Waters Corporation and Subsidiaries

Consolidated Statements of Operations

(In millions, except per share data)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	October 3, 2026	**September 27, 2025**	**October 3, 2026**	**September 27, 2025**
Net revenue	$ 1,767	$ 800	$ 4,678	$ 2,233
Costs and operating expenses:				
Cost of revenue [(a)]	879	328	2,470	926
Selling and administrative expenses	398	214	1,187	586
Research and development expenses	106	54	324	149
Purchased intangibles amortization [(b)]	244	12	640	36
Restructuring charges	12	-	64	4
Operating income (loss)	128	192	(6)	532
Other income, net	-	-	1	1
Interest expense, net	(53)	(22)	(150)	(42)
Income (loss) from operations before income taxes	74	170	(155)	491
Benefit (provision) for income taxes	7	(21)	28	(73)
Net income (loss)	$ 81	$ 149	$ (127)	$ 417
Net income (loss) per basic common share	$ 0.83	$ 2.50	$ (1.37)	$ 7.02
Weighted-average number of basic common shares	98,255	59,528	92,751	59,496
Net income (loss) per diluted common share	$ 0.82	$ 2.50	$ (1.37)	$ 7.00
Weighted-average number of diluted common shares and equivalents	98,653	59,622	92,751	59,656

(a) Cost of revenue for the three months and nine months ended October 3, 2026 includes $80 million and $333 million, respectively, of purchase accounting adjustments related to the fair value inventory and fixed asset step up related to the BDS acquisition.

(b) Purchased intangibles amortization for the three and nine months ended October 3, 2026 includes $232 million and $603 million, respectively, of purchase accounting adjustments related to the amortization of the BDS acquisition purchased intangibles.

Waters Corporation and Subsidiaries
Reconciliation of GAAP to Adjusted Non-GAAP
Revenue by Operating Segment, Product & Service, and Geography
Three Months Ended October 3, 2026 and September 27, 2025
(In millions)

	Three Months Ended		Reported
	October 3, 2026	**September 27, 2025**	**Growth**
REVENUE - OPERATING SEGMENT			
Analytical Sciences Division (ASD)	$ 703	$ 649	8%
Biosciences Division (WBD)	396	-	**
Advanced Diagnostics Division (ADx)	575	64	797%
Materials Sciences Division (MSD)	93	87	7%
Total Revenue	**$ 1,767**	**$ 800**	**121%**
REVENUE - PRODUCT & SERVICE			
Product	$ 1,334	$ 500	167%
Service	433	300	44%
Total Revenue	**$ 1,767**	**$ 800**	**121%**
REVENUE - GEOGRAPHY			
Asia	$ 495	$ 270	83%
Americas	749	293	156%
Europe	523	237	120%
Total Revenue	**$ 1,767**	**$ 800**	**121%**
Reconciliation of Organic Revenue Growth			
Total Reported Revenue (GAAP)	$ 1,767	$ 800	121%
Acquired Business Contribution	896		
Total Organic Reported Revenue	$ 871		
Organic Reported Revenue Growth	*9%*		
Currency Translation Impact	*(1%)*		
Organic Constant Currency Revenue Growth [(a)]	*10%*		
Reconciliation of Reported Revenue to Prior Year Comparable Revenue [(b)]			
Acquired Business Contribution	$ 896	$ 885	1%
Reconciliation of Analytical Sciences Division Revenue			
ASD Instrument Revenue	$ 282	$ 257	9%
Currency Translation Impact	*(1%)*		
Constant Currency ASD Instrument Revenue Growth	*10%*		
ASD Chemistry Consumables Revenue	$ 157	$ 143	10%
Currency Translation Impact	*(2%)*		
Constant Currency ASD Chemistry Consumables Revenue Growth	*12%*		
ASD Revenue	$ 703	$ 649	8%
Currency Translation Impact	*(1%)*		
Constant Currency ASD Revenue Growth	*9%*		

***Percentage not meaningful*

(a) The Company believes that referring to comparable organic constant currency growth is a useful measure for evaluating the underlying performance of revenue. Organic constant currency revenue growth, a non-GAAP financial measure, measures the change in net revenue between current and prior year periods, excluding the impact of foreign currency exchange rate changes during the current period and excluding the impact of acquisitions completed within twelve months of the acquisition date. See description of non-GAAP financial measures contained in this release.

(b) The Company believes that referring to comparable revenue is a useful measure for evaluating the underlying performance of the business following the acquisition of Biosciences & Diagnostic Solutions ("BDS"). Comparable revenue includes BDS revenue in both the current and prior year comparison periods. Current period revenue includes BDS revenue for the full quarter and prior year comparable revenue includes an estimate of BDS revenue for the equivalent prior year period. Growth rates are calculated using these comparable revenues.

Waters Corporation and Subsidiaries
Reconciliation of GAAP to Adjusted Non-GAAP
Revenue by Operating Segment, Product & Service, and Geography
Nine Months Ended October 3, 2026, 2026 and September 27, 2025
(In millions)

	Nine Months Ended		Reported
	October 3, 2026 [b]	**September 27, 2025**	**Growth**
REVENUE - OPERATING SEGMENT			
Analytical Sciences Division (ASD)	$ 1,979	$ 1,810	9%
Biosciences Division (WBD)	996	-	**
Advanced Diagnostics Division (ADx)	1,445	180	705%
Materials Sciences Division (MSD)	258	243	6%
Total Revenue	**$ 4,678**	**$ 2,233**	**110%**
REVENUE - PRODUCT & SERVICE			
Product	$ 3,473	$ 1,374	153%
Service	1,205	859	40%
Total Revenue	**$ 4,678**	**$ 2,233**	**110%**
REVENUE - GEOGRAPHY			
Asia	$ 1,294	$ 757	71%
Americas	1,945	829	135%
Europe	1,439	647	122%
Total Revenue	**$ 4,678**	**$ 2,233**	**110%**
Reconciliation of Organic Revenue Growth			
Total Reported Revenue (GAAP)	$ 4,678	$ 2,233	110%
Acquired Business Contribution	2,233		
Total Organic Reported Revenue	$ 2,445		
Organic Reported Revenue Growth	*10%*		
Currency Translation Impact	*(0%)*		
Organic Constant Currency Revenue Growth [a]	*10%*		
Reconciliation of Acquired Company Prior Year Comparable Revenue for Period Owned [c]			
Prior Year Full Year-To-Date Revenue		$ 2,460	
Less: Revenue Adjustments for Pre-Owned Period		307	
Current and Prior Year Comparable Revenue	$ 2,233	$ 2,153	4%

***Percentage not meaningful*

(a) The Company believes that referring to comparable organic constant currency growth is a useful measure for evaluating the underlying performance of revenue. Organic constant currency revenue growth, a non-GAAP financial measure, measures the change in net revenue between current and prior year periods, excluding the impact of foreign currency exchange rate changes during the current period and excluding the impact of acquisitions completed within twelve months of the acquisition date. See description of non-GAAP financial measures contained in this release.

(b) Waters Corporation revenue for the nine months ended October 3, 2026 includes the results of the BDS Business acquisition from date of acquisition February 9, 2026 through October 3, 2026.

(c) The Company believes that referring to comparable revenue is a useful measure for evaluating the underlying performance of the business following the acquisition of Biosciences & Diagnostic Solutions ("BDS"). Comparable revenue includes BDS revenue in both the current and prior year comparison periods. Current period revenue includes BDS revenue from February 9, 2026, the acquisition date, through quarter-end. Prior year comparable revenue includes an estimate of BDS revenue for the equivalent prior year period. Growth rates are calculated using these comparable revenues.

Waters Corporation and Subsidiaries
Reconciliation of GAAP to Adjusted Non-GAAP Financials
Three and Nine Months Ended October 3, 2026 and September 27, 2025
(In millions, except per share data)

	Cost of Revenue	Selling & Administrative Expenses [a]	Research & Development Expenses	Operating Income (Loss)	Operating Income (Loss) Percentage	Interest Expense, Net	Income (Loss) before Income Taxes	Benefit (Provision) for Income Taxes	Net Income (Loss)	Diluted Earnings (Loss) per Share [h]
Three Months Ended October 3, 2026										
GAAP	**$ 879**	**$ 654**	**$ 106**	**$ 128**	**7.2%**	**$ (53)**	**$ 74**	**$ 7**	**$ 81**	**$ 0.82**
Adjustments:										
Purchased intangibles amortization and acquisition-related fair value step-ups [b]	(80)	(243)	-	323	18.3%	-	323	(64)	259	2.62
Restructuring costs and certain other items [c]	-	(20)	-	20	1.1%	-	20	(4)	16	0.16
ERP implementation and transformation costs [d]	-	(7)	-	7	0.4%	-	7	(2)	5	0.05
Acquisition related costs [e]	(18)	(35)	(1)	54	3.1%	-	54	(10)	44	0.44
Adjusted Non-GAAP	**$ 781**	**$ 349**	**$ 105**	**$ 532**	**30.1%**	**$ (53)**	**$ 478**	**$ (74)**	**$ 404**	**$ 4.10**
Three Months Ended September 27, 2025										
GAAP	**$ 328**	**$ 226**	**$ 54**	**$ 192**	**24.0%**	**$ (22)**	**$ 170**	**$ (21)**	**$ 149**	**$ 2.50**
Adjustments:										
Purchased intangibles amortization [b]	-	(12)	-	12	1.5%	-	12	(3)	9	0.15
Restructuring costs and certain other items [c]	-	(1)	-	1	0.2%	-	1	(0)	1	0.02
ERP implementation and transformation costs [d]	-	(6)	-	6	0.8%	-	6	(2)	5	0.08
Acquisition related costs [e]	-	(27)	(4)	31	3.8%	-	31	(2)	28	0.47
Financing costs [g]	-	-	-	-	-	14	14	(3)	11	0.18
Adjusted Non-GAAP	**$ 328**	**$ 180**	**$ 50**	**$ 242**	**30.3%**	**$ (8)**	**$ 235**	**$ (32)**	**$ 203**	**$ 3.40**
Nine Months Ended October 3, 2026										
GAAP	**$ 2,470**	**$ 1,891**	**$ 324**	**$ (6)**	**(0.1%)**	**$ (150)**	**$ (155)**	**$ 28**	**$ (127)**	**$ (1.37)**
Adjustments:										
Purchased intangibles amortization and acquisition-related fair value step-ups [b]	(333)	(640)	-	973	20.8%	-	973	(154)	819	8.80
Restructuring costs and certain other items [c]	-	(75)	-	75	1.6%	-	75	(11)	64	0.69
ERP implementation and transformation costs [d]	-	(25)	-	25	0.5%	-	25	(4)	21	0.22
Acquisition related costs [e]	(18)	(155)	(3)	176	3.8%	-	176	(28)	147	1.58
Financing costs [g]	-	-	-	-	-	4	4	(1)	4	0.04
Adjusted Non-GAAP	**$ 2,118**	**$ 997**	**$ 321**	**$ 1,242**	**26.5%**	**$ (146)**	**$ 1,097**	**$ (170)**	**$ 927**	**$ 9.96**
Nine Months Ended September 27, 2025										
GAAP	**$ 926**	**$ 626**	**$ 149**	**$ 532**	**23.8%**	**$ (42)**	**$ 491**	**$ (73)**	**$ 417**	**$ 7.00**
Adjustments:										
Purchased intangibles amortization [b]	-	(36)	-	36	1.6%	-	36	(9)	27	0.46
Restructuring costs and certain other items [c]	-	(6)	-	6	0.3%	-	6	(1)	4	0.07
ERP implementation and transformation costs [d]	-	(14)	-	14	0.6%	-	14	(3)	10	0.18
Acquisition related costs [e]	-	(41)	(4)	45	2.0%	-	45	(5)	40	0.67
Retention bonus obligation [f]	-	(3)	(1)	4	0.2%	-	4	(1)	3	0.05
Financing costs [g]	-	-	-	-	-	14	14	(3)	11	0.18
Adjusted Non-GAAP	**$ 926**	**$ 527**	**$ 144**	**$ 636**	**28.5%**	**$ (28)**	**$ 609**	**$ (96)**	**$ 514**	**$ 8.60**

(a) Selling & administrative expenses include purchased intangibles amortization and restructuring and other charges.

(b) The purchased intangibles amortization and acquisition-related inventory and fixed asset fair value step-ups, which are non-cash expenses, were 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) 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) ERP implementation and transformation costs represent costs related to the Company's initiative to transition from its legacy enterprise resource planning (ERP) system to a new global ERP solution with a cloud-based infrastructure. These costs, which do not represent normal or future ongoing business expenses, are one-time, non-recurring costs related to the establishment of our new global ERP solution that were determined to be non-capitalizable in accordance with accounting standards.

(e) Acquisition related costs include all incremental costs incurred to effect the business combination, such as advisory, legal, accounting, tax, valuation, other professional fees, and integration costs. 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 recognized 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.

(g) Financing costs relate to certain financing fees incurred by the Company to secure access to certain debt facilities in connection with the agreement Waters entered into to acquire the Biosciences and Diagnostics Solutions business of Becton, Dickinson & Company. The Company believes that these costs are not normal and do not represent future ongoing business expenses.

(h) Adjusted diluted earnings per share is calculated using diluted weighted-average shares outstanding of 93.1 million for the nine months ended October 3, 2026. While the Company reported a GAAP net loss for the period and therefore excluded potentially dilutive securities from its GAAP diluted earnings per share calculation, adjusted net income was positive for the period. Accordingly, potentially dilutive securities were included in the calculation of adjusted diluted earnings per share.

Waters Corporation and Subsidiaries
Preliminary Condensed Unclassified Consolidated Balance Sheets
(In millions and unaudited)

	October 3, 2026	December 31, 2025
Cash and cash equivalents	$ 593	$ 588
Accounts receivable	1,464	829
Inventories	1,324	572
Property, plant and equipment, net	1,458	642
Intangible assets, net	8,275	558
Goodwill	9,369	1,340
Other assets	1,632	548
Total assets	$ 24,115	$ 5,077
Notes payable and debt	$ 5,133	$ 1,407
Other liabilities	3,691	1,108
Total liabilities	8,824	2,515
Total stockholders' equity	15,291	2,562
Total liabilities and stockholders' equity	$ 24,115	$ 5,077

Waters Corporation and Subsidiaries
Preliminary Condensed Consolidated Statements of Cash Flows
Three and Nine Months Ended October 3, 2026 and September 27, 2025
(In millions and unaudited)

	Three Months Ended		Nine Months Ended	
	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
Cash flows from operating activities:				
Net income (loss)	$ 81	$ 149	$ (127)	$ 417
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Stock-based compensation	22	14	67	40
Depreciation and amortization	300	53	808	154
Acquisition-related inventory and fixed assets fair value step-ups recognized	79	-	333	-
Change in operating assets and liabilities and other, net [(b)]	(384)	(28)	(785)	(123)
Net cash provided by operating activities	98	187	296	488
Cash flows from investing activities:				
Additions to property, plant, equipment, and software capitalization	(43)	(25)	(131)	(74)
Cash (paid) acquired in business acquisition, net of cash received	(59)	(1)	85	(35)
Investments in unaffiliated companies	-	-	(10)	(1)
Change in deposit asset	8	-	59	-
Net cash (used in) provided by investing activities	(94)	(26)	3	(110)
Cash flows from financing activities:				
Proceeds from debt issuances	320	-	4,062	70
Payments on debt	(275)	(50)	(4,315)	(290)
Payments of debt issuance costs	-	(18)	(28)	(23)
Proceeds from stock plans	10	3	26	16
Purchases of treasury shares	(1)	0	(15)	(15)
Other cash flow from financing activities, net	3	0	(9)	1
Net cash provided by (used in) financing activities	57	(66)	(279)	(241)
Effect of exchange rate changes on cash and cash equivalents	(7)	(4)	(15)	(4)
Increase in cash and cash equivalents	54	92	5	134
Cash and cash equivalents at beginning of period	539	367	588	325
Cash and cash equivalents at end of period	$ 593	$ 459	$ 593	$ 459
Reconciliation of Free Cash Flow - Adjusted Non-GAAP [(a)]				
Net cash provided by operating activities - GAAP	$ 98	$ 187	$ 296	$ 488
Adjustments:				
Additions to property, plant, equipment, and software capitalization	(43)	(25)	(131)	(74)
Tax reform payments	-	-	-	120
Litigation settlements paid, net	5	(2)	4	(2)
Payment of Wyatt retention bonus obligation [(c)]	-	-	-	20
Change in deposit asset [(d)]	8	-	59	-
Free Cash Flow - Adjusted Non-GAAF	$ 68	$ 160	$ 228	$ 552

(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) Includes an increase in net receivables of $17 million and $174 million for the three and nine months ended October 3, 2026, respectively, due from the BDS acquisition TSA provider related to the initial net cash settlement for activities occurring since the acquisition date.

(c) During the nine months ended September 27, 2025, the Company made retention payments under the Wyatt retention bonus program. The Company believes that these payments are not normal and do not represent future ongoing business expenses.

(d) As part of the BDS acquisition, a portion of the total consideration paid was reflected as a deposit asset on the opening balance sheet, which is attributable to the Company's present right to the future economic benefits of the business in those foreign jurisdictions where legal and beneficial title had not transferred to the Company as of February 9, 2026. Changes in the deposit asset are driven by changes in the underlying assets and liabilities in those foreign jurisdictions, which represent productive assets and therefore the cash payments (or cash receipts) resulting from the changes in these productive assets are classified as investing cash flows. The change in the deposit asset is primarily related to the collection of third party customer receivables that existed as of February 9, 2026. The Company considers cash collected from customers as a component of free cash flow as it represents amounts collected from its core operations.

Waters Corporation and Subsidiaries
Reconciliation of Projected GAAP to Adjusted Non-GAAP Financial Outlook
(In millions, except per share data)

	Twelve Months Ended December 31, 2026 Range		Three Months Ended December 31, 2026 Range	
Projected Revenue				
Reported revenue	$ 6,479	$ 6,497	$ 1,801	$ 1,819
Acquired business contribution	$ 3,050	$ 3,050	$ 817	$ 817
Organic reported revenue	$ 3,429	$ 3,447	$ 984	$ 1,002
Organic reported revenue growth	*8.4%*	*8.9%*	*5.5%*	*7.5%*
Currency translation impact	*(0.7%)*	*(0.7%)*	*(1.5%)*	*(1.5%)*
Organic constant currency revenue growth [(a)]	*9.1%*	*9.7%*	*7.0%*	*9.0%*

	Range		Range	
Projected Earnings Per Diluted Share				
Adjusted earnings per share	$ 14.60	$ 14.70	$ 4.58	$ 4.68

(a) Organic constant currency revenue growth, a non-GAAP financial measure, measures the change in net revenue 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 revenue in local currency, as well as an assessment of market conditions as of the date of this press release, 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.