# Q1'12 RESULTS

**Conference Call** 



# HIGHLIGHTS





#### Q1'12 HIGHLIGHTS

Q1'12 sales stabilizing respect to Q3'11 and Q4'11, although YoY comparison affected by extraordinary events in H1'11 and Vitamin D trends

Revenues

- **5.2**% Q1'12 VS. Q1'11

- 6.8% AT CONSTANT EXCHANGE RATE

- 1.9% Q1'12 VS. Q4'11

- 3.1% AT CONSTANT EXCHANGE RATE

#### Profitability partly sustained by CLIA ex Vitamin D sales

**EBITDA** 

- 11.7% Q1'12 VS. Q1'11

FROM 44.9% TO 41.8%

**EBIT** 

- **14.5**% Q1'12 VS. Q1'11

FROM 39.0% TO 35.2%

Net result partly affected by higher tax rate

**NET RESULT** 

- 21.2% Q1'12 VS. Q1'11

FROM 25.6% TO 21.3%



#### **REVENUES BREAKDOWN: BY TECHNOLOGY**

High single digit growth in CLIA sales ex Vitamin D	Hiah	single	diait	arowth	in CL	IA sa	les ex	<b>Vitamin D</b>
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**CLIA** sales:

- 3.8% Q1'12 VS. Q1'11 - 0.1% Q1'12 VS. Q4'11

**CLIA** sales ex Vitamin D:

+7.6% Q1'12 VS. Q1'11 +5.4% Q1'12 VS. Q4'11

ELISA sales (net of Murex business) affected by Brazilian tender but supported by Murex business line

**Murex sales:** 

+8.6% Q1'12 VS. Q1'11

ELISA and RIA sales continuously decreasing in advantage of CLIA technology

% on Tot Revenues: CLIA

ELISA RIA

4.1

67.9% Q1'12 VS. 67.0% Q1'11
17.8% Q1'12 VS. 19.6% Q1'11
4.1% Q1'12 VS. 4.3% Q1'11



### **REVENUES BREAKDOWN: BY GEOGRAPHY**

Amounts in millions of euros	Q1'12	Q1'11	Change			
			Amount	%	% at CER	
Europe and Africa	48.2	49.0	-0.8	-1.7%	-1.8%	
Central and South America	6.4	8.8	-2.4	-27.3%	-26.2%	
Asia Pacific	8.9	9.6	-0.7	-7.3%	-12.4%	
North America	33.2	35.7	-2.5	-7.1%	-11.0%	
Total without Murex	96.6	103.1	-6.5	-6.3%	-8.0%	
Murex	9.0	8.3	+0.7	+8.6%	+7.8%	
Grand total	105.7	111.4	-5.8	-5.2%	-6.8%	

**EUROPE AND AFRICA:** difficult yearly comparison and weak macroeconomic environment but trends are stabilizing

**ASIA PACIFIC:** performance affected by price concession on vitamin D in Australia, while China is booming

Q1'12 VS. Q1'11

CHINA: +48.9%
ASIA PACIFIC
EX AUSTRALIA: +32.0%

NORTH AMERICA: difficult yearly comparison and pricing concession on Vitamin D but volumes are stabilizing

**CENTRAL AND SOUTH AMERICA:** difficult yearly comparison due to Brazilian tender renewal and distributors



#### **INSTALLED BASE ENLARGEMENT**

**Total LIAISON systems installed** 

**4,356**\* UNITS AT MARCH 31, 2012 (FROM 4,206 AT DECEMBER 31, 2011)

**New LIAISON systems installed** 

**150\*** NEW MACHINES INSTALLED:

- + 92\* LIAISON XL IN Q1'12 (220\* AT MARCH 31, 2012)
- + 58 LIAISON IN Q1'12 (4,136 AT MARCH 31, 2012)

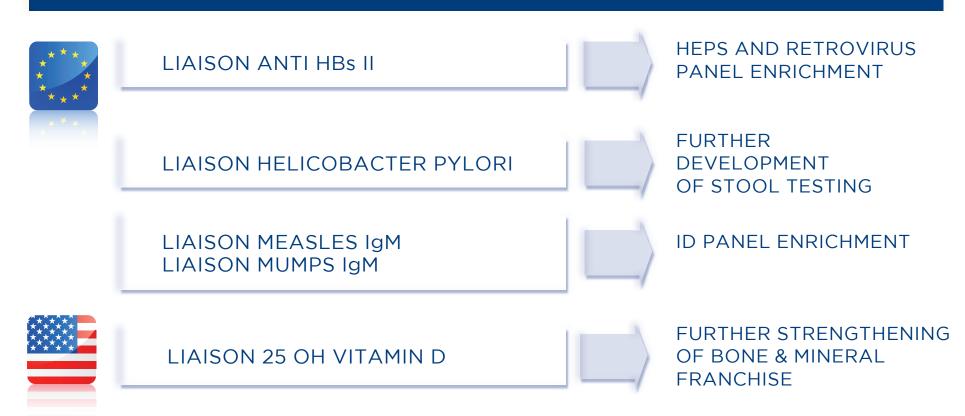
# BUSINESS DEVELOPMENT





#### **BUSINESS DEVELOPMENT**

#### **NEW PRODUCTS LAUNCHES TIMELINE RESPECTED:**



**SONIC WORLDWIDE AGREEMENT** 

**NORDIAG ASSETS ACQUISITION** 

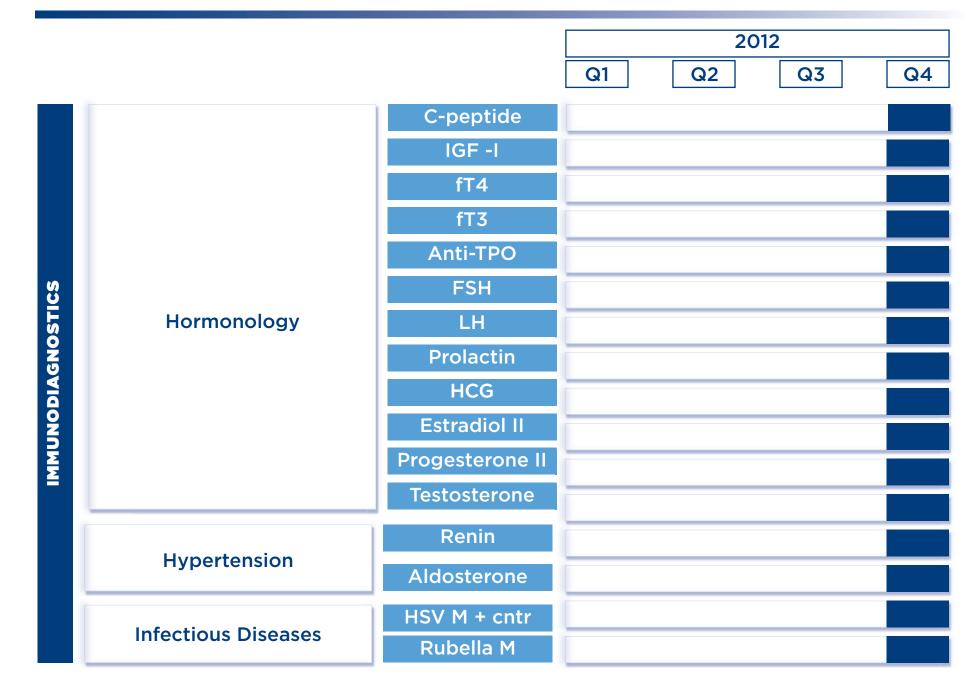
# DiaSorin

# **FY'12 PIPELINE**

				20	12	
			Q1	Q2	Q3	Q4
S	Hormonology	Aldosterone				
IMMUNODIAGNOSTICS	GI Stool Testing	H. Pylori	<b>V</b>			
AGN	Gi Stool lesting	GDH		<b>/</b>		
OD		Measles IgM		<b>/</b>		
Σ	Infectious Diseases	Mumps IgM				
Σ		HTLV I/II				
		PARVO				
<u>S</u>		CMV EBV				
DIAGNOSTICS	Infectious Diseases	VZV				
AGN		TOXO BKV				
2		HSV 1-2				
MOLECULAR		CML (BCR-ABL p210)				
LEC		CML (BCR-ABL p190)				
<b>E</b>	Onco Hematology	APL (PML-RARa 1)  APL (PML-RARa 2)				
		APL (PML-RARa 3)				



### **2012 US MENU EXPANSION**



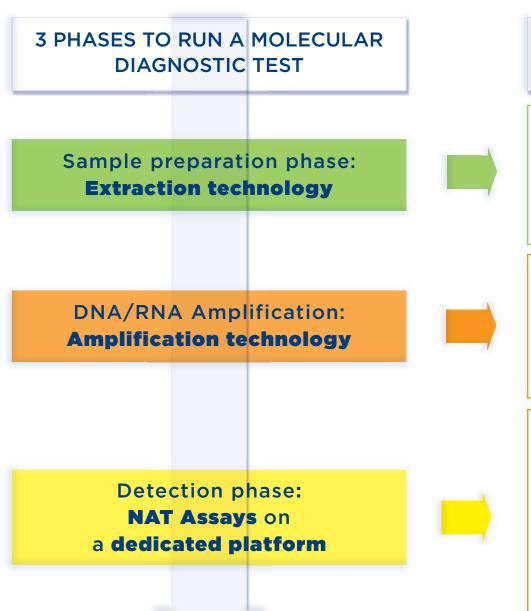
# NORDIAG ASSETS ACQUISITION







#### THE MOLECULAR DIAGNOSTIC PROCESS







#### **LAMP Technology**

Higher sensitivity
Higher specificity
Simpler reaction set-up
Shorter time-to-result
Cheaper price

7 specialty assaysin Infectious Diseasesand 5 in Onco-hematology on:





#### EXTRACTION MARKET AND DIASORIN

MOLECULAR TESTING AND RESEARCH NEED

SAMPLE PREPARATION



#### **ISOLATION AND EXTRACTION OF:**

- NUCLEIC ACIDS
- CELLS
- PROTEINS

SAMPLE PREPARATION AS

PRIMARY STEP OF DOWNSTREAM
BIOLOGY / TESTING
APPLICATIONS



#### **QUALITY MAY DICTATE THE SUCCESS**

OF THE DOWNSTREAM WORKFLOW, AVOIDING:

- IMPURITIES
- SAMPLE LOSS

SUCCESSFUL SAMPLE
PREPARATION AS A KEY ELEMENT
IN SUCCESSFUL OUTCOME



SCIENTISTS AND CLINICIANS

**LOOKING FOR:** 

- HIGH QUALITY
- COST EFFECTIVENESS
- FASTNESS AND EASINESS

DiaSorin

ADDRESSING THE SAMPLE
PREPARATION SUB-SEGMENT
OF MDx TESTING AS A MAJOR
BUSINESS OPPORTUNITY



**TOTAL # DNA TESTS WW**: 140 MILLION PER YEAR

**ESTIMATED MARKET VALUE:** US\$ 4.7BN(\*)



#### **DEAL STRUCTURE**

- The acquisition was closed on May 4, 2012
- Purchase price: € 7.6 million in cash
- Funding: entirely with internal DiaSorin Group resources
- Buying legal entity: Biotrin international Ltd. (DiaSorin Group Irish subsidiary)

# DiaSorin

# **NORDIAG FINANCIALS**

NOK 1,000	FY'11	FY'10	
Operating revenues	30,282	30,917	
Gross margin	52%	35%	
Other revenues/governmental grants	1,038	2,066	
EBITDA	-31,514	-38,111	
EBIT	-39,980	-44,696	
Loss from continuing operations	-40,871	-43,913	
Non-controlling interest	1,195	4,201	
Total comprehensive Income, net of tax	-37,776	-41,848	
EPS	-0.54	-0.64	
Intangible assets	52,231	54,445	
Equipment and other fixed assets	10,563	5,244	
Current assets	31,687	67,569	
Total Equity	-63,705	-90,700	
Equity ratio	67%	71%	
Non-current liabilities and provision for obligations	-10,369	-8,966	
Current liabilities	-20,407	-27,592	
Net cash from operating activities	-30,259	-30,327	
Net cash from investing activities	-11,759	-8,394	
Net cash from financing activities	15,808	18,945	
Net change in cash	-26,210	-19,776	
Cash at end of period	9,724	35,935	



#### NORDIAG BUSINESS AND PRODUCTS

# SAMPLE PREPARATION PHASE: NORDIAG

#### **BUSINESS DESCRIPTION**

Automated technologies for isolation of nucleic acids and cells from difficult and challenging biological samples, making them ready for downstream analysis:



**2 instruments** dedicated to the extraction phase of the nucleic acids that can handle many samples simultaneously:

**Bullet:** high-volumes routines

**Arrow:** lower throughput routines



Tailor-made software adaptable to the needs of each customer.

#### COMMERCIAL **NETWORK**

Subsidiaries in the US and Sweden

**Independent distributors** worldwide

**Customers** are:

mid and large clinical laboratories

"Life Science" companies



### **ARROW AND BULLET IN DETAILS**

#### **BULLET**



- Fully automated sample preparation instrument for molecular diagnostics
- CE-IVD approved
- Throughput capacity up to 80,000 samples per year
- Procedure from primary specimen to downstream can be done in 1.5 - 2 hours (depending on protocol)
- Multifunctional pipette adaptors
- End users: large clinical laboratories and hospitals

#### **ARROW**



- Low cost, small footprint instrument for isolation of nucleic acids and cells from biological samples
- CE-IVD approved, all rights held by NorDiag
- Throughput capacity up to 10,000 samples per year
- 1-12 samples per run
- Launched in 2009: CE-IVD marked in Q2'10
- End-users: private laboratories and hospitals

Installed base at Dec 31, 2011:

44

Installed base at Dec 31, 2011:

382



### **NEXT STEPS ON MOLECULAR DIAGNOSTIC**

PHASE 1

THE OFFER STARTING Q4'12

# SPECIALTY TESTS BY Q4'12



NorDiag Arrow



LIAISON IAM

**INFECTIOUS DISEASES: 7** 

**ONCO-HEMATOLOGY: 5** 

MOLECULAR PROCESS

**ISOLATION + EXTRACTION** 

AMPLIFICATION + DETECTION

PHASE 2

THE OFFER IN THE FUTURE





A 2<sup>ND</sup> GENERATION,
FULLY INTEGRATED MOLECULAR
DIAGNOSTIC ANALYZER

MOLECULAR PROCESS

ISOLATION + EXTRACTION + AMPLIFICATION + DETECTION

# Q1'12 FINANCIALS





## **Q1'12 RESULTS: INCOME STATEMENT**

€/min		21	Change	
	2012	2011	Amount	%
Net Revenues	105.7	111.4	(5.8)	-5.2%
Gross profit	74.7	79.8	(5.1)	-6.4%
Gross margin	70.7%	71.7%		
S&M	(20.1)	(18.5)	(1.6)	+8.7%
R&D	(5.5)	(5.2)	(0.3)	+5.0%
G&A	(11.9)	(10.7)	(1.2)	+10.9%
Total operating expenses	(37.4)	(34.4)	(3.0)	+8.8%
% on sales	(35.4%)	(30.9%)		
Other operating income /(expense)	(0.1)	(2.0)	+1.8	n.m.
EBIT	37.2	43.5	(6.3)	-14.5%
EBIT margin	35.2%	39.0%		
Net financial income /(expense)	(0.0)	1.7	(1.7)	n.m.
Income taxes	(14.7)	(16.7)	+2.0	-11.8%
Net profit	22.5	28.5	(6.0)	-21.2%
EBITDA	44.1	50.0	(5.8)	-11.7%



## **Q1'12 RESULTS: BALANCE SHEET**

€/min	03-31-2012	12-31-2011	
Total intangible assets	121.7	121.9	
Total tangible assets	61.3	62.7	
Other non-current assets	20.3	20.7	
Net Working Capital	139.5	133.9	
Other non-current liabilities	(29.2)	(29.7)	
NET CAPITAL EMPLOYED	313.7	309.5	
NET FINANCIAL POSITION	59.9	41.6	
TOTAL SHAREHOLDERS' EQUITY	373.6	351.2	



## **Q1'12 RESULTS: CASH FLOW STATEMENT**

	Change in value	
2012	2011	
64.1	62.4	+1,8
22.3	27.6	-5.3
0.4	(27.9)	+28.3
(6.2)	(4.2)	-2.0
16.5	(4.4)	+20.9
90.6	E0 A	+22.7
	2012 64.1 22.3 0.4 (6.2)	64.1       62.4         22.3       27.6         0.4       (27.9)         (6.2)       (4.2)         16.5       (4.4)



#### **FY2012 GUIDELINES**

Full Year 2012 guidelines CONFIRMED:

- REVENUES IN LINE WITH 2011 OR SLIGHTLY GROWING (NEARLY +2%)
- **EBITDA MARGIN WILL BE INLINE WITH OR SLIGHTLY BELOW 2011 LEVEL (~ 200 BPS)**
- **500-600** NEW SYSTEMS INSTALLED (LIAISON + LIAISON XL)