

DiaSorin

Q3 and 9M 2019 Results

DIASORIN SPA
November 6, 2019



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

	Q3'19		9M'19			
		@ curr	@ CER	@ curr	@ CER	
REVENUES	€/mln 174.8	+7.4%	+5.3%	€/mln 525.1	+6.3%	+4.2%
CLIA EX VIT D		+10.8%	+9.4%		+11.4%	+10.2%
VIT D		+1.3%	-1.5%		+1.1%	-2.3%
ELISA TESTS		+1.7%	-0.3%		+3.6%	+1.7%
MOLECULAR TESTS		+39.8%	+33.9%		+14.6%	+8.6%
INSTRUMENTS & OTHER REV.		-9.7%	-11.8%		-10.2%	-11.3%
EBITDA	€/mln 69.7	+18.3%	+16.2%	€/mln 208.9	+11.7%	+9.2%
<i>EBITDA MARGIN</i>		39.9%	40.0%		39.8%	39.7%
		+366 bps	+375 bps		+191 bps	+182 bps
NET RESULT	€/mln 42.7	+18.9%		€/mln 126.7	+8.5%	
<i>% ON REVENUES</i>		24.4%			24.1%	
FCF				€/mln 138.3		
NFP				+€/mln 132.8		
<i>Negative impact from IFRS 16 adoption (€/mln 29.5)</i>						

COMPANY GUIDANCE CONFIRMED

FY 2019 at CER^(*) compared to 2018

REVENUES	Growth between +5.0% and + 8.0%
EBITDA	Comparable to 2018 EBITDA margin result

(*) 2018 €/US\$ avg. exchange rate = 1.18

Business and Product Development Highlights

H1'19

IMMUNODIAGNOSTICS

NEW PANEL LAUNCH: ANAEMIA

Launch of **VITAMIN B12** and **FOLATE** tests for diagnosis/treatment of **anaemia** in addition to the already available **FERRITIN** test, creating a new anaemia panel

GASTRO-INTESTINAL INFECTIOUS DISEASES PANEL EXPANSION

Launch of **ELASTASE-1** test on **LIAISON XL**

LIAISON XS COMMERCIAL PRESENTATION

Commercial presentation of the new **CLIA immunodiagnostic analyzer**, available in the European market starting from H2 2019

CALPROTECTIN

Quantitative measurement of **CALPROTECTIN** in **stool samples**, as an aid in the inflammatory bowel disease diagnosis (IBD) and in differentiating IBD from irritable bowel syndrome (IBS)

COLLABORATION EXTENSION ON LYME DISEASE TEST WITH QIAGEN

Extension of **QuantiFERON** collaboration to develop an ultra-sensitive diagnostic test aimed at identifying **Lyme disease**

INFECTIOUS DISEASES KIT: VZV

Launch of **VZV** test for the detection of **varicella-zoster virus from cerebrospinal fluid**

INFECTIOUS DISEASES KIT: BORDETELLA

Launch of **SIMPLEXA BORDETELLA DIRECT** test to provide qualitative detection/differentiation of both **Bordetella pertussis** and **Bordetella parapertussis** in **human nasopharyngeal swabs**

MOLECULAR DIAGNOSTICS

Q3'19

HEPATITIS & RETROVIRUS: HCV

Launch of **HCV** test for qualitative determination of specific **hepatitis C** antibodies in **serum and plasma**

INFECTIOUS DISEASES: ZIKA

Launch of **ZIKA CAPTURE IGM II** test for **Zika virus infection** detection, available on **LIAISON XL**

INFECTIOUS DISEASES KIT: VZV

Launch of **VZV** test for the detection of varicella-zoster virus **from both cutaneous and mucocutaneous swab specimens**

Q3 and 9M 2019 revenues growth

		Q3'19 vs. Q3'18	9M'19 vs. 9M'18
Total Group revenues	@ curr	+7.4%	+6.3%
	@ CER	+5.3%	+4.2%

- ↑
- All CLIA tests, (net of Vitamin D)
 - Forex in 9M'19: +€/mln 10.3
 - MDx tests, ex Influenza

↓ • Vitamin D price pressure (mainly in the US)

		Q3'19 vs. Q3'18	9M'19 vs. 9M'18
CLIA	CLIA ex Vitamin D tests	@ curr +10.8%	+11.4%
		@ CER +9.4%	+10.2%
	Vitamin D test (CLIA)	@ curr +1.3%	+1.1%
		@ CER -1.5%	-2.3%
	ELISA tests	@ curr +1.7%	+3.6%
		@ CER -0.3%	+1.7%
	Molecular Diagnostic tests	@ curr +39.8%	+14.6%
		@ CER +33.9%	+8.6%
	Instruments & Other Revenues	@ curr -9.7%	-10.2%
		@ CER -11.8%	-11.3%

	Q3'19 vs. Q3'18	9M'19 vs. 9M'18	
EUROPE & AFRICA	+8.8%	+6.3%	
Italy	+17.2%	+20.2%	Growth driven by CLIA sales (<i>Vitamin D, Latent Tuberculosis, PCT and GI stool panel</i>)
Germany	+5.6%	+2.3%	CLIA sales growth (<i>Infectious diseases, Hepatitis and GI stool panel</i>) partially offset by ELISA sales decrease
France	-4.2%	-3.6%	New reimbursement rules on some specialty tests and decrease in ELISA sales
Export	+8.5%	-14.4%	Downward trend mainly due to seasonality of some tenders and decrease in Instruments' sales

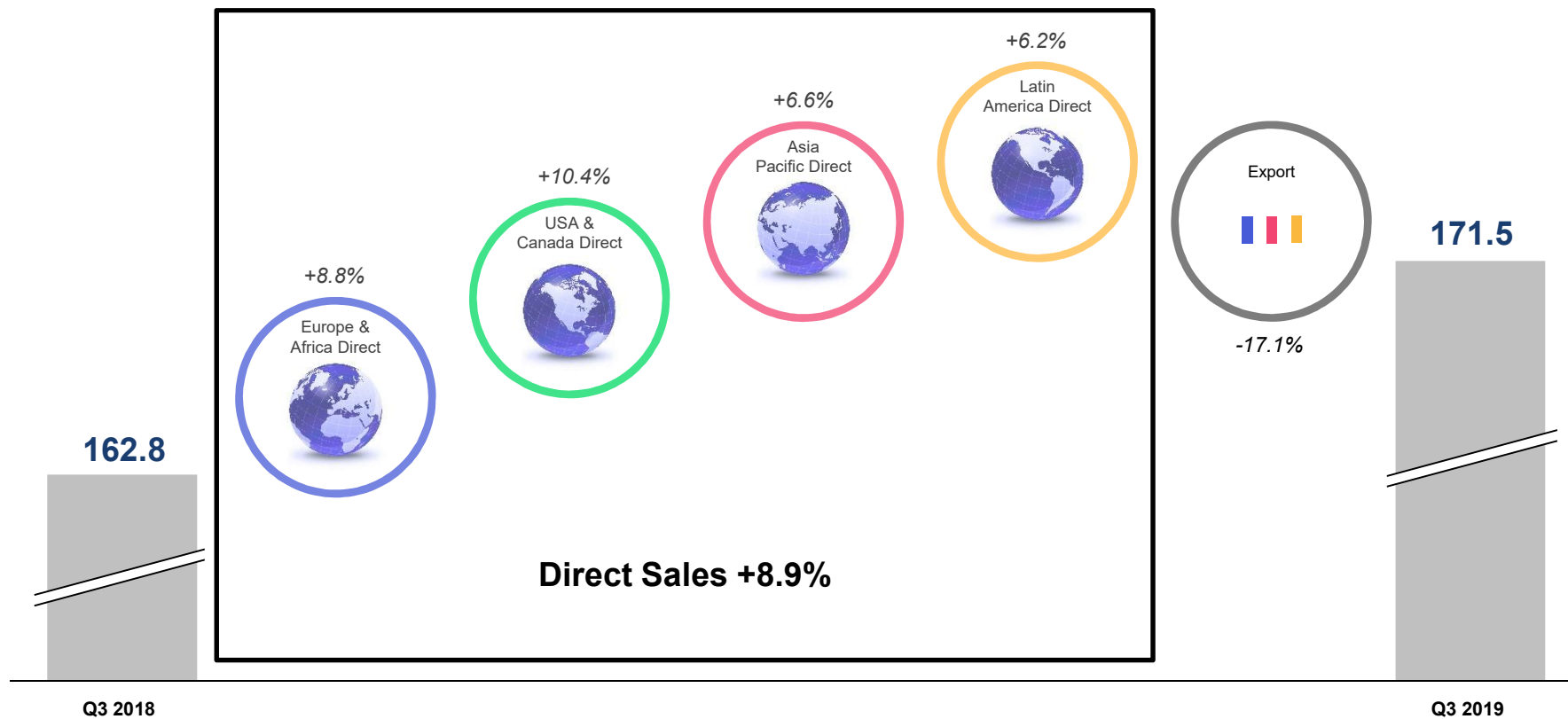
	Q3'19 vs. Q3'18	9M'19 vs. 9M'18	
USA & CANADA	+10.4%	+4.5%	
USA	+10.4%	+3.4%	Strong CLIA, ex Vitamin D, and Molecular Diagnostic sales' partially offset by Vitamin D downward trend.

	Q3'19 vs. Q3'18	9M'19 vs. 9M'18	
ASIA PACIFIC	-5.7%	+2.0%	
China	+6.6%	+9.2%	Continuous CLIA sales growth (<i>Hepatitis, Pre-natal screening, Infectious diseases and Thyroid</i>)
Australia	+5.7%	+9.0%	Upward trend for CLIA sales (<i>GI stool panel, Infectious diseases and Pre-natal screening</i>), molecular kits and Instruments
Export	-26.3%	-11.0%	Negative trend due to seasonality in some big tenders, lower CLIA volumes and lower instruments' sales

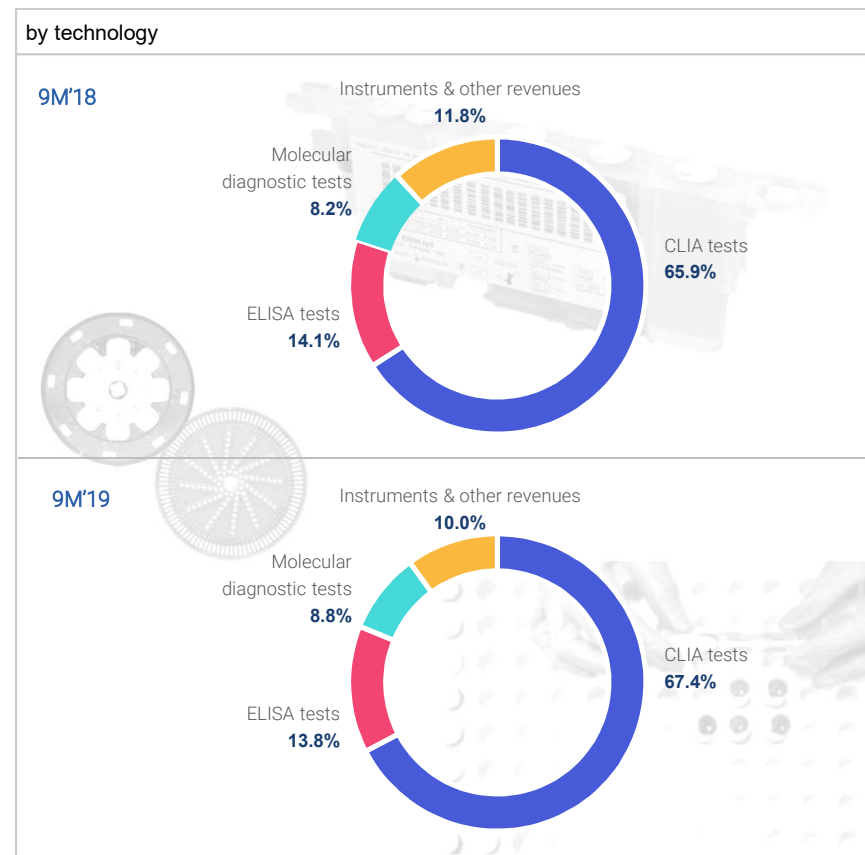
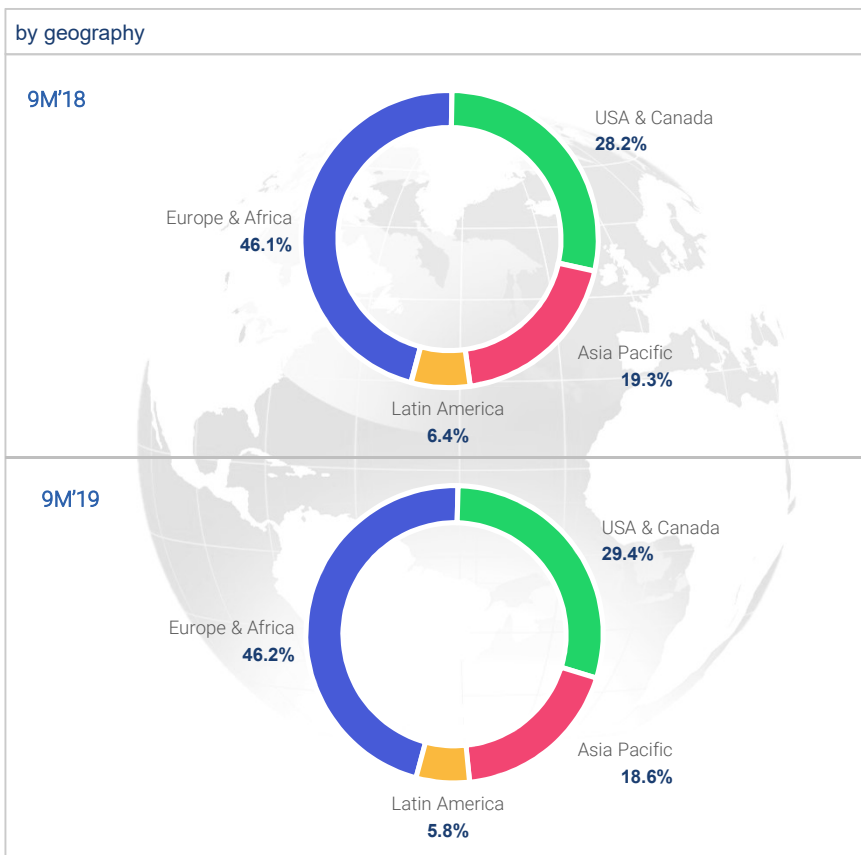
	Q3'19 vs. Q3'18	9M'19 vs. 9M'18	
LATIN AMERICA	-4.4%	-4.9%	
Brazil	+7.1%	-3.5%	Result affected by Vitamin D and Murex sales negative trends
Mexico	+4.6%	+8.6%	Positive performance driven by CLIA (<i>Hepatitis, Autoimmunity and Infectious diseases</i>)
Export	-19.8%	-12.6%	Mainly due to downward trend in ELISA, lower CLIA volumes and instruments sales

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

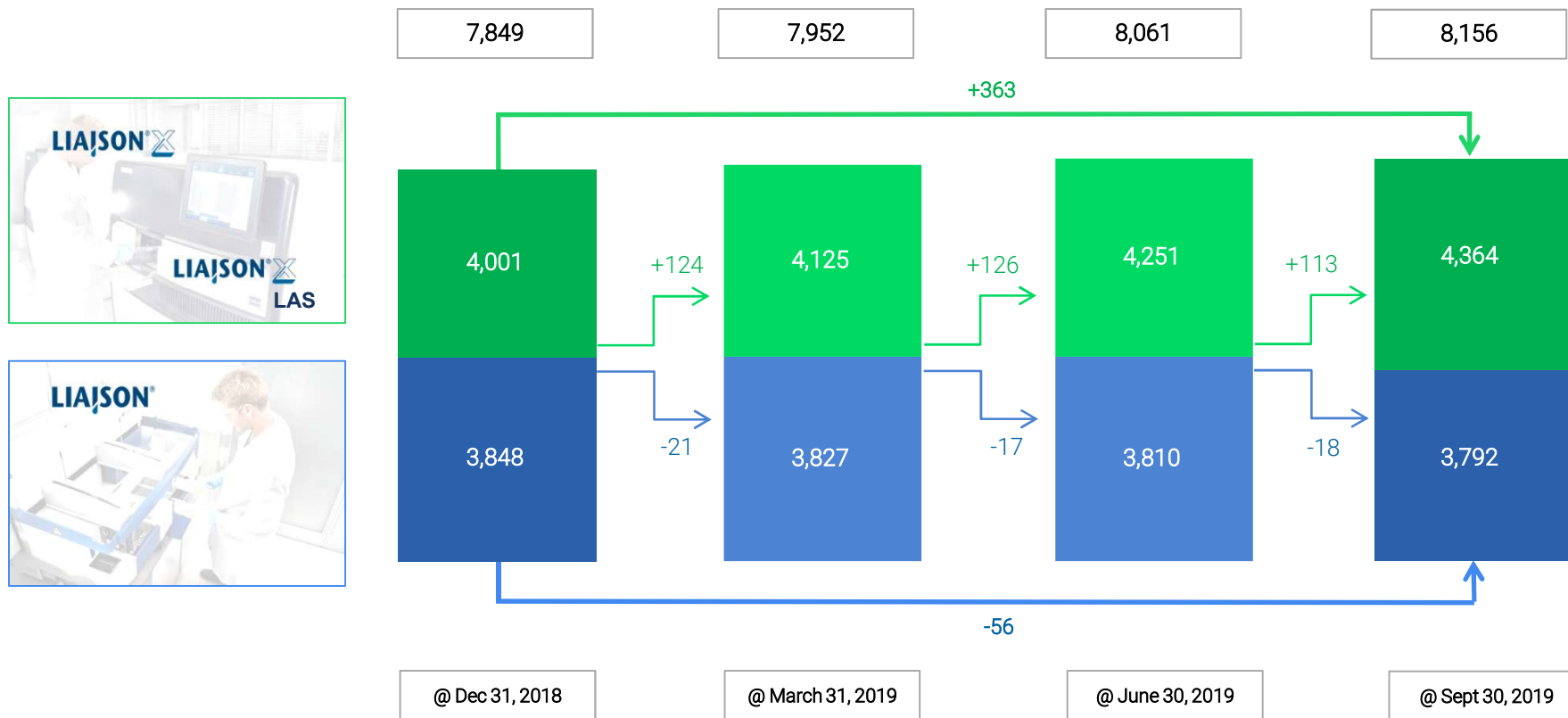
Q3 2019 revenues growth managerial outlook @ CER



9M 2019 revenues breakdown



Installed base expansion



Q3 and 9M 2019 profitability profile

	Q3'18	Q3'19	Change %	9M'18	9M'19	Change %
EBITDA (€/MLN)	58.9	69.7	+18.3%	187.1	208.9	+11.7%
@ CER			+16.2%			+9.2%
EBITDA MARGIN	36.2%	39.9%	+366 bps	37.9%	39.8%	+191 bps
@ CER		40.0%	+375 bps	39.7%		+182 bps

9M'19 EBITDA increase as a result of the followings:

- Gross Profit expansion:
 - favorable product mix (lower instruments and higher CLIA specialties)
 - favorable geographic sales' mix (lower Export Markets and more Direct Markets)
 - supply chain and manufacturing efficiencies
- Positive contribution from IFRS 16 accounting principle adoption



Financial schemes

Income Statement

<i>Data in € million</i>	
Net revenues	
Gross profit	
<i>Gross Margin</i>	
S&M	
R&D	
G&A	
Total operating expenses	
<i>% on sales</i>	
Other operating income (expense)	
EBIT	
<i>EBIT margin</i>	
Net financial income (expense)	
Profit before taxes	
Income taxes	
Net result	
EBITDA	
<i>EBITDA margin</i>	

Q3		Change	
2018	2019	amount	%
162.8	174.8	+12.0	+7.4%
109.2	119.8	+10.7	+9.8%
67.1%	68.5%	+148 bps	
(32.2)	(35.4)	-3.2	+9.8%
(11.2)	(11.1)	+0.1	-0.5%
(17.2)	(17.3)	-0.1	+0.6%
(60.7)	(63.9)	-3.2	+5.3%
37.3%	36.5%	-73 bps	
(2.2)	(0.6)	+1.7	-75.3%
46.3	55.4	+9.1	+19.7%
28.4%	31.7%	+327 bps	
(0.5)	0.0	+0.5	<i>n.m.</i>
45.8	55.4	+9.6	+21.0%
(9.9)	(12.7)	-2.9	+28.9%
35.9	42.7	+6.8	+18.9%
58.9	69.7	+10.8	+18.3%
36.2%	39.9%	+366 bps	

9M		Change	
2018	2019	amount	%
494.0	525.1	+31.1	+6.3%
336.0	363.1	+27.1	+8.1%
68.0%	69.1%	+113 bps	
(97.2)	(105.8)	-8.6	+8.8%
(33.4)	(34.4)	-1.0	+3.0%
(49.2)	(51.7)	-2.5	+5.1%
(179.8)	(191.9)	-12.1	+6.7%
36.4%	36.5%	+15 bps	
(6.9)	(5.6)	+1.3	-19.1%
149.3	165.6	+16.3	+10.9%
30.2%	31.5%	+131 bps	
0.8	(1.1)	-1.9	<i>n.m.</i>
150.1	164.5	+14.4	+9.6%
(33.4)	(37.8)	-4.5	+13.4%
116.8	126.7	+9.9	+8.5%
187.1	208.9	+21.8	+11.7%
37.9%	39.8%	+191 bps	

Balance Sheet

<i>Data in € million</i>	12/31/18	09/30/19	Change
Goodwill and intangibles assets	373.1	379.9	+6.8
Property, plant and equipment	95.0	125.7	+30.8
Other non-current assets	23.0	27.9	+4.9
Net working capital	201.0	205.8	+4.7
Other non-current liabilities	(62.7)	(61.3)	+1.4
Net Invested Capital	629.4	678.0	+48.6
Net Financial Position	75.3	132.8	+57.5
Total Shareholders' equity	704.7	810.8	+106.0

Cash Flow Statement

Data in € million	Q3			9M		
	2018	2019	Change	2018	2019	Change
Cash and cash equivalents at the beginning of the period	104.6	90.1	-14.5	159.3	73.1	-86.2
Operating activities	45.0	81.8	+36.8	133.4	171.1	+37.8
Investing activities	(14.1)	(10.2)	+3.9	(35.1)	(34.6)	+0.5
Financing activities	(6.7)	(24.4)	-17.7	(125.3)	(47.6)	+77.7
Acquisitions of companies and business operations	(0.6)	0.0	+0.6	(5.1)	(4.4)	+0.6
Net change in cash and cash equivalents before investments in financial assets	23.5	47.1	+23.6	(32.1)	84.5	+116.6
Divestment/(Investment) in financial assets	13.1	4.0	-9.1	14.0	(16.4)	-30.4
Net change in cash and cash equivalents	36.6	51.1	+14.5	(18.1)	68.1	+86.2
Cash and cash equivalents at the end of the period	141.2	141.2	-0.0	141.2	141.2	-0.0



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