

DIASORIN

Sector: Healthcare

OUTPERFORM

Price: Eu101.45 - Target: Eu126.00

Small Guidance Upgrade, Well-Equipped for a Resilient FY25

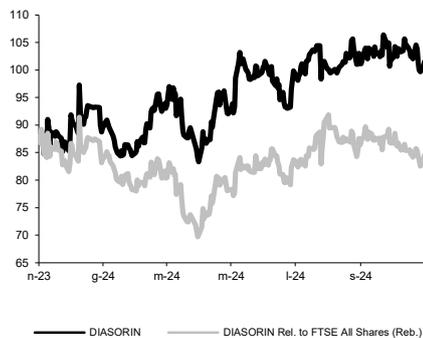
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Stock Rating

Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2024E	2025E	2026E
Chg in Adj EPS	0.0%	0.0%	0.0%

Next Event FY24 Results out March 2025

DIASORIN - 12M Performance



Stock Data

Reuters code:	DIAS.MI		
Bloomberg code:	DIA IM		
Performance	1M	3M	12M
Absolute	-0.3%	1.2%	12.4%
Relative	-2.6%	-8.3%	-7.2%
12M (H/L)	106.35/83.30		
3M Average Volume (th):	100.93		

Shareholder Data

No. of Ord shares (mn):	56
Total no. of shares (mn):	56
Mkt Cap Ord (Eu mn):	5,671
Total Mkt Cap (Eu mn):	5,671
Mkt Float - Ord (Eu mn):	2,398
Mkt Float (in %):	42.3%
Main Shareholder:	
FINDE SS (G. Denegri)	45.0%

Balance Sheet Data

Book Value (Eu mn):	1,660
BVPS (Eu):	19.39
P/BV:	5.2
Net Financial Position (Eu mn):	-619
Enterprise Value (Eu mn):	6,295

■ **3Q24 results.** The company posted a robust set of 3Q results, exceeding our estimates on adj. EBITDA by 2% thanks to a double-digit performance at ImmunoDX and a sequential acceleration in MolecularDX. ImmunoDX continued to perform well (3Q: +11%, 2Q: +11%, 1Q: +9%), mainly driven by the success of the US Hospital Strategy and overall, by DiaSorin's comprehensive specialty menu. Strong growth in the US, Europe and other direct markets. Chinese business (we assume <3% of sales), despite slightly negative in first 9M24, still not impacted by VBP, which started at end-September. MolecularDX showed a sequential acceleration (3Q: +6%, 2Q: +5%, 1Q: +2%) as a combination of double-digit growth of DiaSorin's legacy specialty low plex business and stable multiplex business, partially offset by loss of Cystic Fibrosis business in a big commercial lab in the US. Result does not yet incorporate significant contributions from the newly launched LIAISON PLEX. Licensed technologies saw a quarterly rebound (3Q: +8%, 2Q: -7%, 1Q: +4%) on a like-for-like basis, resulting from a continued positive trend of sales to Diagnostic clients, partially offset by negative performance of Life Science clients, mainly driven by a decline in instrument sales. The adj. EBITDA margin was c. 33% in 3Q, with adj. EBITDA up 7% YoY. Lower net debt at €686mn (our exp. €708mn), was the result of stronger 9M FCF (€164mn vs our exp. €132mn).

■ **FY24 guidance upgrade.** For the third quarter in a row, FY guidance was nudged upwards to the upper end of the target ranges for top line (ex-COVID growth +7%, vs previously +6-7% and +5-7% earlier, our exp. 6.8%) while profitability target kept at ~33%.

■ **No change to estimates. Constructive feedback from call.** 3Q showed strong momentum, with 4Q trends expected to remain like the first three quarters, though LTG may see some deceleration by year-end. The Liaison PLEX platform has been well-received, adding 100 hospitals with 500 platforms (50% new clients, 50% existing Verigene users), though it will make a modest contribution in 4Q (only respiratory panel approved). For 2025, management confirms the high single- to low double-digit growth outlined in the BP, despite challenges from tough comps at ImmunoDX, China's headwinds and softer Life Sciences global outlook. US expansion remains strong, with promising uptake from MeMed, shown to reduce antibiotic use by 65% in studies.

■ **OUTPERFORM confirmed; target still €126.** 9M results and the new (small) guidance upgrade confirmed the strong commercial momentum, and the further colour provided on the winning features of the Liaison PLEX molecular platform (significant cost savings to labs and flexibility on panels) bode well for its initial adoption in the coming quarters and could drive further medium-term estimate upgrades. Estimate direction is supportive: even though the stock is currently trading in line with the sector (23x P/E'25E), we believe the market is ready to take a fresh look at a success story driven by structural, long-term growth - especially if the coming quarters provide more visibility on top-line acceleration and the contribution of new initiatives (launch of Liaison PLEX, execution on MeMed). Upside risks could stem from M&A activity, as the group is looking at potential targets in the LTG space to acquire adjacent and complementary technologies. Additionally, in the event of a normalisation of interest rates in coming months, the stock is poised for a significant re-rating as a long duration asset.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	1,361	1,148	1,185	1,278	1,391
EBITDA Adj (Eu mn)	514	375	394	437	494
Net Profit Adj (Eu mn)	319	224	218	248	287
EPS New Adj (Eu)	5.696	4.004	3.888	4.439	5.123
EPS Old Adj (Eu)	5.696	4.004	3.888	4.439	5.123
DPS (Eu)	1.100	1.150	1.200	1.250	1.300
EV/EBITDA Adj	15.9	16.8	16.0	14.0	12.0
EV/EBIT Adj	19.6	22.3	21.0	17.9	15.1
P/E Adj	17.8	25.3	26.1	22.9	19.8
Div. Yield	1.1%	1.1%	1.2%	1.2%	1.3%
Net Debt/EBITDA Adj	1.8	2.1	1.6	1.0	0.5

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P500 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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BUY:	28.24 %
OUTPERFORM:	48.09 %
NEUTRAL:	23.67 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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BUY:	55.74 %
OUTPERFORM:	34.43 %
NEUTRAL:	09.83 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short
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