

**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): February 23, 2022

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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
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 February 23, 2022, Fulgent Genetics, Inc. (the “Company”) issued a press release announcing its financial results for the fiscal quarter and year ended December 31, 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 February 23, 2022, 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 (the “Section”) 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 February 23, 2022
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: February 23, 2022

FULGENT GENETICS, INC.

By: /s/ Paul Kim

Name: Paul Kim

Title: Chief Financial Officer

Fulgent Genetics Reports Fourth Quarter and Full Year 2021 Financial Results

- Full Year 2021 Total Revenue grows 135% year-over-year to \$992.6 million; Q4 Revenue totals \$251.7 million
- Full Year 2021 Core Revenue grows 236% year-over-year to \$122.6 million; Q4 Core Revenue grows 234% year-over-year to \$40.1 million

TEMPLE CITY, CA, February 23, 2022 —Fulgent Genetics, Inc. (NASDAQ: FLGT) (“Fulgent Genetics”, “Fulgent”, 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 fourth quarter and full year ended December 31, 2021.

Fourth Quarter 2021 Results:

- Revenue of \$251.7 million
- Billable tests delivered approximately 2.5 million
- Core Revenue grew 234% year-over-year to \$40.1 million
- GAAP income of \$104.3 million, or \$3.34 per share
- Non-GAAP income of \$108.7 million, or \$3.48 per share
- Adjusted EBITDA of \$159.8 million
- Cash from operations of \$77.1 million
- Cash, cash equivalents, and investments in marketable securities of \$935.5 million as of December 31, 2021

Full Year 2021 Results:

- Total Revenue grew 135% year-over year to \$992.6 million
- Core Revenue grew 236% year-over-year to \$122.6 million
- GAAP income of \$507.4 million, or \$16.38 per share
- Non-GAAP income of \$516.5 million, or \$16.67 per share
- Adjusted EBITDA of \$703.6 million
- Cash from operations of \$538.6 million

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 of the Board and Chief Executive Officer, said, “The fourth quarter capped a year of tremendous growth and transformation for Fulgent Genetics. We once again exceeded our guidance in the quarter as both our Core and COVID businesses outperformed our expectations. We are pleased with the early progress we are seeing from the strategic initiatives we pursued in recent quarters, including the acquisition of CSI, partnership with Helio Health, and incremental investment in FF Gene Biotech, which are all contributing to growth of our Core business. We also just announced a strategic investment in Spatial Genomics, which will add Spatial Genomics’ multiomics platform and sequential fluorescence in situ hybridization technology, or seqFISH, to our growing suite of genomic testing solutions. As we look

ahead, we intend to continue investing in our Core business through both the expansion of our existing genomic testing capabilities and through new potential acquisitions and strategic partnerships. We are very excited about the future growth prospects of Fulgent and our strategic opportunities long term.”

Paul Kim, Chief Financial Officer, said, “We are pleased with our fourth quarter results which were highlighted by Core revenue growth of 234%, as well as an uptick in our COVID business amid the recent Omicron surge. We continued to see strong cash flow generation in the quarter and finished the year with \$935.5 million in cash, cash equivalents and investments in marketable securities, despite the \$81.9 million in cash outlays this year for our acquisitions and investments. We remain extremely well positioned with a strong balance sheet to capitalize on additional acquisition and strategic investment opportunities in the future. We are proud of what we accomplished in 2021 to expand our Core business, and we see a meaningful runway ahead to continue driving growth. We will be providing a formal update during our investment community conference call to shortly follow the issuance of this press release.”

Outlook:

For the first quarter of 2022, Fulgent Genetics expects:

- Total Revenue of approximately \$245 million
- Core Revenue including COVID-19 NGS of approximately \$32 million, representing growth of 92% year-over-year
- Core Revenue excluding COVID-19 NGS of approximately \$22 million¹

For the full year 2022, Fulgent Genetics expects:

- Total Revenue of approximately \$600 million
- Core Revenue excluding COVID-19 NGS of approximately \$120 million¹
- GAAP income of approximately \$6.00 per share
- Non-GAAP income of approximately \$7.00 per share

Note:

1) COVID-19 NGS testing was included in “Core Revenue” in 2021 and will be excluded from “Core Revenue”, and included in “COVID Revenue”, beginning Q1 2022.

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 fourth quarter and full year 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 (888) 394-8218 using the confirmation code 4130266. An audio replay will be available in the Investor Relations section of the Company’s website.

Note Regarding Non-GAAP Financial Measures

Certain 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, or GAAP, plus amortization of 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 the statutory corporate tax rate on the amortization of 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 next generation sequencing, or 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 first quarter and annual financial results, including revenues, core revenues, GAAP income, and non-GAAP income; evaluations and

judgments regarding market position, balance sheet, runway, momentum, reinvestments, acquisition strategies, and the performance of acquired businesses (including CSI Laboratories and FF Gene Biotech), investments and partnerships (including Helio Health and Spatial Genomics), relationships and the Company's testing services and technology; future growth and the Company's testing services and technologies; 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, or 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 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

Nicole Borsje, 415-217-2633, nicole@blueshirtgroup.com

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

	December 31,	
	2021	2020
ASSETS:		
Cash and cash equivalents	\$ 164,894	\$ 87,426
Investments in marketable securities	770,652	344,443
Accounts receivable, net	138,912	183,857
Property, plant, and equipment, net	62,287	40,199
Other assets	141,975	44,536
Total assets	<u>\$ 1,278,720</u>	<u>\$ 700,461</u>
LIABILITIES & EQUITY:		
Accounts payable, accrued liabilities and other liabilities	\$ 112,840	\$ 131,074
Total stockholders' equity	1,165,880	569,387
Total liabilities & equity	<u>\$ 1,278,720</u>	<u>\$ 700,461</u>

FULGENT GENETICS, INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS DATA
Three and Twelve Months Ended December 31, 2021 and 2020
(in thousands, except per share data)
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Revenue	\$ 251,671	\$ 294,978	\$ 992,584	\$ 421,712
Cost of revenue (1)	62,134	51,772	215,533	89,807
Gross profit	189,537	243,206	777,051	331,905
Operating expenses:				
Research and development (1)	7,464	4,576	24,219	11,580
Selling and marketing (1)	8,200	5,081	24,439	14,952
General and administrative (1)	22,102	7,640	50,732	15,215
Amortization of intangible assets	911	—	1,708	—
Total operating expenses	38,677	17,297	101,098	41,747
Operating income	150,860	225,909	675,953	290,158
Interest and other income (loss), net	(35)	589	1,347	1,526
Income before income taxes, gain (loss) on equity-method investments and equity earnings (loss) in investee	150,825	226,498	677,300	291,684
Provisions for income taxes	47,148	58,571	174,795	72,532
Income before gain (loss) on equity-method investments and equity earnings (loss) in investee	103,677	167,927	502,505	219,152
Gain (loss) on equity-method investments	—	(1,763)	3,734	(4,354)
Equity earnings (loss) in investee	—	143	—	(488)
Net income from consolidated operations	103,677	166,307	506,239	214,310
Net loss attributable to noncontrolling interests	662	—	1,125	—
Net income attributable to Fulgent	\$ 104,339	\$ 166,307	\$ 507,364	\$ 214,310
Net income per common share attributable to Fulgent:				
Basic	\$ 3.48	\$ 6.55	\$ 17.25	\$ 9.44
Diluted	\$ 3.34	\$ 6.16	\$ 16.38	\$ 8.91
Weighted average common shares:				
Basic	29,964	25,399	29,408	22,694
Diluted	31,202	27,015	30,976	24,056

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

Cost of revenue	\$ 1,235	\$ 523	\$ 3,563	\$ 1,452
Research and development	1,865	1,130	6,326	2,693
Selling and marketing	774	515	2,513	2,092
General and administrative	1,146	835	3,480	1,920
Total equity-based compensation expense	\$ 5,020	\$ 3,003	\$ 15,882	\$ 8,157

FULGENT GENETICS, INC.
Non-GAAP Income Reconciliation
Three and Twelve Months Ended December 31, 2021 and 2020
(in thousands, except per share data)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Net income attributable to Fulgent	\$ 104,339	\$ 166,307	\$ 507,364	\$ 214,310
Amortization of intangible assets	911	—	1,708	—
Equity-based compensation expense	5,020	3,003	15,882	8,157
Non-GAAP tax effect (1)	(1,601)	(811)	(4,749)	(2,202)
(Gain) loss on equity-method investments	—	1,763	(3,734)	4,354
Equity (earnings) loss in investee	—	(143)	—	488
Non-GAAP income attributable to Fulgent	\$ 108,669	\$ 170,119	\$ 516,471	\$ 225,107
Net income per common share attributable to Fulgent:				
Basic	\$ 3.48	\$ 6.55	\$ 17.25	\$ 9.44
Diluted	\$ 3.34	\$ 6.16	\$ 16.38	\$ 8.91
Non-GAAP income per common share attributable to Fulgent:				
Basic	\$ 3.63	\$ 6.70	\$ 17.56	\$ 9.92
Diluted	\$ 3.48	\$ 6.30	\$ 16.67	\$ 9.36
Weighted average common shares:				
Basic	29,964	25,399	29,408	22,694
Diluted	31,202	27,015	30,976	24,056

(1) Tax rates as follows:

Corporate tax rate of 27% for the three and twelve months ended December 31, 2021 and 2020.

FULGENT GENETICS, INC.**Non-GAAP Adjusted EBITDA Reconciliation****Three and Twelve Months Ended December 31, 2021 and 2020****(in thousands)**

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Net income attributable to Fulgent	\$ 104,339	\$ 166,307	\$ 507,364	\$ 214,310
Interest income, net	(224)	(540)	(1,737)	(1,539)
Provisions for income taxes	47,148	58,571	174,795	72,532
Equity-based compensation expense	5,020	3,003	15,882	8,157
Depreciation and amortization	3,491	1,122	11,004	2,962
(Gain) loss on equity-method investments	—	1,763	(3,734)	4,354
Equity (earnings) loss in investee	—	(143)	—	488
Adjusted EBITDA	<u>\$ 159,774</u>	<u>\$ 230,083</u>	<u>\$ 703,574</u>	<u>\$ 301,264</u>



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

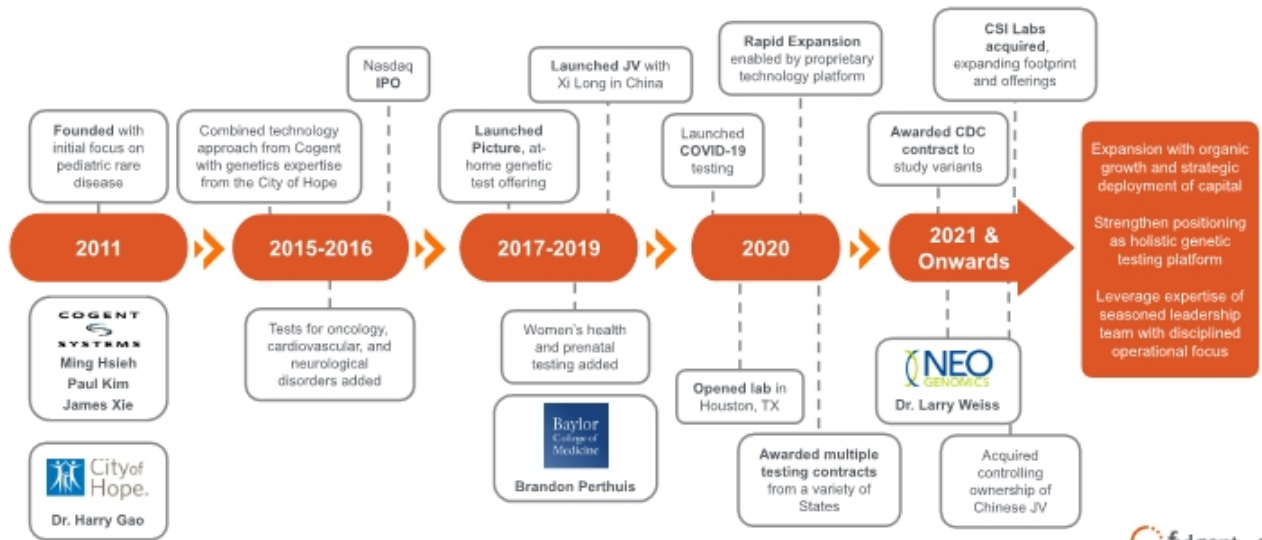
Esteemed background in molecular science and pathology

Most recently Chief Medical Officer at NeoGenomics; prior senior role at Clariient.

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 rapid scaling of a **broad, flexible test menu**

Next-generation sequencing (NGS) platform complemented with growing portfolio of **emerging testing technologies** with a focus on oncology

Well positioned to execute on a growth strategy that includes **organic and inorganic initiatives**, including:

- Ramping and integration of capabilities of **CSI Labs**
- Scaling partnerships – **Helio Health and Spatial Genomics**
- Controlling interest in **China JV** to grow global presence
- Potential **future acquisitions** with a strategy of short and long term ROI, tangible synergies and efficient capital deployment

\$252M Q4 Revenue

2.5M Q4 Billable Tests

+234% Q4 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

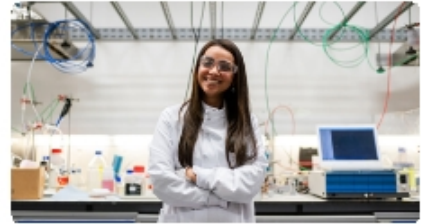
- Founded in 1997
- Approximately 400 unique tests offered
- ~165 million covered lives



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
- Successful commercial launch in December 2021
- 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**

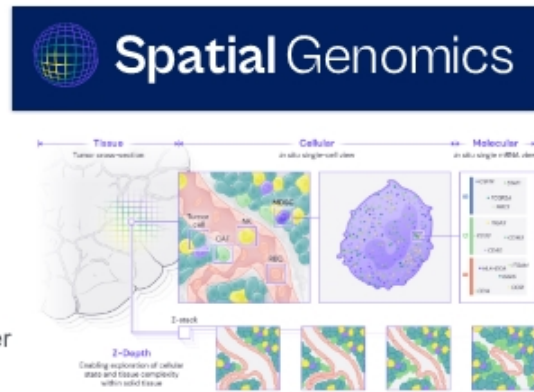


USA Office
9950 Research Drive
Irvine, CA 92618

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

Spatial Genomics Investment & Strategic Partnership

- Spatial Genomics has developed sequential fluorescence in situ hybridization (**seqFISH**), an advanced biomolecular analysis method that merges imaging with combinatorial molecular barcoding
- Sophisticated multiplex, multiomic platform that can simultaneously detect tens of thousands of gene expressions, DNA alterations, and proteomic profiling with a subcellular level of spatial information
- Potential applications include development biology, immunology, cancer genomic and metabolism, biomarker discovery
- Commercial agreement in process
- **Fulgent Equity Investment**
 - Up to \$40 Million in Series A



FF Gene Biotech Joint Venture & China Strategy

FF Gene Biotech Joint Venture

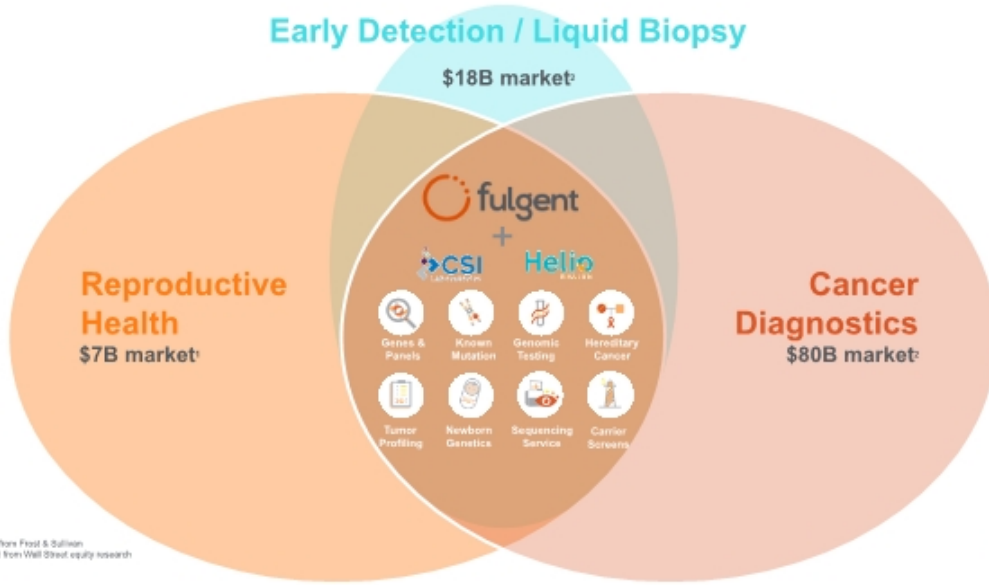
- Joint venture between Fulgent, Xi Long Scientific, and Fuzhou Jinqiang Investment Partnership (FJIP)
 - Fulgent owns controlling interest
 - Brings Fulgent's NGS capabilities to the Chinese genetic testing market
- Fulgent will increase testing capacity and expand the sales organization in China
 -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

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



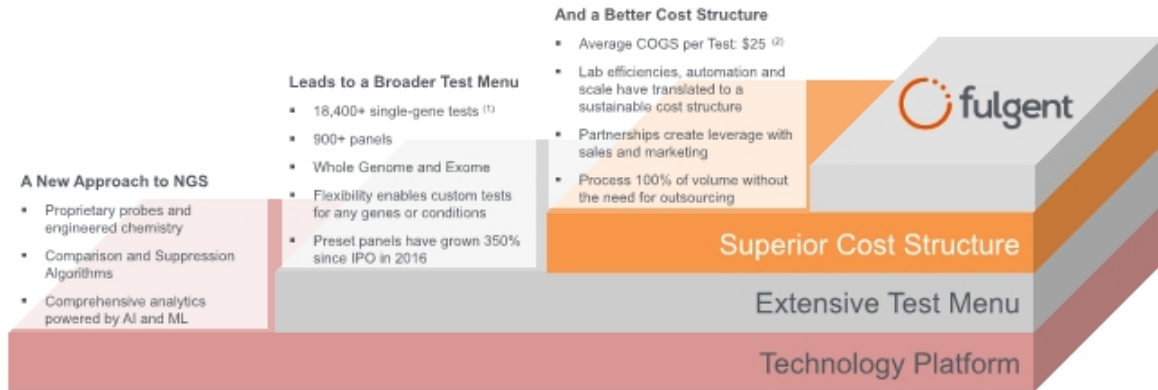
1) China Insight Consultancy (CIC)

Target Market Opportunity



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

What Sets Fulgent Apart?



¹⁾ Represents genes covered by single-gene tests.
²⁾ For Q4 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 vesicles). Also includes stock-based compensation. See QASP 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

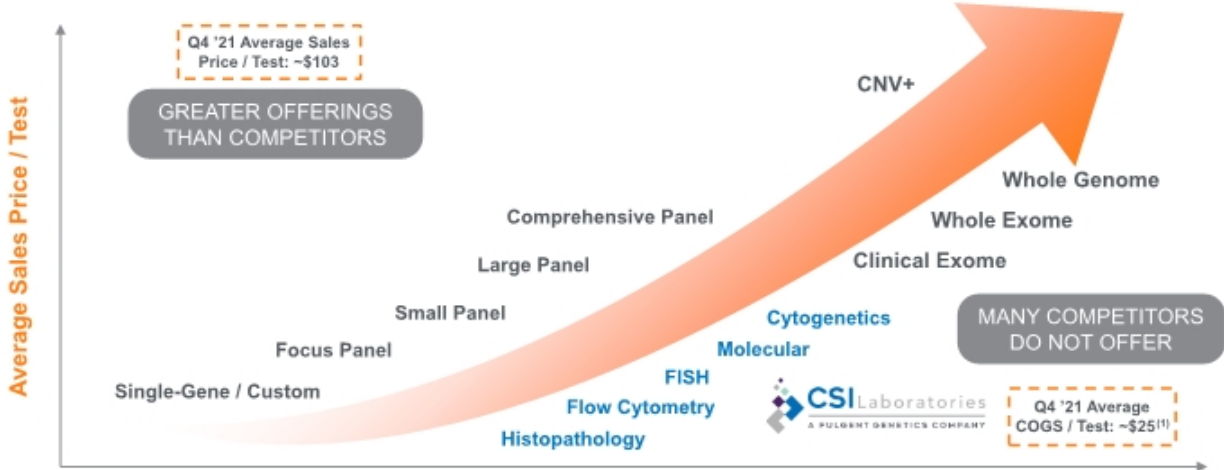


Commercialized COVID-19 Testing

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 Q4 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 19 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
- 3-5 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

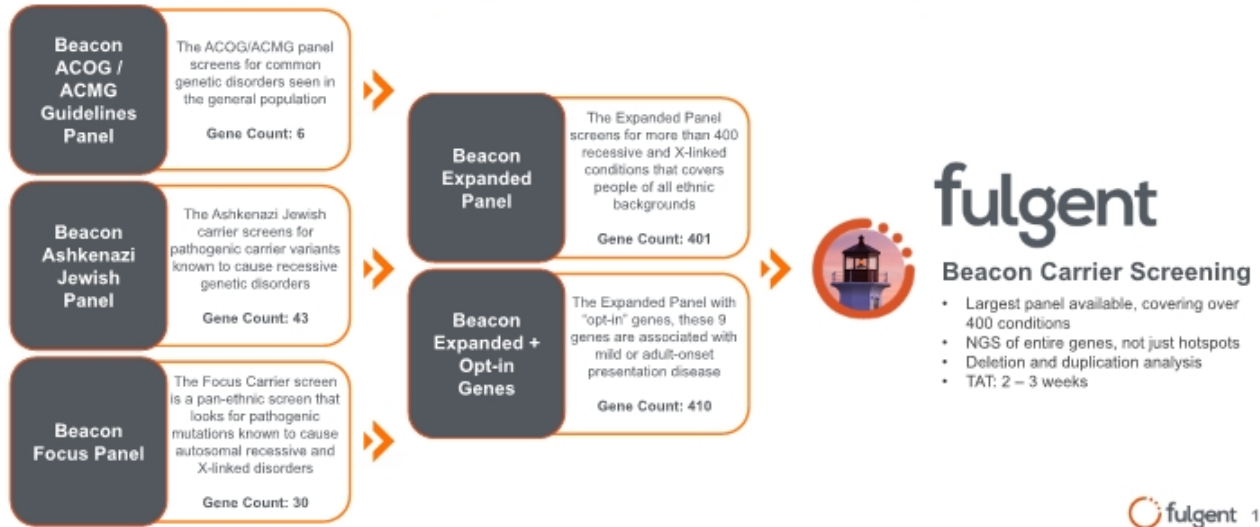


MOLECULAR

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

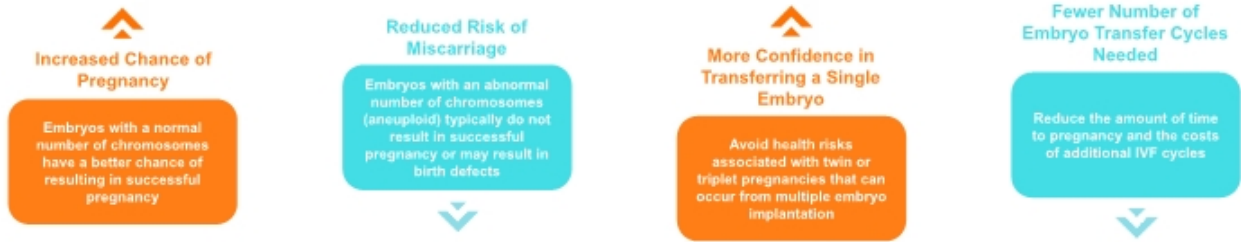
NGS Testing – Panel Deep Dive

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



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

Screens for over 200 health conditions

Identifies potential health risks before symptoms arise

Early detection known to have a positive impact

Simple cheek swab collection for your baby : No pricks, sticks, or tears necessary

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 dx

13 out of the 20 dx 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 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

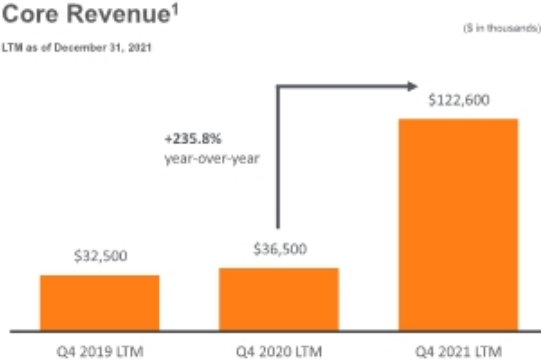


Summary Financial Performance

\$122.6M FY Core Revenue¹ as of Q4'21
235.8% growth year-over-year

\$539M LTM Operating Cash Flow as of Q4'21

~372,000 LTM Core Tests as of Q4'21
~413% growth year-over-year



(1) Core Revenue in 2021 includes M38 COVID-19 test volume, which is excluded from Core Revenue beginning Q1 2022

Financial Performance: Revenue Profile

Total Revenue (\$ in thousands)



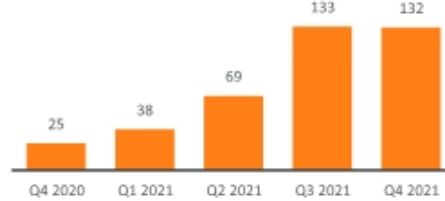
Billable Tests (in thousands)



Total Core Revenue¹ (\$ in thousands)



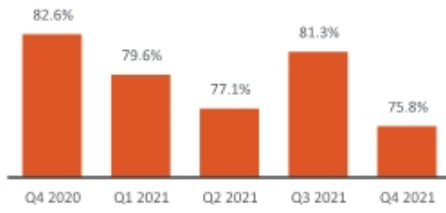
Billable Core Tests¹ (in thousands)



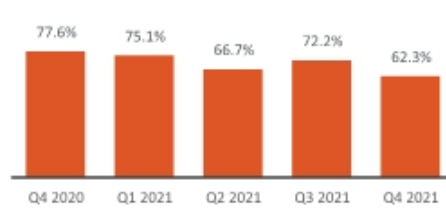
(1) Core Revenue in 2021 includes MSB COVID-19 test volume, which is excluded from Core Revenue beginning Q1 2022

Financial Performance: Margin Profile

Adjusted Gross Margin⁽¹⁾



Adjusted Operating Margin⁽¹⁾



Operating Profit⁽¹⁾

(in thousands)



(1) Figure is not in accordance with OAMP because it does not include equity based compensation and amortization.

2022 Financial Guidance

		Q1 2022	Full Year 2022
COVID	RT-PCR COVID-19	\$223 M	\$480 M
	NGS COVID-19 (CDC)		
Core	Fulgent Core NGS	\$22 M	\$120 M
	CSI Contribution	+ 39% y/y ex COVID NGS ⁽¹⁾	+ 28% y/y ex COVID NGS ⁽¹⁾
Total		\$245 M - 32% y/y	\$600 M - 40% y/y

(1) NGS COVID-19 testing was included in "Core" revenue in 2021 and will be included in COVID beginning Q1 2022. "Ex COVID NGS" growth rate excludes the contributions from NGS COVID-19 testing under our CDC contract in 2021 for more accurate year-over-year comparison purposes.

Balance Sheet

(in 000's)	Periods Ended	
	December 31, 2020	December 31, 2021
Assets		
Cash & cash equivalents	\$ 87,426	\$ 104,894 ⁽¹⁾
Marketable investment securities	211,941	285,605 ⁽¹⁾
Trade accounts receivable, net	183,857	138,912
Other current assets	40,392	22,549
Total current assets	523,616	611,960
Marketable investment securities LT	132,502	485,047 ⁽¹⁾
Redeemable preferred stock investment	—	21,965
Fixed assets, net	40,199	62,267
Acquisition-related intangible assets, net	—	35,914
Goodwill	—	50,897
Other non-current assets	4,144	10,650
Total assets	\$ 700,461	\$ 1,278,720
Liabilities and Stockholders' Equity		
Accounts payable	\$ 26,488	\$ 20,494
Income tax payable	53,319	787
Contract liabilities	26,576	14,570
Customer deposit	185	19,806
Investment margin loan	15,019	15,137
Other liabilities	9,487	42,046
Total liabilities	131,074	112,840
Stockholders' equity	418,068	501,911
Accumulated income	151,319	656,638
Total Fulgent stockholders' equity	569,387	1,158,749
Noncontrolling interest	—	7,131
Total stockholders' equity	569,387	1,165,880
Total liabilities and stockholders' equity	\$ 700,461	\$ 1,278,720

(1) \$925.5M in cash and investments.

Non-GAAP Financial Adjustments

(in 000s)	2020				FY 2020	2021				FY 2021
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Revenue	\$7,753	\$17,265	\$101,716	\$294,978	\$421,712	\$359,429	\$153,610	\$227,968	\$251,671	\$992,584
Cost of revenue	4,057	7,717	26,291	51,772	89,807	74,075	35,958	43,488	82,134	215,533
Gross profit	\$3,696	\$9,548	\$75,455	\$243,206	\$331,905	\$285,354	\$117,658	\$184,402	\$189,537	\$777,051
Gross margin	47.7%	55.3%	74.2%	82.4%	78.7%	79.4%	76.7%	80.9%	75.3%	78.3%
Equity based compensation included in cost of revenue	231	270	428	523	1,452	674	692	962	1,235	3,563
Non-GAAP gross profit (excluding equity-based compensation)	\$3,927	\$9,818	\$75,883	\$243,729	\$333,357	\$286,026	\$116,450	\$185,384	\$190,772	\$780,614
Non-GAAP gross margin	50.7%	56.9%	74.6%	82.8%	79.1%	79.6%	77.1%	81.3%	75.8%	78.8%
Operating expenses										
R&D	\$1,976	\$1,849	\$3,177	\$4,578	\$11,580	\$5,422	\$5,312	\$6,021	\$7,484	\$24,219
S&M	1,597	3,260	5,014	5,081	14,952	5,008	5,219	6,012	8,200	24,439
G&A	2,035	1,799	3,741	7,640	15,215	8,002	8,329	12,299	22,102	50,732
Amortization of acquisition-related intangible assets	0	0	0	0	0	0	0	797	911	1,708
Total operating expenses	5,610	6,908	11,932	17,297	41,747	18,432	18,960	25,129	38,677	101,098
Operating profit (loss)	(\$1,814)	\$2,640	\$63,523	\$225,909	\$290,158	\$266,922	\$86,868	\$159,273	\$150,860	\$675,953
Operating margin	-24.7%	15.3%	62.5%	76.6%	68.8%	74.3%	64.4%	69.9%	59.9%	68.1%
Equity-based compensation included in operating expenses	883	810	2,722	2,480	8,705	2,268	2,834	3,412	3,795	12,319
Non-GAAP operating profit (loss) (excluding equity-based compensation & amortization)	(\$890)	\$3,720	\$66,873	\$228,912	\$298,315	\$269,684	\$102,424	\$164,444	\$156,791	\$683,513
Non-GAAP operating margin	-12.0%	21.5%	65.6%	77.8%	70.7%	75.1%	68.7%	72.2%	62.3%	69.9%



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