

## **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
- Tax impact related to equity compensation – Changes in effective tax rate based upon ASU 2016-09
- Tax expense associated with R&D tax credit reserves – One time net benefits associated with the release of R&D tax credit reserves.
- Potential future consideration related to acquisitions – Non-cash expenses related to valuation adjustments of earn-out and milestone payments tied to recent acquisitions
- One-time non-deductible costs – One-time non-deductible tax items
- 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 Months ended September 30, 2017 and 2016**

*(Unaudited data in millions, except per share amount)*

	<b>Three Months Ended</b>	
	<b>Sep 30, 2017</b>	<b>Sep 30, 2016</b>
<i>Revenue</i>	\$ 190.2	\$ 177.5
<b>GAAP Cost of molecular diagnostic testing</b>	\$ 36.2	\$ 34.3
<b>GAAP Cost of pharmaceutical and clinical services</b>	6.8	5.7
Acquisition - Integration related costs	-	-
<b>Non-GAAP COGS</b>	\$ 43.0	\$ 40.0
<b>Non-GAAP Gross Margin</b>	77%	77%
<b>GAAP Research and Development</b>	\$ 17.8	\$ 19.4
Acquisition - Integration related costs	-	(0.1)
Acquisition - amortization of intangible assets	(0.1)	(0.1)
Elevate 2020 costs	(0.1)	-
<b>Non-GAAP R&amp;D</b>	\$ 17.6	\$ 19.2
<b>GAAP Contingent Consideration</b>	\$ (73.2)	\$ 0.5
Potential future consideration related to acquisitions	73.2	(0.5)
<b>Non-GAAP Contingent Consideration</b>	\$ -	\$ -
<b>GAAP Selling, General and Administrative</b>	\$ 115.2	\$ 111.9
Acquisition - Integration related costs	-	(9.9)
Acquisition - amortization of intangible assets	(9.1)	(5.3)
Elevate 2020 costs	(1.2)	-
<b>Non-GAAP SG&amp;A</b>	\$ 104.9	\$ 96.7
<b>GAAP Operating Income (Loss)</b>	\$ 87.4	\$ 5.7
Acquisition - Integration related costs	-	10.0
Acquisition - amortization of intangible assets	9.2	5.4
Elevate 2020 costs	1.3	-
Potential future consideration related to acquisitions	(73.2)	0.5
<b>Non-GAAP Operating Income</b>	\$ 24.7	\$ 21.6
<b>Non-GAAP Operating Margin</b>	13%	12%
<b>GAAP Net Loss Attributable to Myriad Genetics, Inc. Stockholders</b>	\$ 81.1	(1.2)
Acquisition - Integration related costs	-	10.0
Acquisition - amortization of intangible assets	9.2	5.4
Elevate 2020 costs	1.3	-
Tax impact related to equity compensation	0.3	2.4
Potential future consideration related to acquisitions	(73.2)	0.5
One-time non-deductible costs	-	2.8
Tax effect associated with non-GAAP adjustments	(0.5)	(3.9)
<b>Non-GAAP Net Income</b>	\$ 18.2	\$ 16.0
<b>GAAP Diluted EPS</b>	\$ 1.15	\$ (0.02)
<b>Non-GAAP Diluted EPS</b>	\$ 0.26	\$ 0.23
<i>Diluted shares outstanding</i>	70.4	69.5

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

	<b>Three Months Ended</b>	
	<b>Sep 30, 2017</b>	<b>Sep 30, 2016</b>
<b>GAAP cash flow from operations</b>	\$ 23.5	\$ (2.9)
Capital expenditures	(1.6)	(1.5)
<b>Free cash flow</b>	<u>\$ 21.9</u>	<u>\$ (4.4)</u>
Elevate 2020 costs	1.3	-
Acquisition - Integration related costs	-	7.9
Cash paid at closing to Assurex vendors	-	6.8
Tax effect associated with non-GAAP adjustments	(0.5)	(5.7)
<b>Non-GAAP Free cash flow</b>	<u>\$ 22.7</u>	<u>\$ 4.6</u>

**Reconciliation of GAAP to Non-GAAP for Fiscal Year 2018 and Fiscal Second-Quarter 2018**

**Financial Guidance**

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.

	<b>Fiscal Year 2018</b>
<b>Diluted net income per share</b>	
GAAP diluted net income per share	\$1.41 - \$1.46
Acquisition - amortization of intangible assets	0.53
Change in contingent consideration	(1.04)
One-time expenses	0.10
<b>Non-GAAP diluted net income per share</b>	<u><u>\$1.00 - \$1.05</u></u>

	<b>Fiscal Second-Quarter 2018</b>
<b>Diluted net income per share</b>	
GAAP diluted net income per share	\$0.08 - \$0.10
Acquisition - amortization of intangible assets	0.12
One-time expenses	0.02
<b>Non-GAAP diluted net income per share</b>	<u><u>\$0.22- \$0.24</u></u>