



# Q3 and 9M 2016 Results

DIASORIN SPA  
November 10, 2016



## Disclaimer

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These statements are related, among others, to the intent, belief or current expectations of the customer base, estimates regarding future growth in the different business lines and the global business, market share, financial results and other aspects of the activities and situation relating to the Company.

Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those expressed in or implied by these forward-looking statements as a result of various factors, many of which are beyond the ability of DiaSorin S.p.A. to control or estimate precisely.

The Company does not undertake to update or otherwise revise any forecasts or objectives presented herein, except in compliance with the disclosure obligations applicable to companies whose shares are listed on a stock exchange.

Piergiorgio Pedron, the Officer Responsible for the preparation of corporate financial reports of DiaSorin S.p.A., in accordance with the second subsection of art. 154-bis, part IV, title III, second paragraph, section V-bis, of Legislative Decree February 24, 1998, no. 58, declares that, to the best of his knowledge, the financial information included in the present document corresponds to book of accounts and book-keeping entries of the Company.

# Overview

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## Highlights

Q3 and 9M 2016 Main Topics

Revenues

- Breakdown by Technology
- Breakdown by Geography

Installed Base Expansion

Profitability Profile

## Q3 and 9M 2016 Financials

## FY 2016 Company Guidance

# Highlights

# Q3'16 and 9M'16 highlights

	Q3'16	9M'16
<b>REVENUES</b>	<b>€/mIn 147.0</b>	<b>€/mIn 413.3</b>
	+19.3%	+12.2%
	<b>LFL* @ CER +6.8%</b>	<b>LFL* @ CER +6.9%</b>
▶ CLIA ex Vit D 25 OH	+8.1% @ CER +9.7%	+11.5% @ CER +13.6%
▶ Vit D 25 OH	-5.5% @ CER -5.3%	-2.8% @ CER -2.2%
▶ Focus	+€/mIn 16.7	+€/mIn 25.5
<b>EBITDA</b>	<b>€/mIn 56.1</b>	<b>€/mIn 158.4</b>
	+24.6%	+16.1%
	<b>LFL* @ CER +12.4%</b>	<b>LFL* @ CER +10.8%</b>
EBITDA margin	38.1% +160 bps	38.3% +130 bps
<b>NET RESULT</b>	<b>€/mIn 28.7</b>	<b>€/mIn 82.7</b>
	+23.4%	+14.8%
% of revenues	19.5% +60 bps	20.0% +40 bps
<b>FCF</b>	<b>€/mIn 43.3</b>	<b>€/mIn 97.2</b>
	+€/mIn 7.8	+€/mIn 22.4
<b>NFP</b>		<b>+€/mIn 44.0</b>
		-€/mIn 223.9

\* LFL = Like-for-Like (excluding the Focus acquisition)

## LIAISON & LIAISON XL PLACEMENTS

	Q3'16	9M'16	@ SEPT 30, 2016
▶ LIAISON XL	+151	+426	2,718
▶ LIAISON	-23	-30	4,014
<b>TOTAL</b>	<b>+128</b>	<b>+396</b>	<b>6,732</b>

## BUSINESS DEVELOPMENT

- ▶ **BECKMAN COULTER AGREEMENT** in order to provide in the U.S. the LIAISON XL Hepatitis A, B, C and HIV products connected to Beckman Coulter's automation solutions

## PRODUCT DEVELOPMENT

### IMMUNO

- ▶ **ZIKA:** BARDA (Biomedical Advanced Research and Development Authority) has awarded DiaSorin for the development of new serological tests to detect Zika virus infections. Tests will be produced at the Stillwater facility and are expected to be sold in the U.S. following FDA clearance. After the launch in the U.S. market, DiaSorin will assess timing to apply for further clearances to make its tests available in other markets, including Europe, Brazil, and China.

### MOLECULAR

- ▶ **Clostridium difficile** (available for the market outside the USA only): first infectious disease molecular assay developed by DiaSorin Molecular and designed for use with Direct Amplification Disk. The test, which run on real-time PCR instrument 'Liaison MDX', is intended for sample to-answer detection of the organism in patients with signs and symptoms of Clostridium difficile Infection in about 1 hour.

# Q3'16 and 9M'16 Revenues



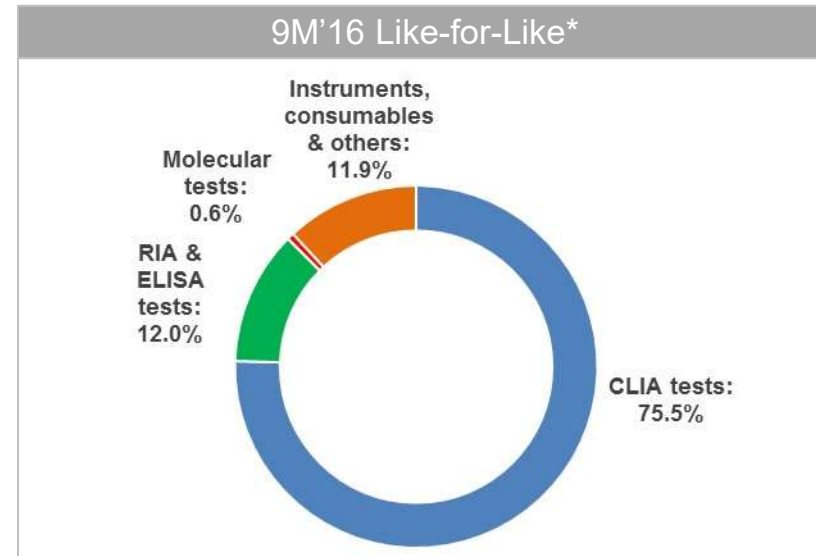
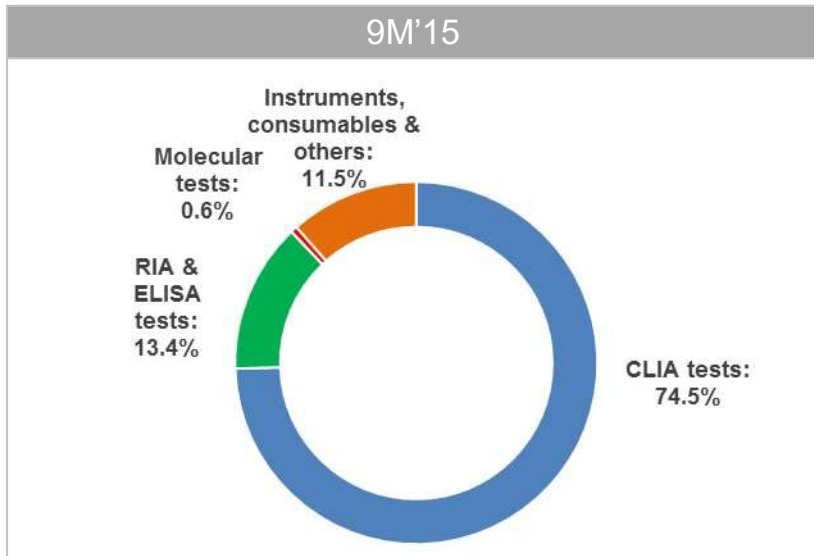
Growth driven by all CLIA tests (in particular ID, Hepatitis, ToRCH, Stool Testing and Vitamin D 1,25) and change in perimeter of consolidation (inclusion from mid May of "Focus Business")

Growth in almost all geographies

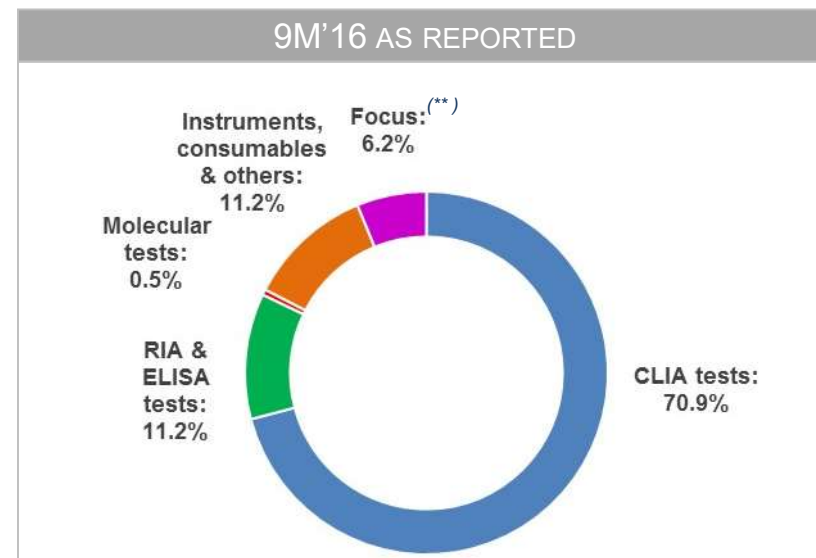
Forex negative impact for €/mln 1.3 in Q3 and €/mln 6.0 YTD

\* LFL = Like-for-Like (excluding the Focus acquisition)

# 9M'16 Revenues: contribution by technology



CLIA sales contribution growth from 74.5% to 75.5% (\*)



\* LFL = Like-for-Like (excluding the Focus acquisition)

\*\* Focus consolidated from May 13, 2016

# Q3'16 and 9M'16 Revenues: breakdown by technology

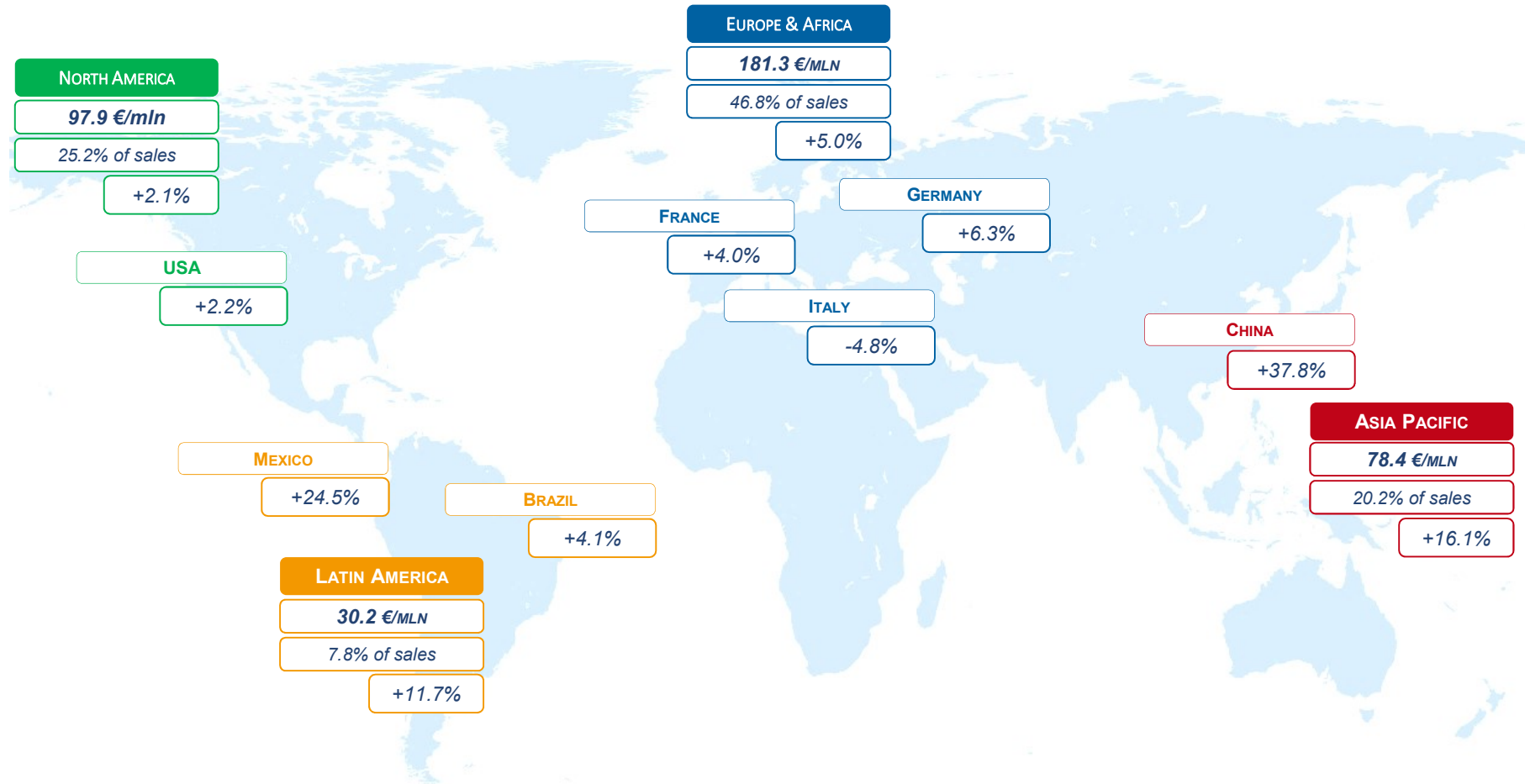


			Q3'16 vs. Q3'15	9M'16 vs. 9M'15
CLIA	CLIA ex Vitamin D 25 OH tests	@ current	+8.1%	+11.5%
		LFL* @ CER	+9.7%	+13.6%
	Vitamin D 25 OH test (CLIA)	@ current	-5.5%	-2.8%
		LFL* @ CER	-5.3%	-2.2%
ELISA + RIA tests	@ current	+3.9%	-6.0%	
	LFL* @ CER	+4.6%	-4.5%	
Instruments & Consumables	@ current	+23.6%	+9.6%	
	LFL* @ CER	+24.5%	+11.6%	
Molecular Diagnostic tests	@ current	+5.5%	+4.2%	
	LFL* @ CER	+6.2%	+4.4%	
Focus		+16.7 €/mln	+25.5 €/mln	

\* LFL = Like-for-Like (excluding the Focus acquisition)



# 9M'16 Revenues\*: breakdown by geography

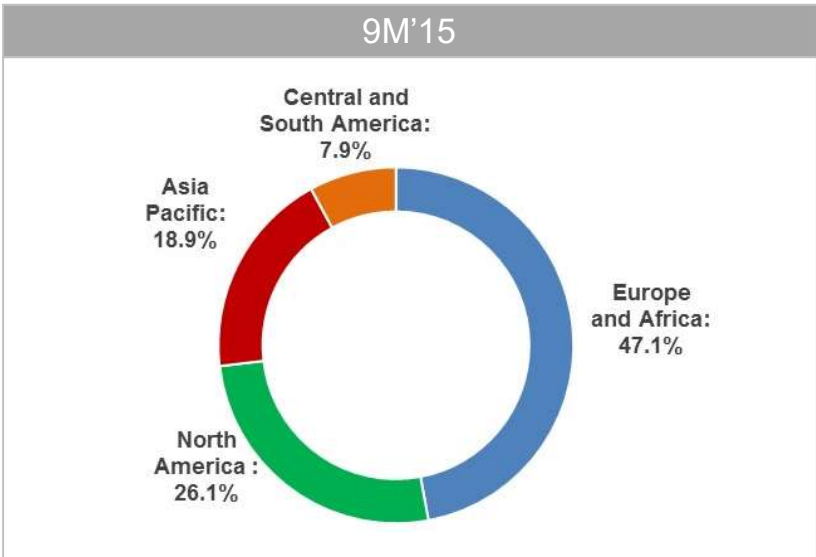


\*Managerial outlook on data reported; Change 9M'16 on 9M'15 @ CER and LFL

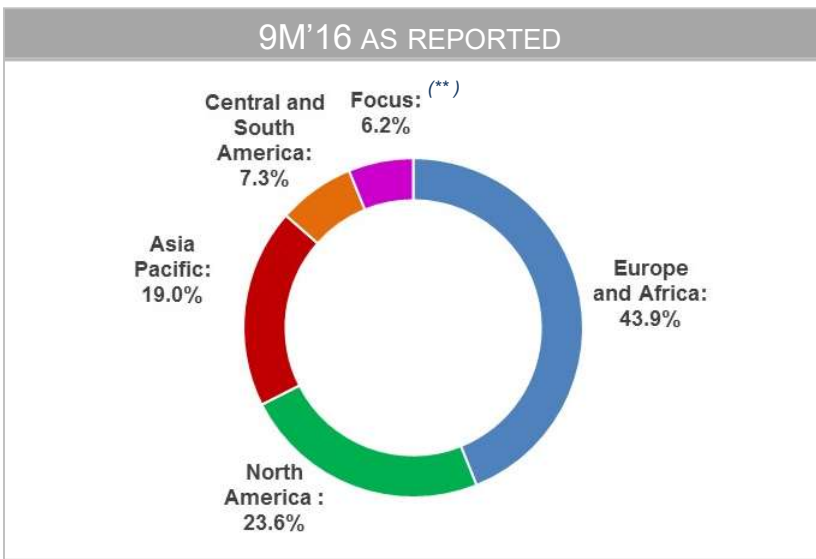
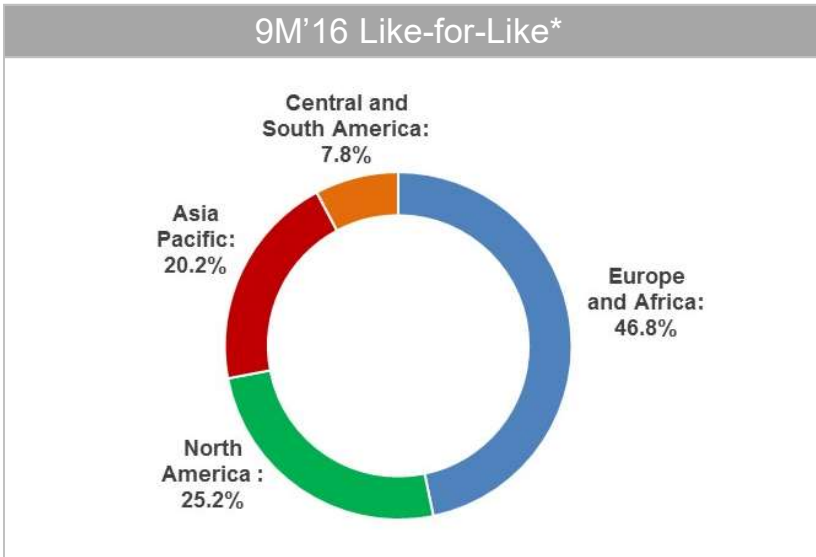
LFL = Like-for-Like (excluding the Focus acquisition)

**Focus**  
25.5 €/mln

# 9M'16 Revenues: breakdown by geography



APAC higher share of total revenues mainly driven by strong growth in China



\* LFL = Like-for-Like (excluding the Focus acquisition)

\*\* Focus consolidated from May 13, 2016

# Q3'16 and 9M'16 Revenues\*: breakdown by geography



\*Managerial outlook on data reported; Change QoQ and 9Mo9M @ CER and LFL

LFL = Like-for-Like (excluding the Focus acquisition)



# Q3'16 and 9M'16 Revenues\*: breakdown by geography



\*Managerial outlook on data reported; Change QoQ and 9Mo9M @ CER and LFL

LFL = Like-for-Like (excluding the Focus acquisition)

# Installed base expansion

	TOTAL UNITS AT DECEMBER 31, 2015	NET PLACEMENTS IN 9M 2016	TOTAL UNITS AT SEPTEMBER 30, 2016
	4,044	-30	4,014
	2,292	+426	2,718
<b>TOTAL</b>	<b>6,336</b>	<b>+396</b>	<b>6,732</b>

# Q3'16 and 9M'16 EBITDA\*

	Q3'15	Q3'16		9M'15	9M'16	
EBITDA	45.0	56.1	+24.6%	136.4	158.4	+16.1%
EBITDA margin	36.5%	38.1%	+160 bps	37.0%	38.3%	+130 bps

Raise in marginality compared to Q3'15 and 9M'15 mainly driven by:

▶ **Q3'16**

- **Gross Margin:** reduction due to some phasing on sales to distributors which enjoy lower prices, higher one-off scrap and rework costs, light dilution coming from one full quarter of Focus Business.

This has been more than offset by

- **Operating expenses\*\* + Other Opex:** lower incidence on revenues, as a result of a lower growth in Operating Expenses and Q3'15 affected by some material bad debt provision and negative FX

▶ **9M'16:**

- Increase mainly driven by higher sales of specialty products, positive effects from manufacturing efficiencies and lower incidence on revenues of Operating Expenses\*\*

\*Financials as reported

\*\* Net of "Focus Business" intangible asset depreciation

# Q3 and 9M 2016 Financial Data

## Q3'16 results: Income Statement

<i>Data in € million</i>	<b>Q3</b>		<b>Change</b>	
	<b>2015</b>	<b>2016</b>	<b>amount</b>	<b>%</b>
<b>Net revenues</b>	<b>123.2</b>	<b>147.0</b>	<b>+23.8</b>	<b>+19.3%</b>
<b>Gross profit</b>	<b>85.0</b>	<b>99.1</b>	<b>+14.1</b>	<b>+16.5%</b>
<i>Gross Margin</i>	69.0%	67.4%	-160 bps	
S&M	(23.5)	(28.0)	-4.5	+19.0%
R&D	(6.3)	(10.2)	-4.0	+63.2%
G&A	(13.7)	(14.9)	-1.2	+8.4%
<b>Total operating expenses</b>	<b>(43.5)</b>	<b>(53.1)</b>	<b>-9.6</b>	<b>+22.0%</b>
<i>% on sales</i>	35.3%	36.1%	+80 bps	
Other operating income (expense)	(4.9)	(2.4)	+2.6	-51.9%
<b>EBIT</b>	<b>36.6</b>	<b>43.7</b>	<b>+7.0</b>	<b>+19.2%</b>
<i>EBIT margin</i>	29.7%	29.7%		
Net financial income (expense)	(1.3)	(0.9)	+0.4	-33.3%
<b>Profit before taxes</b>	<b>35.3</b>	<b>42.8</b>	<b>+7.5</b>	<b>+21.2%</b>
Income taxes	(12.1)	(14.1)	-2.0	+16.9%
<b>Net result</b>	<b>23.2</b>	<b>28.7</b>	<b>+5.4</b>	<b>+23.4%</b>
<b>EBITDA</b>	<b>45.0</b>	<b>56.1</b>	<b>+11.1</b>	<b>+24.6%</b>
<i>EBITDA margin</i>	36.5%	38.1%	+160 bps	



# 9M'16 results: Income Statement

Data in € million	9M		Change	
	2015	2016	amount	%
<b>Net revenues</b>	<b>+368.4</b>	<b>413.3</b>	<b>+44.9</b>	<b>+12.2%</b>
<b>Gross profit</b>	<b>251.4</b>	<b>282.4</b>	<b>+31.1</b>	<b>+12.4%</b>
<i>Gross Margin</i>	68.2%	68.3%	+10 bps	
S&M	(72.2)	(79.4)	-7.2	+9.9%
R&D	(18.9)	(26.9)	-8.0	+42.2%
G&A	(40.7)	(43.1)	-2.4	+5.8%
<b>Total operating expenses</b>	<b>(131.9)</b>	<b>(149.4)</b>	<b>-17.5</b>	<b>+13.3%</b>
<i>% on sales</i>	(35.8)%	(36.1)%	+40 bps	
Other operating income (expense)	(7.8)	(7.2)	+0.6	-8.3%
<b>EBIT</b>	<b>111.7</b>	<b>125.9</b>	<b>+14.2</b>	<b>+12.7%</b>
<i>EBIT margin</i>	30.3%	30.5%	+20 bps	
Net financial income (expense)	(2.5)	(2.5)	+0.1	-2.3%
<b>Profit before taxes</b>	<b>109.2</b>	<b>123.4</b>	<b>+14.2</b>	<b>+13.0%</b>
Income taxes	(37.1)	(40.7)	-3.6	+9.7%
<b>Net result</b>	<b>72.1</b>	<b>82.7</b>	<b>+10.6</b>	<b>+14.8%</b>
<b>EBITDA</b>	<b>136.4</b>	<b>158.4</b>	<b>+21.9</b>	<b>+16.1%</b>
<i>EBITDA margin</i>	37.0%	38.3%	+130 bps	

# Balance Sheet

<i>Data in € million</i>	<b>12/31/2015</b>	<b>09/30/2016</b>	<b>Change</b>
Total intangible assets	117.9	343.7	+225.8
Total tangible assets	74.5	87.5	+13.0
Other non-current assets	21.2	21.7	+0.6
Net Working Capital	144.0	161.8	+17.8
Other non-current liabilities	(38.3)	(41.9)	-3.6
<b>Net Capital Employed</b>	<b>319.2</b>	<b>572.8</b>	<b>+253.5</b>
<b>Net Financial Position</b>	<b>267.9</b>	<b>44.0</b>	<b>-223.9</b>
<b>Total Shareholders' equity</b>	<b>587.2</b>	<b>616.8</b>	<b>+29.6</b>

# Q3'16 and 9M'16 results: Cash Flow Statement

Data in € million	Q3		Change	9M		Change
	2015	2016		2015	2016	
<b>Cash and cash equivalents at the beginning of the period</b>	<b>141.6</b>	<b>73.2</b>	<b>-68.4</b>	<b>144.9</b>	<b>212.2</b>	<b>+67.3</b>
Operating activities	40.6	49.5	+8.9	96.4	117.6	+21.3
Investing activities	(5.4)	(6.7)	-1.3	(21.6)	(21.1)	+0.5
Financing activities	(0.8)	(5.0)	-4.2	(12.1)	7.8	+19.9
Acquisitions of companies and business operations	0.4	(0.4)	-0.8	(1.0)	(262.9)	-261.8
<b>Net change in cash and cash equivalents before investments in financial assets</b>	<b>34.9</b>	<b>37.5</b>	<b>+2.6</b>	<b>61.7</b>	<b>-158.5</b>	<b>-220.2</b>
Divestment/(Investments) in financial assets	0.0	0.0	n.m.	(30.0)	57.0	+87.0
<b>Net change in cash and cash equivalents</b>	<b>34.9</b>	<b>37.5</b>	<b>+2.6</b>	<b>31.7</b>	<b>(101.5)</b>	<b>-133.2</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>176.5</b>	<b>110.7</b>	<b>-65.8</b>	<b>176.5</b>	<b>110.7</b>	<b>-65.8</b>

# FY 2016 Company Guidance

# FY 2016 Company Guidance

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## FY 2016 Company Guidance, at constant scope of consolidation

Revenues	Growth between <b>+6% and +7% at CER</b> compared with 2015
EBITDA	Growth equal to ca. <b>+9% at CER</b> compared with 2015

