



## **Eurofins to expand its presence in North America, the United Kingdom and Asia with the acquisition of LabCorp's food testing and consulting business**

### ***Covance Food Solutions will enhance footprint and portfolio of Eurofins' food products testing business***

**30 April 2018**

Eurofins Scientific (EUFI.PA), a global scientific leader in bioanalytical testing, announces that it has signed an agreement with LabCorp (LH: NYSE), a leading global life science company, to acquire Covance Food Solutions, which provides product integrity, product safety and consulting solutions for end-use segments that span the entire food supply chain. The transaction is expected to close in the third quarter of 2018, subject to the fulfillment of regulatory and customary closing conditions.

Covance Food Solutions, which became part of LabCorp through its 2015 acquisition of Covance, offers an extensive set of routine and specialized laboratory testing and consulting services focused on ensuring product safety, quality and adherence to targeted internal and external standards for existing and in-development food, beverage and supplement products.

Covance Food Solutions operates an integrated network of 12 facilities across the globe (9 in the US, 2 in the UK and 1 in Asia) through harmonized processes and methods to deliver a comprehensive suite of product safety, integrity and development services to its customers. It employs 850 staff and expects to generate revenues of approximately US\$160m in 2018, with an EBITDA margin well in excess of Eurofins objectives.

The agreed acquisition price is US\$670m on a cash free debt free basis. This price includes the significant favorable tax benefits of an acquisition of assets in the USA. As Eurofins and Covance Food Solutions have a complementary geographic footprint and service offering, no restructuring of either business is necessary and synergetic top line market effects are expected on cross selling to each organization's clients in the regions where the other company is present. Based on Covance Food Solutions' history of outstanding performance, the transaction should be immediately margin and EPS accretive for Eurofins after closing (by about 1 euro per share after financing costs). This is a large investment, but Eurofins is well funded for it, and the asset is high quality. Beyond this specific opportunity, Eurofins intends to remain disciplined in its investments and conservative on its balance sheet structure and leverage.

Comment from **Dr. Gilles Martin**, Eurofins CEO: "We are extremely pleased to welcome LabCorp's Covance Food Solutions and its talented teams to the Eurofins Group. Its competencies, reputation for scientific excellence and complementary geographic footprint, client focus and service offerings further strengthen Eurofins' global offering in the very competitive food testing market. We look forward to working together as an integrated network of independent state-of-the-art laboratories providing our customers access to the full range of services and technological capabilities of the combined Group."

Comment from **Mr. David P. King**, LabCorp's CEO: "Eurofins has an outstanding reputation in the food quality and development business, which will be enhanced with the addition of LabCorp's Covance Food

Solutions business, offering increased opportunities for its employees and more comprehensive services for customers. The sale of Covance Food Solutions to Eurofins allows LabCorp to focus on our core mission of improving health and improving lives, and at the same time better positions Covance Food Solutions to serve the global food supply industry.”

**For more information, please visit [www.eurofins.com](http://www.eurofins.com) or contact:**

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#### **Notes for the editor:**

##### **Eurofins – a global leader in bio-analysis**

Eurofins Scientific through its subsidiaries (hereinafter sometimes “Eurofins” or “the Group”) believes it is a scientific leader in food, environment and pharmaceutical products testing and in agrosience CRO services. It is also one of the independent market leaders in certain testing and laboratory services for genomics, discovery pharmacology, forensics, CDMO, advanced material sciences and for supporting clinical studies. In addition, Eurofins is one of the emerging players in specialty clinical diagnostic testing in Europe and the USA. With over 35,000 staff in more than 400 laboratories across 44 countries, Eurofins offers a portfolio of over 150,000 analytical methods for evaluating the safety, identity, composition, authenticity, origin and purity of biological substances and products, as well as for innovative clinical diagnostic. The Group objective is to provide its customers with high-quality services, accurate results on time and expert advice by its highly qualified staff.

Eurofins is committed to pursuing its dynamic growth strategy by expanding both its technology portfolio and its geographic reach. Through R&D and acquisitions, the Group draws on the latest developments in the field of biotechnology and analytical chemistry to offer its clients unique analytical solutions and the most comprehensive range of testing methods.

As one of the most innovative and quality oriented international players in its industry, Eurofins is ideally positioned to support its clients’ increasingly stringent quality and safety standards and the expanding demands of regulatory authorities around the world.

The shares of Eurofins Scientific are listed on the Euronext Paris Stock Exchange (ISIN FR0000038259, Reuters EUFI.PA, Bloomberg ERF FP).

#### **Important disclaimer:**

This press release contains forward-looking statements and estimates that involve risks and uncertainties. The forward-looking statements and estimates contained herein represent the judgment of Eurofins Scientific’s management as of the date of this release. These forward-looking statements are not guarantees for future performance, and the forward-looking events discussed in this release may not occur. Eurofins Scientific disclaims any intent or obligation to update any of these forward-looking statements and estimates. All statements and estimates are made based on the information available to the Company’s management as of the date of publication, but no guarantee can be made as to their validity.