



SYNLAB

SYNLAB ODDO BHF

Forum

JANUARY 2022



Disclaimer

This document does not constitute or form a part of, and should not be construed as, an offer for sale or subscription of or solicitation of any offer to purchase or subscribe for any securities in any jurisdiction.

Statements made in this document may include forward-looking statements. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believes," "expects," "expected," "may," "will," "would," "should," "seeks," "pro forma," "anticipates," "intends," "plans," "estimates," "estimated," or the negative of any thereof or other variations thereof or comparable terminology, or by discussions of strategy or intentions. These statements are not guarantees of future actions or performance and involve risks, uncertainties and assumptions as to future events that may not prove to be accurate. Actual actions or results may differ materially from what is expressed or forecasted in these forward-looking statements. As a result, these statements speak only as of the date they were made and SYNLAB undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. It should be noted that past performance is not a guide to future performance. Interim results are not necessarily indicative of full-year results.

Certain data included in this document are "non-IFRS" measures. These non-IFRS measures may not be comparable to similarly titled financial measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with International Financial Reporting Standards or any other generally accepted accounting principles. Although SYNLAB believes these non-IFRS financial measures provide useful information to users in measuring the financial performance and condition of its business, users are cautioned not to place undue reliance on any non-IFRS financial measures and ratios included in this document.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Agenda

1. Company presentation and outlook
2. Recent highlights
3. Q3-9M'21 Financial results
4. Appendix








Company presentation


Unique investment case in European healthcare




- 

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

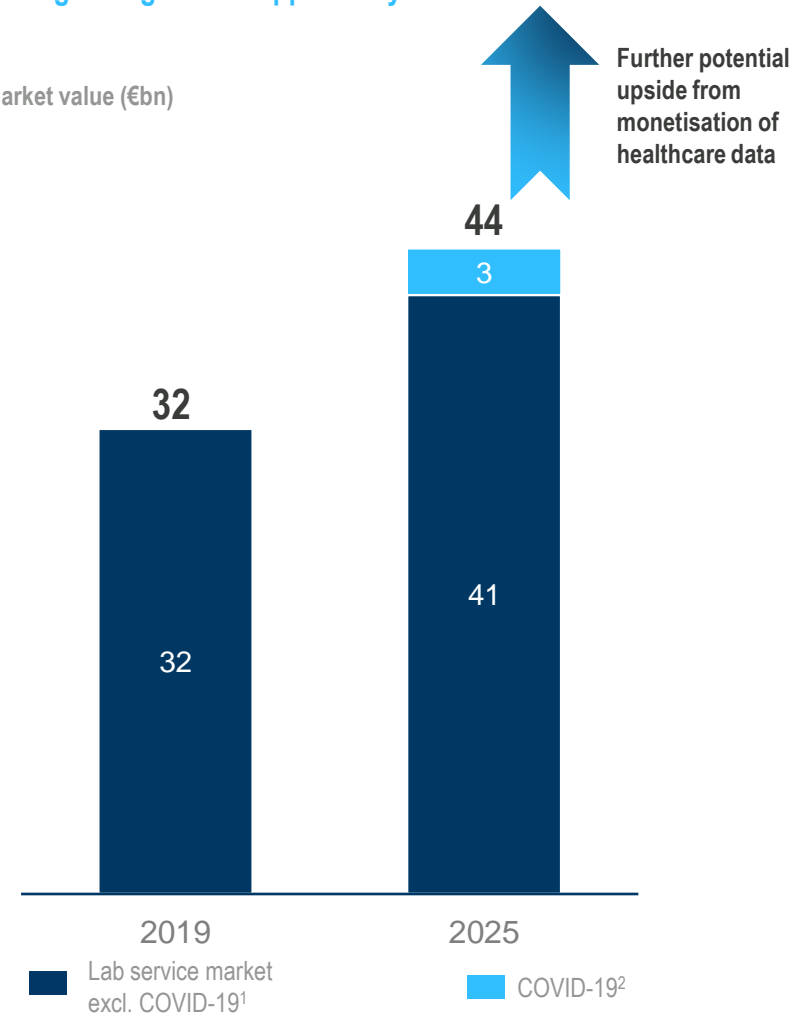


Digital / AI / data service

Pandemics

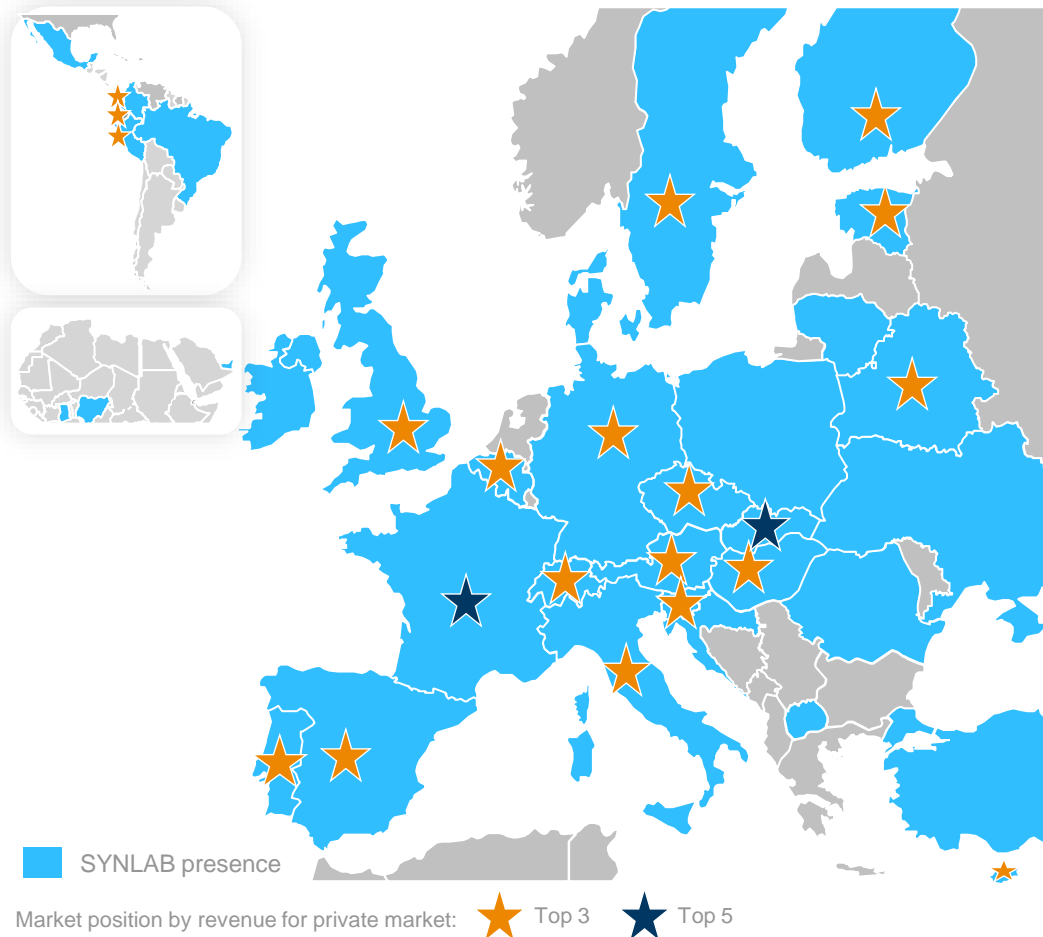
Large and growing market opportunity

Market value (€bn)



Largest European clinical laboratory & medical diagnostic services company

Leading positions in our key markets



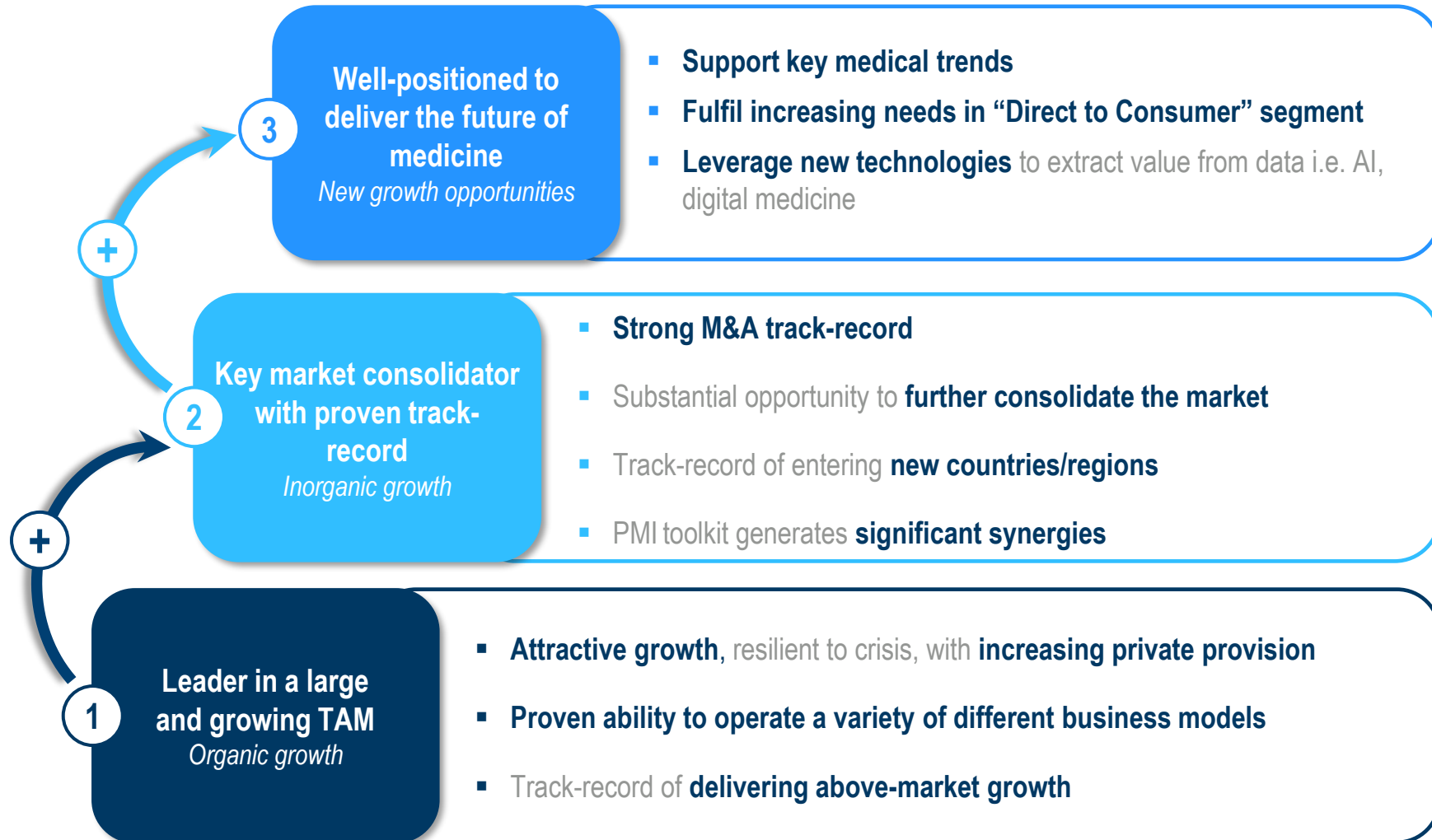
Key highlights

- ✓ 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 régimes, payors, and testing modalities
- ✓ >€3.5bn revenue expected in 2021
- ✓ 36 countries globally
- ✓ >1.200 medical experts
- ✓ >5.000 types of tests offered
- ✓ ~500m tests processed per annum
- ✓ ~100m patients per annum

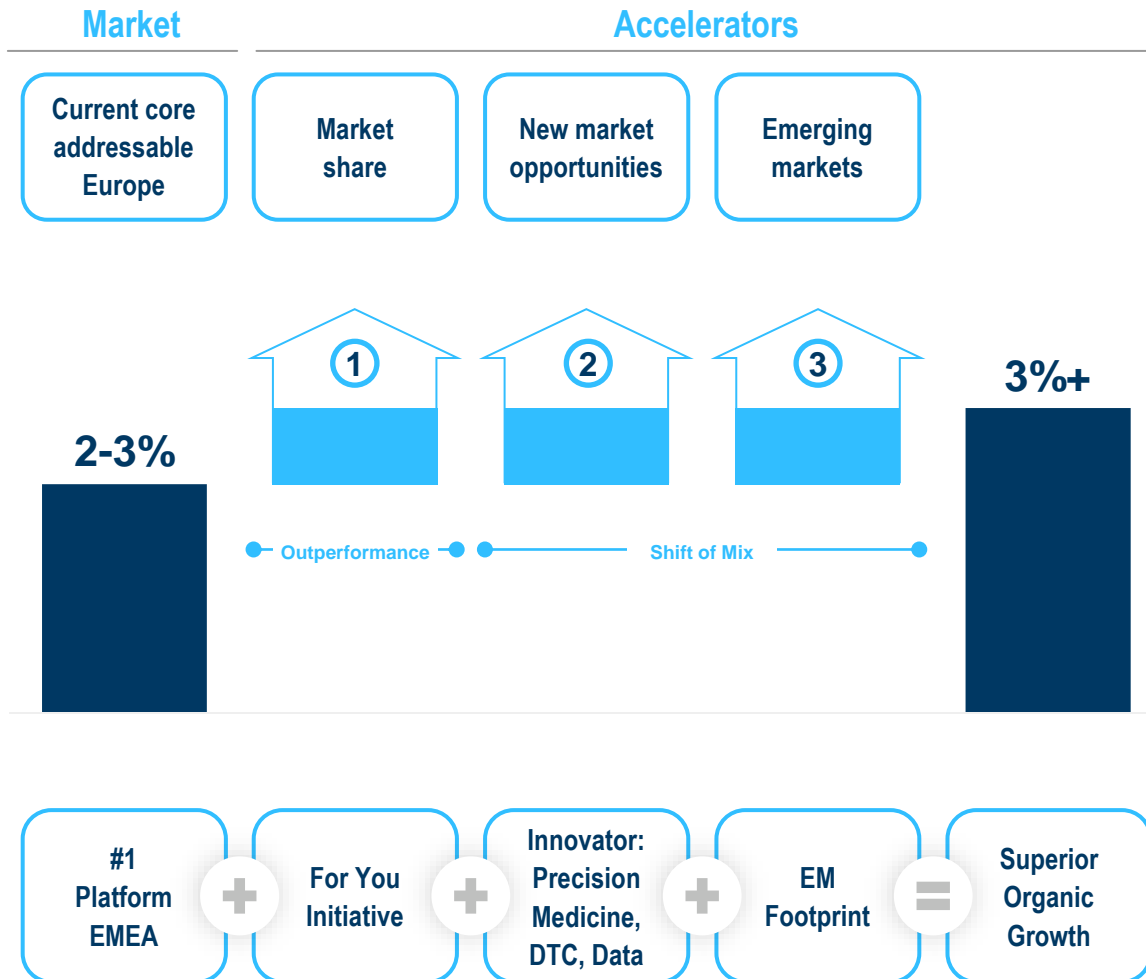
Growth strategy based on customer centric medical excellence



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**

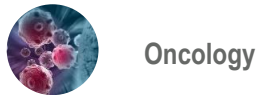
Well-positioned to deliver the future of medicine

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



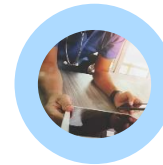
Drugs



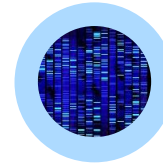
Alcohol

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



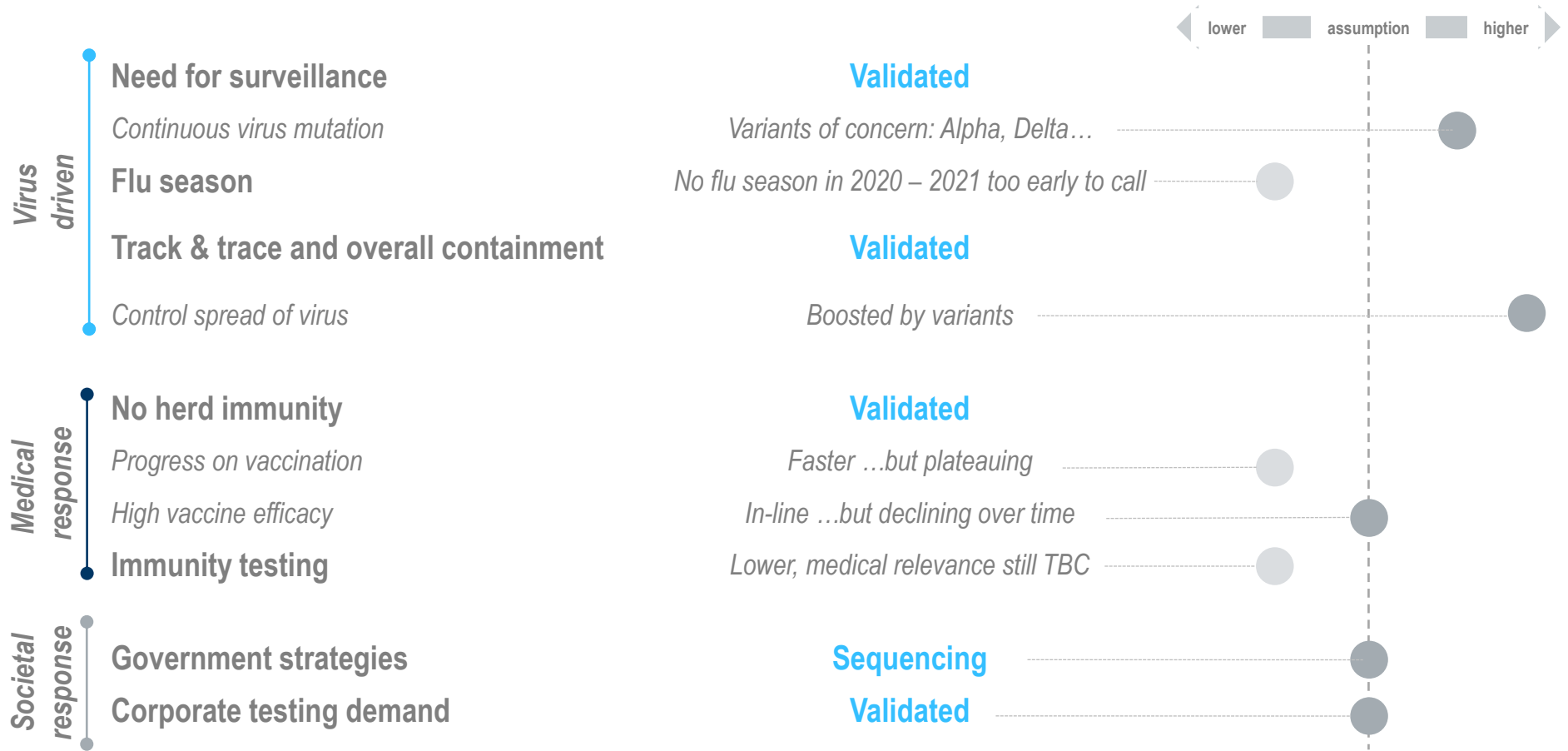
AI-drive holistic data integration of medical data sets, e.g. can be used in drug development



Clinical decision support through machine learning

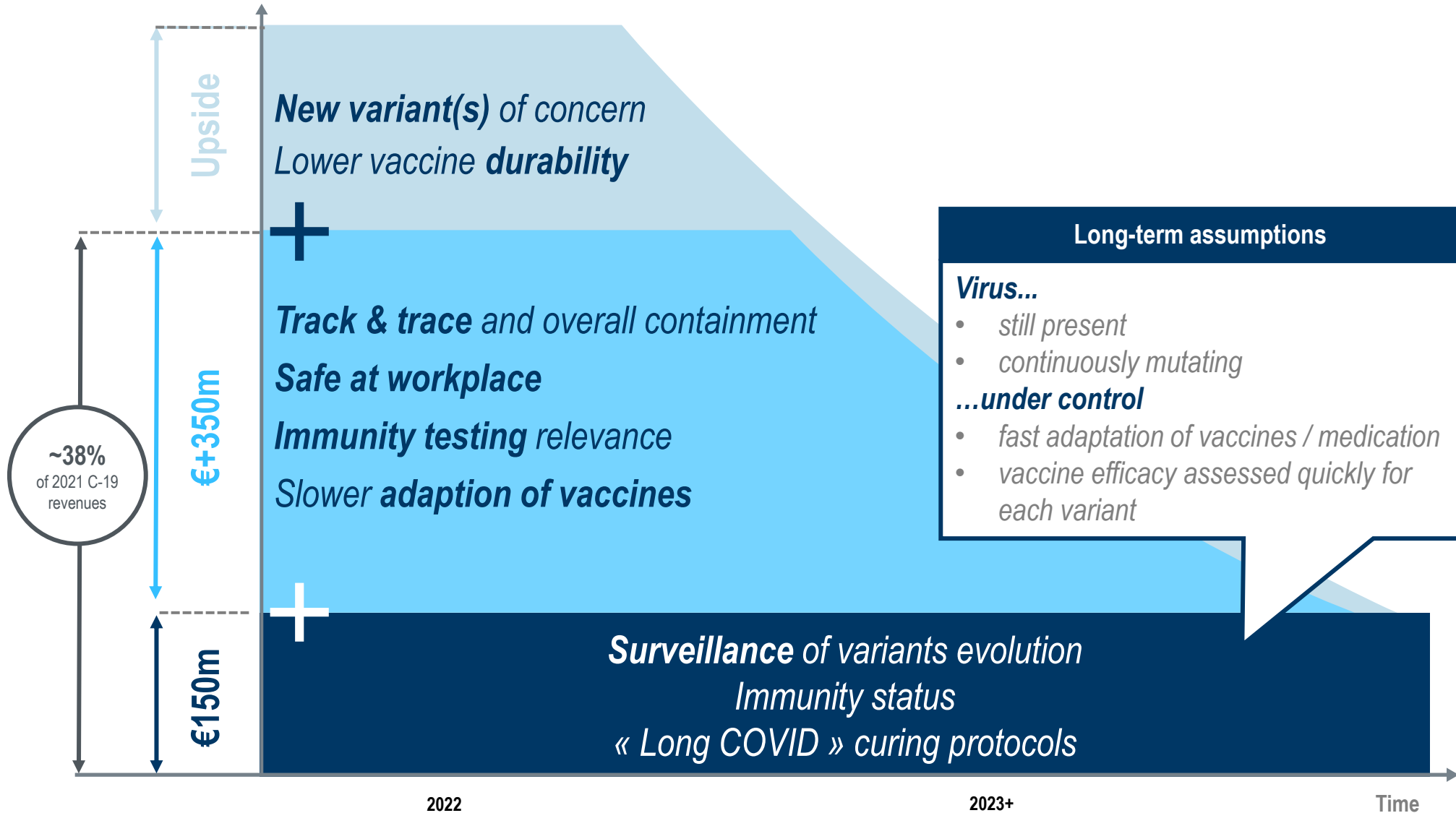
Key COVID drivers in 2021

Real life (2021) vs. IPO assumption



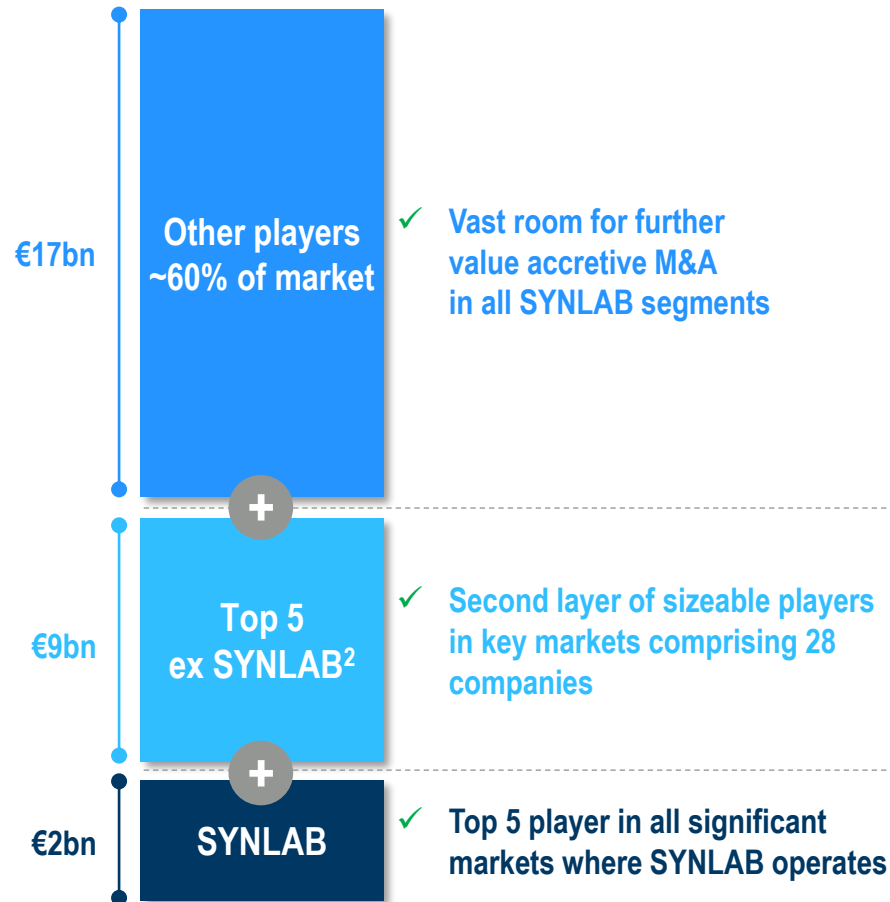
Testing does not disappear with vaccination

COVID-19 business scenarios

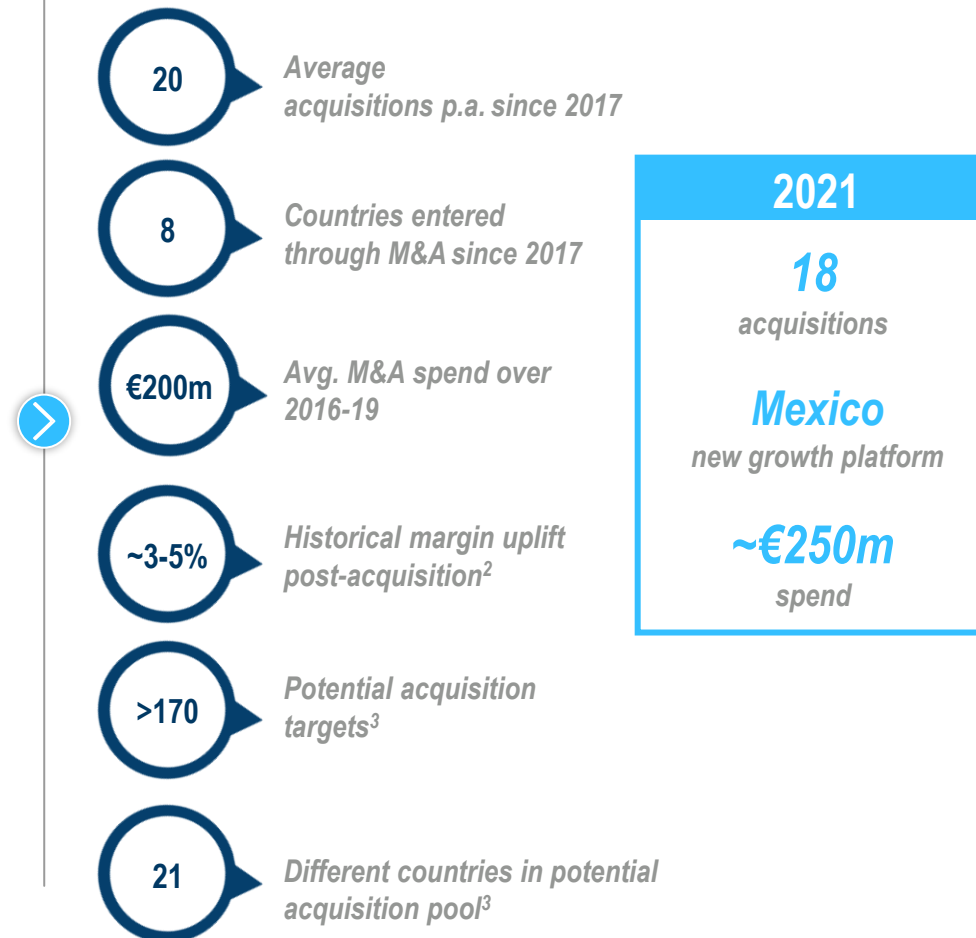


Huge potential for value accretive M&A

Addressable market (€bn)

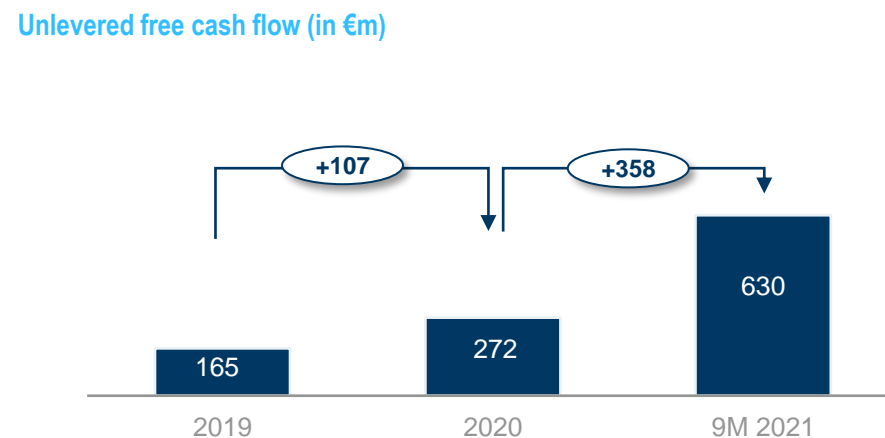
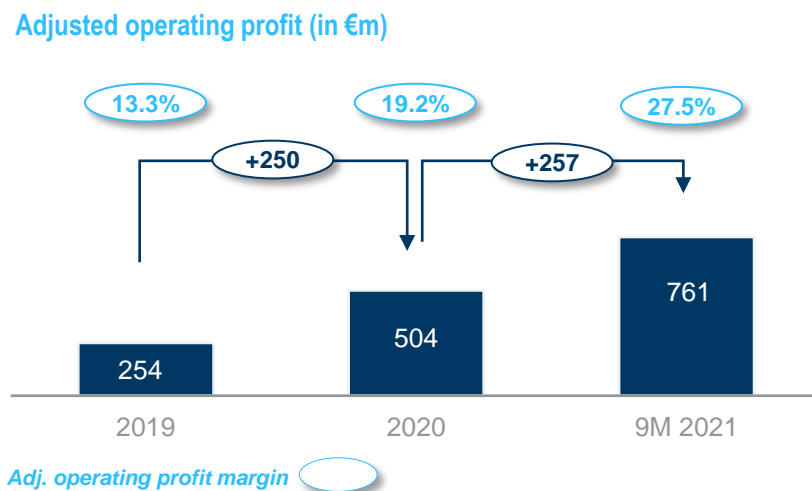
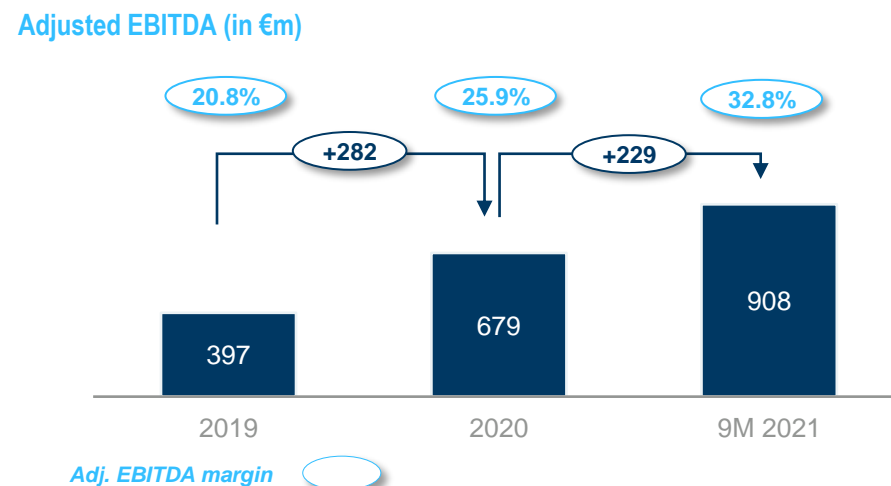
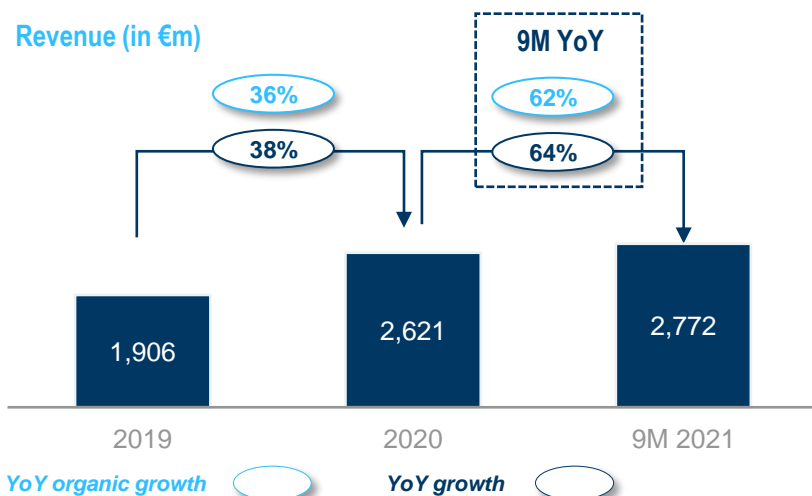


Proven ability to grow through value accretive M&A



2021
18 acquisitions
Mexico new growth platform
~€250m spend

Key financial highlights







Successful execution of strategic growth plan in 2021

	At IPO	Current guidance	Status	Outperformance Key enablers
Organic growth	~10%	~10%	Delivering	<ul style="list-style-type: none"> • For You growth initiatives • SEL execution
M&A (EV, in €m)	~200	>200	Acceleration	<ul style="list-style-type: none"> • Strong and diversified pipeline • Mid-sized acquisitions • Price discipline
COVID-19 revenue (€m)	~800 (2021) ~500 (2022)	>1,300 (2021)	2 years in 1	<ul style="list-style-type: none"> • Best commercial, operational and medical execution

Strong execution and transformation capabilities for the future

Over-delivering on IPO 2021 financial targets

	At IPO	Current guidance	Outperformance
Revenue (€bn)	>3.0	>3.5	 >+0.5
Total growth	~17%	>34%	 >x2
AEBITDA (€m)	~800*	>1,000	 >200
AEBITDA margin	~26%*	>30%	 >4ppts
Unlevered FCF (€m)	300-350	>700	 >350  >1.70/share

Ahead of plan with additional capacity to accelerate

Company outlook

2022 outlook

Revenue

~ €2.9bn

+50%
vs 2019

AEBITDA margin

23-25%

M&A spend

> €200m

IPO mid-term outlook

3%+ organic growth*

~10% total growth*

~23% AEBITDA margin

45-50% AEBITDA to uFCF
conversion

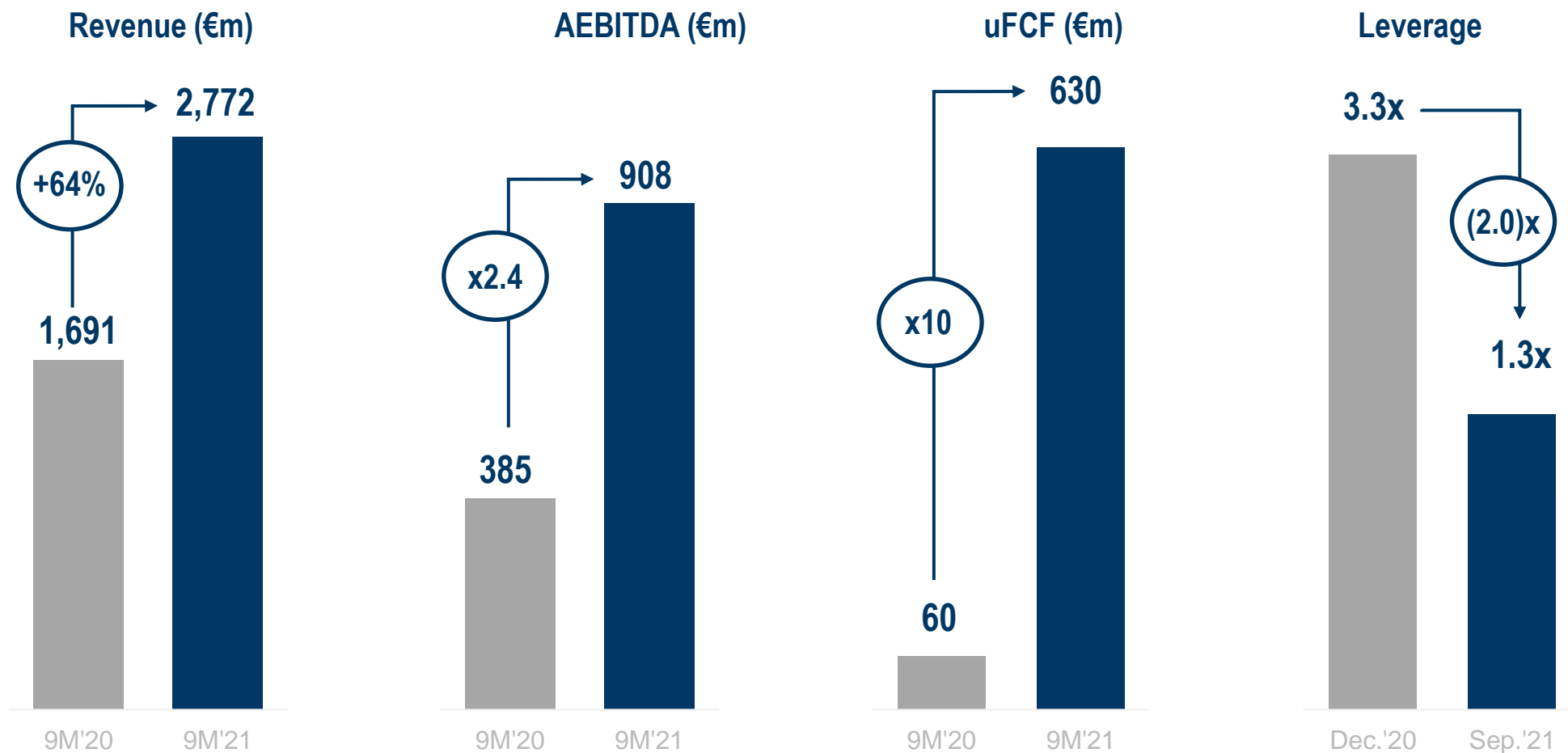
Financial policy

Net leverage <3x

Dividend payout ratio: 20-30%**

Recent highlights

9M 2021 Financial highlights



2021 guidance materially higher than IPO targets

Q3'21 operational highlights

Accelerate organic growth

Retail

- Opening blood collection points (130+ YTD)

Prescribers

- SYNconnect –prescribers Germany

Hospital

- Colombia contract win

Specialty tests

- Reinforcing European leadership (South & East)

Operational excellence

SALIX on track: €15m savings delivered after 9M

STS* (1000+ transformation initiatives...)

Core lab equipment renewal and automation
(75% completed, lastly in Madrid)



M&A acceleration

Global reach, strong execution capabilities

- 18 deals closed
- ~€113m in annualized revenue* = ~5.5% of base business*
- total EV: ~€250m
- pipeline remains strong

Improved employee engagement

Employee Participation Plan

- launched September
- 36 countries
- 100% employees eligible

ESG



Retail initiative: create best patient experience

Opening / refurbishing BCPs....



Madrid, Spain



Le Pian, France



Nancy, France



Lima, Peru

...and listening to feedback

- Net Promoter Score (NPS) as meaningful, standardised metric for **customer satisfaction**
- Platform expanded **across all countries and sites**
- **Real-time feedback** along the customer journey

5) Would you recommend SYNLAB to a friend or colleague? (0 = highly unlikely, 10 = highly likely) *



I want a response to my feedback

Send



Setting up new growth platform in Mexico



Highly attractive market

Large:

- ~MXN 32bn or (~€1.3bn) -ex. COVID-
- ~5% CAGR mid-term

Fragmented:

- >14,000 labs, ~70 with 50+ employees
- Top 3 players have ~25% market share

Favorable demographics, including:

- increase of prevalence (diabetes, heart diseases...)
- focus on prevention
- outsourcing opportunity

Pricing:

- 50% out-of-pocket

SYNLAB new platform for growth

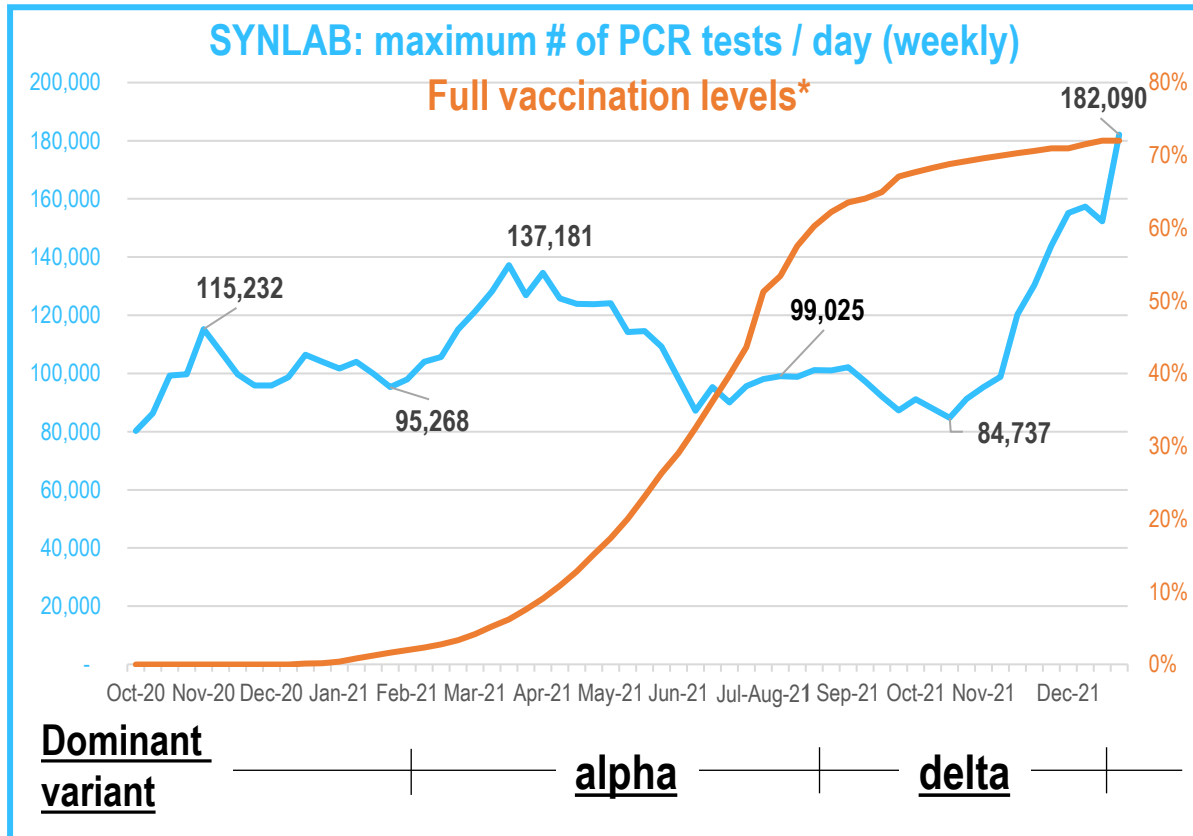
LMP Laboratorio Médico Polanco

- *Top 4 player with 4% market share*
- *100 diagnostic service points
1,700 employees*
- *€55m revenue in 2020**

+ 1 bolt-on

- *completed end of August*
- *€8m revenue in 2020*

Leadership in COVID-19 response



Large medical offering

- PCR tests
- antibody tests
- sequencing

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

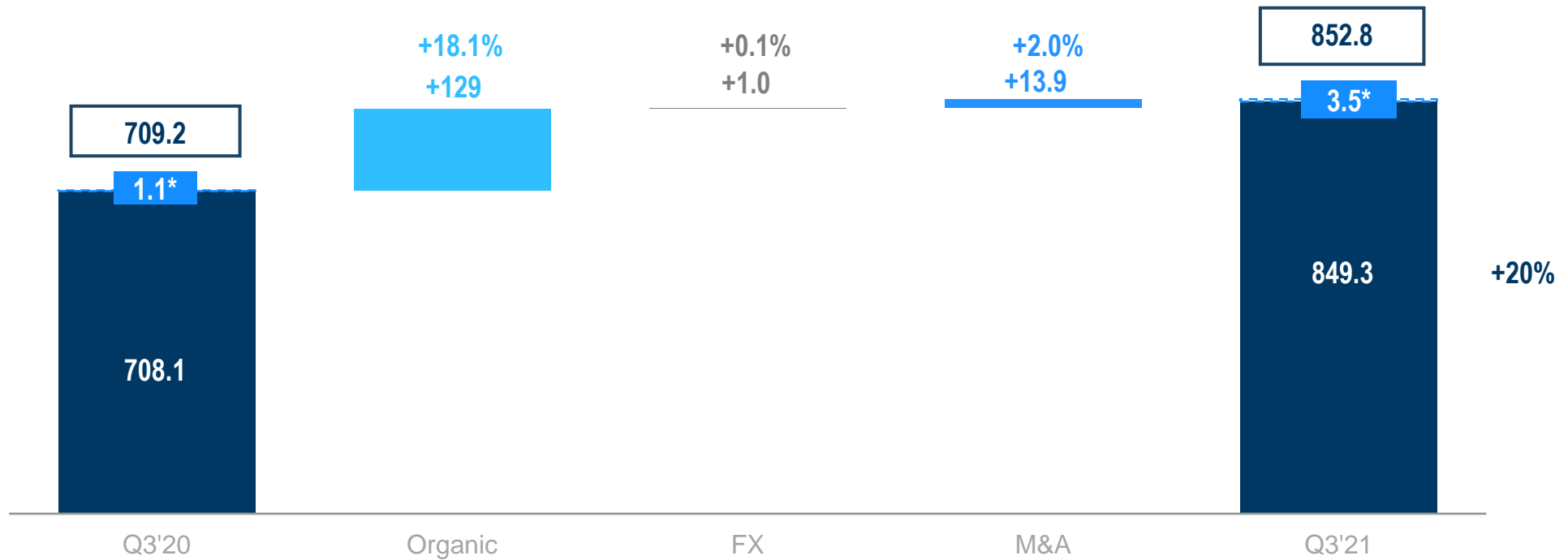
40+ million tests performed since the beginning of the pandemic

Q3-9M'21 Financial results

-SYNLAB AG, UNAUDITED FINANCIALS-

Strong Q3'21 revenue growth

(in €m)

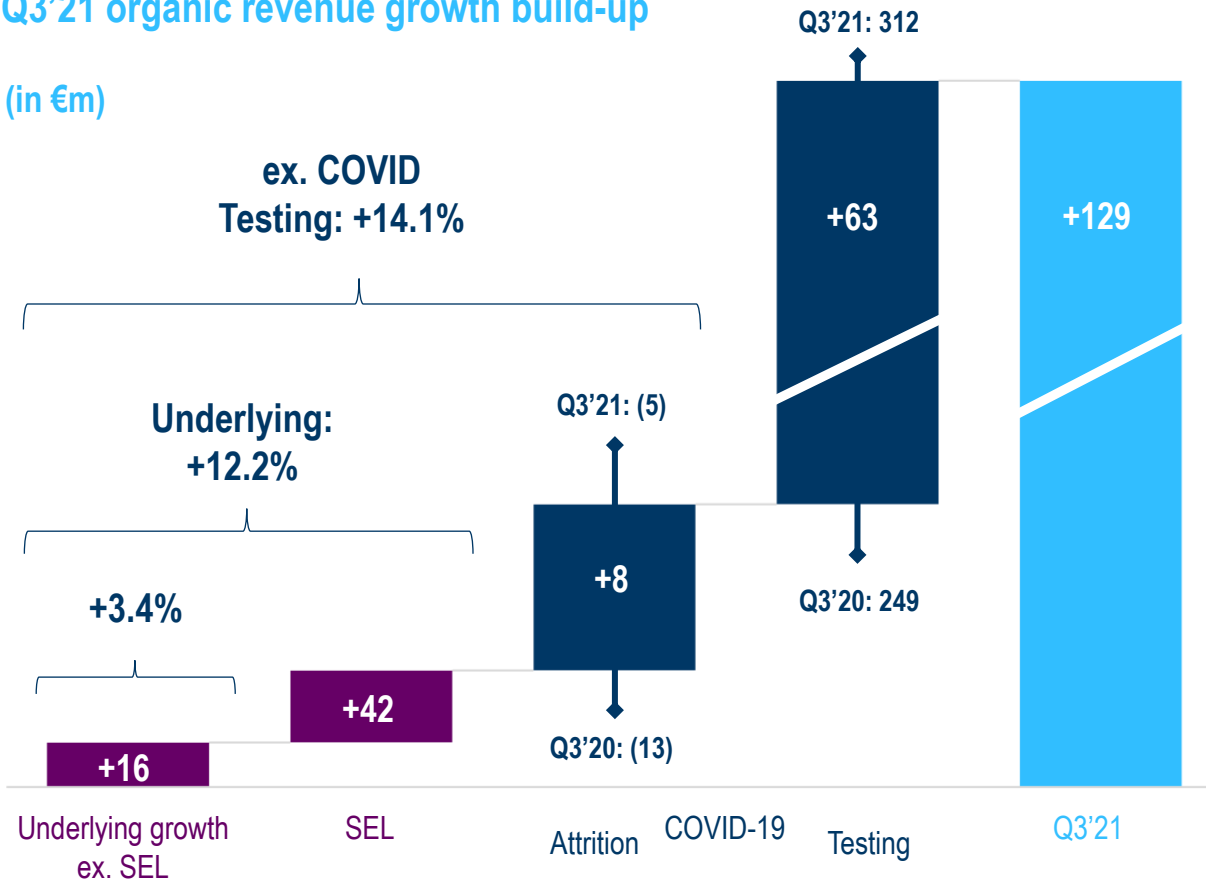


20% growth vs. comparable base including strong COVID-19 testing

Underlying organic growth further accelerated in Q3'21

Q3'21 organic revenue growth build-up

(in €m)



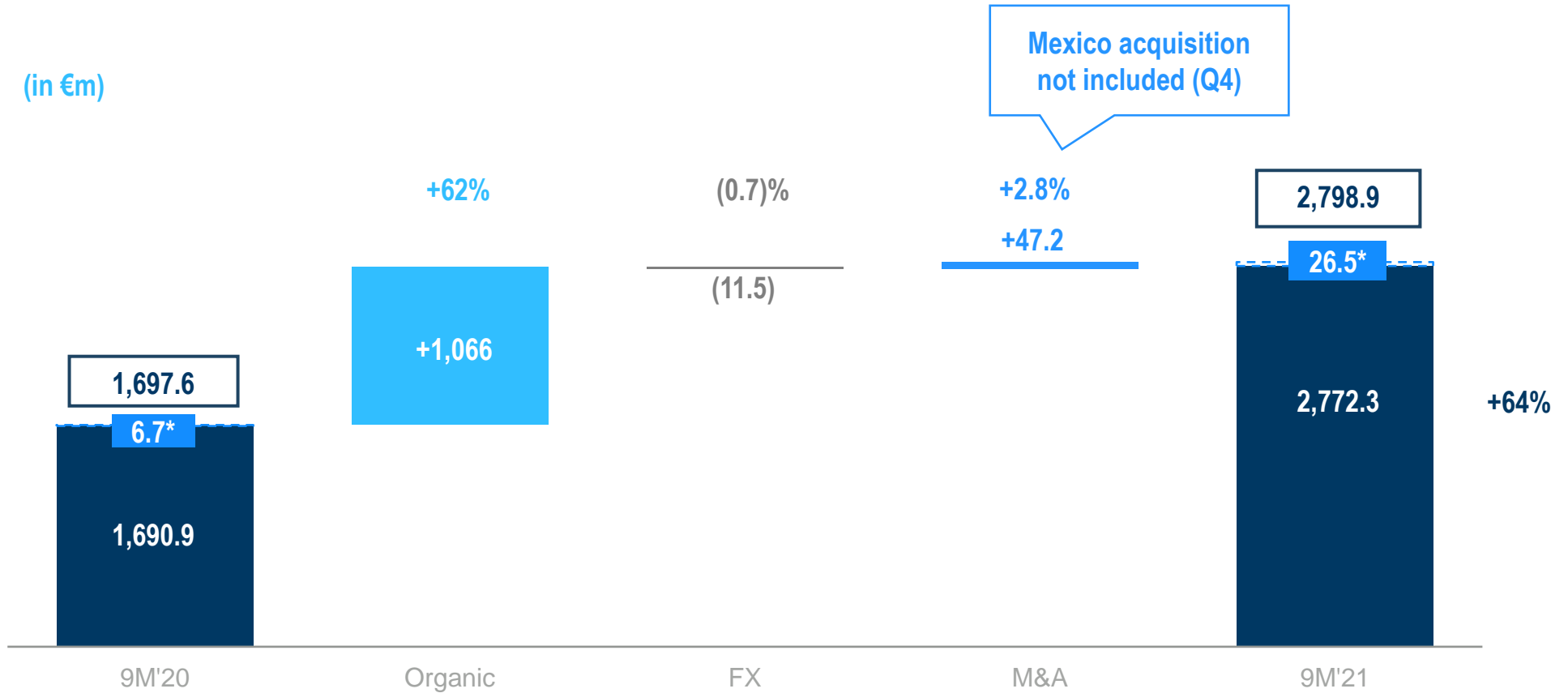
COVID-19 Testing

- 6.3m PCR tests
 - ~83% of total C19 testing volumes
 - Average price @~€44 (vs. ~€51 in Q2'21)
- 1.3m non-PCR tests
 - broadly stable vs. Q2'21

Organic revenue growth of +14% ex. COVID-19 testing

Major revenue expansion in 9M'21

(in €m)

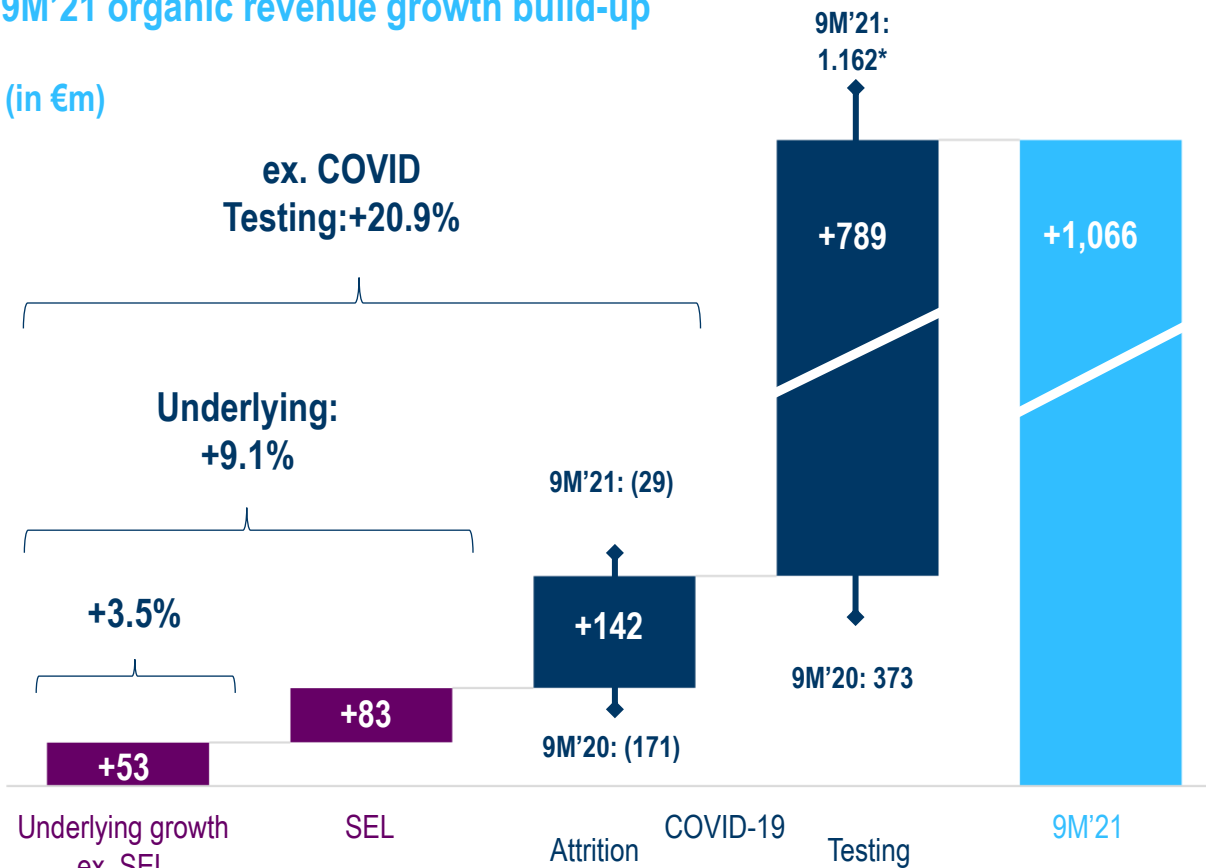


Outstanding organic growth, limited FX headwind, M&A growth resuming

Strong underlying organic growth in 9M'21

9M'21 organic revenue growth build-up

(in €m)



COVID-19 Testing

- 20.8m PCR tests
 - ~86% of C19 testing volume
 - Average price @ ~€52 (vs. ~€61 in Q4'20)
- 3.5m non-PCR tests
 - Increased since March, mostly antibody tests

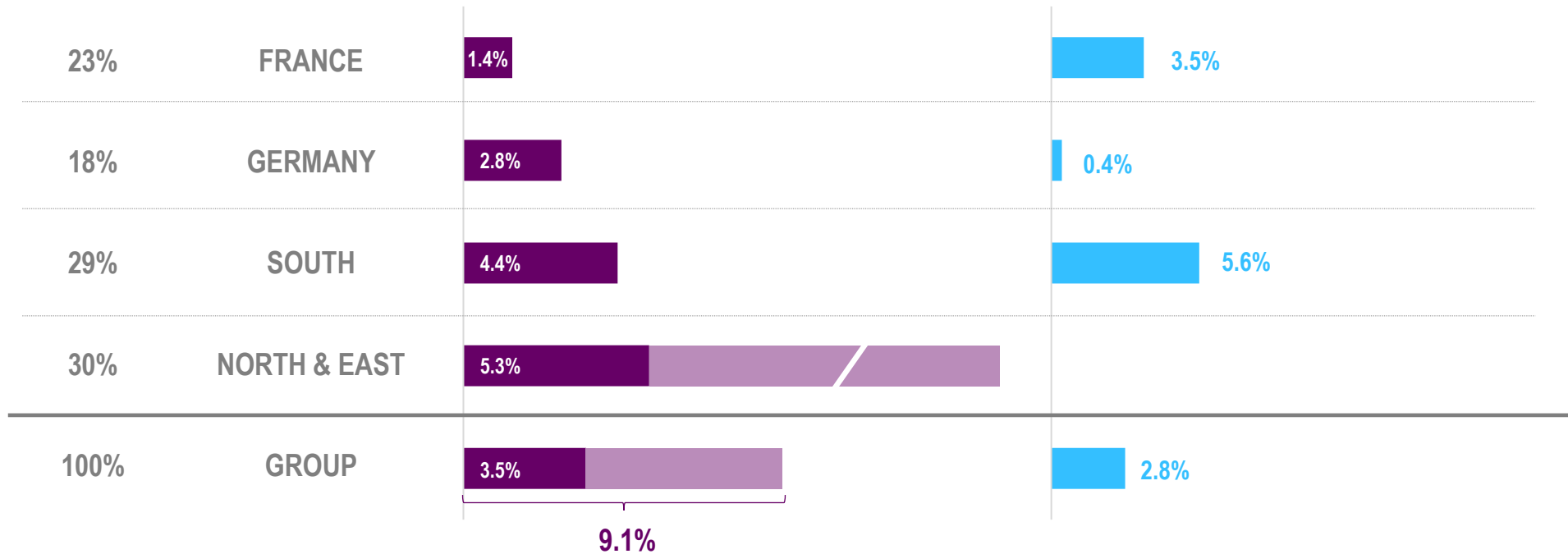
Organic revenue growth of +21% ex. COVID-19 testing

* Total 9M'21 COVID-19 testing revenue at €1.166 million, including revenues from acquired companies

Growth by segment

9M'21 underlying organic growth and M&A by segment

% OF PF REVENUE



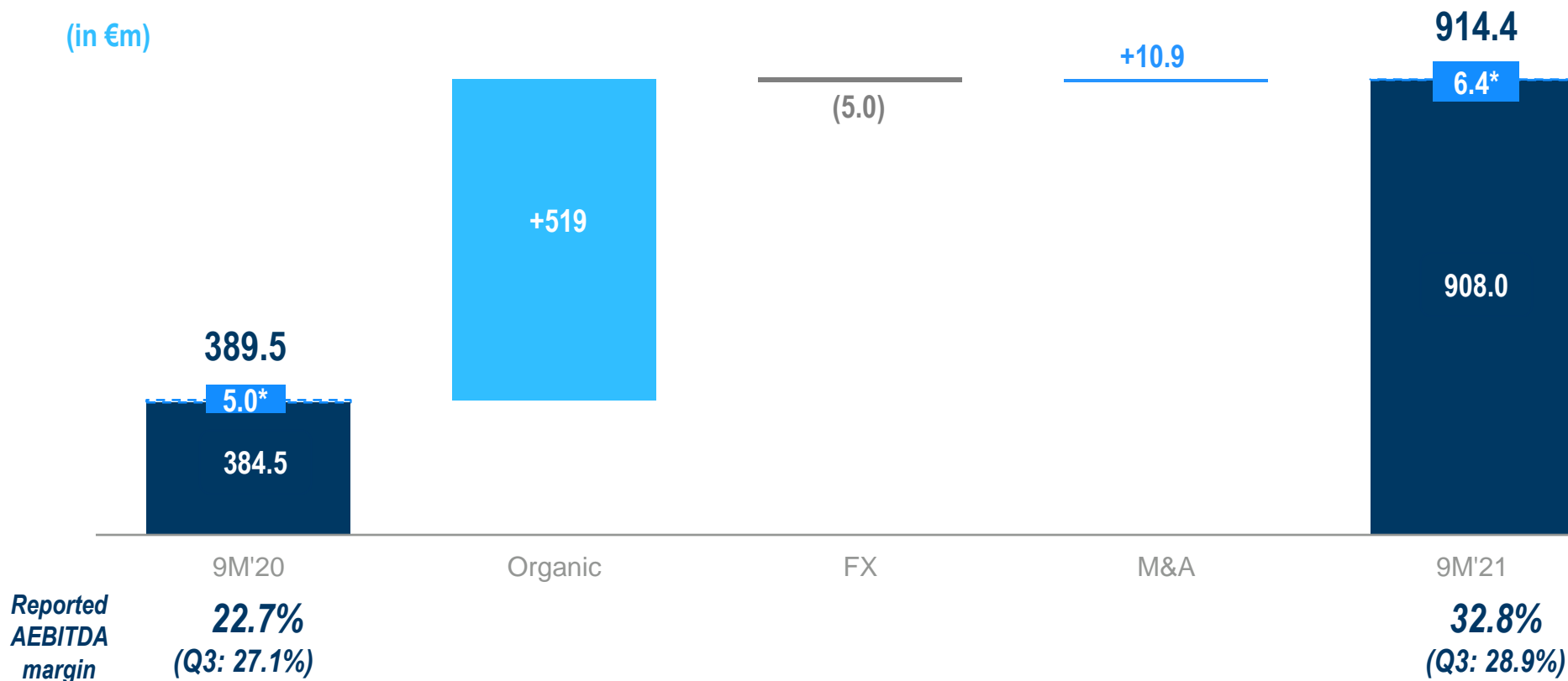
Underlying growth >6% in 19 out of 36 countries representing > 1/3 of the Group revenue

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

North & East: UK, Belgium, Nordics, Austria, East Europe, Emerging Markets

Strong AEBITDA performance: +€519m vs. 9M'20

(in €m)



AEBITDA margin at record level in 9M'21

Volume leverage on contained cost base

(€m)	As % of rev.	9M'21	VLV		Drivers (selected)	AEBITDA Impact (€m)
Revenue	100%	2,772	+64%	-	Negative price (ex. COVID-19)	(6)
Materials	25%	(689)	+58%			
Gross profit	75%	2,083	+66%			
Personnel	30%	(825)	+31%	+	Contained inflation	(12)
Net other OPEX	13%	(350)	+47%	+	Productivity (SALIX)	+15
AEBITDA	32.8%	908	x2.4	+	Volume*	+522

9M'21 Organic AEBITDA increase +€519m

90bps+ gross margin improvement and ~50% flow through on volume

Record net profit

9M'21

(€m)	Reported	Adj.	Adjusted	Adjusted VLY
EBITDA	874.0	+34.0	908.0	+523.5
D&A & impairment	(184.9)	+38.3	(146.6)	(19.3)
Operating profit	689.1	+72.3	761.4	+504.2
Net finance costs	(86.6)		(86.6)	+55.7
Income tax expense	(145.1)	(10.9)	(156.0)	(111.2)
Other	13.9	(17.9)	(4.0)	(1.5)
Net profit (Group share)	471.3	+43.6	514.9	+447.3

Drivers

- **€34.0m** OPEX adjustments
 - €22.3m IPO related costs
 - €7.6m net acquisition-related / PMI
 - €4.1m other (strategic IT projects...)
- **€38.3m** customer list amortization
- Lower borrowings and lower borrowing cost
- **€10.9m** of tax effect of adjustments
 - ~24% effective tax rate
- **€17.9m** from residual sale of A&S business

€515m of adjusted net profit in 9M'21

Record cash flow generation

(€m)	9M'21	9M'20	VLV	
AEBITDA	908.0	384.5	+523.5	<ul style="list-style-type: none"> DSO@57 (Sep.'20: @80) €54m inventory reduction vs. year-end 2020
Movements in working capital	(24.1)	(152.1)	+128.0	
Income tax paid	(94.1)	(27.2)	(66.9)	
Change in provisions & other	(3.7)	(13.7)	+10.0	<ul style="list-style-type: none"> Higher income tax paid due to improved financial performance
Operating cash flow	786.1	191.5	+594.6	
Net Capex (incl. leases*)	(155.9)	(131.7)	(24.2)	<ul style="list-style-type: none"> €8.7m COVID-19 related CAPEX (~€32m since start of the pandemic)
As % of revenue	(5.6)%	(7.8)%	+2.2pts	
Unlevered free cash flow	630.2	59.8	+570.4	
Net interest*	(81.0)	(104.5)	+23.5	<ul style="list-style-type: none"> Decreased debt; Average cost of borrowings 2.5% in Q3'21**
Free cash flow	549.2	(44.7)	+593.9	

Strong cash conversion: unlevered free cash flow @69% of AEBITDA

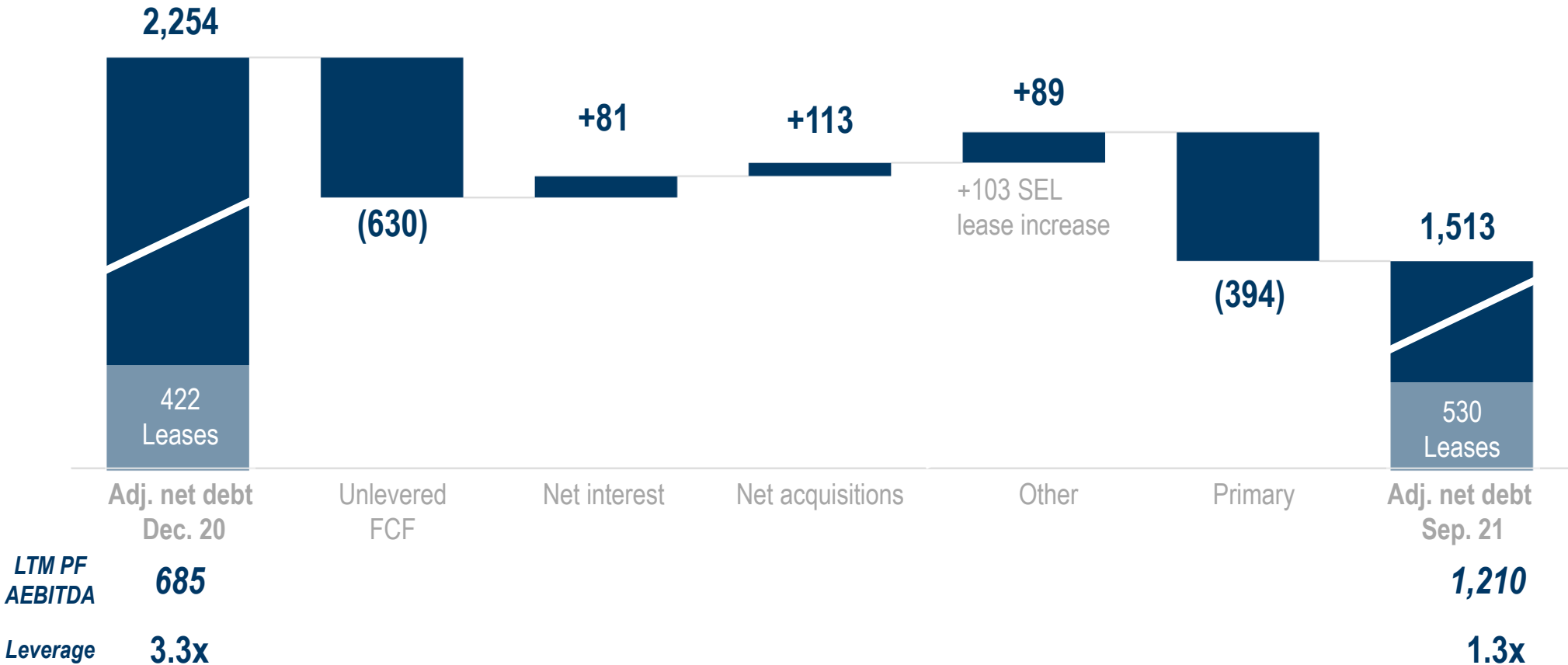
Strong balance sheet

(€m)	9M'21	Dec'20	Var.	
Goodwill	2,326	2,212	+114	} ●——● Acquisitions & SEL
Net fixed assets	1,343	1,234	+109	
Net Working Capital	144	116	+28	
<i>NWC as a % of LTM rev.</i>	3.9%	4.4%	-0.5pts	●——● Normalization of NWC requirement
Capital Employed	3,814	3,562	+252	
Equity	2,081	1,204	+877	
Net debt*	1,503	2,235	(732)	●——● Net debt reduction
Other	230	124	+106	●——● Income tax liability
Resources	3,814	3,562	+252	

€620m cash and cash equivalents + €500m undrawn RCF

Lowest leverage ratio since inception of the Group

(in €m)



2x leverage reduction since end Dec.20

Appendix

Financial calendar / Investor contact

Upcoming roadshows and conferences

Oddo-BHF Midcap conference 7 January 2022

JPM Healthcare conference 10-11 January 2022

Kepler German conference 18 January 2022

2021/22-Financial calendar

Q4/FY results 16 March 2022 (pre-market)

Investor Day (save the date) 21 June 2022

Investor contact

Mark REINHARD

Head of Investor Relations

SYNLAB

Moosacher Strasse 88
80809 Munich / Germany

ir@synlab.com



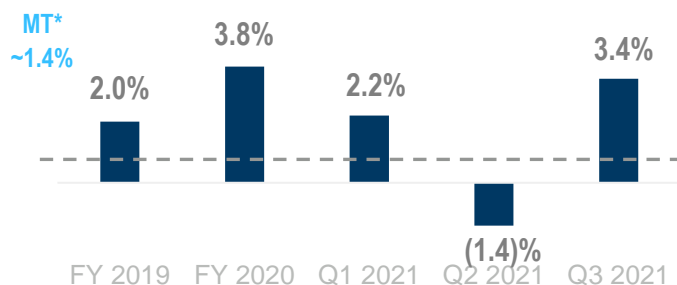
FRANCE (23% of Group revenue)



Key financials

(€m)	Q3'21	Growth		Growth	
		Total	9M'21	Total	
Revenue	187.0	+6%	628.6	+52%	
AOP	50.1	+5%	166.8	+89%	
AOP margin	26.8%	(0.2)ppt	26.5%	+5.1ppt	

Underlying organic growth trend



Other main KPI

COVID-19 PCR tests

- ✓ 1.3m in Q3'21 / 4.6m in 9M'21
- ✓ June 1st test price** decrease, from €55 to €44 all inclusive
- ✓ PCR tests reimbursed under stricter conditions from 15 October

Q3'21 Financial highlights

- ✓ **Organic growth: 3.3%**
 - ✓ COVID-19 decline vs. Q2'21 broadly stable vs. Q3'20
 - ✓ Strong underlying growth at 3.4%:
 - ✓ (++) volume growth, working-day effect
 - ✓ (-) price decrease = 3-year agreement
 - ✓ BCP network optimization ongoing (For You)
- ✓ **Profitability:** major uplift from volume leverage, broadly stable vs. H1'21 and up vs. Q3'20

Q3'21 Business highlights

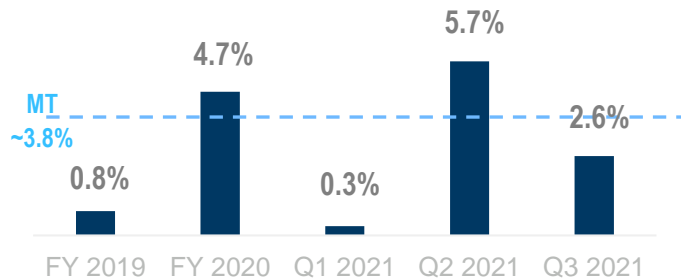
- ✓ **COVID-19 response:** genetic accreditation for variant sequencing, significant school testing contract
- ✓ **M&A:** very selective approach, focus on small bolt-ons

GERMANY (18% of Group revenue)

Key financials

(€m)	Q3'21	Growth	
		Total	9M'21
Revenue	144.9	(3)%	512.1
AOP	14.3	(30)%	110.2
AOP margin	9.9%	(3.7)ppt	21.5%

Underlying organic growth trend



Other main KPI

COVID-19 PCR tests

- ✓ 0.8m in Q3'21 / 3.7m in 9M'21
- ✓ Public price range €35-€44

Q3'21 Financial highlights

- ✓ **Organic growth: (3.3)%**
 - ✓ COVID-19 testing drop in volume & price vs. both Q2'21 and Q3'20
 - ✓ Underlying growth of 2.6%
 - ✓ volume-driven
- ✓ **Profitability:** COVID-19 drives margin contraction: lower revenue + one-off expenses

Q3'21 Business highlights

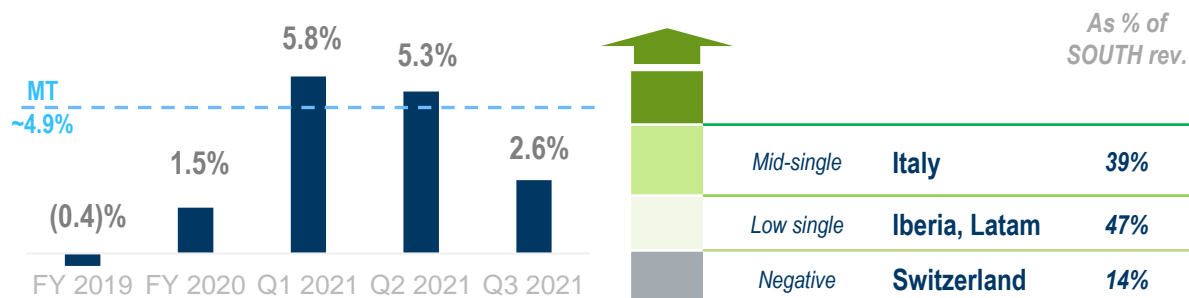
- ✓ **COVID-19 response:** #1 market share in variants testing (sequencing), PCR mass tests for schools ongoing
- ✓ **Prescribers:** SYNconnect
- ✓ **M&A:** 1 bolt-on closed in Q2'21

SOUTH (29% of Group revenue)

Key financials

(€m)	Growth		Growth	
	Q3'21	Total	9M'21	Total
Revenue	239.8	+3%	785.3	+46%
AOP	50.5	+11%	189.7	+149%
AOP margin	21.1%	+1.4ppt	24.2%	+10ppt

Underlying organic growth trend Q3'21 focus



Q3'21 Financial highlights

- ✓ **Organic growth: 1.2%**
 - ✓ COVID-19 testing strong comparable base
 - ✓ Underlying growth of 2.6%
 - ✓ continued strong growth in Italy
 - ✓ strong comparable base in Latam (Colombia)
 - ✓ Switzerland: still negative, mainly driven by price decrease of Dec. 2020 (genetics)
- ✓ **Profitability:** major uplift from volume leverage, below H1'21 peak but above Q3'20

Q3'21 Business highlights

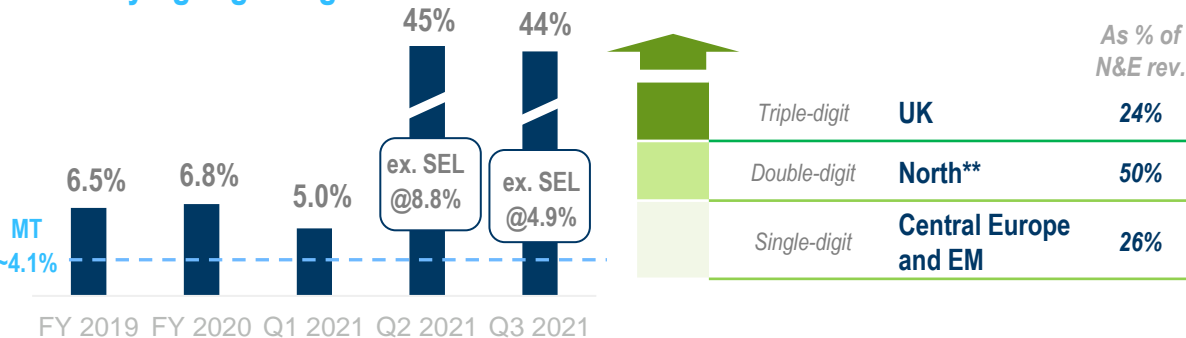
- ✓ **COVID-19 response:** school testing in Portugal, mass testing in several Swiss cantons
- ✓ **Hospital:** contract gains (Colombia...)
- ✓ **Specialty** testing reinforced (Italy, Spain)
- ✓ **M&A:** mid-sized deals in Italy and Mexico + bolt-on in Spain and Mexico

NORTH & EAST (30% of Group revenue)

Key financials

(€m)	Growth		Growth	
	Q3'21	Total	9M'21	Total
Revenue	277.6	+86%	846.4	+138%
AOP	77.2	+133%	294.7	x5.7
AOP margin	27.8%	+5.6ppts	34.8%	+20.4ppts

Underlying organic growth trend> Q3'21 focus



Q3'21 Financial highlights

- ✓ **Organic growth of 84%**
 - ✓ Sustained high COVID-19 testing volumes (new high): short-term contracts (North) + SEL
 - ✓ Very strong underlying growth at 44%
 - ✓ SEL contract contribution
 - ✓ Ex. SEL 4.9% growth : For You initiatives in North
- ✓ **Profitability:** major uplift from volume leverage, below H1'21 peak but strongly above Q3'20

Q3'21 Business highlights

- ✓ **COVID-19 response:** HUS partnership delivery
- ✓ **Hospital:** SEL contract successful roll-out
- ✓ **Prescribers:** connecting to doctors in Austria
- ✓ **Retail:** Estonia flagship BCP

Segment reporting

(€m)	Revenue				AOP			
	Q3'21	Q3'20	Organic Growth	Underlying Growth	Q3'21	Q3'20	Margin, Q3'21	Margin, Q3'20
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%
SYNLAB GROUP	849.3	708.1	18.1%	12.2%	192.1	146.8	22.6%	20.7%

(€m)	Revenue				AOP			
	9M'21	9M'20	Organic Growth	Underlying Growth	9M'21	9M'20	Margin, 9M'21	Margin, 9M'20
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%
SYNLAB GROUP	2,772.3	1,690.9	62.8%	9.1%	761.4	257.2	27.5%	15.2%

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

A photograph of a modern laboratory with white walls, blue accents, and various pieces of equipment. A large, semi-transparent logo is centered over the image. The logo consists of the word "SYNLAB" in a bold, dark blue, sans-serif font, followed by a stylized blue icon of two leaves or flames. Two thin, dark blue diagonal lines cross the logo area. The background shows laboratory benches, equipment, and a person working in the distance.

SYNLAB 

SYNLAB 