

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 3, 2024

FULGENT GENETICS, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction of
incorporation)

001-37894
(Commission File Number)

81-2621304
(IRS Employer Identification No.)

4399 Santa Anita Avenue
El Monte, California
(Address of Principal Executive Offices)

91731
(Zip Code)

(626) 350-0537
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	FLGT	The Nasdaq Stock Market (Nasdaq Global Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On May 3, 2024, Fulgent Genetics, Inc. (the “Company”) issued a press release announcing its financial results for the fiscal quarter ended March 31, 2024. A copy of the Company’s press release containing this information is being furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Item 7.01 Regulation FD Disclosure.

From time to time, the Company presents and/or distributes slides and presentations to the investment community to provide updates and summaries of its business. On May 3, 2024, the Company updated its investor presentation, which is available on the Investor Relations section of the Company’s website at <http://ir.fulgentgenetics.com>. This presentation is also furnished as Exhibit 99.2 to this Current Report on Form 8-K.

The information in Items 2.02 and 7.01, including Exhibits 99.1 and 99.2, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any registration statement or other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release of Fulgent Genetics, Inc., dated May 3, 2024
99.2	Corporate Presentation of Fulgent Genetics, Inc.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 3, 2024

FULGENT GENETICS, INC.

By: /s/ Paul Kim

Name: Paul Kim

Title: Chief Financial Officer

Fulgent Reports First Quarter 2024 Financial Results

- Total Revenue of \$64.5 million
- Core Revenue grows 1% year-over-year to \$63.2 million
- Reiterates Full Year 2024 Core Revenue Guidance of \$280 million

EL MONTE, CA, May 3, 2024 — Fulgent Genetics, Inc. (NASDAQ: FLGT) (“Fulgent,” or the “Company”), a technology-based company with a well-established laboratory services business and a therapeutic development business, today announced financial results for its first quarter ended March 31, 2024.

First Quarter 2024 Results:

- Total Revenue of \$64.5 million
- Core Revenue¹ grew 1% year-over-year to \$63.2 million
- GAAP loss of \$13.5 million, or \$0.45 per share
- Non-GAAP loss of \$269,000, or \$0.01 per share
- Adjusted EBITDA loss of \$3.2 million
- Cash from operations of \$7.3 million
- Cash, cash equivalents, and investments in marketable securities of \$846.2 million as of March 31, 2024

Note:

- 1) Core Revenue is revenue calculated in accordance with GAAP minus revenue from COVID-19 testing products and services including COVID-19 NGS testing revenue, each as calculated in accordance with GAAP.

Non-GAAP income (loss), non-GAAP income (loss) per share, adjusted EBITDA income (loss), non-GAAP gross profit and margin, and non-GAAP operating income (loss) and margin, are described below under “Note Regarding Non-GAAP Financial Measures” and are reconciled to the most directly comparable GAAP financial measure, GAAP income (loss), GAAP gross profit and margin, and GAAP operating income (loss) and margin, in the accompanying tables.

Ming Hsieh, Chairperson of the Board of Directors and Chief Executive Officer, said, “We are off to a good start in 2024 and are pleased with the momentum we see in Precision Diagnostics, currently the largest growth driver in our laboratory services business. We remain on track as we pursue development and milestones for the therapeutic development business, with our lead oncology drug candidate, FID-007, moving into Phase 2 clinical testing, and progressing FID-022 in preclinical studies toward an Investigational New Drug (IND) application by the end of 2024. We believe we are well-positioned to execute our strategy.”

Paul Kim, Chief Financial Officer, said, “We believe we are in a strong financial position in 2024, with ample cash to execute. I’m pleased to reiterate our guidance for the year as we remain on track with our operational objectives.”

Outlook:

For the full year 2024, Fulgent continues to expect:

- Core Revenue of approximately \$280 million
- GAAP loss of approximately \$2.25 per share
- Non-GAAP loss of approximately \$1.05 per share
- Cash, cash equivalents, and investments in marketable securities of approximately \$800 million as of December 31, 2024*

*Cash expenditures may be higher or lower than currently estimated due to a variety of factors and circumstances, including as a result of the Company's ongoing stock repurchase program or other expenditures outside the ordinary course of business.

Conference Call Information

Fulgent will host a conference call for the investment community today at 8:30 AM ET (5:30 AM PT) to discuss its first quarter 2024 results. The call may be accessed through a live audio webcast in the Investor Relations section of the Company's website, <http://ir.fulgentgenetics.com>. An audio replay will be available at the same location.

Note Regarding Non-GAAP Financial Measures

Certain information set forth in this press release and/or to be discussed on the Company's earnings call, including non-GAAP income (loss), non-GAAP income (loss) per share, adjusted EBITDA income (loss), non-GAAP gross profit and margin, and non-GAAP operating income (loss) and margin are non-GAAP financial measures. Fulgent believes this information is useful to investors because it provides a basis for measuring the performance of the Company's business, excluding certain income or expense items that management believes are not directly attributable to the Company's operating results. Fulgent defines non-GAAP income (loss) as net income (loss) calculated in accordance with accounting principles generally accepted in the United States of America, or GAAP, plus amortization of intangible assets, plus equity-based compensation expenses, plus or minus the non-GAAP tax effect, and plus or minus other charges or gains, as identified, that management believes are not representative of the Company's operations. For the three months ended March 31, 2023, the non-GAAP tax effect was calculated by applying the statutory corporate tax rate on the amortization of intangible assets and equity-based compensation expenses. For the three months ended March 31, 2024, the non-GAAP tax effect was calculated by excluding from the GAAP provision the impact of the amortization of intangible assets and equity-based compensation expenses. Fulgent defines adjusted EBITDA income (loss) as GAAP income (loss) plus or minus interest (expense) income, plus or minus provisions (benefits) for income taxes, plus equity-based compensation expenses, plus depreciation and amortization, and plus or minus other charges or gains, as identified, that management believes are not representative of the Company's operations. Fulgent defines non-GAAP gross profit as gross profit calculated in accordance with GAAP plus equity-based compensation included in cost of revenue as shown in the table below. Fulgent defines non-GAAP gross margin by taking non-GAAP gross profit and dividing it by GAAP revenue. Fulgent defines non-GAAP operating profit (loss) by taking GAAP operating profit (loss) and adding equity-based compensation and amortization of intangible assets. Non-GAAP operating margin is calculated by taking non-GAAP operating profit (loss) and dividing by GAAP revenue. Fulgent may continue to incur expenses similar to the items added to or subtracted from GAAP income (loss) to calculate non-GAAP income (loss) and adjusted EBITDA income (loss); accordingly, the exclusion of these items in the presentation of these non-GAAP financial measures should not be construed as an implication that these items are unusual, infrequent or non-recurring. Management uses these non-GAAP financial measures along with the most directly comparable GAAP financial measure of net income (loss), gross profit and

margin, and operating income (loss) and margin, in evaluating the Company's operating performance. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in conformity with GAAP, and non-GAAP financial measures as reported by Fulgent may not be comparable to similarly titled metrics reported by other companies.

About Fulgent

Fulgent is a technology-based company with a well-established laboratory services business and a therapeutic development business. Fulgent's laboratory services business, which was formerly referred to as the clinical diagnostic business, includes technical laboratory services and professional interpretation of laboratory results by licensed physicians. Fulgent's therapeutic development business is focused on developing drug candidates for treating a broad range of cancers using a novel nanoencapsulation and targeted therapy platform designed to improve the therapeutic window and pharmacokinetic profile of new and existing cancer drugs. The Company aims to transform from a genomic diagnostic business into a fully integrated precision medicine company.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements in this press release include statements about, among other things: future performance; guidance regarding expected quarterly and annual financial results, core revenues, GAAP loss, non-GAAP loss, and cash, cash equivalents and investments in marketable securities; evaluations and judgments regarding the stability of certain revenue sources, the Company's cash position and sufficiency of its resources, momentum, trajectory, vision, future opportunities and future growth of the Company's testing and laboratory services, technologies and expansion; the Company's research and development efforts, including any implications that the results of earlier clinical trials will be representative or consistent with later clinical trials, the expected timing of enrollment and regulatory filings for these trials and the availability of data or results of these trials, including any implication that interim or preliminary data will be representative of final data; the Company's identification and evaluation of opportunities and its ability to capitalize on opportunities, capture market share, or expand its presence in certain markets; and the Company's ability to continue to grow its business.

Forward-looking statements are statements other than historical facts and relate to future events or circumstances or the Company's future performance, and they are based on management's current assumptions, expectations, and beliefs concerning future developments and their potential effect on the Company's business. These forward-looking statements are subject to a number of risks and uncertainties, which may cause the forward-looking events and circumstances described in this press release to not occur, and actual results to differ materially and adversely from those described in or implied by the forward-looking statements. These risks and uncertainties include, among others: the market potential for, and the rate and degree of market adoption of, the Company's tests; its ability to maintain turnaround times and otherwise keep pace with rapidly changing technology; the Company's ability to maintain the low internal costs of its business model; the Company's ability to maintain an acceptable margin; risks related to volatility in the Company's results, which can fluctuate significantly from period to period; risks associated with the composition of the Company's customer base, which can fluctuate from period to period and can be comprised of a small number of customers that account for a significant portion of the Company's revenue; the Company's level of success in obtaining coverage and adequate reimbursement and collectability levels from third-party payors for its tests and testing services; the

Company's level of success in establishing and obtaining the intended benefits from partnerships, strategic investments, joint ventures, acquisitions, or other relationships; the success of the Company's development efforts, including the Company's ability to progress its candidates through clinical trials on the timelines expected; the Company's compliance with the various evolving and complex laws and regulations applicable to its business and its industry; and the Company's ability to protect its proprietary technology and intellectual property. As a result of these risks and uncertainties, forward-looking statements should not be relied on or viewed as predictions of future events.

The forward-looking statements made in this press release speak only as of the date of this press release, and the Company assumes no obligation to update publicly any such forward-looking statements to reflect actual results or to changes in expectations, except as otherwise required by law.

The Company's reports filed with the U.S. Securities and Exchange Commission, or the SEC, including its annual report on Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC on February 28, 2024, and the other reports it files from time to time, including subsequently filed annual, quarterly and current reports, are made available on the Company's website upon their filing with the SEC. These reports contain more information about the Company, its business and the risks affecting its business, as well as its results of operations for the periods covered by the financial results included in this press release.

Investor Relations Contact:

The Blueshirt Group

Melanie Solomon, melanie@blueshirtgroup.com

FULGENT GENETICS, INC.
Condensed Consolidated Balance Sheet Data
March 31, 2024 and December 31, 2023
(in thousands)

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
ASSETS:		
Cash and cash equivalents	\$ 54,677	\$ 97,473
Investments in marketable securities	791,513	750,252
Accounts receivable, net	52,060	51,132
Property, plant, and equipment, net	86,723	83,464
Other assets	244,912	253,007
Total assets	<u>\$ 1,229,885</u>	<u>\$ 1,235,328</u>
LIABILITIES & EQUITY:		
Accounts payable, accrued liabilities and other liabilities	\$ 103,239	\$ 102,042
Total stockholders' equity	1,126,646	1,133,286
Total liabilities & equity	<u>\$ 1,229,885</u>	<u>\$ 1,235,328</u>

FULGENT GENETICS, INC.
Condensed Consolidated Statement of Operations Data
Three Months Ended March 31, 2024 and 2023
(in thousands, except per share data)
(unaudited)

	Three Months Ended March 31,	
	2024	2023
Revenue	\$ 64,485	\$ 66,168
Cost of revenue (1)	42,381	47,357
Gross profit	22,104	18,811
Operating expenses:		
Research and development (1)	11,434	9,782
Selling and marketing (1)	8,989	10,083
General and administrative (1)	21,489	21,802
Amortization of intangible assets	1,990	1,968
Total operating expenses	43,902	43,635
Operating loss	(21,798)	(24,824)
Interest and other income, net	7,625	3,775
Loss before income taxes	(14,173)	(21,049)
Benefit from income taxes	(327)	(5,200)
Net loss from consolidated operations	(13,846)	(15,849)
Net loss attributable to noncontrolling interests	384	509
Net loss attributable to Fulgent	\$ (13,462)	\$ (15,340)
Net loss per common share attributable to Fulgent:		
Basic	\$ (0.45)	\$ (0.52)
Diluted	\$ (0.45)	\$ (0.52)
Weighted average common shares:		
Basic	29,769	29,536
Diluted	29,769	29,536

(1) Equity-based compensation expense was allocated as follows:

Cost of revenue	\$ 2,009	\$ 2,394
Research and development	3,844	3,448
Selling and marketing	1,050	1,361
General and administrative	4,615	3,062
Total equity-based compensation expense	\$ 11,518	\$ 10,265

FULGENT GENETICS, INC.
Non-GAAP Loss Reconciliation
Three Months Ended March 31, 2024 and 2023
(in thousands, except per share data)

	Three Months Ended March 31,	
	2024	2023
Net loss attributable to Fulgent	\$ (13,462)	\$ (15,340)
Amortization of intangible assets	1,990	1,968
Equity-based compensation expense	11,518	10,265
Non-GAAP tax effect (1)	(315)	(3,425)
Non-GAAP loss attributable to Fulgent	\$ (269)	\$ (6,532)
Net loss per common share attributable to Fulgent:		
Basic	\$ (0.45)	\$ (0.52)
Diluted	\$ (0.45)	\$ (0.52)
Non-GAAP loss per common share attributable to Fulgent:		
Basic	\$ (0.01)	\$ (0.22)
Diluted	\$ (0.01)	\$ (0.22)
Weighted average common shares:		
Basic	29,769	29,536
Diluted	29,769	29,536

(1) Tax rates as follows:

During the three months ended March 31, 2024, the Company calculated an income tax provision on a non-GAAP basis. For the three months ended March 31, 2023, the Company calculated the non-GAAP tax effect by applying the statutory corporate tax rate on the amortization of intangible assets and equity-based compensation expenses for a tax rate of 28%.

FULGENT GENETICS, INC.
Non-GAAP Adjusted EBITDA Reconciliation
Three Months Ended March 31, 2024 and 2023
(in thousands)

	Three Months Ended March 31,	
	2024	2023
Net loss attributable to Fulgent	\$ (13,462)	\$ (15,340)
Interest income, net	(7,634)	(3,772)
Benefit from income taxes	(327)	(5,200)
Equity-based compensation expense	11,518	10,265
Depreciation and amortization	6,663	6,879
Adjusted EBITDA	\$ (3,242)	\$ (7,168)

FULGENT GENETICS, INC.
Non-GAAP Operating Margin
Three Months Ended March 31, 2024 and 2023
(in thousands)

	Three Months Ended March 31,			
	2024		2023	
Revenue	\$	64,485	\$	66,168
Cost of revenue		42,381		47,357
Gross profit		22,104		18,811
Gross margin		34.3%		28.4%
Equity-based compensation included in cost of revenue		2,009		2,394
Non-GAAP gross profit		24,113		21,205
Non-GAAP gross margin		37.4%		32.0%
Operating expenses		43,902		43,635
Equity-based compensation included in operating expenses		9,509		7,871
Amortization of intangible assets		1,990		1,968
Non-GAAP operating expenses		32,403		33,796
Non-GAAP operating loss	\$	(8,290)	\$	(12,591)
Non-GAAP operating margin		-12.9%		-19.0%



Investor Presentation

May 3, 2024

Founded in 2011 | Located in El Monte, CA | NASDAQ:FLGT

Disclaimer

Forward-Looking Statements and Market Data

This presentation contains forward-looking statements, which are statements other than those of historical facts and which represent the estimates and expectations of Fulgent Genetics, Inc. (the "Company" or "Fulgent") about future events based on current views and assumptions. Examples of forward-looking statements made in this presentation include, among others, those related to long-term upside or value, management of risk, anticipated growth and positioning, addressable market estimates, the Company's mission, vision and strategies, the success of its business model and strategy, anticipated future revenue and guidance, evaluations and judgments regarding the Company's business, products, technologies, competitive landscape, scalability, plans regarding development and launch of potential future products, and any businesses the Company may seek to acquire or has acquired or has invested in or may seek to invest in, including statements regarding Fulgent Pharma Holdings, Inc. ("Fulgent Pharma"), Inform Diagnostics, CSI Laboratories, and any potential synergies, or transformation of the Company's business, long-term visions and strategies, including, with respect to Fulgent Pharma, those designated to create a vertically integrated solution for cancer care, the clinical development of Fulgent Pharma's pipeline and related statements and assumptions regarding development timelines, any potentially accelerated pathway for regulatory approval, the potential safety and efficacy of the nanodrug delivery platform and any related therapeutic candidates, the potential market size for these candidates and platforms and the value of available data, including genomic data, the Company's research and development efforts, including any implications that the results of earlier clinical trials will be representative or consistent with later clinical trials, the expected timing or timing of enrollment for these clinical trials or that interim or preliminary data will be representative of the final data or results of these trials, and guidance regarding the Company's future performance and results of operations, including any cash or cash equivalent resource projections. The Company's views and assumptions on which these forward-looking statements are based may prove to be incorrect. As a result, matters discussed in any forward-looking statements are subject to risks, uncertainties and changes in circumstances that may cause actual results to differ materially from those discussed or implied by any forward-looking statements. Important factors that could cause actual results to differ materially from those implied by forward-looking statements are disclosed under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's reports filed with the Securities and Exchange Commission ("SEC"), including its annual report on Form 10-K filed on February 28, 2024, and other reports it files from time to time. Because of these factors, you should not rely upon forward-looking statements as predictions of future events. The forward-looking statements in this presentation are made only as of the date hereof, and, except as required by law, the Company assumes no obligation to update any forward-looking statements in the future. The company's reports filed with the SEC, including its annual report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 28, 2024, and the other reports it files from time to time, including subsequently filed annual, quarterly and current reports, are made available on the company's website upon their filing with the SEC. These reports contain more information about the company, its business and the risks affecting its business, as well as its results of operations for the periods covered by the financial results included in this presentation.

This presentation also includes market data and forecasts with respect to the industry in which the Company operates. In some cases, the Company relies upon and refers to market data and certain industry forecasts that have been obtained from third-party surveys, market research, consultant surveys, publicly available information and industry publications that the Company believes to be reliable. These data and estimates involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates.

Non-GAAP Financial Measures

This presentation contains certain supplemental financial measures that are not calculated pursuant to U.S. generally accepted accounting principles ("GAAP"). These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. A reconciliation of non-GAAP measures to GAAP measures is contained in this presentation.

Leadership Team



Ming Hsieh
Chief Executive Officer

Experienced operational leader, entrepreneur and philanthropist

Previously CEO, President, and Chairman of Cogent Systems, Inc.

Member of the National Academy of Engineering; Fellow of the National Academy of Inventors; Trustee of USC



Paul Kim
Chief Financial Officer

Experienced financial leader and Certified Public Accountant

Previously CFO of Cogent Systems, Inc.; sold to 3M for \$943M in 2010

B.A. in Economics from University of California at Berkeley



Dr. Harry Gao
Lab Director and Chief Scientific Officer

Previously Lab Director at City of Hope

Clinical molecular genetics training fellowship and post-doctoral fellowship at Harvard Medical School

M.S. in Immunology, and M.D. and Ph.D. in Microbiology, Immunology, and Medical Genetics



James Xie
President and Chief Operating Officer

Responsible for managing all global operations, product vision and product engineering

Served as an SVP of Cogent Systems, Inc.

B.A. in Engineering, M.S. in Industrial Engineering and an M.S. in Computer Science



Brandon Perthuis
Chief Commercial Officer

Extensive experience leading genetic testing commercialization programs since 2003

Previously VP of Sales and Marketing of the Medical Genetics Laboratory at Baylor College of Medicine

Prior to Baylor, held senior roles at PerkinElmer, Inc. and Spectral Genomics, Inc.



Dr. Lawrence Weiss
Chief Medical Officer

Esteemed background in molecular science and pathology

Most recently Chief Medical Officer at NeoGenomics Laboratory, Inc.; prior senior role at Clarent, Inc.

Chairman Emeritus of Pathology at City of Hope National Medical Center



Dr. Ray Yin
President, Pharma

Founder & CEO, ANP Technologies, Inc.

Former Team Leader of Nanobiotechnology for Chem/Bio Defense, U.S. Army Research Laboratory

Holder of 46 drug delivery/detection patents



About Fulgent

We are a premier global, technology-based genetic testing company focused on transforming patient care in oncology, infectious and rare diseases, and reproductive health.



Mission

Develop flexible and affordable diagnostics and therapeutics that improve the everyday lives of those around us.

Core Values

- Innovation
- Customer Service and Commitment
- Quality and Efficiency
- Our People

Strategy

- Leverage our proprietary technology platform for broad application
- Further clinical/regulatory program for Pharma
- Operational excellence
- Disciplined M&A

Strategic Vision – A One-Stop Solution for Cancer Care



To build a vertically integrated solution to combat cancer
early detection | clinical diagnostics | post treatment monitoring | drug discovery and cancer treatment



Leading Genetic Testing Company Offering Tech-Enabled Diagnostic Solutions



**Nano-Drug
Delivery Platform**

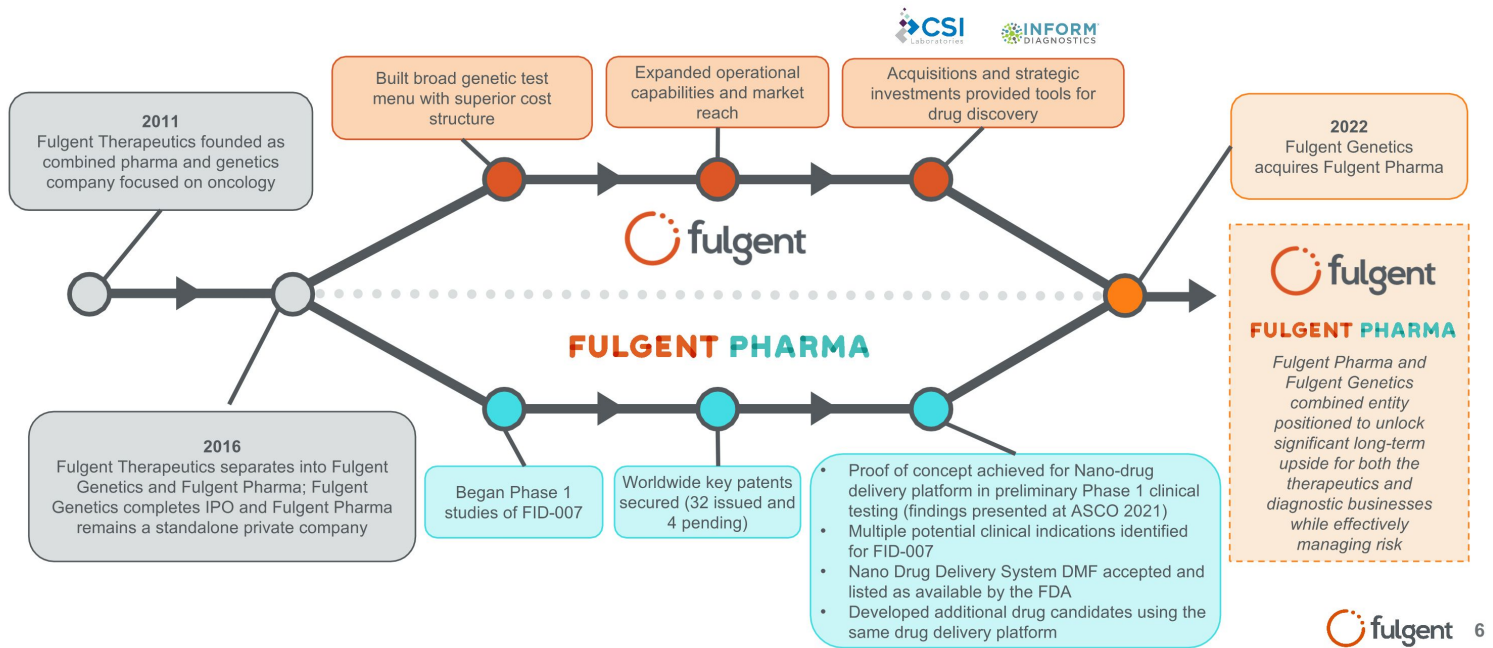
FULGENT PHARMA

*Exciting Cancer Therapeutic Opportunity
Realizing Precision Medicine Potential*

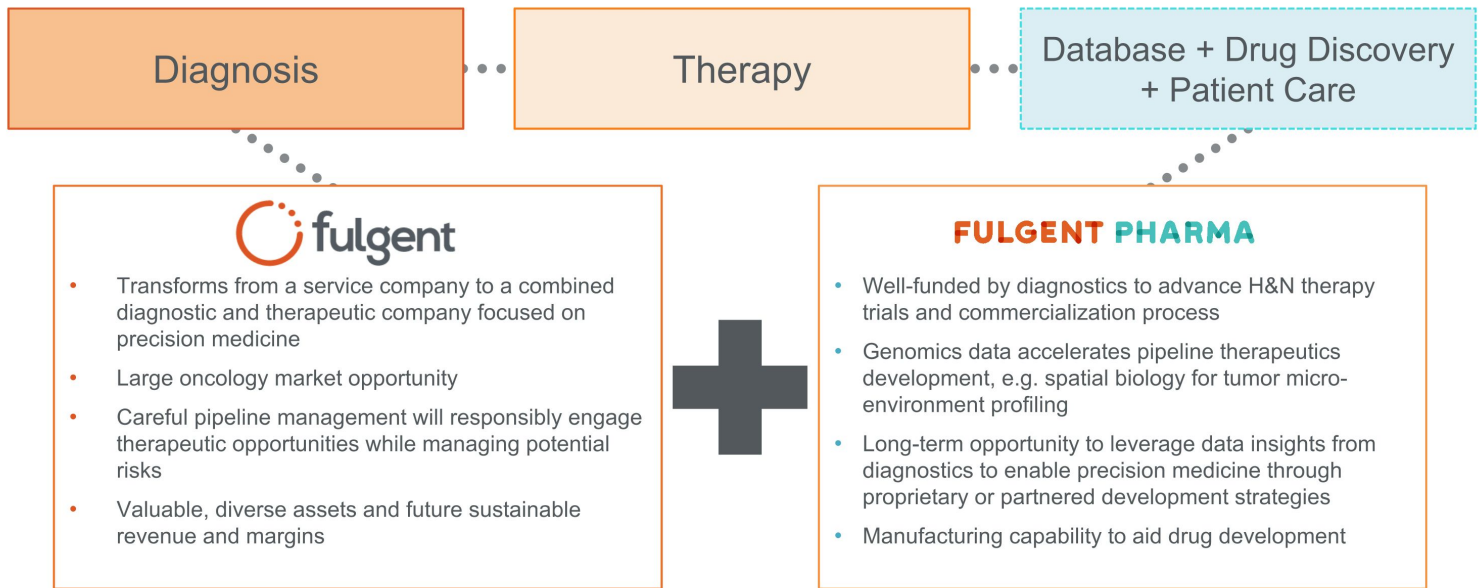
Therapeutic and Diagnostic Entity Providing Comprehensive Solutions Across the Cancer Care Continuum

- Vertically integrated “one-stop” solution across the healthcare chain following the CSI, Inform Diagnostics, and Pharma acquisitions
- Proprietary nano drug delivery technology platform serves as an underpinning technology between diagnostic and pharm to help create a more sustainable and profitable business model in precision medicine for years to come
- Addition of a talented scientific team creates a strong synergy and competitive advantage that may be leveraged across the combined business
- Potential near-term opportunity includes shortened 505(b)(2) drug development and commercialization timelines and potential long-term opportunity leverages large data insights and novel analytical tools from diagnostics business to enable additional precision medicine pipeline through organic or partnered development strategies
- Commitment to continue growing diagnostic and therapeutic opportunities through organic investments and M&A
- Seasoned management team along with strong cash position allow Fulgent to enter therapeutic opportunities while managing risk

History of Fulgent



Long-Term Vision: Fulgent Continuum of Care



LABORATORY SERVICES



\$64M

Q1 Revenue

+1%

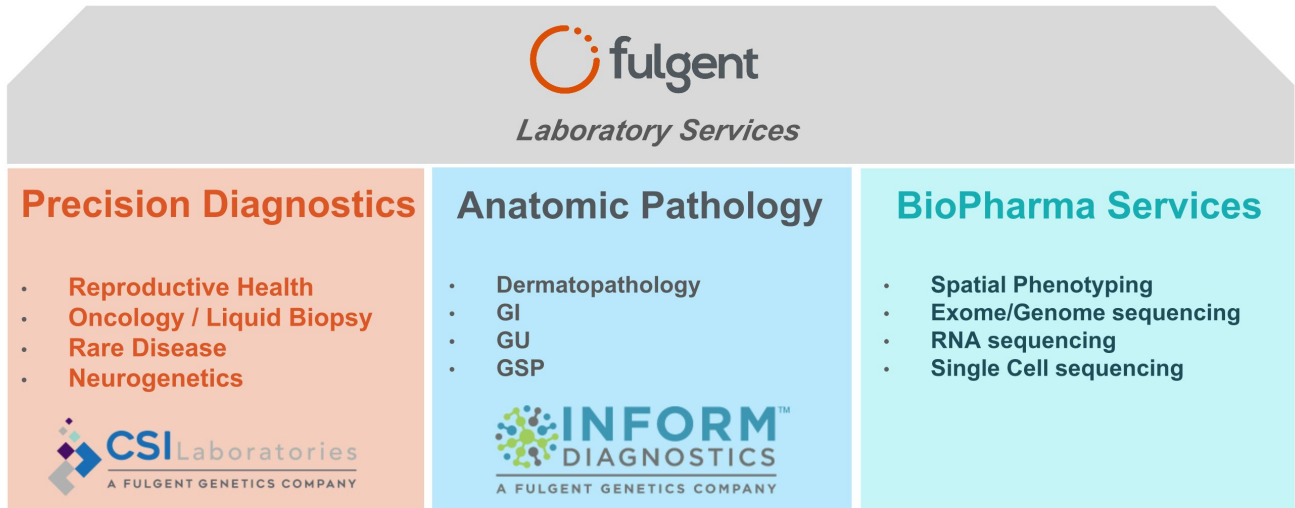
Q1 Year-over-Year Core Revenue Increase

18,400+ GENES | 900+ PANELS
CUSTOMIZABLE OFFERINGS

Positioned for Growth

- 1 Proprietary technology platform allows for rapid scaling of a **broad, flexible test menu**
- 2 **Next-generation sequencing (NGS)** platform complemented with growing portfolio of **emerging testing technologies** with a focus on oncology
- 3 Well-positioned to execute on a growth strategy that includes **organic and inorganic initiatives**, including:
 - Transformational acquisition of **Inform Diagnostics**
 - Ramping of **CSI Labs**
 - Scaling partnerships
 - Potential **future acquisitions** with a strategy of short- and long-term ROI, tangible synergies, and efficient capital deployment

Platform and Capabilities Across 3 Divisions



Target Market Opportunity



Cancer Diagnostics

\$80B market¹

Early Detection / Liquid Biopsy

\$18B market¹

Reproductive Health

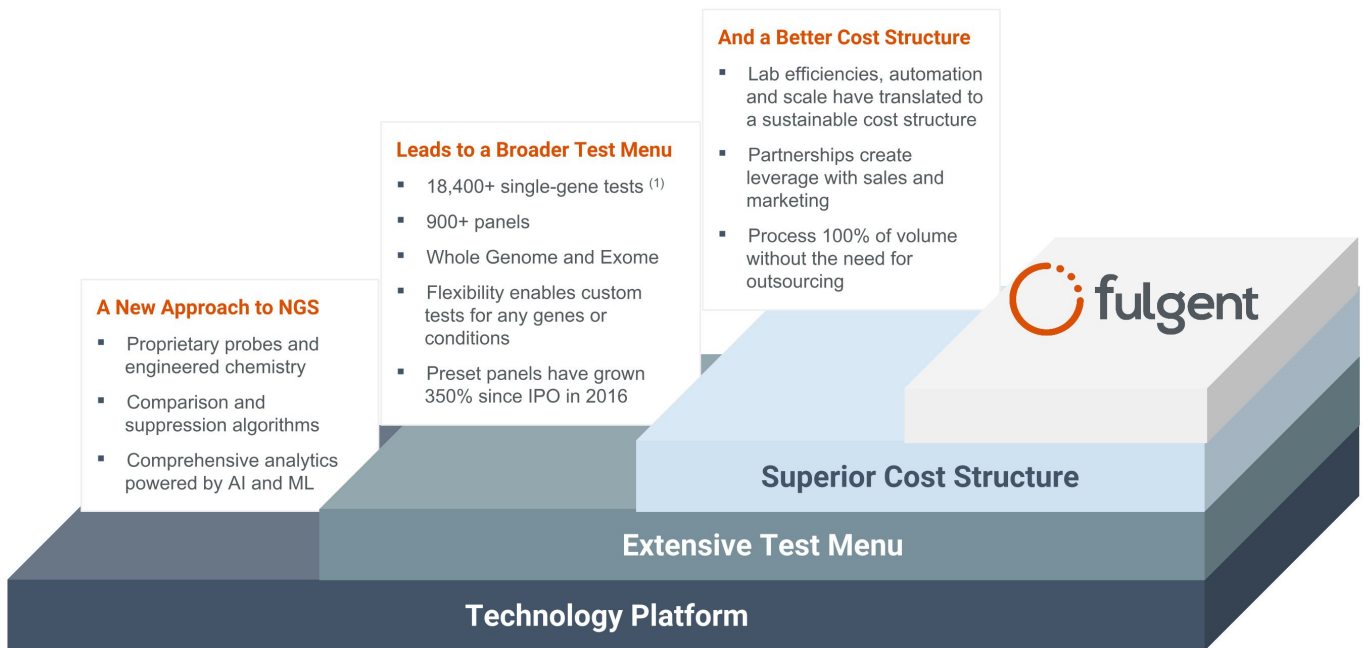
\$8B market²

BioPharma Services

\$50B market³

1) Market sizes sourced from Wall Street equity research
2) Market size sourced from Frost & Sullivan, October 2022
3) Market size sourced from Research and Markets, April 2022

What Sets Fulgent Diagnostics Apart?



1) Represents genes covered by single-gene tests.

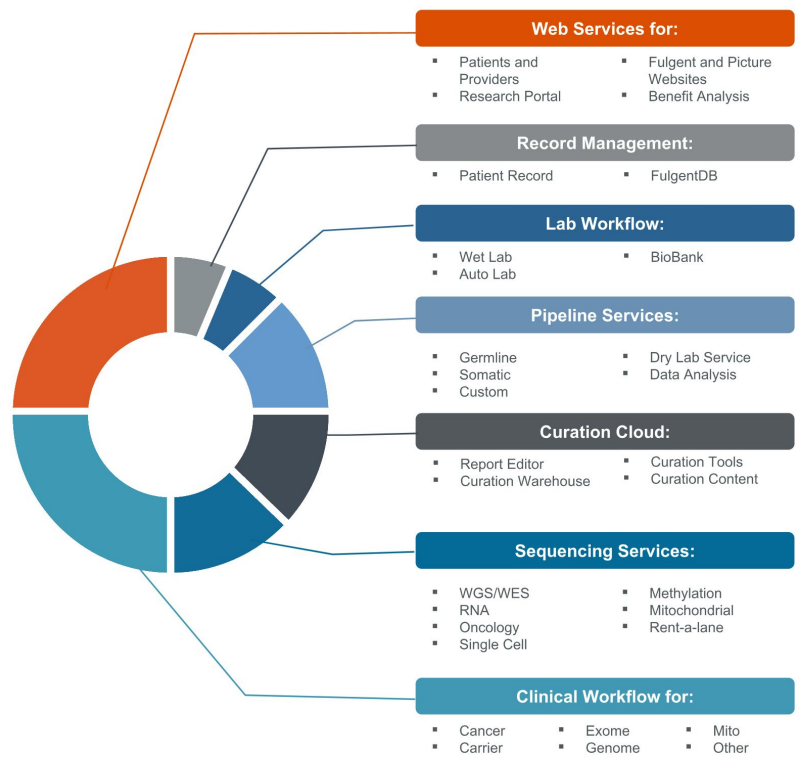
Proprietary Technology Platform

Differentiated Technology...

- Engineered genetic biochemistry, including reagents and probes
- Data suppression and comparison algorithms
- Adaptive learning software
- Automated reporting

...Provides a Multitude of Advantages

- Broad test menu
- Ability to rapidly develop and launch new tests
- Customizable test offerings
- Lower costs per billable test
- High efficiency



Broad Capabilities



Next Generation Sequencing Opportunities

Recent Traction with:

- Hereditary Cancer
- Cardiovascular Genetics
- Reproductive Health
- Neurodegenerative Genetics

Newly launched pharmacogenetic test

Aggressively expanding sales and commercial organization



Specialized Oncology Testing

Wide Array of Technologies

Services Include:

- Flow cytometry
- Cytogenetic analysis
- Fluorescence in-situ hybridization (FISH)
- Immunohistochemistry
- Molecular genetics
- Consultations in hematopathology and surgical pathology
- NGS



Comprehensive Anatomic Pathology Services

Broad Capabilities

- Breast pathology
- Gastrointestinal pathology
- Dermatopathology
- Urologic pathology
- Neuropathology
- Hematopathology

Managed care contract network and **physician relationships** leveraged to provide diagnostic products and services **complementary to Fulgent's portfolio**

Expansive geographic presence with several **CLIA-licensed** laboratories across the United States

Technology Platform Case Study: COVID-19

Fulgent deployed its technology platform to rapidly respond to the COVID-19 Pandemic, scaling operations to provide tests with reliable results and rapid turnaround time



Next Generation Sequencing for COVID-19

- **Research driven platform** worked with local and federal government on genomic studies
- **CDC contract** awarded to Fulgent, worth up to \$47M to study SARS-CoV-2 using Fulgent's NGS platform
- **Capacity** of 10,000 NGS tests per day
- **Used** to identify new strains and mutations



Commercialized COVID-19 Testing *Primarily RT-PCR Based Testing*

Contracts with:

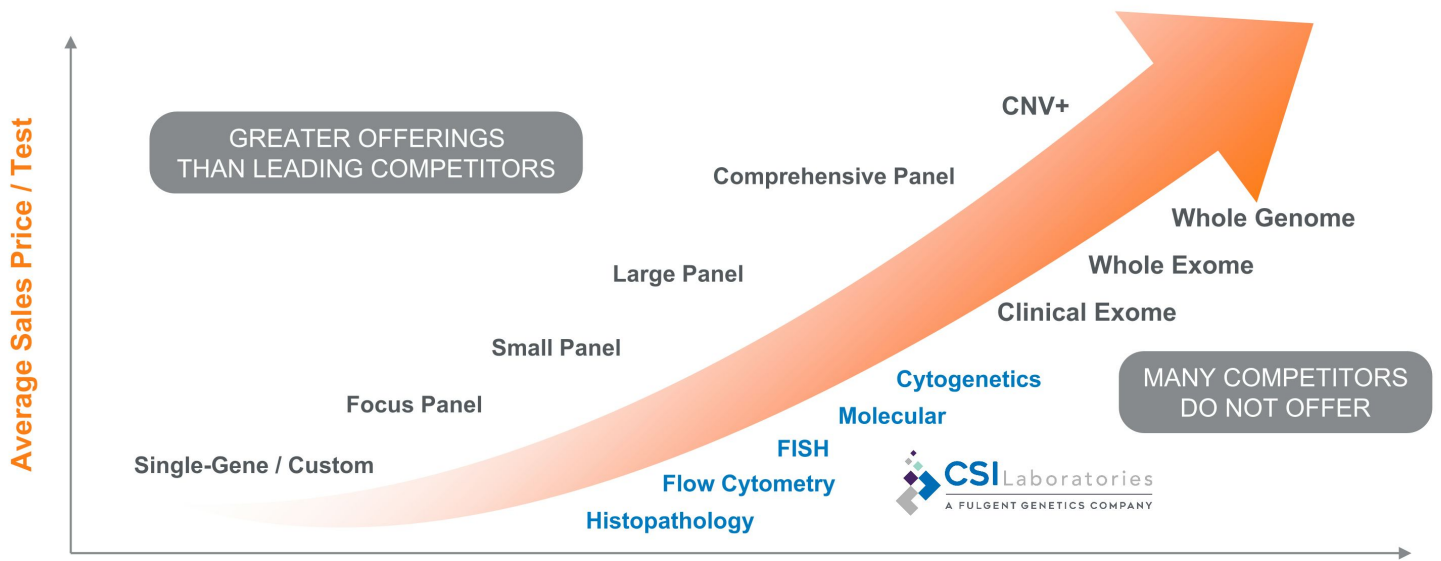
- School systems
- Nursing homes
- Athletic organizations
- Specialty health clinics
- Travel organizations
- Government agencies

Offered through:

- Drive-through sites
- Picture at-home kits
- Managed on-site programs

Result: Over 19M COVID-19 tests delivered between 2020-2023, generating >\$1.7B in revenue for Fulgent

Scalable and Affordable Menu for Customers



NGS Testing – Offerings

Single Gene



18,400+ Genes

Disease Panels



800+ Panels
Customizable Panels

Exome Tests



Clinical Exome (4,500+ Genes)
Whole Exome

Cancer Panels



Focus (49 Genes)
Comprehensive (153 Genes)
Somatic

Known Mutation



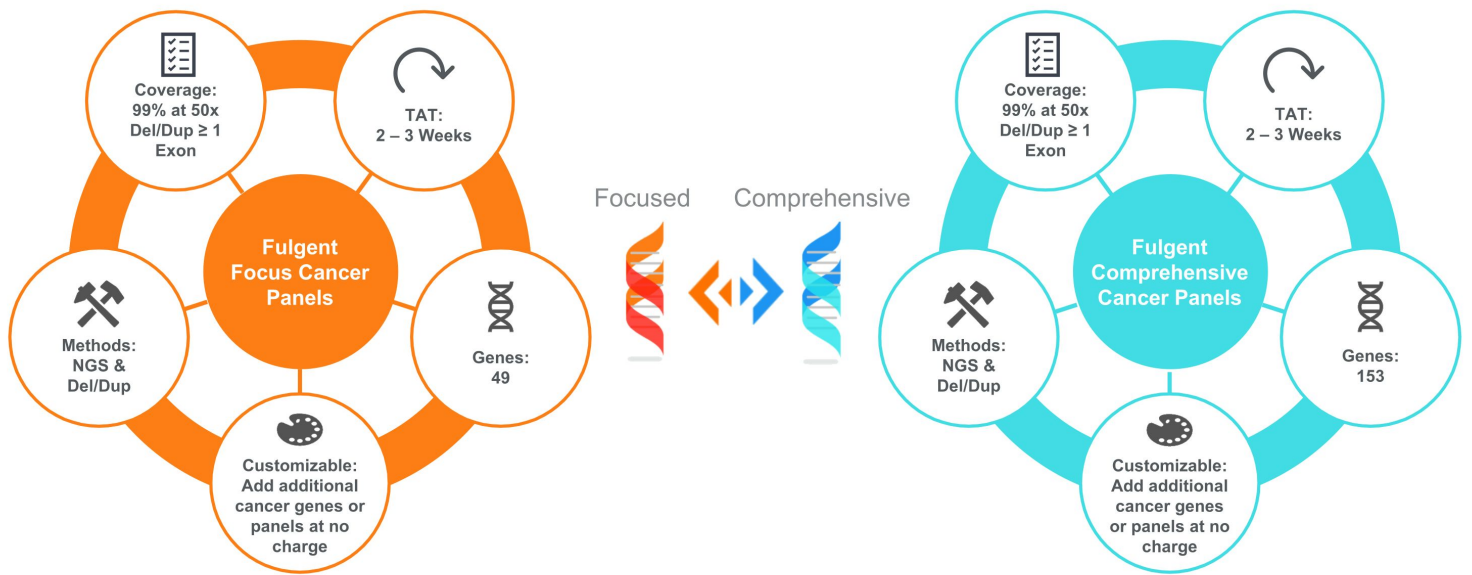
Site-Specific Testing

Repeat Expansion



20 Panels

NGS Testing – Germline Oncology Test Menu



Oncology Testing Platforms



FISH

- Expansive heme and solid tumor menu
- STAT testing available - PML/RARA <1 day TAT
- CD138 cell enrichment for PCM
- 3-5 day turnaround time



Histology

- 225+ stains
- Platform agnostic
Roche, Agilent and Leica IHC
- Three levels of service – Tech, Global, Consultative
- PD-L1 - Various IVD platforms and indications
- <1-2 day turnaround time



Cytogenetics

- Oncology and constitutional
- >20% abnormality detection rate
- Mitogen stimulation/dual culture
- DSP30 (detection of B-cell disorders)
- Interleukin 4 for plasma cell myeloma
- Phytohemagglutinin and Interleukin 2 (detection of T-cell disorders)
- Children's Oncology Group approved
- 5-7 day turnaround time



Flow Cytometry

- 10-color platform
- Comprehensive panel design
- High-sensitivity for paroxysmal nocturnal hemoglobinuria
- Expert analysis and interpretation
- 12-24 hour turnaround time

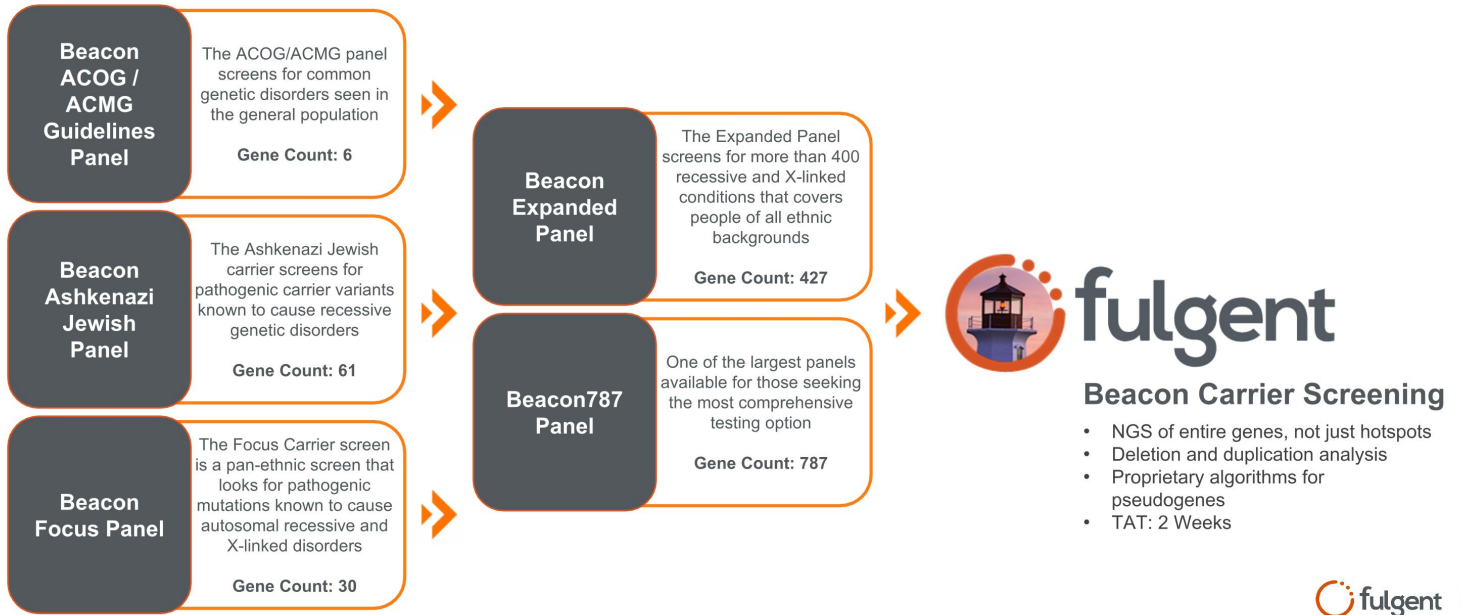


Molecular

- Hematology and solid tumor menu
- Extensive single gene menu
- NGS
- Solid tumor liquid biopsy NGS offering
- 5-7 day turnaround time [NGS 8-10 days]

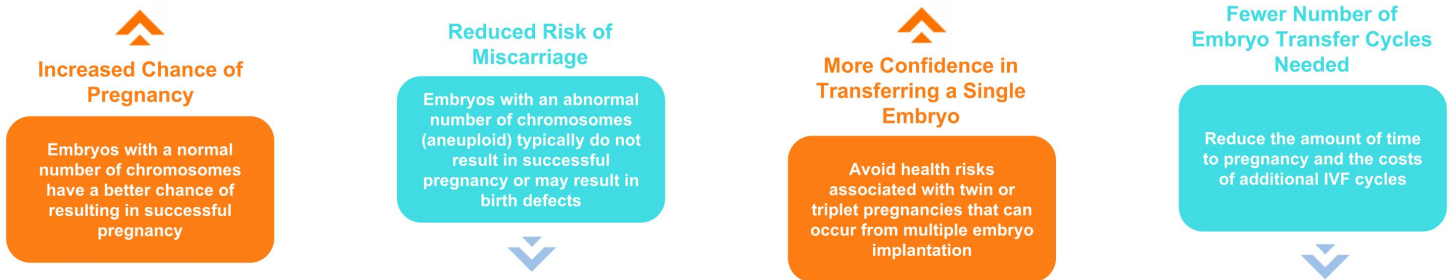
NGS Testing – Panel Deep Dive

Comprehensive Beacon Carrier Screening Tests



NGS Testing – Reproductive Services: PGT-A

PGT-A Can Expand a Patient's Prospects of a Successful Pregnancy



Preimplantation Genetic Testing for Aneuploidy (PGT-A) can identify potentially abnormal embryos for transfer in IVF, thereby expanding a patient's prospects of a successful pregnancy

Who is PGT-A testing for?	Women 35+	Those who have experienced miscarriages	Those who want to reduce the likelihood of having multiples	Couples experiencing male factor infertility	Those who have experienced IVF failure
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NGS Testing – Rapid Whole Genome

Designed for critically ill infants in the NICU/PICU to rapidly diagnose genetic disorders

Covers >4,000 single gene disorders

Fast turn around time (7-10 days)

Focused reporting of diagnostic findings only

Ideal for Infants Experiencing:

Multiple congenital anomalies

Inborn errors of metabolism

Immunodeficiency

Respiratory distress

Epilepsy

In a Retrospective Analysis of Diagnostic and Clinical Finding with 35 Acutely Ill Infants (2015):

20 out of the 35 infants (57%) received a diagnosis

13 out of the 20 diagnosed infants (65%) had clinical usefulness for treatment

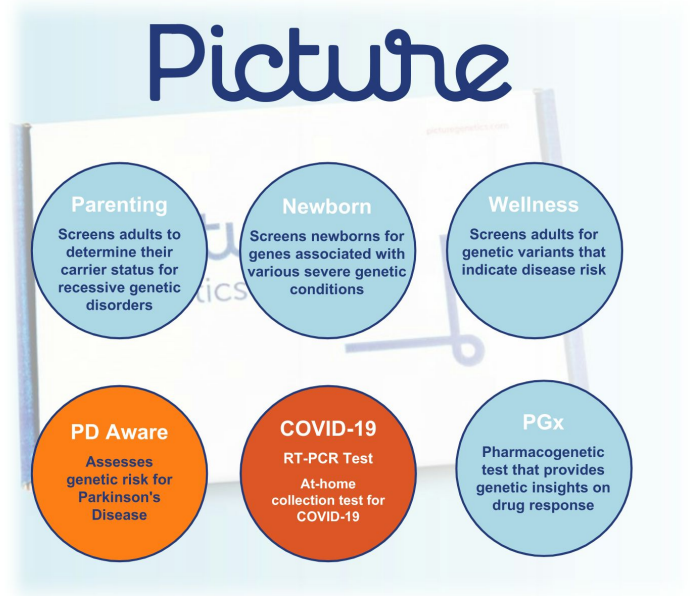
TAT of 7-10 Days

Consumer Initiated Tests – Picture Genetics

Targeting the Large Consumer Market with Picture Genetics

Launched in 2019 with significant growth amid COVID-19

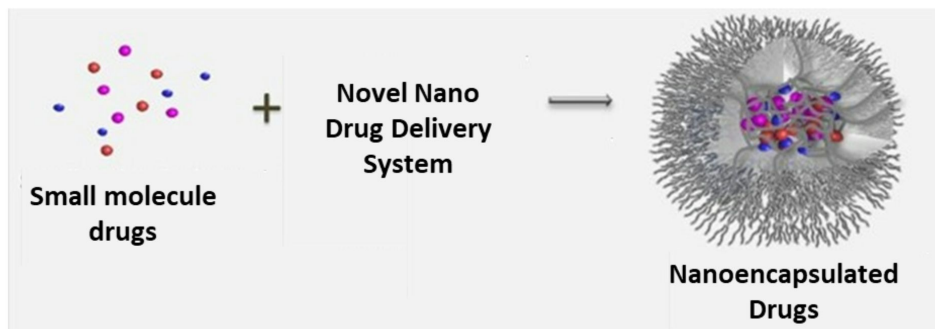
- A consumer-focused offering that merges clinical utility with accuracy of an accredited lab
- Extends Fulgent's NGS capabilities to a broader market
- Validated by **successfully scaling to hundreds of thousands of tests** performed within months for COVID-19, after receiving an EUA
- Genetic tests utilizes complete sequencing (vs genotyping) by NGS analysis for better, more accurate results
- Patient-friendly with easy to use “order from home” model – no doctor office visits or insurance necessary, though many tests are eligible for reimbursement
- Select full service offering that includes analysis and genetic counseling support



THERAPEUTIC DEVELOPMENT



Nano-Drug Delivery Platform Overview



Platform Advantage:

Soluble in both water and various organic solvents and capable of hot melt mixing with APIs

- Many drug candidates in the industry failed during preclinical and clinical development and testing due to poor water solubility
- Nanoencapsulation produces amorphous drug candidates with improved solubility and potentially enhanced absorption, drug PK profiles, safety and efficacy
- Broadly applicable to both IV and oral drug delivery formulations
- Potentially shortened development timeline
- Plug and play drug delivery platform provides multiple shots on goal
- Simple and low-cost production process

FID-007 Program Overview

FID-007 Phase I First in Human Clinical Trial – Preliminary Findings (n=40 patients)

- Dose levels up to 160 mg/m²/week with manageable safety profile
 - RP2D at 125 mg/m²/week
- There is preliminary evidence of anti-tumor activity in 40 heavily pre-treated patients across different tumor types (ORR = 18%)
- No high-grade neuropathy often seen in other taxanes
- Updated clinical data presented at ASCO 2023

FID-007 Phase I Preliminary Highlights (as of 6/2/23):

H&N Cancer

- 57% ORR and 71% DCR were observed in 7 heavily treated H&N patients. Among them, 6/7 had prior Taxane treatment.

Ampullary/Pancreatic

- 50% ORR and 75% DCR were seen in 4 heavily treated ampullary and pancreatic patients

A Phase 1 Trial of FID-007, a Novel Nanoparticle Paclitaxel Formulation, in Patients with Solid Tumors

Jacob Thomas¹, Diane Habib¹, Diana Hanna^{1,2}, Irene Kang¹, Syma Iqbal¹, Jorge Nieva¹, Denise Tsao-Wei¹, Francisco Acosta¹, Ming Hsieh³, Yikong Zhang³, Anthony El-Khoueiry¹

¹University of Southern California, Norris Comprehensive Cancer Center; ²Hoag Memorial Hospital; ³Fulgent Pharma



Note: all findings are preliminary

1. DCR includes Stable Disease (SD), Partial Response (PR), Complete Response (CR)

FID-007 Clinical Data Presented at ASCO 2023

Results

Table 1: Patient Baseline Characteristics		Table 2: Dose Levels Evaluated				
Characteristic	Overall, N = 40	Dose Level	FID-007 (mg/m ²)	No. of Patients	No. of Evaluable Patients	DLT Type
Years of Age, Median (Range)	61 (52 - 75)	1	15	3	3	0
Gender		2	30	3	3	0
Female	23 (58%)	3	60	3	3	0
Male	17 (43%)	4	80	3	3	0
Race/Ethnicity		5	100	5	5	2*
White or Caucasian	11 (28%)	5b	100	4	3	0
Hispanic	19 (48%)	6	125	9	6	1
Black or African American	1 (3%)	7	160	3	3	1
Asian (including Indian)	9 (23%)	6a	125	7	6	1
ECOG PS						
0	11 (28%)					Gr3 febrile neutropenia
1	28 (70%)					Gr3 neutropenia
2	1 (3%)					
Number of Prior Regimens, Median (Range)	2 (1 - 5)					
Tumor Type						
Pancreatobiliary	11 (28%)					
Non-small cell lung	4 (10%)					
Head and neck SCC	11 (28%)					
Other	14 (35%)					

a. Two patients in dose level 5 had DLT of grade 3 maculopapular rash. Rash resolved with supportive care and/or dose delays in both patients and treatment was successfully continued safely without occurrence of grade 3 rash. DLT definition was modified for dose levels 5b and above to allow for grade 3 rash that resolves within 7 days. No further patients had DLT for rash in the subsequent dose levels.

b. Cohort 1b used modified pre-medication by removing sodium bicarbonate infusion and addition of corticosteroid pre-medication for C1 only. (Data not shown to be reviewed)

Figure 1: Waterfall Plot for Best Response

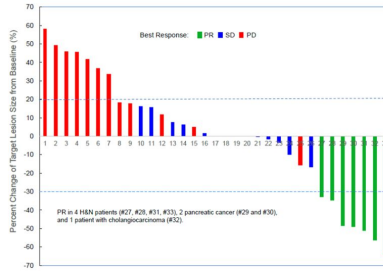


Table 4: Tumor Responses and Outcomes

Characteristic	Overall, N = 40
Total Courses Completed, Median (Range)	2 (1 - 30)
Best Response*	
PR	7 (18%)
SD	14 (35%)
PD ^a	18 (45%)
Duration of Follow-up (Months), Median (Range)	12.0 (0.4, 38.9)

a. PD includes 4 patients who had clinical deteriorations prior to RECIST evaluation.
* One patient response is pending

Table 3: Treatment-related select AE categories (≥= 10%)

Toxicity	Number of Patients With Maximum Grade Toxicity Experienced		
	Grade 1 or 2	Grade 3	Grade 4
Alopecia	21 (53%)	0	0
Rash maculo-papular	16 (40%)	11 (28%)	0
Pruritus	16 (40%)	0	0
Fatigue	15 (38%)	0	0
Anorexia	12 (30%)	1 (3%)	0
Nausea	12 (30%)	0	0
White blood cell decreased	11 (28%)	5 (13%)	3 (8%)
Anemia	10 (25%)	6 (15%)	0
Dyspeusia	10 (25%)	0	0
Neutrophil count decreased	9 (23%)	3 (8%)	5 (13%)
Peripheral sensory neuropathy	9 (23%)	0	0
Dry skin	8 (20%)	0	0
Palmar-plantar erythrodysesthesia syndrome	7 (18%)	0	0
Constipation	6 (15%)	0	0
Vomiting	6 (15%)	0	0
Diarrhea	5 (13%)	0	0
Arthralgia	4 (10%)	0	0
AST	4 (10%)	0	0

Figure 2: Swimmer Plot for Responses over Time

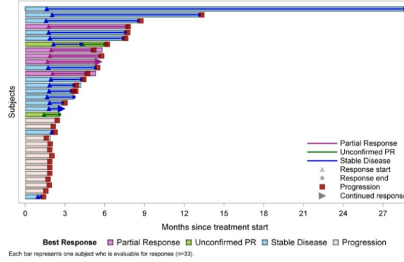
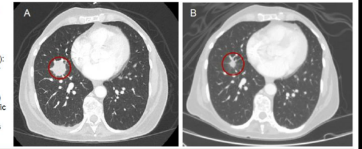


Figure 4: Partial Response in Patient with Head and Neck SCC

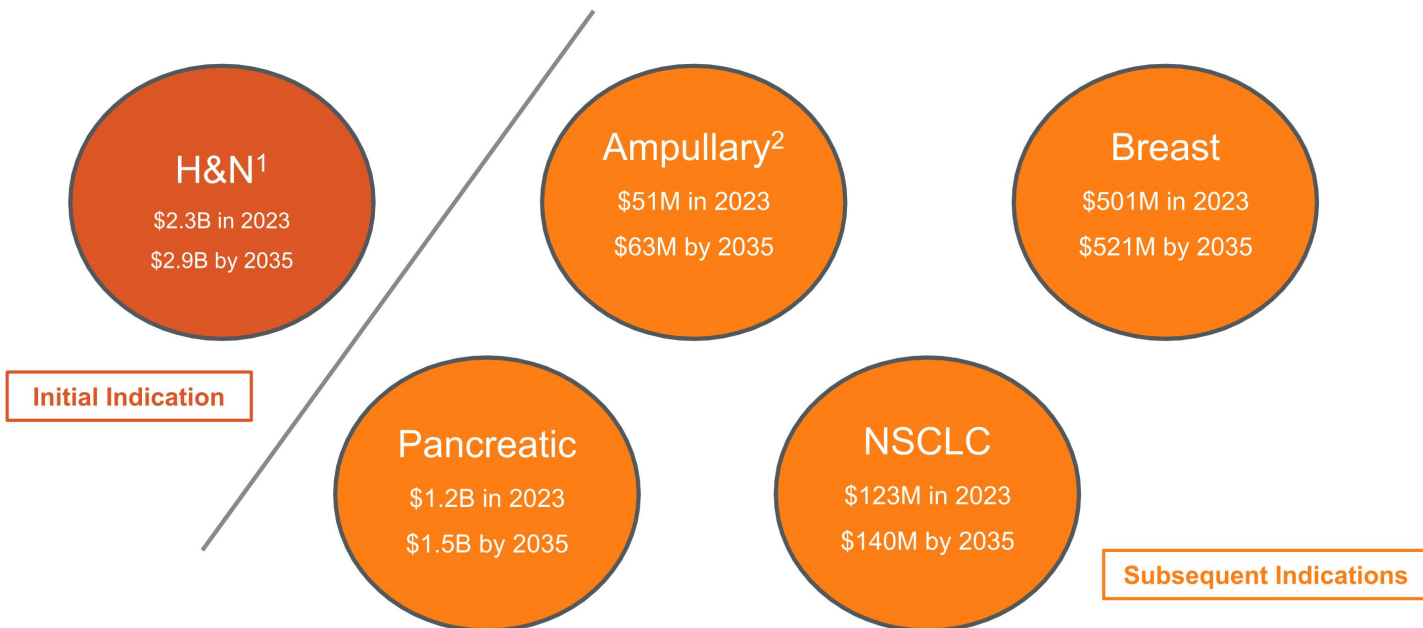
Panel A at baseline, panel B after 2 cycles of FID-007.
Prior therapies (best response):
- Pembrolizumab + 5-FU + capecitabine (SD)
- Cetuximab (SD)
- Docetaxel (PR 9 months)
- NK cell + EGFR bi-specific Ab (PD)
- Response ongoing > 6 months



Conclusions

- Enrollment in a 10-patient expansion cohort at RP2D continues
- Based on overall tolerability, pharmacokinetics, and efficacy, the dose of 125mg/m² has been chosen as the RP2D.
- There has been no grade 3 or higher peripheral neuropathy
- Combination studies are planned, including a phase 2 study in head and neck SCC

Potential Market Opportunity for FID-007



Note: U.S. opportunity shown

Sources: Evaluate Pharma, Wall Street research, and management pricing expectations

1. H&N market opportunity for both 2nd line and 3rd line therapy

2. Ampullary market opportunity for 2nd line therapy

Pipeline Progress

- FID-007: wholly-owned drug candidate initially focused on Head & Neck (H&N), Pancreatic/Ampullary cancers
 - Seeking initial therapeutic indication for 2nd line treatment of H&N cancer
 - Potential FDA approval strategy uses 505(b)(2) studies, which may shorten clinical trial process and accelerate timeline to commercialization
- FID-022 moving toward IND
- Developing a next generation antibody drug conjugate (ADC) technology platform that could potentially provide even broader killings towards heterogeneous cancer cells than those ADCs with the bystander killing effect

Drug Candidates	Target	Indication	Pre-Clinical	Clinical P1	Clinical P2	Clinical P3	Milestones
FID-007	Cytotoxic	Head and Neck (H&N) (505(b)(2))	▶				Begin P2 Enrollment in 2Q24
		Ampullary or ICI Resistant (505(b)(2))	▶			Go/No-go Based on HN Study	
FID-022	Cytotoxic	Colon (505(b)(2))	▶				IND Filing by YE24

FINANCIALS



Summary Financial Performance

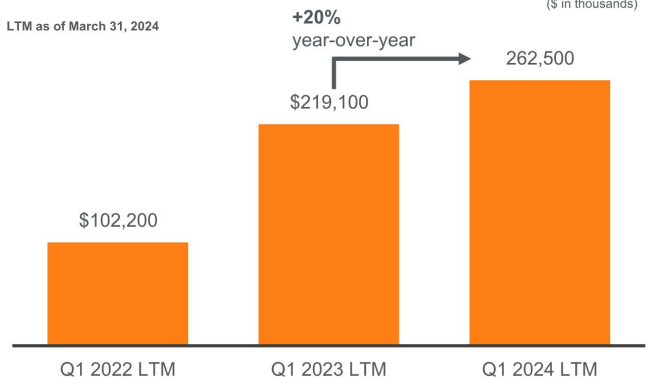
\$63M Core Revenue¹ in Q1'24
1% growth year-over-year

\$42M Last Twelve Months (LTM) Operating
Cash Flow as of Q1'24

Core Revenue¹

LTM as of March 31, 2024

(\$ in thousands)

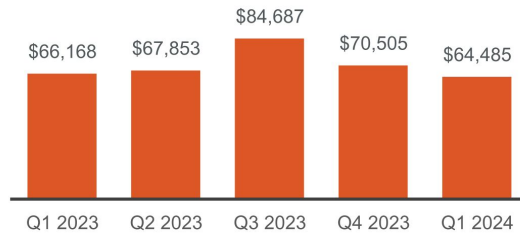


(1) Core Revenue excludes NGS COVID-19 test volume

Financial Performance: Revenue Profile

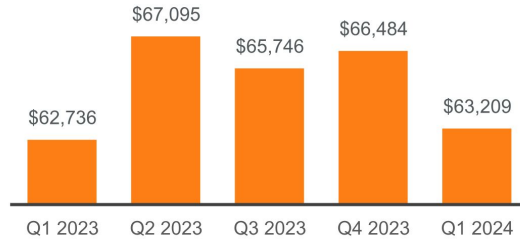
Total Revenue

(\$ in thousands)



Core Revenue¹

(\$ in thousands)



(1) Core Revenue excludes NGS COVID-19 test volume

2024 Financial Guidance Reiterated

Metric	Full Year 2024	Expected Revenue Breakdown	
Core Revenue	\$280M +7% y/y ¹	Precision Diagnostics	\$173M
GAAP EPS	(\$2.25)	Anatomic Pathology	\$96M
Non-GAAP EPS	(\$1.05)	BioPharma Services	\$11M
		Core Revenue	\$280M

Expected Cash, cash equivalents, and investments in marketable securities of approximately \$800 million as of December 31, 2024²

(1) Core Revenue excludes NGS COVID-19 test revenue for more accurate year over year comparison purposes.

(2) Cash expenditures may be higher or lower than currently estimated due to a variety of factors and circumstances, including as a result of the Company's ongoing stock repurchase program or other expenditures outside the ordinary course of business.

Balance Sheet

(in 000's)	Periods Ended	
	December 31, 2023	March 31, 2024
Assets		
Cash & cash equivalents	\$ 97,473	\$ 54,677 ⁽¹⁾
Marketable securities	326,681	251,018 ⁽¹⁾
Trade accounts receivable, net	51,132	52,060
Other current assets	32,559	28,754
Total current assets	507,845	386,509
Marketable securities, long-term	423,571	540,495 ⁽¹⁾
Redeemable preferred stock investment	20,438	20,438
Fixed assets, net	83,464	86,723
Intangible assets, net	143,053	140,989
Goodwill, net	22,055	22,055
Other long-term assets	34,902	32,676
Total assets	\$ 1,235,328	\$ 1,229,885
Liabilities and Stockholders' Equity		
Accounts payable	\$ 15,360	\$ 19,616
Contract liabilities	2,874	2,762
Customer deposit	22,700	27,240
Other liabilities	61,108	53,621
Total liabilities	102,042	103,239
Stockholders' equity	501,721	511,332
Accumulated income	634,380	618,611
Total Fulgent stockholders' equity	1,136,101	1,129,943
Noncontrolling interest	(2,815)	(3,297)
Total stockholders' equity	1,133,286	1,126,646
Total liabilities and stockholders' equity	\$ 1,235,328	\$ 1,229,885

(1) \$846M in cash and investments.

Non-GAAP Financial Adjustments

(in 000's)	2023				FY	2024
	Q1	Q2	Q3	Q4	2023	Q1
Revenue	\$66,168	\$67,853	\$84,687	\$70,505	\$289,213	\$64,485
Cost of revenue	47,357	47,281	44,843	45,276	184,757	42,381
Gross profit	\$18,811	\$20,572	\$39,844	\$25,229	\$104,456	\$22,104
Gross margin	28.4%	30.3%	47.0%	35.8%	36.1%	34.3%
Equity-based compensation included in cost of revenue	2,394	2,359	2,621	2,375	9,749	2,009
Non-GAAP gross profit (excluding equity-based compensation)	\$21,205	\$22,931	\$42,465	\$27,604	\$114,205	\$24,113
Non-GAAP gross margin	32.0%	33.8%	50.1%	39.2%	39.5%	37.4%
Operating expenses						
Research and development	\$9,782	\$9,692	\$10,014	\$11,952	\$41,440	\$11,434
Selling and marketing	10,083	10,723	10,161	10,500	41,467	8,989
General and administrative	21,802	17,993	17,498	31,706	88,999	21,489
Amortization of intangible assets	1,968	1,962	1,957	1,958	7,845	1,990
Goodwill impairment loss	—	—	—	120,234	120,234	—
Total operating expenses	43,635	40,370	39,630	176,350	299,985	43,902
Operating profit (loss)	(\$24,824)	(\$19,798)	\$214	(\$151,121)	(\$195,529)	(\$21,798)
Operating margin	-37.5%	-29.2%	0.3%	-214.3%	-67.6%	-33.8%
Equity-based compensation included in operating expenses	7,871	7,964	8,281	9,057	33,173	9,509
Non-GAAP operating profit (loss) (excluding equity-based compensation, amortization and goodwill impairment)	(\$12,591)	(\$7,513)	\$13,073	(17,497)	(\$24,528)	(\$8,290)
Non-GAAP operating margin	-19.0%	-11.1%	15.4%	-24.8%	-8.5%	-12.9%

THANK YOU





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