Diasorin S.p.A.

"Full Year 2025 Results Conference Call"

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OPERATOR: Good afternoon. This is the Chorus Call conference operator. Welcome, and thank you for joining the Diasorin Full Year 2025 Results Conference Call. As a reminder, all participants are in listen-only mode. After the presentation, there will be an opportunity to ask questions. Should anyone need assistance during the conference call, they may signal an operator by pressing "*" and "0" on their telephone.

At this time, I would like to turn the conference over to Mr. Carlo Rosa, CEO of Diasorin. Please go ahead, sir.

CARLO ROSA: Thank you, operator. Ladies and gentlemen, good afternoon, and welcome to the Diasorin full year results. Today, we have a busy agenda. I'm going to make some business remarks. Then our current CFO, Mr. Pedron is going to take us through the 2025 financials, our future CFO, Mr. Alberto is going to discuss about guidance 2026, and then collectively, we're going to take questions. So let me start from 2025 business comments.

2025, I think, marked a year of good achievement for our company with success for our strategy in the different technologies with Immuno delivering 7% growth, Molecular Diagnostics year-on-year flat and we'll see later primarily related to the fact that the flu season this year has been very weak. And then LTG delivering to expectation flattish compared to previous year. And again, we will discuss later, primarily due to the fact that on the life science segment, as I think is very well known by everybody, 2025 has not been an exciting year.

Let me now turn to the specific technologies. Let's start from Immuno. It's very clear that Immuno, we always talk about the success of our hospital strategy. In the US, we have delivered the number of hospitals that was targeted. And actually, if I go back and think about the 2023 plan, LTP, what was when we deliver our targets for the hospital strategy, our…what

the company was looking for is to get to 600 hospitals by 2027. And actually, I believe we're going to get to 600 hospitals by the end of 2026. So this strategy has been extremely successful.

By the same token, we continue to launch specialty assays, hepatitis delta together with Gilead, we are the first and only company to have an FDA-approved hepatitis delta assay, which is a great opportunity in light of the expected approval of the new hepatitis delta drug. And the TRAP, which is an autoimmune assay, very specialistic. So we continue to fuel our…globally our Immuno franchise with specialty products.

When it comes to Molecular Diagnostics, I will be more specific later, but we continue with the increasing and launch of the different panels in…on the PLEX platform. Today, we have 4 approved and GI is submitted and expected to be approved in the next 60 to 90 days. We are…as you know, I remind everybody, as far as of today, we are focusing our effort just in the US market. So when I will talk about PLEX, just remember, it's only the US and we continue to deliver the customizable mini-panel strategy.

When it comes to NES, which is the small platform. As discussed already, we have the…we got approval of our respiratory panel. We have submitted our GAS panel on NES, and we expect approval within H1 of 2026.

We built a dedicated sales force in the US of around 30 people with an investment with annualized is estimated to be around $10 million, that will allow us to launch efficiently and effectively NES in the non-acute and acute space in the US. In parallel, we have signed up 2 major distributors, Fisher Scientific that will work with our direct sales force in the acute hospital segment, and McKesson, I think the press release went out yesterday that is taking the exclusive distribution of our LIAISON NES in the non-acute in the US together with, again, the dedicated 30 people that

we have hired to support the business. Commercial launch is expected to be April 01.

Moving forward with the business from a footprint organization, we have pretty much completed the phase out of our industrial plant in Germany. Again, to streamline our manufacturing footprint, all product manufacturing has been moved to Italy. And we are practically at the end of the process, and I would like to thank all our German employees that have been extremely collaborative and professionals in allowing the company to close the plant in good order and not to provide any disruption of supply to the customers.

When it comes to Chicago and Cypress, which are the 2 sites where we manufacture PLEX and NES, we have completed all the investments, which have been in the order of $30 million. And now, we have the capacity in place to sustain the launch of the 2 platforms.

When it comes to China, we believe that we continue to see that the macro environment in China is actually not improving, to say the least. VBP policy now is adopted in all the provinces, but what we are seeing is that even in Shanghai and Beijing that supposedly were not touched by VBP, now clearly, VBP is also the factor applied into these very large markets. And so, the effect of VBP will hit China in its entirety. Because of that, and because of the fact that we honestly don't see for Diasorin a space as a supplier of commodity non-specialty assays.

In China, we decided to close our manufacturing site in Shanghai and discontinue the local manufacturing project. Unfortunately, we funny enough, Murphy's Law, we are making the decision when we just got approval of all the products. But I think that, again, our view on the Chinese

market continues to be very negative and the ability to compete in that market with the 2 products, I don't think is there.

And although as I think we have discussed, we are now resorting to a different strategy, which is the specialty strategy in 2 areas. One is TB, where we are successful globally together with QIAGEN and the other one is on the GI immune strategy. We expect the TB product to be approved by the summer. So we will start our TB campaign in the summer and the Calprotectin assay to be approved within 2026, beginning of 2027.

So again, China, we are redirecting the effort. We are taking away all costs associated with being a nonspecialist player and investing to become a specialty player in that market, which we honestly believe is the only way for a company like Diasorin to continue to survive and make good business in the Chinese market.

When it comes to 2025, again, we have been experiencing, I think, overall headwinds and tailwinds. Let me remind everybody what happened last year. Tariffs clearly have been impacting the P&L last year, although we believe that those tariffs, which is in the range of $9 million, again, I'm talking about the cash component, will…we will be able to get them back sometime in 2026. But last year, they did impact our P&L.

The NIH funding cuts did impact the business of our partners in life science. And in fact, and this is the reason why we have a flat overall LTG business, which, as we have discussed few times, is a combination of high-single-digit growth of the diagnostic component, but high-single-digit decline of the life science. We have been experiencing volume normalization in Europe, testing volume.

And I'm using Germany as an example. Germany used to grow on an annualized rate around 6%, 7% from volume testing perspective at the end of 2024, beginning of 2025. And we actually saw that by the end of 2025, that is more around 1%. And I'm using Germany because it's a very large market, but I believe that this problem is actually replicating around Europe. And again, it's normalization clearly after the COVID effect, in my opinion.

And then last but not least, the flu season, no need to comment, but the flu season has been very poor in 2025 and also Q1 of '26, we continue to see the same effect. And because of the fact that a good chunk of our business for molecular is flu, clearly, we are tactically suffering from lack of revenues in this segment.

From a tailwind perspective, clearly, PAMA implementation has been delayed post-2026, and this has lowered the level of pressure on our customers. And so, I believe that from a pricing perspective, we do not foresee an impact coming from PAMA.

Now, let's dip a little bit more into the numbers and let's look into Immuno. Our Immuno franchise, you know, we like to look at total and then take out what we believe are the one-off effect. But if you look at the Immuno franchise, full year growth 7%. If we take away 2 effects, which are China, the China decline, which was almost 18% and the outbreak effect that we commented a few times, then the growth of the franchise would have been 9%, which…so it means that solid, healthy growth of our Immuno business.

North America continues to be one of the leading markets for Diasorin. We had full year growth of 15%. But if you look at quarter-to-quarter, Quarter 3, 14%, Quarter 4, 14%. So the performance of North America is clearly extremely solid there.

Europe, we saw that by year-end, it's mid-single-digits, which I think is okay when it comes to the European market, which does have dynamics, as we know, of growth expectations, which are very different from the rest of the world.

China has been very negative. And overall, during the year, we lost €8 million in China in revenues, which is minus 19% versus prior year. Clearly, we saw these effects softening in Q4, but what we are seeing moving forward, though, is that this VBP effect, I think, will continue now into provinces that so far were not really touched by this. And so, my view when it comes to 2026, certainly is not positive about this.

If we look at Molecular, as you know, our Molecular business is fundamentally flat but year-on-year, but with different components. Looking at the 3 different legs of the business, as you know, let me remind you, we look at the business as the…what we call targeted, which is our Molecular franchise that came in original from the Diasorin and Focus, we have the franchise, which is the multiplexing franchise, and then we will have the NES.

If we now talk about the targeted franchise, we see that, which, I mean, overall is close to $100 million. There are 3 different segments into this. We have what we call specialty. The specialty targeted, which closed at around €40 million annualized with growth rate full year '25 of over 35%. And by the way, fairly constant quarter-to-quarter. So this continued to drive the growth of this franchise. But by the same token, we have a respiratory component, which is 40% down compared to last year. The good news is that now it's becoming very small, is between €10 million to €15 million. But the seasonal effect was…has been so far very heavy because of the respiratory season.

And finally, we have what we call ASR, which is again roughly €40 million, very profitable business, which are reagents that we sell to laboratory in the US, roughly 200 customers to do LDT assays in the US, which is flat and not expected clearly to be a significant growth driver, but it's a very significant profit and very profitable business for the Diasorin, and on top of that, it's allowing us typically to launch as LDTs, some of the specialty assays and then meanwhile, file with run clinicals and get the FDA approval that then will allow us to move to the full kit. So this franchise, I believe, is solid, and will continue to deliver the growth, transforming the business from very dependent on respiratory to fundamentally to be very dependent from the growth of specialties.

The first…the second segment is the multiplexing. The multiplexing for us is the combination of VERIGENE I plus the LIAISON PLEX. Full year growth of this business, all-in, has been around 9%. Clearly, there has been an effect here, which has to do a lot again with flu and flu season in 2 ways. The business that we had with VERIGENE I had a flu component. But more than anything else, all the LIAISON PLEX business that we actually are building, it's all respiratory for a very simple reason that we just got blood in mid of 2025. So it's very clear that we have a double whammy situation in this case.

So if we look at LIAISON PLEX per se, we had an objective to close 150 customers in the US and in fact, we closed 147, which…so we are at target. We have placed roughly 1,000 systems with these customers in the US. Again, this is US only because we did not make this platform available outside the US. 40% of the contracts that we close are fixed and 60% are flex, which means now that…and the weight of the flex business is increasing clearly because all the new placements we are making are fundamentally based on flexibility on building the mini-panels.

If you look at customer split, 90% are hospitals and 10% are commercial labs. Clearly, if we look at the revenue contribution so far, commercial labs represents a little bit over 50% of the business, and this is because of the fact that we closed some very large contracts.

In commercial, and namely the one that was made public was the Quest agreement, where Quest now has transitioned to the LIAISON PLEX platform for all the respiratory business.

GI panel clearance, as said, expected in the next 60 to 90 days. And this clearly will accelerate penetration in the US hospitals, also because the GI panel is the one that allows to the full extent the use of the mini-panel…customized mini-panel concept.

When it comes to the nonautomated business, which is the legacy business, left…clearly is left unattended is declining minus 6% full year and is supposed to continue to decline simply because this is a business that we're not invested in, is a cash cow and still very profitable with like all the cash cow businesses.

LTG, we spoke about the LTG before. It's a very…so it's a 50:50 business. As you know, the split is 50% diagnostics, 50% life science. When it comes to the diagnostic business, it grew 9% last year. And…but when it comes to the life science business, it actually declined 9%, and this is why it made the LTG business fundamentally flat.

We'll talk about the expectations for this business in 2026. But I believe that in 2026, we are expecting moderate growth, primarily driven by the fact that there are initial signals that the life science business is going to do better than last year. Also because in full honesty, last year was for everybody in

the business, a very terrible year, right? And so a recovery of that business is mathematically expected.

At this point, I believe that I will let PG take care of the comments on the financials and then I'll make some further remarks. PG.

PIERGIORGIO PEDRON: Thank you, Carlo, and welcome, everyone, as Carlo said, to our 2025 fourth quarter earnings conference call. As usual, during the next few minutes, I will provide an overview of our financial performance for the full year, after which, as Carlo just reminded us, he and Alberto will cover 2026 guidance. And we will then proceed to the usual Q&A session.

So 2025, full year revenues were just short of €1.2 billion, reflecting a 1% or €10 million increase compared to the same period last year. This performance was achieved notwithstanding a €13 million reduction in COVID-related sales, once again as expected, and the €34 million negative impact from foreign exchange rate, primarily due to the depreciation of the US dollar against the euro as we have discussed many times during our last earnings calls.

Excluding COVID and at constant exchange rate, our core business has achieved a 5% full year growth, therefore, in line with the guidance. Carlo previously outlined the factors contributing to this performance, the robust results from the immuno franchise despite the challenges in China and the outbreaks in Europe in 2024, normalization within the LTG franchise following a favorable phasing in the first half of 2025 and a stable trajectory for the overall Molecular business, which has been negatively impacted by a very mild start of the flu season. And as you might remember, the discontinuation of the ARIES platform.

2025 adjusted gross profit at €778 million accounted for 65% of our revenues. This represents a decrease of €4 million or 1% compared to 2024, mainly driven by tariff impact which at the P&L level in the year accounted for €4 million, a different product mix and the negative FX impact. With constant exchange rate, adjusted gross profit would have increased by almost €20 million or 2%.

Adjusted operating expenses for the full year were €474 million, marking a 1% decrease from the previous period, whereas at constant exchange rate, the expenses increased by 1%. As a percentage of revenues, OPEX declined to 39%, down from 40% in 2024. The small rise in absolute value at constant exchange rate was mainly due to the higher labor costs from the annual salary review and increased depreciation tied to the recent product and platform launches, including the LIAISON PLEX, which had been previously in development. This minimal increase reflects our disciplined approach to cost management.

I would also like to address the reported statutory operating expenses, which in Q4 has been impacted by the initiation of the divestiture plan of our manufacturing site in China that Carlo just talked about. This project will be completed by the end of 2026. These initiatives, which was prompted by a material change in the Chinese market as we heard, is consistent with Diasorin ongoing strategy to optimize our global manufacturing footprint like previous actions, such as the divestiture of our Irish and South African facilities and the commissioning of our manufacturing site in Germany. These steps demonstrate our continued effort to adapt to the evolving macroeconomic conditions and enhance our long-term competitiveness.

We anticipate that the one-off charge related to the full scope of this initiative will not exceed €22 million, €20 million of which has been booked in Q4 2025 with the vast majority being noncash costs, primarily intangible

and fixed asset write-off. The monetary total impact will be less than €3 million. We estimate that this initiative will bring an annualized saving was completed of about €6 million.

As a result of these dynamics, 2025 adjusted EBIT reached €304 million, representing 25% of revenues, confirming the profitability we had in 2024. This reflects an increase at constant exchange rate of €13 million or 4% compared to the same period last year, whereas the resulted current FX is in line with 2024.

Adjusted interest expenses for the full year were slightly above €1 million compared to an income of €4 million in 2024. The primary factor behind this variance was a reduction in our cash balances and investment yields, reflecting the decline in interest rates. As discussed in previous earnings calls, the normalized tax rate is adjusted to 25% following the conclusion of the Patent Box regime for our Italian legal entity.

For the full year 2025, the tax rate is about 29%. And this is due to a couple of one-off events that occurred in the fourth quarter, the more significant impact resulting from the withholding tax and dividends from the US subsidiary and the impact of not accrued taxes deduction of the impairment cost related to the divestiture of the Chinese manufacturing site in light of the limited visibility on future taxable profits in our Chinese legal entity. These items are not expected to occur again in 2026. So we will go back to a normalized tax rate of 25% in 2026.

2025 adjusted net result at €223 million or 19% of revenues is lower than 2024 by €13 million or 6% as a combination of the negative FX impact accounting for €12 million and higher interest and tax rate expenses.

The adjusted EBITDA for the full year 2025 is €394 million, accounting for 33% of total revenues, therefore, in line both in absolute…with the absolute figure in the revenue ratio recorded in 2024 at constant FX, adjusted EBITDA reported an increase over 2024 by €15 million or 4%. The margin is slightly exceeding 33%, in line with the annual guidance.

Q4 2025 profitability at constant exchange rate, just short of 32%, is about 140 basis points lower than the corresponding period in 2024, mainly due to the variations in product mix and the impact of the tariffs, which accounted for €2 million or thereabouts in the quarter.

Before turning to the net financial position, let me share a brief comment on the tariff situation in the US. On March 5, the US Court of International Trade, so-called CIT, issued a nationwide order requiring US Customs and Border Protection to refund IEEPA-based tariffs following the US Supreme Court's February 20 ruling that the IEEPA does not authorize tariff actions.

The order applies to all importers, thereof to Diasorin as well. The Court of International Trade has given Customs, Border Protection 45 days to prepare the system for this activity. We will keep on monitoring the evolution of this very complicated situation and update investors consequently. As of today, the potential P&L upside related to 2025 tariffs is about €4 million, as we said, plus €1 million, €2 million for the first 2 months of 2026. From March on, IEEPA tariffs have been replaced by the new tariff scheme imposed under Section 122, which is included in our 2026 guidance.

Turning to our net financial position. We closed 2025 with a net debt amounting to €580 million with an improvement of €38 million compared to the same…to the end of 2024. This reflects a solid free cash flow of just short of €210 million, compensated by cash outflows, including €97 million

in payments to shareholders exercising with global rights after the recent implementation of the announced voting rights mechanism as well as €63 million distributed as dividends to our shareholders.

Before Carlo and Alberto present the 2026 guidance, I would like to share a few personal remarks. As you might know, this is going to be my last earnings call in Diasorin since in April, I will be moving to a different professional chapter of my life. As I wrap up my time here, I just want to say a big thank you to all my Diasorin colleagues, my super amazing team, Carlo, obviously, and the whole board. The last 15 years has been an incredible ride, full of teamwork, growth, achievements that I will always remember. Diasorin has been like a second home to me throughout these years, and I have every confidence that it will continue to excel and accomplish even greater things in the future.

I am also certain that Alberto, who has been an integral part of my team since I joined Diasorin, will be an outstanding CFO. And to all the analysts and investors I had gotten to know over the years, it's been a real pleasure interacting with you.

Thank you for your insights and open and constructive dialog. I wish you guys the best going forward.

CARLO ROSA: Thank you, PG. Clearly, this is a very emotional moment for everybody here. PG reminded me today that when he joined Diasorin 15 years ago, our revenues were less than our OPEX today, which clearly shows that the company grew significantly and PG was very instrumental to work with us during this very interesting times. By the same token, I would like to welcome Alberto Donati, who is stepping in effectively today as the CFO of this organization. And as all the CFOs, it's going to be the duty and honor now to help us out to understand the guidance for 2026. Alberto.

ALBERTO DONATI: Thank you, Carlo, and thank you, PG. Good morning and good afternoon, everyone. I will now walk you through our guidance for 2026, which, as usual, will be expressed at a constant exchange rate using 2025 as a reference year. Now, before getting into the numbers, allow me to briefly frame the macroeconomic environment we are operating in as 2026 will be characterized by some headwinds in the first part of the year.

Specifically, we do expect a slower start of the year in the United States, and this is because they are partly impacted by the critical weather conditions in the first quarter, as well as, a much weaker flu season as has already been reported by many of our peers, which is weighing on our respiratory testing in the early part of the year. We also see a continued normalization of the volume in Europe, which is consistent with the trend that already observed in the second half of 2025. With all of this being said, for the full year of 2026, we expect the group revenues to grow between 5% and 6% at a constant exchange rate.

As a reminder, this includes COVID sales, which were included in the 4% growth of 2025. So 5% for 2025 was excluding COVID. We are now giving the guidance, including COVID. But we do expect COVID sales to continue to deteriorate.

From a quarterly standpoint, 2026 will be back-end loaded. So in the…we expect a softer first half primarily explained by 2 factors. First, the LTG business was significantly front-loaded in 2025 as mentioned during last year conference calls and as reminded by Carlo early on, resulted in a tough comparison in the early part of 2026.

Secondly, the flu season has been especially weak in the first quarter of 2026, which while we have embedded in our numbers a normal season for

the second half of 2026. Additionally, considering the NES…LIAISON NES with the launch of the ABCR panel and the LIAISON PLEX having the complete panel available in the second half with GI, those will primarily contribute in the second half of the year, which is naturally shifting a meaningful portion of the Molecular Diagnostics growth towards the back end of the year.

From a profitability standpoint, we expect the group to deliver an adjusted EBITDA margin between 32% and 33% in 2026. And again, as usual, this is at constant exchange rate. This reflects the combination of a softer first half, driven by business facing and the product timing, and the commercial investments we made to ensure the successful launch of the NES platform, again, as mentioned by Carlo earlier, north of $10 million. We do expect that the progressive improvement in the second half of the year, supported by the volume recovery, the operating leverage and the contribution from the new product launches.

Please consider that 2026 guidance does not take into account any potential negative impact related to the ongoing military conflict in the Middle East, which could affect the group sales in the region. It also excludes any possible indirect effect of the conflict, including the increasing logistical and distribution complexities potentially extending to the Asia Pacific region as well as inflationary pressures on cost.

And before concluding, let me just reiterate that Diasorin remains highly exposed to the USD, with approximately 50% of the group revenues, which are denominated in USD. And as a reminder, a rule of thumb is that every 0.01 movement of the USD versus euro has an impact of approximately €6 million to €7 million on an annualized revenue, and €2 million, €3 million on our adjusted EBITDA.

I will now turn it to the operator for the Q&A.

Q&A

OPERATOR: This is the Chorus Call conference operator. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press "*" and "1" on their touchtone telephone. To remove yourself from the question queue, please press "*" and "2." We kindly ask you to pick up your phone when asking questions. Anyone who has a question may press "*" and "1" at this time.

The first question is from Aisyah Noor, Morgan Stanley. Please go ahead.

AISYAH NOOR: Hi, good evening, everyone. Thanks for taking my questions. My first one is on the immunodiagnostics guidance of mid-single-digit growth for 2026, which is a slowdown from 2025 of 7%. Can you explain why this is a slowdown if the China VBP impact is smaller year-over-year?

And then my second question is on the McKesson partnership that you signed yesterday. What do you think will incentivize McKesson to push your products more strongly versus the competitor SPOTFIRE. Are you pricing it competitively? Is there higher fees to this partner? Basically, how do you ensure the success of this partnership? And then I will have a follow-up after.

CARLO ROSA: Thank you, Aisyah. Let me take the 2 questions. The immunoassay projection in 2026 foresees the normalization of testing volumes. As I said, we saw it progressively softening during 2025, and I'm talking about Europe. And therefore, we expect that this will have an effect in 2026, meaning that this is going to be the normal volume effect that we will expect

in immunoassay. Please consider that in Europe, it's 50% of the immunoassay revenues, so it does have an impact.

Second question on McKesson, look these distributor platforms they carry instruments from different companies. That is true. Although I believe that when we look at the POL market, there is what we…and you know, we mapped all the POLs in the US, by size. We believe today that there is a great opportunity provided by the fact that in a low mid-volume POLs there is no platform today, and I'm talking about modern platform that can serve that segment.

And so, we are talking about customers that are consuming between 500 to 1,500 tests, total flu tests per year. We also saw in the market that the positioning of the SPOTFIRE actually is on a higher segment of the market, including where you find Cepheid, where you find also Abbott, ID NOW. Whereas in the lower smaller side of this business, you find ID NOW and you know that today ID NOW is the platform everybody's going after because it's a very, very old technology and really is not serving the purpose of this market.

To be honest with you, when we went to McKesson, so we are learning the space, this is not a traditional space for Diasorin. And we actually understood that the way we look at the market, and so positioning the product in a certain segment is exactly the reason why McKesson was looking at getting our platform exclusively for distribution. We have an exclusive relationship with them, clearly with a minimum commitment that they need to guarantee, for retaining the exclusivity. You asked about McKesson, right, not Fisher. So that's the answer for McKesson.

AISYAH NOOR: Yes. Yes, I did. Thanks. And just a follow up, maybe a question for Alberto. Could you give us some guidance on the FX impact on sales and EBITDA margin for the 2026 fiscal year?

ALBERTO DONATI: Yes. So from a EBITDA perspective, just as a reminder, we did give the guidance at a constant exchange rate. What we expect, I mean, as you know, as I reminded before, the impact for us is €2 million-€3 million every cent movement that we have. Now, in 2025, the impact on our top line was €35 million, and at the bottom line was around €15 million in 2025. Allow us some flexibility in 2026, as we don't know where the dollar is going to be given the uncertainties of the market. So at the moment, the guidance is a constant exchange rate, knowing that for every cent movement, we have a €2 million to €3 million impact on our adjusted EBITDA.

PIERGIORGIO PEDRON: Aisyah, if I can step in. You know, if you look at the latest Bloomberg consensus for the FX rate for 2026, and again, a lot of things are happening, but what you find today is 1.18, right? So since the average exchange rate for 2025 was 1.13, applying the rule that Alberto told you about, you would expect a negative FX impact on the top line of €35 million, right, which is the difference from 1.18 to 1.13 times 7, which is the €6 million, €7 million Alberto was talking about on the top line. And I believe this is important for you guys to understand and master. Otherwise, it's going to create some complications when you will be working on your model and, you know, defining your consensus. Whereas if you go to the EBITDA level, again, it's €2 million-€3 million times this 5 we were talking about, so you get to top €15 million. So at the end of the day, if you believe Bloomberg forecast for 2026, I'm sorry, eventually the FX impact on 2026 vis-à-vis 2025 is going to be similar to what we experienced in 2025 vis-à-vis 2024.

AISYAH NOOR: Okay. Thank you so much, PG. All the best, PG.

OPERATOR: The next question is from Odysseas Manesiotis, BNP Paribas Exane. Please go ahead.

ODYSSEAS MANESIOTIS: Hi. Thanks for taking my questions. Firstly, I wanted to get a bit of a feeling of what was the main driver for your growth expectations to be lower than what they were in Q3. I remember you were saying high single-digit growth was possible in 2026 in Q3. I want to get a feeling of the key drivers of lowering your expectations there. Was it…I'm thinking, is there a bit of a small delay on the Calprotectin launch, lower expectations on the NES or further pressures in China, Germany and Europe? Sort of what are the main drivers here? Then I have a follow-up.

CARLO ROSA: Listen, if I understood correctly, you were talking about the comment on high single-digit total business growth 2026 expectations, correct?

ODYSSEAS MANESIOTIS: Yes.

CARLO ROSA: Okay. I made a comment before. 2 things. We are starting Q1 with a very, very low respiratory season, which is not what we clearly built in the expectation Q3 last year when we were commenting the 2026 numbers. You saw that from…you saw it from comments and commentaries which have been made by some of our competitors that the flu season is 25% to 50% lower than last year, so very significant, which was not built in clearly in our expectations. The second one is the fact that in the European volume, we saw it decreasing also in Q4. As I told you, I gave you a number. Now we are at average 1% growth.

We were sitting mid-year with annualized around 3.5%, right? So there is a normalization of so-called of volumes that now we have seen and we expect to see moving forward. Last but not least, and again, I'm referring to commentaries which have been made by some of the large US operators,

namely, Quest and LabCorp, Q1 testing volumes in the US have been particularly low, and this is because of a very severe weather situation. Please go and listen to what Quest and LabCorp mentioned about quarter one that has still affected today, those volumes is still affecting some of the US business these days.

This is why we believe that high single-digit is not achievable, and 5% and 6% are more realistic. With all due respect, though, guys, I think that Alberto made a good point. We are where we are as we sit in Q1 after 20 days of war. And so, making a projection of what is going to happen at this point on…from a costing point of view is mission impossible, okay. So from what we understand today, we believe that the business is going to grow 5% to 6%. And we believe, as Alberto clearly explained, it's back-loaded as a combination of mathematics on LTG, so tough comp, H1 versus H1, and the fact that H1 will completely miss the flu numbers.

ODYSSEAS MANESIOTIS: Thank you very much. That's very clear, Carlo. And on energy and logistics, I mean, I understand, as you said, it's a bit mission impossible to give specific guidance including these. Just to get a sense of how bad this may get for you, I mean, your consumables are largely made of oil-based plastics? And historically, in times of high energy prices, were you able to pass through costs comfortably to customers? I remember that may have not been the case. Is that correct?

CARLO ROSA: Okay, listen, I'm going to give you a rule of thumb. If the cost of energy stays where it is today, right, so with oil being over $100, to us, the impact on energy and logistics is around €5 million, okay. My problem, to be honest with you, is not necessarily with energy and logistics because the logistics issue, if it doesn't solve, I think that we have a whole set of different problems, right? Today, the logistics issue is that we cannot ship through Dubai, and we were shipping pretty much not only Middle East, but we are

shipping Asia through Dubai, but this will be solved. To me, the real problem is the inflation on the raw material, as we all know. And that is a complete different order of magnitude because it has to do with all the plastic and all the oil derivatives that everybody in this industry is using, right? To make a projection there is really mission impossible. Energy and logistics is around €5 million.

ODYSSEAS MANESIOTIS: Thanks a lot for the clarity, Carlo and PG. It was great working with you. I wish you all the best with the new role.

CARLO ROSA: Thank you, Odysseas, likewise, great working with you.

OPERATOR: The next question is from Jan Koch, Deutsche Bank. Please go ahead.

JAN KOCH: Good evening. Thanks for taking my questions. Thanks for providing the comments on the sales phasing in 2026. But what about profitability? Margins have been usually higher in H1 than in H2. Is this still the case in 2026?

And then secondly, you have provided the growth rates of your automated multiplexing business in recent quarters. Could you provide that comment for Q4 as well? And then finally, one housekeeping question. Could you help us with the expected D&A ratio in 2026 in view of the upcoming PLEX and NES placements?

CARLO ROSA: Sorry, can you repeat the last question?

JAN KOCH: D&A ratio in 2026, I guess.

CARLO ROSA: The what…Depreciation and amortization, I guess.

JAN KOCH: Absolutely.

CARLO ROSA: Okay. First 2 questions.

JAN KOCH: The first one was profitability phasing. I guess Alberto can take it.

CARLO ROSA: I guess Alberto can take it.

ALBERTO DONATI: So, as we mentioned before, within the 32% to 33%, we have to take into consideration a few effects. First is that we do have a full year effect on the tariffs. We do also have a mix effect since we know that the molecular growth, growing low double-digit brings lower marginality, which is dilutive to the gross margin. Then the NES investment, Carlo mentioned it before, north of €10 million, which brings us a natural under absorption in the year of the launch, plus the further deterioration of China due to the VBP and the continuous pressure from locals and on pricing, is posing us pressure on the EBITDA margin overall. But especially considering the tough comparison of the LTG in the first half, we do expect to see the EBITDA to be softer in the first half as a function of fundamentally the lower sales on LTG and the operating leverage. We then expect the EBITDA to recover in the second half as improvement supported by the volume that is recovering. Again, as I mentioned, the operating leverage and the contribution of the new product launches.

JAN KOCH: I guess the second question was growth rate automated in Q4. The automated multiplex, right?

ALBERTO DONATI: Yes, absolutely. The growth rates.

CARLO ROSA: The growth rate in Q4, as said, was, I believe, slightly negative -5%. That is all through volume. It's all related because placements, I give you a

number of placement, but you can assume that the placement, develop, regularly, but from a revenue perspective, minus 3%, right?

ALBERTO DONATI: It's minus 2, Carlo, the right number. It's on the presentation.

CARLO ROSA: Okay. Minus 2%, but fundamentally it's all respiratory driven and volume effect.

ALBERTO DONATI: Yeah. The last question related to the depreciation amortization, if I understand correctly. So, you know that we've been launching 2 platforms in…between 2025 and 2026. So we do see a start, an increase of the depreciation amortization linked to the start of the depreciation of all the tangible and intangible that are linked to the launch of the NES platform.

JAN KOCH: Okay. Thank you. All the best, PG.

PIERGIORGIO PEDRON: Thank you, Jan to you as well.

OPERATOR: The next question is from Kavya Deshpande, UBS. Please go ahead.

KAVYA DESHPANDE: Hi, Carlo, PG, and hi, Alberto. Thank you for taking my questions. My first one is just on the revenue guidance. You've been very clear about the headwinds that get you to the 5% scenario. I was just wondering at the top end, is that the 6% growth scenario? Is that including what in your view is sort of the full contribution of all the potential products tailwinds you've got from the PLEX panels from, I guess to a lesser extent, NES, because it's early and from QuantiFERON-TB Gold Plus, et cetera.

And then Carlo, actually one for you on China. I mean, you've made a big step in terms of changing your strategy here, but I suppose what are you seeing on the ground that's making you think this is kind of still an attractive

market for Diasorin to stay in? Also would it be possible to specify the exact China headwind you expect for 2026? I understand it's not, but I thought I'd try.

PIERGIORGIO PEDRON: Specifying the exact headwind. Look, as I said, in 2025 it was around €8 million, right? And Kavya, I believe in 2026, it could be in the order of magnitude of €5 million. Again, it's a toss of a coin because the truth of the matter is that we were expecting VBP to be done and over with fundamentally. And now what's happening is that VBP de facto is also hitting Shanghai and Beijing. Shanghai and Beijing are clearly, as you can imagine, big business opportunity for us. But if you're asking me, is there an opportunity for Diasorin in China? I believe it's very practical, short term. I see a market that is becoming extremely competitive, but competitive meaning, as you know, that when you have the market leader that is living on the ground, CHF 500 million in revenues in one year, which is 20% down, I think, of their total revenues, the market is becoming a terrible market where everybody is chasing all the opportunities with desperation on price.

So there is a VBP concept, it's fundamentally has been driving all companies to go after all the business with a very low price. This is why I'm saying we came to the conclusion that what we were thinking in 2019 when all this started and nothing of this was there, and there was a very large, significant profitable opportunity with mainstream products evaporated now. And since the only opportunity for us is to become a specialty company, and there are a couple of areas where the specialty is significant. You are left now with the fact that now manufacturing a specialty in China is dangerous because, as you know, nobody's guaranteeing you knowhow. But by the same token, it's not needed because at that point, a specialty being a specialty, if there's no VBP, there is no very high local competition. So the added value of being local manufacturer is

not there. It would be only increase the risk of losing control of your technology. So, this is China.

On the revenue guidance, Kavya, you said on the 6%, I believe that we have a high...and you know, 2026 is a very important year for Diasorin because we have the launch of NES, okay. And we will discuss in May about the expectations, strategic expectation on NES for Diasorin. As you can imagine, as you saw from bioMérieux as well, the expectation is very relevant for us because the market opportunity is very relevant, because the window, I believe, is the right window, because an opportunity within the next 3 years to get to the market also with STI and tap into that business, as well. And so certainly the 6% includes the fact that that there is an additional technology and product line that will help us drive revenues next year. As said, by the same token, it does foresee that the volume effect that we experienced in different geographies is fundamentally that it went back to where it used to be pre-COVID.

OPERATOR: The next question is from Charles Pitman-King, Barclays. Please go ahead.

CHARLES PITMAN-KING: Hi, guys. Thanks so much for taking my questions. I have 2, please. Maybe just firstly, just wondering about how you're thinking in your guidance around the outlook for your LTV revenues, given Roche is expected to launch this very soon. That, I believe, is expected to bring in some pricing pressures. If you could just quantify again what revenue you're currently generating from LTV and how you expect it can continue to grow through this over 2026.

And then just secondly, coming back to your LTG revenues, you kind of highlighted that we've seen improving commentary from life science peers, but obviously 2025 was a bit of a balance of life science down, diagnostics up. Just wondering how you expect diagnostics to also be improving,

whether or not do you think that will be whether both end markets will improve to drive better growth for LTG this year. Thank you.

PIERGIORGIO PEDRON: Okay, listen, clearly, we are not going to disclose what are the revenue of MTB or of tuberculosis. That's confidential information, especially in light of the fact that Roche supposedly launching the product. How do I…so the question is, what is your expectation about Roche on the market? I don't know, because I don't know when they're launching, if they're launching and what they're launching. So, hold your thoughts until May 13, because May 12, Roche is going to have their analyst day, and they're going to talk about the good, bad and ugly about diagnostics, right? So…and then we are going to kind of a week later on the 20th, we're going to talk about MTB, and there you're going to hear about what we assume about the Roche effect.

Just one comment. Remember, that the only thing that Roche said is that they're not going to lower price. Keep that in mind to when we will see what happens when they hit the market, okay? But if you go to their market day, ask them if it is true that they're not planning to lower the price.

LTG, LTG, our diagnostic business is very healthy and somehow de-correlated from what you have seen in diagnostic, because we are serving a couple of players that dominate their space. In One Lambda, which is one of our customers today in diagnostic multiplexing, they have 80% market share in transplant, and that business is a solid business that is growing single digits simply because the transplant number is growing. So this is why I'm saying I'm not expecting that to see a negative effect on the diagnostic side.

By the same token, you know, the life science business, as you very well know, was so poor in 2025, right? And we see that all that and fundamentally was driven by the US market and fundamentally was driven

by this NIH mumbo jumbo. At least that NIH situation has been clarified. We know that funding has been guaranteed. We know that customers are applying for funding. And what we know is that investments, if you look at 2025, we were hit most on equipment, right? And this is simply because with this uncertainty on funds, labs and academia was not buying systems. What we are seeing is that the funnel on instruments is actually coming back, okay, from a very poor situation. This is why I'm saying my LTG expectation from in 2026 is that we're going to have a moderate growth. But please listen to what the Thermo, the Millipore, the Bio-Techne, and all these guys are saying because they're all the, sorry, Luminex customers.

CHARLES PITMAN-KING: Sounds great. Thanks so much and all the best to you.

PIERGIORGIO PEDRON: Thank you.

OPERATOR: The next question is from Natalia Webster, RBC. Please go ahead.

NATALIA WEBSTER: Hi, thanks for taking my questions. I have 3, please. The first is a follow-up on margins. Appreciating the various effects like tariffs in China to consider in 2026, but what else has changed from your previous expectations to reach the 36%-37% level by 2027? And do you still expect margin expansion beyond 2026 with the continued dilution from the molecular growth? My second question is on immuno guidance of the mid-single digits in 2026. Again, looking beyond this, once the European volumes have normalized, do you see potential for this to pick up back to the high single-digit levels that you've seen previously? And do you see that double-digit growth in North America specifically as sustainable going forwards, considering there's a couple of delays on a couple of the key specialty tests that you called out previously?

And then finally, on your PLEX platform, are you able to talk a bit more about what you're seeing in the competitive landscape here? You've talked about the GI panel being important for more adoption in inpatient settings. Is this the main barrier there? Have you seen any pushback on other areas like the longer time to result versus competitors? Thank you.

PIERGIORGIO PEDRON: Okay, I'll take the last one. Okay. Right. On PLEX, if I understood correctly, you want to understand the competitive landscape. In my very humble opinion, the competitive landscape did not change at all, meaning that you have bioMérieux that is dominating the space with. And now we're talking about the acute space or the hospital market because PLEX goes on the acute space. So from competitive space, we are where we are. We honestly don't see in the US, QIAGEN today as a competitor, also because QIAGEN so far has been very active and successful outside of the US, and they're building, I believe, their presence in the US market. And so, the competitor you need to go after in this place is always bioMérieux.

On the time to result, in this space, one hour or 2 hours doesn't make any difference, to be honest with you, because you're talking about hospitalized patients or you're talking about commercial labs, right? And a commercial lab is a send out samples and, and so, it doesn't. So they collect, they get the result, and they ship back in, within one shift, so one hour, 2 hours doesn't make a bit of difference. Clearly, I'm not referring now to the SPOTFIRE, which is a 30-minute assay, but that goes into a different segment. And there is where we compete with the LIAISON NES that does have same or better time to first result.

On the GI, I'm saying that, as I think I always commented that when it comes to the adoption of mini panels or the ability actually not to run all the 20-some analysts, but build mini panels, GI is where you have most variability of panels because of the use of these different panels, which can be

associated with dietary, which can be associated to infections, which can be associated with travel bugs or bugs that you get into funny countries during travel.

So we estimate that in that sense you have 7, 8 different panels that you really need to build in order to segment the different clinical situation that a doctor would have to face when it comes to GI infections. When volume…I believe your question is, do you see volume going up? My answer is no, I don't. I believe that we're going to go back to where volume was prior to COVID, and whatever happened after COVID, and primarily in my opinion, driven by a combination of things. One is that an economic situation volume typically reflects because there is a portion of this diagnostic procedure that is paid directly by patients out of pocket everywhere in the world.

I have in mind Italy, where of the healthcare budget is €140 billion, the government pays for €110 billion, and people chip in for €30 billion. So the viability of patients to pay out pocket really is very well correlated to how economies are doing, and I don't see that moving forward. From what we see today, economies are going great, right? So I don't see that incentive out of pocket to drive up volume. And again, we are going back to where we were in prior to COVID, where it was expected that in the developed market, on average, volume would grow around 1%-2%, which is where fundamentally we are today.

On margins, Alberto, can you please comment?

ALBERTO DONATI: Thank you, Carlo. Natalia, Alberto speaking. So on your question on EBITDA and the comparison with the 2023 plan of getting to 36% in 2027, please consider that we are fundamentally living in a different world, and I'm specifically referring to the macroeconomic and industry events, some

of which are outside of Diasorin control. Specifically, let me start with the China VBP. Carlo mentioned the impact that we had, which is around 1% of our top line, and this is primarily due to price reductions, which go directly to the bottom line.

The second one is the NIH funding, which is affecting the growth of the LTG, not only on instruments at the beginning, but that is a consequence also on the other product lines of the franchise being the consumables and the royalties for a franchise that has a high marginality and tariffs. Then additionally, also the company has decided to increase the spending and the investment of NES in order to ensure the success of the launch. So taking all of the above into consideration, the base business is, at the moment, delivering the marginality that we are expecting. And for 2027 onward, please wait for the Capital Markets Day when we're going to give our view until 2030.

NATALIA WEBSTER: Great. Thank you. Just on the North American immuno business, growing double digits, do you see this as sustainable going forward, particularly with the specialty tests that you talked about previously?

PIERGIORGIO PEDRON: Can you please wait for May, because we're going to go through all the drivers of growth. Overall, I believe that North America…again, growth in North America, if you think about it, has been driven by hospital strategy plus high penetration in the big labs, right? Which is today our business, TB certainly has been a growth driver for the company. And TB growth went high double-digit today to whatever number QIAGEN is saying, because I keep saying it's a QIAGEN business, right? I would recommend that as far as TB, you wait from QIAGEN to comment. And what they say clearly is applicable to Diasorin. As far as the hospital strategy, we will continue to deliver the hospital strategy.

That said, as far as the big laboratory business, I recommend that you listen to what they say, generally speaking, about their volumes, because, again, their volume is our testing volume in that segment. In order to get a more strategic qualified by product line and expectations, I believe you need to wait for the May discussion.

NATALIA WEBSTER: Understood. Thank you, and all the best, PG.

PIERGIORGIO PEDRON: Thank you.

OPERATOR: Gentlemen, there are no more questions registered at this time. I turn the conference back to you for any closing remarks.

CARLO ROSA: Thank you, operator. I think we are done. Thanks.