

Cepheid is an on-demand molecular diagnostics company that develops, manufactures, and markets fully-integrated systems and tests for genetic analysis in the clinical, industrial and biothreat markets. Cepheid's easy-to-use systems integrate a number of complicated and time-intensive steps, including sample preparation, DNA amplification and detection, which enable the analysis of complex biological samples in proprietary test cartridges.

**Founded** . . . . . 1996. Incorporated in California  
**IPO** . . . . . June 21, 2000, at \$6 per share  
**Company Headquarters** . . Sunnyvale, CA, USA  
**Market Cap** . . . . . \$3.1bn  
**52 Week Trading Range** . . . . \$30.95 to \$55.89  
**Global Headcount** . . . . . ~1200 as of 12/31/13

## Financial Snapshot

<i>in millions except percentages and EPS</i>	Q114	Q413	Q113
Revenue	\$107	\$113	\$92
Commercial Clinical	\$82	\$83	\$69
HBDC Clinical	\$18	\$18	\$11
Non-Clinical	\$7	\$12	\$12
Non-GAAP Gross Margin	51%	50%	55%
Non-GAAP Commercial GM	~60%	~60%	60%
Non-GAAP Operating Margin	1%	3%	9%
Non-GAAP EPS	\$(0.01)	\$0.03	\$0.11
GAAP EPS	\$(0.13)	\$(0.15)	\$0.00
Cash, Equivalents, & Invest	\$391	\$85	\$102
Debt	\$273	\$2	\$2
Operating Cash Flow	\$(17)	\$3	\$11
CapEx	\$9	\$17	\$9
Shares Outstanding			
Basic	69.3	68.2	66.8
Diluted	69.3	70.6	69.4

## Current Test Menu

### US

14 Tests Available

MRSA Surveillance  
 SA Nasal Complete  
 MRSA/SA SSTI  
 MRSA/SA Blood Culture  
*C. difficile*  
*C. difficile/Epi*  
*vanA* for VRE  
 MTB/RIF  
 Flu  
 EV  
 GBS & GBS Lim Broth  
 CT/NG  
 Factor II & V

### International

16 Tests Available

MRSA Surveillance  
 SA Nasal Complete  
 MRSA/SA SSTI  
 MRSA/SA Blood Culture  
*C. difficile*  
 Norovirus  
*vanA/vanB* for VRE  
 MTB/RIF  
 Flu  
 EV  
 HPV  
 GBS  
 CT & CT/NG  
 Factor II & V  
 BCR-ABL Monitor

## Targeted Xpert Test Menu

In addition to the tests listed above, Cepheid has more than 10 tests in active development, including HIV, HCV and HBV. Please see our complete targeted test menu in our latest investor presentation.

## Management Team

For complete bios, visit [ir.cepheid.com](http://ir.cepheid.com).

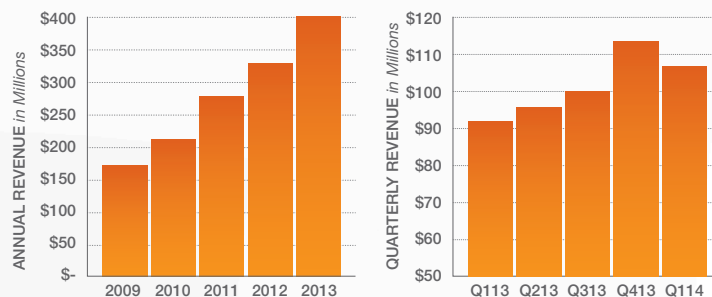


John Bishop  
Chairman & CEO

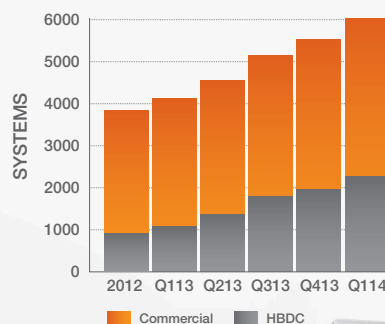
Andrew Miller  
CFO

Mike Fitzgerald, Human Resources  
 Kerry Flom, Chief Regulatory Officer  
 Philippe Jacon, International Commercial Operations  
 Warren Kocmond, Global Operations  
 David Persing, Chief Medical and Technology Officer  
 James Post, North America Commercial Operations  
 Joseph Smith, General Counsel  
 Paul Steuperaert, HBDC

## Revenues



## Cumulative System Placements

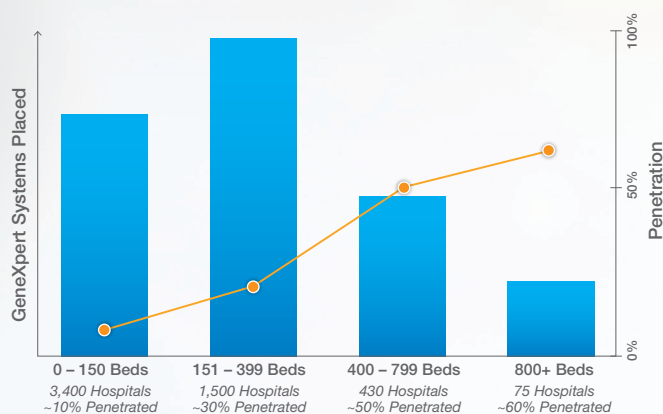


As of March 31, 2014, Cepheid has placed 6,012 GeneXpert Systems globally, including:

- 1,546 in North America;
- 2,172 outside North America; and
- 2,294 in HBDC applications



## U.S. Hospital Penetration

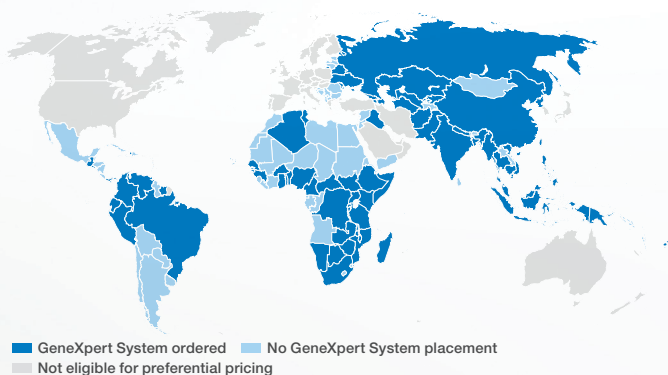


## High Burden Developing Country Business

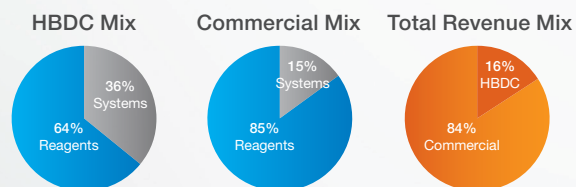
Following the World Health Organization's endorsement of Xpert® MTB/RIF in late 2010, Cepheid has made its GeneXpert® System and Xpert MTB/RIF cartridges available to certain countries at discounted pricing.

Originally introduced to the HBDC market at a price of \$16.86, Xpert MTB/RIF is now available to eligible customers at \$9.98. This lower price was made possible with support from the Bill & Melinda Gates Foundation, USAID and UNITAID.

As of March 31, 2014, a total of 2,294 GeneXpert Systems have been placed globally in support of HBDC initiatives.



## Revenue Mix (2013)



\* A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures can be found at [www.cephheid.com](http://www.cephheid.com).

\*\* Non-GAAP EPS guidance excludes stock-based compensation expense of approximately \$33 million and, amortization of purchased intangible assets of approximately \$3 million. These non-GAAP measures are not prepared in accordance with generally accepted accounting principles.

Certain statements in this Fact Sheet constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1934. "Forward-looking" statements are all statements made by us, other than those dealing specifically with historical matters and any statements we make about the conduct of our business or finances up to this moment. All other statements made by us are forward-looking statements which include any information provided on future business operations and guidance regarding our future financial performance. Actual results may differ materially from those projected in the forward-looking statements. Factors that could cause actual results to differ materially from those in the forward-looking statements are discussed in the Company's Securities and Exchange Commission filings, particularly the risk factors section of our most recent Form 10-K and Form 10-Q.

## Guidance Framework

The company introduced initial 2014 guidance on January 30th, 2014. Guidance was revised on April 17th, 2014, to reflect the issuance of the February 2014 Convertible Senior Notes. For the full year 2014, the company expects:

	FY 2014 Guidance
Revenue	\$446 to \$461 million
Commercial Clinical Revenue	\$335 to \$346 million
HBDC Revenue	\$84 to \$88 million
Non-Clinical & Other	~\$27 million
Non-GAAP Gross Margin	~52% (includes HBDC)
Commercial Non-GAAP Gross Margin	~62% (excludes HBDC)
GAAP EPS	\$(0.43) to \$(0.38)
Non-GAAP EPS	\$0.19 to \$0.24
Stock Compensation Expense	~\$33 million (excluded from non-GAAP)
Amortization of Debt Discount and Debt Issuance Cost	~\$9 million (excluded from non-GAAP)
Amortization of Purchased Intangible Assets	~\$3 million (excluded from non-GAAP)

	Q2 2014 Guidance & Comment
Revenue	\$113 to \$115 million
Commercial Clinical Revenue	Expected to grow in the teens relative to Q213, but to be down slightly from Q114 which benefited from very strong system placements and the Flu season.
HBDC	Expected to increase to \$27 to \$28 million due to large China system order.
Non-Clinical & Other	Expected to be down slightly from Q114.
Non-GAAP Gross Margin	Expected to decline sequentially due to higher HBDC revenue.
GAAP EPS	\$(0.16) to \$(0.14)
Non-GAAP EPS	\$(0.01) to \$0.02

	2017 Target Business Model Commercial (excludes HBDC)
Non-GAAP Gross Margin	High-60s
Non-GAAP R&D	~15-16%
Non-GAAP S&M	~18%
Non-GAAP G&A	~8%
Non-GAAP Operating Margin	Mid-20s

### FOR MORE INFORMATION

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