



# Fiscal 2020 1Q Financial Results

February 6, 2020

# Agenda



## Welcome

Jim Thorburn  
Chief Financial Officer

## Quarterly Highlights

Emily Leproust  
Chief Executive Officer

## Financial and Operational Performance

Jim Thorburn  
Chief Financial Officer

## Pipeline & Milestones

Emily Leproust  
Chief Executive Officer

## Q&A Session

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# Settlement Agreement Reached

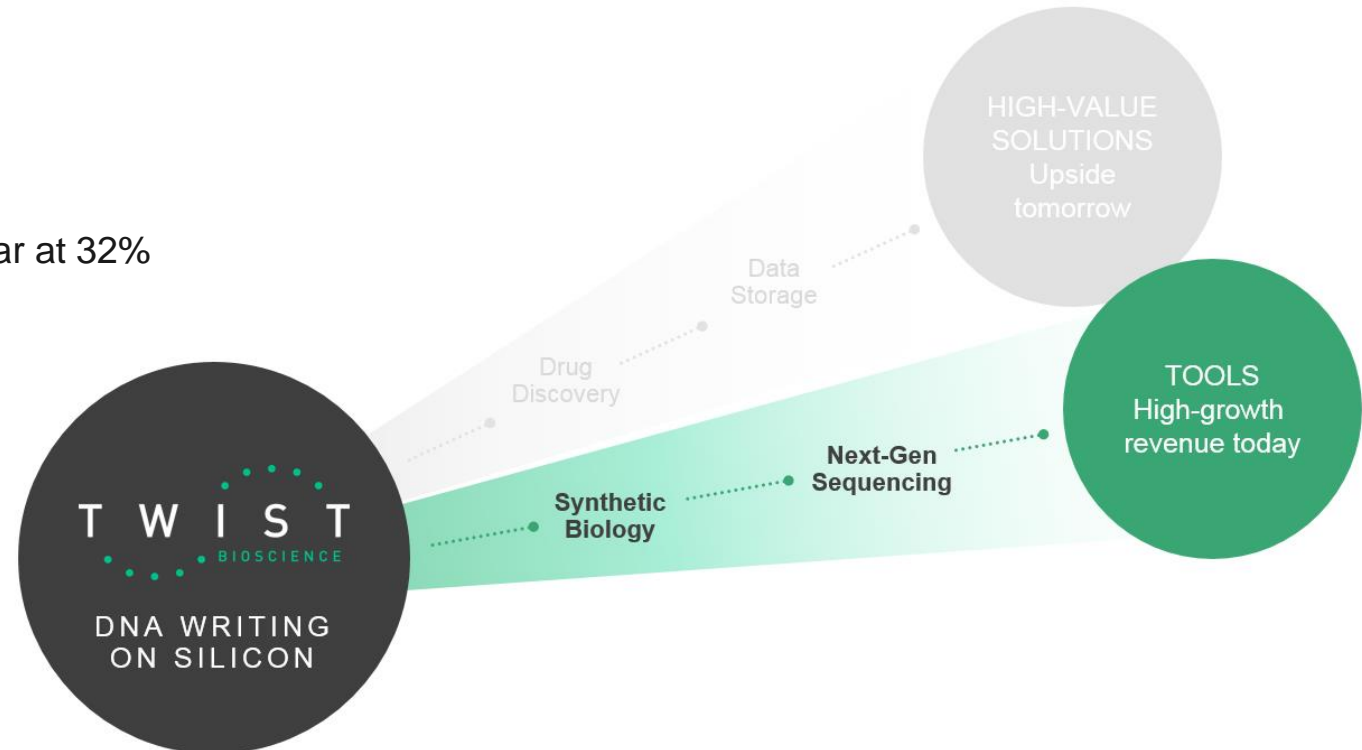


- Resolves all claims and counterclaims against all parties in litigation
- Litigation originated on February 3, 2016
- Legally binding settlement
- Twist to pay Agilent \$22.5M
- No admission of liability or wrongdoing
- Removes uncertainty, legal fees associated with prolonged trial

# Fiscal 2020 is Off to a Solid Start



- Reported \$17.2 million in revenue for the fiscal 1Q 2020
  - Impressive growth in synbio and NGS revenues year over year
  - Orders for synbio and NGS look very strong, at almost \$25 million
  - Order increase due to exceptional products and commercial team, as well as bump at the end of the calendar year
- Reported \$700K in orders for biopharma
  - Expected to be lumpy moving forward
- Gross margin positive at \$3.4 million (20%)
  - On track to deliver anticipated margin for the year at 32%



## Recent Progress

- Shipped 80,000 genes in fiscal 1Q20, down a bit from 4Q19, primarily due to holiday timing
- Received 2x purchase orders, smaller in size by 30% (capturing the long tail)

## Currently in Progress

- Working to bring up new synthetic DNA writers → allow increased capacity
- Investing in additional processes → improve turnaround time

## Next Steps

- Introduce product line extensions to address sub-markets of synbio:
  - Products in mid-2020 to meet the needs of large pharmaceutical companies requiring larger quantities of DNA
  - Clonal-ready gene fragments for the long tail in calendar 2020

## Today



### Genes

Clonal  
Non-clonal  
Fragments



### Oligo Pools



### Variant Libraries

Site saturation  
Combination

## Roadmap

- Maxipreps
- IgG
- Adaptors Off

## Recent Progress

- Shipped target enrichment products to 187 customers (37 now in production)
- Continued steady growth: increased revenue & strong orders

## Currently in Progress

- Pursuing large volume customers
  - ✓ Liquid biopsy
  - ✓ Cancer diagnostics
  - ✓ Rare disease

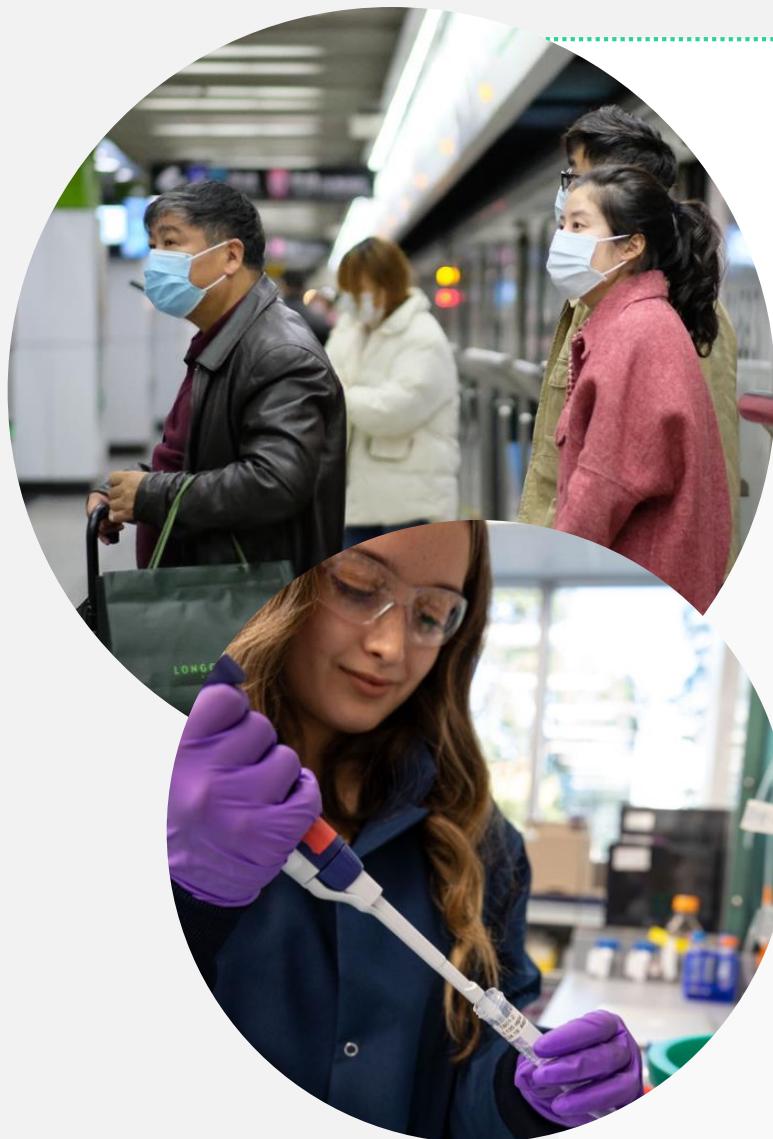
## Today

- Human Core Exome Kit
- Library Prep Kits
- Custom Panels
- Fixed Panels  
Human RefSeq  
Pan-Viral  
Mouse Exome
- Fast Hyb & Wash Kit
- Universal Adapters

## Roadmap

- Oncology
- Methylation
- SNP Microarray Conversion to NGS

# Supporting Coronavirus Research



**Twist offers products in several key areas that enable rapid, efficient research into a potential pandemic like the new coronavirus, 2019-nCoV**

## **1. Making specific genes and gene mutants of interest**

- Enables researches to study a wide array of genes associated with the virus, as well as mutants

## **2. Making custom NGS enrichments panels that surveil outbreak areas**

- Allows researchers to target specific segments of the virus they'd like to study

## **3. Create segments of antibodies and variants from patients who have recovered from the virus**

- Allows researchers to test antibodies as potential therapeutic treatments



# Investments to Support Further Growth



## Biopharma

- Generated data around seven functional antibodies
- Reported data from TB01-3, a GPCR development candidate
  - In preclinical studies, demonstrated complete inhibition of GLP1R at high concentrations and *in vivo* efficacy in a glucose tolerance mouse study
  - Potential applications in rare diseases such as severe hypoglycemia
- Collaboration with Schrödinger for drug discovery
- Expect continued collaborations moving forward



GPCR TARGET	INDICATION
ADORA2A	Cancer
CRTH2	Asthma / inflammation
CXCR4	Cancer
CXCR5	Asthma / inflammation
FSHR	Infertility
GLP1R	Diabetes / rare metabolic diseases
V2R	Cancer

We are optimizing these leads and leveraging our platform for partnering discussions

## Data Storage

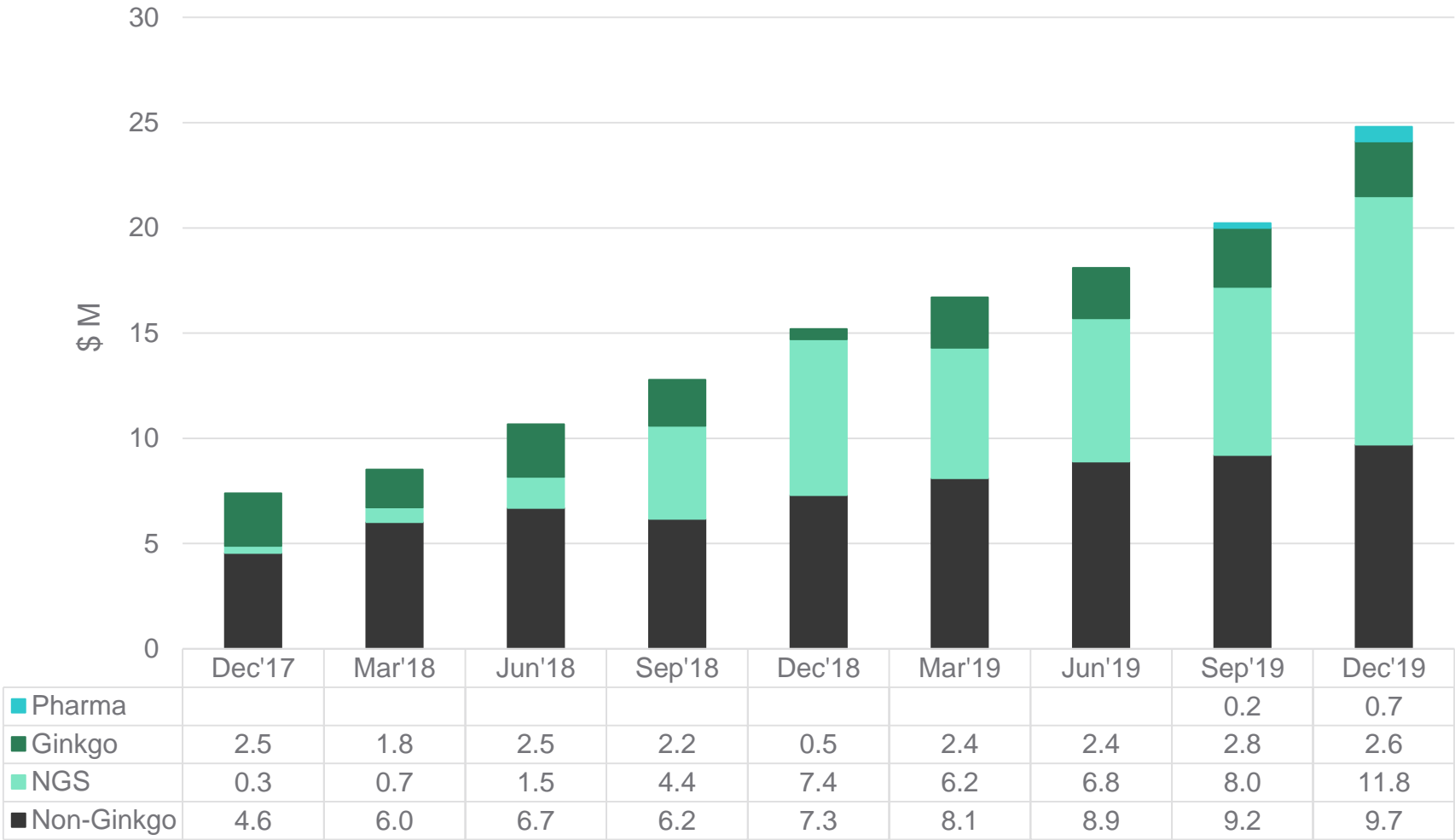
- Selected as the DNA synthesis provider for data storage project under IARPA
  - Twist receives up to \$9.15M
  - Significantly reduce the size, weight, and power required for archival data storage
  - Bolster DNA synthesis through new chip design



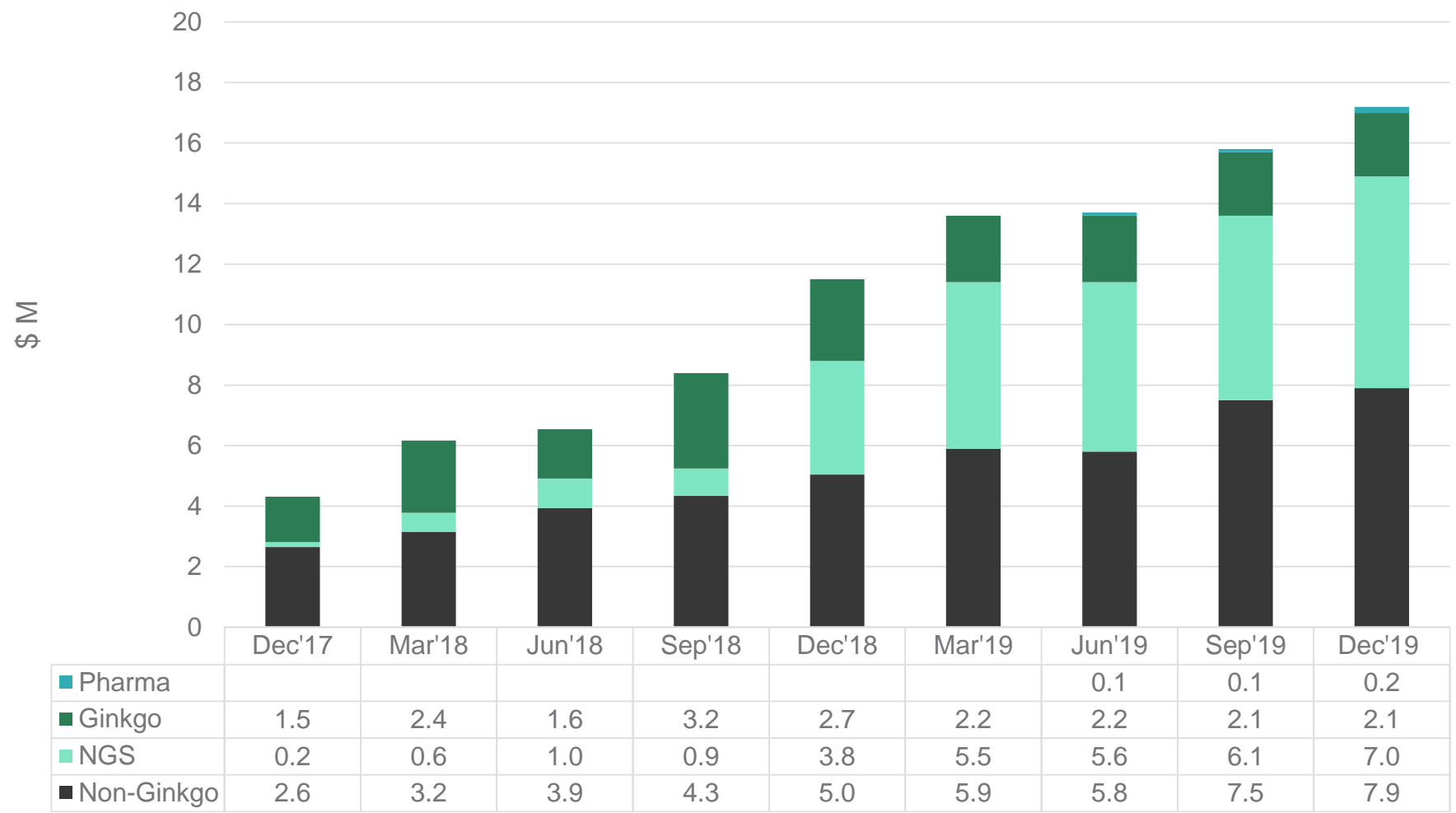
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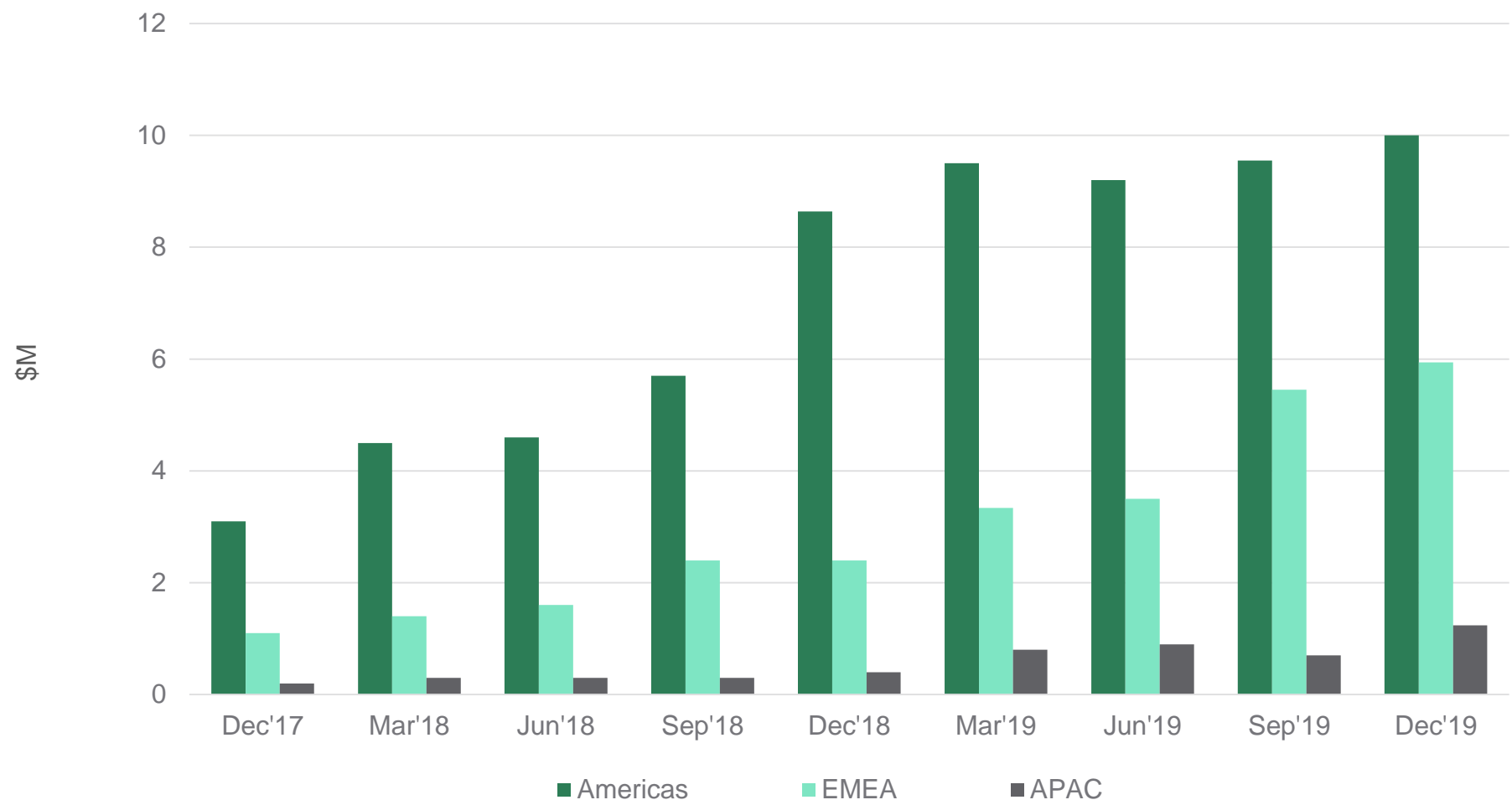
# Strong Order Growth



# Strong Revenue Growth



# Revenue by Geography



# Additional Financial Commentary



## Fiscal 1Q Financial Highlights

**Revenue:** \$17.2M (exceeding guidance of \$15M-16.5M)

**Orders:** \$24.8M (YoY growth of 63%, sequential growth of 24%)

**Gross Margin positive 20%:** \$3.4M

**Operating Expenses:** \$73M

**R&D:** \$10M

**SG&A:** \$26.4M

**Net Loss (including litigation settlement):** \$55.6M



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## Fiscal 2020 Financial Guidance

### Projecting revenue of \$80 to \$84M

- Pharma: \$1M
- Synbio Ginkgo: \$10-11M
- Synbio non-Ginkgo: \$32-33M
- NGS: \$37-40M

**Net loss guidance, including litigation settlement, is \$129.5 to \$132.5M**

# Delivering on Our Plan



2019

## What we said we'd do

- 5Kb gene, Twist API revenue diversification
- ISO certification, ecommerce platform, pilot conversion to full production
- Early POC, 2 collaborations
- Proof-of-concepts, increase density, CMOS chip
- Positive gross margin



**SYNBIO**

**NGS**

**BIOPHARMA**

**DATA STORAGE**

**OPERATIONS**

2020

## Looking ahead

- Revenue growth and diversification, new products, enhanced ecommerce
- Continued pilot, SNP conversion, products for liquid biopsy, oncology
- Continued POC data packages, results for collaborators, 5-10 new collaborators
- Execute on IARPA
- Increased gross margin, completion of new writer introductions, improved TAT on genes



# Writing the Future



**Large**, growing markets

**Platform** for writing DNA on silicon

**Portfolio** of high growth businesses

**Differentiated** value proposition

**High**, consistent revenue growth

**Track record** of execution and innovation

