

**AGILENT TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
(In millions, except per share amounts)  
(Unaudited)  
**PRELIMINARY**

	Three Months Ended October 31,		Years Ended October 31,	
	2019	2018 <sup>(a)</sup>	2019	2018 <sup>(a)</sup>
Net revenue	\$ 1,367	\$ 1,294	\$ 5,163	\$ 4,914
Costs and expenses:				
Cost of products and services	630	586	2,358	2,234
Research and development	102	104	404	387
Selling, general and administrative	385	360	1,460	1,389
Total costs and expenses	<u>1,117</u>	<u>1,050</u>	<u>4,222</u>	<u>4,010</u>
Income from operations	250	244	941	904
Interest income	6	10	36	38
Interest expense	(21)	(18)	(74)	(75)
Other income (expense), net	<u>(4)</u>	<u>8</u>	<u>16</u>	<u>79</u>
Income before taxes	231	244	919	946
Provision (benefit) for income taxes	37	49	(152)	630
Net income	<u>\$ 194</u>	<u>\$ 195</u>	<u>\$ 1,071</u>	<u>\$ 316</u>
Net income per share:				
Basic	\$ 0.63	\$ 0.61	\$ 3.41	\$ 0.98
Diluted	\$ 0.62	\$ 0.61	\$ 3.37	\$ 0.97
Weighted average shares used in computing net income per share:				
Basic	309	319	314	321
Diluted	313	322	318	325

<sup>(a)</sup> Adjusted to include the impact of the adoption of ASU 2017-07 (pension expense reclassification) as of 11/1/2018. There is no impact to net income or net income per share.

The preliminary income statement is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
(In millions, except par value and share amounts)  
**(Unaudited)**  
**PRELIMINARY**

	<b>October 31, 2019</b>	<b>October 31, 2018</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,382	\$ 2,247
Accounts receivable, net	930	776
Inventory	679	638
Other current assets	198	187
Total current assets	3,189	3,848
Property, plant and equipment, net	850	822
Goodwill and other intangible assets, net	4,700	3,464
Long-term investments	102	68
Other assets	611	339
Total assets	\$ 9,452	\$ 8,541
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 354	\$ 340
Employee compensation and benefits	334	304
Deferred revenue	336	324
Short-term debt	616	—
Other accrued liabilities	440	203
Total current liabilities	2,080	1,171
Long-term debt	1,791	1,799
Retirement and post-retirement benefits	360	239
Other long-term liabilities	473	761
Total liabilities	4,704	3,970
Total Equity:		
Stockholders' equity:		
Preferred stock; \$0.01 par value; 125 million shares authorized; none issued and outstanding	—	—
Common stock; \$0.01 par value, 2 billion shares authorized; 309 million shares at October 31, 2019 and 318 million shares at October 31, 2018, issued	3	3
Additional paid-in-capital	5,277	5,308
Accumulated deficit	(18)	(336)
Accumulated other comprehensive loss	(514)	(408)
Total stockholders' equity	4,748	4,567
Non-controlling interest	—	4
Total equity	4,748	4,571
Total liabilities and equity	\$ 9,452	\$ 8,541

The preliminary balance sheet is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
(In millions)  
(Unaudited)  
**PRELIMINARY**

	Years Ended	
	October 31, 2019	October 31, 2018
Cash flows from operating activities:		
Net income	\$ 1,071	\$ 316
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	238	210
Share-based compensation	72	70
Excess and obsolete inventory related charges	19	26
Loss on extinguishment of debt	9	—
Other non-cash expenses, net	6	10
Changes in assets and liabilities:		
Accounts receivable, net	(106)	(65)
Inventory	(36)	(83)
Accounts payable	30	40
Employee compensation and benefits	23	31
Change in assets and liabilities due to Tax Act	—	552
Treasury lock agreement payment	(6)	—
Other assets and liabilities	(299)	(20)
Net cash provided by operating activities <sup>(a)</sup>	<u>1,021</u>	<u>1,087</u>
Cash flows from investing activities:		
Investments in property, plant and equipment	(155)	(177)
Proceeds from the sale of property, plant and equipment	—	1
Payment to acquire fair value investments	(23)	(11)
Payment in exchange for convertible note	(3)	(2)
Payment to acquire intangible assets	(1)	—
Acquisition of businesses and intangible assets, net of cash acquired	(1,408)	(516)
Net cash used in investing activities	<u>(1,590)</u>	<u>(705)</u>
Cash flows from financing activities:		
Issuance of common stock under employee stock plans	54	56
Payment of taxes related to net share settlement of equity awards	(16)	(30)
Payment of dividends	(206)	(191)
Proceeds from revolving credit facility and short-term loan, net of repayments	615	(110)
Issuance of debt	497	—
Debt issuance costs	(4)	—
Repayment of debt	(512)	(100)
Purchase of non-controlling interest	(4)	—
Treasury stock repurchases	(723)	(422)
Net cash used in financing activities	<u>(299)</u>	<u>(797)</u>
Effect of exchange rate movements	2	(17)
Net decrease in cash, cash equivalents and restricted cash	(866)	(432)
Cash, cash equivalents and restricted cash at beginning of period	<u>2,254</u>	<u>2,686</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,388</u>	<u>\$ 2,254</u>
Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheet:		
Cash and cash equivalents	\$ 1,382	\$ 2,247
Restricted cash, included in other assets	6	7
Total cash, cash equivalents and restricted cash	<u>\$ 1,388</u>	<u>\$ 2,254</u>
<sup>(a)</sup> Cash payments included in operating activities:		
Income tax payments (refunds), net	\$ 159	\$ 102
Interest payments	\$ 80	\$ 80

The preliminary cash flow is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**NON-GAAP NET INCOME AND DILUTED EPS RECONCILIATIONS**  
(In millions, except per share amounts)  
(Unaudited)  
**PRELIMINARY**

	Three Months Ended October 31,				Years Ended October 31,			
	2019		2018		2019		2018	
	\$	Diluted EPS	\$	Diluted EPS	\$	Diluted EPS	\$	Diluted EPS
GAAP net income	\$ 194	\$ 0.62	\$ 195	\$ 0.61	\$ 1,071	\$ 3.37	\$ 316	\$ 0.97
Non-GAAP adjustments:								
Asset impairments	—	—	21	0.06	—	—	21	0.06
Intangible amortization	46	0.15	29	0.09	125	0.39	105	0.32
Business exit and divestiture costs	—	—	—	—	—	—	9	0.03
Transformational initiatives	19	0.06	11	0.03	44	0.14	25	0.08
Acquisition and integration costs	16	0.05	9	0.03	48	0.15	23	0.07
Loss on extinguishment of debt	9	0.03	—	—	9	0.03	—	—
Pension settlement gain	—	—	—	—	—	—	(5)	(0.02)
Gain on step acquisition of Lasergen	—	—	—	—	—	—	(20)	(0.06)
NASD site costs	—	—	2	0.01	12	0.04	8	0.02
Special compliance costs	—	—	1	—	2	0.01	4	0.01
Other	12	0.04	2	0.01	29	0.09	(10)	(0.03)
Adjustment for Tax Reform	—	—	19	0.06	—	—	552	1.70
Tax benefit on intra-entity asset transfer	—	—	—	—	(299)	(0.94)	—	—
Adjustment for taxes <sup>(a)</sup>	(19)	(0.06)	(27)	(0.09)	(52)	(0.17)	(121)	(0.36)
Non-GAAP net income	<u>\$ 277</u>	<u>\$ 0.89</u>	<u>\$ 262</u>	<u>\$ 0.81</u>	<u>\$ 989</u>	<u>\$ 3.11</u>	<u>\$ 907</u>	<u>\$ 2.79</u>

<sup>(a)</sup> The adjustment for taxes excludes tax benefits that management believes are not directly related to on-going operations and which are either isolated or cannot be expected to occur again with any regularity or predictability. For the three months and year ended October 31, 2019, management used a non-GAAP effective tax rate of 16.82% and 16.75%, respectively. In the same periods last year, management used a non-GAAP effective tax rate of 18%.

We provide non-GAAP net income and non-GAAP net income per share amounts in order to provide meaningful supplemental information regarding our operational performance and our prospects for the future. These supplemental measures exclude, among other things, charges related to asset impairments, amortization of intangibles, business exit and divestiture costs, transformational initiatives, acquisition and integration costs, loss on extinguishment of debt, pension settlement gain, gain on step acquisition of Lasergen, NASD site costs, special compliance costs, adjustment for Tax Reform, and tax benefit on intra-entity asset transfer.

**Asset impairments** include assets that have been written down to their fair value.

**Business exit and divestiture costs** include costs associated with business divestitures.

**Transformational initiatives** include expenses associated with targeted cost reduction activities such as manufacturing transfers including costs to move manufacturing due to new tariffs and tariff remediation actions, small site consolidations, legal entity and other business reorganizations, insourcing or outsourcing of activities. Such costs may include move and relocation costs, one-time termination benefits and other one-time reorganization costs. Included in this category are also expenses associated with company programs to transform our product lifecycle management (PLM) system, human resources and financial systems.

**Acquisition and integration costs** include all incremental expenses incurred to effect a business combination. Such acquisition costs may include advisory, legal, accounting, valuation, and other professional or consulting fees. Such integration costs may include expenses directly related to integration of business and facility operations, the transfer of assets and intellectual property, information technology systems and infrastructure and other employee-related costs.

**Loss on extinguishment of debt** relates to the net loss recorded on full redemption of \$500 million of outstanding 5.00% senior notes due July 2020, called on August 16, 2019 and settled on September 17, 2019.

**Pension settlement gain** resulted from transfer of the substitutional portion of our Japanese pension plan to the government.

**Gain on step acquisition of Lasergen** resulted from the measurement at fair value of our equity interest held at the date of business combination.

**NASD site costs** include all the costs related to the expansion of our manufacturing of nucleic acid active pharmaceutical ingredients incurred prior to the commencement of commercial manufacturing.

**Special compliance costs** include costs associated with transforming our processes to implement new regulations such as the EU's General Data Protection Regulation (GDPR), revenue recognition, lease and certain tax reporting requirements.

**Other** includes certain legal costs and settlements in addition to other miscellaneous adjustments.

**Adjustment for Tax Reform** primarily consists of an estimated provision of \$499 million for U.S. transition tax and correlative items on deemed repatriated earnings of non-U.S. subsidiaries and an estimated provision of \$53 million associated with the decrease in the U.S. corporate tax rate from 35% to 21% and its impact on our U.S. deferred tax assets and liabilities.

**Tax benefit on intra-entity asset transfer** relates to our operations in Singapore along with our application of the new accounting rules for income tax consequences of intra-entity transfer of assets as adopted on November 1, 2018.

Our management uses non-GAAP measures to evaluate the performance of our core businesses, to estimate future core performance and to compensate employees. Since management finds this measure to be useful, we believe that our investors benefit from seeing our results "through the eyes" of management in addition to seeing our GAAP results. This information facilitates our management's internal comparisons to our historical operating results as well as to the operating results of our competitors.

Our management recognizes that items such as amortization of intangibles can have a material impact on our cash flows and/or our net income. Our GAAP financial statements including our 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 items 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 GAAP income statement. The non-GAAP numbers focus instead upon the core business of the company, which is only a subset, albeit a critical one, of the company's performance.

Readers are reminded that non-GAAP numbers are merely a supplement to, and not a replacement for, GAAP financial measures. They should be read in conjunction with the GAAP financial measures. It should be noted as well that our non-GAAP information may be different from the non-GAAP information provided by other companies.

The preliminary non-GAAP net income and diluted EPS reconciliation is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**SEGMENT INFORMATION**  
(In millions, except where noted)  
(Unaudited)  
**PRELIMINARY**

**Quarter-over-Quarter**

**Life Sciences and Applied Markets Group**

	<u>Q4'19</u>	<u>Q4'18</u>
Revenue	\$ 622	\$ 597
Gross Margin, %	60.7%	62.1%
Income from Operations	\$ 158	\$ 154
Operating margin, %	25.3%	25.7%

**Diagnostics and Genomics Group**

	<u>Q4'19</u>	<u>Q4'18</u>
Revenue	\$ 269	\$ 256
Gross Margin, %	54.0%	59.0%
Income from Operations	\$ 53	\$ 58
Operating margin, %	19.7%	22.7%

**Agilent CrossLab Group**

	<u>Q4'19</u>	<u>Q4'18</u>
Revenue	\$ 476	\$ 441
Gross Margin, %	52.6%	51.0%
Income from Operations	\$ 133	\$ 107
Operating margin, %	28.0%	24.2%

**Year-over-Year**

**Life Sciences and Applied Markets Group**

	<u>FY19</u>	<u>FY18</u>
Revenue	\$ 2,302	\$ 2,270
Gross Margin, %	61.0%	61.3%
Income from Operations	\$ 542	\$ 543
Operating margin, %	23.5%	23.9%

**Diagnostics and Genomics Group**

	<u>FY19</u>	<u>FY18</u>
Revenue	\$ 1,021	\$ 943
Gross Margin, %	54.7%	56.3%
Income from Operations	\$ 185	\$ 173
Operating margin, %	18.2%	18.4%

**Agilent CrossLab Group**

	<u>FY19</u>	<u>FY18</u>
Revenue	\$ 1,840	\$ 1,701
Gross Margin, %	51.8%	50.4%
Income from Operations	\$ 475	\$ 388
Operating margin, %	25.8%	22.8%

Income from operations reflect the results of our reportable segments under Agilent's management reporting system which are not necessarily in conformity with GAAP financial measures. Income from operations of our reporting segments exclude, among other things, charges related to asset impairments, amortization of intangibles, business exit and divestiture costs, transformational initiatives, acquisition and integration costs, pension settlement gain, gain on step acquisition of Lasergen, NASD site costs, and special compliance costs.

Readers are reminded that non-GAAP numbers are merely a supplement to, and not a replacement for, GAAP financial measures. They should be read in conjunction with the GAAP financial measures. It should be noted as well that our non-GAAP information may be different from the non-GAAP information provided by other companies.

The preliminary segment information is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**RECONCILIATIONS OF REVENUE BY SEGMENT EXCLUDING**  
**ACQUISITIONS, DIVESTITURES AND THE IMPACT OF CURRENCY ADJUSTMENTS (CORE)**  
(in millions)  
(Unaudited)  
**PRELIMINARY**

<b>GAAP Revenue by Segment</b>	<b>GAAP</b>			<b>Year-over-Year</b>		
	<b>Q4'19</b>	<b>Q4'18</b>	<b>Year-over-Year % Change</b>			
Life Sciences and Applied Markets Group	\$ 622	\$ 597	4%			
Diagnostics and Genomics Group	269	256	5%			
Agilent CrossLab Group	476	441	8%			
Agilent	<u>\$ 1,367</u>	<u>\$ 1,294</u>	6%			

  

<b>Non GAAP Revenue by Segment</b>	<b>Non-GAAP (excluding Acquisitions &amp; Divestitures)</b>			<b>Year-over-Year at Constant Currency <sup>(a)</sup></b>			<b>Current Quarter Currency Impact <sup>(b)</sup></b>
	<b>Q4'19</b>	<b>Q4'18</b>	<b>Year-over-Year % Change</b>	<b>Year-over-Year % Change</b>	<b>Percentage Point Impact from Currency</b>		
Life Sciences and Applied Markets Group	\$ 575	\$ 597	(4%)	(2%)	-2 pts	\$ (7)	
Diagnostics and Genomics Group	269	256	5%	7%	-2 pts	(4)	
Agilent CrossLab Group	476	441	8%	10%	-2 pts	(9)	
Agilent (Core)	<u>\$ 1,320</u>	<u>\$ 1,294</u>	2%	4%	-2 pts	<u>\$ (20)</u>	

We compare the year-over-year change in revenue excluding the effect of recent acquisitions and divestitures and foreign currency rate fluctuations to assess the performance of our underlying business.

<sup>(a)</sup> The constant currency year-over-year growth percentage is calculated by recalculating all periods in the comparison period at the foreign currency exchange rates used for accounting during the last month of the current quarter, and then using those revised values to calculate the year-over-year percentage change.

<sup>(b)</sup> The dollar impact from the current quarter currency impact is equal to the total year-over-year dollar change less the constant currency year-over-year change.

The preliminary reconciliation of GAAP revenue adjusted for recent acquisitions and divestitures and impact of currency is estimated based on our current information.

**AGILENT TECHNOLOGIES, INC.**  
**RECONCILIATIONS OF REVENUE BY SEGMENT EXCLUDING**  
**ACQUISITIONS, DIVESTITURES AND THE IMPACT OF CURRENCY ADJUSTMENTS (CORE)**  
(in millions)  
(Unaudited)  
**PRELIMINARY**

<b>GAAP Revenue by Segment</b>	<b>GAAP</b>			<b>Year-over-Year</b>		
	<b>FY19</b>	<b>FY18</b>	<b>Year-over-Year % Change</b>			
Life Sciences and Applied Markets Group	\$ 2,302	\$ 2,270	1%			
Diagnostics and Genomics Group	1,021	943	8%			
Agilent CrossLab Group	1,840	1,701	8%			
Agilent	<u>\$ 5,163</u>	<u>\$ 4,914</u>	5%			

  

<b>Non GAAP Revenue by Segment</b>	<b>Non-GAAP (excluding Acquisitions &amp; Divestitures)</b>			<b>Year-over-Year at Constant Currency <sup>(a)</sup></b>			<b>Current Year Currency Impact <sup>(b)</sup></b>
	<b>FY19</b>	<b>FY18</b>	<b>Year-over-Year % Change</b>	<b>Year-over-Year % Change</b>	<b>Percentage Point Impact from Currency</b>		
Life Sciences and Applied Markets Group	\$ 2,219	\$ 2,270	(2%)	(1%)	-1 ppt	\$ (37)	
Diagnostics and Genomics Group	1,009	943	7%	9%	-2 pts	(20)	
Agilent CrossLab Group	1,820	1,701	7%	10%	-3 pts	(50)	
Agilent (Core)	<u>\$ 5,048</u>	<u>\$ 4,914</u>	3%	5%	-2 pts	<u>\$ (107)</u>	

We compare the year-over-year change in revenue excluding the effect of recent acquisitions and divestitures and foreign currency rate fluctuations to assess the performance of our underlying business.

<sup>(a)</sup> The constant currency year-over-year growth percentage is calculated by recalculating all periods in the comparison period at the foreign currency exchange rates used for accounting during the last month of the current quarter, and then using those revised values to calculate the year-over-year percentage change.

<sup>(b)</sup> The dollar impact from the current year currency impact is equal to the total year-over-year dollar change less the constant currency year-over-year change.

The preliminary reconciliation of GAAP revenue adjusted for recent acquisitions and divestitures and impact of currency is estimated based on our current information.