



DANAHER CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
THREE AND SIX-MONTH PERIODS ENDED JULY 2, 2021 AND JULY 3, 2020

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FORWARD-LOOKING STATEMENTS DISCLOSURE

Statements in this document that are not strictly historical, including any statements regarding events or developments that we believe or 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, the uncertainty of regulatory approvals for our acquisition of Aldevron and the timing or conditionality thereof, the ability of Danaher and Aldevron to satisfy the acquisition agreement conditions and consummate the transaction, the highly uncertain and unpredictable severity, magnitude and duration of the COVID-19 pandemic (and the related governmental, business and community responses thereto) on our business, results of operations and financial condition, the impact of our debt obligations (including the debt incurred to finance the acquisition of Cytiva and any debt we may incur to finance the acquisition of Aldevron) on our operations and liquidity, deterioration of or instability in the economy, the markets we or Aldevron serve and the financial markets (including as a result of the COVID-19 pandemic), uncertainties relating to U.S. laws or policies, including potential changes in U.S. trade policies and tariffs and the reaction of other countries thereto, 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 rules relating to off-label marketing and other regulations relating to medical devices and the health care industry), the results of our clinical trials and perceptions thereof, 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 (including with respect to our anticipated acquisition of Aldevron), our ability to realize anticipated growth, synergies and other benefits of the Aldevron acquisition, Aldevron's performance and maintenance of important business relationships, contingent liabilities and other risks relating to acquisitions, investments, strategic relationships and divestitures (including tax-related and other contingent liabilities relating to past and future IPOs, split-offs or spin-offs), 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, 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, social and business factors (including the impact of the United Kingdom's separation from the EU and uncertainties relating to such separation), disruptions relating to man-made and natural disasters (including pandemics such as COVID-19) 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 2020 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the second quarter of 2021. These forward-looking statements speak only as of the date of this release 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.

DANAHER CORPORATION

Core Sales Growth by Segment, Core Sales Growth Including Cytiva by Segment and Base Business Core Sales Growth

	% Change Three-Month Period Ended July 2, 2021 vs. Comparable 2020 Period			
	Total Company	Segments		
		Life Sciences	Diagnostics	Environmental & Applied Solutions
Total sales growth (GAAP)	36.5 %	41.5 %	40.5 %	15.5 %
Impact of:				
Acquisitions/divestitures	(1.0)	(2.0)	—	1.5
Currency exchange rates	(4.0)	(4.5)	(3.5)	(4.0)
Core sales growth (non-GAAP)	<u>31.5 %</u>	<u>35.0 %</u>	<u>37.0 %</u>	<u>13.0 %</u>
Impact of COVID-related tailwinds	<u>(14.0)%</u>			
Base business core sales growth (non-GAAP)	<u>17.5 %</u>			

	% Change Six-Month Period Ended July 2, 2021 vs. Comparable 2020 Period			
	Total Company	Segments		
		Life Sciences	Diagnostics	Environmental & Applied Solutions
Total sales growth (GAAP)	46.0 %	69.5 %	37.5 %	10.5 %
Impact of:				
Acquisitions/divestitures	(16.0)	(36.0)	—	0.5
Currency exchange rates	(3.5)	(4.0)	(3.5)	(3.0)
Core sales growth (non-GAAP)	<u>26.5 %</u>	<u>29.5 %</u>	<u>34.0 %</u>	<u>8.0 %</u>
Impact of Cytiva sales growth (net of divested product lines)	4.5	8.5		
Core sales growth including Cytiva (non-GAAP)	<u>31.0 %</u>	<u>38.0 %</u>		
Impact of COVID-related tailwinds	<u>(17.0)%</u>			
Base business core sales growth (non-GAAP)	<u>14.0 %</u>			

Note: Danaher calculates period-to-period core sales growth including Cytiva by adding Cytiva sales to core sales for both the baseline and current periods. Beginning in the second quarter of 2021, Cytiva sales are included in core sales, and therefore we no longer provide the measure “core sales including Cytiva” for quarterly periods beginning with the second quarter of 2021.

DANAHER CORPORATION

Forecasted Core Sales Growth, Core Sales Growth Including Cytiva and Base Business Core Sales Growth ¹

	% Change Three-Month Period Ending October 1, 2021 vs. Comparable 2020 Period	% Change Year Ending December 31, 2021 vs. Comparable 2020 Period
Core sales growth (non-GAAP)	+Mid to high-teens	+High-teens
Impact of Cytiva sales growth (net of divested product lines)		+Low single-digit
Core sales growth including Cytiva (non-GAAP)		~+20 %
Impact of COVID-related tailwinds	(High single-digit)	~(10) %
Base business core sales growth (non-GAAP)	+High single-digit	~+10 %

¹ 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

Segment Sales, Operating Profit and Adjusted Operating Profit
(\$ in millions)

	Three-Month Period Ended		Six-Month Period Ended	
	July 2, 2021	July 3, 2020	July 2, 2021	July 3, 2020
Sales (GAAP)				
Life Sciences	\$ 3,734	\$ 2,642	\$ 7,280	\$ 4,292
Diagnostics	2,336	1,660	4,514	3,287
Environmental & Applied Solutions	1,148	995	2,282	2,061
Total Company	\$ 7,218	\$ 5,297	\$ 14,076	\$ 9,640
Operating Profit (GAAP)				
Life Sciences	\$ 1,144	\$ 412	\$ 2,295	\$ 738
Diagnostics	649	293	1,275	544
Environmental & Applied Solutions	280	222	565	462
Other	(68)	(83)	(133)	(202)
Total Company	\$ 2,005	\$ 844	\$ 4,002	\$ 1,542
Amortization (GAAP)				
Life Sciences	\$ 280	\$ 248	\$ 557	\$ 338
Diagnostics	51	52	102	103
Environmental & Applied Solutions	16	15	32	30
Total Company	\$ 347	\$ 315	\$ 691	\$ 471
Operating Profit Adjustments²				
Life Sciences	\$ —	\$ 228	\$ 46	\$ 228
Diagnostics	—	—	10	5
Environmental & Applied Solutions	—	—	—	3
Other	—	—	—	60
Total Company	\$ —	\$ 228	\$ 56	\$ 296
Adjusted Operating Profit (non-GAAP)³				
Life Sciences	\$ 1,424	\$ 888	\$ 2,898	\$ 1,304
Diagnostics	700	345	1,387	652
Environmental & Applied Solutions	296	237	597	495
Other	(68)	(83)	(133)	(142)
Total Company	\$ 2,352	\$ 1,387	\$ 4,749	\$ 2,309

² Refer to the Reconciliation of GAAP to Adjusted P&L Metrics for a description of the components of Operating Profit Adjustments.

³ Adjusted Operating Profit (non-GAAP) is defined as operating profit (GAAP) plus amortization (GAAP) plus (minus) Operating Profit Adjustments (as defined).

DANAHER CORPORATION

Adjusted EBITDA and Adjusted EBITDA Margin
(\$ in millions)

	Three-Month Period Ended July 2, 2021				
	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	Total Company
Net Earnings from Continuing Operations (GAAP)					\$ 1,699
Interest, Net					59
Other Nonoperating (Income) Expense					(97)
Income Taxes					344
Operating Profit (GAAP)	\$ 1,144	\$ 649	\$ 280	\$ (68)	\$ 2,005
Operating Profit Adjustments ²	—	—	—	—	—
Depreciation	64	102	11	1	178
Amortization	280	51	16	—	347
Adjusted EBITDA (Non-GAAP)	<u>\$ 1,488</u>	<u>\$ 802</u>	<u>\$ 307</u>	<u>\$ (67)</u>	<u>\$ 2,530</u>
Interest, Net					(59)
Other Nonoperating Income (Expense)					97
Income Taxes					(344)
Operating Profit Adjustments ²					—
Depreciation					(178)
Amortization					(347)
Net Earnings from Continuing Operations (GAAP)					<u>\$ 1,699</u>
Sales (GAAP)	<u>\$ 3,734</u>	<u>\$ 2,336</u>	<u>\$ 1,148</u>		<u>\$ 7,218</u>
Net Earnings from Continuing Operations Margin (GAAP)					<u>23.5 %</u>
Adjusted EBITDA Margin (Non-GAAP)⁴	<u>39.9 %</u>	<u>34.3 %</u>	<u>26.7 %</u>		<u>35.1 %</u>

² Refer to the Reconciliation of GAAP to Adjusted P&L Metrics for a description of the components of Operating Profit Adjustments.

⁴ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

DANAHER CORPORATION

Adjusted EBITDA and Adjusted EBITDA Margin
(\$ in millions)

	Three-Month Period Ended July 3, 2020				
	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	Total Company
Net Earnings from Continuing Operations (GAAP)					\$ 927
Interest, Net					77
Other Nonoperating (Income) Expense					(454)
Income Taxes					294
Operating Profit (GAAP)	\$ 412	\$ 293	\$ 222	\$ (83)	\$ 844
Operating Profit Adjustments ²	228	—	—	—	228
Depreciation	48	101	11	3	163
Amortization	248	52	15	—	315
Adjusted EBITDA (Non-GAAP)	<u>\$ 936</u>	<u>\$ 446</u>	<u>\$ 248</u>	<u>\$ (80)</u>	<u>\$ 1,550</u>
Interest, Net					(77)
Other Nonoperating Income (Expense)					454
Income Taxes					(294)
Operating Profit Adjustments ²					(228)
Depreciation					(163)
Amortization					(315)
Net Earnings from Continuing Operations (GAAP)					<u>\$ 927</u>
Sales (GAAP)	<u>\$ 2,642</u>	<u>\$ 1,660</u>	<u>\$ 995</u>		<u>\$ 5,297</u>
Net Earnings from Continuing Operations Margin (GAAP)					<u>17.5 %</u>
Adjusted EBITDA Margin (Non-GAAP)⁴	<u>35.4 %</u>	<u>26.9 %</u>	<u>24.9 %</u>		<u>29.3 %</u>

² Refer to the Reconciliation of GAAP to Adjusted P&L Metrics for a description of the components of Operating Profit Adjustments.

⁴ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

DANAHER CORPORATION

Adjusted EBITDA and Adjusted EBITDA Margin
(\$ in millions)

	Six-Month Period Ended July 2, 2021				
	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	Total Company
Net Earnings from Continuing Operations (GAAP)					\$ 3,401
Interest, Net					113
Other Nonoperating (Income) Expense					(237)
Income Taxes					725
Operating Profit (GAAP)	\$ 2,295	\$ 1,275	\$ 565	\$ (133)	\$ 4,002
Operating Profit Adjustments ²	46	10	—	—	56
Depreciation	116	195	22	3	336
Amortization	557	102	32	—	691
Adjusted EBITDA (Non-GAAP)	<u>\$ 3,014</u>	<u>\$ 1,582</u>	<u>\$ 619</u>	<u>\$ (130)</u>	<u>\$ 5,085</u>
Interest, Net					(113)
Other Nonoperating Income (Expense)					237
Income Taxes					(725)
Operating Profit Adjustments ²					(56)
Depreciation					(336)
Amortization					(691)
Net Earnings from Continuing Operations (GAAP)					<u>\$ 3,401</u>
Sales (GAAP)	<u>\$ 7,280</u>	<u>\$ 4,514</u>	<u>\$ 2,282</u>		<u>\$ 14,076</u>
Net Earnings from Continuing Operations Margin (GAAP)					<u>24.2 %</u>
Adjusted EBITDA Margin (Non-GAAP)⁴	<u>41.4 %</u>	<u>35.0 %</u>	<u>27.1 %</u>		<u>36.1 %</u>

² Refer to the Reconciliation of GAAP to Adjusted P&L Metrics for a description of the components of Operating Profit Adjustments.

⁴ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

DANAHER CORPORATION

Adjusted EBITDA and Adjusted EBITDA Margin
(\$ in millions)

	Six-Month Period Ended July 3, 2020				
	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	Total Company
Net Earnings from Continuing Operations (GAAP)					\$ 1,522
Interest, Net					62
Other Nonoperating (Income) Expense					(452)
Income Taxes					410
Operating Profit (GAAP)	\$ 738	\$ 544	\$ 462	\$ (202)	\$ 1,542
Operating Profit Adjustments ²	228	5	3	60	296
Depreciation	81	195	23	5	304
Amortization	338	103	30	—	471
Adjusted EBITDA (Non-GAAP)	<u>\$ 1,385</u>	<u>\$ 847</u>	<u>\$ 518</u>	<u>\$ (137)</u>	<u>\$ 2,613</u>
Interest, Net					(62)
Other Nonoperating Income (Expense)					452
Income Taxes					(410)
Operating Profit Adjustments ²					(296)
Depreciation					(304)
Amortization					(471)
Net Earnings from Continuing Operations (GAAP)					<u>\$ 1,522</u>
Sales (GAAP)	<u>\$ 4,292</u>	<u>\$ 3,287</u>	<u>\$ 2,061</u>		<u>\$ 9,640</u>
Net Earnings from Continuing Operations Margin (GAAP)					<u>15.8 %</u>
Adjusted EBITDA Margin (Non-GAAP)⁴	<u>32.3 %</u>	<u>25.8 %</u>	<u>25.1 %</u>		<u>27.1 %</u>

² Refer to the Reconciliation of GAAP to Adjusted P&L Metrics for a description of the components of Operating Profit Adjustments.

⁴ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

DANAHER CORPORATION

Reconciliation of GAAP to Adjusted P&L Metrics

(\$ in millions, except per share data)

Three-Month Period Ended July 2, 2021

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings from continuing operations before income taxes	Income taxes	Net earnings from continuing operations for calculation of diluted earnings per common share	Diluted net earnings per common share from continuing operations ^{5, **}
Reported (GAAP)	\$ 7,218	\$ (2,821)	60.9 %	\$ 2,005	27.8 %	\$ 2,043	\$ (344)	\$ 1,678 ¹	\$ 2.28
Amortization of acquisition-related intangible assets ^A	—	—	—	347	4.8	347		347	0.47
Fair value (gains) losses on investments ^D	—	—	—	—	—	(86)		(86)	(0.12)
Tax effect of the above adjustments ^F							(53)	(53)	(0.07)
Discrete tax adjustments ^G							(76)	(76)	(0.10)
MCPS "as if converted" ^H	—	—	—	—	—	—	—	21	—
Adjusted (Non-GAAP)	<u>\$ 7,218</u>	<u>\$ (2,821)</u>	<u>60.9 %</u>	<u>\$ 2,352</u>	<u>32.6 %</u>	<u>\$ 2,304</u>	<u>\$ (473)</u>	<u>\$ 1,831</u>	<u>\$ 2.46</u>

Three-Month Period Ended July 2, 2021

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net (excluding interest)	Interest income (expense), net
Reported (GAAP)	\$ 7,218	\$ (1,966)	(27.2)%	\$ (426)	(5.9)%	\$ 97	\$ (59)
Amortization of acquisition-related intangible assets ^A	—	347	4.8	—	—	—	—
Fair value (gains) losses on investments ^D	—	—	—	—	—	(86)	—
Adjusted (Non-GAAP)	<u>\$ 7,218</u>	<u>\$ (1,619)</u>	<u>(22.4)%</u>	<u>\$ (426)</u>	<u>(5.9)%</u>	<u>\$ 11</u>	<u>\$ (59)</u>

⁵ Each of the per share amounts above have been calculated assuming the Mandatory Convertible Preferred Stock ("MCPS") had been converted into shares of common stock.

** Net earnings per common diluted share amounts for the relevant three-month periods may not add to the year-to-date amounts due to rounding.

DANAHER CORPORATION

Reconciliation of GAAP to Adjusted P&L Metrics

(\$ in millions, except per share data)

Three-Month Period Ended July 3, 2020

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings from continuing operations before income taxes	Income taxes	Net earnings from continuing operations for calculation of diluted earnings per common share	Diluted net earnings per common share from continuing operations ^{5,**}
Reported (GAAP)	\$ 5,297	\$ (2,445)	53.8 %	\$ 844	15.9 %	\$ 1,221	\$ (294)	\$ 893 ¹	\$ 1.24
Amortization of acquisition-related intangible assets ^A	—	—	—	315	5.9	315		315	0.43
Acquisition-related items ^B	31	197	4.0	228	4.3	228		228	0.31
Fair value (gains) losses on investments ^D	—	—	—	—	—	6		6	0.01
Gain on disposition of certain product lines ^E	—	—	—	—	—	(455)		(455)	(0.62)
Tax effect of the above adjustments ^F							36	36	0.05
MCPS "as if converted" ^H	—	—	—	—	—	—	—	35	0.02
Rounding					(0.1)				
Adjusted (Non-GAAP)	\$ 5,328	\$ (2,248)	57.8 %	\$ 1,387	26.0 %	\$ 1,315	\$ (258)	\$ 1,058	\$ 1.44

Three-Month Period Ended July 3, 2020

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net (excluding interest)	Interest income (expense), net
Reported (GAAP)	\$ 5,297	\$ (1,685)	(31.8)%	\$ (323)	(6.1)%	\$ 454	\$ (77)
Amortization of acquisition-related intangible assets ^A	—	315	5.9	—	—	—	—
Acquisition-related items ^B	31	—	—	—	—	—	—
Fair value (gains) losses on investments ^D	—	—	—	—	—	6	—
Gain on disposition of certain product lines ^E	—	—	—	—	—	(455)	—
Rounding	—	—	0.2	—	—	—	—
Adjusted (Non-GAAP)	\$ 5,328	\$ (1,370)	(25.7)%	\$ (323)	(6.1)%	\$ 5	\$ (77)

⁵ Each of the per share amounts above have been calculated assuming the Mandatory Convertible Preferred Stock ("MCPS") had been converted into shares of common stock.
^{**} Net earnings per common diluted share amounts for the relevant three-month periods may not add to the year-to-date amounts due to rounding.

DANAHER CORPORATION

Reconciliation of GAAP to Adjusted P&L Metrics

(\$ in millions, except per share data)

Six-Month Period Ended July 2, 2021

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings from continuing operations before income taxes	Income taxes	Net earnings from continuing operations for calculation of diluted earnings per common share	Diluted net earnings per common share from continuing operations ^{5, **}
Reported (GAAP)	\$ 14,076	\$ (5,426)	61.5 %	\$ 4,002	28.4 %	\$ 4,126	\$ (725)	\$ 3,359 ¹	\$ 4.57
Amortization of acquisition-related intangible assets ^A	—	—	—	691	4.9	691		691	0.93
Acquisition-related items ^B	17	29	0.3	46	0.3	46		46	0.06
Impairments ^C	—	—	—	10	0.1	10		10	0.01
Fair value (gains) losses on investments ^D	—	—	—	—	—	(202)		(202)	(0.27)
Gain on disposition of certain product lines ^E	—	—	—	—	—	(13)		(13)	(0.02)
Tax effect of the above adjustments ^F							(110)	(110)	(0.15)
Discrete tax adjustments ^G							(120)	(120)	(0.16)
MCPS "as if converted" ^H	—	—	—	—	—	—	—	42	—
Rounding	—	—	(0.1)	—	—	—	—	—	0.01
Adjusted (Non-GAAP)	\$ 14,093	\$ (5,397)	61.7 %	\$ 4,749	33.7 %	\$ 4,658	\$ (955)	\$ 3,703	\$ 4.98

Six-Month Period Ended July 2, 2021

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net (excluding interest)	Interest income (expense), net
Reported (GAAP)	\$ 14,076	\$ (3,842)	(27.3)%	\$ (806)	(5.7)%	\$ 237	\$ (113)
Amortization of acquisition-related intangible assets ^A	—	691	4.9	—	—	—	—
Acquisition-related items ^B	17	—	—	—	—	—	—
Impairments ^C	—	10	0.1	—	—	—	—
Fair value (gains) losses on investments ^D	—	—	—	—	—	(202)	—
Gain on disposition of certain product lines ^E	—	—	—	—	—	(13)	—
Adjusted (Non-GAAP)	\$ 14,093	\$ (3,141)	(22.3)%	\$ (806)	(5.7)%	\$ 22	\$ (113)

⁵ Each of the per share amounts above have been calculated assuming the Mandatory Convertible Preferred Stock ("MCPS") had been converted into shares of common stock.

** Net earnings per common diluted share amounts for the relevant three-month periods may not add to the year-to-date amounts due to rounding.

DANAHER CORPORATION

Reconciliation of GAAP to Adjusted P&L Metrics

(\$ in millions, except per share data)

Six-Month Period Ended July 3, 2020

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings from continuing operations before income taxes	Income taxes	Net earnings from continuing operations for calculation of diluted earnings per common share	Diluted net earnings per common share from continuing operations ^{5,**}
Reported (GAAP)	\$ 9,640	\$ (4,345)	54.9 %	\$ 1,542	16.0 %	\$ 1,932	\$ (410)	\$ 1,469 ¹	\$ 2.06
Amortization of acquisition-related intangible assets ^A	—	—	—	471	4.9	471		471	0.65
Acquisition-related items ^B	31	197	2.4	288	3.0	288		288	0.39
Impairments ^C	—	—	—	8	0.1	8		8	0.01
Fair value (gains) losses on investments ^D	—	—	—	—	—	13		13	0.02
Gain on disposition of certain product lines ^E	—	—	—	—	—	(455)		(455)	(0.62)
Tax effect of the above adjustments ^F							(4)	(4)	—
Discrete tax adjustments ^G							(27)	(27)	(0.04)
MCPS "as if converted" ^H	—	—	—	—	—	—	—	54	0.03
Rounding			(0.2)	—	(0.1)	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 9,671</u>	<u>\$ (4,148)</u>	<u>57.1 %</u>	<u>\$ 2,309</u>	<u>23.9 %</u>	<u>\$ 2,257</u>	<u>\$ (441)</u>	<u>\$ 1,817</u>	<u>\$ 2.50</u>

Six-Month Period Ended July 3, 2020

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net (excluding interest)	Interest income (expense), net
Reported (GAAP)	\$ 9,640	\$ (3,143)	(32.6)%	\$ (610)	(6.3)%	\$ 452	\$ (62)
Amortization of acquisition-related intangible assets ^A	—	471	4.9	—	—	—	—
Acquisition-related items ^B	31	59	0.6	—	—	—	—
Impairments ^C	—	8	0.1	—	—	—	—
Fair value (gains) losses on investments ^D	—	—	—	—	—	13	—
Gain on disposition of certain product lines ^E	—	—	—	—	—	(455)	—
Rounding	—	1	0.1	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 9,671</u>	<u>\$ (2,604)</u>	<u>(26.9)%</u>	<u>\$ (610)</u>	<u>(6.3)%</u>	<u>\$ 10</u>	<u>\$ (62)</u>

⁵ Each of the per share amounts above have been calculated assuming the Mandatory Convertible Preferred Stock ("MCPS") had been converted into shares of common stock.
^{**} Net earnings per common diluted share amounts for the relevant three-month periods may not add to the year-to-date amounts due to rounding.

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Reconciliation of GAAP to Adjusted P&L Metrics

(\$ in millions, except per share data)

^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		Six-Month Period Ended	
	July 2, 2021	July 3, 2020	July 2, 2021	July 3, 2020
Pretax	\$ 347	\$ 315	691	471
After-tax	275	253	549	379

^B Pretax costs incurred for fair value adjustments to inventory and deferred revenue related to the acquisition of Cytiva in the six-month period ended July 2, 2021, (\$46 million pretax as reported in this line item, \$36 million after-tax). Pretax costs incurred for fair value adjustments to inventory and deferred revenue in the three and six-month periods and transaction costs deemed significant and integration preparation costs in the six-month period ended July 3, 2020, related to the acquisition of Cytiva, (\$228 million pretax as reported in this line item, \$178 million after-tax and \$288 million pretax as reported in this line item, \$231 million after-tax, respectively). 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 a trade name in the Diagnostics segment recorded in the first quarter of 2021 (\$10 million pretax as reported in this line item, \$8 million after-tax). Pretax impairment charges related to a facility in the Diagnostics segment and a trade name and other intangible assets in the Environmental & Applied Solutions segment recorded in the first quarter of 2020 (\$8 million pretax as reported in this line item, \$6 million after-tax).

^D Pretax fair value gains on the Company's equity and limited partnership investments recorded in the three and six-month periods ended July 2, 2021, (\$86 million pretax as reported in this line item, \$67 million after-tax and \$202 million pretax as reported in this line item, \$161 million after-tax, respectively) and pretax fair value losses on the Company's equity and limited partnership investments recorded in the three and six-month periods ended July 3, 2020, (\$6 million pretax as reported in this line item, \$4 million after-tax, and \$13 million pretax as reported in this line item, \$10 million after-tax, respectively).

^E Pretax gain on disposition of certain product lines in the six-month period ended July 2, 2021, (\$13 million pretax as reported in this line item, \$10 million after-tax). Pretax gain on disposition of certain product lines in both the three and six-month periods ended July 3, 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-month period ended July 2, 2021, include the impact of net discrete tax gains of \$76 million (or \$0.10 per diluted common share) related primarily to release of reserves for uncertain tax positions due to the expiration of statutes of limitation, audit settlements and excess tax benefits from stock-based compensation, net of changes in estimates associated with prior period uncertain tax positions. Discrete tax adjustments and other tax-related adjustments for the six-month period ended July 2, 2021, include the impact of net discrete tax gains of \$120 million (or \$0.16 per diluted common share) related primarily to stock-based compensation, the release of reserves for uncertain tax positions due to the expiration of statutes of limitation and other items. Discrete tax adjustments and other tax-related adjustments for the six-month period ended July 3, 2020, include the impact of net discrete tax gains of \$27 million (or \$0.04 per diluted common share) related primarily to excess tax benefits from stock-based compensation and the release of reserves for uncertain tax positions due to the expiration of statutes of limitation. 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 from continuing operations per common share.

^H In March 2019, the Company issued \$1.65 billion in aggregate liquidation preference of 4.75% MCPS Series A. In May 2020, the Company issued \$1.72 billion in aggregate liquidation preference of 5.0% MCPS Series B. Dividends on the MCPS Series A and Series B 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 MCPS Series A will automatically

Reconciliation of GAAP to Adjusted P&L Metrics

(\$ in millions, except per share data)

convert on April 15, 2022 into between 6.6590 and 8.1572 shares of Danaher’s common stock, subject to further anti-dilution adjustments. Unless earlier converted, each share of MCPS Series B will automatically convert on April 15, 2023 into between 5.0094 and 6.1364 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 MCPS Series A and Series B, respectively. For the calculation of net earnings per common share from continuing operations, the impact of the dilutive MCPS are calculated under the if-converted method and the related MCPS dividends are excluded. For the purposes of calculating adjusted earnings per common share from continuing operations, 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 only with respect to any MCPS the conversion of which would be dilutive in the particular period are referred to as the “Converted Shares”) for any MCPS that were anti-dilutive for the given period. For additional information about the impact of the MCPS on the calculation of diluted EPS, see note 5 in the Adjusted Average Common Stock and Common Equivalent Diluted Shares Outstanding table below.

¹ Net earnings from continuing operations for calculation of diluted earnings per common share is summarized as follows (\$ in millions):

	Three-Month Period Ended		Six-Month Period Ended	
	July 2, 2021	July 3, 2020	July 2, 2021	July 3, 2020
Net earnings from continuing operations	\$ 1,699	\$ 927	\$ 3,401	\$ 1,522
MCPS dividends	(41)	(35)	(82)	(54)
Net earnings from continuing operations attributable to common stockholders for Basic EPS	1,658	892	3,319	1,468
Adjustment for interest on convertible debentures	—	1	—	1
Adjustment for MCPS dividends for dilutive MCPS	20	—	40	—
Net earnings from continuing operations attributable to common stockholders after assumed conversions for Diluted EPS	\$ 1,678	\$ 893	\$ 3,359	\$ 1,469

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Adjusted Average Common Stock and Common Equivalent Diluted Shares Outstanding
(shares in millions)

	Three-Month Period Ended		Six-Month Period Ended	
	July 2, 2021	July 3, 2020	July 2, 2021	July 3, 2020
Average common stock and common equivalent shares outstanding - diluted (GAAP) ⁶	736.0	718.2	735.6	713.1
Converted shares ⁷	8.6	16.8	8.6	14.6
Adjusted average common stock and common equivalent shares outstanding - diluted (non-GAAP)	744.6	735.0	744.2	727.7

⁶ The impact of the MCPS Series A calculated under the if-converted method was dilutive for the three and six-month periods ended July 2, 2021, and as such 11.0 million shares underlying the MCPS Series A were included in the calculation of diluted EPS for both periods and the related MCPS Series A dividends of \$20 million and \$40 million were excluded from the calculation of net earnings for diluted EPS for the respective periods.

The impact of the MCPS Series B calculated under the if-converted method was anti-dilutive for the three and six-month periods ended July 2, 2021, and as such 8.6 million shares underlying the MCPS Series B were excluded in the calculation of diluted EPS in both periods and the related MCPS Series B dividends of \$21 million and \$42 million were included in the calculation of net earnings for diluted EPS for the respective periods.

The impact of the MCPS Series A and MCPS Series B calculated under the if-converted method was anti-dilutive for the three and six-month periods ended July 3, 2020, and as such 16.8 million and 14.6 million shares, respectively, underlying the MCPS Series A and MCPS Series B were excluded from the diluted EPS calculation and the related MCPS Series A and MCPS Series B dividends were included in the calculation of net earnings for diluted EPS from continuing operations for the three and six-month periods ended July 3, 2020.

⁷ 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 \$258.03 and \$172.83 as of July 2, 2021 and July 3, 2020, respectively.

DANAHER CORPORATION

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

	Segments			
	Total Company	Life Sciences	Diagnostics	Environmental & Applied Solutions
Three-Month Period Ended July 3, 2020 Operating Profit Margins from Continuing Operations (GAAP)	15.90 %	15.60 %	17.70 %	22.30 %
Second quarter 2021 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	(0.15)	(0.35)	(0.05)	0.10
Second quarter 2020 acquisition-related fair value adjustments to inventory and deferred revenue, in each case related to the acquisition of Cytiva	4.30	8.65	—	—
Year-over-year core operating profit margin changes for the second quarter 2021 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	7.75	6.70	10.15	2.00
Three-Month Period Ended July 2, 2021 Operating Profit Margins from Continuing Operations (GAAP)	<u>27.80 %</u>	<u>30.60 %</u>	<u>27.80 %</u>	<u>24.40 %</u>

	Segments			
	Total Company	Life Sciences	Diagnostics	Environmental & Applied Solutions
Six-Month Period Ended July 3, 2020 Operating Profit Margins from Continuing Operations (GAAP)	16.00 %	17.20 %	16.60 %	22.40 %
First half of 2021 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	1.55	2.50	(0.05)	—
First half of 2020 acquisition-related fair value adjustments to inventory and deferred revenue, transaction costs deemed significant and integration preparation costs, net of first half of 2021 acquisition-related fair value adjustments to inventory and deferred revenue in each case related to the acquisition of Cytiva	2.50	4.25	—	—
First quarter 2021 impairment charge related to a trade name in the Diagnostics segment, net of 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)	0.15
Year-over-year core operating profit margin changes for first half of 2021 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	8.35	7.55	11.70	2.25
Six-Month Period Ended July 2, 2021 Operating Profit Margins from Continuing Operations (GAAP)	<u>28.40 %</u>	<u>31.50 %</u>	<u>28.20 %</u>	<u>24.80 %</u>

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.

DANAHER CORPORATION

Free Cash Flow and Free Cash Flow to Net Earnings Conversion Ratio

(\$ in millions)

	Three-Month Period Ended		Year-over-Year Change	Six-Month Period Ended		Year-over-Year Change
	July 2, 2021	July 3, 2020		July 2, 2021	July 3, 2020	
Total Cash Flows from Continuing Operations:						
Total cash provided by operating activities from continuing operations (GAAP)	\$ 2,120	\$ 1,445		\$ 3,991	\$ 2,271	
Total cash (used in) from investing activities from continuing operations (GAAP)	\$ (1,067)	\$ 539		\$ (2,060)	\$ (20,329)	
Total cash (used in) provided by financing activities from continuing operations (GAAP)	\$ (139)	\$ (889)		\$ (588)	\$ 3,745	
Free Cash Flow from Continuing Operations:						
Total cash provided by operating activities from continuing operations (GAAP)	\$ 2,120	\$ 1,445	~ 46.5%	\$ 3,991	\$ 2,271	~ 75.5%
Less: payments for additions to property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(305)	(155)		(556)	(288)	
Plus: proceeds from sales of property, plant & equipment (capital disposals) from continuing operations (GAAP)	1	—		13	1	
Free cash flow from continuing operations (non-GAAP)	<u>\$ 1,816</u>	<u>\$ 1,290</u>	~ 41.0%	<u>\$ 3,448</u>	<u>\$ 1,984</u>	~ 74.0%
Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio:						
Free cash flow from continuing operations from above (non-GAAP)	\$ 1,816	\$ 1,290		\$ 3,448	\$ 1,984	
Net earnings from continuing operations (GAAP)	<u>1,699</u>	<u>927</u>		<u>3,401</u>	<u>1,522</u>	
Free cash flow from continuing operations to net earnings from continuing operations conversion ratio (non-GAAP)	<u>1.07</u>	<u>1.39</u>		<u>1.01</u>	<u>1.30</u>	

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”). All amounts presented above reflect only continuing operations.

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 the profitability-related non-GAAP measures, 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 and related sales measures, 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 from continuing operations and related cash flow measures (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 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 Company product lines divested in 2020 to obtain regulatory approval to acquire Cytiva ("Cytiva sales") and also adding the Cytiva sales to the current period. Beginning in the second quarter of 2021, Cytiva sales are included in core sales, and therefore we no longer provide the measure "core sales including Cytiva" for quarterly periods beginning with the second quarter of 2021. We also present "base business" core revenue growth to demonstrate our core revenue growth and our core revenue growth including Cytiva excluding the impact of core sales growth directly attributable to COVID-19 and its impact.

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:
 - Amortization of Intangible Assets. 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.
 - Restructuring Charges. 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

Statement Regarding Non-GAAP Measures

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.

- Other Adjustments. 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.
- With respect to adjusted average common stock and common equivalent shares outstanding, 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 Series A and Series B MCPS, respectively, (unless converted or redeemed earlier in accordance with the terms of the applicable certificate of designations). With respect to the calculation of Adjusted Diluted Net Earnings Per Common Share from Continuing Operations, we apply the “if converted” method of share dilution to the MCPS Series A and B in all applicable periods irrespective of whether such preferred shares would be dilutive or anti-dilutive in the period. 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 operating profit margin changes, in addition to the explanation set forth in the bullets above relating to the “other adjustments”, we exclude the impact of businesses owned for less than one year (or disposed of during such period and not treated as discontinued operations) because the timing, size, number and nature of such transactions can vary significantly from period to period and may obscure underlying business trends and make comparisons of long-term performance difficult.
- We calculate adjusted EBITDA by adding to operating profit amounts equal to depreciation and amortization and making the other adjustments reflected in the applicable tables above, which allows us to calculate and disclose such measure by segment. Given Danaher’s diversification, we believe this helps our investors compare the profitability of our individual segments to peer companies with like business lines.
- With respect to core sales related measures, (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 including Cytiva and base business core sales) 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 related measures, 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.



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