Tejas Savant, Vice President, Investor Relations

Thank you and welcome, everyone, to Agilent's conference call for the fourth quarter of fiscal year 2026.

With me are CEO Padraig McDonnell and CFO Adam Elinoff.

Joining for the Q&A will be:

- Simon May, president of the Life Sciences and Diagnostics Markets Group
- Angelica Riemann, president of the Agilent CrossLab Group
- And Mike Zhang, president of the Applied Markets Group

This presentation is being webcast live. The press release for our fourth-quarter financial results, investor presentation, and information to supplement today's discussion — along with a recording of this webcast — are available on our website at investor.agilent.com.

Today's comments will refer to non-GAAP financial measures. Non-GAAP measures are supplemental and should not be considered a substitute for GAAP results. You'll find the most directly comparable GAAP financial metrics and reconciliations in the press release and on our website.

Unless otherwise noted, all references to increases or decreases in financial metrics are year-over-year, and references to revenue growth are on a core or organic constant-currency basis. All references to profitability metrics are on a non-GAAP basis. Core or organic constant-currency revenue growth is adjusted for the impact of currency exchange rates and any acquisitions and divestitures completed within the past 12 months. Guidance is based on forecasted exchange rates.

During this call we will make forward-looking statements about the financial performance of the company. These statements are subject to risks and uncertainties and are only valid as of today. Except as required by law, Agilent assumes no obligation to update them. Please refer to the company's recent SEC filings for a more detailed description of the risks and other factors that would cause our performance to differ from these forward-looking statements.

And now, I'd like to turn the call over to Padraig.

Padraig McDonnell, President and CEO

Thanks, Tejas. And welcome, everyone.

We delivered an excellent fourth quarter, capping a strong 2026.

Our results reflect exceptional commercial and operational execution and the compounding benefits of the Ignite Operating System, including structural improvements we have implemented across Agilent. Throughout the enterprise, we are embedding the capabilities we developed through Ignite, allowing us to better serve our customers, quicken the pace of innovation, and increase operational efficiency, while funding deliberate reinvestment in Agilent's future.

For the fourth quarter, Agilent reported 2.04 billion dollars in revenue, growing 8.3% on a core basis and exceeding the high end of our guidance by 210 basis points.
And for the first time in our history, quarterly revenue surpassed 2 billion dollars.

Operating margin was 30%. Excluding the net benefit from tariff refunds, operating margin was 28.8%, an increase of 160 basis points year over year.

Our earnings per share were 1 dollar 86 cents. On an ex-refund basis, our EPS of 1 dollar 79 came in 5 cents above the high end of our guidance range of 1 dollar 74.

Looking back on the full year, we made significant progress on each of the key priorities I laid out at the start of the year: sharpening commercial execution, capturing opportunities from both improving end markets and our LC and GC replacement cycles, launching innovative new products and advancing our Ignite Operating System.

We finished 2026 well above the high end of what we promised. And as the year progressed, we raised our outlook multiple times across all metrics. Full-year core growth was 160 basis points higher relative to the midpoint of our initial 2026 guidance. Operating-margin expansion was 35 basis points ahead and earnings per share were 28 cents higher, excluding the net benefit from tariff refunds. Importantly, we delivered at or above our long-range plan for revenue growth, operating margin expansion, and EPS growth.

As I reflect on the year, I want to spend a few minutes on the four pillars that continue to underpin our performance: customer intimacy, innovation, talent, and Ignite.

Let me start with customer intimacy, which informs every aspect of how we operate.

Our most recent Agilent Customer Experience Survey showed highly favorable customer ratings. Results came in at or above where they were at the end of 2025 across every key metric, including purchasing decisions, onboarding, solution use, and customer support. These results reinforce the quality of our best-in-class service organization and the trust we have built with our customers. This trust is translating into our commercial results.

In 2026, Strategic Customer Program orders came in at more than 1 billion dollars.

Our unique Enterprise Services business is another excellent example of customer intimacy in action. The business grew mid-teens for the year, reflecting strong uptake of this differentiated offering. By embedding our specialists in customer labs, we help improve day-to-day operations while gaining insight into customers' future needs.

Just as important as revenue, the trust we build with our customers creates tremendous long-term value for Agilent. That generates a powerful flywheel in which deeper customer relationships provide insights that drive innovation, strengthen partnerships, and create new growth opportunities.

In addition to our services offering, the launch of our Insight Alarm Resolution system for aviation security is another excellent example of our customer intimacy. A collaboration with the U.S. Transportation Security Administration that started in 2021 enabled Agilent to co-develop next-generation alarm-resolution technology to support more accurate and rapid screening at airport security checkpoints.

Earlier this year, the TSA purchased its first batch of Insight instruments. This first deployment of several establishes Agilent in an entirely new end market for our forensics franchise.

These examples demonstrate how our close customer engagements and deep understanding of lab workflows enable us to anticipate evolving needs, identify opportunities beyond the initial use case, and co-develop differentiated solutions that create meaningful value.

Turning to our second strategic pillar: Innovation.

The pace of innovation across Agilent continues to accelerate. With Ignite, we have streamlined our innovation priorities to sharpen our focus on high-impact programs — empowering our teams to make decisions faster and bring new solutions to market more quickly. And the results are starting to show.

In 2026, we delivered 26 product launches, including 17 tier-I products, an increase of more than 30% compared with 2025. A recent highlight is our new 5987A single-quad GC/MS, one of the most significant advancements in our GC/MS portfolio in more than a decade. Building on nearly 50 years of GC innovation, the instrument combines the reliability and robustness customers expect from Agilent with a meaningful step forward in performance, system intelligence, and efficiency. The system delivers up to 25% faster scan speeds, 10 times greater dynamic range, and up to 40% lower energy consumption compared with previous Agilent GC/MS systems.

The launch builds on our installed base of approximately 200,000 GC and GC/MS systems and our leadership in Applied Markets. In addition to driving instrument demand, it creates further opportunities to grow our services and consumables businesses.

Turning to our other recent launches.

Our 9500 triple-quad ICP-MS continues to gain traction with our funnel continuing to build robustly. As we closed 2026, we were well ahead of our ramp-to-volume targets, with orders more than double our expectations. Importantly, customers are choosing to upgrade from single-quad to triple-quad, demonstrating both the value proposition of the 9500 and their willingness to pay for greater productivity, higher quality data, and optimized workflows.

Also, our flagship 8890B and 8860B GCs are building on their strong launch momentum, with customers responding to the productivity benefits and GC Assist intelligence features. Orders to date exceeded expectations by 40% with three of four major regions exceeding one and a half times their regional forecast, evidence of worldwide adoption.

As I mentioned earlier, we continue to build momentum in aviation security on the back of our Insight Series. In September, we won a second TSA contract to deploy additional Insight BRT systems at more U.S. airports. We are also seeing early demand outside the U.S.

Innovation across our consumables portfolio continues to gain traction. Since launch, adoption of the Altura family has been particularly strong, with all of the top 20 biopharma companies now using Altura columns. Approximately 10% of Altura customers are new to Agilent biocolumns, demonstrating the platform's ability to expand our customer base. And repeat orders represented more than 40% of order value over the past three months. This land-and-expand dynamic is an encouraging indication of the value customers are seeing as they use Altura across more applications.

Stepping back, we are proud that “Business Insider” recognized Agilent’s innovation leadership and named us one of America’s Most Innovative Businesses this year.
And we’re not done. We expect our innovation momentum to continue into 2027, with several exciting novel launches in our pipeline, both on the instrument and consumables fronts.

Sustaining this pace of innovation requires the right people and capabilities, which brings me to our third pillar: Talent.

Our people remain one of Agilent's greatest strengths. We have a deep bench of internal talent, more recently complemented by a series of key external hires who bring fresh perspectives and specialized expertise. Together, they have significantly strengthened our leadership pipeline and expanded critical capabilities throughout the organization.

Our culture is a big part of why people build their careers at Agilent — and why they stay. With roots in Silicon Valley, we attract talent that thrives on innovation and impact. We pair a lean organizational structure with a culture that empowers employees with ownership and agency from the start, giving them a tangible opportunity to influence decisions, drive change and help shape the future early in their Agilent tenure.

Turning to our fourth pillar: Ignite is the operating system that underpins everything we do and turns our strategy into consistent execution across market conditions.
Since we launched Ignite in late 2024, it has delivered well over half a billion dollars in gross impact, and we're on track to exceed our original goals

Let me highlight a couple of examples of how that impact is being delivered**.** Our strategic-pricing capability generated more than 200 basis points of pricing in fiscal 2026. The work behind that achievement has given us a repeatable approach to pricing that has helped navigate ongoing inflationary impacts.

We have also leveraged Ignite to deploy AI across our commercial and manufacturing organizations. Our AI-enabled supply-chain control tower has helped us move from traditional supply planning toward a more predictive, intelligence-driven approach with better visibility into demand and the ability to quickly adjust supply. Order-conversion ratios improved by 200 basis points in 2026 versus last year, and customer-requested delivery date performance remains at a record 95%.

Beyond driving exceptional margin performance, these improvements are creating room to invest. We've reinvested roughly 30% of Ignite's gross impact back into our highest-priority growth initiatives: advancing our AI, digital, and software offerings, accelerating innovation, and strengthening our commercial capabilities and manufacturing infrastructure.

Taken together, Ignite has driven a step change in our financial performance since 2024, and it goes well beyond an end-market recovery. Our core growth on a two-year stack basis accelerated from essentially flat in fiscal 2025 to more than 11% in fiscal 2026, differentiating us from our peers. And excluding the tariff refund benefit recognized in second half of ‘26, we expanded operating margin by more than 100 basis points year-over-year, ahead of our long-range plan.

The capabilities we have built through Ignite are compounding our ability to execute and drive profitable growth, while building a more resilient and scalable operating model for the future.

Now, let's turn to our fourth-quarter results, starting with our end markets.

All our end markets performed well in Q4, led by another excellent quarter of Pharma demand.

Pharma grew 9%, ahead of our mid- to high-single-digit expectations, led by strong demand in China from increased multinational investment and domestic innovation.

Biotech grew low double digit, while Small Molecule grew high single digit. Spending from small- and mid-cap biotech customers continued to improve.

Our GLP-1 momentum also continues, delivering approximately 40% year-over-year growth for the full year.

The Advanced Therapeutics Division, our specialty CDMO business, grew mid-single digit, above our expectation for roughly flat performance. Excluding ATD, Pharma delivered robust low double-digit growth.

Our applied markets continued to show strong momentum. Chemicals and Advanced Materials grew in line with our high-single-digit expectations, driven by more than 20% growth in Advanced Materials. For the full year, Advanced Materials grew in the high teens, supported by demand across the semiconductor ecosystem that was fueled by the AI capex buildout.

Environmental and Forensics grew 13%, despite tough comps. It was driven by strong demand in PFAS and robust growth in the Americas and Asia Pacific.

Food grew 7%, well above our flat expectation, as increased focus on food quality and export testing drove demand — particularly in China.

PFAS had a record quarter, growing more than 60%, and finished the year in the high teens.

Diagnostics and Clinical grew 6%, driven by the continued expansion of our Omnis installed base. And the acquisition of Biocare is expected to add to that momentum through its complementary antibody menu.

On November 4, we completed the Proscia acquisition expanding our scientific-intelligence capabilities. The acquisition advances Agilent's position as a leading pathology solutions provider by combining our instruments and reagents with Proscia's digital-pathology software offering. Proscia widens our strategic moat in this high-growth market. Its growing repository of de-identified real-world data opens exciting opportunities for us in supporting biomarker discovery, AI model development, and clinical research.

I am delighted to welcome the Proscia team to Agilent. And I look forward to combining our capabilities and expertise to advance drug discovery and companion diagnostics and deliver greater value for customers, patients, and shareholders.

Finally, Academia and Government grew 7%, above our mid-single-digit expectations. We saw upside from our U.S. government customers as they approached fiscal year-end.

Instruments had another strong quarter, driven by new-product launches, our LC and GC replacement cycles, and a modest lift from pharma reshoring and semiconductor investment. Overall, instrument revenue grew in the mid-teens. LC grew in the mid-teens against a low-double-digit comparison and LC/MS grew in the high teens. The GC instrument portfolio grew high-single-digits, despite a tough compare. Instrument book-to-bill was at or above one for the 11th straight quarter and improved sequentially.

Our new products are giving customers compelling reasons to upgrade, while the resulting installed-base growth fuels demand for our consumables and services for years to come.

Turning to pharma reshoring, we have now booked double-digit millions of dollars in related orders during fiscal 2026. The early indicators remain encouraging and strengthen our confidence in the opportunity for additional LC and GC placements, consumables, and related service contracts in the 2027 through 2030 timeframe.

On the semiconductor front, secular growth drivers remain favorable. Demand is broadening beyond new fabs to the semiconductor supply chain, data centers and related testing, including PFAS. With leading positions in GC, GC/MS, and ICP-MS and exposure to all of these applications, we're well positioned to capture this growth.

Turning to China, we delivered another exceptional quarter, growing 19%. The strength was led by Pharma, which grew more than 40%, and Food, which grew in the mid-teens. Our longstanding presence in China, local manufacturing footprint, direct sales channel, industry-leading service infrastructure and deep applications expertise, have all enabled us to build trusted customer relationships and establish a differentiated position in the market.

Beyond how we play in China, our performance also reflects where we play in the country. Well north of 80% of our China revenue comes from Pharma and Applied Markets. Within Pharma, as highlighted earlier, we continue to see particularly strong momentum driven by multinational investments and domestic innovation.

Clinical-trial activity in the region has increased meaningfully. Moreover, China's Pharma Five-Year Plan underscores the country's ambition to evolve from a major pharmaceutical manufacturing center to a leading source of innovation with world-class biopharma companies.

Beyond Pharma, China is prioritizing investment in the infrastructure needed to support broader AI adoption. We are also seeing healthy demand in food quality and related export testing, environmental analysis, and PFAS-related workflows. These priorities in China are driving demand across the breadth of our portfolio.

Now let me turn to our outlook for fiscal 2027.

We enter the year with strong commercial momentum, an accelerating innovation pipeline, and an operating model delivering greater efficiency and flexibility. Against this backdrop, we expect full-year core revenue growth of 5% to 7%. And assuming we sustain our current momentum, we see a clear path towards the high-end of the range.

At the midpoint of our guidance, we expect operating margin to expand by 70 basis points, driving operating profit growth of 10% when compared to 2026 results excluding tariff refunds.

We expect earnings per share of 6 dollars and 73 cents to 6 dollars and 86 cents, representing growth of 10% at the midpoint, compared with prior-year EPS excluding the refund net benefit.

Our outlook is consistent with our LRP and reflects continued confidence in our long-term growth trajectory.

Adam will provide more details on our guidance shortly.

Turning to our priorities for 2027.

We will sustain momentum across the LC and GC replacement cycles and capture opportunities created by reshoring activity in Pharma and semiconductors. We remain committed to advancing customer-focused innovation across hardware, software, and autonomous lab solutions. And we will build on our leadership to pursue attractive opportunities in evolving high-growth niches, including aviation security, PFAS testing, and the build-out of AI infrastructure. And finally, we are confident in expanding the impact of Ignite to drive above-market growth.

Having established a more efficient and flexible operating model, we are applying these capabilities beyond just cost savings and productivity to unlock new growth opportunities across the business.

On that note, we believe one of the most important opportunities emerging across our industry is what we call Scientific Intelligence: the convergence of instrumentation, software, data, AI, and automation.

Across our end markets, customers face growing analytical complexity while also seeking greater productivity, efficiency, and speed. In biopharma, for example, increasingly sophisticated therapeutic modalities are driving more demanding analytical requirements throughout drug development and manufacturing. At the same time, customers are accelerating investments in lab automation.

Agilent has a clear right to win in this transition, supported by our large installed base, deep scientific expertise, long-standing customer relationships, flexible and modular platform architecture, and a leading enterprise services offering. Our enterprise services capabilities position us particularly well to work directly with customers to co-create the autonomous lab, bringing together Instrumentation, automation, software, data and services across increasingly connected workflows.

Our experience with early rollouts in applied markets provides valuable insight into how customers adopt, integrate, and scale these technologies in real-world laboratory environments.

Earlier this month, we expanded our work with Anthropic by aligning Agilent instruments with their Model Hardware Standard (MHS) as part of their ongoing industry-wide research preview. This is designed to allow AI agents to connect with our instruments and enable more automated and connected lab workflows. MHS can reduce instrument integration from weeks or months to hours. Once enabled, agents can often run experiments overnight, adjust parameters as results arrive, recover from instrument errors without intervention, and scale research around the clock in automated lab-in-the-loop cycles.

Beyond the instrument opportunity from both pharma and AI-native customers, we see a path to recurring revenue upside from increased consumables utilization and service intensity in the years ahead.

And with that, let me hand it over to Adam, who will provide additional details on the quarter and our financial outlook for fiscal 2027.

Adam Elinoff, CFO

Thanks, Padraig, and good afternoon, everyone.

In my comments today, I'd like to briefly reflect on our fiscal 2026 performance. I'll then walk through our quarterly revenue and financial results, followed by our fiscal 2027 and first-quarter guidance.

2026 revenue was 7.55 billion dollars. On a core or organic constant-currency basis, revenue grew 6.6% ahead of the 5.9% midpoint of our full-year guidance.

2026 operating margin was 27.4%. Excluding the net benefit of tariff refunds, operating margin was 26.8% ahead of our guidance of 26.7%.

2026 earnings per share were 6 dollars and 34 cents. Excluding the net benefit of tariff refunds, earnings per share were 6 dollars and 21 cents, up 11% year over year and above the midpoint of our guidance range of 6 dollars and 14 cents.

Operating cash flow was 1.7 billion dollars for the full year. Free cash flow was 1.3 billion dollars after funding 354 million dollars in capital expenditure. This strong cash generation, as demonstrated by our non-GAAP net income conversion ratio of 72%, exemplifies the durability of our business model and allows us continued flexibility to invest in growth.

Stepping back, our 2026 performance demonstrates structural improvements in our business and underscores our ability to execute successfully in a range of operating environments. And we remain confident in sustaining this momentum in 2027.

Turning to our fourth-quarter results, revenue was 2.04 billion dollars.

On a core or organic constant-currency basis, we posted growth of 8.3%, 260 basis points ahead of the midpoint of our guidance. Reported growth was 9.6%. Currency had a neutral impact while acquisitions contributed 1.3 percentage points.

Starting with LDG, revenue grew 9% on a core basis well ahead of our mid-single-digit expectations. Mid-teens growth in LC and LCMS instrument sales, particularly in China and Asia Pacific, drove performance. Our cell-analysis business grew north of 20% with strong interest from small- and mid-cap biotech customers looking to refresh their fleets in tandem with an uptick in AI-related demand. ATD grew in the mid-single digits in the quarter, also above our expectation for flat performance, resulting in low-teens growth for the year. Excluding ATD, LDG grew in the low double digits in Q4.

AMG revenue grew 13% in the quarter on a core basis, well ahead of our high-single-digit expectations. The performance was led by double-digit growth in Spectroscopy and Vacuum, and high-single-digit growth in GC and GCMS.

ACG grew 6% in the quarter on a core basis. And for the first time ever, consumables revenue exceeded 1 billion dollars for FY26. This milestone underscores the strength of our installed base and the substantial opportunity for recurring aftermarket growth.
In the fourth quarter, consumables revenue grew low double-digit and services grew mid-single digit.

On a geographic basis, the biggest driver of upside in the quarter was China. There, we grew high teens, well ahead of our high-single-digit expectations, driven by extremely robust growth in pharma and food as Padraig mentioned. The Americas grew 7%, ahead of our mid-single-digit expectations — driven by broad-based strength across all end markets. Europe grew low-single-digit against a low-double-digit comp. Asia Pacific excluding China grew 15%, driven by excellent results in Pharma and CAM.

As you can see, from our segment and geographic results, our growth was broad, organic, and accelerating.

Moving down the P&L. Q4 gross margins were 57.1%. Excluding an approximately 140-basis-point net benefit from tariff refunds, gross margins were 55.7%. This represents a healthy 160-basis-point improvement year-over-year from strong leverage on incremental volumes and Ignite momentum.

Operating margin was 30% in the quarter. Excluding the net benefit of tariff refunds, operating margin was 28.8%, 20 basis points ahead of our guidance and 160 basis points higher than last year driven by our exceptional gross margin performance and returns from Ignite. Over the course of 2026, we grew operating margin by 420 basis points from Q1 to Q4, excluding the net benefit from tariff refunds, a strong outcome that shows we are compounding, not just benefiting from an end-market recovery. We generated more returns on every incremental revenue dollar as the year progressed, giving us further financial flexibility.

Moving below the line, we had 4 million dollars of other income, while our tax rate of 14.5% was as expected. Finally, we had 283 million diluted shares outstanding in the quarter.

Putting it all together, Q4 earnings per share were 1 dollar and 86 cents. Excluding the 7-cent net benefit from tariff refunds, earnings per share of 1 dollar and 79 cents grew 13% year-over-year, a reflection of our superior execution and Ignite-led structural improvement in our operations.

Now let me turn to cash flow and the balance sheet.

Operating cash flow in the quarter was 587 million dollars, and we invested 105 million dollars in capital expenditures. The strong operating-cash-flow performance reflects operational excellence and improved collections, as well as the net benefit of tariff refunds. Free cash flow was 482 million dollars, representing a non-GAAP net income conversion ratio of 92%.

We purchased 28 million dollars in shares and paid 72 million dollars in dividends in Q4.

We ended the quarter with a net-leverage ratio of 0.8 turns.

Now, let me share some additional details on our outlook for 2027 and our guidance for the first quarter.

Our 2027 outlook includes the impact of Biocare and Proscia and excludes any residual future benefit from potential tariff refunds.

We expect 2027 revenue to be in the range of 8 to 8.15 billion dollars on a reported basis. This represents growth of 5 to 7% on a core or organic constant-currency basis. Currency is expected to be a 30-basis-point headwind, while acquisitions are expected to contribute 130 basis points to reported growth.

Turning to our end markets, business segments, and geographic-growth assumptions.

Starting with Pharma, we anticipate high-single-digit growth with strong momentum in small molecule and biotech set to continue coupled with mid-teens growth in ATD.
In ATD, we expect incremental revenue contributions from Train C in the back half of the year that will be partially offset by the anticipated moderation in growth on Trains A and B as we approach optimal capacity utilization.

In the Applied Markets, we expect Chemicals and Advanced Materials to grow mid-single-digit on a high-single-digit compare, as robust growth in Advanced Materials will be partially offset by low-single-digit growth in Chemicals and Energy. PFAS regulations implemented globally and our momentum in aviation security provide us confidence in mid-single-digit growth in Environmental and Forensics, despite a high-single-digit year-over-year compare.

Finally, we anticipate Food will grow in the mid-single-digit range, driven by an increasing focus on food quality and export testing. We also expect this end market to benefit from China stimulus contributions in Q1 2027.

In Diagnostics and Clinical, we expect mid-to-high single-digit growth as the ramp of our expanded Omnis family of instruments continues to drive healthy reagent growth.

In Academia and Government, we anticipate low-single-digit growth. While the funding environment has stabilized in the U.S., our guide contemplates only modest growth in 2027.

By business segment, we expect LDG to grow in the mid- to high-single-digit range, while ACG and AMG are both forecasted to grow in the mid-single-digits.

By geography, we expect the Americas to lead the way with mid- to high-single-digit growth, while Europe is expected to grow in the low-single-digit range. Asia Pacific ex-China is forecasted to grow in the double-digit range. In China, we are incorporating a mid-single-digit assumption for 2027, as it laps flat growth in H1, followed by mid-teens growth in H2.

All told, we expect overall company growth to be stronger in the first half than in the second, as we move from easier to tougher prior-year comparisons.

Moreover, we expect the TSA aviation security contract and China stimulus benefit to fall mainly in Q1.

This is a matter of phasing; underlying demand remains healthy across the year. And assuming we sustain our current momentum, as Padraig said, we see a clear path towards the high end of the range.

Finally, our outlook assumes pricing of at least 100 basis points and only a modest benefit from calendar year-end budget releases.

Moving down the P&L, we expect to deliver approximately 70 basis points of operating margin expansion this year at the midpoint relative to 26.8% on an ex-tariff refund basis last year. I would note that this forecast is absorbing an approximately 30 basis point headwind from Train C start-up costs, pointing to approximately 100 basis points of underlying operating margin expansion.

For clarity, compared with 2026 results inclusive of the refund benefit, our non-GAAP margin forecast equates to an expansion of 10 basis points.

Turning to operating margin cadence through the year. Similar to 2026, where we delivered an increase of over 400 basis points from Q1 to Q4 on an ex-tariff refund basis, we expect to see substantial sequential improvement over the course of the year.

Importantly, despite the usual margin ramp, operating-profit dollars will be slightly more biased toward the first half relative to 2026.

Our expected tax rate is 14.5%, and we anticipate 15 to 20 million dollars in net interest and other income. We expect anti-dilutive repurchases to continue in 2027 and assume 282 million diluted shares outstanding for the year.

2027 earnings per share are expected to be between 6 dollars and 73 cents and 6 dollars and 86 cents, representing growth of approximately 10% at the midpoint compared to 2026 EPS ex-tariff refunds.

Our capital-deployment priorities remain unchanged. We will invest in growth, pursue strategically attractive M&A and invest in targeted capacity expansions, while continuing anti-dilutive share repurchases and dividends.

Finally, we expect to generate 2.0 to 2.1 billion dollars of operating cash flow and invest 450 million dollars in capital expenditures. The year-over-year increase in capex is mainly driven by a project pushout from 2026 to this year. Nonetheless, we expect our non-GAAP net-income-conversion ratio will improve to approximately 80% relative to 72% in fiscal 2026.

Turning to the first quarter, reported revenue is expected to be in the range of 1.96 to 2 billion dollars. This represents growth of 7.2% to 9.4% on a core or organic constant-currency basis. Currency is expected to have a neutral impact, while acquisitions are expected to contribute 160 basis points to reported growth. First-quarter EPS guidance is 1 dollar 54 to a dollar 57, representing year-over-year growth of 13 to 15%.

We expect minimal other income in the first quarter with 283 million diluted shares outstanding.

With that, I'll turn the call over to Padraig for closing comments.

Padraig McDonnell, CEO

Thanks, Adam.

Our Q4 performance reflects not only a strong finish to the year, but also the cumulative impact of the transformation we have undertaken since 2024. Importantly, our growth in 2026 was broad-based and accelerated as the year progressed even as the compounding benefits of Ignite strengthened our operational resilience, commercial effectiveness, financial flexibility and allowed us to invest in both organic priorities and strategic M&A.

Looking ahead, we will capitalize on the momentum we see in our end markets. We're just as excited about the opportunities that AI and Scientific Intelligence are unlocking, beginning with autonomous labs, and are confident in our right to win.

In closing, our message is straightforward. Our transformation is delivering tangible results today. Our capabilities are compounding into durable growth. And we are creating the foundation to lead in the next era of Scientific Intelligence and deliver long-term value.

I also want to take this moment to thank the entire Agilent team around the world for their unwavering dedication and outstanding execution this year and our customers for their continued trust and partnership. Without them, these fantastic results would not have been possible.

And with that, I'll turn it back to Tejas for the Q&A.