

**SYNLAB** 

**SYNLAB**  
9M'22 Results

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10 NOVEMBER 2022



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## Agenda

1. Q3/9M'22 Highlights
2. Q3/9M'22 Financial results
3. Q3/9M'22 Business review
4. Outlook
5. Appendix





# Q3/9M'22 Highlights

*Mathieu Floreani, CEO*

## 9M'22 takeaways

1

### Strong 9M financials

**+6.3%** organic growth (+4.1% in Q3'22)

**€720m** COVID-19 testing revenue (€105m in Q3'22)

**26.0%** AEBITDA margin (+19.3% in Q3'22)

**€339m** unlevered FCF

2

### FY'22 guidance confirmed

**~€3.2bn** revenue

**24-25%** AEBITDA margin

3

### New FY'23 guidance

**~€3.0bn** revenue

**18-20%** AEBITDA margin

## Q3'22 operational highlights

### Organic growth

#### Base business +4.1% growth

- Positive price in South and North & East

#### Retail initiative ongoing

- 21 blood collection points opened in Q3'22
- NPS score reached 85
- Estonia launched brand new D2C customer portal

#### Rollout of advanced gut microbiome test with Micro'

### Operational excellence

#### Efficiencies

- SALIX on track, €18m, savings delivered in 9M'22
- Multiple successful IT system implementations (One LIS in Colombia, Digital Pathology in Italy, B2B customer platform in the UK)
- Consolidation of Anapath lab in Italy,

#### Reduction of workforce ongoing



### M&A

#### 19 acquisitions YTD

- 8 countries: Germany (3), Italy (5), Spain (3), Portugal (2), Ecuador (2), France (2), Mexico, Chile (new country)

- ~€79m annualized revenue

- Total EV: ~€139m<sup>1</sup>

1 highly value accretive disposal : UK Veterinary business

### Employee engagement / ESG

#### Employer brand:

- Estonia in the Top5 most attractive employer,
- Denmark ranked first in the Danish Computerworld Top 100 2022 Awards

#### Leadership:

- management congress with key leaders,
- start of our Leadership Program "ACCE"

ESG: Double Materiality Assessment completed

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

## Dynamic portfolio management



### Disposal of subscale UK business

- 6 laboratories across England and Ireland
- 148 FTEs, 25+ pathologists
- Consolidating client base (leading veterinary platforms)
- FY'21 revenue: £13.1m

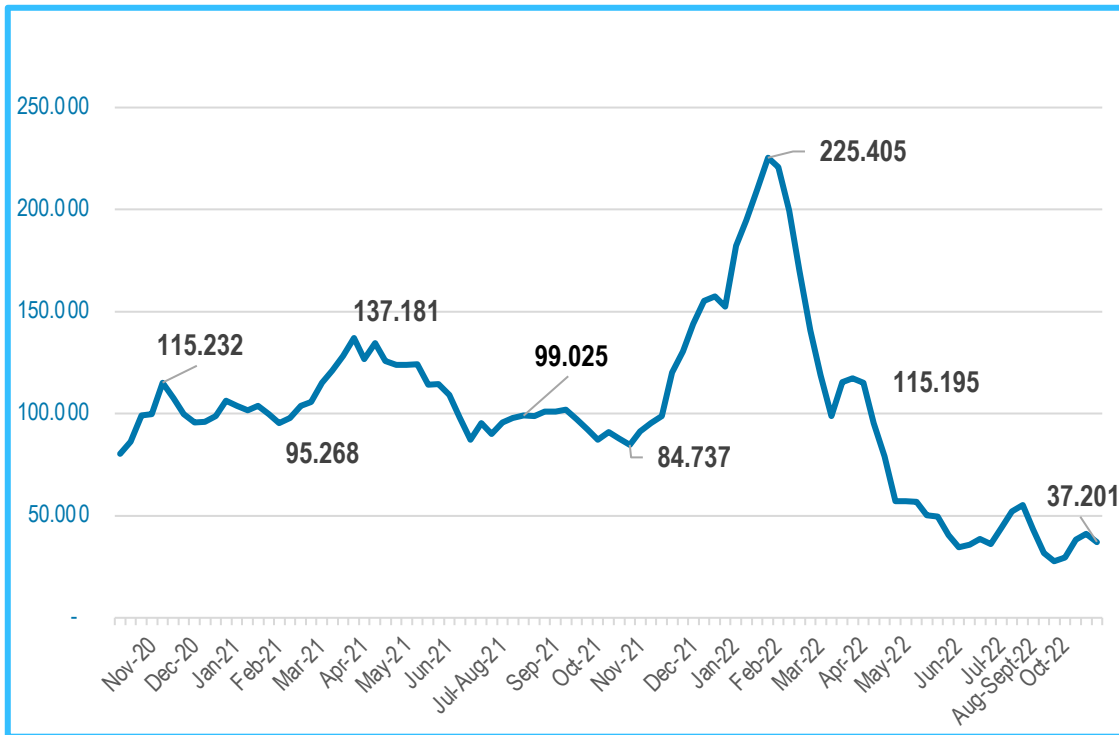
### Global Veterinary business is an attractive space

- High-single-digit market growth
- SYNLAB active in 11 countries, ~€30m revenue
- Reinforcing presence in Germany

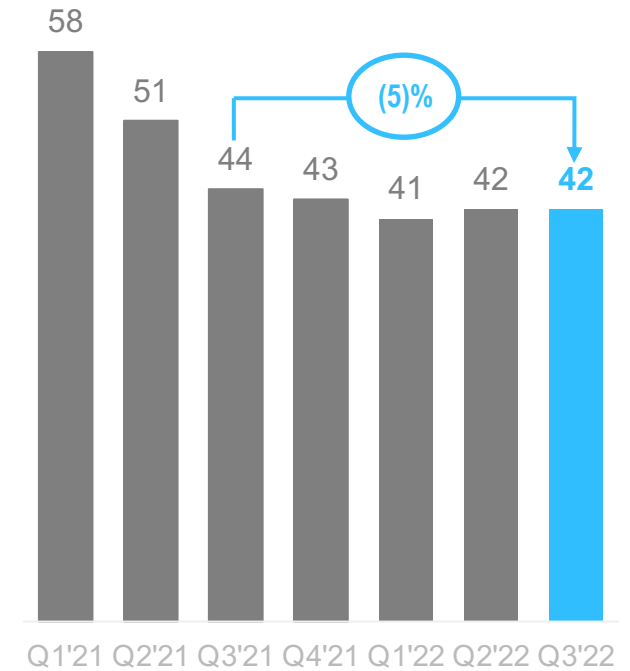
**Highly value accretive sale of the UK Veterinary testing business**

# Sustained COVID-19 testing

SYNLAB: maximum # of PCR tests / day<sup>1</sup>



PCR test price evolution (€)



From mass testing to routine prescription

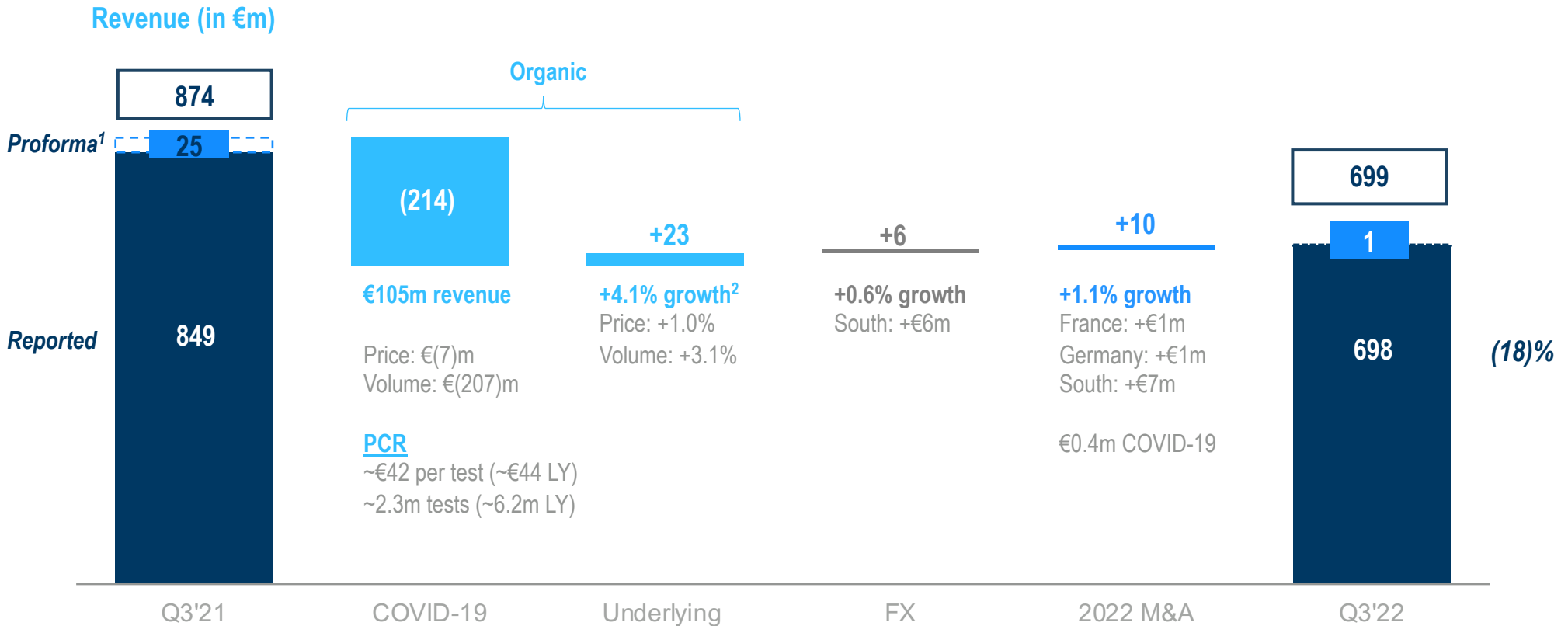


# Q3/9M'22 Financial results

-SYNLAB AG- NON AUDITED

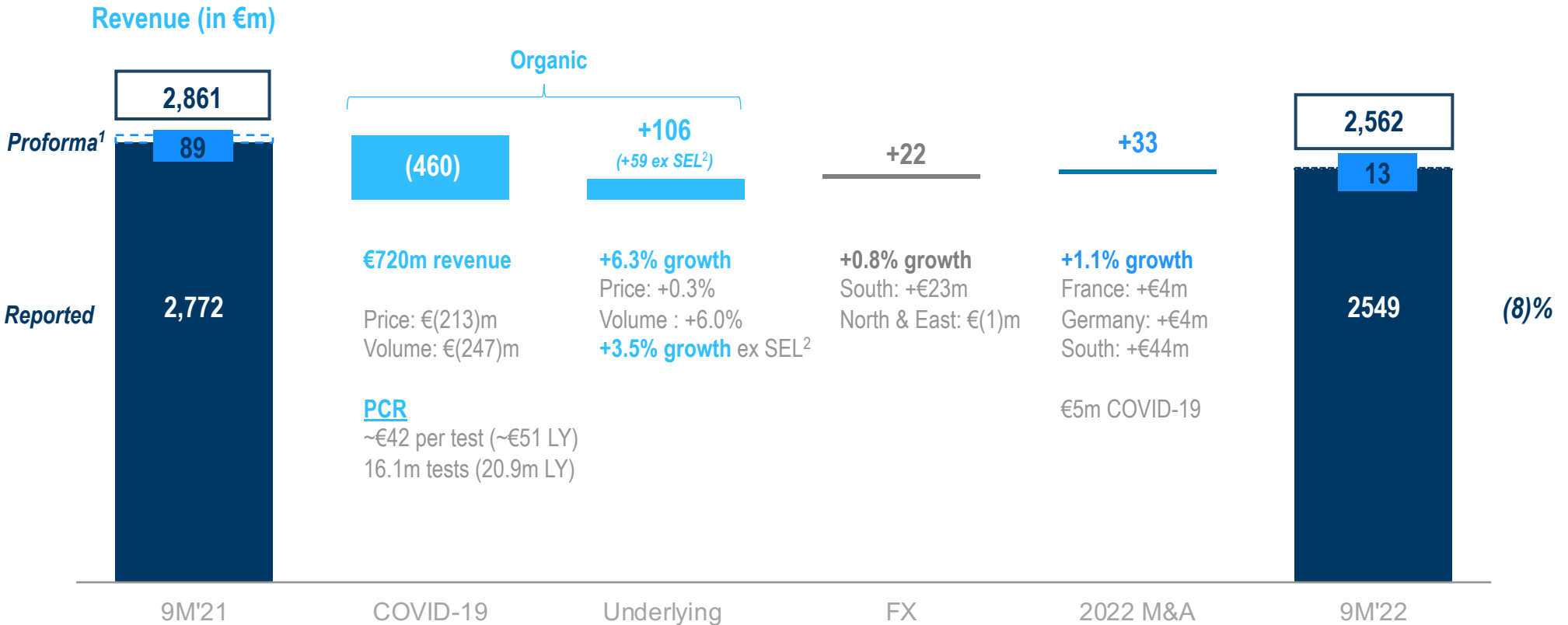
*Sami Badarani, CFO*

# High comparison base in Q3'22



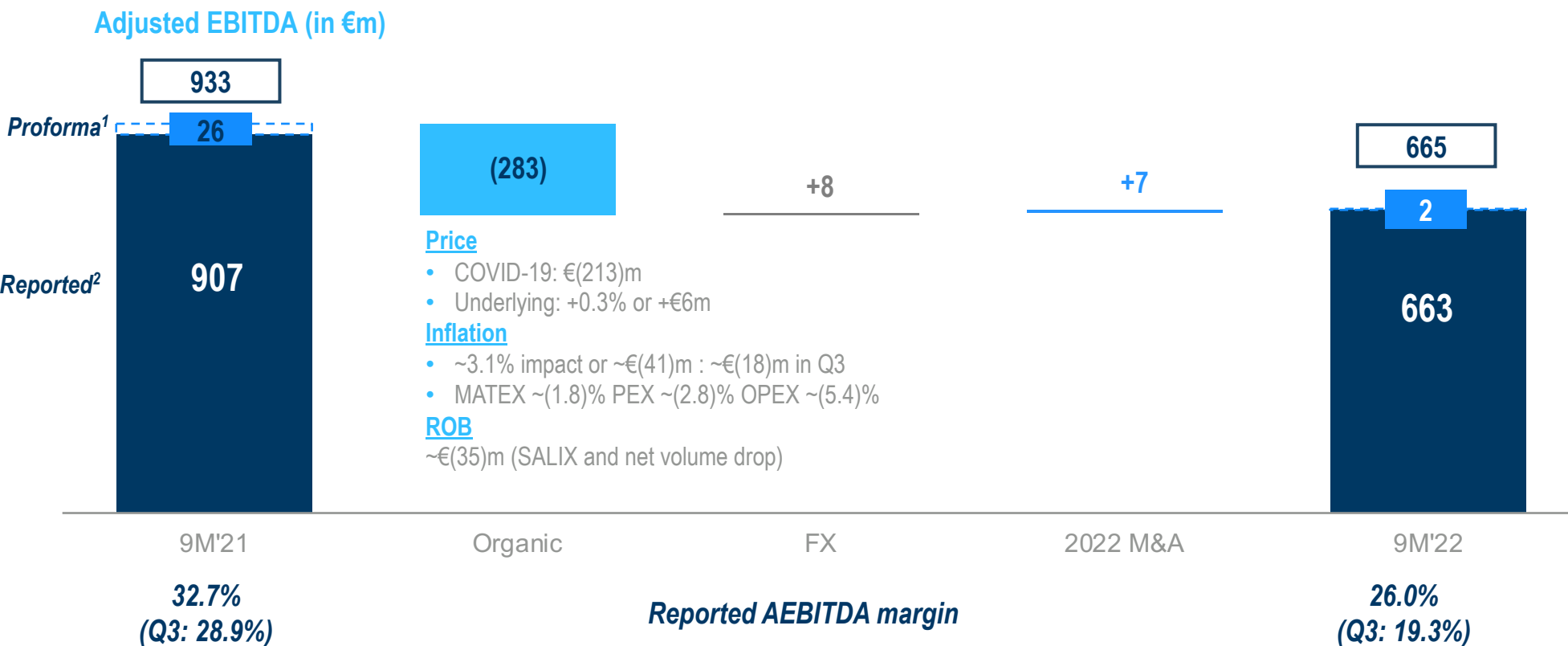
**Q3'22 underlying organic growth @4.1%**

# Robust performance overall in 9M'22



**Strong underlying growth offset part of the expected COVID-19 decline**

## 9M'22 margins remain at high levels



**Drop in Q3'22 margin, as expected (COVID-19 and inflation)**

1. Pro-forma for acquisitions and disposals: additional revenue as if acquisitions had been consolidated on 1 January of respective years  
 2. 9M'21 AEBITDA, AOP and Adjusted net profit restated by €0.7m as share-based payment programmes are no longer reported as an adjustment component

## Robust earnings

9M'22

(€m)	9M'22			Adjusted VLY	
	Reported	Adj.	Adjusted		
<b>EBITDA</b>	<b>656</b>	<b>+7</b>	<b>663</b>	<b>(244)</b>	● —● Minor -acquisition-related- adjustments
D&A & impairment	(391)	+215	(176)	(30)	● —● €173m impairment in Germany in Q2'22 ● —● €42m customer list amortization
<b>Operating profit</b>	<b>265</b>	<b>+222</b>	<b>487</b>	<b>(274)</b>	● —● Improved financial results
Net finance results	(12)	-	(12)	+75	● —● ~€(21)m interest expense – lower borrowings / borrowing costs ● —● ~€9m net other financial gains <sup>2</sup>
Income tax expense	(130)	(9)	(139)	+17	● —● 27% adjusted effective tax rate <sup>3</sup>
Other	+68	(71)	(3)	-	● —● ~€71m profit from disposal of UK vet business
<b>Net profit (Group share)</b>	<b>191</b>	<b>+141</b>	<b>332</b>	<b>(182)</b>	
<b>Adj. EPS<sup>1</sup></b>			<b>1.50</b>		

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

1. Based on 221,919,992 weighted basic shares ;  
 2. Mostly financial instruments revaluation  
 3. Normalized for an 11M€ tax adjustment in Germany

## Robust cash flow generation

(€m)	Q3'22	9M'22	9M'VLY
<b>AEBITDA</b>	<b>135</b>	<b>663</b>	<b>(244)</b>
Movements in working capital	+61	+19	+43
Income tax paid	(31)	(151)	(57)
Change in provisions & other	-	+18	+21
<b>Operating cash flow</b>	<b>165</b>	<b>549</b>	<b>(237)</b>
Net Capex (incl. leases <sup>1</sup> )	(70)	(210)	(54)
<i>As % of revenue</i>	<i>(10.0)%</i>	<i>(8.2)%</i>	<i>(2.6)pts</i>
<b>Unlevered free cash flow</b>	<b>95</b>	<b>339</b>	<b>(291)</b>
Net interest <sup>1</sup>	(11)	(31)	+50
<b>Free cash flow</b>	<b>84</b>	<b>308</b>	<b>(241)</b>

● DSO@54 (Sept '21 @57, Dec.'21: @62)  
 Improvement vs. high base

● €16m increase from CAPEX purchase  
 €38m lease increase (SEL favorable payments timing in H1'21)

● Decreased debt  
 Average cost of borrowings<sup>2</sup> @1.9% in Q3'22

**Cash conversion: unlevered free cash flow @51% of AEBITDA (62% in Q3'22)**

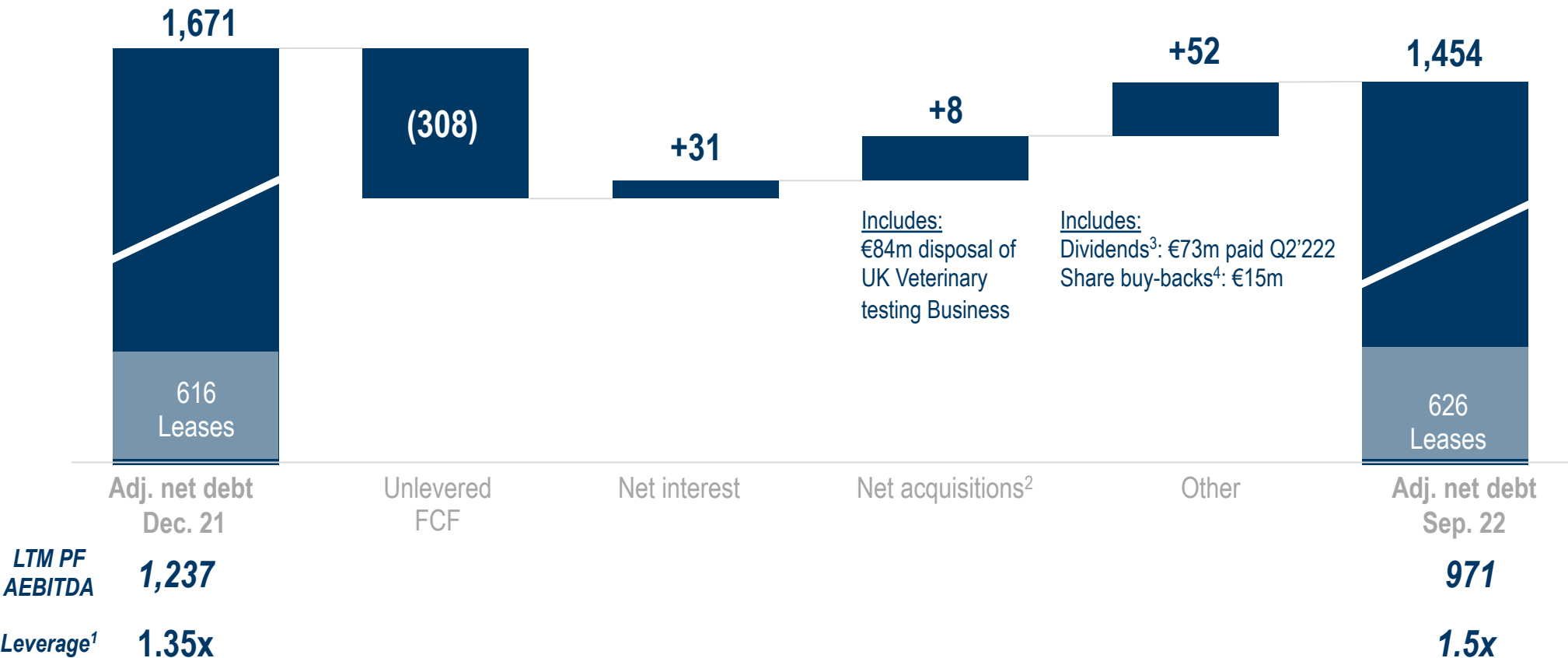
## Strong balance sheet

(€m)	Sep.'22	Dec.'21	Var.	
Goodwill	2,344	2,440	(96)	<ul style="list-style-type: none"> <li>• €173 million impairment in Germany in Q2 '22</li> <li>• Additions from the 14 9M'22 acquisitions</li> </ul>
Net fixed assets	1,538	1,488	+50	
Net Working Capital	161	146	+15	• Reduction vs. Mar.'22, post Omicron wave
<i>NWC as a % of LTM rev.</i>	4.6%	3.8%	+0.8pp	• Normalization post COVID-19 ongoing
<b>Capital Employed</b>	<b>4,043</b>	<b>4,074</b>	<b>(31)</b>	
Equity	2,415	2,256	+159	
Net debt <sup>1</sup>	1,388	1,602	(214)	• Net debt reduction
Other	240	216	+24	• Income tax liability
<b>Resources</b>	<b>4,043</b>	<b>4,074</b>	<b>(31)</b>	
<b>Cash</b>	<b>660</b>	<b>444</b>	<b>+216</b>	• +€500 million undrawn RCF

**ROCE<sup>2</sup> @15.6% at end September 2022**

# Reduction in net debt

(in €m)



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





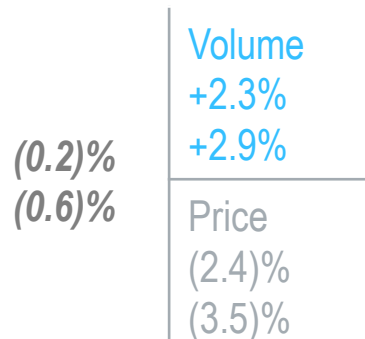
**Q3/9M'22 Business review**  
*Mathieu Floreani, CEO*

## FRANCE (21% of Group revenue)

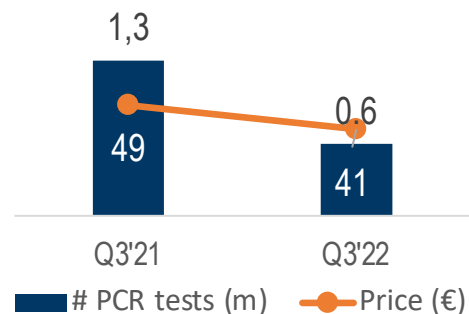
### Key financials

(€m)	Q3'22	Q3'21	% var.	9M'22	9M'21	% var.
Revenue	145.5	187.0	(22)%	527.9	628.6	(16)%
AOP	25.8	50.1	(48)%	108.8	166.6	(35)%
AOP margin	17.7%	26.8%	(9.1)pp	20.6%	26.5%	(5.9)pp

### Q3'22 9M'22 underlying growth



### COVID-19 PCR



### Q3 Revenue

**Underlying growth** ... overall flat, volume offsetting price decrease as per 3-year agreement

**COVID-19** testing revenue down (65)% in Q3 :

### Q3 Profitability

AOP margin reduction due to lower COVID-19 contribution (price and volume); inflation contributing (2.1)pp to margin drop with limited PEX inflation so far

### M&A

One acquisition in Q2, €4 million annualized revenue

### COVID-19 PCR test

Public price decrease from 23 June 2022 €37 all inclusive<sup>1</sup> (from €41), still benefiting from Covid 19 bonus/malus

### 2023 price update

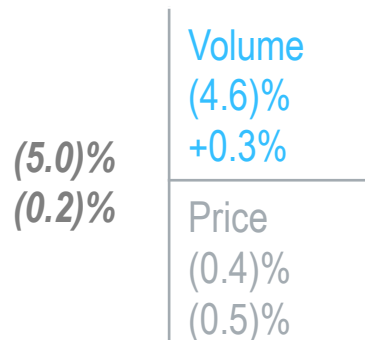
Negotiation of 2023 price structure not finalized yet  
Regulator current ask : (5.5)% price reduction

# GERMANY (22% of Group revenue)

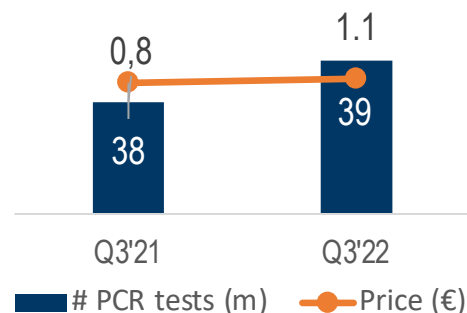
## Key financials

(€m)	Q3'22	Q3'21	% var.	9M'22	9M'21	% var.
Revenue	150.6	144.9	4%	556.6	512.1	9%
AOP	26.2	14.3	83%	134.0	110.1	22%
AOP margin	17.4%	9.9%	+7.5pp	24.1%	21.5%	+2.6pp

### Q3'22 9M'22 underlying growth



### COVID-19 PCR



### Q3 Revenue

**Underlying growth** : No rebound yet in Germany

**COVID-19** testing revenue up 27% in Q3 with sustained high volume and no average price decrease from favorable mix and one offs from prior quarters

### Q3 Profitability

AOP margin holding at high level from strong COVID 19 activity; Inflation impacting margin by (1.7)pp only : no impact on electricity price as fully hedged in 2022

### M&A

1 Specialty lab acquired in Q1 and 1 bolt-on in Q2 ~€6 million annualized revenue

### COVID-19 PCR test

Public price decrease from 1 July 2022 €27.3<sup>1</sup> (from €35)

## SOUTH (29% of Group revenue)

### Key financials

(€m)	Q3'22	Q3'21	% var.	9M'22	9M'21	% var.
Revenue	207.3	239.8	(14)%	745.4	785.3	(5)%
AOP	11.3	50.5	(78)%	98.6	189.5	(48)%
AOP margin	5.5%	21.1%	(15.6)pp	13.2%	24.1%	(10.9)pp

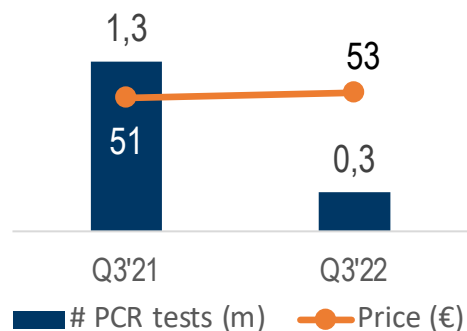
### Q3'22 9M'22 underlying growth

5.6%  
1.3%

Volume  
+4.3%  
+1.2%

Price  
+1.2%  
+0.1%

### COVID-19 PCR



### Q3 Revenue

**Underlying growth** driven by robust volume across the countries except CH and Mexico and positive price development in all countries except CH

**COVID-19 PCR** testing revenue down (81)% with sustained price

**M&A and FX** strong positive contribution

### Q3 Profitability

AOP margin strong reduction with sharp drop in COVID-19 PCR testing volume; Capacity ramp down ongoing; Inflation @3.9% impacting margin by (3.1)pp

### Network expansion

12 BCPs opened in Q3'22

### M&A

3 bolt-on acquisitions in Q3'22 in Italy, Spain, Ecuador ~€11 million annualized revenue

### Switzerland price reduction

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

# NORTH & EAST (28% of Group revenue)

## Key financials

(€m)	Q3'22	Q3'21	% var.	9M'22	9M'21	% var.
Revenue	194.5	277.6	(30)%	719.4	846.4	(15)%
AOP	12.5	77.2	(84)%	145.4	294.5	(51)%
AOP margin	6.4%	27.8%	(21.4)pp	20.2%	34.8%	(14.6)pp

### Q3'22 9M'22 underlying growth

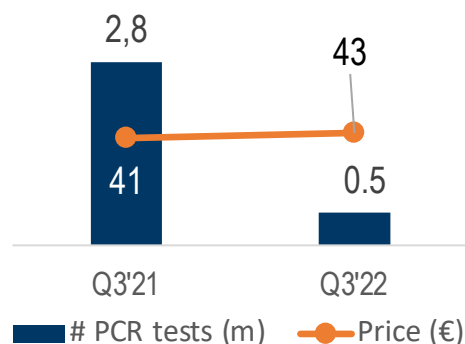
+12.6%  
+24.1%

Volume  
+8.1%  
+20.8%

---

Price  
+4.5%  
+3.3%

### COVID-19 PCR



### Q3 Revenue

**Underlying growth** strong expansion at +12.6% in Q3 driven by volume growth and price increases (price indexation)

**COVID-19 PCR** testing revenue down (83)% with sustained average price

### Q3 Profitability

AOP margin reduction due to sharp drop in COVID-19 PCR volume, SEL margin dilution of ~(-6)pp; Inflation @4.7% impacting margin by (3.5)pp

### Network expansion

9 BCPs opened in Q3'22



**Outlook**  
*Mathieu Floreani, CEO*

## 2022 outlook confirmed

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

### 2022 capital allocation: prioritizing future growth

- Capex<sup>1</sup> 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% payout<sup>2</sup>

## 2023 outlook released

	2023 outlook
Revenue	~€3.0bn
AEBITDA margin	18-20%
M&A spend	~€200m

### Key assumptions

- Around 4.0% underlying growth
- ~€250 million COVID-19 testing revenue, ~15% of 2021 peak level
- Uncertainty on 2023 price / inflation evolution
- 2023 AEBITDA margin range in line with 2H 2022 implied guidance



# Q&A

SYNLAB

## Financial calendar / Investor contact



### Upcoming events

Kepler Cheuvreux Dx Day	22 November 2022 (plenary session)
Exane DILS conference	29 November 2022
SYNLAB Q4/FY'22 results	16 March 2023 (pre-market)

### Investor contact

**Etienne Ziller**

**Anna Niedl** (starting Dec. 1st 2022)

**SYNLAB**

Moosacher Strasse 88

80809 Munich / Germany

[etienne.ziller@synlab.com](mailto:etienne.ziller@synlab.com)

[anna.niedl@synlab.com](mailto:anna.niedl@synlab.com)

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

# Appendix

## Revenue by segment

Reported (€m)	Revenue							
	Q3'22	Q3'21	Q3'22 PF	Q3'21 PF	Total Growth	Organic Growth	FX Growth	M&A Growth
France	145.4	187.0	145.5	187.4	-22.4%	-23.1%	0.0%	0.7%
Germany	150.6	144.9	151.0	144.9	+4.2%	+2.9%	0.0%	1.0%
South	207.3	239.8	207.9	264.5	-21.4%	-26.4%	2.3%	2.5%
North & East	194.5	277.6	194.5	277.6	-30.0%	-29.7%	-0.2%	0.0%
<b>SYNLAB GROUP</b>	<b>697.9</b>	<b>849.3</b>	<b>698.9</b>	<b>874.4</b>	<b>-20.1%</b>	<b>-21.9%</b>	<b>0.6%</b>	<b>1.1%</b>

Reported (€m)	Revenue							
	9M'22	9M'21	9M'22 PF	9M'21 PF	Total Growth	Organic Growth	FX Growth	M&A Growth
France	527.9	628.6	529.6	632.5	-16.2%	-16.8%	0.0%	0.3%
Germany	556.6	512.1	557.9	512.6	8.8%	7.9%	0.0%	0.7%
South	745.4	785.3	754.5	869.9	-13.3%	-18.8%	2.7%	1.8%
North & East	719.4	846.4	719.4	846.4	-15.0%	-14.9%	-0.1%	0.0%
<b>SYNLAB GROUP</b>	<b>2,549.3</b>	<b>2,772.3</b>	<b>2,561.5</b>	<b>2,861.4</b>	<b>-10.5%</b>	<b>-12.4%</b>	<b>0.8%</b>	<b>0.7%</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

## AOP by segment

### AOP

Reported (€m)	Q3'22	Q3'21	Margin, Q3'22	Margin, Q'21
France	25.8	50.1	17.7%	26.8%
Germany	26.2	14.3	17.4%	9.9%
South	11.3	50.5	5.5%	21.1%
North & East	12.5	77.2	6.4%	27.8%
<b>SYNLAB GROUP</b>	<b>75.8</b>	<b>192.1</b>	<b>10.9%</b>	<b>22.6%</b>

### AOP

Reported (€m)	9M'22	9M'21	Margin, 9M'22	Margin, 9M'21
France	108.8	166.8	20,6%	26.5%
Germany	134.0	110.2	24.1%	21.5%
South	98.6	189.7	13.2%	24.1%
North & East	145.4	294.7	20.2%	34.8%
<b>SYNLAB GROUP</b>	<b>486.7</b>	<b>761.4</b>	<b>19.1%</b>	<b>27.5%</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

## 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
<b>SYNLAB GROUP</b>	<b>938.2</b>	<b>984.8</b>	<b>849.3</b>	<b>992.6</b>	<b>34.3</b>	<b>29.6</b>	<b>25.1</b>	<b>6.1</b>	<b>972.5</b>	<b>1,014.4</b>	<b>874.4</b>	<b>998.7</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

## Operating profit to AOP and AEBITDA reconciliation

€m	9M 2022	9M 2021 <sup>1</sup>
<b>Operating profit</b>	<b>265.3</b>	<b>689.1</b>
Strategic projects costs	0.4	27.1
Acquisitions related costs <sup>2</sup>	6.7	6.2
Impairment of non-current assets	173.0	-
Customer list amortisation	41.3	38.3
<b>Adjusted operating profit (AOP)</b>	<b>486.7</b>	<b>760.7</b>
Depreciation and amortisation	217.6	184.9
Customer list amortisation (elimination)	(41.3)	(38.3)
<b>Adjusted EBITDA (AEBITDA)</b>	<b>663.0</b>	<b>907.3</b>

# Consolidated statement of income

€ 000	Note	For the 9 months ended 30 September	
		2022	2021
<b>Revenue</b>	5	<b>2,549,290</b>	<b>2,772,338</b>
Material and related expenses		(600,730)	(689,427)
Payroll and related expenses		(881,351)	(826,068)
Other operating income		24,452	24,104
Other operating expenses		(435,755)	(406,977)
Depreciation and amortisation		(217,624)	(184,858)
Impairment of non-current assets	11	(173,026)	-
<b>Operating profit</b>		<b>265,256</b>	<b>689,112</b>
Share of loss of associates and other non-controlling interest		(2,014)	(1,817)
Profit on disposal of investment		70,653	(50)
Finance income	6	79,746	24,524
Finance costs	6	(91,393)	(111,146)
<b>Profit / (loss) before taxes</b>		<b>322,248</b>	<b>600,623</b>
Income tax expenses	7	(129,751)	(145,105)
<b>Profit / (loss) from continuing operations</b>		<b>192,497</b>	<b>455,518</b>
<b>Discontinued operations</b>			
Profit / (loss) after tax for the period from discontinued operations		-	17,868
<b>Profit / (loss) for the period</b>		<b>192,497</b>	<b>473,386</b>
thereof: Profit / (loss) attributable to non-controlling interests		1,576	2,092
thereof: Profit / (loss) attributable to equity holders of the parent company		190,921	471,294
<b>Basic earnings per share from continuing operations (in €)</b>	8	0.86	2.22
<b>Diluted earnings per share from continuing operations (in €)</b>	8	0.86	2.22



## Consolidated statement of financial position

€ 000	As at 30 September 2022	As at 31 December 2021			
<b>ASSETS</b>			<b>EQUITY AND LIABILITIES</b>		
Goodwill	2,343,766	2,439,780	<b>EQUITY</b>		
Intangible assets	715,053	725,926	Contributed capital	222,222	222,222
Property, plant and equipment	283,286	273,022	Additional paid-in capital	3,718,061	3,788,983
Right-of-use assets	592,899	580,494	Treasury shares	-14,570	-
Investments in associates	810	4,831	Cumulative translation adjustment	58,442	15,210
Financial non-current assets	73,662	42,690	Accumulated deficit	-1,570,482	-1,769,537
Other non-current assets	4,045	5,092	<b>Total parent company interests</b>	<b>2,413,673</b>	<b>2,256,878</b>
Deferred tax assets	42,448	41,747	<b>Non-controlling interests</b>	871	-1,179
<b>Total non-current assets</b>	<b>4,055,969</b>	<b>4,113,582</b>	<b>Total equity</b>	<b>2,414,544</b>	<b>2,255,699</b>
Inventories	92,264	110,020	<b>LIABILITIES</b>		
Trade accounts receivables	480,588	632,553	Loans and borrowings (non-current)	1,411,638	1,417,635
Financial current assets	61,050	62,272	Non-current lease liabilities	496,434	501,688
Other current assets	114,276	63,771	Employee benefits liabilities	38,551	45,283
Cash and cash equivalents	660,006	443,747	Non-current provisions	2,443	2,365
Assets classified as held for sale	0	0	Contract liabilities	9,552	10,038
<b>Total current assets</b>	<b>1,408,184</b>	<b>1,312,363</b>	Other non-current liabilities	54,375	52,283
<b>Total assets</b>	<b>5,464,153</b>	<b>5,425,945</b>	Deferred tax liabilities	173,969	185,424
			<b>Total non-current liabilities</b>	<b>2,186,962</b>	<b>2,214,716</b>
			Current loans and borrowings	11,015	12,573
			Current lease liabilities	129,347	113,988
			Trade accounts payable	292,806	387,123
			Contract liabilities	12,011	7,540
			Current provisions	11,891	11,245
			Income tax liabilities	145,103	116,066
			Other current liabilities	260,474	306,995
			Liabilities directly associated with assets classified as held for sale	-	-
			<b>Total current liabilities</b>	<b>862,647</b>	<b>955,530</b>
			<b>Total liabilities</b>	<b>3,049,609</b>	<b>3,170,246</b>
			<b>Total equity and liabilities</b>	<b>5,464,153</b>	<b>5,425,945</b>

# Consolidated statement of cash flows

	For the 9 months ended 30 September			For the 9 months ended 30 September	
	2022 € 000	2021 € 000		2022 € 000	2021 € 000
<b>Operating Profit</b>	<b>265,256</b>	<b>689,112</b>			
Depreciation, amortisation, impairment	390,579	184,856	Proceeds from share capital increase	0	394,050
Change in provisions	593	2,326	Acquisition of treasury shares	-14,570	0
Loss from the disposal of non-current assets	2,066	-67	Interest paid	-47,143	-92,016
Other non-cash revenues and expenses	22,358	28,082	New loans, borrowings and other financial liabilities	690	727,627
<b>Operating cash flow before changes in net working capital</b>	<b>680,852</b>	<b>904,309</b>	Repayment of loans, borrowings and other financial liabilities	-554	-1,844,717
Change in inventories	20,710	53,811	Repayment of lease liabilities	-105,321	-71,078
Change in trade accounts receivable	138,844	-6,676	Acquisition of non-controlling interests	900	0
Change in trade accounts payable	-96,221	-93,356	Dividends paid and other payments to non-controlling interests	-76,918	-2,257
Change in other net working capital	-44,219	22,132	<i>Cash flow used in financing activities (C) continued operations</i>	-242,916	-888,391
Income tax paid	-150,847	-94,109	<i>Cash flow used in financing activities (C) discontinued operations</i>	0	-22
<i>Cash flow from operating activities (A) operating operations</i>	<i>549,119</i>	<i>786,111</i>	<b>Cash flow used in financing activities (C)</b>	<b>-242,916</b>	<b>-888,413</b>
<i>Cash flow from operating activities (A) discontinued operations</i>		<i>1,021</i>	<b>TOTAL CASH FLOWS (A+B+C)</b>	<b>209,238</b>	<b>-287,978</b>
<b>Cash flow from operating activities (A)</b>	<b>549,119</b>	<b>787,132</b>	<b>Cash and cash equivalent at the beginning of the period</b>	<b>443,525</b>	<b>904,707</b>
Acquisition of subsidiaries, net of cash acquired and changes in debt related to acquisitions	-91,759	-118,035	Net foreign exchange differences	7,108	2,903
Purchase of intangibles and property, plant and equipment	-91,056	-75,364	Change Cash and cash equivalent Assets Held for sale	0	0
Sale of subsidiaries, net of cash disposed and changes in debt	83,790	4,544	<b>Cash and cash equivalent at the end of the period</b>	<b>659,871</b>	<b>619,632</b>
Proceeds from sale of intangibles and property, plant and equipment	296	978	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>216,346</b>	<b>-285,075</b>
Increase in other non-current assets	-299	-49			
Decrease in other non-current assets	0	24			
Interest received	1,896	568			
Net cash from disposal of investments	0	348			
Dividends received	167	290			
<i>Cash flow used in investing activities (B) continued operations</i>	<i>-96,965</i>	<i>-186,696</i>			
<i>Cash flow used in investing activities (B) discontinued operations</i>	<i>0</i>	<i>-1</i>			
<b>Cash flow used in investing activities (B)</b>	<b>-96,965</b>	<b>-186,697</b>			

## Sep.'22 leverage calculation

Net Debt (€m)	Sep.'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	371	14	385	385
Term Loan (2.5%*+EURIBOR), due 2026	719	16	735	735
<b>Total borrowings</b>	<b>1,405</b>	<b>35</b>	<b>1,440</b>	<b>1,440</b>
Embedded derivatives	6	(6)	-	-
Accrued Interest	9		9	11
Other Bank Debt	3	(1)	3	2
Leases	626		626	616
Cash	(660)		(660)	(444)
<b>Total Net Debt</b>	<b>1,388</b>	<b>29</b>	<b>1,417</b>	<b>1,625</b>
Net deferred consideration for acquisitions			37	46
<b>Total Net Debt</b>			<b>1,454</b>	<b>1,671</b>

## LTM PF AEBITDA

(€m)	LTM Sep.'22	FY'21
Reported AEBITDA	964.8	1,209.8
PF for M&A	5.9	27.6
<b>PF AEBITDA</b>	<b>970.7</b>	<b>1,237.4</b>
<b>Debt</b>	<b>1,454</b>	<b>1,671</b>
<b>Leverage</b>	<b>1.5x</b>	<b>1.35x</b>

\* Decreasing to 1.25% following the decrease in leverage

## ROCE

€m	Sep'22	FY 2021
<b>Capital Employed</b>	<b>4,043</b>	<b>4,074</b>
Adjustments:		
Right of use assets	(593)	(580)
Net deferred tax	132	144
<b>Adjusted Capital Employed</b>	<b>3,319</b>	<b>3,637</b>
<b>AOP</b>	<b>721</b>	<b>996</b>
Income tax expense @28%	(202)	(279)
<b>Return @28% tax rate</b>	<b>519</b>	<b>717</b>
<b>ROCE</b>	<b>15.6%</b>	<b>19.7%</b>

## 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.