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 27, 2025 and September 28, 2024
(In thousands)

	Three Months Ended September 27, 2025	Three Months Ended September 28, 2024	Percent Change	Impact of Currency	Constant Currency Growth Rate [(a)]
NET SALES - OPERATING SEGMENTS					
Waters	$ 713,375	$ 655,652	9%	0%	9%
TA	86,512	84,653	2%	1%	2%
Total	**$ 799,887**	**$ 740,305**	**8%**	**0%**	**8%**
NET SALES - PRODUCTS & SERVICES					
Instruments	$ 341,484	$ 323,076	6%	0%	6%
Service	299,923	278,294	8%	1%	7%
Chemistry	158,480	138,935	14%	1%	13%
Total Recurring	458,403	417,229	10%	1%	9%
Total	**$ 799,887**	**$ 740,305**	**8%**	**0%**	**8%**
NET SALES - GEOGRAPHY					
Asia	$ 269,714	$ 251,329	7%	(5%)	13%
Americas	292,812	279,136	5%	0%	5%
Europe	237,361	209,840	13%	8%	5%
Total	**$ 799,887**	**$ 740,305**	**8%**	**0%**	**8%**
NET SALES - MARKETS					
Pharmaceutical	$ 479,776	$ 430,138	12%	1%	11%
Industrial	235,669	227,740	3%	(1%)	4%
Academic & Government	84,442	82,427	2%	1%	1%
Total	**$ 799,887**	**$ 740,305**	**8%**	**0%**	**8%**

(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 27, 2025 and September 28, 2024
(In thousands)

	Nine Months Ended September 27, 2025	Nine Months Ended September 28, 2024	Percent Change	Impact of Currency	Constant Currency Growth Rate [(a)]
NET SALES - OPERATING SEGMENTS					
Waters	$ 1,989,509	$ 1,840,112	8%	0%	9%
TA	243,415	245,561	(1%)	1%	(1%)
Total	**$ 2,232,924**	**$ 2,085,673**	**7%**	**0%**	**7%**
NET SALES - PRODUCTS & SERVICES					
Instruments	$ 912,792	$ 859,079	6%	0%	7%
Service	859,030	812,367	6%	(1%)	6%
Chemistry	461,102	414,227	11%	0%	11%
Total Recurring	1,320,132	1,226,594	8%	0%	8%
Total	**$ 2,232,924**	**$ 2,085,673**	**7%**	**0%**	**7%**
NET SALES - GEOGRAPHY					
Asia	$ 756,430	$ 696,319	9%	(5%)	13%
Americas	829,089	794,775	4%	0%	5%
Europe	647,405	594,579	9%	4%	5%
Total	**$ 2,232,924**	**$ 2,085,673**	**7%**	**0%**	**7%**
NET SALES - MARKETS					
Pharmaceutical	$ 1,332,795	$ 1,220,092	9%	(1%)	10%
Industrial	676,689	644,459	5%	0%	5%
Academic & Government	223,440	221,122	1%	1%	0%
Total	**$ 2,232,924**	**$ 2,085,673**	**7%**	**0%**	**7%**

(a) The Company believes that referring to comparable constant currency growth rates is a useful way to evaluate the underlying performance of Waters Corporation' net sales. Constant currency growth, a non-GAAP financial measure, measures the change in net sales between current and prior year periods, excluding the impa 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 Financials
Three and Nine Months Ended September 27, 2025 and September 28, 2024
(In thousands, except per share data)

	Selling & Administrative Expenses[(a)]	Research & Development Expenses	Operating Income	Operating Income Percentage	Interest Expense, Net	Income from Operations before Income Taxes	Provision for Income Taxes	Net Income	Diluted Earnings per Share
Three Months Ended September 27, 2025									
GAAP	**$ 226,324**	**$ 53,643**	**$ 192,114**	**24.0%**	**$ (21,925)**	**$ 170,119**	**$ 21,196**	**$ 148,923**	**$ 2.50**
Adjustments:									
Purchased intangibles amortization [(b)]	(12,095)	-	12,095	1.5%	-	12,095	2,894	9,201	0.15
Restructuring costs and certain other items [(c)]	(1,279)	-	1,279	0.2%	-	1,279	288	991	0.02
ERP implementation and transformation costs [(d)]	(6,434)	-	6,434	0.8%	-	6,434	1,544	4,890	0.08
Acquisition related costs [(e)]	(26,809)	(3,735)	30,544	3.8%	-	30,544	2,338	28,206	0.47
Financing Costs [(h)]	-	-	-	-	14,060	14,060	3,374	10,686	0.18
Adjusted Non-GAAP	**$ 179,707**	**$ 49,908**	**$ 242,466**	**30.3%**	**$ (7,865)**	**$ 234,531**	**$ 31,634**	**$ 202,897**	**$ 3.40**
Three Months Ended September 28, 2024									
GAAP	**$ 182,182**	**$ 45,336**	**$ 211,132**	**28.5%**	**$ (17,177)**	**$ 193,617**	**$ 32,114**	**$ 161,503**	**$ 2.71**
Adjustments:									
Purchased intangibles amortization [(b)]	(11,759)	-	11,759	1.6%	-	11,759	2,814	8,945	0.15
Restructuring costs and certain other items [(c)]	(1,194)	-	1,194	0.2%	-	1,194	282	912	0.02
Litigation provision [(f)]	(1,326)	-	1,326	0.2%	-	1,326	318	1,008	0.02
Retention bonus obligation [(g)]	(1,909)	(636)	2,545	0.3%	-	2,545	611	1,934	0.03
Adjusted Non-GAAP	**$ 165,994**	**$ 44,700**	**$ 227,956**	**30.8%**	**$ (17,177)**	**$ 210,441**	**$ 36,139**	**$ 174,302**	**$ 2.93**
Nine Months Ended September 27, 2025									
GAAP	**$ 626,081**	**$ 148,813**	**$ 532,072**	**23.8%**	**$ (42,153)**	**$ 490,697**	**$ 73,282**	**$ 417,415**	**$ 7.00**
Adjustments:									
Purchased intangibles amortization [(b)]	(35,714)	-	35,714	1.6%	-	35,714	8,546	27,168	0.46
Restructuring costs and certain other items [(c)]	(5,746)	-	5,746	0.3%	-	5,746	1,344	4,402	0.07
ERP implementation and transformation costs [(d)]	(13,811)	-	13,811	0.6%	-	13,811	3,315	10,496	0.18
Acquisition related costs [(e)]	(41,093)	(3,735)	44,828	2.0%	-	44,828	4,729	40,099	0.67
Retention bonus obligation [(g)]	(2,864)	(954)	3,818	0.2%	-	3,818	916	2,902	0.05
Financing Costs [(h)]	-	-	-	-	14,060	14,060	3,374	10,686	0.18
Adjusted Non-GAAP	**$ 526,853**	**$ 144,124**	**$ 635,989**	**28.5%**	**$ (28,093)**	**$ 608,674**	**$ 95,506**	**$ 513,168**	**$ 8.60**
Nine Months Ended September 28, 2024									
GAAP	**$ 563,785**	**$ 136,113**	**$ 534,090**	**25.6%**	**$ (57,824)**	**$ 477,885**	**$ 71,449**	**$ 406,436**	**$ 6.83**
Adjustments:									
Purchased intangibles amortization [(b)]	(35,337)	-	35,337	1.7%	-	35,337	8,456	26,881	0.45
Restructuring costs and certain other items [(c)]	(10,680)	-	10,680	0.5%	-	10,680	2,617	8,063	0.14
Litigation provision and settlement [(f)]	(11,568)	-	11,568	0.6%	-	11,568	2,776	8,792	0.15
Retention bonus obligation [(g)]	(11,451)	(3,817)	15,268	0.7%	-	15,268	3,664	11,604	0.20
Adjusted Non-GAAP	**$ 494,749**	**$ 132,296**	**$ 606,943**	**29.1%**	**$ (57,824)**	**$ 550,738**	**$ 88,962**	**$ 461,776**	**$ 7.76**

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

(g) 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.

(h) 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.

Waters Corporation and Subsidiaries
Preliminary Condensed Consolidated Statements of Cash Flows
Three and Nine Months Ended September 27, 2025 and September 28, 2024
(In thousands and unaudited)

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Cash flows from operating activities:				
Net income	$ 148,923	$ 161,503	$ 417,415	$ 406,436
Adjustments to reconcile net income to net cash provided by operating activities:				
Stock-based compensation	13,650	10,647	39,625	32,993
Depreciation and amortization	52,678	47,507	153,696	143,250
Change in operating assets and liabilities and other, net	(27,943)	(15,077)	(122,734)	(60,695)
Net cash provided by operating activities	187,308	204,580	488,002	521,984
Cash flows from investing activities:				
Additions to property, plant, equipment and software capitalization	(25,436)	(25,618)	(73,772)	(90,377)
Business acquisitions, net of cash acquired	(84)	-	(35,053)	-
Investments in unaffiliated companies	-	(425)	(1,295)	(1,489)
Net change in investments	-	(8)	-	(44)
Net cash used in investing activities	(25,520)	(26,051)	(110,120)	(91,910)
Cash flows from financing activities:				
Net change in debt	(68,480)	(180,000)	(242,986)	(530,000)
Proceeds from stock plans	2,883	3,237	15,621	25,073
Purchases of treasury shares	(214)	(141)	(14,523)	(13,475)
Other cash flow from financing activities, net	(455)	20	1,347	15,305
Net cash used in financing activities	(66,266)	(176,884)	(240,541)	(503,097)
Effect of exchange rate changes on cash and cash equivalents	(3,619)	2,442	(3,578)	8,461
Increase (decrease) in cash and cash equivalents	91,903	4,087	133,763	(64,562)
Cash and cash equivalents at beginning of period	367,215	326,427	325,355	395,076
Cash and cash equivalents at end of period	$ 459,118	$ 330,514	$ 459,118	$ 330,514

Reconciliation of GAAP Cash Flows from Operating Activities to Free Cash Flow [(a)]

Net cash provided by operating activities - GAAP	$ 187,308	$ 204,580	$ 488,002	$ 521,984
Adjustments:				
Additions to property, plant, equipment and software capitalization	(25,436)	(25,618)	(73,772)	(90,377)
Tax reform payments	-	-	120,006	95,645
Litigation settlements (received) paid, net	(2,250)	-	(2,250)	9,250
Payment of Wyatt retention bonus obligation [(b)]	-	-	20,127	19,770
Free Cash Flow - Adjusted Non-GAAP	$ 159,622	$ 178,962	$ 552,113	$ 556,272

(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) During the nine months ended September 27, 2025 and September 28, 2024, 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.

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

	Twelve Months Ended December 31, 2025			Three Months Ended December 31, 2025		
	Range			Range		
Projected Sales						
Constant currency sales growth rate [a]	6.7%	-	7.3%	5.0%	-	7.0%
Currency translation impact	(0.2%)	-	(0.2%)	0.2%	-	0.2%
Sales growth rate as reported	6.5%	-	7.1%	5.2%	-	7.2%

	Range			Range		
Projected Earnings Per Diluted Share						
GAAP earnings per diluted share	$ 11.10	-	$ 11.20	$ 4.10	-	$ 4.20
Adjustments:						
Purchased intangibles amortization	$ 0.60	-	$ 0.60	$ 0.15	-	$ 0.15
Restructuring costs and certain other items	$ 0.08	-	$ 0.08	$ 0.01	-	$ 0.01
ERP implementation and transformation costs	$ 0.25	-	$ 0.25	$ 0.07	-	$ 0.07
Acquisition related costs	$ 0.78	-	$ 0.78	$ 0.11	-	$ 0.11
Retention bonus obligation	$ 0.05	-	$ 0.05	$ -	-	$ -
Financing Costs	$ 0.19	-	$ 0.19	$ 0.01	-	$ 0.01
Adjusted non-GAAP earnings per diluted share	$ 13.05	-	$ 13.15	$ 4.45	-	$ 4.55

(a) 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. 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.