

DIASORIN GROUP REPORTS GROWTH IN REVENUES AND NET PROFIT IN THE FIRST NINE MONTHS OF 2018

MAIN FIRST 9 MONTHS 2018 RESULTS

- **REVENUES: € 494.0 million**, +5.4% (+9.1% at CER; negative impact of exchange rates on revenues amounting to € 17.5 million). Solid sales performance of CLIA immunodiagnostic tests, net of Vitamin D, and Siemens' ELISA Business. Negative trend in Vitamin D sales, mainly as a result of the performance in the U.S. market; downward trend in ELISA Murex sales (primarily in certain countries served through distributors, in China and in Brazil).
- **EBITDA: € 187.1 million**, +2.7% (+7.5% at CER; negative impact of exchange rates on revenues amounting to € 8.8 million), equal to 37.9% of Group revenues (38.3% at CER). Profitability at CER in line with the first 9 months of 2017, despite costs incurred for a legal action between DiaSorin and Meridian that successfully ended on October 9, 2018¹, and costs to divest the Irish manufacturing facility.
- **NET PROFIT: € 116.8 million**, +22.0%, equal to 23.6% of Group revenues and a Group tax rate equal to 22.2% (32.0% in the first 9 months of 2017), following the positive effects arising from *Patent Box* regime in Italy and Corporate Tax Reform in the U.S.
- **NET FINANCIAL POSITION: +€ 128.8 million** at September 30, 2018 (+€ 149.3 million at December 31, 2017), net of treasury shares' purchase and sale related to Stock Options Plan, amounting to € 65.5 million. The result did not include debts versus shareholders for special dividends for € 98.4 million, as resolved by the Shareholders' Meeting on April 23, 2018.
- **FREE CASH FLOW: € 100.6 million** in the first 9 months of 2018, +3.1% compared to the first 9 months of 2017.
- **LIAISON/LIAISON XL: net placements of +336 units** (+367 LIAISON XL and -31 LIAISON installations) in the first 9 months of 2018, for an overall total of **7,734 units** at September 30, 2018, of which 3,885 LIAISON XL (ca. 50% of the total installed base).

¹ Press release available in the Investor Relations section at www.diasorin.com

Saluggia (Italy), November 7, 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 the first 9 months of 2018.

TABLES OF RESULTS

Amounts in millions of euros	9M		change		
	2017	2018	amount	% @ current	% @ CER
Revenues	468.6	494.0	+25.3	+5.4%	+9.1%
<i>CLIA tests</i>	315.9	325.4	+9.6	+3.0%	+6.4%
<i>ELISA tests</i>	56.9	70.0	+13.1	+23.0%	+27.3%
<i>Molecular tests</i>	40.0	40.6	+0.6	+1.6%	+8.5%
<i>Instruments sales and other revenues</i>	55.9	57.9	+2.0	+3.6%	+6.5%
EBITDA	182.2	187.1	+5.0	+2.7%	+7.5%
<i>EBITDA margin</i>	38.9%	37.9%	-99 bps		
EBIT	144.8	149.3	+4.5	+3.1%	
<i>EBIT margin</i>	30.9%	30.2%	-67 bps		
Net profit	95.7	116.8	+21.1	+22.0%	

Amounts in millions of euros	Q3		change		
	2017	2018	amount	% @ current	% @ CER
Revenues	149.4	162.8	+13.4	+9.0%	+9.5%
<i>CLIA tests</i>	102.5	108.3	+5.7	+5.6%	+6.3%
<i>ELISA tests</i>	19.1	23.8	+4.7	+24.7%	+25.9%
<i>Molecular tests</i>	10.7	11.1	+0.4	+4.0%	-0.0%
<i>Instruments sales and other revenues</i>	17.1	19.7	+2.6	+15.0%	+16.5%
EBITDA	56.0	58.9	+3.0	+5.3%	+6.8%
<i>EBITDA margin</i>	37.5%	36.2%	-128 bps		
EBIT	43.7	46.3	+2.6	+6.0%	
<i>EBIT margin</i>	29.2%	28.4%	-79 bps		
Net profit	29.3	35.9	+6.6	+22.7%	

SIGNIFICANT EVENTS

→ IMMUNODIAGNOSTICS

BUSINESS DEVELOPMENT

- **LIAISON QUANTIFERON-TB GOLD PLUS:** launched in Europe, in partnership with Qiagen, to detect latent tuberculosis infection (LTBI) on LIAISON analyzers. The new test will help address accelerating conversion of the global LTBI testing market to the modern blood-based QuantiFERON technology.
- **STRATEGIC COLLABORATION WITH MERIDIAN TO SELL HELICOBACTER PYLORI STOOL ANTIGEN TEST IN THE UNITED STATES AND IN THE UNITED KINGDOM:** strategic collaboration to sell DiaSorin's *Helicobacter pylori* stool antigen test for use on its automated LIAISON platforms under the Meridian brand name worldwide. This new collaboration resulted in the termination of all pending legal disputes and will expand the scope of the previous agreement between DiaSorin and Meridian, which provided for the sale by DiaSorin of co-developed products in major countries in continental Europe, to market the LIAISON H. pylori in the U.S. and UK.

PRODUCTS DEVELOPMENT ON LIAISON/LIAISON XL

- **LIAISON BRAHMS PCT II GEN:** clearance to market in the U.S. the assay for Sepsis's diagnosis through the quantitative determination of procalcitonin (PCT).
- **LIAISON XL MUREX ANTI-HDV:** clearance to market in Europe the specialty assay for the diagnosis of Hepatitis D virus (HDV), completing the CLIA menu for Hepatitis and Retrovirus available on LIAISON instruments. The launch of this specialty test confirms DiaSorin as the Company with the widest CLIA menu in this clinical area.

MOLECULAR DIAGNOSTICS**PRODUCTS DEVELOPMENT (KITS & ASRS - ANALYTE SPECIFIC REAGENTS) ON LIAISON MDX**

- **Kit: HSV 1 & 2,** certification to extend the analyzable claims in the U.S. with Simplexa HSV 1 & 2 molecular kit on the "Direct Amplification Disc".
- **Kit: VZV Direct,** CE marking for Simplexa VZV Direct test.
- **Kit: Group B Streptococcus,** CE marking for Simplexa Group B Strep Direct assay and submission to the FDA, under their Premarket Notification process, to obtain 510(k) Clearance for the U.S. market.
- **ASR: Anaplasma phagocytophilum, Ehrlichia and Babesia** for the identification of infections caused by these pathogens, commonly carried by ticks.

COMMENT ON RESULTS

The foreign exchange market in the **first 9 months of 2018** highlighted an appreciation of the Euro against the main currencies in which the Group operates vs. the first nine months of 2017.

	U.S. Dollar	Brazilian Real	Chinese Yuan	Australian Dollar	Mexican Peso	British Pound
Euro	+7.2%	+21.5%	+2.7%	+8.4%	+8.2%	+1.2%

Source: Banca d'Italia

CONSOLIDATED REVENUES

Revenues: € 494.0 million in the **first 9 months of 2018**, +5.4% (+9.1% at CER) compared to the first 9 months of 2017, on the back of Siemens' ELISA Business solid performance (acquired in September 2017), CLIA sales, net of Vitamin D, and molecular diagnostic kits sales. The unfavorable impact of foreign exchange rates on the first 9 months of 2018 was € 17.5 million.

- **CLIA, net of Vitamin D:** +7.5% (+10.3% at CER)
- **Vitamin D (CLIA):** -8.1% (-3.3% at CER)
- **ELISA tests:** +23.0% (+27.3% at CER)
- **Molecular tests:** +1.6% (+8.5% at CER)
- **Instruments sales and other revenues:** +3.6% (+6.5% at CER)

In the first 9 months of 2018, the net balance of units installed amounted to +336, increasing the total number of installed instruments to 7,734 units. LIAISON XL confirmed its success with +367 instruments installed for an overall total of 3,885 units, equal to *ca.* 50% of the total installed base.

In **Q3'18**, revenues increased to **€ 162.8 million**, +9.0% (+9.5% at CER) compared to Q3'17.

Steady growth of CLIA sales, net of Vitamin D, as already recorded in first two quarters of 2018, along with an upward trend in Siemens' Elisa Business and instruments sales. Negative trend in Vitamin D sales, mainly as a result of the performance in the U.S. market. The unfavorable impact of foreign exchange rates on Q3'18 sales was € 0.8 million.

- **CLIA, net of Vitamin D:** +8.7% (+9.8% at CER)
- **Vitamin D (CLIA):** -3.0% (-3.4% at CER)
- **ELISA tests:** +24.7% (+25.9% at CER)
- **Molecular tests:** +4.0% (-0.0% at CER)
- **Instruments sales and other revenues:** +15.0% (+16.5% at CER)

Revenues by geography

The following tables show the breakdown of the consolidated turnover of the Group by geographic area. Data include sales from Siemens' ELISA Business, acquired in September 2017.

Amounts in millions of euros	9M		Change		
	2017	2018	amount	%	
				@ current	@ CER
Europe and Africa	200.0	227.6	+27.6	+13.8%	+14.3%
<i>% on total revenues</i>	42.7%	46.8%			
North America	149.2	139.3	-10.0	-6.7%	+0.0%
<i>% on total revenues</i>	31.8%	28.2%			
Asia Pacific	84.9	95.5	+10.6	+12.5%	+16.0%
<i>% on total revenues</i>	18.8%	19.3%			
Central and South America	34.5	31.5	-2.9	-8.5%	+1.6%
<i>% on total revenues</i>	7.4%	6.4%			
Total	468.6	494.0	+25.3	+5.4%	+9.1%

Amounts in millions of euros	Q3		Change		
	2017	2018	amount	%	
				@ current	@ CER
Europe and Africa	63.6	71.5	+7.9	+12.4%	+12.5%
<i>% on total revenues</i>	42.6%	43.9%			
North America	45.7	46.1	+0.4	+0.9%	-1.0%
<i>% on total revenues</i>	30.6%	28.3%			
Asia Pacific	28.8	34.9	+6.1	+21.1%	+23.1%
<i>% on total revenues</i>	19.3%	21.4%			
Central and South America	11.3	10.4	-0.9	-8.2%	+1.3%
<i>% on total revenues</i>	7.6%	6.4%			
Total	149.4	162.8	+13.4	+9.0%	+9.5%

Europe and Africa

Revenues in the first 9 months of 2018 were € 227.6 million, +13.8% (+14.3% at CER) compared to the first 9 months of 2017, on the back of Siemens' ELISA Business, CLIA sales, net of Vitamin D, and molecular diagnostic sales.

In Q3'18, revenues were € 71.5 million, +12.4% (+12.5% at CER).

- **Italy:**

9M'18: +9.1% (local market: +4.1%)²; upward trend in Vitamin D and CLIA sales, primarily Gastrointestinal Infections, Vitamin D 1,25, PCT and Hepatitis panels.

Q3'18: +8.2%.

- **Germany:**

9M'18: +22.7% (local market: +0.4%)²; growth of CLIA sales, net of Vitamin D, primarily Gastrointestinal Infections, Vitamin D 1,25, Infectious Diseases and Fertility panels. Positive contribution from Siemens' Elisa product portfolio; Vitamin D negative performance due to continued price pressure.

Q3'18: +22.6%; CLIA tests performance slightly increased compared to Q2'18, despite sales were still adversely affected by the distribution network reorganization following the acquisition of Siemens' Elisa Business.

- **France:**

9M'18: +16.3% (local market: +0.9%)²; growth spurred by CLIA sales, net of Vitamin D (+12.6%), specifically Hepatitis, Infectious Diseases and Prenatal Diseases panels. Positive contribution from molecular diagnostic sales.

Q3'18: +15.9%.

² Source: latest EDMA data available

North America

Revenues in the **first 9 months of 2018** were **€ 139.3 million**, -6.7% (+0.0% at CER) compared to the first 9 months of 2017, due to unfavorable exchange rates. Growth in revenues from CLIA sales, net of Vitamin D, was offset by negative Vitamin D trend.

In **Q3'18**, **revenues** were **€ 46.1 million**, +0.9% compared to Q3'17 (-1.0% at CER). Continuing negative performance of Vitamin D sales (-8.4% in the U.S. market) following the implementation of reimbursement policies by a major insurance Group.

Asia Pacific

Revenues in the **first 9 months of 2018** were **€ 95.5 million**, +12.5% (+16.0% at CER). Positive sales trend in the Australian market and CLIA revenues continuous growth in China.

In **Q3'18**, **revenues** were **€ 34.9 million**, +21.1% (+23.1% at CER).

- **China:**

9M'18: +1.5% in local currency; positive contribution from CLIA sales (+14.0%), primarily Hepatitis, Prenatal Screening, Infectious Diseases, Thyroid and Vitamin D panels, partly offset by the decrease in instruments sales (-15.0%) and ELISA Murex reagents.

Q3'18: +4.3% in local currency: upward trend buoyed up by good CLIA sales performance (+16.3%), partly offset by a decline in ELISA Murex sales, along with instruments sales, in line with Q3'17.

- **Australia:**

9M'18: +17.1% in local currency; positive CLIA sales trend, particularly Gastrointestinal Infections, Prenatal Screening, Endocrinology and Siemens' ELISA Business.

Q3'18: +12.4% in local currency.

- **Distributors:**

9M'18: +38.0% (+40.0% at CER) mainly as a result of increased sales of instruments and tests' portfolio acquired from Siemens.

Q3'18: +64.5% (+64.6% at CER).

Central and South America

Revenues in the **first 9 months of 2018** were **€ 31.5 million**, -8.5% (+1.6% at CER), due to adverse exchange rate effect compared to Q2'18.

Revenues in **Q3'18** were **€ 10.4 million**, -8.2% (+1.3% at CER) compared to Q3'17.

- **Brazil:**

9M'18: -0.4% in local currency; positive trend in sales of CLIA tests, primarily Vitamin D 1,25 and Hepatitis and Infectious Diseases panels.

Q3'18: -10.5% in local currency; good CLIA tests' performance offset by the downward trend in sales of Vitamin D, instruments and ELISA Murex panel (as a consequence of payments delays from some public customers).

- **Mexico:**

9M'18: +10.1% in local currency; growth in instruments sales, revenues from Siemens ELISA Business and sales of CLIA tests, particularly Endocrinology, Autoimmunity, Vitamin D 1,25 and Thyroid tests.

Q3'18: +26.2% in local currency.

- **Distributors:**

9M'18: +0.4% at CER; positive performance of CLIA tests.

Q3'18: +6.8% at CER.

Revenues by technology

The following tables provide the percentage of turnover for each technology on the Group consolidated data. These data include sales of the Siemens ELISA business acquired in September 2017.

<i>% of revenues contributed</i>	9M		Change
	2017	2018	
CLIA tests	67.4%	65.9%	-152 bps
ELISA tests	12.1%	14.2%	+203 bps
Molecular tests	8.5%	8.2%	-31 bps
Instruments sales and other revenues	12.0%	11.7%	-31 bps

<i>% of revenues contributed</i>	Q3		Change
	2017	2018	
CLIA tests	68.6%	66.5%	-214 bps
ELISA tests	12.8%	14.6%	+184 bps
Molecular tests	7.2%	6.8%	-33 bps
Instruments sales and other revenues	11.4%	12.1%	+63 bps

OPERATING
PERFORMANCE

Details of the Group's operating performance in i) the first 9 months of 2018 and ii) Q3'18.

GROSS
PROFIT**GROSS PROFIT:**

- i) **€ 336.0 million**, +5.1%, equal to 68.0% of revenues (68.2% in the first 9 months of 2017).
- ii) **€ 109.2 million**, +8.6%, equal to 67.1% of revenues (67.3% in Q3'17).

EBITDA

EBITDA:

- i) **€ 187.1 million**, +2.7% (+7.5% at CER), equal to 37.9% of revenues (38.3% net of exchange rate effect).
Result impacted by costs to divest the Irish manufacturing facility and by costs incurred for a legal action between DiaSorin and Meridian to market the LIAISON H. pylori stool antigen test in the UK and in the U.S., that successfully ended with a strategic agreement on October 9, 2018³.
- ii) **€ 58.9 million**, +5.3% (+6.8% at CER), equal to 36.2% of revenues (36.5% net of exchange rate effect).

EBIT

EBIT:

- i) **€ 149.3 million**, +3.1%, equal to 30.2% of revenues.
- ii) **€ 46.3 million**, +6.0%, equal to 28.4% of revenues.

FINANCIAL
PERFORMANCE**FINANCIAL PERFORMANCE:**

- i) **Net financial income** totaled **€ 0.8 million** versus net financial expenses of € 4.1 million in the first 9 months of 2017. Change was the result of lower financial expenses and the revaluation of shares previously held in the Indian investee following the acquisition of its control.
- ii) **Net financial expense** totaled **€ 0.5 million** versus net financial expenses of € 1.1 million in Q3'17.

INCOME
TAXES

Income taxes in the **first 9 months of 2018** were **€ 33.4 million**, with a 22.2% tax rate. The decrease compared to the first 9 months of 2017 was due to the U.S. corporate tax reform and the positive impact deriving from the Patent Box in Italy.

CONSOLIDATED
NET PROFIT**Consolidated Net Profit:**

- i) **€ 116.8 million**, +22.0%, equal to 23.6% of revenues.
- ii) **€ 35.9 million**, +22.7%, equal to 22.1% of revenues.

CONSOLIDATED
NFP

Consolidated Net Financial Position at **September 30, 2018** was positive at **€ 128.8 million**, a decrease of € 20.5 million compared to the balance at December 31, 2017 (equal to € 149.3 million), primarily following the treasury shares' purchase and sale related to Stock Option Plan for € 65.5 million. The amount did not include payables to shareholders for extraordinary dividends for € 98.4 million, as resolved by the Shareholders' Meeting on April 23, 2018.

FCF

Group **Free Cash Flow** in the **first 9 months of 2018** was **€ 100.6 million**, +3.1% compared to the first 9 months of 2017.

³ Press release available in the Investor Relations section at www.diasorin.com

In light of the Group's economic performance at September 30, 2018, management confirmed its guidance for 2018:

- Revenues: growth equal to *around +9% at CER* compared to 2017
- EBITDA: growth equal to *around +12% at CER* compared to 2017

It should be noted that any postponement to 2019 concerning some major supply contracts in countries served through distributors could negatively affect the closing of the 2018 financial statements.

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

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)	9M		Change	
	2017	2018	amount	%
Net Revenues	468.6	494.0	+25.3	+5.4%
Cost of sales	(148.9)	(158.0)	-9.0	+6.1%
Gross profit	319.7	336.0	+16.3	+5.1%
	68.2%	68.0%	-0.2%	
Sales and marketing expenses	(89.8)	(97.2)	-7.4	+8.2%
Research and development costs	(32.3)	(33.4)	-1.1	+3.4%
General and administrative expenses	(47.9)	(49.2)	-1.2	+2.6%
Total operating expenses	(170.1)	(179.8)	-9.7	+5.7%
	36.3%	36.4%	+0.1%	
Other operating income (expense)	(4.8)	(6.9)	-2.1	+43.0%
<i>non recurring amount</i>	(2.3)	(1.3)	+1.0	-43.6%
EBIT	144.8	149.3	+4.5	+3.1%
	30.9%	30.2%	-0.7%	
Net financial income (expense)	(4.1)	0.8	+4.9	n.m.
Profit before taxes	140.7	150.1	+9.4	+6.7%
Income taxes	(45.0)	(33.4)	+11.6	-25.9%
Net result	95.7	116.8	+21.1	+22.0%

EBITDA (*)	182.2	187.1	+5.0	+2.7%
	38.9%	37.9%	-1.0%	

(Amounts in million of euros)	Q3		Change	
	2017	2018	amount	%
Net Revenues	149.4	162.8	+13.4	+9.0%
Cost of sales	(48.9)	(53.6)	-4.7	+9.7%
Gross profit	100.5	109.2	+8.7	+8.6%
	67.3%	67.1%	-0.2%	
Sales and marketing expenses	(29.7)	(32.2)	-2.5	+8.4%
Research and development costs	(10.7)	(11.2)	-0.5	+4.2%
General and administrative expenses	(15.0)	(17.2)	-2.3	+15.2%
Total operating expenses	(55.4)	(60.7)	-5.2	+9.4%
	37.1%	37.3%	+0.1%	
Other operating income (expense)	(1.4)	(2.2)	-0.8	+58.5%
<i>non recurring amount</i>	(0.7)	(0.3)	+0.4	-60.6%
EBIT	43.7	46.3	+2.6	+6.0%
	29.2%	28.4%	-0.8%	
Net financial income (expense)	(1.1)	(0.5)	+0.6	-56.4%
Profit before taxes	42.5	45.8	+3.3	+7.7%
Income taxes	(13.3)	(9.9)	+3.4	-25.4%
Net result	29.3	35.9	+6.6	+22.7%

EBITDA (*)	56.0	58.9	+3.0	+5.3%
	37.5%	36.2%	-1.3%	

(*) EBITDA is defined as "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 it may not be comparable.

CONSOLIDATED BALANCE SHEET

<i>(Amounts in million of euros)</i>	12/31/2017	09/30/2018	Change
Goodwill and intangibles assets	344.4	355.8	+11.4
Property, plant and equipment	92.3	92.9	+0.5
Other non-current assets	23.8	24.8	+1.0
Net working capital	190.7	215.2	+24.5
Assets held for sale	4.0	-	-4.0
Other non-current liabilities	(62.5)	(60.6)	+2.0
Net Invested Capital	592.7	628.1	+35.4
Net Financial Position	149.3	128.8	-20.5
Debts vs. shareholders for special dividends	-	98.4	+98.4
Total shareholders' equity	742.0	658.4	-83.5

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(Amounts in million of euros)</i>	9M	
	2017	2018
Cash and cash equivalents at the beginning of the period	130.5	159.3
Cash provided by operating activities	125.9	133.4
Cash used in investing activities	(30.1)	(35.1)
Cash provided/(used) in financing activities	(42.4)	(125.3)
Acquisitions of companies and business operations	(31.5)	(5.1)
Net change in cash and cash equivalents before investments in financial assets	21.8	(32.1)
Divestment/(Investment) in financial assets	(34.8)	14.0
Net change in cash and cash equivalents	(13.0)	(18.1)
Cash and cash equivalents at the end of the period	117.5	141.2

<i>(Amounts in million of euros)</i>	Q3	
	2017	2018
Cash and cash equivalents at the beginning of the period	107.9	104.6
Cash provided by operating activities	48.9	45.0
Cash used in investing activities	(13.0)	(14.1)
Cash provided/(used) in financing activities	17.8	(6.7)
Acquisitions of companies and business operations	(30.5)	(0.6)
Net change in cash and cash equivalents before investments in financial assets	23.3	23.5
Divestment/(Investment) in financial assets	(13.7)	13.1
Net change in cash and cash equivalents	9.6	36.6
Cash and cash equivalents at the end of the period	117.5	141.2