

## **Illumina Drives Transformative Growth with Strategic Divestiture and Cutting-Edge Innovations in H1 2024**

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**GRAIL Spin-Off and Technological Advancements Position Illumina at the Forefront of Genomics and Cancer Diagnostics, Reinforcing Leadership Amidst a Period of Strategic Transformation**



From January to June 2024, Illumina demonstrated a dynamic and transformative approach to its business, marking a period of strategic growth, technological innovation, and leadership enhancement.

### **Strategic Divestiture of GRAIL**

A major highlight of this period was the divestiture of GRAIL, finalized on June 24, 2024. In a move to sharpen its focus on core genomics, Illumina spun off GRAIL by distributing 85.5% of its shares to Illumina shareholders while retaining a 14.5% stake. GRAIL's transition to an independent entity culminated in its listing on Nasdaq under the ticker "GRAL" on June 25, 2024. This strategic maneuver enables Illumina to concentrate on its pioneering work in genomics, while GRAIL pursues its ambitious goal of advancing early cancer detection technology independently.

### **Technological Advancements**

Illumina continued to push the boundaries of genomic technology, launching the DRAGEN™ v4.3 on June 11, 2024. This latest iteration of its sequencing data analysis platform introduced a pangenome reference and enhancements like improved multigenome mapping, specialized variant callers, and AI-powered annotations. These features are designed to elevate the accuracy and efficiency of genomic research and clinical applications, reinforcing Illumina's position at the forefront of genomic innovation.

The integration of XLEAP-SBS™ chemistry into the NextSeq™ 1000 and 2000 sequencers on June 4, 2024, marked another significant technological leap. This enhancement allows for faster run times and reduced costs, making these sequencers more efficient and cost-effective, particularly for large-scale genomic projects. The move underscores Illumina's commitment to providing advanced tools that meet the evolving needs of the genomic research community.

### **Commitment to Cancer Diagnostics**

Illumina's dedication to advancing cancer diagnostics was prominently displayed at the ASCO Annual Meeting on May 29, 2024. The company showcased its research on comprehensive genomic profiling (CGP) and molecular residual disease

(MRD) detection, highlighting collaborations with key partners like Labcorp and the Sarah Cannon Research Institute. These collaborations demonstrated the superiority of CGP over single-gene tests and underscored the critical role of MRD assays in precise cancer management, further solidifying Illumina's impact on the future of cancer diagnostics.

### **Financial Performance and Leadership Reinforcement**

Financially, Illumina reported a strong start to 2024, with a 10% year-over-year revenue increase in Q1, reaching \$1.09 billion. This growth was primarily driven by the robust performance of its core sequencing business, particularly the NovaSeq X Series. However, increased R&D and legal expenses led to a decline in net income. Despite these challenges, Illumina maintained its full-year revenue growth guidance of 7-10%, underscoring its focus on innovation and global expansion.

In addition to financial growth, Illumina strengthened its leadership team with the appointment of Anna Richo to the Board of Directors on May 20, 2024, and the onboarding of new executives Ankur Dhingra and Jakob Wedel in April 2024. These governance changes reflect Illumina's strategic efforts to bolster its leadership amidst a period of significant transformation and growth.

The first half of 2024 was a pivotal period for Illumina, characterized by strategic divestitures, groundbreaking technological advancements, and leadership reinforcements. As the company continues to focus on its core genomics business and expand its influence in cancer diagnostics, Illumina remains poised to lead the next wave of innovation in the rapidly evolving field of genomic sequencing.