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): August 9, 2021

FULGENT GENETICS, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware	**001-37894**	**81-2621304**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

4978 Santa Anita Avenue **Temple City, California**	**91780**
(Address of Principal Executive Offices)	(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 August 9, 2021, Fulgent Genetics, Inc. (the "Company") issued a press release announcing its financial results for the fiscal quarter ended June 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. To the extent required by Current Report on Form 8-K, the disclosure in Item 7.01 and Exhibit 99.2 of this Current Report on Form 8-K is hereby incorporated by reference.

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 August 9, 2021, the Company updated its investor presentation, which is available on the "Investors" 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 August 9, 2021
99.2	Corporate Presentation of Fulgent Genetics, Inc., dated August 9, 2021

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: August 9, 2021

FULGENT GENETICS, INC.

By: */s/ Paul Kim*
Name: Paul Kim
Title: Chief Financial Officer

Fulgent Genetics Reports Second Quarter Financial Results

- Revenue grows 790% year over year to $153.6 million
- Core Revenue grows 296% year over year to $25.7 million
- Announces acquisition of CSI Laboratories
- Announces commercial agreement with Helio Health through strategic investment
- Announces incremental controlling investment in Chinese Joint Venture entity, FF Gene Biotech

TEMPLE CITY, CA, August 9, 2021 —Fulgent Genetics, Inc. (NASDAQ: FLGT) ("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 second quarter ended June 30, 2021.

Second Quarter 2021 Results:

- Revenue of $153.6 million, growing 790% year-over-year
- Billable tests delivered approximately 1.6 million, or 9 times the volume of second quarter of 2020
- Gross Margin improved approximately 21 percentage points year-over-year
- Core Revenue[1] grew 296% year-over-year to $25.7 million
- GAAP income of $79.8 million, or $2.59 per share
- Non-GAAP income of $78.7 million, or $2.55 per share
- Adjusted EBITDA of $105.0 million
- Cash from operations of $76.1 million; Cash and investments of $777.0 million as of June 30, 2021

(1) Core Revenue was previously defined as "NGS revenue"

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, "The exciting announcements we have made today demonstrate our ability to execute on our strategic initiatives to expand our platform capabilities and reach in a post pandemic world. With the acquisition of CSI Laboratories and commercial agreement with Helio Health, we believe we are now well positioned to grow our presence in the molecular diagnostics and oncologic testing markets. In addition, through the incremental controlling investment in FF Gene Biotech in China we seek to further solidify our foothold in one of the fastest growing genetic testing markets in the world. While we are early in the process of integrating and ramping these investments, we are very excited to be able to offer an expanded menu of genomic testing solutions to our customers with the same precision, service and efficiency that Fulgent is known for. We believe the future is extremely bright for Fulgent as we build out additional ways to capitalize on the growing market for genetic testing across oncology, infectious and rare diseases, and reproductive health."

Paul Kim, Chief Financial Officer, said, “We demonstrated strong growth in the second quarter with accelerating momentum in our Core NGS business, which grew 296% year over year. Although we fully anticipated a widespread slowdown in RT-PCR testing for COVID-19, vaccine administration materially decreased demand for testing in the second quarter faster than we expected. While we view rapid vaccine administration as a net positive for our country’s health and path to recovery, we are closely monitoring the proliferation of the delta variant and expect that ongoing testing will be an important part of fighting this surge. At the same time, we remain focused on opportunities beyond COVID testing as we leverage our strong cash position to make strategic investments in areas that enhance our core genomic testing capabilities, demonstrated this quarter by our acquisition of CSI Laboratories and investment in Helio Health. In addition, we believe the incremental investment in FF Gene Biotech strengthens our direct access to the Chinese genetic testing market, which will be additive to our revenue growth in the second half of the year. We are excited about the opportunities ahead 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 third quarter of 2021, Fulgent expects:

- Total Revenue in the range of $125 to $150 million, representing growth of 35% year over year at the midpoint
- Core Revenue[1] of approximately $32 million, representing growth of 213% year over year

For the full year 2021, Fulgent expects:

- Total Revenue of approximately $800 million, representing growth of 90% year over year
- Core Revenue[1] of approximately $110 million versus previous guidance of $100 million, representing growth of 201% year over year
- GAAP income of approximately $12.00 per share
- Non-GAAP income of approximately $12.50 per share

(1) Core Revenue was previously defined as “NGS revenue”

Incremental Investment in Chinese Joint Venture entity, FF Gene Biotech

Fulgent Genetics also announces that it has made an incremental controlling investment in FF Gene Biotech, the Chinese entity formed in 2017 through a Joint Venture (“JV”) between Fulgent Genetics, Xi Long Scientific and Fuzhou Jinqiang Investment Partnership (FJIP). Fulgent has purchased an incremental stake in the entity for approximately $19.0 million, giving Fulgent primary economic and operational ownership of FF Gene Biotech.

FF Gene Biotech was founded to bring Fulgent Genetics’ NGS capabilities to the Chinese genetic testing market. The JV has enabled Fulgent to have an operational presence on the ground in China and capitalize on the large and growing genetic testing opportunity in the country.

Acquisition of CSI Laboratories

In a separate press release today, Fulgent Genetics announced it has completed the acquisition of CSI Laboratories, a leading cancer testing laboratory, to expand its presence in somatic molecular diagnostics and cancer testing. CSI was founded to provide a client- and patient-focused model of cancer diagnostic testing for pathologists, community hospitals, and their patients. CSI offers more than 400 unique tests with a focus on oncology and capabilities across flow cytometry, cytogenetic analysis, fluorescence in-situ hybridization ("FISH"), immunohistochemistry, and molecular genetics. CSI's philosophy of providing expert diagnostic testing with speed, precision, and care, is highly complementary with Fulgent's core value proposition of offering a broad menu of actionable diagnostic tests with quality results and rapid turnaround times. CSI is based in Alpharetta, GA and expands Fulgent's presence in the southeastern United States.

Strategic Partnership with Helio Health

In a separate press release today, Fulgent Genetics and Helio Health ("Helio"), an AI-biotechnology company developing blood-based early cancer detection tests, today announced the companies have entered into a strategic partnership to commercialize Helio's blood-based early cancer detection tests. In conjunction with the commercial strategic partnership whereby the company has secured exclusive commercial rights for laboratory develop tests ("LDTs") in the U.S. and Canada, Fulgent has made a strategic investment in Helio. Under this partnership, the companies will initially commercialize and co-brand HelioLiver, a cell-free DNA (cfDNA) methylation blood test that incorporates protein markers and demographics for the detection of hepatocellular carcinoma (HCC) – or liver cancer. Helio is headquartered in Irvine, CA, with facilities in West Lafayette, IN, Guangzhou and Beijing.

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 second 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 Investors section of the company's website, http://ir.fulgentgenetics.com, and through a live conference call by dialing (800) 353-6461 using the confirmation code 9490797. An audio replay will be available in the Investors 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 equity-based compensation expenses, plus or minus the non-GAAP tax effect, 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 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 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' 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. In 2019, the company launched its first patient-initiated product, Picture Genetics, a new line of at-home screening tests that combines the company's advanced NGS solutions with actionable results and genetic counseling options for individuals. Since March 2020, the company has commercially launched several tests for the detection of SARS-CoV-2, the virus that causes the novel coronavirus ("COVID-19"), including NGS and reverse transcription polymerase chain reaction ("RT-PCR") - based tests. The Company has received Emergency Use Authorization ("EUA") from the U.S. Food and Drug Administration ("FDA") for the RT-PCR-based tests for the detection of SARS-CoV-2 using upper respiratory specimens (nasal, nasopharyngeal, and oropharyngeal swabs) and for the at-home testing service through Picture Genetics. 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: expected future revenues, sources of revenue, growth, margins, GAAP and non-GAAP income and company performance, including the company's and its technology platform's ability to scale; evaluations and judgments regarding market position, 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 ("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
June 30, 2021 and December 31, 2020
(in thousands)

	June 30, 2021	December 31, 2020
ASSETS:		
Cash and cash equivalents	$ 100,461	$ 87,426
Investments in marketable securities	676,578	344,443
Accounts receivable, net	148,576	183,857
Property and equipment, net	51,086	40,199
Other assets	73,154	44,536
Total assets	$ 1,049,855	$ 700,461
LIABILITIES & EQUITY:		
Accounts payable, accrued liabilities and other liabilities	$ 129,130	$ 131,074
Total stockholders' equity	920,725	569,387
Total liabilities & equity	$ 1,049,855	$ 700,461

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue	$ 153,616	$ 17,265	$ 513,045	$ 25,018
Cost of revenue (1)	35,858	7,717	109,933	11,774
Gross profit	117,758	9,548	403,112	13,244
Operating expenses:				
Research and development (1)	5,312	1,849	10,734	3,827
Selling and marketing (1)	5,219	3,260	10,227	4,857
General and administrative (1)	8,329	1,799	16,331	3,834
Total operating expenses	18,860	6,908	37,292	12,518
Operating income	98,898	2,640	365,820	726
Interest and other income, net	604	275	886	516
Income before income taxes, gain on equity method investment and equity loss in investee	99,502	2,915	366,706	1,242
Provisions for (benefit from) income taxes	23,589	(599)	90,102	(565)
Income before gain on equity method investment and equity loss in investee	75,913	3,514	276,604	1,807
Gain on equity method investment	3,734	—	3,734	—
Equity loss in investee	—	(193)	—	(442)
Net income from consolidated operations	79,647	3,321	280,338	1,365
Net loss attributable to noncontrolling interests	165	—	165	—
Net income attributable to Fulgent	$ 79,812	$ 3,321	$ 280,503	$ 1,365
Net income per common share attributable to Fulgent:				
Basic	$ 2.74	$ 0.15	$ 9.68	$ 0.06
Diluted	$ 2.59	$ 0.14	$ 9.10	$ 0.06
Weighted average common shares:				
Basic	29,150	21,747	28,991	21,656
Diluted	30,830	22,920	30,809	22,824
(1) Equity-based compensation expense was allocated as follows:				
Cost of revenue	$ 692	$ 270	$ 1,366	$ 501
Research and development	1,481	364	2,704	676
Selling and marketing	620	222	1,046	393
General and administrative	733	224	1,372	434
Total equity-based compensation expense	$ 3,526	$ 1,080	$ 6,488	$ 2,004

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

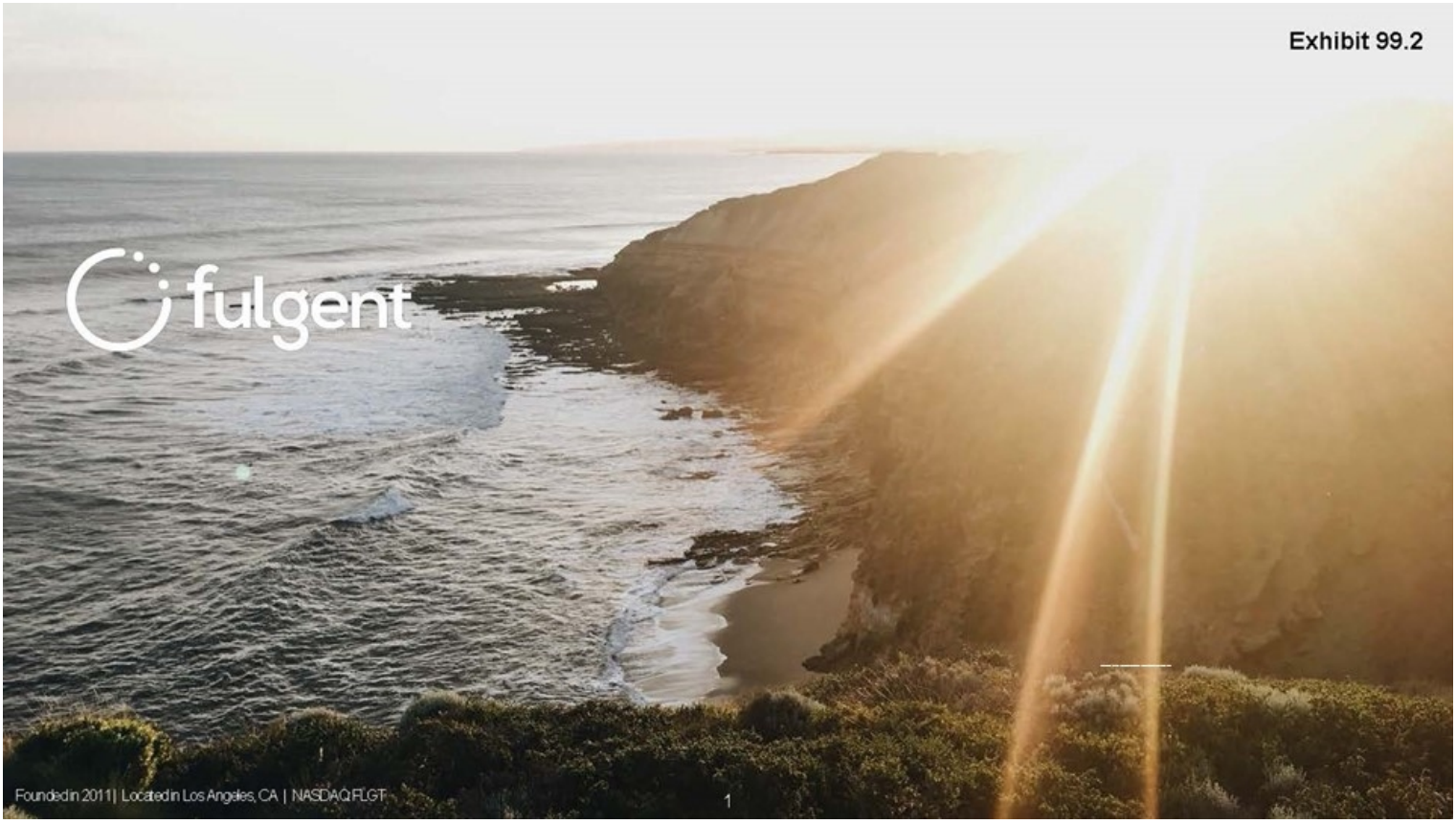
	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	**2020**	**2021**	**2020**
Net income attributable to Fulgent	$ 79,812	$ 3,321	$ 280,503	$ 1,365
Equity-based compensation expense	3,526	1,080	6,488	2,004
Non-GAAP tax effect (1)	(952)	(248)	(1,752)	(461)
Gain on equity method investment	(3,734)	—	(3,734)	—
Equity loss in investee	—	193	—	442
Non-GAAP income attributable to Fulgent	$ 78,652	$ 4,346	$ 281,505	$ 3,350
Net income per common share attributable to Fulgent:				
Basic	$ 2.74	$ 0.15	$ 9.68	$ 0.06
Diluted	$ 2.59	$ 0.14	$ 9.10	$ 0.06
Non-GAAP income per common share attributable to Fulgent:				
Basic	$ 2.70	$ 0.20	$ 9.71	$ 0.15
Diluted	$ 2.55	$ 0.19	$ 9.14	$ 0.15
Weighted average common shares:				
Basic	29,150	21,747	28,991	21,656
Diluted	30,830	22,920	30,809	22,824

(1) Tax rates as follows:
Corporate tax rate of 27% for the three and six months ended June 30, 2021.
Corporate tax rate of 23% for the three and six months ended June 30, 2020.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income attributable to Fulgent	$ 79,812	$ 3,321	$ 280,503	$ 1,365
Interest income, net	(566)	(249)	(796)	(575)
Provisions for (benefit from) income taxes	23,589	(599)	90,102	(565)
Equity-based compensation expense	3,526	1,080	6,488	2,004
Depreciation and amortization	2,418	549	4,340	1,118
Gain on equity method investment	(3,734)	—	(3,734)	—
Equity loss in investee	—	193	—	442
Adjusted EBITDA	$ 105,045	$ 4,295	$ 376,903	$ 3,789

Exhibit 99.2


fulgent
Founded in 2011| Located in Los Angeles, 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") about future events based on current views and assumptions. Examples of forward-looking statements made in this presentation include, among others, those related 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 Helio 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

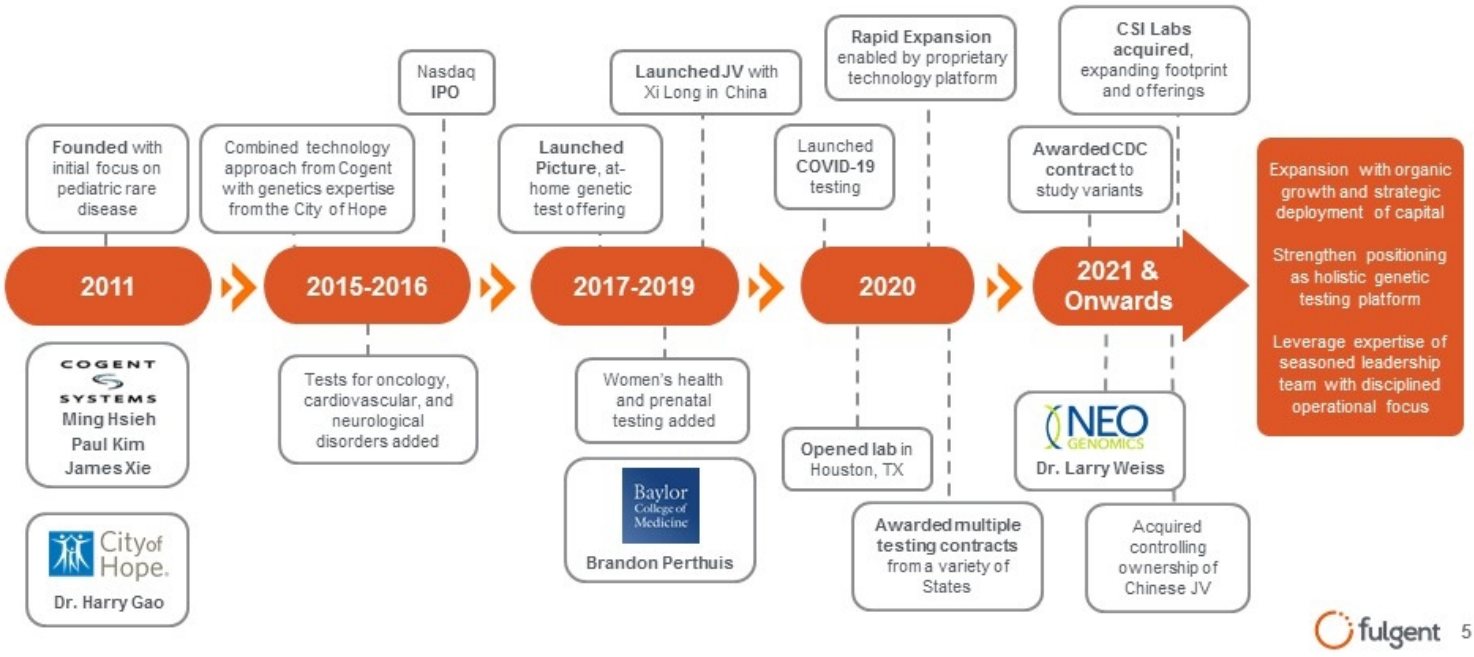
Dr. Lawrence Weiss
Chief Medical Officer

Esteemed background in molecular science and pathology

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

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

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

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

$153.6M Q2 Revenue

1.6M Q2 Billable Tests

+296% Q2 YoY NGS 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
- ~$35 million in Annual Revenue
- 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

Helio Health Investment & Strategic Partnership

- 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
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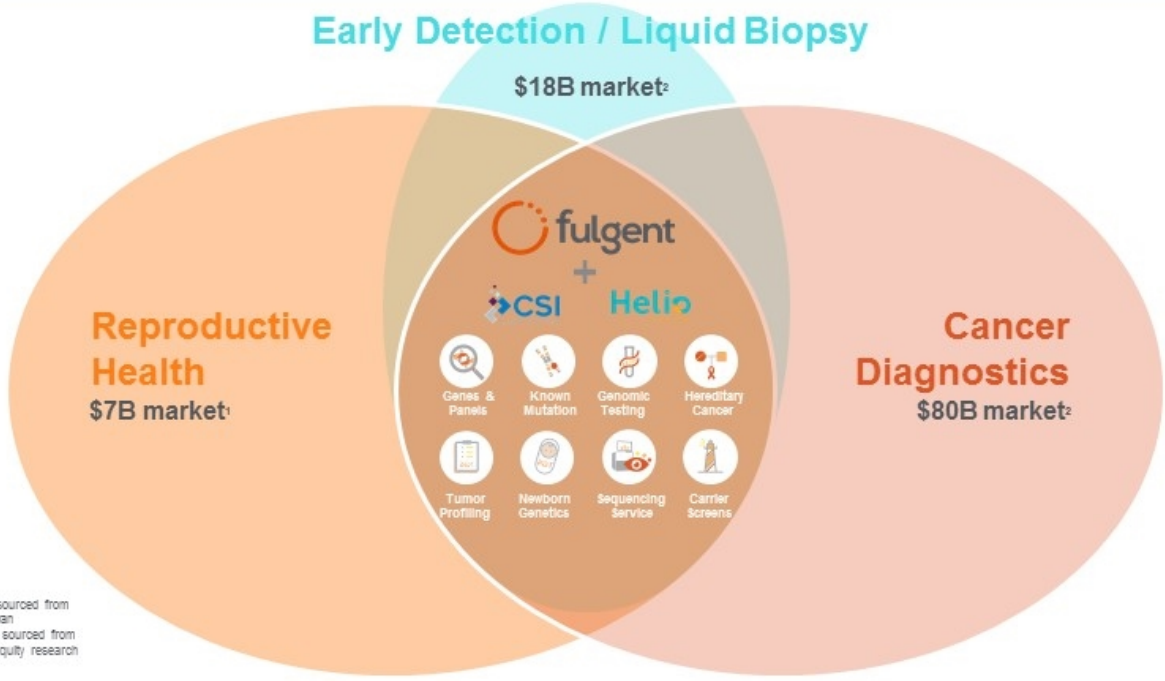
Irvine, CA 92618

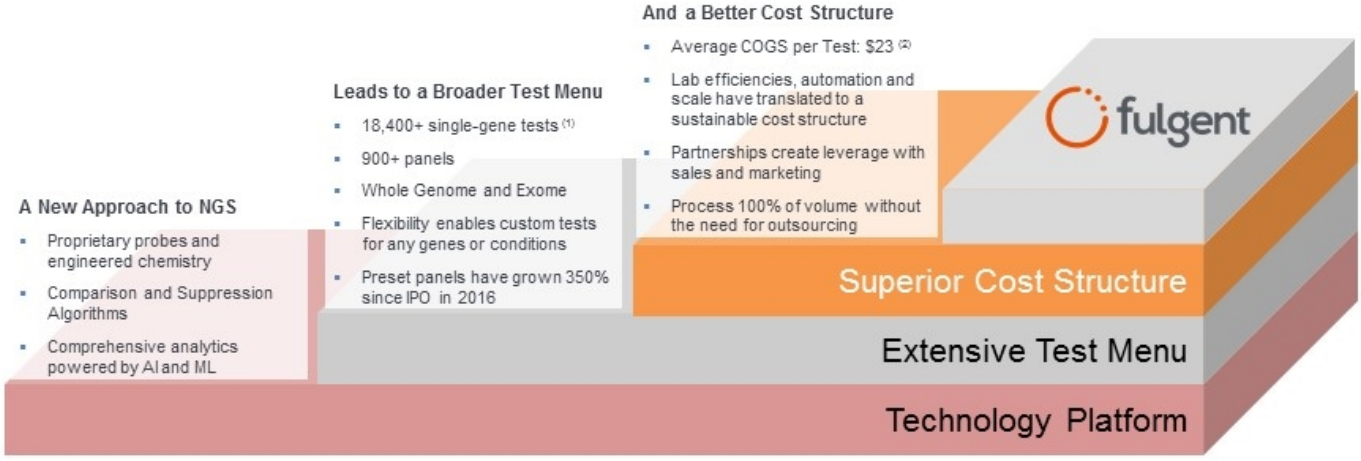
China Office
No. 1908, Building 10, Jianguo Rd
Chaoyang District, Beijing, 100022
+86 10 58208807

Competitive Landscape



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

What Sets Fulgent Apart?



(1) Represents genes covered by single-gene tests.
(2) For Q2 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.

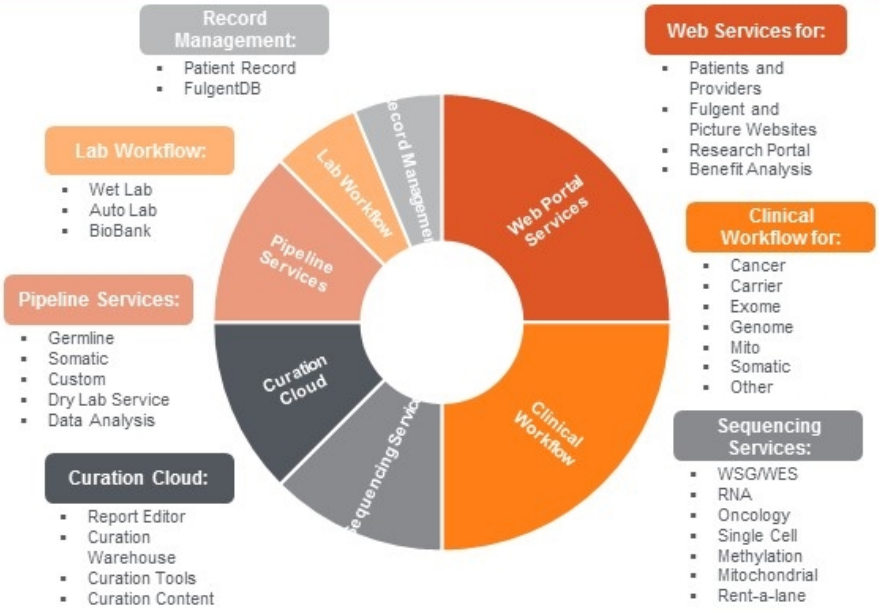
Proprietary Technology Platform

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

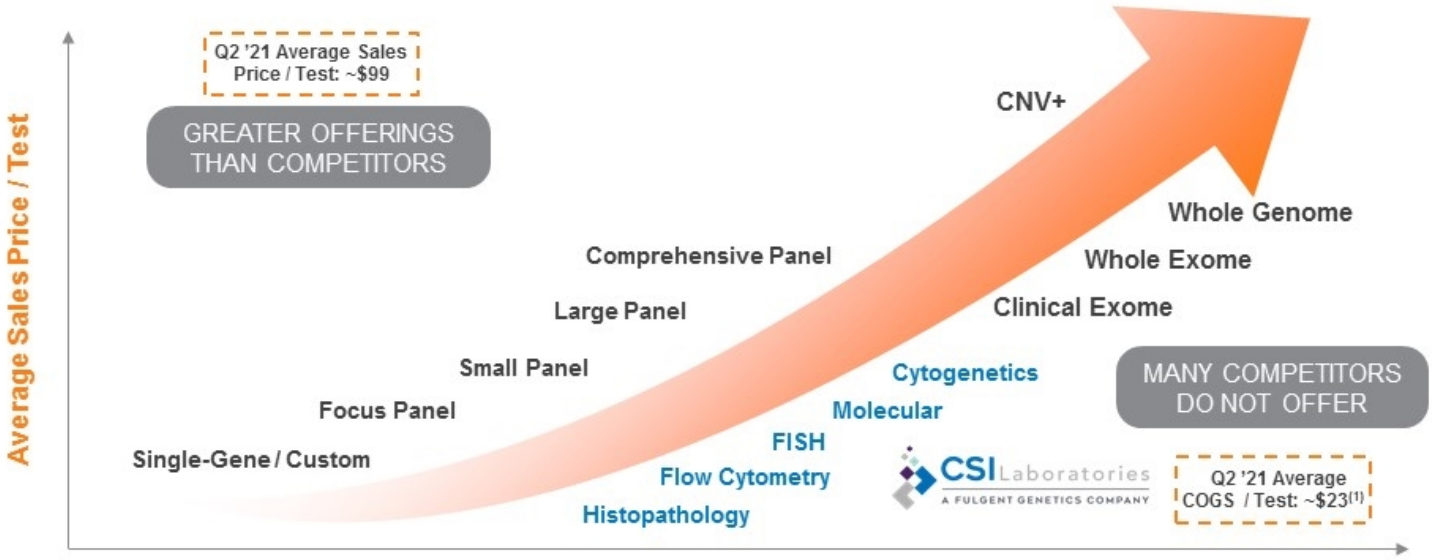
- **Services Include:**
  - Flow cytometry
  - Cytogenetic analysis
  - Fluorescence in-situ hybridization (FISH)
  - Immunohistochemistry
  - Molecular genetics
  - Consultations in the areas of hematopathology and surgical pathology
  - NGS

Commercialized COVID-19 Testing

Primarily RT-PCR Based Testing

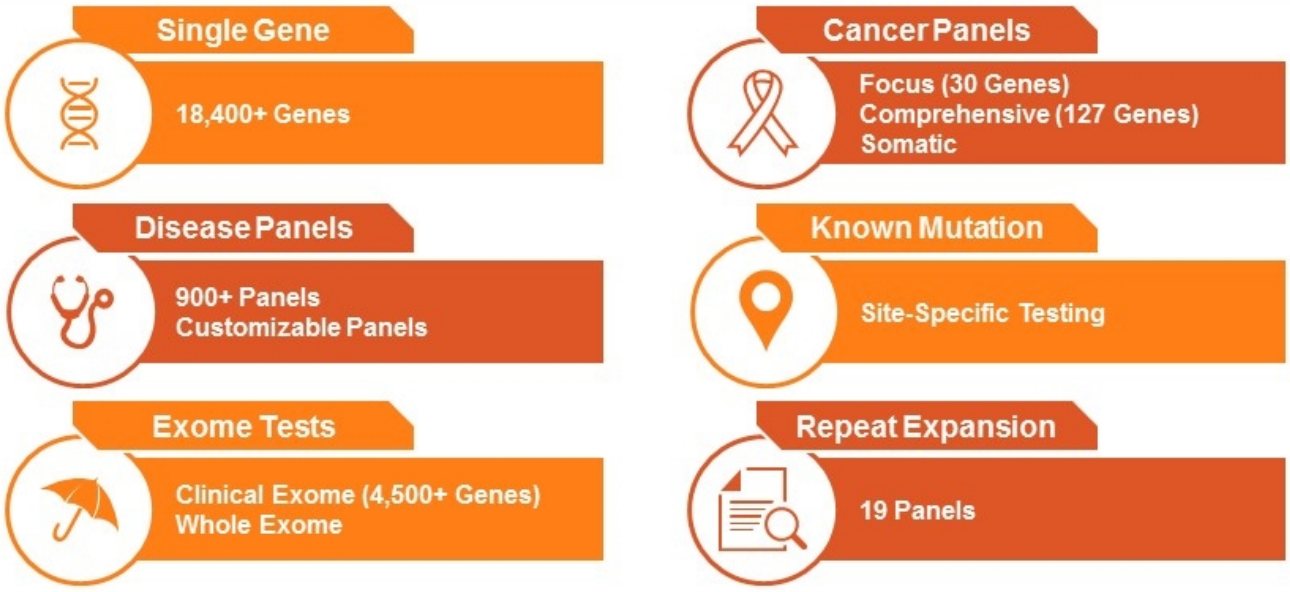
- **Contracts with:**
  - School systems
  - Nursing homes
  - Athletic organizations
  - Specialty health clinics
  - Travel organizations
  - Government agencies
- **Offered through:**
  - Drive through sites
  - Picture at-home kits
  - Managed on-site programs

Fulgent's Menu is Scalable and Affordable to Customers



(1) For Q2 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



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

Beacon ACOG / ACMG Guidelines Panel
The ACOG/ACMG panel screens for common genetic disorders seen in the general population
Gene Count: 6

Beacon Ashkenazi Jewish Panel
The Ashkenazi Jewish carrier screens for pathogenic carrier variants known to cause recessive genetic disorders
Gene Count: 43

Beacon Focus Panel
The Focus Carrier screen is a pan-ethnic screen that looks for pathogenic mutations known to cause autosomal recessive and X-linked disorders
Gene Count: 30

Beacon Expanded Panel
The Expanded Panel screens for more than 400 recessive and X-linked conditions that covers people of all ethnic backgrounds
Gene Count: 401

Beacon Expanded + Opt-in Genes
The Expanded Panel with "opt-in" genes, these 9 genes are associated with mild or adult-onset presentation disease
Gene Count: 410

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Beacon Carrier Screening

- Largest panel available, covering over 400 conditions
- NGS of entire genes, not just hotspots
- Deletion and duplication analysis
- TAT: 2 – 3 weeks

NGS Testing – Women's Health: PGT-A

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

Increased Chance of Pregnancy

Embryos with a normal number of chromosomes have a better chance of resulting in successful pregnancy

Reduced Risk of Miscarriage

Embryos with an abnormal number of chromosomes (aneuploid) typically do not result in successful pregnancy or may result in birth defects

More Confidence in Transferring a Single Embryo

Avoid health risks associated with twin or triplet pregnancies that can occur from multiple embryo implantation

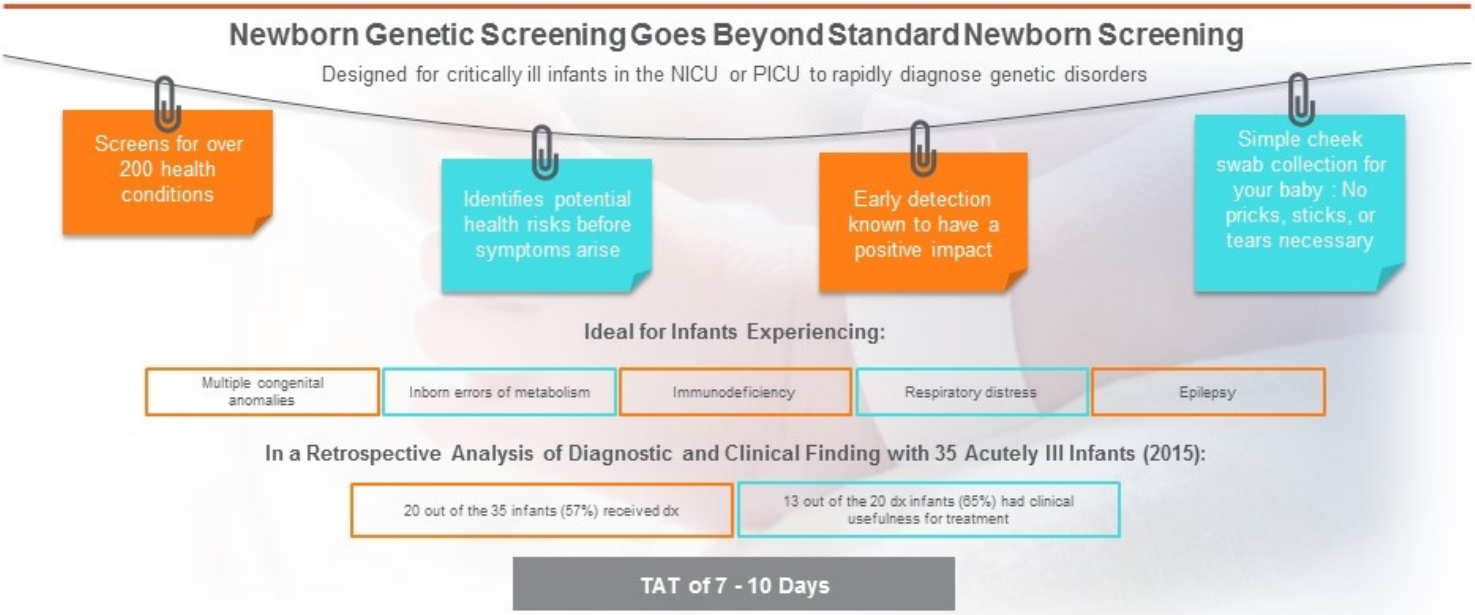
Fewer Number of Embryo Transfer Cycles Needed

Reduce the amount of time to pregnancy and the costs of additional IVF cycles

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

NGS Testing – Rapid Whole Genome for Newborns



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 2030[1]
- Ongoing evaluation of additional international opportunities
- Physical presence in China is a significant competitive advantage vs. US testing companies

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

1 *Source: China Insight Consultancy (CIC)*

Summary Financial Performance

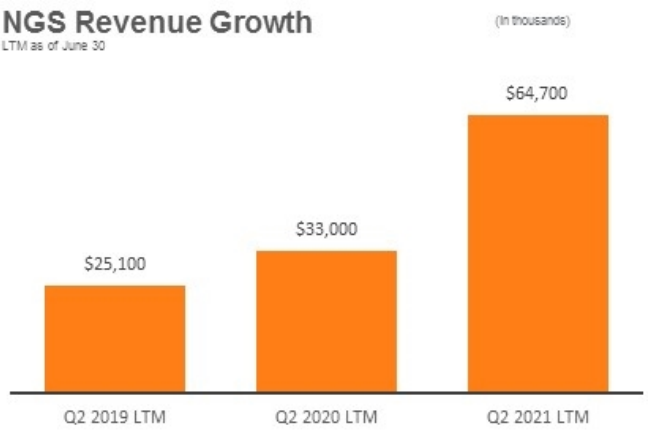
$64.7M LTM NGS Revenue as of Q2'21

96% growth year-over-year

$453M LTM Operating Cash Flow as of Q2'21

~153,000 LTM NGS Tests as of Q2'21

~152% growth year-over-year



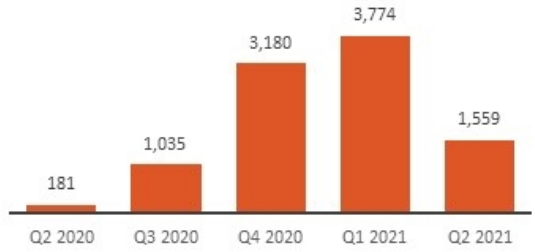
Financial Performance: Revenue Profile

Total Revenue

(In thousands)

Billable Tests

(In thousands)

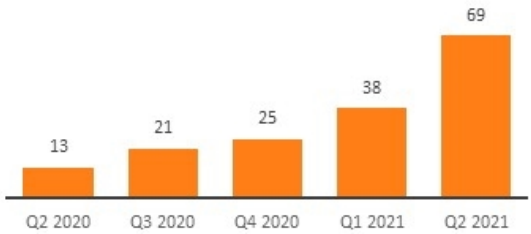


Total NGS Revenue

(In thousands)

Billable NGS Tests

(In thousands)



Financial Performance: Margin Profile

Adjusted Gross Margin[1]

(In thousands)

Adjusted Operating Margin[1]

(In thousands)

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 (May 2021)		Current Guidance (Aug 2021)		Change
COVID	RT-PCR COVID-19	$730 M		$690 M		(~$40 M)
CORE	NGS COVID-19	$100 M *+174% y/y*	$30 M	$110 M *+201% y/y*	$15 M	(~$15 M)
	Fulgent Core NGS (Incl. China JV)		$70 M		$80 M	+$10 M
	CSI Contribution	n/a			$15 M	+$15 M
	TOTAL	$830 M *+ 97% y/y*		$800 M + 90% y/y		(~$30 M)

Key Takeaways:

- New guidance categories will be "Core" and "COVID" (Previously "NGS" and "COVID")
- "Core" revenue includes NGS testing plus contribution from CSI Laboratories
- "COVID" revenue includes RT-PCR COVID-19 testing

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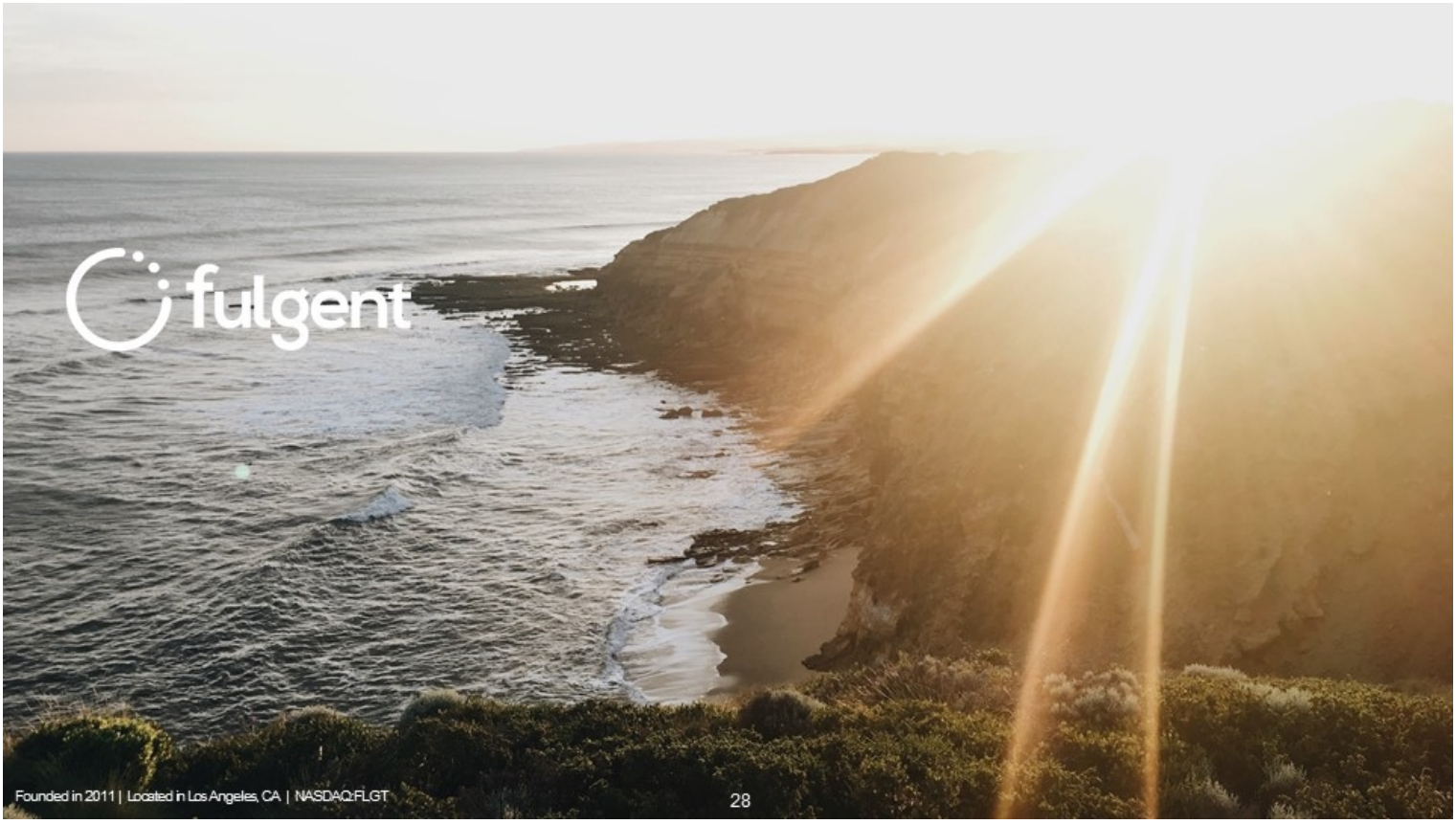
Balance Sheet

(in 000's)	Periods Ended December 31, 2020	June 30, 2021
Assets		
Cash & cash equivalents	$ 87,426	$ 100,461
Marketable investment securities	211,941	283,328
Trade accounts receivable, net of allowance for credit losses of $6,044 and $1,898 as of June 30, 2021 and December 31, 2020, respectively	183,857	148,576
Other current assets	40,392	34,321
Total current assets	523,616	566,686
Marketable investment securities, long-term	132,502	393,250
Fixed assets, net	40,199	51,086
Acquisition-related intangible assets, net	—	6,829
Goodwill	—	23,107
Other non-current assets	4,144	8,897
Total assets	**$ 700,461**	**$ 1,049,855**
Liabilities and Stockholders' Equity		
Accounts payable	$ 26,488	$ 14,743
Income tax payable	53,319	26,399
Contract liabilities	26,576	6,915
Customer deposit	185	45,327
Investment margin loan	15,019	15,077
Other liabilities	9,487	20,669
Total liabilities	131,074	129,130
Stockholders' equity	418,068	482,258
Accumulated income	151,319	430,471
Total Fulgent stockholders' equity	569,387	912,729
Noncontrolling interest	—	7,996
Total stockholders' equity	569,387	920,725
Total liabilities and stockholders' equity	**$ 700,461**	**$ 1,049,855**

Non-GAAP Financial Adjustments

(in 000's)	2020				FY	2021		FY
	Q1	Q2	Q3	Q4	2020	Q1	Q2	2021
Revenue	$7,753	$17,265	$101,716	$294,978	$421,712	$359,429	$153,616	$513,045
Cost of revenue	4,057	7,717	26,261	51,772	89,807	74,075	35,858	109,933
Gross profit	$3,696	$9,548	$75,455	$243,206	$331,905	$285,354	$117,758	$403,112
Gross margin	47.7%	55.3%	74.2%	82.4%	78.7%	79.4%	76.7%	78.6%
Equity-based compensation included in cost of revenue	231	270	428	523	1,452	674	692	1,366
Non-GAAP gross profit (excluding equity-based compensation)	$3,927	$9,818	$75,883	$243,729	$333,357	$286,028	$118,450	$404,478
Non-GAAP gross margin	50.7%	56.9%	74.6%	82.6%	79.0%	79.6%	77.1%	78.8%
Operating expenses								
R&D	$1,978	$1,849	$3,177	$4,576	$11,580	$5,422	$5,312	$10,734
S&M	1,597	3,260	5,014	5,081	14,952	5,008	5,219	10,227
G&A	2,035	1,799	3,741	7,640	15,215	8,002	8,329	16,331
Total operating expenses	5,610	6,908	11,932	17,297	41,747	18,432	18,860	37,292
Operating profit (loss)	($1,914)	$2,640	$63,523	$225,909	$290,158	$266,922	$98,898	$365,820
Operating margin	-24.7%	15.3%	62.5%	76.6%	68.8%	74.3%	64.4%	71.3%
Equity-based compensation included in operating expenses	693	810	2,722	2,480	6,705	2,288	2,834	5,122
Non-GAAP operating profit (loss) (excluding equity-based compensation)	($990)	$3,720	$66,673	$228,912	$298,315	$269,884	$102,424	$372,308
Non-GAAP operating margin	-12.8%	21.5%	65.6%	77.6%	70.7%	75.1%	66.7%	72.6%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