



Agilent Technologies, Inc. (A)

Updated September 18th, 2025 by Quinn Mohammed

Key Metrics

Current Price:	\$128	5 Year CAGR Estimate:	13.6%	Market Cap:	\$36 B
Fair Value Price:	\$153	5 Year Growth Estimate:	9.0%	Ex-Dividend Date:	09/30/25
% Fair Value:	83%	5 Year Valuation Multiple Estimate:	3.7%	Dividend Payment Date:	10/22/25
Dividend Yield:	0.8%	5 Year Price Target	\$236	Years Of Dividend Growth:	13
Dividend Risk Score:	B	Sector:	Healthcare	Rating:	Hold

Overview & Current Events

Agilent Technologies, Inc. (A) offers instruments, software, and services to life sciences, diagnostics, and applied chemicals markets. It is a global company with operations in the Americas (which accounted for 40% of FY 2024 revenue), Asia Pacific (33%), and Europe (27%). The company is separated into three segments: Life Sciences & Diagnostics Markets Group (LDG), Agilent CrossLab Group (ACG), and Applied Markets Group (AMG). ACG makes up nearly half of its total revenue (42%), with LDG (38%) and AMG (20%) making up the remainder. Its end markets are primarily Chemicals and Advanced Materials, and Pharma, with Diagnostics and Clinical, Environmental & Forensics, Food, and Academia & Govt making up the remainder. Agilent has a market capitalization of \$36 billion.

On August 27th, 2025, Agilent reported third quarter 2025 results for the period ending July 31, 2025. For the quarter, the company reported revenue of \$1.74 billion, representing a 10% increase from the previous year. Adjusted net income was \$390 million, or \$1.37 per share, reflecting a 4% rise compared to Q3 2024. The company's AMG, ACG and LDG segments saw revenue increases of 7%, 8% and 14% year-over-year, respectively.

Leadership has revised its 2025 full-year outlook, projecting revenue between \$6.91 billion and \$6.93 billion, which indicates an increase of 6.2% to 6.5% compared to 2024. Adjusted EPS is projected between \$5.56 and \$5.59.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$1.74	\$1.98	\$2.36	\$2.79	\$3.11	\$3.28	\$4.34	\$5.22	\$5.44	\$5.29	\$5.57	\$8.57
DPS	\$0.40	\$0.46	\$0.53	\$0.60	\$0.66	\$0.72	\$0.78	\$0.84	\$0.90	\$0.94	\$0.99	\$1.32
Shares¹	335	329	326	325	318	312	307	300	296	287	285	263

Agilent Technologies has grown at a fairly even pace over the last decade and half decade, boasting a 5- and 9-year EPS CAGR of 11.2% and 13.2%, respectively. The company has reported excellent results since the pandemic. Additionally, Agilent reported higher adjusted EPS for over a decade until 2024, when results reflected reduced capital purchases by customers. It has consistently reduced its share count by approximately 1.7% annually, a trend that we expect to continue.

Agilent has diversified end markets, totaling \$80 billion in available market, and believes it can achieve 4% to 6% long-term growth across these markets. Its largest addressable markets are Pharma & Biotech (\$25B), Clinical & Diagnostics (\$20B), and Academic & Government (\$14B), with Environmental & Forensics (\$7B), Food (\$6B), and Chemicals & Advanced Materials (\$8B) also contributing significantly. Biopharma is Agilent's primary growth opportunity, accounting for 43% of its pharma revenue mix in FY23, up from 22% in FY19. Furthermore, the target patient population for these products is steadily increasing. PFAS "forever chemicals" testing, another avenue for growth in the business, has been increasing globally and is up 10% overall, but is now on the decline in the U.S. due to EPA changes. The company also has exposure to semiconductors and batteries, which are used to power Generative AI, 5G, Cloud Computing, and Automotive Electronics, and are growing rapidly.

We are forecasting \$5.57 in earnings-per-share and a 9.0% intermediate-term growth rate.

¹ In millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2023	2024	Now	2030
Avg. P/E	34.8	32.5	31.9	68.8	25.4	51.5	40.5	35.9	33.0	26.1	22.9	27.5
Avg. Yld.	1.0%	1.1%	0.8%	0.9%	0.8%	0.6%	0.5%	0.6%	0.7%	0.7%	0.8%	0.6%

Agilent Technologies stock has traded at a lofty premium over the past decade. The company's average PE ratio over the last ten and five years has been 38.0 and 37.4, respectively. Agilent trade at 22.9 times EPS, below our fair value estimate of 27.5X. We believe the current projected earnings growth forecast does not support a PE as high as its historical averages. The company has increased its dividend every year since its inception in 2012. During that time, it more than tripled its quarterly dividend from \$0.071 to \$0.248. Still, considering its EPS growth has been very strong, its payout ratio has actually decreased over the last decade.

Safety, Quality, Competitive Advantage, & Recession Resiliency

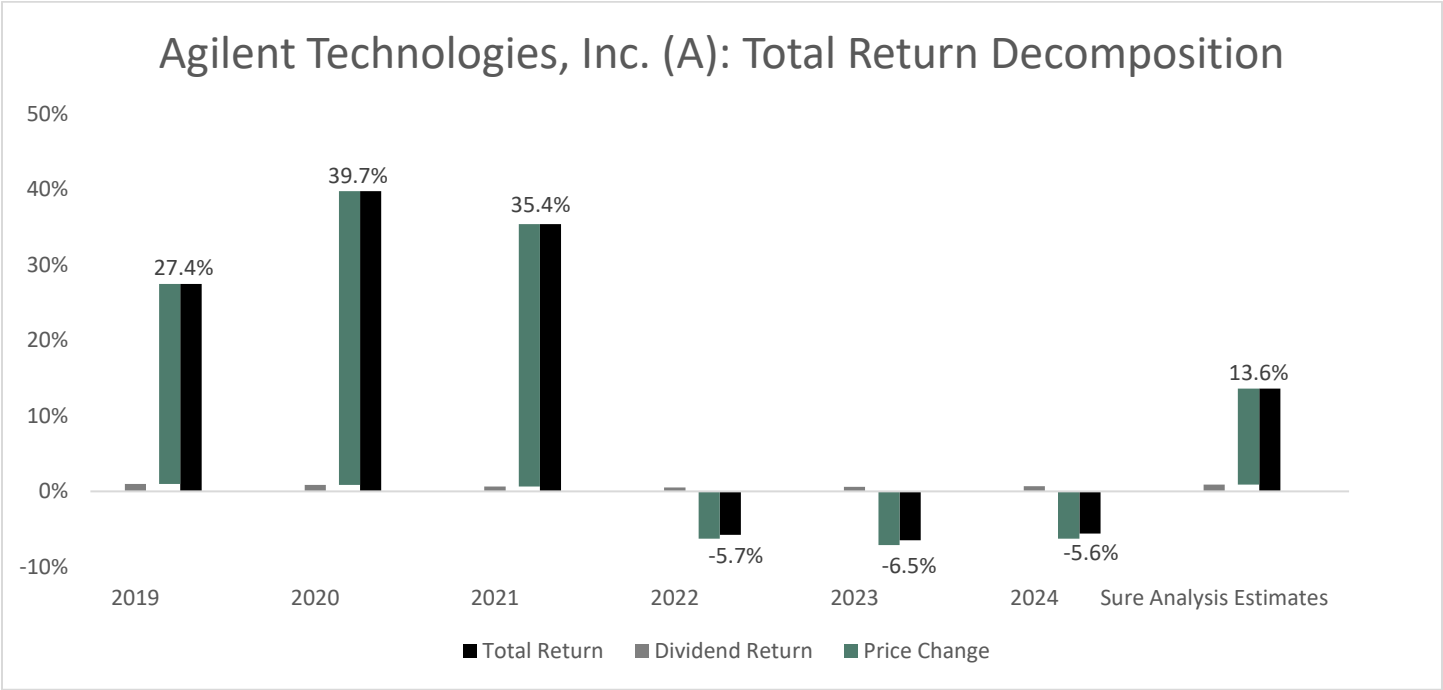
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	23%	23%	22%	22%	21%	22%	18%	16%	17%	18%	18%	15%

Agilent is a global market leader with a diverse product portfolio. Furthermore, much of its business is subject to regulations, which raise the barrier to entry for potential competitors. Still, Agilent invests extensively in R&D to maintain its market share in its end markets, which change constantly. It spent \$479 million on R&D in FY 2024. As of the most recent quarter, Agilent held \$1.5 billion in cash and equivalents, \$4.3 billion in current assets and \$12.2 billion in total assets compared to \$1.9 billion in current liabilities and \$5.9 billion in total liabilities.

Final Thoughts & Recommendation

Shares of Agilent have declined by 5% year-to-date, which compares unfavorably to the S&P 500 Index’s 13% increase. The company has produced an enviable earnings record, with more than a decade of straight growth until FY 2024. We are forecasting 13.6% total return potential stemming from 9.0% earnings-per-share growth, the 0.8% dividend yield, as well as a 3.7% valuation tailwind. Agilent earns a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	4,038	4,202	4,472	4,914	5,163	5,339	6,319	6,848	6,833	6510
Gross Profit	2,041	2,197	2,399	2,680	2,805	2,837	3,407	3,722	3,465	3535
Gross Margin	50.5%	52.3%	53.6%	54.5%	54.3%	53.1%	53.9%	54.4%	50.7%	54.3%
SG&A Exp.	1,189	1,253	1,251	1,389	1,460	1,496	1,619	1,637	1,634	1568
D&A Exp.	253	246	212	210	238	308	321	317	271	257
Operating Profit	522	615	807	904	941	846	1,347	1,618	1,350	1488
Operating Margin	12.9%	14.6%	18.0%	18.4%	18.2%	15.8%	21.3%	23.6%	19.8%	22.9%
Net Profit	401	462	684	316	1,071	719	1,210	1,254	1,240	1289
Net Margin	9.9%	11.0%	15.3%	6.4%	20.7%	13.5%	19.1%	18.3%	18.1%	19.8%
Free Cash Flow	414	654	713	910	865	802	1,297	1,021	1,474	1373
Income Tax	42	82	119	630	(152)	123	150	250	99	232

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	7,479	7,794	8,426	8,541	9,452	9,627	10,705	10,532	10,763	11850
Cash & Equivalents	2,003	2,289	2,678	2,247	1,382	1,441	1,484	1,053	1,590	1329
Accounts Receivable	606	631	724	776	930	1,038	1,172	1,405	1,291	1324
Inventories	541	533	575	638	679	720	830	1,038	1,031	972
Goodwill & Int. Ass.	2,811	2,933	2,968	3,464	4,700	4,433	4,956	4,773	4,435	5024
Total Liabilities	3,309	3,548	3,591	3,970	4,704	4,754	5,316	5,227	4,918	5984
Accounts Payable	279	257	305	340	354	354	446	580	418	540
Long-Term Debt	1,655	1,904	2,011	1,799	2,407	2,359	2,729	2,769	2,735	3390
Shareholder's Equity	4,167	4,243	4,831	4,567	4,748	4,873	5,389	5,305	5,845	5898
LTD/E Ratio	0.40	0.45	0.42	0.39	0.51	0.48	0.51	0.52	0.47	0.57

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.4%	6.0%	8.4%	3.7%	11.9%	7.5%	11.9%	11.8%	11.6%	11.4%
Return on Equity	8.5%	11.0%	15.1%	6.7%	23.0%	14.9%	23.6%	23.5%	22.2%	22.0%
ROIC	6.3%	7.7%	10.5%	4.8%	15.8%	10.0%	15.8%	15.5%	14.9%	14.4%
Shares Out.	335.0	329.0	326.0	325.0	318.0	312.0	307.0	300.0	296.0	291.0
Revenue/Share	12.05	12.77	13.72	15.12	16.24	17.11	20.58	22.83	23.08	22.37
FCF/Share	1.24	1.99	2.19	2.80	2.72	2.57	4.22	3.40	4.98	4.72

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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