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ILMN Q122 Summary of Prepared Remarks

Revenue - Core Illumina

	Q122	Yr/Yr	Qtr/Qtr	Management Commentary
Sequencing Consumables	$784M	+13%	-1%	• Yr/Yr increase driven by the growing NovaSeq installed base across clinical and research markets • COVID-19 surveillance contributed approximately $53 million in sequencing consumables revenue • Sequencing consumables orders surpassed $1 billion for the first time
Microarrays Consumables	$75M	-5%	-9%	
Total Consumables	$859M	+11%	-2%	
Sequencing Instruments	$212M	+20%	+11%	• Yr/Yr increase driven by another record quarter of NovaSeq shipments resulting from accelerating demand in oncology testing, which accounted for almost 40% of the NovaSeq shipments • COVID-19 surveillance contributed approximately $7 million in incremental instruments revenue
Microarrays Instruments	$6M	+100%	+20%	
Total Instruments	$218M	+22%	+11%	
Total Products	$1,077M	+13%	+1%	
Sequencing Service & Other	$111M	+3	+5%	• Up slightly Yr/Yr driven by growth in instrument service contracts
Microarrays Service & Other	$33M	+3%	+94%	
Total Service & Other	$144M	+3%	+17%	
Total Revenue - Core Illumina	$1,221M	+12%	+2%	• Record orders in Q122 • Exited the quarter with record total backlog

Revenue by Geographic Location - Core Illumina

	Q122	Yr/Yr	Qtr/Qtr	Management Commentary
Americas	$646M	+15%	+4%	• Record revenue in Q122 • Yr/Yr growth driven by strength in oncology therapy selection, emerging applications such as single cell and proteomics, and pathogen surveillance initiatives
EMEA	$316M	+4%	-10%	• Yr/Yr growth driven by strength across both clinical end markets and emerging markets, partially offset by the conclusion of the UK BioBank program in the third quarter of 2021, as expected • Growth was modestly impacted by lower shipments to Russia as a result of the war in Ukraine
APJ	$132M	+33%	+28%	• Record revenue in Q122 • Stronger than expected growth from large-scale research projects, oncology and genetic disease testing, and pathogen surveillance initiatives
Greater China	$127M	0%	+5%	• Robust clinical demand in hospitals was offset by COVID-19 restrictions that began in March

Core Illumina Updates

	Management Commentary
High-Throughput (HT): NovaSeq & HiSeq	• Record NovaSeq shipments in the quarter • More than half of NovaSeq shipments were to clinical customers
Mid-Throughput (MT): NextSeq	• Continued strong demand for NextSeq 1000/2000 from new to Illumina customers, who represented more than a third of shipments for the quarter • Installed base of NextSeq 1000/2000 instruments has now exceeded 1,000 • Q122 shipments for the P1 flow cell that we launched in the fourth quarter of 2021 were nearly double our expectations
Low-Throughput (LT): MiSeq, MiniSeq & iSeq	• More than one-third of shipments in the first quarter were to new-to-Illumina customers, further increasing our installed base and enabling adoption of sequencing across a broad customer network
Market Segments	• Sequencing consumables growth was solid across both clinical and research, with both market segments growing in double digits • Oncology testing sequencing consumables grew almost 20% year-over-year, as we continue to help democratize sequencing in this critical area of healthcare • TSO 500 grew nearly 120% year-over-year in Q122 • Genetic disease testing had another record quarter, as we enable expanding coverage and utilization of whole genome sequencing, or WGS, globally • In infectious disease and microbiology, we saw a record quarter with incremental global investments in pathogen identification, monitoring and resistance.

GRAIL Updates

	Management Commentary
GRAIL	• GRAIL revenue of $10 million for the quarter consisted primarily of Galleri test fees • To date, Galleri has been prescribed by more than 2,400 prescribing physicians, and GRAIL has entered into 34 partnerships with health systems, employers and insurers who are investing in multi-cancer early detection to improve outcomes. • The NHS Galleri trial continues to progress, with more than 90,000 of the planned 140,000 participants enrolled.

Q122 Non-GAAP Financial Highlights - Core Illumina

You are encouraged to review the GAAP reconciliation of the following non-GAAP measures at the end of this summary.

	Q122	Yr/Yr	Qtr/Qtr	Management Commentary
Gross margin	70.2%	-30bps	-140bps	• Decreased yr/yr due primarily to increased freight costs attributable to broader global supply chain pressures
Operating expenses	$505M	+$85M	-$75M	• Increased yr/yr due primarily to headcount growth and investments we are making in R&D and operations to support the growth and scale of our business • Despite the yr/yr increase, operating expenses were roughly $15 million lower than we expected as a result of slower hiring and timing of project spend shifting into the second quarter
Operating margin	28.8%	-330bps	+590bps	

Q122 Non-GAAP Financial Highlights - GRAIL

You are encouraged to review the GAAP reconciliation of the following non-GAAP measures at the end of this summary.

	Q122	Management Commentary
Operating expenses	$139M	• Consisted primarily of expenses related to headcount and clinical trials • ~$15 million lower than we expected due to timing of spend shifting to the second quarter

Q122 Non-GAAP Financial Highlights - Consolidated

You are encouraged to review the GAAP reconciliation of the following non-GAAP measures at the end of this summary.

	Q122	Yr/Yr	Qtr/Qtr	Management Commentary
Operating expenses	$643M	+$223M	-$68M	
Other expense, net	$6M	+$3M	-$2M	
Tax rate	17.8%	-250bps	+220bps	• Decreased 250 basis points year-over-year primarily due to tax expense recognized in Q1 2021 on certain foreign subsidiary earnings that are no longer indefinity reinvested • The increase in the non-GAAP tax rate from Q4 2021 was primarily due to the impact of R&D expense capitalization requirements implemented by the Tax Cuts and Jobs Act of 2017
Net income attributable to Illumina stockholders	$169M	-$109M	+$52M	
EPS attributable to Illumina stockholders (diluted)	$1.07	-43%	+43%	• Included dilution from GRAIL's non-GAAP operating loss of $134 million

	Q122	Yr/Yr	Qtr/Qtr	Management Commentary
Cash Flow from Operations	$172M	-$110M	-$110M	
DSO	46 days	+3 days	-3 days	
Capital expenditures	($61M)	+$19M	-$9M	
Free cash flow	$111M	-$129M	-$101M	
Cash, cash equivalents & short-term Investments	$1.4B	-$3,214M	+$77M	

Consolidated Guidance

You are encouraged to review the GAAP reconciliation of the following non-GAAP measures at the end of this summary.

	FY22 Guidance	Management Commentary
FY22 Consolidated Revenue	14% - 16% Growth Yr/Yr	• Our outlook for 2022 assumes the lockdowns in China ease by June, and our business in China recovers in the second half of 2022 • Expect revenue from COVID-19 surveillance in the range of \$130 million to \$150 million
FY22 Consolidated Non-GAAP Operating Margin	15.5% - 16.0%	
FY22 Consolidated Non-GAAP Diluted EPS	\$4.00 - \$4.20	• Includes dilution from GRAIL of \$3.75, in line with previous expectations • Expect diluted shares outstanding to be approximately 159 million shares
FY22 Consolidated Non-GAAP Tax Rate	~18%	• Revised from prior guidance

	Q222 Guidance	Management Commentary
Q222 Consolidated Revenue	7% - 9% Growth Yr/Yr	• Includes an approximately 300-basis point headwind on overall revenue growth related to current COVID-19-related shutdowns in China
Q222 Consolidated Non-GAAP Gross Margin	~flat sequentially from Q122	
Q222 Consolidated non-GAAP Operating Margin	~10%	• Sequential decrease from Q1 2022 driven primarily by a \$60 million increase in Core Illumina operating expenses and a \$25 million increase in GRAIL operating expenses • The expected increases in operating expenses are driven primarily by our typical ramp in compensation-related expenses, including our merit increase cycle, the timing of hiring and project spend shifting into Q2 from Q1, and a ramp in GRAIL's operating expenses
Q222 Consolidated Non-GAAP Tax Rate	~18%	• In line with our full year 2022 guidance
Q222 Diluted Shares Outstanding	~159M	• In line with our full year 2022 guidance

Segment Guidance

You are encouraged to review the GAAP reconciliation of the following non-GAAP measures at the end of this summary.

	FY22 Guidance	Management Commentary
FY22 Core Illumina Revenue	13% - 15% Growth Yr/Yr	• Our outlook for 2022 assumes the lockdowns in China ease by June, and our business in China recovers in the second half of 2022 • At the midpoint, reflects: o Sequencing revenue growth of ~15% Yr/Yr o Sequencing consumables revenue growth of ~18% Yr/Yr o Sequencing instrument revenue growth of ~10% Yr/Yr o Intercompany revenue of ~$25 million, which is eliminated on a consolidated basis
FY22 GRAIL Revenue	$70M- $90M	• Consists primarily of Galleri test fees
FY22 Core Illumina non-GAAP Operating Margin	~28%	

	Q222 Guidance	Management Commentary
Q222 Core Illumina non-GAAP Operating Margin	~23%	

Statement regarding use of non-GAAP financial measures

The company reports non-GAAP results for earnings per diluted share, net income, gross margin, operating expenses, including research and development expense and selling general and administrative expense, operating income (loss), operating margin, gross profit, other income (expense), and free cash flow (on a consolidated and, as applicable, segment basis for our Core Illumina and GRAIL segments) 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 itemized reconciliations between GAAP and non-GAAP financial measures included in this press release. Management has excluded the effects of these items in non-GAAP measures to assist investors in analyzing and assessing past and future operating performance, including in the non-GAAP measures related to our Core Illumina and GRAIL segments. Additionally, non-GAAP net income and earnings per diluted 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.

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) the impact to our business and operating results of the COVID-19 pandemic; (ii) changes in the rate of growth in the markets we serve; (iii) the volume, timing and mix of customer orders among our products and services; (iv) our ability to adjust our operating expenses to align with our revenue expectations; (v) our ability to manufacture robust instrumentation and consumables; (vi) the success of products and services competitive with our own; (vii) 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; (viii) the impact of recently launched or pre-announced products and services on existing products and services; (ix) our ability to further develop and commercialize our instruments, consumables, and products, including Galleri, the cancer screening test developed by GRAIL, to deploy new products, services, and applications, and to expand the markets for our technology platforms; (x) the risks and costs associated with the integration of, and our ability to integrate, GRAIL's business successfully to achieve anticipated synergies, including the restrictions on integration during any hold separate period or any delay in integration following any hold separate period; (xi) the risk that disruptions from the consummation of our acquisition of GRAIL or any associated legal or regulatory proceedings or obligations will harm our business, including current plans and operations; (xii) potential adverse reactions or changes to business relationships resulting from the consummation of our acquisition of GRAIL; (xiii) our ability to obtain approval by third-party payors to reimburse patients for our products; (xiv) our ability to obtain regulatory clearance for our products from government agencies; (xv) our ability to successfully partner with other companies and organizations to develop new products, expand markets, and grow our business; (xvi) our ability to successfully identify and integrate acquired technologies, products, or businesses; (xvii) the application of generally accepted accounting principles, which are highly complex and involve many subjective assumptions, estimates, and judgments and (xviii) 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.

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

	Three Months Ended	
	April 3, 2022	**April 4, 2021**
Net cash provided by operating activities	**$ 172**	$ 282
Net cash (used in) provided by investing activities	**(74)**	1,376
Net cash provided by financing activities	**21**	968
Effect of exchange rate changes on cash and cash equivalents	**—**	(3)
Net increase in cash and cash equivalents	**119**	2,623
Cash and cash equivalents, beginning of period	**1,232**	1,810
Cash and cash equivalents, end of period	**$ 1,351**	$ 4,433
Calculation of free cash flow:		
Net cash provided by operating activities	**$ 172**	$ 282
Purchases of property and equipment	**(61)**	(42)
Free cash flow (a)	**$ 111**	$ 240

(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 - Non-GAAP
(In millions, except per share amounts)
(unaudited)

TABLE 1: CONSOLIDATED RECONCILIATION BETWEEN GAAP AND NON-GAAP EARNINGS PER SHARE:

	Three Months Ended	
	April 3, 2022	**April 4, 2021**
GAAP earnings per share - diluted	**$ 0.55**	$ 1.00
Cost of revenue **(b)**	**0.25**	0.05
Selling, general and administrative costs **(b)**	**(0.08)**	1.03
Other expense, net **(b)**	**0.24**	0.14
GILTI and U.S. foreign tax credits **(c)**	**0.15**	—
Incremental non-GAAP tax expense **(d)**	**(0.07)**	(0.30)
Income tax provision (benefit) **(e)**	**0.03**	(0.03)
Non-GAAP earnings per share - diluted **(a)**	**$ 1.07**	$ 1.89

TABLE 2: CONSOLIDATED RECONCILIATION BETWEEN GAAP AND NON-GAAP NET INCOME:

	Three Months Ended	
	April 3, 2022	**April 4, 2021**
GAAP net income	**$ 86**	$ 147
Cost of revenue **(b)**	**40**	7
Selling, general and administrative costs **(b)**	**(12)**	151
Other expense, net **(b)**	**38**	21
GILTI and U.S. foreign tax credits **(c)**	**24**	—
Incremental non-GAAP tax expense **(d)**	**(11)**	(44)
Income tax provision (benefit) **(e)**	**4**	(4)
Non-GAAP net income **(a)**	**$ 169**	$ 278

All amounts in tables are rounded to the nearest millions, except as otherwise noted. As a result, certain amounts may not foot or recalculate using the rounded amounts provided.

(a) Non-GAAP net income and earnings per diluted share exclude the effects of the pro forma adjustments as detailed above. Non-GAAP net income and earnings per diluted 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 our Itemized Reconciliations between GAAP and Non-GAAP Results of Operations below for the components of these amounts.
(c) Amount represents the impact of GRAIL pre-acquisition net operating losses on GILTI and the utilization of U.S. foreign tax credits.
(d) Incremental non-GAAP tax expense reflects the tax impact of the non-GAAP adjustments listed.
(e) Amounts represent difference between book and tax accounting related to stock-based compensation cost.

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

TABLE 3: CONSOLIDATED ITEMIZED RECONCILIATION BETWEEN GAAP AND NON-GAAP RESULTS OF OPERATIONS AS A PERCENT OF REVENUE:

	Three Months Ended					
	April 3, 2022			April 4, 2021		
GAAP gross profit	**$**	**815**	**66.6 %**	$	764	69.9 %
Core Illumina cost of revenue		**6**	**0.5 %**		7	0.6 %
GRAIL cost of revenue		**34**	**2.8 %**		—	—
Non-GAAP gross profit **(a)**	**$**	**855**	**69.9 %**	$	771	70.5 %
GAAP selling, general and administrative expense	**$**	**308**	**25.2 %**	$	374	34.2 %
Core Illumina selling, general and administrative costs		**16**	**1.3 %**		(151)	(13.8)%
GRAIL selling, general and administrative costs		**(4)**	**(0.3)%**		—	—
Non-GAAP selling, general and administrative expense	**$**	**320**	**26.2 %**	$	223	20.4 %
GAAP operating profit	**$**	**184**	**15.0 %**	$	193	17.7 %
Core Illumina adjustments		**(10)**	**(0.8)%**		158	14.4 %
GRAIL adjustments		**38**	**3.1 %**		—	—
Non-GAAP operating profit **(a)**	**$**	**212**	**17.3 %**	$	351	32.1 %
GAAP other expense, net	**$**	**(44)**	**(3.6)%**	$	(24)	(2.2)%
Core Illumina adjustments		**38**	**3.0 %**		21	2.0 %
Non-GAAP other expense, net **(a)**	**$**	**(6)**	**(0.5)%**	$	(3)	(0.2)%

All amounts in tables are rounded to the nearest millions, except as otherwise noted. As a result, certain amounts may not foot or recalculate using the rounded amounts provided.

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

TABLE 4: CORE ILLUMINA ITEMIZED RECONCILIATION BETWEEN GAAP AND NON-GAAP RESULTS OF OPERATIONS AS A PERCENT OF REVENUE:

	Three Months Ended			
	April 3, 2022		April 4, 2021	
GAAP gross profit - Core Illumina (b)	**$ 851**	**69.7 %**	$ 764	69.9 %
Amortization of acquired intangible assets	**6**	**0.5 %**	6	0.5 %
Expenses related to COVID-19 **(c)**	**—**	**—**	1	0.1 %
Non-GAAP gross profit - Core Illumina **(a)**	**$ 857**	**70.2 %**	$ 771	70.5 %
GAAP selling, general and administrative expense - Core Illumina	**$ 251**	**20.6 %**	$ 374	34.2 %
Contingent consideration liability **(d)**	**49**	**4.0 %**	—	—
Acquisition-related expenses **(e)**	**(33)**	**(2.7)%**	(150)	(13.7)%
Expenses related to COVID-19 **(c)**	**—**	**—**	(2)	(0.2)%
Income related to COVID-19 **(f)**	**—**	**—**	1	0.1 %
Non-GAAP selling, general and administrative expense - Core Illumina	**$ 267**	**21.9 %**	$ 223	20.4 %
GAAP operating profit - Core Illumina	**$ 362**	**29.6 %**	$ 193	17.7 %
Cost of revenue	**6**	**0.5 %**	7	0.6 %
Selling, general and administrative costs	**(16)**	**(1.3)%**	151	13.8 %
Non-GAAP operating profit - Core Illumina **(a)**	**$ 352**	**28.8 %**	$ 351	32.1 %
GAAP other expense, net - Core Illumina	**$ (44)**	**(3.6)%**	$ (24)	(2.2)%
Strategic investment related loss, net **(g)**	**43**	**3.5 %**	39	3.6 %
Gain on Helix contingent value right **(h)**	**(5)**	**(0.4)%**	(10)	(0.9)%
Non-cash interest expense **(i)**	**—**	**—**	11	1.0 %
Gain on derivative assets **(j)**	**—**	**—**	(26)	(2.3)%
Bridge facility fees **(k)**	**—**	**—**	7	0.6 %
Non-GAAP other expense, net - Core Illumina **(a)**	**$ (6)**	**(0.5)%**	$ (3)	(0.2)%

All amounts in tables are rounded to the nearest millions, except as otherwise noted. As a result, certain amounts may not foot or recalculate using the rounded amounts provided.

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

TABLE 5: GRAIL ITEMIZED RECONCILIATION BETWEEN GAAP AND NON-GAAP RESULTS OF OPERATIONS:

	Three Months Ended	
	April 3, 2022	April 4, 2021
GAAP gross loss - GRAIL (b)	$ (29)	—
Amortization of acquired intangible assets	34	—
Non-GAAP gross profit - GRAIL **(a)**	$ 5	—
GAAP selling, general and administrative expense - GRAIL	$ 58	—
Acquisition-related expenses **(e)**	(3)	—
Amortization of acquired intangible assets	(1)	—
Non-GAAP selling, general and administrative expense - GRAIL	$ 54	—
GAAP operating loss - GRAIL	$ (172)	—
Cost of revenue	34	—
Selling, general and administrative costs	4	—
Non-GAAP operating loss - GRAIL **(a)**	$ (134)	—

All amounts in tables are rounded to the nearest millions, except as otherwise noted. As a result, certain amounts may not foot or recalculate using the rounded amounts provided.

(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 expense, net exclude the effects of the pro forma adjustments as detailed above. Management has excluded the effects of these items in these measures to assist investors in analyzing and assessing past and future operating performance, including in the non-GAAP measures related to our Core Illumina and GRAIL segments.
(b) Reconciling amounts are recorded in cost of revenue.
(c) Amounts consist of direct and incremental expenses incurred due to the COVID-19 pandemic, primarily expenses related to employee testing and incremental cleaning in Q1 2021. Such expenses were not excluded in Q1 2022.
(d) Amount consists of fair value adjustments for our contingent consideration liability related to the GRAIL acquisition.
(e) Amount for Q1 2022 consists primarily of legal expenses related to our acquisition of GRAIL. Amount for Q1 2021 consists primarily of expenses related to our acquisition of GRAIL, including $105 million in Continuation Payments.
(f) Amount consists of direct and incremental income due to the COVID-19 pandemic, primarily payroll-related credits earned in the U.S. and Canada in Q1 2021. Such income was not excluded in Q1 2022.
(g) Amounts consist primarily of mark-to-market adjustments from our strategic investments.
(h) Amounts consist of fair value adjustments related to our Helix contingent value right.
(i) Non-cash interest expense is calculated in accordance with the authoritative accounting guidance for convertible debt instruments that may be settled in cash. We adopted ASU 2020-06, *Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-10*), on January 3, 2022, using the modified retrospective method. The adoption eliminates the non-cash interest expense related to the conversion feature of our 2023 Convertible Notes beginning in the first quarter of 2022.
(j) Amount represents gain recorded on our derivative assets related to the terminated acquisition with Pacific Biosciences as a result of Pacific Biosciences repaying to us $52 million in Continuation Advances.
(k) Amount consists of expenses related to the bridge facility commitment, which was terminated in March 2021 in conjunction with our issuance of term notes.

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

CONSOLIDATED ITEMIZED RECONCILIATION BETWEEN GAAP AND NON-GAAP TAX PROVISION:

	Three Months Ended April 3, 2022	
GAAP tax provision	$ 54	38.3 %
Incremental non-GAAP tax expense **(a)**	11	
Income tax provision **(b)**	(4)	
GILTI and U.S. foreign tax credits **(c)**	(24)	
Non-GAAP tax provision	$ 37	17.8 %

(a) Incremental non-GAAP tax expense reflects the tax impact related to the non-GAAP adjustments listed in Table 2 above.
(b) Amount represents the difference between book and tax accounting related to stock-based compensation cost.
(c) Amount represents the impact of GRAIL pre-acquisition net operating losses on GILTI and the utilization of U.S. foreign tax credits.

Illumina, Inc.
Reconciliation of Consolidated Non-GAAP Financial Guidance
(unaudited)

Our future performance and financial results are subject to risks and uncertainties, and actual results could differ materially from the guidance set forth below. Some of the factors that could affect our financial results are included from time to time in the public reports filed with the Securities and Exchange Commission, including Form 10-K for the fiscal year ended January 2, 2022 filed with the SEC on February 18, 2022. We assume no obligation to update any forward-looking statements or information.

TABLE 6: RECONCILIATION BETWEEN GAAP AND NON-GAAP EARNINGS PER DILUTED SHARE GUIDANCE:

	Fiscal Year 2022
Consolidated GAAP earnings per diluted share	**$2.33 - $2.53**
Amortization of acquired intangible assets	1.03
Acquisition-related expenses **(b)**	0.23
Strategic investment related loss, net **(c)**	0.27
Gain on Helix contingent value right **(d)**	(0.03)
Contingent consideration liability **(e)**	(0.31)
GILTI and U.S. foreign tax credits **(f)**	0.69
Incremental non-GAAP tax expense **(g)**	(0.24)
Income tax provision **(h)**	0.03
Consolidated non-GAAP earnings per diluted share **(a)**	$4.00 - $4.20

(a) Non-GAAP earnings per diluted share exclude the effect of the pro forma adjustments as detailed above. Non-GAAP earnings per diluted share 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 this measure to assist investors in analyzing and assessing our past and future operating performance.
(b) Amount consists primarily of legal expenses related to our acquisition of GRAIL.
(c) Amount consists primarily of mark-to-market adjustments from our strategic investments.
(d) Amount consists of fair value adjustments related to our Helix contingent value right.
(e) Amount consists of fair value adjustment for our contingent consideration liability related to the GRAIL acquisition.
(f) Amount represents the impact of GRAIL pre-acquisition net operating losses on GILTI and the utilization of U.S. foreign tax credits.
(g) Incremental non-GAAP tax expense reflects the tax impact related to the non-GAAP adjustments listed.
(h) Amount represents difference between book and tax accounting related to stock-based compensation cost.

Illumina, Inc.
Reconciliation of Non-GAAP Financial Guidance
(unaudited)

Our future performance and financial results are subject to risks and uncertainties, and actual results could differ materially from the guidance set forth below. Some of the factors that could affect our financial results are included from time to time in the public reports filed with the Securities and Exchange Commission, including Form 10-K for the fiscal year ended January 2, 2022 filed with the SEC on February 18, 2022. We assume no obligation to update any forward-looking statements or information.

RECONCILIATION BETWEEN GAAP AND NON-GAAP OPERATING MARGIN GUIDANCE:

	Q2 2022
Consolidated GAAP operating margin	**6.6%**
Amortization of acquired intangible assets	3.4
Consolidated non-GAAP operating margin **(a)**	10.0%

	FY 2022
Consolidated GAAP operating margin	**12.6% - 13.1%**
Amortization of acquired intangible assets	3.2
Acquisition-related expenses **(b)**	0.7
Contingent consideration liability **(c)**	(1.0)
Consolidated non-GAAP operating margin **(a)**	15.5% - 16.0%

	Q2 2022
Core Illumina GAAP operating margin	**22.5%**
Amortization of acquired intangible assets	0.5
Core Illumina non-GAAP operating margin **(a)**	23.0%

	FY 2022
Core Illumina GAAP operating margin	**27.8%**
Amortization of acquired intangible assets	0.5
Acquisition-related expenses **(b)**	0.7
Contingent consideration liability **(c)**	(1.0)
Core Illumina non-GAAP operating margin **(a)**	28.0%

(a) Non-GAAP operating margin excludes the effects of the pro forma adjustments as detailed above. Management has excluded the effects of these items in this measure to assist investors in analyzing and assessing past and future operating performance, including in the non-GAAP measure related to our Core Illumina segment.
(b) Amount consists primarily of legal expenses related to our acquisition of GRAIL.
(c) Amount consists of fair value adjustment for our contingent consideration liability related to the GRAIL acquisition.

Illumina, Inc.
Reconciliation of Non-GAAP Financial Guidance (continued)
(unaudited)

RECONCILIATION BETWEEN GAAP AND NON-GAAP TAX RATE GUIDANCE:

	Q2 2022	
Consolidated GAAP tax provision	$ 29	36 %
Incremental non-GAAP tax expense **(a)**	7	
GILTI and U.S. foreign tax credits **(b)**	(15)	
Consolidated Non-GAAP tax provision	$ 21	18 %

	FY 2022	
Consolidated GAAP tax provision	$ 226	36 %
Incremental non-GAAP tax expense **(a)**	34	
Income tax provision **(c)**	(4)	
GILTI and U.S. foreign tax credits **(b)**	(110)	
Consolidated Non-GAAP tax provision	$ 146	18 %

(a) Amount for Q2 2022 reflects the tax impact related to expected amortization of acquired intangible assets. Amount for FY 2022 reflects the tax impact related to the non-GAAP adjustments listed in Table 6 above.
(b) Amounts represent the impact of GRAIL pre-acquisition net operating losses on GILTI and the utilization of U.S. foreign tax credits.
(c) Amount represents the difference between book and tax accounting related to stock-based compensation cost.