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# Transforming Cancer Care

**Q1 2023 Earnings Call**

**May 9, 2023**

# Safe harbor

Certain statements in this presentation and the accompanying oral commentary are forward-looking statements within the meaning of federal securities laws. These statements relate to future events or Guardant Health, Inc. (the "Company")'s future results and involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company or its industry to be materially different from those expressed or implied by any forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "would," "should," "to," "target," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential" or other comparable terminology. All statements other than statements of historical fact could be deemed forward-looking, including any expectations regarding the Company's commercial engine as a force multiplier for research and development initiatives; any projections of market opportunities; statements about the Company's ability to assess potential market opportunities or any statements about the Company's ability to successfully develop new products and services; any statements regarding expectations for future reimbursement opportunities; any statements regarding the Company's long-term expectations, including with respect to oncology, liquid biopsy, and other aspects of the Company's industry; any statements about launching planned new products and additional laboratories, including with respect to Guardant Reveal, CGP tissue assay, and laboratories outside the United States; any statements about the Company's ECLIPSE study; any statements regarding expectations for future regulatory approvals; any statements about historical results that may suggest trends for the Company's business; any statements of the plans, strategies, and objectives of management for future operations and directions; any statements of expectation or belief regarding future events, opportunities to drive future growth, potential markets or market size, or technology developments; and any statements of assumptions underlying any of the items mentioned. The Company has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While the Company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the Company's control. These and other important factors may cause actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. The forward-looking statements in this presentation are made only as of the date hereof. For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the business of the Company in general, see the Company's periodic filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2022, and in its other reports filed with or furnished to the Securities and Exchange Commission. Except as required by law, the Company assumes no obligation and does not intend to update these forward-looking statements or to conform these statements to actual results or to changes in the Company's expectations.

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This presentation includes references to certain financial measures that are not calculated in accordance with GAAP. Reconciliation to the most directly comparable GAAP financial measure may be found in the earnings release furnished to the SEC.



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# Core business growing rapidly today with most exciting pipeline in diagnostics

## High growth core business approaching breakeven with multi-billion dollar revenue potential

### Therapy Selection

**Technology leader**

**Market leader**

**Biopharma partnerships**

**Attractive financial profile**

## Pipeline of multi-billion dollar revenue opportunities in early stages

### MRD / Recurrence Monitoring

### Screening



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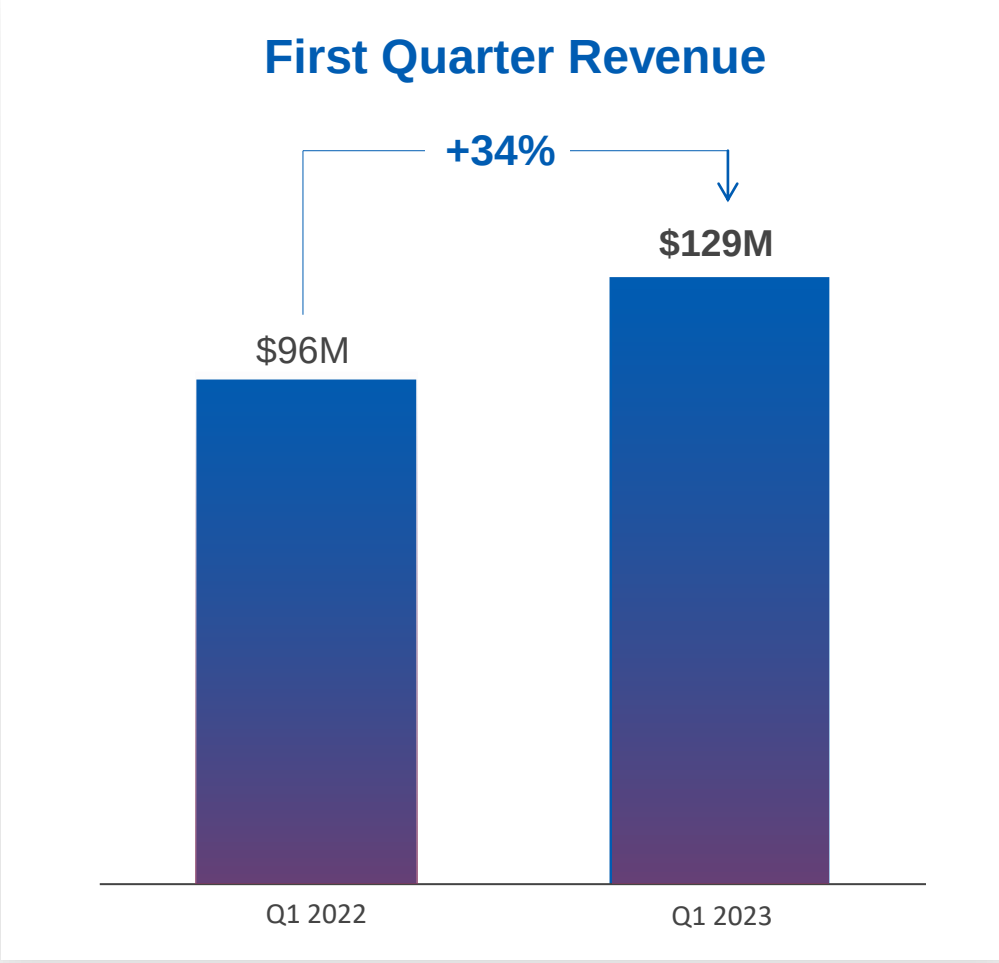
# Strong revenue growth in Q1 2023




**34% YoY revenue growth** led by Guardant360 with robust growth across the business

Focus on **execution, operations, customer service**

Seeing benefits of **platform investments** around customer experience

**Breast CDx and payer coverage** expansion tailwinds

# Guardant360 Response now reimbursed by Medicare

- ✓ **First blood-only liquid biopsy test** for monitoring molecular response to immune checkpoint inhibitors
- ✓ **Covered for US Medicare patients** with metastatic or inoperable solid tumors with **rate updated to $1,943**
- ✓ Coverage includes a **Guardant360 CDx or LDT test** followed by a **Guardant360 Response test**
- ✓ **All 5 Therapy Selection and MRD tests** now covered by Medicare

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# Therapy Selection core business: *the* most complete portfolio with four Medicare-reimbursed precision oncology tests

GUARDANT360 CDx

1st FDA-Approved Comprehensive Liquid Biopsy

GUARDANT360

Next-Generation Liquid Biopsy Assay

GUARDANT360 Response

1st Blood-Only Liquid Biopsy to Monitor Therapeutic Response

GUARDANT360 TissueNext

Next-Generation Tissue Assay

**Reimbursed by Medicare**

## Technology & market leader

- ✓ **300+** commercial team across clinical and biopharma
- ✓ **12,000+** ordering oncologists
- ✓ **150+** biopharma partners
- ✓ **300+ million** covered lives

## Attractive financial profile

- ✓ **>$500m** in sales in 2023
- ✓ Clinical revenue growing **>25% YoY**
- ✓ Gross margin **>60%**
- ✓ Cash flow break even in **6-9 months**



Guardant Health market research and internal data on file

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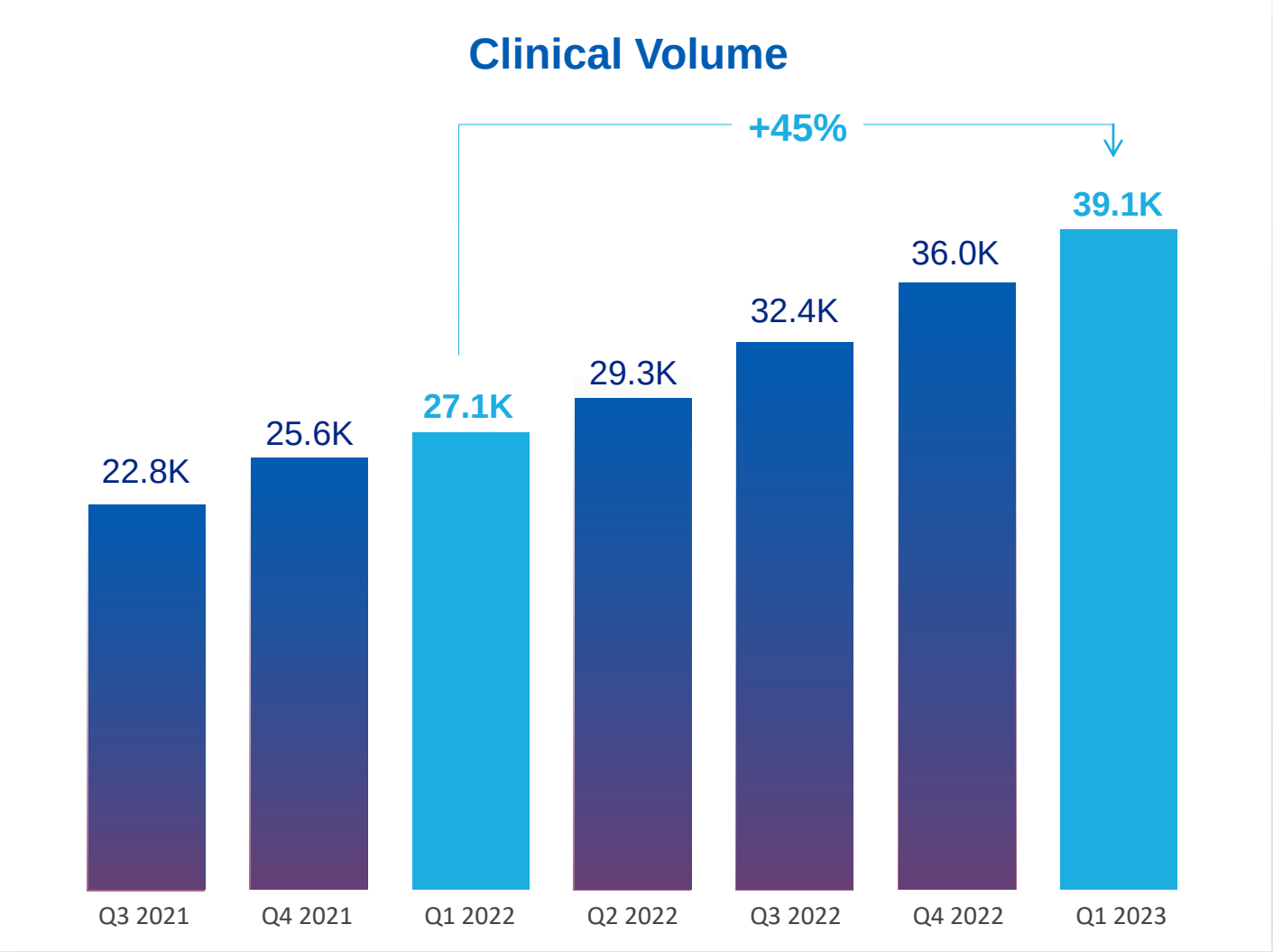
# Q1 clinical volumes up 45% year over year



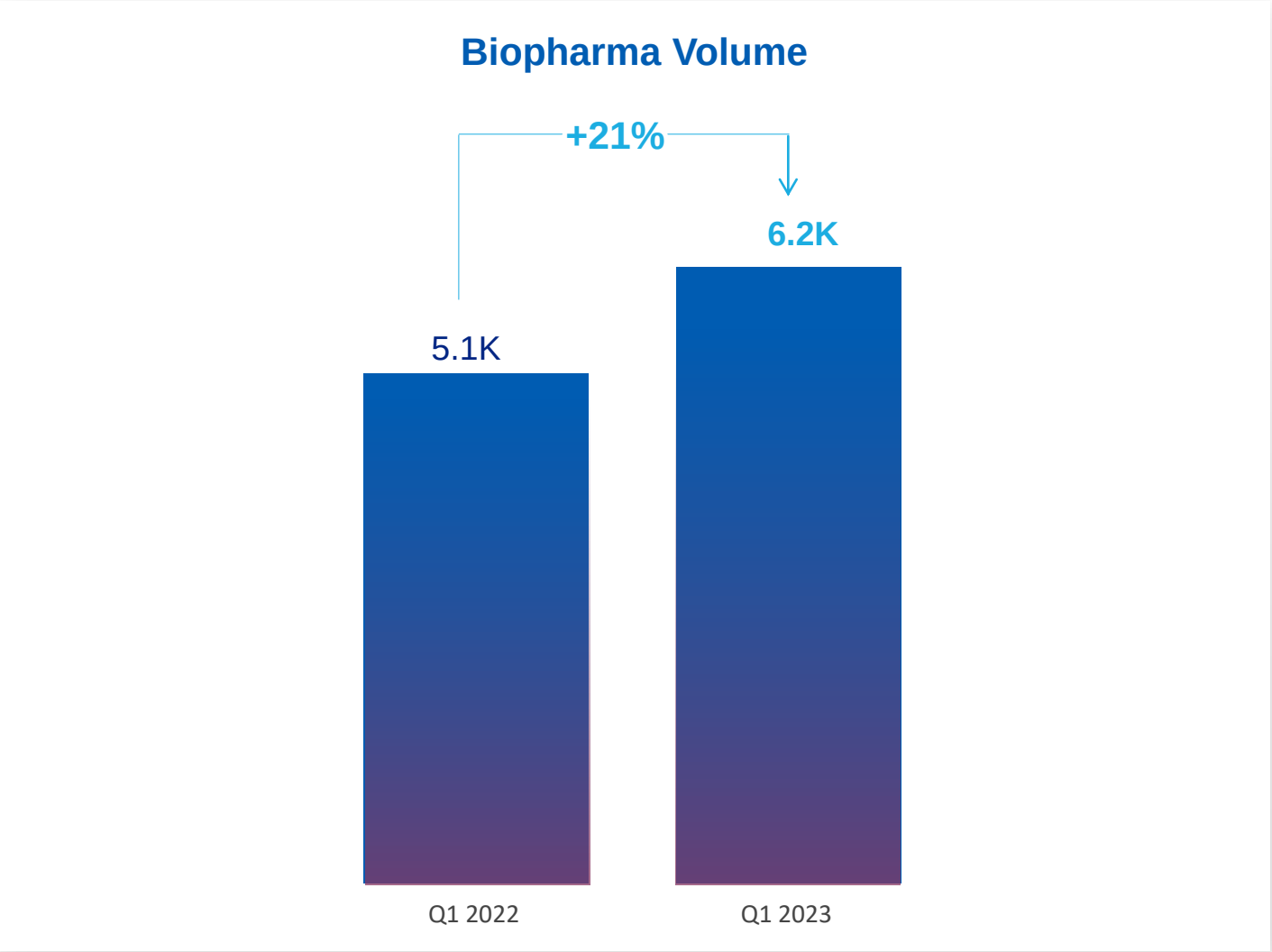

**45% YoY growth** in clinical volumes led by Guardant360, Reveal, TissueNext

Strong Guardant360 growth in lung boosted by breast cancer following **ESR1 CDx approval**

**Gaining operating leverage** from past investments: EMR integration, CDx partnerships, account management, clinical data, etc

Guardant360 ASP at top end of **$2,600 – $2,700** range

# Biopharma testing volumes up 21% year over year




**Continued ctDNA leadership** with >150 biopharma partners since launch

**Guardant Infinity** continues to exhibit strong growth

Multiple **Guardant360 CDx programs in ESR1 signed** including recently announced with study Sermonix Pharmaceuticals

**China expansion** on target for late 2023

# Spotlight ESR1: emerging mutation with high unmet need fueling Guardant360 CDx growth

## ~67%–80% of breast cancers in women are ER+, HER2-[1]

- Breast cancer is the second leading cause of cancer death in women
- ~298k new cases and ~44k deaths estimated in 2023[3] alone
- ER+ tumors have a high likelihood of developing ESR1 mutation

## ESR1 mutations are present in up to 40% of ER+, HER2- advanced breast cancers[2]

- ESR1 is an emergent mutation that develops after Breast Cancer treatment occurs
- Patients expressing ESR1 can be put on a new class of targeted therapy
- ORSERDU (elacestrant) is the first FDA approved ESR1 therapy
- Total of 6 ESR1 programs signed to date with biopharma partners



1 National Cancer Institute https://www.cancer.gov/types/breast/breast-hormone-therapy-fact-sheet; Accessed January 11, 2023; SEER Database;. 2 Brett, J.O., Spring, L.M., Bardia, A. et al. ESR1 mutation as an emerging clinical biomarker in metastatic hormone receptor-positive breast cancer. Breast Cancer Res 23, 85 (2021). https://doi.org/10.1186/s13058-021-01462-3

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# ECLIPSE met co-primary endpoints

CRC Sensitivity

83%

N=65

Specificity

90%



Chung, et al. Digestive Diseases Week 2023. Abstract #913e

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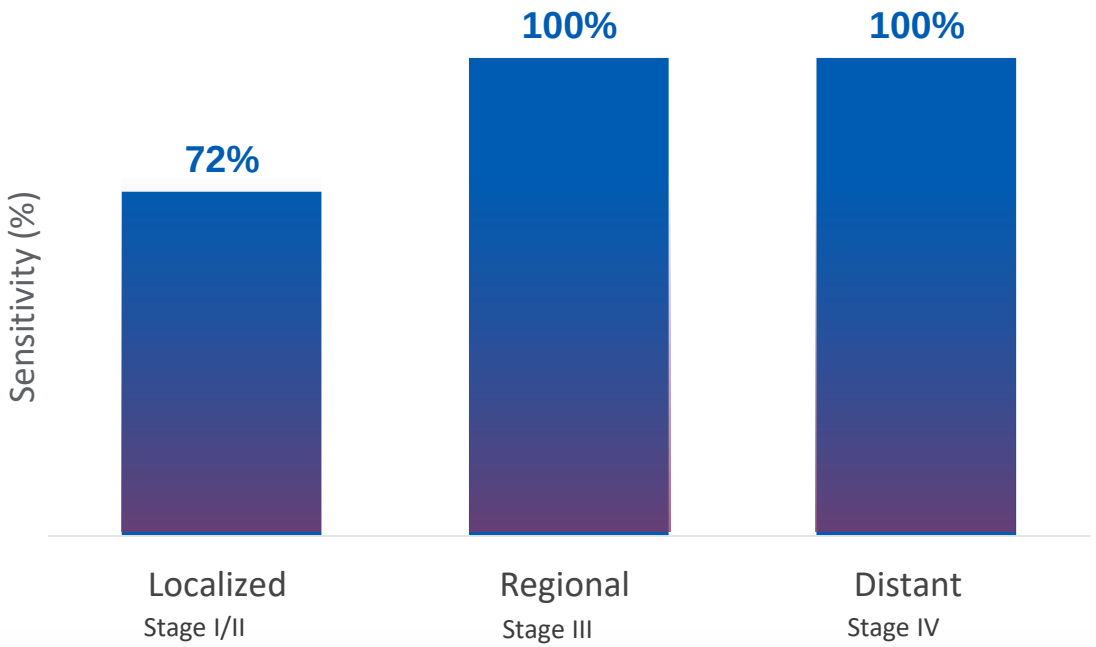
# Stage-specific CRC sensitivity

## Stage I – III Sensitivity: 81%[#]




[#] Excludes 3 lost to clinical follow-up (2/3 detected)

| Stage I[*] | Stage II | Stage III | Stage IV |
|---|---|---|---|
| 55% (12/22) | 100% (14/14) | 100% (16/16) | 100% (10/10) |

[*]Assumes 5 incompletely staged malignant polyps are Stage I disease (1/5 detected)



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# cfDNA blood-based test: potential to have high impact on CRC screening

| | CRC Sensitivity[1,2] (From Literature) | Patient Adherence Rates[3-9] (From Literature) |
|---|---|---|
| **cfDNA Blood Test** | 83% | 85-96%[10] |
| Colonoscopy | 95% | 28-59% |
| FIT Stool Test | 74% | 43-65% |
| Multitarget Stool DNA Test | 92% | 48-71% |

Screening programs require consideration of clinical effectiveness: performance of the test under **real world conditions integrating patient adherence rates**[9]

The cfDNA blood-based test has the potential to be a highly effective CRC screening option



Chung, et al. Digestive Diseases Week 2023. Abstract #913e

1 Imperiale, et al. 2014. NEJM; 2 Knudsen, et al. 2021. JAMA; 3 Lin JS, et al. 2021. Agency for Healthcare Research and Quality; 4 Bretthauer, et al. 2022. NEJM; 5 Forsberg, et al. 2022. Lancet Gastroenterol Hepatol; 6 Quintero, et al. 2012. NEJM.; 7 Jensen, et al. 2016. Ann Intern Med; 8 Bakker, et al. 2011. Endoscopy; 9 Singal, et al. 2014. Clin Transl Gastroenterol; 10 Guardant Health internal data

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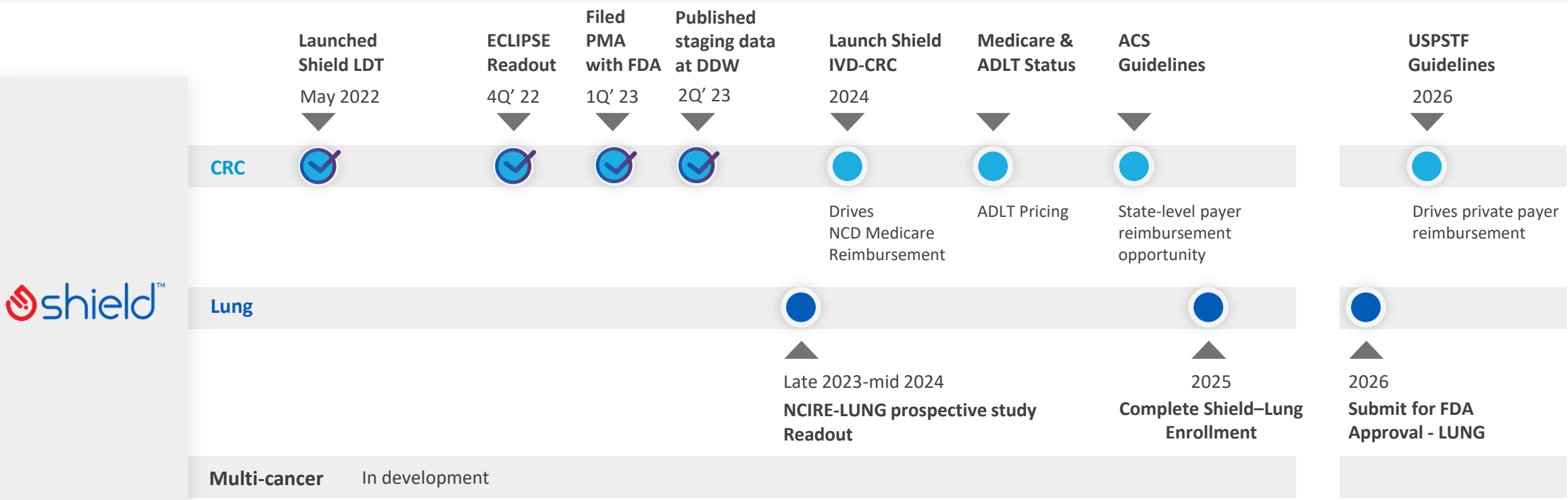
# Blazing a trail to the first FDA approved and reimbursed multi-cancer test



# Q1 2023 financial overview

| | Q1'23 | Q1'22 |
|---|---|---|
| **Total Revenue** | **$128.7M** | **$96.1M** |
| Precision Oncology Revenue | $113.4M | $84.1M |
| Development Services & Other | $15.3M | $12.0M |
| **Gross Margin** | **59%** | **67%** |
| Precision Oncology Gross Margin | 60% | 64% |
| Development Services & Other Gross Margin | 48% | 89% |
| Operating Expenses | $209.7M | $187.5M |
| Net Loss | ($133.5M) | ($123.2M) |
| EPS | ($1.30) | ($1.21) |



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# Q1 2023 non-GAAP financial measures

| | Q1'23 | Q1'22 |
|---|---|---|
| Non-GAAP Operating Expenses | $188.3M | $158.7M |
| Non-GAAP Net Loss | ($108.5M) | ($93.2M) |
| Non-GAAP EPS | ($1.06) | ($0.91) |
| Adjusted EBITDA | ($101.0M) | ($86.6M) |

Non-GAAP operating expenses exclude stock-based compensation and related employer payroll tax payments, acquisition related expenses, amortization of intangible assets and contingent consideration. Please refer to the tables in the associated press release labeled Reconciliation of Selected GAAP Measures to Non-GAAP Measures and Reconciliation of GAAP Net Loss to Adjusted EBITDA.



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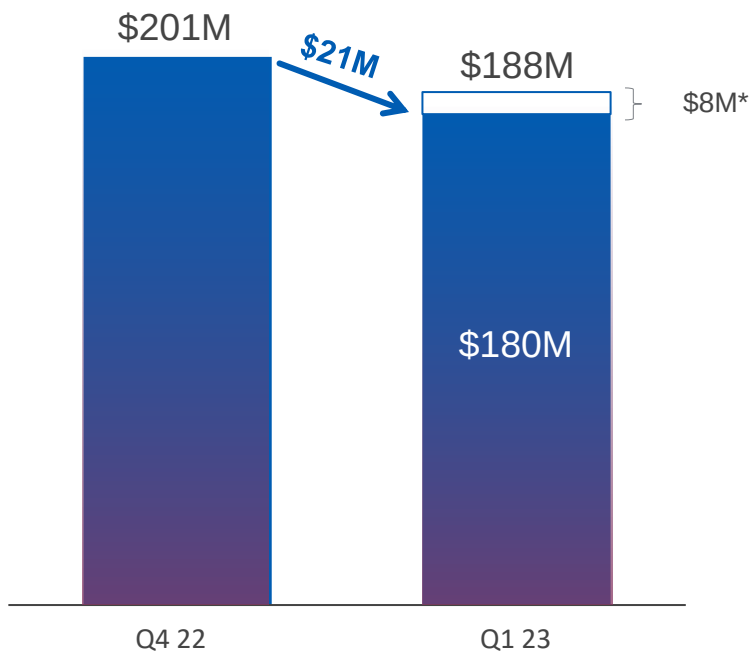
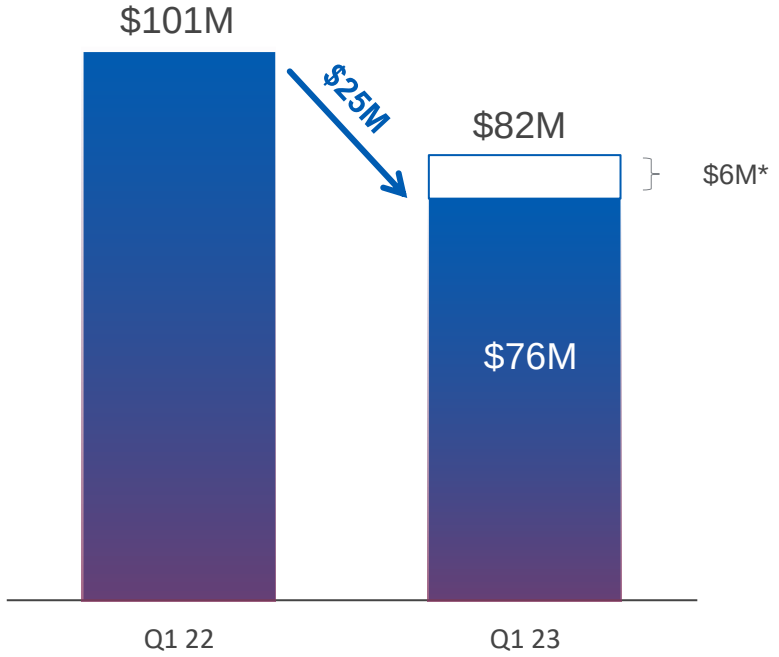
# Reduced operating expenses and cash burn in Q1 2023

## Non-GAAP Operating Expenses




## Free Cash Outflow




*Severance costs related to Q1 2023 workforce reduction

Non-GAAP operating expenses exclude stock-based compensation and related employer payroll tax payments, acquisition related expenses, amortization of intangible assets and contingent consideration. Please refer to the tables in the associated press release labeled Reconciliation of Selected GAAP Measures to Non-GAAP Measures and Reconciliation of GAAP Net Loss to Adjusted EBITDA. Free cash flow is defined as net cash used in operating activities in the period less purchases of property and equipment in the period.



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# Continued focus on cash management to extend runway and achieve Therapy Selection breakeven

- **Demonstrated leverage in Q1** from infrastructure investments and recent workforce reduction
- **$937M cash balance** at end Q1 2023, runway **extends to 2026**
- **Therapy Selection** on-track to be **breakeven in 6-9 months**
- **MRD investment** targeted towards **market penetration, platform upgrade** and **clinical data development** for reimbursement
- **Screening** spend of **<$200m within next 12 months** focused on Shield IVD launch preparation, Shield next generation delivery, and indication expansion to lung cancer



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# FY 2023 guidance

- Total Revenue: **$535 – $545 million,** growth of **19% to 21%** y/y
  - Previously $525 - $540 million
- Operating Expenses: **below** FY 2022
- Free Cash Outflow: **~$350 million** in 2023

# Key 2023 milestones transforming the continuum of care

## Core Business Drivers

### Therapy Selection

- ☑ CMS reimbursement for Guardant Response
- ☑ Ongoing rapid deployment of EMR customer integration
- ○ Guardant360 reimbursement in Japan
- ○ Exceed 200M covered lives for TissueNext

## Pipeline Catalysts

### MRD / Recurrence Monitoring

- ○ Additional data for Guardant Reveal in CRC and other tumor types
- ○ Upgrade to Smart Liquid Biopsy platform

### Screening

- ☑ Complete FDA submission for Shield CRC
- ○ ECLIPSE peer review study publication
- ○ NCIRE-LUNG prospective study readout (late 2023–mid 2024)



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