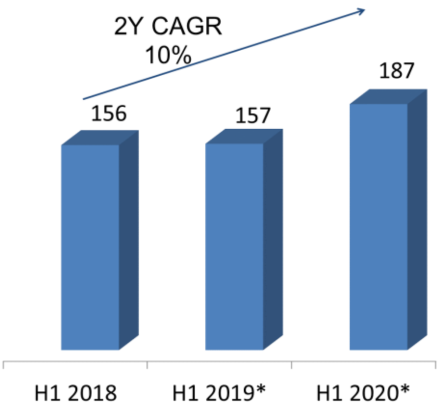
Net Operating Cash Flow EUR m



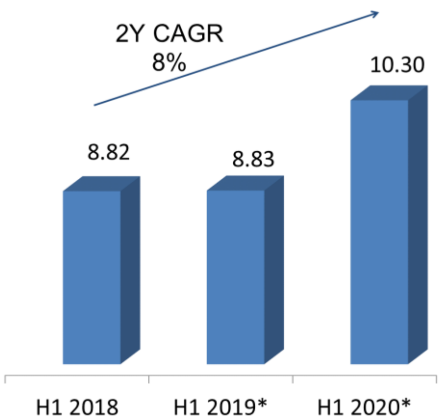
Average Number of Full Time Employees (FTE)



Adj. Net Profit to Equity Holders EUR m



Adj. Earnings Per Share EUR (Basic total)



*Includes IFRS 16 impact

2 Message from the CEO

Some of the highlights of the first half of 2020 include:

- At the onset of the COVID-19 pandemic, Eurofins' priorities were (i) to protect its staff, (ii) to ensure continued service to its clients, (iii) to protect cash and reduce leverage, and (iv) to mobilise to develop solutions to support healthcare authorities fighting the pandemic.
- The large majority of Eurofins companies are considered essential businesses necessary for the safe supply of the population and could continue to operate. The COVID-19 lockdown measures nonetheless had a negative impact on revenues of some of Eurofins businesses in H1 2020, especially in April and May. However, cost containment measures were swiftly implemented and most of them enjoyed a strong recovery in June. In addition, since early March Eurofins companies were successful in developing a comprehensive suite of COVID-19 testing solutions (https://www.eurofins.com/covid-19-response) at exceptional speed. As a result, organic growth picked up promptly in the later part of Q2 and the negative impact of the pandemic on Eurofins results has been very largely mitigated.
- Revenues increased 7.2% year-on-year to EUR 2,323m in H1 2020 vs. EUR 2,168m in H1 2019.
- Organic growth[10] stood at 5.1% in H1 2020 and 6.1% in Q2 2020.
- Free cash flow to the firm[9] increased 184.5% to EUR 315m.
- In spite of missing revenues at some laboratories due to lockdowns, adjusted[1] EBITDA[3] increased 18.9% year-on-year in H1 2020 to EUR 493m resulting in an industry-leading 21.2% margin. This represents a 210bps increase despite some remaining dilution by 2017 to 2019 acquisitions. The adjusted EBITDA margin of the companies which were already part of the Group before 01 January 2017 increased by 350bps from 18.5% to 22.0%.
- Reported EBITDA increased 23.6% year-on-year in H1 2020, the traditionally less profitable part of the year, to EUR 459m resulting in a 19.7% reported EBITDA margin, a 260bps increase year-on-year.
- Separately disclosed items[2] decreased by more than 20% year-on-year on EBITDA level, from EUR 44m in H1 2019 to EUR 35m in H1 2020 and from 10.6% of Adjusted EBITDA in H1 2019 to 7.1% of Adjusted EBITDA in H1 2020.
- Start-ups and businesses in significant restructuring now only represent 5.3% of revenues (6.8% in H1 2019).
- Net profit[6] increased 60.9% year-on-year to EUR 95m. Adjusted net profit increased 19.2% year-on-year to EUR 187m.
- Reported basic earnings per share (EPS)[7] increased 57.4% to EUR 5.21 and Adjusted basic EPS by 16.6% in H1 2020 to EUR 10.30.
- As planned, M&A spend has decreased (EUR 76m in H1 2020 vs. EUR 115m in H1 2019) as Eurofins acquired only seven companies in H1 2020, most of them in Q1 as part of discussions initiated prior to the pandemic spreading to Europe and North America.
- Net debt[14] at the end of June 2020 decreased significantly to EUR 2,584m from EUR 3,245m at the end of December 2019 as a result of the strong cash flow generation in H1 2020 and the successful equity issuance completed in May 2020 which generated gross proceeds of EUR 535m.
- Leverage decreased significantly (net debt to adjusted last twelve months EBITDA[16]) to 2.53x at the end of June 2020 vs. 3.24x at the end of December 2019, a reduction of 0.7x, in spite of the missing revenues and profits at several laboratories due to the lockdowns.
- On 24 July 2020, Moody's assigned an investment grade credit rating of **Baa3** with a stable outlook to Eurofins. This investment grade credit rating acknowledges Eurofins' successful growth strategy, its leadership positions in most of its activities, its planned reduced leverage below 2.5x and its underlying resilient end-markets.
- In H1 2020, the Group continued to make significant improvements in terms of corporate governance with the appointment of Mr. Pascal Rakovsky as a fourth independent director with strong audit and financial experience to the Board increasing its size to seven members.
- Based on the latest information disclosed in Eurofins 2019 annual report, ISS (Institutional Shareholder Services) proxy advisor and ESG rating agency upgraded the Governance "QualityScore" of Eurofins from 5 to 3 in line with best industry peers.
- Eurofins continued to invest to reduce and compensate its carbon footprint with the objective to be carbon neutral by 2025.
- While there remains significant economic and pandemic development uncertainty, as can be judged today, Eurofins management is confident that the Group should be able to achieve its objectives for the full year 2020, reaching 5% organic growth, EUR 5bn in revenues, EUR 1.1bn in Adjusted EBITDA and EUR 500m of Free Cash Flow to the Firm. Only the acquisition component that those objectives included (EUR 200m revenues acquired at mid-year) will probably not fully occur as M&A activities have been slowed down due to the uncertainty caused by the pandemic.
- Following the equity raise completed in May 2020, and strong cash flow generation in H1 2020, Eurofins is also moving forward its objective to bring its leverage (net debt / adjusted EBITDA) to ca. 2.5x by one year from 2021 to 2020 as this is almost already achieved at June 30th. Beyond this, Eurofins plans to continue to focus on further deleveraging towards the mid-point of its historical 1.5-2.5x net debt to adjusted EBITDA range.
- Demand for Eurofins SAFER@WORK™ programmes and especially COVID-19 RT-PCR testing has picked up strongly in the last two weeks and it seems that this growth momentum could continue well into H2.
- Eurofins Research & Development teams are working on several additional testing and other products & solutions to fight COVID-19 that they expect to launch in the next few weeks and months.

Post-closing events:

Change of scope:

- Since 01 July 2020, Eurofins has completed the acquisition of six companies, of which two environmental laboratories in the United States and Australia, one clinical diagnostic laboratory in France and three other laboratories in the United Kingdom, China and Finland. The total annual revenues of these acquisitions were close to EUR 23m in 2019 for an acquisition price paid of ca. EUR 25m.

Had the COVID-19 pandemic not occurred, Eurofins H1 results would of course have been better. However, the talent, energy, speed of action and commitment of Eurofins teams enabled a significant mitigation of the financial impact of this crisis. As a result, in spite of the massive disruptions caused by the COVID-19 pandemic, I am very pleased to report another strong set of results for Eurofins in H1 2020.

Once again, Eurofins' end-markets, which are part of essential supply chains, proved to be more resilient than many other segments. In addition, I am proud to lead one of the few organisations worldwide whose teams were able to develop in record time such a comprehensive suite of testing services and scientific solutions to support the efforts of governments, healthcare authorities and companies around the globe in their fight against COVID-19. Indeed, Eurofins employees and scientists have now developed testing services, solutions and products that can contribute to supporting over 20 million patients per month.

Our mission at Eurofins is Testing for Life. As a world-leading provider of clinical diagnostics, forensic, pharmaceutical, food and environmental laboratory testing services, in record time Eurofins has been able to draw on its scientific experience to develop a comprehensive suite of SARS-CoV-2 tests in response to the coronavirus pandemic. As an example, Eurofins has developed its SAFER@WORK™ programme to help clients detect and contain COVID-19 occurrences at their sites including:

- Tests for the presence of the virus
- Tests for the presence of antibodies to the virus
- Environmental surface testing and wastewater testing as part of the Eurofins Sentinel™ offering for early detection of epidemic clusters reoccurrences
- PPE (personal protective equipment) testing, certification and inspection

Eurofins SAFER@WORK™ programmes can also make use of big data and AI technologies as well as specific algorithms applied in real time to public data and Eurofins anonymised testing result databases to assist in targeting and informing testing locations and setting frequency of human testing and associated risk management measures. Since launch in June 2020, Eurofins teams have already signed over 500 SAFER@WORK™ contracts and are currently negotiating 700 additional agreements including some very large global contracts.

As research programmes progress towards clinical trials, Eurofins Biopharmaceutical services companies are also increasingly active in supporting vaccines and pharmaceuticals products developers in their race to develop novel tools to fight the virus.

Overall most of the Group's companies had a solid first half of the year despite the significant disruptions caused by the COVID-19 pandemic, demonstrating the very resilient and non-cyclical nature of most of the markets we are exposed to. Nonetheless, the Group rapidly responded to the economic uncertainty by taking significant actions to conserve cash and mitigate the potential impact of a prolonged economic downturn on our profitability and cash generation.

Given the fast recovery in the month of June 2020 of those of our core business activities that were affected by the lockdowns, and the growing contribution of COVID-19 testing and solutions to our revenues and results, we remain confident that Eurofins should achieve its 2020 objectives. While there remains considerable economic and pandemic uncertainties, which make predictions about the future harder than ever, for most of Eurofins' companies the outlook for the remainder of 2020 appears positive. Most of those affected by lockdowns in H1 2020 appear to have recovered to close to or above pre-pandemic levels, at least on the profitability side where cost had to be adjusted to lower revenues. As a result, while no certainty can exist in such volatile environment, as can be judged today, the outlook for H2 for Eurofins as a whole seems to be very positive.

Following the recent equity raise, bonds refinancing, and investment grade rating, Eurofins has also a very solid and healthy financial structure and strengthened access to broader and lower cost funding, which can only be an asset for the Group to continue its innovation-fuelled organic growth in uncertain times.

Longer term we are very optimistic for the prospects of Eurofins markets. It seems probable that the pandemic will further highlight the benefits of testing for protecting the health of all, which may lead to further legislation and public investments in these fields, including food and environment testing. The need to develop diagnostics, vaccines and biopharmaceutical products to combat a growing range of pathogens should also continue to fuel investment in those areas and growth at Eurofins Biopharmaceutical services and diagnostic businesses.

Eurofins teams have shown tremendous commitment, resourcefulness, and courage over the last few months to continue providing essential services while implementing social distancing and other safety measures at our sites. I am very grateful for the dedication of the employees and leaders of Eurofins companies in the face of often large new difficulties at work and at home. The strong performance of Eurofins in H1 2020 is testimony to the exceptional work ethics of our teams and to their enthusiasm for their mission of Testing for Life. I strongly believe that this flexibility, commitment and speed of action is also a result of the decentral nature of Eurofins which is made up of over 900 independent and agile entrepreneurial companies.

COVID-19 Update

As a world leader in the provision of clinical diagnostics, forensic, pharmaceutical, food and environmental laboratory testing services, Eurofins has been able to draw on the scientific experience of its large number of subject matter experts to develop a comprehensive suite of SARS-CoV-2 tests in response to the coronavirus pandemic including:

- Real-time PCR and serology-based antibody tests
- Genomics & BioPharma services to help find and register new drugs and vaccines
- Test kits, probes, primers and DNA controls
- Tests for environmental surfaces, PPE (personal protective equipment) and medical devices
- Risk based testing programmes to help employees returning safely to work

Eurofins was able to build up large capacity both in terms of in vitro diagnostic (IVD) products development capabilities and testing laboratories, as follows:

- PCR tests: up to 2 million tests per month
- Serologic tests: up to 2 million tests per month
- Serology testing kits: up to 10 million per month
- Cost effective pooled RT-PCR test for mass screening of populations with low virus prevalence.
- Production of probes, primers & positive controls for millions of RT-PCR kits
- Reagents for reliable RNA extraction prior to high sensitivity PCR testing
- Overall, solutions and components enabling over 20 million patient tests per month

In late May, Eurofins launched Eurofins SAFER@WORK™, a suite of integrated risk-based solutions for businesses to keep staff and customers safer during the COVID-19 pandemic designed to detect SARS-CoV-2 in the workplace as early as possible often before anyone is aware of being COVID-19 positive, and reduce contamination risk of staff and customers in a practicable and cost effective manner.

Eurofins SAFER@WORK™ includes testing for the presence of the virus with RT-PCR tests, testing for the presence of antibodies to the virus with serologic tests, Eurofins COVID-19 Sentinel™ environmental surface testing and waste water testing, medical devices and personal protective equipment (masks, gloves, gowns, drapes, respiratory protective devices and equipment) testing, inspection and certification as well as additional consultative and staff training services.

On 01 July 2020, Eurofins launched Eurofins COVID-19 Sentinel™ as part of its SAFER@WORK™ programme. Through a comprehensive range of testing solutions, including waste water testing, work environment surface and worn mask testing, Eurofins COVID-19 Sentinel™ provides an early warning of the presence of SARS-CoV-2 at a given site (e.g. a city, factories, education, government and public service sites, nursing homes) before anyone may be aware of COVID-19 presence on site and the virus spreads too broadly.

By combining environmental testing such as workplace surfaces and wastewater testing, which form part of the Eurofins COVID-19 Sentinel™ portfolio of tests, together with risk-based clinical testing, as well as relevant consultative, audit, training and assurance services, Eurofins SAFER@WORK™ programmes allow for a focus of human clinical testing where virus presence is likelier. This approach reduces costs and supports health authorities to allocate capacity constrained human COVID-19 testing where it is most needed.

You may also visit https://www.eurofins.com/covid-19-response/ and https://www.eurofins.com/covid-19-response/safer-work/ for more information.

Eurofins expects to generate very significant SAFER@WORK™ revenues in H2 2020 while helping clients and governments prevent or control new infection clusters.

Sincerely,

Dr. Gilles G. Martin
CEO

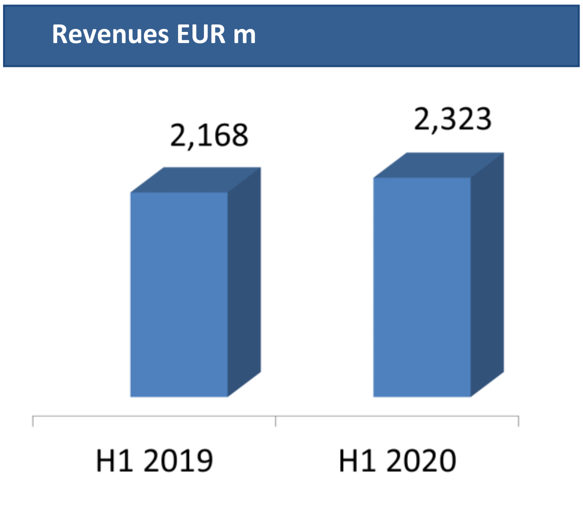
Dated: 04 August 2020

(See definitions of the financial terms discussed on page 13).

3 Financial and operating review

Business Review

Revenues



Revenues increased 7.2% year-on-year to EUR 2,323m in H1 2020 vs. EUR 2,168m in H1 2019. H1 2020 organic growth[10] stood at 5.1%.

Eurofins' end-markets which are part of essential supply chains proved to be more resilient than many other business activities that were much more negatively impacted by lockdown measures implemented in many countries. As a result, demand for Eurofins testing services remained strong across its main geographies, with Europe and North America posting revenue growth above 7% and the Rest of the World above 4% in H1 2020. Even though COVID-19 lockdown measures had a short-term negative impact on revenues, especially in April, demand recovered fast in most markets and combined with the comprehensive suite of COVID-19 testing activities and products developed by the Group, organic growth picked up promptly especially in June.

Geographical Revenue Breakdown

EUR million	H1 2020	% of revenues	H1 2019	% of revenues
Europe	1,276	54.9%	1,189	54.9%
North America	859	37.0%	798	36.8%
Rest of the World	188	8.1%	181	8.3%
Total	**2,323**	**100.0%**	**2,168**	**100.0%**

It is unfortunately not possible to break-up the estimated EUR 62m impact on revenues from the 2019 cyber-attack between geographies and their respective exchange and tax rates as this estimate was the average of several methods, computed mostly at total Group level. The figures in the above table and the below comments have therefore not been corrected for any cyber-attack impact, nor for any COVID-19 impact.

Europe

Europe generated total revenues of EUR 1,276m in H1 2020, representing 54.9% of total Group revenues, and an increase of 7.3% vs. H1 2019.

Eurofins had a number of innovations during the first half of 2020, including successes in the increasingly important area of perfluorooctanesulfonic acid (PFOS) and perfluorooctanoic acid (PFAS) testing, the development of near-infrared spectroscopy (NIR) technology for soil testing and the development of a polycyclic aromatic hydrocarbons (PAH) testing method for meat and oil.

Also, in the global response against the COVID-19 pandemic, Eurofins continues to be at the forefront of innovation. Eurofins Biopharma Product Testing is working in close cooperation with four different COVID-19 vaccine developers and has invested heavily to add capacity to its Nitrosamines testing platform to support the new European Medicinal Agency requirements. As a result, Eurofins won several large projects in this area.

Through the SAFER@WORK™ programme, Eurofins provided holistic customised advice to many of its clients to help them minimise COVID-19 contamination risks and/or to help them restart their activities.

By country, France generated revenues of EUR 403m in H1 2020, a 5.5% decrease vs. H1 2019. Food, Environment and Consumer Product testing activities were severely impacted by lockdown early in Q1 and continuing in Q2 while BioPharma remained above Group average with a strong start of the year in Q1. After being significantly down as patients avoided doctors' visits during the lockdown, Clinical Diagnostics benefitted from a strong recovery in June and COVID-19 revenues in Q2.

DACH countries (Germany, Austria and Switzerland) generated revenues of EUR 259m in H1 2020, a 6.2% increase vs. H1 2019, in line with Group average in H1 2020 thanks to a sharp recovery in Q2 and a double-digit revenue growth in Environment testing services, Genomics, Clinical Diagnostics and Eurofins Technologies activities driven by demand in COVID-19 testing services and IVD products. As an example, Formula 1 took part in the SAFER@WORK™ programme, entrusting Eurofins to carry out the necessary COVID-19 testing to prevent the potential spread of the virus at their events and to allow a restart of their racing season.

Other European countries generated revenues of EUR 613m in H1 2020, a 18.5% increase vs. H1 2019. With UK and Ireland posting a strong double-digit revenue growth in H1 2020 despite a negative performance in Food, Environment and Consumer Product testing activities which was more than offset by an outstanding performance of its BioPharma and Clinical Diagnostics activities in H1 2020 fuelled by a sharp surge of COVID-19 testing demand in Q2. Southern Europe (Spain, Italy, Portugal) also posted a strong double-digit revenue growth in H1 2020, mainly driven by a robust growth in its BioPharma activities and a sharp surge of COVID-19 testing demand in Q2, particularly in Spain.

North America

Eurofins' business in North America generated total revenues of EUR 859m in H1 2020, representing 37.0% of total Group revenues, and an increase of 7.7% vs. H1 2019. Revenue growth was particularly supported by BioPharma testing activities in both Q1 and Q2 where demand for services continues to be strong, and a significant surge of COVID-19 testing demand accelerating in Q2. Performance in other segments was more contrasted with Food testing activities posting revenue growth in line with regional average and Environment testing posting a negative growth in Q2 after a good start in Q1.

Eurofins Clinical Diagnostics applied for and received three separate Emergency Use Authorisations (EUA) from the U.S. Food and Drug Administration (FDA) for the SARS-CoV-2 PCR tests offered by Eurofins Viracor, Diatherix and Boston Heart Diagnostics. In order to make SARS-CoV-2 testing more broadly available, Eurofins Clinical Diagnostics in the U.S. deployed several innovations including deployment of multiplexed PCR SARS-CoV-2 testing with other viral pathogens, including influenza A, B and H1N1, validation of multiple specimen types (including nasopharyngeal swabs, oropharyngeal swabs, nasal swabs, bronchoalveolar lavages, nasal washes and nasopharyngeal washes), and the launch of SARS-CoV-2 IgG antibody testing for provider-collected capillary blood as dried blood spot, eliminating the need for traditional phlebotomy.

Eurofins Environment Testing business line supported the Group's COVID-19 offering via Eurofins COVID-19 Sentinel™ testing of environmental surfaces, food surfaces, wastewater and Indoor Air Quality (IAQ).

Eurofins Technologies in the U.S. (Gold Standard Diagnostics and Abraxis) contributed to the COVID-19 offering via in-house production of RNA extraction kits (for environmental swabs, wastewater and clinical COVID testing applications), and launch of multiple antibody and immunoassays for direct pathogen detection.

Eurofins Lancaster Laboratories continues to be at the forefront of all major efforts in drugs and vaccines for COVID-19, working closely with pharmaceutical clients to help deliver effective anti-virals and vaccines as fast as possible.

In April, Transplant Genomics Inc. (TGI) announced TruGraf Long-term clinical Outcomes (TRULO), which is a prospective, multicentre observational registry study, designed to evaluate post-transplant clinical outcomes in recipients of kidney transplants who are undergoing serial TruGraf testing. TRULO will be the first study to provide long-term data, beyond two years post-transplant, regarding the benefits of non-invasive surveillance of stable kidney transplant recipients to rule out silent subclinical rejection.

Rest of the World

Eurofins' business in the Rest of the World generated revenues of EUR 188m in H1 2020, a 4.1% increase vs. H1 2019, representing 8.1% of total Group revenues. Revenue growth in H1 2020 was driven in India by a surge of demand in both its CDMO and Genomics services business lines with the production of probes and primers for research laboratories developing vaccines and therapeutics against COVID-19.

Eurofins was the supplier of probes, primers and genes for the first Indian COVID-19 RT-PCR test kit that was approved. The Consumer Product Testing business developed capabilities in-house to initiate testing of sanitisers, masks and coveralls, with India emerging as a large source of supplies for PPE kits globally. In Japan, demand is surging for primers and probes to detect SARS-CoV-2 to be widely used for the qPCR tests nationwide. The United Arab Emirates (UAE) government appointed Eurofins to provide COVID-19 passenger pre-screening testing prior to travelling to the UAE to ensure residents and travellers are kept as safe as possible during this pandemic.

Profitability

In spite of the negative impact of lockdowns on revenues and profits of several laboratories in H1 2020, EBITDA increased 23.6% year-on-year to EUR 459m resulting in a 19.7% EBITDA margin, a 260bps increase year-on-year, showing a continued margin improvement driven by (i) resilient demand for testing services addressing essential supply chains, (ii) the benefit of investments made in the 2015-2020 infrastructure programme to build an efficient hub and spoke laboratories network, (iii) the growing demand for COVID-19 testing capacity built up by Eurofins and (iv) prudent financial measures put in place to control costs and protect cash at the onset of the pandemic.

Separately disclosed items (SDI) decreased from EUR 44m in H1 2019 to EUR 35m in H1 2020 and as a proportion of Adjusted EBITDA from 10.6% in H1 2019 to 7.1% in H1 2020, in line with our 2020 objectives:

- Operating losses in start-up laboratories and companies decreased 15% from EUR 28m in H1 2019 to EUR 24m in H1 2020 in spite of significant R&D and sales cost ramp up at TGI to launch TRAC and TruGraf transplant rejection detection tests;
- One-off costs from integration and reorganisation of recently acquired companies decreased 30% from EUR 16m in H1 2019 to EUR 11m in H1 2020, reflecting as planned both a more limited M&A activity and the good progress made on the integration and reorganisation of large acquisitions completed in the last two or three years.

Adjusted EBITDA increased 18.9% year-on-year to EUR 493m resulting in a 21.2% Adjusted EBITDA margin, a 210bps increase year-on-year.

The mature scope[11] of Eurofins laboratories generated revenues of EUR 2,200m representing 94.7% of Group revenues in H1 2020 (vs 93.2% in H1 2019) with an Adjusted EBITDA margin of 22.4% vs. 20.5% in H1 2019, a 190bps increase year-on-year. Non-mature laboratories therefore represent an increasingly negligible portion of Group revenues.

Reported EBITDA Breakdown

EUR million	H1 2020	% of segment revenues	H1 2019	% of segment revenues
Europe	244	19.1%	192	16.1%
North America	227	26.4%	176	22.0%
Rest of the World	35	18.8%	30	16.8%
Other*	-48	-	-27	-
Total	**459**	**19.7%**	**371**	**17.1%**

* Other corresponds to Group Service Centres

Reported EBITDA for H1 2020 by operating segment is hard to compare year-on-year due to the impacts of the cyber-attack in 2019 and fires at two laboratories in 2020. Nevertheless, even if correcting for these impacts at Group level, Eurofins margin would have increased. As reported, all regions recorded a significant improvement in both value and margin year-on-year with Europe EBITDA increasing 27.2% and 300bps year-on-year, North America EBITDA increasing 29.3% and 440bps year-on-year and ROW EBITDA increasing by 16.1% and 200bps, while the increase in cost of Group Service Centres was mostly due to IT spend.

Depreciation and amortisation increased to 8.6% of revenues in H1 2020 vs. 8.4% in H1 2019 mainly due to significant investments in its laboratory and IT infrastructure completed in the 2017-2019 period.

Finance costs amounted to EUR 51m, representing 2.2% of revenues flat vs. H1 2019.

The income tax expense increased to EUR 56m in H1 2020 vs EUR 30m in H1 2019, due to the much higher taxable income recorded in H1 2020 and a slightly higher average tax rate for the period. However, income tax paid was significantly lower in H1 2020 at EUR 18m thanks to temporary support measures put in place by some governments. Most of the short-term positive effect of these cash deferral measures in H1 should unwind in H2 2020.

Reported net profit[6] increased 60.9% to EUR 95m in H1 2020 vs. EUR 59m in H1 2019. Reported basic earnings per share (EPS)[7] increased 57.4% to EUR 5.21 vs. EUR 3.31 in H1 2019 and Adjusted basic EPS by 16.6% in H1 2020 to EUR 10.30 vs. EUR 8.83 in H1 2019.

Cash Flow and Financing

Cash Flows Reconciliation

EUR million	**H1 2020 reported**	H1 2019 reported	Y-o-Y variation
Net Cash from Operations	445	232	+91.8%
Net Cash from Investing	-205	-187	+9.8%
Free Cash Flow to the Firm	*315*	*111*	*+184.5%*
Net Cash from Financing	85	-262	n/a
Net increase (decrease) in Cash and cash equivalents	319	-212	n/a

Net working capital[15] stood at 5.3% of revenues at the end of June 2020. Net operating cash flow[8] increased by 91.8% in H1 2020, thanks to the strong growth of profits and a very favourable variation of net working capital (NWC) which is positively impacted by government deferrals of social contributions and taxes, negatively impacted by stocks of reagents to secure COVID testing supply as well as a very negative NWC variation in H1 2019 due to the cyber-attack.

Free cash flow to the firm[9] increased +184.5% to EUR 315m including a fairly stable spend in capital expenditures (EUR 130m in H1 2020 vs. EUR 121m in H1 2019) as COVID solutions investments compensated for CAPEX reductions implemented in businesses affected by the lockdowns and working capital improved from 6.4% of sales as at end of June 2019 to 5.3% of sales as at end of June 2020 although stock creation to secure COVID-19 testing supplies used up a significant part of the cash generated by tax and social charges deferrals by governments.

Early May, Eurofins successfully issued a EUR 600m senior unsecured Euro bond (the “New Bond”). The New Bond has a 6.2 years maturity (due on 17 July 2026) and bears an annual fixed rate of 3.75%. The transaction was well received and more than two times over-subscribed.

The purpose of this refinancing exercise was to increase the average maturity of Eurofins’ debt instruments and to proactively manage the refinancing of its EUR 500m Bonds (ISIN: XS1174211471) due 27 January 2022 and its EUR 500M Bonds (ISIN: XS1268496640) due 30 January 2023, the “Existing Bonds”. As at the expiration deadline of the tender offer on the Existing Bonds, Eurofins had received valid tenders of EUR 332m in aggregate principal amount of the Existing Bonds. As a result of this transaction, the nominal amount of Existing Bonds currently outstanding is respectively EUR 314m for the 2022 Bonds and EUR 354m for the 2023 Bonds.

Net debt at the end of June 2020 decreased significantly to EUR 2,584m from EUR 3,245m at the end of December 2019 as a result of a strong cash flow generation in H1 2020 and the equity issuance successfully completed in May 2020 (gross proceeds of EUR 535m) which enabled short term borrowings (including IFRS16) to decrease to EUR 267m including EUR 135m of commercial paper at the end of June 2020, vs. EUR 455m and EUR 317m respectively at the end of December 2019.

As a result, leverage (net debt to adjusted L12M EBITDA) decreased significantly to 2.53x at the end of June 2020 vs. 3.24x at the end of December 2019, a reduction of 0.7x. Cash and equivalents amounted to EUR 615m at the end of June 2020 vs. EUR 297m at the end of December 2019.

As of 30 June 2020, Eurofins had access to over EUR 1bn committed mid-term (ca. 3.2 years average life) bilateral bank credit lines in addition to those used to back commercial paper drawings. None of the bilateral credit lines is maturing in 2020 nor in 2021.

On 24 July 2020, Moody’s assigned an investment grade credit rating of **Baa3** with a stable outlook to

Eurofins. Eurofins has been active in the debt capital markets for many years as one of the major unrated issuers in Europe with a solid track record. With this initial public credit rating, Eurofins should have access to a broader investor base and better conditions from debt capital markets. The rating has already had a significant positive effect on the credit spreads of most Eurofins senior unsecured Euro bonds and hybrid instruments traded on the secondary market.

Acquisitions and disposals

During the first six months of 2020, the Group completed seven acquisitions which generated total revenues of EUR 20m in 2019 with approximately 200 employees.

As announced in its Q1 trading update on last 28 April, the M&A activity was considerably slowed down as a matter of caution and as the Group's management team has been focusing its time and resources on its existing laboratory network and its contribution to the global response to the COVID-19 pandemic.

In February 2020, TestAmerica Air Emission Corporation divested its Stack Emission testing Metco business (annual sales of EUR 5m in 2019).

Governance

The Group continued to make progress in the area of Environmental, Social and Governance (ESG) practices in H1 2020.

With the objective to further strengthen Eurofins' Board of directors, Mr. Pascal Rakovsky was appointed by the AGM held on 26 June 2020 as a fourth independent director to the Board increasing its size to seven members. Considering his background as a former lead audit partner of PricewaterhouseCoopers Audit for more than 20 years, Mr. Rakovsky will be chairing the audit committee.

ESG rating

ISS' (Institutional Shareholder Services) is a proxy advisor and ESG rating agency whose "QualityScore" is used by institutional investors to identify and measure corporate governance and Environmental & Social risk in their current and potential portfolio of investments. The scores indicate decile rank relative to index or region. A decile score of 1 indicates low governance/environment/social risk, while a decile score of 10 indicates high governance/environment/social risk (hence the lower the number, the better the score).

Based on the latest information disclosed in Eurofins 2019 annual report, ISS (Institutional Shareholder Services) proxy advisor and ESG rating agency upgraded the Governance "QualityScore" of Eurofins from 5 to 3, while the Environment and Social "QualityScore" remained unchanged at 2.

Carbon footprint reduction programmes

As part of its initiatives to further reduce its net carbon footprint, beyond multiple emission reductions initiatives at its laboratories, Eurofins has started funding its investment in the Livelihoods Carbon Fund II in H1 2020 aimed at generating 671ktons of carbon credits for Eurofins by 2041.

Infrastructure Programme

In the first six months of 2020, Eurofins has added more than 10,000m^2 of laboratory, office and storage space through delivery of building projects, new acquisitions, but also through consolidation of sites into new state-of-the-art laboratories.

The construction of the new flagship food and dietary supplements testing laboratory in Madison, Wisconsin, U.S.A. with a size of over 10,000m^2 is progressing well with a confirmed schedule to conclude in December of 2020, and with occupancy slated for January 2021, six weeks ahead of schedule. The U.S. Environment business commissioned and opened a specialist fast turnaround time laboratory in Rhode Island to enhance penetration of the New England market.

The Group has also continued to secure its existing sites for the long-term, purchasing the 11,500m^2 building in Vimodrome, Italy used by Biopharma Product Testing, and the 840m^2 building used by Environment Testing US in Pasadena by the Eurofins J3 Resources, Inc acquired in 2019.

Eurofins is well on track to deliver its 2020 and 2021 plans for expansion and modernisation of 100,000m^2 laboratories surfaces.

COVID-19 testing & reagents, and 02 June 2019 Cyber-attack impacts on revenues

- Even when correcting 2019 revenues for the estimated impact of the criminal cyber-attack that hit the Group on 02 June 2019 and after an organic revenue growth of 4.1% in Q1 2020 in spite of the effects of lockdowns, Eurofins still generated significant positive organic growth in H1 and Q2 2020.
- Indeed, when correcting 2019 and 2020 revenues for EUR 62 million estimated lost revenues in June 2019 and EUR 69m in total in 2019 following the 02 June 2019 cyber-attack and the impact of fires in two laboratories in the UK and the Netherlands, corrected organic growth for the full year 2019 would be 5.5% (6.3% excluding Boston Heart Diagnostics) and corrected organic growth would still stand at 2.5% in H1 2020.
- COVID-19 testing services and products revenues have been growing significantly since March 2020. As initially mostly government laboratories were carrying out these tests in several European countries and the first pandemic peaks and associated testing demand subsided in June in most countries, the large COVID-19 testing and reagent capacity created by Eurofins by June was only moderately utilised in Q2. As a result, these additional revenues did not fully compensate the lost organic growth due to the lockdowns in Q2. However, since then, as the pandemic continues to expand in many countries and more Eurofins laboratories become approved by local governments to carry out such tests, demand is starting to increase strongly. As a result, COVID-19 and reagents

revenues exceeded EUR 55m in the month of July 2020 only and the number of samples tested is currently increasing significantly week on week.

- As unfortunately the COVID pandemic appears to further expand, it continues to seem likely that during H2 2020, the associated testing revenues will more than compensate for the missing cyber-attack corrected organic growth in H1 (about EUR 50m to reach 5%). As a result, over the whole year 2020, even when correcting for the cyber-attack and fire impacts, it continues to appear probable (as mentioned at the time of Q1 results publication) that Eurofins may reach or exceed its 5% organic growth objective.
- Eurofins core business appears to be very resilient and agile due to its choice of end markets and decentral entrepreneurial model. In spite of the negative impact of lockdowns on a number of Eurofins companies even when (i) excluding COVID-19 testing and reagent revenues and (ii) correcting for these cyber-attack and fire impacts, it also seems likely that over the whole year 2020, Eurofins will generate significant positive organic growth as it did at the height of the great recession in 2009.
- Eurofins has received ca. EUR 10 million proceeds from its insurances in May 2020 to compensate for lost gross margin resulting from the 02 June 2019 cyber-attack and continues to expect to receive significant additional refunds in H2 2020.

Related party transactions

Related party transactions are disclosed in note 8 to the Unaudited Condensed Interim Consolidated Financial Statements for the period ended 30 June 2020.

There have been no material changes in the related party transactions described in the 2019 annual report.

Risks and uncertainties

There are a number of potential risks and uncertainties, which could have a material impact on the Group's performance over the remaining six months of the financial year or future periods and could cause actual results to differ materially from expected and historical results. Other than the higher uncertainty brought by the economic impact of lockdown measures taken in many countries since the beginning of 2020 in relation to the COVID-19 crisis which may continue to hit many business sectors should the pandemic further develop in the next few months and the economic crisis that may follow the pandemic, the directors do not consider that the principal risks and uncertainties, including cyber security breaches and GDPR related risks, as well as ongoing or future litigations or reputational risks have changed materially for Eurofins since the publication of the annual report for the year ended 31 December 2019. Updated information about financial risks is disclosed in note 6 to the Unaudited Condensed Interim Consolidated Financial Statements for the period ended 30 June 2020.

A detailed description of the major risks and uncertainties identified by Eurofins in its main business activities, and how the Group seeks to mitigate the risks, can be found on pages 41 to 53 of the 2019 annual report which is available at https://www.eurofins.com/investors/reports-and-presentations/.

Dated 04 August 2020

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

2 Separately disclosed items - includes one-off costs from integration, reorganisation, discontinued operations[12] and other non-recurring income and costs, temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring, share-based payment charge[5], impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions, net finance costs related to borrowing and investing excess cash and one-off financial effects (net of finance income) and the related tax effects.

3 EBITDA – Earnings before interest, taxes, depreciation and amortisation, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

4 EBITAS – EBITDA less depreciation and amortisation.

5 Share-based payment charge and acquisition-related expenses, net – Share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, loss/gain on disposal, negative goodwill and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.

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

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

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

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

10 Organic growth for a given period (Q1, Q2, Q3, Half Year, Nine Months or Full Year) - non-IFRS measure calculating the growth in revenues during that period between 2 successive years for the same scope of businesses using the same exchange rates (of year Y) but excluding discontinued operations.

For the purpose of organic growth calculation for year Y, the relevant scope used is the scope of businesses that have been consolidated in the Group's income statement of the previous financial year (Y-1). Revenue contribution from companies acquired in the course of Y-1 but not consolidated for the full year are adjusted as if they had been consolidated as from 01 January Y-1. All revenues from businesses acquired since 01 January Y are excluded from the calculation.

11 Mature scope: excludes start-ups and acquisitions in significant restructuring. A business will generally be considered mature when: i) The Group's systems, structure and processes have been deployed; ii) It has been audited, accredited and qualified and used by the relevant regulatory bodies and the targeted client base; iii) It no longer requires above-average annual capital expenditures, exceptional restructuring or abnormally large costs with respect to current revenues for deploying new Group IT systems. The list of entities classified as mature is reviewed at the beginning of each year and is relevant for the whole year.

12 Discontinued activities / disposals: discontinued operations are a component of the Group's core business or product lines that have been disposed of, or liquidated; or a specific business unit or a branch of a business unit that has been shut down or terminated, and is reported separately from continued operations. Disposals correspond to the sale by Eurofins of business assets to a third party. For more information, please refer to Note 3.18 of the Consolidated Financial Statements for the year ended 31 December 2019.

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

14 Net debt – Borrowings, less cash and cash equivalents.

15 Net working capital – Inventories, trade receivables and contract assets, prepaid expenses and other current assets less trade accounts payable, contract liabilities and other current liabilities excluding accrued interest receivable and payable.

16 Adjusted last twelve months EBITDA – corrected for the estimated impact of the 2019 cyber-attack for both periods.

II. CORPORATE GOVERNANCE (update)

Eurofins Scientific S.E. (hereinafter referred to as "Eurofins" or the "Company") has its registered office located in Luxembourg and its shares are listed on the regulated market of Euronext Paris. Eurofins Scientific S.E. as the parent company, together with its direct and indirect controlled subsidiaries and affiliates, forms the Eurofins Group (the "Group"). Eurofins falls under the supervision of the Commission de Surveillance du Secteur Financier (the "CSSF") in accordance with the law of 11 January 2008 on transparency requirements for issuers of securities, as amended (the "Transparency Law") and is also supervised by the Autorité des Marchés Financiers ("AMF") for the purpose of the Market Abuse Regulation (EU) No 596/2014 on insider dealing and market manipulation that came into effect on 3 July 2016 (the "Market Abuse Regulation").

Eurofins' corporate governance practices are governed by Luxembourg laws and its articles of association (the "Articles").

Eurofins makes efforts to orient its corporate governance towards the general principles of corporate governance set forth in the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange (available at https://www.bourse.lu/corporate-governance) (the "Ten Principles"). Eurofins also complies with the provisions of the Law of 24 May 2011 on the exercise of certain rights of shareholders at general meetings of listed companies, which was amended by the Law of 01 August 2019 implementing EU Directive 2017/828 as regards the encouragement of long term shareholder engagement (hereinafter defined as the "Law of 2011").

This Section II sets out a short update of the Corporate Governance Statements for the period ended on 30 June 2020. The Company's Corporate Governance Charter can be found in its 2019 Annual Report together with a more comprehensive description of its Corporate Governance Statements, as well as on its website under https://www.eurofins.com/investor-relations/corporate-governance/.

1. Corporate Governance Statements for the period ended 30 June 2020

Among other minor changes, the following changes relating to corporate governance occurred during the first half year of 2020.

Board of Directors

On 26 June 2020, the Annual General Meeting of Eurofins' shareholders approved the appointment of Mr. Pascal Rakovsky as a fourth independent director in Eurofins' Board of Directors, increasing its size to seven members, Considering his background as a former lead audit partner of PricewaterhouseCoopers Audit in Luxembourg for more than 20 years, Mr. Rakovsky will be chairing the audit committee.

Audit Committee

On 26 June 2020, following the appointment of Mr. Pascal Rakovsky to Eurofins' Board of Directors, the audit committee consists of the following members:

- Pascal Rakovsky (Audit Committee Chair)
- Fereshteh Pouchantchi
- Stuart Anderson

ESG rating

Based on the latest information disclosed in its 2019 annual report, ISS (Institutional Shareholder Services) proxy advisor upgraded on 15 July 2020 the overall Governance "QualityScore" of Eurofins from 5 to 3.

ISS' QualityScore is used by institutional investors to identify and measure corporate governance and Environmental & Social risk in their current and potential portfolio of investments.

Scoring is displayed on a 1-10 basis; the lower the number, the better the score. The scores indicate decile rank relative to index or region. A decile score of 1 indicates lower governance risk, while 10 indicates higher governance risk.

Carbon footprint reduction programmes

As part of its initiatives to further reduce its net carbon footprint, beyond multiple emission reductions initiatives at its laboratories, Eurofins has started funding its investment in the Livelihoods Carbon Fund II in H1 2020 aimed at generating 671ktons of carbon credits for Eurofins by 2041.

Shares and shareholders

Share capital

As of 30 June 2020, the Company's share capital amounts to EUR 1,898,419.90, divided into 18,984,199 ordinary shares of EUR 0.10 of nominal value each, all of the same category.

As of 30 June 2020, the Martin family, through direct shareholdings and indirectly through their shareholding in Analytical Bioventures SCA, which is controlled by Dr. Gilles Martin, holds 33.8% of the shares and controls 58.5% of the voting rights in Eurofins.

The free float represents 66.2% of the shares and 41.5% of the voting rights of Eurofins.

The different shares and voting rights held by the shareholders of Eurofins are detailed as follows:

Shareholders and voting rights as of 30 June 2020

SHAREHOLDERS	SHARES	SHARES %	VOTING RIGHTS (attached to shares)	VOTING RIGHTS (attached to Beneficiary Units Class A)	VOTING RIGHTS (attached to Beneficiary Units Class B)	TOTAL VOTING RIGHTS	% TOTAL VOTING RIGHTS
Dr. Gilles Martin	1	0.0%	1	1	0	2	0.0%
Valérie Hanote	1	0.0%	1	1	0	2	0.0%
Dr. Yves-Loic Martin	14,546	0.1%	14,546	14,546	0	29,092	0.1%
Analytical Bioventures SCA (1)	6,400,000	33.7%	6,400,000	6,400,000	5,000,000	17,800,000	58.4%
Martin Family (subtotal)	**6,414,548**	**33.8%**	**6,414,548**	**6,414,548**	**5,000,000**	**17,829,096**	**58.5%**
Treasury shares	0	0.0%	0	0	0	0	0.0%
Free Float	12,569,651	66.2%	12,569,651	90,922	0	12,660,573	41.5%
Total	**18,984,199**	**100.0%**	**18,984,199**	**6,505,470**	**5,000,000**	**30,489,669**	**100.0%**

(1) Private company incorporated in Luxembourg and controlled by Dr. Gilles Martin

In June 2016, the Company's shareholder Analytical Bioventures SCA (ABSCA) exercised its right for 1,000,000 of the 6,400,000 shares it owns pursuant to the terms of article 12bis.3 of the Company's articles of association as adopted by the AGM of shareholders held on 19 April 2016, to receive 1,000,000 class B beneficiary units ("*parts bénéficiaires de catégorie B*") carrying one extra voting right per share, in addition to existing class A beneficiary units carrying one voting right per share.

Analytical Bioventures SCA further subscribed:

- In March 2017, to an additional 1,000,000 new Class B beneficiary units
- In June 2018, to an additional 1,000,000 new class B beneficiary units
- In May 2019, to an additional 1,000,000 new class B beneficiary units
- In May 2020, to an additional 1,000,000 new class B beneficiary units

As a consequence, ABSCA holds as of 30 June 2020:

- 6,400,000 shares of the Company carrying one voting right each
- 6,400,000 class A beneficiary units carrying one voting right each
- 5,000,000 class B beneficiary units carrying one voting right each

Therefore, ABSCA holds 17,800,000 voting rights in aggregate representing 58.4% of the Company's total voting rights as of 30 June 2020.

Eurofins has not been formally notified of any shareholder other than ABSCA with an interest in excess of 5% of the voting rights as at 30 June 2020.

2. Statement of persons responsible for the half year report

The Board of Directors confirms that, to the best of its knowledge, the half year statutory accounts, prepared in accordance with Luxembourg legal and regulatory requirements, and the consolidated financial statements prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of Eurofins and its subsidiaries included in the consolidation taken as a whole. In addition, the management and half year reports include a fair review of the development and performance of the business and the position of Eurofins and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board of Directors

Gilles MARTIN
Chairman of the Board of Directors and CEO

Dated: 04 August 2020

III. HALF YEAR FINANCIAL STATEMENTS

Unaudited Condensed Interim Consolidated Financial Statements for the period ended 30 June 2020

Condensed Interim Consolidated Income Statement (Unaudited)

01 January 2020 to 30 June 2020

EUR Millions	Note	H1 2020 Adjusted results[1]	H1 2020 Separately disclosed items[1]	H1 2020 Reported results	H1 2019 Adjusted results[1]	H1 2019 Separately disclosed items[1]	H1 2019 Reported results
Revenues	2	**2 323.4**	**-**	**2,323.4**	**2,167.7**	**-**	**2,167.7**
Operating costs, net		-1 830.0	-34.9	-1,864.8	-1,752.8	-44.0	-1,796.8
EBITDA[1]		493.5	-34.9	458.6	414.9	-44.0	370.9
Depreciation and amortisation		-182.7	-17.0	-199.7	-164.0	-18.2	-182.2
EBITAS[1]		310.7	-51.9	258.9	250.8	-62.2	188.7
Share-based payment charge and acquisition-related expenses, net[1]		-	-59.4	-59.4	-	-56.5	-56.5
EBIT[1]		**310.7**	**-111.2**	**199.5**	**250.8**	**-118.7**	**132.2**
Finance income		1.0	0.6	1.7	1.7	2.6	4.3
Finance costs		-48.5	-2.5	-51.0	-47.5	-1.2	-48.7
Share of profit of associates		0.5	-	0.5	0.4	-	0.4
Profit before income taxes		263.7	-113.1	150.6	205.4	-117.2	88.1
Income tax expense		-76.6	20.5	-56.0	-48.7	18.7	-30.0
Net profit for the period		**187.2**	**-92.6**	**94.6**	**156.7**	**-98.5**	**58.2**
Attributable to:							
Equity holders of the Company and hybrid capital investors		187.1	-92.3	94.7	156.9	-98.0	58.9
Non-controlling interests		0.1	-0.2	-0.1	-0.3	-0.5	-0.7
Earnings per share (basic) in EUR							
- Total		10.30	-5.08	5.21	8.83	-5.52	3.31
- Attributable to hybrid capital investors		0.86	0.08	0.94	1.31	0.06	1.37
- Attributable to equity holders of the Company		9.44	-5.16	4.28	7.52	-5.57	1.94
Earnings per share (diluted) in EUR							
- Total		9.80	-4.84	4.96	8.44	-5.27	3.17
- Attributable to hybrid capital investors		0.82	0.08	0.89	1.26	0.05	1.31
- Attributable to equity holders of the Company		8.98	-4.91	4.07	7.19	-5.33	1.86
Weighted average shares outstanding (basic) - in millions		18.2	-	18.2	17.8	-	17.8
Weighted average shares outstanding (diluted) - in millions		19.1	-	19.1	18.6	-	18.6

[1] Alternative Performance Measures (APM) are defined in Note 1.

Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

01 January 2020 to 30 June 2020

EUR Millions	Note	H1 2020	H1 2019
Net profit for the period		**94.6**	**58.2**
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Currency translation differences	6	-35.5	39.0
Net investment hedge	6	-23.2	29.2
Fair value through consolidated other comprehensive income (FVOCI)	6	-0.4	-7.9
Cash flow hedge		0.1	-1.3
Tax effect on items that may be reclassified		5.7	-0.8
Total		**-53.3**	**58.2**
<u>Items that will not be reclassified to profit or loss:</u>			
Actuarial gain on defined benefit liability		1.5	-
Tax effect on items that will not be reclassified		-0.4	-
Other comprehensive income/ loss for the period, net of tax		**-52.2**	**58.2**
Total comprehensive income for the period		**42.4**	**116.3**
Attributable to:			
Equity holders of the Company and hybrid capital investors		43.9	116.3
Non-controlling interests		-1.5	-

Condensed Interim Consolidated Balance Sheet (Unaudited)

EUR Millions	Note	30 June 2020	31 December 2019
Property, plant and equipment		1,567.5	1,593.5
Goodwill	3	3,601.0	3,608.8
Other intangible assets		880.0	918.2
Investments in associates		4.6	5.3
Financial assets and other receivables	6	47.4	49.2
Deferred tax assets		51.9	44.0
Total non-current assets		**6,152.4**	**6,218.9**
Inventories		123.9	79.3
Trade receivables and contract assets	6	956.9	1,001.2
Prepaid expenses and other current assets	10	176.9	153.0
Current income tax assets		62.4	73.4
Derivative financial instruments assets	6	0.2	0.3
Cash and cash equivalents	4, 6	615.4	297.0
Total current assets		**1,935.7**	**1,604.1**
Total assets		**8,088.0**	**7,823.1**
Share capital	5	1.9	1.8
Treasury shares		-	-0.2
Hybrid capital		1,000.0	1,000.0
Other reserves	5	1,522.4	978.2
Retained earnings		821.4	718.9
Currency translation reserve		82.7	139.8
Total attributable to equity holders of the Company		3,428.4	2,838.6
Non-controlling interests		47.6	59.5
Total shareholders' equity		**3,476.0**	**2,898.1**
Borrowings	4, 6	2,932.0	3,086.9
Deferred tax liabilities		130.8	124.5
Amounts due for business acquisitions	6	47.5	51.7
Employee benefit obligations		76.5	75.3
Provisions		6.6	5.1
Total non-current liabilities		**3,193.4**	**3,343.4**
Borrowings	4, 6	267.4	454.8
Interest and earnings due on hybrid capital	6	46.2	50.0
Trade accounts payable	6	389.0	409.8
Contract liabilities	6	130.6	116.4
Current income tax liabilities		37.1	20.7
Amounts due for business acquisitions	6	44.1	62.2
Provisions		16.5	22.0
Other current liabilities	6	487.8	445.6
Total current liabilities		**1,418.7**	**1,581.6**
Total liabilities and shareholders' equity		**8,088.0**	**7,823.1**

Condensed Interim Consolidated Cash Flow Statement (Unaudited)

01 January 2020 to 30 June 2020

EUR Millions	**Note**	**H1 2020**	**H1 2019**
Cash flows from operating activities			
Profit before income taxes		**150.6**	**88.1**
Adjustments for:			
Depreciation and amortisation		199.7	182.2
Share-based payment charge and acquisition-related expenses, net		59.4	56.5
Other non-cash effects		-0.2	-0.3
Financial expense, net		46.4	42.4
Share of profit from associates		-0.5	-0.4
Transactions costs and income related to acquisitions		-3.4	-3.6
Increase/decrease in provisions, employee benefit obligations		-2.7	2.2
Change in net working capital[1]	9	13.4	-85.0
Cash generated from operations		**462.7**	**282.2**
Income taxes paid		-17.7	-50.3
Net cash provided by operating activities		**445.0**	**232.0**
Cash flows from investing activities			
Purchase of property, plant and equipment[2]		-113.0	-101.9
Purchase, capitalisation of intangible assets		-19.5	-20.1
Proceeds from sale of property, plant and equipment[2]		2.9	0.9
Net capex[1]		*-129.7*	*-121.1*
Free cash Flow to the Firm[1]		*315.3*	*110.8*
Acquisitions of subsidiaries net of cash acquired and proceeds from disposals of subsidiaries	3	-76.4	-115.1
Change in investments, financial assets and derivative financial instruments, net	6	-0.5	47.2
Interest received		1.2	2.0
Net cash used in investing activities		**-205.3**	**-187.1**
Cash flows from financing activities			
Proceeds from issue of share capital	5	544.6	5.4
Proceeds from borrowings[2]	4	595.3	55.6
Repayments of borrowings[2]	4	-924.3	-183.2
Repayments of lease liabilities[2]		-75.1	-65.9
Dividends paid to shareholders and non-controlling interests		0.0	-0.2
Earnings paid to hybrid capital investors		-14.6	-35.6
Interest paid[2]		-41.2	-38.3
Net cash provided by financing activities		**84.6**	**-262.2**
Net effect of currency translation on cash and cash equivalents and bank overdrafts		-5.3	5.0
Net increase/ decrease in cash and cash equivalents and bank overdrafts		**319.0**	**-212.2**
Cash and cash equivalents and bank overdrafts at beginning of period		294.5	495.0
Cash and cash equivalents and bank overdrafts at end of period		**613.6**	**282.8**

[1] APMs defined in Note 1.
[2] In 2019, leasing related amounts were recorded in these lines whether they represented cash movements or accounting entries without cash movements following the first time implementation of IFRS16. In 2020, in accordance with the CSSF recommendation, only cash movements have been disclosed under the section "Net cash provided by financing activities"; to improve the readability of the cash flow statement, a new line "Repayment of lease liabilities", has been created as well. 2019 amounts in the above table have been corrected to be comparable with 2020 amounts.

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

EUR Millions	Attributable to equity holders of the Company							
	Share capital	Treasury shares	Other reserves	Currency translation reserves	Hybrid capital	Retained earnings	Non-controlling interests	Total equity
Balance at 01 January 2019	**1.8**	**-0.2**	**954.8**	**53.6**	**1,000.0**	**623.5**	**53.0**	**2,686.5**
Other comprehensive income/ loss for the period, net of taxes	-	-	-	67.4	-	-10.0	0.8	58.2
Net profit	-	-	-	-	-	58.9	-0.7	58.2
Total comprehensive income /loss for the period	-	-	-	67.4	-	48.9	0.0	116.3
Share-based payment effects	-	-	-	-	-	7.2	-	7.2
Issue of share capital	-	-	5.4	-	-	-	-	5.4
Distribution on hybrid capital	-	-	-	-	-	-24.2	-	-24.2
Dividends	-	-	-	-	-	-51.1	-0.2	-51.4
Non-controlling interests arising on business acquisitions	-	-	-	-	-	-6.4	6.1	-0.3
Balance at 30 June 2019	**1.8**	**-0.2**	**960.2**	**121.0**	**1,000.0**	**597.8**	**58.9**	**2,739.5**
Balance at 01 January 2020	**1.8**	**-0.2**	**978.2**	**139.8**	**1,000.0**	**718.9**	**59.5**	**2,898.1**
Other comprehensive income/ loss for the period, net of taxes	-	-	-	-57.2	-	6.4	-1.4	-52.2
Net profit	-	-	-	-	-	94.7	-0.1	94.6
Total comprehensive income/ loss for the period	-	-	-	-57.2	-	101.1	-1.5	42.4
Issue of share capital	0.1	0.2	544.2	-	-	-	0.3	544.8
Share-based payment effects	-	-	-	-	-	8.1	-	8.1
Distribution on hybrid capital	-	-	-	-	-	-18.1	-	-18.1
Deferred taxes on distribution on hybrid capital	-	-	-	-	-	1.1	-	1.1
Dividends	-	-	-	-	-	-	-	-
Non-controlling interests arising on business acquisitions	-	-	-	-	-	10.3	-10.7	-0.4
Balance at 30 June 2020	**1.9**	**-**	**1,522.4**	**82.7**	**1,000.0**	**821.4**	**47.6**	**3,476.0**

Notes to the Condensed Interim Consolidated Financial Statements

General

Eurofins Scientific S.E. (the "Company"), through its subsidiaries (hereinafter "Eurofins" or "the Group" or the "Firm"), believes it is the global leader in food, environmental, pharmaceutical and cosmetics products testing and in agroscience contract research organisation (CRO) services. It is also one of the global independent market leaders in certain testing and laboratory services for genomics, discovery pharmacology, forensics, contract development and manufacturing organisation (CDMO), advanced material sciences and in the support of clinical studies. In addition, Eurofins is one of the leading global emerging players in esoteric clinical diagnostic testing. With over 48,000 staff across a network of more than 900 independent companies in over 50 countries generally specialised by end client markets and operating more than 800 laboratories, Eurofins offers a portfolio of over 200,000 analytical methods to evaluate the safety, identity, composition, authenticity, origin, traceability and purity of biological substances and products, as well as providing innovative clinical diagnostic testing services.

Eurofins Scientific S.E. is registered in the Grand Duchy of Luxembourg under the number B 167 775.

The Company's shares are traded on Euronext Paris stock exchange under the ISIN code FR0000038259 (ticker ERF). The Company's headoffice is located at 23, Val Fleuri, L-1526 Luxembourg, Grand Duchy of Luxembourg.

In the condensed interim consolidated financial statements and the notes all amounts are shown in EUR Millions and any differences of EUR +/-0.1 million are due to rounding.

These condensed interim consolidated financial statements have been authorized for issuance by the Board of Directors on 04 August 2020.

1. Basis of preparation

Eurofins condensed interim consolidated financial statements for the six month period ended 30 June 2020 have been prepared according to IAS 34 – Interim Financial Reporting as adopted in the European Union.

As condensed interim consolidated financial statements, they do not include all information required by International Financial Reporting Standards (IFRS) as adopted in the European Union for the preparation of annual financial statements and should be read in conjunction with the Group consolidated financial statements prepared for the year-end 2019 in accordance with IFRS as adopted in the European Union.

The accounting policies applied for the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of consolidated financial statements for the year ended 31 December 2019.

New and amended standards adopted by the Group on the condensed interim consolidated financial statements as of 30 June 2020:

- Amendment to references to conceptual framework in IFRS standards
- Definition of a business (amendments to IFRS 3)
- Definition of material (amendment to IAS 1 and IAS 8): Presentation of Financial Statements and Accounting Policies, changes In Accounting, Estimates and Errors
- Interest rate benchmark reform (amendment to IFRS 9, IAS 39 and IFRS 7).

These standards have no material impact on its condensed interim consolidated financial statements.

Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2019.

Taxes

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

Foreign operations

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The condensed interim consolidated financial statements are presented in Euro, which is the Company's functional and presentation currency.

Income statements of foreign entities are translated into Euro at average exchange rates for the period and assets and liabilities for each balance sheet are translated at exchange rates ruling at the end of the period. All resulting exchange differences are recognised in other comprehensive income in the line "Currency translation differences".
The most significant currencies for the Group were translated at the following exchange rates into Euro.

Value of EUR	Balance Sheet End of period rates		Income Statement Average rates	
	30 June 2020	31 Dec. 2019	H1 2020	H1 2019
US dollar	1.12	1.12	1.10	1.13
Pound sterling	0.91	0.85	0.87	0.87
Canadian Dollar	1.53	1.46	1.50	1.51
Indian Rupee	84.75	80.00	81.97	79.37
Danish krone	7.45	7.47	7.46	7.46
Swedish krona	10.47	10.50	10.66	10.52
Norwegian krone	10.81	9.84	10.75	9.73
Japanese yen	121.95	121.95	119.05	125.00
Australian dollar	1.63	1.60	1.68	1.60
Brazilian Real	6.14	4.51	5.42	4.34

Alternative performance measures (APM)

Eurofins is providing in the Income Statement certain alternative performance measures (non-IFRS information).

APMs used in the Consolidated Income Statement

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

Separately disclosed items – include one-off costs from integration, reorganisation, discontinued operations and other non-recurring income and costs, temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring, share-based payment charge, impairment of goodwill, amortisation of acquired intangible assets, negative goodwill, loss/gain on disposal and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions, net finance costs related to borrowing and investing excess cash and one-off financial effects (net of finance income) and the related tax effects.

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.

EBITAS – EBITDA less depreciation and amortisation.

Share-based payment charge and acquisition-related expenses – 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.

EBIT – EBITAS less Share-based payment charge and acquisition-related expenses.

These measures exclude certain items because of the nature of these items and the impact they have on the analysis of the underlying business performance and trends.

Eurofins shows EBITDA, EBITAS as defined in the notes to the Condensed Interim Income Statement with the objective to be consistent with the information used in internal Group reporting to measure the performance of Group companies and information published by other companies in the sector.

APMs used in the Consolidated Cash flow Statement

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

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

APMs used in the Notes

Net debt – Borrowings, less Cash and cash equivalents (Note 4).

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 (Note 9).

Management believes that providing these APMs (Alternative Performance Measures) enhances investors' understanding of the Group's core operating results and future prospects, consistent with how management measures and forecasts the Group's performance, especially when comparing such results to previous periods or objectives and to the performance of our competitors.

This enables Eurofins to demonstrate the underlying profitability of the business. In the interest of full transparency, Eurofins discloses both the adjusted results (i.e. without the separately disclosed items) and full reported results (i.e. including the separately disclosed items). This information should be considered in addition to, but not in lieu of, information prepared in accordance with IFRS. These APMs are described in more detail in the Group consolidated financial statements 2019 in Notes 1.27 and 1.28.

Detail Share-based payment charge and acquisition-related expenses

EUR Millions	HY 2020	HY 2019
Share-based payment charge	8.1	7.2
Gain/ loss on disposal	-0.8	0.5
Amortisation of acquired intangible assets	47.6	45.5
Transactions costs related to acquisitions	3.4	3.6
Unused amounts due for business acquisitions	1.1	-0.4
Acquisition-related expenses, net	51.2	49.3
Total	59.4	56.5

Seasonal fluctuations

Revenue, operating profit and cash flows are sensitive to seasonal fluctuations, with the Group generally recording a stronger performance in the second half of the year.

2. Segment information

In October 2019, the Chief Operating Decision Maker ("CODM"), following exchanges with the Group Operating Council and the Board of Directors, communicated the reshaping of the operational activities of the Group into geographical areas with immediate effect.

Eurofins has undergone a period of strong growth, followed by the necessary adaptation of its organisation. This updated organisation allows the Group to better anticipate the structural changes in its business, accelerate its development and achieve its performance objectives. It strengthens the Group's ability to address strategic moves, focus geographical areas on their operational objectives (commercial efficiency, quality execution) and simplify the ways of working (quicker and leaner decision making processes, and empowerment of local business leaders). As Eurofins still generates modest revenues in Asia and Middle East, South America, Australia and New Zealand, those 3 regions that represent future growth are followed internally in a single segment "Rest of the World".

Consequently the Group changed in 2019 its three reportable segments from Western Europe, North America and Rest of the World ("ROW") to Europe, North America and Rest of the World, transferring all other European countries (Southern Europe and Central & Eastern Europe) from 'Rest of the World' in 2018 to 'Europe' in 2019 (see Note 1.25 of the 2019 Group consolidated financial statements).

Europe is the combination of three operating segments: France, DACH countries (Germany, Austria and Switzerland) and Other European Countries (OEC). Other European Countries include Benelux, Nordic Region, UK and Ireland, Southern Europe and Central & Eastern Europe. North America is a separate reportable segment and corresponds to U.S. and Canada. Rest of the World includes South America, Middle East and Asia Pacific.

H1 2020 EUR Millions	Europe	North America	Rest of the World	Group service functions[1]	Total
Revenues	1,276.1	859.4	187.9	-	2,323.4
Operating costs, net	-1,032.0	-632.3	-152.6	-47.9	-1,864.8
EBITDA	244.1	227.1	35.3	-47.9	458.6
Depreciation and amortisation	-92.0	-67.2	-20.2	-20.3	-199.7
EBITAS	152.1	159.9	15.1	-68.2	258.9
Share-based payment charge and acquisition-related expenses, net	-21.0	-30.0	-2.4	-5.9	-59.4
EBIT	131.1	129.9	12.7	-74.1	199.5
Finance income	-	-	-	1.7	1.7
Finance costs	-	-	-	-51.0	-51.0
Share of profit of associates	-	-	-	0.5	0.5
Profit before income taxes	-	-	-	150.6	150.6
Income tax expense	-	-	-	-56.0	-56.0
Net profit for the period	-	-	-	94.6	94.6
Total assets[2]	3,593.3	3,423.9	568.6	502.2	8,088.0
Net capex [2]	-40.6	-52.5	-14.8	-21.8	-129.7

H1 2019 EUR Millions	Europe	North America	Rest of the World	Group service functions[1]	Total
Revenues	1,189.0	798.1	180.5	-	2,167.7
Operating costs, net	-997.1	-622.4	-150.2	-27.1	-1,796.8
EBITDA	191.9	175.7	30.4	-27.1	370.9
Depreciation and amortisation	-84.3	-60.2	-16.1	-21.7	-182.2
EBITAS	107.7	115.5	14.3	-48.8	188.7
Share-based payment charge and acquisition-related expenses, net	-20.1	-32.6	-2.2	-1.7	-56.5
EBIT	87.6	83.0	12.1	-50.5	132.2
Finance income	-	-	-	4.3	4.3
Finance costs	-	-	-	-48.7	-48.7
Share of / profit of associates	-	-	-	0.4	0.4
Profit before income taxes	-	-	-	88.1	88.1
Income tax expense	-	-	-	-30.0	-30.0
Net profit for the period	-	-	-	58.2	58.2
Total assets[23]	3,619.1	3,369.1	593.0	241.9	7,823.1
Net capex[2]	-50.9	-40.3	-11.0	-19.0	-121.1

[1] Corresponds to Group services functions and holding companies transactions for the other captions.
[2] Total assets and Net capex are shown in the geographical area in which the assets are located.
[3] As of 31 December 2019

Total inter-segment revenues (not included in the table "Revenues" above) are as follows:

Total inter-segment revenues EUR Millions	H1 2020	H1 2019
Europe	17.5	13.7
North America	14.7	11.1
Rest of the World	7.8	5.3
Total	40.0	30.1

Inter-segment revenues are limited between segments, but intra-segment revenues are more significant within each segment under Eurofins hub and spoke model.

Revenue recognition by type of streams and operating segment is outlined below:

EUR Millions H1 2020	Europe	North America	ROW	Total
Sample-based business	1,140.8	701.9	169.4	2,012.1
of which Revenue recognised based on a statistical model	-	*44.7*	-	*44.7*
Study-based business	72.2	65.0	14.3	151.5
FTE-based business	41.3	78.9	2.7	122.9
Product-based business	21.8	13.6	1.5	36.9
Total	1,276.1	859.4	187.9	2,323.4

EUR Millions H1 2019	Europe	North America	ROW	Total
Sample-based business	1,059.1	646.4	167.0	1,872.5
of which Revenue recognised based on a statistical model	*-*	*30.7*	*-*	*30.7*
Study-based business	68.1	74.1	12.2	154.4
FTE-based business	43.7	65.8	-	109.6
Product-based business	18.1	11.7	1.3	31.1
Total	1,189.0	798.1	180.5	2,167.7

The impact of the “over time” method is the following:

EUR Millions	H1 2020	H1 2019
Revenues	2,323.4	2,167.7
Amounts due by customers for analysis in progress	121.7	136.4
Deferred revenues	-88.7	-62.8
Net position (Balance Sheet position)	33.0	73.6
% of Revenues	1.4%	3.4%

3. Acquisitions and disposals

During the first six months of 2020, the Group completed seven acquisitions of which three were asset deals. These companies / activities have been fully consolidated from the date the Group took control of these entities. Prior to their acquisition, these entities generated revenues of EUR 20m for the year ended 31 December 2019, and employed approximately 200 employees.

Company	Country ISO Code	Subsidiary of :	% of interest by the Group	Date of entry
Havlandet Forskningslabratorium AS	NO	Eurofins Food Testing Norway Holding AS	57%	02/20
Synlab Bretagne SELAS	FR	Bio-Access SAS	100%	03/20
Precision TEM, LLC	US	Eurofins EAG Materials Science, LLC	100%	04/20
Pränatal-Medizin München Frauenärzte GmbH	DE	St. Marien Krankenhaus Lampertheim GmbH	100%	04/20

The businesses acquired contributed to Eurofins consolidated revenues for ca. EUR 4.4m and to consolidated EBITDA for ca. EUR 0.7m in H1 2020. If the effective dates of these acquisitions would have been January 1, 2020, Group consolidated revenues would have been increased by an additional ca. EUR 4m and consolidated EBITDA increased by an additional EUR 1m.

The provisional fair value of assets and liabilities and the non-controlling interests acquired or disposed during the period are as follows:

EUR Millions	H1 2020
Property plant and equipment	-14.3
Rights of Use on Acquisitions	-0.5
Intangible assets	0.1
Technology, customer relationships and brands	-14.8
Financial assets	0.6
Trade accounts receivable, net	-2.4
Inventories	-0.2
Other receivables	-0.4
Cash	-4.2
Current liabilities	1.2
Corporate taxes due	0.1
Borrowings	1.3
Leases on Acquisitions	0.4
Pension accrual	0.2
Provisions for risks and restructuring	0.3
Deferred income taxes liabilities	0.1
Net Assets Acquired	-32.5
Goodwill	-25.7
Gain on sale on disposal of a subsidiary	0.8
Non-controlling interests	-0.4
Amounts due from business acquisitions on new acquisitions	9.9
Purchase price paid	-47.9
Less Cash	4.2
Amounts due from previously business acquisitions paid	-32.7
Acquisition of subsidiaries net of cash acquired and proceeds from disposals of subsidiaries	**-76.4**
Divided to:	
Cash outflow on acquisitions	*-82.0*
Proceeds from disposals of a subsidiary net of cash transferred	*5.6*

Net assets acquired include an intangible technology value (Dual Beam Focused Ion Beam sample preparation) on Precision TEM, LLC and a building for Pränatal-Medizin located in München.

As Eurofins carries out multiple acquisitions each year, in accordance with paragraph B65 of IFRS 3, the table above discloses the acquisitions on an aggregate basis if the individual acquisition price is below EUR 100m. Due to their timing, the initial accounting for acquisitions of the period has only been provisionally determined at the balance sheet date.

The Group did not carry out any bargain purchases in 2020.

During the first six months of 2020, the Group continued to pay amounts due to former shareholders of previously acquired companies for EUR 32.7m.

In February 2020, TestAmerica Air Emission Corporation divested its Stack Emission testing Metco business (annual sales of EUR 5m in 2019).

The goodwill change of the period is the following:

Goodwill EUR Millions	H1 2020
Opening net book amount	3,608.8
Currency translation differences	-33.5
Change in consolidation scope	25.7
Impairment	-
Closing net book amount	3,601.0

Goodwill recognised by the Group is allocated to groups of Cash Generating Units (CGU) which are subject to impairment testing. The following is a summary of goodwill allocation for each group of CGUs as of 30 June 2020:

EUR Millions	Opening	Currency translation	Change of scope	Impairment	Closing
North America	1,720.8	-5.9	1.6	-	1,716.6
France	842.1	-	10.8	-	852.9
DACH	229.2	0.2	13.0	-	242.4
OEC	620.4	-13.3	0.3	-	607.4
Rest Of the World	196.3	-14.5	-	-	181.7
Total	3,608.8	-33.5	25.7	-	3,601.0

Considering the uncertainty caused by COVID-19, Eurofins has closely reviewed impairment indicators, including the analysis of the actual business performance compared with budgeted figures, and reviewed the change of its pre-tax discount rate during the first half of 2020. Following this review, no impairment indicators have been identified and no impairment has been recognised as of 30 June 2020.

4. Financial position

EUR Millions	**30 June 2020**	**31 December 2019**
Cash and cash equivalents	615.4	297.0
Overdrafts (included in current Borrowings)	-1.8	-2.5
Cash and cash equivalents net of overdrafts at end of period/year	613.6	294.5

EUR Millions	**30 June 2020**	**31 December 2019**
Bank Borrowings [1]	54.3	462.7
Bonds[2]	1,906.4	1,642.3
Schuldschein Loan[2]	549.2	549.0
Commercial Paper[1]	135.0	317.0
Bank Overdrafts	1.8	2.5
Finance leases liabilities	46.9	44.5
Operating leases liabilities (IFRS 16)	505.7	523.7
Cash and cash equivalents	-615.4	-297.0
Net Debt	2,584.0	3,244.7

[1] In H1 2020, Eurofins paid back EUR 408m of bank borrowings and EUR 182m of commercial paper.

[2] Net of issuance costs

Increase in cash and cash equivalents is mainly explained by (i) the net proceeds of EUR 268m following the refinancing exercise with the issuance of a new EUR 600m Eurobond combined with the tender offer of its 2022 and 2023 existing bonds for EUR 332m and (ii) the equity raise (gross proceeds of EUR 535m) with the issuance of 1,000,000 new shares, both successfully completed in Q2 2020. All short term borrowings have been repaid except for commercial paper with maturity date beyond 30 June 2020. Furthermore, no bilateral credit line is drawn as of 30 June 2020.

EUR Millions **Cash & cash equivalents**	**30 June 2020**	**in %**	**31 December 2019**	**in %**
Europe	113.2	18.4%	103.6	34.8%
North America	128.1	20.8%	68.9	23.2%
Rest of the World	49.1	8.0%	49.8	16.8%
Group service companies[1]	325.0	52.8%	74.7	25.2%
Total	615.4	100.0%	297.0	100.0%

[1] corresponds to the Parent Company, other Group holding companies and corporate entities which are not operating companies.

Eurobonds

In May 2020, Eurofins raised a EUR 600m senior unsecured Euro bond. The bonds have a 6.2 years maturity (due 17 July 2026) and bear an annual fixed rate of 3.75%. The bonds are listed on the regulated market of the Luxembourg stock exchange (ISIN XS2167595672).

The purpose of this refinancing exercise was to increase the average maturity of Eurofins' debt instruments and to proactively manage the refinancing of its EUR 500m Bonds 2.250% due 27 January 2022 (ISIN: XS1174211471, the "2022 Bonds") and its EUR 500M Bonds 3.375% due 30 January 2023 (ISIN: XS1268496640, the "2023 Bonds") (together, the "Existing Bonds"). In May 2020, The Company purchased some of the Existing Bonds for a principal amount of EUR 332.2m in aggregate. As a result of this transaction, the nominal amount of Existing Bonds currently outstanding is respectively EUR 314.2m for the 2022 Bonds and EUR 353.6m for the 2023 Bonds.

The net proceeds of the new Eurobond issued in May 2020 were also partially used to pay down some short-term debt instruments (bilateral credit lines, commercial paper - NEU CP).

The quoted values of the Company's Eurobonds are disclosed in Note 6.

Commercial paper

In September 2017, Eurofins set up a Negotiable European Commercial Paper program ("NEU CP") for a maximum amount that reaches now EUR 750m. This program is used to issue short term notes with a minimum size of EUR 0.2m and maturity of less than one year. At the end of June 2020, notes were outstanding for an amount of EUR 135m under this program (EUR 317m end of December 2019).

Bilateral credit lines

As of end of December 2019, Eurofins had used some of its bilateral credit lines for EUR 405m.This amount has been fully paid back as of 30 June 2020. In addition, a number of bilateral credit facilities with Eurofins banks are not used : in particular, as of 30 June 2020, Eurofins had access to over EUR 1bn committed mid-term (ca. 3.2 years average life) bilateral bank credit lines in addition to those used to back commercial paper drawings. None of the bilateral credit lines are maturing in 2020 nor in 2021.

5. Changes in Shareholders' equity and potentially dilutive instruments

Share capital and other reserves

At 30 June 2020, 18,984,199 ordinary shares with a par value of EUR 0.10 per share are outstanding. All issued shares are fully paid. During the first six months of 2020, the number of shares increased by 1,080,674. In May 2020, Eurofins raised total gross proceeds of EUR 535 million following the issuance of 1,000,000 new shares to institutional investors, at a price of EUR 535 per share. Eurofins will use the net proceeds to support its rapid build-up of COVID-19 testing capacities as well as strengthening its capital structure.

Stock options: Stock options are granted to directors and employees. Movements in the number of stock options outstanding are as follows during H1 2020:

Stock options	**H1 2020**	
	Number	**Weighted average exercise price**
At beginning of the period	866,147	331
Granted	-	-
Exercised	-73,174	157
Expired or lost	-37,778	386
Outstanding at the end of the period	755,195	345
Exercisable at the end of the period	*170,811*	*167*

The weighted average share price based on Eurofins share price at the date of exercise was EUR 527 for the 73,174 shares exercised in H1 2020.

Free shares

Free shares are granted to directors and employees. Movements in the number of free shares are as follows during H1 2020:

At beginning of the period	40,531
Free shares granted	2,020
Free shares lost or expired	-935
At end of the period	**41,616**

2014 BSA Leaders warrants

In June 2014, the Company issued 117,820 capital-providing securities in the form of stock purchase warrants, conferring 2014 BSA Leaders Warrants' holders the right to subscribe for one share of the Company for each 2014 BSA Leaders Warrant at a fixed exercise price of EUR 281.58 between 1 July 2018 and 30 June 2022. The subscription price was set at EUR 18.15 per warrant.

At beginning of the period	66,900
Warrants lost or expired	-
Warrants exercised	-7,500
At end of the period	**59,400**

2018 BSA Leaders warrants

In June 2018, Eurofins issued 124,460 capital-providing securities in the form of stock purchase warrants, conferring 2018 BSA Leaders Warrants' holders the right to subscribe for one share of the Company for each 2018 BSA Leaders Warrant at a fixed exercise price of EUR 529.65 between 1 June 2022 and 31 May 2026. The subscription price was set at EUR 34.36 per warrant.

At beginning of the period	113,669
Warrants lost or expired	-
Warrants exercised	-
At end of the period	**113,669**

Class A beneficiary units

Class A beneficiary units, which confer no right to dividends but a right to one vote, are allocated to holders of fully paid-up shares for which proof is provided of registration in the name of the same shareholder for at least three consecutive years as provided for in article 12bis of the Company's Articles of Association.

As from 1 July 2017, Class A beneficiary units, which confer no right to dividends but a right to one vote, can be allocated to holders of fully paid-up shares for which (i) proof is provided of registration in the name of the same shareholder for at least three consecutive years as provided for in article 12bis.2 of the Company's Articles of Association (ii) request to subscribe class A beneficiary units is sent in writing by the relevant shareholder to the Company at the latest by 30 June 2020 and (iii) subject to the Company receiving payment of a subscription price of EUR 0.10 per class A beneficiary unit.

The total number of Class A beneficiary units decreased from 6,511,615 as of 31 December 2019 to 6,505,470 as of 30 June 2020.

Class B beneficiary units

Class B beneficiary units, which confer no right to dividends but a right to one vote, are allocated to holders of fully paid-up shares for which (i) proof is provided of registration in the name of the same shareholder for at least five consecutive years as provided for in article 12bis.3 of the Company's Articles of Association (ii) request to subscribe class B beneficiary units is sent in writing by the relevant shareholder to the Company at the latest by 30 June 2021 and (iii) subject to the Company receiving payment of a subscription price of EUR 0.10 per class B beneficiary unit.

In June 2016, March 2017, June 2018, May 2019 and May 2020 respectively, Analytical Bioventures SCA exercised its right to receive 1,000,000 Class B beneficiary units (5,000,000 in total) on the equivalent number of shares out of its 6,400,000 shares registered in a registered account for five consecutive years in the name of the Company's shareholder Analytical Bioventures SCA for a cash contribution of EUR 500,000 equivalent to EUR 0.10 per beneficiary unit.

The total number of Class B beneficiary units increased from 4,000,000 as of 31 December 2019 to 5,000,000 as of 30 June 2020.

Voting rights

Voting rights attached to shares are proportional to the capital quota they represent. Each share gives the right to one vote. However as mentioned above, class A and class B beneficiary units ("part bénéficiaire de catégorie A" and "part bénéficiaire de catégorie B") carrying an extra voting right each can be allotted to all fully paid-up shares fulfilling conditions as specified in the last two paragraphs above. As at 30 June 2020, a total amount of 11,505,470 class A and class B beneficiary units has been issued and the total number of voting rights amounts to 30,489,669.

Hybrid capital

A EUR 14.6m distribution on hybrid capital has been paid in April 2020 (EUR 300m at 4.875 %).

Partial and optional acquisition price payments in Eurofins shares
At 30 June 2020, the overall number of Eurofins shares potentially deliverable is nil.

Own shares
As at 30 June 2020, the Company does not own any of its own shares (400 as of 31 December 2019 indirectly owned through a subsidiary).

6. Financial risk management and financial instruments

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results.
The Directors do not consider that the principal risks and uncertainties have changed materially since the publication of the Group's annual financial statements as at 31 December 2019.

Financial risk factors

The Group's activities expose it to a variety of financial risks: currency risk, interest rate risk, credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required can be found in the "Risks and uncertainties" section of the half-year 2020 management report and in the annual financial statements; they should be read in conjunction with the Group's annual management report as at 31 December 2019.
There have been no changes in the risk management approach or in risk management policies since year-end.

Fair value estimation

The carrying and fair values of the financial assets and financial liabilities are as follows as of 30 June 2020:

EUR Millions		Financial assets classification				
Assets	**Carrying Value**	**Loans and receivables**	**Assets at fair Value through profit and loss (FVPL)**	**Derivatives used for hedging**	**FVOCI**	**Fair Value**
Period ended 30 June 2020						
FVOCI	4.4	-	-	-	4.4	4.4
Financial assets and other receivables - non current	43.0	43	-	-	-	43.0
Trade and other receivables excluding prepayments - current	1,076.3	1,076.3	-	-	-	1,076.3
Derivative financial instruments	0.2	-	0.2	-	-	0.2
Short term deposit with banks	10.4	-	10.4	-	-	10.4
Cash and cash equivalents	605.0	605.0	-	-	-	605.0
Total	**1,739.2**	**1,724.3**	**10.6**	**-**	**4.4**	**1,739.2**

EUR Millions		Financial liabilities classification			
Liabilities	**Carrying Value**	**Liabilities at fair value through profit and loss**	**Derivatives used for hedging**	**Other financial liabilities at amortised cost**	**Fair Value**
Period ended 30 June 2020					
Borrowings (current and non-current)	3,199.4	-	-	3,199.4	3,250.2
Interest and earnings due on hybrid capital	46.2	-	-	46.2	46.2
Amounts due for business acquisitions	91.6	-	-	91.6	91.6
Trade accounts payable	389.0	-	-	389.0	389.0
Other current liabilities	509.6	-	-	509.6	509.6
Contract liabilities	130.6	-	-	130.6	130.6
Total	**4,366.4**	**-**	**-**	**4,366.4**	**4,417.1**

The change of FVOCI corresponds to a negative amount of EUR 0.4m over the period.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 - Marketable securities, Derivative financial instruments assets or Eurobonds);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or the liability, either directly (i.e. such as prices) or indirectly (i.e. derived from prices) (Level 2 - Derivative financial instruments liabilities);
- Inputs for the asset or liability that are not based on observable market data (Level 3).

Amounts due for business acquisitions are valued on Level 3 without relevant re-estimation during H1 2020. Accounting policy is defined in note 1.21 of the 2019 annual report.

There were no transfers between levels during the period.

With the exception of the borrowings, the Group considers the carrying value of the financial instruments to approximate their fair value.

Regarding borrowings, their fair value is based on:

- A quoted price included in Level 1 of the fair value hierarchy for the Eurobond January 2022 (fair value amount of EUR 319m against a carrying value of EUR 314m);
- A quoted price included in Level 1 of the fair value hierarchy for the Eurobond January 2023 (fair value amount of EUR 365m against a carrying value of EUR 354m);
- A quoted price included in Level 1 of the fair value hierarchy for the Eurobond July 2024 (fair value amount of EUR 653m against a carrying value of EUR 650m);
- A quoted price included in Level 1 of the fair value hierarchy for the Eurobond July 2026 (fair value amount of EUR 632m against a carrying value of EUR 600m).

Currency translation differences

Currency translation differences arising from the retranslation of the net investment in foreign subsidiaries are booked into “currency translation differences” in shareholders’ equity, net of tax if applicable. The change of the closing exchange rates between 31 December 2019 and 30 June 2020 has a negative impact of the period of EUR 35.5m on equity, mainly due to the change of the Indian Rupee, Brazilian Real and Pound Sterling.

Net investment hedge

The Company has designated instruments to hedge net investments in foreign operations. The nature of the risk hedged is the change in foreign exchange rates between the currency of the loan and the functional currency of either the lender or the borrower. The net investment in hedged foreign operations is worth EUR 1,727m (fully eliminated in consolidation), mainly USD for EUR 1,312m and GBP for EUR 103m. The fair value of hedging represents a cumulated negative value of EUR 28.2m at the end of June 2020 included in “Currency translation differences” in equity. The change has a negative impact of EUR -23.2m on the period (positive in 2019 for EUR 29.3m).

7. Contingent liabilities

Contingent liabilities are described in more detail in the Annual Report 2019 in Note 4.4. During the period no new or acquired major contingent liabilities related to litigations, claims or new lease commitments have been incurred compared to the situation as at 31 December 2019.

Securities over borrowings

The liabilities and borrowings listed below are secured by covenants or securities on assets:

EUR Millions	30 June 2020	31 December 2019
Bank borrowings secured over buildings and other assets	30.4	30.9
Leases secured over buildings and other assets[1]	46.9	44.5
Bank borrowings secured by covenants and assets	3.3	3.7
Total borrowings and leases secured	*80.6*	*79.1*

[1] Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

All amounts of the above chart are included in the Group’s Condensed Interim Consolidated Balance Sheet.

Tax

The Group operates in over 50 countries and is subject to a wide range of complex tax laws and regulations. At any point in time it is normal for there to be a number of open years in any particular territory which may be subject to enquiry by local authorities. Tax controls are always on-going. Where the effects of laws and regulations is unclear, estimates are used in determining the liability for the tax to be paid on profits which are recognised in the financial statements. The Group considers the estimates, assumptions and judgments to be reasonable in accordance with IFRIC 23 ; however, this can involve complex issues which may take a number of years to resolve. The final determination of prior year tax liabilities could be different from the estimates reflected in the financial statements.

8. Related-party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated in the consolidation process and are not disclosed in the notes.

The Group is controlled by the company Analytical Bioventures S.C.A., holding of the Martin family. This company owns 33.7% of the Company’s shares and 58.4% of its voting rights as of 30 June 2020.

Transactions with Affiliates or with companies owning shares in Eurofins Group such as Analytical Bioventures S.C.A. or with companies in which some members of the Company’s Board of Directors or top management have significant influence such as “International Assets Finance S.à.r.l.” are mainly related to lease agreements on laboratories/ sites used by Eurofins and are disclosed as follows:

EUR Millions	H1 2020	H1 2019
Consolidated Income Statement		
Support management services, provided to the related party	0.1	0.1
Support management services, provided to Eurofins	-	-
Interest expenses to related party (IFRS 16)	4.0	4.0
Depreciation of right of use (IFRS 16)	11.4	10.6
Rent expenses to related party	0.5	0.7
Consolidated Balance Sheet	**30 June 2020**	**31 December 2019**
Receivables expected from related party	12.9	12.7
Payables owed to related party	0.9	0.7
Right of use from related party (IFRS 16)	153.9	163.7
Lease liabilities to related party (IFRS 16)	173.1	182.7
Off balance sheet commitments		
Bank guarantees to related party	0.2	0.2

9. Change in net working capital

Net working capital stood at 5.3% of revenues as of 30 June 2020 (same as of 31 December 2019).

10. COVID-19

Overall most of the Group's companies had a solid start to the year despite the significant disruptions caused by the COVID-19 pandemic, demonstrating the very resilient and non-cyclical nature of most of the markets the Group is exposed to. Nonetheless, the Group rapidly responded to the economic uncertainty by taking significant actions to conserve cash and mitigate the potential impact of a prolonged economic downturn on the profitability and cash generation.

As a world leader in the provision of clinical diagnostics, forensic, pharmaceutical, food and environmental laboratory testing services, Eurofins has been able to draw on its scientific experience to develop a comprehensive suite of SARS-CoV-2 tests in response to the coronavirus pandemic.

Inventories, prepaid expenses and other current assets increase due to purchase and advance payments on purchase of kits, reagents, swabs and masks for COVID-19 testing.

11. Cyber-attack

During the first weekend of June 2019, Eurofins Scientific was hit by a criminal ransomware attack which caused disruption to many of its IT systems in several countries. Eurofins IT staff and their internal and external IT security teams and experts took prompt actions to contain the incident, mitigate its impact and have been working relentlessly to return the IT operations to normal in the companies of the Group that have been affected. Eurofins teams have worked hard and are continuing to expand significant effort to further optimize and strengthen all IT operations and to have all things fully back to normal as soon as possible.

As business interruption insurance coverage for this criminal cyber-attack has been confirmed, a first payment has been received for an amount of EUR 10m in 2019 and a second payment of EUR 9.8m in May 2020.

It is likely that discussions and efforts to determine and agree on exact damages with Group insurers will be on going for a while and additional reimbursements can not be determined finally at this time.

12. Post-closing events

Change of scope:

Since 01 July 2020, Eurofins has completed the acquisition of six companies, of which two environmental laboratories in the United States and Australia, one clinical diagnostic laboratory in France and three other laboratories in United Kingdom, China and Finland.

The total annual revenues of these acquisitions were close to EUR 23m in 2019 for an acquisition price paid of ca. EUR 25m.

On 24 July 2020, Eurofins announced that it has received its first public long-term issuer credit rating by Moody's Investor Services ("Moody's") which assigned an investment grade rating of Baa3 with a stable outlook.

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Eurofins Scientific S.E. comprising the condensed interim consolidated balance sheet as of June 30, 2020, and the related condensed interim consolidated income statement, the condensed interim statement of comprehensive income, the condensed interim consolidated statement of changes in equity and the condensed interim consolidated cash flow statement for the six-months period then ended ("the interim financial information"). The Board of Directors is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34, Interim Financial Reporting as adopted in the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the company as at June 30, 2020 and of the results of its operations for the six-months period then ended in accordance with IAS 34, Interim Financial Reporting as adopted in the European Union.

For Deloitte Audit, *Cabinet de Révision Agréé*

David Osville, *Réviseur d'Entreprises Agréé*
Partner

August 6, 2020