



SYNLAB 

**SYNLAB
FY'22 RESULTS**

16 March 2023

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AGENDA




1. **FY'22 Highlights**
2. **FY'22 Financial results**
3. **FY'22 Business review**
4. **Outlook**
5. **Appendix**

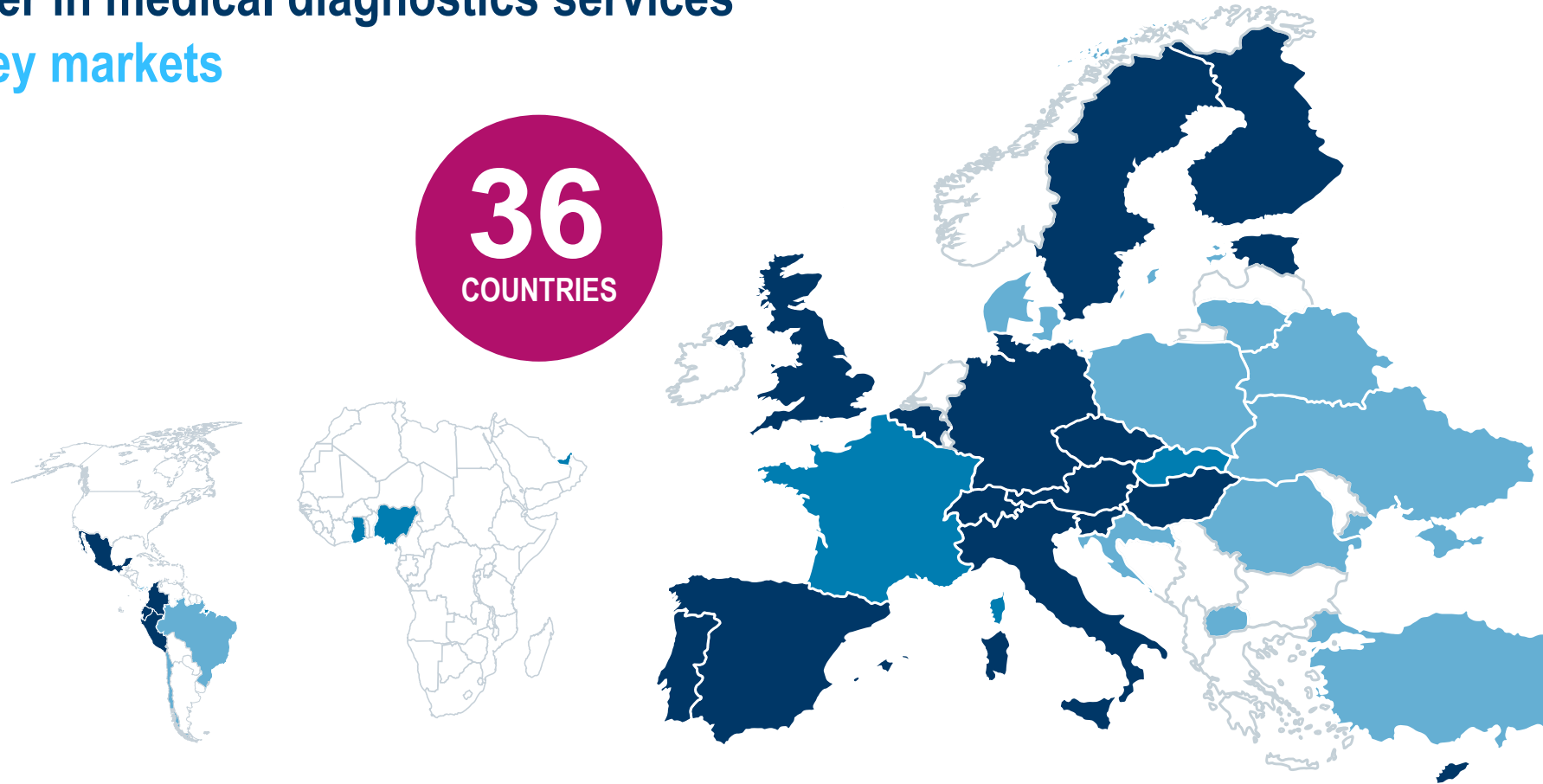


Undisputed European leader in medical diagnostics services

Leading positions in our key markets

36
COUNTRIES

-  SYNLAB presence | one of the top 3 providers in the market
-  SYNLAB presence | one of the top 5 providers in the market
-  SYNLAB presence



600+ mio
laboratory tests
in 2022











~500
laboratories

1,800+
BCPs

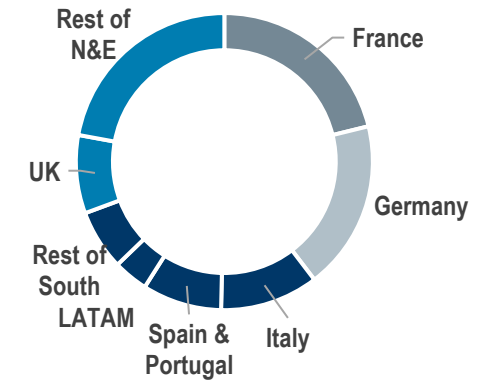
2,000+
experts¹

28,000+
employees

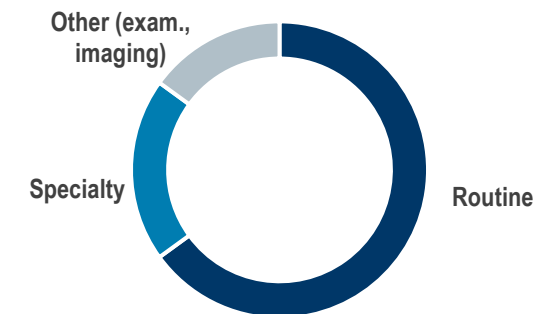
Adapting to local demand for maximum customer reach

Channel	<p>Business-to-Business (B2B)</p>  <p>Hospital Lab Outsourcing</p>  <p>Prescribers & Physicians</p>  <p>Lab-to-Lab</p>  <p>Enterprises</p>	<p>Business-to-Consumer (B2C)</p>  <p>Retail/Blood Collection Points (BCP)</p>	<p>Direct-to-Consumer (D2C)</p>  <p>Prevention</p>  <p>Wellness Tests</p>
Revenue Split	~60%		~40%
Pricing	Regulated / Flexible		Flexible
Country Specific Approach/ Focus			

By country



By testing activity

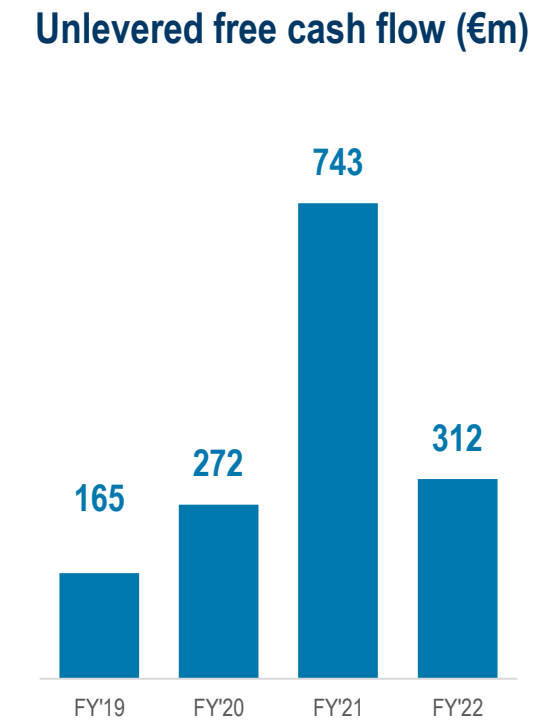
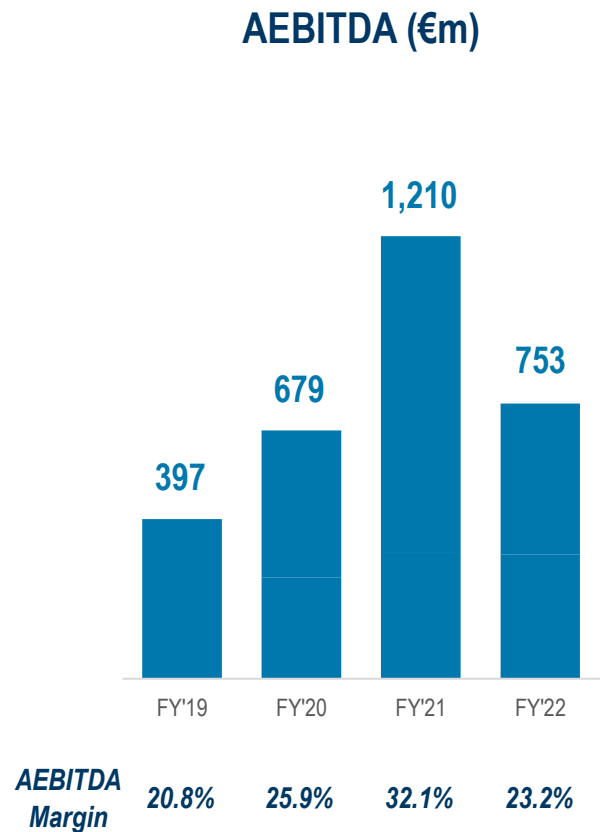
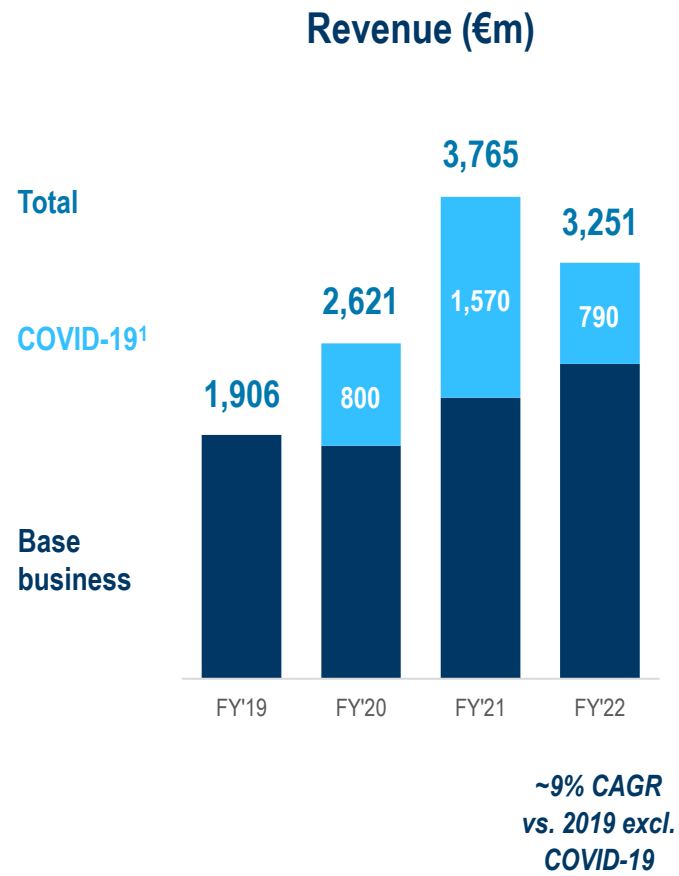




FY'22 HIGHLIGHTS

Mathieu Floreani, CEO

Performance overview



Focus on base business after exceptional COVID-19 contribution

Q4/FY'22 highlights – implementation of strategy continues

Organic growth

Base business +6.4% growth in Q4

- Positive price in South and North & East

Retail initiative ongoing

- NPS score reached 87
- SH4Y platform development (D2C initiative)
- CRM roll-out into 10 countries

Rollout of advanced gut microbiome test

Operational excellence

Efficiencies

- Overperformance of SALIX: €25m, savings in FY'22
- Multiple successful IT system implementations
- PMI Mexico progress (one lab closure completed)
- SEL – Synnovis transformation ongoing
- Reduction of COVID-19 capacity and workforce

M&A

23 acquisitions in FY'22

- 9 countries: Italy (8), Germany (3), Spain (3), Portugal (2), Ecuador (2), France (2), Mexico (1), Switzerland (1), **Chile (1, new country)**
- ~€83m annualised revenue, total EV: ~€143m¹

1 highly value accretive disposal: UK Veterinary business

YTD'23: 3 bolt-on acquisitions



Employee engagement / ESG

Employer brand

- Top awards in Estonia, Denmark and France
- Record number of scientific publications (372)
- SYNLAB Network of Experts created for 2nd opinions

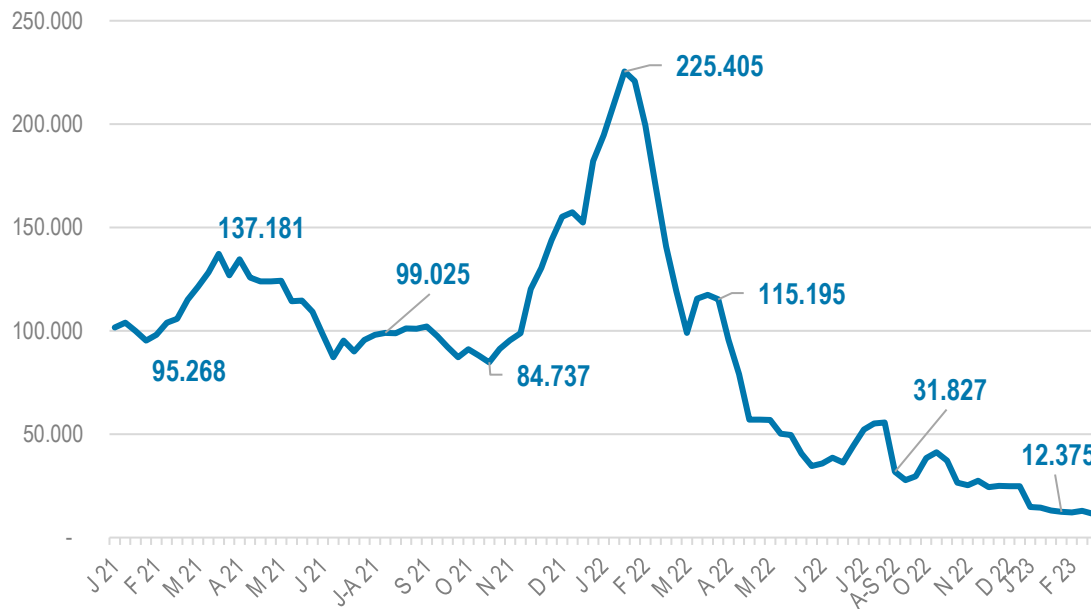
ESG

- Double Materiality Assessment completed
- ESG-report jointly published with FY'22 results

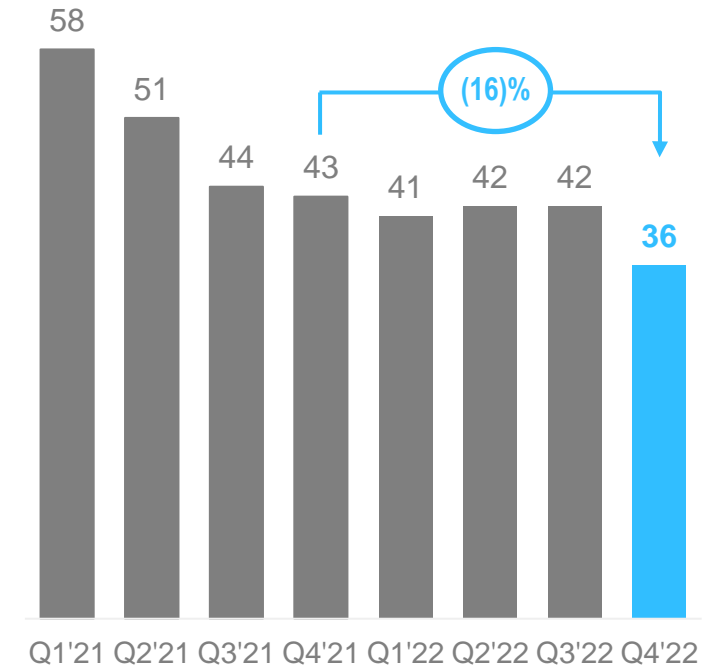
Hackathon innovation days in Italy

Ramp-down of COVID-19 testing

SYNLAB: Maximum # of PCR tests / day¹



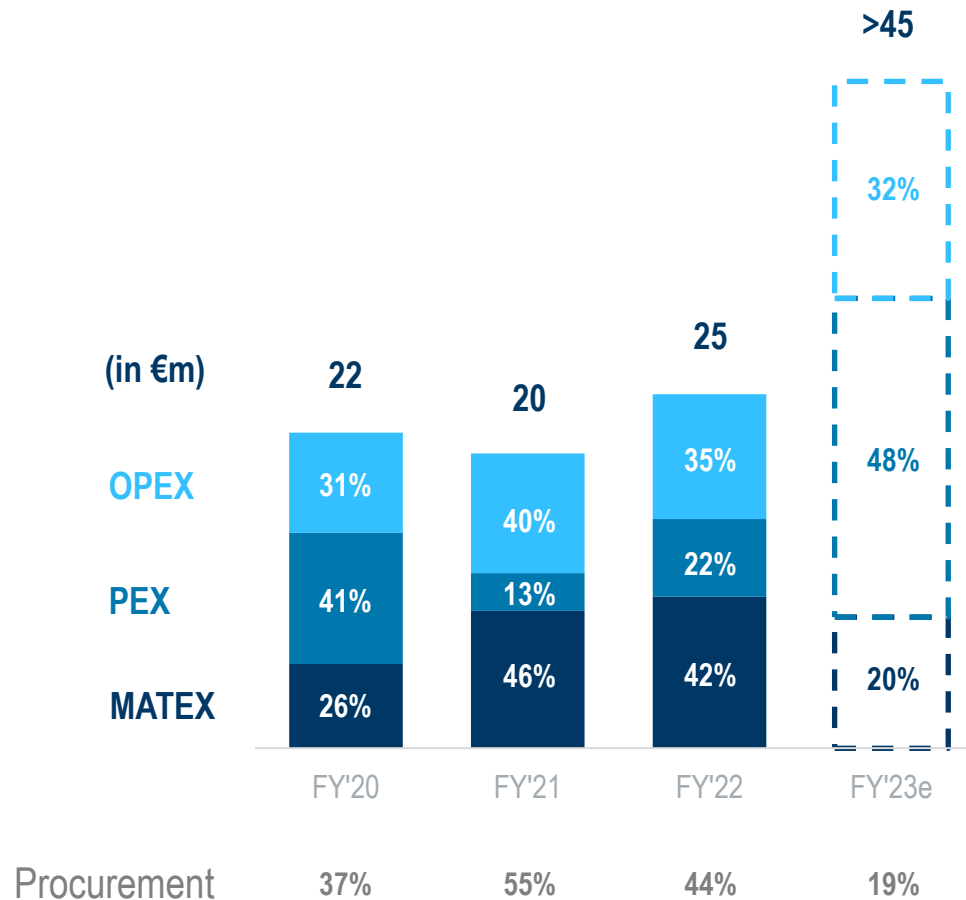
PCR test price evolution (€)



From mass testing to routine prescription

Expected doubling of SALIX savings in FY'23

- (S) Scale
- (A) Alignment
- (L) Leverage
- (I) Instruction
- (X) Check



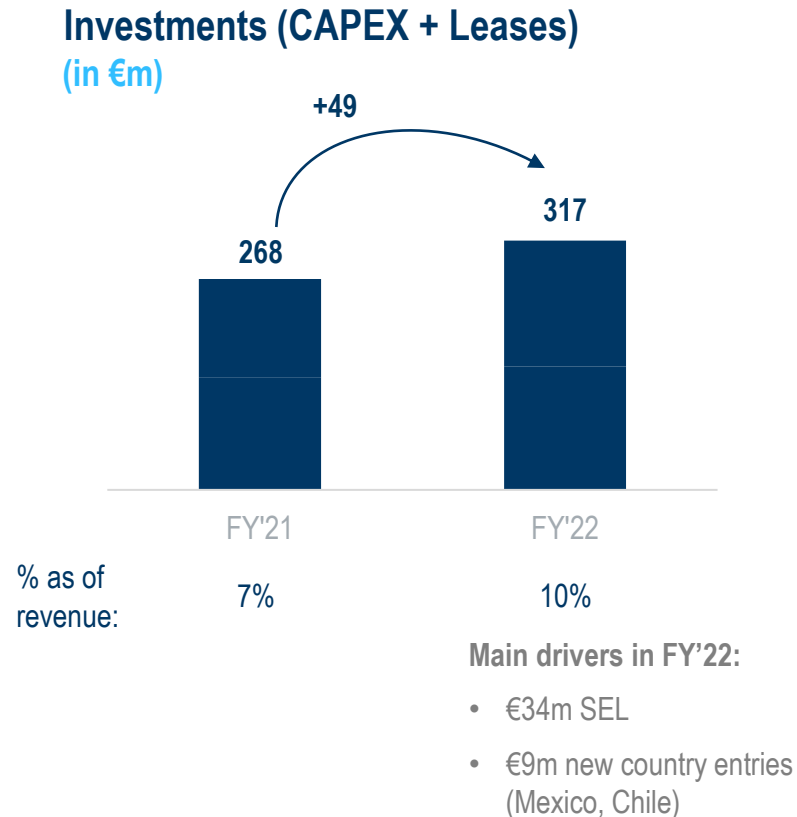
Selected key achievements in FY'22

- Project BLUE – lab uniformity programme
- Procurement optimisation
- Overall FTE adaptations following intense COVID-19 period
- Genetics footprint optimisation
- Digitalisation (e.g. D2C engine, LIS)
- SYNLAB transformation system (STS)

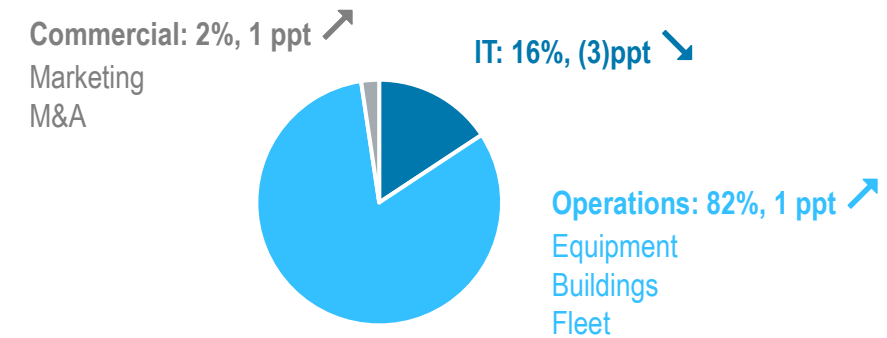
Key objectives in FY'23

- Focus on regaining pre-pandemic productivity
 - >10 global initiatives identified and tracked
 - Further FTE reductions
- Supply chain management
- Process standardisation
- Digitalisation & artificial intelligence

Accelerating Investment deployment +€49m vs. LY



FY'22 investment by usage vs. FY'21



Driven by multi-year projects:

Network	Equipment	IT
SEL BCP expansion / refurbishment	Corelab Project BLUE	LIS France Datacenter & ERP SYNconnect

Deploying extraordinary COVID-19 proceeds for long-term investments

ESG highlights in FY'22

SYNLAB: CITIZENSHIP

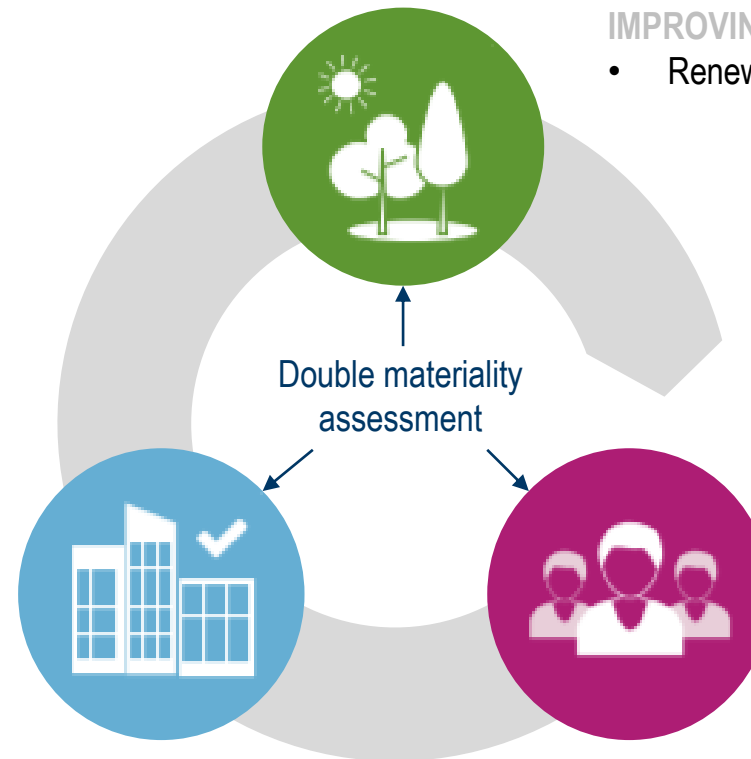
RESPONSIBLE

SUPPLY CHAIN MANAGEMENT

- Implementation of supply chain act

DATA PRIVACY AND CYBERSECURITY

- Employee training on data privacy
- Grade A cybersecurity rating



SYNLAB: GREEN

CLIMATE CHANGE

- Carbon neutrality roadmap progress in each country

WASTE MANAGEMENT

- Reduction of waste per test

IMPROVING ENERGY AND SPACE EFFICIENCY

- Renewal of testing equipment

SYNLAB: CARE

TALENT DEVELOPMENT

- Launch of leadership development model

SYNLAB CUSTOMER CENTRICITY AWARD

- Acknowledgement of extraordinary commitment

ENSURING EXCELLENCE IN DIAGNOSTICS

- Medical trainings, fellowship offerings, exchange within SYNLAB network

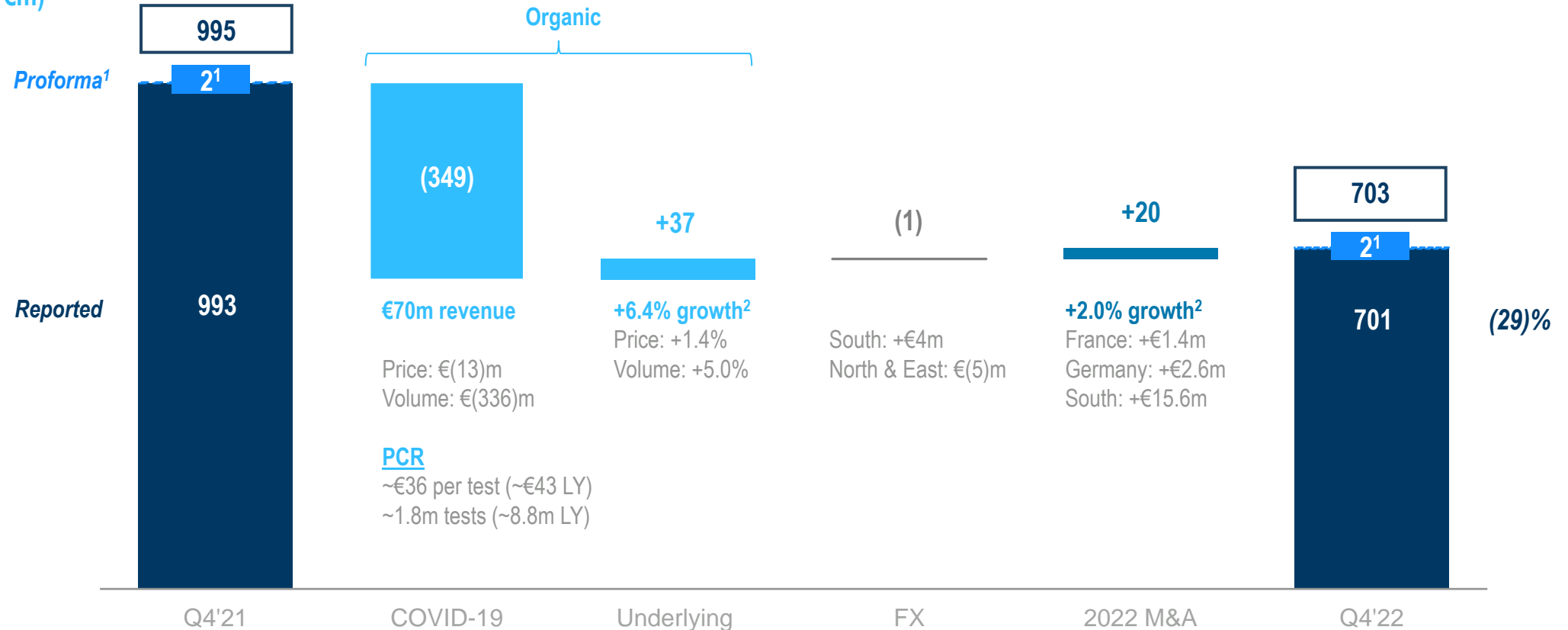


Q4/FY'22 FINANCIAL HIGHLIGHTS

Sami Badarani, CFO

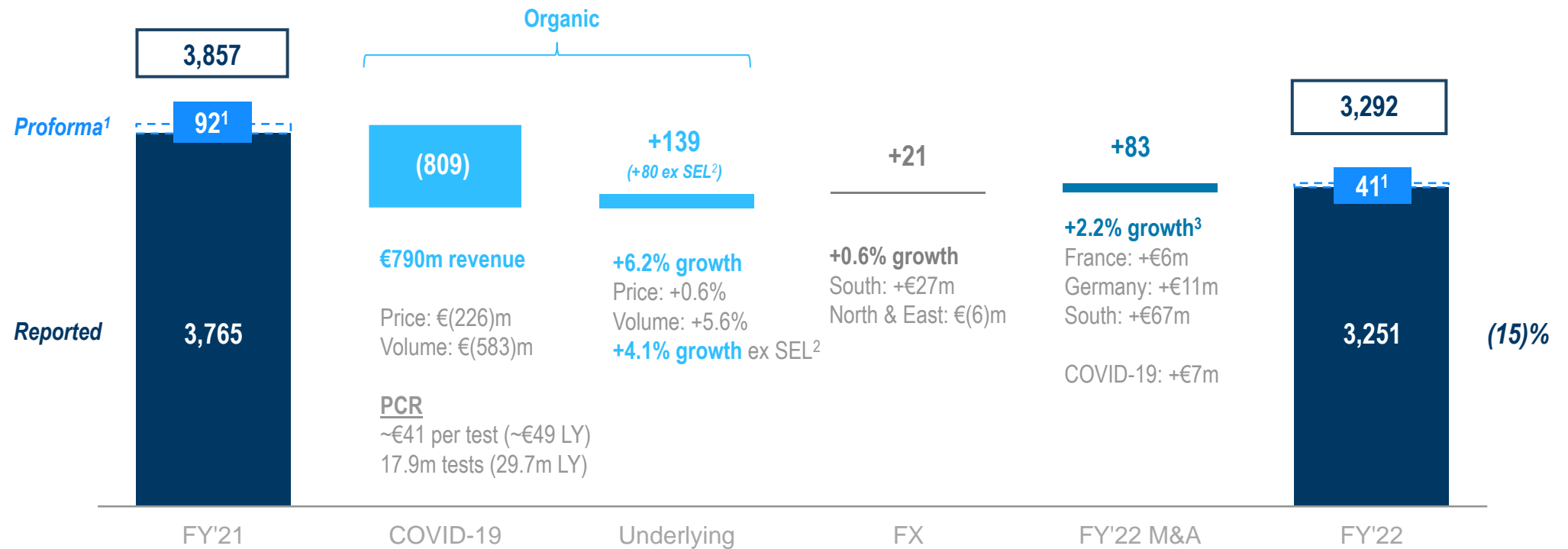
High comparison base in Q4'22

Revenue (in €m)



Robust performance overall in FY'22

Revenue (in €m)

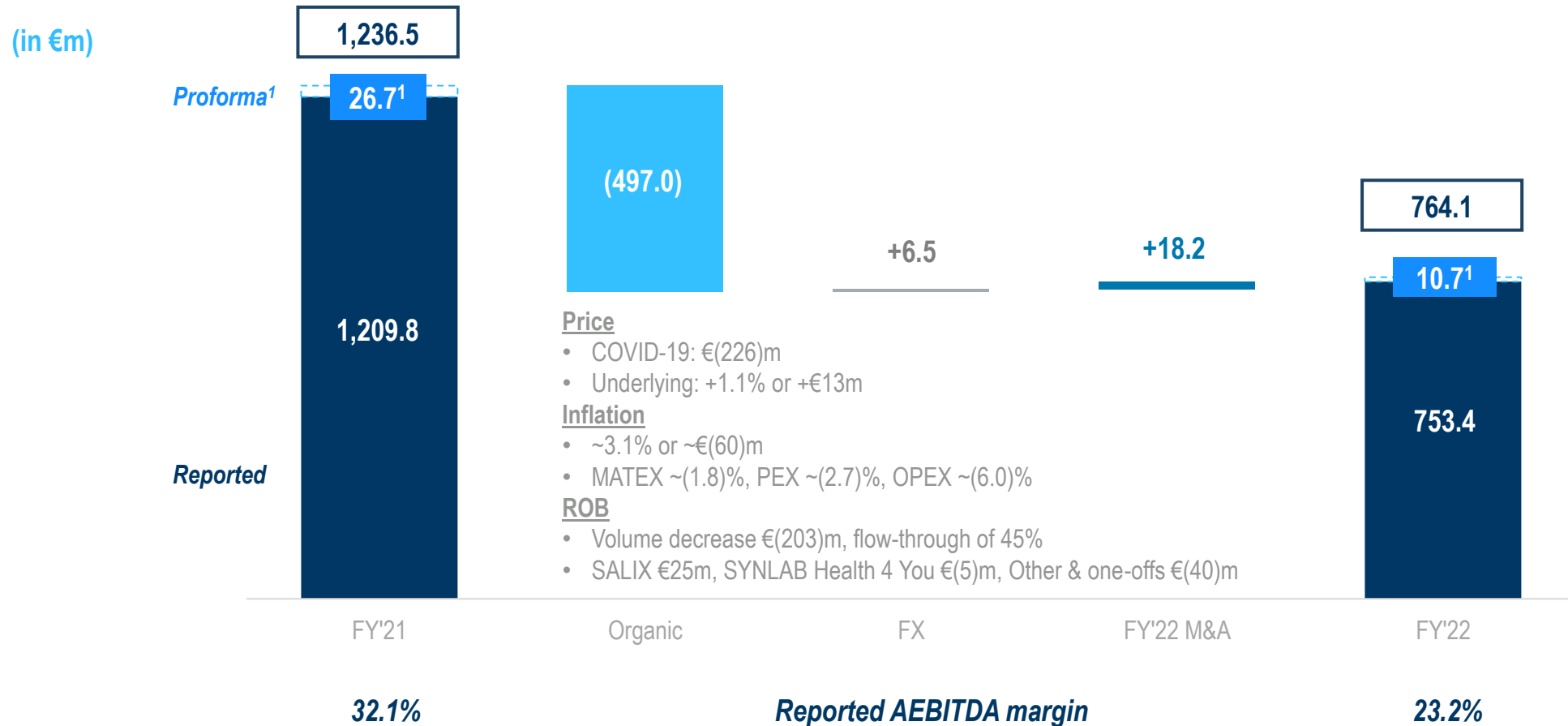


Strong underlying growth offsets part of the expected COVID-19 decline

1) Pro-forma for acquisitions and disposals (incl. sale of UK Veterinary business): additional revenue as if acquisitions had been consolidated on 1 January of respective years;

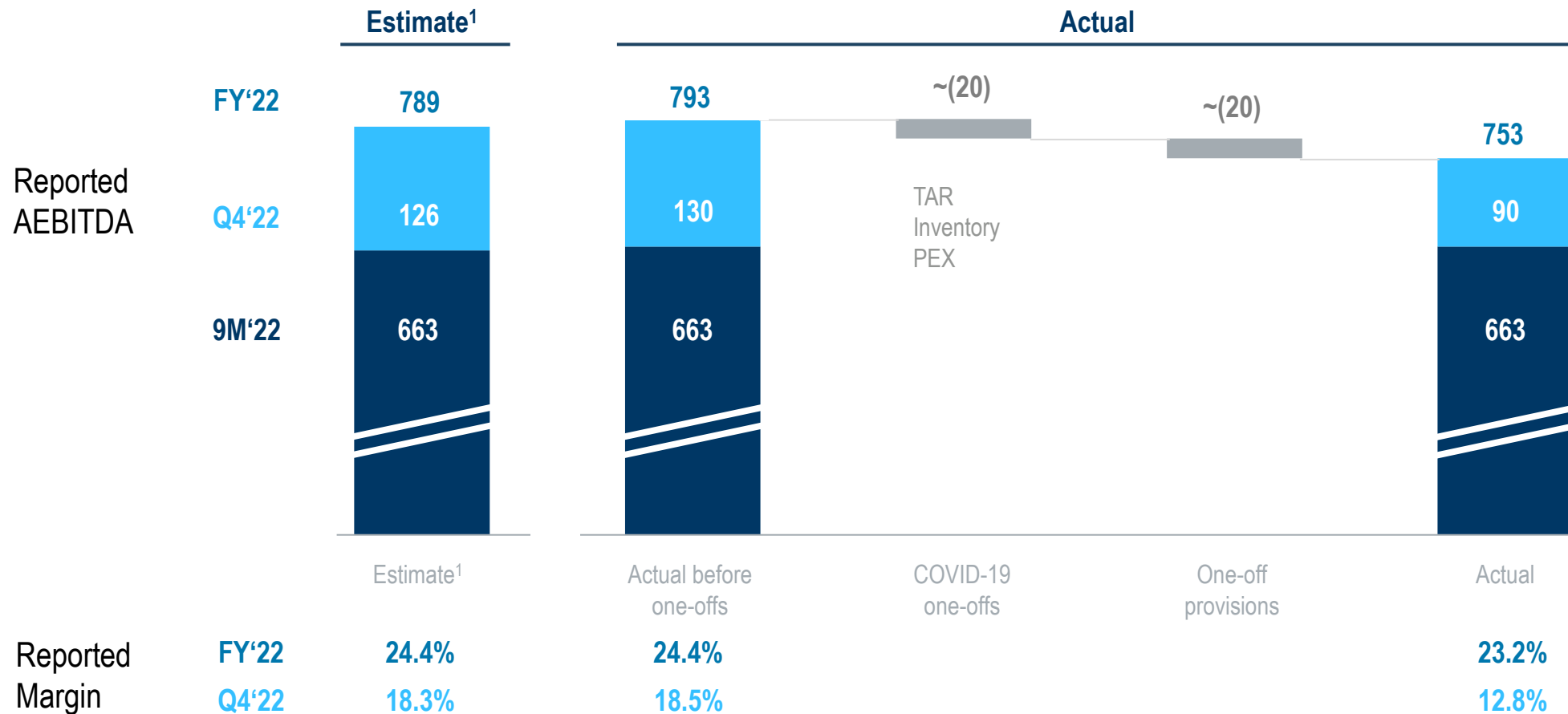
2) Excluding the contribution from South-East London contract in Q1'22; 3) On a base excluding COVID-19 testing

Adjusted EBITDA performance in FY'22 mainly affected by Q4'22 one-offs



Drop in FY'22 margin, as expected (COVID-19 and inflation)

Pre Q4'22 one-off impact AEBITDA on track



Actual FY'22 AEBITDA margin (before one-offs) at 24.4%, within 24-25% guidance

FY'23 AEBITDA margin framework

Bridge from FY'19 to FY'23

	Guidance		
	Low-end	Mid-point ¹	High-end
FY'19 AEBITDA margin		~21%	
Inflation net of price	-	~(5) ppt	+
Productivity (volume leverage & cost-out)	-	~2.5 ppt	+
Being public	=	~(1) ppt	=
SEL contract	=	~(1) ppt	=
COVID-19	-	~0.5 ppt	+
Acquisitions	=	0	=
Guidance on FY'23 AEBITDA margin	16%	17%	18%

Inflation net of Price

- ~€(13)m inflation net of price in FY'23 vs. normal year
- + Price acceleration in 2nd half of FY'22 to continue in FY'23
- FY'23 inflation assumption at ~€(20)m / quarter at Q4'22 run rate

Productivity (volume leverage & cost-out)

- + Strong volume growth >3.0%: For You growth initiatives + low Q1'22 base
- + Doubling SALIX >€45m
- + Ramp-down of COVID capacity
- + Focus on mix improvement
- Dilutive impact of D2C investment

Refocus the core business on its fundamentals

FY'22 P&L summary

(€m)	FY'22		Adjusted	Change (Adjusted)	
	Reported	Adj.			
EBITDA	+746	+7	+753	(456)	●—● Minor acquisition-related adjustments
D&A & impairment	(514)	+268	(246)	(32)	●—● €213m impairment in Germany in Q2'22 ●—● €55m customer list amortisation
Operating profit	+232	+276	+508	(489)	
Net finance results	(17)	-	(17)	85	●—● Improved financial results ●—● ~€(28)m interest expense – lower borrowings / borrowing costs ●—● ~€11m net other financial gains ²
Income tax expense	(130)	(14)	(144)	64	●—● 26% adjusted effective tax rate ³
Other	+67	(70)	(4)	6	●—● ~€70m profit from disposal of UK vet business
Net profit (Group share)	+151	+191	+342	(333)	
Adj. EPS¹			1.54€		

Stable dividend proposal to AGM: €0.33 / share, pay-out ratio slightly above 20% of adj. net profit

Solid cash flow in FY'22

(€m)	FY'22	FY'21	Change	
AEBITDA	753.4	1,209.8	(456.4)	
Movements in working capital	87.4	(28.8)	116.3	DSO@55 (Dec.'21: @63) Improvement vs. high base
Income tax paid	(233.1)	(161.4)	(71.7)	
Change in provisions & other	21.9	(9.0)	30.9	
Operating cash flow	629.6	1,010.6	(381.0)	
Net Capex (incl. leases ¹)	(317.5)	(268.1)	(49.4)	€15m increase from CAPEX purchase €35m lease increase (SEL favorable payments timing in H1'21)
<i>As % of revenue</i>	<i>(9.8)%</i>	<i>(7.1)%</i>	<i>(2.7)pts</i>	
Unlevered free cash flow	312.1	742.4	(430.3)	
Net interest ¹	(44.4)	(100.2)	55.8	Decreased debt Average cost of borrowings ² at 2.75% in Q4'22
Free cash flow	267.7	642.2	(374.5)	

Cash conversion: Unlevered free cash flow @41% of AEBITDA (61% in FY'21)

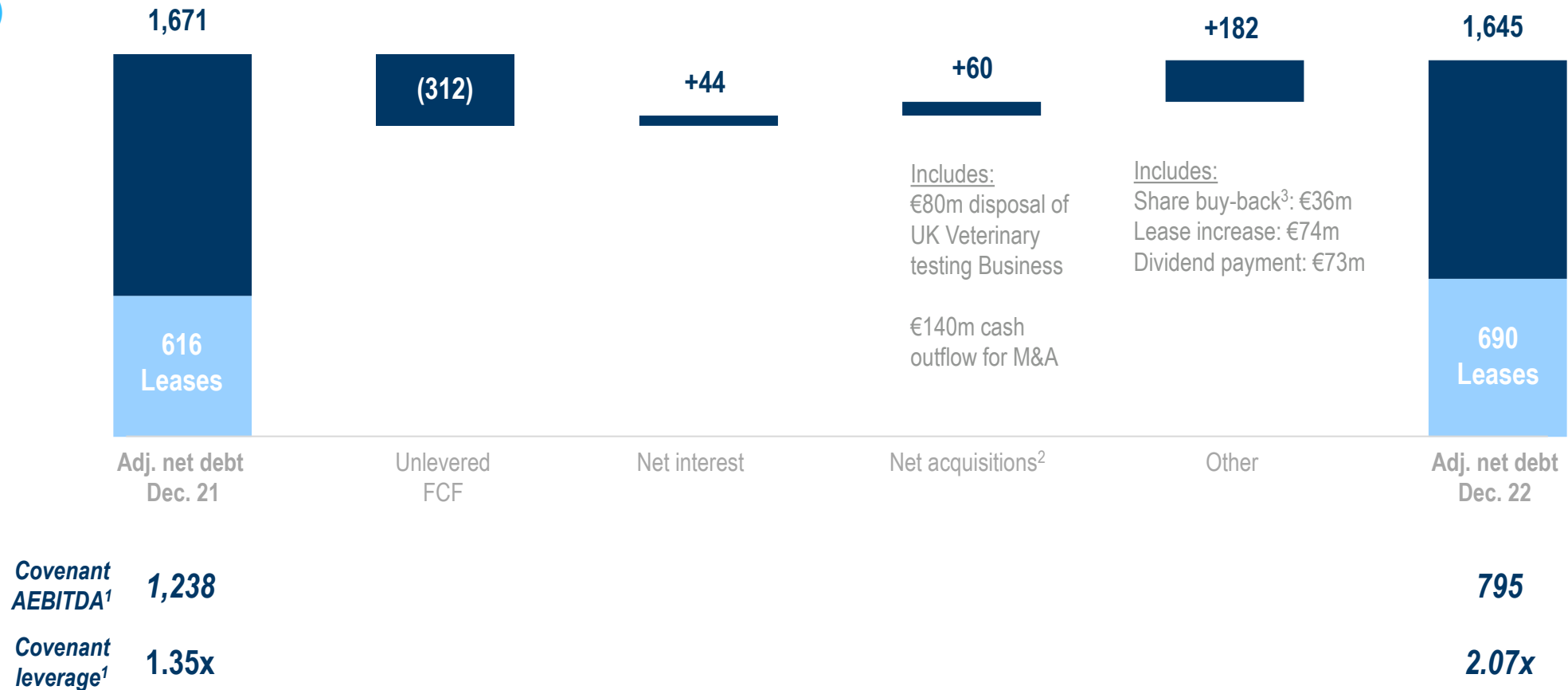
FY'22 balance sheet summary

(€m)	Dec.'22	Dec.'21	Change	
Goodwill	2,323	2,440	(117)	<ul style="list-style-type: none"> €213 million impairment in Germany Additions from the 23 FY'22 acquisitions
Net fixed assets	1,646	1,488	158	
Net Working Capital	94	146	(52)	Reduction post Omicron wave
<i>NWC as a % of LTM rev.</i>	2.9%	4.1%		Normalisation post COVID-19 ongoing
Capital Employed	4,063	4,074	(11)	
Equity	2,333	2,256	77	
Net debt ¹	1,575	1,602	(27)	Net debt reduction
Other	154	216	(62)	Income tax liability
Resources	4,063	4,074	(11)	
Cash	542	444	98	<ul style="list-style-type: none"> +€500 million undrawn RCF €100m gross debt reimbursed in Feb '23

ROCE² @11.5% at year-end 2022

Slight reduction in net debt

(in €m)



Net debt reduction after M&A



Q4/FY'22 BUSINESS REVIEW

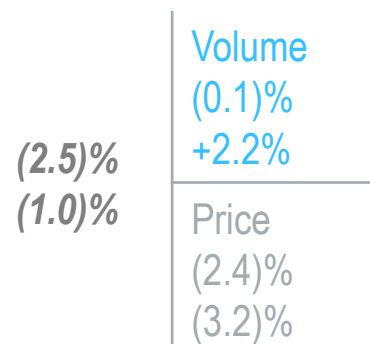
Mathieu Floreani, CEO

FRANCE (21% of Group revenue) – stable

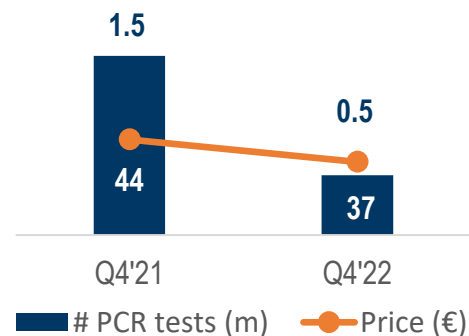
Key financials

(€m)	Q4'22	Q4'21	% var.	FY'22	FY'21	% var.
Revenue	146.4	199.8	(27)%	674.3	828.4	(19)%
AOP	7.5	48.2	(84)%	116.3	214.6	(46)%
AOP margin	5.1%	24.1%	(19.0)ppt	17.2%	25.9%	(8.7)ppt

Q4'22 FY'22 underlying growth



COVID-19 PCR



Q4 Revenue

Underlying growth price decrease as per 3-year agreement, flat volume from 3 days strike impact €(2.5) million

COVID-19 testing revenue down (74)% in Q4'22 from price (17)% and volume (69)%

Q4 Profitability

AOP margin reduction due to lower COVID-19 contribution (price and volume); inflation contributing (1.8)ppt to margin drop with slight increase in PEX inflation 3 days strike €(1.5) million, COVID-19 capacity ramp down and one-off

M&A

2 acquisitions, ~€5 million annualised revenue

COVID-19 PCR test

Public price decrease in January/February 2023 to ~€30 all inclusive (from €37)

2023 price update

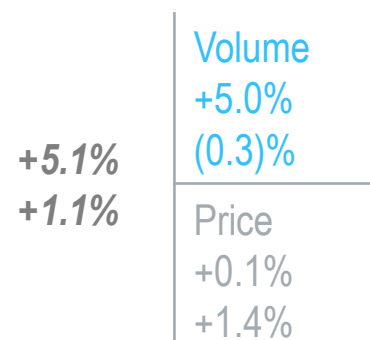
(3.7)% price drop in 2 steps (February and April)
 New 3-year Plan to be negotiated before end of Q3'23

GERMANY (22% of Group revenue) – strong COVID-19 performance

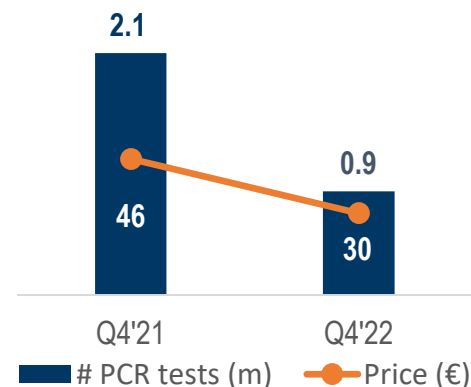
Key financials

(€m)	Q4'22	Q4'21	% var.	FY'22	FY'21	% var.
Revenue	146.6	210.6	(30)%	703.2	722.7	(3)%
AOP	0.7	53.6	(99)%	134.7	163.4	(18)%
AOP margin	0.5%	25.4%	(24.9)ppt	19.2%	22.6%	(3.5)ppt

Q4'22 FY'22 underlying growth



COVID-19 PCR



Q4 Revenue

Underlying growth strong volume from low base

COVID-19 gradual volume reduction during Q4'22, ~34% decrease of average PCR price

Q4 Profitability

Very low AOP margin from lower COVID-19 activity; inflation impacting margin by (2.1)ppt only with 3% PEX inflation, no impact on electricity price as fully hedged in 2022. Additional one-off bonus for employees.

M&A

1 specialty lab acquired in Q1'22, 1 bolt-on in Q2'22 and 1 VET lab in Q4'22 ~€11 million annualised revenue

COVID-19 PCR test

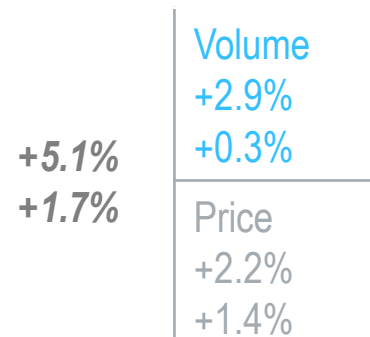
State-paid Corona tests end in February (OEGD), further price reduction to €19.90 as of April 2023

SOUTH (29% of Group revenue) – strong M&A

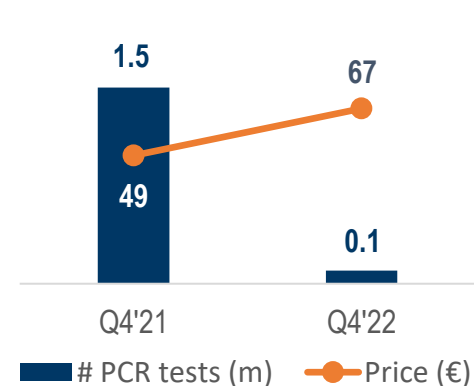
Key financials

(€m)	Q4'22	Q4'21	% var.	FY'22	FY'21	% var.
Revenue	215.0	267.4	(20)%	960.3	1,052.7	(9)%
AOP	(1.7)	48.7	(104)%	96.8	238.2	(59)%
AOP margin	(0.8)%	18.2%	(19.0)ppt	10.1%	22.6%	(12.5)ppt

Q4'22 FY'22 underlying growth



COVID-19 PCR



Q4 Revenue

Underlying growth driven by robust volume across the countries except Switzerland, Portugal and Mexico and positive price development in all countries except Switzerland

COVID-19 PCR testing revenue down (81)% with higher average price from revenue true up

Q4 Profitability

AOP margin impacted by sharp drop in COVID-19 PCR testing volume; capacity ramp-down ongoing; lower inflation @2.6% in Q4'22 vs 3.9% in Q3'22 impacting margin by (1.8)ppt. Q4'22 one-off (provision)

Network expansion

Slow down of BCP opening

M&A

18 bolt-on acquisitions in FY'22 in Italy, Spain, Ecuador, Portugal, Mexico, Chile and Switzerland for ~€67 million annualised revenue

Switzerland price reduction

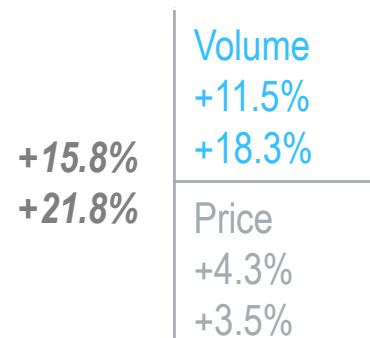
(10)% price drop (ex. Pathology) started 1 August 2022: €(8.4) million annualised impact

NORTH & EAST – strong base business growth

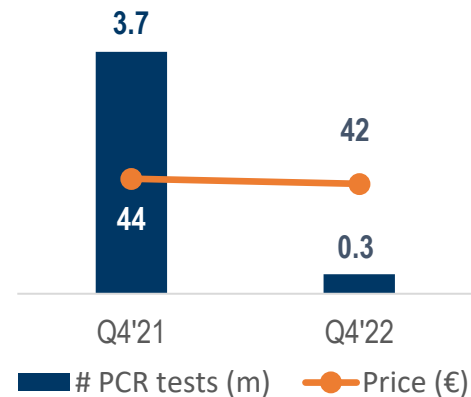
Key financials

(€m)	Q4'22	Q4'21	% var.	FY'22	FY'21	% var.
Revenue	193.2	314.7	(39)%	912.6	1,161.1	(21)%
AOP	14.4	85.0	(83)%	159.7	379.5	(58)%
AOP margin	7.4%	27.0%	(19.6)ppt	17.5%	32.7%	(15.2)ppt

Q4'22 FY'22 underlying growth



COVID-19 PCR



Q4 Revenue

Underlying growth strong expansion at +15.8% in Q4'22 driven by volume growth and price increases (price indexation)

COVID-19 PCR testing revenue down (93)% with sustained average price

Q4 Profitability

AOP margin reduction due to sharp drop in COVID-19 PCR volume; Inflation @7.1% impacting margin by (5.1)ppt; COVID-19 one-offs (inventory and ramp-down cost)

Network expansion

8 BCPs opened in Q4'22



SYNLAB 

OUTLOOK

Mathieu Floreani, CEO

Outlook

2023 outlook

Revenue

~€2.7bn

AEBITDA margin

16-18%

M&A spend

~€100m

Key assumptions

- ~4% underlying organic growth (with accelerated price increases)
- ~€50 million COVID-19 testing revenue
- Doubling of SALIX savings
- Inflation net of price trajectory confirmation

Beyond 2023

2024 & 2025

AEBITDA margin increase at least by 0.5 ppt per year

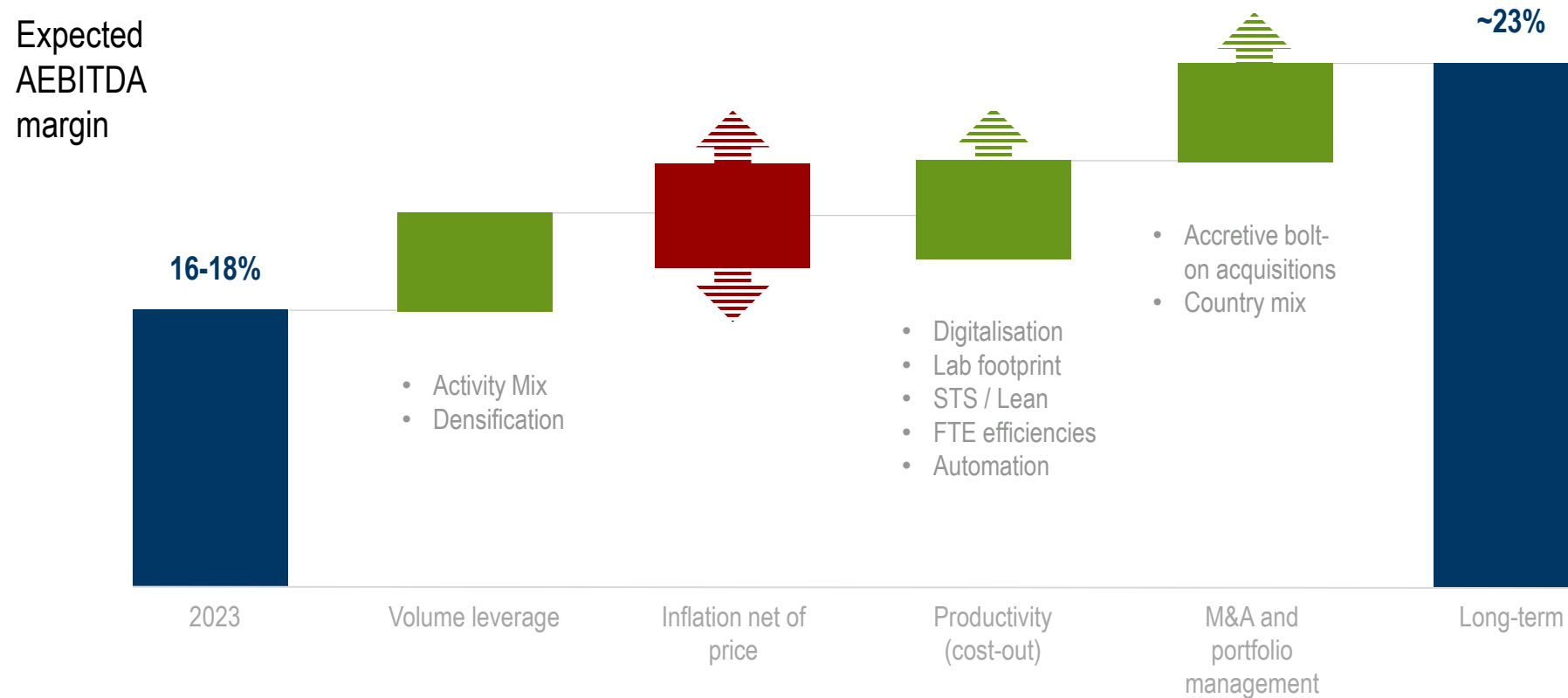
- Gradual and continuous improvement

Long-term (>5 years)

SYNLAB maintains its ambition to reach an adjusted EBITDA margin of 23%

- Year-on-year organic growth of 3%+
- Accretive bolt-on acquisitions
- Productivity of >2% per year
- Active management of the business portfolio

Long-term ambition for improvement of AEBITDA margin



Key levers to accelerate margin improvement



SYNLAB 

Q&A

Mathieu Floreani, CEO

Sami Badarani, CFO

Investor contact & financial calendar

Investor contact

Dr. Anna Niedl
Head of Investor Relations
SYNLAB
Moosacher Strasse 88
80809 Munich / Germany
ir@synlab.com

Financial calendar

Q1'23 Quarterly Statement	10 May 2023
AGM 2023	17 May 2023
Half-Year Financial Report 2023	9 August 2023
Q3/9M'23 Quarterly Statement	8 November 2023

Upcoming events

Jefferies' Pan-European Mid-Cap Conference	28 March 2023
BNP Paribas Exane MedTech Conference	29 March 2023
Berenberg Diagnostics Conference	11 May 2023
Barclays C-Suite Conversation	12 June 2023
Deutsche Bank German Swiss Austrian Conference	20 June 2023
Stifel European Healthcare Summit	29 June 2023



SYNLAB 

APPENDIX

Revenue by segment

Reported (€m)	Revenue							
	Q4'22	Q4'21	Q4'22 PF	Q4'21 PF	Total Growth	Organic Growth	FX Growth	M&A Growth
France	146.4	199.8	146.6	200.0	-26.7%	-27.4%	0.0%	0.7%
Germany	146.6	210.6	146.6	210.6	-30.4%	-31.7%	0.0%	1.2%
South	215.0	267.4	216.2	273.4	-21.0%	-28.2%	1.5%	5.7%
North & East	193.2	314.7	193.2	311.3	-38.0%	-36.5%	-1.5%	0.0%
SYNLAB GROUP	701.2	992.6	702.6	995.3	-29.4%	-31.3%	-0.1%	2.0%

Reported (€m)	Revenue							
	FY'22	FY'21	FY'22 PF	FY'21 PF	Total Growth	Organic Growth	FX Growth	M&A Growth
France	674.3	828.4	677.2	832.4	-18.7%	-19.3%	0.0%	0.7%
Germany	703.2	722.7	708.4	723.2	-2.1%	-3.6%	0.0%	1.5%
South	960.3	1,052.7	993.8	1,143.3	-13.1%	-21.3%	2.4%	5.9%
North & East	912.6	1,161.1	912.6	1,157.7	-21.2%	-20.7%	-0.5%	0.0%
SYNLAB GROUP	3,250.5	3,764.9	3,292.0	3,856.7	-14.6%	-17.4%	0.6%	2.2%

AOP by segment

AOP

Reported (€m)	Q4'22	Q4'21	Margin, Q4'22	Margin, Q4'21
France	7.5	48.2	5.1%	24.1%
Germany	0.7	53.6	0.5%	25.4%
South	-1.7	48.7	-0.8%	18.2%
North & East	14.4	85.0	7.4%	27.0%
SYNLAB GROUP	20.9	235.4	3.0%	23.7%

AOP

Reported (€m)	FY'22	FY'21	Margin, FY'22	Margin, FY'21
France	116.3	214.8	17.2%	25.9%
Germany	134.7	163.6	19.2%	22.6%
South	96.8	238.2	10.1%	22.6%
North & East	159.7	379.5	17.5%	32.7%
SYNLAB GROUP	507.5	996.1	15.6%	26.5%

Proforma elements of revenue and AEBITDA

	Revenue				PF elements (acquisitions)				PF Revenue			
(€m)	Q1'22	Q2'22	Q3'22	Q4'22	Q1'22	Q2'22	Q3'22	Q4'22	Q1'22	Q2'22	Q3'22	Q4'22
France	211.5	170.9	145.5	146.4	1.1	0.7	0.8	0.2	212.6	171.6	146.3	146.6
Germany	235.2	170.8	150.6	146.6	0.0	1.4	3.9	(0.1)	235.2	172.2	154.5	146.5
South	299.6	238.5	207.3	215.0	2.5	6.1	23.7	1.1	302.1	244.6	231.1	216.1
North & East	314.7	210.2	194.5	193.2	-	(0.0)	0.0	(0.0)	314.7	210.2	194.5	193.2
SYNLAB GROUP	1,061.0	790.4	697.9	701.2	3.6	8.2	28.5	1.2	1,064.6	798.6	726.3	702.5

	AEBITDA				PF elements (acquisitions)				PF AEBITDA			
(€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
SYNLAB GROUP	324.1	337.9	245.3	302.5	10.7	8.5	6.9	0.6	334.9	346.4	252.2	303.1
(€m)	Q1'22	Q2'22	Q3'22	Q4'22	Q1'22	Q2'22	Q3'22	Q4'22	Q1'22	Q2'22	Q3'22	Q4'22
SYNLAB GROUP	356.9	171.1	135.0	90.4	0.8	1.1	8.9	(0.2)	357.7	172.2	143.9	90.2

Operating profit to AOP and AEBITDA reconciliation

€m	FY 2022	FY 2021 ¹
Operating profit	231.7	914.5
Strategic projects costs	0.5	22.8
Acquisitions related costs ²	6.9	7.1
Impairment of non-current assets	213.0	(0.0)
Customer list amortisation	55.4	51.6
Adjusted operating profit (AOP)	507.5	996.1
Depreciation and amortisation	301.3	265.4
Customer list amortisation (elimination)	(55.4)	(51.6)
Adjusted EBITDA (AEBITDA)	753.4	1.209.8

Consolidated statement of income

€ 000	Note	1 January to 31 December	
		2022	2021
Revenue	5	3,250,521	3,764,916
Material and related expenses		(776,916)	(942,434)
Payroll and related expenses		(1,166,671)	(1,138,891)
Other operating income		35,756	42,563
Other operating expenses		(596,682)	(546,265)
Depreciation and amortisation		(301,304)	(265,360)
Impairment of non-current assets	11	(213,026)	-
Operating profit		231,678	914,529
Share of loss of associates and other non-controlling interest		(2,022)	(3,543)
Profit on disposal of investment		70,491	(2,882)
Finance income	6	86,590	65,846
Finance costs	6	(103,755)	(168,314)
Profit / (loss) before taxes		282,982	805,636
Income tax expenses	7	(130,463)	(195,324)
Profit / (loss) from continuing operations		152,519	610,312
Discontinued operations			
Profit / (loss) after tax for the period from discontinued operations		-	17,224
Profit / (loss) for the period		152,519	627,536
thereof: Profit / (loss) attributable to non-controlling interests		1,822	2,773
thereof: Profit / (loss) attributable to equity holders of the parent company		150,697	624,763
Basic earnings per share from continuing operations (in €)	8	0,68	2,82
Diluted earnings per share from continuing operations (in €)	8	0,68	2,82

Consolidated statement of financial position

€ 000	As at 31 December 2022	As at 31 December 2021
ASSETS		
Goodwill	2,323,423	2,439,780
Intangible assets	733,238	725,926
Property, plant and equipment	311,506	273,022
Right-of-use assets	655,968	580,494
Investments in associates	1,281	4,831
Financial non-current assets	80,518	42,690
Other non-current assets	4,700	5,092
Deferred tax assets	47,916	41,747
Total non-current assets	4,158,550	4,113,582
Inventories	84,094	110,020
Trade accounts receivables	443,089	632,553
Financial current assets	47,299	62,272
Other current assets	106,398	63,771
Cash and cash equivalents	541,684	443,747
Assets classified as held for sale	-	0
Total current assets	1,222,564	1,312,363
Total assets	5,381,114	5,425,945

EQUITY AND LIABILITIES

EQUITY

Contributed capital	222,222	222,222
Additional paid-in capital	2,932,618	3,788,983
Treasury shares	-35,730	-
Cumulative translation adjustment	31,771	15,210
Accumulated deficit	-817,710	-1,769,537
Total parent company interests	2,333,171	2,256,878
Non-controlling interests	70	-1,179
Total equity	2,333,241	2,255,699

LIABILITIES

Loans and borrowings (non-current)	1,411,000	1,417,635
Non-current lease liabilities	557,773	501,688
Employee benefits liabilities	31,042	45,283
Non-current provisions	3,562	2,365
Contract liabilities	9,510	10,038
Other non-current liabilities	62,862	52,283
Deferred tax liabilities	189,375	185,424
Total non-current liabilities	2,265,124	2,214,716
Current loans and borrowings	15,873	12,573
Current lease liabilities	132,187	113,988
Trade accounts payable	313,693	387,123
Contract liabilities	10,515	7,540
Current provisions	31,517	11,245
Income tax liabilities	56,836	116,066
Other current liabilities	222,128	306,995
Liabilities directly associated with assets classified as held for sale	-	-
Total current liabilities	782,749	955,530
Total liabilities	3,047,873	3,170,246
Total equity and liabilities	5,381,114	5,425,945

Consolidated statement of cash flows

	For the year ended 31 December	
	2022 € 000	2021 € 000
Operating Profit	231,678	914,529
Depreciation, amortisation, impairment	514,297	265,359
Change in provisions	169	536
Loss from the disposal of non-current assets	1,151	1,982
Other non-cash revenues and expenses	27,994	18,483
Operating cash flow before changes in net working capital	775,289	1,200,889
Change in inventories	28,146	49,894
Change in trade accounts receivable	167,502	-81,395
Change in trade accounts payable	-74,411	-28,058
Change in other net working capital	-33,794	30,752
Income tax paid	-233,107	-161,400
<i>Cash flow from operating activities (A) operating operations</i>	<i>629,625</i>	<i>1,010,682</i>
<i>Cash flow from operating activities (A) discontinued operations</i>	<i>0</i>	<i>1,021</i>
Cash flow from operating activities (A)	629,625	1,011,703
Acquisition of subsidiaries, net of cash acquired and changes in debt related to acquisitions	-140,290	-244,416
Purchase of intangibles and property, plant and equipment	-158,271	-144,482
Sale of subsidiaries, net of cash disposed and changes in debt	79,659	4,142
Proceeds from sale of intangibles and property, plant and equipment	1,172	1,072
Increase in other non-current assets	-691	-4
Decrease in other non-current assets	39	534
Interest received	2,450	1,834
Net cash from disposal of investments	0	39
Dividends received	227	290
<i>Cash flow used in investing activities (B) continued operations</i>	<i>-215,705</i>	<i>-380,991</i>
<i>Cash flow used in investing activities (B) discontinued operations</i>	<i>0</i>	<i>-1</i>
Cash flow used in investing activities (B)	-215,705	-380,992

	For the year ended 31 December	
	2022 € 000	2021 € 000
Proceeds from share capital increase	0	392,921
Acquisition of treasury shares	-35,730	0
Interest paid	900	
New loans, borrowings and other financial liabilities	-64,362	-117,951
Repayment of loans, borrowings and other financial liabilities	946	727,631
Repayment of lease liabilities	-2,637	-1,995,234
Acquisition of non-controlling interests	-139,840	-108,827
Dividends paid and other payments to non-controlling interests	-79,047	-2,624
<i>Cash flow used in financing activities (C) continued operations</i>	<i>-319,770</i>	<i>-1,104,084</i>
<i>Cash flow used in financing activities (C) discontinued operations</i>	<i>0</i>	<i>-22</i>
Cash flow used in financing activities (C)	-319,770	-1,104,106
TOTAL CASH FLOWS (A+B+C)	94,150	-473,395
Cash and cash equivalent at the beginning of the period	443,525	904,707
Net foreign exchange differences	3,915	9,004
Change Cash and cash equivalent Assets Held for sale	0	3,209
Cash and cash equivalent at the end of the period	541,590	443,525
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	98,065	-461,182

FY'22 leverage calculation

Net Debt (€m)	Dec'22			Dec'21
	Net Debt as in the Balance Sheet	Capitalised Transaction Costs	Adjusted Net Debt	Adjusted Net Debt
RCF (€500m), due 2026				-
Term Loan B, due 2026	315	5	320	320
Term Loan B, due 2027	371	14	385	385
Term Loan A, due 2026	720	15	735	735
Total borrowings	1,407	33	1,440	1,440
Embedded derivatives	3	(3)	-	-
Accrued Interest	14		14	11
Other Bank Debt	3		3	2
Leases	690		690	616
Cash	(542)		(542)	(444)
Total Net Debt	1,575	30	1,605	1,625
Net deferred consideration for acquisitions			40	46
Total Net Debt			1,645	1,671

LTM PF AEBITDA

(€m)	FY22
Reported AEBITDA	753,4
PF for M&A & Disposals	9,3
FY AEBITDA	762,7
Covenant adjustments	31,9
AEBITDA for covenant	794,6
Net Debt	1.645
Covenant Leverage	2,07x

ROCE

€m	FY'22	FY 2021
Capital Employed	4,063	4,074
Adjustments:		
Right of use assets	(656)	(580)
Net deferred tax	(141)	144
Adjusted Capital Employed	3,265	3,637
AOP	508	996
Income tax expense @28%	(142)	(279)
Return @28% tax rate	365	717
ROCE	11.2%	19.7%

Declaration of non-IFRS measures

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

When calculating organic growth, SYNLAB uses the scope of businesses that have been consolidated in the Group's year-earlier financial statement. Revenue contribution from businesses acquired in 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 amortisation;
- impairment of goodwill;
- expenses for strategic projects (2021: IPO costs only, 2022: none);
- expenses related to acquisition and post-merger integration.

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

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

Adjusted net profit is defined as profit from continuing operations (Group share) adjusted for adjustment items (those in the adjusted operating profit definition and exceptional profit from the disposal of the UK Veterinarian business) and for the tax effect on the adjustments.

Adjusted net debt is defined as the sum of financial debt including loans and borrowings adding back capitalised 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 normalised 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.