



## Keysight Technologies Reports First Quarter 2026 Results

*Achieved record revenue with double-digit growth across business segments*

SANTA ROSA, Calif., February 23, 2026 - Keysight Technologies, Inc. (NYSE: KEYS) today reported financial results for the first fiscal quarter ended January 31, 2026.

*"Keysight had a strong start to the fiscal year with outstanding results that exceeded our expectations," said Satish Dhanasekaran, Keysight's President and CEO. "The investments we have made over the last 3 years are enabling us to capitalize on continued momentum in our markets and deliver value."*

### First Quarter Financial Summary

- Revenue was \$1.60 billion, compared with \$1.30 billion in the first quarter of 2025.
- GAAP net income was \$281 million, or \$1.63 per share, compared with \$169 million, or \$0.97 per share, in the first quarter of 2025.
- Non-GAAP net income was \$376 million, or \$2.17 per share, compared with \$317 million, or \$1.82 per share in the first quarter of 2025.
- Cash flow from operations was \$441 million, compared to \$378 million last year. Free cash flow was \$407 million, compared to \$346 million in the first quarter of 2025.
- As of January 31, 2026, cash, cash equivalents, and restricted cash totaled \$2.20 billion.

### Reporting Segments

- Communications Solutions Group (CSG)

CSG reported revenue of \$1,124 million in the first quarter, up 27 percent from the prior year, reflecting 33 percent growth in commercial communications and 18 percent growth in aerospace, defense, and government.
- Electronic Industrial Solutions Group (EISG)

EISG reported revenue of \$476 million in the first quarter, up 15 percent from the prior year, reflecting double-digit growth across all end markets of automotive and energy, general electronics, and semiconductor.

### Outlook

Keysight's second fiscal quarter of 2026 revenue is expected to be in the range of \$1.690 billion to \$1.710 billion. The mid-point of the revenue range represents year-over-year growth of approximately 30%. Non-GAAP earnings per share for the second fiscal quarter of 2026 are expected to be in the range of \$2.27 to \$2.33, based on a weighted diluted share count of approximately 173 million shares. This outlook does not include any potential impacts related to the February 20, 2026 Supreme Court ruling on IEEPA tariffs or subsequent actions by the U.S. administration. Certain items impacting the GAAP tax rate pertain to future events and are not currently estimable with a reasonable degree of accuracy; therefore, no reconciliation of GAAP earnings per share to non-GAAP has been provided. Further information is discussed in the section titled "Use of Non-GAAP Financial Measures" below.

## Webcast

Keysight's management will present more details about its first quarter FY2026 financial results and its second quarter FY2026 outlook on a conference call with investors today at 1:30 p.m. PT. This event will be webcast in listen-only mode. Listeners may log on to the call at [www.investor.keysight.com](http://www.investor.keysight.com) under the "Upcoming Events" section and select "[Q1 FY26 Keysight Technologies Inc. Earnings Conference Call](#)" to participate. The call can also be accessed by dialing 1-646-844-6383 or 1-833-470-1428 toll-free (access code 147302). The webcast will remain on the company site for 90 days.

## Forward-Looking Statements

This communication contains forward-looking statements as defined in the Securities Exchange Act of 1934 and is subject to the safe harbors created therein. The words "assume," "expect," "intend," "will," "should," "outlook" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. These forward-looking statements involve risks and uncertainties that could significantly affect the expected results and are based on certain key assumptions of Keysight's management and on currently available information. Due to such uncertainties and risks, no assurances can be given that such expectations or assumptions will prove to have been correct, and readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Keysight undertakes no responsibility to publicly update or revise any forward-looking statement. The forward-looking statements contained herein include, but are not limited to, predictions, future guidance, projections, beliefs, and expectations about the company's goals, revenues, financial condition, earnings, and operations that involve risks and uncertainties that could cause Keysight's results to differ materially from management's current expectations. Such risks and uncertainties include, but are not limited to, impacts of global economic conditions such as inflation or recession, slowing demand for products or services, volatility in financial markets, reduced access to credit, increased interest rates, impacts of geopolitical tension and conflict outside of the U.S., export control regulations and compliance, net zero emissions commitments, customer purchasing decisions and timing, tariff and trade policy impacts and order cancellations.

In addition to the risks above, other risks that Keysight faces include those detailed in Keysight's filings with the Securities and Exchange Commission on Keysight's annual report on Form 10-K for the period ended October 31, 2025.

## Segment Data

Segment data reflect the results of our reportable segments under our management reporting system. Segment data are provided on page 5 of the attached tables.

## Use of Non-GAAP Financial Measures

In addition to financial information prepared in accordance with U.S. GAAP ("GAAP"), this document also contains certain non-GAAP financial measures based on management's view of performance, including:

- Non-GAAP Net Income/Earnings
- Non-GAAP Net Income per share/Earnings per share
- Free Cash Flow

Net Income per share is based on weighted average diluted share count. See the attached supplemental schedules for reconciliations of each non-GAAP financial measure to its most directly comparable GAAP financial measure for the three months ended January 31, 2026. Following the reconciliations is a discussion of the items adjusted from our non-GAAP financial measures and the company's reasons for including or excluding certain categories of income or expenses from our non-GAAP results.

## About Keysight Technologies

At Keysight (NYSE: KEYS), we inspire and empower innovators to bring world-changing technologies to life. As an S&P 500 company, we're delivering market-leading design, emulation, and test solutions to help engineers develop and deploy faster, with less risk, throughout the entire product lifecycle. We're a global innovation partner enabling customers in communications, industrial automation, aerospace and defense, automotive, semiconductor, and general electronics markets to accelerate innovation to connect and secure the world. Learn more at [Keysight Newsroom](#) and [www.keysight.com](http://www.keysight.com).

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**KEYSIGHT TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
(In millions, except per share data)  
(Unaudited)  
**PRELIMINARY**

	Three months ended January 31,	
	2026	2025
Orders	\$ 1,645	\$ 1,263
Revenue	\$ 1,600	\$ 1,298
Costs and expenses:		
Cost of products and services	605	478
Research and development	303	249
Selling, general and administrative	447	361
Other operating expense (income), net	(3)	(8)
Total costs and expenses	<u>1,352</u>	<u>1,080</u>
Income from operations	248	218
Interest income	16	19
Interest expense	(29)	(20)
Other income (expense), net	<u>(37)</u>	<u>(18)</u>
Income before taxes	198	199
Provision (benefit) for income taxes	<u>(83)</u>	<u>30</u>
Net income	<u>\$ 281</u>	<u>\$ 169</u>
Net income per share:		
Basic	\$ 1.64	\$ 0.97
Diluted	\$ 1.63	\$ 0.97
Weighted average shares used in computing net income per share:		
Basic	172	173
Diluted	173	174

**KEYSIGHT TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
(In millions, except par value and share data)  
(Unaudited)  
**PRELIMINARY**

	<u>January 31, 2026</u>	<u>October 31, 2025</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,178	\$ 1,873
Accounts receivable, net	914	939
Inventory	1,048	1,050
Other current assets	561	486
Total current assets	4,701	4,348
Property, plant and equipment, net	757	795
Operating lease right-of-use assets	229	236
Goodwill	3,474	3,424
Other intangible assets, net	1,251	1,304
Long-term investments	147	211
Long-term deferred tax assets	330	373
Other assets	592	610
Total assets	\$ 11,481	\$ 11,301
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 334	\$ 355
Employee compensation and benefits	329	399
Deferred revenue	729	652
Income and other taxes payable	196	207
Operating lease liabilities	52	51
Other accrued liabilities	165	186
Total current liabilities	1,805	1,850
Long-term debt	2,534	2,534
Retirement and post-retirement benefits	75	75
Long-term deferred revenue	237	232
Long-term operating lease liabilities	186	193
Other long-term liabilities	439	536
Total liabilities	5,276	5,420
Stockholders' equity:		
Preferred stock; \$0.01 par value; 100 million shares authorized; none issued and outstanding	—	—
Common stock; \$0.01 par value; 1 billion shares authorized; 203 million and 202 million shares issued, respectively	2	2
Treasury stock, at cost; 31.2 million shares and 30.8 million shares, respectively	(3,886)	(3,799)
Additional paid-in-capital	2,932	2,851
Retained earnings	7,356	7,075
Accumulated other comprehensive loss	(199)	(248)
Total stockholders' equity	6,205	5,881
Total liabilities and equity	\$ 11,481	\$ 11,301

**KEYSIGHT TECHNOLOGIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
(In millions)  
(Unaudited)  
**PRELIMINARY**

Three months ended  
January 31,

2026      2025

Cash flows from operating activities:		
Net income	\$	281
		\$ 169
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation		38
Amortization		67
Share-based compensation		76
Deferred tax expense (benefit)		(1)
Excess and obsolete inventory-related charges		9
Gain on sale of investments		(5)
Unrealized loss (gain) on investments in equity securities		53
Other non-cash expenses (income), net		6
Changes in assets and liabilities, net of effects of businesses acquired:		
Accounts receivable		33
Inventory		(3)
Accounts payable		(13)
Employee compensation and benefits		(61)
Deferred revenue		70
Income taxes payable		(41)
Income taxes receivable		(53)
Other assets and liabilities		(15)
Net cash provided by operating activities <sup>(a)</sup>		<u>441</u>
		<u>378</u>
Cash flows from investing activities:		
Investments in property, plant and equipment		(34)
Acquisitions of businesses and intangible assets, net of cash acquired		(16)
Proceeds from sale of investments		7
Other investing activities		(1)
Net cash used in investing activities		<u>(44)</u>
		<u>(33)</u>
Cash flows from financing activities:		
Proceeds from issuance of common stock under employee stock plans		32
Payment of taxes related to net share settlement of equity awards		(31)
Treasury stock repurchases, including excise tax payments		(87)
Payment of acquisition-related consideration		(13)
Other financing activities		—
Net cash used in financing activities		<u>(99)</u>
		<u>(74)</u>
Effect of exchange rate movements		7
		(8)
Net increase in cash, cash equivalents, and restricted cash		305
Cash, cash equivalents, and restricted cash at beginning of period		1,890
Cash, cash equivalents, and restricted cash at end of period		<u>\$ 2,195</u>
		<u>\$ 2,077</u>

<sup>(a)</sup> Cash payments included in operating activities:

Interest payments	\$	32	\$	—
Income tax paid, net		\$ 18		\$ 9

**KEYSIGHT TECHNOLOGIES, INC.**  
**NET INCOME AND DILUTED EPS RECONCILIATION**  
(In millions, except per share data)  
(Unaudited)  
**PRELIMINARY**

	Three months ended January 31,			
	2026		2025	
	Net Income	Diluted EPS	Net Income	Diluted EPS
GAAP Net income	\$ 281	\$ 1.63	\$ 169	\$ 0.97
Non-GAAP adjustments:				
Amortization of acquisition-related balances	73	0.42	33	0.19
Share-based compensation	77	0.44	62	0.36
Acquisition and integration costs	29	0.17	98	0.56
Restructuring and others	60	0.34	(24)	(0.14)
Adjustment for taxes <sup>(a)</sup>	(144)	(0.83)	(21)	(0.12)
Non-GAAP Net income	\$ 376	\$ 2.17	\$ 317	\$ 1.82
Weighted average shares outstanding - diluted		173		174

<sup>(a)</sup> For the three months ended January 31, 2026 and 2025, management used a non-GAAP effective tax rate of 14%, respectively.

Please refer to the last page for details on the use of non-GAAP financial measures.

**KEYSIGHT TECHNOLOGIES, INC.**  
**SEGMENT RESULTS INFORMATION**  
(In millions, except percentages)  
(Unaudited)  
**PRELIMINARY**

**Communications Solutions Group**

	<b>Q1'26</b>	<b>Q1'25</b>	<b>Percent Inc/(Dec)</b>
Revenue	\$ 1,124	\$ 883	27%
Gross margin, %	68%	68%	
Income from operations	\$ 309	\$ 240	
Operating margin, %	27%	27%	

**Electronic Industrial Solutions Group**

	<b>Q1'26</b>	<b>Q1'25</b>	<b>Percent Inc/(Dec)</b>
Revenue	\$ 476	\$ 415	15%
Gross margin, %	62%	61%	
Income from operations	\$ 130	\$ 114	
Operating margin, %	27%	27%	

Segment revenue and income from operations are consistent with the respective non-GAAP financial measures as discussed on last page.

**KEYSIGHT TECHNOLOGIES, INC.**  
**FREE CASH FLOW**  
(In millions)  
(Unaudited)  
**PRELIMINARY**

	<b>Three months ended</b>	
	<b>January 31,</b>	
	<b>2026</b>	<b>2025</b>
Net cash provided by operating activities	\$ 441	\$ 378
Adjustments:		
Investments in property, plant and equipment	(34)	(32)
Free cash flow	\$ 407	\$ 346

Please refer to the last page for details on the use of non-GAAP financial measures.

**KEYSIGHT TECHNOLOGIES, INC.**  
**REVENUE BY END MARKETS**  
(In millions)  
(Unaudited)  
**PRELIMINARY**

	<u>Q1'26</u>	<u>Q1'25</u>	<u>Percent Inc/(Dec)</u>
Aerospace, Defense and Government	\$ 366	\$ 311	18%
Commercial Communications	758	572	33%
Electronic Industrial	476	415	15%
<b>Total Revenue</b>	<u>\$ 1,600</u>	<u>\$ 1,298</u>	23%

## KEYSIGHT TECHNOLOGIES, INC.

### Non-GAAP Financial Measures

Management uses both GAAP and non-GAAP financial measures to analyze and assess the overall performance of the business, to make operating decisions and to forecast and plan for future periods. We believe that our investors benefit from seeing our results “through the eyes of management” in addition to seeing our GAAP results. This information enhances investors’ understanding of the continuing performance of our business and facilitates comparison of performance to our historical and future periods.

Our non-GAAP financial measures may not be comparable to similarly titled measures used by other companies, including industry peer companies, limiting the usefulness of these measures for comparative purposes.

These non-GAAP measures should be considered supplemental to and not a substitute for financial information prepared in accordance with GAAP. The discussion below presents information about each of the non-GAAP financial measures and the company’s reasons for including or excluding certain categories of income or expenses from our non-GAAP results. In future periods, we may exclude such items and may incur income and expenses similar to these excluded items. Accordingly, adjustments for these items and other similar items in our non-GAAP presentation should not be interpreted as implying that these items are non-recurring, infrequent or unusual.

*Core Revenue/ Margin* excludes the impact of foreign currency changes and revenue/ expenses associated with acquisitions or divestitures completed within the last twelve months. We exclude from the current period the impact of foreign currency changes as currency rates can fluctuate based on factors that are not within our control and can obscure growth trends. As the nature, size and number of acquisitions can vary significantly from period to period and as compared to our peers, we also exclude revenue/ expenses associated with recently acquired businesses to facilitate comparisons of growth and analysis of underlying business trends.

Percentages and period over period changes are calculated using underlying unrounded values and may not precisely reconcile to the rounded figures presented.

*Free cash flow* includes cash provided by operating activities adjusted for net investments in property, plant & equipment.

*Non-GAAP Income from Operations, Non-GAAP Net Income and Non-GAAP Diluted EPS* may include the following types of adjustments:

- *Acquisition-related Items:* We exclude the impact of certain items recorded in connection with business combinations from our non-GAAP financial measures that are either non-cash or not normal, recurring operating expenses due to their nature, variability of amounts and lack of predictability as to occurrence or timing. These amounts may include non-cash items such as the amortization of acquired intangible assets and amortization of items associated with fair value purchase accounting adjustments. We also exclude other acquisition and integration costs associated with business acquisitions that are not normal recurring operating expenses, including gain/ loss on foreign exchange contracts and legal, accounting and due diligence costs. We exclude these charges to facilitate a more meaningful evaluation of our current operating performance and comparisons to our past operating performance.
- *Share-based Compensation Expense:* We exclude share-based compensation expense from our non-GAAP financial measures because share-based compensation expense can vary significantly from period to period based on the company’s share price, as well as the timing, size and nature of equity awards granted. Management believes the exclusion of this expense facilitates the ability of investors to compare the company’s operating results with those of other companies, many of which also exclude share-based compensation expense in determining their non-GAAP financial measures.
- *Restructuring and others:* We exclude incremental expenses associated with restructuring initiatives including those of acquired entities, usually aimed at material changes in the business or cost structure. Such costs may include employee separation costs, asset impairments, facility-related costs, contract termination fees, and costs to move operations from one location to another. These activities can vary significantly from period to period based on the timing, size and nature of restructuring plans; therefore, we do not consider such costs to be normal, recurring operating expenses.

We also exclude “others,” not normal, recurring, cash operating income/expenses from our non-GAAP financial measures. Such items are evaluated on an individual basis, based on both quantitative and qualitative factors and generally represent items that we do not anticipate occurring as part of our normal business. While not all-inclusive, examples of such items would include net gains/losses on investments, significant non-recurring events like realized gains or losses associated with our employee benefit plans, costs and recoveries related to unusual events, gain on sale of assets/divestitures, adjustment attributable to non-controlling interest, etc. We believe that these costs do not reflect expected future operating expenses and do not contribute to a meaningful evaluation of the company’s current operating performance or comparisons to our operating performance in other periods.

- *Estimated Tax Rate:* We utilize a consistent methodology for long-term projected non-GAAP tax rate. When projecting this long-term rate, we exclude any tax benefits or expenses that are not directly related to ongoing operations and which are either isolated or cannot be expected to occur again with any regularity or predictability. Additionally, we evaluate our current long-term projections, current tax structure and other factors, such as existing tax positions in various jurisdictions and key tax holidays in major jurisdictions where Keysight operates. This tax rate could change in the future for a variety of reasons, including but not limited to significant changes in geographic earnings mix including acquisition activity, or fundamental tax law changes in major jurisdictions where Keysight operates. The above reasons also limit our ability to reasonably estimate the future GAAP tax rate and provide a reconciliation of the expected non-GAAP earnings per share for the second quarter of fiscal 2026 to the GAAP equivalent.

Management recognizes these items can have a material impact on our cash flows and/or our net income. Our GAAP financial statements, including our Condensed Consolidated Statement of Cash Flows, portray those effects. Although we believe it is useful for investors to see core performance free of special items, investors should understand that the excluded costs are actual expenses that may impact the cash available to us for other uses. To gain a complete picture of all effects on the company’s profit and loss from any and all events, management does (and investors should) rely upon the Condensed Consolidated Statement of Operations prepared in accordance with GAAP. The non-GAAP measures focus instead upon the core business of the company, which is only a subset, albeit a critical one, of the company’s performance.