ILMN Q224 Summary of Prepared Remarks

Revenue - Core Illumina

<table>
<tr><th></th><th>Q224</th><th>Yr/Yr</th><th>Qtr/Qtr</th><th>Management Commentary</th></tr>
<tr><td>Sequencing Consumables</td><td>$737M</td><td>—</td><td>+6%</td><td>High-throughput was a particularly bright spot in this year’s second quarter, with consumables shipments growing both year-over-year and sequentially
X consumables revenue grew 35% from the first quarter of 2024, accelerating from the double-digit sequential growth we saw in the first quarter
Total sequencing Gb output on our connected high- and mid-throughput instruments grew more than 40% year-over-year and approximately 10% quarter-over-quarter
Growth in activity from both Research & Applied and Clinical customers was healthy
Although not a predictor of near-term revenue, Gb output provides us a directional view of underlying applications demand and levels of utilization of our instruments and consumables</td></tr>
<tr><td>Microarray Consumables</td><td>$78M</td><td>+11%</td><td>+10%</td><td></td></tr>
<tr><td>Total Consumables</td><td>$815M</td><td>+1%</td><td>+6%</td><td></td></tr>
<tr><td>Sequencing Instruments</td><td>$116M</td><td>-40%</td><td>+5%</td><td>Yr/Yr decline was driven by:
One, lower NovaSeq X placements, as compared to significant pre-order launch-related shipments in the second quarter of 2023, and
Two, an expected decline in mid-throughput shipments, as capital and cashflow constraints continue to impact purchasing behavior and moderate instrument placement
We shipped 62 NovaSeq X instruments in Q2</td></tr>
<tr><td>Microarray Instruments</td><td>$4M</td><td>—</td><td>—</td><td></td></tr>
<tr><td>Total Instruments</td><td>$120M</td><td>-39%</td><td>+5%</td><td></td></tr>
<tr><td>Total Products</td><td>$935M</td><td>-7%</td><td>+6%</td><td></td></tr>
<tr><td>Sequencing Service and Other</td><td>$143M</td><td>+7%</td><td>-5%</td><td>Yr/Yr increase driven primarily by an increase in revenue from strategic partnerships and higher instrument service contract revenue on a growing installed base</td></tr>
<tr><td>Microarrays Service and Other</td><td>$14M</td><td>-26%</td><td>-36%</td><td></td></tr>
</table>

	Q224	Yr/Yr	Qtr/Qtr	Management Commentary
Total Service and Other	$157M	+3%	-9%	
Total Revenue - Core Illumina	$1,092M	-6%	+3%	• Revenue exceeded our guidance driven primarily by continued increase in high-throughput sequencing consumables revenue, as our customers further ramp activity on NovaSeq X Plus ○ This strength in consumables was partially offset by fewer than expected shipments of our mid-throughput instruments, as capital and cash flow constraints continue to impact our customers' purchasing decisions

Revenue by Geographic Location - Core Illumina

	Q224	Yr/Yr	Qtr/Qtr	Management Commentary
Americas	$620M	—	+6%	
Europe	$289M	-5%	+4%	• Yr/Yr decrease given the significant backlog we worked through early last year following the X launch
Greater China	$75M	-35%	-4%	
AMEA	$108M	-8%	-7%	

Core Illumina Updates

	Management Commentary

High-Throughput (HT): NovaSeq & HiSeq	• In Q2 we shipped 62 NovaSeq X Plus instruments, bringing our total X Plus installed base to 469 instruments
	• NovaSeq X Plus average annual pull-through has topped 1 million dollars per instrument, a milestone achievement
	• High-throughput was a particularly bright spot in this year's second quarter, with consumables shipments growing both year-over-year and sequentially
	  o X consumables revenue grew 35% from the first quarter of 2024, accelerating from the double-digit sequential growth we saw in the first quarter
	• In order to provide some additional color on the transition - as of Q2, approximately 45% of high-throughput gigabases sequenced, and a little over 25% of high-throughput consumables revenue, was on NovaSeq X Plus
	  o In terms of the pace of shifting mix from 6K to X, to date, on average, roughly 5 percentage points of high-throughput sequencing consumables revenue has moved from NovaSeq 6000 to NovaSeq X Plus each quarter
	  o As this transition progresses, the impact of price continues to reduce
	  o If this trajectory holds, almost half of high-throughput sequencing consumables revenue should transition to the NovaSeq X by mid-2025, continuing to reduce the impact of the pricing transition and converting volume growth into higher revenue growth thereafter.
	• We are increasing our disclosures around the NovaSeq X to give you a clearer picture of the progress we are making in this important transition

Mid-Throughput (MT): NextSeq	• In Q2 we introduced the XLEAP-SBS chemistry to our NextSeq 1k/2k P1, P2, and P3 flow cells, complementing the P4 flow cell we launched earlier this year
	• The XLEAP launch has exceeded our expectations. More than 60% of the 1k/2k installed base now has upgraded software – a leading indicator for adoption
	  o XLEAP-SBS chemistry delivers improved quality, greater usable reads, and lower turnaround times, in addition to attractive pricing
	• While customers' interest in XLEAP is encouraging, translation to additional instrument uptake has been less than we expected
	• Our mid-throughput segment remains the most sensitive to the macroeconomic environment, and we have seen our sales cycles continue to lengthen
	  o This is clearly driven by constrained capital spending – our win rates have remained stable and our pipeline has grown
	• We will continue to support our mid-throughput customers through this environment and are confident that bringing XLEAP to NextSeq 1k/2k is further strengthening our leadership position around the world

Q224 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.

	Q224	Yr/Yr	Qtr/Qtr	Management Commentary
Gross margin	69.4%	+240bps	+230bps	• Yr/Yr increase driven primarily by a more favorable revenue mix of sequencing consumables, and also, importantly, execution of our operational excellence initiatives that improved productivity and delivered cost savings
Operating expenses	$516M	-$15M	+$25M	• Yr/Yr decrease reflects reductions in headcount and several other cost containment initiatives
Operating margin	22.2%	+100bps	+160bps	• Exceeded expectations due to higher-than-expected revenue, better-than-expected gross margin, and strides our organization has made in reducing operating expenses
Other expense, net	($13M)	+$12M	+$4M	• Includes 11 days of interest expense for the $750 million delayed draw term loan we drew in full on June 20, 2024
Tax rate	24.2%	*	-150bps[1]	
Net income	$174M	*	+$19M[1]	
EPS (diluted)	$1.09	*	+$0.11[1]	

	Q224	Yr/Yr	Qtr/Qtr	Management Commentary
Cash flow from operations	$243M	*	*	
Capital expenditures	($30M)	*	*	
Free cash flow	$213M	*	*	

**Prior period information not provided.*

Q224 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.

	Q224	Yr/Yr	Qtr/Qtr	Management Commentary
Operating expenses	$683M	-$17M	-$1M	
Tax rate	22.3%	-1,700bps	-2,410bps	
Net income	$57M	+$7M	+$43M	
EPS (diluted)	$0.36	+$0.04	+$0.27	

	Q224	Yr/Yr	Qtr/Qtr	Management Commentary
Cash flow from operations	$80M	-$25M	+$3M	
Capital expenditures	($32M)	-$15M	-$4M	
Free cash flow	$48M	-$10M	+$7M	
Cash, cash equivalents & short-term investments	$994M	-$565M	-$121M	

[1]This measure comes from the Q1'24 supplemental information we published at the close of the GRAIL divestment. LINK

Segment Guidance - Core Illumina

	FY24 Guidance	Management Commentary
FY24 Core Illumina Revenue	Down 2% - 3%	• Down 1.5% to 2.5% on a constant currency basis • Approximately one-half of the decline from our prior guidance is due to our lower expectations for our business in China and broader Asia, and the other half is a result of our reduced expectations for mid-throughput and NovaSeq X shipments • From an instruments versus consumables perspective, at the mid-point of the Core Illumina revenue guidance range: ○ Sequencing instruments revenue is now projected to decline in the mid-thirties % rate relative to 2023 ○ Sequencing consumables revenue is now projected to grow towards the upper end of the low single-digit % range versus 2023
FY24 Core Illumina Non-GAAP Operating Margin	20.5% - 21%	• Reflects the margin expansion achieved in Q2'24, but we are also reducing our forecasted operating expenses for second half of the year • We continue to make progress against our expense actions, as well as several operational excellence initiatives under our internal Pinnacle Continuous Improvement program ○ We've now launched several new initiatives under this continuous improvement program, which we expect will deliver an additional $200 million in expense savings over the next few years
FY24 Core Illumina Non-GAAP Tax Rate	~25%	
FY24 Core Illumina Non-GAAP Diluted EPS	$3.80 - $3.95	• This range includes second-half interest expense resulting from the $750 million delayed draw term loan we put in place in June this year

	Q324 Guidance	Management Commentary
Q324 Core Illumina Revenue	$1.075B - $1.085B	• Yr/yr decline driven predominantly by lower NovaSeq X instrument shipments, given the significant backlog we worked through last year following the launch
Q324 Core Illumina Non-GAAP Operating Margin	~20%	• Qtr/Qtr decline primarily due to lower revenue and timing of project spend delayed from Q2
Q324 Core Illumina Non-GAAP Tax Rate	~25%	
Q324 Core Illumina Non-GAAP Diluted EPS	$0.80 - $0.90	• Includes the said interest expense from the June 2024 delayed draw term loan

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

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, and from time to time, as applicable, legal contingencies and settlement, and goodwill and intangible impairment, operating income (loss), operating margin, gross profit (loss), other income (expense), tax provision, constant currency revenue growth, 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, 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, including in the non-GAAP measures related to our segments. Additionally, 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. 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 financial impact of items such as acquisition-related expenses, gains and losses from our strategic investments, fair value adjustments related to contingent consideration and contingent value rights, potential future asset impairments, restructuring activities, and the ultimate outcome of pending litigation 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; (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 manufacture robust instrumentation and consumables; (v) the success of products and services competitive with our own; (vi) 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; (vii) the impact of recently launched or pre-announced products and services on existing products and services; (viii) our ability to modify our business strategies to accomplish our desired operational goals; (ix) 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; (x) our ability to further develop and commercialize our instruments, consumables, and products; (xi) to deploy new products, services, and applications, and to expand the markets for our technology platforms; (xii) the risks and costs associated with the divestment of GRAIL; (xiii) the risk of additional litigation arising against us in connection with the GRAIL acquisition; (xiv) our ability to obtain approval by third-party payors to reimburse patients for our products; (xv) our ability to obtain regulatory clearance for our products from government agencies; (xvi) our ability to successfully partner with other companies and organizations to develop new products, expand markets, and grow our business; (xvii) uncertainty, or adverse economic and business conditions, including as a result of slowing or uncertain economic growth or armed conflict; (xviii) the application of generally accepted accounting principles, which are highly complex and involve many subjective assumptions, estimates, and judgments and (xix) 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 Consolidated 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 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Net cash provided by operating activities	**$ 80**	$ 105	**$ 157**	$ 115
Net cash used in investing activities	**(41)**	(37)	**(89)**	(93)
Net cash used in financing activities	**(225)**	(3)	**(191)**	(476)
Effect of exchange rate changes on cash and cash equivalents	**(2)**	(6)	**(5)**	(4)
Net (decrease) increase in cash and cash equivalents	**(188)**	59	**(128)**	(458)
Cash and cash equivalents, beginning of period	**1,108**	1,494	**1,048**	2,011
Cash and cash equivalents, end of period	**$ 920**	$ 1,553	**$ 920**	$ 1,553
Calculation of free cash flow:				
Net cash provided by operating activities	**$ 80**	$ 105	**$ 157**	$ 115
Purchases of property and equipment	**(32)**	(47)	**(67)**	(99)
Free cash flow **(a)**	**$ 48**	$ 58	**$ 90**	$ 16

TABLE 2: CORE ILLUMINA FREE CASH FLOWS:

	Three Months Ended
	June 30, 2024
Calculation of free cash flow:	
Net cash provided by operating activities	**$ 243**
Purchases of property and equipment	**(30)**
Free cash flow **(a)**	**$ 213**

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

	Three Months Ended			Six Months Ended		
	June 30, 2024	July 2, 2023	% Change	June 30, 2024	July 2, 2023	% Change
Consolidated revenue	**$ 1,112**	$ 1,176	(5)%	**$ 2,188**	$ 2,263	(3)%
Less: Hedge gains	**4**	2		**7**	3	
Consolidated revenue, excluding hedge effect	**1,108**	1,174		**2,181**	2,260	
Less: Exchange rate effect	**(5)**	—		**(7)**	—	
Consolidated constant currency revenue **(a)**	**$ 1,113**	$ 1,174	(5)%	**$ 2,188**	$ 2,260	(3)%
Core Illumina revenue	**$ 1,092**	$ 1,159	(6)%	**$ 2,148**	$ 2,235	(4)%
Less: Hedge gains	**4**	2		**7**	3	
Core Illumina revenue, excluding hedge effect	**1,088**	1,157		**2,141**	2,232	
Less: Exchange rate effect	**(5)**	—		**(7)**	—	
Core Illumina constant currency revenue **(a)**	**$ 1,093**	$ 1,157	(6)%	**$ 2,148**	$ 2,232	(4)%

(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 Region
(Dollars in millions)
(unaudited)

	Three Months Ended			Six Months Ended		
	June 30, 2024	July 2, 2023	% Change	June 30, 2024	July 2, 2023	% Change
AMR revenue - Core Illumina	**$ 620**	$ 623	(1)%	**$ 1,203**	$ 1,228	(2)%
Less: Hedge gains	**—**	—		**—**	1	
AMR revenue - Core Illumina, excluding hedge effect	**620**	623		**1,203**	1,227	
Less: Exchange rate effect	**—**	—		**1**	—	
AMR constant currency revenue - Core Illumina **(a)**	**$ 620**	$ 623	(1)%	**$ 1,202**	$ 1,227	(2)%
AMEA revenue - Core Illumina (b)	**$ 108**	$ 118	(8)%	**$ 224**	$ 237	(5)%
Less: Hedge gains	**1**	1		**3**	2	
AMEA revenue - Core Illumina, excluding hedge effect **(b)**	**107**	117		**221**	235	
Less: Exchange rate effect	**(2)**	—		**(8)**	—	
AMEA constant currency revenue - Core Illumina **(a)(b)**	**$ 109**	$ 117	(7)%	**$ 229**	$ 235	(3)%
China revenue - Core Illumina (c)	**$ 75**	$ 115	(35)%	**$ 153**	$ 206	(26)%
Less: Hedge gains	**2**	1		**3**	1	
China revenue - Core Illumina, excluding hedge effect **(c)**	**73**	114		**150**	205	
Less: Exchange rate effect	**(3)**	—		**(5)**	—	
China constant currency revenue - Core Illumina **(a)(c)**	**$ 76**	$ 114	(33)%	**$ 155**	$ 205	(24)%
Europe revenue - Core Illumina	**$ 289**	$ 303	(5)%	**$ 568**	$ 564	1 %
Less: Hedge gains	**1**	(1)		**1**	(1)	
Europe revenue - Core Illumina, excluding hedge effect	**288**	304		**567**	565	
Less: Exchange rate effect	**—**	—		**6**	—	
Europe constant currency revenue - Core Illumina **(a)**	**$ 288**	$ 304	(5)%	**$ 561**	$ 565	— %

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

(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: CONSOLIDATED RECONCILIATION BETWEEN GAAP AND NON-GAAP DILUTED (LOSS) EARNINGS PER SHARE:

	Three Months Ended		Six Months Ended	
	June 30, 2024	**July 2, 2023**	**June 30, 2024**	**July 2, 2023**
GAAP loss per share - diluted	**$ (12.48)**	$ (1.48)	**$ (13.28)**	$ (1.46)
Cost of revenue **(b)**	**0.29**	0.32	**0.60**	0.63
R&D expense **(b)**	**—**	0.08	**0.01**	0.09
SG&A expense **(b)**	**(1.33)**	0.68	**(0.75)**	0.89
Goodwill and intangible impairment **(b)**	**11.84**	—	**11.86**	—
Other expense, net **(b)**	**2.06**	0.01	**2.01**	0.08
GILTI, U.S. foreign tax credits, and global minimum top-up tax **(c)**	**0.62**	0.44	**0.73**	0.16
Incremental non-GAAP tax expense **(d)**	**(0.65)**	0.27	**(0.74)**	(0.04)
Income tax provision **(e)**	**0.01**	—	**0.01**	0.05
Non-GAAP earnings per share - diluted **(a)**	**$ 0.36**	$ 0.32	**$ 0.45**	$ 0.40

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

	Three Months Ended		Six Months Ended	
	June 30, 2024	**July 2, 2023**	**June 30, 2024**	**July 2, 2023**
GAAP net loss	**$ (1,988)**	$ (234)	**$ (2,114)**	$ (231)
Cost of revenue **(b)**	**46**	50	**95**	99
R&D expense **(b)**	**—**	13	**2**	14
SG&A expense **(b)**	**(211)**	107	**(120)**	142
Goodwill and intangible impairment **(b)**	**1,886**	—	**1,889**	—
Other expense, net **(b)**	**328**	2	**319**	13
GILTI, U.S. foreign tax credits, and global minimum top-up tax **(c)**	**99**	69	**116**	25
Incremental non-GAAP tax expense **(d)**	**(104)**	43	**(117)**	(6)
Income tax provision **(e)**	**1**	—	**1**	8
Non-GAAP net income **(a)**	**$ 57**	$ 50	**$ 71**	$ 64

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

TABLE 3: CORE ILLUMINA RECONCILIATION BETWEEN GAAP AND NON-GAAP DILUTED EARNINGS PER SHARE:

	Three Months Ended	Six Months Ended
	June 30, 2024	June 30, 2024
GAAP earnings per share - diluted	$ 0.41	$ 0.85
Cost of revenue **(b)**	0.10	0.19
R&D expense **(b)**	—	0.01
SG&A expense **(b)**	(1.35)	(0.84)
Goodwill and intangible impairment **(b)**	—	0.02
Other expense, net **(b)**	2.06	2.01
GILTI, U.S. foreign tax credits, and global minimum top-up tax **(c)**	0.12	0.21
Incremental non-GAAP tax expense **(d)**	(0.26)	(0.39)
Income tax provision **(e)**	0.01	0.01
Non-GAAP earnings per share - diluted **(a)**	$ 1.09	$ 2.07

TABLE 4: CORE ILLUMINA RECONCILIATION BETWEEN GAAP AND NON-GAAP NET INCOME:

	Three Months Ended	Six Months Ended
	June 30, 2024	June 30, 2024
GAAP net income	$ 66	$ 135
Cost of revenue **(b)**	15	30
R&D expense **(b)**	—	2
SG&A expense **(b)**	(215)	(132)
Goodwill and intangible impairment **(b)**	—	3
Other expense, net **(b)**	328	319
GILTI, U.S. foreign tax credits, and global minimum top-up tax **(c)**	20	33
Incremental non-GAAP tax expense **(d)**	(41)	(62)
Income tax provision **(e)**	1	1
Non-GAAP net income **(a)**	$ 174	$ 329

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

(a) Non-GAAP net income and diluted earnings per share exclude the effects of the pro forma adjustments as 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 the Itemized Reconciliations between GAAP and Non-GAAP Results of Operations for the components of these amounts.
(c) Amounts represent the impact of GRAIL pre-acquisition net operating losses on GILTI, the utilization of U.S. foreign tax credits, and the Pillar Two global minimum top-up tax, which became effective in Q1 2024.
(d) Incremental non-GAAP tax expense reflects the tax impact of the non-GAAP adjustments listed.
(e) Amounts represent the 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 5: ITEMIZED RECONCILIATION BETWEEN GAAP AND NON-GAAP RESULTS OF OPERATIONS AS A PERCENT OF REVENUE:

	Three Months Ended June 30, 2024											
	Core Illumina			GRAIL		Eliminations		Consolidated				
GAAP gross profit (loss) (b)	$	743	68.0 %	$	(16)	$	(6)	$	721	64.8 %		
Amortization of acquired intangible assets		15	1.4 %		31		—		46	4.2 %		
Non-GAAP gross profit **(a)**	$	758	69.4 %	$	15	$	(6)	$	767	69.0 %		
GAAP and Non-GAAP R&D expense	$	241	22.1 %	$	88	$	(4)	$	325	29.2 %		
GAAP SG&A expense	$	60	5.5 %	$	88	$	(1)	$	147	13.2 %		
Amortization of acquired intangible assets		—	—		(1)		—		(1)	(0.1)%		
Contingent consideration liabilities **(c)**		271	24.8 %		—		—		271	24.4 %		
Acquisition-related expenses **(d)**		(46)	(4.2)%		(3)		—		(49)	(4.4)%		
Restructuring **(g)**		(3)	(0.3)%		—		—		(3)	(0.3)%		
Accrued interest on EC fine **(h)**		(7)	(0.6)%		—		—		(7)	(0.6)%		
Non-GAAP SG&A expense	$	275	25.2 %	$	84	$	(1)	$	358	32.2 %		
GAAP goodwill and intangible impairment	$	—	—	$	1,886	$	—	$	1,886	169.6 %		
Goodwill impairment **(i)**		—	—		(1,466)		—		(1,466)	(131.8)%		
Intangible (IPR&D) impairment **(i)**		—	—		(420)		—		(420)	(37.8)%		
Non-GAAP goodwill and intangible impairment	$	—	—	$	—	$	—	$	—	—		
GAAP operating profit (loss)	$	442	40.5 %	$	(2,078)	$	(1)	$	(1,637)	(147.2)%		
Cost of revenue		15	1.4 %		31		—		46	4.2 %		
SG&A costs		(215)	(19.7)%		4		—		(211)	(19.0)%		
Goodwill and intangible impairment		—	—		1,886		—		1,886	169.6 %		
Non-GAAP operating profit (loss) **(a)**	$	242	22.2 %	$	(157)	$	(1)	$	84	7.6 %		
GAAP other (expense) income, net	$	(341)	(31.2)%	$	2	$	—	$	(339)	(30.5)%		
Strategic investment related loss, net **(e)**		334	30.5 %		—		—		334	30.0 %		
Gain on Helix contingent value right **(f)**		(8)	(0.7)%		—		—		(8)	(0.7)%		
Foreign currency loss on EC fine **(j)**		2	0.2 %		—		—		2	0.2 %		
Non-GAAP other (expense) income, net **(a)**	$	(13)	(1.2)%	$	2	$	—	$	(11)	(1.0)%		

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

TABLE 5 (CONTINUED): ITEMIZED RECONCILIATION BETWEEN GAAP AND NON-GAAP RESULTS OF OPERATIONS AS A PERCENT OF REVENUE:

	Three Months Ended July 2, 2023					
	Core Illumina		GRAIL	Eliminations	Consolidated	
GAAP gross profit (loss) (b)	$ 760	65.5 %	$ (24)	$ (4)	$ 732	62.2 %
Amortization of acquired intangible assets	14	1.2 %	33	—	47	4.0 %
Restructuring **(g)**	3	0.3 %	—	—	3	0.3 %
Non-GAAP gross profit **(a)**	$ 777	67.0 %	$ 9	$ (4)	$ 782	66.5 %
GAAP R&D expense	$ 274	23.6 %	$ 89	$ (5)	$ 358	30.4 %
Acquisition-related expenses **(d)**	(1)	(0.1)%	—	—	(1)	(0.1)%
Restructuring **(g)**	(12)	(1.0)%	—	—	(12)	(1.0)%
Non-GAAP R&D expense	$ 261	22.5 %	$ 89	$ (5)	$ 345	29.3 %
GAAP SG&A expense	$ 371	31.9 %	$ 91	$ —	$ 462	39.3 %
Amortization of acquired intangible assets	—	—	(1)	—	(1)	(0.1)%
Contingent consideration liabilities **(c)**	(29)	(2.5)%	—	—	(29)	(2.5)%
Acquisition-related expenses **(d)**	(18)	(1.4)%	(3)	—	(21)	(1.8)%
Restructuring **(g)**	(17)	(1.5)%	(2)	—	(19)	(1.6)%
Legal contingency and settlement **(k)**	(12)	(1.0)%	—	—	(12)	(1.0)%
Proxy contest	(25)	(2.2)%	—	—	(25)	(2.1)%
Non-GAAP SG&A expense	$ 270	23.3 %	$ 85	$ —	$ 355	30.2 %
GAAP operating profit (loss)	$ 115	9.9 %	$ (204)	$ 1	$ (88)	(7.5)%
Cost of revenue	17	1.5 %	33	—	50	4.3 %
R&D costs	13	1.1 %	—	—	13	1.1 %
SG&A costs	100	8.7 %	7	—	107	9.1 %
Non-GAAP operating profit (loss) **(a)**	$ 245	21.2 %	$ (164)	$ 1	$ 82	7.0 %
GAAP other (expense) income, net	$ (3)	(0.3)%	$ 2	$ —	$ (1)	(0.1)%
Strategic investment related loss, net **(e)**	2	0.2 %	—	—	2	0.2 %
Non-GAAP other (expense) income, net **(a)**	$ (1)	(0.1)%	$ 2	$ —	$ 1	0.1 %

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

TABLE 5 (CONTINUED): ITEMIZED RECONCILIATION BETWEEN GAAP AND NON-GAAP RESULTS OF OPERATIONS AS A PERCENT OF REVENUE:

	Six Months Ended June 30, 2024					
	Core Illumina		GRAIL	Eliminations	Consolidated	
GAAP gross profit (loss) (b)	$1,436	66.9 %	$ (38)	$ (10)	$ 1,388	63.5 %
Amortization of acquired intangible assets	30	1.4 %	65	—	95	4.3 %
Non-GAAP gross profit **(a)**	$1,466	68.3 %	$ 27	$ (10)	$ 1,483	67.8 %
GAAP R&D expense	$ 479	22.3 %	$ 189	$ (8)	$ 660	30.2 %
Restructuring **(g)**	(2)	(0.1)%	—	—	(2)	(0.1)%
Non-GAAP R&D expense	$ 477	22.2 %	$ 189	$ (8)	$ 658	30.1 %
GAAP SG&A expense	$ 396	18.5 %	$ 192	$ —	$ 588	26.9 %
Amortization of acquired intangible assets	—	—	(2)	—	(2)	(0.1)%
Contingent consideration liabilities **(c)**	255	11.9 %	—	—	255	11.7 %
Acquisition-related expenses **(d)**	(70)	(3.3)%	(11)	—	(81)	(3.7)%
Restructuring **(g)**	(38)	(1.8)%	(1)	—	(39)	(1.8)%
Accrued interest on EC fine **(h)**	(14)	(0.7)%	—	—	(14)	(0.7)%
Non-GAAP SG&A expense	$ 529	24.6 %	$ 178	$ —	$ 707	32.3 %
GAAP goodwill and intangible impairment	$ 3	0.1 %	$ 1,886	$ —	$ 1,889	86.3 %
Goodwill impairment **(i)**	—	—	(1,466)	—	(1,466)	(67.0)%
Intangible (IPR&D) impairment **(i)**	(3)	(0.1)%	(420)	—	(423)	(19.3)%
Non-GAAP goodwill and intangible impairment	$ —	—	$ —	$ —	$ —	—
GAAP operating profit (loss)	$ 558	26.0 %	$ (2,305)	$ (2)	$(1,749)	(79.9)%
Cost of revenue	30	1.4 %	65	—	95	4.3 %
R&D costs	2	0.1 %	—	—	2	0.1 %
SG&A costs	(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)**	$ 460	21.4 %	$ (341)	$ (2)	$ 117	5.4 %
GAAP other (expense) income, net	$ (342)	(15.9)%	$ 5	$ —	$ (337)	(15.4)%
Strategic investment related loss, net **(e)**	327	15.2 %	—	—	327	15.0 %
Gain on Helix contingent value right **(f)**	(11)	(0.5)%	—	—	(11)	(0.5)%
Foreign currency loss on EC fine **(j)**	3	0.1 %	—	—	3	0.1 %
Non-GAAP other (expense) income, net **(a)**	$ (23)	(1.1)%	$ 5	$ —	$ (18)	(0.8)%

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

TABLE 5 (CONTINUED): ITEMIZED RECONCILIATION BETWEEN GAAP AND NON-GAAP RESULTS OF OPERATIONS AS A PERCENT OF REVENUE:

	Six Months Ended July 2, 2023					
	Core Illumina		GRAIL	Eliminations	Consolidated	
GAAP gross profit (loss) (b)	$1,446	64.7 %	$ (50)	$ (10)	$1,386	61.3 %
Amortization of acquired intangible assets	29	1.3 %	67	—	96	4.2 %
Restructuring **(g)**	3	0.1 %	—	—	3	0.1 %
Non-GAAP gross profit **(a)**	$1,478	66.1 %	$ 17	$ (10)	$1,485	65.6 %
GAAP R&D expense	$ 532	23.7 %	$ 175	$ (8)	$ 699	30.9 %
Acquisition-related expenses **(d)**	(1)	—	—	—	(1)	—
Restructuring **(g)**	(13)	(0.5)%	—	—	(13)	(0.6)%
Non-GAAP R&D expense	$ 518	23.2 %	$ 175	$ (8)	$ 685	30.3 %
GAAP SG&A expense	$ 656	29.4 %	$ 184	$ (1)	$ 839	37.1 %
Amortization of acquired intangible assets	—	—	(2)	—	(2)	(0.1)%
Contingent consideration liabilities **(c)**	(28)	(1.3)%	—	—	(28)	(1.2)%
Acquisition-related expenses **(d)**	(38)	(1.7)%	(9)	—	(47)	(2.1)%
Restructuring **(g)**	(17)	(0.7)%	(2)	—	(19)	(0.8)%
Legal contingency and settlement **(k)**	(15)	(0.7)%	—	—	(15)	(0.7)%
Proxy contest	(31)	(1.4)%	—	—	(31)	(1.4)%
Non-GAAP SG&A expense	$ 527	23.6 %	$ 171	$ (1)	$ 697	30.8 %
GAAP operating profit (loss)	$ 257	11.5 %	$ (408)	$ (1)	$ (152)	(6.7)%
Cost of revenue	32	1.4 %	67	—	99	4.3 %
R&D costs	14	0.6 %	—	—	14	0.6 %
SG&A costs	129	5.8 %	13	—	142	6.3 %
Non-GAAP operating profit (loss) **(a)**	$ 432	19.3 %	$ (328)	$ (1)	$ 103	4.5 %
GAAP other (expense) income, net	$ (19)	(0.9)%	$ 4	$ —	$ (15)	(0.7)%
Strategic investment related loss, net **(e)**	16	0.7 %	—	—	16	0.7 %
Gain on Helix contingent value right **(f)**	(3)	(0.1)%	—	—	(3)	(0.1)%
Non-GAAP other (expense) income, net **(a)**	$ (6)	(0.3)%	$ 4	$ —	$ (2)	(0.1)%

All amounts in tables are rounded to the nearest millions, except as otherwise noted. As a result, certain amounts may not recalculate using the rounded amounts provided. Percentages of revenue are calculated based on the revenue of the respective segment.

(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) income, 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, including in the non-GAAP measures related to our segments.
(b) Reconciling amounts are recorded in cost of revenue.
(c) Amounts consist of fair value adjustments for our contingent consideration liability related to GRAIL.

(d) Amounts consist primarily of legal and other expenses related to the acquisition and divestiture of GRAIL.
(e) Amounts consist primarily of mark-to-market adjustments and impairments from our strategic investments. Amounts for Q2 2024 and YTD 2024 primarily relate to the impairment on our retained investment in GRAIL post spin-off.
(f) Amounts consist of fair value adjustments related to our Helix contingent value right.
(g) Amount for Q2 2024 consists primarily of employee severance costs. Amount for YTD 2024 consists primarily of lease and other asset impairments. Amounts for Q2 2023 and YTD 2023 consist primarily of employee severance costs and lease and other asset impairments.
(h) Amounts for Q2 2024 and YTD 2024 consist of accrued interest on the fine imposed by the European Commission.
(i) 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 in Q1 2024.
(j) Amounts for Q2 2024 and YTD 2024 consist of unrealized gains/losses related to foreign currency balance sheet remeasurement of the EC fine liability and unrealized/realized mark-to-market gains/losses on the hedge associated with the EC fine.
(k) Amount for Q2 2023 consists of an adjustment to our accrual for the fine imposed by the European Commission. Amount for YTD 2023 also consists of a loss related to a patent litigation settlement in Q1 2023.

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(unaudited)

TABLE 6: CONSOLIDATED ITEMIZED RECONCILIATION BETWEEN GAAP AND NON-GAAP TAX PROVISION:

	Three Months Ended June 30, 2024		Six Months Ended June 30, 2024	
GAAP tax provision	**$ 12**	**(0.6)%**	**$ 28**	**(1.4)%**
Incremental non-GAAP tax expense **(b)**	**104**		**117**	
Income tax provision **(c)**	**(1)**		**(1)**	
GILTI, U.S. foreign tax credits, and global minimum top-up tax **(d)**	**(99)**		**(116)**	
Non-GAAP tax provision **(a)**	**$ 16**	**22.3 %**	**$ 28**	**28.8 %**

	Three Months Ended July 2, 2023		Six Months Ended July 2, 2023	
GAAP tax provision	$ 145	(163.8)%	$ 64	(38.5)%
Incremental non-GAAP tax expense **(b)**	(43)		6	
Income tax provision **(c)**	—		(8)	
GILTI and U.S. foreign tax credits **(d)**	(69)		(25)	
Non-GAAP tax provision **(a)**	$ 33	39.3 %	$ 37	37.2 %

TABLE 7: CORE ILLUMINA ITEMIZED RECONCILIATION BETWEEN GAAP AND NON-GAAP TAX PROVISION:

	Three Months Ended June 30, 2024		Six Months Ended June 30, 2024	
GAAP tax provision	**$ 35**	**35.0 %**	**$ 80**	**37.3 %**
Incremental non-GAAP tax expense **(b)**	**41**		**62**	
Income tax provision **(c)**	**(1)**		**(1)**	
GILTI, U.S. foreign tax credits, and global minimum top-up tax **(d)**	**(20)**		**(33)**	
Non-GAAP tax provision **(a)**	**$ 55**	**24.2 %**	**$ 108**	**24.9 %**

(a) Non-GAAP tax provision 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.
(b) Incremental non-GAAP tax expense reflects the tax impact of the non-GAAP adjustments listed in Table 2 and 4.
(c) Amounts represent the difference between book and tax accounting related to stock-based compensation cost.
(d) Amounts represent the impact of GRAIL pre-acquisition net operating losses on GILTI, the utilization of U.S. foreign tax credits, and the Pillar Two global minimum top-up tax, which became effective in Q1 2024.