ILMN Q221 Summary of Prepared Remarks

	Q221	Yr/Yr	Qtr/Qtr	Management Commentary
Sequencing Consumables	$704M	+82%	+1%	• Growth Yr/Yr driven by demand in both our clinical and research segments • Strong demand for NovaSeq V1.5 flow cells resulted in record NovaSeq consumables shipments • Oncology testing, our largest segment, recorded its third consecutive quarter of Yr/Yr growth • Population genomics programs continued to grow and All of Us in the U.S. is now operating at full scale • COVID-19 surveillance initiatives contributed approximately $40 million in sequencing consumables revenue, exceeding our expectations
Microarrays Consumables	$74M	+51%	-6%	
Total Consumables	$778M	+78%	+1%	
Sequencing Instruments	$189M	+115%	+7%	• Second consecutive quarter of record instrument revenue with significant strength across all instrument categories • Ended Q2 with the highest instrument backlog since launching NovaSeq • COVID-19 surveillance initiatives contributed approximately $20 million in incremental sequencing instrument revenue, exceeding our expectations
Microarrays Instruments	$5M	+67%	+67%	
Total Instruments	$194M	+113%	+8%	
Total Products	$972M	+84%	+2%	
Sequencing Service & Other	$128M	+41%	+19%	• Higher than expected due to $20 million of one-time revenue from NIPT royalties received related to a patent litigation settlement
Microarrays Service & Other	$26M	+73%	-19%	
Total Service & Other	$154M	+45%	+10%	
Total Revenue	$1,126M	+78%	+3%	• Significantly exceeded our expectations across all regions and market segments • Sequencing revenue exceeded one-billion dollars for the first time in company history • Core business continued to accelerate driven by clinical, as well as strong demand from research customers who were particularly impacted by the pandemic in Q2 2020 and are continuing to resume and expand their sequencing

	Q221	Yr/Yr	Qtr/Qtr	Management Commentary
Americas	$589M	+76%	+5%	• Record sequencing product revenue related to demand for clinical oncology testing and genetic disease testing • Strength in Genetic Disease Research driven by population genomics initiatives and COVID-19 surveillance
EMEA	$320M	+90%	+5%	• Strength driven by research recovery and acceleration in the clinical business, as well as COVID-19 surveillance • Record quarter for genetic disease testing due to momentum from expanded market access and reimbursement
Asia Pacific	$85M	+67%	-14%	• Strong sequencing consumables across clinical applications in reproductive health and genetic disease testing • Strong utilization by research customers • Sequential decline expected due to timing of fiscal year-end purchases and normal seasonality in Japan in Q1 2021
Greater China	$132M	+67%	+4%	• Strength in sequencing led by clinical growth • Sequencing instrument shipments more than doubled Yr/Yr driven by NextSeqDx demand in hospitals

Sequencing Updates

	Management Commentary
High-Throughput (HT): NovaSeq & HiSeq	• NovaSeq achieved highest order volume since launch in Q1 2017 • Over half of Q2 NovaSeq orders from customers new to high throughput • NovaSeq shipments more than doubled Yr/Yr
Mid-Throughput (MT): NextSeq	• Record placements in Q2 • Record NextSeqDx shipments in Q2 driven by clinical demand • Since launch, 25% of NextSeq 1000 and 2000 have been shipped to new-to-Illumina customers
Low-Throughput (LT): MiSeq, MiniSeq & iSeq	• Instrument revenue grew over 50% Yr/Yr • MiSeq instrument shipments higher than any prior quarter in the last 5 years

Q221 Non-GAAP Financial Highlights

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

	Q221	Yr/Yr	Qtr/Qtr	Management Commentary
Gross margin	71.8%	+320bps	+130bps	• Improved Qtr/Qtr due to favorable utilization on strong demand as well as one-time revenue from a patent litigation settlement • Improved Yr/Yr due to increased fixed cost leverage on higher volumes, positive impact from a patent litigation settlement, partially offset by product mix
Operating expenses	$471M	+$137M	+$51M	• Lower than expected due to the timing of certain investments shifting to the second half of 2021 • Increased Qtr/Qtr due to higher compensation expenses and increased project spend • Increased Yr/Yr due to increased performance-based compensation expenses and headcount growth, as well as investments to support business growth
Operating margin	30.0%	+1,420bps	-210bps	• Better than expected due to higher revenues and favorable gross margin
Other expense, net	($2)	-15M	+1M	• Decreased Yr/Yr primarily due to lower interest income on short-term investments
Tax rate	17.9%	-60bps	-240bps	• Decreased Qtr/Qtr due to tax expense recognized in Q1 2021 on certain foreign subsidiary earnings that are no longer indefinitely reinvested • Decreased Yr/Yr due to higher mix of earnings in jurisdictions with a lower tax rate
Net income attributable to Illumina stockholders	$276M	+$184M	-$2M	
EPS attributable to Illumina stockholders (diluted)	$1.87	+202%	-1%	

	Q221	Yr/Yr	Qtr/Qtr	Management Commentary
Cash Flow from Operations	$253M	+$13M	-$29M	• Included $105 million in continuation payments made to GRAIL pursuant to the Merger Agreement
DSO	44 days	-11 days	+1 days	• Driven by revenue linearity
Capital expenditures	-$44M	+$6M	+$2M	
Free cash flow	$209M	+$7M	-$31M	
Cash, cash equivalents & short-term Investments	$4.3B	+$1,018M	-$344M	• Used $491 million in Q2 to repay the outstanding principal of our 2021 Convertible Notes, which matured in June

Guidance

	FY21 Guidance	Management Commentary
FY21 Revenue	$4.28B - $4.34B	• 32% - 34% revenue growth Yr/Yr • $1.07B increase Yr/Yr at the mid-point • Reflects total sequencing revenue growth of approximately 35% at the mid-point
FY21 Non-GAAP Tax Rate	Increase 200 – 250bps Yr/Yr	
FY21 GAAP Operating Margin (a)	20%	
FY21 Non-GAAP Operating Margin (a)	27.5%	• Increase reflects our higher revenue expectations and ongoing commitment to continued innovation in R&D • We continue to maintain our focus on improving our core business operating margin over time
FY21 GAAP Diluted EPS (a)	$4.69 - $4.89	
FY21 Non-GAAP Diluted EPS (a)	$6.30 - $6.50	

	Q321 Guidance	Management Commentary
Q321 Revenue	30% increase Yr/Yr	
Q321 GAAP Diluted EPS (a)	$1.23 - $1.28	
Q321 Non-GAAP Diluted EPS (a)	$1.30 - $1.35	

(a) Guidance excludes any potential impact of consolidating the financial results of GRAIL.

Statement regarding use of non-GAAP financial measures

The company reports non-GAAP results for diluted net income per share, net income, gross margins, operating expenses, operating margins, other income, and free cash flow 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, non-cash interest expense associated with the company's convertible debt instruments that may be settled in cash, and 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. Additionally, 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.

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) the outcome of the pending acquisition of GRAIL, Inc.; (vi) our ability to manufacture robust instrumentation and consumables; (vii) the success of products and services competitive with our own; (viii) 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; (ix) the impact of recently launched or pre-announced products and services on existing products and services; (x) our ability to further develop and commercialize our instruments and consumables, to deploy new products, services, and applications, and to expand the markets for our technology platforms; (xi) our ability to obtain regulatory clearance for our products from government agencies; (xii) our ability to successfully partner with other companies and organizations to develop new products, expand markets, and grow our business; (xiii) our ability to successfully identify and integrate acquired technologies, products, or businesses; and (xiv) the application of generally accepted accounting principles, which are highly complex and involve many subjective assumptions, estimates, and judgments, 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		Six Months Ended	
	July 4, 2021	June 28, 2020	July 4, 2021	June 28, 2020
Net cash provided by operating activities	**$ 253**	$ 240	**$ 535**	$ 521
Net cash provided by (used in) investing activities	**3**	(320)	**1,379**	(455)
Net cash (used in) provided by financing activities	**(496)**	(143)	**472**	(334)
Effect of exchange rate changes on cash and cash equivalents	**3**	2	**—**	(4)
Net (decrease) increase in cash and cash equivalents	**(237)**	(221)	**2,386**	(272)
Cash and cash equivalents, beginning of period	**4,433**	1,991	**1,810**	2,042
Cash and cash equivalents, end of period	**$ 4,196**	$ 1,770	**$ 4,196**	$ 1,770
Calculation of free cash flow:				
Net cash provided by operating activities	**$ 253**	$ 240	**$ 535**	$ 521
Purchases of property and equipment	**(44)**	(38)	**(86)**	(79)
Free cash flow **(a)**	**$ 209**	$ 202	**$ 449**	$ 442

(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)

RECONCILIATION BETWEEN GAAP AND NON-GAAP EARNINGS PER SHARE:

	Three Months Ended		Six Months Ended	
	July 4, 2021	June 28, 2020	July 4, 2021	June 28, 2020
GAAP earnings per share - diluted	**$ 1.26**	$ 0.32	**$ 2.26**	$ 1.49
Cost of revenue **(b)**	**0.05**	0.04	**0.10**	0.09
Research and development costs **(b)**	**—**	(0.01)	**—**	(0.02)
Selling, general and administrative costs **(b)**	**0.98**	(0.01)	**2.01**	0.62
Other income, net **(b)**	**(0.16)**	(0.38)	**(0.02)**	(0.29)
Incremental non-GAAP tax expense **(c)**	**(0.25)**	0.07	**(0.55)**	(0.13)
Income tax benefit **(d)**	**(0.01)**	(0.02)	**(0.04)**	(0.11)
Tax expense related to increase in valuation allowance **(e)**	**—**	0.42	**—**	0.42
Tax expense related to cost-sharing arrangement **(f)**	**—**	0.19	**—**	0.19
Non-GAAP earnings per share - diluted **(a)**	**$ 1.87**	$ 0.62	**$ 3.76**	$ 2.26

RECONCILIATION BETWEEN GAAP AND NON-GAAP NET INCOME:

	Three Months Ended		Six Months Ended	
	July 4, 2021	June 28, 2020	July 4, 2021	June 28, 2020
GAAP net income	**$ 185**	$ 47	**$ 333**	$ 220
Cost of revenue **(b)**	**7**	6	**14**	14
Research and development costs **(b)**	**—**	(1)	**—**	(2)
Selling, general and administrative costs **(b)**	**144**	(1)	**295**	92
Other income, net **(b)**	**(22)**	(56)	**(2)**	(43)
Incremental non-GAAP tax expense **(c)**	**(36)**	10	**(80)**	(19)
Income tax benefit **(d)**	**(2)**	(3)	**(6)**	(17)
Tax expense related to increase in valuation allowance **(e)**	**—**	62	**—**	62
Tax expense related to cost-sharing arrangement **(f)**	**—**	28	**—**	28
Non-GAAP net income **(a)**	**$ 276**	$ 92	**$ 554**	$ 335

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 effect 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 core operating performance.
(b) Refer to our "Itemized Reconciliation between GAAP and Non-GAAP Results of Operations as a Percent of Revenue," below, for the components of these amounts.
(c) Incremental non-GAAP tax expense reflects the tax impact of the non-GAAP adjustments listed.
(d) Amounts represent tax deductions taken in excess of stock-based compensation cost.

(e) Amounts represent discrete tax expense related to the valuation allowance established in Q2 2020 against the deferred tax asset for California research and development credits.
(f) Amounts represent discrete tax expense related to the finalization of the Altera court case in Q2 2020 which determined stock-based compensation must be included in intercompany cost sharing payments.

Illumina, Inc.

Results of Operations - Non-GAAP (continued)

(Dollars in millions)

(unaudited)

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

	Three Months Ended				Six Months Ended			
	July 4, 2021		June 28, 2020		July 4, 2021		June 28, 2020	
GAAP gross profit (b)	**$ 802**	**71.2 %**	$ 428	67.7 %	**$1,566**	**70.6 %**	$1,047	70.2 %
Amortization of acquired intangible assets	**7**	**0.6 %**	7	1.0 %	**13**	**0.6 %**	14	0.9 %
Expenses related to COVID-19 **(c)**	**—**	**—**	1	0.2 %	**1**	**—**	2	0.1 %
Income related to COVID-19 **(d)**	**—**	**—**	(2)	(0.3)%	**—**	**—**	(3)	(0.2)%
Restructuring **(e)**	**—**	**—**	—	—	**—**	**—**	1	0.1 %
Non-GAAP gross profit **(a)**	**$ 809**	**71.8 %**	$ 434	68.6 %	**$1,580**	**71.2 %**	$1,061	71.1 %
GAAP research and development expense	**$ 202**	**18.0 %**	$ 155	24.5 %	**$ 398**	**18.0 %**	$ 311	20.8 %
Income related to COVID-19 **(d)**	**—**	**—**	1	0.2 %	**—**	**—**	2	0.1 %
Non-GAAP research and development expense	**$ 202**	**18.0 %**	$ 156	24.7 %	**$ 398**	**18.0 %**	$ 313	20.9 %
GAAP selling, general and administrative expense	**$ 413**	**36.6 %**	$ 177	28.0 %	**$ 787**	**35.4 %**	$ 451	30.3 %
Amortization of acquired intangible assets	**—**	**—**	—	—	**(1)**	**—**	(1)	(0.1)%
Acquisition-related expenses **(f)**	**(145)**	**(13.0)%**	(1)	(0.2)%	**(295)**	**(13.3)%**	(93)	(6.2)%
Expenses related to COVID-19 **(c)**	**(1)**	**—**	(2)	(0.3)%	**(2)**	**(0.1)%**	(2)	(0.1)%
Income related to COVID-19 **(d)**	**—**	**—**	2	0.3 %	**1**	**—**	2	0.1 %
Gain on litigation **(g)**	**2**	**0.2 %**	—	—	**2**	**0.1 %**	—	—
Restructuring **(e)**	**—**	**—**	2	0.3 %	**—**	**—**	2	0.1 %
Non-GAAP selling, general and administrative expense	**$ 269**	**23.8 %**	$ 178	28.1 %	**$ 492**	**22.1 %**	$ 359	24.1 %
GAAP operating profit	**$ 187**	**16.6 %**	$ 96	15.2 %	**$ 381**	**17.2 %**	$ 285	19.1 %
Cost of revenue	**7**	**0.6 %**	6	0.9 %	**14**	**0.6 %**	14	0.9 %
Research and development costs	**—**	**—**	(1)	(0.2)%	**—**	**—**	(2)	(0.1)%
Selling, general and administrative costs	**144**	**12.8 %**	(1)	(0.1)%	**295**	**13.3 %**	92	6.2 %
Non-GAAP operating profit **(a)**	**$ 338**	**30.0 %**	$ 100	15.8 %	**$ 690**	**31.1 %**	$ 389	26.1 %
GAAP other income (expense), net	**$ 20**	**1.8 %**	$ 69	10.8 %	**$ (3)**	**(0.2)%**	$ 57	3.8 %
Non-cash interest expense **(h)**	**10**	**0.9 %**	10	1.7 %	**20**	**1.0 %**	21	1.4 %
Strategic investment related (gain) loss, net **(i)**	**(25)**	**(2.2)%**	(69)	(10.8)%	**14**	**0.7 %**	(74)	(5.0)%
Loss (gain) on derivative assets **(j)**	**—**	**—**	11	1.7 %	**(26)**	**(1.2)%**	15	1.0 %
Bridge facility fees **(k)**	**—**	**—**	—	—	**7**	**0.3 %**	—	—
Gain on contingent value right **(l)**	**(8)**	**(0.7)%**	(8)	(1.3)%	**(18)**	**(0.8)%**	(5)	(0.3)%
Loss on extinguishment of debt **(m)**	**1**	**—**	—	—	**1**	**—**	—	—
Non-GAAP other (expense) income, net **(a)**	**$ (2)**	**(0.2)%**	$ 13	2.1 %	**$ (5)**	**(0.2)%**	$ 14	0.9 %

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 gross profit, included within non-GAAP operating profit, 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, and non-GAAP other (expense) income, 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.
(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 2021, and personal protective equipment and premium pay for onsite essential workers in 2020.
(d) Amounts consist of direct and incremental income due to the COVID-19 pandemic, primarily payroll-related credits earned in the US and Canada in Q1 2021, and payroll-related credits earned in Singapore in 2020.
(e) Amount consists primarily of employee costs, net of adjustments, related to restructuring in 2020.
(f) Amounts for Q2 2021 and the first half of 2021 consist primarily of expenses related to the pending acquisition of GRAIL, including $105 million in Continuation Payments paid during both Q1 and Q2 2021. Amount for the first half of 2020 consists primarily of expenses related to the Continuation Advances and Reverse Termination Fee paid to Pacific Biosciences related to the terminated acquisition.
(g) Amount consists of a gain related to a patent litigation settlement.
(h) Non-cash interest expense is calculated in accordance with the authoritative accounting guidance for convertible debt instruments that may be settled in cash.
(i) Amounts consist primarily of mark-to-market adjustments and impairments from our strategic investments.
(j) Amount for the first half of 2021 consists of a 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. Amounts for Q2 2020 and the first half of 2020 consist of fair value adjustments recorded on our derivative assets.
(k) Amount consists of expenses related to the bridge facility commitment obtained in advance of the pending acquisition of GRAIL. We terminated the bridge facility commitment in March 2021, in conjunction with our issuance of term notes.
(l) Amounts consist of fair value adjustments related to our contingent value right received from Helix.
(m) Amount consists of loss on extinguishment of our 2021 Convertible Senior Notes, which matured in June 2021.

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

ITEMIZED RECONCILIATION BETWEEN GAAP AND NON-GAAP TAX PROVISION:

	Three Months Ended July 4, 2021	
GAAP tax provision	**$ 22**	**10.8 %**
Incremental non-GAAP tax expense **(a)**	**36**	
Income tax benefit **(b)**	**2**	
Non-GAAP tax provision	**$ 60**	**17.9 %**

(a) Incremental non-GAAP tax expense reflects the tax impact related to the non-GAAP adjustments listed in our "Reconciliation Between GAAP and Non-GAAP Net Income and Earnings Per Share Attributable to Illumina Stockholders".

(b) Amount represents tax deductions taken in excess of stock 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 stated above in this press release. More information on potential factors that could affect our financial results is 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 3, 2021 filed with the SEC on February 17, 2021, and Form 10-Q for the fiscal quarter ended April 4, 2021. We assume no obligation to update any forward-looking statements or information.

	Fiscal Year 2021
GAAP diluted earnings per share (a)	**$4.69 - $4.89**
Amortization of acquired intangible assets	0.18
Non-cash interest expense **(b)**	0.24
Acquisition-related expenses **(c)**	1.99
Strategic investment related loss, net **(d)**	0.09
Bridge facility fees **(e)**	0.05
COVID-19 expenses, net **(f)**	0.01
Loss on extinguishment of debt **(g)**	0.01
Gain on derivative assets **(h)**	(0.18)
Gain on contingent value right **(i)**	(0.12)
Gain on litigation **(j)**	(0.01)
Incremental non-GAAP tax expense **(k)**	(0.61)
Excess tax benefits from share-based compensation **(l)**	(0.04)
Non-GAAP diluted earnings per share **(a)**	$6.30 - $6.50

(a) Guidance excludes any potential impact of consolidating the financial results of GRAIL.
(b) Non-cash interest expense is calculated in accordance with the authoritative accounting guidance for convertible debt instruments that may be settled in cash.
(c) Amount consists primarily of acquisition-related expenses related to the pending acquisition of GRAIL.
(d) Amount consists primarily of mark-to-market adjustments and impairments from our strategic investments.
(e) Amount consists of expenses related to the bridge facility commitment obtained in advance of the pending acquisition of GRAIL. We terminated the bridge facility commitment in March 2021, in conjunction with our issuance of term notes.
(f) Amount consists of direct and incremental expenses incurred due to the COVID-19 pandemic, primarily expenses related to employee testing and incremental cleaning, partially offset by direct and incremental income due to the COVID-19 pandemic, primarily payroll-related credits earned in the US and Canada.
(g) Amount consists of loss on extinguishment of our 2021 Convertible Senior Notes, which matured in June 2021.
(h) Amount consists of 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.
(i) Amount consists of fair value adjustments related to our contingent value right received from Helix.

(j) Amount consists of a gain related to a patent litigation settlement.

(k) Incremental non-GAAP tax expense reflects the tax impact related to the non-GAAP adjustments listed.

(l) Amount represents tax deductions taken in excess of 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 stated above in this press release. More information on potential factors that could affect our financial results is 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 3, 2021 filed with the SEC on February 17, 2021, and Form 10-Q for the fiscal quarter ended April 4, 2021. We assume no obligation to update any forward-looking statements or information.

	Q3 2021 QTD
GAAP diluted earnings per share (a)	**$1.23 - $1.28**
Amortization of acquired intangible assets	0.05
Non-cash interest expense **(b)**	0.05
Incremental non-GAAP tax expense **(c)**	(0.03)
Non-GAAP diluted earnings per share **(a)**	$1.30 - $1.35

(a) Guidance excludes any potential impact of consolidating the financial results of GRAIL.

(b) Non-cash interest expense is calculated in accordance with the authoritative accounting guidance for convertible debt instruments that may be settled in cash.

(c) Incremental non-GAAP tax expense reflects the tax impact related to the non-GAAP adjustments listed.

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 stated above in this press release. More information on potential factors that could affect our financial results is 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 3, 2021 filed with the SEC on February 17, 2021, and Form 10-Q for the fiscal quarter ended April 4, 2021. We assume no obligation to update any forward-looking statements or information.

	Fiscal Year 2021
GAAP operating margin (a)	**20.0 %**
Amortization of acquired intangible assets	0.7
Acquisition-related expenses **(b)**	6.8
Non-GAAP operating margin **(a)**	27.5 %

(a) Guidance excludes any potential impact of consolidating the financial results of GRAIL.

(b) Amount consists primarily of acquisition-related expenses related to the pending acquisition of GRAIL.