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, 2025. 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, 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.

Today I will start with an overview of our Q4 and 2025 performance. I will then talk about some of the key trends driving our business and how they position us well for future growth. Adam will then walk through the financials in more detail.

We delivered $166 million in revenue in the fourth quarter, exceeding the high end of our guidance range, and closed the year with $599 million in revenue, excluding $44 million of upfront revenue related to patent litigation settlements.

In the fourth quarter, the operating environment remained largely unchanged from Q3. Customer spending remained subdued and capital equipment purchases remained particularly constrained. The uncertainty in research funding dynamics continues to impact customer sentiment and timing of purchasing decisions. Despite this challenging backdrop, we saw a modest budget flush toward the end of the quarter and we continue to be encouraged by the solid underlying demand for our solutions.

As I reflect on 2025 overall, I am extremely proud of how the team executed throughout the year. While 2025 was challenging and, at times, highly unpredictable for our customers and the broader life sciences ecosystem, the team delivered consistently quarter after quarter. We made steady progress across the fundamental drivers of the business, advanced our product roadmap and strengthened our financial position.

First, we saw strong momentum in key metrics that are driving the fundamentals of the business. Single Cell consumables volumes grew at a double-digit rate each quarter, driven primarily by adoption of our newer, lower-cost products, including Flex and On-Chip Multiplexing. These products have expanded access, enabled new applications and supported increased experimental volume.

In Spatial, we delivered double-digit consumables revenue growth for the year, driven by Xenium momentum. Strong demand for Xenium translated into meaningful customer expansion throughout the year. At the same time, existing customers, including the earliest and largest users, continued to ramp their utilization. We are encouraged to see customers exploring new applications, running more experiments and expanding the scope of their studies.

Second, we delivered multiple product launches across both Single Cell and Spatial. Compared to even just two years ago, we have vastly expanded the capabilities of our platforms through continuous innovation.

Within Single Cell, the launch of our next-generation Flex assay in 2025, now branded as Flex Apex, represents a meaningful step change in the capabilities of the Chromium platform. Flex Apex combines exceptionally high performance with flexible inputs, including compatibility with FFPE and fixed whole blood. It supports both small exploratory experiments, as well as ones with high sample counts and large numbers of cells, making it well suited for massive-scale studies.

Flex Apex delivers these features at a lower cost per experiment and is enabling expanded access to single cell, driving increased reaction volumes and supporting broader adoption across our customer base. Over a short time, we believe Flex has become a foundational assay for several of the most important growth areas in the field, including large-scale AI and Virtual Cell efforts, translational cohort studies and biopharma discovery and development workflows. As a result, Flex became our most popular single cell assay by volume in the fourth quarter. We continue to hear strong feedback from customers on its ability to enable larger, more ambitious studies that were previously impractical. We look forward to seeing what our customers will accomplish as these studies progress.

We also had meaningful launches across our Spatial platforms in 2025. Within Visium, we launched Visium HD 3’ to enable researchers to conduct whole transcriptome analysis across a broader range of applications and sample types. We also launched HD cell segmentation to address a key challenge in spatial analysis, helping customers visualize tissue structure in more precise detail. Within Xenium, we launched RNA and Protein, enabling multimodal analysis on the same tissue section in a single, integrated workflow. Together, these launches significantly expand the capabilities of our Spatial portfolio.

As I mentioned last quarter, when it comes to Spatial, we have seen a strong and growing preference among our customers toward Xenium over other approaches. This trend has continued and will likely accelerate going forward. It is a reflection of both how well the technology works, as well as the abundance of insights that scientists are gaining from the platform. Based on the feedback from our customers, it’s becoming clear Xenium is the best choice for the vast majority of customers interested in Spatial.

And finally, we meaningfully strengthened our balance sheet over the course of the year. We grew our cash balance by more than $100 million year over year, reflecting disciplined cost management and focused execution across the business. We intend to continue to effectively manage costs and strategically invest in innovation and long-term growth.

As we look ahead to 2026 and beyond, we believe we are well positioned to build on the progress we have made, with several trends propelling growth going forward.

First, there has been rapid, parallel progress in AI and in the technologies used to measure biology. These two trends are highly complementary. Advances in single cell and spatial technologies have increased scale, lowered cost and made it possible to generate very large, high-quality biological datasets, while advances in AI are creating new demand for that data. Importantly, this represents a shift in how research is conducted, with AI increasingly acting as a driver of data generation rather than just a downstream analysis tool. We are seeing growing interest in large, well-controlled studies, including perturbation-based experiments, designed to capture complexity and resolve causality in biological systems.

The partnerships we have announced over the past year exemplify and validate these trends. We are supporting the Chan Zuckerberg Initiative's Billion Cells Project, which is generating unprecedented volumes of single cell data to fuel AI-driven biological discovery. We are also working with the Arc Institute on the Virtual Cell Atlas, using large-scale perturbation data generated on our platforms to train and validate next-generation models of cell behavior. In addition, our collaboration with the Cancer Research Institute is focused on building high-quality, well-controlled datasets to better understand immune responses and accelerate progress in immuno-oncology. Together, these efforts illustrate how our platforms are becoming foundational for AI applications in biology.

Another area that has become increasingly important for us and one we see as a meaningful growth driver going forward, is translational research. We are seeing growth in translational research for three fundamental reasons.

- First, in multiple therapeutic areas, like oncology and autoimmunity, we have an increasing number of therapies but only a limited understanding of which therapies are appropriate for which patient.
- Second, there is increasing evidence from literature that Single Cell and Spatial are very promising approaches for discovering actionable biomarkers and signatures of response.
- Third, our platforms have made big advances in scale, cost and robustness, as well as in compatibility with critical clinical samples, most importantly FFPE and whole blood. It is now straightforward to run large-scale cohort studies.

And this is precisely what many of our customers have been doing. We announced a number of initiatives last year with academic medical centers and with industry partners to undertake large-scale translational studies. Translational research is also an important driver of biopharma adoption. Single cell and spatial technologies have relevance *across* the drug development continuum, but the largest opportunity lies in later translational stages, where biomarker strategies are essential to understand patient response and potential toxicity. This is where our solutions can meaningfully improve the probability of success, and where we expect to increasingly focus our efforts.

And finally, as this translational work has been picking up, we are hearing growing interest from customers in applying our technologies to patient care. Based on that, as well as a growing body of scientific literature, we believe there is significant potential for single cell and spatial biology in diagnostic applications. Realizing that potential will require the generation of robust clinical evidence and deployment of these technologies in the clinical setting.

To enable clinical applications of single cell and spatial analysis, we are pursuing two parallel paths. First, we are continuing to support our customers in generating clinical evidence and will collaborate with them to enable clinical deployment in the future. In parallel, we believe we ourselves are in a unique position to accelerate the arrival of some of the highest impact diagnostics given our technology leadership, understanding of applications and strong position in the research ecosystem.

As part of that strategy, we recently announced two collaborations with leading academic medical centers to support clinical evidence generation. With Dana-Farber Cancer Institute, we are focused on tissue-based spatial profiling to support biomarker discovery and therapy selection in oncology. With Brigham and Women's Hospital, we are pursuing blood-based monitoring approaches to enable longitudinal assessment of disease activity and treatment response in autoimmune disease. We expect to expand this set of collaborations over time as we continue to build programs across various indications. We are also building out a CLIA laboratory to enable clinical deployment of the resulting tests.

Stepping back and setting aside the current macro environment, it's hard not to be excited by our position as a company. We believe we are at the nexus of some of the most important trends our industry has ever seen. We have a powerful innovation engine, a high performing organization and a strong balance sheet. We are focused on delivering continued innovation across our platforms, and believe 2026 will be a particularly exciting year as we advance our roadmap and bring new capabilities to our customers. I feel incredibly privileged by the position we are in and optimistic about the opportunity ahead.

With that, I will turn the call over to Adam.

Adam Taich
Chief Financial Officer

Thanks, Serge.

Before reviewing the fourth quarter results, I want to take a moment to reflect on 2025 as a whole. Despite a highly volatile external environment that drove some variability in quarterly revenue, we exited the year in a strong financial position. We remained disciplined on spending, strengthened our operating foundation and meaningfully increased our cash balance, positioning the company for a strong future.

With that, I will now focus my commentary on our fourth quarter financial results and the related drivers. Details of our full-year results can be found in today's press release. All growth rates referenced reflect year-over-year comparisons unless otherwise noted.

Revenue for the fourth quarter was $166.0 million. This represents 1% growth over the prior year, and exceeded the high end of our guidance range.

Our fourth quarter results reflected a challenging operating environment, balanced by continued momentum in the business. As mentioned during our remarks at a recent investor conference, we also saw some unanticipated budget flush late in the quarter, which partially contributed to performance in the period.

Total consumables revenue was up 6%, with growth in both Single Cell and Spatial. Single Cell consumables revenue was up 3%, supported by double-digit growth in reaction volumes, in part due to our lower-priced Flex assay. Spatial consumables continued to perform well in the quarter, with revenue up 14% driven by Xenium consumables.

Total instrument revenue declined 36%, with Chromium instrument revenue down 44% and Spatial instrument revenue down 30%. Consistent with the patterns we saw throughout 2025, Instrument revenue in the fourth quarter remained under pressure given ongoing funding challenges for capital equipment, though we did see a sequential uptick due to year-end capital spending.

Looking at revenue by geography, Americas revenue declined 6%, while EMEA and APAC grew 7% and 9%, respectively. While the Americas region remained muted amid continued softness in the U.S. academic and government funding environment, EMEA performed better than expected, driven by some late-quarter orders as customers worked through year-end spending. APAC had a solid quarter, consistent with our expectations.

Turning to the rest of the P&L. Gross margin was 68% for the fourth quarter of 2025, as compared to 67% for the prior year period. The increase was primarily driven by lower inventory write downs, as well as lower royalty and warranty costs, partially offset by higher manufacturing costs.

On the operating expense side, we continue to execute with a strong focus on operating efficiency and cost discipline. Consistent with this focus, total operating expenses decreased 18% in the fourth quarter, primarily driven by lower outside legal expenses and lower personnel costs.

We ended the year with $523 million in cash, cash equivalents and marketable securities, up $130 million from the end of 2024.

Turning to our outlook for 2026. While the funding environment continues to be muted, it has reached a measure of stability that we believe supports reinstating full-year revenue guidance. We expect 2026 revenue to be in the range of $600 million to $625 million. Excluding upfront revenue related to patent litigation settlements in 2025, this represents 0% to 4% growth over the full year 2025.

At the midpoint, our guidance implies a continuation of the trends we saw throughout 2025, including double-digit growth for both Single Cell consumables reactions and Spatial consumables revenue. The guidance range also assumes CapEx funding remains constrained, which will continue to put downward pressure on instrument revenue.

We expect the overall environment to be consistent with the second half of 2025, with customers remaining cautious in their purchasing decisions. We were encouraged to see the recent NIH budget approval, as well as decisions on both indirect funding and multi-year funding as part of the bill. Notwithstanding this improved clarity, there is still significant systemic turbulence in research funding dynamics that continue to impact customer sentiment and timing of purchasing decisions.

Additionally, as we think about the cadence of the year, we anticipate first quarter revenue to be a larger percent of full-year revenue as compared to prior years. This is partially driven by orders received late in the fourth quarter that were shipped in January.

Moving to the rest of the P&L, we expect our overall financial profile to further strengthen in 2026. The cost discipline we've embedded over the past year has translated into tangible operating efficiencies. Moving forward, we expect to sustain these productivity gains while continuing to drive improvement across the business and advancing a strong slate of product introductions.

With that, I will turn the call back to Serge.

Serge Saxonov
Chief Executive Officer, Co-founder

Thanks, Adam.

Before we turn it over for questions, I'd like to acknowledge just how tough 2025 was for our customers and take a moment to thank the 10x team.

Despite all the turbulence, you stayed focused on our work, our customers and our mission. It hasn't been easy, but the progress you've made – on multiple fronts – is nothing short of remarkable. As a company, we are stronger than we've ever been. We are entering 2026 with great momentum and a landscape of profoundly important opportunities ahead of us.

Thank you for everything you do.

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," "see," "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 products and services, opportunities and 10x Genomics, Inc.'s financial performance and results of operations, including expectations regarding revenue and guidance. These statements are based on management's current expectations, forecasts, beliefs, assumptions and information currently available to management. Actual outcomes and results could differ materially from these statements due to a number of factors and such statements should not be relied upon as representing 10x Genomics, Inc.'s views as of any date subsequent to the date of this communication. 10x Genomics, Inc. disclaims any obligation to update any forward-looking statements provided to reflect any change in 10x Genomics' expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law. 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.

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