



Agilent Technologies Q3'19 Results Presentation

Safe Harbor

This presentation contains 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, share repurchases, dividends, the markets the company sells into, operations, manufacturing site plans and tax rates, closing of the announced acquisition) 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, 2019.

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 amortization of intangibles, acquisition and integration costs, transformational initiatives, and business exits and divestitures. 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, including the impact of the 2017 Tax Act. 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 Q3'19

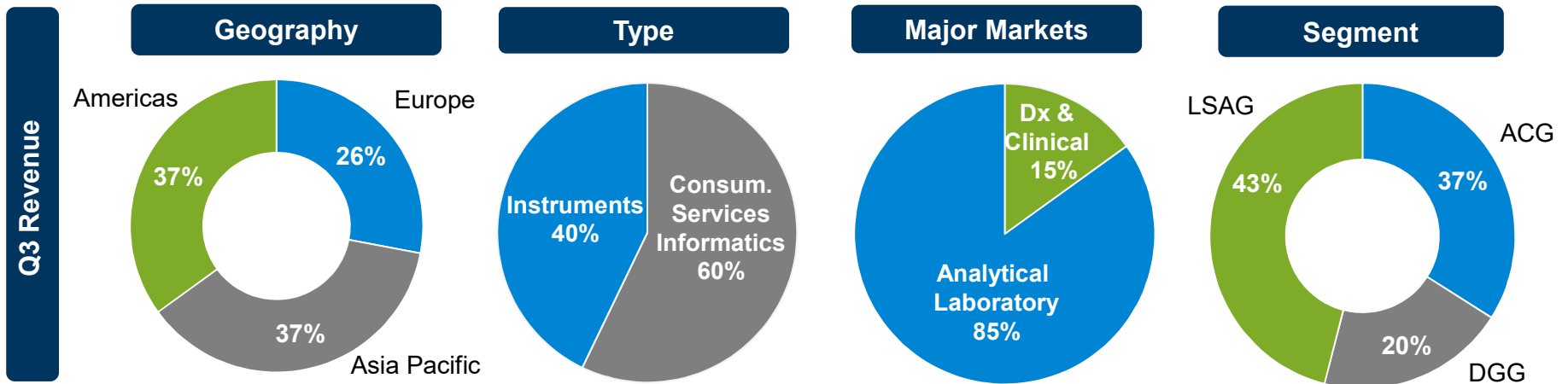
Scale and leading technology across Analytical Laboratories and Clinical & Dx markets

Q3'19 Financial Metrics

- **Revenues:** \$1.27B, +6.2% y/y core⁽¹⁾⁽²⁾, +5.8% reported (+1.5% M&A, -1.9% FX).
- **Operating Margin:** 22.8%⁽²⁾ of revenue, up 90 basis points y/y.
- **EPS:** \$0.76⁽²⁾ in Q3'19, up 13% y/y.

Q3'19 Headlines

- **Growth:** Pharma and Applied Markets, led by Environmental & Forensics, tracked ahead of expectations. Double-digit core growth delivered by "non-instrument" business segments.⁽¹⁾
- **Margins:** Continued operating margin expansion.
- **Capital Allocation:** Generated Operating Cash of \$242M, paid \$51M in dividends and repurchased 8.0M shares for \$549M.
- **Agilent to acquire BioTek**, strengthening leadership in growing cell analysis segment.



(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. Prior year adjusted for adoption of new accounting standard (ASC 715).

Life Sciences & Applied Markets Group (LSAG)

Instrumentation and Informatics for Analytical Laboratories



- **Q3'19 Revenue of \$544M**
- **Y/Y Growth: +1% (flat core⁽¹⁾⁽²⁾)**

- **Core revenue performance** reflected broad strength in Pharma, Environmental & Forensics markets, offset by ongoing expected weakness in China Food and a difficult compare in Chemical & Energy.
- **Operating Margin** for the quarter was 21.7%⁽¹⁾⁽²⁾, down 100 bps versus last year.
- In July, announced an agreement to **acquire privately-owned BioTek Instruments** for \$1.165 billion. BioTek is a global leader in innovative life science instrumentation serving the fast-growing Cell Analysis market. The transaction is expected to close in Agilent's fourth quarter.
- Agilent **introduced the newest member of its LC/MS portfolio** at ASMS in June. The InfinityLab LC/MSD iQ System incorporates 'designed-in' smart features, software, and hardware developed specifically for chemists and chromatographers who will benefit from the intuitive design and greater level of detail generated by a mass selective detector.

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Agilent Cross Lab Group (ACG)

Analytical Laboratory Consumables and Services



- Q3'19 Revenue of \$467M
- Y/Y Growth: +10% (+11% core⁽¹⁾⁽²⁾)

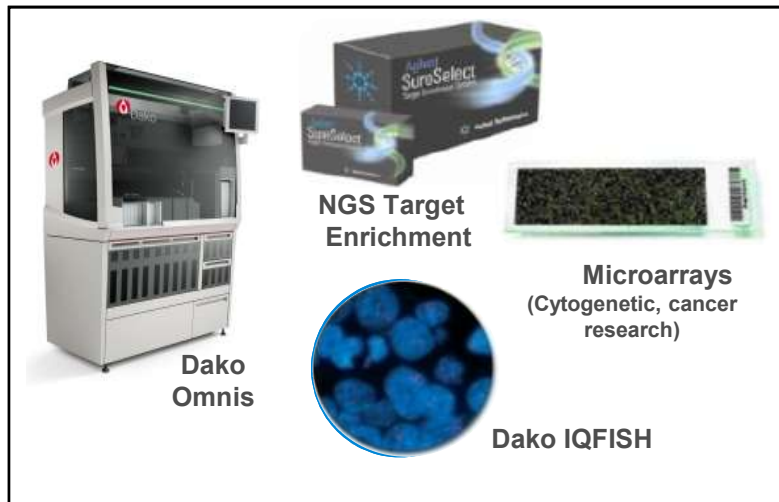
- **Continued strong revenue performance** across both services and consumables. Broad growth across all markets and regions led by China.
- **Operating Margin** in the quarter was 26.2%⁽¹⁾⁽²⁾, up 310 bps versus last year.
- **ACG grew in the high-teens in China.** The team continues to execute on its strategy of leveraging Agilent's large instrument installed base, expanding our services footprint in emerging cities, and tailoring our consumables portfolio to the local market.
- **Sustainable growth across regions** driven by ongoing adoption of digital channels, fast-growing consumables portfolio, improving service attach rates, and customer appetite for higher value service offerings.

(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. Prior year adjusted for adoption of new accounting standard (ASC 715).

Diagnostics and Genomics Group (DGG)

Pathology, Genomics, and Nucleic Acid Manufacturing



- Strong **core revenue growth** driven by strength in the Clinical & Diagnostic market, solid growth in Pathology and Genomics, and very strong demand in Pharma for oligo-manufacturing (NASD).
- **Operating Margin** for the quarter was 19.1%⁽¹⁾⁽²⁾, up 110 bps versus last year.
- Preparations for initial manufacturing and revenue from new Frederick, Colorado **NASD manufacturing site** progressing per plan.
- Agilent received **expanded FDA approvals for its PD-L1 Companion Diagnostic for additional indications**. As a result, this diagnostic may now be used to identify a broader range of patients for treatment with KEYTRUDA.

- **Q3'19 Revenue of \$263M**
- **Y/Y Growth: +11% (+13% core⁽¹⁾⁽²⁾)**

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

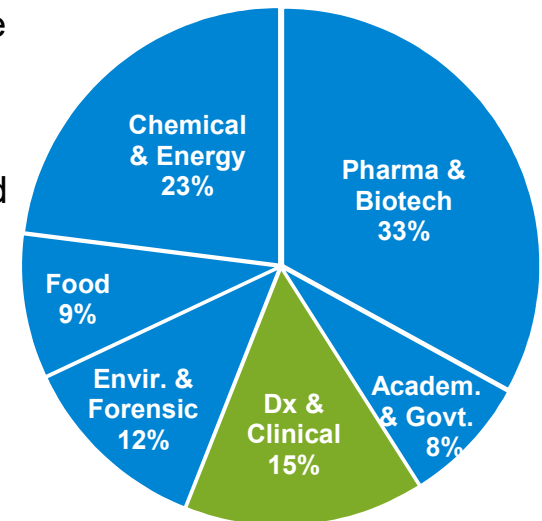
(2) Presented on a non-GAAP basis; reconciliations to closest GAAP equivalent provided. Prior year adjusted for adoption of new accounting standard (ASC 715).

Growth in a \$52B Market – Q3'19 Results by End Market

Strong Gains in broader Pharma, Diagnostics and Environmental Markets

Analytical Laboratory End Markets

- Q3'19 revenues: +6% y/y on core⁽²⁾ basis
 - Pharma & Biotech: Up 13% with strength in small and large molecule Pharma, Services, Chemistries and Consumables, and NASD.
 - Academia & Govt: Down -5% due to order timing.
 - Environmental & Forensics: Up 15%, with strength in Forensics linked to the ongoing global opioid crisis.
 - Food: Down -3% driven by China market.
 - Chemical & Energy: Up 1% against 12% growth last year. Continued strong growth in recurring services and consumables.



Agilent Revenue by End Market ⁽¹⁾

Diagnostics and Clinical End Markets

- Q3'19 revenues: +7% y/y on core⁽²⁾ basis
 - Broad-based strength with healthy performance in Genomics and Companion Dx.

(1) % of Q3'19 Agilent revenue, (2) Core growth is reported growth adjusted for the effects of acquisitions and divestitures and FX .

Q4'19 and FY19 Guidance and Forward-looking Considerations

Based on July 31, 2019 Exchange Rates

Q4'19 Guidance ⁽¹⁾		
	Low End	High End
Net Revenue (\$M)	\$1,310	\$1,330
<i>Y/Y Core Revenue Growth ⁽²⁾</i>	<i>1.5%</i>	<i>3.0%</i>
<i>Assumes +0.7% to +0.8% M&A, -1.0% FX</i>		
EPS	\$0.84	\$0.86

FY Guidance ⁽¹⁾		
	Low End	High End
Net Revenue (\$M)	\$5,105	\$5,125
<i>Y/Y Core Revenue Growth ⁽²⁾</i>	<i>4.4%</i>	<i>4.8%</i>
<i>Assumes +1.5% M&A, -2.0% FX</i>		
EPS	\$3.07	\$3.09

FY19 Financial Considerations

- Net Interest + Other Income/Expense: ~\$6M in net expense, inclusive of Keysight billings and ASC 715 impact.
- Non-GAAP Tax Rate at 16.75%.
- Guidance assumes Q4 average diluted share count of 313M.
- CapEx of \$170M and Operating Cash Flow of \$1,025M-\$1,075M expected for the year.
- Shareholder Returns: \$206M in dividends. November 2018 authorization to repurchase up to \$1.75B of shares depending on market conditions.⁽³⁾ Authorization remaining to repurchase \$1.08B of shares as of July 31.

(1) As of August 14, 2019, based on July 31, 2019 exchange rates. Presented on a non-GAAP basis. Excludes any impact from announced but not closed M&A (BioTek).

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

(3) Per 10b5-1 plan effective November 20, 2018: 2.7M shares to be purchased on daily systematic basis with the remainder subject to formulaic / opportunistic purchases.