

**Waters Corporation and Subsidiaries**  
**Reconciliation of GAAP to Adjusted Non-GAAP**  
**Net Sales by Operating Segments, Products & Services, Geography and Markets**  
**Three Months Ended September 28, 2024 and September 30, 2023**  
**(In thousands)**

	Three Months Ended		Percent Change	Impact of Currency	Constant Currency Growth Rate <sup>(a)</sup>
	September 28, 2024	September 30, 2023			
NET SALES - OPERATING SEGMENTS					
Waters	\$ 655,652	\$ 629,348	4%	0%	4%
TA	84,653	82,344	3%	1%	2%
<b>Total</b>	<b>\$ 740,305</b>	<b>\$ 711,692</b>	<b>4%</b>	<b>0%</b>	<b>4%</b>
NET SALES - PRODUCTS & SERVICES					
Instruments	\$ 323,076	\$ 319,431	1%	0%	1%
Service	278,294	263,611	6%	0%	6%
Chemistry	138,935	128,650	8%	0%	8%
Total Recurring	417,229	392,261	6%	(1%)	7%
<b>Total</b>	<b>\$ 740,305</b>	<b>\$ 711,692</b>	<b>4%</b>	<b>0%</b>	<b>4%</b>
NET SALES - GEOGRAPHY					
Asia	\$ 251,329	\$ 238,228	5%	(1%)	6%
Americas	279,136	275,479	1%	0%	1%
Europe	209,840	197,985	6%	2%	4%
<b>Total</b>	<b>\$ 740,305</b>	<b>\$ 711,692</b>	<b>4%</b>	<b>0%</b>	<b>4%</b>
NET SALES - MARKETS					
Pharmaceutical	\$ 430,138	\$ 421,535	2%	(1%)	3%
Industrial	227,740	209,449	9%	2%	7%
Academic & Government	82,427	80,708	2%	2%	0%
<b>Total</b>	<b>\$ 740,305</b>	<b>\$ 711,692</b>	<b>4%</b>	<b>0%</b>	<b>4%</b>

- (a) 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. See description of non-GAAP financial measures contained in this release.

**Waters Corporation and Subsidiaries**  
**Reconciliation of GAAP to Adjusted Non-GAAP**  
**Net Sales by Operating Segments, Products & Services, Geography and Markets**  
**Nine Months Ended September 28, 2024 and September 30, 2023**  
(In thousands)

	Nine Months Ended		Percent Change	Impact of Currency	Impact of Acquisitions	Organic Constant Currency Growth Rate <sup>(a)</sup>
	September 28, 2024	September 30, 2023				
<b>NET SALES - OPERATING SEGMENTS</b>						
Waters	\$ 1,840,112	\$ 1,884,658	(2%)	(1%)	2%	(3%)
TA	245,561	252,284	(3%)	(1%)	0%	(2%)
<b>Total</b>	<b>\$ 2,085,673</b>	<b>\$ 2,136,942</b>	<b>(2%)</b>	<b>(1%)</b>	<b>2%</b>	<b>(3%)</b>
<b>NET SALES - PRODUCTS &amp; SERVICES</b>						
Instruments	\$ 859,079	\$ 964,380	(11%)	0%	3%	(14%)
Service	812,367	774,478	5%	(1%)	1%	5%
Chemistry	414,227	398,084	4%	(1%)	0%	5%
Total Recurring	1,226,594	1,172,562	5%	(1%)	1%	5%
<b>Total</b>	<b>\$ 2,085,673</b>	<b>\$ 2,136,942</b>	<b>(2%)</b>	<b>(1%)</b>	<b>2%</b>	<b>(3%)</b>
<b>NET SALES - GEOGRAPHY</b>						
Asia	\$ 696,319	\$ 745,932	(7%)	(3%)	1%	(5%)
Americas	794,775	804,827	(1%)	0%	3%	(4%)
Europe	594,579	586,183	1%	2%	2%	(3%)
<b>Total</b>	<b>\$ 2,085,673</b>	<b>\$ 2,136,942</b>	<b>(2%)</b>	<b>(1%)</b>	<b>2%</b>	<b>(3%)</b>
<b>NET SALES - MARKETS</b>						
Pharmaceutical	\$ 1,220,092	\$ 1,233,177	(1%)	(1%)	2%	(2%)
Industrial	644,459	648,754	(1%)	0%	1%	(2%)
Academic & Government	221,122	255,011	(13%)	1%	2%	(16%)
<b>Total</b>	<b>\$ 2,085,673</b>	<b>\$ 2,136,942</b>	<b>(2%)</b>	<b>(1%)</b>	<b>2%</b>	<b>(3%)</b>

- (a) 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. See description of non-GAAP financial measures contained in this release.

Waters Corporation and Subsidiaries  
Reconciliation of GAAP to Adjusted Non-GAAP Financials  
Three and Nine Months Ended September 28, 2024 and September 30, 2023  
(In thousands, except per share data)

	Selling & Administrative Expenses <sup>(a)</sup>	Research & Development Expenses	Operating Income	Operating Income Percentage	Other (Expense) Income	Income from Operations before Income Taxes	Provision for Income Taxes	Net Income	Diluted Earnings per Share
<b>Three Months Ended September 28, 2024</b>									
<b>GAAP</b>	\$ 182,182	\$ 45,336	\$ 211,132	28.5%	\$ (338)	\$ 193,617	\$ 32,114	\$ 161,503	\$ 2.71
Adjustments:									
Purchased intangibles amortization <sup>(b)</sup>	(11,759)	-	11,759	1.6%	-	11,759	2,814	8,945	0.15
Litigation provision <sup>(c)</sup>	(1,326)	-	1,326	0.2%	-	1,326	318	1,008	0.02
Restructuring costs and certain other items <sup>(d)</sup>	(1,194)	-	1,194	0.2%	-	1,194	282	912	0.02
Retention bonus obligation <sup>(f)</sup>	(1,909)	(636)	2,545	0.3%	-	2,545	611	1,934	0.03
<b>Adjusted Non-GAAP</b>	<b>\$ 165,994</b>	<b>\$ 44,700</b>	<b>\$ 227,956</b>	<b>30.8%</b>	<b>\$ (338)</b>	<b>\$ 210,441</b>	<b>\$ 36,139</b>	<b>\$ 174,302</b>	<b>\$ 2.93</b>
<b>Three Months Ended September 30, 2023</b>									
<b>GAAP</b>	\$ 198,864	\$ 41,995	\$ 179,426	25.2%	\$ 328	\$ 153,195	\$ 18,643	\$ 134,552	\$ 2.27
Adjustments:									
Purchased intangibles amortization <sup>(b)</sup>	(12,116)	-	12,116	1.7%	-	12,116	2,901	9,215	0.16
Restructuring costs and certain other items <sup>(d)</sup>	(24,057)	-	24,057	3.4%	(651)	23,406	5,387	18,019	0.30
Acquisition related costs <sup>(e)</sup>	(1,263)	-	1,263	0.2%	-	1,263	303	960	0.02
Retention bonus obligation <sup>(f)</sup>	(5,725)	(1,909)	7,634	1.1%	-	7,634	1,832	5,802	0.10
<b>Adjusted Non-GAAP</b>	<b>\$ 155,703</b>	<b>\$ 40,086</b>	<b>\$ 224,496</b>	<b>31.5%</b>	<b>\$ (323)</b>	<b>\$ 197,614</b>	<b>\$ 29,066</b>	<b>\$ 168,548</b>	<b>\$ 2.84</b>
<b>Nine Months Ended September 28, 2024</b>									
<b>GAAP</b>	\$ 563,785	\$ 136,113	\$ 534,090	25.6%	\$ 1,619	\$ 477,885	\$ 71,449	\$ 406,436	\$ 6.83
Adjustments:									
Purchased intangibles amortization <sup>(b)</sup>	(35,337)	-	35,337	1.7%	-	35,337	8,456	26,881	0.45
Litigation provision and settlement <sup>(c)</sup>	(11,568)	-	11,568	0.6%	-	11,568	2,776	8,792	0.15
Restructuring costs and certain other items <sup>(d)</sup>	(10,680)	-	10,680	0.5%	-	10,680	2,617	8,063	0.14
Retention bonus obligation <sup>(f)</sup>	(11,451)	(3,817)	15,268	0.7%	-	15,268	3,664	11,604	0.20
<b>Adjusted Non-GAAP</b>	<b>\$ 494,749</b>	<b>\$ 132,296</b>	<b>\$ 606,943</b>	<b>29.1%</b>	<b>\$ 1,619</b>	<b>\$ 550,738</b>	<b>\$ 88,962</b>	<b>\$ 461,776</b>	<b>\$ 7.76</b>
<b>Nine Months Ended September 30, 2023</b>									
<b>GAAP</b>	\$ 576,067	\$ 130,559	\$ 553,453	25.9%	\$ 1,364	\$ 498,643	\$ 72,614	\$ 426,029	\$ 7.19
Adjustments:									
Purchased intangibles amortization <sup>(b)</sup>	(20,410)	-	20,410	1.0%	-	20,410	4,852	15,558	0.26
Restructuring costs and certain other items <sup>(d)</sup>	(28,881)	-	28,881	1.4%	(651)	28,230	6,860	21,370	0.36
Acquisition related costs <sup>(e)</sup>	(13,298)	-	13,298	0.6%	-	13,298	3,191	10,107	0.17
Retention bonus obligation <sup>(f)</sup>	(8,368)	(2,790)	11,158	0.5%	-	11,158	2,678	8,480	0.14
<b>Adjusted Non-GAAP</b>	<b>\$ 505,110</b>	<b>\$ 127,769</b>	<b>\$ 627,200</b>	<b>29.4%</b>	<b>\$ 713</b>	<b>\$ 571,739</b>	<b>\$ 90,195</b>	<b>\$ 481,544</b>	<b>\$ 8.13</b>

(a) Selling & administrative expenses include purchased intangibles amortization and litigation provisions and settlements.

(b) 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.

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

(d) 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.

(e) 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.

(f) 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.

**Waters Corporation and Subsidiaries**  
**Preliminary Condensed Consolidated Statements of Cash Flows**  
**Three and Nine Months Ended September 28, 2024 and September 30, 2023**  
(In thousands and unaudited)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 28, 2024</u>	<u>September 30, 2023</u>	<u>September 28, 2024</u>	<u>September 30, 2023</u>
Cash flows from operating activities:				
Net income	\$ 161,503	\$ 134,552	\$ 406,436	\$ 426,029
Adjustments to reconcile net income to net cash provided by operating activities:				
Stock-based compensation	10,647	8,490	32,993	32,224
Depreciation and amortization	47,507	47,807	143,250	117,845
Change in operating assets and liabilities and other, net	<u>(15,077)</u>	<u>(33,031)</u>	<u>(60,695)</u>	<u>(203,411)</u>
Net cash provided by operating activities	204,580	157,818	521,984	372,687
Cash flows from investing activities:				
Additions to property, plant, equipment and software capitalization	(25,618)	(38,047)	(90,377)	(119,044)
Business acquisitions, net of cash acquired	-	-	-	(1,285,907)
(Investments in) proceeds from unaffiliated companies	(425)	651	(1,489)	651
Net change in investments	<u>(8)</u>	<u>(5)</u>	<u>(44)</u>	<u>(21)</u>
Net cash used in investing activities	(26,051)	(37,401)	(91,910)	(1,404,321)
Cash flows from financing activities:				
Net change in debt	(180,000)	(125,181)	(530,000)	929,601
Proceeds from stock plans	3,237	9,464	25,073	18,092
Purchases of treasury shares	(141)	(692)	(13,475)	(70,433)
Other cash flow from financing activities, net	<u>20</u>	<u>2,884</u>	<u>15,305</u>	<u>8,178</u>
Net cash used in financing activities	(176,884)	(113,525)	(503,097)	885,438
Effect of exchange rate changes on cash and cash equivalents	<u>2,442</u>	<u>(171)</u>	<u>8,461</u>	<u>2,081</u>
Increase (decrease) in cash and cash equivalents	4,087	6,721	(64,562)	(144,115)
Cash and cash equivalents at beginning of period	<u>326,427</u>	<u>329,693</u>	<u>395,076</u>	<u>480,529</u>
Cash and cash equivalents at end of period	<u>\$ 330,514</u>	<u>\$ 336,414</u>	<u>\$ 330,514</u>	<u>\$ 336,414</u>

**Reconciliation of GAAP Cash Flows from Operating Activities to Free Cash Flow <sup>(a)</sup>**

Net cash provided by operating activities - GAAP	\$ 204,580	\$ 157,818	\$ 521,984	\$ 372,687
Adjustments:				
Additions to property, plant, equipment and software capitalization	(25,618)	(38,047)	(90,377)	(119,044)
Tax reform payments	-	-	95,645	72,101
Litigation settlements (received) paid, net	-	(375)	9,250	(1,125)
Major facility renovations	-	3,291	-	12,151
Payment of acquired Wyatt liabilities <sup>(b)</sup>	-	-	-	25,617
Payment of Wyatt retention bonus obligation <sup>(c)</sup>	-	-	19,770	-
Free Cash Flow - Adjusted Non-GAAP	<u>\$ 178,962</u>	<u>\$ 122,687</u>	<u>\$ 556,272</u>	<u>\$ 362,387</u>

(a) The Company defines free cash flow as net cash flow from operations accounted for under GAAP less capital expenditures and software capitalizations plus or minus any unusual and non recurring items. Free cash flow is not a GAAP measurement and may not be comparable to free cash flow reported by other companies.

(b) In connection with the Wyatt acquisition, the Company assumed certain obligations of Wyatt and paid those obligations immediately upon closing the transaction. The Company believes that the assumed obligations do not represent future ongoing business expenses.

(c) During the nine months ended September 28, 2024, the Company made its first retention payment under the Wyatt retention bonus program. The Company believes that these payments are not normal and do not represent future ongoing business expenses.

**Waters Corporation and Subsidiaries**  
**Reconciliation of Projected GAAP to Adjusted Non-GAAP Financial Outlook**

	<u>Twelve Months Ended December 31, 2024</u>			<u>Three Months Ended December 31, 2024</u>		
	Range			Range		
<b>Projected Sales</b>						
Organic constant currency sales growth rate <sup>(a)</sup>	(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	<u>(0.8%)</u>	-	<u>(0.2%)</u>	<u>3.3%</u>	-	<u>5.3%</u>
			<u>Range</u>			<u>Range</u>
<b>Projected Earnings Per Diluted Share</b>						
GAAP earnings per diluted share	\$ 10.55	-	\$ 10.75	\$ 3.72	-	\$ 3.92
Adjustments:						
Purchased intangibles amortization	\$ 0.60	-	\$ 0.60	\$ 0.15	-	\$ 0.15
Litigation settlement	\$ 0.15	-	\$ 0.15	\$ -	-	\$ -
Restructuring costs and certain other items	\$ 0.14	-	\$ 0.14	\$ -	-	\$ -
Retention bonus obligation	\$ 0.23	-	\$ 0.23	\$ 0.03	-	\$ 0.03
Adjusted non-GAAP earnings per diluted share	<u>\$ 11.67</u>	-	<u>\$ 11.87</u>	<u>\$ 3.90</u>	-	<u>\$ 4.10</u>

(a) 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.