

## **Statement regarding use of non-GAAP financial measures**

In this press release, the Company's financial results and financial guidance are provided in accordance with accounting principles generally accepted in the United States (GAAP) and using certain non-GAAP financial measures. Management believes that presentation of operating results using non-GAAP financial measures provides useful supplemental information to investors and facilitates the analysis of the Company's core operating results and comparison of operating results across reporting periods. Management also uses non-GAAP financial measures to establish budgets and to manage the Company's business. A reconciliation of the GAAP financial results to non-GAAP financial results is included in the attached schedules.

Following is a description of the adjustments made to GAAP financial measures:

- Acquisition – amortization of intangible assets: Represents recurring amortization charges resulting from the acquisition of intangible assets, including developed technology and database rights.
- Acquisition – integration related costs: Costs related to closing and integration of acquired companies
- Equity compensation – non-cash equity based compensation provided to Myriad employees
- Deferred Tax impact of non-GAAP adjustments: Changes in effective tax rate based upon ASU 2016-09 and the deferred tax impact of non-deductible acquisition costs
- Tax reform impact – The impact of tax reform legislation on deferred tax assets
- Potential future consideration related to acquisitions: Non-cash expenses related to valuation adjustments of earn-out and milestone payments tied to recent acquisitions
- Elevate 2020 costs: Expenses tied to Elevate 2020 program

The Company encourages investors to carefully consider its results under GAAP, as well as its supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand its business. Non-GAAP financial results are reported in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

**Reconciliation of GAAP to Non-GAAP Financial Measures  
for the Three and Nine months ended March 31, 2019**  
(Unaudited data in millions, except per share amount)

	Three Months Ended		Nine Months Ended	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
Revenue	\$ 216.6	\$ 183.1	\$ 635.7	\$ 549.8
<b>GAAP Cost of molecular diagnostic testing</b>	40.3	36.8	126.6	110.7
<b>GAAP Cost of pharmaceutical and clinical services</b>	8.3	7.3	23.8	20.7
Acquisition - Integration related costs	(0.1)	—	(0.2)	—
Equity Compensation	(0.3)	(0.3)	(0.5)	(0.8)
Elevate 2020 costs	(0.2)	(0.2)	(3.7)	(0.2)
<b>Non-GAAP COGS</b>	\$ 48.0	\$ 43.6	\$ 146.0	\$ 130.4
<b>Non-GAAP Gross Margin</b>	77.8%	76.2%	77.0%	76.3%
<b>GAAP Research and Development</b>	\$ 21.5	\$ 18.5	\$ 65.0	\$ 53.1
Acquisition - amortization of intangible assets	(0.1)	—	(0.2)	(0.2)
Acquisition - Integration related costs	(0.1)	(0.1)	(0.7)	(0.1)
Equity compensation	(1.7)	(1.0)	(4.2)	(3.0)
Elevate 2020 costs	—	(1.0)	(2.3)	(1.2)
<b>Non-GAAP R&amp;D</b>	\$ 19.6	\$ 16.4	\$ 57.6	\$ 48.6
<b>GAAP Contingent Consideration</b>	\$ —	\$ (1.2)	\$ 1.4	\$ (61.3)
Potential future consideration related to acquisitions	—	1.2	(1.4)	61.3
<b>Non-GAAP Contingent Consideration</b>	\$ —	\$ —	\$ —	\$ —
<b>GAAP Selling, General and Administrative</b>	\$ 140.6	\$ 107.9	\$ 405.7	\$ 322.3
Acquisition - amortization of intangible assets	(15.1)	(9.2)	(43.5)	(27.4)
Acquisition - Integration related costs	(5.1)	(0.3)	(18.0)	(0.3)
Equity compensation	(7.6)	(5.3)	(20.1)	(16.1)
Elevate 2020 costs	(1.4)	(2.0)	(3.9)	(4.7)
<b>Non-GAAP SG&amp;A</b>	\$ 111.4	\$ 91.1	\$ 320.2	\$ 273.8
<b>GAAP Operating Income</b>	\$ 5.9	\$ 13.8	\$ 13.2	\$ 104.3
Acquisition - Integration related costs	5.3	0.4	18.9	0.4
Acquisition - amortization of intangible assets	15.2	9.2	43.7	27.6
Equity compensation	9.6	6.6	24.8	19.9
Elevate 2020 costs	1.6	3.2	9.9	6.1
Potential future consideration related to acquisitions	—	(1.2)	1.4	(61.3)
<b>Non-GAAP Operating Income</b>	\$ 37.6	\$ 32.0	\$ 111.9	\$ 97.0
<b>Non-GAAP Operating Margin</b>	17%	17%	18%	18%
<b>GAAP Net Income Attributable to Myriad Genetics, Inc. Stockholders</b>	\$ 6.9	\$ 9.1	\$ 8.8	\$ 118.9
Acquisition - Integration related costs	5.3	0.4	18.9	0.4
Acquisition - amortization of intangible assets	15.2	9.2	43.7	27.6
Equity compensation	9.6	6.6	24.8	19.9
Elevate 2020 costs	1.6	3.2	9.9	6.1
Potential future consideration related to acquisitions	—	(1.2)	1.4	(61.3)
Tax reform impact	—	—	—	(32.6)
Deferred tax impact of non-GAAP adjustments	0.2	0.1	2.8	(0.2)
Tax effect associated with non-GAAP adjustments	(4.5)	(2.8)	(14.1)	(7.7)
<b>Non-GAAP Net Income</b>	\$ 34.3	\$ 24.6	\$ 96.2	\$ 71.1
<b>GAAP Diluted EPS</b>	\$ 0.09	\$ 0.13	\$ 0.12	\$ 1.66
<b>Non-GAAP Diluted EPS</b>	\$ 0.46	\$ 0.34	\$ 1.26	\$ 0.99
Diluted shares outstanding	74.9	72.4	76.4	71.7

*Free Cash Flow Reconciliation*  
(Unaudited data in millions)

	Three Months Ended		Nine Months Ended	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
<b>GAAP cash flow from operations</b>	\$ 6.6	\$ 11.5	\$ 52.2	\$ 68.0
Capital expenditures	(3.1)	(2.9)	(7.2)	(6.6)
<b>Free cash flow</b>	\$ 3.5	\$ 8.6	\$ 45.0	\$ 61.4
Elevate 2020 costs	0.6	3.2	8.7	6.0
Acquisition - Integration related costs	3.5	0.4	11.9	0.4
Cash paid for contingent consideration in operating cash flows	—	20.8	—	20.8
Tax effect associated with non-GAAP adjustments	(1.1)	(0.8)	(5.8)	(1.8)
<b>Non-GAAP Free cash flow</b>	\$ 6.5	\$ 32.2	\$ 59.8	\$ 86.8

## Reconciliation of GAAP to Non-GAAP for Fiscal Year 2019

The Company's future performance and financial results are subject to risks and uncertainties, and actual results could differ materially from guidance set forth below. Some of the factors that could affect the Company's financial results are stated in the safe harbor statement of this press release. More information on potential factors that could affect the Company's financial results are included under the heading "Risk Factors" contained in Item 1A in the Company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission, as well as any updates to those risk factors filed from time to time in the Company's Quarterly Reports on Form 10-Q or Current Reports on Form 8-K.

	<u>Fiscal Year 2019</u>
<b>Diluted net income per share</b>	
GAAP diluted net income per share	\$0.28
Stock Based Compensation Expense	0.30
Acquisition - amortization of intangible assets	0.80
Adjustments to GAAP financial measures	0.36
<b>Non-GAAP diluted net income per share</b>	<u><u>\$1.74</u></u>

	<u>Fiscal Fourth-Quarter 2019</u>
<b>Diluted net income per share</b>	
GAAP diluted net income per share	\$0.16
Stock Based Compensation Expense	0.08
Acquisition - amortization of intangible assets	0.20
Adjustments to GAAP financial measures	0.04
<b>Non-GAAP diluted net income per share</b>	<u><u>\$0.48</u></u>