
Half Year Report 2023

Disclaimer

This document is neither a prospectus for the purposes of Regulation (EU) 2017/1129 or other foreign regulations, nor an official authorised document, nor a sworn translation thereof and has not been approved, filed or reviewed by any regulatory authority. This document is intended for informational purposes only and does not constitute or form a part of any offer for sale or subscription or solicitation of any offer to buy or subscribe any securities of Eurofins Scientific SE (hereinafter the "Company" or "Eurofins Scientific") nor shall it, or any part of it, form the basis of or be relied upon in connection with any decision to purchase securities of the Company or enter in any contract with, or commitment to, the Company whatsoever.

The Company has taken reasonable care to ensure that the facts stated in this document are true and accurate in all material respects but makes no representations or warranties regarding the reliability or absence of material errors or omissions in or from this document. Information contained herein is based on sources believed to be reliable but is neither exhaustive nor guaranteed by our Company. No person has been authorised to give any information or make any representation not contained in the Company's annual and half year reports. Any information given or representation made by any person which is not contained in the Company's annual and half year reports may not be relied upon as being authorised by the Company or any of its subsidiaries or any of their respective employees, officers or agents. The Company's annual and half year reports can be obtained from the Company's investor relations team. This document is subject to all restrictions, limitations, non-warranty and non-reliance provisions stated in this disclaimer.

This publication contains forward-looking statements and estimates that involve risks and uncertainties. The forward-looking statements and estimates contained herein represent the judgement in good faith of Eurofins Scientific as of the date of publication. These forward-looking statements are not guarantees for future performance and the events discussed in this document may not occur. Eurofins Scientific disclaims any intent or obligation to update all or one of these forward-looking statements and estimates. These forward-looking statements are also subject to change without notice.

To the extent permitted by law, the Company shall not be liable for any loss, damage or expense whatsoever arising out of or in connection with this document, directly or indirectly, including but not limited to, in contract, tort, strict liability or any other legal bases.

This document shall only be distributed as and if permitted by law. By accepting this document, you agree to be bound by the foregoing instructions and limitations.

Until it has been lawfully made public by Eurofins through approved distribution channels, this document contains inside information for the purpose of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended.

Publication date: 26 July 2023, 7:15am CET.

Shareholder information

Listing

Euronext Paris (IPO on 24 October 1997)

Indexes

Euronext Paris: CAC 40, EURONEXT 100, SBF 120, SBF TOP 80 EW, CAC ALL SHARES, CAC ALL-TRADABLE, CAC HEALTH CARE, CAC LARGE 60.

Euronext Amsterdam: EN CORE E100 EW, EN EUR N100 EW, EN EUROZONE 150 EW, EN EUROPE 500, EN EUROZONE 300, EN EZ 100 ESG.

Other: MSCI Europe, STOXX Europe 600, S&P Europe 350.

Industry Group/Prime Sector

Healthcare / Healthcare Providers

Codes

ISIN: FR0014000MR3

Tickers

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

Nominal Capital (as at 30 June 2023)

€1,929,783.83 (192,978,383 x €0.01)

Simplified Ownership Structure

Free Float 66.9%

Martin Family 32.7%

H1 2023 Share Price Development

Eurofins Scientific: -13.3%

CAC 40 Index: 14.3%

Euronext 100: 11.5%

SBF 120: 13.3%

Nasdaq Composite Index: 31.0%

S&P 500: 15.9%

Dow Jones: 3.8%

Analyst Coverage

AlphaValue

Barclays

Bernstein

Citi

Deutsche Bank

Exane

Gilbert Dupont

Goldman Sachs

HSBC

Jefferies

Kepler Cheuvreux

Morgan Stanley

Morningstar

ODDO BHF

Redburn

Société Générale

Stifel

Nupur Gupta

James Rose

Harry Martin

Arthur Truslove

Dominic Edridge

Tom Burlton

Guillaume Cuvillier

Suhasini Varanasi

Rajesh Kumar

Allen Wells

Pablo Cuadrado

Annelies Vermeulen

Julie Utterback

Geoffroy Michalet

Neil Tyler

Delphine Le Louët

Louise Boyer Gräbeldinger

Investor Relations

Eurofins Scientific Group

Phone: +32 2 766 1620

E-mail: ir@eurofins.com

Website

www.eurofins.com

Table of Contents

Management Report	4
1 CEO Review	5
2 Financial and Operating Review	8
Corporate Governance.....	19
1 Corporate Governance (update)	20
2 Corporate Governance changes for the six months ended 30 June 2023	20
3 Statement of Persons Responsible for the Half Year Report	23
Half Year Financial Statements.....	24
1 Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2023..	25
2 Report of the Réviseur D'entreprises Agréé.....	44

Management Report

1 CEO Review

Though the global economic outlook remains uncertain due to lingering inflationary pressures, higher interest rates and the ongoing war in Ukraine, Eurofins continued to demonstrate robust organic growth above its objective in its Core Business activities in the first half of 2023. Growth was particularly strong in North America, where demand trends in our Food Testing, Environment Testing and BioPharma Product Testing activities more than compensated for the substantial year-on-year decline in revenues from COVID-19 testing and reagents in the region. Europe and Rest of the World also demonstrated healthy growth despite challenges in the current economic climate. Pricing initiatives in all regions are starting to be a driver of these results. Overall, we continue to execute well on our long-term value creation strategy while maintaining a sound capital structure.

In the second quarter of 2023, Eurofins has almost fully compensated the temporary revenues from COVID-19 testing and reagents it achieved between 2020 and 2022 and expects to fully do so on a full year basis as soon as 2024.

Supported by higher volumes, contributions from start-ups and market share gains, and further pricing adaptations, we anticipate sustaining our strong organic growth momentum through the second half of 2023. We will also keep accelerating our efforts in technological innovation, in particular the roll-out of automation systems and further digitalisation of processes in the coming quarters, so we can further improve on our industry-leading service quality to clients. Increasing automation also complements other cost efficiency efforts that are underway to improve our competitiveness.

Despite the current challenges, I remain very confident in the entrepreneurial and innovative spirit of Eurofins teams to continue delivering outstanding, high-quality service to clients, above-market growth and value creation as we progress towards our FY 2023 and FY 2027 objectives.

Financial highlights

Eurofins continued to demonstrate robust Core Business organic growth in H1 2023:

- Total revenues of €3,209m declined year-on-year by -5.9%, restrained by the sharp year-on-year decrease in revenues from COVID-19 testing and reagents (less than €20m in H1 2023 vs over €470m in H1 2022) and FX headwinds (-0.5%).
- Revenues in the Core Business (excluding COVID-19 testing and reagent revenues) increased organically¹³ by +7.0% in H1 2023 vs H1 2022, driven by a strong development in North America. By quarter and adjusted for public working days, organic growth accelerated to 7.5% in Q2 2023 vs 6.6% in Q1 2023.
- Adjusted¹ EBITDA³ of €640m (19.9% of revenues) declined vs €829m (24.3% of revenues) in H1 2022, mostly impacted by the sharp decrease in revenues from COVID-19 testing and reagents and inflationary headwinds.
- Eurofins generated Free Cash Flow before investment in owned sites¹⁶ of €125m vs €306m in H1 2022, primarily due to lower EBITDA and continued net capital expenditures geared towards capacity expansion, start-ups and the development of bespoke IT solutions.
- Net Profit⁷ amounted to €151m.
- Eurofins' balance sheet remains very solid at the end of June 2023:
 - Financial leverage (net debt¹¹ to last 12 months adjusted pro-forma EBITDA) was 1.9x, flat vs the end of 2022 and well within its targeted range of 1.5-2.5x.
 - Eurofins has no major financing requirements until the outstanding €448m senior Eurobonds become due on 25 July 2024 and, in addition to a cash position of €682m, has access to over €1bn of committed mid-term (3-5 years) bilateral bank credit lines.

Strategic highlights

Eurofins companies continue to advance on a large number of long-term growth and innovation initiatives:

- The focus has been on reasonably valued smaller bolt-on acquisitions:
 - In H1 2023, Eurofins closed 18 business combinations that generated revenues of about €64m in 2022 at a cost of €83m, reflecting a sales multiple of 1.3x.

CEO REVIEW

- Eurofins added 31,000 m² of net surface area to expand its network in the first six months of 2023. Through a combination of building projects and building purchases, a decrease in leased surfaces and bolt-on acquisitions, Eurofins was able to increase its ownership proportion of the total net floor area of its sites to 31% at the end of June 2023 vs 30% at the end of 2022.
- Eurofins continues its strong pace of start-up activity, launching 20 new start-up laboratories and 29 new blood collection points (BCPs) in the first six months of 2023. The 271 start-ups and 47 BCPs launched since 2000 have made material contributions to the overall organic growth of the Group, accounting for 0.9% out of the 7.0% organic growth achieved in H1 2023.
- The roll-out of automation technologies is accelerating as Eurofins companies begin implementing bespoke modular automation platforms. Based on standardised and proprietary building blocks, each flexible platform can fit numerous applications. Though these automation systems require significant operational expenditures to develop and capital expenditures to deploy, they should be an important contributor to quality, productivity and financial returns in the coming years. In its initial automation wave, for example, the Company targets to automate a sizable proportion of analytical preparation for contaminants testing in its Food and Environment Testing businesses in Europe by the end of 2024.
- Eurofins continues to make meaningful contributions to Testing for Life:
 - Leveraging artificial intelligence and its rich databases of reference samples, Eurofins Alimentaire France SAS recently launched a rapid test to guarantee the authenticity of organic food products.
 - Further expansion of its PFAS testing activities in Environment Testing and Food Testing as well as Clinical Diagnostics, where Eurofins is conducting blood testing on up to 75,000 residents living near a chemical production site in Belgium for the presence of PFAS.
 - Eurofins Discovery, an industry-leading provider of products and services for drug discovery research, contributed human in vitro data from its innovative BioMAP® Platform to advance clinical progression of IOA-289, a novel oral therapy for cancer and fibrotic disease.

Revenue by activity

Eurofins is providing additional information about its revenues by activity, as shown below:

€m	H1 2023	As % of total
Life	€1,257m	39.2%
BioPharma	€976m	30.4%
Diagnostic Services & Products	€652m	20.3%
Consumer & Technology Products Testing	€325m	10.1%

Activities are defined as follows:

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

2023 to 2027 Objectives

- Eurofins has updated its objectives for FY 2023 which had been announced at the FY 2022 results presentation on 1 March 2023 to reflect the latest FX rates evolution and the current M&A activity. The objectives for FY 2027 have not been updated.

€m	FY 2023 (updated)	FY 2027
Revenues	€6.45bn – €6.55bn	Approaching €10bn
Adjusted EBITDA	€1.32bn – €1.37bn	Margin: 24%
FCFF before investment in owned sites ¹⁶	€670m - €720m	Approaching €1.5bn

- The updated FY 2023 objective assumes exchange rates prevailing for H1 2023 are constant for the remainder of the year, implying a year-on-year headwind from foreign currency translation of ca. €115m. It also assumes a reduced M&A activity in FY 2023 that would contribute revenues of

CEO REVIEW

ca. €90m on a consolidated basis and ca. €200m on a full year proforma basis (instead of €125m and €250m, respectively).

- The aforementioned factors reducing the FY 2023 objective by €150m in consolidated revenues translates to a €30m decrease of the FY 2023 adjusted EBITDA and FCFF before investment in owned sites objective.
- The FY 2027 objective assumes exchange rates are stable vs 2022 average and zero contribution from COVID-19 testing and reagents. To 2027, Eurofins targets average organic growth of 6.5% p.a. and potential average revenues from acquisitions of €250m p.a. over the period.
- Continued growth investments in the ownership of large strategic sites, transfer of activities therein, start-ups and bespoke proprietary IT solutions are expected to drive increased profitability and cash generation over the mid-term horizon.
- With the aim of launching 30 new start-up laboratories (50 in FY 2022, 20 in H1 2023) and several new BCPs (18 in FY 2022, 29 in H1 2023) in FY 2023, Eurofins expects Separately Disclosed Items² (SDI) at the EBITDA level to be about €100m in FY 2023 and decline thereafter towards less than 0.5% of revenues.
- Capital allocation priorities in FY 2023 and in the mid-term will continue to include site ownership of high-throughput campuses to complete Eurofins' global hub and spoke network, start-ups in high growth areas, development and deployment of sector-leading proprietary IT solutions, and acquisitions. Investments in these areas are key to our long-term value creation strategy. From FY 2023, investment in owned sites is assumed to be around €200m p.a., while net operating capex is expected to be ca. €400m p.a. (total net capex⁹ of €600m p.a.).
- Eurofins targets to maintain a financial leverage of 1.5-2.5x throughout the period and less than 1.5x by FY 2027.
- The speed of improvement towards the 2027 adjusted EBITDA margin objective will depend on the timing of the bottoming out of the food and consumer product end markets and how fast pricing can be aligned to cost inflation as well as the speed of execution of innovation, productivity improvement measures, digitalisation and automation initiatives.

Sincerely,



Dr Gilles Martin

CEO

Dated 24 July 2023

Please see definitions of the financial terms discussed in section 2.11 "Alternative Performance Measures (APMs)".

2 Financial and Operating Review

2.1 Business Review

The following figures are extracts from the Condensed Interim Consolidated Financial Statements and should be read in conjunction with the Condensed Interim Consolidated Financial Statements and Notes for the period ended 30 June 2023.

Table 1: Half Year 2023 Results Summary

In €m except otherwise stated	H1 2023			H1 2022			+/- % Adjusted results	+/- % Reported results
	Adjusted ¹ results	Separately disclosed items ²	Reported results	Adjusted ¹ results	Separately disclosed items ²	Reported results		
Revenues	3,209	-	3,209	3,412	-	3,412	-5.9%	-5.9%
EBITDA ³	640	-51	589	829	-29	800	-23%	-26%
EBITDA margin (%)	19.9%	-	18.3%	24.3%	-	23.4%	-440 bp	-510 bp
EBITAS ⁴	397	-69	327	602	-42	560	-34%	-42%
Net profit ⁷	261	-110	151	396	-88	308	-34%	-51%
Basic EPS (€) ⁸	1.36	-0.57	0.79	2.07	-0.46	1.61	-34%	-51%
Net cash provided by operating activities			333			498		-33%
Net capex ⁹			259			278		-7%
Net operating capex			208			192		+8%
Net capex for purchase and development of owned sites			51			86		-41%
Free Cash Flow to the Firm before investment in owned sites ¹⁶			125			306		-59%
M&A spend			83			197		-58%
Net debt ¹¹			2,588			2,627		-1%
Leverage ratio (net debt/pro-forma adjusted EBITDA)			1.9x			1.5x		+0.4x

Note: Definitions of the alternative performance measures used can be found at the end of this section

2.2 Revenues

Revenues of €3,209m declined year-on-year by 5.9%, restrained by the sharp year-on-year decrease in revenues from COVID-19 testing and reagents (less than €20m in H1 2023 vs over €470m in H1 2022) and FX headwinds (-0.5%). The decline was partially compensated by strong organic growth in the Core Business (excluding COVID-19 related clinical testing and reagents revenues) of 7.0%.

Table 2: Organic Growth Calculation and Revenue Reconciliation

	<i>In €m except otherwise stated</i>
H1 2022 reported revenues	3,412
+ H1 2022 acquisitions - revenue part not consolidated in H1 2022 at H1 2022 FX rates	93
- H1 2022 revenues of discontinued activities / disposals ¹⁵	-45
= H1 2022 pro-forma revenues (at H1 2022 FX rates)	3,460
+ H1 2023 FX impact on H1 2022 pro-forma revenues	-16
= H1 2022 pro-forma revenues (at H1 2023 FX rates) (a)	3,444
H1 2023 organic scope* revenues (at H1 2023 FX rates) (b)	3,192
H1 2023 organic growth rate (b/a-1)	-7.3%
H1 2023 acquisitions - revenue part consolidated in H1 2023 at H1 2023 FX rates	16
H1 2023 revenues of discontinued activities / disposals ¹⁵	2
H1 2023 reported revenues	3,209

* Organic scope consists of all companies that were part of the Group as at 01/01/2023. This corresponds to 2022 pro-forma scope.

Table 3: Breakdown of Revenue by Operating Segment

€m	H1 2023	As % of total	H1 2022	As % of total	Y-o-Y variation %	Organic growth in the Core Business**
Europe	1,622	51%	1,855	54%	-12.5%*	+5.4%
North America	1,243	39%	1,206	35%	+3.1%	+9.6%
Rest of the World	344	11%	351	10%	-1.9%*	+5.8%
Total	3,209	100%	3,412	100%	-5.9%	+7.0%

* Segments most impacted by the sharp decline in revenues from COVID-19 testing and reagents

** Excluding COVID-19 related clinical testing and reagent revenues

Europe

- Reported revenues decreased vs H1 2022 by €233m, primarily due to the year-on-year decline in COVID-19 testing and reagents revenues. Excluding this impact, Core Business revenues were up year-on-year by 5.4%, with almost all areas of activities demonstrating positive growth.
- Despite the elevated comparable base of H1 2022 from projects supporting COVID-19 vaccines, Eurofins' BioPharma Services business in Europe recorded sound growth in H1 2023. Large clients from the pharmaceutical industry continue to sustain a high level of development activity for future biologics products as well as cell and gene therapies. Pricing attainment to compensate for the inflationary environment also supported growth. On the other hand, a limited number of Eurofins activities have experienced volume development challenges. For example, a decline in the market for early-stage research and development activities, most notably from smaller biotech clients, has resulted in softer demand for services from Eurofins Discovery.
- The business environment for Eurofins' Food and Feed Testing business in Europe remained challenging in H1 2023. Persisting high inflation in consumer food prices and efforts by food

FINANCIAL & OPERATING REVIEW

producers and retailers to control costs continue to restrain testing volume growth. Eurofins has responded to the situation with solid gains in pricing as well as cost adaptations. In addition, the Company continues to make investments to improve productivity in its laboratories and in customer service, most notably in digitalisation, automation and artificial intelligence.

- Growth in the Environment Testing business in Europe was driven by healthy demand for asbestos and pesticide testing related to new regulations concerning these substances. New regulations are also a driver of increasing momentum in the PFAS testing business, an area in which Eurofins companies are market leaders in terms of both methods and capacity. Further growth has been achieved through the launch of new direct-to-consumer businesses in Germany offering sampling kits for the identification of PFAS in matrices such as water, construction materials, soil and asbestos.
- With the impacts of COVID-19 related disruptions having subsided throughout the course of 2022, the Clinical Diagnostics business in Europe experienced a strong year-on-year recovery in volumes in H1 2023. Sales growth was also supported by network expansions, including the opening of 29 blood collection points, the awarding of a new outsourcing contract in the Netherlands, and new clinical genetics services, most notably in the prenatal and In Vitro Fertilisation (IVF) segments. Growth was also supported by Eurofins Belgium NV's biomonitoring project for PFAS in blood in Antwerp, the biggest such project in Europe. Recently Eurofins also started offering testing for PFAS in blood in Spain. On the other hand, reductions in reimbursements for routine diagnostics in France that became effective in H1 2023 restrained the sales development.

North America

- Reported revenues increased year-on-year by €37m, supported by strong organic growth across almost all areas of activities. Core Business revenues were up +9.6% year-on-year.
- Growth in Eurofins BioPharma Services in North America was resilient in the first half of 2023. By area, BioPharma Product Testing (BPT) recorded a strong development, sustained by robust demand for mid-to-late phase biologics development by the larger-sized and medium-sized sponsors that make up the predominant share of this business activity. The deployment of Eurofins' proprietary eLIMS-BPT and LabAccess IT solutions also further progressed, with a high percentage of customers now utilising the platform's industry leading portal to manage the full life cycle of their testing needs from online ordering to complete data deliverables. Demand growth has also been solid for mid-to-late phase clinical trials served by Eurofins Central and Bioanalytical Laboratories. Additionally, Professional Scientific Services® (PSS) continued expanding to meet increased client demand for flexible outsourcing solutions for their laboratory and scientific support operations. On the other hand, Eurofins Discovery has been experiencing more challenging market conditions. In response, it has made adaptations to its organisation and has also increased investments in innovation, such as the deployment of artificial intelligence utilising Eurofins' own curated data set for bioinformatics-driven applications for drug discovery.
- The Food and Feed Testing business in North America set new monthly sales records in H1 2023. In addition to volume growth and pricing attainment in its existing business areas, Eurofins also started numerous new initiatives to enhance its market presence. Examples include new start-up laboratories in California, Arizona and Idaho to address the stringent turnaround time requirements of produce customers as well as capacities to tap into the growing interest in testing for PFAS in food and food packaging. Furthermore, Eurofins Food and Feed Testing also introduced significant operational innovations in the period. For example, in Iowa, a new automation line for weighing samples has been able to reduce labour intensity by nearly 50%. Eurofins has also deployed new modular laboratories, fully-equipped and operational facilities to perform all microbiology testing on site that also can be quickly and easily relocated depending on market and customer requirements. With these modular laboratories, Eurofins can provide fast turnaround times to clients that are producing perishable products and/or are in remote areas away from major cities and logistics routes.
- The Environment Testing business in North America continued outstripping market growth, underpinned by geographical footprint expansion, the broadening of its technical capabilities, sector-leading service performance and pricing initiatives. Upgrades/expansions in Environment Testing facilities in California, Ohio, Colorado, Florida and Texas have supported processed volume increases. PFAS testing remains a significant growth driver, expanding at approximately twice the growth rate of the overall Environment Testing business. Eurofins operates both a hub and spoke and distributed model for PFAS testing with comprehensive services offered from 8 locations, supported by East and West Coast hubs, with additional expansions in the planning and commissioning phases. Operationally, carbon footprint reduction, productivity and health and safety are being supported by sample miniaturisation and reduction programmes made possible through investment in advanced detection techniques. Digital technologies have also been rolled out, including eCOC (electronic chain of custody) for field samplers and AI tools to assist data integrity checks and chromatographic integrations.
- In Clinical Diagnostics, Eurofins CellTx, a startup laboratory in Arizona, began operations supporting critical testing for living donor derived human tissue, including stem cells, bone marrow, cord blood, birth tissues, oocytes, and sperm donations. At Eurofins Viracor, two new notable tests

FINANCIAL & OPERATING REVIEW

were launched. ExPeCT™ CAR T a multiplexed, real-time qPCR assay that provides a powerful diagnostic tool to monitor and optimise CAR-T therapy involving patients with pre-B cell acute lymphoblastic leukemia and B cell lymphomas. Eurofins Viracor also introduced a new real-time PCR panel for the rapid identification/detection of *Candida* species including *Candida auris*, an emerging species of pathogenic fungus/yeast that has caused outbreaks in healthcare settings in the United States and which are often resistant to most common antifungal drugs. Conversely at Eurofins Transplant Genomics, volumes for kidney transplant biomarker testing have been significantly impacted by a billing article concerning Medicare reimbursement for such tests which became effective on 31 March 2023. Consequently, Eurofins has adapted the cost structure of this business to compensate for the decrease in demand.

Rest of the World

- Core Business revenues were up +5.8% year-on-year due to strong organic growth across most countries in the region.
- Numerous countries contributed to the healthy growth recorded in Asia-Pacific in H1 2023. In China, the low comparable base related to lockdowns in H1 2022 allowed Eurofins to record sizable year-on-year growth in H1 2023, most notably in the Consumer Product Testing business. Additionally, demand for Food Testing and Biopharma Services in China were also robust as Eurofins reaps the benefits of investments to strengthen its local laboratory network through start-ups. In India, an important location for global pharmaceutical R&D value chains, Eurofins' Biopharma Services business has continued expanding its revenues as well as its market presence, including the addition of a fully equipped, state-of-the-art laboratory campus in Genome Valley, Hyderabad. In Japan, growth in the Environment Testing business was driven by tightening regulations for asbestos testing as well as emerging demand for PFAS testing. In Australia and New Zealand, the addition of new laboratories as well as improvements in capabilities, customer service and logistics support helped Eurofins companies grow faster than the underlying local markets. To further augment Eurofins' regional footprint and service portfolio, numerous acquisitions in Environment Testing were closed in these countries.
- Eurofins also further developed its network outside Asia. In Latin America, Eurofins has been expanding its footprint into new geographies, establishing activities in the Dominican Republic for Clinical Diagnostics. In the Middle East, new laboratories have been established in Bahrain to serve the growing local Clinical Diagnostics market. Additionally, Ajal for Laboratories in Saudi Arabia has expanded its service offering beyond Food Testing to include Environment Testing and animal health.

2.3 Infrastructure Programme

As part of its strategy to lease less and own more of its sites, Eurofins has added, in the first six months of 2023, a total of 22,000 m² of laboratory, office, and storage space through the delivery of building projects as well as building purchases, while decreasing its leased surfaces by 22,000 m². Through acquisitions in the M&A scope, Eurofins has added an additional surface of 31,000 m². Overall, this has resulted in a net surface increase of 31,000 m² leading to a total net floor area of 1,689,000 m².

In the first half of 2023, Eurofins maintained its focus on expanding its presence in Asia. Significant developments included the completion of a new 3,000 m² facility in Hamamatsu, Japan. With this expansion, Eurofins aims to tap into the rapidly growing asbestos testing market in Japan by materially increasing its capacity. This will enable the Company to improve its market position and contribute to the growth of the industry.

Eurofins also completed the internal fitout of its new facility in Shenzhen, China, which is part of the expansion plan for Cosmetics clinical testing in South China. Additionally, Eurofins is nearing completion of the internal fitout of a new, 2,500 m² facility in Xiamen, China, which will cater to the local food industry's needs for microbiology, chemistry and residue testing. In Phnom Penh, Cambodia, the internal fitout of a new facility for Eurofins MTS Consumer Product Testing is expected to be completed later this year.

In Spain, Eurofins Environment Testing successfully completed the construction of a 5,000 m² laboratory campus in Castellon de la Plana. This facility houses the reference laboratory for drinking water in Spain, a Competence Centre for PFAS and a new laboratory focussed on analysing contaminated soils and associated waters. The laboratory employs state-of-the-art lean design and accommodates the use of robots to transport samples and replenish deliverables. Additionally, the facility is equipped with almost 1,000 m² of solar panels, as well as air recirculation and thermal insulation systems to minimise carbon footprint. The site also includes vacant land for potential future expansion.

FINANCIAL & OPERATING REVIEW

In Lentilly, France, Eurofins completed construction of a new 2,000 m² facility. This facility serves as the third differentiated Biopharma Product Testing campus in France, specialising in biopharmaceutical large molecule testing such as biochemistry, biology, microbiology, and virology. The site allows for potential future expansion.

Eurofins Hydrologie Centre Est (EHCE) and Eurofins Laboratoire de Microbiologie Rhône-Alpes (ELMRA) are set to consolidate their operations in Lyon, France. A 1,300 m² building was purchased at the end of June 2022, and the outfitting of the new location is expected to be completed in the current year.

For the remainder of 2023 and for 2024, Eurofins is planning to add 90,000 m² of laboratory and operational space through building projects, acquisitions, new leases and consolidation of sites, as well as completing the renovation of 25,000 m² of its current sites to bring them to the highest standard.

2.4 Financial Review

Adjusted EBITDA was €640m in H1 2023, representing an adjusted EBITDA margin of 19.9%, a decrease of €190m vs H1 2022 due primarily to the sizable decrease in revenues from COVID-19 testing and reagents. Inflationary headwinds for personnel expenses, energy, logistics and consumables also impacted profitability, though they began to be partially compensated through pricing adaptations and cost efficiency initiatives.

Table 4: Separately Disclosed Items²

<i>In €m except otherwise stated</i>	H1 2023	H1 2022
One-off costs from integrations, reorganisations and discontinued operations, and other non-recurring income and costs	-12	-6
Temporary losses and other costs related to network expansion, start-ups and new acquisitions in significant restructuring	-39	-23
EBITDA impact	-51	-29

Separately Disclosed Items (SDI) at the EBITDA level increased year-on-year to €51m and comprised:

- One-off costs from integrations, reorganisations and discontinued operations, and other non-recurring income and costs of €12m linked to ongoing integrations and reorganisations primarily in the U.S.
- Temporary losses and other costs related to network expansion, start-ups and new acquisitions in significant restructuring totalled €39m, following the strong increase in the number of start-ups launches made in the past quarters and the need to expand Eurofins Technologies' product offering and distribution channels in line with Eurofins' growth initiative towards In Vitro Diagnostic (IVD) and Asia.

Reported EBITDA decreased 26% year-on-year to €589m in H1 2023, due to the strong decrease of COVID-19 related revenues in H1 2023 vs H1 2022 as well as inflationary headwinds and higher temporary losses incurred by the strong increase in start-up launches. Reported EBITDA as a proportion of revenues was 18.3%.

FINANCIAL & OPERATING REVIEW

Table 5: Breakdown of Reported EBITDA by Operating Segment

€m	H1 2023	Rep. EBITDA margin %	H1 2022	Rep. EBITDA margin %	Y-o-Y variation %
Europe	217	13.4%	432	23.3%	-50%
North America	313	25.2%	320	26.5%	-2%
Rest of the World	66	19.3%	79	22.4%	-16%
Other*	-8		-30		
Total	589	18.3%	800	23.4%	-26%

*Other corresponds to Group Service Centres

In Europe, EBITDA declined by €215m vs H1 2022 mainly due to lower testing volumes for COVID-19. Inflation, in particular related to personnel costs, also weighed on profitability. In contrast, EBITDA in North America stayed resilient at €313m, equivalent to 25.2% of its revenues over the period. The Rest of the World posted an EBITDA of €66m, equivalent to 19.3% of its revenues.

Depreciation and amortisation (D&A), including expenses related to IFRS 16, increased by 9% year-on-year to €262m. As a percentage of revenues, D&A stood at 8.2% of Group revenues in H1 2023 vs 7.0% in H1 2022, an 120bps increase year-on-year. This increase is due to higher levels of strategic investments including the owning and modernising of strategic sites, opening of start-up laboratories and the deployment of bespoke IT solutions.

Net finance costs amounted to €42m in H1 2023, a decline compared to €71m in H1 2022. This improvement is primarily due to a non-cash net foreign exchange gain of €11m in H1 2023, while H1 2022 recorded a net foreign exchange loss of €29m.

The income tax expense decreased to €69m in H1 2023 vs €116m in H1 2022 (-41% year-on-year).

Reported net profit⁷ stood at €151m (5% of revenues and -51% compared to €308m in H1 2022), resulting in a total reported basic EPS of €0.79. Adjusted net profit stood at €262m compared to €397m in H1 2022, resulting in total adjusted basic EPS of €1.36 in H1 2023.

2.5 Cash Flow & Financing

Table 6: Cash Flows Reconciliation

€m	H1 2023 reported	H1 2022 reported	Y-o-Y variation	Y-o-Y variation %
Net Cash from Operations	333	498	-165	-33%
Net capex (i)	-259	-278	+19	-7%
Net operating capex (includes LHI)	-208	-192	-16	+8%
Net capex for purchase and development of owned sites	-51	-86	+35	-41%
Free Cash Flow to the Firm before investment in owned sites ¹⁶	125	306	-181	-60%
Free Cash Flow to the Firm	74	220	-146	-66%
Acquisitions spend and other investments (ii)	-83	-197	+114	-58%
Proceeds from disposals of subsidiaries, net (iii)	8	-	+8	
Other (iv)	5	0	+5	
Net Cash from Investing (i) + (ii) + (iii) + (iv)	-329	-475	+146	-31%
Net Cash from Financing	205	168	+37	+22%
Net increase / (decrease) in Cash and cash equivalents and bank overdrafts	198	201	-3	-1%
Cash and cash equivalents at end of period and bank overdrafts	682	716	-34	-5%

Net cash provided by operating activities declined in H1 2023 to €333m vs €498m in H1 2022. Net working capital¹² stood at 6.8% of the Group's revenues at the end of June 2023, an increase of 0.3% vs 6.5% at the end of June 2022 (calculated as a percentage of last quarter revenues times four). The increase in the net working capital percentage is mainly due to advanced customer receipts related to COVID-19 testing activities in H1 2022.

The cash generation more than adequately financed net capex for the period of €259m vs €278m in H1 2022. Net capex includes investments as part of Eurofins' programmes to own its laboratory sites, which totalled €51m in H1 2023 vs €86m in H1 2022. Taking this into account, the Free Cash Flow to the Firm before investment in owned sites was €125m vs €306m in H1 2022.

During the first six months of 2023, the Group completed 18 business combinations including 9 acquisitions of entities and 9 acquisitions of assets. Net cash outflow on acquisitions completed during the first six months of 2023 and in previous years (in case of payment of deferred considerations) amounted to €83m.

During the period, Eurofins returned to its targeted capital structure that includes an adequate level of hybrid capital of €1bn. The first step towards this objective was made in January 2023, when Eurofins successfully raised €600m of hybrid capital. This new series of hybrid capital has no specified maturity and is accounted for as 100% equity according to international financial reporting standards (IFRS) and 50% equity with the rating agencies Moody's and Fitch. It bears a fixed annual coupon of 6.75% for the first 5.5 years (until 24 July 2028), upon which date Eurofins can elect to repay. Later in the period, Eurofins repaid the outstanding €183m of hybrid capital callable on 29 April 2023.

The combination of free cash flow to the firm as well as the aforementioned acquisitions and refinancing resulted in a net debt figure of €2,588m at the end of June 2023. The corresponding leverage (net debt/last 12 months proforma adjusted EBITDA) was 1.9x, stable vs the end of December 2022, and within our 1.5x-2.5x target range.

2.6 Start-up Programme

Start-ups or green-field laboratory projects are generally undertaken in new markets and, in particular, in emerging markets, where there are often limited viable acquisition opportunities or in developed markets where Eurofins transfers technology developed by its R&D and Competence Centres abroad or expands geographically to complete its national hub and spoke laboratory network in an increasing number of countries.

In the first half of 2023, the Group opened 20 new start-up laboratories and 29 new start-up Blood Collection Points (BCPs). In total, the 271 start-ups and 47 BCPs launched since 2000 have made material contributions to the overall organic growth of the Group, accounting for 0.9% of organic growth in the Core Business. Their EBITDA margin continued to progress while remaining dilutive to the Group.

Of the 271 start-ups and 47 BCPs the Group has launched since 2000, 53% are located in Europe, 17% in North America and 30% in the Rest of the World with a significant number in high growth regions in Asia. By area of activity, 29% are in Food and Feed Testing, 18% are in BioPharma/Biotech/Agroscience services, 14% in Environment Testing, and 25% in Clinical Diagnostics (including BCPs).

2.7 Acquisitions

During the first six months of 2023, the Group completed 18 business combinations, made up of 9 acquisitions of legal entities and 9 acquisitions of assets. These companies/activities have been fully consolidated from the date the Group took control over these entities. For the year ended 31 December 2022, these entities generated revenues of about €64m.

2.8 Post-Closing Events

Since 1 July 2023, Eurofins has completed two small business combinations via the acquisitions of assets, one in North America and one in Europe. The total annual revenues of these acquisitions amounted to over €1.5m in 2022 for an aggregate acquisition price of over €1m. These acquisitions employ more than 20 employees.

On 5 July 2023, a new stock option plan (764,576 options) and a new Restricted Stock Unit (RSU) plan (60,117 RSUs) were granted, representing ca. 0.4% of the number of shares issued as of 30 June 2023.

2.9 Related Party Transactions

Related party transactions are disclosed in note 2.12 to the Unaudited Condensed Interim Consolidated Financial Statements for the period ended 30 June 2023.

There have been no material changes in the related party transactions described in the 2022 Annual Report.

2.10 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 which could cause actual results to differ materially from expected and historical results. Other than the higher uncertainty brought (i) by the conflict in Ukraine and (ii) by the economic impact of potential measures in relation to aftereffects from the COVID-19 pandemic, which may continue to hit many business sectors should new outbreaks occur in the next few months, and the potential economic crisis that may follow, the directors do not consider that the principal risks and uncertainties have changed materially for Eurofins since the publication of the Annual Report for the year ended 31 December 2022, but would like to elaborate on the following subjects:

FINANCIAL & OPERATING REVIEW

Climate change

Eurofins acknowledges that climate change and global warming is a risk to the global economy and to society, as well as a driver for change. Eurofins believes that the direct impact of climate change on its operations is limited. The vast majority of Eurofins' business is performed in stationary, domiciled laboratories that are not particularly exposed to specific climate-related risk factors, such as flooding, drought or fires. Employees and operational equipment may require additional cooling or heating to optimally work and operate, potentially resulting in increased energy consumption.

Global warming may have a significant and direct negative effect on Eurofins' customers as the supply chains of customers may be subject to change. For example, food production in some regions of the world may be negatively affected, which may force Eurofins' clients to adjust supply chains with potentially negative effects on Eurofins' food testing activities. Climate change may also have a detrimental effect on building activity in some regions, which may in turn have a negative effect on the environmental testing business of Eurofins.

In addition, transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to our organisation.

As a market-leading analytical partner with a worldwide network of laboratories, Eurofins believes it is well-positioned to make potential adjustments in order to meet changing requirements.

More information about climate change risks can be found on the Eurofins 2022 Environment, Social and Governance Report which is available at <https://www.eurofins.com/investors/reports-and-presentations/>.

Risks related to the ongoing conflict in Ukraine

More particularly in relation to the ongoing conflict in Ukraine, which may cause severe disruption to Eurofins operations, directly or indirectly through its customers or its supply chain, the associated main risk factors are outlined in more detail as follows.

Energy and power

European countries have become highly reliant on natural gas as part of their energy transition and significant volumes of gas are purchased from Russia.

Countries switching from Russian gas, to say, U.S. gas, are likely to experience a rise in energy costs, if only due to relative proximities. As a consequence of these increases, companies in those geographies could be exposed to significant shifts in values, increased business interruption and contingent business interruption risks, and supply chain problems.

Supply chains

In the longer term, a protracted conflict in Ukraine could have a profound effect on the commodity markets. As Russia and Ukraine produce a significant portion of the world's wheat supply as well as corn and sunflower oil exports, there is a potential for food stability issues for countries, including in the Middle East, which rely on imports of these commodities.

As a result, scarcity of commodities may impact some of our customers and suppliers and, indirectly, Eurofins operations.

Sanctions

While large organisations have control and governance in place to deal with sanctions, the Russia-Ukraine crisis has escalated quickly and forced governments around the world to implement far-reaching sanctions within a matter of days.

While this risk is deemed to be under control, there might be a low risk of involuntary compliance breaches in such a fast-moving regulatory environment.

Cyber

There is widespread concern that cyberattacks could intensify as the crisis deepens, with impacts that could be both regional and global, including in countries imposing economic sanctions on Russia.

FINANCIAL & OPERATING REVIEW

This is a general trend that may impact stakeholders that are relevant for Eurofins operations (mainly our supply chain). At this stage, given it is already considered as a high risk area in our industry, we do not believe that the conflict in Ukraine should increase the risk of cyber-attacks significantly.

Updated information about financial risks is disclosed in note 2.10 to the Unaudited Condensed Interim Consolidated Financial Statements for the period ended 30 June 2023.

A detailed description of other major risks and uncertainties identified by Eurofins in its main business activities, and how the Group seeks to mitigate these risks, can be found on pages 130 to 147 of the 2022 Annual Report which is available at <https://www.eurofins.com/investors/reports-and-presentations/>.

Dated 24 July 2023

2.11 Alternative Performance Measures (APMs)

- ¹ Adjusted results – reflect the ongoing performance of the mature¹⁴ and recurring activities excluding “separately disclosed items”.
- ² Separately disclosed items – include one-off costs from integration and reorganisation, discontinued operations, other non-recurring income and costs, temporary losses and other costs related to network expansion, start-ups and new acquisitions undergoing significant restructuring, share-based payment charge, acquisition-related expenses, net⁵, net finance costs related to borrowing and investing excess cash and one-off financial effects (net of finance income), net finance costs related to hybrid capital and the related tax effects.
- ³ EBITDA – Earnings before interest, taxes, depreciation and amortisation, share-based payment charge, acquisition-related expenses, net and gain and loss on disposal of subsidiaries, net.
- ⁴ EBITAS – EBITDA less depreciation and amortisation.
- ⁵ Acquisition-related expenses, net – Impairment of goodwill, amortisation/impairment of acquired intangible assets, negative goodwill, and transaction costs related to acquisitions as well as income from reversal of such costs and from unused amounts due for business acquisitions.
- ⁶ EBIT – EBITAS less Share-based payment charge, acquisition-related expenses, net and gain and loss on disposal of subsidiaries, net.
- ⁷ Net Profit – Net profit for owners of the Company and hybrid capital investors before non-controlling interests.
- ⁸ Basic EPS – basic earnings per share attributable to owners of the Company and hybrid capital investors.
- ⁹ Net capex – Purchase of intangible assets, property, plant and equipment, less proceeds from the disposal of such assets and less capex trade payables change of the period.
- ¹⁰ Free Cash Flow to the Firm – Net cash provided by operating activities, less Net capex.
- ¹¹ Net debt – Current and non-current borrowings, less cash and cash equivalents.
- ¹² 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.
- ¹³ Organic growth for a given period (Q1, Q2, Q3, Half Year, Nine Months or Full Year) – non-IFRS measure calculating the growth in revenues during that period between 2 successive years for the same scope of businesses using the same exchange rates (of year Y) but excluding discontinued operations.

For the purpose of organic growth calculation for year Y, the relevant scope used is the scope of businesses that have been consolidated in the Group's income statement of the previous financial year (Y-1). Revenue contribution from companies acquired in the course of Y-1 but not consolidated for the full year are adjusted as if they had been consolidated as of 1st January Y-1. All revenues from businesses acquired since 1st January Y are excluded from the calculation.
- ¹⁴ 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.
- ¹⁵ Discontinued activities / divestments: discontinued operations are a component of the Group's Core Business or product lines that have been disposed of, or liquidated; or a specific business unit or a branch of a business unit that has been shut down or terminated, and is reported separately from continued operations. For more information, please refer to Note 2.26 of the Consolidated Financial Statements for the year ended 31 December 2022 and to Note 2.6 of the Interim Condensed Consolidated Financial Statements for the period ended 30 June 2023.
- ¹⁶ FCFF before investment in owned sites: FCFF less Net capex spent on purchase of land, buildings and investments to purchase, build or modernise owned sites/buildings (excludes laboratory equipment and IT).

Corporate Governance

1 Corporate Governance (update)

Eurofins Scientific SE (hereinafter referred to as “Eurofins” or the “Company”) has its registered office located in Luxembourg and its shares are listed in France on the regulated market of Euronext. Together with its direct and indirect controlled subsidiaries and affiliates, Eurofins Scientific SE is the parent company of 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”). To the extent applicable, 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 1 August 2019 implementing EU Directive 2017/828 as regards the encouragement of long term shareholder engagement (hereinafter defined as the “Law of 2011”).

The following section sets out a short update of the Corporate Governance Statements for the period ended on 30 June 2023. The Company’s Corporate Governance Charter can be found in its 2022 Annual Report together with a more comprehensive description of its Corporate Governance Statements, as well as on its website under <https://www.eurofins.com/about-us/corporate-sustainability/governance/>.

2 Corporate Governance changes for the six months ended 30 June 2023

The following significant changes to Eurofins’ corporate governance occurred during the first half year of 2023.

Board of Directors

On 27 April 2023, the Annual General Meeting (AGM) of Eurofins’ shareholders approved the renewal of Ms Fereshteh Pouchantchi’s mandate in the Board for one year and of Mr Ivo Rauh for two years. Hence the size of Eurofins’ Board of Directors remains unchanged with eight members, including five independent Non-Executive Directors, one Non-Executive Director and two Executive Directors.

Eurofins’ internal Committee Charters stipulate that all members of the Board Committees shall be independent and Non-Executive Directors. Eurofins Scientific follows the independence criteria defined in the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange to assess the independence of its non-executive directors.

Shares and shareholders

Share capital

As of 30 June 2023, the Company’s share capital amounts to €1,929,783.83, divided into 192,978,383 ordinary shares of €0.01 of nominal value each, all of the same category.

CORPORATE GOVERNANCE

As of 30 June 2023, the Martin family, through direct shareholdings and indirectly through their shareholding in Analytical Bioventures SCA, which is controlled by Dr Gilles Martin, holds 32.7% of the shares and controls 66.0% of the voting rights in Eurofins.

The free float represents 66.9% of the shares and 34.0% of the voting rights of Eurofins.

Authorised and non-issued capital

As a reminder, the Annual General Meeting of Eurofins' shareholders held on 22 April 2021 approved the increase of the authorised capital to €3,500,000, representing a maximum number of 350,000,000 shares with a nominal value of €0.01 each.

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

Shareholders and voting rights as of 30 June 2023								
SHAREHOLDERS	SHARES	SHARES %	VOTING RIGHTS (attached to shares)	VOTING RIGHTS (attached to Beneficiary Units Class A)	VOTING RIGHTS (attached to Beneficiary Units Class B)	VOTING RIGHTS (attached to Beneficiary Units Class C)	TOTAL VOTING RIGHTS	TOTAL VOTING RIGHTS %
Dr Gilles Martin	10	0.0%	10	10	0	0	20	0.0%
Dr Yves-Loïc Martin (1)	145,460	0.1%	145,460	0	0	0	145,460	0.0%
Valérie Hanote	10	0.0%	10	10	0	0	20	0.0%
Analytical Bioventures SCA (2)	63,000,000	32.6%	63,000,000	63,000,000	63,000,000	63,000,000	252,000,000	66.0%
Martin Family (subtotal)	63,145,480	32.7%	63,145,480	63,000,020	63,000,000	63,000,000	252,145,500	66.0%
Treasury shares	786,921	0.4%	0	0	0	0	0	0.0%
Free Float	129,045,982	66.9%	129,045,982	757,541	0	0	129,803,523	34.0%
Total	192,978,383	100.0%	192,191,462	63,757,561	63,000,000	63,000,000	381,949,023	100.0%

(1) Held through his private company Deeperly since 2022

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

Eurofins has not been formally notified of any shareholder, other than Analytical Bioventures SCA (ABSCA), with an interest in excess of 5% of the voting rights as of 30 June 2023.

Share Buy-Back Programme

With regard notably to article 11 (1)(i) of the Takeover Law, the Extraordinary General Meeting of shareholders held on 25 April 2019 granted the Board of Directors a new share buy-back authorisation whereby the Board of Directors is authorised to purchase Eurofins shares on the stock exchange within a period of five (5) years from the date of the Extraordinary General Meeting of shareholders held on 25 April 2019 (the "April 2019 EGM"). The maximum number of shares that may be purchased and/or cancelled is limited to 10% of the total number of shares issued on the date of the latest meeting of the Board of Directors deciding the implementation of the new buy-back programme. The minimum buying price shall be equal to the nominal value of one share and the maximum buying price should not exceed 110% of the share price traded on Euronext Paris.

The Company joined the CAC 40 index of Euronext Paris in September 2021 and decided, under the 2019 Buy-Back Programme as approved by the April 2019 EGM and as further approved by the Board of Directors on 20 October 2021, to enter into a regulated liquidity contract with a provider of financial services effective on 1st November 2021 with annual tacit renewal as from 1st January 2022 in order to further enhance the liquidity of its stock. In the frame of this liquidity contract under the supervision of the French Autorité des Marchés Financiers, transactions have been executed in 2023 during which a total number of 828,274 shares were purchased at an average price of €62.93 per share and 814,279 shares were sold at an average

CORPORATE GOVERNANCE

price of €63.19 per share. In the first six months of 2023, the liquidity contract generated a loss of €0.6m recorded in the Company's statutory accounts as an expense from other investments and loans forming part of the fixed assets. As of 30 June 2023, the Company owned 149,672 of its own shares under this liquidity contract.

In addition, the Company announced on 3rd October 2022 its intention to buy-back some of its own shares for a maximum amount representing up to 2% of its share capital, over a maximum period of twelve months, as per the authorisation granted by the Company's Extraordinary General Meeting of shareholders held on 25 April 2019. The shares to be purchased under this programme will be primarily used to hedge the Company's Long-Term Incentive plans but may also be cancelled or used to partially finance acquisitions.

The Company mandated an independent provider of financial services to execute the first tranche of this programme for an initial duration of two months and a maximum amount representing up to one million shares or 0.52% of its share capital. Between 3rd October and 3rd December 2022, 121,493 shares were repurchased at an average price of €61.31, representing 0.06% of the current share capital, of which 83,390 shares were used and delivered to the benefit of holders of Restricted Stock Units (RSUs) vesting in December 2022 and January 2023.

The second tranche of this programme was announced on 22nd December 2022 for a maximum amount representing up to one million shares or 0.52% of its share capital. Between 1st March 2023 and 23rd June 2023, 599,146 shares were repurchased at an average price of €60.299, representing 0.31% of the current share capital.

In aggregate as of 30 June 2023, the Company owned a total of 786,921 of its own shares which were purchased at an average price of €60.51 per share for a total value of €47.6 million and a net book value of €45.8 million, representing a nominal value of €7,869.21 and 0.41% of the Company's share capital.

3 Statement of Persons Responsible for the Half Year Report

The Board of Directors confirms that, to the best of its knowledge, the half year interim condensed consolidated financial statements for the six months ended 30 June 2023 prepared in accordance with IAS 34 Interim Financial Reporting as endorsed in the European Union give a true and fair view of the assets, liabilities, financial position and profit or loss of Eurofins Scientific SE and its consolidated subsidiaries taken as a whole, including an indication of the important events that have occurred during the first six months of the financial year and their impact on the half year interim condensed consolidated financial statements for the six months ended 30 June 2023, together with a description of the principal risks and uncertainties that they face for the remaining six months of the financial year, and the major related parties transactions.

On behalf of the Board of Directors



Dr Gilles MARTIN
Chairman of the Board of Directors and CEO

Dated 24 July 2023

Half Year Financial Statements

HALF YEAR FINANCIAL STATEMENTS

1 Unaudited Interim Condensed Consolidated Financial Statements for the period ended 30 June 2023

Interim Condensed Consolidated Income Statement

For the six months ended 30 June

<i>In € millions</i>	Note	Adjusted results ¹	2023 Separately disclosed items ¹	Reported results	Adjusted results ¹	2022 Separately disclosed items ¹	Reported results
Revenues	2.1 2.2	3,209.5	-	3,209.5	3,411.5	-	3,411.5
Operating costs, net		-2,569.9	-50.8	-2,620.8	-2,582.3	-29.2	-2,611.6
EBITDA ¹		639.6	-50.8	588.7	829.2	-29.2	800.0
Depreciation and amortisation		-243.0	-18.6	-261.6	-227.4	-12.6	-240.0
EBITAS ¹		396.5	-69.5	327.1	601.8	-41.9	559.9
Share-based payment charge and acquisition-related expenses, net ¹	2.3	-	-65.5	-65.5	-	-64.7	-64.7
Gain and loss on disposal of subsidiaries, net	2.6	-	-	-	-	-0.7	-0.7
EBIT ¹		396.5	-135.0	261.6	601.8	-107.3	494.5
Finance income	2.4	13.1	3.8	16.9	0.9	0.1	1.0
Finance costs	2.4	-55.6	-3.6	-59.2	-71.2	-0.9	-72.1
Share of profit of associates		0.2	-	0.2	0.5	-	0.5
Profit before income taxes		354.3	-134.8	219.5	532.0	-108.1	423.9
Income tax expense	2.5	-93.3	24.5	-68.9	-136.2	20.3	-115.9
Net profit for the period		261.0	-110.3	150.6	395.8	-87.8	308.0
Attributable to:							
Owners of the Company and hybrid capital investors		261.8	-110.3	151.5	397.5	-87.8	309.7
Non-controlling interests		-0.8	-	-0.9	-1.7	-	-1.7
Basic earnings per share (€)							
Total		1.36	-0.57	0.79	2.07	-0.46	1.61
Attributable to owners of the Company		1.23	-0.59	0.65	1.98	-0.46	1.52
Attributable to hybrid capital investors		0.12	0.02	0.14	0.09	-	0.09
Diluted earnings per share (€)							
Total		1.32	-0.56	0.76	1.99	-0.44	1.55
Attributable to owners of the Company		1.20	-0.57	0.63	1.90	-0.44	1.46
Attributable to hybrid capital investors		0.12	0.02	0.14	0.09	-	0.09
In millions							
Basic weighted average shares outstanding				192.9			192.3
Diluted average shares outstanding				198.2			200.0

¹ Alternative Performance Measures (APM) are defined in Note 1.2.

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June

<i>In € millions</i>	Note	2023	2022
Net profit for the period		150.6	308.0
<u>Items that are or may be reclassified subsequently to profit or loss:</u>			
Foreign operations - foreign currency translation gains/losses	2.10	-61.8	175.4
Net investments - revaluation	2.10	-41.5	120.0
Cash flow hedges - effective portion		0.9	2.4
Cash flow hedges - reclassified to profit or loss		-	-
Related tax		-	-6.1
Total		-102.3	291.7
<u>Items that will not be reclassified to profit or loss:</u>			
Remeasurement of defined benefit liability	2.10	-0.3	16.7
Fair value through consolidated other comprehensive income (FVTOCI)	2.10	-1.9	-1.1
Related tax		0.3	-4.1
Total		-2.0	11.6
Other comprehensive (loss)/income for the period		-104.3	303.3
Total comprehensive (loss)/income for the period		46.3	611.3
Attributable to:			
Owners of the Company and hybrid capital investors		49.4	612.6
Non-controlling interests		-3.1	-1.3

Interim Condensed Consolidated Balance Sheet

<i>In € millions</i>	Note	30 June 2023	31 December 2022
Property, plant and equipment		2,207.1	2,167.7
Goodwill	2.7	4,519.7	4,524.1
Other intangible assets		853.3	919.1
Investments in associates		5.1	5.2
Non-current financial assets	2.10	75.3	78.4
Deferred tax assets		72.5	75.7
Total non-current assets		7,733.0	7,770.2
Inventories		150.3	145.6
Trade receivables	2.10	1,029.2	1,053.3
Contract assets	2.2	327.1	288.4
Prepaid expenses and other current assets		237.6	198.3
Current income tax assets		147.9	135.6
Derivative financial instruments assets	2.10	6.3	5.6
Cash and cash equivalents	2.8, 2.10	686.4	486.6
Total current assets		2,584.9	2,313.3
Total assets		10,317.9	10,083.5
Share capital	2.9	1.9	1.9
Treasury shares	2.9	-47.6	-14.2
Hybrid capital	2.9	1,000.0	582.7
Other reserves	2.9	1,600.9	1,592.9
Retained earnings		2,260.3	2,333.0
Currency translation reserve	2.10	184.7	285.7
Total attributable to owners of the Company		5,000.2	4,782.1
Non-controlling interests		67.5	68.9
Total shareholders' equity		5,067.7	4,851.0
Borrowings	2.8, 2.10	3,128.9	3,111.8
Deferred tax liabilities		128.8	133.6
Amounts due for business acquisitions	2.10	114.3	136.2
Employee benefit obligations	2.10	60.9	59.5
Provisions		15.4	19.2
Total non-current liabilities		3,448.3	3,460.3
Borrowings	2.8, 2.10	145.7	213.8
Interest due on borrowings and earnings due on hybrid capital	2.10	77.6	38.0
Trade accounts payable	2.10	564.8	647.7
Contract liabilities	2.2	192.5	184.2
Current income tax liabilities		23.4	34.7
Amounts due for business acquisitions	2.10	37.0	47.8
Provisions		27.1	34.5
Other current liabilities	2.10	733.6	571.6
Total current liabilities		1,801.8	1,772.2
Total liabilities and shareholders' equity		10,317.9	10,083.5

Interim Condensed Consolidated Cash Flow Statement

For the six months ended 30 June

<i>In € millions</i>	Note	2023	2022
Cash flows from operating activities			
Profit before income taxes		219.5	423.9
Depreciation and amortisation		261.6	240.0
Share-based payment charge and acquisition-related expenses, net	2.3	65.5	64.8
Gain and loss on disposal of subsidiaries, net		-	0.7
Finance income and costs, net	2.4	42.7	71.6
Share of profit from associates		-0.2	-0.5
Transactions costs and income related to acquisitions		-3.4	-10.2
Changes in provisions and employee benefit obligations		-11.2	-5.6
Other non-cash effects		1.3	-4.8
Change in net working capital ¹		-154.3	-102.3
Cash generated from operations		421.6	677.6
Income taxes paid	2.5	-88.5	-179.4
Net cash provided by operating activities		333.1	498.2
Cash flows from investing activities			
Purchase of property, plant and equipment		-228.0	-249.6
Purchase, capitalisation of intangible assets		-34.7	-40.7
Proceeds from sale of property, plant and equipment		3.8	12.6
<i>Net capex¹</i>		<i>-258.9</i>	<i>-277.8</i>
<i>Free Cash Flow to the Firm¹</i>		<i>74.2</i>	<i>220.5</i>
Acquisitions of subsidiaries, net	2.6	-83.4	-197.4
Proceeds from disposals of subsidiaries, net	2.6	8.3	-
Acquisition of investments, financial assets and derivative financial instruments, net		-0.1	-1.2
Interest received		5.5	1.0
Net cash used in investing activities		-328.6	-475.4
Cash flows from financing activities			
Proceeds from issuance of share capital	2.9	8.0	7.8
Purchase of treasury shares, net of gains	2.9	-36.8	-8.1
Proceeds from issuance of hybrid capital	2.9	593.9	-
Repayment of hybrid capital	2.9	-182.7	-307.7
Proceeds from borrowings	2.8	17.0	604.7
Repayment of borrowings	2.8	-81.3	-16.2
Repayment of lease liabilities	2.8	-84.8	-77.8
Dividends paid to shareholders and non-controlling interests	2.9	-0.7	-0.1
Earnings paid to hybrid capital investors	2.9	-8.9	-20.0
Interests and premium paid		-18.7	-14.5
Net cash provided by financing activities		204.9	168.2
Net effect of currency translation on cash and cash equivalents and bank overdrafts		-11.1	10.0
Net increase in cash and cash equivalents and bank overdrafts		198.4	201.0
Cash and cash equivalents and bank overdrafts at beginning of period		483.2	515.0
Cash and cash equivalents and bank overdrafts at end of period		681.6	716.0

¹ APMs defined in Note 1.2.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June

In € millions	Note	Attributable to owners of the Company						Non-controlling interests	Total equity
		Share capital	Treasury shares	Other reserves	Currency translation reserve	Hybrid capital	Retained earnings		
Balance at 1 January 2023		1.9	-14.2	1,592.9	285.7	582.7	2,333.0	68.9	4,851.0
Other comprehensive loss	2.10	-	-	-	-101.1	-	-1.0	-2.2	-104.3
Net profit for the period		-	-	-	-	-	151.5	-0.9	150.6
Total comprehensive income		-	-	-	-101.1	-	150.5	-3.1	46.3
Share-based payment effects		-	-	-	-	-	11.1	-	11.1
Tax credit relating to share-based payment charge		-	-	-	-	-	-2.4	-	-2.4
Issuance of share capital	2.9	-	-	8.0	-	-	-	-	8.0
Treasury shares	2.9	-	-33.4	-	-	-	-3.4	-	-36.8
Issuance of hybrid capital	2.9	-	-	-	-	600.0	-6.1	-	593.9
Repayment of hybrid capital	2.9	-	-	-	-	-182.7	-	-	-182.7
Dividends distributed	2.9	-	-	-	-	-	-192.7	-0.7	-193.4
Distribution on hybrid capital	2.9	-	-	-	-	-	-26.8	-	-26.8
Deferred taxes on distribution on hybrid capital		-	-	-	-	-	-	-	-
Non-controlling interests		-	-	-	-	-	-2.8	2.4	-0.4
Balance at 30 June 2023		1.9	-47.6	1,600.9	184.7	1,000.0	2,260.3	67.5	5,067.7
Balance at 1 January 2022		1.9	-3.6	1,578.3	106.7	1,000.0	1,964.4	29.5	4,677.2
Other comprehensive income	2.10	-	-	-	295.0	-	7.9	0.5	303.3
Net profit for the period		-	-	-	-	-	309.7	-1.7	308.0
Total comprehensive income		-	-	-	295.0	-	317.6	-1.3	611.3
Share-based payment effects		-	-	-	-	-	11.0	-	11.0
Tax credit relating to share-based payment charge		-	-	-	-	-	-13.2	-	-13.2
Issuance of share capital	2.9	-	-	7.8	-	-	-	-	7.8
Treasury shares	2.9	-	-8.1	-	-	-	-	-	-8.1
Issuance of hybrid capital	2.9	-	-	-	-	-	-	-	-
Repayment of hybrid capital	2.9	-	-	-	-	-307.7	-	-	-307.7
Dividends distributed	2.9	-	-	-	-	-	-192.3	-0.1	-192.3
Distribution on hybrid capital	2.9	-	-	-	-	-	-18.0	-	-18.0
Deferred taxes on distribution on hybrid capital		-	-	-	-	-	-	-	-
Non-controlling interests		-	-	-	-	-	-42.3	41.6	-0.7
Balance at 30 June 2022		1.9	-11.8	1,586.2	401.6	692.3	2,027.2	69.8	4,767.3

Notes to the Interim Condensed Consolidated Financial Statements

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

With over 62,000 staff across a decentralised and entrepreneurial network of ca. 900 laboratories in 61 countries, Eurofins offers a portfolio of over 200,000 analytical methods to evaluate the safety, identity, composition, authenticity, origin, traceability and purity of a wide range of products, as well as providing innovative clinical diagnostic testing services and in-vitro diagnostic products.

Eurofins Scientific SE (The “Company”) is legally and commercially registered in the Grand Duchy of Luxembourg under the number B 167775.

The Company's shares are traded on Euronext Paris stock exchange under the ISIN code FR0014000MR3 (ticker ERF) and the Company has joined the CAC 40 index on 17 September 2021. The Company's headoffice is located at 23, Val Fleuri, L-1526 Luxembourg, Grand Duchy of Luxembourg.

The Group is included as a subsidiary in the consolidated financial statements of Analytical Bioventures S.C.A., located at 23 Val Fleuri, L-1526 Luxembourg, Grand Duchy of Luxembourg.

These interim condensed consolidated financial statements have been authorised for issuance by the Board of Directors on 24 July 2023.

1. Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as endorsed in the European Union. The Group has prepared the interim condensed financial statements on the basis that it will continue to operate as a going concern. The Group considers that there are no material uncertainties that may cast significant doubt over this assumption. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements and accompanying notes for the year ended 31 December 2022.

All majority-owned subsidiaries of the Company are included in the interim condensed consolidated financial statements and intercompany transactions have been eliminated in consolidation. The interim condensed financial statements are presented in Euros. Due to rounding, amounts may not add up to totals provided.

Change in presentation

The Group has changed the breakdown presentation in the 2022 and 2021 Consolidated Cash Flow Statement of some items to improve the readability of the Cash Flow Statement. As a consequence, the comparative period for June 2022 has been restated without material impacts. The following changes were also made in the presentation of the Interim Condensed Consolidated Cash Flow Statement:

- the acquisitions of subsidiaries were presented net of cash acquired and net of proceeds from disposal in the Interim Condensed Consolidated Cash Flow Statement. Due to the significance of the disposal of the Digital Testing business in H2 2022, the presentation of “Acquisition of subsidiaries, net” and “Proceeds from disposals of subsidiaries, net” has been separately disclosed without any impact on the H1 2022 Interim Condensed Consolidated Cash Flow Statement,
- the change in net working capital associated to trade payables on capex is presented within “Purchase of property, plant and equipment” as opposed to within “change in net working capital” for an amount of €0.8m,
- the associated effect of currency translation of cash and cash equivalents and bank overdrafts has been moved from “Financial income and expense, net” to “Net effect of currency translation on cash and cash equivalents and bank overdrafts” for an amount of €29.3m.

The impact to Cash generated from operations for the six months ended 30 June 2022 of the above changes is an increase of €30m from €647.6m to €677.6m.

1.1. New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statement for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2023, but do not have a significant impact on the interim condensed consolidated financial statements of the Group:

- IFRS 17 Insurance contracts
- Definition of Accounting Estimates - Amendment to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a single transaction - Amendment to IAS 12.

1.2. Alternative performance measures

Eurofins provides various alternative performance measures (APM) in its interim condensed consolidated financial statements. 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. Management believes that presenting these APMs enhances investors' understanding of the Group's core operating results and future prospects, consistent with internal reporting used by management to measure and forecast the Group's performance. This information should be considered in addition to, but not in lieu of, the Group's operating results as reported in accordance with IFRS. These APMs are described in further detail in Notes 1.20 and 1.21 of the Group's consolidated financial statements as of and for the year ended 31 December 2022.

APMs used in the Interim Condensed Consolidated Income Statement

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

Separately disclosed items (SDI) – include:

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

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

EBITAS – EBITDA less depreciation and amortisation.

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

APMs used in the Interim Condensed Consolidated Cash Flow Statement

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

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

APMs used in the Notes

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

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

2. Notes to the interim condensed consolidated financial statements

2.1. Segment information

Eurofins has three reportable segments: Europe, North America and Rest of the World.

Europe is the combination of three reporting 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 corresponds to the U.S. and Canada. 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".

The key segmental performance measures are the EBITDA and EBITAS, which Management believes are the most relevant measure to evaluate the financial performance of the reportable segments. The following tables present revenue and a measure of profit (or loss) for the Group's operating segments for the six months ended 30 June 2023 and 2022 respectively.

In € millions	Six months ended 30 June 2023				
	Europe	North America	Rest of the World	Group service functions ¹	Total
Revenues	1,622.2	1,242.8	344.4	-	3,209.5
Intersegment revenues ²	23.8	18.0	10.0	0.1	51.8
Operating costs, net	-1,405.1	-929.5	-278.1	-8.0	-2,620.8
EBITDA	217.1	313.3	66.3	-8.0	588.7
Depreciation and amortisation	-115.0	-82.5	-35.8	-28.3	-261.6
EBITAS	102.1	230.8	30.5	-36.3	327.1
Share-based payment charge and acquisition-related expenses, net	-24.2	-33.2	-6.8	-1.4	-65.5
Gain and loss on disposal of subsidiaries, net	-	-	-	-	-
EBIT	77.9	197.6	23.7	-37.7	261.6
Finance income	0.4	0.4	0.5	15.7	16.9
Finance costs	-8.8	-7.7	-6.2	-36.5	-59.2
Share of profit of associates	0.1	-	-	0.2	0.2
Profit/(loss) before income taxes	69.6	190.3	17.9	-58.3	219.5
Income tax expense	-11.4	-15.2	-8.2	-34.1	-68.9
Net Profit/(loss) for the period	58.3	175.1	9.7	-92.4	150.6
Total assets ³	4,412.5	3,906.6	1,211.1	787.7	10,317.9
Cash and cash equivalents	104.0	7.6	88.5	486.3	686.4
Net capex ³	-82.8	-112.9	-30.5	-32.6	-258.9

In € millions	Six months ended 30 June 2022				
	Europe	North America	Rest of the World	Group service functions ¹	Total
Revenues	1,854.9	1,205.6	350.9	-	3,411.5
Intersegment revenues ²	28.6	18.5	11.9	-	58.9
Operating costs, net	-1,423.3	-885.6	-272.3	-30.2	-2,611.6
EBITDA	431.6	320.0	78.6	-30.2	800.0
Depreciation and amortisation	-106.5	-76.5	-29.7	-27.4	-240.0
EBITAS	325.1	243.5	48.9	-57.6	559.9
Share-based payment charge and acquisition-related expenses, net	-27.5	-29.2	-5.2	-2.9	-64.8
Gain and loss on disposal of subsidiaries, net	-0.9	-	-	0.2	-0.7
EBIT	296.7	214.3	43.7	-60.2	494.5
Finance income	0.1	-	0.7	0.2	1.0
Finance costs	-5.3	-11.5	-2.2	-53.1	-72.1
Share of profit of associates	0.4	-	0.1	-	0.5
Profit/(loss) before income taxes	291.9	202.9	42.3	-113.2	423.9
Income tax expense	-57.6	-27.9	-8.5	-21.8	-115.9
Net Profit/(loss) for the period	234.3	175.0	33.8	-135.1	308.0
Total assets ^{3,4}	4,338.3	4,002.4	1,252.0	490.8	10,083.5
Cash and cash equivalents ⁴	112.3	74.2	94.7	205.3	486.6
Net capex ³	-79.0	-117.1	-46.2	-35.5	-277.8

¹ Corresponds to Group Services Functions (GSF) for Income Statement informations and Group holding companies' transactions for the other captions. In H1 2022, a Cyber insurance repayment was redistributed by GSF (expense) to other reportable segments (income) while in H1 2023, interim GSF costs were allocated (income) to other reportable segments (expense) at a flat rate subject to year-end true up.

² Intersegment revenues are limited between segments and made at arm's length, but intrasegment revenues are more significant within each segment under Eurofins hub and spoke model.

³ Total assets and Net capex are shown in the geographical area in which the assets are located.

⁴ Total assets and Cash and cash equivalents for 2022 are as of 31 December 2022.

2.2. Revenues

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

In € millions	Six months ended 30 June							
	Europe		North America		Rest of the World		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Major service lines								
Sample-based business ¹	1,381.1	1 626.6	972.9	949.1	303.4	292.8	2,657.4	2 868.4
Study-based business	127.3	128.3	108.7	112.0	24.9	39.3	260.9	279.6
FTE-based business	87.8	77.3	121.7	110.6	14.3	12.3	223.8	200.2
Product-based business	25.9	22.7	39.6	33.9	1.8	6.6	67.3	63.3
Total	1,622.2	1 854.9	1,242.8	1 205.6	344.4	350.9	3,209.5	3 411.5
Timing of revenue recognition								
Revenue recognised at a point in time ¹	531.1	822.2	387.1	443.1	45.0	73.6	963.2	1 338.9
Revenue recognised over time	1,091.2	1 032.7	855.7	762.6	299.4	277.3	2,246.3	2 072.6
Total	1,622.2	1 854.9	1,242.8	1 205.6	344.4	350.9	3,209.5	3 411.5

¹ including Clinical Diagnostic Testing activities related to COVID-19.

The Group's contract balances are as follows:

In € millions	30 June 2023	31 December 2022
Accrued sales	148.2	124.2
Amounts due by customers for analysis in progress	178.9	164.2
Contract assets	327.1	288.4
Advance payments received	-63.9	-53.1
Deferred revenues	-128.7	-131.1
Contract liabilities	-192.5	-184.2
Net Balance Sheet position	134.6	104.2
% of total revenues (last 12 months) due by customers for analysis in progress, net of deferred revenues	0.8%	0.5%

2.3. Separately disclosed items

Separately Disclosed Items (SDI) at the EBITDA level increased to €50.8m, with one-off costs of €12.3m linked to ongoing integration and reorganisation primarily in the U.S. Temporary losses from start-ups and acquisitions in restructuring amounted to €38.6m, following the strong increase in the number of start-ups launches made in the past quarters and the need to expand Eurofins Technologies product offering and distribution channels in line with our strategic growth initiative towards In Vitro Diagnostic (IVD) and Asia.

The detail of share-based payment charges and acquisition-related expenses, net included within the APMs is as follows:

In € millions	Six months ended 30 June	
	2023	2022
Share-based payment charge	-11.1	-11.0
Amortisation of acquired intangible assets	-49.1	-49.7
Impairment of acquired intangible assets	-17.8	-6.4
Transactions costs related to acquisitions	-3.4	-10.2
Reversal of amounts due for business acquisitions not paid	15.9	12.5
Acquisition-related expenses, net	-54.4	-53.7
Total	-65.5	-64.7

The impairment of acquired intangible assets and reversal of unused amounts due for business acquisitions are primarily related to Transplant Genomics Inc. following the change of the test reimbursement scheme in the U.S. starting from April 2023.

2.4. Finance income and costs

In € millions	Six months ended 30 June	
	2023	2022
Other financial income	5.5	1.0
Net foreign exchange gain	11.4	-
Finance income	16.9	1.0

In € millions	Note	Six months ended 30 June	
		2023	2022
Interest expense on:			
Borrowings		-8.1	-5.1
Bonds	2.8	-25.5	-13.7
Schuldschein loan		-6.5	-4.8
Lease liabilities		-14.9	-11.8
Defined benefit plans		-	-
Net foreign exchange loss		-	-28.8
Unwind of discount on amounts due for business acquisitions		-1.7	-6.0
Unwind of discount on issuance costs		-2.3	-1.5
Derivative financial instruments on interest rate hedging, net		-0.2	-0.2
Other financial expenses		-	-0.3
Finance costs		-59.2	-72.1
Total Finance income and costs, net¹		-42.3	-71.1

¹ In Cash flows from operating activities, "Finance income and costs, net" exclude operating foreign exchange gains & losses (€-+0.4m in 2023 and €+0.5m in 2022).

Net foreign exchange gain or loss is mainly related to USD cash pooling owned by Eurofins Finance Luxembourg S.à r.l., the Group's treasury entity which manages cash centralization for Group companies. The 2023 net foreign exchange gain is non-cash, unrealised variation and due to the depreciation of 1.9% of USD and of 10.8% of JPY versus EUR in 2023 (Balance Sheet end of period rates).

2.5. Income taxes

Income tax expense amounted to €68.9m for the six months ended 30 June 2023 compared to €115.9m for the six months ended 30 June 2022.

In many countries, the income tax on profits are paid in the subsequent year. This time difference between effective income tax expense and income tax paid has been wider in the past three years, in relation to the higher income realised through the COVID-19 testing activities. Since income tax expenses were lower in 2022 than in 2021, income tax paid in H1 2023 is therefore lower than in H1 2022.

2.6. Business combinations

Acquisitions

During the first six months of 2023, the Group completed 18 business combinations, made of 9 acquisitions of legal entities and 9 acquisitions of assets. These companies/activities have been fully consolidated from the date the Group took control over these entities. Prior to their acquisition, these entities generated revenues of about €64m for the year ended 31 December 2022 and employed approximately 700 employees. Below we have described the 9 acquired legal entities:

Company	ISO code	Subsidiary of:	% of interest by the Group	Date of entry
Eurofins Agro Testing Queensland Pty Ltd.	AU	Eurofins Australia New Zealand Holding Pty Ltd.	100%	02/23
Steripac GmbH	DE	Eurofins BioPharma Services Holding Germany GmbH	100%	06/23
Laboratorio Gessyma Galea SL	ES	Eurofins Análisis Alimentario Holding España, S.L.U.	100%	03/23
Calixar SAS	FR	Eurofins Discovery, Central Laboratory and BioAnalysis France Holding SAS	100%	04/23
PT Angler BioChemLab	ID	Eurofins Food Testing LUX Holding SARL	95%	05/23
AQL EMC Limited	UK	Eurofins Product Testing UK Holding Limited	90%	05/23
Express Microbiology Limited	UK	Eurofins Food Testing UK Holding Limited	100%	01/23
Product Perceptions Limited	UK	Eurofins Sensory and Consumer research UK Holding Limited	100%	05/23
Environmental Technology And Management Joint Stock Company	VN	Eurofins Environment Testing LUX Holding SARL	80%	06/23

As the Group carries out multiple acquisitions each year, in accordance with paragraph B67 of IFRS 3, the Group is only disclosing individually acquisitions above an acquisition price threshold of €35m.

The businesses acquired contributed to Eurofins' consolidated revenues for €16m and to consolidated net profit for €-1m from their acquisition date to 30 June 2023. Their contribution to Adjusted EBITDA for the same period amounted to €0.5m. If these businesses had been acquired as of 1 January 2023, the Group's consolidated revenues would have been increased by an additional €17m, and consolidated net profit by €1m. The Adjusted EBITDA would also have been increased by an additional €2m.

Part consolidated in H1 2023 <i>In € millions</i>	Total acquisitions
Revenues	15.7
Adjusted EBITDA	0.5
Net Profit	-0.9

Part non-consolidated in H1 2023 <i>In € millions</i>	Total acquisitions
Revenues	16.9
Adjusted EBITDA	2.0
Net Profit	0.6

The aggregate fair value of assets and liabilities and the non-controlling interests acquired is per below. For some acquisitions, due to timing constraints, the allocation of the aggregate purchase consideration is provisional as of 30 June 2023.

	Six months ended 30 June	
	2023	2022
	Fair value	Fair value
Purchase price, cash consideration	66.4	220.2
Purchase price, contingent consideration	9.5	53.4
Net purchase consideration	75.9	273.6
Property, plant and equipment	16.6	33.3
Intangible assets	10.1	76.5
Other non-current assets	0.2	1.8
Trade accounts receivable	4.8	18.1
Other current assets	5.4	9.0
Cash and cash equivalents	5.7	50.0
Borrowings	-9.8	-18.8
Other current liabilities	-9.4	-42.6
Other non-current liabilities	-2.7	-23.8
Identifiable net assets acquired	20.8	103.7
Goodwill	55.1	170.0
Net purchase consideration	75.9	273.6
<u>Reconciliation to Cash Flow Statement:</u>		
Cash and cash equivalents	-5.7	-50.0
Purchase price, contingent consideration of the period - unpaid	-9.5	-53.4
Purchase price, contingent consideration – paid	22.5	26.5
Non-Controlling interests	0.3	0.7
Net cash outflow on acquisitions	83.4	197.4

The net cash outflow on acquisitions concerns both acquisitions completed in 2023 and in previous years (in case of payment of deferred considerations). During the first six months of 2023, the Group paid an aggregate amount due to former shareholders of previously acquired companies of €22.5m.

In 2023, the Group acquired buildings within the acquisitions for an amount of €2.9m, included in property, plant and equipment, located in various locations such as Vietnam (Thu Duc). The Group acquired right-of-use assets of operating leases for an amount of €9.5m in H1 2023. The intangible assets include amounts recognized for the fair value of acquired brands, technology and customer-based assets for an amount of €10m included in intangible assets.

The potential undiscounted amounts of all future payments that the Group could be required to make under these arrangements are estimated between €6m and €10m, depending on changes in financial performance of acquired companies.

The Group recorded in H1 2023 put and call agreements exercisable at a variable price for the acquisition of the remaining 49% interest in Manara Medical Laboratories W.L.L. from 2027 onwards, 5% interest in PT Angler BiochemLab from 2027 onwards, 20% interest in Environmental Technology And Management Joint Stock Company from 2026 onwards and 10% in AQL EMC Limited from 2027 onwards. The fair value of the options amounted to €3.0m.

These amounts have been recorded in "Amounts due for business acquisitions" within non-current liabilities on the balance sheet, with corresponding recognition from equity attributable to owners of the Company.

The goodwill is attributable to the workforce of the acquired business and the synergies expected to arise after acquisition.

The part of goodwill and other intangible assets related to acquisitions completed in 2023 that is tax deductible represents an amount of €24m.

Discontinued activities / divestments

In 2022, the Group divested its Digital Testing business and discontinued some small business in the United States, France and New Zealand. In June 2023, the Group divested a small Biopharma Services entity in France (annual sales of €3.9m in 2022) for a price of €8.5m with no consolidated net gain or loss. The revenues consolidated in H1 2023 amounted to €1.9m.

2.7. Goodwill and Intangible Assets

The Group performs its annual impairment test over goodwill in the fourth quarter of the fiscal year and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the Group's consolidated financial statements for the year ended 31 December 2022.

The Group also considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment.

The reconciliation of the carrying amount of goodwill and intangible assets at the beginning and end of the reporting period is presented below:

<i>In € millions</i>	Six months ended 30 June 2023		Six months ended 30 June 2022	
	Goodwill	Other intangible assets	Goodwill	Other intangible assets
Gross Value	4,537.1	1,918.2	4,128.1	1,712.2
Accumulated amortisation / Impairment	-13.0	-999.2	-13.0	-816.5
Beginning Balance	4,524.1	919.0	4,115.1	895.7
Acquisition through business combinations	55.1	10.1	170.0	76.5
Additions	-	35.0	-	41.5
Disposals	-7.3	-1.1	-	-0.1
Change due to purchase price adjustment	-0.9	-	-	-
Impairment	-	-17.8	-	-6.4
Amortisations	-	-79.8	-	-78.5
Translation differences	-51.3	-12.1	168.5	42.4
Ending Balance	4,519.7	853.3	4,453.6	971.1

Based on the analysis of the business performance as of and for the six months ended 30 June 2023, the Group has not identified any goodwill impairment triggers and therefore no goodwill impairment has been recorded for the six months ended 30 June 2023.

The Group also reviews its finite-lived intangible assets for impairment whenever triggering events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment of €17.8m on Other intangible assets has been recorded for the six months ended 30 June 2023 (€6.4m in H1 2022) (see Note 2.3).

2.8. Borrowings, Net Cash position and Net Debt

Set out below is an overview of the Group's cash position and Net debt:

<i>In € millions</i>	30 June 2023	31 December 2022
Cash and cash equivalents	686.4	486.6
Bank overdrafts (included in current Borrowings)	-4.8	-3.4
Cash and cash equivalents (net)	681.6	483.2

<i>In € millions</i>	30 June 2023	31 December 2022
Total Borrowings	3,274.7	3,325.6
Cash and cash equivalents	-686.4	-486.6
Net debt	2,588.2	2,839.0

Variation of borrowings
In € millions

2023	Bonds	Schuld-schein Loan	Com-mercial Paper	Bank Credit Lines	Bank Borro-wings	Lease Liabili-ties	Issu-ance Costs	Bank over-drafts	Total
Balance as of 1 January	2,100.0	536.5	75.0	-	109.9	527.6	-26.8	3.4	3,325.6
Cash impact									
Increase of borrowings	-	-	-	-	17.0	-	-	-	17.0
Repayment of borrowings	-	-	-75.0	-	-6.3	-	-	-	-81.3
Repayment of lease liabilities ¹	-	-	-	-	-	-69.9	-	-	-69.9
Change in bank overdrafts	-	-	-	-	-	-	-	1.4	1.4
Non-cash impact									
Lease subscriptions	-	-	-	-	-	82.8	-	-	82.8
Exit of lease liabilities	-	-	-	-	-	-5.1	-	-	-5.1
Amortisation of bond costs	-	-	-	-	-	-	2.3	-	2.3
Business combinations	-	-	-	-	0.4	9.4	-	-	9.8
Translation differences and other	-	-	-	-	-1.3	-6.6	-	-	-7.9
Balance as of 30 June	2,100.0	536.5	-	-	119.6	538.3	-24.6	4.8	3,274.7

2022	Bonds	Schuld-schein Loan	Com-mercial Paper	Bank Credit Lines	Bank Borro-wings	Lease Liabili-ties	Issu-ance Costs	Bank over-drafts	Total
Balance as of 1 January	1,500.0	582.0	80.0	-	71.5	538.9	-18.6	0.3	2,754.1
Cash impact									
Increase of borrowings	600.0	-	-	-	16.2	-	-11.5	-	604.7
Repayment of borrowings	-	-	-	-	-16.2	-	-	-	-16.2
Repayment of lease liabilities ¹	-	-	-	-	-	-66.6	-	-	-66.6
Change in bank overdrafts	-	-	-	-	-	-	-	2.5	2.5
Non-cash impact									
Lease subscriptions	-	-	-	-	-	35.5	-	-	35.5
Exit of lease liabilities	-	-	-	-	-	-3.8	-	-	-3.8
Amortisation of bond costs	-	-	-	-	-	-	1.5	-	1.5
Business combinations	-	-	-	-	12.2	6.6	-	-	18.8
Translation differences and other	-	-	-	-	1.4	13.9	-	-	15.3
Balance as of 30 June	2,100.0	582.0	80.0	-	85.1	524.5	-28.6	2.8	3,345.8

¹ Repayment of lease liabilities excl. interest paid

The split of the borrowings between current (less than 12 months) and non-current (more than 12 months) are as follows:

In € millions	30 June 2023			31 December 2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Bonds	-	2,100.0	2,100.0	-	2,100.0	2,100.0
Schuldschein loan	-	536.5	536.5	-	536.5	536.5
Commercial paper	-	-	-	75.0	-	75.0
Bank borrowings	13.4	106.2	119.6	11.3	98.6	109.9
Lease liabilities	132.0	406.2	538.3	128.6	399.0	527.6
Issuance costs	-4.6	-20.0	-24.6	-4.6	-22.3	-26.8
Bank overdrafts	4.8	-	4.8	3.4	-	3.4
Total borrowings	145.7	3,128.9	3,274.7	213.8	3,111.8	3,325.6

Eurobonds

In € millions	30 June 2023	31 December 2022	Nominal value upon issuance	Nominal interest rate	Issue date	Maturity
Eurobond 2024	447.8	447.8	650.0	2.125%	July 2017	July 2024
Eurobond 2026	302.2	302.2	600.0	3.75%	May 2020	July 2026
Eurobond 2029	600.0	600.0	600.0	4.0%	June 2022	July 2029
Eurobond 2031	750.0	750.0	750.0	0.875%	May 2021	May 2031
Total	2,100.0	2,100.0				

In June 2022, the Group raised €600m of senior unsecured Eurobonds. The bonds have a 7-year maturity (due on 6 July 2029) and bear an annual fixed rate coupon of 4%. The Bonds are listed on the regulated market of the Luxembourg stock exchange (ISIN XS2491664137). The net proceeds of the bonds were primarily used for the partial redemption of two hybrid capital instruments (see note 2.9).

Schuldschein loan

On the Schuldschein loan issued in July 2018, the Company reimbursed the remaining tranche of €45.5m maturing on 27 July 2022.

Commercial papers

In September 2017, Eurofins set up a Negotiable European Commercial Paper program ("NEU CP") on the French capital market. This program is used to issue short term notes with a minimum size of €0.2m and a maturity of less than one year. The maximum amount of commercial papers available is €750m as of 30 June 2023 (same as of 30 June 2022).

No notes were outstanding as of 30 June 2023 (€75m as of 31 December 2022).

Bilateral credit lines

As of 30 June 2023 and 2022, Eurofins had not used any of its bilateral credit lines. As of 30 June 2023, Eurofins had access to over €1bn committed mid-term (3 to 5 years) bilateral bank credit lines (same as of 31 December 2022), not maturing before June 2024.

2.9. Shareholders' equity and potentially dilutive instruments

Share capital and other reserves

A total of 238,800 and 217,582 shares were issued during the six months ended 30 June 2023 and 2022, respectively. As of 30 June 2023 and 31 December 2022, 192,978,383 and 192,739,583 ordinary shares with a par value of €0.01 were outstanding, respectively. All issued shares are fully paid up.

Stock options

Stock options are granted to certain directors, managers and employees. Movements in the number of stock options outstanding are as follows:

Stock options	Six months ended 30 June			
	2023		2022	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
1 January	7,208,393	51.89	7,005,744	49.58
Granted	-	-	-	-
Exercised	-233,660	33.43	-117,342	32.60
Expired or lost	-302,898	64.75	-375,160	56.84
Outstanding as of 30 June	6,671,835	51.96	6,513,242	49.47
<i>Exercisable as of 30 June</i>	<i>2,303,697</i>	<i>37.10</i>	<i>1,621,823</i>	<i>33.21</i>

Restricted stock units

Restricted stock units are granted to eligible managers and employees. Movements in the number of restricted stock units outstanding are as follows:

Restricted stock units	Six months ended 30 June	
	2023	2022
1 January	442,713	446,700
Granted	-	-
Vested	-45,780	-1,450
Expired or lost	-10,554	-23,630
Outstanding as of 30 June	386,379	421,620

2018 BSA Leaders warrants

In June 2018, Eurofins issued 124,460 capital-providing securities in the form of stock purchase warrants. Following the ten-for-one stock split completed in November 2020, the 2018 BSA Leaders warrant holders have the right to subscribe for ten shares of the Company for each 2018 BSA Leaders Warrant at a fixed exercise price of €529.65 between 1 June 2022 and 31 May 2026. The original subscription price was set at €34.36 per warrant. Movements in the number of 2018 BSA Leaders Warrants outstanding are as follows:

2018 BSA Leaders' Warrants	Six months ended 30 June	
	2023	2022
1 January	102,077	107,419
Exercised	-514	-5,119
Expired or lost	-	-200
Outstanding as of 30 June	101,563	102,100
<i>Exercisable as of 30 June</i>	<i>101,563</i>	<i>102,100</i>

Beneficiary units

Beneficiary units are allocated under certain conditions to holders of fully paid-up shares as provided in the Company's articles of association, at a price of €0.01 per unit. Upon subscription, beneficiary units from each category of Class A, Class B and Class C confer their holders with one voting right per unit but no rights to dividends.

Movements in the number of beneficiary units issued are as follows:

Beneficiary units	Six months ended 30 June 2023			
	Class A	Class B	Class C	Total
1 January 2023	63,800,498	63,000,000	63,000,000	189,800,498
Beneficiary units subscribed	-	-	-	-
Beneficiary units cancelled	-42,937	-	-	-42,937
Issued as of 30 June 2023	63,757,561	63,000,000	63,000,000	189,757,561

Beneficiary units	Six months ended 30 June 2022			
	Class A	Class B	Class C	Total
1 January 2022	63,977,852	63,000,000	63,000,000	189,977,852
Beneficiary units subscribed	-	-	-	-
Beneficiary units cancelled	-10,635	-	-	-10,635
Issued as of 30 June 2022	63,967,217	63,000,000	63,000,000	189,967,217

Voting rights

Voting rights attached to shares are proportional to the capital quota they represent ie. each share gives the right to one vote. In addition, class A, class B and class C beneficiary units ("parts bénéficiaires de catégorie A, B et C") carrying an extra voting right each, can be allocated to fully paid-up shares fulfilling conditions as specified in previous paragraphs about class A, class B and class C beneficiary units.

As at 30 June 2023, a total amount of 189,757,561 class A, class B and class C beneficiary units has been issued and the total number of voting rights amounts to 381,949,023.

Partial and optional acquisition price payments in Eurofins shares

As of 30 June 2023 and 31 December 2022, the overall number of Eurofins shares potentially deliverable was nil.

Own shares

Plan 1 « Liquidity » contract

On 1 November 2021, the Company entered into an agreement with Kepler Cheuvreux in order to enhance the liquidity of its shares. This agreement was valid up until 31 December 2022 and is renewable for one-year periods thereafter. An amount of cash of €15m has been allocated to a liquidity account by the Company to fund this program. As of 30 June 2023, the Company held 149,672 of its own shares under this liquidity contract (0.08% of the total number of shares at that date) representing an amount of €9.0m (135,677 shares for an amount of €9.0m as of 31 December 2022).

Plan 2 Share Repurchase Plan

The Share Repurchase Plan allows the acquisition of a maximum amount representing up to 2% of the Company's share capital, over a maximum period of twelve months as per the authorisation granted by the Company's Extraordinary General Meeting of shareholders held on 25 April 2019 (the "EGM"). The Company may at any time interrupt this program in view of market conditions and/or evolution of its investment strategy. The shares to be purchased under this program will be primarily used to hedge the Company's Long-Term Incentive plans but may also be cancelled, used to partially finance acquisitions or for other purposes approved by the Board of Directors and within the authorization of the EGM.

On 3 October 2022, the Company mandated an independent provider of financial services to buy-back some of its own shares under the Share Repurchase Plan.

Under this plan, as of 30 June 2023, the Company held 0.33% of its own shares (0.04% of the total number of shares as of 31 December 2022) representing 637,249 shares for an amount of €38.6m (83,883 shares for an amount of €5.2m as of 31 December 2022).

Hybrid capital

2023 In € millions	30 June 2023	Hybrid issuance	Hybrid purchased	31 December 2022
Hybrid capital with a first call date on 29 April 2023	-	-	-182.7	182.7
Hybrid capital with a first call date on 13 November 2025	400.0	-	-	400.0
Hybrid capital with a first call date on 24 July 2028	600.0	600.0	-	-
Outstanding as of end of period	1,000.0	600.0	-182.7	582.7

2022 <i>In € millions</i>	30 June 2022	Hybrid issuance	Hybrid purchased	31 December 2021
Hybrid capital with a first call date on 11 August 2022	109.6	-	-190.4	300
Hybrid capital with a first call date on 29 April 2023	182.7	-	-117.3	300
Hybrid capital with a first call date on 13 November 2025	400.0	-	-	400
Outstanding as of end of period	692.3	-	-307.7	1,000

In January 2023, Eurofins raised a €600m hybrid capital. This instrument has a perpetual maturity but is callable at par by Eurofins in July 2028. This hybrid capital bears a fixed annual coupon of 6.75% until the first call date; then a floating coupon of Euribor3m + 4.241bps until January 2033; then a floating coupon of Euribor3m +5.241bps. The instrument is listed on the regulated market of the Luxembourg stock exchange (ISIN XS2579480307).

This issuance enables the Group to return to its targeted capital structure that includes an adequate level of hybrid capital of €1bn to support its targeted range for financial leverage of 1.5-2.5x. The instrument proceeds are available for general corporate purposes.

The impact of the hybrid capital earnings distribution on the Statement of Changes in Equity and on the Consolidated Cash Flow Statement is broken down in the table below:

<i>In € millions</i>	Six Months Ended 30 June			
	Statement of Changes in Equity ¹		Cash Flow Statement ²	
	2023	2022	2023	2022
Earnings on hybrid capital callable in August 2022	-	4.3	-	5.4
Earnings on hybrid capital callable in April 2023	2.9	7.2	8.9	14.6
Earnings on hybrid capital callable in November 2025	6.5	6.5	-	-
Earnings on hybrid capital callable in July 2028	17.4	-	-	-
Total earnings on hybrid capital	26.8	18.0	8.9	20.0

¹ Used also for the calculation of Earnings per share

² Earnings paid

Dividends

In April 2023, the General Assembly approved the dividends to shareholders of €1 per ordinary share for a total gross amount of €192.7m (€1 per ordinary share for a total amount of €192.3m in previous year). The dividends payable are recorded in "Other current liabilities" on the balance sheet as of 30 June 2023, and were paid in July 2023.

2.10.Financial risk management

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 management does not consider that the principal risks and uncertainties have changed materially since the publication of the Group's consolidated financial statements as of and for the year ended 31 December 2022 as described in the risk section of the half year management report.

Geopolitical events have impacted the economy and financial markets globally. The Group's operational performance was temporarily affected by COVID-19-related measures in China in 2022. The Group's exposure to Russia and Ukraine is limited with direct revenues under €1.5m in 2022 and no material revenues in 2023.

Financial risk factors

The Group's activities expose it to a variety of financial risks such as currency risks, interest rate risks, credit risks and liquidity risks. The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required. Additional disclosures can be found in the "Risks and uncertainties" section of the management report as of and for the six months ended 30 June 2023. They should be read in conjunction with the Group's annual management report as of and for the year ended 31 December 2022.

There has not been any significant changes to the risk management approach or to risk management policies since 31 December 2022, except for inflationary pressure following the conflict in Ukraine, which is being addressed via price increases, productivity efforts and cost savings for the time being. Should inflation spread much further in the geographies where the Group operates, and reach levels significantly higher than those seen today, there could be a material and detrimental impact to the Group's activities and financials, which is at this stage hard to quantify.

Climate change-related risks

The Group regularly evaluates relevant climate-related reporting requirements and risks as evidenced in the section "Risk factors report 2022" (Section 1.5.6). As of 30 June 2023, the Group does not believe that the impact of climate related matters has materially changed.

Fair value of financial assets and liability

The Group classifies its 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:

3. Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities;
4. Level 2 – Observable inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. such as prices) or indirectly (i.e. derived from prices);
5. Level 3 – Inputs for the assets or liabilities that are not based on observable market data.

The carrying and fair values of the financial assets and liabilities as of 30 June 2023 are as follows:

<i>In € millions</i>	As of 30 June 2023				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets carried at FVTOCI	19.7	19.7	19.7	-	-
Financial assets carried at FVTPL	2.6	2.6	-	-	2.6
Derivative financial instruments	6.3	6.3	-	6.3	-
Financial assets carried at fair value	28.6	28.6	19.7	6.3	2.6
Cash and cash equivalents	686.4	-	-	-	-
Receivables – current	1,480.0	-	-	-	-
Receivables - non-current	53.0	-	-	-	-
Financial assets carried at (amortized) costs	2,219.4	-	-	-	-
Total financial assets	2,248.0	28.6	19.7	6.3	2.6
Contingent consideration	151.3	151.3	-	-	151.3
Financial liabilities carried at FVTPL	151.3	151.3	-	-	151.3
Derivative financial instruments	-	-	-	-	-
Financial liabilities carried at fair value	151.3	151.3	-	-	151.3
Payables and contract liabilities	757.3	-	-	-	-
Interest and earnings accruals	77.6	-	-	-	-
Bonds	2,100.0	1,891.8	1,891.8	-	-
Other borrowings	1,174.7	-	-	-	-
Other current liabilities	733.6	-	-	-	-
Financial liabilities carried at (amortized) costs	4,843.2	1,891.8	1,891.8	-	-
Total financial liabilities	4,994.5	2,043.1	1,891.8	-	151.3

<i>In € millions</i>	As of 31 December 2022				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets carried at FVTOCI	21.8	21.8	21.8	-	-
Financial assets carried at FVTPL	2.6	2.6	-	-	2.6
Derivative financial instruments	5.6	5.6	-	5.6	-
Financial assets carried at fair value	30.0	30.0	21.8	5.6	2.6
Cash and cash equivalents	486.6	-	-	-	-
Receivables - current	1,461.7	-	-	-	-
Receivables – non-current	54.1	-	-	-	-
Financial assets carried at (amortized) costs	2,002.4	-	-	-	-
Total financial assets	2,032.4	30.0	21.8	5.6	2.6
Contingent consideration	184.0	184.0	-	-	184.0
Financial liabilities carried at FVTPL	184.0	184.0	-	-	184.0
Derivative financial instruments	-	-	-	-	-
Financial liabilities carried at fair value	184.0	184.0	-	-	184.0
Payables and contract liabilities	831.9	-	-	-	-
Interest and earnings accruals	38.0	-	-	-	-
Bonds	2,100.0	1,898.7	1,898.7	-	-
Other borrowings	1,225.6	-	-	-	-
Other current liabilities	571.6	-	-	-	-
Financial liabilities carried at (amortized) costs	4,767.0	1,898.7	1,898.7	-	-
Total financial liabilities	4,951.0	2,082.7	1,898.7	-	184.0

The change in FVTOCI corresponds to a negative amount of €1.9m over the six month period ended 30 June 2023.

Contingent consideration for acquisitions are level 3 financial instruments and has been revalued as of and for the six months ended 30 June 2023 for an additional amount of €16.1m. The accounting policy for these financial instruments is defined in Note 1.3 of the Group's consolidated financial statements for the year ended 31 December 2022.

There were no changes in the Group's valuation process, valuation techniques and types of inputs used in the fair value measurements during the period.

There were no transfers between levels during the six month period ended 30 June 2023.

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

Ratings

In July 2020, Eurofins 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. Moody's confirmed the Baa3 rating and changed the outlook from positive in May 2022 to stable in May 2023.

In May 2021, Eurofins received its second credit rating by Fitch Ratings which assigned an investment grade credit rating of BBB- with a stable outlook. Fitch Ratings confirmed the BBB- rating and the stable outlook in May 2022 and again in May 2023.

Currency risk

Foreign exchange exposure also arises as a result of inter-company loans and deposits. When the lending company enters into such arrangements, the financing is generally provided in the functional currency of the subsidiary entity. When such loans would be considered to be part of the net investment in the subsidiary, net investment hedging would be applied. Translation exposure of foreign-currency equity invested in consolidated entities is generally not hedged. The currency translation reserve amounts to €184.7m as of 30 June 2023 (€285.7m as of 31 December 2022). Net current-period change, before tax, of the currency translation reserve of €-101.1m is mainly due to the development of the USD versus the Euro and relates to foreign operations for €-59.6m and net investment re-evaluation for €-41.5m.

Post-employment benefits

The remeasurement of defined benefit liability in Other Comprehensive Income and Employee benefit obligations corresponds to an amount of €-0.2m over the six month period ended 30 June 2023 due to the increase of the discount rates (€12.5m over the six month period ended 30 June 2022).

2.11. Contingencies

Contingent liabilities over borrowings

The following liabilities and borrowings are subject to covenants or are collateralized by Group assets:

<i>In € millions</i>	30 June 2023	31 December 2022
Bank borrowings secured over buildings and other assets	93.3	80.3
Finance leases secured over buildings and other assets	41.2	41.5
Bank borrowings secured by covenants and assets	2.5	2.8
Total borrowings and leases secured	137.1	124.7
Bank borrowing secured by covenants	-	-
Bank borrowing guaranteed by the direct parent of the borrower	-	-
Total	137.1	124.7

All of the above amounts are included in the Group's interim condensed consolidated balance sheet.

Contingencies

The Group has contingent liabilities in respect of commercial and tax claims arising in the ordinary course of business in connection with the services they provide. The majority of commercial claims is covered by business-specific insurance.

For tax claims, when the Group estimates that the risk is not likely, no provision is booked. There are a limited number of pending claims, qualified as contingent liability by third-party legal advisors and the Company.

The Group has entered into legal proceedings against the former shareholders of Eurofins Genoma Group Srl in Italy for breach of non-compete and other contractual clauses. The Group has an outstanding contingent consideration arrangement for this previous acquisition, for which €27.5m has been accrued in "Amounts due from business acquisitions" within non-current liabilities on the balance sheet. The final amount payable is subject to the legal proceedings.

2.12. Related-party transactions

As of 30 June 2023, the Martin family, through direct shareholdings and indirectly through their shareholding in Analytical Bioventures SCA, which is controlled by Dr. Gilles Martin, holds 32.7% of the shares and controls 66.0% of the voting rights in Eurofins.

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

<i>In € millions</i>	Six months ended 30 June	
	2023	2022
Condensed Consolidated Income Statement		
Support management services, provided to the related party	0.1	0.3
Interest expenses to related party	4.4	3.3
Depreciation of right of use	14.3	12.4
Condensed Consolidated Balance Sheet		
	30 June 2023	31 December 2022
Receivables expected from related party ¹	13.5	13.8
Payables owed to related party	0.9	1.1
Right of use from related party	122.5	122.9
Lease liabilities to related party	143.2	143.3
Dividends payable/paid to related party	63.0	63.0
Beneficiary units subscribed by related party	-	-
Off Balance Sheet Commitments		
Bank guarantees to related party	-	-

¹ Receivables expected from related party relate to lease deposits.

2.13. COVID-19

During the first six months of 2023, COVID-related activities (human clinical testing and sale of reagents) of the Group contributed to revenues of less than €20m during this period. This compares to revenues of over €470m in the first six months of 2022.

2.14. Post-closing events

Business Combinations

Since 1 July 2023, Eurofins has completed two small business combinations via the acquisitions of assets, one in North America and one in Europe.

The total annual revenues of these acquisitions amounted to over €1.5m in 2022 for an aggregate acquisition price of over €1m. These acquisitions employ more than 20 employees.

Other

On 5 July 2023, a new stock option plan (764,576 options) and a new RSU plan (60,117 RSUs) were granted, representing ca. 0.4% of the number of shares issued as of 30 June 2023

To the Board of Directors of
Eurofins Scientific S.E.
23, Val Fleuri
L-1526 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Eurofins Scientifics S.E. comprising the interim condensed consolidated balance sheet as at 30 June 2023, and the related interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated cash flow statement for the six months period then ended, and a summary of significant accounting policies and other explanatory notes ("the interim financial information"). The Board of Directors is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard IAS 34 on Interim Financial Statements, 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.

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 30 June 2023 and of the results of its operations for the six months period then ended in accordance with the International Accounting Standard IAS 34 on Interim Financial Statements as adopted in the European Union.

For Deloitte Audit, Cabinet de révision agréé

David Osville, Réviseur d'entreprises agréé
Partner

26 July 2023

Stay in touch by following us on social media.

You can find us on:



www.linkedin.com/company/Eurofins



www.instagram.com/eurofinsglobal/



www.facebook.com/EurofinsGlobal

Eurofins Scientific SE

Val Fleuri 23
1526 Luxembourg

Phone : +352 26 18 53 20

Fax : +352 26 18 53 31

info@eurofins.com

www.eurofins.com

 **eurofins**
Testing for Life