

Investor Presentation

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QUIDEL

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws that involve material risks, assumptions and uncertainties. Many possible events or factors could affect our future financial results and performance, such that our actual results and performance may differ materially from those that may be described or implied in the forward-looking statements. As such no forward-looking statement can be guaranteed. Differences in actual results and performance may arise as a result of a number of factors including, without limitation, fluctuations in our operating results resulting from seasonality, the timing of the onset, length and severity of cold and flu seasons, government and media attention focused on influenza and the related potential impact on humans from novel influenza viruses, adverse changes in competitive conditions in domestic and international markets, the reimbursement system currently in place and future changes to that system, changes in economic conditions in our domestic and international markets, changes in sales levels as it relates to the absorption of our fixed costs, lower than anticipated market penetration of our products, the quantity of our product in our distributors' inventory or distribution channels, changes in the buying patterns of our distributors and changes in the health care market and consolidation of our customer base; our development and protection of intellectual property; our development of new technologies, products and markets; our reliance on a limited number of key distributors; our reliance on sales of our influenza diagnostics tests; our ability to manage our growth strategy, including our ability to integrate companies or technologies we have acquired or may acquire; intellectual property risks, including but not limited to, infringement litigation; limitations and covenants in our senior credit facility; that we may incur significant additional indebtedness; our need for additional funds to finance our operating needs; volatility and disruption in the global capital and credit markets; acceptance of our products among physicians and other healthcare providers; competition with other providers of diagnostic products; adverse actions or delays in product reviews by the U.S. Food and Drug Administration (the "FDA"); changes in government policies; compliance with other government regulations, such as safe working conditions, manufacturing practices, environmental protection, fire hazard and disposal of hazardous substances; third-party reimbursement policies; our ability to meet demand for our products; interruptions in our supply of raw materials; product defects; business risks not covered by insurance and exposure to other litigation claims; interruption to our computer systems; competition for and loss of management and key personnel; international risks, including but not limited to, compliance with product registration requirements, exposure to currency exchange fluctuations and foreign currency exchange risk sharing arrangements, longer payment cycles, lower selling prices and greater difficulty in collecting accounts receivable, reduced protection of intellectual property rights, political and economic instability, taxes, and diversion of lower priced international products into US markets; volatility in our stock price; dilution resulting from future sales of our equity; and provisions in our charter documents and Delaware law that might delay stockholder actions with respect to business combinations or the election of directors. Forward-looking statements typically are identified by the use of terms such as "may," "will," "should," "might," "expect," "anticipate," "estimate," "plan," "intend," "goal," "project," "strategy," "future," and similar words, although some forward-looking statements are expressed differently. Forward-looking statements in this presentation include, among others, statements concerning: our outlook for this fiscal year and beyond, including, among others, projections about our revenue, gross margins, cash flow, EBITDA, COGS, market opportunities, geographic expansion, and development, manufacturing and commercial activities;; our strategy, goals and objectives , including, among others, continuing to make substantial investments in research and development and sales and marketing; our expectations regarding regulatory submissions, approvals and CLIA waivers in 2014; and our intention to continue to evaluate technology and outside acquisition opportunities. The risks described in reports and registration statements that we file with the Securities and Exchange Commission (the "SEC") from time to time should be carefully considered. You are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date of this presentation. We undertake no obligation to publicly release the results of any revision or update of these forward-looking statements, except as required by law.

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Our Strategic Intent (The What)

Build a broader-based diagnostic company that delivers revenue and margin more consistently. Use existing resources to solidify price and volume in our core businesses, while gaining access to, and competing in larger markets, to include molecular.



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Our Strategy (The How)

Defend and grow our core business

- Sofia 2 Influenza, RSV and GAS
- Virena data management
- Sofia Strep Read Now
- Sofia hCG
- Additional focus on emerging U.S. health care markets

Diversify

- Convert GAS culture to same-day confirmation (Solana GAS)
- Sofia Vitamin D
- Sofia 2 Lyme
- Solana and Savanna POC MDx platforms
- M&A

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Key Initiatives

Replace back-up Strep A culture testing with Solana and AmpliVue Group A Strep

- Approximately 37 million negative rapid Strep tests are cultured to confirm a negative result; only 10% are positive.
- In the infectious disease community, patient satisfaction and antibiotic stewardship are growing concerns.
- Migration to molecular has been slow because of cost to labs, and to Payers.
- With a low manufacturing cost, this market opportunity can now be addressed.

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Key Initiatives

Grow the U.S. influenza testing market (and gain share) by providing better information

- Statistically significant number of users submitting de-identified Sofia Influenza A+B test data to Virena cloud.

- Intend to create a Quidel Ecosystem of Virena users and change the way we compete.
  - Access to /cumulative test data and “better information” will become the key driver to method choice

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Key Initiatives

Grow the U.S. influenza testing market (and gain share) by providing better information

- With launch of Sofia 2, our influenza users will see an improvement in individual test performance and workflow
  - Sofia 2 optics provide added performance benefits.
  - Kinetic reading enables positive test results to be read in as few as 2 minutes, which is critical to workflow in the POL during an influenza epidemic.
  - With the earlier read, the time to confirm a negative could be extended, further enhancing sensitivity.





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We are on a path to our longer term financial objectives

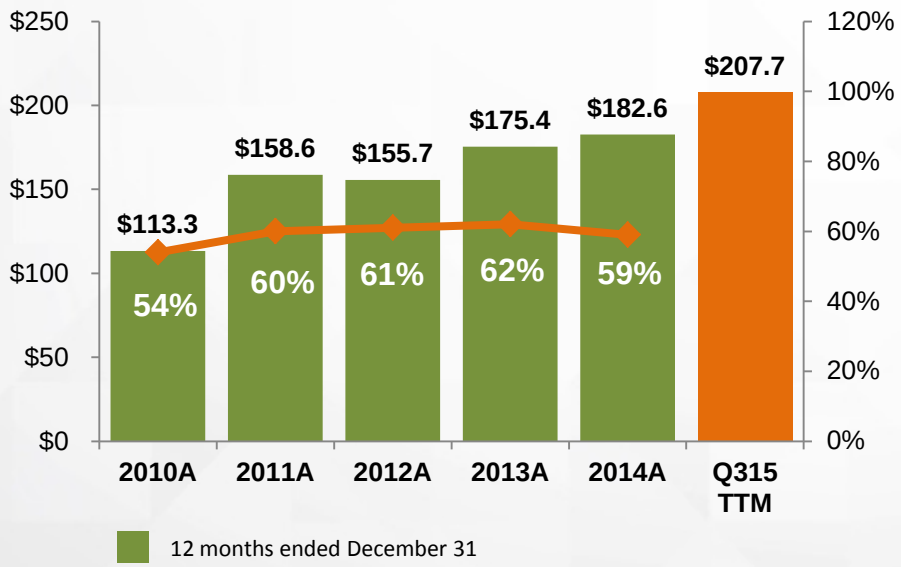


1. Achieve low- to mid-teens in annual revenue growth through new product introductions.
2. Invest in the development and commercialization of new products driving gross margins to exceed 65%.
3. Leverage operational efficiency driving EBITDA margins in excess of 30%.
4. Maximize cash flow from the core business.
5. Pursue outside opportunities to complement organic growth and drive non-respiratory revenue.

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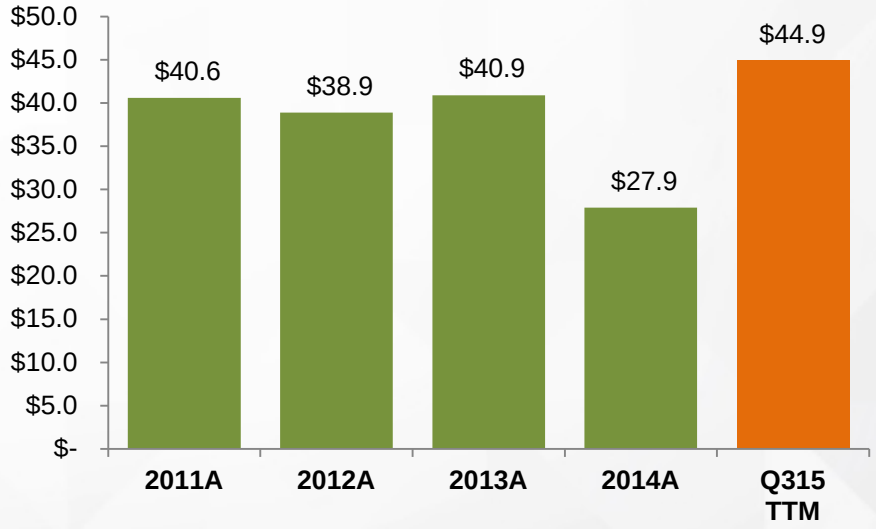
Quidel financial overview

Revenue
(in $ million, percent gross margin in white)



12 months ended December 31

Adjusted EBITDA [1]
(adjusted, in $ million)



Balance Sheet as of September 30, 2015
(in millions)

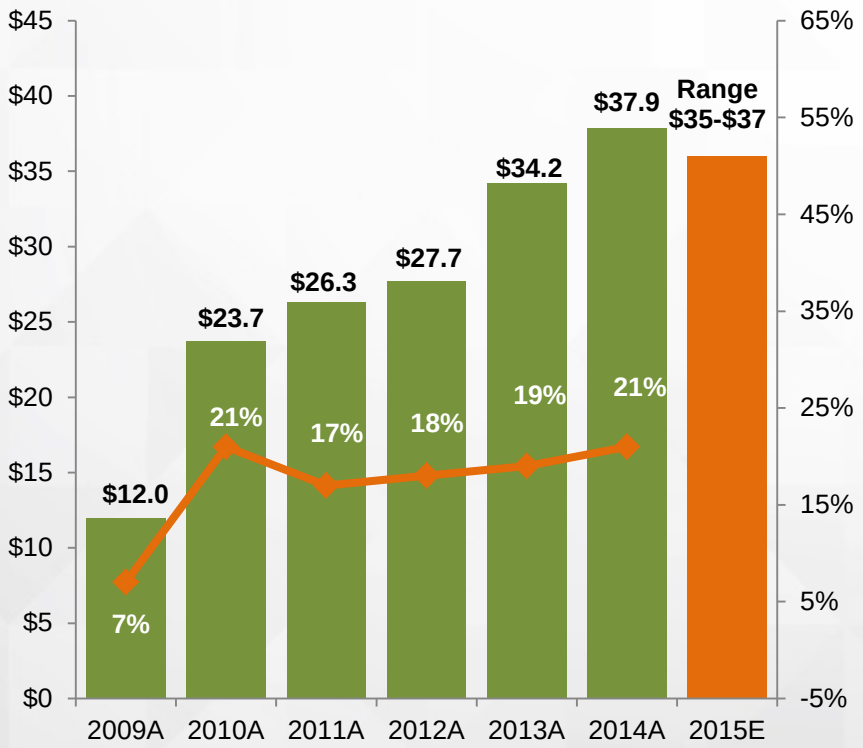
Cash and Cash Equivalents	**$184.4**
Total Assets	**$419.0**
Long-term Debt and Lease Obligations	**$146.0**
Stockholder's Equity	**$219.4**

Adjusted EBITDA excludes interest, depreciation, amortization, stock compensation, business acquisition costs, asset impairment and restructuring charges.

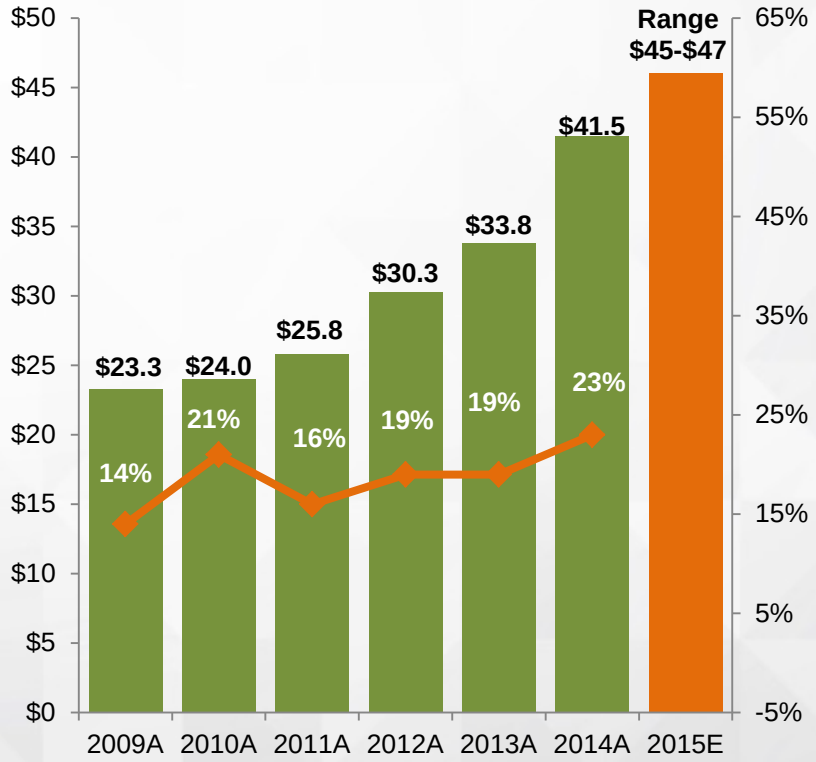
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2015 expected operating cost structure

Annual Investment: R&D
(in $ million; percentage of sales in white)



Annual Investment: S&M
(in $ million; percentage of sales in white)



Note: R&D investment includes the Q2 2013 acquisition of BioHelix and acceleration of Savanna.
S&M investment includes the additional increase in resources in Q2 2013.

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Growth drivers and near-term milestones

- Continue to **pursue inorganic** opportunities to augment the **non-respiratory** part of the business**.**
- Aim for **65% Gross Margin, 15% operating margin** in **2016.**



- Grow **Sofia installed base with Sofia, Sofia 2** and **gain market share.**
- **Increase** the **number of Virena accounts** that are **transmitting data.**
- **Expand non-respiratory opportunities** through the **development of Vitamin D, Lyme.**



- **Convert Strep A culture** testing with **Solana** and **AmpliVue GAS.**
- **Launch additional Solana menu** to **broaden** Solana's **value** proposition**.**
- **Continue the development of the Savanna instrument and cartridge.**