



Agilent Technologies Q3'15 Results Presentation

Safe Harbor

This presentation contains forward-looking statements (including, without limitation, information and future guidance on the company's goals, priorities, revenues, demand, growth opportunities, customer service and innovation plans, new product introductions, financial condition, earnings, share repurchases, the company's ability to pay dividends, ability to access capital markets, the continued strengths and expected growth of the markets the company sells into, operations, operating earnings, and tax rates) that involve risks and uncertainties that could cause results of Agilent to differ materially from management's current expectations. The words "anticipate," "plan," "estimate," "expect," "intend," "will," "should" "forecast" "project" and similar expressions, as they relate to the company, are intended to identify forward-looking statements.

In addition, other risks that the company faces in running its operations include the ability to execute successfully through business cycles; the ability to successfully adapt its cost structures to continuing changes in business conditions; ongoing competitive, pricing and gross margin pressures; the risk that our cost-cutting initiatives will impair our ability to develop products and remain competitive and to operate effectively; the impact of geopolitical uncertainties on our markets and our ability to conduct business; the impact of currency exchange rates on our financial results; the ability to improve asset performance to adapt to changes in demand; the ability to successfully introduce new products at the right time, price and mix; the risk that the rationales for the separation will not be realized, and other risks detailed in the company's filings with the Securities and Exchange Commission, including our quarterly report on Form 10-Q for the quarter ended April 30, 2015.

The company assumes no obligation to update the information in these presentations. These presentations and the Q&A that follows include non-GAAP measures. Non-GAAP measures exclude primarily the impacts of acquisition and integration costs, future restructuring costs, transformational initiatives, asset impairment charges, business exit costs and divestiture, and non-cash intangibles amortization. Also excluded are tax benefits that are not directly related to ongoing operations and which are either isolated or cannot be expected to occur again with any regularity or predictability. Most of these excluded amounts pertain to events that have not yet occurred and are not currently possible to estimate with a reasonable degree of accuracy. Accordingly, no reconciliation to GAAP amounts has been provided.

Agilent Results Q3'15

Scale and leading technology across Analytical Laboratories and Clinical & Dx markets

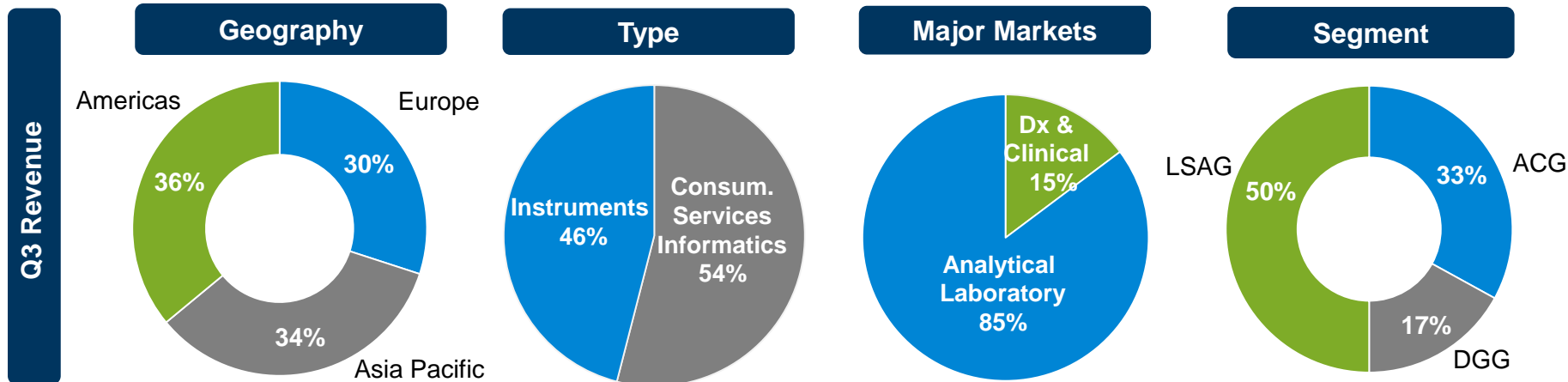
Q3'15 Financial Metrics

"Core" adjusted for NMR, Acquisitions, Divestitures, and FX

- **Orders:** \$953M, +3% y/y core⁽¹⁾, -6% reported (-7% FX, -2% NMR, 0% M&A)
- **Revenues:** \$1.014B, +9% y/y core^{(1) (2)}, +1% reported (-7% FX, -1% NMR, 0% M&A)
- **Operating Margin:** 19.7% of revenue⁽²⁾ (Operating Margin adjusted for Keysight reimbursement: 19.9%⁽²⁾⁽³⁾)
- **EPS:** \$0.44⁽²⁾

Q3 Headlines

- **Revenue** at high end of guidance with strength in Pharma, Diagnostics & Clinical, and Environmental & Forensics end-markets. Geographic strength in US, China, and Europe.
- **Operating Margin**, at 19.9%⁽²⁾⁽³⁾ expanded 110 basis points over last year.
- **Shares Repurchased** in quarter: \$99M
- **Orders** grew 3% core against tough Q314 compare. Some US and state government large deals delayed into Q4. Customers in industrial markets continue cautious stance in light of macro-economic conditions.



(1) Core growth is reported growth adjusted for the effects of NMR exit, Acquisitions and Divestitures, and FX (2) Presented on a non-GAAP basis; reconciliations to closest GAAP equivalent provided. (3) Operating margin adjusted for \$4M reimbursement from Keysight for site services classified as "Other Income."

Life Sciences & Applied Markets Group (LSAG)

Instrumentation and Informatics for Analytical Laboratories



- **Strong revenue growth** across all regions, and boosted by logistics center catch-up of shipments.
- **Operating Margin** for the quarter was 18.7%⁽¹⁾⁽²⁾, up 220 basis points over last year
- **New Products** offerings building Q4 sales funnel:
 - Enhanced the Infinity II LC line with the new **1290 Infinity II Vial-Sampler**, significantly lowering the entry price to the top-line product range, offering analytical laboratories cost-effective access to UHPLC.
 - Released the **6470 LC/MS Triple-Quad** at ASMS in June. This newly engineered core platform provides attogram-level sensitivity, and accurate quantitation with up to six orders of linear dynamic range

- **Q3'15 Revenue of \$511M**
 - **Y/Y Growth: +1% (+9% core⁽¹⁾⁽³⁾)**
- **Orders Y/Y Growth: -11% (-1% core⁽³⁾)**

(1) Presented on a non-GAAP basis; reconciliations to closest GAAP equivalent provided (2) Not adjusted for Keysight reimbursement;
(3) Core growth is reported growth adjusted for the effects of NMR exit, Acquisitions and Divestitures, and FX

Agilent Cross Lab Group (ACG)

Analytical Laboratory Consumables and Services



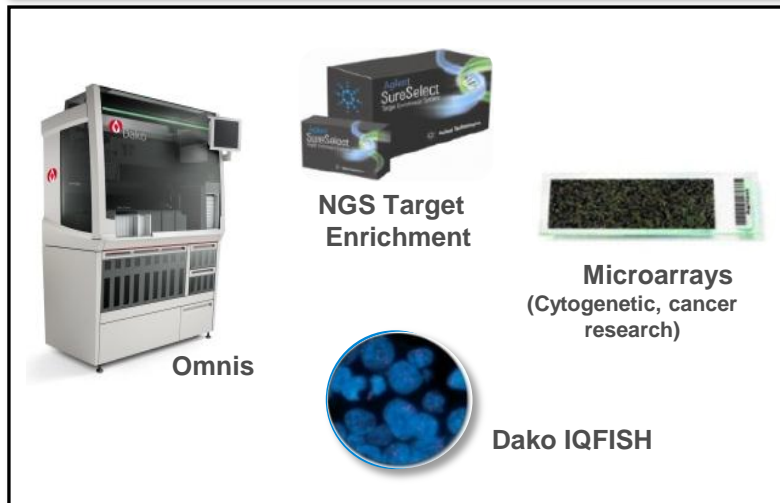
- **Core revenue growth** strong across consumable supplies, columns, sample prep and services.
- **Operating Margin** in the quarter was 22.6%⁽¹⁾⁽²⁾
- **New Offerings** in Q3 fueling growth:
 - Launched the **Agilent CrossLab Brand Promise** program. Program focused on new and integrated approach to offer actionable insights to customers. New solutions include laboratory business intelligence reporting, RFID inventory management services, and laboratory asset utilization services.
 - Expanded **AdvanceBio** portfolio of consumables solutions, enabling scientists to speed research and lower cost.

- **Q3'15 Revenue of \$336M**
 - **Y/Y Growth: flat (+8% core⁽¹⁾⁽³⁾)**
- **Orders Growth: -2% (+6% core⁽³⁾)**

(1) Presented on a non-GAAP basis; reconciliations to closest GAAP equivalent provided (2) Not adjusted for Keysight reimbursement; (3) Core growth is reported growth adjusted for the effects of NMR exit, Acquisitions and Divestitures, and FX

Diagnosics and Genomics Group (DGG)

Pathology, Genomics, and Nucleic Acid Manufacturing



- **Continued momentum** across all DGG Businesses: Dako, Genomics, and Nucleic Acid Solutions
- **Operating Margin** for the quarter was 16.8%⁽¹⁾⁽²⁾, up 330 basis points over last year.
- **New Products and Platforms** introduced in Q3:
 - Completed acquisition of **Cartagenia**, a leading provider of software from clinical genetics and molecular pathology labs.
 - Launched updated **Gene Expression Microarray** tools for researchers to better investigate expression patterns on a highly accessible platform.
 - In NGS portfolio, added new **Target-Enrichment Solutions** for disease research which address current limitations in exome sequencing

- **Q3'15 Revenue of \$167M**
 - **Y/Y Growth: flat (+10% core⁽¹⁾⁽³⁾)**
- **Orders Growth: -1% (+8% core⁽³⁾)**

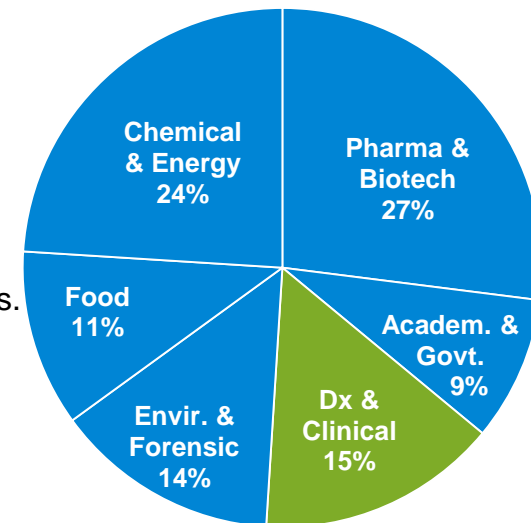
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Growth in a \$45B Market – Q3'15 Results by End Market

Strength in Pharma, Diagnostics & Clinical, and Environmental & Forensics, Softness in Chemical & Energy

Y/Y growth rates shown are unadjusted for currency, which had an overall negative 7% impact across Agilent revenue

Agilent Revenue by End Market ⁽¹⁾



Analytical Laboratory End Markets

- Q3'15 revenues: flat y/y
 - Pharma & Biotech: Up 8% on technology refresh, new product uptake, demand across pharma spectrum, and sustained after market growth.
 - Food: Flat, continued strength in China driven by adoption of new methods.
 - Environmental & Forensics: Up 9%: Environmental growth driven by China demand. Forensics boosted by the timing of some larger deals.
 - Academia & Govt: Down 7% (-2% excluding NMR) as revenue growth muted by broadly flat gov't spending.
 - Chemical & Energy: Down 9% (-7% excluding NMR) with significant drop in oil/gas exploration & production offset by modest refining/chemical strength.

Diagnostics and Clinical

- Q3'15 revenues: +3% y/y
 - Driven by strength in Dako (Omnis placements gaining traction, continued Companion Dx opportunities) and demand in the aftermarket.

(1) % of Q315 Agilent revenue. Recast customer mapping beginning in FY15 due to implementation of new tracking system.

Agilent Profitable Growth Plan

Recent Actions

▪ **On-Track to Deliver “Agile Agilent” Program Benefits**

- Multi-year program to increase efficiency and customer focus
- Initiatives have delivered \$35M savings to date, on track to lower costs by \$50M in FY15
 - New business group structure & portfolio
 - Consolidated Sales Channel
 - Central Research Lab

▪ **Portfolio Investments**

- Completed acquisition of Cartagenia.
- Completed divestment of XRD business; exit of NMR hardware business proceeding as planned.
- Central Research Lab – focused investment, now Life Sciences and Diagnostics only.
- Aligning investment with most attractive growth opportunities.

▪ **Innovation Driven Organic Growth**

- New LC - 1290 Infinity II – September Launch, plus follow-on enhancements
- New Spectroscopy offering – 5100 ICP-OES, FTIR Enhancements
- Strengthening Mass Spectrometry Leadership
 - New 7800 quadrupole ICP-MS
 - LC-MS – new 6470 QQQ launched in June; 6545 and 6560 Q/TOF offerings
 - GC-MS – new 7010 QQQ and 7200 GC Q-TOF

Agilent Strategy to Win

Creating shareholder value

▪ ***Accelerate Organic Growth***

- Focus on sustaining share growth within the core Analytical Lab
- Continue to bring innovative new offerings to the market
- Expand lab-wide services & consumables with a differentiated customer experience
- Leverage Analytical Lab strength to drive growth in genomics, clinical research, and diagnostics markets

▪ ***Aggressively expand operating margins from 19% to 22% by FY17***

- Focus on growing adjusted operating margins through portfolio and order fulfillment transformation programs
- Leverage SG&A and R&D investments
- Reduce dis-synergies
- Execute exit of NMR hardware business. Complete Dako FDA warning letter remediation efforts.

▪ ***Deploy capital for long term shareholder value***

- Invest in the business
- Return unused cash to shareholders
 - Plan to return ~\$500M through combination of dividends(~\$135M) and opportunistic share buybacks (~\$365M) in FY15
- Maintain investment grade rating

Q4'15 and FY15 Guidance and Forward-looking Considerations

Based on July 31, 2015 Exchange Rates

	FY14 Actual ⁽²⁾	FY15 Guidance at mid-point ⁽¹⁾⁽²⁾
Net Revenue (M\$)	\$4,048	\$4,043
<i>Y/Y Revenue Growth</i>	3.9%	-0.1%
Operating Profit (M\$)	\$763	\$752
<i>Op Margin %</i>	18.8%	18.6%
<i>Net Interest Expense (M\$)</i>		\$ (59)
<i>Other Income (M\$)</i>		\$21
Pre-Tax Income (M\$)		\$714
Net Income (M\$)		\$571
EPS		\$ 1.70
<i>Outstanding Shares (Diluted) (MM)</i>		336
Adjusted Operating Profit (M\$) ⁽³⁾		\$777
Adjusted OM% ⁽³⁾		19.2%

(1) As of August 17, 2015, based on July 31, 2015 exchange rates.

(2) Presented on a non-GAAP basis.

(3) Adjusted for FY15 IT and rental billings to Keysight; directly comparable to FY14 reported figure

(4) Core growth is reported growth adjusted for the effects of NMR exit, Acquisitions and Divestitures, and FX

FY15 Guidance

- **Revenue: \$4.03B - \$4.05B**; growth at mid-point 6.6% core⁽⁴⁾, flat reported⁽¹⁾ (-0.5% NMR, 0% M&A, -6.1% FX)
- **EPS: \$1.68 - \$1.72**, assumed diluted share count 336M ⁽¹⁾⁽²⁾

Q4'15 Guidance

- **Revenue: \$1.03B-\$1.05B**; growth at mid-point 6.7% core⁽⁴⁾, -0.3% reported ⁽¹⁾ (-0.3% NMR, -0.1% M&A,, -6.6% FX)
- **EPS: \$0.45-\$0.49**, assumed diluted share count 333M ⁽¹⁾⁽²⁾

FY15 Company Split Financial Considerations

- **Dis-Synergies: Peak in FY15, a Transition Year.**
- **Transition Services and Operating Margin Impact**
 - About \$25M of Other Income expected to come from transitional services billed to Keysight Technologies:
 - \$12M first half weighted for IT services and \$13M for ongoing rental income
 - Beginning in Q1'15, services billings recognized in Other Income, but costs in SG&A, shifting credit from Operating Margin to Pre-tax Earnings (no net earnings impact)
 - FY15 Op Margin forecast of 18.6% at mid-point of guidance is equivalent to 19.2% when adjusted for this shift
- **Tax Rate: Non-GAAP Tax Rate of 20%**