



# Fiscal 2020 2Q Financial Results

May 7, 2020

# Agenda



## Welcome

Jim Thorburn  
Chief Financial Officer

## Quarterly Highlights

Emily Leproust  
Chief Executive Officer

## Financial and Operational Performance

Jim Thorburn  
Chief Financial Officer

## Pipeline & Milestones

Emily Leproust  
Chief Executive Officer

## Q&A Session



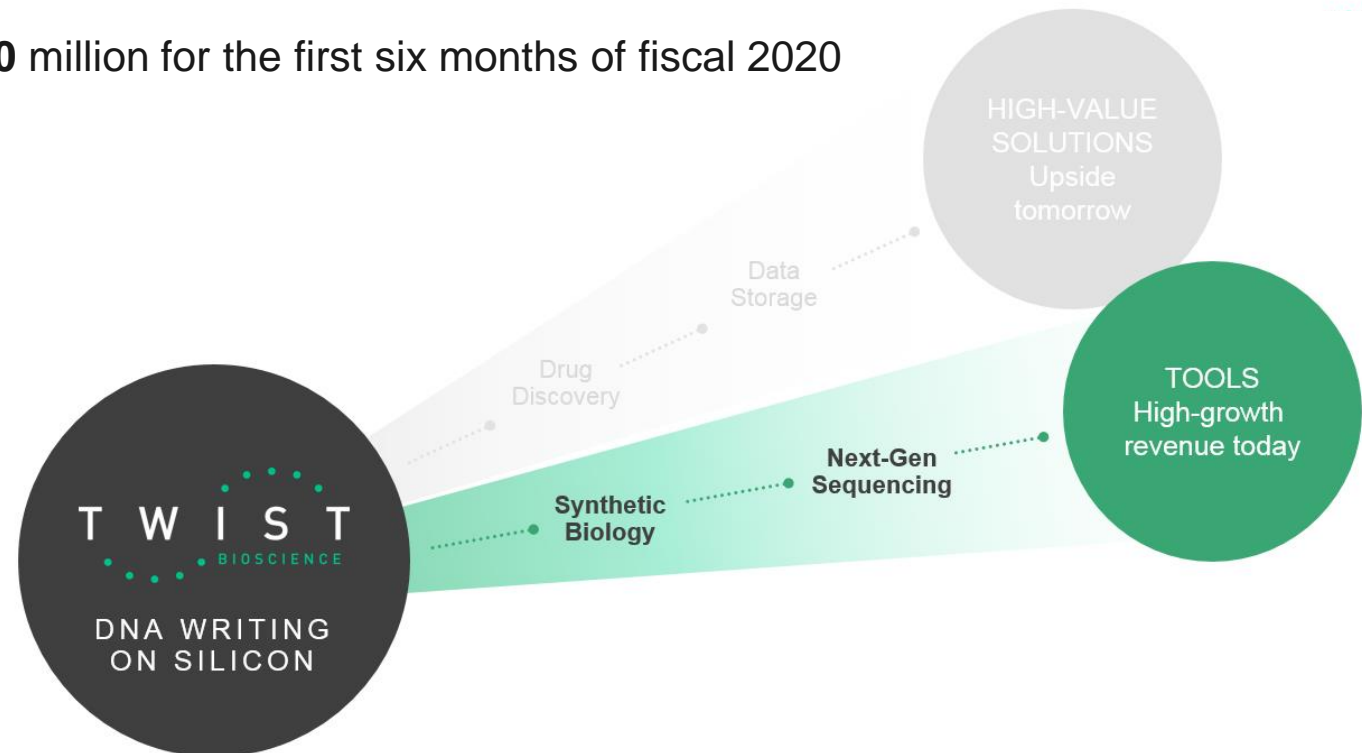
This presentation contains forward-looking statements. In particular, statements regarding Twist's expectations regarding its future financial performance, the impact of the COVID-19 pandemic on Twist's future financial performance, Twist's ability to address the challenges posed by the business and economic impacts of COVID-19 pandemic, diversification and revenue growth across all product categories, introduction of new products, expectations to announce new partnerships in 2020, and expectations and objectives of management constitute forward-looking statements. Forward-looking statements can be identified by the fact that they do not relate strictly to historical facts and generally contain words such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates," "anticipates," and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters. Although the forward-looking statements contained in this presentation are based upon information available at the time the statements are made and reflect management's good faith beliefs, forward-looking statements inherently involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements to differ materially from anticipated future results. Important factors that could cause actual results to differ materially from expectations include, among others: the risks and uncertainties of the duration, extent and impact of the COVID-19 pandemic, including any reductions in demand for Twist's products (or deferred or canceled orders) globally or in certain regions; the ability to attract new customers and retain and grow sales from existing customers; risks and uncertainties of rapidly changing technologies and extensive competition in synthetic biology could make the products Twist is developing obsolete or non-competitive; uncertainties of the retention of a significant customer; supply chain and other disruptions caused by the COVID-19 pandemic or otherwise; risks of third party claims alleging infringement of patents and proprietary rights or seeking to invalidate Twist's patents or proprietary rights; and the risk that Twist's proprietary rights may be insufficient to protect its technologies. You should not place undue reliance on these forward-looking statements, which speak only as of the date hereof. We do not undertake to update or revise any forward-looking statements after they are made, whether as a result of new information, future events, or otherwise, except as required by applicable law.

# 2Q Highlights – Continuing to Deliver Strong Results



*Adapting to the challenges posed by the COVID-19 pandemic and providing solutions to help our customers in this difficult time while maintaining business continuity.*

- Reported **\$19.3** million in revenue for the fiscal 2Q 2020
- **\$24.6** million in orders, with a booking rate of about **\$50** million for the first six months of fiscal 2020
- Gross margin of **29.7%**



# Synthetic Biology Highlights



## Recent Progress

- Shipped over 88,000 genes in fiscal 2Q
- Orders at \$14.1 million
- Added two new writers → increased capacity and lower turnaround time
- \$11 million in synbio revenue (\$4 million from Ginkgo)
- Launched a new product to bring larger volumes of DNA in different preparations to customers who need these options
- **COVID-19:** Continuing to see escalation in orders from biopharma for research across a variety of healthcare challenges, including those developing vaccines and treatments for COVID-19

*While this was a strong quarter for synbio, we have experienced slowdown from some academic labs, and we do expect to see the shelter in place orders due to COVID-19 impacting our academic customers substantially.*

## Next Steps

- Launch clonal-ready gene fragments for the long tail in calendar 2020

### Today



#### Genes

Clonal

Non-clonal

DNA Prep Flexibility



#### Oligo Pools



#### Variant Libraries

Site saturation

Combinatorial

### Roadmap

- IgG
- Clonal-Ready Gene Fragments

# Genomics & Targeted NGS Highlights



*Responding not only to our existing customers' needs, but also meeting the emerging global needs.*

## Recent Progress

**Launched two new products to support COVID-19 testing and monitoring or viral evolution.**

1. SARS-CoV-2 synthetic RNA reference sequences
  2. Target enrichment panel for viral detection and characterization of samples from patients testing positive for SARS-CoV-2
- \$7.7 million in revenue (~38% YoY increase)
  - \$9.8 million in orders (~58% YoY increase)
  - 6 new customers adopted this quarter (total of 43)
  - Demonstrated results of Twist's target enrichment custom panel being used for liquid biopsy in detecting cancer
  - Launched Twist Targeted Methylation Sequencing Solution

## Today



Human Core Exome Kit  
Library Prep Kits  
Custom Panels  
Fixed Panels  
*Human RefSeq*  
*Pan-Viral*  
*Mouse Exome*  
*Mitochondrial DNA*  
Fast Hyb & Wash Kit  
Universal Adapters  
Targeted Methylation

## Roadmap

- Oncology
- SNP Microarray Conversion to NGS

# Investments to Support Further Growth



## Biopharma

- **COVID-19 Competitive Antibody Candidates**

- RBD on S1 of SARS-CoV-2
- ECD on ACE2 receptor

- **COVID-19 Collaboration with Vanderbilt University Medical Center**

Twist provides custom antibody drug discovery libraries to VUMC and screening the libraries for potential antibody therapeutics that would treat patients with COVID-19

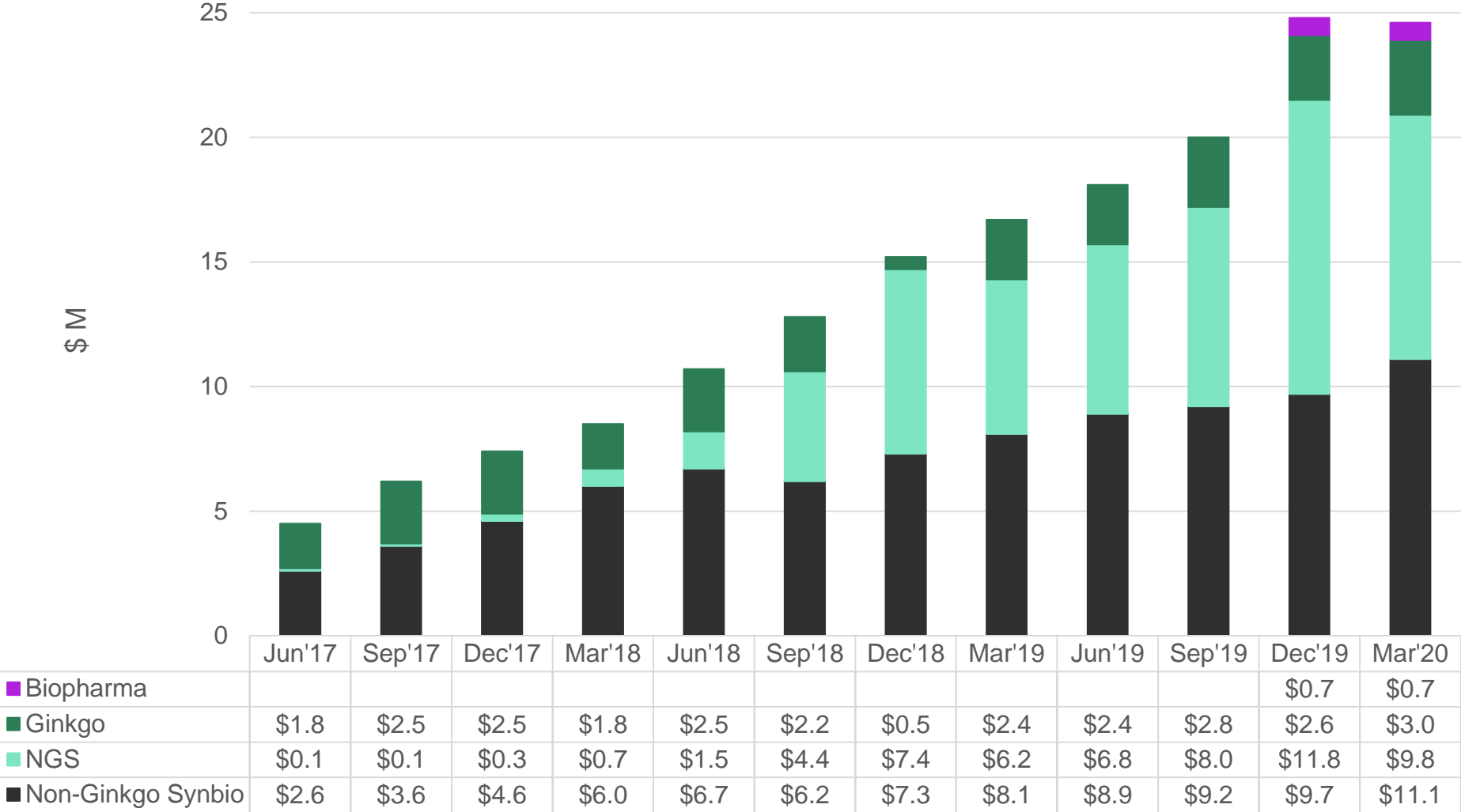
- Signed one biopharma partnership this quarter
- Expect continued collaborations moving forward
- As we generate additional data and validation for our internally-generated targets, we expect to move along the spectrum toward being a value-added partner rather than a provider



GPCR TARGET	INDICATION
ADORA2A	Cancer
CRT2	Asthma / inflammation
CXCR4	Cancer
CXCR5	Asthma / inflammation
FSHR	Infertility
GLP1R	Diabetes / rare metabolic diseases
V2R	Cancer

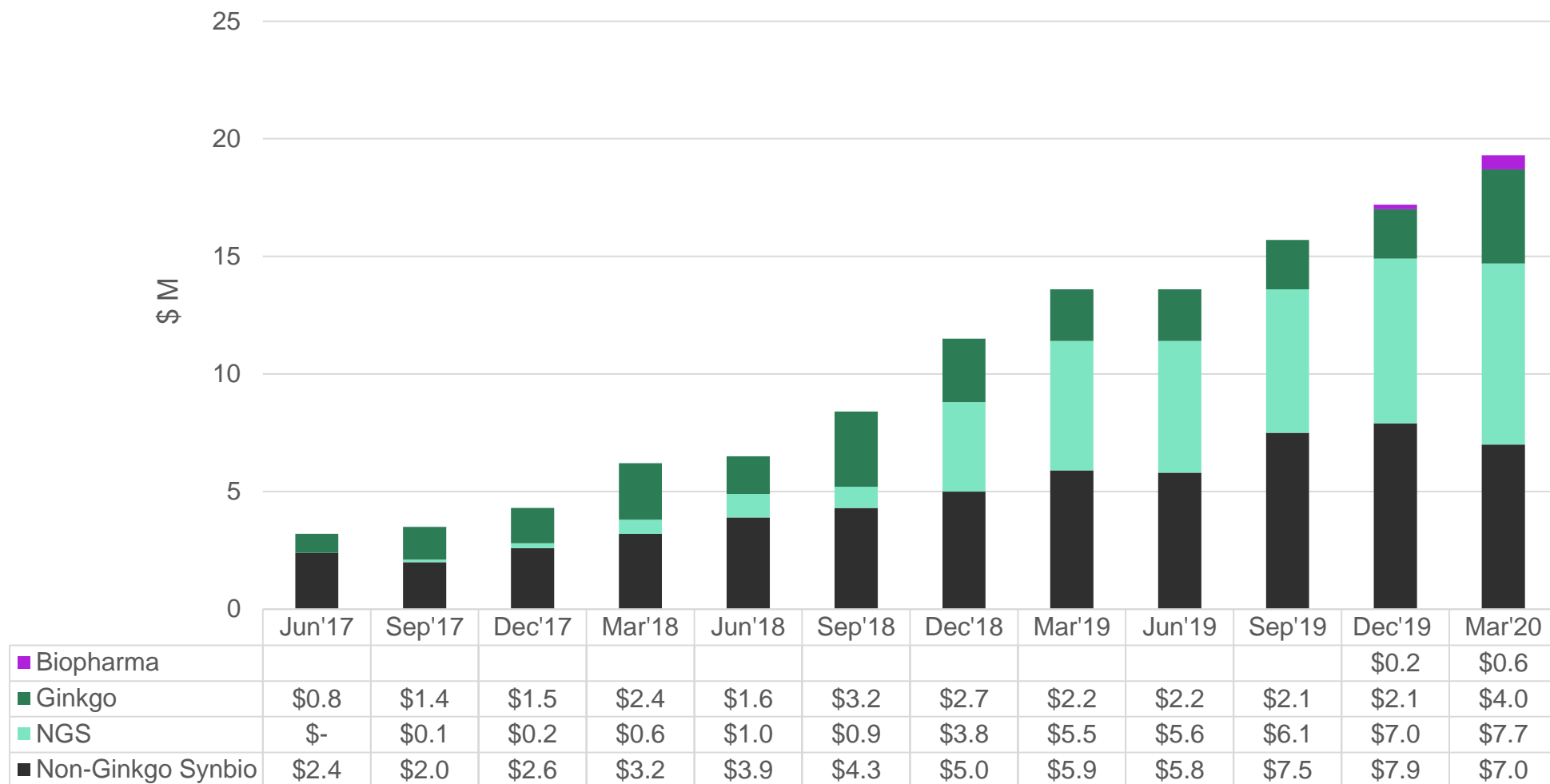
We are optimizing these leads and leveraging our platform for partnering discussions

# Strong Order Growth

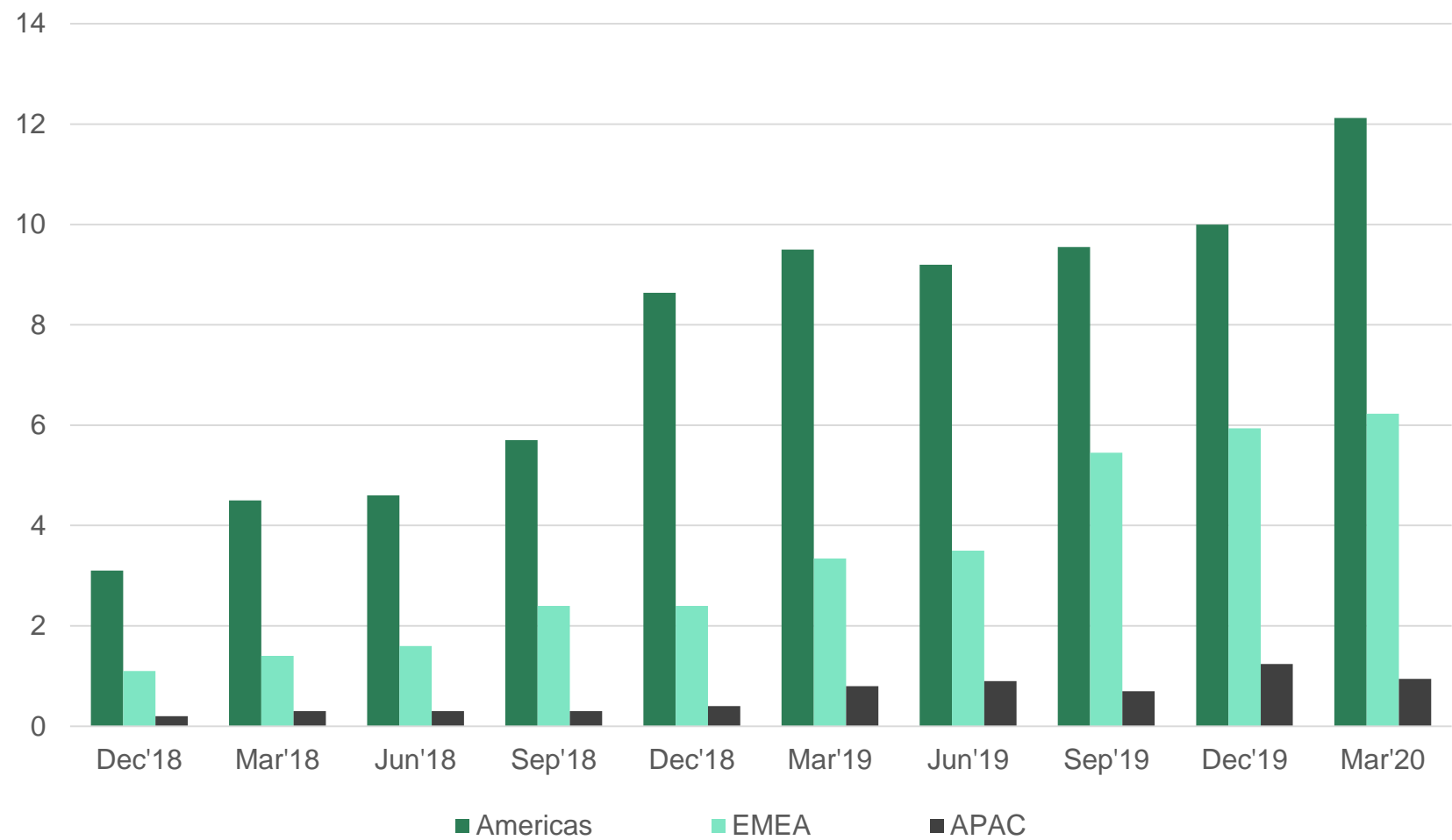




# Strong Revenue Growth



# Revenue by Geography



# Additional Financial Commentary



## Fiscal 2Q Financial Highlights

**Revenue:** \$19.3M

**Orders:** \$24.6M (YoY growth of 47%)

**Gross Margin positive at 29.7%**

**Customers:** 1,163 ordering during 2Q and 1,445 year in fiscal year to date

**Operating Expenses, excluding cost of revenue:** \$37.8M

**R&D:** \$10.6M

**SG&A:** \$27.2M

**Net Loss:** \$31.8



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## Fiscal 2020 Financial Guidance

*In light of the unprecedented and uncertain environment, we are withdrawing guidance*

*Strong first half of fiscal 2020; positive about our business opportunities and how team executed*

# Delivering on Our Plan



2019

## What we said we'd do

- 5Kb gene, Twist API revenue diversification
- ISO certification, ecommerce platform, pilot conversion to full production
- Early POC, 2 collaborations
- Proof-of-concepts, increase density, CMOS chip
- Positive gross margin



**SYNBIO**

**NGS**

**BIOPHARMA**

**DATA STORAGE**

**OPERATIONS**

2020

## Looking ahead

- Revenue growth and diversification, new products, enhanced ecommerce
- Continued pilot, SNP conversion, products for liquid biopsy, oncology
- Continued POC data packages, results for collaborators, 5-10 new collaborators
- Execute on IARPA
- Increased gross margin, completion of new writer introductions, improved TAT on genes



# Writing the Future



**Large**, growing markets

**Platform** for writing DNA on silicon

**Portfolio** of high growth businesses

**Differentiated** value proposition

**High**, consistent revenue growth

**Track record** of execution and innovation