



Myriad Genetics Fiscal Second-Quarter 2017 Earnings Call

02/07/2017

Forward Looking Statements

Forward Looking Statements

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.

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

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 reconciliation of the GAAP to non-GAAP financial guidance is provided below.

	Fiscal Year 2017
GAAP diluted earnings per share	\$0.31 - \$0.36
Acquisition – amortization of intangible assets	\$0.48
Acquisition – one time charges	\$0.21
Non-GAAP diluted earnings per share	\$1.00 - \$1.05



Second Quarter FY2017 Financial Results

Beat Guidance on Both Top and Bottom Line

	2Q17 Actual Results	2Q16 Actual Results	YoY Growth	Guidance
Revenue	\$196.5	\$193.3	2%	\$188 - \$190 million
GAAP EPS	\$0.09	\$0.50	(82%)	\$0.06 - \$0.08
Adjusted EPS	\$0.26	\$0.45	(42%)	\$0.23 - \$0.25

* Based on higher than anticipated closing costs in the quarter due to the earlier than expected closing of the Assurex acquisition



Key Accomplishments in 2Q17

Major Progress on Three Key Strategic Imperatives

Strategic Imperative	Accomplishment
Continued Leadership in an Expanding Hereditary Cancer Market	<ul style="list-style-type: none"> Grew hereditary cancer revenue by 3% sequentially Oncology volume up sequentially reversing 18 month trend Signed agreement with Highmark Blue Cross Blue Shield 65% of revenue under long-term contract; in network with >95% of plans
Diversify Revenue with New Products	<ul style="list-style-type: none"> Non-hereditary cancer testing reached 67% of volume and 27% of revenue GeneSight volume up 61% and revenue up 47% YoY Anticipate completing enrollment early in major prospective clinical utility study for GeneSight Received draft LCD for favorable intermediate prostate cancer patients for Prolaris SOLO2 study provides further validation for BRACAnalysis CDx Submission of PMA for myChoice HRD EndoPredict payer coverage now >x million lives myPath Melanoma dossier completed
Grow Kit Products in Major International Geographies	<ul style="list-style-type: none"> International revenue reached 5% of sales compared to <1% three years ago EndoPredict revenue grew 78% year-over-year following key reimbursement wins in France and Germany Signed companion diagnostic agreement with AstraZeneca in Japan and Latin America

Fiscal Second-Quarter 2017 Revenue By Product

Achieved Highest Revenue in Last Three Years

(in millions)

Product	2Q17	2Q16	YoY Growth
Hereditary Cancer	\$143.9	\$165.6	(13%)
GeneSight	\$21.7	NA*	NM
Vectra DA	\$10.7	\$11.3	(5%)
Prolaris	\$3.1	\$1.9	63%
EndoPredict	\$1.6	\$0.9	78%
Other	\$2.9	\$2.9	0%
Total Molecular Diagnostic Revenue	\$183.9	\$182.6	1%
Pharmaceutical & Clinical Services	\$12.6	\$10.7	18%
Total Revenue	\$196.5	\$193.3	2%

* Prior to the completion of the Assurex Health acquisition

Fiscal Second-Quarter Financial Results

(in millions except per share data)	2Q17	2Q16	YoY Growth
Total Revenue	\$196.5	\$193.3	2%
Gross Profit	\$152.1	\$152.7	(0%)
Gross Margin	77.4%	79.0%	NM
Operating Income	\$13.2	\$45.2	(71%)
Adjusted Operating Income	\$23.6	\$48.4	(51%)
Adjusted Operating Margin	12.0%	25.0%	NM
Net Income	\$5.9	\$37.1	(84%)
Diluted EPS	\$0.09	\$0.50	(82%)
Adjusted EPS	\$0.26	\$0.45	(42%)



3Q17 and FY17 Financial Guidance

Narrowing Financial Guidance Within The Previous Range

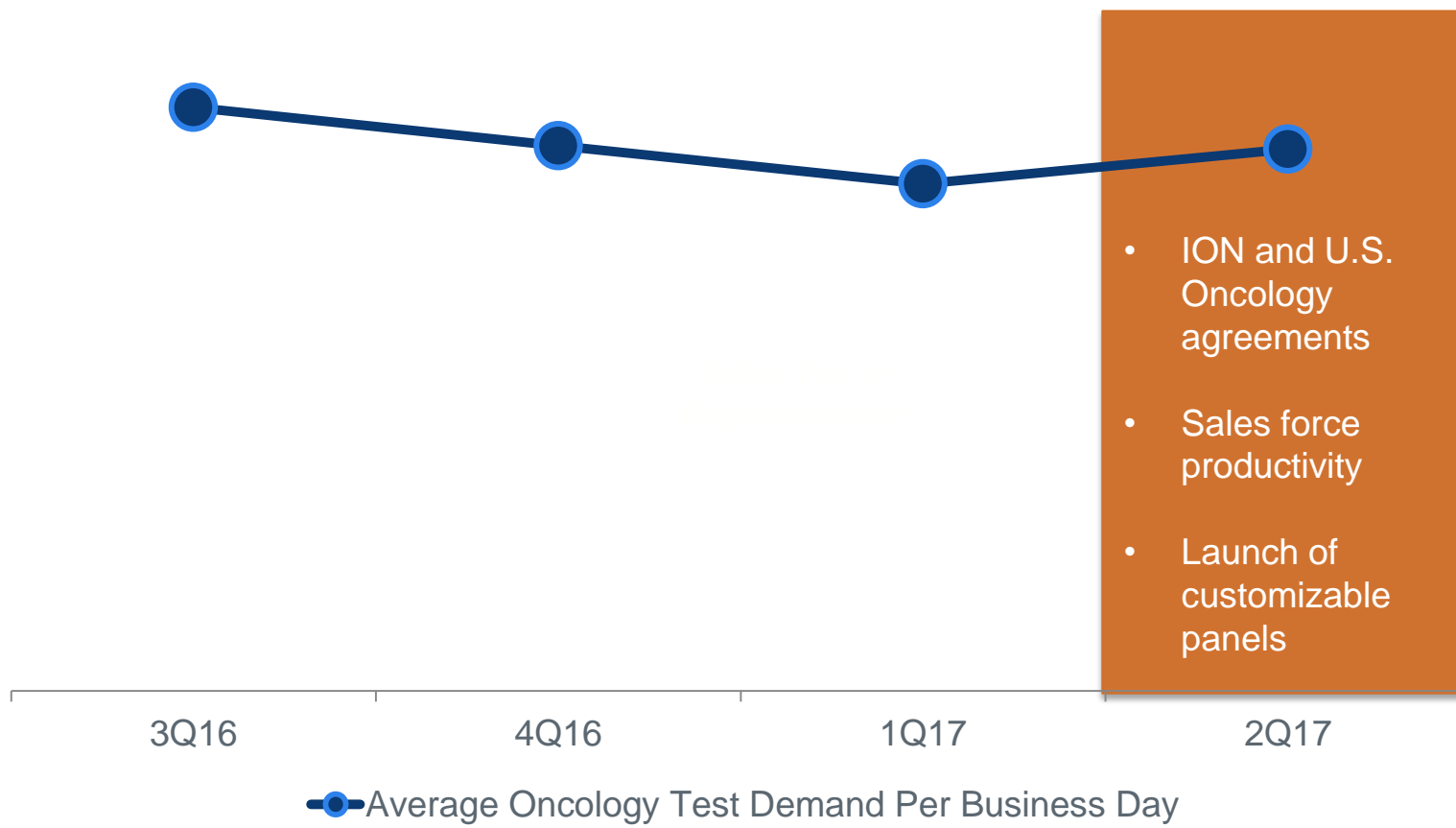
Metric	Fiscal Third-Quarter 2017	Fiscal Year 2017
Revenue	\$188 to \$190 million	\$745 to \$755 million
GAAP Diluted EPS	\$0.08 to \$0.10	\$0.31 to \$0.36
Adjusted EPS	\$0.23 to \$0.25	\$1.00 to \$1.05

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



Oncology Sees Volume Growth in 2Q17

Sales Force Productivity and New Strategies Leading to Positive Momentum



Myriad Remains In-Network With 95% of Plans

Physicians and Patients Continue To Demand Myriad's Differential Quality



As out-of-network provider:

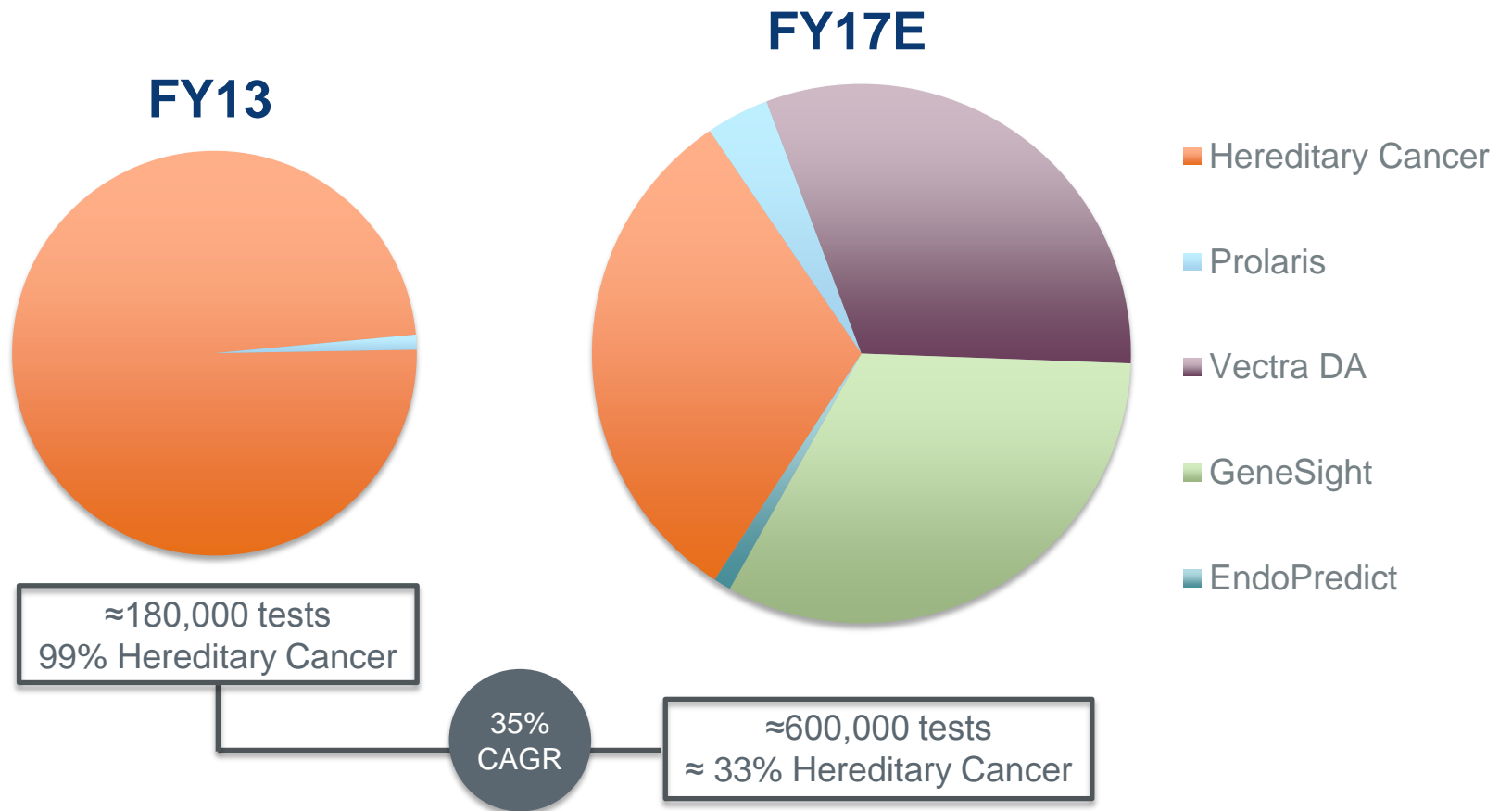
- Physicians continue to demand highest quality test
- Myriad maintains >80% of historic volume
- Typically reimbursed at 60% to 80% of list price

■ In-Network ■ Out-of-Network



Substantial Diversification in Testing Volumes

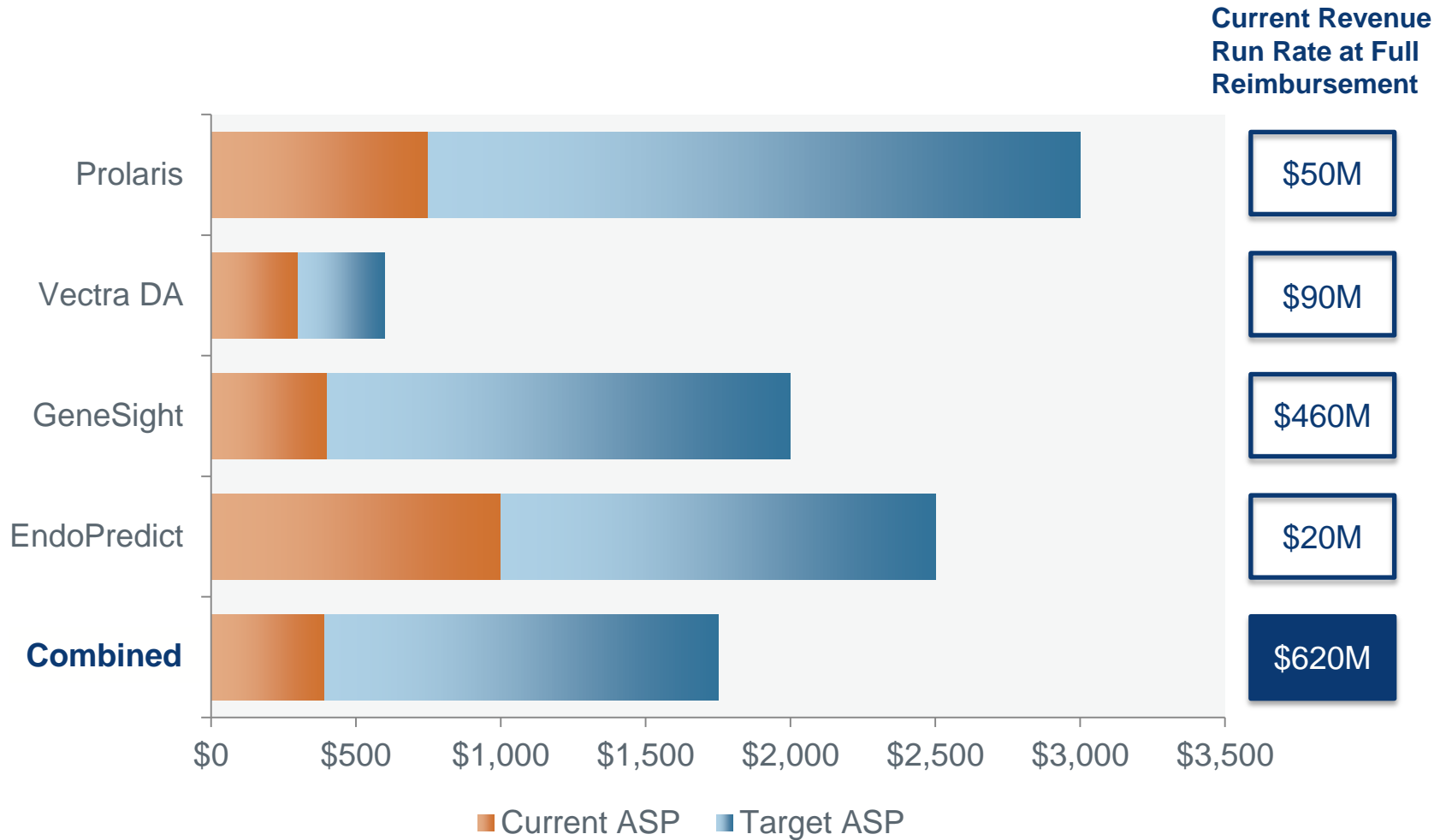
> Two Thirds of Volume Attributed to Non-Hereditary Cancer Tests





Reimbursement Will Drive Significant Leverage

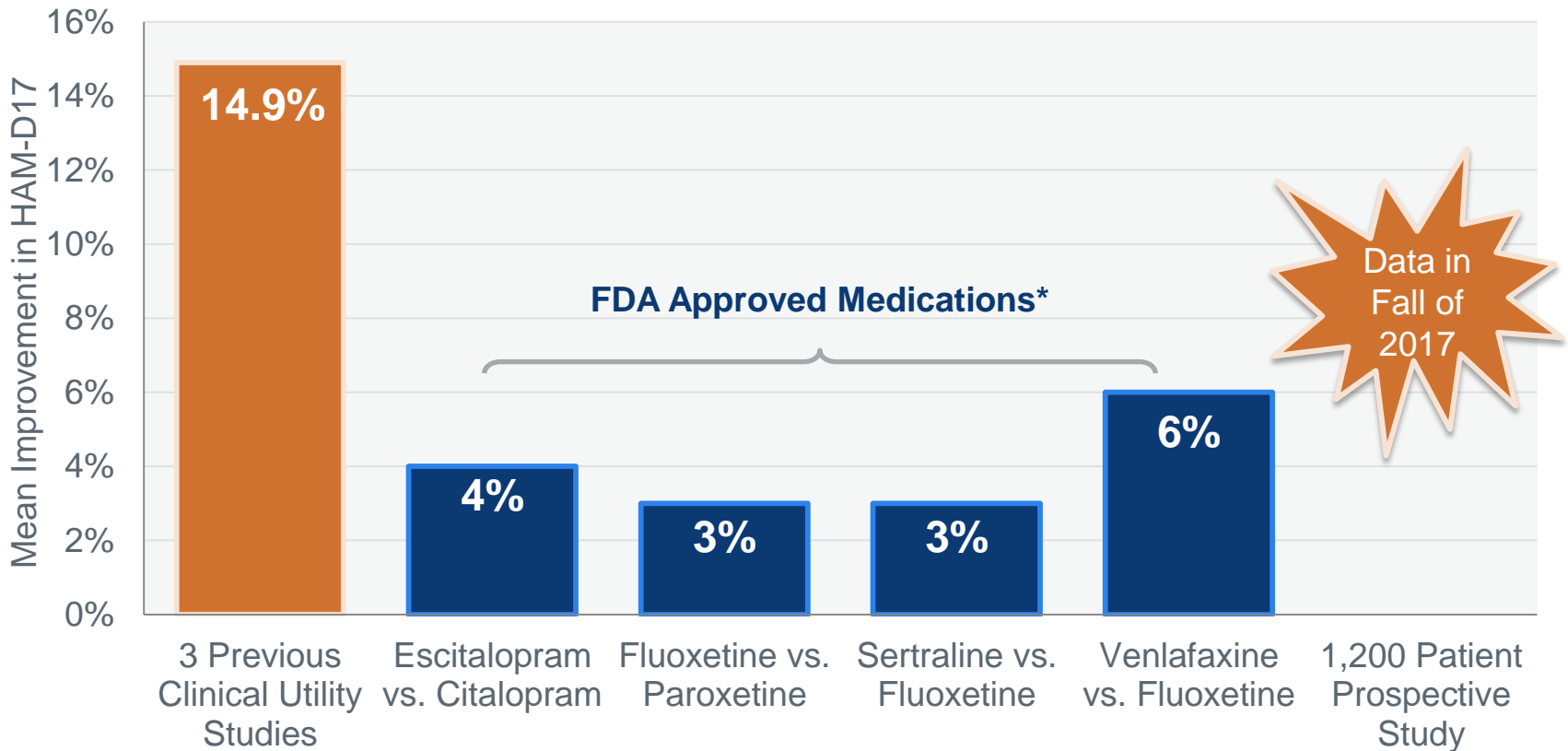
\$620M Annual New Product Revenue With Full Reimbursement





Landmark GeneSight Study Near Completion

Study Will Enhance Already Strong Clinical Utility Data Around GeneSight



*Sources: FDA summary bases of approvals

Hall-Flavin DK, et al. Utility of integrated pharmacogenomic testing to support the treatment of major depressive disorder in a psychiatric outpatient setting. Pharmacogenetics and Genomics. 2013;23(10):535-548

Winner JG, et al. A prospective, randomized double-blind study assessing the clinical impact of integrated pharmacogenomic testing for major depressive disorder. Discovery Med. 2013;16(89): 219-227

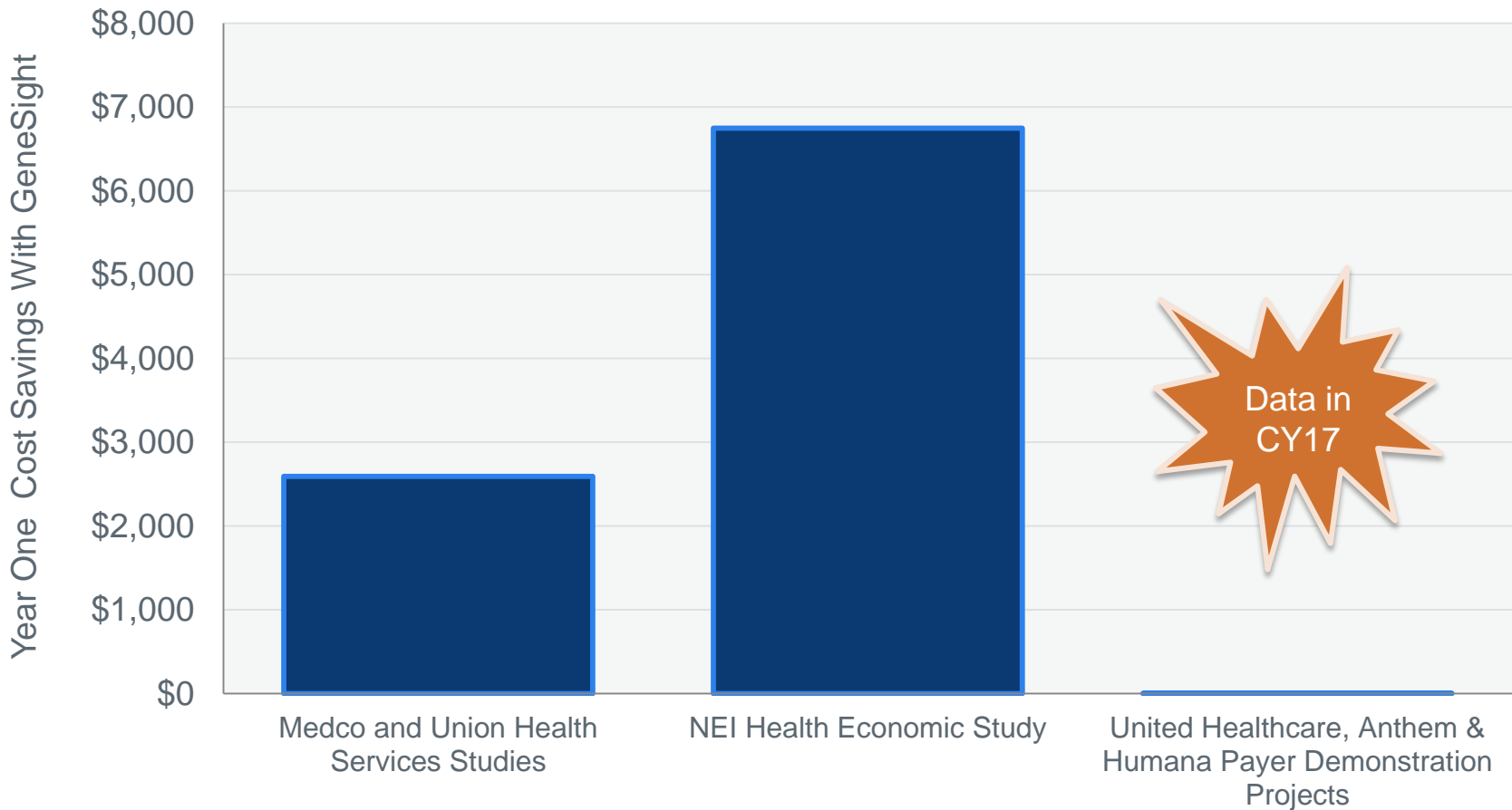
Discovery Med. 2013;16(89): 219-227

Hall-Flavin DK, et al. Using a pharmacogenomic algorithm to guide the treatment of depression. Transl Psychiatry. 2012;2:e 172



Strong New Health Economic Data For GeneSight

Mounting Evidence Supporting Substantial Cost Savings



Sources: Winner JG, et al. Combinatorial pharmacogenomic guidance for psychiatric medications reduces overall pharmacy costs in a 1 year prospective evaluation. *Curr Med Res Opin.* 2015 Jul 23:1-11. [PMID: 26086890]
Winner JG, Allen JD, et al. Psychiatric pharmacogenomics predicts health resource utilization of outpatients with anxiety and depression. *Transl Psychiatry.* 2013;3:e300. doi:10. 1038/tp.2013.2

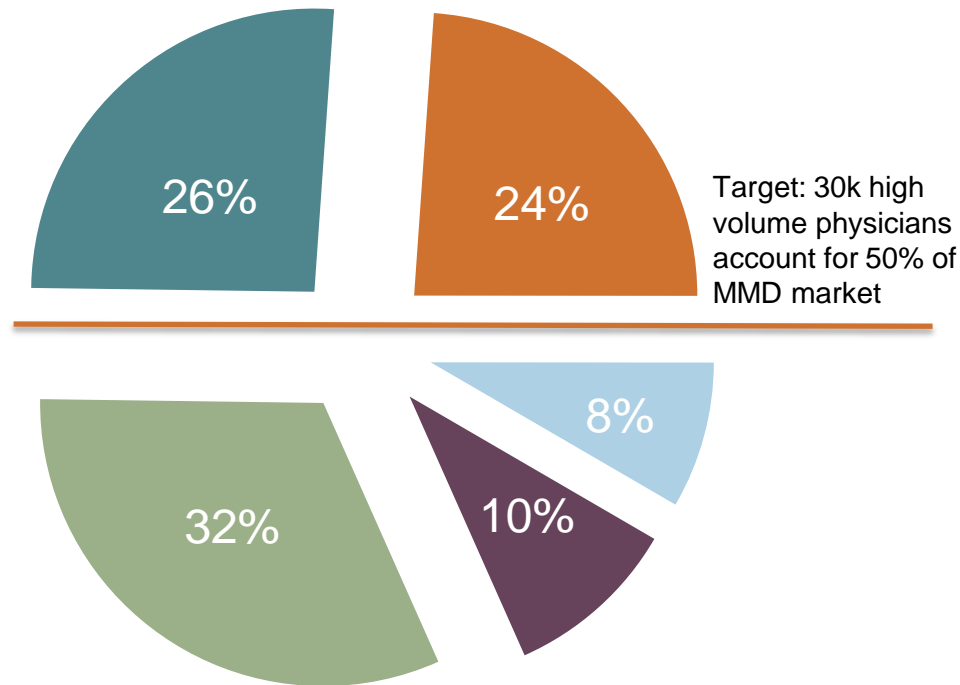
Data presented at the Neuroscience Education Institute Annual Conference 2016

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Most MDD Patients are Seen in Primary Care

Significant Opportunity to Leverage Large Preventive Care Sales Team

TREATING PHYSICIAN FOR PATIENTS WITH MDD

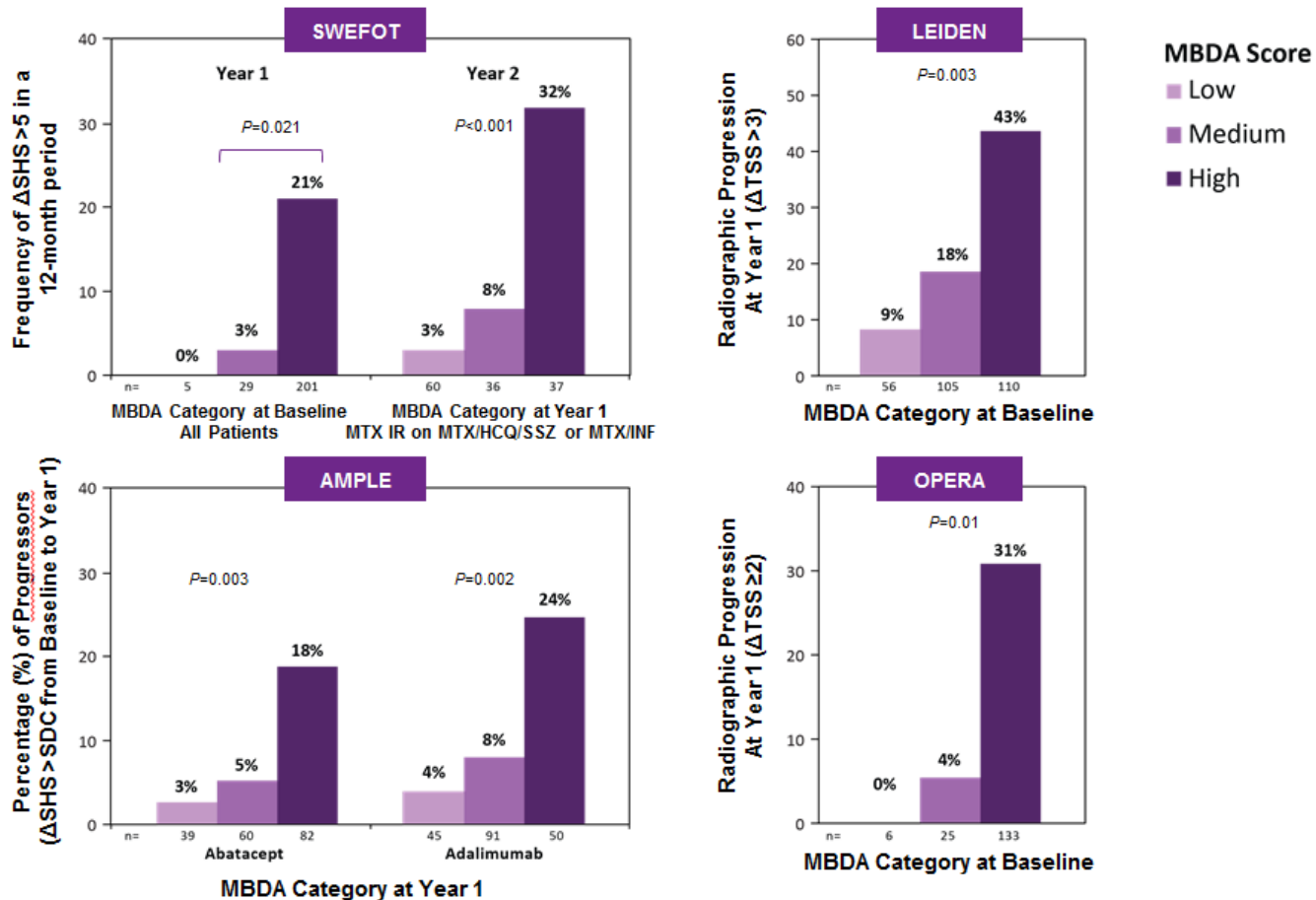


- Most MDD patients are seen by primary care consisting of general practice, internal medicine and OB GYNs
- Top 16,000 primary care physicians and OB GYN channel order almost half of the prescriptions for MDD

■ 13,600 High Volume Psychiatrists
■ Other 35,000 Psychiatrists
■ Other
■ >200,000 Primary Care and Other
■ 16,000 High Volume Primary Care

Data Supports Vectra DA's Ability to Predict RP

Correct Analysis of AMPLE Study Further Adds to This Claim

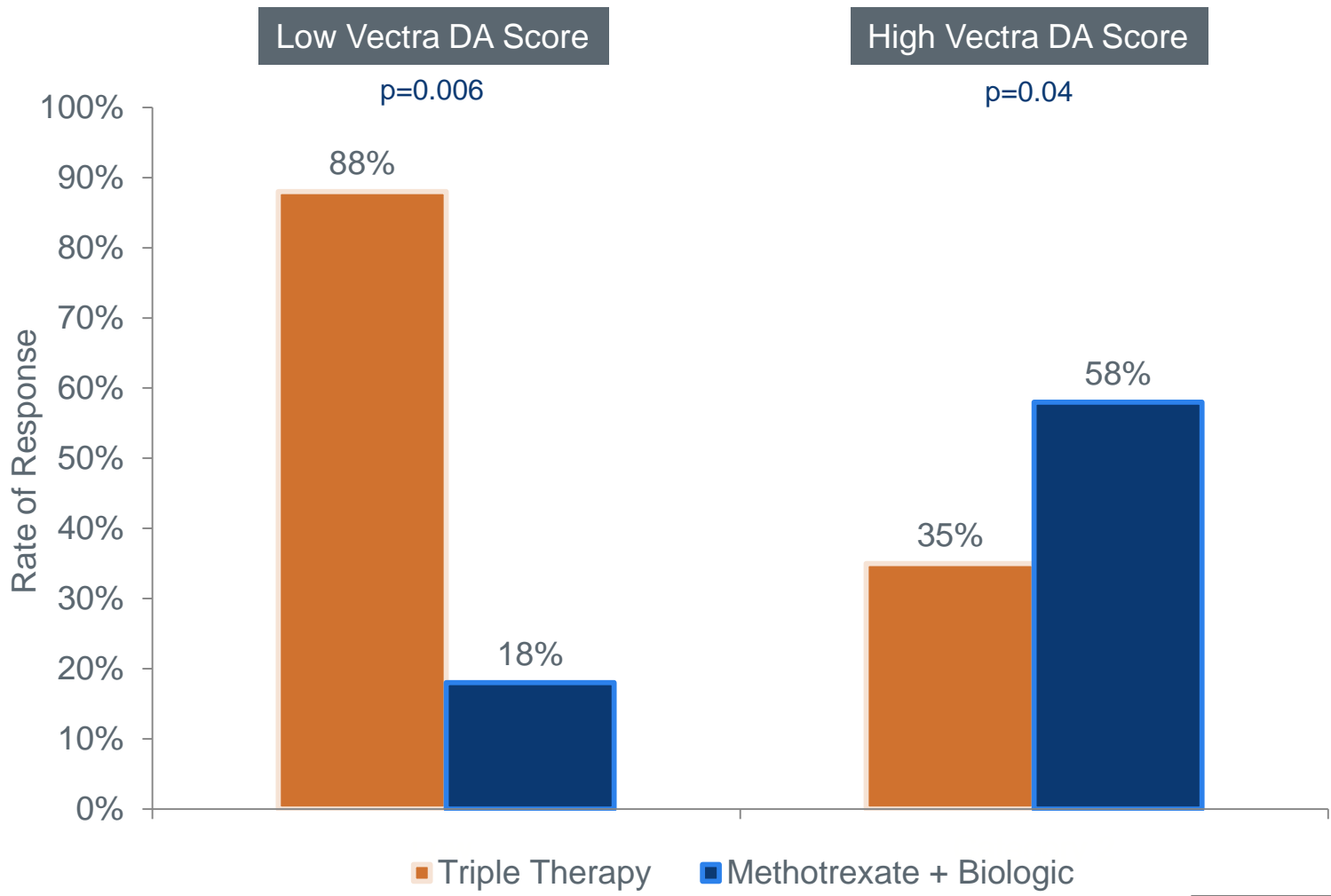


Sources: SWEFOT Year 1: Hambardzumyan K, et al. *Ann Rheum Dis*. 2015;74:1102–9. AMPLE: Curtis et al. *Arthritis Rheumatol*. 2016 Nov 3. doi: 10.1002/art.39981. AMPLE: Fleischmann et al. *Arthritis Rheumatol*. 2016 Dec 19. DOI: 10.1002/art.40021. Leiden: van der Helm-van Mil et al. *Rheumatology (Oxford)*. 2013;53:839–846. OPERA: Brahe et al. *Arthritis Rheumatol*. ACR 2016 Abstract 2520.



Vectra DA Predictive of Therapy Response

Patients With a Low Vectra Score Do Substantially Better on Low-Cost Therapy



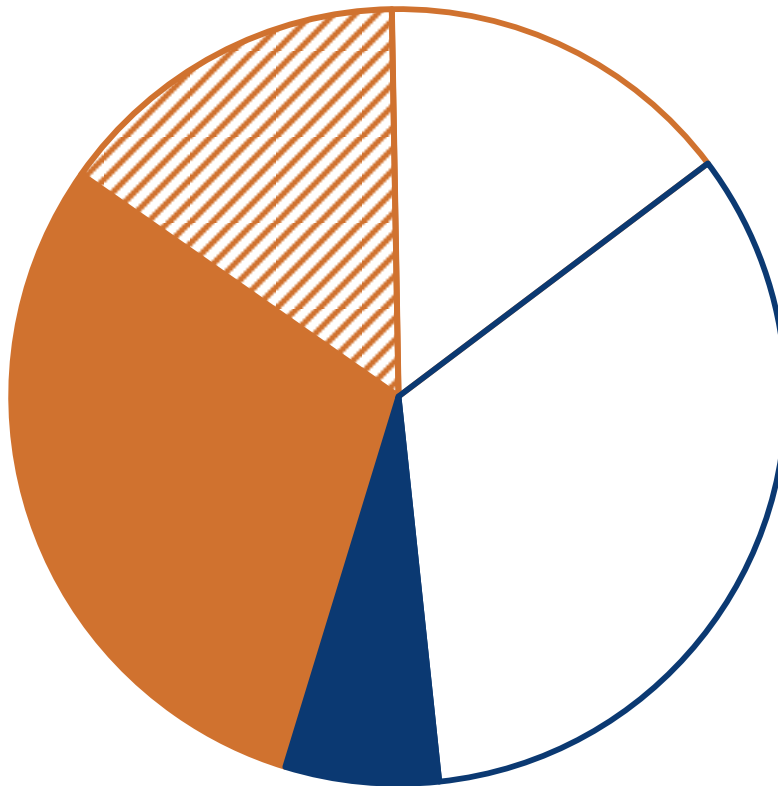
Sources: *Hamardzumyan K, Saevarsdottir S, Forslind K, et al. A multibiomarker disease activity score and the choice of second-line therapy in early rheumatoid arthritis after methotrexate failure. *Arthritis Rheumatol.* December 19, 2016.
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Draft LCD Would Expand Coverage For Prolaris

50% of Prostate Cancer Patients (>100,000/yr) Would be Covered

United States Prolaris Insurance Coverage

200,000
localized
prostate
cancer
patients



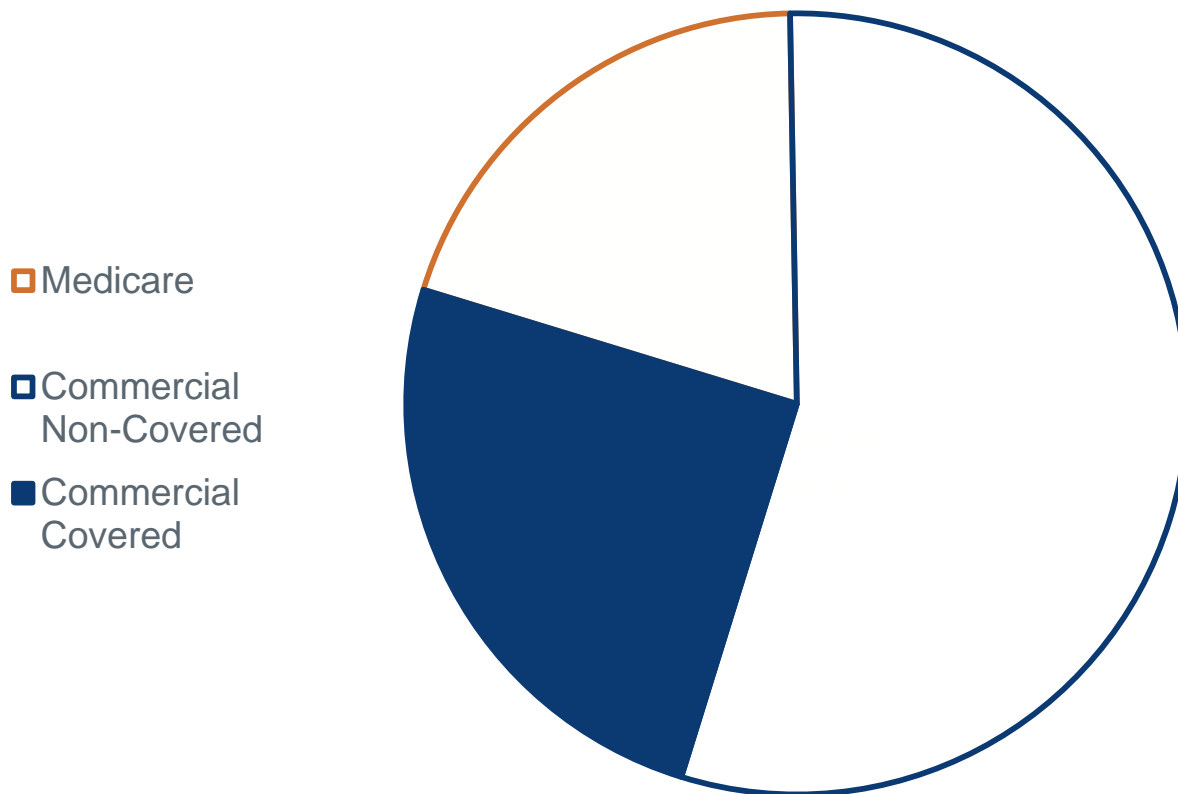
- Medicare
- ▨ Medicare (Favorable Intermediate)
- Medicare Non-Covered
- Commercial Non-Covered
- Commercial Covered



Ramping Payer Coverage for EndoPredict

Now Covered by Plans Representing 70 Million Lives

U.S. EndoPredict Insurance Coverage

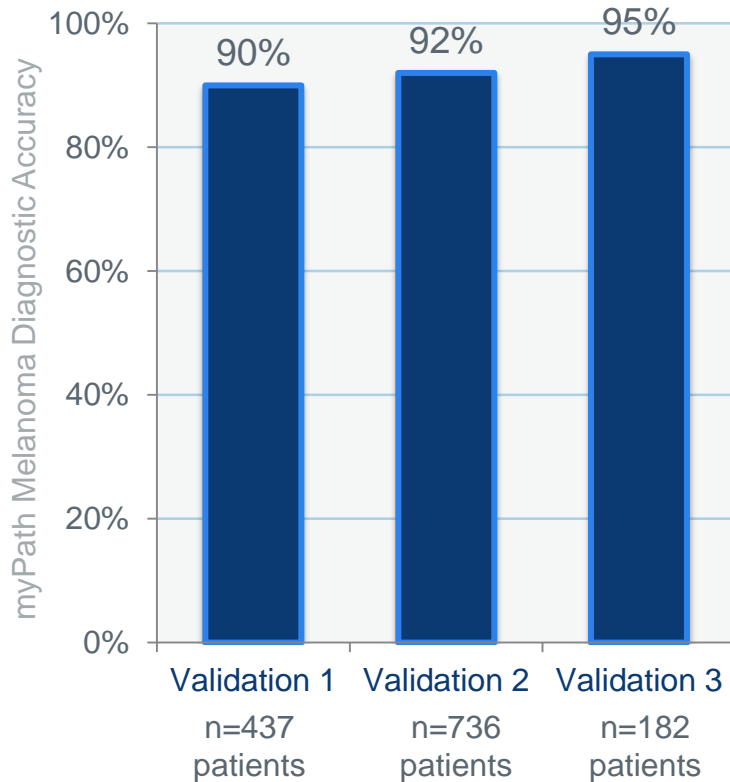


- Submit dossier to Medicare in Q317
- Favorable recommendation from BCBS tech assessment committee Evidence Street
- Coverage decisions from payers representing 70 million lives

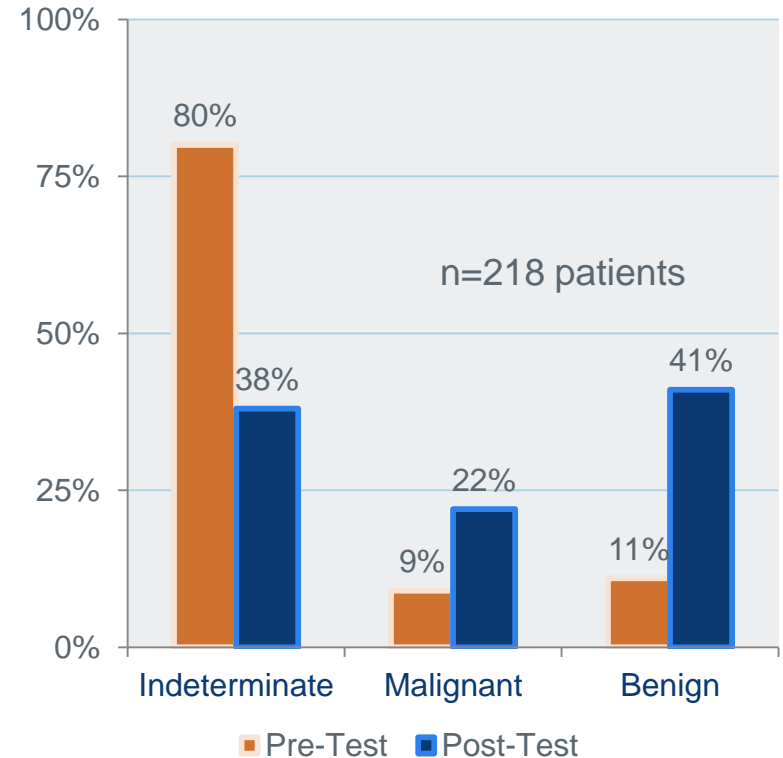
Final myPath Melanoma Studies Accepted for Publication

Dossier To Be Submitted to Medicare and Private Payers by End of FY17

myPath Melanoma Diagnostic Accuracy



myPath Melanoma Clinical Utility



Sources: Data presented at ASDP: Diagnostic Distinction of Malignant Melanoma and Benign Nevi by a Gene Expression Signature and Correlation to Clinical Outcome. Clarke L et al. Clinical validation of a gene expression signature that differentiates benign nevi from malignant melanoma J Cutan Pathol 2015; 42:244-252. Cockerell et al. The Influence of a Gene Expression Signature on the Diagnosis and Recommended Treatment of Melanocytic Tumors by Dermatopathologists. Medicine. 2016; 95(40):e4887



Multiple PARP Clinical Studies to Report in CY17

8 Additional Pivotal Clinical Study Results Expected

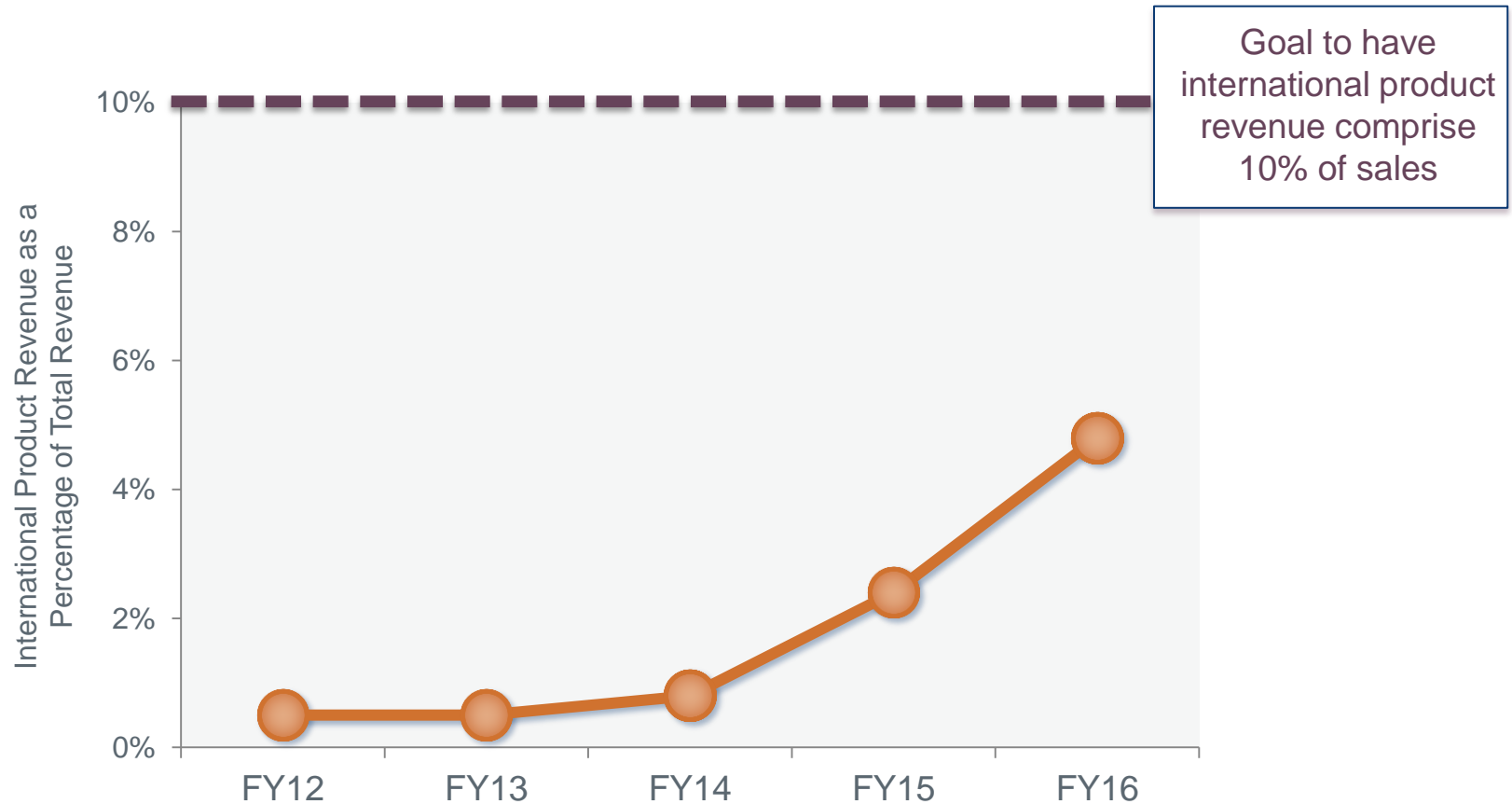
Indication	Number of Studies	First Data Expected	Total Patients
HER2- metastatic breast cancer	3	AZN olaparib data reported	160,000
Neoadjuvant TNBC	1	Jun. 2017	70,000
Other ovarian	3	Mar. 2017	50,000
Pancreatic	1	Dec. 2017	100,000

Total	380,000
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International Revenue Contributing to Growth

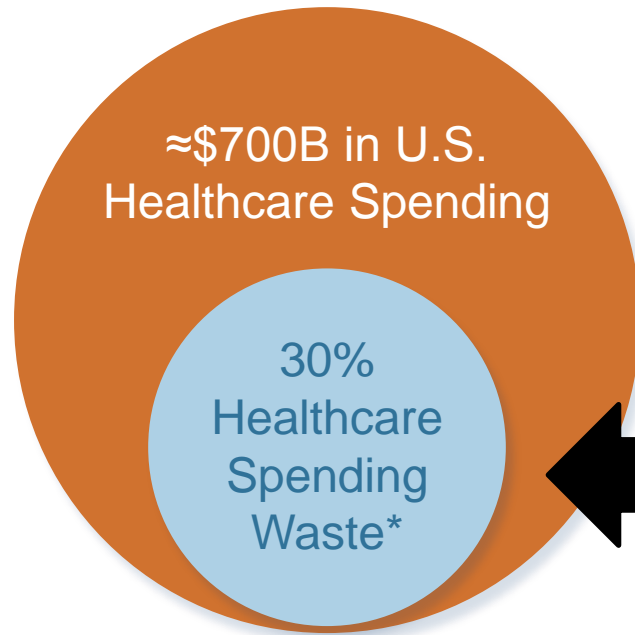
Significant Progress Toward Achieving Strategic Goals





Diagnostics Are the Keystone for Personalized Medicine

Focused on Six Medical Specialties with Over \$200B in Waste



Diagnostics represent 3% of spend but drive 70% of healthcare decision making**

*Eliminating Waste in U.S. Healthcare

**Clinical Lab Products Magazine – “The Value of Diagnostics”