



Condensed Consolidated Balance Sheets

	2022				2023				2024	
	unaudited				unaudited				unaudited	
(in millions)	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23	2Q23	3Q23	4Q23	1Q 24	2Q 24
ASSETS										
Current assets:										
Cash and cash equivalents	\$ 1,351	\$ 1,289	\$ 1,000	\$ 2,011	\$ 1,494	\$ 1,553	\$ 927	\$ 1,048	\$ 1,108	\$ 920
Short-term investments (a)	65	38	41	26	24	6	6	6	—	74
Accounts receivable, net	614	642	628	671	665	741	690	734	635	641
Inventory, net	465	518	559	568	586	617	615	587	584	561
Prepaid expenses and other current assets	260	404	259	285	403	306	268	234	256	263
Total current assets	2,755	2,891	2,487	3,561	3,172	3,223	2,506	2,609	2,583	2,459
Property and equipment, net	1,034	1,055	1,068	1,091	1,082	1,069	1,040	1,007	964	859
Operating lease right-of-use assets	706	693	680	653	658	638	581	544	550	460
Goodwill	7,113	7,158	3,238	3,239	3,239	3,239	2,527	2,545	2,545	1,079
Intangible assets, net	3,209	3,202	3,335	3,285	3,237	3,188	3,029	2,993	2,940	278
Deferred tax assets, net (b)	—	—	—	—	—	—	—	—	—	632
Other assets	457	449	448	423	423	417	439	413	458	314
Total assets	\$ 15,274	\$ 15,448	\$ 11,256	\$ 12,252	\$ 11,811	\$ 11,774	\$ 10,122	\$ 10,111	\$ 10,040	\$ 6,081
LIABILITIES AND STOCKHOLDERS' EQUITY										
Current liabilities:										
Accounts payable	\$ 291	\$ 282	\$ 281	\$ 293	\$ 242	\$ 244	\$ 240	\$ 245	\$ 201	\$ 199
Accrued liabilities	700	1,354	1,142	1,232	1,239	1,309	1,242	1,325	1,273	1,265
Term debt, current portion	499	499	499	500	—	—	—	—	—	744
Convertible senior notes, current portion	—	746	747	748	749	750	—	—	—	—
Total current liabilities	1,490	2,881	2,669	2,773	2,230	2,303	1,482	1,570	1,474	2,208
Operating lease liabilities	803	775	748	744	747	726	698	687	700	616
Term debt	495	495	495	1,487	1,487	1,488	1,489	1,489	1,490	1,490
Convertible senior notes	746	—	—	—	—	—	—	—	—	—
Other long-term liabilities	845	853	613	649	654	702	555	620	642	331
Stockholders' equity	10,895	10,444	6,731	6,599	6,693	6,555	5,898	5,745	5,734	1,436
Total liabilities and stockholders' equity	\$ 15,274	\$ 15,448	\$ 11,256	\$ 12,252	\$ 11,811	\$ 11,774	\$ 10,122	\$ 10,111	\$ 10,040	\$ 6,081



Condensed Consolidated Statements of Operations

(in millions, except per share amounts and %)	2022					2023					2024	
	unaudited				FY 22	unaudited				FY 23	unaudited	
	1Q 22	2Q 22	3Q 22	4Q 22		1Q 23	2Q 23	3Q 23	4Q 23		1Q 24	2Q 24
Revenue:												
Product revenue	\$ 1,070	\$ 1,006	\$ 963	\$ 913	\$ 3,953	\$ 922	\$ 1,001	\$ 941	\$ 923	\$ 3,787	\$ 876	\$ 927
Service and other revenue	153	156	152	170	631	165	175	178	199	717	200	185
Total revenue	1,223	1,162	1,115	1,083	4,584	1,087	1,176	1,119	1,122	4,504	1,076	1,112
Cost of revenue:												
Cost of product revenue	299	286	280	279	1,144	285	305	293	293	1,177	255	250
Cost of service and other revenue	69	69	72	84	295	99	91	95	108	392	106	95
Amortization of acquired intangible assets	40	40	46	48	173	48	48	47	47	191	48	46
Total cost of revenue	408	395	398	411	1,612	432	444	435	448	1,760	409	391
Gross profit	815	767	717	672	2,972	655	732	684	674	2,744	667	721
Operating expense:												
Research and development	323	327	325	346	1,321	341	358	315	341	1,354	339	325
Selling, general and administrative	308	410	146	432	1,297	378	450	303	485	1,612	439	147
Goodwill and intangible impairment	—	—	3,914	—	3,914	—	—	821	6	827	—	1,886
Legal contingency and settlement	—	609	(11)	21	619	—	12	(1)	6	20	—	—
Total operating expense	631	1,346	4,374	799	7,151	719	820	1,438	838	3,813	778	2,358
Income (loss) from operations	184	(579)	(3,657)	(127)	(4,179)	(64)	(88)	(754)	(164)	(1,069)	(111)	(1,637)
Other (expense) income, net	(44)	(58)	(15)	(41)	(157)	(14)	(1)	(28)	(4)	(48)	2	(339)
Income (loss) before income taxes	140	(637)	(3,672)	(168)	(4,336)	(78)	(89)	(782)	(168)	(1,117)	(109)	(1,976)
Provision (benefit) for income taxes	54	(102)	144	(28)	68	(81)	145	(28)	8	44	17	12
Net income (loss)	\$ 86	\$ (535)	\$(3,816)	\$ (140)	\$(4,404)	\$ 3	\$ (234)	\$(754)	\$(176)	\$(1,161)	\$(126)	\$(1,988)
Earnings (loss) per share:												
Basic	\$ 0.55	\$ (3.40)	\$(24.26)	\$ (0.89)	\$(28.00)	\$ 0.02	\$ (1.48)	\$(4.77)	\$ (1.11)	\$(7.34)	\$ (0.79)	\$ (12.48)
Diluted	\$ 0.55	\$ (3.40)	\$(24.26)	\$ (0.89)	\$(28.00)	\$ 0.02	\$ (1.48)	\$(4.77)	\$ (1.11)	\$(7.34)	\$ (0.79)	\$ (12.48)
Shares used in computing earnings (loss) per share:												
Basic	157	157	157	158	157	158	158	158	159	158	159	159
Diluted	159	157	157	158	157	158	158	158	159	158	159	159
Gross margin	67 %	66 %	64 %	62 %	65 %	60 %	62 %	61 %	60 %	61 %	62 %	65 %
R&D as % of revenue	26 %	28 %	29 %	32 %	29 %	31 %	30 %	28 %	30 %	30 %	31 %	29 %
SG&A as % of revenue	25 %	35 %	13 %	40 %	28 %	35 %	38 %	27 %	43 %	36 %	41 %	13 %
Legal contingency and settlement as % of revenue	— %	52 %	(1) %	2 %	13 %	— %	1 %	— %	1 %	— %	— %	— %
Goodwill and intangible impairment as % of revenue	— %	— %	351 %	— %	85 %	— %	— %	73 %	1 %	18 %	— %	170 %
Operating expenses as % of revenue	52 %	116 %	392 %	74 %	156 %	66 %	70 %	128 %	75 %	85 %	72 %	212 %
Operating margin	15 %	(50) %	(328) %	(12) %	(91) %	(6) %	(8) %	(67) %	(15) %	(24) %	(10) %	(147) %
Tax rate	38 %	16 %	(4) %	17 %	(2) %	104 %	(164) %	4 %	(5) %	(4) %	(15) %	(1) %

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



Consolidated Non-GAAP Data
unaudited

See reconciliations between GAAP and non-GAAP tables within this workbook for reconciliations of the non-GAAP financial measures to GAAP

	2022					2023					2024	
(in millions, except per share amounts and %)	1Q 22	2Q 22	3Q 22	4Q 22	FY 22	1Q 23	2Q 23	3Q 23	4Q 23	FY 23	1Q 24	2Q 24
Revenue	\$ 1,224	\$ 1,162	\$ 1,115	\$ 1,083	\$ 4,584	\$ 1,087	\$ 1,176	\$ 1,119	\$ 1,122	\$ 4,504	\$ 1,076	\$ 1,112
Gross profit	\$ 855	\$ 807	\$ 763	\$ 721	\$ 3,145	\$ 703	\$ 782	\$ 732	\$ 722	\$ 2,940	\$ 716	\$ 767
Research and development expense	\$ 323	\$ 327	\$ 324	\$ 339	\$ 1,313	\$ 339	\$ 345	\$ 312	\$ 329	\$ 1,325	\$ 335	\$ 325
Selling, general and administrative expense	\$ 320	\$ 339	\$ 336	\$ 351	\$ 1,346	\$ 343	\$ 355	\$ 328	\$ 342	\$ 1,367	\$ 349	\$ 358
Operating profit	\$ 212	\$ 141	\$ 102	\$ 31	\$ 487	\$ 21	\$ 82	\$ 93	\$ 51	\$ 247	\$ 33	\$ 84
Net income	\$ 169	\$ 91	\$ 54	\$ 22	\$ 336	\$ 13	\$ 50	\$ 52	\$ 22	\$ 137	\$ 14	\$ 57
Diluted EPS	\$ 1.07	\$ 0.57	\$ 0.34	\$ 0.14	\$ 2.12	\$ 0.08	\$ 0.32	\$ 0.33	\$ 0.14	\$ 0.86	\$ 0.09	\$ 0.36
Tax rate (a)	17.8 %	25.8 %	43.2 %	29.3 %	26.0 %	27.3 %	39.3 %	39.7 %	55.4 %	41.8 %	46.4 %	22.3 %

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(a) Refer to our "Reconciliation between GAAP and Non-GAAP Tax Provision."



Core Illumina Non-GAAP Data

unaudited

See reconciliations between GAAP and non-GAAP tables within this workbook for reconciliations of the non-GAAP financial measures to GAAP

	2022					2023					2024	
(in millions, except per share amounts and %)	1Q 22	2Q 22	3Q 22	4Q 22	FY 22	1Q 23	2Q 23	3Q 23	4Q 23	FY 23	1Q 24	2Q 24
Revenue (a)	\$ 1,221	\$ 1,156	\$ 1,110	\$ 1,065	\$ 4,553	\$ 1,076	\$ 1,159	\$ 1,106	\$ 1,097	\$ 4,438	\$ 1,056	\$ 1,092
Gross profit	\$ 857	\$ 807	\$ 765	\$ 717	\$ 3,146	\$ 701	\$ 777	\$ 730	\$ 710	\$ 2,918	\$ 708	\$ 758
Research and development expense	\$ 238	\$ 249	\$ 252	\$ 257	\$ 996	\$ 257	\$ 261	\$ 235	\$ 248	\$ 1,001	\$ 237	\$ 241
Selling, general and administrative expense	\$ 267	\$ 270	\$ 262	\$ 271	\$ 1,069	\$ 257	\$ 270	\$ 246	\$ 259	\$ 1,032	\$ 254	\$ 275
Operating profit	\$ 352	\$ 288	\$ 251	\$ 190	\$ 1,081	\$ 187	\$ 245	\$ 249	\$ 203	\$ 885	\$ 218	\$ 242
Net income	*	*	*	*	*	*	*	*	*	\$ 634	\$ 155	\$ 174
Diluted EPS	*	*	*	*	*	*	*	*	*	\$ 4.00	\$ 0.98	\$ 1.09
Tax rate (b)	*	*	*	*	*	*	*	*	*	26.5 %	25.7 %	24.2 %

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) Amounts include intercompany revenue between segments, which is eliminated in consolidation.

(b) Refer to our "Reconciliation between GAAP and Non-GAAP Tax Provision."



Consolidated Reconciliation Between GAAP and Non-GAAP Net Income (Loss) and Diluted Earnings (Loss) Per Share
unaudited

	2022					2023					2024	
(in millions, except per share amounts)	1Q 22	2Q 22	3Q 22	4Q 22	FY 22	1Q 23	2Q23	3Q 23	4Q 23	FY 23	1Q 24	2Q 24
Table 1: Consolidated reconciliation between GAAP and Non-GAAP diluted earnings (loss) per share												
GAAP earnings (loss) per share - diluted	\$ 0.55	\$ (3.40)	\$ (24.26)	\$ (0.89)	\$ (28.00)	\$ 0.02	\$ (1.48)	\$ (4.77)	\$ (1.11)	\$ (7.34)	\$ (0.79)	\$ (12.48)
Cost of revenue (b)	0.25	0.25	0.29	0.31	1.10	0.30	0.32	0.30	0.30	1.24	0.31	0.29
Research and development costs (b)	—	—	0.01	0.04	0.05	0.01	0.08	0.02	0.08	0.18	0.03	—
Selling, general and administrative costs (b)	(0.08)	0.45	(1.22)	0.51	(0.31)	0.22	0.60	(0.16)	0.90	1.54	0.57	(1.33)
Legal contingency and settlement (b)	—	3.88	(0.07)	0.14	3.94	—	0.08	(0.01)	0.04	0.13	—	—
Goodwill and intangible impairment (b)	—	—	24.89	—	24.93	—	—	5.20	0.04	5.23	—	11.84
Other expense (income), net (b)	0.24	0.24	0.04	0.26	0.78	0.08	0.01	0.14	0.01	0.23	(0.05)	2.06
Incremental non-GAAP tax expense (d)	(0.07)	(0.89)	0.48	(0.31)	(0.83)	(0.32)	0.27	(0.65)	(0.28)	(0.96)	(0.08)	(0.65)
Income tax provision (e)	0.03	0.01	—	0.09	0.11	0.05	—	0.01	0.18	0.23	—	0.01
GILTI, U.S. foreign tax credits, and global minimum top-up tax (c)	0.15	0.04	0.19	(0.01)	0.38	(0.28)	0.44	0.24	(0.01)	0.38	0.11	0.62
Effect of dilutive shares (f)	—	(0.01)	(0.01)	—	(0.03)	—	—	—	—	—	—	—
Non-GAAP earnings per share - diluted (a)	\$ 1.07	\$ 0.57	\$ 0.34	\$ 0.14	\$ 2.12	\$ 0.08	\$ 0.32	\$ 0.32	\$ 0.15	\$ 0.86	\$ 0.10	\$ 0.36
GAAP diluted shares	159	157	157	158	157	158	158	158	159	158	159	159
Non-GAAP dilutive shares (f)	—	2	2	—	2	—	—	—	—	—	—	—
Non-GAAP diluted shares	159	159	159	158	159	158	158	158	159	158	159	159
Table 2: Consolidated reconciliation between GAAP and Non-GAAP net income (loss)												
GAAP net income (loss)	\$ 86	\$ (535)	\$ (3,816)	\$ (140)	\$ (4,404)	\$ 3	\$ (234)	\$ (754)	\$ (176)	\$ (1,161)	\$ (126)	\$ (1,988)
Cost of revenue (b)	40	40	46	49	173	48	50	48	48	196	49	46
Research and development costs (b)	—	—	1	7	8	2	13	3	12	29	4	—
Selling, general and administrative costs (b)	(12)	71	(191)	81	(48)	35	95	(24)	143	244	91	(211)
Legal contingency and settlement (b)	—	609	(11)	21	619	—	12	(1)	6	20	—	—
Goodwill and intangible impairment (b)	—	—	3,914	—	3,914	—	—	821	6	827	—	1,886
Other expense (income), net (b)	38	38	7	41	124	11	2	22	1	36	(8)	328
GILTI, U.S. foreign tax credits, and global minimum top-up tax (c)	24	6	30	(1)	60	(44)	69	(102)	(2)	61	17	99
Incremental non-GAAP tax expense (d)	(11)	(139)	74	(51)	(129)	(50)	43	1	(44)	(152)	(13)	(104)
Income tax (benefit) provision (e)	4	1	—	15	19	8	—	38	28	37	—	1
Non-GAAP net income (a)	\$ 169	\$ 91	\$ 54	\$ 22	\$ 336	\$ 13	\$ 50	\$ 52	\$ 22	\$ 137	\$ 14	\$ 57
Add: Interest expense on convertible notes, net of tax (g)	—	—	1	—	2	—	—	—	—	—	—	—
Non-GAAP net income for diluted earnings per share	\$ 169	\$ 91	\$ 55	\$ 22	\$ 338	\$ 13	\$ 50	\$ 52	\$ 22	\$ 137	\$ 14	\$ 57

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

(a) Non-GAAP net income and diluted earnings per share exclude the effects of the pro forma adjustments as detailed above. Non-GAAP net income and diluted earnings per share are key components of the financial metrics utilized by the company's board of directors to measure, in part, management's performance and determine significant elements of management's compensation. Management has excluded the effects of these items in these measures to assist investors in analyzing and assessing our past and future operating performance.

(b) Refer to the Itemized Reconciliations between GAAP and Non-GAAP Results of Operations for the components of these amounts.

(c) Amounts represent the impact of GRAIL pre-acquisition net operating losses on GILTI, the utilization of U.S. foreign tax credits, and the Pillar Two global minimum top-up tax, which became effective in Q1 2024.

(d) Incremental non-GAAP tax expense reflects the tax impact of the non-GAAP adjustments listed.

(e) Amounts represent the difference between book and tax accounting related to stock-based compensation cost.

(f) In loss periods, GAAP basic loss per share and diluted loss per share are identical since the effect of potentially dilutive shares is anti-dilutive and therefore excluded. For non-GAAP diluted earnings per share, the impact of potentially dilutive shares from our convertible senior notes and equity awards is included and is calculated based on the sum of weighted-average common shares and potentially dilutive shares outstanding during 2022.

(g) Amount represents interest expense on the 2023 Convertible Senior Notes, net of any income tax effects, which is added back to the numerator used to calculate non-GAAP diluted earnings per share, for purposes of the if-converted method, as it would have a dilutive effect on the calculation of non-GAAP diluted earnings per share.



Core Illumina Reconciliation Between GAAP and Non-GAAP Net Income and Diluted Earnings Per Share
unaudited

	2023	2024	
	FY23	1Q 24	2Q 24
(in millions, except per share amounts)			
Table 3: Core Illumina reconciliation between GAAP and Non-GAAP diluted earnings per share			
GAAP earnings per share - diluted	\$ 1.70	\$ 0.44	\$ 0.41
Cost of revenue (b)	0.39	0.09	0.10
Research and development costs (b)	0.18	0.03	—
Selling, general and administrative costs (b)	1.36	0.52	(1.35)
Goodwill and intangible impairment (b)	0.04	—	—
Legal contingency and settlement (b)	0.13	—	—
Other expense (income), net (b)	0.23	(0.05)	2.06
GILTI, U.S. foreign tax credits, and global minimum top-up tax (c)	0.28	0.08	0.12
Incremental non-GAAP tax expense (d)	(0.54)	(0.13)	(0.26)
Income tax provision (e)	0.23	—	0.01
Non-GAAP earnings per share - diluted (a)	\$ 4.00	\$ 0.98	\$ 1.09
Table 4: Core Illumina reconciliation between GAAP and Non-GAAP net income			
GAAP net income	\$ 269	\$ 70	\$ 66
Cost of revenue (b)	62	15	15
Research and development costs (b)	29	4	—
Selling, general and administrative costs (b)	216	83	(215)
Goodwill and intangible impairment (b)	6	—	—
Legal contingency and settlement (b)	20	—	—
Other expense (income), net (b)	36	(8)	328
GILTI, U.S. foreign tax credits, and global minimum top-up tax (c)	45	13	20
Incremental non-GAAP tax expense (d)	(86)	(22)	(41)
Income tax provision (e)	37	—	1
Non-GAAP net income (a)	\$ 634	\$ 155	\$ 174

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(a) Non-GAAP net income and diluted earnings per share exclude the effects of the pro forma adjustments as detailed above. Non-GAAP net income and diluted earnings per share are key components of the financial metrics utilized by the company's board of directors to measure, in part, management's performance and determine significant elements of management's compensation. Management has excluded the effects of these items in these measures to assist investors in analyzing and assessing our past and future operating performance.

(b) Refer to the Itemized Reconciliations between GAAP and Non-GAAP Results of Operations for the components of these amounts.

(c) Amounts represent the impact of GRAIL pre-acquisition net operating losses on GILTI, the utilization of U.S. foreign tax credits, and the Pillar Two global minimum top-up tax, which became effective in Q1 2024.

(d) Incremental non-GAAP tax expense reflects the tax impact of the non-GAAP adjustments listed.

(e) Amounts represent the difference between book and tax accounting related to stock-based compensation cost.



Table 5: Itemized Reconciliation Between GAAP and Non-GAAP Results of Operations
unaudited

(in millions)	2024							
	1Q 24				2Q 24			
	Core Illumina	GRAIL	Eliminations	Consolidated	Core Illumina	GRAIL	Eliminations	Consolidated
GAAP gross profit (loss) (b)	\$ 693	\$ (21)	\$ (4)	\$ 667	\$ 743	\$ (16)	\$ (6)	\$ 721
Amortization of acquired intangible assets	15	34	—	49	15	31	—	46
Non-GAAP gross profit (a)	<u>\$ 708</u>	<u>\$ 12</u>	<u>\$ (4)</u>	<u>\$ 716</u>	<u>\$ 758</u>	<u>\$ 15</u>	<u>\$ (6)</u>	<u>\$ 767</u>
GAAP research and development expense	\$ 241	\$ 101	\$ (3)	\$ 339	\$ 241	\$ 88	\$ (4)	\$ 325
Restructuring (g)	(1)	—	—	(1)	—	—	—	—
IPR&D impairment (i)	(3)	—	—	(3)	—	—	—	—
Non-GAAP research and development expense	<u>\$ 237</u>	<u>\$ 101</u>	<u>\$ (3)</u>	<u>\$ 335</u>	<u>\$ 241</u>	<u>\$ 88</u>	<u>\$ (4)</u>	<u>\$ 325</u>
GAAP selling, general and administrative expense	\$ 336	\$ 104	\$ (1)	\$ 439	\$ 60	\$ 88	\$ (1)	\$ 147
Amortization of acquired intangible assets	—	(1)	—	(1)	—	(1)	—	(1)
Contingent consideration liabilities (c)	(16)	—	—	(16)	271	—	—	271
Acquisition-related expenses (d)	(25)	(6)	—	(31)	(46)	(3)	—	(49)
Restructuring (g)	(34)	(1)	—	(35)	(3)	—	—	(3)
Accrued interest on EC fine (h)	(7)	—	—	(7)	(7)	—	—	(7)
Non-GAAP selling, general and administrative expense	<u>\$ 254</u>	<u>\$ 96</u>	<u>\$ (1)</u>	<u>\$ 349</u>	<u>\$ 275</u>	<u>\$ 84</u>	<u>\$ (1)</u>	<u>\$ 358</u>
GAAP goodwill and intangible impairment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,886	\$ —	\$ 1,886
Goodwill impairment (i)	—	—	—	—	—	(1,466)	—	(1,466)
Intangible (IPR&D) impairment (i)	—	—	—	—	—	(420)	—	(420)
Non-GAAP goodwill and intangible impairment	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
GAAP operating profit (loss)	\$ 116	\$ (226)	\$ —	\$ (111)	\$ 442	\$ (2,078)	\$ (1)	\$ (1,637)
Cost of revenue	15	34	—	49	15	31	—	46
Research and development costs	4	—	—	4	—	—	—	—
Selling, general, and administrative costs	83	8	—	91	(215)	4	—	(211)
Goodwill and intangible impairment	—	—	—	—	—	1,886	—	1,886
Non-GAAP operating profit (loss) (a)	<u>\$ 218</u>	<u>\$ (185)</u>	<u>\$ —</u>	<u>\$ 33</u>	<u>\$ 242</u>	<u>\$ (157)</u>	<u>\$ (1)</u>	<u>\$ 84</u>
GAAP other (expense) income, net	\$ (1)	\$ 3	\$ —	\$ 2	\$ (341)	\$ 2	\$ —	\$ (339)
Strategic investment related gain (loss), net (e)	(6)	—	—	(6)	334	—	—	334
Gain on Helix contingent value right (f)	(3)	—	—	(3)	(8)	—	—	(8)
Foreign currency loss on EC fine (j)	1	—	—	1	2	—	—	2
Non-GAAP other (expense) income, net (a)	<u>\$ (9)</u>	<u>\$ 3</u>	<u>\$ —</u>	<u>\$ (6)</u>	<u>\$ (13)</u>	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ (11)</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.

(a) Non-GAAP net income and diluted earnings per share exclude the effects of the pro forma adjustments as detailed above. Non-GAAP net income and diluted earnings per share are key components of the financial metrics utilized by the company's board of directors to measure, in part, management's performance and determine significant elements of management's compensation. Management has excluded the effects of these items in these measures to assist investors in analyzing and assessing our past and future operating performance.

(b) 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.

(e) Amounts consist primarily of mark-to-market adjustments and impairments from our strategic investments.

(f) Amounts consist of fair value adjustments related to our Helix contingent value right.

(g) Amounts consist primarily of lease and other asset impairments, as well as employee severance costs, related to restructuring activities.

(h) Amounts consist of accrued interest on the fine imposed by the European Commission.

(i) Amounts consist of goodwill and IPR&D intangible asset impairments related to GRAIL and an IPR&D intangible asset impairment related to Core Illumina.

(j) Amounts consist of unrealized gains/losses related to foreign currency balance sheet remeasurement of the EC fine liability and unrealized/realized mark-to-market gains/losses on the hedge associated with the EC fine.



Table 3: Itemized Reconciliation Between GAAP and Non-GAAP Results of Operations
unaudited

(in millions)	2023												FY 23							
	1Q 23			2Q 23			3Q 23			4Q 23										
	Core Illumina	GRAIL	Eliminations	Consolidated	Core Illumina	GRAIL	Eliminations	Consolidated	Core Illumina	GRAIL	Eliminations	Consolidated	Core Illumina	GRAIL	Eliminations	Consolidated	Core Illumina	GRAIL	Eliminations	Consolidated
GAAP gross profit (loss) (b)	\$ 687	\$ (25)	\$ (7)	\$ 655	\$ 760	\$ (24)	\$ (4)	\$ 732	\$ 715	\$ (27)	\$ (4)	\$ 684	\$ 695	\$ (19)	\$ (2)	\$ 674	\$ 2,856	\$ (96)	\$ (16)	\$ 2,744
Amortization of acquired intangible assets	14	34	—	48	14	33	—	47	14	33	—	47	14	33	—	47	57	134	—	191
Restructuring (g)	—	—	—	—	3	—	—	3	1	—	—	1	—	—	—	—	5	—	—	5
Non-GAAP gross profit (a)	\$ 701	\$ 9	\$ (7)	\$ 703	\$ 777	\$ 9	\$ (4)	\$ 782	\$ 730	\$ 6	\$ (4)	\$ 732	\$ 710	\$ 14	\$ (2)	\$ 722	\$ 2,918	\$ 38	\$ (16)	\$ 2,940
GAAP research and development expense	\$ 259	\$ 86	\$ (4)	\$ 341	\$ 274	\$ 89	\$ (5)	\$ 358	\$ 238	\$ 79	\$ (2)	\$ 315	\$ 260	\$ 84	\$ (3)	\$ 341	\$ 1,030	\$ 338	\$ (14)	\$ 1,354
Acquisition-related expenses (d)	(1)	—	—	(1)	(1)	—	—	(1)	—	—	—	(1)	(1)	—	—	(1)	(2)	—	—	(2)
Restructuring (g)	(1)	—	—	(1)	(12)	—	—	(12)	(3)	—	—	(3)	(11)	—	—	(11)	(27)	—	—	(27)
Non-GAAP research and development expense	\$ 257	\$ 86	\$ (4)	\$ 339	\$ 261	\$ 89	\$ (5)	\$ 345	\$ 235	\$ 79	\$ (2)	\$ 312	\$ 248	\$ 84	\$ (3)	\$ 329	\$ 1,001	\$ 338	\$ (14)	\$ 1,325
GAAP selling, general and administrative expense	\$ 286	\$ 93	\$ (1)	\$ 378	\$ 359	\$ 91	\$ —	\$ 450	\$ 216	\$ 87	\$ —	\$ 303	\$ 391	\$ 94	\$ —	\$ 485	\$ 1,248	\$ 366	\$ (2)	\$ 1,612
Amortization of acquired intangible assets	—	(1)	—	(1)	—	(1)	—	(1)	—	(1)	—	(1)	—	(1)	—	(1)	(1)	(4)	—	(5)
Contingent consideration liabilities (c)	—	—	—	—	(29)	—	—	(29)	110	—	—	110	(58)	—	—	(58)	24	—	—	24
Acquisition-related expenses (d)	(20)	(5)	—	(25)	(18)	(3)	—	(21)	(27)	(3)	—	(30)	(24)	(9)	—	(33)	(88)	(21)	—	(109)
Restructuring (g)	(1)	—	—	(1)	(17)	(2)	—	(19)	(54)	(1)	—	(55)	(48)	(1)	—	(49)	(119)	(4)	—	(123)
Legal contingency and settlement (h)	(2)	—	—	(2)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proxy contest	(6)	—	—	(6)	(25)	—	—	(25)	1	—	—	1	(2)	—	—	(2)	(32)	—	—	(32)
Non-GAAP selling, general and administrative expense	\$ 257	\$ 87	\$ (1)	\$ 343	\$ 270	\$ 85	\$ —	\$ 355	\$ 246	\$ 82	\$ —	\$ 328	\$ 259	\$ 83	\$ —	\$ 342	\$ 1,032	\$ 337	\$ (2)	\$ 1,367
GAAP goodwill and intangible impairment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 821	\$ —	\$ 821	\$ 6	\$ —	\$ —	\$ 6	\$ 6	\$ 821	\$ —	\$ 827
Goodwill impairment (i)	—	—	—	—	—	—	—	—	—	(712)	—	(712)	—	—	—	—	—	(712)	—	(712)
Intangible (IPR&D) impairment (i)	—	—	—	—	—	—	—	—	—	(109)	—	(109)	(6)	—	—	(6)	(6)	(109)	—	(115)
Non-GAAP goodwill and intangible impairment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
GAAP legal contingency and settlement	\$ —	\$ —	\$ —	\$ —	\$ 12	\$ —	\$ —	\$ 12	\$ (1)	\$ —	\$ —	\$ (1)	\$ 6	\$ —	\$ —	\$ 6	\$ 20	\$ —	\$ —	\$ 20
Legal contingency and settlement (h)	—	—	—	(12)	—	—	—	(12)	1	—	—	1	(6)	—	—	(6)	(20)	—	—	(20)
Non-GAAP legal contingency and settlement	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
GAAP operating profit (loss)	\$ 142	\$ (204)	\$ (2)	\$ (64)	\$ 115	\$ (204)	\$ 1	\$ (88)	\$ 262	\$ (1,015)	\$ (1)	\$ (754)	\$ 33	\$ (197)	\$ —	\$ (164)	\$ 552	\$ (1,621)	\$ —	\$ (1,069)
Cost of revenue	14	34	—	48	17	33	—	50	15	33	—	48	15	33	—	48	62	134	—	196
Research and development costs	2	—	—	2	13	—	—	13	3	—	—	3	12	—	—	12	29	—	—	29
Selling, general, and administrative costs	29	6	—	35	88	7	—	95	(30)	6	—	(24)	131	12	—	143	216	28	—	244
Goodwill and intangible impairment	—	—	—	—	—	—	—	—	—	821	—	821	6	—	—	6	6	821	—	827
Legal contingency and settlement	—	—	—	—	12	—	—	12	(1)	—	—	(1)	6	—	—	6	20	—	—	20
Non-GAAP operating profit (loss) (a)	\$ 187	\$ (164)	\$ (2)	\$ 21	\$ 245	\$ (164)	\$ 1	\$ 82	\$ 249	\$ (155)	\$ (1)	\$ 93	\$ 203	\$ (152)	\$ —	\$ 51	\$ 885	\$ (638)	\$ —	\$ 247
GAAP other (expense) income, net	\$ (17)	\$ 2	\$ —	\$ (14)	\$ (3)	\$ 2	\$ —	\$ (1)	\$ (33)	\$ 4	\$ —	\$ (28)	\$ (6)	\$ 2	\$ —	\$ (4)	\$ (58)	\$ 10	\$ —	\$ (48)
Strategic investment related loss, net (e)	15	—	—	14	2	—	—	2	19	—	—	19	—	—	—	—	35	—	—	35
Gain on Helix contingent value right (f)	(3)	—	—	(3)	—	—	—	—	(5)	—	—	(5)	(2)	—	—	(2)	(10)	—	—	(10)
Unrealized foreign currency loss on EC fine (j)	—	—	—	—	—	—	—	—	8	—	—	8	3	—	—	3	11	—	—	11
Non-GAAP other (expense) income, net (a)	\$ (5)	\$ 2	\$ —	\$ (3)	\$ (1)	\$ 2	\$ —	\$ 1	\$ (11)	\$ 4	\$ —	\$ (6)	\$ (5)	\$ 2	\$ —	\$ (3)	\$ (22)	\$ 10	\$ —	\$ (12)

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

- (a) Non-GAAP gross profit, included within non-GAAP operating profit (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. Management has excluded the effects of these items in these measures to assist investors in analyzing and assessing past and future operating performance, including in the non-GAAP measures related to our Core Illumina and GRAIL segments.
- (b) Reconciling amounts are recorded in cost of revenue.
- (c) Amounts consist primarily of fair value adjustments for our contingent consideration liability related to GRAIL.
- (d) Amounts consist primarily of legal expenses related to the acquisition of GRAIL.
- (e) Amounts consist primarily of mark-to-market adjustments and impairments from our strategic investments.
- (f) Amounts consist of fair value adjustments related to our Helix contingent value right.
- (g) Amounts consist primarily of lease and other asset impairments and employee severance costs related to restructuring activities.
- (h) Amount consists of a loss related to a patent litigation settlement in Q1 2023, an adjustment recorded in Q2 2023 to our accrual for the fine imposed by the European Commission in July 2023, a gain related to a patent litigation settlement in Q3 2023, and accrued interest on the fine imposed by the European Commission in Q4 2023.
- (i) Amount consists of goodwill and IPR&D intangible asset impairments related to our GRAIL and Core Illumina segments.
- (j) Amounts consist of unrealized gains/losses related to foreign currency balance sheet remeasurement of the EC fine liability and unrealized mark-to-market gains/losses on the hedge associated with the EC fine.



Table 3 (Continued): Itemized Reconciliation Between GAAP and Non-GAAP Results of Operations
unaudited

(in millions)	2022												FY 22								
	1Q 22			2Q 22			3Q 22			4Q 22			Core Illumina	GRAIL	Eliminations	Consolidated					
GAAP gross profit (loss) (b)	\$ 851	\$ (29)	\$ (7)	\$ 815	\$ 801	\$ (29)	\$ (5)	\$ 767	\$ 753	\$ (32)	\$ (4)	\$ 717	\$ 702	\$ (26)	\$ (4)	\$ 672	\$ 3,107	\$ (117)	\$ (18)	\$ 2,972	
Amortization of acquired intangible assets	6	34	—	40	6	33	—	40	12	33	—	46	14	34	—	48	38	134	—	172	
Restructuring (i)	—	—	—	—	—	—	—	—	—	—	—	—	1	—	—	1	1	—	—	1	
Non-GAAP gross profit (a)	\$ 857	\$ 5	\$ (7)	\$ 855	\$ 807	\$ 4	\$ (5)	\$ 807	\$ 765	\$ 1	\$ (4)	\$ 763	\$ 717	\$ 8	\$ (4)	\$ 721	\$ 3,146	\$ 17	\$ (18)	\$ 3,145	
GAAP research and development expense	\$ 238	\$ 85	\$ —	\$ 323	\$ 249	\$ 86	\$ (8)	\$ 327	\$ 253	\$ 74	\$ (2)	\$ 325	\$ 264	\$ 85	\$ (3)	\$ 346	\$ 1,004	\$ 330	\$ (13)	\$ 1,321	
Acquisition-related expenses (c)	—	—	—	—	—	—	—	—	(1)	—	—	(1)	(1)	—	—	(1)	(2)	—	—	(2)	
Restructuring (i)	—	—	—	—	—	—	—	—	—	—	—	—	(6)	—	—	(6)	(6)	—	—	(6)	
Non-GAAP research and development expense	\$ 238	\$ 85	\$ —	\$ 323	\$ 249	\$ 86	\$ (8)	\$ 327	\$ 252	\$ 74	\$ (2)	\$ 324	\$ 257	\$ 85	\$ (3)	\$ 339	\$ 996	\$ 330	\$ (13)	\$ 1,313	
GAAP selling, general and administrative expense	\$ 251	\$ 58	\$ (1)	\$ 308	\$ 339	\$ 72	\$ (1)	\$ 410	\$ 66	\$ 81	\$ (1)	\$ 146	\$ 347	\$ 86	\$ (1)	\$ 432	\$ 1,003	\$ 296	\$ (2)	\$ 1,297	
Acquisition-related expenses (c)	(33)	(3)	—	(36)	(31)	(1)	—	(32)	(23)	(5)	—	(28)	(27)	(4)	—	(31)	(114)	(13)	—	(127)	
Contingent consideration liabilities (d)	49	—	—	49	(38)	—	—	(38)	219	(1)	—	219	(25)	—	—	(25)	205	—	—	205	
Amortization of acquired intangible assets	—	(1)	—	(1)	—	(1)	—	(1)	—	—	—	(1)	—	(1)	—	(1)	(1)	(4)	—	(5)	
Restructuring (i)	—	—	—	—	—	—	—	—	—	—	—	—	(24)	—	—	(24)	(24)	—	—	(24)	
Non-GAAP selling, general and administrative expense	\$ 267	\$ 54	\$ (1)	\$ 320	\$ 270	\$ 70	\$ (1)	\$ 339	\$ 262	\$ 75	\$ (1)	\$ 336	\$ 271	\$ 81	\$ (1)	\$ 351	\$ 1,069	\$ 279	\$ (2)	\$ 1,346	
GAAP legal contingency and settlement	\$ —	\$ —	\$ —	\$ —	\$ 609	\$ —	\$ —	\$ 609	\$ (11)	\$ —	\$ —	\$ (11)	\$ 21	\$ —	\$ —	\$ 21	\$ 619	\$ —	\$ —	\$ 619	
Legal contingency and settlement (e)	—	—	—	—	(609)	—	—	(609)	11	—	—	11	(21)	—	—	(21)	(619)	—	—	(619)	
Non-GAAP legal contingency and settlement	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
GAAP goodwill impairment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,914	\$ —	\$ 3,914	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,914	\$ —	\$ 3,914
Goodwill impairment (h)	—	—	—	—	—	—	—	—	—	(3,914)	—	(3,914)	—	—	—	—	—	(3,914)	—	(3,914)	
Non-GAAP goodwill impairment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
GAAP operating profit (loss)	\$ 362	\$ (172)	\$ (6)	\$ 184	\$ (396)	\$ (187)	\$ 4	\$ (579)	\$ 445	\$ (4,101)	\$ (1)	\$ (3,657)	\$ 70	\$ (197)	\$ —	\$ (127)	\$ 481	\$ (4,657)	\$ (3)	\$ (4,179)	
Cost of revenue	6	34	—	40	6	33	—	40	12	33	—	46	15	34	—	49	39	134	—	173	
Research and development costs	—	—	—	—	—	—	—	—	1	—	—	1	7	—	—	7	8	—	—	8	
Selling, general, and administrative costs	(16)	4	—	(12)	69	2	—	71	(196)	6	—	(191)	77	4	—	81	(66)	17	—	(48)	
Legal contingency and settlement	—	—	—	—	609	—	—	609	(11)	—	—	(11)	21	—	—	21	619	—	—	619	
Goodwill impairment	—	—	—	—	—	—	—	—	—	3,914	—	3,914	—	—	—	—	—	3,914	—	3,914	
Non-GAAP operating profit (loss) (a)	\$ 352	\$ (134)	\$ (6)	\$ 212	\$ 288	\$ (152)	\$ 4	\$ 141	\$ 251	\$ (148)	\$ (1)	\$ 102	\$ 190	\$ (159)	\$ —	\$ 31	\$ 1,081	\$ (592)	\$ (3)	\$ 487	
GAAP other (expense) income, net	\$ (44)	\$ —	\$ —	\$ (44)	\$ (58)	\$ —	\$ —	\$ (58)	\$ (15)	\$ 1	\$ —	\$ (15)	\$ (42)	\$ 1	\$ —	\$ (41)	\$ (159)	\$ 2	\$ —	\$ (157)	
Strategic investment related loss, net (g)	43	—	—	43	30	—	—	30	2	—	—	2	42	—	—	42	117	—	—	117	
(Gain) loss on Helix contingent value right (f)	(5)	—	—	(5)	8	—	—	8	5	—	—	5	(1)	—	—	(1)	7	—	—	7	
Non-GAAP other (expense) income, net (a)	\$ (6)	\$ —	\$ —	\$ (6)	\$ (20)	\$ —	\$ —	\$ (20)	\$ (8)	\$ 1	\$ —	\$ (8)	\$ (1)	\$ 1	\$ —	\$ —	\$ (35)	\$ 2	\$ —	\$ (33)	

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

- (a) Non-GAAP gross profit, included within non-GAAP operating profit (loss), is a key measure of the effectiveness and efficiency of manufacturing processes, product mix and the average selling prices of the company's products and services. Non-GAAP operating profit (loss), and non-GAAP other income (expense), net, exclude the effects of the pro forma adjustments as detailed above. Management has excluded the effects of these items in these measures to assist investors in analyzing and assessing past and future operating performance, including in the non-GAAP measures related to our Core Illumina and GRAIL segments.
- (b) Reconciling amounts are recorded in cost of revenue.
- (c) Amounts consist primarily of legal expenses related to the acquisition of GRAIL.
- (d) Amounts consist primarily of fair value adjustments for our contingent consideration liability related to the GRAIL acquisition.
- (e) Amounts for Q2 2022 consist of an accrual of \$453 million for the potential fine that the European Commission may impose on us of up to 10% of our consolidated annual revenues and an estimated accrual of \$156 million related to the settlement of our litigation with BGI in July 2022. Amount for Q3 2022 consists of a gain of \$11 million related to our litigation with BGI, as a result of releasing \$6 million of previously recorded litigation accrual and recognizing \$5 million of a gain contingency. Amount for Q4 2022 consists of a legal accrual related to our litigation with RavGen, and an adjustment made to our previously recorded legal accrual for the potential fine that the European Commission may impose on us of up to 10% of our consolidated annual revenues, in order to reflect 10% of consolidated annual revenues for fiscal year 2022 rather than 2021. For 2022, the total amount accrued related to this potential fine is \$453 million.
- (f) Amounts consist of fair value adjustments related to our Helix contingent value right.
- (g) Amounts consist primarily of mark-to-market adjustments and impairments from our strategic investments.
- (h) Amounts consist of goodwill impairment recorded in Q3 2022 related to our GRAIL reporting unit.
- (i) Amounts consist primarily of employee severance costs and a lease impairment charge related to the restructuring event that occurred in Q4 2022.



Consolidated Reconciliation Between GAAP and Non-GAAP Tax Provision
unaudited

	2022					2023					2024	
	1Q 22	2Q 22	3Q 22	4Q 22	FY 22	1Q23	2Q23	3Q23	4Q23	FY 23	1Q24	2Q24
(in millions, except percentages)												
GAAP tax rate	38.3 %	16.0 %	(4.0)%	16.8 %	(1.6)%	103.9 %	(163.8)%	3.6 %	(4.9)%	(3.9)%	(15.3)%	(0.6)%
GAAP tax provision (benefit)	\$ 54	\$ (102)	\$ 144	\$ (28)	\$ 68	\$ (81)	\$ 145	\$ (28)	\$ 8	\$ 44	\$ 17	\$ 12
Incremental non-GAAP tax expense (b)	11	139	(74)	51	129	50	(43)	102	44	152	13	104
Income tax benefit (provision) (c)	(4)	(1)	—	(15)	(19)	(8)	—	(1)	(28)	(37)	—	(1)
GILTI, U.S. foreign tax credits, and global minimum top-up tax (d)	(24)	(6)	(30)	1	(60)	44	—	(38)	2	(61)	(17)	(99)
Non-GAAP tax provision (a)	\$ 37	\$ 30	\$ 40	\$ 9	\$ 118	\$ 5	\$ 33	\$ 35	\$ 26	\$ 98	\$ 13	\$ 16
Non-GAAP tax rate (a)	17.8 %	25.8 %	43.2 %	29.3 %	26.0 %	27.3 %	39.3 %	39.7 %	55.4 %	41.8 %	46.4 %	22.3 %

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 tax provision excludes the effects of the pro forma adjustments as detailed above. Management has excluded the effects of these items in this measure to assist investors in analyzing and assessing past and future operating performance.

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

(c) Amounts represent the difference between book and tax accounting related to stock-based compensation cost.

(d) Amounts represent the impact of GRAIL pre-acquisition net operating losses on GILTI, the utilization of U.S. foreign tax credits, and the Pillar Two global minimum top-up tax, which became effective in Q1 2024.

Condensed Consolidated Statements of Cash Flows

	2022					2023					2024	
	unaudited					unaudited					unaudited	
(in millions)	1Q 22	2Q 22	3Q 22	4Q 22	FY 22	1Q23	2Q23	3Q23	4Q23	FY 23	1Q24	2Q24
Net cash provided by (used in) operating activities	\$ 172	\$ 125	\$ (52)	\$ 147	\$ 392	\$ 10	\$ 105	\$ 139	\$ 224	\$ 478	\$ 77	\$ 80
Net cash provided by (used in) investing activities	(74)	(165)	(250)	(102)	(591)	(56)	(37)	(54)	(84)	(231)	(48)	(41)
Net cash provided by (used in) financing activities	21	(5)	28	956	1,000	(473)	(3)	(707)	(27)	(1,210)	35	(225)
Effect of exchange rate changes on cash and cash equivalents	—	(17)	(15)	10	(22)	2	(6)	(4)	8	—	(4)	(2)
Net increase (decrease) in cash and cash equivalents	119	(62)	(289)	1,011	779	(517)	59	(626)	121	(963)	60	(188)
Cash and cash equivalents, beginning of period	1,232	1,351	1,289	1,000	1,232	2,011	1,494	1,553	927	2,011	1,048	1,108
Cash and cash equivalents, end of period	\$ 1,351	\$ 1,289	\$ 1,000	\$ 2,011	\$ 2,011	\$ 1,494	\$ 1,553	\$ 927	\$ 1,048	\$ 1,048	\$ 1,108	\$ 920
Calculation of free cash flow:												
Net cash provided by (used in) operating activities	\$ 172	\$ 125	\$ (52)	\$ 147	\$ 392	\$ 10	\$ 105	\$ 139	\$ 224	\$ 478	\$ 77	\$ 80
Purchases of property and equipment	(61)	(71)	(67)	(88)	(286)	(52)	(47)	(45)	(51)	(195)	(36)	(32)
Free cash flow (a)	\$ 111	\$ 54	\$ (119)	\$ 59	\$ 106	\$ (42)	\$ 58	\$ 94	\$ 173	\$ 283	\$ 41	\$ 48

(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.



Core Illumina Reconciliation Between GAAP and Non-GAAP Tax Provision

unaudited

	2023	2024	
(in millions, except percentages)	FY 23	1Q24	2Q24
GAAP tax rate	45.4 %	39.3 %	35.0 %
GAAP tax provision	\$ 224	\$ 45	\$ 35
Incremental non-GAAP tax expense (b)	86	22	41
Income tax provision (c)	(37)	—	(1)
GILTI, U.S. foreign tax credits, and global minimum top-up tax (d)	(45)	(13)	(20)
Non-GAAP tax provision (a)	<u>\$ 228</u>	<u>\$ 54</u>	<u>\$ 55</u>
Non-GAAP tax rate (a)	<u>26.5 %</u>	25.7 %	24.2 %

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 tax provision excludes the effects of the pro forma adjustments as detailed above. Management has excluded the effects of these items in this measure to assist investors in analyzing and assessing past and future operating performance.

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

(c) Amounts represent the difference between book and tax accounting related to stock-based compensation cost.

(d) Amounts represent the impact of GRAIL pre-acquisition net operating losses on GILTI, the utilization of U.S. foreign tax credits, and the Pillar Two global minimum top-up tax, which became effective in Q1 2024.

Core Illumina Free Cash Flows

unaudited

(in millions)	2Q24
Calculation of free cash flow:	
Net cash provided by (used in) operating activities	\$ 243
Purchases of property and equipment	(30)
Free cash flow (a)	<u>\$ 213</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.



Core Illumina - Revenue by Geographic Region

(in millions)	2022					2023					2024	
	1Q 22	2Q 22	unaudited		FY 22	1Q23	2Q23	unaudited		FY 23	unaudited	
			3Q 22	4Q 22				3Q23	4Q23		1Q24	2Q24
REVENUE BY GEOGRAPHIC REGION												
AMR	\$ 646	\$ 633	\$ 592	\$ 577	\$ 2,448	\$ 605	\$ 623	\$ 650	\$ 576	\$ 2,455	\$ 583	\$ 620
EUROPE	286	274	259	269	1,089	261	303	260	315	1,140	279	289
GREATER CHINA (a)	127	118	133	94	472	91	115	98	82	384	78	75
AMEA (b)	162	131	126	125	544	119	118	98	124	459	116	108
Total Revenue (c)	\$ 1,221	\$ 1,156	\$ 1,110	\$ 1,065	\$ 4,553	\$ 1,076	\$ 1,159	\$ 1,106	\$ 1,097	\$ 4,438	\$ 1,056	\$ 1,092

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) Region includes revenue from China, Taiwan, and Hong Kong.

(b) Region includes revenue from Russia and Turkey.

(c) Amounts include intercompany revenue between segments, which is eliminated in consolidation.

Note: We implemented a new global commercial structure in Q1 2023 to improve operating efficiencies and better align with local markets. We integrated APJ with emerging markets across the Middle East, Africa, Turkey, and CIS. Beginning in Q1 2023 and going forward, we will report regional results for the following regions: Americas, Europe, Greater China and AMEA (or Asia-Pacific, Middle East, and Africa). Prior period amounts have been reclassified to conform to the new presentation.



Core Illumina Supplementary Data

(in millions, except percentages)	2022					2023					2024	
	unaudited				FY 22	unaudited				FY 23	unaudited	
	1Q 22	2Q 22	3Q 22	4Q 22		1Q 23	2Q 23	3Q 23	4Q 23		1Q 24	2Q 24
CONSUMABLES												
Sequencing Consumables	\$ 784	\$ 744	\$ 725	\$ 687	\$ 2,940	\$ 692	\$ 739	\$ 695	\$ 687	\$ 2,813	\$ 698	\$ 737
Microarrays Consumables	75	74	76	80	306	78	70	71	74	293	71	78
Total Consumables	859	818	801	767	3,246	770	809	766	761	3,106	769	815
% Revenue	70 %	71 %	72 %	72 %	71 %	72 %	70 %	69 %	69 %	70 %	73 %	75 %
INSTRUMENTS												
Sequencing Instruments	\$ 212	\$ 190	\$ 162	\$ 146	\$ 710	\$ 154	\$ 193	\$ 179	\$ 161	\$ 687	\$ 110	\$ 116
Microarrays Instruments	6	3	5	5	19	6	4	3	6	19	4	4
Total Instruments	218	193	167	151	729	160	197	182	167	706	114	120
% Revenue	18 %	17 %	15 %	14 %	16 %	15 %	17 %	16 %	15 %	16 %	11 %	11 %
TOTAL PRODUCT REVENUE	\$ 1,077	\$ 1,011	\$ 968	\$ 918	\$ 3,975	\$ 930	\$ 1,006	\$ 948	\$ 928	\$ 3,812	\$ 883	\$ 935
SERVICE & OTHER												
Sequencing	\$ 111	\$ 125	\$ 123	\$ 131	\$ 490	\$ 119	\$ 134	\$ 142	\$ 152	\$ 546	\$ 151	\$ 143
Microarrays	33	20	19	16	88	27	19	16	17	80	22	14
Total Service & Other	\$ 144	\$ 145	\$ 142	\$ 147	\$ 578	\$ 146	\$ 153	\$ 158	\$ 169	\$ 626	\$ 173	\$ 157
% Revenue	12 %	12 %	13 %	14 %	13 %	14 %	13 %	14 %	15 %	14 %	16 %	14 %
TOTAL REVENUE (a)	\$ 1,221	\$ 1,156	\$ 1,110	\$ 1,065	\$ 4,553	\$ 1,076	\$ 1,159	\$ 1,106	\$ 1,097	\$ 4,438	\$ 1,056	\$ 1,092

(in millions, except percentages)	2022					2023					2024	
	unaudited				FY 22	unaudited				FY 23	unaudited	
	1Q 22	2Q 22	3Q 22	4Q 22		1Q 23	2Q 23	3Q 23	4Q 23		1Q 24	2Q 24
SEQUENCING												
Consumables	\$ 784	\$ 744	\$ 725	\$ 687	\$ 2,940	\$ 692	\$ 739	\$ 695	\$ 687	\$ 2,813	\$ 698	\$ 737
Instruments	212	190	162	146	710	154	193	179	161	687	110	116
Service & Other	111	125	123	131	490	119	134	142	152	546	151	143
Total Sequencing	\$ 1,107	\$ 1,059	\$ 1,010	\$ 964	\$ 4,140	\$ 965	\$ 1,066	\$ 1,016	\$ 1,000	\$ 4,046	\$ 959	\$ 996
% Revenue	91 %	92 %	91 %	91 %	91 %	90 %	92 %	92 %	91 %	91 %	91 %	91 %
MICROARRAYS												
Consumables	\$ 75	\$ 74	\$ 76	\$ 80	\$ 306	\$ 78	\$ 70	\$ 71	\$ 74	\$ 293	\$ 71	\$ 78
Instruments	6	3	5	5	19	6	4	3	6	19	4	4
Service & Other	33	20	19	16	88	27	19	16	17	80	22	14
Total Microarrays	\$ 114	\$ 97	\$ 100	\$ 101	\$ 413	\$ 111	\$ 93	\$ 90	\$ 97	\$ 392	\$ 97	\$ 96
% Revenue	9 %	8 %	9 %	9 %	9 %	10 %	8 %	8 %	9 %	9 %	9 %	9 %

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(a) Amounts include intercompany revenue between segments, which is eliminated in consolidation.