



## **DiaSorin To Acquire Focus Diagnostics' Molecular And Immunoassay Product Business From Quest Diagnostics, Significantly Advancing Its Presence In The Molecular Diagnostic Market**

March 30, 2016

- **Focus Diagnostics' unique Simplexa™ platform and products to allow DiaSorin to quickly enter the molecular segment;**
- **DiaSorin will strengthen its offering in the US market accessing approximately 200 hospitals served today by Focus, and will leverage its commercial presence worldwide to distribute the Focus products in markets today under served in Europe and Asia;**
- **The cash transaction, valued at \$300 million, is expected to be immediately accretive to DiaSorin's ongoing earnings per share upon close.**

SALUGGIA, Italy and MADISON, N.J., March 30, 2016 /PRNewswire/ -- DiaSorin S.p.A. (F TSE Italy: DIA) and Quest Diagnostics (NYSE: DGX) today announced that they have entered into a purchase agreement under which DiaSorin will buy Quest's Focus Diagnostics, Inc. immunodiagnostic and molecular diagnostic products business ("Focus").



Under the terms of the purchase agreement, DiaSorin will pay to Quest Diagnostics \$300 million in cash for all the tangible and intangible assets of Focus used by the Company to develop, manufacture and distribute its molecular diagnostic products and its traditional immunoassay ELISA products, including among other relevant intellectual property, contracts and customer list.

Today, Focus' product lines include the Simplexa™ molecular product line, HerpeSelect® HSV serology, and the line of DxSelect™ IFA and ELISA assays. DiaSorin expects to continue to manufacture Focus products from the company's base facility in Cypress, California, USA with the approximately 180 Focus employees currently employed in manufacturing, research and development, sales and marketing, and administration.

The acquisition does not include Quest's diagnostic information service laboratories currently operating under the Focus Diagnostics brand. These labs primarily serve hospital and biopharmaceutical companies, and will continue to be based in San Juan Capistrano, California, USA as part of Quest.

The acquisition will be carried out by DiaSorin also through a newly created U.S. affiliate and it is expected to be completed in the second quarter 2016, subject to customary closing conditions. Additional terms were not disclosed.

As a result of this acquisition, DiaSorin will have access to a new set of molecular products cleared for distribution both in the US and Europe, significantly increasing its presence in the growing market of Infectious Disease molecular testing. From a geographical point of view, DiaSorin will leverage its global commercial infrastructure to help the Focus business expand outside the US. Furthermore, having access to the current Focus customer base in the US, consisting mostly of large hospitals, will allow DiaSorin to speed up the penetration of this market with its current Immunoassay LIAISON® platform.

"The combination of DiaSorin and Focus products will create a unique portfolio of specialty products, especially in the clinical area of infectious disease, which will continue to strengthen the leadership of DiaSorin in this segment that today already represents over 50% of DiaSorin revenues. Also, this acquisition offers DiaSorin access to a large number of premier US hospitals that are served today by Focus, a market segment that is strategic for DiaSorin to grow in the future by combining the Focus molecular products with its broad LIAISON® product line," said Carlo Rosa, Chief Executive Officer of DiaSorin S.p.A.

"As a leader in diagnostic products, DiaSorin is well positioned to build on the Focus platform of innovation to deliver continuing value to Focus' employees, customers and patients," said Steve Rusckowski, president and CEO, Quest Diagnostics. "This transaction reflects our ongoing commitment to re-focusing on Quest's core diagnostic information services business. We remain committed to delivering disciplined capital deployment, the fifth element of our five-point strategy. We return the majority of our free cash flow to investors in the form of dividends and share repurchases, and also have been investing in the business through strategically aligned acquisitions."

### **About Focus Diagnostics, Inc.**

Focus Diagnostics, Inc., a wholly owned company of Quest Diagnostics Incorporated, is a company committed to providing proven and reliable products its customers have grown accustomed to throughout the years. Since its founding in 1978, Focus Diagnostics has grown its business from specialized laboratory testing to manufacturing its high-quality laboratory tests for hospitals and commercial laboratories worldwide. These manufactured tests are built in response to diagnostic testing trends identified and evaluated by Focus Diagnostics and used in Quest

Diagnostics' national laboratories.

In the fiscal year ended December 31, 2015, the Focus products business had revenues\* in the range of \$80 million, of which approximately 80% were from sales to customers based in the US, with double-digit growth year on year\*. The Focus business EBITDA margin\* is estimated in the range of 30%.

\* financial data is unaudited

#### **Financial information**

The price for the transaction is \$300 million on a debt free cash free basis, with an agreed normalized level of trade receivables and payables. The cash transaction will be funded through available cash and a line of credit available to the company, assuming its completion, as expected, in the second quarter 2016. The transaction is expected to be immediately accretive to DiaSorin's ongoing earnings per share upon close.

#### **Rationale for the acquisition**

The Focus products business acquisition is strategic for DiaSorin because:

1. It will allow the Company to compete in the Molecular Diagnostics segment with a set of specialty products, a market which is experiencing rapid growth in the United States and in Europe;
2. It is an acquisition in the US market in line with the Company strategy to strengthen its presence in this market in the years to come with the aim of making the US 50% of the total Company turnover in the near future;
3. This acquisition brings along access to a qualified customer base in the US made up by approximately 200 large hospitals. Leveraging on the Focus relationship with these customers, DiaSorin wants to increase its penetration in this segment with its current LIAISON® products;
4. Focus products also include a competitive catalogue of specialty ELISA assays that can be added to the DiaSorin product line and effectively distributed on DiaSorin's ELISA instrumentation in all countries where these products have a large potential (*e.g. Asia and South America*).

#### **DiaSorin Conference Call**

DiaSorin is pleased to invite you to a special conference call that will be conducted on March 30, 2016 at 5.40 p.m. CET, 4.40 p.m. GMT, 11.40 a.m. US Eastern time, to provide an overview of the transaction. Presentation slides will be posted on the DiaSorin website in the IR section.

To take part in the conference call, please dial the most convenient telephone number within the following:

- from Italy: +39 02 8020911
- from UK: +44 1 212 818004
- from USA: +1 718 7058796

A replay and the transcript will be available after the conference call in the Investor Relations section at [www.diasorin.com](http://www.diasorin.com) Should you have any queries regarding any of the above, please contact the helpline at +39 02 8061371.

The official invitation is also available on the DiaSorin website in the Investor Relations section at [www.diasorin.com](http://www.diasorin.com)

#### **For additional information, please contact**

##### **For DiaSorin:**

**Riccardo Fava** - *Investor Relations & Corporate Communication Senior Director*

Tel. +39.0161.487988

[riccardo.fava@diasorin.it](mailto:riccardo.fava@diasorin.it)

##### **About DiaSorin:**

Headquartered in Italy and listed in the FTSE Mid Cap Index, DiaSorin is a global leader in the In Vitro Diagnostics (IVD) field. For over 40 years the Company has been developing, producing and marketing reagent kits for IVD worldwide. Through constant investments in research and development, and using its own distinctive expertise in the field of immunodiagnostics to deliver a high level of innovation, DiaSorin offers today the broadest range of specialty tests available in the immunodiagnostics market and new tests in the molecular diagnostics markets which identify DiaSorin Group as the IVD "diagnostics specialist".

[www.diasorin.com](http://www.diasorin.com)

##### **For Quest Diagnostics:**

**Wendy Bost (Media)** 973-520-2800 (US)

**Dan Haemmerle (Investors)** 973-520-2900 (US)

##### **About Quest Diagnostics:**

Quest Diagnostics empowers people to take action to improve health outcomes. Derived from the world's largest database of clinical lab results, our diagnostic insights reveal new avenues to identify and treat disease, inspire healthy behaviors and improve health care management. Quest annually serves one in three adult Americans and half the physicians and hospitals in the United States, and our 44,000 employees understand that, in the right hands and with the right context, our diagnostic insights can inspire actions that transform lives.

[www.QuestDiagnostics.com](http://www.QuestDiagnostics.com).

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