

DiaSorin

FY 2018 Results

DIASORIN SPA
March 14, 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

	FY'18		
		@ curr	@ CER
REVENUES	€/mIn 669.2 (*)	+5.0%	+7.7%
CLIA EX VIT D		+8.2%	+10.4%
VIT D		-7.0%	-3.7%
ELISA TESTS		+12.7%	+15.4%
MOLECULAR TESTS (**)		+4.0%	+8.6%
INSTRUMENTS & OTHER REV.		+2.9%	+5.1%
EBITDA	€/mIn 255.4	+7.3%	+11.2%
EBITDA MARGIN		38.2%	38.5%
		+84 bps	+118 bps
NET RESULT	€/mIn 158.1	+13.0%	
% ON REVENUES		23.6%	
FREE CASH FLOW	€/mIn 163.6		
NET FINANCIAL POSITION	€/mIn 75.3		
ORDINARY DIVIDEND	€ 0.90 per share		

* Revenues include Siemens' ELISA business contribution (consolidated from Sept 2017)
 ** Molecular tests include sales of kits manufactured by the US plant

PLACEMENTS	FY'18	@ Dec 31, 2018
 ▶ LIAISON XL	+483	4,001
 ▶ LIAISON	-32	3,848
TOTAL	+451	7,849

IMMUNO

Strategic collaboration with Meridian ▶ Sale of DiaSorin *H. pylori* stool antigen test for use on LIAISON platforms in the US and UK under Meridian brand name

Partnership with Beckman Coulter in the US (in progress) ▶ Ongoing activities to register DiaSorin Heps & Retrovirus tests in the US; commercialization expected by end of 2020

BUSINESS DEVELOPMENT

PRODUCT DEVELOPMENT

Infectious diseases ▶ **PCT II GEN (US market), LIAISON QuantIFERON TB-GOLD PLUS (EU market)**

Hepatitis & Retrovirus ▶ **HDV (EU market)**

GI Stool testing ▶ **Calprotectin (US market)**

MOLECULAR

KIT Infectious diseases

- ▶ **HSV 1 & 2 new claims approved (US market)**
- ▶ **VZV (EU market)**
- ▶ **Group B Strep (EU and US market)**
- ▶ **Bordetella Direct (US market)**
- ▶ **Anaplasma phagocytophilum**
- ▶ **Ehrlichia**
- ▶ **Babesia**

ASRs
 Reagents specific to infections caused by bacteria or carried by ticks

- ▶ **Legionella species**
- ▶ **Chlamydia pneumoniae**
- ▶ **Mycoplasma pneumoniae**

Q4 and FY 2018 revenues growth

		Q4'18 vs. Q4'17	FY'18 vs. FY'17
Total Group revenues	@ curr	+3.8%	+5.0%
	@ CER	+3.6%	+7.7%
<ul style="list-style-type: none"> ↑ All CLIA tests, net of Vitamin D ↑ Siemens' ELISA business (acquired in Sept 2017) ↑ Molecular diagnostic tests 	<ul style="list-style-type: none"> ↓ Vitamin D volumes slowdown (mainly US) and price pressure ↓ FOREX: ~ -€/mln 17.0 		

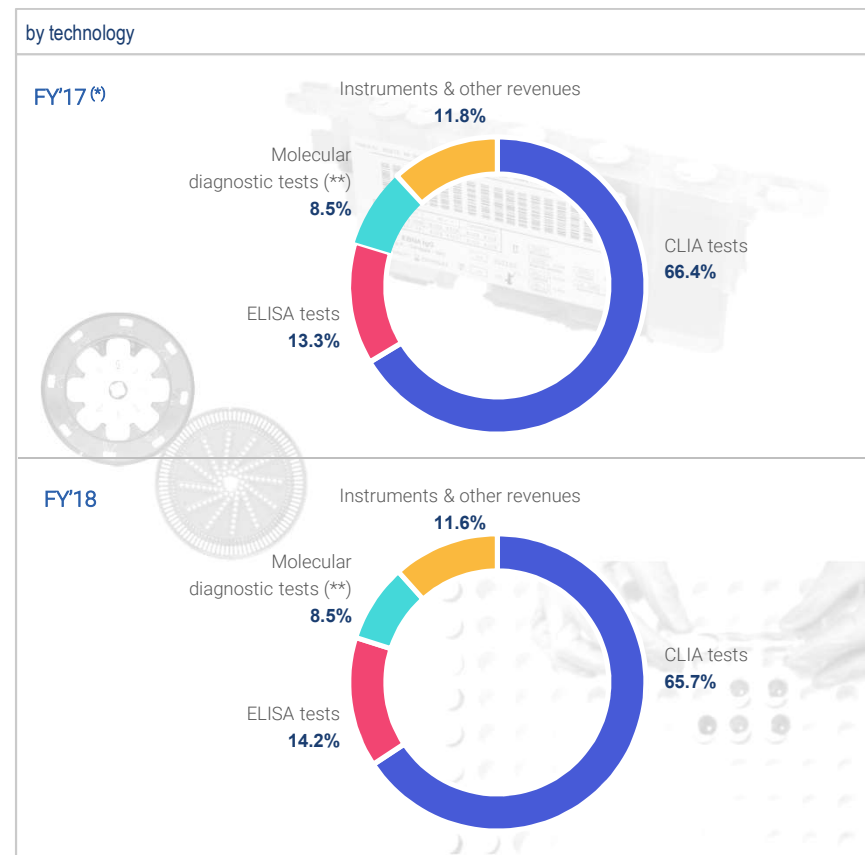
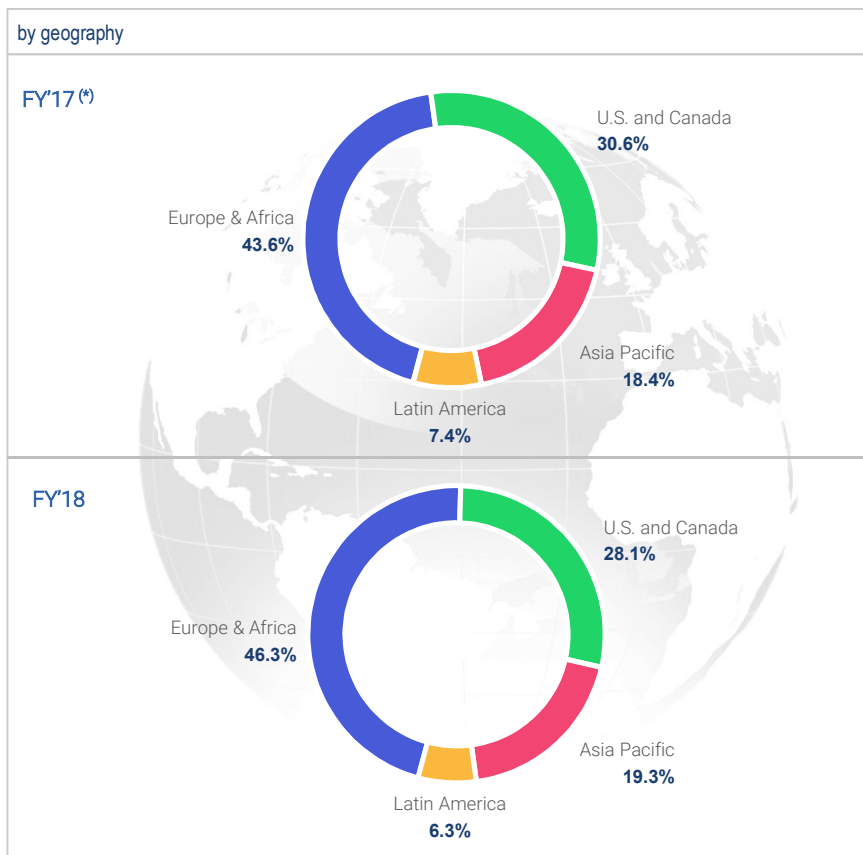
		Q4'18 vs. Q4'17	FY'18 vs. FY'17
CLIA CLIA ex Vitamin D tests	@ curr	+10.3%	+8.2%
	@ CER	+10.7%	+10.4%
Vitamin D test (CLIA)	@ curr	-3.5%	-7.0%
	@ CER	-4.8%	-3.7%
ELISA tests (*)	@ curr	-8.7%	+12.7%
	@ CER	-9.1%	+15.4%
Molecular Diagnostic tests (**)	@ curr	+11.2%	+4.0%
	@ CER	+9.3%	+8.6%
Instruments & Other Revenues	@ curr	+0.6%	+2.9%
	@ CER	+1.0%	+5.1%

* Including the contribution of Siemens's ELISA business, consolidated from September 2017
 ** Molecular tests include sales of kits manufactured by the US plant

		Q4'18 vs. Q4'17	FY'18 vs. FY'17	
EUROPE & AFRICA		+5.1%	+11.7%	
Germany		+1.8%	+16.5%	CLIA ex Vit D sales growth and consolidation of Siemens' ELISA business CLIA sales increase (mainly GI, Infectious Disease, and Heps & Retrovirus panels + Vit D 1,25, PCT and LTB tests) Growth boosted by CLIA ex Vit D tests. Positive contribution from molecular diagnostic kits
Italy		+21.3%	+12.2%	
France		+0.7%	+12.0%	
USA & CANADA		+3.3%	+0.8%	
USA		+5.0%	+0.7%	CLIA ex Vit D and molecular tests growth, offset by Vit D enduring downward trend
ASIA PACIFIC		+6.6%	+13.5%	
China		+18.7%	+5.8%	CLIA tests growth (+15.6%), partially offset by Murex ELISA downward trend and Instruments sales' phasing Upward trend in CLIA tests, Siemens' ELISA business and molecular diagnostic kits
Australia		+18.3%	+17.4%	
LATIN AMERICA		-12.4%	-2.2%	
Brazil		-20.4%	-6.2%	Downward trend mainly due to delay of a Siemens' ELISA business public tender
Mexico		+8.4%	+9.6%	Growth driven by CLIA tests (mainly endocrinology, autoimmunity, thyroid and Vit D 1,25)

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

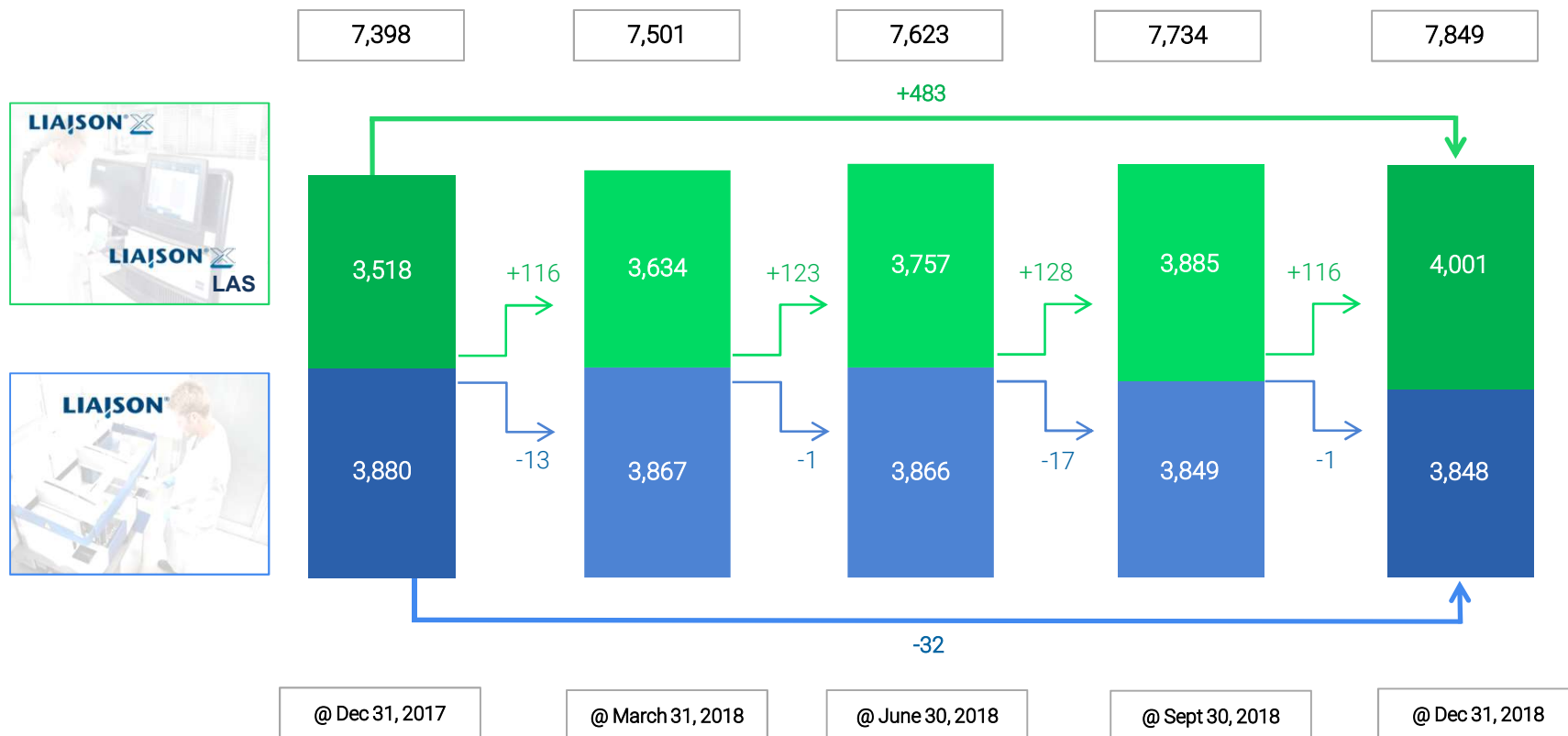
FY 2018 revenues breakdown



(*) Revenues include Siemens' ELISA business acquired on Sept 29, 2017

(**) Molecular tests include sales of kits manufactured by the US plant

Installed base expansion



Q4 and FY 2018 profitability profile

	Q4'17	Q4'18	Change %	FY'17	FY'18	Change %
EBITDA (€/MLN)	55.8	68.2	+22.4%	237.9	255.4	+7.3%
@ CER			+23.1%			+11.2%
EBITDA MARGIN	33.0%	38.9%	+592 bps	37.3%	38.2%	+84 bps
@ CER		39.3%	+624 bps		38.5%	+118 bps

FY'18 EBITDA upward as result of:

- Increase in Gross Profit due to favorable product and geographic sales' mix and Operations efficiencies
- 2017 EBITDA affected by one-off costs related the closure of the Irish manufacturing site (~ €/mln 6)



FY 2019 Company Guidance

FY 2019 company guidance @ CER (*) compared to 2018

Revenues	Growth between +5.0% and + 8.0%
EBITDA margin	Comparable to 2018 EBITDA margin result

(*) 2018 €/US\$ exchange rate: 1.18

Test the future

Investor Day
June 11th Turin



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Financial schemes

Income Statement

Data in € million	FY		Change	
	2017	2018	amount	%
Net revenues	637.5	669.2	+31.7	+5.0%
Gross profit	431.9	455.8	+23.9	+5.5%
<i>Gross Margin</i>	67.7%	68.1%	+36 bps	
S&M	(123.2)	(133.1)	-9.9	+8.0%
R&D	(43.6)	(45.1)	-1.5	+3.3%
G&A	(64.7)	(67.2)	-2.5	+3.9%
Total operating expenses	(231.5)	(245.4)	-13.9	+6.0%
<i>% on sales</i>	36.3%	36.7%	+35 bps	
Other operating income (expense)	(16.0)	(5.9)	+10.1	-63.1%
EBIT	184.4	204.5	+20.1	+10.9%
<i>EBIT margin</i>	28.9%	30.6%	+163 bps	
Net financial income (expense)	(5.7)	(0.2)	+5.6	<i>n.m.</i>
Profit before taxes	178.7	204.4	+25.7	+14.4%
Income taxes	(38.8)	(46.2)	-7.4	+19.1%
Net result	139.9	158.1	+18.3	+13.0%
EBITDA	237.9	255.4	+17.4	+7.3%
<i>EBITDA margin</i>	37.3%	38.2%	+84 bps	

Balance Sheet

<i>Data in € million</i>	12/31/17	12/31/18	Change
Goodwill and intangibles assets	344.4	373.1	+28.7
Property, plant and equipment	92.3	95.0	+2.6
Other non-current assets	23.8	23.0	-0.8
Net working capital	190.7	201.0	+10.3
Assets held for sale	4.0	-	-4.0
Other non-current liabilities	(62.5)	(62.7)	-0.2
Net Invested Capital	592.7	629.4	+36.7
Net Financial Position	149.3	75.3	-74.0
Total Shareholders' equity	742.0	704.7	-37.3

Cash Flow Statement

<i>Data in € million</i>	<i>FY</i>		<i>Change</i>
	2017	2018	
Cash and cash equivalents at the beginning of the period	130.5	159.3	+28.9
Operating activities	167.4	209.9	+42.4
Investing activities	(38.0)	(49.4)	-11.4
Financing activities	(55.6)	(215.2)	-159.7
Acquisitions of companies and business operations	(31.5)	(22.0)	+9.5
Net change in cash and cash equivalents before investments in financial assets	42.4	(76.8)	-119.2
Divestment/(Investment) in financial assets	(13.5)	(9.4)	+4.0
Net change in cash and cash equivalents	28.9	(86.2)	-115.1
Cash and cash equivalents at the end of the period	159.3	73.1	-86.2

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