

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q**

(MARK ONE)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

**For the quarterly period ended January 31, 2024**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number: 001-15405

**AGILENT TECHNOLOGIES, INC.**

(Exact Name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**77-0518772**

(IRS Employer Identification No.)

**5301 Stevens Creek Blvd.,  
Santa Clara, California 95051**  
(Address of principal executive offices)

Registrant's telephone number, including area code: **(800) 227-9770**

**Securities registered pursuant to Section 12(b) of the Act:**

| <u>Title of each Class</u>     | <u>Trading Symbol</u> | <u>Name of each Exchange on which registered</u> |
|--------------------------------|-----------------------|--|
| Common Stock, \$0.01 par value | A                     | New York Stock Exchange                          |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

|                           |                                     |                   |                          |                         |                          |
|---------------------------|-------------------------------------|-------------------|--------------------------|-------------------------|--------------------------|
| Large accelerated filer   | <input checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> | Non-accelerated filer   | <input type="checkbox"/> |
| Smaller reporting company | <input type="checkbox"/>            |                   |                          | Emerging growth company | <input type="checkbox"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of February 27, 2024, the registrant had 293,055,284 shares of common stock, \$0.01 par value per share, outstanding.

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**PART I — FINANCIAL INFORMATION****ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

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

|   | Three Months Ended |          |
|---|--------------------|----------|
|   | January 31,        |          |
|   | 2024               | 2023     |
| Net revenue:  |                    |          |
| Products  | \$ 1,209           | \$ 1,323 |
| Services and other  | 449                | 433      |
| Total net revenue   | 1,658              | 1,756    |
| Costs and expenses:   |                    |          |
| Cost of products  | 514                | 556      |
| Cost of services and other                                      | 236                | 232      |
| Total costs   | 750                | 788      |
| Research and development  | 128                | 123      |
| Selling, general and administrative                             | 396                | 419      |
| Total costs and expenses  | 1,274              | 1,330    |
| Income from operations  | 384                | 426      |
| Interest income   | 18                 | 9        |
| Interest expense  | (22)               | (25)     |
| Other income (expense), net                                     | 23                 | —        |
| Income before taxes   | 403                | 410      |
| Provision for income taxes                                      | 55                 | 58       |
| Net income  | \$ 348             | \$ 352   |
| Net income per share:   |                    |          |
| Basic   | \$ 1.19            | \$ 1.19  |
| Diluted   | \$ 1.18            | \$ 1.19  |
| Weighted average shares used in computing net income per share: |                    |          |
| Basic   | 293                | 296      |
| Diluted   | 294                | 297      |

The accompanying notes are an integral part of these condensed consolidated financial statements.

**AGILENT TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)**  
**(in millions)**  
**(Unaudited)**

|   | <b>Three Months Ended</b> |               |
|---|---------------------------|---------------|
|   | <b>January 31,</b>        |               |
|   | <b>2024</b>               | <b>2023</b>   |
| Net income  | \$ 348                    | \$ 352        |
| Other comprehensive income (loss):  |                           |               |
| Unrealized loss on derivative instruments, net of tax benefit of \$(3) and \$(9)                            | (7)                       | (22)          |
| Amounts reclassified into earnings related to derivative instruments, net of tax benefit of \$(1) and \$(2) | (2)                       | (4)           |
| Foreign currency translation, net of tax expense (benefit) of \$0 and \$(1)                                 | 21                        | 91            |
| Net defined benefit pension cost and post retirement plan costs:  |                           |               |
| Change in actuarial net gain (loss), net of tax expense (benefit) of \$(1) and \$0                          | (1)                       | 2             |
| Other comprehensive income  | 11                        | 67            |
| Total comprehensive income  | <u>\$ 359</u>             | <u>\$ 419</u> |

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

|   | January 31,<br>2024 | October 31,<br>2023 |
|---|---------------------|---------------------|
| <b>ASSETS</b>   |                     |                     |
| Current assets:   |                     |                     |
| Cash and cash equivalents   | \$ 1,748            | \$ 1,590            |
| Accounts receivable, net  | 1,295               | 1,291               |
| Inventory   | 1,033               | 1,031               |
| Other current assets  | 262                 | 274                 |
| Total current assets  | 4,338               | 4,186               |
| Property, plant and equipment, net  | 1,314               | 1,270               |
| Goodwill  | 3,967               | 3,960               |
| Other intangible assets, net  | 443                 | 475                 |
| Long-term investments   | 170                 | 164                 |
| Other assets  | 716                 | 708                 |
| Total assets  | \$ 10,948           | \$ 10,763           |
| <b>LIABILITIES AND EQUITY</b>   |                     |                     |
| Current liabilities:  |                     |                     |
| Accounts payable  | \$ 488              | \$ 418              |
| Employee compensation and benefits  | 272                 | 371                 |
| Deferred revenue  | 522                 | 505                 |
| Other accrued liabilities   | 335                 | 309                 |
| Total current liabilities   | 1,617               | 1,603               |
| Long-term debt  | 2,555               | 2,735               |
| Retirement and post-retirement benefits   | 102                 | 103                 |
| Other long-term liabilities   | 486                 | 477                 |
| Total liabilities   | 4,760               | 4,918               |
| Commitments and contingencies (Notes 9 and 12)  |                     |                     |
| Total equity:   |                     |                     |
| Stockholders' equity:   |                     |                     |
| Preferred stock; \$0.01 par value; 125,000,000 shares authorized; none issued and outstanding at January 31, 2024 and October 31, 2023                                    | —                   | —                   |
| Common stock; \$0.01 par value; 2,000,000,000 shares authorized; 293,041,817 shares at January 31, 2024 and 292,123,241 shares at October 31, 2023 issued and outstanding | 3                   | 3                   |
| Additional paid-in-capital  | 5,440               | 5,387               |
| Retained earnings   | 1,061               | 782                 |
| Accumulated other comprehensive loss  | (316)               | (327)               |
| Total stockholders' equity  | 6,188               | 5,845               |
| Total liabilities and stockholders' equity  | \$ 10,948           | \$ 10,763           |

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

|  | Three Months Ended |          |
|--|--------------------|----------|
|  | January 31,        |          |
|  | 2024               | 2023     |
| Cash flows from operating activities:  |                    |          |
| Net income   | \$ 348             | \$ 352   |
| Adjustments to reconcile net income to net cash provided by operating activities:                                    |                    |          |
| Depreciation and amortization  | 62                 | 67       |
| Share-based compensation   | 44                 | 44       |
| Deferred taxes   | —                  | 4        |
| Excess and obsolete inventory related charges  | 11                 | 7        |
| Net (gain) loss on equity securities   | (3)                | 10       |
| Asset impairment charges   | 8                  | —        |
| Change in fair value of contingent consideration   | —                  | 1        |
| Other non-cash (income) expense, net   | (6)                | 1        |
| Changes in assets and liabilities:   |                    |          |
| Accounts receivable, net   | 10                 | (5)      |
| Inventory  | (9)                | (69)     |
| Accounts payable   | 84                 | (27)     |
| Employee compensation and benefits   | (104)              | (174)    |
| Other assets and liabilities   | 40                 | 85       |
| Net cash provided by operating activities  | 485                | 296      |
| Cash flows from investing activities:  |                    |          |
| Payments to acquire property, plant and equipment  | (90)               | (76)     |
| Proceeds from sale of equity securities  | —                  | 4        |
| Payments to acquire equity securities  | —                  | (1)      |
| Proceeds from convertible note   | —                  | 2        |
| Payments in exchange for convertible note  | (5)                | (3)      |
| Payments to acquire businesses and intangible assets, net of cash acquired   | —                  | (30)     |
| Net cash used in investing activities  | (95)               | (104)    |
| Cash flows from financing activities:  |                    |          |
| Proceeds from issuance of common stock under employee stock plans  | 34                 | 35       |
| Payment of taxes related to net share settlement of equity awards  | (25)               | (51)     |
| Payments for repurchase of common stock  | —                  | (75)     |
| Payments of dividends  | (69)               | (67)     |
| Repayments of long-term debt   | (180)              | —        |
| Net proceeds from short-term debt  | —                  | 203      |
| Payment for contingent consideration   | —                  | (62)     |
| Net cash used in financing activities  | (240)              | (17)     |
| Effect of exchange rate movements  | 7                  | 22       |
| Net increase in cash, cash equivalents and restricted cash   | 157                | 197      |
| Cash, cash equivalents and restricted cash at beginning of period  | 1,593              | 1,056    |
| Cash, cash equivalents and restricted cash at end of period  | \$ 1,750           | \$ 1,253 |
| Supplemental cash flow information:  |                    |          |
| Income tax paid, net of refunds received   | \$ 24              | \$ 17    |
| Interest payments, net of capitalized interest   | \$ 14              | \$ 15    |
| Net change in property, plant and equipment included in accounts payable and accrued liabilities-increase (decrease) | \$ (16)            | \$ (20)  |

The accompanying notes are an integral part of these condensed consolidated financial statements.



**AGILENT TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF EQUITY**  
(in millions, except number of shares in thousands)  
(Unaudited)

|  | Common Stock     |             |                            | Retained Earnings | Accumulated Other Comprehensive Loss | Total Stockholders' Equity |
|--|------------------|-------------|----------------------------|-------------------|--------------------------------------|----------------------------|
|  | Number of Shares | Par Value   | Additional Paid-in Capital |                   |                                      |                            |
| <b>Three Months Ended January 31, 2024</b>         |                  |             |                            |                   |                                      |                            |
| Balance as of October 31, 2023                     | 292,123          | \$ 3        | \$ 5,387                   | \$ 782            | \$ (327)                             | \$ 5,845                   |
| Components of comprehensive income, net of tax:    |                  |             |                            |                   |                                      |                            |
| Net income   | —                | —           | —                          | 348               | —                                    | 348                        |
| Other comprehensive income                         | —                | —           | —                          | —                 | 11                                   | 11                         |
| Total comprehensive income                         |                  |             |                            |                   |                                      | 359                        |
| Cash dividends declared (\$0.236 per common share) | —                | —           | —                          | (69)              | —                                    | (69)                       |
| Share-based awards issued, net of tax of \$25      | 919              | —           | 9                          | —                 | —                                    | 9                          |
| Share-based compensation                           | —                | —           | 44                         | —                 | —                                    | 44                         |
| Balance as of January 31, 2024                     | <u>293,042</u>   | <u>\$ 3</u> | <u>\$ 5,440</u>            | <u>\$ 1,061</u>   | <u>\$ (316)</u>                      | <u>\$ 6,188</u>            |

|  | Common Stock     |             |                            | Retained Earnings | Accumulated Other Comprehensive Loss | Total Stockholders' Equity |
|--|------------------|-------------|----------------------------|-------------------|--------------------------------------|----------------------------|
|  | Number of Shares | Par Value   | Additional Paid-in Capital |                   |                                      |                            |
| <b>Three Months Ended January 31, 2023</b>         |                  |             |                            |                   |                                      |                            |
| Balance as of October 31, 2022                     | 295,259          | \$ 3        | \$ 5,325                   | \$ 324            | \$ (347)                             | \$ 5,305                   |
| Components of comprehensive income, net of tax:    |                  |             |                            |                   |                                      |                            |
| Net income   | —                | —           | —                          | 352               | —                                    | 352                        |
| Other comprehensive income                         | —                | —           | —                          | —                 | 67                                   | 67                         |
| Total comprehensive income                         |                  |             |                            |                   |                                      | 419                        |
| Cash dividends declared (\$0.225 per common share) | —                | —           | —                          | (67)              | —                                    | (67)                       |
| Share-based awards issued, net of tax of \$51      | 1,061            | —           | (17)                       | —                 | —                                    | (17)                       |
| Repurchase of common stock                         | (499)            | —           | (7)                        | (68)              | —                                    | (75)                       |
| Share-based compensation                           | —                | —           | 44                         | —                 | —                                    | 44                         |
| Balance as of January 31, 2023                     | <u>295,821</u>   | <u>\$ 3</u> | <u>\$ 5,345</u>            | <u>\$ 541</u>     | <u>\$ (280)</u>                      | <u>\$ 5,609</u>            |

The accompanying notes are an integral part of these condensed consolidated financial statements.

**AGILENT TECHNOLOGIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**1. OVERVIEW, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Overview.* Agilent Technologies, Inc. ("we," "Agilent" or the "company"), incorporated in Delaware in May 1999, is a global leader in life sciences, diagnostics and applied chemical markets, providing application focused solutions that include instruments, software, services and consumables for the entire laboratory workflow.

Our fiscal year-end is October 31, and our fiscal quarters end on January 31, April 30 and July 31. Unless otherwise stated, these dates refer to our fiscal year and fiscal quarters.

*New Segment Structure.* In the first quarter of fiscal year 2024, we announced a change in our operating segments to move our cell analysis business from our life sciences and applied markets segment to our diagnostics and genomics operating segment in order to further strengthen growth opportunities for both organizations. Following this reorganization, we continue to have three business segments comprised of life sciences and applied markets, diagnostics and genomics and Agilent CrossLab, each of which continues to comprise a reportable segment. We are reporting under this new structure beginning with this Quarterly Report on Form 10-Q for the period ended January 31, 2024. All historical financial segment information has been recast to conform to this new presentation in our financial statements and accompanying notes. There was no change to our Agilent CrossLab business segment.

*Basis of Presentation.* We have prepared the accompanying financial data for the three months ended January 31, 2024 and 2023 pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles ("GAAP") in the U.S. have been condensed or omitted pursuant to such rules and regulations. The October 31, 2023 condensed balance sheet data was derived from audited financial statements but does not include all the disclosures required in audited financial statements by U.S. GAAP. The accompanying financial data and information should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended October 31, 2023.

In the opinion of management, the accompanying condensed consolidated financial statements contain all normal and recurring adjustments necessary for a fair statement of our condensed consolidated balance sheet as of January 31, 2024 and October 31, 2023, condensed consolidated statement of comprehensive income (loss) for the three months ended January 31, 2024 and 2023, condensed consolidated statement of operations for the three months ended January 31, 2024 and 2023, condensed consolidated statement of cash flows for the three months ended January 31, 2024 and 2023 and condensed consolidated statement of equity for the three months ended January 31, 2024 and 2023.

*Use of Estimates.* The preparation of condensed consolidated financial statements in accordance with GAAP in the U.S. requires management to make estimates and assumptions that affect the amounts reported in our condensed consolidated financial statements and accompanying notes. Management bases its estimates on historical experience and various other assumptions believed to be reasonable. Although these estimates are based on management's best knowledge of current events and actions that may impact the company in the future, actual results may be different from the estimates. Our critical accounting policies are those that affect our financial statements materially and involve difficult, subjective or complex judgments by management. Those policies are revenue recognition, valuation of goodwill and purchased intangible assets, inventory valuation, retirement and post-retirement benefit plan assumptions and accounting for income taxes.

*Restricted Cash and Restricted Cash Equivalents.* Restricted cash and restricted cash equivalents are included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. A reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheet follows:

|  | January 31,<br>2024 | October 31,<br>2023 |
|--|---------------------|---------------------|
|  | (in millions)       |                     |
| Cash and cash equivalents                        | \$ 1,748            | \$ 1,590            |
| Restricted cash included in other assets         | 2                   | 3                   |
| Total cash, cash equivalents and restricted cash | <u>\$ 1,750</u>     | <u>\$ 1,593</u>     |

**AGILENT TECHNOLOGIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)**

*Leases.* As of January 31, 2024 and October 31, 2023, operating lease right-of-use assets where we are the lessee were \$155 million and \$154 million, respectively, and were included within other assets in the accompanying condensed consolidated balance sheet. The associated operating lease liabilities were \$164 million as of both January 31, 2024 and October 31, 2023, respectively, and were included in other accrued liabilities and other long-term liabilities in the accompanying condensed consolidated balance sheet.

*Variable Interest Entities.* We make a determination upon entering into an arrangement whether an entity in which we have made an investment is considered a Variable Interest Entity ("VIE"). We evaluate our investments in privately held companies on an ongoing basis. We have determined that as of January 31, 2024, and October 31, 2023, there were no VIEs required to be consolidated in our consolidated financial statements because we do not have a controlling financial interest in any of the VIEs in which we have invested nor are we the primary beneficiary. We account for these investments under either the equity method or as equity investments without readily determinable fair value ("RDFV"), depending on the circumstances. We periodically reassess whether we are the primary beneficiary of a VIE. The reassessment process considers whether we have acquired the power to direct the most significant activities of the VIE through changes in governing documents or other circumstances. We also reconsider whether entities previously determined not to be VIEs have become VIEs and vice-versa, based on changes in facts and circumstances including changes in contractual arrangements and capital structure.

As of both January 31, 2024, and October 31, 2023, the total carrying value of investments and loans in privately held companies considered as VIEs was \$82 million. The maximum exposure is equal to the carrying value because we do not have future funding commitments. The investments are included on the long-term investments line and the loans on the other current assets and other assets lines (depending upon tenure of loan) on the condensed consolidated balance sheet.

*Fair Value of Financial Instruments.* The carrying values of certain of our financial instruments including cash and cash equivalents, accounts receivable, accounts payable, accrued compensation and other accrued liabilities approximate fair value because of their short maturities. The fair value of long-term equity investments which are readily determinable, and which are not accounted under the equity method are reported at fair value using quoted market prices for those securities when available with gains and losses included in net income. The fair value of long-term equity investments which are not readily determinable, and which are not accounted under the equity method are reported at cost with adjustments for observable changes in prices or impairments included in net income. As of January 31, 2024 and October 31, 2023, the fair value of the term loan approximates its carrying value. As of January 31, 2024, the fair value of our senior notes was \$1,900 million with a carrying value of \$2,135 million. This compares to the fair value of our senior notes of \$1,747 million with a carrying value of \$2,135 million as of October 31, 2023. The change in the fair value compared to carrying value in the three months ended January 31, 2024 is primarily due to decreased market interest rates. The fair value was calculated from quoted prices which are primarily Level 1 inputs under the accounting guidance. The fair value of foreign currency contracts used for hedging purposes is estimated internally by using inputs tied to active markets. These inputs, for example, interest rate yield curves, foreign exchange rates, and forward and spot prices for currencies are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities. See also Note 9, "Fair Value Measurements" for additional information on the fair value of financial instruments and contingent consideration.

## **2. NEW ACCOUNTING PRONOUNCEMENTS**

There were no additions to the new accounting pronouncements not yet adopted as described in our Annual Report on Form 10-K for the fiscal year ended October 31, 2023.

Other amendments to GAAP in the U.S. that have been issued by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on our condensed consolidated financial statements upon adoption.

**AGILENT TECHNOLOGIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)**

**3. REVENUE**

The following table presents the company's total revenue and segment revenue disaggregated by geographical region:

|                          | Three Months Ended January 31,    |                  |                          |                 | 2023                              |                  |                          |                 |
|--------------------------|-----------------------------------|------------------|--------------------------|-----------------|-----------------------------------|------------------|--------------------------|-----------------|
|                          | 2024                              |                  | 2023                     |                 | 2024                              |                  | 2023                     |                 |
|                          | Life Sciences and Applied Markets | Agilent CrossLab | Diagnostics and Genomics | Total           | Life Sciences and Applied Markets | Agilent CrossLab | Diagnostics and Genomics | Total           |
|                          | (in millions)                     |                  |                          |                 |                                   |                  |                          |                 |
| <b>Revenue by Region</b> |                                   |                  |                          |                 |                                   |                  |                          |                 |
| Americas                 | \$ 244                            | \$ 164           | \$ 222                   | \$ 630          | \$ 286                            | \$ 154           | \$ 247                   | \$ 687          |
| Europe                   | 224                               | 111              | 123                      | 458             | 239                               | 98               | 119                      | 456             |
| Asia Pacific             | 378                               | 130              | 62                       | 570             | 418                               | 129              | 66                       | 613             |
| Total                    | <u>\$ 846</u>                     | <u>\$ 405</u>    | <u>\$ 407</u>            | <u>\$ 1,658</u> | <u>\$ 943</u>                     | <u>\$ 381</u>    | <u>\$ 432</u>            | <u>\$ 1,756</u> |

The following table presents the company's total revenue disaggregated by end markets and by revenue type:

|                                      | Three Months Ended |                 |
|--------------------------------------|--------------------|-----------------|
|                                      | 2024               | 2023            |
|                                      | (in millions)      |                 |
| <b>Revenue by End Markets</b>        |                    |                 |
| Pharmaceutical and Biopharmaceutical | \$ 565             | \$ 639          |
| Chemicals and Advanced Materials     | 392                | 406             |
| Diagnostics and Clinical             | 228                | 239             |
| Food                                 | 157                | 160             |
| Academia and Government              | 150                | 146             |
| Environmental and Forensics          | 166                | 166             |
| Total                                | <u>\$ 1,658</u>    | <u>\$ 1,756</u> |
| <b>Revenue by Type</b>               |                    |                 |
| Instrumentation                      | \$ 630             | \$ 759          |
| Non-instrumentation and other        | 1,028              | 997             |
| Total                                | <u>\$ 1,658</u>    | <u>\$ 1,756</u> |

Revenue by region is based on the ship to location of the customer. Revenue by end market is determined by the market indicator of the customer and by customer type. Instrumentation revenue includes sales from instruments, remarketed instruments and third-party products. Non-instrumentation and other revenue include sales from contract and per incident services, our companion diagnostics and our nucleic acid solutions businesses as well as sales from spare parts, consumables, reagents, vacuum pumps, subscriptions, software licenses and associated services.

**Contract Balances**

**Contract Assets**

Contract assets (unbilled accounts receivable) primarily relate to the company's right to consideration for work completed but not billed at the reporting date. The unbilled receivables are reclassified to trade receivables when billed to customers. Contract assets are generally classified as current assets and are included in "Accounts receivable, net" in the condensed consolidated balance sheet. The balances of contract assets as of January 31, 2024, and October 31, 2023, were \$239 million and \$252 million, respectively.

**AGILENT TECHNOLOGIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)**

***Contract Liabilities***

The following table provides information about contract liabilities (deferred revenue) and the significant changes in the balances during the three months ended January 31, 2024:

|   | <b>Contract Liabilities</b> |
|---|-----------------------------|
|   | <b>(in millions)</b>        |
| Ending balance as of October 31, 2023   | \$ 616                      |
| Net revenue deferred in the period  | 254                         |
| Revenue recognized that was included in the contract liability balance at the beginning of the period | (229)                       |
| Change in deferrals from customer cash advances, net of revenue recognized                            | (5)                         |
| Currency translation and other adjustments  | 8                           |
| Ending balance as of January 31, 2024   | \$ 644                      |

During the three months ended January 31, 2023 revenue recognized that was included in the contract liability balance at October 31, 2022 was \$196 million.

Contract liabilities primarily relate to multiple element arrangements for which billing has occurred but transfer of control of all elements to the customer has either partially or not occurred at the balance sheet date. This includes cash received from customers for products and related installation and services in advance of the transfer of control. Contract liabilities are classified as either current in deferred revenue or long-term in other long-term liabilities in the condensed consolidated balance sheet based on the timing of when we expect to complete our performance obligation.

***Contract Costs***

Incremental costs of obtaining a contract with a customer are recognized as an asset if we expect the benefit of those costs to be longer than one year. We have determined that certain sales incentive programs meet the requirements to be capitalized. The change in total capitalized costs to obtain a contract was immaterial during the three months ended January 31, 2024, and was included in other current and long-term assets on the condensed consolidated balance sheet. We have applied the practical expedient to expense costs as incurred for costs to obtain a contract with a customer when the amortization period would have been one year or less. These costs include the company's internal sales force compensation program, as we have determined that annual compensation is commensurate with annual sales activities.

***Transaction Price Allocated to the Remaining Performance Obligations***

We have applied the practical expedient in ASC 606-10-50-14 and have not disclosed information about transaction price allocated to remaining performance obligations that have original expected durations of one year or less.

The estimated revenue expected to be recognized for remaining performance obligations that have an original term of more than one year, as of January 31, 2024, was \$344 million, the majority of which is expected to be recognized over the next 12 months. Remaining performance obligations primarily include extended warranty, customer manufacturing contracts, software maintenance contracts and revenue associated with lease arrangements.

**4. SHARE-BASED COMPENSATION**

We account for share-based awards in accordance with the provisions of the authoritative accounting guidance which requires the measurement and recognition of compensation expense for all share-based payment awards made to our employees and directors including employee stock options, restricted stock units, employee stock purchases made under our employee stock purchase plan and performance share awards granted to selected members of our senior management under the long-term performance plan ("LTPP") based on estimated fair values.

We have two LTPP performance stock award programs, which are administered under the 2018 Stock Plan, for our executive officers and other key employees. Participants in our LTPP Total Stockholders' Return ("TSR") and LTPP Earnings Per Share ("EPS") programs are entitled to receive shares of the company's stock after the end of a three-year period, if specified performance targets for the programs are met. The LTPP-TSR awards are generally designed to meet the criteria of a

**AGILENT TECHNOLOGIES, INC.**  
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performance award with the performance metrics and peer group comparison based on the TSR set at the beginning of the performance period. The LTPP-EPS awards are based on the company's EPS performance over a three-year period. The performance targets for the LTPP-EPS for year 2 and year 3 of the performance period are set in the first quarter of year 2 and year 3, respectively. All LTPP awards are subject to a one-year post-vest holding period.

The final LTPP award may vary from 0 percent to 200 percent of the target award. We consider the dilutive impact of these programs in our diluted net income per share calculation only to the extent that the performance conditions are expected to be met. Restricted stock units generally vest, with some exceptions, at a rate of 25 percent per year over a period of four years from the date of grant.

Stock options granted under the 2018 Stock Plan may be either "incentive stock options", as defined in Section 422 of the Internal Revenue Code, or non-statutory. Options generally vest at a rate of 25 percent per year over a period of four years from the date of grant with a maximum contractual term of ten years. The exercise price for stock options is generally not less than 100 percent of the fair market value of our common stock on the date the stock award is granted. We issue new shares of common stock when employee stock options are exercised.

The impact on our results for share-based compensation was as follows:

|  | Three Months Ended<br>January 31, |              |
|--|-----------------------------------|--------------|
|  | 2024                              | 2023         |
|  | (in millions)                     |              |
| Cost of products and services          | \$ 14                             | \$ 13        |
| Research and development               | 6                                 | 5            |
| Selling, general and administrative    | 24                                | 26           |
| Total share-based compensation expense | <u>\$ 44</u>                      | <u>\$ 44</u> |

At January 31, 2024 and October 31, 2023, no share-based compensation was capitalized within inventory.

The following assumptions were used to estimate the fair value of awards granted.

|   | Three Months Ended<br>January 31, |           |
|---|-----------------------------------|-----------|
|   | 2024                              | 2023      |
| <b>Stock Option Plans:</b>                                      |                                   |           |
| Weighted average risk-free interest rate                        | 4.4%                              | 3.9%      |
| Dividend yield  | 0.8%                              | 0.6%      |
| Weighted average volatility                                     | 29%                               | 28%       |
| Expected life   | 5.5 years                         | 5.5 years |
| <b>LTPP:</b>  |                                   |           |
| Volatility of Agilent shares                                    | 28%                               | 31%       |
| Volatility of selected peer-company shares                      | 16%-70%                           | 22%-84%   |
| Pair-wise correlation with selected peers                       | 30%                               | 42%       |
| Post-vest holding restriction discount for all executive awards | 6.4%                              | 7.1%      |

The fair value of share-based awards for our employee stock option awards was estimated using the Black-Scholes option pricing model. Shares granted under the LTPP (TSR) were valued using a Monte Carlo simulation model. The Monte Carlo simulation fair value model requires the use of highly subjective and complex assumptions, including the price volatility of the underlying stock. For the volatility of our LTPP (TSR) grants, we used our own historical stock price volatility.

The ESPP allows eligible employees to purchase shares of our common stock at 85 percent of the price at purchase and uses the purchase date to establish the fair market value.

**AGILENT TECHNOLOGIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)**

We use historical volatility to estimate the expected stock price volatility assumption for employee stock option awards. In reaching the conclusion, we have considered many factors including the extent to which our options are currently traded and our ability to find traded options in the current market with similar terms and prices to the options we are valuing. In estimating the expected life of our options granted, we considered the historical option exercise behavior of our executives, which we believe is representative of future behavior.

The estimated fair value of restricted stock units and LTPP (EPS) awards is determined based on the market price of our common stock on the date of grant adjusted for expected dividend yield. The compensation cost for LTPP (EPS) reflects the cost of awards that are probable to vest at the end of the performance period.

All LTPP awards granted to our senior management employees have a one-year post-vest holding restriction. The estimated discount associated with post-vest holding restrictions is calculated using the Finnerty model. The model calculates the potential lost value if the employees were able to sell the shares during the lack of marketability period, instead of being required to hold the shares. The model used the same historical stock price volatility and dividend yield assumption used for the Monte Carlo simulation model and an expected dividend yield to compute the discount.

**5. INCOME TAXES**

For the three months ended January 31, 2024, our income tax expense was \$55 million with an effective tax rate of 13.6 percent. For the three months ended January 31, 2024, there were no significant discrete items.

For the three months ended January 31, 2023, our income tax expense was \$58 million with an effective tax rate of 14.1 percent. For the three months ended January 31, 2023, our effective tax rate and the resulting provision for income taxes were impacted by the excess tax benefits from stock-based compensation of \$12 million along with the expiration of various foreign statutes of limitations which resulted in the recognition of previously unrecognized tax benefits of \$7 million.

In the U.S., tax years remain open back to the year 2020 for federal income tax purposes and 2019 for significant states. In other major jurisdictions where the company conducts business, the tax years generally remain open back to the year 2014.

With these jurisdictions and the U.S., it is reasonably possible that some tax audits may be completed over the next twelve months. However, management is not able to provide a reasonably reliable estimate of the timing of any other future tax payments or change in unrecognized tax benefits, if any.

**6. NET INCOME PER SHARE**

The following is a reconciliation of the numerator and denominator of the basic and diluted net income per share computations for the periods presented below:

|   | <b>Three Months Ended</b> |             |
|---|---------------------------|-------------|
|   | <b>January 31,</b>        |             |
|   | <b>2024</b>               | <b>2023</b> |
|   | <b>(in millions)</b>      |             |
| <b>Numerator:</b>   |                           |             |
| Net income  | \$ 348                    | \$ 352      |
| <b>Denominator:</b>   |                           |             |
| Basic weighted-average shares   | 293                       | 296         |
| Potential common shares— stock options and other employee stock plans | 1                         | 1           |
| Diluted weighted-average shares                                       | 294                       | 297         |

The dilutive effect of share-based awards is reflected in diluted net income per share by application of the treasury stock method, which includes consideration of unamortized share-based compensation expense and the dilutive effect of in-the-money options and non-vested restricted stock units. Under the treasury stock method, the amount the employee must pay for exercising stock options and unamortized share-based compensation expense collectively are assumed proceeds to be used to repurchase hypothetical shares. An increase in the fair market value of the company's common stock can result in a greater dilutive effect from potentially dilutive awards.

**AGILENT TECHNOLOGIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)**

We exclude stock options with exercise prices greater than the average market price of our common stock from the calculation of diluted earnings per share because their effect would be anti-dilutive. In addition, we exclude from the calculation of diluted earnings per share stock options, ESPP, LTTP and restricted stock awards whose combined exercise price and unamortized fair value were greater than the average market price of our common stock because their effect would also be anti-dilutive.

For the three months ended January 31, 2024 and 2023, potential common shares excluded from the calculation of diluted earnings per share were not material.

**7. INVENTORY**

Inventory as of January 31, 2024 and October 31, 2023 consisted of the following:

|   | January 31,<br>2024 | October 31,<br>2023 |
|---|---------------------|---------------------|
|   | (in millions)       |                     |
| Finished goods                            | \$ 569              | \$ 570              |
| Purchased parts and fabricated assemblies | 464                 | 461                 |
| Inventory                                 | <u>\$ 1,033</u>     | <u>\$ 1,031</u>     |

**8. GOODWILL AND OTHER INTANGIBLE ASSETS**

The following table presents goodwill balances and the movements for each of our reportable segments during the three months ended January 31, 2024:

|                                     | Life Sciences and<br>Applied Markets | Diagnostics and<br>Genomics | Agilent CrossLab | Total           |
|-------------------------------------|--------------------------------------|-----------------------------|------------------|-----------------|
|                                     | (in millions)                        |                             |                  |                 |
| Goodwill as of October 31, 2023     | \$ 1,579                             | \$ 2,124                    | \$ 257           | \$ 3,960        |
| Foreign currency translation impact | 4                                    | —                           | 3                | 7               |
| Goodwill as of January 31, 2024     | <u>\$ 1,583</u>                      | <u>\$ 2,124</u>             | <u>\$ 260</u>    | <u>\$ 3,967</u> |

In the first quarter of fiscal year 2024, we reorganized our operating segments and moved our cell analysis business from our life sciences and applied markets business segment to our diagnostics and genomics business segment. As a result, we reassigned approximately \$168 million of goodwill from our life sciences and applied markets business segment to our diagnostics and genomics business segment using the relative fair value allocation approach. Goodwill balances as of October 31, 2023, have been recast to conform to this new presentation. As a result of the reorganization, there was no change to our reporting units. In addition, we performed a goodwill impairment test, and the results of the analysis indicated that the fair values for all three of our reporting units were in excess of their carrying values by substantial amounts; therefore, no impairment was indicated.

**AGILENT TECHNOLOGIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)**

The component parts of other intangible assets as of October 31, 2023 and January 31, 2024 are shown in the table below:

|                                     | Other Intangible Assets     |                             |                   |
|-------------------------------------|-----------------------------|-----------------------------|-------------------|
|                                     | Gross<br>Carrying<br>Amount | Accumulated<br>Amortization | Net Book<br>Value |
|                                     | (in millions)               |                             |                   |
| <b>As of October 31, 2023</b>       |                             |                             |                   |
| Purchased technology                | \$ 1,467                    | \$ 1,093                    | \$ 374            |
| Trademark/Tradename                 | 196                         | 163                         | 33                |
| Customer relationships              | 149                         | 112                         | 37                |
| Third-party technology and licenses | 34                          | 13                          | 21                |
| Total amortizable intangible assets | <u>1,846</u>                | <u>1,381</u>                | <u>465</u>        |
| In-Process R&D                      | 10                          | —                           | 10                |
| Total                               | <u>\$ 1,856</u>             | <u>\$ 1,381</u>             | <u>\$ 475</u>     |
| <b>As of January 31, 2024</b>       |                             |                             |                   |
| Purchased technology                | \$ 1,474                    | \$ 1,114                    | \$ 360            |
| Trademark/Tradename                 | 196                         | 166                         | 30                |
| Customer relationships              | 149                         | 115                         | 34                |
| Third-party technology and licenses | 34                          | 15                          | 19                |
| Total amortizable intangible assets | <u>1,853</u>                | <u>1,410</u>                | <u>443</u>        |
| In-Process R&D                      | —                           | —                           | —                 |
| Total                               | <u>\$ 1,853</u>             | <u>\$ 1,410</u>             | <u>\$ 443</u>     |

During the three months ended January 31, 2024, there were no additions to goodwill and other intangible assets. During the three months ended January 31, 2024, we reclassified \$4 million of in-process research and development intangible assets to purchased technology upon the completion of a project. During the three months ended January 31, 2024, there was no change to other intangibles due to the impact of foreign currency.

In general, for U.S. federal tax purposes, goodwill from asset purchases is amortizable; however, any goodwill created as part of a stock acquisition is not deductible.

Each quarter we review the events and circumstances to determine if impairment of indefinite-lived intangible assets and goodwill is indicated. During the three months ended January 31, 2024, we recorded an impairment of in-process research and development of \$6 million in research and development in the condensed consolidated statement of operations related to a project in our life sciences and applied markets segment. During the three months ended January 31, 2023 we did not identify any triggering events or circumstances which would indicate an impairment of goodwill or indefinite-lived intangible assets.

Amortization expense of intangible assets was \$26 million and \$36 million for the three months ended January 31, 2024 and 2023, respectively.

Future amortization expense related to existing finite-lived purchased intangible assets for the remainder of fiscal year 2024 and for each of the next five fiscal years and thereafter is estimated below:

**Estimated future amortization expense:**

| (in millions)     |       |
|-------------------|-------|
| Remainder of 2024 | \$ 75 |
| 2025              | \$ 84 |
| 2026              | \$ 54 |
| 2027              | \$ 53 |
| 2028              | \$ 46 |
| 2029              | \$ 42 |
| Thereafter        | \$ 89 |

## **9. FAIR VALUE MEASUREMENTS**

The authoritative guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, we consider the principal or most advantageous market and assumptions that market participants would use when pricing the asset or liability.

### ***Fair Value Hierarchy***

The guidance establishes a fair value hierarchy that prioritizes the use of inputs used in valuation techniques into three levels. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. There are three levels of inputs that may be used to measure fair value:

*Level 1-* applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

*Level 2-* applies to assets or liabilities for which there are inputs other than quoted prices included within level 1 that are observable, either directly or indirectly, for the asset or liability such as: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in less active markets; or other inputs that can be derived principally from, or corroborated by, observable market data.

*Level 3-* applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

**AGILENT TECHNOLOGIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)**

***Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis***

Financial assets and liabilities measured at fair value on a recurring basis as of January 31, 2024 were as follows:

|   | January 31,<br>2024 | Fair Value Measurement at January 31, 2024 Using                           |   |  |
|---|---------------------|--|---|--|
|   |                     | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| (in millions)                                       |                     |  |   |  |
| <b>Assets:</b>                                      |                     |  |   |  |
| Short-term  |                     |  |   |  |
| Cash equivalents (money market funds)               | \$ 1,102            | \$ 1,102   | \$ —  | \$ —   |
| Derivative instruments (foreign exchange contracts) | 12                  | —  | 12  | —  |
| Long-term   |                     |  |   |  |
| Trading securities                                  | 38                  | 38   | —   | —  |
| Other investments                                   | 29                  | —  | 29  | —  |
| Total assets measured at fair value                 | <u>\$ 1,181</u>     | <u>\$ 1,140</u>  | <u>\$ 41</u>  | <u>\$ —</u>  |
| <b>Liabilities:</b>                                 |                     |  |   |  |
| Short-term  |                     |  |   |  |
| Derivative instruments (foreign exchange contracts) | \$ 10               | \$ —   | \$ 10   | \$ —   |
| Contingent consideration                            | 1                   | —  | —   | 1  |
| Long-term   |                     |  |   |  |
| Deferred compensation liability                     | 38                  | —  | 38  | —  |
| Total liabilities measured at fair value            | <u>\$ 49</u>        | <u>\$ —</u>  | <u>\$ 48</u>  | <u>\$ 1</u>  |

Financial assets and liabilities measured at fair value on a recurring basis as of October 31, 2023 were as follows:

|   | October 31,<br>2023 | Fair Value Measurement at October 31, 2023 Using                           |   |  |
|---|---------------------|--|---|--|
|   |                     | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| (in millions)                                       |                     |  |   |  |
| <b>Assets:</b>                                      |                     |  |   |  |
| Short-term  |                     |  |   |  |
| Cash equivalents (money market funds)               | \$ 994              | \$ 994   | \$ —  | \$ —   |
| Derivative instruments (foreign exchange contracts) | 19                  | —  | 19  | —  |
| Long-term   |                     |  |   |  |
| Trading securities                                  | 36                  | 36   | —   | —  |
| Other investments                                   | 26                  | —  | 26  | —  |
| Total assets measured at fair value                 | <u>\$ 1,075</u>     | <u>\$ 1,030</u>  | <u>\$ 45</u>  | <u>\$ —</u>  |
| <b>Liabilities:</b>                                 |                     |  |   |  |
| Short-term  |                     |  |   |  |
| Derivative instruments (foreign exchange contracts) | \$ 2                | \$ —   | \$ 2  | \$ —   |
| Contingent consideration                            | 1                   | —  | —   | 1  |
| Long-term   |                     |  |   |  |
| Deferred compensation liability                     | 36                  | —  | 36  | —  |
| Total liabilities measured at fair value            | <u>\$ 39</u>        | <u>\$ —</u>  | <u>\$ 38</u>  | <u>\$ 1</u>  |

**AGILENT TECHNOLOGIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)**

Our money market funds and trading securities are generally valued using quoted market prices and therefore are classified within level 1 of the fair value hierarchy. Our derivative financial instruments are classified within level 2, as there is not an active market for each hedge contract, but the inputs used to calculate the value of the instruments are tied to active markets. Our deferred compensation liability is classified as level 2 because, although the values are not directly based on quoted market prices, the inputs used in the calculations are observable.

Other investments represent shares we own in a special fund that targets underlying investments of approximately 40 percent in debt securities and 60 percent in equity securities. These shares have been classified as level 2 because, although the shares of the fund are not traded on any active stock exchange, each of the individual underlying securities are or can be derived from similar securities traded on an active market and hence we have a readily determinable value for the underlying securities, from which we are able to determine the fair market value for the special fund itself.

Trading securities, which are comprised of mutual funds, bonds and other similar instruments, other investments and deferred compensation liability are reported at fair value, with gains or losses resulting from changes in fair value recognized currently in net income. Certain derivative instruments are reported at fair value, with unrealized gains and losses, net of tax, included in accumulated other comprehensive income (loss) within stockholders' equity. Realized gains and losses from the sale of these instruments are recorded in net income.

Gains and losses reflected in other income (expense), net for our equity investments with readily determinable fair value ("RDFV") and equity investments without RDFV are summarized below:

|   | Three Months Ended |             |
|---|--------------------|-------------|
|   | January 31,        |             |
|   | 2024               | 2023        |
|   | (in millions)      |             |
| Net gain (loss) recognized during the period on equity securities | \$ 3               | \$ (10)     |
| Less: Net gain (loss) on equity securities sold during the period | \$ —               | \$ (11)     |
| Unrealized gain (loss) on equity securities                       | <u>\$ 3</u>        | <u>\$ 1</u> |

*Contingent Consideration.* As of January 31, 2024, the fair value of the contingent consideration liability relates to milestone payments in connection with one acquisition.

The contingent consideration liability is our only recurring Level 3 asset or liability. A summary of the Level 3 activity follows:

|   | Three Months Ended |             |
|---|--------------------|-------------|
|   | January 31,        |             |
|   | 2024               | 2023        |
|   | (in millions)      |             |
| <b>Beginning balance</b>  | \$ 1               | \$ 67       |
| Additions to contingent consideration (including measurement period adjustment)     | —                  | —           |
| Payments  | —                  | (65)        |
| Change in fair value (included within selling, general and administrative expenses) | —                  | 1           |
| <b>Ending balance</b>   | <u>\$ 1</u>        | <u>\$ 3</u> |

The fair value of the contingent consideration liability as of January 31, 2024, was estimated to be \$1 million which was recorded in other accrued liabilities on the condensed consolidated balance sheet. During the three months ended January 31, 2023, we made a contingent consideration payment of \$65 million related to the achievement of a certain technical milestone associated with our acquisition of Resolution Bioscience.

*Resolution Bioscience.* In the third quarter of fiscal year 2023, we decided to exit the Resolution Bioscience business and subsequently divested our interest in the business in the fourth quarter of fiscal year 2023. We project that there are no potential future milestone payments related to the Resolution Bioscience business.

*Impairment of Investments.* There were no impairments of investments for the three months ended January 31, 2024 and 2023.

**AGILENT TECHNOLOGIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)**

***Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis***

For the three months ended January 31, 2024 long-lived assets held and used with a carrying value of \$8 million were written down to their fair value of \$0 million resulting in an impairment of \$8 million. For the three months ended January 31, 2024, there were no impairments of long-lived assets held for sale. For the three months ended January 31, 2023, there were no impairments of long-lived assets held and used or long-lived assets held for sale.

***Non-Marketable Equity Securities***

For the three months ended January 31, 2024 and 2023, there were no impairments or unrealized gain (loss) adjustments to the carrying value of non-marketable securities without readily determinable fair value based on an observable market transaction.

As of January 31, 2024, the cumulative net gain (loss) on our non-marketable equity securities without readily determinable fair values was comprised of a \$38 million gain and a \$29 million loss, and the carrying amount was \$102 million. As of January 31, 2023, the cumulative net gain (loss) on our non-marketable equity securities without readily determinable fair values was comprised of a \$35 million gain and no losses, and the carrying amount was \$126 million.

Fair values for the non-marketable securities included in long-term investments on the condensed consolidated balance sheet were measured using Level 3 inputs because they are primarily equity stock issued by private companies without quoted market prices. To estimate the fair value of our non-marketable securities, we use the measurement alternative to record these investments at cost and adjust for impairments and observable price changes (orderly transactions for the identical or a similar security from the same issuer) as and when they occur.

**10. DERIVATIVES**

We are exposed to foreign currency exchange rate fluctuations and interest rate changes in the normal course of our business. As part of our risk management strategy, we use derivative instruments, primarily forward contracts and purchased options to hedge economic and/or accounting exposures resulting from changes in foreign currency exchange rates.

***Cash Flow Hedges***

We enter into foreign exchange contracts to hedge our forecasted operational cash flow exposures resulting from changes in foreign currency exchange rates. These foreign exchange contracts, carried at fair value, have maturities between one and twelve months. These derivative instruments are designated and qualify as cash flow hedges under the criteria prescribed in the authoritative guidance and are assessed for effectiveness against the underlying exposure every reporting period. For open contracts as of January 31, 2024, changes in the time value of the foreign exchange contract are excluded from the assessment of hedge effectiveness and are recognized in cost of sales over the life of the foreign exchange contract. The changes in fair value of the effective portion of the derivative instrument are recognized in accumulated other comprehensive income (loss). Amounts associated with cash flow hedges are reclassified to cost of sales in the condensed consolidated statement of operations when the forecasted transaction occurs. If it becomes probable that the forecasted transaction will not occur, the hedge relationship will be de-designated and amounts accumulated in other comprehensive income (loss) will be reclassified to other income (expense), net in the current period. Changes in the fair value of the ineffective portion of derivative instruments are recognized in other income (expense), net in the condensed consolidated statement of operations in the current period. We record the premium paid (time value) of an option on the date of purchase as an asset. For options designated as cash flow hedges, changes in the time value are excluded from the assessment of hedge effectiveness and are recognized in cost of sales over the life of the option contract. For the three months ended January 31, 2024 and 2023, ineffectiveness and gains and losses recognized in other income (expense), net due to de-designation of cash flow hedge contracts were not significant.

In February 2016, Agilent executed three forward-starting pay fixed/receive variable interest rate swaps for the notional amount of \$300 million in connection with future interest payments to be made on our 2026 senior notes issued on September 15, 2016. These derivative instruments were designated and qualified as cash flow hedges under the criteria prescribed in the authoritative guidance. The swap arrangements were terminated on September 15, 2016 with a payment of \$10 million, and we recognized this as a deferred loss in accumulated other comprehensive income (loss) which is being amortized to interest expense over the life of the 2026 senior notes. The remaining loss to be amortized related to the interest rate swap agreements at January 31, 2024 was \$3 million.

**AGILENT TECHNOLOGIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)**

In August 2019, Agilent executed treasury lock agreements for \$250 million in connection with future interest payments to be made on our 2029 senior notes issued on September 16, 2019. We designated the treasury lock as a cash flow hedge. The treasury lock contracts were terminated on September 6, 2019, and we recognized a deferred loss of \$6 million in accumulated other comprehensive income (loss) which is being amortized to interest expense over the life of the 2029 senior notes. The remaining loss to be amortized related to the treasury lock agreements at January 31, 2024 was \$3 million.

***Net Investment Hedges***

We enter into foreign exchange contracts to hedge net investments in foreign operations to mitigate the risk of adverse movements in exchange rates. These foreign exchange contracts are carried at fair value and are designated and qualify as net investment hedges under the criteria prescribed in the authoritative guidance. Changes in fair value of the effective portion of the derivative instrument are recognized in accumulated other comprehensive income (loss)- translation adjustment and are assessed for effectiveness against the underlying exposure every reporting period. If the company's net investment changes during the year, the hedge relationship will be assessed and de-designated if the hedge notional amount is outside of prescribed tolerance with a gain/loss reclassified from other comprehensive income (loss) to other income (expense) in the current period. For the three months ended January 31, 2024, ineffectiveness and the resultant effect of any gains or losses recognized in other income (expense) due to de-designation of the hedge contracts were not significant.

***Other Hedges***

Additionally, we enter into foreign exchange contracts to hedge monetary assets and liabilities that are denominated in currencies other than the functional currency of our subsidiaries. These foreign exchange contracts are carried at fair value and do not qualify for hedge accounting treatment and are not designated as hedging instruments. Changes in value of the derivative instruments are recognized in other income (expense), net in the condensed consolidated statement of operations, in the current period, along with the offsetting foreign currency gain or loss on the underlying assets or liabilities.

Our use of derivative instruments exposes us to credit risk to the extent that the counterparties may be unable to meet the terms of the agreement. We do, however, seek to mitigate such risks by limiting our counterparties to major financial institutions which are selected based on their credit ratings and other factors. We have established policies and procedures for mitigating credit risk that include establishing counterparty credit limits, monitoring credit exposures, and continually assessing the creditworthiness of counterparties.

A number of our derivative agreements contain threshold limits to the net liability position with counterparties and are dependent on our corporate credit rating determined by the major credit rating agencies. The counterparties to the derivative instruments may request collateralization, in accordance with derivative agreements, on derivative instruments in net liability positions.

The aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a net liability position as of January 31, 2024, was \$3 million. The credit-risk-related contingent features underlying these agreements had not been triggered as of January 31, 2024.

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The number of open foreign exchange forward contracts and aggregated notional amounts by designation as of January 31, 2024 were as follows:

|   | Number of Open Forward<br>Contracts | Aggregate Notional Amount<br>USD<br>Buy/(Sell)<br>(\$ in millions) |
|---|-------------------------------------|--|
| <b>Derivatives designated as hedging instruments:</b>     |                                     |  |
| <i>Cash Flow Hedges</i>                                   |                                     |  |
| Foreign exchange forward contracts                        | 270                                 | \$ (473)   |
| <i>Net Investment Hedges</i>                              |                                     |  |
| Foreign exchange forward contracts                        | 3                                   | \$ (11)  |
| <b>Derivatives not designated as hedging instruments:</b> |                                     |  |
| Foreign exchange forward contracts                        | 194                                 | \$ (127)   |

Derivative instruments are subject to master netting arrangements and are disclosed gross in the balance sheet in accordance with the authoritative guidance.

The gross fair values and balance sheet location of derivative instruments held in the condensed consolidated balance sheet as of January 31, 2024, and October 31, 2023, were as follows:

| Fair Values of Derivative Instruments                     |                     |                     |                           |                     |                     |
|---|---------------------|---------------------|---------------------------|---------------------|---------------------|
| Asset Derivatives   |                     |                     | Liability Derivatives     |                     |                     |
| Balance Sheet Location                                    | Fair Value          |                     | Balance Sheet Location    | Fair Value          |                     |
|   | January 31,<br>2024 | October 31,<br>2023 |                           | January 31,<br>2024 | October 31,<br>2023 |
| (in millions)   |                     |                     |                           |                     |                     |
| <b>Derivatives designated as hedging instruments:</b>     |                     |                     |                           |                     |                     |
| <i>Cash flow hedges</i>                                   |                     |                     |                           |                     |                     |
| Foreign exchange contracts                                |                     |                     |                           |                     |                     |
| Other current assets                                      | \$ 5                | \$ 15               | Other accrued liabilities | \$ 4                | \$ 1                |
| <i>Net investment hedges</i>                              |                     |                     |                           |                     |                     |
| Foreign exchange contracts                                |                     |                     |                           |                     |                     |
| Other current assets                                      | \$ —                | \$ 1                | Other accrued liabilities | \$ —                | \$ —                |
| <b>Derivatives not designated as hedging instruments:</b> |                     |                     |                           |                     |                     |
| Foreign exchange contracts                                |                     |                     |                           |                     |                     |
| Other current assets                                      | \$ 7                | \$ 3                | Other accrued liabilities | \$ 6                | \$ 1                |
| <b>Total derivatives</b>                                  | <b>\$ 12</b>        | <b>\$ 19</b>        |                           | <b>\$ 10</b>        | <b>\$ 2</b>         |

**AGILENT TECHNOLOGIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)**

The effects of derivative instruments for foreign exchange contracts designated as hedging instruments and not designated as hedging instruments in our condensed consolidated statement of operations were as follows:

|   | Three Months Ended<br>January 31, |         |
|---|-----------------------------------|---------|
|   | 2024                              | 2023    |
|   | (in millions)                     |         |
| <b>Derivatives designated as hedging instruments:</b>                                   |                                   |         |
| <i>Cash Flow Hedges</i>   |                                   |         |
| Foreign exchange contracts:   |                                   |         |
| Gain (loss) recognized in accumulated other comprehensive loss                          | \$ (10)                           | \$ (31) |
| Gain (loss) reclassified from accumulated other comprehensive loss into cost of sales   | \$ 3                              | \$ 6    |
| Gain on time value of forward contracts recorded in cost of sales                       | \$ 2                              | \$ 2    |
| <i>Net Investment Hedges</i>  |                                   |         |
| Foreign exchange contracts:   |                                   |         |
| Gain (loss) recognized in accumulated other comprehensive loss - translation adjustment | \$ —                              | \$ (1)  |
| <b>Derivatives not designated as hedging instruments:</b>                               |                                   |         |
| Gain (loss) recognized in other income (expense)  | \$ (2)                            | \$ (13) |

At January 31, 2024, the amount of existing net gain that is expected to be reclassified from accumulated other comprehensive income (loss) is \$6 million. Within the next twelve months it is estimated that \$2 million of loss included within the net amount of accumulated other comprehensive income (loss) will be reclassified to cost of sales in respect of cash flow hedges.

**11. RETIREMENT PLANS AND POST RETIREMENT PENSION PLANS**

*Components of net periodic benefit cost (income).* For the three months ended January 31, 2024 and 2023, our net pension and post retirement benefit cost (income) were comprised of the following:

|   | Three Months Ended January 31, |             |                           |             |                                       |             |
|---|--------------------------------|-------------|---------------------------|-------------|---------------------------------------|-------------|
|   | U.S.<br>Pension Plans          |             | Non-U.S.<br>Pension Plans |             | U.S. Post Retirement<br>Benefit Plans |             |
|   | 2024                           | 2023        | 2024                      | 2023        | 2024                                  | 2023        |
|   | (in millions)                  |             |                           |             |                                       |             |
| Service cost—benefits earned during the period  | \$ —                           | \$ —        | \$ 5                      | \$ 6        | \$ —                                  | \$ —        |
| Interest cost on benefit obligation             | 5                              | 5           | 6                         | 6           | 1                                     | 1           |
| Expected return on plan assets                  | (5)                            | (5)         | (9)                       | (9)         | (1)                                   | (1)         |
| Amortization of net actuarial (gain) loss       | 1                              | —           | (4)                       | (1)         | —                                     | —           |
| <b>Total net periodic benefit cost (income)</b> | <b>\$ 1</b>                    | <b>\$ —</b> | <b>\$ (2)</b>             | <b>\$ 2</b> | <b>\$ —</b>                           | <b>\$ —</b> |

The service cost component is recorded in cost of sales and operating expenses in the condensed consolidated statement of operations. All other cost components are recorded in other income (expense), net in the condensed consolidated statement of operations.

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)**

Employer contributions and expected future employer contributions for the remainder of the year were as follows:

|                                | Three Months Ended |      | Employer Contributions<br>For Remainder of Year |
|--------------------------------|--------------------|------|---|
|                                | January 31,        |      |   |
|                                | 2024               | 2023 | 2024  |
|                                | (in millions)      |      |   |
| U.S. defined benefit plans     | \$ —               | \$ — | \$ —  |
| Non-U.S. defined benefit plans | \$ 6               | \$ 5 | \$ 12   |

## 12. WARRANTIES AND CONTINGENCIES

### *Warranties*

We accrue for standard warranty costs based on historical trends in actual warranty charges over the past 12 months. The accrual is reviewed regularly and periodically adjusted to reflect changes in warranty cost over the period. The standard warranty accrual balances are held in other accrued and other long-term liabilities on our condensed consolidated balance sheet. Our standard warranty terms typically extend to one year from the date of delivery, depending on the product.

A summary of the standard warranty accrual activity is shown in the table below:

|   | Three Months Ended |              |
|---|--------------------|--------------|
|   | January 31,        |              |
|   | 2024               | 2023         |
|   | (in millions)      |              |
| Standard warranty accrual, beginning balance          | \$ 29              | \$ 30        |
| Accruals for warranties including change in estimates | 15                 | 11           |
| Settlements made during the period                    | (14)               | (13)         |
| Standard warranty accrual, ending balance             | <u>\$ 30</u>       | <u>\$ 28</u> |
| Accruals for warranties due within one year           | <u>\$ 30</u>       | <u>\$ 28</u> |

### *Bank Guarantees*

Guarantees consist primarily of outstanding standby letters of credit and bank guarantees and were approximately \$39 million as of January 31, 2024 and October 31, 2023, respectively. A standby letter of credit is a guarantee of payment issued by a bank on behalf of us that is used as payment of last resort should we fail to fulfill a contractual commitment with a third party. A bank guarantee is a promise from a bank or other lending institution that if we default on a loan, the bank will cover the loss.

### *Contingencies*

We are involved in lawsuits, claims, investigations and proceedings, including, but not limited to, intellectual property, commercial, real estate, environmental and employment matters, which arise in the ordinary course of business. There are no matters pending that we currently believe are reasonably possible of having a material impact to our business, condensed consolidated financial condition, results of operations or cash flows.

## 13. RESTRUCTURING AND OTHER RELATED COSTS

In the fourth quarter of fiscal year 2023, we initiated a restructuring plan ("FY23 Plan") designed to reduce costs and expenses in response to the current macroeconomic conditions. The plan included a reduction of our total headcount by approximately 400 regular employees, representing approximately 2 percent of our global workforce, and the consolidation of our excess facilities, including some site closures.

In connection with this plan, we have recorded approximately \$3 million in restructuring and other related costs in the three months ended January 31, 2024, for a total of \$49 million since inception. The restructuring plan costs include severance and other personnel costs associated with the workforce reduction. The consolidation of excess facilities includes accelerated depreciation expenses of right-of-use ("ROU") and machinery and equipment assets, and other facilities-related costs. The

**AGILENT TECHNOLOGIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)**

timing and scope of the workforce reductions will vary based on local legal requirements. These actions impact all three of our business segments. The costs associated with this restructuring plan have not been allocated to our business segments' results; however, each business segment will benefit from the future cost savings from these actions. When completed, the restructuring program is expected to result in the reduction in annual cost of sales and operating expenses over the three business segments. While the majority of the workforce reduction was completed in the first quarter of 2024, we expect to substantially complete the remaining restructuring activities by the end of fiscal year 2024.

A summary of total restructuring activity is shown in the table below:

|  | Workforce<br>Reduction | Consolidation of<br>Excess Facilities | Total        |
|--|------------------------|---------------------------------------|--------------|
|  | (in millions)          |                                       |              |
| Balance at October 31, 2023                              | \$ 31                  | \$ 5                                  | \$ 36        |
| Income statement expense                                 | 2                      | 1                                     | 3            |
| Accelerated depreciation expenses of right-of-use assets | —                      | (1)                                   | (1)          |
| Cash payments  | (25)                   | (2)                                   | (27)         |
| Balance at January 31, 2024                              | <u>\$ 8</u>            | <u>\$ 3</u>                           | <u>\$ 11</u> |

The restructuring and other related costs of \$11 million at January 31, 2024, are recorded in other accrued liabilities on the condensed consolidated balance sheet and reflect estimated future cash outlays.

A summary of the charges in the condensed consolidated statement of operations resulting from the restructuring plan is shown below:

|                                     | Three Months Ended<br>January 31,<br>2024 |
|-------------------------------------|---|
|                                     | (in millions)                             |
| Cost of products and services       | \$ —                                      |
| Research and Development            | 2   |
| Selling, general and administrative | 1   |
| Total restructuring costs           | <u>\$ 3</u>                               |

#### 14. SHORT-TERM DEBT

##### *Credit Facilities*

On June 7, 2023, we entered into a credit agreement with a group of financial institutions which provides for a \$1.5 billion five-year unsecured credit facility that will expire on June 7, 2028 and an incremental revolving credit facility in an aggregate amount of up to \$750 million. The credit facility replaced the existing credit facility which was terminated on the closing date of the new facility. During the three months ended January 31, 2024, we made no borrowings or repayments under these credit facilities. As of both January 31, 2024 and October 31, 2023, we had no borrowings outstanding under both the credit facility and the incremental revolving credit facility. We were in compliance with the covenants for the credit facility during the three months ended January 31, 2024.

On June 2, 2023, we entered into an Uncommitted Money Market Line Credit agreement with Societe Generale which provides for an aggregate borrowing capacity of \$300 million. The credit facility is an uncommitted short-term cash advance facility where each request must be at least \$1 million. The interest rate is set by the lender at the time of the borrowing and is fixed for the duration of the advance. During the three months ended January 31, 2024, we made no borrowings or repayments under this credit facility. As of both January 31, 2024 and October 31, 2023, we had no borrowings outstanding under the credit facility.

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)**

**Commercial Paper**

Under our U.S. commercial paper program, the company may issue and sell unsecured, short-term promissory notes in the aggregate principal amount not to exceed \$1.5 billion with up to 397-day maturities. At any point in time, the company intends to maintain available commitments under its revolving credit facility in an amount at least equal to the amount of the commercial paper notes outstanding. Amounts available under the program may be borrowed, repaid and re-borrowed from time to time. The proceeds from issuances under the program may be used for general corporate purposes. During the three months ended January 31, 2024, we made no borrowings or repayments under our commercial paper program. As of both January 31, 2024 and October 31, 2023 we had no borrowings outstanding under our U.S. commercial paper program.

**15. LONG-TERM DEBT**

**Term Loan Facility**

On April 15, 2022, we entered into a term loan agreement with a group of financial institutions, which provided for a \$600 million delayed draw term loan that will mature on April 15, 2025. Loans under the term loan agreement bear interest, at our option, either at: (i) the alternate base rate, as defined in the term loan agreement, plus the applicable margin for such loans or (ii) adjusted term SOFR, as defined in the term loan agreement, plus the applicable margin for such loans. The term loan agreement contains customary representations and warranties as well as customary affirmative and negative covenants. We were in compliance with the covenants for the term loan during the three months ended January 31, 2024.

During the three months ended January 31, 2024, we prepaid a total of \$180 million on our term loan. As of January 31, 2024, we had \$420 million borrowings outstanding under the term loan facility and had a weighted average interest rate of 6.18 percent. As of October 31, 2023, we had \$600 million borrowings outstanding under the term loan facility and had a weighted average interest rate of 6.22 percent.

**Senior Notes**

The following table summarizes the company's long-term senior notes:

|                    | <u>January 31, 2024</u>        | <u>October 31, 2023</u>        |
|--------------------|--------------------------------|--------------------------------|
|                    | <u>Amortized<br/>Principal</u> | <u>Amortized<br/>Principal</u> |
|                    | (in millions)                  |                                |
| 2026 Senior Notes  | \$ 299                         | \$ 299                         |
| 2029 Senior Notes  | 496                            | 496                            |
| 2030 Senior Notes  | 496                            | 496                            |
| 2031 Senior Notes  | 844                            | 844                            |
| Total Senior Notes | <u>\$ 2,135</u>                | <u>\$ 2,135</u>                |

All outstanding notes listed above are unsecured and rank equally in right of payment with all of Agilent's other senior unsecured indebtedness. There have been no other changes to the principal, maturity, interest rates and interest payment terms of the Agilent senior notes, detailed in the table above, in the three months ended January 31, 2024, as compared to the senior notes described in our Annual Report on Form 10-K for the fiscal year ended October 31, 2023.

**16. STOCKHOLDERS' EQUITY**

**Stock Repurchase Program**

On February 16, 2021 we announced that our board of directors had approved a new share repurchase program (the "2021 repurchase program") designed, among other things, to reduce or eliminate dilution resulting from issuance of stock under the company's employee equity incentive programs. The 2021 repurchase program authorizes the purchase of up to \$2.0 billion of our common stock at the company's discretion and has no fixed termination date. The 2021 repurchase program which became effective on February 18, 2021, replaced and terminated the 2019 repurchase program on that date. The 2021 repurchase program does not require the company to acquire a specific number of shares and may be suspended, amended or discontinued.

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at any time. During the three months ended January 31, 2023, we repurchased and retired 499,000 shares for \$75 million under this authorization. On March 1, 2023, the 2021 repurchase program was terminated and the remaining authorization of \$339 million expired.

On January 9, 2023, we announced that our board of directors had approved a share repurchase program (the "2023 repurchase program") designed, among other things, to reduce or eliminate dilution resulting from issuance of stock under the company's employee equity incentive programs. The 2023 repurchase program authorizes the purchase of up to \$2.0 billion, excluding excise taxes, of our common stock at the company's discretion and has no fixed termination date. The 2023 repurchase program does not require the company to acquire a specific number of shares and may be suspended, amended or discontinued at any time. The 2023 repurchase program commenced on March 1, 2023, and also terminated and replaced the 2021 repurchase program. During the three months ended January 31, 2024, we repurchased and retired no shares under this authorization. As of January 31, 2024, we had remaining authorization to repurchase up to approximately \$1.524 billion of our common stock under the 2023 repurchase program.

**Cash Dividends on Shares of Common Stock**

During the three months ended January 31, 2024, we paid cash dividends of \$0.236 per common share or \$69 million on the company's common stock. During the three months ended January 31, 2023, we paid cash dividends of \$0.225 per common share or \$67 million on the company's common stock.

On February 21, 2024, our board of directors declared a quarterly dividend of \$0.236 per share of common stock or approximately \$69 million which will be paid on April 24, 2024 to all shareholders of record at the close of business on April 2, 2024. The timing and amounts of any future dividends are subject to determination and approval by our board of directors.

**Accumulated Other Comprehensive Income (Loss)**

Changes in accumulated other comprehensive income (loss) by component and related tax effects were as follows (in millions):

| Three Months Ended January 31, 2024                                       | Net defined benefit pension cost and post retirement plan costs |                       |                  | Unrealized gains (losses) on derivatives | Total    |
|---|---|-----------------------|------------------|--|----------|
|   | Foreign currency translation                                    | Prior service credits | Actuarial Losses |  |          |
| (in millions)   |   |                       |                  |  |          |
| As of October 31, 2023  | \$ (301)  | \$ 122                | \$ (165)         | \$ 17                                    | \$ (327) |
| Other comprehensive income (loss) before reclassifications                | 29  | —                     | 1                | (10)                                     | 20       |
| Amounts reclassified out of accumulated other comprehensive income (loss) | (8)   | —                     | (3)              | (3)                                      | (14)     |
| Tax benefit   | —   | —                     | 1                | 4  | 5        |
| Other comprehensive income (loss)   | 21  | —                     | (1)              | (9)                                      | 11       |
| As of January 31, 2024  | \$ (280)  | \$ 122                | \$ (166)         | \$ 8                                     | \$ (316) |

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Reclassifications out of accumulated other comprehensive income (loss) for the three months ended January 31, 2024 and 2023 were as follows (in millions):

| Details about accumulated other comprehensive income (loss) components | Amounts Reclassified from other comprehensive income (loss) |             | Affected line item in statement of operations |
|--|---|-------------|---|
|  | Three Months Ended  |             |   |
|  | January 31,   |             |   |
|  | 2024  | 2023        |   |
| Foreign currency translation   | \$ 8  | \$ —        | Other income (expense)                        |
|  | 8   | —           | Total before income tax                       |
|  | —   | —           | Provision for income tax                      |
|  | 8   | —           | Total net of income tax                       |
| Unrealized gain on derivatives   | 3   | 6           | Cost of products                              |
|  | 3   | 6           | Total before income tax                       |
|  | (1)   | (2)         | Provision for income tax                      |
|  | 2   | 4           | Total net of income tax                       |
| Net defined benefit pension cost and post retirement plan costs:       |   |             |   |
| Actuarial net gain   | 3   | 1           | Other income (expense)                        |
|  | 3   | 1           | Total before income tax                       |
|  | (1)   | (1)         | Provision for income tax                      |
|  | 2   | —           | Total net of income tax                       |
| Total reclassifications for the period                                 | <u>\$ 12</u>  | <u>\$ 4</u> |   |

Amounts in parentheses indicate reductions to income and increases to other comprehensive income (loss).

Reclassifications out of accumulated other comprehensive income (loss) of actuarial net gain (loss) in respect of retirement plans and post retirement pension plans are included in the computation of net periodic benefit cost (income) (see Note 11, "Retirement Plans and Post Retirement Pension Plans").

## 17. SEGMENT INFORMATION

*Description of segments.* We are a global leader in life sciences, diagnostics and applied chemical markets, providing application focused solutions that include instruments, software, services and consumables for the entire laboratory workflow.

In the first quarter of fiscal year 2024, we announced a change in our operating segments to move our cell analysis business from our life sciences and applied markets segment to our diagnostics and genomics operating segment in order to further strengthen growth opportunities for both organizations. All historical financial segment information has been recast to conform to this new presentation. There was no change to our Agilent CrossLab business segment.

Following this reorganization, we continue to have three business segments comprised of life sciences and applied markets, diagnostics and genomics and Agilent CrossLab, each of which continues to comprise a reportable segment. The three operating segments were determined based primarily on how the chief operating decision maker views and evaluates our operations. Operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Other factors, including market separation and customer specific applications, go-to-market channels, products and services and manufacturing are considered in determining the formation of

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these operating segments.

A description of our three reportable segments is as follows:

Our life sciences and applied markets business provides application-focused solutions that include instruments, consumables and software that enable customers to identify, quantify and analyze the physical and biological properties of substances and products, as well as enable customers in the clinical and life sciences research areas to interrogate samples at the molecular and cellular level. Key product categories include: liquid chromatography ("LC") systems and components; liquid chromatography mass spectrometry ("LCMS") systems; gas chromatography ("GC") systems and components; gas chromatography mass spectrometry ("GCMS") systems; inductively coupled plasma mass spectrometry ("ICP-MS") instruments; atomic absorption ("AA") instruments; microwave plasma-atomic emission spectrometry ("MP-AES") instruments; inductively coupled plasma optical emission spectrometry ("ICP-OES") instruments; raman spectroscopy; laboratory software for sample tracking; information management and analytics; laboratory automation and robotic systems; dissolution testing; vacuum pumps and measurement technologies. Our consumables portfolio is designed to improve customer outcomes. Most of the portfolio is vendor neutral, meaning Agilent can serve and supply customers regardless of their instrument purchase choices. Solutions range from chemistries to supplies. Key product categories in consumables include GC and LC columns, sample preparation products, custom chemistries, and a large selection of laboratory instrument supplies.

Our diagnostics and genomics business is comprised of seven areas of activity providing active pharmaceutical ingredients ("APIs") for oligo-based therapeutics as well as solutions that include reagents, instruments, software and consumables, which enable customers in the clinical and life sciences research areas to interrogate samples at the cellular and molecular level. First, our cell analysis business includes instruments, reagents, software, and labware associated with unique live-cell analysis platforms in addition to mainstream flow cytometers, plate-readers, and plate washers/dispensers which are used across a broad range of applications. Second, our nucleic acid solutions business is a contract and development manufacturing organization that provides services related to and the production of synthesized oligonucleotides under pharmaceutical good manufacturing practices ("GMP") conditions for use as API in a class of drugs that utilize nucleic acid molecules for disease therapy. Third, our pathology solutions business is focused on product offerings for cancer diagnostics and anatomic pathology workflows. The broad portfolio of offerings includes immunohistochemistry ("IHC"), in situ hybridization ("ISH"), hematoxylin and eosin ("H&E") staining and special staining. Fourth, we also collaborate with a number of major pharmaceutical companies to develop new potential tissue pharmacodiagnosics, also known as companion diagnostics, which may be used to identify patients most likely to benefit from a specific targeted therapy. Fifth, the reagent partnership business provides clinical flow cytometry reagents for routine cancer diagnostics. This business also provides bulk antibodies as raw materials and associated assay development services to IVD manufacturers, biotechnology and pharmaceutical companies. Sixth, our genomics business includes arrays and next generation sequencing ("NGS"). This business also includes solutions that enable clinical labs to identify DNA variants associated with genetic disease and help direct cancer therapy. Finally, our biomolecular analysis business provides complete workflow solutions, including instruments, consumables and software, for quality control analysis of nucleic acid samples. Samples are analyzed using quantitative and qualitative techniques to ensure accuracy in further genomics analysis techniques including NGS, utilized in clinical and life science research applications

The Agilent CrossLab business spans the entire lab with its extensive services portfolio, which is designed to improve customer outcomes. The majority of the portfolio is vendor neutral, meaning we can serve and supply customers regardless of their instrument purchase choices. The services portfolio includes repairs, parts, maintenance, installations, training, compliance support, software as a service, asset management, consulting and various other custom services to support the customers' laboratory operations. Custom services are tailored to meet the specific application needs of various industries and to keep instruments fully operational and compliant with the respective industry requirements.

A significant portion of the segments' expenses arise from shared services and infrastructure that we have historically provided to the segments in order to realize economies of scale and to efficiently use resources. These expenses, collectively called corporate charges, include legal, accounting, tax, real estate, insurance services, information technology services, treasury, order administration, other corporate infrastructure expenses, costs of centralized research and development and joint sales and marketing costs. Charges are allocated to the segments, and the allocations have been determined on a basis that we consider to be a reasonable reflection of the utilization of services provided to or benefits received by the segments. In addition, we do not allocate amortization of acquisition-related intangible assets, asset impairments, acquisition and integration costs, transformational initiatives expenses, restructuring and other related costs and certain other charges to the operating margin for each segment because management does not include this information in its measurement of the performance of the operating segments. Transformational initiatives include expenses associated with targeted cost reduction activities such as manufacturing transfers, site consolidations, legal entity and other business reorganizations, in-sourcing or outsourcing of activities.

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The following tables reflect the results of our reportable segments under our management reporting system. The performance of each segment is measured based on several metrics, including segment income from operations. These results are used, in part, by the chief operating decision maker in evaluating the performance of, and in allocating resources to, each of the segments.

The profitability of each of the segments is measured after excluding items such as transformational initiatives, acquisition and integration costs, amortization of intangible assets related to business combinations, interest income, interest expense and other items as noted in the reconciliations below:

|  | <b>Three Months Ended</b> |             |
|--|---------------------------|-------------|
|  | <b>January 31,</b>        |             |
|  | <b>2024</b>               | <b>2023</b> |
|  | <b>(in millions)</b>      |             |
| <b>Net Revenue:</b>                    |                           |             |
| Life Sciences and Applied Markets      | \$ 846                    | \$ 943      |
| Diagnostics and Genomics               | 407                       | 432         |
| Agilent CrossLab                       | 405                       | 381         |
| Total net revenue                      | \$ 1,658                  | \$ 1,756    |
| <b>Segment Income From Operations:</b> |                           |             |
| Life Sciences and Applied Markets      | \$ 236                    | \$ 300      |
| Diagnostics and Genomics               | 70                        | 73          |
| Agilent CrossLab                       | 122                       | 103         |
| Total segment income from operations   | \$ 428                    | \$ 476      |

**AGILENT TECHNOLOGIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - (Continued)**

The following table reconciles segment income from operations to Agilent’s total enterprise income before taxes:

|  | Three Months Ended<br>January 31, |        |
|--|-----------------------------------|--------|
|  | 2024                              | 2023   |
|  | (in millions)                     |        |
| Total segment income from operations                               | \$ 428                            | \$ 476 |
| Unallocated costs:   |                                   |        |
| Amortization of intangible assets related to business combinations | (26)                              | (36)   |
| Acquisition and integration costs                                  | (2)                               | (2)    |
| Transformational initiatives                                       | (3)                               | (7)    |
| Asset impairment   | (8)                               | —      |
| Change in fair value of contingent consideration                   | —                                 | (1)    |
| Restructuring and other related costs                              | (3)                               | —      |
| Other  | (2)                               | (4)    |
| Total unallocated costs  | (44)                              | (50)   |
| Income from operations   | 384                               | 426    |
| Interest income  | 18                                | 9      |
| Interest expense   | (22)                              | (25)   |
| Other income (expense), net <sup>(1)</sup>                         | 23                                | —      |
| Income before taxes, as reported                                   | \$ 403                            | \$ 410 |

(1) For the three months ended January 31, 2024, other income (expense), net includes primarily income related to foreign currency translation reclassified out of accumulated comprehensive income (loss) and the defined benefit retirement and post-retirement benefit plans.

The following table reflects segment and unallocated assets. Segment assets include allocations of corporate assets, goodwill, net other intangibles and other assets. Unallocated assets primarily consist of cash, cash equivalents, short-term and long-term investments, deferred tax assets, right-of-use assets and other assets.

|                                   | January 31,<br>2024 | October 31,<br>2023 |
|-----------------------------------|---------------------|---------------------|
|                                   | (in millions)       |                     |
| <b>Assets:</b>                    |                     |                     |
| Life Sciences and Applied Markets | \$ 3,140            | \$ 3,161            |
| Diagnostics and Genomics          | 3,962               | 3,966               |
| Agilent CrossLab                  | 947                 | 897                 |
| Unallocated Assets                | 2,899               | 2,739               |
| Total assets                      | \$ 10,948           | \$ 10,763           |

## 18. SUBSEQUENT EVENT

On February 20, 2024, Michael McMullen, our President and Chief Executive Officer (“CEO”) notified the company that he will retire as President and CEO of the company and as a member of our board of directors on May 1, 2024. From May 1, 2024 through October 31, 2024, Mr. McMullen is expected to continue his employment with the company as a senior advisor.

On February 20, 2024, our board of directors appointed Pdraig McDonnell, age 52 and a Senior Vice President of the company, as Chief Operating Officer and CEO-elect. Upon Mr. McMullen’s retirement as President and CEO, our board of directors intends to appoint Mr. McDonnell as CEO. The company also intends to nominate Mr. McDonnell as a member of our board of directors upon Mr. McMullen’s retirement as President and CEO. Since joining Agilent in 1998, Mr. McDonnell has served in a series of progressively more responsible general management positions and has served as Senior Vice President, Agilent and President of Agilent CrossLab Group since 2020.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (UNAUDITED)

The following discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto included elsewhere in this Form 10-Q and our Annual Report on Form 10-K. This report contains forward-looking statements including, without limitation, statements regarding growth opportunities, including for revenue and our end markets, strength and drivers of the markets into which we sell, sales funnels, our strategic direction, new product and service introductions and the position of our current products and services, market demand for and adoption of our products, the ability of our products and solutions to address customer needs and meet industry requirements, our focus on differentiating our product solutions, improving our customers' experience and growing our earnings, future financial results, our operating margin, mix, our investments, including in manufacturing infrastructure, research and development and expanding and improving our applications and solutions portfolios, expanding our position in developing countries and emerging markets, our focus on balanced capital allocation, our contributions to our pension and other defined benefit plans, impairment and adjustments of goodwill and other intangible assets, the impact of foreign currency movements, our hedging programs and other actions to offset the effects of tariffs and foreign currency movements, our future effective tax rate, tax valuation allowance and unrecognized tax benefits, the impact of local government regulations on our ability to pay vendors or conduct operations, our ability to satisfy our liquidity requirements, including through cash generated from operations, the potential impact of adopting new accounting pronouncements, indemnification, source and supply of materials used in our products, our sales, our purchase commitments, our capital expenditures, the integration and effects of our acquisitions and other transactions, savings and headcount reduction recognized from our restructuring programs and other cost saving initiatives, our stock repurchase program and dividends, macroeconomic environment and geopolitical uncertainties, interest rate and inflationary pressures, that involve risks and uncertainties. Our actual results could differ materially from the results contemplated by these forward-looking statements due to various factors, including those discussed in Part II Item 1A and elsewhere in this Form 10-Q.

### Basis of Presentation

The financial information presented in this Form 10-Q is not audited and is not necessarily indicative of our future consolidated financial position, results of operations, comprehensive income (loss) or cash flows. Our fiscal year-end is October 31, and our fiscal quarters end on January 31, April 30 and July 31. Unless otherwise stated, these dates refer to our fiscal year and fiscal periods.

### Executive Summary

Agilent Technologies, Inc. ("we," "Agilent" or the "company"), incorporated in Delaware in May 1999, is a global leader in life sciences, diagnostics and applied chemical markets, providing application focused solutions that include instruments, software, services and consumables for the entire laboratory workflow.

*New Segment Structure.* In the first quarter of fiscal year 2024, we announced a change in our operating segments to move our cell analysis business from our life sciences and applied markets segment to our diagnostics and genomics operating segment in order to further strengthen growth opportunities for both organizations. Following this reorganization, we continue to have three business segments comprised of life sciences and applied markets, diagnostics and genomics and Agilent CrossLab, each of which continues to comprise a reportable segment. We are reporting under this new structure beginning with this Quarterly Report on Form 10-Q for the period ended January 31, 2024. All historical financial segment information has been recast to conform to this new presentation in our financial statements and accompanying notes. There was no change to our Agilent CrossLab business segment.

### Actual Results

Net revenue of \$1,658 million for the three months ended January 31, 2024 decreased 6 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2024 had an overall favorable impact on revenue growth of 1 percentage point when compared to the same period last year. Net revenue for the three months ended January 31, 2024, declined in our life sciences and applied markets and diagnostics and genomics segments in both the Americas and the Asia Pacific regions, particularly in China, partially offset by revenue growth in our Agilent Crosslab segment. Revenue declined in most of the end markets we serve, most significantly in the pharmaceutical and chemical and advanced materials markets due to our customers' continued capital expenditure pressures compared to the same period last year. Revenue generated by our life sciences and applied markets business in the three months ended January 31, 2024 decreased 10 percent when compared to the same period last year. Foreign currency movements for the three months ended

January 31, 2024, had an overall favorable impact on revenue growth of 1 percentage point when compared to the same period last year. Revenue generated by our diagnostics and genomics business for the three months ended January 31, 2024 decreased 6 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2024 had an overall favorable impact on revenue growth of 1 percentage point when compared to the same period last year. Revenue generated by our Agilent CrossLab business in the three months ended January 31, 2024 increased 6 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2024 had an overall favorable impact on revenue growth of 1 percentage point when compared to the same period last year.

Net income for the three months ended January 31, 2024 was \$348 million compared to net income of \$352 million for the corresponding period last year. In the three months ended January 31, 2024, cash provided by operations was \$485 million compared to cash provided by operations of \$296 million in the same period last year.

*Dividends.* During the three months ended January 31, 2024, we paid cash dividends of \$0.236 per common share or \$69 million on the company's common stock. During the three months ended January 31, 2023, we paid cash dividends of \$0.225 per common share or \$67 million on the company's common stock.

On February 21, 2024, our board of directors declared a quarterly dividend of \$0.236 per share of common stock or approximately \$69 million which will be paid on April 24, 2024 to all shareholders of record at the close of business on April 2, 2024. The timing and amounts of any future dividends are subject to determination and approval by our board of directors.

*2021 Repurchase Program.* During the three months ended January 31, 2023, we repurchased and retired 499,000 shares for \$75 million under this authorization. On March 1, 2023, the 2021 repurchase program was terminated and the remaining authorization of \$339 million expired.

*2023 Repurchase Program.* On January 9, 2023, we announced that our board of directors had approved a share repurchase program (the "2023 repurchase program") designed, among other things, to reduce or eliminate dilution resulting from issuance of stock under the company's employee equity incentive programs. The 2023 repurchase program authorizes the purchase of up to \$2.0 billion, excluding excise taxes, of our common stock at the company's discretion and has no fixed termination date. The 2023 repurchase program does not require the company to acquire a specific number of shares and may be suspended, amended or discontinued at any time. The 2023 repurchase program commenced on March 1, 2023, and also terminated and replaced the 2021 repurchase program. During the three months ended January 31, 2024, we repurchased and retired no shares under this authorization. As of January 31, 2024, we had remaining authorization to repurchase up to approximately \$1.524 billion of our common stock under the 2023 repurchase program.

Looking forward, we continue to be focused on improving our customers' experience, differentiating product solutions and productivity. While we anticipate a challenging macroeconomic environment, particularly in China, and an overall pressure on our customers' capital expenditures in the near-term, we remain optimistic about our long-term growth opportunities in all of our key end markets. We expect to continue to face inflationary pressures which we will continue to mitigate through targeted pricing and various other cost savings strategies.

### **Critical Accounting Policies and Estimates**

Management's Discussion and Analysis of Financial Condition and Results of Operations is based upon our condensed consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles ("GAAP") in the U.S. The preparation of condensed consolidated financial statements in conformity with GAAP in the U.S. requires management to make estimates, judgments and assumptions that affect the amounts reported in our condensed consolidated financial statements and accompanying notes. Our critical accounting policies are those that affect our financial statements materially and involve difficult, subjective or complex judgments by management. Those policies are revenue recognition, inventory valuation, retirement and post-retirement benefit plan assumptions, valuation of goodwill and purchased intangible assets and accounting for income taxes. There have been no significant changes to our critical accounting policies as described in our Annual Report on Form 10-K for the fiscal year ended October 31, 2023. Management bases its estimates on historical experience and various other assumptions believed to be reasonable. Although these estimates are based on management's best knowledge of current events and actions that may impact the company in the future, actual results may be different from the estimates.

An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made and if different estimates that reasonably could have been used or changes in the accounting estimate that are reasonably likely to occur could materially change the financial statements.

### Adoption of New Pronouncements

See Note 2, "New Accounting Pronouncements," to the condensed consolidated financial statements for a description of new accounting pronouncements.

### Restructuring and Other Related costs

In the fourth quarter of fiscal year 2023, we initiated a restructuring plan ("FY23 Plan") designed to reduce costs and expenses in response to the current macroeconomic conditions. The plan included a reduction of our total headcount by approximately 400 regular employees, representing approximately 2 percent of our global workforce, and the consolidation of our excess facilities, including some site closures.

In connection with this plan, we have recorded approximately \$3 million in restructuring and other related costs in the three months ended January 31, 2024, for a total of \$49 million since inception. The restructuring plan costs include severance and other personnel costs associated with the workforce reduction. The consolidation of excess facilities includes accelerated depreciation expenses of right-of-use ("ROU") and machinery and equipment assets, and other facilities-related costs. The timing and scope of the workforce reductions will vary based on local legal requirements. These actions impact all three of our business segments. The costs associated with this restructuring plan have not been allocated to our business segments' results; however, each business segment will benefit from the future cost savings from these actions. When completed, the restructuring program is expected to result in the reduction of \$80 million in annual cost of sales and operating expenses over the three business segments. While the majority of the workforce reduction was completed in the first quarter of 2024, we expect to substantially complete the remaining restructuring activities by the end of fiscal year 2024.

A summary of total restructuring activity is shown in the table below:

|  | Workforce<br>Reduction | Consolidation of<br>Excess Facilities | Total        |
|--|------------------------|---------------------------------------|--------------|
|  | (in millions)          |                                       |              |
| Balance at October 31, 2023                              | \$ 31                  | \$ 5                                  | \$ 36        |
| Income statement expense                                 | 2                      | 1                                     | 3            |
| Accelerated depreciation expenses of right-of-use assets | —                      | (1)                                   | (1)          |
| Cash payments  | (25)                   | (2)                                   | (27)         |
| Balance at January 31, 2024                              | <u>\$ 8</u>            | <u>\$ 3</u>                           | <u>\$ 11</u> |

The restructuring and other related costs of \$11 million at January 31, 2024, are recorded in other accrued liabilities on the condensed consolidated balance sheet and reflect estimated future cash outlays.

A summary of the charges in the condensed consolidated statement of operations resulting from the restructuring plan is shown below:

|                                     | Three Months Ended<br>January 31,<br>2024 |
|-------------------------------------|---|
|                                     | (in millions)                             |
| Cost of products and services       | \$ —                                      |
| Research and Development            | 2   |
| Selling, general and administrative | 1   |
| Total restructuring costs           | <u>\$ 3</u>                               |

### Foreign Currency

Our revenues, costs and expenses, and monetary assets and liabilities and equity are exposed to changes in foreign currency exchange rates as a result of our global operating and financing activities. Foreign currency movements for the three

months ended January 31, 2024 had an overall favorable impact on revenue of 1 percentage point when compared to the same period last year. When movements in foreign currency exchange rates have a positive impact on revenue, they will also have a negative impact by increasing our costs and expenses. We calculate the impact of movements in foreign currency exchange rates by applying the actual foreign currency exchange rates in effect during the last month of each quarter of the current year to both the applicable current and prior year periods. We hedge revenues, expenses and balance sheet exposures that are not denominated in the functional currencies of our subsidiaries on a short term and anticipated basis. We do experience some fluctuations within individual lines of the condensed consolidated statement of operations and balance sheet because our hedging program is not designed to offset the currency movements in each category of revenues, expenses, monetary assets and liabilities. Our hedging program is designed to hedge currency movements on a relatively short-term basis (up to a rolling twelve-month period). We may also hedge equity balances denominated in foreign currency on a long-term basis. To the extent that we are required to pay for all, or portions, of an acquisition price in foreign currencies, we may enter into foreign exchange contracts to reduce the risk that currency movements will impact the U.S. dollar cost of the transaction.

## Results from Operations

### Net Revenue

|                    | Three Months Ended<br>January 31, |                 | Year over Year Change |
|--------------------|-----------------------------------|-----------------|-----------------------|
|                    | 2024                              | 2023            | Three<br>Months       |
|                    | (in millions)                     |                 |                       |
| Net revenue:       |                                   |                 |                       |
| Products           | \$ 1,209                          | \$ 1,323        | (9)%                  |
| Services and other | 449                               | 433             | 4%                    |
| Total net revenue  | <u>\$ 1,658</u>                   | <u>\$ 1,756</u> | (6)%                  |

Net revenue of \$1,658 million for the three months ended January 31, 2024 decreased 6 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2024 had an overall favorable impact on revenue growth of 1 percentage point when compared to the same period last year.

Revenue from products for the three months ended January 31, 2024 decreased 9 percent when compared to the same period last year. The product revenue decline in the three months ended January 31, 2024 was primarily driven by decreases in our liquid chromatography, mass spectrometry and cell analysis businesses partially offset by increases in our consumables and pathology businesses when compared to the same period last year. Overall, product revenue declined due to our customers' continued capital expenditure pressures and mostly impacted the pharmaceutical market within our life sciences and applied markets and diagnostics and genomics segments.

Services and other revenue for the three months ended January 31, 2024 increased 4 percent when compared to the same period last year. Services and other revenue consist of contract repair, preventative maintenance, compliance services, relocation services, installation services and consulting services related to the companion diagnostics and nucleic acid solutions businesses. For the three months ended January 31, 2024, service revenue increases reflected strong growth from contract repair and preventative maintenance services partly offset by declines in installation services related to the decline of the product revenues.

### Net Revenue By Segment

|                                   | Three Months Ended<br>January 31, |                 | Year over Year Change |
|-----------------------------------|-----------------------------------|-----------------|-----------------------|
|                                   | 2024                              | 2023            | Three<br>Months       |
|                                   | (in millions)                     |                 |                       |
| Net revenue by segment:           |                                   |                 |                       |
| Life sciences and applied markets | \$ 846                            | \$ 943          | (10)%                 |
| Diagnostics and genomics          | 407                               | 432             | (6)%                  |
| Agilent CrossLab                  | 405                               | 381             | 6%                    |
| Total net revenue                 | <u>\$ 1,658</u>                   | <u>\$ 1,756</u> | (6)%                  |

Revenue in the life sciences and applied markets business for the three months ended January 31, 2024 decreased 10 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2024 had an overall favorable impact on revenue growth of 1 percentage point when compared to the same period last year. For the three months ended January 31, 2024, revenue declined in most of our end markets. We saw a significant decline in revenue in the pharmaceutical and chemical and advanced materials markets and a moderate decline in the diagnostics and clinical markets when compared to the same period last year. We saw modest revenue growth in the academia and government market when compared to the same period last year.

Revenue in the diagnostics and genomics business for the three months ended January 31, 2024, decreased 6 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2024 had a favorable impact on revenue growth of 1 percentage point when compared to the same period last year. For the three months ended January 31, 2024, we saw a significant decline in revenue in the pharmaceutical market due to lower sales in our cell analysis and nucleic acid solutions businesses when compared to the same period last year.

Revenue generated by Agilent CrossLab in the three months ended January 31, 2024, increased 6 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2024 had an overall favorable impact on revenue growth of 1 percentage point when compared to the same period last year. For the three months ended January 31, 2024, we saw strong revenue growth across all of our end markets led by the diagnostics and clinical, pharmaceutical, chemicals and advanced materials and academia and government markets when compared to the same period last year.

## Operating Results

| (in millions, except margin data)   | Three Months Ended |        | Year over Year Change |
|-------------------------------------|--------------------|--------|-----------------------|
|                                     | January 31,        |        | Three                 |
|                                     | 2024               | 2023   | Months                |
| Total gross margin                  | 54.8 %             | 55.1 % | —                     |
| Research and development            | \$ 128             | \$ 123 | 4%                    |
| Selling, general and administrative | \$ 396             | \$ 419 | (5)%                  |
| Operating margin                    | 23.2 %             | 24.3 % | (1) ppt               |
| Income from operations              | \$ 384             | \$ 426 | (10)%                 |

Total gross margin for the three months ended January 31, 2024 was relatively flat when compared to the same period last year. Gross margin for the three months ended January 31, 2024 was impacted by targeted price increases, lower shipping costs, favorable impact of currency movements, and intangible amortization expense offset by lower sales volume, higher wages and inventory charges.

Research and development expenses for the three months ended January 31, 2024 increased 4 percent when compared to the same period last year. Research and development expenses for the three months ended January 31, 2024 increased primarily due to an impairment of in-process research and development and restructuring and other related costs.

Selling, general and administrative expenses for the three months ended January 31, 2024 decreased 5 percent when compared to the same period last year. The decrease in the three months ended January 31, 2024, was due to lower intangible amortization expenses, transformational initiatives and variable pay partially offset by higher wages and the unfavorable impact of currency movements. In addition, selling, general and administrative expenses decreased due to savings from restructuring and business exit activities that occurred in the fourth quarter of fiscal year 2023.

Total operating margin for the three months ended January 31, 2024 decreased 1 percentage point when compared to the same period last year. Operating margin for the three months ended January 31, 2024 decreased primarily due to lower sales volume.

Income from operations for the three months ended January 31, 2024, decreased \$42 million or 10 percent on a corresponding revenue decrease of \$98 million.

Interest income for the three months ended January 31, 2024 and 2023 was \$18 million and \$9 million, respectively. The increase in interest income in 2024 was primarily due to higher cash balances and increases in interest rates related to our cash and cash equivalents.

At January 31, 2024, our headcount was approximately 17,700 as compared to approximately 18,300 at January 31, 2023.

### **Other income (expense), net**

In the three months ended January 31, 2024, other income and expense, net includes a net gain of \$3 million on equity securities. In the three months ended January 31, 2024, other income and expense, net also includes \$8 million of income related to foreign currency translation reclassified out of accumulated comprehensive income (loss) and \$7 million of income related to the defined benefit retirement and post-retirement benefit plans (interest cost, expected return on assets, amortization of net actuarial (gain) loss and prior service credits). In the three months ended January 31, 2024, other income and expense, net also includes income of \$3 million related to the provision of site service costs to, and lease income from Keysight Technologies, Inc. The costs associated with these services are reported within income from operations.

In the three months ended January 31, 2023, other income and expense, net includes a net loss on equity securities of \$10 million. In the three months ended January 31, 2023 other income and expense, net also includes income of \$3 million related to the provision of site service costs to, and lease income from Keysight Technologies, Inc. The costs associated with these services are reported within income from operations.

### **Income Taxes**

For the three months ended January 31, 2024, our income tax expense was \$55 million with an effective tax rate of 13.6 percent. For the three months ended January 31, 2024, there were no significant discrete items.

For the three months ended January 31, 2023, our income tax expense was \$58 million with an effective tax rate of 14.1 percent. For the three months ended January 31, 2023, our effective tax rate and the resulting provision for income taxes were impacted by the excess tax benefits from stock-based compensation of \$12 million along with the expiration of various foreign statutes of limitations which resulted in the recognition of previously unrecognized tax benefits of \$7 million.

In the U.S., tax years remain open back to the year 2020 for federal income tax purposes and 2019 for significant states. In other major jurisdictions where the company conducts business, the tax years generally remain open back to the year 2014.

With these jurisdictions and the U.S., it is reasonably possible that some tax audits may be completed over the next twelve months. However, management is not able to provide a reasonably reliable estimate of the timing of any other future tax payments or change in unrecognized tax benefits, if any.

### **Segment Overview**

In the first quarter of fiscal year 2024, we announced a change in our operating segments to move our cell analysis business from our life sciences and applied markets segment to our diagnostics and genomics operating segment in order to further strengthen growth opportunities for both organizations. Following this reorganization, we continue to have three business segments comprised of life sciences and applied markets, diagnostics and genomics and Agilent CrossLab, each of which continues to comprise a reportable segment. We are reporting under this new structure beginning with this Quarterly Report on Form 10-Q for the period ended January 31, 2024. All historical financial segment information has been recast to conform to this new presentation in our financial statements and accompanying footnotes. There was no change to our Agilent CrossLab business segment.

## Life Sciences and Applied Markets

Our life sciences and applied markets business provides application-focused solutions that include instruments, consumables and software that enable customers to identify, quantify and analyze the physical and biological properties of substances and products, as well as enable customers in the clinical and life sciences research areas to interrogate samples at the molecular and cellular level. Key product categories include: liquid chromatography ("LC") systems and components; liquid chromatography mass spectrometry ("LCMS") systems; gas chromatography ("GC") systems and components; gas chromatography mass spectrometry ("GCMS") systems; inductively coupled plasma mass spectrometry ("ICP-MS") instruments; atomic absorption ("AA") instruments; microwave plasma-atomic emission spectrometry ("MP-AES") instruments; inductively coupled plasma optical emission spectrometry ("ICP-OES") instruments; raman spectroscopy; laboratory software for sample tracking; information management and analytics; laboratory automation and robotic systems; dissolution testing; vacuum pumps and measurement technologies. Our consumables portfolio is designed to improve customer outcomes. Most of the portfolio is vendor neutral, meaning Agilent can serve and supply customers regardless of their instrument purchase choices. Solutions range from chemistries to supplies. Key product categories in consumables include GC and LC columns, sample preparation products, custom chemistries, and a large selection of laboratory instrument supplies.

### Net Revenue

|             | Three Months Ended |        | Year over Year Change |
|-------------|--------------------|--------|-----------------------|
|             | January 31,        |        | Three                 |
|             | 2024               | 2023   | Months                |
|             | (in millions)      |        |                       |
| Net revenue | \$ 846             | \$ 943 | (10)%                 |

Life sciences and applied markets business revenue for the three months ended January 31, 2024 decreased 10 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2024 had an overall favorable impact on revenue growth of 1 percentage point when compared to the same period last year.

Geographically, revenue for the three months ended January 31, 2024 decreased 15 percent in the Americas with no currency impact, decreased 6 percent in Europe with a 4 percentage point favorable currency impact and decreased 10 percent in Asia Pacific with a 1 percentage point unfavorable currency impact. The revenue decline in the Americas was driven by weakness in our liquid chromatography, liquid chromatography mass spectrometry and gas chromatography mass spectrometry businesses partially offset by strength in the consumables business when compared to the same period last year. The revenue decline in Asia Pacific was also driven by lower demand in China within our liquid chromatography, liquid chromatography mass spectrometry and gas chromatography mass spectrometry businesses partially offset by strength in the consumables business when compared to the same period last year. The revenue decline in Europe was driven by weakness in our liquid chromatography business partially offset by strength in the consumables business when compared to the same period last year.

For the three months ended January 31, 2024, revenue declined across all end markets except academia and government. Revenue in the pharmaceutical market declined significantly due to weakness in our liquid chromatography and liquid chromatography mass spectrometry businesses partially offset by strength in our consumables business when compared to the same period last year. Revenue in the chemicals and advanced materials market declined significantly due to weakness in our spectroscopy and liquid chromatography businesses partially offset by strength in our consumables businesses when compared to the same period last year. Revenue in the diagnostics and clinical market declined significantly due to weakness in our liquid chromatography mass spectrometry, and liquid chromatography businesses partially offset by strength in our consumables business when compared to the same period last year. Modest revenue growth in the academia and government market was driven by strength in our spectrometry and remarketed instruments businesses partially offset by weakness in our liquid chromatography mass spectrometry and liquid chromatography businesses when compared to the same period last year.

Looking forward, despite the challenging macroeconomic environment, our customers' capital expenditure pressures and geopolitical uncertainties, we are optimistic about our long-term growth opportunities in the life sciences and applied markets as our broad portfolio of products and solutions are well suited to address customer needs. While we anticipate continued volatility in our markets, we expect long term growth across our end markets as we continue to invest in expanding and improving our applications and solutions portfolio.

**Operating Results**

| (in millions, except margin data)   | Three Months Ended |        | Year over Year Change |
|-------------------------------------|--------------------|--------|-----------------------|
|                                     | January 31,        |        | Three                 |
|                                     | 2024               | 2023   | Months                |
| Gross margin                        | 60.2 %             | 61.5 % | (1) ppt               |
| Research and development            | \$ 67              | \$ 67  | —                     |
| Selling, general and administrative | \$ 206             | \$ 213 | (3)%                  |
| Operating margin                    | 27.9 %             | 31.8 % | (4) ppts              |
| Income from operations              | \$ 236             | \$ 300 | (22)%                 |

Gross margin for products and services for the three months ended January 31, 2024, decreased 1 percentage point when compared to the same period last year. Gross margin for the three months ended January 31, 2024 was impacted by lower sales volume, unfavorable business mix and warranty costs which were partially offset by lower logistics costs and the favorable impact of currency movements when compared to the same period last year.

Research and development expenses for the three months ended January 31, 2024, were flat when compared to the same period last year. Research and development expenses for the three months ended January 31, 2024 were flat due to higher program investments in our digital lab offset by lower consumables and travel expenses when compared to the same period last year.

Selling, general and administrative expenses for the three months ended January 31, 2024, decreased 3 percent when compared to the same period last year. Selling, general and administrative expenses for the three months ended January 31, 2024, decreased due to lower marketing expenses and share-based compensation expenses partially offset by the unfavorable impact of currency movements and higher wages when compared to the same period last year.

Operating margin for products and services for the three months ended January 31, 2024 decreased 4 percentage points when compared to the same period last year. Operating margin for the three months ended January 31, 2024 was impacted by lower sales volume partially offset by lower logistics costs, marketing and consumables when compared to the same period last year.

Income from operations for the three months ended January 31, 2024, decreased \$64 million or 22 percent on a corresponding revenue decrease of \$97 million.

**Diagnostics and Genomics**

Our diagnostics and genomics business includes the cell analysis, nucleic acid contract manufacturing and research and development, pathology, companion diagnostics, reagent partnership, genomics and biomolecular analysis businesses.

Our diagnostics and genomics business is comprised of seven areas of activity providing active pharmaceutical ingredients ("APIs") for oligo-based therapeutics as well as solutions that include reagents, instruments, software and consumables, which enable customers in the clinical and life sciences research areas to interrogate samples at the cellular and molecular level. First, our cell analysis business includes instruments, reagents, software, and labware associated with unique live-cell analysis platforms in addition to mainstream flow cytometers, plate-readers, and plate washers/dispensers which are used across a broad range of applications. Second, our nucleic acid solutions business is a contract and development manufacturing organization that provides services related to and the production of synthesized oligonucleotides under pharmaceutical good manufacturing practices ("GMP") conditions for use as API in a class of drugs that utilize nucleic acid molecules for disease therapy. Third, our pathology solutions business is focused on product offerings for cancer diagnostics and anatomic pathology workflows. The broad portfolio of offerings includes immunohistochemistry ("IHC"), in situ hybridization ("ISH"), hematoxylin and eosin ("H&E") staining and special staining. Fourth, we also collaborate with a number of major pharmaceutical companies to develop new potential tissue pharmacodiagnosics, also known as companion diagnostics, which may be used to identify patients most likely to benefit from a specific targeted therapy. Fifth, the reagent partnership business provides clinical flow cytometry reagents for routine cancer diagnostics. This business also provides bulk antibodies as raw materials and associated assay development services to IVD manufacturers, biotechnology and pharmaceutical companies. Sixth, our genomics business includes arrays and next generation sequencing ("NGS"). This business also includes solutions that enable clinical labs to identify DNA variants associated with genetic disease and help direct cancer therapy. Finally, our biomolecular analysis business provides complete workflow solutions, including instruments,

consumables and software, for quality control analysis of nucleic acid samples. Samples are analyzed using quantitative and qualitative techniques to ensure accuracy in further genomics analysis techniques including NGS, utilized in clinical and life science research applications.

### Net Revenue

|             | Three Months Ended<br>January 31, |        | Year over Year Change |
|-------------|-----------------------------------|--------|-----------------------|
|             | 2024                              | 2023   | Three<br>Months       |
|             | (in millions)                     |        |                       |
| Net revenue | \$ 407                            | \$ 432 | (6)%                  |

Diagnostics and genomics business revenue for the three months ended January 31, 2024 decreased 6 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2024 had a favorable impact on revenue growth of 1 percentage point when compared to the same period last year.

Geographically, revenue for the three months ended January 31, 2024 decreased 10 percent in the Americas with no currency impact, increased 2 percent in Europe with a 3 percentage point favorable currency impact and decreased 5 percent in Asia Pacific with a 1 percentage point unfavorable currency impact compared to the same period last year. For the three months ended January 31, 2024, the revenue decline in the Americas was driven by our cell analysis, genomics and nucleic acid solutions businesses. Revenue increased in Europe due to strong performance in our pathology and biomolecular analysis businesses partially offset by a decline in our cell analysis business. The revenue decline in Asia Pacific was driven by our cell analysis business.

For the three months ended January 31, 2024, revenue performance in the pharmaceutical market declined significantly due to our cell analysis and nucleic acid solutions businesses. We also saw revenue decline in the diagnostics and clinical markets primarily from our cell analysis and genomics businesses when compared to the same period last year. Revenue in the academia and government markets grew modestly due to our biomolecular analysis and cell analysis businesses.

Looking forward, despite the challenging macroeconomic environment, geopolitical uncertainties and the short-term unfavorable market conditions affecting our genomics and cell analysis businesses, we are optimistic about our long-term growth opportunities in our end markets and continue to invest in expanding and improving our applications and solutions portfolio. We remain positive about our growth in our end markets as our product portfolio around OMNIS and PD-L1 assays continues to gain strength with our customers in clinical oncology applications, and our next generation sequencing related solutions continue to be adopted. Market demand in the nucleic acid solutions business related to therapeutic oligo programs continues, and with the expansion of our nucleic acid solutions production facility in Frederick, Colorado, we are well positioned to serve more of the market demand. We will also continue to invest in research and development and seek to expand our position in developing countries and emerging markets.

### Operating Results

|  | Three Months Ended<br>January 31, |        | Year over Year Change |
|--|-----------------------------------|--------|-----------------------|
|  | 2024                              | 2023   | Three<br>Months       |
| <i>(in millions, except margin data)</i> |                                   |        |                       |
| Gross margin                             | 52.8 %                            | 52.6 % | —                     |
| Research and development                 | \$ 44                             | \$ 47  | (7)%                  |
| Selling, general and administrative      | \$ 101                            | \$ 107 | (6)%                  |
| Operating margin                         | 17.3 %                            | 16.9 % | —                     |
| Income from operations                   | \$ 70                             | \$ 73  | (4)%                  |

Gross margin for products and services for the three months ended January 31, 2024, was flat when compared to the same period last year. Gross margin for the three months ended January 31, 2024 remained flat due to growth in average selling prices, favorable product mix and the favorable impact of currency movements offset by higher wages and infrastructure costs.

Research and development expenses for the three months ended January 31, 2024, decreased 7 percent when compared to the same period last year. Research and development expenses for the three months ended January 31, 2024 decreased primarily due to savings from the exit of our resolution bioscience business and the restructuring activities that occurred in the fourth quarter of fiscal year 2023.

Selling, general and administrative expenses for the three months ended January 31, 2024, decreased 6 percent when compared to the same period last year. Selling, general and administrative expenses for the three months ended January 31, 2024 decreased due to less expenses attributed to the exit of our resolution bioscience business and lower commissions in our cell analysis business partially offset by higher wages. In addition, selling, general and administrative expenses decreased due to savings from restructuring activities that occurred in the fourth quarter of fiscal year 2023.

Operating margin for products and services for the three months ended January 31, 2024 was relatively flat when compared to the same period last year. Operating margin for products and services for the three months ended January 31, 2024, increased due to savings from restructuring and business exit activities that occurred in the fourth quarter of fiscal year 2023; these savings were offset by lower revenue, higher wages and higher infrastructure costs.

Income from operations for the three months ended January 31, 2024 decreased \$3 million or 4 percent on a corresponding revenue decrease of \$25 million.

### **Agilent CrossLab**

The Agilent CrossLab business spans the entire lab with its extensive services portfolio, which is designed to improve customer outcomes. The majority of the portfolio is vendor neutral, meaning we can serve and supply customers regardless of their instrument purchase choices. The services portfolio includes repairs, parts, maintenance, installations, training, compliance support, software as a service, asset management, consulting and various other custom services to support the customers' laboratory operations. Custom services are tailored to meet the specific application needs of various industries and to keep instruments fully operational and compliant with the respective industry requirements.

### **Net Revenue**

|             | Three Months Ended<br>January 31, |        | Year over Year Change |
|-------------|-----------------------------------|--------|-----------------------|
|             | 2024                              | 2023   | Three<br>Months       |
|             | (in millions)                     |        |                       |
| Net revenue | \$ 405                            | \$ 381 | 6%                    |

Agilent CrossLab business revenue for the three months ended January 31, 2024 increased 6 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2024 had an overall favorable impact on revenue growth of 1 percentage point when compared to the same period last year.

Geographically, revenue for the three months ended January 31, 2024 increased 6 percent in the Americas with a 1 percentage point favorable currency impact, increased 14 percent in Europe with a 6 percentage point favorable currency impact and increased 1 percent in Asia Pacific with a 1 percentage point unfavorable currency impact compared to the same period last year. For the three months ended January 31, 2024, revenue growth in all three regions reflected consistent high demand for repair, maintenance and compliance services across the entire portfolio. The revenue growth was partially offset by weakness in installation revenue, mostly in the Asia Pacific region.

For the three months ended January 31, 2024, we saw strong revenue growth across all of the end markets, mainly driven by our spectroscopy, gas chromatography and liquid chromatography businesses, when compared to the same period last year.

Looking forward, Agilent CrossLab services are well positioned to continue their success in our key end markets by supporting a growing installed base of instruments. Digital and remote capabilities will continue to be a key factor in improving the service quality and the customers' experience. Geographically, the business is well diversified across all regions to take advantage of local market opportunities and to hedge against weakness in any one region.

### ***Operating Results***

| (in millions, except margin data)   | Three Months Ended |        | Year over Year Change |
|-------------------------------------|--------------------|--------|-----------------------|
|                                     | January 31,        |        | Three                 |
|                                     | 2024               | 2023   | Months                |
| Gross margin                        | 50.5 %             | 48.5 % | 2 pts                 |
| Research and development            | \$ 9               | \$ 9   | —                     |
| Selling, general and administrative | \$ 74              | \$ 73  | —                     |
| Operating margin                    | 30.2 %             | 27.0 % | 3 pts                 |
| Income from operations              | \$ 122             | \$ 103 | 19%                   |

Gross margin for the three months ended January 31, 2024 increased 2 percentage points when compared to the same period last year. Gross margin for the three months ended January 31, 2024 was impacted by targeted price increases, well-controlled variable service delivery costs and the favorable impact of currency movements which were partially offset by higher wages.

Research and development expenses for the three months ended January 31, 2024 were flat when compared to the same period last year. Research and development expenses for the three months ended January 31, 2024 were flat due to the unfavorable impact of currency offset by lower travel costs and other discretionary spending.

Selling, general and administrative expenses for the three months ended January 31, 2024 were flat when compared to the same period last year. Selling, general and administrative expenses for the three months ended January 31, 2024 were flat mainly due to higher wages, commissions and the unfavorable impact of currency, offset by lower travel costs and other discretionary spending.

Operating margin for products and services for the three months ended January 31, 2024 increased 3 percentage points when compared to the same period last year. Operating margin for the three months ended January 31, 2024 increased mostly driven by targeted price increases that improved margins in addition to flat expenses.

Income from operations for the three months ended January 31, 2024 increased \$19 million or 19 percent on a corresponding revenue increase of \$24 million.

## **FINANCIAL CONDITION**

### ***Liquidity and Capital Resources***

We believe our cash and cash equivalents, cash generated from operations, and ability to access capital markets and credit lines will satisfy, for at least the next twelve months and beyond, our liquidity requirements, both globally and domestically, including the following: working capital needs, capital expenditures, business acquisitions, stock repurchases, cash dividends, contractual obligations, commitments, principal and interest payments on debt, and other liquidity requirements associated with our operations.

Our financial position as of January 31, 2024 consisted of cash and cash equivalents of \$1,748 million as compared to \$1,590 million as of October 31, 2023.

We may, from time to time, retire certain outstanding debt of ours through open market cash purchases, privately-negotiated transactions or otherwise. Such transactions, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

#### ***Net Cash Provided by Operating Activities***

Net cash inflow from operating activities was \$485 million for the three months ended January 31, 2024 compared to cash inflow of \$296 million for the same period in 2023. Net cash paid for income taxes in the three months ended January 31, 2024 was \$24 million compared to net cash paid for income taxes of \$17 million for the same period in 2023.

In the three months ended January 31, 2024, accounts receivable provided cash of \$10 million compared to cash used of \$5 million for the same period in 2023. Days' sales outstanding ("DSO") as of January 31, 2024 was 70 days when compared to 75 days as of January 31, 2023. Cash used for inventory was \$9 million for the three months ended January 31, 2024 compared to cash used of \$69 million for the same period in 2023. Inventory days on-hand was 124 days as of January 31, 2024 compared to 127 days as of January 31, 2023 mainly due to focused inventory optimization efforts. In the three months ended January 31, 2024, accounts payable provided cash of \$84 million compared to cash used of \$27 million for the same period in 2023. This was mainly due to less expenditures for direct materials as we continue optimizing our inventory levels and to timing of payments. The employee compensation and benefits liability used cash of \$104 million for the three months ended January 31, 2024 compared to cash used of \$174 million for the same period in 2023. This was largely due to a decrease in variable and incentive payments which were \$105 million in 2024 compared to \$185 million in 2023.

We contributed approximately \$6 million and \$5 million to our defined benefit plans in the three months ended January 31, 2024 and 2023, respectively. Our annual contributions are highly dependent on the relative performance of our assets versus our projected liabilities, among other factors. We expect to contribute approximately \$12 million to our defined benefit plans during the remainder of 2024.

#### ***Net Cash Used in Investing Activities***

Net cash used in investing activities was \$95 million for the three months ended January 31, 2024 as compared to net cash used in investing activities of \$104 million in the same period of 2023. In the three months ended January 31, 2024, we had no acquisitions compared to cash used of \$30 million related to one acquisition in the three months ended January 31, 2023.

Investments in property, plant and equipment were \$90 million for the three months ended January 31, 2024 compared to \$76 million in the same period of 2023. We expect that total capital expenditures for the current year will be approximately \$400 million. These continued investments in property plant and equipment are primarily due to the planned expansion of our manufacturing capacity for production of nucleic acid based therapeutics in Frederick, Colorado. Some of our investment may be eligible to qualify for reimbursement incentives, which will not fully be known until the expansion is substantially complete.

#### ***Net Cash Used in Financing Activities***

Net cash used in financing activities for the three months ended January 31, 2024 was \$240 million compared to net cash used in financing activities of \$17 million for the same period of 2023.

*Treasury Stock Repurchases.* Our 2021 repurchase program authorized the purchase of up to \$2.0 billion of our common stock at the company's discretion and had no fixed termination date. During the three months ended January 31, 2023, we repurchased and retired 499,000 shares for \$75 million under this authorization. On March 1, 2023, the 2021 repurchase program was terminated and the remaining authorization of \$339 million expired.

Our 2023 repurchase program authorizes the purchase of up to \$2.0 billion, excluding excise taxes, of our common stock at the company's discretion and has no fixed termination date. The 2023 repurchase program does not require the company to acquire a specific number of shares and may be suspended, amended or discontinued at any time. The 2023 repurchase program commenced on March 1, 2023, and also terminated and replaced the 2021 repurchase program. During the three months ended January 31, 2024, we repurchased and retired no shares under this authorization. As of January 31, 2024, we had remaining authorization to repurchase up to approximately \$1.524 billion of our common stock under the 2023 repurchase program.

*Dividends.* During the three months ended January 31, 2024 and 2023, we paid cash dividends of \$0.236 per common share or \$69 million, and \$0.225 per common share or \$67 million, respectively, on the company's common stock.

On February 21, 2024, our board of directors declared a quarterly dividend of \$0.236 per share of common stock or approximately \$69 million which will be paid on April 24, 2024 to all shareholders of record at the close of business on April 2, 2024. The timing and amounts of any future dividends are subject to determination and approval by our board of directors.

*Contingent Consideration Payment.* During the three months ended January 31, 2023, we paid \$65 million related to the achievement of a certain technical milestone associated with our acquisition of Resolution Bioscience. Of the \$65 million payment, \$3 million was included as an outflow in cash from operations.

*Credit Facilities and Short-Term Debt.* On June 7, 2023, we entered into a credit agreement with a group of financial institutions which provides for a \$1.5 billion five-year unsecured credit facility that will expire on June 7, 2028 and an incremental revolving credit facility in an aggregate amount of up to \$750 million. The credit facility replaced the existing credit facility which was terminated on the closing date of the new facility. During the three months ended January 31, 2024, we had no borrowings or repayments under these credit facilities. As of January 31, 2024, we had no borrowings outstanding under both the credit facility and the incremental revolving credit facility. We were in compliance with the covenants for the credit facility during the three months ended January 31, 2024.

On June 2, 2023, we entered into an Uncommitted Money Market Line Credit agreement with Societe Generale which provides for an aggregate borrowing capacity of \$300 million. The credit facility is an uncommitted short-term cash advance facility where each request must be at least \$1 million. The interest rate is set by the lender at the time of the borrowing and is fixed for the duration of the advance. During the three months ended January 31, 2024, we had no borrowings or repayments under this credit facility. As of January 31, 2024, we had no borrowings outstanding under the credit facility.

*Commercial Paper.* Under our U.S. commercial paper program, the company may issue and sell unsecured, short-term promissory notes in the aggregate principal amount not to exceed \$1.5 billion with up to 397-day maturities. At any point in time, the company intends to maintain available commitments under its revolving credit facility in an amount at least equal to the amount of the commercial paper notes outstanding. Amounts available under the program may be borrowed, repaid and re-borrowed from time to time. The proceeds from issuances under the program may be used for general corporate purposes. During the three months ended January 31, 2024, we had no borrowings or repayments under our commercial paper program compared to borrowings of \$527 million and repayments of \$324 million in the same period in 2023. As of January 31, 2024 we had no borrowings outstanding under our U.S. commercial paper program.

*Long-Term Debt.* On April 15, 2022, we entered into a term loan agreement with a group of financial institutions, which provided for a \$600 million delayed draw term loan that will mature on April 15, 2025. During the three months ended January 31, 2024, we prepaid a total of \$180 million on our term loan. As of January 31, 2024, we had \$420 million borrowings outstanding under the term loan facility and had a weighted average interest rate of 6.18 percent.

There have been no changes to the principal, maturity, interest rates and interest payment terms of the Agilent outstanding senior notes in the three months ended January 31, 2024 as compared to the senior notes as described in our Annual Report on Form 10-K for the fiscal year ended October 31, 2023.

*Other.* Our commitments for indirect material and services decreased by \$11 million from \$123 million as reported in our Annual Report on Form 10-K for the fiscal year ended October 31, 2023. These commitments are related to a variety of suppliers including IT support service providers. Our commitments to contract manufacturers and suppliers decreased by \$66 million as supply chain issues improved from \$707 million as reported in our Annual Report on Form 10-K for the fiscal year ended October 31, 2023. These commitments are related to a variety of suppliers, and we use several contract manufacturers to provide manufacturing services for our products. During the normal course of business, we issue purchase orders with estimates of our requirements several months ahead of the delivery dates. These open purchase orders with our suppliers have not yet been received, and our agreements usually provide us the option to cancel, reschedule and adjust our requirements based on our business needs prior to the firm orders being placed. There were no other substantial changes from our Annual Report on Form 10-K for the fiscal year ended October 31, 2023 to our contractual commitments in the first three months of fiscal year 2024. We have no other material non-cancelable guarantees or commitments.

Other long-term liabilities as of January 31, 2024 and October 31, 2023 include \$159 million and \$162 million, respectively, related to long-term income tax liabilities. Of these amounts, \$65 million and \$68 million related to uncertain tax positions as of January 31, 2024 and October 31, 2023, respectively. We are unable to accurately predict when these amounts

will be realized or released. However, it is reasonably possible that there could be significant changes to our unrecognized tax benefits in the next twelve months due to either the expiration of a statute of limitations or a tax audit settlement. As of January 31, 2024 the remaining \$94 million in other long-term liabilities relates to the U.S. transition tax payment which is due in installments over the next two years.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are exposed to foreign currency exchange rate risks inherent in our sales commitments, anticipated sales, and assets and liabilities and equity denominated in currencies other than the functional currency of our subsidiaries. We hedge future cash flows denominated in currencies other than the functional currency using sales forecasts up to twelve months in advance. Our exposure to exchange rate risks is mainly managed on an enterprise-wide basis. This strategy utilizes derivative financial instruments, including option and forward contracts, to hedge certain foreign currency exposures with the intent of offsetting gains and losses that occur on the underlying exposures with gains and losses on the derivative contracts hedging them. We may also hedge equity balances denominated in foreign currency on a long-term basis. We do not currently and do not intend to utilize derivative financial instruments for speculative trading purposes. To the extent that we are required to pay for all, or portions, of an acquisition price in foreign currencies, we may enter into foreign exchange contracts to reduce the risk that currency movements will impact the cost of the transaction.

Our operations generate non-functional currency cash flows such as revenues, third party vendor payments and inter-company payments. In anticipation of these foreign currency cash flows and in view of volatility of the currency market, we enter into such foreign exchange contracts as are described above to manage our currency risk. Approximately 46 percent and 53 percent of our revenue was generated in U.S. dollars during the three months ended January 31, 2024 and 2023, respectively. The overall favorable effect of changes in foreign currency exchange rates, principally as a result of the weakness of the U.S. dollar, has increased revenue by 1 percentage point in the three months ended January 31, 2024. We calculate the impact of movements in our foreign currency exchange rates by applying the actual foreign currency exchange rates in effect during the last month of each quarter of the current year to both the applicable current and prior year periods.

We performed a sensitivity analysis assuming a hypothetical 10 percent adverse movement in foreign exchange rates to the hedging contracts and the underlying exposures described above. As of January 31, 2024, the analysis indicated that these hypothetical market movements would not have a material effect on our condensed consolidated financial position, results of operations, statement of comprehensive income or cash flows.

We are also exposed to interest rate risk due to the mismatch between the interest expense we pay on our loans at fixed rates and the variable rates of interest we receive from cash, cash equivalents and other short-term investments. We have issued long-term debt in U.S. dollars or foreign currencies at fixed interest rates based on the market conditions at the time of financing.

We performed a sensitivity analysis assuming a hypothetical 10 percent adverse movement in interest rates relating to the underlying fair value of our fixed rate debt. As of January 31, 2024, the sensitivity analyses indicated that a hypothetical 10 percent adverse movement in interest rates would result in an immaterial impact to the fair value of our fixed interest rate debt.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### *Evaluation of Disclosure Controls and Procedures*

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by the Securities Exchange Act of 1934 (the "Exchange Act") Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective at ensuring that information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding such required disclosure to the SEC.

#### *Changes in Internal Control over Financial Reporting*

There were no changes in our internal control over financial reporting during the quarter ended January 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II — OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

We are involved in lawsuits, claims, investigations and proceedings, including, but not limited to, intellectual property, commercial, real estate, environmental and employment matters, which arise in the ordinary course of business. There are no matters pending that we currently believe are probable and reasonably possible of having a material impact to our business, consolidated financial condition, results of operations or cash flows.

### ITEM 1A. RISK FACTORS

#### Business and Strategic Risks

##### *General economic conditions may adversely affect our operating results and financial condition.*

Our business is sensitive to negative changes in general economic conditions, both inside and outside the United States. Slower global economic growth, increasing interest rates, inflationary pressures, instability and uncertainty in the markets in which we operate may adversely impact our business resulting in:

- reduced demand and longer sales cycle for our products, delays in the shipment of orders, or increases in order cancellations;
- increased risk of excess and obsolete inventories;
- increased price pressure for our products and services; and
- greater risk of impairment to the value, and a detriment to the liquidity, of our investment portfolio.

##### *Our operating results and financial condition could be harmed if the markets into which we sell our products decline or do not grow as anticipated.*

Visibility into our markets is limited. Our quarterly sales and operating results are highly dependent on the volume and timing of orders received during the fiscal quarter, which are difficult to forecast and may be cancelled by our customers. In addition, our revenue and earnings forecasts for future fiscal quarters are often based on the expected seasonality of our markets. However, the markets we serve do not always experience the seasonality that we expect as customer spending policies and budget allocations, particularly for capital items, may change. Any decline in our customers' markets or in general economic conditions would likely result in a reduction in demand for our products and services. Also, if our customers' markets decline, we may not be able to collect on outstanding amounts due to us. Such declines could harm our consolidated financial position, results of operations, cash flows and stock price, and could limit our profitability. Also, in such an environment, pricing pressures could intensify. Since a significant portion of our operating expenses is relatively fixed in nature due to sales, research and development and manufacturing costs, if we were unable to respond quickly enough, these pricing pressures could further reduce our operating margins.

*If we do not introduce successful new products and services in a timely manner to address increased competition through frequent new product and service introductions, rapid technological changes and changing industry standards, our products and services may become obsolete, and our operating results may suffer.*

We generally sell our products in industries that are characterized by increased competition through frequent new product and service introductions, rapid technological changes and changing industry standards. Without the timely introduction of new products, services and enhancements, our products and services may become technologically obsolete over time, in which case our revenue and operating results could suffer. The success of our new products and services will depend on several factors, including our ability to:

- properly identify customer needs and predict future needs;
- innovate and develop new technologies, services and applications;
- appropriately allocate our research and development spending to products and services with higher growth prospects;
- successfully commercialize new technologies in a timely manner;
- manufacture and deliver new products in sufficient volumes and on time;
- differentiate our offerings from our competitors' offerings;
- price our products competitively;

- anticipate our competitors' development of new products, services or technological innovations; and
- control product quality in our manufacturing process.

In addition, if we fail to accurately predict future customer needs and preferences or fail to produce viable technologies, we may invest in research and development of products and services that do not lead to significant revenue, which would adversely affect our profitability. Even if we successfully innovate and develop new and enhanced products and services, we may incur substantial costs in doing so, and our operating results may suffer. In addition, promising new products may fail to reach the market or realize only limited commercial success because of real or perceived concerns of our customers. Furthermore, as we collaborate with pharmaceutical customers to develop drugs such as companion diagnostics assays or provide drug components like active pharmaceutical ingredients, we face risks that those drug programs may be cancelled upon clinical trial failures.

***Economic, political, foreign currency and other risks associated with international sales and operations could adversely affect our results of operations.***

Because we sell our products worldwide, our business is subject to risks associated with doing business internationally. We anticipate that revenue from international operations will continue to represent a majority of our total revenue. International revenue and costs are subject to the risk that fluctuations in foreign currency exchange rates could adversely affect our financial results when translated into U.S. dollars for financial reporting purposes. Foreign currency movements for the three months ended January 31, 2024 had an overall favorable impact on revenue of approximately 1 percentage point when compared to the same period last year. When movements in foreign currency exchange rates have a positive impact on revenue, they will also have a negative impact by increasing our costs and expenses. In addition, many of our employees, contract manufacturers, suppliers, job functions, outsourcing activities and manufacturing facilities are located outside the United States. Accordingly, our future results could be harmed by a variety of factors, including:

- interruption to transportation flows for delivery of parts to us and finished goods to our customers;
- ongoing instability or changes in a specific country's or region's political, economic or other conditions, including inflation, recession, interest rate fluctuations and actual or anticipated military or political conflicts, including uncertainties and instability in economic and market conditions caused by pandemics like the COVID-19, the current conflicts in Ukraine/Russia and the Middle East, and political and trade uncertainties in the greater China region;
- changes in diplomatic and trade relationships, as well as, new tariffs, trade protection measures, import or export licensing requirements, new or different customs duties, trade embargoes and sanctions and other trade barriers;
- tariffs imposed by the U.S. on goods from other countries and tariffs imposed by other countries on U.S. goods, including the tariffs enacted by the U.S. government on various imports from China and by the Chinese government on certain U.S. goods;
- negative consequences from changes in or differing interpretations of laws and regulations, including those related to tax and import/export;
- difficulty in staffing and managing widespread operations;
- differing labor regulations;
- differing protection of intellectual property;
- unexpected changes in regulatory requirements;
- geopolitical uncertainty or turmoil, terrorism and war; and
- impact of public health crises, including pandemics and epidemics, such as COVID-19 on the global economy.

We sell our products into many countries and we also source many components and materials for our products from and manufacture our products in various countries. Future tariffs and tariffs already implemented could have negative impact on our business, results of operations and financial condition. It may be time-consuming and expensive for us to alter our business operations in order to adapt to any such change. Further, additional tariffs, the scope and duration of which, if implemented, remains uncertain, which have been proposed or threatened and the potential escalation of a trade war and retaliatory measures could have a material adverse effect on our business, results of operations and financial condition.

Most of our accounting and tax processes including general accounting, cost accounting, accounts payable, accounts receivable and tax functions are centralized at locations in India and Malaysia. If economical, political, health or other conditions change in those countries, it may adversely affect operations, including impairing our ability to pay our suppliers and collect our receivables. Our results of operations, as well as our liquidity, may be adversely affected and possible delays may occur in reporting financial results.

In addition, although the majority of our products are priced and paid for in U.S. dollars, a significant amount of certain types of expenses, such as payroll, utilities, tax, and marketing expenses, are paid in local currencies. Our hedging programs reduce, but do not always entirely eliminate, within any given twelve-month period, the impact of currency exchange rate movements, and therefore fluctuations in exchange rates, including those caused by currency controls, could impact our business, operating results and financial condition by resulting in lower revenue or increased expenses. For expenses beyond that twelve-month period, our hedging strategy does not mitigate our exposure. In addition, our currency hedging programs involve third-party financial institutions as counterparties. The weakening or failure of financial institution counterparties may adversely affect our hedging programs and our financial condition through, among other things, a reduction in available counterparties, increasingly unfavorable terms, and the failure of the counterparties to perform under hedging contracts.

***Demand for some of our products and services depends on the capital spending policies of our customers, research and development budgets and on government funding policies.***

Our customers include pharmaceutical companies, laboratories, universities, healthcare providers, government agencies and public and private research institutions. Many factors, including public policy spending priorities, available resources, mergers and consolidations, institutional and governmental budgetary policies and spending priorities, and product and economic cycles, have a significant effect on the capital spending policies of these entities. Fluctuations in the research and development budgets at these organizations could have a significant effect on the demand for our products and services. Research and development budgets fluctuate due to changes in available resources, consolidation, spending priorities, general economic conditions, medical reimbursement policies and institutional and governmental budgetary policies. The timing and amount of revenue from customers that rely on government funding or research may vary significantly due to factors that can be difficult to forecast, including changes in spending authorizations and budgetary priorities for our products and services. If demand for our products and services is adversely affected, our revenue and operating results would suffer.

***Failure to adjust our purchases due to changing market conditions or failure to accurately estimate our customers' demand could adversely affect our income.***

Our income could be harmed if we are unable to adjust our purchases to reflect market fluctuations, including those caused by the seasonal nature of the markets in which we operate. The sales of our products and services are dependent, to a large degree, on customers whose industries are subject to seasonal trends in the demand for their products. During a market upturn, we may not be able to purchase sufficient supplies or components to meet increasing product demand, which could materially affect our results. In the past, we have experienced a shortage of parts for some of our products. In addition, some of the parts that require custom design are not readily available from alternate suppliers due to their unique design or the length of time necessary for design work. Should a supplier cease manufacturing such a component, we would be forced to reengineer our product. In addition to discontinuing parts, suppliers may also extend lead times, limit supplies or increase prices due to capacity constraints or other factors. In order to secure components for the production of products, we may continue to enter into non-cancelable purchase commitments with vendors, or at times make advance payments to suppliers, which could impact our ability to adjust our inventory to declining market demands. If demand for our products is less than we expect, we may experience additional excess and obsolete inventories and be forced to incur additional expenses.

***Our business will suffer if we are not able to retain and hire key personnel.***

Our future success depends partly on the continued service of our key research, engineering, sales, marketing, manufacturing, executive and administrative personnel. If we fail to retain and hire a sufficient number of these personnel, we will not be able to maintain or expand our business. The markets in which we operate are very dynamic, and our businesses continue to respond with reorganizations, workforce reductions and site closures. We believe our pay levels are very competitive within the regions that we operate. However, there is intense competition for certain highly technical specialties in geographic areas where we continue to recruit, and it may become more difficult to hire and retain our key employees.

***Our strategic initiatives to adjust our cost structure could have long-term adverse effects on our business, and we may not realize the operational or financial benefits from such actions.***

We have implemented multiple strategic initiatives across our businesses to adjust our cost structure, and we may engage in similar activities in the future. These strategic initiatives and our regular ongoing cost reduction activities may distract management, could slow improvements in our products and services and limit our ability to increase production quickly if demand for our products increases. In addition, delays in implementing our strategic initiatives, unexpected costs or failure to meet targeted improvements may diminish the operational and financial benefits we realize from such actions. Any of the above circumstances could have an adverse effect on our business and operating results and financial condition.

***Our acquisitions, strategic investments and alliances, joint ventures, exiting of businesses and divestitures may result in financial results that are different than expected.***

In the normal course of business, we frequently engage in discussions with third parties relating to possible acquisitions, strategic investments and alliances, joint ventures and divestitures, and generally expect to complete several transactions per year. In addition, we may decide to exit a particular business within our product portfolio. As a result of such transactions, our financial results may differ from our own or the investment community's expectations in a given fiscal quarter or over the long term. We may have difficulty developing, manufacturing and marketing the products of a newly acquired company in a way that enhances the performance of our combined businesses or product lines. Acquired businesses may also expose us to new risks and new markets, and we may have difficulty addressing these risks in a cost effective and timely manner. Transactions such as acquisitions have resulted, and may in the future result in, unexpected significant costs and expenses. In the future, we may be required to record charges to earnings during the period if we determine there is an impairment of goodwill or intangible assets, up to the full amount of the value of the assets, or, in the case of strategic investments and alliances, consolidate results, including losses, of third parties or write down investment values or loans and convertible notes related to the strategic investment.

Integrating the operations of acquired businesses within Agilent could be a difficult, costly and time-consuming process that involves a number of risks. Acquisitions and strategic investments and alliances may require us to integrate and collaborate with a different company culture, management team, business model, business infrastructure and sales and distribution methodology and assimilate and retain geographically dispersed, decentralized operations and personnel. Depending on the size and complexity of an acquisition, our successful integration of the entity depends on a variety of factors, including introducing new products and meeting revenue targets as expected, the retention of key employees and key customers, increased exposure to certain governmental regulations and compliance requirements and increased costs and use of resources. Further, the integration of acquired businesses is likely to result in our systems and internal controls becoming increasingly complex and more difficult to manage. Any difficulties in the assimilation of acquired businesses into our control system could harm our operating results or cause us to fail to meet our financial reporting obligations.

Even if we are able to successfully integrate acquired businesses within Agilent, we may not be able to realize the revenue and other synergies and growth that we anticipated from the acquisition in the time frame that we expected, and the costs of achieving these benefits may be higher than what we expected. As a result, the acquisition and integration of acquired businesses may not contribute to our earnings as expected, we may not achieve our operating margin targets when expected, or at all, and we may not achieve the other anticipated strategic and financial benefits of such transactions.

A successful divestiture depends on various factors, including our ability to effectively transfer liabilities, contracts, facilities and employees to the purchaser, identify and separate the intellectual property to be divested from the intellectual property that we wish to keep and reduce fixed costs previously associated with the divested assets or business. In addition, if customers of the divested business do not receive the same level of service from the new owners, this may adversely affect our other businesses to the extent that these customers also purchase other Agilent products. In exiting a business, we may still retain liabilities associated with the support and warranty of those businesses and other indemnification obligations. All of these efforts require varying levels of management resources, which may divert our attention from other business operations. If we do not realize the expected benefits or synergies of such transactions, our consolidated financial position, results of operations, cash flows and stock price could be negatively impacted.

***The impact of consolidation and acquisitions of competitors is difficult to predict and may harm our business.***

The life sciences industry is intensely competitive and has been subject to increasing consolidation. Consolidation in our industries could result in existing competitors increasing their market share through business combinations and result in stronger competitors, which could have a material adverse effect on our business, financial condition and results of operations. We may not be able to compete successfully in increasingly consolidated industries and cannot predict with certainty how industry consolidation will affect our competitors or us.

***Public health crises such as the COVID-19 pandemic may adversely impact, and pose risks to, certain elements of our business, results of operations and financial condition, the nature and extent of which are highly uncertain and unpredictable.***

Our global operations expose us to risks associated with public health crises, including epidemics and pandemics such as COVID-19. For example, the recent global spread of COVID-19 had an adverse impact on our operations, sales and delivery and supply chains. Many countries including the United States implemented measures such as quarantine, shelter-in-place, curfew, travel and activity restrictions and similar isolation measures, including government orders and other restrictions on the conduct of business operations. Due to these measures we experienced significant and unpredictable reductions or increases in demand for certain of our products. Moreover, these measures caused delays in installations and significantly impacted our ability to service our customers on site. Public health crises may also impact our supply chain as we could experience disruptions or delays in shipments of certain materials or components of our products. We may be unable to accurately predict the full extent and duration of the impact of a public health crisis on our business and operations due to numerous uncertainties, including the duration and severity of the crisis, the efficacy and distribution of vaccines, containment measures and additional waves of infection. As conditions improve, there may be increases in demand for certain of our products, which could pose challenges to our supply chain. If there are supply shortages or delays and we are not able to meet increasing product demand, our results would be adversely affected.

**Regulatory, Legal and Compliance Risks**

***If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results, which could lead to a loss of investor confidence in our financial statements and have an adverse effect on our stock price.***

Effective internal controls are necessary for us to provide reliable and accurate financial statements and to effectively prevent fraud. We devote significant resources and time to comply with the internal control over financial reporting requirements of the Sarbanes Oxley Act of 2002 and continue to enhance our controls. However, we cannot be certain that we will be able to prevent future significant deficiencies or material weaknesses. Inadequate internal controls could cause investors to lose confidence in our reported financial information, which could have a negative effect on investor confidence in our financial statements, the trading price of our stock and our access to capital.

***Our customers and we are subject to various governmental regulations. Compliance with or changes in such regulations may cause us to incur significant expenses, and if we fail to maintain satisfactory compliance with certain regulations, we may be forced to recall products and cease their manufacture and distribution, and we could be subject to civil or criminal penalties.***

Our customers and we are subject to various significant international, federal, state and local regulations, including but not limited to regulations in the areas of health and safety, packaging, product content, employment, labor and immigration, import/export controls, trade restrictions and anti-competition. In addition, as a global organization, we are subject to data privacy and security laws, regulations, and customer-imposed controls in numerous jurisdictions as a result of having access to and processing confidential, personal, sensitive and/or patient health data in the course of our business. Global privacy laws, including the EU's General Data Protection Regulation ("GDPR"), Brazil's Lei Geral de Protecao de Dados, the California Consumer Privacy Act and China's Personal Information Protection Law and Data Security Law, apply to our activities involving the processing of personal data, both in relation to our product and service offerings and the management of our workforce. The global proliferation of privacy laws, with governmental authorities around the world passing or considering passing legislative and regulatory proposals concerning privacy and data protection, continues to result in new requirements regarding the handling of personal data and when personal data may be transferred outside the country where it was collected. Many such laws impose significant penalties for non-compliance (including possible fines of up to four percent of total company revenue under the GDPR or orders to stop processing personal data in a particular jurisdiction). Each of these privacy, security and data protection laws and regulations could impose significant limitations and increase our cost of providing our

products and services where we process personal data and could harm our results of operations and expose us to significant fines, penalties and other damages.

We must also comply with complex foreign and U.S. laws and regulations, such as the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and other local laws prohibiting corrupt payments to governmental officials, anti-competition regulations and sanctions imposed by the U.S. Office of Foreign Assets Control and other similar laws and regulations. Such laws demand that we implement, test, and monitor an effective compliance program, in order to detect and prevent instances of non-compliance. Violations of these laws and regulations could result in fines and penalties, criminal sanctions, restrictions on our business conduct and on our ability to offer our products in one or more countries, and could also materially affect our brand, our ability to attract and retain employees, our international operations, our business and our operating results. Although we have implemented policies and procedures designed to ensure compliance with these laws and regulations, there can be no assurance that our employees, contractors, or agents will not violate our policies.

These regulations are complex, change frequently and have tended to become more stringent over time. We may be required to incur significant expenses to comply with these regulations or to remedy any violations of these regulations. Any failure by us to comply with applicable government regulations could also result in the cessation of our operations or portions of our operations, product recalls or impositions of fines and restrictions on our ability to carry on or expand our operations. In addition, because many of our products are regulated or sold into regulated industries, we must comply with additional regulations in marketing our products. We develop, configure and market our products to meet customer needs created by these regulations. Any significant change in these regulations could reduce demand for our products, force us to modify our products to comply with new regulations or increase our costs of producing these products. If demand for our products is adversely affected or our costs increase, our operating results and business would suffer.

Our products and operations are also often subject to the rules of industrial standards bodies, like the International Standards Organization, as well as regulation by other agencies such as the FDA. We also must comply with work safety rules. If we fail to adequately address any of these regulations, our businesses could be harmed.

***We are subject to extensive regulation by the FDA and certain similar foreign regulatory agencies, and failure to comply with such regulations could harm our reputation, business, financial condition and results of operations.***

A number of our products and services are subject to regulation by the FDA, the U.S. Department of Health and Human Services, the Centers for Medicare & Medicaid Services and certain similar foreign regulatory agencies. In addition, a number of our products and services may in the future be subject to regulation by the FDA and certain similar foreign regulatory agencies. These regulations govern a wide variety of product and service-related activities, from quality management, design and development to labeling, manufacturing, promotion, sales and distribution. In addition, we are subject to inspections by these and other regulatory authorities. If we or any of our suppliers, distributors or customers fail to comply with FDA and other applicable regulatory requirements or are perceived to potentially have failed to comply, we may face, among other things, warning letters; adverse publicity affecting both us and our customers; investigations or notices of non-compliance, fines, injunctions, and civil or criminal penalties; import or export restrictions; partial suspensions or total shutdown of production facilities or the imposition of operating restrictions; suspension or revocation of our license to operate, increased difficulty in obtaining required FDA clearances or approvals or foreign equivalents; seizures or recalls of our products or those of our customers; or the inability to sell our products. Any such FDA or other regulatory agency actions could disrupt our business and operations, lead to significant remedial costs and have a material adverse impact on our financial position and results of operations. In addition, the global regulatory environment has become increasingly stringent for our products and services. For example, the EU has started to enforce new requirements, known as the EU In Vitro Diagnostic Regulation (the “EU IVDR”), which imposes stricter requirements for the marketing and sale of in vitro diagnostics in the European Union. These new regulations are more stringent in a variety of areas, including clinical requirements, quality systems and post-market surveillance activities. The new EU IVDR requirements became effective starting in May 2022. Failure to meet these requirements could adversely impact our business in the EU and other regions that tie their product registrations to the EU requirements.

***Some of our products are subject to particularly complex regulations such as regulations of toxic substances, and failure to comply with such regulations could harm our business.***

Some of our products and related consumables are used in conjunction with chemicals whose manufacture, processing, distribution and notification requirements are regulated by the U.S. Environmental Protection Agency (“EPA”) under the Toxic Substances Control Act and by regulatory bodies in other countries under similar laws. The Toxic Substances Control Act regulations govern, among other things, the testing, manufacture, processing and distribution of chemicals, the testing of

regulated chemicals for their effects on human health and safety and the import and export of chemicals. The Toxic Substances Control Act prohibits persons from manufacturing any chemical in the United States that has not been reviewed by the EPA for its effect on health and safety and placed on an EPA inventory of chemical substances. We must ensure conformance of the manufacturing, storing, processing, distribution of and notification about these chemicals to these laws and adapt to regulatory requirements in all applicable countries as these requirements change. If we fail to comply with the notification, record-keeping and other requirements in the manufacture or distribution of our products, then we could be subject to civil penalties, criminal prosecution and, in some cases, prohibition from distributing or marketing our products until the products or component substances are brought into compliance.

***Our business may suffer if we fail to comply with government contracting laws and regulations.***

We derive a portion of our revenue from direct and indirect sales to U.S. federal, state, local, and foreign governments and their respective agencies. Such contracts are subject to various procurement laws and regulations and contract provisions relating to their formation, administration and performance. Failure to comply with these laws, regulations or provisions in our government contracts could result in the imposition of various civil and criminal penalties, termination of contracts, forfeiture of profits, suspension of payments, increased pricing pressure or suspension from future government contracting. If our government contracts are terminated, if we are suspended from government work, or if our ability to compete for new contracts is adversely affected, our business could suffer.

***Our reputation, ability to do business and financial statements may be harmed by improper conduct by any of our employees, agents or business partners.***

We cannot provide assurance that our internal controls and compliance systems will always protect us from acts committed by employees, agents or business partners of ours (or of businesses we acquire or partner with) that would violate U.S. and/or non-U.S. laws, including the laws governing payments to government officials, bribery, fraud, kickbacks and false claims, pricing, sales and marketing practices, conflicts of interest, competition, employment practices and workplace behavior, export and import compliance, money laundering and data privacy. In particular, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business, and we operate in many parts of the world that have experienced governmental corruption to some degree. Any such improper actions or allegations of such acts could damage our reputation and subject us to civil or criminal investigations in the United States and in other jurisdictions, and related shareholder lawsuits could lead to substantial civil and criminal, monetary and non-monetary penalties and could cause us to incur significant legal and investigatory fees. In addition, the government may seek to hold us liable as a successor for violations committed by companies in which we invest or that we acquire. We also rely on our suppliers to adhere to our supplier standards of conduct, and material violations of such standards of conduct could occur that could have a material effect on our business, reputation and financial statements.

***We are subject to evolving corporate governance and public disclosure expectations and regulations that impact compliance costs and risks of noncompliance.***

We are subject to changing rules and regulations promulgated by a number of governmental and self-regulatory organizations, including the SEC and NYSE, as well as evolving investor expectations around corporate governance and environmental and social practices and disclosures. These rules and regulations continue to evolve in scope and complexity, and many new requirements have been created in response to laws enacted by the U.S., local and foreign governments, making compliance more difficult and uncertain. The increase in costs to comply with such evolving expectations, rules and regulations, as well as any risk of noncompliance, could adversely impact us.

In addition, we face increasing scrutiny from stakeholders with respect to environmental, social and governance (“ESG”) practices and disclosures. Also, various legal and regulatory requirements specific to ESG matters in the U.S., local or other jurisdictions in which we operate are complex, change frequently and have tended to become more stringent. For instance, we are subject to various laws against forced labor which have been promulgated by many regulatory authorities in the jurisdictions where we operate. Any failure to adequately address stakeholder expectations with respect to ESG matters may result in noncompliance and adverse impact on our business, financial results, stock price or reputation. For example, our ability to achieve our current and future ESG goals is uncertain and remains subject to numerous risks, including evolving regulatory requirements and stakeholder expectations, our ability to recruit and retain a diverse workforce, the availability of suppliers and other business partners that can meet our ESG expectations and standards, cost considerations and the development and availability of cost-effective technologies or resources that support our ESG goals.

***Environmental contamination from past and ongoing operations could subject us to substantial liabilities.***

Certain properties we have previously owned or leased are undergoing remediation for subsurface contamination. Although we are indemnified for liability relating to the required remediation at some of those properties, we may be subject to liability if these indemnification obligations are not fulfilled. In other cases, we have agreed to indemnify the current owners of certain properties for liabilities related to contamination, including companies with which we have previously been affiliated such as HP, Inc., Hewlett-Packard Enterprise (formerly Hewlett-Packard Company) and Siemens Healthineers (formerly Varian Medical Systems, Inc.). Further, other properties we have previously owned or leased at which we have operated in the past, or for which we have otherwise contractually assumed or provided indemnities, certain actual or contingent environmental liabilities, may or do require remediation. While we are not aware of any material liabilities associated with any potential environmental contamination at any of those properties or facilities, we may be exposed to material liability if environmental contamination at material levels is found to exist. In addition, in connection with the acquisition of certain companies, we have assumed other costs and potential or contingent liabilities for environmental matters. Any significant costs or liabilities could have an adverse effect on results of operations.

***We are subject to environmental laws and regulations that expose us to a number of risks and could result in significant liabilities and costs.***

Our current and historical manufacturing and research and development processes and facilities are subject to various foreign, federal, state and local environment protection and health and safety laws and regulations. As a result, we may become subject to liabilities for environmental contamination, and these liabilities may be substantial. Although our policy is to apply strict standards for environmental protection and health and safety at our sites inside and outside the United States, we may not be aware of all conditions that could subject us to liability. Further, in the event that any future climate change legislation would require that stricter standards be imposed by domestic or international environmental regulatory authorities, we may be required to make certain changes and adaptations to our manufacturing processes and facilities. We cannot predict how changes will affect our business operations or the cost of compliance to us, our customers or our suppliers. Failure to comply with these environmental protection and health and safety laws and regulations could result in civil, criminal, regulatory, administrative or contractual sanction, including fines, penalties or suspensions, restrictions on our operations and reputational damage. If we have any violations of, or incur liabilities pursuant to these laws or regulations, our financial condition and operating results could be adversely affected.

***Third parties may claim that we are infringing their intellectual property, and we could suffer significant litigation or licensing expenses or be prevented from selling products or services.***

From time to time, third parties may claim that one or more of our products or services infringe their intellectual property rights. We analyze and take action in response to such claims on a case by case basis. Any dispute or litigation regarding patents or other intellectual property could be costly and time-consuming due to the complexity of our technology and the uncertainty of intellectual property litigation and could divert our management and key personnel from our business operations. A claim of intellectual property infringement could force us to enter into a costly or restrictive license agreement, which might not be available under acceptable terms or at all, could require us to redesign our products, which would be costly and time-consuming, and/or could subject us to significant damages or to an injunction against the development and sale of certain of our products or services. Our intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a license, in response to a claim of intellectual property infringement. In certain of our businesses, we rely on third-party intellectual property licenses, and we cannot ensure that these licenses will continue to be available to us in the future or can be expanded to cover new products on favorable terms or at all.

***Third parties may infringe our intellectual property, and we may suffer competitive injury or expend significant resources enforcing our rights.***

Our success depends in large part on our proprietary technology, including technology we obtained through acquisitions. We rely on various intellectual property rights, including patents, copyrights, trademarks and trade secrets, as well as confidentiality provisions and licensing arrangements, to establish our proprietary rights. If we do not enforce our intellectual property rights successfully, our competitive position may suffer, which could harm our operating results.

Our pending patent, copyright and trademark registration applications may not be allowed, or competitors may challenge the validity or scope of our patents, copyrights or trademarks. In addition, our patents, copyrights, trademarks and other intellectual property rights may not provide us with a significant competitive advantage.

We may need to spend significant resources monitoring and enforcing our intellectual property rights, and we may not be aware of or able to detect or prove infringement by third parties. Our competitive position may be harmed if we cannot detect infringement and enforce our intellectual property rights quickly or at all. In some circumstances, we may choose to not pursue enforcement because an infringer has a dominant intellectual property position or for other business reasons. In addition, competitors might avoid infringement by designing around our intellectual property rights or by developing non-infringing competing technologies. Intellectual property rights and our ability to enforce them may be unavailable or limited in some countries, which could make it easier for competitors to capture market share and could result in lost revenues. Furthermore, some of our intellectual property is licensed to others which may allow them to compete with us using that intellectual property.

## **Operational Risks**

***If we are unable to successfully manage the consolidation and streamlining of our manufacturing operations, we may not achieve desired efficiencies, and our ability to deliver products to our customers could be disrupted.***

Although we utilize manufacturing facilities throughout the world, we have consolidated, and may further consolidate, our manufacturing operations to certain of our plants to achieve efficiencies and gross margin improvements. Additionally, we typically consolidate the production of products from our acquisitions into our supply chain and manufacturing processes, which are technically complex and require expertise to operate. If we are unable to establish processes to efficiently and effectively produce high quality products in the consolidated locations, we may not achieve the anticipated synergies and production may be disrupted, which could adversely affect our business and operating results.

***Our operating results may suffer if our manufacturing capacity does not match the demand for our products.***

Because we cannot immediately adapt our production capacity and related cost structures to rapidly changing market conditions, when demand does not meet our expectations, our manufacturing capacity may exceed our production requirements. If during an economic downturn we had excess manufacturing capacity which could occur due to our plans to expand certain manufacturing capacities, then our fixed costs associated with excess manufacturing capacity would adversely affect our gross margins and operating results. If, during a general market upturn or an upturn in one of our segments, we cannot increase our manufacturing capacity to meet product demand, we may not be able to fulfill orders in a timely manner which could lead to order cancellations, contract breaches or indemnification obligations. This inability could materially and adversely limit our ability to improve our results.

***Dependence on contract manufacturing and outsourcing other portions of our supply chain, including logistics and third-party package delivery services, may adversely affect our ability to bring products to market and damage our reputation. Dependence on outsourced information technology and other administrative functions may impair our ability to operate effectively.***

As part of our efforts to streamline operations and to manage costs, we outsource aspects of our manufacturing processes and other functions and continue to evaluate additional outsourcing. If our contract manufacturers or other outsourcers fail to perform their obligations in a timely manner or at satisfactory quality levels, our ability to bring products to market and our reputation could suffer. For example, during a market upturn, our contract manufacturers may be unable to meet our demand requirements, which may preclude us from fulfilling our customers' orders on a timely basis. The ability of these manufacturers to perform is largely outside of our control. If one or more of the third-party package delivery providers experiences a significant disruption in services or institutes a significant price increase, we may have to seek alternative providers, our costs could increase, and the delivery of our products could be prevented or delayed. Additionally, changing or replacing our contract manufacturers, logistics providers or other outsourcers could cause disruptions or delays. In addition, we outsource significant portions of our information technology ("IT") and other administrative functions. Since IT is critical to our operations, any failure to perform on the part of our IT providers could impair our ability to operate effectively. In addition to the risks outlined above, problems with manufacturing or IT outsourcing could result in lower revenue and unexecuted efficiencies and impact our results of operations and our stock price.

***If we suffer a loss to our factories, facilities or distribution system due to catastrophe, our operations could be seriously harmed.***

Our factories, facilities and distribution system are subject to catastrophic loss due to fire, flood, terrorism, public health crises, increasing severity or frequency of extreme weather events, or other climate-change related risks, including resource scarcity, rationing or unexpected costs from increases in fuel and raw material prices that may be caused by extreme weather conditions. For example, in the second quarter of fiscal year 2022, the outbreak of COVID-19 in China led to mandated shutdown of our facilities in Shanghai, which adversely impacted our business and results, and impacted our supply chain. In addition, several of our facilities could be subject to a catastrophic loss caused by earthquake due to their locations. Our production facilities, headquarters and laboratories in California, and our production facilities in Japan, are all located in areas with above-average seismic activity. In addition, our facilities in California are susceptible to extreme weather conditions such as drought, flooding and wildfires. If any of our facilities were to experience a catastrophic loss, it could disrupt our operations, delay production, shipments and revenue and result in large expenses to repair or replace the facility. If such a disruption were to occur, we could breach agreements, our reputation could be harmed, and our business and operating results could be adversely affected. In addition, because we have consolidated our manufacturing facilities and we may not have redundant manufacturing capability readily available, we are more likely to experience an interruption to our operations in the event of a catastrophe in any one location. Although we carry insurance for property damage and business interruption, we do not carry insurance or financial reserves for interruptions or potential losses arising from earthquakes or terrorism. Also, our third-party insurance coverage will vary from time to time in both type and amount depending on availability, cost and our decisions with respect to risk retention. Economic conditions and uncertainties in global markets may adversely affect the cost and other terms upon which we are able to obtain third-party insurance. If our third-party insurance coverage is adversely affected or to the extent we have elected to self-insure, we may be at a greater risk that our financial condition will be harmed by a catastrophic loss.

***If we experience a significant disruption in, or breach in security of, our information technology systems, or if we fail to implement new systems and software successfully, our business could be adversely affected.***

We rely on several centralized information technology systems throughout our company to provide products and services, keep financial records, process orders, manage inventory, process shipments to customers and operate other critical functions. Our information technology systems may be susceptible to damage, disruptions or shutdowns due to power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors, catastrophes or other unforeseen events. For example, in December 2020, it was widely reported that SolarWinds, an information technology company, was the subject of a cyberattack that created security vulnerabilities for thousands of its clients. We identified an impacted SolarWinds server and promptly took steps to contain and remediate the incidents. While we believe that there were no disruptions to our operations as a result of this attack, other similar attacks could have a significant negative impact on our systems and operations. Our information technology systems also may experience interruptions, delays or cessations of service or produce errors in connection with system integration, software upgrades or system migration work that takes place from time to time. If we were to experience a prolonged system disruption in the information technology systems that involve our interactions with customers or suppliers, it could result in the loss of sales and customers and significant incremental costs, which could adversely affect our business. In addition, security breaches of our information technology systems could result in the misappropriation or unauthorized disclosure of confidential information belonging to us or to our employees, partners, customers or suppliers, which could result in our suffering significant financial or reputational damage. Concern over increasingly prevalent cyberattacks or other forms of security breaches of information technology systems can result in additional legal and regulatory requirements in the markets we operate our business and may lead to increased compliance burdens and costs to meet the regulatory obligations.

## **Financial and Tax Risks**

***Our retirement and post retirement pension plans are subject to financial market risks that could adversely affect our future results of operations and cash flows.***

We have significant retirement and post retirement pension plan assets and obligations. The performance of the financial markets and interest rates impact our plan expenses and funding obligations. Significant decreases in market interest rates, decreases in the fair value of plan assets and investment losses on plan assets will increase our funding obligations and adversely impact our results of operations and cash flows.

***Changes in tax laws, unfavorable resolution of tax examinations, or exposure to additional tax liabilities could have a material adverse effect on our results of operations, financial condition and liquidity.***

We are subject to taxes in the U.S., Singapore and various foreign jurisdictions. Governments in the jurisdictions in which we operate implement changes to tax laws and regulations periodically. Any implementation of tax laws that fundamentally change the taxation of corporations in the U.S. or Singapore could materially impact our effective tax rate and could have a significant adverse impact on our financial results.

The Organization for Economic Co-operation and Development (OECD) has introduced rules to establish a global minimum tax rate of 15 percent, commonly referred to as the Pillar Two rules. Many countries have enacted legislation to implement the Pillar Two rules. We are currently evaluating the potential impacts that Pillar Two may have on future periods and will continue to monitor the implementation of the Pillar Two rules in the jurisdictions in which we operate.

We are also subject to examinations of our tax returns by tax authorities in various jurisdictions around the world. We regularly assess the likelihood of adverse outcomes resulting from ongoing tax examinations to determine the adequacy of our provision for taxes. These assessments can require a high degree of judgment and estimation. Intercompany transactions associated with the sale of inventory, services, intellectual property and cost share arrangements are complex and affect our tax liabilities. The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in multiple jurisdictions. There can be no assurance that the outcomes from ongoing tax examinations will not have an adverse effect on our operating results and financial condition. A difference in the ultimate resolution of tax uncertainties from what is currently estimated could have an adverse effect on our financial results and condition.

***If tax incentives change or cease to be in effect, our income taxes could increase significantly.***

We benefit from tax incentives extended to our foreign subsidiaries to encourage investment or employment. Singapore has granted us tax incentives which require renewal at various times in the future. The incentives are conditioned on achieving various thresholds of investments and employment or specific types of income. Our taxes could increase if the incentives are not renewed upon expiration. If we cannot or do not wish to satisfy all or parts of the tax incentive conditions, we may lose the related tax incentive and could be required to refund tax incentives previously realized. As a result, our effective tax rate could be higher than it would have been had we maintained the benefits of the tax incentives.

***We have outstanding debt and may incur other debt in the future, which could adversely affect our financial condition, liquidity and results of operations.***

We are party to a \$1.5 billion five-year unsecured credit facility that will expire on June 7, 2028. Furthermore, we are permitted pursuant to the credit agreement to establish incremental revolving credit facility of up to \$750 million. We also entered into an Uncommitted Money Market Line Credit agreement which provides for an aggregate borrowing capacity of \$300 million. Under our U.S. commercial paper program, the company may issue and sell unsecured, short-term promissory notes in the aggregate principal amount not to exceed \$1.5 billion with up to 397-day maturities. We also entered into a \$600 million term loan agreement that matures on April 15, 2025. As of January 31, 2024, we had approximately \$2.6 billion in outstanding indebtedness which included an aggregate outstanding principal amount of \$2.1 billion in unsecured senior notes. We may borrow additional amounts in the future and use the proceeds from any future borrowing for general corporate purposes, future acquisitions, expansion of our business or repurchases of our outstanding shares of common stock.

Our incurrence of this debt, and increases in our aggregate levels of debt, may adversely affect our operating results and financial condition by, among other things:

- increasing our vulnerability to downturns in our business, to competitive pressures and to adverse economic and industry conditions;
- requiring the dedication of an increased portion of our expected cash flows from operations to service our indebtedness, thereby reducing the amount of expected cash flows available for other purposes, including capital expenditures, acquisitions, stock repurchases and dividends; and
- limiting our flexibility in planning for or reacting to changes in our business and our industry.

Our credit facility and our term loan facility each imposes restrictions on us, including restrictions on our ability to create liens on our assets and engage in certain types of sale and leaseback transactions and the ability of our subsidiaries to incur indebtedness, and requires us to maintain compliance with specified financial ratios. Our ability to comply with these ratios

may be affected by events beyond our control. In addition, the indentures governing our senior notes contain covenants that may adversely affect our ability to incur certain liens or engage in certain types of sale and leaseback transactions. If we breach any of the covenants and do not obtain a waiver from the lenders or noteholders, then, subject to applicable cure periods, our outstanding indebtedness could be declared immediately due and payable.

***We cannot assure that we will continue to pay dividends on our common stock.***

Since the first quarter of fiscal year 2012, we have paid a quarterly dividend on our common stock. The timing, declaration, amount and payment of any future dividends fall within the discretion of our Board of Directors and will depend on many factors, including our available cash, estimated cash needs, earnings, financial condition, operating results, capital requirements, as well as limitations in our contractual agreements, applicable law, regulatory constraints, industry practice and other business considerations that our Board of Directors considers relevant. A change in our dividend program could have an adverse effect on the market price of our common stock.

***Adverse conditions in the global banking industry and credit markets may adversely impact the value of our cash investments or impair our liquidity.***

As of January 31, 2024, we had cash and cash equivalents of approximately \$1.7 billion invested or held in a mix of money market funds, time deposit accounts and bank demand deposit accounts. Disruptions and volatility in the financial markets may, in some cases, result in an inability to access assets such as money market funds that traditionally have been viewed as highly liquid or hinder our ability to borrow money in the amounts, at interest rates or upon the more favorable terms and conditions that might be available under different economic circumstances. Any failure of our counterparty financial institutions or funds in which we have invested may adversely impact our cash and cash equivalent positions and, in turn, our operating results and financial condition.

## **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

### **ISSUER PURCHASES OF EQUITY SECURITIES**

On January 9, 2023, we announced that our board of directors had approved a share repurchase program (the "2023 repurchase program") designed, among other things, to reduce or eliminate dilution resulting from issuance of stock under the company's employee equity incentive programs. The 2023 repurchase program authorizes the purchase of up to \$2.0 billion, excluding excise taxes, of our common stock at the company's discretion and has no fixed termination date. The 2023 repurchase program does not require the company to acquire a specific number of shares and may be suspended, amended or discontinued at any time. The 2023 repurchase program commenced on March 1, 2023, and also terminated and replaced the 2021 repurchase program.

During the three months ended January 31, 2024, we repurchased and retired no shares under this authorization. As of January 31, 2024, we had remaining authorization to repurchase up to approximately \$1.524 billion of our common stock under the 2023 repurchase program.

## **ITEM 5. OTHER INFORMATION**

### *Rule 10b5-1 Trading Arrangements*

During the three months ended January 31, 2024, none of our officers or directors adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" as each term is defined in Item 408 of Regulation S-K.

**ITEM 6. EXHIBITS**

(a) Exhibits:

| <b>Exhibit<br/>Number</b> | <b>Description</b>   |
|---------------------------|--|
| 31.1                      | <a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>  |
| 31.2                      | <a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>  |
| 32.1                      | <a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>  |
| 32.2                      | <a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>  |
| 101.INS XBRL              | Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH XBRL              | Schema Document  |
| 101.CAL XBRL              | Calculation Linkbase Document  |
| 101.LAB XBRL              | Labels Linkbase Document   |
| 101.PRE XBRL              | Presentation Linkbase Document   |
| 101.DEF XBRL              | Definition Linkbase Document   |

**AGILENT TECHNOLOGIES, INC.**

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: March 4, 2024

By: /s/ Robert W. McMahon

Robert W. McMahon  
Senior Vice President and Chief Financial Officer  
(Principal Financial Officer)

Dated: March 4, 2024

By: /s/ Rodney Gonsalves

Rodney Gonsalves  
Vice President, Corporate Controllershship  
(Principal Accounting Officer)

CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael R. McMullen, certify that:

1. I have reviewed this Form 10-Q of Agilent Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2024

/s/ Michael R. McMullen

Michael R. McMullen

Director, President and Chief Executive Officer

CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert W. McMahon, certify that:

1. I have reviewed this Form 10-Q of Agilent Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2024

/s/ Robert W. McMahon

Robert W. McMahon  
Senior Vice President and Chief Financial Officer

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Agilent Technologies, Inc. (the "Company") on Form 10-Q for the period ended January 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael R. McMullen, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 4, 2024

/s/ Michael R. McMullen

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Michael R. McMullen

Director, President and Chief Executive Officer

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Agilent Technologies, Inc. (the "Company") on Form 10-Q for the period ended January 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert W. McMahon, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 4, 2024

/s/ Robert W. McMahon

Robert W. McMahon

Senior Vice President and Chief Financial Officer