

Key Credit Merits	Key Credit Risks
Strong recurring revenue	Elevated leverage post-acquisitions
Robust global diversification	Integration and execution risk (large M&A;)
Solid liquidity and cash flow	Exposure to macro/geopolitical volatility

WATERS CORP /DE/ - Capitalization Table					
Item	Amount	PPC Holdings	Coupon	Secured	Maturity
Cash and Equivalents	367,215				
Revolving Credit Facility	200,000	-	S + 80-112.5	N	2030
Senior Unsecured Notes - Series K	160,000	-	3.44%	N	2026
Senior Unsecured Notes - Series L	200,000	-	3.31%	N	2026
Senior Unsecured Notes - Series M	300,000	-	3.53%	N	2029
Senior Unsecured Notes - Series N	100,000	-	1.68%	N	2026
Senior Unsecured Notes - Series O	400,000	-	2.25%	N	2031
Senior Unsecured Notes - Series P	50,000	-	4.91%	N	2028
Senior Unsecured Notes - Series Q	50,000	-	4.91%	N	2030
(Less: Debt Issuance Costs)	-3,034	-	-	-	-
Total Debt	1,456,966				
Book Value of Equity	2,159,812				
Book Capitalization	3,616,778				
Market Value of Equity	-				
Market Capitalization	-				
LTM Adjusted EBITDA	-				
Market Value of RE Assets	-				
Unencumbered Assets	-				
Key Financial Ratios:					
Total Debt To Adj Ebitda	-				
Total Debt To Market Capitalization	-				

WATERS CORP /DE/ - Historical Financial Analysis (FYE 03/31)	Fiscal Year Ended					YTD		LTM
	2020	2021	2022	2023	2024	03/31/24	03/31/25	03/31/25
Revenue	1,497,333	1,822,070	1,988,169	1,903,050	1,844,176	0	0	1,844,176
% YoY Growth		21.7%	9.1%	(4.3%)	(3.1%)			
Cost of Goods Sold	638,033	752,514	836,209	766,374	747,920	0	0	747,920
Gross Profit	859,300	1,069,556	1,151,960	1,136,676	1,096,256	0	0	1,096,256
% Margin	57.4%	58.7%	57.9%	59.7%	59.4%			59.4%
Operating Expenses	705,062	802,469	840,582	943,517	920,265	0	0	920,265
Adjustments	169,171	161,598	172,987	202,773	236,534	0	0	236,534
Adjusted EBITDA	814,660	983,305	1,046,382	1,020,449	1,062,887	0	0	1,062,887
% Margin	54.4%	54.0%	52.6%	53.6%	57.6%			59.4%
Interest Expense	49,070	44,938	48,797	98,861	89,677	0	0	89,677
Taxes	89,343	113,350	130,091	94,009	117,034	0	0	117,034
Change in Working Capital	108,361	140,008	276,770	(119,308)	(17,173)	0	0	(17,173)
Other	(2,955)	12,038	2,228	807	(10,792)	0	0	(10,792)
Capital Expenditures	172,384	161,266	175,921	160,632	142,481	0	0	142,481
Free Cash Flow	618,123	586,008	435,740	442,177	619,642	0	0	619,642
Acq. / Disp.	(59,683)	218,084	77,993	(1,280,584)	3,676	0	0	3,676
Change in Debt	(325,366)	160,000	60,000	780,000	(730,000)	0	0	(730,000)
Equity / Dividends	(130,376)	(593,287)	(583,260)	(40,485)	16,825	0	0	16,825
Other	(15,240)	(3,549)	(13,627)	(15,836)	(16,500)	0	0	(16,500)
Change in Cash	100,980	64,539	(20,705)	(85,453)	(70,655)	0	0	(70,655)
Cash - End of Period	436,695	501,234	480,529	395,076	324,421	0	0	0
Total Debt	1,356,515	1,513,870	1,574,878	2,355,513	1,626,488	2,005,761	0	0
Book Equity	232,144	367,554	504,488	1,150,341	1,828,507	0	0	0
Key Financial Ratios:								
EBITDA / Int. Exp.	16.60x	21.88x	21.44x	10.32x	11.85x			11.85x
Total Debt / EBITDA	1.67x	1.54x	1.51x	2.31x	1.53x			0.00x
Total Debt / Book Capital	0.00x	0.00x	0.00x	0.00x	0.00x			
Total Debt + Leases / EBITDA	1.67x	1.54x	1.51x	2.31x	1.53x			0.00x
Total Debt + Leases / Book Capital	0.00x	0.00x	0.00x	0.00x	0.00x			
EBITDAR / Interest + Rent	6.28x	8.08x	8.26x	5.97x	6.88x			11.85x

Income Statement

- ****Revenue**** for FY2024 was \$2,958.4M, flat versus the \$2,956.4M of FY2023 and down 0.5% from FY2022. FY2024 saw instrument product sales decline 3% (driven by weak demand in China, particularly in LC and MS instruments), while precision chemistry consumables rose 4% and service revenue was up 6%. Ex-China, sales grew 2%. For the LTM period ended Q2 2025 (LTM: July 2024 – June 2025), rolling twelve-month revenue was \$3,090M, up ~4% over FY2024 (Q2 2024 LTM: \$2,976M), driven by a rebound in instrument sales and strong growth in recurring chemistry and service revenues. ****Q2 2025 revenue was \$1,433.0M YTD, up 7% YoY**** for the comparable period.
- Throughout FY2024, sharp declines in China (10% in 2024, 22% in 2023) offset steady growth elsewhere. The ****Wyatt acquisition**** (May 2023) contributed about 1% to total FY2024 revenue, helping expand into large-molecule and light scattering applications.
- The ****drivers of revenue**** into FY2025 LTM were: (1) Rebounding demand in Asia ex-China and Europe; (2) Double-digit expansion in chemistry consumables due to customer pull-forward ahead of US-China tariffs (\$8M

chemistry sales presumably pulled into Q2 2025 in China); (3) Ongoing services growth across installed base; (4) Lapping severe China declines in the prior year; (5) Modest contribution from M&A; (Halo Labs acquisition in Q2 2025 for specialized imaging and aggregate detection tools).

- The ****EBITDA margin**** (approximated as operating margin) for FY2024 was 27.9%, up slightly from 27.7% in FY2023 and down from 29.4% in FY2022. Drivers for FY2024 included cost savings from workforce reductions, strong chemistry/service mix, and the absence of 2023's severance costs. Offsets included higher annual incentive compensation, full-year Wyatt amortization, and increased wage/SG&A; inflation. Margin pressure from declining high-margin instrument sales in China was partially offset by higher-margin recurring revenue. FX was a ~140bps margin headwind in 2024. For the LTM through Q2 2025, margins are tracking modestly higher due to stronger volumes, improved sales mix (recurring/chemistry), and lower incentive costs, partially offset by transaction costs (~\$14M related to the pending BD Biosciences & Diagnostics acquisition), higher ERP/IT investments, and some recovery in instrument mix.
- Summary table: FY2024 Revenue \$2,958.4M; Operating Income \$826.4M (27.9% margin). LTM Q2 2025 Revenue ~\$3,090M; Operating Income not disclosed, but Q2 YTD 2025 (first half): \$340.0M on revenue of \$1,433M (23.7% margin; Q2 24 = 26.7%, Q2 25 = 24.4%, reflecting increased costs/transaction expenses).

Cash Flow Statement

- ****FY2024 Free Cash Flow (FCF):**** Operating cash flow \$762M less capex/software \$142M = \$620M. FY2023 FCF = \$603M – \$161M = \$442M. Q2 2025 LTM FCF is estimated at \$800M – \$185M = \$615M (using 1H'25: \$301M OCF, \$48M capex, on track to \$600M+ full-year). FCF conversion remains strong, recovering from 2023's temporary impact from integration/acquisition costs, higher incentive payments, and working capital swings.
- ****Q2 2025 YTD**:** Operating cash flow \$301M, capex/software \$48M; FCF \$253M for half-year.
- ****Major M&A:**** In FY2023, Waters acquired Wyatt Technology (~\$1.3B cash, closed May 2023, full year of consolidation from 2024). The LTM period (Q3 2024–Q2 2025) also includes the acquisition of Halo Labs (closed May 2025) for \$35M (net of cash acquired, \$24M to goodwill; \$13M to intangible assets; \$2M in customer relationships, \$2M in developed technology; negligible impact on financials). In July 2025, Waters also signed a transformative (pending/unsigned) \$17.5B deal to acquire BD's Biosciences & Diagnostics business (not closed; not reflected in LTM numbers). No other material acquisitions in LTM.
- ****Dividends:**** No dividends paid in FY2022, FY2023, FY2024, or LTM.
- Other key cash flow uses: Debt repayments of \$900M in FY2024; \$240M YTD Q2 LTM; ERP capex and software implementation (\$130M projected through 2027; \$7M spent YTD Q2 2025).
- ****Working capital:**** Q2-2025 cash flow reflects working capital normalization, with strong customer advances and deferred revenue building to \$420M (up from \$320M at FY2024); inventory rising to \$541M due to tariff-related safety stock and higher sales volume.
- ****Summary Table:**** FY2024: OCF \$762M, CapEx/software \$142M, FCF \$620M. FY2023: OCF \$603M, CapEx/software \$161M, FCF \$442M. LTM Q2 2025 (estimate): OCF \$800M, CapEx/software \$185M, FCF \$615M.

Balance Sheet

- As of Q2 2025 (June 28, 2025), ****total debt was \$1,457M****, consisting of \$260M current and \$1,197M long-term debt. This is down from \$1,627M at FY2024 and reflects accelerated debt repayment since the Wyatt acquisition. The ****leverage ratio (Total Debt + Capitalized Operating Leases / EBITDAR)**** at Q2 2025 is

estimated at 1.6x–2.1x, assuming EBITDAR LTM ~\$750–\$900M (exact EBITDAR/LTM rent not disclosed; operating lease liabilities at \$81M). This is an improvement from 2.2x–2.6x at the time of Wyatt closing. At FY2023, leverage was temporarily elevated (~2.8x–3.0x) due to the Wyatt transaction.

- Cash and cash equivalents were **\$367M** as of Q2 2025 (up from \$325M at FY2024).
- Revolver borrowing capacity as of Q2 2025 was \$1.6B (total facility \$1.8B, amended in May 2025). None drawn except \$200M; up to \$50M available for letters of credit.
- **Liquidity** (cash + undrawn revolver**): \$367M + \$1,600M = \$1,967M at Q2 2025.
- **Stockholders' equity** at Q2 2025 was \$2,160M, improved from \$1,829M at FY2024 due to retained earnings growth and positive FX other comprehensive income.
- **Dividends:** Waters has not declared or paid any cash dividends in FY2022, 2023, 2024, or the LTM period, and continues to have a policy of no common stock dividends.
- **Share repurchase:** No open market repurchases in FY2024 or YTD 2025. Repurchases only for share-based compensation vesting (\$13M in FY2024, \$14M YTD Q2 2025). Board authorization for \$1.0B remains through 2028.
- Balance Sheet Table: Q2 2025: Cash \$367M, Total Debt \$1,457M, Equity \$2,160M | FY2024: Cash \$324M, Total Debt \$1,626M, Equity \$1,829M

Comparables Analysis:

WATERS CORP /DE/ - Credit Comparable Analysis											
LTM								3-Year Average			
Ticker	LTM Rev (000s)	LTM EBITDA (000s)	EBITDAR			(Tot Debt + COL) Tot Cap	(FCF + Rents)	3Y Avg (TD+COL) EBITDAR	3Y Avg (TD+COL) Tot Cap	3Y Avg (FCF+Rents) (TD+COL)	
			EBITDA Mrgn %	(Int + Rents)	(Tot Debt + COL) EBITDAR		(Net Debt + COL) EBITDAR				(Tot Debt + COL)
WATERS CORP /DE/	1869042.0	1046160.0	56.0%	13.34x	0.08x	-0.14x	1.02x	0.00x	-	-	-
DANAHER CORP /DE/	22874000.0	6272000.0	27.4%	-	0.46x	0.93x	0.05x	1.69x	2.10x	0.26x	0.34x
AGILENT TECHNOLOGIES, INC.	4700000.0	1854000.0	39.4%	18.18x	0.01x	-0.78x	0.00x	48.59x	1.62x	0.34x	0.44x
IQVIA HOLDINGS INC.	8519000.0	2097000.0	24.6%	2.69x	6.38x	5.61x	1.00x	0.16x	4.79x	0.70x	0.14x
METTLER TOLEDO INTERNATIONAL INC/	3395796.0	1201825.0	37.2%	15.14x	0.00x	0.00x	-0.00x	-	0.00x	0.00x	-
AVERAGE	8271567.0	2494197.0	36.9%	12.34x	1.39x	1.13x	0.41x	12.61x	2.13x	0.32x	0.31x
MEDIAN	4700000.0	1854000.0	37.2%	14.24x	0.08x	0.00x	0.05x	0.93x	1.86x	0.30x	0.34x