



sema4

Q1 2022 Earnings Presentation

May 2022

Disclaimer

This presentation contains forward-looking statements under the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, for example, contain wording such as “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “intend,” “plan,” “objective,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “continue,” “ongoing,” or the negative of these terms, or other comparable terminology intended to identify statements about the future. Forward-looking statements contained in this presentation include, but are not limited to, statements about: our full year 2022 revenue, volume and gross margin guidance, our expectations of the anticipated benefits and synergies of the recently completed acquisition (the “Acquisition”) of GeneDx Inc. (“GeneDx”), our estimates of our volumes and revenue for the first quarter, our addressable market, market growth, future revenue, key performance indicators, expenses, capital requirements and our needs for additional financing, our commercial launch plans, our strategic plans for our business and products, market acceptance of our products, and our competitive position and developments and projections relating to our competitors. We cannot assure that the forward-looking statements in this presentation will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements.

The forward-looking statements and opinions contained in this presentation are based on our management’s beliefs and assumptions and are based upon information currently available to our management as of the date of this presentation and, while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to: (i) the ability to implement business plans, goals and forecasts, and identify and realize additional opportunities, (ii) the risk of downturns and a changing regulatory landscape in the highly competitive healthcare industry, (iii) the size and growth of the market in which we operate, and (iv) the risk that the anticipated benefits of the Acquisition of GeneDx may not be realized, if at all. The information, opinions and forward-looking statements contained in this announcement speak only as of its date, and are subject to change without notice.

Use of Non-GAAP Financial Measures

This presentation includes non-GAAP financial measures, including Adjusted EBITDA, Adjusted Gross Profit and Adjusted Gross Margin. Adjusted EBITDA is defined as net loss adjusted for interest expense, net, depreciation and amortization, stock-based compensation expenses, transaction costs, other (income) expense, net and COVID-19 testing costs. Management believes that these non-GAAP measures of financial results are useful in evaluating the Sema4’s operating performance compared to that of other companies in its industry, as this metric generally eliminates the effects of certain items that may vary from company to company for reasons unrelated to overall operating performance. Please refer to the Appendix for Non-GAAP to GAAP Reconciliation.

This presentation contains estimates, projections and other information concerning our industry, our business, and the markets for our products and services. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties, and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from our own internal estimates and research as well as from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data and similar sources. While we believe our internal company research as to such matters is reliable and the market definitions are appropriate, neither such research nor these definitions have been verified by any independent source. We discuss these and other risks and uncertainties in greater detail in the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our periodic reports and other filings we make with the SEC from time to time. Given these uncertainties, you should not place undue reliance on the forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in our expectations. We file reports, proxy statements, and other information with the SEC. Such reports, proxy statements, and other information concerning us is available at <http://www.sec.gov>. Requests for copies of such documents should be directed to our Investor Relations department at Sema4 Holdings Corp. 333 Ludlow Street, North Tower, 8th Floor, Stamford, CT 06902. Our telephone number is 800-298-6470.

Recent Business Highlights



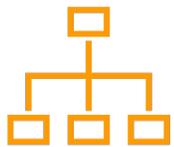
1Q 2022¹ revenue growth of 4%²



1Q 2022¹ resulted volume growth of 27%²



Closed GeneDx acquisition and \$200M PIPE³ from leading investors, including Pfizer



Streamlined leadership team to enable focused execution and to drive growth



Reaffirming 2022 revenue guidance of \$305-315M, now includes GeneDx for eight months which implies \$350M of pro forma revenue at the midpoint⁴

¹ 3 months ended 3/31/22

² Excluding COVID-19 testing revenue

³ PIPE (Private Investment in Public Equity) is contingent on the closing of the GeneDx acquisition

⁴ \$350M pro forma target previously excluded and continues to exclude any contribution from COVID-19 in 2022. Includes anticipated revenue growth and contribution from completed acquisition of GeneDX

Path to Profitability

Growth at Scale¹

- Market leading franchises in Women's Health & Rare Disease
- On track to result 450K+ tests in 2022

Operating Efficiency

- Committed to \$50M+ reduction in 2022 cash burn
- Significant ASP/margin opportunities via revenue cycle and lab efficiency
- Cash runway into 2024

Transformational Deals

- Significantly enhanced value proposition via GeneDx acquisition
- Unique competitive moat with strategy to partner with health systems

Strong Start to 2022

1Q Resulted Volume

Resulted ~85,000 tests
excluding COVID-19

+27% yoy and +2% qoq

1Q Total Revenue

\$54M
in total revenue

+4% yoy (excluding COVID-19
testing)¹

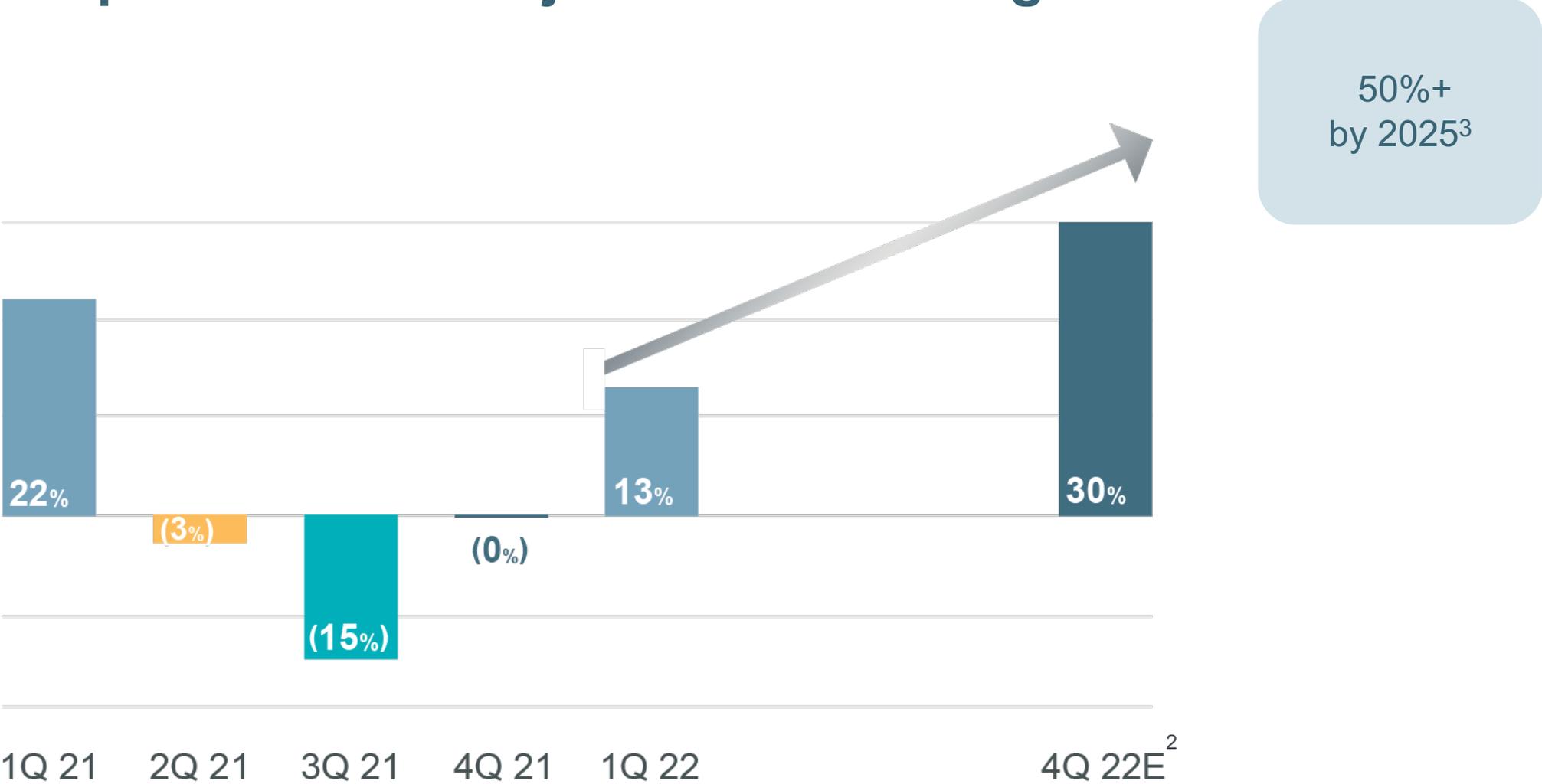
1Q Balance Sheet

\$315M in cash &
equivalents as of 3/31/22

+\$125M undrawn revolver
= \$440M total liquidity

¹ 1Q22 Revenue excluding COVID-19 was \$50.1 million

Significant Improvement in Adjusted Gross Margin¹



¹ Adjusted Gross Profit (Loss) is a non-GAAP measure within cost of services. Refer to Appendix for non-GAAP Reconciliation

² 4Q 22E reflects the company's guidance of 30% gross margin in 4Q 2022E

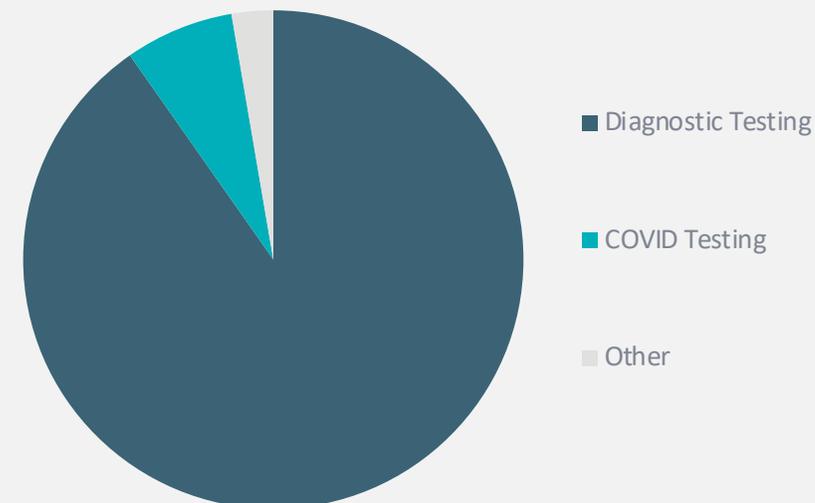
³ Represents the company's long range gross margin target

Q1 GAAP Financial Highlights

1Q 2022¹ – Financial Highlights USD Millions

	1Q 2022	1Q 2021
Total Revenue	\$53.9	\$64.2
Revenue (ex-COVID testing)	\$50.1	\$48.3
Gross Profit (Loss)	\$5.6	(\$4.3)
Gross Margin	10%	(7%)
GAAP Net Income (Loss)	(\$76.9)	(\$191.8)

1Q 2022¹ – Revenue Mix % Revenue

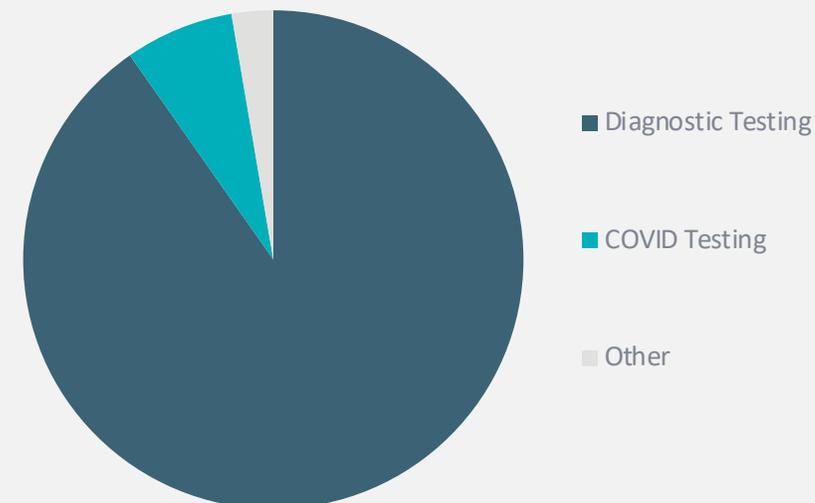


Q1 Non-GAAP Financial Highlights

1Q 2022¹ – Financial Highlights USD Millions

	1Q 2022	1Q 2021
Adjusted Gross Profit²	\$7.1	\$14.2
Adjusted Gross Margin³	13%	22%
Total Adjusted EBITDA⁴	(\$58.9)	(\$24.8)

1Q 2022¹ – Revenue Mix % Revenue



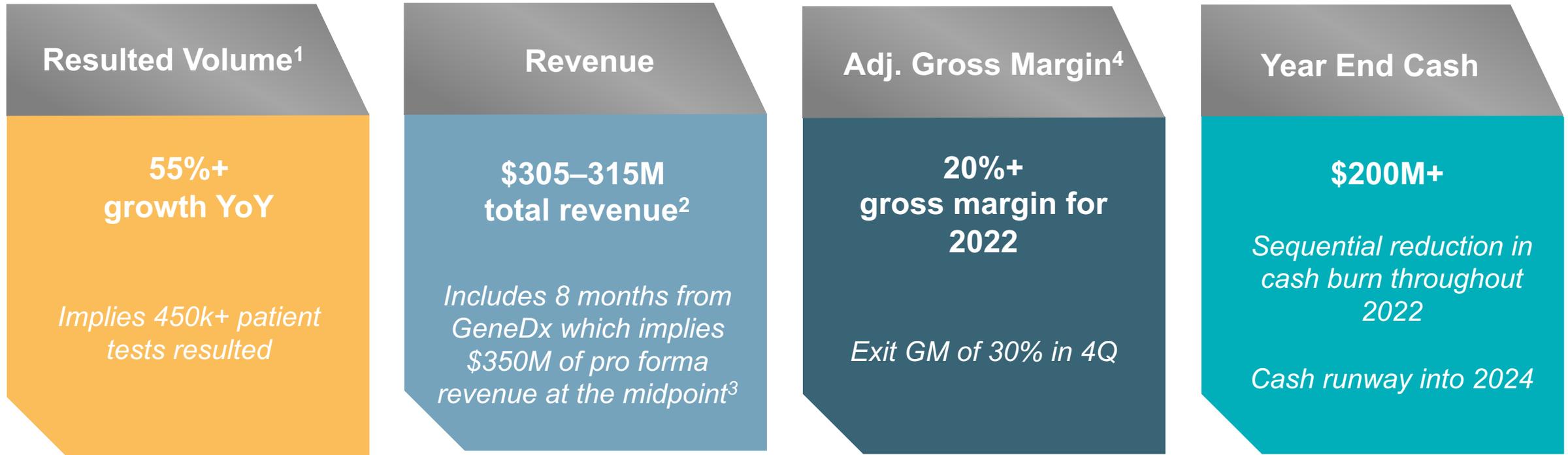
¹ 3 months ended 3/31/22

² Adjusted Gross Profit (Loss) is a non-GAAP measure within cost of services. Refer to Appendix for non-GAAP Reconciliation

³ Adjusted Gross Margin is a non-GAAP measure within cost of services. Refer to Appendix for non-GAAP Reconciliation

⁴ Adjusted EBITDA is a non-GAAP financial measure that we define as net loss adjusted for interest expense, net, depreciation and amortization, stock-based compensation expenses, transaction and acquisition costs, restructuring, other (income) expense, net and COVID-19 costs. Refer to Appendix for non-GAAP Reconciliation

2022 Guidance (now includes GeneDx for eight months)



¹ Excluding COVID-19 testing

² The midpoint of the updated guidance implies \$350 million of pro-forma revenue excluding COVID-19 testing, assuming a full year 2022 contribution of GeneDx.

³ \$350M pro forma target previously excluded and continues to exclude any contribution from COVID-19 in 2022

⁴ Adjusted Gross Margin is a non-GAAP measure. Refer to Appendix for non-GAAP Reconciliation

Our Financial Profile Exiting 2022



Annualized revenue of \$350 million

on a trailing pro forma basis¹



Q4 exiting adjusted **gross margin² of 30%**

with a path to 50% by 2025



Total liquidity of **\$325M at year-end**

(\$200M+ in cash + \$125M revolver)



Cash **runway into 2024³**



Revised operating model enables **positive free cash flow**

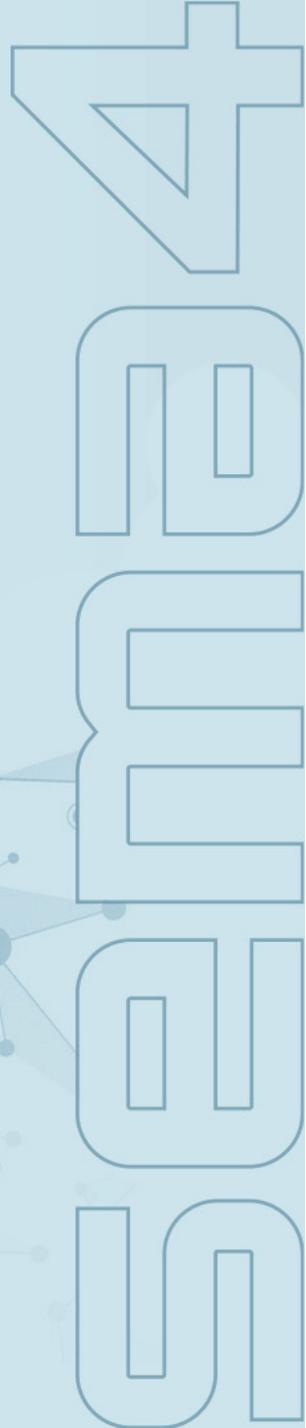
in 2025

¹ \$350 million pro forma revenue includes revenue generated by GeneDx in 2022 prior to Deal Close on April 29th

² Adjusted Gross Margin is a non-GAAP measure. Refer to Appendix for non-GAAP Reconciliation

³ Includes Cash & Equivalents, does not include drawing on Sema4's \$125M Revolver

Thank you



Appendix



Historical COVID-19 Revenue Mix

% of Total Revenue¹

	1Q20	2Q20	3Q20	FY20	1Q21	2Q21	3Q21	4Q21	1Q22
Diagnostic Test	99%	93%	84%	79%	73%	87%	86%	79%	91%
COVID	0%	6%	14%	18%	25%	8%	10%	18%	6%
Other	1%	1%	2%	2%	2%	4%	4%	3%	3%

¹ Certain periods do not add to 100% due to rounding

Non-GAAP Gross Margin Reconciliation

USD in thousands

	Three months ended March 31,	
	2022	2021
	(in thousands)	
Revenue	\$53,941	\$64,201
Cost of services	48,316	68,524
Gross Profit (Loss)	5,625	(4,323)
Gross Margin	10 %	(7)%
Add:		
Stock-based compensation expense	1,381	18,475
Restructuring costs ⁽¹⁾	106	—
Adjusted Gross Profit	7,112	14,152
Adjusted Gross Margin	13 %	22 %

(1) Represents costs incurred for restructuring activities, which include severance packages offered and third party consulting costs incurred in the first quarter of 2022.

Non-GAAP EBITDA Reconciliation

USD in thousands

	Three months ended March 31,	
	2022	2021
	(in thousands)	
Net loss	\$ (76,896)	\$ (191,775)
Interest expense, net ⁽¹⁾	781	702
Depreciation and amortization	5,803	4,902
Stock-based compensation expense	17,559	164,962
Transaction and acquisition costs ⁽²⁾	4,337	1,954
Restructuring costs ⁽³⁾	2,729	—
Change in fair market value of warrant and earn-out contingent liabilities ⁽⁴⁾	(13,190)	—
Other income ⁽⁵⁾	—	(5,584)
Adjusted EBITDA	\$ (58,877)	\$ (24,839)

- (1) Represents the total of interest expense related to our finance leases and interest-bearing loans and interest income on money market funds. This also includes the unused line fee and amortization of deferred transaction costs related to the loan and security agreement entered into with Silicon Valley Bank.
- (2) Represents professional service costs incurred in connection with pursuing the business combination transaction that did not meet the requirement for capitalization in 2021. In the first quarter of 2022, this represents professional service costs incurred in connection with the Acquisition transaction, which include due diligence and legal costs.
- (3) Represents costs incurred for restructuring activities, which include severance packages offered to impacted employees and third party consulting costs incurred in the first quarter of 2022.
- (4) Represents the change in fair market value of the liabilities associated with our public warrants and private placement warrants and the earn-out shares issuable under the terms of the merger agreement related to our business combination with CMLS.
- (5) For the three months ended March 31, 2021, primarily consists of funding received under the CARES Act Provider Relief Fund.

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