PacBio

PacBio Q3 2025 Earnings Presentation

November 5, 2025 | Third Quarter 2025 Earnings Call

Safe harbor and non-GAAP disclosures

Statement regarding use of non-GAAP financial measures

PacBio reports non-GAAP results for basic net income and loss per share, net income, net loss, gross margins, gross profit and operating expenses in addition to, and not as a substitute for, or because it believes that such information is superior to, financial measures calculated in accordance with GAAP. PacBio believes that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, other companies may calculate similarly titled non-GAAP measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of PacBio's non-GAAP financial measures as tools for comparison.

PacBio's financial measures under GAAP include substantial charges that are listed in the itemized reconciliations between GAAP and non-GAAP financial measures included in this presentation. PacBio excludes recurring charges from its non-GAAP financial statements, including amortization of intangible assets and changes in fair value of contingent consideration, and further excludes infrequent and limited charges including impairment charges, restructuring related expenses for discrete restructuring events and benefits from income taxes. Management has excluded the effects of these items in non-GAAP measures to assist investors in analyzing and assessing past and future operating performance. In addition, management uses non-GAAP measures to compare PacBio's performance relative to forecasts and strategic plans and to benchmark its performance externally against competitors.

PacBio 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. A reconciliation of PacBio's non-GAAP financial measures to their most directly comparable financial measure stated in accordance with GAAP has been provided in the financial statement tables included in this presentation. PacBio is unable to reconcile future looking non-GAAP guidance included in this presentation without unreasonable effort because certain items that impact this measure are out of PacBio's control and/or cannot be reasonably predicted at this time.

Statement regarding preliminary financial results

This presentation contains preliminary financial results which are unaudited and based on current expectations and may be adjusted as a result of, among other things, completion of quarterly review procedures.

Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and the U.S. Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking statements, including, but not limited to, statements relating to PacBio's costs and initiatives as well as the expected financial impact and timing of these plans and initiatives; PacBio's financial guidance and expectations for future periods; new and continued reception of PacBio's products and consumables and their expansion into new or existing markets; developments affecting our industry and the markets in which we compete, including the impact of new products and technologies and tariffs; anticipated future customer use of our products; and the availability, uses, accuracy, coverage, advantages, quality or performance of, or benefits or expected benefits of using, PacBio products or technologies. Reported results and orders for any instrument system should not be considered an indication of future performance. You should not place undue reliance on forward-looking statements because they are subject to assumptions, risks, and uncertainties and could cause actual outcomes and results to differ materially from currently anticipated results, including, but not limited to, challenges inherent in developing, manufacturing, launching, marketing and selling new products, and achieving anticipated new sales; potential cancellation of existing instrument orders; assumptions, risks and uncertainties related to the ability to attract new customers and retain and grow sales from existing customers; risks related to PacBio's ability to successfully execute and realize the benefits of acquisitions; the impact of new, increased or enhanced tariffs and export restrictions; rapidly changing technologies and extensive competition in genomic sequencing; unanticipated increases in costs or expenses; interruptions or delays in the supply of components or materials for, or manufacturing of, PacBio products and products under development; potential product performance and quality issues and potential delays in development timelines; the possible loss of key employees, customers, or suppliers; customers and prospective customers curtailing or suspending activities using PacBio's products; third-party claims alleging infringement of patents and proprietary rights or seeking to invalidate PacBio's patents or proprietary rights; risks associated with international operations; and other risks associated with general macroeconomic conditions and geopolitical instability. Additional factors that could materially affect actual results can be found in PacBio's most recent filings with the Securities and Exchange Commission, including PacBio's most recent reports on Forms 8-K, 10-K, and 10-Q, and include those listed under the caption "Risk Factors." These forward-looking statements are based on current expectations and speak only as of the date hereof; except as required by law, PacBio disclaims any obligation to revise or update these forward-looking statements to reflect events or circumstances in the future, even if new information becomes available.

The unaudited condensed consolidated financial statements that follow should be read in conjunction with the notes set forth in PacBio's Quarterly Report on Form 10-Q when filed with the Securities and Exchange Commission.

Business & Commercial Updates

Christian Henry, President & CEO

Q3 2025

Summary

$38.4M
Total Revenue

(3%) Q/Q
(4%) Y/Y

$21.3M
Consumable Revenue

12% Q/Q
15% Y/Y

- Record quarter
- ~$236,000 annualized Revio pull-through, near high-end of our guidance range

$11.3M
Instrument Revenue

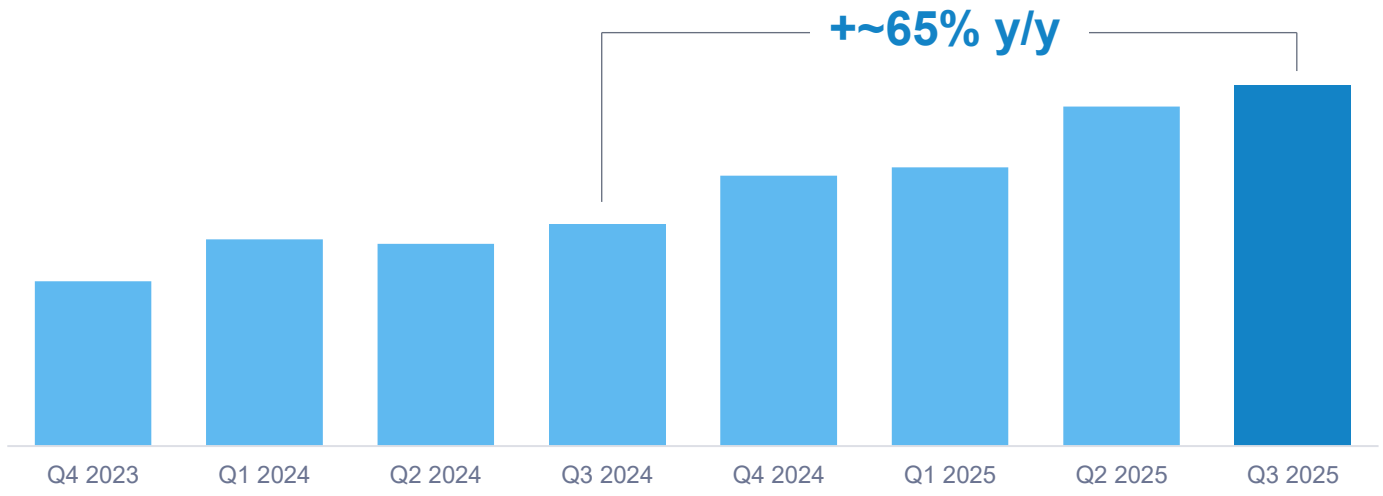
(20%) Q/Q
(33%) Y/Y

- Vega shipments below forecast, particularly in Europe

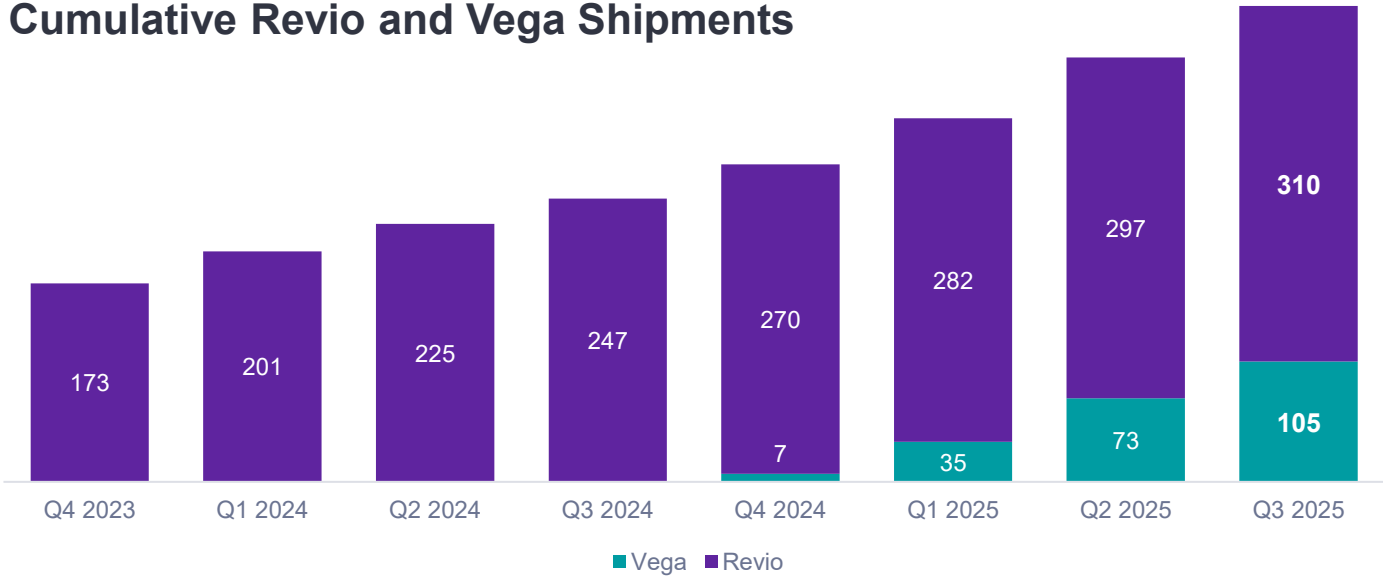
13 **Revio Systems**
~75% to new customers

32 **Vega Systems**
~60% to new customers

Sequencing Gigabase Output



Cumulative Revio and Vega Shipments



Sequel® II CNDx received Class III Medical Device Registration approval through long-standing partnership with Berry Genomics

Approval enables clinicians in China to harness PacBio HiFi sequencing for challenging conditions

Berry's initial launch

Sequel II CNDx system, which will run their recently approved thalassemia test

Berry's plans for expansion

More clinical assays like congenital adrenal hyperplasia, fragile X syndrome, spinal muscular atrophy, Duchenne muscular dystrophy, and other complex single-gene disorders and panels

Berry Genomics 贝瑞基因

First known regulatory approval of a clinical long-read sequencer anywhere in the world

Additional key clinical highlights

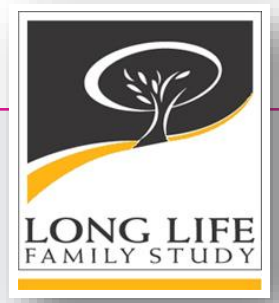
1st major study published demonstrating clinical power of HiFi genomes

In study published by HiFi Solves EMEA Consortium, PacBio HiFi sequencing, combined with Paraphase, a dedicated haplotype-based variant caller, **uncovered all known clinically relevant variants present** in the study population.

Expanding clinical footprint

Growing role in clinical research genomics with new assay for **genetic disease diagnosis** launched at Children's Mercy Hospital. PacBio launched enhanced Pure Target portfolio, which can be used for **high-throughput carrier screening**.

HiFi sequencing selected for new large-scale studies



National Institute on Aging's Long Life Family Study

Up to 7,800 whole genomes and epigenomes to be sequenced on our Revio system, powering one of the largest studies of healthy aging to date

Korean Pangenome Reference Project led by KCDC

Targeting to sequence more than 1,000 Korean genomes. Will be used for global reference standards, advancing disease research and precision medicine

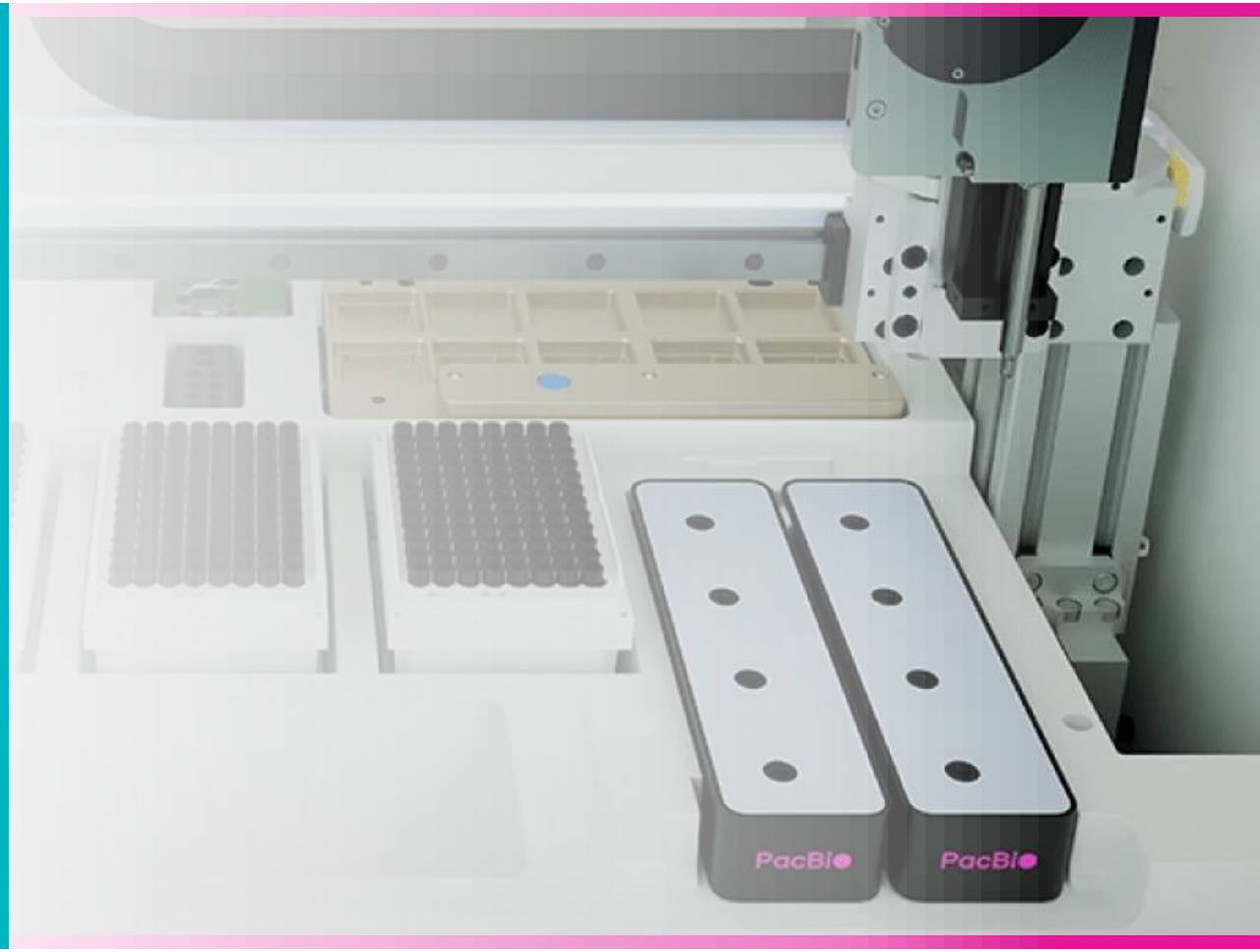
Unveiled new SPRQ-Nx chemistry at ASHG with launch planned for 2026

SPRQ-Nx

Designed to deliver the most complete view of the genome for **less than $300 per genome at scale**

- **Multi-use SMRT cells**
  Intended to reduce the cost of sequencing for customers and improves PacBio's gross margins
- **Expanded multiomic capabilities**
  Expected to improve methylation calling performance with the added ability to call methyl-hydroxy C
- **Increases throughput**
  Can further improve economics

Beta testing program for Revio customers expected to begin in November 2025 and move into early access in Q1 2026



Broadening HiFi sequencing applications with key collaborations

New addition to PacBio Compatible program enables scientists to connect genetic variation with gene regulation, advancing research in rare disease and cancer

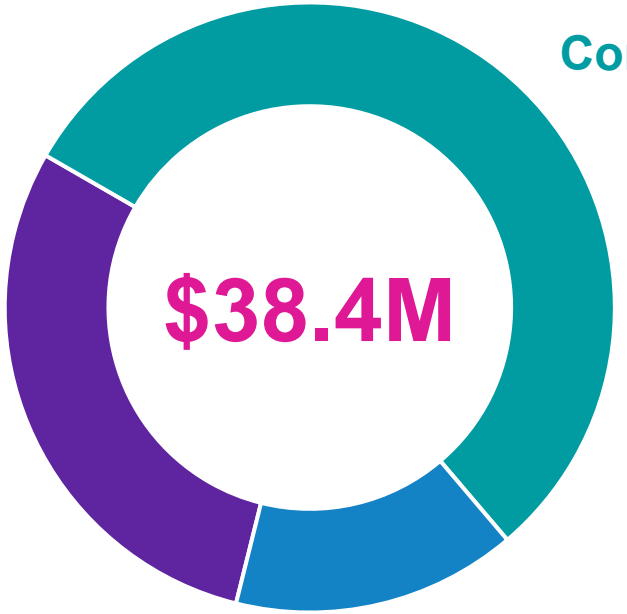
PacBio will distribute seqWell's LongPlex Kit, a scalable, easy-to-use sample preparation solution designed for HiFi sequencing

Financial Results

Jim Gibson, Chief Financial Officer

Q3 2025 Revenue Commentary

Product & Service

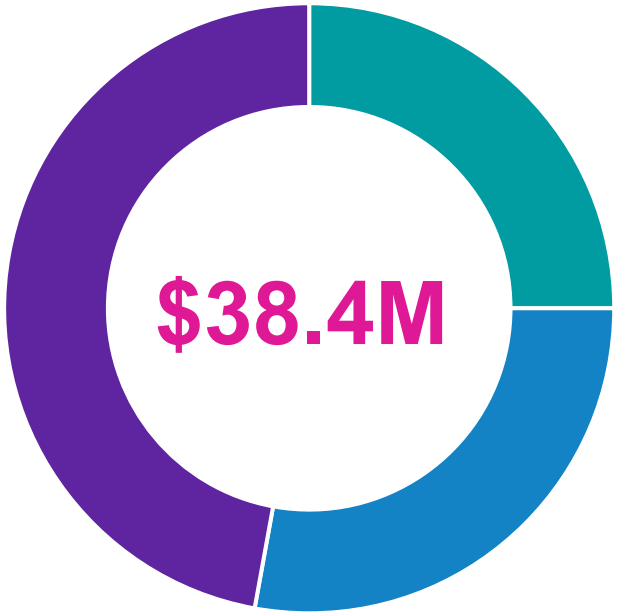


Consumables
$21.3M
15% Y/Y
12% Q/Q

Instruments
$11.3M
(33% Y/Y)
(20% Q/Q)

Service + Other
$5.8M
25% Y/Y
(13% Q/Q)

Regional



Asia Pacific
$9.6M
(11% Y/Y)
(24% Q/Q)

Americas
$18.1M
(10% Y/Y)
2% Q/Q

EMEA
$10.7M
18% Y/Y
14% Q/Q

Q3 2025 non-GAAP[1] financial highlights

Non-GAAP Measures	Q3 2025	Q3 2024
Non-GAAP Gross Profit	$16.2M	$13.0M
Non-GAAP Gross Margin	42%	33%
Non-GAAP Operating Expenses	$53.9M	$62.4M
Non-GAAP Net Loss	($36.8M)	($46.0M)
Non-GAAP Basic Net Loss Per Share	($0.12)	($0.17)

	Sept 30, 2025	June 30, 2025	Dec 31, 2024
Cash & Investments	$298.7M	$314.7M	$389.9M

[1]See Appendix for statement regarding use of non-GAAP financial measures

2025 Guidance

Q4 2025 Revenue Guidance

+10%

Q/Q Growth

Driven by higher Revio placements and continuation of consumables strength

FY 2025 Revenue Guidance

$155 - $160M

Narrowing revenue guidance range

Non-GAAP Gross Margin

> 40%

Cash & Investments

> $270M

Cash Burn

~ $115M

Closing remarks

Christian Henry, President and CEO

We believe PacBio is positioned to deliver long-term value to all stakeholders

1. HiFi technology is fundamentally different from anything else in the market

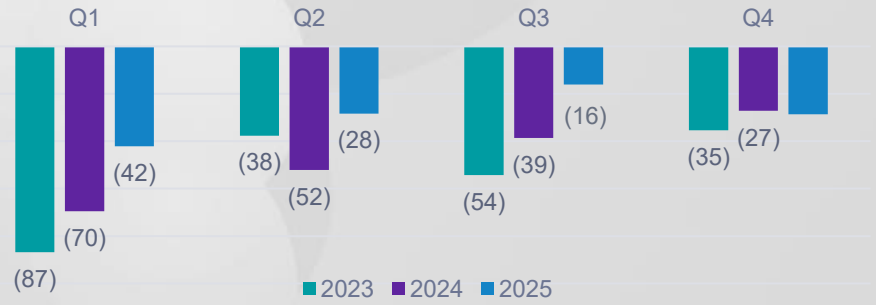
- Long reads up to 25 kb in length
- High accuracy
- Comprehensive coverage
- Direct single-molecule sequencing
- Methylation with no special library prep

2. SPRQ-Nx with multi-use SMRT cells is designed to dramatically improve the economics for long-read sequencing, enabling our customers to take full advantage of this technology

SPRQ-Nx

3. Investing efficiently by focusing on our strategic priorities, meaningfully reducing our burn and are tracking toward our goal of turning CF+ as we exit 2027

Change in quarterly cash/investment balance in $M – adjusted[1]



[1]Net change in cash/investments **excludes:** 1Q23: $189.2M net financing proceeds; 2Q23: $7.4M debt issuance costs in connection with refinancing convertible notes; 3Q23: $7.7M in cash related to Apton acquisition; 3Q23/4Q23: $101M cash paid to former Omniome shareholders in connection with milestone achievement; 4Q24: $54M debt exchange; 1Q25: $5.0M license pmt; **Includes:** all severance, WARN and restructuring pmts; Q4 2025 directional representation based on guidance.

PacBio

MISSION

Enabling the promise of genomics to better human health

We create the world’s most advanced sequencing technologies

Appendix

Pacific Biosciences of California, Inc.
Unaudited Condensed Consolidated Statements of Operations

(in thousands, except per share amounts)	Three Months Ended		
	September 30, 2025	June 30, 2025	September 30, 2024
Revenue:			
Product revenue	$ 32,597	$ 33,083	$ 35,296
Service and other revenue	5,844	6,683	4,671
Total revenue	38,441	39,766	39,967
Cost of Revenue:			
Cost of product revenue [1]	19,204	20,022	23,278
Cost of service and other revenue	3,078	4,853	3,484
Amortization of acquired intangible assets	183	183	3,201
Loss on purchase commitment [1]	75	24	—
Total cost of revenue	22,540	25,082	29,963
Gross profit	15,901	14,684	10,004
Operating Expense:			
Research and development	22,846	22,529	25,516
Sales, general and administrative [1]	31,099	36,175	43,746
Amortization of acquired intangible assets	833	833	3,649
Change in fair value of contingent consideration [2]	—	—	1,170
Total operating expense	54,778	59,537	74,081
Operating loss	(38,877)	(44,853)	(64,077)
Interest expense	(1,739)	(1,738)	(3,538)
Other income, net	2,999	4,696	6,890
Loss before income taxes	(37,617)	(41,895)	(60,725)
Income tax provision	383	35	—
Net loss	$ (38,000)	$ (41,930)	$ (60,725)
Net loss per share:			
Basic	$ (0.13)	$ (0.14)	$ (0.22)
Diluted	$ (0.13)	$ (0.14)	$ (0.22)
Weighted average shares outstanding used in calculating net loss per share:			
Basic	300,844	300,162	272,915
Diluted	300,844	300,162	272,915

[1] Balances include restructuring costs. Refer to the Reconciliation of Non-GAAP Financial Measures table below for additional information on such costs and related amounts.

[2] Change in fair value of contingent consideration for the three months ended September 30, 2024 was due to fair value adjustments of a milestone payment payable upon the achievement of a milestone event.

Pacific Biosciences of California, Inc.
Unaudited Condensed Consolidated Statements of Operations

(in thousands, except per share amounts)	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Revenue:				
Product revenue	$ 32,597	$ 35,296	$ 96,793	$ 102,051
Service and other revenue	5,844	4,671	18,567	12,739
Total revenue	38,441	39,967	115,360	114,790
Cost of Revenue:				
Cost of product revenue [1]	19,204	23,278	65,559	68,808
Cost of service and other revenue	3,078	3,484	11,709	10,588
Amortization of acquired intangible assets	183	3,201	4,711	7,172
Loss on purchase commitment [1]	75	—	4,167	998
Total cost of revenue	22,540	29,963	86,146	87,566
Gross profit	15,901	10,004	29,214	27,224
Operating Expense:				
Research and development [1]	22,846	25,516	74,428	107,456
Sales, general and administrative [1]	31,099	43,746	107,442	133,376
Impairment charges [2]	—	—	15,000	93,200
Amortization of acquired intangible assets [3]	833	3,649	363,708	13,377
Change in fair value of contingent consideration [4]	—	1,170	(18,700)	1,100
Total operating expense	54,778	74,081	541,878	348,509
Operating loss	(38,877)	(64,077)	(512,664)	(321,285)
Interest expense	(1,739)	(3,538)	(5,214)	(10,655)
Other income, net	2,999	6,890	11,989	19,718
Loss before income taxes	(37,617)	(60,725)	(505,889)	(312,222)
Income tax provision	383	—	116	—
Net loss	$ (38,000)	$ (60,725)	$ (506,005)	$ (312,222)
Net loss per share:				
Basic	$ (0.13)	$ (0.22)	$ (1.69)	$ (1.15)
Diluted	$ (0.13)	$ (0.22)	$ (1.69)	$ (1.15)
Weighted average shares outstanding used in calculating net loss per share:				
Basic	300,844	272,915	299,303	271,631
Diluted	300,844	272,915	299,303	271,631

[1] Balances include restructuring costs. Refer to the Reconciliation of Non-GAAP Financial Measures table below for additional information on such costs and related amounts.

[2] In-process research and development ("IPR&D") impairment charge during the nine months ended September 30, 2025 was driven primarily by macroeconomic factors and restructuring initiatives, including the focus on long-read innovation, resulting in changes to the timing and amounts of cash flows. Goodwill impairment charge during the nine months ended September 30, 2024 was related to a sustained decrease in the Company's share price, among other factors.

[3] Balance for the nine months ended September 30, 2025 includes accelerated amortization of acquired intangible assets related to restructuring initiatives. Refer to the Reconciliation of Non-GAAP Financial Measures table below for additional information on such costs and related amounts.

Pacific Biosciences of California, Inc.
Unaudited Condensed Consolidated Balance Sheets

(in thousands)	September 30, 2025	December 31, 2024
Assets		
Cash and investments	$ 298,654	$ 389,931
Accounts receivable, net	30,616	27,524
Inventory, net	53,153	58,755
Prepaid expenses and other current assets	11,513	18,781
Property and equipment, net	22,127	30,505
Operating lease right-of-use assets, net	42,583	16,091
Restricted cash	1,832	2,222
Intangible assets, net	16,143	389,572
Goodwill	317,761	317,761
Other long-term assets	8,776	9,305
Total Assets	$ 803,158	$ 1,260,447
Liabilities and Stockholders' Equity		
Accounts payable	$ 16,362	$ 16,590
Accrued expenses	29,172	22,595
Deferred revenue	20,449	19,764
Operating lease liabilities	54,921	24,940
Contingent consideration liability	—	18,700
Convertible senior notes, net	645,159	647,494
Other liabilities	1,005	3,770
Stockholders' equity	36,090	506,594
Total Liabilities and Stockholders' Equity	$ 803,158	$ 1,260,447

Pacific Biosciences of California, Inc.
Reconciliation of Non-GAAP Financial Measures

(in thousands, except per share amounts)	Three Months Ended			Nine Months Ended	
	September 30, 2025	June 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
GAAP net loss	$ (38,000)	$ (41,930)	$ (60,725)	$ (506,005)	$ (312,222)
Change in fair value of contingent consideration [1]	—	—	1,170	(18,700)	1,100
Impairment charges [2]	—	—	—	—	93,200
Amortization of acquired intangible assets	1,016	1,016	6,850	9,160	20,549
Income tax benefit [3]	—	—	—	(546)	—
Restructuring [4]	137	963	6,701	394,888	24,729
Non-GAAP net loss	$ (36,847)	$ (39,951)	$ (46,004)	$ (121,203)	$ (172,644)
GAAP basic net loss per share	$ (0.13)	$ (0.14)	$ (0.22)	$ (1.69)	$ (1.15)
Change in fair value of contingent consideration [1]	—	—	—	(0.06)	—
Impairment charges [2]	—	—	—	—	0.34
Amortization of acquired intangible assets	—	—	0.03	0.03	0.08
Restructuring [4]	—	—	0.02	1.32	0.09
Other adjustments and rounding differences	0.01	0.01	—	—	—
Non-GAAP basic net loss per share	$ (0.12)	$ (0.13)	$ (0.17)	$ (0.40)	$ (0.64)
GAAP gross profit	$ 15,901	$ 14,684	$ 10,004	$ 29,214	$ 27,224
Amortization of acquired intangible assets	183	183	3,201	4,711	7,172
Restructuring [4]	71	348	(207)	12,446	4,443
Non-GAAP gross profit	$ 16,155	$ 15,215	$ 12,998	$ 46,371	$ 38,839
GAAP gross profit %	41 %	37 %	25 %	25 %	24 %
Non-GAAP gross profit %	42 %	38 %	33 %	40 %	34 %
GAAP total operating expense	$ 54,778	$ 59,537	$ 74,081	$ 541,878	$ 348,509
Change in fair value of contingent consideration [1]	—	—	(1,170)	18,700	(1,100)
Impairment charges [2]	—	—	—	—	(93,200)
Amortization of acquired intangible assets	(833)	(833)	(3,649)	(4,449)	(13,377)
Restructuring [4]	(66)	(615)	(6,908)	(382,442)	(20,286)
Non-GAAP total operating expense	$ 53,879	$ 58,089	$ 62,354	$ 173,687	$ 220,546

[1] Change in fair value of contingent consideration during the nine months ended September 30, 2025 and the three and nine months ended September 30, 2024 was due to fair value adjustments of milestone payments payable upon the achievement of the respective milestone event.

[2] Goodwill impairment charge during the nine months ended September 30, 2024 was related to a sustained decrease in the Company's share price, among other factors.

[3] A deferred income tax benefit during the nine months ended September 30, 2025 is primarily related to the change in the deferred tax liability balance resulting from the accelerated amortization of acquired intangible assets and impairment of IPR&D.

[4] Restructuring costs related to the 2025 plan during the three months ended June 30, 2025 and September 30, 2025 and the nine months ended September 30, 2025 consist primarily of costs included in cost of revenue related to excess inventory and purchase commitment losses, as well as costs included in operating expenses related to employee separation, accelerated depreciation, IPR&D impairment, and accelerated amortization of acquired intangibles.

Restructuring costs related to the 2024 plan during the three and nine months ended September 30, 2024 consist primarily of employee separation costs, accelerated amortization and depreciation for right-of-use assets, leasehold improvements, and furniture and fixtures relating to the abandonment of the San Diego office, including charges for excess inventory due to a decrease in internal demand relating to the expense reduction initiatives.

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