

# Agilent Technologies

## Q2'23 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, the adverse impacts of and risks posed by the COVID-19 pandemic, 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, 2023.

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 primarily the impacts of asset impairments, amortization of intangibles, transformational initiatives, acquisition and integration costs, change in fair value of contingent consideration, loss on extinguishment of debt, business exit and divestiture costs, pension settlement loss 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 Results Q2'23

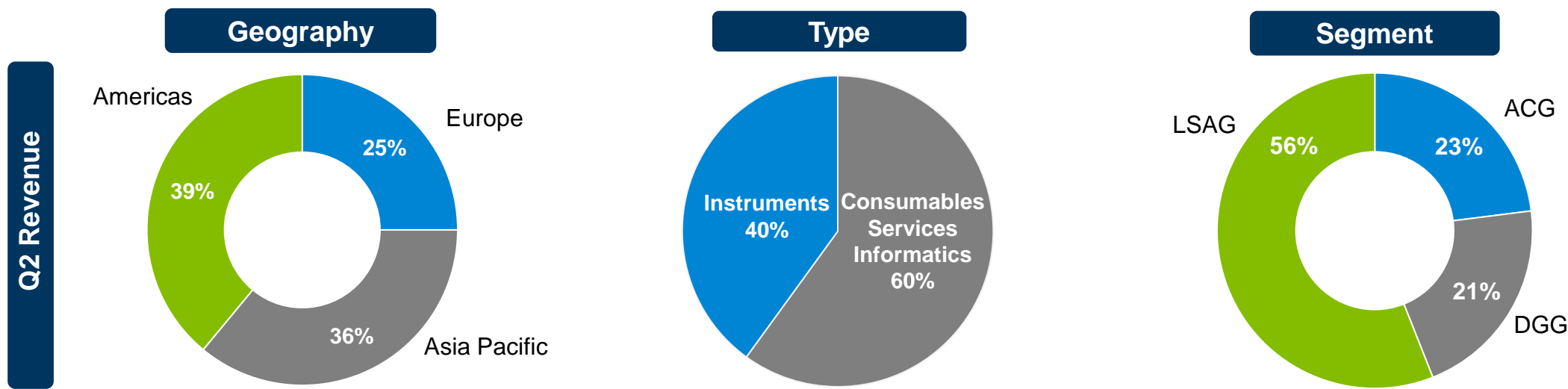
A leading lab partner with unsurpassed capabilities and scale

## Q2'23 Financial Metrics

- **Revenues:** \$1.72B, +6.8% reported, +9.5% y/y core<sup>(1)(2)</sup> (-2.8% FX, +0.1% M&A).
- **Operating Margin:** 25.6%<sup>(2)</sup> of revenue, up 30 basis points y/y.
- **EPS:** \$1.27<sup>(2)</sup>, up 12% y/y.

## Q2'23 Highlights

- **Growth:** Excellent results in Chemicals and Advanced Materials combined with an outstanding performance in China drove Agilent's overall growth.
- **Margins:** Product mix impacted gross margins YoY, but disciplined expense management drove a 30bps increase in operating margin performance.
- **Capital Allocation:** Generated operating cash of \$398M, invested \$57M in capex, paid \$66M in dividends, and repurchased 0.6M shares for \$85M.



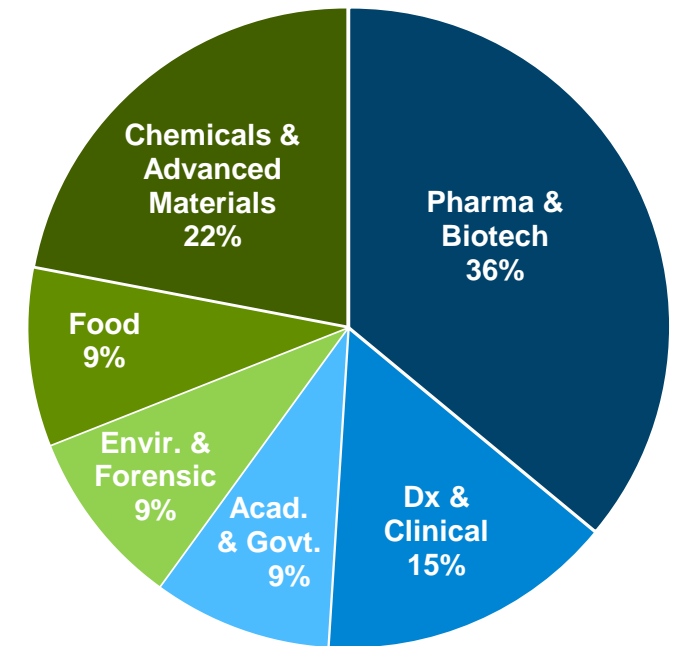
(1) Core growth is reported growth adjusted for the effects of acquisitions and divestitures, and FX.

(2) Presented on a non-GAAP basis; reconciliations to closest GAAP equivalent provided on Agilent's Investor Relations website.

# Growth in a \$68B+ Market – Q2'23 Core Growth<sup>(2)</sup> Results by End Market

Continued momentum in CAM supported by robust growth in Food and Academic & Government

- **Pharma & Biotech:** Up 6% with BioPharma strength offsetting softening demand in small molecule.
- **Chemicals & Advanced Materials:** Up 16% driven by continued strength in Advanced Materials and resilient demand from the Chemicals and Energy markets.
- **Academia & Govt:** Up 11% on robust demand in China and Europe.
- **Environmental & Forensics:** Up 2% as strong China and US results are offset by weakness in Europe.
- **Food:** Up 21% on broad-based demand globally and exceptional strength in China.
- **Diagnostics and Clinical:** Up 6% led by growth in IHC Cancer Dx that was tempered by continued challenging market conditions in our Genomics business.



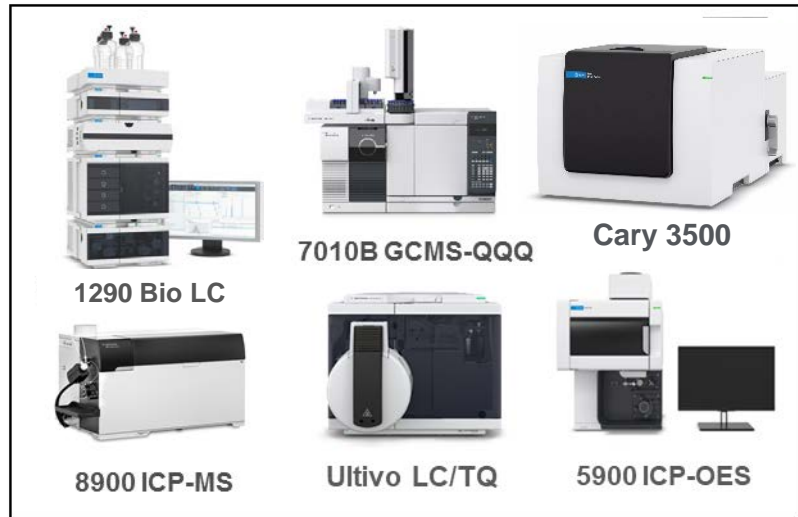
Agilent Revenue by End Market <sup>(1)</sup>

(1) % of Q2'23 Agilent revenue.

(2) 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.

# Life Sciences & Applied Markets Group (LSAG)

Instrumentation, Informatics, and  
Consumables  
for Analytical Laboratories



- **Q2'23 Revenue of \$968M**
- **Y/Y Growth: +8% (+10% core<sup>(1)(2)</sup>)**

- **Q2 core revenue growth of +10%** for LSAG was driven by strong performance in LC & LCMS and lab consumables. Asia saw outstanding growth in the mid-20s, with especially strong performance in Chemicals & Advanced Materials, Food, and Academic & Gov't.
- **Announced the acquisition of e-MSion**, an early-stage company behind electron capture disassociation technology in mass spectrometry that helps accelerate drug development by enabling more complete, accurate, and detailed structural profiling of complex biomolecules.
- **Launched the High-Performance Cary 3500 Flexible UV-Vis System**, a double-beam spectrophotometer with advanced photometric performance for diverse sample-type measurements with minimal sample preparation.
- **Q2'23 Operating Margin was 27.3%<sup>(3)</sup>**, up 180bps versus last year.

(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.

# Agilent CrossLab Group (ACG)

## Analytical Laboratory Services



- **Q2'23 Revenue of \$387M**
- **Y/Y Growth: +10% (+13% core<sup>(1)(2)</sup>)**

- CrossLab continued to deliver **exceptional results in Q2, growing 13% core**. The team's ability to attach services to new-instrument installations while increasing additional offerings to the existing instrument base is driving market-leading growth while maintaining record levels of customer satisfaction.
- CrossLab continues to see **double-digit growth** in all major regions and end markets.
- **Q2'23 Operating Margin** was 26.6%<sup>(3)</sup>, up 200 bps versus last year.

(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.

# Diagnostics and Genomics Group (DGG)

## Pathology, Genomics, and Nucleic Acid Manufacturing



- **Q2'23 Revenue of \$362M**
- **Y/Y Growth: +1% (+3% core<sup>(1)(2)</sup>)**

- **Q2 core revenue growth of 3%** was led by NASD, Pathology, and Companion Diagnostics pharma services.
- **Launched an NGS Assay for Comprehensive Genomic Profiling (CGP) for advancing precision oncology.** The SureSelect Cancer CGP Assay is designed for somatic variant profiling for a broad range of solid tumor types, and is based on an NGS panel comprising 679 genes globally curated from leading cancer databases and in partnership with key clinical cancer researchers.
- **Q2'23 Operating Margin** was 20.2%<sup>(3)</sup>, down 530 bps versus last year.

(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.

# Q3'23 and FY'23 Guidance and Forward-looking Considerations

Based on Forecasted Exchange Rates

Q3'23 Guidance <sup>(1)</sup>		
	Low End	High End
<b>Net Revenue (\$M)</b>	<b>\$1,640</b>	<b>\$1,675</b>
<i>Y/Y Core Revenue Growth <sup>(2)</sup></i>	<i>-4.5%</i>	<i>-2.5%</i>
<i>Assumes -0.1% FX, +0.1% M&amp;A</i>		
<b>EPS</b>	<b>\$1.36</b>	<b>\$1.38</b>

FY'23 Guidance <sup>(1)</sup>		
	Low End	High End
<b>Net Revenue (\$M)</b>	<b>\$6,930</b>	<b>\$7,030</b>
<i>Y/Y Core Revenue Growth <sup>(2)</sup></i>	<i>3.0%</i>	<i>4.5%</i>
<i>Assumes -1.9% FX, +0.1% M&amp;A</i>		
<b>EPS</b>	<b>\$5.60</b>	<b>\$5.65</b>

## FY23 Financial Considerations

- Net Interest + Other Income/Expense: ~\$20-25M in net expense (~\$7M in Q3)
- Non-GAAP Tax Rate at 13.75%
- Guidance assumes diluted share counts of 297M for the full year and 296M for Q3
- Operating Cash Flow of \$1.4-1.5B and CapEx of \$500M
- Shareholder Returns: \$268M in dividends. Anti-dilutive share repurchases at a minimum
- The 2023 Stock Repurchase Program <sup>(3)</sup> with authorization up to \$2 billion began on March 1, 2023, and has \$1.9B capacity remaining. The 2021 Stock Repurchase Program has been terminated

(1) As of May 23, 2023, based on forecasted 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) Per 10b5-1 plan, maximum of 2.6M shares to be purchased on daily systematic basis.





# Agilent

Trusted Answers