

SYNLAB 

SYNLAB
H1'22 Results

11 AUGUST 2022



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Agenda

1. Q2/H1'22 Highlights
2. Q2/H1'22 Financial results
3. Q2/H1'22 Business review
4. Outlook
5. Appendix



Q2/H1'22 Highlights
Mathieu Floreani, CEO

H1'22 takeaways

1

Strong base business

+7.2%
organic growth
(+4.0% in Q2'22)

2

COVID-19 outperformance

€618m testing revenue
(13.8m PCR tests)

3

High profitability

28.5%
AEBITDA margin

4

Strong cash flow & balance sheet

€244m
unlevered FCF
& further net debt reduction

5

Guidance raise for FY'22

~€3.2bn
revenue
24-25%
AEBITDA margin

Q2'22 operational highlights

Organic growth

Base business +4.0% growth

- Positive price in South, North & East

Retail initiative ongoing

- 40+ blood collection points opened in Q2'22

Direct to Consumer (D2C)

- SYNLAB Health For You Ltd established

Specialties contract wins in Spain and Germany

Operational excellence

Efficiencies

- SALIX on track, €7m savings delivered in Q2'22
- First cohort of SYNLAB green belts
- Core lab equipment renewal completed

Adapting workforce to COVID-19 reduction

M&A

Continuous capital deployment

- 14 acquisitions YTD
- 7 countries: France, Germany (2), Italy (5), Spain (2)
Mexico, Portugal, Ecuador (2)
- ~€50m annualized revenue
- Total EV: ~€90m¹

Integration of 2021 acquisitions on track

Employee engagement / ESG

Medical community

- 1st medical congress success

Leadership

- INSEAD 2nd cohort of Mgt development program

Employer brand

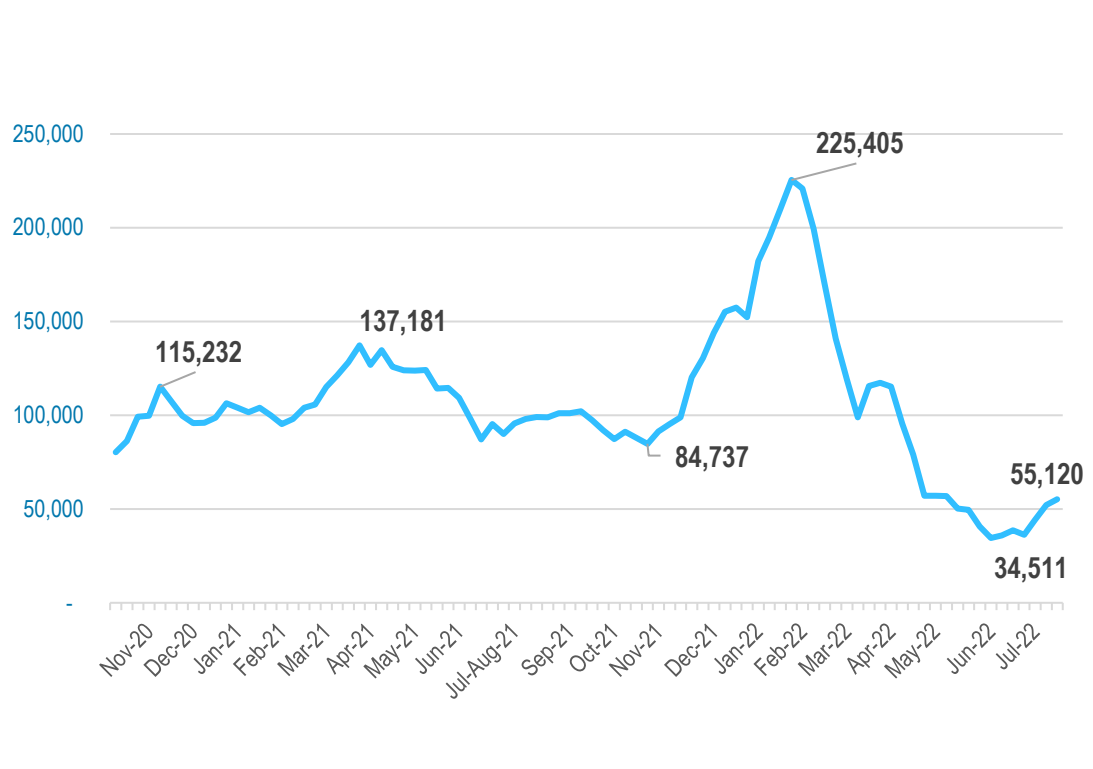
- SYNLAB Lorraine great place to work
- SYNLAB Germany "Students' choice award"



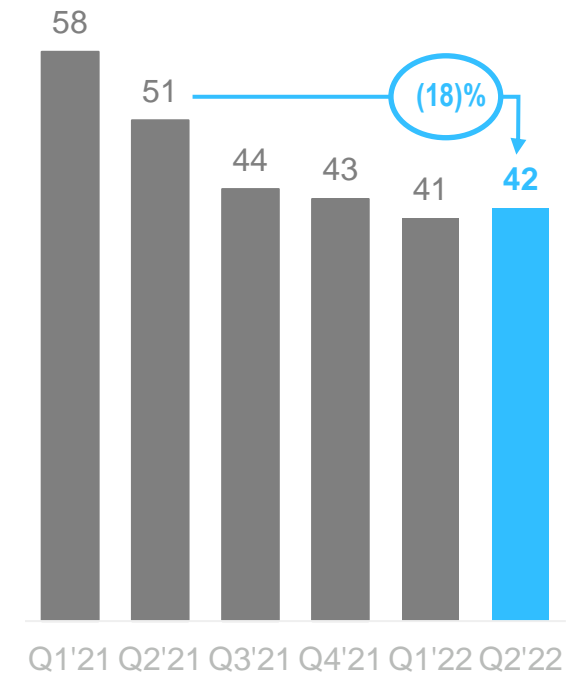
1. On a debt and cash free basis including deferred considerations

COVID-19 response

SYNLAB: maximum # of PCR tests / day¹



PCR test price evolution (€)



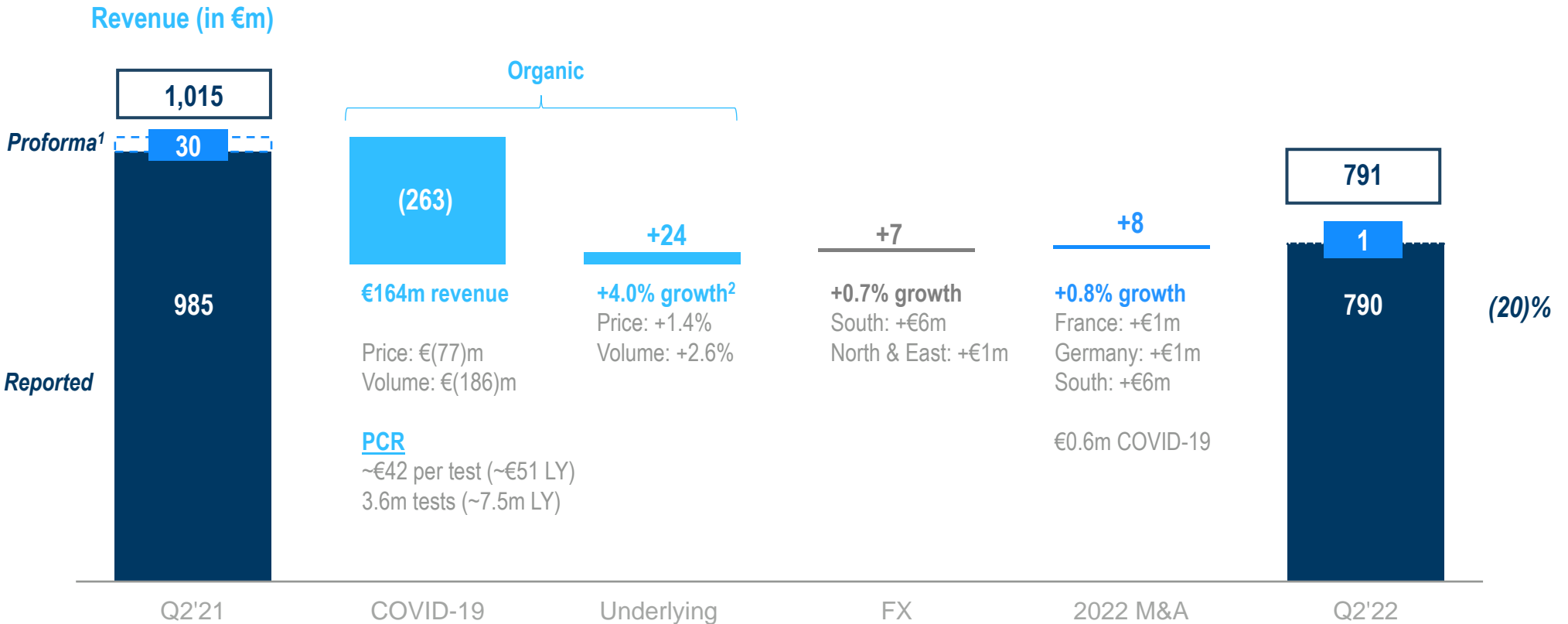
55+ million PCR tests performed since the beginning of the pandemic

Q2/H1'22 Financial results

-SYNLAB AG, REVIEWED FINANCIALS-

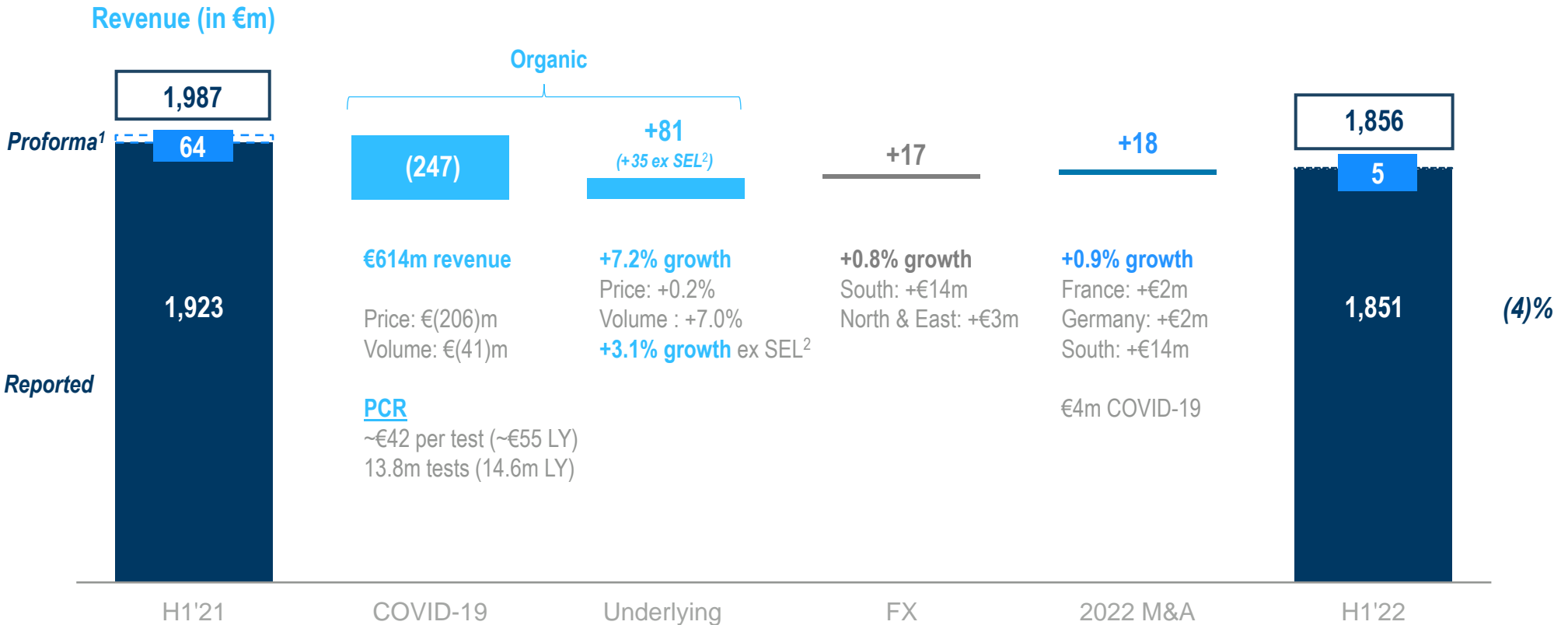
Sami Badarani, CFO

High comparison base starting Q2'22



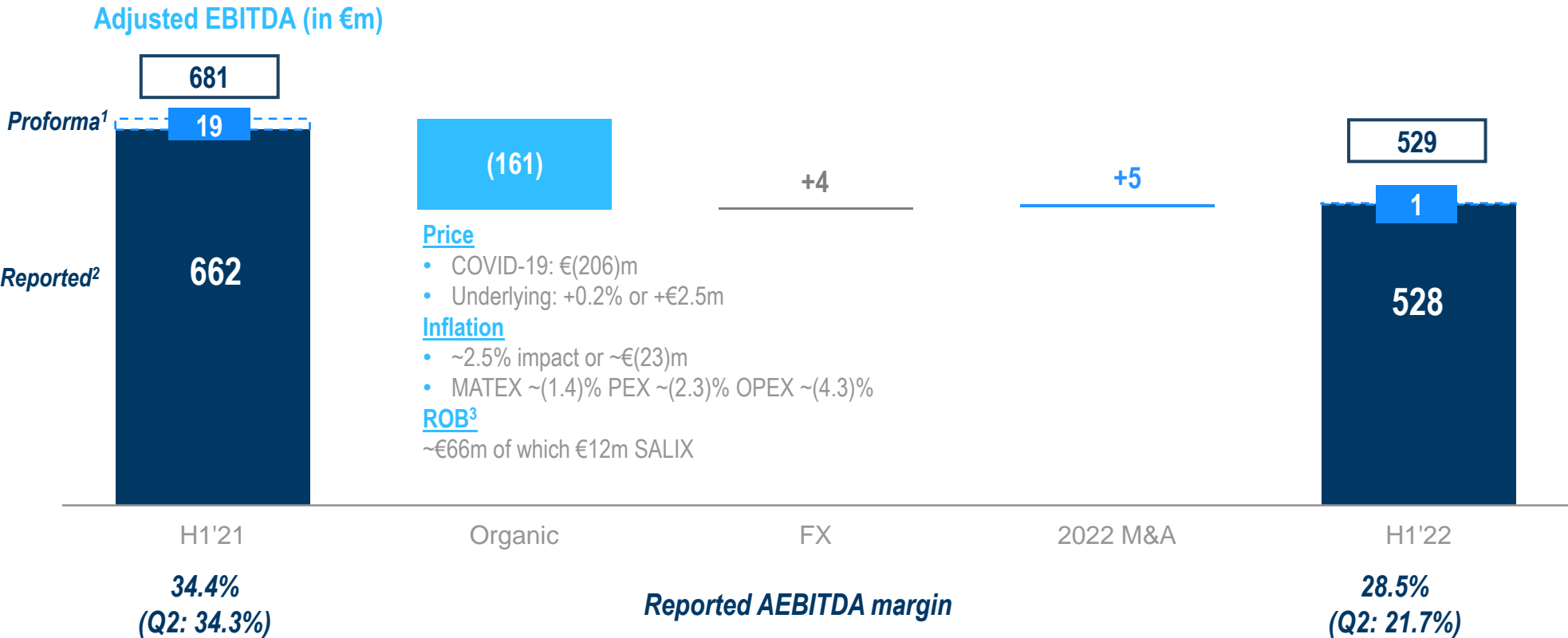
Q2'22 underlying growth acceleration due to positive prices

Robust performance overall in H1'22



Strong Q1'22 and underlying growth offset part of the expected COVID-19 decline

H1'22 margins remain at high levels



High margins – Q2'22 reduction due to COVID-19 and inflation

Robust earnings

H1'22

(€m)	H1'22			Adjusted VLY	
	Reported	Adj.	Adjusted		
EBITDA	523.9	+4.1	528.0	(134)	●—● Minor -acquisition-related- adjustments
D&A & impairment	(317.6)	+200.4	(117.2)	(24)	●—● €173.0m impairment in Germany ●—● €27.4m customer list amortization
Operating profit	206.3	+204.5	410.8	(158)	Improved financial results
Net finance results	0.2		0.2	+76	●—● ~€(15)m interest expense – lower borrowings / borrowing costs ●—● ~€2m net exchange gain ●—● ~€13m net other financial gains ²
Income tax expense	(83.5)	(6.3)	(89.8)	+30	●—● 22% adjusted effective tax rate
Other	(1.2)		(1.2)	+1	
Net profit (Group share)	121.8	+198.2	320.1	(51)	
Adj. EPS¹			1.44		

Improved financial results and lower tax expense partly offset lower operating profit

Robust cash flow generation

(€m)	Q2'22	H1'22	H1'VLY
AEBITDA	171.1	528.0	(134)
Movements in working capital	87.2	(42.0)	+40
Income tax paid	(104.2)	(119.5)	(65)
Change in provisions & other	8.5	17.7	+21
Operating cash flow	162.7	384.3	(138)
Net Capex (incl. leases ¹)	(74.2)	(140.6)	(46)
<i>As % of revenue</i>	<i>(9.3)%</i>	<i>(7.6)%</i>	<i>(2.7)pp</i>
Unlevered free cash flow	88.5	243.7	(184)
Net interest ¹	(6.6)	(20.2)	+46
Free cash flow	81.8	223.5	(138)

- DSO@60 (June.'21 @61, Dec.'21: @62)
- Improvement vs. high base
- Lower H1'21 cash tax due to timing
- €14m increase from CAPEX purchase
- €32m lease increase (SEL favorable payments timing in H1'21)
- Decreased debt
- Average cost of borrowings² @1.9% in Q2'22

Cash conversion: unlevered free cash flow @46% of AEBITDA (52% in Q2'22)

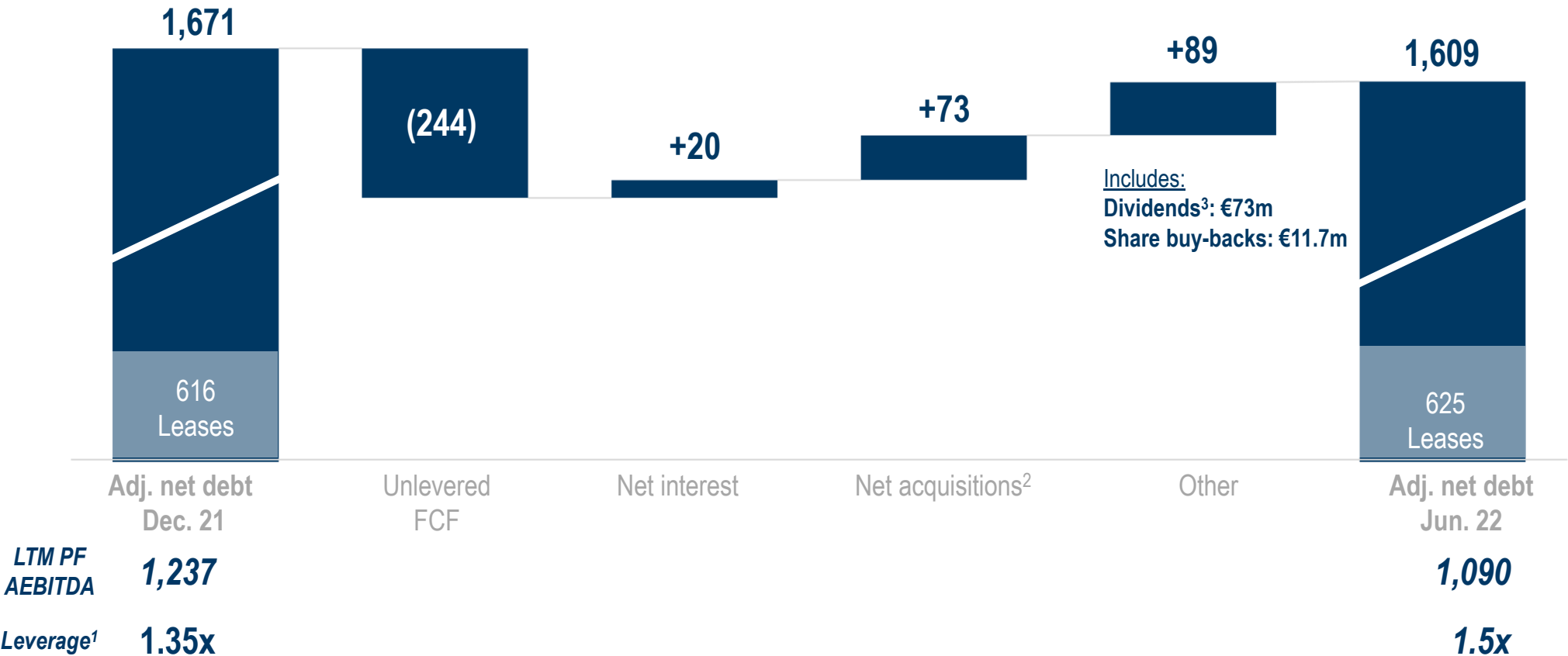
Strong balance sheet

(€m)	Jun.'22	Dec.'21	Var.	
Goodwill	2,325	2,440	(115)	<ul style="list-style-type: none"> €173 million impairment in Germany Additions from the 10 H1'22 acquisitions
Net fixed assets	1,523	1,488	+34	
Net Working Capital	210	146	+64	Reduction vs. Mar.'22, post Omicron wave
<i>NWC as a % of LTM rev.</i>	5.7%	3.8%	+1.9pp	Broadly stable vs. Jun.'21
Capital Employed	4,057	4,074	(17)	
Equity	2,320	2,256	+64	
Net debt ¹	1,535	1,602	(67)	Net debt reduction
Other	202	216	(14)	Income tax liability
Resources	4,057	4,074	(17)	
Cash	511	444	+67	+€500 million undrawn RCF

ROCE² @16.8% at end June 2022

Reduction in net debt

(in €m)



Net debt reduction after M&A, dividends, share buy backs payments



Q2/H1'22 Business review
Mathieu Floreani, CEO

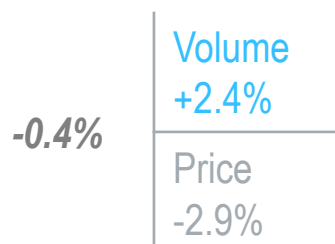
FRANCE (21% of Group revenue)



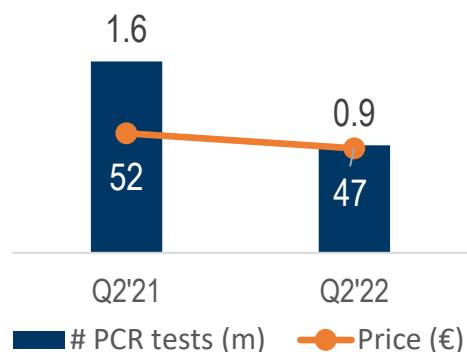
Key financials

(€m)	Q2'22	Q2'21	% var.	H1'22	H1'21	% var.
Revenue	170.9	213.0	(20)%	382.4	441.6	(13)%
AOP	28.9	46.6	(38)%	82.9	116.6	(29)%
AOP margin	16.9%	21.9%	(4.9)pp	21.7%	26.4%	(4.7)pp

Q2'22 underlying growth



COVID-19 PCR



Revenue

Underlying growth moderate H1 reduction (0.8)% with robust volume offsetting price decrease as per 3-year agreement + Q1 unfavorable comps (2021 price decrease started only in April)

COVID-19 testing revenue down (33)% in H1, including (46)% volume drop in Q2 after +24% in Q1 and price (26)% over H1'22

Profitability

H1 reduction due to lower COVID-19 PCR price (Q1) and volume (Q2), some inflation

M&A

One acquisition in Q2, €4 million annualized revenue

COVID-19 PCR test

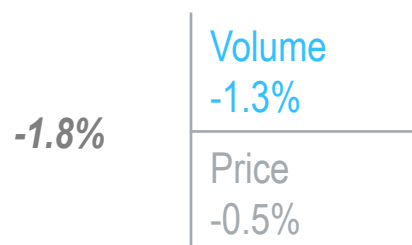
Public price decrease from 23 June 2022 €37 all inclusive¹ (from €41)

GERMANY (22% of Group revenue)

Key financials

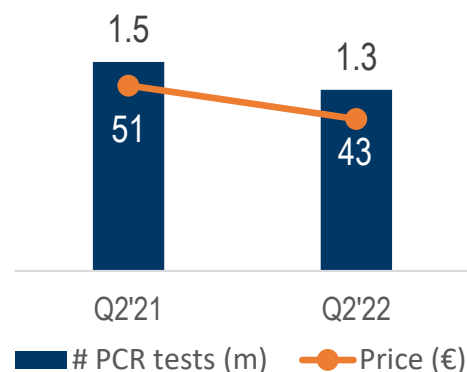
(€m)	Q2'22	Q2'21	% var.	H1'22	H1'21	% var.
Revenue	170.8	188.4	(9)%	406.0	367.2	+11%
AOP	26.5	49.4	(46)%	107.8	95.8	+13%
AOP margin	15.5%	26.2%	(10.7)pp	26.6%	26.1%	+0.5pp

Q2'22 underlying growth



Volume	2021	2022
Q1	+0.1%	+4.5%
Q2	+5.5%	-1.3%
H1	+2.8%	+2.7%

COVID-19 PCR



Revenue

Underlying growth at 2.2% in H1, with soft comparison base in Q1 increasing into Q2 and limited price pressure

COVID-19 testing revenue up 22% in H1 with sustained high vol. (+30%) and limited price decline

Profitability

H1 margin expansion due record high COVID-19 testing in Q1, Q2 contraction due to drop in PCR price & volume, some inflation

M&A

1 Specialty lab acquired in Q1 and 1 bolt-on in Q2 ~€6 million revenue (FY'21)

COVID-19 PCR test

Public price decrease from 1 July 2022 €27.3¹ (from €35)

SOUTH (29% of Group revenue)

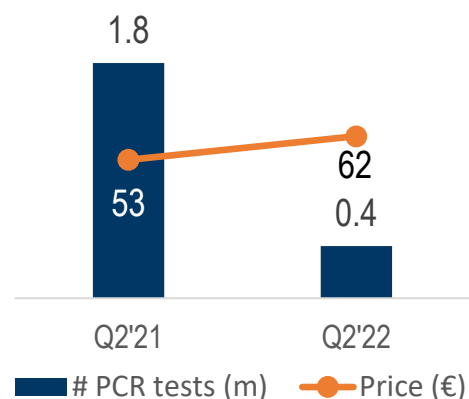
Key financials

(€m)	Q2'22	Q2'21	% var.	H1'22	H1'21	% var.
Revenue	238.5	281.2	(15)%	538.1	545.5	(1)%
AOP	25.6	75.3	(66)%	87.2	139.0	(37)%
AOP margin	10.8%	26.8%	(16.0)pp	16.2%	25.5%	(9.3)pp

Q2'22 underlying growth



COVID-19 PCR



Revenue

Underlying growth slight decline at (0.6)% in H1 with robust volume and positive price development into Q2 offset by Italy (high comparison base and phasing impact from reimbursement schedule in Campania)

COVID-19 testing revenue down (40)% in H1, including (76)% volume decline in Q2 and stable average price (Q2 positive mix)

M&A and FX strong positive contribution

Profitability

H1 reduction with sharp drop in COVID-19 PCR testing volume, Italy impact and provision in Colombia (€2m in Q1), inflation

Network expansion

32 BCPs opened in Q2'22

M&A

10 bolt-on acquisitions since January 2022 in Italy (5), Mexico (1), Portugal (1), Spain (1), Ecuador (2) +1 Specialty lab in Spain (Sistemas Genómicos) ~€41m revenue on annualized basis

Switzerland price reduction

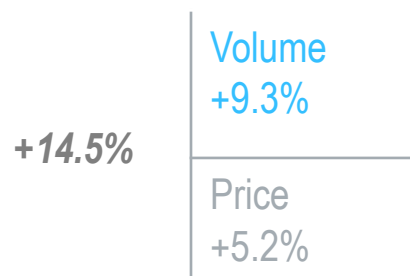
(10)% price drop starting 1 August 2022: ~€10m annualized impact on revenue and profitability

NORTH & EAST (28% of Group revenue)

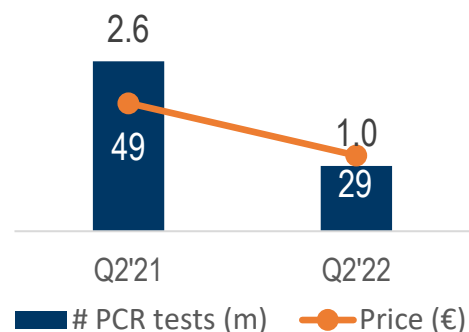
Key financials

(€m)	Q2'22	Q2'21	% var.	H1'22	H1'21	% var.
Revenue	210.2	302.2	(30)%	524.9	568.8	(8)%
AOP	29.6	117.1	(75)%	132.8	217.3	(39)%
AOP margin	14.1%	38.7%	(24.6)pp	25.3%	38.2%	(12.9)pp

Q2'22 underlying growth



COVID-19 PCR



Revenue

Underlying growth strong expansion at +12.4% in H1 ex SEL¹ driven by volume growth and price increases (price indexation)

COVID-19 testing revenue down (42)% in H1 with (63)% volume drop in Q2 after +62% in Q1 and average price (38)% in H1

Profitability

H1 reduction due to sharp drop in COVID-19 PCR prices and volume (Q2), SEL margin dilution of ~6pp, inflation

Network expansion

14 BCPs opened in Q2'22

War in Ukraine

Ukraine operations (€2m rev. in FY'21) reopening, increased activity in neighboring countries



Outlook
Mathieu Floreani, CEO

2022 outlook

	2022 outlook (May 2022)	2022 outlook (August 2022)
Revenue	~€3.1bn	~€3.2bn
AEBITDA margin	24-25%	24-25%
M&A spend	>€200m	>€200m

2022 capital allocation: prioritizing future growth

- Capex¹ of ~€270m (9% of revenue): Digitalization, Cyber security, BCP expansion, SEL transformation
- M&A >€200m : bolt-on and mid-sized deals
- Dividend sustained policy: ~20% payout²

Q&A

SYNLAB

Financial calendar / Investor contact



2022-Financial calendar

Paris roadshow	5 September 2022
London roadshow	6 September 2022
GS conference	7 September 2022
Frankfurt roadshow	8 September 2022
Berenberg TIC conference	29 September 2022
US-Canada roadshow	5-7 October 2022
Q3 results	10 November 2022

Investor contact

SYNLAB

Moosacher Strasse 88
80809 Munich / Germany
ir@synlab.com

Appendix

Revenue by segment

Reported (€m)	Revenue							
	Q2'22	Q2'21	Q2'22 PF	Q2'21 PF	Total Growth	Organic Growth	FX Growth	M&A Growth
France	170.9	213.0	171.6	213.2	-19.8%	-20.0%	0.0%	0.2%
Germany	170.8	188.4	170.8	188.4	-9.3%	-10.1%	0.0%	0.7%
South	238.5	281.2	238.8	310.7	-23.2%	-26.9%	2.0%	1.7%
North & East	210.2	302.2	210.2	302.2	-30.9%	-30.9%	0.4%	0.0%
SYNLAB GROUP	790.4	984.8	791.5	1,014.4	-22.1%	-23.5%	0.7%	0.7%

Reported (€m)	Revenue							
	H1'22	H1'21	H1'22 PF	H1'21 PF	Total Growth	Organic Growth	FX Growth	M&A Growth
France	382.4	441.6	384.2	445.1	-14.1%	-14.2%	0.0%	0.1%
Germany	406.0	367.2	406.0	367.6	10.4%	10.0%	0.0%	0.4%
South	538.1	545.5	540.7	605.4	-11.1%	-15.4%	2.4%	1.9%
North & East	524.9	568.8	524.9	568.8	-7.7%	-8.1%	0.4%	0.0%
SYNLAB GROUP	1,851.4	1,923.0	1,855.9	1,987.0	-6.8%	-8.3%	0.8%	0.7%

South: Italy, Switzerland, Spain, Portugal, Latin America

North & East: UK & Ireland, Belgium, Nordics (Finland, Estonia, Denmark, Sweden), Central Europe (Austria, Czech Republic, Hungary, Slovakia), Emerging markets

AOP by segment

AOP

Reported (€m)	Q2'22	Q2'21	Margin, Q2'22	Margin, Q2'21
France	28.9	46.6	16.9%	21.9%
Germany	26.5	49.4	15.5%	26.2%
South	25.6	75.3	10.8%	26.8%
North & East	29.6	117.1	14.1%	38.7%
SYNLAB GROUP	110.7	288.3	14.0%	29.3%

AOP

Reported (€m)	H1'22	H1'21	Margin, H1'22	Margin, H1'21
France	82.9	116.6	21.7%	26.4%
Germany	107.8	95.8	26.6%	26.1%
South	87.2	139.0	16.2%	25.5%
North & East	132.8	217.3	25.3%	38.2%
SYNLAB GROUP	410.8	568.6	22.2%	29.6%

South: Italy, Switzerland, Spain, Portugal, Latin America

North & East: UK & Ireland, Belgium, Nordics (Finland, Estonia, Denmark, Sweden), Central Europe (Austria, Czech Republic, Hungary, Slovakia), Emerging markets

Segment reporting

	Revenue				PF elements (acquisitions)				PF Revenue			
(€m)	Q1'21	Q2'21	Q3'21	Q4'21	Q1'21	Q2'21	Q3'21	Q4'21	Q1'21	Q2'21	Q3'21	Q4'21
France	228.6	213.0	187.0	199.8	3.3	0.2	0.4	0.1	232.0	213.2	187.4	199.9
Germany	178.8	188.4	144.9	210.6	0.5	0.0	0.0	-	179.3	188.4	144.9	210.6
South	264.2	281.2	239.8	267.4	30.4	29.4	24.7	6.0	294.7	310.7	264.5	273.4
North & East	266.6	302.2	277.6	314.7	-	-	-	-	266.6	302.2	277.6	314.7
SYNLAB GROUP	938.2	984.8	849.3	992.6	34.3	29.6	25.1	6.1	972.5	1,014.4	874.4	998.7

South: Italy, Switzerland, Spain, Portugal, Latin America

North & East: UK & Ireland, Belgium, Nordics (Finland, Estonia, Denmark, Sweden), Central Europe (Austria, Czech Republic, Hungary, Slovakia), Emerging markets

Operating profit to AOP and AEBITDA reconciliation

€m	H1 2022	H1 2021 ¹
Operating profit	206.3	515.3
Strategic projects costs	-	22.9
Acquisitions related costs ²	4.1	5.4
Impairment of non-current assets	173.0	-
Customer list amortisation	27.4	25.1
Adjusted operating profit (AOP)	410.8	568.7
Depreciation and amortisation	144.6	118.4
Customer list amortisation (elimination)	(27.4)	-25.1
Adjusted EBITDA (AEBITDA)	528.0	662.0

Consolidated statement of income

€ 000	For the six months ended 30 June	
	2022	2021
Revenue	1,851,439	1,923,038
Material and related expenses	(440,558)	(476,250)
Payroll and related expenses	(606,112)	(550,608)
Other operating income	14,833	15,147
Other operating expenses	(295,703)	(277,618)
Depreciation and amortisation	(144,606)	(118,433)
Impairment of non-current assets	(173,000)	-
Operating profit	206,294	515,276
Share of loss of associates and other non-controlling interest	(1,133)	(1,502)
Profit on disposal of investment	972	34
Finance income	44,928	18,553
Finance costs	(44,735)	(93,964)
Profit / (loss) before taxes	206,326	438,397
Income tax expenses	(83,451)	(111,764)
Profit / (loss) from continuing operations	122,875	326,633
Discontinued operations		
Profit / (loss) after tax for the period from discontinued operations	-	17,868
Profit / (loss) for the period	122,875	344,501
thereof: Profit / (loss) attributable to non-controlling interests	1,062	1,255
thereof: Profit / (loss) attributable to equity holders of the parent company	121,813	343,246
Basic earnings per share from continuing operations (in EUR)	0.55	1.57
Diluted earnings per share from continuing operations (in EUR)	0.55	1.57

Consolidated statement of financial position

	As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
€ 000				
ASSETS				
Goodwill	2,324,918	2,439,780		
Intangible assets	728,079	725,926		
Property, plant and equipment	280,500	273,022		
Right of use assets	590,907	580,494		
Investments in associates	967	4,831		
Financial non-current assets	61,865	42,690		
Other non-current assets	4,323	5,092		
Deferred tax assets	43,407	41,747		
Total non-current assets	4,034,966	4,113,582		
Inventories	98,049	110,020		
Trade accounts receivables	570,990	632,553		
Financial current assets	62,922	62,272		
Other current assets	93,007	63,771		
Cash and cash equivalents	511,236	443,747		
Total current assets	1,336,204	1,312,363		
Total assets	5,371,170	5,425,945		
			€ 000	
			EQUITY AND LIABILITIES	
			EQUITY	
			Contributed capital	222,222
			Additional paid-in capital	3,716,934
			Treasury shares	-11,711
			Cumulative translation adjustment	34,620
			Accumulated deficit	-1,642,182
			Total parent company interests	2,319,883
			Non-controlling interests	486
			Total equity	2,320,369
			LIABILITIES	
			Loans and borrowings (non-current)	1,408,986
			Non-current lease liabilities	499,486
			Employee benefits liabilities	40,595
			Non-current provisions	2,087
			Contract liabilities	9,828
			Other non-current liabilities	54,207
			Deferred tax liabilities	187,238
			Total non-current liabilities	2,202,427
			Current loans and borrowings	12,379
			Current lease liabilities	125,531
			Trade accounts payable	319,220
			Contract liabilities	11,786
			Current provisions	11,735
			Income tax liabilities	104,848
			Other current liabilities	262,875
			Total current liabilities	848,374
			Total liabilities	3,050,801
			Total equity and liabilities	5,371,170

Consolidated statement of cash flows

	For the six months ended 30		For the six months	
	June		ended 30 June	
	2022	2021	2022	2021
	€ 000	€ 000	€ 000	€ 000
Operating profit	206,294	515,276		
Depreciation, amortisation, impairment	317,607	118,432		
Change in provisions	679	705		
Loss (income) from the disposal of non-current assets	2,076	269		
Other non-cash revenues and expenses	19,103	24,537		
Operating cash flow before changes in net working capital	545,759	659,219		
Change in inventories	14,579	41,582		
Change in trade accounts receivable	52,189	(49,719)		
Change in trade accounts payable	(70,979)	(63,524)		
Change in other net working capital	(37,805)	(10,703)		
Income tax paid	(119,478)	(54,143)		
<i>Cash flow from operating activities continuing operations</i>	<i>384,265</i>	<i>522,712</i>		
<i>Cash flow from operating activities discontinued operations</i>	<i>-</i>	<i>1,021</i>		
Cash flow from operating activities (A)	384,265	523,733		
Acquisition of subsidiaries, net of cash acquired and changes in debt related to acquisitions	(73,139)	(45,418)		
Purchase of intangibles and property, plant and equipment	(62,729)	(48,509)		
Sale of subsidiaries, net of cash disposed and changes in debt	(4)	4,517		
Proceeds from sale of intangibles and property, plant and equipment	349	462		
Cash paid for other non-current assets	(298)	(49)		
Cash received from other non-current assets	-	12		
Interest received	209	401		
Net cash from disposal of investments	-	80		
Dividends received	358	290		
<i>Cash flow used in investing activities continuing operations</i>	<i>(135,254)</i>	<i>(88,214)</i>		
<i>Cash flow used in investing activities discontinued operations</i>	<i>-</i>	<i>(1)</i>		
Cash flow (used in)/from investing activities (B)	(135,254)	(88,215)		
Proceeds from share capital increase			-	394,050
Acquisition of treasury shares			(11,711)	-
Interest paid			(29,639)	(73,571)
New loans, borrowings and other financial liabilities			690	730,833
Repayment of loans, borrowings and other financial liabilities			(293)	(1,694,689)
Repayment of lease liabilities			(68,982)	(40,099)
Contribution from non-controlling interests			900	-
Dividends paid and other payments to non-controlling interests			(75,628)	(1,190)
Cash flow used in financing activities continuing operations			(184,663)	(684,666)
Cash flow used in financing activities discontinued operations			-	(22)
Cash flow used in financing activities (C)			(184,663)	(684,688)
TOTAL CASH FLOWS (A+B+C)			64,348	(249,170)
Cash and cash equivalent at the beginning of the period			443,525	904,707
Net foreign exchange differences			3,119	267
Change cash and cash equivalents assets held for sale			-	3,209
Cash and cash equivalents at the end of the period			510,992	659,013
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			67,467	(245,694)

June'22 leverage calculation

Net Debt

(€m)	June'22			Dec'21
	Net Debt as in the Balance Sheet	Capitalized Transaction Costs	Adjusted Net Debt	Adjusted Net Debt
RCF (€500m, 2.5%+EURIBOR)	-	-	-	-
Term Loan (2,5%+EURIBOR), due 2026	315	5	320	320
Term Loan (2,5%+EURIBOR), due 2027	370	15	385	385
Term Loan (2.5%+EURIBOR), due 2026	718	17	735	735
Total borrowings	1,402	38	1,440	1,440
Embedded derivatives	6	-6	-	-
Accrued Interest	10	-	10	11
Other Bank Debt	3	-	3	2
Leases**	625	-	625	616
Cash	(511)		(511)	(444)
Total Net Debt	1,535	32	1,567	1,625
Net deferred consideration for acquisitions			42	46
Total Net Debt			1,609	1,671

LTM PF AEBITDA

(€m)	LTM Jun'22	FY'21
Reported AEBITDA	1,075.9	1,209.8
PF for M&A	13.9	27.6
PF AEBITDA	1,089.8	1,237.4
Debt	1,609	1,671
Leverage	1.48x	1.35x

ROCE

€m	Jun'22	FY 2021
Capital Employed	4,057	4,074
Adjustments:		
Right of use assets	(591)	(580)
Net deferred tax	144	144
Adjusted Capital Employed	3,610	3,637
AOP	840	996
Income tax expense @28%	(235)	(279)
Return @28% tax rate	605	717
ROCE	16.8%	19.7%

+0.8pp from goodwill impairment

Glossary

Organic growth represents a non-IFRS measure calculating the growth in revenue for a given period compared to the comparable period of the prior year for the same scope of businesses, excluding discontinued operations, and in constant currency, i.e. using the exchange rates of the prior year reported period.

When calculating organic growth, SYNLAB uses the scope of businesses that have been consolidated in the Group's financial statement of the previous financial year. Revenue contribution from businesses acquired in the course of the prior year but not consolidated for the full year are adjusted as if they had been consolidated as from January of the prior year. All revenues from businesses acquired since 1 January of the current year are excluded from the calculation.

Adjusted EBITDA (AEBITDA), is operating profit adjusted for (by adding-back) the following:

- *depreciation and amortization;*
- *impairment of goodwill;*
- *expenses for strategic projects (2021: IPO costs only, YTD 2022: none);*
- *acquisition and post-merger integration related expenses.*

Adjusted operating profit (AOP) is operating profit adjusted for the following:

- *customer list amortization;*
- *impairment of goodwill;*
- *expenses for strategic projects (2021: IPO costs only, YTD 2022: none);*
- *acquisition and post-merger integration related expenses.*

Adjusted net profit is defined as profit from continuing operations (Group share) adjusted for adjustment items (see adjusted operating profit definition) and for the tax effect on adjustment items.

Adjusted net debt is defined as the sum of financial debt including loans and borrowings adding back capitalized transactions costs, lease liabilities, deferred price considerations for acquisitions, net of cash & cash equivalents.

Unlevered free cash flow pre-M&A (uFCF) is defined as the sum of cash flow from operating activities of continuing operations, net CAPEX (defined as the cash outflow from the purchase of intangibles and property, plant and equipment, net of proceeds from the sale of intangibles and property, plant and equipment) and leases (defined as the sum of lease repayments and lease interest).

Return on capital employed (ROCE) is defined as the last twelve months' AOP after tax (using a normalized tax rate of 28%) on capital employed (defined as the sum of goodwill, net fixed assets and net working capital), adjusted for rights of use assets and deferred tax.