



Agilent Technologies Q1'20 Results Presentation

Safe Harbor

This presentation contains 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, 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, 2019.

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, including the impact of the 2017 Tax Act. 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 Q1'20

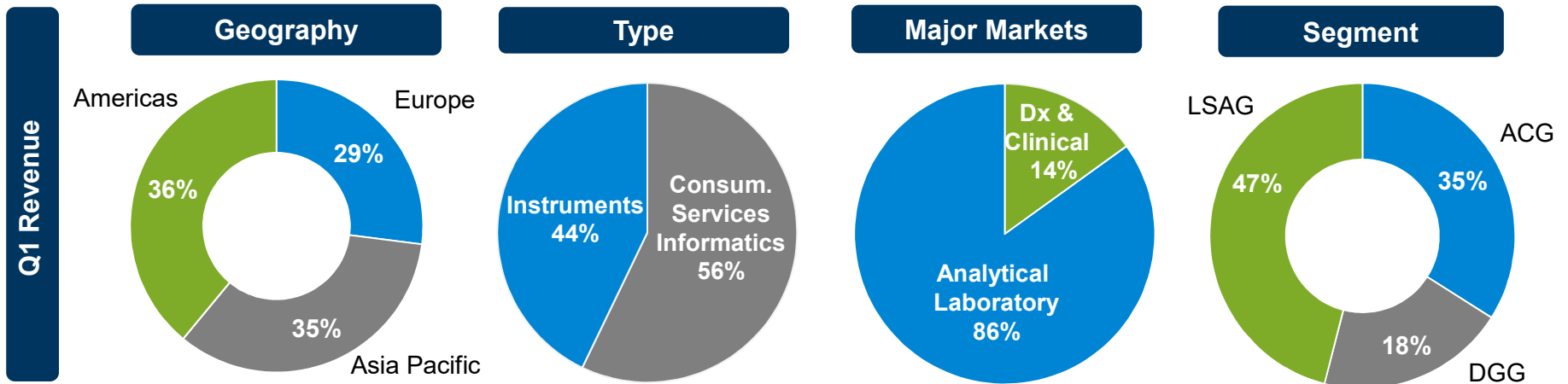
Scale and leading technology across Analytical Laboratories and Clinical & Dx markets

Q1'20 Financial Metrics

- **Revenues:** \$1.36B, +2.4% y/y core⁽¹⁾⁽²⁾, +5.7% reported (+3.7% M&A, -0.4% FX).
- **Operating Margin:** 22.9%⁽²⁾ of revenue, down 20 basis points y/y.
- **EPS:** \$0.81⁽²⁾ in Q1'20, up 7% y/y.

Q1'20 Highlights

- **Growth:** Balanced gains across all regions and end markets. Estimated impact of Coronavirus in China of ~ \$10M revenue deferred into Q2, mostly in LSAG.
- **Margins:** y/y decline due to planned startup costs of new NASD facility and unplanned impact of virus on LSAG shipments.
- **Capital Allocation:** Operating Cash outflow of \$59M (\$182M inflow prior to planned tax net payments), paid \$56M in dividends and repurchased 0.7M shares for \$60M.



(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.



Life Sciences & Applied Markets Group (LSAG)

Instrumentation and Informatics for Analytical Laboratories



- **Q1'20 Revenue of \$638M**
- **Y/Y Growth: +5% (-2% core⁽¹⁾⁽²⁾)**

- **Core Revenue performance** reflected continued strength in Environmental & Forensics markets and stable Chemical & Energy offset by softness in China Food and Pharma.
- **BioTek** delivered a very strong quarter while the core **Cell Analysis** business continued its double-digit growth trend.
- The Agilent **InfinityLab LC/MSD iQ system** received **2019 Innovation Awards** from industry publications *The Analytical Scientist* and *The Medicine Maker*.
- **Gained approval from China's national drug administration (NMPA)** for LC-MS/MS system for In-vitro diagnostic use.
- **Operating Margin** was 24.8%⁽²⁾, down 130 bps versus last year. Decline reflects unfavorable mix and the impact of revenue deferral in China due to virus.

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Agilent Cross Lab Group (ACG)

Analytical Laboratory Consumables and Services



- **Q1'20 Revenue of \$470M**
- **Y/Y Growth: +6% (+7% core⁽¹⁾⁽²⁾)**

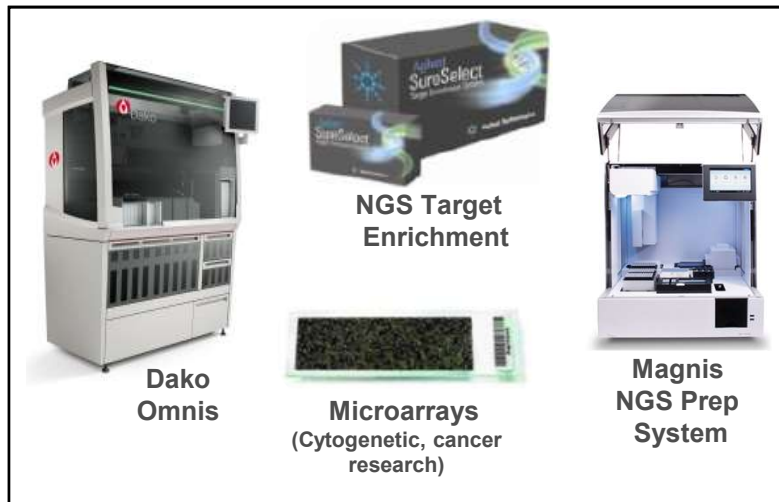
- **Continued strong revenue performance** across both services and consumables. Balanced growth across major markets and regions.
- **ACG grew in the low-teens in China**, leveraging Agilent's large instrument installed base and expanding our services footprint in emerging cities.
- Agilent announced that **Mark Doak, Agilent senior vice president and president of ACG, has decided to retire** on May 1, 2020. The company has named Padraig McDonnell, currently vice president and general manager, Chemistries and Supplies Division, to succeed him.
- **Operating Margin** in the quarter was 25.4%⁽²⁾, up 150 bps versus last year.

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

Diagnositics and Genomics Group (DGG)

Pathology, Genomics, and Nucleic Acid Manufacturing



- Healthy **core revenue growth** driven by continued strong NASD, high single digit growth in the NGS portfolio, and mid single digit growth in Pathology related businesses.
- New Frederick, Colorado **NASD manufacturing site** continues to ramp in-line with expectations.
- Introduced **Agilent SureSelect XT HS2 DNA Kit**, designed to address key challenges that laboratories encounter when preparing DNA sequencing libraries for their research.
- **Operating Margin** was 13.5%⁽²⁾, down 50 bps versus last year. Decline reflects Frederick manufacturing site startup costs.

- **Q1'20 Revenue of \$249M**
- **Y/Y Growth: +6% (+7% core⁽¹⁾⁽²⁾)**

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

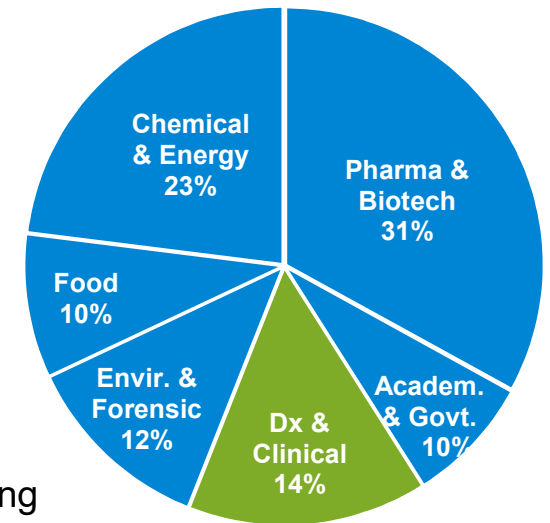
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Growth in a \$52B Market – Q1'20 Results by End Market

Balanced Gains across Markets led by Strength in Services and Consumables

Analytical Laboratory End Markets

- Q1'20 revenues: +2% y/y on core⁽²⁾ basis
 - Pharma & Biotech: Up 3% with strength in Bio-Pharma, Services, Chemistries and Consumables, and NASD.
 - Academia & Govt: Up 1%, led by services and consumables.
 - Environmental & Forensics: Up 4%, balanced between instruments and aftermarket.
 - Food: Up 1% with continued strength in aftermarket and moderating declines in instruments.
 - Chemical & Energy: Up 2% with continued strong growth in recurring services and consumables and stable instrument sales.



Agilent Revenue by End Market ⁽¹⁾

Diagnostics and Clinical End Markets

- Q1'20 revenues: +3% y/y on core⁽²⁾ basis
 - Continued strength in Pathology and Companion Dx partially offset by softer LSAG and ACG sales to clinical customers.

(1) % of Q1'20 Agilent revenue,

(2) Core growth is reported growth adjusted for the effects of acquisitions and divestitures and FX . Presented on a non-GAAP basis; reconciliations to closest GAAP equivalent provided.

Q2'20 and FY20 Guidance and Forward-looking Considerations

Based on January 31, 2020 Exchange Rates

Q2'20 Guidance ⁽¹⁾		
	Low End	High End
Net Revenue (\$M)	\$1,280	\$1,320
<i>Y/Y Core Revenue Growth ⁽²⁾</i>	<i>1.0%</i>	<i>4.0%</i>
<i>Assumes +3.5% to +3.7% M&A, -1.1% FX Assumes -3% to -1% Corona virus impact</i>		
EPS	\$0.72	\$0.76

FY20 Guidance ⁽¹⁾		
	Low End	High End
Net Revenue (\$M)	\$5,500	\$5,550
<i>Y/Y Core Revenue Growth ⁽²⁾</i>	<i>4.0%</i>	<i>5.0%</i>
<i>Assumes +2.8% to +2.9% M&A, -0.4% FX</i>		
EPS	\$3.38	\$3.43

FY20 Financial Considerations

- Net Interest + Other Income/Expense: ~\$40-45M in net expense
- Non-GAAP Tax Rate at 15.5%.
- Guidance assumes diluted share count of 312M
- CapEx of \$180M and Operating Cash Flow of \$775-800M, net of a one-time tax outflow.
- Shareholder Returns: \$225M in dividends. Anti-dilutive share repurchases at a minimum. Authorization remaining to repurchase \$0.97B of shares as of January 31.⁽³⁾

(1) As of February 18, 2020, based on January 31, 2020 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, 2.7M shares to be purchased on daily systematic basis with any remainder subject to formulaic / opportunistic purchases.