



DANAHER BUSINESS SYSTEM

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Forward Looking Statements

Statements in this presentation that are not strictly historical, including any statements regarding events or developments that we anticipate will or may occur in the future are "forward-looking" statements within the meaning of the federal securities laws. There are a number of important factors that could cause actual results, developments and business decisions to differ materially from those suggested or indicated by such forward-looking statements and you should not place undue reliance on any such forward-looking statements. These factors include, among other things deterioration of or instability in the economy, the markets we serve and the financial markets, contractions or growth rates and cyclicity of markets we serve, competition, our ability to develop and successfully market new products and technologies and expand into new markets, the potential for improper conduct by our employees, agents or business partners, our compliance with applicable laws and regulations (including regulations relating to medical devices and the health care industry), our ability to effectively address cost reductions and other changes in the health care industry, our ability to successfully identify and consummate appropriate acquisitions and strategic investments and successfully complete divestitures and other dispositions, our ability to integrate the businesses we acquire and achieve the anticipated benefits of such acquisitions, contingent liabilities relating to acquisitions, investments and divestitures (including tax-related and other contingent liabilities relating to the distributions of each of Fortive Corporation and our communications business), security breaches or other disruptions of our information technology systems or violations of data privacy laws, the impact of our restructuring activities on our ability to grow, risks relating to potential impairment of goodwill and other intangible assets, currency exchange rates, tax audits and changes in our tax rate and income tax liabilities, changes in tax laws applicable to multinational companies, litigation and other contingent liabilities including intellectual property and environmental, health and safety matters, the rights of the United States government to use, disclose and license certain intellectual property we license if we fail to commercialize it, risks relating to product, service or software defects, product liability and recalls, risks relating to product manufacturing, the impact of our debt obligations on our operations and liquidity, our relationships with and the performance of our channel partners, uncertainties relating to collaboration arrangements with third parties, commodity costs and surcharges, our ability to adjust purchases and manufacturing capacity to reflect market conditions, reliance on sole sources of supply, the impact of deregulation on demand for our products and services, labor matters, international economic, political, legal, compliance and business factors (including the impact of the UK's decision to leave the EU and changes in US policy stemming from the current administration, such as changes in US trade policies and the reaction of other countries thereto), disruptions relating to man-made and natural disasters, and pension plan costs. Additional information regarding the factors that may cause actual results to differ materially from these forward-looking statements is available in our SEC filings, including our 2017 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the first quarter of 2018. These forward-looking statements speak only as of the date of this presentation and except to the extent required by applicable law, the Company does not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.

All references in this presentation (1) to company-specific financial metrics relate only to the continuing operations of Danaher's business, unless otherwise noted; (2) to "growth" or other period-to-period changes refer to year-over-year comparisons unless otherwise indicated; (3) to Operating Profit below the segment level exclude amortization; and (4) to "today" refers to the Company's performance for the first quarter of 2018. We may also describe certain products and devices which have applications submitted and pending for certain regulatory approvals.

What You'll Learn About the Danaher Business System (DBS)

DBS OVERVIEW: EVOLUTION FROM LEAN TO BALANCED APPROACH INCLUDING GROWTH & LEADERSHIP

Impact of DBS on Growth

DBS in action at recent acquisitions: from process to results

Building outstanding leaders through DBS

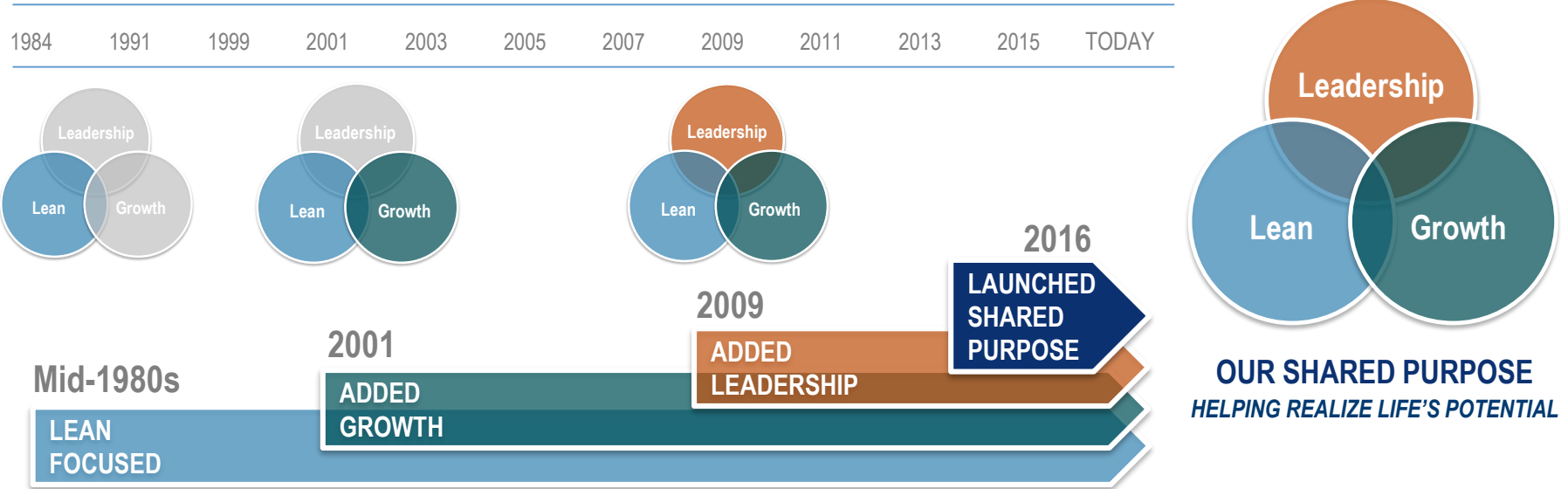
DBS is our sustainable competitive advantage

DBS is Our Competitive Advantage



OUR SHARED PURPOSE
HELPING REALIZE LIFE'S POTENTIAL

Evolution of the Danaher Business System (DBS)



As portfolio evolved, so has DBS – from Lean to a balanced approach

Core Value Drivers (CVDs) are How We Quantitatively Measure Success

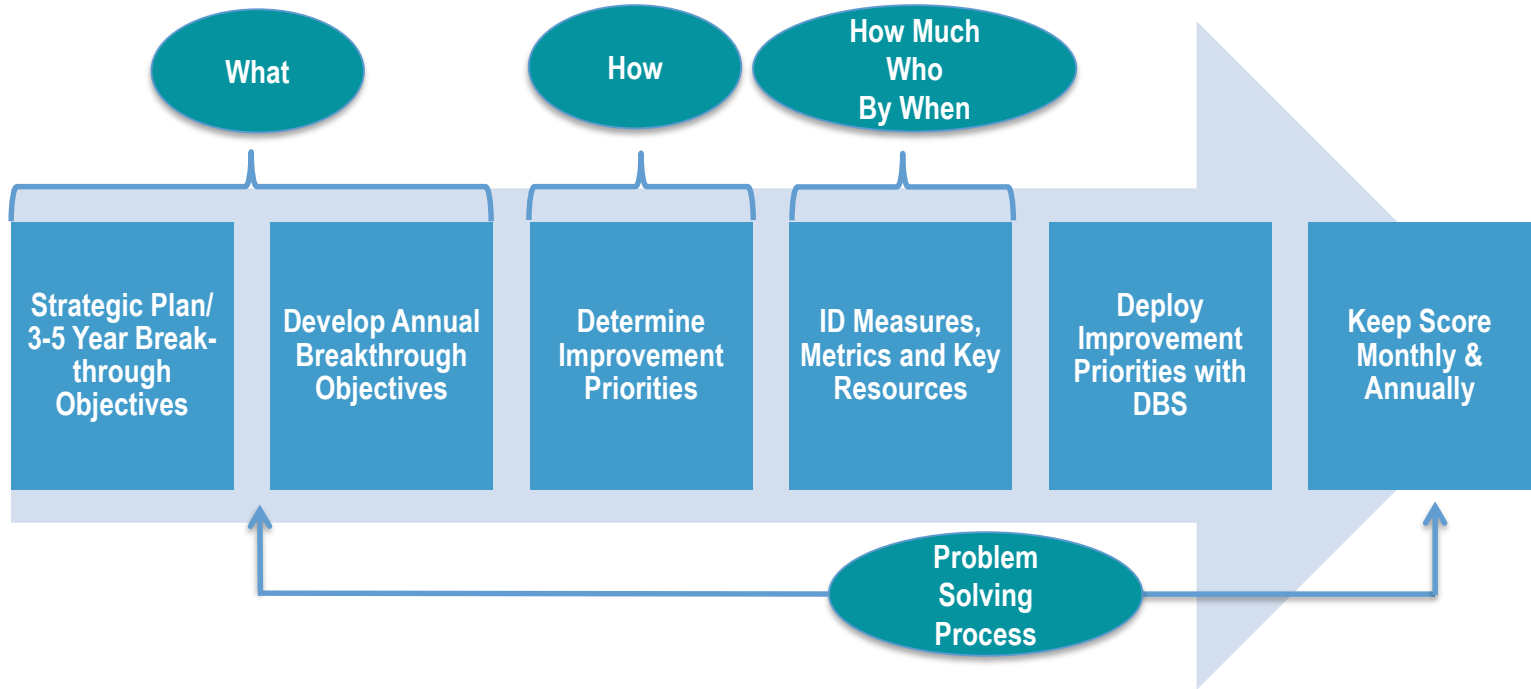


8 CORE VALUE DRIVERS

SHAREHOLDER	CORE REVENUE GROWTH OMX CASH FLOW / WC TURNS ROIC
<small>*OMX* is Operating Margin Expansion; *WC* is Working Capital</small>	
CUSTOMER	QUALITY (EXTERNAL PPM) ON-TIME DELIVERY (OTD)
ASSOCIATE	INTERNAL FILL RATE RETENTION

All operating reviews begin with discussion of CVDs

What is the Annual Process to Drive Performance?



Converting our strategy into execution through Policy Deployment

DBS Fundamentals are the Foundation



DBS FUNDAMENTALS	
PROBLEM SOLVING PROCESS	VOICE OF THE CUSTOMER
STANDARD WORK	VALUE STREAM MAPPING
TRANSACTIONAL PROCESS IMPROVEMENT	VISUAL & DAILY MANAGEMENT
KAIZEN	5S

Expand capabilities, drive consistent execution and sustain outstanding results

What Differentiates DBS

DBS is diversely applicable and always relevant – at any business, in any end-market

It is a mindset and it is our culture – DBS is who we are, and how we do what we do

DBS is constantly evolving: in the spirit of continuous improvement, we are always “DBSing” DBS

“Common sense, vigorously applied”

What You'll Learn About DBS

DBS overview: evolution from Lean to balanced approach including Growth & Leadership

IMPACT OF DBS ON GROWTH

DBS in action at recent acquisitions: from process to results

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DBS Growth Tools



INNOVATION TOOLS

EXAMPLES:

Strategic Product Envelope	Product Planning Group	Customer Segmentation
Danaher Innovation Process	Accelerated Product Development	Speed Design Review...



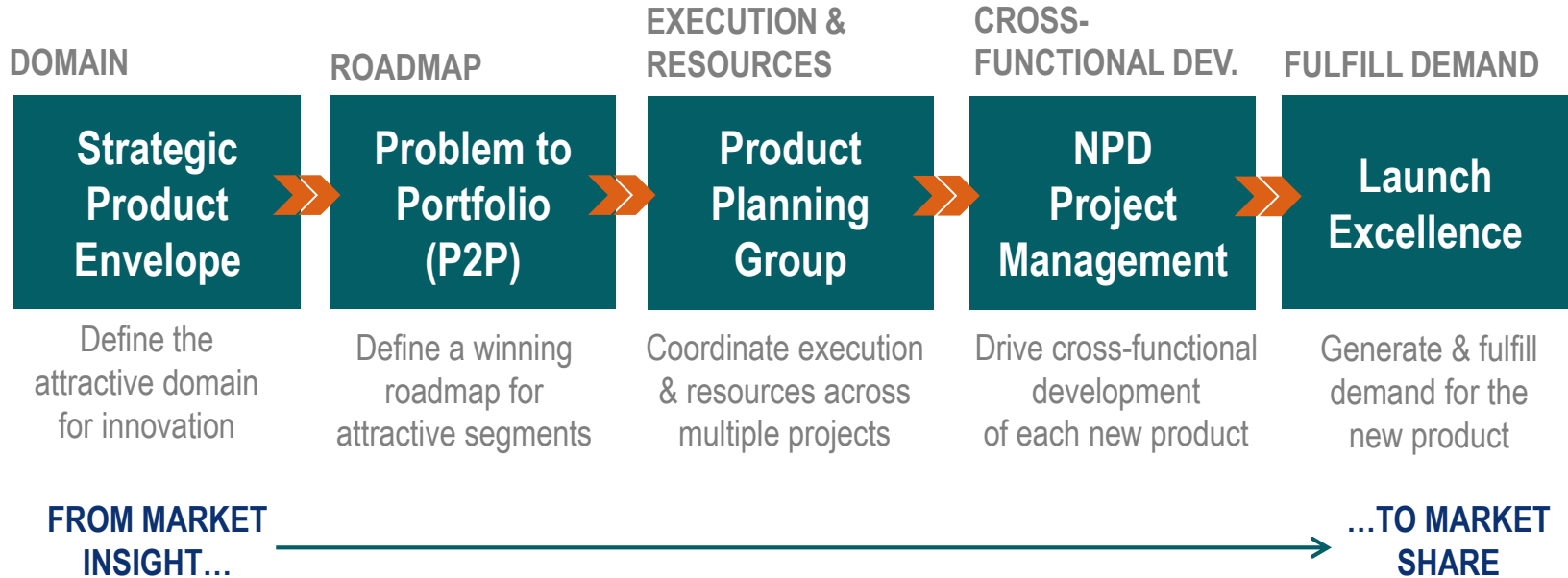
COMMERCIAL TOOLS

EXAMPLES:

Transformative Marketing	Value Selling	Lead Nurturing
Funnel Management	Strategic Negotiations	Sales Force Initiative...

DBS Growth comprised of innovation & commercial tools

DBS Innovation Tools



Replicable process for innovation provides competitive advantage

DBS Innovation in Action: Speed Design Review at Hach



BASICS OF SPEED DESIGN REVIEW (SDR)

- Gather VOC; go to Gemba
- Obeya room with cross-functional teams together
- Simultaneous product & process optimization
- Rapid prototyping & evaluation

SDR IN ACTION: HACH CM130 CHLORINE MONITORING SYSTEM FOR DIALYSIS

VOC

Customer purchased Hach drinking water product to try in a dialysis capacity

GEMBA

Dialysis clinics are required to test water every 4 hours

SPEED

15 product design “sprints”

RESULTS

**1ST FDA
CLEARED**

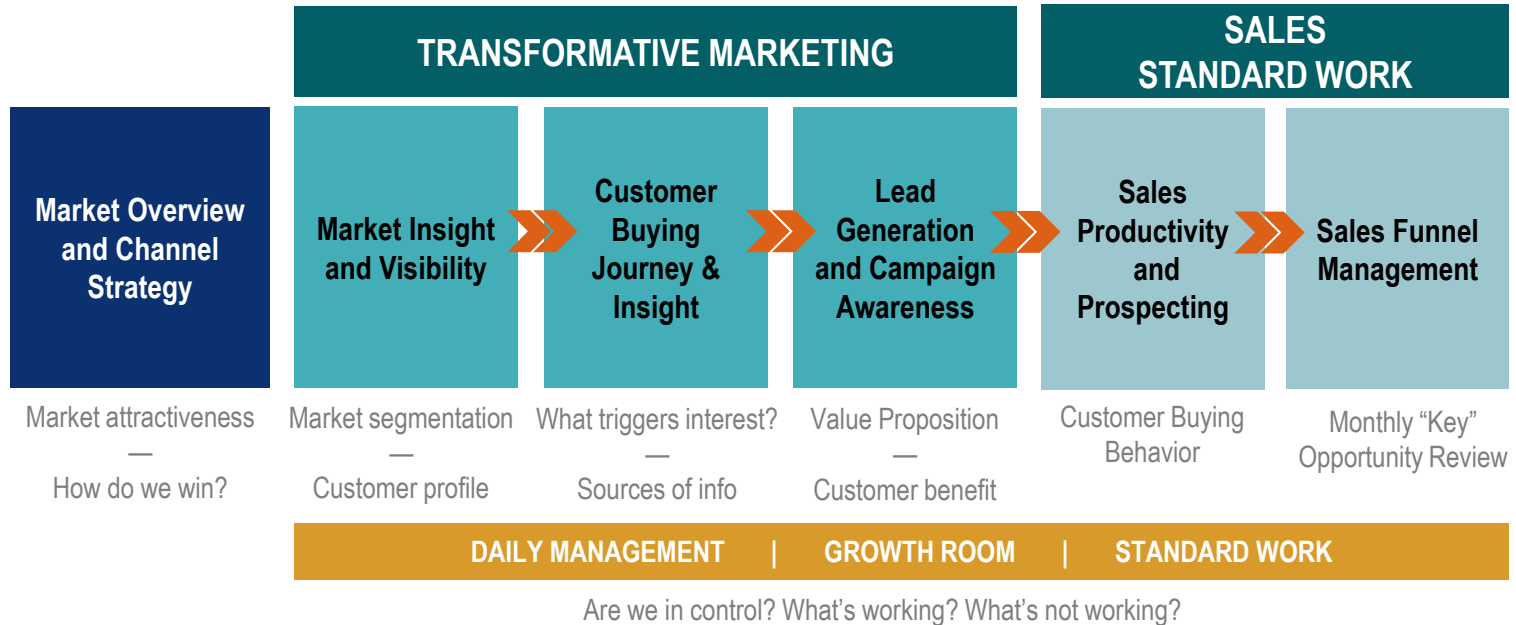
ONLINE CHLORINE ANALYZER
FOR DIALYSIS

+\$50M

NEW ADJACENT
ADDRESSABLE MARKET



DBS Commercial Tools



Integrated marketing & sales tools to drive commercial execution, accelerate growth

Commercial Execution Driving Growth at Pall



SITUATION AT ACQUISITION

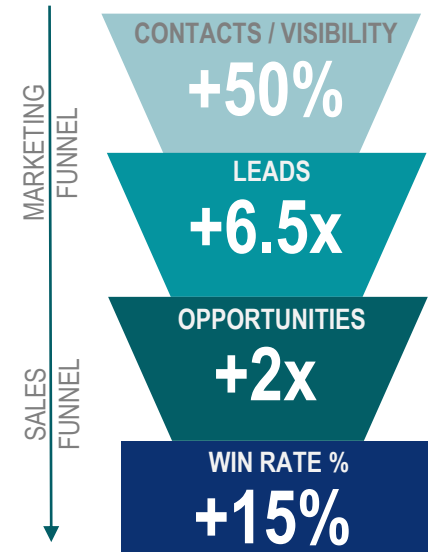
- Limited process for improving market visibility
- Little to no digital marketing capabilities
- No repeatable process for generating / nurturing high-quality sales leads

DBS ACTIONS

- **Transformative Marketing:** Disciplined marketing campaigns to improve visibility & account coverage
- **Lead Handling:** Prioritize & deliver more qualified leads to sales
- **Funnel Management:** Streamlined sales funnel process to improve win rates

2017
RESULTS

BIOPHARMA
“WIN THE SPEC”



Using DBS to improve S&M processes and drive better growth

What You'll Learn About DBS

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Impact of DBS on Growth

DBS IN ACTION AT RECENT ACQUISITIONS: FROM PROCESS TO RESULTS

Building outstanding leaders through DBS

DBS is our sustainable competitive advantage

Our Strategic Approach to M&A is a DBS Process

MARKET

- Secular growth drivers
- Fragmented
- Higher barriers to entry
- Optionality with multi-industry portfolio

COMPANY

- Competitive market position
- Strong brand / channel
- Consistent revenue visibility
- Higher margin businesses
- Cultural fit

VALUATION

- Focus on ROIC
- DBS opportunities
- Sustainability
- Synergies with DHR OpCos
- Combination of value & growth deals

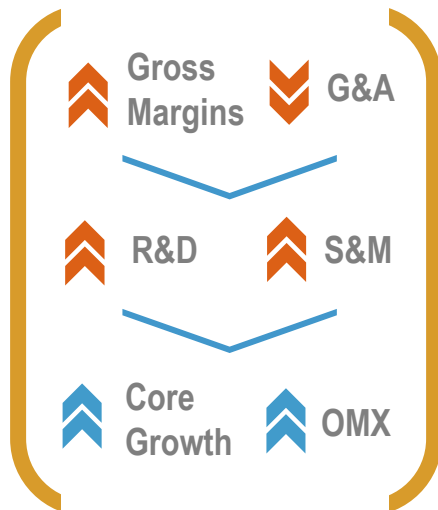
Selectively pursuing value creation opportunities

How We Create Value: Running the Danaher Playbook

IMPROVE COST
STRUCTURE

REINVEST
FOR GROWTH

ACCELERATE
MARGINS &
CORE GROWTH



Core Revenue Growth

+

Margin Expansion

+

Strong Free Cash Flow

+

Acquisitions

=

**TOP QUARTILE EPS GROWTH &
COMPOUNDING RETURNS**

Balanced approach to create shareholder value

Acquisitions: a Tailored Approach with DBS



*Added attractive packaging
print inspection adjacency*



*Highly innovative,
differentiated products &
technology*



*Strong global dental brand
that brought presence in
implants & digital dentistry*



*Outstanding franchise
in attractive, fast-
growing markets*

INITIAL PRIORITIES / KEY AREAS OF DBS FOCUS

- 1) IMPROVE MARKET VISIBILITY
- 2) BUILD OFF EXISTING PID CUSTOMER BASE
- 3) ENHANCE MARGINS

- 1) ENHANCE COMMERCIAL EXECUTION
- 2) IMPROVE OPERATIONAL LEVERAGE
- 3) BUILD SCALE GLOBALLY

- 1) BUILD ON NEW PRODUCT INITIATIVES
- 2) ENHANCE GO-TO-MARKET STRATEGY THROUGH SALES-FORCE EXPANSION
- 3) REDUCE G&A

- 1) ACCELERATE INNOVATION
- 2) IMPROVE EXECUTION
- 3) REDUCE COSTS

Initial priorities and areas of DBS focus are tailored to each acquisition

Tailored Integration with DBS: 2015 Pall Acquisition

INTEGRATION PROCESS

- **>50 DHR associates** facilitating DBS post close
- **>300 kaizen events** in year one post close
- **>70% of associates** completed DBS training in the first 90 days

RESULTS SINCE ACQUISITION

ACCELERATE
INNOVATION

+50%

NUMBER OF
NEW PRODUCT
LAUNCHES

IMPROVE
EXECUTION

>2,000_{BPS}

ON-TIME-
DELIVERY
IMPROVEMENT

REDUCE
COSTS

>\$200M

COST SAVINGS
ACHIEVED

Rapid DBS adoption has been a critical driver of Pall's great start

Update on Recent Larger Acquisitions

ACQUIRED DEC 2014 3 YEARS IN



AT ACQ.

TODAY

Core Growth Flat/LSD **MSD**

Gross Margin ~70% **>70%**

Operating Profit Margin LDD **>20%**

ACQUIRED AUG 2015 2 YEARS IN



AT ACQ.

TODAY

Core Growth LSD **MSD**

Gross Margin ~50% **>50%**

Operating Profit Margin High-teens **~25%**

ACQUIRED NOV 2016 1 YEAR IN



AT ACQ.

TODAY

Core Growth DD **DD**

Gross Margin ~50% **~55%**

Operating Profit Margin Flat/LSD **Mid-teens**

Deals at or above initial expectations

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BUILDING OUTSTANDING LEADERS THROUGH DBS

DBS is our sustainable competitive advantage

Leadership: Evolving Strategic Approach to Talent

TALENT

10+ YEARS AGO

- General industrial talent
- Outsourced talent acquisition

ORGANIZATION

- OpCos & Corporate

DEVELOPING LEADERS

- Development primarily “on the job”

TODAY

- Science & technology talent
- Internal talent acquisition & cultivation

- Platform leadership driving strategic moves & portfolio evolution
- OpCos execute strategic decisions

- Progressive responsibilities & formalized development programs

~80%* AVG. INTERNAL
FILL RATE
SINCE 2015

*OpCo Presidents & Above

+15% R&D NEW
HIRES 2017

+15% CUSTOMER-
FACING NEW
HIRES 2017

Associates are key to sustaining our competitive advantage

DBS Building Leadership: Developing Leaders at Danaher

EXPERIENCE

70%

- ▶ Stretch roles
- ▶ Application of key learnings, develop
- ▶ Delivering results
- ▶ Experiential learning in trainings

COACHING

20%

- ▶ Development plan execution
- ▶ Senior leader coaching
- ▶ Mentoring
- ▶ Best practice sharing
- ▶ Coaching guides

TRAINING

10%

- ▶ Situational Leadership
- ▶ General Manager Development Program
- ▶ Danaher Leadership Program

Utilizing a combination of development programs and processes

What Good Leadership Looks Like at Danaher

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LEADERSHIP ANCHORS


- Models humility, transparency & integrity
- Builds people, teams & organizations
- Drives innovation & growth
- Charts the course
- **LEADS THROUGH DBS**

Compensation based on both CVD performance and Leadership behavior


Leadership Development Across Danaher: Recent Moves

LIFE SCIENCES

EVP OF LIFE SCIENCES PLATFORM

PREVIOUSLY PRESIDENT 

PRESIDENT

PREVIOUSLY PRESIDENT 

PRESIDENT IND.

PREVIOUSLY 

DIAGNOSTICS

EVP OF DX & DENTAL PLATFORMS

PREVIOUSLY EVP OF LS & PID PLATFORMS

PRESIDENT

PREVIOUSLY PRESIDENT 

PRESIDENT

PREVIOUSLY HEAD OF R&D 

ENVIRONMENTAL & APPLIED SOLUTIONS

WATER QUALITY

GROUP EXECUTIVE FOR WATER QUALITY

PREVIOUSLY PRESIDENT 

PRESIDENT


PREVIOUSLY 

PRODUCT ID

EVP OF EAS PLATFORM

PREVIOUSLY GROUP EXEC OF PID PLATFORM

PRESIDENT

PREVIOUSLY 

CFO

PREVIOUSLY FINANCE 

DENTAL

EVP OF DX & DENTAL PLATFORMS

PREVIOUSLY EVP OF LS & PID PLATFORMS

GROUP EXECUTIVE FOR DENTAL

PREVIOUSLY HEAD OF T&M

PRESIDENT

PREVIOUSLY HEAD OF R&D 

Multi-industry structure a differentiator in talent attraction, development, retention



**“Common sense,
vigorously applied”**

DBS is our sustainable competitive advantage



DANAHER