



# Q4 2015 and Full Year Earnings Call

February 24, 2016



# Safe Harbor statement

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# Overview of today's discussion

- 2015: A year of strong accomplishment
- Key factors shaping 2016
- Comprehensive case for Cologuard
- Focused product pipeline
- Long-term growth opportunity with Cologuard

## Fourth quarter and 2015 financial results

	Fourth Quarter 2015	Full Year 2015
<b>Revenue</b>	\$14.4 million	\$39.4 million
<b>Operating expenses</b>	\$47.2 million	\$174.0 million
<b>Cash utilization</b>	\$36.6 million	\$150.0 million*
<b>Year-end cash balance</b>	\$306.9 million	

# 2015: A year of strong accomplishment

**New ordering physicians**

27,000 total since launch

**High re-order rate**

Majority of physicians re-ordering

**Strong ordering trend**

Sales & marketing driving 12% average growth

**Steady compliance rate**

Remains >70% after 15 months

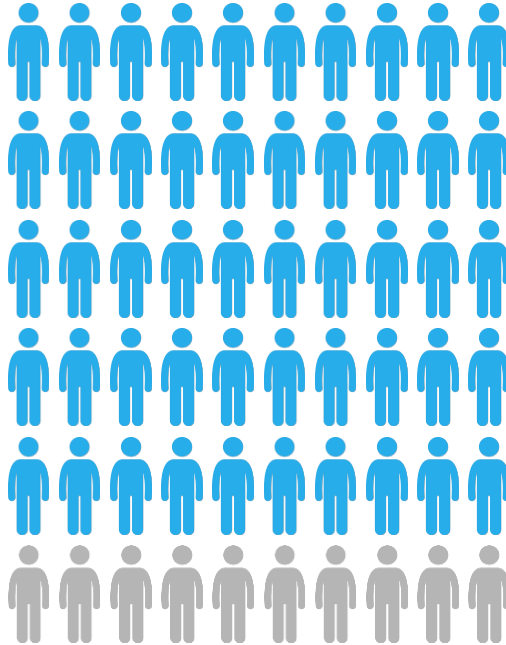
**Customer satisfaction**

98% of physicians, 88% of patients satisfied

# 2015 results demonstrate Cologuard's impact

Cancers potentially detected

**104,000**  
completed  
Cologuard tests



**500**  
early-stage  
cancers

**600**  
cancers

# Opportunities to continue driving growth in 2016

## Reimbursement

Anthem rollout and pull-through strategy in key states; CA, VA & GA contracts final

## Marketing

Targeted digital and print campaigns; TV test in key markets

## Total office call

Sales team leveraging Cologuard ordering champions within offices

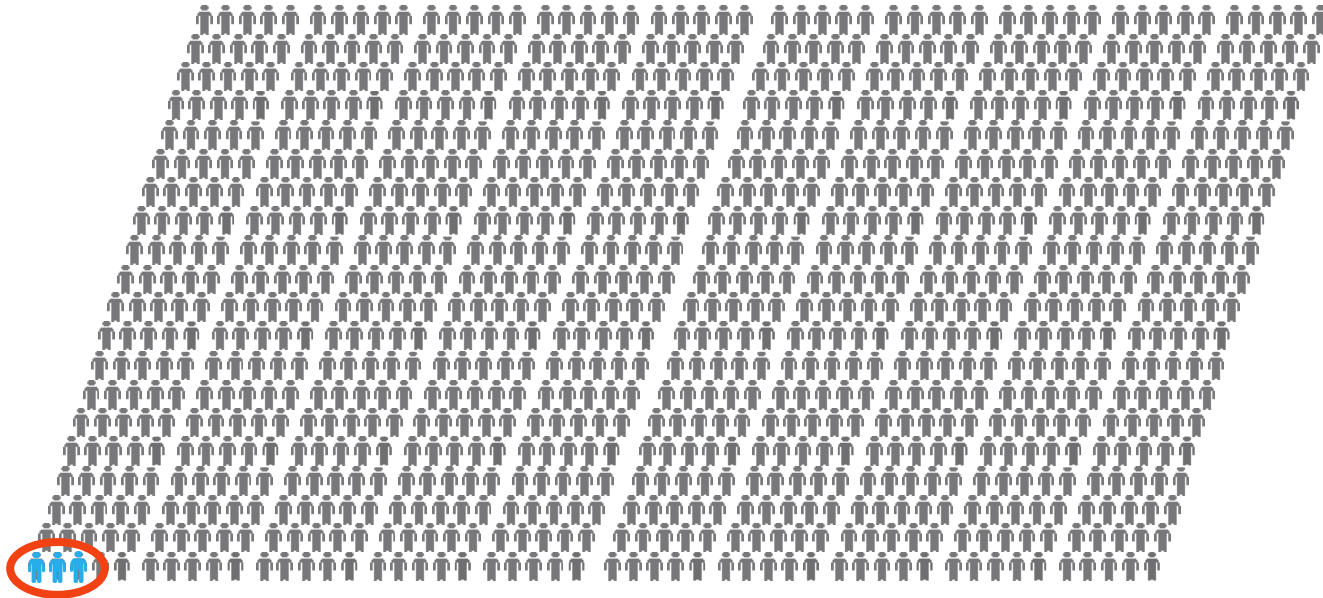
# Comprehensive case for Cologuard

- Superior performance (2 studies): cancer detection >90%
- Cost-effective compared with other methods
- 3-year testing interval confirmed
- Compliance with Cologuard kits shipped >70%
- Patient preference 75%; 84% would take Cologuard again

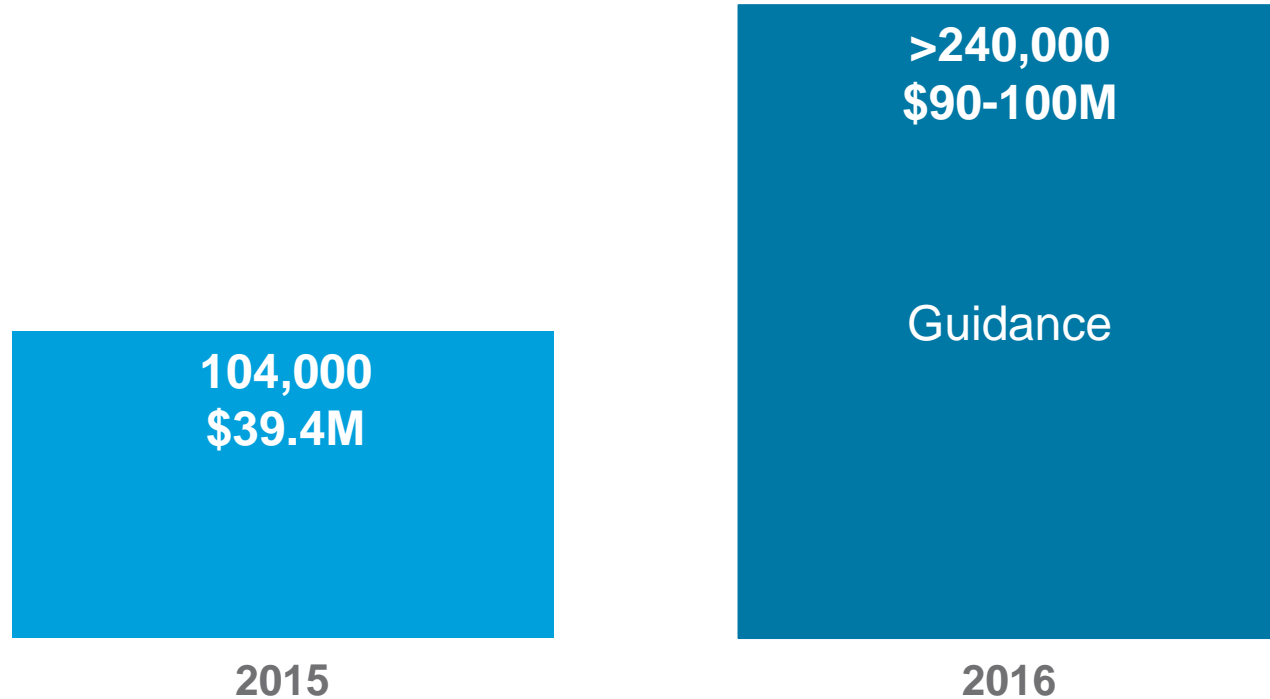


# Virtually no adherence to colon cancer screening from annual FIT / FOBT

Only 3 of 1,000 compliant people adhere to FIT / FOBT recommendations

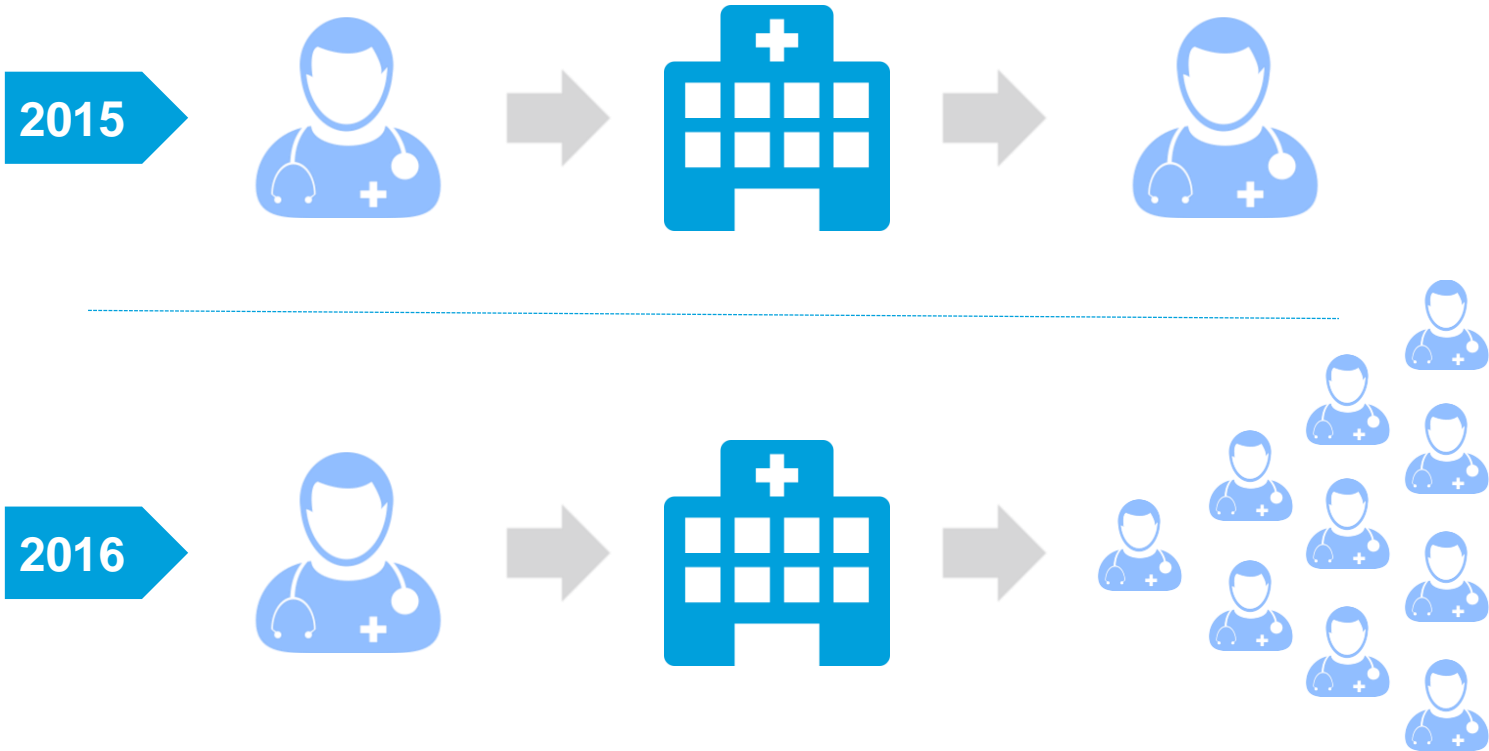


## Projecting \$90-100M revenue in 2016





# Driving efficiency & impact through a total office call

Ensuring multiple physicians in practice order Cologuard



# Focusing product pipeline on targeted opportunities

	Goal	Market opportunity	Initial data readout
Lung nodules	 blood test	\$1.0B	2H 2016
Pancreatic cancer	 pancreatic juice	\$0.5B+	2H 2016
Cologuard improvements	 optimize margins	\$4.0B	2H 2016

**Large market opportunity**

**High barrier to entry**

**Only national network for CRC screening**

**Value to payers**

**High product satisfaction**

**80M-person addressable market**

Low satisfaction, compliance with current options

**Strong intellectual property protection**

Costly 5-10 year product development, FDA and CMS pathway to approval

**Compliance engine**

3-year adherence drives recurring revenue

**Cost and satisfaction**

Near-term savings; increasing screening rates

**Patients and physicians want Cologuard**

Met or exceeded expectations of 98% of physicians; 88% of patients rated experience very positive



## Call summary

- 2015 a strong foundation: new physicians ordering, high reorder rates
- 2016 growth drivers
  - Broadening reimbursement
  - Effective, targeted marketing to physicians and patients
  - New total office call sales strategy
- Attractive, large market opportunity

**Making a difference in the early detection of colon cancer**

