2023 JP Morgan Healthcare Conference

Agilent Presentation

January 10, 2023
Safe Harbor Statement

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, and manufacturing site plans) 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 annual report on Form 10-K for the year ended October 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 amortization of intangibles, acquisition and integration costs, transformational initiatives, and business exits and divestitures. 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.
Overview of Agilent Technologies in 2022

$6.8B
FY22 Revenue
+$0.5B y/y

+12%
FY22 Core Rev. Growth (1)(2)

27.1%
FY22 Operating Margin (1)
+160bps y/y

+20%
FY22 EPS Growth (1)

Leadership in Large ($68B+) (4)
and Growing End-Markets

Mix Shifting to Higher Growth
Pharma / Dx / Research Markets

Global Footprint (3)

A leading lab partner with unsurpassed capabilities and scale

(1) Presented on a non-GAAP basis, reconciliations to closest GAAP equivalent provided
(2) Core growth is reported growth adjusted for the effects of acquisitions and FX
(3) Based on FY22 revenue
(4) Based on internal company estimates
Agilent’s shareholder value creation model
driving strong revenue and earnings growth

- Above Market Growth: 5 – 7% Core
- Operating Margin Expansion: 50 bps to 100 bps
- Balanced Capital Deployment: Continued balanced deployment

Expected Result: Double Digit EPS Growth
Our ‘Build and Buy’ growth strategy continues to deliver accelerating core growth and earnings per share

Above Market Organic Growth\(^{(1)}\)
- 8% Reported CAGR
- +15% YoY core growth
- +12% YoY core growth

Operating Margin Expansion\(^{(2)}\)
- 800+ BPS Expansion
- 18.5% FY15
- 25.5% FY21
- 27.1% FY22

Superior Earnings Growth\(^{(2)}\)
- 17% CAGR
- +32% YoY EPS growth
- +20% YoY EPS growth
- $1.74 FY15
- $4.34 FY21
- $5.22 FY22

(1) Reported revenue growth
(2) Presented on a non-GAAP basis, reconciliations to closest GAAP equivalent provided at www.investor.agilent.com.
Balanced capital deployment
driving accelerated growth and high returns for shareholders

**Investing for Growth**

- **M&A**
  - $3.0B deployed since FY15

- **Cap Ex**
  - $1.3B invested since FY15

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**While Returning Capital to Shareholders**

- **Dividends**
  - $1.6B paid since FY15

- **Share Repurchases**
  - $4.4B purchased since FY15
Advancing ESG within our operations, and the world’s labs

Sustainability in Our Operations

Committed to net-zero emissions by 2050

- 34% Reduction in carbon emissions since 2014.
- $3.5M Donated to a leading historically black university to increase diversity in STEM, including scholarships, lab instruments, and mentorship.
- 30% Increase in the share of women leaders who report to the CEO in 2021.

Great Place to Work® Certification in 20+ countries in 2022. Industry leading employee engagement scores.

Sustainable Lab Solutions for Our Customers

Green Instruments & Product labeling

Engineered for Sustainability

Our Ultivo Triple Quadrupole LC/MS offers radically reduced electrical consumption. It’s one of many Agilent instruments that use less energy and/or minimize waste.

Certified Pre-Owned Instruments

Our refurbished instruments reduce environmental waste and serve the often-overlooked market of budget-conscious customers.

“Eco” Product Labels

Provides customers information they seek on the environmental footprint of instruments.

Technology to Reduce Lab Energy Use

Our CrossLab Connect technology enables labs, which are energy intensive, to run more efficiently through:

- Asset Health/Status
- Asset Monitoring
- Asset Scheduling
- Asset Calibration
- Remote Support

Replacing helium with hydrogen, a renewable energy, as the carrier gas for several GC/MS applications.
A diversified and resilient business with multiple growth drivers.
Investing in faster-growing Pharma and Clinical & Dx while taking advantage of secular growth trends in applied markets

## Agilent’s

### $68B (1)

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Pharma</th>
<th>Clinical &amp; Diagnostics</th>
<th>Academic &amp; Government</th>
<th>Environmental &amp; Forensics</th>
<th>Chemicals &amp; Advanced Materials</th>
<th>Food</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opportunity</strong></td>
<td><strong>$21B</strong></td>
<td><strong>$18B</strong></td>
<td><strong>$13B</strong></td>
<td><strong>$6B</strong></td>
<td><strong>$5B</strong></td>
<td><strong>$5B</strong></td>
</tr>
<tr>
<td><strong>4-6% Growth</strong></td>
<td><strong>5-7% growth</strong></td>
<td><strong>5-7% growth</strong></td>
<td><strong>3-5% growth</strong></td>
<td><strong>2-4% growth</strong></td>
<td><strong>3-5% growth</strong></td>
<td><strong>2-4% growth</strong></td>
</tr>
</tbody>
</table>

### Agilent FY22 Growth

- **+16%**
- **+6%**
- **+3%**
- **+4%**
- **+18%**
- **+6%**

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(1) Total Available Market. Market size and growth rates per company estimates.
Building a more resilient business
increasing share of fast growing, recurring revenue

Revenue Growth
GFC¹ vs Pandemic

Global GDP:
-1.3%
-3.3%

Growth²:
-32%
-2%
+1%

How we Built Resiliency

- Spun off highly-cyclical electronic measurement business.
- Implemented CrossLab strategy to expand services and consumables.
- Entered and expanded in the clinical and diagnostics market.
- Investments in biopharma APIs.

Revenue Mix
FY08 to FY22

Growth²:
-32%
-2%
+1%

Electronic Measurement Revenue (spun off in 2014)

(1) GFC: Great Financial Crisis of 2008-09
(2) Local currency growth is reported growth adjusted for the effects of FX
(3) Core growth is reported growth adjusted for the effects of acquisitions and FX
Services – A Key Differentiator for Agilent

A resilient and profitable growth engine that drives customer satisfaction

- Our best-in-class Customer Service Organization drives customer satisfaction while scale enables continued margin expansion.
- 60%+ of revenues from annual or multi-year service agreements, delivering a strong recurring revenue stream.
- 30%+ services and consumables attach rate, with substantial headroom to grow.
Our Focus on Biopharma Is Paying Off
Now represents **39% of pharma business**

<table>
<thead>
<tr>
<th>Agilent Biopharma Revenue</th>
<th>Leveraging our positions across the biopharma value chain to expand offerings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$0.1B</strong></td>
<td>Disease Research, Target ID, &amp; Drug Dev.</td>
</tr>
<tr>
<td>FY15</td>
<td>Analytical Solutions</td>
</tr>
<tr>
<td>FY22</td>
<td>Analytical Solutions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Agilent’s Plays:</th>
<th>Analytical Solutions</th>
<th>CDx Service</th>
<th>Therapeutics CDMO</th>
<th>Cell Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading analytical solutions in and out of the lab</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leader in biopharma services for therapy selection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market leadership in RNAi-based API’s and growing CRISPR position</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated cell analysis solutions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Leveraging our positions across the biopharma value chain to expand offerings.
Leadership Position in Therapeutic Oligonucleotide CDMO

Compelling Market

- $1B
  - 2023 Market TAM (1)
  - 20%+
  - Market CAGR(2)

Oligo Tx CDMO Manufacturing Forecast

- $2.4B
- CRISPR
- siRNA + Antisense

- 2024
- 2025
- 2026
- 2027

Expecting market growth rate to accelerate over the forecast period

Winning Strategy

- ~$300M
  - FY22 Agilent Revenue
- 29%
  - FY15-22 CAGR

Agilent Differentiators

- High Quality Oligo API Material
- Superior Customer Service
- Solid & Diversified Client Portfolio
- Deep Technical Acumen
- Innovating to capture market growth
  - Agilent’s unique RUO to GMP-grade CRISPR gRNA offering

Investing for Growth now...

- $150M+
  - New Revenue Capacity
  - Train B – Frederick, CO

On track to be operational mid-year 2023

...and for the future

(1) 2023 siRNA, Antisense, and CRISPR Oligo Tx CDMO estimated market size
(2) Estimated Oligo Tx CDMO CAGR from 2022 to 2027
Announcing New NASD Capacity Expansion
On the road to $1B in revenue

Frederick – Trains C & D
Opening 2026/2027

Frederick – Train B
Opening 2023

Frederick – Train A
Opened 2019

• Investing an estimated $725M in a new, state of the art, oligo production facility for high volume siRNA, Antisense and CRISPR gRNA materials.

• Doubles revenue capacity of NASD.

• Will include CRISPR molecule GMP capabilities at scale, using Agilent’s unique ClinGuide approach to gRNA manufacturing.

• Facility design will also incorporate improved sustainability by enabling material conservation and recycling.
Cell Analysis – The “Buy” Side Is Working
Differentiated portfolio oriented towards growth

Targeting Key High-growth Segments

- Immunology, Immuno-oncology, and Immunotherapy
- Emerging Therapeutic Modalities: Cell & Gene Therapy
- Infectious Disease, Virology, & Vaccine Research

How We Win

- Portfolio Breadth
  Live-cell kinetic measurement plus traditional techniques
- Accessibility
  Advanced capabilities to bench-scientists & clinics
- Modular Workflows
  Integrating multiple techniques and applications
- Interoperability
  Critical measurement tools with data consolidation & integration

$5B
Market TAM (1)

5-7%
Market Growth (1)

$400M+
FY22 Agilent Revenue

15%
FY20-22 CAGR

(1) based on internal company estimates

2023 J.P. Morgan Healthcare Conference

Immunology, Immuno-oncology, and Immunotherapy

Emerging Therapeutic Modalities: Cell & Gene Therapy

Infectious Disease, Virology, & Vaccine Research
Advanced Materials: A Secular $1.5B+ (1) High-Growth Market
Leveraging leadership in Spectroscopy and Gas Chromatography

Semiconductors

- Trade tensions, supply chain instability, and geopolitics driving semiconductor self-sufficiency.
- Support from global governments fueling corporate investments into new and expanded fabs with focus on advanced semiconductors.

Batteries

- Agilent’s portfolio addresses the entire battery value chain – from mining and materials processing, to cell components and recycling.
- Surging demand for electric vehicles as the world transitions to renewable energy, with government spending driving private investment.

(1) Total available market, based on internal company estimates
Growing regulation of “Forever” chemicals drives testing demand

**PFAS Market Opportunity**

- Growing consumer awareness and government regulations drive demand for testing and remediation.
- Public funding supports regular testing in drinking water, and increasingly for wastewater discharge, soil and consumer products.

**The Preferred PFAS Solution**

- Our pre-configured workflow solution provides full characterization and allows customers to address all current regulatory requirements.
- Agilent PFAS-specific consumables are tested to ensure they are free of regulated PFAS chemicals.
## Q1’23 and FY23 Guidance and Forward-looking Considerations

### Q1’23 Guidance \(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>Low End</th>
<th>High End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue ($M)</td>
<td>$1,680</td>
<td>$1,700</td>
</tr>
<tr>
<td>Y/Y Core Revenue</td>
<td>6.8%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Growth (^{(2)})</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assumes -6.6% FX,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+0.1% M&amp;A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>$1.29</td>
<td>$1.31</td>
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</tbody>
</table>

### FY’23 Guidance \(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>Low End</th>
<th>High End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue ($M)</td>
<td>$6,900</td>
<td>$7,000</td>
</tr>
<tr>
<td>Y/Y Core Revenue</td>
<td>5.0%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Growth (^{(2)})</td>
<td></td>
<td></td>
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<tr>
<td>Assumes -4.3% FX,</td>
<td></td>
<td></td>
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<tr>
<td>+0.1% M&amp;A</td>
<td></td>
<td></td>
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<tr>
<td>EPS</td>
<td>$5.61</td>
<td>$5.69</td>
</tr>
</tbody>
</table>

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Agilent’s Value Creation Model **continues to deliver**

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\(^{(1)}\) 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.
In Summary

Agilent has…

- …a diversified and resilient business
- with multiple growth drivers in fast growing markets
- driven by an Agilent team focused on our customers with a proven track record of success and unmatched execution capabilities.

We will continue…

- …to prioritize investments for growth,
- expand our base of recurring revenue
- and anticipate and react quickly to changing conditions to deliver at a high level.
### Reconciliations of Revenue Excluding Acquisitions and Divestitures and the Impact of Currency Adjustments (Core)

<table>
<thead>
<tr>
<th>Year Ended October 31,</th>
<th>Year Ended October 31,</th>
<th>Year Ended October 31,</th>
<th>Year Ended October 31,</th>
<th>Year Ended October 31,</th>
<th>Year Ended October 31,</th>
<th>Year Ended October 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
<td>2021</td>
<td>2020</td>
<td>2021</td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>GAAP Revenue</td>
<td>6,848</td>
<td>6,319</td>
<td>6,339</td>
<td>6,339</td>
<td>5,163</td>
<td>5,163</td>
</tr>
<tr>
<td></td>
<td>0%</td>
<td>10%</td>
<td>3%</td>
<td>5%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Less: Revenue related to acquisitions and divestitures</td>
<td>(12)</td>
<td>(14)</td>
<td>(149)</td>
<td>(115)</td>
<td>(33)</td>
<td>(4)</td>
</tr>
<tr>
<td>Non-GAAP Revenue</td>
<td>6,836</td>
<td>6,319</td>
<td>6,305</td>
<td>6,339</td>
<td>5,163</td>
<td>5,163</td>
</tr>
<tr>
<td></td>
<td>0%</td>
<td>9%</td>
<td>0%</td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Less: Currency adjustment (a)</td>
<td>(230)</td>
<td>—</td>
<td>—</td>
<td>(18)</td>
<td>—</td>
<td>(107)</td>
</tr>
<tr>
<td>Agilent Core Revenue</td>
<td>7,066</td>
<td>6,319</td>
<td>11.9%</td>
<td>6,152</td>
<td>5,339</td>
<td>15.2%</td>
</tr>
<tr>
<td></td>
<td>11.9%</td>
<td>15.2%</td>
<td>3.8%</td>
<td>11.9%</td>
<td>5.8%</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

(a) We compare the year-over-year change in revenue excluding the effect of recent acquisitions and divestitures and foreign currency rate fluctuations to assess the performance of our underlying business. To determine the impact of currency fluctuations, current period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the actual exchange rate in effect during the respective prior period.
AGILENT TECHNOLOGIES, INC.  
NON-GAAP NET INCOME AND DILUTED EPS RECONCILIATIONS  
(In millions, except per share amounts)  
(Unaudited)  

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Net income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>1.254</td>
<td>4.18</td>
<td>1.210</td>
<td>3.94</td>
<td>719</td>
<td>2.30</td>
<td>1.07</td>
<td>0.97</td>
</tr>
<tr>
<td><strong>Non-GAAP adjustments:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset impairments</td>
<td>0.02</td>
<td>0.01</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td>Intangible amortization</td>
<td>0.08</td>
<td>0.12</td>
<td>0.13</td>
<td>0.15</td>
<td>0.15</td>
<td>0.15</td>
<td>0.15</td>
<td>0.15</td>
</tr>
<tr>
<td>Transformational initiatives</td>
<td>0.06</td>
<td>0.07</td>
<td>0.12</td>
<td>0.14</td>
<td>0.14</td>
<td>0.14</td>
<td>0.14</td>
<td>0.14</td>
</tr>
<tr>
<td>Acquisition and integration costs</td>
<td>0.08</td>
<td>0.09</td>
<td>0.13</td>
<td>0.13</td>
<td>0.13</td>
<td>0.13</td>
<td>0.13</td>
<td>0.13</td>
</tr>
<tr>
<td>Change in fair value of contingent consideration</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Loss on extinguishment of debt</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Business exit and divestiture costs</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
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</tr>
<tr>
<td>Pension settlement loss</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Pension curtailment gain</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td>Net loss (gain) on equity securities</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Gain on step acquisition of Lasergen</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>NASD site costs</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
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<tr>
<td>Special compliance costs</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Impairment of investment and loans</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Other</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Tax benefit on intra-entity asset transfer</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Adjustment for changes in fair value of contingent consideration</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td><strong>Non-GAAP net income</strong></td>
<td>1.254</td>
<td>4.18</td>
<td>1.210</td>
<td>3.94</td>
<td>719</td>
<td>2.30</td>
<td>1.07</td>
<td>0.97</td>
</tr>
</tbody>
</table>

(1) The adjustment for changes in tax benefits may be not directly related to on-going operations and which are either include or cannot be expected to occur again with any regularity or predictability. For the years ended October 31, 2022, October 31, 2021, October 31, 2020, October 31, 2019, October 31, 2018, October 31, 2017, October 31, 2016 and October 31, 2015, management used a non-GAAP effective tax rate of 14.00%, 14.25%, 15.25%, 16.75%, 18.00%, 18.00%, 18.00% and 20.00%, respectively.

Historical amounts are reclassified to conform with current presentation.

We provide non-GAAP net income and non-GAAP net income per share amounts in order to provide meaningful supplemental information regarding our operating performance and our prospects for the future. These supplemental measures exclude, among other things, charges related to 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, pension settlement gain, pension curtailment gain, net loss (gain) on equity securities, gain on step acquisition of Lasergen, NASD site costs, special compliance costs, impairment of investment and loans, adjustment for Tax Reform and tax benefit on intra-entity asset transfer.

Asset impairments include assets that have been written down to their fair value.

Transformational initiatives include expenses associated with targeted cost reduction activities such as manufacturing transfers, site consolidations, legal entities and other business reorganizations, insourcing or outsourcing of activities. Such costs may include move and relocation costs, one-time termination benefits and other one-time reorganization costs. Included in this category are also expenses associated with company programs to transform our product lifecycle management (PLM) system and human resources and financial systems.

Acquisition and integration costs include all incremental expenses incurred in effecting a business combination. Such acquisition costs may include advisory, legal, tax, accounting, valuation, and other professional or consulting fees. Such integration costs may include expenses directly related to integration of business and facility operations, the transfer of assets and intellectual property, information technology systems and infrastructure and other employee-related costs.

Adjustment for changes in fair value of contingent consideration represents changes in the fair value estimate of acquisition-related contingent consideration.

Loss on extinguishment of debt relates to the loss recorded on the redemption of the $500 million outstanding 3.875% 2023 senior notes due on July 15, 2023, called on April 4, 2022 and settled on May 4, 2022. For the year ended October 31, 2021, it relates to the loss recorded on the redemption of the $100 million of the $400 million outstanding 3.7% 2022 senior notes due on October 1, 2022, called on December 31, 2020 and settled on January 21, 2021 and the net loss recorded on the redemption of the remaining $300 million called on March 5, 2021 and settled on April 5, 2021. For the year ended October 31, 2020, it relates to the loss recorded on full redemption of $500 million of outstanding 5.00% senior notes due July 2020, called on August 16, 2019 and settled on September 17, 2019.

Business exit and divestiture costs include costs associated with business divestitures.

Pension settlement loss relates to the relief of the US Retirement Plan pension obligation due to increased lump sum payouts over a specified accounting threshold.

Pension settlement gain resulted from transfer of the substantial portion of our Japanese pension plan to the government.

Pension curtailment gain resulted from certain retirement plans benefit reductions.

Net loss (gain) on equity securities relates to the realized and unrealized mark-to-market adjustments for our marketable and non-marketable equity securities.

Gain on step acquisition of Lasergen resulted from the measurement at fair value of our equity interest held at the date of business combination.

NASD site costs include all the costs related to the expansion of our manufacturing of nucleic and active pharmaceutical ingredients incurred prior to the commencement of commercial manufacturing.

Special compliance costs associated with transforming our processes to implement new regulations such as the EU’s General Data Protection Regulation (GDPR), revenue recognition and certain tax reporting requirements.

Impairment of investment and loans include investments and their related convertible loans that have been written down to their fair value.

Other includes certain legal costs and settlements and acceleration of share-based compensation expense in addition to other miscellaneous adjustments.

Adjustment for Tax Reform primarily consists of an estimated provision of $499 million for U.S. transition tax and correlative items on deemed repatriated earnings of non-U.S. subsidiaries and an estimated provision of $53 million associated with the decrease in the U.S. corporate tax rate from 35% to 21% and its impact on our U.S. deferred tax assets and liabilities. The tax payable relates to the realized and unrealized mark-to-market adjustments for our marketable and non-marketable equity securities.

Tax benefit on intra-entity asset transfer relates to the relief of the US Retirement Plan pension obligation due to increased lump sum payouts over a specified accounting threshold.

We manage non-GAAP measures to evaluate the performance of our core businesses, to estimate future core performance and to compensate employees. Since management finds this measure to be useful, we believe that our investors benefit from seeing our results "through the eyes" of management in addition to seeing our GAAP results. This information facilitates our management's internal comparisons to our historical operating results as well as the operating results of our competitors.

Our management recognizes that items such as amortization of intangibles can have a material impact on our cash flows and/or our net income. Our GAAP financial statements include our statement of cash flows portraying these effects. Although we believe it is useful for investors to see core performance free of special items, investors should understand that the excluded items are actual expenses that may impact the cash available to us for other uses. To gain a complete picture of all effects on the company's profit and loss from any and all events, management does (and investors should) rely upon the GAAP income statement. The non-GAAP numbers focus instead upon the core business of the company, which is only a subset, albeit a critical one, of the company's performance.

Readers are reminded that non-GAAP numbers are merely a supplement to, and not a replacement for, GAAP financial measures. They should be read in conjunction with the GAAP financial statements. It should be noted as well that our non-GAAP information may be different from the non-GAAP information provided by other companies.
## RECONCILIATION OF ADJUSTED NON-GAAP INCOME FROM OPERATIONS AND OPERATING MARGINS

(In millions, except margin data)

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td><strong>Agilent GAAP Revenue</strong></td>
<td>$6,848</td>
<td>$6,319</td>
<td>$5,339</td>
<td>$5,163</td>
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<td>$4,472</td>
<td>$4,202</td>
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<td><strong>Income from operations:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>GAAP Income from operations</td>
<td>$1,618</td>
<td>$1,347</td>
<td>$846</td>
<td>$941</td>
<td>$928</td>
<td>$841</td>
<td>$615</td>
<td>$522</td>
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<td>Pension reclass adjustment</td>
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<td>—</td>
<td>—</td>
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</tr>
<tr>
<td><strong>GAAP income from operations</strong></td>
<td>$1,618</td>
<td>$1,347</td>
<td>$846</td>
<td>$941</td>
<td>$904</td>
<td>$807</td>
<td>$587</td>
<td>$503</td>
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<td><strong>Add:</strong></td>
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<td>Asset impairments</td>
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<td>99</td>
<td>—</td>
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<td>Intangible amortization</td>
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<td>184</td>
<td>125</td>
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<td>44</td>
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<td>Acquisition and integration costs</td>
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<td>Change in fair value of contingent consideration</td>
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<td>NASD site costs</td>
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<tr>
<td>Other</td>
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<td>31</td>
<td>30</td>
<td>5</td>
<td>7</td>
<td>7</td>
<td>5</td>
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<tr>
<td><strong>Non-GAAP income from operations</strong></td>
<td>$1,857</td>
<td>$1,613</td>
<td>$1,286</td>
<td>$1,104</td>
<td>$873</td>
<td>$847</td>
<td>$748</td>
<td>$815</td>
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</table>

(a) Adjusted to include the impact of pension expense reclassification due to adoption of new accounting pronouncement as of November 1, 2018.

We provide non-GAAP income from operations in order to provide meaningful supplemental information regarding our operational performance and our prospects for the future. These supplemental measures exclude, among other things, charges related to asset impairments, amortization of intangibles, transformational initiatives, business exit and divestiture costs, acquisition and integration costs, change in fair value of contingent consideration, NASD site costs, special compliance costs and impairment of investment and loans.

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