Keysight Technologies Q3 Fiscal Year 2026 Results

August 18, 2026

Safe Harbor

This communication contains forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and is subject to the safe harbors created therein. Statements preceded by, followed by, or that otherwise include the words “anticipate,” “assume,” “plan,” “estimate,” “expect,” “guidance,” “intend,” “implied,” “target,” “believe,” “outlook,” and similar words or expressions, or future or conditional verbs such as “will,” “should,” “would,” “may,” or “could,” or statements regarding the company’s goals, priorities, anticipated revenues, anticipated demand, growth opportunities, customer service and innovation plans, new product introductions, anticipated financial condition, anticipated gross and operating margins, future earnings, the anticipated continued strengths and expected growth of the markets the company sells into, and future operations, earnings, and tax rates are intended to identify forward-looking statements. Keysight disclaims any intention to, and undertakes no responsibility to, update or revise any forward-looking statements, whether as a result of new information, a future event, or otherwise. The forward-looking statements contained herein include, but are not limited to, predictions, guidance, projections, assumptions, beliefs, opinions, and expectations regarding the company’s future goals, revenues, financial condition, earnings, and operations that involve risks and uncertainties that could cause Keysight’s results to differ materially from those expressed in such statements. Such risks and uncertainties include, but are not limited to, impacts of global economic conditions such as inflation or recession, impacts of tariffs and reciprocal tariffs, volatility in financial markets, reduced access to credit, changing interest rates, slowing demand for products or services, impacts of US export control regulations, impacts of geopolitical tension and conflict, impacts related to net-zero emissions commitments, customer purchasing decisions and timing, order cancellations. For additional risks and uncertainties that could impact Keysight’s actual results, please see our latest Annual Report on Form 10-K for the fiscal year ended October 31, 2025 filed with the SEC on December 17, 2025 and our latest Form 10-Q filed with the SEC on June 04, 2026, included but not limited to the discussion under “Risk Factors” therein, which may be viewed at www.sec.gov.

This presentation includes a number of different financial measures, both GAAP and non-GAAP, in analyzing and assessing the overall performance of Keysight’s business, for making operating decisions and for forecasting and planning for future periods. Non-GAAP measures exclude primarily the impacts of amortization of acquisition-related balances, share-based compensation, acquisition and integration costs, gains/losses on investments, restructuring and others, including any one-time adjustments that may have a material effect on the Company’s expenses and income from operations calculated in accordance with GAAP. Also excluded are 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. For future periods, most of these excluded amounts pertain to events that have not yet occurred and are not currently possible to estimate with a reasonable degree of accuracy. This limits our ability to provide a reconciliation of the expected non-GAAP earnings per share to the GAAP equivalent. The definitions of these non-GAAP financial measures may differ from similarly titled measures used by others, and such non-GAAP measures should be considered supplemental to and not a substitute for financial information prepared in accordance with GAAP. Keysight generally uses non-GAAP financial measures to facilitate management’s comparisons to historic operating results, to competitors’ operating results and to guidance provided to investors. In addition, Keysight believes that the use of these non-GAAP financial measures provides greater transparency to investors of information used by management in its financial and operational decision-making. Refer to the last slide of this presentation for more details on the use of non-GAAP financial measures.

Key Takeaways

Delivering Record Results - Q3'26

- $2B+ orders
- Record revenue
- Double-digit growth across segments
- Margin expansion
- Record non-GAAP EPS
- Robust free cash flow

Strong and Diverse Portfolio Enabling Growth

- Customers investing to solve complex engineering challenges across AI infrastructure, semiconductors, communications and defense
- Demand extending across Keysight's full suite of differentiated solutions

Executing on Long-Term Strategy

- Results reflect execution of strategy outlined in 2023
- Identifying and investing ahead of structural growth opportunities
- Engaging early with industry leaders
- Building capabilities to solve mission-critical applications

Creating Shareholder Value

- Raising FY26 expectations
- Expanding margins
- On track for $100M acquisition synergies
- Making disciplined organic and inorganic investments, supplemented with share repurchases to offset dilution

Expect FY26 revenue growth >30% and non-GAAP EPS growth ~60%

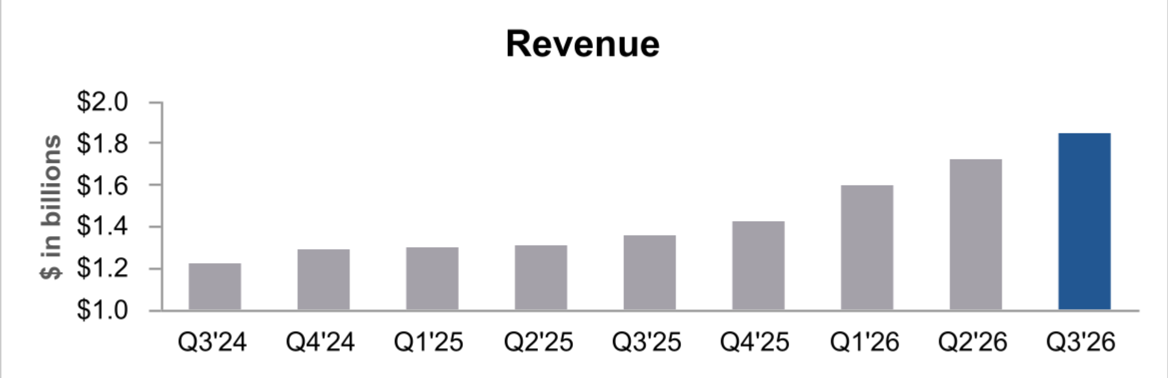
Q3’26 Highlights

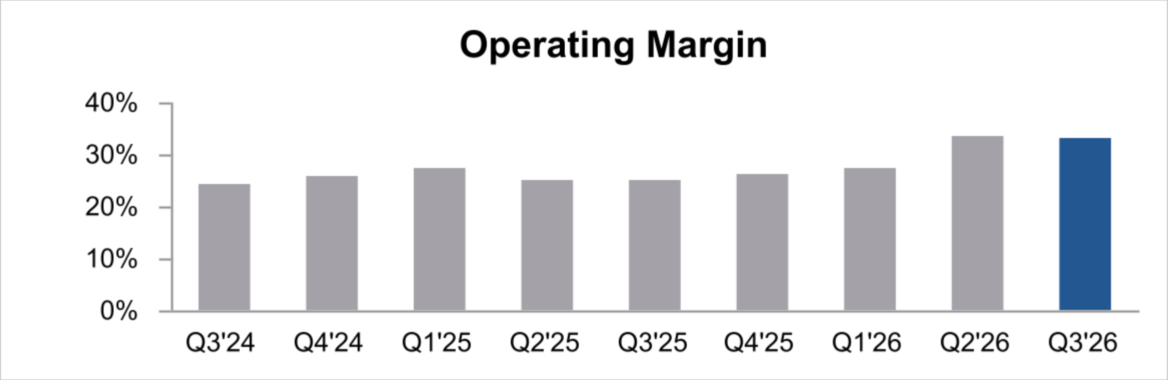
1	**Record Q3 results exceeded high end of guidance range**	• Record revenue of $1.846B, +36% y/y (+31% core[1]) • Earnings per share[2] of $3.07, +79% y/y • Robust growth in Communications Solutions (CSG) (+43%) and Electronic Industrial Solutions (EISG) (+21%) • Gross margin[2] of 69.0% (+510 bps y/y); operating margin[2] of 33.2% (+820 bps y/y) • Core operating margin incremental[2] of 66%
2	**Seeing accelerating demand momentum**	• Orders +56% y/y (+52% core[1]) to a record $2.091B • Strong growth across business segments and regions • Record backlog with strong scheduled shipments for Q4
3	**Creating increased value for shareholders**	• Robust free cash flow[1] of $403M • Q3 share repurchases of ~640K shares, or $210M • Expect FY26 revenue growth in the low 30s % ◦ Integration of recent acquisitions largely complete, one quarter ahead of schedule ◦ Now expect to have 80-90% of the $100M in cost synergies on a run-rate basis exiting Q4'26

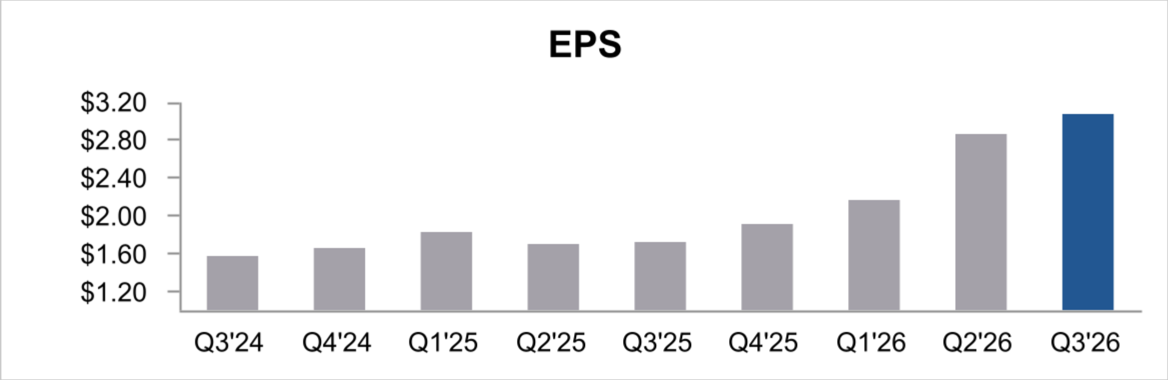
[1] Refer to slide 21 for a definition of core and free cash flow.
[2] Non-GAAP measure. Reconciliations to the closest GAAP equivalent provided for the current period.

Q3'26 Non-GAAP Financial Highlights

Orders	Revenue	Operating Margin	EPS
$2.091B	$1.846B	33.2%	$3.07
+56% y/y (+52% core*)	+36% y/y (+31% core*)	+820 basis points y/y	+79% y/y







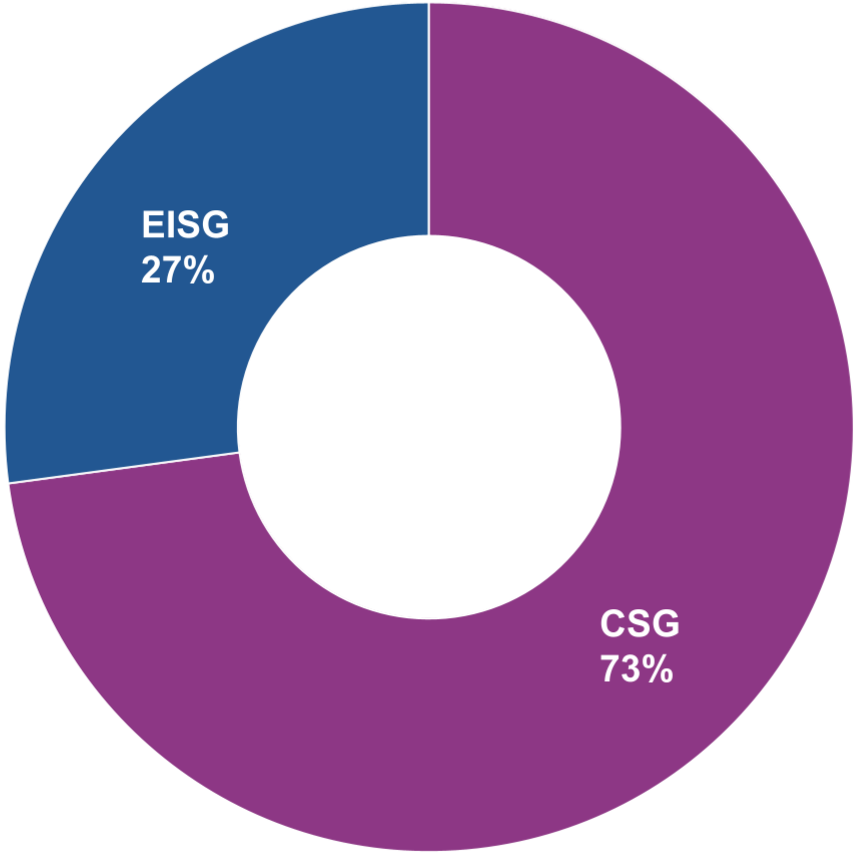
KEYSIGHT

* Core excludes the impact of currency, acquisitions or divestitures closed in last twelve months; reconciliations included. Reconciliations to closest GAAP equivalent provided for current period for all non-GAAP measures. For prior periods, please refer to investor.keysight.com.

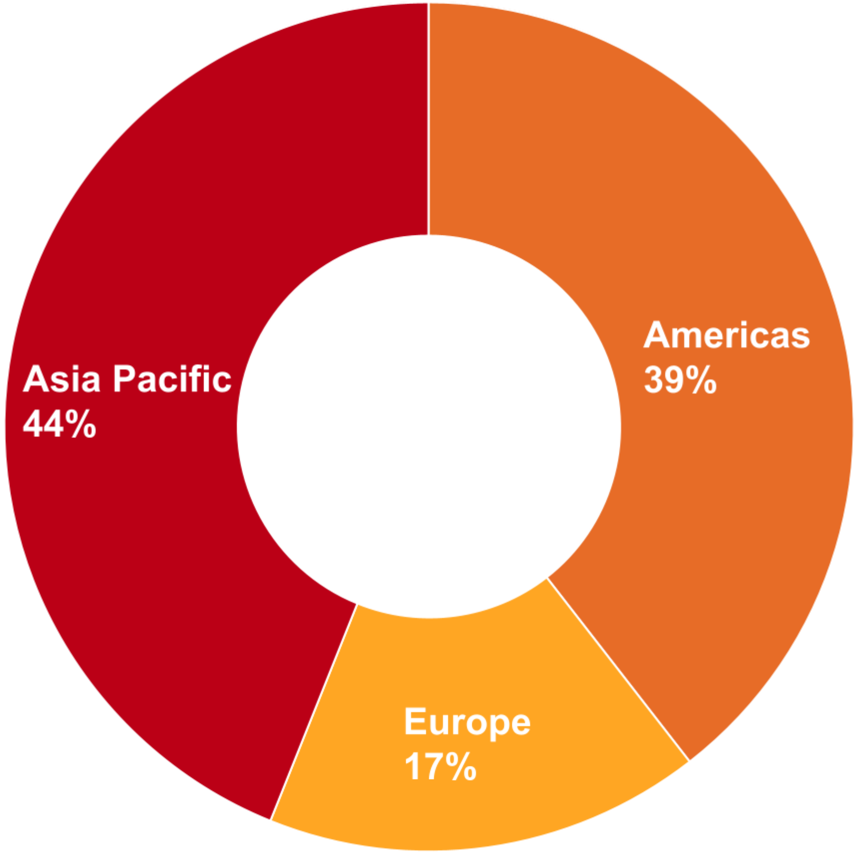
Revenue by Segment & by Region

Q3'26 Revenue: $1.846B

By Segment

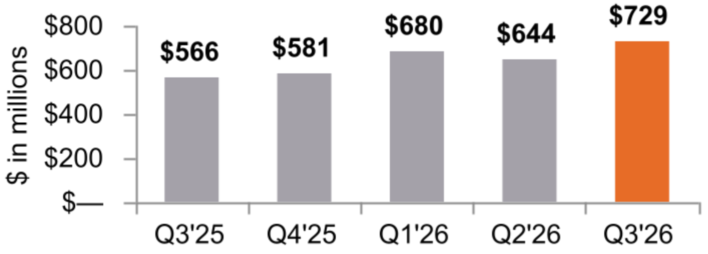


By Region



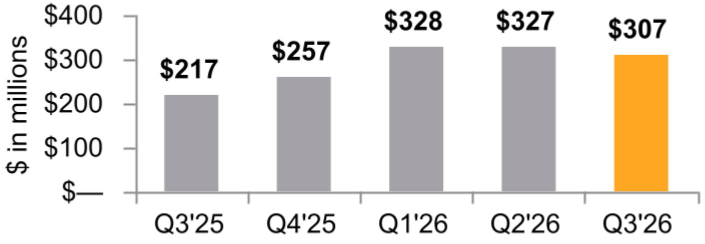
Revenue Trend by Region

Americas



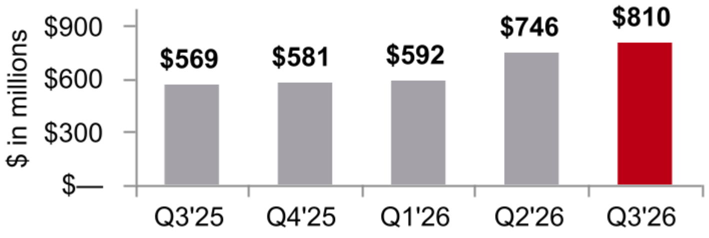
+29% y/y (+20% core*)

Europe



+41% y/y (+32% core*)

Asia Pacific



+42% y/y (+41% core*)

* Core excludes the impact of currency, acquisitions or divestitures closed in last twelve months; reconciliations included.

Q3'26 Communications Solutions Group Highlights

Revenue

$1,345M

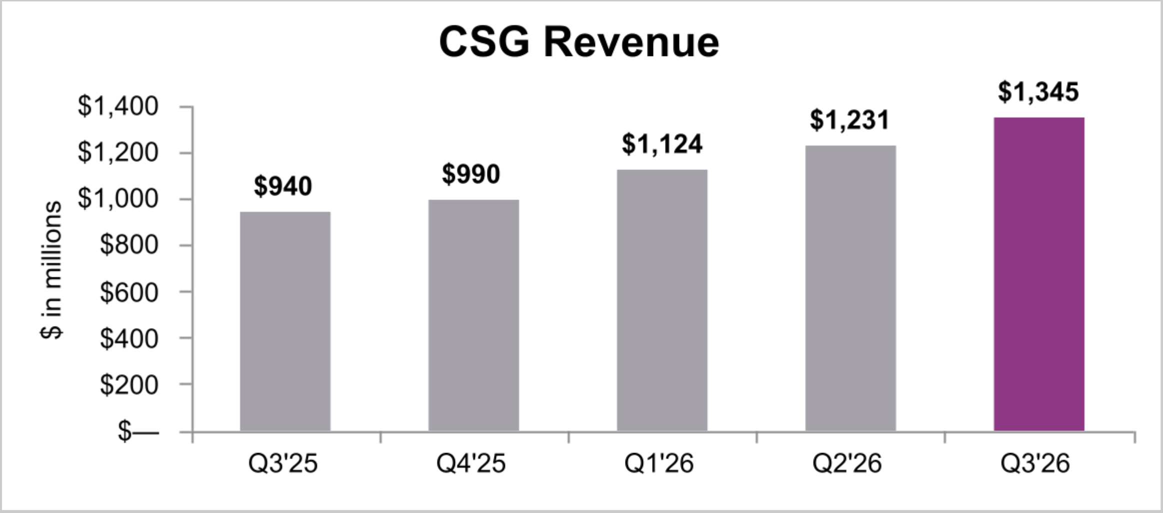
+43% y/y (+36% core[1])

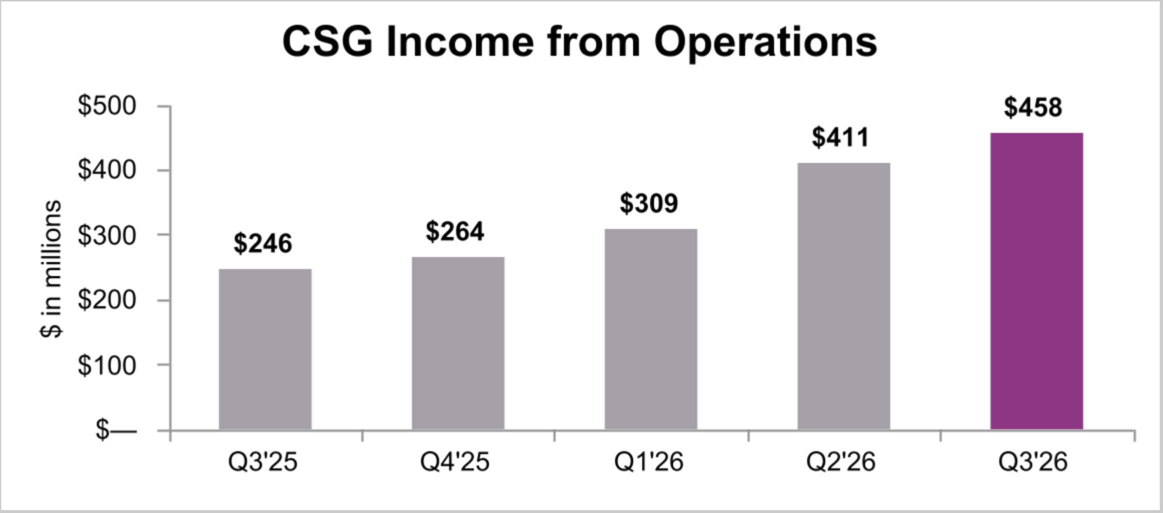
Operating Margin

34.0%

+790 basis points y/y

- Gross margin of 70.8%
- **Commercial Communications:** Record revenue driven by the rapid scaling of the AI infrastructure ecosystem and investment in next-generation connectivity.
- **Aerospace, Defense & Government:** Revenue growth driven by advanced radar architectures, autonomous platforms and position, navigation and timing (PNT) solutions.





[1] Core excludes the impact of currency, acquisitions or divestitures closed in last twelve months; reconciliations included. Segment revenue and income from operations are consistent with the non-GAAP financial measures as defined in the "Non-GAAP Financial Measures" slide.

Q3’26 Electronic Industrial Solutions Group Highlights

Revenue

$501M

+21% y/y (+18% core[1])

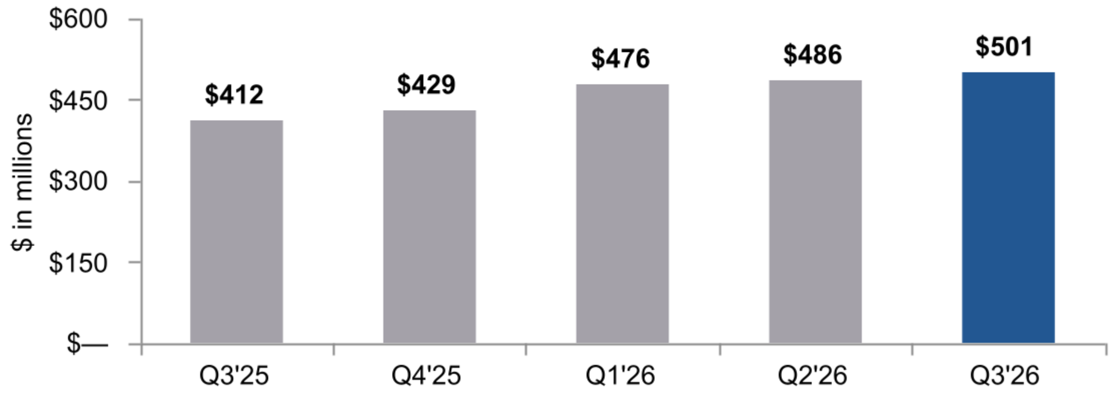
Operating Margin

31.0%

+870 basis points y/y

- **General Electronics:** Growth led by AI-related innovation and infrastructure investments in multi-layer PCBs and capacitors, supporting next-gen compute.
- **Semiconductor:** Growth fueled by ongoing capacity expansion for advanced nodes, HBM and silicon photonics.
- **Automotive & Energy:** Growth driven by solutions for software-defined vehicle architectures, cybersecurity test, and energy and charging solutions.

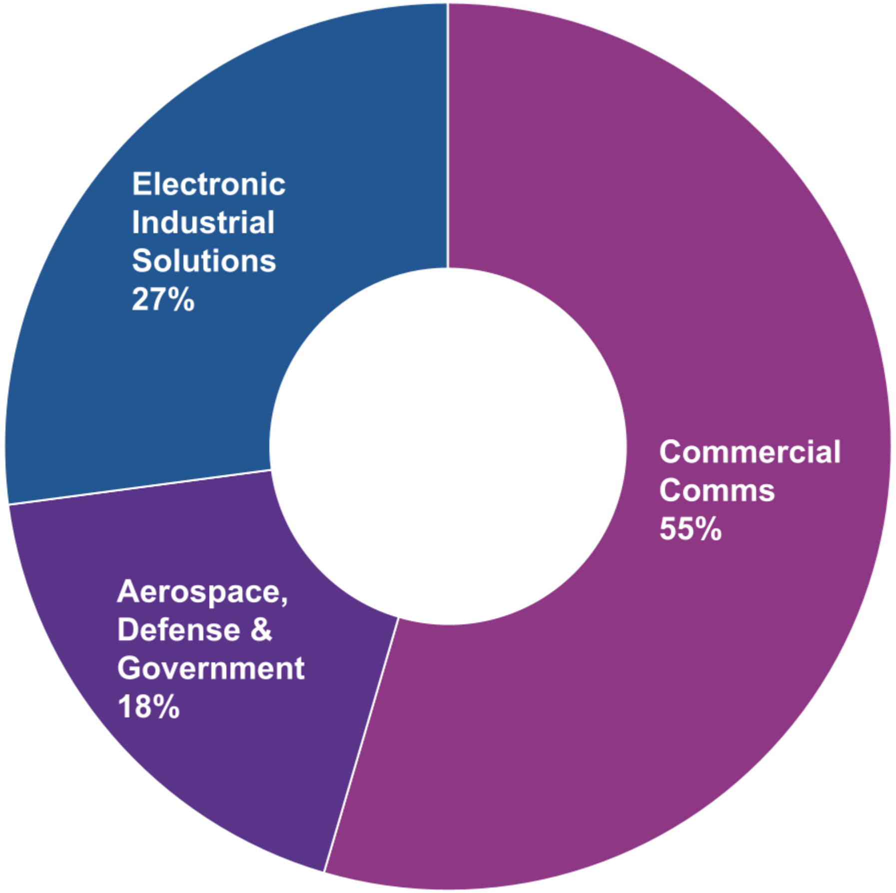
EISG Revenue



EISG Income from Operations

[1] Core excludes the impact of currency, acquisitions or divestitures closed in last twelve months; reconciliations included. Segment revenue and income from operations are consistent with the non-GAAP financial measures as defined in the "Non-GAAP Financial Measures" slide.

Q3’26 Revenue By End Market



End Market	Revenue	YoY %
Commercial Communications	$1,006M	+56%
Aerospace, Defense & Government	$339M	+14%
Electronic Industrial Solutions	$501M	+21%
Total	**$1,846M**	**+36%**

Guidance and Financial Considerations

	Q4'26 Guidance	Implied FY26
Revenue	**$1.930B – $1.950B**	**$7.103B**
Y/Y growth at the midpoint	***37%***	***32%***
Non-GAAP Earnings per share	**$3.34 – $3.40**	**$11.48**
Y/Y growth at the midpoint	***76%***	***60%***

Q4'26 Financial Assumptions

- Interest Income, Interest Expense and Other Income/Expense: ~$3-5M net income
- Non-GAAP tax rate of 14%
- Guidance assumes Q4 weighted average diluted share count of approximately 172M shares

Reconciliations

RECONCILIATION OF CORE REVENUE

(In millions)

(Unaudited)

PRELIMINARY

	Three months ended July 31,			Nine months ended July 31,		
	2026	**2025**	**Percent Inc/(Dec)**	**2026**	**2025**	**Percent Inc/(Dec)**
Revenue	**$ 1,846**	**$ 1,352**	**36%**	**$ 5,163**	**$ 3,956**	**31%**
Adjustments:						
Revenue from acquisitions or divestitures	(84)	—		(275)	—	
Currency impacts	6	—		(27)	—	
Core revenue	**$ 1,768**	**$ 1,352**	**31%**	**$ 4,861**	**$ 3,956**	**23%**

RECONCILIATIONS OF CORE REVENUE BY SEGMENT AND REGION

(In millions)

(Unaudited)

PRELIMINARY

	Year-over-Year							
	Revenue			Revenue from acquisitions or divestitures	Currency impacts	Core revenue		
Revenue by segment	Q3'26	Q3'25	YoY % Chg.	Q3'26	Q3'26	Q3'26	Q3'25	YoY % Chg.
Communications Solutions Group	$ 1,345	$ 940	43%	$ 66	$ (1)	$ 1,280	$ 940	36%
Electronic Industrial Solutions Group	501	412	21%	18	(5)	488	412	18%
Total revenue	**$ 1,846**	**$ 1,352**	**36%**	**$ 84**	**$ (6)**	**$ 1,768**	**$ 1,352**	**31%**

	Revenue			Revenue from acquisitions or divestitures	Currency impacts	Core revenue		
Revenue by region	Q3'26	Q3'25	YoY % Chg.	Q3'26	Q3'26	Q3'26	Q3'25	YoY % Chg.
Americas	$ 729	$ 566	29%	$ 52	$ —	$ 677	$ 566	20%
Europe	307	217	41%	14	6	287	217	32%
Asia Pacific	810	569	42%	18	(12)	804	569	41%
Total revenue	**$ 1,846**	**$ 1,352**	**36%**	**$ 84**	**$ (6)**	**$ 1,768**	**$ 1,352**	**31%**

REVENUE BY END MARKETS

(In millions)

(Unaudited)

PRELIMINARY

	Q3'26	Q3'25	Percent Inc/(Dec)
Aerospace, Defense and Government	$ 339	$ 296	14%
Commercial Communications	1,006	644	56%
Electronic Industrial	501	412	21%
Total Revenue	**$ 1,846**	**$ 1,352**	**36%**

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

GROSS MARGIN RECONCILIATION

(In millions, except percentages)

(Unaudited)

PRELIMINARY

	Three months ended July 31,		Nine months ended July 31,	
	2026	**2025**	**2026**	**2025**
Gross profit, as reported	**$ 1,216**	**$ 834**	**$ 3,389**	**$ 2,468**
Amortization of acquisition-related balances	50	19	150	58
Share-based compensation	8	8	37	28
Acquisition and integration costs	—	—	1	1
Restructuring and others	—	3	5	7
Non-GAAP gross profit	**$ 1,274**	**$ 864**	**$ 3,582**	**$ 2,562**
GAAP gross margin, %	**65.8%**	**61.7%**	**65.6%**	**62.4%**
Non-GAAP gross margin, %	**69.0%**	**63.9%**	**69.4%**	**64.8%**

OPERATING MARGIN RECONCILIATION

(In millions, except percentages)

(Unaudited)

PRELIMINARY

	Three months ended July 31,		Nine months ended July 31,	
	2026	**2025**	**2026**	**2025**
Income from operations, as reported	**$ 461**	**$ 234**	**$ 1,116**	**$ 659**
Amortization of acquisition-related balances	72	33	218	100
Share-based compensation	47	32	182	131
Acquisition and integration costs	30	31	89	98
Restructuring and others	3	8	19	32
Non-GAAP income from operations	**$ 613**	**$ 338**	**$ 1,624**	**$ 1,020**
GAAP operating margin, %	**24.9%**	**17.3%**	**21.6%**	**16.7%**
Non-GAAP operating margin, %	**33.2%**	**25.0%**	**31.5%**	**25.8%**

CORE OPERATING MARGIN RECONCILIATION

(In millions, except percentages)

(Unaudited)

PRELIMINARY

	Three months ended July 31,	
	2026	**2025**
Non-GAAP income from operations	$ 613	$ 338
Adjustments:		
Operating profit from acquisitions or divestitures	(5)	—
Currency impacts	6	—
Core Income from operations	$ 614	$ 338
Core Revenue	$ 1,768	$ 1,352
Core Operating margin, %	34.7%	25.0%

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

NET INCOME AND DILUTED EPS RECONCILIATION

(In millions, except per share data)

(Unaudited)

PRELIMINARY

	Three months ended July 31,				Nine months ended July 31,			
	2026		2025		2026		2025	
	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS
GAAP Net income	**$ 397**	**$ 2.30**	**$ 191**	**$ 1.10**	**$ 1,027**	**$ 5.93**	**$ 617**	**$ 3.56**
Non-GAAP adjustments:								
Amortization of acquisition-related balances	72	0.42	33	0.19	218	1.26	100	0.58
Share-based compensation	47	0.27	32	0.18	182	1.05	131	0.75
Acquisition and integration costs	28	0.16	46	0.27	88	0.51	70	0.40
Restructuring and others	4	0.03	10	0.05	20	0.12	35	0.20
Net loss (gain) on investments	(11)	(0.06)	(16)	(0.09)	31	0.18	(39)	(0.22)
Adjustment for taxes[a]	(6)	(0.05)	1	0.02	(162)	(0.94)	(5)	(0.03)
Non-GAAP Net income	**$ 531**	**$ 3.07**	**$ 297**	**$ 1.72**	**$ 1,404**	**$ 8.11**	**$ 909**	**$ 5.24**
Weighted average shares outstanding - diluted	173		173		173		173	

[a] For both the three and nine months ended July 31, 2026 and 2025, management used a non-GAAP effective tax rate of 14%.

FREE CASH FLOW

(In millions)

(Unaudited)

PRELIMINARY

	Three months ended July 31,		Nine months ended July 31,	
	2026	**2025**	**2026**	**2025**
Net cash provided by operating activities	$ 437	$ 322	$ 1,379	$ 1,184
Adjustments:				
Investments in property, plant and equipment	(34)	(31)	(97)	(90)
Free cash flow	**$ 403**	**$ 291**	**$ 1,282**	**$ 1,094**

Non-GAAP Financial Measures

Our financial results are prepared in accordance with generally accepted accounting principles in the U.S. (“GAAP”). To provide investors with additional insight, 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.

The following items are excluded from our non-GAAP financial measures:

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 gains/losses on foreign exchange contracts and legal, accounting and due diligence costs. While we have a history of acquisition activity, we do not acquire businesses on a predictable cycle, and the amount of an acquisition’s purchase price allocated to intangible assets and the related amortization term are unique to each acquisition and can vary significantly from acquisition to acquisition.

Share-based compensation expense: We exclude share-based compensation expense from our non-GAAP financial measures as it is primarily a non-cash charge and 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. Share-based compensation expenses will recur in future periods. 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, that are usually aimed at material changes in the business or cost structure. Such costs may include employee separation costs, 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 significant non-recurring events like realized gains or losses associated with our employee benefit plans, asset impairments, costs and recoveries related to unusual events, gains/losses 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.

Net gains/losses on investments: We also exclude net gains and losses on investments, which primarily represent profits or losses recognized from changes in the fair value and/or sale of securities. Such fluctuations are driven by market conditions and factors beyond our control and are not indicative of the Company’s core operating results.

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 fourth quarter of fiscal 2026 to the GAAP equivalent.

Management recognizes that 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.

Core Revenue/Margin excludes the impact of a) foreign currency changes and b) 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 outside our control and may obscure underlying growth trends. To determine this impact, current period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the actual exchange rates in effect during the respective prior periods. Given 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.

Free cash flow includes cash provided by operating activities calculated according to GAAP less net investments in property, plant and equipment. Management believes free cash flow provides useful supplemental information regarding the company's ability to generate cash after investments required to support ongoing business operations and facilitates an evaluation of the company's liquidity, financial flexibility, and capital allocation priorities.

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