

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(MARK ONE)

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

For the quarterly period ended January 31, 2025

OR

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

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

AGILENT TECHNOLOGIES, INC.
(Exact Name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

77-0518772
(IRS Employer Identification No.)

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

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§322.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

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

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

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

As of February 26, 2025, the registrant had 285,102,717 shares of common stock, \$0.01 par value per share, outstanding.

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

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

	Three Months Ended	
	January 31,	
	2025	2024
Net revenue:		
Products	\$ 1,200	\$ 1,209
Services and other	481	449
Total net revenue	1,681	1,658
Costs and expenses:		
Cost of products	535	514
Cost of services and other	247	236
Total costs	782	750
Research and development	113	128
Selling, general and administrative	410	396
Total costs and expenses	1,305	1,274
Income from operations	376	384
Interest income	15	18
Interest expense	(28)	(22)
Other income (expense), net	4	23
Income before taxes	367	403
Provision for income taxes	49	55
Net income	\$ 318	\$ 348
Net income per share:		
Basic	\$ 1.12	\$ 1.19
Diluted	\$ 1.11	\$ 1.18
Weighted average shares used in computing net income per share:		
Basic	285	293
Diluted	287	294

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	
	January 31,	
	2025	2024
Net income	\$ 318	\$ 348
Other comprehensive income (loss):		
Unrealized gain (loss) on derivative instruments, net of tax expense (benefit) of \$3 and \$(3)	11	(7)
Amounts reclassified into earnings related to derivative instruments, net of tax expense (benefit) of \$(1) and \$(1)	(2)	(2)
Foreign currency translation, net of tax expense (benefit) of \$0 and \$0	(85)	21
Net defined benefit pension cost and post retirement plan costs:		
Change in actuarial net gain (loss), net of tax expense (benefit) of \$0 and \$(1)	—	(1)
Other comprehensive income (loss)	(76)	11
Total comprehensive income	<u>\$ 242</u>	<u>\$ 359</u>

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

AGILENT TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except par value and share data)
(Unaudited)

	January 31, 2025	October 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,467	\$ 1,329
Accounts receivable, net	1,328	1,324
Inventory	997	972
Other current assets	315	334
Total current assets	4,107	3,959
Property, plant and equipment, net	1,816	1,778
Goodwill	4,429	4,477
Other intangible assets, net	514	547
Long-term investments	173	175
Other assets	875	910
Total assets	\$ 11,914	\$ 11,846
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 547	\$ 540
Employee compensation and benefits	258	368
Deferred revenue	612	544
Short-term debt	16	45
Other accrued liabilities	436	398
Total current liabilities	1,869	1,895
Long-term debt	3,347	3,345
Retirement and post-retirement benefits	120	130
Other long-term liabilities	551	578
Total liabilities	5,887	5,948
Commitments and contingencies (Note 12)		
Total equity:		
Stockholders' equity:		
Preferred stock; \$0.01 par value; 125,000,000 shares authorized; none issued and outstanding at January 31, 2025 and October 31, 2024	—	—
Common stock; \$0.01 par value; 2,000,000,000 shares authorized; 285,232,190 shares at January 31, 2025 and 285,193,011 shares at October 31, 2024 issued and outstanding	3	3
Additional paid-in-capital	5,489	5,450
Retained earnings	916	750
Accumulated other comprehensive loss	(381)	(305)
Total stockholders' equity	6,027	5,898
Total liabilities and stockholders' equity	\$ 11,914	\$ 11,846

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

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

	Three Months Ended January 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 318	\$ 348
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	72	62
Share-based compensation	40	44
Deferred taxes expense (benefit)	(10)	—
Excess and obsolete inventory related charges	10	11
Net (gain) loss on equity securities	(1)	(3)
Asset impairment charges	—	8
Other non-cash (income) expense, net	—	(6)
Changes in assets and liabilities:		
Accounts receivable, net	(30)	10
Inventory	(40)	(9)
Accounts payable	3	84
Employee compensation and benefits	(104)	(104)
Other assets and liabilities	173	40
Net cash provided by operating activities	431	485
Cash flows from investing activities:		
Payments to acquire property, plant and equipment	(97)	(90)
Payments in exchange for convertible note	(1)	(5)
Payments to acquire businesses and intangible assets, net of cash acquired	4	—
Net cash used in investing activities	(94)	(95)
Cash flows from financing activities:		
Proceeds from issuance of common stock under employee stock plans	30	34
Payments of taxes related to net share settlement of equity awards	(22)	(25)
Payments for repurchase of common stock	(90)	—
Payments of dividends	(71)	(69)
Proceeds from issuance of long-term debt	4	—
Repayments of long-term debt	(1)	(180)
Net proceeds from (repayments of) short-term debt	(30)	—
Net cash used in financing activities	(180)	(240)
Effect of exchange rate movements	(19)	7
Net increase (decrease) in cash, cash equivalents and restricted cash	138	157
Cash, cash equivalents and restricted cash at beginning of period	1,332	1,593
Cash, cash equivalents and restricted cash at end of period	\$ 1,470	\$ 1,750
Supplemental cash flow information:		
Income tax paid, net of refunds received	\$ 19	\$ 24
Interest payments, net of capitalized interest	\$ 3	\$ 14
Net change in property, plant and equipment included in accounts payable and accrued liabilities-increase (decrease)	\$ 8	\$ (16)

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 and per share data)
(Unaudited)

	Common Stock						
	Number of Shares	Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	
Three Months Ended January 31, 2025							
Balance as of October 31, 2024	285,193	\$ 3	\$ 5,450	\$ 750	\$ (305)	\$ 5,898	
Components of comprehensive income, net of tax:							
Net income	—	—	—	318	—	318	
Other comprehensive income (loss)	—	—	—	—	(76)	(76)	
Total comprehensive income						242	
Cash dividends declared (\$0.248 per common share)	—	—	—	(71)	—	(71)	
Share-based awards issued, net of tax of \$22	689	—	8	—	—	8	
Repurchase of common stock, including excise taxes	(650)	—	(9)	(81)	—	(90)	
Share-based compensation	—	—	40	—	—	40	
Balance as of January 31, 2025	285,232	\$ 3	\$ 5,489	\$ 916	\$ (381)	\$ 6,027	

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

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 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 November 2024, we announced a change in our organizational structure to support our market-focused, customer-centric strategy. Our former Diagnostics and Genomics segment combined with our liquid chromatography and liquid chromatography mass spectrometry instrument platforms to form our new Life Sciences and Diagnostics Markets segment. Our chemistries and supplies, laboratory automation, and software and informatics divisions moved from our former Life Sciences and Applied Markets segment to our Agilent CrossLab segment. The remaining divisions in our former Life Sciences and Applied Markets segment which includes our gas chromatography, gas chromatography mass spectrometry, remarketed instruments, spectroscopy and vacuum divisions form our new Applied Markets segment. We are reporting under this new structure beginning with this Quarterly Report on Form 10-Q for the period ended January 31, 2025.

Following this re-organization, we have three business segments - Life Sciences and Diagnostics Markets, Agilent CrossLab and Applied Markets, each of which comprise a reportable segment. All historical financial segment information has been recast to conform to this new presentation in our financial statements and accompanying notes.

Basis of Presentation. We have prepared the accompanying financial data for the three months ended January 31, 2025 and 2024 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, 2024 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, 2024.

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 sheets as of January 31, 2025 and October 31, 2024, condensed consolidated statement of comprehensive income (loss) for the three months ended January 31, 2025 and 2024, condensed consolidated statement of operations for the three months ended January 31, 2025 and 2024, condensed consolidated statement of cash flows for the three months ended January 31, 2025 and 2024 and condensed consolidated statement of equity for the three months ended January 31, 2025 and 2024.

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 sheets follows:

	January 31, 2025	October 31, 2024
	(in millions)	
Cash and cash equivalents	\$ 1,467	\$ 1,329
Restricted cash included in other assets	3	3
Total cash, cash equivalents and restricted cash	<u>\$ 1,470</u>	<u>\$ 1,332</u>

Leases. As of January 31, 2025 and October 31, 2024, operating lease right-of-use assets where we are the lessee were \$172 million and \$177 million, respectively, and were included within other assets in the accompanying condensed consolidated balance sheets. The associated operating lease liabilities were \$177 million and \$184 million as of January 31, 2025 and October 31, 2024, respectively, and were included in other accrued liabilities and other long-term liabilities in the accompanying condensed consolidated balance sheets.

Variable Interest Entities. We make a determination upon entering into an arrangement whether an entity in which we have made an investment is considered a Variable Interest Entity ("VIE"). We evaluate our investments in privately held companies on an ongoing basis. We have determined that as of January 31, 2025 and October 31, 2024, there were no VIEs required to be consolidated in our consolidated financial statements because we do not have a controlling financial interest in any of the VIEs in which we have invested nor are we the primary beneficiary. We account for these investments under either the equity method or as equity investments without readily determinable fair value ("RDFV"), depending on the circumstances. We periodically reassess whether we are the primary beneficiary of a VIE. The reassessment process considers whether we have acquired the power to direct the most significant activities of the VIE through changes in governing documents or other circumstances. We also reconsider whether entities previously determined not to be VIEs have become VIEs and vice-versa, based on changes in facts and circumstances including changes in contractual arrangements and capital structure.

As of both January 31, 2025 and October 31, 2024, the total carrying value of investments and loans in privately held companies considered as VIEs was \$79 million. The maximum exposure is equal to the carrying value because we do not have future funding commitments. The investments are included on the long-term investments line and the loans on the other current assets and other assets lines (depending upon tenure of loan) on the condensed consolidated balance sheets.

Fair Value of Financial Instruments. The carrying values of certain of our financial instruments including cash and cash equivalents, accounts receivable, accounts payable, accrued compensation and other accrued liabilities approximate fair value because of their short maturities. The fair value of long-term equity investments which are readily determinable, and which are not accounted under the equity method are reported at fair value using quoted market prices for those securities when available with gains and losses included in net income. The fair value of long-term equity investments which are not readily determinable, and which are not accounted under the equity method are reported at cost with adjustments for observable changes in prices or impairments included in net income. As of January 31, 2025 and October 31, 2024, the fair value of the commercial paper approximates its carrying value. As of January 31, 2025, the fair value of our senior notes was \$3,074 million with a carrying value of \$3,326 million. This compares to the fair value of our senior notes of \$3,083 million with a carrying value of \$3,326 million as of October 31, 2024. The change in the fair value compared to carrying value in the three months ended January 31, 2025 is primarily due to increased 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, 2024.

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 Jan 31,							
	2025		2024		2025		2024	
	Life Sciences and Diagnostics Markets	Agilent CrossLab	Applied Markets	Total	Life Sciences and Diagnostics Markets	Agilent CrossLab	Applied Markets	Total
(in millions)								
Revenue by Region								
Americas	\$ 312	\$ 261	\$ 96	\$ 669	\$ 283	\$ 253	\$ 94	\$ 630
Europe	190	188	85	463	184	185	89	458
Asia Pacific	145	247	157	549	153	248	169	570
Total	<u>\$ 647</u>	<u>\$ 696</u>	<u>\$ 338</u>	<u>\$ 1,681</u>	<u>\$ 620</u>	<u>\$ 686</u>	<u>\$ 352</u>	<u>\$ 1,658</u>

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

	Three Months Ended Jan 31,	
	2025	2024
(in millions)		
Revenue by End Markets		
Pharmaceutical and Biopharmaceutical	\$ 585	\$ 565
Diagnostics and Clinical	240	228
Academic and Government	137	150
Chemicals and Advanced Materials	379	392
Food	168	157
Environmental and Forensics	172	166
Total	<u>\$ 1,681</u>	<u>\$ 1,658</u>
Revenue by Type		
Instrumentation	\$ 625	\$ 630
Non-instrumentation and other	1,056	1,028
Total	<u>\$ 1,681</u>	<u>\$ 1,658</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 revenue includes sales from contract and per incident services, companion diagnostics, contract development and manufacturing, 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 sheets. The balances of contract assets as of January 31, 2025 and October 31, 2024, were \$248 million and \$247 million, respectively.

Contract Liabilities

The following table provides information about contract liabilities (deferred revenue) and the changes in the balances during the three months ended January 31, 2025:

	Contract Liabilities
	(in millions)
Ending balance as of October 31, 2024	\$ 701
Net revenue deferred in the period	312
Revenue recognized that was included in the contract liability balance at the beginning of the period	(230)
Change in deferrals from customer cash advances, net of revenue recognized	14
Currency translation and other adjustments	(15)
Ending balance as of January 31, 2025	<u>\$ 782</u>

During the three months ended January 31, 2024 revenue recognized that was included in the contract liability balance at October 31, 2023 was \$229 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 sheets based on the timing of when we expect to complete our performance obligation.

Contract Costs

Incremental costs of obtaining a contract with a customer are recognized as an asset if we expect the benefit of those costs to be longer than one year. We have determined that certain sales incentive programs meet the requirements to be capitalized. The change in total capitalized costs to obtain a contract was immaterial during the three months ended January 31, 2025, and was included in other current and long-term assets on the condensed consolidated balance sheet. We have applied the practical expedient to expense costs as incurred for costs to obtain a contract with a customer when the amortization period would have been one year or less. These costs include the company's internal sales force compensation program, as we have determined that annual compensation is commensurate with annual sales activities.

Transaction Price Allocated to the Remaining Performance Obligations

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

The estimated revenue expected to be recognized for remaining performance obligations that have an original term of more than one year, as of January 31, 2025, was \$408 million, the majority of which is expected to be recognized over the next 12 months. Remaining performance obligations primarily include extended warranty, customer manufacturing contracts, software maintenance contracts and revenue associated with lease arrangements.

4. SHARE-BASED COMPENSATION

We account for share-based awards in accordance with the provisions of the authoritative accounting guidance which requires the measurement and recognition of compensation expense for all share-based payment awards made to our employees and directors including employee stock options, restricted stock units, employee stock purchases made under our employee stock purchase plan ("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. For LTPP awards granted in fiscal year 2025, final payout of fiscal year 2025 awards will be further adjusted on achievement of predefined operating margin targets for fiscal year 2027. 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 January 31,	
	2025	2024
	(in millions)	
Cost of products and services	\$ 12	\$ 14
Research and development	5	6
Selling, general and administrative	24	24
Total share-based compensation expense	\$ 41	\$ 44

At January 31, 2025 and October 31, 2024, 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 January 31,	
	2025	2024
Stock Option Plans:		
Weighted average risk-free interest rate	4.1%	4.4%
Dividend yield	0.7%	0.8%
Weighted average volatility	29%	29%
Expected life	5.5 years	5.5 years
LTPP:		
Volatility of Agilent shares	30%	28%
Volatility of selected peer-company shares	16%-62%	16%-70%
Pair-wise correlation with selected peers	29%	30%
Post-vest holding restriction discount for all executive awards	6.7%	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 months ended January 31, 2025, our income tax expense was \$49 million with an effective tax rate of 13.4 percent. For the three months ended January 31, 2025, there were no significant discrete items.

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

In the U.S., tax years remain open back to the year 2021 for federal income tax purposes and 2020 for significant states. In other major jurisdictions where we conduct 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.

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

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	
	January 31,	
	2025	2024
	(in millions)	
Numerator:		
Net income	\$ 318	\$ 348
Denominator:		
Basic weighted-average shares	285	293
Potential common shares— stock options and other employee stock plans	2	1
Diluted weighted-average shares	287	294

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 the three months ended January 31, 2025 and 2024, potential common shares excluded from the calculation of diluted earnings per share were not material.

7. INVENTORY

Inventory as of January 31, 2025 and October 31, 2024 consisted of the following:

	January 31,	October 31,
	2025	2024
	(in millions)	
Finished goods	\$ 532	\$ 523
Purchased parts and fabricated assemblies	465	449
Inventory	\$ 997	\$ 972

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 three months ended January 31, 2025:

	Life Sciences and Diagnostics Markets	Agilent CrossLab	Applied Markets	Total
	(in millions)			
Goodwill as of October 31, 2024	\$ 3,000	\$ 1,168	\$ 309	\$ 4,477
Foreign currency translation impact	(22)	(4)	(5)	(31)
Goodwill arising from acquisitions and adjustments	(17)	—	—	(17)
Goodwill as of January 31, 2025	<u>\$ 2,961</u>	<u>\$ 1,164</u>	<u>\$ 304</u>	<u>\$ 4,429</u>

In the first quarter of fiscal year 2025, we reorganized our operating segments; see Note 17, "Segment Information" for more information about our segment reorganization. As a result, we used the relative fair value allocation approach to reassign \$1.274 billion of goodwill from our Applied Markets segment (formerly Life Sciences and Applied Markets segment) to our Agilent CrossLab and Life Sciences and Diagnostics Markets segments (formerly Diagnostics and Genomics segment). Of the \$1.274 billion goodwill reallocated, \$365 million was reassigned to our Life Sciences and Diagnostics Markets segment and \$909 million was reassigned to our Agilent CrossLab segment. Goodwill balances as of October 31, 2024 have been recast to conform to this new presentation. As a result of the reorganization, our reporting units are: Life Sciences and Diagnostics Markets, Agilent CrossLab and Applied Markets. In addition, we performed a quantitative 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, 2024 and January 31, 2025 are shown in the table below:

	Other Intangible Assets		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value
	(in millions)		
As of October 31, 2024			
Purchased technology	\$ 1,484	\$ 1,169	\$ 315
Trademark/Tradenam	199	174	25
Customer relationships	291	107	184
Backlog	9	—	9
Third-party technology and licenses	33	19	14
Total intangible assets	<u>\$ 2,016</u>	<u>\$ 1,469</u>	<u>\$ 547</u>
As of January 31, 2025			
Purchased technology	\$ 1,481	\$ 1,185	\$ 296
Trademark/Tradenam	199	176	23
Customer relationships	286	113	173
Backlog	9	1	8
Third-party technology and licenses	33	19	14
Total intangible assets	<u>\$ 2,008</u>	<u>\$ 1,494</u>	<u>\$ 514</u>

During the three months ended January 31, 2025, we recorded measurement period adjustments to decrease goodwill by \$17 million primarily to reduce other liabilities and to increase other intangible assets by \$2 million related to our acquisition of BIOVECTRA. During the three months ended January 31, 2025, other intangible assets in total decreased \$7 million 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 January 31, 2025, we did not identify any triggering events or circumstances which would indicate an impairment of goodwill or indefinite-lived intangible assets.

During the three months ended January 31, 2024, we recorded an impairment of in-process research and development of \$6 million in research and development in the condensed consolidated statement of operations related to a project in our Applied Markets segment. During the three months ended January 31, 2024 we did not identify any triggering events or circumstances which would indicate an impairment of goodwill.

For the three months ended January 31, 2025 and 2024, amortization expense of intangible assets was \$28 million and \$26 million, respectively.

Future amortization expense related to existing finite-lived purchased intangible assets for the remainder of fiscal year 2025 and for each of the next five fiscal years and thereafter is estimated below:

Estimated future amortization expense:

(in millions)

Remainder of 2025	\$	76
2026	\$	74
2027	\$	71
2028	\$	64
2029	\$	60
2030	\$	51
Thereafter	\$	118

9. FAIR VALUE MEASUREMENTS

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

Fair Value Hierarchy

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

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

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

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

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

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

Financial assets and liabilities measured at fair value on a recurring basis as of January 31, 2025 were as follows:

		Fair Value Measurement at January 31, 2025 Using			
	January 31, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
		(in millions)			
Assets:					
Short-term					
Cash equivalents (money market funds)	\$ 871	\$ 871	\$ —	\$ —	
Derivative instruments (foreign exchange contracts)	17	—	17	—	
Long-term					
Trading securities	42	42	—	—	
Other investments	31	—	31	—	
Total assets measured at fair value	<u>\$ 961</u>	<u>\$ 913</u>	<u>\$ 48</u>	<u>\$ —</u>	
Liabilities:					
Short-term					
Derivative instruments (foreign exchange contracts)	\$ 4	\$ —	\$ 4	\$ —	
Long-term					
Deferred compensation liability	42	—	42	—	
Total liabilities measured at fair value	<u>\$ 46</u>	<u>\$ —</u>	<u>\$ 46</u>	<u>\$ —</u>	

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

	Fair Value Measurement at October 31, 2024 Using			
	October 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)			
Assets:				
Short-term				
Cash equivalents (money market funds)	\$ 800	\$ 800	\$ —	\$ —
Derivative instruments (foreign exchange contracts)	14	—	14	—
Long-term				
Trading securities	43	43	—	—
Other investments	31	—	31	—
Total assets measured at fair value	<u>\$ 888</u>	<u>\$ 843</u>	<u>\$ 45</u>	<u>\$ —</u>
Liabilities:				
Short-term				
Derivative instruments (foreign exchange contracts)	\$ 12	\$ —	\$ 12	\$ —
Long-term				
Deferred compensation liability	43	—	43	—
Total liabilities measured at fair value	<u>\$ 55</u>	<u>\$ —</u>	<u>\$ 55</u>	<u>\$ —</u>

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.

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

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

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

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

	Three Months Ended January 31,	
	2025	2024
	(in millions)	
Net gain (loss) recognized during the period on equity securities	\$ 1	\$ 3
Less: Net gain (loss) on equity securities sold during the period	\$ —	\$ —
Unrealized gain (loss) on equity securities	<u>\$ 1</u>	<u>\$ 3</u>

Impairment of Investments. There were no impairments of investments for the three months ended January 31, 2025 and 2024.

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

For the three months ended January 31, 2025, there were no impairments of long-lived assets held and used. For the three months ended January 31, 2024, long-lived assets held and used with a carrying value of \$8 million were written down to their fair value of zero resulting in an impairment charge of \$8 million.

For the three months ended January 31, 2025 and 2024, there were no impairments of long-lived assets held for sale.

Non-Marketable Equity Securities

For the three months ended January 31, 2025, the unrealized gain (loss) on our non-marketable equity securities without readily determinable fair values was comprised of \$1 million of downward adjustments and no upward adjustments which were included in net income as adjustments to the carrying value.

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

As of January 31, 2025, the cumulative net gain (loss) on our non-marketable equity securities without readily determinable fair values was comprised of \$40 million upward adjustments and \$31 million downward adjustments, and the carrying amount was \$100 million.

As of January 31, 2024, the cumulative net gain (loss) on our non-marketable equity securities without readily determinable fair values was comprised of \$38 million upward adjustments and \$29 million downward adjustments, and the carrying amount was \$102 million.

10. DERIVATIVES

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

Cash Flow Hedges

We enter into foreign exchange contracts to hedge our forecasted operational cash flow exposures resulting from changes in foreign currency exchange rates. These foreign exchange contracts, carried at fair value, have maturities between one and twelve months. These derivative instruments are designated and qualify as cash flow hedges under the criteria prescribed in the authoritative guidance and are assessed for effectiveness against the underlying exposure every reporting period. For open contracts as of January 31, 2025, changes in the time value of the foreign exchange contract are excluded from the assessment of hedge effectiveness and are recognized in cost of sales over the life of the foreign exchange contract. The changes in fair value of the effective portion of the derivative instrument are recognized in accumulated other comprehensive income (loss). Amounts associated with cash flow hedges are reclassified to cost of sales in the condensed consolidated statement of operations when the forecasted transaction occurs. If it becomes probable that the forecasted transaction will not occur, the hedge relationship will be de-designated and amounts accumulated in other comprehensive income (loss) will be reclassified to other income (expense), net in the current period. Changes in the fair value of the ineffective portion of derivative instruments are recognized in other income (expense), net in the condensed consolidated statement of operations in the current period. We record the premium paid (time value) of an option on the date of purchase as an asset. For options designated as cash flow hedges, changes in the time value are excluded from the assessment of hedge effectiveness and are recognized in cost of sales over the life of the option contract. For the three months ended January 31, 2025 and 2024, ineffectiveness and gains and losses recognized in other income (expense), net due to de-designation of cash flow hedge contracts were not significant.

In February 2016, Agilent executed three forward-starting pay fixed/receive variable interest rate swaps for the notional amount of \$300 million in connection with future interest payments to be made on our 2026 senior notes issued on September 15, 2016. These derivative instruments were designated and qualified as cash flow hedges under the criteria prescribed in the authoritative guidance. The swap arrangements were terminated on September 15, 2016 with a payment of \$10 million, and we recognized this as a deferred loss in accumulated other comprehensive income (loss) which is being amortized to interest expense over the life of the 2026 senior notes. The remaining loss to be amortized related to the interest rate swap agreements at January 31, 2025 was \$2 million.

In August 2019, Agilent executed treasury lock agreements for \$250 million in connection with future interest payments to be made on our 2029 senior notes issued on September 16, 2019. We designated the treasury lock as a cash flow hedge. The treasury lock contracts were terminated on September 6, 2019, and we recognized a deferred loss of \$6 million in accumulated other comprehensive income (loss) which is being amortized to interest expense over the life of the 2029 senior notes. The remaining loss to be amortized related to the treasury lock agreements at January 31, 2025 was \$3 million.

Net Investment Hedges

We enter into foreign exchange contracts to hedge net investments in foreign operations to mitigate the risk of adverse movements in exchange rates. These foreign exchange contracts are carried at fair value and are designated and qualify as net investment hedges under the criteria prescribed in the authoritative guidance. Changes in fair value of the effective portion of the derivative instrument are recognized in accumulated other comprehensive income (loss) - translation adjustment and are assessed for effectiveness against the underlying exposure every reporting period. If the company's net investment changes during the year, the hedge relationship will be assessed and de-designated if the hedge notional amount is outside of prescribed tolerance with a gain/loss reclassified from other comprehensive income (loss) to other income (expense) in the current period. For the three months ended January 31, 2025, 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.

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

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

The aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a net liability position as of January 31, 2025, was approximately \$2 million. The credit-risk-related contingent features underlying these agreements had not been triggered as of January 31, 2025.

The number of open foreign exchange forward contracts and aggregated notional amounts by designation as of January 31, 2025 were as follows:

	Number of Open Forward Contracts	Aggregate Notional Amount USD Buy/(Sell) (\$ in millions)
Derivatives designated as hedging instruments:		
<i>Cash Flow Hedges</i>		
Foreign exchange forward contracts	330	\$ (541)
<i>Net Investment Hedges</i>		
Foreign exchange forward contracts	3	\$ (33)
Derivatives not designated as hedging instruments:		
Foreign exchange forward contracts	195	\$ (19)

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

The gross fair values and balance sheet location of derivative instruments held in the condensed consolidated balance sheets as of January 31, 2025, and October 31, 2024, were as follows:

Fair Values of Derivative Instruments					
Asset Derivatives			Liability Derivatives		
Balance Sheet Location	Fair Value		Balance Sheet Location	Fair Value	
	January 31, 2025	October 31, 2024		January 31, 2025	October 31, 2024
(in millions)					
Derivatives designated as hedging instruments:					
Cash flow hedges					
Foreign exchange contracts					
Other current assets	\$ 14	\$ 4	Other accrued liabilities	\$ 2	\$ 2
Net investment hedges					
Foreign exchange contracts					
Other current assets	\$ 2	\$ —	Other accrued liabilities	\$ —	\$ —
Derivatives not designated as hedging instruments:					
Foreign exchange contracts					
Other current assets	\$ 1	\$ 10	Other accrued liabilities	\$ 2	\$ 10
Total derivatives	\$ 17	\$ 14		\$ 4	\$ 12

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	
			January 31,	
			2025	2024
			(in millions)	
Derivatives designated as hedging instruments:				
<i>Cash Flow Hedges</i>				
Foreign exchange contracts:				
Gain (loss) recognized in accumulated other comprehensive income (loss)	\$	14	\$	(10)
Gain (loss) reclassified from accumulated other comprehensive income (loss) into cost of sales	\$	3	\$	3
Gain on time value of forward contracts recorded in cost of sales	\$	1	\$	2
<i>Net Investment Hedges</i>				
Foreign exchange contracts:				
Gain (loss) recognized in accumulated other comprehensive income (loss) - translation adjustment	\$	2	\$	—
Derivatives not designated as hedging instruments:				
Gain (loss) recognized in other income (expense), net	\$	(2)	\$	(2)

At January 31, 2025, the amount of existing net gain that is expected to be reclassified from accumulated other comprehensive income (loss) is \$20 million. Within the next twelve months it is estimated that \$9 million of gain included

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within the net amount of accumulated other comprehensive income (loss) will be reclassified to cost of sales in respect of cash flow hedges.

11. RETIREMENT PLANS AND POST RETIREMENT PENSION PLANS

Components of net periodic benefit cost (income). For the three months ended January 31, 2025 and 2024, our net pension and post retirement benefit cost (income) were comprised of the following:

	Three Months Ended Jan 31,					
	U.S. Defined Benefit Plans		Non-U.S. Defined Benefit Plans		U.S. Post Retirement Benefit Plans	
	2025	2024	2025	2024	2025	2024
	(in millions)					
Service cost—benefits earned during the period	\$ —	\$ —	\$ 5	\$ 5	\$ —	\$ —
Interest cost on benefit obligation	5	5	6	6	—	1
Expected return on plan assets	(6)	(5)	(11)	(9)	(1)	(1)
Amortization of net actuarial (gain) loss	—	1	(6)	(4)	—	—
Total net periodic benefit cost (income)	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ (6)</u>	<u>\$ (2)</u>	<u>\$ (1)</u>	<u>\$ —</u>
Settlement (gain) loss	\$ —	\$ —	\$ 14	\$ —	\$ —	\$ —

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.

During the three months ended January 31, 2025, we transferred all the assets and obligations of our Netherlands defined benefit plan to an unaffiliated insurance company under a buy-out contract. The settlement resulted in a net loss of \$14 million, which is included in other income (expense), net in the condensed consolidated statement of operations. The settlement loss includes the recognition of previously unrecognized actuarial losses that were included in accumulated other comprehensive income.

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

	Three Months Ended		Employer Contributions For Remainder of Year
	Jan 31,		
	2025	2024	2025
	(in millions)		
U.S. defined benefit plans	\$ —	\$ —	\$ —
Non-U.S. defined benefit plans	\$ 6	\$ 6	\$ 12

12. WARRANTIES AND CONTINGENCIES

Warranties

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

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

	Three Months Ended January 31,	
	2025	2024
	(in millions)	
Standard warranty accrual, beginning balance	\$ 30	\$ 29
Accruals for warranties including change in estimates	12	15
Settlements made during the period	(13)	(14)
Standard warranty accrual, ending balance	\$ 29	\$ 30
Accruals for warranties due within one year	\$ 29	\$ 30

Bank Guarantees

Guarantees consist primarily of outstanding standby letters of credit and bank guarantees and were approximately \$37 million as of January 31, 2025 and October 31, 2024, 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 years 2024 and 2023, we announced restructuring plans that were both designed to reduce costs and expenses in response to 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 Total	
	(in millions)	
Balance at October 31, 2024	\$	13
Income statement expense		1
Cash payments		(9)
Balance at January 31, 2025	\$	5
Total restructuring expense since inception of all plans:		
Fiscal Year 2023 Plan	\$	50
Fiscal Year 2024 Plan		73
Total restructuring expense since inception of all plans	\$	123

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The aggregate restructuring liability of \$5 million at January 31, 2025, 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 Jan 31, 2025	Three Months Ended Jan 31, 2024
	(in millions)	
Cost of products and services	\$ —	\$ —
Research and development	—	2
Selling, general and administrative	1	1
Total restructuring costs	<u>\$ 1</u>	<u>\$ 3</u>

Fiscal Year 2024 Plan ("FY24 Plan"). In the third quarter of fiscal year 2024, we announced a restructuring plan designed to reduce costs and expenses in response to macroeconomic conditions. The costs associated with this workforce reduction include severance and other personnel-related costs. While the majority of the workforce reduction was 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 \$1 million in restructuring and other related costs due to changes in estimate in the three months ended January 31, 2025.

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

	Workforce Reduction (in millions)
Balance at October 31, 2024	\$ 11
Income statement expense	1
Cash payments	(8)
Balance at January 31, 2025	<u>\$ 4</u>
Total restructuring expense since inception of FY 24 Plan	<u>\$ 73</u>

Fiscal Year 2023 Plan ("FY23 Plan"). We have substantially completed all workforce management actions in connection with the FY23 Plan. During the three months ended January 31, 2025, we settled cash payments of \$1 million, and the remaining accrual of \$1 million will be settled in our second quarter of fiscal year 2025.

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. During the three months ended January 31, 2025, we made no borrowings or repayments under these credit facilities. As of both January 31, 2025 and October 31, 2024, we had no borrowings outstanding under either the credit facility or the incremental revolving credit facility.

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

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

fixed for the duration of the advance. During the three months ended January 31, 2025, we made no borrowings or repayments under this credit facility. As of both January 31, 2025 and October 31, 2024, we had no borrowings outstanding under the credit facility.

We were in compliance with the covenants for the credit facilities during the three months ended January 31, 2025.

Commercial Paper

Under our U.S. commercial paper program, the company may issue and sell unsecured, short-term promissory notes in the aggregate principal amount not to exceed \$1.5 billion with up to 397-day maturities. At any point in time, the company intends to maintain available commitments under its revolving credit facility in an amount at least equal to the amount of the commercial paper notes outstanding. Amounts available under the program may be borrowed, repaid and re-borrowed from time to time. The proceeds from issuances under the program may be used for general corporate purposes. During the three months ended January 31, 2025, we borrowed \$301 million and repaid \$331 million under our commercial paper program. As of January 31, 2025 we had borrowings of \$10 million outstanding under our U.S. commercial paper program and a weighted average annual interest rate of 4.45 percent. As of October 31, 2024 we had borrowings of \$40 million outstanding under our U.S. commercial paper program and had a weighted average annual interest rate of 4.92 percent.

Other Loans

In connection with the BIOVECTRA acquisition, we have two interest-free loans from the Strategic Innovation Fund ("SIF"). The loans are repayable in quarterly and yearly installments through 2040 at a weighted average imputed interest rate of 4.7 percent. In addition, we have two interest-free loans with the Atlantic Canada Opportunities Agency ("ACOA"). The loans are repayable in monthly installments through 2029 at a weighted average imputed interest rate of 4.5 percent. As of January 31, 2025 and October 31, 2024, the current portion of these loans of \$6 million and \$5 million, respectively, was recorded in short-term debt.

15. LONG-TERM DEBT

Senior Notes

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

	January 31, 2025	October 31, 2024
	Amortized Principal	Amortized Principal
	(in millions)	
2026 Senior Notes	\$ 299	\$ 299
2027 Senior Notes	596	596
2029 Senior Notes	496	496
2030 Senior Notes	497	497
2031 Senior Notes	845	845
2034 Senior Notes	593	593
Total Senior Notes	<u>\$ 3,326</u>	<u>\$ 3,326</u>

All outstanding notes listed above are unsecured and rank equally in right of payment with all of Agilent's other senior unsecured indebtedness. There have been no other changes to the principal, maturity, interest rates and interest payment terms of the Agilent senior notes, detailed in the table above, in the three months ended January 31, 2025, as compared to the senior notes described in our Annual Report on Form 10-K for the fiscal year ended October 31, 2024.

Other Loans

In connection with the BIOVECTRA acquisition, we have two interest-free loans from the Strategic Innovation Fund ("SIF"). The loans are repayable in quarterly and yearly installments through 2040 at a weighted average imputed interest rate of 4.7 percent. In addition, we have two interest-free loans with the Atlantic Canada Opportunities Agency ("ACOA"). The loans are repayable in monthly installments through 2029 at a weighted average imputed interest rate of 4.5 percent. As of January 31, 2025 and October 31, 2024, the non-current portion of these loans of \$21 million (including additional draw and measurement period adjustment) and \$19 million, respectively, was recorded in long-term debt.

16. STOCKHOLDERS' EQUITY

Stock Repurchase Programs

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.

During the three months ended January 31, 2024, we repurchased and retired no shares under this authorization. During the three months ended January 31, 2025, we repurchased and retired 649,857 shares for \$90 million under this authorization. As of January 31, 2025, we had remaining authorization to repurchase up to approximately \$284 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 months ended January 31, 2025, we paid cash dividends of \$0.248 per common share or \$71 million on the company's common stock. During the three months ended January 31, 2024, we paid cash dividends of \$0.236 per common share or \$69 million on the company's common stock.

On February 19, 2025, our board of directors declared a quarterly dividend of \$0.248 per share of common stock or approximately \$71 million which will be paid on April 23, 2025 to all shareholders of record at the close of business on April 1, 2025.

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:

Three Months Ended January 31, 2025	Foreign currency translation	Net defined benefit pension cost and post retirement plan costs		Unrealized gains (losses) on derivatives	Total
		Prior service credits	Actuarial Losses		
			(in millions)		
As of October 31, 2024	\$ (323)	\$ 121	\$ (112)	\$ 9	\$ (305)
Other comprehensive income (loss) before reclassifications	(85)	—	—	14	(71)
Amounts reclassified out of accumulated other comprehensive income (loss)	—	—	—	(3)	(3)
Tax (expense) benefit	—	—	—	(2)	(2)
Other comprehensive income (loss)	(85)	—	—	9	(76)
As of January 31, 2025	\$ (408)	\$ 121	\$ (112)	\$ 18	\$ (381)

Reclassifications out of accumulated other comprehensive income (loss) for the three months ended January 31, 2025 and 2024 were as follows (in millions):

Details about accumulated other comprehensive income (loss) components	Amounts Reclassified from other comprehensive income (loss)		Affected line item in statement of operations
	Three Months Ended January 31,		
	2025	2024	
Foreign currency translation	\$ —	\$ 8	Other income (expense), net
	—	8	Total before income tax
	—	—	(Provision) benefit for income tax
	—	8	Total net of income tax
Unrealized gain (loss) on derivatives	3	3	Cost of products
	3	3	Total before income tax
	(1)	(1)	(Provision) benefit for income tax
	2	2	Total net of income tax
Net defined benefit pension cost and post retirement plan costs:			
Actuarial net gain (loss)	—	3	Other income (expense), net
	—	3	Total before income tax
	—	(1)	(Provision) benefit for income tax
	—	2	Total net of income tax
Total reclassifications for the period	\$ 2	\$ 12	

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

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

17. SEGMENT INFORMATION

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

In November 2024, we announced a change in our organizational structure to support our market-focused, customer-centric strategy. Our former Diagnostics and Genomics segment combined with our liquid chromatography and liquid chromatography mass spectrometry instrument platforms to form our new Life Sciences and Diagnostics Markets segment. Our chemistries and supplies, laboratory automation, and software and informatics divisions moved from our former Life Sciences and Applied Markets segment to our Agilent CrossLab segment. The remaining divisions in our former Life Sciences and Applied Markets segment which includes our gas chromatography, gas chromatography mass spectrometry, remarketed instruments, spectroscopy and vacuum divisions form our new Applied Markets segment. All historical financial segment information has been recast to conform to this new presentation.

Following this re-organization, we have three business segments - Life Sciences and Diagnostics Markets, Agilent CrossLab and Applied Markets, each of which comprise a reportable segment. The three operating segments were determined based primarily on how the chief operating decision maker views and evaluates our operations. Operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Other factors, including market separation and customer specific applications, go-to-market channels, products and services and manufacturing are considered in determining the formation of these operating segments.

A description of our three reportable segments is as follows:

Our Life Sciences and Diagnostics Markets segment is comprised of seven areas of activity. We provide 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 liquid chromatography ("LC") and liquid chromatography mass spectrometry ("LCMS") businesses enable customers in the clinical and life sciences research areas to interrogate samples at the molecular and cellular level. Second, 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. Third, our contract development and manufacturing organization ("CDMO") business provides services related to and the production of synthesized oligonucleotides under pharmaceutical good manufacturing practices conditions for use as API in a class of drugs that utilize nucleic acid molecules for disease therapy. BIOVECTRA capabilities include microbial fermentation, bioreagents, highly potent active pharmaceutical ingredients, peptide purification and biomanufacturing capabilities in several nucleic acid modalities. Together, our BIOVECTRA and nucleic acid solutions businesses comprise our CDMO offerings to our customers providing clinical-to-commercial scale production capabilities. Fourth, our pathology solutions business is focused on product offerings for cancer diagnostics and anatomic pathology workflows. The broad portfolio of offerings includes immunohistochemistry, in situ hybridization, hematoxylin and eosin staining and special staining. This business further provides clinical flow cytometry reagents for routine cancer diagnostics. This business also provides bulk antibodies as raw materials and associated assay development services to in vitro diagnostics manufacturers, biotechnology and pharmaceutical companies. Fifth, 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. Sixth, our genomics business includes reagents to support next-generation sequencing ("NGS") workflows and arrays. 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.

Our Agilent CrossLab segment provides an extensive services and consumables portfolio that spans the entire lab, in addition to software and laboratory automation solutions, which are designed to improve customer outcomes and represents a broad range of offerings designed to serve customer needs across end-markets and applications. Our 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. Our consumables portfolio is designed to improve customer outcomes. Most of the portfolio is vendor neutral, meaning we can serve and supply customers regardless of their instrument purchase choices. Solutions range from chemistries

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

to supplies. Key product categories in consumables include gas chromatography ("GC") and liquid chromatography ("LC") columns, sample preparation products, custom chemistries, and a large selection of laboratory supplies. Software and informatics solutions include software for instrument control, data acquisition, data analysis, secure storage of results, and laboratory information and workflow management. This software facilitates the compliant use of instruments in pharmaceutical quality assurance and quality control environments. The OpenLab laboratory software suite is a scalable, open software platform that enables customers to capture, analyze, and share scientific data throughout the lab and across the enterprise. Laboratory automation offers automated sample preparation solutions, including liquid handling, plate management, consumables and scheduling software. These solutions range from standalone automation platforms to integrated workflow solutions with seamless integration to our instrumentation.

Our Applied Markets segment provides application-focused solutions that include instruments and software that enable customers to identify, quantify and analyze the physical and biological properties of substances and products. Our gas chromatography ("GC") and gas chromatography mass spectrometry ("GCMS") businesses enable customers to perform a wide variety of testing including measuring volatile and semi-volatile contaminants to assess the safety of our foods, quality of water and consumer products while also enabling testing of fuels and purity of chemicals. Our inductively coupled plasma mass spectrometry, inductively coupled plasma optical emission spectrometry, atomic absorption and microwave plasma-atomic emission spectrometry instruments are vital for our customers to measure metals and elemental signatures in their samples and find uses in the food safety, environmental quality, chemicals manufacture, advanced materials, energy and forensics markets. Our molecular spectroscopy business including the raman, fluorescence and infrared spectroscopy instruments offer both in-field and in-lab testing solutions in a diverse variety of applications including airport security, explosives testing, narcotics, food quality and chemical characterization. Our vacuum business develops cutting edge products and technologies to test vacuum environments and find uses in a diverse variety of industries including semi-conductor, batteries, chemical manufacturing and advanced materials development. Finally, our remarketed instruments business refurbishes and resells certified pre-owned instruments to value-oriented customers who would like Agilent quality and performance at a budget conscious price.

A significant portion of the segments' expenses arises 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 finance, tax, treasury, legal, real estate, insurance services, workplace services, human resources, information technology services, corporate development and 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 certain costs to the operating margin for each segment because management does not include this information in its measurement of the performance of the operating segments. Unallocated costs consist of asset impairments, amortization of acquisition-related intangible assets, acquisition and integration costs, transformational initiatives expenses, restructuring and other related costs, business exit and divestiture costs and certain other charges. 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.

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

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	
	January 31,	
	2025	2024
	(in millions)	
Net Revenue:		
Life Sciences and Diagnostics Markets	\$ 647	\$ 620
Agilent CrossLab	696	686
Applied Markets	338	352
Total net revenue	<u>\$ 1,681</u>	<u>\$ 1,658</u>
Segment Income From Operations:		
Life Sciences and Diagnostics Markets	\$ 117	\$ 114
Agilent CrossLab	221	222
Applied Markets	84	92
Total segment income from operations	<u>\$ 422</u>	<u>\$ 428</u>

The following table reconciles reportable segments' income from operations to Agilent's total enterprise income before taxes:

	Three Months Ended	
	January 31,	
	2025	2024
	(in millions)	
Total reportable segment income from operations	\$ 422	\$ 428
Unallocated costs:		
Amortization of intangible assets related to business combinations	(28)	(26)
Acquisition and integration costs	(9)	(2)
Transformational initiatives	(6)	(3)
Asset impairment	—	(8)
Restructuring and other related costs	(1)	(3)
Other	(2)	(2)
Total unallocated costs	<u>(46)</u>	<u>(44)</u>
Income from operations	376	384
Interest income	15	18
Interest expense	(28)	(22)
Other income (expense), net	4	23
Income before taxes, as reported	<u>\$ 367</u>	<u>\$ 403</u>

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

	January 31,	October 31,
	2025	2024
	(in millions)	
Assets:		
Life Sciences and Diagnostics Markets	\$ 5,790	\$ 5,866
Agilent CrossLab	2,421	2,360
Applied Markets	873	872
Unallocated Assets	2,830	2,748
Total assets	<u>\$ 11,914</u>	<u>\$ 11,846</u>

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 and in our end markets, new product and service introductions, the position and strength of our businesses, 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 enhancing our customers' experience, delivering differentiated product solutions and driving productivity improvements, leveraging our product platforms to maximize growth, 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 contributions to our defined benefit plans, our hedging programs and other actions to offset the effects of foreign currency and interest rate movements, our future effective tax rate, unrecognized tax benefits, reimbursement incentives, our ability to satisfy our liquidity requirements, including through cash generated from operations, the potential impact of adopting new accounting pronouncements, indemnification obligations, our sales, our purchase commitments, our capital expenditures, the integration, effects and timing of our acquisitions and other transactions, expense reduction and other results from our restructuring programs and other cost saving initiatives, our stock repurchase program and dividends, macroeconomic and market conditions, the recovery and health of our end markets, seasonality, mix, future financial results, our operating margin, our geographical diversification, interest rates, inflationary pressures and local regulations and restrictions, 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 markets, providing application focused solutions that include instruments, software, services and consumables for the entire laboratory workflow.

New Segment Structure. In November 2024, we announced a change in our organizational structure to support our market-focused, customer-centric strategy. Our former Diagnostics and Genomics segment combined with our liquid chromatography and liquid chromatography mass spectrometry instrument platforms to form our new Life Sciences and Diagnostics Markets segment. Our chemistries and supplies, laboratory automation, and software and informatics divisions moved from our former Life Sciences and Applied Markets segment to our Agilent CrossLab segment. The remaining divisions in our former Life Sciences and Applied Markets segment which includes our gas chromatography, gas chromatography mass spectrometry, remarketed instruments, spectroscopy and vacuum divisions form our new Applied Markets segment. We are reporting under this new structure beginning with this Quarterly Report on Form 10-Q for the period ended January 31, 2025. All historical financial segment information has been recast to conform to this new presentation in our financial statements and accompanying notes.

Actual Results

Net revenue of \$1,681 million for the three months ended January 31, 2025 increased 1 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2025 had an overall unfavorable impact on revenue growth of 2 percentage points when compared to the same period last year. Net revenue for the three months ended January 31, 2025, increased in our Life Sciences and Diagnostics Markets and Agilent CrossLab segments partially offset by decreased revenue in our Applied Markets segment. Revenue from our BIOVECTRA acquisition contributed approximately 2 percentage points in the three months ended January 31, 2025. Revenue generated by our Life Sciences and Diagnostics Markets segment for the three months ended January 31, 2025 increased 4 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2025 had an overall unfavorable impact

on revenue growth of 1 percentage point when compared to the same period last year. Revenue generated by our Agilent CrossLab segment for the three months ended January 31, 2025 increased 1 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2025 had an overall unfavorable impact on revenue growth of 2 percentage points when compared to the same period last year. Revenue generated by our Applied Markets segment for the three months ended January 31, 2025 decreased 4 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2025, had an overall unfavorable impact on revenue growth of 2 percentage points when compared to the same period last year.

Net income for the three months ended January 31, 2025 was \$318 million compared to net income of \$348 million for the corresponding period last year. In the three months ended January 31, 2025, cash provided by operations was \$431 million compared to cash provided by operations of \$485 million in the same period last year.

Dividends. During the three months ended January 31, 2025, we paid cash dividends of \$0.248 per common share or \$71 million on the company's common stock. During the three months ended January 31, 2024, we paid cash dividends of \$0.236 per common share or \$69 million on the company's common stock.

On February 19, 2025, our board of directors declared a quarterly dividend of \$0.248 per share of common stock or approximately \$71 million which will be paid on April 23, 2025 to all shareholders of record at the close of business on April 1, 2025. The timing and amounts of any future dividends are subject to determination and approval by our board of directors.

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. During the three months ended January 31, 2024, we repurchased and retired no shares under this authorization. During the three months ended January 31, 2025, we repurchased and retired 649,857 shares for \$90 million under this authorization. As of January 31, 2025, we had remaining authorization to repurchase up to approximately \$284 million of our common stock under the 2023 repurchase program.

Looking forward, our primary focus remains on enhancing our customers' experience, delivering differentiated product solutions and driving productivity improvements. While customer capital budgets continue to be constrained, we anticipate a steady recovery in the near-term. We also remain optimistic about the long-term health of our key end markets. Although inflationary pressures are uncertain, we will continue to mitigate their impact through targeted pricing strategies and various other cost-saving initiatives.

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, 2024. 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 years 2024 and 2023, we announced restructuring plans that were both designed to reduce costs and expenses in response to 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 Total
	(in millions)
Balance at October 31, 2024	\$ 13
Income statement expense	1
Cash payments	(9)
Balance at January 31, 2025	\$ 5
Total restructuring expense since inception of all plans:	
Fiscal Year 2023 Plan	\$ 50
Fiscal Year 2024 Plan	73
Total restructuring expense since inception of all plans	\$ 123

The aggregate restructuring liability of \$5 million at January 31, 2025, 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 Jan 31, 2025	Three Months Ended Jan 31, 2024
	(in millions)	
Cost of products and services	\$ —	\$ —
Research and development	—	2
Selling, general and administrative	1	1
Total restructuring costs	\$ 1	\$ 3

Fiscal Year 2024 Plan ("FY24 Plan"). In the third quarter of fiscal year 2024, we announced a restructuring plan designed to reduce costs and expenses in response to macroeconomic conditions. The costs associated with this workforce reduction include severance and other personnel-related costs. While the majority of the workforce reduction was 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 \$1 million in restructuring and other related costs due to changes in estimate in the three months ended January 31, 2025.

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

	Workforce Reduction
	(in millions)
Balance at October 31, 2024	\$ 11
Income statement expense	1
Cash payments	(8)
Balance at January 31, 2025	\$ 4
Total restructuring expense since inception of FY 24 Plan	\$ 73

Fiscal Year 2023 Plan ("FY23 Plan"). We have substantially completed all workforce management actions in connection with the FY23 Plan. During the three months ended January 31, 2025, we settled cash payments of \$1 million, and the remaining accrual of \$1 million will be settled in our second quarter of fiscal year 2025.

Foreign Currency

Our revenues, costs and expenses, and monetary assets and liabilities and equity are exposed to changes in foreign currency exchange rates as a result of our global operating and financing activities. Foreign currency movements for the three months ended January 31, 2025 had an overall unfavorable impact on revenue growth of 2 percentage points when compared to the same period last year. Typically, when movements in foreign currency exchange rates have a negative impact on revenue, they will also have a positive impact by reducing our costs and expenses. We calculate the impact of movements in foreign currency exchange rates by applying the actual foreign currency exchange rates in effect during the last month of each quarter of the current year to both the applicable current and prior year periods. We hedge revenues, expenses and balance sheet exposures that are not denominated in the functional currencies of our subsidiaries on a short term and anticipated basis. We do experience some fluctuations within individual lines of the condensed consolidated statement of operations and balance sheet because our hedging program is not designed to offset the currency movements in each category of revenues, expenses, monetary assets and liabilities. Our hedging program is designed to hedge currency movements on a relatively short-term basis (up to a rolling twelve-month period). We may also hedge equity balances denominated in foreign currency on a long-term basis. To the extent that we are required to pay for all, or portions, of an acquisition price in foreign currencies, we may enter into foreign exchange contracts to reduce the risk that currency movements will impact the U.S. dollar cost of the transaction.

Results from Operations

Net Revenue

	Three Months Ended January 31,		Year over Year Change
	2025	2024	Three Months
	(in millions)		
Net revenue:			
Products	\$ 1,200	\$ 1,209	(1)%
Services and other	481	449	7%
Total net revenue	<u>\$ 1,681</u>	<u>\$ 1,658</u>	1%

Net revenue of \$1,681 million for the three months ended January 31, 2025 increased 1 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2025 had an overall unfavorable impact on revenue growth of 2 percentage points when compared to the same period last year.

Revenue from products for the three months ended January 31, 2025 decreased 1 percent when compared to the same period last year. The product revenue decline in the three months ended January 31, 2025 was primarily driven by decreases in our gas chromatography, cell analysis and spectroscopy businesses partially offset by increases in our liquid chromatography and liquid chromatography mass spectrometry businesses when compared to the same period last year.

Services and other revenue for the three months ended January 31, 2025 increased 7 percent when compared to the same period last year. Services and other revenue consist of contract repair, preventative maintenance, compliance services, relocation services, installation services and consulting services related to the companion diagnostics and nucleic acid solutions businesses. For the three months ended January 31, 2025, service revenue increases reflected strong growth from contract repair and preventative maintenance services partially offset by declines in per incident services including consulting services, compliance and relocations.

Net Revenue By Segment

	Three Months Ended		Year over Year Change
	January 31,		Three
	2025	2024	Months
	(in millions)		
Net revenue by segment:			
Life Sciences and Diagnostics Markets	647	620	4%
Agilent CrossLab	696	686	1%
Applied Markets	\$ 338	\$ 352	(4)%
Total net revenue	\$ 1,681	\$ 1,658	1%

Revenue in the Life Sciences and Diagnostics Markets segment for the three months ended January 31, 2025, increased 4 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2025 had an overall unfavorable impact on revenue growth of 1 percentage point when compared to the same period last year. For the three months ended January 31, 2025, we saw strong revenue growth in the pharmaceutical market led by revenue from our BIOVECTRA business. We also saw strong revenue growth in the diagnostics and clinical market and moderate revenue growth from the environmental and forensics market partially offset by a decline in revenue in the academia and government market when compared to the same period last year.

Revenue in the Agilent CrossLab segment for the three months ended January 31, 2025, increased 1 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2025 had an overall unfavorable impact on revenue growth of 2 percentage points when compared to the same period last year. For the three months ended January 31, 2025, we saw revenue growth across most of our end markets led by strong growth in the environmental and forensics, diagnostics and clinical, and food markets partially offset by a decline in the academia and government market when compared to the same period last year.

Revenue in the Applied Markets segment for the three months ended January 31, 2025 decreased 4 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2025 had an overall unfavorable impact on revenue growth of 2 percentage points when compared to the same period last year. For the three months ended January 31, 2025, we saw a significant decline in revenue in the chemical and advanced materials and academia and government markets partially offset by significant revenue growth in the food market when compared to the same period last year.

Operating Results

	Three Months Ended January 31,		Year over Year Change
	2025	2024	Three Months
	(in millions, except margin data)		
Total gross margin	53.5 %	54.8 %	(1) ppts
Research and development	\$ 113	\$ 128	(12)%
Selling, general and administrative	\$ 410	\$ 396	3%
Operating margin	22.4 %	23.2 %	(1) ppts
Income from operations	\$ 376	\$ 384	(2)%

Total gross margin for the three months ended January 31, 2025 decreased 1 percentage point when compared to the same period last year. Gross margin for the three months ended January 31, 2025 was unfavorably impacted by product mix, impact of currency movements and higher wages partially offset by targeted price increases, lower inventory charges, warranty and variable pay when compared to the same period last year.

Research and development expenses for the three months ended January 31, 2025 decreased 12 percent when compared to the same period last year. Research and development expenses in the three months ended January 31, 2024 included an impairment of in-process research and development of \$6 million. Research and development expenses for the three months ended January 31, 2025 also decreased due to lower salary expense related to prior year workforce reduction activities, lower variable pay and stock-based compensation expense when compared to the same period last year.

Selling, general and administrative expenses for the three months ended January 31, 2025 increased 3 percent when compared to the same period last year. The increase in selling, general and administrative expenses was due to higher corporate infrastructure and intangible amortization expenses partially offset by lower salary expense related to prior year workforce reduction activities, favorable impact of currency movements and lower variable pay when compared to the same period last year.

Total operating margin for the three months ended January 31, 2025 decreased 1 percentage point when compared to the same period last year. The decrease in total operating margin for the three months ended January 31, 2025 was unfavorably impacted by product mix, impact of currency movements and higher corporate infrastructure expenses partially offset by lower salary expense related to prior year workforce reduction activities.

Income from operations for the three months ended January 31, 2025, decreased \$8 million or 2 percent on a corresponding revenue increase of \$23 million.

Interest income for the three months ended January 31, 2025 and 2024 was \$15 million and \$18 million, respectively. The decrease in interest income in 2025 was primarily due to lower cash balances.

At January 31, 2025, our headcount was approximately 17,900 as compared to approximately 17,700 at January 31, 2024.

Other income (expense), net

For the three months ended January 31, 2025, other income (expense), net of \$4 million income includes a net gain of \$1 million on equity securities and income of \$13 million 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). The provision of site service costs to, and lease income from Keysight Technologies, Inc. contributed income of \$3 million. The costs associated with these services are reported within income from operations. For the three months ended January 31, 2025, other income (expense), net also includes expense of \$14 million related to the settlement loss of our Netherlands defined benefit pension plan.

For the three months ended January 31, 2024, other income (expense), net of \$23 million income includes a net gain of \$3 million on equity securities and income of \$7 million 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). The provision of site service costs to, and lease income from Keysight Technologies, Inc. contributed income of \$3 million. The costs associated with these services are reported within income from operations. For the three months ended January 31, 2024, other income (expense), net also includes \$8 million of income related to foreign currency translation reclassified out of accumulated comprehensive income (loss).

Income Taxes

For the three months ended January 31, 2025, our income tax expense was \$49 million with an effective tax rate of 13.4 percent. For the three months ended January 31, 2025, there were no significant discrete items.

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

In the U.S., tax years remain open back to the year 2021 for federal income tax purposes and 2020 for significant states. In other major jurisdictions where we conduct business, the tax years generally remain open back to the year 2014.

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

Segment Overview

In November 2024, we announced a change in our organizational structure to support our market-focused, customer-centric strategy. Our former Diagnostics and Genomics segment combined with our liquid chromatography and liquid chromatography mass spectrometry instrument platforms to form our new Life Sciences and Diagnostics Markets segment. Our chemistries and supplies, laboratory automation, and software and informatics divisions moved from our former Life Sciences and Applied Markets segment to our Agilent CrossLab segment. The remaining divisions in our former Life Sciences and Applied Markets segment which includes our gas chromatography, gas chromatography mass spectrometry, remarketed instruments, spectroscopy and vacuum divisions form our new Applied Markets segment. We are reporting under this new structure beginning with this Quarterly Report on Form 10-Q for the period ended January 31, 2025. All historical financial segment information has been recast to conform to this new presentation in our financial statements and accompanying notes.

Life Sciences and Diagnostics Markets

Our Life Sciences and Diagnostics Markets segment is comprised of seven areas of activity. We provide 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 liquid chromatography ("LC") and liquid chromatography mass spectrometry ("LCMS") businesses enable customers in the clinical and life sciences research areas to interrogate samples at the molecular and cellular level. Second, 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. Third, our contract development and manufacturing organization ("CDMO") business provides services related to and the production of synthesized oligonucleotides under pharmaceutical good manufacturing practices conditions for use as API in a class of drugs that utilize nucleic acid molecules for disease therapy. BIOVECTRA capabilities include microbial fermentation, bioreagents, highly potent active pharmaceutical ingredients, peptide purification and biomanufacturing capabilities in several nucleic acid modalities. Together, our BIOVECTRA and nucleic acid solutions businesses comprise our CDMO offerings to our customers providing clinical-to-commercial scale production capabilities. Fourth, our pathology solutions business is focused on product offerings for cancer diagnostics and anatomic pathology workflows. The broad portfolio of offerings includes immunohistochemistry, in situ hybridization, hematoxylin and eosin staining and special staining. This business further provides clinical flow cytometry reagents for routine cancer diagnostics. This business also provides bulk antibodies as raw materials and associated assay development services to in vitro diagnostics manufacturers, biotechnology and pharmaceutical companies. Fifth, 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. Sixth, our genomics business includes reagents to support next-generation sequencing ("NGS") workflows and arrays. This business also includes solutions that enable clinical labs to identify DNA variants associated with genetic disease and help direct cancer therapy. Finally, our biomolecular analysis business provides complete workflow solutions, including instruments, consumables and software, for quality control analysis of nucleic acid samples. Samples are analyzed using quantitative and qualitative techniques to ensure accuracy in further genomics analysis techniques including NGS, utilized in clinical and life science research applications.

Net Revenue

	Three Months Ended		Year over Year Change
	January 31,		Three
	2025	2024	Months
	(in millions)		
Net revenue	\$ 647	\$ 620	4%

Life Sciences and Diagnostics Markets segment revenue for the three months ended January 31, 2025 increased 4 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2025 had an unfavorable impact on revenue growth of 1 percentage point when compared to the same period last year.

Geographically, revenue for the three months ended January 31, 2025 increased 10 percent in the Americas with a 1 percentage point unfavorable currency impact, increased 3 percent in Europe with a 1 percentage point unfavorable currency impact and decreased 5 percent in Asia Pacific with a 1 percentage point unfavorable currency impact compared to the same period last year. For the three months ended January 31, 2025, the revenue increase in the Americas was primarily driven by revenue from the BIOVECTRA acquisition as well as strong growth from our liquid chromatography, liquid chromatography mass spectrometry and companion diagnostics businesses. Revenue increased in Europe due to strong growth from our liquid chromatography, liquid chromatography mass spectrometry, genomics and companion diagnostics businesses. The revenue decline in Asia Pacific was driven by our liquid chromatography, cell analysis and pathology businesses partially offset by increased revenue in our liquid chromatography mass spectrometry and genomics businesses.

For the three months ended January 31, 2025, revenue performance in the pharmaceutical market had strong growth mainly due to the BIOVECTRA acquisition, strong growth in our liquid chromatography mass spectrometry business and moderate growth in our liquid chromatography business. We saw strong revenue growth in the diagnostics and clinical market led by our liquid chromatography, liquid chromatography mass spectrometry, companion diagnostics, cell analysis and biomolecular analysis businesses which was partially offset by a decline in our pathology business. Revenue in the academia and government market declined due to our biomolecular, cell analysis and genomics businesses, partially offset by modest growth in our liquid chromatography and liquid chromatography mass spectrometry businesses. Within the applied markets, we saw modest revenue growth primarily within the environmental and forensics markets.

Looking forward, 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 continue to leverage our liquid chromatography and liquid chromatography mass spectrometry platforms to maximize our growth via key vectors across our markets, making us optimistic about our long-term growth opportunities in the life sciences markets. We remain positive about the growth in our diagnostic and clinical markets around our OMNIS platforms. Market demand for therapeutic oligo continues to grow, and our CDMO business is well positioned to serve expanding customer requirements. We will also continue to invest in research and development, invest in expanding and improving our applications and solutions portfolio and seek to expand our position in developing countries and emerging markets.

Operating Results

	Three Months Ended		Year over Year Change
	January 31,		Three
	2025	2024	Months
(in millions, except margin data)			
Gross margin	52.8 %	54.9 %	(2) ppts
Research and development	\$ 63	\$ 66	(6)%
Selling, general and administrative	\$ 162	\$ 160	1%
Operating margin	18.1 %	18.4 %	—
Income from operations	\$ 117	\$ 114	3%

Gross margin for products and services for the three months ended January 31, 2025, decreased 2 percentage points when compared to the same period last year. Gross margin for the three months ended January 31, 2025 was impacted mainly by unfavorable business mix and impact of currency movements which was partially offset by lower salary expense related to prior year workforce reduction activities.

Research and development expenses for the three months ended January 31, 2025, decreased 6 percent when compared to the same period last year. Research and development expenses for the three months ended January 31, 2025 decreased primarily due to lower salary expenses related to prior year workforce reduction activities and variable pay.

Selling, general and administrative expenses for the three months ended January 31, 2025, increased 1 percent when compared to the same period last year. Selling, general and administrative expenses for the three months ended January 31, 2025 increased due to higher allocation of corporate infrastructure expenses partially offset by lower salary expenses related to prior year workforce reduction activities, variable pay and the favorable impact of currency movements.

Operating margin for products and services for the three months ended January 31, 2025 was flat when compared to the same period last year. Operating margin for products and services for the three months ended January 31, 2025, was flat due to unfavorable business mix and higher corporate infrastructure expense allocation offset by lower salary expense related to prior year workforce reduction activities.

Income from operations for the three months ended January 31, 2025 increased \$3 million or 3 percent on a corresponding revenue increase of \$27 million.

Agilent CrossLab

Our Agilent CrossLab segment provides an extensive services and consumables portfolio that spans the entire lab, in addition to software and laboratory automation solutions, which are designed to improve customer outcomes and represents a broad range of offerings designed to serve customer needs across end-markets and applications. Our 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. Our consumables portfolio is designed to improve customer outcomes. Most of the portfolio is vendor neutral, meaning we can serve and supply customers regardless of their instrument purchase choices. Solutions range from chemistries to supplies. Key product categories in consumables include gas chromatography ("GC") and liquid chromatography ("LC") columns, sample preparation products, custom chemistries, and a large selection of laboratory supplies. Software and informatics solutions include software for instrument control, data acquisition, data analysis, secure storage of results, and laboratory information and workflow management. This software facilitates the compliant use of instruments in pharmaceutical quality assurance and quality control environments. The OpenLab laboratory software suite is a scalable, open software platform that enables customers to capture, analyze, and share scientific data throughout the lab and across the enterprise. Laboratory automation offers automated sample preparation solutions, including liquid handling, plate management, consumables and scheduling software. These solutions range from standalone automation platforms to integrated workflow solutions with seamless integration to our instrumentation.

Net Revenue

	Three Months Ended		Year over Year Change	
	January 31,		Three	
	2025	2024	Months	
	(in millions)			
Net revenue	\$ 696	\$ 686	1%	

Agilent CrossLab segment revenue for the three months ended January 31, 2025 increased 1 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2025 had an overall unfavorable impact on revenue growth of 2 percentage points when compared to the same period last year.

Geographically, revenue for the three months ended January 31, 2025 increased 3 percent in the Americas with a 2 percentage point unfavorable currency impact, increased 2 percent in Europe with a 1 percentage point unfavorable currency

impact and decreased 1 percent in Asia Pacific with a 2 percentage point unfavorable currency impact compared to the same period last year. For the three months ended January 31, 2025, revenue growth in the Americas was primarily driven by repair, compliance and maintenance services and the lab automation business partially offset by weakness in installation service and the consumables and software and informatics businesses. In Europe, revenue growth was primarily driven by repair and maintenance services and the consumables business partially offset by weakness in installation service, the software and informatics and lab automation businesses. In the Asia Pacific region, weakness in the lab automation and software and informatics businesses was partially offset by the revenue growth from repair and maintenance services and consumables.

For the three months ended January 31, 2025, we saw growth across the majority of our end markets. We saw strong growth in the environmental and forensics market and the diagnostics and clinical market driven by our services, consumables and lab automation businesses. We saw modest growth in our chemicals and advanced materials market mainly driven by our services and consumables businesses. We saw moderate growth in our food market mainly driven by our services, consumables and lab automation businesses. Revenue from the pharmaceutical market was flat year on year with growth from the service business offset by weakness in our other businesses.

Looking forward, Agilent CrossLab is well positioned to continue its 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

	Three Months Ended		Year over Year Change
	January 31,		Three
	2025	2024	Months
(in millions, except margin data)			
Gross margin	56.1 %	56.9 %	(1) ppt
Research and development	\$ 26	\$ 29	(7)%
Selling, general and administrative	\$ 143	\$ 139	3%
Operating margin	31.8 %	32.4 %	(1) ppt
Income from operations	\$ 221	\$ 222	—

Gross margin for the three months ended January 31, 2025 decreased 1 percentage point when compared to the same period last year. Gross margin for the three months ended January 31, 2025 was unfavorably impacted by product and service mix which was partially offset by targeted price increases and lower variable pay.

Research and development expenses for the three months ended January 31, 2025 decreased 7 percent when compared to the same period last year. Research and development expenses for the three months ended January 31, 2025 decreased primarily due to lower salary expenses related to prior year workforce reduction activities.

Selling, general and administrative expenses for the three months ended January 31, 2025 increased 3 percent when compared to the same period last year. For the three months ended January 31, 2025, selling, general and administrative expenses increased due to higher allocation of corporate infrastructure expenses partially offset by lower salary expenses related to prior year workforce reduction activities, variable pay and the favorable impact of currency movements.

Operating margin for products and services for the three months ended January 31, 2025 decreased 1 percentage point when compared to the same period last year. Operating margin for the three months ended January 31, 2025 decreased due to product and service mix and higher corporate infrastructure expenses partially offset by lower salary expenses related to prior year workforce reduction activities.

Income from operations for the three months ended January 31, 2025 decreased \$1 million on a corresponding revenue increase of \$10 million.

Applied Markets

Our Applied Markets segment provides application-focused solutions that include instruments and software that enable customers to identify, quantify and analyze the physical and biological properties of substances and products. Our gas chromatography ("GC") and gas chromatography mass spectrometry ("GCMS") businesses enable customers to perform a wide variety of testing including measuring volatile and semi-volatile contaminants to assess the safety of our foods, quality of water and consumer products while also enabling testing of fuels and purity of chemicals. Our inductively coupled plasma mass spectrometry, inductively coupled plasma optical emission spectrometry, atomic absorption and microwave plasma-atomic emission spectrometry instruments are vital for our customers to measure metals and elemental signatures in their samples and find uses in the food safety, environmental quality, chemicals manufacture, advanced materials, energy and forensics markets. Our molecular spectroscopy business including the raman, fluorescence and infrared spectroscopy instruments offer both in-field and in-lab testing solutions in a diverse variety of applications including airport security, explosives testing, narcotics, food quality and chemical characterization. Our vacuum business develops cutting edge products and technologies to test vacuum environments and find uses in a diverse variety of industries including semi-conductor, batteries, chemical manufacturing and advanced materials development. Finally, our remarketed instruments business refurbishes and resells certified pre-owned instruments to value-oriented customers who would like Agilent quality and performance at a budget conscious price.

Net Revenue

	Three Months Ended January 31,		Year over Year Change
	2025	2024	Three Months
	(in millions)		
Net revenue	\$ 338	\$ 352	(4)%

Applied Markets segment revenue for the three months ended January 31, 2025 decreased 4 percent when compared to the same period last year. Foreign currency movements for the three months ended January 31, 2025 had an overall unfavorable impact on revenue growth of 2 percentage points when compared to the same period last year.

Geographically, revenue for the three months ended January 31, 2025 increased 2 percent in the Americas with a 1 percentage point unfavorable currency impact, decreased 4 percent in Europe with a 1 percentage point unfavorable currency impact and decreased 7 percent in Asia Pacific with a 2 percentage point unfavorable currency impact when compared to the same period last year. The revenue growth in the Americas was driven by strength in our gas chromatography and remarketed instruments businesses partially offset by weakness in the vacuum business when compared to the same period last year. The revenue decline in Europe was driven by weakness in our gas chromatography mass spectrometry and gas chromatography businesses partially offset by strength in the spectroscopy and vacuum businesses when compared to the same period last year. The revenue decline in Asia Pacific was driven by weakness in our gas chromatography, spectroscopy and vacuum businesses partially offset by strength in the gas chromatography mass spectrometry business when compared to the same period last year.

For the three months ended January 31, 2025, revenue declined significantly in the chemicals and advanced materials and academia and government markets partially offset by strong revenue growth in the food and diagnostics and clinical markets and modest revenue growth in the pharmaceutical and environmental and forensics markets. Revenue in the chemicals and advanced materials market declined significantly due to weakness in our spectroscopy and gas chromatography businesses partially offset by strength in the remarketed instruments business when compared to the same period last year. Revenue in the academia and government market declined significantly due to weakness in our gas chromatography, gas chromatography mass spectrometry and spectroscopy businesses when compared to the same period last year. Strong revenue growth in the food market was driven by strength in our gas chromatography mass spectrometry, spectroscopy and gas chromatography businesses when compared to the same period last year. Strong revenue growth in the diagnostics and clinical market was driven by strength in our remarketed instruments and gas chromatography mass spectrometry businesses when compared to the same period last year.

Looking forward, we anticipate continued steady market recovery and are optimistic about our long-term growth opportunities in the 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 application-focused solutions that include instruments and software.

Operating Results

	Three Months Ended January 31,		Year over Year Change
	2025	2024	Three Months
(in millions, except margin data)			
Gross margin	55.8 %	56.4 %	(1) ppt
Research and development	\$ 23	\$ 25	(8)%
Selling, general and administrative	\$ 81	\$ 82	—
Operating margin	25.0 %	26.1 %	(1) ppt
Income from operations	\$ 84	\$ 92	(8)%

Gross margin for the three months ended January 31, 2025, decreased 1 percentage point when compared to the same period last year. Gross margin for the three months ended January 31, 2025 was impacted by lower sales volume, unfavorable impact of currency movements, and higher logistics costs partially offset by lower salary expense and lower warranty costs when compared to the same period last year.

Research and development expenses for the three months ended January 31, 2025, decreased 8 percent when compared to the same period last year. Research and development expenses for the three months ended January 31, 2025 decreased due to lower salary expense, variable pay and the favorable impact of currency movements when compared to the same period last year.

Selling, general and administrative expenses for the three months ended January 31, 2025, were flat when compared to the same period last year. Selling, general and administrative expenses for the three months ended January 31, 2025, were impacted by lower salary expense, marketing expense, variable pay and the favorable impact of currency movements offset by a higher allocation of corporate infrastructure expenses when compared to the same period last year.

Operating margin for the three months ended January 31, 2025 decreased 1 percentage point when compared to the same period last year. Operating margin was impacted by lower sales volume and the unfavorable impact of currency movements partially offset by lower salary expense and warranty costs when compared to the same period last year.

Income from operations for the three months ended January 31, 2025, decreased \$8 million or 8 percent on a corresponding revenue decrease of \$14 million.

FINANCIAL CONDITION

Liquidity and Capital Resources

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

Our financial position as of January 31, 2025 consisted of cash and cash equivalents of \$1,467 million as compared to \$1,329 million as of October 31, 2024.

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 \$431 million for the three months ended January 31, 2025 compared to net cash provided by operating activities of \$485 million for the same period in 2024. In the three months ended January 31, 2025, we paid approximately \$98 million under our variable and incentive pay programs as compared to \$105 million paid for the same period in 2024. Net cash paid for income taxes in the three months ended January 31, 2025 was \$19 million compared to net cash paid for income taxes of \$24 million for the same period in 2024.

In the three months ended January 31, 2025, accounts receivable used cash of \$30 million compared to cash provided of \$10 million for the same period in 2024. Days' sales outstanding ("DSO") as of January 31, 2025 was 71 days when compared to 70 days as of January 31, 2024. Cash used by inventory was \$40 million for the three months ended January 31, 2025 compared to cash used of \$9 million for the same period in 2024. Inventory days on-hand was 115 days as of January 31, 2025 compared to 124 days as of January 31, 2024. In the three months ended January 31, 2025, accounts payable provided cash of \$3 million compared to cash provided of \$84 million for the same period in 2024. This was mainly due to more expenditures for direct materials as we continue optimizing our inventory levels and to timing of payments when compared to the same period in 2024.

We contributed approximately \$6 million to our defined benefit plans in the three months ended January 31, 2025 and 2024, respectively. Our annual contributions are highly dependent on the relative performance of our assets versus our projected liabilities, among other factors. We expect to contribute approximately \$12 million to our defined benefit plans during the remainder of 2025.

Net Cash Used in Investing Activities

Net cash used in investing activities was \$94 million for the three months ended January 31, 2025 as compared to net cash used in investing activities of \$95 million in the same period of 2024.

Investments in property, plant and equipment were \$97 million for the three months ended January 31, 2025 compared to \$90 million in the same period of 2024. We expect that total capital expenditures for the current year will be approximately \$450 million. These continued investments in property plant and equipment are primarily due to the planned expansion of our manufacturing capacity for production of nucleic acid based therapeutics in Frederick, Colorado. Some of our investment may be eligible to qualify for reimbursement incentives, which will not fully be known until the expansion is substantially complete.

Net Cash Used in Financing Activities

Net cash used in financing activities for the three months ended January 31, 2025 was \$180 million compared to net cash used in financing activities of \$240 million for the same period of 2024.

Treasury Stock Repurchases. 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. During the three months ended January 31, 2024, we repurchased and retired no shares under this authorization. During the three months ended January 31, 2025, we repurchased and retired 649,857 shares for \$90 million under this authorization. As of January 31, 2025, we had remaining authorization to repurchase up to approximately \$284 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.

Dividends. During the three months ended January 31, 2025 and 2024, we paid cash dividends of \$0.248 per common share or \$71 million, and \$0.236 per common share or \$69 million, respectively, on the company's common stock.

On February 19, 2025, our board of directors declared a quarterly dividend of \$0.248 per share of common stock or approximately \$71 million which will be paid on April 23, 2025 to all shareholders of record at the close of business on April 1, 2025. The timing and amounts of any future dividends are subject to determination and approval by our board of directors.

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. During the three months ended January 31, 2025, we made no borrowings or repayments under these credit facilities. As of January 31, 2025, we had no borrowings outstanding under either the credit facility or the incremental revolving credit facility.

On June 2, 2023, we entered into an Uncommitted Money Market Line Credit agreement with Societe Generale which provides for an aggregate borrowing capacity of \$300 million. The credit facility is an uncommitted short-term cash advance facility where each request must be at least \$1 million. The interest rate is set by the lender at the time of the borrowing and is fixed for the duration of the advance. During the three months ended January 31, 2025 and 2024, we had no borrowings or repayments under this credit facility. As of January 31, 2025, we had no borrowings outstanding under the credit facility.

We were in compliance with the covenants for the credit facilities during the three months ended January 31, 2025.

Commercial Paper. Under our U.S. commercial paper program, the company may issue and sell unsecured, short-term promissory notes in the aggregate principal amount not to exceed \$1.5 billion with up to 397-day maturities. At any point in time, the company intends to maintain available commitments under its revolving credit facility in an amount at least equal to the amount of the commercial paper notes outstanding. Amounts available under the program may be borrowed, repaid and re-borrowed from time to time. The proceeds from issuances under the program may be used for general corporate purposes. During the three months ended January 31, 2025, we borrowed \$301 million and repaid \$331 million under our commercial paper program compared to no borrowings or repayments in the same period in 2024. As of January 31, 2025 we had borrowings of \$10 million outstanding under our U.S. commercial paper program and a weighted average annual interest rate of 4.45 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 was paid in full as of October 31, 2024. During the three months ended January 31, 2024, we made a payment of 180 million on this term loan.

Other Loans. In connection with the BIOVECTRA acquisition, we have two interest-free loans from the Strategic Innovation Fund ("SIF"). The loans are repayable in quarterly and yearly installments through 2040 at a weighted average imputed interest rate of 4.7 percent. In addition, we have two interest-free loans with the Atlantic Canada Opportunities Agency ("ACOA"). The loans are repayable in monthly installments through 2029 at a weighted average imputed interest rate of 4.5 percent. As of January 31, 2025, the current portion of these loans of \$6 million was recorded in short-term debt and the non-current portion of \$21 million (including additional draw and measurement period adjustment) was recorded in long-term debt.

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 three months ended January 31, 2025 as compared to the senior notes as described in our Annual Report on Form 10-K for the fiscal year ended October 31, 2024.

Other. Our commitments for indirect material and services increased by \$12 million from \$136 million as reported in our Annual Report on Form 10-K for the fiscal year ended October 31, 2024. These commitments are related to a variety of suppliers including IT support service providers. Our commitments to contract manufacturers and suppliers decreased by \$38 million from \$641 million as reported in our Annual Report on Form 10-K for the fiscal year ended October 31, 2024. 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, 2024 to our contractual commitments in the first three months of fiscal year 2025. We have no other material non-cancelable guarantees or commitments.

Other long-term liabilities as of January 31, 2025 and October 31, 2024 include \$101 million and \$115 million, respectively, related to long-term income tax liabilities. Of these amounts, \$50 million and \$64 million related to uncertain tax positions as of January 31, 2025 and October 31, 2024, respectively. We are unable to accurately predict when these amounts will be realized or released. However, it is reasonably possible that there could be significant changes to our unrecognized tax benefits in the next twelve months due to either the expiration of a statute of limitations or a tax audit settlement. As of January 31, 2025 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 46 percent of our revenue was generated in U.S. dollars during the three months ended January 31, 2025 and 2024, respectively. The overall effect of changes in foreign currency exchange rates had an overall unfavorable impact on revenue growth of 2 percentage points in the three months ended January 31, 2025 principally as a result of the strength of the U.S. dollar. We calculate the impact of movements in our foreign currency exchange rates by applying the actual foreign currency exchange rates in effect during the last month of each quarter of the current year to both the applicable current and prior year periods.

We performed a sensitivity analysis assuming a hypothetical 10 percent adverse movement in foreign exchange rates to the hedging contracts and the underlying exposures described above. As of January 31, 2025, the analysis indicated that these hypothetical market movements would not have a material effect on our condensed consolidated financial position, results of operations, statement of comprehensive income or cash flows.

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

We performed a sensitivity analysis assuming a hypothetical 10 percent adverse movement in interest rates relating to the underlying fair value of our fixed rate debt. As of January 31, 2025, the sensitivity 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 January 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 1A. RISK FACTORS

Business and Strategic Risks

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

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

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

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

Visibility into our markets is limited. Our quarterly sales and operating results are highly dependent on the volume and timing of orders received during the fiscal quarter, which are difficult to forecast and may be cancelled by our customers. In addition, our revenue and earnings forecasts for future fiscal quarters are often based on the expected seasonality of our markets. However, the markets we serve do not always experience the seasonality that we expect as customer spending policies and budget allocations, particularly for capital items, may change. Any decline in our customers' markets or in general economic conditions has in the past and may in the future 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.

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 three months ended January 31, 2025 had an overall unfavorable impact on revenue growth of 2 percentage points when compared to the same period last year. Typically, when movements in foreign currency exchange rates have a negative impact on revenue, they will also have a positive impact by 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 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 a 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 economic, political, health or other conditions change in those countries, it may adversely affect operations, including impairing our ability to pay our suppliers and collect our receivables. Our results of operations, as well as our liquidity, may be adversely affected and possible delays may occur in reporting financial results.

In addition, 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.

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

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

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

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

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 or research funding 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.

Recent and dynamic government rule making and policy changes could increase our costs, affect our markets and customers and impact our results of operations.

The rapid increase in new government regulations, including tariffs and proposed tariffs in the geographies and markets in which we operate, could result in significant costs and require modifications in the way we and our customers conduct business. As we and our customers respond to newly enacted rules and legislation, effects on purchasing behavior and global trade relationships could affect our revenue. Increases in our costs and expenses related to our compliance activities and those of our customers and suppliers could have a negative effect on our operating margin. If we are unable to respond to changing regulations in a timely and effective manner, our results of operations could be adversely affected.

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 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 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. We believe our pay levels are very competitive within the regions that we operate. However, there is intense competition for certain highly technical specialties in geographic areas where we continue to recruit, and it may become more difficult to hire and retain our key employees.

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

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

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

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

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

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

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

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

The life sciences industry is intensely competitive and has been subject to increasing consolidation. Consolidation in our industries could result in existing competitors increasing their market share through business combinations and result in stronger competitors, which could adversely affect 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. Public health crises, and any related remediation measures such as quarantine, curfew and other travel and activity restrictions, may impact our operations and sales and delivery of products and services. Our supply chain has in the past and may in the future be impacted, and 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.

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"), China's Personal Information Protection Law and Data Security Law, the California Consumer Privacy Act and Brazil's Lei Geral de Protecao de Dados, apply to our activities involving the processing of personal data, both in relation to our product and service offerings and the management of our workforce. The global proliferation of privacy laws, with governmental authorities around the world passing or considering passing legislative and regulatory proposals concerning privacy and data protection, continues to result in new requirements regarding the handling of personal data and when personal data may be transferred outside the country where it was collected. Many such laws impose significant penalties for non-compliance (including possible fines of up to four percent of total company revenue under the GDPR or orders to stop processing personal data in a particular jurisdiction). Each of these privacy, security and data protection laws and regulations could impose significant limitations and increase our cost of providing our products and services where we process personal data and could harm our results of operations and expose us to significant fines, penalties and other damages.

We must also comply with complex foreign and U.S. laws and regulations, such as the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and other local laws prohibiting corrupt payments to governmental officials, anti-competition regulations and sanctions imposed by the U.S. Office of Foreign Assets Control and other similar laws and regulations. Such

laws demand that we implement, test, and monitor an effective compliance program in order to detect and prevent instances of non-compliance. Violations of these laws and regulations could result in fines and penalties, criminal sanctions, suspension of government contracts or debarment, 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, suspension of government contracts or debarment 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 manufacturing, labeling, 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 regulations 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 evidence requirements, quality management 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 ("TSCA") and by regulatory bodies in other countries under similar laws, to prevent unreasonable risks to human health or the environment. Under the TSCA, the EPA has authority to require reporting, record-keeping and testing, and to implement restrictions relating to chemical substances and/or mixtures. The TSCA prohibits persons from manufacturing (domestic production or importation of) any chemical in the United States that has not been reviewed by the EPA for its effect on health and safety or which is not listed on the EPA TSCA chemical substance inventory. 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, suspension of government contracts or debarment, 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.

Our internal controls and compliance systems may not 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 U.S. Securities and Exchange Commission and New York Stock Exchange, 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., EU, 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 an adverse impact on our business, financial results, stock price or reputation. Our ability to achieve our current and future ESG goals is uncertain and remains subject to numerous risks, including evolving regulatory requirements and stakeholder expectations, our ability to recruit and retain a diverse workforce, the availability of suppliers and other business partners that can meet our ESG expectations and standards, cost considerations and the development and availability of cost-effective technologies or resources that support our ESG goals.

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

Certain properties we have previously owned or leased are undergoing remediation for subsurface contamination. Although we are indemnified for liability relating to the required remediation at some of those properties, we may be subject to

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

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

Our current and historical manufacturing and research and development processes and facilities are subject to various foreign, federal, state and local environment protection and health and safety laws and regulations. As a result, we may become subject to liabilities for environmental contamination, and these liabilities may be substantial. Although our policy is to apply strict standards for environmental protection and health and safety at our sites inside and outside the United States, we may not be aware of all conditions that could subject us to liability. Further, in the event that any future climate change legislation would require that stricter standards be imposed by domestic or international environmental regulatory authorities, we may be required to make certain changes and adaptations to our manufacturing processes and facilities. We cannot predict how changes will affect our business operations or the cost of compliance to us, our customers or our suppliers. Failure to comply with these environmental protection and health and safety laws and regulations could result in civil, criminal, regulatory, administrative or contractual sanctions, 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 technologies in our business operations, services and products may result in reputational harm, regulatory action, or legal liability, and any failure to adapt to such technological developments or industry trends could adversely affect the competitiveness of our business.

We are integrating artificial intelligence and machine learning technologies (“AI”) into our business operations, products and services, while continuing to explore the opportunities that AI could bring to the company. The use of AI, particularly 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 its early stages, where the use of insufficiently developed AI technologies and premature deployment practices could result in unintended outcomes that harm the business. AI technologies may be developed using inaccurate, incomplete, flawed or biased algorithms, training methodologies or data, which could result in competitive harm, regulatory penalties, legal liability, or brand or reputational harm. Further, a failure to timely and effectively use or deploy AI and integrate it into new product offerings and services could negatively impact our competitiveness, particularly ahead of evolving industry trends and evolving consumer demands. We may be unable to devote adequate financial resources to develop or acquire new AI technologies and systems in the future.

Use of AI to improve internal business operations, or in the development or provision of products or services, poses risks and challenges. AI can pose risks from an intellectual property, confidential data leakage, data protection and privacy perspective, as well as raise ethical concerns, compliance issues, and security risks. The input of confidential information or trade secrets into AI systems may result in the loss of intellectual property, proprietary rights, or attorney-client privilege in such information or trade secrets. The use of AI technologies for developing products or services may adversely affect or preclude the company’s intellectual property rights in such products or services, or may expose the company to liability related to the infringement, misappropriation or other violation of third-party intellectual property. The use of AI technologies with personally identifiable information may also result in legal liability. Further, particularly given the nascent stage of the technology, the use of AI can lead to unintended consequences, including the generation of outputs that appear correct but are factually inaccurate, misleading, or that result in unintended biases and discriminatory outcomes, or are otherwise flawed, which could harm our reputation and business and expose us to risks related to such inaccuracies or errors in these outputs.

Moreover, AI is subject to a dynamic and rapidly evolving legal and regulatory environment, which, without appropriate review, governance and risk management, could expose the company to unforeseen legal or regulatory scrutiny and liabilities. As such, it remains uncertain how AI laws and regulations will impact our business or the associated cost or risks related to compliance therewith or with respect to embedding compliance mechanisms appropriately and effectively into our operations. The use of AI may be subject to new legal or regulatory requirements, the impact of which may be prohibitive or pose further risks from a legal or regulatory action perspective.

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, maintain and enforce 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

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.

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 facilities 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.

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 or other logistics providers we use experiences a significant disruption in services or institutes a significant price increase, we may have to seek alternative providers, which could result in increased costs, and/or delay the delivery of our products. 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. 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.

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 or products 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. For example, as a U.S. publicly traded company, we are subject to the U.S. Securities and Exchange Commission Final Rule on Cybersecurity Risk Management, Strategy, Governance and Incident Disclosure which requires enhanced disclosure requirements for cybersecurity, with similar applicable requirements under the EU's NIS2 Directive and China's Data Security Law.

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 which applies to Agilent beginning in fiscal year 2025. The enactment of Pillar Two legislation is not expected to have any material impact to our consolidated financial statements for fiscal year 2025. We are evaluating the potential impacts the Pillar Two rules as currently constructed may have on future periods.

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. As of January 31, 2025, we had approximately \$3.4 billion in outstanding indebtedness which included an aggregate outstanding principal amount of \$3.3 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 imposes restrictions on us, including restrictions on our ability to create liens on our assets and engage in certain types of sale and leaseback transactions and the ability of our subsidiaries to incur indebtedness, and requires us to maintain compliance with specified financial ratios. Our ability to comply with these ratios may be affected by events beyond our control. In addition, the indentures governing our senior notes contain covenants that may adversely affect our ability to incur certain liens or engage in certain types of sale and leaseback transactions. If we breach any of the covenants and do not obtain a waiver from the lenders or noteholders, then, subject to applicable cure periods, our outstanding indebtedness could be declared immediately due and payable.

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

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

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

As of January 31, 2025, we had cash and cash equivalents of approximately \$1.5 billion invested or held in a mix of money market funds, time deposit accounts and bank demand deposit accounts. Disruptions and volatility in the financial markets may, in some cases, result in an inability to access assets such as money market funds that traditionally have been viewed as highly liquid or hinder our ability to borrow money in the amounts, at interest rates or upon the more favorable terms and conditions that might be available under different economic circumstances. Any failure of our counterparty financial institutions or funds in which we have invested may adversely impact our cash and cash equivalent positions and, in turn, our operating results and financial condition.

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

ISSUER PURCHASES OF EQUITY SECURITIES

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 January 31, 2025.

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)
	(a)	(b)	(c)	(d)
2023 Repurchase Program				
Nov. 1, 2024 through Nov. 30, 2024	218,607	\$ 133.82	218,607	\$ 345
Dec. 1, 2024 through Dec. 31, 2024	224,793	\$ 137.78	224,793	\$ 314
Jan. 1, 2025 through Jan. 31, 2025	206,457	\$ 144.15	206,457	\$ 284
Total	649,857	\$ 138.47	649,857	\$ 284

- (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. As of January 31, 2025, 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 January 31, 2025, none of our officers or directors adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" as each term is defined in Item 408 of Regulation S-K.

ITEM 6. EXHIBITS

(a) Exhibits:

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	Inline 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	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and Contained in Exhibit 101)

AGILENT TECHNOLOGIES, INC.

SIGNATURE

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

Dated: March 3, 2025

By: /s/ Robert W. McMahon
Robert W. McMahon
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Dated: March 3, 2025

By: /s/ Rodney Gonsalves
Rodney Gonsalves
Vice President, Corporate Controllership
(Principal Accounting Officer)