THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

OSUR - Q2 2015 OraSure Technologies, Inc. Earnings Conference Call

EVENT DATE/TIME: AUGUST 05, 2015 / 9:00PM GMT

THOMSON REUTERS

CORPORATE PARTICIPANTS

Rena George-Beck *OraSure Technologies, Inc. - IR*

Doug Michels *OraSure Technologies, Inc. - President & CEO*

Ron Spair *OraSure Technologies, Inc. - COO & CFO*

CONFERENCE CALL PARTICIPANTS

Peter Lawson *Mizuho Securities USA - Analyst*

Nicholas Jansen *Raymond James & Associates - Analyst*

PRESENTATION

Rena George-Beck *- OraSure Technologies, Inc. - IR*

Good afternoon, everyone, and welcome to OraSure Technologies' 2015 Second Quarter Financial Results Conference Call and simultaneous webcast. As a reminder, today's conference is being recorded. (Operator Instructions)

OraSure Technologies issued a press release at approximately 4:00 PM Eastern Time today regarding its 2015 second quarter financial results and certain other matters. The press release is available on our website at www.orasure.com or by calling 610-882-1820. If you go to our website, the press release can be found by opening the Investor Relations page and clicking on the link for press releases.

This call is also available real time on our website and will be archived there for seven days. Alternatively, you can listen to an archive of this call until midnight, August 12th, 2015, by calling 855-859-2056 for domestic or 404-537-3406 for international. The access code is 78882836.

With us today are Doug Michels, President and Chief Executive Officer, and Ron Spair, Chief Operating Officer and Chief Financial Officer. Doug and Ron will begin with opening statements, which will be followed with a question-and-answer session.

Before I turn the call over to Doug, you should know that this call may contain certain forward-looking statements, including statements with respect to revenues, expenses, profitability, earnings or loss per share or other financial performance, product development performance, shipments and markets, business plans and regulatory filings and approvals. Actual results could be significantly different.

Factors that could affect results are discussed more fully in the Company's SEC filings, including its registration statements, its annual report on Form 10-K for the year ended December 31, 2014, its quarterly report on Form 10-Q and its other SEC filings. Although forward-looking statements help to provide complete information about future prospects, listeners should keep in mind that forward-looking statements may not be reliable. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after this call.

With that, I would like to turn the call over to Doug Michels.

Doug Michels *- OraSure Technologies, Inc. - President & CEO*

Okay, thank you, Rena, and good afternoon, everyone and welcome to our call. We delivered strong performance in the second quarter. Consolidated net revenues reached a record high and exceeded $30 million for the first time in our history. As a result, we exceeded our guidance on both the top and bottom lines. The primary driver for this performance was our molecular collection systems business, which also delivered a record level of revenues. This segment increased 65% over the prior-year period.

Domestic sales of our OraQuick rapid HCV test increased 39% over the second quarter of 2014. This also represents 41% sequential growth from the first quarter of this year. Together with the $3.4 million in exclusivity payments recognized under our HCV co-promotion agreement with

AbbVie, total HCV-related revenues were $5.7 million for the second quarter. The revenue growth combined with favorable margins generated $2 million net profit for the second quarter.

Ron will provide more detail on our second quarter performance and following his financial overview, I will provide additional commentary on specific segments of our business, including recent developments involving our rapid Ebola test. So with that, let me turn the call over to Ron.

Ron Spair - *OraSure Technologies, Inc. - COO & CFO*

Okay, thanks, Doug, and good afternoon, everyone. Our second quarter 2015 consolidated net revenues increased 15% to $30.4 million compared to $26.4 million reported in 2014. Our consolidated net product revenues of $26.3 million increased 3%, largely as a result of higher sales of our molecular collection systems, OraQuick HCV, and Intercept products.

Other revenues were $4.1 million in the current quarter of which $3.4 million represents the recognition of exclusivity payments under the AbbVie agreement. In addition, $714,000 represents revenue associated with Ebola-related funding we are receiving from the Biomedical Advanced Research and Development Authority or BARDA. Other revenues in the second quarter of 2014 included $775,000 of AbbVie exclusivity payments.

Our overall infectious disease testing revenues decreased 7% in the second quarter of 2015 when compared to the second quarter of 2014. Total HCV-related revenues, including the recognition of AbbVie exclusivity payments, increased 92% to $5.7 million in the second quarter of 2015 compared to $3 million in the second quarter of 2014. HCV product revenues increased 7% to $2.3 million in Q2 from $2.2 million in the prior year. Sales of our OraQuick HCV professional product in the domestic market increased 39% in the second quarter of 2015 to $1.7 million from $1.2 million in the prior year. This increase is largely due to the addition of new HCV customers and higher sales to current customers who have expanded their HCV testing programs.

International sales of our HCV test in the second quarter of 2015 decreased 34% to $646,000 from $974,000 in the same period last year, primarily due to lower purchases by a multinational humanitarian organization. Purchases by this organization can be variable, influenced by its worldwide field activities and are thus difficult to predict.

Domestic sales of our professional HIV product decreased 15% to $6.6 million in the second quarter of 2015 compared to $7.7 million in the second quarter of 2014. This decrease was the result of customers moving some of their testing to fourth-generation, automated HIV immunoassays, price competition and the timing of orders. We expect continued pressure on our professional HIV business for the foreseeable future.

International sales of our professional HIV product decreased 30% to $596,000 in Q2 when compared to $848,000 in the same period of last year. This change is a result of the inclusion of bulk purchases associated with the significant African testing program in the second quarter of last year, which did not repeat in Q2 of 2015 but which are expected to occur again in a future period.

Our molecular collections systems revenues, primarily representing sales of the Oragene product line in the genomics market increased 65% to $8.1 million in the second quarter of 2015 compared to $4.9 million in the second quarter of 2014. Commercial sales increased 82%, approximately half of which came from existing US-based customers and the other half from new customers acquired in 2015. Sales to academic customers increased 44%, largely due to variability in ordering patterns. Because of this variability, we expect sales to the academic market to be down sequentially in Q3.

Turning to substance abuse, our substance abuse testing revenues increased 14% to $2.5 million in the second quarter of 2015 compared to $2.2 million in 2014. This increase is largely due to higher sales of our Intercept device as a result of a recovery of customers previously lost to competition, also improved domestic employment conditions and an increase in oral fluid testing due to certain customers recognizing the advantage of its ability to detect recent drug use.

Second quarter 2015 cryo revenues decreased 40% to $3 million from $4.9 million in the second quarter of 2014. Domestic sales of our professional product decreased 31% to $1 million in Q2 from $1.5 million last year as a result of distributor consolidation and competition from new private label brands. Sales of our OTC products in the international markets decreased 47% to $1.7 million in the second quarter of 2015 compared to $3.2

million in the second quarter of 2014 due to lower sales to both our European and Latin American distributors. The decline in sales to Europe was due to customer ordering patterns. The lower Latin American sales are due to challenges faced in the local market, including declining economic conditions in Argentina and a restructuring of our distributor's business in Mexico.

Turning to gross margin, our gross margin for the second quarter of 2015 was 68% compared to 61% reported for the second quarter of 2014. The current quarter margin benefited primarily from the $4.1 million of other revenues associated with the AbbVie co-promotion agreement and the BARDA contract. These other revenues contributed approximately 500 basis points to gross margin in the current quarter of 2015. Margin for the current quarter also benefited from a reduction in royalty expense and a more favorable product mix, partially offset by higher scrap and spoilage costs.

Our consolidated operating expenses for the second quarter of 2015 were $18 million. If you exclude the $5.5 million settlement payment from Roche Diagnostics under the terms of the termination agreement of our oral fluid collaboration, which was recorded as an expense offset in 2014, our operating expense performance would have improved by about $1 million from the year-ago period. During the current quarter, lower promotional expenses associated with our OraQuick in-home HIV test were partially offset by higher spending on R&D projects by DNA Genotek and increased sales and marketing costs associated with our HCV co-promotion agreement with AbbVie.

From a bottom line perspective, as Doug indicated, we reported net income of $2 million or $0.03 per share on a fully diluted basis for the second quarter of 2015 compared to $2.5 million or $0.04 per share for the same period of 2014.

Turning briefly to our balance sheet and cash flow, we continue to maintain a solid cash and liquidity position. Our cash and short-term investment balance at June 30th, 2015, was $91.4 million compared to $97.9 million at December 31st, 2014. Cash generated by operating activities in the second quarter of 2015 was $3.2 million compared to $2.7 million used in the second quarter of 2014. You should know that an additional $15 million payment was received in mid-July under our HCV co-promotion agreement with AbbVie, bringing our current cash holdings to over $109 million.

Turning to guidance for the third quarter of 2015, we are projecting consolidated net revenues of approximately $29.5 million to $30 million. We are also projecting a consolidated bottom line performance of approximately breakeven to a net loss of $0.01 per share for the quarter, primarily due to significantly higher costs expected under our HCV co-promotion agreement coupled with the lower consolidated revenues.

With that, I'll turn the call back over to Doug.

Doug Michels - *OraSure Technologies, Inc. - President & CEO*

Okay, thanks, Ron. As previously indicated, DNA Genotek had another record quarter with revenues 65% higher than the year-ago period. In fact, the $8.1 million in revenues reported by DNA Genotek exceeded its previous record revenue level by almost 20%. This performance was above expectation and was driven by very strong sales in the commercial market and continued strength in the academic market.

Revenue from commercial customers comprised approximately 66% of DNA Genotek's second quarter total, while academic revenues represented the remaining 34%. A big contributor on the commercial side was 23andMe, which delivered almost $1.5 million of revenue for the quarter compared to no revenue in the comparable 2014 period. But even without the 23andMe contribution, our molecular collection systems segment grew approximately 40%. This is strong evidence of the benefits of customer diversification, which has been a priority for this part of our business.

As I noted during our last earnings call, one promising new area of focus is the breast cancer screening market. During the second quarter, we experienced almost 800% growth in that market compared to the year-ago quarter, primarily because of the addition of one of the largest breast cancer screening providers in the market. Our pharmacogenomics revenue also showed good growth with an almost 80% improvement compared to 2Q 2014.

The increase in DNA Genotek's product sales has led to further expansion of our manufacturing capacity. As you may recall, a new automated manufacturing line was installed at DNA Genotek's contractor in the summer of 2014. In order to continue to meet product demand, we are now

in the early stages of purchasing additional automated manufacturing equipment, which is expected to become operational early next year. This additional equipment should double our existing production capacity.

In addition to diversifying its commercial customer base for oral DNA sample collection devices, DNA Genotek is continuing to develop new product offerings, particularly in the areas of microbiome and infectious disease testing. After launching a fecal sample collection device for microbiome in mid-2014, DNA Genotek has acquired a number of new academic and commercial customers for this device. For example, since April 2015, the company has won two contracts with early stage companies that are looking to develop microbiome tests. Some of the world's leading microbiome academic institutions are also purchasing our gut microbiome product. In addition, we recently received authorization to affix a CE mark to our collection device, which will help us access the European clinical market. We continue to believe the microbiome market represents an attractive and substantial opportunity for future growth.

With respect to infectious disease testing, DNA Genotek has continued to develop its proprietary reagent technology for the liquefaction and decontamination of sputum samples for tuberculosis. With a rise of antibiotic-resistant TB, we have an opportunity to deliver innovative solutions to improve management of this very large-scale, global disease. One primary challenge related to TB is how to transport sputum samples in a stable and cost effective manner to a testing laboratory. Our technology can be added at the point of collection and allow samples to be transported without refrigeration for at least five days. Our technology is also designed to be completely operable with all of the methodologies currently used by laboratories that test for tuberculosis. Because of these benefits, we are in discussions with some of the leading TB diagnostic companies and our technology is now in the hands of TB testing laboratories in well over 40 countries around the world. In developing our market opportunity, one of our priorities has been to establish relationships with key funding agencies and non-governmental organizations. The breadth of these relationships expanded in the second quarter. Although this part of our business is still in its early stages, the initial indications are quite promising.

Turning to our HCV business, we shipped product to over 500 customers during the second quarter and 68% of our revenues came from repeat customers. As Ron explained, our domestic business had a particularly solid performance with 41% sequential and 39% year-on-year growth driven primarily by new customers and the expansion of existing programs. We've seen public health jurisdictions expand existing programs and new programs are getting started. We expect this growth to continue into the next quarter and beyond as previously communicated.

During the second quarter, we also continued to focus on the major marketing initiatives under our co-promotion agreement with AbbVie. In July, AbbVie's detailing of our HCV test to physicians began increasing to prior levels. At the same time, we began refresher training for both the AbbVie and OraSure field sales teams and we included enhanced OraQuick messaging and certain process improvements intended to enhance our customers' experience. Our goal is to streamline the customer experience with more flexible options for training and implementation of testing programs along with the patient support program.

In the retail pharmacy space, the pilot testing programs we previously mentioned have continued to progress. OraSure and AbbVie will continue to seek out additional retail pharmacy initiatives as opportunities arise. We've also continued working with AbbVie to identify new employer groups to target for HCV testing. These will likely be employers that have higher prevalence employee populations. We hope to begin moving forward to execute against some of these opportunities in the relatively near future.

As we've indicated in prior calls, the various co-promotion initiatives we're launching with AbbVie have taken somewhat longer to implement and have been refocused due to market challenges. As a result, we now believe it is unlikely that we will be able to earn a performance fee for this year. We will continue to update you on the developments related to our co-promotion efforts in future calls.

A final area I would like to address are our ongoing efforts to commercialize a rapid Ebola test on our OraQuick platform. Over the past several months, we've been working to obtain regulatory approval for this product. As we announced just this past Monday, the FDA has now issued an emergency use authorization for the test. This authorization allows the temporary use of our OraQuick Ebola test in actual or potential emergency circumstances. I would like to take this opportunity to recognize the hard work of our team and express our appreciation to several agencies that have helped with the clinical development and approval of this product including the CDC, the FDA, and NIH as well as the US Navy Medical Research Center and the Viral Hemorrhagic Fever Consortium. These latter two agencies are supplying critical reagents, which are used in this product.

As you may recall, we also received an award of up to $10.4 million in funding for this product from BARDA. The initial commitment is for $1.8 million with the remaining $8.6 million dependent upon BARDA's election of certain options under the contract. These funds will be used primarily to pay for the scale up of manufacturing and the field in clinical testing required for regulatory approvals. In this regard, we are continuing to work closely with the CDC to complete various field studies in order to generate performance data in support of additional regulatory submissions.

Finally, we are pursuing procurement contracts with various government and non-governmental organizations. As I've said on prior calls, obtaining substantial and sustainable purchase commitments is a key objective for this product and we continue to make progress in this regard.

So as you heard today, our financial performance for the second quarter has been very strong with record revenues and solid profitability. Our molecular collection system business continues to perform very well and our HCV business continues to grow nicely. We're also making good progress towards the commercialization of our OraQuick Ebola test. We've built a solid foundation for the rest of 2015 and I look forward to updating you on our progress and additional developments during our next call. So with that, let's open up the floor to your questions. Operator, if you'd please proceed.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Brandon Couillard, Jefferies.

Unidentified Participant

Hi, this is actually Kate in for Brandon. Thanks for taking the question. Just to start, I guess first on the AbbVie relationship. So, is it sort of the thing you didn't see any progress on AbbVie's contractual obligations in the period in the second quarter? Are you still confident they're going to meet these minimums throughout the second half?

Doug Michels - *OraSure Technologies, Inc. - President & CEO*

Absolutely, like I mentioned, we've seen detailing activities increase to what we saw at the end of 2014 and we fully expect that they will meet their obligations.

Unidentified Participant

Okay, great and maybe Ron, then can you discuss how we should expect sales and marketing spend to step up in the second half as a result of those resumed activities and how that will pace maybe 3Q to 4Q?

Ron Spair - *OraSure Technologies, Inc. - COO & CFO*

Right, so that's a great point and with the increased detailing and our activities in the domestic marketplace will come additional expenditures for sales and marketing. Right now, we are anticipating that that will step up by, from Q2 to Q3, by over a million dollars in expenditures. We don't have a perfect view on Q4 but we certainly expect it to be a significantly higher than where we were at Q2. It'll depend on the activities that we're engaged in at that time, but I think it's safe to say that the second half expenditures for sales and marketing will be significantly higher than the first half.

Unidentified Participant

Okay, thanks and just one last one on Ebola. Maybe did you recognize any orders to the CDC in the second quarter and do you expect any to come through in the second half now with the approval?

Doug Michels - *OraSure Technologies, Inc. - President & CEO*

We did.

Unidentified Participant

Or the authorization.

Doug Michels - *OraSure Technologies, Inc. - President & CEO*

We did. We recognized about a little shy of $400,000 in Q2 in Ebola revenues. We're working to secure additional revenues in the back half of the year. We believe that we will realize revenues. Not prepared right now to dimensionalize those but as I mentioned in my prepared remarks we're looking to secure significant and sustainable procurement contracts.

Unidentified Participant

Okay, great. Thanks. I'll jump back in the queue.

Operator

Thank you. Peter Lawson, Mizuho Securities.

Peter Lawson - *Mizuho Securities USA - Analyst*

Wonder if you'd give any more color around the increased detailing that you've seen with AbbVie?

Doug Michels - *OraSure Technologies, Inc. - President & CEO*

Well I think the only color we can provide is that AbbVie as we indicated last quarter has stepped up their activity and they're back providing primary or secondary details into the physician office market per the agreement. We've spent time refreshing training with their organization and with ours and the two organizations continue to work together in the field to promote both their rapid tests as well as the patient support program. So it's back being executed as we indicated and anticipated.

Peter Lawson - *Mizuho Securities USA - Analyst*

Then just any color, additional color you can give around the refocusing of the co-promotes with AbbVie and where is that headed? Wonder if you could elaborate upon the market challenges, anything new emerging?

Doug Michels - *OraSure Technologies, Inc. - President & CEO*

No, I don't think it's anything new, but clearly there have been challenges in terms of encouraging adoption, in terms of transitioning from interest to deployment. We've taken steps through the training to streamline some of those processes with AbbVie to make it easier, both for their organization as well as ours to implement training at a more timely basis. Certainly there have been challenges on the broader therapeutic front with authorizations and challenges like that with insurers. But you know those things are working through the system.

One thing is for certain these drugs, whether delivered by Gilead or AbbVie are working. People that have been chronically infected are getting cured. All indications are is that we continue to work through the large number of warehouse patients that have been previously diagnosed and as we continue to work through that patient population, the interest in identifying new patients is going to continue to increase.

Peter Lawson - *Mizuho Securities USA - Analyst*

Great. Thank you so much.

Operator

Thank you. Nicholas Jansen, Raymond James.

Nicholas Jansen - *Raymond James & Associates - Analyst*

Hey, guys, nice job on the quarter and the guide. A couple quick questions. First, on the strength in DNA Genotek, just wanted to kind of get a better sense. I think, Ron, you said that the academic customer revenue might step down sequentially. But you know bigger picture, you know is this an asset that continues to surprise more and more every quarter. You know how should we think about the sustainability of the long-term revenue here? More importantly, as you add more product to the platform with the microbiome and think along those lines, how do we think about those being incremental to the revenue trajectory?

Doug Michels - *OraSure Technologies, Inc. - President & CEO*

Yes, so Nick, this is Doug. I mean I think if you look at the long-term prospects, we're very bullish on the future growth opportunities for the molecular collection business. In the quarter, we saw strength both academic and commercial. The academic strength is a little bit of timing of orders. So that's why we indicated that we're probably going to see a decrease in revenues from the academic market in Q3. But still, business is very strong.

Commercial was up significantly. We highlighted the order from 23andMe in the quarter that, or the contribution from 23andMe in the quarter that we didn't have in Q2. We also secured a couple of new significant customers, particularly in the breast cancer screening area. One of those was substantial such that they placed a large order on us in the quarter. Some of that is stocking. Some of that is to provide our collector to their customers. We expect that customer to continue to purchase through the remainder of the year, probably not at the same level that they did in Q2, but again, significant contributor to the business.

With regard to new products, we did realize about $100,000 from contribution from the microbiome in the quarter. We have a lot of interest in that product offering and we expect that's going to continue throughout the remainder of 2015. I caution that I really -- I don't expect significant contribution from that product line this year as we continue to validate its value. But interest level is extremely high and we expect that will contribute more substantially in 2016. The OMNIgene sputum product directed to the tuberculosis market, wow, I mean it's, it's the hands of researchers all around the world. We're beginning to generate data on the performance of that product that is in the early days very encouraging. But once again, it's not going to contribute in any significant way to revenues in 2015 but will begin in 2016 and probably a little bit more towards the end of 2016 and into 2017. So, the business is very healthy and the team's really doing a good job managing both the revenue as well as the expense line at DNA Genotek.

Nicholas Jansen - *Raymond James & Associates - Analyst*

That's good to hear. Then secondly, Ron, the strength in gross margin, I would assume some of that has to do with mix, HCV bouncing back, DNA Genotek obviously quite strong. Just wanted to get a better sense of and then you had the royalty increment, the royalty from the BARDA contract. But just wanted to kind of get your views of how we should be thinking about gross margins over the near to intermediate term?

Ron Spair - *OraSure Technologies, Inc. - COO & CFO*

Sure, so your observations are spot on, Nick. The mix did contribute and certainly the magnitude of the other revenues, the amortization of the exclusivity payments as well as the BARDA revenues contributed approximately 500 basis points of a difference between 2014's Q2 and 2015's Q2. Looking forward, I think some of -- I mean a lot of that will be sustainable from the exclusivity payments as well as ongoing contributions from BARDA, assuming obviously that we continue to work with them, which we have every expectation of doing so. Then it'll come down to the mix and the contribution from DNA Genotek, HCV revenues as you point out and the magnitude and proportion of them in relation to the other pieces of the business. So looking at it, we feel comfortable that gross margins can comfortably stay in the mid 60's and on occasion trend up towards the higher 60's when we have the kind of mix that we had in Q2.

Nicholas Jansen - *Raymond James & Associates - Analyst*

That's great to hear. Then lastly, Doug the HIV franchise, you know obviously is going from some pressure associated with next-generation devices and tests and I was wondering if there was anything that you could do either from an FDA standpoint in terms of enhancing your product capabilities or from a competitive standpoint in terms of pricing or something along those lines where you can see less pressure than down low teens that you've seen the first half of this year? Thanks.

Doug Michels - *OraSure Technologies, Inc. - President & CEO*

Yes, so you know we've indicated previously that we were going to -- we expected continued pressure on that business at least you know for the remainder of this year. Revenues were soft in the public health and hospital market. Our business in the physician office lab was up actually.

It's a challenging situation with challenges on the funding front. Point of care, HIV testing is actually down here in the United States with this migration to lab-based, fourth-generation test systems. Hate to say this, but it's true and it's a good thing, incidence is down, right. So as, you know, we've made progress over the years with testing more people and identifying more positives, incident HIV infection continues to decrease here in the United States. The number of people who are unaware of their infection continues to be reduced and that all puts pressure on the HIV testing business.

Obviously being a leader in rapid point of care testing here in the United States, we get disproportionately impacted. We have been able to maintain our pricing pretty effectively and we're going to continue to try to manage that as best we can. We are looking for growth opportunities where we can leverage the technology advantage we have with HIV and Hepatitis C from a deployment, execution, ease-of-use perspective. Then we believe there's some opportunities on the international front. So we're still swinging hard at the ball, but like I said we expect to have continued pressure on that franchise for the rest of this year for sure.

Nicholas Jansen - *Raymond James & Associates - Analyst*

All right, guys. Thanks so much. Nice job.

Operator

(Operator Instructions) Mark Massaro, Canaccord Genuity.

Unidentified Participant

Hi, this is Dave, filling in for Mark. How are you guys doing?

Doug Michels - *OraSure Technologies, Inc. - President & CEO*

Hi, Dave. Doing fine. How are you?

Unidentified Participant

Good, good. So, just wanted to ask just on the strategic front, is there any sort of opportunity you're looking for in the M&A front? What sort of areas I think we would or do you think would sort of benefit you right now?

Ron Spair - *OraSure Technologies, Inc. - COO & CFO*

Yes, so, Dave, it's Ron here and we are actively looking and evaluating a number of different opportunities out in the marketplace. We are, as we have talked about before, looking at products, licensing of products and/or technologies, companies that would generally complement what we're doing in the DNA Genotek area, but more in the molecular than in the immunoassay area. So, we continue to look but we are maintaining our discipline as far as criteria to move forward and execute a transaction.

Unidentified Participant

Great. Thanks. Then on DNA Genotek, can you maybe highlight some of the high profile wins or if not that, I know you've given some sort of the customer types, but maybe just on a go-forward basis, maybe some of the areas that you're looking into for new customers on the DNA Genotek.

Doug Michels - *OraSure Technologies, Inc. - President & CEO*

Yes, for competitive reasons, you know we're reluctant to disclose who some of these new customers are. But suffice it to say, you know big focus area has been in the pharmacogenomics area, in the carrier screening area, in reproductive medicine, and then of course more broadly on the academic front. So, pretty broad focus, but certainly those areas that I highlighted represent we believe to be some of the bigger opportunities in the growth areas for DNA Genotek's business.

Unidentified Participant

Great, thanks. Congratulations on a good quarter.

Operator

Thank you. (Operator Instructions) That looks like everybody is in the queue at this time. So I'd like to turn the call back over to Doug Michels for closing comments.

Doug Michels - *OraSure Technologies, Inc. - President & CEO*

Okay, I just want to thank everybody for dialing into our call this afternoon and appreciate your time. Look forward to updating you on our Q3 performance in a few months. Have a great afternoon and evening, everyone.

Operator

Ladies and gentlemen, thank you again for your participation in today's conference. This now concludes the program and you may all disconnect your telephone lines at this time. Everyone have a great day.
