

# Agilent Technologies

## Q1 Fiscal Year 2014 Results



February 13, 2014



# Safe Harbor

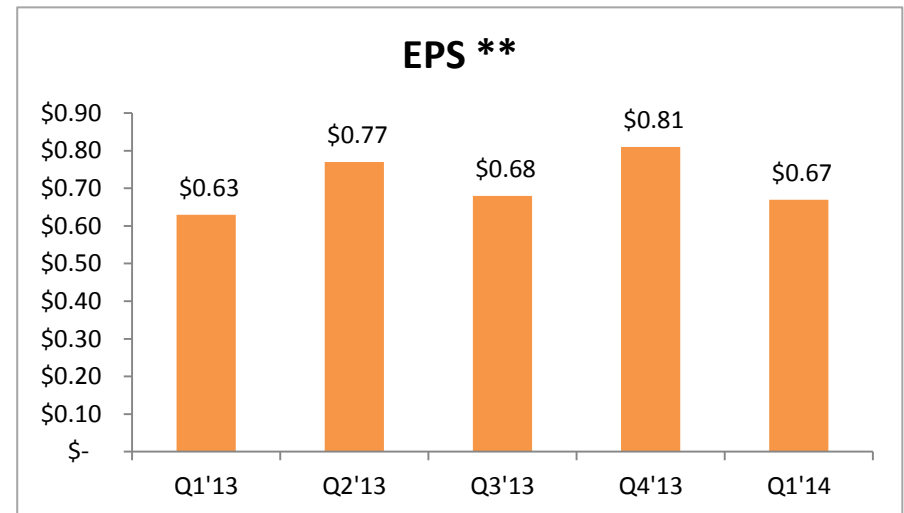
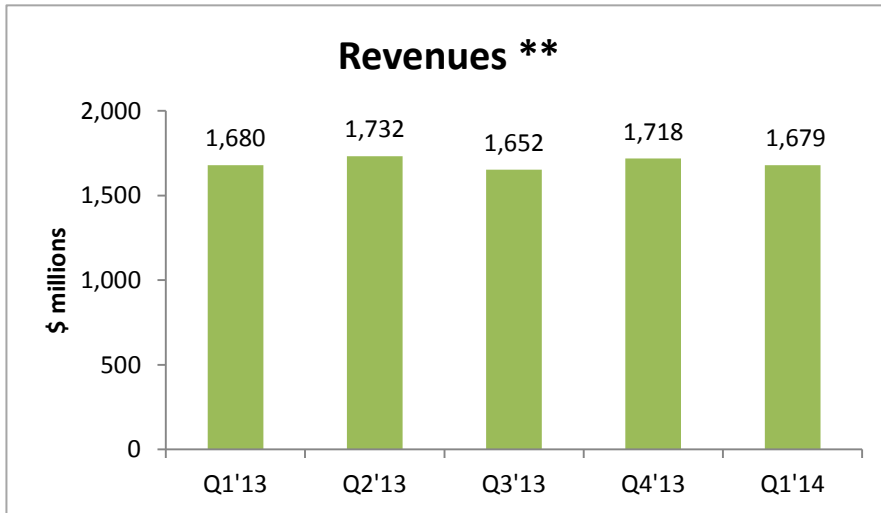
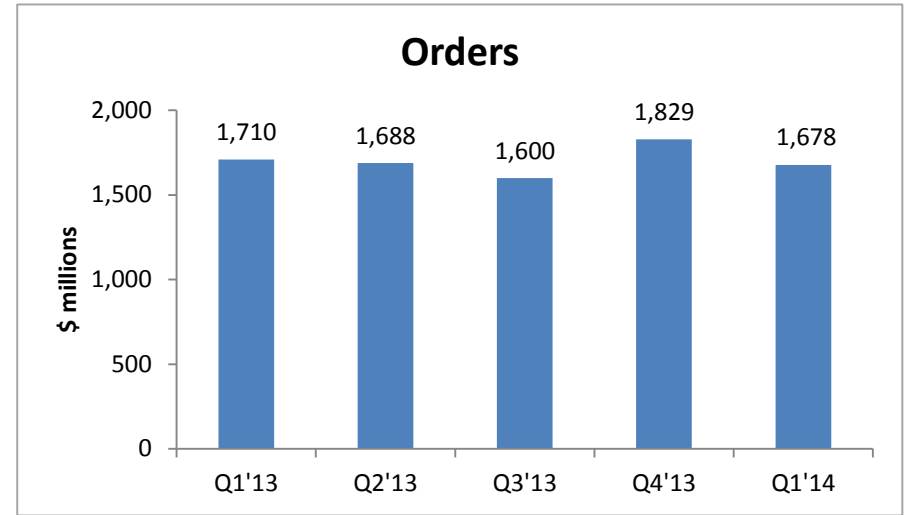
This presentation contains forward-looking statements (including, without limitation, information and future guidance on our goals, priorities, revenues, demand, growth opportunities, customer service and innovation plans, new product introductions, financial condition, earnings, the continued strengths and expected growth of the markets we sell into, operations, operating earnings, and tax rates) that involve risks and uncertainties that could cause results of Agilent to differ materially from management's current expectations.

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 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 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 annual report on Form 10-K for the year ended October 31, 2013.

The company assumes no obligation to update the information in these presentations. These presentations and the Q&A that follows include non-GAAP numbers. A presentation of the most directly comparable GAAP numbers and the reconciliations between the non-GAAP and GAAP numbers can be found at <http://www.investor.agilent.com> under "Financial Results" and accompany this slide set.

# Q1'14 Financial Highlights

- **Orders:** \$1.68B, -2% y/y (0% core\*)
- **Revenues\*\*:** \$1.68B, 0% y/y (+1% core\*)
- **Operating Margin\*\*:** 17.6% of revenue, +40 basis points y/y
- **Operating Cash Flow:** \$194M, -\$51M y/y

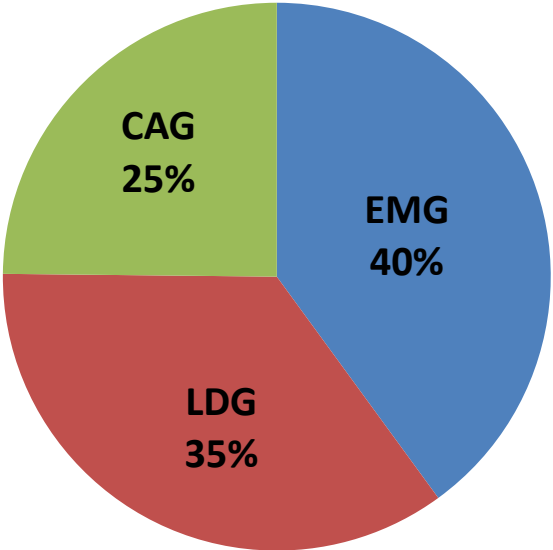


\*Core revenue growth excludes the impact from M&A and FX. \*\* Presented on a non-GAAP basis; reconciliations to closest GAAP equivalent provided.

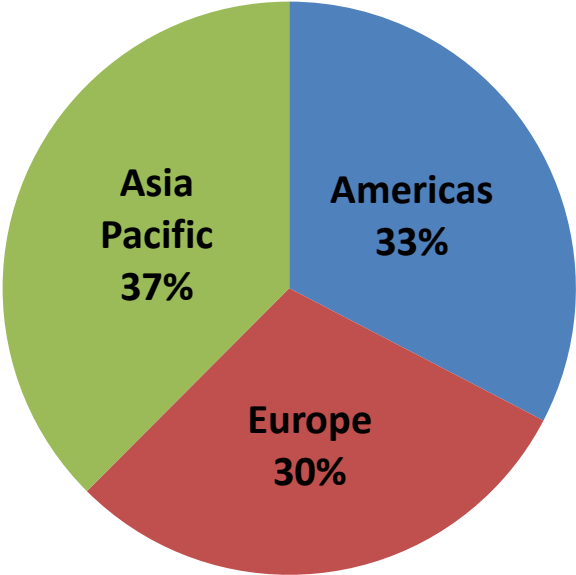
# Q1'14 Revenue Distribution

Q1'14 Revenue: \$1.68B

Q1'14 Revenue by Segment

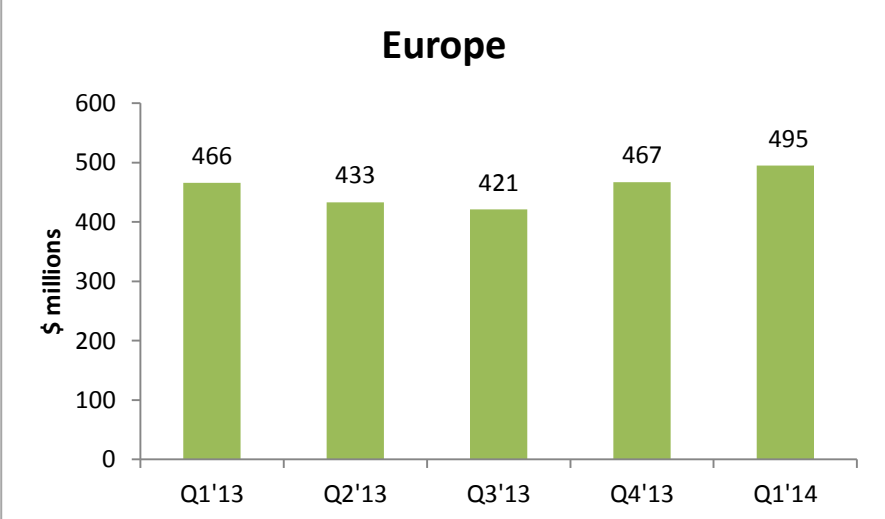
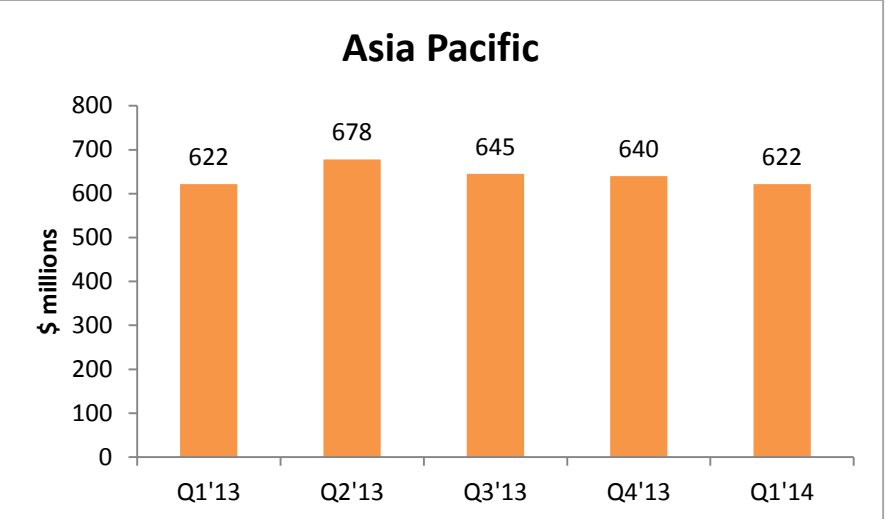
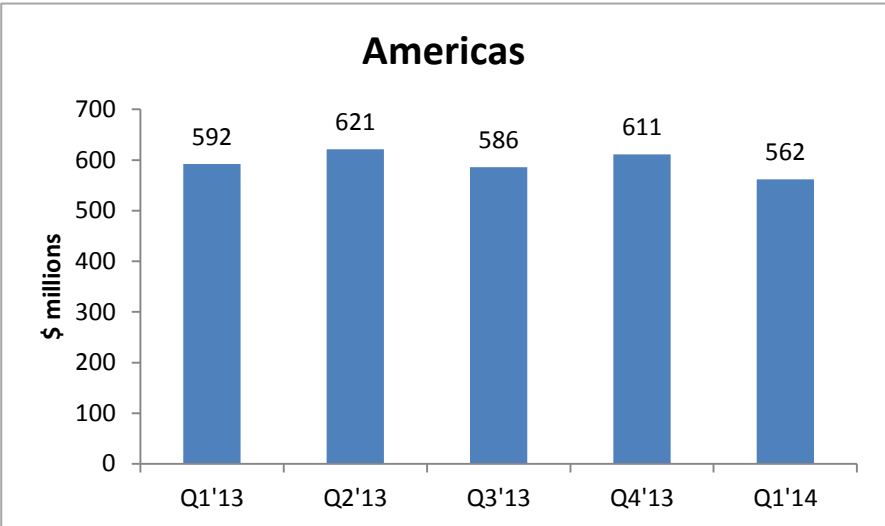


Q1'14 Revenue by Region



# Q1'14 Revenue Distribution by Geography

- **Q1'14 Y/Y revenue\*\* growth:**
  - Americas -5% (-5% core\*)
  - Europe +6% (+3% core\*)
  - Japan -12% (+7% core\*)
  - Asia Pacific ex-Japan +4% (+5% core\*)



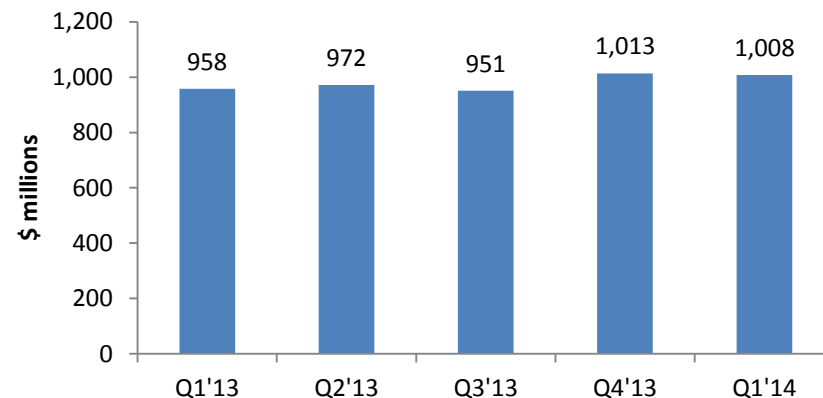
\*Core revenue growth excludes the impact from M&A and FX. \*\* Presented on a non-GAAP basis; reconciliations to closest GAAP equivalent provided.

# Q1'14 LDA Markets Highlights

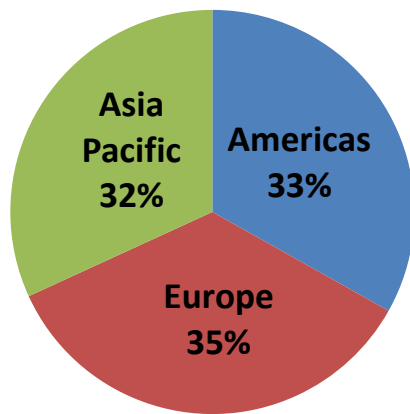
Life Sciences, Diagnostics, and Applied Markets

- **Orders:** \$979M, +2% y/y (+3% core\*)
- **Revenues:** \$1.0B, +5% y/y (+6% core\*)
- **Operating Margin:** 19.2% of revenue, +210 basis points y/y

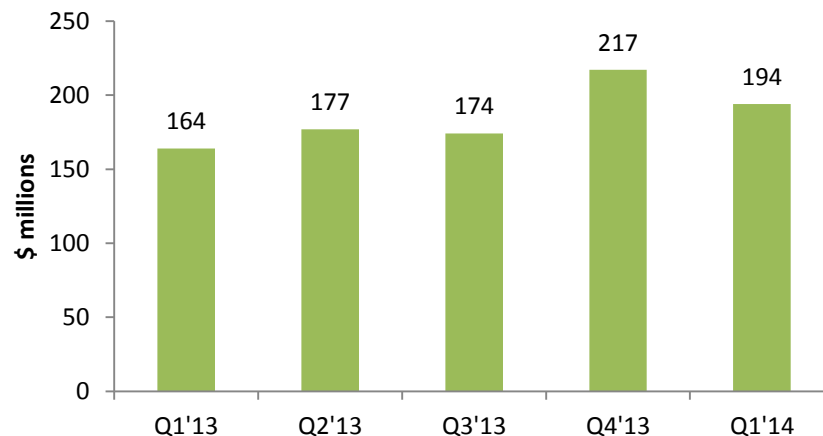
## LDA Net Revenue



## Q1'14 LDA Revenue by Region



## LDA Income from Operations

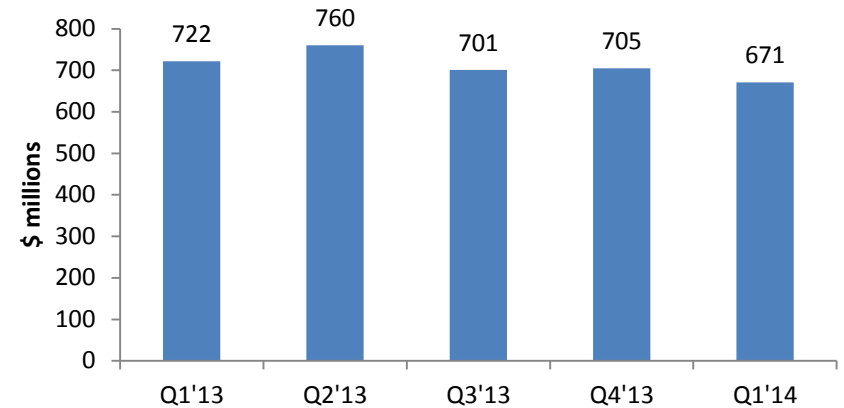


\*Core revenue growth excludes the impact from M&A and FX.

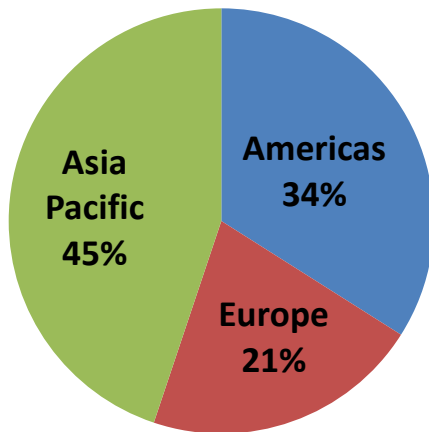
# Q1'14 EMG Highlights

- **Orders:** \$699M, -7% y/y (-5% core\*)
- **Revenues:** \$671M, -7% y/y (-5% core\*)
- **Operating Margin:** 15.2% of revenue, -210 basis points y/y

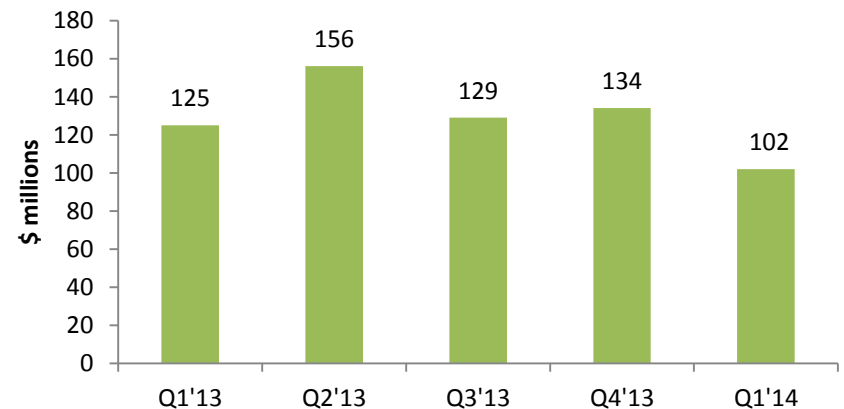
## EMG Net Revenue



## Q1'14 EMG Revenue by Region



## EMG Income from Operations

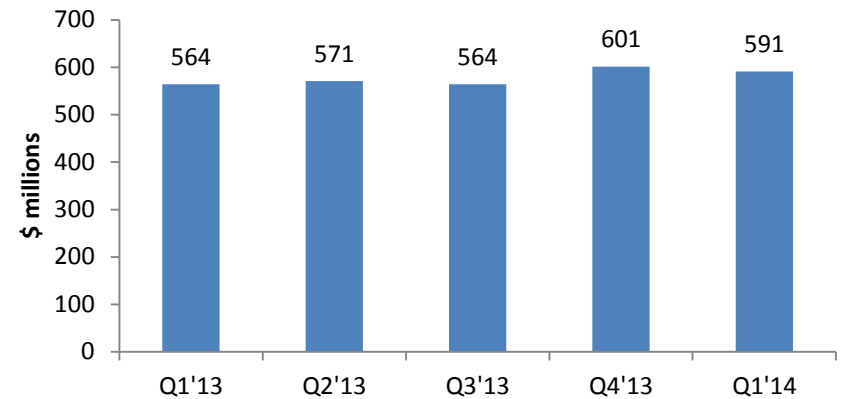


\*Core revenue growth excludes the impact from M&A and FX.

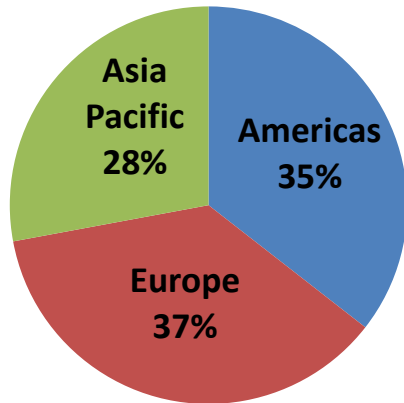
# Q1'14 LDG Highlights

- **Orders:** \$564M, +0% y/y (+1% core\*)
- **Revenues:** \$591M, +5% y/y (+6% core\*)
- **Operating Margin:** 16.9% of revenue, +230 basis points y/y

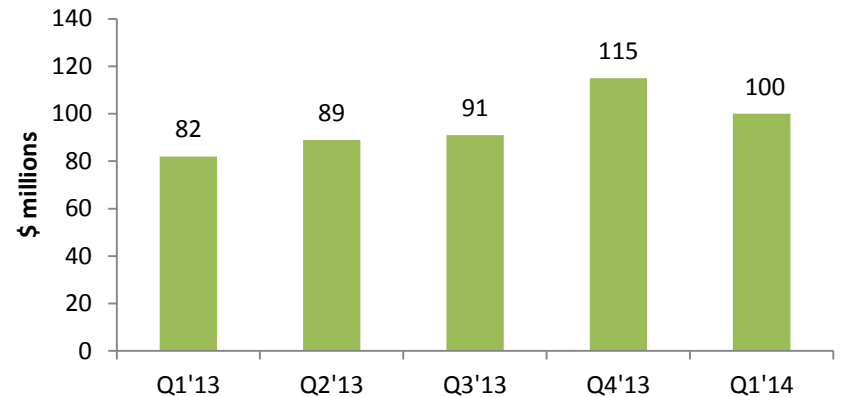
## LDG Net Revenue



## Q1'14 LDG Revenue by Region



## LDG Income from Operations



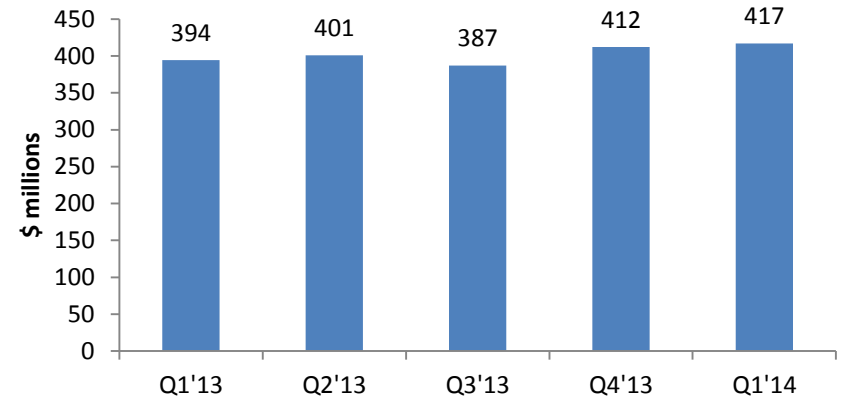
\*Core revenue growth excludes the impact from M&A and FX.



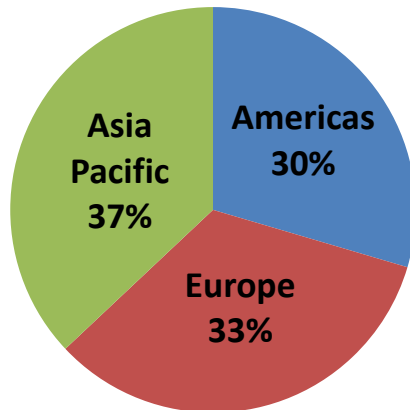
# Q1'14 CAG Highlights

- **Orders:** \$415M, +4% y/y (+5% core\*)
- **Revenues:** \$417M, +6% y/y (+7% core\*)
- **Operating Margin:** 22.6% of revenue, +190 basis points y/y

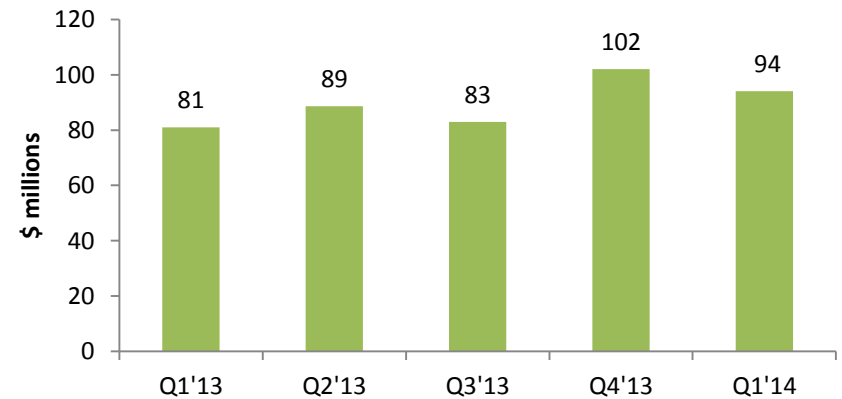
## CAG Net Revenue



## Q1'14 CAG Revenue by Region



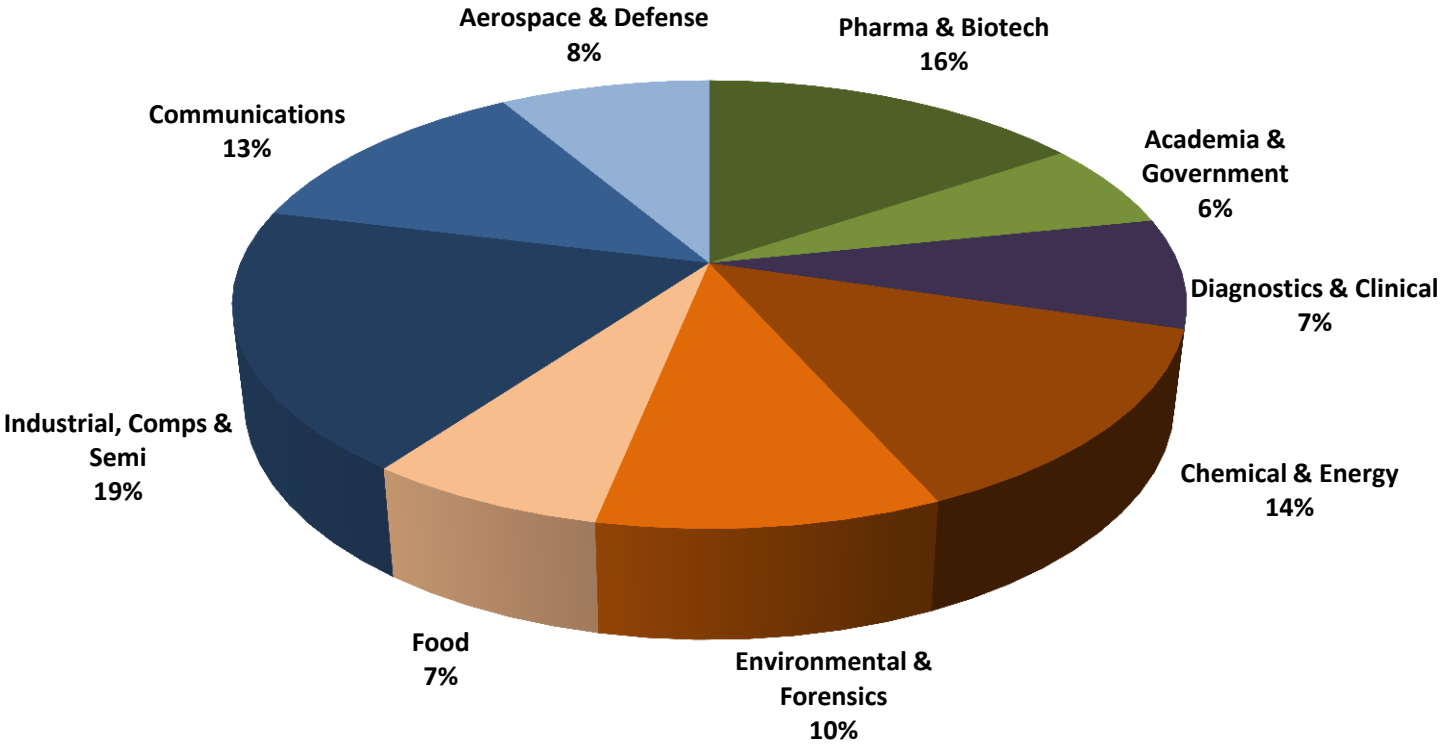
## CAG Income from Operations



\*Core revenue growth excludes the impact from M&A and FX.

# Q1'14 Revenue Distribution by End Market

Q1'14 Revenue: \$1.68B

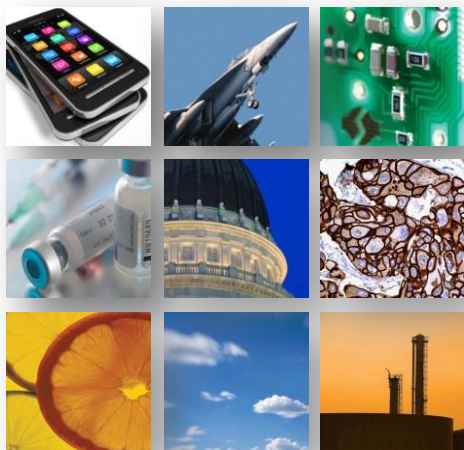


# Agilent End Market Performance – Q1'14

## Mixed results:

**Up:** Pharma & Biotech, Diagnostics & Clinical, Food, Environmental & Forensics, Chemical & Energy, and Industrial, Computers, Semiconductor

**Down:** Academic & Government, Communications, Aerospace & Defense



End Markets	% of Agilent Revenue <sup>(1)</sup>	Market Size <sup>(2)</sup> \$54B	Agilent Results Q1'14 vs. Q1'13
Communications	14%	\$4B	Down 5% on softness in wireless R&D and broadband spending
Aerospace & Defense	9%	\$3B	Down 27% from weaker US government and defense contractor demand
Industrial, Computers, Semiconductor	19%	\$6B	Up 4% driven by investments in semiconductor technologies and recovering industrial markets
Pharma & Biotech	15%	\$11B	Up 7% on demand from Europe and Japan
Academia & Government	7%	\$10B	Down 10% due to constrained government capex budgets
Diagnostics & Clinical	7%	\$7B	Up 10% driven by CGH microarrays
Food	6%	\$4B	Up 14% on increasing global regulation
Environmental & Forensics	9%	\$5B	Up 7% led by strength in Forensics
Chemical & Energy	14%	\$4B	Up 3% led by Europe and growth in the Middle East

(1) Percentage of Agilent revenue based on Q2'13-Q1'14

(2) Market size and growth per Company estimates

# Q2'14 and FY 2014 Guidance

	Q2'14	FY14
Revenue	\$1.72B - \$1.74B	\$6.90B – \$7.10B
Revenue Growth (mid-point)	Flat	+3%
Core Revenue Growth* (mid-point)	+1%	+4%
EPS	\$0.71 - \$0.73	\$2.96 - \$3.16
EPS Growth (mid-point)	-6%	+6%

Presented on a non-GAAP basis; guidance as of February 13<sup>th</sup>, 2014

\*Core revenue growth excludes the impact from M&A and FX.