



ILMN Q3 2026 Earnings Call
Prepared Remarks – October 29, 2026

Conor McNamara, Head of Investor Relations

Hello everyone, and welcome to Illumina's third quarter 2026 earnings call.

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

Joining me today are Jacob Thaysen, Chief Executive Officer, and Ankur Dhingra, Chief Financial Officer. Jacob will begin with an update on Illumina's business, followed by Ankur's review of our financials.

As you may have seen in our press release, we recognized certain tariff refunds in the third quarter which had a positive impact on GAAP and non-GAAP operating income, margins, and EPS; and a negative impact on revenue. These refunds were not contemplated in our previous guidance, and all financial measures discussed today will be on an adjusted non-GAAP basis, excluding the impact of tariff refunds. Reconciliations to non-GAAP and GAAP can be found in today's release and in the supplementary data on our website.

All revenue and revenue growth rates are presented excluding tariff refunds. Organic revenue growth also adjusts for the impact of currency and acquisitions and rest-of-world organic growth further excludes our Greater China region.

This call is being recorded, and the replay will be available on our website. As a reminder, the information provided and discussed today will include forward-looking statements, including statements about Illumina's future events, product outlook, and financial expectations. Actual results may differ materially.

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

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

Jacob Thaysen, Chief Executive Officer

Thank you, Conor, and good afternoon everyone.

We had a great third quarter, with strong clinical sequencing demand and elevated NovaSeq X placements driving revenue, margin, and EPS above our guidance ranges. Our strategy is working, and I am proud of what our team delivered for our customers and shareholders.

Our continued, disciplined execution and business momentum allow us to raise our fiscal year guidance, and we remain on track to achieve our long range financial targets.

Before I go into detail on our results, I want to highlight a few ways our innovation is helping customers answer new questions about biology.

Early in 2026 we introduced the Billion Cell Atlas to address one of the biggest bottlenecks in applying AI to biology: the lack of functional datasets. AI models need large amounts of data to learn from. And in biology, those models only work if the data is accurate, standardized, and reproducible. But these datasets don't exist at scale. There is no internet of biology.

Our Billion Cell Atlas was designed to help address this limitation. Now over halfway complete, the Atlas is advancing toward an unprecedented, AI-ready perturbation dataset that helps biopharma partners connect genetic signals to cellular mechanisms, strengthening target validation, improve disease understanding, and enable accelerated drug discovery. By working directly with biopharma, we are integrating their input to ensure the proprietary dataset is relevant and built to maximize value for both our partners and Illumina. GSK is the latest biopharmaceutical company to join the Billion Cell Atlas consortium to accelerate drug discovery, and we are seeing growing interest from other companies seeking access to the completed atlas.

We've learned a lot from our partners about how to build these datasets for AI, and we see multiple opportunities to address additional bottlenecks across drug discovery and development. We see this as a large long-term opportunity and look forward to sharing more about our strategy in the coming quarters.

Earlier this month at ASHG, we brought together our assays, sequencing platforms, and software to show how customers can benefit using the Illumina Insight Ecosystem. The most compelling examples came from customers themselves, who showed how combining genomics, transcriptomics, methylation, and proteomics is helping them see biology they could not see before, with work spanning bulk, single-cell, and spatial approaches.

What is resonating with customers is that we are looking at their work from start to finish, making it easier to obtain all the components they need to drive high-quality insights while bringing down the total cost of the workflow.

On the analysis side, we launched the BioInsight Platform, which brings our analysis applications, AI models, and curated biological data together in one place, reducing the need for customers to assemble and manage separate software tools.

Through the Platform, customers can also access SpliceAI2, our new AI model that predicts how genetic changes affect RNA splicing. In rare disease research datasets, it identified 17% more disease-relevant splice variants than other splicing models.

I'm proud of the innovations our teams continue to deliver.

Our view is that the next era of life sciences innovation will be powered not only by sequencing, but also by the software, AI, and differentiated data that unlock the power of the genome. Through BioInsight, Illumina is building the base for AI biology, enabling more powerful foundation models and virtual cell models with the potential to improve our ability to understand and predict biology. As we move nearer to predicting biology, we see a path to using those insights to move

healthcare toward a more proactive future: identifying risk sooner, preventing disease where possible, and intervening earlier.

Now let me expand on our financial results, starting with our performance in the quarter. Customer demand for the NovaSeq X platform remains at very high levels. In the quarter, we placed over 80 instruments. This equates to approximately 360 X placements over the last four quarters, more than in our first year of launch. This demand is being fueled by broader adoption of sequencing-based diagnostics and more sequencing-intense assays. As these instruments go live, they will support additional consumables revenue for years to come.

End-market growth rates, for rest-of-world sequencing consumables, were similar in Q3 and Q2, with clinical growth of 14% and research and applied declines of 6%. We continue to expect mid-teens clinical growth and mid-to-high-single digit declines in research and applied sequencing consumables, for rest-of-world, for 2026.

Let me now turn to our outlook for the rest of the year.

We are raising our full-year revenue outlook to reflect Q3 outperformance and a stronger Q4, driven by an increase in sequencing consumable revenue on a larger NovaSeq X installed base.

We are also raising our full-year margin and EPS outlooks and now expect operating margins of approximately 25 percent in the second half of 2026, up about 400 basis points versus 2024. I am extremely proud of how our teams have managed investments through a challenging environment.

With each quarter that passes, it becomes more clear – our strategy is working. We are achieving what we set out to do in 2024; and capitalizing on emerging opportunities to drive growth for the years to come.

I want to thank our teams for their hard work and commitment to Illumina, and our customers for the trust they place in us.

I look forward to sharing our 2027 guidance during our fourth quarter earnings call. And with that, I'll turn it over to Ankur to walk through our results and updated outlook.

Ankur Dhingra, Chief Financial Officer

Thank you, Jacob, and good afternoon, everyone.

I will walk through our third quarter financial results, provide additional color on revenue, earnings, and cash flow, and then discuss our updated outlook. As Conor mentioned earlier, all of our financial metrics will be on a non-GAAP basis, excluding tariff refunds. The reconciliations are provided in our financial disclosures.

On a high level, our Q3 revenue and earnings came in ahead of our expectations and guidance. Rest-of world organic revenue grew 5%; operating margin was 25%, 100 basis points above our guidance; and diluted EPS of \$1.44 grew 7% year-over-year.

Now turning to the details.

During the third quarter, Illumina's revenue was \$1.17 billion, up 4.7% year-over-year on a rest-of-world organic basis, with currency and acquired revenue together contributing just under 3 percentage points to our reported growth rate.

Sequencing consumables revenue of \$792 million was up 6% year-over-year and up 5% on an organic rest-of world basis. High-throughput volume drove most of the revenue growth, as the NovaSeq X installed base continues to expand and clinical customers continue to bring their instruments online.

Sales in clinical markets grew 14% in rest-of-world and we continue to expect mid-teens growth for clinical consumables in 2026.

Sequencing consumable sales in research and applied markets declined 6% for rest-of-world, and year-to-date trends have remained consistent with our outlook entering the year. Revenue has grown sequentially each of the last two quarters, and we are seeing signs research activity is stabilizing. We continue to expect mid-to-high single digit declines for research and applied consumables in 2026.

Moving to the NovaSeq X transition, approximately 84% of high-throughput volume and 60% of revenue is now on the X. In research and applied markets, 90% or greater volume has been on the X for each of the last 5 quarters, signaling the conversion to X is largely complete. Thus, we expect minimal transition pricing headwinds from these customers going forward.

In clinical, 78% of volume is currently on the X, and we have seen the pace of conversion slow in recent quarters. This is the dynamic you've heard us talk about – certain clinical customers are keeping current on-market assays on the 6K while adding X capacity for new tests. We anticipate clinical conversion to reach 80 to 85% in the coming quarters, and as such, we expect the year-over-year pricing headwinds from the X transition to be lower in 2027 than in 2026.

As the X conversion is nearly complete, we believe these charts are becoming less relevant in showing the price and volume dynamics impacting our revenue growth. As such, we plan to discontinue showing this slide in our quarterly earnings presentations after Q4 2026.

As it relates to sequencing activity, gigabase output growth on our connected high- and mid-throughput instruments remained above 30%, showing that demand remains strong.

Sequencing instruments revenue of \$106 million was down 2% year-over-year in Q3 on a rest-of-world organic basis, higher NovaSeq X placements were offset by weaker instrument sales in our Europe, Middle East, Latin America region. X placements were up year-over-year in both clinical and research markets. Instrument sales still account for over 90% of our X placements, though we are seeing an increasing level of interest in lease-type arrangements with certain research customers.

Demand for the NovaSeq X remains elevated, especially among some of our largest clinical customers, where we saw several multi-unit capacity expansion orders. This is a testament to the value of our customers place on the Illumina ecosystem – today and for years into the future.

Sequencing service and other revenue of \$158 million was up 8% on a rest-of-world organic basis. As Jacob mentioned in his prepared remarks, we are gaining traction in our Billion Cell Atlas program as we continue to deliver data, converting more of our backlog to revenue. The pipeline and interest in our programs is very strong.

Microarrays and other revenue of \$110 million was up 2% on a rest-of-world organic basis, and included SomaLogic revenue that outperformed our initial deal model.

Moving to the rest of the P&L:

Gross margin of 69.4% was up 20 basis points year-over-year.

Operating margin was 25% for the quarter, 100 basis points above our guidance driven by higher revenue and disciplined investments.

EPS of \$1.44 per diluted share came in above the high-end of our guidance range and was up 7% vs Q3 of last year; year-to-date EPS is up 12% versus 2025.

Moving to cash flow and the balance sheet:

Our cash flow from operations was \$419 million and we generated \$378 million of free cash flow in the quarter.

We repurchased \$9 million worth of stock in the quarter, and at quarter end we had approximately \$1.8 billion remaining under our current share repurchase authorizations, and we intend to continue to repurchase shares opportunistically.

We ended the quarter with approximately \$1.34 billion in cash, cash equivalents, and short-term investments; \$1.79 billion in total debt; and a leverage ratio of approximately 1.4x gross debt to last twelve months EBITDA.

Overall, we had a great third quarter, allowing us to raise our full-year guidance and reinforce our confidence in the progress we are making toward our financial targets.

Now, turning to our full-year 2026 guidance, starting with revenue.

We are raising our revenue guidance by \$30 million at the midpoint to \$4.64 to \$4.66 billion dollars. This reflects our Q3 outperformance and increased expectations for sequencing consumable sales in the fourth quarter. We still expect rest-of-world organic growth greater than 5%.

Product revenue guidance ranges are unchanged, and we expect rest-of-world organic sequencing consumable growth of mid-single-digits and low-single-digit instrument growth in 2026.

We now expect operating margins of approximately 23.6%, at the high end of our previous guidance. With our higher revenue expectations for the year, this equates to diluted EPS guidance of \$5.40 to \$5.45, an increase of 8 cents at the midpoint versus our prior guide, and represents year over year growth of 12 to 13%.

For our fourth quarter of 2026, we expect revenue of \$1.22 to \$1.24 billion and rest-of-world organic growth of approximately 4.5 percent, similar to Q3. And, we expect EPS of \$1.51 to \$1.56 and operating margin of approximately 25%.

We have made tremendous progress this year. Adoption of sequencing across a wide range of clinical applications continues to grow and our rapidly growing X installed base provides for a strong consumables revenue stream for years to come. Revenue and customer interest in our Billion Cell Atlas are both expanding, and we are just getting started on the large AI based predictive biology opportunity that lies ahead. And our strong balance sheet and cash flows give us the flexibility to invest in areas of strategic growth that complement our innovative tool set. We are excited about our long-term outlook.

In closing, I want to thank the Illumina team for their continued focus and disciplined execution throughout the year.

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

Conor McNamara, Head of Investor Relations

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

Statement regarding use of non-GAAP financial measures

The company reports non-GAAP results for diluted earnings per share, gross margin, operating margin, and free cash flow, among others, in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The company's financial measures under GAAP include substantial charges such as amortization of acquired intangible assets, among others, that are listed in the reconciliations of GAAP and non-GAAP financial measures included in this press release. Management has excluded the effects of these items in non-GAAP measures to assist investors in analyzing and assessing past and future operating performance. Non-GAAP operating margin 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 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 impact of items such as acquisition-related costs, fair value adjustments to contingent consideration, gains and losses from strategic investments, asset impairments, restructuring activities, and the ultimate outcome of pending litigation, among others, 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 contains 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) uncertainty regarding the impact of our inclusion on the "unreliable entities list" by regulatory authorities in China; (v) uncertainty regarding tariffs imposed or threatened by the U.S. government and its trading partners, related court proceedings or administrative actions (including potential additional refund or relief programs), and other possible tariffs or trade protection measures and our efforts to mitigate the impact of such tariffs; (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 modify our business strategies to accomplish our desired operational goals; (xi) 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; (xii) our ability to further develop and commercialize our instruments, consumables, and products; (xiii) our ability to deploy new products, services, and applications, and to expand the markets for our technology platforms; (xiv) the risk of additional litigation or other liabilities arising against us in connection with previous acquisitions, including the GRAIL acquisition; (xv) our ability to obtain approval by third-party payors to reimburse patients for our products; (xvi) changes in the regulatory landscape and our ability to obtain regulatory clearance for our products from government agencies; (xvii) our ability to successfully partner with other companies and organizations to develop new products, expand markets, and grow our business; (xviii) uncertainty, or adverse economic and business conditions, including as a result of slowing or uncertain economic growth or armed conflict; (xix) the application of generally accepted accounting principles, which are highly complex and involve many subjective assumptions, estimates, and judgments; and (xx) legislative, regulatory and economic developments, together with other factors detailed in our filings with the Securities and Exchange Commission, including our most recent filings on Forms 10-K and 10-Q, or in information disclosed in public conference calls, the date and time of which are released beforehand. We undertake no obligation, and do not intend, to update these forward-looking statements, to review or confirm analysts' expectations, or to provide interim reports or updates on the progress of the current quarter.

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

	Three Months Ended		Nine Months Ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Net cash provided by operating activities	\$ 419	\$ 284	\$ 909	\$ 758
Net cash provided by (used in) investing activities	50	(51)	(438)	(163)
Net cash used in financing activities	(223)	(115)	(602)	(681)
Effect of exchange rate changes on cash and cash equivalents	3	(2)	2	9
Net increase (decrease) in cash and cash equivalents	249	116	(129)	(77)
Cash and cash equivalents, beginning of period	1,040	934	1,418	1,127
Cash and cash equivalents, end of period	<u>\$ 1,289</u>	<u>\$ 1,050</u>	<u>\$ 1,289</u>	<u>\$ 1,050</u>
Calculation of free cash flow:				
Net cash provided by operating activities	\$ 419	\$ 284	\$ 909	\$ 758
Purchases of property and equipment	(41)	(31)	(118)	(93)
Free cash flow (a)	<u>\$ 378</u>	<u>\$ 253</u>	<u>\$ 791</u>	<u>\$ 665</u>

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

Illumina, Inc.
Results of Operations - Non-GAAP
(unaudited)

TABLE 1: RECONCILIATION OF REVENUE GROWTH:

	Three Months Ended September 27, 2026	Nine Months Ended September 27, 2026
Revenue growth	4.2 %	6.2 %
Impact of tariff refunds	3.4 %	1.1 %
Revenue growth, excluding tariff refunds (non-GAAP) (a)	7.6 %	7.3 %
Impact of acquisitions	(2.4)%	(2.1)%
Impact of currency exchange rates	(0.4)%	(1.0)%
Organic revenue growth (non-GAAP) (a)	4.8 %	4.2 %
Impact of China	(0.1)%	1.2 %
ROW organic revenue growth (non-GAAP) (a)	4.7 %	5.4 %

TABLE 2: RECONCILIATION OF GAAP AND NON-GAAP DILUTED EARNINGS PER SHARE:

	Three Months Ended		Nine Months Ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
GAAP diluted earnings per share	\$ 1.43	\$ 0.98	\$ 3.65	\$ 3.29
Acquisition-related costs (d)	0.10	0.17	0.33	0.28
Transformational initiatives (e)	0.03	0.08	0.10	0.33
Strategic investment loss (gain), net (f)	0.19	(0.04)	0.27	(0.90)
Intangible impairment	—	—	—	0.15
Other (g)	—	—	—	0.03
Provision for income taxes (h)	(0.13)	0.15	(0.27)	0.31
Non-GAAP diluted earnings per share (b)	1.62	1.34	4.08	3.49
Tariff refunds (i)	(0.18)	—	(0.18)	—
Non-GAAP diluted earnings per share, excluding tariff refunds (b)	\$ 1.44	\$ 1.34	\$ 3.90	\$ 3.49

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

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

	Three Months Ended				Nine Months Ended			
	September 27, 2026		September 28, 2025		September 27, 2026		September 28, 2025	
<i>(Dollars in millions)</i>								
GAAP gross profit (c)	\$ 830	73.5 %	\$ 733	67.6 %	\$ 2,321	68.7 %	\$ 2,111	66.3 %
Acquisition-related costs (d)	20	1.8 %	16	1.5 %	64	1.9 %	50	1.6 %
Transformational initiatives (e)	—	— %	1	0.1 %	—	— %	3	0.1 %
Intangible impairment	—	— %	—	— %	—	— %	23	0.7 %
Non-GAAP gross profit (b)	850	75.3 %	750	69.2 %	2,385	70.6 %	2,187	68.7 %
Tariff refunds (i)	(41)	(5.9)%	—	— %	(41)	(2.0)%	—	— %
Non-GAAP gross profit, excluding tariff refunds (b)	\$ 809	69.4 %	\$ 750	69.2 %	\$ 2,344	68.6 %	\$ 2,187	68.7 %
GAAP operating profit	\$ 305	27.0 %	\$ 227	21.0 %	\$ 759	22.5 %	\$ 606	19.0 %
Acquisition-related costs (d)	15	1.4 %	26	2.5 %	50	1.5 %	44	1.4 %
Transformational initiatives (e)	5	0.4 %	12	1.0 %	15	0.4 %	51	1.6 %
Intangible impairment	—	— %	—	— %	—	— %	23	0.7 %
Other (g)	—	— %	—	— %	—	— %	5	0.2 %
Non-GAAP operating profit (b)	325	28.8 %	265	24.5 %	824	24.4 %	729	22.9 %
Tariff refunds (i)	(33)	(3.8)%	—	— %	(33)	(1.3)%	—	— %
Non-GAAP operating profit, excluding tariff refunds (b)	\$ 292	25.0 %	\$ 265	24.5 %	\$ 791	23.1 %	\$ 729	22.9 %

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

TABLE 4: RECONCILIATION OF GAAP AND NON-GAAP RESULTS OF OPERATIONS AS A PERCENT OF REVENUE:

	Three Months Ended				Nine Months Ended			
	September 27, 2026		September 28, 2025		September 27, 2026		September 28, 2025	
<i>(Dollars in millions)</i>								
GAAP R&D expense	\$ 244	21.6 %	\$ 229	21.1 %	\$ 736	21.8 %	\$ 728	22.9 %
Acquisition-related costs (d)	(1)	(0.1)%	—	— %	(3)	(0.1)%	(1)	— %
Transformational initiatives (e)	—	— %	(1)	— %	—	— %	(15)	(0.5)%
Non-GAAP R&D expense	<u><u>\$ 243</u></u>	<u><u>21.5 %</u></u>	<u><u>\$ 228</u></u>	<u><u>21.1 %</u></u>	<u><u>\$ 733</u></u>	<u><u>21.7 %</u></u>	<u><u>\$ 712</u></u>	<u><u>22.4 %</u></u>
GAAP SG&A expense	\$ 281	24.9 %	\$ 277	25.5 %	\$ 826	24.4 %	\$ 777	24.4 %
Acquisition-related costs (d)	6	0.4 %	(11)	(1.0)%	16	0.5 %	6	0.2 %
Transformational initiatives (e)	(5)	(0.4)%	(10)	(0.9)%	(15)	(0.4)%	(33)	(1.0)%
Other (g)	—	— %	—	— %	—	— %	(5)	(0.2)%
Non-GAAP SG&A expense	<u><u>\$ 282</u></u>	<u><u>24.9 %</u></u>	<u><u>\$ 256</u></u>	<u><u>23.6 %</u></u>	<u><u>\$ 827</u></u>	<u><u>24.5 %</u></u>	<u><u>\$ 745</u></u>	<u><u>23.4 %</u></u>
GAAP other (expense) income, net	\$ (41)	(3.6)%	\$ (7)	(0.6)%	\$ (78)	(2.3)%	\$ 103	3.2 %
Strategic investment loss (gain), net (f)	29	2.5 %	(6)	(0.6)%	42	1.2 %	(141)	(4.4)%
Non-GAAP other expense, net	<u><u>\$ (12)</u></u>	<u><u>(1.1)%</u></u>	<u><u>\$ (13)</u></u>	<u><u>(1.2)%</u></u>	<u><u>\$ (36)</u></u>	<u><u>(1.1)%</u></u>	<u><u>\$ (38)</u></u>	<u><u>(1.2)%</u></u>

- (a) Revenue growth, excluding tariff refunds adjusts for the tariff refund to customers. Organic revenue growth adjusts for the impact from the tariff refund to customers, acquisitions and currency movements, which is calculated using comparative prior period foreign exchange rates to translate current period revenue, net of the effects of hedges. Rest of World (ROW) organic revenue growth also adjusts for the impact from our China region.
- (b) 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 diluted earnings per share and non-GAAP operating profit exclude the effects of the pro forma adjustments as detailed above. Non-GAAP operating margin 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 past and future operating performance.
- (c) Reconciling amounts are recorded in cost of revenue.
- (d) Amounts for Q3 2026 and YTD 2026 consist primarily of:
 - Amortization of intangible assets of \$18 million and \$53 million (cost of revenue)
 - Amortization of inventory fair value step-up for SomaLogic of \$2 million and \$10 million (cost of revenue)
 - Expenses for the SomaLogic and GRAIL acquisitions of \$5 million and \$26 million (operating expense)
 - Net gains on contingent consideration liabilities of (\$11) million and (\$43) million (operating expense)
 Amounts for Q3 2025 and YTD 2025 consist primarily of:
 - Amortization of intangible assets of \$16 million and \$50 million (cost of revenue)
 - Expenses for the SomaLogic and GRAIL acquisitions of \$4 million and \$19 million (operating expense)
 - Net losses (gains) on contingent consideration liabilities of \$3 million and (\$29) million (operating expense)
 - Lease impairment of \$4 million (operating expense)
- (e) Amounts for Q3 2026 and YTD 2026 consist primarily of implementation costs to upgrade our ERP system. Amounts for Q3 2025 consist primarily of implementation costs to upgrade our ERP system. Amounts for YTD 2025 consist primarily of employee severance costs from restructuring activities and costs related to the ERP upgrade.
- (f) Amounts consist of realized and unrealized gains and losses and impairments on our investments.
- (g) Amount consists of \$3 million for costs related to board membership changes and \$2 million for a legal accrual.
- (h) Amounts represent the aggregate of the difference between book and tax accounting related to stock-based compensation cost and the tax impact related to non-GAAP adjustments. Amounts for Q3 2025 and YTD 2025 also include a one-time \$42 million valuation allowance adjustment recorded in Q3 2025 against deferred tax assets associated with certain U.S. foreign tax credits as a result of the U.S. tax legislation that was signed on July 4, 2025.
- (i) Amounts represent the impacts of IEEPA tariff refunds, consisting primarily of the \$79 million benefit recognized as a reduction to cost of revenue in Q3 2026 and the related reduction to revenue of \$37 million for the portion of tariff refunds that we expect to credit to customers.

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

TABLE 5: RECONCILIATION OF GAAP AND NON-GAAP TAX PROVISION:

<i>(Dollars in millions)</i>	Three Months Ended				Nine Months Ended			
	September 27, 2026		September 28, 2025		September 27, 2026		September 28, 2025	
GAAP tax provision	\$ 44	16.4 %	\$ 70	31.8 %	\$ 120	17.6 %	\$ 193	27.2 %
Income tax provision (b)	1		(1)		1		(8)	
Non-GAAP tax expense (c)	19		(22)		40		(41)	
Non-GAAP tax provision (a)	<u><u>\$ 64</u></u>	<u><u>20.5 %</u></u>	<u><u>\$ 47</u></u>	<u><u>18.6 %</u></u>	<u><u>\$ 161</u></u>	<u><u>20.5 %</u></u>	<u><u>\$ 144</u></u>	<u><u>20.8 %</u></u>

- (a) Non-GAAP tax provision excludes the effects of the pro forma adjustments detailed above, which have been excluded to assist investors in analyzing and assessing past and future operating performance.
- (b) Amounts represent the difference between book and tax accounting related to stock-based compensation cost.
- (c) Non-GAAP tax expense reflects the tax impact of the non-GAAP adjustments listed in Table 2. Amounts for Q3 2025 and YTD 2025 also include a one-time \$42 million valuation allowance adjustment recorded in Q3 2025 against deferred tax assets associated with certain U.S. foreign tax credits as a result of the U.S. tax legislation that was signed on July 4, 2025.

Illumina, Inc.
Results of Operations - Tariff Refund Revenue Impact
(In millions)
(unaudited)

TABLE 1: TARIFF REFUND REVENUE IMPACT BY SOURCE:

Revenue was negatively impacted in the quarter due to customer refunds accrued as a result of the benefit from IEEPA tariff refunds we recognized in the quarter. The table below shows revenue impact by product category.

	Three Months and Nine Months Ended	
	September 27, 2026	
Sequencing consumables revenue	\$	28
Sequencing instruments revenue		4
Sequencing service and other revenue		3
Total sequencing revenue		35
Total microarray revenue		2
Total revenue	\$	37

TABLE 2: TARIFF REFUND REVENUE IMPACT BY REGION:

Revenue was negatively impacted in the quarter due to customer refunds accrued as a result of the benefit from IEEPA tariff refunds we recognized in the quarter. The table below shows revenue impact by region.

	Three Months and Nine Months Ended	
	September 27, 2026	
United States and Canada	\$	28
Europe, Middle East, Africa and Latin America		9
Total revenue	\$	37

Illumina, Inc.
Results of Operations - Revenue by Source
(unaudited)

TABLE 1: RECONCILIATION OF REVENUE GROWTH - REVENUE BY SOURCE:

	Three Months Ended September 27, 2026	Nine Months Ended September 27, 2026
Sequencing consumables revenue growth	2 %	4 %
Impact of tariff refunds	4 %	1 %
Revenue growth, excluding tariff refunds (non-GAAP) (a)	6 %	5 %
Impact of currency exchange rates	— %	(1)%
Organic revenue growth (non-GAAP) (a)	6 %	4 %
ROW sequencing consumables revenue growth	2 %	5 %
Impact of tariff refunds	4 %	1 %
Revenue growth, excluding tariff refunds (non-GAAP) (a)	6 %	6 %
Impact of currency exchange rates	(1)%	(1)%
ROW organic revenue growth (non-GAAP) (a)	5 %	5 %
Sequencing instruments revenue growth	(5)%	11 %
Impact of tariff refunds	5 %	1 %
Revenue growth, excluding tariff refunds (non-GAAP) (a)	— %	12 %
Impact of currency exchange rates	(1)%	(1)%
Organic revenue growth (non-GAAP) (a)	(1)%	11 %
Impact of China	(1)%	1 %
ROW organic revenue growth (non-GAAP) (a)	(2)%	12 %
Sequencing service and other revenue growth	5 %	8 %
Impact of tariff refunds	2 %	1 %
Revenue growth, excluding tariff refunds (non-GAAP) (a)	7 %	9 %
Impact of currency exchange rates	1 %	(1)%
Organic revenue growth (non-GAAP) (a)	8 %	8 %
Impact of China	— %	1 %
ROW organic revenue growth (non-GAAP) (a)	8 %	9 %
Microarray revenue growth	30 %	17 %
Impact of tariff refunds	2 %	— %
Revenue growth, excluding tariff refunds (non-GAAP) (a)	32 %	17 %
Impact of acquisitions	(31)%	(25)%
Impact of currency exchange rates	— %	(1)%
Organic revenue growth (non-GAAP) (a)	1 %	(9)%
Impact of China	1 %	1 %
ROW organic revenue growth (non-GAAP) (a)	2 %	(8)%

(a) Revenue growth, excluding tariff refunds adjusts for the tariff refund to customers. Organic revenue growth adjusts for the impact from the tariff refund to customers, acquisitions and currency movements, which is calculated using comparative prior period foreign exchange rates to translate current period revenue, net of the effects of hedges. Rest of World (ROW) organic revenue growth also adjusts for the impact from our China region.

Illumina, Inc.
Results of Operations - Revenue by Region
(unaudited)

TABLE 1: RECONCILIATION OF REVENUE GROWTH - REVENUE BY REGION:

	Three Months Ended September 27, 2026	Nine Months Ended September 27, 2026
USCAN revenue growth	7 %	9 %
Impact of tariff refunds	5 %	2 %
Revenue growth, excluding tariff refunds (non-GAAP) (a)	12 %	11 %
Impact of acquisitions	(3)%	(2)%
Impact of currency exchange rates	— %	— %
Organic revenue growth (non-GAAP) (a)	9 %	9 %
EMEALA revenue growth	(2)%	3 %
Impact of tariff refunds	2 %	1 %
Revenue growth, excluding tariff refunds (non-GAAP) (a)	— %	4 %
Impact of acquisitions	(1)%	(1)%
Impact of currency exchange rates	(1)%	(3)%
Organic revenue growth (non-GAAP) (a)	(2)%	— %
APAC revenue growth	5 %	11 %
Impact of tariff refunds	— %	— %
Revenue growth, excluding tariff refunds (non-GAAP) (a)	5 %	11 %
Impact of acquisitions	(2)%	(6)%
Impact of currency exchange rates	2 %	1 %
Organic revenue growth (non-GAAP) (a)	5 %	6 %
Greater China revenue growth (b)	13 %	(11)%
Impact of tariff refunds	— %	— %
Revenue growth, excluding tariff refunds (non-GAAP) (a)	13 %	(11)%
Impact of acquisitions	(5)%	(4)%
Impact of currency exchange rates	(1)%	(1)%
Organic revenue growth (non-GAAP) (a)(b)	7 %	(16)%

United States and Canada (USCAN), Europe, Middle East, Africa and Latin America (EMEALA), Asia-Pacific (APAC)

- (a) Revenue growth, excluding tariff refunds adjusts for the tariff refund to customers. Organic revenue growth adjusts for the impact from the tariff refund to customers, acquisitions and currency movements, which 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 China, Taiwan, and Hong Kong.