

## THE DIASORIN GROUP REPORTS GROWTH IN REVENUES AND PROFITABILITY IN THE FIRST QUARTER 2018

→ **REVENUES: € 164.5 million, +4.4% (+11.2% at CER).**

The increase in sales of the Group's immunodiagnostics and molecular diagnostics was penalized by a negative exchange rate effect for a total of € 10.7 million. There was a positive contribution from the Siemens ELISA business, acquired in September 2017.

→ **EBITDA: € 63.3 million, +1.3% (+9.3% at CER), equal to 38.5% of Group revenues (39.0% at CER).**

It is important to note that the comparison with the same period of the previous year was penalized by a result at 31 March 2017, which benefited from the deferment of some operating expenses to Q2 2017.

→ **EBIT: € 50.7 million, +1.5%, equal to 30.9% of Group revenues.**

→ **NET PROFIT: € 38.3 million, +16.6%, equal to 23.3% of Group revenues.** A positive impact deriving both from the agreement with the Italian Tax Authority regulating *Patent Box* regime and from the U.S. corporate tax reform.

→ **NET FINANCIAL POSITION: +€ 168.6 million** at March 31, 2018 (€ 149.3 million at December 31, 2017).

→ **FREE CASH FLOW: € 27.8 million** in Q1'18 (€ 43.6 million in Q1'17)

→ **LIAISON/LIAISON XL: net placements in Q1'18 of +103 units** (+116 LIAISON XL and -13 LIAISON installations) for an overall total of **7,501 units** at March 31, 2018, of which 3,634 LIAISON XL (*ca. 48% of the total installed base*).

**Saluggia (Italy), May 8, 2018** - The Board of Directors of DiaSorin S.p.A. (FTSE Italia Mid Cap: DIA), a global leader in the production of diagnostic tests, met today in Saluggia under the Chairmanship of Mr. Gustavo Denegri, and examined and approved the consolidated economic and financial results of Q1'18.

Amounts in millions of euros	Q1		change		
	2017	2018	absolute	% @ curr	% @ CER
<b>Revenues</b>	<b>157.5</b>	<b>164.5</b>	<b>+7.0</b>	<b>+4.4%</b>	<b>+11.2%</b>
<i>CLIA tests</i>	102.9	106.0	+3.0	+2.9%	+8.8%
<i>ELISA tests</i>	18.6	22.0	+3.4	+18.2%	+24.4%
<i>Molecular tests</i>	18.2	19.1	+0.9	+4.8%	+19.1%
<i>Instruments sales and other revenues</i>	17.7	17.4	-0.3	-1.6%	3.3%
<b>EBITDA</b>	<b>62.5</b>	<b>63.3</b>	<b>+0.8</b>	<b>+1.3%</b>	<b>+9.3%</b>
<i>EBITDA margin</i>	39.7%	38.5%	-120 bps		
<b>EBIT</b>	<b>50.0</b>	<b>50.7</b>	<b>+0.8</b>	<b>+1.5%</b>	
<i>EBIT margin</i>	31.7%	30.9%	-89 bps		
<b>Net profit</b>	<b>32.9</b>	<b>38.3</b>	<b>+5.5</b>	<b>+16.6%</b>	

### SIGNIFICANT EVENTS

→ Certification was obtained from the US Food and Drug Administration (FDA) for extension of the analyzable claims with the molecular kit **Simplexa HSV 1 & 2** in **molecular diagnostics** on the **LIAISON MDX** analyzer in the US.

**COMMENT ON RESULTS**

The foreign exchange market trend in Q1'18 highlighted, compared to Q1'17, a marked appreciation of the Euro against the main currencies with which the Group operates.

	US Dollar	Brazilian Real	Chinese Yuan	Australian Dollar	Mexican Peso	British Pound
Euro	+15.4%	+19.2%	+6.5%	+11.2%	+6.6%	+2.7%

Source: Banca d'Italia

**CONSOLIDATED REVENUES**

**Revenues: € 164.5 million in Q1'18, +4.4% (+11.2% at CER) against Q1'17.**

Contribution from molecular diagnostic sales, driven by flu testing, and sales generated from immunodiagnostic products, reflecting the upward trend in sales of Siemens' ELISA tests acquired in September 2017.

During Q1'18, sales were influenced by the depreciation of some of the currencies in which the Group operates (mainly the US Dollar, Brazilian Real and Chinese Yuan), with a consequent negative exchange rate of about € 10.7 million.

In Q1'18, sales trend was as follows:

- **CLIA, net of Vitamin D 25 OH: +9.1% (+13.8% at CER)**
- **Vitamin D 25 OH (CLIA): -11.5% (-2.6% at CER)**
- **ELISA tests: +18.2% (+24.4% at CER)**
- **Molecular tests: +4.8% (+19.1% at CER)**
- **Instrument sales and other revenues: -1.6% (+3.3% at CER)**

During **Q1'18**, the net balance of installations was +103 units, bringing the total number of instruments installed to 7,501 units. The success of the LIAISON XL continued with +116 instruments installed and a total of 3,634 units, (ca. 48% of the total base installed).

	TOTAL UNITS AT 31 DECEMBER 2017	NET PLACEMENTS IN Q1 2018	TOTAL UNITS AT 31 MARCH 2018
	3,880	-13	3,867
	3,518	+116	3,634
<b>TOTAL</b>	7,398	+103	7,501

The tables below show the breakdown of the consolidated turnover achieved by the Group, subdivided by geographic area.

Please note that the data includes sales of the Siemens ELISA Business acquired in September 2017.

€ millions	Q1		Change		
	2017	2018	absolute	%	
				@ current	@ CER
Europe and Africa	66.7	77.1	+10.3	+15.5%	+16.4%
North America	53.1	48.3	-4.7	-8.9%	+5.0%
Asia Pacific	26.2	28.7	+2.5	+9.7%	+15.8%
Central and South America	11.5	10.4	-1.1	-9.9%	-0.1%
<b>Total</b>	<b>157.5</b>	<b>164.5</b>	<b>+7.0</b>	<b>+4.4%</b>	<b>+11.2%</b>

% impact on turnover	2017	2018
Europe and Africa	42.4%	46.9%
North America	33.7%	29.4%
Asia Pacific	16.6%	17.4%
Central and South America	7.3%	6.3%

### Europe and Africa

Revenues in Q1'18 amounted to € 77.1 million, +15.5% (+16.4% at CER) compared with Q1'17 driven by immunodiagnostic sales, including Siemens' ELISA tests, and molecular diagnostic sales.

- **Italy:** +10.4% (local market: +3.3%)<sup>1</sup>; a growth in sales of the CLIA tests, net of Vitamin D (+10.1%), especially the gastrointestinal infection panel, Vitamin D 1.25 and PCT. Also, sales of Vitamin D 25 OH were positive.
- **Germany:** +23.5% (local market: +0.4%)<sup>1</sup>; higher sales of 1,25 Vitamin D, Gastrointestinal infections and Siemens' ELISA tests.
- **France:** +15.0% (local market: -0.3%)<sup>1</sup>; a growth in sales of the CLIA tests net of Vitamin D 25 OH.

### North America

Revenues in Q1'18 were € 48.3 million, a decrease of 8.9% (+5.0% at CER) compared to Q1'17. Although there was a growth in revenues from sales of molecular diagnostic and immunodiagnostic tests, net of Vitamin D 25 OH, the result of the area was negatively impacted by the effect of the exchange rates.

- **USA:** +4.3% in local currency; increase in molecular diagnostic sales, mainly flu testing, and CLIA tests, net of 25 OH Vitamin D, particularly Infectious Diseases and Prenatal Diseases.

### Asia Pacific

Revenues in Q1'18 were € 28.7 million, an increase of 9.7% (+15.8% at CER).

- **China:** +0.9% in local currency; a growth in turnover of CLIA tests (+17.8% in local currency) and, in particular, hepatitis panels, prenatal screening and thyroid tests. Moreover, the result of the area was influenced by the negative trend of instrument sales, following an unfavorable comparison with Q1'17, which was characterized by particularly positive results.
- **Australia:** +21% in local currency, a growth thanks to the positive sales trend of the CLIA tests, particularly the gastrointestinal infection panel, Vitamin D 25 OH, and the ELISA tests acquired from Siemens.
- **Distributors:** +33.5% (+37.4% at CER) due mainly to the increase in sales of instruments, CLIA tests and the portfolio of tests acquired from Siemens.

### Central and South America

Revenues in Q1'18 were € 10.4 million, a decrease of 9.9% (-0.1% at CER) against Q1'17.

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

- **Brazil:** +6.5% in local currency; a positive trend in CLIA test sales, especially Vitamin D 25 OH and Vitamin D 1.25 tests, besides the hepatitis panel.
- **Mexico:** -2.4% in local currency.
- **Distributors:** -9.8% (-6.7% at CER), the particularly positive performance recorded in Q1'17 relative to instrument sales penalized the comparison with the result of Q1'18; CLIA tests showed good growth.

Revenue by technology

The table below shows the percentage of turnover for each technology on the consolidated data obtained by the Group. Please note that this data includes sales of the Siemens ELISA Business acquired in September 2017.

<i>% impact on turnover</i>	2017	2018
CLIA tests	65.4%	64.4%
ELISA tests	11.8%	13.4%
Molecular tests	11.6%	11.6%
Instruments sales and other revenues	11.2%	10.6%

- **CLIA tests:** a reduction in the percentage incidence (-1.0%), mainly following the increase in the weight of the sales component of the ELISA tests deriving from the acquisition of the Siemens ELISA Business, while confirming the positive trend of the CLIA test sales.
- **ELISA tests:** an increase in the percentage incidence (+1.6%) due to the contribution of the ELISA revenues deriving from the portfolio of tests acquired from Siemens.
- **Molecular tests:** contribution *substantially unchanged* compared to Q1'17.
- **Instrument sales & other revenues:** a decrease of 0.6%.

OPERATING  
PERFORMANCE

Details of the Group's operating performance in Q1 2018 are shown below.

GROSS  
PROFIT

**GROSS PROFIT: € 111.2 million**, +3.0% with an incidence on turnover of 67.6%, a reduction against Q1'17 (68.5%), mainly owing to the impact of Siemens' Elisa business which was, as expected, dilutive in terms of Gross Profit and accretive at EBITDA level.

## EBITDA

**EBITDA: € 63.3 million**, +1.3% (+9.3% at CER), with an incidence on turnover of 38.5% (39.7% in Q1'17). It is important to underline that the comparison with Q1'17 was affected by a result as at 31 March 2017 that benefited from the deferment of some operating expenses to Q2 of the same financial year.

## EBIT

**EBIT: € 50.7 million**, +1.5% with an incidence on turnover of 30.9% (31.7% in Q1'17) negatively impacted by the effect of the exchange rates.

FINANCIAL  
PERFORMANCE

In **Q1'18**, **net financial expenses** were **€ 0.9 million**, against net financial expenses of € 1.6 million in Q1'17, mainly as a consequence of the reduction of financial exposure to banks.

INCOME  
TAXES

**Income taxes** in **Q1'18** were **€ 11.5 million**, with a *tax rate* of 23%, down 900 *basis points* compared to Q1'17, as a result of the reduction in the US tax rate, applicable from the current year and the positive impact deriving from the *Patent Box* in Italy.

CONSOLIDATED  
NET PROFIT

**Consolidated Net Profit** was **€ 38.3 million**, a growth of 16.6%, with an incidence on turnover of 23.3% (20.9% in Q1'17).

CONSOLIDATED  
NFP

The **consolidated Net Financial Position** at **31 March 2018** was positive at **€ 168.6 million**, an increase of € 19.3 million compared to the balance at year-end 2017 (€ 149.3 million), thanks to the consistent generation of operating cash for the period.

## FCF

The Group's **Free Cash Flow** in **Q1'18** was **€ 27.8 million** as against € 43.6 million in Q1'17, due to a tough comparison versus a strong Q1'17 (and a weaker Q2'17) and by deferment to April of some collections expected at the end of March.

In light of the Group's economic performance after March 31, 2018 and taking into account possible evolutions of the diagnostic sector, management provides the following guidance for 2018:

- Revenues: a growth of ca. +11% at CER compared to the 2017 financial year
- EBITDA: a growth of ca. +13% at CER compared to the 2017 financial year

In 2017, the euro/dollar exchange rate was equal to 1.13.

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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 Q1'18 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

( <i>€ millions</i> )	Q1		Change	
	2017	2018	absolute	%
<b>Net Revenues</b>	<b>157.5</b>	<b>164.5</b>	<b>+7.0</b>	<b>+4.4%</b>
Cost of sales	(49.5)	(53.3)	-3.7	+7.5%
<b>Gross profit</b>	<b>107.9</b>	<b>111.2</b>	<b>+3.3</b>	<b>+3.0%</b>
	68.5%	67.6%	-0.9%	
Sales & marketing expenses	(29.8)	(31.7)	-1.9	+6.3%
Research & development costs	(10.2)	(11.7)	-1.5	+14.7%
General & administrative expenses	(16.0)	(15.1)	+0.9	-5.7%
<b>Total operating expenses</b>	<b>(56.0)</b>	<b>(58.5)</b>	<b>-2.5</b>	<b>+4.4%</b>
	(35.6)%	(35.5)%	+0.0%	
Other operating income (expense)	(2.0)	(2.0)	-0.0	+1.3%
<i>non recurring amount</i>	(0.3)	(0.5)	-0.3	n.m.
<b>EBIT</b>	<b>50.0</b>	<b>50.7</b>	<b>+0.8</b>	<b>+1.5%</b>
	31.7%	30.9%	-0.9%	
Net financial income (expense)	(1.6)	(0.9)	+0.7	-42.6%
<b>Profit before taxes</b>	<b>48.4</b>	<b>49.8</b>	<b>+1.4</b>	<b>+3.0%</b>
Income taxes	(15.5)	(11.5)	+4.0	-26.0%
<b>Net result</b>	<b>32.9</b>	<b>38.3</b>	<b>+5.5</b>	<b>+16.6%</b>
<b>EBITDA (*)</b>	<b>62.5</b>	<b>63.3</b>	<b>+0.8</b>	<b>+1.3%</b>
	39.7%	38.5%	-1.2%	

(\*) 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>(€ millions)</i>	<b>12/31/2017</b>	<b>3/31/2018</b>	<b>Change</b>
Goodwill and intangibles assets	347.1	344.6	-2.5
Property, plant and equipment	92.4	90.8	-1.6
Other non-current assets	23.8	24.5	+0.7
Net working capital	191.9	206.8	+14.9
Other non-current liabilities	(62.5)	(63.7)	-1.2
<b>Net Invested Capital</b>	<b>592.7</b>	<b>603.0</b>	<b>+10.3</b>
<b>Net Financial Position</b>	<b>149.3</b>	<b>168.6</b>	<b>+19.3</b>
<b>Total shareholders' equity</b>	<b>742.0</b>	<b>771.6</b>	<b>+29.7</b>

Data not audited.

## CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(€ millions)</i>	<b>Q1</b>	
	<b>2017</b>	<b>2018</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>130.5</b>	<b>159.3</b>
Cash provided by operating activities	51.2	37.6
Cash used in investing activities	(8.0)	(10.0)
Cash provided/(used) in financing activities	(0.8)	(3.5)
Acquisitions of companies and business operations	(0.1)	(3.8)
<b>Net change in cash and cash equivalents before investments in financial assets</b>	<b>42.3</b>	<b>20.3</b>
Divestment/(Investments) in financial assets	-	(7.3)
<b>Net change in cash and cash equivalents</b>	<b>42.3</b>	<b>13.0</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>172.8</b>	<b>172.3</b>

Data not audited.