

# EXACT SCIENCES

**We aim to help eradicate cancer by preventing it, detecting it earlier, and guiding its treatment.**

**Third-quarter 2023 earnings call**

November 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 third-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 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 eradicate cancer by preventing it, detecting it earlier, and guiding its treatment

## OUR TEAM

**500**

R&D team members

**1,200**

person commercial team

**120**

country presence

## OUR FLAGSHIP TESTS

**1M+**

people tested in 3Q23

**cologuard<sup>®</sup>**

**oncotype DX<sup>®</sup>**

**oncoExTra<sup>™</sup>**

## Q3 RESULTS

**Record total revenue** of \$628M,  
23% core revenue growth

Expands **Oncotype DX** impact with  
**commercial launch in Japan**

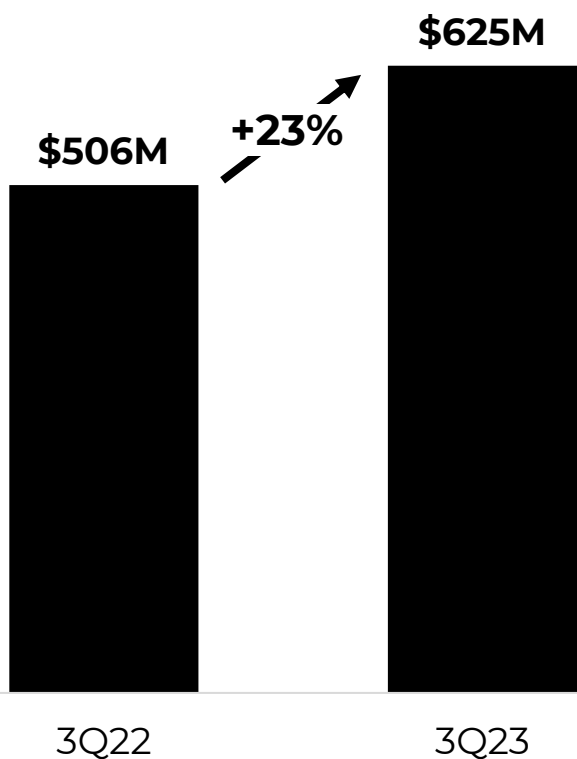
**Raising 2023 guidance** for revenue  
by \$28M and adj. EBITDA by \$25M

Guidance increase refers to midpoint of updated 2023 guidance range

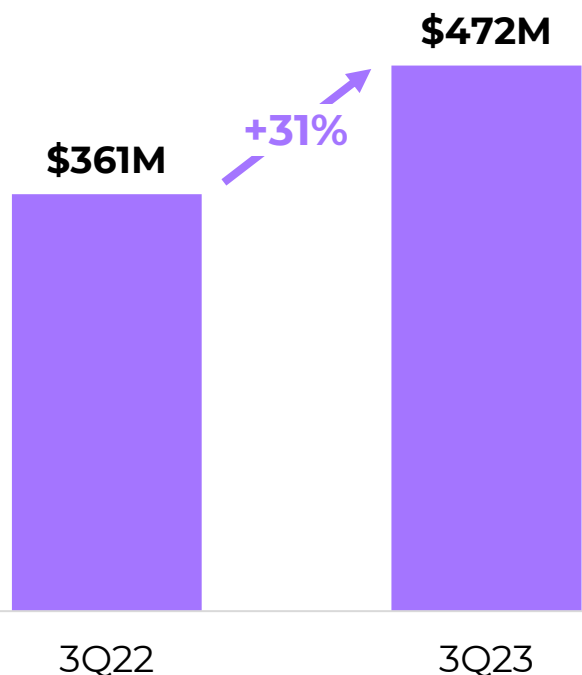
Please refer to our third-quarter 2023 earnings release at [exactsciences.com](https://www.exactsciences.com) for discussion of non-GAAP financial measures and reconciliations to GAAP financial measures

# Core revenue grew 23% in 3Q23

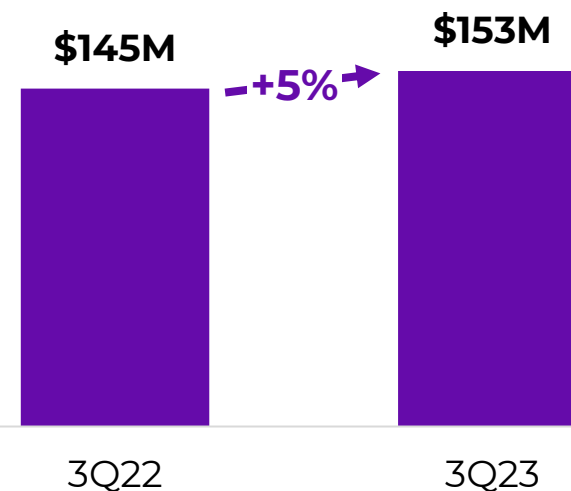
Core revenue



Screening revenue



Precision Oncology core revenue



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

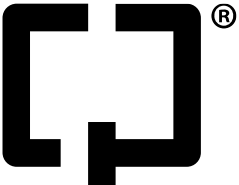
# Updated 2023 guidance

	<u>Prior guidance</u>	<u>November 1 update</u>	<u>Δ at midpoint</u>
<b>Total revenue</b>	<b>\$2.441 - 2.466B</b>	<b>\$2.476 - 2.486B</b>	<b>+\$28M</b>
Screening	\$1.820 - 1.835B	\$1.848 - 1.853B	+\$23M
Precision Oncology	\$615 - 625M	\$622 - 627M	+\$5M
COVID testing	\$6M	\$6M	-
<b>Adj. EBITDA</b>	<b>\$170 - 180M</b>	<b>\$195 - 205M</b>	<b>+\$25M</b>
<b>CapEx</b>	<b>~\$120M</b>	<b>~\$120M</b>	<b>-</b>

Exact Sciences guidance provided November 1, 2023

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

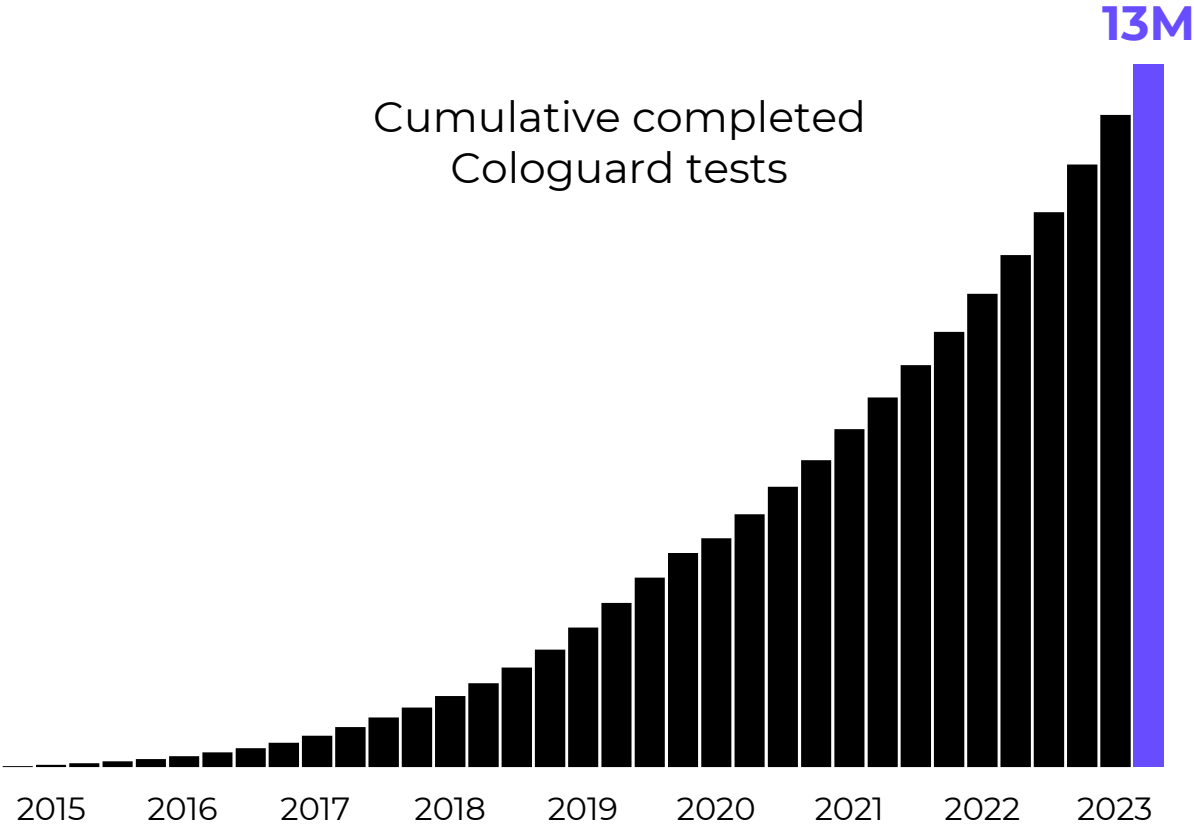
# Cologuard® is having a meaningful impact and becoming more deeply ingrained in clinical practice



**13 million**

completed tests

Cumulative completed Cologuard tests



# Expanding Oncotype DX<sup>®</sup> impact globally and introducing new genomic tools

HEREDITARY  
TESTING

riskguard™

EARLY-STAGE  
THERAPY

oncotype dx<sup>®</sup>

RECURRENCE  
TESTING

oncodetect™

LATE-STAGE  
THERAPY

oncoExTra™ (tissue)

Resolution Bioscience (liquid)

# A new standard in non-invasive screening



	<b>BLUE-C (n=20,176)</b>	<b>DeeP-C (n=9,989)</b>
Specificity including no findings	<b>93%</b>	90%
Specificity including non-advanced findings	<b>91%</b>	87%
Cancer sensitivity	<b>94%</b>	92%
Curable-stage cancer sensitivity	<b>93%</b>	93%
High-grade dysplasia sensitivity	<b>75%</b>	69%
Advanced precancer sensitivity	<b>43%</b>	42%

Source: Imperiale TF et al., ACG conference abstract (2023); Imperiale TF et al., N Engl J Med (2014); curable-stage cancer includes stages I to III; for specificity definitions, please refer to next-generation Cologuard top-line results press release issued June 20, 2023





**We aim to help eradicate cancer by preventing it, detecting it earlier, and guiding its 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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue	\$ 628,338	\$ 523,073	\$ 1,852,881	\$ 1,531,284
Operating expenses				
Cost of sales (exclusive of amortization of acquired intangible assets)	168,526	147,937	482,383	427,242
Research and development	111,446	90,813	310,960	299,144
Sales and marketing	173,159	187,697	536,613	635,800
General and administrative	217,393	191,968	672,653	543,410
Amortization of acquired intangible assets	22,992	23,526	68,849	74,536
Impairment of long-lived assets	—	5,946	621	12,537
Total operating expenses	<u>693,516</u>	<u>647,887</u>	<u>2,072,079</u>	<u>1,992,669</u>
Other operating income (loss)	72,027	(13,244)	72,027	(13,244)
Income (loss) from operations	<u>6,849</u>	<u>(138,058)</u>	<u>(147,171)</u>	<u>(474,629)</u>
Other income (expense)				
Investment income (loss), net	2,065	(8,584)	7,383	(13,790)
Interest expense	(7,871)	(5,235)	(11,582)	(14,224)
Total other income (expense)	<u>(5,806)</u>	<u>(13,819)</u>	<u>(4,199)</u>	<u>(28,014)</u>
Net income (loss) before tax	<u>1,043</u>	<u>(151,877)</u>	<u>(151,370)</u>	<u>(502,643)</u>
Income tax benefit (expense)	(249)	3,116	(3,013)	6,882
Net income (loss)	<u>\$ 794</u>	<u>\$ (148,761)</u>	<u>\$ (154,383)</u>	<u>\$ (495,761)</u>
Net income (loss) per share—basic	<u>\$ 0.00</u>	<u>\$ (0.84)</u>	<u>\$ (0.86)</u>	<u>\$ (2.82)</u>
Net income (loss) per share—diluted	<u>\$ 0.00</u>	<u>\$ (0.84)</u>	<u>\$ (0.86)</u>	<u>\$ (2.82)</u>
Weighted average common shares outstanding—basic	<u>180,649</u>	<u>176,997</u>	<u>179,817</u>	<u>175,935</u>
Weighted average common shares outstanding—diluted	<u>184,075</u>	<u>176,997</u>	<u>179,817</u>	<u>175,935</u>

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

	September 30, 2023	December 31, 2022
<b>Assets</b>		
Cash and cash equivalents	\$ 594,612	\$ 242,493
Marketable securities	139,794	389,564
Accounts receivable, net	199,403	158,043
Inventory	132,841	118,259
Prepaid expenses and other current assets	81,536	73,898
Property, plant and equipment, net	692,404	684,756
Operating lease right-of-use assets	149,671	167,003
Goodwill	2,366,514	2,346,040
Intangible assets, net	1,913,307	1,956,240
Other long-term assets, net	150,748	90,577
Total assets	<u>\$ 6,420,830</u>	<u>\$ 6,226,873</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities	\$ 476,513	\$ 412,747
Convertible notes, net	2,312,921	2,186,106
Long-term debt, less current portion	—	50,000
Other long-term liabilities	341,771	352,459
Operating lease liabilities, less current portion	168,398	182,399
Total stockholders' equity	3,121,227	3,043,162
Total liabilities and stockholders' equity	<u>\$ 6,420,830</u>	<u>\$ 6,226,873</u>

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

GAAP			
Three Months Ended September 30,			
	2023	2022	% Change
Screening	\$ 472,013	\$ 360,759	31 %
Precision Oncology	156,325	151,443	3 %
COVID-19 Testing	—	10,871	(100) %
Total	\$ 628,338	\$ 523,073	20 %

Non-GAAP						
Three Months Ended September 30,						
	2023 (1)	2022 (1)	% Change	Foreign Currency Impact (2)	Core Revenue (3)	% Change (3)
Screening	\$ 472,013	\$ 360,759	31 %	\$ —	\$ 472,013	31 %
Precision Oncology	154,451	145,196	6 %	(1,701)	152,750	5 %
Total	\$ 626,464	\$ 505,955	24 %	\$ (1,701)	\$ 624,763	23 %

GAAP			
Nine Months Ended September 30,			
	2023	2022	% Change
Screening	\$ 1,377,995	\$ 1,021,175	35 %
Precision Oncology	468,931	458,058	2 %
COVID-19 Testing	5,955	52,051	(89) %
Total	\$ 1,852,881	\$ 1,531,284	21 %

Non-GAAP						
Nine Months Ended September 30,						
	2023 (1)	2022 (1)	% Change	Foreign Currency Impact (2)	Core Revenue (3)	% Change (3)
Screening	\$ 1,377,995	\$ 1,021,175	35 %	\$ —	\$ 1,377,995	35 %
Precision Oncology	462,725	433,298	7 %	(608)	462,117	7 %
Total	\$ 1,840,720	\$ 1,454,473	27 %	\$ (608)	\$ 1,840,112	27 %

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue	\$ 628,338	\$ 523,073	\$ 1,852,881	\$ 1,531,284
Cost of sales (exclusive of amortization of acquired intangible assets)	168,526	147,937	482,383	427,242
Amortization of acquired intangible assets <sup>(1)</sup>	20,781	21,296	62,216	66,250
Gross profit	\$ 439,031	\$ 353,840	\$ 1,308,282	\$ 1,037,792
Gross margin	70 %	68 %	71 %	68 %
Amortization of acquired intangible assets <sup>(1)</sup>	20,781	21,296	62,216	66,250
Non-GAAP gross profit	\$ 459,812	\$ 375,136	\$ 1,370,498	\$ 1,104,042
Non-GAAP gross margin	73 %	72 %	74 %	72 %

For associated footnote, please refer to the table in the third 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)**

<b>(In thousands)</b>	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net income (loss)	\$ 794	\$ (148,761)	\$ (154,383)	\$ (495,761)
Interest expense <sup>(1)</sup>	7,871	5,235	11,582	14,224
Depreciation and amortization	52,254	48,569	152,436	148,077
Income tax (benefit) expense	249	(3,116)	3,013	(6,882)
EBITDA	\$ 61,168	\$ (98,073)	\$ 12,648	\$ (340,342)
Stock-based compensation <sup>(2)</sup>	72,089	58,328	204,752	188,303
Investment loss (income)	(2,065)	8,584	(7,383)	13,790
Acquisition and integration costs <sup>(3)</sup>	(4,395)	(4,992)	(8,146)	(54,695)
Reduction-in-force severance <sup>(4)</sup>	—	—	907	14,613
Impairment of long-lived assets <sup>(5)</sup>	—	5,946	621	12,537
(Gain) loss on sale of asset and divestiture related costs <sup>(6)</sup>	(70,522)	17,165	(70,522)	17,256
Legal settlement <sup>(7)</sup>	—	—	36,186	—
Adjusted EBITDA	<u>\$ 56,275</u>	<u>\$ (13,042)</u>	<u>\$ 169,063</u>	<u>\$ (148,538)</u>

For associated footnotes, please refer to the table in the third 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)**

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net cash provided by (used in) operating activities	24,361	(40,926)	86,570	(275,596)
Net cash provided by (used in) investing activities	(32,969)	65,005	116,446	132,225
Net cash provided by financing activities	92	235	149,729	66,382
Effects of exchange rate changes on cash and cash equivalents	(1,235)	(2,429)	(626)	(3,176)
Net increase (decrease) in cash, cash equivalents and restricted cash	(9,751)	21,885	352,119	(80,165)
Cash, cash equivalents and restricted cash, beginning of period	604,660	213,718	242,790	315,768
Cash, cash equivalents and restricted cash, end of period	594,909	235,603	594,909	235,603
<b>Reconciliation of free cash flow:</b>				
Net cash provided by (used in) operating activities	24,361	(40,926)	86,570	(275,596)
Purchases of property, plant and equipment	(25,187)	(44,637)	(89,268)	(141,586)
Free cash flow	(826)	(85,563)	(2,698)	(417,182)