OraSure Technologies, Inc.

Q3 2022 Earnings Summary

Financial Highlights

	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22
Diagnostic Revenue	$14.5	$19.3	$23.5	$32.7	$90.0	$38.3	$60.5	$97.7
YoY Growth	*-19%*	*85%*	*44%*	*58%*	*38%*	*164%*	*213%*	*316%*
Molecular Solutions Revenue	$44.0	$38.3	$30.4	$30.9	$143.6	$29.4	$19.8	$18.8
YoY Growth	*219%*	*103%*	*-4%*	*-27%*	*35%*	*-33%*	*-48%*	*-38%*
Total Revenue	$58.6	$57.6	$53.9	$63.6	$233.7	$67.7	$80.2	$116.5
YoY Growth	*85%*	*97%*	*12%*	*1%*	*36%*	*16%*	*39%*	*116%*
COVID-19 Revenue	$28.0	$11.5	$13.9	$22.7	$76.1	$31.0	$43.4	$79.9
YoY Growth	*NM*	*36%*	*-25%*	*1%*	*54%*	*11%*	*277%*	*475%*
Core Revenue	$30.6	$46.1	$40.0	$40.9	$157.6	$36.7	$36.8	$36.6
YoY Growth	*-3%*	*122%*	*35%*	*1%*	*29%*	*20%*	*-20%*	*-9%*
GAAP Gross Profit	$38.3	$30.7	$21.5	$27.1	$117.6	$24.3	$27.6	$46.2
Gross Margin	*65%*	*53%*	*40%*	*43%*	*50%*	*36%*	*34%*	*40%*
Non-GAAP Gross Profit	$38.5	$30.9	$23.6	$28.7	$121.7	$25.5	$32.2	$46.7
Non-GAAP Gross Margin	*66%*	*54%*	*44%*	*45%*	*52%*	*38%*	*40%*	*40%*
GAAP Operating Profit	$10.4	$1.8	($13.0)	($9.4)	($10.2)	($16.0)	($21.3)	$0.9
Operating Margin	*18%*	*3%*	*-24%*	*-15%*	*-4%*	*-24%*	*-27%*	*1%*
Non-GAAP Operating Profit	$11.8	$3.8	($8.8)	($1.3)	$5.4	($6.6)	($1.4)	$11.4
Non-GAAP Operating Margin	*20%*	*7%*	*-16%*	*-2%*	*2%*	*-10%*	*-2%*	*10%*
GAAP EPS	$0.05	($0.02)	($0.21)	($0.14)	($0.32)	($0.28)	($0.26)	$0.07
Adjusted EPS	$0.07	$0.01	($0.15)	($0.03)	($0.11)	($0.15)	$0.00	$0.13

Key Quarterly Takeaways

Generated positive cash flow from operations of $16.3 million one quarter ahead of previous guidance

Continued progress on production efficiencies in the quarter with plans to migrate additional products over to "super factory," concept; additional efficiencies including InteliSwab® packaging redesign planned in near term

Company guides to continued positive cash flow from operations in the 4Q22

Signed new InteliSwab® distribution agreements including availability on Amazon.com

Increased profitability with GAAP EPS of $0.07 and non-GAAP EPS of $0.13 in the 3Q22

Provided 4Q22 financial guidance calling for revenue of $95 to $100 million representing 49% to 57% year-over-year growth

Diagnostic Business Unit Highlights

- InteliSwab® revenue of $79.9 million grew 84% sequentially as the company scaled its school testing program
- Recent commercial success with InteliSwab® with new availability on Amazon.com and new grocery store chain with potential placement in up to 400 stores
- Announced new OraQuick® HIV OTC procurement contract from the U.S. government focused on testing high risk communities. Total contract award of $41.6 million over 5 years with a portion planned for test procurement
- Announced new $8.6 million contract award from BARDA to develop 2nd generation Ebola test

Molecular Solutions Business Unit Highlights

- Core molecular kits experienced softness based predominantly upon changes in consumer purchasing impacting DTC customers
- Received U.S. FDA clearance for its ORAcollect•Dx saliva collection device for OTC (i.e. enabling direct-to-consumer) use through agreement with Grifols to support genetic screening for alpha1-antitrypsin deficiency (alpha -1)
- Announced largest ever microbiome companion animal study with Mars Petcare to sequence thousands of cats and dogs to better understand pet health
- First microbiome based therapeutic receives positive FDA advisory committee vote; catalyst for microbiome segment
- Launched Omnigene Gut DNA & RNA product allowing for self-collection, stabilization, storage and transportation of both microbial DNA and RNA at ambient temperature

Forward-Looking Statements

This presentation contains certain forward-looking statements, including with respect to products, product development activities, regulatory authorizations, revenue growth, cost savings, cash flow and other matters. Forward-looking statements are not guarantees of future performance or results. Known and unknown factors that could cause actual performance or results to be materially different from those expressed or implied in these statements include, but are not limited to: our ability to satisfy customer demand; ability to reduce our spending rate, capitalize on manufacturing efficiencies and drive profitable growth; ability to market and sell products, whether through our internal, direct sales force or third parties; impact of significant customer concentration in the genomics business; failure of distributors or other customers to meet purchase forecasts, historic purchase levels or minimum purchase requirements for our products; ability to manufacture products in accordance with applicable specifications, performance standards and quality requirements; ability to obtain, and timing and cost of obtaining, necessary regulatory approvals for new products or new indications or applications for existing products; ability to comply with applicable regulatory requirements; ability to effectively resolve warning letters, audit observations and other findings or comments from the U.S. Food and Drug Administration ("FDA") or other regulators; the impact of the novel coronavirus ("COVID-19") pandemic on the Company's business, supply chain, labor force, ability to successfully develop new products, validate the expanded use of existing collector products, receive necessary regulatory approvals and authorizations and commercialize such products for COVID-19 testing, and demand for our COVID-19 testing products ; changes in relationships, including disputes or disagreements, with strategic partners or other parties and reliance on strategic partners for the performance of critical activities under collaborative arrangements; ability to meet increased demand for the Company's products; impact of replacing distributors; inventory levels at distributors and other customers; ability of the Company to achieve its financial and strategic objectives and continue to increase its revenues, including the ability to expand international sales and the ability to continue to reduce costs; impact of competitors, competing products and technology changes; reduction or deferral of public funding available to customers; competition from new or better technology or lower cost products; ability to develop, commercialize and market new products; market acceptance of oral fluid or urine testing, collection or other products; market acceptance and uptake of microbiome informatics, microbial genetics technology and related analytics services; changes in market acceptance of products based on product performance or other factors, including changes in testing guidelines, algorithms or other recommendations by the Centers for Disease Control and Prevention ("CDC") or other agencies; ability to fund research and development and other products and operations; ability to obtain and maintain new or existing product distribution channels; reliance on sole supply sources for critical products and components; availability of related products produced by third parties or products required for use of our products; impact of contracting with the U.S. government; impact of negative economic conditions; ability to maintain sustained profitability; ability to utilize net operating loss carry forwards or other deferred tax assets; volatility of the Company's stock price; uncertainty relating to patent protection and potential patent infringement claims; uncertainty and costs of litigation relating to patents and other intellectual property; availability of licenses to patents or other technology; ability to enter into international manufacturing agreements; obstacles to international marketing and manufacturing of products; ability to sell products internationally, including the impact of changes in international funding sources and testing algorithms; adverse movements in foreign currency exchange rates; loss or impairment of sources of capital; ability to attract and retain qualified personnel; exposure to product liability and other types of litigation; changes in international, federal or state laws and regulations; customer consolidations and inventory practices; equipment failures and ability to obtain needed raw materials and components; the impact of terrorist attacks, civil unrest, hostilities and war ; and general political, business and economic conditions, including inflationary pressures. These and other factors that could affect our results are discussed more fully in our SEC filings, including our registration statements, Annual Report on Form 10-K for the year ended December 31, 2021, Quarterly Reports on Form 10-Q, and other filings with the SEC. Although forward-looking statements help to provide information about future prospects, readers should keep in mind that forward-looking statements may not be reliable. Readers are cautioned not to place undue reliance on the forward-looking statements. The forward-looking statements are made as of the date of this press release and OraSure Technologies undertakes no duty to update these statements.

Statement Regarding Use of Non-GAAP Financial Measures

In this presentation, 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, including non-GAAP gross margin, non-GAAP operating income (loss), non-GAAP gross income and non-GAAP earnings (loss) per share. Management believes that presentation of operating results using these 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, while excluding certain expenses that may not be indicative of the Company's recurring core business operating results. In addition, management believes these non-GAAP financial measures are useful to investors both because they (1) allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making and (2) are used by OraSure's institutional investors and the analysis community to help them analyze the health of OraSure's business. 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 schedules below and a description of the adjustments made to the GAAP financial measures is included at the end of the schedules.

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. Further, non-GAAP financial measures, even if similarly titled, may not be calculated in the same manner by all companies, and therefore should not be compared.

A reconciliation of our non-GAAP measures to their most directly comparable GAAP measures can be found at: https://orasure.gcs-web.com/gaap-non-gaap-reconciliation