

## DIASORIN GROUP REPORTS GROWTH IN PROFITABILITY AND STRONG FREE CASH FLOW GENERATION IN THE FIRST QUARTER 2019

- ⇒ **REVENUES: € 170.8 million, +3.8% (+1.4% at CER).**  
Group revenues results were strongly impacted by lower molecular Flu sales, mainly in the US, as a result of an unfavorable comparison with Q1 2018, characterized by an exceptionally severe flu season. Net of this element, Q1 2019 revenues grew by 6.5% (+4.1% at CER).  
Positive impact of foreign exchange rates on sales amounting to about € 4.1 million.
- ⇒ **EBITDA: € 67.5 million, +6.6% (+3.4% at CER) up 105 bps,** equal to 39.6% of Group revenues (39.3% at CER).
- ⇒ **EBIT: € 53.0 million, +4.4%,** equal to 31.0% of Group revenues.
- ⇒ **NET PROFIT: € 40.4 million, +5.4%,** equal to 23.7% of Group revenues.
- ⇒ **NET FINANCIAL POSITION: +€ 78.3 million** at March 31, 2019 (€ 75.3 million at December 31, 2018). Negative contribution as a consequence of the IFRS 16 adoption, equal to € 32.2 million.
- ⇒ **FREE CASH FLOW: € 35.6 million** in Q1'19 (€ 27.8 million in Q1'18).
- ⇒ **LIAISON/LIAISON XL:** net placements of **+103 units** in Q1'19 (+124 LIAISON XL and -21 LIAISON), for an overall total of **7,952 units** at March 31, 2019, of which 4,125 LIAISON XL (equal to about 52% of the total installed base).
- ⇒ **DIASORIN INVESTOR DAY 2019:**  
2019 - 2022 Business Plan will be examined by the Board of Directors on June 10, 2019. On the same day, a press release will be issued in this regard pursuant to current legislation.  
The Plan presentation to the financial community is scheduled for June 11, 2019 at Teatro Vittoria in Turin. The event will be available via webcast through the dedicated "Investor Day 2019" section on [www.diasoringroup.com](http://www.diasoringroup.com).

**Saluggia (Italy), May 9, 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 Q1 2019 consolidated economic and financial results.

Amounts in millions of euros	Q1		change		
	2018	2019	amount	% @ current	% @ CER
<b>Revenues</b>	<b>164.5</b>	<b>170.8</b>	<b>+6.3</b>	<b>+3.8%</b>	<b>+1.4%</b>
CLIA tests	106.0	113.7	+7.8	+7.3%	+5.2%
ELISA tests	21.9	23.0	+1.1	+4.9%	+2.8%
Molecular tests	18.3	16.2	-2.1	-11.5%	-17.2%
Instruments sales and other revenues	18.3	17.8	-0.5	-2.5%	-4.0%
<b>EBITDA</b>	<b>63.3</b>	<b>67.5</b>	<b>+4.2</b>	<b>+6.6%</b>	<b>+3.4%</b>
EBITDA margin	38.5%	39.6%	+105 bps		
<b>EBIT</b>	<b>50.7</b>	<b>53.0</b>	<b>+2.2</b>	<b>+4.4%</b>	
EBIT margin	30.9%	31.0%	+16 bps		
<b>Net profit</b>	<b>38.3</b>	<b>40.4</b>	<b>+2.1</b>	<b>+5.4%</b>	

**Q1 2019 HIGHLIGHTS****THREE NEW PRODUCTS DEVELOPED ON LIAISON XL:**

- Launch of **Vitamin B12** and **Folate** tests in addition to the Ferritin test already available in the DiaSorin menu, completing the anemia panel in Europe.
- Gastrointestinal stool panel enrichment with the launch of the **Elastase-1** test in Europe and in the US.

**COMMENT ON RESULTS**

The foreign exchange market trend in Q1'19 highlighted, compared to Q1'18, a marked depreciation of the Euro against the U.S. Dollar, Chinese Yuan, Mexican Peso and British Pound. Conversely, the Euro appreciated vis-à-vis the Brazilian Real and Australian Dollar.

	US Dollar	Brazilian Real	Chinese Yuan	Australian Dollar	Mexican Peso	British Pound
Euro	-7.6%	+7.2%	-1.9%	+2.0%	-5.3%	-1.2%

Source: Banca d'Italia

**CONSOLIDATED REVENUES**

**Revenues: € 170.8 million in Q1'19, +3.8% (+1.4% at CER)** compared to Q1'18.

The positive trend in sales of CLIA immunodiagnostics, net of Vitamin D, was strongly impacted by the negative performance of molecular diagnostics revenues, especially in the US, as a consequence of a tough comparison with the previous year, which benefited from an exceptionally severe flu season. It should be noted that the molecular tests, net of flu tests, recorded a growth of more than 10%.

In Q1'19, foreign exchange rates had a positive impact of about € 4.1 million on Group revenues.

Sales trend as follows:

- **CLIA, net of Vitamin D:** +9.2% (+7.8% at CER)
- **Vitamin D (CLIA):** +2.1% (-2.1% at CER)
- **ELISA tests:** +4.9% (+2.8% at CER)
- **Molecular tests:** -11.5% (-17.2% at CER)
- **Instruments sales and other revenues:** -2.5% (-4.0% at CER)

During **Q1'19**, the net balance of units installed was +103 units (+124 *LIAISON XL* and -21 *LIAISON*), increasing the total number of installed instruments to 7,952 units (of which 4,125 *LIAISON XL*, equal to ca. 52% of the total installed base).

**REVENUES BY GEOGRAPHY**

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

Amounts in millions of euros	Q1		Change		
	2018	2019	amount	%	
				@ current	@ CER
Europe and Africa	77.1	82.0	+4.9	+6.4%	+6.1%
<i>% on total revenues</i>	46.9%	48.0%			
USA and Canada	48.3	48.9	+0.5	+1.1%	-6.4%
<i>% on total revenues</i>	29.4%	28.6%			
Asia Pacific	28.7	30.5	+1.8	+6.2%	+5.1%
<i>% on total revenues</i>	17.4%	17.9%			
Latin America	10.4	9.4	-1.0	-9.4%	-8.5%
<i>% on total revenues</i>	6.3%	5.5%			
<b>Total</b>	<b>164.5</b>	<b>170.8</b>	<b>+6.3</b>	<b>+3.8%</b>	<b>+1.4%</b>

### Europe and Africa

Revenues in Q1'19 were € 82.0 million, +6.4% (+6.1% at CER) compared to Q1'18.

- **Italy:** +22.8% (local market: +3.5%)<sup>1</sup>; increase in CLIA sales, net of Vitamin D, primarily Infectious Diseases and Bone Metabolism, as well as Vitamin D and Latent Tuberculosis tests.
- **Germany:** +0.1% (local market: -1.0%)<sup>1</sup>; positive sales performance of Vitamin D 1.25, Infectious Diseases, Endocrinology and Hepatitis panels.
- **France:** -0.2% (local market: +0.9%)<sup>1</sup>; slight decrease mainly due to the introduction of new policies that limit the public reimbursement of some specialty tests and a drop of Vitamin D sales.
- **Export:** -22.4% (-24.5% at CER); decline mainly due to the seasonality of some large orders in the Middle East.

### USA and Canada

Revenues in Q1'19 were € 48.9 million, +1.1% (-6.4% at CER) compared to Q1'18 affected by the different trends in the immunodiagnostic and molecular diagnostic businesses.

Immunodiagnostics sales recorded a slight increase (+0.3%), as a result of the growth of CLIA tests revenues, net of Vitamin D, partly offset by the contraction in Vitamin D sales.

Molecular tests sales, net of flu tests, growing slightly more than 10%, were affected by the negative trend in sales of flu tests resulting from a moderate season compared to the positive peak registered last year.

### Asia Pacific

Revenues in Q1'19 were € 30.5 million, +6.2% (+5.1% at CER).

- **China:** +15.1% in local currency; increase in CLIA sales, net of Vitamin D (+9.5% in local currency), particularly Infectious Diseases panel, Tumor markers and Thyroid tests.
- **Australia:** +10.9% in local currency; on the back of solid CLIA sales, primarily Vitamin D test, Gastrointestinal Stool testing and Infectious Diseases panels.
- **Export:** -8.2% (-9.3% at CER); decline due mainly to the seasonality of some important orders.

### Latin America

Revenues in Q1'19 were € 9.4 million, -9.4% (-8.5% at CER) compared to Q1'18.

- **Brazil:** -13.8% in local currency; the result was negatively affected by the decline in Vitamin D and ELISA Murex sales in the period.
- **Mexico:** +16.1% in local currency; positive trend in CLIA sales, primarily Infectious Diseases and Hepatitis panels and Thyroid tests.
- **Export:** -10.6% (-12.1% at CER).

#### REVENUES BY TECHNOLOGY

The following provides a breakdown of Group revenues by technology.

% of revenues contributed	Q1		Change
	2018	2019	
CLIA tests	64.4%	66.6%	+218 bps
ELISA tests	13.4%	13.5%	+4 bps
Molecular tests	11.1%	9.5%	-164 bps
Instruments sales and other revenues	11.1%	10.4%	-68 bps

<sup>1</sup>Source: EDMA latest data available

OPERATING  
PERFORMANCE

The following provides the Group operating performance in Q1'19.

GROSS  
PROFIT

**GROSS PROFIT: € 118.6 million**, +6.7% equal to 69.5% of revenues, up from Q1'18 (67.6%), primarily due to a favorable mix of sales channels, with higher revenues in countries where the Group has a direct presence versus countries where the Group operates through third-party distributors.

## EBITDA

**EBITDA: € 67.5 million**, +6.6% (+3.4% at CER), equal to 39.6% of revenues (39.3% at CER), up 105 bps versus Q1'18 (38.5%).

Increased profitability reflects both comments provided on gross profit and the positive effect consequent to the adoption of the IFRS 16 accounting standard.

## EBIT

**EBIT: € 53.0 million**, +4.4% equal to 31.0% of revenues (30.9% in Q1'18).

FINANCIAL  
PERFORMANCE

In Q1'19, **net financial expenses** were € 0.4 million, as against net financial expenses of € 0.9 million in Q1'18.

INCOME  
TAXES

**Income taxes** in Q1'19 were € 12.2 million, with a tax rate of 23.2%, in line with Q1'18.

CONSOLIDATED  
NET PROFIT

**Consolidated Net Profit** was € 40.4 million, up 5.4%, equal to 23.7% of revenues (23.3% in Q1'18).

CONSOLIDATED  
NFP

**Consolidated Net Financial Position** at 31 March 2019 was positive at € 78.3 million, an increase of € 2.9 million compared to the balance at year-end 2018 (equal to € 75.3 million), confirming the consistent generation of operating cash for the period. It is worth to underline the negative impact consequent to the adoption of the IFRS 16, amounting to € 32.2 million.

## FCF

The Group **Free Cash Flow** in Q1'19 was € 35.6 million as against € 27.8 million in Q1'18.

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.

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Given that Legislative Decree No. 25/2016, implementing European Directive 2013/50/UE, in force as of 18 March 2016, eliminated the obligation to publish the Interim Management Report, it should be noted that this Press Release of DiaSorin S.p.A. on the main consolidated results of Q1'19 was prepared on a voluntary basis as part of a Company decision to provide regular information on the economic, financial and operating performance of the Company aimed at the market and investors, in line with the conduct of the Company's main peers.

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)	Q1		Change	
	2018	2019	amount	%
<b>Net Revenues</b>	<b>164.5</b>	<b>170.8</b>	<b>+6.3</b>	<b>+3.8%</b>
Cost of sales	(53.3)	(52.1)	+1.1	-2.1%
<b>Gross profit</b>	<b>111.2</b>	<b>118.6</b>	<b>+7.4</b>	<b>+6.7%</b>
	67.6%	69.5%	+1.9%	
Sales and marketing expenses	(31.7)	(34.5)	-2.8	+9.0%
Research and development costs	(11.7)	(11.7)	+0.0	-0.1%
General and administrative expenses	(15.1)	(17.2)	-2.1	+13.8%
<b>Total operating expenses</b>	<b>(58.5)</b>	<b>(63.4)</b>	<b>-4.9</b>	<b>+8.4%</b>
	35.5%	37.1%	+1.6%	
Other operating income (expense)	(2.0)	(2.3)	-0.3	+15.1%
<i>non recurring amount</i>	(0.5)	(0.6)	-0.1	+23.1%
<b>EBIT</b>	<b>50.7</b>	<b>53.0</b>	<b>+2.2</b>	<b>+4.4%</b>
	30.9%	31.0%	+0.2%	
Net financial income (expense)	(0.9)	(0.4)	+0.6	-61.6%
<b>Profit before taxes</b>	<b>49.8</b>	<b>52.6</b>	<b>+2.8</b>	<b>+5.6%</b>
Income taxes	(11.5)	(12.2)	-0.7	+6.2%
<b>Net result</b>	<b>38.3</b>	<b>40.4</b>	<b>+2.1</b>	<b>+5.4%</b>
<b>EBITDA (*)</b>	<b>63.3</b>	<b>67.5</b>	<b>+4.2</b>	<b>+6.6%</b>
	38.5%	39.6%	+1.0%	

(\*) 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.

Data not audited.

## CONSOLIDATED BALANCE SHEET

<i>(Amounts in million of euros)</i>	12/31/2018	03/31/2019	Change
Goodwill and intangibles assets	373.1	376.7	+3.6
Property, plant and equipment	95.0	128.3	+33.3
Other non-current assets	23.0	24.1	+1.1
Net working capital	201.0	208.1	+7.1
Other non-current liabilities	(62.7)	(60.8)	+1.9
<b>Net Invested Capital</b>	<b>629.4</b>	<b>676.5</b>	<b>+47.1</b>
<b>Net Financial Position</b>	<b>75.3</b>	<b>78.3</b>	<b>+2.9</b>
<b>Total shareholders' equity</b>	<b>704.7</b>	<b>754.7</b>	<b>+50.0</b>

Data not audited as at March 31, 2019.

## CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(Amounts in million of euros)</i>	Q1	
	2018	2019
<b>Cash and cash equivalents at the beginning of the period</b>	<b>159.3</b>	<b>73.1</b>
Cash provided by operating activities	37.6	48.0
Cash used in investing activities	(10.0)	(12.9)
Cash provided/(used) in financing activities	(3.5)	(10.0)
Acquisitions of companies and business operations	(3.8)	(1.0)
<b>Net change in cash and cash equivalents before investments in financial assets</b>	<b>20.3</b>	<b>24.1</b>
<b>Divestment/(Investment) in financial assets</b>	<b>(7.3)</b>	<b>(27.1)</b>
<b>Net change in cash and cash equivalents</b>	<b>13.0</b>	<b>(3.0)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>172.3</b>	<b>70.1</b>

Data not audited.