

Cassie Corneau**Senior Director, Head of Investor Relations and Strategic Finance**

Thank you and good afternoon, everyone. Earlier today, 10x Genomics released financial results for the fourth quarter and full year ended December 31, 2024. If you have not received this news release, or if you would like to be added to the company's distribution list, please send an email to investors@10xgenomics.com. An archived webcast of this call will be available on the investor tab of the company's website, [10xgenomics.com](https://www.10xgenomics.com), for at least 45 days following this call.

Before we begin, I'd like to remind you that management will make statements during this call that are forward looking statements within the meaning of Federal Securities Laws. These statements involve material risks and uncertainties that could cause actual results or events to materially differ from those anticipated and you should not place undue reliance on forward-looking statements. Additional information regarding these risks, uncertainties, and factors that could cause results to differ appears in the press release 10x Genomics issued today – and in the documents and reports filed by 10x Genomics from time to time with the Securities and Exchange Commission.

10x Genomics disclaims any intention or obligation to update or revise any financial projections or forward-looking statements, whether because of new information, future events or otherwise.

Joining the call today are: Serge Saxonov, our CEO and Co-Founder and Adam Taich, our Chief Financial Officer.

We will host a question-and-answer session after our prepared remarks. We ask analysts to please keep to one question so that we may accommodate everyone in the queue.

With that, I will now turn the call over to Serge.

Serge Saxonov**Chief Executive Officer, Co-founder**

Thanks, Cassie, and good afternoon, everyone. During today's call, I'll start with a brief overview of the product launches and foundational progress we made in 2024 and why we have a great set-up to execute on our long-term strategy. Next, I will highlight our key priorities and focus areas for 2025. Then, Adam will provide a more detailed look at our financial results, business trends and revenue guidance for the year. Adam will also touch on recent developments around the academic funding environment.

As previously announced, we finished 2024 with total revenue of \$611 million, down 1% compared to the prior year. On the background of an increasingly challenging macroenvironment, 2024 was a year of change for us.

- First, we launched major new products across all three of our platforms. While this did entail extra effort from both our sales team and our customers to understand, trial and transition over to the new portfolio, these launches have been met with a tremendous customer response.

- Second, within our single cell portfolio, we introduced a number of new products that deliver lower price per cell and per sample. We believe there is great potential to grow single cell revenue by reducing prices to increase volumes over time.
- And finally, we embarked on a major reorganization of our sales force, to support the growing diversity of our products and customers and to allow us to scale into the future.

While all of these changes entailed some near-term challenges, we are confident that they better position us to capture the tremendous long-term opportunity we see ahead.

I'll start with the product innovations we introduced in 2024.

First, on our Chromium platform. Last year was the biggest year of Chromium product launches in our history. We introduced a new microfluidic architecture, GEM-X, and a slate of new products and capabilities. Once again, we raised the bar on performance, on data quality, on robustness, on scale. We rolled out powerful, new capabilities to improve ease of use, sample prep and data analysis. And we did it all with products at lower prices.

We also established a new standard for scale and cost. Customers can now run million cell experiments with a single chip and in a single run. They can also do so at a price point of 1 cent per cell with our GEM-X Flex assay. And with our On-Chip Multiplexing products, customers can now get down to \$600 per sample, at any scale. We also launched Chromium Xo, an instrument that provides a low-cost entry point so more researchers can access instrument-powered workflows and performance advantages of Chromium single cell analysis.

Our goal is to democratize single cell; to drive it to ubiquity and routine use. This past year, we took major steps in this direction, both in product capabilities and pricing.

The average price per Chromium reaction decreased as we proceeded through 2024. This was expected, as customers transitioned over to our lower-priced GEM-X products. The drop was more pronounced in Q4, the first quarter in which GEM-X Flex and On-Chip Multiplexing became available to customers. In conjunction with lower prices, we saw sequential increases in reactions sold throughout the year. While we expect it will take time for volume growth to offset the lower prices and result in overall revenue growth, we are motivated by the early interest and adoption of our new assays.

Turning to Spatial. 2024 was also a big year for our Spatial platforms, with product revenue growing 33% year-over-year as the portfolio continues to become a larger portion of our overall business. A significant contributor to the excitement for spatial last year was the new products we launched, notably Visium HD and Xenium Prime 5K.

Within our Visium platform, we launched Visium HD, which brings spatial discovery to a new level by enabling whole transcriptome spatial analysis at single cell-scale resolution. Critically enabled by our CytAssist instrument, Visium HD increases the resolution of the Visium platform by over three orders of magnitude, all while leveraging the same robust and easy-to-use workflow that the Visium platform is known for. Since its launch, we've continued to see positive momentum from our customers. In the fourth quarter, customers continued the trend of ordering Visium in larger volumes and new-to-Visium customers are now overwhelmingly opting for Visium HD.

We also continued to execute on our robust Xenium R&D pipeline across our assays, applications and software. We started the year by launching our widely requested Multimodal Cell Segmentation kit, which leverages advances in assay chemistry and sophisticated machine learning algorithms to significantly improve the determination of cell boundaries. We also added new content, expanded sample compatibility and drove major

advances in data analysis. Finally, we launched Xenium Prime 5K, increasing plex by an order of magnitude to 5,000 genes. Xenium Prime 5K features brand new chemistry and software to deliver excellent per-gene sensitivity, specificity and spatial fidelity.

The enthusiasm from customers for these launches only adds to our excitement about the Xenium platform and its long-term potential to be the most significant technology revolution since the arrival of NGS. We are encouraged by the robust utilization trends we are seeing from researchers and by reorders from customers purchasing additional Xenium systems as they experience firsthand the platform's benefits. In addition, there's been a growing number of publications and a coalescence of interest from researchers who are planning cohort studies on Xenium, further fueling our conviction in the opportunity ahead.

Both Visium HD and Xenium 5K have been met with exceptional feedback. In fact, one customer called the arrival of these technologies a "watershed moment" in spatial transcriptomics, revealing biological complexity at unprecedented resolution. We share our customers' excitement and belief in spatial's potential in scientific discovery, translational work and ultimately clinical applications.

Alongside the product innovations we introduced in 2024, we also embarked on a major reorganization of our salesforce in order to realize the full potential of our expanding product portfolio and evolving customer mix. As mentioned on our Q3 call, we created greater specialization by establishing our capital equipment, biopharma and emerging account teams – all with the goal of improving focus and creating more defined roles with targeted incentives.

We've made meaningful progress with our new sales model since its introduction. While we still have open roles to fill, we're gaining traction with hiring and onboarding. Our team is creating new opportunities at a faster pace. And, we're bringing more consistent attention across customer accounts of all sizes, in both biopharma and academia. Overall, we believe we are on track for our new sales model to be in full force by mid-year, as expected.

As we kick off 2025, we are executing against several key priorities:

- First, finishing our commercial transformation and transitioning researchers to our new product portfolio. Our goal is to start taking advantage of the benefits that these foundational changes enable and deliver consistent execution, quarter after quarter.
- Second, we are working to drive more volume and greater use of Single Cell through lower prices. We firmly believe in the elasticity of demand for our products. That's why we're working to democratize access to our tools – Delivering better products, better workflows and better pricing so more customers can do more single cell work more routinely.
- Third, we plan to leverage our new single cell portfolio and the momentum we have in spatial to unlock exciting new growth opportunities, including in biopharma, translational studies and large-scale single cell projects. Let me share a bit more about each of these.
 - We believe we have the opportunity to deliver outsized growth in biopharma. Today, this segment makes up around 15-20% of our total revenue, and we intend to expand biopharma to be half of our business in the future.

- In addition, there has been rapidly growing interest in using Single Cell and Spatial for translational cohort studies, and we believe it's still early days. As we look forward, we expect both the number and scale of such studies to continue to increase, as researchers work to transform how we understand, diagnose and treat disease.
- Another significant growth opportunity is in enabling large-scale single cell studies to map out gene functions and construct AI models of biology. The convergence of our technologies and AI has the potential to transform how research is done. Just last week, for example, the Chan Zuckerberg Initiative launched its unprecedented Billion Cells Project. We are extremely proud to partner with both CZI and Ultima Genomics on this landmark initiative to fuel rapid progress in AI model development in biology.
- And finally, as we move through 2025, we will continue our focus on managing costs, taking a disciplined approach to spending so we can maintain the strength of our balance sheet.

When you take a step back, it is clear just how vast and powerful the opportunities for single cell and spatial truly are. It seems not a week goes by without a new, exciting revelation being made using our technologies. Let me highlight just a few that have inspired and motivated our team recently:

- As featured in *Nature* last month, researchers relied on Chromium, Visium and Xenium to demonstrate how different immune cells emerge and are deployed to fight infection in the small intestine.
- In a recent *Nature Cancer* paper focused on diagnostic markers in brain tumors, the authors demonstrated how spatial transcriptomics, previously restricted to research, “now shows potential in routine diagnostics.”
- And it's not just scientific journals taking note of the revolutionary potential of our technologies. Recently, *The Atlantic* described a goal of our work – the virtual cell – as “a holy grail of science.”

The potential of our tools to accelerate the mastery of biology and advance human health has never been more clear. That's why we do what we do. That's why we believe the opportunity in front of us is so large.

With that, let me turn it over to Adam.

Adam Taich **Chief Financial Officer**

Thank you, Serge.

I'll start by reviewing our financial results for the three months ended December 31, 2024. Then I'll review our financial results for the full year 2024 and I'll finish by discussing our outlook for 2025. All growth rates provided will be on a year-over-year basis, unless otherwise noted.

In line with our previously announced preliminary results, total revenue for the quarter was \$165.0 million, an increase of 9% sequentially and a 10% decrease year over year.

Looking at our revenue breakout, total consumables revenue was \$133.5 million, down 5%. Chromium consumables revenue was \$97.7 million, down 17%, driven by lower reaction prices, and Spatial consumables revenue was \$35.8 million, up 61%.

Moving onto instruments, total instrument revenue decreased 37% to \$24.4 million. Chromium instrument revenue was \$10.9 million, down 2% and Spatial instrument revenue was down 51% to \$13.4 million, driven by fewer Xenium instruments sold.

Services revenue was \$7.1 million, up 35%.

Looking at our revenue by geography, Americas decreased 16% to \$87.2 million. EMEA decreased 2% to \$49.8 million and revenue in APAC was down 5% to \$28 million.

Turning to the rest of the income statement. Gross profit for the fourth quarter was \$111.0 million compared to \$115.8 million for the prior year period. Gross margin increased to 67% from 63% in the fourth quarter of 2023. This was primarily driven by change in product mix, predominantly fewer Xenium instruments sold.

Total operating expenses for the fourth quarter decreased to \$160.8 million compared to \$171.0 million for the prior year period. This decrease was primarily driven by a \$19.6 million in-process research and development expense related to a technology acquisition in the prior year period, partially offset by an increase in outside legal expenses.

R&D expenses increased to \$67.0 million, compared to \$65.3 million for the prior year period, primarily driven by higher laboratory materials and supplies.

SG&A expenses increased to \$93.8 million, compared to \$86.1 million for the prior year period, primarily driven by increased outside legal expenses.

Operating loss for the fourth quarter was \$49.8 million compared to a loss of \$55.2 million in the fourth quarter last year.

Net loss for the period was \$49.0 million, flat to the fourth quarter of 2023.

Turning to our full year results.

Total revenue for the full year ended December 31, 2024 was \$610.8 million, representing a 1% decrease over full year 2023.

Total consumables revenue for the year was \$493.4 million, up 3%. Chromium consumables revenue was \$372.3 million, down 11% and Spatial consumables revenue was \$121.1 million, up 104%.

Total instrument revenue was \$92.7 million, down 25%. Chromium instrument revenue was \$35.2 million, down 26%, and Spatial instrument revenue was \$57.5 million, down 24%.

Services revenue was up 57% to \$24.6 million.

Looking at our regional results for full year 2024, Americas revenue was \$347.8 million, down 7%. EMEA grew 12% to \$159.8 million. And revenue in APAC was \$103.3 million, flat to prior year.

Turning to the rest of the income statement for full year 2024. Gross profit was \$414.5 million compared to gross profit of \$409.3 million for the prior year. Gross margin increased to 68% compared to 66% for 2023. This was primarily driven by change in product mix, predominantly fewer Xenium instruments sold.

Total operating expenses for 2024 decreased to \$609.0 million compared to \$674.6 million for the prior year. The decrease was primarily driven by a \$61.0 million in-process research and development expense related to a technology acquisition in the prior year period and lower personnel expenses, partially offset by higher outside legal expenses.

R&D expenses decreased to \$264.7 million compared to \$270.3 million for the prior year, primarily driven by lower personnel related costs.

SG&A expenses increased to \$344.3 million compared to \$343.3 million for the prior year, primarily driven by increased outside legal expenses, partially offset by lower personnel related costs.

Operating loss for 2024 was \$194.6 million, compared to a loss of \$265.3 million for 2023.

Net loss for 2024 was \$182.6 million, compared to a net loss of \$255.1 million for 2023.

We ended 2024 with \$393.4 million in cash and cash equivalents and marketable securities, an increase of approximately \$5 million from December 31, 2023.

Turning to our outlook for 2025, we expect full year revenue to be in the range of \$610 million to \$630 million, representing 0% to 3% growth over full year 2024. At the midpoint, this guidance implies double-digit growth for both Chromium reactions, as well as our overall Spatial revenue.

With this outlook, we are making the following assumptions:

- First, we are not anticipating improvements in the overall macro environment and generally expect it remains similar to what we experienced in the second half of last year. That said, it has been a very fluid situation over the past few weeks and days, with heightened uncertainty surrounding NIH funding. As we've shared previously, we estimate total NIH funding exposure to be about 20-25% of our revenue. Our guidance range contemplates previously anticipated weakness in NIH-funded research, based on delays and reductions in new grant funding and how broader uncertainty around funding may impact customers' budgets and spending patterns. However, the current guidance range does not reflect the potential impact of the recently announced 15% cap on indirect costs, should that be fully implemented.
- Second, our goal is to democratize single cell analysis, and we remain committed to driving increased access and usage of our products in customers' labs. We expect Chromium consumables revenue to be modestly down this year as our lower-priced products become a larger portion of our sales.
- And finally, we continue to execute on the commercial changes that we made last year. As previously discussed, we anticipate some lingering impact from these changes during the first half of 2025 as we fill open roles – particularly in our Xenium team. We have conviction that these were the right structural changes to make and remain on track to be fully complete by the middle of the year.

As Serge mentioned, we continue to focus on managing our spend. We are taking a disciplined approach to our expenses and are driving efficiencies throughout the organization.

We ended the year with \$393 million in cash and cash equivalents. We feel confident about our strong balance sheet and we are well-positioned for the long-term.

At this point, I'll turn it back to Serge.

Serge Saxonov
Chief Executive Officer, Co-founder

Thanks, Adam.

Before we open it up for questions, I want to thank the 10x team. I'm so grateful for your tireless work, unwavering dedication and obsession with customer success as we continue to push through boundaries and hard challenges together. I have full confidence in the talent and tenacity of our team as we execute on our 2025 priorities with urgency and excellence – the 10x way. That's how we'll advance our mission and create value for all stakeholders, both now and over the long term.

With that, we will now open it up for questions. Operator?

Forward Looking Statements

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the “safe harbor” created by those sections. All statements included in this communication, other than statements of historical facts, may be forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “might,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” “would,” “likely,” “seek” or “continue” or the negatives of these terms or variations of them or similar terminology, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements include statements regarding 10x Genomics, Inc.’s product momentum and progress, our expected performance advantages and benefits of using our products and services, customer enthusiasm and adoption of our products and our financial and commercial organizations, operations, results and performance, including our expectations regarding revenue and guidance. These statements are based on management’s current expectations, forecasts, beliefs, assumptions and information currently available to management, and actual outcomes and results could differ materially from these statements due to a number of factors. The material risks and uncertainties that could affect 10x Genomics, Inc.’s financial and operating results and cause actual results to differ materially from those indicated by the forward-looking statements made in this communication include those discussed under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the company’s most recently-filed 10-K and elsewhere in the documents 10x Genomics, Inc. files with the Securities and Exchange Commission from time to time.

Although 10x Genomics, Inc. believes that the expectations reflected in the forward-looking statements are reasonable, it cannot provide any assurance that these expectations will prove to be correct nor can it guarantee that the future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or occur. These forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments 10x Genomics may make. The forward-looking statements in this communication are based on information available to 10x Genomics, Inc. as of the date hereof, and 10x Genomics, Inc. disclaims any obligation to update any forward-looking statements provided to reflect any change in our expectations or any change in events, conditions, or circumstances on which any such statement is based, except as required by law. These forward-looking statements should not be relied upon as representing 10x Genomics, Inc.’s views as of any date subsequent to the date of this communication.