

# Myriad Genetics Corporate Presentation

January 13, 2019



# Forward Looking Statement



**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.

# Our Vision



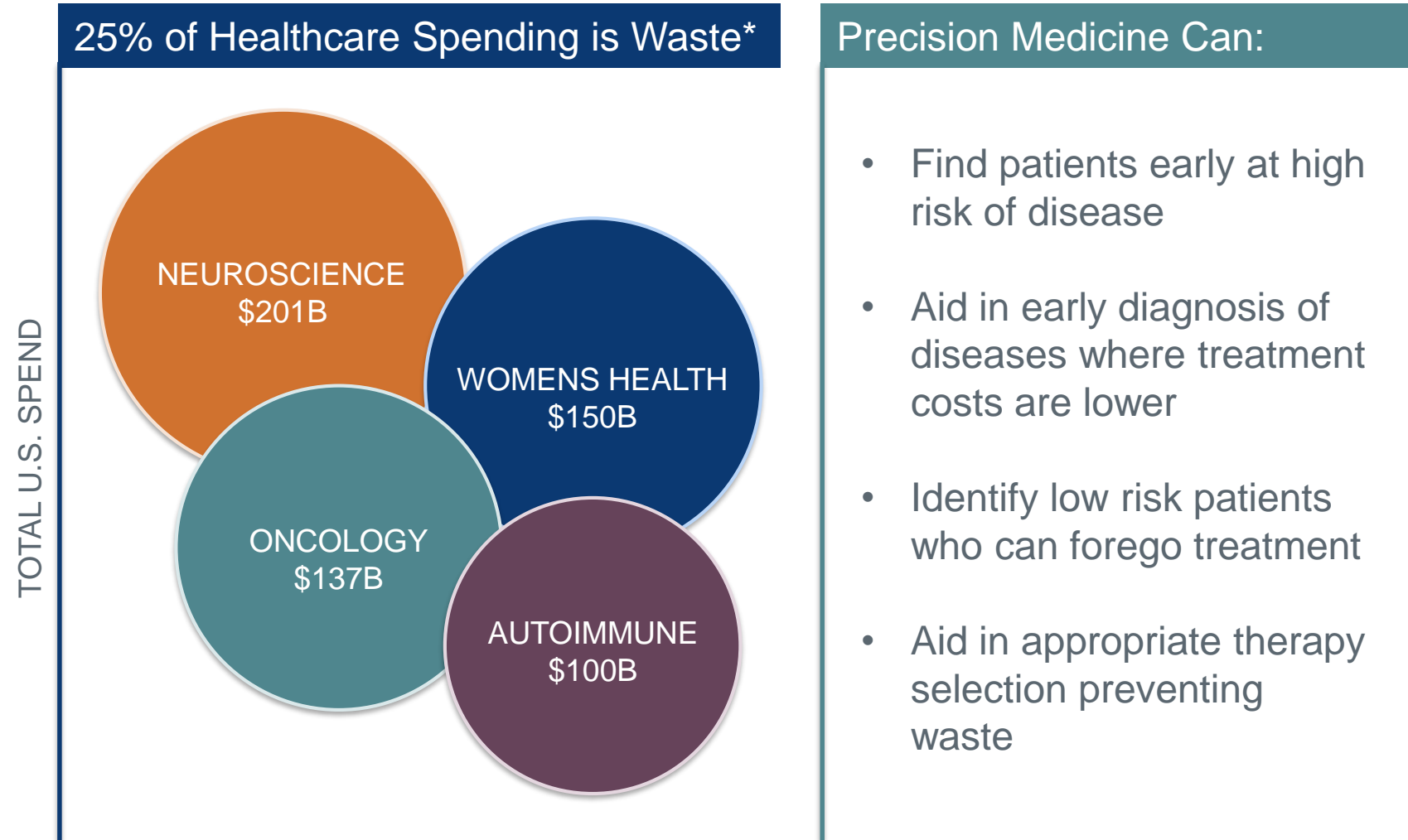
## **A trusted advisor**

transforming patients' lives worldwide  
with pioneering molecular diagnostics

## **The global leader** in precision medicine

# Myriad Can Improve Patient Outcomes While Lowering Cost

*Precision Medicine Addressing Healthcare Waste in Markets Totaling ≈\$600B in Healthcare Spending*



\* Shrank et al; Waste in the U.S. Healthcare System, Journal of the American Medical Association, Oct. 2019



# Expanding Precision Medicine Industry into Blue Ocean Opportunities

*Untapped Markets in Neuroscience and Autoimmune Disease Where Myriad is Positioned as the Industry Leader*

## ONCOLOGY



1.7M new patients diagnosed annually with 15M affected

\$137B in U.S. healthcare spending

>25 precision medicine companies

>\$40B drug spend 40% response

600,000 deaths in U.S. annually

## NEUROSCIENCE



>11M new patients diagnosed annually with >40M affected

\$201B in U.S. healthcare spending

3 precision medicine companies

>\$60B drug spend 48% response

800,000 deaths in U.S. annually

## AUTOIMMUNE



1.3M new patients diagnosed annually with 23M affected

\$100B in U.S. healthcare spending

2 precision medicine companies

>\$55B drug spend 68% response

250,000 deaths in U.S. annually

\* Shrank et al; Waste in the U.S. Healthcare System, Journal of the American Medical Association, Oct. 2019



# Myriad Positioned For Future Leadership in Precision Medicine

*Key Attributes Distinguish Myriad From Other Companies in Fragmented Precision Medicine Industry*

## Unique Scale

- Revenue of \$851M in FY19
- ≈3K employees dedicated to the Myriad mission
- 11 products addressing \$15B in U.S. TAM
- > 1M tests in FY19

## Pioneering Science

- Expertise across all three types of biomarkers (DNA, RNA & Proteins)
- Over 1K scientific publications
- Leading data capabilities
- Broad regulatory and clinical trial expertise

## Commercial Breadth

- > 100,000 ordering physicians
- > 700 person field sales force
- Largest managed care organization with 95% of U.S. payers in network
- 143 countries have ordered tests

## Financial Strength

- Only profitable precision medicine company
- Significant cash flow and operating margins
- Strong balance sheet



# Myriad's **4<sup>in</sup>6** Strategy

## Answering patients' **4** most pressing questions

- Will I get a disease?
- Do I have a disease?
- Should I treat this disease?
- How should I treat this disease?
























## In **6** medical specialties







- Women's Health
- Neuroscience
- Oncology
- Autoimmune
- Urology
- Dermatology



# Most Attractive Product Pipeline in Diagnostic Industry

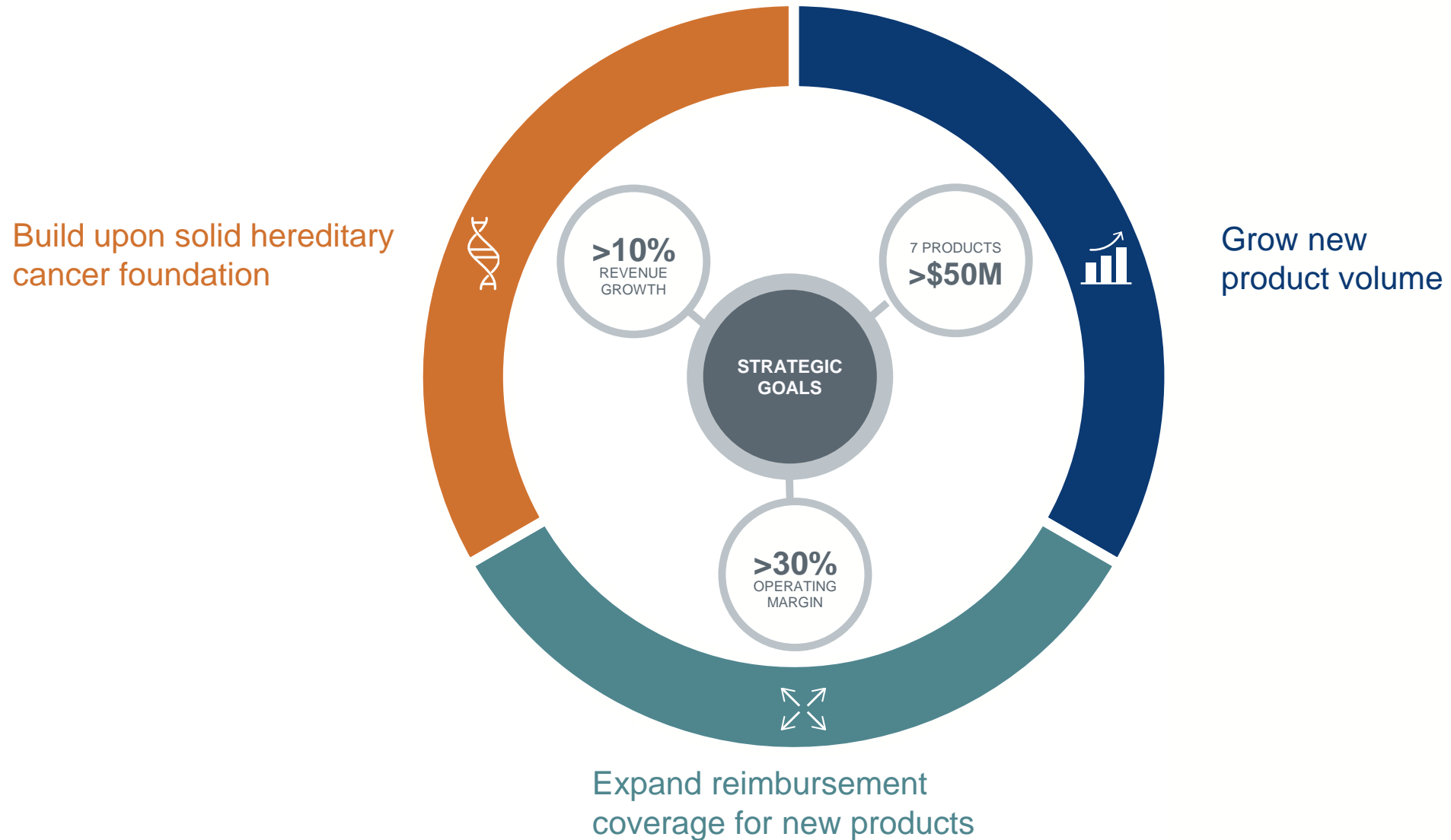
11 Products Addressing >\$15B of U.S. Market Potential

PRODUCT	U.S. TAM	KEY QUESTION ANSWERED	DISTRIBUTION					
 	\$2.5B	What is my risk for getting cancer?						
	\$10.0B	Does my antidepressant have gene-drug interaction?						
 	\$5.0B	Is my child at risk for a genetic condition?						
	\$1.5B	Is my RA under control?						
	\$0.6B	Do I have an aggressive form of prostate cancer?						
	\$0.3B	How aggressive is my breast cancer and how should I treat it?						
 	\$2.5B	Am I a good candidate for a PARP inhibitor?						
	\$0.4B	Is this skin lesion melanoma?						

 Oncology  Women's Health  Neuroscience  Autoimmune  Urology  Dermatology



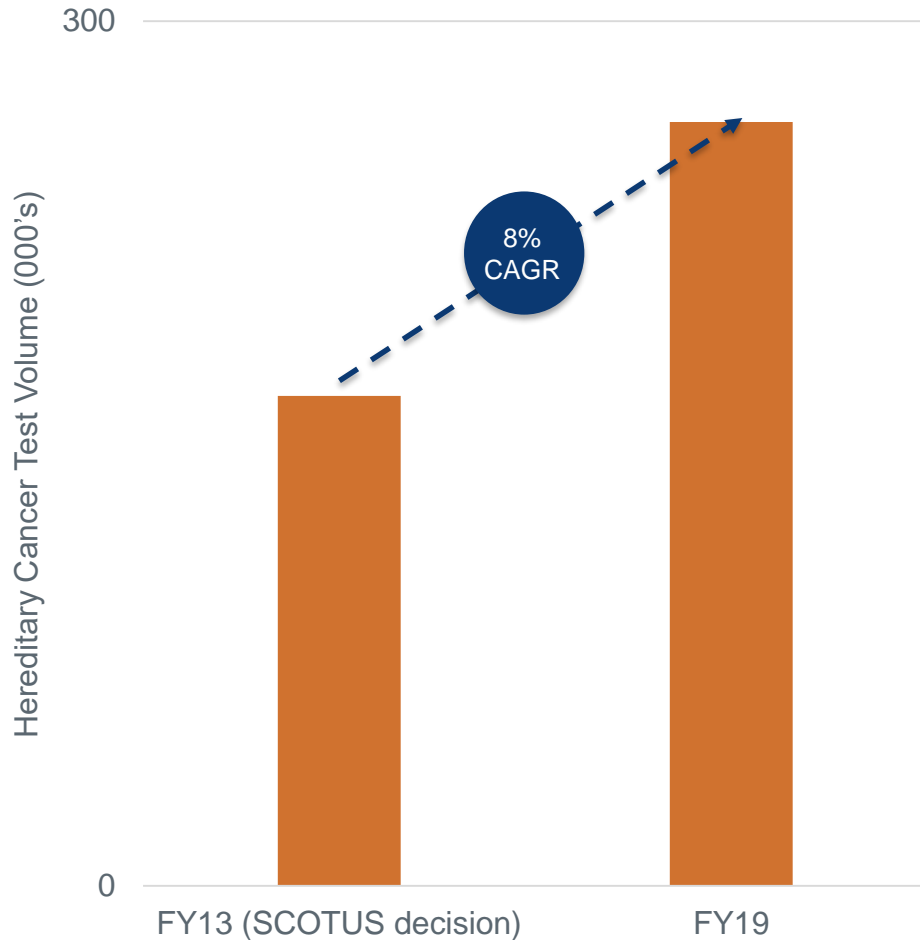
# Critical Success Factors to Achieve Strategic Goals





# Solid Foundation in Hereditary Cancer Market

*Growing Volume, Increasing TAM, and Long Term Contracts*



## Growing Volume

- Market less than 15% penetrated
- 8% CAGR since FY13
- Double digit YoY growth in 1Q FY20

## Rational Pricing Outlook

- Long term contracts provide predictable pricing
- Smaller price premium easily justifiable given quality advantages

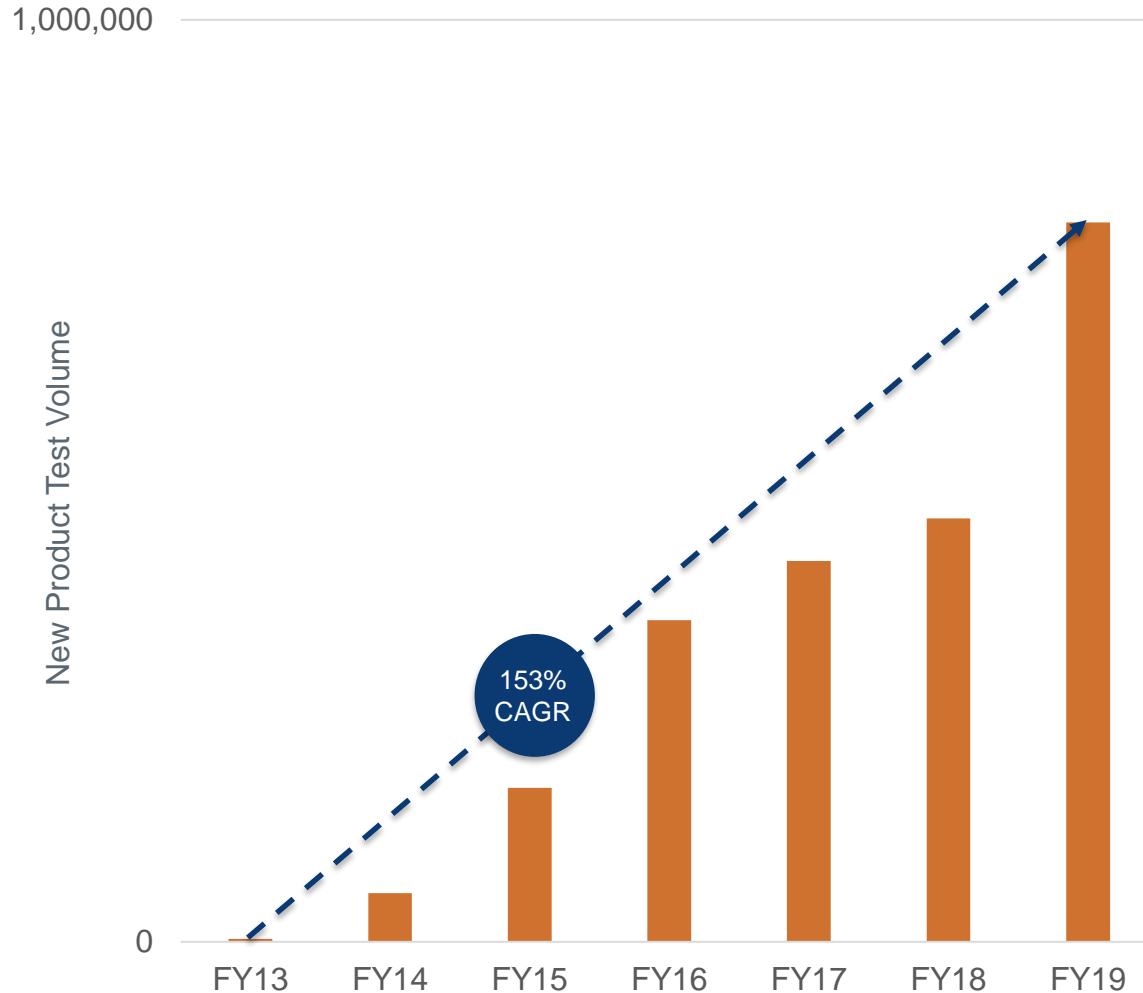
## Market Catalysts

- New indications add 175k patients in last two years
- Pancreatic and prostate CDx indications in FY20; potential for adjuvant breast in FY21
- ASBS/NCCN breast cancer expanded guidelines



# Diversification with Rapidly Expanding New Product Volume

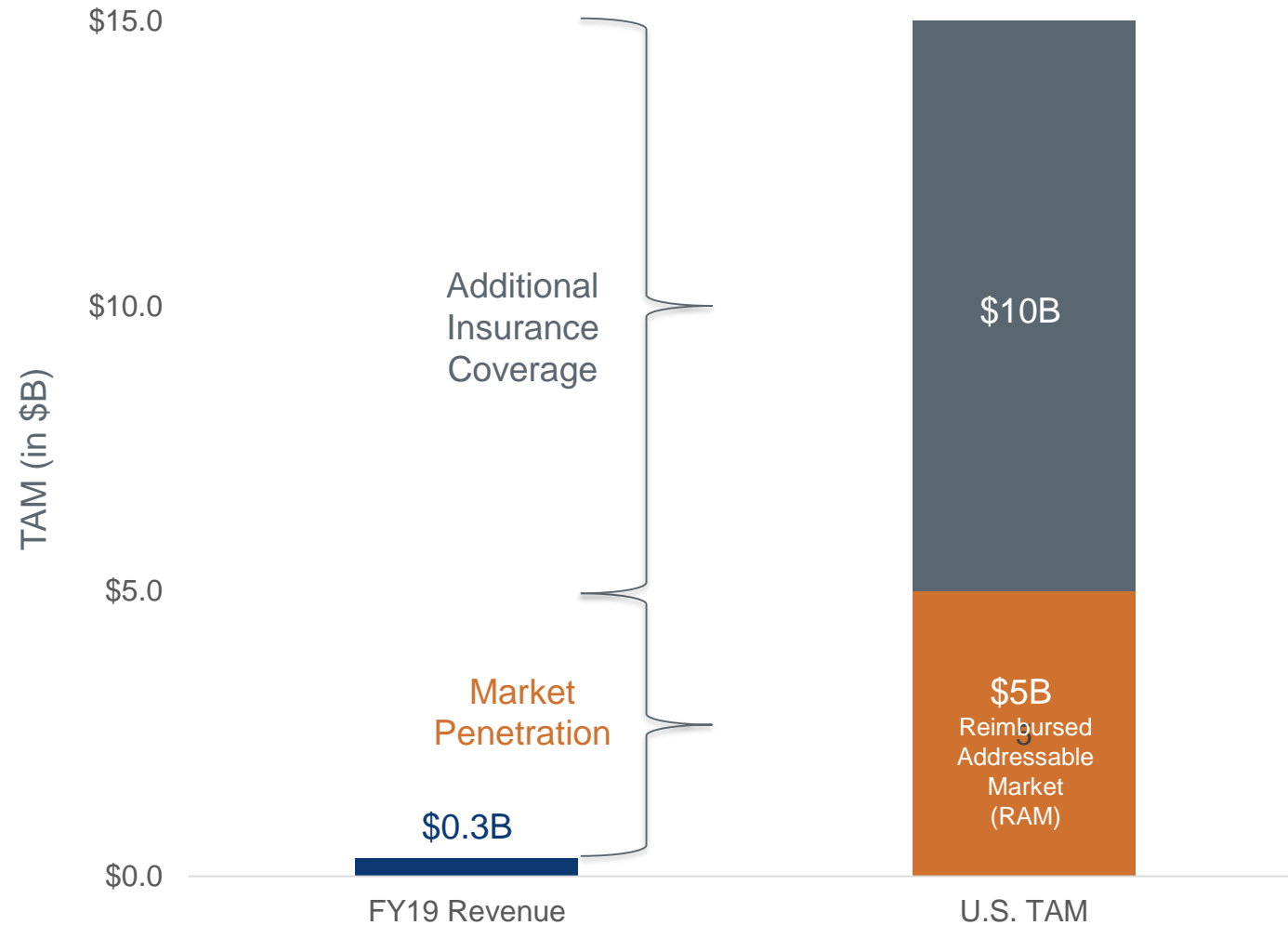
*75% of Test Volume in FY19 From New Products*



## New Product Diversification

- 75% of volume in FY19 vs. 1% in FY13
- 153% CAGR FY13-FY19
- FY19 Counsyl acquisition allows entry into high growth prenatal market
- Planned primary care expansion for GeneSight in 2H FY19 expands market opportunity by 60%

# New Products Represent \$15B U.S. Opportunity





# GeneSight Launch Into Primary Care Market

*New Sales Channel Represents 60% of the Market*



## Psychiatry Market



## Primary Care Market

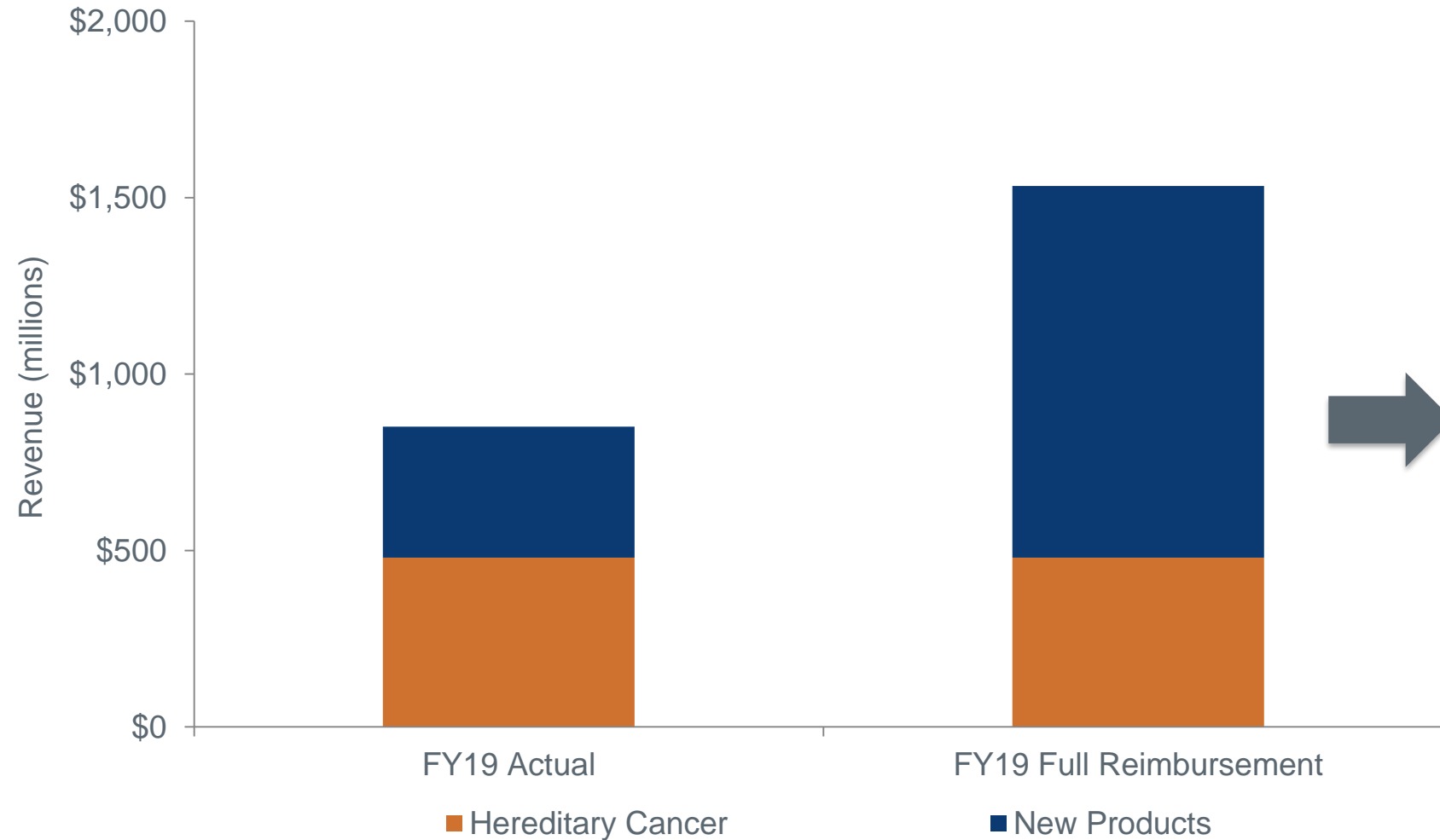


Major Depressive Disorder Patients	1M	1.5M
Generalized Anxiety Disorder Patients	1M	1.5M
Sales Team	165 sales reps	Planned 65 rep initial expansion
Reimbursement	Medicare, UnitedHealthcare, CareFirst, 3 major employers	UnitedHealthcare, CareFirst, 3 major employers, Medicare decision expected in 3Q FY20



# FY19 Test Volume Fully Reimbursed = \$1.5B in Revenue

*Incremental Revenue Would Drive Operating Margins >40%*










- >40% operating margins
- >\$8.00 in adjusted EPS
- >\$600M in FCF



# Increasing Payer Coverage Fuels Growth Potential

*Incremental Reimbursement Could Add >\$10B To U.S. TAM*



PRODUCT	Current Coverage	ADDITIONAL OPPORTUNITY
 genesight <sup>®</sup>	20%	\$8.0B
 Foresight	66%	\$0.8B
 MYRIAD Prequel <sup>™</sup> Prenatal Screen	66%	\$0.8B
 Vectra <sup>®</sup>	40%	\$0.9B
 Polaris <sup>®</sup>	56%	\$0.3B
 EndoPredict <sup>®</sup>	90%	<\$0.1B
 MYRIAD myPath <sup>®</sup> Melanoma	30%	\$0.3B

## Recent Payer Progress








- UnitedHealthcare and CareFirst cover GeneSight
- Kroger becomes first large employer to cover GeneSight – three large self-funded employers now cover the test
- Signed Master Service agreement for GeneSight with large PBM
- Prenatal average risk receives positive tech assessment from BCBS
- NCCN guidelines for Polaris increase Medicare and commercial coverage to 56%
- myPath Melanoma Medicare coverage



# Catalysts for Increased Reimbursement Coverage

*Significant Opportunity for Near-Term RAM Expansion*







PRODUCT	REIMBURSEMENT CATALYSTS
	<ul style="list-style-type: none"> <li>• Medicare final LCD</li> <li>• Publication of precision medicine analysis of the GUIDED study</li> <li>• Commercial reimbursement decisions</li> <li>• PBM agreements</li> <li>• Self-funded employer agreements</li> </ul>
	<ul style="list-style-type: none"> <li>• Expanded carrier screening (ECS) in ACOG and ACMG guidelines</li> <li>• Positive payer medical policy for ECS</li> </ul>
	<ul style="list-style-type: none"> <li>• Average risk NIPS in ACOG and ACMG guidelines</li> <li>• Microdeletions in ACOG and ACMG guidelines; new Prequel microdeletion panel in 2H FY20</li> </ul>
	<ul style="list-style-type: none"> <li>• Payer pilot studies</li> <li>• PBM agreements</li> <li>• ACR guidelines</li> </ul>
	<ul style="list-style-type: none"> <li>• Medicare dossier for non-favorable intermediate and high-risk patients</li> <li>• New utility data showing durability of active surveillance decisions</li> </ul>
	<ul style="list-style-type: none"> <li>• Recent favorable Medicare LCD</li> </ul>
	<ul style="list-style-type: none"> <li>• ADLT status established at \$4,040</li> <li>• Potential first-line ovarian and metastatic breast cancer indications in CY20</li> </ul>



# Uses of Cash

*Continued Opportunity to Deploy Capital to Maximize Shareholder Returns*

USES OF CASH	CURRENT FOCUS	GOAL
 <b>R&amp;D</b>	10% of revenue	Invest in new product reimbursement and differentiation
 <b>M&amp;A</b>	Integration of Counsyl	Assess opportunities that fit <b>4<sup>in</sup>6</b> strategy with potential for near-term accretion
 <b>Debt Repayment</b>	\$225M at end of 1Q20	Reduce with excess free cash flow
 <b>Share Repurchase</b>	\$124M authorized	\$50M ASR completed in 2Q19; continue opportunistic purchases

# 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

Multiple catalysts can transform earnings



Compelling investment opportunity