



SPAFID CONNECT

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Testo del comunicato

Vedi allegato.

DIASORIN GROUP REPORTS REVENUE GROWTH AND CONFIRMED PROFITABILITY IN THE FIRST QUARTER 2020 DESPITE THE IMPACT OF THE PANDEMIC

Q1 2020 RESULTS

- **REVENUES: € 174.6 million, +2.3% (+1.7% at CER).** Growth in revenues compared to Q1'19, despite volumes decline in routine tests in the hardest-hit countries by COVID-19, in particular China, Italy and United States. Strong performance of molecular diagnostics sales in Q1'20 (+47.9% at CER), also driven by the launch of the rapid Coronavirus test in Europe and in the U.S. at the end of March and by the flu tests sales increase, mainly in the U.S. market.
- **EBITDA: € 64.5 million, -4.5% (-3.7% at CER),** equal to 36.9% of Group revenues. It is worth mentioning how, in Q1'20, the Group recorded a one-off cost of € 3.3 million related to the South African facility. This prevents a comparison on a like-for-like basis with Q1'19. Net of this one-off cost, EBITDA would have been € 67.8 million, equal to 38.8% of Group revenues (39.5% at CER, +1.6% vs. Q1'19).
- **EBIT: € 49.4 million, -6.7%,** equal to 28.3% of Group revenues. The decrease vs. Q1'19 is almost entirely due to the one-off cost related to the South African facility.
- **NET PROFIT: € 37.7 million, -6.6%,** equal to 21.6% of Group revenues. The decrease vs. Q1'19 is almost entirely due to the one-off cost related to the South African facility.
- **NET FINANCIAL POSITION: + € 215.5 million** at March 31, 2020, an increase of € 42.6 million compared to € 172.9 million at December 31, 2019.
- **FREE CASH FLOW: € 39.8 million** at March 31, 2020, +11.8% compared to € 35.6 million at March 31, 2019.
- **LIAISON PLACEMENTS:** Q1'20 CLIA net placements equal to **+94 units**; overall installed base of **8,383 units** at March 31, 2020. The reduced number of new placements is due to the Chinese market situation, where pandemic didn't allow to install LIAISON XL platforms in the quarter.
- **DIASORIN TESTS IN RESPONSE TO COVID-19 PANDEMIC:** following COVID-19 pandemic, DiaSorin developed and launched a rapid molecular test in March for use on its LIAISON MDX platform. Starting from a swab, the test allows the detection of the virus within 1.5 hours as opposed to the 6-8 hours of the other available tests. Furthermore, in April, DiaSorin launched a serology test to be run on LIAISON XL platforms for the detection of IgG neutralizing antibodies against the infection. Both tests are CE marked and have received Emergency Use Authorization (EUA) from the U.S. Food and Drug Administration (FDA).
- **WITHDRAWAL OF BUSINESS OUTLOOK RELEASED ON MARCH 11, 2020:** Company's business outlook released on March 11, 2020 did not reflect the impacts deriving from COVID-19 and therefore cannot remain unchanged. Given the significant deterioration of the macroeconomic scenario and the related market uncertainties caused by the global spread of the pandemic, the high uncertainty on the length and the impact on the Company's results for the current year, DiaSorin believes appropriate to withdraw its 2020 guidance. The Company will provide updates in this regard to the market as greater visibility into the foreseeable evolution of the business increases.

Saluggia (Italy), May 13, 2020 - The Board of Directors of DiaSorin S.p.A. (FTSE MIB: DIA), a global leader in the research, production and marketing of diagnostic tests, examined and approved the Q1'20 consolidated economic and financial results.

Amounts in million of euros	Q1		change		
	2019	2020	amount	% @ current	% @ CER
Revenues	170.8	174.6	+3.9	+2.3%	+1.7%
CLIA tests	113.7	112.6	-1.2	-1.0%	-1.3%
ELISA tests	23.0	20.9	-2.1	-9.2%	-9.8%
Molecular tests	16.2	24.5	+8.3	+51.4%	+47.9%
Instruments sales and other revenues	17.8	16.6	-1.2	-6.6%	-6.6%
EBITDA	67.5	64.5	-3.0	-4.5%	-3.7%
EBITDA margin	39.6%	36.9%	-262 bps		
EBIT	53.0	49.4	-3.6	-6.7%	
EBIT margin	31.0%	28.3%	-272 bps		
Net profit	40.4	37.7	-2.7	-6.6%	

COMMENT ON RESULTS

CONSOLIDATED REVENUES

Revenues: € 174.6 million, +2.3% compared to Q1'19 (+1.7% at CER). Revenue trend influenced by positive molecular diagnostic sales, also driven by the launch of the test for the detection of COVID-19. CLIA sales, net of Vitamin D, increased by 2.8% at CER and were negatively impacted by the strong decrease in sales volumes in China, both in February and March. In March sales volumes showed a downward trend also in Italy, in the U.S. and in some European countries, due to the COVID-19 pandemic. Expected decline in sales of Vitamin D, (heavily impacted by COVID-19) as well as of Elisa tests and instruments. Foreign exchange rates had a positive impact of about € 1.0 million on Group revenues.

Q1'20 sales trend by technology as follows:

- **CLIA, net of Vitamin D: +2.8%** (+2.8% at CER)
- **Vitamin D (CLIA): -12.7%** (-13.8% at CER)
- **ELISA tests: -9.2%** (-9.8% at CER)
- **Molecular tests: +51.4%** (+47.9% at CER)
- **Instruments sales and other revenues: -6.6%** (-6.6% at CER)

The expansion of CLIA platforms continued in Q1'20, with net placements of **+94 units**, reaching an **overall total of 8,383 units**.

Revenues by geography

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

Amounts in millions of euros	Q1		Change		
	2019	2020	amount	%	
				@ current	@ CER
Europe and Africa	82.0	89.5	+7.5	+9.2%	+9.0%
% on total revenues	48.0%	51.3%			
USA and Canada	48.9	55.5	+6.6	+13.6%	+10.3%
% on total revenues	28.6%	31.8%			
Asia Pacific	30.5	20.2	-10.3	-33.8%	-33.1%
% on total revenues	17.9%	11.5%			
Latin America	9.4	9.4	-0.0	-0.2%	+5.8%
% on total revenues	5.5%	5.4%			
Total	170.8	174.6	+3.9	+2.3%	+1.7%

Europe and Africa

Revenues in Q1'20 were € 89.5 million, +9.2% (+9.0% at CER) compared to Q1'19.

Sales trend reflected two different dynamics: i) the decline in routine tests volumes in countries reporting early Coronavirus cases (especially in Italy); ii) the positive contribution from Coronavirus molecular tests' sales and tests' stock piling by some customers who anticipated a negative impact of the pandemic on the distribution and circulation of supplies in Europe.

A breakdown of revenues by country is shown below:

- **Italy:** +0.5%,
- **Germany:** +20.0%
- **France:** -2.0%
- **Export:** -1.7% (-2.6% at CER).

USA and Canada

Revenues in Q1'20 were € 55.5 million, +13.6% (+10.3% at CER) compared to Q1'19.

Business in the quarter was affected by a downward trend in sales of CLIA tests starting from March, as a consequence of the spread of Coronavirus in the country. This trend heavily impacted the routine tests menu, particularly Vitamin D.

Molecular diagnostics' sales registered a strong increase, equal to +51.4% (+47.9% at CER), also on the back of the contribution from sales of rapid COVID-19 test, which was made available in the U.S. market following the Emergency Use Authorization from the U.S. Food and Drug Administration on March 20.

Asia Pacific

Revenues in Q1'20 were € 20.2 million, -33.8% (-33.1% at CER) compared to Q1'19.

The region suffered the sharpest decline in revenues during Q1'20, due to the spread of COVID-19 at the end of January, primarily attributable to China where the outbreak emerged first.

A breakdown of revenues by country is shown below:

- **China:** -61.1% in local currency
- **Australia:** +5.5% in local currency
- **Export:** -10.2% at CER

Latin America

Revenues in Q1'20 were € 9.4 million, almost in line with Q1'19, -0.2% (+5.8% at CER).

Sales were not impacted by COVID-19, highlighting a positive business trend in the countries managed through direct sales. This positive trend was offset by lower revenues in the countries where the DiaSorin Group operates through local distributors.

A breakdown of revenues by country is shown below:

- **Brazil:** +18.7% in local currency
- **Mexico:** +2.4% in local currency
- **Export:** -5.4% at CER

Revenues by technology

The following provides a breakdown of Group revenues by technology.

% of revenues contributed	Q1		Change
	2019	2020	
CLIA tests	66.6%	64.5%	-214 bps
ELISA tests	13.5%	12.0%	-151 bps
Molecular tests	9.5%	14.0%	+455 bps
Instruments sales and other revenues	10.4%	9.5%	-90 bps

OPERATING PERFORMANCE

The following provides the Group operating performance in Q1'20.

GROSS PROFIT

GROSS PROFIT: € 120.7 million; +1.7%, equal to 69.1% of revenues (69.5% in Q1'19).

The slight decrease in profitability is primarily due to a different mix (geography and products) and higher distribution costs, following the negative impact of Coronavirus on transport logistics at the international level.

EBITDA

EBITDA: € 64.5 million; -4.5% (-3.7% at CER), equal to 36.9% of revenues (39.6% in Q1'19).

In Q1'20, DiaSorin recorded a one-off cost of € 3.3 million related to the South African facility (accounted among non-recurring costs), in relation to which the Group initiated the procedures for insurance coverage. Net of this one-off cost, EBITDA would have been € 67.8 million, equal to 38.8% of Group revenues (39.5% at CER, +1.6% vs. Q1'19).

EBIT

EBIT: €49.4 million -6.7%, equal to 28.3% of revenues (31.0% in Q1'19).

FINANCIAL PERFORMANCE

NET FINANCIAL EXPENSES: € 0.4 million, in line with Q1'19.

INCOME TAXES

INCOME TAXES in Q1'20 were € 11.3 million, with a tax rate of 23.0% (23.2% in Q1'19).

CONSOLIDATED NET PROFIT

CONSOLIDATED NET PROFIT: € 37.7 million, -6.6%, equal to 21.6% of Group revenues (23.7% in Q1'19).

CONSOLIDATED NFP

CONSOLIDATED NET FINANCIAL POSITION at 31 March 2020 was positive at **€ 215.5 million**, an increase of € 42.6 million compared to the balance at December 31, 2019.

FCF

Group **FREE CASH FLOW in Q1'20** was **€ 39.8 million**, up by € 4.2 million (+11.8%) compared to Q1'19.

BUSINESS OUTLOOK

Company's business outlook released on March 11, 2020 did not reflect the impacts deriving from COVID-19 and therefore cannot remain unchanged. Given the significant deterioration of the macroeconomic scenario and the related market uncertainties caused by the global spread of the pandemic, the high uncertainty on the length and the impact on the Company's results for the current year, DiaSorin believes appropriate to withdraw its 2020 guidance. The Company will provide updates in this regard to the market as greater visibility into the foreseeable evolution of the business increases.

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	
	2019	2020	amount	%
Net Revenues	170.8	174.6	+3.9	+2.3%
Cost of sales	(52.1)	(54.0)	-1.8	+3.5%
Gross profit	118.6	120.7	+2.0	+1.7%
	69.5%	69.1%	-0.4%	
Sales and marketing expenses	(34.5)	(36.4)	-1.8	+5.2%
Research and development costs	(11.7)	(12.4)	-0.8	+6.5%
General and administrative expenses	(17.2)	(16.8)	+0.3	-1.8%
Total operating expenses	(63.4)	(65.6)	-2.2	+3.5%
	37.1%	37.6%	+0.5%	
Other operating income (expense)	(2.3)	(5.6)	-3.3	n.m.
EBIT	53.0	49.4	-3.6	-6.7%
	31.0%	28.3%	-2.7%	
Net financial income (expense)	(0.4)	(0.4)	+0.0	-0.6%
Profit before taxes	52.6	49.0	-3.6	-6.7%
Income taxes	(12.2)	(11.3)	+0.9	-7.2%
Net result	40.4	37.7	-2.7	-6.6%
EBITDA (*)	67.5	64.5	-3.0	-4.5%
	39.6%	36.9%	-2.6%	

CONSOLIDATED BALANCE SHEET

(Amounts in million of euros)	12/31/2019	03/31/2020	Change
Goodwill and intangibles assets	370.3	377.4	+7.1
Property, plant and equipment	128.4	125.8	-2.6
Other non-current assets	34.1	35.5	+1.4
Net working capital	211.0	211.4	+0.4
Other non-current liabilities	(68.0)	(71.1)	-3.1
Net Invested Capital	675.8	679.0	+3.3
Net Financial Position	172.9	215.5	+42.6
Total shareholders' equity	848.6	894.6	+45.9

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in million of euros)	Q1	
	2019	2020
Cash and cash equivalents at the beginning of the period	73.1	157.6
Cash provided by operating activities	232.7	55.8
Cash used in investing activities	(52.2)	(16.0)
Cash provided/(used) in financing activities	(68.4)	(0.7)
Acquisitions of companies and business operations	(6.9)	-
Net change in cash and cash equivalents before investments in financial assets	105.1	39.2
Divestment/(Investment) in financial assets	(20.7)	(15.7)
Net change in cash and cash equivalents	84.4	23.5
Cash and cash equivalents at the end of the period	157.6	181.1

(*) 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.

Fine Comunicato n.0957-36

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