

Myriad Genetics Fiscal First-Quarter 2020 Earnings Call

November 4, 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 2020
GAAP diluted earnings per share	(\$0.25)-(\$0.15)
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	\$1.00-\$1.10
	Fiscal Second-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/>

Fiscal First-Quarter 2020 Financial Results

	1Q20 Actual Results	1Q19 Actual Results
Revenue (in mil.)	\$186.3	\$202.3
GAAP EPS	(\$0.28)	(\$0.01)
Adjusted EPS	\$0.08	\$0.43

Financial Overview

Fiscal First-Quarter 2020 Revenue By Product

(in millions)

Product	1Q20	1Q19	YoY Growth
Hereditary Cancer	\$104.5	\$116.3	(10%)
GeneSight®	\$22.7	\$29.3	(22%)
Prenatal Testing	\$23.5	\$18.1	30%
Vectra®	\$11.0	\$13.0	(15%)
Prolaris®	\$6.5	\$6.2	5%
EndoPredict®	\$2.3	\$2.4	(4%)
Other	\$1.5	\$3.7	(60%)
Total Molecular Diagnostic Revenue	\$172.0	\$189.0	(9%)
Pharmaceutical & Clinical Services	\$14.3	\$13.3	8%
Total Revenue	\$186.3	\$202.3	(8%)

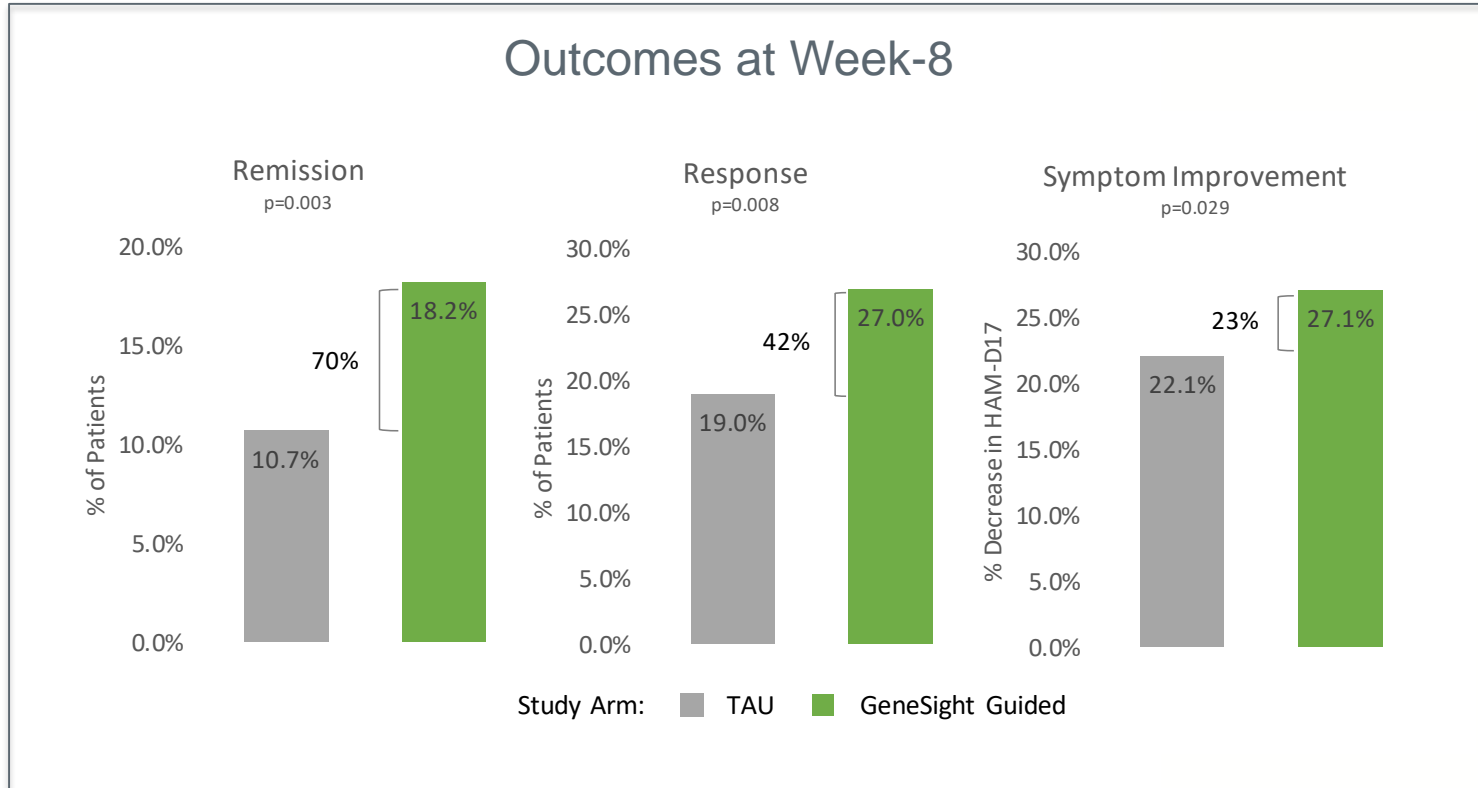
Fiscal First-Quarter 2020 Financial Results

	GAAP Results			Adjusted Results		
	1Q20	1Q19	YoY Growth	1Q20	1Q19	YoY Growth
Total Revenue	\$186.3	\$202.3	(8%)	\$186.3	\$202.3	(8%)
Gross Profit	\$136.6	\$152.6	(10%)	\$137.1	\$155.9	(12%)
Gross Margin	73.3%	75.4%	-210 bps	73.6%	77.1%	-350 bps
Operating Income	(\$20.9)	\$1.2	NM	\$7.6	\$37.1	(80%)
Operating Margin	(11.2%)	0.6%	NM	4.1%	18.3%	-1420 bps
Net Income	(\$20.6)	(\$0.7)	NM	\$5.8	\$32.8	(82%)
EPS	(\$0.28)	(\$0.01)	NM	\$0.08	\$0.43	(81%)

FY20 and 2Q FY20 Financial Guidance

Metric	Fiscal Year 2020	2Q FY20
Revenue	\$800-\$810 million	\$210-\$212 million
GAAP Diluted EPS	(\$0.25)-(\$0.15)	(\$0.02)-\$0.00
Adjusted EPS	\$1.00-\$1.10	\$0.30-\$0.32

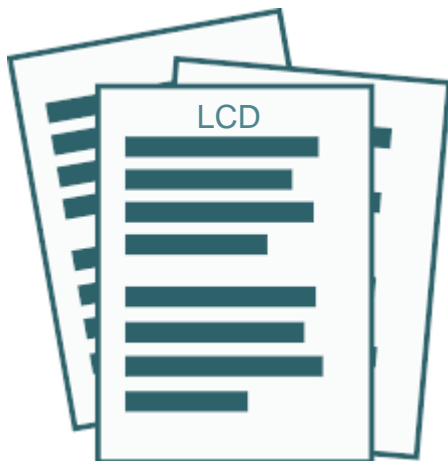
Publication of the Precision Medicine Analysis from GUIDED



¹ Thase et al: Impact of pharmacogenomics on clinical outcomes for patients taking medications with gene-drug interactions in a randomized, controlled trial

New Medicare Draft LCDs for GeneSight from MoIDx

Combinatorial LCD



- Ordered by a psychiatrist for major depressive disorder

Broad Pharmacogenomic LCD



- Covers primary care physicians
- Covers anxiety
- Similar to UnitedHealthcare Medical Policy

Combinatorial LCD: <https://www.cms.gov/medicare-coverage-database/details/lcd-details.aspx?LCDId=38295&ver=5&Cntrctr=All&UpdatePeriod=847&bc=AAAAEAAAAAA&>

Broad Pharmacogenomic LCD: <https://www.cms.gov/medicare-coverage-database/details/lcd-details.aspx?LCDId=38293&ver=7&Cntrctr=All&UpdatePeriod=847&bc=AAAAEAAAAAA&>

Opportunities for BRACAnalysis CDx With PARP Inhibitors

Cancer Type	Incident Population*	Launch Timing
Pancreatic Cancer (POLO study)	57,000	1H FY20
Castrate Resistant Metastatic Prostate Cancer (PROfound)	32,000	2H FY20
Adjuvant HER2- Breast Cancer (OlympiA Study)	198,000	FY21

* cancer.net, <https://www.healthline.com/health/breast-cancer/her2-positive-survival-rates-statistics#prevalence>

myChoice CDx FDA Approved – October 23rd



Table 1: Companion diagnostic indications

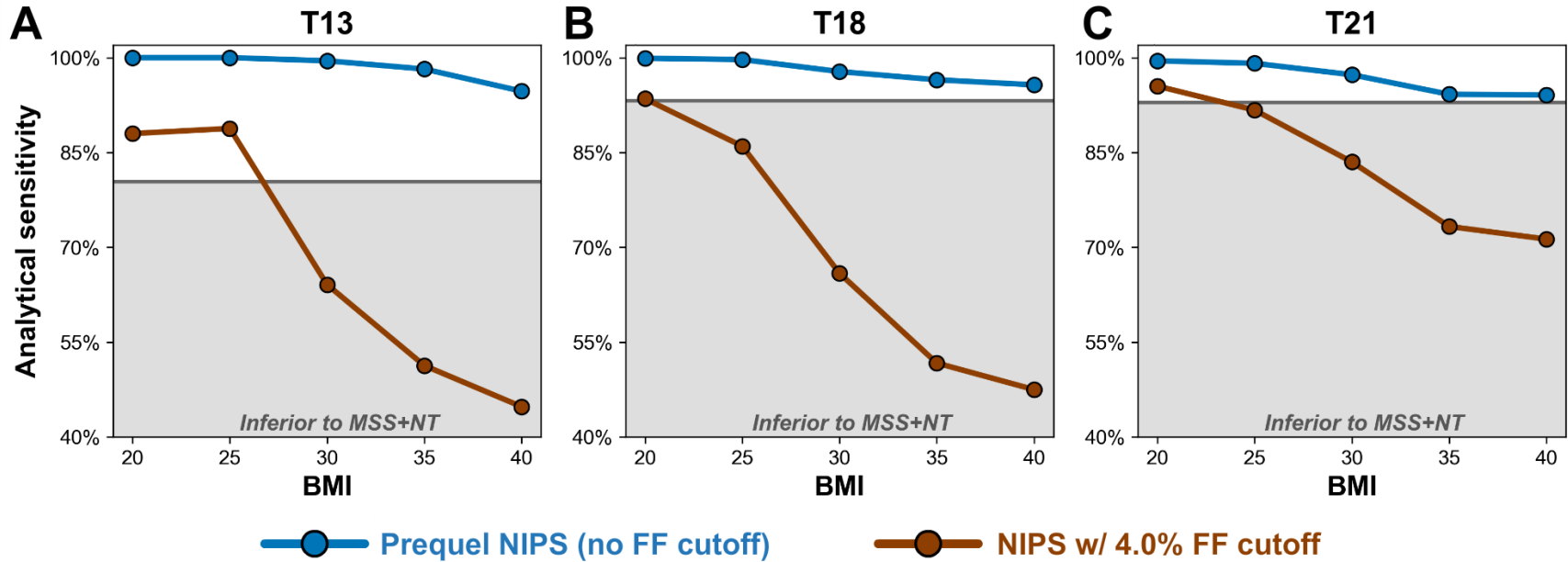
Tumor Type	Biomarker	Therapy
Ovarian Cancer	Myriad HRD (defined as deleterious or suspected deleterious mutations in <i>BRCA1</i> and <i>BRCA2</i> genes and/or positive Genomic Instability Score)	Zejula [®] (niraparib)

Opportunities with myChoice CDx

Indication/Drug	Incident Population*	Launch Timing
Ovarian Cancer U.S.	15,000 patients	Approved
Ovarian Cancer Japan	9,000 patients	FY21
1 st Line Ovarian Cancer (olaparib, niraparib, veliparib) U.S & Europe	50,000 patients	Seeking clarity from regulators and commercial partners
Metastatic Breast Cancer U.S.	80,000 patients	FY21

Sources: www.cancer.net, <https://www.medscape.com/viewarticle/849644>, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5323288/>, <https://eurohealth.ie/policy-brief-women-and-ovarian-cancer-in-the-eu-2018/>

Prequel[®] is the Most Accurate NIPS Test in Women With High BMI

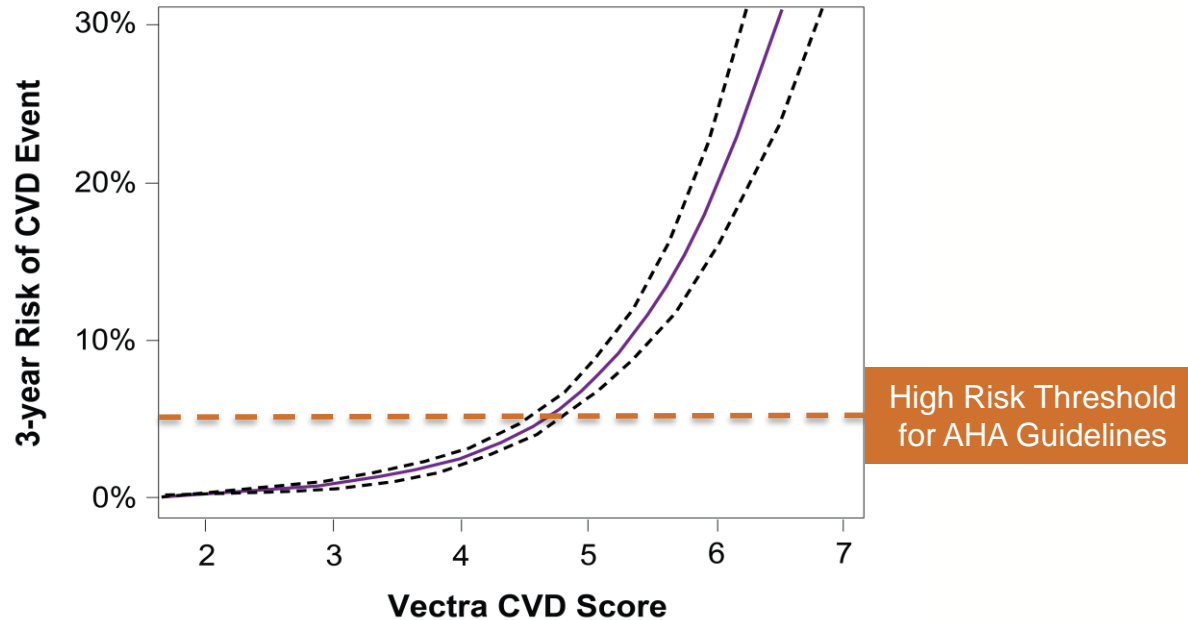


- No call rate of up to 24% in high BMI women using SNP arrays with 4% fetal fraction cutoff
- Prequel has demonstrated high diagnostic accuracy in women below a 4% fetal fraction
- Prequel maintained high analytical sensitivity in women with high BMIs
- No call rate for Prequel is 1 in 1,000

Source: Muzzey et al: Noninvasive prenatal screening for patients with high body mass index: Evaluating the impact of a customized whole genome sequencing workflow on sensitivity and residual risk

Vectra Additive to All Other Cardiovascular Risk Predictive Measures

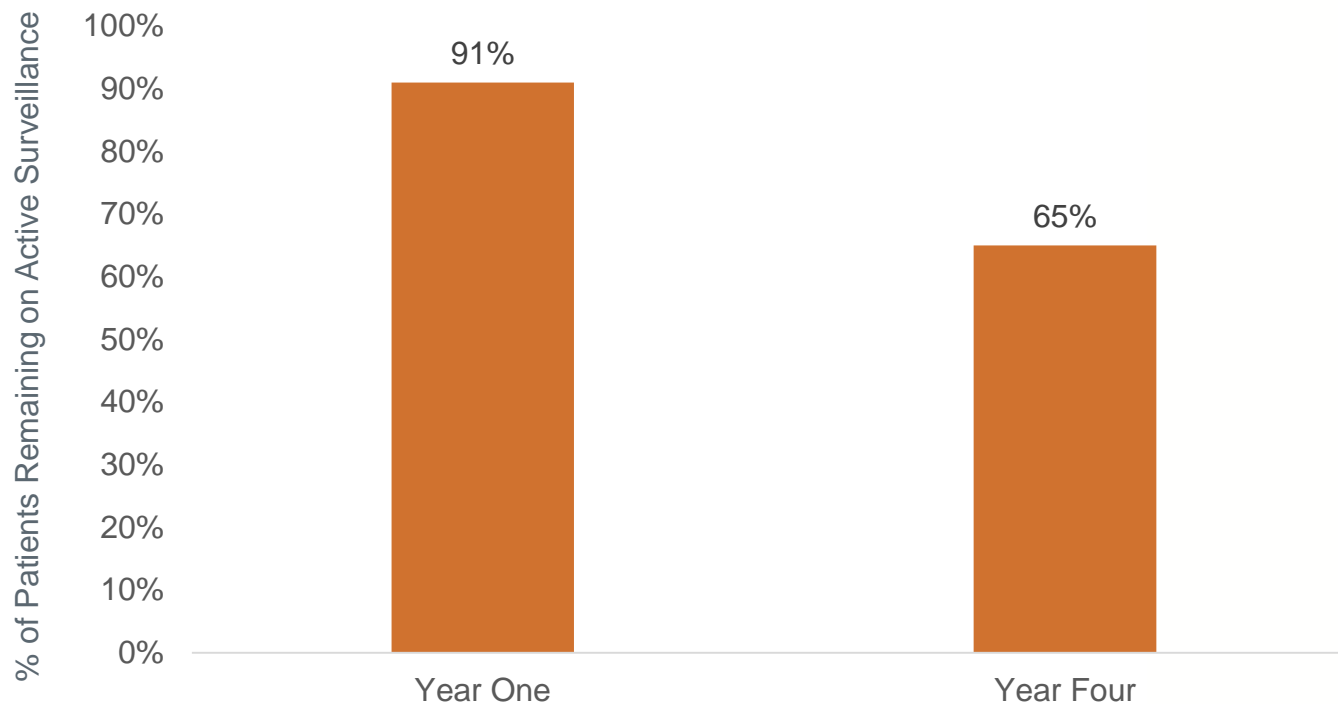
- Highly validated in 30,751 patients
- 28% of patients determined to be high risk by American Heart Association guidelines
- Significantly outperformed other methods of cardiovascular risk assessment in RA patients



¹ Source – ACR Abstract: Derivation and Validation of a Biomarker-Based Cardiovascular Risk Prediction Score in Rheumatoid Arthritis










New Prolaris Clinical Utility Data

- 82% of patients selected active surveillance as initial therapy
- Only 0.4% of patients selecting active surveillance experienced disease progression



Source: Kaul et al: Clinical outcomes in men with prostate cancer who selected active surveillance using a clinical cell-cycle risk score

Potential Upside Drivers to Financial Guidance

Product	Catalysts
 	<ul style="list-style-type: none"> • NCCN breast cancer guidelines • Regional payer collections progress • U.S. CDx for pancreatic cancer • Japan CDx for ovarian cancer • U.S. CDx for prostate cancer • Japan hereditary cancer
	<ul style="list-style-type: none"> • Commercial payer coverage • Large PBM master service agreement • Reconsideration request by a large tech assessor • Medicare LCD expansion to primary care and anxiety • Primary care sales force expansion
 	<ul style="list-style-type: none"> • ACOG guidelines for average risk • Updated ECS guidelines
	<ul style="list-style-type: none"> • Medicare revenue
	<ul style="list-style-type: none"> • U.S. CDx launch in ovarian cancer
	<ul style="list-style-type: none"> • Launch of RP risk prediction • ACR guidelines • Launch of CVD risk prediction
	<ul style="list-style-type: none"> • Utility data leading to increased commercial coverage • Expanded Medicare LCD