01-May-2026

Fulgent Genetics, Inc. (FLGT)

Q1 2026 Earnings Call

CORPORATE PARTICIPANTS

Lauren Sloane
Managing Director, The Blueshirt Group LLC

Ming Hsieh
Chairman, Chief Executive Officer & Founder, Fulgent Genetics, Inc.

Brandon Perthuis
Chief Commercial Officer, Fulgent Genetics, Inc.

Paul H. Kim
Chief Financial Officer, Fulgent Genetics, Inc.

OTHER PARTICIPANTS

Lu Li
Analyst, UBS Securities LLC

David Westenberg
Analyst, Piper Sandler & Co.

MANAGEMENT DISCUSSION SECTION

Operator: Greetings. Welcome to Fulgent Genetics First Quarter 2026 Conference Call and Webcast. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. [Operator Instructions] Please note this conference is being recorded.

I will now turn the conference over to Lauren Sloane, Investor Relations. Thank you. You may begin.

Lauren Sloane
Managing Director, The Blueshirt Group LLC

Good morning and welcome to Fulgent's first quarter 2026 financial results conference call. On the call are Ming Hsieh, Chief Executive Officer; Paul Kim, Chief Financial Officer; and Brandon Perthuis, Chief Commercial Officer. The company's press release discussing the financial results is available on the Investor Relations section of the company's website, ir.fulgentgenetics.com. A replay of this call will be available shortly after the call concludes on the Investor Relations section of the company's website.

Management's prepared remarks and answers to your question on today's call will contain forward-looking statements. These forward-looking statements represent management's estimates based on current views, expectations and assumptions, which may prove to be incorrect. As a result, matters discussed in any forward-looking statements are subject to risks, uncertainties and changes in circumstances that may cause actual results to differ from those described in the forward-looking statements. The company assumes no obligation to update any of the forward-looking statements it may make today to reflect actual results or changes in expectation.

Listeners should not rely on any forward-looking statements as predictions of future events and should listen to management's remarks today with the understanding that actual events, including the company's actual future results may be materially different than what is described in or implied by these forward-looking statements. Please review the more detailed discussion related to these forward-looking statements, including the discussions

of some of the risks factors that may cause results to differ from those described in the forward-looking statements contained in the company's filings and with the Securities and Exchange Commission, including the previously filed 10-K for the year ended December 31, 2025 and subsequently filed reports which are available on the company's Investor Relations website.

Management's prepared remarks, including discussion of non-GAAP profit, loss, operating expense margin, earnings and earnings per share and adjusted EBITDA contain financial measures not prepared in accordance with accounting principles generally accepted in the United States or GAAP. Management has presented these non-GAAP financial measures because it believes they may be useful to investors for various reasons but these measures should not be viewed as a substitute for or superior to the company's financial results prepared in accordance with GAAP. Please see the company's press release discussing its financial results for the first quarter 2026 for more information, including the description of how the company calculates non-GAAP income and loss, non-GAAP earnings and loss per share, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating profit and loss, and margin and adjusted EBITDA, and a reconciliation of these financial measures to income and loss, earnings and loss per share, and operating margin to most directly comparable GAAP financial measures.

The company does not provide reconciliations of forward-looking non-GAAP measures to the most directly comparable GAAP measures because the information necessary to calculate such reconciliations, including equity-based compensation, tax effects, acquisition-related items and potential impairment, any of which may be material is unavailable on a forward-looking basis without unreasonable effort and the probable significance of those items cannot be predicted.

With that, I'd now like to turn the call over to Ming. Please go ahead.

Ming Hsieh

Chairman, Chief Executive Officer & Founder, Fulgent Genetics, Inc.

Thank you, Lauren. I will start with some comments on our two business lines and then Brandon will review our products and go-to-market updates for our laboratory service business and Paul will conclude with the financials and also before we take your questions.

I am pleased with our first quarter results in our laboratory service business and the momentum in our therapeutic development business. In Q1, we also successfully completed the acquisition of Bako Diagnostics and StrataDx, which contributed to our strong first quarter results as we had anticipated. In the laboratory service business, we are seeing that the investment in AI and [ph] Eziopathology (00:15:00) solutions are continuing to work at accelerated pace, offering new and expanded opportunities for growth and improved operating leverage in the future. And as of today, with our in-house development platform, Eziopath, we are approximating 100% [indiscernible] (00:15:23) across all our cases. We also accelerated progress on our therapeutics development pipeline in the fourth quarter and expect to continue progress this year.

Starting with our first clinical candidate, FID-007, and the ones through Phase 2, with 46 patients enrolled. Last week, we announced that our abstract on the Phase 2 trial of FID-007 was selected by ASCO as a rapid oral presentation with Head and Neck Cancer Track Session . The Phase 2 trial enrollment of FID-007 closed on time on December 29, 2025. We are encouraged by the early efficacy and safety data.

FID-007 combined with cetuximab demonstrated meaningful anti-cancer activities and a favorable tolerability profile that at both levels for the baseline treatment of recurrent/metastatic head and neck squamous cell carcinoma. We anticipate to having End-of-Phase 2 Meeting with FDA for the second-half of this year and hope to

entering into a Phase 3 registration trial for the treatment of recurrent or metastatic head and neck squamous cell carcinoma patients in the first-half of 2027. We are encouraged by our clinical trial progress achieved so far and believe entering into the Phase 3 registration trial will further increase the probability of success of the commercialization of FID-007 for the treatment of recurrent or metastatic head and neck squamous cell carcinoma patients, who currently have very few effective treatment options.

Our second clinical candidate, FID-022, is progressing to Phase 1 dose escalation, with the third dose level successfully completed and the fourth dose escalation is ongoing. We expect to finish the study and determine the maximum tolerance dose level later this year. FID-022, it is nanoencapsulated SN38 for the treatment of solid tumors, including persons with colon, pancreatic, ovarian and bile duct cancers. Overall, I'm pleased with the progress we have made in the first quarter. Our pharma R&D efforts are progressing faster, better and more cost effectively than planned. We look forward to present our detailed finding from our Phase 2 study on FID-007 at this year's ASCO meeting.

We believe that we executed our strategic initiatives and are in a strong financial position to execute our strategies. We are pleased to reiterate our topline revenue guidance for 2026. We are adjusting our non-GAAP EPS and the cash balance of guidance to reflect the cash returned to shareholders as with our stock repurchase program and the resulting reduction in the number of our previously forecasted outstanding shares. I would like to thank our employees, partners and stockholders for your hard work, loyalty and a strong quarter. I look forward to further progress in 2026.

I will now turn the call over to Brandon Perthuis, our Chief Commercial Officer, to talk more about our laboratory service business. Brandon?

Brandon Perthuis

Chief Commercial Officer, Fulgent Genetics, Inc.

Thanks, Ming. We ended the first quarter at $71.1 million, which was a decrease of 3.2% year-over-year and 14.6% quarter-over-quarter, driven by the reduction in sales to our large customer who has begun transitioning testing in-house, which we discussed last quarter. Breaking it down into our three business areas. Precision Diagnostics revenue for the first quarter was $40.2 million, a decrease of 8.8% year-over-year and down 16.5% sequentially. Anatomic Pathology revenue for the first quarter was $25.1 million, a decrease of 0.9% year-over-year and down 7.2% sequentially. For BioPharma Services, revenue was $5.8 million, an increase of 43.2% year-over-year, but down 28.0% sequentially.

We were excited to announce during the first quarter that we completed the acquisition of Bako Diagnostics and StrataDx. This acquisition adds to our market presence in Anatomic Pathology and more than doubles the size of our Pathology sales team. The focus now shifts to integration which is off to a very good start. One of the top priorities is to cross-train the Bako and StrataDx sales team to sell Fulgent pathology services and vice versa. We believe a well-trained, cross-functional sales team will pay dividends as we look to expand our market size in Anatomic Pathology.

We have made a few announcements around our new whole genome test. In this quarter, we continued to advance the product. We have now integrated the Illumina's TruPath Genome, targeting the variant classes that have historically required separate testing workflows, such as complex structural variants, repeat expansions in difficult-to-map regions and variant phasing without parenteral samples. Unlike traditional long-read platforms, TruPath Genome achieves this through proximity-mapped read technology delivering long-range genomic insights on the same high-throughput infrastructure already powering our genome tests without the workflow or scalability trade-offs.

Designed to deliver comprehensive results in a single report covering SNVs, CNVs, genome-wide deletion and duplication, mitochondrial variants and repeat expansions across 20,000 genes, our genome test is built on the principle that a rare disease patient shouldn't have to navigate a gauntlet of sequential tests to get an answer. On our last call, we detailed our AI strategy, which involved rolling out several new modules this year. In the first quarter, we went live with a new dermatopathology pathology AI tool. Digital dermatopathology slides often arrive in inconsistent orientation. This slows the diagnostic process and may introduce interpretation errors.

The objective was to implement an autorotation solution to automatically align slides to a standard orientation. Doing so will reduce time spent adjusting images, ensure consistent presentation of structures like epidermis and dermis, improve diagnostic accuracy, enhance workflow efficiency, reduce turnaround time and potentially lower cost. Proper orientation is crucial because pathologists rely on consistent visual cues. When slides are automatically aligned, key structures appear in a predictable orientation. This reduces the cognitive load on the pathologists, allowing them to interpret images faster with fewer errors. It also helps standardize the diagnostic process, making it easier to compare cases and train new staff. Overall, this leads to improved accuracy and diagnosis, and a smoother workflow as pathologists spend less time manipulating slides and more time on actual diagnoses.

We are excited to announce that during the quarter, we received MolDx approval and pricing for our PGx test. This is a perfect timing with the recent updates and positioning from the American Society of Clinical Oncology for pharmacogenomics testing, particularly for the gene DPYD. While ASCO historically stopped short of endorsing universal testing, newer clinical notices and meeting data signaled a clear shift toward proactive integration of DPYD testing into routine oncology care. In 2026, ASCO issued clinical notice urging clinicians to prioritize DPYD genotyping as part of the initial diagnostic workup for patients being considered for certain chemotherapy drugs, such as 5-FU. This represents a notable evolution from earlier physicians where ASCO and other US bodies did not recommend routine pre-treatment testing due to concerns about evidence sufficiency and potential impact on efficacy. The clinical driver behind this recommendation is well-established; patients with deleterious DPYD variants are at a significant increased risk of severe or fatal toxicity from fluoropyrimidines. Studies show that genotype-guided dosing can substantially reduce Grade 3 and above toxicities without compromising efficacy.

In parallel, health economic analysis presented at ASCO highlights that pretreatment DPYD testing reduces downstream costs by avoiding hospitalizations, intensive supportive care and treatment interruptions. At ASCO, NCCN and FDA guidance converged ordering behavior is potentially expected to shift from discretionary to routine. Given that fluoropyrimidines are used in a large portion of solid tumors, this translates into a substantial addressable market. We believe this represents a near-term opportunity to scale pharmacogenomics and a longer-term positioning play in precision oncology, where proactive, safety-driven testing is becoming integral to therapeutic decision-making, rather than an optional add-on diagnostic test.

We remain focused on executing our strategy with discipline, investing in opportunities that will drive sustainable growth and delivering long-term value for our shareholders. While the environment continues to evolve, we are confident in the strength of our team, the resilience of our business, and our ability to navigate ahead. We appreciate your time today and look forward to updating you on our progress next quarter.

I'll now turn the call over to our Chief Financial Officer, Paul Kim. Paul?

Paul H. Kim
Chief Financial Officer, Fulgent Genetics, Inc.

Thank you, Brandon. Revenue in the first quarter of 2026 totaled $71.1 million, including $2.6 million from Bako Diagnostics and StrataDx, compared to $83.3 million in the fourth quarter of 2025. The decrease in our Q1 revenue was primarily the result of lowered volume from our largest customer as indicated on our last call and timing impact as we worked through claims processing backlog. Gross GAAP gross margin was 30.2%, and non-GAAP gross margin for the first quarter was 32.3%. The decline in gross margin reflects fixed costs over lower revenue base, attributed to the decline in revenue for the reasons I mentioned. We expect gross margins to normalize as the backlog clears in the coming quarters and as revenue increases.

Now, turning to operating expenses. Total GAAP operating expenses were $56.1 million in the first quarter, which decreased when compared to $68.8 million in the prior quarter. The decrease in operating expenses was due to a one-time professional liability expense in the prior quarter. Non-GAAP operating expenses remained relatively flat in Q1, totaling $42.6 million, compared to $43.1 million in the previous quarter. Non-GAAP operating margin decreased sequentially to a minus 27.7% due to decreased revenue. Our GAAP loss in the current quarter was $24.8 million, an increase from the prior quarter's GAAP loss of $23.4 million and a GAAP loss of $0.08 per share, based on $30.9 million weighted average diluted shares outstanding.

Adjusted EBITDA for the first quarter was a loss of approximately $15.2 million, compared to a loss of $4.5 million in the prior quarter. On a non-GAAP basis and excluding equity-based compensation expense, intangible asset amortization and acquisition-related costs and severance, loss for the quarter was approximately $11 million or $0.36 per share based on $30.9 million weighted average diluted shares outstanding. In the first quarter, we repurchased 2.6 million shares under our stock repurchase program. We continue to repurchase shares into the current quarter, purchasing an additional 0.5 million shares as of today. Since the inception of the stock repurchase program in March 2022, a total of approximately $6.6 million in shares of common stock has been repurchased under the program, with approximately $91 million currently remaining available for future repurchases of our common stock.

Turning to the balance sheet, we ended the first quarter with approximately $604.7 million in cash, cash equivalents, restricted cash and marketable securities. The $100.8 million decrease in cash from the previous quarter was primarily driven by $56.6 million paid for the Bako Diagnostics, StrataDx acquisition and $40.1 million spent on our stock repurchase program. As of quarter-end, we have not yet received the $106 million federal income tax refund, which has been delayed due to the government shutdown in the prior year and now due to constrained resources at the IRS.

Before providing our guidance for 2026, I would like to provide an update on certain drivers shaping our expectations for the year and the anticipated impact from our recent acquisition of Bako Diagnostics and StrataDx. As anticipated and mentioned on our previous call in February, we saw a decrease in revenue from our largest customer, which is moving its testing capabilities in-house. Revenue from this customer this quarter decreased $6 million from the prior quarter. We expect revenue from this customer in the second quarter to continue to be impacted by a significant decrease in volume and expect revenue to potentially stabilize in the second-half of the year.

We continue to believe this decrease in revenue from our largest customer will be partially or fully offset by the estimated contribution of approximately $53 million from Bako and StrataDx contributing to overall revenue growth in the second-half of the year. Bako's revenue will primarily be categorized as Anatomic Pathology. We continue to forecast that for the full-year 2026, no single customer will account for more than 10% of our total revenue, reflecting an improvement in our customer concentration profile.

We reiterate our guidance of total revenue of $350 million for 2026, representing an 8.5% year-over-year growth. We continue to estimate Precision Diagnostics revenues to be approximately $168 million, Anatomic Pathology to be approximately $162 million, and BioPharma Services to be approximately $20 million. We expect non-GAAP gross margins for the full-year to be approximately 39% as the product mix shifts with a change in our customer composition.

We anticipate the gross margins to improve in the second quarter due to the higher forecasted revenue and then to further improve to approximately 42% by the end of the year. We expect non-GAAP operating margins to be a minus 20% for the year. We continue to prioritize investments across two key areas; R&D where we're advancing both our laboratory testing capabilities and clinical study pipeline; and sales and marketing where we have grown the team. Our sales and marketing spend this year reflects a full year of our expansion that began last year, combined with the recent Bako and StrataDx acquisition, which more than doubled our sales team. Together, we believe this sets us up for a substantially larger and more capable commercial organization to drive growth going forward.

The anticipated spend for the therapeutic development business is approximately $26 million in 2026 as we continued advancing clinical trials for FID-022 and FID-007. We remain committed to the strategic investment in our business, including operational improvements and targeted upgrades to our laboratory infrastructure. These investments are designed to strengthen our competitive position and enhance throughput capacity over time. We believe our foundational technology platform is highly scalable, capable of driving meaningful operating leverage and margin expansion as volumes grow. We believe our business is still on track with our original 2026 revenue guidance.

The updates for EPS and cash guidance are solely attributable to decreased shares resulting from the stock repurchase program and the cash used for these repurchases. Our forecasted average fully diluted share count for 2026 has decreased from 32 million shares to approximately 29 million shares due to the shares purchased so far this year under our stock repurchase program. The decreased share count has an effect of $0.14 to EPS. Therefore, using the updated average share count of 29 million, we expect that full-year 2026 non-GAAP EPS guidance to decrease by $0.14 for a loss of $1.59 per share excluding stock-based compensation, impairment loss, acquisition-related costs, further share repurchases and amortization of intangible assets as well as any one-time charges. Finally, our cash position continues to be strong.

Assuming for our fiscal year 2026, capital purchases of $12 million, spend on our therapeutic development business of $26 million, $14.5 million for the previously disclosed professional liability expense and excluding any future stock repurchases or other expenditures outside of the ordinary course, which could include other M&A, we anticipate ending the year with approximately $636 million of cash, cash equivalents, restricted cash and investments in marketable securities. The $49 million decrease from the original cash guidance of $685 million is directly attributed to the $49 million of stock repurchases made year-to-date. This number further assumes receipt of approximately $106 million in tax refunds, which has been delayed as a result of the Q4 2025 government shutdown and constrained resources at the IRS.

Overall, we're proud of the growth we have achieved over the past couple of years and we're excited by the additional momentum that the acquisition of Bako Diagnostics and StrataDx brings as we look ahead. Together with our strong technology platform, we believe we're well-positioned for longer-term growth, as our strategic investments, innovations and expanded offerings deliver value. Thank you for joining our call today.

Operator, you may now open it up for questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] Our first question is from Lu Li with UBS. Please proceed.

Lu Li
Analyst, UBS Securities LLC

Q

Thank you. Good morning. Thank you for taking my questions. I think the first one probably sticking to the Precision Diagnostics. If you're excluding the largest customer impacts, what is the underlying business growth for the remainder of portfolio? I was like doing the quick math. It seems like it's still like a teens growth. Just wanted to make sure if that's correct.

Paul H. Kim
Chief Financial Officer, Fulgent Genetics, Inc.

A

Yeah. So the impact on the largest customer was significant. The amount was substantial for 2025. We are anticipating and have experienced lower volumes from that customer in Q1. And we anticipate those levels to be further down, although not at the accelerated pace as we experienced in Q1. If you strip that away and take a look at the underlying Precision Diagnostics business, your math, we're checking it right now, I think is consistent, meaning that we do have growth in the Precision Diagnostics area for this year.

Lu Li
Analyst, UBS Securities LLC

Q

Got it. Thank you. And then maybe switching to the gross margin in Q1. It seems like a little bit lower than I think your initial target of 37%. Any reasons why it was a little bit lower? Is it coming out from acquisition or anything else? And then, yeah, I think that probably be the question. And then how comfortable you are to kind of like get back to kind of like 40% in the second-half?

Paul H. Kim
Chief Financial Officer, Fulgent Genetics, Inc.

A

Sure. Thank you for that question. The lower gross margins are coming from the lower than anticipated revenues. Revenues for the first quarter could have been higher in the millions of dollars than what we posted and that's largely happening as we mentioned in prior, the lower volumes from our largest customer, coupled with timing impact from claims delayed and releasing from processing backlog. We anticipate that to normalize here in the coming quarters, which should provide an uplift to the revenue, in addition to normalizing our gross margins. The lower revenues also had some weather and seasonality impact, which Brandon will color in.

Brandon Perthuis
Chief Commercial Officer, Fulgent Genetics, Inc.

A

Yeah. Certainly, Paul. Appreciate that. Q1 historically has been a little bit softer for us and it is partially related to seasonality. Like this quarter, we did have our laboratories shut down multiple times due to weather. And in addition, January often sees deductibles being reset so there's some impact there. But I think Paul covered probably the larger impact areas.

Paul H. Kim
Chief Financial Officer, Fulgent Genetics, Inc.

A

The other final thing – the other final comment that I will make on the gross margins because that was the original part of your question, is if you take a look at the guidance for 2026, we're reiterating and keeping the $350 million guidance as well as the other financial metric including gross margins for the entirety of the year. The difference and the update that we provided on the loss is solely due to the stock buyback, the aggressive stock buyback that we have conducted since the beginning of this year.

In the first quarter, we repurchased 2.6 million shares. And to-date so far, we purchased an additional 0.5 million shares. In total, about 3.1 million shares or approximately 10% of our total outstanding shares or 13%, 14% of our float that's out there. So we believe that the amount and the magnitude of the buyback indicates the conviction that we have not only within our capital base but our overall strategy and value for the company.

Brandon Perthuis
Chief Commercial Officer, Fulgent Genetics, Inc.
A

Yeah. And Lu, you asked was there any impact from the acquisitions when it covered that. No. There was no impact from the acquisition.

Lu Li
Analyst, UBS Securities LLC
Q

Okay. Thank you. That's very helpful. And then finally, there have been lots of like attention on the CMS CRUSH initiative. I'm wondering if you guys have any in-house view in terms of like the potential impact to your business?

Brandon Perthuis
Chief Commercial Officer, Fulgent Genetics, Inc.
A

Not at this time, Lu. We don't have any comment on that.

Lu Li
Analyst, UBS Securities LLC
Q

Great. Well, thank you.

Paul H. Kim
Chief Financial Officer, Fulgent Genetics, Inc.
A

Thank you.

Operator: Our next question is from David Westenberg with Piper Sandler. Please proceed.

David Westenberg
Analyst, Piper Sandler & Co.
Q

Hey. Thank you for the question. So first, Paul, a couple of things. What was the – the contribution from Strata's and Bako's would be really small, right, it closed on March 17. But I was just wondering what that was for the quarter?

And then you also mentioned kind of some of the collections impacting Q1. So what should Q2 look like? So, like I know you're – I think you're saying something that will go into Q2. I don't want to get too aggressive with the number there but I also want to include that. So how should we think about Q2 given that impact?

Paul H. Kim
Chief Financial Officer, Fulgent Genetics, Inc.

A

Sure. So two things. One, the contribution from Bako in the first quarter, you are correct, it was small. It was $2.6 million. And your question about what should Q2 look like. Q2 should be a higher quarter. It will be a higher quarter than the first quarter, because of the overall positioning of our base business. But we also get the full quarter of Bako and StrataDx. So when we take a look at the forecast for Q2, Q3, and Q4, the targets are in excess of $90 million per quarter in terms of revenues.

David Westenberg
Analyst, Piper Sandler & Co.

Q

Got it. No. Thank you very much. And, yeah, just totally mispronounced that. Anyway, secondly, Brandon, I want to kind of catch on to the key product segment, Precision Diagnostics. In terms of the growth in that area, are there any key products, [ph] key (00:43:52) product launches where – is it Beacon that helps you grow there? Is it some of the stuff you're going to be doing in rare disease? I mean what are you excited about there in terms of re-growing to fill the loop of the overall large customer?

Brandon Perthuis
Chief Commercial Officer, Fulgent Genetics, Inc.

A

Yeah. Thanks for the question. I think we benefit tremendously from our diverse portfolio of test. At this point, we have 22,000 genetic tests that span just about every area of healthcare. So, it's difficult to pick a few different areas out of that where we're particularly excited. But I think it's safe to say within sort of rare disease, the momentum we have with exomes and genomes is pretty substantial. We do believe we have a differentiated product.

With our whole exome now, including long-reads, short-reads as well as full RNA-seq transcriptomic analysis, we are going to make more diagnoses than some of our peers and what we've been able to do previously. Analyzing all three of those in parallel is really the best approach to maximize diagnostic yield. So we're really excited with the product development around our whole genome and whole exome products and we do see a lot of momentum in that space.

In addition, we've launched a rapid and ultra-rapid genome. Some of those turnaround times are as quick as 48 hours, which is critical for some of these NICU patients so we certainly see momentum there. Beacon has continued to do very well for us. We now have the largest panel in the industry up to 1,000 genes, which is fully customizable for our clients. But in addition, our oncology business is doing well. The heme business is doing well. And this momentum, very recent momentum in pharmacogenetic testing related to this DPYD gene. It's very tangible. It's very real. We're seeing a lot of requests for this. We do a great job with that test in terms of our turnaround time and our quality. So again I think we have a lot of different areas for growth and really do benefit from having tremendous capabilities across Precision Diagnostics.

David Westenberg
Analyst, Piper Sandler & Co.

Q

Got it. And then just I want to talk about, sorry, the pharma backlog. Now, this was strong in the quarter and it is the growth area. So should we expect like visibility for the full-year just given the fact that this is really probably running off backlog and is the book-to-bill growing in that category, Paul?

Brandon Perthuis
Chief Commercial Officer, Fulgent Genetics, Inc.

A

Well, we continue to see lumpiness in our BioPharma business. We've mentioned this essentially on every call that the nature of this business are large transactions with long sale cycles, for better or worse. But the business does have momentum overall. But we're going to continue to see sort of these peaks and valleys until we hit this larger, steady-state for that business segment. But like the back-half of the year, we do have continued growth in BioPharma Services. But again, there will be some up-and-downs in that area.

David Westenberg
Analyst, Piper Sandler & Co.

Q

Got it. And then lastly, Ming, I wanted to talk about the FID-007. You're in Phase 2. You do have the presentation at ASCO, so it does seem to be doing well. Can you talk about what we're needing to look at the ASCO presentation or other words, to see if you would advance it to Q3? And at what stage in the pipeline do you consider commercialization I mean – or partnerships, licensing, that other kind of thing in order to monetize that asset? Thank you very much.

Ming Hsieh
Chairman, Chief Executive Officer & Founder, Fulgent Genetics, Inc.

A

Yeah. Thank you, David, for the questions. We are excited to be selected by the ASCO for the presentation. Out of 8,000 applications, we belong to a very small group of companies or the clinical trials to be presented in the area. You may remember we also published our data last year at ESMO for the clinical results. During that time, our results is significantly better than the peers in the industry. So we are excited about the opportunity and we are looking very much forward for the ASCO presentation. So that's from the clinical trial side.

We have the options for the collaborations with potential partners. But – and also we want to present the opportunity when we do the collaboration as a strength, not as a weakness. So, we do have the cash position to go through the clinical trials by ourself. By the way, also looking for that meaningful partners, not only contributors but in terms of the resources for the trials but also long-term relationships.

David Westenberg
Analyst, Piper Sandler & Co.

Q

[audio gap] (00:49:14).

Paul H. Kim
Chief Financial Officer, Fulgent Genetics, Inc.

A

Thank you, David.

Operator: There are no further questions. This will conclude today's conference. You may disconnect your lines at this time and thank you for your participation.