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Q1 2025
Earnings Presentation

May 8, 2025

Cautionary Notes

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) uncertainty regarding the impact of our recent inclusion on the "unreliable entities list" by regulatory authorities in China and the decision by regulatory authorities in China to not permit us to export sequencing instruments into China; (v) tariffs recently imposed or threatened by the U.S. government and its trading partners, and other possible tariffs or trade protection measures and our efforts to mitigate the impact of such tariffs; (vi) our ability to manufacture robust instrumentation and consumables; (vii) the success of products and services competitive with our own; (viii) challenges inherent in developing, manufacturing, and launching new products and services, including expanding or modifying manufacturing operations and reliance on third-party suppliers for critical components; (ix) the impact of recently launched or pre-announced products and services on existing products and services; (x) our ability to modify our business strategies to accomplish our desired operational goals; (xi) our ability to realize the anticipated benefits from prior or future actions to streamline and improve our R&D processes, reduce our operating expenses and maximize our revenue growth; (xii) our ability to further develop and commercialize our instruments, consumables, and products; (xiii) to deploy new products, services, and applications, and to expand the markets for our technology platforms; (xiv) the risk of additional litigation arising against us in connection with the GRAIL acquisition; (xv) our ability to obtain approval by third-party payors to reimburse patients for our products; (xvi) our ability to obtain regulatory clearance for our products from government agencies; (xvii) our ability to successfully partner with other companies and organizations to develop new products, expand markets, and grow our business; (xviii) uncertainty, or adverse economic and business conditions, including as a result of slowing or uncertain economic growth or armed conflict; (xix) the application of generally accepted accounting principles, which are highly complex and involve many subjective assumptions, estimates, and judgments and (xx) legislative, regulatory and economic developments, together with other factors detailed in our filings with the Securities and Exchange Commission, including our most recent filings on Forms 10-K and 10-Q, or in information disclosed in public conference calls, the date and time of which are released beforehand. We undertake no obligation, and do not intend, to update these forward-looking statements, to review or confirm analysts' expectations, or to provide interim reports or updates on the progress of the current quarter.

Disclaimers

GAAP reconciliation of non-GAAP measures can be found in the Appendix, our earnings release and in the supplementary data on our website.

We divested GRAIL in June 2024. For a review of historical financial results for GRAIL and consolidated Illumina, please see our earnings release and our SEC filings.

Year-over-year (YoY) denotes a comparison against the same quarter of the previous fiscal year, while quarter-over-quarter (QoQ) or "sequential" denotes a comparison against the previous fiscal quarter.

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Illumina Q1’25 Results Summary

Revenue	Non-GAAP Operating Margin	Non-GAAP Diluted EPS
$1.04B	20.4%	$0.97
(0.2%) YoY CC | (1.4%) YoY Reported		

Q1’25 NovaSeq X Placements

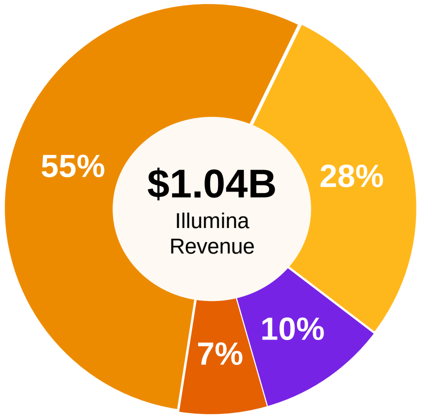
>60

Instruments

Regional Revenue

Americas
$570M
(2%) CC; (2%) Reported

Greater China
$72M
(6%) CC; (8%) Reported



Europe
$293M
+6% CC; +5% Reported

AMEA
$106M
(5%) CC; (9%) Reported

AMEA = Asia Pacific, Middle East and Africa. CC = constant currency. YoY = year-over-year.
See Appendix for reconciliations of GAAP and non-GAAP financial measures.
Growth rates are approximate.
FX impacts as of 3/28/2025.

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Estimating the Dynamic Environment

	Factors	Impact	Mitigating Actions	
As of March Guidance Update	**China Export Restrictions**	Expect lower Greater China revenue in 2025	**$100M** FY25 Incremental Cost Reductions	Issuing distinct guidance for Greater China and ROW
	U.S. Research Funding Uncertainty	Impacting purchasing timelines		Flexible solutions to sustain customer research projects
Since March Guidance Update	**Global Tariff Implementation**	Increasing costs for Illumina	Minimizing impact through supply chain optimization, cost measures, and pricing actions	

As of 05/08/2025.
ROW = rest of world.
Greater China Region primarily includes Mainland China, Hong Kong, and Taiwan.

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Progress in Delivering Differentiated Innovations

Spatial Assay

- Larger capture area, higher resolution, and greater sensitivity than existing technologies
- Will integrate into Illumina's end-to-end workflows, and connect with new Illumina Connected Multiomics

2026

Launch

Perturb-Seq Offering

- New single-cell offering for CRISPR
- Will allow studies in how genetic changes affect single cells at scale
- Will enable researchers to perform genome-wide CRISPR screens at market leading speed and cost

2025

Launch

Pipeline Remains On Track

1H 2025

Illumina Proteomics Solution Launch

2026

Constellation Mapped Reads Launch

2026

5-Base Genome Launch

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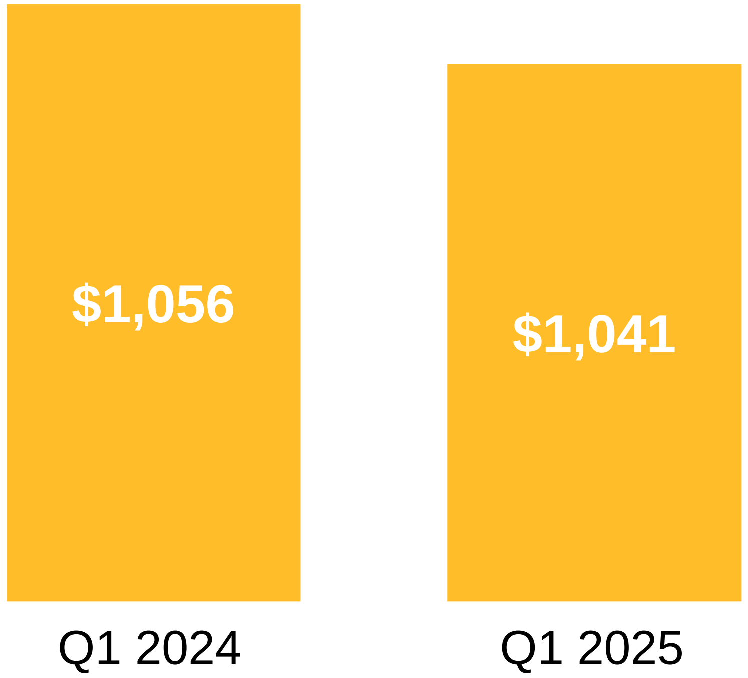
Illumina Q1’25 Revenue

($ in millions)

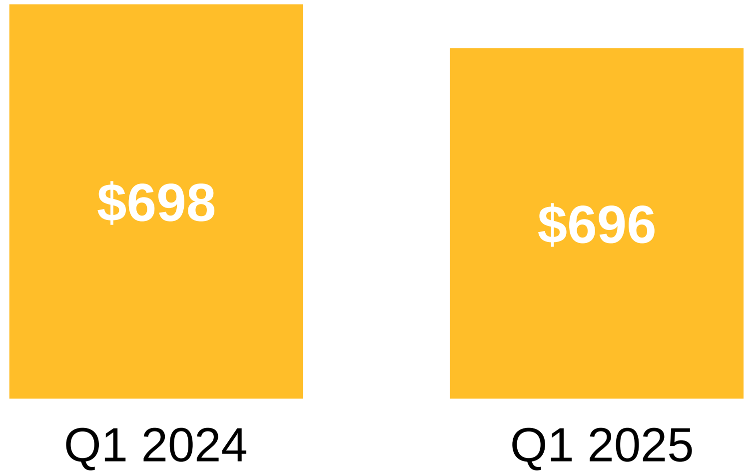
Illumina Revenue

(0.2%) Constant Currency Decline
(1.4%) Reported Decline



Sequencing Consumables Revenue

1.1% Constant Currency Growth
(0.2%) Reported Decline

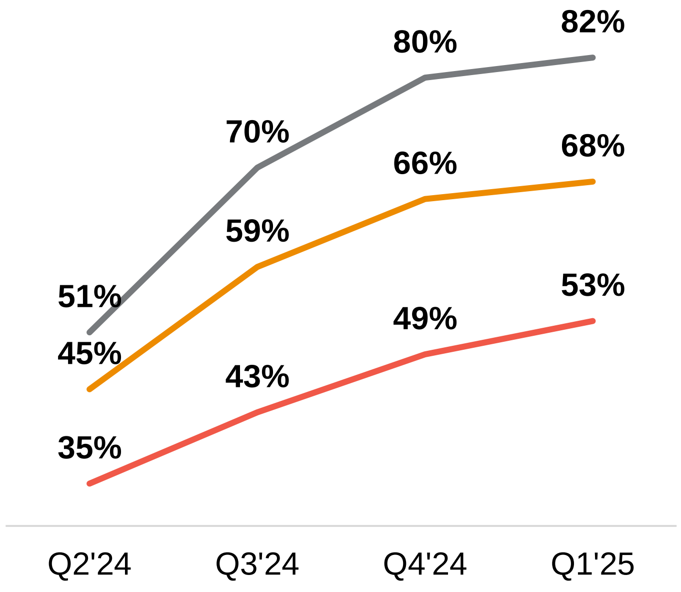


See Appendix for reconciliations of GAAP and non-GAAP financial measures.
FX impacts as of 3/28/2025.

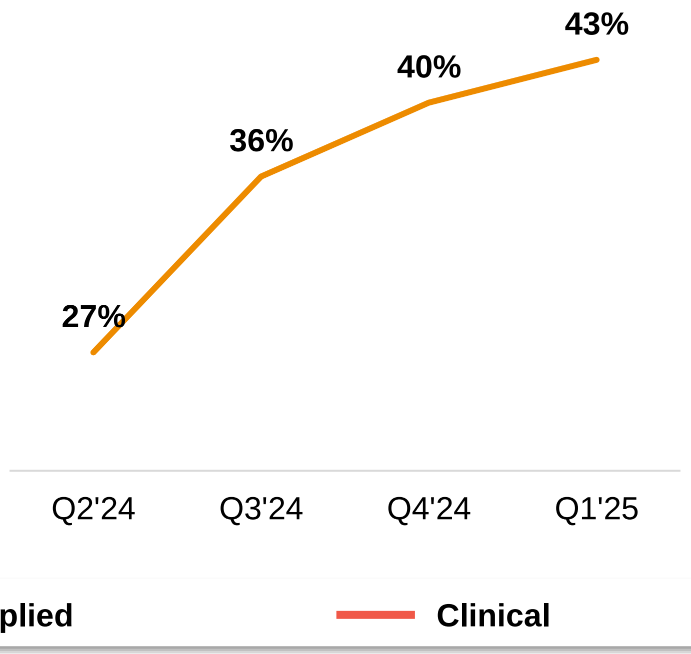
Q1’25 High-Throughput Transition Updates

NovaSeq™ X Transition

NovaSeq X % of HT Gigabases (Gb) Shipped



NovaSeq X % of HT Consumables Revenue



Expected Trend in 2H 2025

~75%

of HT Gb shipped attributed to NovaSeq X

~50%

of HT Revenue attributed to NovaSeq X

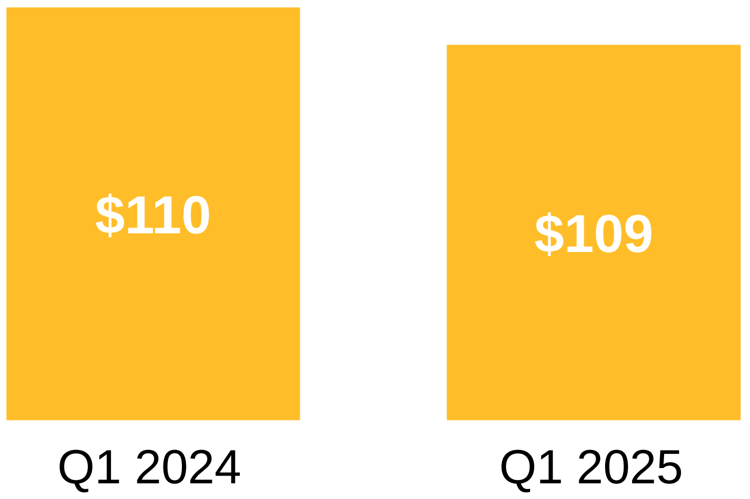
Gb = gigabases. HT = high-throughput.

Illumina Q1'25 Revenue *(Cont'd)*

($ in millions)

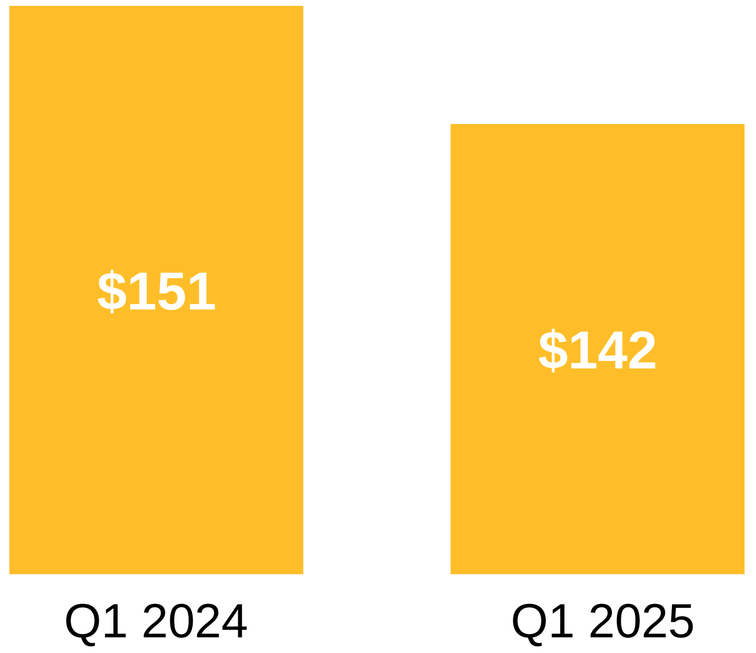
Sequencing Instruments Revenue

0.2% Constant Currency Growth
(0.9%) Reported Decline



Sequencing Service & Other Revenue

(5.4%) Constant Currency Decline
(6.2%) Reported Decline



See Appendix for reconciliations of GAAP and non-GAAP financial measures.
FX impacts as of 3/28/2025.

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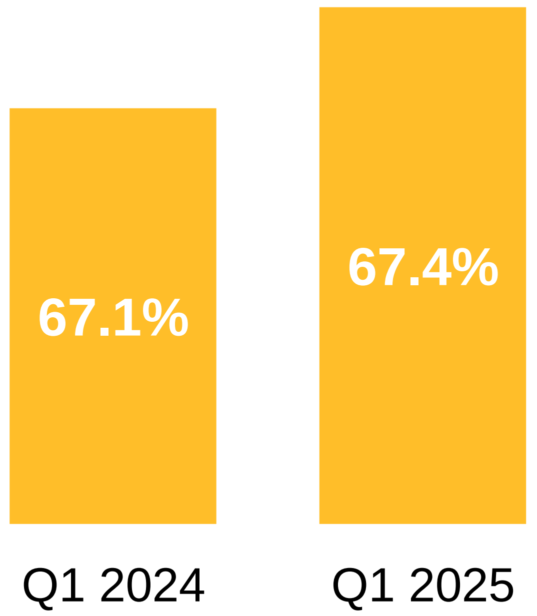
Illumina Q1’25 Non-GAAP Financials

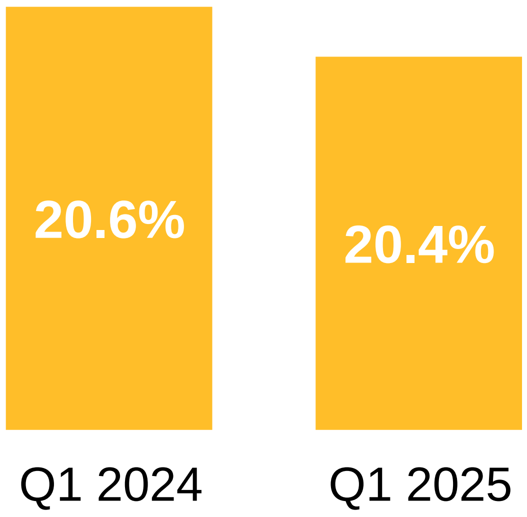
Gross Margin

+30 bps



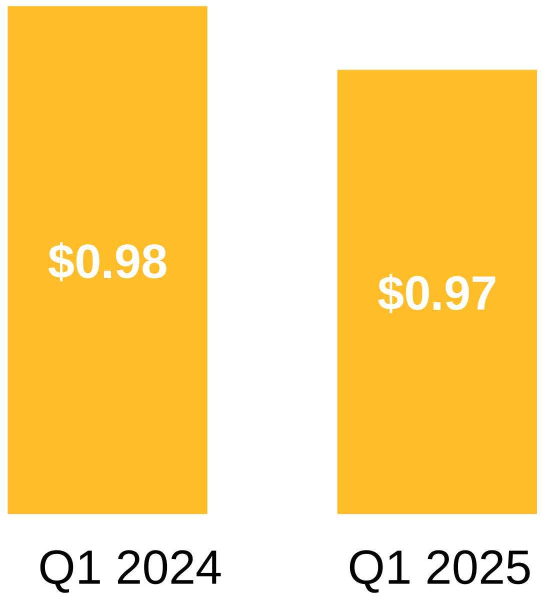
Operating Margin

(20) bps



Earnings Per Share

(1.0%) Reported Decline



See Appendix for reconciliations of GAAP and non-GAAP financial measures.

Illumina Q1'25 Cash Flow & Balance Sheet Items

Cash Flow Updates

$240M
Cash Flow from Operations

$32M
Capital Expenditures

$208M
Free Cash Flow

Share Repurchase Program

~1.73M
Illumina Shares

$200M
Total Cost

$115.74
Avg. Price per Share

Balance Sheet Updates

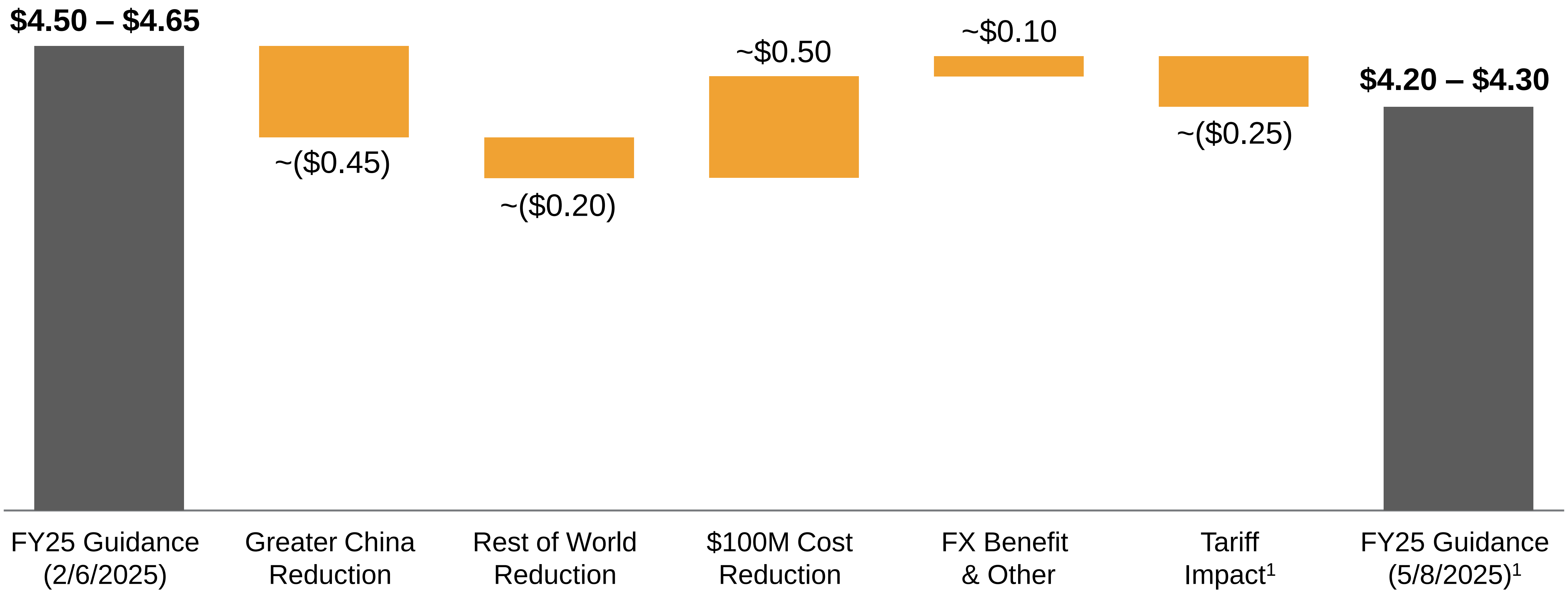
~$1.24B
Cash, Cash Equivalents & Short-Term Investments

~1.8x
Gross Leverage[1]

See Appendix for reconciliations of GAAP and non-GAAP financial measures.
1. Gross debt to unadjusted LTM EBITDA.

FY25 Non-GAAP EPS Guidance Update

As of 5/8/2025



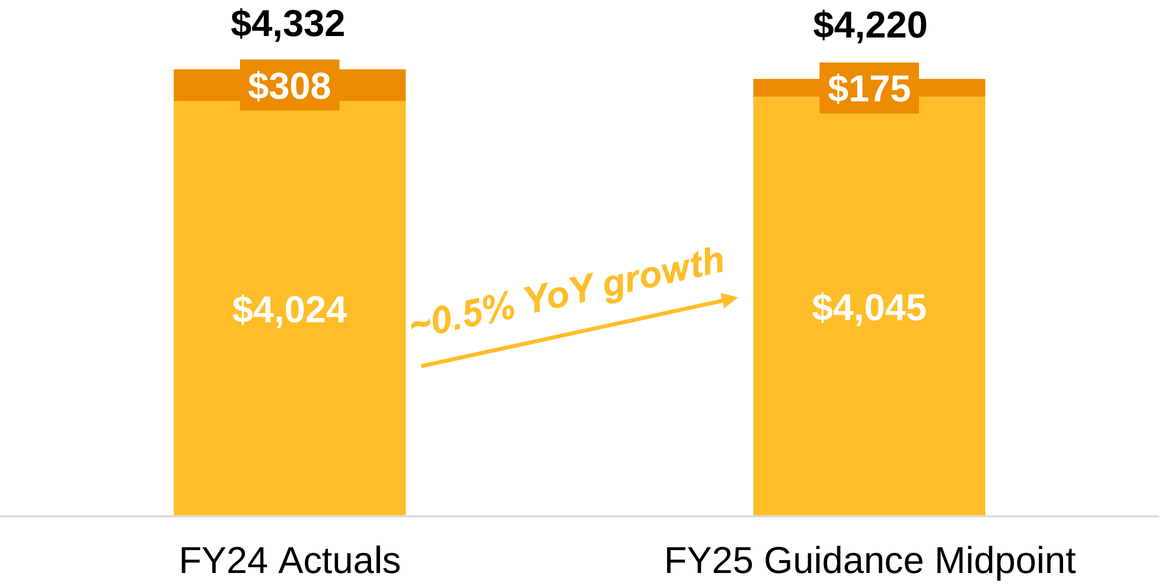
See Appendix for reconciliations of GAAP and non-GAAP financial measures.
All values rounded to the nearest 5 cent increment; assumes tax rate of 22% for all impacts.
1. Reflects impact net of tariffs and pricing actions.

YoY Revenue and EPS Growth Outside of the Greater China Region *Illustrative*

As of 5/8/2025

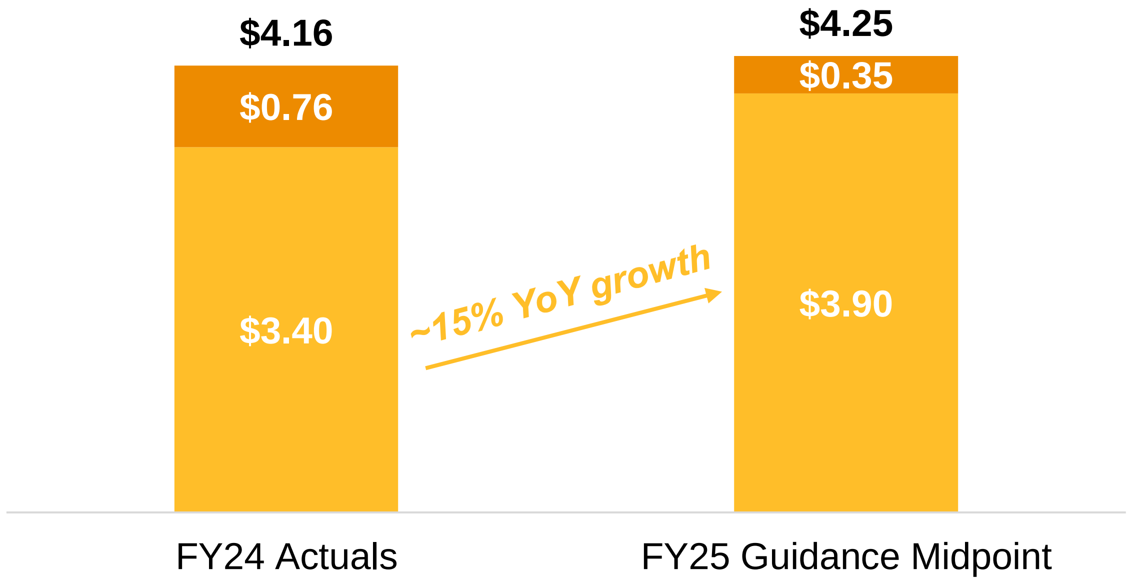
Revenue

($ in millions)



Non-GAAP EPS

($ in actuals)



Rest of World **Greater China**

EPS = earnings per share. YoY = year-over-year.
See Appendix for reconciliations of GAAP and non-GAAP financial measures.
Assumes a company consolidated tax rate for Greater China and Rest of World.

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Illumina Revised Guidance

As of 05/08/2025. All growth rates in CC and reflect YoY trends.		FY25 Guidance	Q2'25 Guidance
Revenue			
Rest of World	Illumina Revenue	0% – 2% *FX impact of ~60 bps*	(2%) – (3%) *FX impact of ~30 bps*
	Sequencing Consumables[1]	0% – 2% *FX impact of ~60 bps*	
	Sequencing Instruments[1]	(1%) – 1% *FX impact of ~70 bps*	
Greater China		$165M – $185M	$55M – $65M
Illumina Revenue		**(3%) – (1%)** *FX impact of ~70 bps* ***Reported Revenue:*** *$4.18B – $4.26B*	***Reported Revenue:*** *$1.04B – $1.06B*
Tariff Impact			
Cost Impact		~$85M	~$15M
Operating Income Impact		**Impact of ~125 bps**	**Impact of ~150 bps**
Additional Metrics (Non-GAAP)			
Operating Margin		**21.5% – 22%**	**~21%**
Tax Rate		~22%	
WASO		~157.5	
Earnings per Share		**$4.20 – $4.30**	**$1.00 – $1.04**

CC = constant currency. WASO = diluted weighted average shares outstanding. YoY = year-over-year.
See statement regarding use of non-GAAP financial measures.
FX impacts as of 3/28/2025.
1. Sequencing consumables and sequencing instruments revenue growth numbers exclude the impact of pricing actions.

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Q&A

Jacob Thaysen
Chief Executive Officer

Ankur Dhingra
Chief Financial Officer

Appendix

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 contingency and settlement, and goodwill and intangible impairment, operating income, operating margin, gross profit, other income (expense), tax provision, constant currency revenue and 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.

The company provides forward-looking guidance on a non-GAAP basis, including on a constant currency basis for revenue and revenue growth rates. 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, fair value adjustments to contingent consideration, gains and losses from strategic investments, potential future asset impairments, restructuring activities, the ultimate outcome of pending litigation, and currency exchange rate fluctuations without unreasonable effort. These items are uncertain, inherently difficult to predict, depend on various factors, and could have a material impact on GAAP reported results for the guidance period. For the same reasons, the company is unable to address the significance of the unavailable information, which could be material to future results.

Use of forward-looking statements

This release may contain forward-looking statements that involve risks and uncertainties. Among the important factors to which our business is subject that could cause actual results to differ materially from those in any forward-looking statements are: (i) changes in the rate of growth in the markets we serve; (ii) the volume, timing and mix of customer orders among our products and services; (iii) our ability to adjust our operating expenses to align with our revenue expectations; (iv) uncertainty regarding the impact of our recent inclusion on the "unreliable entities list" by regulatory authorities in China and the decision by regulatory authorities in China to not permit us to export sequencing instruments into China; (v) tariffs recently imposed or threatened by the U.S. government and its trading partners, and other possible tariffs or trade protection measures and our efforts to mitigate the impact of such tariffs; (vi) our ability to manufacture robust instrumentation and consumables; (vii) the success of products and services competitive with our own; (viii) challenges inherent in developing, manufacturing, and launching new products and services, including expanding or modifying manufacturing operations and reliance on third-party suppliers for critical components; (ix) the impact of recently launched or pre-announced products and services on existing products and services; (x) our ability to modify our business strategies to accomplish our desired operational goals; (xi) our ability to realize the anticipated benefits from prior or future actions to streamline and improve our R&D processes, reduce our operating expenses and maximize our revenue growth; (xii) our ability to further develop and commercialize our instruments, consumables, and products; (xiii) to deploy new products, services, and applications, and to expand the markets for our technology platforms; (xiv) the risk of additional litigation arising against us in connection with the GRAIL acquisition; (xv) our ability to obtain approval by third-party payors to reimburse patients for our products; (xvi) our ability to obtain regulatory clearance for our products from government agencies; (xvii) our ability to successfully partner with other companies and organizations to develop new products, expand markets, and grow our business; (xviii) uncertainty, or adverse economic and business conditions, including as a result of slowing or uncertain economic growth or armed conflict; (xix) the application of generally accepted accounting principles, which are highly complex and involve many subjective assumptions, estimates, and judgments and (xx) legislative, regulatory and economic developments, together with other factors detailed in our filings with the Securities and Exchange Commission, including our most recent filings on Forms 10-K and 10-Q, or in information disclosed in public conference calls, the date and time of which are released beforehand. We undertake no obligation, and do not intend, to update these forward-looking statements, to review or confirm analysts' expectations, or to provide interim reports or updates on the progress of the current quarter.

# # #

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

TABLE 1: CONSOLIDATED STATEMENTS OF CASH FLOWS AND FREE CASH FLOWS:

	Three Months Ended	
	March 30, 2025	**March 31, 2024**
Net cash provided by operating activities	**$ 240**	$ 77
Net cash used in investing activities	**(63)**	(48)
Net cash (used in) provided by financing activities	**(195)**	35
Effect of exchange rate changes on cash and cash equivalents	**4**	(4)
Net (decrease) increase in cash and cash equivalents	**(14)**	60
Cash and cash equivalents, beginning of period	**1,127**	1,048
Cash and cash equivalents, end of period	**$ 1,113**	$ 1,108
Calculation of free cash flow:		
Net cash provided by operating activities	**$ 240**	$ 77
Purchases of property and equipment	**(32)**	(36)
Free cash flow (a)	**$ 208**	$ 41

TABLE 2: CORE ILLUMINA FREE CASH FLOWS:

	Three Months Ended	
	March 30, 2025	**March 31, 2024**
Net cash provided by operating activities	**$ 240**	$ 284
Purchases of property and equipment	**(32)**	(33)
Free cash flow (a)	**$ 208**	$ 251

(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)

	Core Illumina			Consolidated		
	Three Months Ended			Three Months Ended		
	March 30, 2025	March 31, 2024	% Change	March 30, 2025	March 31, 2024	% Change
Revenue	**$ 1,041**	$ 1,056	(1)%	**$ 1,041**	$ 1,076	(3)%
Less: Hedge gains	**6**	3		**6**	3	
Revenue, excluding hedge effect	**1,035**	1,053		**1,035**	1,073	
Less: Exchange rate effect	**(16)**	—		**(16)**	—	
Constant currency revenue (a)	**$ 1,051**	$ 1,053	—	**$ 1,051**	$ 1,073	(2)%

(a) Constant currency revenue growth, which is a non-GAAP financial measure, is calculated using comparative prior period foreign exchange rates to translate current period revenue, net of the effects of hedges.

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

TABLE 1: CORE ILLUMINA - REVENUE BY SOURCE:

	Three Months Ended		
	March 30, 2025	**March 31, 2024**	**% Change**
Sequencing consumables revenue	**$ 696**	$ 698	—
Less: Hedge gains	**5**	2	
Sequencing consumables revenue, excluding hedge effect	**691**	696	
Less: Exchange rate effect	**(12)**	—	
Sequencing consumables constant currency revenue (a)	**$ 703**	$ 696	1 %
Sequencing instruments revenue	**$ 109**	$ 110	(1)%
Less: Hedge gains	**1**	1	
Sequencing instruments revenue, excluding hedge effect	**108**	109	
Less: Exchange rate effect	**(1)**	—	
Sequencing instruments constant currency revenue (a)	**$ 109**	$ 109	—
Sequencing service and other revenue	**$ 142**	$ 151	(6)%
Less: Hedge gains	**—**	—	
Sequencing service and other revenue, excluding hedge effect	**142**	151	
Less: Exchange rate effect	**(1)**	—	
Sequencing service and other constant currency revenue (a)	**$ 143**	$ 151	(5)%

Amounts in tables are rounded to the nearest millions. As a result, certain amounts may not recalculate.

(a) Constant currency revenue growth, which is a non-GAAP financial measure, is calculated using comparative prior period foreign exchange rates to translate current period revenue, net of the effects of hedges.

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

TABLE 1: CORE ILLUMINA - REVENUE BY REGION:

	Three Months Ended		
	March 30, 2025	March 31, 2024	% Change
AMR revenue	**$ 570**	$ 583	(2)%
Less: Hedge gains	**—**	—	
AMR revenue, excluding hedge effect	**570**	583	
Less: Exchange rate effect	**(3)**	—	
AMR constant currency revenue (a)	**$ 573**	$ 583	(2)%
AMEA revenue (b)	**$ 106**	$ 116	(9)%
Less: Hedge gains	**1**	2	
AMEA revenue, excluding hedge effect (b)	**105**	114	
Less: Exchange rate effect	**(4)**	—	
AMEA constant currency revenue (a)(b)	**$ 109**	$ 114	(5)%
Greater China revenue (c)	**$ 72**	$ 78	(8)%
Less: Hedge gains	**1**	1	
Greater China revenue, excluding hedge effect (c)	**71**	77	
Less: Exchange rate effect	**(2)**	—	
Greater China constant currency revenue (a)(c)	**$ 73**	$ 77	(6)%
Europe revenue	**$ 293**	$ 279	5 %
Less: Hedge gains	**4**	—	
Europe revenue, excluding hedge effect	**289**	279	
Less: Exchange rate effect	**(7)**	—	
Europe constant currency revenue (a)	**$ 296**	$ 279	6 %

Amounts in tables are rounded to the nearest millions. As a result, certain amounts may not recalculate.

(a) Constant currency revenue growth, which is a non-GAAP financial measure, is calculated using comparative prior period foreign exchange rates to translate current period revenue, net of the effects of hedges.
(b) Region includes revenue from Russia and Turkey.
(c) Region includes revenue from China, Taiwan, and Hong Kong.

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

TABLE 1: RECONCILIATION OF GAAP AND NON-GAAP DILUTED EARNINGS (LOSS) PER SHARE:

	Three Months Ended		
	March 30, 2025	March 31, 2024	
	Core/ Consolidated	Core Illumina	Consolidated
GAAP diluted earnings (loss) per share	**$ 0.82**	$ 0.44	$ (0.79)
Cost of revenue (b)	**0.12**	0.09	0.31
R&D expense (b)	**0.07**	0.03	0.03
SG&A expense (b)	**0.12**	0.52	0.57
Other income, net (b)	**(0.21)**	(0.05)	(0.05)
Provision for income taxes (b)	**0.05**	(0.05)	0.02
Non-GAAP diluted earnings per share (a)	**$ 0.97**	$ 0.98	$ 0.09

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

	Three Months Ended		
	March 30, 2025	March 31, 2024	
	Core/ Consolidated	Core Illumina	Consolidated
GAAP net income (loss)	**$ 131**	$ 70	$ (126)
Cost of revenue (b)	**19**	15	49
R&D expense (b)	**11**	4	4
SG&A expense (b)	**19**	83	91
Other income, net (b)	**(33)**	(8)	(8)
Provision for income taxes (b)	**7**	(9)	4
Non-GAAP net income (a)	**$ 154**	$ 155	$ 14

Amounts in tables are rounded to the nearest millions. As a result, certain amounts may not recalculate.

(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.

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

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

	Three Months Ended							
	March 30, 2025		March 31, 2024					
	Core/Consolidated		Core Illumina		GRAIL	Elims	Consolidated	
GAAP gross profit (loss) (b)	**$ 683**	**65.6 %**	$ 693	65.7 %	$ (22)	$ (4)	$ 667	62.0 %
Acquisition-related costs (c)	**17**	**1.6 %**	15	1.4 %	34	—	49	4.5 %
Transformational initiatives (d)	**2**	**0.2 %**	—	—	—	—	—	—
Non-GAAP gross profit (a)	**$ 702**	**67.4 %**	$ 708	67.1 %	$ 12	$ (4)	$ 716	66.5 %
GAAP R&D expense	**$ 252**	**24.2 %**	$ 241	22.8 %	$ 101	$ (3)	$ 339	31.5 %
Acquisition-related costs (c)	**—**	**—**	(3)	(0.3)%	—	—	(3)	(0.3)%
Transformational initiatives (d)	**(11)**	**(1.0)%**	(1)	(0.1)%	—	—	(1)	(0.1)%
Non-GAAP R&D expense	**$ 241**	**23.2 %**	$ 237	22.4 %	$ 101	$ (3)	$ 335	31.1 %
GAAP SG&A expense	**$ 267**	**25.6 %**	$ 336	31.9 %	$ 104	$ (1)	$ 439	40.8 %
Acquisition-related costs (c)	**4**	**0.4 %**	(48)	(4.6)%	(7)	—	(55)	(5.1)%
Transformational initiatives (d)	**(18)**	**(1.7)%**	(34)	(3.3)%	(1)	—	(35)	(3.3)%
Other (g)	**(5)**	**(0.4)%**	—	—	—	—	—	—
Non-GAAP SG&A expense	**$ 248**	**23.9 %**	$ 254	24.0 %	$ 96	$ (1)	$ 349	32.4 %
GAAP operating profit (loss)	**$ 164**	**15.8 %**	$ 116	11.0 %	$ (227)	$ —	$ (111)	(10.3)%
Cost of revenue	**19**	**1.8 %**	15	1.4 %	34	—	49	4.5 %
R&D costs	**11**	**1.1 %**	4	0.4 %	—	—	4	0.4 %
SG&A costs	**18**	**1.7 %**	83	7.8 %	8	—	91	8.5 %
Non-GAAP operating profit (loss) (a)	**$ 212**	**20.4 %**	$ 218	20.6 %	$ (185)	$ —	$ 33	3.1 %
GAAP other income (expense), net	**$ 18**	**1.7 %**	$ (1)	(0.1)%	$ 3	$ —	$ 2	0.2 %
Strategic investment gain, net (e)	**(33)**	**(3.1)%**	(6)	(0.6)%	—	—	(6)	(0.6)%
Other (f)	**—**	**—**	(2)	(0.2)%	—	—	(2)	(0.2)%
Non-GAAP other (expense) income, net (a)	**$ (15)**	**(1.4)%**	$ (9)	(0.9)%	$ 3	$ —	$ (6)	(0.6)%

Amounts in tables are rounded to the nearest millions. As a result, certain amounts may not recalculate.
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 income (expense), 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 for Q1 2025 consist of $17 million for amortization of intangible assets (cost of revenue) and $7 million related primarily to legal expenses for the GRAIL acquisition (SG&A), offset by $11 million for fair value adjustments on our contingent consideration liabilities (SG&A). Consolidated amounts for Q1 2024 consist of $50 million for amortization of intangible assets, $16 million for fair value adjustments on our contingent consideration liabilities, $31 million related primarily to legal and other expenses for the acquisition and divestiture of GRAIL, $7 million for accrued interest on the EC fine, and $3 million for IPR&D impairment.

(d) Amounts for Q1 2025 consist primarily of employee severance costs related to restructuring activities and amounts for Q1 2024 consist primarily of lease and other asset impairments and employee severance costs.

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

(f) Consolidated amounts for Q1 2024 consist of $3 million for fair value adjustments on our Helix contingent value right, which was settled in 2024, offset by $1 million for unrealized gains/losses related to foreign currency balance sheet remeasurement of the EC fine liability, that was reversed in 2024, and unrealized mark-to-market gains/losses on hedge associated with the EC fine, for which such forward contracts were terminated in 2024.

(g) Amounts for Q1 2025 consist of $3 million for costs related to board membership changes and $2 million for legal contingency accrual.

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

TABLE 4: RECONCILIATION OF GAAP AND NON-GAAP TAX PROVISION:

	Three Months Ended					
	March 30, 2025		March 31, 2024			
	Core/Consolidated		Core Illumina		Consolidated	
GAAP tax provision	**$ 51**	**27.9 %**	$ 45	39.3 %	$ 17	(15.3)%
Income tax provision (b)	**(6)**		—		—	
GILTI, US foreign tax credits, global minimum top-up tax (c)	**—**		(13)		(17)	
Incremental non-GAAP tax expense (d)	**(1)**		22		13	
Non-GAAP tax provision (a)	**$ 44**	**22.0 %**	$ 54	25.7 %	$ 13	46.4 %

(a) Non-GAAP tax provision excludes the effects of the pro forma adjustments detailed above, which have been excluded to assist investors in analyzing and assessing past and future operating performance.
(b) Amounts represent the difference between book and tax accounting related to stock-based compensation cost.
(c) 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 no longer applies for 2025 since the GRAIL pre-acquisition net operating losses were fully utilized in prior years.
(d) Incremental non-GAAP tax expense reflects tax impact of the non-GAAP adjustments listed in Table 2.