



Q2 and H1 2018 Results

DIASORIN SPA
August 2, 2018



The Diagnostic Specialist

Disclaimer

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.

Highlights

	Q2'18		H1'18	
	@ curr	@ CER	@ curr	@ CER
REVENUES	€/mln 166.7 (*)		€/mln 331.2 (*)	
CLIA EX VIT D 25 OH	+3.0%	+6.7%	+3.7%	+9.0%
VIT D 25 OH	+4.8%	+7.6%	+6.9%	+10.5%
ELISA TESTS	-9.1%	-3.9%	-10.3%	-3.3%
MOLECULAR TESTS	+26.0%	+31.3%	+22.2%	+27.9%
INSTRUMENTS & OTHER REV.	-3.1%	+1.9%	+1.6%	+12.1%
	-2.7%	-0.2%	-2.2%	+1.4%
EBITDA	€/mln 64.9		€/mln 128.2	
EBITDA MARGIN	+1.9%	+6.5%	+1.6%	+7.9%
	38.9%	39.3%	38.7%	39.1%
	-44 bps	-10 bps	-82 bps	-40 bps
NET RESULT	€/mln 42.5		€/mln 80.9	
% ON REVENUES	+26.7%		+21.7%	
	25.5%		24.4%	
FCF			€/mln 69.2	
			+13.3%	
NFP (**)			+€/mln 103.7	

* Revenues include Siemens's ELISA business contribution (consolidated as of Sept 2017)

** NFP does not include debts vs. shareholders for special dividends for €/mln 98.4

COMPANY GUIDANCE

	FY 2018	FY 2019
REVENUES	~ +9% at CER vs 2017 (*) from ~ +11% at CER	3-years plan guidance confirmed
EBITDA	~ +12% at CER vs 2017 (*) from ~ +13% at CER	3-years plan guidance confirmed

(*) 2017 €/US\$ avg. exchange rate = 1.13

PRODUCT DEVELOPMENT

IMMUNO	Infectious diseases	▶ PCT II GEN (US market) Clearance from the FDA to market the LIAISON BRAHMS PCT II GEN assay for Sepsis' diagnosis through the quantitative determination of procalcitonin (PCT)
	Hepatitis & Retrovirus	▶ HDV (CE mark) Clearance from CE Notified Body to market the LIAISON XL Murex Anti-HDV, for Hepatitis Delta detection. After the launch DiaSorin will be the player with the widest menu in the Hepatitis and Retrovirus area and the first company to launch this test on CLIA
MOLECULAR	KIT Infectious diseases	▶ HSV (US market) Extended cutaneous and mucocutaneous lesion swabs claims to cerebrospinal fluid (CSF) and genital lesion swab
	ASRs	▶ Anaplasma phagocytophilum
		▶ Ehrlichia
		▶ Babesia

Q2 and H1 2018 revenues growth

		Q2'18 vs. Q2'17	H1'18 vs. H1'17
Total Group revenues	@ curr	+3.0%	+3.7%
	@ CER	+6.7%	+9.0%
<ul style="list-style-type: none"> • All CLIA tests, net of Vitamin D • Siemens' ELISA business (acquired in Sept 2017) • Molecular kits recorded a double-digit growth 			
	<ul style="list-style-type: none"> • Vitamin D volumes slowdown (mainly US) • Unfavorable ordering pattern affected instruments sales in China and ASRs sales in the US • Suspension of a Zika tender in Brazil, due to the end of the infection's emergency • FOREX: -€/mln 16.7 		

		Q2'18 vs. Q2'17	H1'18 vs. H1'17
CLIA ex Vitamin D tests	@ curr	+4.8%	+6.9%
	@ CER	+7.6%	+10.5%
Vitamin D test (CLIA)	@ curr	-9.1%	-10.3%
	@ CER	-3.9%	-3.3%
ELISA tests (*)	@ curr	+26.0%	+22.2%
	@ CER	+31.3%	+27.9%
Molecular Diagnostic tests	@ curr	-3.1%	+1.6%
	@ CER	+1.9%	+12.1%
Instruments & Other Revenues	@ curr	-2.7%	-2.2%
	@ CER	-0.2%	+1.4%

* Including the contribution of Siemens's ELISA business, consolidated as of September 2017

		Q2'18 vs. Q2'17	H1'18 vs. H1'17
EUROPE & AFRICA		+14.1%	+15.2%
Germany		+22.0%	+22.7%
Italy		+8.7%	+9.6%
France		+17.9%	+16.4%
NORTH AMERICA		-4.3%	+0.5%
USA		-4.5%	-0.1%
ASIA PACIFIC		+9.5%	+12.4%
China		-0.8%	+0.0%
Australia		+18.2%	+19.6%
Distributors		+20.4%	+28.6%
LATIN AMERICA		+3.7%	+1.8%
Brazil		+3.5%	+5.0%
Mexico		+7.1%	+2.6%
Distributors		+2.3%	-2.4%

Growth driven by Siemens' ELISA business acquisition and CLIA ex Vit D tests. Negative Vitamin D contribution (mainly price pressure)

Increase in all CLIA tests

Positive performance driven by CLIA ex Vit D tests

Positive contribution from CLIA ex Vit D, offset by lower Vitamin D (mainly volumes) and ASR sales (ordering pattern)

Growth in CLIA tests, partially offset by lower Murex ELISA and Instruments sales (ordering pattern)

Upward trend in CLIA tests and growth from Siemens' ELISA business

Growth driven by Siemens' ELISA business and instruments sales

Positive performance of CLIA tests partially offset by a negative trend in Murex sales and the suspension of a Zika tender

Positive performance driven by instruments sales and Siemens' ELISA business partially offset by CLIA sales downward

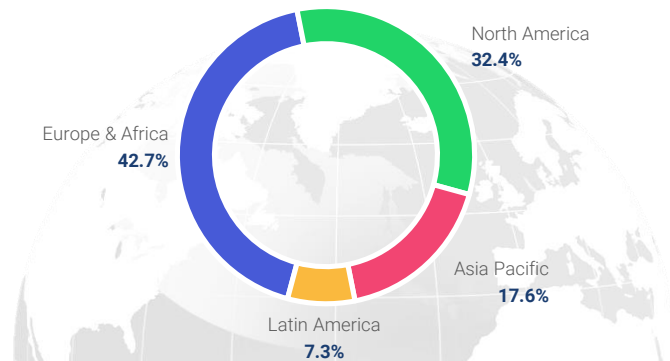
Positive performance driven by CLIA tests

Managerial outlook on reported data; Change QoQ and HoH @ CER

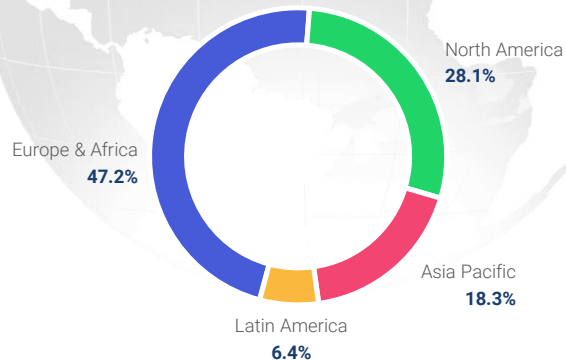
H1 2018 revenues breakdown

by geography

H1'17

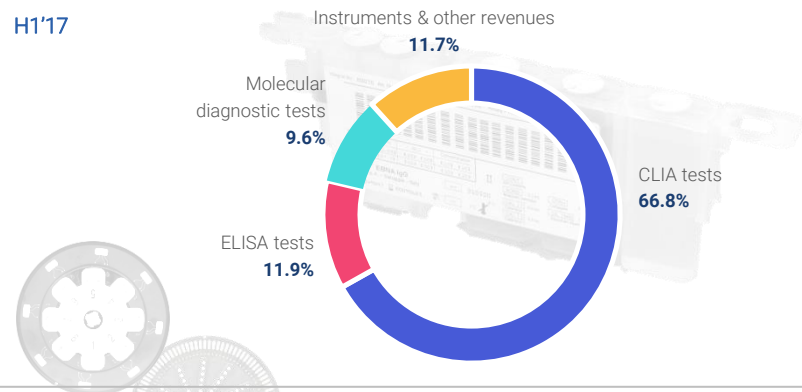


H1'18 (*)

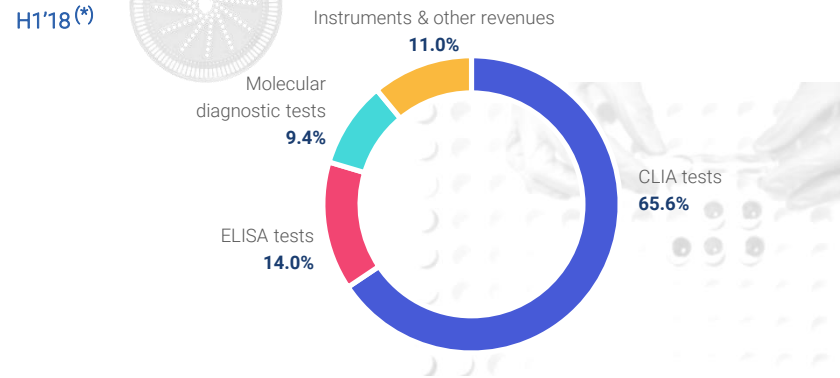


by technology

H1'17

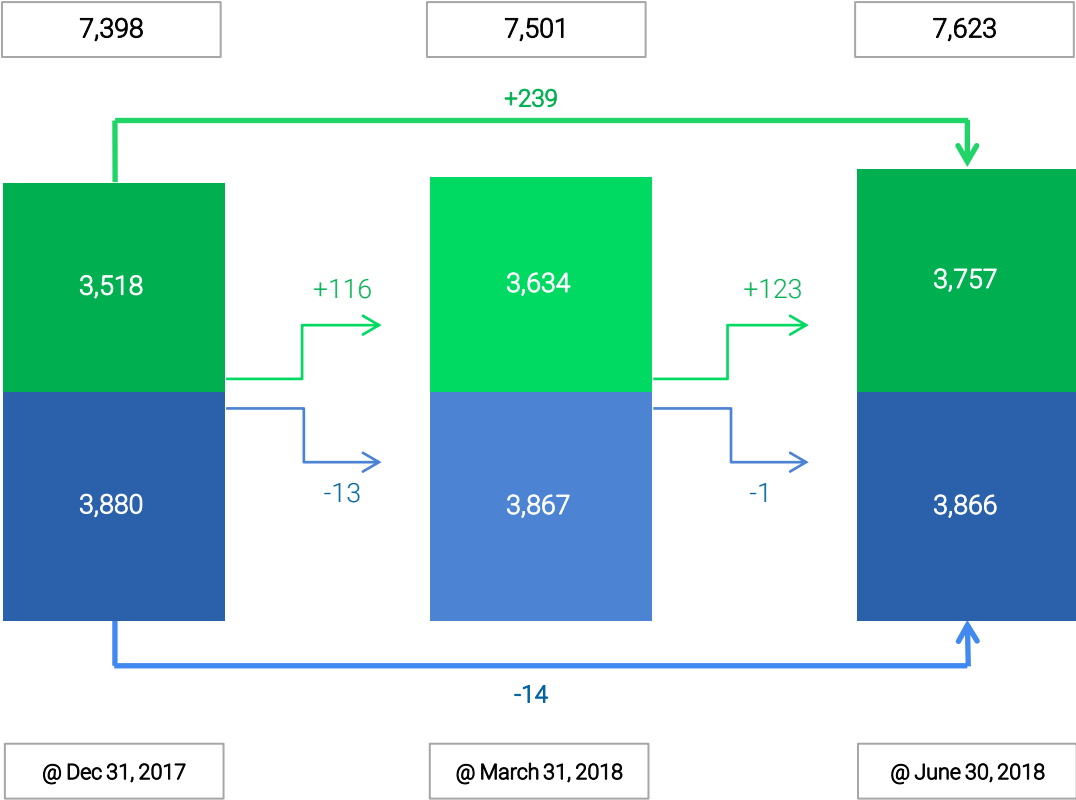


H1'18 (*)



(*) Revenues include Siemens' ELISA business acquired on Sept 29, 2017

Installed base expansion



Q2 and H1 2018 profitability profile

	Q2'17	Q2'18	Change %	H1'17	H1'18	Change %
EBITDA (€/MLN)	63.7	64.9	+1.9%	126.2	128.2	+1.6%
<i>@ CER</i>			+6.5%			+7.9%
EBITDA MARGIN	39.4%	38.9%	-44 bps	39.5%	38.7%	-82 bps
<i>@ CER</i>		39.3%	-10 bps		39.1%	-40 bps

H1'18 EBITDA upward compared to H1'17 notwithstanding:

- some one-off costs related to a legal action concerning the introduction of certain future products in the US market (approx. €/mln 2.0) and to the closure of the Irish site
- FOREX negative impact (-€/mln 7.9)

Q2'18 EBITDA MARGIN confirms the strong profitability achieved in Q1'18



Financial schemes

Income Statement

Data in € million	Q2		Change		H1		Change	
	2017	2018	amount	%	2017	2018	amount	%
Net revenues	161.8	166.7	+4.9	+3.0%	319.3	331.2	+11.9	+3.7%
Gross profit	111.3	115.6	+4.4	+3.9%	219.2	226.8	+7.6	+3.5%
<i>Gross Margin</i>	68.8%	69.4%	+60 bps		68.7%	68.5%	-16 bps	
S&M	(30.3)	(33.3)	-3.0	+9.9%	(60.1)	(65.0)	-4.9	+8.2%
R&D	(11.4)	(10.6)	+0.8	-7.4%	(21.6)	(22.2)	-0.7	+3.1%
G&A	(17.0)	(16.8)	+0.1	-0.8%	(33.0)	(31.9)	+1.0	-3.2%
Total operating expenses	(58.7)	(60.7)	-2.0	+3.5%	(114.6)	(119.2)	-4.5	+3.9%
<i>% on sales</i>	(36.3)%	(36.4)%	-15 bps		(35.9)%	(36.0)%	-7 bps	
Other operating income (expense)	(1.4)	(2.7)	-1.2	+84.7%	(3.4)	(4.7)	-1.2	+36.6%
EBIT	51.2	52.3	+1.1	+2.2%	101.2	103.0	+1.9	+1.9%
<i>EBIT margin</i>	31.6%	31.4%	-26 bps		31.7%	31.1%	-57 bps	
Net financial income (expense)	(1.3)	2.2	+3.6	n.m.	(3.0)	1.3	+4.3	n.m.
Profit before taxes	49.8	54.5	+4.7	+9.4%	98.2	104.3	+6.1	+6.3%
Income taxes	(16.3)	(12.0)	+4.3	-26.2%	(31.8)	(23.5)	+8.3	-26.1%
Net result	33.6	42.5	+9.0	+26.7%	66.4	80.9	+14.4	+21.7%
EBITDA	63.7	64.9	+1.2	+1.9%	126.2	128.2	+2.0	+1.6%
<i>EBITDA margin</i>	39.4%	38.9%	-44 bps		39.5%	38.7%	-82 bps	

<i>Data in € million</i>	12/31/17	06/30/18	<i>Change</i>
Goodwill and intangibles assets	344.4	356.1	+11.7
Property, plant and equipment	92.3	89.7	-2.6
Other non-current assets	23.8	24.9	+1.1
Net working capital	190.7	211.9	+21.1
Assets held for sale	4.0	-	-4.0
Other non-current liabilities	(62.5)	(63.0)	-0.4
Net Invested Capital	592.7	619.6	+26.9
Net Financial Position	149.3	103.7	-45.6
Debts vs. shareholders for special dividends	-	98.4	+98.4
Total Shareholders' equity	742.0	624.8	-117.1

Cash Flow Statement

Data in € million	Q2			Change	H1			Change
	2017	2018			2017	2018		
Cash and cash equivalents at the beginning of the period	172.8	172.3	-0.4	130.5	159.3	+28.9		
Operating activities	25.8	50.8	+25.0	77.0	88.4	+11.4		
Investing activities	(9.1)	(10.9)	-1.8	(17.1)	(21.0)	-3.8		
Financing activities	(59.4)	(115.1)	-55.7	(60.2)	(118.6)	-58.4		
Acquisitions of companies and business operations	(1.0)	(0.7)	+0.3	(1.1)	(4.5)	-3.4		
Net change in cash and cash equivalents before investments in financial assets	(43.7)	(75.9)	-32.2	(1.4)	(55.6)	-54.2		
Divestment/(Investment) in financial assets	(21.1)	8.2	+29.3	(21.1)	0.9	+22.0		
Net change in cash and cash equivalents	(64.8)	(67.7)	-2.9	(22.5)	(54.8)	-32.2		
Cash and cash equivalents at the end of the period	107.9	104.6	-3.3	107.9	104.6	-3.3		



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