

## Illumina, Inc. (ILMN)

**\$134.95** (Stock Price as of 12/26/2025)

Price Target (6-12 Months): **\$157.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Outperform**

(Since: 12/02/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**1-Strong Buy**

Zacks Style Scores:

VGM: B

Value: D

Growth: B

Momentum: B

### Summary

Illumina is strongly executing on its strategic priorities of returning to growth and improving profitability. The company's ongoing genomic innovations and progress in multi-omics strategy are highly encouraging. The NovaSeq X transition continues to advance, with Illumina achieving new transition milestones earlier than planned. The company's growing NGS oncology portfolio plays a key role in expanding cancer genomics. It sees significant room for growth in the NGS market, supported by several near-term factors driving sequencing activity. Solid financial health further adds to the stock's appeal. Meanwhile, broader macroeconomic challenges, including the impacts of U.S. tariffs and retaliatory measures, as well as uncertainty in research funding, add to the concerns. Fierce rivalry can hurt its growth prospects.

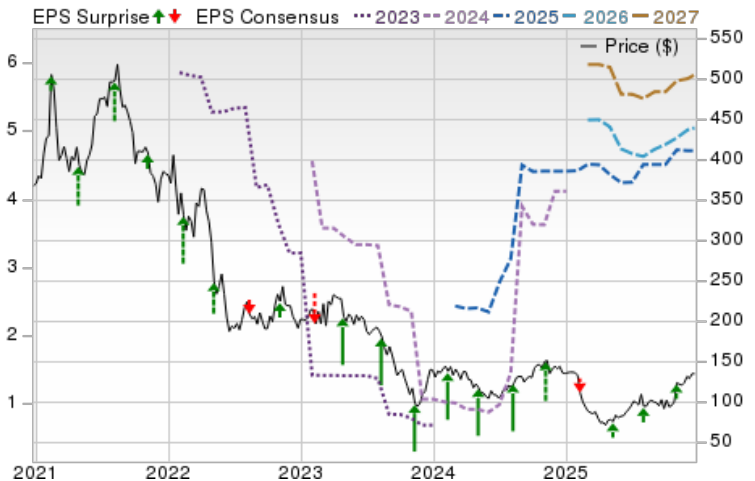
### Data Overview

52 Week High-Low	\$153.06 - \$68.70
20 Day Average Volume (sh)	1,551,724
Market Cap	\$20.7 B
YTD Price Change	1.3%
Beta	1.44
Dividend / Div Yld	\$0.00 / 0.0%
Industry	<a href="#">Medical - Biomedical and Genetics</a>
Zacks Industry Rank	Top 40% (97 out of 243)

Last EPS Surprise	15.5%
Last Sales Surprise	1.7%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/05/2026
Earnings ESP	0.0%

P/E TTM	31.0
P/E F1	28.7
PEG F1	-2.1
P/S TTM	4.8

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(1)</sup>



### Sales Estimates (millions of \$)<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	1,041 E	1,070 E	1,111 E	1,155 E	4,378 E
2025	1,041 A	1,059 A	1,084 A	1,101 E	4,285 E
2024	1,076 A	1,112 A	1,080 A	1,104 A	4,372 A

### EPS Estimates<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	1.08 E	1.23 E	1.36 E	1.35 E	5.04 E
2025	0.97 A	1.19 A	1.34 A	1.22 E	4.71 E
2024	0.09 A	0.36 A	1.14 A	0.86 A	2.45 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/26/2025.

(2) The report's text and the price target are as of 12/24/2025.

## Overview

San Diego, CA.-based Illumina Inc. provides sequencing and array-based solutions for genetic and genomic analysis across a wide range of markets, driving their adoption in research and clinical settings. Its customers include leading genomic research centers, academic institutions, government laboratories, hospitals as well as pharmaceutical, biotechnology, commercial molecular diagnostic and consumer genomics companies.

Illumina's portfolio of sequencing platforms represents a family of systems designed to deliver industry-leading productivity, cost-efficiency and accuracy in NGS (next-generation sequencing) technology. The company's sequencing technology, sequencing by synthesis (SBS), is a widely adopted NGS technology worldwide, supporting both single-read and paired-end libraries. In 2023, it launched XLEAP-SBS, a faster, higher quality and more robust version of the SBS chemistry with improved data accuracy and performance.

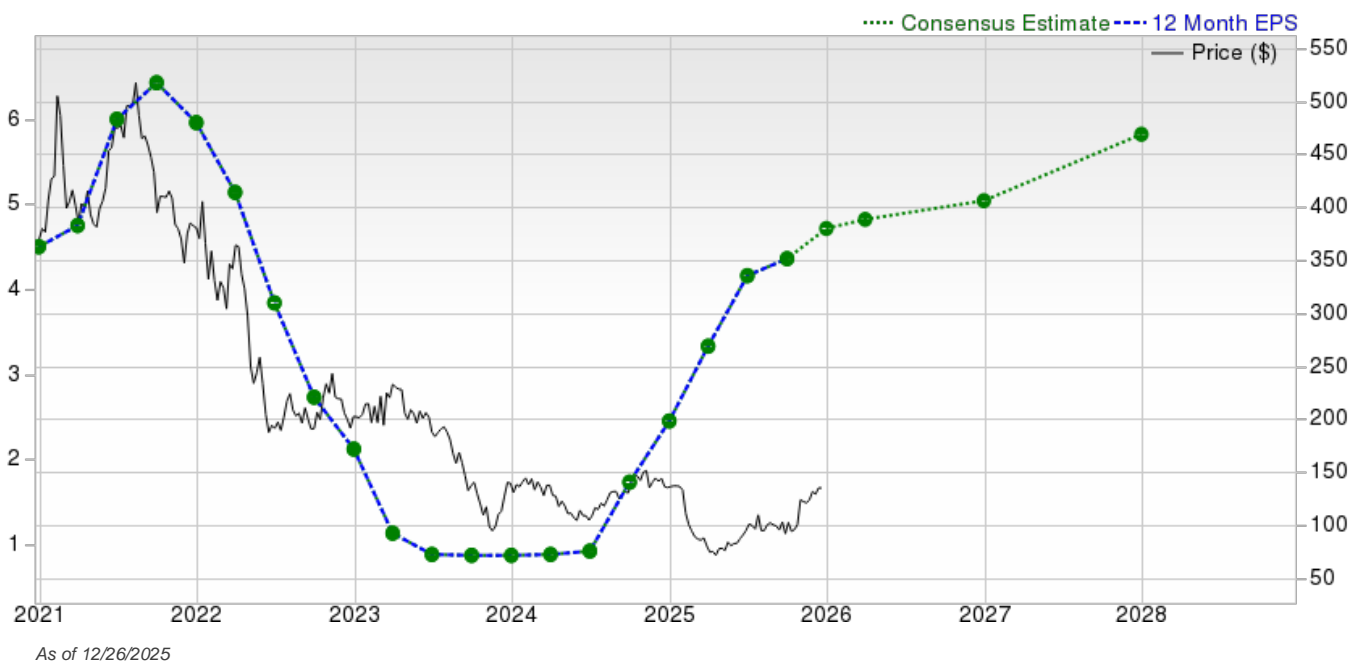
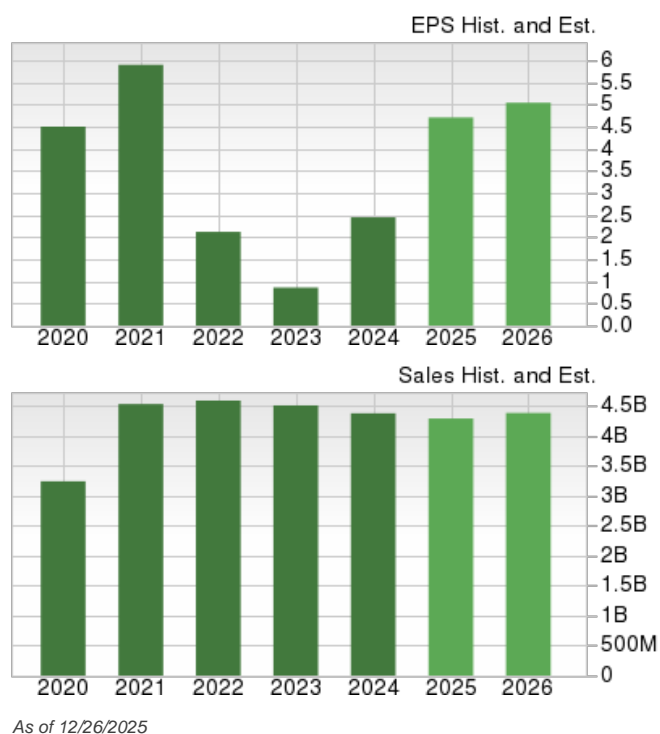
The company's NovaSeq X Series delivers an unprecedented combination of high throughput and accuracy, featuring streamlined informatics, breakthrough sustainability advancements and cost-effective sequencing economics. In 2024, Illumina launched the benchtop MiSeq i100 series, its fastest, simplest sequencing system, featuring room-temperature reagents.

Illumina generates revenue from two segments:

**Product** revenues (83.6% of total revenues in 2024; down 0.6% from 2023) consist of sales proceeds from the consumables and instruments used in genetic analysis.

**Service and other** revenue (16.4%, up 3.1%) primarily consists of revenue generated from genotyping and sequencing services, instrument service contracts, development and licensing agreements, and cancer detection testing services related to the GRAIL business.

On June 24, 2024, Illumina completed the spin-off of GRAIL, distributing approximately 85.5% of GRAIL's outstanding common stock based on the June 13 record date while retaining nearly a 14.5% stake. At present, the company reports through one segment — **Core Illumina** (\$4.33 billion in fiscal 2024, down 2.4% from fiscal 2023).



## Reasons To Buy:

▲ **Illumina Focuses on Core Genomics Post-GRAIL Divestiture:** Following the spin-off of GRAIL in June 2024, Illumina is focusing on its core strengths in genomics. The company unveiled a strategic roadmap aimed at returning to growth and boosting profitability — high-single-digit revenue growth by 2027 and double-digits to teens annual EPS growth over the next three years. Underpinning these targets are three pillars: growing the core sequencing business, scaling into multiomics and expanding services, data and software capabilities.

In the third quarter of 2025, more than 55 NovaSeq X instruments were placed, consistent with the company's quarterly target. Illumina achieved its year-end targets for NovaSeq X transition, with more than 75% of high-throughput gigabases shipped and more than 50% of high-throughput revenues on the platform. NovaSeq X consumables revenue growth accelerated even as conversion from the NovaSeq 6000 increased. Based on its agreement to acquire SomaLogic, the company launched Illumina Protein Prep — an assay introducing superior performance for NGS-based proteomics discovery at scale. Illumina had also announced its capabilities in single-cell, CRISPR-based Perturb-Seq and spatial analysis.

Illumina's breakthrough innovations and productivity enhancements are poised to help it achieve its refreshed strategic goals. Robust prospects in the NGS market are

▲ **Reproductive and Genetic Health Market Prospect High:** Illumina continues to strengthen its foothold in the global multi-billion gene sequencing market with some highly competitive products in its existing portfolio and pipeline. In reproductive health, the company benefits from driving non-invasive prenatal testing (NIPT) adoption globally through technology, which identifies fetal chromosomal abnormalities by analyzing cell-free DNA in maternal blood. Several U.S. states have updated their Medicaid coverage for NIPT in all pregnancies. In Europe, the Netherlands offers NIPT for all pregnancies, while Italy has approved for broader coverage.

Over the next decade, NGS is expected to become integral to healthcare. Multiomics will gain deeper insights through NGS, and AI-powered analysis of large genomic datasets is poised to accelerate drug development. Illumina is well-positioned to deliver these insights at scale, shifting the industry's focus from cost per gigabase to maximizing value at the lowest end-to-end cost. With a \$125 billion total addressable market—only \$10 billion of which is currently served — Illumina sees strong expansion potential, supported by near-term growth drivers in both research and clinical applications.

▲ **Solid Long-Term Growth Potential in Oncology Space:** An expanding NGS oncology portfolio is helping Illumina drive the revolution in cancer genomics. The company's market-leading TruSight Oncology assay, TSO 500, continues to see increased utilization and broader adoption. In July 2025, Illumina introduced TSO 500 v2, the next-generation version that offers a streamlined sample-to-analysis workflow. Key advantages in TSO 500 v2 include built-in HRD biomarker detection and lower tissue sample input. In addition, Illumina is partnering with several global pharmaceutical companies to develop companion diagnostics (CDx) enabled on the TSO Comprehensive genomic profiling test, focusing on *KRAS* alterations, which are known to cause uncontrolled cell growth, leading to cancer.

This year, Illumina launched DRAGEN version 4.4 software, including out-of-the-box oncology applications for clinical research and also received regulatory approval in Japan. Following the FDA approval last year, Illumina's in vitro diagnostic (IVD) TSO Comprehensive test has gained broad payer reimbursement, expanding access to comprehensive genomic profiling to match patients with targeted therapies. Additionally, the company's flagship oncology products, including TSO 500 ctDNA v2, are presently available on NovaSeq X Series to enable CGP at greater scale and at lower overall costs for customers. Illumina expanded collaboration with Janssen to advance the development of molecular residual disease (MRD) assay, underscoring Illumina's promise of a whole-genome approach in oncology.

▲ **Sequencing Growth Continues:** Illumina played a key role in driving the NGS growth from a nascent technology to a foundational tool in biology. Their NovaSeq X series is expected to drive a majority of growth in 2025, unlocking more and larger sequencing projects. In the third quarter of 2025, the company made significant progress in the NovaSeq X transition, with more than 75% volume and more than 50% revenues now transitioned to X. NovaSeq X placements were strong at more than 55. In the clinical market, sequencing consumables revenues grew at a high single-digit rate year over year.

In January, Illumina advanced the NovaSeq X Series with the NovaSeq X single-flow-cell system and the software v1.3 upgrade to elevate sequencing performance and data quality. Additionally, the company started shipping the 25B 100 and 200 cycle kits for NovaSeq X, which are key for advancing multi-omics applications. In the coming months, a number of innovations, including comprehensive whole genome sequencing and the five-phase genome, are set to be introduced, aiming to simplify the NGS workflow.

▲ **Favorable Solvency:** At the end of the third quarter of 2025, Illumina reported cash and cash equivalents (incl. short-term investments) of \$1.28 billion with short-term debt of \$998 million. Long-term debt dropped 33.4% sequentially to \$994 million. The company's debt-to-capital ratio was 29.5%, down 10.3% from the second quarter.

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## Risks<sup>(2)</sup>

- **Macroeconomic Pressures Remain a Concern:** In recent years, Illumina's operations have been affected by various macroeconomic factors such as inflation, exchange rate fluctuations, and concerns about a possible economic downturn. Competitive challenges in the China region and the sanctions imposed on Russia as a result of the armed conflict with Ukraine have directly impacted both the company and the behavioral patterns of its customers. Additionally, Illumina is facing increasing costs as a result of the implementation of tariff by the new U.S. government. In the third quarter of 2025, tariffs impacted gross margins by roughly 220 basis points on a year-over-year basis.
  - **Setbacks in the China Market:** In March 2025, China announced a ban on the imports of Illumina's NGS sequencers, shortly after adding the company to the "List of Unreliable Entities". This comes as a major blow for Illumina, given that the region's aging population and robust healthcare investments reflect a significant market opportunity, with sequencing playing an essential part in growth. While the company is in talks with the regulatory authorities to find a long-term resolution, it now expects lower revenues from the region in 2025, driven by minimal instrument placements. Moreover, the region's broader macroeconomic headwinds have remained an issue for the past several months, stemming from geopolitical issues, COVID-related disruptions, and an increasingly challenging competitive landscape.
  - **Tough Funding Environment May Restrict Growth:** Among others, Illumina's revenues are subject to the timing and availability of its customers' funding. Recent changes in the regulatory environment affecting life sciences and pharmaceutical companies, and reduced allocations to government agencies that fund research and development activities, such as the U.S. National Institutes of Health (NIH) or targeted cancellations by the U.S. federal government of certain grants or contracts, can adversely affect its business and operational results. In the third quarter of 2025, consumables sales in the research and applied markets declined in the high single digits outside China, partly reflecting continued funding uncertainty.
  - **Tough Competition:** Illumina faces significant competition in the sequencing, SNP genotyping, gene expression, and molecular diagnostics markets with several large players already enjoying significant market share, intellectual property portfolios, and regulatory expertise. Such companies include the likes of Agilent Technologies, Pacific Biosciences of California, BGI, QIAGEN N.V., Roche Holding A.G., and Thermo Fisher Scientific, among others. With substantially greater financial, technical, research, and other resources and larger, more established marketing, sales, distribution, and service organization, these companies offer substantial challenges for Illumina. To compete effectively, the company must upgrade its organization and infrastructure appropriately and develop products with superior throughput, cost, and accuracy.
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Last Earnings Report

ILMN Q3 Earnings & Revenues Beat Estimates

Illumina reported third-quarter 2025 adjusted earnings per share of \$1.34, which topped the Zacks Consensus Estimate by 15.52%. The figure was up 17.5% on a year-over-year basis.

Including one-time items, the company's GAAP earnings per share was 98 cents, compared with \$4.03 in the year-ago period.

Revenues of \$1.08 billion was flat year over year, but exceeded the Zacks Consensus Estimate by 1.73%.

Illumina's 2025 Guidance

For 2025, the company now expects constant currency revenue decline in the range of (1.5%) to (0.5%), up from (2.5%) to (1.5%). Revenue growth outside of China is expected in the range of 0.5% - 1.5% on a constant currency basis. The Zacks Consensus Estimate for 2025 revenues currently stands at \$4.29 billion.

ILMN expects in the non-GAAP operating margin in the range of 22.75% - 23%, up from 22% - 22.5%.

Non-GAAP diluted earnings per share is expected in the range of \$4.65 - \$4.75, up from \$4.45 - \$4.55. The Zacks Consensus Estimate for the metric is currently pegged at \$4.71.

FY Quarter Ending 12/31/2024

Earnings Reporting Date	Oct 30, 2025
Sales Surprise	1.73%
EPS Surprise	15.52%
Quarterly EPS	1.34
Annual EPS (TTM)	4.36

## Recent News

### Illumina and MyOme Announce Collaboration: Dec. 11, 2025

Illumina and MyOme form collaboration deal, including strategic investment to support MyOme's clinical trial that could save US healthcare \$200 billion annually.

### Illumina's New Update on Illumina Protein Prep: Nov. 10, 2025

Illumina announced that Illumina Protein Prep is delivering the broadest coverage of the blood proteome on the market at the lowest cost per protein target for more than 40 customers across 16 sites globally.

### Illumina Launches New Solution: Oct. 15, 2025

Illumina announced the release of its novel 5-base solution, enabling researchers to pursue broader biological questions with accuracy and ease.

### Illumina Shares New Update on GeneDx: Oct. 15, 2025

Illumina's GeneDx is piloting the company's emerging constellation-mapped read technology, evaluating its performance on regions of the genome that traditional short-read technologies historically have not resolved.

### Illumina launches New Business: Oct. 1, 2025

Illumina launched BioInsight, a new business developed to meet industry demand for deeper biologic insights driven by the need of researchers and pharma companies to access and interpret ever larger-scale multiomic data.

## Valuation

Illumina shares are up 46.1% in the six-months period and up 0.1% in the trailing 12-month period. Stocks in the Zacks sub-industry is up 26% while the Zacks Medical sector is up 12.6% in the six-months period. Over the past year, the Zacks sub-industry is up 16.8% while sector is up 4.6%.

The S&P 500 index is up 15.6% in the six-months period and up 15.8% in the past year.

The stock is currently trading at 4.8X Forward 12-months sales, which compares to 1.9X for the Zacks sub-industry, 2.2X for the Zacks sector and 5.3X for the S&P 500 index.

Over the past five years, the stock has traded as high as 18.3X and as low as 2.5X, with a 5-year median 5.5X. Our Outperform recommendation indicates that the stock will perform above the market. Our \$157 price target reflects 5.5X forward 12-months sales.

The table below shows summary valuation data for ILMN.

Valuation Multiples - ILMN					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	4.76	1.92	2.16	5.27
	5-Year High	18.27	3.48	3.41	5.50
	5-Year Low	2.54	1.65	2.02	3.82
	5-Year Median	5.47	2.26	2.65	5.04
P/B TTM	Current	8.74	3.65	4.03	8.54
	5-Year High	15.70	5.93	6.09	9.15
	5-Year Low	2.49	2.92	3.58	6.59
	5-Year Median	5.38	3.66	4.54	8.04
EV/EBITDA F12M	Current	16.93	5.28	9.15	13.20
	5-Year High	68.80	7.85	13.39	18.55
	5-Year Low	9.41	4.38	8.20	11.42
	5-Year Median	35.20	5.92	10.52	14.51

As of 12/23/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 40% (98 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Agilent Technologies...(A)	Neutral	3
BioMarin Pharmaceuti...(BMRN)	Neutral	3
Bruker Corporation (BRKR)	Neutral	3
Emergent Biosolution...(EBS)	Neutral	3
Incyte Corporation (INCY)	Neutral	3
Myriad Genetics, Inc...(MYGN)	Neutral	3
QIAGEN N.V. (QGEN)	Neutral	3
Thermo Fisher Scient...(TMO)	Neutral	3

## Industry Comparison<sup>(1)</sup> Industry: Medical - Biomedical And Genetics

	ILMN	X Industry	S&P 500	INCY	QGEN	TMO
Zacks Recommendation (Long Term)	Outperform	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	1	-	-	3	3	3
VGM Score	B	-	-	A	C	D
Market Cap	20.68 B	179.50 M	39.21 B	19.72 B	10.11 B	217.58 B
# of Analysts	6	3	22	8	8	13
Dividend Yield	0.00%	0.00%	1.39%	0.00%	0.55%	0.30%
Value Score	D	-	-	B	C	C
Cash/Price	0.06	0.30	0.04	0.15	0.17	0.02
EV/EBITDA	-28.13	-1.66	14.70	41.21	25.98	21.32
PEG Ratio	-2.11	1.76	2.24	0.58	2.32	4.11
Price/Book (P/B)	8.68	2.85	3.34	4.24	2.77	4.26
Price/Cash Flow (P/CF)	28.85	18.16	15.40	181.43	14.19	19.28
P/E (F1)	28.65	18.82	19.90	14.59	19.29	25.47
Price/Sales (P/S)	4.82	6.73	3.12	4.10	4.88	4.97
Earnings Yield	3.48%	-17.57%	5.01%	6.85%	5.19%	3.93%
Debt/Equity	0.42	0.00	0.56	0.01	0.45	0.62
Cash Flow (\$/share)	4.69	-1.43	8.98	0.55	3.21	30.03
Growth Score	B	-	-	A	D	F
Hist. EPS Growth (3-5 yrs)	-19.54%	4.20%	8.16%	-15.90%	-4.58%	-2.43%
Proj. EPS Growth (F1/F0)	92.24%	17.86%	8.50%	537.04%	8.26%	4.03%
Curr. Cash Flow Growth	30.76%	-5.01%	6.86%	-84.58%	0.01%	-2.40%
Hist. Cash Flow Growth (3-5 yrs)	-9.27%	4.07%	7.48%	-27.68%	3.32%	9.64%
Current Ratio	1.43	4.22	1.18	3.20	2.60	1.50
Debt/Capital	29.45%	0.00%	38.01%	0.66%	30.84%	38.53%
Net Margin	16.40%	-125.36%	12.78%	24.69%	19.58%	15.02%
Return on Equity	29.21%	-66.57%	17.00%	26.56%	14.80%	16.97%
Sales/Assets	0.69	0.31	0.53	0.82	0.35	0.44
Proj. Sales Growth (F1/F0)	-2.00%	0.00%	5.84%	17.30%	5.10%	3.20%
Momentum Score	B	-	-	B	B	B
Daily Price Chg	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1 Week Price Chg	-0.07%	-1.33%	2.32%	7.63%	0.80%	-0.78%
4 Week Price Chg	4.24%	-1.75%	1.75%	-4.93%	-5.45%	-2.38%
12 Week Price Chg	36.27%	0.00%	3.23%	16.41%	-1.64%	10.32%
52 Week Price Chg	0.27%	-8.78%	14.81%	44.39%	-1.76%	9.85%
20 Day Average Volume	1,551,724	385,148	2,745,060	2,108,692	1,124,542	1,537,909
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.03%	0.00%	0.00%	0.00%	0.00%	0.02%
(F1) EPS Est 12 week change	4.53%	1.02%	0.64%	14.35%	0.82%	0.98%
(Q1) EPS Est Mthly Chg	0.18%	0.00%	0.00%	0.00%	0.00%	0.05%



## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	<b>D</b>
Growth Score	<b>B</b>
Momentum Score	<b>B</b>
VGM Score	<b>B</b>

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

## Disclosures

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