



Unlocking the Power of the Genome

Sam Samad, Chief Financial Officer

William Blair Growth Stock Conference, 13 June 2018



Safe Harbor Statement

This presentation may contain forward-looking statements that involve risks and uncertainties, including our financial outlook and guidance for fiscal 2018 and expectations regarding the development and commercialization of new products. Among the important factors that could cause actual results to differ materially from those in any forward-looking statements are (i) challenges inherent in developing, manufacturing, and launching new products and services, including expanding manufacturing operations and reliance on third-party suppliers for critical components; (ii) the timing and mix of customer orders among our products and services; (iii) the impact of recently launched or pre-announced products and services on existing products and services; (iv) our ability to further develop and commercialize our instruments and consumables and to deploy new products, services, and applications, and expand the markets for our technology platforms; (v) our ability to manufacture robust instrumentation and consumables; (vi) the success of products and services competitive with our own; (vii) our ability to successfully identify and integrate acquired technologies, products, or businesses; (viii) our expectations and beliefs regarding future conduct and growth of the business and the markets in which we operate; and (ix) the application of generally accepted accounting principles, which are highly complex and involve many subjective assumptions, estimates, and judgments, together with other factors detailed in our filings with the Securities and Exchange Commission, including our most recent filings on Forms 10-K and 10-Q, or in information disclosed in public conference calls, the date and time of which are released beforehand. We undertake no obligation, and do not intend, to update these forward-looking statements, to review or confirm analysts' expectations, or to provide interim reports or updates on the progress of the current quarter.

Illumina at a Glance

Company



April 1998
Founded



July 2000
IPO



Francis deSouza
President and CEO



+6,200
Employees



San Diego, CA
Headquarters

22

Offices
Globally

Financials

\$2.75B

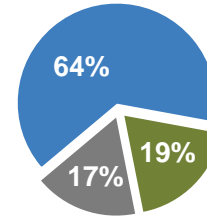
2017
Revenue

15%

Revenue
growth YoY

\$~42B

Market Cap
as of June 12, 2018

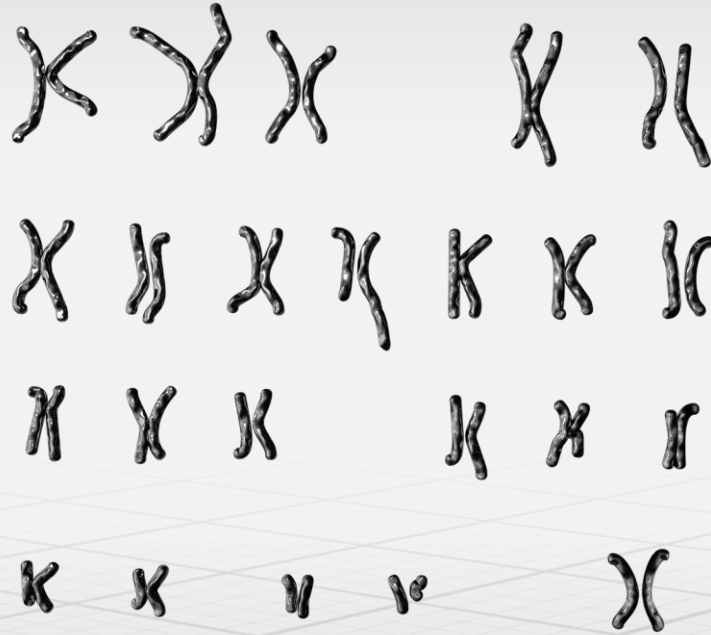


- Consumables
- Instrument
- Service / other

Our Mission

To improve human health by unlocking the power of the genome

DNA Analysis is Potentially Transformative



DNA Analysis is Potentially Transformative



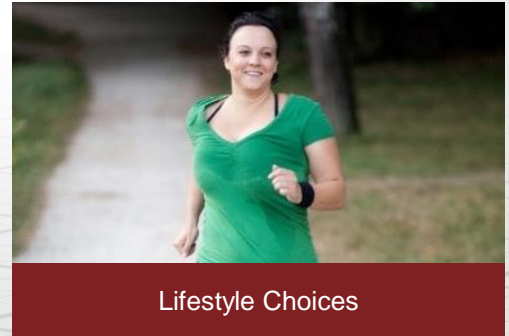
Personalized Medicine



Predispositions & Symptoms

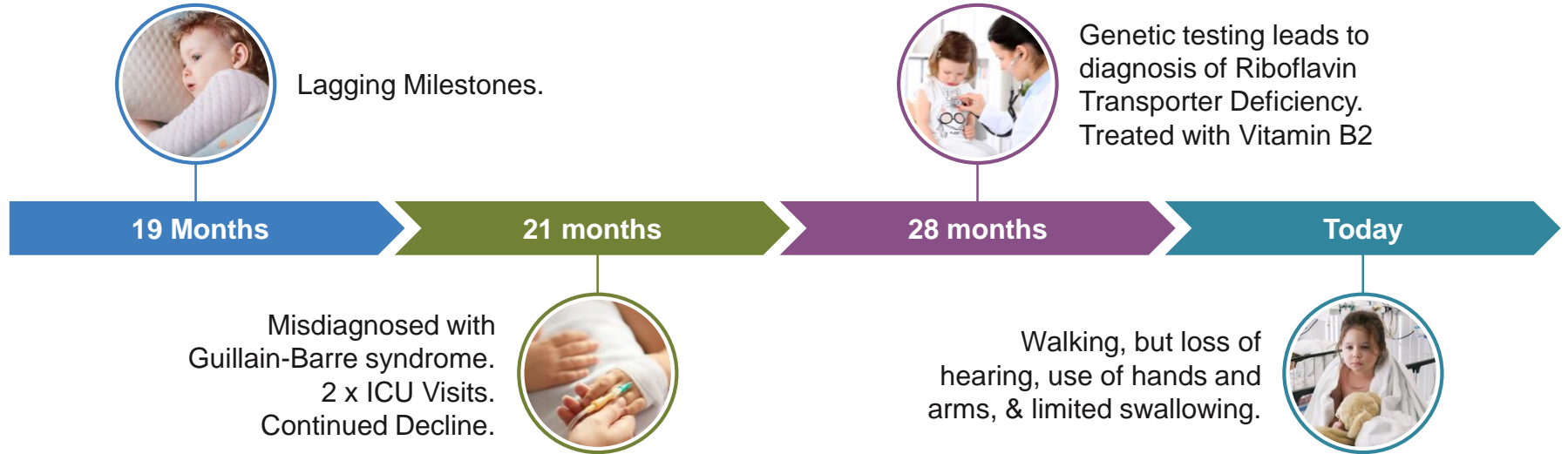


Family Planning



Lifestyle Choices

Why Genomics Matters: Emma's Costly Diagnostic Odyssey*



Earlier testing and treatment could have dramatically reduced neurological damage

* Patient's name has been changed to protect her identity. The case details are as reported, but the images are for illustration only.

Why Genomics Matters: Marisa's Unexpected NIPT Finding



Genomic testing led to earlier diagnosis of cancer

* Patient's name has been changed to protect her identity. The case details are as reported, but the images are for illustration only.

Cost Per Genome

\$3,000,000,000

Human Genome Project

2003



\$20,000,000

1st individual genome

2006



\$2,000,000

1st NGS Genome

2007



\$200,000

1st 30x genome

2008



\$10,000

1st sub-10K genome

2010



\$1,000

1st \$1,000 genome

2014



Launched the NovaSeq*

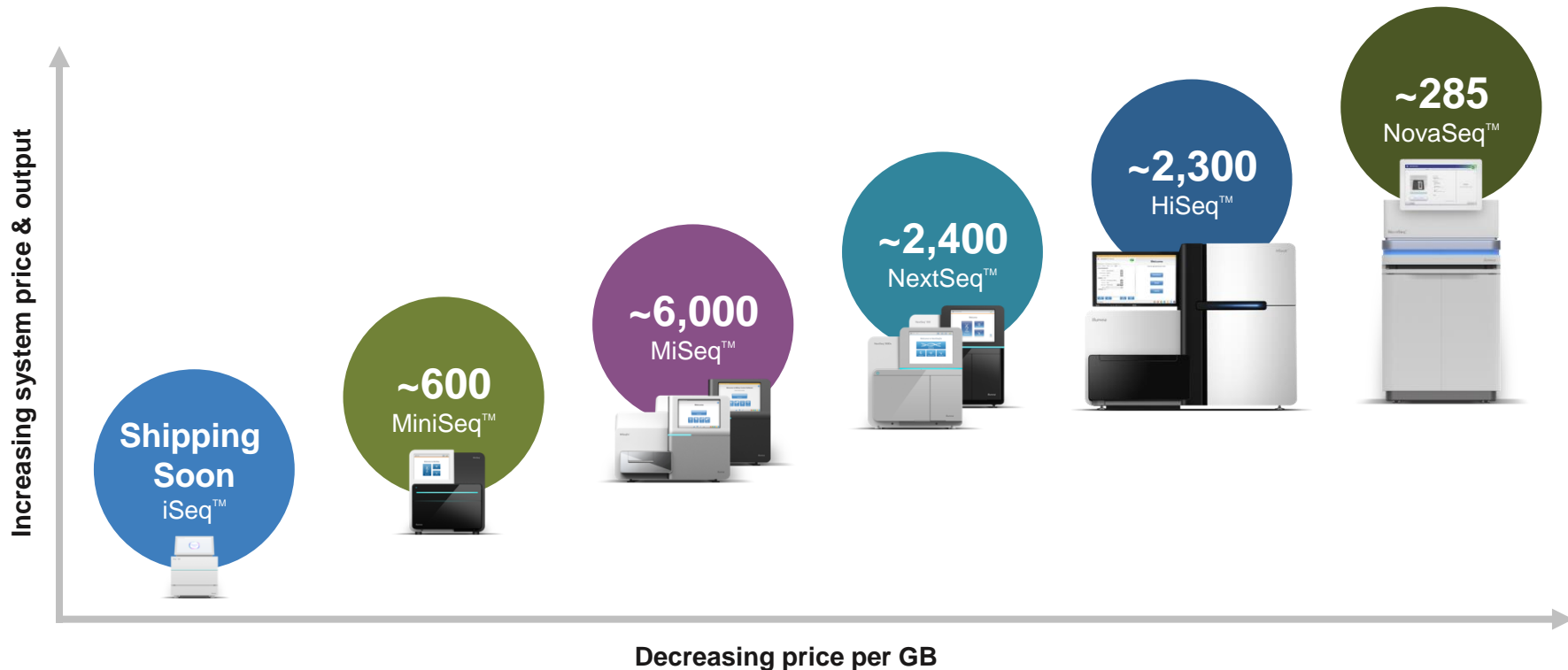
2017



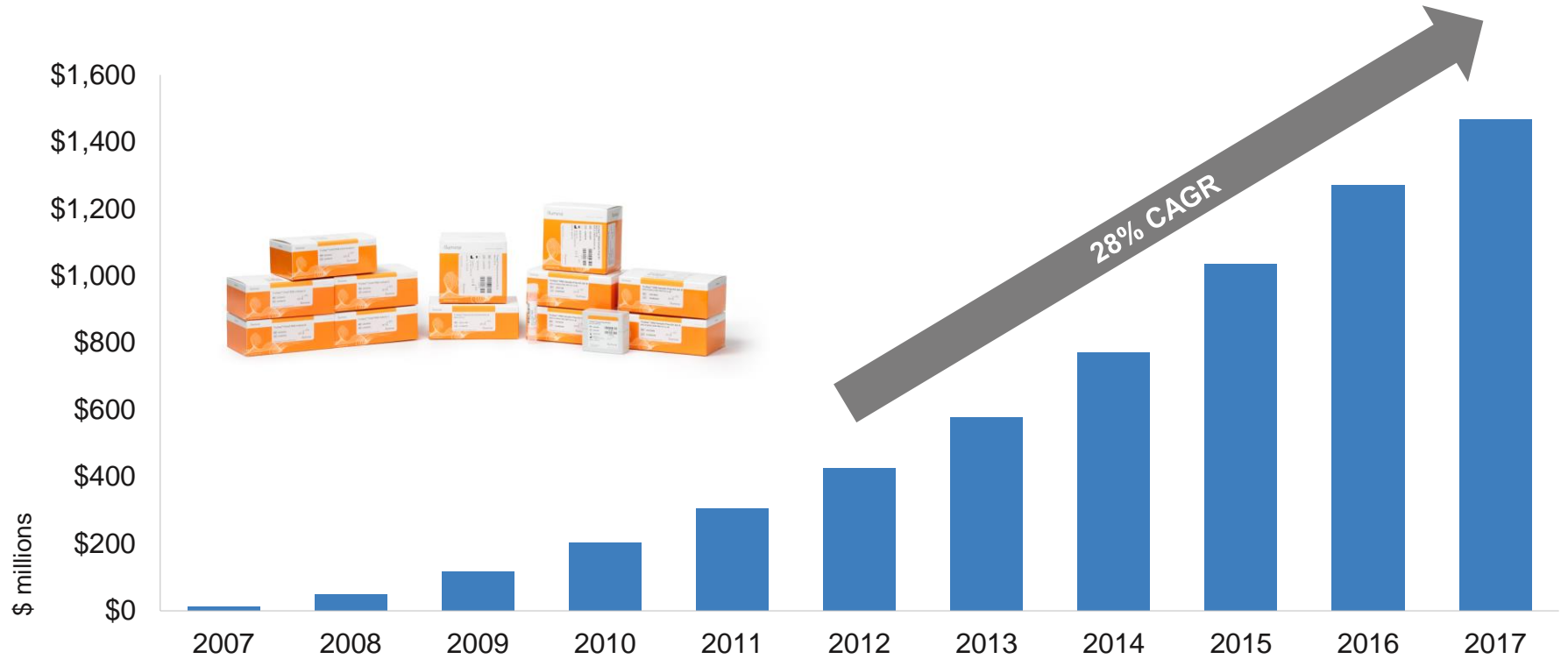
* A new sequencing architecture expected one day to enable a \$100 genome.

Installed Base >11,000: Sequencing Power for Every Scale

>90% of all sequencing performed has been generated on Illumina technology



Robust Sequencing Consumable Revenue Growth



Focus Areas

Non-Invasive
Prenatal Testing
(NIPT)



Rare and
Undiagnosed
Disease (RUGD)



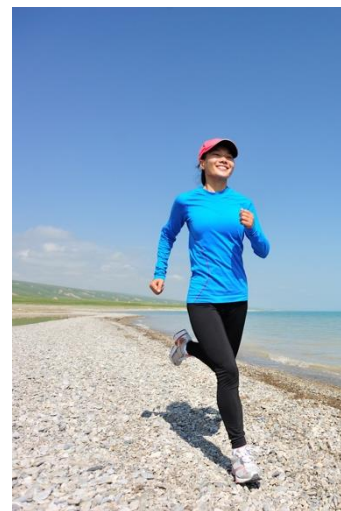
Oncology



Population
Genomics



Consumer
Genomics



Non-Invasive Prenatal Testing (NIPT)



IVD

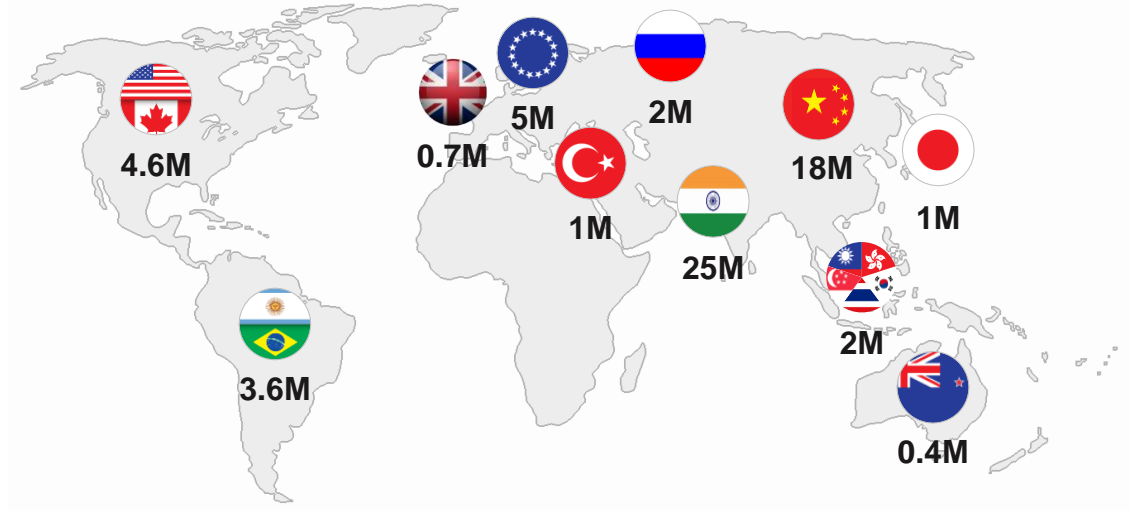
Enable more regions to offer NIPT



Drive greater access to NIPT



Tailored Approaches to Regional Markets



World bank population data, World bank birth rate (June 2017)

Rare and Inherited Disease

250M RUGD Patients Worldwide

Average 5–7 Years to Diagnosis in the US & UK

Genetic diseases are responsible for:



45–51%

NICU deaths



19%

PICU deaths



50%

admissions to pediatric
long-term care



60%

end-of-life admissions



30%

of children with rare disease will not
live to see their fifth birthday

Oncology



Focused Panels

Targeted therapies

5–50 Genes



Regional Hospital



Reference Laboratory



TST15



AmpliSeq for ILMN

Mid-Sized Panels

Targeted therapies + Immuno/therapies (IO) + ctDNA

50–500 Gene panels



Reference Laboratory



Academic Medical Center



TruSight Tumor 170**
TS Oncology 500*



Bristol-Myers Squibb
(TSO500*)

Comprehensive Solutions

Targeted therapies + IO + ctDNA

500+ Genes, WES, WTS, WGS



Reference Laboratory



Academic Medical Center

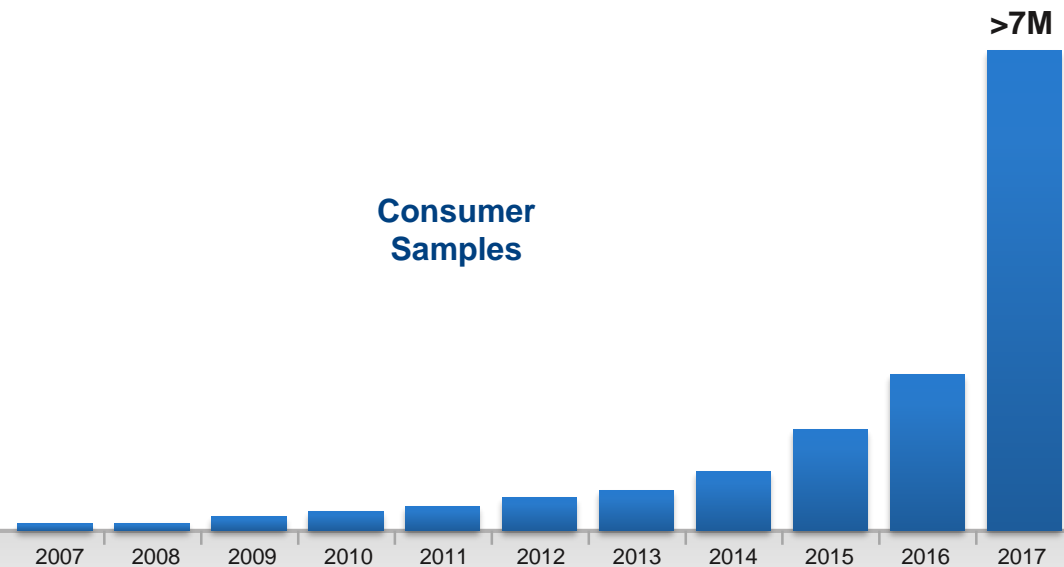


TS Oncology 500*
Whole Exome Sequencing
Whole Transcriptome Seq
Whole Genome Sequencing



Bristol-Myers Squibb
(TSO500*)

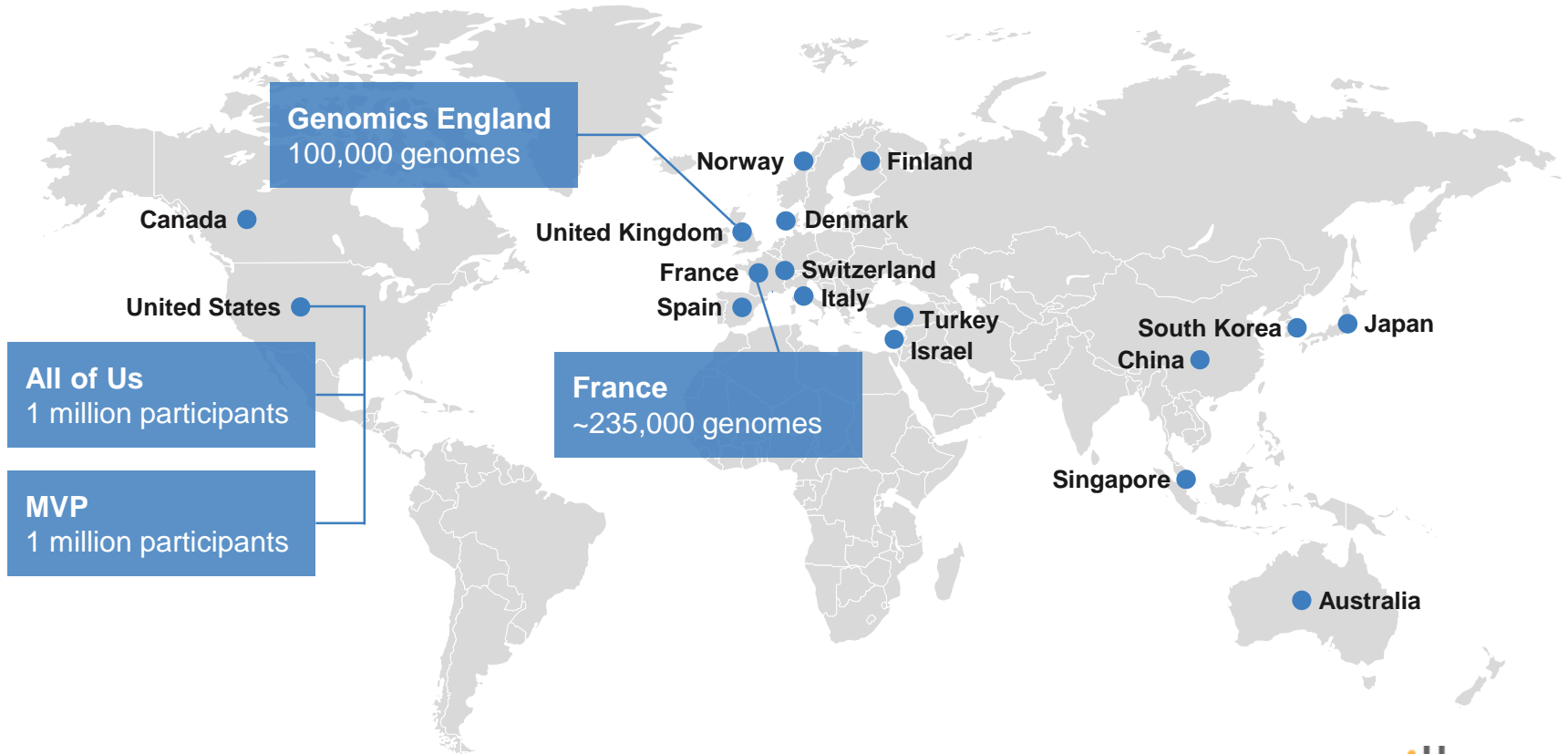
Consumer Genomics Inflecting



>12M Samples
Genotyped or Sequenced to Date



Population Genomics

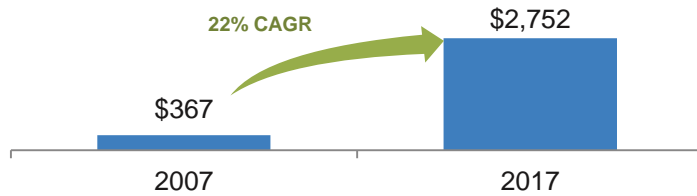


Delivering Shareholder Value

Strong financials and disciplined capital allocation

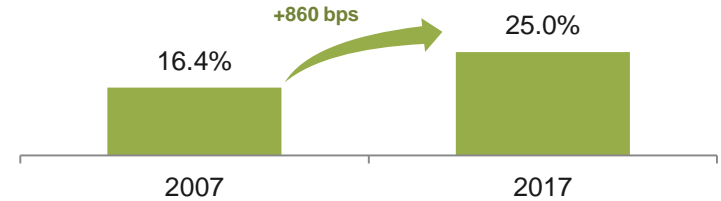
History of robust revenue growth

In \$ millions



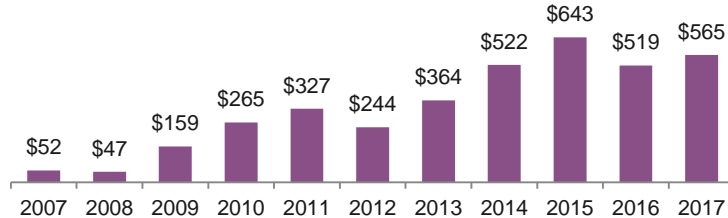
Strong operating leverage

Adjusted non-GAAP, as % revenue



Free cash flow growth

In \$ millions



Disciplined capital allocation

Strategic M&A

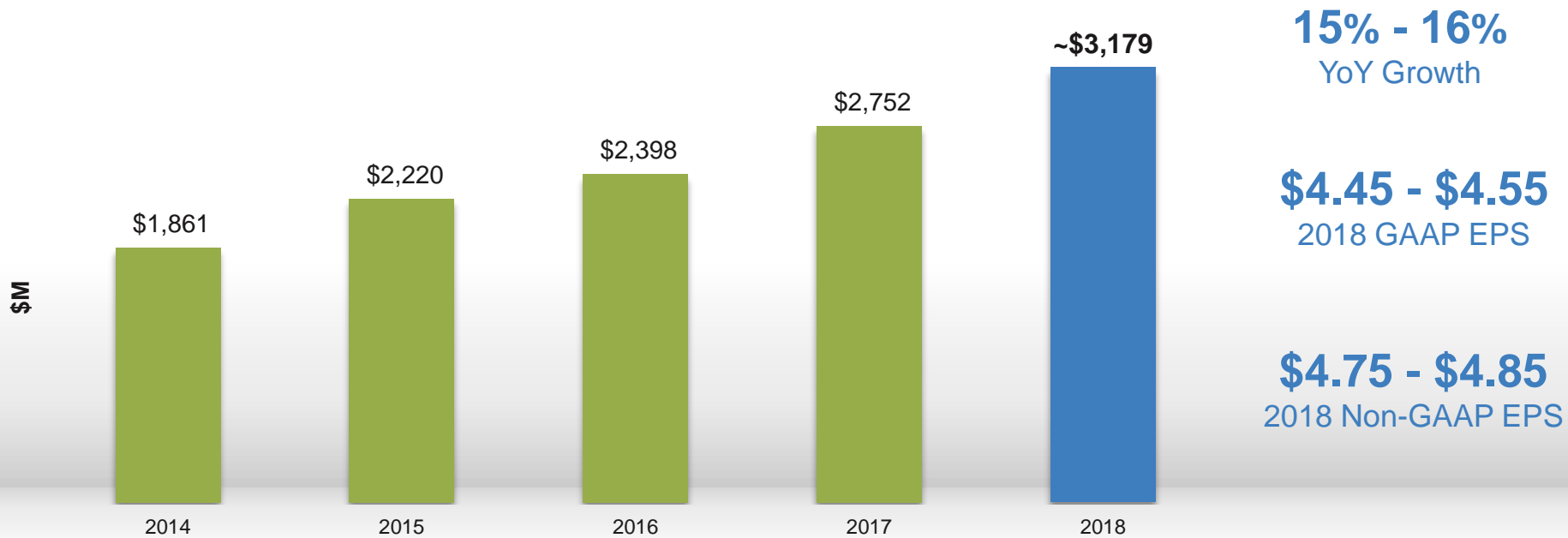
Internal Investments

Stock Buybacks

Debt Management

1. Operating margin; adjusted non-GAAP as a percentage of revenue

2018 Guidance



Innovation Expanding Market Opportunities

illumina®



Reproductive Health



Oncology



Population Sequencing



Research



Complex Disease



Consumer



Infectious Disease



Public Health



Agriculture



Genetic Health



BioPharm

illumina, Inc.

Reconciliation of Non-GAAP Financial Guidance

Our future performance and financial results are subject to risks and uncertainties, and actual results could differ materially from the guidance set forth below. Some of the factors that could affect our financial results are stated above in this press release. More information on potential factors that could affect our financial results is included from time to time in the public reports filed with the Securities and Exchange Commission, including Form 10-K for the fiscal year ended December 31, 2017 filed with the SEC on February 12, 2018, and Form 10-Q for the fiscal quarter ended April 1, 2018. We assume no obligation to update any forward-looking statements or information.

	Fiscal Year 2018
GAAP diluted earnings per share attributable to Illumina stockholders	\$4.45 - \$4.55
Amortization of acquired intangible assets	0.24
Non-cash interest expense (a)	0.21
Strategic investment related gains (b)	(0.05)
Restructuring (c)	0.03
Incremental non-GAAP tax expense (d)	(0.11)
Excess tax benefits from share-based compensation (e)	(0.02)
Non-GAAP diluted earnings per share attributable to Illumina stockholders	\$4.75 - \$4.85

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

(b) Amount consists primarily of mark-to-market adjustments from our strategic investments.

(c) Amount consists primarily of employee severance and retention costs related to the restructuring that occurred in Q1 2018 and Q4 2017.

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

(e) Amount represents tax deductions taken in excess of stock compensation cost.