



# Investor Presentation

November 7, 2022

# Disclaimer

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## Forward-Looking Statements and Market Data

This presentation contains forward-looking statements, which are statements other than those of historical facts and which represent the estimates and expectations of Fulgent Genetics, Inc. (the "Company") about future events based on current views and assumptions. Examples of forward-looking statements made in this presentation include, among others, those related its anticipated growth and positioning, addressable market estimates, the Company's mission and strategies, the success of its business model and strategy, anticipated future revenue and guidance, evaluations and judgments regarding the Company's business, products, technologies, competitive landscape, scalability, plans regarding development and launch of potential future products, and any businesses the Company may seek to acquire or has acquired, including statements regarding Inform Diagnostics, CSI Laboratories, Helio Health, and any potential synergies. The Company's views and assumptions on which these forward-looking statements are based may prove to be incorrect. As a result, matters discussed in any forward-looking statements are subject to risks, uncertainties and changes in circumstances that may cause actual results to differ materially from those discussed or implied by any forward-looking statements. Important factors that could cause actual results to differ materially from those implied by forward-looking statements are disclosed under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's reports filed with the Securities and Exchange Commission ("SEC"), including its annual report on Form 10-K filed on February 28, 2022, and other reports it files from time to time. Because of these factors, you should not rely upon forward-looking statements as predictions of future events. The forward-looking statements in this presentation are made only as of the date hereof, and, except as required by law, the Company assumes no obligation to update any forward-looking statements in the future. The company's reports filed with the SEC, including its annual report on Form 10-K for the year ended December 31, 2021 filed with the SEC on February 28, 2022 and the other reports it files from time to time, including subsequently filed quarterly and current reports, are made available on the company's website upon their filing with the SEC. These reports contain more information about the company, its business and the risks affecting its business, as well as its results of operations for the periods covered by the financial results included in this press release.

This presentation also includes market data and forecasts with respect to the industry in which the Company operates. In some cases, the Company relies upon and refers to market data and certain industry forecasts that have been obtained from third-party surveys, market research, consultant surveys, publicly available information and industry publications that the Company believes to be reliable. These data and estimates involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates.

## Non-GAAP Financial Measures

This presentation contains certain supplemental financial measures that are not calculated pursuant to U.S. generally accepted accounting principles ("GAAP"). These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. A reconciliation of non-GAAP measures to GAAP measures is contained in this presentation.

# Mission, Core Values, and Strategy

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**We are a premier global, technology-based genetic testing company focused on transforming patient care in oncology, infectious and rare diseases, and reproductive health**

## **Mission**

- Develop flexible and affordable genomic testing that improves the everyday lives of those around us

## **Core Values**

- Innovation
- Customer service and commitment
- Quality
- Efficiency

## **Strategy**

- Leverage our proprietary NGS platform for broad application
- Operational excellence
- Disciplined M&A

# Leadership Team



**Ming Hsieh**  
Chief Executive  
Officer

Experienced operational leader, entrepreneur and philanthropist

Previously CEO, President, and Chairman of Cogent Systems

Member of the National Academy of Engineering; Fellow of the National Academy of Inventors; Trustee of USC



**Paul Kim**  
Chief Financial  
Officer

Experienced financial leader and Certified Public Accountant

Previously CFO of Cogent Systems; sold to 3M for \$943M in 2010

B.A. in Economics from University of California at Berkeley



**Dr. Harry Gao**  
Lab Director and  
Chief Scientific  
Officer

Previously Lab Director at City of Hope

Clinical molecular genetics training fellowship and post-doctoral fellowship at Harvard Medical School

M.S. in Immunology, and M.D. and Ph.D. in Microbiology, Immunology, and Medical Genetics



**James Xie**  
Chief Operating  
Officer

Responsible for managing all global operations, product vision and product engineering

Served as an SVP of Cogent

B.A. in Engineering, M.S. in Industrial Engineering and an M.S. in Computer Science



**Brandon Perthuis**  
Chief Commercial  
Officer

Extensive experience leading genetic testing commercialization programs since 2003

Previously VP of Sales and Marketing of the Medical Genetics Laboratory at Baylor College of Medicine

Prior to Baylor, held senior roles at PerkinElmer and Spectral Genomics

**BAYLORGENETICS**



**Dr. Lawrence Weiss**  
Chief Medical  
Officer

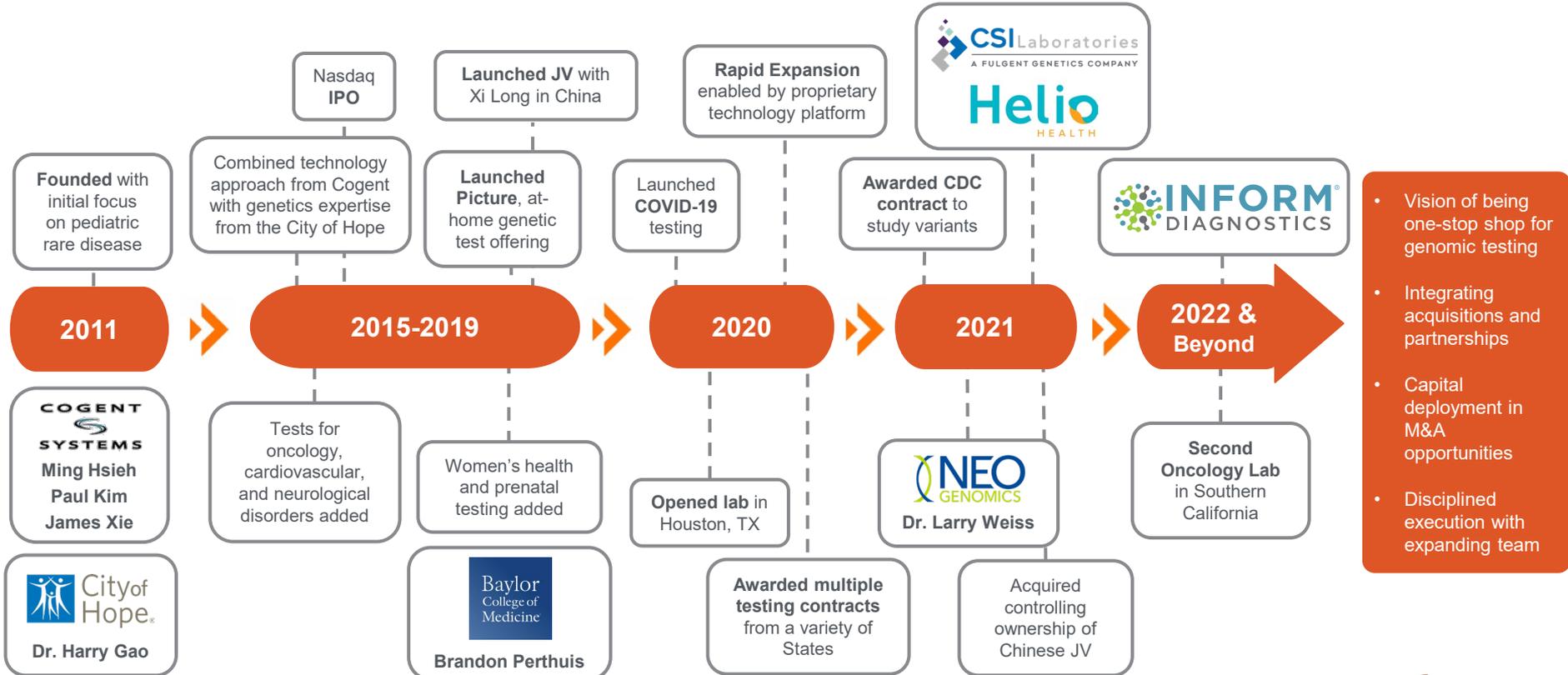
Esteemed background in molecular science and pathology

Most recently Chief Medical Officer at NeoGenomics; prior senior role at Clariant.

Chairman Emeritus of Pathology at City of Hope National Medical Center



# History of Fulgent Genetics



# Fulgent is Positioned to Execute on Our Growth Strategy

Proprietary technology platform allows for rapid scaling of a **broad, flexible test menu**

**Next-generation sequencing (NGS)** platform complemented with growing portfolio of **emerging testing technologies** with a focus on oncology

Well positioned to execute on a growth strategy that includes **organic and inorganic initiatives**, including:

- Transformational acquisition of **Inform Diagnostics**
- Ramping and integration of capabilities of **CSI Labs**
- Scaling partnerships – **Helio Health and Spatial Genomics**
- Potential **future acquisitions** with a strategy of short and long term ROI, tangible synergies and efficient capital deployment

**\$106M** Q3 Revenue

**952,000** Q3 Billable Tests

**+110%** Q3 YoY Core Revenue Increase

**18,400+ Genes | 900+ Panels | Customizable Offerings**

# Inform Diagnostics Acquisition



Operates anatomic pathology laboratories that provide diagnostic services in the fields of breast health, dermatology, GI, hematology, neuropathology, urology, and COVID-19

- Founded in 1996 and headquartered in Irving, Texas
- 500+ Preferred Provider Agreements; 70-80% in-network
- CLIA-certified and CAP-accredited laboratories
- ~20 Sales Professionals
- ~550 total employees

## Core Products and Services Portfolio

- **Breast Pathology:** Full spectrum of care, including services for interventional radiologists, breast surgeons, and breast oncologists
- **Dermatopathology:** Fellowship trained dermatopathologists
- **Gastrointestinal Pathology:** GI pathologists have a collective 500 years of post-training pathology experience and 1,500 peer reviewed studies between them
- **Hematopathology:** Is a subspecialty whereby each member of the Company sees >1,000 bone marrow specimens each year
- **Neuropathology:** Offers specialized neuropathology testing services
- **Urologic Pathology:** Is comprised of subspecialists that specialize in areas such as prostate, bladder/urinary tract, and testis pathology

## Inform Diagnostics Strategic Highlights

- **Test Menu Expansion:** Acquisition extends Fulgent's capabilities into the pathology testing market
- **Commercial Synergies:** With the addition of Inform Diagnostics' extensive testing capabilities, nationwide salesforce, and significant managed care contracts, Fulgent is better positioned to become a one-stop shop for diagnostic services throughout the healthcare continuum and across the U.S
- **Managed Care Relationships:** Extends Fulgent's in-network relationships with managed care organizations to over 300 million covered lives
- **Geographic Reach:** Expands Fulgent's geographic footprint with the addition of CLIA, CAP, and NY State certified laboratories in New York, Arizona, Massachusetts, and Texas
- **Attractive Financial Profile:** Transaction has the potential to contribute meaningfully to Fulgent's annual core revenue and is expected to have a positive impact to pro forma EBITDA

# CSI Laboratories Acquisition

## Specialized cancer diagnostics laboratory focused on meeting the needs of pathologists and community hospitals

- Founded in 1997 and headquartered in Alpharetta, Georgia
- Offers more than 400 unique tests with a focus on oncology
- CLIA-certified and CAP-accredited laboratory
- Profitable with quality customers, reimbursement contracts, and established service offerings
- Sales team focused in the South-Southeast United States

## Core Products and Services Portfolio

- Flow Cytometry
- Cytogenetic Analysis
- Fluorescence in-situ hybridization (FISH)
- Immunohistochemistry
- Molecular genetics
- Consultations in hemopathology and surgical pathology

## CSI Laboratories Strategic Highlights

- **Enter High Value Markets:** Expansion into somatic genetic testing market, which is expected to grow to \$16.8 billion by 2030
- **Revenue Synergy Opportunities:** Leveraging Fulgent's best-in-class technology and Next Generation Sequencing ("NGS") expertise in new oncology markets
- **Geographic Footprint:** Geographic expansion of CSI's reach beyond the Southeastern part of the United States
- **Specialized Personnel:** CSI's team includes laboratory industry veterans, a salesforce with deep relationships, and oncology-focused scientific expertise

# Target Market Opportunity

**fulgent**

**CSI** Laboratories

**Helio** HEALTH

Spatial Genomics

- Genes & Panels
- Known Mutation
- Genomic Testing
- Hereditary Cancer
- Infectious Disease
- Tumor Profiling
- Newborn Genetics
- Sequencing Service
- Carrier Screens
- Spatial Biology



**INFORM**  
DIAGNOSTICS

**Anatomic Pathology Capabilities**

- Services Include:**
  - Breast pathology
  - Gastrointestinal pathology
  - Dermatopathology
  - Urologic pathology
  - Neuropathology
  - Hematopathology

**Substantial Geographic Footprint**

- Provides services to 1,300 clients representing 2,700 physicians across the United States
- Expansive in-network relationships with over 300 million covered lives

**Cancer Diagnostics**

**\$80B market<sup>1</sup>**

**Early Detection / Liquid Biopsy**

**\$18B market<sup>1</sup>**

**Reproductive Health**

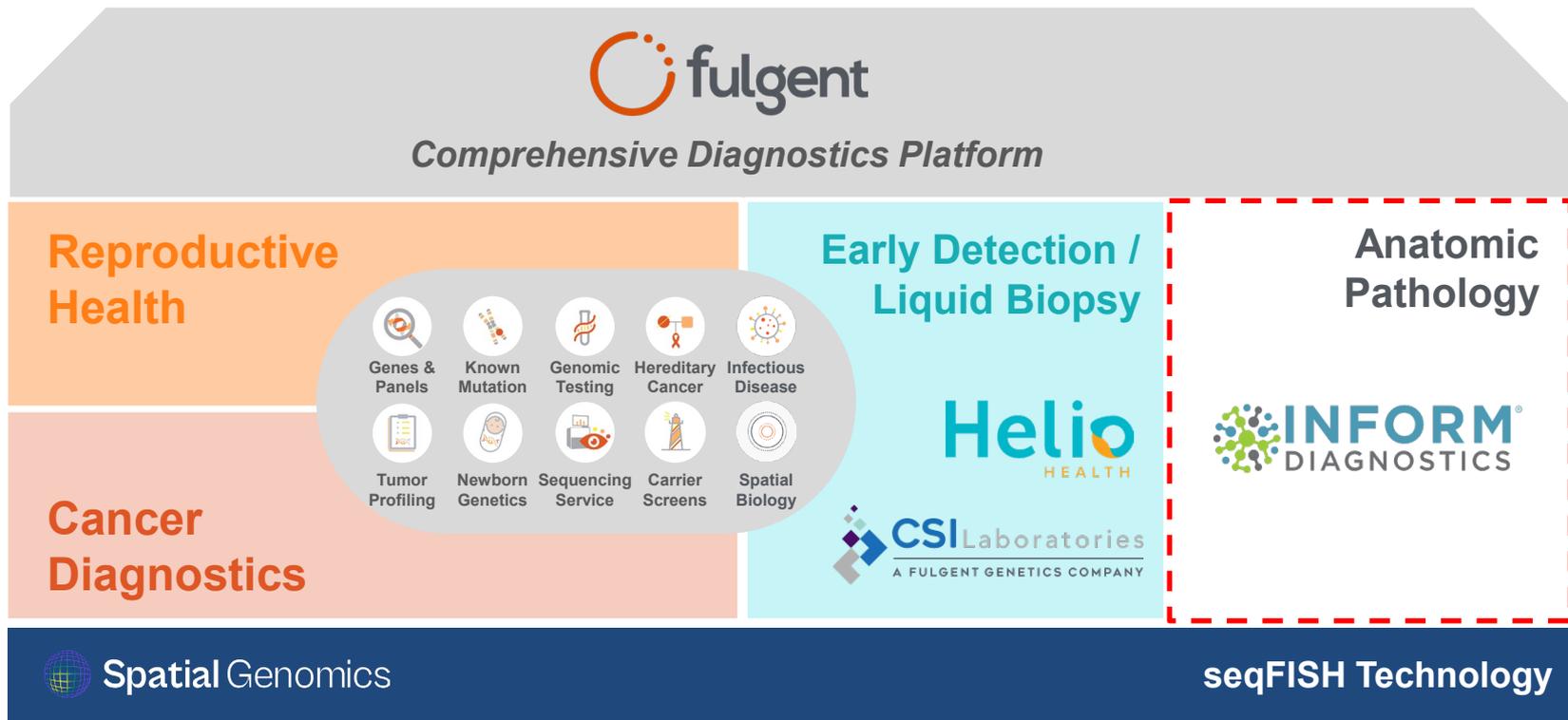
**\$7B market<sup>2</sup>**

**Pharma Services**

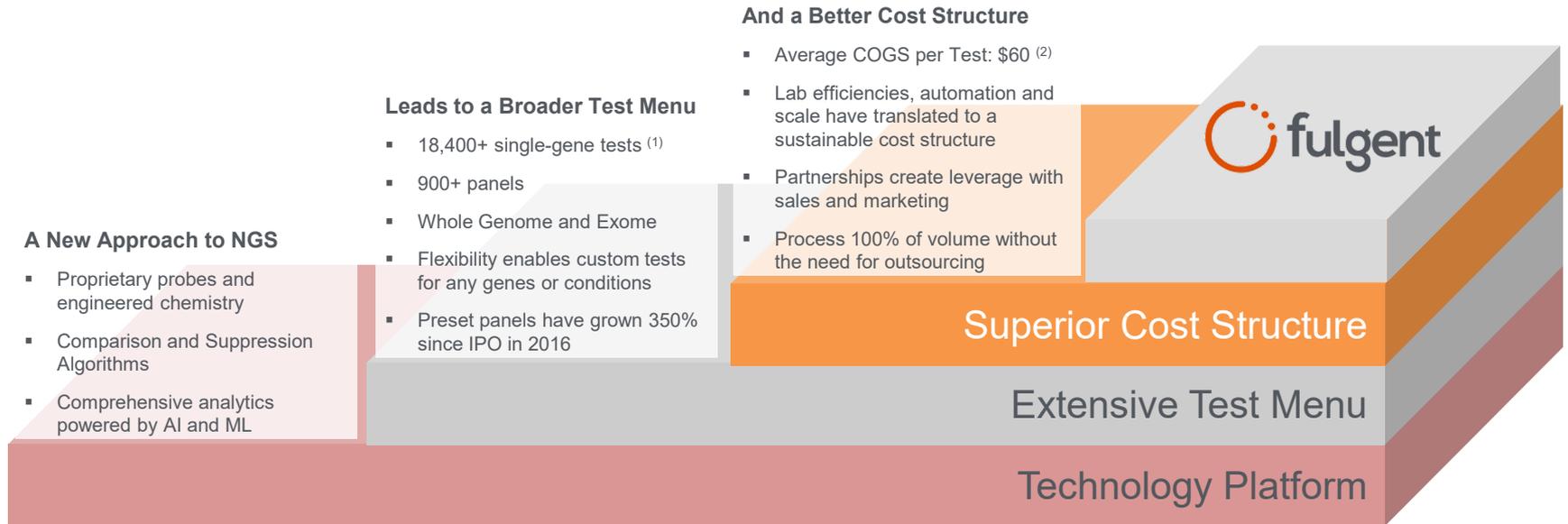
**\$50B market<sup>3</sup>**

1) Market sizes sourced from Wall Street equity research  
 2) Market size sourced from Frost & Sullivan  
 3) Market size sourced from Research and Markets, April 2022

# Building Fulgent's Platform and Capabilities



# What Sets Fulgent Apart?



1)  
2)

Represents genes covered by single-gene tests.  
For Q3 2022. Includes all tests available for sale (e.g., Whole Exome, Whole Genome, Large Panels, Small Panels, Comprehensive and Focus Cancer Panels and Single-Gene Tests, COVID-19 Tests, and vaccines). Also excludes stock-based compensation. See GAAP reconciliation.

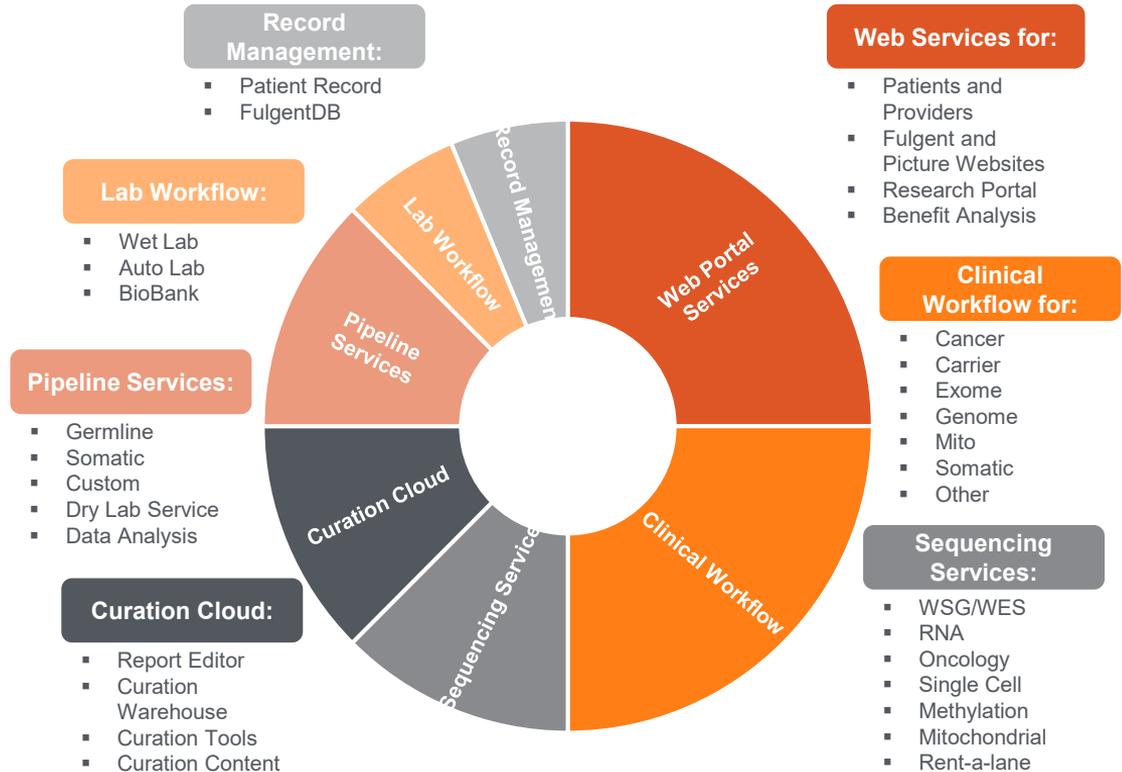
# Proprietary Technology Platform

## Differentiated Technology...

- Engineered genetic biochemistry, including reagents and probes
- Data suppression and comparison algorithms
- Adaptive learning software
- Automated reporting

## ...Provides a Multitude of Advantages

- Broad test menu
- Ability to rapidly develop and launch new tests
- Customizable test offerings
- Lower costs per billable test
- High efficiency



# Fulgent's Broad Capabilities



## Next Generation Sequencing Opportunities

### COVID NGS

- **Research driven platform** working with local and federal government on genomic studies
- **CDC contract** awarded Fulgent worth up to \$47M to study SARS-CoV-2 using Fulgent's NGS platform
- **Capacity** of 10,000 NGS tests per day
- **Used** to identify new strains and mutations

### Core NGS

- Recent Traction with:**
- Hereditary Cancer
  - Cardiovascular Genetics
  - Reproductive Health
  - Neurodegenerative Genetics
- Newly launched** pharmacogenetic test
- Aggressively expanding** sales and commercial organization



## Specialized Oncology Testing

### Wide Array of Technologies

- **Services Include:**
  - Flow cytometry
  - Cytogenetic analysis
  - Fluorescence in-situ hybridization (FISH)
  - Immunohistochemistry
  - Molecular genetics
  - Consultations in hematopathology and surgical pathology
  - NGS



## Commercialized COVID-19 Testing

### Primarily RT-PCR Based Testing

- **Contracts with:**
  - School systems
  - Nursing homes
  - Athletic organizations
  - Specialty health clinics
  - Travel organizations
  - Government agencies
- **Offered through:**
  - Drive through sites
  - Picture at-home kits
  - Managed on-site programs



## Comprehensive Anatomic Pathology Services

- Breast pathology
- Gastrointestinal pathology
- Dermatopathology

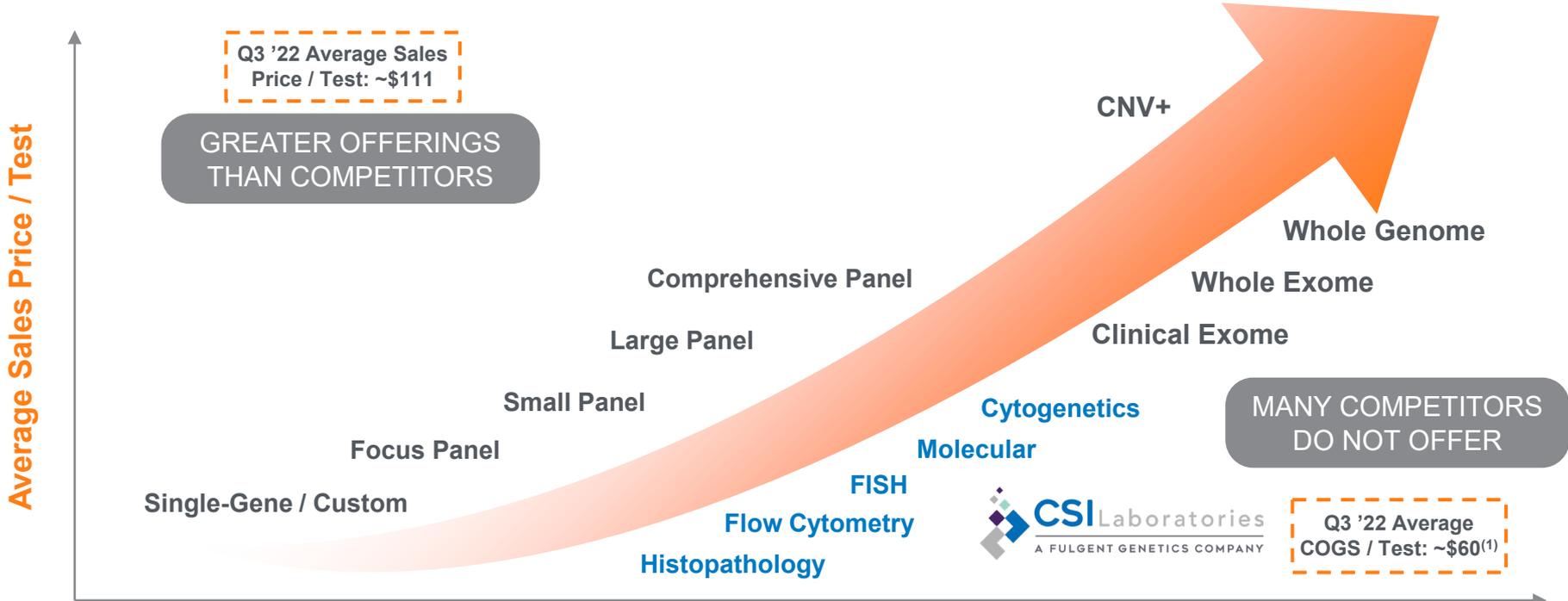
- Urologic pathology
- Neuropathology
- Hematopathology

### Broad Anatomic Pathology Capabilities

**Managed care contract network and physician relationships** will be leveraged to provide diagnostic products and services **complementary to Fulgent's portfolio**

**Expansive geographic presence** with several **CLIA-licensed** laboratories across the United States

# Fulgent's Menu is Scalable and Affordable to Customers



1) For Q3 2022. Includes all tests available for sale (e.g., Whole Exome, Whole Genome, Large Panels, Small Panels, Comprehensive and Focus Cancer Panels and Single-Gene Tests, COVID-19 Tests, and vaccines). Also excludes stock-based compensation. See GAAP reconciliation.

# NGS Testing – Offerings

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## Single Gene



18,400+ Genes

## Disease Panels



900+ Panels  
Customizable Panels

## Exome Tests



Clinical Exome (4,500+ Genes)  
Whole Exome

## Cancer Panels



Focus (30 Genes)  
Comprehensive (127 Genes)  
Somatic

## Known Mutation



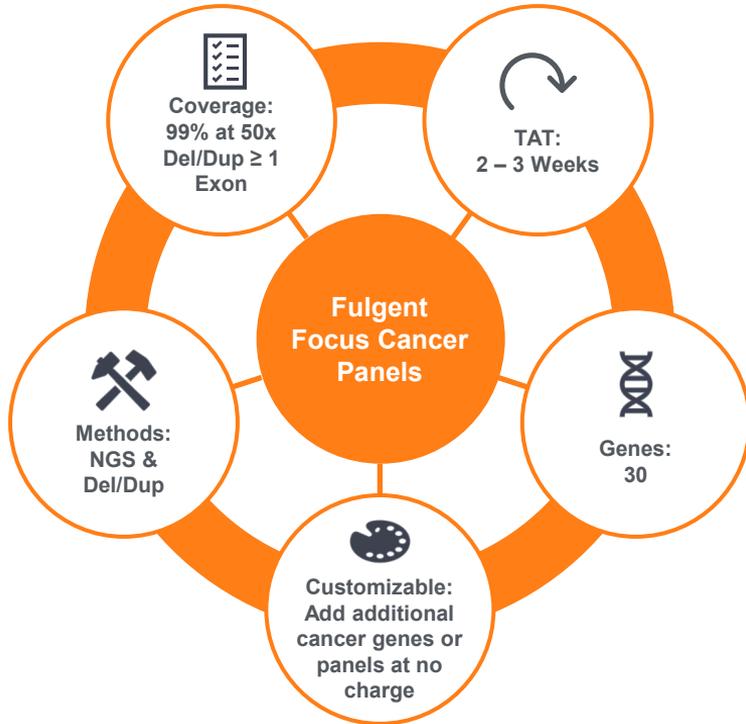
Site-Specific Testing

## Repeat Expansion

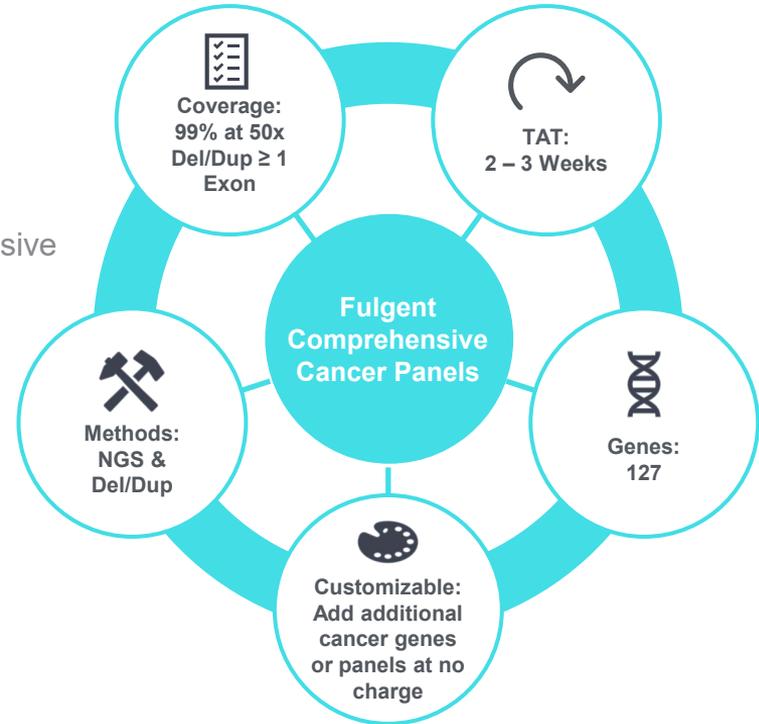
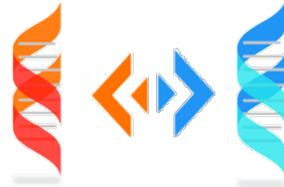


19 Panels

# NGS Testing – Germline Oncology Test Menu



Focused      Comprehensive



# Oncology Testing Platforms



## FISH

- Expansive heme and solid tumor menu
- STAT testing available
  - PML/RARA <1 day TAT
- CD138 cell enrichment for PCM
- 3-5 Day turnaround time



## HISTOLOGY

- 225+ stains
- Platform agnostic
  - Roche, Agilent and Leica IHC
- Three levels of service – Tech, Global, Consultative
- PD-L1 - Various IVD platforms and indications
- <1 to 2 Day turnaround time



## CYTOGENETICS

- Oncology and constitutional
- >20% abnormality detection rate
- Mitogen stimulation/dual culture
- DSP30 (detection of B-cell disorders)
- Interleukin 4 for plasma cell myeloma
- Phytohemagglutinin and Interleukin 2 (detection of T-cell disorders)
- Children's Oncology Group approved
- 5-7 Day turnaround time



## FLOW CYTOMETRY

- 10-color platform
- Comprehensive panel design
- High-sensitivity for paroxysmal nocturnal hemoglobinuria
- Expert analysis and interpretation
- 12-24 hour turnaround time

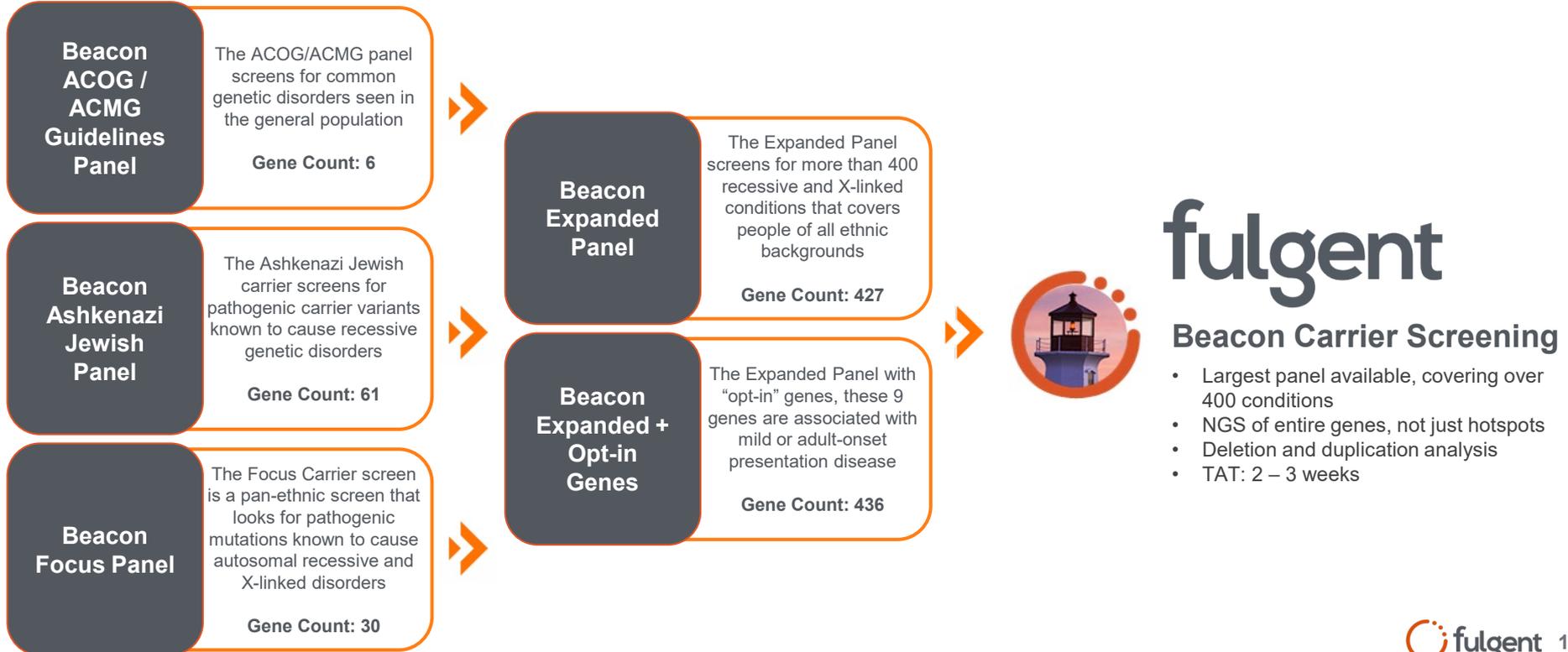


## MOLECULAR

- Hematology and solid tumor menu
- Extensive single gene menu
- NGS
- 5-7 day turnaround time [NGS 10-14 days]

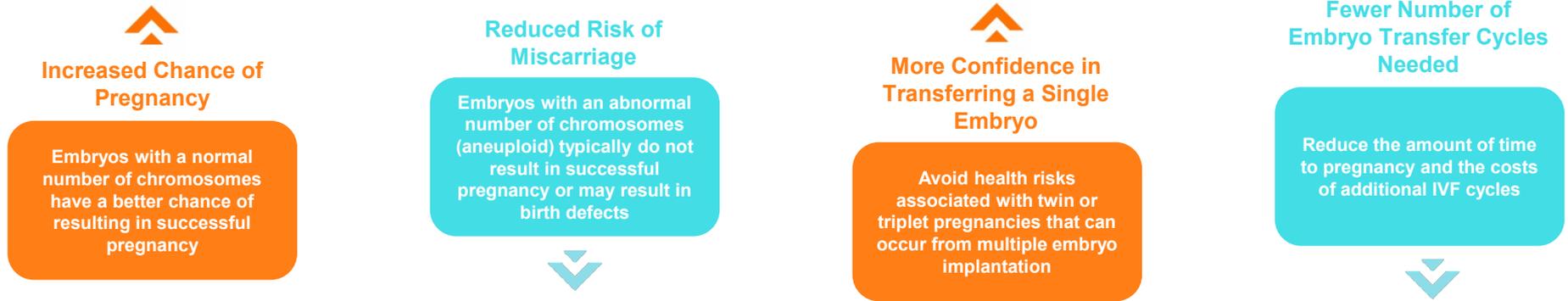
# NGS Testing – Panel Deep Dive

## Comprehensive Beacon Carrier Screening Tests



# NGS Testing – Women’s Health: PGT-A

## PGT-A Can Expand a Patient’s Prospects of a Successful Pregnancy



Preimplantation Genetic Testing for Aneuploidy (PGT-A) can identify potentially abnormal embryos for transfer in IVF, thereby expanding a patient’s prospects of a successful pregnancy

Who is PGT-A testing for?

Women 35+

Those who have experienced miscarriages

Those who want to reduce the likelihood of having multiples

Couples experiencing male factor infertility

Those who have experienced IVF failure

# NGS Testing – Rapid Whole Genome for Newborns

## Newborn Genetic Screening Goes Beyond Standard Newborn Screening

Designed for critically ill infants in the NICU or PICU to rapidly diagnose genetic disorders

Screens for over 200 health conditions

Identifies potential health risks before symptoms arise

Early detection known to have a positive impact

Simple cheek swab collection for your baby : No pricks, sticks, or tears necessary

### Ideal for Infants Experiencing:

Multiple congenital anomalies

Inborn errors of metabolism

Immunodeficiency

Respiratory distress

Epilepsy

### In a Retrospective Analysis of Diagnostic and Clinical Finding with 35 Acutely Ill Infants (2015):

20 out of the 35 infants (57%) received dx

13 out of the 20 dx infants (65%) had clinical usefulness for treatment

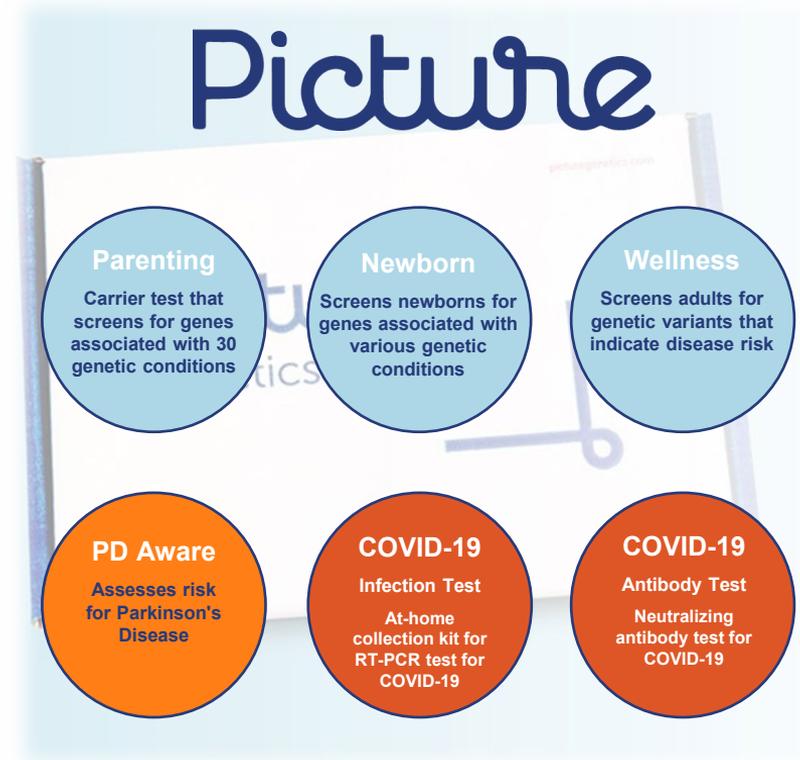
TAT of 7 - 10 Days

# Consumer Initiated Tests – Picture Genetics

## Targeting the Large Consumer Market with Picture Genetics

Launched in 2019 with significant growth amid COVID-19

- A consumer-focused offering that merges clinical utility with accuracy of an accredited lab
- Extends Fulgent’s NGS capabilities to a broader market
- Validated by **successfully scaling to several million billable tests** performed within months for COVID-19, after receiving an EUA
- Performs a complete sequencing (vs genotyping) analysis for better, more accurate results
- Patient-friendly with easy to use “order from home” model – no doctor visits or insurance necessary, though many tests are eligible for reimbursement
- Full service offering that includes analysis and genetic counseling support



# Summary Financial Performance

**\$56M** Core Revenue<sup>1</sup> in Q3'22  
*110% growth year-over-year*

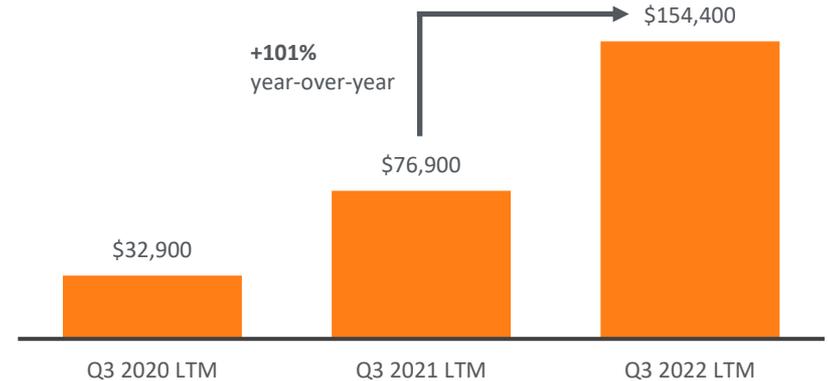
**\$297M** LTM Operating Cash Flow as of Q3'22

**~484,000** LTM Core Tests as of Q3'22  
*~185% growth year-over-year*

## Core Revenue<sup>1</sup>

LTM as of September 30, 2022

(\$ in thousands)



(1) Core Revenue excludes NGS COVID-19 test volume

# Financial Performance: Revenue Profile

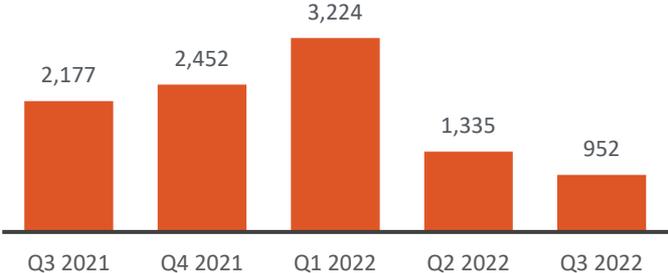
## Total Revenue

(\$ in thousands)



## Billable Tests

(in thousands)



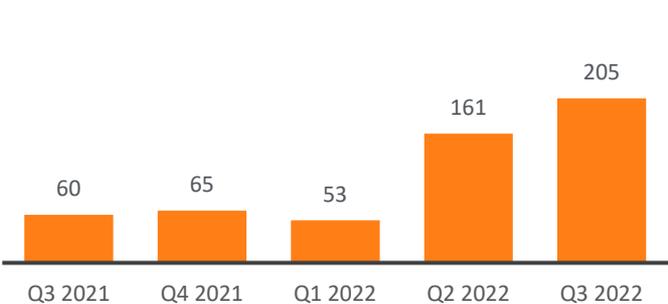
## Total Core Revenue<sup>1</sup>

(\$ in thousands)



## Billable Core Tests<sup>1</sup>

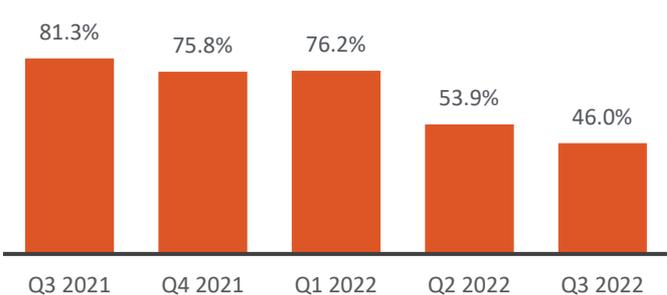
(in thousands)



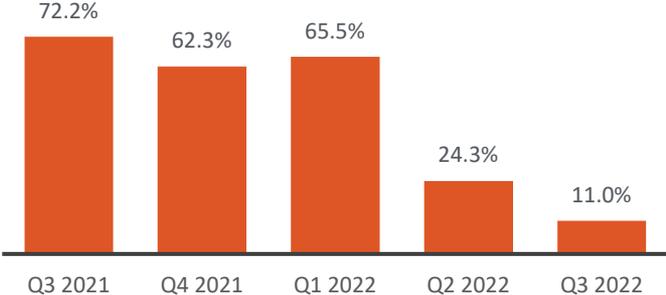
(1) Core Revenue excludes NGS COVID-19 test volume

# Financial Performance: Margin Profile

**Adjusted Gross Margin<sup>(1)</sup>**



**Adjusted Operating Margin<sup>(1)</sup>**



**Adjusted Operating Profit<sup>(1)</sup>** (in thousands)



(1) Figure is not in accordance with GAAP because it does not include equity-based compensation, amortization, restructuring cost, and acquisition-related costs.

# 2022 Financial Guidance

		Q4 2022	Full Year 2022	Change from Prior Quarter
COVID	RT-PCR COVID-19	\$8 M	\$433 M	- \$47 M
	NGS COVID-19 (CDC)			
Core	Fulgent Core NGS	\$52 M	\$178 M	- \$7 M
	CSI and Inform Diagnostics Contributions	+ 86% y/y <sup>1</sup>	+ 92% y/y <sup>1</sup>	
	<b>Total</b>	<b>\$60 M</b> -76% y/y	<b>\$611 M</b> -38% y/y	<b>- \$54 M</b>

(1) Core Revenue excludes NGS COVID-19 test revenue for more accurate year over year comparison purposes.

# Balance Sheet

(in 000's)	Periods Ended	
	December 31, 2021	September 30, 2022
<b>Assets</b>		
Cash & cash equivalents	\$ 164,894	\$ 168,770 <sup>(1)</sup>
Marketable securities	285,605	402,290 <sup>(1)</sup>
Trade accounts receivable, net	138,912	104,159
Other current assets	22,549	21,395
<b>Total current assets</b>	<b>611,960</b>	<b>696,614</b>
Marketable securities, long-term	485,047	346,946 <sup>(1)</sup>
Redeemable preferred stock investment	21,965	11,233
Fixed assets, net	62,287	81,807
Intangible assets, net	35,914	87,853
Goodwill	50,897	120,313
Other non-current assets	10,650	61,016
<b>Total assets</b>	<b>\$ 1,278,720</b>	<b>\$ 1,405,782</b>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 20,494	\$ 14,481
Income tax payable	787	426
Contract liabilities	14,570	2,603
Customer deposit	19,806	25,810
Investment margin loan	15,137	14,999
Other liabilities	42,046	66,066
<b>Total liabilities</b>	<b>112,840</b>	<b>124,385</b>
Stockholders' equity	501,911	477,817
Accumulated income	656,838	799,230
<b>Total Fulgent stockholders' equity</b>	<b>1,158,749</b>	<b>1,277,047</b>
<b>Noncontrolling interest</b>	<b>7,131</b>	<b>4,350</b>
<b>Total stockholders' equity</b>	<b>1,165,880</b>	<b>1,281,397</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,278,720</b>	<b>\$ 1,405,782</b>

(1) \$918M in cash and investments.

# Non-GAAP Financial Adjustments

(in 000's)	2021				FY 2021	2022		
	Q1	Q2	Q3	Q4		Q1	Q2	Q3
<b>Revenue</b>	\$359,429	\$153,616	\$227,868	\$251,671	\$992,584	\$320,268	\$125,341	\$105,655
Cost of revenue	74,075	35,858	43,466	62,134	215,533	77,725	60,065	59,560
Gross profit	\$285,354	\$117,758	\$184,402	\$189,537	\$777,051	\$242,543	\$65,276	\$46,095
Gross margin	79.4%	76.7%	80.9%	75.3%	78.3%	75.7%	52.1%	43.6%
Equity-based compensation included in cost of revenue	674	692	962	1,235	3,563	1,465	2,243	2,475
<b>Non-GAAP gross profit (excluding equity-based compensation)</b>	\$286,028	\$118,450	\$185,364	\$190,772	\$780,614	\$244,008	\$67,519	\$48,570
<b>Non-GAAP gross margin</b>	79.6%	77.1%	81.3%	75.8%	78.6%	76.2%	53.9%	46.0%
<b>Operating expenses</b>								
R&D	\$5,422	\$5,312	\$6,021	\$7,464	\$24,219	\$5,989	\$6,905	\$7,507
S&M	5,008	5,219	6,012	8,200	24,439	7,940	10,866	9,859
G&A	8,002	8,329	12,299	22,102	50,732	25,775	30,240	26,266
Amortization of intangible assets	0	0	797	911	1,708	906	1,575	2,006
Restructuring costs	0	0	0	0	0	0	2,896	105
Total operating expenses	18,432	18,860	25,129	38,677	101,098	40,610	52,482	45,743
Operating profit	\$266,922	\$98,898	\$159,273	\$150,860	\$675,953	\$201,933	\$12,794	\$352
Operating margin	74.3%	64.4%	69.9%	59.9%	68.1%	63.1%	10.2%	0.3%
Equity-based compensation included in operating expenses	2,288	2,834	3,412	3,785	12,319	4,151	5,787	6,497
Acquisition-related cost included in G&A	0	0	0	0	0	1,251	5,158	166
<b>Non-GAAP operating profit (excluding equity-based compensation, amortization, restructuring costs &amp; acquisition-related costs)</b>	\$269,884	\$102,424	\$164,444	\$156,791	\$693,543	\$209,706	\$30,453	\$11,601
<b>Non-GAAP operating margin</b>	75.1%	66.7%	72.2%	62.3%	69.9%	65.5%	24.3%	11.0%

