



## Q2 and H1 2017 Results

DIASORIN SPA  
August 3, 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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Siemens ELISA Immunodiagnostic business portfolio acquisition

TARGET DESCRIPTION

Siemens ELISA products are manufactured in one plant based in Germany and are marketed through direct network and independent distributors in:

- ▶ hospitals
- ▶ private laboratories
- ▶ blood banks

ASSET DEAL

Customers portfolio & commercial contracts:

Siemens ELISA relevant business brands, industrial intellectual property & warehouse of finished products and spare parts

DiaSorin to exclusively distribute the acquired Siemens ELISA business for the next 3 years

- ▶ Significant customers base (*most viable for swap to Liaison XL+XS*)  
Main geographies: Europe + some non-European countries, ex US

- ▶ transferred

FAMILY PRODUCTS

Blood banks

- |               |             |            |
|---------------|-------------|------------|
| Hepatitis A ✓ | HIV ✓       | HTLV ✓     |
| Hepatitis B ✓ | Treponema ✓ | HTLV 1/2 ✓ |
| Hepatitis C ✓ |             |            |



Infectivity line

- |                |                     |                    |
|----------------|---------------------|--------------------|
| Toxoplasma ✓   | Borreliosis ✓       | Mumps ✓            |
| Toxo Avidity ✓ | H. Pylori Ab ✓      | Measles ✓          |
| CMV ✓          | Bord. Pert. Toxin ✓ | Varicella Zoster ✓ |
| CMV Avidity ✓  | Chlam. Trachom. ✓   | EBV ✓              |
| HSV 1-2 IgG ✓  | Myco. Pneum. ✓      | Parvovirus B 19 ✓  |
| HSV 1-2 IgM ✓  | Chagas ✓            | Rubella ✓          |

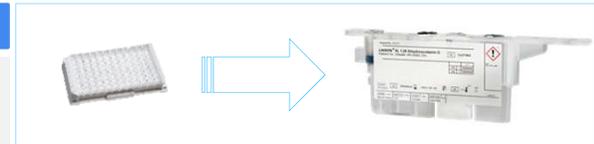


## The rationale of the acquisition

### A PERFECT FIT WITH THE BUSINESS EXPECTATIONS

#### ELISA BUSINESS OVERLAP WITH EXISTING CLIA MENU AVAILABLE ON LIAISON PLATFORMS

- ▶ **Conversion of the existing Siemens ELISA products offer to DiaSorin's LIAISON offer (CLIA technology), leveraging on the menu overlap between the 2 different technologies**



#### NEW CUSTOMERS BASE AVAILABLE

- ▶ **Siemens ELISA products sold to a significant customers base, mainly in Europe; most of them perfectly fit with the current LIAISON XL and the future LIAISON XS strategy, with cross-selling opportunities**



#### EUROPEAN MARKET SHARE

- ▶ **Access to a qualified customer base: mainly Europe + some key non-European markets (ex US). Increase of DiaSorin penetration with LIAISON products, leveraging on Siemens' starting customers list**



#### STRENGTHENING OF THE INFECTIOUS DISEASES OFFER

- ▶ **DiaSorin strengthening its positioning as a key player in the Infectious Diseases market**



FINANCIAL FIGURES

**FY 2016 revenues as of Sept 30, 2016**

▶ **€ 47 million**

**EBITDA margin expected (\*) during the next 3 years**

▶ **in line with DiaSorin Group profitability**

FINANCING

**Price of the transaction**

▶ **The price for the transaction is up to a maximum of € 47.5 million on a debt free cash free basis**

**Funding**

▶ **The cash transaction will be funded through available cash**

**Accretion to DiaSorin EPS**

▶ **The transaction is expected to be immediately accretive to DiaSorin's ongoing earnings per share upon close**

**(\*) DiaSorin managerial estimates**

Highlights

Q2 and H1 '17 main topics

	Q2'17	H1'17
<b>REVENUES</b>	<b>€/mln 161.8 (*)</b>	<b>€/mln 319.3 (*)</b>
	+14.2% @ CER +13.2%	+19.9% @ CER +18.3%
▶ CLIA ex Vit D 25 OH	+12.4% @ CER +12.1%	+12.3% @ CER +11.5%
▶ Vit D 25 OH	+3.4% @ CER 1.6%	+3.3% @ CER 0.8%
<b>EBITDA</b>	<b>€/mln 63.7</b>	<b>€/mln 126.2</b>
	+15.6% @ CER +15.6%	+23.4% @ CER +22.3%
<b>EBITDA MARGIN</b>	<b>39.4%</b> +50 bps	<b>39.5%</b> +110 bps
<b>NET RESULT</b>	<b>€/mln 33.6</b>	<b>€/mln 66.4</b>
	+14.4%	+22.9%
<b>% OF REVENUES</b>	<b>20.7%</b>	<b>20.8%</b>
<b>FCF</b>	<b>€/mln 17.4</b>	<b>€/mln 61.0</b>
	-€/mln 8.1	+€/mln 7.1
<b>NFP</b>		<b>+€/mln 89.2</b>
		+€/mln 18.1

\*Revenues includes the contribution of DiaSorin Molecular's business, consolidated as of May 2016

LIAISON & LIAISON XL PLACEMENTS	Q2'17	H1'17	@ Jun 30, 2017
▶ LIAISON XL	+185	+370	3,233
▶ LIAISON	-23	-35	3,964
<b>TOTAL</b>	<b>+162</b>	<b>+335</b>	<b>7,197</b>

**Product Development**

**IMMUNO**

**Endocrinology** ▶ **Androstenedione**  
▶ **SHBG**

**MOLECULAR**

**Onco-haematology** ▶ **CBFB-MYH11**

**Business Development**

**QIAGEN AGREEMENT**

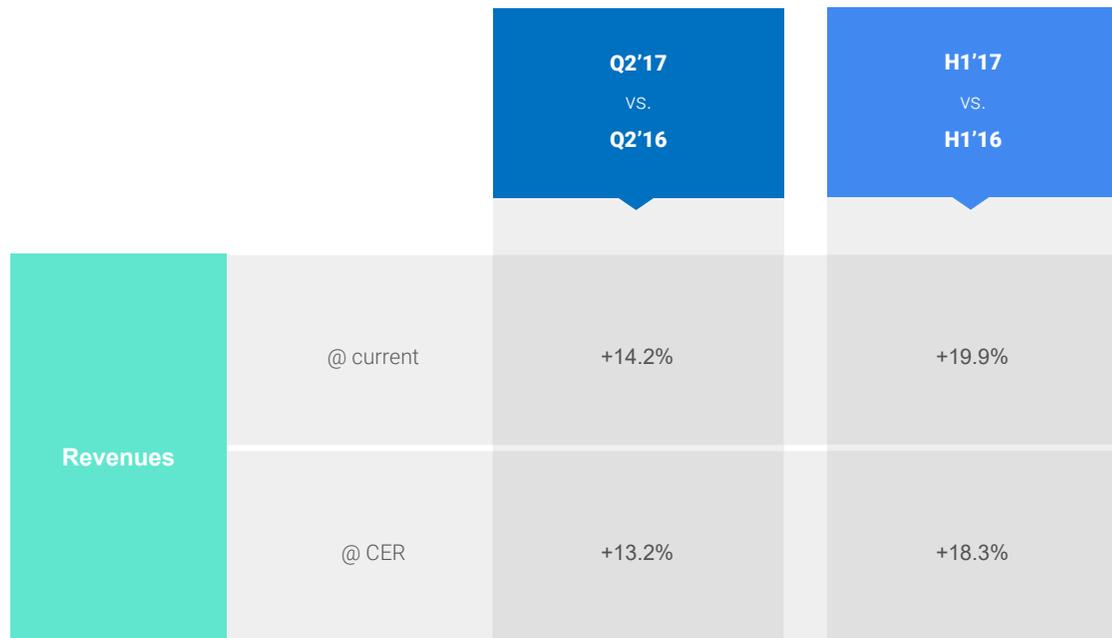
DiaSorin to expand its LIAISON tests menu through adoption of selected QIAGEN assays

**TECAN AGREEMENT**

DiaSorin to use customized version of Tecan's Fluent® Laboratory Automation Solution as its Nucleic Acid extraction platform in combination with Simplex 96 well discs

**SIEMEN ELISA Immunodiagnostic business portfolio acquisition**

Revenues (\*)



Growth driven by

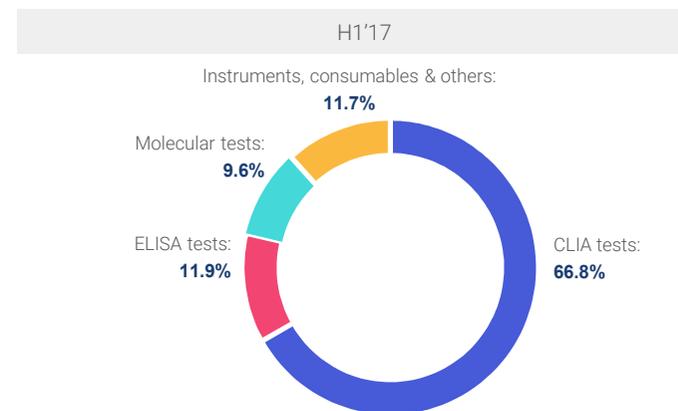
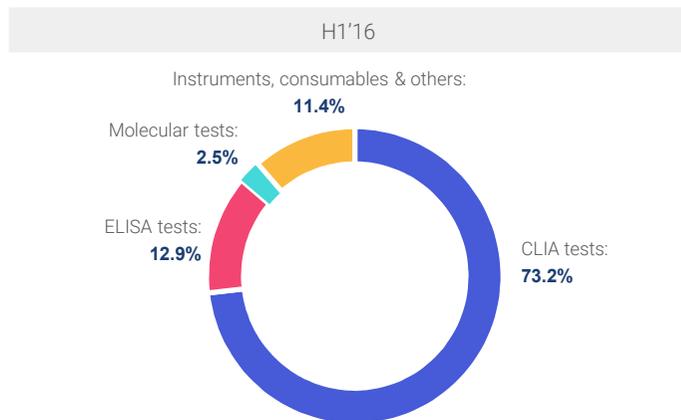
- **all CLIA tests**, net of Vitamin D 25 OH, with particular evidence on:
  - Infectious Diseases
  - Hepatitis
  - Endocrinology
  - Gastro-Intestinal Testing
  - Vitamin D 1,25
- **molecular tests** (different scope of consolidation)
- **flat Vitamin D**

Positive performance of all geographies

Forex positive impact = + €/mln 4.3

(\*) Revenues includes the contribution of DiaSorin Molecular's business, consolidated as of May 2016

H1'17 Revenues (\*): contribution by technology



(\* Revenues includes the contribution of DiaSorin Molecular's business, consolidated as of May 2016

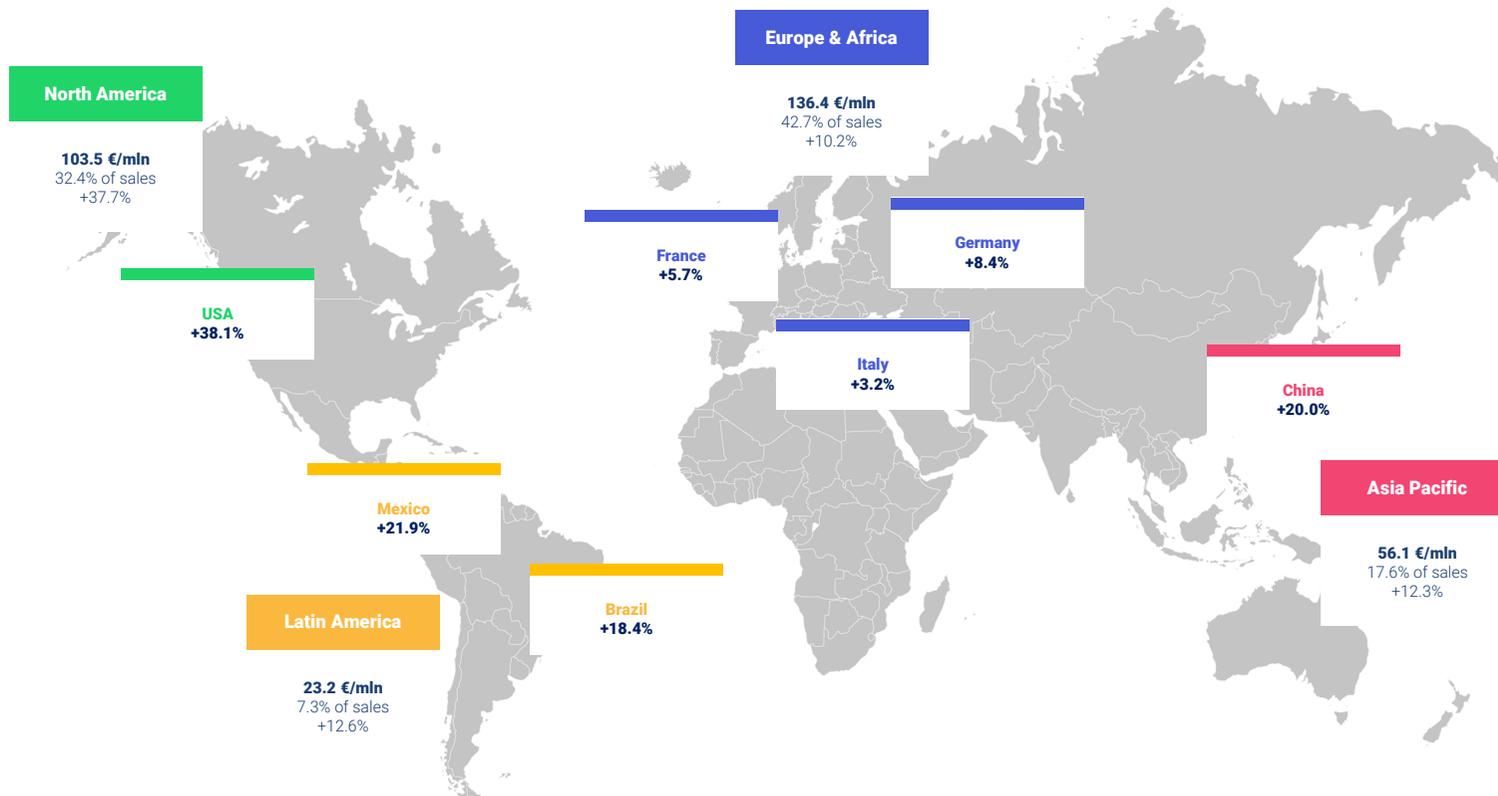
Revenues (\*): breakdown by technology



			Q2'17 vs. Q2'16	H1'17 vs. H1'16
CLIA	CLIA ex Vitamin D	@ current	+12.4%	+12.3%
	25 OH tests	@ CER	+12.1%	+11.5%
	Vitamin D	@ current	+3.4%	+3.3%
	25 OH test (CLIA)	@ CER	+1.6%	+0.8%
	ELISA tests	@ current	+2.4%	+10.2%
		@ CER	+0.9%	+8.0%
	Molecular Diagnostic tests	€ / mln	12.5	30.8
	Instruments & Consumables	@ current	+20.7%	+23.1%
		@ CER	+20.6%	+22.2%

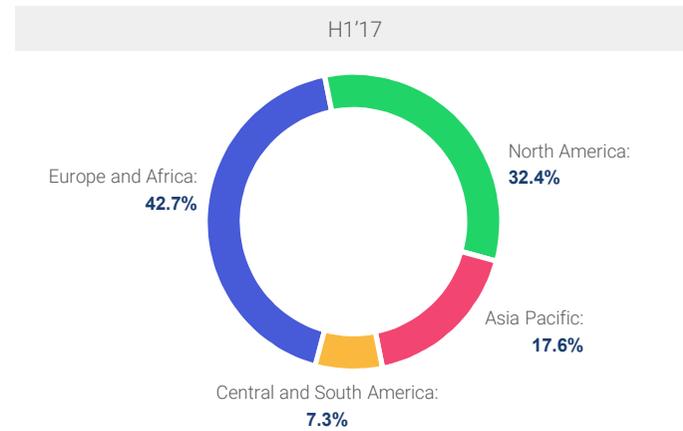
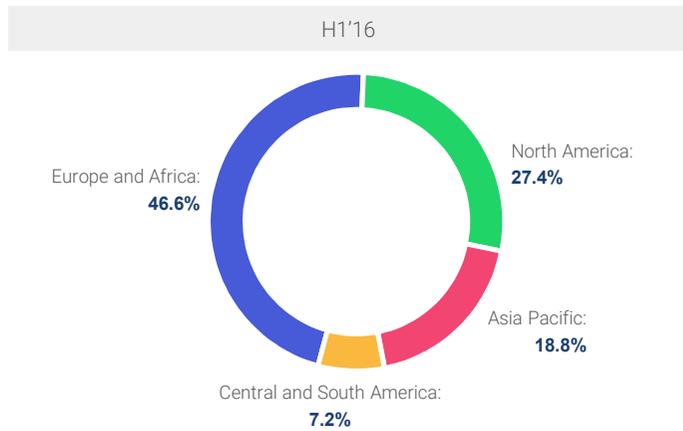
(\* Revenues includes the contribution of DiaSorin Molecular's business, consolidated as of May 2016)

Revenues (\*): breakdown by geography



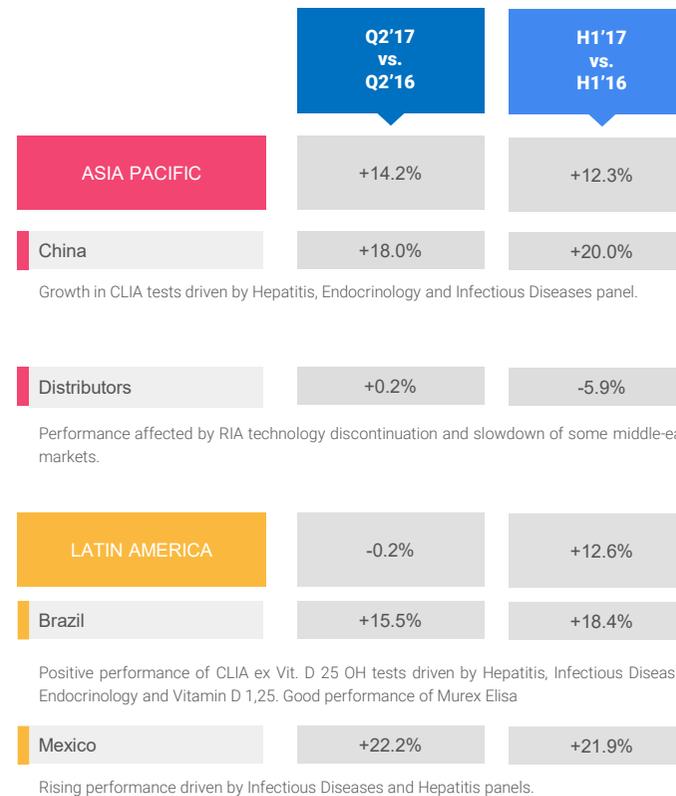
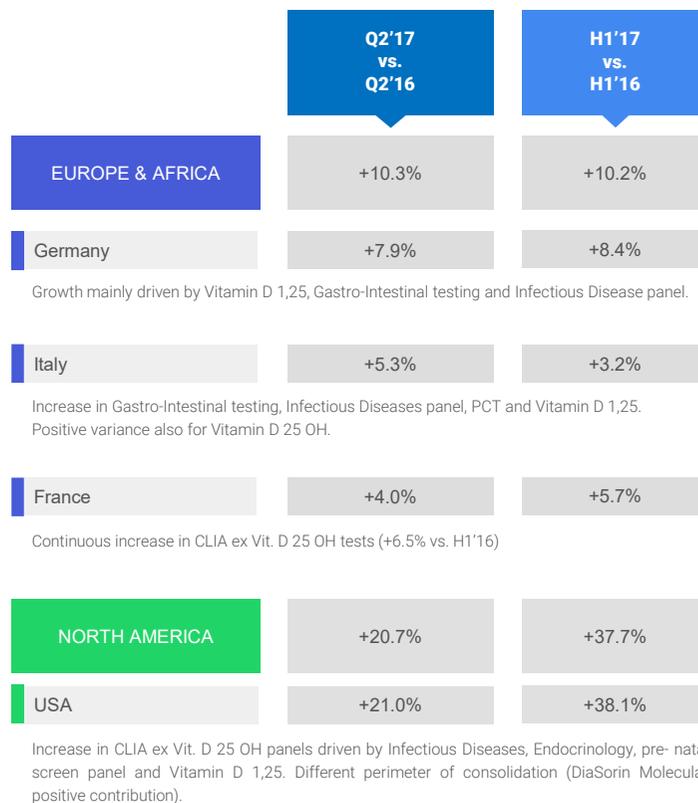
(\* Managerial outlook on data reported; Change H1'17 on H1'16 @ CER; Revenues includes the contribution of DiaSorin Molecular's business, consolidated as of May 2016

Revenues (\*): breakdown by geography



(\* Revenues includes the contribution of DiaSorin Molecular's business, consolidated as of May 2016

## Revenues (\*): breakdown by geography



(\* Managerial outlook on data reported; Change QoQ and HoH @ CER; Revenues includes the contribution of DiaSorin Molecular's business, consolidated as of May 2016

Installed base expansion

	Units at December 31, 2016	Net placements in H1 2017	Units at June 30, 2017
<b>LIAISON</b>	3,999	-35	3,964
<b>LIAISON<sup>®</sup>X</b>	2,863	+370	3,233
<b>TOTAL</b>	<b>6,862</b>	<b>+335</b>	<b>7,197</b>

	Q2'16	Q2'17		H1'16	H1'17	
EBITDA (€/mIn)	55.0	63.7	+15.6%	102.3	126.2	+23.4%
EBITDA margin	38.8%	39.4%	+50 bps	38.4%	39.5%	+110 bps

**Increase compared to H1'16**, mainly driven by:

- **Higher sales, due to**
  - change in scope of consolidation;
  - sound growth of immunodiagnostic products, mainly driven by CLIA ex Vitamin D.
  
- **Operational leverage** driven by a tight cost control, some positive phasing and lower Non recurring expenses

FY 2017 Company Guidance

**FY 2017 Company Guidance, not including ELISA business acquisition from Siemens<sup>(\*)</sup>**

<b>Revenues</b>	Growth equal to around +11% at CER compared with 2016 <sup>(**)</sup> <i>(No changes compared to Previous guidance)</i>
<b>EBITDA</b>	Growth equal to around +13% at CER compared with 2016 <sup>(**)</sup> <i>(Previous guidance: Growth equal to around +11% at CER compared with 2016 <sup>(**)</sup>)</i>

<sup>(\*)</sup> closing expected in H2 2017

<sup>(\*\*)</sup> 2016 EUR/US\$ exchange rate = 1.11

Annex

Q2'17 results: Income Statement

Data in € million	Q2		Change	
	2016	2017	amount	%
<b>Net revenues</b>	<b>141.7</b>	<b>161.8</b>	<b>+20.1</b>	<b>14.2%</b>
<b>Gross profit</b>	<b>97.6</b>	<b>111.3</b>	<b>+13.7</b>	<b>14.0%</b>
<i>Gross Margin</i>	68.8%	68.8%	-10bp	
S&M	(27.1)	(30.3)	-3.1	+11.6%
R&D	(9.5)	(11.4)	-1.9	+19.7%
G&A	(14.6)	(17.0)	-2.4	+16.3%
<b>Total operating expenses</b>	<b>(51.3)</b>	<b>(58.7)</b>	<b>-7.4</b>	<b>14.4%</b>
<i>% on sales</i>	(36.2)%	(36.3)%	-10 bps	
Other operating income (expense)	(2.3)	(1.4)	+0.8	-36.0%
<b>EBIT</b>	<b>44.0</b>	<b>51.2</b>	<b>+7.1</b>	<b>16.2%</b>
<i>EBIT margin</i>	31.1%	31.6%	+60 bps	
Net financial income (expense)	(0.4)	(1.3)	-0.9	n.m.
<b>Profit before taxes</b>	<b>43.6</b>	<b>49.8</b>	<b>+6.2</b>	<b>14.3%</b>
Income taxes	(14.2)	(16.3)	-2.0	+14.1%
<b>Net result</b>	<b>29.4</b>	<b>33.6</b>	<b>+4.2</b>	<b>14.4%</b>
<b>EBITDA</b>	<b>55.0</b>	<b>63.7</b>	<b>+8.6</b>	<b>15.6%</b>
<i>EBITDA margin</i>	38.8%	39.4%	+50 bps	

Data in € million	H1		Change	
	2016	2017	amount	%
<b>Net revenues</b>	<b>266.2</b>	<b>319.3</b>	<b>+53.0</b>	<b>19.9%</b>
<b>Gross profit</b>	<b>183.3</b>	<b>219.2</b>	<b>+35.9</b>	<b>19.6%</b>
<i>Gross Margin</i>	68.9%	68.7%	-20 bps	
S&M	(51.4)	(60.1)	-8.7	+16.9%
R&D	(16.7)	(21.6)	-4.9	+29.1%
G&A	(28.2)	(33.0)	-4.8	+16.9%
<b>Total operating expenses</b>	<b>(96.3)</b>	<b>(114.6)</b>	<b>-18.3</b>	<b>19.0%</b>
<i>% on sales</i>	(36.2)%	(35.9)%	+30 bps	
Other operating income (expense)	(4.8)	(3.4)	+1.4	-28.8%
<b>EBIT</b>	<b>82.2</b>	<b>101.2</b>	<b>+18.9</b>	<b>23.0%</b>
<i>EBIT margin</i>	30.9%	31.7%	+80 bps	
Net financial income (expense)	(1.6)	(3.0)	-1.4	+84.8%
<b>Profit before taxes</b>	<b>80.6</b>	<b>98.2</b>	<b>+17.6</b>	<b>21.8%</b>
Income taxes	(26.6)	(31.8)	-5.2	+19.5%
<b>Net result</b>	<b>54.0</b>	<b>66.4</b>	<b>+12.4</b>	<b>22.9%</b>
<b>EBITDA</b>	<b>102.3</b>	<b>126.2</b>	<b>+23.9</b>	<b>23.4%</b>
<i>EBITDA margin</i>	38.4%	39.5%	+110 bps	

<i>Data in € million</i>	<b>12/31/2016</b>	<b>6/30/2017</b>	<b>Change</b>
Goodwill and intangibles assets	357.1	331.5	-25.6
Property, plant and equipment	92.1	88.4	-3.7
Other non-current assets	24.0	24.7	+0.7
Net working capital	165.0	176.4	+11.4
Other non-current liabilities	-46.1	-47.8	-1.7
<b>Net Invested Capital</b>	<b>592.2</b>	<b>573.2</b>	<b>-19.0</b>
<b>Net Financial Position</b>	<b>71.2</b>	<b>89.2</b>	<b>+18.1</b>
<b>Total Shareholders' equity</b>	<b>663.4</b>	<b>662.4</b>	<b>-1.0</b>

Q2'17 results: Cash Flow Statement

<i>Data in € million</i>	Q2		Change
	2016	2017	
<b>Cash and cash equivalents at the beginning of the period</b>	<b>292.1</b>	172.8	<b>-119.4</b>
Cash provided by operating activities	34.3	25.8	-8.5
Cash used in investing activities	-8.7	-9.1	-0.4
Cash provided/(used) in financing activities	17.9	-59.4	-77.3
Acquisitions of companies and business operations	-262.4	-1.0	+261.5
<b>Net change in cash and cash equivalents before investments in financial assets</b>	<b>-218.9</b>	<b>-43.7</b>	<b>+175.2</b>
Divestment/(Investments) in financial assets	-	-21.1	-21.1
<b>Net change in cash and cash equivalents</b>	<b>-218.9</b>	<b>-64.8</b>	<b>+154.1</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>73.2</b>	<b>107.9</b>	<b>+34.7</b>

H1'17 results: Cash Flow Statement

<i>Data in € million</i>	<b>H1</b>		<b>Change</b>
	<b>2016</b>	<b>2017</b>	
<b>Cash and cash equivalents at the beginning of the period</b>	<b>212.2</b>	130.5	<b>-81.7</b>
Cash provided by operating activities	68.1	77.0	8.8
Cash used in investing activities	-14.5	-17.1	-2.6
Cash provided/(used) in financing activities	12.8	-60.2	-73.0
Acquisitions of companies and business operations	-262.4	-1.1	261.4
<b>Net change in cash and cash equivalents before investments in financial assets</b>	<b>-196.0</b>	-1.4	<b>194.6</b>
Divestment/(Investments) in financial assets	57.0	-21.1	-78.1
<b>Net change in cash and cash equivalents</b>	<b>-139.0</b>	<b>-22.5</b>	<b>116.4</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>73.2</b>	<b>107.9</b>	<b>34.7</b>



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