

DiaSorin

Q2 and H1 2019 Results

DIASORIN SPA
July 31, 2019



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

	Q2'19		H1'19			
	@ curr	@ CER	@ curr	@ CER		
REVENUES	€/mln 179.5	+7.7%	+6.0%	€/mln 350.3	+5.8%	+3.7%
CLIA EX VIT D		+14.2%	+13.2%		+11.7%	+10.5%
VIT D		+0.0%	-3.1%		+1.0%	-2.6%
ELISA TESTS		+4.3%	+2.6%		+4.6%	+2.7%
MOLECULAR TESTS		+32.8%	+26.1%		+5.1%	-0.9%
INSTRUMENTS & OTHER REV.		-17.4%	-17.2%		-10.4%	-11.0%
EBITDA	€/mln 71.7	+10.6%	+8.6%	€/mln 139.3	+8.6%	+6.0%
EBITDA MARGIN		40.0%	39.9%		39.8%	39.6%
		+105 bps	+100 bps		+105 bps	+89 bps
NET RESULT	€/mln 43.6	+2.5%		€/mln 84.0	+3.9%	
% ON REVENUES		24.3%			24.0%	
FCF				€/mln 69.5		
<i>Q2 affected by one off exit tax related to the shut down of operations in Ireland</i>						
NFP				+€/mln 62.0		
<i>Negative impact from IFRS 16 first adoption (€/mln 29.8)</i>						

COMPANY GUIDANCE CONFIRMED

FY 2019 at CER^(*) compared to 2018

REVENUES Growth between +5.0% and + 8.0%

EBITDA Comparable to 2018 EBITDA margin result

(*) 2018 €/US\$ avg. exchange rate = 1.18

IMMUNO

LIAISON XS commercial presentation

Commercial presentation of the new CLIA immunodiagnostic analyzer, available in the European market starting from H2 2019 and planned in the US in 2020 and in China in 2021. LIAISON XS will drive the commercial expansion of the Group in small-medium sized laboratories

Collaboration extension with QIAGEN on Lyme disease test

Extension of QuantiFERON collaboration to develop an ultra-sensitive diagnostic test aimed at identifying Lyme disease through the combined use of the test under development with those already existing in the DiaSorin CLIA catalog

PRODUCT DEVELOPMENT

New panel launch: Anemia

Launch of Vitamin B12 and Folate tests expanding DiaSorin's offer and contributing to the creation of a new panel for anemia diagnosis.

Gastro-intestinal Infectious Diseases panel expansion

Launch of Elastase-1 test on LIAISON XL in Europe and in the US

MOLECULAR

KIT Infectious diseases

Launch of VZV test in the US market for the detection of varicella-zoster virus from cerebrospinal fluid

Q2 and H1 2019 revenues growth

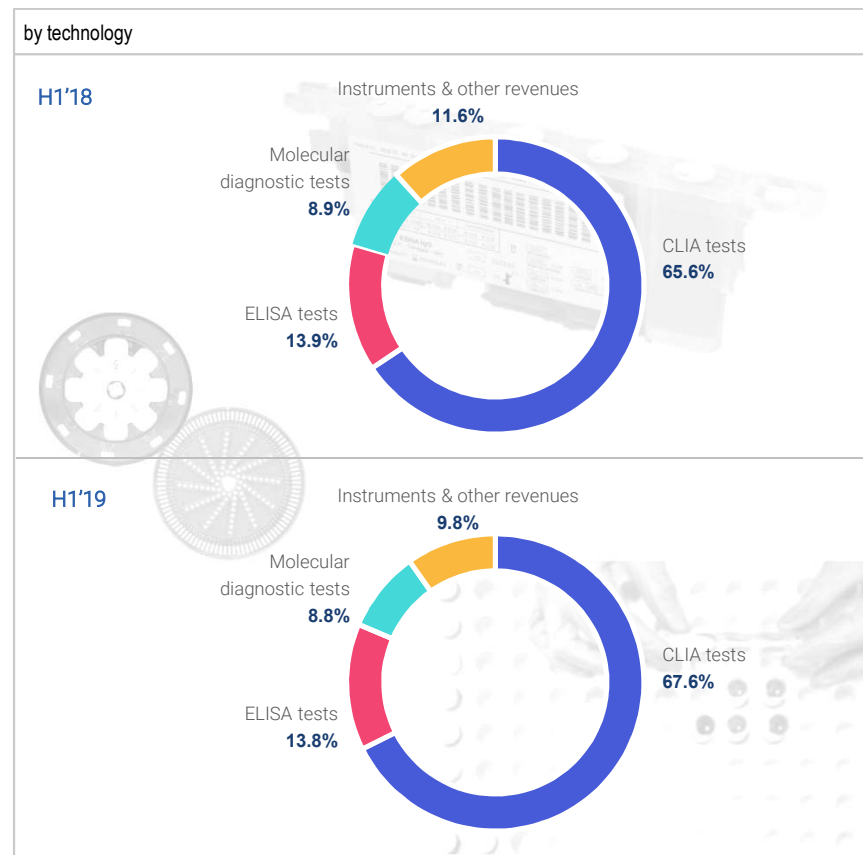
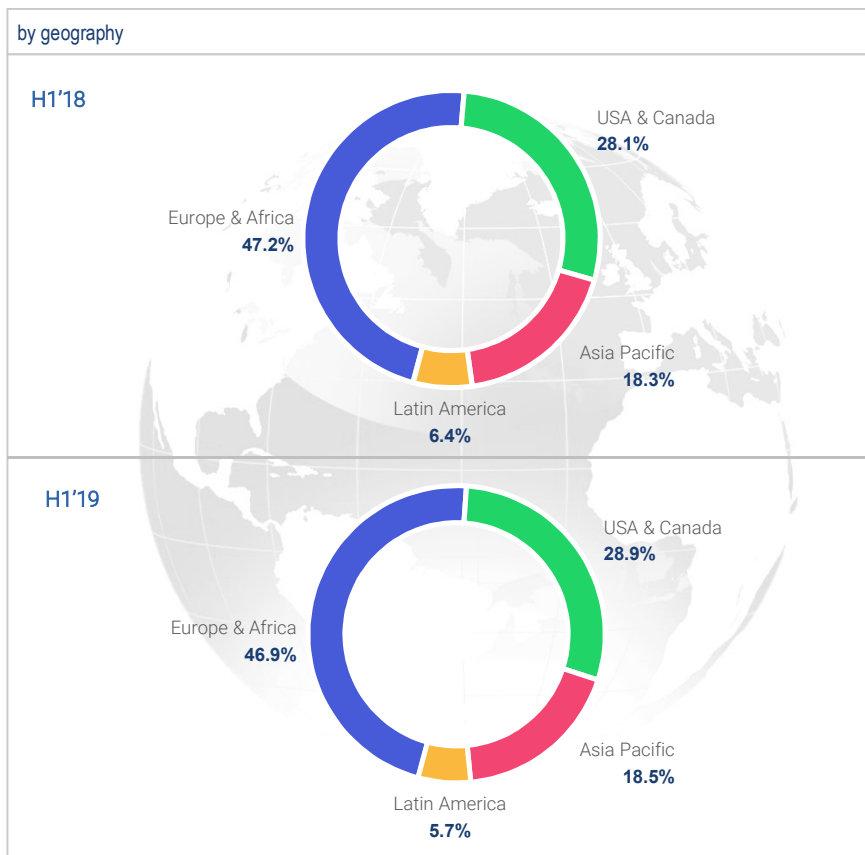
		Q2'19 vs. Q2'18	H1'19 vs. H1'18
Total Group revenues	@ curr	+7.7%	+5.8%
	@ CER	+6.0%	+3.7%
↑	<ul style="list-style-type: none"> All CLIA tests, (net of Vitamin D) Forex in H1'19: +€/min 6.9 MDx tests, ex Influenza 	↓	<ul style="list-style-type: none"> Vitamin D price pressure (mainly in the US) MDx Influenza tests: weaker flu season in Q1'19 compared to previous year

		Q2'19 vs. Q2'18	H1'19 vs. H1'18
CLIA	CLIA ex Vitamin D tests	@ curr +14.2%	+11.7%
		@ CER +13.2%	+10.5%
	Vitamin D test (CLIA)	@ curr +0.0%	+1.0%
		@ CER -3.1%	-2.6%
	ELISA tests	@ curr +4.3%	+4.6%
		@ CER +2.6%	+2.7%
	Molecular Diagnostic tests	@ curr +32.8%	+5.1%
		@ CER +26.1%	-0.9%
	Instruments & Other Revenues	@ curr -17.4%	-10.4%
		@ CER -17.2%	-11.0%

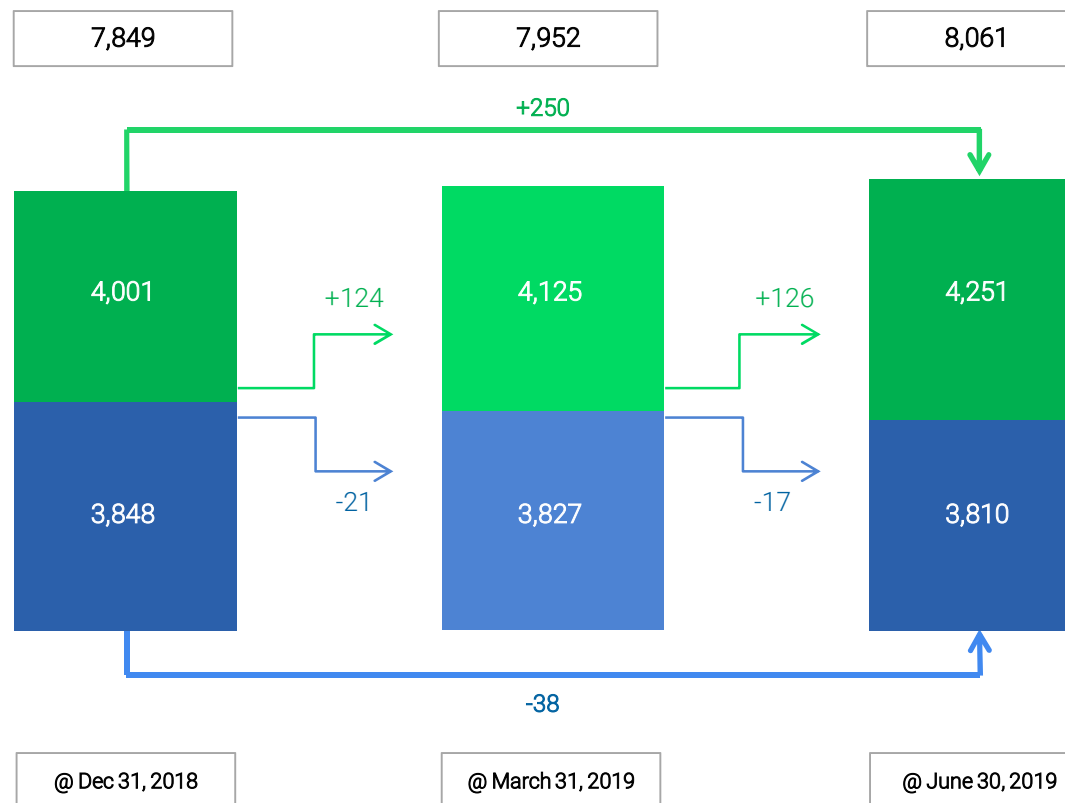
		Q2'19 vs. Q2'18	H1'19 vs. H1'18	
EUROPE & AFRICA		+4.1%	+5.1%	
	Italy	+20.4%	+21.6%	Growth boosted by CLIA tests (Latent Tuberculosis, PCT and GI stool panel)
	Germany	+1.3%	+0.7%	Growth in CLIA sales (Infectious diseases, Hepatitis and GI stool panel) partially offset by decrease in ELISA sales
	France	-6.3%	-3.3%	Result affected by new rules limiting public reimbursement for some specialty tests and by decrease in ELISA sales
	Export	-19.3%	-21.8%	Downward trend mainly due to seasonality of some big orders and decrease in Instruments' sales
USA & CANADA		+10.1%	+1.6%	
	USA	+11.7%	+3.3%	Q2 results boosted by double digit growth in CLIA ex Vit. D tests and positive contribution from MDx sales not affected in the quarter by influenza tests' seasonality
ASIA PACIFIC		+7.4%	+6.3%	
	China	+7.1%	+10.7%	Growth in CLIA tests (Hepatitis, Pre-natal screening, Infectious diseases and Thyroid)
	Australia	+10.6%	+10.7%	Upward trend in CLIA tests (GI stool panel, Infectious diseases and Pre-natal screening), molecular kits and Instruments' sales.
LATIN AMERICA		-2.0%	-5.2%	
	Brazil	-2.5%	-8.2%	Result affected by a negative trend in Murex sales and Vit. D
	Mexico	+6.9%	+11.0%	Positive performance driven by CLIA (Hepatitis, Autoimmunity and Infectious diseases)
	Export	-5.8%	-9.0%	Mainly due to downward trend in instruments sales

Managerial outlook on reported data; Change QoQ and HoH @ CER

H1 2019 revenues breakdown



Installed base expansion



Q2 and H1 2019 profitability profile

	Q2'18	Q2'19	Change %	H1'18	H1'19	Change %
EBITDA (€/MLN)	64.9	71.7	+10.6%	128.2	139.3	+8.6%
@ CER			+8.6%			+6.0%
EBITDA MARGIN	38.9%	40.0%	+105 bps	38.7%	39.8%	+105 bps
@ CER		39.9%	+100 bps		39.6%	+89 bps

H1'19 EBITDA upward as a result of:

- Increase in Gross Profit due to a favorable product and geographic sales' mix and supply chain efficiencies
- Positive contribution from IFRS 16 accounting principle adoption

Increase in Q2'19 EBITDA margin



Financial schemes

Income Statement

<i>Data in € million</i>	Q2		Change		H1		Change	
	2018	2019	amount	%	2018	2019	amount	%
Net revenues	166.7	179.5	+12.8	+7.7%	331.2	350.3	+19.1	+5.8%
Gross profit	115.6	124.7	+9.0	+7.8%	226.8	243.3	+16.4	+7.2%
<i>Gross Margin</i>	69.4%	69.4%	+8 bps		68.5%	69.5%	+96 bps	
S&M	(33.3)	(35.9)	-2.6	+7.7%	(65.0)	(70.4)	-5.4	+8.3%
R&D	(10.6)	(11.6)	-1.1	+10.2%	(22.2)	(23.3)	-1.1	+4.8%
G&A	(16.8)	(17.2)	-0.3	+2.0%	(31.9)	(34.3)	-2.4	+7.6%
Total operating expenses	(60.7)	(64.7)	-4.0	+6.6%	(119.2)	(128.1)	-8.9	+7.5%
<i>% on sales</i>	36.4%	36.0%	-37 bps		36.0%	36.6%	+58 bps	
Other operating income (expense)	(2.7)	(2.7)	-0.1	+2.6%	(4.7)	(5.0)	-0.4	+7.9%
EBIT	52.3	57.2	+5.0	+9.5%	103.0	110.2	+7.2	+7.0%
<i>EBIT margin</i>	31.4%	31.9%	+52 bps		31.1%	31.5%	+35 bps	
Net financial income (expense)	2.2	(0.8)	-3.0	<i>n.m.</i>	1.3	(1.1)	-2.4	<i>n.m.</i>
Profit before taxes	54.5	56.5	+2.0	+3.6%	104.3	109.1	+4.7	+4.5%
Income taxes	(12.0)	(12.9)	-0.9	+7.6%	(23.5)	(25.1)	-1.6	+6.9%
Net result	42.5	43.6	+1.1	+2.5%	80.9	84.0	+3.1	+3.9%
EBITDA	64.9	71.7	+6.9	+10.6%	128.2	139.3	+11.1	+8.6%
<i>EBITDA margin</i>	38.9%	40.0%	+105 bps		38.7%	39.8%	+105 bps	

Balance Sheet

<i>Data in € million</i>	12/31/18	06/30/19	<i>Change</i>
Goodwill and intangibles assets	373.1	372.0	-1.1
Property, plant and equipment	95.0	125.3	+30.3
Other non-current assets	23.0	29.0	+6.0
Net working capital	201.0	219.6	+18.6
Other non-current liabilities	(62.7)	(60.7)	+2.0
Net Invested Capital	629.4	685.2	+55.8
Net Financial Position	75.3	62.0	-13.3
Total Shareholders' equity	704.7	747.2	+42.5

Cash Flow Statement

<i>Data in € million</i>	Q2			H1		
	2018	2019	Change	2018	2019	Change
Cash and cash equivalents at the beginning of the period	172,3	70,1	-102,2	159,3	73,1	-86,2
Operating activities	50,8	44,7	-6,1	88,4	92,7	+4,3
Investing activities	(10,9)	(11,5)	-0,5	(21,0)	(24,3)	-3,4
Financing activities	(115,1)	(16,6)	+98,5	(118,6)	(26,6)	+92,0
Acquisitions of companies and business operations	(0,7)	(3,4)	-2,7	(4,5)	(4,4)	+0,0
Net change in cash and cash equivalents before investments in financial assets	(75,9)	13,3	+89,2	(55,6)	37,4	+93,0
Divestment/(Investment) in financial assets	8,2	6,7	-1,5	0,9	(20,4)	-21,3
Net change in cash and cash equivalents	(67,7)	19,9	+87,6	(54,8)	17,0	+71,8
Cash and cash equivalents at the end of the period	104,6	90,1	-14,5	104,6	90,1	-14,5



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