

Q3 2024 Earnings Call Presentation

November 1, 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 constant currency revenue, 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 November 1, 2024, available on the Company’s website at: <https://ir.waters.com/>.

Strong Execution Continues

Instruments Return to Growth

Exceptional Portfolio in Improving Market

Q3 2024 Results

Q3 2024 Revenue

\$740M

Reported: **+4%**

CC Revenue Growth

+4%

FX: **0%**

CC Instrument
Growth

+1%

Ex-China: **+3%**

CC Recurring Revenue
Growth

+7%

Q3 2024 EPS
Non-GAAP

\$2.93

Growth

+3%

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 November 1, 2024, available on the Company's website at: <https://ir.waters.com/>

Total 3Q24 Y/Y Sales Growth in Constant Currency

	Ex. China	Inc. China
Pharma	+5%	+3%
Non-Pharma	+5%	+5%
3Q24 Total	+5%	+4%

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 November 1, 2024, available on the Company's website at: <https://ir.waters.com/>

Revitalized Portfolio Enhancing our Results

Waters™

Liquid Chromatography

Next-Gen Flagship HPLC



The World's
Smartest HPLC

Now offered with a PDA detector

alliance™ is

Mass Spectrometry

For PFAS, Pharma, Clinical



Most Sensitive
Tandem Quad

Now also our best-selling

XeVO™

TQ ABSOLUTE

Precision Chemistry

High Growth Consumables for Large Mol



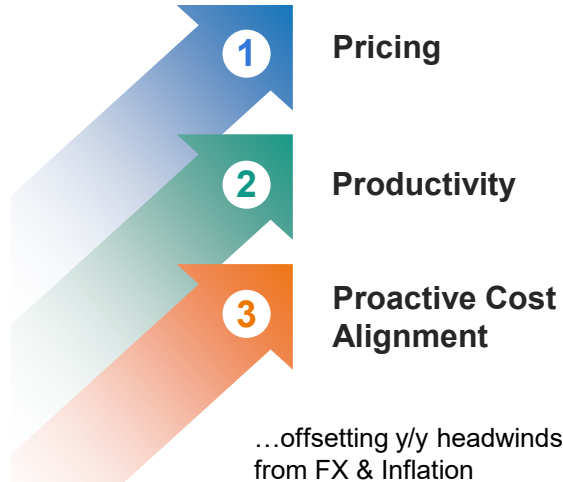
Sharper Peaks &
Minimal Statistical Noise

Wins complex molecules like GLP-1s

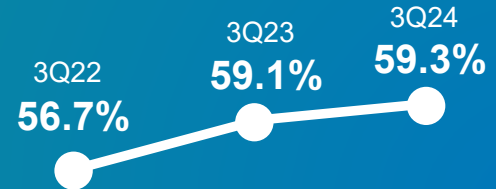
MAXPEAK™
PREMIER

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

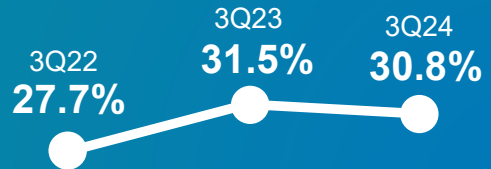
Better-Than-Expected 3Q Margin Results add to Resilient Performance



Gross Margin



Adj. Operating Margin

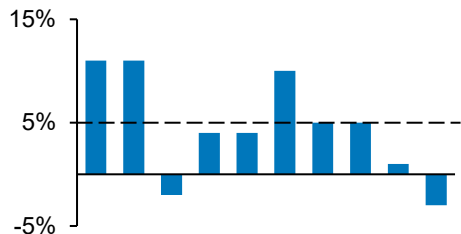


Note: Operating margin results and percentage growth are in adjusted non-GAAP operating margin percentage terms. A reconciliation of these non-GAAP measures to the most directly comparable GAAP measures is included in the Appendix of this presentation and in the Company's press release dated November 1, 2024, available on the Company's website at: <https://ir.waters.com/>.

Well-Positioned for Above-Average Long-Term Future Growth

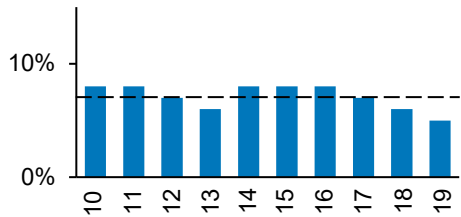
Pre-Covid Historical Growth is MSD Instruments; HSD Recurring

Instruments



5%
Avg

Recurring



7%
Avg

Waters % Revenue Growth (Y/Y Constant Currency 2010-19)

6%
Average¹
2009-2019

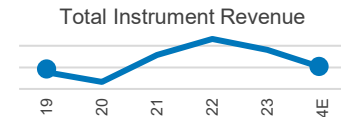
Historical
Long-Term
Growth

Future Long-Term Growth Potential

Incremental
Growth
Vectors

- Higher Volume Growth**
Faster Prescription growth & PFAS
- New Applications**
Large molecules
- Above Historic Pricing**
+100bps long-term tailwind

Meanwhile, Aged Installed Base Suggests Catch-Up Opportunity Ahead



Org. CC 5-Yr CAGR (vs. 19) ²	
Total Instruments	1%
LC	0%
MS	2%

Note: MSD = Mid-single-digit, HSD = High single-digit. 1. Approximate compound average growth rate of year-over-year, total constant currency growth between 2009 and 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 November 1, 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.

Actively Shaping our Future in Bioseparations

Waters™

Societal Needs

Drugs in Development



Small Molecule

GLP-1s, cancer inhibitors & Safer drugs (genotoxic impurities)

10K+

Small Mol



mAbs

Cancer treatments & autoimmune diseases

2,750

Biopharma



Peptides/Proteins

Diabetes & obesity treatments, blood clotting factors

460



Synthetic Oligos

RNA interference for rare diseases

550



mRNA

Vaccines, enzyme replacements, & cancer treatment

660



Viral Vector Gene Tx

Cures for genetic diseases (muscular atrophy, inherited blindness)

1,200



Cell Tx

New therapies for leukemias & lymphomas

2,000

New Modalities

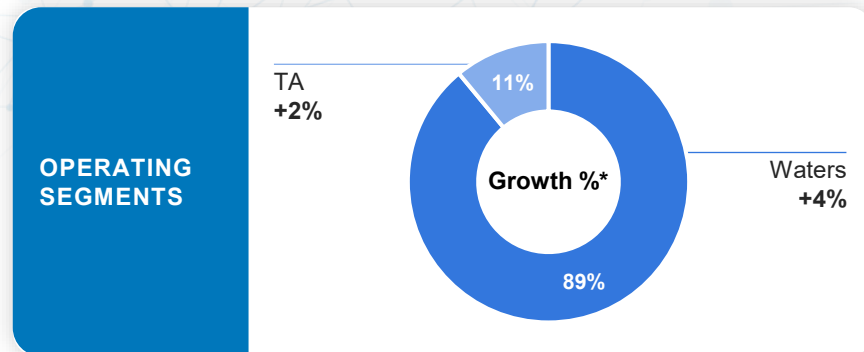
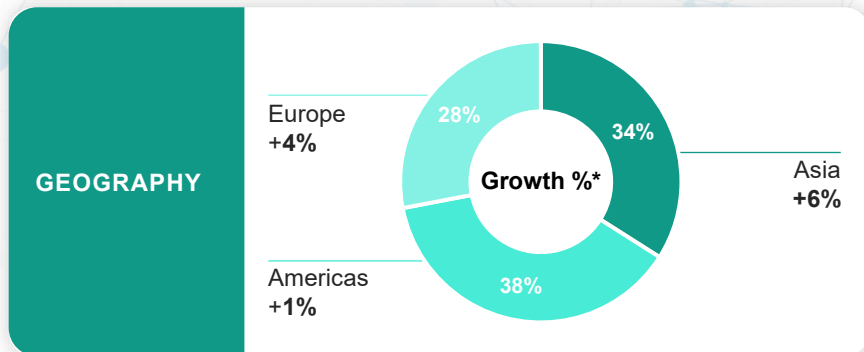
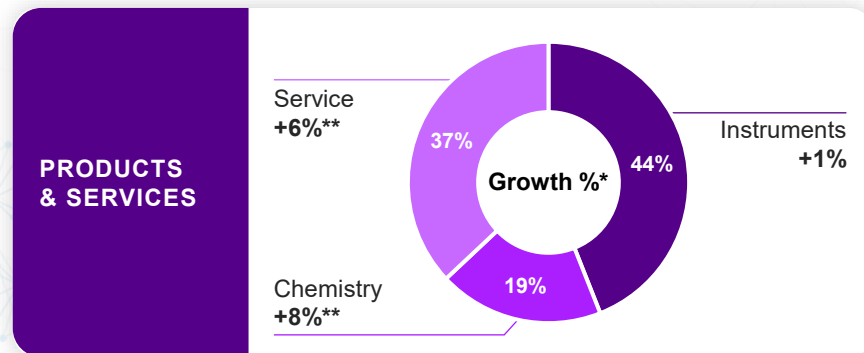
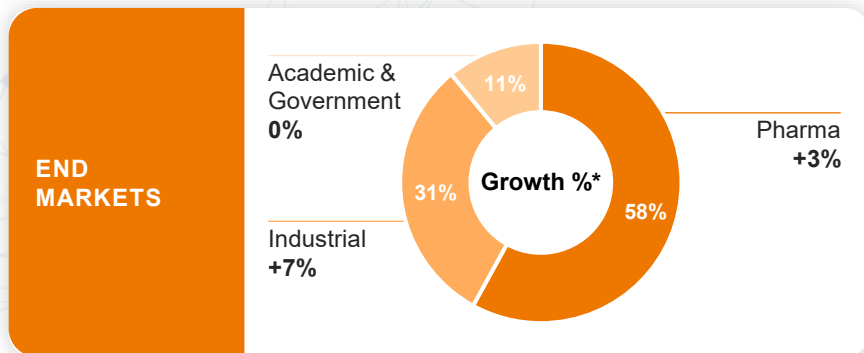


Gaining New Secular Exposure Across Biologic & Novel Modality Classes

- Aug 2023, launched xBridge Premier SEC columns for **AAV-based Gene Therapy Applications**
- Oct 2023, launched OligoWorks SPE Workflow & Kits for LC-MS based bioanalysis of **oligonucleotides**
- Apr 2024, launched GTxResolve Premier SEC columns for **Gene-based Tx, inc. cell & gene, mRNA & LNPs**
- Oct 2024, launched first set of in-house developed enzymes & reagents for novel modalities**

Note: Estimates on this slide are comprised of internal analysis, consulting data, industry reports & internal market research which are subject to change, including data sourced from Citeline Informa Pharma Annual R&D Review.

Q3 2024 Revenue Stratification



* % Revenue Growth Q3 2024 vs. Q3 2023 in Constant Currency
 ** Note: No difference in # of days between Q3 2024 & Q3 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 November 1, 2024, available on the Company's website at: <https://ir.waters.com>

FY 2024

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

(0.9%) to (0.3%)

FX (1.2%); M&A +1.3%

Reported Growth (0.8%) to (0.2%)

NON-GAAP EPS

\$11.67 to \$11.87

Q4 2024

**Constant Currency
Revenue Growth vs. Q4 2023¹**

+5% to +7%

FX (1.7%)

Reported Growth +3.3% to +5.3%

NON-GAAP EPS

\$3.90 to \$4.10

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 November 1, 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 Q4 2024 since it is now reported within constant currency revenue growth.

Appendix

GAAP to Non-GAAP Reconciliations

Sales Stratification – Q3 2024 Reported & CC Growth

(in millions USD)		2024	2023	% Growth Reported	Impact of Currency	% Growth Constant Currency
Operating Segments	Waters	655.7	629.3	4%	0%	4%
	TA	84.7	82.3	3%	1%	2%
End Markets	Pharmaceutical	430.1	421.5	2%	(1%)	3%
	Industrial	227.7	209.4	9%	2%	7%
	Academic & Government	82.4	80.7	2%	2%	0%
Geography	Asia	251.3	238.2	5%	(1%)	6%
	Americas	279.1	275.5	1%	0%	1%
	Europe	209.8	198.0	6%	2%	4%
Products & Services	Instruments	323.1	319.4	1%	0%	1%
	Service	278.3	263.6	6%	0%	6%
	Chemistry	138.9	128.7	8%	0%	8%
	Total Recurring	417.2	392.3	6%	(1%)	7%
Total Sales – Q3 QTD		740.3	711.7	4%	0%	4%

The Company believes that referring to comparable constant currency growth rates is a useful way to evaluate the underlying performance of Waters Corporation's net sales. 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.

Sales Stratification – Q3 2024 Reported & CC Growth

(in millions USD)		2024	2023	% Growth Reported	Impact of Currency	% Growth Constant Currency
End Markets (Ex-China)	Pharmaceutical	384.9	369.3	4%	(1%)	5%
	Non-Pharma	255.4	240.3	6%	1%	5%
Total Sales Ex-China – Q3 QTD		640.3	609.6	5%	0%	5%

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GAAP to Non-GAAP Reconciliations

Operating Income Reconciliation of GAAP to Adjusted Non-GAAP

(in thousands USD)	Q3 2024 Operating Income	Q3 2024 Operating Income Percentage	Q3 2023 Operating Income	Q3 2023 Operating Income Percentage	Q3 2022 Operating Income	Q3 2022 Operating Income Percentage
GAAP	211,132	28.5%	179,426	25.2%	192,010	27.1%
Adjustments:						
Purchased intangibles amortization (a)	11,759	1.6%	12,116	1.7%	1,592	0.2%
Litigation Provision (b)	1,326	0.2%	–	–	–	–
Restructuring costs and certain other items (c)	1,194	0.2%	24,057	3.4%	2,982	0.4%
Acquisition related costs (d)	–	–	1,263	0.2%	–	–
Retention bonus obligation (e)	2,545	0.3%	7,634	1.1%	–	–
Adjusted Non-GAAP	227,956	30.8%	224,496	31.5%	196,584	27.7%
Adjusted Operating Margin Expansion – Q3'24 vs. Q3'22		3.1%				

- (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) Litigation provisions and settlement gains were excluded as these items are isolated, unpredictable and not expected to recur regularly.
- (c) 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.
- (d) 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.
- (e) 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		
	Q3 2024	Q3 2023
GAAP	\$ 2.71	\$ 2.27
Adjustments:		
Purchased intangibles amortization (a)	\$ 0.15	\$ 0.16
Litigation provision (b)	\$ 0.02	\$ -
Restructuring costs and certain other items (c)	\$ 0.02	\$ 0.30
Acquisition related costs (d)	\$ -	\$ 0.02
Retention bonus obligation (e)	\$ 0.03	\$ 0.10
Adjusted Non-GAAP	\$ 2.93	\$ 2.84

- 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) Litigation provisions and settlement gains were excluded as these items are isolated, unpredictable and not expected to recur regularly.
- c) 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.
- d) 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.
- e) 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.

FY 2024 and Q4 2024 Guidance						
Projected Sales	FY 2024			Q4 2024		
Organic constant currency sales growth rate*	(0.9%)	-	(0.3%)	5.0%	-	7.0%
Impact of:						
Currency translation	(1.2%)	-	(1.2%)	(1.7%)	-	(1.7%)
Acquisitions	1.3%	-	1.3%	-	-	-
Sales growth rate as reported	(0.8%)	-	(0.2%)	3.3%	-	5.3%
Projected Earnings Per Diluted Share	FY 2024			Q4 2024		
GAAP earnings per diluted share	\$ 10.55	-	\$ 10.75	\$ 3.72	-	\$ 3.92
Adjustments:						
Purchased intangibles amortization (a)	\$ 0.60	-	\$ 0.60	\$ 0.15	-	\$ 0.15
Litigation provision (b)	\$ 0.15	-	\$ 0.15	\$ -	-	\$ -
Restructuring costs and certain other items (c)	\$ 0.14	-	\$ 0.14	\$ -	-	\$ -
Retention bonus obligation (e)	\$ 0.23	-	\$ 0.23	\$ 0.03	-	\$ 0.03
Adjusted non-GAAP earnings per diluted share	\$ 11.67	-	\$ 11.87	\$ 3.90	-	\$ 4.10

* 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.



Waters™