

# EXACT SCIENCES

**We aim to eradicate cancer with tests that help prevent it, detect it earlier, and guide treatment.**

**Second-quarter 2023 earnings call**

August 1, 2023

EXACT SCIENCES

# Safe harbor and non-GAAP disclosures

This presentation contains forward-looking statements concerning our expectations, anticipations, intentions, beliefs or strategies regarding the future. These forward-looking statements are based on assumptions that we have made as of the date hereof and are subject to known and unknown risks and uncertainties that could cause actual results, conditions and events to differ materially from those anticipated. Therefore, you should not place undue reliance on forward-looking statements. Examples of forward-looking statements include, among others, statements we make regarding expected future operating results; expectations for development of new or improved products and services and their impact on patients; our strategies, positioning, resources, capabilities and expectations for future events or performance; and the anticipated benefits of our acquisitions, including estimated synergies and other financial impacts.

In addition to the company's financial results determined in accordance with U.S. GAAP, the company provides non-GAAP measures that it determines to be useful in evaluating its operating performance and liquidity. Management believes that presentation of operating results using non-GAAP financial measures 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 uses non-GAAP financial measures to establish budgets, manage the Company's business, and set incentive and compensation arrangements. The company presents EBITDA, adjusted EBITDA, non-GAAP gross margin, non-GAAP gross profit, core revenue, and free cash flow. This presentation includes certain of these measures. Please refer to our second-quarter 2023 earnings release for discussion of non-GAAP financial measures and reconciliations to GAAP financial measures. Information reconciling forward-looking non-GAAP measures to U.S. GAAP measures is not available without unreasonable effort due to the inherent uncertainty of the financial impact of items such as stock-based compensation, and acquisition and integration costs including gains and losses on contingent consideration liabilities that are difficult to predict for future periods because the nature of the adjustments pertain to events that have not yet occurred. Additionally, management does not forecast many of the excluded items for internal use.

# Delivering innovative tests that help prevent cancer, detect it earlier, and guide treatment to patients globally

## OUR TEAM

**500**

R&D team members

**1,200**

person commercial team

**120**

country presence

## OUR FLAGSHIP TESTS

**1M+**

people tested in 2Q23

cologuard<sup>®</sup>

oncotype dx<sup>®</sup>

oncoEXtra<sup>™</sup>

## Q2 RESULTS

**Record total revenue** of \$622M,  
24% core revenue growth

**Adjusted EBITDA** of \$67M and  
**free cash flow** of \$66M

**Raising revenue guidance** by \$54M and  
**adjusted EBITDA guidance** by \$63M

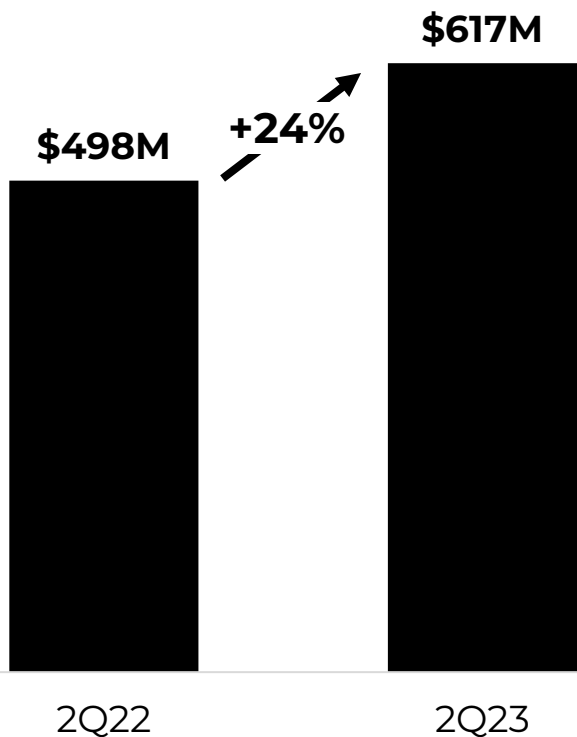
Core revenue excludes COVID testing revenue, the divested Oncotype DX prostate test, and the impact of foreign exchange

Guidance increase refers to midpoint of updated 2023 guidance range

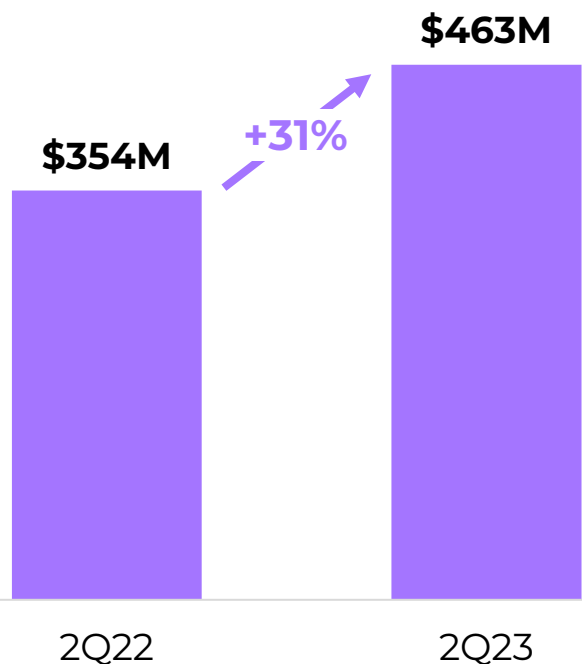
Please refer to our second-quarter 2023 earnings release at [exactsciences.com](https://www.exactsciences.com) for discussion of non-GAAP financial measures and reconciliations to GAAP financial measures

# Core revenue grew 24% in 2Q23

## Core revenue

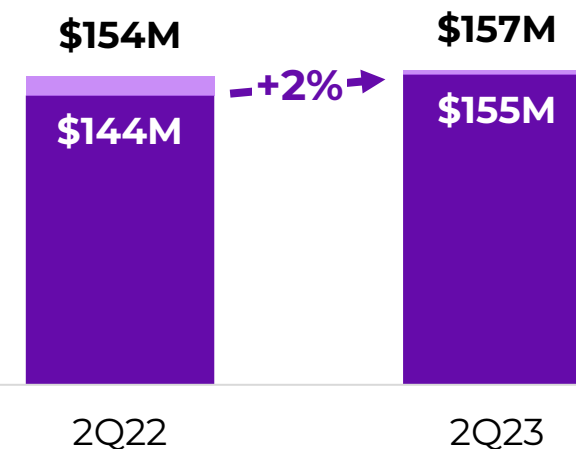


## Screening revenue



## Precision Oncology revenue

- Precision Oncology
- Oncotype DX prostate test



Core revenue excludes COVID testing revenue, the divested Oncotype DX prostate test, and the impact of foreign exchange

Precision Oncology revenue grew 7% excluding the divested Oncotype DX prostate test and a \$0.2M FX benefit

Please refer to our second-quarter 2023 earnings release at [exactsciences.com](https://www.exactsciences.com) for discussion of non-GAAP financial measures and reconciliations to GAAP financial measures

# Updated 2023 guidance

	<u>Prior guidance</u>	<u>August 1 update</u>	<u>Δ at midpoint</u>
<b>Total revenue</b>	<b>\$2.380 - 2.420B</b>	<b>\$2.441 - 2.466B</b>	<b>+\$54M</b>
Screening	\$1.770 - 1.795B	\$1.820 - 1.835B	+\$45M
Precision Oncology	\$605 - 620M	\$615 - 625M	+\$8M
COVID testing	~\$5M	\$6M	+\$1M
<b>Adj. EBITDA</b>	<b>\$100 - 125M</b>	<b>\$170 - 180M</b>	<b>+\$63M</b>
<b>CapEx</b>	<b>~\$120M</b>	<b>~\$120M</b>	<b>-</b>

Exact Sciences guidance provided August 1, 2023

Please refer to our second-quarter 2023 earnings release at [exactsciences.com](https://www.exactsciences.com) for discussion of non-GAAP financial measures and reconciliations to GAAP financial measures

# Raising the bar in non-invasive screening



**87%**  
specificity including non-advanced findings

**90%**  
specificity including no findings

**92%**  
cancer sensitivity

**69%**  
high-grade dysplasia sensitivity

**42%**  
advanced precancer sensitivity

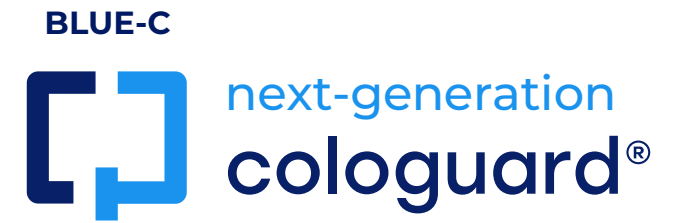
**91%**  
specificity including non-advanced findings

**93%**  
specificity including no findings

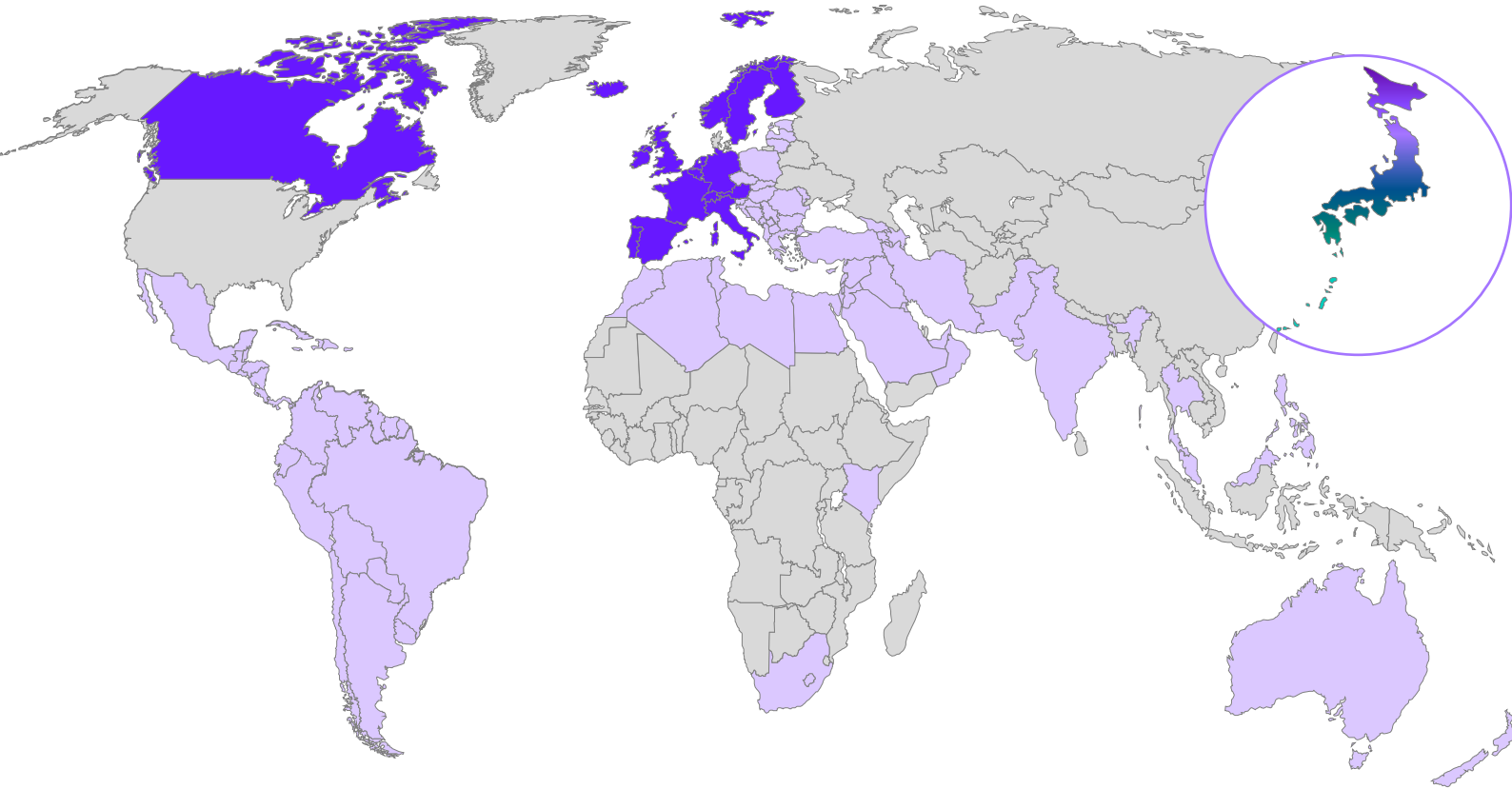
**94%**  
cancer sensitivity

**75%**  
high-grade dysplasia sensitivity

**43%**  
advanced precancer sensitivity



# Expanding Oncotype DX impact with coverage in Japan



90K

women diagnosed with breast cancer every year

- ✓ Regulatory approval
- ✓ Reimbursement decision

**Sep. 2023** Full launch

Source: World Health Organization, Exact Sciences estimates

# Progress in our molecular residual disease and multi-cancer early-detection programs

**BROAD**  
INSTITUTE

**EXACT**  
SCIENCES

**ASCEND 2**  
STUDY

**oncodetect™**

Whole genome technology

Expanded breadth of mutations

Attractive cost profile

**cancerguard™**

Validate multi-marker class approach

Partial readout fall 2023

Full readout early 2024





**We aim to eradicate cancer with tests that help prevent it, detect it earlier, and guide treatment.**

# EXACT SCIENCES

**EXACT SCIENCES CORPORATION**  
**Selected Unaudited Financial Information**  
**Condensed Consolidated Statements of Operations**  
(Amounts in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue	\$ 622,093	\$ 521,640	\$ 1,224,543	\$ 1,008,211
<b>Operating expenses</b>				
Cost of sales (exclusive of amortization of acquired intangible assets)	156,991	144,600	313,857	279,305
Research and development	104,095	106,083	199,514	208,331
Sales and marketing	176,490	215,922	363,454	448,103
General and administrative	237,965	181,672	455,260	351,442
Amortization of acquired intangible assets	22,929	26,356	45,857	51,010
Impairment of long-lived assets	552	6,591	621	6,591
Total operating expenses	699,022	681,224	1,378,563	1,344,782
Loss from operations	(76,929)	(159,584)	(154,020)	(336,571)
<b>Other income (expense)</b>				
Investment income (loss), net	4,828	(3,719)	5,318	(5,206)
Interest expense	(7,818)	(4,511)	(3,711)	(8,989)
Total other income (expense)	(2,990)	(8,230)	1,607	(14,195)
Net loss before tax	(79,919)	(167,814)	(152,413)	(350,766)
Income tax benefit (expense)	(1,107)	1,751	(2,764)	3,766
Net loss	<u>\$ (81,026)</u>	<u>\$ (166,063)</u>	<u>\$ (155,177)</u>	<u>\$ (347,000)</u>
Net loss per share—basic and diluted	<u>\$ (0.45)</u>	<u>\$ (0.94)</u>	<u>\$ (0.87)</u>	<u>\$ (1.98)</u>
Weighted average common shares outstanding—basic and diluted	<u>180,204</u>	<u>176,364</u>	<u>179,393</u>	<u>175,396</u>

**EXACT SCIENCES CORPORATION**  
**Selected Unaudited Financial Information**  
**Condensed Consolidated Balance Sheets**  
**(Amounts in thousands)**

	June 30, 2023	December 31, 2022
<b>Assets</b>		
Cash and cash equivalents	\$ 604,363	\$ 242,493
Marketable securities	171,349	389,564
Accounts receivable, net	178,317	158,043
Inventory	130,770	118,259
Prepaid expenses and other current assets	89,129	73,898
Property, plant and equipment, net	686,602	684,756
Operating lease right-of-use assets	148,690	167,003
Goodwill	2,346,248	2,346,040
Intangible assets, net	1,910,559	1,956,240
Other long-term assets, net	89,536	90,577
Total assets	<u>\$ 6,355,563</u>	<u>\$ 6,226,873</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities	\$ 488,057	\$ 412,747
Convertible notes, net	2,311,567	2,186,106
Long-term debt, less current portion	—	50,000
Other long-term liabilities	330,816	352,459
Operating lease liabilities, less current portion	168,501	182,399
Total stockholders' equity	3,056,622	3,043,162
Total liabilities and stockholders' equity	<u>\$ 6,355,563</u>	<u>\$ 6,226,873</u>

**EXACT SCIENCES CORPORATION**  
**Selected Unaudited Financial Information**  
**Reconciliation of Core Revenue**  
**(Amounts in thousands)**

<b>GAAP</b>			
<b>Three Months Ended June 30,</b>			
	<b>2023</b>	<b>2022</b>	<b>% Change</b>
Screening	\$ 462,787	\$ 353,894	31 %
Precision Oncology	157,174	153,995	2 %
COVID-19 Testing	2,132	13,751	(84)%
Total	\$ 622,093	\$ 521,640	19 %

<b>Non-GAAP</b>						
<b>Three Months Ended June 30,</b>						
	<b>2023 <sup>(1)</sup></b>	<b>2022 <sup>(1)</sup></b>	<b>% Change</b>	<b>Foreign Currency Impact <sup>(2)</sup></b>	<b>Core Revenue <sup>(3)</sup></b>	<b>% Change <sup>(3)</sup></b>
Screening	\$ 462,787	\$ 353,894	31 %	\$ —	\$ 462,787	31 %
Precision Oncology	154,884	144,450	7 %	(198)	154,686	7 %
Total	\$ 617,671	\$ 498,344	24 %	\$ (198)	\$ 617,473	24 %

<b>GAAP</b>			
<b>Six Months Ended June 30,</b>			
	<b>2023</b>	<b>2022</b>	<b>% Change</b>
Screening	\$ 905,982	\$ 660,416	37 %
Precision Oncology	312,606	306,615	2 %
COVID-19 Testing	5,955	41,180	(86)%
Total	\$ 1,224,543	\$ 1,008,211	21 %

<b>Non-GAAP</b>						
<b>Six Months Ended June 30,</b>						
	<b>2023 <sup>(1)</sup></b>	<b>2022 <sup>(1)</sup></b>	<b>% Change</b>	<b>Foreign Currency Impact <sup>(2)</sup></b>	<b>Core Revenue <sup>(3)</sup></b>	<b>% Change <sup>(3)</sup></b>
Screening	\$ 905,982	\$ 660,416	37 %	\$ —	\$ 905,982	37 %
Precision Oncology	308,275	288,102	7 %	1,094	309,369	7 %
Total	\$ 1,214,257	\$ 948,518	28 %	\$ 1,094	\$ 1,215,351	28 %

**EXACT SCIENCES CORPORATION**  
**Selected Unaudited Financial Information**  
**Non-GAAP Gross Profit and Non-GAAP Gross Margin Reconciliations**  
(Amounts in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue	\$ 622,093	\$ 521,640	\$ 1,224,543	\$ 1,008,211
Cost of sales (exclusive of amortization of acquired intangible assets)	156,991	144,600	313,857	279,305
Amortization of acquired intangible assets <sup>(1)</sup>	20,718	22,477	41,435	44,954
Gross profit	\$ 444,384	\$ 354,563	\$ 869,251	\$ 683,952
Gross margin	71 %	68 %	71 %	68 %
Amortization of acquired intangible assets <sup>(1)</sup>	20,718	22,477	41,435	44,954
Non-GAAP gross profit	\$ 465,102	\$ 377,040	\$ 910,686	\$ 728,906
Non-GAAP gross margin	75 %	72 %	74 %	72 %

For associated footnote, please refer to the table in the second-quarter 2023 results press release labeled Non-GAAP Gross Profit and Non-GAAP Gross Margin Reconciliations

**EXACT SCIENCES CORPORATION**  
**Selected Unaudited Financial Information**  
**EBITDA and Adjusted EBITDA Reconciliations**  
**(Amounts in thousands)**

(In thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net loss	\$ (81,026)	\$ (166,063)	\$ (155,177)	\$ (347,000)
Interest expense <sup>(1)</sup>	7,818	4,511	3,711	8,989
Depreciation and amortization	50,439	51,861	100,182	99,508
Income tax (benefit) expense	1,107	(1,751)	2,764	(3,766)
EBITDA	\$ (21,662)	\$ (111,442)	\$ (48,520)	\$ (242,269)
Stock-based compensation <sup>(2)</sup>	70,766	64,494	132,663	129,975
Investment loss (income)	(4,828)	3,719	(5,318)	5,206
Acquisition and integration costs <sup>(3)</sup>	4,773	(23,742)	(3,751)	(49,703)
Reduction-in-force severance <sup>(4)</sup>	—	14,613	907	14,613
Impairment of long-lived assets <sup>(5)</sup>	552	6,591	621	6,591
Legal settlement <sup>(6)</sup>	17,250	—	36,186	—
Adjusted EBITDA	\$ 66,851	\$ (45,767)	\$ 112,788	\$ (135,587)

For associated footnotes, please refer to the table in the second-quarter 2023 results press release labeled EBITDA and Adjusted EBITDA Reconciliations



**EXACT SCIENCES CORPORATION**  
**Selected Unaudited Financial Information**  
**Condensed Consolidated Statements of Cash Flows and Reconciliation of Free Cash Flow**  
**(Amounts in thousands)**

<b>(In thousands)</b>	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net cash used in operating activities	100,424	(60,916)	62,209	(234,670)
Net cash provided by investing activities	66,474	21,659	149,415	67,220
Net cash provided by financing activities	16,041	63,412	149,637	66,147
Effects of exchange rate changes on cash and cash equivalents	59	(510)	609	(747)
Net increase (decrease) in cash, cash equivalents and restricted cash	182,998	23,645	361,870	(102,050)
Cash, cash equivalents and restricted cash, beginning of period	421,662	190,073	242,790	315,768
Cash, cash equivalents and restricted cash, end of period	604,660	213,718	604,660	213,718
<b>Reconciliation of free cash flow:</b>				
Cash used by operating activities	100,424	(60,916)	62,209	(234,670)
Capital expenditures	(34,721)	(63,326)	(64,081)	(96,949)
Free cash flow	65,703	(124,242)	(1,872)	(331,619)