**Company Participants**

Michael Brophy - Chief Financial Officer

Steve Chapman - Chief Executive Officer

Solomon Moshkevich - President, Clinical Diagnostics

Alexey Aleshin - General Manager of Oncology & Chief Medical Officer

John Fesco - President & Chief Business Officer

**Conference Call Participants**

Subbu Nambi - Guggenheim

Puneet Souda - Leerink Partners

David Westenberg - Piper Sander

Tejas Savant - Morgan Stanley

Doug Schenkel - Wolfe Research

Matt Sykes - Goldman Sachs

**Operator**

Ladies and gentlemen, thank you for standing by. My name is Desiree, and I will be your conference operator today. At this time, I would like to welcome everyone to the Natera Inc. Fourth Quarter 2023 Earnings Call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer session. [Operator Instructions]

I would now like to turn the conference over to Michael Brophy, Chief Financial Officer. Please go ahead.

**Michael Brophy**

Thanks, operator. Good afternoon. Thank you for joining our conference call to discuss the results of our fourth quarter of 2023. On the line, I'm joined by Steve Chapman, our CEO; Solomon Moshkevich, President, Clinical Diagnostics; and Alexey Aleshin, General Manager of Oncology and Chief Medical Officer. John Fesco, President and Chief Business Officer is also on the line and will be available for Q&A.

Today's conference call is being broadcast live via webcast. We will be referring to a slide presentation that has been posted to investor.natera.com. A replay of the call will also be posted to our IR site as soon as it's available.

Starting on Slide 2, during the course of this conference call, we will make forward-looking statements regarding future events and our anticipated future performance such as our operational and financial outlook and projections, our assumptions for that outlook, market size partnerships, clinical studies and expected results, opportunities and strategies and expectations for various current and future products including product capabilities, expected release dates, reimbursement coverage and related effects on our financial and operating results.

We caution you that such statements reflect our best judgment based on factors currently known to us and that actual events or results could differ materially. Please refer to the documents we file from time to time with the SEC, including our most recent Form 10-K or 10-Q and the Form 8-K filed with today's press release. Those documents identify important risks and other factors that may cause our actual results to differ materially from those contained or suggested by the forward-looking statements.

Forward-looking statements made during the call are being made as of today, February 28, 2024. If this call is replayed or reviewed after today, the information presented during the call may not contain current or accurate information.

Natera disclaims any obligation to update or revise any forward-looking statements. We will provide guidance on today's call, but will not provide any further guidance or updates on our performance during the quarter unless we do so in a public forum. We will quote a number of numerical growth changes as we discuss our financial performance. And unless otherwise noted, each such reference represents a year-on-year comparison.

And now, I'd like to turn the call over to Steve. Steve?

**Steve Chapman**

Great. Thanks, Mike. Natera is focused on transforming the diagnosis and management of disease worldwide. Our growth is driven by combining our innovative technology with significant peer reviewed clinical evidence that supports the utility of our products. We've had a lot of great news since our presentation at the JPMorgan conference and we're excited to get into the highlights.

We finished Q4 with $311 million of revenue, which was $11 million ahead of the preannouncement we made in January and represents 43% growth over Q4 of 2022. Full year revenues were $1.080 billion an increase of more than 30% compared to 2022.

On volumes, we processed 2,496,000 tests in 2023, which is roughly 6,000 units ahead of the preannouncement. We processed 341,000 oncology tests in 2023, representing year-over-year growth of 73.5% and we also saw strong growth metrics in women's health and organ health. Gross margins in Q4 came in at 51.4%, compared to our Q1 margin of 39.9%. We finished the full year at 45.5% above the top end of the Q3 guide.

As Mike will cover later in the call, we had some revenue true ups and lab savings in Q4 that don't repeat every quarter. We estimate organic revenues in Q4 were roughly $306 million and gross margins were roughly 49%, which still represents a significant improvement versus previous quarters. And as we discussed at the JPMorgan conference, we also made great progress on cash burn throughout the course of the year, ultimately reducing our cash burn by roughly $193 million in 2023 compared to 2022.

The guidance for 2024 reflects the continued momentum in the business that generated these very strong results in 2023. We are guiding revenues of $1.320 billion to $1.350 billion gross margins of 50% to 53% and cash burn for the full year of $50 million to $75 million. On cash, we estimate we will be cash flow breakeven by Q3 or sooner. What's most impressive is we will be achieving this cash flow breakeven quarter while still making very significant investments into our core business.

You'll see later in the guidance that our investment in research and development and commercial operations remains robust in 2024. This includes major investments in core product enhancements and line extensions, plus potentially guideline enabling clinical trials that we believe could benefit patients in the years to come. We can do this because our core fundamentals are so strong. We're in large expanding markets, our volume is growing rapidly and our margin is expanding with ASP increasing and COGS going down.

I'll now hit a few other highlights before we go into more details on each. First, we think our recent acquisition of Invitae's women's health assets is well timed given the clinical value of expanded carrier screening and the strong trends we are seeing there and we're feeling positive about our progress on the acquisition thus far.

In organ health, we're building momentum as we complete enrollment and readout major innovative clinical trials. We'll be talking today about some big first of their kind perspective studies in donor derived cell free DNA and how they may positively impact patient care.

Finally, in oncology, earlier this week, we were pleased to announce that the MolDX has expanded coverage for Signatera to neoadjuvant monitoring in breast cancer and separately for MRD and recurrence monitoring in ovarian cancer. We've had a drumbeat of exciting clinical developments across a range of indications including CRC, muscle invasive bladder cancer and breast cancer.

I'm excited for Alex to also talk about the modern study in bladder cancer, which just enrolled its first patient a few weeks ago. Finally, we've had a string of good results on the IP front that I think puts us in an excellent position in 2024 and beyond.

Okay, great. Let's get into details of the results on the next slide. Revenues exceeded our expectations at $311 million driven by continued strong volume growth and excellent ASP traction across the business, particularly in women's health and oncology. We previously had a goal to get oncology ASPs above $1,000 by the end of 2024 and we actually hit that level in Q4 of 2023.

That's great news because we now think we can get a full year's benefit of higher ASPs in 2024 and we think there's still room to drive Signatera clinical ASPs another $50 to $75 higher just by continuing to execute on currently covered indications. Of course, this week's announcement on new Medicare coverage will help us as well.

The commentary on women's health ASPs is broadly similar. We saw encouraging sequential quarterly progress throughout the course of 2023 and preliminary analysis of Q1 trends suggest that we are on track for continued improvement so far in 2024. Volume was a strong driver of Q4 performance as well and you can see the annual volume trend on the next slide. As mentioned earlier, we came in 61,000 units ahead of our preannouncement in January.

I have a separate slide on oncology coming up, so I'll focus on women's health and organ health here where we saw strong growth in the full year 2023. As the year ended, we saw an acceleration of women's health including hitting a record units per receiving day in December. This strong momentum carried into January as well and that was prior to the acquisition of Invitae's women's health assets where we're just now starting to see volume come in.

In organ health, as the year progressed, we saw a return to growth in the donor derived cell free DNA business after the initial pullback in early 2023 due to the coverage changes. We think we're well positioned going forward in donor derived cell free DNA to compete given the significant body of peer reviewed evidence that we generated and the unique features of our tests. Also, we continue to see strong interest in Renasight after the RenaCARE publication. This momentum is great and we're off to a fast start across women's health, organ health and oncology.

On the next slide, we're showing the ramp of our oncology business, which continues to outperform. In Q4, we did 98,000 units, another strong sequential quarter increasing by 9,000 clinical units over Q3 of 2023. For the full year of 2023, the growth rate was 73.5% over 2022.

We're continuing to see strong growth across the core indications including colorectal cancer, breast cancer, muscle invasive bladder cancer and immunotherapy monitoring even as we add new indications. Roughly 40% of oncologists used Signatera in Q4, which shows the strong clinical utility of the test and we have strong momentum going into 2024.

Just as critical as revenue and volume growth is the gross margin traction we are seeing. I think this slide is a good snapshot of the business maturing. Over the course of the year, our ASP and COGS initiatives delivered above our expectations, particularly in Signatera, ASP and COGS, both of which improved over the course of 2023.

As I mentioned at the top of the call, we think the underlying repeatable gross margin in the quarter was roughly 49%. Our 2024 guide implies meaningful continued gross margin improvements based on ASPs and cost drivers that are within our control.

In addition, we've also got a number of potential upside drivers to both revenue and gross margin that we'll discuss later in the call that aren't included in our guide. So the net result of strong revenue growth and expanding margins on stable operating expenses is a dramatic reduction in cash burn we achieved in 2023.

This is essentially in line with the data we released in January. As discussed previously, we accelerated a chunk of 2024 scheduled CapEx in December to take advantage of some large year-end discounts, which has helped us set up for an efficient year in 2024. Two years ago, we set a long-term target to get a cash flow breakeven quarter this year and based on these results plus the early data we are seeing so far in Q1, we are confident that we can reach that milestone by Q3 of this year if not sooner.

Of course, cash flows are dependent in part on payer response times to submitted claims and so are inherently difficult to forecast with precision on a quarterly basis. But the point is that we're continuing to build momentum and our confidence in achieving this goal is stronger than ever.

Finally, I think anyone that follows this space has taken note of our results on the IP front. Since we created the category of tumor informed MRD in 2017, we've had 2 companies attempt to follow us into the space, requiring us to enforce our IP against them. The good news is that they've now both been enjoined for violating our IP. The permanent injunction against Archer and Invitae was ordered after the conclusion of a jury trial and then subsequently a preliminary injunction was entered against NeoGenomics.

One notable point about these results is that different sets of patents and different judges are at issue in each of these cases, which I think demonstrates the strength of the IP estate that protects our core technology. The Natera's IP litigation offers another case in point, which generated a sizable jury verdict for damages based only on past infringement of our patents. The process is still ongoing to determine whether future royalties will be awarded.

And on the Ravgen trial, we were found to not willfully infringe and the damages awarded were obviously much lower than what Ravgen was requesting, but we still respectfully disagree with the outcomes of the trial and we plan to appeal certain of the rulings.

Okay. Now, let me hand it over to Solomon to discuss updates in women's health and organ health. Solomon?

**Solomon Moshkevich**

Thanks Steve. Let's start with the Invitae deal.

First, recall we secured a judgment on past damages in our Archer IP litigation of roughly $20 million. We anticipated that it could be difficult to collect that amount from Invitae given their financial issues. So we applied that judgment amount as part of the consideration in this deal.

We also paid Invitae $10 million upfront and if we have excellent retention of Invitae's accounts, there's a potential milestone payment that we can make of up to $22.5 million. We would be very happy to make that payment because it would mean that the deal is working extremely well for us.

As a reminder, we did not take on any of Invitae's products, its lab operations, nor its physical assets. We did hire roughly 30 of their women's health sales reps and our goal is to provide a seamless transition of those Invitae accounts to Natera's Panorama and Horizon products. Our team is working hard to retain as much volume as we can and we're doing well.

We expect to retain at least $20 million to $25 million in high quality recurring revenue per year, but we think there is a potential to increase that up to $50 million to $60 million depending on how things go, especially if we see clinical practice guidelines for expanded carrier screening or 22q, which we think could come as soon as this spring and would provide upside to these numbers. So we think the deal rationale is strong and we look forward to providing more updates as the year progresses.

One of the keys to our offering in women's health is our highly differentiated screening test for the 22q microdeletion. As 22q goes into societal guidelines and becomes commonplace as we believe it will, the differentiation that Natera has in its 22q test is going to become increasingly valuable. When we run our test, we're using our core SNP-based technology that allows us to target this very small region of the genome, which is around 2.5 to 3 megabases.

This allows us to get over 25x more observations in this particular region of interest than companies doing massively parallel shotgun sequencing, which creates a significant technical advantage that has translated into excellent clinical performance as demonstrated in the SMART trial.

We think the SMART trial represents the gold standard in clinical validation that would be very hard to repeat. As a reminder, SMART was a 7-year multicenter prospective trial that enrolled more than 20,000 patients and collected genetic outcomes from prenatal specimens and newborn blood spots. In this trial, Panorama demonstrated overall clinical sensitivity of 83% and specificity of 99.95%, which translates to PPV of 52.6% overall and a PPV of 100% in cases with ultrasound anomalies.

As 22q has gotten more attention in the wake of a strong guideline from ACMG and anticipated guidelines from ACOG, we have noticed competitors starting to present datasets with PPV metrics that look high, but with screen positive rates that are low or completely unreported. In one report from a lab doing shotgun sequencing, the screen positive rate was approximately 1 in 6,500, which is 3 or 4 times lower than the expected population incidence, suggesting that they might be missing a significant number of affected pregnancies.

In addition, other labs are making comparative claims based on patient cohorts that had very high rates of ultrasound findings, where we saw PPV of 100% in the SMART trial, as I mentioned previously. In our view, a test is not appropriate for population screening if you don't know the clinical sensitivity and [indiscernible]. These are typical marketing tactics that we've seen before and we do think physicians will see through it.

Moving now into carrier screening, we've seen really strong adoption in the past year and we believe we're the number one ordered next gen sequencing based carrier screening test in the United States. Our mix of broader panels increased after the exit of 704 from the market in late 2022. And we are finding that quite a few of the new transitioning Invitae accounts also have a strong mix of broad panels.

So in addition to our existing portfolio, we are really pleased to be launching a new 613 gene panel and a totally flexible custom panel option to serve these customers. Horizon provides high detection across all genes, including the challenging ones where other labs may struggle. With these new panels together with our investments in variant curation, our genetic counselor team and lab automation, we think Horizon is well positioned to remain a leader in the field. Broad panel carrier screening is also a hot topic for ACOG, where we expect to see an expanded guideline in 2024.

Turning now to organ health, where we are excited about the prospects for 2024 and beyond. We think the strength of our clinical data, our commercial execution and our intellectual property estate enables us to compete for the leadership position in this space. Our clinical data generation in organ health has been prodigious in the last 5 years, where we now have 39 papers published or accepted in top journals.

In the heart indication, we recently had our third paper accepted for publication, the Trifecta Heart Study, which demonstrated strong correlation between Prospera and endomyocardial biopsy assessed with the molecular microscope. Reporting an area under the ROC curve of 0.9. You can see in these 3 high quality data sets on the page the consistent performance across the Trifecta, DTRT and DEDUCE trials, including in adults and pediatrics.

This performance laid the foundation for us to start the randomized controlled ACES trial, which aims to show the non-inferiority of using surveillance with Prospera compared to surveillance biopsies that most centers do on a monthly basis in the first year after a heart transplant. Sites are preparing for their first enrollment this summer.

Now in the kidney transplant space, we have finished enrollment of 3 major trials, proactive, pedal and motor. Our first paper from the proactive study has now been accepted, showing that Prospera can detect active rejection up to 4 months ahead of biopsy. No other cell free DNA lab has lead-time data like this and we think this data might support payer coverage in the surveillance setting. We look forward to this publication and we're already working on additional readouts from this study.

Moving on to the pedal trial with over 500 patients enrolled from 28 different sites, this is an important prospective utility study aiming to show how Prospera can be used serially after a rejection event to predict therapeutic response and outcomes. We believe this study can bring significant value to the field for this important indication.

Finally, the motor study is generating novel clinical validity data showing the performance of Prospera in cases of multi organ transplantation, including kidney heart, kidney pancreas and kidney liver. We expect these key trials to extend our data leadership in a meaningful way, so we're excited about 2024.

Moving now to oncology. Signatera continues to benefit from a significant first mover advantage across multiple areas. The first is our significant leadership in technology and innovation, as exemplified by our strong IP portfolio and two recent favorable injunction decisions. We continue to invest in new innovation projects with multiple MRD related products that we plan to launch in 2024 and 2025. We also continue to invest in expanding our market leading clinical portfolio.

Now with 70 peer reviewed oncology publications to date and multiple prospective randomized trials ongoing, many of which were designed several years ago, we believe this pipeline will continue generating data over the coming years that can become practice changing. In market access and reimbursement, today Signatera test is covered by Medicare and a growing number of private payers in colorectal cancer, bladder cancer, breast cancer and pan cancer eye immunotherapy monitoring. We have now added ovarian cancer to that list, which Alex will cover in greater detail in a moment. This broad coverage allows oncologists to use Signatera across the majority of their patients.

Finally, I want to highlight the operational capabilities that we've developed over nearly half a decade of experience. I believe many in the field discount the complexity of delivering tumor informed and personalized MRD results back to physicians and patients in a timely manner and at scale. There is a real experience curve here, which is not easy to replicate.

We continue to expand and refine these capabilities through improvements to the turnaround time, expansion of our mobile phlebotomy services, integration into electronic medical records, and the launch of industry leading digital solutions for patients and physicians.

Now, I want to hand the call over to Alex to cover recent clinical updates. Alex?

**Alexey Aleshin**

Great. Thanks, Solomon.

Turning now to key indications. In colorectal cancer, there are multiple events worth noting. We reported the first data from our BESPOKE-CRC registry study, which enrolled patients across more than 100 centers in the United States. The study's initial results were presented at ASCO GI this year and showed exceptional asset performance consistent with prior readouts.

Additionally, for the first time, it was shown that Signatera testing markedly reduced patient anxiety and over 73% of respondents. Additionally, 96% of participants reported that they wanted to continue using Signatera going forward.

The next study I wanted to highlight is the INTERCEPT trial that was done by MD Anderson Cancer Center with over 1,100 patients tested using commercial Signatera. The observational component of this study was able to characterize the impact of Signatera testing on a routine clinical practice and showed a median DFS of approximately 5.6 months between Signatera positivity and clinical relapse.

Interestingly, the investigators also presented preliminary results from the Phase II TAS-102 substudy, which enrolled 13 patients to receive TAS-102 based on a positive Signatera result. Despite the small sample size, the study is notable since TAS-102 is the same drug being used in the randomized perspective ALTAIR study.

The exciting finding was that 54% of patients had CK clearance at 3 months, suggesting high single agent activity of TAS-102 in this patient population. Compared to an untreated Signatera positive population, where our data suggests has spontaneous clearance freight should be around 3% to 4%. Additionally, this study reported a median disease-free survival of 9 to 4 months, which compares favorably to the 5.6 months I presented a moment ago from the broader observational cohort.

Though we know the study was not randomized. We believe this all provides a positive signal for the ALTAIR study. We expect the top line readout from the ALTAIR trial in Q3 of this year with full results being presented and perhaps concomitantly published in Q4. If the study is positive, we expect it to be practice changing in the U.S., in Japan and likely, many other countries.

Next, let us review our progress towards key catalysts in bladder cancer. Just to remind everyone, we currently have Medicare reimbursement, both in the neoadjuvant and recurrent sponsoring settings. While we do not talk about bladder cancer often with around 35,000 new patients being diagnosed every year, we believe this indication could become highly penetrated and well reimbursed pending the readout of the 2 studies highlighted on this slide.

We have previously discussed the randomized, placebo-controlled global IMvigor011 study that is being done in collaboration with Genentech. The study continues to enroll well, and if the readout is positive, it would form the basis for our first Signatera FDA submission, likely in the second half of 2025. We believe the advanced status of our work with the FDA gives us an advantage.

We also want to find that the prospective nonrandomized DFS data from the Signatera negative arm of this study will be presented in oral format at the European Association of Urology Conference later this year, and it may create an interim commercial tailwind is it shows convincing data that Signatera negative patients have good outcomes, especially if an improvement is noted beyond the great results we already saw in the IMvigor010 data set published in 2021.

We are also pleased to announce the MODERN study being done in collaboration with the NCI funded Alliance Group. The lead PI of the study is Dr. Matthew Golsky, a leading expert in this space, and the study design is a testament to his and Alliance's leadership and forward thinking. With the study incorporating both an escalation and a de-escalation cohort, similar to design of the CIRCULATE trial in colorectal cancer.

The de-escalation cohort has multiple similarities to the VEGA study and if it meets its primary end point, could have significant implications for patient management, making it possible to reduce unnecessary and expensive treatment in the MRD-negative patient population.

Moving on to the next slide. We were excited this week to announce expansion of Medicare's coverage of Signatera to include ovarian cancer as well as the neoadjuvant setting in breast cancer.

Ovarian cancer affects close to 20,000 women per year in the United States has a median age of diagnosis of 63 years and is the fifth leading cause of cancer death in women. Current tools, including imaging and biomarkers such as CA-125, are inadequate to guide adjuvant and surveillance decisions in Stage 2 to 4 disease.

Based on the tariffs perspective, multicenter study evaluating 69 patients across over 160 time points, we reported longitudinal sensitivity and specificity of 100% to detect recurrence with an average lead time of around 10 months.

In breast cancer, as a reminder, Signatera has already been reimbursed in the postoperative setting for Stage IIb and higher patients regardless of disease subtype. What's interesting is that up to 50% of all resectable Stage 2 to 4 breast cancer patients currently receive neoadjuvant therapy, which is any treatment prior to surgery, both to improve surgical outcomes and to assess the tumor sensitivity to systemic therapy.

However, as the NCCN guidelines themselves now, current tools available for assessing new adjuvant treatment response are not perfect. Signatera has been extensively validated in this setting, particularly through our collaboration with ISPY-2 consortium, which is a leading group we have now been working with for over half a decade to study how bespoke CTA dynamics in the neoadjuvant setting can further improve on existing methods.

In a study of over 280 patients and over 1,000 time points, we have shown that early Signatera clearance was highly predictive of therapy response, and persistent ctDNA detection was associated with 4 surgical response as well as a very poor distant relapse-free survival. We believe this expanded coverage can help inform care for tens of thousands of patients every single year.

These coverage determinations are a great way to start the year. Especially as biomarker legislation kicks in across multiple states. We look forward to additional indications from MolDX in 2024 based on our published clinical data.

Now, let me hand the call over to Mike to cover the financials. Mike?

**Michael Brophy**

Great. Thanks, Alex.

The first slide here is just a summary of our Q4 results compared to Q4 last year. Steve hit some of the highlights already. Revenues were up 43% and gross margins expanded by almost 10 full percentage points. On revenues, we estimate that we had roughly $5 million in true-up beyond what we typically get in a quarter that contributed to the $311 million in total revenues. So I would estimate the organic revenue number to be roughly $306 million.

Steve also mentioned some lab-related savings that helped gross margins in the quarter. The way the holiday landed this year with the entire last week of December bracketed by Christmas and New Year's meant that we have fewer cases coming in from customers that last week of the quarter. And so didn't experience a typical COGS-related expenditures, we would normally expect in a week.

It takes about a week for us to report out most of our tests so this resulted in slightly lower COGS expenses, but did not significantly impact revenue, which is only accrued on reported units.

Netting all of that benefit out from our Q4 gross margin of 51.4% gives you our estimate of roughly 49% repeatable gross margins, which, of course, still represents a huge sequential step-up from Q3 of '23. We were able to drive these results on operating expenses that were stable compared to 2022.

As Steve described, we've invested heavily to build the critical infrastructure needed to rapidly scale the business, and we believe we're in a position to drive significant future innovation with relatively modest increases in operating expenses from our current levels. This combination of expanding revenues and improving margins on stable expenses fits precisely with the multiyear strategy we've laid out in the past.

The net result of that is that we cut our Q4 loss per share by more than half compared to Q4 2022, and now have clear line of sight to a cash flow breakeven quarter as Steve described.

Okay. That's a good segue to the guidance on the next slide. We're excited to be initiating the revenue guide at $1.32 billion to $1.35 billion, gross margins at 50% to 53%. And with relatively stable operating expenses leading to another dramatic reduction in our cash burn.

While there are a lot of variables that will cause cash flow to fluctuate from quarter-to-quarter, we now believe we can get to a cash flow breakeven quarter by Q3, if not sooner. This cashes in a steady continuation of the strong underlying trends in volumes, ASPs and COGS we've seen over the past year but does not rely on upside drivers from potential guideline changes, any spike in volumes from further Signatera data or any meaningful benefit from the biomarker legislation in the calendar year.

And it's just a modest contribution from the recent MoIDX coverage decisions. That approach leads to a fairly cautious guide on further margin expansion. I would expect to start the year in the high 40s, consistent with our organic estimate for Q4, with the goal of getting gross margins to the top end of the range and possibly beyond that by Q4 of 2024.

We have also assumed a relatively modest volume contribution from Invitae accounts. We are picking up now, consistent with Steve's base case described earlier, but hope to be raising that forecast as we get more clarity on account retention in the coming months.

In our R&D organization, the team has a steady drumbeat of product launches, clinical trial work, and COGS initiatives slated to launch this year. Once those initiatives are complete, we anticipate having bandwidth to keep driving innovation in future years without large increases in spending.

The SG&A guide includes the pickup of the Invitae sales reps and several other product launch initiatives we have slated for this year. So at the midpoint of the guide, we are forecasting revenue growth well above 20%, about 650 basis points expansion in the gross margin against annual 2023 full year actual margins and operating expense growth of about 4%.

Those of you that have followed us for a few years know that we prefer to start the year with a guide that feels challenging but achievable to us. And I think there are several sources of upside that could allow us to outperform once again this year. And that's another good segue to the next slide, which just summarizes those catalysts.

We are making great progress on ASP's volume growth in COGS in our core business, as I just described. And I'm looking forward to sharing our progress on earnings calls this year as we continue to just execute on the initiatives within our control. If we can do that, I think we are in a position to outperform once again in 2024.

Beyond that, we have some potentially significant catalysts on TAP. Of course, we have the potential guideline expansion in carrier screening in 22q that Steve described earlier in the call. The timing of those updates are always uncertain and subject to change. But tentatively, you could see some society guideline updates as early as this spring.

In oncology, we are working to expand MolDx coverage to several additional tumor types and the advent of biomarker legislation in a number of heavily populated states creates an opportunity to drive commercial coverage higher for Signatera in those states.

We are excited about the ALTAIR CRC escalation in treatment on molecular relapse study readout in colorectal cancer that Solomon touched on in his remarks, which we expect to get in the summer or early fall as he described. And finally, we are really excited about a number of significant product launches in women's health and oncology we have planned for this year.

Consistent with our typical practice, we will dive into each of those product launches in the first earnings call post the launch. So in summary, I don't think we've ever been in a stronger position to start the year, and we are very pleased to be sharing these updates with you.

So let me now hand the call over to the operator for questions. Operator?