



Agilent Technologies Q3'20 Results Presentation

Safe Harbor

This presentation contains forward-looking statements (including, without limitation, information 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, the adverse impacts of and risks posed by the COVID-19 pandemic, 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 April 30, 2020.

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.

Agilent Results Q3'20

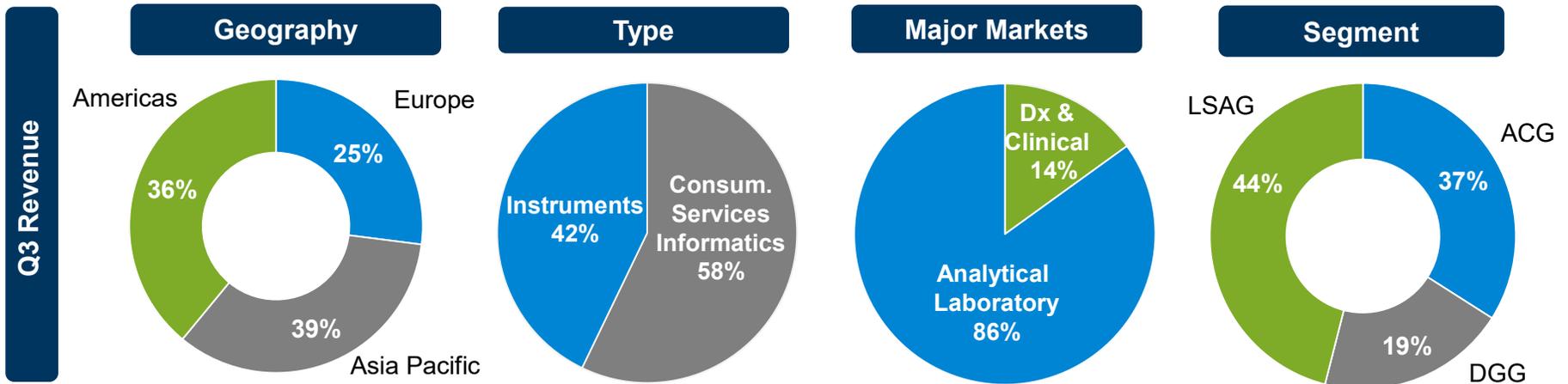
Scale and leading technology across Analytical Laboratories and Clinical & Dx markets

Q3'20 Financial Metrics

- **Revenues:** \$1.26B, -3.1% y/y core⁽¹⁾⁽²⁾, -1.0% y/y reported (+3.4% M&A, -1.3% FX).
- **Operating Margin:** 23.7%⁽²⁾ of revenue, up 90 basis points y/y.
- **EPS:** \$0.78⁽²⁾, up 2.6% y/y.

Q3'20 Highlights

- **Revenue:** Growth in Food and Pharma markets was more than offset by declines elsewhere, with C&E and Dx&C declining low-teens. Regionally, China grew low-teens, Americas declined low-teens, and rest of world declined low-single-digits.
- **Margins:** expanded with tight management of discretionary expenses.
- **Capital Allocation:** Operating cash flow of \$290M, paid \$56M in dividends, and repurchased 360K shares for \$33M.



(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



- **Q3'20 Revenue of \$557M**
- **Y/Y Growth +2% (-4% core⁽¹⁾⁽²⁾)**

- **Revenue performance** continued to reflect the impact of the global pandemic. A&G (helped by COVID spending on research) and Food grew. China grew HSD with broad performance across markets.
- **BioTek** continued to see strong demand from COVID therapeutics researchers and fared well in the face of lab closures.
- **Announced two new Mass Spec products** at the American Society for Mass Spectrometry annual conference: the 6470B Triple Quadrupole LC/MS (6470 LC/TQ) system and the Agilent RapidFire 400 system. Both deliver even faster detection of target compounds providing customers increased sample throughput and reduced time to generate results.
- **Operating Margin** was 22.6%⁽²⁾, up 90 bps versus last year.

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Agilent Cross Lab Group (ACG)

Analytical Laboratory
Consumables and Services



- **Core growth led by Pharma and Food markets.** All other markets saw declines, largely due to COVID-19 headwinds. Growth in Services offset LSD declines in Consumables.
 - **Regionally,** performance tracked with relative phasing of COVID recovery. Asia overall grew HSD, Europe declined modestly, and the Americas were down MSD.
 - **Operating Margin** in the quarter was 28.4%⁽²⁾, up 220 bps versus last year due to favorable mix and expense control measures.
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- **Q3'20 Revenue of \$463M**
 - **Y/Y Decline: -1% (+1% core⁽¹⁾⁽²⁾)**

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

Diagnostics and Genomics Group (DGG)

Pathology, Genomics, and Nucleic Acid Manufacturing



- **Q3'20 Revenue of \$241M**
- **Y/Y Decline: -8% (-8% core⁽¹⁾⁽²⁾)**

- **Core revenue decline** driven by ongoing softness in A&G Research and declines in non-COVID Dx testing, especially in the US.
- **Announced plans to expand its NASD production facility** in Frederick, CO. The expansion consists of a second higher-volume manufacturing line that will help Agilent meet growing demand for therapeutic oligos from leading pharmaceutical and biotech companies. The first production line at Frederick, which began operations in Q4'19, continued its volume ramp according to expectations in Q3.
- Announced that the **U.S. FDA has approved the company's PD-L1 IHC 28-8 pharmDx** for expanded use to aid in identifying patients with metastatic NSCLC for treatment with Opdivo (nivolumab) and Yervoy (ipilimumab), manufactured by Bristol Myers Squibb.
- **Operating Margin** was 17.2%⁽²⁾, down 190 bps versus last year.

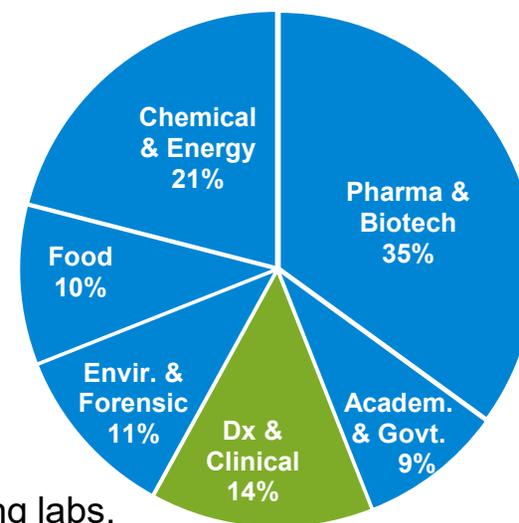
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Q3'20 Results by End Market

Analytical Laboratory End Markets

- Q3'20 revenues: -2% y/y on core⁽²⁾ basis
 - Pharma & Biotech: Up 2% versus a difficult compare as both Small Molecule and Bio-Pharma grew LSD. Strength in NASD and Mass Spec.
 - Academia & Govt: Down 4%, but up sequentially, with contribution from COVID research.
 - Environmental & Forensics: Down 5% against a difficult compare.
 - Food: Up 8% driven by investments in China by commercial testing labs.
 - Chemical & Energy: Down 10% but flat sequentially. Growth in China was more than offset by broad declines elsewhere. Instrumentation declined in low-teens.



Agilent Revenue by End Market ⁽¹⁾

Diagnostics and Clinical End Markets

- Q3'20 revenues: -10% y/y on core⁽²⁾ basis
 - Pacing of non-COVID Dx testing improved through the quarter – especially in China and Europe. US lagging as elevated COVID infections impacted hospital lab operations and patient access for routine testing.

(1) % of Q3'20 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.

Agilent's Response to COVID-19

“During this challenging time, Agilent's focus is on four key areas. The first is ensuring the health and safety of the Agilent team and their loved ones. Second, is our unwavering commitment to our customers. From the early stages of the pandemic, we took decisive action to secure our global business operations in order to remain open for business and support customers. Our third area of focus is on taking quick and decisive action to preserve a strong P&L and balance sheet. And, finally, our continued focus on investing for growth means we will be even stronger and more resilient when the pandemic subsides.”

– **Mike McMullen, President and CEO**

Our Employees



More than 13,000 employees working from home successfully



Support programs and processes in place; PPE available on-site



Regular **communication** and information sharing



Only business-critical activities are conducted on-site



All **travel is strictly** managed

Our Sites



All **20** manufacturing sites are operating



Increased **cleaning** and disinfection



Regular **communication** with strategic suppliers



Backup plans with second and third tier suppliers

Our Customers



Providing tools for **virus research** and **vaccine development**



Extensive use of **virtual tools** for managing labs



Agilent employees using **PPE at customer sites**



Minimized transmission risk from products and packaging

