



Quanterix Corporation Releases Operating Results for Third Quarter 2022

November 8, 2022

BILLERICA, Mass.--(BUSINESS WIRE)--Nov. 8, 2022-- [Quanterix Corporation](#) (NASDAQ: QTRX), a company fueling scientific discovery through ultrasensitive biomarker detection, today announced operating results for the three months ended September 30, 2022.

Financial Highlights

- Revenue of \$26.6M for Q3 2022 was flat versus Q3 2021 with the prior year NIH RADx funding excluded, and increased 13% over Q2 2022.
- Pro-forma gross margin of 35% for Q3 2022 was up 670 bps over Q2 2022 and down 1470 bps from Q3 2021.

For additional information on the pro-forma financial measures included in this press release, please see "Use of Pro-Forma Financial Measures" and "Reconciliation of GAAP to Pro-Forma" below.

Business Highlights

- The Bio-Hermes trial we are participating in is nearing completion. This is a prospective trial in partnership with the Global Alzheimer's Platform Foundation. This prospective validation trial for pTau-181 will generate data in support of our regulatory filing for FDA clearance of the test, which would be the first of its kind in the market.
- Quanterix received funding from Alzheimer's Drug Discovery Foundation (ADDF) to accelerate Alzheimer's disease diagnostic plasma test development. This is a collaboration with Amsterdam University Medical Centers (Amsterdam UMC) on four phases of clinical trials to validate Quanterix's multi-analyte test. We are approximately 50% through Phase 1 and showing promising results for Alzheimer's detection and differential diagnosis of memory complaints, generating four abstracts and one presentation to date.
- Published discoveries enabled through Quanterix's Simoa[®] technology continue to be strong. The technology was highlighted in a record 159 new publications in the third quarter 2022, bringing total Simoa-specific inclusions to over 2,000.

"Our third quarter results were in line with expectations set last quarter when we launched a significant assay quality remediation program," said Masoud Toloue, President and Chief Executive Officer of Quanterix. "We are pleased with the quarter-over-quarter financial and business progress with both revenue and gross margin growing, the program is on track and proceeding to plan. While demand remains robust, we are managing our volume to ensure we deliver quality products to our customers while we focus our efforts to improve the quality and long-term scalability of our product offerings. Our team's conviction is resolute and the urgency high as our Simoa technology remains the foundation for unlocking new discoveries and innovations in both research and clinical applications, every day."

Quanterix's third quarter revenue was flat compared to prior year excluding RADx, with consumable revenue declining as the Company balanced demand with assay quality and process improvement initiatives. This shortfall was offset by strong services revenue driven by the Company's collaboration agreement with Eli Lilly and Company.

Quanterix's third quarter pro-forma gross margin of 35% declined 1470 bps from 49.8% in the third quarter of 2021. The decline is due primarily to increased inventory reserves (800 bps), the change in allocation of expenses between operating expense and cost of goods sold (500 bps) previously announced in Q2 of this year and a slight revenue decline. Third quarter pro-forma margin increased 670 bps from the prior quarter driven by expense reductions and product mix shift, which offset increased inventory reserves.

Strategic Business Re-Alignment Progress

In August of 2022, the Company announced a comprehensive restructuring and business re-alignment plan in order to fully realize the potential of its Simoa platforms and continue its leadership role in ultrasensitive translational biomarker detection. As a result of the restructuring and the corresponding impact to Quanterix's stock price, the Company has incurred the following restructuring and related charges in Q3:

- Goodwill impairment—\$8.2 million;
- Impairment of long-lived assets—\$8.7 million;
- Restructuring expenses—\$3.4 million (mainly related to employee costs); and
- Other lease costs—\$0.6 million.

In addition, the assay redevelopment program designed to improve its ability to manufacture and deliver high-quality assays at scale is on target and

moving forward aligned to the plan announced last quarter.

Conference Call

In conjunction with this announcement, Quanterix Corporation will host a conference call on November 8, 2022 at 4:30 p.m. EST. Individuals interested in listening to the conference call may do so by [pre-registering here](#) and obtaining a dial-in number and passcode.

A live webcast will also be available at: <https://edge.media-server.com/mmc/p/bg9nn3de>. You may also access the live webcast by visiting the [News & Events](#) page within the Investors section of the Quanterix website at www.quanterix.com. The webcast will be available on the Company's website for one year following completion of the call.

Financial Highlights

Quanterix Corporation

Condensed Consolidated Statements of Operations

(Unaudited and in thousands, except share and per share data)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|-----------|---------------------------------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| Product revenue | \$ 17,693 | \$ 20,662 | \$ 53,134 | \$ 57,586 |
| Service and other revenue | 8,370 | 5,898 | 25,728 | 17,955 |
| Collaboration revenue | 301 | 120 | 479 | 486 |
| Grant revenue | 282 | 1,009 | 357 | 4,242 |
| Total revenue | 26,646 | 27,689 | 79,698 | 80,269 |
| Costs of goods sold: | | | | |
| Cost of product revenue | 10,511 | 8,639 | 31,178 | 24,233 |
| Cost of service and other revenue | 5,191 | 3,806 | 14,306 | 10,569 |
| Total costs of goods sold and services | 15,702 | 12,445 | 45,484 | 34,802 |
| Gross profit | 10,944 | 15,244 | 34,214 | 45,467 |
| Gross margin | 41.1% | 55.1% | 42.9% | 56.6% |
| Operating expenses: | | | | |
| Research and development | 6,631 | 6,807 | 20,290 | 20,244 |
| Selling, general and administrative | 19,966 | 23,670 | 72,723 | 63,913 |
| Other lease costs | 609 | — | 609 | — |
| Restructuring | 3,426 | — | 3,426 | — |
| Goodwill impairment | 8,220 | — | 8,220 | — |
| Impairment expense | 8,695 | — | 8,695 | — |
| Total operating expenses | 47,547 | 30,477 | 113,963 | 84,157 |
| Loss from operations | (36,603) | (15,233) | (79,749) | (38,690) |

| | | | | |
|---|-------------|-------------|-------------|-------------|
| Interest income (expense), net | 1,712 | (90) | 2,316 | (418) |
| Other (expense) income, net | (101) | (305) | (676) | 1,478 |
| Loss before income taxes | (34,992) | (15,628) | (78,109) | (37,630) |
| Income tax provision | 72 | 33 | 10 | 32 |
| Net loss | \$ (35,064) | \$ (15,661) | \$ (78,119) | \$ (37,662) |
| Net loss per share, basic and diluted | \$ (0.95) | \$ (0.43) | \$ (2.12) | \$ (1.05) |
| Weighted-average common shares outstanding, basic and diluted | 37,004,596 | 36,518,177 | 36,926,549 | 35,774,455 |

Quanterix Corporation
Condensed Consolidated Balance Sheets
(Unaudited and in thousands)

September 30, 2022 December 31, 2021

| | | |
|---|------------|------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 343,743 | \$ 396,465 |
| Accounts receivable, net | 18,330 | 23,786 |
| Inventory | 18,236 | 22,190 |
| Prepaid expenses and other current assets | 6,475 | 6,514 |
| Total current assets | 386,784 | 448,955 |
| Restricted cash | 2,596 | 2,577 |
| Property and equipment, net | 21,441 | 17,960 |
| Intangible assets, net | 7,511 | 10,534 |
| Goodwill | — | 9,632 |
| Right-of-use assets | 27,165 | 11,491 |
| Other non-current assets | 1,200 | 378 |
| Total assets | \$ 446,697 | \$ 501,527 |
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 2,106 | \$ 9,209 |
| Accrued compensation and benefits | 10,503 | 13,252 |
| Other accrued expenses | 5,951 | 6,486 |
| Deferred revenue | 8,976 | 6,361 |

| | | |
|--|------------|------------|
| Short-term lease liabilities | 767 | 1,428 |
| Other current liabilities | 268 | 241 |
| Total current liabilities | 28,571 | 36,977 |
| Deferred revenue, net of current portion | 1,591 | 1,099 |
| Long-term lease liabilities | 42,196 | 20,464 |
| Other non-current liabilities | 1,570 | 2,035 |
| Total liabilities | 73,928 | 60,575 |
| Total stockholders' equity | 372,769 | 440,952 |
| Total liabilities and stockholders' equity | \$ 446,697 | \$ 501,527 |

Use of Pro-Forma Financial Measures

To supplement the Company's financial statements presented on a GAAP basis, the Company has provided certain pro-forma financial measures, including pro-forma gross margin. Pro forma gross margin includes the product related freight and shipping costs that are not billed to the customer. Management uses these pro-forma measures to evaluate the Company's operating performance in a manner that allows for meaningful period-to-period comparison and analysis of trends in its business. Management believes that such measures are important in comparing current results with prior period results and are useful to investors and financial analysts in assessing the Company's operating performance. The pro-forma financial information presented here should be considered in conjunction with, and not as a substitute for, the financial information presented in accordance with GAAP. Investors are encouraged to review the reconciliation of these pro-forma measures to their most directly comparable GAAP financial measures set forth below.

Reconciliation of GAAP to Pro-Forma

Quanterix Corporation

Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures (Unaudited and in thousands, except percentages)

| | Three Months Ended September 30, | | Three Months | Nine Months Ended September 30, | |
|--|----------------------------------|-----------|----------------|---------------------------------|-----------|
| | 2022 | 2021 | Ended June 30, | 2022 | 2021 |
| GAAP gross profit | \$ 10,944 | \$ 15,244 | \$ 8,711 | \$ 34,214 | \$ 45,467 |
| Distributions costs (1) | (1,617) | (1,462) | (2,065) | (5,546) | (5,024) |
| Non-GAAP pro forma gross profit | \$ 9,327 | \$ 13,782 | \$ 6,646 | \$ 28,668 | \$ 40,443 |
| Gross margin | 41.1% | 55.1% | 37.1% | 42.9% | 56.6% |
| Non-GAAP pro forma gross margin | 35.0% | 49.8% | 28.3% | 36.0% | 50.4% |
| GAAP total operating expenses | \$ 47,547 | \$ 30,477 | \$ 33,670 | \$ 113,963 | \$ 84,157 |
| Distributions costs (1) | (1,617) | (1,462) | (2,065) | (5,546) | (5,024) |
| Non-GAAP pro forma total operating costs | \$ 45,930 | \$ 29,015 | \$ 31,605 | \$ 108,417 | \$ 79,133 |

| | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| GAAP loss from operations | \$ (36,603) | \$ (15,233) | \$ (24,959) | \$ (79,749) | \$ (38,690) |
| Non-GAAP pro forma loss from operations | \$ (36,603) | \$ (15,233) | \$ (24,959) | \$ (79,749) | \$ (38,690) |

(1) Distribution costs, which include freight and other activities costs associated with product shipments, net of charges passed on to the customer, are captured within operating expenses in our consolidated statements of operations. During the three and nine months ended September 30, 2022, we incurred \$1.6 million and \$5.5 million, respectively, of distribution costs recorded within operating expenses. During the three and nine months ended September 30, 2021, we incurred \$1.5 million and \$5.0 million, respectively, of distribution costs recorded within operating expenses. During the three months ended June 30, 2022, we incurred \$2.1 million of distribution costs recorded within operating expenses.

About Quanterix

From discovery to diagnostics, Quanterix's ultrasensitive biomarker detection is driving breakthroughs only made possible through its unparalleled sensitivity and flexibility. The Company's Simoa[®] technology has delivered the gold standard for earlier biomarker detection in blood, serum or plasma, with the ability to quantify proteins that are far lower than the Limit of Quantification (LoQ) of conventional analog methods. Its industry-leading precision instruments, digital immunoassay technology and CLIA-certified Accelerator laboratory have supported research that advances disease understanding and management in neurology, oncology, immunology, cardiology and infectious disease. Quanterix has been a trusted partner of the scientific community for nearly two decades, powering research published in more than 2,000 peer-reviewed journals. Find additional information about the Billerica, Massachusetts-based company at <https://www.quanterix.com> or follow us on [Twitter](#) and [LinkedIn](#).

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "may," "will," "expect," "plan," "anticipate," "estimate," "intend" and similar expressions (as well as other words or expressions referencing future events, conditions or circumstances) are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements about Quanterix' financial performance, including anticipated benefits and costs associated with Quanterix' plan of restructuring and realignment, and are subject to a number of risks, uncertainties and assumptions. Forward-looking statements in this news release are based on Quanterix' expectations and assumptions as of the date of this press release. Each of these forward-looking statements involves risks and uncertainties. Factors that may cause Quanterix' actual results to differ from those expressed or implied in the forward-looking statements in this press release include, but are not limited to, those described in "Part I, Item 1A, "Risk Factors" in Quanterix' Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on March 1, 2022, or other filings that we make with the SEC, including the Quarterly Report on Form 10-Q to be filed with the SEC following this release, as well as the risk that Quanterix' plan of restructuring and realignment results in unexpected costs, the risk that Quanterix is unable to implement the plan of restructuring and realignment as intended and the risk that implementation of the plan of restructuring and realignment is delayed. Except as required by law, Quanterix assumes no obligation to update any forward-looking statements contained herein to reflect any change in expectations, even as new information becomes available.

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