

# EXACT SCIENCES

**Our purpose is to help eradicate cancer by preventing it, detecting it earlier, and guiding personalized treatment.**

**Third-quarter 2024 earnings call**

November 5, 2024

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; 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 also uses non-GAAP financial measures to establish budgets, manage the Company's business, and set incentive and compensation arrangements. The Company presents core revenue, non-GAAP gross margin, non-GAAP gross profit, adjusted EBITDA, adjusted EBITDA margin, adjusted cost of sales (exclusive of amortization of acquired intangible assets), adjusted research and development expenses, adjusted sales and marketing expenses, adjusted general and administrative expenses, adjusted amortization of acquired intangible assets, adjusted impairment of long-lived assets, adjusted other operating income (loss), adjusted operating income (loss), and free cash flow. This presentation includes certain of these measures. Please refer to our third-quarter 2024 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, acquisition and integration costs including gains and losses on contingent consideration, and other significant charges or gains 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.

# Exact Sciences is a leader in advanced cancer diagnostics

## OUR TEAM

**500**

R&D team members

**1,400**

person commercial team

**120**

country presence

## OUR FLAGSHIP TESTS

**1.2M**

test results in 3Q24

cologuard<sup>®</sup>

oncoType DX<sup>®</sup>

oncoExTra<sup>®</sup>

## Q3 RESULTS

**Record total revenue** of \$709M,  
13% core revenue growth

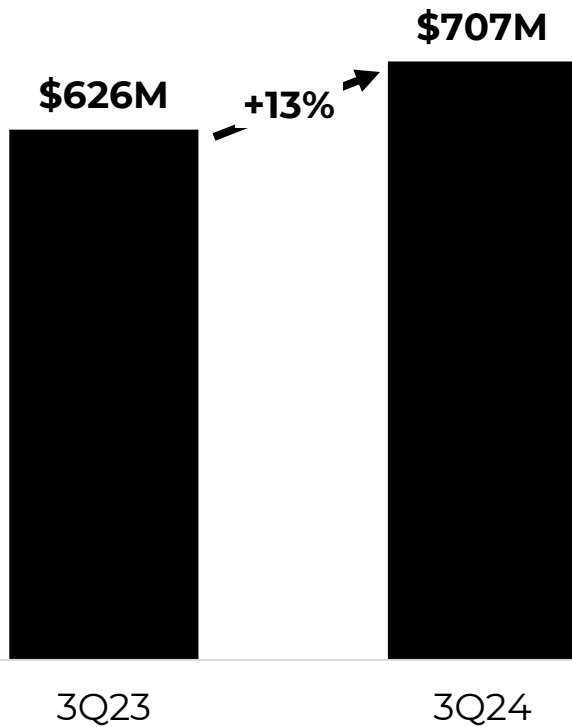
**Adj. EBITDA** of \$99M, or 14% margin rate,  
and **record free cash flow** of \$113M

**Received** FDA approval for **Cologuard Plus™**  
and **presented CRC blood test** data

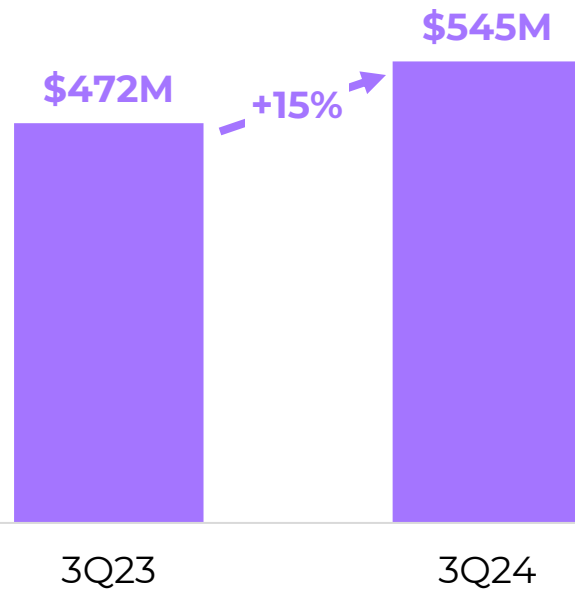
Please refer to our third-quarter 2024 earnings release at [exactsciences.com](https://www.exactsciences.com) for discussion of non-GAAP financial measures and reconciliations to GAAP financial measures

# Core revenue grew 13% in 3Q24

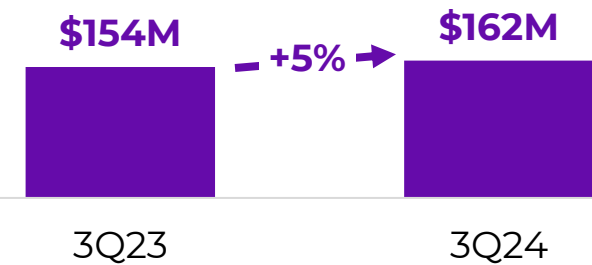
Core revenue



Screening revenue

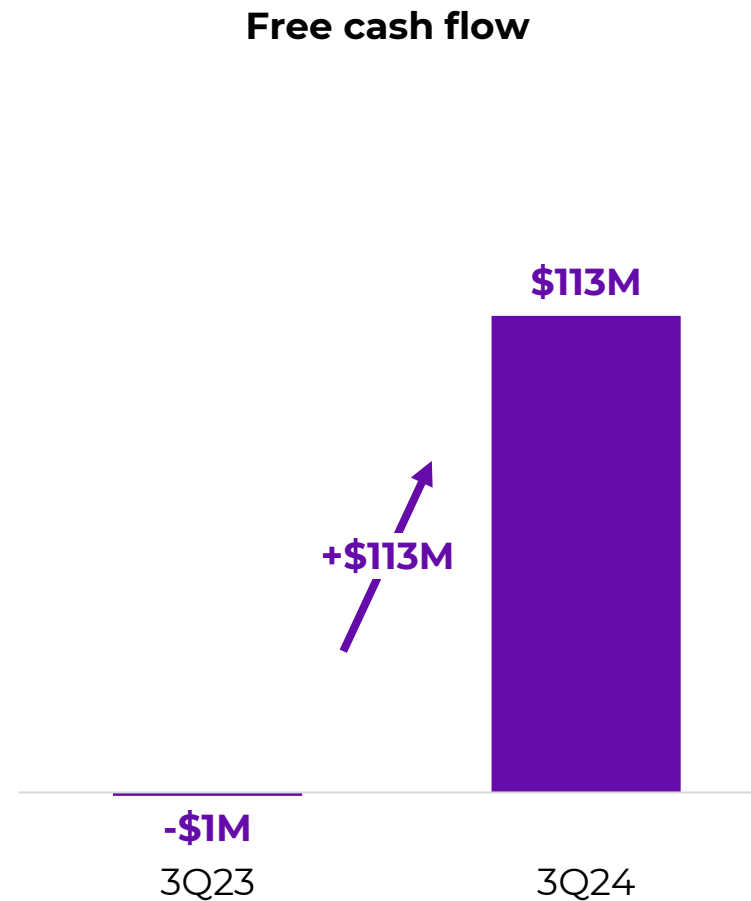
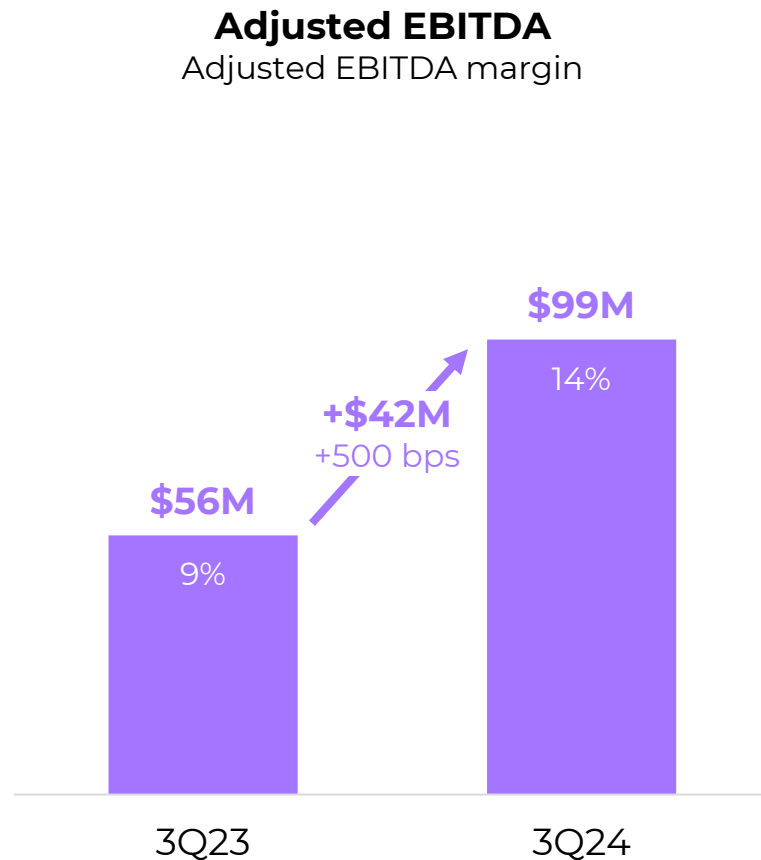


Precision Oncology core revenue



Please refer to our third-quarter 2024 earnings release at [exactsciences.com](https://www.exactsciences.com) for discussion of non-GAAP financial measures and reconciliations to GAAP financial measures

# Profitability continued to improve and free cash flow reached an all-time high



Please refer to our third-quarter 2024 earnings release at [exactsciences.com](https://www.exactsciences.com) for discussion of non-GAAP financial measures and reconciliations to GAAP financial measures

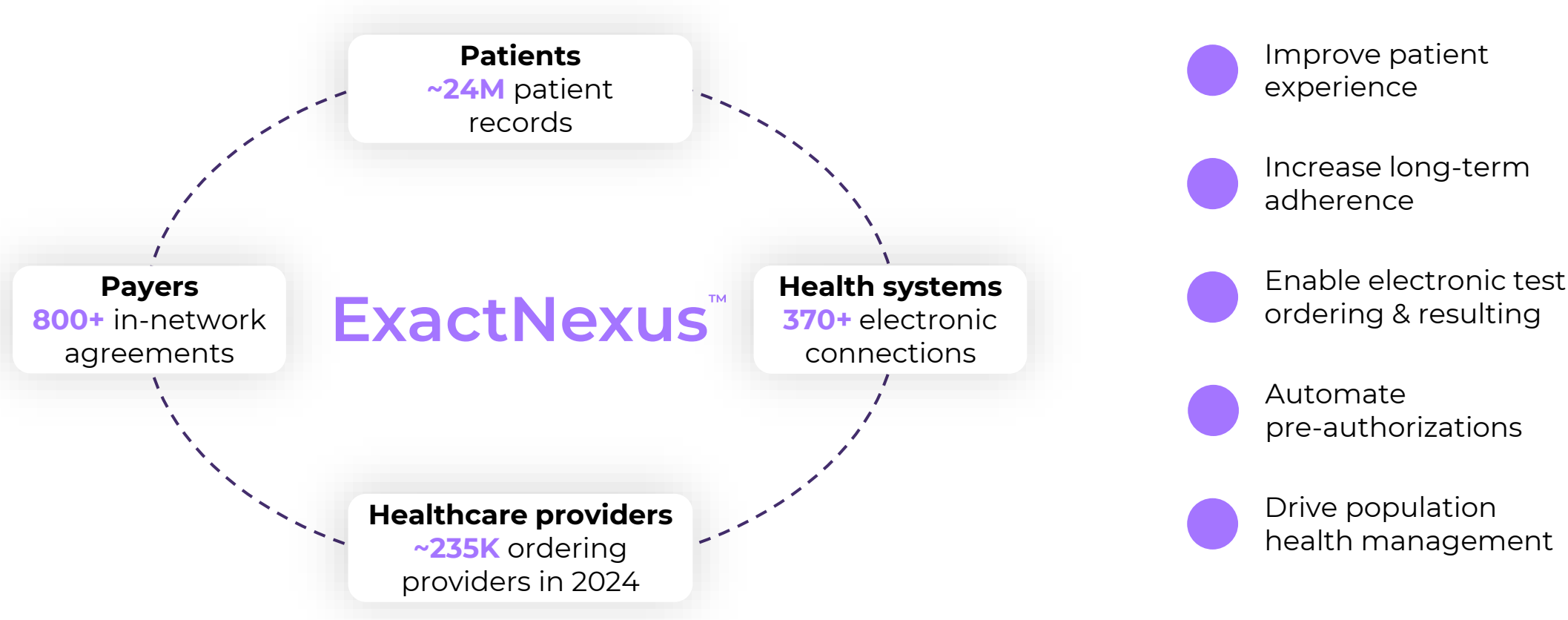
# Updated 2024 guidance

	<u>Prior guidance</u>	<u>Nov. 5 update</u>	<u>guidance Δ at midpoint</u>	<u>Y/Y Δ at midpoint</u>
<b>Total revenue</b>	<b>\$2.810 - 2.850B</b>	<b>\$2.730 - 2.750B</b>	<b>-\$90M</b>	<b>+10%</b>
Screening	\$2.155 - 2.175B	\$2.080 - 2.095B	-\$78M	+12%
Precision Oncology	\$655 - 675M	\$650 - 655M	-\$13M	+4%
<b>Adj. EBITDA</b>	<b>\$335 - 355M</b>	<b>\$310 - 320M</b>	<b>-\$30M</b>	<b>+44%</b>
<b>CapEx</b>	<b>~\$150M</b>	<b>~\$150M</b>	<b>-</b>	<b>+21%</b>

Exact Sciences guidance provided November 5, 2024

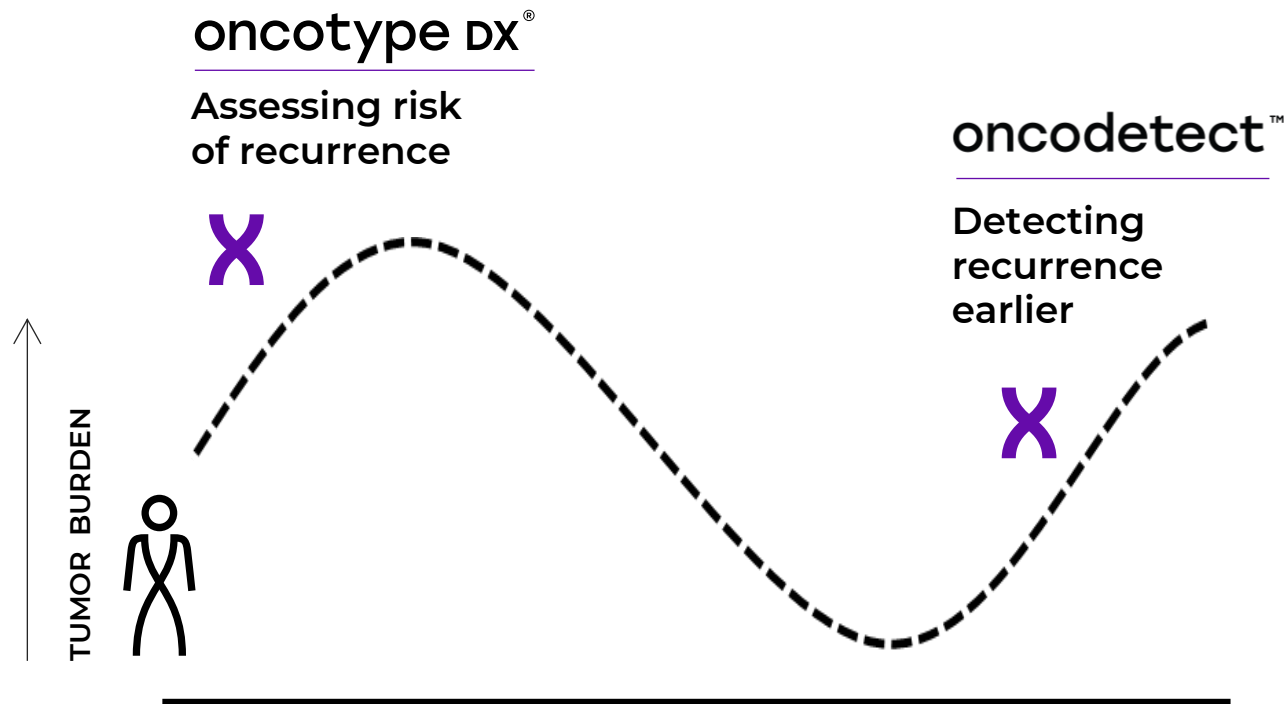
Please refer to our third-quarter 2024 earnings release at [exactsciences.com](https://www.exactsciences.com) for discussion of non-GAAP financial measures and reconciliations to GAAP financial measures

# Magnifying the impact of our advanced tests through the ExactNexus technology platform via data, tools, and AI



Source: Exact Sciences internal data

# Strong precision oncology foundation creates growth opportunity to detect residual and recurrent disease

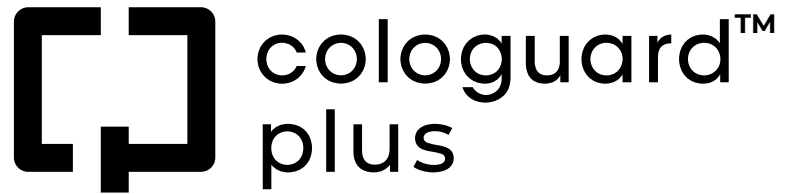


## Progress with Oncodetect and upcoming milestones

- ✓ Accepted publication in peer-reviewed journal
- Present multiple data sets in 2025 to expand opportunity
- Launch with reimbursement in colorectal cancer in 2025



# A new performance standard in noninvasive screening



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**95%** cancer sensitivity

**94%** specificity

**43%** advanced precancerous  
lesion sensitivity

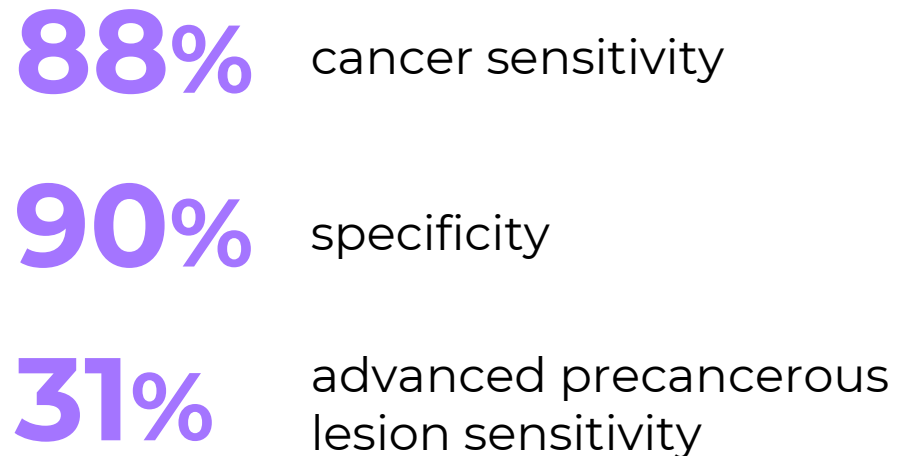
## Progress with Cologuard Plus and upcoming milestones

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- Received FDA approval
- Establish higher price through Medicare pathway
- Launch with Medicare coverage and guideline inclusion in 2025

Source: Cologuard Plus Instructions for Use (2024); Cologuard Plus test demonstrates 91% specificity including non-advanced findings, 93% specificity including no findings, and 94% specificity when age-weighted to the U.S. population with no findings on colonoscopy

# Working to bring the best blood-based colon cancer screening test to patients



## Progress with blood-based CRC test and upcoming milestones

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- Presented algorithm setting data at ESMO
- Complete additional analytical studies
- Present pivotal BLUE-C study results in 2025

Source: Douville et al., ESMO congress oral presentation (2024); performance degradation is expected within pivotal BLUE-C study



**Our purpose is to help eradicate cancer by preventing it, detecting it earlier, and guiding personalized 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,	
	2024	2023	2024	2023
Revenue	\$ 708,655	\$ 628,338	\$ 2,045,443	\$ 1,852,881
Operating expenses				
Cost of sales (exclusive of amortization of acquired intangible assets)	196,070	168,526	556,019	482,383
Research and development	100,101	111,446	331,593	310,960
Sales and marketing	194,653	173,159	572,288	536,613
General and administrative	217,201	217,393	662,174	672,653
Amortization of acquired intangible assets	24,435	22,992	71,057	68,849
Impairment of long-lived assets	18,698	—	31,296	621
Total operating expenses	751,158	693,516	2,224,427	2,072,079
Other operating income	3,100	72,027	6,632	72,027
Income (loss) from operations	(39,403)	6,849	(172,352)	(147,171)
Other income (expense)				
Investment income, net	11,582	2,065	29,596	7,383
Interest income (expense), net	(9,607)	(7,871)	(17,439)	(11,582)
Total other income (expense)	1,975	(5,806)	12,157	(4,199)
Net income (loss) before tax	(37,428)	1,043	(160,195)	(151,370)
Income tax expense	(808)	(249)	(4,077)	(3,013)
Net income (loss)	\$ (38,236)	\$ 794	\$ (164,272)	\$ (154,383)
Net income (loss) per share—basic	\$ (0.21)	\$ 0.00	\$ (0.89)	\$ (0.86)
Net income (loss) per share—diluted	\$ (0.21)	\$ 0.00	\$ (0.89)	\$ (0.86)
Weighted average common shares outstanding—basic	184,795	180,649	183,823	179,817
Weighted average common shares outstanding—diluted	184,795	184,075	183,823	179,817

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

	September 30, 2024	December 31, 2023
<b>Assets</b>		
Cash and cash equivalents	\$ 588,830	\$ 605,378
Marketable securities	432,301	172,266
Accounts receivable, net	264,819	203,623
Inventory	136,987	127,475
Prepaid expenses and other current assets	110,180	85,627
Property, plant and equipment, net	690,332	698,354
Operating lease right-of-use assets	122,452	143,708
Goodwill	2,367,450	2,367,120
Intangible assets, net	1,864,399	1,890,396
Other long-term assets, net	170,821	177,387
Total assets	<u>\$ 6,748,571</u>	<u>\$ 6,471,334</u>
<b>Liabilities and stockholders' equity</b>		
Convertible notes, net, current portion	\$ 249,038	\$ —
Current liabilities	474,624	514,701
Convertible notes, net, less current portion	2,319,490	2,314,276
Other long-term liabilities	332,213	335,982
Operating lease liabilities, less current portion	162,695	161,070
Total stockholders' equity	3,210,511	3,145,305
Total liabilities and stockholders' equity	<u>\$ 6,748,571</u>	<u>\$ 6,471,334</u>

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

GAAP			
Three Months Ended September 30,			
	2024	2023	% Change
Screening	\$ 544,901	\$ 472,013	15 %
Precision Oncology	163,754	156,325	5 %
Total	\$ 708,655	\$ 628,338	13 %

Non-GAAP						
Three Months Ended September 30,						
	2024	2023	% Change	Foreign Currency Impact <sup>(2)</sup>	Core Revenue <sup>(3)</sup>	% Change <sup>(3)</sup>
Screening	\$ 544,901	\$ 472,013	15 %	\$ —	\$ 544,901	15 %
Precision Oncology	162,819	154,451	5 %	(810)	162,009	5 %
Total	\$ 707,720	\$ 626,464	13 %	\$ (810)	\$ 706,910	13 %

GAAP			
Nine Months Ended September 30,			
	2024	2023	% Change
Screening	\$ 1,551,305	\$ 1,377,995	13 %
Precision Oncology	494,138	468,931	5 %
COVID-19 Testing	—	5,955	(100) %
Total	\$ 2,045,443	\$ 1,852,881	10 %

Non-GAAP						
Nine Months Ended September 30,						
	2024 <sup>(1)</sup>	2023 <sup>(1)</sup>	% Change	Foreign Currency Impact <sup>(2)</sup>	Core Revenue <sup>(3)</sup>	% Change <sup>(3)</sup>
Screening	\$ 1,551,305	\$ 1,377,995	13 %	\$ —	\$ 1,551,305	13 %
Precision Oncology	486,518	462,725	5 %	(672)	485,846	5 %
Total	\$ 2,037,823	\$ 1,840,720	11 %	\$ (672)	\$ 2,037,151	11 %

**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,	
	2024	2023	2024	2023
Revenue	\$ 708,655	\$ 628,338	\$ 2,045,443	\$ 1,852,881
Cost of sales (exclusive of amortization of acquired intangible assets)	196,070	168,526	556,019	482,383
Amortization of acquired intangible assets <sup>(1)</sup>	21,100	20,781	63,300	62,216
Gross profit	\$ 491,485	\$ 439,031	\$ 1,426,124	\$ 1,308,282
Gross margin	69 %	70 %	70 %	71 %
Amortization of acquired intangible assets <sup>(1)</sup>	21,100	20,781	63,300	62,216
Non-GAAP gross profit	\$ 512,585	\$ 459,812	\$ 1,489,424	\$ 1,370,498
Non-GAAP gross margin	72 %	73 %	73 %	74 %

For associated footnote, please refer to the table in the third quarter 2024 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)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (loss)	\$ (38,236)	\$ 794	\$ (164,272)	\$ (154,383)
Interest expense <sup>(1)</sup>	9,607	7,871	17,439	11,582
Income tax expense	808	249	4,077	3,013
Investment income	(11,582)	(2,065)	(29,596)	(7,383)
Depreciation and amortization	54,771	52,254	161,712	152,436
Stock-based compensation <sup>(2)</sup>	57,219	72,089	197,143	204,752
Acquisition and integration costs <sup>(3)</sup>	5,310	(4,395)	2,836	(8,146)
Impairment of long-lived assets <sup>(4)</sup>	18,698	—	31,296	621
Gain on sale of asset and divestiture related costs <sup>(5)</sup>	(3,100)	(70,522)	(6,632)	(70,522)
Restructuring and business transformation <sup>(6)</sup>	8,736	—	11,671	907
License agreement termination <sup>(7)</sup>	—	—	25,843	—
Legal settlement <sup>(8)</sup>	(3,500)	—	(3,500)	36,186
Adjusted EBITDA	<u>\$ 98,731</u>	<u>\$ 56,275</u>	<u>\$ 248,017</u>	<u>\$ 169,063</u>
Adjusted EBITDA margin	<u>14 %</u>	<u>9 %</u>	<u>12 %</u>	<u>9 %</u>

For associated footnotes, please refer to the table in the third quarter 2024 results press release labeled Reconciliation of U.S. GAAP to Non-GAAP Measures

**EXACT SCIENCES CORPORATION**  
**Selected Unaudited Financial Information**  
**Reconciliation of U.S. GAAP to Non-GAAP Measures**  
**(Amounts in thousands)**

	Three Months Ended September 30, 2024							
	Cost of Sales <sup>(9)</sup>	Research & Development Expenses	Sales & Marketing Expenses	General & Administrative Expenses	Amortization of acquired intangible assets	Impairment of Long-Lived Assets	Other Operating Income	Income (Loss) from Operations
Reported	\$ 196,070	\$ 100,101	\$ 194,653	\$ 217,201	\$ 24,435	\$ 18,698	\$ 3,100	\$ (39,403)
Amortization of acquired intangible assets	—	—	—	—	(24,435)	—	—	24,435
Acquisition and integration costs <sup>(3)</sup>	—	—	—	(5,310)	—	—	—	5,310
Impairment of long-lived assets <sup>(4)</sup>	—	—	—	—	—	(18,698)	—	18,698
Gain on sale of asset and divestiture related costs <sup>(5)</sup>	—	—	—	—	—	—	(3,100)	(3,100)
Restructuring and business transformation <sup>(6)</sup>	—	(4,181)	—	(4,555)	—	—	—	8,736
Legal settlement <sup>(8)</sup>	—	—	—	3,500	—	—	—	(3,500)
Adjusted	<u>\$ 196,070</u>	<u>\$ 95,920</u>	<u>\$ 194,653</u>	<u>\$ 210,836</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 11,176</u>

	Nine Months Ended September 30, 2024							
	Cost of Sales <sup>(9)</sup>	Research & Development Expenses	Sales & Marketing Expenses	General & Administrative Expenses	Amortization of acquired intangible assets	Impairment of Long-Lived Assets	Other Operating Income	Income (Loss) from Operations
Reported	\$ 556,019	\$ 331,593	\$ 572,288	\$ 662,174	\$ 71,057	\$ 31,296	\$ 6,632	\$ (172,352)
Amortization of acquired intangible assets	—	—	—	—	(71,057)	—	—	71,057
Acquisition and integration costs <sup>(3)</sup>	—	—	—	(2,836)	—	—	—	2,836
Impairment of long-lived assets <sup>(4)</sup>	—	—	—	—	—	(31,296)	—	31,296
Gain on sale of asset and divestiture related costs <sup>(5)</sup>	—	—	—	—	—	—	(6,632)	(6,632)
Restructuring and business transformation <sup>(6)</sup>	(200)	(6,574)	(222)	(4,675)	—	—	—	11,671
License agreement termination <sup>(7)</sup>	—	(25,843)	—	—	—	—	—	25,843
Legal settlement <sup>(8)</sup>	—	—	—	3,500	—	—	—	(3,500)
Adjusted	<u>\$ 555,819</u>	<u>\$ 299,176</u>	<u>\$ 572,066</u>	<u>\$ 658,163</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (39,781)</u>

For associated footnotes, please refer to the table in the third quarter 2024 results press release labeled Reconciliation of U.S. GAAP to Non-GAAP Measures

**EXACT SCIENCES CORPORATION**  
**Selected Unaudited Financial Information**  
**Reconciliation of U.S. GAAP to Non-GAAP Measures**  
**(Amounts in thousands)**

	Three Months Ended September 30, 2023							
	Cost of Sales <sup>(9)</sup>	Research & Development Expenses	Sales & Marketing Expenses	General & Administrative Expenses	Amortization of acquired intangible assets	Impairment of Long-Lived Assets	Other Operating Income	Income (Loss) from Operations
Reported	\$ 168,526	\$ 111,446	\$ 173,159	\$ 217,393	\$ 22,992	\$ —	\$ 72,027	\$ 6,849
Amortization of acquired intangibles	—	—	—	—	(22,992)	—	—	22,992
Acquisition and integration costs <sup>(3)</sup>	—	(492)	—	4,887	—	—	—	(4,395)
Gain on sale of asset and divestiture related costs <sup>(5)</sup>	—	—	—	(1,505)	—	—	(72,027)	(70,522)
Adjusted	<u>\$ 168,526</u>	<u>\$ 110,954</u>	<u>\$ 173,159</u>	<u>\$ 220,775</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (45,076)</u>

	Nine Months Ended September 30, 2023							
	Cost of Sales <sup>(9)</sup>	Research & Development Expenses	Sales & Marketing Expenses	General & Administrative Expenses	Amortization of acquired intangible assets	Impairment of Long-Lived Assets	Other Operating Income	Income (Loss) from Operations
Reported	\$ 482,383	\$ 310,960	\$ 536,613	\$ 672,653	\$ 68,849	\$ 621	\$ 72,027	\$ (147,171)
Amortization of acquired intangibles	—	—	—	—	(68,849)	—	—	68,849
Acquisition and integration costs <sup>(3)</sup>	—	(492)	—	8,638	—	—	—	(8,146)
Impairment of long-lived assets <sup>(4)</sup>	—	—	—	—	—	(621)	—	621
Gain on sale of asset and divestiture related costs <sup>(5)</sup>	—	—	—	(1,505)	—	—	(72,027)	(70,522)
Restructuring and business transformation <sup>(6)</sup>	—	(723)	—	(184)	—	—	—	907
Legal settlement <sup>(8)</sup>	—	—	—	(36,186)	—	—	—	36,186
Adjusted	<u>\$ 482,383</u>	<u>\$ 309,745</u>	<u>\$ 536,613</u>	<u>\$ 643,416</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (119,276)</u>

For associated footnotes, please refer to the table in the third quarter 2024 results press release labeled Reconciliation of U.S. GAAP to Non-GAAP Measures

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net cash provided by operating activities	138,719	24,361	163,473	86,570
Net cash provided by (used in) investing activities	(81,716)	(32,969)	(400,283)	116,446
Net cash provided by (used in) financing activities	(226)	92	221,375	149,729
Effects of exchange rate changes on cash and cash equivalents	1,873	(1,235)	427	(626)
Net increase (decrease) in cash, cash equivalents and restricted cash	58,650	(9,751)	(15,008)	352,119
Cash, cash equivalents and restricted cash, beginning of period	536,017	604,660	609,675	242,790
Cash, cash equivalents and restricted cash, end of period	594,667	594,909	594,667	594,909
<b>Reconciliation of free cash flow:</b>				
Net cash provided by operating activities	138,719	24,361	163,473	86,570
Purchases of property, plant and equipment	(26,158)	(25,187)	(99,673)	(89,268)
Free cash flow	112,561	(826)	63,800	(2,698)