Cytek Biosciences
Q3 2026 Earnings – Prepared Remarks

Mark Meehan, Investor Relations

Thank you, operator.

Joining me today from Cytek are Wenbin Jiang, CEO, and Bill McCombe, CFO.

Earlier today, Cytek Biosciences released financial results for the third quarter ended September 30, 2026. If you haven't received this news release, or if you'd like to be added to the company's distribution list, please send an email to investors@cytekbio.com

A copy of the news release is also available on the Investor Relations section of Cytek's website at investors.cytekbio.com.

Please note that we will be referencing a slide presentation during the call today that has been posted to the Investor section of our corporate website.

As a reminder, on Slide 2, we will make statements during this call that are forward-looking statements within the meaning of the federal securities laws, including statements regarding Cytek's business plans, strategies, opportunities, and financial projections. These statements are based on the company's current expectations and inherently involve significant risks and uncertainties that could cause actual results or events to materially differ from those anticipated in these statements. Additional information regarding these risks and uncertainties appears in our slide presentation in the section entitled Forward-Looking Statements, in the press release Cytek issued today, and in Cytek's filings with the SEC.

This call will also include a discussion of certain financial measures that are not calculated in accordance with generally accepted accounting principles. Additional information regarding our use of non-GAAP financial measures, including reconciliations to the most directly comparable GAAP financial measures, may be found in our slide presentation and in today's press release. While the company believes these non-GAAP financial measures provide useful information for investors, the presentation of this information is not intended to be considered in isolation or as a substitute for the financial information presented in accordance with GAAP.

This call will also provide a brief update about our active patent litigation. For more complete information about this case as well as countersuits that we have instituted, please refer to our previous press release as well as our SEC filings, including our Form 10-Q to be filed today.

Except as required by law, Cytek disclaims any duty to update any forward-looking statements, whether because of new information, future events, or changes in its expectations. This conference call contains time-sensitive information and is accurate only as of the live broadcast, November 4, 2026.

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

Wenbin Jiang, CEO

Thanks, Mark. Welcome everyone and thank you for your interest in Cytek.

On today's call, I will start with a discussion on our performance in the third quarter and review some business highlights, before turning the call over to Bill for a detailed look at our financial results and our full-year outlook.

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We delivered another solid result in the third quarter with revenue of $53.2 million, an increase of 2% year over year. Our third quarter was highlighted by growth in the U.S. driven by continued strong demand for our high-end Full Spectrum Profiling instruments, led by Aurora Evo, the double-digit growth in our service business, and by our robust gross margin performance.

Growth in the third quarter was led by the U.S., where revenue grew 12% year over year to $30.4 million, continued strong momentum from the first half, driven by instrument sales to academic and government customers and continued service growth. In EMEA, third quarter revenue was $12.5 million, up 1% year over year, a positive sign after a challenging first half that reflected improving instrument sales to academic and government customers. Total APAC revenue including China was $8.3 million, up 5% sequentially versus Q2, while being down 25% compared to a strong Q3 last year.

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The third quarter was highlighted by success at the high-end, where our technology leadership continues to shine. Customers are choosing Aurora Evo as it lets them run large panels and get consistent, reproducible data at higher throughput. The automation configurations we introduced last quarter further increased the value to customers, with the API for automated plate-handling systems fitting well into the high-volume workflows of biopharma and CRO customers. Combined Aurora and Aurora Evo placements grew 23% year over year, with Evo placements nearly doubling year over year, reflecting robust demand for our next generation platform. As a result of strong placements, high-end Full Spectrum Profiling instrument revenue grew 11%. Across the broader business, we added a total of 140 instruments in the quarter, bringing our total installed base to 4,073 units.

Borealis, our newest platform which we introduced last quarter, is receiving strong interest from customers in both the academic and biopharma markets, and we doubled the size of our early-access program during Q3. As a reminder, Borealis is a 7-laser Full Spectrum Profiling cytometer with 60-color performance already demonstrated, and a clear path to go higher as new dyes and panels are developed. It will also include integrated imaging capabilities when we get to full commercial launch. Paired with our new proprietary cFluor reagents, Borealis enables 60-color panels in a single tube, while also supporting nanoparticle analysis and higher sampling rates. Early-access program customers are excited about how these capabilities can enhance insight and accelerate discovery in their labs.

We will continue to expand the early-access program in the fourth quarter, with a broader commercial launch planned for fiscal year 2027.

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During the third quarter we launched a new Cytek Cloud Analysis tool, the industry's first end-to-end platform that integrates the entire flow cytometry workflow, from panel design to data analysis, into one system. This will allow researchers to have a seamless experience, from experiment planning through data analysis, reducing the need to move between systems or recreate workflows.

Cloud Analysis is available in the U.S. through Cytek Cloud Premium, a new subscription tier that adds cloud-based data analysis and online data storage. The launch is an important milestone towards our vision of Cytek Cloud as a comprehensive digital ecosystem that supports flow cytometry workflows from beginning to end. As of the end of the third quarter, the total Cytek Cloud user base is approaching 30,000, up more than 20% since the start of the year.

Our recurring revenue base continued to grow in the third quarter. Combined service and reagent revenue was $19.1 million in Q3 2026, and represented 36% of Cytek's last 12 months revenue, up from 33% for the 12 months ended September 30, 2025. We expect recurring revenue to represent an increasing percentage of total revenue over time.

During the quarter we also had important developments in our patent litigation case. As we announced on August 21st, a jury in the U.S. District Court for the District of Delaware found in our favor on three of the four asserted claims, finding both non-infringement and invalidity for each of those three claims. On the fourth claim the jury found no literal infringement, but did find infringement under the doctrine of equivalents.

We do not believe that the applicable legal criteria for infringement under the doctrine of equivalents have been met. We filed post-trial motions asking the court to overturn the verdict on this and other grounds, and we intend to pursue all available legal remedies. The jury’s verdict does not require any changes to our product offering or operations, and our ability to sell and ship products is not affected. Notably, the patent at issue is a U.S. patent, and only applies to sales of instruments made in or imported into the United States.

Finally, I wanted to share an update on the new business unit structure we introduced earlier this year. After careful review, we have decided to postpone the implementation of these business units until the start of 2027. We judged the near-term risk of moving to our new organizational structure mid-year to be too significant. We remain confident that the new structure is the best way to support our long-term growth, but we recognize the critical need to deliver throughout the remainder of 2026. We are continuing to focus resources and build out our teams to grow our clinical and solution-focused instruments and reagents.

Stepping back, we were pleased with the overall performance of our business. The third quarter was highlighted by continued success of our high-end Aurora Evo and Borealis analyzers, by the double-digit growth in our service business, and as Bill will detail shortly, the strong

execution from our operations team which resulted in our best third quarter gross margins since 2023.

With topline performance in line with our prior expectations, we are reiterating the midpoint of our full-year 2026 revenue guidance.

And with that, I will turn the call over to Bill for additional details on our Q3 financials and our full-year outlook.

Bill McCombe, CFO

Thanks, Wenbin.

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Third quarter revenue came in at $53.2 million, an increase of 2% compared to Q3 2025.

A highlight for the quarter was the strong customer demand for our high-end analyzers, with revenue growth of over 30% for the Aurora, Aurora Evo and Borealis category. This was the major factor driving US total revenue growth of 12%, and instrument growth of 9%. EMEA revenue returned to modest total revenue growth of 1% year on year and instrument growth of 3%, after two quarters of declines. APAC including China grew 5% sequentially compared to Q2, but was down 25% compared to a strong Q3 25.

We saw particular strength in revenue from Academic and Government customers which was up 38% year over year to $24.5 million, with strength across all regions. In the U.S., the largest region for the academic and government end market, instrument revenue grew more than 60%. Biopharma, distributor and CRO revenue declined approximately 17% year over year to $28.7 million, against a strong Q3 last year.

Product revenue, which is comprised of instruments and reagents, was $37.2 million, a decrease of 3% year over year, as strength in our high-end instruments was offset by declines in imaging and mid-to-low end instruments.

Service revenue grew 13% year over year driven by growth in our installed base and continued active utilization of our systems.

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Turning to gross margin, as Wenbin mentioned, we had an outstanding result with GAAP gross profit of $31.2 million in Q3, representing a gross margin of 59%, compared to 53% in Q3 2025, an increase of nearly 600 basis points as we benefited from both higher product gross margin and higher service gross margin. Product gross margin increased 770 basis points to 61% compared to 53% in Q3 last year. The increase was primarily due to lower overhead costs resulting from the completion of the transfer of manufacturing capacity from Seattle to Singapore, and also lower material costs and lower tariffs. Service gross margin was 53%, up from 51% in Q3 2025, reflecting service revenue growth of 13%, which outpaced the 8% increase in service cost of sales.

We are now realizing the full benefit of the transfer of manufacturing from our Seattle site to our Singapore facility earlier this year. This move is part of our region-for-region manufacturing strategy, which gives us lower-cost manufacturing capacity, greater supply flexibility, and helps mitigate tariff-related cost pressures.

Total operating expenses were $39.6 million in Q3, up 8% versus Q3 2025. Research and development expenses were $9.4 million, up 4%, while sales and marketing expenses were $11.9 million, up 2%. General and administrative expenses were $18.4 million, up $2.2 million, or 14%, compared to Q3 2025. This was due to a $3 million increase in legal expenses associated with our patent litigation, and specifically the trial which occurred in August. With the most expensive trial phase of this case behind us, we would expect our legal expenses to decline by $3 to 4 million in the 4th quarter compared to Q3.

The loss from operations was $8.4 million in the third quarter, compared to a $9.2 million loss in the year-ago quarter. GAAP net loss was $6.1 million, compared to a $5.5 million loss in the third quarter of 2025. The increase in GAAP Net Loss was due to a $1.5 million lower tax benefit, offset by a $0.8 million improvement in loss from operations.

Adjusted EBITDA, which excludes stock-based compensation and foreign exchange gains and losses, was $0.7 million in Q3 2026 compared to $2.5 million in Q3 2025. The decline was primarily due to lower investment income and higher operating expenses. We anticipate adjusted EBITDA to improve meaningfully in the fourth quarter as revenue increases with our normal seasonal pattern.

Cash, cash equivalents, restricted cash and marketable securities totaled $256 million as of September 30, 2026, compared to $262 million as of June 30, 2026. Our strong balance sheet continues to provide the financial flexibility to invest in our global growth priorities.

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We are maintaining the midpoint our full-year 2026 revenue guidance, while narrowing the range to $208 million to $211 million. This assumes no change from current currency exchange rates. This reflects year-to-date results and the growth outlook across our markets. In the fourth quarter, we expect revenue to be meaningfully higher than in the third quarter, consistent with our normal seasonality, driven by typical customer year-end purchasing patterns and continued growth in our service business.

For the full year 2026, we continue to expect adjusted EBITDA to be around breakeven, reflecting an anticipated strong fourth quarter result driven by the seasonal increase in revenue as well as a meaningful decrease in litigation spending.

With that, I will turn it back over to Wenbin.

Wenbin Jiang, CEO

Thanks, Bill.

I want to close by thanking the entire Cytek team for their continued dedication and execution on behalf of our stakeholders.

Our third quarter was a solid one, and we expect a strong finish to the year. The results reflect the strength of our technology leadership in the flow cytometry industry.

Looking ahead, we feel well positioned heading into next year. We continue to gain share as our new product portfolio strengthens our technology leadership position in biopharma and academic research markets. We also anticipate improving performance with clinical customers, driven by our new organizational structure and the benefits of our Sysmex collaboration in Europe. Finally, we expect to deliver improving profitability as we continue to drive leverage on increased volumes and anticipate reduced G&A spend on lower litigation expenses.

Thanks to everyone for joining today's call. We will now open it up for questions.