

Informazione Regolamentata n. 0957-83-2024	Data/Ora Inizio Diffusione 5 Novembre 2024 16:24:22	Euronext Milan
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Societa' : DIASORIN

Identificativo Informazione
Regolamentata : 197624

Utenza - Referente : DIASORINN02 - Ragazzo

Tipologia : REGEM

Data/Ora Ricezione : 5 Novembre 2024 16:24:22

Data/Ora Inizio Diffusione : 5 Novembre 2024 16:24:22

Oggetto : Diasorin reports another quarter with Revenues and Profitability in expansion, raising the Full-Year 2024 Revenue Guidance

Testo del comunicato

Vedi allegato

DIASORIN REPORTS ANOTHER QUARTER WITH REVENUES AND PROFITABILITY IN EXPANSION, RAISING THE FULL-YEAR 2024 REVENUE GUIDANCE

- **REVENUES: € 876 MILLION, +4% "AS REPORTED"** COMPARED TO SEPTEMBER 2023; **+7% Ex COVID (+8% AT CONSTANT PERIMETER OF CONSOLIDATION¹)**
- **ADJUSTED² EBITDA³: € 292 MILLION, +6% AT CONSTANT EXCHANGE RATES** COMPARED TO 9M 2023, EQUAL TO 33% OF REVENUES
- **FY 2024 GUIDANCE RAISED**, WITH EX-COVID REVENUES EXPECTED TO GROW AT APPROX. +7% (COVID REVENUES EQUAL TO APPROX. € 30 MILLION) AND ADJUSTED² EBITDA³ MARGIN⁴ EQUAL TO APPROX. 33%

Saluggia, Italy - November 5, 2024 - The Board of Directors of Diasorin S.p.A. (FTSE MIB: DIA), examined and approved the Group's Consolidated Financial Statements at September 30, 2024.

TABLES OF RESULTS³

Amounts in millions of euros	9 months		change		
	2023	2024	amount	% @ current	% @ CER
Revenues	846	876	+30	+4%	+4%
<i>ex-COVID Immunodiagnostics</i>	530	583	+53	+10%	+10%
<i>ex-COVID Molecular Diagnostics</i>	141	147	+6	+4%	+5%
<i>Licensed Technologies¹</i>	125	126	+1	+1%	+1%
<i>COVID</i>	46	20	-26	-56%	-56%
Revenues net of Covid	800	856	+56	+7%	+7%
Revenues at constant perimeter net of Covid	796	856	+60	+8%	+8%
Adjusted² EBITDA³	278	292	+15	+5%	+6%
<i>Adjusted² EBITDA³ margin</i>	33%	33%	+53 bps		
EBITDA³	260	289	+30	+11%	+12%
<i>EBITDA³ margin</i>	31%	33%	+232 bps		
Adjusted² EBIT	209	225	+16	+8%	
<i>Adjusted² EBIT margin</i>	25%	26%	+96 bps		
EBIT	156	193	+38	+24%	
<i>EBIT margin</i>	18%	22%	+366 bps		
Adjusted² net profit	164	176	+12	+8%	
<i>Adjusted² Net profit on Revenues</i>	19%	20%	+76 bps		
Net profit	112	141	+29	+26%	
<i>Net profit on Revenues</i>	13%	16%	+285 bps		

¹ Excluding the Flow Cytometry business, divested in February 2023.

² With reference to the indicators Adjusted Gross Margin, Adjusted EBITDA, Adjusted EBIT, and Adjusted Net Income, please refer to the table at the end of this Press Release.

³ 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

⁴ Adjusted EBITDA to Revenues ratio.

Amounts in millions of euros	Q3		change		
	2023	2024	amount	% @ current	% @ CER
Revenues	270	287	+17	+6%	+7%
ex-COVID Immunodiagnosics	175	193	+17	+10%	+11%
ex-COVID Molecular Diagnostics	44	46	+2	+5%	+6%
Licensed Technologies ¹	39	42	+3	+7%	+8%
COVID	11	6	-5	-45%	-44%
Revenues net of Covid	258	281	+22	+9%	+10%
Revenues at constant perimeter net of Covid	258	281	+22	+9%	+10%
Adjusted² EBITDA³	88	94	+6	+7%	+9%
Adjusted ² EBITDA ³ margin	33%	33%	+16 bps		
EBITDA³	77	93	+16	+20%	+22%
EBITDA ³ margin	29%	32%	+369 bps		
Adjusted² EBIT	65	72	+7	+11%	
Adjusted ² EBIT margin	24%	25%	+103 bps		
EBIT	38	62	+23	+61%	
EBIT margin	14%	21%	+724 bps		
Adjusted² net profit	51	57	+6	+12%	
Adjusted ² Net profit on Revenues	19%	20%	+90 bps		
Net profit	25	45	+20	+82%	
Net profit on Revenues	9%	16%	+650 bps		

COMMENTS ON ECONOMIC RESULTS

REVENUES: € 876 million, +4% (at current and constant exchange rates). Excluding the COVID business, 9M 2024 revenues grew +7% at current and constant exchange rates compared to the same period of the previous year, a result in line with the high range of the FY 2024 guidance.

In Q3 2024, revenue growth net of COVID business was equal to +9% (+10% at constant exchange rates). The increase is attributable to the excellent performance of the three business lines.

In particular:

- **Ex-COVID Immunodiagnosics:** € 583 million, an increase of € 53 million, equal to +10% (at current and constant exchange rates) vs. 9M 2023, driven by the excellent performance of CLIA specialty tests.
In Q3 2024, business grew by +10% (+11% at constant exchange rates), mainly due to the excellent performance of the U.S. market driven by the Hospital Strategy and the broad offer of specialties, and the European market due to increased volumes in most countries in the region.
- **Ex-COVID Molecular Diagnostics:** € 147 million, +4% (+5% at constant exchange rates) vs. 9M 2023.
In Q3 2024, business grew by +5% (+6% at constant exchange rates), mainly due to the "legacy Diasorin molecular business", the respiratory business, and the resilience of the multiplexing business on the Verigene I platform.
- **Licensed Technologies:** € 126 million, at constant perimeter of consolidation¹ revenues would be equal to +1% at current and constant exchange rates vs. 9M 2023. The performance including the business of *Flow Cytometry*, divested in February 2023, is equal to -2% compared to the previous year. In Q3 2024, business grew +7% (+8% at constant exchange rates) as a combination of two transitory phenomena: a particularly negative figure in Q3 2023 due to destocking carried out last year by some major customers, and the shipment of some consumable orders earlier than expected. More generally, the Life Science segment continues to experience softness, particularly in instrument sales, offset by the good performance of customers operating in the Diagnostic segment.
- **COVID:** € 20 million, in line with expectations and equal to -56% (at current and constant exchange rates) vs. 9M 2023.

The following is the revenue performance by geographic area, net of the contribution of COVID products:

- **North America Direct:** € 420 million, +10% (+11% at constant exchange rates).
At constant perimeter of consolidation¹, the increase is equal to +11% at current and constant exchange rates, mostly driven by the excellent performance of the immunodiagnostic business, as a result of the success of the U.S. Hospital Strategy, of the broad offering of specialties, as well as the great performance of the molecular diagnostic business.

In Q3 2024, the immunodiagnostic business confirmed an excellent performance (+18% at constant exchange rates) and Licensed Technologies business registered an important contribution (+17% at constant exchange rates) compared to the same period of the previous year, for the aforementioned reasons.

- **Europe Direct:** € 302 million, +8% at current and constant exchange rates.
The growth was driven by the positive performance of the Immunodiagnostic business, with a focus on the specialty tests that characterize Diasorin's offerings.
In Q3 2024, the immunodiagnostic business continues to be the main growth driver (+10% at constant exchange rates) supported by an increase of volumes in the majority of countries in this geographical area, also following certain localized infectious disease outbreaks, as well as the continued success of the broad specialty menu.
- **Rest of the World:** € 134 million, -4% (-3% at constant exchange rates).
The performance of this geographic area was negatively impacted by the performance of markets in which Diasorin operates through distributors (Iran in particular) and the Chinese market, which continues to be a complex environment for foreign providers. It is confirmed, on the other hand, the positive trend of markets where the Group operates directly, especially Australia and Brazil.
In Q3 2024, this geographical area registered a performance in line with the same period of the previous year, reporting a slight increase, equal to +1% at constant exchange rates.

ADJUSTED² GROSS PROFIT: € 578 million (equal to 66% of revenues), an increase of € 25 million, +5% compared to 9M 2023, confirming the improved margin profile despite the expected reduction in COVID sales.

ADJUSTED² EBITDA³: € 292 million (equal to 33% of revenues), an increase of € 15 million, equal to +5% (+6% at constant exchange rates) compared to 9M 2023. In Q3 2024, growth shows a further acceleration (+7%) compared to the same period in 2023, with EBITDA margin at 33%.

ADJUSTED² EBIT: € 225 million (equal to 26% of revenues), an increase of € 16 million (+8%) vs. 9M 2023. Q3 2024 is the contributor to the growth, which results in +11% over the same period of 2023.

NET FINANCIAL EXPENSES € 12 million (€ 11 million in 2023); slightly up from 9M 2023.

INCOME TAXES: € 41 million (with a tax rate of 23%, in line with what registered in 9M 2023).

ADJUSTED² NET PROFIT: € 176 million (equal to 20% of revenues), an increase of € 12 million (+8%) vs. 9M 2023.

COMMENT ON FINANCIAL RESULTS

CONSOLIDATED NET FINANCIAL DEBT: -€ 686 million (-€ 776 million at December 31, 2023).

The change, equal to -€ 91 million, is mainly related to the operating cash flow generation in 9M 2024.

FREE CASH FLOW⁵: € 164 million at September 30, 2024 (€ 160 million at September 30, 2023).

The change is partially attributable to increased investment activity in new technologies and upcoming products.

BUSINESS HIGHLIGHTS

IMMUNODIAGNOSTICS:

- Announcement of submission of LIAISON[®] LymeDetect[®] to the U.S. Food and Drug Administration (FDA);
- LIAISON[®] Streptococcus pneumoniae Ag launched in all countries accepting the CE Mark.

MOLECULAR DIAGNOSTICS:

- Divestment of ARIES molecular diagnostics business line and consolidation of the related customer base on LIAISON[®] MDX platform;
- FDA 510(k) clearance of LIAISON PLEX[®], the new multiplexing platform and the respiratory panel LIAISON PLEX[®] Respiratory Flex Assay;
- FDA 510(k) clearance of LIAISON PLEX[®] Yeast Blood Culture Assay, the second multiplexing panel for the LIAISON PLEX[®] platform;

⁵ Free Cash Flow equals net cash flow generated from operating activities including uses for investment and before payment of interest and acquisitions of companies and businesses.

- FDA 510(k) clearance of NxTAG[®] Respiratory Pathogen Panel (RPP) v2 for which Diasorin collaborated with the Biomedical Advanced Research and Development Authority (BARDA), part of the Administration for Strategic Preparedness and Response within the U.S. Department of Health and Human Services;
- FDA “de-novo” grant of Direct Simplexa[®] *C. auris* kit for LIAISON[®] MDX platform, indicated for diagnosis on patients with suspected colonization from *Candida auris*;
- FDA 510(k) submission of the LIAISON PLEX[®] Gram-Negative Blood Culture Assay, the second Blood Culture panel on the LIAISON PLEX[®].

FY 2024 GUIDANCE REVISED UPWARDS AT 2023 CONSTANT EXCHANGE RATES

- **EX-COVID REVENUES:** *approx. +7%* (COVID revenues equal to approx. € 30 million)
- **ADJUSTED² EBITDA³ MARGIN⁴:** *approx. 33%*

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.diasorin.com) under the section “Investors - Financial Corner - Press Releases” and on the centralized storage system named eMarket STORAGE at www.emarketstorage.com operated by Teleborsa S.r.l.

9M 2024 results will be presented to the financial community during a conference call on Tuesday, November 5, 2024, at 6:00 PM CET. To participate in the conference call, dial the following numbers:

- From Italy + 39 02 8020911
- From U.K. +44 1212 818004
- From U.S.A. +1 718 7058796

Presentation slides will be made available under the section “Investors - Financial Corner - Presentations” on the Company’s website (www.diasorin.com) and on the centralized 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.

ANNEXES

CONSOLIDATED INCOME STATEMENT

Amounts in millions of euros	9 months		Change	
	2023	2024	amount	%
Net Revenues	846	876	+30	+4%
Cost of sales	(300)	(299)	+2	-1%
Gross profit	546	578	+32	+6%
	65%	66%	+141 bps	
Sales and marketing expenses	(212)	(211)	+1	-0%
Research and development costs	(68)	(65)	+3	-4%
General and administrative expenses	(91)	(96)	-5	+5%
Total operating expenses	(371)	(372)	-1	+0%
	44%	42%	-140 bps	
Other operating income (expense)	(19)	(12)	+7	-36%
<i>non recurring amount</i>	(18)	(3)	+15	-83%
EBIT	156	193	+38	+24%
	18%	22%	+366 bps	
Net financial income (expense)	(11)	(12)	-1	+11%
Profit before taxes	145	182	+36	+25%
Income taxes	(33)	(41)	-8	+23%
Net result	112	141	+29	+26%
EBITDA³	260	289	+30	+11%
	31%	33%	+232 bps	

Amounts in millions of euros	Q3		Change	
	2023	2024	amount	%
Net Revenues	270	287	+17	+6%
Cost of sales	(102)	(99)	+3	-3%
Gross profit	167	188	+21	+12%
	62%	65%	+341 bps	
Sales and marketing expenses	(70)	(70)	+0	-0%
Research and development costs	(22)	(22)	-0	+2%
General and administrative expenses	(30)	(32)	-2	+7%
Total operating expenses	(121)	(124)	-2	+2%
	45%	43%	-200 bps	
Other operating income (expense)	(7)	(2)	+5	-66%
<i>non recurring amount</i>	(10)	(1)	+9	-91%
EBIT	38	62	+23	+61%
	14%	21%	+724 bps	
Net financial income (expense)	(6)	(4)	+2	-32%
Profit before taxes	32	58	+25	+78%
Income taxes	(7)	(12)	-5	+67%
Net result	25	45	+20	+82%
EBITDA³	77	93	+16	+20%
	29%	32%	+369 bps	

REVENUES BY TECHNOLOGY

% of revenues contributed	9 months		Change
	2023	2024	
Immunodiagnosics ex-COVID	63%	67%	+388 bps
Molecular Diagnostics ex-COVID	17%	17%	+9 bps
Licensed Technologies	15%	14%	-87 bps
COVID	5%	2%	-311 bps

% of revenues contributed	Q3		Change
	2023	2024	
Immunodiagnosics ex-COVID	65%	67%	+210 bps
Molecular Diagnostics ex-COVID	16%	16%	-17 bps
Licensed Technologies	15%	15%	+7 bps
COVID	4%	2%	-200 bps

REVENUES BY GEOGRAPHY

Amounts in millions of euros	9 months		Change		
	2023	2024	amount	%	
				@ current	@ CER
North America Direct	415	436	+21	+5%	+6%
<i>% on total revenues</i>	49%	50%			
Europe Direct	290	306	+16	+5%	+5%
<i>% on total revenues</i>	34%	35%			
Rest of the World	141	134	-7	-5%	-3%
<i>% on total revenues</i>	17%	15%			
Total	846	876	+30	+4%	+4%

Amounts in millions of euros	Q3		Change		
	2023	2024	amount	%	
				@ current	@ CER
North America Direct	135	146	+11	+8%	+9%
<i>% on total revenues</i>	50%	51%			
Europe Direct	89	96	+7	+8%	+8%
<i>% on total revenues</i>	33%	33%			
Rest of the World	46	45	-1	-1%	+1%
<i>% on total revenues</i>	17%	16%			
Total	270	287	+17	+6%	+7%

CONSOLIDATED BALANCE SHEET

<i>Amounts in millions of euros</i>	12/31/2023	09/30/2024	Change
Goodwill and intangibles assets	1,925	1,901	-23
Property, plant and equipment	256	258	+2
Other non-current assets	35	34	-1
Net working capital	369	364	-4
Other non-current liabilities	(270)	(263)	+8
Net Invested Capital	2,314	2,296	-19
Net Financial Debt	(776)	(686)	+91
Total shareholders' equity	1,538	1,610	+72

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in millions of euros</i>	9 months	
	2023	2024
Cash and cash equivalents at the beginning of the period	242	280
Cash provided by operating activities	226	286
Cash provided/(used) in investing activities	20	(37)
Cash provided/(used) in financing activities	(245)	(306)
Net change in cash and cash equivalents before investments in financial assets	1	(57)
Net change in cash and cash equivalents	1	(57)
Cash and cash equivalents at the end of the period	243	223

<i>Amounts in millions of euros</i>	Q3	
	2023	2024
Cash and cash equivalents at the beginning of the period	256	170
Cash provided by operating activities	80	131
Cash provided/(used) in investing activities	(49)	(26)
Cash provided/(used) in financing activities	(44)	(51)
Net change in cash and cash equivalents before investments in financial assets	(13)	54
Net change in cash and cash equivalents	(13)	54
Cash and cash equivalents at the end of the period	243	223

OVERVIEW OF THE GROUP'S OPERATING PERFORMANCE AND FINANCIAL POSITION

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*, for the costs deriving from the dismantling of ARIES business 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.

9M 2024 ADJUSTED INDICATORS

Amounts in millions of Euro	Gross profit	EBITDA	EBIT	Net result
IFRS Financial Statements Measures	578	289	193	141
<i>% on Revenues</i>	66%	33%	22%	16%
Adjustments				
"One-off" costs related to the integration and restructuring of Luminex	-	3	3	3
Depreciation of Luminex intangibles identified in the Purchase Price Allocation	-	-	29	29
Financial charges relating to debt instruments and to the convertible bond issued to finance the acquisition of Luminex net of hedging effects	-	-	-	15
Total adjustments before tax effect	-	3	32	46
Fiscal effect on adjustments	-	-	-	(11)
Total Adjustments	-	3	32	36
Adjusted Measures	578	292	225	176

9M 2023 ADJUSTED INDICATORS

Amounts in millions of Euro	Gross profit	EBITDA	EBIT	Net result
IFRS Financial Statements Measures	546	260	156	112
<i>% on Revenues</i>	65%	31%	18%	13%
Adjustments				
"One-off" costs related to the integration and restructuring of Luminex	-	6	6	6
Depreciation of Luminex intangibles identified in the Purchase Price Allocation	-	-	29	29
Financial charges relating to debt instruments and to the convertible bond issued to finance the acquisition of Luminex net of hedging effects	-	-	-	14
Financial charges relating to the sale of the Flow Cytometry business	-	4	4	4
Financial charges relating to the dismissal of the ARIES business	7	8	14	14
Total adjustments before tax effect	7	18	54	68
Fiscal effect on adjustments	-	-	-	(16)
Total Adjustments	7	18	54	52
Adjusted Measures	553	278	209	164

OPERATING PERFORMANCE IN 9M 2024 AND COMPARISON WITH 9M 2023

<i>Amounts in millions of euro</i>	September 2024	% on Revenues	September 2023	% on Revenues
Net Revenues	876	100%	846	100%
Cost of Sales	(299)	34%	(300)	35%
Gross Profit	578	66%	546	65%
Adjusted² Gross Profit	578	66%	553	65%
Sales and marketing expenses	(211)	24%	(212)	25%
Research and development expenses	(65)	7%	(68)	8%
General and administrative expenses	(96)	11%	(91)	11%
Total operating expenses	(372)	42%	(371)	44%
Other operating income (expense)	(12)	1%	(19)	2%
EBIT	193	22%	156	18%
Adjusted² EBIT	225	26%	209	25%
Net financial income (expense)	(12)	1%	(11)	1%
Profit before taxes	182	21%	145	17%
Income taxes	(41)	5%	(33)	4%
Net Profit	141	16%	112	13%
Adjusted² Net Profit	176	20%	164	19%
EBITDA³	289	33%	260	31%
Adjusted² EBITDA³	292	33%	278	33%

For additional information, please contact:

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