

# Agilent Technologies

Q3 FY2024

Financial Results Overview



# Safe Harbor

These presentations contain 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, impact of acquisitions, 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 April 30, 2024.

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 charges primarily related to restructuring and other related costs, asset impairments, amortization of intangibles, transformational initiatives, acquisition and integration costs, and net (gain) loss on equity securities. 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. 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 Q3 2024 Results

Revenue	Operating Margin	EPS
<p><b>\$1.58B</b></p> <p>-5.6% reported -4.4% core<sup>(1)(2)</sup></p> <p>-1.1% FX, -0.1% M&amp;A</p>	<p><b>27.4%</b><sup>(2)</sup></p> <p>-190 basis points y/y</p>	<p><b>\$1.32</b><sup>(2)</sup></p> <p>-8% y/y</p>

## Capital Allocation

**\$452M** operating cash flow | **\$585M** paid to purchase 4.4M shares | **\$92M** invested in capex | **\$68M** paid in dividends

## Insights

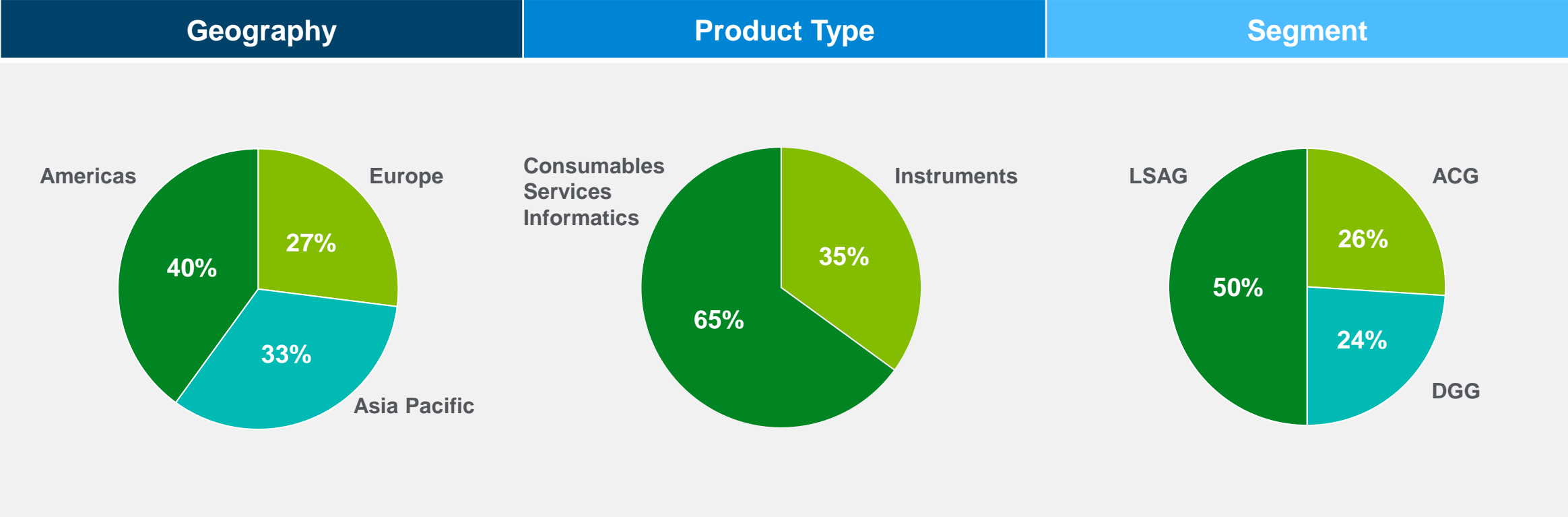
Customers continue to be cautious on capital equipment spending while lab activity remains strong, as evidenced by mid-single digits growth for our services and consumables businesses. The Environmental & Forensics end market continued to deliver solid growth as the increasing demand for PFAS testing solutions fuels commercial labs to invest in new platforms to supply the necessary testing capacity.

Stronger than expected operating margin performance as focus on driving efficiencies helped to offset volume-related margin pressure and enable incremental investment in key growth areas.

(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 on Agilent's Investor Relations website.

# Q3 Revenue by Geography, Product Type and Segment



# Q3 Revenue by End Market

Q3 Core Growth <sup>(1)</sup> Results by End Market					
Pharma	Academic & Government	Diagnostics & Clinical	Chemicals & Advanced Materials	Food	Environmental & Forensics
<b>-8%</b>	<b>-11%</b>	<b>+2%</b>	<b>-5%</b>	<b>-3%</b>	<b>+4%</b>
Capital budgets remain constrained. Solid mid-single digits growth in Services & Consumables indicates customer lab activity remains solid.	Some softness globally, but most pronounced in Europe and China.	Continued mid-single digits growth in Cancer Dx was offset by ongoing softness in Genomics	China performance pressured results, but demand outlook remains positive in the near term.	Commercial labs continued to be conservative on capital equipment spending, with services and consumables growth helping to partially offset.	Excellent performance in Europe and China, driven by the need for solutions to address PFAS and other emerging contaminants.

Share of Agilent Revenue by End Market <sup>(2)</sup>					
<b>34%</b>	<b>8%</b>	<b>15%</b>	<b>23%</b>	<b>9%</b>	<b>11%</b>
Pharma	Academic & Gov	Diagnostics & Clinical	Chemicals & Advanced Materials	Food	Environment & Forensics

(1) Core growth is reported growth adjusted for the effects of acquisitions and divestitures and FX; reconciliations to closest GAAP equivalent provided on Agilent's Investor Relations website.

(2) % of Q3'24 Agilent revenue.

# Results by Segment

Life Sciences and Applied Markets Group			
Revenue	Growth	Operating Margin	Insights
\$782M	-8% Reported -7% Core <sup>(1)(2)</sup>	28.4% <sup>(3)</sup> -260 bps y/y	<b>Q3 revenue was ahead of expectations</b> even as the instrument side of the business remains constrained. Broad growth in consumables remains a point of strength in a trying market environment.

Agilent CrossLab Group			
Revenue	Growth	Operating Margin	Insights
\$411M	+4% Reported +5% Core <sup>(1)(2)</sup>	34.0% <sup>(3)</sup> +130 bps y/y	<b>Continues to deliver solid, reliable growth through challenging market conditions</b> , including mid-single digit plus growth across all regions except for China. Underlying margin expansion driven by productivity gains and mix.

Diagnostics and Genomics Group			
Revenue	Growth	Operating Margin	Insights
\$385M	-9% Reported -8% Core <sup>(1)(2)</sup>	18.3% <sup>(3)</sup> -440 bps y/y	Revenue was in-line with expectations, with <b>solid mid-single digit growth in Pathology</b> offset by expected softness in Cell Analysis, Genomics and NASD. Operating margins impacted by transitory step-down in volumes for NASD.

(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.

(3) Presented on a non-GAAP basis.

# Guidance and Forward-looking Considerations

Based on forecasted currency exchange rates

Q4 24 Guidance <sup>(1)</sup>	Low End	High End
Net Revenue (\$M)	\$1,641	\$1,691
Core Revenue Growth <sup>(2)</sup> -0.9% FX	-1.9%	+1.1%
EPS	\$1.38	\$1.42

FY 24 Guidance <sup>(1)</sup>	Low End	High End
Net Revenue (\$M)	\$6,450	\$6,500
Core Revenue Growth <sup>(2)</sup> -0.5% FX, -0.1% M&A	-5.0%	-4.3%
EPS	\$5.21	\$5.25

## FY24 Financial Considerations

Net Interest + Other Income/Expense: \$38M of income (\$5M income for Q4)

Guidance assumes diluted share counts of 287M for Q4 and 292M for the full year

Operating Cash Flow of \$1.5-1.6B and CapEx of \$0.4B

Shareholder Returns: \$273M in dividends. Anti-dilutive share repurchases and \$750M in incremental share repurchases<sup>(3)</sup>

Guidance excludes BIOVECTRA and associated financing

(1) As of Aug 21, 2024, based on forecasted currency 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) The 2024 Stock Repurchase Program that authorized up to \$2 billion was approved by the Board in May 2024. The new program became effective on August 1, 2024 however the 2023 Stock Repurchase Program was allowed to be depleted first.



# Agilent

Trusted Answers