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## illumina Reports Financial Results for Third Quarter of Fiscal Year 2024

- Core Illumina revenue of \$1.1 billion for Q3 2024, down 2% from Q3 2023 and on a constant currency basis
- Core Illumina GAAP operating margin of 68.6% and non-GAAP operating margin of 22.6% for Q3 2024
- Core Illumina GAAP diluted EPS of \$4.03 and non-GAAP diluted EPS of \$1.14 for Q3 2024
- Lowered fiscal year 2024 Core Illumina revenue guidance to decline ~3% from fiscal year 2023; expect Q4 2024 Core Illumina revenue of approximately \$1.07 billion
- Raised fiscal year 2024 Core Illumina non-GAAP operating margin guidance to a range of 21% to 21.5%
- Raised fiscal year 2024 Core Illumina non-GAAP diluted EPS guidance to a range of \$4.05 to \$4.15

San Diego, November 4, 2024 /PRNewswire/ -- Illumina, Inc. (Nasdaq: ILMN) (“Illumina” or the “company”) today announced its financial results for the third quarter of fiscal year 2024. The financial results for YTD 2024 and Q3 2023 and YTD 2023 include the financial results for GRAIL which was spun off on June 24, 2024.

“During the third quarter, the Illumina team delivered strong operating results, and revenue met our expectations,” said Jacob Thaysen, Chief Executive Officer. “We are making good strides towards Illumina’s strategic goals, both in launching breakthrough innovation and in helping our customers accelerate their adoption of the NovaSeq™ X.”

“The near-term macroeconomic environment remains constrained, and we are slightly lowering our 2024 revenue guidance,” Thaysen continued. “The underlying demand for Illumina’s products and applications remains strong and we are demonstrating significant progress in driving margin and earnings expansion.”

### Third quarter Core Illumina segment results

| <i>Dollars in millions</i>                         | GAAP     |          | Non-GAAP (a) |          |
|--|----------|----------|--------------|----------|
|  | Q3 2024  | Q3 2023  | Q3 2024      | Q3 2023  |
| Revenue (b)  | \$ 1,080 | \$ 1,106 | \$ 1,080     | \$ 1,106 |
| Gross margin (c)                                   | 68.9 %   | 64.7 %   | 70.5 %       | 66.0 %   |
| Research and development (R&D) expense             | \$ 253   | \$ 238   | \$ 249       | \$ 235   |
| Selling, general and administrative (SG&A) expense | \$ 239   | \$ 216   | \$ 268       | \$ 246   |
| Legal contingency and settlement                   | \$ (488) | \$ (1)   | \$ —         | \$ —     |
| Operating profit                                   | \$ 741   | \$ 262   | \$ 244       | \$ 249   |
| Operating margin                                   | 68.6 %   | 23.7 %   | 22.6 %       | 22.5 %   |
| Tax provision                                      | \$ 77    | *        | \$ 48        | *        |
| Tax rate   | 10.8 %   | *        | 21.0 %       | *        |
| Net income   | \$ 642   | *        | \$ 181       | *        |
| Diluted EPS  | \$ 4.03  | *        | \$ 1.14      | *        |

\* Prior year information not provided.

- See tables in “Results of Operations - Non-GAAP” section below for GAAP and non-GAAP reconciliations.
- Core Illumina revenue for Q3 2023 included intercompany revenue of \$8 million which, prior to the spin-off of GRAIL in Q2 2024, was eliminated in consolidation.
- The increase in gross margin was driven by execution of our operational excellence priorities that delivered cost savings, including freight, and improved productivity and a more favorable mix of sequencing consumables.

### **Third quarter consolidated results**

| <i>Dollars in millions</i>         | <b>GAAP</b>    |                | <b>Non-GAAP (a)</b> |                |
|------------------------------------|----------------|----------------|---------------------|----------------|
|                                    | <b>Q3 2024</b> | <b>Q3 2023</b> | <b>Q3 2024</b>      | <b>Q3 2023</b> |
| Revenue                            | \$ 1,080       | \$ 1,119       | \$ 1,080            | \$ 1,119       |
| Gross margin                       | 68.9 %         | 61.1 %         | 70.5 %              | 65.4 %         |
| R&D expense                        | \$ 253         | \$ 315         | \$ 249              | \$ 312         |
| SG&A expense                       | \$ 239         | \$ 303         | \$ 268              | \$ 328         |
| Goodwill and intangible impairment | \$ —           | \$ 821         | \$ —                | \$ —           |
| Legal contingency and settlement   | \$ (488)       | \$ (1)         | \$ —                | \$ —           |
| Operating profit (loss)            | \$ 741         | \$ (754)       | \$ 244              | \$ 93          |
| Operating margin                   | 68.6 %         | (67.3)%        | 22.6 %              | 8.3 %          |
| Tax provision (benefit)            | \$ 15          | \$ (28)        | \$ 48               | \$ 35          |
| Tax rate                           | 2.1 %          | 3.6 %          | 21.0 %              | 39.7 %         |
| Net income (loss)                  | \$ 705         | \$ (754)       | \$ 181              | \$ 52          |
| Diluted earnings (loss) per share  | \$ 4.42        | \$ (4.77)      | \$ 1.14             | \$ 0.33        |

(a) See tables in “Results of Operations - Non-GAAP” section below for GAAP and non-GAAP reconciliations.

Capital expenditures for free cash flow purposes were \$32 million for Q3 2024. Cash flow provided by operations was \$316 million, compared to \$139 million in the prior year period. Free cash flow (cash flow provided by operations less capital expenditures) was \$284 million for the quarter, compared to \$94 million in the prior year period. Depreciation and amortization expenses were \$70 million for Q3 2024. At the close of the quarter, the company held \$939 million in cash, cash equivalents and short-term investments.

#### **Key announcements since our last earnings release**

- Presented strategy and three-year financial outlook that features accelerating revenue growth and significant margin expansion
- Introduced the MiSeq i100 Series: Illumina’s simplest, fastest benchtop sequencers
- Announced plans to provide updates on key innovations in whole-genome sequencing, proteomics, and single-cell technology at the American Society of Human Genetics Annual Meeting
- Announced European Court of Justice ruled in favor of Illumina in jurisdictional appeal regarding GRAIL
- Obtained FDA approval for TSO Comprehensive with two companion diagnostics to rapidly match patients to targeted therapies
- Announced Bengaluru global capability center, expanding presence in the region
- Appointed Todd Christian as Senior Vice President of Services, Arrays, and Genomics Access
- Announced that Charles Dadswell will step down as General Counsel, initiated search for successor

A full list of recent announcements can be found in the company’s News Center.

#### **Financial outlook and guidance**

For fiscal year 2024, the company is lowering its guidance for Core Illumina revenue to decline ~3% (down ~3% in constant currency) compared to fiscal year 2023. For the fourth quarter of 2024, the company expects Core Illumina revenue of ~\$1.07 billion. The company is raising its guidance for Core Illumina non-GAAP operating margin to a range of 21% to 21.5%, and for Core Illumina non-GAAP diluted EPS to a range of \$4.05 to \$4.15 for fiscal year 2024.

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 expenses, gains and losses from strategic investments, fair value adjustments to contingent consideration, 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.

### **Conference call information**

The conference call will begin at 1:30 p.m. Pacific Time (4:30 p.m. Eastern Time) on Monday, November 4, 2024. Interested parties may access the live teleconference through the Investor Info section of Illumina's website at investor.illumina.com. Alternatively, individuals can access the call by dialing 877.400.0505 or +1.323.701.0225 outside North America, both using conference ID 2966739. To ensure timely connection, please dial in at least ten minutes before the scheduled start of the call.

A replay of the conference call will be posted on Illumina's website after the event and will be available for at least 30 days following.

### **Statement regarding use of non-GAAP financial measures**

The company reports non-GAAP results for diluted earnings per share, net income, gross margin, operating expenses, including research and development expense, selling general and administrative expense, legal contingencies and settlement, and goodwill and intangible impairment, operating income, operating margin, gross profit, other income (expense), tax provision, constant currency revenue growth, and free cash flow (on a consolidated and, as applicable, segment basis) in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The company's financial measures under GAAP include substantial charges such as amortization of acquired intangible assets among others that are listed in the reconciliations of GAAP and non-GAAP financial measures included in this press release, as well as the effects of currency translation. Management has excluded the effects of these items in non-GAAP measures to assist investors in analyzing and assessing past and future operating performance. Non-GAAP net income, diluted earnings per share and operating margin are key components of the financial metrics utilized by the company's board of directors to measure, in part, management's performance and determine significant elements of management's compensation.

The company encourages investors to carefully consider its results under GAAP, as well as its supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand its business. Reconciliations between GAAP and non-GAAP results are presented in the tables of this release.

### **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.

## **About Illumina**

Illumina is improving human health by unlocking the power of the genome. Our focus on innovation has established us as a global leader in DNA sequencing and array-based technologies, serving customers in the research, clinical, and applied markets. Our products are used for applications in the life sciences, oncology, reproductive health, agriculture, and other emerging segments. To learn more, visit [www.illumina.com](http://www.illumina.com) and connect with us on X, Facebook, LinkedIn, Instagram, TikTok, and YouTube.

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**Illumina, Inc.**  
**Condensed Consolidated Balance Sheets**  
(In millions)

|   | September 29,<br>2024 | December 31,<br>2023 |
|---|-----------------------|----------------------|
| <b>ASSETS</b>                               | <b>(unaudited)</b>    |                      |
| Current assets:                             |                       |                      |
| Cash and cash equivalents                   | \$ 869                | \$ 1,048             |
| Short-term investments                      | 70                    | 6                    |
| Accounts receivable, net                    | 699                   | 734                  |
| Inventory, net                              | 574                   | 587                  |
| Prepaid expenses and other current assets   | 161                   | 234                  |
| Total current assets                        | <u>2,373</u>          | 2,609                |
| Property and equipment, net                 | 832                   | 1,007                |
| Operating lease right-of-use assets         | 453                   | 544                  |
| Goodwill                                    | 1,113                 | 2,545                |
| Intangible assets, net                      | 305                   | 2,993                |
| Deferred tax assets, net                    | 617                   | 56                   |
| Other assets                                | 321                   | 357                  |
| Total assets                                | <u>\$ 6,014</u>       | <u>\$ 10,111</u>     |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b> |                       |                      |
| Current liabilities:                        |                       |                      |
| Accounts payable                            | \$ 191                | \$ 245               |
| Accrued liabilities                         | 784                   | 1,325                |
| Total current liabilities                   | <u>975</u>            | 1,570                |
| Operating lease liabilities                 | 613                   | 687                  |
| Term debt                                   | 1,988                 | 1,489                |
| Other long-term liabilities                 | 313                   | 620                  |
| Stockholders' equity                        | 2,125                 | 5,745                |
| Total liabilities and stockholders' equity  | <u>\$ 6,014</u>       | <u>\$ 10,111</u>     |

**illumina, Inc.**  
**Condensed Consolidated Statements of Operations**  
(In millions, except per share amounts)  
(unaudited)

|  | Three Months Ended    |                    | Nine Months Ended     |                    |
|--|-----------------------|--------------------|-----------------------|--------------------|
|  | September 29,<br>2024 | October 1,<br>2023 | September 29,<br>2024 | October 1,<br>2023 |
| <b>Revenue:</b>  |                       |                    |                       |                    |
| Product revenue  | \$ 914                | \$ 941             | \$ 2,718              | \$ 2,864           |
| Service and other revenue                                  | 166                   | 178                | 550                   | 518                |
| Total revenue  | <u>1,080</u>          | <u>1,119</u>       | <u>3,268</u>          | <u>3,382</u>       |
| <b>Cost of revenue:</b>                                    |                       |                    |                       |                    |
| Cost of product revenue (a)                                | 235                   | 293                | 739                   | 884                |
| Cost of service and other revenue (a)                      | 84                    | 95                 | 286                   | 285                |
| Amortization of acquired intangible assets                 | 16                    | 47                 | 110                   | 143                |
| Total cost of revenue                                      | <u>335</u>            | <u>435</u>         | <u>1,135</u>          | <u>1,312</u>       |
| Gross profit   | <u>745</u>            | <u>684</u>         | <u>2,133</u>          | <u>2,070</u>       |
| <b>Operating expense:</b>                                  |                       |                    |                       |                    |
| Research and development (a)                               | 253                   | 315                | 913                   | 1,013              |
| Selling, general and administrative (a)                    | 239                   | 303                | 813                   | 1,127              |
| Goodwill and intangible impairment                         | —                     | 821                | 1,889                 | 821                |
| Legal contingency and settlement                           | (488)                 | (1)                | (474)                 | 14                 |
| Total operating expense                                    | <u>4</u>              | <u>1,438</u>       | <u>3,141</u>          | <u>2,975</u>       |
| Income (loss) from operations                              | <u>741</u>            | <u>(754)</u>       | <u>(1,008)</u>        | <u>(905)</u>       |
| Other expense, net   | <u>(21)</u>           | <u>(28)</u>        | <u>(358)</u>          | <u>(45)</u>        |
| Income (loss) before income taxes                          | <u>720</u>            | <u>(782)</u>       | <u>(1,366)</u>        | <u>(950)</u>       |
| Provision (benefit) for income taxes                       | 15                    | (28)               | 44                    | 36                 |
| Net income (loss)  | <u>\$ 705</u>         | <u>\$ (754)</u>    | <u>\$ (1,410)</u>     | <u>\$ (986)</u>    |
| <b>Earnings (loss) per share:</b>                          |                       |                    |                       |                    |
| Basic  | \$ 4.43               | \$ (4.77)          | \$ (8.86)             | \$ (6.23)          |
| Diluted  | \$ 4.42               | \$ (4.77)          | \$ (8.86)             | \$ (6.23)          |
| <b>Shares used in computing earnings (loss) per share:</b> |                       |                    |                       |                    |
| Basic  | 159                   | 158                | 159                   | 158                |
| Diluted  | 160                   | 158                | 159                   | 158                |

(a) Includes stock-based compensation expense for stock-based awards:

|   | Three Months Ended    |                    | Nine Months Ended     |                    |
|---|-----------------------|--------------------|-----------------------|--------------------|
|   | September 29,<br>2024 | October 1,<br>2023 | September 29,<br>2024 | October 1,<br>2023 |
| Cost of product revenue                       | \$ 7                  | \$ 7               | \$ 19                 | \$ 22              |
| Cost of service and other revenue             | 1                     | 2                  | 5                     | 5                  |
| Research and development                      | 33                    | 36                 | 115                   | 117                |
| Selling, general and administrative           | 43                    | 41                 | 152                   | 142                |
| Stock-based compensation expense before taxes | <u>\$ 84</u>          | <u>\$ 86</u>       | <u>\$ 291</u>         | <u>\$ 286</u>      |

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

|  | Three Months Ended    |                    | Nine Months Ended     |                    |
|--|-----------------------|--------------------|-----------------------|--------------------|
|  | September 29,<br>2024 | October 1,<br>2023 | September 29,<br>2024 | October 1,<br>2023 |
| Net cash provided by operating activities                    | \$ 316                | \$ 139             | \$ 473                | \$ 254             |
| Net cash used in investing activities                        | (42)                  | (54)               | (130)                 | (146)              |
| Net cash used in financing activities                        | (332)                 | (707)              | (523)                 | (1,183)            |
| Effect of exchange rate changes on cash and cash equivalents | 7                     | (4)                | 1                     | (9)                |
| Net decrease in cash and cash equivalents                    | (51)                  | (626)              | (179)                 | (1,084)            |
| Cash and cash equivalents, beginning of period               | 920                   | 1,553              | 1,048                 | 2,011              |
| Cash and cash equivalents, end of period                     | <u>\$ 869</u>         | <u>\$ 927</u>      | <u>\$ 869</u>         | <u>\$ 927</u>      |
| Calculation of free cash flow:                               |                       |                    |                       |                    |
| Net cash provided by operating activities                    | \$ 316                | \$ 139             | \$ 473                | \$ 254             |
| Purchases of property and equipment                          | (32)                  | (45)               | (99)                  | (144)              |
| Free cash flow (a)   | <u>\$ 284</u>         | <u>\$ 94</u>       | <u>\$ 374</u>         | <u>\$ 110</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 - Constant Currency Revenue**  
(Dollars in millions)  
(unaudited)

**TABLE 1: CORE ILLUMINA - CONSTANT CURRENCY REVENUE:**

|   | Three Months Ended     |                        |             | Nine Months Ended      |                        |             |
|---|------------------------|------------------------|-------------|------------------------|------------------------|-------------|
|   | September 29,<br>2024  | October 1,<br>2023     | % Change    | September 29,<br>2024  | October 1,<br>2023     | % Change    |
| <b>Core Illumina revenue</b>                  | <b>\$ 1,080</b>        | <b>\$ 1,106</b>        | <b>(2)%</b> | <b>\$ 3,228</b>        | <b>\$ 3,341</b>        | <b>(3)%</b> |
| Less: Hedge gains                             | 3                      | 5                      |             | 10                     | 9                      |             |
| Core Illumina revenue, excluding hedge effect | 1,077                  | 1,101                  |             | 3,218                  | 3,332                  |             |
| Less: Exchange rate effect                    | (1)                    | —                      |             | (7)                    | —                      |             |
| Core Illumina constant currency revenue (a)   | <u><u>\$ 1,078</u></u> | <u><u>\$ 1,101</u></u> | <b>(2)%</b> | <u><u>\$ 3,225</u></u> | <u><u>\$ 3,332</u></u> | <b>(3)%</b> |

**TABLE 2: CONSOLIDATED - CONSTANT CURRENCY REVENUE:**

|  | Three Months Ended     |                        |             | Nine Months Ended      |                        |             |
|--|------------------------|------------------------|-------------|------------------------|------------------------|-------------|
|  | September 29,<br>2024  | October 1,<br>2023     | % Change    | September 29,<br>2024  | October 1,<br>2023     | % Change    |
| <b>Consolidated revenue</b>                  | <b>\$ 1,080</b>        | <b>\$ 1,119</b>        | <b>(4)%</b> | <b>\$ 3,268</b>        | <b>\$ 3,382</b>        | <b>(3)%</b> |
| Less: Hedge gains                            | 3                      | 5                      |             | 10                     | 9                      |             |
| Consolidated revenue, excluding hedge effect | 1,077                  | 1,114                  |             | 3,258                  | 3,373                  |             |
| Less: Exchange rate effect                   | (1)                    | —                      |             | (7)                    | —                      |             |
| Consolidated constant currency revenue (a)   | <u><u>\$ 1,078</u></u> | <u><u>\$ 1,114</u></u> | <b>(3)%</b> | <u><u>\$ 3,265</u></u> | <u><u>\$ 3,373</u></u> | <b>(3)%</b> |

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

**TABLE 1: CORE ILLUMINA - RECONCILIATION OF GAAP AND NON-GAAP DILUTED EARNINGS PER SHARE:**

|  | Three Months Ended<br>September 29,<br>2024 | Nine Months Ended<br>September 29,<br>2024 |
|--|---|--|
| <b>GAAP earnings per share - diluted</b>                         | <b>\$ 4.03</b>                              | <b>\$ 4.88</b>                             |
| Cost of revenue (b)  | 0.10  | 0.29                                       |
| R&D expense (b)  | 0.03  | 0.04                                       |
| SG&A expense (b)   | (0.18)                                      | (1.11)                                     |
| Goodwill and intangible impairment (b)                           | —   | 0.02                                       |
| Legal contingency and settlement (b)                             | (3.07)                                      | (2.98)                                     |
| Other expense, net (b)   | 0.04  | 2.05                                       |
| GILTI, US foreign tax credits, and global minimum top-up tax (c) | 0.34  | 0.55                                       |
| Incremental non-GAAP tax expense (d)                             | (0.16)                                      | (0.56)                                     |
| Income tax provision (e)   | 0.01  | 0.02                                       |
| <b>Non-GAAP earnings per share - diluted (a)</b>                 | <b>\$ 1.14</b>                              | <b>\$ 3.20</b>                             |

**TABLE 2: CORE ILLUMINA - RECONCILIATION OF GAAP AND NON-GAAP NET INCOME:**

|  | Three Months Ended<br>September 29,<br>2024 | Nine Months Ended<br>September 29,<br>2024 |
|--|---|--|
| <b>GAAP net income</b>   | <b>\$ 642</b>                               | <b>\$ 777</b>                              |
| Cost of revenue (b)  | 16  | 47   |
| R&D expense (b)  | 4   | 6  |
| SG&A expense (b)   | (29)  | (176)                                      |
| Goodwill and intangible impairment (b)                           | —   | 3  |
| Legal contingency and settlement (b)                             | (488)                                       | (474)                                      |
| Other expense, net (b)   | 7   | 326  |
| GILTI, US foreign tax credits, and global minimum top-up tax (c) | 54  | 87   |
| Incremental non-GAAP tax expense (d)                             | (26)  | (89)                                       |
| Income tax provision (e)   | 1   | 3  |
| <b>Non-GAAP net income (a)</b>                                   | <b>\$ 181</b>                               | <b>\$ 510</b>                              |

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

**TABLE 3: CONSOLIDATED - RECONCILIATION OF GAAP AND NON-GAAP DILUTED EARNINGS (LOSS) PER SHARE:**

|  | Three Months Ended    |                    | Nine Months Ended     |                    |
|--|-----------------------|--------------------|-----------------------|--------------------|
|  | September 29,<br>2024 | October 1,<br>2023 | September 29,<br>2024 | October 1,<br>2023 |
| <b>GAAP earnings (loss) per share - diluted</b>                  | <b>\$ 4.42</b>        | <b>\$ (4.77)</b>   | <b>\$ (8.86)</b>      | <b>\$ (6.23)</b>   |
| Cost of revenue (b)  | 0.09                  | 0.30               | 0.70                  | 0.93               |
| R&D expense (b)  | 0.03                  | 0.02               | 0.04                  | 0.11               |
| SG&A expense (b)   | (0.18)                | (0.15)             | (1.03)                | 0.64               |
| Goodwill and intangible impairment (b)                           | —                     | 5.20               | 11.87                 | 5.19               |
| Legal contingency and settlement (b)                             | (3.06)                | (0.01)             | (2.98)                | 0.09               |
| Other expense, net (b)   | 0.04                  | 0.14               | 2.05                  | 0.23               |
| GILTI, US foreign tax credits, and global minimum top-up tax (c) | 0.16                  | 0.24               | 0.89                  | 0.40               |
| Incremental non-GAAP tax expense (d)                             | (0.37)                | (0.65)             | (1.11)                | (0.68)             |
| Income tax provision (e)   | 0.01                  | 0.01               | 0.02                  | 0.05               |
| <b>Non-GAAP earnings per share - diluted (a)</b>                 | <b>\$ 1.14</b>        | <b>\$ 0.33</b>     | <b>\$ 1.59</b>        | <b>\$ 0.73</b>     |

**TABLE 4: CONSOLIDATED - RECONCILIATION OF GAAP AND NON-GAAP NET INCOME (LOSS):**

|  | Three Months Ended    |                    | Nine Months Ended     |                    |
|--|-----------------------|--------------------|-----------------------|--------------------|
|  | September 29,<br>2024 | October 1,<br>2023 | September 29,<br>2024 | October 1,<br>2023 |
| <b>GAAP net income (loss)</b>                                    | <b>\$ 705</b>         | <b>\$ (754)</b>    | <b>\$ (1,410)</b>     | <b>\$ (986)</b>    |
| Cost of revenue (b)  | 16                    | 48                 | 112                   | 147                |
| R&D expense (b)  | 4                     | 3                  | 6                     | 17                 |
| SG&A expense (b)   | (30)                  | (24)               | (163)                 | 102                |
| Goodwill and intangible impairment (b)                           | —                     | 821                | 1,889                 | 821                |
| Legal contingency and settlement (b)                             | (488)                 | (1)                | (474)                 | 14                 |
| Other expense, net (b)   | 7                     | 22                 | 326                   | 36                 |
| GILTI, US foreign tax credits, and global minimum top-up tax (c) | 25                    | 38                 | 141                   | 63                 |
| Incremental non-GAAP tax expense (d)                             | (59)                  | (102)              | (177)                 | (108)              |
| Income tax provision (e)   | 1                     | 1                  | 3                     | 9                  |
| <b>Non-GAAP net income (a)</b>                                   | <b>\$ 181</b>         | <b>\$ 52</b>       | <b>\$ 253</b>         | <b>\$ 115</b>      |

*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 detailed above. Non-GAAP net income and diluted earnings per share are key components of the financial metrics utilized by the company's board of directors to measure, in part, management's performance and determine significant elements of management's compensation. Management has excluded the effects of these items in these measures to assist investors in analyzing and assessing our past and future operating performance.
- (b) Refer to Reconciliations between GAAP and Non-GAAP Results of Operations for details of amounts.
- (c) Amounts represent the impact of GRAIL pre-acquisition net operating losses on GILTI, the utilization of US foreign tax credits, and the Pillar Two global minimum top-up tax, which 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: RECONCILIATION OF GAAP AND NON-GAAP RESULTS OF OPERATIONS AS A PERCENT OF REVENUE:**

|  | Three Months Ended |                |                 |               |                 |               |               |               |
|--|--------------------|----------------|-----------------|---------------|-----------------|---------------|---------------|---------------|
|  | September 29, 2024 |                | October 1, 2023 |               |                 |               |               |               |
|  | Core/Consolidated  |                | Core Illumina   | GRAIL         | Elims           | Consolidated  |               |               |
| <b>GAAP gross profit (loss) (b)</b>                | <b>\$ 745</b>      | <b>68.9 %</b>  | \$ 715          | 64.7 %        | \$ (27)         | \$ (4)        | \$ 684        | 61.1 %        |
| Amortization of acquired intangible assets         | 16                 | 1.6 %          | 14              | 1.2 %         | 33              | —             | 47            | 4.2 %         |
| Restructuring (g)                                  | —                  | —              | 1               | 0.1 %         | —               | —             | 1             | 0.1 %         |
| <b>Non-GAAP gross profit (a)</b>                   | <b>\$ 761</b>      | <b>70.5 %</b>  | <b>\$ 730</b>   | <b>66.0 %</b> | <b>\$ 6</b>     | <b>\$ (4)</b> | <b>\$ 732</b> | <b>65.4 %</b> |
| <b>GAAP R&amp;D expense</b>                        | <b>\$ 253</b>      | <b>23.4 %</b>  | \$ 238          | 21.5 %        | \$ 79           | \$ (2)        | \$ 315        | 28.1 %        |
| Acquisition-related expenses (d)                   | (3)                | (0.2)%         | —               | —             | —               | —             | —             | —             |
| Restructuring (g)                                  | (1)                | (0.1)%         | (3)             | (0.3)%        | —               | —             | (3)           | (0.3)%        |
| <b>Non-GAAP R&amp;D expense</b>                    | <b>\$ 249</b>      | <b>23.1 %</b>  | <b>\$ 235</b>   | <b>21.2 %</b> | <b>\$ 79</b>    | <b>\$ (2)</b> | <b>\$ 312</b> | <b>27.8 %</b> |
| <b>GAAP SG&amp;A expense</b>                       | <b>\$ 239</b>      | <b>22.2 %</b>  | \$ 216          | 19.5 %        | \$ 87           | \$ —          | \$ 303        | 27.0 %        |
| Amortization of acquired intangible assets         | —                  | —              | —               | —             | (1)             | —             | (1)           | (0.1)%        |
| Contingent consideration liabilities (c)           | 49                 | 4.6 %          | 110             | 9.9 %         | —               | —             | 110           | 9.8 %         |
| Acquisition-related expenses (d)                   | (15)               | (1.4)%         | (26)            | (2.2)%        | (3)             | —             | (29)          | (2.5)%        |
| Restructuring (g)                                  | (5)                | (0.5)%         | (54)            | (4.9)%        | (1)             | —             | (55)          | (4.9)%        |
| <b>Non-GAAP SG&amp;A expense</b>                   | <b>\$ 268</b>      | <b>24.9 %</b>  | <b>\$ 246</b>   | <b>22.3 %</b> | <b>\$ 82</b>    | <b>\$ —</b>   | <b>\$ 328</b> | <b>29.3 %</b> |
| <b>GAAP goodwill and intangible impairment</b>     | <b>\$ —</b>        | <b>—</b>       | \$ —            | —             | \$ 821          | \$ —          | \$ 821        | 73.4 %        |
| Goodwill impairment (i)                            | —                  | —              | —               | —             | (712)           | —             | (712)         | (63.6)%       |
| Intangible (IPR&D) impairment (i)                  | —                  | —              | —               | —             | (109)           | —             | (109)         | (9.8)%        |
| <b>Non-GAAP goodwill and intangible impairment</b> | <b>\$ —</b>        | <b>—</b>       | <b>\$ —</b>     | <b>—</b>      | <b>\$ —</b>     | <b>\$ —</b>   | <b>\$ —</b>   | <b>—</b>      |
| <b>GAAP legal contingency and settlement</b>       | <b>\$ (488)</b>    | <b>(45.3)%</b> | \$ (1)          | (0.2)%        | \$ —            | \$ —          | \$ (1)        | (0.1)%        |
| Legal contingency and settlement (h)               | 488                | 45.3 %         | 1               | 0.2 %         | —               | —             | 1             | 0.1 %         |
| <b>Non-GAAP legal contingency and settlement</b>   | <b>\$ —</b>        | <b>—</b>       | <b>\$ —</b>     | <b>—</b>      | <b>\$ —</b>     | <b>\$ —</b>   | <b>\$ —</b>   | <b>—</b>      |
| <b>GAAP operating profit (loss)</b>                | <b>\$ 741</b>      | <b>68.6 %</b>  | \$ 262          | 23.7 %        | \$(1,015)       | \$ (1)        | \$ (754)      | (67.3)%       |
| Cost of revenue                                    | 16                 | 1.5 %          | 15              | 1.3 %         | 33              | —             | 48            | 4.3 %         |
| R&D costs  | 4                  | 0.4 %          | 3               | 0.4 %         | —               | —             | 3             | 0.3 %         |
| SG&A costs   | (29)               | (2.6)%         | (30)            | (2.7)%        | 6               | —             | (24)          | (2.3)%        |
| Goodwill and intangible impairment                 | —                  | —              | —               | —             | 821             | —             | 821           | 73.4 %        |
| Legal contingency and settlement                   | (488)              | (45.3)%        | (1)             | (0.2)%        | —               | —             | (1)           | (0.1)%        |
| <b>Non-GAAP operating profit (loss) (a)</b>        | <b>\$ 244</b>      | <b>22.6 %</b>  | <b>\$ 249</b>   | <b>22.5 %</b> | <b>\$ (155)</b> | <b>\$ (1)</b> | <b>\$ 93</b>  | <b>8.3 %</b>  |
| <b>GAAP other (expense) income, net</b>            | <b>\$ (21)</b>     | <b>(2.0)%</b>  | \$ (33)         | (3.0)%        | \$ 5            | \$ —          | \$ (28)       | (2.6)%        |
| Strategic investment related loss, net (e)         | 12                 | 1.2 %          | 19              | 1.8 %         | —               | —             | 19            | 1.8 %         |
| Gain on Helix contingent value right (f)           | (4)                | (0.4)%         | (5)             | (0.5)%        | —               | —             | (5)           | (0.4)%        |
| Acquisition-related expenses (d)                   | (1)                | (0.1)%         | 8               | 0.7 %         | —               | —             | 8             | 0.7 %         |
| <b>Non-GAAP other (expense) income, net (a)</b>    | <b>\$ (14)</b>     | <b>(1.3)%</b>  | <b>\$ (11)</b>  | <b>(1.0)%</b> | <b>\$ 5</b>     | <b>\$ —</b>   | <b>\$ (6)</b> | <b>(0.5)%</b> |

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

**TABLE 5: RECONCILIATION OF GAAP AND NON-GAAP RESULTS OF OPERATIONS AS A PERCENT OF REVENUE:**

|  | Nine Months Ended  |                |                   |                |                   |                |              |  |
|--|--------------------|----------------|-------------------|----------------|-------------------|----------------|--------------|--|
|  | September 29, 2024 |                |                   |                |                   |                |              |  |
|  | Core Illumina      |                | GRAIL             |                | Elims             |                | Consolidated |  |
| <b>GAAP gross profit (loss) (b)</b>            | <b>\$ 2,181</b>    | <b>67.6 %</b>  | <b>\$ (38)</b>    | <b>\$ (10)</b> | <b>\$ 2,133</b>   | <b>65.3 %</b>  |              |  |
| Amortization of acquired intangible assets     | 46                 | 1.4 %          | 65                | —              | 111               | 3.4 %          |              |  |
| Restructuring (g)                              | 1                  | —              | —                 | —              | 1                 | —              |              |  |
| Non-GAAP gross profit (a)                      | <u>\$ 2,228</u>    | <u>69.0 %</u>  | <u>\$ 27</u>      | <u>\$ (10)</u> | <u>\$ 2,245</u>   | <u>68.7 %</u>  |              |  |
| <b>GAAP R&amp;D expense</b>                    | <b>\$ 732</b>      | <b>22.7 %</b>  | <b>\$ 189</b>     | <b>\$ (8)</b>  | <b>\$ 913</b>     | <b>27.9 %</b>  |              |  |
| Acquisition-related expenses (d)               | (4)                | (0.1)%         | —                 | —              | (4)               | (0.1)%         |              |  |
| Restructuring (g)                              | (2)                | (0.1)%         | —                 | —              | (2)               | —              |              |  |
| Non-GAAP R&D expense                           | <u>\$ 726</u>      | <u>22.5 %</u>  | <u>\$ 189</u>     | <u>\$ (8)</u>  | <u>\$ 907</u>     | <u>27.8 %</u>  |              |  |
| <b>GAAP SG&amp;A expense</b>                   | <b>\$ 621</b>      | <b>19.3 %</b>  | <b>\$ 192</b>     | <b>\$ —</b>    | <b>\$ 813</b>     | <b>24.8 %</b>  |              |  |
| Amortization of acquired intangible assets     | —                  | —              | (2)               | —              | (2)               | (0.1)%         |              |  |
| Contingent consideration liabilities (c)       | 304                | 9.3 %          | —                 | —              | 304               | 9.3 %          |              |  |
| Acquisition-related expenses (d)               | (85)               | (2.6)%         | (11)              | —              | (96)              | (2.9)%         |              |  |
| Restructuring (g)                              | (43)               | (1.3)%         | (1)               | —              | (44)              | (1.3)%         |              |  |
| Non-GAAP SG&A expense                          | <u>\$ 797</u>      | <u>24.7 %</u>  | <u>\$ 178</u>     | <u>\$ —</u>    | <u>\$ 975</u>     | <u>29.8 %</u>  |              |  |
| <b>GAAP goodwill and intangible impairment</b> | <b>\$ 3</b>        | <b>0.1 %</b>   | <b>\$ 1,886</b>   | <b>\$ —</b>    | <b>\$ 1,889</b>   | <b>57.8 %</b>  |              |  |
| Goodwill impairment (i)                        | —                  | —              | (1,466)           | —              | (1,466)           | (44.9)%        |              |  |
| Intangible (IPR&D) impairment (i)              | (3)                | (0.1)%         | (420)             | —              | (423)             | (12.9)%        |              |  |
| Non-GAAP goodwill and intangible impairment    | <u>\$ —</u>        | <u>—</u>       | <u>\$ —</u>       | <u>\$ —</u>    | <u>\$ —</u>       | <u>—</u>       |              |  |
| <b>GAAP legal contingency and settlement</b>   | <b>\$ (474)</b>    | <b>(14.7)%</b> | <b>\$ —</b>       | <b>\$ —</b>    | <b>\$ (474)</b>   | <b>(14.4)%</b> |              |  |
| Legal contingency and settlement (h)           | 474                | 14.7 %         | —                 | —              | 474               | 14.4 %         |              |  |
| Non-GAAP legal contingency and settlement      | <u>\$ —</u>        | <u>—</u>       | <u>\$ —</u>       | <u>\$ —</u>    | <u>\$ —</u>       | <u>—</u>       |              |  |
| <b>GAAP operating profit (loss)</b>            | <b>\$ 1,298</b>    | <b>40.2 %</b>  | <b>\$ (2,305)</b> | <b>\$ (1)</b>  | <b>\$ (1,008)</b> | <b>(30.8)%</b> |              |  |
| Cost of revenue                                | 47                 | 1.5 %          | 65                | —              | 112               | 3.4 %          |              |  |
| R&D costs                                      | 6                  | 0.2 %          | —                 | —              | 6                 | 0.2 %          |              |  |
| SG&A costs                                     | (176)              | (5.5)%         | 13                | —              | (163)             | (5.1)%         |              |  |
| Goodwill and intangible impairment             | 3                  | 0.1 %          | 1,886             | —              | 1,889             | 57.8 %         |              |  |
| Legal contingency and settlement               | (474)              | (14.7)%        | —                 | —              | (474)             | (14.4)%        |              |  |
| Non-GAAP operating profit (loss) (a)           | <u>\$ 704</u>      | <u>21.8 %</u>  | <u>\$ (341)</u>   | <u>\$ (1)</u>  | <u>\$ 362</u>     | <u>11.1 %</u>  |              |  |
| <b>GAAP other (expense) income, net</b>        | <b>\$ (363)</b>    | <b>(11.2)%</b> | <b>\$ 5</b>       | <b>\$ —</b>    | <b>\$ (358)</b>   | <b>(11.0)%</b> |              |  |
| Strategic investment related loss, net (e)     | 339                | 10.5 %         | —                 | —              | 339               | 10.4 %         |              |  |
| Gain on Helix contingent value right (f)       | (15)               | (0.5)%         | —                 | —              | (15)              | (0.5)%         |              |  |
| Acquisition-related expenses (d)               | 2                  | 0.1 %          | —                 | —              | 2                 | 0.1 %          |              |  |
| Non-GAAP other (expense) income, net (a)       | <u>\$ (37)</u>     | <u>(1.1)%</u>  | <u>\$ 5</u>       | <u>\$ —</u>    | <u>\$ (32)</u>    | <u>(1.0)%</u>  |              |  |

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

**TABLE 5: RECONCILIATION OF GAAP AND NON-GAAP RESULTS OF OPERATIONS AS A PERCENT OF REVENUE:**

|  | Nine Months Ended |               |                 |                |                 |               |              |  |
|--|-------------------|---------------|-----------------|----------------|-----------------|---------------|--------------|--|
|  | October 1, 2023   |               |                 |                |                 |               |              |  |
|  | Core Illumina     |               | GRAIL           |                | Elims           |               | Consolidated |  |
| <b>GAAP gross profit (loss) (b)</b>                | \$ 2,161          | 64.7 %        | \$ (77)         | \$ (14)        | \$ 2,070        | 61.2 %        |              |  |
| Amortization of acquired intangible assets         | 43                | 1.3 %         | 100             | —              | 143             | 4.3 %         |              |  |
| Restructuring (g)                                  | 4                 | 0.1 %         | —               | —              | 4               | 0.1 %         |              |  |
| <b>Non-GAAP gross profit (a)</b>                   | <u>\$ 2,208</u>   | <u>66.1 %</u> | <u>\$ 23</u>    | <u>\$ (14)</u> | <u>\$ 2,217</u> | <u>65.6 %</u> |              |  |
| <b>GAAP R&amp;D expense</b>                        | \$ 771            | 23.1 %        | \$ 254          | \$ (12)        | \$ 1,013        | 30.0 %        |              |  |
| Acquisition-related expenses (d)                   | (1)               | —             | —               | —              | (1)             | —             |              |  |
| Restructuring (g)                                  | (16)              | (0.6)%        | —               | —              | (16)            | (0.5)%        |              |  |
| <b>Non-GAAP R&amp;D expense</b>                    | <u>\$ 754</u>     | <u>22.5 %</u> | <u>\$ 254</u>   | <u>\$ (12)</u> | <u>\$ 996</u>   | <u>29.5 %</u> |              |  |
| <b>GAAP SG&amp;A expense</b>                       | \$ 857            | 25.7 %        | \$ 271          | \$ (1)         | \$ 1,127        | 33.3 %        |              |  |
| Amortization of acquired intangible assets         | (1)               | —             | (3)             | —              | (4)             | (0.1)%        |              |  |
| Contingent consideration liabilities (c)           | 82                | 2.5 %         | —               | —              | 82              | 2.3 %         |              |  |
| Acquisition-related expenses (d)                   | (64)              | (1.9)%        | (11)            | —              | (75)            | (2.1)%        |              |  |
| Restructuring (g)                                  | (72)              | (2.3)%        | (3)             | —              | (75)            | (2.2)%        |              |  |
| Proxy contest                                      | (29)              | (0.9)%        | —               | —              | (29)            | (0.9)%        |              |  |
| <b>Non-GAAP SG&amp;A expense</b>                   | <u>\$ 773</u>     | <u>23.1 %</u> | <u>\$ 254</u>   | <u>\$ (1)</u>  | <u>\$ 1,026</u> | <u>30.3 %</u> |              |  |
| <b>GAAP goodwill and intangible impairment</b>     | \$ —              | —             | \$ 821          | \$ —           | \$ 821          | 24.3 %        |              |  |
| Goodwill impairment (i)                            | —                 | —             | (712)           | —              | (712)           | (21.1)%       |              |  |
| Intangible (IPR&D) impairment (i)                  | —                 | —             | (109)           | —              | (109)           | (3.2)%        |              |  |
| <b>Non-GAAP goodwill and intangible impairment</b> | <u>\$ —</u>       | <u>—</u>      | <u>\$ —</u>     | <u>\$ —</u>    | <u>\$ —</u>     | <u>—</u>      |              |  |
| <b>GAAP legal contingency and settlement</b>       | \$ 14             | 0.4 %         | \$ —            | \$ —           | \$ 14           | 0.4 %         |              |  |
| Legal contingency and settlement (h)               | (14)              | (0.4)%        | —               | —              | (14)            | (0.4)%        |              |  |
| <b>Non-GAAP legal contingency and settlement</b>   | <u>\$ —</u>       | <u>—</u>      | <u>\$ —</u>     | <u>\$ —</u>    | <u>\$ —</u>     | <u>—</u>      |              |  |
| <b>GAAP operating profit (loss)</b>                | \$ 519            | 15.5 %        | \$ (1,424)      | \$ —           | \$ (905)        | (26.8)%       |              |  |
| Cost of revenue                                    | 47                | 1.4 %         | 100             | —              | 147             | 4.4 %         |              |  |
| R&D costs  | 17                | 0.5 %         | —               | —              | 17              | 0.5 %         |              |  |
| SG&A costs   | 84                | 2.6 %         | 18              | —              | 102             | 3.0 %         |              |  |
| Goodwill and intangible impairment                 | —                 | —             | 821             | —              | 821             | 24.3 %        |              |  |
| Legal contingency and settlement                   | 14                | 0.4 %         | —               | —              | 14              | 0.4 %         |              |  |
| <b>Non-GAAP operating profit (loss) (a)</b>        | <u>\$ 681</u>     | <u>20.4 %</u> | <u>\$ (485)</u> | <u>\$ —</u>    | <u>\$ 196</u>   | <u>5.8 %</u>  |              |  |
| <b>GAAP other (expense) income, net</b>            | \$ (53)           | (1.6)%        | \$ 8            | \$ —           | \$ (45)         | (1.3)%        |              |  |
| Strategic investment related loss, net (e)         | 36                | 1.1 %         | —               | —              | 36              | 1.0 %         |              |  |
| Gain on Helix contingent value right (f)           | (8)               | (0.2)%        | —               | —              | (8)             | (0.2)%        |              |  |
| Acquisition-related expenses (d)                   | 8                 | 0.2 %         | —               | —              | 8               | 0.2 %         |              |  |
| <b>Non-GAAP other (expense) income, net (a)</b>    | <u>\$ (17)</u>    | <u>(0.5)%</u> | <u>\$ 8</u>     | <u>\$ —</u>    | <u>\$ (9)</u>   | <u>(0.3)%</u> |              |  |

*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.
- (b) Reconciling amounts are recorded in cost of revenue.
- (c) Amounts consist primarily 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, as well as the acquisition of Fluent Biosciences which was completed in Q3 2024. Amounts in other (expense) income, net for Q3 2023 and YTD 2023 relate to unrealized gains/losses for foreign currency balance sheet remeasurement of the EC fine liability, which was reversed in Q3 2024, and mark-to-market gains/losses on the hedge for the EC fine.
- (e) Amounts consist primarily of mark-to-market adjustments and impairments from strategic investments. Amount for YTD 2024 primarily relates to impairment recorded on our retained investment in GRAIL post spin-off.
- (f) Amounts consist of fair value adjustments related to our Helix contingent value right, which was settled in Q3 2024.
- (g) Amounts for Q3 2024 consist primarily of employee severance costs. Amounts for YTD 2024 also consist of lease and other asset impairments. Amounts for Q3 2023 consist primarily of lease and other asset impairments and amounts for YTD 2023 consist primarily of employee severance costs and lease and other asset impairments.
- (h) Amounts for Q3 2024 and YTD 2024 primarily consist of the reversal of the accrued EC fine, including accrued interest. Amount for YTD 2023 primarily consists of an adjustment recorded to our accrual for the EC fine.
- (i) Amount for YTD 2024 consists of goodwill and IPR&D intangible asset impairments related to GRAIL in Q2 2024. Amount for YTD 2024 also consists of an IPR&D intangible asset impairment related to Core Illumina in Q1 2024. Amounts for Q3 2023 and YTD 2023 consist of goodwill and IPR&D intangible asset impairments related to GRAIL.

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

**TABLE 6: CORE ILLUMINA - RECONCILIATION OF GAAP AND NON-GAAP TAX PROVISION:**

|  | Three Months Ended |               | Nine Months Ended  |               |
|--|--------------------|---------------|--------------------|---------------|
|  | September 29, 2024 |               | September 29, 2024 |               |
| <b>GAAP tax provision</b>  | <b>\$ 77</b>       | <b>10.8 %</b> | <b>\$ 158</b>      | <b>16.9 %</b> |
| Incremental non-GAAP tax expense (b)                             | 26                 |               | 89                 |               |
| Income tax provision (c)   | (1)                |               | (3)                |               |
| GILTI, US foreign tax credits, and global minimum top-up tax (d) | (54)               |               | (87)               |               |
| Non-GAAP tax provision (a)                                       | <u>\$ 48</u>       | <u>21.0 %</u> | <u>\$ 157</u>      | <u>23.6 %</u> |

**TABLE 7: CONSOLIDATED - RECONCILIATION OF GAAP AND NON-GAAP TAX PROVISION (BENEFIT):**

|  | Three Months Ended |               | Nine Months Ended  |               |
|--|--------------------|---------------|--------------------|---------------|
|  | September 29, 2024 |               | September 29, 2024 |               |
| <b>GAAP tax provision</b>  | <b>\$ 15</b>       | <b>2.1 %</b>  | <b>\$ 44</b>       | <b>(3.2)%</b> |
| Incremental non-GAAP tax expense (b)                             | 59                 |               | 177                |               |
| Income tax provision (c)   | (1)                |               | (3)                |               |
| GILTI, US foreign tax credits, and global minimum top-up tax (d) | (25)               |               | (141)              |               |
| Non-GAAP tax provision (a)                                       | <u>\$ 48</u>       | <u>21.0 %</u> | <u>\$ 77</u>       | <u>23.4 %</u> |

|                                      | Three Months Ended |               | Nine Months Ended |               |
|--------------------------------------|--------------------|---------------|-------------------|---------------|
|                                      | October 1, 2023    |               | October 1, 2023   |               |
| <b>GAAP tax (benefit) provision</b>  | <b>\$ (28)</b>     | <b>3.6 %</b>  | <b>\$ 36</b>      | <b>(3.8)%</b> |
| Incremental non-GAAP tax expense (b) | 102                |               | 108               |               |
| Income tax provision (c)             | (1)                |               | (9)               |               |
| GILTI and US foreign tax credits (d) | (38)               |               | (63)              |               |
| Non-GAAP tax provision (a)           | <u>\$ 35</u>       | <u>39.7 %</u> | <u>\$ 72</u>      | <u>38.3 %</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) Incremental non-GAAP tax expense reflects 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 US foreign tax credits, and the Pillar Two global minimum top-up tax, which became effective in Q1 2024.