



## **Q3 and 9M 2018 Results**

DIASORIN SPA  
November 7, 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

	Q3'18		9M'18			
	@ curr	@ CER	@ curr	@ CER		
<b>REVENUES</b>	<b>€/mln 162.8 (*)</b>	<b>+9.0%</b>	<b>+9.5%</b>	<b>€/mln 494.0 (*)</b>	<b>+5.4%</b>	<b>+9.1%</b>
CLIA EX Vit D 25 OH		+8.7%	+9.8%		+7.5%	+10.3%
Vit D 25 OH		-3.0%	-3.4%		-8.1%	-3.3%
ELISA TESTS		+24.7%	+25.9%		+23.0%	+27.3%
MOLECULAR TESTS		+4.0%	-0.0%		+1.6%	+8.5%
INSTRUMENTS & OTHER REV.		+15.0%	+16.5%		+3.6%	+6.5%
<b>EBITDA</b>	<b>€/mln 58.9</b>	<b>+5.3%</b>	<b>+6.8%</b>	<b>€/mln 187.1</b>	<b>+2.7%</b>	<b>+7.5%</b>
EBITDA MARGIN		36.2%	36.5%		37.9%	38.3%
		-128 bps	-100 bps		-99 bps	-60 bps
<b>NET RESULT</b>	<b>€/mln 35.9</b>	<b>+22.7%</b>		<b>€/mln 116.8</b>	<b>+22.0%</b>	
% ON REVENUES		22.1%			23.6%	
<b>FREE CASH FLOW</b>				<b>€/mln 100.6</b>	<b>+3.1%</b>	
<b>NET FINANCIAL POSITION (**)</b>				<b>+€/mln 128.8</b>		

\* 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

REVENUES ~ +9% at CER vs 2017 (\*)

EBITDA ~ +12% at CER vs 2017 (\*)

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

(\*) Eventual postponement to 2019 of certain large tenders to countries served through distributors could negatively affect 2018 financial statements closure.

### IMMUNO

#### BUSINESS DEVELOPMENT

##### LIAISON QuantiFERON TB-GOLD PLUS

▶ Launched in the CE market in partnership with QIAGEN, the LIAISON QuantiFERON-TB Gold Plus as an aid to detect latent tuberculosis infection on LIAISON analyzer systems.

##### Strategic collaboration with Meridian

▶ Signed on October 9, 2018 in order to sell DiaSorin's FDA-cleared *Helicobacter pylori* stool antigen test to detect *H. pylori* for use on LIAISON platform in the U.S. and U.K.

#### PRODUCT DEVELOPMENT

##### Infectious diseases

▶ PCT II GEN (US market)

##### Hepatitis & Retrovirus

▶ HDV (CE mark)

### MOLECULAR

#### PRODUCT DEVELOPMENT

##### KIT Infectious diseases

▶ HSV (US market)

▶ VZV (EU market)

▶ Group B Strep (EU market, US market submission)

##### ASRs

Reagents specific to bacterial target carried by ticks

▶ *Anaplasma phagocytophilum*

▶ Ehrlichia

▶ Babesia

## Q3 and 9M 2018 revenues growth

		Q3'18 vs. Q3'17	9M'18 vs. 9M'17
<b>Total Group revenues</b>	@ curr	+9.0%	+5.4%
	@ CER	+9.5%	+9.1%
<b>↑</b>	<ul style="list-style-type: none"> <li>All CLIA tests, net of Vitamin D</li> <li>Siemens's ELISA business (acquired in Sept 2017)</li> <li>Molecular diagnostic kits</li> </ul>	<b>↓</b>	<ul style="list-style-type: none"> <li>Vitamin D volumes slowdown (mainly US)</li> <li>MUREX sales slowdown (mainly in Export, China and Brazil)</li> <li>FOREX: -€/mln 17.5</li> </ul>

		Q3'18 vs. Q3'17	9M'18 vs. 9M'17
<b>CLIA</b>	<b>CLIA ex Vitamin D tests</b>	@ curr <b>+8.7%</b>	<b>+7.5%</b>
		@ CER <b>+9.8%</b>	<b>+10.3%</b>
	<b>Vitamin D test (CLIA)</b>	@ curr <b>-3.0%</b>	<b>-8.1%</b>
		@ CER <b>-3.4%</b>	<b>-3.3%</b>
	<b>ELISA tests (*)</b>	@ curr <b>+24.7%</b>	<b>+23.0%</b>
		@ CER <b>+25.9%</b>	<b>+27.3%</b>
	<b>Molecular Diagnostic tests</b>	@ curr <b>+4.0%</b>	<b>+1.6%</b>
		@ CER <b>-0.0%</b>	<b>+8.5%</b>
	<b>Instruments &amp; Other Revenues</b>	@ curr <b>+15.0%</b>	<b>+3.6%</b>
		@ CER <b>+16.5%</b>	<b>+6.5%</b>

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

		Q3'18 vs. Q3'17	9M'18 vs. 9M'17
<b>EUROPE &amp; AFRICA</b>		<b>+12.5%</b>	<b>+14.3%</b>
	Germany	<b>+22.6%</b>	<b>+22.7%</b>
	Italy	<b>+8.2%</b>	<b>+9.1%</b>
	France	<b>+15.9%</b>	<b>+16.3%</b>
<b>NORTH AMERICA</b>		<b>-1.0%</b>	<b>+0.0%</b>
	USA	<b>-1.8%</b>	<b>-0.7%</b>
<b>ASIA PACIFIC</b>		<b>+23.1%</b>	<b>+16.0%</b>
	China	<b>+4.3%</b>	<b>+1.5%</b>
	Australia	<b>+12.4%</b>	<b>+17.1%</b>
	Distributors	<b>+64.6%</b>	<b>+40.0%</b>
<b>LATIN AMERICA</b>		<b>+1.3%</b>	<b>+1.6%</b>
	Brazil	<b>-10.5%</b>	<b>-0.4%</b>
	Mexico	<b>+26.2%</b>	<b>+10.1%</b>
	Distributors	<b>+6.8%</b>	<b>+0.4%</b>

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

Growth driven by CLIA ex Vitamin D tests and Siemens' ELISA business acquisition.

Negative contribution from Vitamin D (mainly price pressure)

Increase in all CLIA tests (mainly GI stool panel, Vitamin D 1,25, PCT and Hepatitis & Retrovirus panel)

Growth boosted by CLIA ex Vitamin D tests.

Positive contribution from molecular diagnostic kits

Positive contribution from CLIA ex Vitamin D, offset by lower Vitamin D (mainly volumes)

Growth in CLIA tests, partially offset by downward trend in Murex ELISA and Instruments sales

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

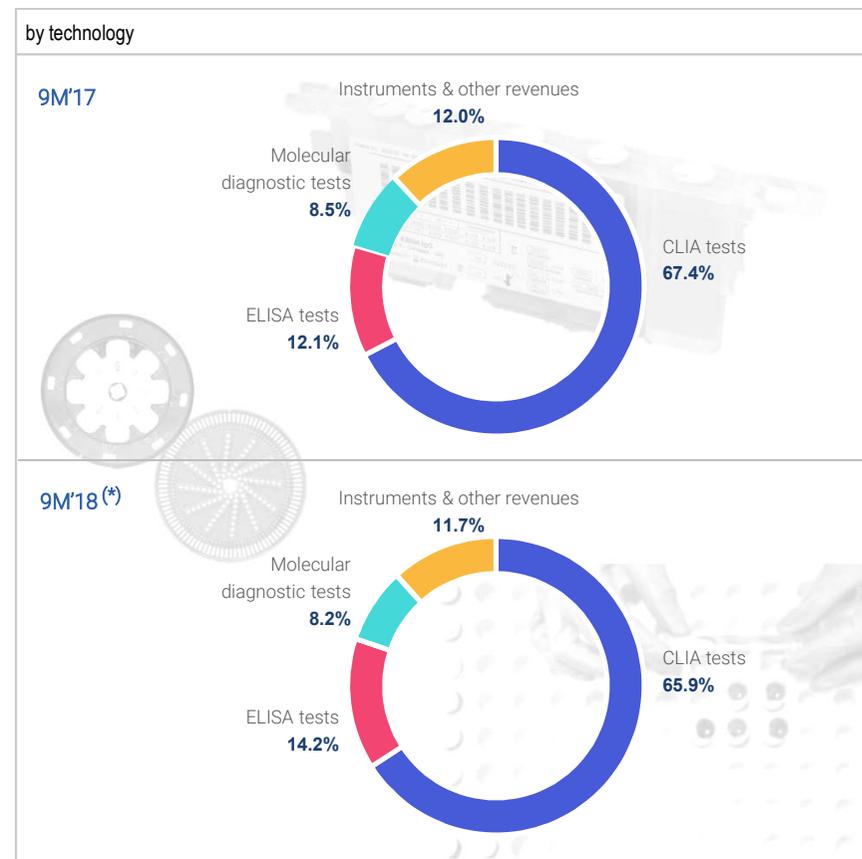
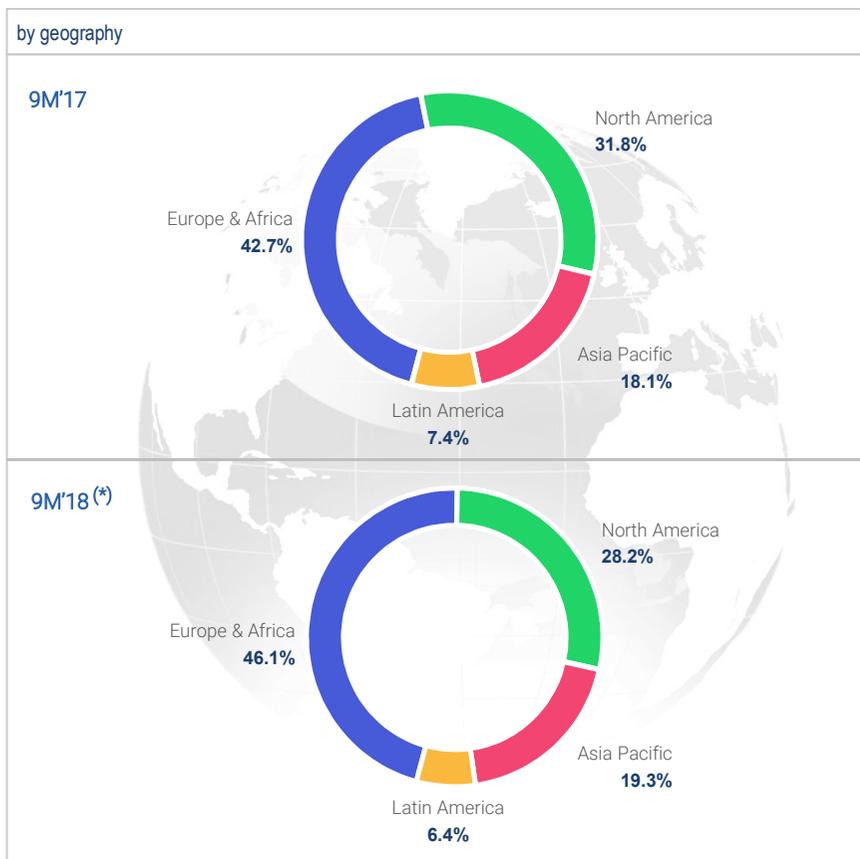
Growth driven by Siemens' ELISA business and instruments sales

Positive performance of CLIA tests offset by a negative trend in Murex ELISA (mainly due to a delay in public clients' payments), Vitamin D and instruments sales

Growth driven by instruments sales, Siemens' ELISA business and CLIA tests (mainly endocrinology, autoimmunity, thyroid and Vitamin D 1,25)

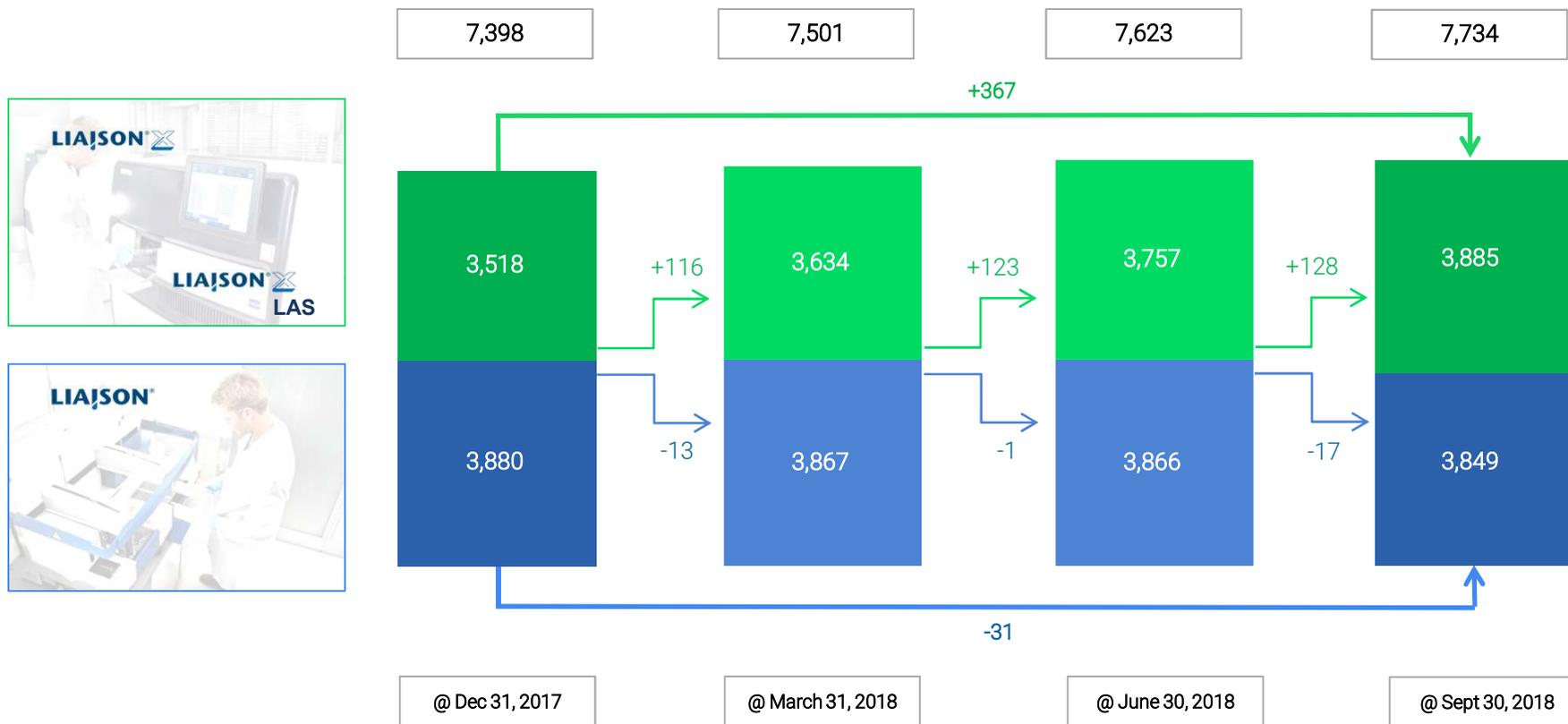
Positive performance driven by CLIA tests

## 9M 2018 revenues breakdown



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

## Installed base expansion



## Q3 and 9M 2018 profitability profile

	Q3'17	Q3'18	Change %	9M'17	9M'18	Change %
<b>EBITDA (€/MLN)</b>	<b>56.0</b>	<b>58.9</b>	<b>+5.3%</b>	<b>182.2</b>	<b>187.1</b>	<b>+2.7%</b>
@ CER			+6.8%			+7.5%
<b>EBITDA MARGIN</b>	<b>37.5%</b>	<b>36.2%</b>	<b>-128 bps</b>	<b>38.9%</b>	<b>37.9%</b>	<b>-99 bps</b>
@ CER		36.5%	-100 bps		38.3%	-60 bps

**9M'18 EBITDA upward** compared to 9M'17 notwithstanding:

- some one-off costs related to a legal action with Meridian<sup>(\*)</sup>, closed with a strategic agreement announced on Oct. 9, 2018 and the closure of the Irish manufacturing site
- FOREX negative impact (-€/mln 8.8)

(\*) Press release available in the Investor Relations section on [www.diasorin.com](http://www.diasorin.com)



**Financial schemes**

## Income Statement

Data in € million	Q3		Change		9M		Change	
	2017	2018	amount	%	2017	2018	amount	%
<b>Net revenues</b>	<b>149.4</b>	<b>162.8</b>	<b>+13.4</b>	<b>+9.0%</b>	<b>468.6</b>	<b>494.0</b>	<b>+25.3</b>	<b>+5.4%</b>
<b>Gross profit</b>	<b>100.5</b>	<b>109.2</b>	<b>+8.7</b>	<b>+8.6%</b>	<b>319.7</b>	<b>336.0</b>	<b>+16.3</b>	<b>+5.1%</b>
<i>Gross Margin</i>	67.3%	67.1%	-21 bps		68.2%	68.0%	-20 bps	
S&M	(29.7)	(32.2)	-2.5	+8.4%	(89.8)	(97.2)	-7.4	+8.2%
R&D	(10.7)	(11.2)	-0.5	+4.2%	(32.3)	(33.4)	-1.1	+3.4%
G&A	(15.0)	(17.2)	-2.3	+15.2%	(47.9)	(49.2)	-1.2	+2.6%
<b>Total operating expenses</b>	<b>(55.4)</b>	<b>(60.7)</b>	<b>-5.2</b>	<b>+9.4%</b>	<b>(170.1)</b>	<b>(179.8)</b>	<b>-9.7</b>	<b>+5.7%</b>
<i>% on sales</i>	37.1%	37.3%	+15 bps		36.3%	36.4%	+11 bps	
Other operating income (expense)	(1.4)	(2.2)	-0.8	+58.5%	(4.8)	(6.9)	-2.1	+43.0%
<b>EBIT</b>	<b>43.7</b>	<b>46.3</b>	<b>+2.6</b>	<b>+6.0%</b>	<b>144.8</b>	<b>149.3</b>	<b>+4.5</b>	<b>+3.1%</b>
<i>EBIT margin</i>	29.2%	28.4%	-79 bps		30.9%	30.2%	-67 bps	
Net financial income (expense)	(1.1)	(0.5)	+0.6	-56.4%	(4.1)	0.8	+4.9	n.m.
<b>Profit before taxes</b>	<b>42.5</b>	<b>45.8</b>	<b>+3.3</b>	<b>+7.7%</b>	<b>140.7</b>	<b>150.1</b>	<b>+9.4</b>	<b>+6.7%</b>
Income taxes	(13.3)	(9.9)	+3.4	-25.4%	(45.0)	(33.4)	+11.6	-25.9%
<b>Net result</b>	<b>29.3</b>	<b>35.9</b>	<b>+6.6</b>	<b>+22.7%</b>	<b>95.7</b>	<b>116.8</b>	<b>+21.1</b>	<b>+22.0%</b>
<b>EBITDA</b>	<b>56.0</b>	<b>58.9</b>	<b>+3.0</b>	<b>+5.3%</b>	<b>182.2</b>	<b>187.1</b>	<b>+5.0</b>	<b>+2.7%</b>
<i>EBITDA margin</i>	37.5%	36.2%	-128 bps		38.9%	37.9%	-99 bps	

## Balance Sheet

<i>Data in € million</i>	<b>12/31/17</b>	<b>09/30/18</b>	<i>Change</i>
Goodwill and intangibles assets	344.4	355.8	+11.4
Property, plant and equipment	92.3	92.9	+0.5
Other non-current assets	23.8	24.8	+1.0
Net working capital	190.7	215.2	+24.5
Assets held for sale	4.0	-	-4.0
Other non-current liabilities	(62.5)	(60.6)	+2.0
<b>Net Invested Capital</b>	<b>592.7</b>	<b>628.1</b>	<b>+35.4</b>
<b>Net Financial Position</b>	<b>149.3</b>	<b>128.8</b>	<b>-20.5</b>
<b>Debts vs. shareholders for special dividends</b>	<b>-</b>	<b>98.4</b>	<b>+98.4</b>
<b>Total Shareholders' equity</b>	<b>742.0</b>	<b>658.4</b>	<b>-83.5</b>

## Cash Flow Statement

<i>Data in € million</i>	Q3			9M		
	2017	2018	Change	2017	2018	Change
<b>Cash and cash equivalents at the beginning of the period</b>	<b>107.9</b>	104.6	-3.3	<b>130.5</b>	159.3	+28.9
Operating activities	48.9	45.0	-4.0	125.9	133.4	+7.5
Investing activities	(13.0)	(14.1)	-1.1	(30.1)	(35.1)	-5.0
Financing activities	17.8	(6.7)	-24.5	(42.4)	(125.3)	-82.9
Acquisitions of companies and business operations	(30.5)	(0.6)	+29.9	(31.5)	(5.1)	+26.5
<b>Net change in cash and cash equivalents before investments in financial assets</b>	<b>23.3</b>	<b>23.5</b>	+0.3	<b>21.8</b>	<b>(32.1)</b>	-53.9
Divestment/(Investment) in financial assets	(13.7)	13.1	+26.8	(34.8)	14.0	+48.8
<b>Net change in cash and cash equivalents</b>	<b>9.6</b>	<b>36.6</b>	+27.0	<b>(13.0)</b>	<b>(18.1)</b>	-5.2
<b>Cash and cash equivalents at the end of the period</b>	<b>117.5</b>	<b>141.2</b>	+23.7	<b>117.5</b>	<b>141.2</b>	+23.7



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