

DIASORIN BOARD OF DIRECTORS APPROVES FIRST HALF 2019 RESULTS GROWTH IN REVENUES AND PROFITABILITY

FIRST HALF 2019 RESULTS

- **REVENUES: € 350.3 million**, +5.8% (+3.7% at CER).
Acceleration in sales in Q2 2019 (+6.0% at CER), driven by CLIA panel, net of Vitamin D, (+13.2% at CER) and molecular diagnostics (+26.1% at CER). Positive impact of foreign exchange rates on sales amounting to about € 6.9 million.
- **EBITDA: € 139.3 million**, +8.6% (+6.0% at CER), equal to 39.8% of Group revenues (39.6% at CER).
Result driven by the upward trend in the Gross Profit, following a sharp increase in the sale of specialty tests and the favorable channel mix, with higher revenues in countries where the Group has a direct presence versus countries where the Group operates through third-party distributors.
- **EBIT: € 110.2 million**, +7.0%, equal to 31.5% of Group revenues.
- **NET PROFIT: € 84.0 million**, +3.9%, equal to 24.0% of Group revenues.
- **NET FINANCIAL POSITION: +€ 62.0 million** at June 30, 2019 (+€ 75.3 million at December 31, 2018). IFRS 16 first adoption led to a negative contribution equal to € 29.8 million; net of this effect, NFP would be positive by € 91.8 million, an increase of € 16.5 million compared to the balance at year-end 2018.
- **FREE CASH FLOW: € 69.5 million** in H1 2019 (€ 69.2 million in H1 2018). It is worth to highlight the one-off exit tax impact on Q2 2019 following the divestment of the Irish business activities.
- **LIAISON/LIAISON XL: net placements of +212 units** in H1 2019 (+250 LIAISON XL and -38 LIAISON), for an overall total of **8,061 units** at June 30, 2019.
- **2019 GUIDANCE AT CER CONFIRMED:**
 - **REVENUES:** growth between 5.0% and 8.0%.
 - **EBITDA MARGIN:** incidence on Group revenues comparable to 2018 EBITDA margin result.

Saluggia (Italy), July 31, 2019 - The Board of Directors of DiaSorin S.p.A. (FTSE MIB: DIA), a global leader in the production of diagnostic tests, meeting today in Saluggia under the Chairmanship of Mr. Gustavo Denegri, reviewed and approved H1 2019 consolidated economic and financial results.

Amounts in million of euros	H1		change		
	2018	2019	amount	% @ current	% @ CER
Revenues	331.2	350.3	+19.1	+5.8%	+3.7%
CLIA tests	217.2	236.6	+19.4	+9.0%	+7.1%
ELISA tests	46.1	48.2	+2.1	+4.6%	+2.7%
Molecular tests	29.3	30.8	+1.5	+5.1%	-0.9%
Instruments sales and other revenues	38.6	34.6	-4.0	-10.4%	-11.0%
EBITDA	128.2	139.3	+11.1	+8.6%	+6.0%
EBITDA margin	38.7%	39.8%	+105 bps		
EBIT	103.0	110.2	+7.2	+7.0%	
EBIT margin	31.1%	31.5%	+35 bps		
Net profit	80.9	84.0	+3.1	+3.9%	

Amounts in million of euros	Q2		change		
	2018	2019	amount	% @ current	% @ CER
Revenues	166.7	179.5	+12.8	+7.7%	+6.0%
CLIA tests	111.2	122.9	+11.7	+10.5%	+8.9%
ELISA tests	24.1	25.2	+1.0	+4.3%	+2.6%
Molecular tests	11.0	14.6	+3.6	+32.8%	+26.1%
Instruments sales and other revenues	20.3	16.8	-3.5	-17.4%	-17.2%
EBITDA	64.9	71.7	+6.9	+10.6%	+8.6%
EBITDA margin	38.9%	40.0%	+105 bps		
EBIT	52.3	57.2	+5.0	+9.5%	
EBIT margin	31.4%	31.9%	+52 bps		
Net profit	42.5	43.6	+1.1	+2.5%	

MAIN HIGHLIGHTS

- ➔ **PRESENTATION OF THE 2019-2022 INDUSTRIAL PLAN:** On June 11, 2019, DiaSorin presented its new Industrial Plan, outlining the strategic drivers over the next 4 years and providing its 2019-2022 guidance. Additional information is available in the Investor Relations section at www.diasoringroup.com.
- ➔ **BUSINESS DEVELOPMENT**
 - **LIAISON XS:** commercial presentation of the new CLIA analyzer available in the European market from the second half of 2019. LIAISON XS, which is planned to be launched within 2020 in the U.S. and 2021 in China, aims at expanding the Group commercial presence in small and medium-sized laboratories.
 - **COLLABORATION WITH QIAGEN:** extension of the agreement on the use of QuantiFERON technology for the development of an innovative solution to diagnose Lyme disease in its early stage, as well as in the later stages of the infection, through the combined use of the test under development with those already existing in the DiaSorin CLIA catalogue.
- ➔ **PRODUCT DEVELOPMENT**
 - **IMMUNODIAGNOSTICS:** expansion of the **anemia panel** through the launch of **Vitamin B12** and **Folate** tests and of the **Gastrointestinal Infections panel** through the launch of **Elastase-1** in Europe and in the U.S..
 - **MOLECULAR DIAGNOSTICS:** launch of **VZV Direct Kit** in the U.S. for the detection of **Varicella-Zoster Virus (VZV)** from cerebrospinal fluid.

COMMENT ON RESULTS

The foreign exchange market trend in H1'19 highlighted a depreciation of the Euro against the U.S. Dollar, Chinese Yuan, Mexican peso and British pound when compared to H1'18. Conversely, the Euro appreciated vis-à-vis the Brazilian real and Australian dollar.

	U.S. Dollar	Brazilian Real	Chinese Yuan	Australian Dollar	Mexican Peso	British Pound
Euro	-6.7%	+4.8%	-0.5%	+2.0%	-6.2%	-0.7%

Source: Banca d'Italia

CONSOLIDATED REVENUES

Revenues: € 350.3 million in H1'19, +5.8% (+3.7% at CER) compared to H1'18.

Positive trend in CLIA sales, net of Vitamin D. Conversely, molecular diagnostics sales growth was negatively affected by Q1'19 flu test performance, as a result of an unfavorable comparison with the previous year, which was characterized by an exceptionally severe flu season. It should be noted that revenues from the other molecular tests recorded a growth of *more than 30%* in the period.

In H1'19, foreign exchange rates had a positive impact of about € 6.9 million on Group revenues.

Sales trend as follows:

- **CLIA tests, net of Vitamin D:** +11.7% (+10.5% at CER)
- **Vitamin D (CLIA):** +1.0% (-2.6% at CER)
- **ELISA tests:** +4.6% (+2.7% at CER)
- **Molecular tests:** +5.1% (-0.9% at CER)
- **Instruments sales and other revenues:** -10.4% (-11.0% at CER)

Net balance of units installed in **H1'19** was +212 units (+250 LIAISON XL and -38 LIAISON), increasing the total number of installed instruments to 8,061 units (of which 4,251 LIAISON XL, equal to ca. 53% of the total installed base).

Revenues in Q2'19 were **€ 179.5 million**, +7.7% (+6.0% at CER) compared to Q2'18, as a result of the upward trend in CLIA sales, net of Vitamin D, and in molecular diagnostics, not affected by flu test seasonality and consequently recording a growth of *more than 20% at CER*.

In Q2'19, foreign exchange rates had a positive impact of about € 2.8 million on Group revenues.

Sales trend as follows:

- **CLIA tests, net of Vitamin D:** +14.2% (+13.2% at constant exchange rates)
- **Vitamin D (CLIA):** +0,0% (-3.1% at CER)
- **ELISA tests:** +4.3% (+2.6% at CER)
- **Molecular tests:** +32.8% (+26.1% at CER)
- **Instruments sales and other revenues:** -17.4% (-17.2% at CER)

REVENUES BY
GEOGRAPHY

The following provides the breakdown of the Group consolidated revenues by geographic area.

Amounts in millions of euros	H1		amount	Change	
	2018	2019		%	
				@ current	@ CER
Europe and Africa	156.2	164.3	+8.1	+5.2%	+5.1%
% on total revenues	47.2%	46.9%			
USA and Canada	93.2	101.2	+8.0	+8.6%	+1.6%
% on total revenues	28.7%	28.9%			
Asia Pacific	60.7	64.7	+4.0	+6.6%	+6.3%
% on total revenues	18.3%	18.5%			
Latin America	21.2	20.0	-1.1	-5.3%	-5.2%
% on total revenues	6.4%	5.7%			
Total	331.2	350.3	+19.1	+5.8%	+3.7%

Amounts in million of euros	Q2		amount	Change	
	2018	2019		%	
				@ current	@ CER
Europe and Africa	79.1	82.3	+3.2	+4.1%	+4.1%
% on total revenues	47.4%	45.9%			
USA and Canada	44.9	52.4	+7.5	+16.7%	+10.1%
% on total revenues	26.9%	29.2%			
Asia Pacific	32.0	34.2	+2.2	+6.9%	+7.4%
% on total revenues	19.2%	19.0%			
Latin America	10.8	10.6	-0.1	-1.3%	-2.0%
% on total revenues	6.5%	5.9%			
Total	166.7	179.5	+12.8	+7.7%	+6.0%

Europe and Africa

Revenues in H1'19 were € 164.3 million, +5.2% (+5.1% at CER) compared to H1'18, mainly due to the positive trend in CLIA sales.

In Q2'19, revenues were € 82.3 million, +4.1% (+4.1% at CER), driven by the contribution from all the main geographies.

- **Italy:**

H1: +21.6% (local market: +2.7%)¹; growth driven by the upward trend in CLIA sales, primarily Latent Tuberculosis, PCT and Gastrointestinal Infections.

Q2: +20.4%.

- **Germany:**

H1: +0.7% (local market: -2.4%)¹; growth of CLIA sales, primarily Gastrointestinal Infections, Infectious Diseases and Hepatitis, partially offset by lower ELISA sales.

Q2: +1.3%.

- **France:**

H1: -3.3% (local market -1.0%)¹, mainly due to the introduction of new policies that limit the public reimbursement of some specialty tests and to lower ELISA sales.

Q2: -6.3%.

- **Distributors:**

H1: -21.8% at CER, mainly due to the seasonality of some tenders and lower instruments sales.

Q2: -19.3% at CER.

USA and Canada

Revenues in H1'19 were € 101.2 million, +8.6% (+1.6% at CER) versus H1'18.

Continued growth in revenues from immunodiagnostic sales, equal to +9.9% (+2.8% at CER): it is worth to highlight the outstanding CLIA performance, net of Vitamin D (low double-digits growth at CER), partly

¹ Source: latest EDMA available data

offset by a decline in Vitamin D sales.

Positive contribution from molecular diagnostics business, +5.5% (-1.5% at CER), affected by the negative trend in sales of flu tests in Q1'19, resulting from a moderate season compared to the positive peak registered last year. Net of flu tests, molecular diagnostic sales recorded a growth of more than 20% at CER.

In Q2'19, revenues were € 52.4 million, +16.7% (+10.1% at CER) versus the prior year. Strong performance of both CLIA panel, net of Vitamin D (+20% at CER), and molecular tests (no longer affected by the negative impact deriving from flu tests seasonality).

Asia Pacific

Revenues in H1'19 were € 64.7 million, +6.6% (+6.3% at CER) on the back of the steady growth of CLIA sales in China and positive sales trend in Australia.

In Q2'19, revenues were € 34.2 million, +6.9% (+7.4% at CER).

- **China:**

H1: +10.7% in local currency; growth in revenues from CLIA tests, primarily Hepatitis, Prenatal Screening and Infectious Diseases panels along with the positive performance of Thyroid test.

Q2: +7.1% in local currency (CLIA growing low double digits; lower instruments sales and slowdown in ELISA tests).

- **Australia:**

H1: +10.7% in local currency; growth driven by positive trend in CLIA sales, particularly Gastrointestinal Infections, Prenatal Screening and Infectious Diseases. Molecular kits and instruments sales confirmed an upward trend.

Q2: +10.6% in local currency.

Latin America

Revenues in H1'19 were € 20.0 million, -5.3% (-5.2% at CER) due to the Brazilian market performance and reduced instruments sales in countries served through third-party distributors.

Revenues in Q2'19 were € 10.6 million, -1.3% (-2.0% at CER) versus Q2'18.

- **Brazil:**

H1: -8.2% in local currency; the result was negatively affected by the decline in Vitamin D and ELISA Murex sales.

Q2: -2.5% in local currency.

- **Mexico:**

H1: +11.0% in local currency; positive contribution from CLIA sales, mainly Infectious Diseases, Hepatitis and Autoimmunity.

Q2: +6.9% in local currency.

- **Distributors:**

H1: -9.0% at CER; mainly due to lower instruments sales.

Q2: -5.8% at CER.

REVENUES BY
TECHNOLOGY

The following provides a breakdown of Group revenues by technology.

% of revenues contributed	H1		Change
	2018	2019	
CLIA tests	65.6%	67.6%	+198 bps
ELISA tests	13.9%	13.8%	-15 bps
Molecular tests	8.9%	8.8%	-9 bps
Instruments sales and other revenues	11.6%	9.8%	-180 bps

% of revenues contributed	Q2		Change
	2018	2019	
CLIA tests	66.7%	68.5%	+175 bps
ELISA tests	14.5%	14.0%	-45 bps
Molecular tests	6.6%	8.2%	+154 bps
Instruments sales and other revenues	12.2%	9.3%	-284 bps

CLIA sales in H1'19 accounted for 67.6% of total Group revenues.

The increase versus H1'18 (equal to 65.6%) is the net result of the growing percentage of revenues represented by Infectious Diseases and Latent Tuberculosis sales, offset by a lower contribution provided by instrument sales and other revenues.

The percentage of total revenues represented by ELISA sales (13.9% in H1'18 versus 13.8% in H1'19) and molecular sales (8.9% in H1'18 versus 8.8% in H1'19) was substantially stable.

OPERATING
PERFORMANCE

Details of the Group operating performance in i) H1'19 and ii) Q2'19 are provided below.

GROSS PROFIT

GROSS PROFIT:

- i) € 243.3 million, +7.2%, equal to 69.5% of revenues (68.5% in H1'18). Growth driven both by a favorable sales mix (by increasing specialty tests and reducing instruments, at product level, and by increasing direct sales, at channel level) and a more efficient supply chain (as a result of the efficiency initiatives rolled out in the last 2 years).
- ii) € 124.7 million, +7.8%, equal to 69.4% of revenues, same as Q2'18.

EBITDA

EBITDA:

- i) € 139.3 million, +8.6% (+6.0% at CER), equal to 39.8% of revenues (38.7% in H1'18). The result is due both to the increase in the gross profit and the adoption of IFRS 16 accounting standard (lease accounting).
- ii) € 71.7 million, +10.6% (+8.6% at CER), equal to 40.0% of revenues (38.9% in Q2'18).

EBIT

EBIT:

- i) € 110.2 million, +7.0%, equal to 31.5% of revenues.
- ii) € 57.2 million, +9.5%, equal to 31.9% of revenues.

FINANCIAL
PERFORMANCE**FINANCIAL PERFORMANCE:**

- i) **Net financial expenses** were € 1.1 million, as against net financial income of € 1.3 million in H1'18 following fair value revaluation of shares previously held in the Indian subsidiary after purchase of its full control.
- ii) **Net financial expenses** were € 0.8 million.

INCOME TAXES

Income taxes in H1'19 were € 25.1 million, with a tax rate of 23.0%, in line with H1'18.

CONSOLIDATED
NET PROFIT**CONSOLIDATED NET PROFIT:**

- i) € 84.0 million; +3.9%, equal to 24.0% of revenues.
- ii) € 43.6 million; +2.5%, equal to 24.3% of revenues.

CONSOLIDATED
NFP

Consolidated Net Financial Position at June 30, 2019 was equal to +€ 62.0 million, down € 13.3 million versus the balance at year-end 2018 (equal to € 75.3 million), mainly following the first adoption of IFRS 16 accounting standard. Net of this effect, NFP would be positive at € 91.8 million, up € 16.5 million versus the balance at year-end 2018.

FCF

The Group **Free Cash Flow** in H1'19 was € 69.5 million (€ 69.2 million in H1'18). It is worth to highlight the one-off exit tax impact on Q2'19 following the divestment of the Irish business activities.

BUSINESS
OUTLOOK

Management confirms the guidance already announced for 2019 at CER compared to 2018:

- **Revenues:** growth between 5.0% and 8.0%.
- **EBITDA margin:** incidence on Group revenues comparable to 2018 EBITDA margin result.

In 2018, the euro/dollar exchange rate was equal to 1.18.

Mr. Piergiorgio Pedron, the officer in charge of preparing the corporate accounting documents of DiaSorin S.p.A. declares that, pursuant to paragraph 2, Art. 154 bis of the Consolidated Law on Finance, to the best of his knowledge, the accounting information contained in this Press Release corresponds to the documental results, accounting books and records.

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CONSOLIDATED INCOME STATEMENT

(Amounts in million of euros)	H1		Change	
	2018	2019	amount	%
Net Revenues	331.2	350.3	+19.1	+5.8%
Cost of sales	(104.3)	(107.0)	-2.6	+2.5%
Gross profit	226.8	243.3	+16.4	+7.2%
	68.5%	69.5%	+1.0%	
Sales and marketing expenses	(65.0)	(70.4)	-5.4	+8.3%
Research and development costs	(22.2)	(23.3)	-1.1	+4.8%
General and administrative expenses	(31.9)	(34.3)	-2.4	+7.6%
Total operating expenses	(119.2)	(128.1)	-8.9	+7.5%
	36.0%	36.6%	+0.6%	
Other operating income (expense)	(4.7)	(5.0)	-0.4	+7.9%
<i>non recurring amount</i>	(1.0)	(0.9)	+0.1	-6.8%
EBIT	103.0	110.2	+7.2	+7.0%
	31.1%	31.5%	+0.3%	
Net financial income (expense)	1.3	(1.1)	-2.4	n.m.
Profit before taxes	104.3	109.1	+4.7	+4.5%
Income taxes	(23.5)	(25.1)	-1.6	+6.9%
Net result	80.9	84.0	+3.1	+3.9%
EBITDA ⁽¹⁾	128.2	139.3	+11.1	+8.6%
	38.7%	39.8%	+1.1%	

(Amounts in million of euros)	Q2		Change	
	2018	2019	amount	%
Net Revenues	166.7	179.5	+12.8	+7.7%
Cost of sales	(51.1)	(54.8)	-3.8	+7.4%
Gross profit	115.6	124.7	+9.0	+7.8%
	69.4%	69.4%	+0.1%	
Sales and marketing expenses	(33.3)	(35.9)	-2.6	+7.7%
Research and development costs	(10.6)	(11.6)	-1.1	+10.2%
General and administrative expenses	(16.8)	(17.2)	-0.3	+2.0%
Total operating expenses	(60.7)	(64.7)	-4.0	+6.6%
	36.4%	36.0%	-0.4%	
Other operating income (expense)	(2.7)	(2.7)	-0.1	+2.6%
<i>non recurring amount</i>	(0.5)	(0.3)	+0.2	-37.3%
EBIT	52.3	57.2	+5.0	+9.5%
	31.4%	31.9%	+0.5%	
Net financial income (expense)	2.2	(0.8)	-3.0	n.m.
Profit before taxes	54.5	56.5	+2.0	+3.6%
Income taxes	(12.0)	(12.9)	-0.9	+7.6%
Net result	42.5	43.6	+1.1	+2.5%
EBITDA ⁽¹⁾	64.9	71.7	+6.9	+10.6%
	38.9%	40.0%	+1.1%	

(1) EBITDA is defined as the "Operating Result", gross of amortization and depreciation of intangible and tangible assets. EBITDA is a measure used by the Company to monitor and evaluate the Group's operating performance and is not defined as an accounting measure in IFRS and therefore shall not be considered an alternative measure for assessing the Group's operating result performance.

Since the composition of EBITDA is not regulated by the reference accounting standards, the criterion of determination applied by the Group may not be homogeneous with that adopted by other operators and/or groups and therefore may not be comparable.

CONSOLIDATED BALANCE SHEET

<i>(Amounts in million of euros)</i>	12/31/2018	06/30/2019	Change
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

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(Amounts in million of euros)</i>	H1	
	2018	2019
Cash and cash equivalents at the beginning of the period	159.3	73.1
Cash provided by operating activities	88.4	92.7
Cash used in investing activities	(21.0)	(24.3)
Cash provided/(used) in financing activities	(118.6)	(26.6)
Acquisitions of companies and business operations	(4.5)	(4.4)
Net change in cash and cash equivalents before investments in financial assets	(55.6)	37.4
Divestment/(Investment) in financial assets	0.9	(20.4)
Net change in cash and cash equivalents	(54.8)	17.0
Cash and cash equivalents at the end of the period	104.6	90.1

<i>(Amounts in million of euros)</i>	Q2	
	2018	2019
Cash and cash equivalents at the beginning of the period	172.3	70.1
Cash provided by operating activities	50.8	44.7
Cash used in investing activities	(10.9)	(11.5)
Cash provided/(used) in financing activities	(115.1)	(16.6)
Acquisitions of companies and business operations	(0.7)	(3.4)
Net change in cash and cash equivalents before investments in financial assets	(75.9)	13.3
Divestment/(Investment) in financial assets	8.2	6.7
Net change in cash and cash equivalents	(67.7)	19.9
Cash and cash equivalents at the end of the period	104.6	90.1