KEYSIGHT TECHNOLOGIES, INC.
Financial Information Index of Schedules

Fiscal Periods
Q1 - Three months ended January 31
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KEYSIGHT TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(In millions, except per share data)
(Unaudited)
PRELIMINARY

	Three months ended July 31,		Nine months ended July 31,	
	2025	2024	2025	2024
Orders	$ 1,340	$ 1,249	$ 3,919	$ 3,688
Revenue	$ 1,352	$ 1,217	$ 3,956	$ 3,692
Costs and expenses:				
Cost of products and services	518	462	1,488	1,361
Research and development	250	226	749	686
Selling, general and administrative	354	329	1,075	1,052
Other operating expense (income), net	(4)	(5)	(15)	(10)
Total costs and expenses	1,118	1,012	3,297	3,089
Income from operations	234	205	659	603
Interest income	31	19	71	60
Interest expense	(28)	(21)	(68)	(61)
Other income (expense), net	4	10	98	15
Income before taxes	241	213	760	617
Provision (benefit) for income taxes	50	(176)	143	(70)
Net income	$ 191	$ 389	$ 617	$ 687
Net income per share:				
Basic	$ 1.11	$ 2.23	$ 3.58	$ 3.94
Diluted	$ 1.10	$ 2.22	$ 3.56	$ 3.92
Weighted average shares used in computing net income per share:				
Basic	172	174	172	174
Diluted	173	175	173	175

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

	July 31, 2025	October 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,636	$ 1,796
Accounts receivable, net	692	857
Inventory	1,021	1,022
Other current assets	1,255	582
Total current assets	5,604	4,257
Property, plant and equipment, net	766	774
Operating lease right-of-use assets	224	234
Goodwill	2,429	2,388
Other intangible assets, net	524	607
Long-term investments	157	110
Long-term deferred tax assets	392	378
Other assets	555	521
Total assets	$ 10,651	$ 9,269
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	342	313
Employee compensation and benefits	290	295
Deferred revenue	557	561
Income and other taxes payable	144	90
Operating lease liabilities	48	43
Other accrued liabilities	179	125
Total current liabilities	1,560	1,427
Long-term debt	2,533	1,790
Retirement and post-retirement benefits	84	81
Long-term deferred revenue	208	206
Long-term operating lease liabilities	183	197
Other long-term liabilities	413	463
Total liabilities	4,981	4,164
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; 202 million and 201 million shares issued, respectively	2	2
Treasury stock, at cost; 30.2 million shares and 28.4 million shares, respectively	(3,698)	(3,422)
Additional paid-in-capital	2,819	2,664
Retained earnings	6,842	6,225
Accumulated other comprehensive loss	(295)	(364)
Total stockholders' equity	5,670	5,105
Total liabilities and equity	$ 10,651	$ 9,269

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

	Nine months ended July 31, 2025	Nine months ended July 31, 2024
Cash flows from operating activities:		
Net income	$ 617	$ 687
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	97	94
Amortization	104	108
Share-based compensation	129	111
Deferred tax expense (benefit)	(58)	(21)
Excess and obsolete inventory-related charges	30	26
Unrealized loss (gain) on equity and other investments	(39)	(7)
Other non-cash expenses (income), net	5	2
Changes in assets and liabilities, net of effects of businesses acquired:		
Accounts receivable	173	130
Inventory	(21)	(51)
Accounts payable	29	(4)
Employee compensation and benefits	(8)	(69)
Deferred revenue	(12)	(35)
Income taxes payable	42	(24)
Income taxes receivable	78	(161)
Other assets and liabilities	18	(93)
Net cash provided by operating activities[a]	1,184	693
Cash flows from investing activities:		
Investments in property, plant and equipment	(90)	(116)
Acquisitions of businesses and intangible assets, net of cash acquired	(3)	(673)
Other investing activities	(4)	8
Net cash used in investing activities	(97)	(781)
Cash flows from financing activities:		
Proceeds from issuance of common stock under employee stock plans	63	65
Payment of taxes related to net share settlement of equity awards	(38)	(31)
Proceeds from issuance of long-term debt	748	—
Acquisition of non-controlling interests	—	(458)
Treasury stock repurchases, including excise tax payments	(278)	(289)
Debt issuance costs	(8)	(7)
Repayment of debt	—	(24)
Other financing activities	—	(9)
Net cash provided by (used in) financing activities	487	(753)
Effect of exchange rate movements	9	2
Net increase (decrease) in cash, cash equivalents, and restricted cash	1,583	(839)
Cash, cash equivalents, and restricted cash at beginning of period	1,814	2,488
Cash, cash equivalents, and restricted cash at end of period	$ 3,397	$ 1,649

[a] Cash payments included in operating activities:

	2025	2024
Interest payments	$ 39	$ 38
Income tax paid, net	$ 74	$ 130

KEYSIGHT TECHNOLOGIES, INC.
COMMUNICATIONS SOLUTIONS GROUP (CSG)
(In millions, except where noted)
(Unaudited)
PRELIMINARY

	FY 2025				
	Q1	**Q2**	**Q3**	**Q4**	**Total**
Revenue	$ 883	$ 913	$ 940		$ 2,736
Gross margin, %	68.0%	66.9%	66.7%		67.2%
Income from operations	$ 240	$ 236	$ 246		$ 722
Operating margin, %	27.2%	25.9%	26.1%		26.4%

	FY 2024				
	Q1	**Q2**	**Q3**	**Q4**	**Total**
Revenue	$ 839	$ 840	$ 847	$ 894	$ 3,420
Gross margin, %	68.4%	68.0%	67.0%	67.2%	67.6%
Income from operations	$ 226	$ 223	$ 223	$ 249	$ 921
Operating margin, %	27.0%	26.5%	26.3%	27.9%	26.9%

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

KEYSIGHT TECHNOLOGIES, INC.
ELECTRONIC INDUSTRIAL SOLUTIONS GROUP (EISG)
(In millions, except where noted)
(Unaudited)
PRELIMINARY

	FY 2025				
	Q1	Q2	Q3	Q4	Total
Revenue	$ 415	$ 393	$ 412		$ 1,220
Gross margin, %	61.1%	59.4%	57.4%		59.3%
Income from operations	$ 114	$ 92	$ 92		$ 298
Operating margin, %	27.4%	23.4%	22.3%		24.4%

	FY 2024				
	Q1	Q2	Q3	Q4	Total
Revenue	$ 420	$ 376	$ 370	$ 393	$ 1,559
Gross margin, %	64.9%	58.2%	57.5%	58.3%	59.9%
Income from operations	$ 129	$ 71	$ 74	$ 83	$ 357
Operating margin, %	30.6%	19.0%	20.1%	21.1%	22.9%

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

KEYSIGHT TECHNOLOGIES, INC.
GROSS PROFIT AND OPERATING MARGIN RECONCILIATIONS
(In millions, except where noted)
(Unaudited)
PRELIMINARY

Reconciliation of Gross Profit to non-GAAP Gross Profit

	Three months ended July 31,		Nine months ended July 31,	
	2025	2024	2025	2024
Gross Profit, as reported	$ 834	$ 755	$ 2,468	$ 2,331
Amortization of acquisition-related balances	19	17	58	51
Share-based compensation	8	7	28	22
Acquisition and integration costs	—	1	1	1
Restructuring and others	3	1	7	12
Non-GAAP Gross Profit	$ 864	$ 781	$ 2,562	$ 2,417
GAAP Gross margin, %	61.7%	62.0%	62.4%	63.1%
Non-GAAP Gross margin, %	63.9%	64.1%	64.8%	65.5%

Reconciliation of Income from Operations to non-GAAP Income from Operations

	Three months ended July 31,		Nine months ended July 31,	
	2025	2024	2025	2024
Income from operations, as reported	$ 234	$ 205	$ 659	$ 603
Amortization of acquisition-related balances	33	31	100	106
Share-based compensation	32	32	131	118
Acquisition and integration costs	31	23	98	59
Restructuring and others	8	6	32	60
Non-GAAP income from operations	$ 338	$ 297	$ 1,020	$ 946
GAAP Operating margin, %	17.3%	16.8%	16.7%	16.3%
Non-GAAP Operating margin, %	25.0%	24.4%	25.8%	25.6%

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

KEYSIGHT TECHNOLOGIES, INC.
OPERATING EXPENSES RECONCILIATIONS
(In millions)
(Unaudited)
PRELIMINARY

Reconciliation of research & development expenses to non-GAAP research & development expenses

	Three months ended July 31,		Nine months ended July 31,	
	2025	**2024**	**2025**	**2024**
Research & development expenses, as reported	$ 250	$ 226	$ 749	$ 686
Share-based compensation	(9)	(8)	(34)	(30)
Acquisition and integration costs	—	—	(1)	—
Restructuring and others	(1)	(2)	(6)	(9)
Non-GAAP research & development expenses	$ 240	$ 216	$ 708	$ 647

Reconciliation of selling, general & administrative expenses to non-GAAP selling, general & administrative expenses

	Three months ended July 31,		Nine months ended July 31,	
	2025	**2024**	**2025**	**2024**
Selling, general & administrative expenses, as reported	$ 354	$ 329	$ 1,075	$ 1,052
Amortization of acquisition-related balances	(14)	(14)	(42)	(55)
Share-based compensation	(15)	(17)	(69)	(66)
Acquisition and integration costs	(31)	(22)	(96)	(58)
Restructuring and others	(4)	(3)	(19)	(39)
Non-GAAP selling, general & administrative expenses	$ 290	$ 273	$ 849	$ 834

Reconciliation of other operating expense (income), net to non-GAAP other operating expense (income), net

	Three months ended July 31,		Nine months ended July 31,	
	2025	**2024**	**2025**	**2024**
Other operating expense (income), net, as reported	$ (4)	$ (5)	$ (15)	$ (10)
Non-GAAP other operating expense (income), net	$ (4)	$ (5)	$ (15)	$ (10)

Reconciliation of operating expenses to non-GAAP operating expenses

	Three months ended July 31,		Nine months ended July 31,	
	2025	**2024**	**2025**	**2024**
Operating expenses, as reported	$ 600	$ 550	$ 1,809	$ 1,728
Amortization of acquisition-related balances	(14)	(14)	(42)	(55)
Share-based compensation	(24)	(25)	(103)	(96)
Acquisition and integration costs	(31)	(22)	(97)	(58)
Restructuring and others	(5)	(5)	(25)	(48)
Non-GAAP operating expenses	$ 526	$ 484	$ 1,542	$ 1,471

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

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

	Three months ended July 31,				Nine months ended July 31,			
	2025		2024		2025		2024	
	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS
GAAP Net income	$ 191	$ 1.10	$ 389	$ 2.22	$ 617	$ 3.56	$ 687	$ 3.92
Non-GAAP adjustments:								
Amortization of acquisition-related balances	33	0.19	31	0.18	100	0.58	106	0.60
Share-based compensation	32	0.18	32	0.18	131	0.75	118	0.68
Acquisition and integration costs	46	0.27	16	0.09	70	0.40	56	0.32
Restructuring and others	(6)	(0.04)	6	0.03	(4)	(0.02)	44	0.25
Adjustment for taxes[(a)]	1	0.02	(199)	(1.13)	(5)	(0.03)	(203)	(1.16)
Non-GAAP Net income	$ 297	$ 1.72	$ 275	$ 1.57	$ 909	$ 5.24	$ 808	$ 4.61
Weighted average shares outstanding - diluted	173		175		173		175	

[(a)] For the three and nine months ended July 31, 2025, management uses a non-GAAP effective tax rate of 14%. For the three and nine months ended July 31, 2024, management uses a non-GAAP effective tax rate of 8% and 14%, respectively.

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

KEYSIGHT TECHNOLOGIES, INC.
RECONCILIATIONS OF CORE REVENUE BY SEGMENT AND REGION
(In millions)
(Unaudited)
PRELIMINARY

	Year-over-Year							
	Revenue			Revenue from acquisitions or divestitures	Currency Adjustments[a]	Core Revenue		
Revenue by Segment	Q3'25	Q3'24	YoY % Chg.	Q3'25	Q3'25	Q3'25	Q3'24	YoY % Chg.
Communications Solutions Group	$ 940	$ 847	11%	$ 2	$ 10	$ 928	$ 847	10%
Electronic Industrial Solutions Group	412	370	11%	—	9	403	370	9%
Total Revenue	$ 1,352	$ 1,217	11%	$ 2	$ 19	$ 1,331	$ 1,217	9%

	Revenue			Revenue from acquisitions or divestitures	Currency Adjustments[a]	Core Revenue		
Revenue by Region	Q3'25	Q3'24	YoY % Chg.	Q3'25	Q3'25	Q3'25	Q3'24	YoY % Chg.
Americas	$ 566	$ 500	13%	$ 1	$ —	$ 565	$ 500	13%
Europe	217	221	(2)%	1	10	206	221	(6)%
Asia Pacific	569	496	15%	—	9	560	496	13%
Total Revenue	$ 1,352	$ 1,217	11%	$ 2	$ 19	$ 1,331	$ 1,217	9%

[a] We compare the year-over-year change in revenue excluding the effect of foreign currency rate fluctuations to assess the performance of our underlying business. To determine the impact of currency fluctuations, current period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the actual exchange rate in effect during the respective prior periods.

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

	Q3'25	Q3'24	Percent Inc/(Dec)
Aerospace, Defense and Government	$ 296	$ 275	8%
Commercial Communications	644	572	13%
Electronic Industrial	412	370	11%
Total Revenue	$ 1,352	$ 1,217	11%

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

	Three months ended July 31,		Nine months ended July 31,	
	2025	**2024**	**2025**	**2024**
Net cash provided by operating activities	$ 322	$ 255	$ 1,184	$ 693
Less: Investments in property, plant and equipment	(31)	(33)	(90)	(116)
Free cash flow	$ 291	$ 222	$ 1,094	$ 577

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

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.

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 unrealized gains on equity investments still held, 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 fourth quarter of fiscal 2025 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.