

**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): November 9, 2021

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.)

4978 Santa Anita Avenue

Temple City, California

(Address of Principal Executive Offices)

91780

(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 November 9, 2021, Fulgent Genetics, Inc. (the “Company”) issued a press release announcing its financial results for the fiscal quarter ended September 30, 2021. 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 November 9, 2021, the Company updated its investor presentation, which is available on the “Investor Relations” section of the Company’s website at <https://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 November 9, 2021
99.2	Corporate Presentation of Fulgent Genetics, Inc.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Fulgent Genetics Reports Third Quarter Financial Results

- Revenue grows 124% year-over-year to \$227.9 million
- Core Revenue grows 292% year-over-year to \$40.1 million
- Raises Full Year Revenue guidance to \$930 million from \$800 million, given recent strength in core and COVID-19 business

TEMPLE CITY, CA, November 9, 2021 —Fulgent Genetics, Inc. (NASDAQ: FLGT) (“Fulgent Genetics” or the “company”), a technology-based genetic testing company focused on transforming patient care in oncology, infectious and rare diseases, and reproductive health, today announced financial results for its third quarter ended September 30, 2021.

Third Quarter 2021 Results:

- Revenue of \$227.9 million, growing 124% year-over-year
- Billable tests delivered approximately 2.2 million, or more than twice the volume of third quarter of 2020
- Gross Margin improved approximately 7 percentage points year-over-year
- Core Revenue grew 292% year-over-year to \$40.1 million
- GAAP income of \$122.5 million, or \$3.93 per share
- Non-GAAP income of \$126.3 million, or \$4.05 per share
- Adjusted EBITDA of \$167.3 million
- Cash from operations of \$152.2 million; Cash, cash equivalent, and investments in marketable securities of \$877.3 million as of September 30, 2021

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

Ming Hsieh, Chairman and Chief Executive Officer, said, “We demonstrated great execution across our business in the third quarter and significantly exceeded our guidance for both core and COVID-19 revenue. The investments we have made in CSI Laboratories, Helio Health and FF Gene Biotech are already contributing nicely to our growth, while our core next generation sequencing (“NGS”) business continues to do well. We see a meaningful runway ahead with a number of opportunities that have expanded our genomic test menu and commercial reach, and we have continued to build out our operational infrastructure and personnel to support our growth. We remain optimistic that our differentiated approach to the genomic testing market positions us well for continued momentum.”

Paul Kim, Chief Financial Officer, said, “We had a very strong third quarter, driven by outperformance across both our core NGS and RT-PCR COVID-19 testing businesses, which grew 292% and 105% year-over-year, respectively. Our core business has been seeing strong momentum with the addition of CSI and integration of FF Gene Biotech, and we are continuing to make investments to drive our post-COVID growth strategy. At the same time, the spread of the contagious Delta variant drove a meaningful increase in our RT-PCR COVID-19 testing in the quarter, while we also saw strong demand for our NGS based COVID-19 testing solutions. We are pleased to be raising our guidance for the year and will be providing

a formal update during our investment community conference call to shortly follow the issuance of this press release.”

Outlook:

For the fourth quarter of 2021, Fulgent Genetics expects:

- Total Revenue of approximately \$189 million
- Core Revenue of approximately \$32 million, representing growth of 166% year-over-year

For the full year 2021, Fulgent Genetics expects:

- Total Revenue of approximately \$930 million versus previous guidance of \$800 million
- Core Revenue of approximately \$115 million versus previous guidance of \$110 million, representing growth of 215% year-over-year
- GAAP income of approximately \$15.50 per share
- Non-GAAP income of approximately \$16.00 per share

Conference Call Information

Fulgent Genetics will host a conference call for the investment community today at 4:30 PM ET (1:30 PM PT) to discuss its third quarter 2021 results. Press and industry analysts are invited to attend in listen-only mode.

The call can be accessed through a live audio webcast in the Investor Relations section of the company’s website, <http://ir.fulgentgenetics.com>, and through a live conference call by dialing (800) 367-2403 using the confirmation code 3277675. An audio replay will be available in the Investor Relations section of the company’s website.

Note Regarding Non-GAAP Financial Measures

Certain of the information set forth in this press release, including non-GAAP income (loss), non-GAAP income (loss) per share and adjusted EBITDA, are non-GAAP financial measures. Fulgent Genetics 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 core operating results. Fulgent Genetics defines non-GAAP income (loss) as income (loss) calculated in accordance with accounting principles generally accepted in the United States of America (“GAAP”), plus amortization of acquisition-related intangible assets, plus equity-based compensation expenses, plus or minus the non-GAAP tax effect, plus or minus (loss) gain on equity-method investments, plus or minus equity (loss) earnings in investee, and plus or minus other charges or gains, as identified, that management believes are not representative of the company’s core operations. The non-GAAP tax effect is calculated by applying statutory corporate tax rate on amortization of acquisition-related intangible assets and equity-based compensation expenses. Fulgent Genetics defines adjusted EBITDA as GAAP income (loss) plus or minus interest (expense) income, plus or minus provisions (benefits) for income taxes, plus depreciation and amortization, plus equity-based compensation expenses, plus or minus (loss) gain on equity-method investments, plus or minus equity (loss) earnings in investee, and plus or minus other charges or gains, as identified, that management believes are not representative of the company’s core operations.

Fulgent Genetics 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; 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 income (loss) 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 Genetics may not be comparable to similarly titled metrics reported by other companies.

About Fulgent Genetics

Fulgent Genetics is a technology-based genetic testing company focused on transforming patient care in oncology, infectious and rare diseases, and reproductive health. Fulgent Genetics' proprietary technology platform has created a broad, flexible test menu and the ability to continually expand and improve its proprietary genetic reference library while maintaining accessible pricing, high accuracy, and competitive turnaround times. Combining NGS with its technology platform, the company performs full-gene sequencing with deletion/duplication analysis in an array of panels that can be tailored to meet specific customer needs. A cornerstone of the company's business is its ability to provide expansive options and flexibility for all clients' unique testing needs through a comprehensive technology offering including cloud computing, pipeline services, record management, web portal services, clinical workflow, sequencing as a service and automated laboratory services.

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: guidance regarding expected fourth quarter and annual financial results, including revenues, core revenues, GAAP income and Non-GAAP income ; evaluations and judgments regarding market position, runway, momentum, acquisitions and acquired businesses (including CSI Laboratories and FF Gene Biotech), investments and partnerships (including Helio Health), relationships and the company's testing services and technology; the timing, commercial success and impact on the company's results of new product launches and other initiatives; the company's identification and evaluation of opportunities and its ability to capitalize on opportunities, capture market share or to 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 ongoing impacts of the COVID-19 pandemic, including the preventive public health measures that may continue to impact demand for its tests and the pandemic's effects on the global supply chain; the market potential for, and the rate and degree of market adoption of, the company's tests, including its newly-developed tests for COVID-19 and genetic testing generally; the company's ability to capture a sizable share of the developing market for genetic and COVID-19 testing and to compete successfully in these markets,

including its ability to continue to develop new tests that are attractive to its various customer markets, 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, particularly as the company makes investments across its business; the company's ability to maintain an acceptable margin on sales of its tests, particularly in light of increasing competitive pressures and other factors that may continue to reduce the company's sale prices for and margins on its tests; 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 ability to grow and diversify its customer base and increase demand from existing and new customers; the company's investments in its infrastructure, including its sales organization and operational capabilities, and the extent to which these investments impact the company's business and performance and enable it to manage any growth it may experience in future periods; the company's level of success in obtaining coverage and adequate reimbursement and collectability levels from third-party payors for its tests; the company's level of success in establishing and obtaining the intended benefits from partnerships, strategic investments, joint ventures, acquisitions or other relationships; the company's compliance with the various evolving and complex laws and regulations applicable to its business and its industry; risks associated with the company's international operations; the company's ability to protect its proprietary technology platform; and general industry, economic, political and market conditions. 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 (the "SEC"), including its annual report on Form 10-K for the year ended December 31, 2020 filed with the SEC on March 8, 2021 and the other reports it files from time to time, including subsequently filed 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
Nicole Borsje, 415-217-2633, nicole@blueshirtgroup.com

FULGENT GENETICS, INC.
CONDENSED CONSOLIDATED BALANCE SHEET DATA
September 30, 2021 and December 31, 2020
(in thousands)

	<u>September 30,</u>	<u>December 31,</u>
	<u>2021</u>	<u>2020</u>
ASSETS:		
Cash and cash equivalents	\$ 214,877	\$ 87,426
Investments in marketable securities	662,386	344,443
Accounts receivable, net	120,822	183,857
Property, plant, and equipment, net	60,166	40,199
Other assets	146,417	44,536
Total assets	<u>\$ 1,204,668</u>	<u>\$ 700,461</u>
LIABILITIES & EQUITY:		
Accounts payable, accrued liabilities and other liabilities	\$ 160,215	\$ 131,074
Total stockholders' equity	1,044,453	569,387
Total liabilities & equity	<u>\$ 1,204,668</u>	<u>\$ 700,461</u>

FULGENT GENETICS, INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS DATA
Three and Nine Months Ended September 30, 2021 and 2020
(in thousands, except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue	\$ 227,868	\$ 101,716	\$ 740,913	\$ 126,734
Cost of revenue (1)	43,466	26,261	153,399	38,035
Gross profit	184,402	75,455	587,514	88,699
Operating expenses:				
Research and development (1)	6,021	3,177	16,755	7,004
Selling and marketing (1)	6,012	5,014	16,239	9,871
General and administrative (1)	12,299	3,741	28,630	7,575
Amortization of acquisition-related intangible assets	797	—	797	—
Total operating expenses	25,129	11,932	62,421	24,450
Operating income	159,273	63,523	525,093	64,249
Interest and other income, net	496	421	1,382	937
Income before income taxes, gain (loss) on equity method investments and equity loss in investee	159,769	63,944	526,475	65,186
Provisions for income taxes	37,545	14,526	127,647	13,961
Income before gain (loss) on equity method investments and equity loss in investee	122,224	49,418	398,828	51,225
Gain (loss) on equity-method investments	—	(2,591)	3,734	(2,591)
Equity loss in investee	—	(189)	—	(631)
Net income from consolidated operations	122,224	46,638	402,562	48,003
Net loss attributable to noncontrolling interests	298	—	463	—
Net income attributable to Fulgent	\$ 122,522	\$ 46,638	\$ 403,025	\$ 48,003
Net income per common share attributable to Fulgent:				
Basic	\$ 4.13	\$ 2.11	\$ 13.79	\$ 2.20
Diluted	\$ 3.93	\$ 1.98	\$ 13.04	\$ 2.07
Weighted average common shares:				
Basic	29,673	22,062	29,221	21,793
Diluted	31,170	23,539	30,906	23,135

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

Cost of revenue	\$ 962	\$ 428	\$ 2,328	\$ 929
Research and development	1,757	887	4,461	1,563
Selling and marketing	693	1,184	1,739	1,577
General and administrative	962	651	2,334	1,085
Total equity-based compensation expense	\$ 4,374	\$ 3,150	\$ 10,862	\$ 5,154

FULGENT GENETICS, INC.
Non-GAAP Income Reconciliation
Three and Nine Months Ended September 30, 2021 and 2020
(in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income attributable to Fulgent	\$ 122,522	\$ 46,638	\$ 403,025	\$ 48,003
Amortization of acquisition-related intangible assets	797	—	797	—
Equity-based compensation expense	4,374	3,150	10,862	5,154
Non-GAAP tax effect (1)	(1,396)	(851)	(3,148)	(1,392)
Gain (loss) on equity-method investments	—	2,591	(3,734)	2,591
Equity loss in investee	—	189	—	631
Non-GAAP income attributable to Fulgent	<u>\$ 126,297</u>	<u>\$ 51,717</u>	<u>\$ 407,802</u>	<u>\$ 54,987</u>
Net income per common share attributable to Fulgent:				
Basic	\$ 4.13	\$ 2.11	\$ 13.79	\$ 2.20
Diluted	\$ 3.93	\$ 1.98	\$ 13.04	\$ 2.07
Non-GAAP income per common share attributable to Fulgent:				
Basic	\$ 4.26	\$ 2.34	\$ 13.96	\$ 2.52
Diluted	\$ 4.05	\$ 2.20	\$ 13.19	\$ 2.38
Weighted average common shares:				
Basic	29,673	22,062	29,221	21,793
Diluted	31,170	23,539	30,906	23,135

(1) Tax rates as follows:

Corporate tax rate of 27% for the three and nine months ended September 30, 2021.

Corporate tax rate of 27% for the three and nine months ended September 30, 2020.

FULGENT GENETICS, INC.**Non-GAAP Adjusted EBITDA Reconciliation****Three and Nine Months Ended September 30, 2021 and 2020****(in thousands)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income attributable to Fulgent	\$ 122,522	\$ 46,638	\$ 403,025	\$ 48,003
Interest income, net	(357)	(424)	(1,513)	(999)
Provisions for income taxes	37,545	14,526	127,647	13,961
Equity-based compensation expense	4,374	3,150	10,862	5,154
Depreciation and amortization	3,173	722	7,513	1,840
Gain (loss) on equity-method investments	—	2,591	(3,734)	2,591
Equity loss in investee	—	189	—	631
Adjusted EBITDA	<u>\$ 167,257</u>	<u>\$ 67,392</u>	<u>\$ 543,800</u>	<u>\$ 71,181</u>



November 2021

Founded in 2011 | Located in Los Angeles, CA | NASDAQ: FULT

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") about future events based on current views and assumptions. Examples of forward-looking statements made in this presentation include, among others, those related to its anticipated growth and positioning, the Company's mission 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, including statements regarding CSI Laboratories and Hello Health. 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 March 8, 2021, 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, 2020 filed with the SEC on March 8, 2021 and the other reports it files from time to time, including subsequently filed 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.

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.

Mission, Core Values, and Strategy



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 genomic testing that improves the everyday lives of those around us

Core Values

- Innovation
- Customer service and commitment
- Quality
- Efficiency

Strategy

- Leverage our proprietary NGS platform for broad application
- Operational excellence
- Disciplined M&A

Leadership Team



Ming Hsieh
Chief Executive Officer

Experienced operational leader, entrepreneur and philanthropist

Previously CEO, President, and Chairman of Cogent Systems

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; 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
Chief Operating Officer

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

Served as an SVP of Cogent

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 and Spectral Genomics



Dr. Lawrence Weiss
Chief Medical Officer

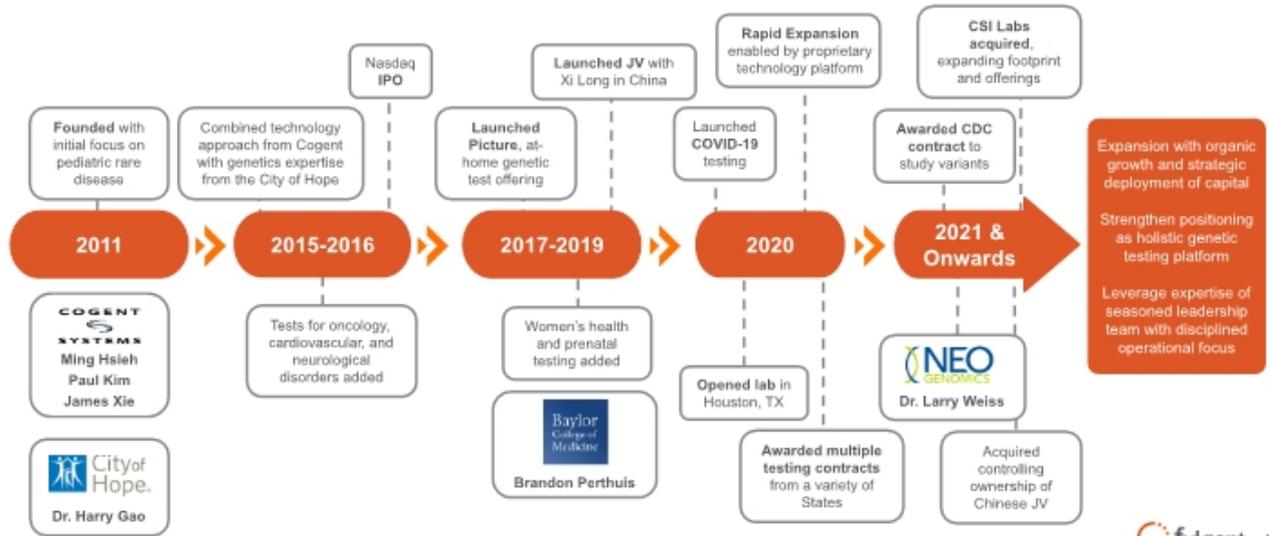
Esteemed background in molecular science and pathology

Most recently Chief Medical Officer at NeoGenomics; prior senior role at Clariant

Chairman Emeritus of Pathology at City of Hope National Medical Center



History of Fulgent Genetics



Fulgent is Positioned to Execute on Our Growth Strategy

Proprietary technology platform allows for broad, flexible test menu and rapid scaling that is affordable

\$227.9M Q3 Revenue

Utilizes next-generation sequencing (NGS) to perform an array of tailorable panels with focus on oncology

2.2M Q3 Billable Tests

Fulgent is well positioned to execute on a targeted growth strategy. Near term initiatives include:

- CSI Labs acquisition to expand capabilities
- Controlling interest in China JV to grow global presence

+292% Q3 YoY Core Revenue Increase

18,400+ Genes | 900+ Panels | Customizable Offerings



CSI Laboratories Acquisition

- Leading cancer testing and diagnostics laboratory acquired in August 2021
- Profitable with quality customers, reimbursement contracts, and established service offerings in molecular diagnostics, Flow, FISH, Cytogenetics, and Histology
- Accelerates Fulgent's goal of becoming a large player in the molecular diagnostic field with focus on oncology, with the goal of leveraging the NGS platform

Key CSI Highlights

- **Founded in 1997**
- **400+ unique tests offered**
- **~165 million covered lives**



Headquarters & Main Laboratory
2580 Westside Pkwy.
Alpharetta, GA 30004

South Florida Laboratory
2141 Alternate A1A, South
Jupiter, FL 33477

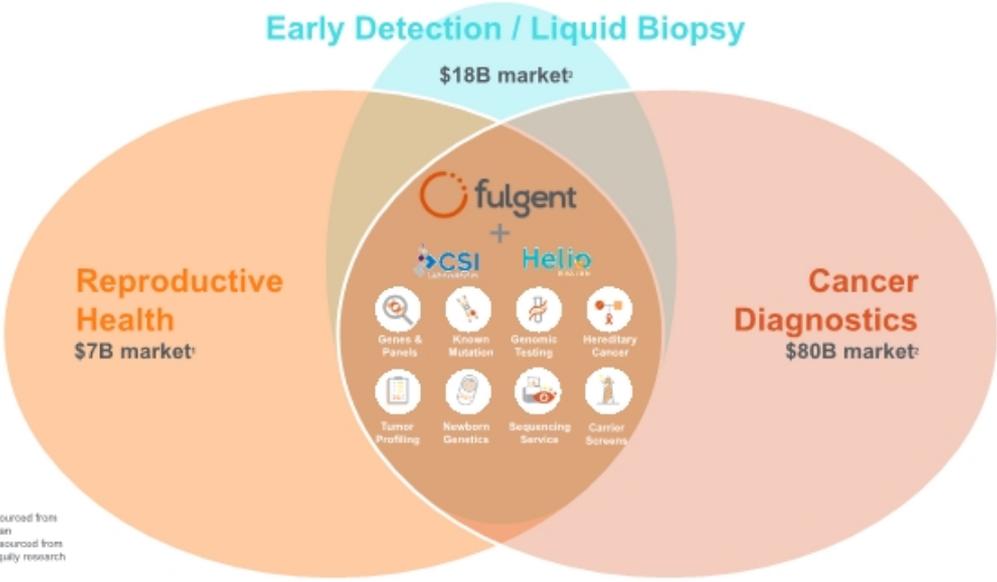
- Emerging liquid biopsy company for early detection of cancer with proven management team
- Poised to access both the US and China markets
- Exclusive commercial agreement
 - LDT
 - US & Canada
- Fulgent enters the early detection liquid biopsy space, and Helio benefits from the operational capabilities and establishment of Fulgent
- **Fulgent Equity Investment: \$20 Million**



USA Office
9950 Research Drive
Irvine, CA 92618

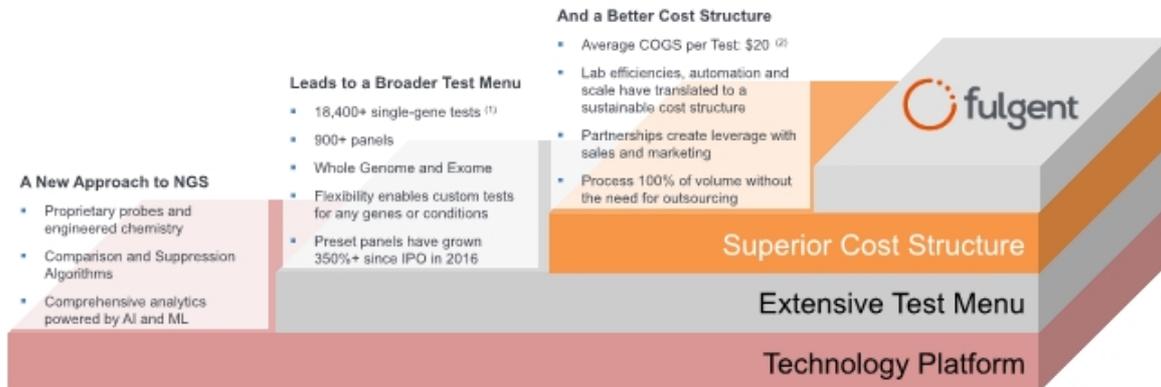
China Office
No. 1908, Building 10, Jianguo Rd
Chaoyang District, Beijing, 100022
+86 10 58208807

Competitive Landscape



1) Market size sourced from Frost & Sullivan
 2) Market size sourced from Wall Street equity research

What Sets Fulgent Apart?



(1) Represents genes covered by single-gene tests.
(2) For Q3 2021. Includes all tests available for sale (e.g., Whole Exome, Whole Genome, Large Panels, Small Panels, Comprehensive and Focus Cancer Panels and Single-Gene Tests, COVID-19 Tests, and vaccines). Also excludes stock-based compensation. See GAAP reconciliation.

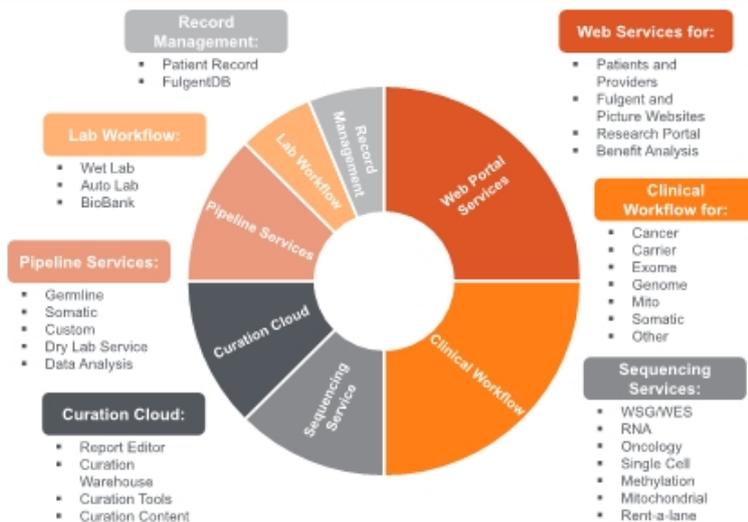
Proprietary Technology Platform

Differentiated Technology...

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

...Provides a Multitude of Advantages

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



Fulgent's Broad Capabilities



Next Generation Sequencing Opportunities

COVID NGS

- **Research driven platform** working with local and federal government on genomic studies
- **CDC contract** awarded 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

Core NGS

- 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 the areas of hematopathology and surgical pathology
 - NGS

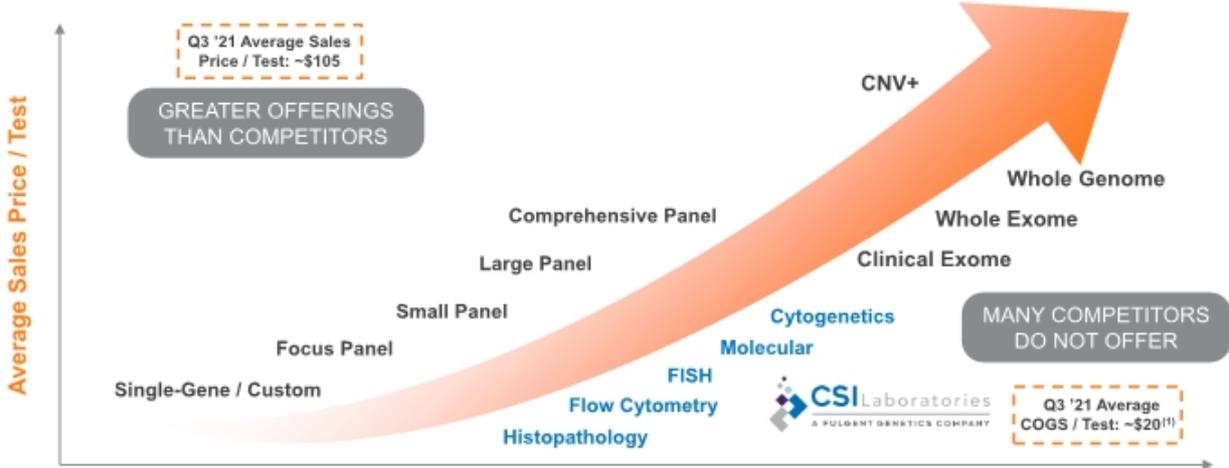


Commercialized COVID-19 Testing

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

Fulgent's Menu is Scalable and Affordable to Customers



(1) For Q3 2021. Includes all tests available for sale (e.g., Whole Exome, Whole Genome, Large Panels, Small Panels, Comprehensive and Focus Cancer Panels and Single-Gene Tests, COVID-19 Tests, and vaccines). Also excludes stock-based compensation. See GAAP reconciliation.

NGS Testing – Offerings

 <p>Single Gene 18,400+ Genes</p>	 <p>Cancer Panels Focus (30 Genes) Comprehensive (127 Genes) Somatic</p>
 <p>Disease Panels 900+ Panels Customizable Panels</p>	 <p>Known Mutation Site-Specific Testing</p>
 <p>Exome Tests Clinical Exome (4,500+ Genes) Whole Exome</p>	 <p>Repeat Expansion 20 Panels</p>

NGS Testing – Oncology Test Menu



Oncology Testing Platforms



FISH

- Expansive heme and solid tumor menu
- Promyelocytic Leukemia/Retinoic Acid Receptor Alpha test: 4-hour turnaround time
- Genius Multiple Myeloma Assessment Protocol (using CD138 isolation marker) for plasma cell enrichment
- 4-6 Day turnaround time



HISTOLOGY

- 225+ stains
- Platforms
 - Ventana Ultra/Dako Link 48
 - Aperio ScanScope
- Three levels of service
- Programmed death-ligand (PD-L1), Mismatch Repair and Microsatellite Instability
- 12-36 hour turnaround time



CYTOGENETICS

- Oncology and constitutional
- >20% abnormality detection rate
- Mitogen stimulation/dual culture
- DSP30 (detection of B-Cell disorders)
- Interleukin 4 for Multiple 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

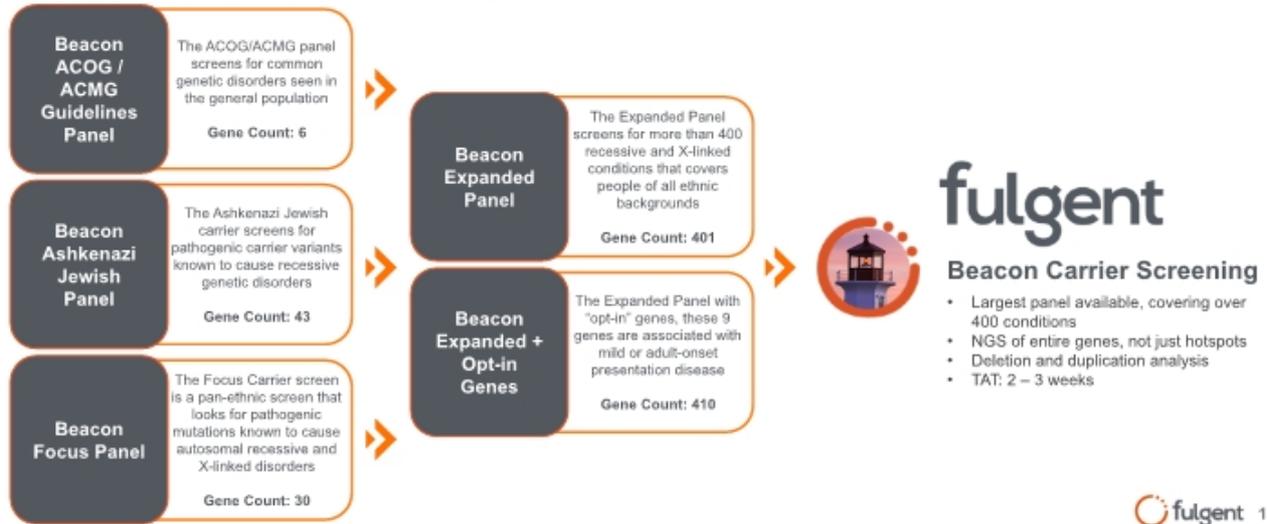


MOLECULAR

- Hematology and solid tumor menu
- 90% of assays performed in-house
- Microarray and NGS available
- 5-7 day turnaround time

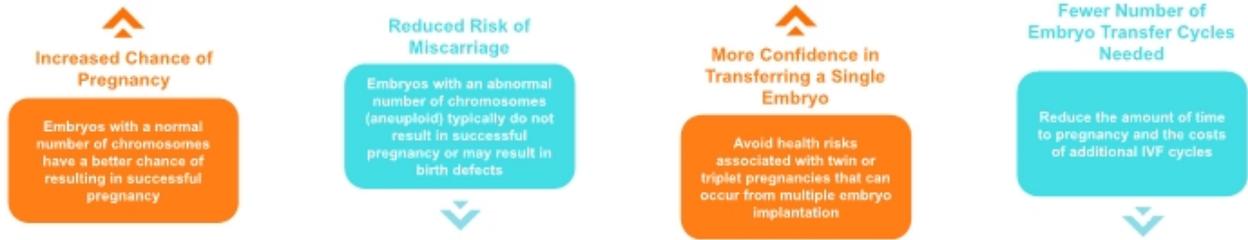
NGS Testing – Panel Deep Dive

Fulgent Beacon Carrier Screening Tests Are the Most Comprehensive Ever Offered



NGS Testing – Women’s Health: PGT-A

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



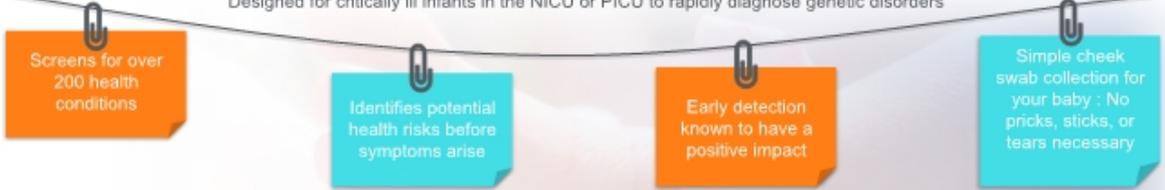
Preimplantation Genetic Testing for Aneuploidy (PGT-A) can identify potentially abnormal embryos for transfer in IVF, thereby expanding a patient’s prospects of a successful pregnancy

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 for Newborns

Newborn Genetic Screening Goes Beyond Standard Newborn Screening

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



Ideal for Infants Experiencing:



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



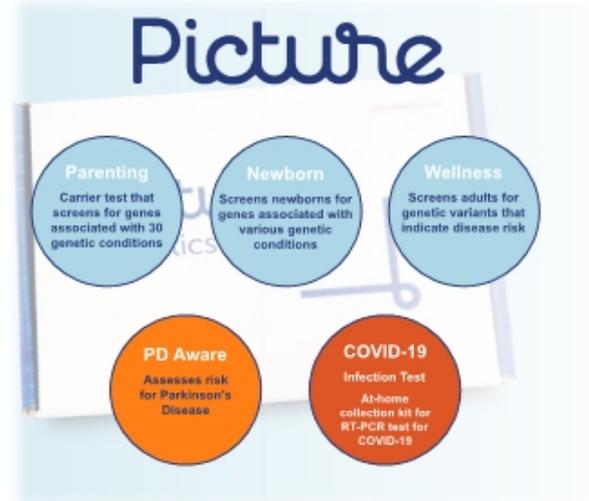
TAT of 7 - 10 Days

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 several million billable tests** performed within months for COVID-19, after receiving an EUA
- Performs a complete sequencing (vs genotyping) analysis for better, more accurate results
- Patient-friendly with easy to use "order from home" model – no doctor visits or insurance necessary, though many tests are eligible for reimbursement
- Full service offering that includes analysis and genetic counseling support



China Strategy

- Primary focus today is on China, the largest genetic testing market in the world – projected to grow at 30% CAGR to \$4.5B in 2030¹
- Ongoing evaluation of additional international opportunities
- Physical presence in China is a significant competitive advantage vs. US testing companies



¹ Source: China Insight Consultancy (CIC)

FF Gene Biotech Joint Venture

- Joint venture between Fulgent, Xi Long Scientific, and Fuzhou Jinqiang Investment Partnership (FJIP)
 - Fulgent owns controlling interest
 - Brings Fulgent's NGS capabilities to the Chinese genetic testing market
- Fulgent will increase testing capacity and expand the sales organization in China
 - Currently ~100 employees on the ground
- Test menu mirrors Fulgent's existing capabilities in the US

Summary Financial Performance

\$94.5M LTM Core Revenue as of Q3'21
187% growth year-over-year

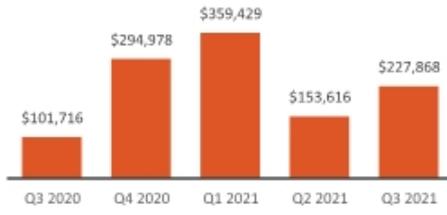
\$596M LTM Operating Cash Flow as of Q3'21

~265,000 LTM Core Tests as of Q3'21
~334% growth year-over-year

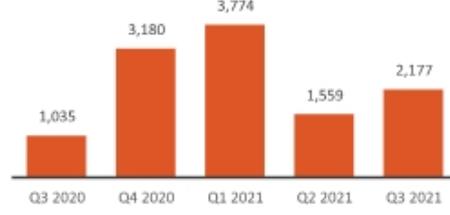


Financial Performance: Revenue Profile

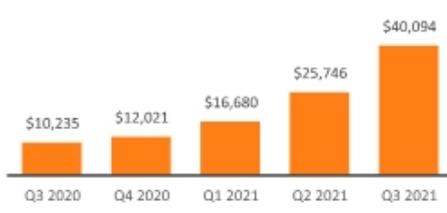
Total Revenue (in thousands)



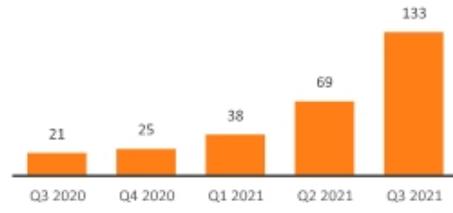
Billable Tests (in thousands)



Total Core Revenue (in thousands)

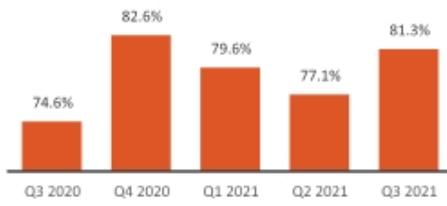


Billable Core Tests (in thousands)

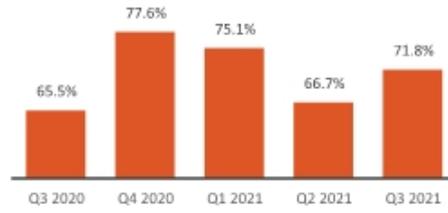


Financial Performance: Margin Profile

Adjusted Gross Margin⁽¹⁾



Adjusted Operating Margin⁽¹⁾



Adjusted Operating Profit⁽¹⁾ (in thousands)



(1) Figure is not in accordance with GAAP because it does not include equity-based compensation

2021 Financial Guidance

	FULL YEAR 2021 GUIDANCE	Prior Guidance (Aug. 2021)	Current Guidance (Nov. 2021)	Change	
COVID	RT-PCR COVID-19	\$690 M	\$815 M	+\$125 M	
CORE	NGS COVID-19	\$15 M	\$20 M	+\$5 M	
	Fulgent Core NGS (Incl. China JV)	\$110 M +201% y/y	\$80 M	\$115 M +215% y/y	-
	CSI Contribution	\$15 M	\$95 M	-	
	TOTAL	\$800 M + 90% y/y	\$930 M + 121% y/y	+\$130 M	

Key Takeaways:

- Guidance categories remain "Core" and "COVID"
- "Core" revenue includes NGS testing plus contribution from CSI Laboratories
- "COVID" revenue includes RT-PCR COVID-19 testing

Balance Sheet

(in 000's)	Periods ended	
	December 31, 2020	September 30, 2021
Assets		
Cash & cash equivalents	\$ 87,428	\$ 214,877
Marketable investment securities	211,941	255,102
Trade accounts receivable, net	183,857	120,822
Other current assets	40,392	32,035
Total current assets	523,618	622,836
Marketable investment securities, long-term	132,502	407,284
Redeemable preferred stock investment	—	20,000
Fixed assets, net	40,199	60,166
Acquisition-related intangible assets, net	—	38,864
Goodwill	—	48,749
Other non-current assets	4,144	8,949
Total assets	\$ 700,461	\$ 1,204,668
Liabilities and Stockholders' Equity		
Accounts payable	\$ 26,488	\$ 24,808
Income tax payable	53,319	17,875
Contract liabilities	28,578	7,879
Customer deposit	185	41,510
Investment margin loan	15,019	15,107
Other liabilities	9,487	52,976
Total liabilities	131,074	160,215
Stockholders' equity	419,069	463,734
Accumulated income	151,319	553,046
Total Fulgent stockholders' equity	569,387	1,036,780
Noncontrolling interest	—	7,673
Total stockholders' equity	569,387	1,044,453
Total liabilities and stockholders' equity	\$ 700,461	\$ 1,204,668

Non-GAAP Financial Adjustments

(in 000's)	2020				FY 2020	2021			FY 2021
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	
Revenue	\$ 7,753	\$ 17,265	\$ 101,716	\$ 294,978	\$ 421,712	\$ 359,429	\$ 153,616	\$ 227,868	\$ 740,913
Cost of revenue	4,057	7,717	26,261	51,772	89,807	74,075	35,858	43,466	153,399
Gross profit	\$ 3,696	\$ 9,548	\$ 75,455	\$ 243,206	\$ 331,905	\$ 285,354	\$ 117,758	\$ 184,402	\$ 587,514
Gross margin	47.7%	55.3%	74.2%	82.4%	78.7%	79.4%	76.7%	80.9%	79.3%
Equity-based compensation included in cost of revenue	231	270	428	523	1,452	674	592	962	2,328
Non-GAAP gross profit (excluding equity-based compensation)	\$ 3,927	\$ 9,818	\$ 75,083	\$ 243,729	\$ 333,357	\$ 286,028	\$ 118,450	\$ 185,364	\$ 589,842
Non-GAAP gross margin	50.7%	56.9%	74.6%	82.6%	79.0%	79.6%	77.1%	81.3%	79.6%
Operating expenses									
R&D	\$ 1,976	\$ 1,849	\$ 3,177	\$ 4,576	\$ 11,580	\$ 5,422	\$ 5,312	\$ 6,021	\$ 16,755
S&M	1,597	3,260	5,014	5,081	14,952	5,008	5,219	6,012	16,239
G&A	2,035	1,799	3,741	7,640	15,215	8,002	8,329	12,299	28,630
Amortization of acquisition-related intangible assets	—	—	—	—	—	—	—	797	797
Total operating expenses	5,610	6,908	11,932	17,297	41,747	18,432	18,860	25,129	62,421
Operating profit (loss)	\$ (1,914)	\$ 2,640	\$ 63,523	\$ 225,909	\$ 290,158	\$ 266,922	\$ 98,898	\$ 159,273	\$ 525,093
Operating margin	-24.7%	15.3%	62.5%	76.6%	68.8%	74.3%	64.4%	69.9%	70.9%
Equity-based compensation included in operating expenses	693	810	2,722	2,480	6,705	2,288	2,834	3,412	8,534
Non-GAAP operating profit (loss) (excluding equity-based compensation)	\$ (990)	\$ 3,720	\$ 66,673	\$ 228,912	\$ 298,315	\$ 269,894	\$ 102,424	\$ 163,647	\$ 536,565
Non-GAAP operating margin	-12.8%	21.5%	65.5%	77.6%	70.7%	75.1%	66.7%	71.8%	72.3%



