

PIERGIORGIO PEDRON: Thank you, Eugenia, and good afternoon, everybody. And again, a very warm welcome to Diasorin 2023 Capital Market Day. 2 years after Luminex acquisition, I'm glad for the opportunity to be here with you today to discuss our mid-term guidance. Over the next few minutes, I will try to walk you through the financial translation, so to say, of all the initiatives that my colleagues have presented so far.

Many things have changed since the previous Capital Market Day in December 2021, both from a macroeconomic and geopolitical perspective. In this fast-changing environment, in reach of many new challenges, we kept on diligently focusing on Luminex and Diasorin integration with one single aim in mind, execute on the programs presented 2 years ago.

And let me say that I'm very proud for the progresses that our organization has made, and the results we have achieved. As always, in order to better understand the evolution of the business, all the financial information that we talk about is presented at constant exchange rate.

With that, let's begin where everything starts, the top line. This chart represents our expectations for next year guidance and 2027 outlook. Before we dive into the numbers, let me please spend a couple of minutes on COVID. I believe it is fair to say that COVID has now reached an endemic status, and that from 2024 onwards it will represent another bug belonging to the broader respiratory space.

Different words, this is the last year where the industry has experienced the long tail of higher than normal COVID sales. And for this reason to understand the performance of the business, the chart highlights 2024 ex-COVID sales growth with our best estimate for COVID revenues. From 2025 onwards, COVID sales are simply considered part of the larger molecular respiratory panel.

With that said, in 2024, as you can see, we expect our ex-COVID business to grow between 5% and 7%, and COVID sales to be around €30 million. Beyond next year, we anticipate a high single-digit to low double-digit compounded average growth rate. The acceleration after '24 is mainly driven by the contribution of the different programs that have been presented in the past few minutes by my colleagues.

In this slide, we provide a breakdown of the projected revenues by technology. The so-called 3 legs metaphor we like to use to represent our business, post-Luminex acquisition, immuno molecular and LTG.

Let me please start from 2024 outlook, and more precisely from the immuno franchise. Here we talk about the book-of-business north of €700 million in 2023, for which we project an high single-digit growth driven by the clear specialty and Phase 3 menu, which will more than offset a slightly negative Vitamin D and the ELISA tests.

The known unknown, so to say, is China, and the impact of the volume-based procurement, which is being finalized by the local authorities during these weeks. Here, we made some assumptions based on the latest available information, and considering the size of the Chinese business, we should not expect any material variation compared to our estimates.

Let's now move to the next leg. The molecular franchise represents a book-of-business of about €250 million in 2023, including about €60 million of COVID sales. The expectation is for the ex-COVID business to stay flattish in 2024, since the contribution of the new platforms, namely PLEX and NES will become material from 2025 onwards, whereas if we include COVID, we expect a low double-digit decrease.

Lastly, the LTG franchise, which in 2023 represented a book-of-business of about €170 million, which is expected to grow in 2024,

mid-single-digit. Let me please remind you that the LTG franchise has been affected by the overall softness in the life science sector, which, as reported by the biggest players in the space, should return to a more robust growth toward the second half of next year.

Let me now please move to 2027 Outlook, starting once again with the immuno franchise. Here, we expect the mid-term compounded growth to remain at high single-digit, despite the increase in its absolute value, thanks to the contribution of the Phase 3 CLIA [ph] products such as MeMed, Lyme, and Calprotectin, and to the contribution of the US hospital strategy.

Looking at the mid-term projection for our molecular business, we anticipate a low double-digit growth rate, which is mainly driven by the commercialization of the LIAISON PLEX and LIAISON NES platforms, on top of the additional sales deriving from the menu expansion of our legacy Diasorin offerings.

Lastly, the compounded growth of the LTG franchise is expected to be mid to high single-digit, whereas the acceleration after 2024 will mainly be determined by the new initiatives presented by Angelo and by a normalization of the overall life science market after a softer 2023.

To conclude, I believe the main take home message of this slide is that our growth trajectory is well distributed across all of the 3 different legs with a solid performance of the immuno and the LTG franchises to which we will add a fast-growing molecular business.

Moving on to the next chart, we can see our anticipated revenue trends across the different geographies. I will focus my remarks on the base business. I think the main takeaway of this slide is that North America, and to be more precise, the US will be the geographical

engine of the growth. With molecular and the immuno business is fuelling our performance over the years covered by the plan.

I feel the need to underline that this has been made possible not only by the growth of our offerings, but also by the fact that, thanks to the Luminex acquisition, we have been able to reach a critical mass in the market capillarity that we were previously missing. The combined effect of these elements will allow North America to grow in our projections' high single-digit in 2024, and low double-digits thereafter.

Moving to Europe, where Diasorin market penetration has been historically higher, we anticipate a solid mid-single-digit growth over the years covered by the plan. Let me remind you that in Europe, we have to deal with 27 different healthcare systems, which makes the Phase 3 immuno products launch and demand generation initiatives more complicated, and that in the whole continent that the molecular and LTG market opportunities are kind of lower compared to North America.

Let's now focus our attention to the remaining geographies, which represent about 20% of our total sales. Here, we include countries where we have a direct presence such as China, for example and all the other geographies covered by our network of distributors.

The acceleration of growth in the plan from low single-digit in 2024 to high single-digit in the years, thereafter, is mainly driven by the fact that in our assumptions China after the introduction of the volume-based procurement and the go-live of the manufacturing plant in Shanghai will return to be a positive contributor of this region, which would be only exception of Australia is less receptive to the molecular offerings.

Moving on to our next slide, I would like to share with you, how Diasorin revenue profile change from 2019, the year before COVID

hit, and prior to the acquisition of Luminex, with the aim to highlight the very significant enhancement, so to say, in the group sales structure.

I deem this slide very telling, since in a simple and visual fashion, it summarizes the progresses made in the journey started prior to COVID. The first snapshot shows the breakdown of sales by technology. Here, I would like to underline how in 2019, almost 90% of our sales relied on one single technology, immunodiagnostics. Looking forward, we have a more balanced and diversified portfolio of products capable of capturing different growth trajectories.

Moving to the second chart, I believe it is important to emphasize how sales in North America increases from just shy of 30% to 55% at the end of the plan. This is consistent with the strategic journey we started with Luminex acquisition, which allowed us to grow our market share and critical mass in the US, the biggest IVD market in the world, and the only one that really rewards innovation.

Considering the macroeconomic and geopolitical challenges the world is facing, being big in the US is for us a strategic imperative in order to increase both the resilience and growth opportunities of our business, while at the same time, derisking the dependence from China, where it is difficult to have a clear visibility on the changes in the business environment and reaping the benefits of a solid presence in a stable and resilient market such as Europe. The third and last chart is intended to represent recurring revenues, mainly reagents, consumables, and royalty's vis-à-vis non-recurring ones.

The thing to highlight here is that despite the change for the better in the composition of sales by geography and technology, the share of repeated revenues is the same of 2019 and is substantially stable at 90%, therefore confirming the resilience and profitability of Diasorin business.

Let's now move on to discuss profitability. 2024 projected EBITDA margin at around 32%-33% is slightly below 2023, whereas looking past next year, by the end of the plan, we believe the EBITDA margin will climb back to 36%-37%, therefore, broader in line with the pre-COVID and pre-Luminex period.

In 2024, we will have to face some headwinds, mostly due to temporary elements. To be more precise and to better understand our margin profile, please let me try to summarize the 5 most relevant ones.

#1, limited revenues contribution from LIAISON PLEX skews towards the end of 2024 and LIAISON NES impact in the following years. In combination with a sales organization almost fully staffed and geared up to sustain the commercialization of both these platforms.

#2, China volume-based procurement. As said, we made some assumptions in our projections, and we are still waiting to understand how exactly the local authorities will implement this program. But one thing is for sure, 2024 will see the reduction of prices, whereas the increase in volumes will only come in our assumption starting from the end of next year.

#3, commercial and marketing one-off investments to accelerate the take-up of MeMed revenues, as described by Dustin, whose contribution to the top line will start gaining traction from the second part of 2024.

#4, ARIES Platform Sunset. The program announced during Q3 '23 earnings call will have its full positive contribution on Diasorin profitability starting from 2025 onwards. Since in 2024, we will have to continue to support customers and move them to LIAISON MDx

while sustaining the activities necessary to retire ARIES from the market.

Lastly, inflationary pressure. We think we will eventually be able to counterbalance most of it through a very structured, proactive price management program that we have recently launched. But because of the nature of our business, based on multi-years contract, it will take some time before we gain full speed.

Moving on to 2027, we think that by the end of the period covered by the plan, the EBITDA margin will climb back to 36%-37%, which is broadly in line with our pre-COVID and pre-Luminex acquisition performance. We will achieve this mainly as the result of the combination of 2 elements.

On the revenue side, the acceleration of our top line growth, driven by all the initiatives that we have described during this Capital Market Day, and the resulting operating leverage. And on the cost side, the tailwind coming from the completion of the synergy plan and some additional initiatives aim at further streamlining our manufacturing footprint that will help us squeeze additional costs out of our P&L.

In summary, we believe that by 2027 we will be able to broadly return to our historical level of profitability with an EBITDA value which, in absolute terms, will be slightly more than twice what we had prior to COVID and Luminex acquisition.

Moving on, I'd like to conclude my remarks on the financial translation of the plan described by my colleagues with a projection of the evolution of the net debt. We believe that by 2027, we will have completely deleveraged the company. This plus a strong free cash flow generation allows us to use our balance sheet to fund additional growth projects.

Let me close my comment saying that based on the initiatives and strategy presented today, we are very excited with the positioning of Diasorin as we emerge from the pandemic and the Luminex integration. As the financials highlighted, we are confident that we will continue to drive sustained growth and value for our shareholders, as we have consistently done in the past.

With this, let me leave the floor to Carlo for the final remarks. Thank you.