

# Q3'15 and 9M'15 Results

DiaSorin

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.

Luigi De Angelis, 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**

Q3'15 and 9M'15 Main Topics

Revenues

Revenues: breakdown by technology

Revenues: breakdown by geography

Installed base expansion

Profitability profile

Business and Products Development

Q3'15 and 9M'15 Financials

FY 2015 Company Guidance

# Q3'15 and 9M'15 highlights

## REVENUES:

- Acceleration of: **CLIA ex VIT D**

Positive performance of Vitamin D 1,25, increase in Infectious Diseases, Pre-natal screening and Hepatitis sales

- Positive impact of: **VITAMIN D**

Stabilization in the US of Vitamin D franchise with Quest

	Q3'15	9M'15
@ CUR	+13.0%	+13.1%
@ CER	+7.0%	+5.7%
@ CUR	+27.3%	+24.1%
@ CER	+22.5%	+18.5%
@ CUR	+14.2%	+10.6%
@ CER	+2.5%	-2.0%

## EBITDA

(in million EUR)  
*Ebitda margin:*

	Q3'15	QoQ growth	9M'15	9Mo9M growth
(in million EUR)	45.0	+12.5%	136.4	+15.5%
<i>Ebitda margin:</i>	36.5%		37.0%	
<b>Net profit growing</b> (in million EUR) <i>of sales:</i>	23.2	+9.0%	72.1	+17.6%
	18.9%		19.6%	

## POSITIVE NFP AND STRONG FREE CASH FLOW GENERATION

- **NFP: +€ 231.9 million** (+€ 65.5 million vs. Dec 31<sup>st</sup>, 2014)
- **FCF: +€ 74.8 million** in 9M'15 (+€ 3.6 million vs. 9M'14)

## LIAISON & LIAISON XL PLACEMENTS

Ongoing **worldwide success** of **LIAISON XL**

Placements	Q3'15	9M'15	@ Sept 30 <sup>th</sup> , 2015
● LIAISON XL	+125	+479	2,144
● LIAISON	-37	-119	4,088
<b>TOTAL</b>	<b>+88</b>	<b>+360</b>	<b>6,232</b>

## PRODUCT DEVELOPMENT



### IMMUNODIAGNOSTICS

Launch of:

- Calprotectin
- Bordetella pertussis IgA
- Bordetella pertussis IgG
- BRAHMS PCT II GEN
- Campylobacter



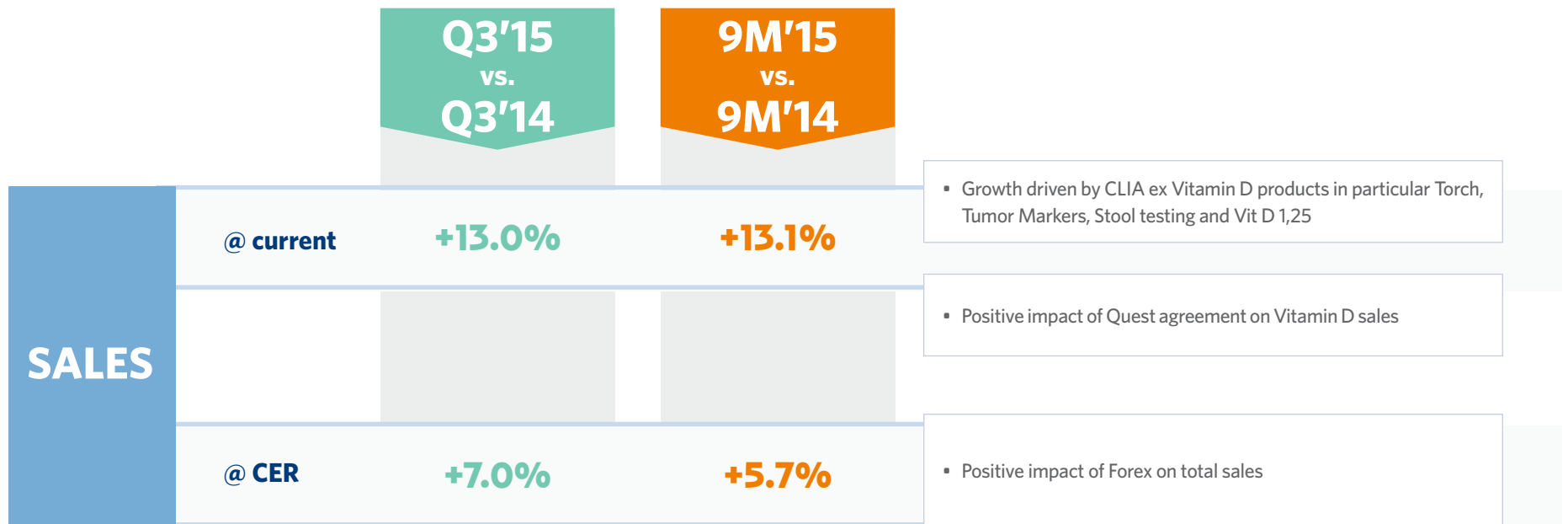
### MOLECULAR DIAGNOSTICS

- lam PML-RARA Detection bcr1,3
- lam PML-RARA Discrimination bcr2

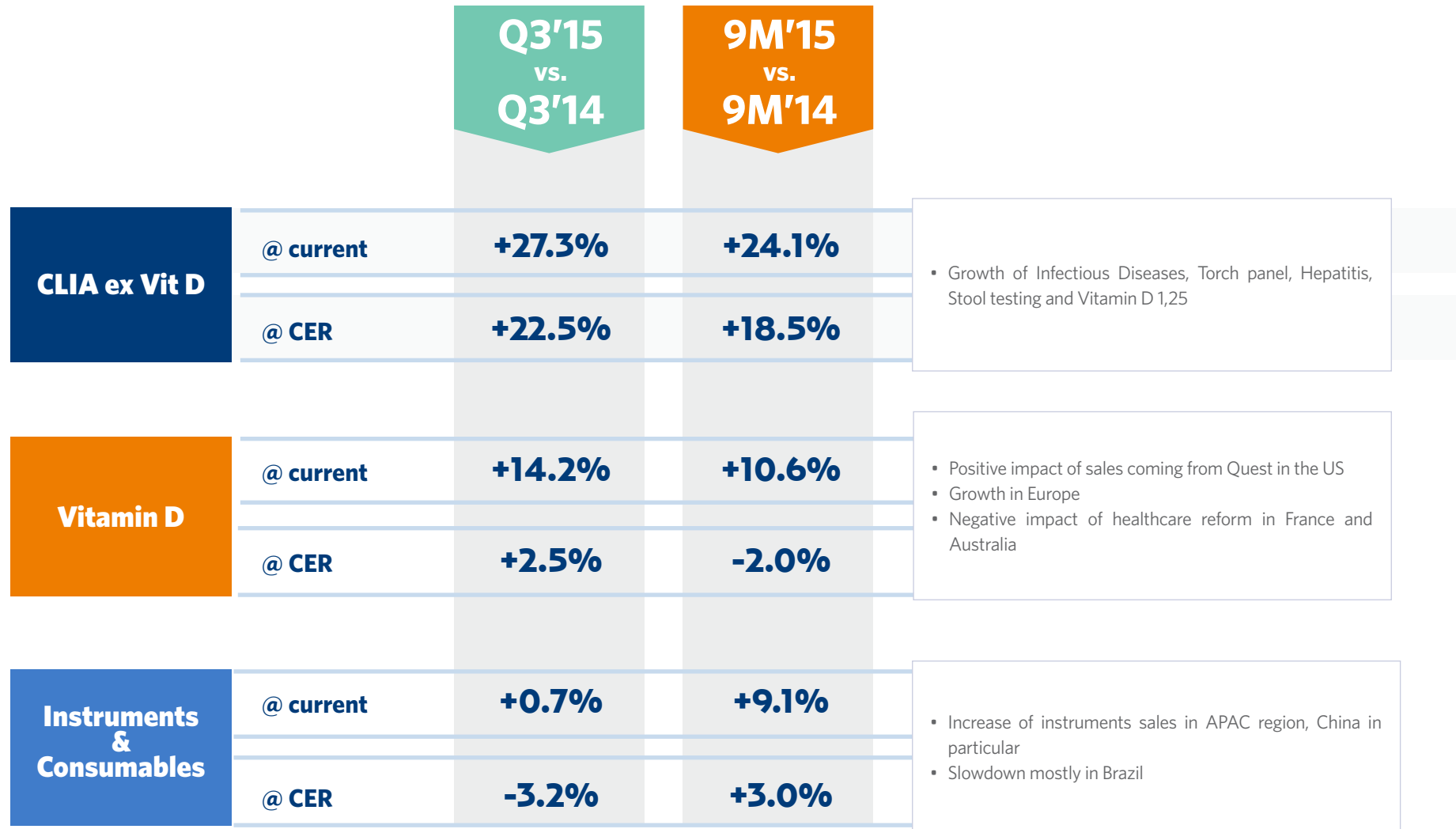
## BUSINESS DEVELOPMENT

- Agreement with **Quest Diagnostics** for Vitamin D
- Approval of **Vitamin D** in Japan
- Distribution agreement with **Beckman Coulter** for the commercialization of Hepatitis and HIV in China

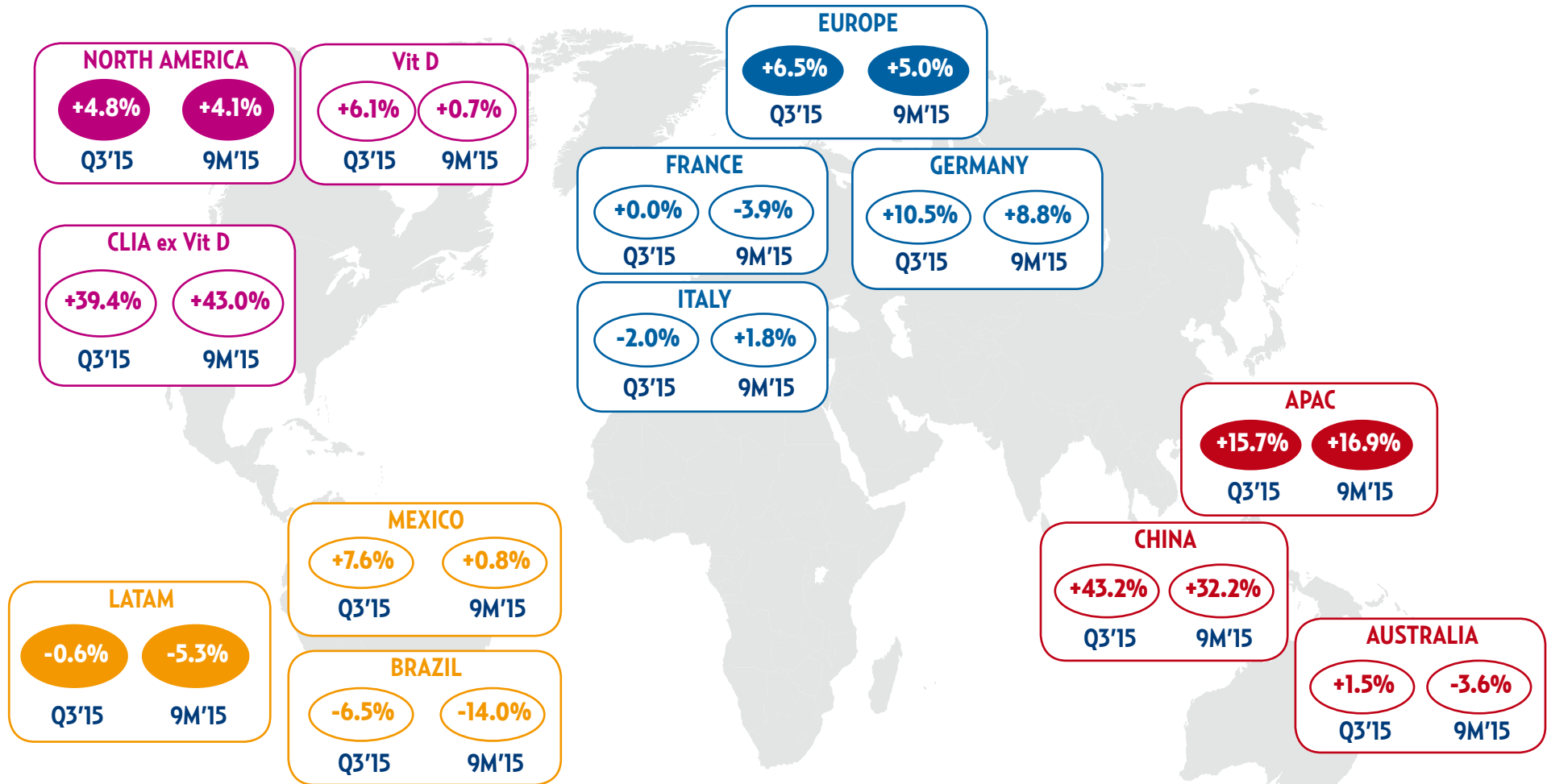
# Revenues



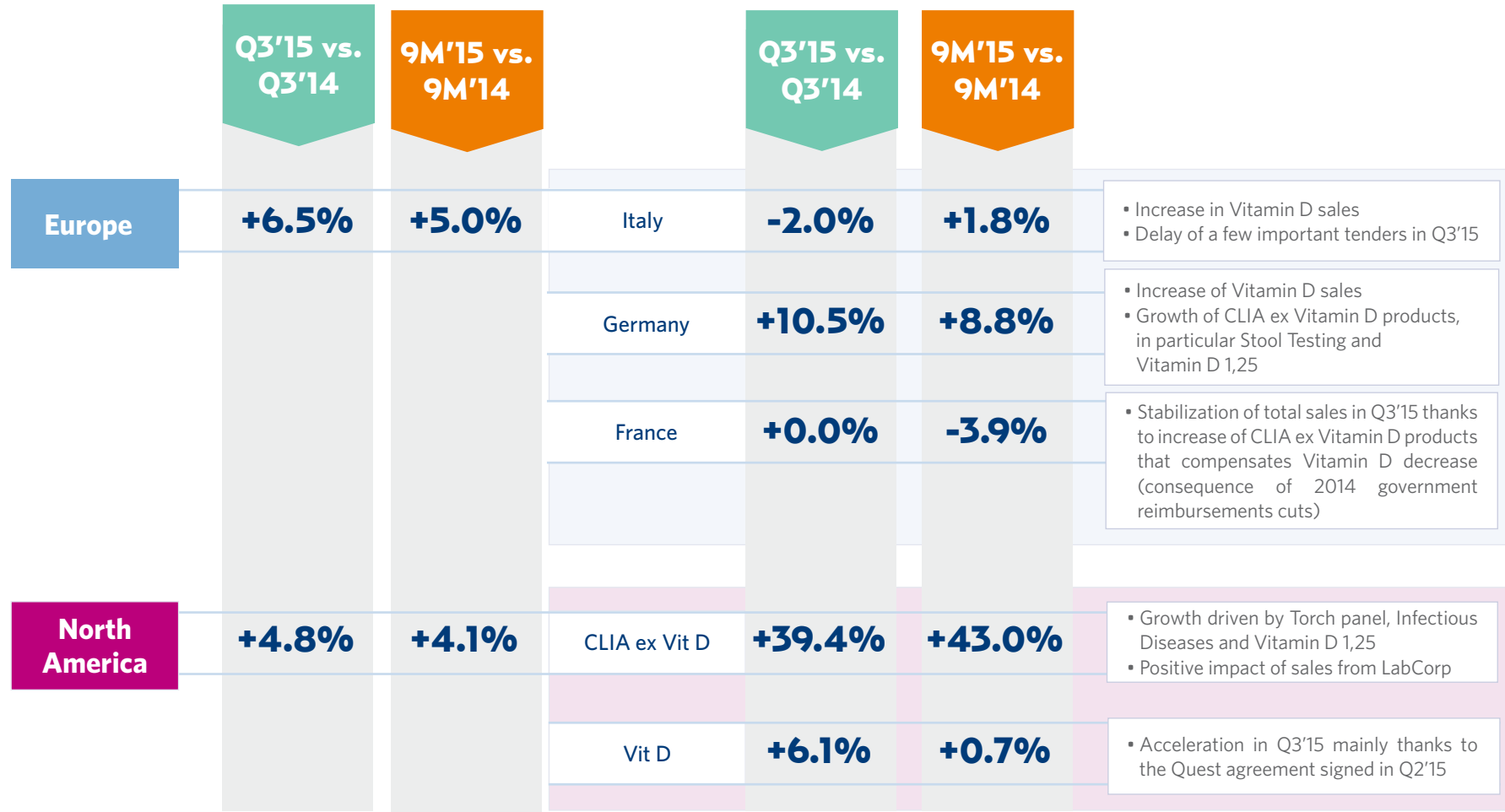
# Revenues: Breakdown by Technology



# Revenues by Geography

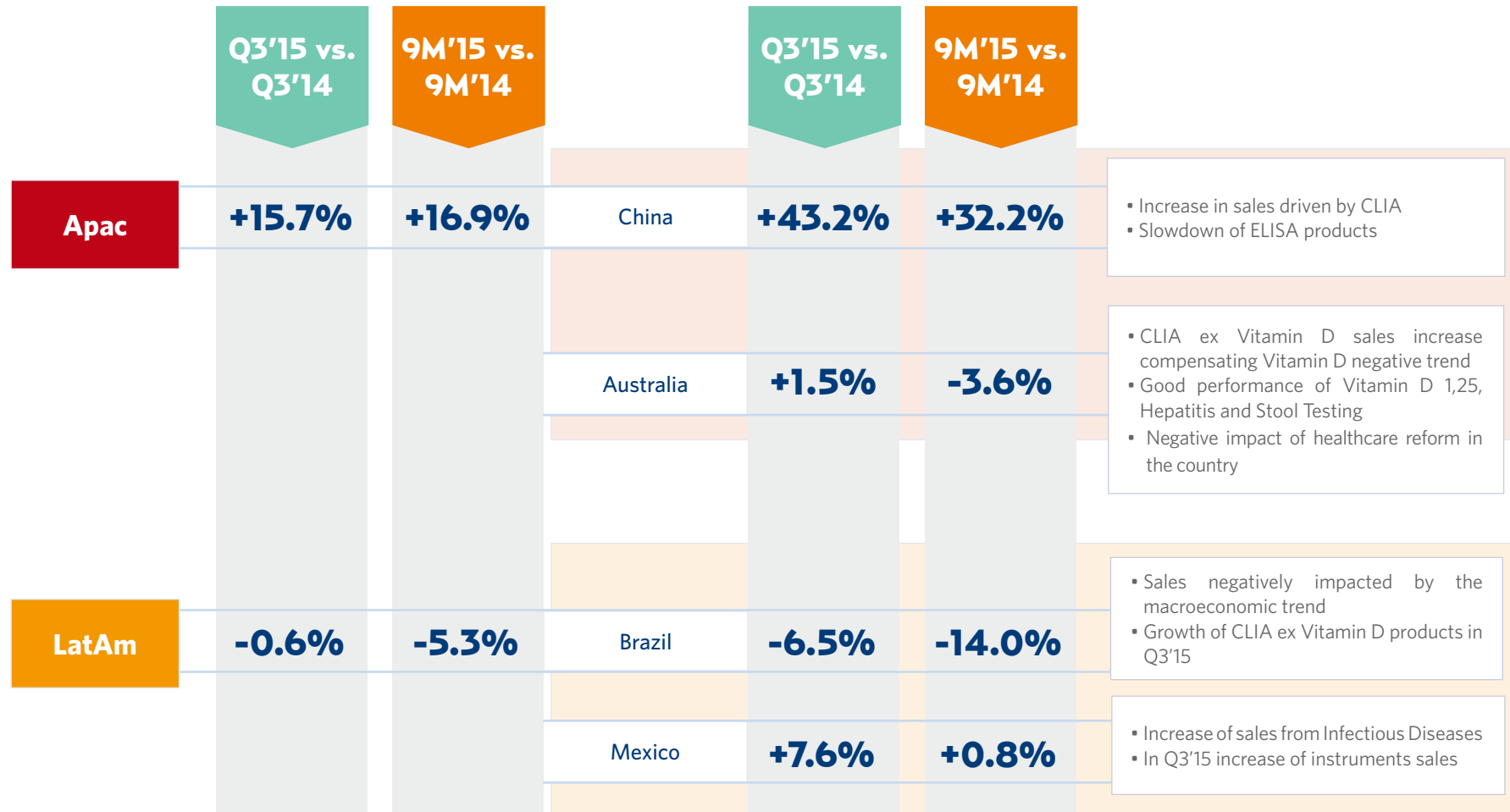


# Revenues: Breakdown by Geography (1 of 2)







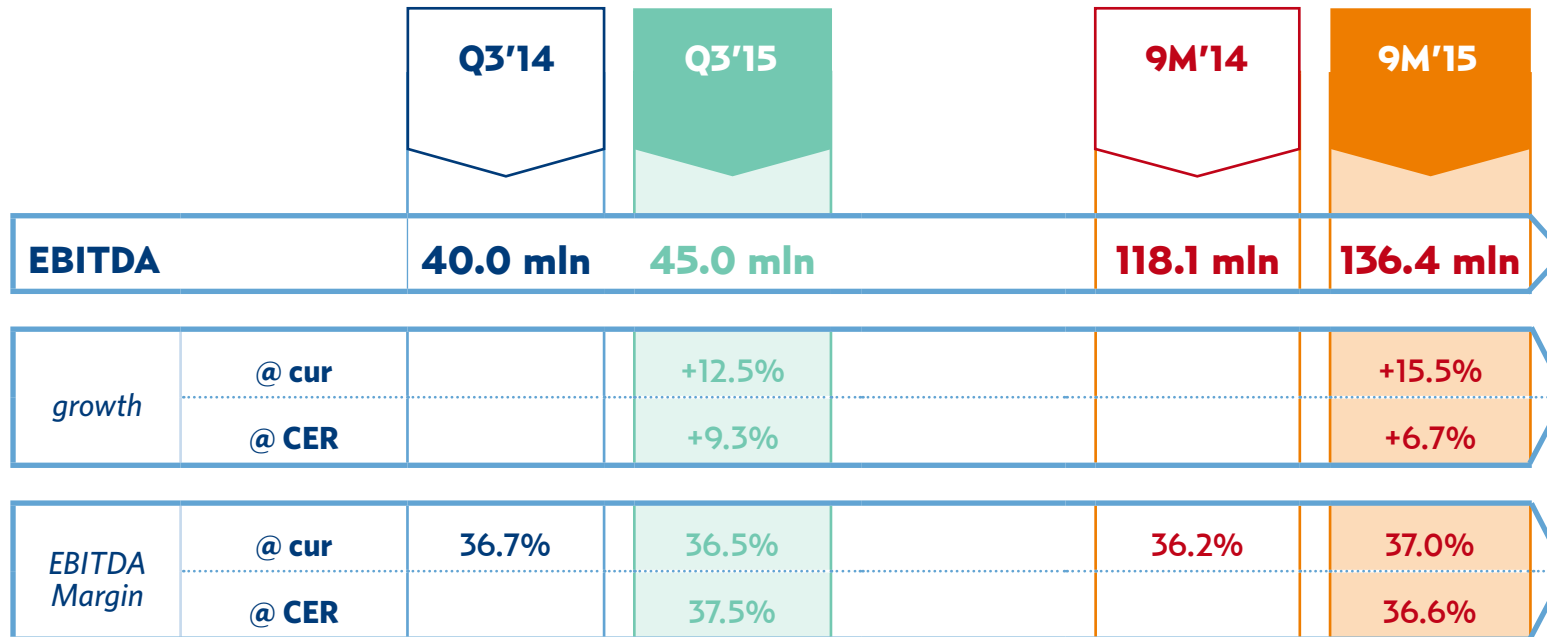
# Revenues: Breakdown by Geography (2 of 2)



# Installed Base Expansion

	Total units at December 31 <sup>st</sup> , 2014	Net placements in Q3'15	Net placements in 9M'15	Total units at September 30 <sup>th</sup> , 2015
 <b>LIAISON®</b>	4,207	-37	-119	4,088
 <b>LIAISON® X</b>	1,665	+125	+479	2,144
<b>TOTAL</b>	<b>5,872</b>	<b>+88</b>	<b>+360</b>	<b>6,232</b>

# Profitability profile



**EBITDA trend in Q3'15 and 9M'15 driven by:**

- ↑ Higher gross margin
- ↑ Lower incidence of operating costs on total revenues
- ↓ Negative FX effect on Q3'15

## Highlights

Q3'15 and 9M'15 main topics

Revenues

Revenues: breakdown by technology

Revenues: breakdown by geography

Installed base expansion

Profitability profile

## ▶ **Business and Products Development**

Q3'15 and 9M'15 Financials






FY 2015 Company Guidance

# 9M'15 Business and Products Development

## BUSINESS DEVELOPMENT

<b>Industrial Plan 2015-2017</b>	➔	Future growth: ca. +8% Revenues, ca. +9.5% EBITDA and ca. +10% Net results CAGR over the plan period
<b>Agreement with Quest Diagnostics</b>	➔	5 years agreement for the commercialization of Vitamin D, stabilizing DiaSorin franchise
<b>Vitamin D approval in Japan</b>	➔	Entrance in the Japanese market with Vitamin D; sales projected to start-by year-end
<b>Beckman Coulter agreement</b>	➔	Distribution partnership agreement for the commercialization in China of DiaSorin Hepatitis B, C and HIV tests on LIAISON XL LAS connected to Beckman Coulter's automation solutions

## PRODUCTS DEVELOPMENT

<b>Immunodiagnosics</b>		<b>Calprotectin</b>	➔	The first completely automated test for Gastro-Intestinal tract Calprotectin inflammatory diseases
		<b>Bordetella pertussis IgG</b> <b>Bordetella pertussis IgA</b>	➔	2 tests for the quantitative determination of IgG and IgA antibodies to Bordetella pertussis
		<b>BRAHMS PCT II GEN</b>	➔	Test for the diagnosis of severe bacterial infections (e.g. Sepsis) through the quantitative determination of PCT
		<b>Campylobacter</b>	➔	Test for one of the most frequent bacterial agents of gastroenteritis, enabling laboratories to reduce the time to result
<b>MDX</b>		<b>IAM PML-RARA Detection BCR1,3</b> <b>IAM PML-RARA Discrimination BCR2</b>	➔	Tests for the identification of the genetic cause of Acute Promyelocytic Leukemia

## Highlights

Q3'15 and 9M'15 Main Topics

Revenues

Revenues: breakdown by technology

Revenues: breakdown by geography

Installed base expansion

Profitability profile

## Business and Products Development

### ▶ **Q3'15 and 9M'15 Financials**

FY 2015 Company Guidance

# Q3'15 Results: Income Statement

€/mln	Q3		Change	
	2015	2014	amount	%
<b>Net revenues</b>	<b>123.2</b>	<b>109.0</b>	<b>+14.2</b>	<b>+13.0%</b>
<b>Gross profit</b>	<b>85.0</b>	<b>72.4</b>	<b>+12.6</b>	<b>+17.4%</b>
<i>Gross margin</i>	69.0%	66.4%	+2.6%	
S&M	(23.5)	(21.6)	-1.9	+8.8%
R&D	(6.3)	(6.2)	-0.1	+1.2%
G&A	(13.7)	(12.4)	-1.4	+10.9%
<b>Total operating expenses</b>	<b>(43.5)</b>	<b>(40.1)</b>	<b>-3.3</b>	<b>+8.3%</b>
<i>% on sales</i>	35.3%	36.8%	-1.5%	
Other operating income (expense)	(4.9)	(0.1)	-4.8	n.m.
<b>EBIT</b>	<b>36.6</b>	<b>32.2</b>	<b>+4.5</b>	<b>+13.9%</b>
<i>EBIT margin</i>	29.7%	29.5%	+0.2%	
Net financial income (expense)	(1.3)	0.1	-1.4	n.m.
<b>Profit before taxes</b>	<b>35.3</b>	<b>32.2</b>	<b>+3.1</b>	<b>+9.6%</b>
Income taxes	(12.1)	(10.9)	-1.2	+10.8%
<b>Net profit</b>	<b>23.2</b>	<b>21.3</b>	<b>+1.9</b>	<b>+9.0%</b>
<b>EBITDA</b>	<b>45.0</b>	<b>40.0</b>	<b>+5.0</b>	<b>+12.5%</b>
<i>EBITDA margin</i>	36.5%	36.7%	-0.2%	

# 9M'15 Results: Income Statement

€/mln	9M		Change	
	2015	2014	amount	%
<b>Net revenues</b>	<b>368.4</b>	<b>325.8</b>	<b>+42.6</b>	<b>+13.1%</b>
<b>Gross profit</b>	<b>251.4</b>	<b>218.3</b>	<b>+33.0</b>	<b>+15.1%</b>
Gross margin	68.2%	67.0%	+1.2%	
S&M	(72.2)	(65.6)	-6.6	+10.0%
R&D	(18.9)	(18.6)	-0.4	+2.0%
G&A	(40.7)	(36.7)	-4.1	+11.0%
<b>Total operating expenses</b>	<b>(131.9)</b>	<b>(120.9)</b>	<b>-11.0</b>	<b>+9.1%</b>
% on sales	35.8%	37.1%	-1.3%	
Other operating income (expense)	(7.8)	(1.9)	-5.9	n.m.
<b>EBIT</b>	<b>111.7</b>	<b>95.5</b>	<b>+16.2</b>	<b>+16.9%</b>
EBIT margin	30.3%	29.3%	1.0%	
Net financial income (expense)	(2.5)	(0.5)	-2.1	n.m.
<b>Profit before taxes</b>	<b>109.2</b>	<b>95.1</b>	<b>+14.1</b>	<b>+14.8%</b>
Income taxes	(37.1)	(33.8)	-3.3	-
<b>Net profit</b>	<b>72.1</b>	<b>61.3</b>	<b>+10.8</b>	<b>+17.6%</b>
<b>EBITDA</b>	<b>136.4</b>	<b>118.1</b>	<b>+18.3</b>	<b>+15.5%</b>
EBITDA margin	37.0%	36.2%	0.8%	



# 9M'15 Results: Balance Sheet

€/mln	9/30/2015	12/31/2014	Change
Total intangible assets	116.5	117.0	-0.4
Total tangible assets	73.8	72.2	+1.5
Other non-current assets	22.4	25.6	-3.2
Net Working Capital	145.9	142.3	+3.6
Other non-current liabilities	(38.2)	(39.8)	+1.6
<b>Net Capital Employed</b>	<b>320.3</b>	<b>317.2</b>	<b>+3.1</b>
<b>Net Financial Position</b>	<b>231.9</b>	<b>166.3</b>	<b>+65.5</b>
<b>Total Shareholders' equity</b>	<b>552.2</b>	<b>483.6</b>	<b>+68.6</b>

# Q3'15 Results: Cash Flow Statement

€/mln	Q3		Change
	2015	2014	
<b>Cash and cash equivalents at beginning of period</b>	<b>141.6</b>	<b>88.7</b>	<b>+52.9</b>
Operating activities	40.6	39.0	+1.6
Investing activities	(5.4)	(6.8)	+1.4
Financing activities	0.7	3.1	-2.4
Acquisitions of companies and business operations	(1.0)	-	-1.0
<b>Change in net cash and cash equivalents before investments in financial assets</b>	<b>34.9</b>	<b>35.3</b>	<b>-0.4</b>
Investments in financial assets	-	-	-
<b>Change in net cash and cash equivalents</b>	<b>34.9</b>	<b>35.3</b>	<b>-0.4</b>
<b>Cash and cash equivalents at end of period</b>	<b>176.5</b>	<b>124.0</b>	<b>+52.5</b>

## STRONG FREE CASH FLOW GENERATION

€ 35.5 million in Q3'15 (+ € 3.4 million vs. Q3'14)

# 9M'15 Results: Cash Flow Statement

€/mln	9M		Change in value
	2015	2014	
<b>Cash and cash equivalents at beginning of period</b>	<b>144.9</b>	<b>105.1</b>	<b>+39.7</b>
Operating activities	96.4	91.9	+4.5
Investing activities	(21.6)	(21.0)	-0.6
Financing activities	(12.1)	(30.2)	+18.1
Acquisitions of companies and business operations	(1.0)	-	-1.0
<b>Change in net cash and cash equivalents before investments in financial assets</b>	<b>61.7</b>	<b>40.6</b>	<b>+21.0</b>
Investments in financial assets	(30.0)	(21.8)	+8.2
<b>Change in net cash and cash equivalents</b>	<b>31.7</b>	<b>18.9</b>	<b>+12.8</b>
<b>Cash and cash equivalents at end of period</b>	<b>176.5</b>	<b>124.0</b>	<b>+52.5</b>

## SOLID FINANCIAL STRUCTURE

### Net Financial Position

◆ **€ 231.9 million** (+ € 65.5 million vs. Dec 31<sup>st</sup>, 2014)

### Strong Free Cash Flow generation

◆ **€ 74.8 million** in 9M'15 (+ € 3.6 million vs. 9M'14)

## Highlights

Q3'15 and 9M'15 Main Topics

Revenues

Revenues: breakdown by technology

Revenues: breakdown by geography

Installed base expansion

Profitability profile

Business and Products Development

Q3'15 and 9M'15 Financials

▶ **FY 2015 Company Guidance**

# FY 2015 Company Guidance

Consistent with the positive sales trend, the improvement in Gross Profit and the lower incidence of operating expenses on revenues, management believes that it should revise upward its earlier expectations for the current year and project:

- ▶ **Revenues:** growth above 5% at CER compared with 2014 (previous growth range estimated between +4% and +5% at CER)
- ▶ **EBITDA:** increase of the growth range between +6% and +7% at CER vs. FY'14 EBITDA (previous growth range between +4% and +5% at CER)
- ▶ **NEW SYSTEMS INSTALLED (LIAISON + LIAISON XL):** ~ 550



The Diagnostic Specialist