Agilent Technologies, Inc.
Financial Information Index of Schedules

AGILENT TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(In millions, except per share amounts)
(Unaudited)
PRELIMINARY

	Three Months Ended January 31,	
	2020	**2019**
Net revenue	$ 1,357	$ 1,284
Costs and expenses:		
Cost of products and services	634	577
Research and development	104	102
Selling, general and administrative	404	355
Total costs and expenses	1,142	1,034
Income from operations	215	250
Interest income	3	10
Interest expense	(20)	(18)
Other income (expense), net	21	6
Income before taxes	219	248
Provision for (benefit from) income taxes	22	(256)
Net income	$ 197	$ 504
Net income per share:		
Basic	$ 0.64	$ 1.58
Diluted	$ 0.63	$ 1.57
Weighted average shares used in computing net income per share:		
Basic	310	318
Diluted	313	322

The preliminary income statement is estimated based on our current information.

AGILENT TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEET
(In millions, except par value and share amounts)
(Unaudited)
PRELIMINARY

	January 31, 2020	October 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,226	$ 1,382
Accounts receivable, net	966	930
Inventory	706	679
Other current assets	204	198
Total current assets	3,102	3,189
Property, plant and equipment, net	844	850
Goodwill and other intangible assets, net	4,648	4,700
Long-term investments	118	102
Other assets	789	611
Total assets	$ 9,501	$ 9,452
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 329	$ 354
Employee compensation and benefits	253	334
Deferred revenue	379	336
Short-term debt	675	616
Other accrued liabilities	256	440
Total current liabilities	1,892	2,080
Long-term debt	1,787	1,791
Retirement and post-retirement benefits	354	360
Other long-term liabilities	620	473
Total liabilities	4,653	4,704
Total Equity:		
Stockholders' equity:		
Preferred stock; $0.01 par value; 125 million shares authorized; none issued and outstanding	—	—
Common stock; $0.01 par value, 2 billion shares authorized; 310 million shares at January 31, 2020 and 309 million shares at October 31, 2019, issued	3	3
Additional paid-in capital	5,293	5,277
Accumulated earnings (deficit)	73	(18)
Accumulated other comprehensive loss	(521)	(514)
Total stockholders' equity	4,848	4,748
Total liabilities and equity	$ 9,501	$ 9,452

The preliminary balance sheet is estimated based on our current information.

AGILENT TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(In millions)
(Unaudited)
PRELIMINARY

	Three Months Ended January 31, 2020	Three Months Ended January 31, 2019
Cash flows from operating activities:		
Net income	$ 197	$ 504
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	79	54
Share-based compensation	27	24
Excess and obsolete inventory related charges	4	4
Gain on fair value investment	(16)	—
Other non-cash expenses, net	2	3
Changes in assets and liabilities:		
Accounts receivable, net	(40)	(22)
Inventory	(32)	(12)
Accounts payable	(15)	(16)
Employee compensation and benefits	(80)	(71)
Other assets and liabilities	(185)	(255)
Net cash provided by (used in) operating activities [(a)]	(59)	213
Cash flows from investing activities:		
Investments in property, plant and equipment	(34)	(39)
Payment to acquire fair value investments	(1)	(2)
Payment in exchange for convertible note	—	(1)
Acquisition of businesses and intangible assets, net of cash acquired	—	(248)
Net cash used in investing activities	(35)	(290)
Cash flows from financing activities:		
Issuance of common stock under employee stock plans	32	22
Payment of taxes related to net share settlement of equity awards	(33)	(13)
Payment of dividends	(56)	(52)
Proceeds from revolving credit facility	432	—
Repayment of revolving credit facility	(372)	—
Repayment of finance lease	(4)	—
Purchase of non-controlling interest	—	(4)
Treasury stock repurchases	(60)	(75)
Net cash used in financing activities	(61)	(122)
Effect of exchange rate movements	(1)	9
Net decrease in cash, cash equivalents and restricted cash	(156)	(190)
Cash, cash equivalents and restricted cash at beginning of period	1,388	2,254
Cash, cash equivalents and restricted cash at end of period	$ 1,232	$ 2,064

Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheet:

	2020	2019
Cash and cash equivalents	$ 1,226	$ 2,057
Restricted cash, included in other assets	6	7
Total cash, cash equivalents and restricted cash	$ 1,232	$ 2,064

[(a)] Cash payments included in operating activities:

	2020	2019
Income tax payments (refunds), net	$ 241	$ 21
Interest payments	$ 17	$ 25

The preliminary cash flow is estimated based on our current information.

AGILENT TECHNOLOGIES, INC.
LIFE SCIENCES AND APPLIED MARKETS SEGMENT
(Unaudited)
PRELIMINARY

(In millions, except margins data)

	2020				
	Q1	**Q2**	**Q3**	**Q4**	**Total**
Net revenue	$ 638				
Gross margin %	60.2%				
Income from operations	$ 158				
Operating margin %	24.8%				

	2019				
	Q1	**Q2**	**Q3**	**Q4**	**Total**
Net revenue	$ 607	$ 529	$ 544	$ 622	$ 2,302
Gross margin %	62.1%	60.6%	60.5%	60.7%	61.0%
Income from operations	$ 159	$ 107	$ 118	$ 158	$ 542
Operating margin %	26.1%	20.3%	21.7%	25.3%	23.5%

Income from operations reflect the results of our reportable segments under Agilent's management reporting system which are not necessarily in conformity with GAAP financial measures. Income from operations of our reporting segments exclude, among other things, charges related to amortization of intangibles, business exit and divestiture costs, transformational initiatives, acquisition and integration costs, NASD site costs, and special compliance costs.

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 measures. It should be noted as well that our non-GAAP information may be different from the non-GAAP information provided by other companies.

The preliminary segment information is estimated based on our current information.

AGILENT TECHNOLOGIES, INC.
DIAGNOSTICS AND GENOMICS SEGMENT
(Unaudited)
PRELIMINARY

(In millions, except margins data)	2020				
	Q1	Q2	Q3	Q4	Total
Net revenue	$ 249				
Gross margin %	51.7%				
Income from operations	$ 34				
Operating margin %	13.5%				

	2019				
	Q1	Q2	Q3	Q4	Total
Net revenue	$ 235	$ 254	$ 263	$ 269	$ 1,021
Gross margin %	54.0%	54.8%	55.7%	54.0%	54.7%
Income from operations	$ 33	$ 49	$ 50	$ 53	$ 185
Operating margin %	14.0%	19.3%	19.1%	19.7%	18.2%

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The preliminary segment information is estimated based on our current information.

AGILENT TECHNOLOGIES, INC.
AGILENT CROSSLAB SEGMENT
(Unaudited)
PRELIMINARY

(In millions, except margins data)	**2020**				
	Q1	**Q2**	**Q3**	**Q4**	**Total**
Net revenue	$ 470				
Gross margin %	51.8%				
Income from operations	$ 119				
Operating margin %	25.4%				

	2019				
	Q1	**Q2**	**Q3**	**Q4**	**Total**
Net revenue	$ 442	$ 455	$ 467	$ 476	$ 1,840
Gross margin %	51.3%	51.3%	52.1%	52.6%	51.8%
Income from operations	$ 105	$ 115	$ 122	$ 133	$ 475
Operating margin %	23.9%	25.2%	26.2%	28.0%	25.8%

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The preliminary segment information is estimated based on our current information.

Agilent Technologies, Inc.
Non-GAAP Financial Results Q1'19 - Q1'20
(Unaudited)

	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Preliminary Q1
M$						Y/Y
Net Revenue	**1,284**	**1,238**	**1,274**	**1,367**	**1,357**	**6%**
Gross Profit %	**56.9%**	**56.0%**	**56.4%**	**56.5%**	**55.7%**	**-1.2 ppt**
R&D	102	97	100	100	102	0%
% Revenue	7.9%	7.9%	7.8%	7.3%	7.5%	-0.4 ppt
SG&A	332	325	329	329	343	3%
% Revenue	25.8%	26.2%	25.8%	24.1%	25.3%	-0.5 ppt
Operating Profit	**297**	**271**	**290**	**344**	**311**	**5%**
Operating Margin	**23.1%**	**21.9%**	**22.8%**	**25.1%**	**22.9%**	**-0.2 ppt**
Other Income/ (Expense)	(3)	2	(2)	(11)	(12)	NM
Pre-Tax Earnings	**294**	**273**	**288**	**333**	**299**	**2%**
Tax Rate	**17%**	**16%**	**17%**	**17%**	**16%**	**-1 ppt**
Income Tax	50	45	48	56	47	-6%
Net Income	**244**	**228**	**240**	**277**	**252**	**3%**
Net Margin	**19.0%**	**18.4%**	**18.8%**	**20.3%**	**18.6%**	**-0.4 ppt**
Non-GAAP EPS	**$ 0.76**	**$ 0.71**	**$ 0.76**	**$ 0.89**	**$ 0.81**	**$ 0.05**

We provide the non-GAAP income statements 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 amortization of intangibles, transformational initiatives, acquisition and integration costs, loss on extinguishment of debt, NASD site costs, special compliance costs, and tax benefit on intra-entity asset transfer.

Transformational initiatives include expenses associated with targeted cost reduction activities such as manufacturing transfers including costs to move manufacturing due to new tariffs and tariff remediation actions, small site consolidations, legal entity 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 to investigate or effect a business combination. Such acquisition costs may include advisory, legal, 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.

Loss on extinguishment of debt relates to the net 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.

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

Special compliance costs include costs associated with transforming our processes to implement new regulations such as data privacy regulations, revenue recognition, lease accounting and certain tax reporting requirements.

Other includes certain legal costs, settlements and an unrealized gain related to our equity securities in addition to other miscellaneous adjustments.

Tax benefit on intra-entity asset transfer relates to our operations in Singapore along with our application of the new accounting rules for income tax consequences of intra-entity transfer of assets as adopted on November 1, 2018.

Our management uses 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 to 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 including our statement of cash flows portray those 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 measures. It should be noted as well that our non-GAAP information may be different from the non-GAAP information provided by other companies.

For reconciliations of the non-GAAP financial information to the most directly comparable GAAP information, please see the non-GAAP reconciliations for all prior periods provided at the Investor's page of our website.

AGILENT TECHNOLOGIES, INC.
RECONCILIATION OF NON-GAAP AND GAAP FINANCIAL RESULTS
(In millions, except margin data)
(Unaudited)
PRELIMINARY

GROSS MARGIN		**Q1'20**	**Gross Margin %**		**Q1'19**	**Gross Margin %**
Revenue:	**$**	**1,357**		**$**	**1,284**	
Gross margin:						
Cost of products and services	**$**	**634**	53.3%	**$**	**577**	55.1%
Add:						
Intangible amortization		(25)			(19)	
Transformational initiatives		(2)			(1)	
Acquisition and integration costs		(2)			(3)	
Other		(4)			(1)	
Non-GAAP cost of products and services	**$**	**601**	55.7%	**$**	**553**	56.9%

RESEARCH & DEVELOPMENT EXPENSES		**Q1'20**	**R&D as % of Revenue**		**Q1'19**	**R&D as % of Revenue**
Revenue:	**$**	**1,357**		**$**	**1,284**	
Research and development expenses	**$**	**104**	7.7%	**$**	**102**	7.9%
Add:						
Transformational initiatives	$	(1)			—	
Acquisition and integration costs		(1)			—	
Non-GAAP research and development expenses	**$**	**102**	7.5%	**$**	**102**	7.9%

SELLING, GENERAL & ADMINISTRATIVE EXPENSES		**Q1'20**	**SG&A as % of Revenue**		**Q1'19**	**SG&A as % of Revenue**
Revenue:	**$**	**1,357**		**$**	**1,284**	
Selling, general and administrative expenses	**$**	**404**	29.8%	**$**	**355**	27.6%
Add:						
Intangible amortization		(23)			(9)	
Transformational initiatives		(10)			(4)	
Acquisition and integration costs		(10)			(7)	
NASD site costs		—			(1)	
Other		(18)			(2)	
Non-GAAP selling, general & administrative expenses	**$**	**343**	25.3%	**$**	**332**	25.8%

We provide non-GAAP gross margin, selling, general & administrative and research & development expenses amounts 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 amortization of intangibles, transformational initiatives, acquisition and integration costs, and NASD site costs.

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 including our statement of cash flows portray those 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.

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The preliminary reconciliation of income from operations and operating margins is estimated based on our current information.

AGILENT TECHNOLOGIES, INC.
RECONCILIATION OF NON-GAAP INCOME FROM OPERATIONS AND OPERATING MARGINS
(In millions, except margin data)
(Unaudited)
PRELIMINARY

	Q1'20	Operating Margin %	Q1'19	Operating Margin %	Year Over Year Percent Pts Inc/(Dec)
Revenue:	**$ 1,357**		**$ 1,284**		
Income from operations:					
GAAP Income from operations	**$ 215**	15.8%	**$ 250**	19.5%	
Add:					
Intangible amortization	48		28		
Transformational initiatives	13		5		
Acquisition and integration costs	13		10		
NASD site costs	—		2		
Other	22		2		
Non-GAAP income from operations	**$ 311**	22.9%	**$ 297**	23.1%	(0.2%)

We provide non-GAAP income from operations and non-GAAP operating margins amounts 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 amortization of intangibles, transformational initiatives, acquisition and integration costs, and NASD site costs.

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The preliminary reconciliation of income from operations and operating margins is estimated based on our current information.

AGILENT TECHNOLOGIES, INC.
NON-GAAP NET INCOME AND DILUTED EPS RECONCILIATIONS
(In millions, except per share amounts)
(Unaudited)
PRELIMINARY

	Q1'19		Q2'19		Q3'19		Q4'19		Q1'20	
	Net income (loss)	**Diluted EPS**	**Net income**	**Diluted EPS**	**Net income**	**Diluted EPS**	**Net income**	**Diluted EPS**	**Net income**	**Diluted EPS**
GAAP net income	$ 504	$ 1.57	$ 182	$ 0.57	$ 191	$ 0.60	$ 194	$ 0.62	$ 197	$ 0.63
Non-GAAP adjustments:										
Intangible amortization	28	0.09	26	0.08	25	0.08	46	0.15	48	0.15
Transformational initiatives	5	0.02	9	0.03	11	0.03	19	0.06	13	0.04
Acquisition and integration costs	10	0.03	10	0.03	12	0.04	16	0.05	13	0.04
Loss on extinguishment of debt	—	—	—	—	—	—	9	0.03	—	—
NASD site costs	2	0.01	4	0.01	6	0.02	—	—	—	—
Special compliance costs	—	—	1	—	1	—	—	—	—	—
Other	1	—	5	0.02	11	0.03	12	0.04	6	0.02
Tax benefit on intra-entity asset transfer	(299)	(0.93)	—	—	—	—	—	—	—	—
Adjustment for taxes [(a)]	(7)	(0.03)	(9)	(0.03)	(17)	(0.04)	(19)	(0.06)	(25)	(0.07)
Non-GAAP net income	$ 244	$ 0.76	$ 228	$ 0.71	$ 240	$ 0.76	$ 277	$ 0.89	$ 252	$ 0.81

[(a)] The adjustment for taxes excludes tax benefits that management believes are not directly related to on-going operations and which are either isolated or cannot be expected to occur again with any regularity or predictability. For the three months ended January 31, 2019, April 30, 2019, July 31, 2019 and October 31, 2019, management used a non-GAAP effective tax rate of 17%, 16.48%, 16.67% and 16.82%, respectively. For the three months ended January 31, 2020, management used a non-GAAP effective tax rate of 15.5%.

We provide non-GAAP net income and non-GAAP net income per share amounts 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 amortization of intangibles, transformational initiatives, acquisition and integration costs, loss on extinguishment of debt, NASD site costs, special compliance costs, and tax benefit on intra-entity asset transfer.

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The preliminary non-GAAP net income and diluted EPS reconciliation is estimated based on our current information.

AGILENT TECHNOLOGIES, INC.
RECONCILIATIONS OF REVENUE BY SEGMENT EXCLUDING
ACQUISITIONS, DIVESTITURES AND THE IMPACT OF CURRENCY ADJUSTMENTS (CORE)
(in millions)
(Unaudited)
PRELIMINARY

Year-over-Year

GAAP Revenue by Segment	GAAP Q1'20	GAAP Q1'19	GAAP Year-over-Year % Change
Life Sciences and Applied Markets Group	$ 638	$ 607	5%
Diagnostics and Genomics Group	249	235	6%
Agilent CrossLab Group	470	442	6%
Agilent	$ 1,357	$ 1,284	6%

Non GAAP Revenue by Segment	Non-GAAP (excluding Acquisitions & Divestitures) Q1'20	Q1'19	Year-over-Year % Change	Year-over-Year at Constant Currency [a] Year-over-Year % Change	Percentage Point Impact from Currency	Current Quarter Currency Impact [b]
Life Sciences and Applied Markets Group	$ 590	$ 607	(3%)	(2%)	-1 ppt	$ (2)
Diagnostics and Genomics Group	249	235	6%	7%	-1 ppt	(1)
Agilent CrossLab Group	470	442	6%	7%	-1 ppt	(2)
Agilent (Core)	$ 1,309	$ 1,284	2%	2%	—	$ (5)

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.

[a] The constant currency year-over-year growth percentage is calculated by recalculating all periods in the comparison period at the foreign currency exchange rates used for accounting during the last month of the current quarter, and then using those revised values to calculate the year-over-year percentage change.

[b] The dollar impact from the current quarter currency impact is equal to the total year-over-year dollar change less the constant currency year-over-year change.

The preliminary reconciliation of GAAP revenue adjusted for recent acquisitions and divestitures and impact of currency is estimated based on our current information.

AGILENT TECHNOLOGIES, INC.
RECONCILIATIONS OF REVENUE BY REGION EXCLUDING
ACQUISITIONS, DIVESTITURES AND THE IMPACT OF CURRENCY ADJUSTMENTS (CORE)
(in millions)
(Unaudited)
PRELIMINARY

Year-over-Year

GAAP Revenue by Region	GAAP Q1'20	GAAP Q1'19	GAAP Year-over-Year % Change
Revenue	$ 1,357	$ 1,284	6%
Americas	494	433	14%
Europe	392	383	2%
Asia Pacific	471	468	1%
Total Revenue	$ 1,357	$ 1,284	6%
China and Hong Kong	$ 255	$ 254	1%

Non GAAP Revenue by Region	Non-GAAP (excluding Acquisitions & Divestitures) Q1'20	Q1'19	Year-over-Year % Change	Year-over-Year at Constant Currency [a] Year-over-Year % Change	Percentage Point Impact from Currency	Current Quarter Currency Impact [b]
Revenue	$ 1,309	$ 1,284	2%	2%	—	$ (5)
Americas	453	433	5%	5%	—	—
Europe	387	383	1%	2%	-1 ppt	(5)
Asia Pacific	469	468	—	—	—	—
Total Revenue (Core)	$ 1,309	$ 1,284	2%	2%	—	$ (5)
China and Hong Kong	$ 255	$ 254	1%	1%	—	$ (2)

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.

[a] The constant currency year-over-year growth percentage is calculated by recalculating all periods in the comparison period at the foreign currency exchange rates used for accounting during the last month of the current quarter, and then using those revised values to calculate the year-over-year percentage change.

[b] The dollar impact from the current quarter currency impact is equal to the total year-over-year dollar change less the constant currency year-over-year change.

The preliminary reconciliation of GAAP revenue adjusted for recent acquisitions and divestitures and impact of currency is estimated based on our current information.

AGILENT TECHNOLOGIES, INC.
RECONCILIATIONS OF REVENUE BY MARKET EXCLUDING
ACQUISITIONS, DIVESTITURES AND THE IMPACT OF CURRENCY ADJUSTMENTS (CORE)
(in millions)
(Unaudited)
PRELIMINARY

	Year-over-Year		
	GAAP		
GAAP Revenue by Market	Q1'20	Q1'19	Year-over-Year % Change
Revenue	$ 1,357	$ 1,284	6%
Pharmaceutical	423	391	8%
Academia and government	141	116	21%
Diagnostics and clinical	194	187	4%
Chemical and energy	312	308	1%
Food	130	129	—
Forensics and environmental	157	153	3%
Total Revenue	$ 1,357	$ 1,284	6%

	Non-GAAP (excluding Acquisitions & Divestitures)			Year-over-Year at Constant Currency [a]		
Non GAAP Revenue by Market	Q1'20	Q1'19	Year-over-Year % Change	Year-over-Year % Change	Percentage Point Impact from Currency	Current Quarter Currency Impact [b]
Revenue	$ 1,309	$ 1,284	2%	2%	—	$ (5)
Pharmaceutical	401	391	3%	3%	—	(2)
Academia and government	117	116	1%	1%	—	—
Diagnostics and clinical	191	187	2%	3%	-1 ppt	(1)
Chemical and energy	312	308	1%	2%	-1 ppt	(1)
Food	130	129	—	1%	-1 ppt	(1)
Forensics and environmental	158	153	3%	4%	-1 ppt	—
Total Revenue (Core)	$ 1,309	$ 1,284	2%	2%	—	$ (5)

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.

[a] The constant currency year-over-year growth percentage is calculated by recalculating all periods in the comparison period at the foreign currency exchange rates used for accounting during the last month of the current quarter, and then using those revised values to calculate the year-over-year percentage change.

[b] The dollar impact from the current quarter currency impact is equal to the total year-over-year dollar change less the constant currency year-over-year change.

The preliminary reconciliation of GAAP revenue adjusted for recent acquisitions and divestitures and impact of currency is estimated based on our current information.

AGILENT TECHNOLOGIES, INC.
NET DEBT TO ADJUSTED EBITDA CALCULATION
(in millions, except ratio data)
(Unaudited)
PRELIMINARY

	As of January 31, 2020
Long-term debt	$ 1,787
Short-term debt	675
Cash & cash equivalents	(1,226)
Net debt	**$ 1,236**

	Q2'19	Q3'19	Q4'19	Q1'20	Trailing 12-Month
GAAP net income	$ 182	$ 191	$ 194	$ 197	$ 764
Intangible amortization	26	25	46	48	145
Transformational initiatives	9	11	19	13	52
Acquisition and integration costs	10	12	16	13	51
Loss on extinguishment of debt	—	—	9	—	9
NASD site costs	4	6	—	—	10
Special compliance costs	1	1	—	—	2
Other	5	11	12	6	34
Adjustment for taxes	(9)	(17)	(19)	(25)	(70)
Non-GAAP net income	$ 228	$ 240	$ 277	$ 252	$ 997
Add:					
(1) Net interest expense	$ 7	$ 8	$ 15	$ 17	$ 47
GAAP provision for income taxes	36	31	37	22	126
Adjustment for taxes	9	17	19	25	70
(2) Non-GAAP provision for income taxes	$ 45	$ 48	$ 56	$ 47	$ 196
(3) Depreciation and amortization expense	$ 27	$ 30	$ 30	$ 31	$ 118
Adjusted EBITDA					**$ 1,358**
Net debt to adjusted EBITDA ratio					**0.91**

The preliminary net debt to adjusted EBITDA ratio is estimated based on our current information.