QIAGEN
Q3/2020 CONFERENCE CALL TRANSCRIPT

October 28, 2020

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JOHN GILARDI: Thank you, and welcome to our conference call.

We moved forward the release of the Q3 report, along with this conference call, in light of the ad-hoc announcement issued on Tuesday with our increased outlook for 2020. We appreciate your understanding for these changes.

The speakers today are Thierry Bernard, the CEO of QIAGEN, and Roland Sackers, the Chief Financial Officer. Also joining us is Phoebe Loh, Director of Investor relations.

Please note that this call is being webcast live and will be archived on the Investors section of our website at www.qiagen.com. A copy of the press release is also available in the same section.

(SLIDE 2: FORWARD LOOKING STATEMENTS)

JOHN GILARDI: Before we begin, let me cover our Safe Harbor statement. The discussion and responses to your questions on this call reflect management's view as of today, the 28th of October, 2020.

We will be making statements and providing responses to your questions that state our intentions, beliefs, expectations or predictions of the future. These constitute forward-looking statements for the purpose of the Safe Harbor provisions under the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties that could cause actual results to differ materially from those projected. QIAGEN disclaims any intention or obligation to revise any forward-looking statements. For more information, please refer to our filings with the U.S. Securities and Exchange Commission, which are also available on our website.

We will also be referring to certain financial measures not prepared in accordance with generally accepted accounting principles. You can find a reconciliation of these figures to GAAP in the press release and the presentation for this call.

As a last point, you have seen in our Q3 report that we are planning to hold a Virtual Deep Dive on Tuesday, December 8. An invitation to register for the event will be sent soon, and further information about this event will be available on our Investor Relations website.

I will now turn the call over to Thierry.

(SLIDE 4: Q3 2020 SUMMARY – THIERRY)

THIERRY BERNARD: Thank you, John.

Let me begin by welcoming all of you to our conference call today. As a first remark, on behalf of the QIAGEN team and myself, I wish you and your families and loved ones good health and all the best during this period of great uncertainty.

Our teams at QIAGEN continue to rise to the challenges of supporting the response to this public health crisis. They are rallying behind a call to action to help people in need around the world. This underscores the directives to our employees –and that is to leave no country behind, and also to constantly work on better, faster ways to test.

This outstanding effort is also reflected in the results for the third quarter and the first nine months of 2020. In fact, it reflects not only our response to the pandemic, but also the tremendous impact of the initiatives we have launched to enhance our market leadership and strengthen our differentiated positions.

QIAGEN teams are responding to this public health crisis in a way that our solutions are becoming increasingly relevant to customers in the Life Sciences and Molecular Diagnostics.

At the same time, and this is an important point, QIAGEN is COVID-19 relevant but not COVID-19 dependent.

Let me go through our key messages for today.

First, our teams far exceeded the outlook for sales growth in the third quarter and achieved the high end of the range for adjusted EPS.

Sales grew a dynamic 26% at constant exchange rates to 483.8 million dollars, and this was well above the outlook set for 16 to 21% CER growth.

Adjusted EPS was 58 cents at constant exchange rates. This was a 61% increase from the third quarter of 2019, and at the high end of the range we had set for 52 to 58 cents CER.

This performance in the third quarter comes after QIAGEN already exceeded the outlook set for the second quarter with 19% CER growth, and also after delivering 9% CER growth in the first quarter of this year.
As you know, we saw an ongoing high level of revenues in the third quarter of 2020 from product groups used in COVID-19 testing. These sales reached 164 million dollars and grew more than 300% from the third quarter of 2019.

Sales in the rest of the portfolio declined 8% CER to 320 million dollars from same period of 2019, however this was an improvement sequentially from the second quarter of 2020.

That leads to our second key message: We have increased our outlook for full-year 2020 based on our conviction to deliver an ongoing high level of sales and adjusted EPS growth in the fourth quarter of 2020.

Our updated outlook for 2020 now calls for sales growth of about 20% CER. This compares to the prior outlook for about 15 to 18% CER.

For the fourth quarter we are expecting sales growth of about 24 to 27% CER growth over the same period in 2019. This is based on expectations for a higher level of COVID-19 product sales than in the third quarter of 2020, and also reasonably good trends in the rest of the portfolio on a sequential basis.

For adjusted EPS, we have set a new outlook for full-year 2020 of about 2 dollars and 7 cents to 2 dollars and 9 cents at CER. This represents a 45% increase over 2019, and also an increase from the prior outlook for at least 2 dollars per share CER.

We are moving into the final quarter of 2020 with an increasing level of confidence supported by strong demand for COVID-19 products, improving trends in the rest of our business and the benefits of new product launches.

As a next point, we are planning to hold a Virtual Deep Dive in December.

It is clear that 2020 has been a year of big developments for QIAGEN. This event will be an opportunity for us to update you on our strategy and provide more perspectives on the path forward as we navigate through this pandemic. A key focus will be providing more insights on our five pillars of growth, which we will discuss later.

I would also like to add that we have appointed a new leader for our Molecular Diagnostics Business Area. Jean-Pascal Viola is taking up this role and continues as a member of the Executive Committee. During his time at QIAGEN, JP has worked in Asia, the U.S. and Europe in various roles and most recently in business development. He played a key role in leading the acquisitions of Cellestis, Stat-Dx and NeuMoDx as well as the Formulatrix assets for our entry into digital PCR. You will have a chance to meet JP at the upcoming Virtual Deep Dive event.

As a quick summary, QIAGEN is on the right track for an outstanding finish to 2020 – and that is reflected in the improved full-year outlook.

I would now like to hand over to Roland.

(SLIDE 5: Q3 2020 FINANCIAL REVIEW – ROLAND)

ROLAND SACKERS: Thank you, Thierry.

Hello, and thank you from me as well for joining us on this conference call.

I would like first to provide some additional comments on our financial results, and will later provide some perspectives on the improved outlook for 2020 that we just announced.

For the third quarter, our net sales growth at 26% CER did not include any incremental sales from the acquisition of the remaining stake in NeuMoDx that was completed at the end of September. Currency movements had a minimal impact on results.

As just mentioned, sales of product groups used in COVID-19 testing totaled 164 million dollars in the third quarter, and represented about one-third of total sales.

We have broken these COVID-19 sales down further into several categories:

- First, RNA sample technology consumables and related instruments made up 56% of these sales in the quarter.

- The next category involves PCR testing, led by our QIAstat-Dx and NeuMoDx solutions which represented 23% of these sales in the third quarter.

- In the third category, we have OEM reagents that are sold to other companies for use in their own COVID-19 tests. These sales represented 21% of COVID-19 product sales this quarter.

For the first nine months of 2020, net sales were 1.3 billion dollars and rose 18% CER over 2019. This shows our results at the high end of the full-year range we had set for 15 to 18% CER. These strong results, prompted the upgraded outlook.

As for the split of COVID and non-COVID sales for the first nine months of 2020, our results showed that COVID-19 sales amounted to 418 million dollars. For the rest of the portfolio, these sales were 881 million dollars, and declined 12% CER from the 2019 period.

Moving down the income statement, the adjusted gross margin fell two percentage points to 69.6% of sales in the third quarter of 2020 from 71.6% in the year-ago quarter.

This was due to a higher share of instrument sales as well as the significant costs for the ongoing expansion plans, which here are mainly related to QIAstat-Dx cartridge production.

For the first nine months, the adjusted gross margin was 69.7% compared to 70.7% in 2019. It certainly remains at a strong level, but again reflects the change in product mix for this period.

Adjusted operating income rose 60% to 170.3 million dollars in the third quarter, delivering significant improvement over the same period in 2019 due to two factors.

First, we saw an overall reduction in operating expenses as a percentage of sales. This was partially due to the impact of the COVID-19 pandemic on sales and marketing expenses given the restrictions due to lockdowns.

The second factor was the savings from the decisions we announced in October 2019 to change the orientation of our NGS strategy and implement targeted efficiency programs.

As a result, the adjusted operating income margin rose more than 7 percentage points to 35.2% for the third quarter of 2020 from 27.8% in the prior-year period.

For the first nine months of 2020, adjusted operating income rose 52% to 430.3 million dollars with a margin of 33.1% for the first nine months of 2020. This margin is up significantly from 25.4% in the same period of 2019.

Moving to adjusted EPS, results for the third quarter of 2020 rose 61% to 58 cents CER. This again was at the high end of our outlook for 52 to 58 cents CER.

For the first nine months of 2020, adjusted EPS was 1 dollar and 49 cents at CER, rising 55% over 96 cents in the same period of 2019. The results for 2020 at actual rates were 1 dollar and 47 cents, or two cents lower due to currency headwinds.

Moving to results for cash flow for the first nine months of 2020, we saw a decline in operating cash flow to 188.1 million dollars from 221.4 million dollars in the same period of 2019.

Keep in mind that we had about 119 million dollars of payments for the discontinued tender offer and also about 50 million dollars of cash paid out in 2020 for the restructuring measures initiated in October 2019. Excluding these two factors, operating cash flow was about 358 million dollars in the 2020 period.

These two factors also impacted free cash flow, which declined to 101.3 million dollars in the 2020 period from 135 million dollars in the 2019 period.

Moving to the balance sheet, our leverage ratio stood at 1.8 times net debt to adjusted EBITDA at the end of the third quarter in 2020. This was slightly higher than 1.7 times at the same point in 2019.

We continue to pursue a disciplined capital deployment policy, one that has worked well for us in recent years. This involves investing in the business while seeking ways to increase returns to shareholders.

(SLIDE 6: Q3 2020: PRODUCT TYPE, CUSTOMER CLASS AND REGIONAL SALES – ROLAND)

ROLAND SACKERS: I would like to now give you an update on sales results for our product groups, our customer classes, and our geographic regions.

In terms of the two product groups, sales of consumables and related revenues rose 22% CER to 420 million dollars in the third quarter, and were 87% of sales. This was well above the trend for the first nine months of 2020, with sales up 14% CER to 1.12 billion dollars.

Instrument sales maintained an extraordinary growth momentum in the third quarter, again driven by the COVID-19 pandemic. These sales were up 56% CER and reached 64 million dollars in the third quarter of 2020, and represented 13% of total sales. For the first nine months, instrument sales were up 46% CER to 178 million dollars over the same period in 2019.

This growth is coming on the back of significant demand for many instruments and automation solutions being used in the COVID-19 response. It is worthwhile calling out here that all of these instruments have strong customer applications beyond the pandemic response.

As examples: A total of 290 new placements of the QIAsymphony automation system were made in the first nine months of 2020. This was a 50% rise over the same period of 2019, and builds on over 2,500 cumulative placements at the end of 2019.

We also had over 1,000 new placements of instruments from the QIAcube family in the first nine months of 2020. This was about double the number placed in the same period of 2019.

We also reached over 1,800 cumulative placements of the QIAstat-Dx syndromic automation solution, a number that could be – and will be – much higher during 2021 once we have overcome cartridge manufacturing constraints.

For NeuMoDx, we now have 110 placements of this integrated PCR testing solution, including U.S. placements gained through the acquisition. NeuMoDx is clearly seeing unprecedented demand, and the ramp-up is accelerating faster than our pre-pandemic plans.

Moving to our two customer classes, sales to Molecular Diagnostics customers grew 30% CER to 237 million dollars in the third quarter over the year-ago period. Here we saw solid double-digit CER gains in sales of consumables, while instrument sales growth was above 80% CER.

This was again driven by demand for COVID-19 products, while sales in the rest of the business were lower compared to the third quarter of 2019.
As an example, sales of the QuantiFERON-TB test declined 20% CER in the third quarter compared to the same period in 2019, but did better than the 46% CER year-on-year drop seen in the second quarter of 2020. We also saw weaker trends in Precision Medicine, in particular due to a 25% CER drop in revenues from companion diagnostic co-development projects compared with the third quarter of 2019.

Sales to Life Sciences customers also rose at a dynamic pace, growing 22% CER to 247 million dollars, and representing 51% of our total sales.

Just as in Molecular Diagnostics, we saw very good demand for COVID-19 test solutions, in particular for sample preparation and OEM products sold to other companies for their own tests. Life Sciences sales outside of COVID-19 testing recovered compared to the second quarter of 2020, but still remained below levels in the third quarter of 2019.

Moving to our geographic results, the Europe Middle East and Africa region led the third quarter of 2020 with a 40% CER increase to 164 million dollars. Here we saw growth in all areas, and in particular double-digit CER growth in Germany, France, the United Kingdom and Italy.

The Americas region also did well. Sales in this region rose 19% CER to 227 million dollars in the third quarter. Excluding QuantiFERON, sales in this region rose at a much faster 30% CER rate.

The Asia-Pacific Japan region also experienced solid growth, with sales growing 21% CER and reaching 92 million dollars for the third quarter of 2020.

China delivered growth above 20% CER, a sharp acceleration from flat sales in the first half of 2020. Japan continued to deliver double-digit CER gains in the third quarter, and reached nearly 20% CER growth for the first nine months of 2020.

I would like to now hand back to Thierry.

(SLIDE 7: FIVE PILLARS OF GROWTH – THIERRY)

THIERRY BERNARD: Thank you Roland.

I would like to now give you a quick overview on our strategy that is anchored by our five pillars of growth. We have chosen these important product areas as catalysts to drive our growth in the coming years.

As we have said in our discussions with you over the last few weeks as we resumed our IR activities, we are moving forward - not with a new strategy - but with a sharpened focus on our reinvigorated portfolio.

We are learning from our experiences in the past. One of those is that QIAGEN, as a mid-cap company, cannot do it all. So we must choose wisely where we want to be a top leader. And then resolutely direct our investments and commercial energy and resources into those areas to achieve our ambitions. These are areas with excellent market potential and different waves of growth ahead in the coming years.

We believe we have chosen wisely, and here you can see our five pillars of growth. These are all areas where QIAGEN is well-positioned to capture growth opportunities thanks to a differentiated offering.

The first area involves Sample Technologies. We want to leverage the strength of our roots in sample preparation – the first step in many lab processes. Retaining focus here helps to ensure we continue to innovate with our customers in both research and clinical applications, and apply these learnings to our downstream applications.

The second pillar involves QuantiFERON, our novel technology for the detection of latent diseases. The primary focus is on tuberculosis screening with QuantiFERON-TB Gold. This continues to build out its position as the modern gold standard for TB testing. Our automation partnership with DiaSorin is bearing fruit, particularly in the United States, as customers convert to using QuantiFERON on this automated testing platform in a win-win situation for both companies.

As mentioned earlier, the COVID-19 crisis is weighing on TB testing. Sales for 2020 are expected to be below the 2019 level of about 240 million dollars. At the same time, we have very strong convictions about resuming growth once the pandemic subsides.

Moving to the next two growth pillars, the pandemic has brought a new emphasis on the importance of molecular testing and we are in an excellent position to ramp up commercialization of the novel solutions we have in clinical PCR testing.

As you saw in our press release, we fully acquired the remaining 80.1% of NeuMoDx in September. This provides direct access to the U.S. market and an existing installed base. With the U.S. placements we are now at 110 installed systems worldwide and growing. NeuMoDx platforms across the world are being used for COVID-19 testing, but the future is clearly going to be about offering a broad range of clinical tests.

We already have a menu in Europe with 13 other infectious disease tests, and are planning investments to create a similarly strong menu in the United States in the coming years.

Also for PCR testing, our QIAstat-Dx systems are being deployed for syndromic testing when patients are tested for multiple pathogens from a single patient sample.

As we move into the flu season, the respiratory panel on the QIAstat-Dx is being utilized for detection of influenza, SARS-CoV-2 and about 20 other respiratory pathogens. This is a truly dynamic market segment with potential beyond the pandemic, especially as we expand the menu with gastrointestinal and other panels.

But right now we have to tackle supply chain constraints and invest to make step changes in cartridge production. These investments are expected to bear fruit during the first half of 2021.

Our fifth pillar is the QIAcuity family of digital PCR systems. We are very excited about the initial customer feedback, which is above our expectations.

We began commercialization in September, and the first meaningful sales contributions are expected in the fourth quarter.

(SLIDE 8: COVID-19 TESTING SOLUTIONS UPDATE – THIERRY)

THIERRY BERNARD: I would like to now give you an overview of the QIAGEN products being used in COVID-19 testing and the recent developments.

Our people have been tireless in their efforts to deliver solutions to support the huge testing effort ongoing throughout the world to address the unprecedented demand.

We have been building a comprehensive portfolio of COVID-19 testing solutions.

First of all, our RNA sample technologies are being used worldwide in testing workflows in both manual and automated formats. These are complemented by our line-up of automation platforms involving QIAsymphony, QIAcube and EZ1.

As we mentioned earlier, we are seeing placement rates in 2020 that are dramatically above levels in recent years.

We are also expediting the development and release of new products. These include sample prep kits that can be used on third-party instrument systems and help to address the bottlenecks our customers are facing.

Also included is QIAprep&amp. This is a truly novel product developed by our R&D teams that integrates sample preparation and PCR detection.

The benefit, you ask? This workflow helps address key bottlenecks by reducing time to result and requiring less disposable plastics. It can be completed in under one hour compared to about three hours for standard extraction-based PCR processes.

It can also handle up to 2,600 samples per eight-hour shift per PCR cycler. We are planning to seek CE-IVD and FDA EUA clearances soon. And even more important, we do not see manufacturing capacity issues for this product.

Moving to the next category, as I just mentioned, the QIAstat-Dx and NeuMoDx solutions are being fully utilized for COVID-19 testing. Both have tests that include targets for the SARS-CoV-2 virus.

On NeuMoDx, the single-plex SARS-CoV-2 test has now been expanded in Europe to enable the use of saliva samples as well as nasal and respiratory tract swabs. We are also planning to soon make available a new shortplex test that combines analysis for influenza, RSV, and the SARS-CoV-2 virus.

Just like the use of the syndromic respiratory panel on QIAstat-Dx, this new NeuMoDx test is designed to address the need for differential diagnosis during the flu season.

Another contributor to our COVID-related sales is our business involving OEM components. This involves the sale of reagents and enzymes to other companies for use in their own test kits, this is a business that existed before this crisis and will continue afterwards.

And as the last product group, which will be a new offering from QIAGEN during the fourth quarter of 2020, we are about to launch antigen and antibody rapid tests that have been developed in partnership with the Australian diagnostics company Ellume.

These tests are processed on the QIAGEN eHub, which provides automated results in about 10 to 15 minutes.

We are seeing very good customer interest in terms of using it to scale testing at point-of-care locations. The fact that results are processed digitally removes a key barrier versus other antigen tests, meaning many require someone to monitor the test progress and try to visually determine the outcome, ours does not.

The QIAreach SARS-CoV-2 Antigen test is expected to be submitted for FDA EUA in the coming days, and the same for CE-marking. First revenue contributions are expected in the fourth quarter of 2020.

(SLIDE 9: COVID-19 TESTING SOLUTIONS SALES – THIERRY)

THIERRY BERNARD: I would like to now provide some more details on our COVID-19 product portfolio, how it has performed during the course of 2020 so far, and some perspectives on trends we currently expect for the fourth quarter.

As a reminder, we expect dramatically higher sales from the COVID-19 product groups in the fourth quarter of 2020 over the year-ago period. We also expect sequentially higher sales in the fourth quarter than in the third quarter of 2020.

This comes after a sequential decline in COVID-19 sales in the third quarter of 2020. This was again due mainly to lower sales of OEM products and reduced demand for manual RNA sample extraction kits that reflected changes in market trends.

I would like to give some more context here.

As you know, during the second quarter of 2020, there was a dramatic spike in demand for RNA sample technologies as the pandemic gained momentum. This was mainly focused on manual extraction kits.

Given our leadership position in this market segment, QIAGEN mobilized and rapidly scaled up production capacity for the RNA extraction kits.

We stepped up to that challenge by moving to 24 / 7 shifts and also redeploying capacity for our DNA sample prep kits, which make up the vast majority of sample prep kit sales in a usual year.

Over the course of the third quarter of 2020, however, we started to experience a combination of two trends.

First, we saw customers once again asking us to produce non-COVID related products on a significantly higher scale. They were suffering with tremendous need for DNA extraction and related products used in areas such as oncology and other important non-COVID related applications.

Second, our customers were shifting demand in COVID-19 testing from manual RNA extraction to automated kits.

In terms of the customer demand trends for RNA extraction, back in the second quarter about 70% of the demand was for manual kits. However, we expect this to swing to about 65% demand for automated kits in the fourth quarter.

This means that we currently have sufficient capacity for manual sample prep demand, but we are still expanding capacity for automated kits.

In terms of automated sample prep capacity, we have been working to address supply bottlenecks – especially for plastics. We expect these investments to start coming on line in early 2021 and see continuous output improvements.

This increase in automated capacity is needed as we seek to address the growing demand for automated COVID-19 sample prep kits as well as the recovering demand for DNA kits. Again, securing these customer relationships is critical for our long-term business beyond the pandemic.

And this was reflected in the fact that we had a double-digit CER gain in total sample prep consumables sales in the third quarter on a year-on-year basis as well as on a sequential basis from the second quarter of 2020.

As with every new product launch, the first quarter can bring forecasting challenges, however we are very excited about the potential for QIAprep&amp, and we believe that we can scale rapidly to meet demand in terms of several million samples per month.

In PCR testing, which again represented about 23% of total COVID-19 sales in the third quarter, we are accelerating the ramp-up of NeuMoDx and QIAstat-Dx ahead of the plans we had set for these acquisitions.

Demand for PCR testing products remained at a high level in the third quarter of 2020, and rose sequentially from the second quarter. We currently expect a further increase in sales for the fourth quarter.

On QIAstat-Dx, as we said before, we are overrun by demand from customers. We now have over 1,800 placements in the field. Instrument supplies are going well, as we were able to secure significant supplies going forward. However, the constraint is the ongoing expansion of our cartridge manufacturing, where we do expect a step-change in the first half of 2021. We expect to end 2020 with about 50 million dollars of sales for this product.

Turning to NeuMoDx, here we are also seeing very strong demands for the different solutions. Now, of course, we are also selling this product on a global basis. We are now integrating NeuMoDx into QIAGEN, and are implementing plans to significantly scale not only production capabilities but also the test menu, especially for the United States. COVID-19 is clearly the main driver for growth, but we have a broad menu in Europe and want to build the same in the U.S. We are investing to ramp up production capacity for both consumables and systems.

Turning to our OEM products, this is a volatile business driven by tenders to other companies, and can also involve large governmental tenders under OEM brands.
As I noted earlier, we saw lower sales in the third quarter, that came after a very strong surge in sales in the second quarter. These orders can be received on irregular intervals.

As for our antigen and antibody tests, we want to gain the FDA EUA and CE-IVD markings before giving more concrete supply expectations. At the same time, you have to remember that our partner Ellume has received a grant from the National Institutes of Health to help ramp up production capacity. Again, the initial feedback from customers has been very encouraging. We have a differentiated and automated test in this market segment.

So in summary, we are looking for a strong showing from our COVID-19 portfolio in the fourth quarter of 2020, and indeed a sequential improvement. We will share more on the developments in our portfolio at the Deep Dive event.

And now I will hand it back over to Roland.

(SLIDE 10: Q4 AND FY 2020 OUTLOOK – ROLAND)

ROLAND SACKERS: Thank you, Thierry.

I would like to now review our increased outlook for 2020, and provide some perspectives on the outlook for the fourth quarter.

As noted earlier, we have increased the full-year outlook for net sales to about 20% CER growth, and this compares to the prior outlook for about 15 to 18% CER growth. For adjusted EPS, we have increased the outlook to 2 dollars and 7 cents to 2 dollars and 9 cents CER, and based on a full-year weighted average of about 235 million shares outstanding.

For the fourth quarter, we anticipate another quarter with very elevated sales growth of about 24 to 27% CER, driven by dynamic gains from COVID-19 test sales. Adjusted diluted EPS are expected to be about 58 to 60 cents, and this is based on 237 million shares outstanding.

As for currencies, based on rates as of October 26, 2020, on a full-year basis we expect a currency headwind of about one percentage point on sales results at actual rates. For adjusted EPS for the full year, we expect a currency headwind of about two cents per share.

For the fourth quarter, however, we expect a tailwind on net sales of up to 1 percentage point, and a largely neutral impact on adjusted EPS.

I would also like to note that the outlook for adjusted EPS for Q4 and full-year 2020 excludes a pre-tax capital gain from QIAGEN's minority investment in ArcherDX, which was acquired by Invitae in October 2020. QIAGEN held an investment since 2018 in ArcherDX.

Based on the current share price of Invitae, QIAGEN estimates the pre-tax capital gain could be approximately 110 million dollars, or about 35 cents per share on an after-tax basis.

QIAGEN also has the right to receive up to 2.1 million additional Invitae shares upon achievement of certain future milestones.

With that, I would like to hand back to Thierry.

(SLIDE 11: SUMMARY – THIERRY)

THIERRY BERNARD: Thank you, Roland.

Here is a quick summary before we move into the Q&A session:

- First, we had outstanding results for the third quarter, as we exceeded the outlook with 26% CER sales growth, and were at the top end of the range for adjusted EPS at 58 cents CER. This was the second quarter in a row with very high sales contributions from the COVID-19 crisis, and also saw encouraging signals for the rest of our business.

- Second, we are energized to support the global response to the COVID-19 pandemic in line with our directive to leave no country behind. Our forecasts point to very high COVID-19 sales in the fourth quarter of 2020, and a sequential improvement from the third quarter.

- Third, we are laser focused on making the right investments to support the COVID-19 response, but again I will say – we are COVID-19 relevant but not COVID-19 dependent - we are also positioning QIAGEN for the day when the pandemic subsides. That is why we are prioritizing investments into the 5 pillars of growth – Sample Technologies, QuantiFERON, QIAstat-Dx, NeuMoDx and the QIAcuity digital PCR platform. We will tell you more about these pillars at our upcoming Deep Dive event.

- And as a last point, we have increased our outlook for full-year 2020. We are very optimistic to end this year with another quarter of outstanding results, and help to achieve full-year sales growth of about 20% CER and adjusted EPS of 2 dollars and 7 cents to 2 dollars and 9 cents CER.

In closing, our commitment to value creation for our shareholders and stakeholders remains as strong as ever, especially as we navigate through a year of significant change for all of us. Let's all stay safe.

With that, I'd like to hand back to John and the operator for the Q&A session. Thank you.

JOHN GILARDI: With that, I would like to close this conference call and thank you for your participation. If you have any questions or comments, please do not hesitate to contact us.

Thank you.