Agilent Technologies

Q1’24 Financial Results Overview

Safe Harbor

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, 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, 2023.

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 charges primarily related to restructuring and other related costs, asset impairments, amortization of intangibles, transformational initiatives, acquisition and integration costs, business exit and divestiture costs, net loss on equity securities, pension settlement loss, special compliance costs, change in fair value of contingent consideration and loss on extinguishment of debt. 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 Q1’24

Q1’24 Financial Metrics

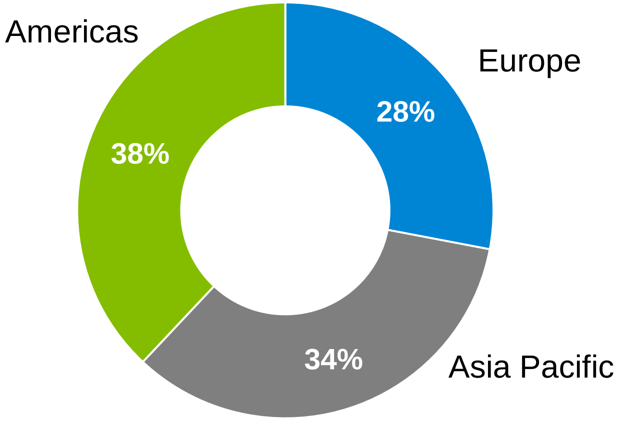
- **Revenues:** $1.66B, -5.6% reported, -6.4% y/y core[(1)(2)] *(+0.9% FX,-0.1% M&A).*
- **Operating Margin:** 25.8%[(2)] of revenue, down 130 basis points y/y.
- **EPS:** $1.29[(2)], down 6% y/y.

Q1’24 Highlights

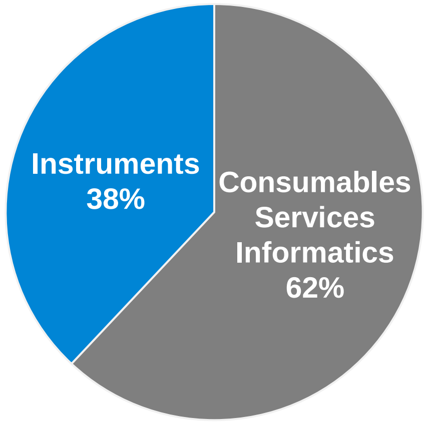
- **Growth:** Revenue declined as growth in services and consumables was more than offset by conservative capital equipment spending across most end markets. We also continue to see growth from secular drivers including PFAS, BioPharma, and Advanced Materials.
- **Margins**: Operating margin declined 130 bps[(2)] against a strong Q1’23 comparison, with cost actions that helped offset a portion of the top line driven decrementals.
- **Capital Allocation:** Generated operating cash of $485M, invested $90M in capex, and paid $69M in dividends.

Q1 Revenue

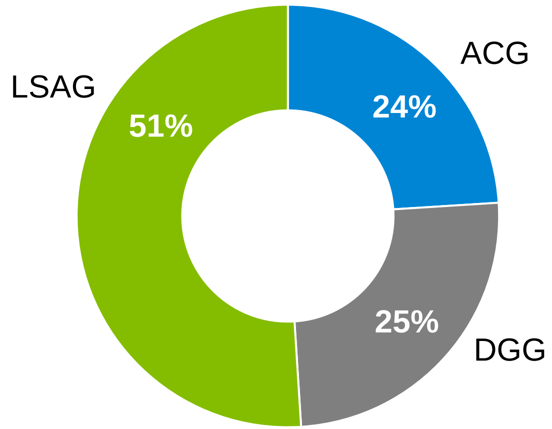
Geography



Type



Segment

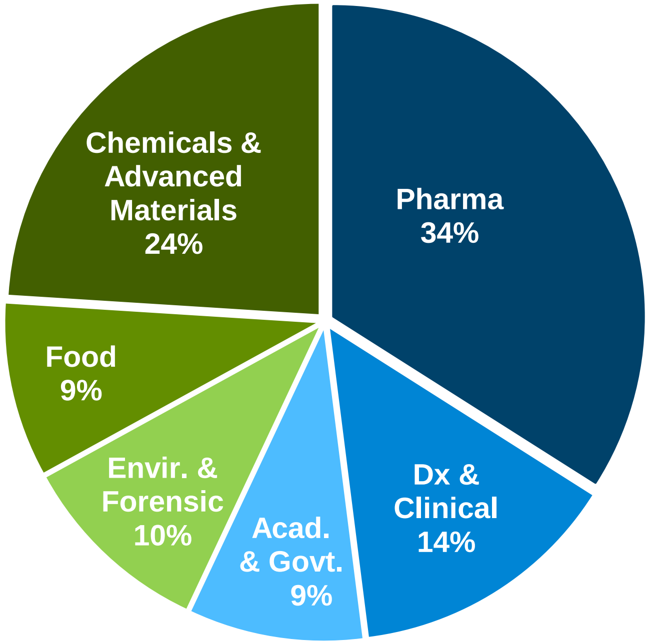


(1) Core growth is reported growth adjusted for the effects of acquisitions and divestitures, and FX.
(2) Presented on a non-GAAP basis; reconciliations to closest GAAP equivalent provided on Agilent’s Investor Relations website.

Q1 FY'24 Core Growth(2) Results by End Market

Agilent's Diversified business sees key drivers continue to outperform under challenging market conditions

- **Pharma:** Down -12% overall, with +2% BioPharma growth ex-China led by services and consumables, offset by weakness in China and dampened instrument spending globally.
- **Chemicals & Advanced Materials:** Down -4% against a +14% compare last year. Continued demand in Advanced Materials (+3%) helped offset a Chemicals market impacted by softer macro.
- **Academia & Govt:** Up +2% with growth across most regions supported by public funding.
- **Environmental & Forensics:** Down -1% globally against a +12% compare as continued PFAS demand drove Environmental growth in the US and Europe.
- **Food:** Down -3% with double-digit growth in Asia ex-China.
- **Diagnostics and Clinical:** Down -5%, with mid-single Cancer Dx growth offset by softer capital equipment and Genomics demand.



Agilent Revenue by End Market (1)

(1) % of Q1'24 Agilent revenue.
(2) Core growth is reported growth adjusted for the effects of acquisitions and divestitures and FX; reconciliations to closest GAAP equivalent provided on Agilent's Investor Relations website.

Life Sciences & Applied Markets Group (LSAG)

Instrumentation, Informatics, and Consumables for Analytical Laboratories

- **Q1’24 Revenue of $846M**
- **Y/Y Growth: -10% (-11% core[(1)(2)])**

- **Better than expected Q1 revenue** driven by a larger Lunar New Year timing impact in China, strength in applied markets and consumables, while continuing to see a conservative environment for capital equipment purchases.
- **Opened a 48,000 sq.ft. expansion at Agilent’s Shanghai hub**, enabling a significant increase in local manufacturing capabilities and the ability to deliver an expanded menu of Made-in-China products to local customers.
- **Received the National CBRN (Chemical, Biological, Radiological and Nuclear) Centre Certificate of Merit** for 2023 for the Resolve Handheld Raman Spectrometer. The award recognizes the value of the instrument as a tool for emergency responders across the globe.
- **Q1’24 Operating Margin** was 27.9%[(3)], down -390 bps versus last year.

(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) Presented on a non-GAAP basis.

Agilent CrossLab Group (ACG)

Analytical Laboratory Services

- **Q1'24 Revenue of $405M**
- **Y/Y Growth: +6% (+5% core[1][2])**

- **CrossLab continues to deliver** despite the challenging market conditions, growing +5% with mid-single digit growth or better performance in all end markets and geographic regions except China.
- **Contract revenue continues to be robust with double-digit growth**, and showed particular strength in Enterprise service contracts which grew by more than 20%.
- Service contract attachment rates continue to increase and customer satisfaction remains at record-high levels.
- **Q1'24 Operating Margin** was 30.2%[3], up +320 bps versus last year.

(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) Presented on a non-GAAP basis.

Diagnostics and Genomics Group (DGG)

Pathology, Genomics, and Nucleic Acid Manufacturing

Dako Omnis

CGP Assay Kit

NASD Frederick, CO

TapeStation System

- **Q1’24 Revenue of $407M**
- **Y/Y Growth: -6% (-6% core[(1)(2)])**

- Q1’24 revenue declined due to continued softness in NGS reagents and an increased clinical business mix at NASD, while the **Pathology business delivered mid-single digit growth.**

- **Announced the release of the Agilent ProteoAnalyzer system**, a new automated parallel capillary electrophoresis system for protein analysis. This new platform simplifies and improves the efficiency of analyzing complex protein mixtures, processes that are central to analytical workflows across pharma, biotech, food analysis, and academia.

- **Q1’24 Operating Margin** was 17.3%[(3)], up +40 bps versus last year.

(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) Presented on a non-GAAP basis.

Q2’24 and FY’24 Guidance
and Forward-looking Considerations

Based on Forecasted Currency Exchange Rates

Q2’24 Guidance [(1)]	Low End	High End
Net Revenue ($M)	**$1,560**	**$1,590**
Y/Y Core Revenue Growth [(2)]	*-8.4%*	*-6.7%*
Assumes -0.6% FX, -0.1% M&A		
EPS	**$1.17**	**$1.20**

FY’24 Guidance [(1)]	Low End	High End
Net Revenue ($M)	**$6,710**	**$6,810**
Y/Y Core Revenue Growth [(2)]	*-0.5%*	*1.0%*
Assumes -1.2% FX, -0.1% M&A		
EPS	**$5.44**	**$5.55**

FY24 Financial Considerations

- Net Interest + Other Income/Expense: $20M of income ($5M income for Q2)
- Non-GAAP Tax Rate at 13.5%
- Guidance assumes diluted share counts of 293M for the full year and 293M for Q2
- Operating Cash Flow of $1.6B and CapEx of $400M
- Shareholder Returns: $279M in dividends. Anti-dilutive share repurchases at a minimum
- The 2023 Stock Repurchase Program [(3)] with authorization up to $2 billion began on March 1, 2023, and has $1.5B capacity remaining.

(1) As of February 27, 2024, based on forecasted currency 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.

Agilent

Trusted Answers