

# Agilent Technologies

Q2 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 January 31, 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, 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 Q2 2024 Results

Revenue	Operating Margin	EPS
<p><b>\$1.57B</b></p> <p>-8.4% reported -7.4% core<sup>(1)(2)</sup></p> <p>-0.8% FX, -0.2% M&amp;A</p>	<p><b>25.1%</b><sup>(2)</sup></p> <p>-50 basis points y/y</p>	<p><b>\$1.22</b><sup>(2)</sup></p> <p>-4% y/y</p>

## Capital Allocation

**\$333M** operating cash flow | **\$230M** paid to purchase 1.6M shares | **\$103M** invested in capex | **\$69M** paid in dividends

## Insights

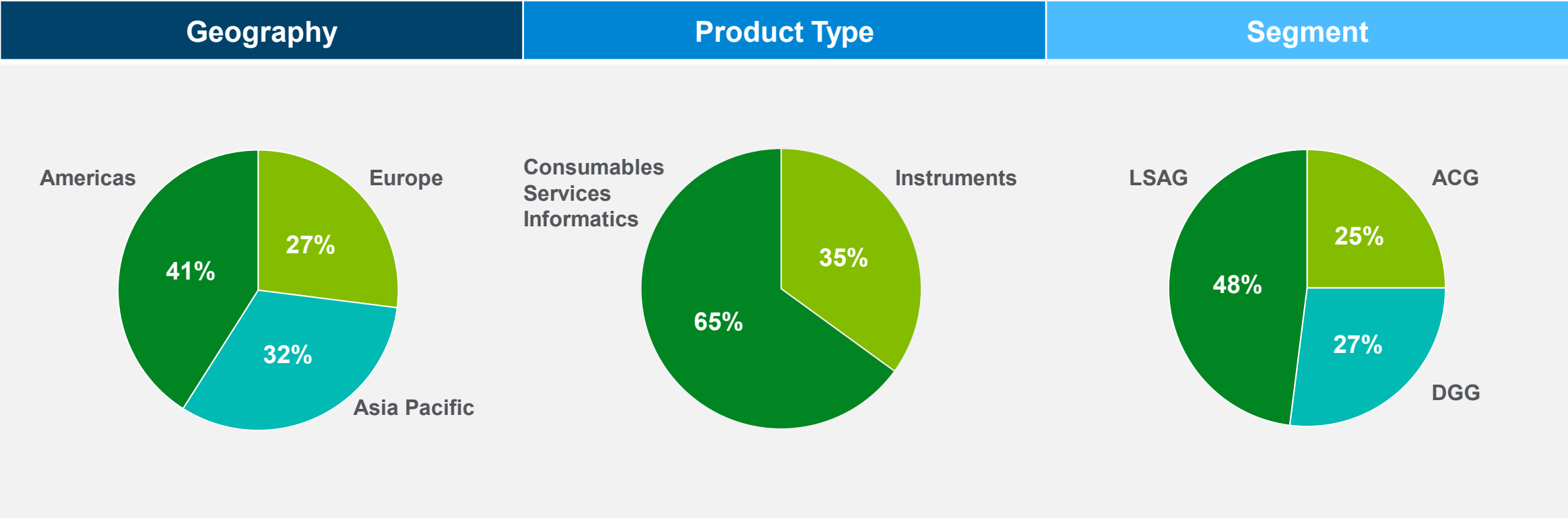
A difficult compare and conservative capital environment across the end markets constrained growth, while the service business remains a strong contributor. Chemicals & Advanced Materials and Environmental & Forensics end markets outperformed expectations with nice performance from secular drivers in Semicon/Battery and PFAS.

Operating margin decline occurred against a strong year-over-year comparison while continued focus on driving operational efficiencies helps to mitigate volume-related margin pressures.

(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.

# Q2 Revenue by Geography, Product Type and Segment



# Q2 Revenue by End Market

Q2 Core Growth <sup>(1)</sup> Results by End Market					
Pharma	Academic & Government	Diagnostics & Clinical	Chemicals & Advanced Materials	Food	Environmental & Forensics
-11%	-12%	-2%	-3%	-13%	-2%
Softness in instruments globally as customers continue to approach capital equipment purchases cautiously.	A challenging Q2'23 comp of +11% and unexpected sequential weakness in China drove declining low-double digit result.	Solid mid-single digit growth in Cancer Dx was offset by US-centered softness in NGS Chemistries.	Resilient performance against very difficult +16% comp last year.  Strength in Americas and China aided by the semi/battery space.	A very challenging +21% Q2'23 comp and sequential softness in China.  Ex-China decline of low-single digits met expectations.	Resilient Ex-China growth of mid-single digits is supported by the continued expansion of PFAS.  Sequential weakness in China weighed on the global result.

Share of Agilent Revenue by End Market <sup>(2)</sup>					
34%	9%	15%	23%	9%	10%
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 Q2'24 Agilent revenue.

# Results by Segment

Life Sciences and Applied Markets Group			
Revenue	Growth	Operating Margin	Insights
\$754M	-14% Reported -13% Core <sup>(1)(2)</sup>	24.7% <sup>(3)</sup> -320 bps y/y	Q2 revenue was in line with expectations as customers continue to be conservative with capital equipment spending, while <b>growth in consumables and pre-owned instruments</b> demonstrates continued lab activity and customer instrumentation needs.

Agilent CrossLab Group			
Revenue	Growth	Operating Margin	Insights
\$402M	+4% Reported +5% Core <sup>(1)(2)</sup>	30.5% <sup>(3)</sup> +390 bps y/y	<b>Another strong quarter for ACG.</b> High-single digit growth ex-China highlights ongoing lab demand, and double-digit contract revenue growth validates the strong customer partnership and best-in-class performance of the CrossLab team.

Diagnostics and Genomics Group			
Revenue	Growth	Operating Margin	Insights
\$417M	-9% Reported -8% Core <sup>(1)(2)</sup>	20.5% <sup>(3)</sup> flat y/y	Q2 revenue as expected with softness in Cell Analysis, NGS Chemistries and NASD. <b>The Pathology business continues to deliver mid-single digit growth</b> as clinical demand for our Cancer Dx platform remains strong.

(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

<b>Q3 24 Guidance<sup>(1)</sup></b>	<b>Low End</b>	<b>High End</b>
<b>Net Revenue (\$M)</b>	<b>\$1,535</b>	<b>\$1,575</b>
<i>Core Revenue Growth<sup>(2)</sup></i>	<i>-6.9%</i>	<i>-4.5%</i>
<i>-1.2% FX, -0.1% M&amp;A</i>		
<b>EPS</b>	<b>\$1.25</b>	<b>\$1.28</b>

<b>FY 24 Guidance<sup>(1)</sup></b>	<b>Low End</b>	<b>High End</b>
<b>Net Revenue (\$M)</b>	<b>\$6,420</b>	<b>\$6,500</b>
<i>Core Revenue Growth<sup>(2)</sup></i>	<i>-5.4%</i>	<i>-4.3%</i>
<i>-0.5% FX, -0.1% M&amp;A</i>		
<b>EPS</b>	<b>\$5.15</b>	<b>\$5.25</b>

## FY24 Financial Considerations

Net Interest + Other Income/Expense: \$35M of income (\$8M income for Q3)

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

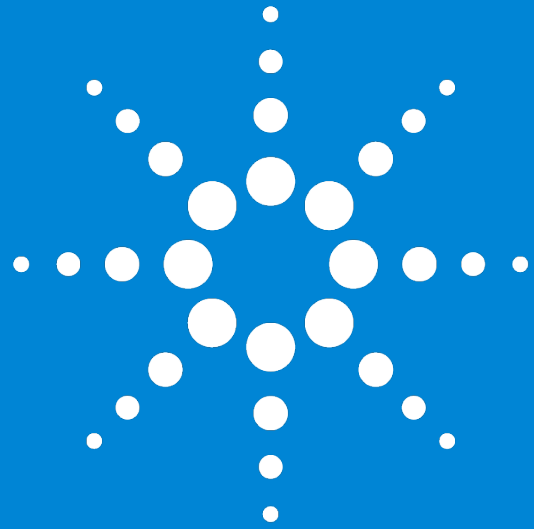
Operating Cash Flow of \$1.5-1.6B and CapEx of \$0.4B

Shareholder Returns: \$278M in dividends. Anti-dilutive share repurchases and \$750M in incremental share repurchases<sup>(3)</sup>

(1) As of May 29, 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 with authorization up to \$2 billion was approved by the Board in May 2024. Per 10b5-1 plan, a maximum of 2.6M shares to be purchased on daily systematic basis. The new program will become effective on August 1, 2024 or when the authorization amount under the 2023 Stock Repurchase Program is depleted.



# Agilent

Trusted Answers