

REFINITIV

DELTA REPORT

10-Q

A WD - AGILENT TECHNOLOGIES, INC
10-Q - JULY 31, 2024 COMPARED TO 10-Q - APRIL 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1344
CHANGES	552
DELETIONS	406
ADDITIONS	386

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 **April 30, 2024** **July 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:

Title of each Class	Trading Symbol	Name of each Exchange on which registered
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 **May 24, 2024** **August 22, 2024**, the registrant had **291,760,872** **287,327,671** shares of common stock, \$0.01 par value per share, outstanding.

AGILENT TECHNOLOGIES, INC.
TABLE OF CONTENTS

		Page Number
Part I.	Financial Information	3
	Item 1.	3
	Condensed Consolidated Financial Statements (Unaudited)	3
	Condensed Consolidated Statement of Operations	3
	Condensed Consolidated Statement of Comprehensive Income (Loss)	4
	Condensed Consolidated Balance Sheet	5
	Condensed Consolidated Statement of Cash Flows	6
	Condensed Consolidated Statement of Equity	7
	Notes to Condensed Consolidated Financial Statements	9
	Item 2.	34 35
	Management's Discussion and Analysis of Financial Condition and Results of Operations	34 35
	Item 3.	49 51
	Quantitative and Qualitative Disclosures About Market Risk	49 51
	Item 4.	50 52
	Controls and Procedures	50 52
Part II.	Other Information	51 53
	Item 1.	51 53
	Legal Proceedings	51 53
	Item 1A.	51 53
	Risk Factors	51 53
	Item 2.	64 66
	Unregistered Sales of Equity Securities and Use of Proceeds	64 66
	Item 5.	64 66
	Other Information	64 66
	Item 6.	65 67
	Exhibits	65 67
Signature		66 68

PART I — FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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

	Three Months Ended		Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	April 30,		April 30,		July 31,		July 31,			
	2024	2023	2024	2023	2023	2024	2023	2023	2024	2023
Net revenue:	Net revenue:				Net revenue:					
Products										
Services and other										
Total net revenue										
Costs and expenses:	Costs and expenses:				Costs and expenses:					
Cost of products										
Cost of services and other										
Total costs										
Research and development										
Selling, general and administrative										
Total costs and expenses										
Income from operations										
Interest income										
Interest expense										
Other income (expense), net										
Income before taxes										
Provision for income taxes										
Net income										

Net income per share:
Net income per share:
Net income per share:

Basic
Basic
Basic
Diluted

Weighted average shares used in computing net income per share:

Weighted average shares used in computing net income per share:

Weighted average shares used in computing net income per share:

Basic
Diluted

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)

	Three Months Ended April 30, 2024	Three Months Ended April 30, 2023	Three Months Ended April 30, 2024	Three Months Ended April 30, 2023	Six Months Ended July 31, 2024	Three Months Ended July 31, 2023	Nine Months Ended 2024	Nine Months Ended 2023
Net income								
Net income								
Net income								
Other comprehensive income (loss):								
Unrealized gain (loss) on derivative instruments, net of tax expense (benefit) of \$2, \$4, \$(1) and \$(5)								
Unrealized gain (loss) on derivative instruments, net of tax expense (benefit) of \$0, \$0, \$(1) and \$(5)								
Unrealized gain (loss) on derivative instruments, net of tax expense (benefit) of \$2, \$4, \$(1) and \$(5)								
Unrealized gain (loss) on derivative instruments, net of tax expense (benefit) of \$0, \$0, \$(1) and \$(5)								
Unrealized gain (loss) on derivative instruments, net of tax expense (benefit) of \$2, \$4, \$(1) and \$(5)								
Amounts reclassified into earnings related to derivative instruments, net of tax expense (benefit) of \$0, \$1, \$(1) and \$(1)								
Foreign currency translation, net of tax expense (benefit) of \$0, \$0, \$0 and \$(1)								
Unrealized gain (loss) on derivative instruments, net of tax expense (benefit) of \$0, \$0, \$(1) and \$(5)								
Amounts reclassified into earnings related to derivative instruments, net of tax expense (benefit) of \$(1), \$1, \$(2) and \$0								
Foreign currency translation, net of tax expense (benefit) of \$0, \$(1), \$0 and \$(2)								
Net defined benefit pension cost and post retirement plan costs:								
Change in actuarial net gain (loss), net of tax expense (benefit) of \$(1), \$0, \$(2) and \$0								
Change in actuarial net gain (loss), net of tax expense (benefit) of \$(1), \$0, \$(2) and \$0								
Change in actuarial net gain (loss), net of tax expense (benefit) of \$(1), \$0, \$(2) and \$0								
Change in actuarial net gain (loss), net of tax expense (benefit) of \$(2), \$0, \$(4) and \$0								
Change in actuarial net gain (loss), net of tax expense (benefit) of \$(2), \$0, \$(4) and \$0								
Change in actuarial net gain (loss), net of tax expense (benefit) of \$(2), \$0, \$(4) and \$0								
Change in net prior service benefit, net of tax expense of \$0, \$0, \$0 and \$0								

Other comprehensive income (loss)

Total comprehensive income

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 data)
(Unaudited)

	April 30, 2024	October 31, 2023		July 31, 2024	October 31, 2023
ASSETS	ASSETS		ASSETS		
Current assets:	Current assets:		Current assets:		
Cash and cash equivalents					
Accounts receivable, net					
Accounts receivable, net					
Accounts receivable, net					
Inventory					
Other current assets					
Total current assets					
Property, plant and equipment, net					
Goodwill					
Other intangible assets, net					
Long-term investments					
Other assets					
Total assets					
LIABILITIES AND EQUITY	LIABILITIES AND EQUITY		LIABILITIES AND EQUITY		
Current liabilities:	Current liabilities:		Current liabilities:		
Accounts payable					
Employee compensation and benefits					
Deferred revenue					
Short-term debt					
Other accrued liabilities					
Total current liabilities					
Long-term debt					
Retirement and post-retirement benefits					
Other long-term liabilities					
Total liabilities					
	Commitments and contingencies (Notes 9 and 12)		Commitments and contingencies (Notes 9 and 12)		
Commitments and contingencies (Notes 9 and 12)					
Total equity:	Total equity:		Total equity:		
Stockholders' equity:	Stockholders' equity:		Stockholders' equity:		
Preferred stock; \$0.01 par value; 125,000,000 shares authorized; none issued and outstanding at April 30, 2024 and October 31, 2023					
Common stock; \$0.01 par value; 2,000,000,000 shares authorized; 291,587,707 shares at April 30, 2024 and 292,123,241 shares at October 31, 2023 issued and outstanding					
Preferred stock; \$0.01 par value; 125,000,000 shares authorized; none issued and outstanding at July 31, 2024 and October 31, 2023					
Common stock; \$0.01 par value; 2,000,000,000 shares authorized; 287,529,636 shares at July 31, 2024 and 292,123,241 shares at October 31, 2023 issued and outstanding					

Additional paid-in-capital
Retained earnings
Accumulated other comprehensive loss
Total stockholders' equity
Total liabilities and stockholders' equity
Total liabilities and stockholders' equity
Total liabilities and stockholders' equity

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)					
	Six Months Ended			Nine Months Ended	
	April 30, 2024	2023	July 31, 2024	2024	2023
Cash flows from operating activities:					
Net income					
Net income					
Net income					
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:		Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization					
Share-based compensation					
Deferred taxes					
Excess and obsolete inventory related charges					
Net (gain) loss on equity securities					
Asset impairment charges					
Change in fair value of contingent consideration					
Other non-cash (income) expense, net					
Other non-cash (income) expense, net					
Other non-cash (income) expense, net					
Changes in assets and liabilities:	Changes in assets and liabilities:		Changes in assets and liabilities:		
Accounts receivable, net					
Inventory					
Accounts payable					
Employee compensation and benefits					
Other assets and liabilities					
Net cash provided by operating activities					
Cash flows from investing activities:					
Cash flows from investing activities:					
Cash flows from investing activities:					
Payments to acquire property, plant and equipment					
Payments to acquire property, plant and equipment					
Payments to acquire property, plant and equipment					
Proceeds from sale of equity securities					

Proceeds from sale of equity securities	
Proceeds from sale of equity securities	
Payments to acquire equity securities	
Proceeds from convertible note	
Payments in exchange for convertible note	
Payments to acquire businesses and intangible assets, net of cash acquired	
Payments to acquire businesses and intangible assets, net of cash acquired	
Payments to acquire businesses and intangible assets, net of cash acquired	
Net cash used in investing activities	
Cash flows from financing activities:	
Cash flows from financing activities:	
Cash flows from financing activities:	
Proceeds from issuance of common stock under employee stock plans	
Payments of taxes related to net share settlement of equity awards	
Payments for repurchase of common stock	
Payments of dividends	
Repayments of long-term debt	
Repayments of long-term debt	
Repayments of long-term debt	
Net proceeds from (repayments of) short-term debt	
Net proceeds from (repayments of) short-term debt	
Net proceeds from (repayments of) short-term debt	
Payment for contingent consideration	
Payment for contingent consideration	
Payment for contingent consideration	
Net cash used in financing activities	
Effect of exchange rate movements	
Effect of exchange rate movements	
Effect of exchange rate movements	
Net increase in cash, cash equivalents and restricted cash	
Net increase in cash, cash equivalents and restricted cash	
Net increase in cash, cash equivalents and restricted cash	
Net increase (decrease) in cash, cash equivalents and restricted cash	
Net increase (decrease) in cash, cash equivalents and restricted cash	
Net increase (decrease) in cash, cash equivalents and restricted cash	
Cash, cash equivalents and restricted cash at beginning of period	
Cash, cash equivalents and restricted cash at beginning of period	
Cash, cash equivalents and restricted cash at beginning of period	
Cash, cash equivalents and restricted cash at end of period	
Supplemental cash flow information:	
Supplemental cash flow information:	
Supplemental cash flow information:	
Income tax paid, net of refunds received	
Income tax paid, net of refunds received	
Income tax paid, net of refunds received	
Interest payments, net of capitalized interest	
Net change in property, plant and equipment included in accounts payable and accrued liabilities-increase (decrease)	

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)

Three Months Ended April 30, 2024

Three Months Ended April 30, 2024

Three Months Ended April 30, 2024

Balance as of January 31, 2024

Balance as of January 31, 2024

Balance as of January 31, 2024

Three Months Ended July 31, 2024

Three Months Ended July 31, 2024

Three Months Ended July 31, 2024

Balance as of April 30, 2024

Balance as of April 30, 2024

Balance as of April 30, 2024

Components of comprehensive income, net of tax:

Components of comprehensive income, net of tax:

Components of comprehensive income, net of tax:

Net income

Net income

Net income

Other comprehensive income (loss)

Other comprehensive income (loss)

Other comprehensive income (loss)

Total comprehensive income

Total comprehensive income

Total comprehensive income

Cash dividends declared (\$0.236 per common share)

Cash dividends declared (\$0.236 per common share)

Cash dividends declared (\$0.236 per common share)

Share-based awards issued, net of tax of \$1

Share-based awards issued, net of tax of \$1

Share-based awards issued, net of tax of \$1

Repurchase of common stock, including excise taxes

Repurchase of common stock, including excise taxes

Repurchase of common stock, including excise taxes

Share-based compensation

Share-based compensation

Share-based compensation

Balance as of April 30, 2024

Balance as of April 30, 2024

Balance as of April 30, 2024

Balance as of July 31, 2024

Balance as of July 31, 2024

Balance as of July 31, 2024

Six Months Ended April 30, 2024

Six Months Ended April 30, 2024

Six Months Ended April 30, 2024

Nine Months Ended July 31, 2024

Nine Months Ended July 31, 2024

Nine Months Ended July 31, 2024

Balance as of October 31, 2023

Balance as of October 31, 2023

Balance as of October 31, 2023

Components of comprehensive income, net of tax:

Components of comprehensive income, net of tax:

Components of comprehensive income, net of tax:

Net income

Net income

Net income

Other comprehensive income (loss)

Other comprehensive income (loss)

Other comprehensive income (loss)

Total comprehensive income

Total comprehensive income

Total comprehensive income

Cash dividends declared (\$0.472 per common share)

Cash dividends declared (\$0.708 per common share)

Cash dividends declared (\$0.472 per common share)

Cash dividends declared (\$0.708 per common share)

Cash dividends declared (\$0.472 per common share)

Share-based awards issued, net of tax of \$26

Share-based awards issued, net of tax of \$26

Share-based awards issued, net of tax of \$26

Cash dividends declared (\$0.708 per common share)

Share-based awards issued, net of tax of \$27

Share-based awards issued, net of tax of \$27

Share-based awards issued, net of tax of \$27

Repurchase of common stock, including excise taxes

Repurchase of common stock, including excise taxes

Repurchase of common stock, including excise taxes

Share-based compensation

Share-based compensation

Share-based compensation

Balance as of April 30, 2024

Balance as of April 30, 2024

Balance as of April 30, 2024

Balance as of July 31, 2024

Balance as of July 31, 2024

Balance as of July 31, 2024

Three Months Ended April 30, 2023

Three Months Ended April 30, 2023

Three Months Ended April 30, 2023

Balance as of January 31, 2023

Balance as of January 31, 2023

Balance as of January 31, 2023

Three Months Ended July 31, 2023

Three Months Ended July 31, 2023

Three Months Ended July 31, 2023	
Balance as of April 30, 2023	
Balance as of April 30, 2023	
Balance as of April 30, 2023	
Components of comprehensive income, net of tax:	
Components of comprehensive income, net of tax:	
Components of comprehensive income, net of tax:	
Net income	
Net income	
Net income	
Other comprehensive loss	
Other comprehensive loss	
Other comprehensive loss	
Other comprehensive income (loss)	
Other comprehensive income (loss)	
Other comprehensive income (loss)	
Total comprehensive income	
Total comprehensive income	
Total comprehensive income	
Cash dividends declared (\$0.225 per common share)	
Cash dividends declared (\$0.225 per common share)	
Cash dividends declared (\$0.225 per common share)	
Share-based awards issued, net of tax of \$1	
Share-based awards issued, net of tax of \$1	
Share-based awards issued, net of tax of \$1	
Repurchase of common stock	
Repurchase of common stock	
Repurchase of common stock	
Repurchase of common stock, including excise taxes	
Repurchase of common stock, including excise taxes	
Repurchase of common stock, including excise taxes	
Share-based compensation	
Share-based compensation	
Share-based compensation	
Balance as of April 30, 2023	
Balance as of April 30, 2023	
Balance as of April 30, 2023	
Balance as of July 31, 2023	
Balance as of July 31, 2023	
Balance as of July 31, 2023	

	Common Stock			Retained Earnings	Accumulated Other Comprehensive Loss		Total Stockholders' Equity
	Number of Shares	Par Value	Additional Paid-in Capital				
Six Months Ended April 30, 2023							
Balance as of October 31, 2022	295,259	\$ 3	\$ 5,325	\$ 324	\$ (347)	\$	5,305
Components of comprehensive income, net of tax:							
Net income	—	—	—	654	—		654
Other comprehensive income	—	—	—	—	65		65
Total comprehensive income							719
Cash dividends declared (\$0.450 per common share)	—	—	—	(133)	—		(133)
Share-based awards issued, net of tax of \$52	1,107	—	(18)	—	—		(18)
Repurchase of common stock	(1,105)	—	(15)	(145)	—		(160)

Share-based compensation	—	—	68	—	—	68
Balance as of April 30, 2023	295,261	\$ 3	\$ 5,360	\$ 700	\$ (282)	\$ 5,781

	Common Stock			Retained Earnings	Accumulated Other Comprehensive Loss		Total Stockholders' Equity
	Number of Shares	Par Value	Additional Paid-in Capital				
Nine Months Ended July 31, 2023							
Balance as of October 31, 2022	295,259	\$ 3	\$ 5,325	\$ 324	\$ (347)	\$	5,305
Components of comprehensive income, net of tax:							
Net income	—	—	—	765	—		765
Other comprehensive income (loss)	—	—	—	—	76		76
Total comprehensive income							841
Cash dividends declared (\$0.675 per common share)	—	—	—	(199)	—		(199)
Share-based awards issued, net of tax of \$53	1,405	—	11	—	—		11
Repurchase of common stock, including excise taxes	(3,917)	—	(51)	(446)	—		(497)
Share-based compensation	—	—	97	—	—		97
Balance as of July 31, 2023	292,747	\$ 3	\$ 5,382	\$ 444	\$ (271)	\$	5,558

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 began reporting under this new structure beginning with the 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.

Acquisition. On July 21, 2024 we signed an agreement to acquire BIOVECTRA, a leading specialized contract development and manufacturing organization for \$925 million in cash. The acquisition is subject to certain customary closing conditions, including receipt of regulatory approvals. The financial results of BIOVECTRA will be included within our financial results from the date of the close, which is expected to occur before calendar year 2025.

Basis of Presentation. We have prepared the accompanying financial data for the three and **six nine** months ended **April 30, 2024** **July 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 **April 30, 2024** **July 31, 2024** and October 31, 2023, condensed consolidated statement of comprehensive income (loss) for the three and **six nine** months ended **April 30, 2024** **July 31, 2024** and 2023, condensed consolidated statement of operations for the three and **six nine** months ended **April 30, 2024** **July**

31, 2024 and 2023, condensed consolidated statement of cash flows for the six nine months ended April 30, 2024 July 31, 2024 and 2023 and condensed consolidated statement of equity for the three and six nine months ended April 30, 2024 July 31, 2024 and 2023.

Reclassification. Certain reclassifications to our prior year statement of cash flows have been made to conform with our current year presentation. These reclassifications have no effect on the previously reported financial statements and other notes to the financial statements.

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.

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

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:

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

	April 30, 2024	October 31, 2023	July 31, 2024	October 31, 2023
	(in millions)			
Cash and cash equivalents				
Restricted cash included in other assets				
Total cash, cash equivalents and restricted cash				

Leases. As of April 30, 2024 July 31, 2024 and October 31, 2023, operating lease right-of-use assets where we are the lessee were \$162 178 million and \$154 million, respectively, and were included within other assets in the accompanying condensed consolidated balance sheet. The associated operating lease liabilities were \$170 184 million and \$164 million as of April 30, 2024 July 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 April 30, 2024, July 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 April 30, 2024, July 31, 2024 and October 31, 2023, the total carrying value of investments and loans in privately held companies considered as VIEs was \$87 million \$93 million and \$82 million, respectively. 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 April 30, 2024 July 31, 2024 and October 31, 2023, the fair value of the term loan approximates its carrying value. As of April 30, 2024 July 31, 2024, the fair value of our senior notes was \$1,835 million \$1,905 million with a carrying value of \$2,136 million \$2,137 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 six nine months ended April 30, 2024 July 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.

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

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.

3. REVENUE

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

	Three Months Ended July 31,							
	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)							
Revenue by Region								
Americas	\$ 251	\$ 170	\$ 205	\$ 626	\$ 270	\$ 159	\$ 238	\$ 667
Europe	193	113	126	432	203	108	121	432
Asia Pacific	338	128	54	520	381	129	63	573
Total	<u>\$ 782</u>	<u>\$ 411</u>	<u>\$ 385</u>	<u>\$ 1,578</u>	<u>\$ 854</u>	<u>\$ 396</u>	<u>\$ 422</u>	<u>\$ 1,672</u>

	Nine Months Ended July 31,							
	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)							
Revenue by Region								
Americas	\$ 735	\$ 501	\$ 657	\$ 1,893	\$ 819	\$ 467	\$ 744	\$ 2,030
Europe	605	335	376	1,316	649	309	363	1,321
Asia Pacific	1,042	382	176	1,600	1,203	388	203	1,794
Total	<u>\$ 2,382</u>	<u>\$ 1,218</u>	<u>\$ 1,209</u>	<u>\$ 4,809</u>	<u>\$ 2,671</u>	<u>\$ 1,164</u>	<u>\$ 1,310</u>	<u>\$ 5,145</u>

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

	Three Months Ended		Nine Months Ended	
	July 31,		July 31,	
	2024	2023	2024	2023
	(in millions)			
Revenue by End Markets				
Pharmaceutical	\$ 540	\$ 592	\$ 1,647	\$ 1,843
Chemicals and Advanced Materials	356	378	1,110	1,162
Diagnostics and Clinical	242	241	709	730
Food	144	151	440	472
Academia and Government	128	146	417	451
Environmental and Forensics	168	164	486	487
Total	<u>\$ 1,578</u>	<u>\$ 1,672</u>	<u>\$ 4,809</u>	<u>\$ 5,145</u>
Revenue by Type				
Instrumentation	\$ 556	\$ 643	\$ 1,734	\$ 2,091
Non-instrumentation and other	1,022	1,029	3,075	3,054
Total	<u>\$ 1,578</u>	<u>\$ 1,672</u>	<u>\$ 4,809</u>	<u>\$ 5,145</u>

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 April 30,								
	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)								
Revenue by Region									
Americas	\$ 240	\$ 167	\$ 230	\$ 637	\$ 263	\$ 154	\$ 259	\$ 676	
Europe	188	111	127	426	207	103	123	433	
Asia Pacific	326	124	60	510	404	130	74	608	
Total	\$ 754	\$ 402	\$ 417	\$ 1,573	\$ 874	\$ 387	\$ 456	\$ 1,717	

	Six Months Ended April 30,								
	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)								
Revenue by Region									
Americas	\$ 484	\$ 331	\$ 452	\$ 1,267	\$ 549	\$ 308	\$ 506	\$ 1,363	
Europe	412	222	250	884	446	201	242	889	
Asia Pacific	704	254	122	1,080	822	259	140	1,221	
Total	\$ 1,600	\$ 807	\$ 824	\$ 3,231	\$ 1,817	\$ 768	\$ 888	\$ 3,473	

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

	Three Months Ended		Six Months Ended	
	April 30,		April 30,	
	2024	2023	2024	2023
	(in millions)			
<u>Revenue by End Markets</u>				
Pharmaceutical and Biopharmaceutical	\$ 542	\$ 612	\$ 1,107	\$ 1,251
Chemicals and Advanced Materials	362	378	754	784
Diagnostics and Clinical	239	250	467	489
Food	139	161	296	321
Academia and Government	139	159	289	305
Environmental and Forensics	152	157	318	323
Total	<u>\$ 1,573</u>	<u>\$ 1,717</u>	<u>\$ 3,231</u>	<u>\$ 3,473</u>
<u>Revenue by Type</u>				
Instrumentation	\$ 548	\$ 689	\$ 1,178	\$ 1,448
Non-instrumentation and other	1,025	1,028	2,053	2,025
Total	<u>\$ 1,573</u>	<u>\$ 1,717</u>	<u>\$ 3,231</u>	<u>\$ 3,473</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.

AGILENT TECHNOLOGIES, INC.

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

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 April 30, 2024, July 31, 2024 and October 31, 2023, were \$242 \$244 million and \$252 million, respectively.

Contract Liabilities

The following table provides information about contract liabilities (deferred revenue) and the significant changes in the balances during the six nine months ended April 30, 2024 July 31, 2024:

	Contract Liabilities	
	(in millions)	
Ending balance as of October 31, 2023	\$	616
Net revenue deferred in the period		393 456
Revenue recognized that was included in the contract liability balance at the beginning of the period		(350) (422)
Change in deferrals from customer cash advances, net of revenue recognized		(6) (8)
Currency translation and other adjustments		1 4
Ending balance as of April 30, 2024 July 31, 2024	\$	654 646

During the six nine months ended April 30, 2023 July 31, 2023 revenue recognized that was included in the contract liability balance at October 31, 2022 was \$299 million \$368 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 and six nine months ended April 30, 2024 July 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.

AGILENT TECHNOLOGIES, INC.

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

The estimated revenue expected to be recognized for remaining performance obligations that have an original term of more than one year, as of April 30, 2024 July 31, 2024, was \$340 million \$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.

AGILENT TECHNOLOGIES, INC.

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

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 ("ESPP") 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 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		Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	April 30,				July 31,					
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(in millions)				(in millions)					
Cost of products and services										
Research and development										
Selling, general and administrative										
Total share-based compensation expense										

At April 30, 2024, July 31, 2024 and October 31, 2023, no share-based compensation was capitalized within inventory.

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

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

		Three Months Ended		Three Months Ended				Six Months Ended		Three Months Ended		Nine Months Ended		
		April 30,				July 31,								
		2024	2023	2024		2023		2024	2023		2024		2023	
Stock Option Plans:	Stock Option Plans:					Stock Option Plans:						2024		2023
Weighted average risk-free interest rate	Weighted average risk-free interest rate	4.2%	3.8%	4.4%		3.9%	Weighted average risk-free interest rate	4.5%	3.8%		4.4%		3.9%	
Dividend yield	Dividend yield	0.7%	0.7%	0.8%		0.6%	Dividend yield	0.7%	0.7%		0.8%		0.6%	
Weighted average volatility	Weighted average volatility	29%		29%		28%	Weighted average volatility	29%		29%		28%		
Expected life	Expected life	5.5 years			5.5 years	Expected life				5.5 years				
LTPP:														
Volatility of Agilent shares														
Volatility of Agilent shares		28%	31%	28%		31%	28%	31%		28%		31%		
Volatility of Agilent shares		28%	31%	28%		31%	28%	31%		28%		31%		

Volatility of selected peer-company shares	Volatility of selected peer-company shares	16%-70%	22%-84%	16%-70%	22%-84%	Volatility of selected peer-company shares	16%-70%	22%-84%	16%-70%	22%-84%
Pair-wise correlation with selected peers	Pair-wise correlation with selected peers	30%	42%	30%	42%	Pair-wise correlation with selected peers	30%	42%	30%	42%
Post-vest holding restriction discount for all executive awards	Post-vest holding restriction discount for all executive awards									
Post-vest holding restriction discount for all executive awards	Post-vest holding restriction discount for all executive awards									
Post-vest holding restriction discount for all executive awards	Post-vest holding restriction discount for all executive awards	6.4%	7.1%	6.4%	7.1%	6.4%	7.1%	6.4%	7.1%	6.4%

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.

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 and ~~six~~ nine months ended ~~April 30, 2024~~ July 31, 2024, our income tax expense was ~~\$66 million~~ \$61 million with an effective tax rate of ~~17.6~~ 17.8 percent and ~~\$121 million~~ \$182 million with an effective tax rate of ~~15.6~~ 16.3 percent, respectively. For the three ~~and six~~ months ended ~~April 30, 2024~~ July 31, 2024, there were no significant discrete items. For the nine months ended ~~July 31, 2024~~, our effective tax rate and the resulting provision for income taxes were impacted by the tax expense of \$12 million related to the settlement of an audit in Singapore.

For the three and ~~six~~ nine months ended ~~April 30, 2023~~ July 31, 2023, our income tax expense was ~~\$75 million~~ \$21 million with an effective tax rate of ~~19.9~~ 15.9 percent and ~~\$133 million~~ \$154 million with an effective tax rate of ~~16.9~~ 16.8 percent, respectively. For the three ~~and nine~~ months ended ~~April 30, 2023~~, there were no significant discrete items. For the six months ended ~~April 30, 2023~~ July 31, 2023, our effective tax rate and the resulting provision for income taxes were impacted by the tax benefit of \$63 million due to the asset impairment charge related to the shutdown of our Resolution Bioscience business. For the nine months ended ~~July 31, 2023~~, our effective tax rate and the resulting provision for income taxes were also impacted by the excess tax benefits from stock-based compensation of \$13 million along with the expiration of various foreign statutes of limitations which resulted in the recognition of previously unrecognized tax benefits of ~~\$9~~ \$10 million.

AGILENT TECHNOLOGIES, INC.

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

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.

AGILENT TECHNOLOGIES, INC.

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

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:

	Three Months Ended	Three Months Ended		Six Months Ended	Three Months Ended		Nine Months Ended
	April 30,			July 31,			
	2024	2023	2024	2023	2024	2023	2024
	(in millions)			(in millions)			2023
Numerator:	Numerator:			Numerator:			
Net income							
Denominator:							
Basic weighted-average shares							
Basic weighted-average shares							
Basic weighted-average shares							
Potential common shares— stock options and other employee stock plans							
Diluted weighted-average shares							

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.

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 both the three and six months ended April 30, 2024 July 31, 2024 and 2023, potential common shares excluded from the calculation of diluted earnings per share were not material.

7. INVENTORY

Inventory as of April 30, 2024 July 31, 2024 and October 31, 2023 consisted of the following:

	April 30, 2024	October 31, 2023	July 31, 2024	October 31, 2023
	(in millions)		(in millions)	
Finished goods				
Purchased parts and fabricated assemblies				
Inventory				

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

8. GOODWILL AND OTHER INTANGIBLE ASSETS

The following table presents goodwill balances and the movements for each of our reportable segments during the six months ended April 30, 2024 July 31, 2024:

	Life Sciences and Applied Markets	Diagnostics and Genomics	Agilent CrossLab	Total	Life Sciences and Applied Markets	Diagnostics and Genomics	Agilent CrossLab	Total
	(in millions)				(in millions)			
Goodwill as of October 31, 2023								
Foreign currency translation impact								
Goodwill as of April 30, 2024								
Goodwill as of April 30, 2024								
Goodwill as of April 30, 2024								
Goodwill as of July 31, 2024								

Goodwill as of July 31, 2024

Goodwill as of July 31, 2024

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.

The component parts of other intangible assets as of October 31, 2023 and April 30, 2024 July 31, 2024 are shown in the table below:

		Other Intangible Assets		Other Intangible Assets			
		Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
		(in millions)		(in millions)			
As of October 31, 2023	As of October 31, 2023			As of October 31, 2023			
Purchased technology							
Trademark/Tradename							
Customer relationships							
Third-party technology and licenses							
Third-party technology and licenses							
Third-party technology and licenses							
Total amortizable intangible assets							
In-Process R&D							
Total							
As of April 30, 2024							
As of July 31, 2024							
Purchased technology							
Trademark/Tradename							
Customer relationships							
Third-party technology and licenses							
Third-party technology and licenses							
Third-party technology and licenses							
Total amortizable intangible assets							
In-Process R&D							
Total							

During the six nine months ended April 30, 2024 July 31, 2024, there were no additions to goodwill and goodwill. During the nine months ended July 31, 2024, we recorded \$3 million in additions to other intangible assets. assets related to an acquisition. During the six nine months ended April 30, 2024 July 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 six nine months ended April 30, 2024 July 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.

AGILENT TECHNOLOGIES, INC.

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

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 April 30, 2024 July 31, 2024, we did not identify any triggering events or circumstances which would indicate an impairment of goodwill or indefinite-lived intangible assets. During the six nine months ended April 30, 2024 July 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 six nine months ended April 30, 2024 July 31, 2024 we did not identify any triggering events or circumstances which would indicate an impairment of goodwill.

During the three and six nine months ended April 30, 2023 July 31, 2023, we did not identify any triggering events or circumstances which would indicate an impairment of goodwill or indefinite-lived intangible assets. During the three and nine months ended July 31, 2023, we recorded an impairment of finite-lived intangible assets of \$258 million

related to the shutdown of our Resolution Bioscience business in our diagnostics and genomics segment. Of the \$258 million, \$249 million was recorded in cost of sales and \$9 million was recorded in selling general and administrative expenses on our condensed consolidated statement of operations in both the three and nine months ended July 31, 2023.

Amortization expense of intangible assets was \$27 million \$25 million and \$53 million \$78 million for the three and six nine months ended April 30, 2024 July 31, 2024, respectively. Amortization expense of intangible assets was \$38 million \$39 million and \$74 million \$113 million for the three and six nine months ended April 30, 2023 July 31, 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)
(in millions)
(in millions)
Remainder of 2024
Remainder of 2024
Remainder of 2024
2025
2026
2027
2028
2029
Thereafter

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 April 30, 2024 July 31, 2024 were as follows:

	Fair Value Measurement at April 30, 2024 Using				Fair Value Measurement at July 31, 2024 Using			
	April 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	July 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(in millions)				(in millions)		
Assets:	Assets:				Assets:			

Short-term	Short-term	Short-term
Cash equivalents (money market funds)		
Derivative instruments (foreign exchange contracts)		
Long-term		
Long-term		
Long-term		
Trading securities		
Trading securities		
Trading securities		
Other investments		
Total assets measured at fair value		
Total assets measured at fair value		
Total assets measured at fair value		
Liabilities:	Liabilities:	Liabilities:
Short-term		
Derivative instruments (foreign exchange contracts)		
Derivative instruments (foreign exchange contracts)		
Derivative instruments (foreign exchange contracts)		
Contingent consideration		
Long-term		
Deferred compensation liability		
Deferred compensation liability		
Deferred compensation liability		
Total liabilities measured at fair value		
Total liabilities measured at fair value		
Total liabilities measured at fair value		

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

		Fair Value Measurement at October 31, 2023 Using						
		Quoted Prices		Significant				
		in Active		Other				
		Markets for		Observable				
October 31,		Identical Assets		Inputs		Significant		
2023		(Level 1)		(Level 2)		(Level 3)		
(in millions)								
Assets:								
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	\$	1,075	\$	1,030	\$	45	\$	—
Liabilities:								
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	\$ 39	\$ —	\$ 38	\$ 1

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		Three Months Ended		Three Months Ended		Six Months Ended		Nine Months Ended	
						April 30,		July 31,	
						2024		2023	
2024		2024		2023		2024		2023	
(in millions)									

Net gain (loss) recognized during the period on equity securities

Less: Net gain (loss) on equity securities sold during the period

Unrealized gain (loss) on equity securities

Contingent Consideration. As of April 30, 2024 July 31, 2024, the fair value of the contingent consideration liability relates to a potential milestone payments payment 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		Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
2024		2024		2023		2024		2023	
(in millions)									

Beginning balance

Additions to contingent consideration (including measurement period adjustment)

Payments

Change in fair value (included within selling, general and administrative expenses)

Ending balance

The fair value of the contingent consideration liability as of April 30, 2024 July 31, 2024, was estimated to be \$1 million which was recorded in other accrued liabilities on the condensed consolidated balance sheet. During the six nine months ended April 30, 2023 July 31, 2023, we made a contingent consideration payment of \$65 payments totaling \$70 million related to the achievement of a certain technical milestone milestones associated with our acquisition of Resolution Bioscience. Bioscience and another acquisition.

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 and ~~six~~ **nine** months ended ~~April 30, 2024~~ **July 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 ~~April 30, 2024~~ **July 31, 2024**, there were no impairments of long-lived assets held and used. For the ~~six~~ **nine** months ended ~~April 30, 2024~~ **July 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~~ **zero** resulting in an impairment of \$8 million. For the three and ~~six~~ **nine** months ended ~~April 30, 2024~~ **July 31, 2024**, there were no impairments of long-lived assets held for sale.

For the three and ~~six~~ **nine** months ended ~~April 30, 2023~~ **July 31, 2023**, long-lived assets held and used with a carrying value of \$277 million were written down to their fair value of zero resulting in an impairment charge of \$277 million primarily related to the shutdown of our Resolution Bioscience business in our diagnostics and genomics segment. For the three and nine months ended ~~July 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 and ~~six~~ **nine** months ended ~~April 30, 2024~~ **July 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 ~~April 30, 2024~~ **July 31, 2024**, the cumulative net gain (loss) on our non-marketable equity securities without readily determinable fair values was comprised of a ~~\$39 million~~ **\$40 million** gain and a ~~\$30 million~~ **\$30 million** loss, and the carrying amount was ~~\$108~~ **\$112** million. As of ~~April 30, 2023~~ **July 31, 2023**, the cumulative net gain (loss) on our non-marketable equity securities without readily determinable fair values was comprised of a ~~\$35~~ **\$36** million gain and ~~no losses~~, **\$1 million loss**, and the carrying amount was ~~\$121~~ **\$124** 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 ~~April 30, 2024~~ **July 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 and ~~six~~ **nine** months ended ~~April 30, 2024~~ **July 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.

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

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 ~~April 30, 2024~~ **July 31, 2024** was \$2 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 **April 30, 2024** **July 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 and ~~six~~ **nine** months ended **April 30, 2024** **July 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 **April 30, 2024** **July 31, 2024**, was not material. The credit-risk-related contingent features underlying these agreements had not been triggered as of **April 30, 2024** **July 31, 2024**.

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

The number of open foreign exchange forward contracts and aggregated notional amounts by designation as of **April 30, 2024** **July 31, 2024** were as follows:

	Number of Open Forward Contracts	Aggregate Notional Amount USD	Buy/(Sell)	Number of Open Forward Contracts	Aggregate Notional Amount USD
			(\$ in millions)		(\$ in millions)
Derivatives designated as hedging instruments:					
Cash Flow Hedges					
Cash Flow Hedges					
Cash Flow Hedges					
Foreign exchange forward contracts					
Foreign exchange forward contracts					
Foreign exchange forward contracts					
Net Investment Hedges					
Net Investment Hedges					
Net Investment Hedges					
Foreign exchange forward contracts					
Foreign exchange forward contracts					
Foreign exchange forward contracts					
Derivatives not designated as hedging instruments:					

Derivatives not designated as hedging instruments:

Derivatives not designated as hedging instruments:

Foreign exchange forward contracts
Foreign exchange forward contracts
Foreign exchange forward contracts

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 April 30, 2024 July 31, 2024, and October 31, 2023, were as follows:

Fair Values of Derivative Instruments												
Asset Derivatives	Asset Derivatives			Liability Derivatives	Asset Derivatives			Liability Derivatives				
	Fair Value				Fair Value			Fair Value		Fair Value		
	April 30, 2024	October 31, 2023			April 30, 2024	October 31, 2023	Balance Sheet Location	July 31, 2024	October 31, 2023	Balance Sheet Location	July 31, 2024	October 31, 2023
Balance Sheet Location	Balance Sheet Location			Balance Sheet Location						Balance Sheet Location		

(in millions)												
Derivatives designated as hedging instruments:	Derivatives designated as hedging instruments:				Derivatives designated as hedging instruments:							

Cash flow hedges
Foreign exchange contracts
Foreign exchange contracts
Foreign exchange contracts
Other current assets
Other current assets
Other current assets
Net investment hedges
Net investment hedges
Net investment hedges
Foreign exchange contracts
Foreign exchange contracts
Foreign exchange contracts
Other current assets
Other current assets
Other current assets

Derivatives not designated as hedging instruments:

Derivatives not designated as hedging instruments:

Derivatives not designated as hedging instruments:												
Foreign exchange contracts	Foreign exchange contracts				Foreign exchange contracts							
Other current assets												
Total derivatives												

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		Three Months Ended		Six Months Ended	Three Months Ended		Nine Months Ended
			April 30,		July 31,			
	2024	2023	2024	2023	2024	2023	2024	2023
	(in millions)		(in millions)					
Derivatives designated as hedging instruments:	Derivatives designated as hedging instruments:		Derivatives designated as hedging instruments:					
Cash Flow Hedges								
Cash Flow Hedges								
Cash Flow Hedges								
Foreign exchange contracts:								
Foreign exchange contracts:								
Foreign exchange contracts:								
Gain (loss) recognized in accumulated other comprehensive loss								
Gain (loss) recognized in accumulated other comprehensive loss								
Gain (loss) recognized in accumulated other comprehensive loss								
Loss reclassified from accumulated other comprehensive loss into interest expense								
Gain (loss) reclassified from accumulated other comprehensive loss into cost of sales								
Gain on time value of forward contracts recorded in cost of sales								
Gain on time value of forward contracts recorded in cost of sales								
Gain on time value of forward contracts recorded in cost of sales								
Net Investment Hedges								
Net Investment Hedges								
Net Investment Hedges								
Foreign exchange contracts:								
Foreign exchange contracts:								
Foreign exchange contracts:								
Gain (loss) recognized in accumulated other comprehensive loss - translation adjustment								
Gain (loss) recognized in accumulated other comprehensive loss - translation adjustment								
Gain (loss) recognized in accumulated other comprehensive loss - translation adjustment								
Derivatives not designated as hedging instruments:								
Derivatives not designated as hedging instruments:								
Derivatives not designated as hedging instruments:								
Gain (loss) recognized in other income (expense)								
Gain (loss) recognized in other income (expense)								
Gain (loss) recognized in other income (expense)								

At April 30, 2024 July 31, 2024, the amount of existing net gain that is expected to be reclassified from accumulated other comprehensive income (loss) is \$14 million \$8 million. Within the next twelve months it is estimated that \$6 million \$1 million of gain 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.

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

11. RETIREMENT PLANS AND POST RETIREMENT PENSION PLANS

Components of net periodic benefit cost (income). For the three and six nine months ended April 30, 2024 July 31, 2024 and 2023, our net pension and post retirement benefit cost (income) were comprised of the following:

	Three Months Ended April 30,											
	Three Months Ended April 30,											
	Three Months Ended April 30,											
	Three Months Ended July 31,											
	Three Months Ended July 31,											
	Three Months Ended July 31,											
	U.S.		Non-U.S.		U.S. Post Retirement	U.S.		Non-U.S.		U.S. Post Retirement		
	Pension Plans		Pension Plans		Benefit Plans	Pension Plans		Pension Plans		Benefit Plans		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(in millions)				(in millions)							

Service cost—benefits earned during the period

Interest cost on benefit obligation

Expected return on plan assets

Amortization of net actuarial (gain) loss

Amortization of prior service benefit

Total net periodic benefit cost (income)

Total net periodic benefit cost (income)

Total net periodic benefit cost (income)

	Six Months Ended April 30,											
	Nine Months Ended July 31,											
	Six Months Ended April 30,											
	Nine Months Ended July 31,											
	Six Months Ended April 30,											
	Nine Months Ended July 31,											
	U.S.		Non-U.S.		U.S. Post Retirement	U.S.		Non-U.S.		U.S. Post Retirement		
	Pension Plans		Pension Plans		Benefit Plans	Pension Plans		Pension Plans		Benefit Plans		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(in millions)				(in millions)							

Service cost—benefits earned during the period

Interest cost on benefit obligation

Expected return on plan assets

Amortization of net actuarial (gain) loss

Amortization of prior service benefit

Total net periodic benefit cost (income)

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.

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

	Three Months Ended	Three Months Ended	Six Months Ended	Employer Contributions	Three Months Ended	Nine Months Ended	Employer Contributions
	April 30,		For Remainder of Year				
	July 31,		For Remainder of Year				
2024							
	(in millions)						
	(in millions)						
	(in millions)						

U.S. defined benefit plans

Non-U.S. defined benefit plans

Non-U.S. defined benefit plans

Non-U.S. defined benefit plans

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.

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

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

	Six Months Ended	Nine Months Ended	
		April 30,	July 31,
	2024	2023	2024
	(in millions)		(in millions)
Standard warranty accrual, beginning balance			
Accruals for warranties including change in estimates			
Settlements made during the period			
Standard warranty accrual, ending balance			
Accruals for warranties due within one year			
Accruals for warranties due within one year			
Accruals for warranties due within one year			

Bank Guarantees

Guarantees consist primarily of outstanding standby letters of credit and bank guarantees and were approximately \$37 million and \$39 million as of **April 30, 2024** **July 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

Summary of Restructuring Plans. In fiscal year 2024 and 2023, we announced restructuring plans that were both designed to reduce costs and expenses in response to recent macroeconomic conditions. These actions impact all three of our business segments. The costs associated with these restructuring plans were not allocated to our business segments' results; however, each business segment will benefit from the future cost savings from these actions. When completed, the restructuring programs are expected to result in the reduction in annual cost of sales and operating expenses over the three business segments.

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

A summary of our aggregate liability relating to both restructuring plans and the total restructuring expense since inception of those plans are shown in the table below:

	Workforce Reduction	Consolidation of Excess Facilities	Total
	(in millions)		
Balance at October 31, 2023	\$ 31	\$ 5	\$ 36
Income statement expense	2	1	3
Non-cash settlement	—	(1)	(1)

Cash payments	(25)	(2)	(27)
Balance at January 31, 2024	\$ 8	\$ 3	\$ 11
Income statement expense	1	—	1
Cash payments	(5)	(1)	(6)
Balance at April 30, 2024	\$ 4	\$ 2	\$ 6
Income statement expense	67	—	67
Non-cash settlement	(6)	—	(6)
Cash payments	(20)	(1)	(21)
Balance at July 31, 2024	\$ 45	\$ 1	\$ 46
Total restructuring expense since inception of all plans			\$ 117

The aggregate restructuring liability of \$46 million at July 31, 2024, is recorded in other accrued liabilities on the condensed consolidated balance sheet and reflects estimated future cash outlays.

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

	Three Months Ended		Nine Months Ended	
	July 31,		July 31,	
	2024		2024	
	(in millions)			
Cost of products and services	\$	12	\$	12
Research and Development		18		20
Selling, general and administrative		37		39
Total restructuring costs	\$	67	\$	71

Fiscal Year 2024 Plan ("FY24 Plan"). In the third quarter of fiscal year 2024, we announced a new restructuring plan designed to further reduce costs and expenses in response to current macroeconomic conditions. The plan includes a reduction of our total headcount by approximately 500 regular employees, representing approximately 3 percent of our global workforce. The timing and scope of the workforce reductions will vary based on local legal requirements. The costs associated with this workforce reduction include severance and other personnel-related costs. While the majority of the workforce reduction will be completed by the end of fiscal year 2024, we expect to substantially complete the remaining restructuring activities by the second quarter of fiscal year 2025.

In connection with the FY24 Plan, we have recorded approximately \$67 million in restructuring and other related costs in both the three and nine months ended July 31, 2024.

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

A summary of the FY24 Plan activity is shown in the table below:

	Workforce Reduction
	(in millions)
Balance at April 30, 2024	\$ —
Income statement expense	67
Non-cash settlement (accelerated share-based compensation expense)	(6)
Cash payments	(19)
Balance at July 31, 2024	\$ 42
Total restructuring expense since inception of FY 24 Plan	\$ 67

Fiscal Year 2023 Plan ("FY23 Plan"). In the fourth quarter of fiscal year 2023, we initiated a the 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 \$1 million zero and \$4 million in restructuring and other related costs in the three and six nine months ended April 30, 2024 July 31, 2024, respectively, for a total of \$50 million since inception. respectively. 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 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.

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

A summary of total restructuring the FY23 Plan activity is shown in the table below:

	Workforce Reduction	Workforce Reduction	Workforce Reduction				
				Consolidation of Excess Facilities	Total	Consolidation of Excess Facilities	Total
				(in millions)			
Balance at October 31, 2023							
Income statement expense							
Accelerated depreciation expenses of right-of-use assets							
Accelerated depreciation expenses of right-of-use assets							
Accelerated depreciation expenses of right-of-use assets							
Non-cash settlement (accelerated depreciation expense of right-of-use assets)							
Non-cash settlement (accelerated depreciation expense of right-of-use assets)							
Non-cash settlement (accelerated depreciation expense of right-of-use assets)							
Cash payments							
Balance at January 31, 2024							
Income statement expense							
Cash payments							
Cash payments							
Cash payments							
Balance at April 30, 2024							
Cash payments							
Cash payments							
Cash payments							
Balance at July 31, 2024							
Total restructuring expense since inception of FY23 Plan							
Total restructuring expense since inception of FY23 Plan							
Total restructuring expense since inception of FY23 Plan							

The restructuring and other related costs of \$6 million at April 30, 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		Six Months Ended	
	April 30,		April 30,	
	2024		2024	
	(in millions)			
Cost of products and services	\$	—	\$	—
Research and Development		—		2
Selling, general and administrative		1		2

Total restructuring costs	\$	1	\$	4
---------------------------	----	---	----	---

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 **six nine** months ended **April 30, 2024** **July 31, 2024**, we made no borrowings or repayments under these credit facilities. As of both **April 30, 2024** **July 31, 2024** and October 31, 2023, we had no borrowings outstanding under **both either** the credit facility **and or** the incremental revolving credit facility.

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

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 **six nine** months ended **April 30, 2024** **July 31, 2024**, we made no borrowings or repayments under this credit facility. As of both **April 30, 2024** **July 31, 2024** and October 31, 2023, we had no borrowings outstanding under the credit facility.

We were in compliance with the covenants for the credit facilities during the **six nine** months ended **April 30, 2024** **July 31, 2024**.

AGILENT TECHNOLOGIES, INC.
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 **six nine** months ended **April 30, 2024** **July 31, 2024**, we **made no borrowings or repayments** **borrowed \$610 million and repaid \$235 million** under our commercial paper program. As of **both April 30, July 31, 2024** **we had borrowings of \$375 million outstanding** **under our U.S. commercial paper program and a weighted average annual interest rate of 5.53 percent.** As of October 31, 2023 we had no borrowings outstanding under our U.S. commercial paper program.

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 **six nine** months ended **April 30, 2024** **July 31, 2024**.

As of **April 30, 2024** **July 31, 2024**, the remaining \$420 million borrowings outstanding under the term loan facility with a weighted average interest rate of **6.17** **6.19** percent have been reclassified to short-term debt.

15. LONG-TERM DEBT

Senior Notes

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

	April 30, 2024	October 31, 2023	July 31, 2024	October 31, 2023
	Amortized Principal	Amortized Principal	Amortized Principal	Amortized Principal
	(in millions)			
2026 Senior Notes				
2029 Senior Notes				
2030 Senior Notes				
2031 Senior Notes				
Total Senior Notes				

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

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 **six nine** months ended **April 30, 2024 July 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.

Term Loan Facility

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. During the **six nine** months ended **April 30, 2024 July 31, 2024**, we prepaid a total of \$180 million on our term loan and reclassified the remaining balance to short-term debt. See Note 14, "Short-term Debt" for more details on the term loan.

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

16. STOCKHOLDERS' EQUITY

Stock Repurchase Program Programs

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 authorized** the purchase of up to \$2.0 billion of our common stock at the company's discretion and **has had** 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 at any time. During the **three and six nine** months ended **April 30, 2023 July 31, 2023**, we repurchased and retired **162,399 shares for \$24 million and 661,739 shares for \$99 million, respectively**, 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 **both** the three and **six nine** months ended **April 30, 2023 July 31, 2023**, we repurchased and retired **443,690 2.812 million shares for \$61 million \$335 million, excluding excise taxes of \$2.4 million and 3.256 million shares for \$396 million, excluding excise taxes of \$2.4 million, respectively**, under this authorization. During **both** the three and **six nine** months ended **April 30, 2024 July 31, 2024**, we repurchased and retired **1.594 million 4.397 million shares for \$230 million \$585 million, excluding excise taxes of \$1.0 million \$5.4 million and 5.991 million shares for \$815 million, excluding excise taxes of \$6.4 million, respectively**, under this authorization. As of **April 30, 2024 July 31, 2024**, we had remaining authorization to repurchase up to approximately **\$1.294 billion \$709 million** of our common stock under the 2023 repurchase program.

On May 29, 2024, we announced that our board of directors had approved a new share repurchase program (the "2024 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 2024 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 2024 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 2024 repurchase program became effective on August 1, 2024 and will commence upon the termination of our 2023 repurchase program.

Cash Dividends on Shares of Common Stock

During the three and **six nine** months ended **April 30, 2024 July 31, 2024**, we paid cash dividends of \$0.236 per common share or **\$69 million \$68 million and \$0.472 \$0.708** per common share or **\$138 million \$206 million**, respectively, on the company's common stock. During the three and **six nine** months ended **April 30, 2023 July 31, 2023**, we paid cash dividends of \$0.225 per common share or \$66 million and **\$0.450 \$0.675** per common share or **\$133 million \$199 million**, respectively, on the company's common stock.

On May 22, 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 July 24, 2024 to all shareholders of record at the close of business on July 2, 2024. The timing and amounts of any future dividends are subject to determination and approval by our board of directors.

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

Accumulated Other Comprehensive Income (Loss)

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

Net defined benefit pension cost and post retirement plan costs					
Net defined benefit pension cost and post retirement plan costs					
Net defined benefit pension cost and post retirement plan costs					
Three Months Ended April 30, 2024	Three Months Ended April 30, 2024	Foreign currency translation	Prior service credits	Actuarial Losses	Unrealized gains (losses) on derivatives
					Total
Three Months Ended July 31, 2024	Three Months Ended July 31, 2024	Foreign currency translation	Prior service credits	Actuarial Losses	Unrealized gains (losses) on derivatives
					Total

(in millions)	
As of January 31, 2024	
As of April 30, 2024	
Other comprehensive income (loss) before reclassifications	
Amounts reclassified out of accumulated other comprehensive income (loss)	
Tax (expense) benefit	
Other comprehensive income (loss)	
As of April 30, 2024	
As of July 31, 2024	
Six Months Ended April 30, 2024	
Six Months Ended April 30, 2024	
Six Months Ended April 30, 2024	
Nine Months Ended July 31, 2024	
Nine Months Ended July 31, 2024	
Nine Months Ended July 31, 2024	
As of October 31, 2023	
As of October 31, 2023	
As of October 31, 2023	
Other comprehensive income (loss) before reclassifications	
Amounts reclassified out of accumulated other comprehensive income (loss)	
Tax (expense) benefit	
Other comprehensive income (loss)	
As of April 30, 2024	
As of July 31, 2024	

AGILENT TECHNOLOGIES, INC.

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

Reclassifications out of accumulated other comprehensive income (loss) for the three and six nine months ended April 30, 2024 July 31, 2024 and 2023 were as follows (in millions):

Details about accumulated other comprehensive income (loss) components	Details about accumulated other comprehensive income (loss) components	Amounts Reclassified from other comprehensive income (loss)	Affected line item in statement of operations	Details about accumulated other comprehensive income (loss) components	Amounts Reclassified from other comprehensive income (loss)
--	--	---	---	--	---

April 30,	April 30,
	April 30,
	April 30,
July 31,	July 31,
	July 31,
	July 31,
	2024
	2024
	2024

[illegible]

		2019						2018						2017	
		2019		2018		2017		2019		2018		2017		2016	
		2019		2018		2017		2019		2018		2017		2016	
Actuarial net gain (loss)		5	(1)	(1)	8	8	—	—	Other income (expense)				4	1	
Prior service benefit	Prior service benefit	—	1	1	—	—	1	1	Other income (expense)			Prior service benefit	—		
		5						1		Total before income tax					
		4						2		Total before income tax					
	(1)	(1)	(2)	—	—	(2)	(2)	(1)	(1)	(Provision) benefit for income tax		(Provision) benefit for income tax			
		4						—		Total net of income tax					
		2						1		Total net of income tax					

Total reclassifications for the period

Total reclassifications for the period

Total reclassifications for the period

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) and prior service benefit 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

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

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 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

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

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.

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:

	Three Months Ended		Three Months Ended		Six Months Ended	Three Months Ended		Nine Months Ended
	April 30,		April 30,		July 31,	July 31,		
	2024	2023	2024	2023	2024	2023	2024	2023
	(in millions)				(in millions)			
Net Revenue:								
Life Sciences and Applied Markets								
Life Sciences and Applied Markets								
Life Sciences and Applied Markets								
Diagnostics and Genomics								
Agilent CrossLab								
Total net revenue								
Segment Income From Operations:								

Segment Income From Operations:**Segment Income From Operations:**

Life Sciences and Applied Markets

Life Sciences and Applied Markets

Life Sciences and Applied Markets

Diagnostics and Genomics

Agilent CrossLab

Total segment income from operations

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		Three Months Ended		Six Months Ended	Three Months Ended	Nine Months Ended	
	April 30,		April 30,		July 31,	July 31,		
	2024	2023	2024	2023	2024	2023	2024	2023
	(in millions)				(in millions)			
Total segment income from operations								
Unallocated costs:								
Amortization of intangible assets related to business combinations								
Amortization of intangible assets related to business combinations								
Amortization of intangible assets related to business combinations								
Acquisition and integration costs								
Transformational initiatives								
Asset impairment								
Change in fair value of contingent consideration								
Restructuring and other related costs								
Restructuring and other related costs								
Restructuring and other related costs								
Other								
Other								
Other								
Total unallocated costs								
Income from operations								
Interest income								
Interest expense								
Other income (expense), net ⁽¹⁾								
Income before taxes, as reported								

(1) For the **six nine** months ended **April 30, 2024** **July 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.

	April 30, 2024	October 31, 2023
	(in millions)	
Assets:		
Life Sciences and Applied Markets	\$ 3,096	\$ 3,161
Diagnostics and Genomics	3,978	3,966
Agilent CrossLab	925	897
Unallocated Assets	2,857	2,739
Total assets	\$ 10,856	\$ 10,763

18. SUBSEQUENT EVENTS

	July 31, 2024	October 31, 2023
	(in millions)	
Assets:		
Life Sciences and Applied Markets	\$ 3,106	\$ 3,161
Diagnostics and Genomics	3,986	3,966
Agilent CrossLab	916	897
Unallocated Assets	2,988	2,739
Total assets	<u>\$ 10,996</u>	<u>\$ 10,763</u>

On May 29, 2024, we announced that our board of directors had approved a new share repurchase program (the "2024 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 2024 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 2024 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 2024 repurchase program will become effective on August 1, 2024 and will commence upon the termination of our existing repurchase program.

On May 29, 2024, we announced a new restructuring plan ("FY24 Plan") designed to further reduce costs and expenses in response to the current macroeconomic conditions. The plan includes a reduction of our total headcount by approximately 500 regular employees, representing approximately 3 percent of our global workforce. The costs associated with this action include severance and other personnel costs related to the workforce reduction and is currently estimated to be approximately \$55 million. When completed, the restructuring program is expected to result in the reduction in annual cost of sales and operating expenses. We expect most of these activities to be completed by the end of fiscal year 2024.

[Table of Contents](#)

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 in 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 and solutions, 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, productivity, 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 foreign currency and foreign currency interest rate 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, reimbursement incentives, 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, effects and effects timing 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 conditions, market conditions, the recovery and geopolitical uncertainties, health of our end markets, our geographical diversification, 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 began reporting under this new structure beginning with the 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.

Acquisition. On July 21, 2024 we signed an agreement to acquire BIOVECTRA, a leading specialized contract development and manufacturing organization for \$925 million in cash. The acquisition is subject to certain customary closing conditions, including receipt of regulatory approvals. The financial results of BIOVECTRA will be included within our financial results from the date of the close, which is expected to occur before calendar year 2025.

Actual Results

Net revenue of ~~\$1,573 million~~ \$1,578 million and ~~\$3,231 million~~ \$4,809 million for the three and ~~six~~ nine months ended ~~April 30, 2024~~ July 31, 2024 decreased ~~8~~ 6 percent and 7 percent, respectively, when compared to the same periods last year. Overall, foreign currency movements for the three and ~~six~~ nine months ended ~~April 30, 2024~~ July 31, 2024 had ~~no~~ an overall unfavorable impact on revenue growth ~~in~~ of 1 percentage point for both periods when compared to the same periods last year. Net revenue for the three and ~~six~~ nine months ended ~~April 30, 2024~~ July 31, 2024, declined in our life sciences and applied markets and diagnostics and genomics segments partially offset by revenue growth in our Agilent Crosslab segment. Revenue declined in all regions, particularly in China, and in ~~nearly~~ all of our end markets we serve,

most significantly in the pharmaceutical market due to our customers' continued capital expenditure ~~pressures compared to the same periods last year.~~ pressures. Revenue generated by our life sciences and applied markets business in the three and ~~six~~ nine months ended ~~April 30, 2024~~ July 31, 2024 decreased ~~14~~ 8 percent and ~~12~~ 11 percent, respectively, when compared to the same periods last year. Foreign currency movements for the three and ~~six~~ nine months ended

[Table of Contents](#)

~~April 30, 2024, July 31, 2024,~~ had an overall unfavorable impact on revenue growth of 1 percentage point and ~~no impact, respectively,~~ for both periods when compared to the same periods last year. Revenue generated by our diagnostics and genomics business for the three and ~~six~~ nine months ended ~~April 30, 2024~~ July 31, 2024 decreased 9 percent and ~~7~~ 8 percent, respectively, when compared to the same periods last year. Foreign currency movements for the three and ~~six~~ nine months ended ~~April 30, 2024~~ July 31, 2024 had an overall unfavorable impact on revenue growth of 1 percentage point and no impact, respectively, when compared to the same periods last year. Revenue generated by our Agilent CrossLab business in the three and ~~six~~ nine months ended ~~April 30, 2024~~ July 31, 2024 increased 4 percent and 5 percent, respectively, when compared to the same periods last year. Foreign currency movements for the three and ~~six~~ nine months ended ~~April 30, 2024~~ July 31, 2024 had an overall unfavorable impact on revenue growth of 1 percentage point and no impact, respectively, when compared to the same periods last year.

Net income for the three and ~~six~~ nine months ended ~~April 30, 2024~~ July 31, 2024 was ~~\$308 million~~ \$282 million and ~~\$656 million~~ \$938 million, respectively, compared to net income of ~~\$302 million~~ \$111 million and ~~\$654 million~~ \$765 million for the corresponding periods last year. In the ~~six~~ nine months ended ~~April 30, 2024~~ July 31, 2024, cash provided by operations was ~~\$818 million~~ \$1,270 million compared to cash provided by operations of ~~\$694 million~~ \$1,256 million in the same period last year.

Dividends. During the three and ~~six~~ nine months ended ~~April 30, 2024~~ July 31, 2024, we paid cash dividends of \$0.236 per common share or ~~\$69 million~~ \$68 million and ~~\$0.472~~ \$0.708 per common share or ~~\$138 million~~ \$206 million, respectively, on the company's common stock. During the three and ~~six~~ nine months ended ~~April 30, 2023~~ July 31, 2023, we paid cash dividends of \$0.225 per common share or \$66 million and ~~\$0.450~~ \$0.675 per common share or ~~\$133 million~~ \$199 million, respectively, on the company's common stock.

On May 22, 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 July 24, 2024 to all shareholders of record at the close of business on July 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 and six~~ nine months ended ~~April 30, 2023~~ July 31, 2023, we repurchased and retired ~~162,399~~ 661,739 shares for ~~\$24 million and 1~~ shares for \$99 million, respectively, ~~\$99 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 ~~both~~ the three and ~~six~~ nine months ended ~~April 30, 2023~~ July 31, 2023, we repurchased and retired ~~443,690~~ 2.812 million shares for ~~\$61 million~~ \$335 million, excluding excise taxes of \$2.4 million and 3.256 million shares for \$396 million, excluding excise taxes of \$2.4 million, respectively, under this authorization. During ~~both~~ the three and ~~six~~ nine months ended ~~April 30, 2024~~ July 31, 2024, we repurchased and retired ~~1.594 million~~ 4.397 million shares for ~~\$230 million~~, \$585 million, excluding excise taxes of ~~\$1.0 million~~, \$5.4 million and 5.991 million shares for \$815 million, excluding excise taxes of \$6.4 million, respectively, under this authorization. As of ~~April 30, 2024~~ July 31, 2024, we had remaining authorization to repurchase up to approximately ~~\$1.294 billion~~ \$709 million of our common stock under the 2023 repurchase program.

2024 Repurchase Program. On May 29, 2024, we announced that our board of directors had approved a new share repurchase program (the "2024 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 2024 repurchase program authorizes the purchase of up to **\$2.0 billion, \$2.0 billion**, excluding excise taxes, of our common stock at the company's discretion and has no fixed termination date. The 2024 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 2024 repurchase program **will become became** effective on August 1, 2024 and will commence upon the termination of our **existing 2023** repurchase program.

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

[Table of Contents](#)

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

Summary of Restructuring Plans. In fiscal year 2024 and 2023, we announced restructuring plans that were both designed to reduce costs and expenses in response to recent macroeconomic conditions. These actions impact all three of our business segments. The costs associated with these restructuring plans were not allocated to our business segments' results; however, each business segment will benefit from the future cost savings from these actions. When completed, the restructuring programs are expected to result in the reduction in annual cost of sales and operating expenses over the three business segments.

A summary of our aggregate liability relating to both restructuring plans and the total restructuring expense since inception of those plans are shown in the table below:

	Workforce Reduction	Consolidation of Excess Facilities	Total
	(in millions)		
Balance at October 31, 2023	\$ 31	\$ 5	\$ 36
Income statement expense	2	1	3
Non-cash settlement	—	(1)	(1)
Cash payments	(25)	(2)	(27)
Balance at January 31, 2024	\$ 8	\$ 3	\$ 11
Income statement expense	1	—	1
Cash payments	(5)	(1)	(6)
Balance at April 30, 2024	\$ 4	\$ 2	\$ 6
Income statement expense	67	—	67
Non-cash settlement	(6)	—	(6)
Cash payments	(20)	(1)	(21)
Balance at July 31, 2024	\$ 45	\$ 1	\$ 46

Total restructuring expense since inception of all plans	\$	117
--	----	-----

The aggregate restructuring liability of \$46 million at July 31, 2024, is recorded in other accrued liabilities on the condensed consolidated balance sheet and reflects estimated future cash outlays.

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

	Three Months Ended		Nine Months Ended	
	July 31,		July 31,	
	2024		2024	
	(in millions)			
Cost of products and services	\$	12	\$	12
Research and Development		18		20
Selling, general and administrative		37		39
Total restructuring costs	\$	67	\$	71

Fiscal Year 2024 Plan ("FY24 Plan"). In the third quarter of fiscal year 2024, we announced a new restructuring plan designed to further reduce costs and expenses in response to current macroeconomic conditions. The plan includes a reduction of our total headcount by approximately 500 regular employees, representing approximately 3 percent of our global workforce. The timing and scope of the workforce reductions will vary based on local legal requirements. The costs associated with this workforce reduction include severance and other personnel-related costs. While the majority of the workforce reduction will be completed by the end of fiscal year 2024, we expect to substantially complete the remaining restructuring activities by the second quarter of fiscal year 2025. When completed, the restructuring program is expected to result in the reduction of approximately \$100 million in annual cost of sales and operating expenses over our three business segments.

In connection with the FY24 Plan, we have recorded approximately \$67 million in restructuring and other related costs in both the three and nine months ended July 31, 2024.

A summary of the FY24 Plan activity is shown in the table below:

	Workforce Reduction
	(in millions)
Balance at April 30, 2024	\$ —
Income statement expense	67
Non-cash settlement (accelerated share-based compensation expense)	(6)
Cash payments	(19)
Balance at July 31, 2024	\$ 42
Total restructuring expense since inception of FY 24 Plan	\$ 67

Fiscal Year 2023 Plan ("FY23 Plan"). 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 \$1 million zero and \$4 million in restructuring and other related costs in the three and six nine months ended April 30, 2024 July 31, 2024, for a total of \$50 million since inception, respectively. 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.

[Table of Contents](#)

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

	Workforce Reduction	Consolidation of 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	8	3	11
Income statement expense	1	—	1
Accelerated depreciation expenses of right-of-use assets	—	—	—
Cash payments	(5)	(1)	(6)
Balance at April 30, 2024	\$ 4	\$ 2	\$ 6

The restructuring and other related costs of \$6 million at April 30, 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	Six Months Ended
	April 30,	April 30,
	2024	2024
	(in millions)	
Cost of products and services	\$ —	\$ —
Research and Development	—	2
Selling, general and administrative	1	2
Total restructuring costs	\$ 1	\$ 4

On May 29, 2024, we announced a new restructuring plan ("FY24 Plan") designed to further reduce costs and expenses in response to the current macroeconomic conditions. The plan includes a reduction of our total headcount by approximately 500 regular employees, representing approximately 3 percent of our global workforce. The costs associated with this action include severance and other personnel costs related to the workforce reduction and is currently estimated to be approximately \$55 million. When completed, the restructuring program is expected to result in the reduction of approximately \$100 million \$80 million in annual cost of sales and operating expenses. We expect most of these activities to be completed by the end of fiscal year 2024, expenses over our three business segments.

A summary of the FY23 Plan activity is shown in the table below:

	Workforce Reduction	Consolidation of Excess Facilities	Total
	(in millions)		
Balance at October 31, 2023	\$ 31	\$ 5	\$ 36
Income statement expense	2	1	3
Non-cash settlement (accelerated depreciation expense of right-of-use assets)	—	(1)	(1)
Cash payments	(25)	(2)	(27)
Balance at January 31, 2024	\$ 8	\$ 3	\$ 11
Income statement expense	1	—	1
Cash payments	(5)	(1)	(6)
Balance at April 30, 2024	\$ 4	\$ 2	\$ 6
Cash payments	(1)	(1)	(2)
Balance at July 31, 2024	\$ 3	\$ 1	\$ 4

Net Revenue By Segment

Three Months Ended		Three Months Ended		Six Months Ended		Year over Year Change		Three Months Ended	
April 30,		April 30,		Three		Six			
July 31,		July 31,		Three		Nine			
2024	2024	2023	2024	2023	2023	2023	2023	Months	2024
(in millions)									

Net revenue by segment:

Net revenue by segment:

Net revenue by segment:

Life sciences and applied markets

Life sciences and applied markets

Life sciences and applied markets		\$ 754	\$ 874	\$ 1,600	\$ 1,817	(14)%	(14)%	(12)%	\$782	\$85	
Diagnostics and genomics	Diagnostics and genomics	417	456	824	888	888	(9)%	(9)%	(7)%	385	42
Agilent CrossLab	Agilent CrossLab	402	387	807	768	768	4%	4%	5%	411	39
Total net revenue	Total net revenue	\$1,573	\$ 1,717	\$ 3,231	\$ 3,473	(8)%	(8)%	(7)%	Total net revenue	\$1,578	\$

Revenue in the life sciences and applied markets business for the three and **six** nine months ended **April 30, 2024** **July 31, 2024** decreased **14** 8 percent and **12** 11 percent, respectively, when compared to the same periods last year. Foreign currency movements for the three and **six** nine months ended **April 30, 2024** **July 31, 2024** had an overall unfavorable impact on revenue growth of 1 percentage point for both periods when compared to the same periods last year. For the three months ended July 31, 2024, revenue declined in nearly all of our end markets. We saw a significant decline in revenue in the pharmaceutical, chemical and advanced materials and academia and government markets when compared to the same period last year. For the nine months ended July 31, 2024, revenue declined in all of our end markets. We saw a significant decline in revenue in the pharmaceutical, chemical and advanced materials and academia and government markets when compared to the same period last year.

Revenue in the diagnostics and genomics business for the three and nine months ended July 31, 2024, decreased 9 percent and 8 percent, respectively, when compared to the same periods last year. Foreign currency movements for the three and nine months ended July 31, 2024 had an overall unfavorable impact on revenue growth of 1 percentage point and no impact, respectively, when compared to the same periods last year. For the three and **six** nine months ended **April 30, 2024**, revenue declined in all of our end markets. We saw a significant decline in revenue in the pharmaceutical, food and chemical and advanced materials markets when compared to the same periods last year.

Revenue in the diagnostics and genomics business for the three and six months ended April 30, 2024, decreased 9 percent and 7 percent, respectively, when compared to the same periods last year. Foreign currency movements for the three and six months ended April 30, 2024 had an unfavorable impact on revenue growth of 1 percentage point and no impact, respectively, when compared to the same periods last year. For the three and six months ended April 30, 2024 **July 31, 2024**, we saw a significant decline

[Table of Contents](#)

in revenue in the pharmaceutical market due to lower sales in our cell analysis, **and** nucleic acid solutions **and** **genomics** businesses when compared to the same periods last year.

Revenue generated by Agilent CrossLab in the three and **six** nine months ended **April 30, 2024** **July 31, 2024**, increased 4 percent and 5 percent, respectively, when compared to the same periods last year. Foreign currency movements for the three and **six** nine months ended **April 30, 2024** **July 31, 2024** had an overall unfavorable impact on revenue growth of 1 percentage point and no impact, respectively, when compared to the same periods last year. For the three months ended **April 30, 2024** **July 31, 2024**, we saw revenue growth across most of our end markets led by strong revenue growth in the pharmaceutical, **environmental and forensics** and **diagnostics and clinical markets** and moderate revenue growth in the chemical and applied materials and **environmental and forensics** food markets when compared to the same period last year. For the **six** nine months ended **April 30, 2024** **July 31, 2024**, we saw revenue growth across all of our end markets led by strong revenue growth in the pharmaceutical, **chemical diagnostics** and **applied materials** **clinical** and environmental and forensics markets when compared to the same period last year.

Operating Results

		Three Months Ended		Six Months Ended		Year over Year Change		Three Months Ended		Nine Months Ended			
		April 30,		Three		Six		July 31,		Three		Nine	
		2024	2023	2024	2023	Months		2024		2023		2024	
(in millions, except margin data)													
Total gross margin													
Total gross margin													
Total gross margin		54.4 %	53.8 %	54.6 %	54.5 %	1 ppt	—	54.2 %	39.3 %	54.5 %			
Research and development	Research and development	\$113	\$126	\$241	\$249	(10)%	(10)%	(3)%	Research and development	\$127	\$118	\$	
Selling, general and administrative	Selling, general and administrative	\$380	\$415	\$776	\$834	(8)%	(8)%	(7)%	Selling, general and administrative	\$395	\$407	\$	
Operating margin	Operating margin	23.1 %	22.3 %	23.1 %	23.3 %	1 ppt	—	Operating margin	21.1 %	7.9 %			22.5 %
Income from operations	Income from operations	\$363	\$383	\$747	\$809	(5)%	(5)%	(8)%	Income from operations	\$333	\$133	\$	

Total gross margin for the three and ~~six~~nine months ended ~~April 30, 2024~~July 31, 2024 increased ~~1~~15 percentage point points and 5 percentage points, respectively, when compared to the same periods last year. Gross margin for the three and nine months ended July 31, 2023 was significantly impacted by asset impairment charges of \$253 million primarily related to the shutdown of our Resolution Bioscience business. Excluding these asset impairment charges in 2023, gross margin for the three and nine months ended July 31, 2024 was relatively flat ~~respectively~~, in both periods when compared to the same periods last year. Gross margin for the three months ended ~~April 30, 2024~~July 31, 2024 was favorably impacted by targeted price increases, lower intangible amortization expense, shipping costs, inventory charges and salary expense related to workforce reduction activities offset by lower sales volume, restructuring charges primarily related to recent actions, higher variable pay and the unfavorable impact of currency movements. Gross margin for the ~~nine months ended July 31, 2024~~ was favorably impacted by targeted price increases, lower shipping costs, ~~variable pay and~~ intangible amortization expense and variable pay partially offset by lower sales volume, and restructuring charges primarily related to recent actions, the unfavorable impact of currency movements. In addition, gross margin was impacted by savings from restructuring movements and business exit activities that occurred in the fourth quarter of fiscal year 2023. Gross margin for the six months ended April 30, 2024 was favorably impacted by lower shipping costs, intangible amortization expense and variable pay offset by lower sales volume, higher inventory charges and the unfavorable impact of currency movements. In addition, gross margin was impacted by savings from restructuring and business exit activities that occurred in the fourth quarter of fiscal year 2023. ~~share-based compensation expense.~~

Research and development expenses for the three and ~~six~~nine months ended ~~April 30, 2024~~July 31, 2024 decreased ~~10~~8 percent and ~~3~~ percent, were flat, respectively, when compared to the same periods last year. Research and development expenses for the three months ended ~~April 30, 2024~~July 31, 2024 decreased primarily ~~July 31, 2023~~ increased due to ~~savings from~~ restructuring charges primarily related to recent actions and business exit activities that occurred in the fourth quarter of fiscal year 2023 and ~~lower~~higher variable pay partially offset by lower salary expense related to workforce reduction activities and transformational initiatives when compared to the same period last year. Research and development expenses for the ~~six~~nine months ended April 30, 2024 decreased primarily ~~July 31, 2024~~ slightly increased due to savings from restructuring charges primarily related to recent actions and business exit activities that occurred in the fourth quarter of fiscal year 2023 and lower variable pay partially offset by an impairment of in-process research and development mostly offset by lower salary expense related to workforce reduction activities and lower transformational initiatives and variable pay when compared to the same period last year.

Selling, general and administrative expenses for the three and ~~six~~nine months ended ~~April 30, 2024~~July 31, 2024 decreased ~~8~~3 percent and ~~7~~6 percent, respectively, when compared to the same periods last year. Selling, general and administrative expenses for the three and nine months ended July 31, 2023 included asset impairment charges and other expenses related to the shutdown of our Resolution Bioscience business. Excluding these expenses in 2023, selling general and administrative expenses in the three and nine months ended July 31, 2024 increased 3 percent and decreased 4 percent, respectively, when compared to the same periods last year. The increase in selling, general and administrative expenses in the three months ended July 31, 2024, was due to restructuring charges primarily related to recent actions and higher variable pay partially offset by lower transformational initiatives, intangible amortization expense, salary expense related to workforce reduction activities, and the favorable impact of currency movements. The decrease in selling, general and administrative expenses in the nine months ended July 31, 2024 was due to lower salary expense related to workforce reduction activities, lower transformational initiatives, intangible amortization expenses, advertising expenses, variable pay and the favorable impact of currency movements partially offset by restructuring charges primarily related to recent actions and higher share-based compensation expense.

Total operating margin for the three and nine months ended July 31, 2024 increased 13 percentage points and 4 percentage points, respectively when compared to the same periods last year. Total operating margin for the three and nine months ended July 31, 2023 was unfavorably impacted by 16 percentage points and 5 percentage points, respectively, due to asset impairment charges primarily related to the shutdown of our Resolution Bioscience business. Excluding these asset impairment charges in 2023, total operating margin for the three and nine months ended July 31, 2024, decreased 3 percentage points and 1 percentage point, respectively, when compared to the same periods last year. The decrease in ~~the three and six months ended April 30, 2024~~, was due to lower intangible amortization expenses, ~~variable pay and~~ transformational initiatives partially offset by higher share-based compensation expense 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 and six nine months ended April 30, 2024 increased 1 percentage point and July 31, 2024 was relatively flat, respectively, when compared to the same periods last year. Operating margin for the three months ended April 30, 2024 increased mostly due to higher gross margin and lower operating expenses. Operating margin for the six months ended April 30, 2024 was relatively flat restructuring charges primarily due related to lower operating expenses offset by lower sales volume. recent actions.

[Table of Contents](#)

Income from operations for the three and six nine months ended April 30, 2024 July 31, 2024, decreased \$20 million increased \$200 million or 5 151 percent and \$62 million \$138 million or 8 15 percent, respectively, on a corresponding revenue decrease of \$144 million \$94 million and \$242 million \$336 million, respectively.

Interest income for the three months ended April 30, 2024 July 31, 2024 and 2023 was \$19 million and \$12 million \$13 million, respectively. Interest income for the six nine months ended April 30, 2024 July 31, 2024 and 2023 was \$37 million \$56 million and \$21 million \$34 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 April 30, 2024 July 31, 2024, our headcount was approximately 17,600 17,400 as compared to approximately 18,400 18,300 at April 30, 2023 July 31, 2023.

Other income (expense), net

In the three and six nine months ended April 30, 2024 July 31, 2024, other income and expense, net includes a net gain of \$1 \$2 million and \$4 million a net gain of \$6 million, respectively, on equity securities securities. In the three and six nine months ended July 31, 2024, other income and expense, net includes income of \$5 million and \$14 \$19 million, respectively, 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 and six nine months ended April 30, 2024 July 31, 2024, other income and expense, net also includes income of \$3 million and \$6 \$9 million, respectively, 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 six nine months ended April 30, 2024 July 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).

In the three and six nine months ended April 30, 2023 July 31, 2023, other income and expense, net includes a net gain of \$1 million and a net loss of \$13 million, respectively, on equity securities of \$4 million and \$15 million, respectively securities. In the three and six nine months ended April 30, 2023 July 31, 2023, other income and expense, net includes income of \$3 million \$3 million and \$7 million, \$10 million, respectively, 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 and six nine months ended April 30, 2023 July 31, 2023 other income and expense, net also includes income of \$3 million and \$6 \$8 million, respectively, 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 and six nine months ended April 30, 2024 July 31, 2024, our income tax expense was \$66 million \$61 million with an effective tax rate of 17.6 17.8 percent and \$121 million \$182 million with an effective tax rate of 15.6 16.3 percent, respectively. For the three and six months ended April 30, 2024 July 31, 2024, there were no significant discrete items. For the nine months ended July 31, 2024, our effective tax rate and the resulting provision for income taxes were impacted by the tax expense of \$12 million related to the settlement of an audit in Singapore.

For the three and six nine months ended April 30, 2023 July 31, 2023, our income tax expense was \$75 million \$21 million with an effective tax rate of 19.9 15.9 percent and \$133 million \$154 million with an effective tax rate of 16.9 16.8 percent, respectively. For the three and nine months ended April 30, 2023, there were no significant discrete items. For the six months ended April 30, 2023 July 31, 2023, our effective tax rate and the resulting provision for income taxes were impacted by the tax benefit of \$63 million due to the asset impairment charge related to the shutdown of our Resolution Bioscience business. For the nine months ended July 31, 2023, our effective tax rate and the resulting provision for income taxes were also impacted by the excess tax benefits from stock-based compensation of \$13 million along with the expiration of various foreign statutes of limitations which resulted in the recognition of previously unrecognized tax benefits of \$9 \$10 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.

[Table of Contents](#)

Segment Overview

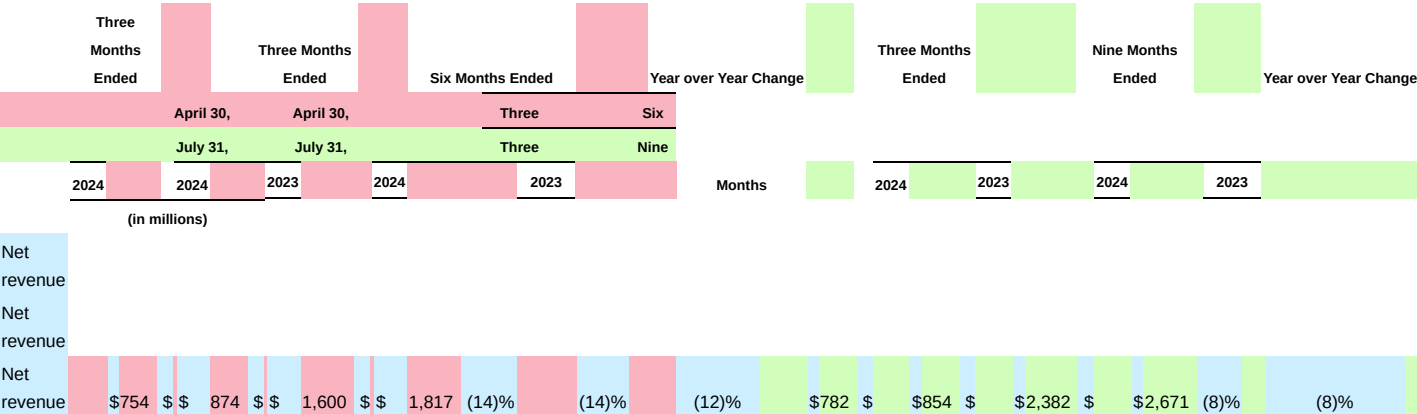
In the first quarter of fiscal year 2024, we announced a change in our operating segments to move our cell analysis business from our life sciences and applied markets segment to our diagnostics and genomics operating segment in order to further strengthen growth opportunities for both organizations. 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 began reporting under this new structure beginning with the 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



Life sciences and applied markets business revenue for the three and six nine months ended April 30, 2024 July 31, 2024 decreased 14 8 percent and 12 11 percent, respectively, when compared to the same periods last year. Foreign currency movements for the three and six nine months ended April 30, 2024 July 31, 2024 had an overall unfavorable impact on revenue growth of 1 percentage point and no impact, respectively, for both periods when compared to the same periods last year.

Geographically, revenue for the three months ended April 30, 2024 July 31, 2024 decreased 9 7 percent in the Americas with no currency impact, decreased 9 5 percent in Europe with a 1 percentage point favorable no currency impact and decreased 19 11 percent in Asia Pacific with a 2 percentage point unfavorable currency impact when compared to the same period last year. The revenue decline in the Americas was driven by weakness in our liquid chromatography, and liquid gas chromatography mass spectrometry and gas chromatography 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 gas chromatography and gas liquid chromatography mass spectrometry businesses partially offset by strength in the consumables business when compared to the same period last year. year. The revenue decline in Asia Pacific was driven by lower demand in China within our liquid chromatography, spectroscopy and liquid chromatography mass spectrometry businesses when compared to the same period last year.

Revenue for the six nine months ended April 30, 2024 July 31, 2024 decreased 12 10 percent in the Americas with no currency impact, decreased 7 percent in Europe with a 3 1 percentage point favorable currency impact and decreased 14 13 percent in Asia Pacific

Table of Contents

with a 1 percentage point unfavorable currency impact when compared to the same period last year. The revenue decline in the

Americas was driven by weakness in our liquid chromatography, liquid chromatography mass spectrometry and liquid 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, gas chromatography 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 driven by lower demand in China within our liquid chromatography, liquid chromatography mass spectrometry and gas chromatography mass spectrometry spectroscopy businesses when compared to the same period last year.

For the three months ended **April 30, 2024** **July 31, 2024**, revenue declined across **all most** end markets. Revenue in the pharmaceutical market declined significantly due to weakness in our liquid chromatography and liquid chromatography mass spectrometry businesses when compared to the same period last year. Revenue in the food market declined significantly due to weakness in our liquid chromatography, liquid chromatography mass spectrometry and gas chromatography mass spectrometry businesses when compared to the same period last year. Revenue in the chemicals and advanced materials market declined significantly due to weakness in liquid chromatography, spectroscopy, gas chromatography and gas liquid chromatography mass spectrometry businesses partially offset by strength in our consumables business when compared to the same period last year. Revenue in the academia and government market declined significantly due to weakness in our liquid chromatography, liquid chromatography mass spectrometry and spectroscopy businesses when compared to the same period last year.

For the **six nine** months ended **April 30, 2024** **July 31, 2024**, revenue declined across all end markets. Revenue in the pharmaceutical market declined significantly due to weakness in our liquid chromatography, and liquid chromatography mass spectrometry and gas chromatography businesses when compared to the same period last year. Revenue in the chemicals and advanced materials market declined significantly due to weakness in our liquid chromatography, spectroscopy and spectroscopy gas chromatography businesses partially offset by strength in our consumables businesses business when compared to the same period last year. Revenue in the food market declined significantly due to weakness in our liquid chromatography, spectroscopy and gas chromatography mass spectrometry and spectroscopy businesses partially offset by strength in our consumables business when compared to the same period last year. Revenue in the academia and government market declined significantly due to weakness in our liquid chromatography and liquid chromatography mass spectrometry businesses when compared to the same period last year.

Looking forward, despite the challenging macroeconomic environment, our customers' market conditions and customer capital expenditure pressures and geopolitical uncertainties, budget constraints, 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. We will continue to invest in expanding and improving our applications and solutions portfolio.

Operating Results

		Three Months Ended		Three Months Ended		Six Months Ended		Year over Year Change		Three Months Ended	
		April 30,		April 30,		Three		Six			
		July 31,		July 31,		Three		Nine			
2024		2024		2023		2024		2023		Months	
(in millions, except margin data)											
Gross margin											
Gross margin											
Gross margin		59.4 %		59.8 %		59.8 %		60.7 %		—	(1) ppt
Research and development	Research and development	\$ 63	\$ 69	\$ 130	\$ 136	(9)%	(9)%	(4)%	Research and development	\$ 62	\$ 62
Selling, general and administrative	Selling, general and administrative	\$199	\$ 210	\$ 405	\$ 423	(5)%	(5)%	(4)%	Selling, general and administrative	\$187	\$ 186
Operating margin	Operating margin	24.7 %	27.9 %	26.4 %	29.9 %		(3) Operating ppts margin	28.4 %	31.0 %		27.9 %
Income from operations	Income from operations	\$186	\$ 244	\$ 422	\$ 544	(24)%	(24)%	(22)%	Income from operations	\$222	\$ 265

Selling, general and administrative expenses for the three and **six** months ended **April 30, 2024** **July 31, 2024**, **decreased 5** **increased 1** percent and **4** **decreased 3** percent, respectively, when compared to the same periods last year. Selling, general and administrative expenses for the three

Table of Contents

and **six** months ended **April 30, 2024** **July 31, 2024**, **decreased** **increased** due to **lower** **higher** selling commission expenses and variable pay **marketing** which were partially offset by **lower salary expense related to workforce reduction activities** and **travel expenses** the favorable impact of currency movements when compared to the same period last year. **In** **addition, selling, Selling,** general and administrative expenses for the nine months ended July 31, 2024, decreased due to **savings from restructuring lower salary expense related to workforce reduction activities, that occurred in variable pay, marketing and communications costs** and the **fourth quarter** favorable impact of **fiscal year 2023**. **currency movements** when compared to the same period last year.

Operating margin for products and services for the three and **six** months ended **April 30, 2024** **July 31, 2024** decreased 3 percentage points in both periods when compared to the same periods last year. Operating margin was impacted by lower sales volume **higher warranty costs** and the unfavorable impact of currency movements partially offset by **savings from restructuring lower salary expense related to workforce reduction** activities, **that occurred in the fourth quarter of fiscal year 2023, lower variable pay** and shipping costs when compared to the same period last year.

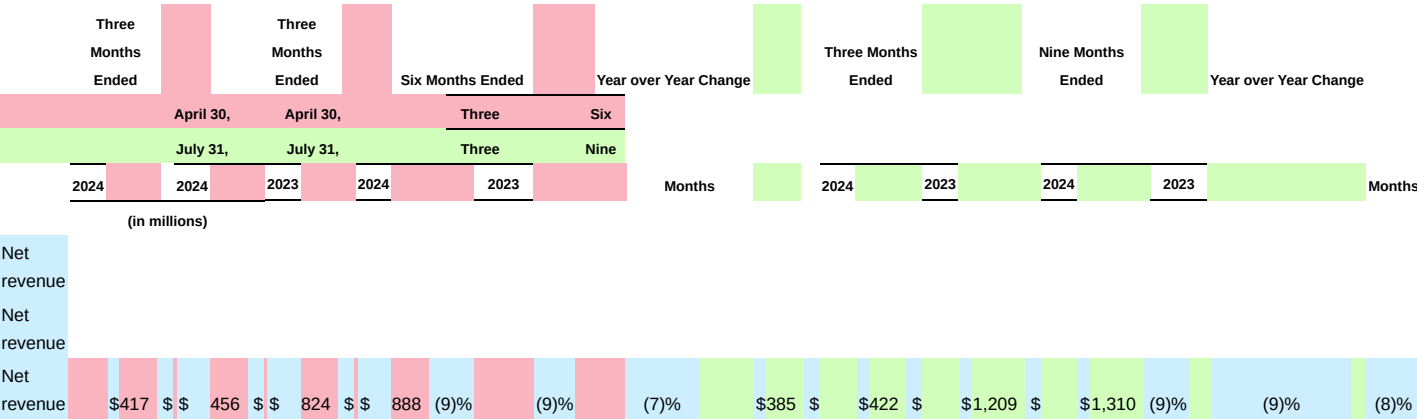
Income from operations for the three and **six** months ended **April 30, 2024** **July 31, 2024**, decreased **\$58 million** **\$43 million** or **24** **16** percent and **\$122 million** **\$165 million** or **22** **20** percent, respectively, on a corresponding revenue decrease of **\$120 million** **\$72 million** and **\$217 million** **\$289 million**, respectively.

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



Diagnostics and genomics business revenue for the three and **six** months ended **April 30, 2024** **July 31, 2024** decreased 9 percent and **7** **8** percent, respectively, when compared to the same periods last year. Foreign currency movements for the three and **six** months ended **April 30, 2024** **July 31, 2024** had an unfavorable impact on revenue growth of 1 percentage point and no impact, respectively, when compared to the same periods last year.

Table of Contents

Revenue for the **six nine** months ended **April 30, 2024** **July 31, 2024** decreased **11 12** percent in the Americas with no currency impact, increased 3 percent in Europe with a 2 percentage point favorable currency impact and decreased 13 percent in Asia Pacific with a **32** percentage point unfavorable currency impact. For the **six nine** months ended **April 30, 2024** **July 31, 2024**, the revenue decline in the Americas was primarily driven by our cell analysis, genomics and nucleic acid solutions businesses. Revenue increased in Europe due to strong performance in our pathology, genomics 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 **which was** partially offset by **strong performance** **increased revenue in pathology, our reagent partnership business.**

For the nine months ended July 31, 2024, revenue performance in the pharmaceutical market declined significantly due to our cell analysis, genomics and nucleic acid solutions businesses when compared to the same period last year. We also saw a modest revenue decline in the diagnostics and clinical markets primarily from our genomics and cell analysis businesses which was partially offset by strong performance in our biomolecular analysis and pathology businesses. Revenue in the academia and government markets declined due to our cell analysis business.

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-1 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 ongoing 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.

	Three Months Ended		Three Months Ended		Six Months Ended		Year over Year Change		Three Months Ended	
	April 30, 2024		April 30, 2023		Three Months Ended		Six Months Ended		Three Months Ended	
	July 31, 2024		July 31, 2023		Three Months Ended		Six Months Ended		Three Months Ended	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
(in millions, except margin data)										
Gross margin										
Gross margin										
Gross margin	53.7 %	53.7 %	53.2 %	53.2 %	—	—	51.8 %	53.5 %		
Research and development	\$ 42	\$ 48	\$ 86	\$ 95	(12)%	(12)%	(9)%	\$ 37	\$	\$
Selling, general and administrative	\$ 96	\$ 104	\$ 197	\$ 211	(7)%	(7)%	(7)%	\$ 92	\$	\$ 92

Operating margin	Operating margin	20.5 %	20.5 %	18.9 %	18.7 %	—	Operating margin	18.3 %	22.7 %
Income from operations	Income from operations	\$ 86	\$ 93	\$ 156	\$ 166	(8)%	(6)%	Income from operations	\$70

Gross margin for products and services for the three and **six nine** months ended **April 30, 2024** July 31, 2024, decreased 2 percentage points and was flat, in both periods respectively, when compared to the same periods last year. Gross margin for the three months ended April 30, 2024 remained flat July 31, 2024 decreased due to savings from restructuring and business exit activities that occurred in the fourth quarter of fiscal year 2023, lower variable pay and favorable business mix. This was offset by lower sales volume, higher infrastructure costs and the unfavorable impact of currency movements. movements partially offset by lower salary expense related to workforce reduction activities and expenses attributed to business exit activities. Gross margin for the **six nine** months ended **April 30, 2024** July 31, 2024 remained flat due to savings from restructuring lower salary expense related to workforce reduction activities and business exit activities that occurred in the fourth quarter of fiscal year 2023, lower variable pay and favorable business mix. This was offset by offsetting the impact of lower sales volume, and higher infrastructure costs. costs and the unfavorable impact of currency movements.

[Table of Contents](#)

Research and development expenses for the three and **six nine** months ended **April 30, 2024** July 31, 2024, decreased 12.2 percent and 9.7 percent, respectively, when compared to the same periods last year. Research and development expenses for the three and **six nine** months ended **April 30, 2024** July 31, 2024 decreased primarily due to savings from the lower expenses attributed to business exit of our Resolution Bioscience business activities and the restructuring activities that occurred in the fourth quarter of fiscal year 2023 and lower variable pay. salary expense related to workforce reduction activities.

Selling, general and administrative expenses for the three and **six nine** months ended **April 30, 2024** July 31, 2024, were flat and decreased 7.5 percent, in both periods respectively, when compared to the same periods last year. Selling, general and administrative expenses for the three and six months ended April 30, 2024 July 31, 2024 were flat due to lower expenses attributed to business exit activities and lower salary expense related to workforce reduction activities offset by higher infrastructure costs and higher variable pay. Selling, general and administrative expenses for the nine months ended July 31, 2024 decreased due to expense reductions lower expenses attributed to the business exit of our Resolution Bioscience business, savings from restructuring activities, that occurred in the fourth quarter of fiscal year 2023 lower salary expense related to workforce reduction activities and lower variable pay partially offset by higher infrastructure costs.

Operating margin for products and services for the three and **six nine** months ended April 30, 2024 was relatively flat in both periods July 31, 2024 decreased 4 percentage points and 1 percentage point, respectively when compared to the same periods last year. Operating margin for products and services for the three and **six nine** months ended April 30, 2024 July 31, 2024, increased decreased due to savings from restructuring and business exit activities that occurred in the fourth quarter of fiscal year 2023 and lower variable pay offset by lower revenue, higher infrastructure costs and the unfavorable impact of currency movements. movements partially offset by lower salary expense related to workforce reduction activities, lower variable pay and expenses attributed to business exit activities.

Income from operations for the three and **six nine** months ended **April 30, 2024** July 31, 2024 decreased \$7 million \$26 million or 8.27 percent and \$10 million \$36 million or 6.14 percent, respectively, on a corresponding revenue decrease of \$39 million \$37 million and \$64 million \$101 million, respectively.

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				Three Months Ended				Six Months Ended				Year over Year Change				Three Months Ended				Nine Months Ended				Year over Year Change			
April 30,				April 30,				Three				Six															
July 31,				July 31,				Three				Nine															
2024		2024	2023	2024		2023		2024		2023		Months		2024	2023	2024	2023	Months		2024	2023	Months					
(in millions)																											
Net revenue																											
Net revenue																											
Net revenue		\$ 402	\$ \$	\$ 387	\$ \$	\$ \$	\$ 807	\$ \$	\$ 768	4%	4%	5%	\$411	\$	\$ 396	\$	\$ 1,218	\$	\$ 1,164	4%	4%	5%					

Geographically, revenue for the three months ended **April 30, 2024** **July 31, 2024** increased **9** percent in the Americas with **a 1 percentage point favorable** **no** currency impact, increased **7** percent in Europe with **a 1 percentage point favorable** **no** currency impact and **decreased 5 percent** **was flat** in Asia Pacific with a **4** percent point unfavorable currency impact compared to the same period last year. For the three months ended **April 30, 2024** **July 31, 2024**, revenue in all three regions reflected consistent high demand for repair and maintenance services across the entire portfolio. In Americas and Europe, revenue growth was partially offset by weakness in installation revenue. In the Asia Pacific region the weakness in installation revenue **more than** offset the revenue growth seen from repair and maintenance services.

Revenue for the **six** **nine** months ended **April 30, 2024** **July 31, 2024** increased 7 percent in the Americas with no currency impact, increased **10** percent in Europe with a 2 percentage point favorable currency impact and decreased **2** percent in Asia Pacific with a **3** percentage point unfavorable currency impact. For the **six** **nine** months ended **April 30, 2024** **July 31, 2024**, revenue **growth** in all three regions reflected consistent high demand for repair and maintenance services across the entire portfolio. In Americas and Europe, **this**

revenue growth was partially offset by weakness in installation revenue. In the Asia Pacific region the weakness in installation revenue more than offset the revenue growth seen from repair and maintenance services.

Table of Contents

For the three and **six** **nine** months ended **April 30, 2024** **July 31, 2024**, we saw strong revenue growth **across all of in** the **end** **environmental and forensics, diagnostics and clinical and pharmaceutical** markets, mainly driven by our spectroscopy, gas chromatography and liquid chromatography businesses, when compared to the same periods 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

Operating Results													
		Three Months Ended		Three Months Ended		Six Months Ended		Year over Year Change				Three Months Ended	
		April 30,		April 30,		Three		Six					
		July 31,		July 31,		Three		Nine					
		2024	2024	2023	2024	2023	Months				2024	2023	
(in millions, except margin data)													
Gross margin													
Gross margin													
Gross margin		50.2 %		47.0 %	50.4 %	47.8 %	3 ppts		52.1 %		50.9 %	50.9 %	
Research and development	Research and development	\$ 8	\$ 8	\$ 17	\$ 17	—	—	Research and development		\$ 8	\$ 8		
Selling, general and administrative	Selling, general and administrative	\$ 71	\$ 71	\$ 145	\$ 144	—	—	Selling, general and administrative		\$ 66	\$ 65		
Operating margin	Operating margin	30.5 %		26.6 %	30.4 %	26.8 %	4 ppts	Operating margin		34.0 %	32.7 %	31.6 %	
Income from operations	Income from operations	\$123	\$ 103	\$ 245	\$ 206	19%	19%	Income from operations		\$ 140	\$ 129		

to workforce reduction activities that occurred in offset by higher program investments. Research and development expenses for the fourth quarter of fiscal year 2023 nine months ended July 31, 2024 were flat due to lower salary expense related to workforce reduction activities and lower variable pay, offset by higher program investments, investments.

Selling, general and administrative expenses for the three and six nine months ended April 30, 2024 were relatively flat in both periods July 31, 2024 increased 3 percent and 1 percent, respectively, when compared to the same periods last year. Selling, general and administrative expenses for For the three and six months ended April 30, 2024 were flat mainly due to higher wages and commissions offset by lower travel costs and other discretionary spending. In addition, July 31, 2024, selling, general and administrative expenses decreased increased due to savings from restructuring activities that occurred in higher commissions, variable pay and travel costs partially offset by lower other discretionary spending and salary expense related to workforce reduction activities. For the fourth quarter of fiscal year 2023, nine months ended July 31, 2024, selling, general and administrative expenses increased due to higher commissions partially offset by lower travel expenses, variable pay and other discretionary spending and salary expense related to workforce reduction activities.

Operating margin for products and services for the three and six nine months ended April 30, 2024 July 31, 2024 increased 4 1 percentage point and 3 percentage points, in both periods respectively when compared to the same periods last year. Operating margin for the three and six nine months ended April 30, 2024 July 31, 2024 increased mostly driven by targeted price increases, and well-controlled variable lower service delivery costs that improved margins in addition and salary expense related to flat expenses, workforce reduction activities.

Income from operations for the three and six nine months ended April 30, 2024 July 31, 2024 increased \$20 million \$11 million or 19 8 percent and \$39 million \$50 million or 19 15 percent, respectively, on a corresponding revenue increase of \$15 million and \$39 million \$54 million, respectively.

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 April 30, 2024 July 31, 2024 consisted of cash and cash equivalents of \$1,671 million \$1,779 million as compared to

[Table of Contents](#)

\$1,590 million \$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 provided by operating activities was \$818 million \$1,270 million for the six nine months ended April 30, 2024 July 31, 2024 compared to net cash provided by operating activities of \$694 million \$1,256 million for the same period in 2023. Net cash paid for income taxes in the six nine months ended April 30, 2024 July 31, 2024 was \$224 million \$284 million compared to net cash paid for income taxes of \$128 million \$143 million for the same period in 2023. Net cash from operating activities in 2023 was helped in part by the deferral of estimated U.S. tax payments to our fourth quarter of fiscal 2023 due to the payment deferral relief made available by the IRS to taxpayers in designated counties in California.

In the six nine months ended April 30, 2024 July 31, 2024, accounts receivable provided cash of \$44 million \$67 million compared to cash provided of \$49 million \$113 million for the same period in 2023. Days' sales outstanding ("DSO") as of April 30, 2024 July 31, 2024 was 71 70 days when compared to 73 72 days as of April 30, 2023 July 31, 2023. Cash provided for by inventory was \$3 million \$15 million for the six nine months ended April 30, 2024 July 31, 2024 compared to cash used of \$71 million \$53 million for the same period in 2023 mainly due to focused inventory optimization efforts. Inventory days on-hand was 126 122 days as of April 30, 2024 July 31, 2024 compared to 125 95 days as of April 30, 2023 July 31, 2023. Excluding the asset impairment charges that were recorded in cost of sales in 2023, inventory days on-hand as of July 31, 2023 was 126 days. In the six nine months ended April 30, 2024 July 31, 2024, accounts payable provided cash of \$64 million \$78 million compared to cash used of \$101 million \$117 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 \$47 million \$65 million for the six nine months ended April 30, 2024 July 31, 2024 compared to cash used of \$110 million \$137 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 \$9 million \$16 million and \$17 million to our defined benefit plans in both the six nine months ended April 30, 2024 July 31, 2024 and 2023, 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 \$8 million \$4 million to our defined benefit plans during the remainder of 2024.

Net Cash Used in Investing Activities

Net cash used in investing activities was \$204 million \$304 million for the six nine months ended April 30, 2024 July 31, 2024 as compared to net cash used in investing activities of \$181 million \$270 million in the same period of 2023. In the six nine months ended April 30, 2024 July 31, 2024, we had no acquisitions used cash of \$3 million related to one acquisition compared to cash used of \$51 million related to two acquisitions in the six nine months ended April 30, 2023 July 31, 2023.

Investments in property, plant and equipment were \$193 million \$285 million for the six nine months ended April 30, 2024 July 31, 2024 compared to \$133 million \$214 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 six nine months ended April 30, 2024 July 31, 2024 was \$531 million \$777 million compared to net cash used in financing activities of \$407 million \$729 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 six nine months ended April 30, 2023 July 31, 2023, we repurchased and retired 1 661,739 shares for \$99 million under this authorization. On March 1, 2023, the 2021 repurchase program was terminated and the remaining authorization of \$339 million expired.

Table of Contents

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 six nine months ended April 30, 2023 July 31, 2023, we repurchased and retired 443,690 3.256 million shares for \$61 million \$396 million, excluding excise taxes of \$2.4 million under this authorization. During the six nine months ended April 30, 2024 July 31, 2024, we repurchased and retired 1.594 million 5.991 million shares for \$230 million, \$815 million, excluding excise taxes of \$1.0 million, \$6.4 million, under this authorization. As of April 30, 2024 July 31, 2024, we had remaining authorization to repurchase up to approximately \$1.294 billion \$709 million of our common stock under the 2023 repurchase program.

On May 29, 2024, we announced that our board of directors had approved a new share repurchase program (the "2024 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 2024 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 2024 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 2024 repurchase program will become became effective on August 1, 2024 and will commence upon the termination of our existing 2023 repurchase program.

Dividends. During the six nine months ended April 30, 2024 July 31, 2024 and 2023, we paid cash dividends of \$0.472 \$0.708 per common share or \$138 million \$206 million, and \$0.450 \$0.675 per common share or \$133 million \$199 million, respectively, on the company's common stock.

On May 22, 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 July 24, 2024 to all shareholders of record at the close of business on July 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 six nine months ended April 30, 2023 July 31, 2023, we paid a total of \$70 million in contingent consideration payments, of which \$3 million was included as an outflow in cash from operations. 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. Bioscience and \$5 million related to another acquisition.

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 six nine months ended April 30, 2024 July 31, 2024, we had no borrowings or repayments under these credit facilities compared to borrowings and repayments of \$175 million \$360 million in the same period in 2023. As of April 30, 2024 July 31, 2024, we had no borrowings outstanding under both either the credit facility and or the incremental revolving credit facility. We were in compliance with the covenants for the credit facility during the six nine months ended April 30, 2024 July 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 six nine months ended April 30, 2024 July 31, 2024, we had no borrowings or repayments under this credit facility. facility compared to borrowings and repayments of \$1 million in the same period in 2023. As of April 30, 2024 July 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 six nine months ended April 30, 2024 July 31, 2024, we had no borrowings or repayments borrowed \$610 million and repaid \$235 million under our commercial paper program compared to borrowings of \$1.412 million \$1.54 billion and repayments of \$1.447

million \$1.52 billion in the same period in 2023. As of April 30, July 31, 2024 we had no borrowings of \$375 million outstanding under our U.S. commercial paper program. program and a weighted average annual interest rate of 5.53 percent.

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. During the six nine months ended April 30, 2024 July 31, 2024, we prepaid a total of \$180 million on our term loan. As of April 30, 2024 July 31, 2024, we had \$420 million borrowings outstanding under the term loan facility and had a weighted average interest rate of 6.17 6.19 percent.

[Table of Contents](#)

Senior Notes. There have been no changes to the principal, maturity, interest rates and interest payment terms of the Agilent outstanding senior notes in the six nine months ended April 30, 2024 July 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 did not change significantly from what was 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 \$76 \$112 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 six nine months of fiscal year 2024. We have no other material non-cancelable guarantees or commitments.

Other long-term liabilities as of April 30, 2024 July 31, 2024 and October 31, 2023 include \$115 \$114 million and \$162 million, respectively, related to long-term income tax liabilities. Of these amounts, \$64 million \$63 million and \$68 million related to uncertain tax positions as of April 30, 2024 July 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 April 30, 2024 July 31, 2024 the remaining \$51 million in other long-term liabilities relates to the U.S. transition tax payment which is due within 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 47 percent and 53 52 percent of our revenue was generated in U.S. dollars during the six nine months ended April 30, 2024 July 31, 2024 and 2023, respectively. The overall effect of changes in foreign currency exchange rates had no an overall unfavorable impact on revenue growth of 1 percentage point in the six nine months ended April 30, 2024 July 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 April 30, 2024 July 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.

[Table of Contents](#)

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 April 30, 2024 July 31, 2024, the sensitivity analyses analysis 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 April 30, 2024 July 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

[Table of Contents](#)

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;

[Table of Contents](#)

- 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. Overall, foreign currency movements for the **Six nine** months ended **April 30, 2024** **July 31, 2024** had **no an overall unfavorable** impact on revenue growth **of 1 percentage point** when compared to the same period last year. Typically, when movements in foreign currency exchange rates have a **positive negative** impact on revenue, they will also have a **negative positive** impact by **increasing reducing** 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.

[Table of Contents](#)

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.

[Table of Contents](#)

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.

[Table of Contents](#)

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 Proteção 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

[Table of Contents](#)

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

[Table of Contents](#)

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 an** 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.

[Table of Contents](#)

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.

Issues in the development, deployment, and use of artificial intelligence in our business operations and products may result in reputational harm, regulatory action, or legal liability.

We are integrating artificial intelligence (“AI”) into business operations and products while continuing our research into the opportunities that AI could bring to the company. AI, particularly use of Generative AI, presents opportunities as well as risks that could negatively impact the business. The development, deployment, and use of AI, including within the life sciences industry, is still in early stages, where inadequate AI development and premature deployment practices could result in unintended outcomes that harm the business. The use of deficient AI, with flawed or biased algorithms and training methodologies, could result in competitive harm, regulatory penalties, legal liability, and brand or reputational harm. A failure to timely and effectively use AI and embed it into new product offerings and services could negatively impact our competitiveness.

Use of AI to improve internal business operations poses additional risks and challenges. Due to the significant expansion of technologies, it is not possible to identify or mitigate all risks before they arise, but we know AI can pose risks from an intellectual property, confidential data leakage, data protection and privacy perspective. AI is subject to a dynamic and rapidly evolving regulatory environment. As such, it remains uncertain how AI regulations will impact our business and the associated cost to embed compliance appropriately and effectively into our operations. The use of AI will be subject to new regulatory requirements, which if not integrated into business operations could pose further risks from a regulatory action perspective. Without appropriate governance, reliance on AI for business operations could introduce unforeseen vulnerabilities to the company.

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, these coverages are subject to deductibles as well as caps and may not be sufficient to cover the entirety of potential losses in certain catastrophic events. 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.

[Table of Contents](#)

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.

[Table of Contents](#)

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 an 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 April 30, 2024 July 31, 2024, we had approximately \$2.6 \$2.9 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.

[Table of Contents](#)

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 April 30, 2024 July 31, 2024, we had cash and cash equivalents of approximately \$1.7 billion \$1.8 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.

[Table of Contents](#)

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

ISSUER PURCHASES OF EQUITY SECURITIES

The table below summarizes information about the company's purchases, based on trade date, of its equity securities registered pursuant to Section 12 of the Exchange Act during the quarterly period ended April 30, 2024 July 31, 2024.

Period

Period									
Period	Total Number of Shares of Common Stock Purchased (1)	Weighted Average Price Paid per Share of Common Stock (2)	Total Number of Shares of Common Stock Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Approximate Dollar Value of Shares of Common Stock that May Yet Be Purchased Under the Plans or Programs (in millions) (1)	Total Number of Shares of Common Stock Purchased (1)	Weighted Average Price Paid per Share of Common Stock (2)	Total Number of Shares of Common Stock Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Approximate Dollar Value of Shares of Common Stock that May Yet Be Purchased Under the Plans or Programs (in millions) (1)	
	(a)	(b)	(c)	(d)	(a)	(b)	(c)	(d)	
2023 Repurchase Program									
February 1, 2024 through February 29, 2024									
February 1, 2024 through February 29, 2024									
February 1, 2024 through February 29, 2024									
March 1, 2024 through March 31, 2024									
April 1, 2024 through April 30, 2024									
May 1, 2024 through May 31, 2024									
May 1, 2024 through May 31, 2024									
May 1, 2024 through May 31, 2024									
June 1, 2024 through June 30, 2024									
July 1, 2024 through July 31, 2024									
Total									

- (1) 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. As of **April 30, 2024** **July 31, 2024**, all repurchased shares to date have been retired.
- (2) The weighted average price paid per share of common stock does not include the cost of commissions or excise taxes.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Arrangements

During the three months ended **April 30, 2024** **July 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 except as described below:

On **March 5, 2024** **June 13, 2024**, **Padraig McDonnell**, **Dominique Grau**, our Senior Vice President, Human Resources and Chief Executive Officer, Global Communications, adopted a trading arrangement intended to satisfy the affirmative defense conditions in Rule 10b5-1 (c) of the Exchange Act. The trading arrangement which is designed to be in effect until **March 4, 2025** **June 12, 2025**, subject to customary exceptions, provides for the sale of **up to 9,790** **9,990** shares of our common stock acquired by Mr. **McDonnell** **Grau** under our equity plans.

[Table of Contents](#)

ITEM 6. EXHIBITS

(a) Exhibits:

Exhibit Number	Description
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
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

[Table of Contents](#)

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: May 31, August 29, 2024

By:

/s/ Robert W. McMahon

Robert W. McMahon

Senior Vice President and Chief Financial Officer

(Principal Financial Officer)

Dated: May 31, August 29, 2024

By:

/s/ Rodney Gonsalves

Rodney Gonsalves

Vice President, Corporate Controllershship

(Principal Accounting Officer)

6668

Exhibit 31.1

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, Padraig McDonnell, 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: May 31, August 29, 2024

/s/ Padraig McDonnell
Padraig McDonnell
Director, President and Chief Executive Officer

Exhibit 31.2

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: May 31, August 29, 2024

/s/ Robert W. McMahon

Robert W. McMahon

Senior Vice President and Chief Financial Officer

Exhibit 32.1

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 April 30, 2024 July 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Padraig McDonnell, 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: May 31, August 29, 2024

/s/ Padraig McDonnell

Padraig McDonnell

Director, President and Chief Executive Officer

Exhibit 32.2

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 April 30, 2024 July 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: May 31, August 29, 2024

/s/ Robert W. McMahon

Robert W. McMahon

Senior Vice President and Chief Financial Officer

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.