



FY 2016 Results

DIASORIN SPA
March 8, 2017



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.

Overview

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Highlights

FY'16 main topics

	FY'16
REVENUES	€/mln 569.3
	+14.0%
	LFL* @ CER +6.4%
▶ CLIA ex Vit D 25 OH	+11.3%
	LFL* @ CER +13.1%
▶ Vit D 25 OH	-2.8%
	LFL* @ CER -2.6%
▶ Focus	+€/mln 44.4
EBITDA	€/mln 217.3
	+17.5%
	LFL* @ CER +9.7%
EBITDA MARGIN	38.2%
	+110 bps
NET RESULT	€/mln 112.6
	+12.0%
% OF REVENUES	19.8%
FCF	€/mln 132.2
	+€/mln 24.0
NFP	+€/mln 71.2
	-€/mln 196.7 **
DIVIDEND	€ 0.80 per share
	+23.1%

* LFL = Like-for-Like (excluding the Focus acquisition)

** mainly as a result of the Focus Acquisition

LIAISON & LIAISON XL PLACEMENTS	FY'16	@ Dec 31, 2016
▶ LIAISON XL	+571	2,863
▶ LIAISON	-45	3,999
TOTAL	+526	6,862

Business Development

- ▶ Focus Diagnostic Acquisition
- ▶ Beckman Coulter agreement in the US
- ▶ VIT D 25 OH launch in Japan
- ▶ Award of a contract by BARDA for Zika test development

Product Development

IMMUNO

- Infectious Diseases ▶ H. Pylori IgG
- Gastro-Intestinal infections ▶ H. Pylori Antigen (UK market)
- Heps & Retrovirus ▶ Anti-HBS II
- ▶ Anti-HBS II-plus
- Bone & Mineral ▶ FGF 23
- ▶ BAP Ostase

MOLECULAR

- Gastro-Intestinal infections ▶ C. Difficile DAD
- Onco-haematology ▶ AML1-ETO

		Q4'16 vs. Q4'15	FY'16 vs. FY'15
Revenues	@ current	+19.3%	+14.0%
	LFL* @ CER	+4.9%	+6.4%

Growth driven by all CLIA tests, net of Vitamin D 25 OH, with particular evidence on:

- Infectious Diseases
- Hepatitis
- Torch
- Gastro-Intestinal Testing
- Vitamin D 1,25

Focus revenues contributing with 44.4 €/mln

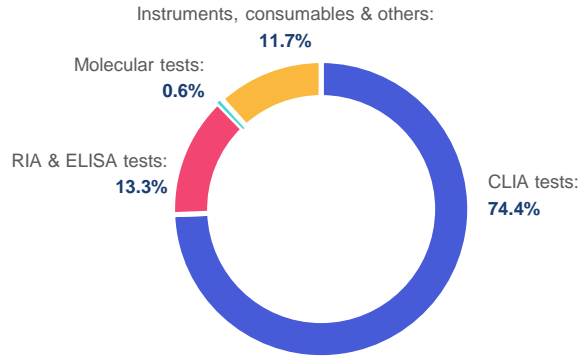
Positive performance of all geographical regions

FY Forex negative impact = - €/mln 6.1

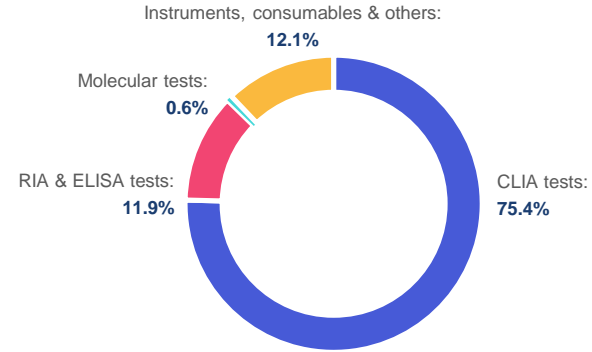
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FY'16 Revenues: contribution by technology

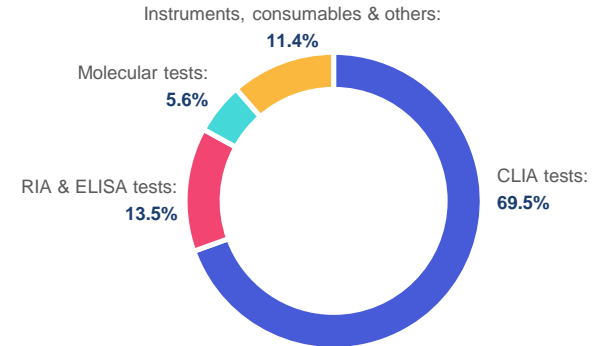
FY'15



FY'16 LIKE-FOR-LIKE*



FY'16 WITH FOCUS REVENUES ALLOCATION

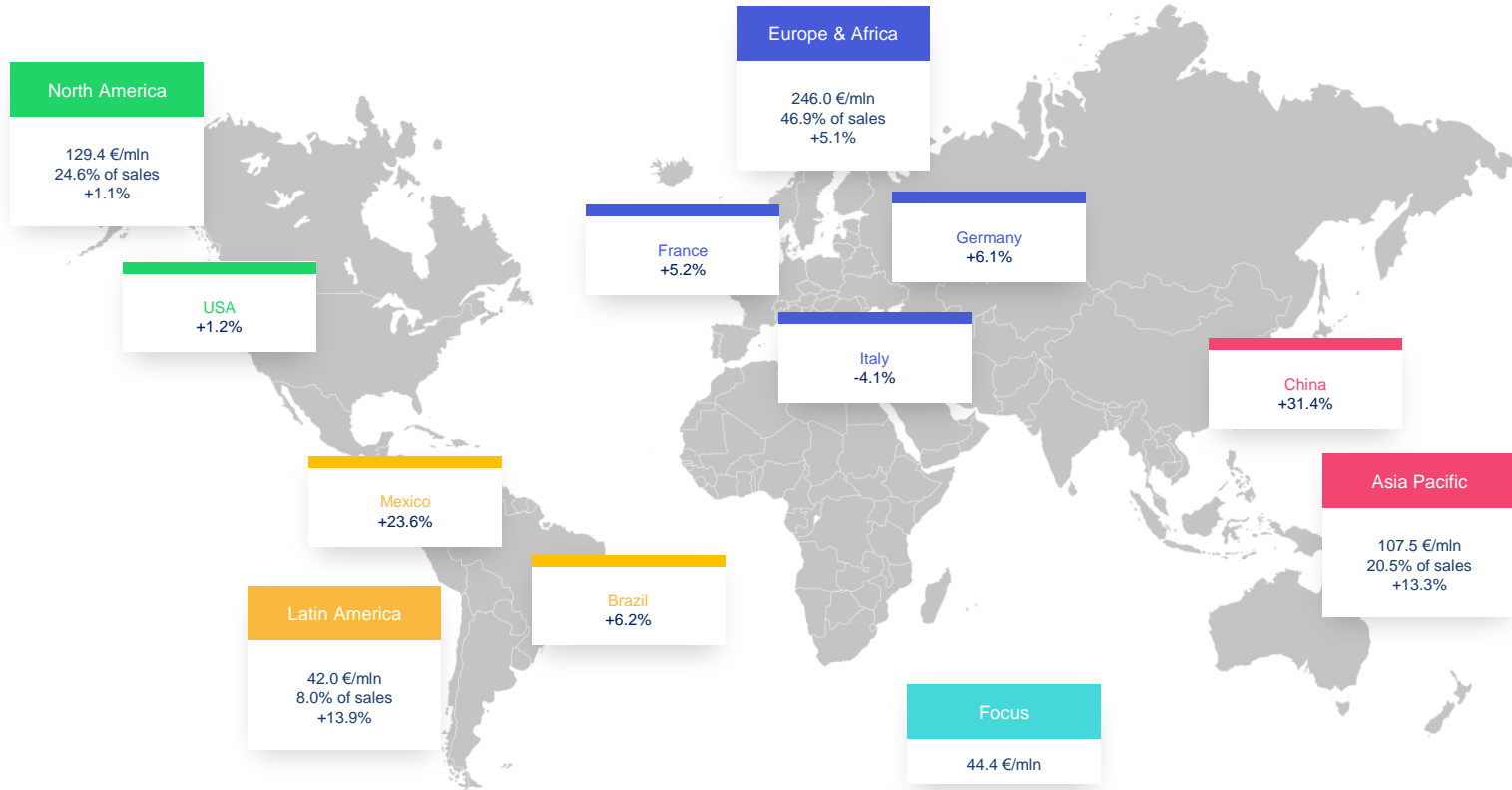


* LFL = Like-for-Like (excluding the Focus acquisition)

		Q4'16 vs. Q4'15	FY'16 vs. FY'15	
CLIA	CLIA ex Vitamin D 25 OH tests	@ current	+10.6%	+11.3%
		LFL* @ CER	+11.5%	+13.1%
	Vitamin D 25 OH test (CLIA)	@ current	-2.7%	-2.8%
		LFL* @ CER	-4.0%	-2.6%
ELISA + RIA tests	@ current	-5.6%	-5.9%	
	LFL* @ CER	-8.3%	-5.5%	
Instruments & Consumables	@ current	+7.1%	+8.9%	
	LFL* @ CER	+9.6%	+11.1%	
Molecular Diagnostic tests	@ current	-3.6%	+1.8%	
	LFL* @ CER	-7.8%	+0.7%	
Focus		+18.9 €/mln	+44.4 €/mln	

* LFL = Like-for-Like (excluding the Focus acquisition)

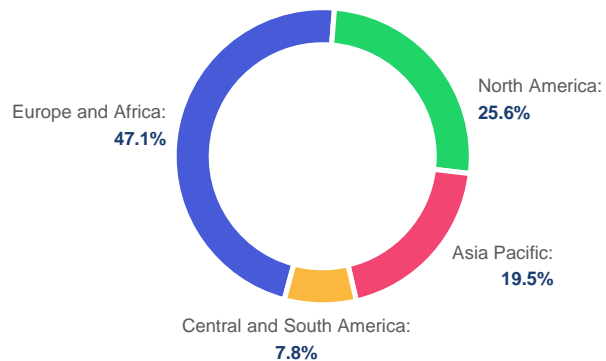
FY'16 Revenues*: breakdown by geography



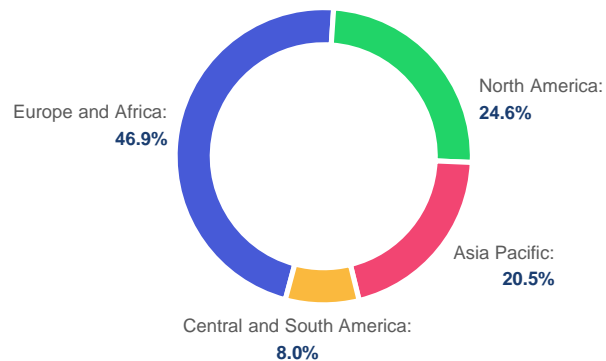
*Managerial outlook on data reported; Change FY16 on FY'15 @ CER and LFL (excluding the Focus acquisition)

FY'16 Revenues: breakdown by geography

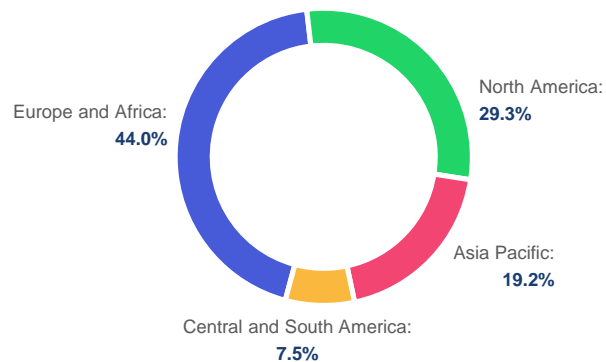
FY'15



FY'16 LIKE-FOR-LIKE*

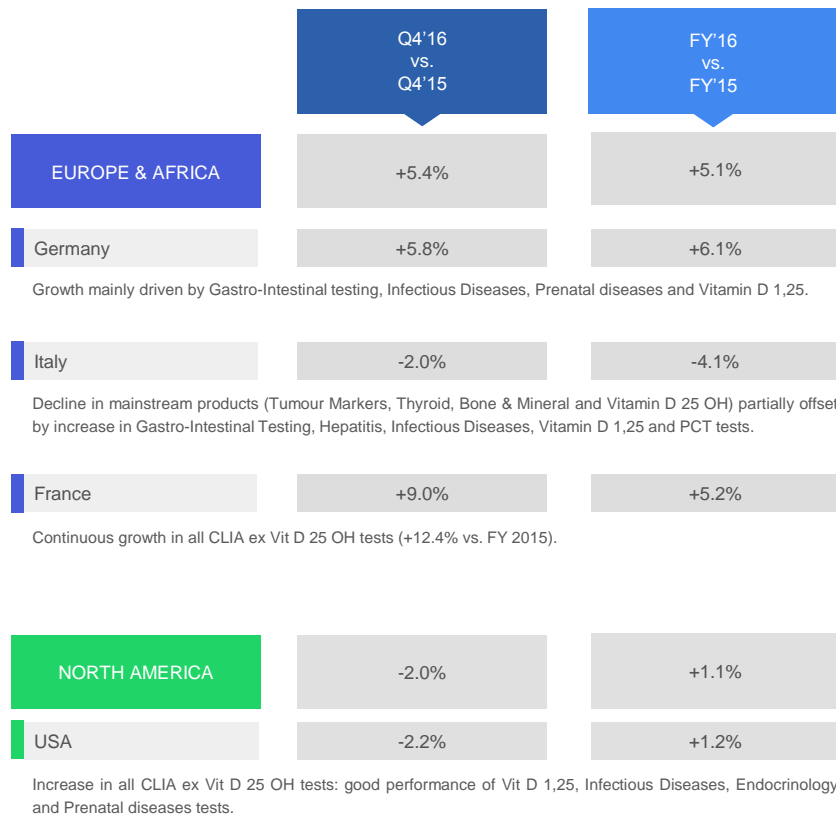


FY'16 WITH FOCUS REVENUES ALLOCATION

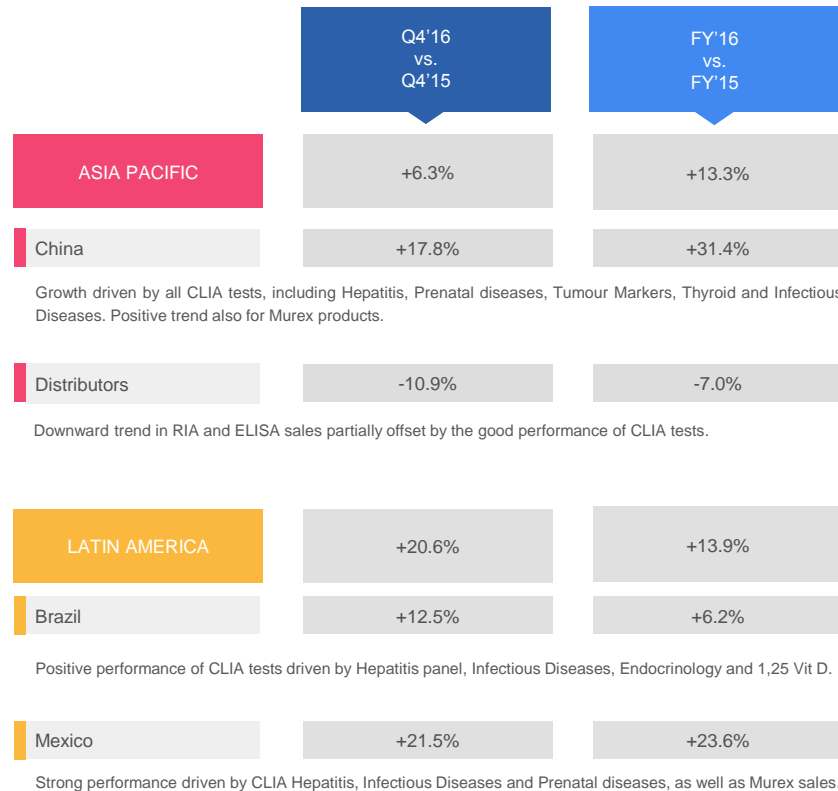


* LFL = Like-for-Like (excluding the Focus acquisition)

Q4'16 and FY'16 Revenues*: breakdown by geography



*Managerial outlook on data reported; Change FY16 on FY'15 @ CER and LFL (excluding the Focus acquisition)



	Total units at December 31, 2015	Net placements in 2016	Total units at December 31, 2016
LIAISON	4,044	-45	3,999
LIAISON[®]X	2,292	+571	2,863
TOTAL	6,336	+526	6,862

Q4'16 and FY'16 EBITDA*

	Q4'15	Q4'16		FY'15	FY'16	
EBITDA (€/mln)	48.6	59.0	+21.4%	185.0	217.3	+17.5%
EBITDA margin	37.1%	37.8%	+70 bps	37.1%	38.2%	+110 bps

Raise in marginality compared to Q4'16 and FY'16, mainly driven by:

- Higher sales of specialty products (e.g. Vitamin D 1,25 and Gastro-Intestinal panel), completely offsetting some price pressure, especially on Vitamin D 25 OH, and the higher one-off scrap and rework costs experienced in Q3'16
- Positive effects from constant efforts aimed at delivering manufacturing efficiencies and operational leverage
- Lower incidence of Operating Expenses** on revenues (35% in FY'16 vs. 36% in FY'15)

*Financials as reported

** net of "Focus Business" intangible asset depreciation

Business and Product Development

BUSINESS DEVELOPMENT

Focus Diagnostics Acquisition



Acquisition of Focus Diagnostics' immunodiagnostic and molecular diagnostic products business from Quest Diagnostics Inc. for \$ 297.8 million. The acquisition includes all the tangible and intangible assets of Focus used to develop, manufacture and distribute molecular diagnostic products and immunoassay ELISA products, including, among other, relevant intellectual property, contracts and customer list

Beckman Coulter Agreement in the US



Distribution partnership agreement for the commercialization in the U.S. of DiaSorin Hepatitis A, B, C and HIV tests on the Liaison XL LAS connected to Beckman Coulter's leading automation solutions and on Liaison XL stand-alone systems

Vit D 25 OH launch in Japan



Start of sales of CLIA 25 OH Vitamin D in Japan, through an exclusive distribution agreement with Kyowa Medex (Kyowa Hakko Kirin Group)

Award of contract by BARDA for Zika



Award of a contract by BARDA for the development of new serological tests on CLIA technology to detect Zika virus infections

PRODUCT DEVELOPMENT

IMMUNODIAGNOSTICS



Infectious Diseases ▶ H. Pylori IgG



Gastro-Intestinal Infections ▶ H. Pylori Antigen (UK market)



Heps & Retrovirus ▶ Anti-HBS II (*)
▶ Anti-HBS II-plus (*)



Bone & Mineral ▶ FGF 23
▶ BAP Ostase (*)

* Products redeveloped

MOLECULAR DIAGNOSTICS



Gastro-Intestinal Infections ▶ C. Difficile DAD



Onco-haematology ▶ AML1-ETO

FY 2017 Company Guidance

FY 2017 Company Guidance, including Focus business:

Revenues

Growth equal to around +11% at CER compared with 2016 (*)

EBITDA

Growth equal to around +11% at CER compared with 2016 (*)

(*) 2016 Eur/US\$ exchange rate = 1.11

Annex

FY'16 results: Income Statement

Data in € million	2015	2016	Change	
			amount	%
Net revenues	499.2	569.3	+70.1	+14.0%
Gross profit	341.9	389.2	+47.3	+13.8%
<i>Gross Margin</i>	68.5%	68.4%	-10 bps	
S&M	(98.0)	(109.5)	-11.4	+11.6%
R&D	(26.2)	(37.7)	-11.6	+44.2%
G&A	(55.5)	(60.0)	-4.5	+8.2%
Total operating expenses	(179.7)	(207.2)	-27.5	+15.3%
<i>% on sales</i>	(36.0)%	(36.4)%	-40 bps	
Other operating income (expense)	(10.2)	(9.3)	+0.9	-8.6%
EBIT	152.0	172.6	+20.6	+13.6%
<i>EBIT margin</i>	30.5%	30.3%	-20 bps	
Net financial income (expense)	(1.9)	(4.4)	-2.5	+132.5%
Profit before taxes	150.1	168.2	+18.1	+12.1%
Income taxes	(49.6)	(55.6)	-6.0	+12.2%
Net result	100.5	112.6	+12.1	+12.0%
EBITDA	185.0	217.3	+32.3	+17.5%
<i>EBITDA margin</i>	37.1%	38.2%	+110 bps	

<i>Data in € million</i>	12/31/2015	12/31/2016	Change
Goodwill and intangibles assets	117.9	357.1	+239.2
Property, plant and equipment	74.5	92.1	+17.6
Other non-current assets	21.2	24.0	+2.8
Net working capital	144.0	165.0	+21.0
Other non-current liabilities	(38.3)	(46.1)	-7.7
Net Invested Capital	319.2	592.2	+273.0
Net Financial Position	267.9	71.2	-196.8
Total Shareholders' equity	587.2	663.4	+76.2

FY'16 results: Cash Flow Statement

<i>Data in € million</i>	2015	2016	Change
Cash and cash equivalents at the beginning of the period	144.9	212.2	+67.3
Operating activities	138.4	165.6	+27.1
Investing activities	(30.5)	(34.9)	-4.4
Financing activities	(8.2)	(5.9)	+2.3
Acquisitions of companies and business operations	(2.5)	(263.6)	-261.1
Net change in cash and cash equivalents before investments in financial assets	97.3	(138.7)	-236.1
Divestment/(Investments) in financial assets	(30.0)	57.0	+87.0
Net change in cash and cash equivalents	67.3	(81.7)	-149.0
Cash and cash equivalents at the end of the period	212.2	130.5	-81.7



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