

Q2 2024 Earnings Call Presentation

July 31, 2024

Forward-Looking Statements & Non-GAAP Financial Measures



This presentation contains forward-looking statements regarding future results and events, including financial and operational guidance and projected estimates. For this purpose, any statements that are not statements of historical fact may be deemed forward-looking statements. Words such as “may,” “will,” “expect,” “plan,” “anticipate,” “estimate,” “intend,” “outlook,” and similar expressions (as well as other words or expressions referencing future events, conditions or circumstances) are intended to identify forward-looking statements. These forward-looking statements may include statements regarding future operating and financial performance, market growth, success of our products, customer trends, and the acquisition of Wyatt Technology and the realization of the benefits thereof. Forward-looking statements in this presentation are based on Waters’ expectations and assumptions as of the date of this presentation and are neither predictions nor guarantees of future events or performance. You should not place undue reliance on forward-looking statements, which speak only as of the date hereof and should not be relied upon as representing the Company’s estimates or views as of any date subsequent to the date of this presentation. Each of these forward-looking statements involves risks and uncertainties, including risks and uncertainties associated with the Wyatt acquisition, as well as the Company’s ability to realize the expected benefits related to its various cost-saving initiatives, and actual results may differ materially from such forward-looking statements. We discuss various factors that may cause Waters actual results to differ from those expressed or implied in the forward-looking statements in this presentation, including, but not limited to, those factors relating to the impact on Waters’ operating results throughout the Company’s various market sectors or geographies from economic, environmental, regulatory, sovereign and political uncertainties, in the sections entitled “Forward-Looking Statements,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and “Risk Factors” of the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 as filed with the Securities and Exchange Commission (“SEC”) on February 27, 2024, as updated by the Company’s subsequent filings with the SEC, including the Company’s Quarterly Reports on Form 10-Q. Except as required by law, Waters does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

To supplement the Company’s financial statements presented on a GAAP basis, the Company has provided certain non-GAAP financial measures, such as organic constant currency revenue, non-GAAP diluted earnings per share and free cash flow. Management uses these non-GAAP financial measures to evaluate the Company’s operating performance in a manner that allows for meaningful period-to-period comparison and analysis of trends in its business. Management believes that such measures are important in comparing current results with prior period results and are useful to investors and financial analysts in assessing the Company’s operating performance. The non-GAAP financial information presented herein should be considered in conjunction with, and not as a substitute for, the financial information presented in accordance with GAAP. Management strongly encourages investors to review the Company’s consolidated financial statements and publicly filed reports in their entirety. The Company’s definition of these non-GAAP financial measures may differ from similarly titled measures used by others. The non-GAAP financial measures used in this presentation adjust for specified items that can be highly variable or difficult to predict. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures set forth in the Appendix of this presentation and also included in the Company’s press release dated July 31, 2024, available on the Company’s website at: <https://ir.waters.com/>.

Strong Execution Continues

Solid Operational Results

Innovative Portfolio Serving Attractive Markets

Q2 2024 Results

Q2 2024 Revenue

\$709M

Reported: (4%)

CC Organic
Revenue Growth

(4%)

M&A: +2% FX: (2%)

CC Organic
Instrument Growth

(17%)

CC Organic Recurring
Revenue Growth

+5%

Q2 2024 EPS
Non-GAAP

\$2.63

Growth

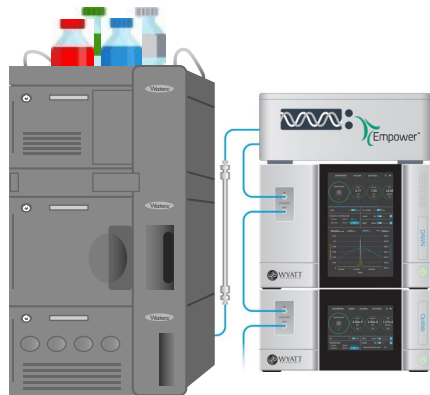
(6%)

CC: Constant Currency; growth rates are versus prior year

Note: A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures is included in the Appendix to this presentation and is also included in the Company's press release dated July 31, 2024, available on the Company's website at: <https://ir.waters.com/>

Strong M&A Execution in First Year of Wyatt Acquisition

Waters™



Revenue Synergies Performing Well²

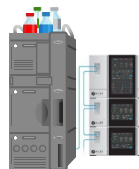
GOAL / KPI
**Geographic
& Segment
Expansion**



2024 PROGRESS

Scaled up direct sales
Expanded lead-sharing framework

GOAL / KPI
**Increased
Attachment**



2024 PROGRESS

Additional new SEC columns
launched in 1Q24
Extended Waters LC & Wyatt
light scattering compatibility

GOAL / KPI
**Accelerate
LC-MALS in
QA/QC**



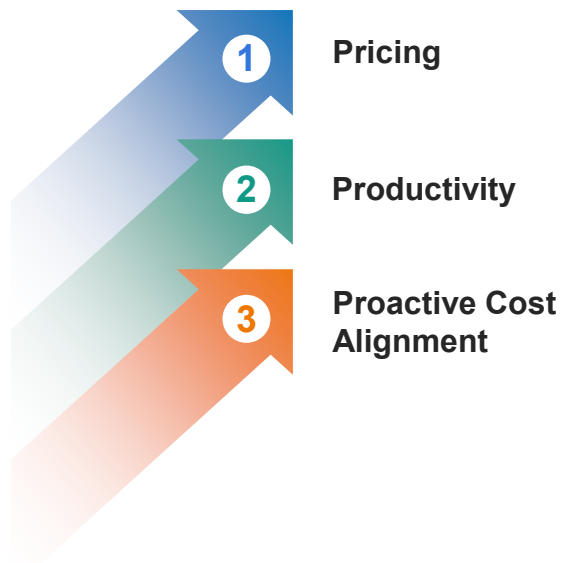
2024 PROGRESS

First beta expected later this year;
full release in 2025
Initial workflows will cover mAbs
and AAVs

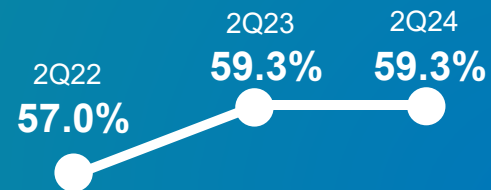
**+2% M&A
Contribution
to 2Q24
Sales¹**

Note: 1. Refers to As Reported, GAAP total company revenues where Wyatt inorganic contribution to as-reported, GAAP sales (covering the first half of the quarter) was 2% in 2Q24. 2. Synergy progress is based on internal data and estimates. Historical returns are not indicative of future performance. This data represents forward-looking statements and are subject to inherent uncertainties that could cause actual results to differ and such differences could be material. Please refer to the Forward-Looking Statements & Non-GAAP financial measures on page 1 of this presentation.

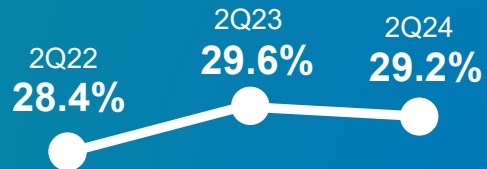
Resilient Margins Despite Headwinds from Volume, FX, & Inflation



Gross Margin



Adj. Operating Margin



Note: Operating margin results and percentage growth are in adjusted non-GAAP operating margin percentage terms. A reconciliation of these non-GAAP measures to the most directly comparable GAAP measures is included in the Appendix of this presentation and in the Company's press release dated July 31, 2024, available on the Company's website at: <https://ir.waters.com/>.

New Product Launches in Q2 Solve Unmet Needs

Waters™

Xevo MRT

Industry Leading Benchtop Mass Spec Resolution



Accelerates drug discovery and early-stage pharma development workflows



Delivers up to 6x resolution & up to 2x mass accuracy, all at higher speeds than competition

Acquity QDa II Mass Detector

Enhanced Routine Compound Identification



Identifies large molecules more accurately in late-stage development and QA/QC

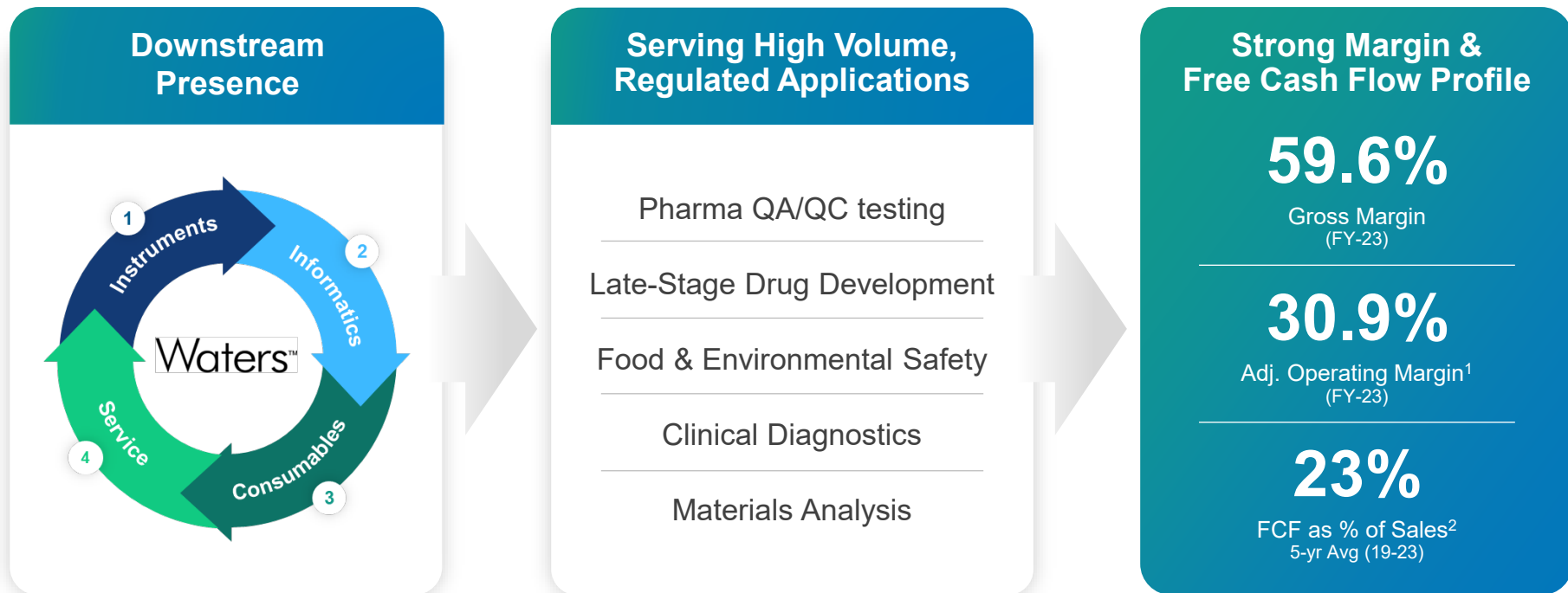


20% improvement in mass range, with 70% lower energy usage than competition

Note: Estimates on this slide are comprised of internal analysis, consulting data, industry reports and internal market research which are subject to change.

We Serve Attractive, Secular Markets Driven by Testing Volume

Waters™



Note: 1. Operating Margin result is in adjusted, non-GAAP operating margin percentage terms based on non-GAAP data for the period ended December 31, 2023. See reconciliations of the non-GAAP measures to the most directly comparable GAAP measures which are available on the Company's website at: <https://ir.waters.com/>. 2. FCF = Free Cash Flow which the Company defines as cash flow from operating activities less capital expenditures (including software capitalizations) plus or minus any special unusual items is a 5-year average of annual Free Cash Flow as a % of as-reported, GAAP revenues from 2019-2023. See reconciliations of the non-GAAP measures to the most directly comparable GAAP measures which are available on the Company's website at: <https://ir.waters.com/>.

Our Revitalized Portfolio is Highly Competitive



Waters™

Significant New Products Launched Since 2019 – Key Highlights:

Core

HPLC

Large & Small Molecule



alliance is

Chemistry

Bioseparations



Mass Spec

Routine Detection



Xevo™ | TQ ABSOLUTE

High Growth Adjacencies

Bioanalytical

Characterization



WYATT TECHNOLOGY BioAccord™ SYSTEM PREMIER

Battery Testing

TA Division



TAM IV BATTERY CYCLER MICROCALORIMETER SOLUTION

LC-MS into Dx

Clinical



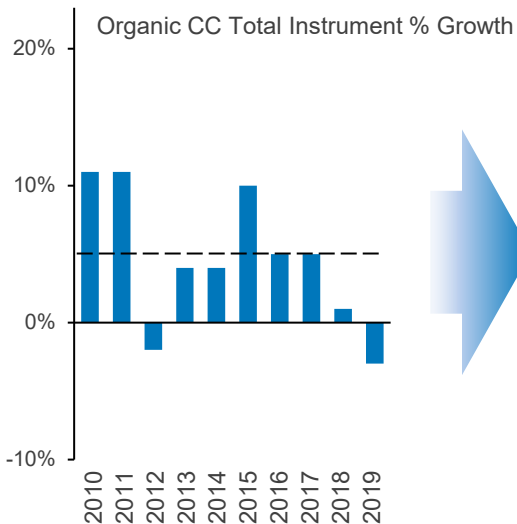
Xevo™ | TQ ABSOLUTE IVD

Note: Xevo G3 Qtof recognized as best spectroscopy product of 2022, resulting in 2023 Scientists' Choice Award. OligoWorks SPE Kits & Components recognized within Best New Analytical Science Product of 2023 award and 'A Complete guide to PFAS analysis' recognized as Analytical Science Innovative Content of the Year Award, resulting in 2024 Scientist' Choice Awards. In 2024, Waters became the first liquid chromatography column provider to receive My Green Lab ACT Ecolabel certification, covering 42 LC columns. One or more Waters instruments are also recognized with ACT Ecolabel certification.

Aged Installed Base Suggests Catch-Up Opportunity Ahead

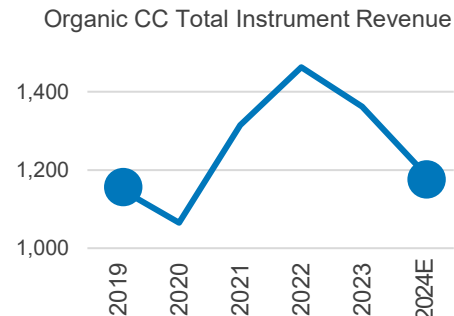
Instruments

Long-Term Historical Instrument Growth is MSD



**+5%
CAGR¹**
L.T
Historical
Instrument
Growth
2009-2019

Instrument Replacement and Fleet Expansion Have Temporarily Fallen Below Trend

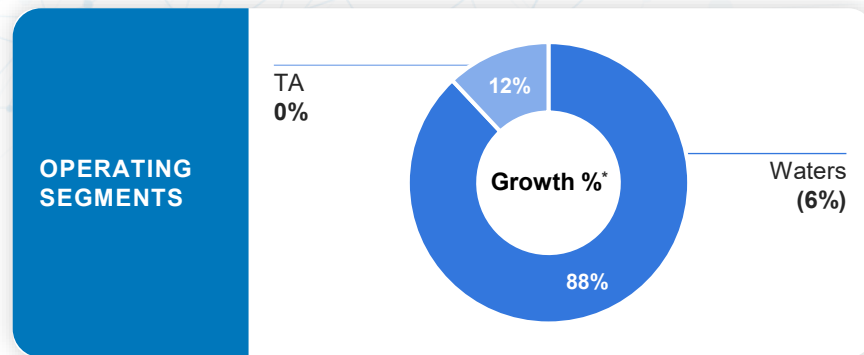
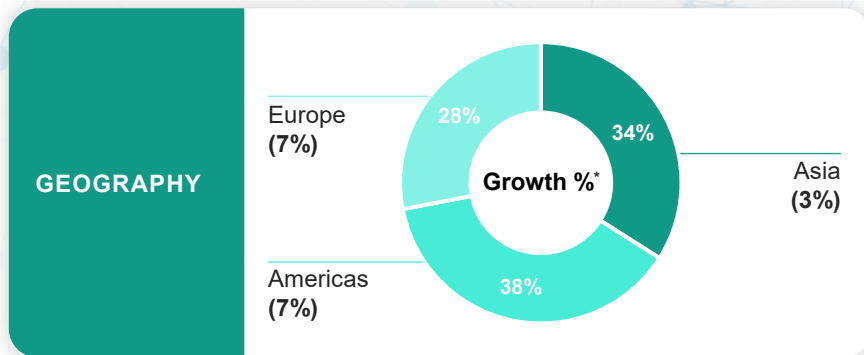
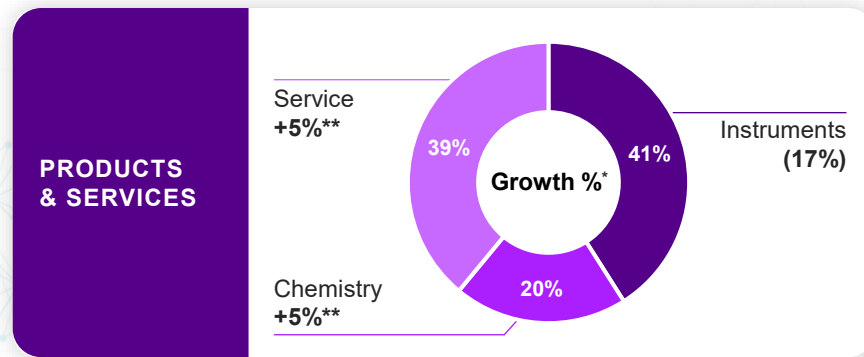
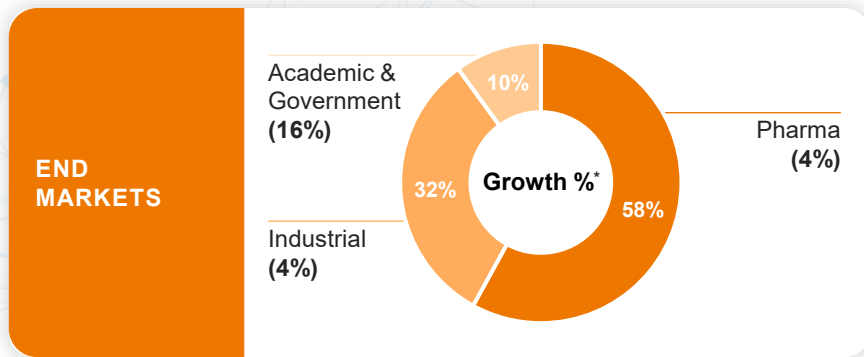


**+1%
CAGR²**
5-Year
Instrument
Growth
2019-2024E

Organic CC 5-Yr CAGR (vs. 19)	
Total Instruments (inc. TA)	1%
LC	0%
MS	1%

Note: MSD = Mid single-digit. 1. Approximate compound average growth rate of year-over-year, constant currency total instrument sales growth from 2009 to 2019. 2. Approximate compound average growth rate of year-over-year organic constant currency total instrument sales growth from 2019 to 2024, where 2024 growth reflects the expected instrument growth implied in the Company's full-year guidance as disclosed in the Company's press release dated July 31, 2024, available on the Company's website at: <https://ir.waters.com/>, which is subject to change. Growth rates here reflect our internal analysis of Waters historical, annual non-GAAP sales data which is publicly available, including the relevant GAAP to Non-GAAP reconciliations for each year. This data also represents forward-looking statements and are subject to inherent uncertainties that could cause actual results to differ and such differences could be material. Please refer to the Forward-Looking Statements & Non-GAAP Financial Measures on Page 1 of his presentation.

Q2 2024 Organic Revenue Stratification



* Q2 2024 Organic Revenue Growth % vs. Q2 2023 in Constant Currency
 ** Note: No difference in # of days between Q2 2024 and Q2 2023

A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures is included in the Appendix to this presentation and is also included in the Company's press release dated July 31, 2024, available on the Company's website at: <https://ir.waters.com>

FY 2024

**Organic Constant Currency
Revenue Growth vs. FY 2023**

(2%) to (0.5%)

FX (1.5%); M&A +1.3%

Reported Growth (2.2%) to (0.7%)

NON-GAAP EPS

\$11.55 to \$11.65

Q3 2024

**Constant Currency
Revenue Growth vs. Q3 2023¹**

+1% to +3%

FX (1.5%)

Reported Growth (0.5%) to +1.5%

NON-GAAP EPS

\$2.60 to \$2.70

Based on current FX rate assumptions. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures is included in the Appendix to this presentation and is also included in the Company's press release dated July 31, 2024, available on the Company's website at: <https://ir.waters.com/>

1. Note: There is no Wyatt-related M&A contribution to sales in Q3 2024 since it is now reported within constant currency revenue growth.

Appendix

GAAP to Non-GAAP Reconciliations

Sales Stratification – Q2 2024 Reported & Organic CC Growth

(in millions USD)		2024	2023	% Growth Reported	Impact of Currency	Impact of Acquisitions	% Growth Organic Constant Currency
Operating Segments	Waters	622.6	653.2	(5%)	(2%)	3%	(6%)
	TA	86.0	87.3	(2%)	(2%)	0%	0%
End Markets	Pharmaceutical	415.7	426.7	(3%)	(2%)	3%	(4%)
	Industrial	221.4	229.7	(4%)	(1%)	1%	(4%)
	Academic & Government	71.4	84.2	(15%)	(1%)	2%	(16%)
Geography	Asia	237.4	254.6	(7%)	(5%)	1%	(3%)
	Americas	274.5	282.9	(3%)	0%	4%	(7%)
	Europe	196.6	203.0	(3%)	1%	3%	(7%)
Products & Services	Instruments	294.1	342.0	(14%)	(1%)	4%	(17%)
	Service	273.4	262.7	4%	(2%)	1%	5%
	Chemistry	141.1	135.9	4%	(1%)	0%	5%
	Total Recurring	414.5	398.6	4%	(2%)	1%	5%
Total Sales – Q2 QTD		708.5	740.6	(4%)	(2%)	2%	(4%)

The Company believes that referring to comparable organic constant currency growth rates is a useful way to evaluate the underlying performance of Waters Corporation's net sales. Organic constant currency growth, a non-GAAP financial measure, measures the change in net sales between current and prior year periods, excluding the impact of foreign currency exchange rates during the current period and excluding the impact of acquisitions made within twelve months of the acquisition close date.

GAAP to Non-GAAP Reconciliations

Operating Income Reconciliation of GAAP to Adjusted Non-GAAP

(in thousands USD)	Q2 2024 Operating Income	Q2 2024 Operating Income Percentage	Q2 2023 Operating Income	Q2 2023 Operating Income Percentage	Q2 2022 Operating Income	Q2 2022 Operating Income Percentage
GAAP	189,112	26.7%	199,859	27.0%	199,632	27.9%
Adjustments:						
Purchased intangibles amortization (a)	11,744	1.7%	6,815	0.9%	1,598	0.2%
Restructuring costs and certain other items (b)	1,139	0.2%	5,229	0.7%	1,830	0.3%
Acquisition related costs (c)	–	–	3,693	0.5%	–	–
Retention bonus obligation (d)	5,089	0.7%	3,524	0.5%	–	–
Adjusted Non-GAAP	207,084	29.2%	219,120	29.6%	203,060	28.4%
Adjusted Operating Margin Expansion – Q2'24 vs. Q2'22	0.8%					

- (a) The purchased intangibles amortization, a non-cash expense, was excluded to be consistent with how management evaluates the performance of its core business against historical operating results and the operating results of competitors over periods of time.
- (b) Restructuring costs and certain other items were excluded as the Company believes that the cost to consolidate operations, reduce overhead, and certain other income or expense items are not normal and do not represent future ongoing business expenses of a specific function or geographic location of the Company.
- (c) Acquisition related costs include all incremental expenses incurred, such as advisory, legal, accounting, tax, valuation, and other professional fees. The Company believes that these costs are not normal and do not represent future ongoing business expenses.
- (d) In connection with the Wyatt acquisition, the Company started to recognize a two-year retention bonus obligation that is contingent upon the employee's providing future service and continued employment with Waters. The Company believes that these costs are not normal and do not represent future ongoing business expenses.

GAAP to Non-GAAP Reconciliations

Earnings Per Share		
	Q2 2024	Q2 2023
GAAP	\$ 2.40	\$ 2.55
Adjustments:		
Purchased intangibles amortization (a)	\$ 0.15	\$ 0.09
Restructuring costs and certain other items (b)	\$ 0.01	\$ 0.07
Acquisition related costs (c)	\$ –	\$ 0.05
Retention bonus obligation (d)	\$ 0.07	\$ 0.05
Adjusted Non-GAAP	\$ 2.63	\$ 2.80

- a) The purchased intangibles amortization, a non-cash expense, was excluded to be consistent with how management evaluates the performance of its core business against historical operating results and the operating results of competitors over periods of time.
- b) Restructuring costs and certain other items were excluded as the Company believes that the cost to consolidate operations, reduce overhead, and certain other income or expense items are not normal and do not represent future ongoing business expenses of a specific function or geographic location of the Company.
- c) Acquisition related costs include all incremental expenses incurred, such as advisory, legal, accounting, tax, valuation, and other professional fees. The Company believes that these costs are not normal and do not represent future ongoing business expenses.
- d) In connection with the Wyatt acquisition, the Company started to recognize a two-year retention bonus obligation that is contingent upon the employee's providing future service and continued employment with Waters. The Company believes that these costs are not normal and do not represent future ongoing business expenses.
- e) Litigation provisions and settlement gains were excluded as these items are isolated, unpredictable and not expected to recur regularly.

FY 2024 and Q3 2024 Guidance						
Projected Sales	FY 2024			Q3 2024		
Organic constant currency sales growth rate*	(2.0%)	-	(0.5%)	1.0%	-	3.0%
Impact of:						
Currency translation	(1.5%)	-	(1.5%)	(1.5%)	-	(1.5%)
Acquisitions	1.3%	-	1.3%	–	-	–
Sales growth rate as reported	(2.2%)	-	(0.7%)	(0.5%)	-	1.5%
Projected Earnings Per Diluted Share	FY 2024			Q3 2024		
GAAP earnings per diluted share	\$ 10.47	-	\$ 10.57	\$ 2.42	-	\$ 2.52
Adjustments:						
Purchased intangibles amortization (a)	\$ 0.60	-	\$ 0.60	\$ 0.15	-	\$ 0.15
Litigation provision (e)	\$ 0.13	-	\$ 0.13	\$ –	-	\$ –
Restructuring costs and certain other items (b)	\$ 0.12	-	\$ 0.12	\$ –	-	\$ –
Retention bonus obligation (d)	\$ 0.23	-	\$ 0.23	\$ 0.03	-	\$ 0.03
Adjusted non-GAAP earnings per diluted share	\$ 11.55	-	\$ 11.65	\$ 2.60	-	\$ 2.70

* Organic constant currency growth rates are a non-GAAP financial measure that measures the change in net sales between current and prior year periods, excluding the impact of foreign currency exchange rates during the current period and excluding the impact of acquisitions made within twelve months of the acquisition close date. These amounts are estimated at the current foreign currency exchange rates and based on the forecasted geographical sales in local currency, as well as an assessment of market conditions as of today, and may differ significantly from actual results.

These forward-looking adjustment estimates do not reflect future gains and charges that are inherently difficult to predict and estimate due to their unknown timing, effect and/or significance.

Please refer to Forward-Looking Statements & Non-GAAP Financial Measures on Page 1 of this presentation.

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Waters™