ILMN Q4 & Fiscal Year 2025 Earnings Call
Prepared Remarks – February 5, 2026

Conor McNamara, Head of Investor Relations

Hello everyone, and welcome to Illumina's fourth quarter 2025 earnings call.

Today, we will review our financial results, released after market close, and provide prepared remarks before opening the line for Q&A. Our earnings release is available in the Investor Relations section of illumina.com.

Joining us on today's call are Jacob Thaysen, Chief Executive Officer, and Ankur Dhingra, Chief Financial Officer. Jacob will start with an update on Illumina's business, followed by Ankur's review of the company's financials.

We will be discussing certain non-GAAP financial measures on today's call, and a reconciliation to GAAP can be found in today's release and in the supplementary data available on our website.

Please note that, unless otherwise stated or when referring to end markets, all year-over-year revenue growth rates discussed in our prepared remarks are presented on a constant currency basis, excluding the impact of foreign exchange fluctuations. In addition, all references to China refer to our Greater China Region, which also includes Taiwan and Hong Kong.

This call is being recorded, and the replay will be available in the Investor section of our website. It is our intent that all forward-looking statements made during today's call will be protected under the Private Securities Litigation Reform Act of 1995.

To better understand the risks and uncertainties that could cause actual results to differ, we refer you to the documents that Illumina files with the SEC, including our most recent forms 10-Q and 10-K.

With that, I will now turn the call over to Jacob.

Jacob Thaysen, Chief Executive Officer

Thank you, Conor, and good afternoon, everyone.

I am pleased to announce that our Q4 results exceeded expectations, capped off with 20% growth in our clinical consumables revenue ex-China, reflecting execution across the organization as we closed out 2025.

We made tremendous progress throughout the year, and the momentum we have built going into 2026 gives me high confidence that the strategy we put in place in 2024 to return to long-term growth is working.

Highlights of our 2025 achievements include:

- We returned to growth in 2025, with ex-China revenue growth of 2% for the year and 7% in Q4
- An acceleration in clinical consumables revenue growth throughout the year, with mid-teens growth in the second half and Q4 growth of 20% ex-China
- We achieved our high-throughput transition milestones we set out to achieve
- We advanced our portfolio beyond core sequencing into multiomics and data, software, and AI

- And, we expanded non-GAAP operating margins by 180 basis points and grew non-GAAP EPS by 16% year-over-year

- We generated strong free cash flow and returned approximately $740 million dollars to our shareholders through share repurchases

All of this was achieved in a rapidly evolving market, and our team members stayed ahead of many of the dynamic developments we saw throughout the year. Our success in 2025 is a testament to the strength of the Illumina team, and I want to recognize their ongoing commitment to our customers through innovation and execution.

Now, I want to expand on our success we are seeing in our clinical business, where revenue growth accelerated throughout 2025. The strength we are seeing in clinical consumables – including 20% ex-China growth in Q4 – is being driven primarily by two factors:

- First, adoption of sequencing-based diagnostic tests is increasing, as customers launch new assays and expand reimbursement coverage in areas like minimal residual disease and early cancer detection testing.

- Second, we are seeing broader demand for comprehensive genomic profiling and whole-genome approaches in oncology and genetic diseases, both of which require greater sequencing intensity and benefit from the power and consistency of the NovaSeq X.

As customers scale more data-intensive applications on a more powerful platform, the elasticity dynamics we've discussed in previous quarters continue to take hold. This is driving strong instrument sales – Q4 represented the second highest quarterly placements since launching the NovaSeq X in 2023 – while also accelerating consumables demand, supporting durable growth in our core sequencing business.

Next-generation sequencing remains vastly underutilized, and we are positioning our business to capitalize on growth as the market evolves. One example of this is the recent addition of Dr. Eric Green as our Chief Medical Officer. Eric brings extensive experience in genomics and healthcare policy, most recently serving as Director of the National Human Genome Research Institute at the NIH. His leadership in the field will be a catalyst for driving continued adoption of genomics and multiomics toward a standard of care for patients.

I now want to talk about how our long-term strategy is working. In 2024, we set out three strategic growth pillars:

- Core sequencing

- Scaling multiomics

- And expanding our services, data, and software capabilities

Our continued execution on each of these pillars drove strong 2025 results, positioning the business for 2026 and beyond. Let me walk through examples of our progress for each of these strategic pillars:

Our first pillar is core sequencing, anchored by the NovaSeq X. As mentioned earlier, clinical remains our primary growth driver, and higher testing volumes with more sequencing-intensive applications reinforces demand for high-throughput, high-quality sequencing on the NovaSeq X.

In research, conditions continue to be measured. Customers remain cautious with their purchasing decisions, though we are seeing signs of stabilization, including greater clarity around U.S. policy and the funding environment. Longer term, we believe our research business can return to healthy growth, but for now we assume similar end-market dynamics in 2026 to what we saw in 2025.

Our second pillar is scaling into multiomics, where we are building a comprehensive set of integrated solutions that extend the Illumina sequencing ecosystem. This includes both internally developed capabilities and selective acquisitions where we see technologies that can meaningfully expand our long-term growth opportunity.

As an example, we recently completed the acquisition of SomaLogic, an important milestone that builds on our long-standing partnership. I want to formally welcome the SomaLogic team to Illumina, and we are excited about what we will build together as we further integrate our combined capabilities.

SomaLogic's aptamer-based affinity proteomics platform allows researchers to generate significant insights with high sensitivity, high-throughput, and with thousands of protein markers in a single experiment. Our combined proteomics offerings will provide deep insights into protein function, interactions, and modifications – at scale – helping to accelerate understanding of complex biology and human health.

Proteomics is the frontline in multiomics, and with SomaLogic now part of Illumina, our position in this key growth market is significantly stronger. By applying the scale of NGS to proteomics, we can accelerate innovation while reducing the time and cost of protein analysis.

Across genomics, proteomics, single-cell, and epigenomics, these capabilities are now being brought together through our recently launched Illumina Connected Multiomics. This software addresses a longstanding challenge in the field – integrating and interpreting data across different data types – by simplifying multiomic analysis and making workflows more scalable and easier for customers to use.

Looking ahead, we remain on track to introduce our spatial transcriptomics solution in the first half of 2026, along with our Constellation mapped-read technology over the same timeframe. Together, these advances extend our ability to deliver integrated, end-to-end workflows that support customers as multiomics moves further into both research and clinical settings.

Our third strategic pillar is expanding our services, data and software capabilities. In the fourth quarter, we launched BioInsight, an important step to expand how Illumina supports discovery and drug development through data, software, and AI. For the first time, four key enabling capabilities are converging – sequencing at scale, tools to perturb biology using CRISPR at genome-wide levels, dedicated compute power to analyze it, and AI to build predictive biological models.

BioInsight brings together our leading capabilities in these four areas to fundamentally change drug discovery. Instead of relying on years of iterative wet-lab experiments, pharma and biotech companies can increasingly build, test, and refine biological models digitally, accelerating timelines and improving success rates.

Last month, we introduced BioInsight's first data product - the billion cell atlas - which will be the most comprehensive map of human biology for drug discovery. Built using single-cell approaches, CRISPR-based perturbation, and AI, the Atlas helps partners better understand disease mechanisms and improve target validation.

This billion-cell atlas was met with strong interest from biopharma partners, and we announced initial collaborations with AstraZeneca, Merck, and Eli Lilly. We continue to see growing engagement from additional partners as data-driven approaches gain traction in drug discovery.

Taken together, BioInsight expands how customers generate and act on biological insight, and strengthens Illumina's position in biopharma, a growing segment of our research end market.

The next opportunity for our customers to see how our strategy and innovation come together will be later this month at AGBT.

As this year's Gold sponsor, we will be joined by customers and key opinion leaders who will share how our newest platform enhancements and genomic and multiomic assays are being applied in real-world research and clinical settings.

A key theme we will showcase is the value of our complete, end-to-end solutions for our customers. The conversations we are having with customers have shifted from cost per gigabase to the total cost of workflow – from sample preparation through analysis and interpretation – where integrated workflows and data quality matter most.

This approach – continuing to innovate as the market evolves – gives customers confidence in the long-term, durable value of our flagship sequencing instruments, while supporting them where the field is headed, including deeper adoption of genomic and multiomic approaches.

Now, let's turn to our 2026 outlook.

Building on the momentum we saw in the second half of 2025, we expect organic revenue growth of 2 to 4 percent in 2026, excluding China, with overall demand similar to what we saw in the second half of 2025. Clinical consumables grew approximately 16% ex-China in the second half of the year, and we expect robust growth to continue into 2026. Our outlook assumes double-digit to mid-teens clinical growth in 2026.

We expect no fundamental change in the academic end-markets in 2026, resulting in mid-to-high single digit revenue declines in our research and applied consumables revenue. Instruments are expected to be roughly flat to slightly down, resulting in a total company revenue of $4.5 to $4.6 billion dollars, representing reported growth of 4% to 6%.

Operating margins are expected to be 23.3% to 23.5% in 2026, up approximately 130 bps excluding the acquisition impact.

EPS guidance is $5.05 to $5.20 including $0.18 of dilution from the SomaLogic acquisition. Excluding dilution, this represents year-over-year growth of 10%.

Before turning it over to Ankur for more details on our Q4 results and 2026 guidance, I just want to say I am confident that our long-term strategy is working, reinforced by the progress we made in 2025 and where Illumina stands today.

Over the past year, we advanced the strategy we laid out in 2024 and delivered meaningful progress across the business, entering 2026 with very encouraging momentum. We proved resilience, and we are a stronger company today. And we remain on track toward achieving our long-term financial targets for 2027.

I want to thank our employees for their commitment and performance this past year. I am very proud of the Illumina team for staying focused through a dynamic year, and delivering for our customers and the patients they serve.

With that, I'll turn it over to Ankur to walk through the financials details before we move to Q&A.

Ankur Dhingra, Chief Financial Officer

Thank you, Jacob. And good afternoon, everyone.

I will give you an overview of our fourth quarter financial results, provide more color on revenue, expenses, earnings, and updates on our balance sheet and capital deployment, and then discuss our outlook going forward.

Before I get into the details of the financial performance, let me provide a high-level view of how the fourth quarter played out.

During the fourth quarter, Illumina's revenue of $1.16 billion came in above our expectations, driven by strength in our clinical consumables revenue, better than expected NovaSeq X placements, and outperformance in China; we also saw a small benefit from some year-end budget purchasing. The higher revenue resulted in margins and EPS both coming in ahead of our guidance, while also reflecting the benefits of the cost actions we took earlier in the year.

Now let me provide you with the details.

During the fourth quarter, Illumina's revenue of $1.16 billion was up 5% year-over-year on a reported basis and 4% on a constant currency basis. Greater China revenue of $55 million was ahead of expectations and represented a $25 million decline from Q4'24 . Excluding Greater China, Illumina revenue was up 7% year-over-year.

Sequencing consumables revenue of $755 million was up 8% year-over-year , and up 11% excluding China. High-throughput volume growth drove the strength in consumables, as customers across research and clinical ramped utilization of their NovaSeq X instruments.

More broadly, the clinical market maintained its momentum, growing 20% outside of China, driven by broader adoption of NGS based testing and customers converting current assays to ones that require significantly more sequencing data, such as transitions from whole exome to whole genome sequencing in oncology and genetic disease.

Consumables sales in research and applied markets were roughly flat year-over-year in the quarter, a notable improvement versus Q3, but still below historical levels due to continued uncertainty in the funding environment and year-over-year pricing dynamics related to conversion to the X.

As of Q4, roughly 80% of volumes and 55% of revenue has transitioned to the NovaSeq X. The research transition is nearing its end, as now roughly 90% of the high throughput sequencing volumes for these customers have transitioned to X. As a result, we expect pricing headwinds from the transition to continue to dissipate for our research customers, especially in the second half of 2026.

Clinical volume is now more than two-thirds converted to the X, and we believe pricing dynamics going forward will be tied more to new applications – like WGS adoption which drives higher volumes.

Given these two dynamics – near-complete conversion within research, clinical volume growth driven by X – we expect the conversion to be substantially complete by the end of 2026.

On sequencing activity, total sequencing Gb output on our connected high- and mid-throughput instruments grew at a rate of more than 30% year-over-year, driven by robust strength in clinical, but more muted growth among our research customers.

Sequencing instruments revenue of $154 million was approximately flat year-over-year in Q4, and up 3% ex-China, driven by strong placements of NovaSeq X and the MiSeq i100. Similar to our consumables mix, over 60% of X systems placed in Q4 were to clinical customers. In Greater China, our instruments business was down 55%, due to export restrictions. Globally, we placed over 100 NovaSeq X's, including about five on rental or lease contracts, bringing our total active installed base to 890 instruments.

Sequencing service and other revenue of $157 million was up approximately 3% year-over-year, and up 4% ex-China. Strategic partnerships and the timing of data deals have been lumpy in 2025, and we were pleased to see a return to growth in Q4.

Moving to the rest of the P&L:

Non-GAAP gross margin of 67% for the fourth quarter was down 40 bps year-over-year, primarily from the tariff impact of 205 bps. Excluding tariffs, gross margins improved by 165 basis points. Sequentially, Q4 margins reflect the typical instruments heavy quarter.

Non-GAAP operating expenses were $502 million, down 5% or $24 million year-over-year, reflecting the results of our multi-year cost reduction programs and prioritization of key growth investments.

Non-GAAP operating margin was 23.7% in Q4, expanding 400 bps year-over-year. Operating profit grew approximately 26% year-over-year, reflecting increased operating leverage from the improved cost structure.

Looking at our results below the line, non-GAAP other expense, which is largely comprised of Net Interest Expense, was $16 million, and the non-GAAP tax rate was 19.5%. We continue to assess longer-term tax structure optimization to balance U.S. R&D benefits with efficient credit utilization across jurisdictions. Our average diluted shares were approximately 154 million, 6 million lower than Q4'24 reflecting share repurchases throughout the year.

Altogether, non-GAAP EPS of $1.35 per diluted share grew approximately 42% year-over-year and came in above our guidance range and was higher than our initial estimate disclosed in January.

Moving to cash flow, balance sheet, and capital allocation items for the quarter:

- Cash flow provided by operations was $321 million for the quarter and $1.1 billion for the year.
- Capital expenditures were $54 million and free cash flow was $267 million in Q4. For the year, CapEx was $148 million and free cash flow was $931 million.
- In Q4, we repurchased 337 thousand shares of Illumina stock for approximately $42 million at an average price of 124 dollars and 12 cents per share. At quarter end we had $643 million remaining on our share repurchase authorization, and we intend to continue to repurchase shares opportunistically.
- Subsequent to the end of Q4, we closed the acquisition of SomaLogic on January 30th for an upfront payment of $350 million, plus potential royalties and milestone payments, subject to customary adjustments. We funded the upfront payment with cash on hand.

We ended the quarter with approximately $1.63 billion in cash, cash equivalents and short-term investments, and gross leverage of approximately 1.6x gross debt to last twelve months EBITDA.

So, recapping the full year 2025:

- Starting with revenue: we returned to growth ex-China in Q3 and grew sales about 4% in the second half of the year. I'm extremely proud of the whole Illumina team for navigating through a very dynamic year to end the year on a high note.

- Through disciplined execution and cost optimization, we were able to expand margins nearly 200 bps in 2025 despite approximately 200 bbps in macro-related headwinds.

- And finally, we grew EPS by 16%, and our 2025 EPS of $4.84 came in above the original guidance we gave at the start the year.

The way we closed out 2025 gives me confidence about the progress we are making towards our long-range targets, and I am excited about our momentum going into 2026.

Now moving to guidance for the year 2026:

Starting with Revenue, we are expecting revenue of $4.5 to $4.6 billion dollars, representing Ex-China Organic growth of 2% to 4% percent. Organic growth excludes the impacts of currency – which is expected to add roughly 1 point to our reported growth; and revenue associated with the SomaLogic acquisition – which is expected to add 1.5 to 2 points of revenue growth in 2026. China sales are expected to be a 1-point headwind to total company revenue growth. On a reported basis, overall revenue is expected to be up 4 to 6 percent.

For rest-of-world organic sequencing revenue growth we are expecting:

- Low-to-Mid single digit growth in consumables, with clinical growing double-digit to mid-teens driven by continued strong volumes from our clinical customers. We are excited about the significant progress our customers are making with growth in their on-market tests and new sequencing-intensive whole-genome approaches. We expect research declining mid-to-high single digits. Recent NIH budget announcements are a welcome development, and as fund flow resumes could provide a more favorable environment relative to what we are assuming in guidance.

- Instrument sales are expected to be down low-single-digits to flat year-over-year, and we believe our goal of placing 50 to 60 NovaSeq X instruments per quarter, on average, will continue through 2026

- Our pull-through assumptions by platform can be found in our earnings presentation

In China, we expect sales of $210 to $220 million, with little or no step up in instrument sales in the first half of the year. We will revisit our assumptions as we work with the government about our ability to import instruments into the country.

Moving to operating margins excluding SomaLogic, we are guiding for operating margins to expand 130 bps next year at the midpoint. SomaLogic is expected to have a 100 bps impact to margins. All in for 2026, expecting operating margins between 23.3% and 23.5%.

We have made significant progress in improving Illumina's business, and remain focused on achieving our 2027 targets.

Now moving to EPS. Excluding SomaLogic, we are projecting EPS to grow 10% at the mid-point. SomaLogic is expected to be dilutive by $0.18 cents at mid-point. Hence, total Illumina 2026 EPS guidance is in the range of $5.05 to $5.20.

For Q1'26, we are expecting rest-of-world organic revenue growth of 1% to 3% percent, equating to between $1.06 and $1.08 billion. We are expecting Q1 EPS of $1.02 to $1.07, including $0.04 of deal dilution. The rest of the details of our Q1 and 2026 guidance can be found in our earnings presentation.

One housekeeping item: starting in January 2026 we changed the geographical reporting segments to better align with the respective commercial organizational structure. Beginning in Q1, we will report our new geographic segments and will provide historical financial reconciliation for the new structure.

In closing, I want to once again express my sincere appreciation to the Illumina team for their continued focus and disciplined execution throughout the quarter. We entered 2026 with a lot of momentum, and I'm extremely encouraged by the progress we've made in returning Illumina to long-term sustainable revenue and earnings growth.

Thank you for joining our call today. I will now invite the Operator to open the line for Q&A.

Conor McNamara, Head of Investor Relations

Thank you for joining us today. A replay of this call will be available in the Investor section of our website. This concludes our call, and we look forward to seeing you at upcoming events.

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.

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.

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) our ability to successfully integrate SomaLogic, Inc. and certain other assets we acquired from Standard BioTools Inc. (the SomaLogic Business) into our existing operations and the SomaLogic Business' technology and products into our portfolio; (v) our ability to successfully manage partner and customer relationships in the proteomics market; (vii uncertainty regarding the impact of our inclusion on the "unreliable entities list" by regulatory authorities in China; (vii) uncertainty regarding tariffs 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; (viii) our ability to manufacture robust instrumentation and consumables, including the SomaLogic Business' products; (ix) the success of products and services competitive with our own; (x) 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; (xi) the impact of recently launched or pre-announced products and services on existing products and services; (xii) our ability to modify our business strategies to accomplish our desired operational goals; (xiii) 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; (xiv) our ability to further develop and commercialize our instruments, consumables, and products; (xv) to deploy new products, services, and applications, and to expand the markets for our technology platforms; (xvi) the risk of additional litigation arising against us in connection with the GRAIL acquisition; (xvii) our ability to obtain approval by third-party payors to reimburse patients for our products; (xiii) our ability to obtain regulatory clearance for our products from government agencies; (xix) our ability to successfully partner with other companies and organizations to develop new products, expand markets, and grow our business; (xx) uncertainty, or adverse economic and business conditions, including as a result of slowing or uncertain economic growth or armed conflict; (xxi) the application of generally accepted accounting principles, which are highly complex and involve many subjective assumptions, estimates, and judgments; and (xxii) 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.

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

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

	Three Months Ended		Year Ended	
	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024
Net cash provided by operating activities	**$ 321**	$ 364	**$ 1,079**	$ 837
Net cash provided by (used in) investing activities	**108**	(48)	**(55)**	(178)
Net cash used in financing activities	**(63)**	(47)	**(744)**	(570)
Effect of exchange rate changes on cash and cash equivalents	**2**	(11)	**11**	(10)
Net increase in cash and cash equivalents	**368**	258	**291**	79
Cash and cash equivalents, beginning of period	**1,050**	869	**1,127**	1,048
Cash and cash equivalents, end of period	**$ 1,418**	$ 1,127	**$ 1,418**	$ 1,127
Calculation of free cash flow:				
Net cash provided by operating activities	**$ 321**	$ 364	**$ 1,079**	$ 837
Purchases of property and equipment	**(54)**	(42)	**(148)**	(142)
Free cash flow (a)	**$ 267**	$ 322	**$ 931**	$ 695

The consolidated results for 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		Year Ended	
	December 28, 2025	December 29, 2024	December 28, 2025	December 29, 2024
Net cash provided by operating activities	**$ 321**	$ 364	**$ 1,079**	$ 1,207
Purchases of property and equipment	**(54)**	(42)	**(148)**	(137)
Free cash flow (a)	**$ 267**	$ 322	**$ 931**	$ 1,070

(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			Year Ended		
	December 28, 2025	December 29, 2024	% Change	December 28, 2025	December 29, 2024	% Change
Revenue	**$ 1,159**	$ 1,104	5 %	**$ 4,343**	$ 4,332	— %
Less: Hedge effect	**(4)**	5		**(5)**	15	
Revenue, excluding hedge effect	**1,163**	1,099		**4,348**	4,317	
Less: Exchange rate effect	**16**	—		**21**	—	
Constant currency revenue (a)	**$ 1,147**	$ 1,099	4 %	**$ 4,327**	$ 4,317	— %

TABLE 2: CONSOLIDATED - CONSTANT CURRENCY REVENUE:

	Year Ended		
	December 28, 2025	December 29, 2024	% Change
Revenue	**$ 4,343**	$ 4,372	(1)%
Less: Hedge effect	**(5)**	15	
Revenue, excluding hedge effect	**4,348**	4,357	
Less: Exchange rate effect	**21**	—	
Constant currency revenue (a)	**$ 4,327**	$ 4,357	(1)%

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

TABLE 3: CORE ILLUMINA - EXCLUDING GREATER CHINA - CONSTANT CURRENCY REVENUE:

	Three Months Ended			Year Ended		
	December 28, 2025	December 29, 2024	% Change	December 28, 2025	December 29, 2024	% Change
Revenue	**$ 1,104**	$ 1,024	8 %	**$ 4,100**	$ 4,024	2 %
Less: Hedge effect	**(4)**	3		**(8)**	10	
Revenue, excluding hedge effect	**1,108**	1,021		**4,108**	4,014	
Less: Exchange rate effect	**16**	—		**22**	—	
Constant currency revenue (a)	**$ 1,092**	$ 1,021	7 %	**$ 4,086**	$ 4,014	2 %

(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 - Revenue by Source
(Dollars in millions)
(unaudited)

TABLE 1: CORE ILLUMINA - REVENUE BY SOURCE:

	Three Months Ended			Year Ended		
	December 28, 2025	December 29, 2024	% Change	December 28, 2025	December 29, 2024	% Change
Sequencing consumables revenue	**$ 755**	$ 698	8 %	**$ 2,939**	$ 2,872	2 %
Less: Hedge effect	**(3)**	5		**(4)**	11	
Revenue, excluding hedge effect	**758**	693		**2,943**	2,861	
Less: Exchange rate effect	**11**	—		**16**	—	
Constant currency revenue (a)	**$ 747**	$ 693	8 %	**$ 2,927**	$ 2,861	2 %
Sequencing instruments revenue	**$ 154**	$ 155	— %	**$ 465**	$ 484	(4)%
Less: Hedge effect	**(1)**	1		**(1)**	2	
Revenue, excluding hedge effect	**155**	154		**466**	482	
Less: Exchange rate effect	**2**	—		**2**	—	
Constant currency revenue (a)	**$ 153**	$ 154	— %	**$ 464**	$ 482	(4)%
Sequencing service and other revenue	**$ 157**	$ 151	4 %	**$ 581**	$ 597	(2)%
Less: Hedge effect	**—**	—		**—**	—	
Revenue, excluding hedge effect	**157**	151		**581**	597	
Less: Exchange rate effect	**2**	—		**1**	—	
Constant currency revenue (a)	**$ 155**	$ 151	3 %	**$ 580**	$ 597	(3)%

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

(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 - Revenue by Source - Excluding Greater China
(Dollars in millions)
(unaudited)

TABLE 1: CORE ILLUMINA - REVENUE BY SOURCE - EXCLUDING GREATER CHINA[(a)]:

	Three Months Ended			Year Ended		
	December 28, 2025	December 29, 2024	% Change	December 28, 2025	December 29, 2024	% Change
Sequencing consumables revenue	**$ 713**	$ 640	11 %	**$ 2,750**	$ 2,645	4 %
Less: Hedge effect	**(3)**	3		**(5)**	7	
Revenue, excluding hedge effect	**716**	637		**2,755**	2,638	
Less: Exchange rate effect	**11**	—		**16**	—	
Constant currency revenue (b)	**$ 705**	$ 637	11 %	**$ 2,739**	$ 2,638	4 %
Sequencing instrument revenue	**$ 150**	$ 144	4 %	**$ 449**	$ 453	(1)%
Less: Hedge effect	**—**	1		**(1)**	2	
Revenue, excluding hedge effect	**150**	143		**450**	451	
Less: Exchange rate effect	**2**	—		**2**	—	
Constant currency revenue (b)	**$ 148**	$ 143	3 %	**$ 448**	$ 451	(1)%
Sequencing service and other revenue	**$ 152**	$ 144	5 %	**$ 559**	$ 565	(1)%
Less: Hedge effect	**—**	—		**—**	—	
Revenue, excluding hedge effect	**152**	144		**559**	565	
Less: Exchange rate effect	**2**	—		**2**	—	
Constant currency revenue (b)	**$ 150**	$ 144	4 %	**$ 557**	$ 565	(1)%

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

(a) Greater China region includes revenue from China, Taiwan, and Hong Kong.
(b) 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 - Revenue by Region
(Dollars in millions)
(unaudited)

TABLE 1: CORE ILLUMINA - REVENUE BY REGION:

	Three Months Ended			Year Ended		
	December 28, 2025	December 29, 2024	% Change	December 28, 2025	December 29, 2024	% Change
AMR revenue	**$ 638**	$ 589	8 %	**$ 2,406**	$ 2,401	— %
Less: Hedge effect	**1**	—		**1**	1	
Revenue, excluding hedge effect	**637**	589		**2,405**	2,400	
Less: Exchange rate effect	**—**	—		**(5)**	—	
Constant currency revenue (a)	**$ 637**	$ 589	8 %	**$ 2,410**	$ 2,400	— %
AMEA revenue (b)	**$ 113**	$ 109	3 %	**$ 430**	$ 438	(2)%
Less: Hedge effect	**1**	1		**2**	6	
Revenue, excluding hedge effect (b)	**112**	108		**428**	432	
Less: Exchange rate effect	**(2)**	—		**(6)**	—	
Constant currency revenue (a)(b)	**$ 114**	$ 108	6 %	**$ 434**	$ 432	1 %
Greater China revenue (c)	**$ 55**	$ 80	(30)%	**$ 243**	$ 308	(21)%
Less: Hedge effect	**—**	2		**3**	6	
Revenue, excluding hedge effect (c)	**55**	78		**240**	302	
Less: Exchange rate effect	**—**	—		**(1)**	—	
Constant currency revenue (a)(c)	**$ 55**	$ 78	(30)%	**$ 241**	$ 302	(20)%
Europe revenue	**$ 353**	$ 326	8 %	**$ 1,264**	$ 1,185	7 %
Less: Hedge effect	**(6)**	2		**(12)**	3	
Revenue, excluding hedge effect	**359**	324		**1,276**	1,182	
Less: Exchange rate effect	**18**	—		**34**	—	
Constant currency revenue (a)	**$ 341**	$ 324	5 %	**$ 1,242**	$ 1,182	5 %

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

(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.
(b) Region includes revenue from Russia and Turkey.
(c) Region includes revenue from China, Taiwan, and Hong Kong.

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			Year Ended		
	December 28, 2025	December 29, 2024		December 28, 2025	December 29, 2024	
	Core/ Consolidated	Core Illumina	Consolidated	Core/ Consolidated	Core Illumina	Consolidated
GAAP diluted earnings (loss) per share	**$ 2.16**	$ 0.73	$ 1.17	**$ 5.45**	$ 5.61	$ (7.69)
Cost of revenue (b)	**0.12**	0.10	0.10	**0.60**	0.40	0.81
R&D expense (b)	**0.01**	0.01	0.01	**0.11**	0.04	0.04
SG&A expense (b)	**0.30**	0.04	0.04	**0.48**	(1.06)	(0.97)
Goodwill and intangible impairment (b)	**—**	—	—	**—**	0.02	11.88
Legal contingency and settlement (b)	**0.05**	0.11	0.11	**0.06**	(2.87)	(2.87)
Other (income) expense, net (b)	**(1.25)**	(0.19)	(0.19)	**(2.13)**	1.86	1.85
Provision for income taxes (b)	**(0.04)**	0.15	(0.38)	**0.27**	0.16	(0.60)
Non-GAAP diluted earnings per share (a)	**$ 1.35**	$ 0.95	$ 0.86	**$ 4.84**	$ 4.16	$ 2.45

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

	Three Months Ended			Year Ended		
	December 28, 2025	December 29, 2024		December 28, 2025	December 29, 2024	
	Core/ Consolidated	Core Illumina	Consolidated	Core/ Consolidated	Core Illumina	Consolidated
GAAP net income (loss)	**$ 334**	$ 117	$ 187	**$ 850**	$ 894	$ (1,223)
Cost of revenue (b)	**18**	17	17	**94**	64	129
R&D expense (b)	**1**	1	1	**17**	6	6
SG&A expense (b)	**45**	7	7	**76**	(168)	(155)
Goodwill and intangible impairment (b)	**—**	—	—	**—**	3	1,889
Legal contingency and settlement (b)	**8**	18	18	**10**	(456)	(456)
Other (income) expense, net (b)	**(192)**	(31)	(31)	**(333)**	295	295
Provision for income taxes (b)	**(6)**	23	(61)	**42**	25	(95)
Non-GAAP net income (a)	**$ 208**	$ 152	$ 138	**$ 756**	$ 663	$ 390

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

The consolidated results for Q4 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					
	December 28, 2025			December 29, 2024		
GAAP gross profit (b)	**$**	**759**	**65.5 %**	$	728	65.9 %
Acquisition-related costs (c)		**16**	**1.3 %**		17	1.5 %
Transformational initiatives (d)		**2**	**0.2 %**		—	—
Non-GAAP gross profit (a)	**$**	**777**	**67.0 %**	$	745	67.4 %
GAAP R&D expense	**$**	**239**	**20.6 %**	$	256	23.2 %
Acquisition-related costs (c)		**—**	**—**		(1)	(0.1)%
Transformational initiatives (d)		**(1)**	**(0.1)%**		—	—
Non-GAAP R&D expense	**$**	**238**	**20.5 %**	$	255	23.1 %
GAAP SG&A expense	**$**	**310**	**26.7 %**	$	279	25.2 %
Acquisition-related costs (c)		**(21)**	**(1.8)%**		7	0.7 %
Transformational initiatives (d)		**(6)**	**(0.5)%**		(15)	(1.3)%
Other (g)		**(19)**	**(1.6)%**		—	—
Non-GAAP SG&A expense	**$**	**264**	**22.8 %**	$	271	24.6 %
GAAP legal contingency and settlement	**$**	**8**	**0.7 %**	$	18	1.7 %
Legal contingency and settlement (h)		**(8)**	**(0.7)%**		(18)	(1.7)%
Non-GAAP legal contingency and settlement	**$**	**—**	**—**	$	—	—
GAAP operating profit	**$**	**202**	**17.4 %**	$	175	15.8 %
Cost of revenue		**18**	**1.6 %**		17	1.5 %
R&D costs		**1**	**0.1 %**		1	0.1 %
SG&A costs		**46**	**3.9 %**		7	0.6 %
Legal contingency and settlement		**8**	**0.7 %**		18	1.7 %
Non-GAAP operating profit (a)	**$**	**275**	**23.7 %**	$	218	19.7 %
GAAP other income, net	**$**	**176**	**15.2 %**	$	13	1.2 %
Strategic investment gain, net (e)		**(192)**	**(16.6)%**		(31)	(2.9)%
Non-GAAP other expense, net (a)	**$**	**(16)**	**(1.4)%**	$	(18)	(1.7)%

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

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:

	Year Ended							
	December 28, 2025		December 29, 2024					
	Core/Consolidated		Core Illumina		GRAIL	Elims	Consolidated	
GAAP gross profit (loss) (b)	**$ 2,870**	**66.1 %**	$ 2,909	67.1 %	$ (38)	$ (10)	$ 2,861	65.4 %
Acquisition-related costs (c)	**66**	**1.5 %**	63	1.5 %	65	—	128	3.0 %
Transformational initiatives (d)	**5**	**0.1 %**	1	—	—	—	1	—
Intangible impairment (f)	**23**	**0.5 %**	—	—	—	—	—	—
Non-GAAP gross profit (a)	**$ 2,964**	**68.2 %**	$ 2,973	68.6 %	$ 27	$ (10)	$ 2,990	68.4 %
GAAP R&D expense	**$ 967**	**22.3 %**	$ 988	22.8 %	$ 189	$ (8)	$ 1,169	26.7 %
Acquisition-related costs (c)	**(1)**	**—**	(4)	(0.1)%	—	—	(4)	(0.1)%
Transformational initiatives (d)	**(16)**	**(0.4)%**	(2)	—	—	—	(2)	—
Non-GAAP R&D expense	**$ 950**	**21.9 %**	$ 982	22.7 %	$ 189	$ (8)	$ 1,163	26.6 %
GAAP SG&A expense	**$ 1,086**	**25.0 %**	$ 900	20.7 %	$ 192	$ —	$ 1,092	25.0 %
Acquisition-related costs (c)	**(16)**	**(0.4)%**	227	5.2 %	(13)	—	214	4.8 %
Transformational initiatives (d)	**(39)**	**(0.9)%**	(58)	(1.3)%	(1)	—	(59)	(1.3)%
Other (g)	**(22)**	**(0.5)%**	—	—	—	—	—	—
Non-GAAP SG&A expense	**$ 1,009**	**23.2 %**	$ 1,069	24.6 %	$ 178	$ —	$ 1,247	28.5 %
GAAP goodwill and intangible impairment	**$ —**	**—**	$ 3	0.1 %	$ 1,886	$ —	$ 1,889	43.2 %
Goodwill impairment (f)	**—**	**—**	—	—	(1,466)	—	(1,466)	(33.5)%
Intangible (IPR&D) impairment (f)	**—**	**—**	(3)	(0.1)%	(420)	—	(423)	(9.7)%
Non-GAAP goodwill and intangible impairment	**$ —**	**—**	$ —	—	$ —	$ —	$ —	—
GAAP legal contingency and settlement	**$ 10**	**0.2 %**	$ (456)	(10.5)%	$ —	$ —	$ (456)	(10.4)%
Legal contingency and settlement (h)	**(10)**	**(0.2)%**	456	10.5 %	—	—	456	10.4 %
Non-GAAP legal contingency and settlement	**$ —**	**—**	$ —	—	$ —	$ —	$ —	—
GAAP operating profit (loss)	**$ 807**	**18.6 %**	$ 1,473	34.0 %	$ (2,305)	$ (1)	$ (833)	(19.1)%
Cost of revenue	**94**	**2.2 %**	64	1.5 %	65	—	129	3.0 %
R&D costs	**17**	**0.4 %**	6	0.1 %	—	—	6	0.1 %
SG&A costs	**76**	**1.7 %**	(168)	(3.9)%	13	—	(155)	(3.5)%
Goodwill and intangible impairment	**—**	**—**	3	0.1 %	1,886	—	1,889	43.2 %
Legal contingency and settlement	**10**	**0.2 %**	(456)	(10.5)%	—	—	(456)	(10.4)%
Non-GAAP operating profit (loss) (a)	**$ 1,004**	**23.1 %**	$ 922	21.3 %	$ (341)	$ (1)	$ 580	13.3 %
GAAP other income (expense), net	**$ 279**	**6.4 %**	$ (350)	(8.1)%	$ 5	$ (1)	$ (346)	(7.9)%
Strategic investment (gain) loss, net (e)	**(333)**	**(7.6)%**	308	7.1 %	—	—	308	7.1 %
Other (i)	**—**	**—**	(13)	(0.3)%	—	—	(13)	(0.3)%
Non-GAAP other (expense) income, net (a)	**$ (54)**	**(1.2)%**	$ (55)	(1.3)%	$ 5	$ (1)	$ (51)	(1.1)%

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 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 Q4 2025 consist of $16 million for amortization of intangible assets (cost of revenue), $11 million for fair value adjustments on our contingent consideration liabilities (SG&A) and $10 million related primarily to legal and other expenses for the SomaLogic acquisition and legal expenses for the GRAIL acquisition (SG&A). Amounts for YTD 2025 consist primarily of $66 million for amortization of intangible assets (cost of revenue) and $33 million related primarily to legal and other expenses for the SomaLogic acquisition, legal expenses for the GRAIL acquisition and a lease impairment (SG&A), offset by $18 million for fair value adjustments on our contingent consideration liabilities (SG&A). Amounts for Q4 2024 consist of $17 million for amortization of intangible assets and $5 million related primarily to legal and other expenses for the acquisition and divestiture of GRAIL, offset by $11 million for fair value adjustments on our contingent consideration liabilities. Consolidated amounts for YTD 2024 consist of $315 million for fair value adjustments on our contingent consideration liabilities, offset by $131 million for amortization of intangible assets and $102 million primarily related to legal and other expenses for the acquisition and divestiture of GRAIL.
(d) Amounts for Q4 2025 and YTD 2025 consist primarily of employee severance costs related to restructuring activities ($47 million in YTD 2025) and costs related to implementation efforts to upgrade our ERP system ($14 million in YTD 2025) (SG&A). Amounts for Q4 2024 and YTD 2024 consist primarily of lease and other asset impairments and employee severance costs related to restructuring activities.
(e) Amounts consist of realized and unrealized gains (losses) and impairments on our investments.
(f) Amounts for YTD 2025 consist of an intangible impairment related to Core Illumina. Amounts for YTD 2024 consist of goodwill and IPR&D impairments related to GRAIL and IPR&D impairment related to Core Illumina.
(g) Amounts for Q4 2025 and YTD 2025 consist of a $19 million donation to the Illumina Foundation. Amount for YTD 2025 also consists of $3 million for board membership changes.
(h) Amounts for YTD 2024 primarily consist of the reversal of the accrued EC fine, including accrued interest.
(i) Consolidated amounts for YTD 2024 consist of $15 million for fair value adjustments on Helix contingent value right, offset by $2 million for unrealized gains/losses related to foreign currency balance sheet remeasurement of EC fine liability and unrealized/realized mark-to-market gains/losses on hedge associated with the EC fine.

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					
	December 28, 2025		December 29, 2024			
	Core/Consolidated		Core Illumina		Consolidated	
GAAP tax provision	**$ 44**	**11.6 %**	$ 70	37.9 %	$ 1	0.6 %
Income tax provision (b)	**(11)**		(13)		(13)	
GILTI, US foreign tax credits, global minimum top-up tax (c)	**—**		5		51	
Non-GAAP tax expense (d)	**17**		(15)		23	
Non-GAAP tax provision (a)	**$ 50**	**19.5 %**	$ 47	23.7 %	$ 62	31.1 %

	Year Ended					
	December 28, 2025		December 29, 2024			
	Core/Consolidated		Core Illumina		Consolidated	
GAAP tax provision	**$ 236**	**21.7 %**	$ 229	20.4 %	$ 44	(3.8)%
Income tax provision (b)	**(19)**		(16)		(16)	
GILTI, US foreign tax credits, global minimum top-up tax (c)	**—**		(82)		(90)	
Non-GAAP tax expense (d)	**(23)**		73		201	
Non-GAAP tax provision (a)	**$ 194**	**20.5 %**	$ 204	23.6 %	$ 139	26.3 %

The consolidated results for Q4 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) Non-GAAP tax expense includes a one-time $42 million valuation allowance adjustment recorded in Q3 2025 against deferred tax assets associated with certain U.S. foreign tax credits as a result of the U.S. tax legislation that was signed on July 4, 2025 and the tax impact of the non-GAAP adjustments listed in Table 2.