

**SYNLAB** 

**SYNLAB**  
H1'21 Results

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SEPTEMBER 15 2021



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## Agenda

1. Company presentation
2. Recent highlights
3. Q2-H1'21 Financial results
4. 2021 Outlook
5. Appendix










# Company presentation


## Unique investment case in European healthcare




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**Growth Market**  
Large, growing diagnostic testing market of fundamental relevance in delivering medical outcomes
- 

**Leader**  
The largest pan-European platform by revenue. benefitting from scale leadership. unique customer access and scientific know-how
- 

**Customer Centric Medical Excellence**  
Focused on medical and operational excellence to drive organic growth
- 

**Consolidator**  
M&A platform continuously driving market consolidation in a highly fragmented market
- 

**Value Creation**  
Strong track record of organic and inorganic topline growth and clear trajectory to continue delivering value creation, with considerable room for further growth

## Large, growing market of fundamental relevance

### Non-cyclical growth trends accelerated by new growth areas

#### Non-cyclical growth trends

- Demographics
- Hospital outsourcing
- Diagnostics and disease prevention focus
- Clinical test innovation
- Out-of-pocket payments
- Innovation impact on pricing

#### Emerging markets opportunity

LATAM

Asia

Africa

#### New market opportunities



Precision medicine



Direct-to-Consumer diagnostic support market

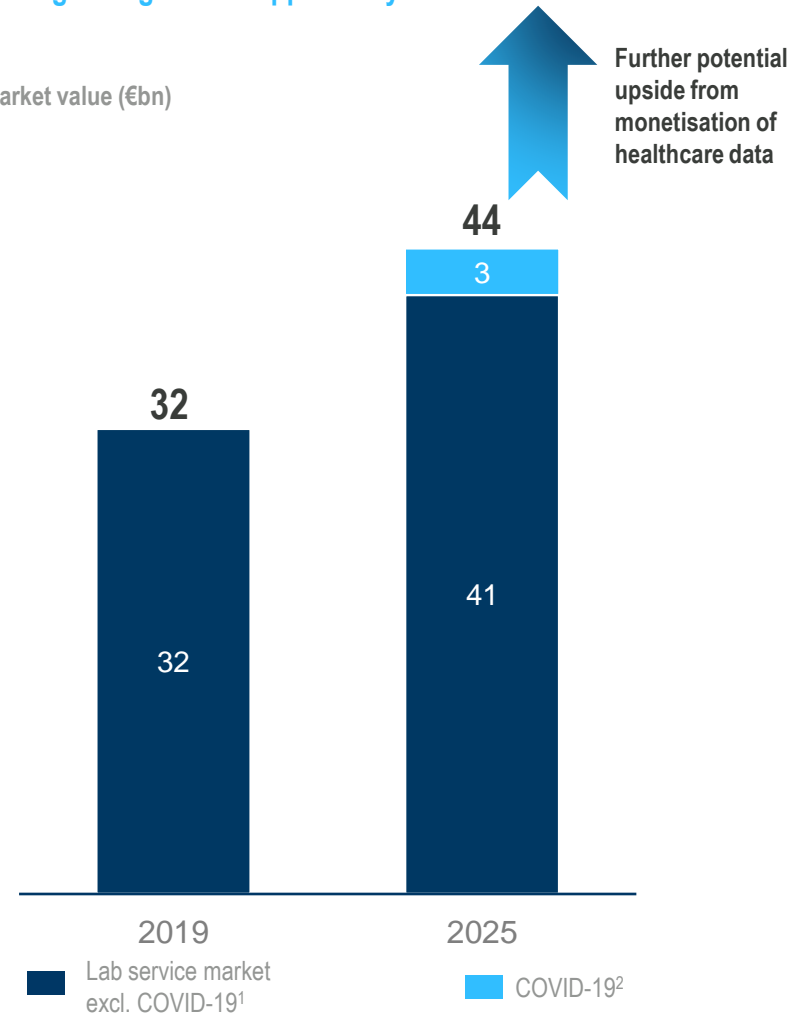


Digital / AI / data service

#### Pandemics

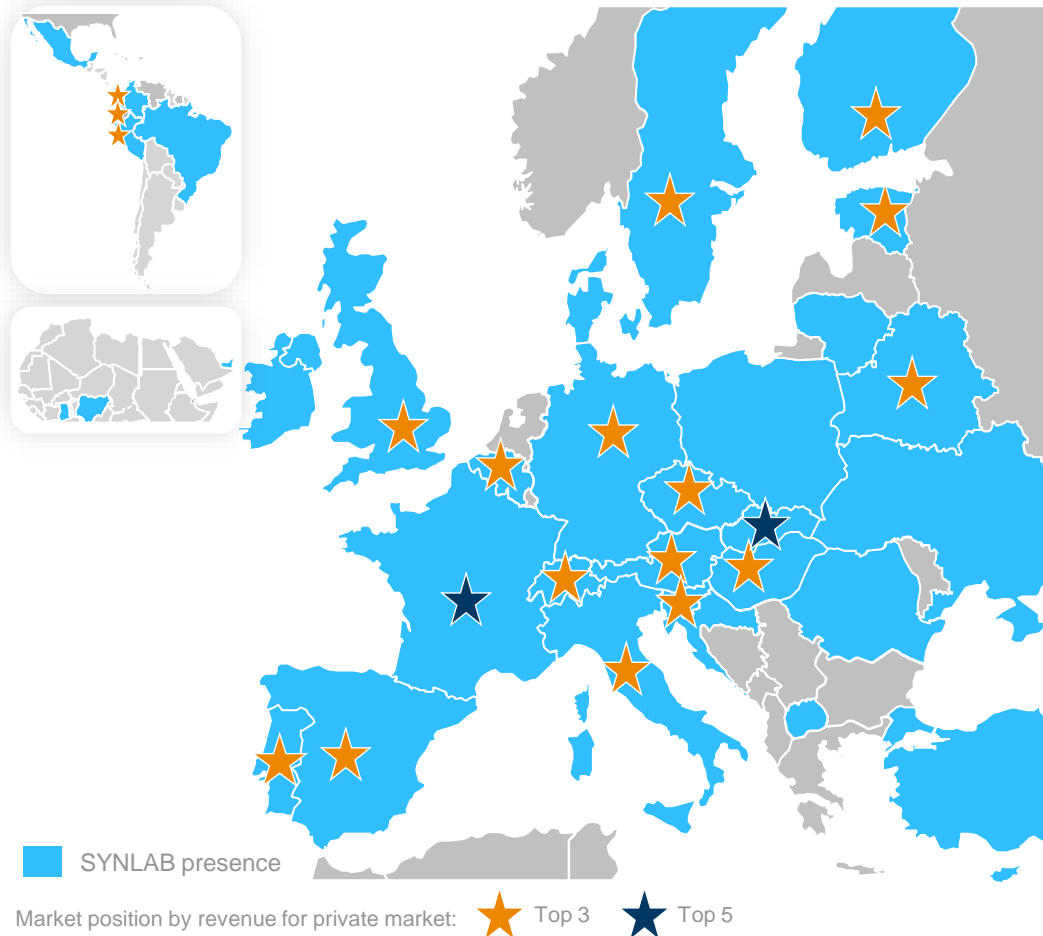
### Large and growing market opportunity

Market value (€bn)



## Largest European clinical laboratory & medical diagnostic services company

### Leading positions in our key markets



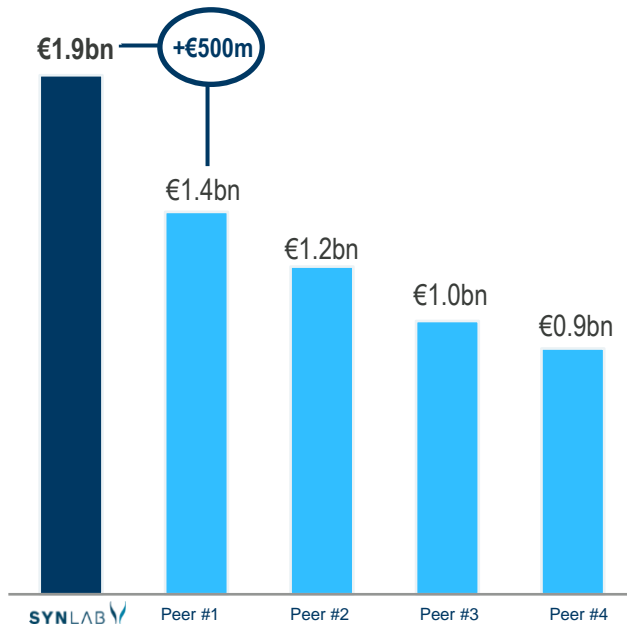
### Key highlights

- ✓ Largest pan-European lab chain with strong market positions in all key European geographies
- ✓ Attractive and expanding exposure to fast-growing emerging markets
- ✓ Diversified across business models, regulatory regimes, payors, and testing modalities
- ✓ 36 countries globally
- ✓ >1.200 medical experts
- ✓ >5.000 types of tests offered
- ✓ ~500m tests processed per annum
- ✓ ~100m patients per annum

# Leader on a market where scale matters

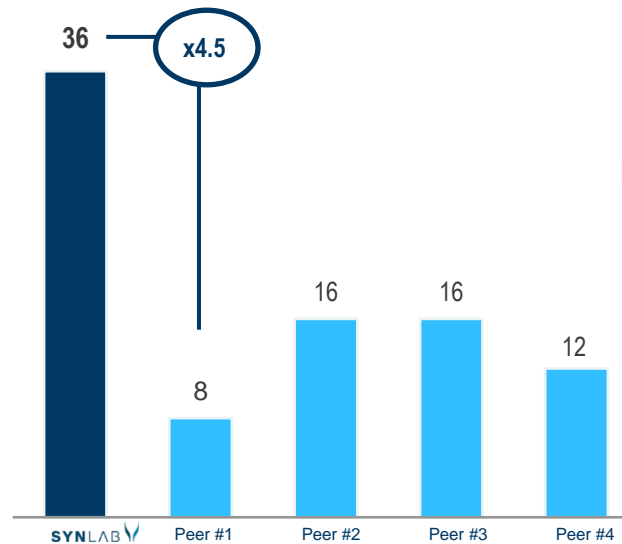
## Pan-European scale

2019 Revenue (SYNLAB excluding A&S)



## International footprint

Number of countries with company presence



## Benefits of scale

- ✓ Ability to **capture volumes** and **grow market share**
- ✓ **Procurement power**, and **automation**
- ✓ **Attracting top** medical and professional **talent**
- ✓ Ability to **create new capabilities** (Retail, Hospital, Lean)
- ✓ **Critical mass** to strengthen **integrated IT infrastructure**
- ✓ Opportunity for **data analytics**



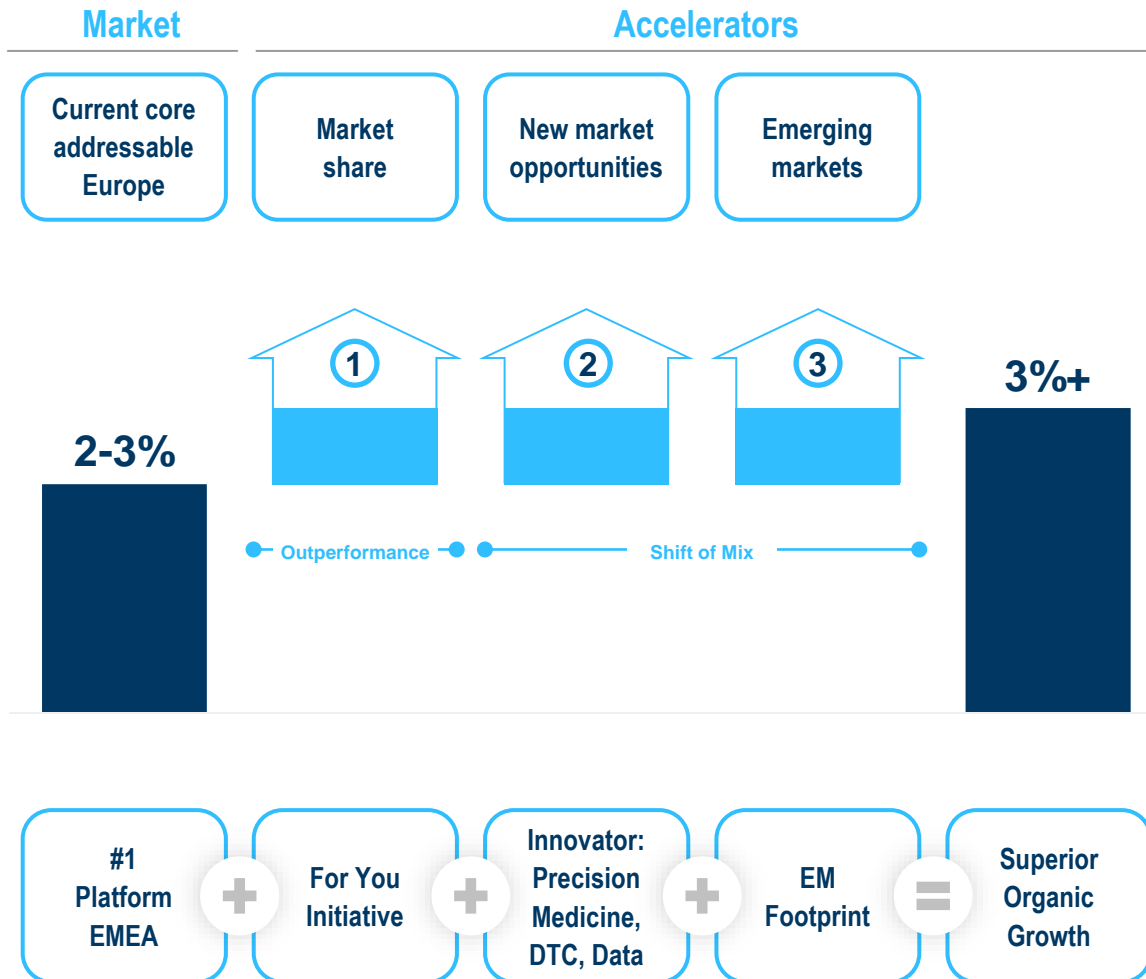
# Growth strategy based on customer centric medical excellence



## Three strong growth pillars



# Delivering above market organic growth



Expect to continue to grow organically at **c.3%+ p.a.** in the mid-term through:

- 1 **Market share gains** due to superior execution driven by For You initiatives
- 2 Tapping into **new market opportunities**
- 3 Increased footprint in **high growth emerging markets**

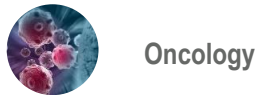
# Well-positioned to deliver the future of medicine

Trend

## 1 Precision medicine

- Customization of medical decisions, treatments and products being tailored to the individual patient

Therapies rely on biomarkers and require regular testing; examples of applications:



Oncology



Cardio-vascular



Pediatric / prenatal

Drivers for Dx and lab services

## 2 Direct-to-consumer

- Patients take control of their own health metrics increasing use of diagnostics

### Lifestyle monitoring / prevention



Physical wellbeing



Cardiovascular health



Fertility

### Infectious disease detection



HIV



Coronavirus

### Drugs detection



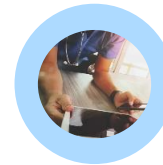
Drugs



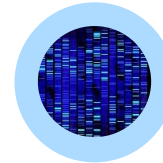
Alcohol

## 3 Digital/AI/Data services

- Digital physician/patient interface, rule-based annotation-support, machine learning in Dx



Virtual consultation with AI driven triage, diagnosis and referral



Machine learning based analysis of biological data sets



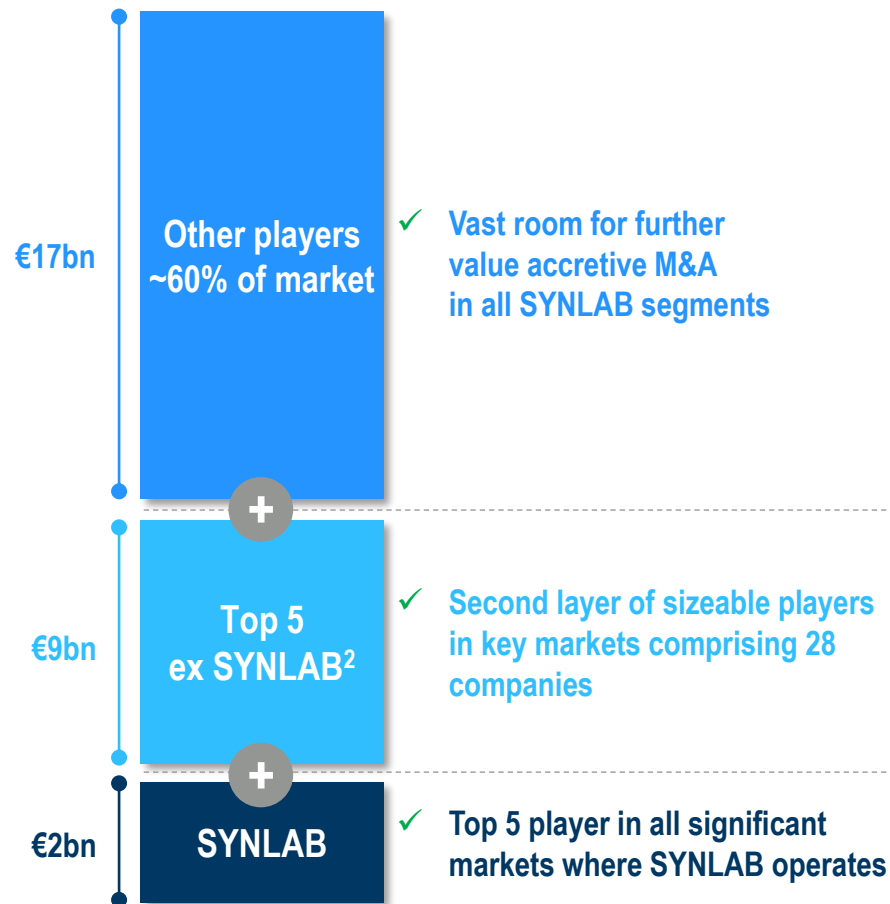
AI-drive holistic data integration of medical data sets, e.g. can be used in drug development



Clinical decision support through machine learning

# Huge potential for value accretive M&A

Addressable market (€bn)



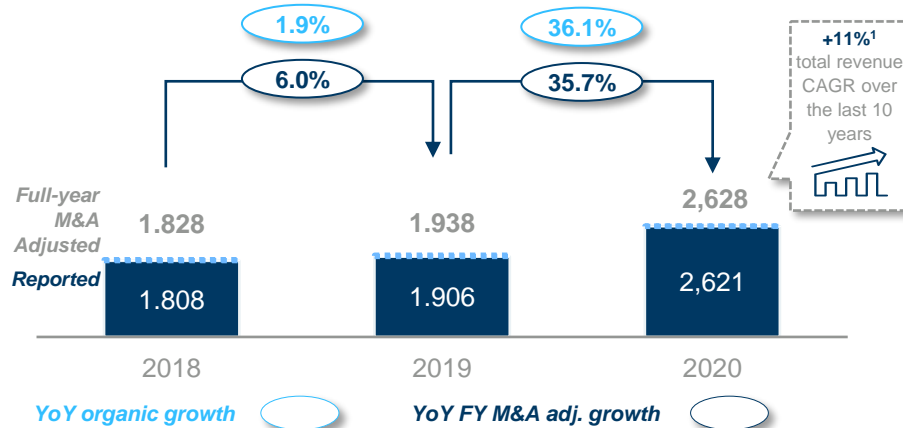
Proven ability to grow through value accretive M&A

- ✓ Extensive experience and successful track record
  - 20 Average acquisitions p.a. since 2017
  - 8 Countries entered through M&A since 2017
- ✓ Proven integration and synergy realisation playbook (e.g. procurement, lean mgt, etc.)
  - €200m Avg. M&A spend over 2016-19
  - ~3-5% Historical margin uplift post-acquisition<sup>2</sup>
- ✓ Strong pool of potential acquisitions targets
  - >170 Potential acquisition targets<sup>3</sup>
  - 21 Different countries in potential acquisition pool<sup>3</sup>

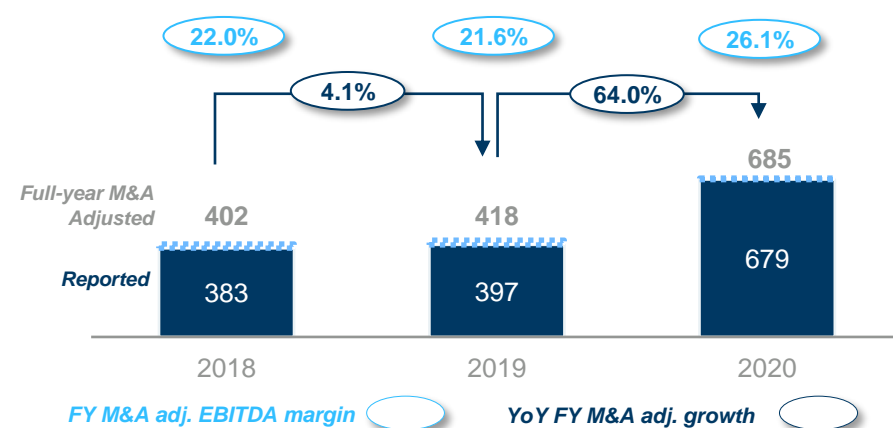


## Key financial highlights

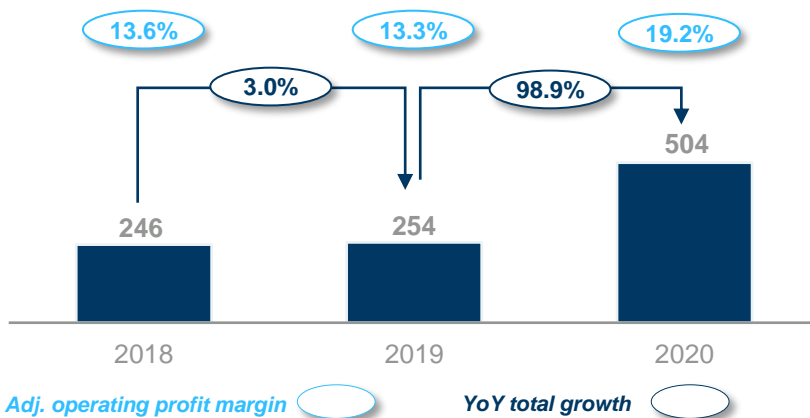
Revenue (in €m)



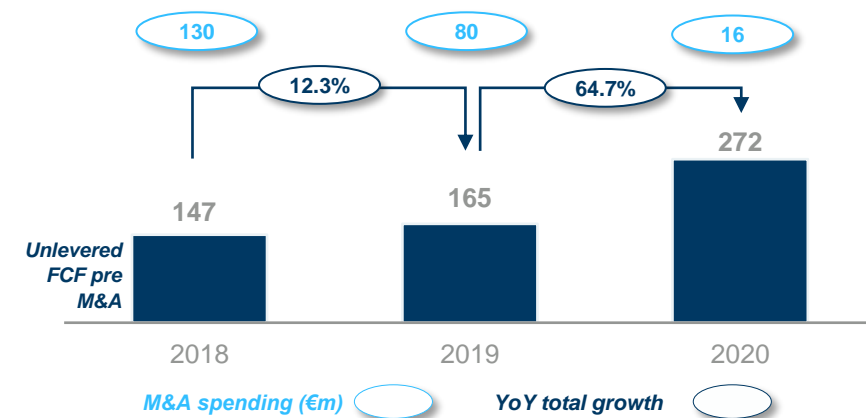
Adjusted EBITDA (in €m)



Adjusted operating profit (in €m)



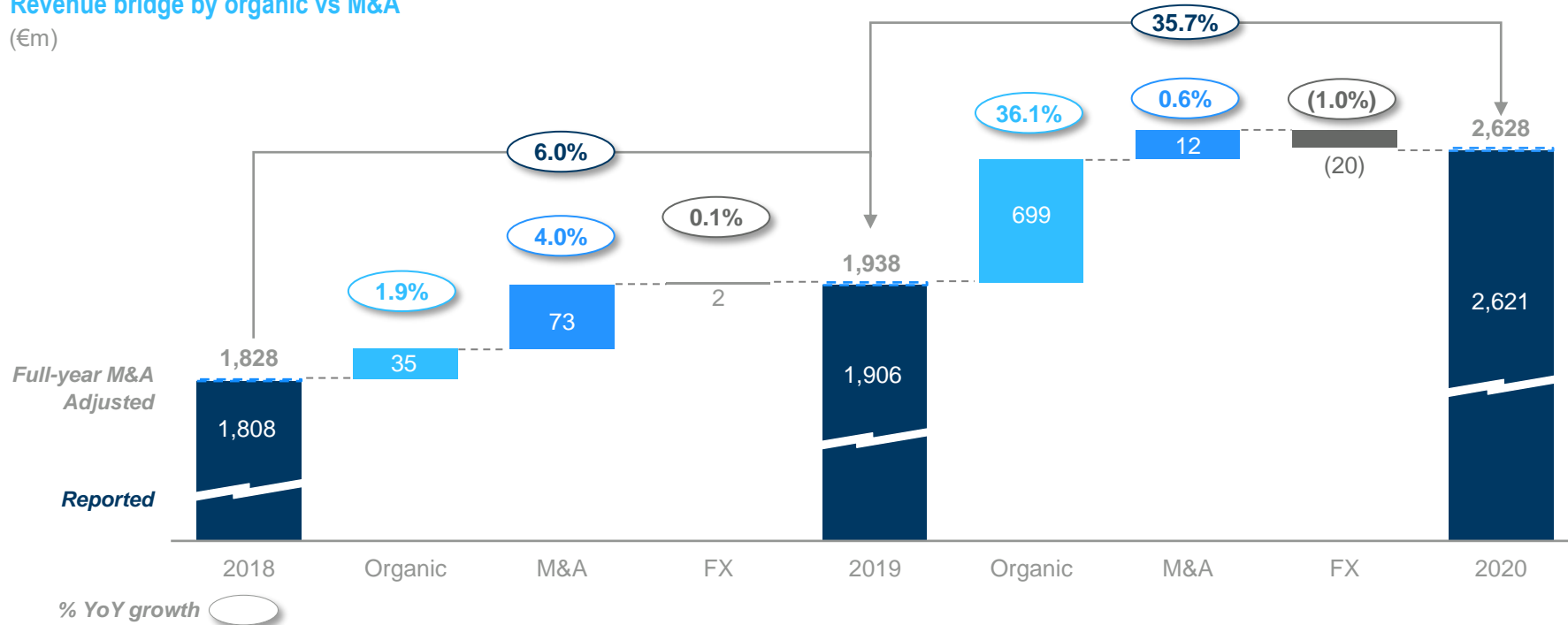
Unlevered free cash flow (in €m)



# Track record of strong organic growth and continued successful acquisitions

## Revenue bridge by organic vs M&A

(€m)

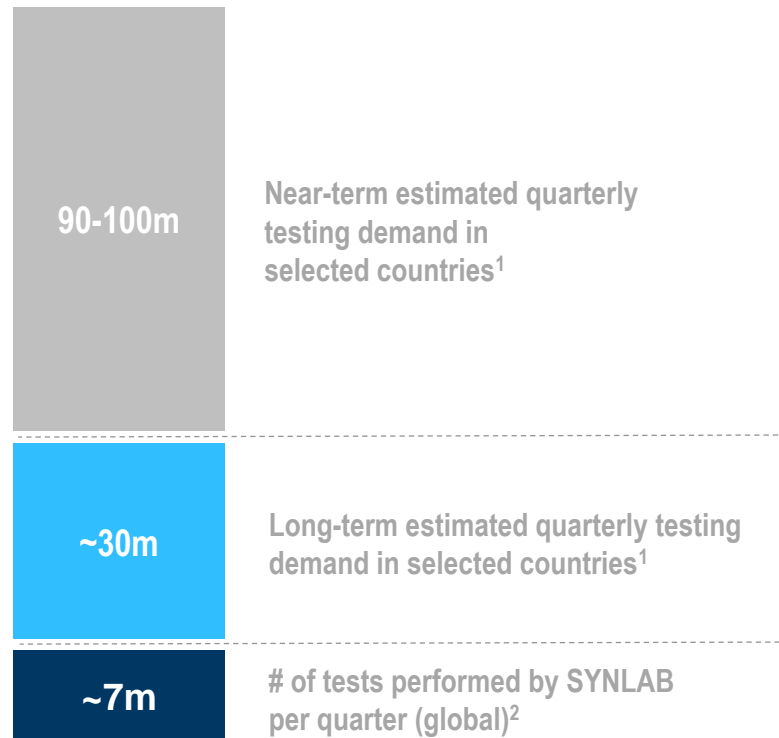


- Resilient organic growth of 1.9% supported by diversification of business
  - Underlying price development of (0.3)%
- M&A historically strongly supported our solid growth
- Limited seasonality in the volume of tests
  - Usually slightly lower in H2 from lower volume during vacation and the holiday period

- 36.1% organic growth driven by COVID-19 impact
  - 11.6m COVID-19 PCR tests in 2020
  - Estimated ~€620-630m COVID-19 revenue contribution of which ~€805m from testing revenue and estimated ~€(185)-(175)m impact from confinement
- Organic growth of 3.5 - 4.0% excluding COVID-19 impact
  - Price development of ~0.5%

# COVID-19 testing expected to remain a long-term necessity

## Quarterly COVID testing volumes



## Supporting considerations

Herd immunity not expected to be achieved within 4 years



Testing continues to be required for track and tracing, and overall containment



Long term surveillance needed like for many other infectious diseases

- On-going need of testing to monitor disease recurrence and potential mutations
- COVID inclusion in standard respiratory test panels in high risk periods

**Regularly tested infectious diseases – Selected examples:**

- Other respiratory: H1N1, H5N1, H7N9 and other influenza accounting for thousands of tests per week during i.e. the flu season
- Other non-respiratory: HIV still accounting for >60m tests p.a. in Europe<sup>3</sup>

25 May 2021 - **SYNLAB and Hospital District of Helsinki and Uusimaa extend partnership (up to December 2023) for comprehensive PCR-testing for SARS-CoV-2 in Finland**

Source: Company information; International management consultancy

Note: The scope of the third party analysis covers Germany, France, Italy, Spain, Colombia; Key assumptions of the third party analysis are as follows: immunity for 4 quarters; Vx efficacy 70% in 2021, 80% as of Q2 2022; % of adult population (+15 yo) vaccinated is 56% in 2021, 73% in 2022 and 75% in 2023-2024

1. France, Germany, Italy, Spain, Colombia; 2. SYNLAB Q4-20 test volume at 7.2m; 3. Source: ECDC HIV / AIDS Surveillance in Europe 2019 (2018 data). Consists of 26 countries in Europe. Does not include unlinked anonymous testing and excluding HIV tests performed as part of blood donor screening

## Financial guidance – Key financials

		Actual		Guidance
Metric		2019	2020	Mid-term
Revenue	FY M&A adj. revenue (€bn)	1.9	2.6	
	% Total growth	6%	36%	~10% p.a. <sup>1</sup>
	% Organic growth ex C19	1.9%	3.5 - 4.0%	3%+ p.a.
	C19 contribution to organic revenue (€bn)	-	0.6	~80% of 2020 net levels in 2022, ~40% of 2020 net levels in 2023; decreasing to an ongoing level of around ~30% thereafter
Margin				
	FY M&A/ Lease Adj. EBITDA margin (%) <sup>2</sup>	21.6%	26.1%	~23%
Cash flow	Unlevered FCF pre M&A (€m)	165	272	45 - 50% EBITDA conversion
	M&A spending (€m)	80	16	~200 p.a.

Source: Company information

1. Using FY2019 as base year;

2. 2019 financials include the estimated EBITDA effect on adjusted certain amendments to embedded lease contracts (agreed during December 2019 and effective on January 1, 2020)

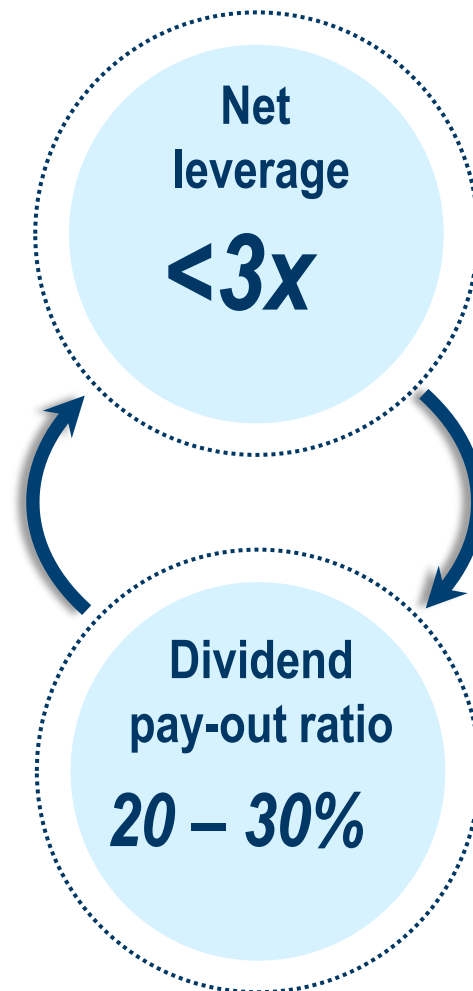
## Financial policy

### Leverage

- Net debt / EBITDA leverage ratio target of below 3.0x<sup>1</sup> in the mid term
  - Flexibility to exceed that ratio for short periods of time to pursue value-accretive acquisitions

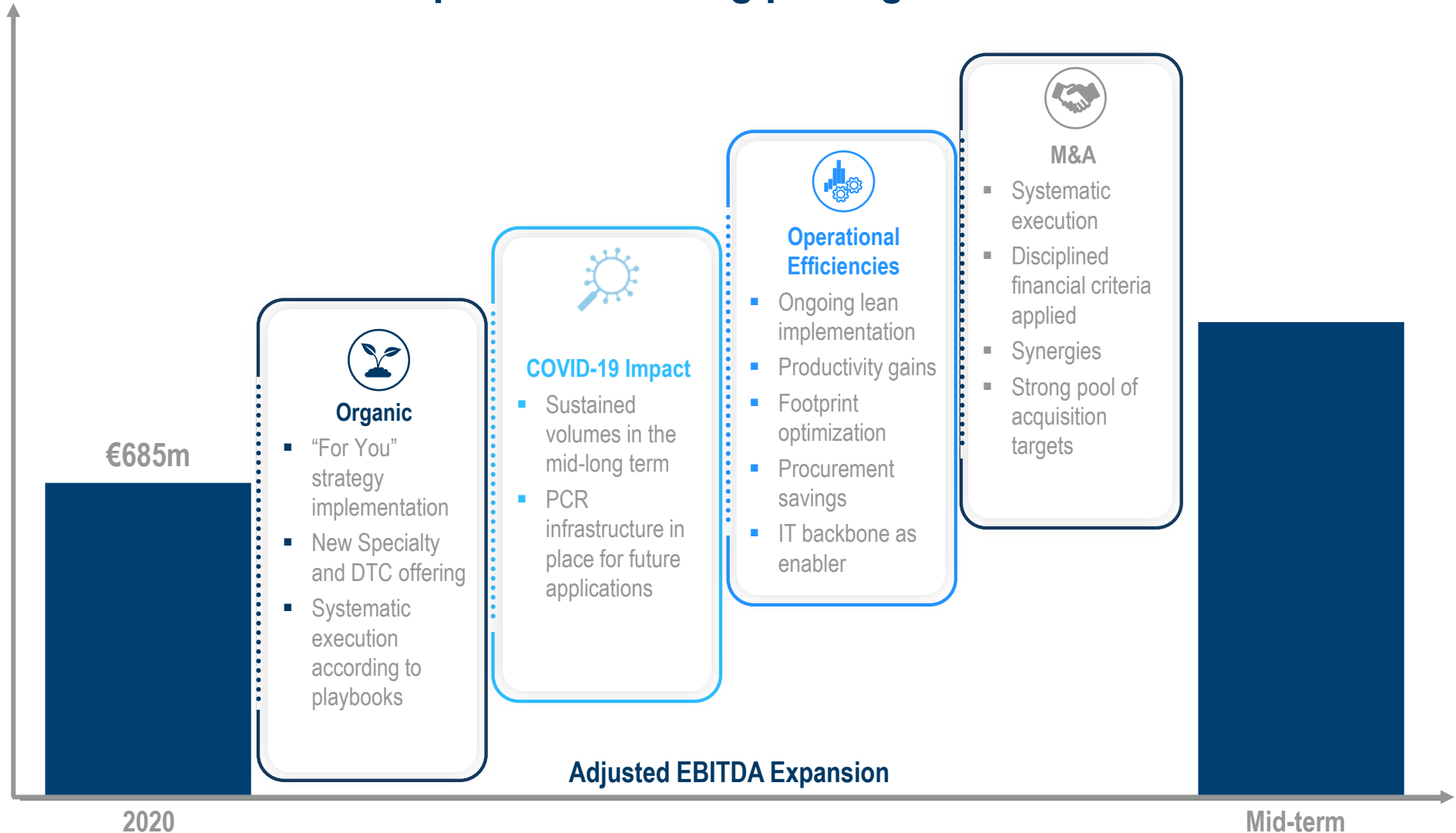
### Dividend pay-out

- Dividend pay-out ratio target of 20-30% of the prior year's adjusted net profit
  - First dividend expected to be paid in 2022





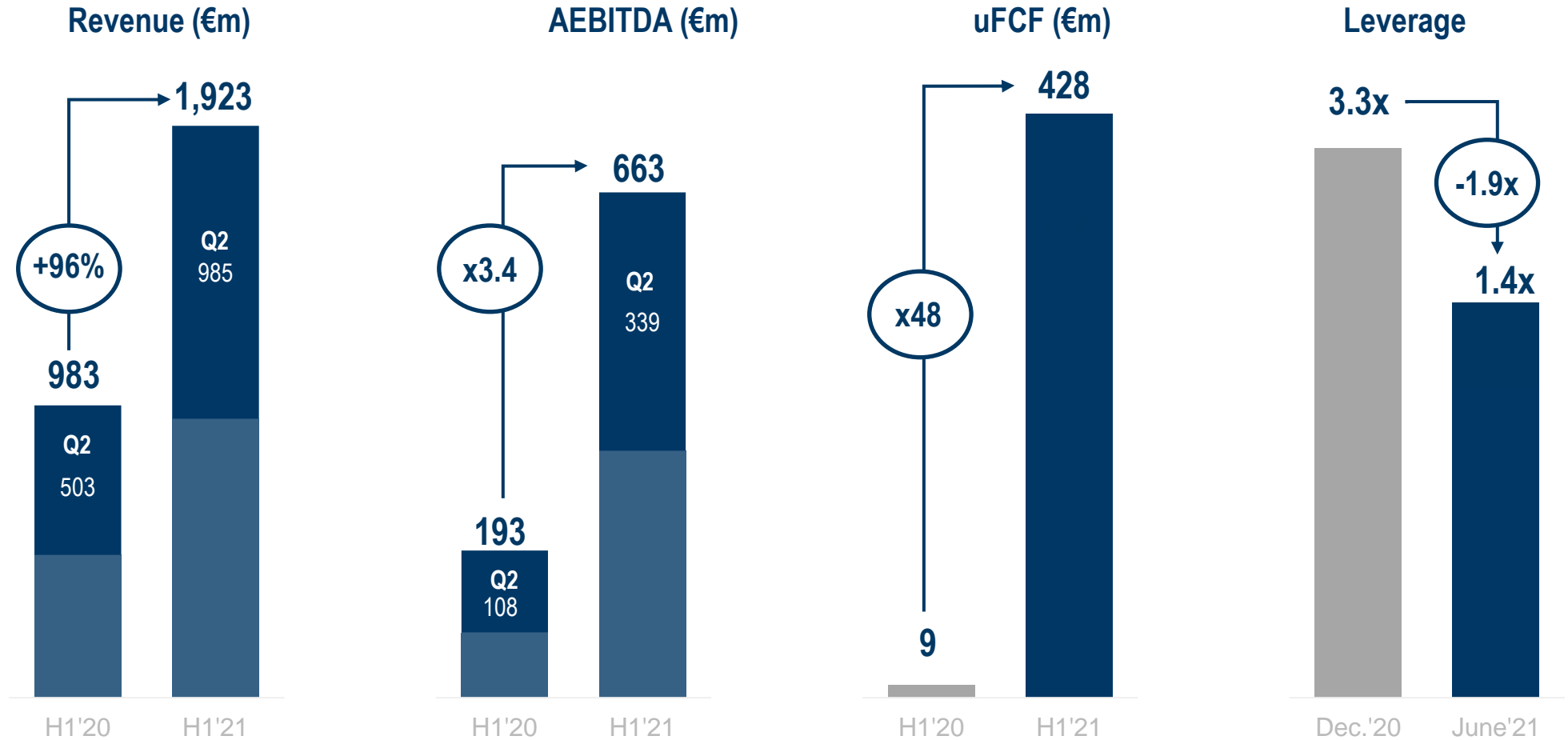
# Set to deliver continued profitable strong profit growth





# Recent highlights

# H1 2021 Financial highlights



## Q2'21 operational highlights

### Accelerated organic growth

#### For You Initiatives

- BCP\* refurbishments & openings (France, Belgium, Italy)
- CRM - Salesforce implementation (Spain, Italy, Germany)
- Electronic order entry rollout (Germany, Switzerland...)

#### South-East London contract

- Successful start ~7 million tests performed in Q2

### Operational excellence

€9.5m SALIX savings in H1'21

STS\* (trainings, efficiency...)

Core lab equipment  
renewal and automation  
(Belgium, Germany)



### M&A acceleration

#### Global reach, strong execution capabilities

- 12 deals closed year-to-date
- total EV: €108m
- strong H2'21 pipeline

### Improved employee engagement

## ESG

#### ESG governance set up in Q2

- ESG Committees Excom / Board levels
- New Group Head of ESG onboarded

## On track to exceed EUR 200 million of M&A in 2021

### M&A activity in 7 countries since Jan. 2021



### Core countries bolt-on

- ✓ 12 bolt-on acquisitions completed in France, Germany, Spain, Italy, Colombia

### Mid-size acquisition in Italy

- ✓ Acquisition of Gruppo Tronchet in Italy
    - ✓ 17 healthcare centers
    - ✓ ~110 employees
    - ✓ €22m revenue
- Strengthened leadership position**

### New platforms

- ✓ Mexico: agreement to acquire network of more than 100 diagnostic service points\*
- ✓ Nigeria: increasing shareholding to 100%\*\*



# Continued leadership in COVID-19 response, using lean platform

## Lean and cost effective COVID-19 infrastructure

### Large medical offering

- PCR tests
  - antibody tests
  - sequencing
- sampling at 800+ sites & PCR factories

### Using open systems + capacity to leverage network

#### Equipment

- RT-PCR equipment from 5+ suppliers
- 100% of equipment can be used for other PCR tests

#### Reagent

- multiple providers

#### Inventory

- active management, reallocation as needed

### People

- flexible contracts favored
- opportunity to grow talent pool

## Q2'21 highlights



- ✓ **UEFA official Lab Diagnostics Provider** for the EURO 2020 and 2021/22 season
- ✓ **Hospital District of Helsinki** contract
- ✓ **10,800 Safe at work contracts\***
- ✓ **700 schools** served in Germany, Portugal, France, Switzerland
- ✓ **Sequencing leadership** in Germany

## COVID-19: recent trends are consistent with our assumptions

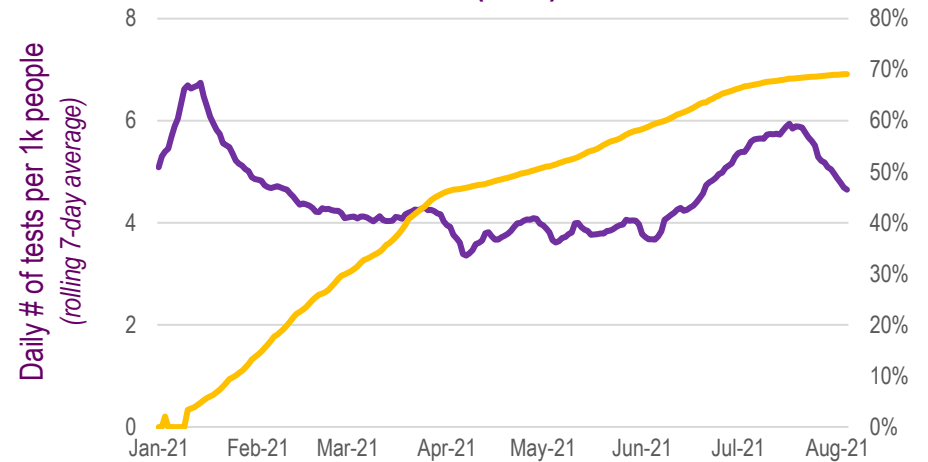
SYNLAB: maximum # of PCR test / day (weekly)



### In SYNLAB countries

- Herd immunity is far from being reached
- Testing continues to be required for track and tracing, and overall containment

YTD 2021 UK PCR testing volumes (LHS) and vaccination rate\* (RHS)



### UK example

- High vaccination rate...
- ...but surveillance still needed (before variants impact)

**Testing remains critical as vaccine roll out**

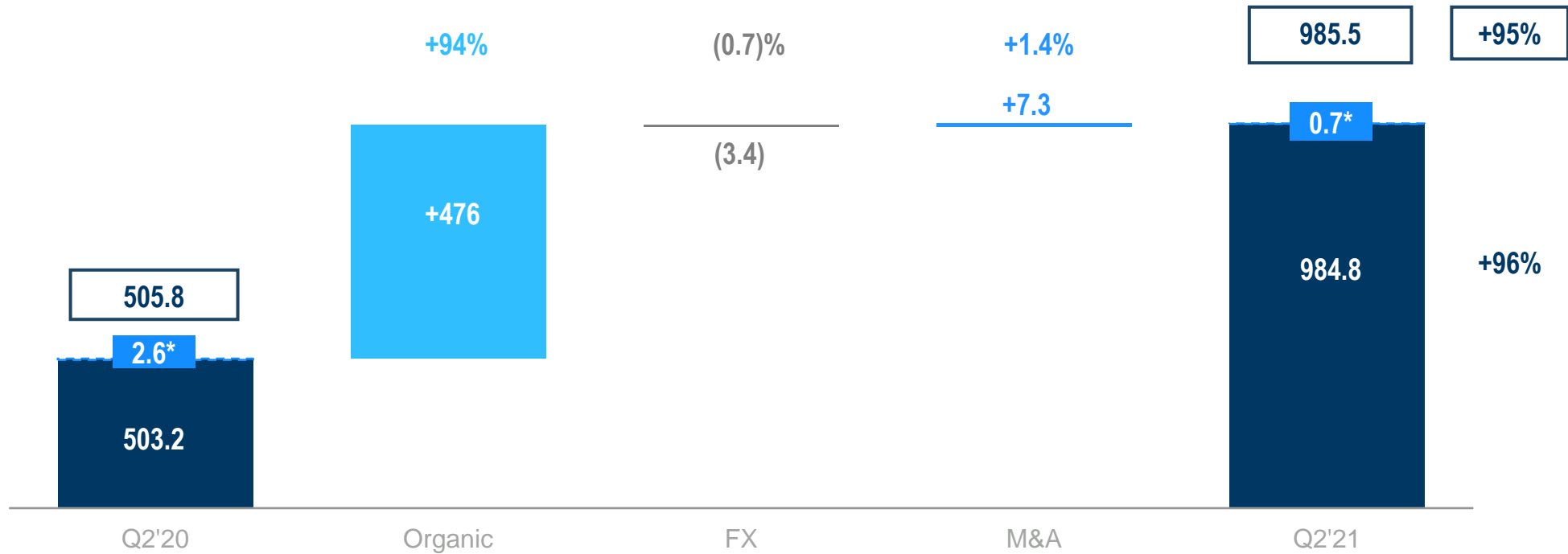
# Q2-H1'21 Financial results

-SYNLAB AG, UNAUDITED FINANCIALS-

*Sami Badarani, CFO*

# Strong Q2'21 revenue growth

(in €m)

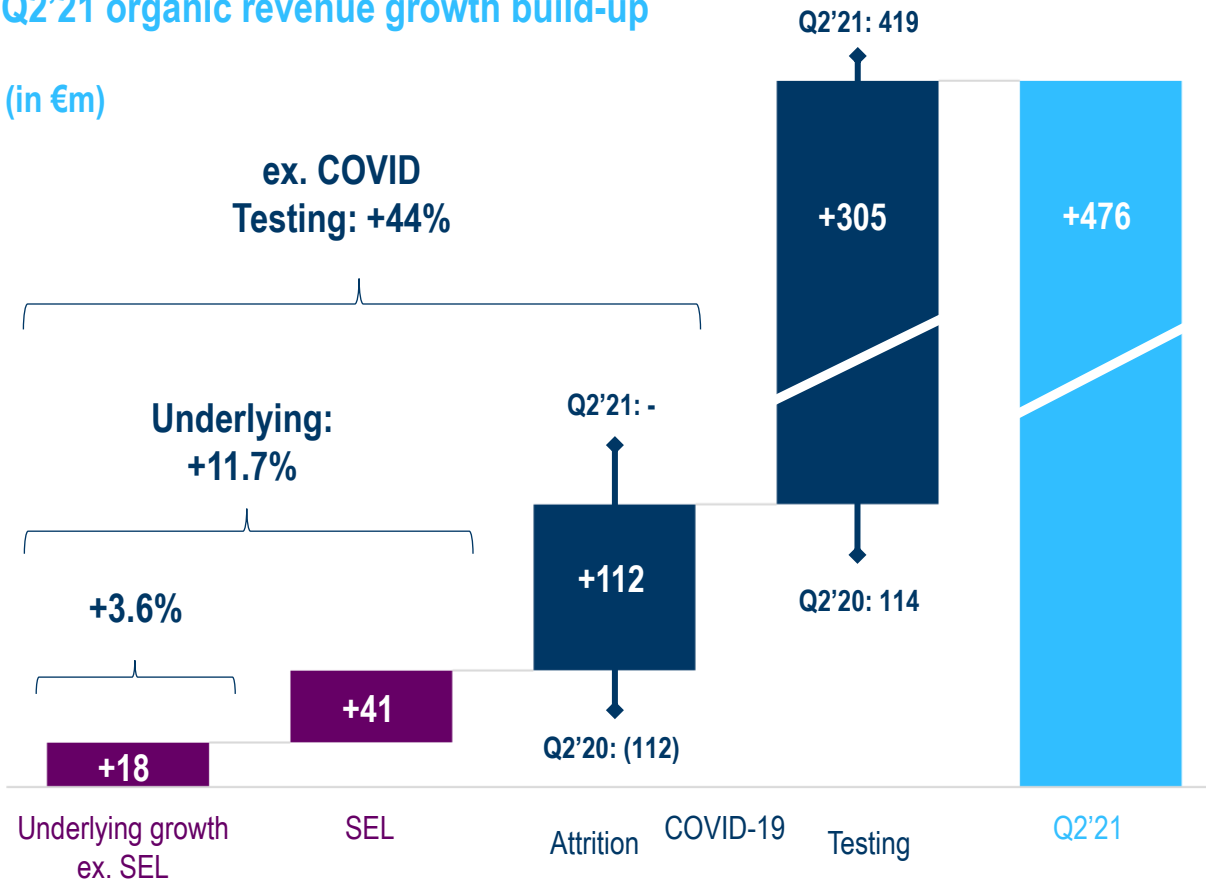


**Q2'21 total organic growth at the same level as in Q1'21**

# Underlying organic growth accelerated in Q2'21

## Q2'21 organic revenue growth build-up

(in €m)



## COVID-19 Testing

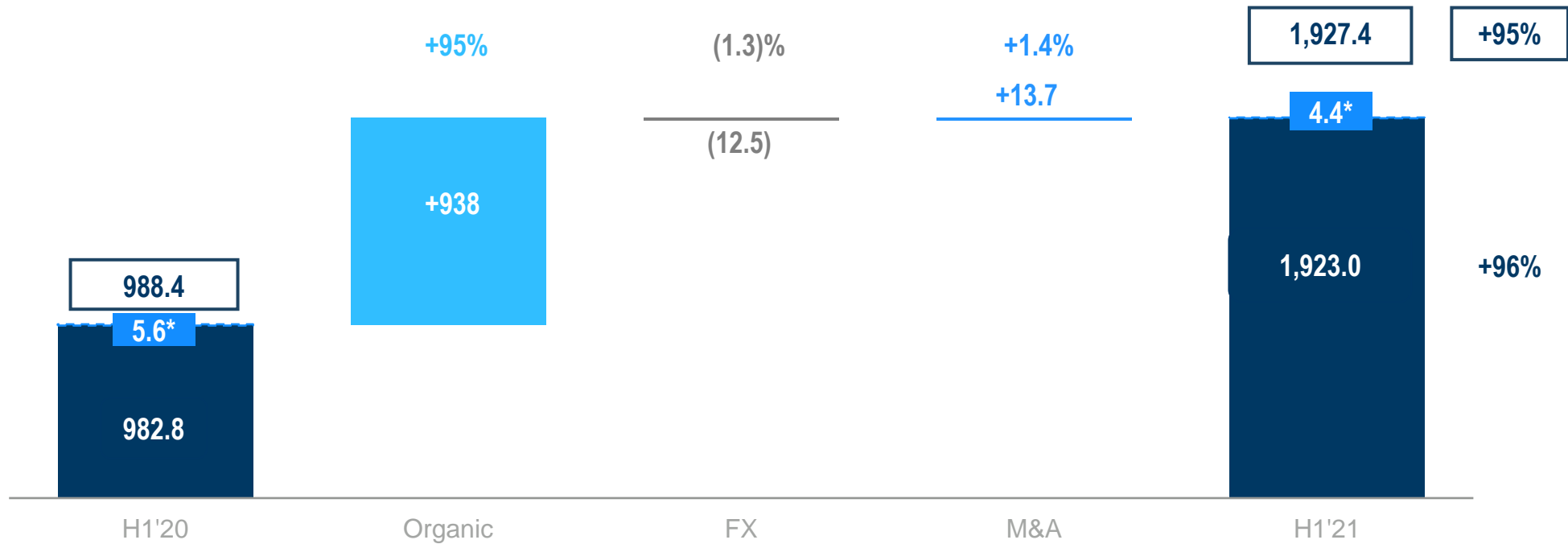
- 7.5m PCR tests
  - ~85% of C19 testing volumes
  - Average price @~€51 (vs. ~€58 in Q1'21)
- 1.4m non-PCR tests
  - increase compared with 0.8m in Q1'21

**Organic revenue growth of +44% ex. COVID-19 testing**



# Nearly doubling revenue on an organic basis in H1'21

(in €m)



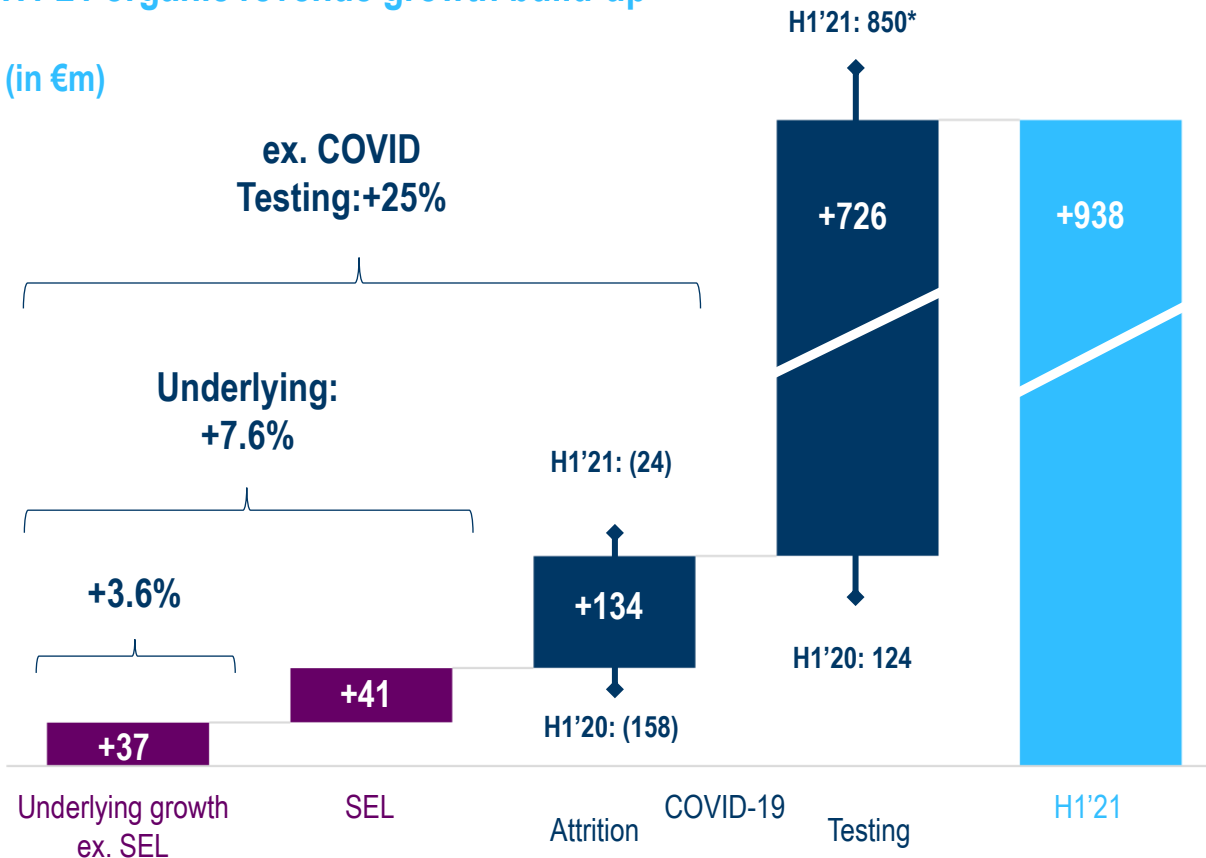
**Outstanding organic growth, limited FX headwind, M&A growth resuming**

\* Pro-forma for acquisitions and disposals: additional revenue as if acquisitions had been consolidated on 1 January of respective years

# Strong underlying organic growth in H1'21

## H1'21 organic revenue growth build-up

(in €m)



### Underlying Growth

- For You initiatives delivering
- SEL contract from April 1<sup>st</sup>

### COVID-19 Testing

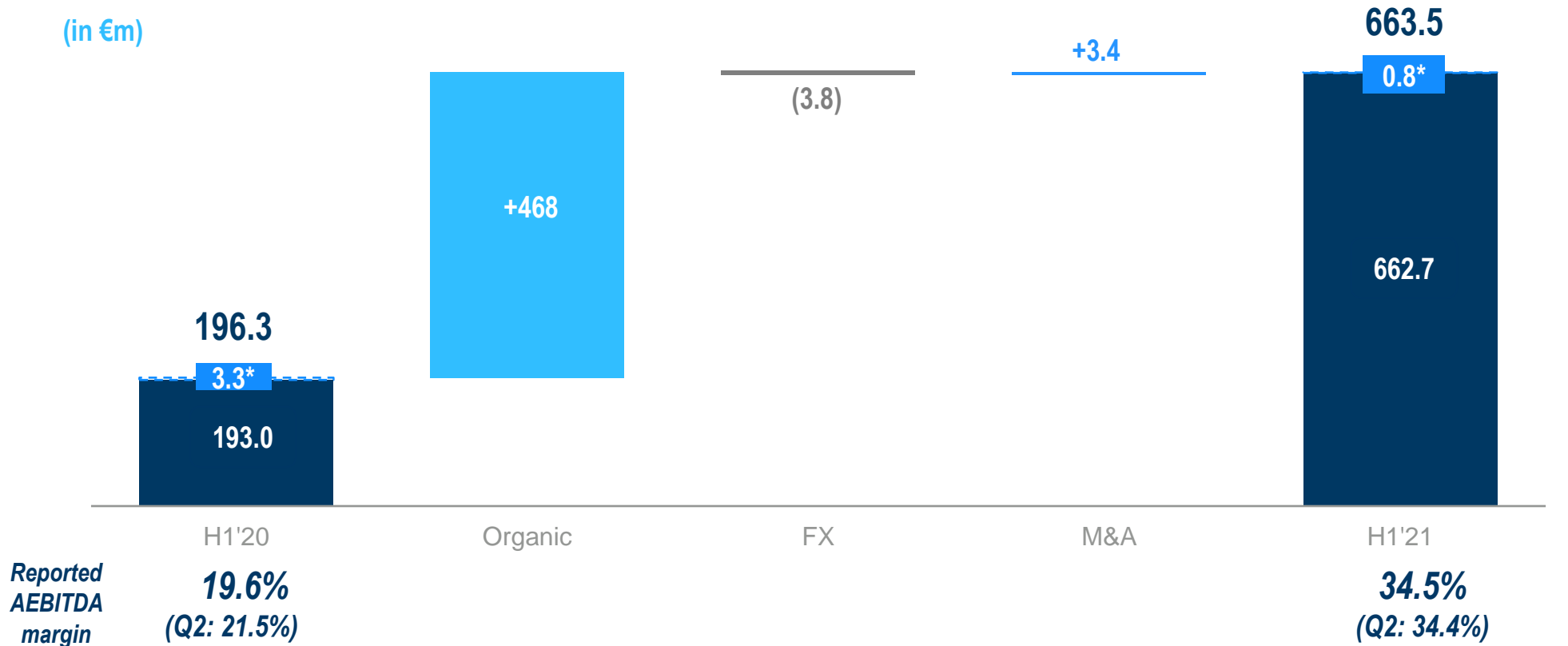
- 14.5m PCR tests
  - ~87% of C19 testing volume
  - Average price @~€55 (vs. ~€61 in Q4'20)
- 2.2m non-PCR tests
  - Increase from March onwards, mostly antibody tests

**Organic revenue growth of +25% ex. COVID-19 testing**

\* Total H1'21 COVID-19 testing revenue at €853 million, including revenues from acquired companies

## Strong AEBITDA performance: +€468m vs. H1'20

(in €m)



**AEBITDA margin at record level in H1'21**

## Volume leverage on contained cost base

(€m)	As % of rev.	H1'21	VLV		Drivers (selected)	AEBITDA Impact (€m)
<b>Revenue</b>	<b>100%</b>	<b>1,923</b>	<b>+96%</b>	<b>-</b>	Negative price (ex. COVID-19)	<b>(2.3)</b>
Materials	25%	(476)	+93%			
<b>Gross profit</b>	<b>75%</b>	<b>1,447</b>	<b>+97%</b>			
Personnel	29%	(550)	+41%	<b>+</b>	Contained inflation	<b>(7.8)</b>
Net other OPEX	12%	(234)	+54%	<b>+</b>	Productivity (SALIX)	<b>+9.5</b>
<b>AEBITDA</b>	<b>34.5%</b>	<b>663</b>	<b>x3.4</b>	<b>+</b>	Volume*	<b>+469</b>

**H1'21 Organic AEBITDA increase +€468m**

**30 bps improvement of gross margin and ~50% flow through on volume**

## Record net profit

H1'21

(€m)	Reported	Adj.	Adjusted	Adjusted VLY
<b>EBITDA</b>	<b>633.7</b>	<b>+29.0</b>	<b>662.7</b>	<b>+469.8</b>
D&A	(118.4)	+25.1	(93.3)	(10.8)
<b>Operating profit</b>	<b>515.3</b>	<b>+54.1</b>	<b>569.4</b>	<b>+459.0</b>
Associates & other	(2.8)		(2.8)	(12.9)
Net Finance Costs	(75.4)		(75.4)	+24.5
Income tax expense	(111.8)	(7.9)	(119.7)	(106.6)
Discontinued	17.9	(17.9)		
<b>Net profit (Group share)</b>	<b>343.2</b>	<b>+28.3</b>	<b>371.5</b>	<b>+364.0</b>

### Drivers

- **€29.0m** OPEX adjustments
  - €19.5m IPO related costs
  - €6.4m net acquisition-related / PMI
  - €3.1m other (strategic IT projects, share-based payments...)
- **€25.1m** customer list amortization
- **€(10.8)m** of last-year disposal in France
- Lower borrowings and lower borrowing cost
- **€7.9m** of tax effect of adjustments
  - 25% effective tax rate
- **€17.9m** from residual sale of A&S business

**€372m of adjusted net profit in H1'21**

## Record cash flow generation

(€m)	H1'21	H1'20	VLY	
<b>AEBITDA</b>	<b>662.7</b>	<b>193.0</b>	<b>+469.8</b>	
Movements in working capital	(82.4)	(76.8)	(5.6)	• DSO@61 (Jun.'19: @63) • Inventory reduction vs. year-end 2020
Income tax paid	(54.1)	(12.4)	(41.7)	• Higher income tax paid due to improved financial performance
Change in provisions & other	(3.5)	(11.6)	+8.1	
<b>Operating cash flow</b>	<b>522.7</b>	<b>92.2</b>	<b>+430.5</b>	
Net Capex	(48.0)	(29.5)	(18.5)	• €5.1m COVID-19 related CAPEX (~€28m since start of the pandemic)
Leases*	(46.9)	(54.0)	+7.2	• SEL +€11m (timing of lease payments)
As % of revenue	(4.9)%	(8.5)%	+3.6pts	
<b>Unlevered free cash flow</b>	<b>427.8</b>	<b>8.6</b>	<b>+419.2</b>	• 65% conversion of AEBITDA
Net interest*	(66.4)	(60.5)	(5.9)	• H1'21 refinancing costs
<b>Free cash flow</b>	<b>361.4</b>	<b>(51.9)</b>	<b>+413.3</b>	

**H1'21 uFCF performance > FY'21 IPO guidance (€300-350m)**



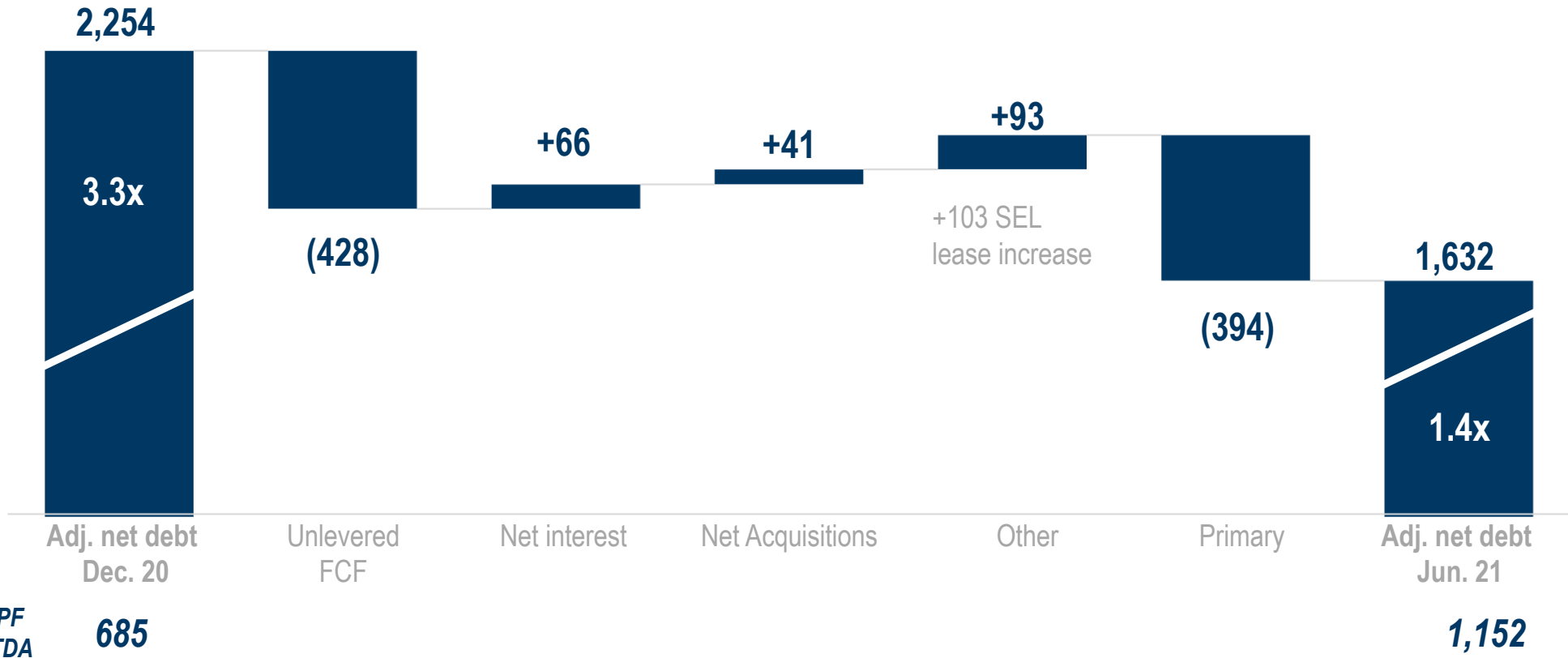
## Strong balance sheet

(€m)	H1'21	Dec'20	Var.	
Goodwill	2,255	2,212	+43	} ●——● 10 acquisitions of H1'21 & SEL
Net Fixed assets	1,343	1,234	+109	
Net Working Capital	194	116	+78	●——● Increase from COVID-19 testing stable QoQ
<i>NWC as a % of LTM rev.</i>	5.4%	4.4%	+1.0pts	
<b>Capital Employed</b>	<b>3,791</b>	<b>3,562</b>	<b>+229</b>	
Equity	1,952	1,204	+748	
Net debt*	1,619	2,235	(616)	●——● Net debt reduction
Other	220	124	+96	●——● Income tax liability, deferred expense
<b>Resources</b>	<b>3,791</b>	<b>3,562</b>	<b>+229</b>	

**ROCE (LTM) at 20%**

# Lowest leverage ratio since inception of the Group

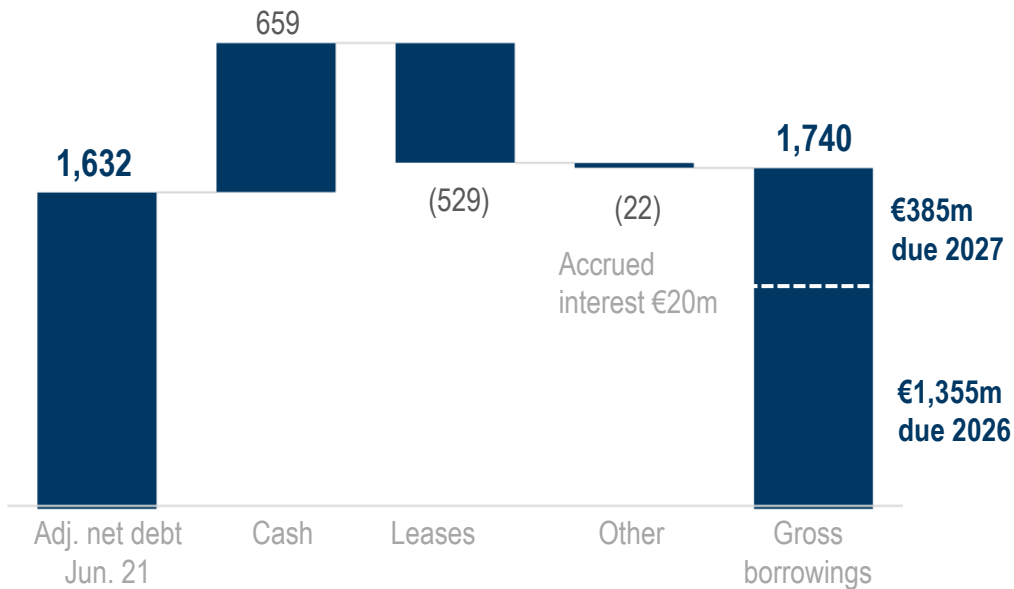
(in €m)



**Strong financial position**

## Active debt management in H1'21... and beyond

### Debt bridge (€m)



- Gross borrowings of €1,740m
  - Current average cost of borrowings 2.5% (4.2% in H1'20)
  - Further reduction of cost of borrowings expected in H2'21, to ~2.0%\*
- Strong liquidity position
  - €659m cash and cash equivalents
  - €500m undrawn liquidity credit lines
- €75m loan due 2026 repaid in August

**No debt repayment due before 2026**



**2021 Outlook**

## 2021 Outlook

### FY'21 guidance upward revision on July 8

	Previous guidance	Revised guidance
Revenues	>EUR 3 billion	EUR 3.2-3.3 billion
<i>Total growth</i>	~17%	22-25%
<i>Underlying organic growth</i>	~10%	~10%
Adjusted EBITDA		> EUR 925 million
Unlevered FCF	EUR 300-350 million	> EUR 500 million

### H2'21 dynamics

- FY'21 guidance revision on the assumption of COVID-19 gradual reduction from peak in H2'21
- Should recent trends continue (impact of variants...), revenue / total growth ranges likely to be exceeded
- Continuous strong focus on underlying organic growth
- M&A execution

# Appendix

## Financial calendar / Investor contact



### 2021-Upcoming roadshows and conferences

H1 results roadshow (5 dates)	August 31- September 9
GS European Medtech conf.	8 September 2021
BofA Global Healthcare conf.	15 September 2021

### 2021-Financial calendar

Q3 Results	10 November 2021 (pre-market)
Q4/FY Results	16 March 2022 (pre-market)

### Investor contact

**Mark REINHARD**

Head of Investor Relations

**SYNLAB**

Moosacher Strasse 88  
80809 Munich / Germany

[ir@synlab.com](mailto:ir@synlab.com)



## Segment reporting

(€m)	Revenue				AOP			
	Q2'21	Q2'20	Organic Growth	Underlying Growth	Q2'21	Q2'20	Margin, Q2'21	Margin, Q2'20
France	213.0	118.0	76.6%	-1.4%	46.8	20.6	22.0%	17.4%
Germany	188.4	121.4	55.2%	5.7%	49.6	14.3	26.3%	11.8%
South	281.2	163.3	71.4%	5.3%	75.5	21.4	26.8%	13.1%
North & East	302.2	100.5	198.7%	45.0%	117.3	8.7	38.8%	8.7%
<b>SYNLAB GROUP</b>	<b>984.8</b>	<b>503.2</b>	<b>94.1%</b>	<b>11.7%</b>	<b>289.1</b>	<b>65.0</b>	<b>29.4%</b>	<b>12.9%</b>

(€m)	Revenue				AOP			
	H1'21	H1'20	Organic Growth	Underlying Growth	H1'21	H1'20	Margin, H1'21	Margin, H1'20
France	441.6	236.0	84.7%	0.4%	116.7	40.7	26.4%	17.3%
Germany	367.2	234.3	56.7%	2.9%	96.0	20.8	26.1%	8.9%
South	545.5	306.2	77.5%	5.5%	139.2	30.6	25.5%	10.0%
North & East	568.8	206.3	176.1%	24.8%	217.5	18.2	38.2%	8.8%
<b>SYNLAB GROUP</b>	<b>1,923.0</b>	<b>982.8</b>	<b>94.9%</b>	<b>7.6%</b>	<b>569.4</b>	<b>110.4</b>	<b>29.6%</b>	<b>11.2%</b>

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

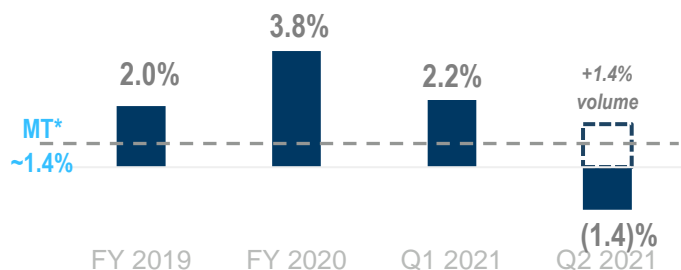
# FRANCE (23% of Group revenue)



## Key financials

(€m)	Growth			Growth		
	Q2'21	Total	Organic	H1'21	Total	Organic
Revenue	213.0	+80%	+77%	441.6	+87%	+85%
AOP	46.8	x2.3		116.7	x2.9	
AOP margin	22.0%	+4.5pts		26.4%	+9.2pts	

## Underlying organic growth trend



## Key growth opportunities

**B2C/BCP**  
Network optimization

**OTC / D2C**  
strategy

## Other main KPI

### COVID-19 PCR tests

- ✓ 1.6m in Q2'21 / 3.3m in H1'21
- ✓ June 1<sup>st</sup> test price\*\* decrease, from €55 to €44 all inclusive
- ✓ PCR tests no longer reimbursed for travel / leisure from Sep. / Oct.
- ✓ Health pass requiring PCR tests for non-vaccinated people

## Q2'21 Financial highlights

- ✓ **Organic growth**
  - ✓ Sustained strong COVID-19 testing volumes
  - ✓ Underlying growth slowdown vs. Q1'21:
    - ✓ (-) price decrease = 3-year agreement: (2.8)%
    - ✓ (-) part of April routine classified as COVID-19 related rebound
    - ✓ (+) volume growth: +1.4%
  - ✓ BCP network optimization ongoing (For You)
- ✓ **Profitability:** strong volume leverage

## Q2'21 Business highlights

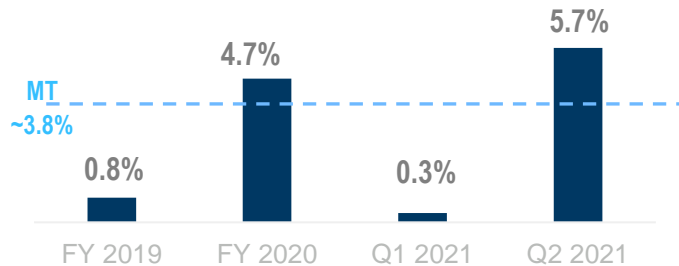
- ✓ **COVID-19 response:** variant detection, Best Western contract, significant school testing contract
- ✓ **M&A:** focus on integration of Q1'21 acquisitions

# GERMANY (19% of Group revenue)

## Key financials

(€m)	Q2'21	Growth		H1'21	Growth	
		Total	Organic		Total	Organic
Revenue	188.4	+55%	+55%	367.2	+57%	+57%
AOP	49.6	x3.5		96.0	x4.6	
AOP margin	26.3%	+14.5pts		26.1%	+17.2pts	

## Underlying organic growth trend



## Other main KPI

### COVID-19 PCR tests

- ✓ 1.5m in Q2'21 / 2.9m in H1'21
- ✓ Public price range €35-€44

## Key growth opportunities

**Prescribers**  
Sales initiatives, tailored offering

**Hospitals**  
Better service, better value

**Specialty tests**  
Genetics, cytology, toxicology

## Q2'21 Financial highlights

- ✓ **Organic growth**
  - ✓ Sustained strong COVID-19 testing volumes
  - ✓ No attrition impact
  - ✓ Underlying growth rebound
    - ✓ catch-up effect from Q1'21
    - ✓ strong volumes
    - ✓ stable prices
- ✓ **Profitability:** strong volume leverage

## Q2'21 Business highlights

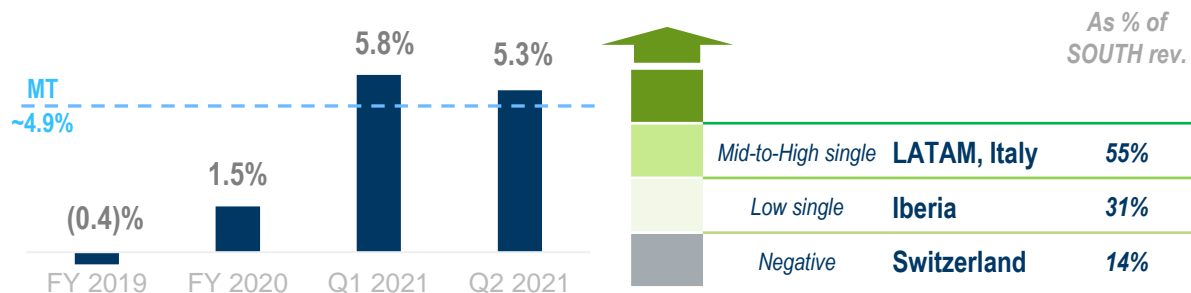
- ✓ **COVID-19 response:** #1 market share in variants testing (sequencing), Lollipop project: PCR mass tests for schools
- ✓ **Lab automation** solution completed in Munich
- ✓ **M&A:** 1 bolt-on closed in Q2'21 and already announced

# SOUTH (28% of Group revenue)

## Key financials

(€m)	Growth			Growth		
	Q2'21	Total	Organic	H1'21	Total	Organic
Revenue	281.2	+72%	+71%	545.5	+78%	+77%
AOP	75.5	x3.5		139.2	x4.5	
AOP margin	26.8%	+13.8pts		25.5%	+15.5pts	

## Underlying organic growth trend .....→ Q2'21 focus



## Key growth opportunities

**Prescribers**  
 Sales initiatives. tailored offering

**D2C**  
 Opportunity

**LATAM**  
 Emerging markets

## Q2'21 Financial highlights

- ✓ **Organic growth:**
  - ✓ COVID-19 testing volumes acceleration QoQ
  - ✓ Attrition impact reduction, now Colombia only
  - ✓ Good underlying growth momentum (ex Switzerland)
    - ✓ volume growth and slight decline in prices
    - ✓ For You growth initiatives (Italy BCPs+hospitals, retail Spain )
  - ✓ Switzerland: rollover effect of 2020 customer losses phasing out, price decrease
- ✓ **Profitability:** margins up across the board reflecting strong volume leverage

## Q2'21 Business highlights

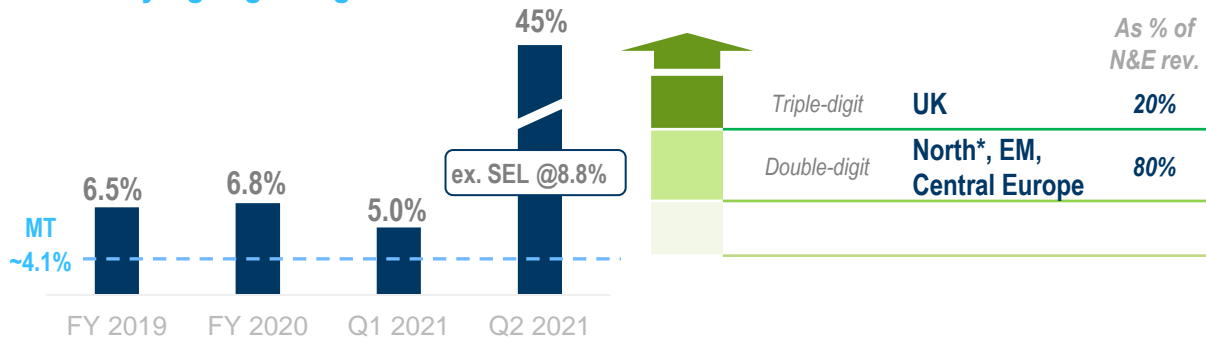
- ✓ **COVID-19 response:** LATAM strong volumes, Amazon contract extension (Italy), school testing in Portugal, mass testing in several Swiss cantons
- ✓ **M&A:** mid-sized deal closed in July in Italy: ~€22m in annualized revenues

# NORTH & EAST (30% of Group revenue)

## Key financials

(€m)	Growth			Growth		
	Q2'21	Total	Organic	H1'21	Total	Organic
Revenue	302.2	x3.0	x3.0	568.8	x2.8	x2.8
AOP	117.3	x13.5		217.5	x11.9	
AOP margin	38.8%	+30.2pts		38.2%	+29.4pts	

## Underlying organic growth trend ..... Q2'21 focus



## Key growth opportunities



## Q2'21 Financial highlights

- ✓ **Organic growth**
  - ✓ Sustained strong COVID-19 testing volumes, including short-term contracts (North Europe) + SEL additional volume
  - ✓ Very minor attrition impact
  - ✓ Underlying growth acceleration
    - ✓ SEL contract from April 1<sup>st</sup>
    - ✓ volume growth + positive prices in the UK
    - ✓ For You initiatives (prescribers Austria, BCPs Belgium)
- ✓ **Profitability:** strong volume leverage, further uplift by short-term COVID-19 contracts

## Q2'21 Business highlights

- ✓ **COVID-19 response:** renewal of HUS partnership
- ✓ **SEL contract** successful roll-out, strengthened UK presence (also on COVID-19 response)
- ✓ **Lab automation** solution completed in Liege



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