Myriad Genetics Fiscal Fourth-Quarter 2019 Earnings Call

August 13, 2019

myriad®
WHEN DECISIONS MATTER

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.

	Fiscal Year 2020
GAAP diluted earnings per share	$0.55-$0.65
Stock based compensation expense	$0.30
Acquisition – amortization of intangible assets	$0.80
Adjustments to GAAP financial measures	$0.15
Non-GAAP diluted earnings per share	**$1.80-$1.90**
	Fiscal First-Quarter 2020
GAAP diluted earnings per share	($0.02)-$0.00
Stock based compensation expense	$0.08
Acquisition – amortization of intangible assets	$0.20
Adjustments to GAAP financial measures	$0.04
Non-GAAP diluted earnings per share	**$0.30-$0.32**

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

Fiscal Year 2019 Highlights

FINANCIALS

- Revenue of $851 and adjusted EPS of $1.67 up 14% and 18% respectively

SOLID HEREDITARY CANCER FOUNDATION

- Hereditary cancer revenue grows for first time in five years
- New colon, pancreatic, breast & prostate guidelines add 160,000 patients per year
- ASBS guidelines recommend hereditary cancer testing for all breast cancer patients

DIVERSIFY WITH NEW PRODUCTS

- New product volume reaches 800,000 tests representing 75% of test volume
- GeneSight® volume increases 17% year-over-year
- Completed Counsyl integration
- Submitted PMA for myChoice® HRD in advanced ovarian cancer

Fiscal Year 2019 Highlights

EXPAND REIMBURSEMENT

- GUIDED study published; GeneSight dossier submitted to all payers
- UnitedHealth coverage decision for GeneSight
- Launched employer and PBM channel – signed Kroger® agreement
- Completed publication supporting expanded gene criteria in ECS
- Received favorable myPath® Melanoma LCD from Medicare

INCREASE INTERNATIONAL REVENUE

- New EndoPredict® reimbursement in UK, Italy and Greece
- Two new Japan CDx indications in metastatic breast cancer and ovarian cancer

ELEVATE 2020

- Organic gross margins increased >300 basis points
- Brought Counsyl® from $12M quarterly loss to profitability in 3 quarters

Financial Overview

Fiscal Fourth-Quarter Revenue By Product

(in millions)

Product	4Q19	3Q19	Seq. Growth
Hereditary Cancer	$119.0	$117.6	1%
GeneSight	$29.8	$29.6	1%
Prenatal Testing	$25.0	$30.6	(22%)
Vectra®	$12.2	$11.3	8%
Prolaris®	$6.3	$6.9	(9%)
EndoPredict	$3.0	$2.8	7%
Other	$1.6	$1.7	(6%)
Total Molecular Diagnostic Revenue	**$196.9**	**$200.5**	**(2%)**
Pharmaceutical & Clinical Services	$18.5	$16.1	15%
Total Revenue	**$215.4**	**$216.6**	**(1%)**

Fiscal Fourth-Quarter Financial Results

	GAAP Results			Adjusted Results		
	4Q19	4Q18	YoY Growth	4Q19	4Q18	YoY Growth
Total Revenue	**$215.4**	**$193.9**	**14%**	**$215.4**	**$193.9**	**14%**
Gross Profit	$164.8	$148.2	11%	$165.4	$151.1	9%
Gross Margin	76.5%	76.4%	+10 bps	76.8%	77.9%	-110 bps
Operating Income	($5.6)	$17.8	NM	$33.2	$41.5	(20%)
Operating Margin	(2.6%)	9.2%	-1180 bps	15.4%	21.4%	-600 bps
Net Income	($4.2)	$14.5	NM	$30.7	$31.5	(3%)
EPS	**($0.06)**	**$0.20**	**NM**	**$0.41**	**$0.43**	**(5%)**

FY20 and 1Q FY20 Financial Guidance

Metric	Fiscal Year 2020	1Q FY20
Revenue	$865-$875 million	$200-$202 million
GAAP Diluted EPS	$0.55-$0.65	($0.02)-$0.00
Adjusted EPS	$1.80-$1.90	$0.30-$0.32

Potential Upside Drivers to Financial Guidance

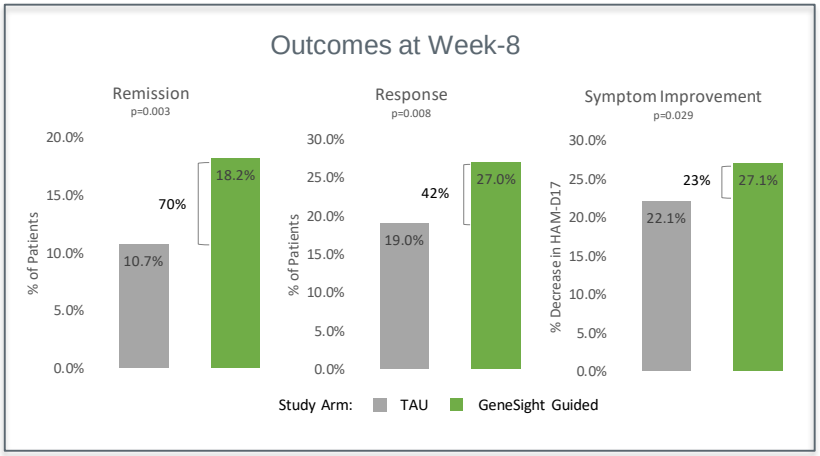
Product	1H20	2H20
MYRIAD myRisk® Hereditary Cancer BRACAnalysis CDx®	NCCN breast cancer guidelines U.S. CDx for pancreatic cancer Japan CDx for ovarian cancer	U.S. CDx for prostate cancer Japan hereditary cancer
genesight®	Commercial payer coverage Employer/PBM coverage	Medicare LCD expansion Expand sales force
Foresight MYRIAD Prequel™ Prenatal Screen	ACOG guidelines for average risk	Updated ECS guidelines
MYRIAD myPath® Melanoma	Medicare revenue	Increased coverage
MYRIAD myChoice® HRD	U.S.CDx launch in ovarian cancer	
Vectra®	Launch of RP risk prediction ACR guidelines	Launch of CVD risk prediction
Prolaris®	Incremental reimbursement coverage	

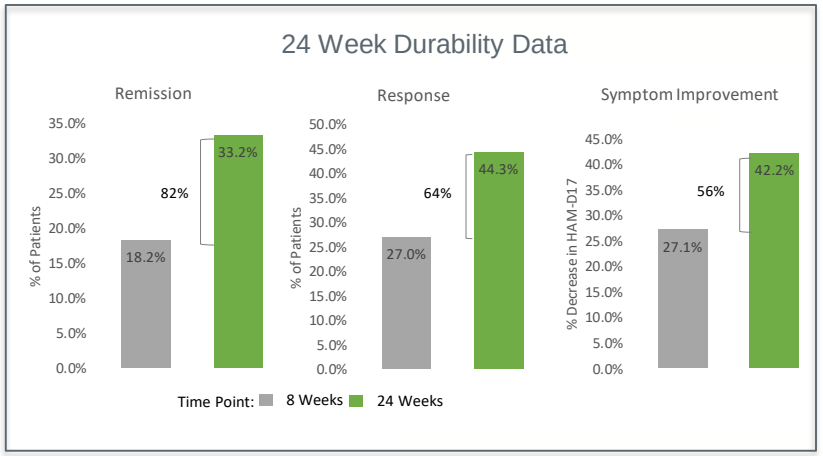
Potential Market for GeneSight Psychotropic: $13B TAM

Based upon $2,000 average selling price assumption.

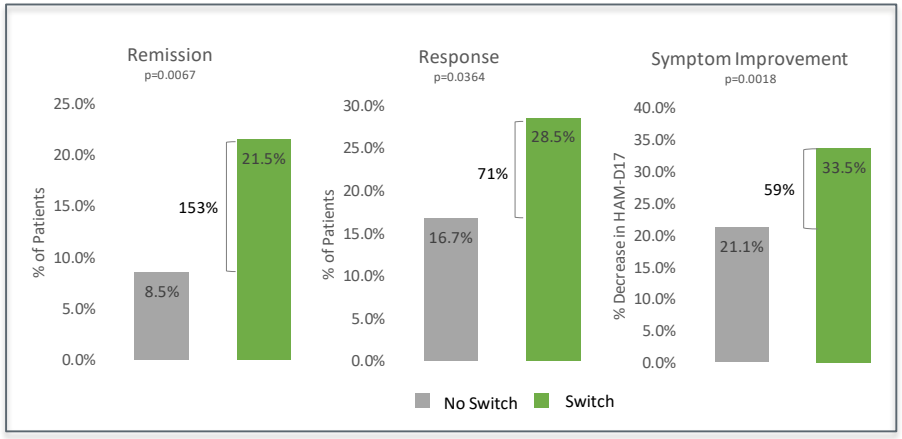
Key Clinical Evidence for GeneSight

Precision Medicine Analysis[1] (Patients Entering GUIDED on Medications With Any GDI)





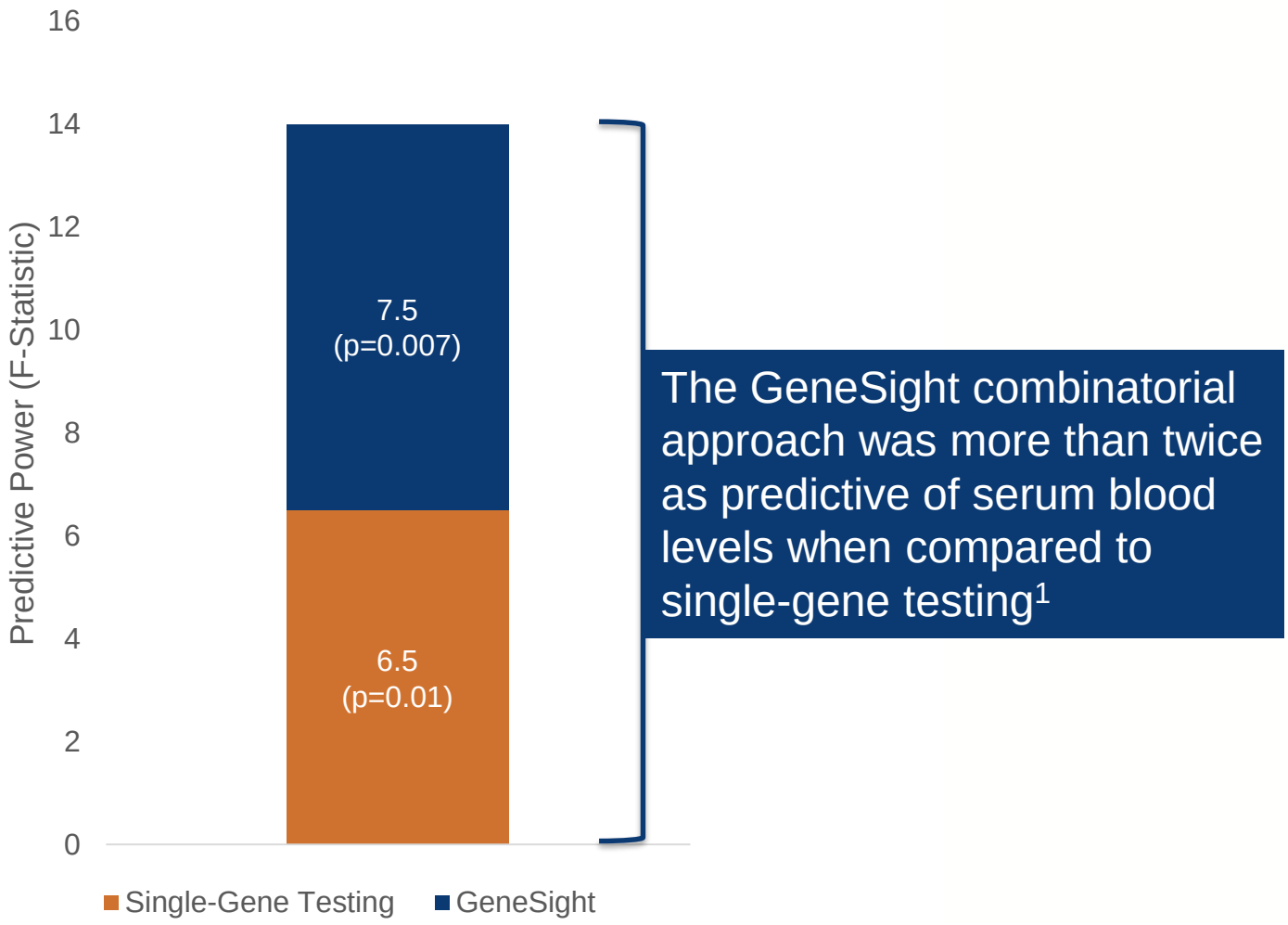
Switching Analysis[2] (Patients Entering GUIDED on Medications With Significant GDI)



[1] Data on file

[2] Greden et al, Journal of Psychiatric Research, Jan. 2019, Impact of pharmacogenomics on clinical outcomes in major depressive disorder in the GUIDED trial: A large, patient- and rater-blinded, randomized, controlled study

Combinatorial Pharmacogenomics Superior to Single-GeneTesting



The GeneSight combinatorial approach was more than twice as predictive of serum blood levels when compared to single-gene testing[1]

[1] Combinatorial Pharmacogenomic Algorithm is Predictive of Citalopram and Escitalopram Metabolism in Patients With Major Depressive Disorder; Poster presented at the 2019 Clinical Pharmacogenetics Implementation Consortium (**CPIC**®) Annual Meeting

UnitedHealthcare to Cover GeneSight

UnitedHealthcare®

UnitedHealthcare® Commercial
Medical Policy

PHARMACOGENETIC TESTING

Policy Number: 2019T0587E **Effective Date**: October 1, 2019

Instructions for Use

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Related Commercial Policies

- Cardiovascular Disease Risk Tests
- Chemosensitivity and Chemoresistance Assays in Cancer

Community Plan Policy

- Pharmacogenetic Testing

Medicare Advantage Coverage Summaries

- Genetic Testing
- Laboratory Tests and Services

COVERAGE RATIONALE

The use of pharmacogenetic Multi-Gene Panels to guide therapy decisions is proven and medically necessary for antidepressants and antipsychotics medication when ALL of the following criteria are met:

- The individual has a diagnosis of major depressive disorder or anxiety; **and**
- The individual has failed at least one prior medication to treat their condition; **and**
- The Multi-Gene Panel has no more than 15 relevant genes (refer to Table 1).

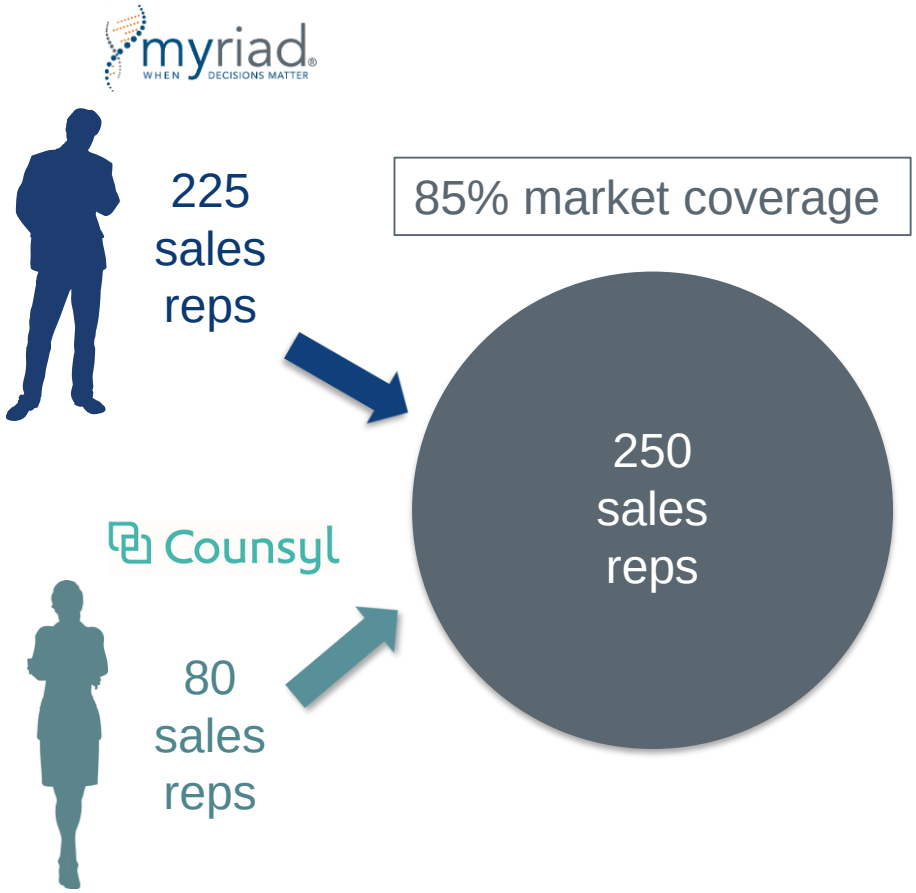
Status of Coverage Decisions on GeneSight

Payer/Tech Assessor	Coverage	Comments
Medicare	Yes	Submitted dossier for coverage expansion to primary care
CareFirst	Yes	All providers
Kroger	Yes	Pharmacy intervention
Fortune 50 Company	Yes	Coverage in 1Q20
UnitedHealthcare®	Yes	All providers
Evidence Street®	No	Minimal evidence gaps – resubmitting for priority review
Anthem®	No	Re-engaged following Kroger announcement
eviCore®	No	Addressing errors in technical assessment; re-engaging with precision medicine analysis

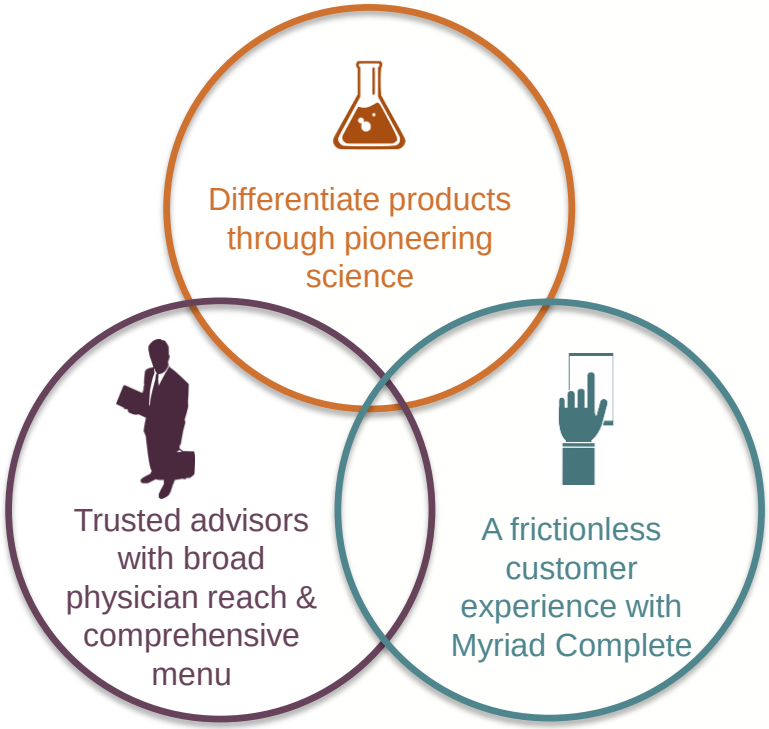
Guideline Expansions in Hereditary Cancer

Cancer Type	Expansion in Guidelines	Number of New Patients Qualifying for Testing	CDx Indication?
Prostate Cancer	All metastatic prostate cancer; all patients with a family history of breast cancer regardless of Gleason score	+40,000	Expected in FY20
Pancreatic Cancer	All pancreatic cancer	+40,000	Expected in FY20
Colorectal Cancer	Lowered risk threshold to meet criteria for testing	+41,000	No
Metastatic Breast Cancer	All metastatic breast cancer	+40,000	Yes
Breast Cancer	All breast cancer patients	+180,000	Expected in FY21

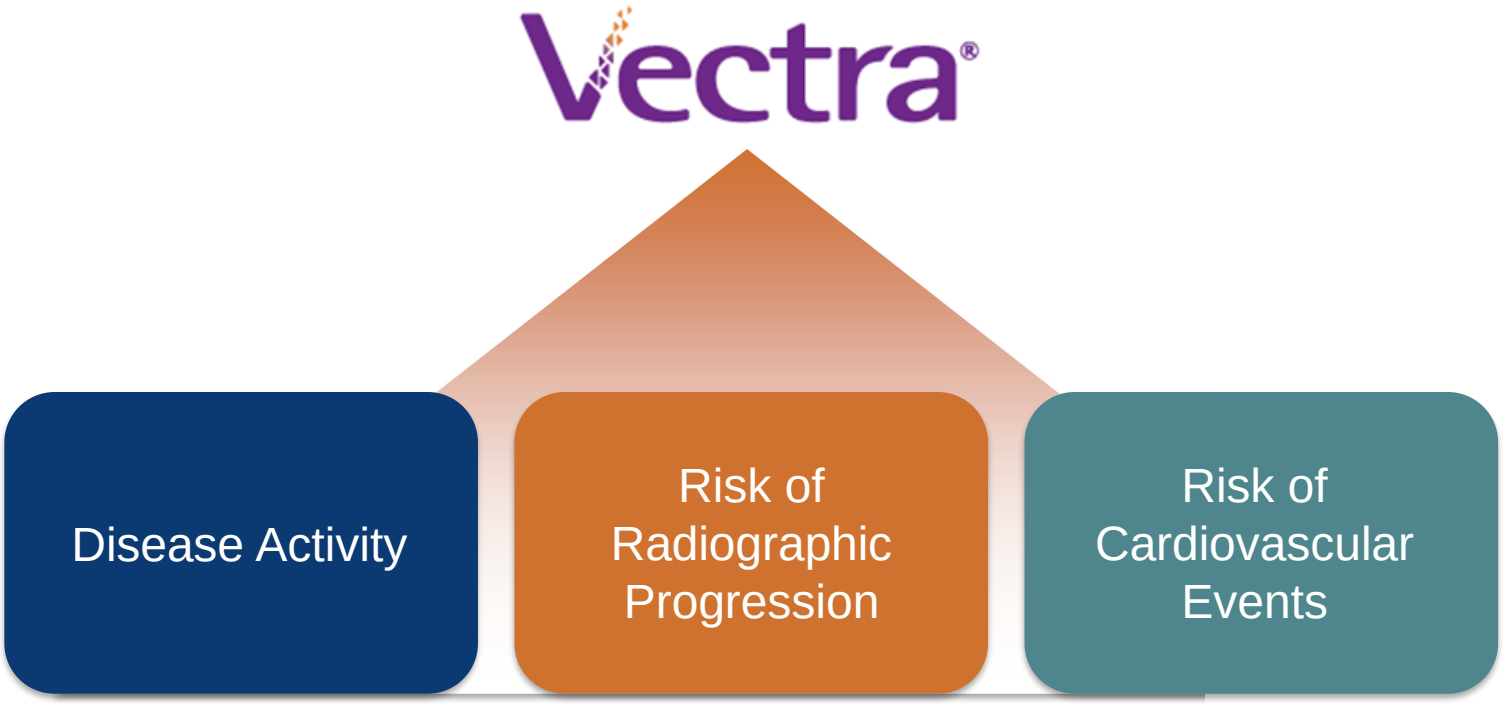
Positive Leading Indicators for Prenatal Market Growth



How we win:



Expanding Clinical Utility for Vectra



One test, three clinical answers which impact patient care

Myriad: The Investment Thesis

Precision medicine is entering a hyper-growth phase

Molecular diagnostics are the keystone to improving patient outcomes and eliminating wasted spend

Myriad is the global leader in this market

Near-term catalysts can triple earnings

Compelling investment opportunity