DANAHER CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

Adjusted Diluted Net Earnings Per Common Share from Continuing Operations [1]

	Three-Month Period Ended		Nine-Month Period Ended	
	October 2, 2020	September 27, 2019	October 2, 2020	September 27, 2019
Diluted Net Earnings Per Common Share from Continuing Operations (GAAP)	**$ 1.16**	**$ 0.84**	**$ 3.22**	**$ 2.20**
Pretax amortization of acquisition-related intangible assets [A]	0.45	0.21	1.09	0.64
Pretax acquisition-related fair value adjustments to inventory and deferred revenue, incremental transaction costs deemed significant and integration preparation costs, in each case related to the acquisition of Cytiva [B]	0.31	0.04	0.71	0.09
Pretax impairment charges related to a facility in the Diagnostics segment in the first quarter of 2020, trade name and other intangible assets in the Environmental & Applied Solutions segment in the first quarter of 2020 and trade names in the Environmental & Applied Solutions segment in the third of quarter 2020 [C]	0.02	-	0.03	-
Pretax fair value adjustments and losses on the Company's equity and limited partnership investments [D]	-	-	0.02	-
Gain on the sale of certain product lines in the Life Sciences segment in the second quarter of 2020 [E]	-	-	(0.62)	-
Tax effect of all adjustments reflected above [F]	(0.16)	(0.04)	(0.16)	(0.13)
Discrete tax adjustments and other tax-related adjustments [G]	(0.08)	-	(0.12)	0.31
Declared dividends on the MCPS assuming "if-converted" method [H]	0.02	0.01	0.06	0.03
Adjusted Diluted Net Earnings Per Common Share from Continuing Operations (Non-GAAP)	**$ 1.72**	**$ 1.06**	**$ 4.23**	**$ 3.14**

[1] Each of the per share adjustment amounts above have been calculated assuming the Mandatory Convertible Preferred Stock ("MCPS") had been converted into shares of common stock.

Adjusted Diluted Shares Outstanding

	Three-Month Period Ended		Nine-Month Period Ended	
(shares in millions)	October 2, 2020	September 27, 2019	October 2, 2020	September 27, 2019
Average common stock and common equivalent shares outstanding - diluted	724.3	729.3	716.8	725.2
Converted shares [2]	19.6	11.6	16.3	9.3
Adjusted average common stock and common equivalent shares outstanding - diluted	743.9	740.9	733.1	734.5

[2] The number of converted shares assumes the conversion of all MCPS and issuance of the underlying shares applying the "if-converted" method of accounting and using an average 20 trading-day trailing volume weighted average price ("VWAP") of $205.90 and $142.26 as of October 2, 2020 and September 27, 2019, respectively.

Core Sales Growth and Core Sales Growth Including Cytiva

	% Change Three-Month Period Ended October 2, 2020 vs. Comparable 2019 Period	% Change Nine-Month Period Ended October 2, 2020 vs. Comparable 2019 Period
Total sales growth (GAAP)	34.5%	19.0%
Impact of:		
Acquisitions/divestitures	(24.5%)	(15.5%)
Currency exchange rates	(1.0%)	1.0%
Core sales growth (non-GAAP)	9.0%	4.5%
Impact of Cytiva sales growth (net of divested product lines)	5.0%	3.0%
Core sales growth including Cytiva (non-GAAP)	14.0%	7.5%

Forecasted Core Sales Growth and Core Sales Growth Including Cytiva

	% Change Three-Month Period Ending December 31, 2020 vs. Comparable 2019 Period
Core sales growth (non-GAAP)	+High-single digit
Impact of Cytiva sales growth (net of divested product lines)	~300-400 bps
Core sales growth including Cytiva (non-GAAP)	+Low-double digit

See the accompanying Notes to Reconciliation of GAAP to Non-GAAP Financial Measures

DANAHER CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(continued)

Reconciliation of Operating Cash Flows from Continuing Operations (GAAP) to Free Cash Flow from Continuing Operations (Non-GAAP)

	Three-Month Period Ended October 2, 2020	Three-Month Period Ended September 27, 2019	Year-over-Year Change
Cash Flows from (used in) Continuing Operations ($ in millions):			
Operating Cash Flows from Continuing Operations (GAAP)	$ 1,722.7	$ 892.6	
Investing Cash Flows used in Continuing Operations (GAAP)	$ (328.4)	$ (223.9)	
Financing Cash Flows (used in) from Continuing Operations (GAAP)	$ (1,319.8)	$ 8,127.7	
Free Cash Flow from Continuing Operations ($ in millions):			
Operating Cash Flows from Continuing Operations (GAAP)	$ 1,722.7	$ 892.6	~ 93.0%
Less: payments for additions to property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(187.3)	(162.1)	
Plus: proceeds from sales of property, plant & equipment (capital disposals) from continuing operations (GAAP)	0.6	0.8	
Free Cash Flow from Continuing Operations (Non-GAAP)	$ 1,536.0	$ 731.3	~ 110.0%
Ratio of Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations ($ in millions):			
Free Cash Flow from Continuing Operations from Above (Non-GAAP)	$ 1,536.0	$ 731.3	
Net Earnings from Continuing Operations (GAAP)	883.5	630.7	
Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio (Non-GAAP)	1.74	1.16	

We define free cash flow as operating cash flows from continuing operations, less payments for additions to property, plant and equipment from continuing operations (“capital expenditures”) plus the proceeds from sales of plant, property and equipment from continuing operations (“capital disposals”).

DANAHER CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(continued)

Notes to Reconciliation of GAAP to Non-GAAP Financial Measures

[A] Amortization of acquisition-related intangible assets in the following historical periods ($ in millions) (only the pretax amounts set forth below are reflected in the amortization line item above):

	Three-Month Period Ended		Nine-Month Period Ended	
	October 2, 2020	September 27, 2019	October 2, 2020	September 27, 2019
Pretax	$ 331.1	$ 155.6	$ 801.6	$ 469.3
After-tax	265.7	126.1	644.5	379.0

[B] Pretax costs incurred for fair value adjustments to inventory and deferred revenue related to the acquisition of Cytiva in the three-month period ended October 2, 2020 ($232 million pretax as reported in this line item, $181 million after-tax) and fair value adjustments to inventory and deferred revenue, transaction costs deemed significant and integration preparation costs related to the acquisition of Cytiva for the nine-month period ended October 2, 2020 ($519 million pretax as reported in this line item, $411 million after-tax). Pretax costs incurred for transaction costs deemed significant and integration preparation costs related to the acquisition of Cytiva for the three-month period ended September 27, 2019 ($30 million pretax as reported in this line item, $28 million after-tax) and the nine-month period ended September 27, 2019 ($63 million pretax as reported in this line item, $57 million after-tax). The Company deems acquisition-related transaction costs incurred in a given period to be significant (generally relating to the Company's larger acquisitions) if it determines that such costs exceed the range of acquisition-related transaction costs typical for Danaher in a given period.

[C] Pretax impairment charges related to trade names in the Environmental & Applied Solutions segment recorded in the three-month period ended October 2, 2020 ($14 million pretax as reported in this line item, $11 million after-tax) and pretax impairment charges related to a facility in the Diagnostics segment and trade name and other intangible assets in the Environmental & Applied Solutions segment recorded in the nine-month period ended October 2, 2020 ($22 million pretax as reported in this line item, $17 million after-tax).

[D] Pretax fair value adjustments and losses on the Company's equity and limited partnership investments recorded in the nine-month period ended October 2, 2020 ($13 million pretax as reported in this line item, $10 million after-tax, respectively).

[E] Pretax gain on the sale of certain product lines in the Life Sciences segment in the nine-month period ended October 2, 2020 ($455 million pretax as reported in this line item, $305 million after-tax).

[F] This line item reflects the aggregate tax effect of all nontax adjustments reflected in the preceding line items of the table. In addition, the footnotes above indicate the after-tax amount of each individual adjustment item. Danaher estimates the tax effect of each adjustment item by applying Danaher's overall estimated effective tax rate to the pretax amount, unless the nature of the item and/or the tax jurisdiction in which the item has been recorded requires application of a specific tax rate or tax treatment, in which case the tax effect of such item is estimated by applying such specific tax rate or tax treatment. The MCPS dividends are not tax deductible and therefore the tax effect of the adjustments does not include any tax impact of the MCPS dividends.

[G] Discrete tax adjustments and other tax-related adjustments for the three and nine-month periods ended October 2, 2020, include the impact of net discrete tax gains of $58 million (or $0.08 per diluted common share) and $85 million (or $0.12 per diluted common share), respectively, related primarily to the release of reserves for uncertain tax positions due to audit settlements and expiration of statutes of limitation, and excess tax benefits from stock-based compensation. Discrete tax adjustments and other tax-related adjustments for the nine-month period ended September 27, 2019 includes the impact of net discrete tax charges of $227 million (or $0.31 per diluted common share). The discrete tax matters for the nine-month period ended September 27, 2019 relate primarily to changes in estimates associated with prior period uncertain tax positions and audit settlements, net of the release of valuation allowances associated with certain foreign tax credits and tax benefits resulting from a change in law and excess tax benefits from stock-based compensation realized in the nine-month period ended September 27, 2019 in excess of anticipated levels. The Company anticipates excess tax benefits from stock compensation of approximately $7 million per quarter and therefore excludes benefits in excess of this amount in the calculation of Adjusted Diluted Net Earnings Per Common Share from Continuing Operations.

[H] In March 2019, the Company issued $1.65 billion in aggregate liquidation preference of 4.75% MCPS. In May 2020. the Company issued $1.72 billion in aggregate liquidation preference of 5.0% MCPS. Dividends on the 4.75% and 5.0% MCPS are payable on a cumulative basis at an annual rate of 4.75% and 5.0%, respectively, on the liquidation preference of $1,000 per share. Unless earlier converted, each share of 4.75% MCPS will automatically convert on April 15, 2022 into between 6.6556 and 8.1530 shares of Danaher's common stock, subject to further anti-dilution adjustments. Unless earlier converted, each share of 5.0% MCPS will automatically convert on April 15, 2023 into between 5.0081 and 6.1349 shares of Danaher's common stock, subject to further anti-dilution adjustments. The number of shares of Danaher's common stock issuable on conversion of the MCPS will be determined based on the VWAP per share of the Company's common stock over the 20 consecutive trading day period beginning on, and including, the 21st scheduled trading day immediately before April 15, 2022 and April 15, 2023 for the 4.75% and 5.0% MCPS, respectively. For the purposes of calculating adjusted earnings per share, the Company has excluded the paid and anticipated MCPS cash dividends and assumed the "if-converted" method of share dilution (the incremental shares of common stock deemed outstanding applying the "if-converted" method of calculating share dilution are referred to as the "Converted Shares".)

Statement Regarding Non-GAAP Measures

Each of the non-GAAP measures set forth above should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measure, and may not be comparable to similarly titled measures reported by other companies. Management believes that these measures provide useful information to investors by offering additional ways of viewing Danaher Corporation's ("Danaher" or the "Company") results that, when reconciled to the corresponding GAAP measure, help our investors to:

- with respect to Adjusted Diluted Net Earnings Per Common Share from Continuing Operations, understand the long-term profitability trends of our business and compare our profitability to prior and future periods and to our peers;
- with respect to core sales from continuing operations, identify underlying growth trends in our business and compare our sales performance with prior and future periods and to our peers; and
- with respect to free cash flow (the "FCF Measure"), understand Danaher's ability to generate cash without external financings, strengthen its balance sheet, invest in its business and grow its business through acquisitions and other strategic opportunities (although a limitation of free cash flow is that it does not take into account the Company's debt service requirements and other non-discretionary expenditures, and as a result the entire free cash flow amount is not necessarily available for discretionary expenditures).

We also present core sales from continuing operations on a basis that includes sales attributable to Cytiva (formerly the Biopharma Business of General Electric Company's ("GE") Life Sciences business), which Danaher acquired from GE on March 31, 2020. Historically Danaher has calculated core sales solely on a basis that excludes sales from acquired businesses recorded prior to the first anniversary of the acquisition. However, given Cytiva's significant size and historical core sales growth rate, in each case compared to Danaher's existing businesses, management believes it is appropriate to also present core sales on a basis that includes Cytiva sales. Management believes this presentation provides useful information to investors by demonstrating the impact Cytiva has on the Company's current growth profile, rather than waiting to demonstrate such impact 12 months after the acquisition when Cytiva would normally have been included in Danaher's core sales calculation. Danaher calculates period-to-period core sales growth including Cytiva by adding to the baseline period sales Cytiva's historical sales from such period (when it was owned by GE), net of the sales of the divested product lines and also adding the Cytiva sales to the current period.

Management uses these non-GAAP measures to measure the Company's operating and financial performance, and uses core sales and non-GAAP measures similar to Adjusted Diluted Net Earnings Per Common Share from Continuing Operations and the FCF Measure in the Company's executive compensation program.

The items excluded from the non-GAAP measures set forth above have been excluded for the following reasons:

- With respect to Adjusted Diluted Net Earnings Per Common Share from Continuing Operations:
    - We exclude the amortization of acquisition-related intangible assets because the amount and timing of such charges are significantly impacted by the timing, size, number and nature of the acquisitions we consummate. While we have a history of significant 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 related amortization term are unique to each acquisition and can vary significantly from acquisition to acquisition. Exclusion of this amortization expense facilitates more consistent comparisons of operating results over time between our newly acquired and long-held businesses, and with both acquisitive and non-acquisitive peer companies. We believe however that it is important for investors to understand that such intangible assets contribute to sales generation and that intangible asset amortization related to past acquisitions will recur in future periods until such intangible assets have been fully amortized.
    - We exclude costs incurred pursuant to discrete restructuring plans that are fundamentally different (in terms of the size, strategic nature and planning requirements, as well as the inconsistent frequency, of such plans) from the ongoing productivity improvements that result from application of the Danaher Business System. Because these restructuring plans are incremental to the core activities that arise in the ordinary course of our business and we believe are not indicative of Danaher's ongoing operating costs in a given period, we exclude these costs to facilitate a more consistent comparison of operating results over time.
    - With respect to the other items excluded from Adjusted Diluted Net Earnings Per Common Share from Continuing Operations, we exclude these items because they are of a nature and/or size that occur with inconsistent frequency, occur for reasons that may be unrelated to Danaher's commercial performance during the period and/or we believe that such items may obscure underlying business trends and make comparisons of long-term performance difficult.
    - Danaher's Mandatory Convertible Preferred Stock ("MCPS") will mandatorily convert into Danaher common stock on the mandatory conversion date, which is expected to be April 15, 2022 and April 15, 2023 for the 4.75% and 5.0% MCPS, respectively, (unless converted or redeemed earlier in accordance with the terms of the applicable certificate of designations). On the prior pages, we present the earnings per share-related measures on a basis which assumes the MCPS had already been converted as of the beginning of the applicable period (and accordingly also exclude the dividends that were actually paid on the MCPS during such period, since such dividends would no longer be paid once the MCPS convert). We believe this presentation provides useful information to investors by helping them understand what the net impact will be on Danaher's earnings per share-related measures once the MCPS convert into Danaher common stock.

- With respect to core sales from continuing operations and core sales from continuing operations including Cytiva, (1) we exclude the impact of currency translation because it is not under management's control, is subject to volatility and can obscure underlying business trends, and (2) we exclude the effect of acquisitions (other than Cytiva, in the case of core sales from continuing operations including Cytiva) and divested product lines because the timing, size, number and nature of such transactions can vary significantly from period-to-period and between us and our peers, which we believe may obscure underlying business trends and make comparisons of long-term performance difficult.
- With respect to the FCF Measure, we exclude payments for additions to property, plant and equipment (net of the proceeds from capital disposals) to demonstrate the amount of operating cash flow for the period that remains after accounting for the Company's capital expenditure requirements.

With respect to forecasted core sales from continuing operations and forecasted core sales from continuing operations including Cytiva, we do not reconcile these measures to the comparable GAAP measure because of the inherent difficulty in predicting and estimating the future impact and timing of currency translation, acquisitions and divested product lines, which would be reflected in any forecasted GAAP revenue.

DANAHER CORPORATION

Reconciliation of Operating Cash Flows from Continuing Operations (GAAP) to Free Cash Flow from Continuing Operations (Non-GAAP)

	Three-Month Period Ended			Three-Month Period Ended			Three-Month Period Ended			Nine-Month Period Ended		
	April 3, 2020	March 29, 2019	Year-over-Year Change	July 3, 2020	June 28, 2019	Year-over-Year Change	October 2, 2020	September 27, 2019	Year-over-Year Change	October 2, 2020	September 27, 2019	Year-over-Year Change
Cash Flows from Continuing Operations ($ in millions):												
Operating Cash Flows from Continuing Operations (GAAP)	$ 826.0	$ 712.7		$ 1,445.0	$ 1,056.4		$ 1,722.7	$ 892.6		$ 3,993.7	$ 2,661.7	
Investing Cash Flows from Continuing Operations (GAAP)	$ (20,868.6)	$ (483.2)		$ 539.3	$ (202.3)		$ (328.4)	$ (223.9)		$ (20,657.7)	$ (909.4)	
Financing Cash Flows from Continuing Operations (GAAP)	$ 4,633.5	$ 2,877.8		$ (888.0)	$ 605.0		$ (1,319.8)	$ 8,127.7		$ 2,425.7	$ 11,610.5	
Free Cash Flow from Continuing Operations ($ in millions):												
Operating Cash Flows from Continuing Operations (GAAP)	$ 826.0	$ 712.7	~ 16.0%	$ 1,445.0	$ 1,056.4	~ 37.0%	$ 1,722.7	$ 892.6	~ 93.0%	$ 3,993.7	$ 2,661.7	~ 50.0%
Less: payments for additions to property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(132.5)	(140.1)		(155.4)	(154.3)		(187.3)	(162.1)		(475.2)	(456.5)	
Plus: proceeds from sales of property, plant & equipment (capital disposals) from continuing operations (GAAP)	0.5	0.5		0.3	11.2		0.6	0.8		1.4	12.5	
Free Cash Flow from Continuing Operations (Non-GAAP)	$ 694.0	$ 573.1	~ 21.0%	$ 1,289.9	$ 913.3	~ 41.0%	$ 1,536.0	$ 731.3	~ 110.0%	$ 3,519.9	$ 2,217.7	~ 58.5%
Ratio of Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations ($ in millions):												
Free Cash Flow from Continuing Operations from Above (Non-GAAP)	$ 694.0	$ 573.1		$ 1,289.9	$ 913.3		$ 1,536.0	$ 731.3		$ 3,519.9	$ 2,217.7	
Net Earnings from Continuing Operations (GAAP)	595.1	332.3		927.3	676.4		883.5	630.7		2,405.9	1,639.4	
Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio (Non-GAAP)	1.17	1.72		1.39	1.35		1.74	1.16		1.46	1.35	

We define free cash flow as operating cash flows from continuing operations, <u>less</u> payments for additions to property, plant and equipment from continuing operations ("capital expenditures") <u>plus</u> the proceeds from sales of plant, property and equipment from continuing operations ("capital disposals").

DANAHER CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

Year-Over-Year Core Operating Margin Changes From Continuing Operations

		Segments		
	Total Company	**Life Sciences**	**Diagnostics**	**Environmental & Applied Solutions**
Three-Month Period Ended September 27, 2019 Operating Profit Margins From Continuing Operations (GAAP)	**17.70%**	**20.20%**	**16.60%**	**23.70%**
Third quarter 2020 impact from operating profit margins of businesses that have been owned for less than one year or were disposed of during such period and did not qualify as discontinued operations	1.35	2.00	-	(0.25)
Third quarter 2020 acquisition-related fair value adjustments to inventory and deferred revenue net of third quarter 2019 incremental transaction costs deemed significant, in each case related to the acquisition of Cytiva	(3.40)	(7.90)	-	-
Third quarter 2020 impairment charges related to trade names in the Environmental & Applied Solutions segment	(0.25)	-	-	(1.30)
Year-over-year core operating profit margin changes for the third quarter 2020 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	**3.10**	**3.00**	**5.00**	**0.75**
Three-Month Period Ended October 2, 2020 Operating Profit Margins From Continuing Operations (GAAP)	18.50%	17.30%	21.60%	22.90%
Nine-Month Period Ended September 27, 2019 Operating Profit Margins From Continuing Operations (GAAP)	**17.70%**	**19.80%**	**16.40%**	**23.40%**
First nine months of 2020 impact from operating profit margins of businesses that have been owned for less than one year or were disposed of during such period and did not qualify as discontinued operations	1.45	2.35	-	(0.05)
First nine months of 2020 acquisition-related fair value adjustments to inventory and deferred revenue, incremental transaction costs deemed significant and integration preparation costs, in each case related to the acquisition of Cytiva	(2.95)	(6.40)	-	-
Third quarter 2020 impairment charges related to trade names in the Environmental & Applied Solutions segment	(0.10)	-	-	(0.45)
First quarter 2020 impairment charges related to a facility in the Diagnostics segment and a trade name and other intangible assets in the Environmental & Applied Solutions segment	(0.05)	-	(0.10)	(0.10)
Year-over-year core operating profit margin changes for first nine-months of 2020 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	**0.85**	**1.45**	**2.10**	**(0.20)**
Nine-Month Period Ended October 2, 2020 Operating Profit Margins From Continuing Operations (GAAP)	16.90%	17.20%	18.40%	22.60%

Note: The Company deems acquisition-related transaction costs incurred in a given period to be significant (generally relating to the Company's larger acquisitions) if it determines that such costs exceed the range of acquisition-related transaction costs typical for Danaher in a given period.