



# A Different, Stronger Company Making a Unique Difference in the World

Steve MacMillan  
Chairman, President & CEO

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40<sup>th</sup> Annual J.P. Morgan Healthcare Conference



# Safe Harbor Statement

This presentation contains forward-looking information that involves risks and uncertainties, including statements about the Company's plans, objectives, expectations and intentions. Such statements include, without limitation: financial or other information based upon or otherwise incorporating judgments or estimates relating to future performance, events or expectations; the Company's strategies, positioning, resources, capabilities, and expectations for future performance; and the Company's outlook and financial and other guidance. These forward-looking statements are based upon assumptions made by the Company as of the date hereof and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those anticipated.

Risks and uncertainties that could adversely affect the Company's business and prospects, and otherwise cause actual results to differ materially from those anticipated, include without limitation: the severity and duration of the COVID-19 pandemic (including variants) and its impact on the U.S. healthcare system, the U.S. economy and worldwide economy; the timing, scope and effect of further U.S. and international governmental, regulatory, fiscal, monetary and public health responses, including emerging vaccine mandates, to the COVID-19 pandemic; disruption of supply chains, including the availability of critical raw materials and components, including semiconductor chips, as well as cost inflation in materials, packaging and transportation; manufacturing risks, including the Company's reliance on a single or limited source of supply for key components, the need to comply with especially high standards for the manufacture of many of its products and risks associated with utilizing third party manufacturers; continued demand for the Company's COVID-19 TMA assay; the Company's ability to manufacture, on a scale necessary to meet demand, its COVID-19 TMA assay as well as the Panther systems on which the assay runs; U.S., European and general worldwide economic conditions, trade relations, and related uncertainties; the Company's ability to predict accurately the demand for its products, and products under development, and to develop strategies to address its markets successfully; the ability of the Company to successfully manage leadership and organizational changes, including the ability of the Company to attract, motivate and retain key employees and maintain engagement; the Company's reliance on third-party reimbursement policies to support the sales and market acceptance of its products, including the possible adverse impact of government regulation and changes in the availability and amount of reimbursement and uncertainties for new products or product enhancements; changes to applicable laws and regulations, including tax laws, global health care reform, and import/export trade laws; changes in guidelines, recommendations and studies published by various organizations that could affect the use of the Company's products; uncertainties inherent in the development of new products and the enhancement of existing products, including FDA approval and/or clearance and other regulatory risks, technical risks, cost overruns and delays; the risk that products may contain undetected errors or defects or otherwise not perform as anticipated; risks associated with strategic alliances and the ability of the Company to realize anticipated benefits of those alliances; risks associated with acquisitions, including, without limitation, the Company's ability to successfully integrate acquired businesses, the risks that the acquired businesses may not operate as effectively and efficiently as expected even if the risk of adverse exchange rate fluctuations on the Company's international activities and businesses; the early stage of market development for certain of the Company's products; the Company's leverage risks, including the Company's obligation to meet payment obligations and financial covenants associated with its debt; cybersecurity risks; risks related to the use and protection of intellectual property; expenses, uncertainties and potential liabilities relating to litigation, including, without limitation, commercial, intellectual property, employment and product liability litigation; technical innovations that could render products marketed or under development by the Company obsolete; and competition.

The risks included above are not exhaustive. Other factors that could adversely affect the Company's business and prospects are described in the filings made by the Company with the SEC, including its most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements presented herein to reflect any change in expectations or any change in events, conditions or circumstances on which any such statements are based. Hologic and associated logos are trademarks and/or registered trademarks of Hologic, Inc. and/or its subsidiaries in the United States and/or other countries.

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# Non-GAAP Financial Measures

The Company has presented the following non-GAAP financial measures in this presentation: constant currency revenues; organic revenues; non-GAAP gross margin; non-GAAP operating expenses; non-GAAP operating margin; non-GAAP effective tax rate; non-GAAP net income; non-GAAP net margin; non-GAAP EPS; and adjusted EBITDA. Constant currency calculations show reported current period revenues as if the foreign exchange rates remain the same as those in effect in the comparable prior year period. The Company defines its non-GAAP net income, EPS, and other non-GAAP financial measures to exclude, as applicable: (i) the amortization of intangible assets and impairment of goodwill, intangible assets and equipment; (ii) additional depreciation expense from acquired fixed assets and accelerated depreciation related to consolidation and closure of facilities; (iii) additional expenses resulting from the purchase accounting adjustment to record inventory at fair value and adjustments to contingent consideration; (iv) restructuring and divestiture charges and facility closure and consolidation charges and costs incurred to integrate acquisitions (including retention, transaction bonuses, legal and professional consulting services) and separate divested businesses from existing operations; (v) expenses related to its divested Cynosure business incurred subsequent to the disposition date primarily related to indemnification provisions for legal and tax matters (vi) transaction related expenses for divestitures and acquisitions; (vii) third-party expenses incurred related to implementing the European MDR/IVDR requirements and obtaining the appropriate approvals for its existing products (viii) debt extinguishment losses and related transaction costs; (ix) the unrealized (gains) losses on the mark-to-market of forward foreign currency contracts and foreign currency option contracts for which the Company has not elected hedge accounting; (x) litigation settlement charges (benefits) and non-income tax related charges (benefits); (xi) other-than-temporary impairment losses on investments and realized gains and losses resulting from the sale of investments; (xii) the one-time discrete impact of tax reform and other one-time impacts related to internal restructuring and non-operational items; (xiii) other one-time, non-recurring, unusual or infrequent charges, expenses or gains that may not be indicative of the Company's core business results; and (xiv) income taxes related to such adjustments. The Company defines adjusted EBITDA as its non-GAAP net income plus net interest expense, income taxes, and depreciation and amortization expense included in its non-GAAP net income. Organic revenue excludes the divested Blood Screening business. Revenue from acquired businesses is generally included in organic revenue guidance starting a year after the acquisition. Therefore, in fiscal 2022, Acesa is included in organic revenue for the full year, whereas Biotheranostics and Diagenode become part of organic revenue in the fiscal third quarter, Mobidiag becomes part of organic revenue in the fiscal fourth quarter, and Bolder is excluded from organic revenue for the full year. Organic revenue excluding COVID is organic revenue less COVID assay revenue, COVID-related sales of instruments, collection kits and ancillaries, as well as license revenue, and discontinued products.

These non-GAAP financial measures should be considered supplemental to, and not a substitute for, financial information prepared in accordance with GAAP. The company's definition of these non-GAAP measures may differ from similarly titled measures used by others.

The non-GAAP financial measures used in this presentation adjust for specified items that can be highly variable or difficult to predict. The company generally uses these non-GAAP financial measures to facilitate management's financial and operational decision-making, including evaluation of Hologic's historical operating results, comparison to competitors' operating results and determination of management incentive compensation. These non-GAAP financial measures reflect an additional way of viewing aspects of the company's operations that, when viewed with GAAP results and the reconciliations to corresponding GAAP financial measures, may provide a more complete understanding of factors and trends affecting Hologic's business.

Because non-GAAP financial measures exclude the effect of items that will increase or decrease the company's reported results of operations, management strongly encourages investors to review the company's consolidated financial statements and publicly filed reports in their entirety. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures is included in the tables accompanying this presentation.

# Presentation Outline



## Investment thesis

A different company

Making a unique difference in the world

And strengthening for our future



# Investment Thesis



- **Hologic is a fundamentally different Company than eight years ago**
  - More purpose-driven
  - More diverse, recurring revenue
  - More global
  - Stronger diagnostics business



# Investment Thesis



- **Hologic is a fundamentally different Company than eight years ago**
  - More purpose-driven
  - More diverse, recurring revenue
  - More global
  - Stronger diagnostics business
- **Enabling us to make a unique difference in the world**
  - Women's health
  - COVID
  - Social initiatives





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- **Enabling us to make a unique difference in the world**
  - Women's health
  - COVID
  - Social initiatives
- **And strengthening us for the future**
  - Faster growth
  - Increased capital deployment opportunities



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# A More Purpose Driven Company...



## OUR PURPOSE

To enable healthier lives everywhere, every day.

## OUR PASSION

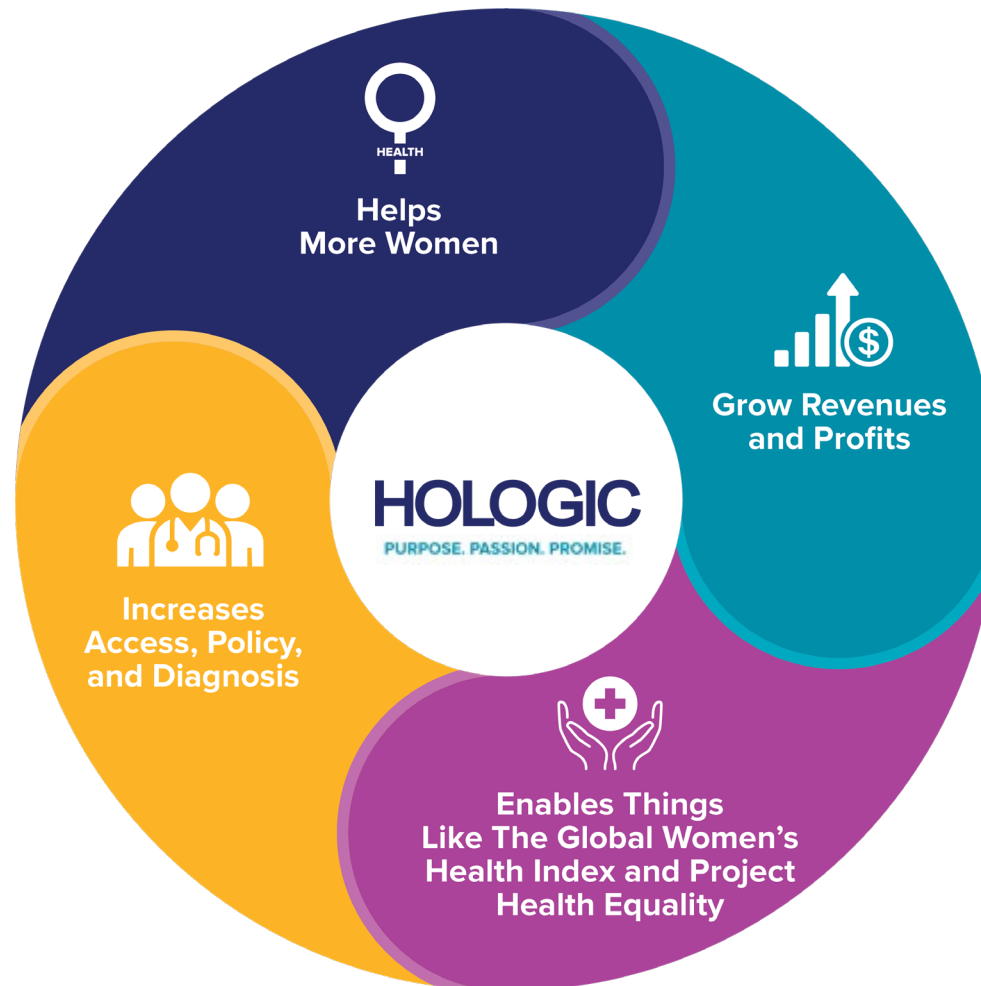
To become global champions for women's health.

## OUR PROMISE

To bring ***The Science of Sure®*** to life through product quality, clinical differentiation, customer relationships and our team's talent and engagement.



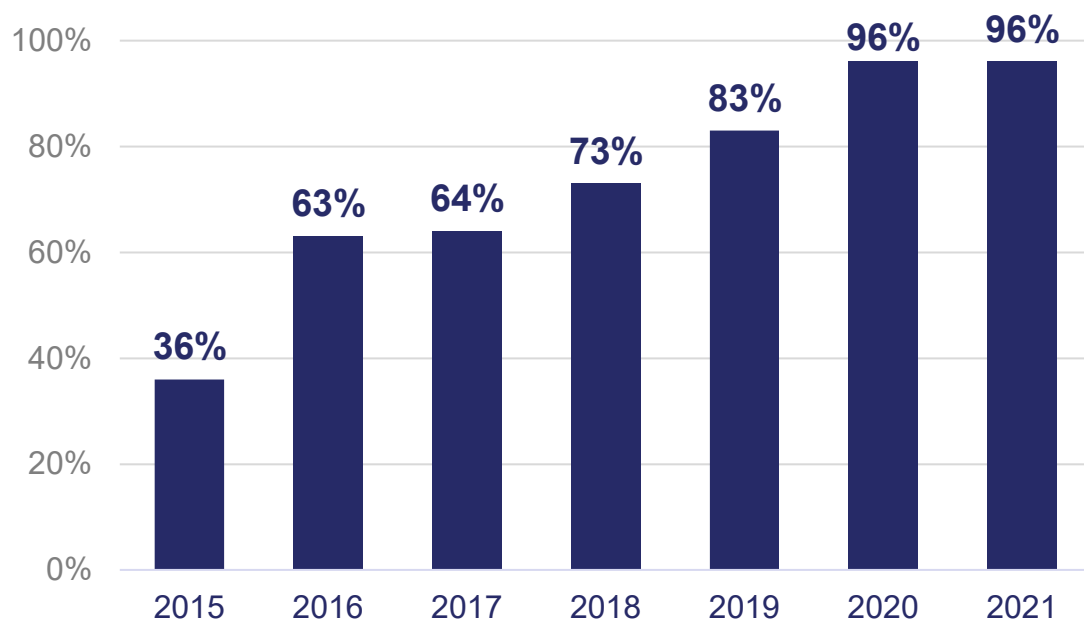
# ...Maximizing Our Virtuous Circle...



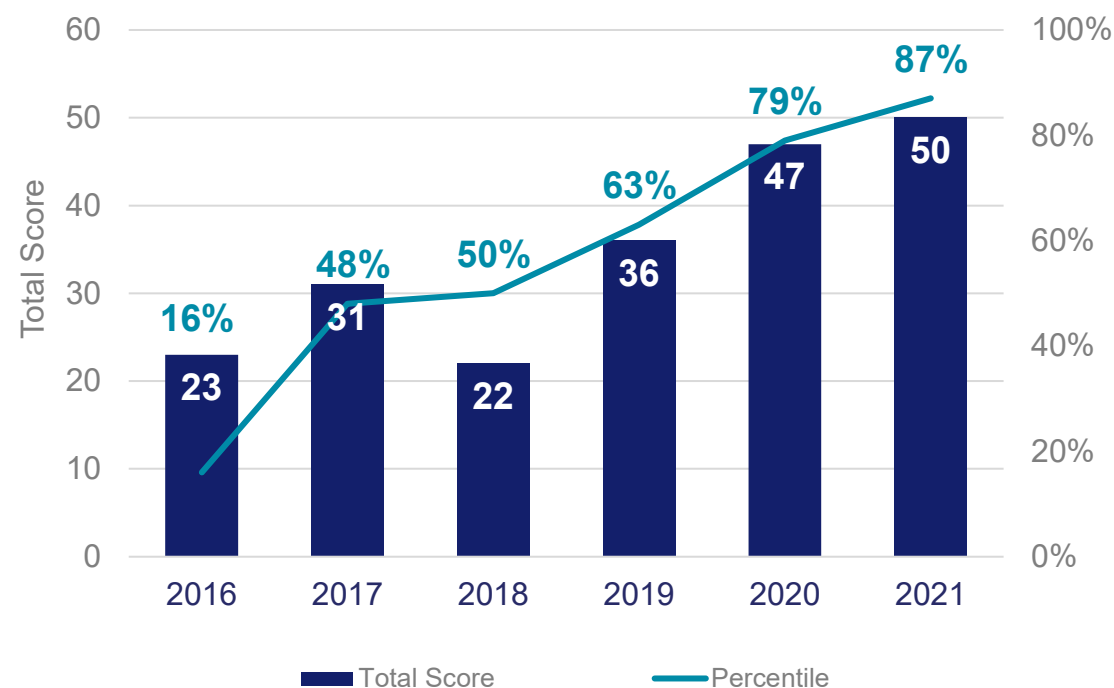


# ...Driving Progress on ESG Measures...

## Stellar Engagement per Gallup Q12 Survey



## HOLX S&P CSA Scores\* Steadily Improving



\* S&P's Corporate Sustainability Assessment (CSA).

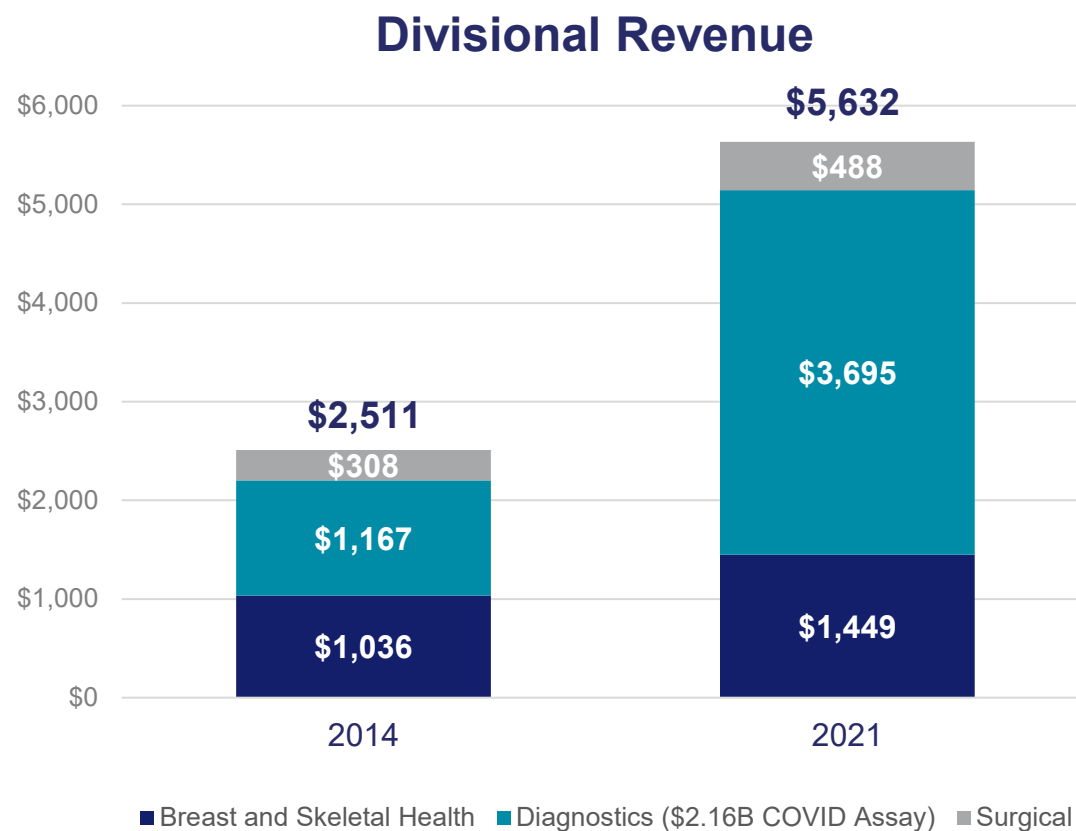




## ...Resulting in Recent Recognition for Our Efforts

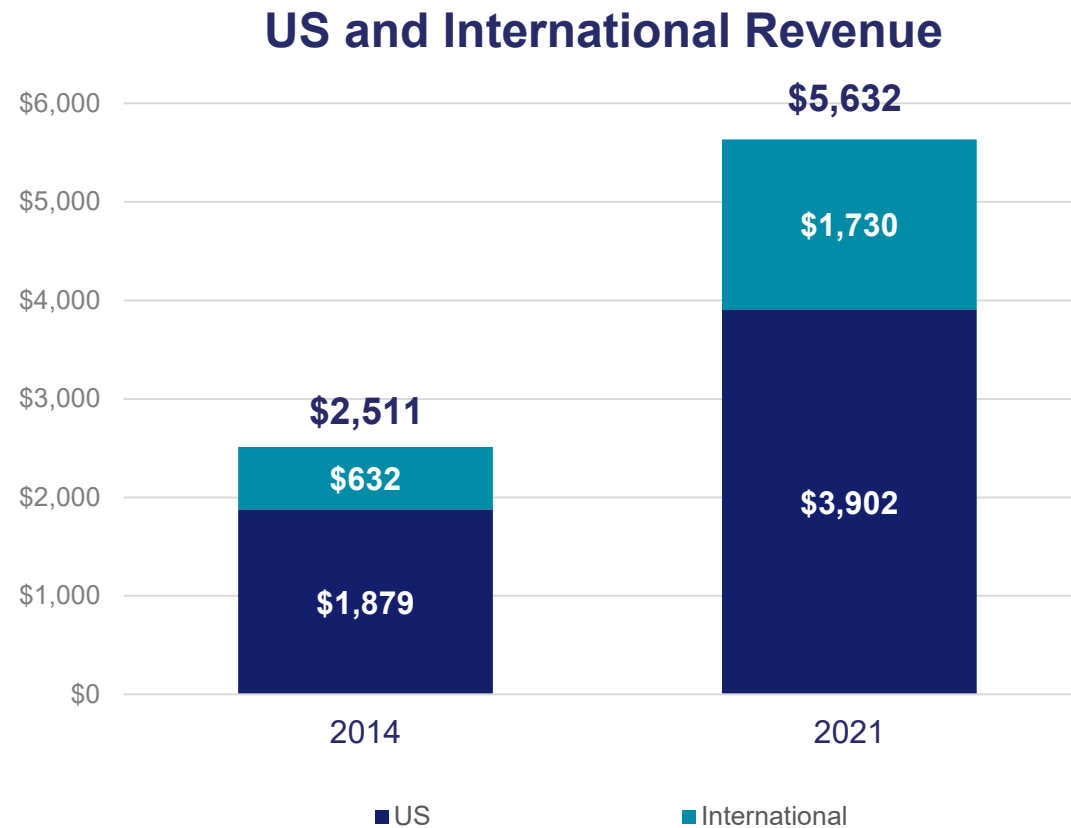
Date	Recognition
April 26, 2021	Added to S&P 500 ESG Index
October 22, 2021	Investors Business Daily named Hologic one of their top 100 ESG stocks
November 12, 2021	Added to Dow Jones Sustainability Index North America
December 2, 2021	Added to Newsweek's list of America's Most Responsible Companies
December 11, 2021	Drucker Institute ranked Hologic on its list of most effectively managed companies

# A Larger, More Growth-Oriented Portfolio, With More Growth Drivers than Ever Before...



Note: Global revenue, dollars in millions. FY14 excludes ~\$20 million one-time revenue from amending Roka license.

# ...And More Geographically Diverse than Ever Before



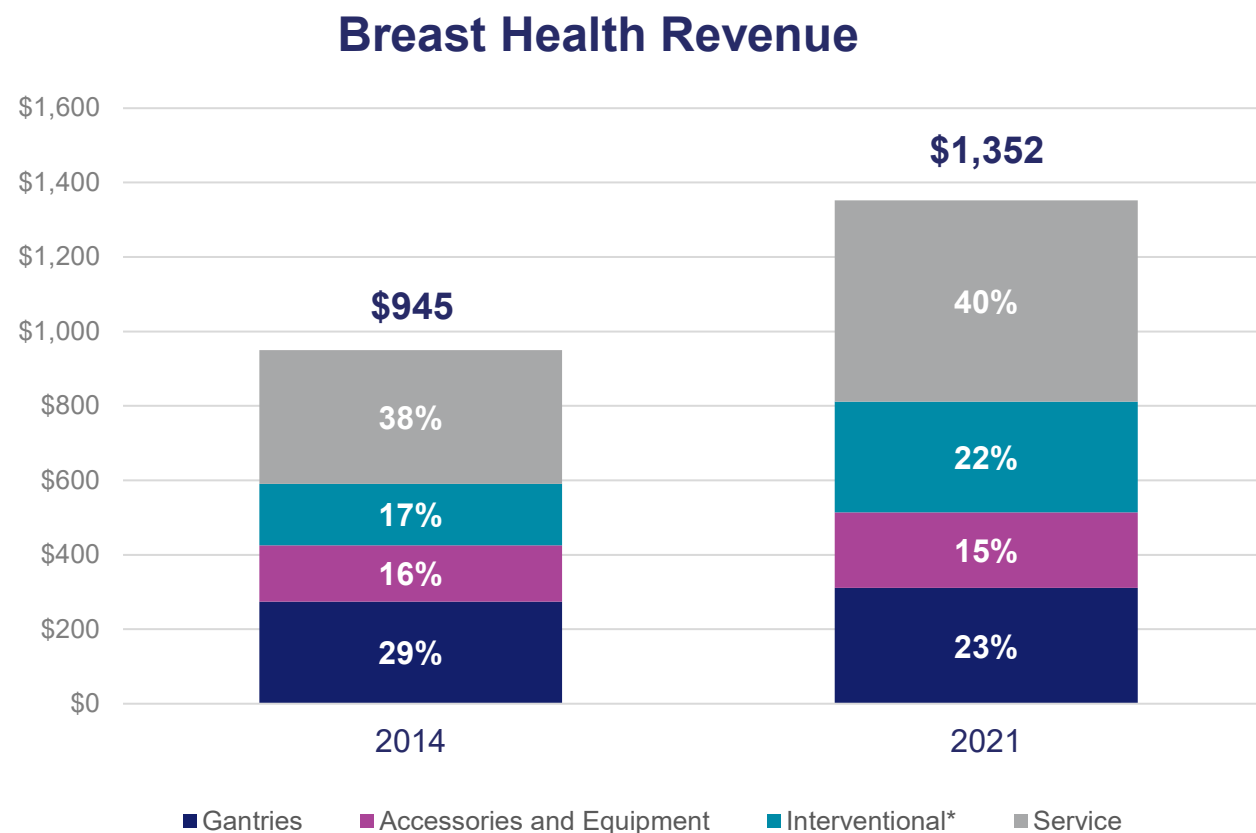
Note: Global revenue, dollars in millions. FY14 excludes ~\$20 million one-time revenue from amending Roka license.





# Breast Health Revenue More Diverse and Recurring

- Breast Health R&D and acquisitions expand leadership across continuum of care
- Global gantry revenue now only 23% of division
- Intentional focus on recurring revenue, with service and consumables helping business grow

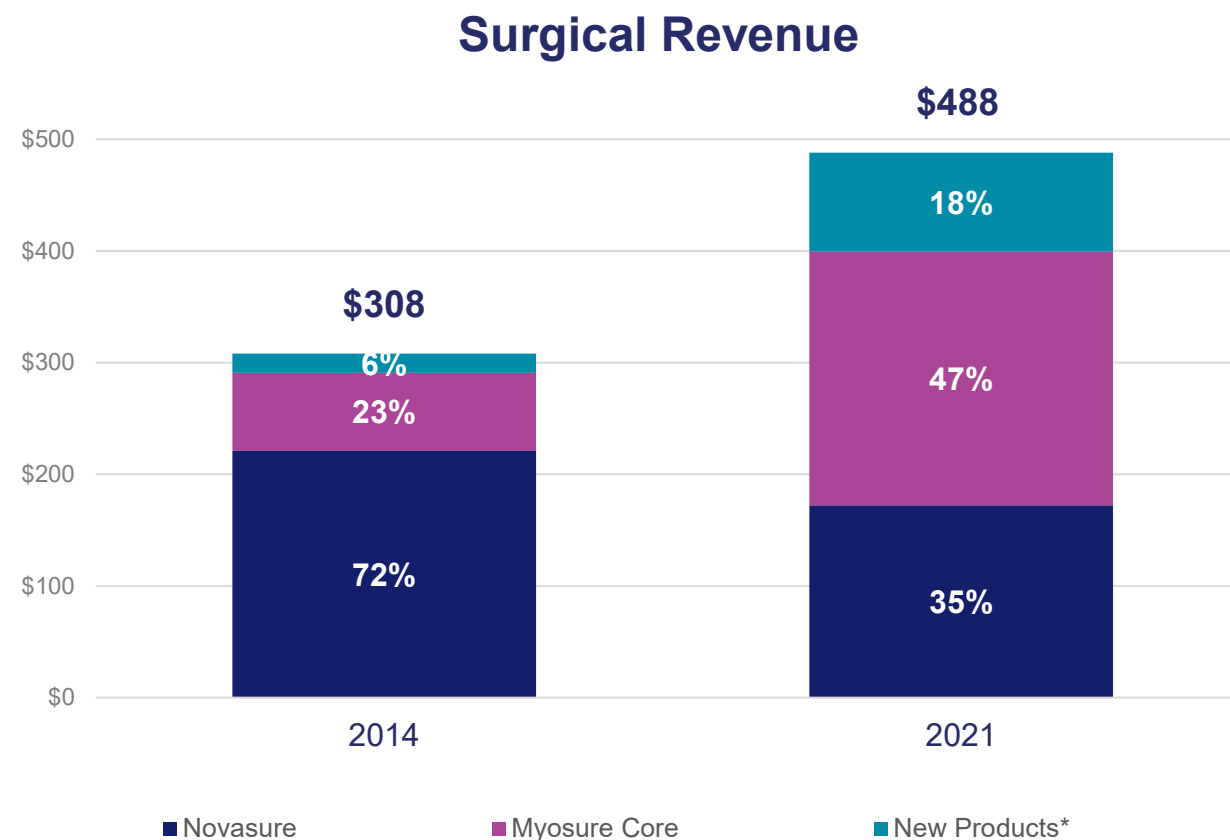


\*Interventional includes breast conserving surgery revenue. Dollars in millions.



# Surgical Driving Growth with Diversification

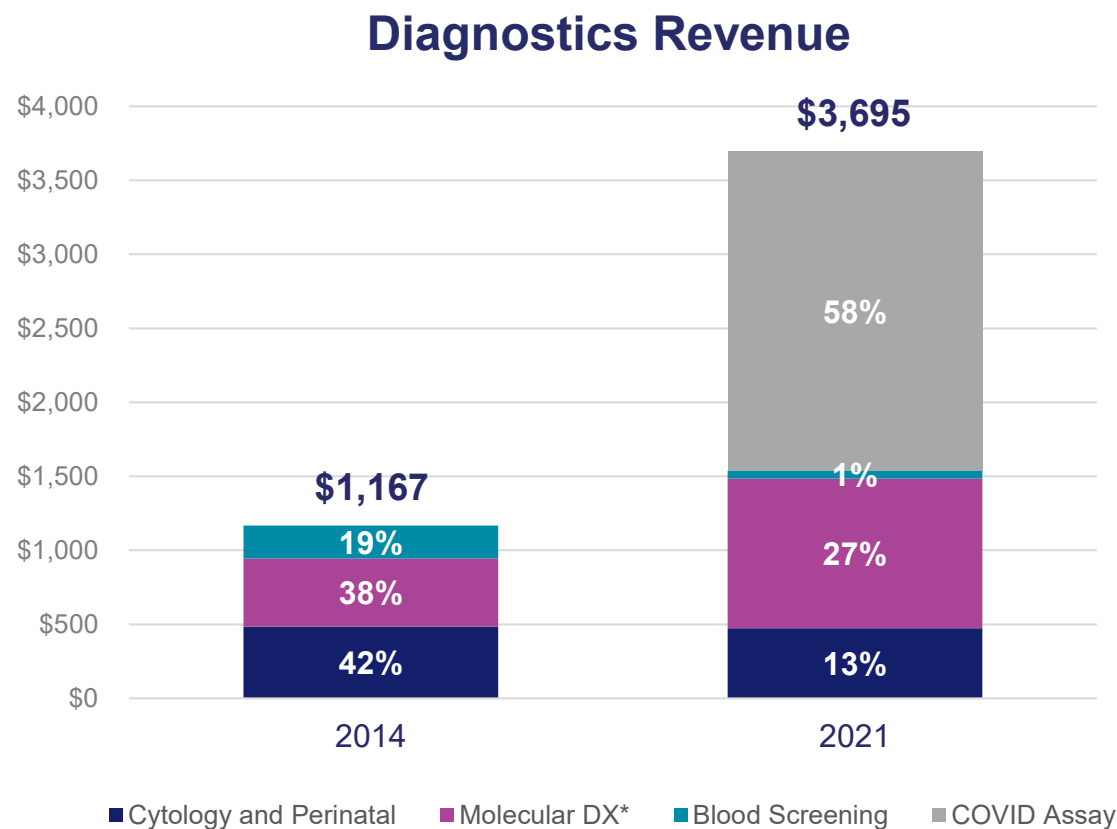
- Expanding product and procedural offerings through internal investment, M&A
- Laparoscopic products and procedures complement legacy hysteroscopic offerings



\* New products include fluid management, scopes, Omni4K, Definity dilator, Autoclave and Acesa. Global revenue, dollars in millions. Percentages do not add to 100% due to rounding.



# Expanding Molecular Diagnostics Business...



\* Includes revenue from Biotheranostics, Diagenode, Mobidiag and COVID-related items. Global revenue, dollars in millions. FY14 excludes ~\$20 million one-time revenue from amending Roka license. Percentages do not add to 100% due to rounding.



# ...Providing More Instrument Choice Across Segments...



**Tigris: 2003**



# ...Providing More Instrument Choice Across Segments...



**Panther: 2012**



**Panther Fusion: 2017**



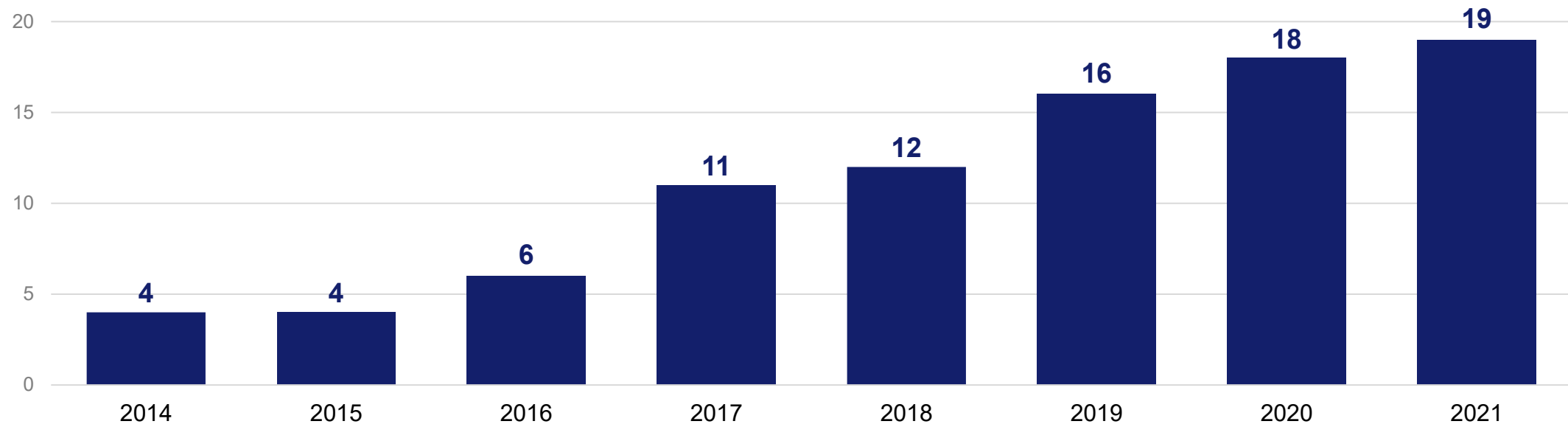
**Novodiag: Acquired 2021**



# ...With More Menu...



## Number of FDA Approved Assays on Panther\*



19 assays on Panther\*, 4 on legacy TIGRIS system

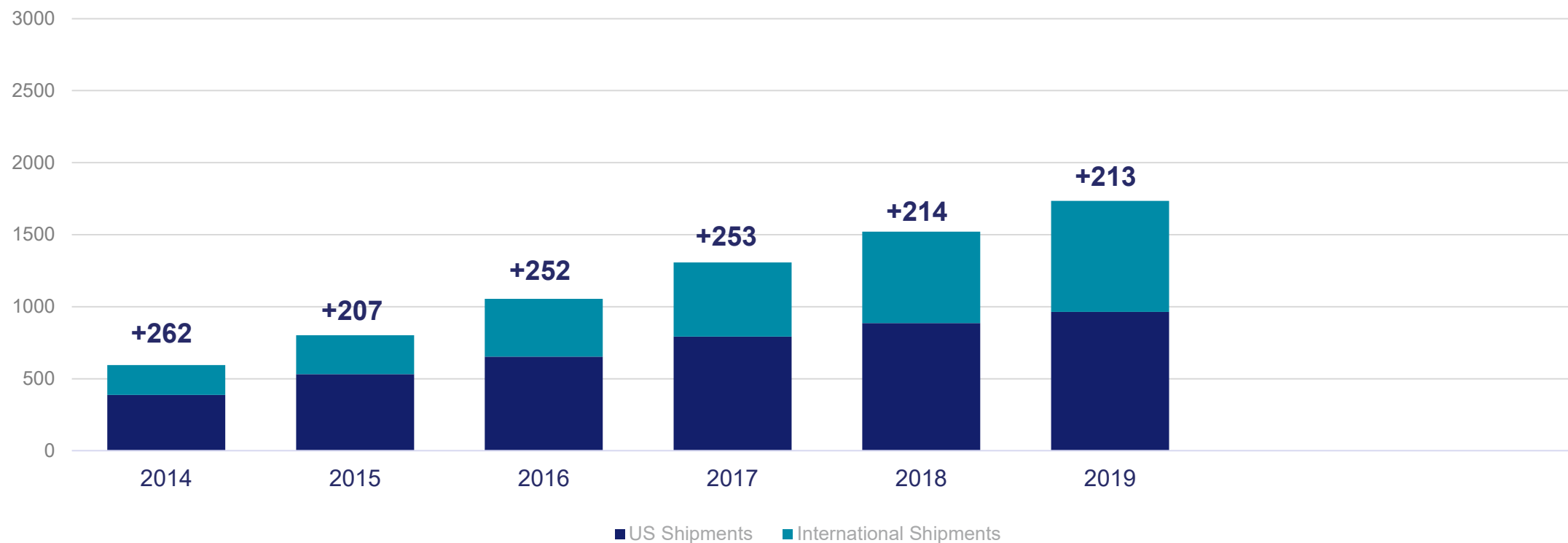
\* Includes both Panther and Panther Fusion.





# ...Leading to Huge Installed Base and New Business

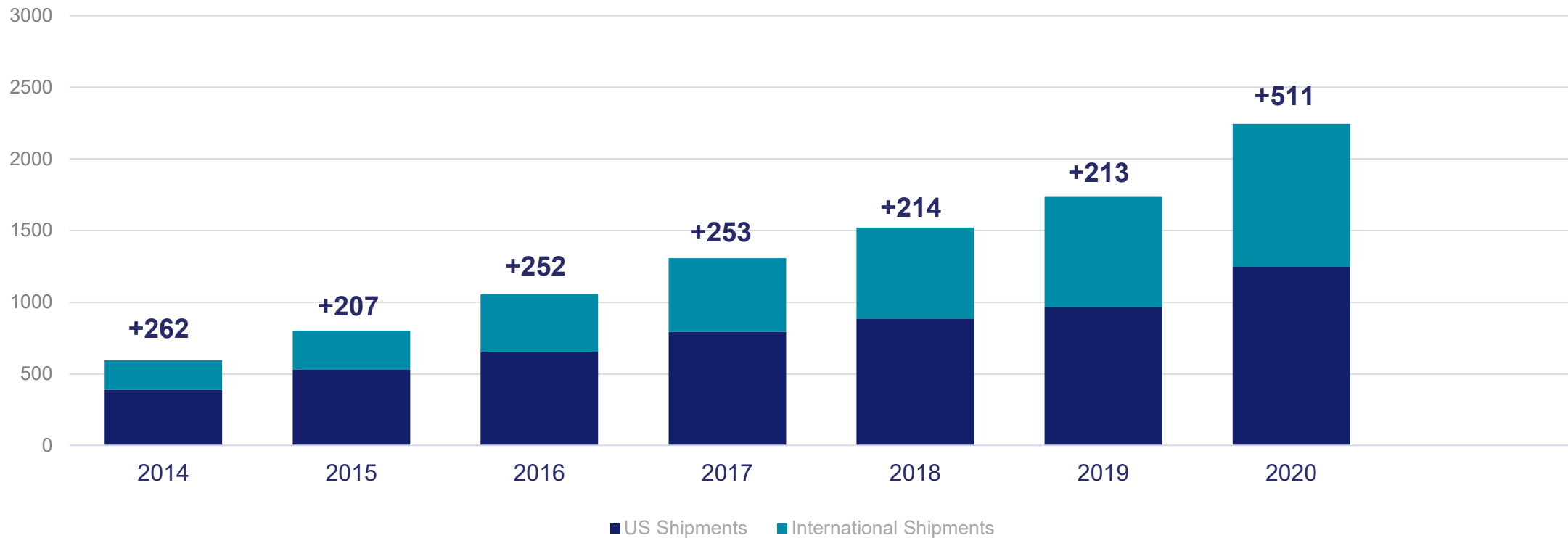
## Cumulative Global Panther Shipments



# ...Leading to Huge Installed Base and New Business



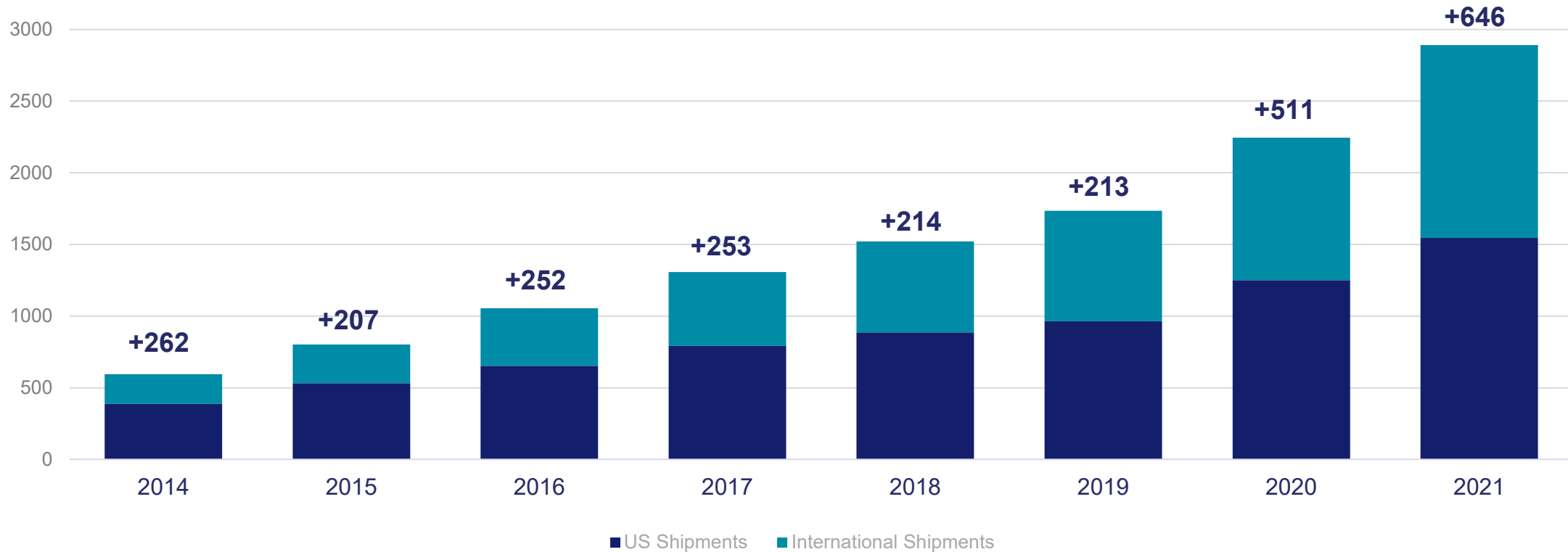
## Cumulative Global Panther Shipments



# ...Leading to Huge Installed Base and New Business



## Cumulative Global Panther Shipments

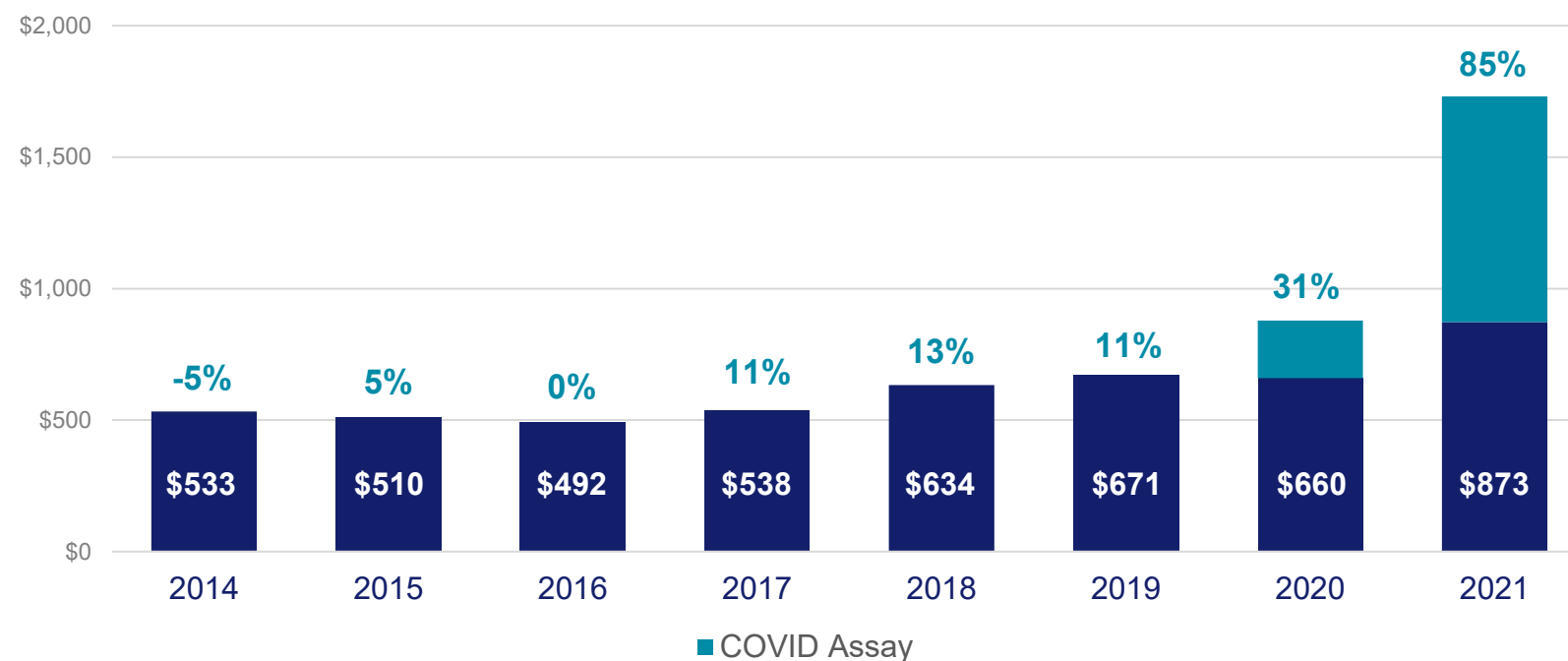




# A More Global Company

- International emerging as consistent double-digit grower
- More than 35% of COVID revenue generated internationally

## Core International Revenue (ex. Blood, Medical Aesthetics)



Note: Growth percentage changes are in constant currency, \$ amounts are as reported in millions.



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# Market Leader in Women's Health

- Global leader in breast cancer screening, STI testing and cervical cancer screening
- Building on these strengths with internal investments and business development

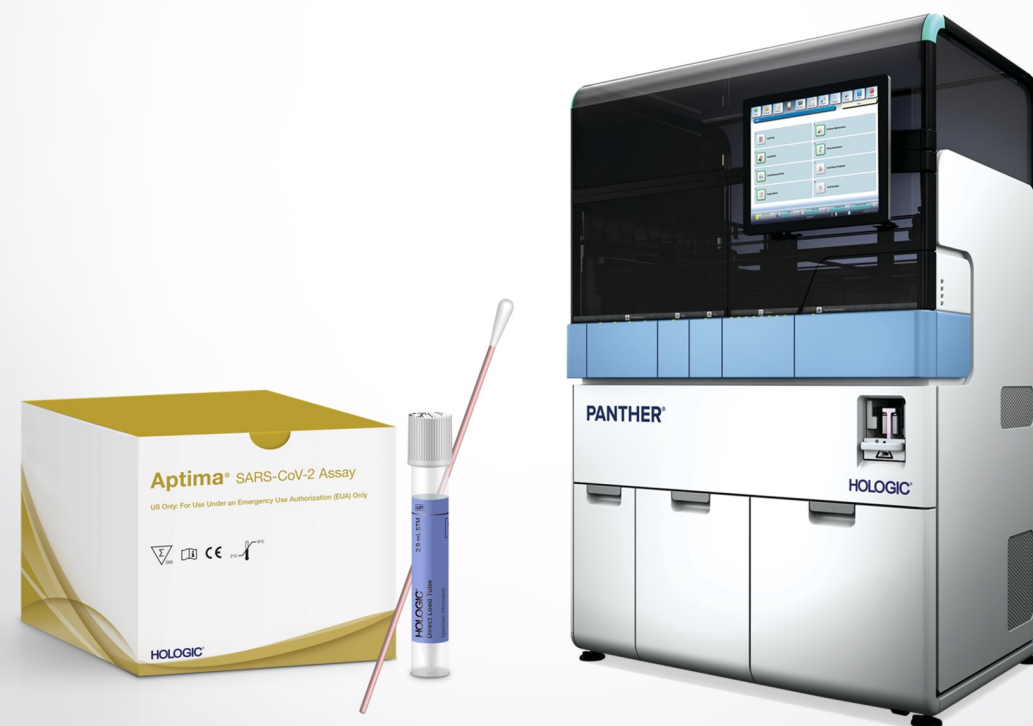


# Making a Significant, Long-Term Impact With COVID Testing



- **Rapidly developed 3 molecular COVID assays to run on widely dispersed instrument base**
  - Right test, right time
- **Sold over 150 million tests in >50 countries**
  - Q122 revenue of \$523 million and 26 million tests sold
  - Total revenue of \$2.3 billion US, \$1.3 billion international
- **Still expect COVID to be one of our largest molecular assays in near-term, with longer, fatter testing tail in long-term**

TRIFECTA





# Investing in Meaningful Ways to Help Society: Hologic Global Women's Health Index



**The Idea:** No global measurement for women's health

- What gets measured, gets acted on

**The Action:** Partner Gallup interviewed 60,000 women and girls in 116 countries

**The Goal:** Elevate women's health and drive global policy change to improve early detection





# Investing in Meaningful Ways to Help Society: Project Health Equality



- **Investing more than \$20 million over multiple years** to drive improved health outcomes for Black and Hispanic women in the U.S.
- **Three pillars**
  - Research
  - Patient and provider awareness and education
  - Access to care



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# Core Business Accelerating

- **Top-line organic growth target of 5 to 7% over long-term**
  - Acceleration versus pre-pandemic growth, which was just approaching 5%
- **Growth target excludes recent M&A<sup>\*</sup>, as well as COVID benefits<sup>\*\*</sup>**
  - COVID represents meaningful upside
- **Drivers**
  - Molecular DX
  - International
  - 2020/2021 acquisitions
- **Off to good start, growing 12% in Q4'21 and 9% in Q1'22**

<sup>\*</sup> M&A excluded from organic revenue until one year after each transaction closes.

<sup>\*\*</sup> COVID benefits include collection kits, Panther and Panther Fusion instrument sales, instrument ancillaries, royalties, and discontinued products.







# Organic Revenue Excluding COVID +9% in Q1'22

	Preliminary Q1'22 Revenue	Q1'21 Revenue	Change (CC)
Diagnostics	\$950.4	\$1,128.2	(15.2%)
<i>Organic Diagnostics excluding COVID</i>	\$320.8	\$291.9	10.2%
Breast Health	\$359.4	\$332.7	8.4%
GYN Surgical	\$134.3	\$124.0	8.2%
Skeletal Health	\$27.1	\$24.9	9.7%
<b>Total</b>	<b>\$1,471.1</b>	<b>\$1,609.8</b>	<b>(8.2%)</b>
<i>Organic</i>	<i>\$1,430.7</i>	<i>\$1,601.7</i>	<i>(10.2%)</i>
<b><i>Organic ex. COVID</i></b>	<b><i>\$840.9</i></b>	<b><i>\$773.4</i></b>	<b><i>9.0%</i></b>

Note: These preliminary revenue results are estimates only and are subject to revision until the Company reports its full financial results for the first quarter of fiscal 2022 on February 2, 2022. Organic revenue excludes the divested Blood Screening business, and the acquired Biotheranostics, Diagenode, Mobidiag and Bolder Surgical businesses. Organic revenue excluding COVID is organic revenue less COVID assay revenue, COVID-related sales of instruments, collection kits and ancillaries, as well as license revenue, and discontinued products.

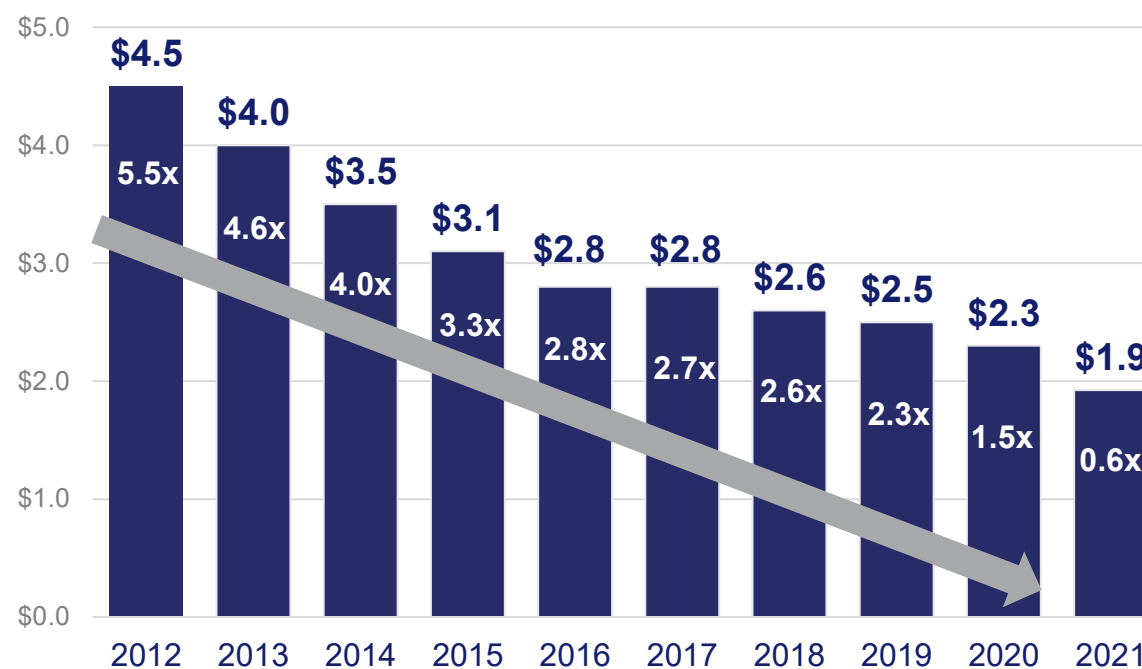


# Pristine Balance Sheet = Capital Deployment Opportunities



- **Net Debt reduced** by over \$2.5 billion since 2012
  - Eliminated ~\$2 billion of convertible debt
- **Leverage under 1x** provides firepower for internal investment, tuck-in M&A, share repurchases
- **No near-term debt maturities**, no balance outstanding on revolver

**Net Debt and Leverage Ratio\***



\* Net debt is total debt minus cash in \$ billions; leverage ratio is principal debt minus cash to TTM adjusted EBITDA



# Focus on Acquisitions and Share Repurchases

- Spent over \$3 billion on M&A\* since 2014 and repurchased nearly \$2 billion of our own stock
- Recent M&A gaining traction
- \$150 million of total revenue\*\* expected in FY'22, half organic



\* Does not include proceeds received from divestitures.

\*\* Does not include Bolder Surgical.

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  - Faster growth
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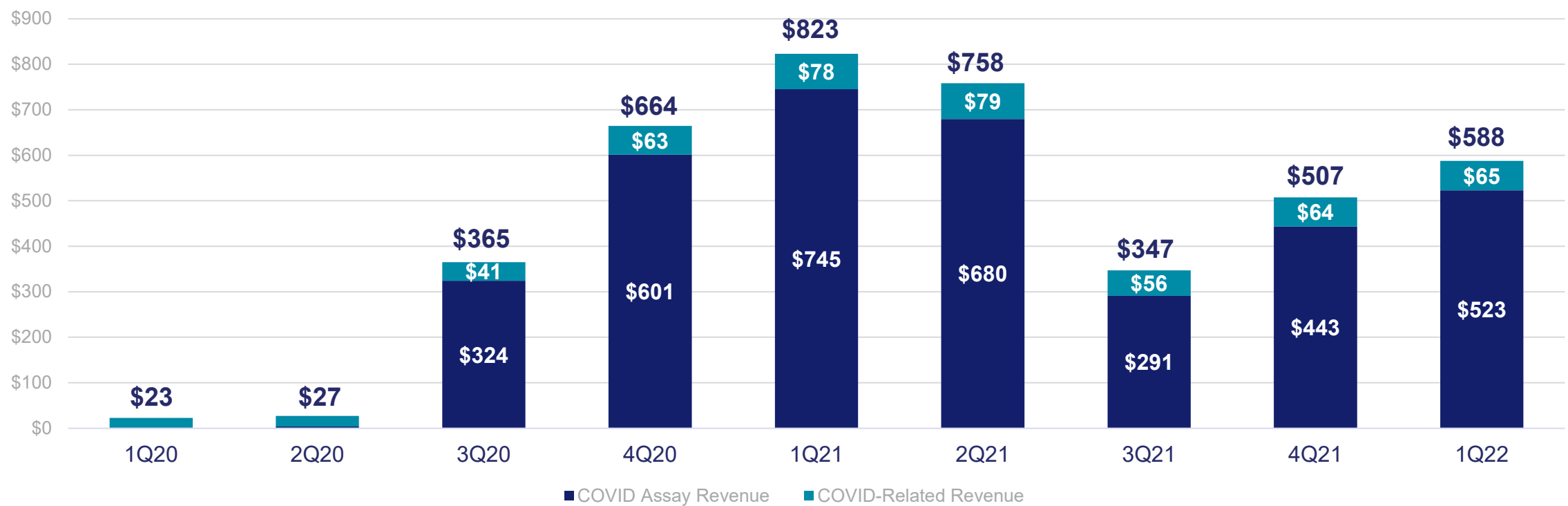


# Financial Appendix



# COVID Assay and COVID-Related Revenue

COVID Assay and COVID-Related Revenue\*



\* Revenue in millions. COVID-related revenue includes collection kits, Panther and Panther Fusion instrument sales, instrument ancillaries, and royalties. COVID-related revenues do not include revenue from discontinued products in Diagnostics. Numbers may not foot due to rounding.

# Capitalization as of 4Q'21



	Amount	Leverage	Coupon	Tranche Rating	Call Date	Maturity
Cash & Equivalents	1,170					
Revolving Facility (\$1,500 million)	-		L + 100	Baa3 / BBB-		12/17/23
Term Loan	1,388		L + 100	Baa3 / BBB-		12/17/23
Securitization program	249		L + 71	NA		06/10/22
<b>Total Secured Debt</b>	<b>1,636</b>	<b>0.6x</b>				
Senior Unsecured Notes - 2028	400		4.625%	Ba2 / BB-	02/01/23	02/01/28
Senior Unsecured Notes - 2029	950		3.250%	Ba2 / BB-	09/28/23	02/15/29
<b>Total Guaranteed Debt</b>	<b>2,986</b>	<b>1.0x</b>				
Other	65					
<b>Total Debt</b>	<b>3,051</b>	<b>1.0x</b>				
<i>Net Debt</i>	<i>1,881</i>	<i>0.6x</i>				
<b>LTM Adjusted EBITDA</b>	<b>2,956</b>					
<b>Corporate Rating</b>	<b>Ba1 / BB+</b>					

Note: Dollars in millions



# Reconciliation of GAAP to Non-GAAP (unaudited)

	\$s in millions, except earnings per share	
	Years Ended	
	September 25, 2021	September 26, 2020
<b>GROSS PROFIT</b>		
GAAP gross profit	\$3,795.8	\$2,227.5
Adjustments:		
Amortization of intangible assets	276.7	253.2
Integration/consolidation costs	1.0	3.2
Impairment of intangible assets and equipment	-	25.8
Fair value write-up of acquired inventory sold	7.9	6.7
Non-GAAP gross profit	\$4,081.4	\$2,516.4
<b>GROSS MARGIN PERCENTAGE</b>		
GAAP gross margin percentage	67.4%	59.0%
Impact of adjustments above	5.1%	7.6%
Non-GAAP gross margin percentage	72.5%	66.6%
<b>OPERATING EXPENSES</b>		
GAAP operating expenses	\$1,315.5	\$1,122.5
Adjustments:		
Amortization of intangible assets	(42.2)	(39.7)
Transaction expenses	(21.0)	(5.7)
Contingent consideration adjustment	6.7	(0.3)
Integration/consolidation costs	(12.9)	(11.8)
MDR expenses	(9.8)	(2.5)
Purchased research and development asset charges	(7.0)	-
Restructuring and divestiture charges	(9.3)	(15.3)
Non-income tax settlement adjustment	(4.5)	2.9
Impairment of intangible asset and equipment	-	(4.4)
Acquisition related adjustments	-	3.8
Non-GAAP operating expenses	\$1,215.5	\$1,049.5





# Reconciliation of GAAP to Non-GAAP (unaudited)

	\$s in millions, except earnings per share	
	Years Ended	
	September 25, 2021	September 26, 2020
<b>OPERATING MARGIN</b>		
GAAP income (loss) from operations	\$2,480.3	\$1,105.0
Adjustments to gross profit as detailed above	285.6	288.9
Adjustments to operating expenses as detailed above	100.0	73.0
Non-GAAP income from operations	\$2,865.9	\$1,466.9
<b>OPERATING MARGIN PERCENTAGE</b>		
GAAP operating margin percentage	44.0%	29.3%
Impact of adjustments above	6.9%	9.5%
Non-GAAP operating margin percentage	50.9%	38.8%
<b>PRE-TAX INCOME</b>		
GAAP pre-tax earnings (loss)	\$2,361.1	\$1,001.9
Adjustments to pre-tax earnings (loss) as detailed above	385.6	361.9
Debt extinguishment loss and debt transaction costs	21.6	-
Debt transaction costs	5.8	-
Impairment of a cost method investment	1.8	-
Unrealized losses (gains) on forward foreign currency contracts	4.3	(3.8)
Other charges	-	(1.0)
Non-GAAP pre-tax income	\$2,780.2	\$1,359.0
<b>NET INCOME</b>		
GAAP net income (loss)	\$1,869.7	\$1,110.5
Adjustments to GAAP net income (loss) as detailed above	419.1	357.1
Discrete tax benefit from sale of Cynosure	-	(313.4)
Income tax effect of reconciling items <sup>2</sup>	(106.4)	(104.4)
Non-GAAP net income	\$2,182.4	\$1,049.8
Net loss attributable to non-controlling interest	(1.8)	(3.4)
Non-GAAP net income attributable to Hologic	\$2,184.2	\$1,053.2
<b>EARNINGS PER SHARE</b>		
GAAP earnings (loss) per share – Diluted	\$7.21	\$4.21
Adjustments to net earnings (as detailed below)	1.20	(0.23)
Non-GAAP earnings per share – Diluted <sup>1</sup>	\$8.41	\$3.98
<b>ADJUSTED EBITDA</b>		
Non-GAAP net income	\$2,184.2	\$1,053.2
Interest expense, net, not adjusted above	86.5	112.2
Provision for income taxes	597.7	309.1
Depreciation expense, not adjusted above	88.0	83.1
Adjusted EBITDA	\$2,956.4	\$1,557.6

<sup>1</sup> Non-GAAP earnings per share was calculated based on 259,706 and 264,613 weighted average diluted shares outstanding for the years ended September 25, 2021 and September 26, 2020 respectively.

<sup>2</sup> To reflect an annual effective tax rate of 21.50% and 22.75% on a non-GAAP basis for fiscal 2021 and 2020, respectively.



For More Information:

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