

# Keysight Technologies Q4 Fiscal Year 2025 Results

November 24, 2025

# Safe Harbor

This communication contains forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and is subject to the safe harbors created therein. Statements preceded by, followed by, or that otherwise include the words “anticipate,” “assume,” “plan,” “estimate,” “expect,” “guidance,” “intend,” “implied,” “target,” “believe,” “outlook,” and similar words or expressions, or future or conditional verbs such as “will,” “should,” “would,” “may,” or “could”, or statements regarding the company’s goals, priorities, anticipated revenues, anticipated demand, growth opportunities, customer service and innovation plans, new product introductions, anticipated financial condition, anticipated gross and operating margins, future earnings, the anticipated continued strengths and expected growth of the markets the company sells into, and future operations, earnings, and tax rates are intended to identify forward-looking statements. Keysight disclaims any intention to, and undertakes no responsibility to, update or revise any forward looking statement, whether as a result of new information, a future event, or otherwise. The forward-looking statements contained herein include, but are not limited to, predictions, guidance, projections, assumptions, beliefs, opinions, and expectations regarding the company’s future goals, revenues, financial condition, earnings, and operations that involve risks and uncertainties that could cause Keysight’s results to differ materially from those expressed in such statements. Such risks and uncertainties include, but are not limited to, impacts of global economic conditions such as inflation or recession, impacts of tariffs and reciprocal tariffs, volatility in financial markets, slowing demand for products or services, impacts of export control regulations, impacts of geopolitical tension and conflict, impacts related to net-zero emissions commitments, customer purchasing decisions and timing, order cancellations. For additional risks and uncertainties that could impact Keysight’s actual results, please see our latest Form 10-K filed with the SEC on December 17, 2024 and our latest Form 10-Q filed with the SEC on August 29, 2025, included but not limited to the discussion under “Risk Factors” therein, which may be viewed at [www.sec.gov](http://www.sec.gov).

This presentation includes a number of different financial measures, both GAAP and non-GAAP, in analyzing and assessing the overall performance of the business, for making operating decisions and for forecasting and planning for future periods. Non-GAAP measures exclude primarily the impacts of amortization of acquisition-related balances, share-based compensation, acquisition and integration costs, restructuring and related costs, and any one-time adjustments that may have a material effect on the Company’s expenses and income from operations calculated in accordance with GAAP. Also excluded are tax benefits or expenses that are not directly related to ongoing operations and which are either isolated or cannot be expected to occur again with any regularity or predictability. For future periods, 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. This limits our ability to provide a reconciliation of the expected non-GAAP earnings per share to the GAAP equivalent. The definitions of these non-GAAP financial measures may differ from similarly titled measures used by others, and such non-GAAP measures should be considered supplemental to and not a substitute for financial information prepared in accordance with GAAP. Keysight generally uses non-GAAP financial measures to facilitate management’s comparisons to historic operating results, to competitors’ operating results and to guidance provided to investors. In addition, Keysight believes that the use of these non-GAAP financial measures provides greater transparency to investors of information used by management in its financial and operational decision-making. Refer to last slide for more details on the use of non-GAAP financial measures.

# Q4'25 & FY'25 Highlights

|   |                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---|--------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | <b>Strong finish to the year and above-expectation results</b>                                               | <ul style="list-style-type: none"> <li>• Fourth quarter revenue of \$1.4B (+10% y/y) and earnings per share<sup>1</sup> of \$1.91 (+16% y/y).</li> <li>• FY25 revenue grew 8%; both CSG (+9% y/y) and EISG (+6% y/y) returned to full-year revenue growth.</li> <li>• FY25 core operating margin<sup>1,2</sup> of 26.6% increased 90 basis points y/y despite tariff costs resulting in core operating margin incremental at 39%.</li> </ul>                                                                                                                                       |
| 2 | <b>Robust order growth and \$2.7B backlog position Keysight for a strong start to FY26</b>                   | <ul style="list-style-type: none"> <li>• Fourth quarter orders of \$1.5B increased 14% y/y and grew 14% q/q.</li> <li>• CSG orders grew for the 6th consecutive quarter with commercial communications strength driven by AI-related solutions and wireless.</li> <li>• EISG orders grew for the 2nd consecutive quarter with strength in the broad electronics supply chain and digital health applications.</li> <li>• FY25 orders of \$5.5B grew 8% y/y; record orders in aerospace, defense and government and wireline.</li> </ul>                                            |
| 3 | <b>Executing our strategy and delivering on our commitments to customers and shareholders</b>                | <ul style="list-style-type: none"> <li>• Generated record free cash flow<sup>1</sup> of \$1.3B.</li> <li>• Invested in R&amp;D and deployed \$1.7B for acquisitions in FY25.</li> <li>• Repurchased ~2.4M shares in FY25 at an average price of ~\$157 for a total consideration of \$375M.</li> <li>• New \$1.5B share repurchase authorization reflects confidence in long-term growth and value creation.</li> </ul>                                                                                                                                                            |
| 4 | <b>Acquisitions advance software-centric solutions strategy, broaden solutions portfolio, and extend SAM</b> | <ul style="list-style-type: none"> <li>• Acquisition of Spirent, Optical Solutions Group, and PowerArtist broadens software solutions with advanced design, simulation, and assurance capabilities.</li> <li>• Expands served addressable market by ~\$1.25B<sup>3</sup>. Grows overall software mix by ~300 bps<sup>3</sup>.</li> <li>• Aligned with long-term secular growth drivers, including AI, 6G, space and satellite, and automotive.</li> <li>• FY26 revenue of ~\$375M, gross margin &gt;75%<sup>3</sup> and EPS accretive 12 months post-close<sup>3</sup>.</li> </ul> |

# Q4'25 Non-GAAP Financial Highlights

## Orders

**\$1.533B**

+14%/y/y (+12% core\*)

## Revenue

**\$1.419B**

+10%/y/y (+9% core\*)

## Operating Margin

**26.3%**

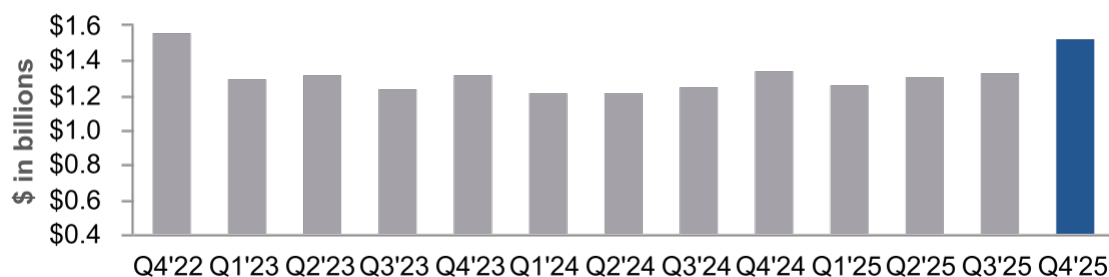
+50 basis points y/y

## EPS

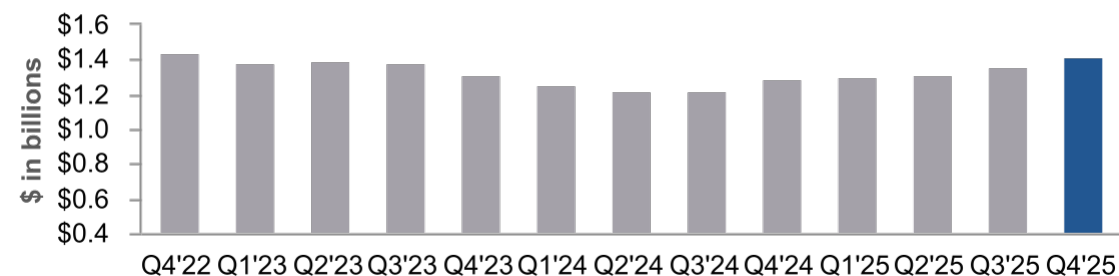
**\$1.91**

+16%/y/y

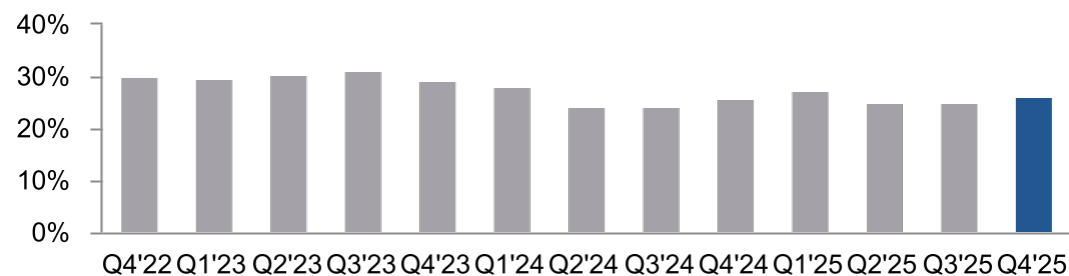
### Orders



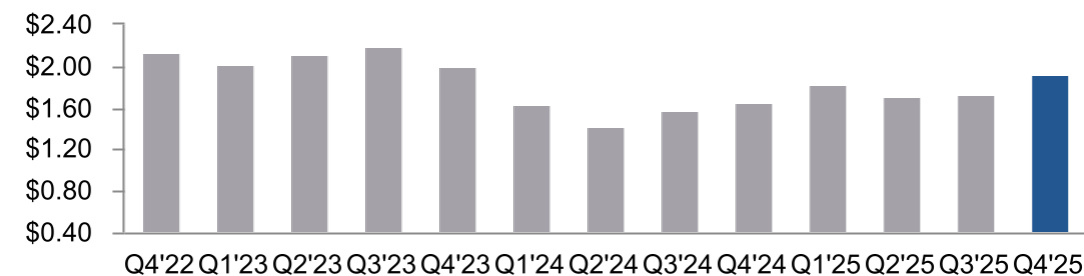
### Revenue



### Operating Margin



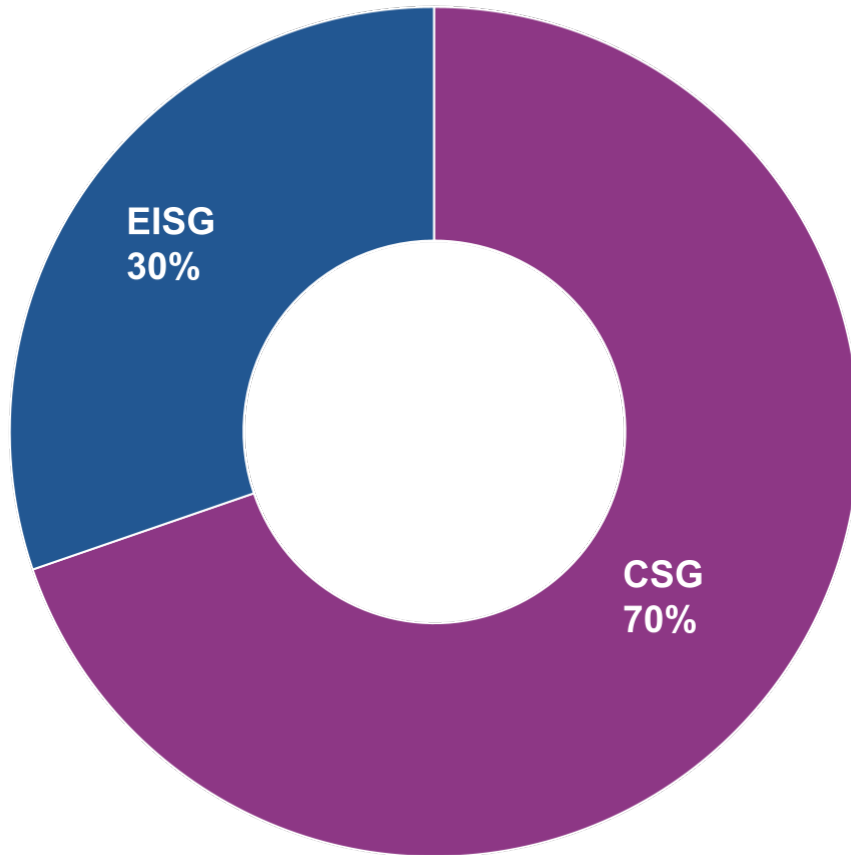
### EPS



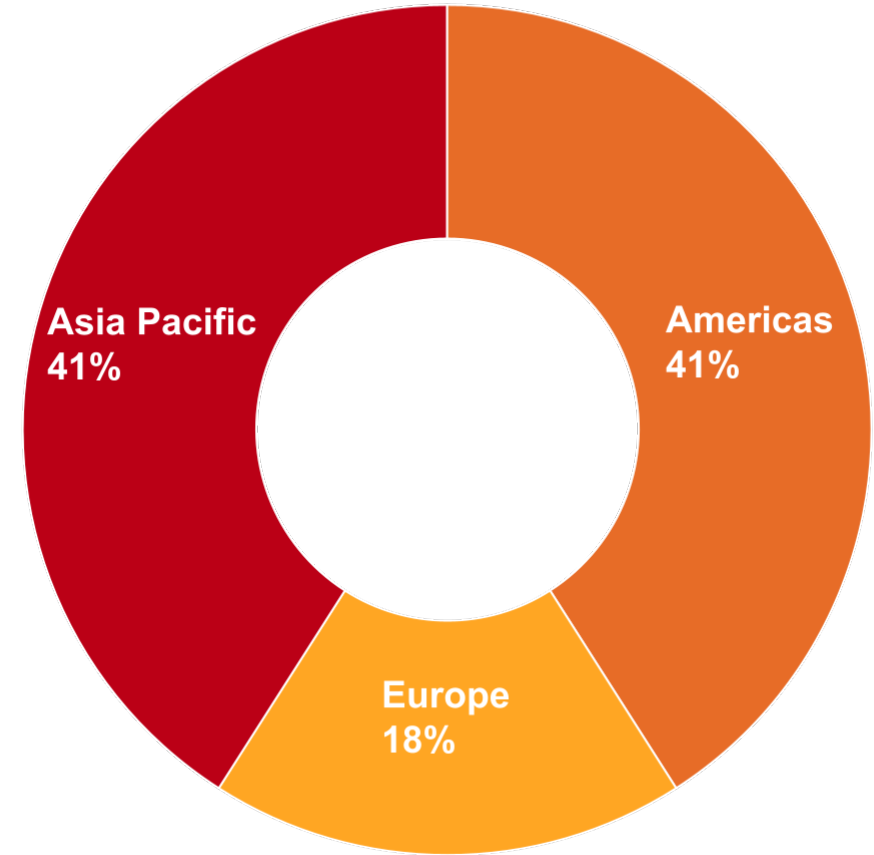
# Revenue by Segment & by Region

Q4'25 Revenue: \$1.419B

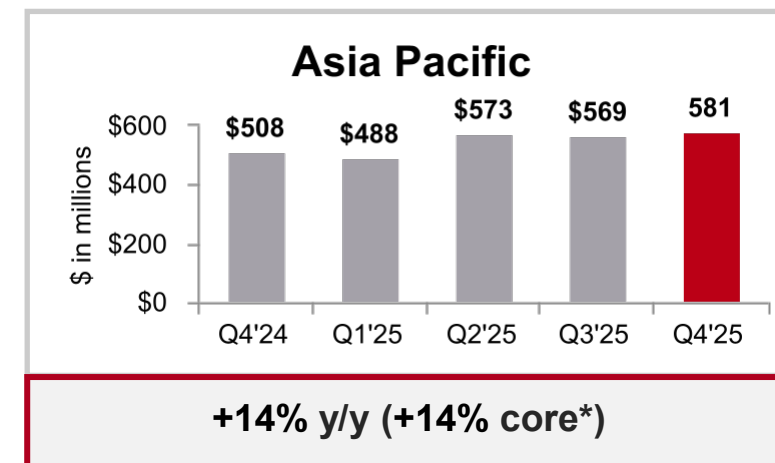
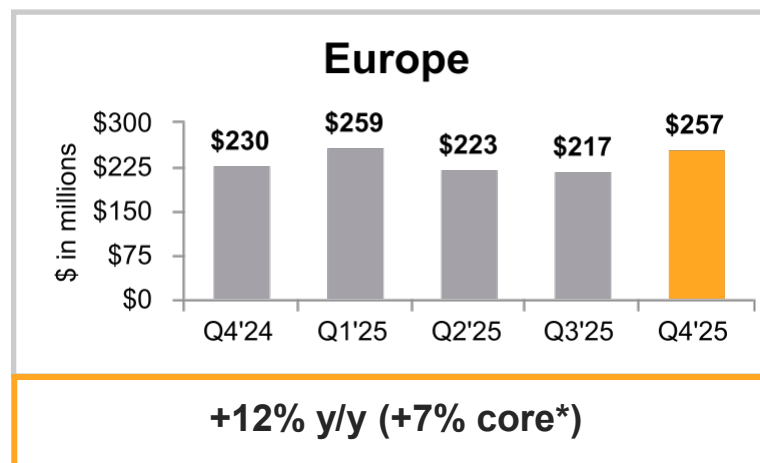
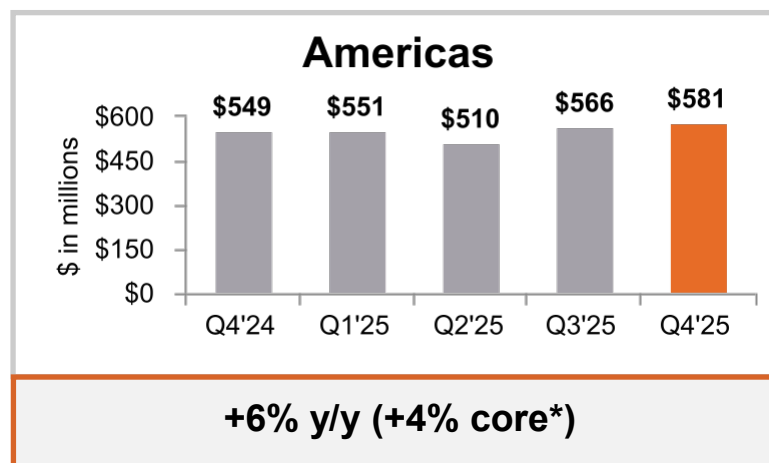
By Segment



By Region



# Revenue Trend by Region



# Q4'25 Communications Solutions Group Highlights



## Revenue

**\$990M**

+11% y/y (+9% core\*)



## Operating Margin

**26.7%**

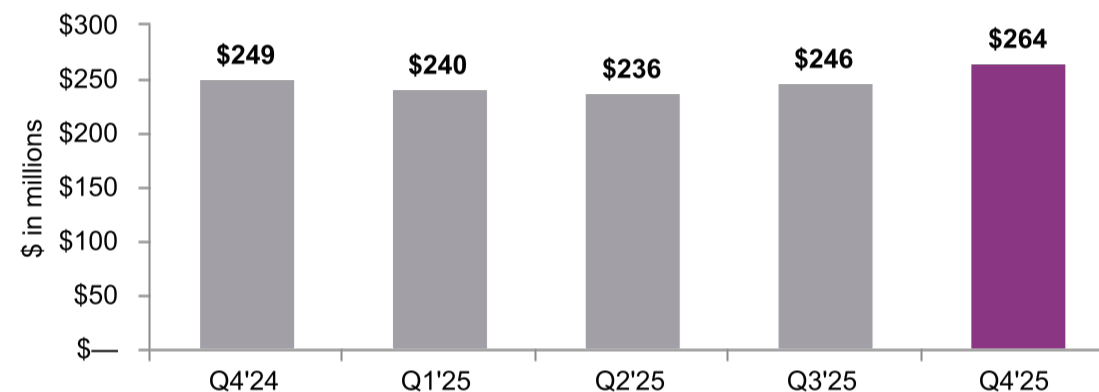
-120 basis points y/y

- **Commercial Communications:** Revenue grew 12% y/y, reflecting growth in both wireline and wireless. Strong double-digit order growth was driven by ongoing investment in AI data center infrastructure, as well as non-terrestrial networks, 5G-Advanced and early 6G research.
- **Aerospace, Defense & Government:** Revenue increased 9% y/y, driven by space, satellite, and security/defense communications growth. Despite the U.S. government shutdown, the demand outlook remains positive.

**CSG Revenue**



**CSG Income from Operations**



# Q4'25 Electronic Industrial Solutions Group Highlights



## Revenue

**\$429M**

+9% y/y (+8% core\*)



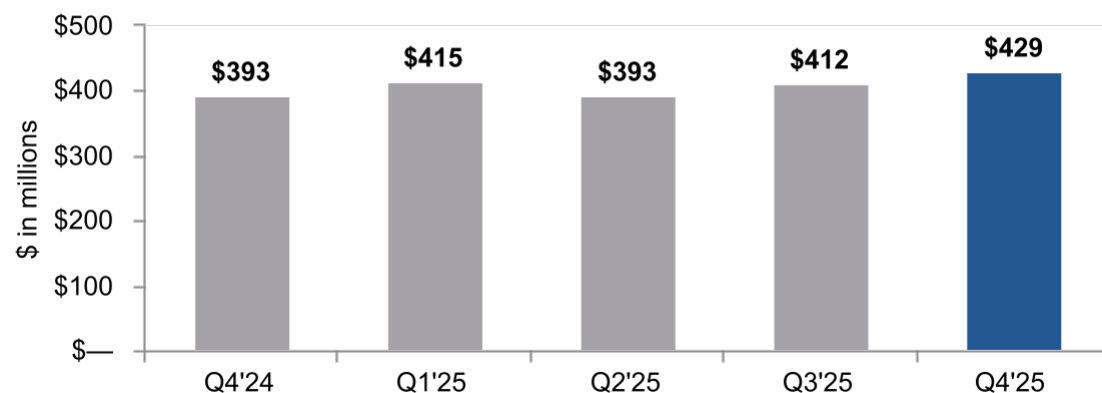
## Operating Margin

**25.4%**

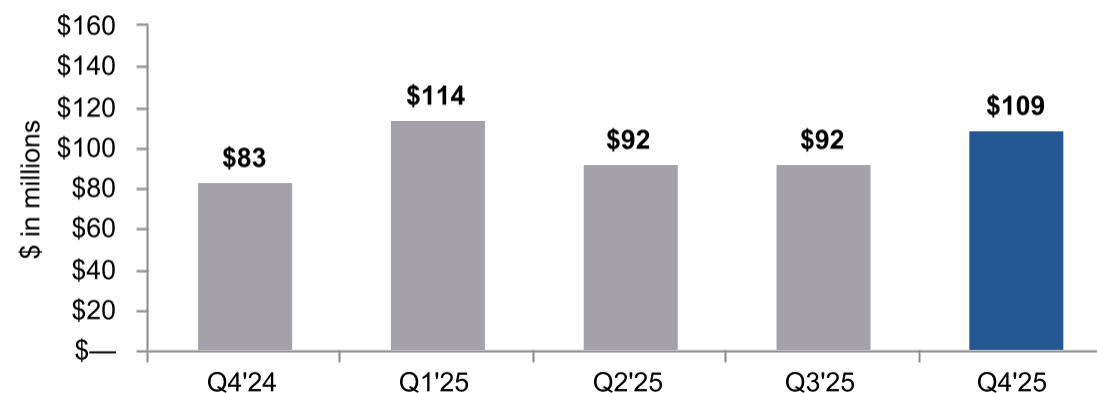
+430 basis points y/y

- **Automotive:** Revenue was stable y/y, while orders returned to growth after six quarters of decline with growth across all subsegments (SDV, EV, ESI, manufacturing).
- **Semiconductor:** Double-digit revenue growth in wafer test solutions as foundries and IDMs expand AI-driven advanced node, memory, and SiPh capacity. Orders grew due to higher lithography demand.
- **General Electronics:** Revenue grew for a third consecutive quarter with double-digit y/y growth driven by strength in industrial end markets and digital health. Order grew reflecting strength in the broad electronics supply chain, as well as by digital health solutions.

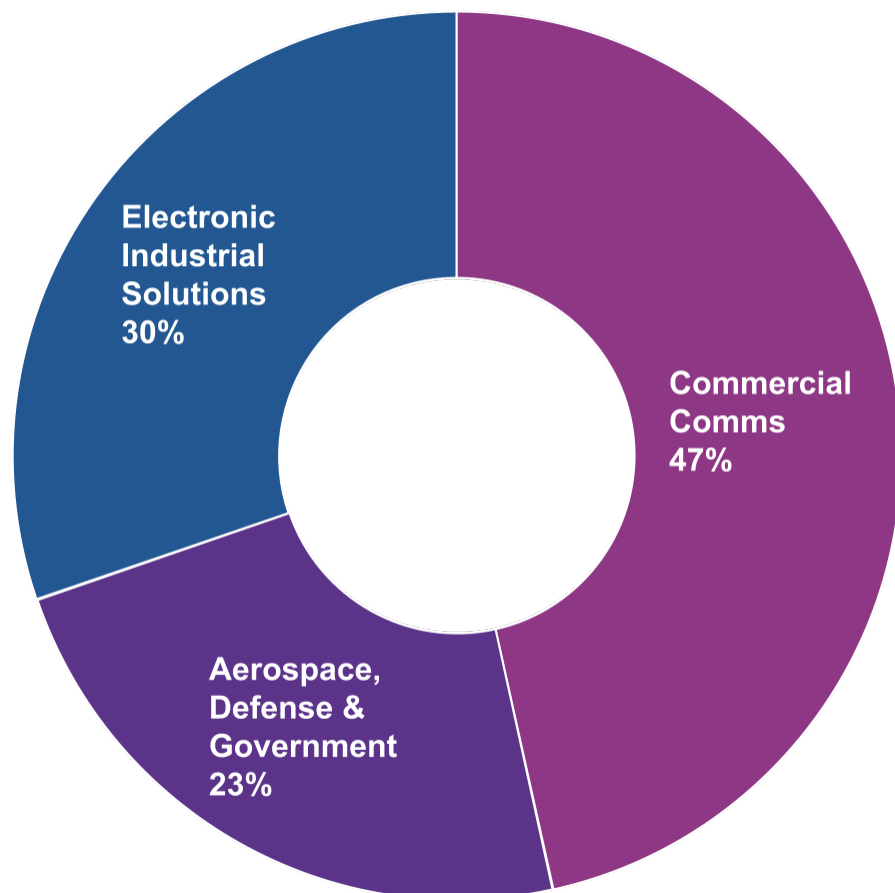
### EISG Revenue



### EISG Income from Operations



# Q4'25 Revenue By End Market



| End Market                      | Revenue  | YoY % |
|---------------------------------|----------|-------|
| Commercial Communications       | \$660M   | +12%  |
| Aerospace, Defense & Government | \$330M   | +9%   |
| Electronic Industrial Solutions | \$429M   | +9%   |
| Total                           | \$1,419M | +10%  |

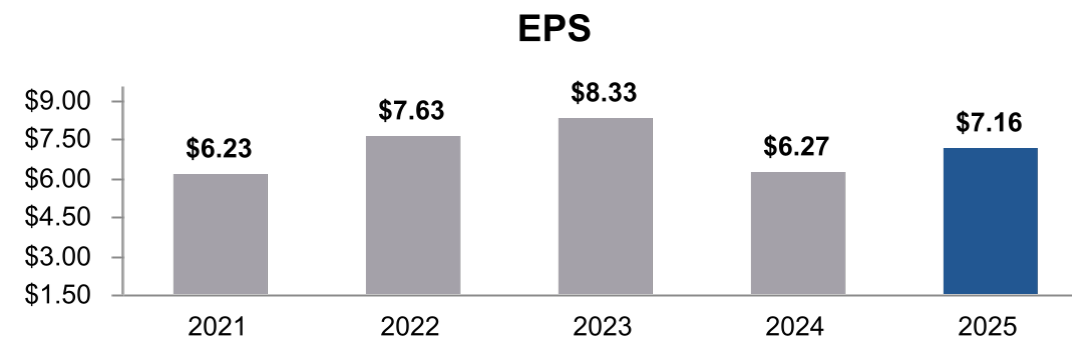
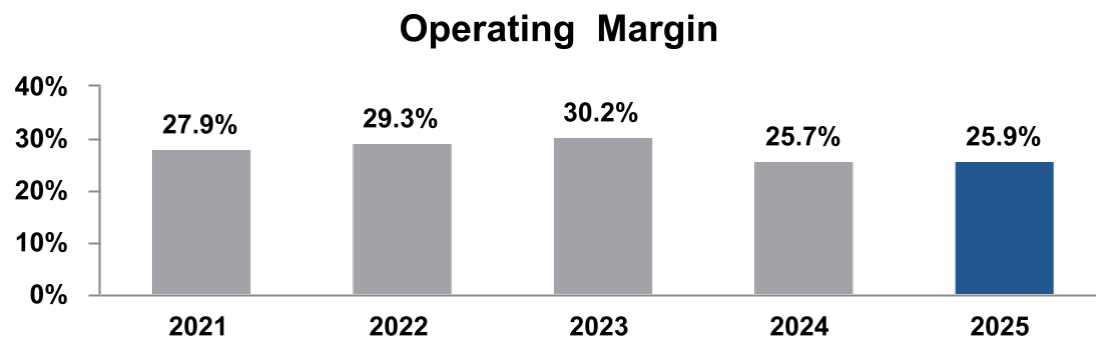
# FY25 Non-GAAP Highlights & Annual Trend

**Orders**  
**\$5.452B**  
 — CAGR

**Revenue**  
**\$5.375B**  
 2% CAGR

**Operating Margin**  
**25.9%**  
 -200 basis points

**EPS**  
**\$7.16**  
 4% CAGR



# Guidance and Financial Considerations

| Q1'26 Guidance              |                     |
|-----------------------------|---------------------|
| Revenue                     | \$1.530B – \$1.550B |
| Non-GAAP Earnings per share | \$1.95 – \$2.01     |

## FY26 Financial Considerations

- Interest expense of ~\$110M at current debt levels.
- Non-GAAP tax rate of 14%.
- Guidance assumes Q1 weighted average diluted share count of approximately 173M shares.
- Expected 2026 capital expenditures of approximately \$160M.

# Reconciliations

# RECONCILIATION OF CORE REVENUE

(In millions)

(Unaudited)

PRELIMINARY

|                                           | Year-over-year  |                 |                   | Year-over-year  |                 |                   |
|-------------------------------------------|-----------------|-----------------|-------------------|-----------------|-----------------|-------------------|
|                                           | Q4'25           | Q4'24           | Percent Inc/(Dec) | FY25            | FY24            | Percent Inc/(Dec) |
| <b>Revenue</b>                            | \$ 1,419        | \$ 1,287        | 10%               | \$ 5,375        | \$ 4,979        | 8%                |
| <b>Adjustments:</b>                       |                 |                 |                   |                 |                 |                   |
| Revenue from acquisitions or divestitures | (11)            | —               |                   | (23)            | —               |                   |
| Currency impacts                          | (7)             | —               |                   | (8)             | —               |                   |
| <b>Core Revenue</b>                       | <u>\$ 1,401</u> | <u>\$ 1,287</u> | 9%                | <u>\$ 5,344</u> | <u>\$ 4,979</u> | 7%                |

# RECONCILIATIONS OF CORE REVENUE BY SEGMENT AND REGION

(In millions)

(Unaudited)

PRELIMINARY

| Revenue by Segment                    | Year-over-Year |          |            |                                           |                      |              |          |            |  |
|---------------------------------------|----------------|----------|------------|-------------------------------------------|----------------------|--------------|----------|------------|--|
|                                       | Revenue        |          |            | Revenue from acquisitions or divestitures | Currency Adjustments | Core Revenue |          |            |  |
|                                       | Q4'25          | Q4'24    | YoY % Chg. | Q4'25                                     | Q4'25                | Q4'25        | Q4'24    | YoY % Chg. |  |
|                                       |                |          |            |                                           |                      |              |          |            |  |
| Communications Solutions Group        | \$ 990         | \$ 894   | 11%        | \$ 10                                     | \$ 5                 | \$ 975       | \$ 894   | 9%         |  |
| Electronic Industrial Solutions Group | 429            | 393      | 9%         | 1                                         | 2                    | 426          | 393      | 8%         |  |
| Total Revenue                         | \$ 1,419       | \$ 1,287 | 10%        | \$ 11                                     | \$ 7                 | \$ 1,401     | \$ 1,287 | 9%         |  |

| Revenue by Region | Revenue  |          |            | Revenue from acquisitions or divestitures | Currency Adjustments | Core Revenue |          |            |
|-------------------|----------|----------|------------|-------------------------------------------|----------------------|--------------|----------|------------|
|                   | Q4'25    | Q4'24    | YoY % Chg. | Q4'25                                     | Q4'25                | Q4'25        | Q4'24    | YoY % Chg. |
|                   |          |          |            |                                           |                      |              |          |            |
| Americas          | \$ 581   | \$ 549   | 6%         | \$ 7                                      | \$ —                 | \$ 574       | \$ 549   | 4%         |
| Europe            | 257      | 230      | 12%        | 2                                         | 9                    | 246          | 230      | 7%         |
| Asia Pacific      | 581      | 508      | 14%        | 2                                         | (2)                  | 581          | 508      | 14%        |
| Total Revenue     | \$ 1,419 | \$ 1,287 | 10%        | \$ 11                                     | \$ 7                 | \$ 1,401     | \$ 1,287 | 9%         |

# REVENUE BY END MARKETS

(In millions)

(Unaudited)

PRELIMINARY

|                                   | <u>Q4'25</u>           | <u>Q4'24</u>           | <u>Percent<br/>Inc/(Dec)</u> | <u>FY25</u>            | <u>FY24</u>            | <u>Percent<br/>Inc/(Dec)</u> |
|-----------------------------------|------------------------|------------------------|------------------------------|------------------------|------------------------|------------------------------|
| Aerospace, Defense and Government | \$ 330                 | \$ 303                 | 9%                           | \$ 1,238               | \$ 1,149               | 8%                           |
| Commercial Communications         | 660                    | 591                    | 12%                          | 2,488                  | 2,271                  | 10%                          |
| Electronic Industrial             | 429                    | 393                    | 9%                           | 1,649                  | 1,559                  | 6%                           |
| <b>Total Revenue</b>              | <b><u>\$ 1,419</u></b> | <b><u>\$ 1,287</u></b> | <b>10%</b>                   | <b><u>\$ 5,375</u></b> | <b><u>\$ 4,979</u></b> | <b>8%</b>                    |

# GROSS MARGIN RECONCILIATION

(In millions, except where noted)

(Unaudited)

PRELIMINARY

|                                              | Three months ended<br>October 31, |               | Year ended<br>October 31, |                 |
|----------------------------------------------|-----------------------------------|---------------|---------------------------|-----------------|
|                                              | 2025                              | 2024          | 2025                      | 2024            |
| <b>Gross Profit, as reported</b>             | <b>\$ 869</b>                     | <b>\$ 802</b> | <b>\$ 3,337</b>           | <b>\$ 3,133</b> |
| Amortization of acquisition-related balances | 25                                | 19            | 83                        | 70              |
| Share-based compensation                     | 12                                | 5             | 40                        | 27              |
| Acquisition and integration costs            | —                                 | —             | 1                         | 1               |
| Restructuring and others                     | 6                                 | 3             | 13                        | 15              |
| <b>Non-GAAP Gross Profit</b>                 | <b>\$ 912</b>                     | <b>\$ 829</b> | <b>\$ 3,474</b>           | <b>\$ 3,246</b> |
| <b>GAAP Gross margin, %</b>                  | <b>61.3%</b>                      | <b>62.3%</b>  | <b>62.1%</b>              | <b>62.9%</b>    |
| <b>Non-GAAP Gross margin, %</b>              | <b>64.3%</b>                      | <b>64.5%</b>  | <b>64.6%</b>              | <b>65.2%</b>    |

# OPERATING MARGIN RECONCILIATION

(In millions, except where noted)

(Unaudited)

PRELIMINARY

|                                              | Three months ended<br>October 31, |               | Year ended<br>October 31, |                 |
|----------------------------------------------|-----------------------------------|---------------|---------------------------|-----------------|
|                                              | 2025                              | 2024          | 2025                      | 2024            |
| <b>Income from operations, as reported</b>   | <b>\$ 217</b>                     | <b>\$ 230</b> | <b>\$ 876</b>             | <b>\$ 833</b>   |
| Amortization of acquisition-related balances | 41                                | 33            | 141                       | 139             |
| Share-based compensation                     | 45                                | 27            | 176                       | 145             |
| Acquisition and integration costs            | 54                                | 32            | 152                       | 91              |
| Restructuring and others                     | 16                                | 10            | 48                        | 70              |
| <b>Non-GAAP income from operations</b>       | <b>\$ 373</b>                     | <b>\$ 332</b> | <b>\$ 1,393</b>           | <b>\$ 1,278</b> |
| <b>GAAP Operating margin, %</b>              | <b>15.3%</b>                      | <b>17.8%</b>  | <b>16.3%</b>              | <b>16.7%</b>    |
| <b>Non-GAAP Operating margin, %</b>          | <b>26.3%</b>                      | <b>25.8%</b>  | <b>25.9%</b>              | <b>25.7%</b>    |

# RECONCILIATION OF CORE OPERATING MARGIN

(In millions, except where noted)

(Unaudited)

PRELIMINARY

|                                                           | Year ended<br>October 31, |                 |
|-----------------------------------------------------------|---------------------------|-----------------|
|                                                           | 2025                      | 2024            |
| <b>Non-GAAP Income from operations</b>                    | <b>\$ 1,393</b>           | <b>\$ 1,278</b> |
| <b>Adjustments:</b>                                       |                           |                 |
| Operating profit (loss) from acquisitions or divestitures | (13)                      | —               |
| Currency impacts                                          | (14)                      | —               |
| <b>Core Income from operations</b>                        | <b>\$ 1,420</b>           | <b>\$ 1,278</b> |
| <b>Core Revenue</b>                                       | <b>\$ 5,344</b>           | <b>\$ 4,979</b> |
| <b>Core Operating margin, %</b>                           | <b>26.6%</b>              | <b>25.7%</b>    |
| <b>Core operating margin incremental</b>                  | <b>39%</b>                |                 |

# NET INCOME AND DILUTED EPS RECONCILIATION

(In millions, except per share data)

(Unaudited)

PRELIMINARY

|                                                               | Three months ended<br>October 31, |                |                |                               | Year ended<br>October 31, |                |                 |                |
|---------------------------------------------------------------|-----------------------------------|----------------|----------------|-------------------------------|---------------------------|----------------|-----------------|----------------|
|                                                               | 2025                              |                | 2024           |                               | 2025                      |                | 2024            |                |
|                                                               | Net<br>Income                     | Diluted<br>EPS | Net<br>Income  | Diluted<br>EPS <sup>(b)</sup> | Net<br>Income             | Diluted<br>EPS | Net<br>Income   | Diluted<br>EPS |
| <b>GAAP Net income (loss)</b>                                 | <b>\$ 229</b>                     | <b>\$ 1.33</b> | <b>\$ (73)</b> | <b>\$ (0.42)</b>              | <b>\$ 846</b>             | <b>\$ 4.89</b> | <b>\$ 614</b>   | <b>\$ 3.51</b> |
| Less: Loss from discontinued operations, net of income taxes  | (23)                              | (0.13)         | —              | —                             | (23)                      | (0.13)         | —               | —              |
| Income (loss) from continuing operations, net of income taxes | 252                               | 1.46           | (73)           | (0.42)                        | 869                       | 5.02           | 614             | 3.51           |
| Non-GAAP adjustments:                                         |                                   |                |                |                               |                           |                |                 |                |
| Amortization of acquisition-related balances                  | 41                                | 0.24           | 33             | 0.19                          | 141                       | 0.81           | 139             | 0.80           |
| Share-based compensation                                      | 45                                | 0.26           | 27             | 0.15                          | 176                       | 1.02           | 145             | 0.83           |
| Acquisition and integration costs                             | 36                                | 0.21           | 19             | 0.11                          | 106                       | 0.61           | 75              | 0.43           |
| Restructuring and others                                      | (59)                              | (0.35)         | 8              | 0.05                          | (63)                      | (0.36)         | 52              | 0.30           |
| Adjustment for taxes <sup>(a)</sup>                           | 16                                | 0.09           | 274            | 1.57                          | 11                        | 0.06           | 71              | 0.40           |
| <b>Non-GAAP Net income</b>                                    | <b>\$ 331</b>                     | <b>\$ 1.91</b> | <b>\$ 288</b>  | <b>\$ 1.65</b>                | <b>\$ 1,240</b>           | <b>\$ 7.16</b> | <b>\$ 1,096</b> | <b>\$ 6.27</b> |
| Weighted average shares outstanding - diluted                 | 173                               |                | 173            |                               | 173                       |                | 175             |                |

<sup>(a)</sup> For both the three months and year ended October 31, 2025 and 2024, management uses a non-GAAP effective tax rate of 14%.

<sup>(b)</sup> EPS impact on non-GAAP adjustments and non-GAAP net income is based on an adjusted shares outstanding of 174 million for three months ended October 31, 2024.

# FREE CASH FLOW

(In millions)

(Unaudited)

PRELIMINARY

|                                              | Three months ended<br>October 31, |               | Year ended<br>October 31, |               |
|----------------------------------------------|-----------------------------------|---------------|---------------------------|---------------|
|                                              | 2025                              | 2024          | 2025                      | 2024          |
| Net cash provided by operating activities    | \$ 225                            | \$ 359        | \$ 1,409                  | \$ 1,052      |
| Adjustments:                                 |                                   |               |                           |               |
| Investments in property, plant and equipment | (38)                              | (38)          | (128)                     | (154)         |
| Proceeds from government incentives          | 1                                 | 7             | 1                         | 7             |
| <b>Free cash flow</b>                        | <b>\$ 188</b>                     | <b>\$ 328</b> | <b>\$ 1,282</b>           | <b>\$ 905</b> |

# Non-GAAP Financial Measures

Management uses both GAAP and non-GAAP financial measures to analyze and assess the overall performance of the business, to make operating decisions and to forecast and plan for future periods. We believe that our investors benefit from seeing our results “through the eyes of management” in addition to seeing our GAAP results. This information enhances investors’ understanding of the continuing performance of our business and facilitates comparison of performance to our historical and future periods.

Our non-GAAP financial measures may not be comparable to similarly titled measures used by other companies, including industry peer companies, limiting the usefulness of these measures for comparative purposes.

These non-GAAP measures should be considered supplemental to and not a substitute for financial information prepared in accordance with GAAP. The discussion below presents information about each of the non-GAAP financial measures and the company’s reasons for including or excluding certain categories of income or expenses from our non-GAAP results. In future periods, we may exclude such items and may incur income and expenses similar to these excluded items. Accordingly, adjustments for these items and other similar items in our non-GAAP presentation should not be interpreted as implying that these items are non-recurring, infrequent or unusual.

*Core Revenue/ Margin* excludes the impact of foreign currency changes and revenue/ expenses associated with acquisitions or divestitures completed within the last twelve months. We exclude from the current period the impact of foreign currency changes as currency rates can fluctuate based on factors that are not within our control and can obscure growth trends. As the nature, size and number of acquisitions can vary significantly from period to period and as compared to our peers, we also exclude revenue/ expenses associated with recently acquired businesses to facilitate comparisons of growth and analysis of underlying business trends.

Free cash flow includes cash provided by operating activities adjusted for net investments in property, plant & equipment.

*Non-GAAP Income from Operations, Non-GAAP Net Income and Non-GAAP Diluted EPS may include the following types of adjustments:*

*Acquisition-related Items:* We exclude the impact of certain items recorded in connection with business combinations from our non-GAAP financial measures that are either non-cash or not normal, recurring operating expenses due to their nature, variability of amounts and lack of predictability as to occurrence or timing. These amounts may include non-cash items such as the amortization of acquired intangible assets and amortization of items associated with fair value purchase accounting adjustments. We also exclude other acquisition and integration costs associated with business acquisitions that are not normal recurring operating expenses, including gain/loss on foreign exchange contracts and legal, accounting and due diligence costs. We exclude these charges to facilitate a more meaningful evaluation of our current operating performance and comparisons to our past operating performance.

*Share-based Compensation Expense:* We exclude share-based compensation expense from our non-GAAP financial measures because share-based compensation expense can vary significantly from period to period based on the company’s share price, as well as the timing, size and nature of equity awards granted. Management believes the exclusion of this expense facilitates the ability of investors to compare the company’s operating results with those of other companies, many of which also exclude share-based compensation expense in determining their non-GAAP financial measures.

*Restructuring and others:* We exclude incremental expenses associated with restructuring initiatives including those of acquired entities, usually aimed at material changes in the business or cost structure. Such costs may include employee separation costs, asset impairments, facility-related costs, contract termination fees, and costs to move operations from one location to another. These activities can vary significantly from period to period based on the timing, size and nature of restructuring plans; therefore, we do not consider such costs to be normal, recurring operating expenses.

We also exclude “others,” not normal, recurring, cash operating income/expenses from our non-GAAP financial measures. Such items are evaluated on an individual basis, based on both quantitative and qualitative factors and generally represent items that we do not anticipate occurring as part of our normal business. While not all-inclusive, examples of such items would include net gains or losses on equity investments, significant non-recurring events like realized gains or losses associated with our employee benefit plans, costs and recoveries related to unusual events, gain on sale of assets/divestitures, adjustment attributable to non-controlling interest, etc. We believe that these costs do not reflect expected future operating expenses and do not contribute to a meaningful evaluation of the company’s current operating performance or comparisons to our operating performance in other periods.

*Estimated Tax Rate:* We utilize a consistent methodology for long-term projected non-GAAP tax rate. When projecting this long-term rate, we exclude any tax benefits or expenses that are not directly related to ongoing operations and which are either isolated or cannot be expected to occur again with any regularity or predictability. Additionally, we evaluate our current long-term projections, current tax structure and other factors, such as existing tax positions in various jurisdictions and key tax holidays in major jurisdictions where Keysight operates. This tax rate could change in the future for a variety of reasons, including but not limited to significant changes in geographic earnings mix including acquisition activity, or fundamental tax law changes in major jurisdictions where Keysight operates. The above reasons also limit our ability to reasonably estimate the future GAAP tax rate and provide a reconciliation of the expected non-GAAP earnings per share for the first quarter of fiscal 2026 to the GAAP equivalent.

Management recognizes these items can have a material impact on our cash flows and/or our net income. Our GAAP financial statements, including our Condensed Consolidated 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 costs 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 Condensed Consolidated Statement of Operations prepared in accordance with GAAP. The non-GAAP measures focus instead upon the core business of the company, which is only a subset, albeit a critical one, of the company’s performance.