Illumina
Enabling the New Possible
Sam Samad, Chief Financial Officer
Barclays Global Healthcare Conference, 13 March 2019
Safe Harbor Statement

This communication may contain statements that are forward-looking. Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Among the important factors that could cause actual results to differ materially from those in any forward-looking statements are (i) 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; (ii) our ability to manufacture robust instrumentation and consumables; (iii) our ability to successfully identify and integrate acquired technologies, products, or businesses; (iv) our expectations and beliefs regarding future conduct and growth of the business and the markets in which we operate; (v) challenges inherent in developing, manufacturing, and launching new products and services; (vi) our expectations regarding the pending acquisition of Pacific Biosciences; and (vii) 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.
DNA Analysis is Potentially Transformative

23 Pairs
Human Chromosomes

Chromosome
DNA
Gene

1 2 3 4 5 6 7 8 9
10 11 12 13 14 15 16 17 18
19 20 21 22
XY
XX
DNA Analysis is Potentially Transformative

- Personalized Medicine
- Predispositions & Symptoms
- Family Planning
- Lifestyle Choices
Why Genomics Matters

Marisa’s Unexpected NIPT Finding

Routine NIPT Test  
Additional testing led to cancer diagnosis for Mom  
Baby Oliver* delivered so Mom can begin treatment  
Cancerous nodules shrinking

Note: 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

**Two Brothers’ Rare Disease Diagnosis**

<table>
<thead>
<tr>
<th>Two brothers presented with phenotypes of profound intellectual disability and seizures</th>
<th>cWGS performed through iHope</th>
<th>Results identified new disease gene in both brothers</th>
<th>Treatment identified through GeneMatcher</th>
</tr>
</thead>
</table>

**Today**

WGS ended the diagnostic odyssey for two brothers and led to a successful treatment

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Note: Case study included with patient approval.
>13,000 Active Instruments Globally

~100 Pb Sequence Data in 2018

~600 NovaSeq™
~2,100 HiSeq™
~3,000 NextSeq™
~6,700 MiSeq™
~900 MiniSeq™
~350 iSeq™

Note: Installed base as of December 30, 2018.
Robust Sequencing Consumable Revenue Growth

>20%

2019 Guidance
Sequencing Consumable
YoY Growth

$ Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$48</td>
</tr>
<tr>
<td>2009</td>
<td>$117</td>
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<tr>
<td>2010</td>
<td>$202</td>
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<tr>
<td>2011</td>
<td>$306</td>
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<tr>
<td>2012</td>
<td>$426</td>
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<td>2013</td>
<td>$577</td>
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<tr>
<td>2014</td>
<td>$770</td>
</tr>
<tr>
<td>2015</td>
<td>$1,034</td>
</tr>
<tr>
<td>2016</td>
<td>$1,271</td>
</tr>
<tr>
<td>2017</td>
<td>$1,468</td>
</tr>
<tr>
<td>2018</td>
<td>$1,806</td>
</tr>
</tbody>
</table>
20 Years of Sequential Revenue Growth

$3.77–$3.80B  
2019 Revenue Guidance

13–14%  
2019 Growth
Vast, Growing and Emerging Markets

NIPT
RUGD
Population Genomics
Oncology
Consumer

Research and Translational
Bringing NGS into the Clinical Care with NIPT

Large Addressable Opportunity Remains

<table>
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<tr>
<th>Total US Tests in 2018</th>
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</thead>
<tbody>
<tr>
<td>~1.2M NIPT Tests</td>
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</table>

<table>
<thead>
<tr>
<th>Total Births in the US</th>
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<tbody>
<tr>
<td>~3.9M Births</td>
</tr>
</tbody>
</table>

- High Risk Births Covered
- Average Risk Births Covered
- High Risk Births Not Covered
- Average Risk Births Not Covered

VeriSeq™ NIPT v2 Solution

- 99.9% Accurate
- ~26hr Turnaround Time
- Expanded Test Menu

Note: Not available in the US

Source: DeciBio; CDC - National Vital Statistics Reports, Nov 2018
Ending Diagnostic Odysseys for RUGD Patients

350 Million
RUGD Patients

50%
Patients are Children

Average
8 Years
for Accurate Diagnosis

30%
Toddler Mortality Rate

Source: Global Genes
Transforming Oncology Diagnosis and Treatment Paradigms

Enable Customer Innovation
As a tools provider

Provide Clinical Tests
As a test kit provider

Source: World Health Organization
Enabling Population Genomics Around the World

- 1 million participants
- $1.5B of funding over 10 years
- >10,000 WGS in 2019
- Three selected genome centers
- Illumina scientific contribution of 1M Global Diversity Arrays

- GeL & NHS
  - 100k samples
  - 1M WGS in 5 years
- Singapore 10k
  - Continues phase 1 in 2019
  - 1M samples by 2028
- France PFMG
  - Begins 2019
  - 235k samples/yr by 2025
- All of Us
  - Begins 2019
  - 1M samples
- ~50 programs
A Growing Diversity of Applications in Consumer Genomics

Continued Increase in Sample Volume

Expanding Beyond Genealogy

Genealogy

Health

Fitness

Nutrition

Wellness

Entertainment

24M Total Samples
PacBio’s Complementary Technology Supports Our Mission

Combination Delivers:

- More Perfect View of the Genome
- Disruptive Methods and Applications
- Accelerated Innovation

- Accelerated Product Roadmap
- Global Coverage Access
- Differentiated Customer Experience
- Novel Insights
- Expanded Clinical Utility

8M ZMW Chip Ships Q2
Delivering Shareholder Value

Robust Revenue Growth

19% CAGR

2008: $573M
2018: $3,333M

Free Cash Flow ($M)

2008: $47
2019: $159
2010: $265
2011: $327
2012: $244
2013: $364
2014: $522
2015: $643
2016: $519
2017: $565
2018: $846

Strong Operating Leverage\(^1\)

~700 bps

Disciplined Capital Allocation

- Strategic M&A
  - Acquisition of Edico
  - Pending acquisition of PacBio
- Internal Investments
  - R&D totaled ~19% of revenue
- Stock Buybacks
  - $550M authorization in FY19
- Debt Management
  - 2019, 2021, 2023 Convertibles

Strong financials & disciplined capital allocation drives shareholder value

\(^1\)Operating margin; adjusted non-GAAP figures as % of revenues.
Innovation Expanding Market Opportunities

Reproductive Health

Oncoogy

Population Genomics

Research

Complex Disease

Consumer

Infectious Disease

Public Health

Agriculture

Genetic Health

Biopharma

Questions? Contact Illumina Investor Relations | ir@illumina.com | (408) 594-9328
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Calculation of Free Cash Flow

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.

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<tbody>
<tr>
<td>Net cash provided by operating activities (a)</td>
<td>$1,142</td>
<td>$875</td>
<td>$779</td>
<td>$786</td>
<td>$628</td>
<td>$443</td>
<td>$313</td>
<td>$405</td>
<td>$315</td>
<td>$212</td>
<td>$107</td>
</tr>
<tr>
<td>Purchases of property and equipment (b)</td>
<td>(296)</td>
<td>(310)</td>
<td>(260)</td>
<td>(143)</td>
<td>(106)</td>
<td>(79)</td>
<td>(69)</td>
<td>(78)</td>
<td>(50)</td>
<td>(53)</td>
<td>(60)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$846</td>
<td>$565</td>
<td>$519</td>
<td>$643</td>
<td>$522</td>
<td>$364</td>
<td>$244</td>
<td>$327</td>
<td>$265</td>
<td>$159</td>
<td>$47</td>
</tr>
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(a) Reflects the retrospective application of ASU 2016-09 adopted in Q1 2017, under which excess tax benefit related to stock-based compensation was reclassified from cash used in financing activities to cash provided by operating activities.
Illumina, Inc.
Reconciliation of Non-GAAP Operating Margin

Non-GAAP operating margin excludes the effect of the pro forma adjustments detailed below. Management has excluded the effects of these items in these measures to assist investors in analyzing and assessing our past and future core operating performance.

<table>
<thead>
<tr>
<th>RECONCILIATION BETWEEN GAAP AND NON-GAAP OPERATING MARGIN AS A PERCENT OF REVENUE:</th>
</tr>
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<tbody>
<tr>
<td>GAAP operating margin</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
</tr>
<tr>
<td>Restructuring (b)</td>
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<tr>
<td>Acquisition related expense (c)</td>
</tr>
<tr>
<td>Impairment of manufacturing equipment</td>
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<tr>
<td>Compensation expense (d)</td>
</tr>
<tr>
<td>Non-GAAP operating margin</td>
</tr>
</tbody>
</table>

(a) 2008 non-GAAP results have been restated to include stock-based compensation in order to conform to current period presentation.
(b) Amount consists primarily of employee and lease exit costs related to restructuring that occurred in Q1 2018.
(c) Amount for 2018 consists of acquisition related expenses from the pending Pacific Biosciences acquisition.
(d) Compensation expense represents the contingent consideration due to stockholders of Avantome, Inc. for post-combination services for a three year period contingent upon the primary stockholders’ continued employment. This expense was included within research and development on our statement of operations for FY 2008.