Agilent Technologies
Q4’22 Financial Results Overview
These presentations contain forward-looking statements (including, without limitation, information, and future guidance on the company’s goals, priorities, revenue, revenue growth, earnings per share, operating margin, operating cash flow, capital expenditures, capital allocation, growth opportunities, new products and solutions, customer service and innovation plans, financial condition and considerations, impact of acquisitions, share repurchases, dividends, the markets the company sells into, operations, manufacturing site plans and tax rates) that involve risks and uncertainties that could cause results of Agilent to differ materially from management’s current expectations. The words “anticipate,” “plan,” “estimate,” “expect,” “intend,” “will,” “should,” “forecast,” “project” and similar expressions, as they relate to the company, are intended to identify forward-looking statements.

In addition, other risks that the company faces in running its operations include the ability to execute successfully through business cycles; the ability to successfully adapt its cost structures to continuing changes in business conditions; ongoing competitive, pricing and gross margin pressures; the risk that our strategic and cost-cutting initiatives will impair our ability to develop products and remain competitive and to operate effectively; the impact of geopolitical uncertainties on our markets and our ability to conduct business; the impact of currency exchange rates on our financial results; the ability to improve asset performance to adapt to changes in demand; the ability to successfully introduce new products at the right time, price and mix, the adverse impacts of and risks posed by the COVID-19 pandemic, and other risks detailed in the company's filings with the Securities and Exchange Commission, including our quarterly report on Form 10-Q for the quarter ended July 31, 2022.

The company assumes no obligation to update the information in these presentations. These presentations and the Q&A that follows include non-GAAP measures. Non-GAAP measures exclude primarily the impacts of asset impairments, amortization of intangibles, transformational initiatives, acquisition and integration costs, change in fair value of contingent consideration, loss on extinguishment of debt, business exit and divestiture costs, pension settlement loss and net gain on equity securities. We also exclude any tax benefits that are not directly related to ongoing operations and which are either isolated or are not expected to occur again with any regularity or predictability. With respect to the company’s guidance, most of these excluded amounts pertain to events that have not yet occurred and are not currently possible to estimate with a reasonable degree of accuracy. Accordingly, no reconciliation to GAAP amounts has been provided.
Agilent Results Q4’22
A leading lab partner with unsurpassed capabilities and scale

Q4’22 Financial Metrics

• **Revenues:** $1.85B, +11.4% reported, +17.5% y/y core\(^{(1)(2)}\) (-6.2% FX,+0.1% M&A).

• **Operating Margin:** 29.1\(^{(2)}\)% of revenue, up 260 basis points y/y.

• **EPS:** $1.53\(^{(2)}\), up 26% y/y.

Q4’22 Highlights

• **Growth:** Continued excellent performance across Pharma and broad strength in the applied markets drove outstanding 17% growth on an 11% compare last year. China grew 44% on robust demand across all end markets.

• **Margins:** Production efficiencies, pricing and managing operating expenses while driving top-line volume resulted in superb YOY margin expansion.

• **Capital Allocation:** Generated operating cash of $448M, invested $70M in capex, paid $62M in dividends, and repurchased 1.0M shares for $135M.

(1) Core growth is reported growth adjusted for the effects of acquisitions and divestitures, and FX.

(2) Presented on a non-GAAP basis; reconciliations to closest GAAP equivalent provided.

(3) In Q1’22, Agilent implemented certain changes to its segment reporting structure. Historical segment information has been recast to reflect these changes.
Agilent Results FY’22

FY22 Financial Metrics

- **Revenues:** $6.85B, +8.4% reported, +11.9% y/y core\(^{(1)(2)}\) (-3.6% FX, +0.1% M&A).
- **Operating Margin:** 27.1\(^{(2)}\)% of revenue, up 160 basis points y/y.
- **EPS:** $5.22\(^{(2)}\), up 20% y/y.

FY22 Highlights

- **Growth:** Pharma and CAM, our two largest markets, delivered strong results all year long. Broad strength across our geographic regions, highlighted by our results in China. NASD delivered high-twenties growth.
- **Margins:** Expanded 160 basis points year over year as strong cost leverage and productivity, coupled with incremental pricing, helped offset higher logistics and material costs due to inflation.
- **Capital Allocation:** Generated operating cash of $1.3B, invested $0.3B in capex, paid $0.3B in dividends, and repurchased 8.4M shares for $1.1B.

**Geography**

<table>
<thead>
<tr>
<th>Type</th>
<th>Segment(3)</th>
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<tbody>
<tr>
<td>Instruments</td>
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(1) Core growth is reported growth adjusted for the effects of acquisitions and divestitures, and FX.
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Growth in a $65B+ Market – Q4’22 Core Growth\(^{(2)}\) Results by End Market

Continued momentum in Pharma and CAM supported by robust growth in Food and Environmental & Forensics

- **Pharma & Biotech:** Up 20% on broad strength across large and small molecule globally.

- **Chemicals & Advanced Materials:** Up 27% driven by continued strength in Chemicals, Advanced Materials, and an increased demand in the Energy business during Q4.

- **Academia & Govt:** Up 3% driven by growth in Europe and continued recovery in China.

- **Environmental & Forensics:** Up 18% with excellent flow-through of public funding in the US and China, while Europe benefited from increased forensics spending.

- **Food:** Up 20% on strong continued recovery in China.

- **Diagnostics and Clinical:** Up 6% led by double-digit growth in our Genomics portfolio.

\(^{(1)}\) % of Q4’22 Agilent revenue

\(^{(2)}\) Core growth is reported growth adjusted for the effects of acquisitions and divestitures and FX.
Life Sciences & Applied Markets Group (LSAG)

• Q4 core revenue performance reflected strength across our end markets, with Pharma, Chemicals & Advanced Materials, Food, and Environmental & Forensics all registering 20%+ growth for LSAG. On a platform basis, both LC & LCMS and GC & GCMS instrument businesses grew more than 30% for the quarter.

• Announced the release of its enhanced 8700 LDIR Chemical Imaging System, which has been optimized for the analysis of microplastics in environmental samples. This newly improved solution includes a significant upgrade that advances the speed of analysis, enhances spectral acquisition, transformation, and library matching, and provides automated workflows for direct analysis of microplastics on a filter substrate.

• FY’22 Operating Margin was 29.6%(2), up 180bps(3) versus last year.
• Q4’22 Operating Margin was 32.7%(2), up 400bps(3) versus last year.

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(3) In Q1’22, Agilent implemented certain changes to its segment reporting structure. Historical segment information has been recast to reflect these changes.
• CrossLab delivered another stellar quarter of double-digit growth in Q4. The value proposition offered by our world-class service team continues to resonate with customers. Another +1ppt YOY increase in service agreement attach rate in Q4 increases the resiliency of our revenues with a mix of annual and multi-year contracts.

• Engagement with large enterprise customers continues to accelerate as CrossLab’s deep understanding and insights into lab operations has created a strategic partnership that maximizes customer scientific value.

• FY’22 Operating Margin was 25.5%(²), up 170 bps(³) versus last year.
• Q4’22 Operating Margin was 27.4%(²), up 110 bps(³) versus last year.

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Diagnostics and Genomics Group (DGG)

Pathology, Genomics, and Nucleic Acid Manufacturing

- Q4 core revenue growth of 8% was driven by NASD and our Genomics portfolio. China continues to be a significant growth opportunity for DGG, growing 20%+ during the quarter.

- Featured the new SureSelect Clinical Research Exome at the American Society of Human Genetics conference. This NGS assay interrogates all protein coding sequences in the human genome, pathogenic non-coding targets, as well as expertly curated disease-relevant content, making it a powerful tool for clinical research applications.

- Opened a new Genomics Center of Excellence in India to showcase Agilent’s genomics instruments and workflows and to enable customers to gain hands-on experience.

- FY’22 Revenue of $1,389M
- Y/Y Growth: +7% (+10% core\(^{(1)}\)(2))

- Q4’22 Revenue of $352M
- Y/Y Growth: +3% (+8% core\(^{(1)}\)(2))

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(2) Presented on a non-GAAP basis; reconciliations to closest GAAP equivalent provided.
Q1’23 and FY23 Guidance
and Forward-looking Considerations
Based on October 31, 2022 Exchange Rates

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<th>Q1’23 Guidance (1)</th>
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<tr>
<td>Low End</td>
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<tr>
<td>Net Revenue ($M)</td>
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<td>Net Revenue ($M)</td>
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FY23 Financial Considerations

• Net Interest + Other Income/Expense: ~$40-50M in net expense (~$10M in Q1)
• Non-GAAP Tax Rate at 13.75%
• Guidance assumes full year and Q1 average diluted share count of 297M
• CapEx of $300M and Operating Cash Flow of $1.4-1.5B
• Shareholder Returns: $268M in dividends. Anti-dilutive share repurchases at a minimum
• $0.4B capacity remaining under current share repurchase authorization(3)

(1) As of Nov 21, 2022 based on October 31, 2022 exchange rates. Presented on a non-GAAP basis.
(2) Core growth is reported growth adjusted for the effects of acquisitions and divestitures, and FX.
(3) Per 10b5-1 plan, maximum of 2.6M shares to be purchased on daily systematic basis.
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Trusted Answers