



Agilent Technologies Q4'19 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 quarterly report on Form 10-Q for the quarter ended July 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 Q4'19

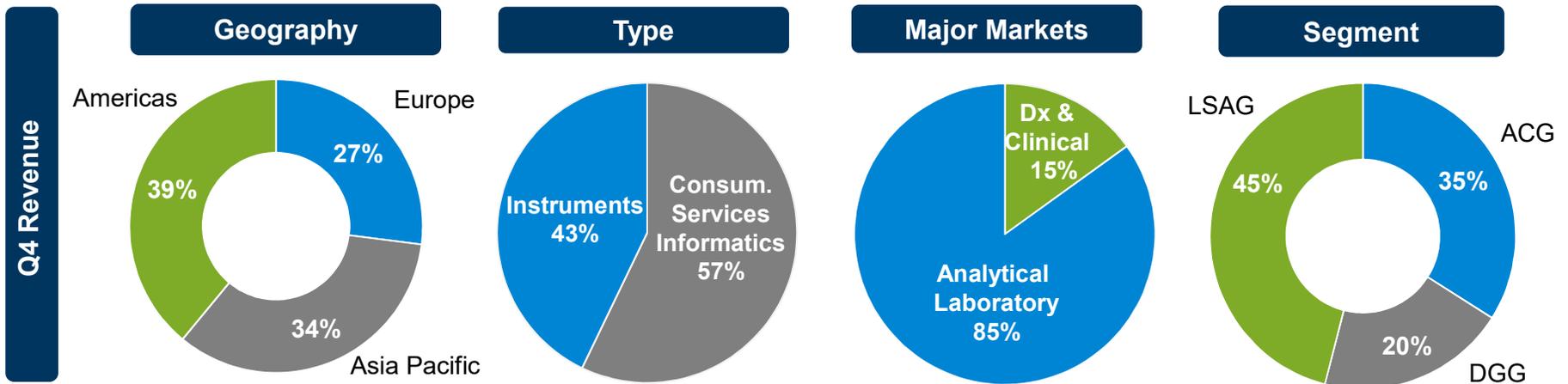
Scale and leading technology across Analytical Laboratories and Clinical & Dx markets

Q4'19 Financial Metrics

- **Revenues:** \$1.37B, +3.6% y/y core⁽¹⁾⁽²⁾, +5.7% reported (+3.6% M&A, -1.5% FX).
- **Operating Margin:** 25.1%⁽²⁾ of revenue, up 50 basis points y/y.
- **EPS:** \$0.89⁽²⁾ in Q4'19, up 10% y/y.
- **Operating Cash Flow:** \$314M.

FY19 Highlights

- **Revenue:** Core revenue growth of 5.0%. Double-digit core growth delivered by combined "non-instrument" business segments. ⁽¹⁾⁽²⁾
- **Operating Margins:** 23.3%⁽²⁾ of revenue, up 80 basis points over FY18.
- **Capital Allocation:** Generated Operating Cash of \$1.02B, paid \$206M in dividends, repurchased 10.4M shares for \$723M, and invested \$1.41B in M&A.
- **EPS:** \$3.11⁽²⁾ in FY19, up 11% y/y.



(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. Prior year adjusted for adoption of new accounting standard (ASC 715).



Life Sciences & Applied Markets Group (LSAG)

Instrumentation and Informatics for Analytical Laboratories



- **FY19 Revenue of \$2,302M**
 - **Y/Y Growth: +1% (-1% core⁽¹⁾⁽²⁾)**
-
- **Q4'19 Revenue of \$622M**
 - **Y/Y Growth: +4% (-2% core⁽¹⁾⁽²⁾)**

(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. Prior year adjusted for adoption of new accounting standard (ASC 715).

- **Q4 Core Revenue performance** reflected continued strength in Environmental & Forensics markets offset by weakness as expected in China Food, slowing Chemical & Energy, and a difficult Pharma compare.
- In August, completed the acquisition of **BioTek Instruments**. BioTek is a global leader in innovative life science instrumentation serving the fast-growing Cell Analysis market.
- In October, Agilent **opened a new state-of-the-art facility at the Harwell Science and Innovation Campus** in Oxfordshire, UK. This site will be a major research and development hub for laser spectroscopy.
- **Q4 Operating Margin** was 25.3%⁽¹⁾⁽²⁾, down 40 bps versus last year. For FY19, op margin was 23.5%⁽¹⁾⁽²⁾, also down 40 bps versus last year.

Agilent Cross Lab Group (ACG)

Analytical Laboratory
Consumables and Services



- **Continued strong revenue performance** across both services and consumables. Broad growth across major markets and regions.
- **ACG grew in the mid-teens in China**, leveraging Agilent's large instrument installed base and expanding our services footprint in emerging cities.
- **Operating Margin** in the quarter was 28.0%⁽¹⁾⁽²⁾, up 380 bps versus last year. For FY19, op margin was 25.8%⁽¹⁾⁽²⁾, up 300 bps versus last year.

- **FY19 Revenue of \$1,840M**
- **Y/Y Growth: +8% (+10% core⁽¹⁾⁽²⁾)**

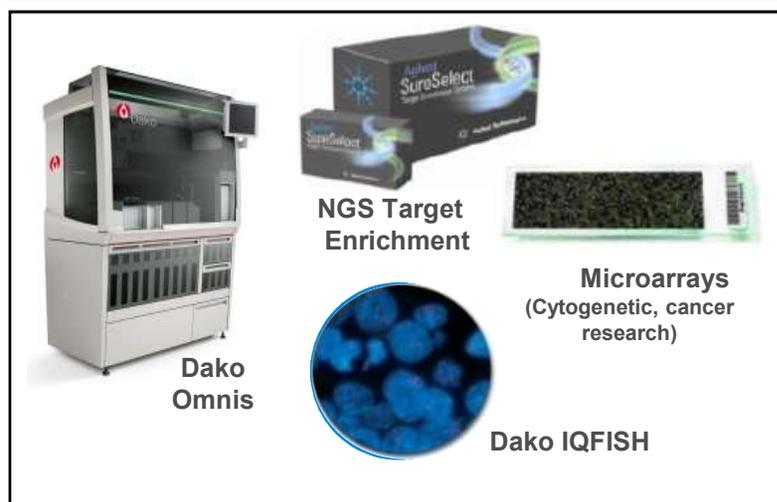
- **Q4'19 Revenue of \$476M**
- **Y/Y Growth: +8% (+10% core⁽¹⁾⁽²⁾)**

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Diagnositics and Genomics Group (DGG)

Pathology, Genomics, and Nucleic Acid Manufacturing



- In the quarter DGG **crossed the \$1B revenue threshold** for the year and now represents 20 percent of Agilent's business.
 - Healthy **core revenue growth** driven by solid growth in Pathology and Companion Dx, and ongoing demand in Pharma for oligo-manufacturing (NASD).
 - Initial revenue from new Frederick, Colorado **NASD manufacturing site** recognized in the quarter.
 - Agilent received **approval of its PD-L1 Companion Diagnostic for use in China**. The diagnostic may now be used to identify patients with locally advanced metastatic non-small cell lung cancer whose tumor express PD-L1 for first-line treatment with Merck & Co's KEYTRUDA.
 - **Operating Margin** for the quarter was 19.7%⁽¹⁾⁽²⁾, down 300 bps versus last year. Decline largely reflects Frederick manufacturing site startup costs. For FY19, op margin was 18.2%⁽¹⁾⁽²⁾, down 20 bps versus last year..
- **FY19 Revenue of \$1,021M**
 - **Y/Y Growth: +8% (+9% core⁽¹⁾⁽²⁾)**
 - **Q4'19 Revenue of \$269M**
 - **Y/Y Growth: +5% (+7% core⁽¹⁾⁽²⁾)**

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

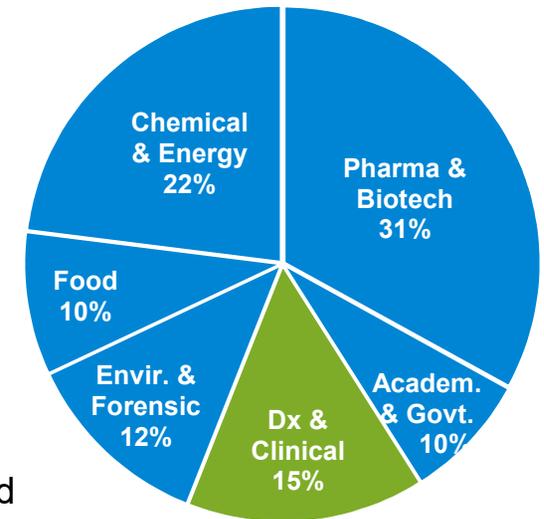
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Growth in a \$52B Market – Q4'19 Results by End Market

Strong Gains in broader Pharma, Diagnostics and Environmental Markets

Analytical Laboratory End Markets

- Q4'19 revenues: +3% y/y on core⁽²⁾ basis
 - Pharma & Biotech: Up 7% with strength in Bio-Pharma, Services, Chemistries and Consumables, and NASD.
 - Academia & Govt.: Down -4% against 10% growth last year.
 - Environmental & Forensics: Up 9%, balanced between instruments and aftermarket. Driven by evolving regulations, especially opioids.
 - Food: Down -5% y/y, but up sequentially with China run-rate indicating stabilization.
 - Chemical & Energy: Up 1% against 7% growth last year. Continued strong growth in recurring services and consumables.



Agilent Revenue by End Market ⁽¹⁾

Diagnostics and Clinical End Markets

- Q4'19 revenues: +7% y/y on core⁽²⁾ basis
 - Broad-based strength with healthy performance in Pathology and Companion Dx.

(1) % of Q4'19 Agilent revenue, (2) Core growth is reported growth adjusted for the effects of acquisitions and divestitures and FX .

Q1'20 and FY20 Guidance and Forward-looking Considerations

Based on October 31, 2019 Exchange Rates

Q1'20 Guidance ⁽¹⁾		
	Low End	High End
Net Revenue (\$M)	\$1,340	\$1,355
<i>Y/Y Core Revenue Growth ⁽²⁾</i>	<i>2.5%</i>	<i>3.5%</i>
<i>Assumes +2.2% to +2.4% M&A, -0.4% FX</i>		
EPS	\$0.80	\$0.81

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 +2.7% to +2.9% M&A, -0.3% 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 16.25%.
- Guidance assumes diluted share count of 312M, essentially unchanged from FY19 exit
- CapEx of \$180M and Operating Cash Flow of \$775-800M, net of one-time tax outflow.
- Shareholder Returns: \$225M in dividends. Anti-dilutive share repurchases at a minimum. Authorization remaining to repurchase \$1.03B of shares as of Oct 31.⁽³⁾

(1) As of November 25, 2019, based on October 31, 2019 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.