

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

	Three Months Ended April 30,		Six Months Ended April 30,	
	2024	2023	2024	2023
Net revenue	\$ 1,573	\$ 1,717	\$ 3,231	\$ 3,473
Costs and expenses:				
Cost of products and services	717	793	1,467	1,581
Research and development	113	126	241	249
Selling, general and administrative	380	415	776	834
Total costs and expenses	<u>1,210</u>	<u>1,334</u>	<u>2,484</u>	<u>2,664</u>
Income from operations	363	383	747	809
Interest income	19	12	37	21
Interest expense	(20)	(24)	(42)	(49)
Other income (expense), net	<u>12</u>	<u>6</u>	<u>35</u>	<u>6</u>
Income before taxes	374	377	777	787
Provision for income taxes	66	75	121	133
Net income	<u>\$ 308</u>	<u>\$ 302</u>	<u>\$ 656</u>	<u>\$ 654</u>
Net income per share:				
Basic	\$ 1.05	\$ 1.02	\$ 2.24	\$ 2.21
Diluted	\$ 1.05	\$ 1.02	\$ 2.23	\$ 2.20
Weighted average shares used in computing net income per share:				
Basic	293	296	293	296
Diluted	293	297	294	297

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 data)
(Unaudited)
PRELIMINARY

	<u>April 30,</u> <u>2024</u>	<u>October 31,</u> <u>2023</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,671	\$ 1,590
Accounts receivable, net	1,249	1,291
Inventory	1,000	1,031
Other current assets	<u>283</u>	<u>274</u>
Total current assets	4,203	4,186
Property, plant and equipment, net	1,371	1,270
Goodwill	3,963	3,960
Other intangible assets, net	417	475
Long-term investments	177	164
Other assets	<u>725</u>	<u>708</u>
Total assets	<u>\$ 10,856</u>	<u>\$ 10,763</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 461	\$ 418
Employee compensation and benefits	326	371
Deferred revenue	533	505
Short-term debt	420	—
Other accrued liabilities	<u>218</u>	<u>309</u>
Total current liabilities	1,958	1,603
Long-term debt	2,136	2,735
Retirement and post-retirement benefits	99	103
Other long-term liabilities	<u>449</u>	<u>477</u>
Total liabilities	4,642	4,918
Total Equity:		
Stockholders' equity:		
Preferred stock; \$0.01 par value; 125,000,000 shares authorized; none issued and outstanding at April 30, 2024 and October 31, 2023	—	—
Common stock; \$0.01 par value, 2,000,000,000 shares authorized; 291,587,707 shares at April 30, 2024 and 292,123,241 shares at October 31, 2023, issued and outstanding	3	3
Additional paid-in-capital	5,458	5,387
Retained earnings	1,090	782
Accumulated other comprehensive loss	<u>(337)</u>	<u>(327)</u>
Total stockholders' equity	6,214	5,845
Total liabilities and stockholders' equity	<u>\$ 10,856</u>	<u>\$ 10,763</u>

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

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

	Six Months Ended	
	April 30, 2024	April 30, 2023
Cash flows from operating activities:		
Net income	\$ 656	\$ 654
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	125	138
Share-based compensation	75	68
Deferred taxes	(7)	(1)
Excess and obsolete inventory related charges	23	15
Net (gain) loss on equity securities	(4)	14
Asset impairment charges	8	—
Change in fair value of contingent consideration	—	1
Other non-cash (income) expense, net	(4)	2
Changes in assets and liabilities:		
Accounts receivable, net	44	49
Inventory	3	(71)
Accounts payable	64	(101)
Employee compensation and benefits	(47)	(110)
Other assets and liabilities	(118)	36
Net cash provided by operating activities ^(a)	<u>818</u>	<u>694</u>
Cash flows from investing activities:		
Payments to acquire property, plant and equipment	(193)	(133)
Proceeds from sale of equity securities	—	5
Payments to acquire equity securities	(3)	(1)
Proceeds from convertible note	—	4
Payments in exchange for convertible note	(8)	(5)
Payments to acquire businesses and intangible assets, net of cash acquired	—	(51)
Net cash used in investing activities	<u>(204)</u>	<u>(181)</u>
Cash flows from financing activities:		
Proceeds from issuance of common stock under employee stock plans	43	35
Payment of taxes related to net share settlement of equity awards	(26)	(52)
Payments for repurchase of common stock	(230)	(160)
Payments of dividends	(138)	(133)
Repayments of long-term debt	(180)	—
Net proceeds from (repayment of) short-term debt	—	(35)
Payment for contingent consideration	—	(62)
Net cash used in financing activities	<u>(531)</u>	<u>(407)</u>
Effect of exchange rate movements	(2)	16
Net increase in cash, cash equivalents and restricted cash	81	122
Cash, cash equivalents and restricted cash at beginning of period	<u>1,593</u>	<u>1,056</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,674</u>	<u>\$ 1,178</u>
Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheet:		
Cash and cash equivalents	\$ 1,671	\$ 1,175
Restricted cash, included in other assets	3	3
Total cash, cash equivalents and restricted cash	<u>\$ 1,674</u>	<u>\$ 1,178</u>

^(a) Cash payments included in operating activities:

Income tax payments, net of refunds received	\$ 224	\$ 128
Interest payments, net of capitalized interest	\$ 40	\$ 44

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 data)
(Unaudited)
PRELIMINARY

	Three Months Ended				Six Months Ended			
	April 30,				April 30,			
	2024		2023		2024		2023	
	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS
GAAP net income	\$ 308	\$ 1.05	\$ 302	\$ 1.02	\$ 656	\$ 2.23	\$ 654	\$ 2.20
Non-GAAP adjustments:								
Restructuring and other related costs	1	—	—	—	4	0.01	—	—
Asset impairments	—	—	—	—	8	0.03	—	—
Intangible amortization	26	0.09	38	0.12	52	0.18	74	0.25
Transformational initiatives	1	—	5	0.02	4	0.01	12	0.04
Acquisition and integration costs	(1)	—	5	0.02	1	—	7	0.02
Net (gain) loss on equity securities	(1)	—	4	0.01	(1)	—	16	0.06
Change in fair value of contingent consideration	—	—	—	—	—	—	1	—
Other	7	0.02	8	0.03	1	—	11	0.04
Adjustment for taxes ^(a)	15	0.06	15	0.05	11	0.04	8	0.03
Non-GAAP net income	<u>\$ 356</u>	<u>\$ 1.22</u>	<u>\$ 377</u>	<u>\$ 1.27</u>	<u>\$ 736</u>	<u>\$ 2.50</u>	<u>\$ 783</u>	<u>\$ 2.64</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 ended April 30, 2024, management used a non-GAAP effective tax rate of 12.46%. For the six months ended April 30, 2024, management used a non-GAAP effective tax rate of 13.00%. For the three and six months ended April 30, 2023, management used a non-GAAP effective tax rate of 13.75%.

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, net (gain) loss on equity securities and change in fair value of contingent consideration.

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, 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 effect a business combination. Such acquisition costs may include advisory, legal, tax, 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.

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

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

Other includes certain legal costs and settlements, special compliance costs, acceleration of stock-based compensation expense and 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>Q2'24</u>		<u>Q2'23</u>
Revenue	\$ 754	\$	874
Gross Margin, %	59.4%		59.8%
Income from Operations	\$ 186	\$	244
Operating margin, %	24.7%		27.9%

Diagnostics and Genomics Group

	<u>Q2'24</u>		<u>Q2'23</u>
Revenue	\$ 417	\$	456
Gross Margin, %	53.7%		53.7%
Income from Operations	\$ 86	\$	93
Operating margin, %	20.5%		20.5%

Agilent CrossLab Group

	<u>Q2'24</u>		<u>Q2'23</u>
Revenue	\$ 402	\$	387
Gross Margin, %	50.2%		47.0%
Income from Operations	\$ 123	\$	103
Operating margin, %	30.5%		26.6%

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, amortization of intangibles, transformational initiatives and acquisition and integration 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.
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>Q2'24</u>	<u>Q2'23</u>	<u>Year-over-Year</u>			
			<u>% Change</u>			
Life Sciences and Applied Markets Group	\$ 754	\$ 874	(14%)			
Diagnostics and Genomics Group	417	456	(9%)			
Agilent CrossLab Group	402	387	4%			
Agilent	<u>\$ 1,573</u>	<u>\$ 1,717</u>	(8%)			

<u>Non GAAP Revenue by Segment</u>	<u>Non-GAAP</u>			<u>Year-over-Year</u>			<u>Year-over-Year</u>			<u>Current Quarter</u>
	<u>(excluding Acquisitions & Divestitures)</u>			<u>at Constant Currency ^(a)</u>			<u>at Constant Currency ^(a)</u>			<u>Currency Impact</u>
	<u>Q2'24</u>	<u>Q2'23</u>	<u>% Change</u>	<u>% Change</u>	<u>Percentage Point</u>	<u>Impact from</u>	<u>Current Quarter</u>		<u>Impact</u>	
						<u>Currency</u>		<u>(b)</u>		
Life Sciences and Applied Markets Group	\$ 754	\$ 874	(14%)	(13%)	-1 ppt			\$ (8)		
Diagnostics and Genomics Group	417	453	(8%)	(8%)	—			(2)		
Agilent CrossLab Group	402	387	4%	5%	-1 ppt			(4)		
Agilent (Core)	<u>\$ 1,573</u>	<u>\$ 1,714</u>	(8%)	(7%)	-1 ppt			<u>\$ (14)</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.