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Oggetto : DiaSorin business momentum and the
Luminex acquisition drive up revenues, net
result and cash flow generation in 2021

Testo del comunicato

Vedi allegato.

DIASORIN BUSINESS MOMENTUM AND THE LUMINEX ACQUISITION DRIVE UP REVENUES, NET RESULT AND CASH FLOW GENERATION IN 2021

APPROVED A BUY-BACK PLAN UP TO 1.2 MILLION SHARES TO SERVICE THE CONVERTIBLE BOND

FY 2021 RESULTS

- **REVENUES: € 1,237.7 million, +40.4% (+41.2% at CER)** compared to 2020. The result slightly exceeded the guidance of 40% growth at CER.
On a like-for-like basis¹, growth in revenues was equal to +18.3% (+19.4% at CER), ex-COVID revenues grew by 13.9% (+14.8% at CER), while sales of SARS-CoV-2 serology and molecular diagnostic tests increased by 28.6% (+30.0% at CER), for a total of € 342.1 million (€ 377.7 million including Luminex).
Luminex, a company that joined the Group on July 14, 2021 and was consolidated as from the acquisition date, contributed € 195.0 million to Group revenues: worth mentioning is the strong performance of molecular business on the Aries® and Verigene® platforms and of Licensed Technologies which, in H2 2021, recorded an overall increase of approx. 20% at CER over the previous year *proforma*² (also on the back of COVID Aries® sales), partly offset by the decline in Non-Automated Assays revenues due to lower COVID testing sales versus the peak recorded in 2020.
- **ADJUSTED³ EBITDA⁴: € 543.1 million, +41.0% (+41.8% at CER)** compared to 2020, equal to 43.9% of Group revenues (43.9% at CER). This result was impacted by increased sales, the Luminex inclusion in the scope of consolidation and slightly exceeded the Ebitda margin guidance of 43%.
EBITDA⁴ was € 515.5 million, +33.8% (+34.6% at CER) compared to 2020, equal to 41.7% of Group revenues (43.7% in 2020).
- **ADJUSTED³ EBIT: € 465.1 million, +43.5%** compared to 2020, equal to 37.6% of Group revenues (36.8% in 2020).
EBIT was € 419.5 million, +29.4%, equal to 33.9% of Group revenues (36.8% in 2020).
- **ADJUSTED³ NET PROFIT: € 356.9 million, +43.8%** compared to 2020 equal to 28.8% of Group revenues (28.2% in 2020).
Net profit was € 310.7 million, +25.1%, equal to 25.1% of Group revenues (28.2% in 2020).
- **NET FINANCIAL DEBT: -€ 985.9 million (+€ 305.3 million at December 31, 2020)**. The change, equal to -€ 1,291.2 million, is related to the debt to fund the acquisition of Luminex, partly offset by the strong cash flow generation in 2021.
- **FREE CASH FLOW⁵: € 300.7 million** at December 31, 2021 (€ 232.2 million at December 31, 2020). The change reflects both the DiaSorin business revenues growth across 2021 and the positive contribution from the Luminex business, consolidated as from the acquisition date.
- **FY 2022 GUIDANCE AT CONSTANT EXCHANGE RATES:** DiaSorin expects in 2022:
 - **REVENUES** substantially in line with 2021 (approx. -2%), of which COVID-19 revenues equal to approx. € 150 million and ex-COVID revenues increasing by 24.0% approx.
 - **ADJUSTED³ EBITDA⁴ MARGIN⁶** equal to approx. 35%
- **IMPACT OF THE CURRENT SOCIO-POLITICAL SITUATION:** DiaSorin does not expect material negative impacts deriving from the conflict between Ukraine and Russia, as it is not significantly exposed in such areas.

¹ Like-for-like basis = net of Luminex, consolidated as from the acquisition date

² Consolidated 2020 data including Luminex

³ The adjusted Gross Profit, adjusted EBITDA, adjusted EBIT and adjusted Net Profit indicators are provided in the table at the end of this Press Release (Table 7).

⁴ 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.

⁵ Free cash flow is the cash flow from operating activities, counting utilizations for capital expenditures but before interest payments and acquisitions of companies and business operations

⁶ Ratio between EBITDA and Revenues

FY 2021 HIGHLIGHTS

→ PRESENTATION OF THE NEW 2022-2025 INDUSTRIAL PLAN

- Presentation of the main projects that will contribute to the Group growth in 2022-2025. In details:
 - **Immunodiagnosics:** expansion of the automated CLIA menu by adding 13 new specialty tests and a high-routine test; expansion of the QuantiFERON® products portfolio developed in partnership with QIAGEN and implementation of the project to adopt the MeMed BV® test for use on LIAISON® analyzers in Europe and in the United States; re-launch of the LIAISON® XS platform to specifically serve the U.S. hospital setting; expansion of the *Point-of-Care* LIAISON® IQ offer addressed to Italian pharmacies; launch of the LIAISON® XXL platform development.
 - **Molecular Diagnostics:** consolidation of the current single/low plex installed base on the new LIAISON® MDX Plus platform; launch of the *Point-of-Care* LIAISON® NES molecular diagnostic platform through a strategy focused on hospitals, pharmacies and, more generally, to decentralized “point of testing”; launch of the new LIAISON® Plex platform that will consolidate the existing multiplex installed base on an analyzer capable of providing testing laboratories, through the flex technology, with higher flexibility and cost control.
 - **Licensed Technologies:** growth driven by the new xMAP Intelliflex® platform, the strengthening and further development of partnerships and expansion of the customer base, by leveraging the cutting-edge and exclusive imaging flow cytometry.
- Presentation of 2022-2025 Revenues and EBITDA⁴ Guidance at CER as disclosed in the Industrial Plan presentation⁷:
 - After 2022, revenues are expected to be in line with 2021 (*approx. -2%*) due to the combined effect of ex-COVID business increasing by *approx. 24%* and COVID business declining by *approx. 60%* (€ 150 million in 2022), and ex-COVID revenue growth is expected to be of *approx. 10% CAGR*.
 - With regard to Adjusted³ EBITDA⁴ Margin⁶, 2022 will be affected by the expected decline in COVID revenues and by the expected dilutive effect of the Luminex business; the following increase in revenues over the four-year plan along with the costs and revenues synergies generated by the Luminex integration will deliver an Adjusted³ EBITDA⁴ Margin⁶ of *approx. 38%* in 2025, in line with pre-pandemic and pre-Luminex acquisition levels.

→ BUSINESS DEVELOPMENT

- **Completion of the acquisition of Luminex Corporation**, a company that develops, manufactures, and sells proprietary biological testing technologies and products with leading applications throughout the Diagnostics and Life Science industries. The acquisition, completed on July 14, 2021, strengthens DiaSorin's positioning in the molecular diagnostics market and the current value proposition, in line with the Group's strategic priorities. Through the acquisition, DiaSorin gained access to Luminex's multiplexing technology and a portfolio that strengthens its existing offering, while expanding the Group presence in the United States. Additionally, this deal provides access to Luminex's applications throughout the Life Science industry, supporting access to academic and scientific research, expanding engagement with biopharma companies, and increasing access to clinical multiplexing assays for future Value Based Care projects.

→ CONVERTIBLE BOND FOR THE COMPLETION OF THE ACQUISITION OF LUMINEX CORPORATION

- Offering, on April 28, 2021, of **€ 500 million senior unsecured equity-linked bonds** due 2028 aimed at completing the acquisition of Luminex Corporation, completed on July 14, 2021.
- **Authorization** from the Extraordinary Shareholders' Meeting **for the convertibility into DiaSorin common shares of the equity-linked bond issue and, consequently, for the share capital increase**, a payable and in a divisible form, with the exclusion of pre-emption rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code.

⁷ In order to allow comparability across years, all financial data has been restated at constant exchange rate (with regards to the US Dollar 1.16 US\$ per EUR)

→ **DEVELOPMENT OF IMMUNODIAGNOSTIC TESTS**

- **CE marking and Emergency Use Authorization** from the U.S. Food and Drug Administration for the **LIAISON® SARS-CoV-2 TrimericS IgG**, a new quantitative serology test (semi-quantitative in the U.S.) for the determination of IgG antibodies and developed using the full-length SARS-CoV-2 Spike protein in its Trimeric form, which perfectly mimics the native conformation of the protein.
- **Approval in the U.S.** of 2 serology tests for the diagnosis of the Lyme disease, the **LIAISON® Lyme IgM** and the **LIAISON® Lyme IgG**, for the determination of IgM and IgG antibodies, respectively, against *Borrelia burgdorferi*.
- **Emergency Use Authorization** from the U.S. Food and Drug Administration for the **LIAISON® SARS-CoV-2 Ag**, an antigen test to determine the presence of SARS-CoV-2 in nasal and nasopharyngeal swabs.
- **CE marking** for the new Point-of-Care (POC) platform **LIAISON® IQ**, developed with Lumos Diagnostics, along with its first test - the **LIAISON® Quick Detect COVID TrimericS Ab** - for the detection of IgG antibodies in capillary blood samples using lateral flow technology.
- **CE marking** for the new **LIAISON® LymeDetect** test developed in partnership with QIAGEN for the early diagnosis of Lyme Borreliosis based on QuantiFERON® technology.
- **CE marking** for the antigen **LIAISON® Quick Detect COVID Ag** assay, a new Point-of-Care (POC) test on nasal and nasopharyngeal swabs using lateral-flow technology, available on the **LIAISON® IQ**.
- **CE marking** for the **LIAISON® Murex Anti-HEV IgG & IgM** assay for the diagnosis of Hepatitis E for use on the **LIAISON®** family platforms. It is the first fully automated CLIA high-throughput solution for diagnosing Hepatitis E.
- **CE marking** for the **LIAISON® MeMed BV®** assay developed in partnership with **MeMed**, and it is the first fully automated solution to differentiate between bacterial and viral infections.
- **Approval in the U.S.** for **LIAISON® QuantiFERON®-TB Gold Plus** assay for use on the **LIAISON® XS** platform.

→ **DEVELOPMENT OF MOLECULAR DIAGNOSTIC TESTS**

- **Launch** of **Simplexa™ SARS-CoV-2 Variants Direct (Research Use Only)** assay for rapid detection and discrimination of 4 SARS-CoV-2 mutations, without requiring upfront RNA extraction.
- **CE marking** for **Simplexa™ COVID-19 & Flu A/B Direct kit** providing broad strain coverage both for SARS-CoV-2 variants and for Flu A and Flu B viruses.

→ **DEVELOPMENT OF LIFE SCIENCE SYSTEMS**

- **Launch** of **xMAP INTELLIFLEX® Systems (Research Use Only)**, a compact, flow-based, multiplex platform that combines the proven performance of xMAP® technology with modern features to enhance performance, empower assay development innovation, and simplify the user experience. No other multiplex platform combines low and high-plex capabilities, quick time to reliable results, and the ability to simultaneously acquire data for two parameters per analyte.

Saluggia (Italy), March 16, 2022 - The Board of Directors of DiaSorin S.p.A. (FTSE MIB: DIA), meeting today:

- examined and approved the Group's Consolidated Financial Statements at December 31, 2021;
- examined and approved the Company's Draft Statutory Consolidated Financial Statements at December 31, 2021;
- approved to propose the distribution of an ordinary dividend for a total amount of € 57,494,069.85 equal to € 1.05 on each share outstanding, before tax withholdings, with the exception of treasury shares, with May 23, 2022 coupon date, May 24, 2022 record date and May 25, 2022 payment date;
- examined and approved the Report on Operations, including the Consolidated Non-Financial Statement pursuant to Art. 3 and 4 of Legislative Decree no. 254/2016;
- approved the Corporate Governance Report at December 31, 2021;
- approved the Report on the remuneration policy and fees paid pursuant to Art. 123-*ter* of Legislative Decree no. 58/1998;
- resolved to submit to the next Shareholders' Meeting, pursuant to Art. 114 *bis* of Legislative Decree no. 58/1998, the implementation of a new long-term incentive plan based on the allotment of Company shares named "Equity Awards Plan";
- approved the authorization for the purchase and disposal of treasury shares up to [1.5] million shares, pursuant to the combined provision of Art. 2357 and 2357-*ter* of the Civil Code, and Art. 132 of Legislative Decree no. 58/1998 and relative implementing provisions, of which 1.2 million to service the equity-linked bond named "€500 million Zero Coupon Equity Linked Bonds due 2028" and up to [0.3] million to service the new incentive plan named "Equity Awards Plan" and other existing incentive plans, to be submitted to the next Shareholders' Meeting;
- assessed and confirmed, in compliance with the provisions of the Corporate Governance Code, that the legal requirements for the Independent Directors are still met;
- acknowledged the self-assessment process performed by the Board of Statutory Auditors and outcomes thereof, and verified that the independence requirements continued to be applied to its members, as required by current regulations;
- resolved to call an Ordinary Shareholders' Meeting on April 29, 2022, on a single calling.

TABLES OF RESULTSDIASORIN GROUP³

Amounts in million of euros	FY		change		
	2020	2021	amount	% @ current	% @ CER
Revenues	881.3	1,237.7	+356.4	+40.4%	+41.2%
CLIA tests	478.2	579.9	+101.7	+21.3%	+22.0%
ELISA tests	65.2	56.1	-9.1	-14.0%	-13.0%
Molecular tests	259.6	330.8	+71.1	+27.4%	+29.3%
Instruments sales and other revenues	78.2	75.8	-2.4	-3.1%	-2.5%
Luminex	-	195.0	+195.0	n.a.	n.a.
Adjusted EBITDA⁴	385.3	543.1	+157.8	+41.0%	+41.8%
Adjusted EBITDA ⁴ margin	43.7%	43.9%	+16 bps		
EBITDA⁴	385.3	515.5	+130.2	+33.8%	+34.6%
EBITDA ⁴ margin	43.7%	41.7%	-206 bps		
Adjusted EBIT	324.2	465.1	+140.9	+43.5%	
Adjusted EBIT margin	36.8%	37.6%	+79 bps		
EBIT	324.2	419.5	+95.3	+29.4%	
EBIT margin	36.8%	33.9%	-290 bps		
Adjusted net profit	248.3	356.9	+108.6	+43.8%	
Adjusted Net profit on Revenues	28.2%	28.8%	+67 bps		
Net profit	248.3	310.7	+62.4	+25.1%	
Net profit on Revenues	28.2%	25.1%	-307 bps		

DIASORIN S.P.A.

Amounts in million of euros	FY		change	
	2020	2021	amount	% @ current
Revenues	471.0	583.1	+112.1	+23.8%
EBITDA⁴	152.8	191.1	+38.3	+25.1%
EBITDA ⁴ margin	32.4%	32.8%	+33 bps	
EBIT	130.0	167.4	+37.4	+28.8%
EBIT margin	27.6%	28.7%	+111 bps	
Net profit	164.2	138.8	-25.4	-15.4%

COMMENT ON RESULTSCONSOLIDATED
REVENUES

Revenues: € 1,237.7 million in 2021, +40.4% (+41.2% at CER) compared to 2020; the result slightly exceeded the guidance of 40% growth at CER. On a *like-for-like basis*¹ growth in revenues is equal to 18.3% (+19.4% at CER), with ex-COVID revenues up by 13.9% (+14.8% at CER) and sales of SARS-CoV-2 serology and molecular tests up by 28.6% (+30.0% at CER) at € 342.1 million (€ 377.7 million including Luminex).

Luminex, a company that joined the Group on 14 July 2021 and was consolidated as from the acquisition date, contributed € 195.0 million to Group revenues: worth mentioning is the strong performance of molecular business on the Aries® and Verigene® platforms and of Licensed Technologies which, in H2 2021, recorded an overall increase of *approx. 20% at CER* over the previous year *proforma*² (also on the back of COVID Aries® sales), partly offset by the decline in Non-Automated Assays revenues due to lower COVID testing sales versus the peak recorded in 2020.

The change compared to 2020 was driven by Luminex inclusion in the scope of consolidation and by sales of SARS-CoV-2 tests, equal to € 377.7 million in 2021 (€ 266.1 million in 2020). Strong ex-COVID business growth, +14.8% at CER excluding Luminex, compared to 2020, which was strongly impacted by the restrictive measures introduced by governments to manage the initial stages of the pandemic. Of note the strong growth of ex-Vitamin D and ex-COVID CLIA tests, with an increase of 28.3% compared to 2020 and an increase of 17.4% compared to 2019, both at CER.

In 2021, foreign exchange rates negatively impacted sales for € 6.3 million.

Sales trend as follows:

- **CLIA tests, net of Vitamin D: +24.0%** (+24.5% at CER)
- **Vitamin D (CLIA tests): +7.8%** (+9.4% at CER)
- **ELISA tests: -14.0%** (-13.0% at CER)
- **Molecular tests: +27.4%** (+29.3% at CER)
- **Instruments sales and other revenues: -3.1%** (-2.5% at CER)
- **Luminex: € 195.0 million** (contribution for 6 months of consolidation within the DiaSorin Group perimeter)

REVENUES BY
GEOGRAPHY

A breakdown of Group revenues on a *like-for-like basis*¹ by country is shown below.

Amounts in millions of euros	FY		Change		
	2020	2021	amount	%	
				@ current	@ CER
Europe and Africa	391.4	492.6	+101.2	+25.9%	+25.9%
% on total revenues	44.4%	39.8%			
USA and Canada	357.1	389.7	+32.6	+9.1%	+12.0%
% on total revenues	40.5%	31.5%			
Asia Pacific	100.6	119.4	+18.8	+18.7%	+16.4%
% on total revenues	11.4%	9.6%			
Latin America	32.2	40.9	+8.7	+27.1%	+31.4%
% on total revenues	3.7%	3.3%			
Luminex	-	195.0	+195.0	n.m.	n.m.
% on total revenues	-	15.8%			
Total	881.3	1,237.7	+356.4	+40.4%	+41.2%

All comments on revenues by geographical area are provided on a *like-for-like basis*¹. Note that Luminex sales are mainly concentrated in the United States and Canada (78.7% of revenues in H2 2021).

Europe and Africa

Revenues in 2021 were **€ 492.6 million**, +25.9% (+25.9% at CER) compared to 2020, due to the combined effect of ex-COVID sales recovery and the contribution from SARS-CoV-2 tests.

A breakdown of revenues by country is shown below:

- **Italy:** +26.9%, on the back of CLIA sales, particularly Latent Tuberculosis test, Vitamin D, Gastrointestinal panel along with COVID-19 molecular tests' sales.
- **Germany:** +2.1%, mainly due to the combined effect of the lack of contribution from Siemens ELISA business, due to the expected termination of the supply agreement in Q3'20 and an upward trend in sales of CLIA immunodiagnostic tests, especially Vitamin D and Gastrointestinal panel.
- **France:** +22.5%, following the upward trend of CLIA business, primarily Vitamin D, Infectious Diseases and robust COVID-19 molecular sales.
- **Export:** +47.7% at CER, on the back of the CLIA business recovery and COVID-19 tests sales.

USA and Canada

Revenues in 2021 were **€ 389.7 million**, +9.1% (+12.0% at CER) compared to 2020, on the back of the robust ex-COVID business growth (Latent Tuberculosis, Hepatitis and Retrovirus panel and Gastrointestinal Infections), and molecular tests in response to SARS-CoV-2 infection.

The following provides a breakdown of Group revenues by technology:

- **Molecular diagnostics:** sales up by 9.2% (+11.6% at CER), driven by tests used to identify patients positive to SARS-CoV-2. Of note is the decline of flu test sales due to the reduced number of infections as a result of social distancing measures, and the use of protective equipment.
- **Immunodiagnosics:** CLIA sales grew by +9.0% (+12.5% at CER) compared to 2020, driven by increased ex-COVID tests volumes (Latent Tuberculosis, Hepatitis and Retrovirus and Gastrointestinal Infections) that more than offset the decline in sales of SARS-CoV-2 serology tests.

Asia Pacific

Revenues in 2021 were **€ 119.4 million**, +18.7% (+16.4% at CER) compared to 2020, on the back of the upward trend of CLIA business and instruments sales.

A breakdown of revenues by country is shown below:

- **China:** +11.6% in local currency; it should be noted the increase in sales of CLIA tests against the 2020 sales drop as a result of the strict lockdown measures adopted by local authorities.
- **Australia:** +19.6% in local currency, growth driven by the good performance of CLIA business, particularly Gastrointestinal panel, Vitamin D and Latent Tuberculosis tests.

Latin America

Revenues in 2021 were **€ 40.9 million**, +27.1% (+31.4% at CER) compared to 2020.

Sales in the region reflected the upward trend of ex-COVID business, particularly Vitamin D and Prenatal screening panel along with the performance of SARS-CoV-2 serology tests in the various countries.

A breakdown of revenues by country is shown below:

- **Brazil:** +24.8% in local currency, on the back of the strong contribution from ex-COVID CLIA tests, primarily Vitamin D.
- **Mexico:** +6.7% in local currency, following the positive performance of Infectious Diseases CLIA tests, Prenatal Screening and Vitamin D.

REVENUES BY
TECHNOLOGY

The following provides a breakdown of Group revenues by technology.

% of revenues contributed	FY		Change
	2020	2021	
CLIA tests	54.3%	46.9%	-741 bps
ELISA tests	7.4%	4.5%	-287 bps
Molecular tests	29.4%	26.7%	-263 bps
Instruments sales and other revenues	8.9%	6.1%	-275 bps
Luminex	-	15.8%	n.m.

The percentage of sales by technology on total revenues was strongly impacted by the Luminex technology consolidation as from its acquisition date. Specifically, 2021 highlights the following:

- **CLIA tests:** 46.9%, down from 2020 (54.3%), despite the acceleration recorded in CLIA sales volumes, primarily Latent Tuberculosis and Gastrointestinal tests;
- **ELISA tests:** 4.5%, down from 2020 (7.4%), also following the expected termination of the Siemens Healthineers ELISA business contribution;
- **Molecular tests:** 26.7%, down from 2020 (29.4%), despite the upward trend of COVID-19 tests sales;
- **Instruments sales and other revenues:** 6.1%, down from 2020 (8.9%), despite revenues in line with the same period of the previous year.
- **Luminex:** 15.8% (the percentage on Group revenues includes the contribution of Luminex sales in the 6 months of consolidation).

OPERATING
PERFORMANCE

Details of the Group operating performance in 2021 are provided below.

It should be noted that the acquisition of Luminex, completed on July 14, 2021, has a diluting effect on margins (as expected). Such effect will decrease gradually over the next quarters as a result of the progress made with the integration process and its related synergies.

Furthermore, in order to allow a more comprehensive understanding of the DiaSorin business performance, comments are provided on results that include some adjustments in relation to certain non-recurring or non-monetary impacts deriving from the acquisition of Luminex.

ADJUSTED
GROSS
PROFIT**ADJUSTED³ GROSS PROFIT**

€ 831.0 million, +37.8% compared to 2020, equal to 67.1% of revenues, slightly down versus 2020 (68.4%), due to the expected diluting effect of the Luminex products, partly offset by increased business volumes.

GROSS
PROFIT**GROSS PROFIT**

€ 824.8 million, +36.8% compared to 2020, equal to 66.6% of revenues.

ADJUSTED
EBITDA**ADJUSTED³ EBITDA⁴**

€ 543.1 million, +41.0% compared to 2020, equal to 43.9% of revenues. Growth of +41.8% at CER, equal to 43.9% of revenues. This result exceeded the EBITDA margin guidance of 43%.

EBITDA

EBITDA⁴

€ 515.5 million, +33.8% (+34.6% at CER) compared to 2020, equal to 41.7% of revenues (43.7% in 2020).

ADJUSTED
EBIT**ADJUSTED³ EBIT**

€ 465.1 million, +43.5% compared to 2020, equal to 37.6% of revenues (36.8% in 2020). Margin positively affected by the lower incidence of operating expenses vis-à-vis 2020.

EBIT

EBIT

€ 419.5 million, +29.4%, equal to 33.9% of revenues.

FINANCIAL
PERFORMANCE**FINANCIAL PERFORMANCE**

Net financial expenses were **€ 20.2 million** (€ 2.9 million in 2020). The increase in net financial expenses is due to the financial instrument to fund the acquisition of Luminex. It should be noted that interest expenses linked to the convertible bond (equal to approx. € 6.0 million in 2021) are calculated and reported on the basis of the effective interest rate criterion required by the IFRSs, without any impact on the cash flows of the period.

INCOME TAXES

Income taxes were **€ 88.6 million**, with a 22.2% tax rate, slightly down compared to 22.7% in 2020.

ADJUSTED
CONSOLIDATED
NET PROFIT**ADJUSTED³ CONSOLIDATED NET PROFIT**

€ 356.9 million, +43.8% compared to 2020, equal to 28.8% of revenues (28.2% in 2020).

CONSOLIDATED
NET PROFIT**CONSOLIDATED NET PROFIT**

€ 310.7 million, +25.1%, equal to 25.1% of revenues.

CONSOLIDATED
NET FINANCIAL
DEBT

Consolidated Net Financial Debt at December 31, 2021 was negative at **€ 985.9 million**. The change compared to the end of 2020 was equal to -€1,291.2 million (Consolidated Net Financial Debt at December 31, 2020 equal to +€ 305.3 million) and was attributable to the external financing and to the convertible bond issued for the acquisition of Luminex, completed on July 14, 2021, and partially offset by the strong cash flow generation in the period. The change also includes dividend distribution, as resolved by the Shareholders' Meeting on April 22, 2021, for a total amount of € 54.7 million.

FCF

The Group **Free Cash Flow**⁵ in 2021 was **€ 300.7 million**, +29.5%, equal to +€ 68.5 million compared to € 232.2 million in 2020. It should be noted that the increase is affected by the positive contribution of the Luminex business.

DIASORIN
S.p.A.

In 2021, DiaSorin S.p.A. posted **net revenues of € 583.1 million**, +23.8% compared to 2020. Specifically, sales related to:

- Domestic market were **€ 157.0 million**, +26.4%;
- Subsidiary companies were **€ 354.3 million**, +22.6%;
- Third-party distributors were **€ 71.7 million**, +24.0%.

The increase in domestic market and subsidiary companies' sales was mainly driven by COVID-19 tests' sales.

The Group's Parent Company showed the following profitability:

- **EBITDA**⁴: **€ 191.1 million**, +25.1% and equal to 32.8% of Group revenues (32.4% in 2020). The increase is due to the improved operating leverage generated by higher revenues and lower percentage of expenses on revenues (17.8% in 2021 vs. 20.7% in 2020);
- **EBIT**: **€ 167.4 million**, +28.8%.

Income taxes amounting to **€ 41.5 million** (€ 28.3 million in 2020), with a 23.0% tax rate, increased compared to 2020 as a result of the improved economic performance.

In 2021, the Group's Parent Company **Net Profit** was **€ 138.8 million**, -15.4% compared to 2020, mainly due to lower dividends received from subsidiaries. The incidence on revenues was 23.8% (34.9% in 2020).

At December 31, 2021, the **Net Financial Debt** was **-€ 387.3 million** as against +€ 58.4 million, at December 31, 2020 due to the following:

- Payment of ordinary dividends, in 2021, amounting to € 54.7 million (€ 52.1 million in 2020);
- Purchase of treasury shares (€ 8.6 million) as against sale of treasury shares (€ 26.1 million) in 2020;
- Lower dividends' collection from Group companies, amounting to € 11.9 million (€ 95.7 million in 2020);
- Issue of convertible bond for a nominal value of € 500,000,000 on May 5, 2021 and due on May 5, 2028, for the acquisition of the Luminex Group;
- Increase of financial items owed to Group companies, amounting to € 15.2 million (decrease of € 8.9 million in 2020).

FY 2022 GUIDANCE AT CONSTANT EXCHANGE RATES: DiaSorin expects for 2022:

- **REVENUES** substantially in line with 2021 (*approx. -2%*), of which COVID-19 revenues equal to *approx. € 150 million* and ex-COVID revenues increasing by *24.0% approx.*
- **ADJUSTED³ EBITDA⁴ MARGIN⁶** equal to *approx. 35%*

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.

This press release is available to the public at the registered office of the Company and is also published on the Company's website (www.diasoringroup.com) under the section "Investors – Financial Corner – Press Releases" and on the authorized storage system named eMarket STORAGE at www.emarketstorage.com.

FY 2021 results will be presented to the financial community during a conference call on Thursday, March 16, 2022 at 6:00 P.M. CET. To participate in the conference call, dial the following numbers:

- From Italy +39 02 8020911
- From UK +44 1212 818004
- From USA +1 718 7058796

Presentation slides will be made available on the Company's website (www.diasoringroup.com) under the section "Investors - Financial Corner - Presentations" and on the authorized storage system named eMarket STORAGE at www.emarketstorage.com prior to the beginning of the conference call.

Annex: Financial statements not subject to audit by the Group's Independent Auditors.

For additional information, please contact:

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ANNEX

TABLE 1 – CONSOLIDATED INCOME STATEMENT

(Amounts in million of euros)	FY		Change	
	2020	2021	amount	%
Net Revenues	881.3	1,237.7	+356.4	+40.4%
Cost of sales	(278.4)	(412.9)	-134.5	+48.3%
Gross profit	602.9	824.8	+221.9	+36.8%
	68.4%	66.6%	-177 bps	
Sales and marketing expenses	(144.1)	(211.3)	-67.3	+46.7%
Research and development costs	(50.8)	(70.1)	-19.3	+38.0%
General and administrative expenses	(72.1)	(93.3)	-21.2	+29.4%
Total operating expenses	(266.9)	(374.7)	-107.8	+40.4%
	30.3%	30.3%	-1 bps	
Other operating income (expense)	(11.7)	(30.6)	-18.8	n.m.
<i>non recurring amount</i>	(3.7)	(21.9)	-18.2	n.m.
EBIT	324.2	419.5	+95.3	+29.4%
	36.8%	33.9%	-290 bps	
Net financial income (expense)	(2.9)	(20.2)	-17.3	n.m.
Profit before taxes	321.4	399.3	+78.0	+24.3%
Income taxes	(73.1)	(88.6)	-15.5	+21.2%
Net result	248.3	310.7	+62.4	+25.1%
EBITDA⁴	385.3	515.5	+130.2	+33.8%
	43.7%	41.7%	-206 bps	

TABLE 2 – CONSOLIDATED BALANCE SHEET

(Amounts in million of euros)	12/31/2020	12/31/2021	Change
Goodwill and intangibles assets	356.7	1,943.4	+1,586.6
Property, plant and equipment	140.5	276.2	+135.7
Other non-current assets	35.3	42.6	+7.3
Net working capital	217.9	361.9	+144.0
Other non-current liabilities	(99.5)	(270.2)	-170.8
Net Invested Capital	651.0	2,353.8	+1,702.9
Net Financial Debt	305.3	(985.9)	-1,291.2
Total shareholders' equity	956.3	1,367.9	+411.6

TABLE 3 – CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(Amounts in million of euros)</i>	FY	
	2020	2021
Cash and cash equivalents at the beginning of the period	157.6	339.9
Cash provided by operating activities	304.6	400.7
Cash used in investing activities	(73.0)	(110.4)
Cash provided/(used) in financing activities	(90.0)	1,273.7
Acquisitions of companies and business operations	-	(1,500.8)
Net change in cash and cash equivalents before investments in financial assets	141.5	63.1
Divestment/(Investment) in financial assets	40.8	-
Net change in cash and cash equivalents	182.3	63.1
Cash and cash equivalents at the end of the period	339.9	403.0

TABLE 4 - DIASORIN S.P.A. INCOME STATEMENT

(Amounts in million of euros)	FY		Change	
	2020	2021	amount	%
Net Revenues	471.0	583.1	+112.1	+23.8%
Cost of sales	(241.9)	(304.0)	-62.1	+25.7%
Gross profit	229.1	279.1	+50.0	+21.8%
	48.6%	47.9%	-0.8%	
Sales and marketing expenses	(33.1)	(37.4)	-4.3	+12.9%
Research and development costs	(27.8)	(24.1)	+3.7	-13.3%
General and administrative expenses	(36.8)	(42.1)	-5.4	+14.6%
Total operating expenses	(97.6)	(103.6)	-5.9	+6.1%
	20.7%	17.8%	-3.0%	
Other operating income (expense)	(1.5)	(8.1)	-6.6	<i>n.m.</i>
EBIT	130.0	167.4	+37.4	+28.8%
	27.6%	28.7%	+1.1%	
Net financial income (expense)	62.5	13.0	-49.5	-79.2%
Profit before taxes	192.5	180.4	-12.1	-6.3%
Income taxes	(28.3)	(41.5)	-13.3	+46.9%
Net result	164.2	138.8	-25.4	-15.4%
EBITDA⁴	152.8	191.1	+38.3	+25.1%
	32.4%	32.8%	+0.3%	

TABLE 5 - DIASORIN S.P.A. BALANCE SHEET

(Amounts in million of euros)	12/31/2020	12/31/2021	Change
Goodwill and intangibles assets	117.4	121.4	+3.9
Property, plant and equipment	63.3	72.2	+8.9
Partecipazioni	113.5	658.3	+544.8
Other non-current assets	8.9	8.2	-0.7
Net working capital	149.9	183.3	+33.4
Other non-current liabilities	(27.4)	(30.3)	-2.9
Net Invested Capital	425.5	1,013.1	+587.6
Non-current financial receivables with Group entities	41.8	42.2	+0.4
Net Financial Debt	58.4	(387.3)	-445.6
Total shareholders' equity	525.7	668.0	+142.3

TABLE 6 - DIASORIN S.P.A. STATEMENT OF CASH FLOWS

<i>(Amounts in million of euros)</i>	FY	
	2020	2021
Cash and cash equivalents at the beginning of the period	38.4	134.3
Cash provided by operating activities	115.5	128.0
Cash used in investing activities	70.2	(562.1)
Cash provided/(used) in financing activities	(89.8)	446.2
Net change in cash and cash equivalents before investments in financial assets	95.9	12.1
Net change in cash and cash equivalents	95.9	12.1
Cash and cash equivalents at the end of the period	134.3	146.4

OVERVIEW OF THE GROUP'S OPERATING PERFORMANCE AND FINANCIAL POSITION

The 2021 consolidated financial statements have been prepared in compliance with the International Accounting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and approved by the European Union and are consistent with the provisions issued in implementation of Art. 9 of Legislative Decree No. 38/2005.

This press release presents and comments on certain financial indicators that are not identified in the IFRS. These indicators, which are described below, are used to comment on the Group's business performance, in compliance with the requirements of Consob communication of 28 July 2006 (DEM 6064293), as subsequently amended and supplemented (Consob communication 0092543 of 3 December 2015, which incorporates the ESMA Guidelines ESMA/2015/1415).

The alternative performance indicators listed below should be used to supplement the information required by IFRS to help readers of the press release gain a more comprehensive understanding of the Group's economic, financial and operating position, by excluding the result of one-off elements for the Luminex acquisition and integration from the amortization deriving from the Purchase Price Allocation and the financial expenses related to the financing of the transaction, including their tax impact.

It should be noted that the calculation of these adjusted indicators could differ from those used by other companies.

TABLE 7

<i>(amounts in million of Euro)</i>	Gross Margin	EBITDA⁴	EBIT	Fiscal impact	Net Profit
IFRS Financial Statements Measures	824.8	515.5	419.5	n.a.	310.7
% on Revenues	66.6%	41.7%	33.9%		25.1%
Adjustments					
<i>Fair value</i> measurement of the initial Luminex inventory	6.2	6.2	6.2	(1.5)	4.7
"One-off" Costs related to the acquisition, integration and restructuring of Luminex	-	21.4	21.4	(5.1)	16.3
Depreciation of Luminex intangibles identified in the Purchase Price Allocation	-	-	18.1	(4.4)	13.6
Financial charges relating to debt instruments and to the convertible bond issued to finance the acquisition	-	-	-	(4.1)	11.6
Total Adjustments	6.2	27.6	45.6	(15.2)	46.2
Adjusted Measures	831.0	543.1	465.1	n.a.	356.9

TABLE 8 – OPERATING PERFORMANCE IN 2021 AND COMPARISON WITH 2020

<i>(Amounts in million of euros)</i>	12/31/2021	% on Revenues	12/31/2020*	% on Revenues
Net Revenues	1,237.7	100.0%	881.3	100.0%
Cost of Sales	(412.9)	33.4%	(278.4)	31.6%
Gross Profit	824.8	66.6%	602.9	68.4%
Adjusted Gross Profit	831.0	67.1%	n.a.	n.a.
Sales and marketing expenses	(211.3)	17.1%	(144.1)	16.3%
Research and development expenses	(70.1)	5.7%	(50.8)	5.8%
General and administrative expenses	(93.3)	7.5%	(72.1)	8.2%
Total operating expenses	(374.7)	30.3%	(266.9)	30.3%
Other operating income (expense)	(30.6)	2.5%	(11.7)	1.3%
EBIT	419.5	33.9%	324.2	36.8%
Adjusted EBIT	465.1	37.6%	n.a.	n.a.
Net financial income (expense)	(20.2)	1.6%	(2.9)	0.3%
Profit before taxes	399.3	32.3%	321.4	36.5%
Income taxes	(88.6)	7.2%	(73.1)	8.3%
Net Result	310.7	25.1%	248.3	28.2%
Adjusted Net Result	356.9	28.8%	n.a.	n.a.
EBITDA⁴	515.5	41.7%	385.3	43.7%
Adjusted EBITDA⁴	543.1	43.9%	n.a.	n.a.

*Note that no adjustments occurred in 2020

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