



# ***SYNLAB AG***

QUARTERLY REPORT  
30 September 2021

## Q3/9M QUARTERLY REPORT 2021

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### Business Performance of SYNLAB Group

#### Key financials

<b>Simplified P&amp;L</b>			
In EUR million	<b>9M 2021</b>	<b>9M 2020</b>	<b>Growth</b>
Revenue	2,772.3	1,690.9	64%
<b>Gross profit</b>	2,082.9	1,253.9	66%
<b>AEBITDA</b>	908.0	384.5	x2.4
<i>As % of revenue</i>	32.8%	22.7%	+10.1pts
<b>Adjusted operating profit (AOP)</b>	761.4	257.2	x3.0
<i>As % of revenue</i>	27.5%	15.2%	+12.3pts
<b>Operating profit</b>	689.1	79.7	x8.6
Financial result	(86.6)	(142.4)	(39%)
Income tax expenses	(145.1)	(36.1)	n.a.
<b>Adjusted net profit</b>	514.9	67.6	+447
<b>Net profit (Group share)</b>	471.3	(93.7)	+565
Basic EPS (€)	2.22	(0.47)	n.a.
<b>Simplified Cash flow</b>			
In EUR million	<b>9M 2021</b>	<b>9M 2020</b>	<b>Growth</b>
Operating cash flow	786	192	+595
Unlevered Free Cash Flow	630	60	+570
<b>Net debt and leverage</b>			
In EUR million	<b>Sep. 2021</b>	<b>Dec. 2020</b>	<b>Improvement</b>
Net debt	1,503	2,235	(732)
Adjusted net debt	1,513	2,254	(740)
<b>Leverage ratio</b>	<b>x1.3</b>	<b>x3.3</b>	<b>(x2.0)</b>

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### Financial highlights

Strong revenue growth delivered since the beginning of the year

**9M 2021 revenue** was up 64% to EUR 2,772 million (9M 2020: EUR 1,691 million), showing SYNLAB's ability to combine both leadership in the COVID-19 response and good execution of its underlying growth strategy:

- the net revenue contribution from COVID-19 was EUR 1.137 million<sup>1</sup> during the nine months to September 2021, with SYNLAB performing 20.8 million PCR and 3.5 million non-PCR tests during the period;
- underlying growth was 9.1%: SYNLAB was able to deliver underlying organic growth over 3% each quarter since the beginning of the year, notably thanks to the "For You" growth initiatives. In the last two quarters, growth was further supported by the contribution of the South-East London hospital outsourcing contract (SEL).

Volume growth strongly improved profitability

For **9M 2021** adjusted EBITDA was EUR 908 million and the margin 32.8%, an increase of 10.1 percentage points compared to 9M 2020 reflecting the record growth experienced during the first 9 months of the year.

Margins have further benefited from productivity and procurement savings related to the SALIX program (EUR 15 million in 9M 2021), as well as procurement efficiencies for PCR test reagents and strict management of personnel and other OPEX costs.

Net profit at all-time high

Adjusted operating profit reached EUR 761 million at the end of September 2021 (EUR 257 million in 9M 2020). Post adjustments, which were mainly comprised of customer relationship amortization, IPO-related costs and acquisitions-related costs, operating profit was EUR 689 million (EUR 80 million in 9M 2020).

The key bridge items from operating profit to net profit were:

- a EUR 87 million net financial expense, improving by EUR 56 million compared to 9M 2020. This major decrease came from a combination of lower borrowings and lower borrowing costs. The SYNLAB average cost of borrowing reduced from 4.7% in 9M 2020 to 2.5% in 9M 2021;
- a EUR 145 million tax expense (EUR 36 million in 9M 2020). The effective tax rate was ~24% for the period, lower than the 28% normalized rate due to the use of tax attributes carried forward;
- a EUR 17.9 million positive impact from a residual sale of the A&S business in Q1 2021, classified as discontinued operations.

Net profit (Group share) reached EUR 471 million (EUR (94) million in 9M 2020), and basic earnings per share were up at EUR 2.22<sup>2</sup>.

Record cash flow generation

Operating cash flow from continuing operations expanded materially, to EUR 786 million at the end of 9M 2021, driven by profit growth. The negative impact of COVID-19 testing activity on working capital has materially reduced over the

<sup>1</sup> consisting of EUR 1,166 million testing revenue (~EUR 373 million in 9M 2020) netted against an estimated EUR (29) million attrition impact (EUR (171) million in 9M 2020)

<sup>2</sup> Based on 212,745,098 weighted average shares outstanding

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past quarters, with inventory going down and DSOs normalizing to 57 days at the end of 9M 2021, compared with 80 days at the end of 9M 2020.

Total CAPEX (including leases and related interest payments) was EUR 156 million in 9M 2021 (EUR 132 million in 9M 2020) representing 5.6% of 9M 2021 revenue (7.8% in 9M 2020). It included EUR 9 million of COVID-19 related CAPEX.

Despite the CAPEX increase in absolute terms, strong operating cash flow led to record unlevered free cash flow of EUR 630 million in 9M 2021. The cash conversion ratio (unlevered free cash flow / adjusted EBITDA) was 69%.

### Strong balance sheet

At the end of September 2021, the adjusted net debt stood at EUR 1,513 million compared with EUR 2,254 million at the end of December 2020. The leverage ratio<sup>3</sup> was at 1.3x compared with 3.3x at the end of 2020, the lowest level since the creation of the SYNLAB Group, attributable to the EUR 394 million of net proceeds from its successful IPO and the strong cash generation since the beginning of the year.

### Exceeding EUR 200 million of M&A spend in 2021

Since the beginning of the year, SYNLAB has completed 18 acquisitions for a total enterprise value of about EUR 250 million. These acquisitions represent additional annualized revenue of around EUR 113 million or 5,5% growth of the base business<sup>4</sup>. In addition to the 10 acquisitions completed in H1 2021, SYNLAB closed 3 acquisitions in Q3 2021 and 5 more since the beginning of Q4 2021, four of which are located in the South region and one in France.

Most of them were bolt-on acquisitions, with SYNLAB also completing two mid-sized deals in Italy and Mexico:

- Gruppo Tronchet (EUR 22 million revenue in 2020), a strong regional player to strengthen SYNLAB's number one position in Italy with 17 patient-centric healthcare centers in and around Bologna.
- Laboratorio Médico Polanco -LMP- and Laboratorio Clinicos de Puebla -LCR- (EUR 55 million revenue in 2020), a top 4 player in Mexico (100 diagnostic service points and 1,700 skilled employees) as a platform to further consolidate the Mexico and Latam markets.

The pipeline for future acquisitions is strong and diversified, and SYNLAB keeps a very disciplined acquisition approach.

<sup>3</sup> Net debt to LTM pro-forma adjusted EBITDA

<sup>4</sup> Based on 2020 revenue

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### Segment review

In EUR million

	Revenue				AOP			
	9M 2021	9M 2020	Organic Growth	Underlying Growth	9M 2021	9M 2020	Margin 9M 2021	Margin 9M 2020
France	628.6	412.7	49.8%	1.4%	166.8	88.4	26.5%	21.4%
Germany	512.1	384.2	33.0%	2.8%	110.2	41.2	21.5%	10.7%
South	785.3	538.2	44.9%	4.4%	189.7	76.2	24.2%	14.2%
North & East	846.4	355.8	137.2%	30.0%	294.7	51.4	34.8%	14.4%
<b>SYNLAB Group</b>	<b>2,772.3</b>	<b>1,690.9</b>	<b>62.8%</b>	<b>9.1%</b>	<b>761.4</b>	<b>257.2</b>	<b>27.5%</b>	<b>15.2%</b>

#### France (23% of 9M Group revenue)

**9M 2021** total growth was 52%, lifted by high COVID-19 testing volumes since the beginning of the year. Underlying organic growth was 1.4%, with solid volume growth offsetting the regulatory price decrease.

9M 2021 AOP was broadly in line with the first half of the year at 26.5% (+5.1 percentage points compared with 9M 2020), reflecting the sustained margin-accretive impact of high COVID-19 testing volumes.

SYNLAB closed three bolt-on acquisitions in France in the first quarter of 2021 for a total annualized revenue of ~EUR 14 million. After a strong start to the year, M&A activity reduced over the period due to SYNLAB's selective approach, with a primary focus on small bolt-on acquisitions.

#### Germany (18%)

**9M 2021** total growth was 33%, including high COVID-19 testing volumes, in particular in the first two quarters of the year, and underlying organic growth of 2.8%.

9M 2021 AOP margin remained elevated at 21.5% (+10.8 percentage points compared with 9M 2020), reflecting the margin-accretive impact of COVID-19 testing volumes. The reduction in AOP margin in Q3 2021, to 9.9%, reflects the drop of COVID-19 volume and prices as well as one-off personnel expenses incurred in the quarter.

SYNLAB closed one bolt-on acquisition in the nine months of 2021 representing ~EUR 2 million in annualized revenues.

#### South (29%)

**9M 2021** total growth was 46%, lifted by high COVID-19 testing volumes since the beginning of the year, peaking in Q2 2021. Underlying organic growth was 4.4%: the softer Q3 2021 growth came after two quarters above 5%:

- Switzerland (14% of South revenue) was still negative but improved quarter on quarter as the 2020 customer loss impact is phasing out;
- Iberia (31% of South revenue) recorded low single digit growth;
- Latam (16%) and Italy (39% of South revenue) achieved robust growth.

9M 2021 AOP margin remained elevated at 24.2% (+10.0 percentage points compared with 9M 2020), reflecting the margin-accretive impact of high COVID-19 testing and robust underlying activity volumes since the beginning of the year.

SYNLAB closed nine acquisitions in the South segment in the first nine months of 2021, located in Italy, Spain and Mexico, representing total annualized revenue of ~EUR 35 million. This includes a mid-sized deal in Italy. SYNLAB also reached an agreement for the purchase of another mid-sized lab business in Mexico (see M&A paragraph p.5).

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### North & East (30%)

**9M 2021** total growth was a record 138% reflecting both the high COVID-19 contribution and a 30% underlying organic growth at the end September. The UK (24% of revenue) recorded a triple digit percentage growth thanks to the contribution of the SEL contract.

Excluding SEL, underlying organic growth was a robust 5.3% in 9M 2021.

- growth was particularly strong in emerging market in H1 2021;
- more mature North markets (50% of North & East revenue) also grew nicely, highlighting the benefits of “For You” growth initiatives such as retail initiatives in the Nordics or connecting to doctors in Austria.

9M 2021 AOP margin was a very strong 34.8% (+20.4 percentage points compared with 9M 2020), reflecting the margin-accretive impact of high COVID-19 testing, including government testing contracts in North Europe, and robust underlying activity volumes since the beginning of the year.

### Subsequent events

On 2 November, SYNLAB completed the acquisition of Laboratorio Médico Polanco -LMP- and Laboratorio Clinicos de Puebla -LCR. In addition to LMP, SYNLAB has closed 4 bolt-on acquisitions since the start of Q4 2021.

On 28 October, SYNLAB prepaid EUR 75 million of loans due in 2026.

### Outlook

#### Over-delivering on 2021 IPO targets

At IPO, SYNLAB presented a growth strategy of customer centric medical excellence. The focus was notably on: 1) consistently outperforming market growth through the implementation of growth initiatives (“For You” initiatives), 2) successfully delivering in 2021 on the biggest hospital outsourcing contract in the UK (“SEL” contract) and 3) deploying around EUR 200 million to continue to consolidate the highly fragmented medical diagnostic services market.

At the same time, SYNLAB aimed at maintaining its leadership in the SARS-CoV-2 pandemic response.

Six months after its IPO, SYNLAB is showing excellent progress on all areas of focus:

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	At IPO	Current guidance	Status	Key enablers
Organic growth (ex COVID-19)	~10%	~10%	Delivering	-ForYou -SEL
M&A (EV, in €m)	~200	>200	Acceleration	-Strong & diversified pipeline -Mid-sized M&A -Price discipline
COVID-19 revenue (€m)	~800 (2021) ~500 (2022)	>1,300 (2021)	2 years in 1	-Best medical, commercial, operational execution

Consequently, the current 2021 financial guidance shows very material upside compared to the IPO guidance. This guidance is adjusted slightly upward today to reflect rising COVID-19 incidence rates in a number of SYNLAB countries since October:

	At IPO	Current guidance	Outperformance
Revenue (€bn)	>3.0	>3.5	>+0.5
Total growth	~17%	>34%	>x2
AEBITDA (€m)	~800 <sup>5</sup>	>1,000	>200
AEBITDA margin	~26%	>30%	>4ppts
Unlevered FCF (€m)	300-350	>700	>350

Thanks to the strong cash flow generation, SYNLAB can further accelerate its development plan, notably through M&A.

<sup>5</sup> Consensus of analysts as of 7 June 2021



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### FY 2022 outlook

In 2022, SYNLAB will continue with the implementation of its growth strategy: outperforming market growth through initiatives and continuing to grow through M&A. The Group also expects COVID-19 testing revenue to decline but to remain significant due to SYNLAB's large-scale, geographically diversified and medically relevant service offering.

Therefore, SYNLAB expects 2022 revenue and EBITDA margin to remain significantly higher than the pre-COVID period (2019):

	2022 outlook	Vs. 2019
Revenue (€bn)	~2.9	+1.0
AEBITDA margin	23-25%	>2.2ppts
M&A spend (€m)	>200	>100

### Mid-term financial outlook (set at IPO)

	Mid-term outlook
Organic growth <sup>6</sup>	3%+
Total growth <sup>6</sup>	~10%
AEBITDA margin	23%
AEBITDA to unlevered FCF conversion	45-50%
M&A spend (€m)	200

<sup>6</sup> Per year, using 2019 as base year

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### Supplementary materials

#### Q3 financial highlights

<b>Simplified P&amp;L</b>			
In EUR million	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>Growth</b>
Revenue	849.3	708.1	20%
<b>Gross profit</b>	636.1	517.9	23%
<b>AEBITDA</b>	245.3	191.6	x1.3
<i>As % of revenue</i>	28.9%	27.1%	+1.8pts
<b>Adjusted operating profit (AOP)</b>	192.1	146.8	x1.3
<i>As % of revenue</i>	22.6%	20.7%	+1.9pts
<b>Operating profit</b>	173.8	8.1	x21.5
Financial result	(11)	(42)	+31
Income tax expenses	(33)	(31)	(3)
<b>Adjusted net profit</b>	143.3	60.1	+83
<b>Net profit (Group share)</b>	128.0	(72.2)	+200
<b>Simplified Cash flow</b>			
In EUR million	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>Growth</b>
Operating cash flow	263	99	+164
Unlevered Free Cash Flow	202	51	+151

#### Q3 segment reporting

In EUR million

	<b>Revenue</b>				<b>AOP</b>			
	<b>Q3 2021</b>	Q3 2020	Organic Growth	Underlying Growth	<b>Q3 2021</b>	Q3 2020	<b>Margin Q3 2021</b>	Margin, Q3 2020
France	187.0	176.8	3.3%	3.4%	50.1	47.7	26.8%	27.0%
Germany	144.9	149.9	(3.3)%	2.6%	14.3	20.4	9.9%	13.6%
South	239.8	232.0	1.2%	2.6%	50.5	45.6	21.1%	19.7%
North & East	277.6	149.5	83.6%	44.1%	77.2	33.2	27.8%	22.2%
<b>SYNLAB Group</b>	849.3	708.1	18.1%	12.2%	192.1	146.8	22.6%	20.7%

## Condensed Consolidated Statement of Income

### For the nine months ended 30 September 2021

	For the nine months ended 30 September	
	2021	2020 *
	€ 000	€ 000
<b>Continuing operations</b>		
<b>Revenue</b>	<b>2,772,338</b>	<b>1,690,863</b>
Material and related expenses	(689,427)	(437,000)
Payroll and related expenses	(826,068)	(633,524)
Other operating income	24,104	13,301
Other operating expenses	(373,671)	(251,875)
Depreciation and amortisation	(184,858)	(166,219)
<b>Operating profit before acquisition, restructuring and impairment of non-current assets</b>	<b>722,418</b>	<b>215,546</b>
Restructuring and other significant expenses	(27,147)	(15,602)
Acquisitions related income / (expenses)	(6,159)	(5,254)
Impairment of non-current assets	-	(115,003)
<b>Operating profit</b>	<b>689,112</b>	<b>79,687</b>
Share of loss of associates and other non-controlling interest	(1,817)	(983)
Profit on disposal of investment	(50)	(241)
Finance income	24,524	14,343
Finance costs	(111,146)	(156,699)
<b>Profit / (loss) before taxes</b>	<b>600,623</b>	<b>(63,893)</b>
Income tax expenses	(145,105)	(36,089)
<b>Profit / (loss) for the period from continuing operations</b>	<b>455,518</b>	<b>(99,982)</b>
Profit / (loss) for the period from discontinued operations	17,868	7,555
<b>Profit / (loss) for the period</b>	<b>473,386</b>	<b>(92,427)</b>
Profit / (loss) attributable to non-controlling interests	2,092	1,262
Profit / (loss) attributable to equity holders of the parent company	471,294	(93,689)
<b>Profit / (loss) for the period</b>	<b>473,386</b>	<b>(92,427)</b>
<b>Basic earnings per share (in EUR)</b>	2.22	(0.47)
<b>Diluted earnings per share (in EUR)</b>	2.22	(0.47)

\* Restated to reflect the Group's discontinued operations in accordance with IFRS 5

## Condensed consolidated Statement of Comprehensive Income For the nine months ended 30 September 2021

	For the nine months ended 30 September	
	2021	2020
	€ 000	€ 000
<b>Net profit / (loss) for the period</b>	<b>473,386</b>	<b>(92,427)</b>
Actuarial gains or losses on pension obligations	5,631	(2,828)
Taxes on actuarial gains or losses on pensions obligations	(1,135)	490
<b>Items that will not be reclassified to profit or loss (a)</b>	<b>4,496</b>	<b>(2,338)</b>
Foreign exchange gains/losses	6,234	(6,812)
Reclassification from translation reserve to income statement arising on divestment	-	(3,080)
<b>Items that may be reclassified subsequently to profit or loss (b)</b>	<b>6,234</b>	<b>(9,892)</b>
<b>Other comprehensive income for the year (a) + (b)</b>	<b>10,730</b>	<b>(12,230)</b>
<b>Total consolidated comprehensive profit / (loss) attributable to</b>	<b>484,116</b>	<b>(104,657)</b>
Equity holders of the parent company	481,928	(105,749)
Non-controlling interests	2,188	1,092
<b>Total consolidated comprehensive profit / (loss)</b>	<b>484,116</b>	<b>(104,657)</b>

## Condensed Consolidated Statement of Financial Position

### 30 September 2021

	As at 30 September	As at 31 December
	2021	2020
	€ 000	€ 000
<b>ASSETS</b>		
Goodwill	2,326,233	2,212,128
Intangible assets	705,689	715,380
Property, plant and equipment	231,874	217,069
Right of use assets	496,374	401,109
Investments in associates	4,768	4,574
Other non-current assets	47,274	38,611
Deferred tax assets	32,082	29,017
<b>Total non-current assets</b>	<b>3,844,293</b>	<b>3,617,888</b>
Inventories	103,620	149,055
Trade accounts receivables	544,565	534,910
Other current assets	104,413	72,194
Cash and cash equivalents	619,851	904,900
Assets classified as held for sale	-	4,242
<b>Total current assets</b>	<b>1,372,448</b>	<b>1,665,301</b>
<b>Total assets</b>	<b>5,216,741</b>	<b>5,283,189</b>

## Condensed Consolidated Statement of Financial Position

### 30 September 2021

	As at 30 September 2021 € 000	As at 31 December 2020 € 000
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Contributed capital	222,222	134,388
Additional paid-in capital	3,788,812	1,523,590
Cumulative translation adjustment	-2,228	-8,365
Accumulated deficit	-1,926,412	-443,973
<b>Total parent company interests</b>	<b>2,082,394</b>	<b>1,205,640</b>
<b>Non-controlling interests</b>	<b>-1,269</b>	<b>-2,088</b>
<b>Total equity</b>	<b>2,081,125</b>	<b>1,203,552</b>
Loans and borrowings (non-current)	1,579,936	2,680,895
Non-current lease liabilities	428,973	338,166
Employee benefits liabilities	47,422	47,806
Non-current provisions	2,474	2,458
Contract liabilities	7,496	-
Other non-current liabilities	54,636	27,191
Deferred tax liabilities	175,196	171,638
<b>Total non-current liabilities</b>	<b>2,296,133</b>	<b>3,268,154</b>
Current loans and borrowings	13,197	36,750
Current lease liabilities	100,559	83,745
Trade accounts payable	314,904	386,523
Contract liabilities	4,946	22,935
Current provisions	10,921	6,440
Income tax liabilities	120,088	48,326
Other current liabilities	274,868	224,449
Liabilities directly associated with assets classified as held for sale	-	2,315
<b>Total current liabilities</b>	<b>839,483</b>	<b>811,483</b>
<b>Total liabilities</b>	<b>3,135,616</b>	<b>4,079,637</b>
<b>Total equity and liabilities</b>	<b>5,216,741</b>	<b>5,283,189</b>

## Condensed Consolidated Statement of Changes in Equity For the nine months ended 30 September 2021

	Contributed capital	Additional paid-in capital	Cumulative translation adjustment	Accumulated deficit	Total	Non-controlling interests	Equity
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
<b>Balance as at 1 January 2021</b>	<b>134,388</b>	<b>1,523,590</b>	<b>(8,365)</b>	<b>(443,973)</b>	<b>1,205,640</b>	<b>(2,088)</b>	<b>1,203,552</b>
Net profit for the period	-	-	-	471,294	471,294	2,092	473,386
Other comprehensive income	-	-	6,137	4,497	10,634	96	10,730
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>6,137</b>	<b>475,791</b>	<b>481,928</b>	<b>2,188</b>	<b>484,116</b>
Issue of share capital	222,222	3,776,928	-	-	3,999,150	-	3,999,150
Reorganisation of equity	(134,388)	(1,506,455)	-	(1,958,255)	(3,599,098)	-	(3,599,098)
Expenses for equity contribution	-	(6,000)	-	-	(6,000)	-	(6,000)
Acquisition of non-controlling interests	-	-	-	25	25	(1,365)	(1,340)
Credit to equity for equity settled share based payments	-	749	-	-	749	-	749
Dividends	-	-	-	-	-	(4)	(4)
<b>Balance as at 30 September 2021</b>	<b>222,222</b>	<b>3,788,812</b>	<b>(2,228)</b>	<b>(1,926,412)</b>	<b>2,082,394</b>	<b>(1,269)</b>	<b>2,081,125</b>

	Contributed capital	Additional paid-in capital	Cumulative translation adjustment	Accumulated deficit	Total	Non-controlling interests	Equity
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
<b>Balance as at 1 January 2020</b>	<b>134,388</b>	<b>1,519,640</b>	<b>(6,219)</b>	<b>(698,611)</b>	<b>949,198</b>	<b>(1,737)</b>	<b>947,461</b>
Net profit for the period	-	-	-	(93,689)	(93,689)	1,262	(92,427)
Other comprehensive income	-	-	(9,722)	(2,338)	(12,060)	(170)	(12,230)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(9,722)</b>	<b>(96,027)</b>	<b>(105,749)</b>	<b>1,092</b>	<b>(104,657)</b>
Acquisition of non-controlling interests	-	-	-	247	247	46	293
Credit to equity for equity settled share based payments	-	2,775	-	-	2,775	-	2,775
Dividends	-	-	-	-	-	(1,686)	(1,686)
<b>Balance as at 30 September 2020</b>	<b>134,388</b>	<b>1,522,415</b>	<b>(15,941)</b>	<b>(794,391)</b>	<b>846,471</b>	<b>(2,285)</b>	<b>844,186</b>

## Condensed Consolidated Statement of Cash Flows

### For the nine months ended 30 September 2021

	For the nine months ended 30 September	
	2021 € 000	2020 * € 000
<b>Operating profit</b>	<b>689,112</b>	<b>79,687</b>
Depreciation, amortisation, impairment	184,856	281,228
Change in provisions	2,326	1,629
Loss (income ) from the disposal of non-current assets	(67)	(75)
Other non-cash revenues and expenses	28,082	8,340
<b>Operating cash flow before changes in net working capital</b>	<b>904,309</b>	<b>370,809</b>
Change in inventories	53,811	(53,264)
Change in trade accounts receivable	(6,676)	(183,613)
Change in trade accounts payable	(93,356)	57,429
Change in other net working capital	22,132	27,349
Income tax paid	(94,109)	(27,186)
<i>Cash flow from operating activities continuing operations</i>	<i>786,111</i>	<i>191,524</i>
<i>Cash flow from operating activities discontinued operations</i>	<i>1,021</i>	<i>30,622</i>
<b>Cash flow from operating activities (A)</b>	<b>787,132</b>	<b>222,146</b>
Acquisition of subsidiaries, net of cash acquired and changes in debt related to acquisitions	(118,035)	(24,999)
Purchase of intangibles and property, plant and equipment	(75,364)	(50,035)
Sale of subsidiaries, net of cash disposed and changes in debt	4,544	-
Proceeds from sale of intangibles and property, plant and equipment	978	1,239
Cash paid for other non-current assets	(49)	(113)
Cash received from other non-current assets	24	255
Interest received	568	639
Net cash from disposal of investments	348	12,882
Dividends received	290	281
<i>Cash flow used in investing activities continuing operations</i>	<i>(186,696)</i>	<i>(59,851)</i>
<i>Cash flow used in investing activities discontinued operations</i>	<i>(1)</i>	<i>(4,099)</i>
<b>Cash flow (used in)/from investing activities (B)</b>	<b>(186,697)</b>	<b>(63,950)</b>

\* Restated to reflect the Group's discontinued operations in accordance with IFRS 5



## Condensed Consolidated Statement of Cash Flows

### For the nine months ended 30 September 2021

	For the nine months ended 30 September	
	2021 € 000	2020 * € 000
Proceeds from share capital increase	394,050	-
Interest paid	(92,016)	(112,867)
New loans, borrowings and other financial liabilities	727,627	1,050,833
Repayment of loans, borrowings and other financial liabilities	(1,844,717)	(966,838)
Repayment of lease liabilities	(71,078)	(75,162)
Dividends paid and other payments to non-controlling interests	(2,257)	(3,233)
Cash flow used in financing activities continuing operations	(888,391)	(107,267)
Cash flow used in financing activities discontinued operations	(22)	(6,880)
<b>Cash flow used in financing activities (C)</b>	<b>(888,413)</b>	<b>(114,147)</b>
<b>TOTAL CASH FLOWS (A+B+C)</b>	<b>(287,978)</b>	<b>44,049</b>
<b>Cash and cash equivalent at the beginning of the period</b>	<b>904,707</b>	<b>238,580</b>
Net foreign exchange differences	2,903	(5,765)
Change cash and cash equivalent assets held for sale	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>619,632</b>	<b>276,864</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(285,075)</b>	<b>38,284</b>

\* Restated to reflect the Group's discontinued operations in accordance with IFRS 5

Munich, 10 November 2021

**SYNLAB AG**

**The Management Board**

Mathieu Floreani

Sami Badarani