

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

	Three Months Ended October 31,		Years Ended October 31,	
	2023	2022	2023	2022
Net revenue	\$ 1,688	\$ 1,849	\$ 6,833	\$ 6,848
Costs and expenses:				
Cost of products and services	773	837	3,368	3,126
Research and development	114	119	481	467
Selling, general and administrative	393	422	1,634	1,637
Total costs and expenses	<u>1,280</u>	<u>1,378</u>	<u>5,483</u>	<u>5,230</u>
Income from operations	408	471	1,350	1,618
Interest income	17	5	51	9
Interest expense	(22)	(23)	(95)	(84)
Other income (expense), net	<u>17</u>	<u>2</u>	<u>33</u>	<u>(39)</u>
Income before taxes	420	455	1,339	1,504
Provision for (benefit from) income taxes	(55)	87	99	250
Net income	<u>\$ 475</u>	<u>\$ 368</u>	<u>\$ 1,240</u>	<u>\$ 1,254</u>
Net income per share:				
Basic	\$ 1.63	\$ 1.24	\$ 4.22	\$ 4.19
Diluted	\$ 1.62	\$ 1.23	\$ 4.19	\$ 4.18
Weighted average shares used in computing net income per share:				
Basic	292	296	294	299
Diluted	293	298	296	300

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

	October 31, 2023	October 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,590	\$ 1,053
Accounts receivable, net	1,291	1,405
Inventory	1,031	1,038
Other current assets	274	282
Total current assets	4,186	3,778
Property, plant and equipment, net	1,270	1,100
Goodwill	3,960	3,952
Other intangible assets, net	475	821
Long-term investments	164	195
Other assets	708	686
Total assets	\$ 10,763	\$ 10,532
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 418	\$ 580
Employee compensation and benefits	371	455
Deferred revenue	505	461
Short-term debt	—	36
Other accrued liabilities	309	329
Total current liabilities	1,603	1,861
Long-term debt	2,735	2,733
Retirement and post-retirement benefits	103	97
Other long-term liabilities	477	536
Total liabilities	4,918	5,227
Total Equity:		
Stockholders' equity:		
Preferred stock; \$0.01 par value; 125,000,000 shares authorized; none issued and outstanding at October 31, 2023 and October 31, 2022	—	—
Common stock; \$0.01 par value, 2,000,000,000 shares authorized; 292,123,241 shares at October 31, 2023 and 295,259,092 shares at October 31, 2022, issued and outstanding	3	3
Additional paid-in-capital	5,387	5,325
Retained earnings	782	324
Accumulated other comprehensive loss	(327)	(347)
Total stockholders' equity	5,845	5,305
Total liabilities and stockholders' equity	\$ 10,763	\$ 10,532

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

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

	Years Ended	
	October 31, 2023	October 31, 2022
Cash flows from operating activities:		
Net income	\$ 1,240	\$ 1,254
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	271	317
Share-based compensation	111	125
Deferred taxes	(56)	8
Excess and obsolete inventory related charges	40	24
Net loss on equity securities	41	67
Asset impairment charges	277	—
Change in fair value of contingent consideration	1	(25)
Loss on extinguishment of debt	—	9
Net gain on divestiture of business	(43)	—
Other non-cash expense, net	6	11
Changes in assets and liabilities:		
Accounts receivable, net	132	(321)
Inventory	(33)	(248)
Accounts payable	(171)	121
Employee compensation and benefits	(91)	(22)
Other assets and liabilities	47	(8)
Net cash provided by operating activities ^(a)	<u>1,772</u>	<u>1,312</u>
Cash flows from investing activities:		
Payments to acquire property, plant and equipment	(298)	(291)
Proceeds from sale of equity securities	5	22
Payments to acquire equity securities	(8)	(13)
Proceeds from convertible note	4	—
Payments in exchange for convertible note	(12)	(4)
Proceeds from divestiture of business	50	—
Payments to acquire businesses and intangible assets, net of cash acquired	(51)	(52)
Net cash used in investing activities	<u>(310)</u>	<u>(338)</u>
Cash flows from financing activities:		
Proceeds from issuance of common stock under employee stock plans	67	58
Payment of taxes related to net share settlement of equity awards	(54)	(67)
Payments for repurchase of common stock	(575)	(1,139)
Payments of dividends	(265)	(250)
Proceeds from issuance of long-term debt	—	600
Repayments of long-term debt	—	(609)
Net proceeds from (repayment of) short-term debt	(35)	35
Payment for contingent consideration	(68)	—
Net cash used in financing activities	<u>(930)</u>	<u>(1,372)</u>
Effect of exchange rate movements	5	(36)
Net increase (decrease) in cash, cash equivalents and restricted cash	537	(434)
Cash, cash equivalents and restricted cash at beginning of period	<u>1,056</u>	<u>1,490</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,593</u>	<u>\$ 1,056</u>
Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheet:		
Cash and cash equivalents	\$ 1,590	\$ 1,053
Restricted cash, included in other assets	3	3
Total cash, cash equivalents and restricted cash	<u>\$ 1,593</u>	<u>\$ 1,056</u>

^(a) Cash payments included in operating activities:

Income tax paid, net of refunds received	\$ 199	\$ 279
Interest payments, net of capitalized interest	\$ 89	\$ 85

The preliminary cash flow 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

	Three Months Ended October 31,				Years Ended October 31,			
	2023		2022		2023		2022	
	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS
GAAP net income	\$ 475	\$ 1.62	\$ 368	\$ 1.23	\$ 1,240	\$ 4.19	\$ 1,254	\$ 4.18
Non-GAAP adjustments:								
Restructuring and other related costs	46	0.16	—	—	46	0.16	—	—
Asset impairments	—	—	—	—	277	0.94	—	—
Intangible amortization	27	0.09	42	0.14	139	0.47	191	0.64
Transformational initiatives	(6)	(0.02)	9	0.03	25	0.08	30	0.10
Acquisition and integration costs	4	0.01	6	0.02	16	0.05	25	0.08
Business exit and divestiture costs (gain)	(43)	(0.15)	—	—	(43)	(0.15)	7	0.02
Net loss on equity securities	27	0.09	5	0.02	42	0.14	63	0.21
Pension settlement loss	4	0.01	4	0.01	4	0.01	4	0.01
Special compliance costs	—	—	—	—	9	0.03	—	—
Change in fair value of contingent consideration	—	—	—	—	1	—	(25)	(0.08)
Loss on extinguishment of debt	—	—	—	—	—	—	9	0.03
Other	(11)	(0.03)	10	0.03	11	0.04	12	0.04
Adjustment for taxes ^(a)	(119)	(0.40)	12	0.05	(158)	(0.52)	(5)	(0.01)
Non-GAAP net income	<u>\$ 404</u>	<u>\$ 1.38</u>	<u>\$ 456</u>	<u>\$ 1.53</u>	<u>\$ 1,609</u>	<u>\$ 5.44</u>	<u>\$ 1,565</u>	<u>\$ 5.22</u>

^(a) The adjustment for taxes excludes tax expense (benefits) that management believes are not directly related to on-going operations and which are either isolated, temporary or cannot be expected to occur again with any regularity or predictability such as the realized gain/loss due to sale of a business, windfall benefits on stock compensation, and the impact of R&D capitalization under section 174 of the Tax Cuts and Jobs Act of 2017. For the three months and year ended October 31, 2023, management used a non-GAAP effective tax rate of 13.75%. For the three months ended October 31, 2022, management used a non-GAAP effective tax rate of 14.12%. For the year ended October 31, 2022, management used a non-GAAP effective tax rate of 14.00%.

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 restructuring and other related costs, asset impairments, amortization of intangibles, transformational initiatives, acquisition and integration costs, business exit and divestiture costs, net loss on equity securities, pension settlement loss, special compliance costs, change in fair value of contingent consideration and loss on extinguishment of debt.

Restructuring and other related costs include incremental expenses incurred in the period associated with restructuring programs, usually aimed at changes in business and/or cost structure. Such costs may include one-time termination benefits, facility-related costs and contract termination fees.

Asset impairments include assets that have been written down to their fair value.

Transformational initiatives include expenses associated with targeted cost reduction activities such as manufacturing transfers including costs to move manufacturing, 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, human resources and financial systems.

Acquisition and integration costs include all incremental expenses incurred to 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.

Business exit and divestiture costs (gain) include costs and gain associated with business divestitures.

Net loss on equity securities relates to the realized and unrealized mark-to-market adjustments for our marketable and non-marketable equity securities.

Pension settlement loss relates to the relief of the US Retirement Plan pension obligation due to increased lump sum payouts over a specified accounting threshold.

Special compliance costs include costs associated with transforming our processes to implement new regulations such as environmental compliance costs related to a prior acquisition, NASD site costs and certain tax reporting requirements.

Change in fair value of contingent consideration represents changes in the fair value estimate of acquisition-related contingent consideration.

Loss on extinguishment of debt for the year ended October 31, 2022 relates to the net loss recorded on the redemption of the \$600 million outstanding 3.875% 2023 senior notes due on July 15, 2023, called on April 4, 2022 and settled on May 4, 2022.

Other includes acceleration of share-based compensation expense and certain legal costs and settlements in addition to other miscellaneous adjustments.

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.

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

AGILENT TECHNOLOGIES, INC.
SEGMENT INFORMATION
(In millions, except where noted)
(Unaudited)
PRELIMINARY

Quarter-over-Quarter

Life Sciences and Applied Markets Group

	<u>Q4'23</u>	<u>Q4'22</u>
Revenue	\$ 928	\$ 1,116
Gross Margin, %	59.6%	60.6%
Income from Operations	\$ 261	\$ 365
Operating margin, %	28.1%	32.7%

Diagnostics and Genomics Group

	<u>Q4'23</u>	<u>Q4'22</u>
Revenue	\$ 356	\$ 352
Gross Margin, %	51.9%	51.0%
Income from Operations	\$ 80	\$ 69
Operating margin, %	22.5%	19.5%

Agilent CrossLab Group

	<u>Q4'23</u>	<u>Q4'22</u>
Revenue	\$ 404	\$ 381
Gross Margin, %	50.4%	48.6%
Income from Operations	\$ 128	\$ 104
Operating margin, %	31.7%	27.4%

Year-over-Year

Life Sciences and Applied Markets Group

	<u>FY23</u>	<u>FY22</u>
Revenue	\$ 3,856	\$ 4,007
Gross Margin, %	60.2%	60.2%
Income from Operations	\$ 1,116	\$ 1,186
Operating margin, %	28.9%	29.6%

Diagnostics and Genomics Group

	<u>FY23</u>	<u>FY22</u>
Revenue	\$ 1,409	\$ 1,389
Gross Margin, %	51.8%	53.5%
Income from Operations	\$ 296	\$ 301
Operating margin, %	21.0%	21.7%

Agilent CrossLab Group

	<u>FY23</u>	<u>FY22</u>
Revenue	\$ 1,568	\$ 1,452
Gross Margin, %	49.3%	47.6%
Income from Operations	\$ 463	\$ 370
Operating margin, %	29.5%	25.5%

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 restructuring and other related costs, asset impairments, amortization of intangibles, transformational initiatives, acquisition and integration costs, business exit and divestiture costs, special compliance costs and change in fair value of contingent consideration.

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

	Year-over-Year								
	GAAP								
<u>GAAP Revenue by Segment</u>	<u>Q4'23</u>	<u>Q4'22</u>	<u>Year-over-Year % Change</u>						
Life Sciences and Applied Markets Group	\$ 928	\$ 1,116	(17%)						
Diagnostics and Genomics Group	356	352	1%						
Agilent CrossLab Group	404	381	6%						
Agilent	<u>\$ 1,688</u>	<u>\$ 1,849</u>	<u>(9%)</u>						

	Non-GAAP (excluding Acquisitions & Divestitures)			Year-over-Year at Constant Currency ^(a)			Current Quarter Currency Impact ^(b)		
<u>Non GAAP Revenue by Segment</u>	<u>Q4'23</u>	<u>Q4'22</u>	<u>% Change</u>	<u>Year-over-Year % Change</u>	<u>Percentage Point Impact from Currency</u>	<u>Current Quarter Currency Impact ^(b)</u>			
Life Sciences and Applied Markets Group	\$ 928	\$ 1,116	(17%)	(18%)	1 ppt	\$	9		
Diagnostics and Genomics Group	356	350	2%	—	2 ppts		5		
Agilent CrossLab Group	404	381	6%	4%	2 ppts		6		
Agilent (Core)	<u>\$ 1,688</u>	<u>\$ 1,847</u>	<u>(9%)</u>	<u>(10%)</u>	<u>1 ppt</u>	<u>\$</u>	<u>20</u>		

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 SEGMENT
EXCLUDING ACQUISITIONS, DIVESTITURES AND THE IMPACT OF CURRENCY ADJUSTMENTS (CORE)
(in millions)
(Unaudited)
PRELIMINARY

	Year-over-Year								
	GAAP								
<u>GAAP Revenue by Segment</u>	FY23	FY22	Year-over-Year % Change						
Life Sciences and Applied Markets Group	\$ 3,856	\$ 4,007	(4%)						
Diagnostics and Genomics Group	1,409	1,389	1%						
Agilent CrossLab Group	1,568	1,452	8%						
Agilent	<u>\$ 6,833</u>	<u>\$ 6,848</u>	—						

	Non-GAAP (excluding Acquisitions & Divestitures)			Year-over-Year at Constant Currency ^(a)		Current Quarter Currency Impact ^(b)
<u>Non GAAP Revenue by Segment</u>	FY23	FY22	% Change	Year-over-Year % Change	Percentage Point Impact from Currency	Current Quarter Currency Impact ^(b)
Life Sciences and Applied Markets Group	\$ 3,849	\$ 4,007	(4%)	(2%)	-2 pts	\$ (73)
Diagnostics and Genomics Group	1,409	1,387	2%	3%	-1 ppt	(18)
Agilent CrossLab Group	1,568	1,452	8%	10%	-2 pts	(31)
Agilent (Core)	<u>\$ 6,826</u>	<u>\$ 6,846</u>	—	1%	-1 ppt	<u>\$ (122)</u>

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 year 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.