

## illumina Reports Financial Results for Second Quarter of Fiscal Year 2025

- Revenue of \$1.06 billion for Q2 2025, down 3% from Q2 2024 on both a reported and constant currency basis
- GAAP operating margin of 20.2% and non-GAAP operating margin of 23.8% for Q2 2025
- GAAP diluted EPS of \$1.49 and non-GAAP diluted EPS of \$1.19 for Q2 2025
- Cash provided by operations of \$234 million and free cash flow of \$204 million for Q2 2025
- For fiscal year 2025, we now expect:
  - Total company constant currency revenue decline in the range of (2.5%) to (0.5%), up from (3%) to (1%) previously
  - Non-GAAP operating margin of approximately 22% - 22.5%, up from 21.5% - 22.0% previously
  - Non-GAAP diluted EPS in the range of \$4.45 - \$4.55, an increase from our May guidance of \$4.20 - \$4.30. This includes a benefit of approximately 10 cents from recently passed legislation that allows U.S. based R&D spend to be tax-deductible
- In the quarter, repurchased approximately 4.5 million shares of Illumina stock for \$380 million at an average price of \$84.66 per share
- Entered into a definitive agreement to acquire SomaLogic from Standard BioTools; transaction expected to close in the first half of 2026, subject to regulatory approval

San Diego, July 31, 2025 /PRNewswire/ -- Illumina, Inc. (Nasdaq: ILMN) ("Illumina" or the "company") today announced its financial results for the second quarter of fiscal year 2025.

"The Illumina team again delivered results that exceeded our guidance, driven by the continued ramp in X consumables, as well as accelerating growth in clinical, our largest customer segment" said Jacob Thaysen, Chief Executive Officer. "In research, we are actively helping our customers navigate a constrained funding environment. Even in these challenging conditions, the team's focus on operational excellence helped drive margin expansion, enabling us to increase our expectations for the year."

### Second quarter Core Illumina segment results

|                                                      | GAAP     |          | Non-GAAP (a) |          |
|------------------------------------------------------|----------|----------|--------------|----------|
|                                                      | Q2 2025  | Q2 2024  | Q2 2025      | Q2 2024  |
| <i>Dollars in millions, except per share amounts</i> |          |          |              |          |
| Revenue (b)                                          | \$ 1,059 | \$ 1,092 | \$ 1,059     | \$ 1,092 |
| Gross margin (c)                                     | 65.6 %   | 68.0 %   | 69.4 %       | 69.4 %   |
| Research and development (R&D) expense               | \$ 247   | \$ 241   | \$ 243       | \$ 241   |
| Selling, general and administrative (SG&A) expense   | \$ 234   | \$ 60    | \$ 241       | \$ 275   |
| Operating profit                                     | \$ 214   | \$ 442   | \$ 252       | \$ 242   |
| Operating margin                                     | 20.2 %   | 40.5 %   | 23.8 %       | 22.2 %   |
| Tax provision                                        | \$ 71    | \$ 35    | \$ 54        | \$ 55    |
| Tax rate                                             | 23.4 %   | 35.0 %   | 22.2 %       | 24.2 %   |
| Net income                                           | \$ 235   | \$ 66    | \$ 187       | \$ 174   |
| Diluted EPS                                          | \$ 1.49  | \$ 0.41  | \$ 1.19      | \$ 1.09  |

- (a) See tables in “Results of Operations - Non-GAAP” section below for GAAP and non-GAAP reconciliations.
- (b) Revenue for Q2 2024 included intercompany revenue of \$9 million prior to the spin-off of GRAIL.
- (c) Non-GAAP gross margin remained flat primarily due to higher freight and duties costs related to tariffs and an increase in field service costs, partially offset by lower strategic partnership revenue, that is lower margin, and a more favorable product mix. The decrease in GAAP gross margin was primarily due to a \$23 million impairment of an acquired intangible asset.

Capital expenditures for free cash flow purposes were \$30 million for Q2 2025. Cash flow provided by operations was \$234 million, compared to \$243 million in the prior year period. Free cash flow (cash flow provided by operations less capital expenditures) was \$204 million for the quarter, compared to \$213 million in the prior year period. Depreciation and amortization expense was \$68 million for Q2 2025. At the close of the quarter, the company held \$1.16 billion in cash, cash equivalents and short-term investments.

Share repurchases for Q2 2025 were \$380 million and the company intends to repurchase incremental shares over the course of the year as part of our approximate \$800 million authorization remaining at the end of the quarter.

### **Key announcements since our last earnings release**

- Launched TruSight Oncology 500 version 2 (TSO 500 v2), an updated version of Illumina’s comprehensive genomic profiling assay for cancer research
- *TIME* named Illumina to its World’s Most Sustainable Companies list for the second year in a row, and *U.S. News & World Report* named Illumina to its Best Companies to Work For list
- Entered into a definitive agreement with Standard BioTools under which Illumina will acquire SomaLogic and other specified assets
- Unveiled PromoterAI, a new AI algorithm that accurately deciphers pathogenic regulatory genetic variants in the noncoding regions of the human genome
- Received approval from Japan’s Ministry of Health, Labour and Welfare (MHLW) for TruSight™ Oncology (TSO) Comprehensive for Class III/IV Medical Device (Specially Controlled Medical Device)
- Launch of DRAGEN™ v4.4 software, the industry’s most comprehensive secondary analysis solution powering clinical oncology research and multiomic applications

A full list of recent announcements can be found in the company’s News Center.

### **Financial outlook and guidance**

The company provides forward-looking guidance on a non-GAAP basis, including on a constant currency basis for revenue and revenue growth rates. The company is unable to provide a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable GAAP reported financial measures because it is unable to predict with reasonable certainty the impact of items such as acquisition-related expenses, fair value adjustments to contingent consideration, gains and losses from strategic investments, potential future asset impairments, restructuring activities, the ultimate outcome of pending litigation, and currency exchange rate fluctuations without unreasonable effort. These items are uncertain, inherently difficult to predict, depend on various factors, and could have a material impact on GAAP reported results for the guidance period. For the same reasons, the company is unable to address the significance of the unavailable information, which could be material to future results.

### **Conference call information**

The conference call will begin at 1:30 pm Pacific Time (4:30 pm Eastern Time) on Thursday, July 31, 2025. Interested parties may access the live webcast via the Investor Info section of Illumina’s website or directly through the following link - <https://illumina-earnings-call-q2-2025.open-exchange.net/>. To ensure timely connection, please join at least ten minutes before the scheduled start of the call. A replay of the conference call will be posted on Illumina’s website after the event and will be available for at least 30 days following.

### **Statement regarding use of non-GAAP financial measures**

The company reports non-GAAP results for diluted earnings per share, net income, gross margin, operating expenses, including research and development expense, selling general and administrative expense, legal contingency and settlement, and goodwill and intangible impairment, operating income, operating margin, gross profit, other income (expense), tax provision, constant currency revenue and growth, and free cash flow (on a consolidated and, as applicable, segment basis) in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The company's financial measures under GAAP include substantial charges such as amortization of acquired intangible assets among others that are listed in the reconciliations of GAAP and non-GAAP financial measures included in this press release, as well as the effects of currency translation. Management has excluded the effects of these items in non-GAAP measures to assist investors in analyzing and assessing past and future operating performance. Non-GAAP net income, diluted earnings per share and operating margin are key components of the financial metrics utilized by the company's board of directors to measure, in part, management's performance and determine significant elements of management's compensation.

The company encourages investors to carefully consider its results under GAAP, as well as its supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand its business. Reconciliations between GAAP and non-GAAP results are presented in the tables of this release.

### **Use of forward-looking statements**

This release may contain forward-looking statements that involve risks and uncertainties. Among the important factors to which our business is subject that could cause actual results to differ materially from those in any forward-looking statements are: (i) changes in the rate of growth in the markets we serve, including the proteomics market; (ii) the volume, timing and mix of customer orders among our products and services; (iii) our ability to adjust our operating expenses to align with our revenue expectations; (iv) the completion of the proposed acquisition of SomaLogic, Inc. and certain other assets (the SomaLogic Business) from Standard BioTools Inc. on the anticipated terms and timeline, or at all, including the ability of the parties to obtain required regulatory approvals - such as under the Hart-Scott-Rodino Act in the United States or from government authorities that may have or assert jurisdiction outside the United States - and to satisfy other conditions to closing; (v) our ability to successfully integrate the SomaLogic Business into our existing operations and the SomaLogic Business' technology and products into our portfolio; (vi) our ability to successfully manage partner and customer relationships in the proteomics market; (vii) uncertainty regarding the impact of our recent inclusion on the "unreliable entities list" by regulatory authorities in China and the decision by regulatory authorities in China to not permit us to export sequencing instruments into China; (viii) tariffs recently imposed or threatened by the U.S. government and its trading partners, and other possible tariffs or trade protection measures and our efforts to mitigate the impact of such tariffs; (ix) our ability to manufacture robust instrumentation and consumables, including the SomaLogic Business' products; (x) the success of products and services competitive with our own; (xi) challenges inherent in developing, manufacturing, and launching new products and services, including expanding or modifying manufacturing operations and reliance on third-party suppliers for critical components; (xii) the impact of recently launched or pre-announced products and services on existing products and services; (xiii) our ability to modify our business strategies to accomplish our desired operational goals; (xiv) our ability to realize the anticipated benefits from prior or future actions to streamline and improve our R&D processes, reduce our operating expenses and maximize our revenue growth; (xv) our ability to further develop and commercialize our instruments, consumables, and products; (xvi) to deploy new products, services, and applications, and to expand the markets for our technology platforms; (xvii) the risk of additional litigation arising against us in connection with the GRAIL acquisition; (xviii) our ability to obtain approval by third-party payors to reimburse patients for our products; (xix) our ability to obtain regulatory clearance for our products from government agencies; (xx) our ability to successfully partner with other companies and organizations to develop new products, expand markets, and grow our business; (xxi) uncertainty, or adverse economic and business conditions, including as a result of slowing or uncertain economic growth or armed conflict; (xxii) the application of generally accepted accounting principles, which are highly complex and involve many subjective assumptions, estimates, and judgments and (xxiii) legislative, regulatory and economic developments, together with other factors detailed in our filings with the Securities and Exchange Commission, including our most recent filings on Forms 10-K and 10-Q, or in information disclosed in public conference calls, the date and time of which are released beforehand. We undertake no obligation, and do not intend, to update these forward-looking statements, to review or confirm analysts' expectations, or to provide interim reports or updates on the progress of the current quarter.

**About Illumina**

Illumina is improving human health by unlocking the power of the genome. Our focus on innovation has established us as a global leader in DNA sequencing and array-based technologies, serving customers in the research, clinical, and applied markets. Our products are used for applications in the life sciences, oncology, reproductive health, agriculture, and other emerging segments. To learn more, visit [www.illumina.com](http://www.illumina.com) and connect with us on X, Facebook, LinkedIn, Instagram, TikTok, and YouTube.

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**Illumina, Inc.**  
**Condensed Consolidated Balance Sheets**  
(In millions)

|                                             | June 29,<br>2025   | December 29,<br>2024 |
|---------------------------------------------|--------------------|----------------------|
| <b>ASSETS</b>                               | <b>(unaudited)</b> |                      |
| Current assets:                             |                    |                      |
| Cash and cash equivalents                   | \$ 934             | \$ 1,127             |
| Short-term investments                      | 221                | 93                   |
| Accounts receivable, net                    | 701                | 735                  |
| Inventory, net                              | 575                | 547                  |
| Prepaid expenses and other current assets   | 210                | 244                  |
| Total current assets                        | 2,641              | 2,746                |
| Property and equipment, net                 | 764                | 815                  |
| Operating lease right-of-use assets         | 397                | 419                  |
| Goodwill                                    | 1,113              | 1,113                |
| Intangible assets, net                      | 238                | 295                  |
| Deferred tax assets, net                    | 534                | 567                  |
| Other assets                                | 400                | 348                  |
| Total assets                                | <u>\$ 6,087</u>    | <u>\$ 6,303</u>      |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b> |                    |                      |
| Current liabilities:                        |                    |                      |
| Accounts payable                            | \$ 200             | \$ 221               |
| Accrued liabilities                         | 762                | 827                  |
| Term debt, current portion                  | 499                | 499                  |
| Total current liabilities                   | 1,461              | 1,547                |
| Operating lease liabilities                 | 528                | 554                  |
| Term debt                                   | 1,492              | 1,490                |
| Other long-term liabilities                 | 348                | 339                  |
| Stockholders' equity                        | 2,258              | 2,373                |
| Total liabilities and stockholders' equity  | <u>\$ 6,087</u>    | <u>\$ 6,303</u>      |

**Illumina, Inc.**  
**Condensed Consolidated Statements of Operations**  
(In millions, except per share amounts)  
(unaudited)

|                                                     | Three Months Ended |                  | Six Months Ended |                  |
|-----------------------------------------------------|--------------------|------------------|------------------|------------------|
|                                                     | June 29,<br>2025   | June 30,<br>2024 | June 29,<br>2025 | June 30,<br>2024 |
| Revenue:                                            |                    |                  |                  |                  |
| Product revenue                                     | \$ 912             | \$ 927           | \$ 1,793         | \$ 1,803         |
| Service and other revenue                           | 147                | 185              | 307              | 385              |
| Total revenue                                       | 1,059              | 1,112            | 2,100            | 2,188            |
| Cost of revenue:                                    |                    |                  |                  |                  |
| Cost of product revenue (a)                         | 276                | 250              | 529              | 504              |
| Cost of service and other revenue (a)               | 71                 | 95               | 160              | 202              |
| Amortization of acquired intangible assets          | 17                 | 46               | 33               | 94               |
| Total cost of revenue                               | 364                | 391              | 722              | 800              |
| Gross profit                                        | 695                | 721              | 1,378            | 1,388            |
| Operating expense:                                  |                    |                  |                  |                  |
| Research and development (a)                        | 247                | 325              | 499              | 660              |
| Selling, general and administrative (a)             | 234                | 147              | 501              | 588              |
| Goodwill and intangible impairment                  | —                  | 1,886            | —                | 1,889            |
| Total operating expense                             | 481                | 2,358            | 1,000            | 3,137            |
| Income (loss) from operations                       | 214                | (1,637)          | 378              | (1,749)          |
| Other income (expense), net                         | 92                 | (339)            | 110              | (337)            |
| Income (loss) before income taxes                   | 306                | (1,976)          | 488              | (2,086)          |
| Provision for income taxes                          | 71                 | 12               | 122              | 28               |
| Net income (loss)                                   | \$ 235             | \$ (1,988)       | \$ 366           | \$ (2,114)       |
| Earnings (loss) per share:                          |                    |                  |                  |                  |
| Basic                                               | \$ 1.49            | \$ (12.48)       | \$ 2.32          | \$ (13.28)       |
| Diluted                                             | \$ 1.49            | \$ (12.48)       | \$ 2.31          | \$ (13.28)       |
| Shares used in computing earnings (loss) per share: |                    |                  |                  |                  |
| Basic                                               | 157                | 159              | 158              | 159              |
| Diluted                                             | 157                | 159              | 158              | 159              |

The consolidated results for Q2 2024 and YTD 2024 include the results for GRAIL which was spun off on June 24, 2024.

(a) Includes stock-based compensation expense for stock-based awards:

|                                               | Three Months Ended |                  | Six Months Ended |                  |
|-----------------------------------------------|--------------------|------------------|------------------|------------------|
|                                               | June 29,<br>2025   | June 30,<br>2024 | June 29,<br>2025 | June 30,<br>2024 |
| Cost of product revenue                       | \$ 6               | \$ 7             | \$ 11            | \$ 13            |
| Cost of service and other revenue             | 1                  | 1                | 1                | 4                |
| Research and development                      | 28                 | 43               | 58               | 82               |
| Selling, general and administrative           | 34                 | 59               | 72               | 109              |
| Stock-based compensation expense before taxes | \$ 69              | \$ 110           | \$ 142           | \$ 208           |

**Illumina, Inc.**  
**Condensed Statements of Cash Flows**  
(In millions)  
(unaudited)

**TABLE 1: CONSOLIDATED STATEMENTS OF CASH FLOWS AND FREE CASH FLOWS:**

|                                                              | Three Months Ended |                  | Six Months Ended |                  |
|--------------------------------------------------------------|--------------------|------------------|------------------|------------------|
|                                                              | June 29,<br>2025   | June 30,<br>2024 | June 29,<br>2025 | June 30,<br>2024 |
| Net cash provided by operating activities                    | \$ 234             | \$ 80            | \$ 474           | \$ 157           |
| Net cash used in investing activities                        | (49)               | (41)             | (112)            | (89)             |
| Net cash used in financing activities                        | (371)              | (225)            | (566)            | (191)            |
| Effect of exchange rate changes on cash and cash equivalents | 7                  | (2)              | 11               | (5)              |
| Net decrease in cash and cash equivalents                    | (179)              | (188)            | (193)            | (128)            |
| Cash and cash equivalents, beginning of period               | 1,113              | 1,108            | 1,127            | 1,048            |
| Cash and cash equivalents, end of period                     | <u>\$ 934</u>      | <u>\$ 920</u>    | <u>\$ 934</u>    | <u>\$ 920</u>    |
| Calculation of free cash flow:                               |                    |                  |                  |                  |
| Net cash provided by operating activities                    | \$ 234             | \$ 80            | \$ 474           | \$ 157           |
| Purchases of property and equipment                          | (30)               | (32)             | (62)             | (67)             |
| Free cash flow (a)                                           | <u>\$ 204</u>      | <u>\$ 48</u>     | <u>\$ 412</u>    | <u>\$ 90</u>     |

The consolidated results for Q2 2024 and YTD 2024 include the results for GRAIL which was spun off on June 24, 2024.

**TABLE 2: CORE ILLUMINA FREE CASH FLOWS:**

|                                           | Three Months Ended |                  | Six Months Ended |                  |
|-------------------------------------------|--------------------|------------------|------------------|------------------|
|                                           | June 29,<br>2025   | June 30,<br>2024 | June 29,<br>2025 | June 30,<br>2024 |
| Net cash provided by operating activities | \$ 234             | \$ 243           | \$ 474           | \$ 527           |
| Purchases of property and equipment       | (30)               | (30)             | (62)             | (63)             |
| Free cash flow (a)                        | <u>\$ 204</u>      | <u>\$ 213</u>    | <u>\$ 412</u>    | <u>\$ 464</u>    |

(a) Free cash flow, which is a non-GAAP financial measure, is calculated as net cash provided by operating activities reduced by purchases of property and equipment. Free cash flow is useful to management as it is one of the metrics used to evaluate our performance and to compare us with other companies in our industry. However, our calculation of free cash flow may not be comparable to similar measures used by other companies.

**Illumina, Inc.**  
**Results of Operations - Constant Currency Revenue**  
(Dollars in millions)  
(unaudited)

**TABLE 1: CORE ILLUMINA - CONSTANT CURRENCY REVENUE:**

|                                 | Three Months Ended     |                        |             | Six Months Ended       |                        |             |
|---------------------------------|------------------------|------------------------|-------------|------------------------|------------------------|-------------|
|                                 | June 29,<br>2025       | June 30,<br>2024       | % Change    | June 29,<br>2025       | June 30,<br>2024       | % Change    |
| <b>Revenue</b>                  | <b>\$ 1,059</b>        | <b>\$ 1,092</b>        | <b>(3)%</b> | <b>\$ 2,100</b>        | <b>\$ 2,148</b>        | <b>(2)%</b> |
| Less: Hedge effect              | (2)                    | 4                      |             | 5                      | 7                      |             |
| Revenue, excluding hedge effect | 1,061                  | 1,088                  |             | 2,095                  | 2,141                  |             |
| Less: Exchange rate effect      | 7                      | —                      |             | (9)                    | —                      |             |
| Constant currency revenue (a)   | <u><u>\$ 1,054</u></u> | <u><u>\$ 1,088</u></u> | <b>(3)%</b> | <u><u>\$ 2,104</u></u> | <u><u>\$ 2,141</u></u> | <b>(2)%</b> |

**TABLE 2: CONSOLIDATED - CONSTANT CURRENCY REVENUE:**

|                                 | Three Months Ended     |                        |             | Six Months Ended       |                        |             |
|---------------------------------|------------------------|------------------------|-------------|------------------------|------------------------|-------------|
|                                 | June 29,<br>2025       | June 30,<br>2024       | % Change    | June 29,<br>2025       | June 30,<br>2024       | % Change    |
| <b>Revenue</b>                  | <b>\$ 1,059</b>        | <b>\$ 1,112</b>        | <b>(5)%</b> | <b>\$ 2,100</b>        | <b>\$ 2,188</b>        | <b>(4)%</b> |
| Less: Hedge effect              | (2)                    | 4                      |             | 5                      | 7                      |             |
| Revenue, excluding hedge effect | 1,061                  | 1,108                  |             | 2,095                  | 2,181                  |             |
| Less: Exchange rate effect      | 7                      | —                      |             | (9)                    | —                      |             |
| Constant currency revenue (a)   | <u><u>\$ 1,054</u></u> | <u><u>\$ 1,108</u></u> | <b>(5)%</b> | <u><u>\$ 2,104</u></u> | <u><u>\$ 2,181</u></u> | <b>(4)%</b> |

The consolidated results for Q2 2024 and YTD 2024 include the results for GRAIL which was spun off on June 24, 2024.

(a) Constant currency revenue growth, which is a non-GAAP financial measure, is calculated using comparative prior period foreign exchange rates to translate current period revenue, net of the effects of hedges.



**Illumina, Inc.**  
**Results of Operations - Non-GAAP**  
(In millions, except per share amounts)  
(unaudited)

**TABLE 1: RECONCILIATION OF GAAP AND NON-GAAP DILUTED EARNINGS (LOSS) PER SHARE:**

|                                                | Three Months Ended    |                  |                   | Six Months Ended      |                  |                   |
|------------------------------------------------|-----------------------|------------------|-------------------|-----------------------|------------------|-------------------|
|                                                | June 29,<br>2025      | June 30,<br>2024 |                   | June 29,<br>2025      | June 30,<br>2024 |                   |
|                                                | Core/<br>Consolidated | Core<br>Illumina | Consolidated      | Core/<br>Consolidated | Core<br>Illumina | Consolidated      |
| <b>GAAP diluted earnings (loss) per share</b>  | <b>\$ 1.49</b>        | <b>\$ 0.41</b>   | <b>\$ (12.48)</b> | <b>\$ 2.31</b>        | <b>\$ 0.85</b>   | <b>\$ (13.28)</b> |
| Cost of revenue (b)                            | 0.25                  | 0.10             | 0.29              | 0.37                  | 0.19             | 0.60              |
| R&D expense (b)                                | 0.03                  | —                | —                 | 0.09                  | 0.01             | 0.01              |
| SG&A expense (b)                               | (0.04)                | (1.35)           | (1.33)            | 0.09                  | (0.84)           | (0.75)            |
| Goodwill and intangible impairment (b)         | —                     | —                | 11.84             | —                     | 0.02             | 11.86             |
| Other (income) expense, net (b)                | (0.65)                | 2.06             | 2.06              | (0.85)                | 2.01             | 2.01              |
| Provision for income taxes (b)                 | 0.11                  | (0.13)           | (0.02)            | 0.15                  | (0.17)           | —                 |
| <b>Non-GAAP diluted earnings per share (a)</b> | <b>\$ 1.19</b>        | <b>\$ 1.09</b>   | <b>\$ 0.36</b>    | <b>\$ 2.16</b>        | <b>\$ 2.07</b>   | <b>\$ 0.45</b>    |

**TABLE 2: RECONCILIATION OF GAAP AND NON-GAAP NET INCOME (LOSS):**

|                                        | Three Months Ended    |                  |                   | Six Months Ended      |                  |                   |
|----------------------------------------|-----------------------|------------------|-------------------|-----------------------|------------------|-------------------|
|                                        | June 29,<br>2025      | June 30,<br>2024 |                   | June 29,<br>2025      | June 30,<br>2024 |                   |
|                                        | Core/<br>Consolidated | Core<br>Illumina | Consolidated      | Core/<br>Consolidated | Core<br>Illumina | Consolidated      |
| <b>GAAP net income (loss)</b>          | <b>\$ 235</b>         | <b>\$ 66</b>     | <b>\$ (1,988)</b> | <b>\$ 366</b>         | <b>\$ 135</b>    | <b>\$ (2,114)</b> |
| Cost of revenue (b)                    | 40                    | 15               | 46                | 59                    | 30               | 95                |
| R&D expense (b)                        | 4                     | —                | —                 | 15                    | 2                | 2                 |
| SG&A expense (b)                       | (7)                   | (215)            | (211)             | 12                    | (132)            | (120)             |
| Goodwill and intangible impairment (b) | —                     | —                | 1,886             | —                     | 3                | 1,889             |
| Other (income) expense, net (b)        | (102)                 | 328              | 328               | (135)                 | 319              | 319               |
| Provision for income taxes (b)         | 17                    | (20)             | (4)               | 25                    | (28)             | —                 |
| <b>Non-GAAP net income (a)</b>         | <b>\$ 187</b>         | <b>\$ 174</b>    | <b>\$ 57</b>      | <b>\$ 342</b>         | <b>\$ 329</b>    | <b>\$ 71</b>      |

*Amounts in tables are rounded to the nearest millions. As a result, certain amounts may not recalculate.*

The consolidated results for Q2 2024 and YTD 2024 include the results for GRAIL which was spun off on June 24, 2024.

- (a) Non-GAAP net income and diluted earnings per share exclude the effects of the pro forma adjustments detailed above. Non-GAAP net income and diluted earnings per share are key components of the financial metrics utilized by the company's board of directors to measure, in part, management's performance and determine significant elements of management's compensation. Management has excluded the effects of these items in these measures to assist investors in analyzing and assessing our past and future operating performance.
- (b) Refer to Reconciliations between GAAP and Non-GAAP Results of Operations for details of amounts.

Illumina, Inc.  
Results of Operations - Non-GAAP (continued)  
(Dollars in millions)  
(unaudited)

**TABLE 3: RECONCILIATION OF GAAP AND NON-GAAP RESULTS OF OPERATIONS AS A PERCENT OF REVENUE:**

|                                                | Three Months Ended    |                      |                       |                      |                        |                      |                       |                      |
|------------------------------------------------|-----------------------|----------------------|-----------------------|----------------------|------------------------|----------------------|-----------------------|----------------------|
|                                                | June 29, 2025         |                      |                       |                      | June 30, 2024          |                      |                       |                      |
|                                                | Core/Consolidated     |                      | Core Illumina         |                      | GRAIL                  | Elims                | Consolidated          |                      |
| <b>GAAP gross profit (loss) (b)</b>            | <b>\$ 695</b>         | <b>65.6 %</b>        | <b>\$ 743</b>         | <b>68.0 %</b>        | <b>\$ (16)</b>         | <b>\$ (6)</b>        | <b>\$ 721</b>         | <b>64.8 %</b>        |
| Acquisition-related costs (c)                  | 16                    | 1.5 %                | 15                    | 1.4 %                | 31                     | —                    | 46                    | 4.2 %                |
| Transformational initiatives (d)               | 1                     | 0.1 %                | —                     | —                    | —                      | —                    | —                     | —                    |
| Intangible impairment (h)                      | 23                    | 2.2 %                | —                     | —                    | —                      | —                    | —                     | —                    |
| Non-GAAP gross profit (a)                      | <u><u>\$ 735</u></u>  | <u><u>69.4 %</u></u> | <u><u>\$ 758</u></u>  | <u><u>69.4 %</u></u> | <u><u>\$ 15</u></u>    | <u><u>\$ (6)</u></u> | <u><u>\$ 767</u></u>  | <u><u>69.0 %</u></u> |
| <b>GAAP R&amp;D expense</b>                    | <b>\$ 247</b>         | <b>23.3 %</b>        | <b>\$ 241</b>         | <b>22.1 %</b>        | <b>\$ 88</b>           | <b>\$ (4)</b>        | <b>\$ 325</b>         | <b>29.2 %</b>        |
| Transformational initiatives (d)               | (4)                   | (0.4)%               | —                     | —                    | —                      | —                    | —                     | —                    |
| Non-GAAP R&D expense                           | <u><u>\$ 243</u></u>  | <u><u>22.9 %</u></u> | <u><u>\$ 241</u></u>  | <u><u>22.1 %</u></u> | <u><u>\$ 88</u></u>    | <u><u>\$ (4)</u></u> | <u><u>\$ 325</u></u>  | <u><u>29.2 %</u></u> |
| <b>GAAP SG&amp;A expense</b>                   | <b>\$ 234</b>         | <b>22.1 %</b>        | <b>\$ 60</b>          | <b>5.5 %</b>         | <b>\$ 88</b>           | <b>\$ (1)</b>        | <b>\$ 147</b>         | <b>13.2 %</b>        |
| Acquisition-related costs (c)                  | 12                    | 1.1 %                | 218                   | 20.0 %               | (4)                    | —                    | 214                   | 19.3 %               |
| Transformational initiatives (d)               | (5)                   | (0.5)%               | (3)                   | (0.3)%               | —                      | —                    | (3)                   | (0.3)%               |
| Non-GAAP SG&A expense                          | <u><u>\$ 241</u></u>  | <u><u>22.7 %</u></u> | <u><u>\$ 275</u></u>  | <u><u>25.2 %</u></u> | <u><u>\$ 84</u></u>    | <u><u>\$ (1)</u></u> | <u><u>\$ 358</u></u>  | <u><u>32.2 %</u></u> |
| <b>GAAP goodwill and intangible impairment</b> | <b>\$ —</b>           | <b>—</b>             | <b>\$ —</b>           | <b>—</b>             | <b>\$ 1,886</b>        | <b>\$ —</b>          | <b>\$ 1,886</b>       | <b>169.6 %</b>       |
| Goodwill impairment (h)                        | —                     | —                    | —                     | —                    | (1,466)                | —                    | (1,466)               | (131.8)%             |
| Intangible (IPR&D) impairment (h)              | —                     | —                    | —                     | —                    | (420)                  | —                    | (420)                 | (37.8)%              |
| Non-GAAP goodwill and intangible impairment    | <u><u>\$ —</u></u>    | <u><u>—</u></u>      | <u><u>\$ —</u></u>    | <u><u>—</u></u>      | <u><u>\$ —</u></u>     | <u><u>\$ —</u></u>   | <u><u>\$ —</u></u>    | <u><u>—</u></u>      |
| <b>GAAP operating profit (loss)</b>            | <b>\$ 214</b>         | <b>20.2 %</b>        | <b>\$ 442</b>         | <b>40.5 %</b>        | <b>\$(2,078)</b>       | <b>\$ (1)</b>        | <b>\$(1,637)</b>      | <b>(147.2)%</b>      |
| Cost of revenue                                | 40                    | 3.8 %                | 15                    | 1.4 %                | 31                     | —                    | 46                    | 4.2 %                |
| R&D costs                                      | 4                     | 0.4 %                | —                     | —                    | —                      | —                    | —                     | —                    |
| SG&A costs                                     | (6)                   | (0.6)%               | (215)                 | (19.7)%              | 4                      | —                    | (211)                 | (19.0)%              |
| Goodwill and intangible impairment             | —                     | —                    | —                     | —                    | 1,886                  | —                    | 1,886                 | 169.6 %              |
| Non-GAAP operating profit (loss) (a)           | <u><u>\$ 252</u></u>  | <u><u>23.8 %</u></u> | <u><u>\$ 242</u></u>  | <u><u>22.2 %</u></u> | <u><u>\$ (157)</u></u> | <u><u>\$ (1)</u></u> | <u><u>\$ 84</u></u>   | <u><u>7.6 %</u></u>  |
| <b>GAAP other income (expense), net</b>        | <b>\$ 92</b>          | <b>8.7 %</b>         | <b>\$ (341)</b>       | <b>(31.2)%</b>       | <b>\$ 2</b>            | <b>\$ —</b>          | <b>\$ (339)</b>       | <b>(30.5)%</b>       |
| Strategic investment (gain) loss, net (e)      | (102)                 | (9.7)%               | 334                   | 30.5 %               | —                      | —                    | 334                   | 30.0 %               |
| Other (f)                                      | —                     | —                    | (6)                   | (0.5)%               | —                      | —                    | (6)                   | (0.5)%               |
| Non-GAAP other (expense) income, net (a)       | <u><u>\$ (10)</u></u> | <u><u>(1.0)%</u></u> | <u><u>\$ (13)</u></u> | <u><u>(1.2)%</u></u> | <u><u>\$ 2</u></u>     | <u><u>\$ —</u></u>   | <u><u>\$ (11)</u></u> | <u><u>(1.0)%</u></u> |

*Amounts in tables are rounded to the nearest millions. As a result, certain amounts may not recalculate.  
Percentages of revenue are calculated based on the revenue of the respective segment.*

The consolidated results for Q2 2024 and YTD 2024 include the results for GRAIL which was spun off on June 24, 2024.

Illumina, Inc.  
Results of Operations - Non-GAAP (continued)  
(Dollars in millions)  
(unaudited)

**TABLE 3: RECONCILIATION OF GAAP AND NON-GAAP RESULTS OF OPERATIONS AS A PERCENT OF REVENUE:**

|                                                | Six Months Ended  |               |                 |                |                   |                |                   |                |
|------------------------------------------------|-------------------|---------------|-----------------|----------------|-------------------|----------------|-------------------|----------------|
|                                                | June 29, 2025     |               |                 |                | June 30, 2024     |                |                   |                |
|                                                | Core/Consolidated |               | Core Illumina   |                | GRAIL             | Elims          | Consolidated      |                |
| <b>GAAP gross profit (loss) (b)</b>            | <b>\$ 1,378</b>   | <b>65.6 %</b> | <b>\$ 1,436</b> | <b>66.9 %</b>  | <b>\$ (38)</b>    | <b>\$ (10)</b> | <b>\$ 1,388</b>   | <b>63.5 %</b>  |
| Acquisition-related costs (c)                  | 33                | 1.6 %         | 30              | 1.4 %          | 65                | —              | 95                | 4.3 %          |
| Transformational initiatives (d)               | 3                 | 0.1 %         | —               | —              | —                 | —              | —                 | —              |
| Intangible impairment (h)                      | 23                | 1.1 %         | —               | —              | —                 | —              | —                 | —              |
| Non-GAAP gross profit (a)                      | <u>\$ 1,437</u>   | <u>68.4 %</u> | <u>\$ 1,466</u> | <u>68.3 %</u>  | <u>\$ 27</u>      | <u>\$ (10)</u> | <u>\$ 1,483</u>   | <u>67.8 %</u>  |
| <b>GAAP R&amp;D expense</b>                    | <b>\$ 499</b>     | <b>23.8 %</b> | <b>\$ 479</b>   | <b>22.3 %</b>  | <b>\$ 189</b>     | <b>\$ (8)</b>  | <b>\$ 660</b>     | <b>30.2 %</b>  |
| Acquisition-related costs (c)                  | (1)               | —             | —               | —              | —                 | —              | —                 | —              |
| Transformational initiatives (d)               | (14)              | (0.7)%        | (2)             | (0.1)%         | —                 | —              | (2)               | (0.1)%         |
| Non-GAAP R&D expense                           | <u>\$ 484</u>     | <u>23.1 %</u> | <u>\$ 477</u>   | <u>22.2 %</u>  | <u>\$ 189</u>     | <u>\$ (8)</u>  | <u>\$ 658</u>     | <u>30.1 %</u>  |
| <b>GAAP SG&amp;A expense</b>                   | <b>\$ 501</b>     | <b>23.8 %</b> | <b>\$ 396</b>   | <b>18.5 %</b>  | <b>\$ 192</b>     | <b>\$ —</b>    | <b>\$ 588</b>     | <b>26.9 %</b>  |
| Acquisition-related costs (c)                  | 17                | 0.8 %         | 171             | 7.9 %          | (13)              | —              | 158               | 7.2 %          |
| Transformational initiatives (d)               | (24)              | (1.1)%        | (38)            | (1.8)%         | (1)               | —              | (39)              | (1.8)%         |
| Other (g)                                      | (5)               | (0.2)%        | —               | —              | —                 | —              | —                 | —              |
| Non-GAAP SG&A expense                          | <u>\$ 489</u>     | <u>23.3 %</u> | <u>\$ 529</u>   | <u>24.6 %</u>  | <u>\$ 178</u>     | <u>\$ —</u>    | <u>\$ 707</u>     | <u>32.3 %</u>  |
| <b>GAAP goodwill and intangible impairment</b> | <b>\$ —</b>       | <b>—</b>      | <b>\$ 3</b>     | <b>0.1 %</b>   | <b>\$ 1,886</b>   | <b>\$ —</b>    | <b>\$ 1,889</b>   | <b>86.3 %</b>  |
| Goodwill impairment (h)                        | —                 | —             | —               | —              | (1,466)           | —              | (1,466)           | (67.0)%        |
| Intangible (IPR&D) impairment (h)              | —                 | —             | (3)             | (0.1)%         | (420)             | —              | (423)             | (19.3)%        |
| Non-GAAP goodwill and intangible impairment    | <u>\$ —</u>       | <u>—</u>      | <u>\$ —</u>     | <u>—</u>       | <u>\$ —</u>       | <u>\$ —</u>    | <u>\$ —</u>       | <u>—</u>       |
| <b>GAAP operating profit (loss)</b>            | <b>\$ 378</b>     | <b>18.0 %</b> | <b>\$ 558</b>   | <b>26.0 %</b>  | <b>\$ (2,305)</b> | <b>\$ (2)</b>  | <b>\$ (1,749)</b> | <b>(79.9)%</b> |
| Cost of revenue                                | 59                | 2.8 %         | 30              | 1.4 %          | 65                | —              | 95                | 4.3 %          |
| R&D costs                                      | 15                | 0.7 %         | 2               | 0.1 %          | —                 | —              | 2                 | 0.1 %          |
| SG&A costs                                     | 12                | 0.6 %         | (133)           | (6.2)%         | 13                | —              | (120)             | (5.4)%         |
| Goodwill and intangible impairment             | —                 | —             | 3               | 0.1 %          | 1,886             | —              | 1,889             | 86.3 %         |
| Non-GAAP operating profit (loss) (a)           | <u>\$ 464</u>     | <u>22.1 %</u> | <u>\$ 460</u>   | <u>21.4 %</u>  | <u>\$ (341)</u>   | <u>\$ (2)</u>  | <u>\$ 117</u>     | <u>5.4 %</u>   |
| <b>GAAP other income (expense), net</b>        | <b>\$ 110</b>     | <b>5.2 %</b>  | <b>\$ (342)</b> | <b>(15.9)%</b> | <b>\$ 5</b>       | <b>\$ —</b>    | <b>\$ (337)</b>   | <b>(15.4)%</b> |
| Strategic investment (gain) loss, net (e)      | (135)             | (6.4)%        | 327             | 15.2 %         | —                 | —              | 327               | 15.0 %         |
| Other (f)                                      | —                 | —             | (8)             | (0.4)%         | —                 | —              | (8)               | (0.4)%         |
| Non-GAAP other (expense) income, net (a)       | <u>\$ (25)</u>    | <u>(1.2)%</u> | <u>\$ (23)</u>  | <u>(1.1)%</u>  | <u>\$ 5</u>       | <u>\$ —</u>    | <u>\$ (18)</u>    | <u>(0.8)%</u>  |

*Amounts in tables are rounded to the nearest millions. As a result, certain amounts may not recalculate.  
Percentages of revenue are calculated based on the revenue of the respective segment.*

The consolidated results for Q2 2024 and YTD 2024 include the results for GRAIL which was spun off on June 24, 2024.

- (a) Non-GAAP gross profit, included within non-GAAP operating profit (loss), is a key measure of the effectiveness and efficiency of manufacturing processes, product mix and the average selling prices of our products and services. Non-GAAP operating profit (loss) and non-GAAP other income (expense), net exclude the effects of the pro forma adjustments as detailed above. Non-GAAP operating margin is a key component of the financial metrics utilized by the company's board of directors to measure, in part, management's performance and determine significant elements of management's compensation. Management has excluded the effects of these items in these measures to assist investors in analyzing and assessing past and future operating performance.
- (b) Reconciling amounts are recorded in cost of revenue.
- (c) Amounts for Q2 2025 consist of \$16 million for amortization of intangible assets (cost of revenue) and \$9 million related primarily to legal and other expenses for the pending SomaLogic acquisition and legal expenses for the GRAIL acquisition (SG&A), offset by \$21 million for fair value adjustments on our contingent consideration liabilities (SG&A). Amounts for YTD 2025 consist of \$33 million for amortization of intangible assets (cost of revenue) and \$15 million related primarily to legal expenses for the GRAIL acquisition and legal and other expenses for the pending SomaLogic acquisition (SG&A), offset by \$32 million for fair value adjustments on our contingent consideration liabilities (SG&A). Consolidated amounts for Q2 2024 consist of \$271 million for fair value adjustments on our contingent consideration liabilities, offset by \$47 million for amortization of intangible assets, \$49 million related primarily to legal and other expenses for the acquisition and divestiture of GRAIL, and \$7 million for accrued interest on the EC fine. Consolidated amounts for YTD 2024 consist of \$255 million for fair value adjustments on our contingent consideration liabilities, offset by \$97 million for amortization of intangible assets, \$81 million related primarily to legal and other expenses for the acquisition and divestiture of GRAIL, and \$14 million for accrued interest on the EC fine.
- (d) Amounts for Q2 2025, YTD 2025 and Q2 2024 consist primarily of employee severance costs related to restructuring activities. Amounts for YTD 2024 consist primarily of lease and other asset impairments.
- (e) Amounts consist primarily of mark-to-market adjustments and impairments on our strategic investments.
- (f) Consolidated amounts for Q2 2024 consist of \$8 million for fair value adjustments on our Helix contingent value right, which was settled in 2024, offset by \$2 million for unrealized gains/losses related to foreign currency balance sheet remeasurement of the EC fine liability, that was reversed in 2024, and unrealized/realized mark-to-market gains/losses on hedge associated with the EC fine, for which such forward contracts were terminated in 2024. Consolidated amounts for YTD 2024 consist of \$11 million for fair value adjustments on our Helix contingent value right, offset by \$3 million for unrealized gains/losses related to foreign currency balance sheet remeasurement of the EC fine liability and unrealized/realized mark-to-market gains/losses on hedge associated with the EC fine.
- (g) Amounts for YTD 2025 consist of \$3 million for costs related to board membership changes and \$2 million for legal contingency accrual.
- (h) Amounts for Q2 2025 and YTD 2025 consist of an intangible asset impairment related to Core Illumina. Amounts for Q2 2024 and YTD 2024 consist of goodwill and IPR&D intangible asset impairments related to GRAIL. Amount for YTD 2024 also consists of an IPR&D intangible asset impairment related to Core Illumina.

Illumina, Inc.  
Results of Operations - Non-GAAP (continued)  
(Dollars in millions)  
(unaudited)

**TABLE 4: RECONCILIATION OF GAAP AND NON-GAAP TAX PROVISION:**

|                                                              | Three Months Ended |      |        |               |           |              |
|--------------------------------------------------------------|--------------------|------|--------|---------------|-----------|--------------|
|                                                              | June 29, 2025      |      |        | June 30, 2024 |           |              |
|                                                              | Core/Consolidated  |      |        | Core Illumina |           | Consolidated |
| GAAP tax provision                                           | \$                 | 71   | 23.4 % | \$            | 35 35.0 % | \$ 12 (0.6)% |
| Income tax provision (b)                                     |                    | (1)  |        |               | (1)       | (1)          |
| GILTI, US foreign tax credits, global minimum top-up tax (c) |                    | —    |        |               | (20)      | (99)         |
| Incremental non-GAAP tax expense (d)                         |                    | (16) |        |               | 41        | 104          |
| Non-GAAP tax provision (a)                                   | \$                 | 54   | 22.2 % | \$            | 55 24.2 % | \$ 16 22.3 % |

  

|                                                              | Six Months Ended  |      |        |               |            |              |
|--------------------------------------------------------------|-------------------|------|--------|---------------|------------|--------------|
|                                                              | June 29, 2025     |      |        | June 30, 2024 |            |              |
|                                                              | Core/Consolidated |      |        | Core Illumina |            | Consolidated |
| GAAP tax provision                                           | \$                | 122  | 25.1 % | \$            | 80 37.3 %  | \$ 28 (1.4)% |
| Income tax provision (b)                                     |                   | (7)  |        |               | (1)        | (1)          |
| GILTI, US foreign tax credits, global minimum top-up tax (c) |                   | —    |        |               | (33)       | (116)        |
| Incremental non-GAAP tax expense (d)                         |                   | (18) |        |               | 62         | 117          |
| Non-GAAP tax provision (a)                                   | \$                | 97   | 22.1 % | \$            | 108 24.9 % | \$ 28 28.8 % |

The consolidated results for Q2 2024 and YTD 2024 include the results for GRAIL which was spun off on June 24, 2024.

- (a) Non-GAAP tax provision excludes the effects of the pro forma adjustments detailed above, which have been excluded to assist investors in analyzing and assessing past and future operating performance.
- (b) Amounts represent the difference between book and tax accounting related to stock-based compensation cost.
- (c) Amounts represent the impact of GRAIL pre-acquisition net operating losses on GILTI, the utilization of US foreign tax credits, and the Pillar Two global minimum top-up tax, which no longer applies for 2025 since the GRAIL pre-acquisition net operating losses were fully utilized in prior years.
- (d) Incremental non-GAAP tax expense reflects tax impact of the non-GAAP adjustments listed in Table 2.