

Agilent Reports Second-Quarter Fiscal Year 2023 Financial Results

Delivers solid results; adjusts full-year guidance in an increasingly challenging market

Highlights:

- Revenue of \$1.72 billion represents 6.8% reported growth year-over-year; and up 9.5% on a core⁽¹⁾ basis.
- GAAP net income of \$302 million with earnings per share (EPS) of \$1.02, up 12% from the second quarter of 2022.
- Non-GAAP⁽²⁾ net income of \$377 million with EPS of \$1.27, up 12% from the second quarter of 2022.
- Full-year revenue is now expected to be in the range of \$6.93 billion to \$7.03 billion, representing reported growth of 1.2% to 2.7% and core⁽¹⁾ growth of 3.0% to 4.5%. Fiscal year 2023 non-GAAP⁽³⁾ EPS is now estimated to be in the range of \$5.60 to \$5.65.
- Third-quarter revenue is expected to be in the range of \$1.640 billion to \$1.675 billion with non-GAAP⁽³⁾ EPS of \$1.36 to \$1.38.

SANTA CLARA, Calif., May 23, 2023 — Agilent Technologies Inc. (NYSE: A) today reported revenue of \$1.72 billion for the second quarter ended April 30, 2023, an increase of 6.8% compared to the second quarter of 2022 and up 9.5% on a core⁽¹⁾ basis.

Second-quarter GAAP net income was \$302 million, or \$1.02 per share. This compares with \$274 million, or 91 cents per share, in the second quarter of fiscal year 2022. Non-GAAP⁽²⁾ net income was \$377 million, or \$1.27 per share during the quarter, compared with \$340 million or \$1.13 per share during the second quarter a year ago.

“In an increasingly challenging market environment, the Agilent team delivered solid results in the second quarter,” said Agilent President and CEO Mike McMullen. “Revenues of \$1.72 billion are up 9.5 percent core⁽¹⁾ with growth across all end markets and regions. Our results are driven by an innovative and broad portfolio, a differentiated customer experience, and outstanding execution.”

Financial Highlights

Life Sciences and Applied Markets Group

Agilent's Life Sciences and Applied Markets Group (LSAG) reported second-quarter revenue of \$968 million, a year-over-year increase of 8% (up 10% on a core⁽¹⁾ basis). LSAG's operating margin for the quarter was 27.3%.

Agilent CrossLab Group

The Agilent CrossLab Group (ACG) reported second-quarter revenue of \$387 million, a year-over-year increase of 10% (up 13% on a core⁽¹⁾ basis). ACG's operating margin for the quarter was 26.6%.

Diagnostics and Genomics Group

The Diagnostics and Genomics Group (DGG) reported second-quarter revenue of \$362 million, a year-over-year increase of 1% (up 3% on a core⁽¹⁾ basis). DGG's operating margin for the quarter was 20.2%.

Full Year and Third-Quarter Outlook

Reflecting increased market uncertainties, full-year revenue is now expected to be in the range of \$6.93 billion to \$7.03 billion, representing reported growth of 1.2% to 2.7% and core⁽¹⁾ growth of 3.0% to 4.5%. Fiscal year 2023 non-GAAP⁽³⁾ EPS guidance is now estimated to be in the range of \$5.60 to \$5.65.

The outlook for third-quarter revenue is expected to be in a range of \$1.640 billion to \$1.675 billion. Third-quarter non-GAAP⁽³⁾ earnings guidance is expected to be in the range of \$1.36 to \$1.38 per share.

The outlook is based on forecasted currency exchange rates.

Conference Call

Agilent's management will present additional details regarding the company's second-quarter 2023 financial results on a conference call with investors today at 1:30 p.m. PDT. This event will be broadcast live online in listen-only mode. To listen to the webcast, select the "Q2 2023 Agilent Technologies Inc. Earnings Conference Call" link on the [Agilent Investor Relations website](#). The webcast will remain on the company site for 90 days.

About Agilent Technologies

Agilent Technologies Inc. (NYSE: A) is a global leader in analytical and clinical laboratory technologies, delivering insights and innovation that help our customers bring great science to life. Agilent's full range of solutions includes instruments, software, services, and expertise that provide trusted answers to our customers' most challenging questions. The company generated revenue of \$6.85 billion in fiscal 2022 and employs 18,000 people worldwide. Information about Agilent is available at www.agilent.com. To receive the latest Agilent news, subscribe to the [Agilent Newsroom](#). Follow Agilent on [LinkedIn](#) and [Facebook](#).

Forward-Looking Statements

This news release contains forward-looking statements as defined in the Securities Exchange Act of 1934 and is subject to the safe harbors created therein. The forward-looking statements contained herein include, but are not limited to, information regarding Agilent's growth prospects, business, financial results, revenue, and non-GAAP earnings guidance for Q3 and fiscal year 2023 and future amortization of intangibles. These forward-looking statements involve risks and uncertainties that could cause Agilent's results to differ materially from management's current expectations. Such risks and uncertainties include, but are not limited to, unforeseen changes in the strength of Agilent's customers' businesses; unforeseen changes in the demand for current and new products, technologies, and services; unforeseen changes in the currency markets; customer purchasing decisions and timing; and the risk that Agilent is not able to realize the savings expected from integration and restructuring activities. In addition, other risks that Agilent faces in running its operations include the ability to execute successfully through business cycles; the ability to meet and achieve the benefits of its cost-reduction goals and otherwise successfully adapt its cost structures to continuing changes in business conditions; ongoing competitive, pricing and gross-margin pressures; the risk that its cost-cutting initiatives will impair its ability to develop products and remain competitive and to operate effectively; the impact of geopolitical uncertainties and global economic conditions on its operations, its markets and its ability to conduct business; the ability to improve asset performance to adapt to changes in demand; the ability of its supply chain to adapt to changes in demand; the ability to successfully introduce new products at the right time, price and mix; the ability of Agilent to successfully integrate recent acquisitions; the ability of Agilent to successfully comply with certain complex regulations; and other risks detailed in Agilent's filings with the Securities and Exchange Commission, including its quarterly report on Form 10-Q for the fiscal quarter ended January 31, 2023. Forward-looking statements are based on the beliefs and assumptions of Agilent's management and on currently available information. Agilent undertakes no responsibility to publicly update or revise any forward-looking statement.

(1) Core revenue growth excludes the impact of currency and acquisitions and divestitures within the past 12 months. Core revenue is a non-GAAP measure. Reconciliations between GAAP revenue and core revenue for Q2 fiscal year 2023 are set forth on page 6 of the attached tables along with additional information regarding the use of this non-GAAP measure. Core revenue growth rate as projected for Q3 fiscal year 2023 and full fiscal year 2023 excludes the impact of currency and acquisitions and divestitures within the past 12 months. Most of the excluded amounts pertain to events that have not yet occurred and are not currently possible to estimate with a reasonable degree of accuracy and could differ materially. Therefore, no reconciliation to GAAP amounts has been provided for the projection.

(2) Non-GAAP net income and non-GAAP earnings per share primarily exclude the impacts of intangibles amortization, transformational initiatives, acquisition and integration costs and net loss on equity securities. Agilent also excludes any tax benefits or expenses 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. A reconciliation between non-GAAP net income and GAAP net income is set forth on page 4 of the attached tables along with additional information regarding the use of this non-GAAP measure.

(3) Non-GAAP earnings per share as projected for Q3 fiscal year 2023 and full fiscal year 2023 exclude primarily the estimated impacts of non-cash intangibles amortization, transformational initiatives, and acquisition and integration costs. Agilent also excludes any tax benefits or expenses 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. 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 and could differ materially. Therefore, no reconciliation to GAAP amounts has been provided. Future amortization of intangibles is expected to be approximately \$38 million per quarter.

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