

Myriad Genetics Fiscal Second-Quarter 2019 Earnings Call

February 5, 2019



Forward Looking Statements

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Some of the information presented here today may contain projections or other forward-looking statements regarding future events or the future financial performance of the Company. These statements are based on management's current expectations and the actual events or results may differ materially and adversely from these expectations. We refer you to the documents the Company files from time to time with the Securities and Exchange Commission, specifically, the Company's annual reports on Form 10-K, its quarterly reports on Form 10-Q, and its current reports on Form 8-K. These documents identify important risk factors that could cause the actual results to differ materially from those contained in the Company's projections or forward-looking statements.

Non-GAAP Financial Measures

In this presentation, the Company's financial results and financial guidance are provided in accordance with accounting principles generally accepted in the United States (GAAP) and using certain non-GAAP financial measures. The Company's financial measures under GAAP include substantial one-time charges related to its acquisitions and ongoing amortization expense related to acquired intangible assets that will be recognized over the useful lives of the assets and charges related to executive severance. Management believes that presentation of operating results that excludes these items provides useful supplemental information to investors and facilitates the analysis of the Company's core operating results and comparison of operating results across reporting periods. Management also uses non-GAAP financial measures to establish budgets and to manage the Company's business. A link to reconciliation of the GAAP to non-GAAP financial guidance is provided above.

	Fiscal Year 2019
GAAP diluted earnings per share	\$0.40-\$0.45
Stock based compensation expense	\$0.30
Acquisition – amortization of intangible assets	\$0.80
Adjustments to GAAP financial measures	\$0.20
Non-GAAP diluted earnings per share	\$1.70-\$1.75
	Fiscal Third-Quarter 2019
GAAP diluted earnings per share	\$0.12 - \$0.14
Stock based compensation expense	\$0.08
Acquisition – amortization of intangible assets	\$0.20
Adjustments to GAAP financial measures	\$0.02
Non-GAAP diluted earnings per share	\$0.42 - \$0.44

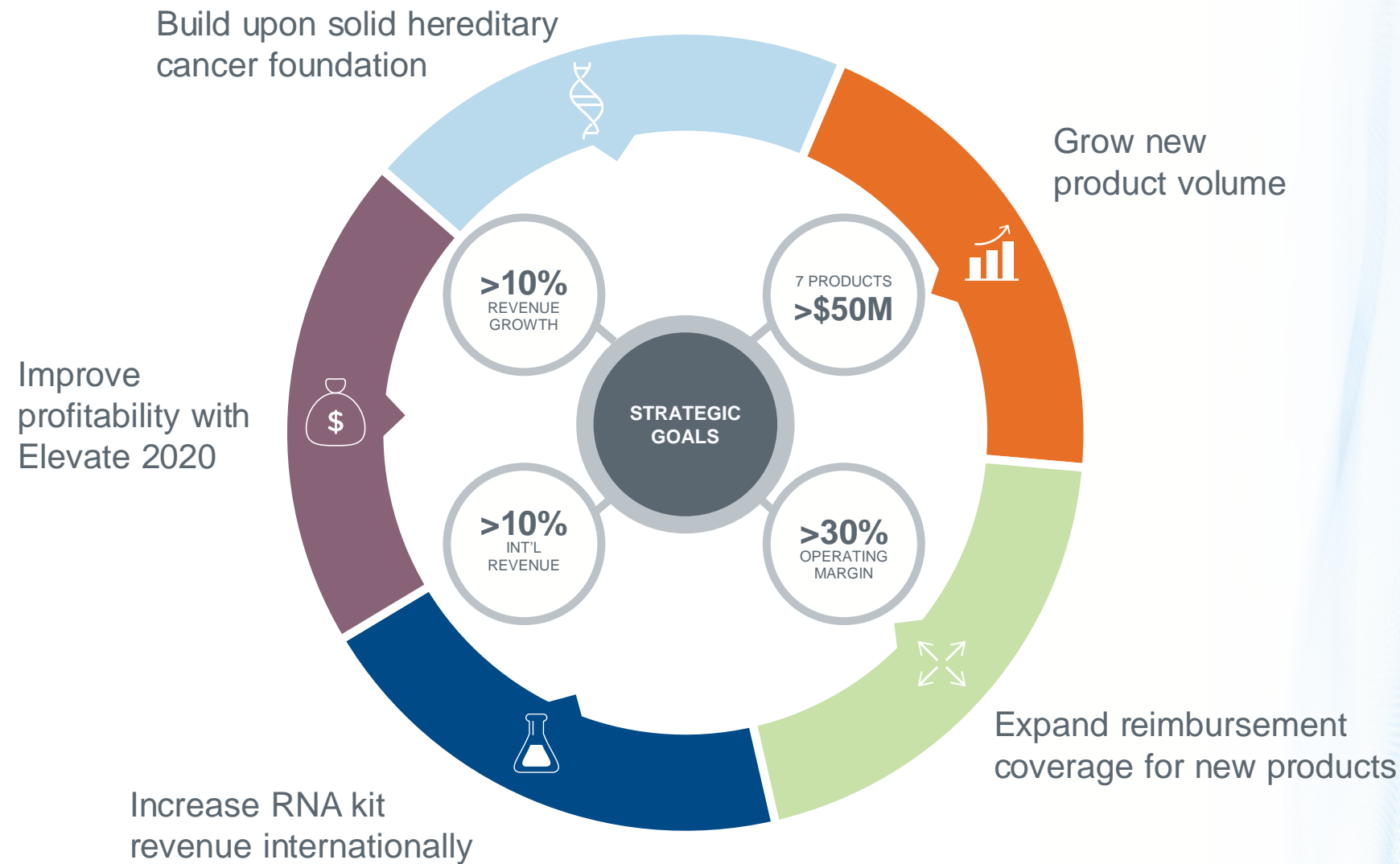
For additional information on GAAP to non-GAAP reconciliation see:
<https://www.myriad.com/investors/gaap-to-non-gaap-reconciliation/>

Fiscal Year 2019 Second-Quarter Financial Results

	2Q19 Actual Results	2Q18 Actual Results	YoY Change
Revenue (in mil.)	\$216.8	\$187.9	15%
GAAP EPS	\$0.03	\$0.43	(92%)
Adjusted EPS	\$0.38	\$0.36	6%
Organic Adjusted EPS*	\$0.46	\$0.36	28%

*Excludes \$0.08 of dilution from the Counsyl acquisition in the fiscal second-quarter

Critical Success Factors to Achieve Strategic Goals

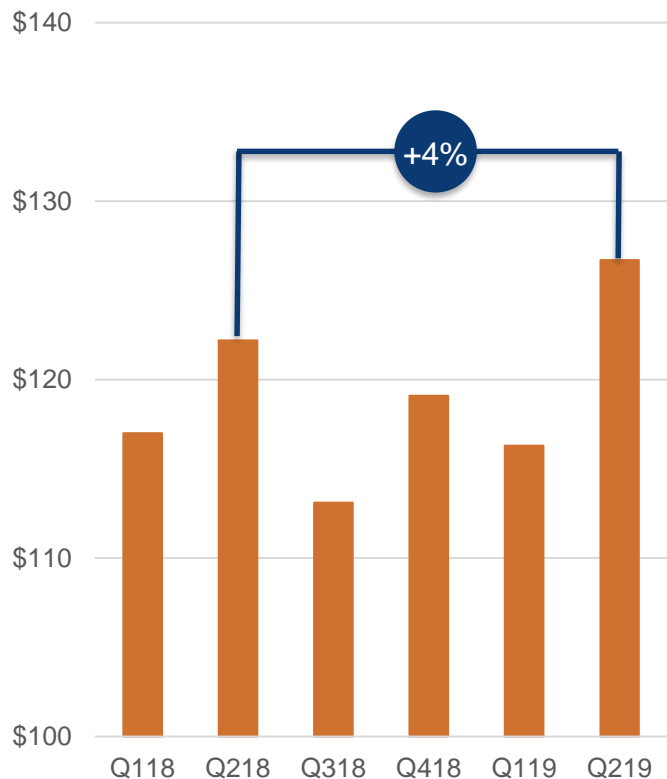


Solid Foundation in Hereditary Cancer Market

Hereditary Cancer Revenue Returns to Growth for First Time Since FY14



HEREDITARY CANCER REVENUE*



* ASC606 Revenue

Growing Volume

- Market less than 10% penetrated
- 7% CAGR since FY13
- 8 sequential quarters with YoY growth
- New indications added 175,000 eligible patients in the U.S. and Japan
- riskScore driving deeper penetration – Developed new version for Hispanic women
- BRACAnalysis® CDx approved in first-line maintenance for ovarian cancer

Stable Pricing Outlook

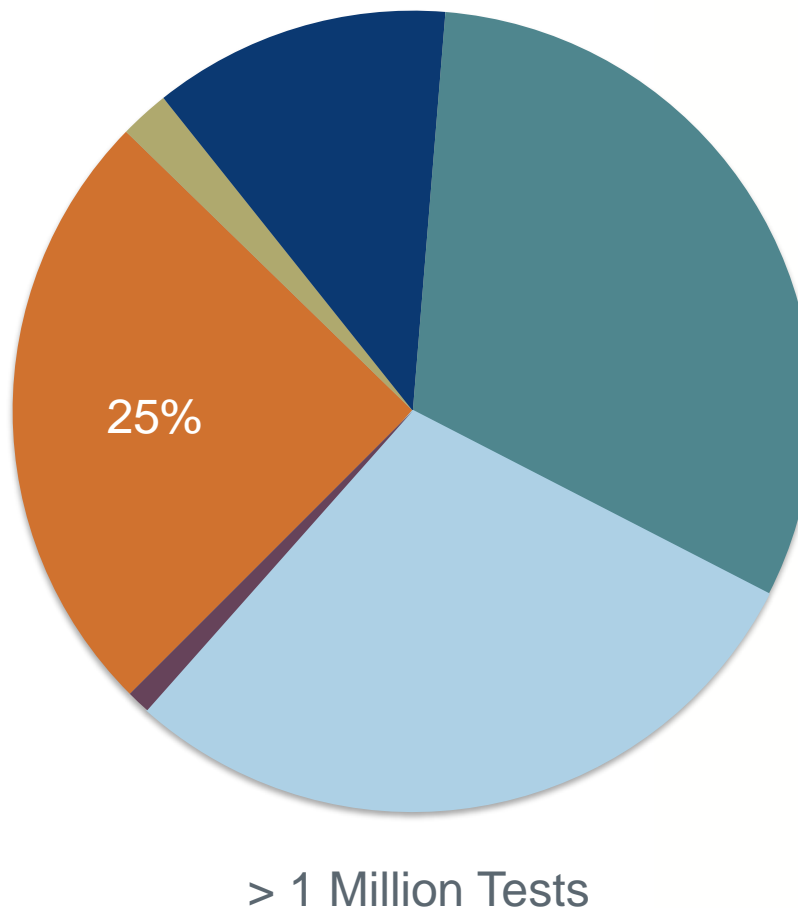
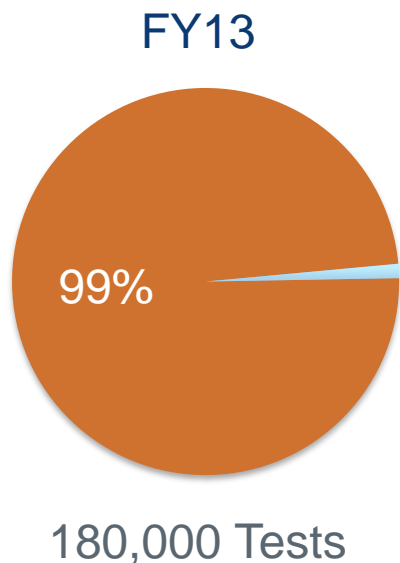
- 5 consecutive quarters with stable pricing
- Long-term contracts provide stable pricing into FY20
- UNH contract fixed until FY21
- Smaller price premium easily justifiable

Record Test Volume in Fiscal Second-Quarter

New Products Represent 75% of >1M Test Run Rate



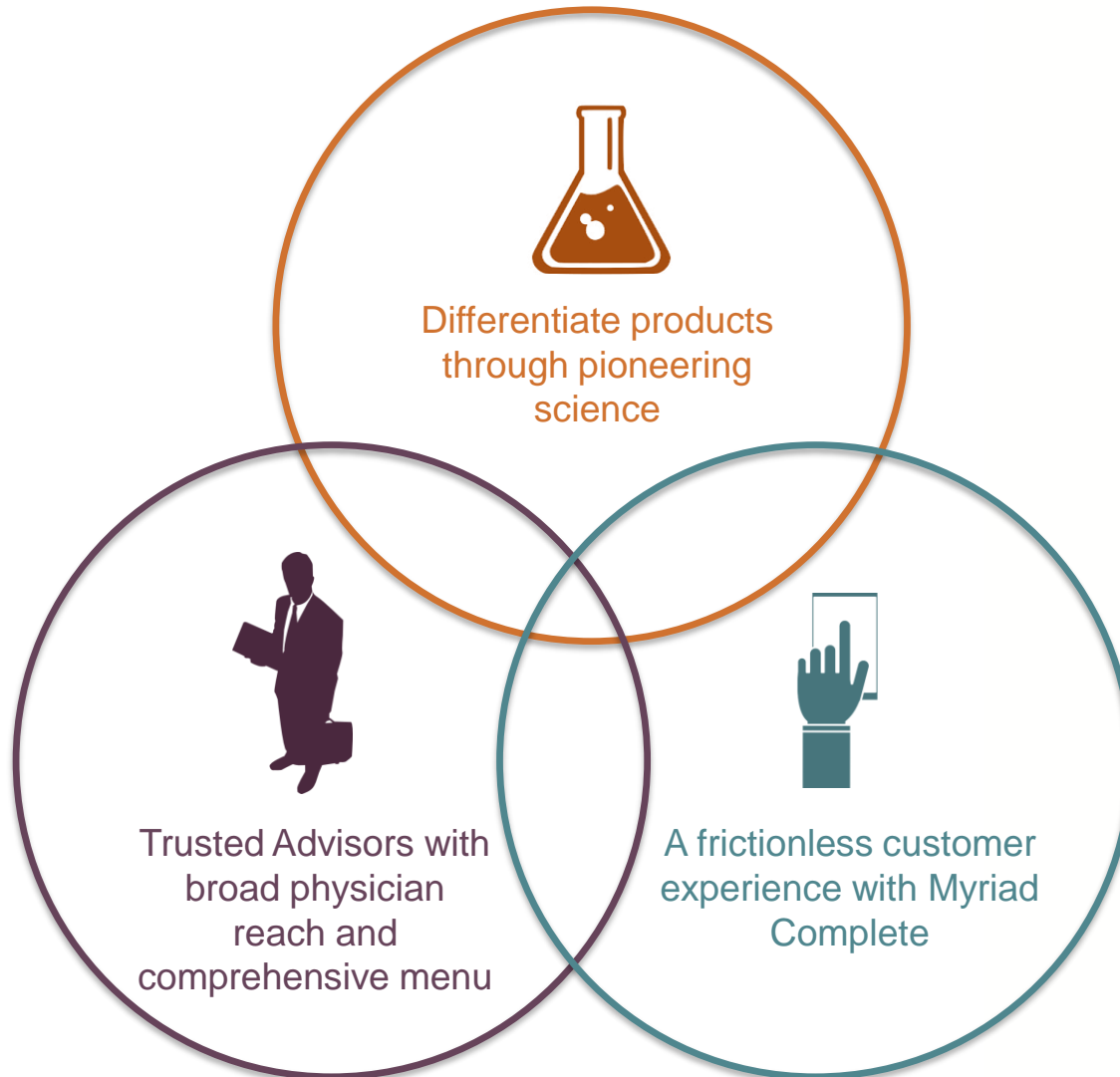
2Q19 Annualized Run Rate



- Hereditary Cancer
- Prolaris®
- Vectra®
- GeneSight®
- Prenatal
- Other

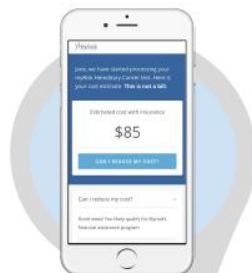
Three Pillars of Prenatal Market Success

- Markets Remain Highly Underpenetrated



Myriad Complete is a Key Competitive Differentiator

Best Physician and Patient Workflow Solution in the Industry



Cost estimates



EMR integrations



Consult sessions



EDUCATION



ACCESS



RESULTS



CONSULTS

Patient identification



Tele-education



Results management



Provider portal



GUIDED EndPoints

Based Upon Week 8 HAM-D17 Scores



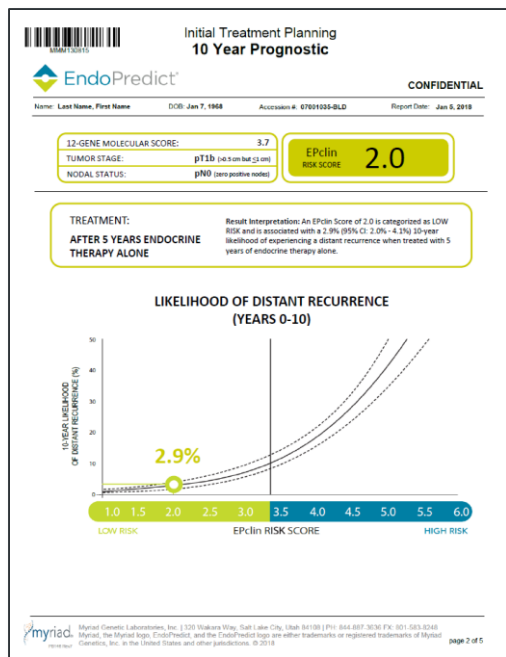
Analysis	Patients	Remission Rate	Response Rate	Symptom Improvement
All Patients	1,298	+47% p=0.005	+32% p=0.007	+14% p=0.069
Mildly Depressed Patients Excluded	1,167	+50% p=0.007	+30% p=0.013	+12% p=0.107
Green Exclusion (Patients entering on green medications only excluded)	786	+70% p=0.003	+40% p=0.008	+23% p=0.029
Red Switching (Mod. to Severe depressed patients entering on red medications that switched vs. those that did not)	213	+153% p=0.007	+71% p=0.036	+59% p=0.002
Medicare Eligible (Mod.to Severe depressed patients based upon age at time of entry)	165	Statistically Significant	Statistically Significant	Statistically Significant

EndoPredict® – One Test Three Clinical Answers

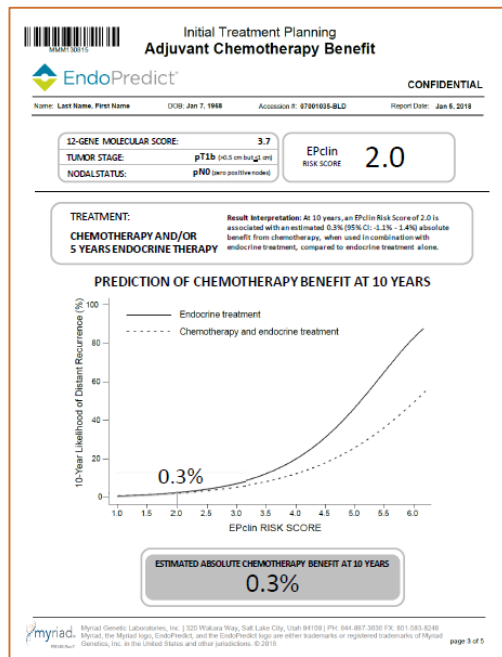
Only Test To Answer the Three Critical Questions of Prognosis, Chemotherapy Benefit, and Extended Endocrine Benefit



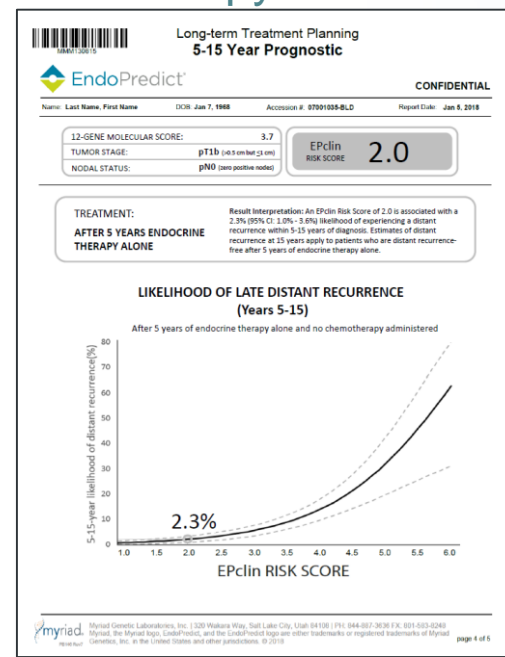
Prognosis



Chemotherapy Benefit



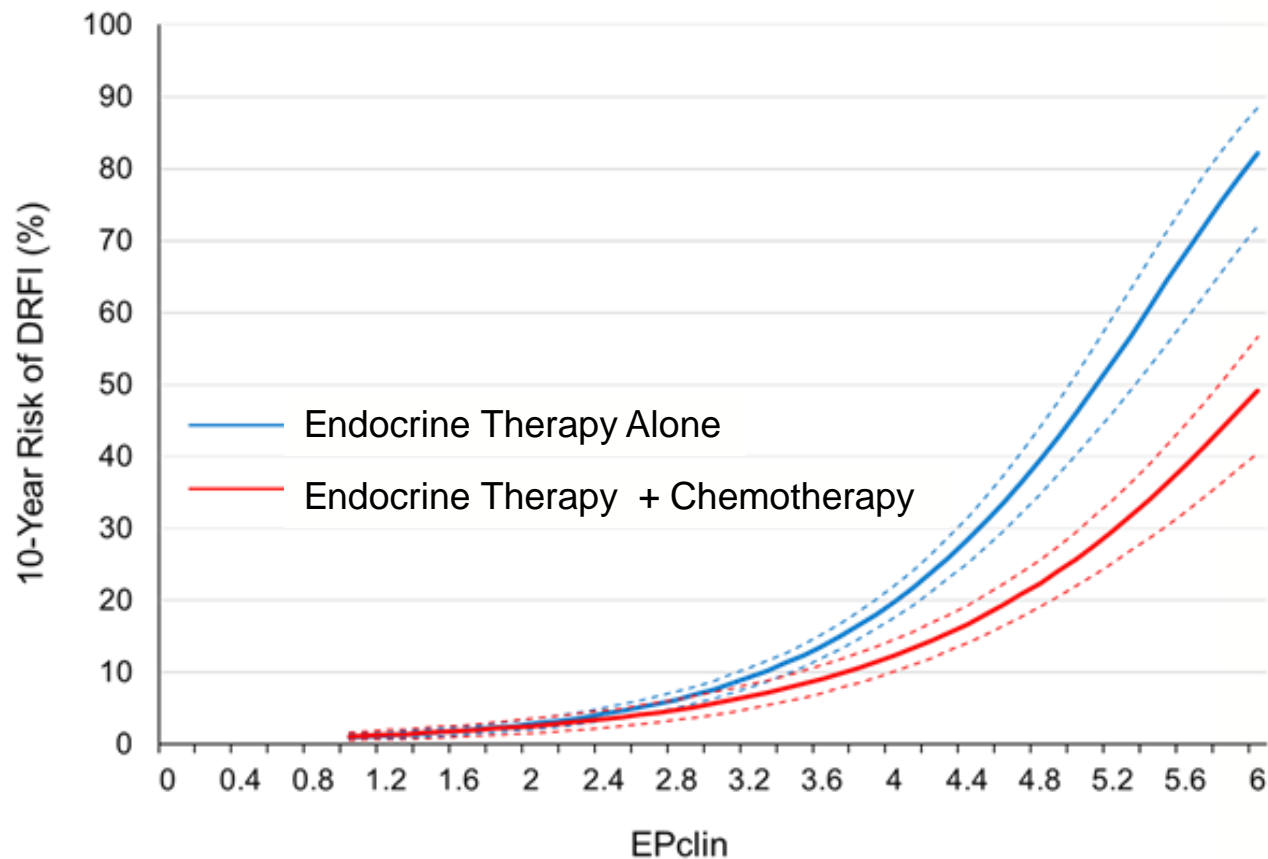
Extended Endocrine Therapy Benefit



- Outperformed market leading test in TransATAC study
- Large clinical validation presented at the San Antonio Breast Cancer Symposium supports the ability of EndoPredict to predict chemotherapy benefit
- The only test to assess risk out to 15 years.
- Identifies patients who can safely forego extending endocrine therapy.

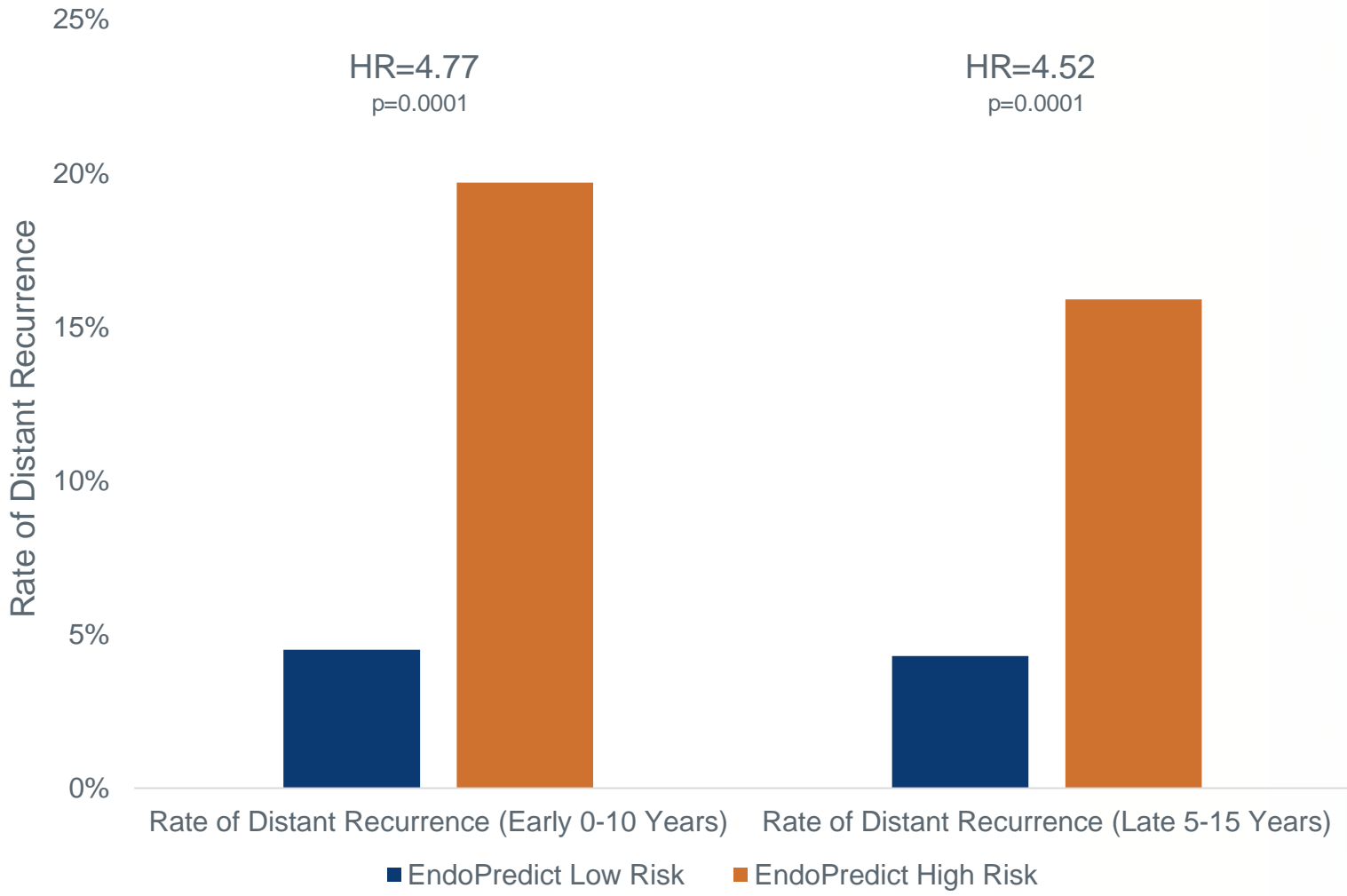
EndoPredict Predictive of Chemotherapy Benefit

- EndoPredict High Risk Patients Receive Statistically Significant Benefit From Chemotherapy



EndoPredict Can Guide Extended Endocrine Therapy Decision

Low Risk EndoPredict Patients Have Substantially Lower Risk of Distant Recurrence

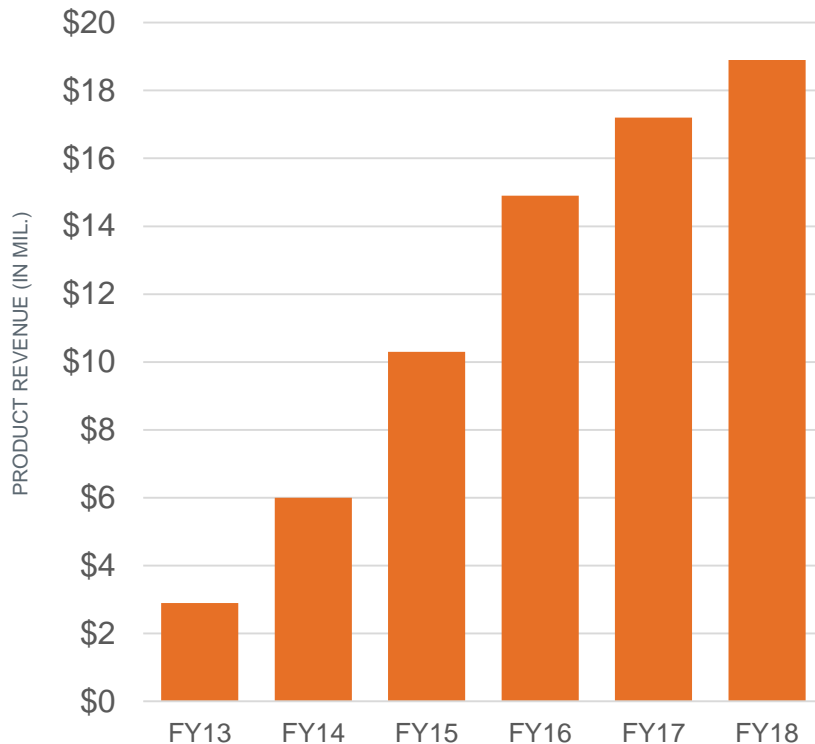


Steady International Growth

Key Catalysts in FY19



INTERNATIONAL PRODUCT REVENUE

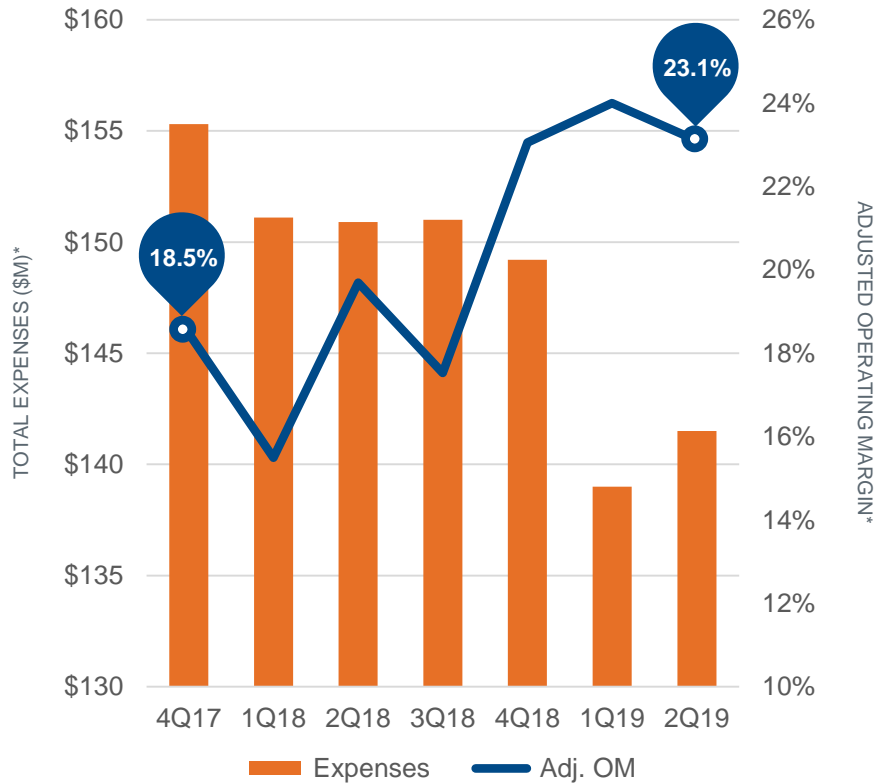
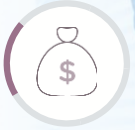


Near-Term Growth Drivers

- Approval for BRACAnalysis CDx in metastatic BC in Japan
- Filed for Japanese regulatory approval for BRACAnalysis CDx in first-line ovarian cancer
- Filed for Japanese regulatory approval for hereditary cancer testing (>3M eligible patients)
- Positive NICE recommendation for EndoPredict reimbursement in UK
- Potential EndoPredict reimbursement decisions in Germany and Italy in CY20

Meaningful Profitability Improvement Through Elevate 2020

Adjusted Operating Margins (OM) Increase 460 BP Since Inception of Elevate 2020 Excluding Counsyl



* Excludes Counsyl

Elevate 2020 Progress

- All business units except Dermatology now profitable
- Operating margins have increased 460 bp since inception of the program
- Vectra and International laboratory moves completed at the end of the fiscal 2Q19

Financial Overview

FY 2019 Second-Quarter Revenue By Product

(in millions)

Product	2Q19	2Q18	YoY Growth
Hereditary Cancer	\$126.7	\$122.2	4%
GeneSight	\$24.0	\$31.7	(24%)
Prenatal Testing	\$31.2	-	NM
Vectra	\$11.8	\$11.1	6%
Prolaris	\$6.1	\$4.2	45%
EndoPredict	\$2.2	\$2.0	10%
Other	\$1.0	\$1.9	(47%)
Total Molecular Diagnostic Revenue	\$203.0	\$173.1	17%
Pharmaceutical & Clinical Services	\$13.8	\$14.8	(7%)
Total Revenue	\$216.8	\$187.9	15%

Fiscal Second-Quarter Financial Results

	GAAP Results			Adjusted Results		
	2Q19	2Q18	YoY Growth	2Q19	2Q18	YoY Growth
Total Revenue	\$216.8	\$187.9	15%	\$216.8	\$187.9	15%
Gross Profit	\$164.7	\$143.5	15%	\$165.4	\$143.7	15%
Gross Margin	76.0%	76.4%	-40 bps	76.3%	76.5%	-20 bps
Operating Income	\$6.1	\$6.3	(3%)	\$37.4	\$37.0	1%
Operating Margin	2.8%	3.4%	-60 bps	17.3%	19.7%	-240 bps
Net Income	\$2.6	\$30.9	(92%)	\$29.2	\$25.9	13%
EPS	\$0.03	\$0.43	(93%)	\$0.38	\$0.36	6%

FY19 and 3Q FY19 Financial Guidance

Metric	Fiscal Year 2019	3Q19
Revenue	\$855 to \$865 million	\$216 to \$218 million
GAAP Diluted EPS	\$0.40 to \$0.45	\$0.12 to \$0.14
Adjusted EPS	\$1.70 to \$1.75	\$0.42 to \$0.44

● Peter D. Meldrum (1947-2018)

