



DANAHER CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
THE FISCAL YEAR ENDED DECEMBER 31, 2020, THE 2021 QUARTERS AND FISCAL YEAR ENDED
DECEMBER 31, 2021 AND FIRST, SECOND AND THIRD QUARTERS AND FIRST NINE MONTHS OF 2022

TABLE OF CONTENTS

<u>Page</u>	
<u>1</u>	<u>Sales Growth, Core Sales Growth by Segment, Core Sales Growth Including Cytiva by Segment and Base Business Core Sales Growth</u>
<u>3</u>	<u>Segment Sales, Operating Profit and Adjusted Operating Profit</u>
<u>5</u>	<u>Net Earnings From Continuing Operations; Operating Profit; Adjusted EBITDA; Adjusted EBITDA Margin</u>
<u>15</u>	<u>Operating Profit and Adjusted Operating Profit</u>
<u>16</u>	<u>Year-Over-Year Core Operating Margin Changes from Continuing Operations</u>
<u>22</u>	<u>Statement Regarding Non-GAAP Measures</u>

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 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 on our operations and liquidity, deterioration of or instability in the economy, the markets we 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 cyclicalities 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 growth, synergies and other benefits of such acquisitions, 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, the impact of climate change, or legal or regulatory measures to address climate change, labor matters and our ability to recruit, retain and motivate talented employees, international economic, political, legal, compliance, social and business factors (including the impact of the military conflict between Russia and Ukraine and the impact of the United Kingdom's separation from the European Union), disruptions relating to man-made and natural disasters (including pandemics such as COVID-19), pension plan costs, inflation and supply chain disruption. 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 2021 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the third quarter of 2022. These forward-looking statements speak only as of the date of this document (January 18, 2023) 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.

ABOUT

During the fourth quarter of 2022, Danaher Corporation's (the "Company") changes in internal organization resulting from the rate of growth within certain of the Company's businesses in the former Life Sciences segment resulted in changes in the composition of the Company's reportable segments. This document provides a summary of the Company's results for 2020, 2021 and the first nine-months of 2022 had the new segment reporting structure been in place consisting of the Company's new segments: Biotechnology; Life Sciences; Diagnostics; and Environmental & Applied Solutions. The two new segments, Biotechnology and Life Sciences, together previously constituted the former Life Sciences segment. The change in segment reporting will be reflected retrospectively, but in no way revises or restates any Consolidated Statements of Earnings, Consolidated Balance Sheets, Consolidated Statements of Shareholders' Equity or Consolidated Statements of Cash Flows for the Company for any period previously filed with the U.S. Securities and Exchange Commission.

DANAHER CORPORATION

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

	Three-Month Period Ended			Nine-Month Period Ended September 30, 2022
	April 1, 2022	July 1, 2022	September 30, 2022	
Danaher:				
Total sales growth (GAAP)	12.0 %	7.5 %	6.0 %	8.5 %
Impact of:				
Acquisitions/divestitures	(2.0)%	(2.5)%	(1.5)%	(2.0)%
Currency exchange rates	2.0 %	4.5 %	5.5 %	4.0 %
Core sales growth (non-GAAP)	12.0 %	9.5 %	10.0 %	10.5 %
Impact of COVID-19 related testing	(4.0)%	(1.5)%	(1.5)%	(2.5)%
Base business core sales growth (non-GAAP)	8.0 %	8.0 %	8.5 %	8.0 %
Biotechnology:				
Total sales growth (GAAP)	6.0 %	4.5 %	(0.5)%	3.5 %
Impact of:				
Acquisitions/divestitures	(1.5)%	(1.0)%	— %	(1.0)%
Currency exchange rates	2.0 %	5.0 %	6.0 %	4.5 %
Core sales growth (non-GAAP)	6.5 %	8.5 %	5.5 %	7.0 %
Life Sciences:				
Total sales growth (GAAP)	14.5 %	8.5 %	10.0 %	11.0 %
Impact of:				
Acquisitions/divestitures	(8.5)%	(8.5)%	(5.5)%	(7.5)%
Currency exchange rates	3.0 %	5.0 %	6.0 %	4.5 %
Core sales growth (non-GAAP)	9.0 %	5.0 %	10.5 %	8.0 %

Note: While we expect overall demand for the Company’s COVID-19 related products to moderate as and to the extent the pandemic subsides, as the pandemic evolves toward endemic status we believe a level of demand for the Company’s products that support COVID-19 related vaccines and therapeutics (including initiatives that seek to prevent or mitigate similar, future pandemics) and COVID-19 testing will continue. However, on a relative basis, we expect the level of ongoing demand for products supporting COVID-19 testing will be subject to more fluctuations in demand than the level of demand for products supporting COVID-19 related vaccines and therapeutics. Therefore, beginning with the first quarter of 2022, in addition to disclosing core revenue growth, we disclose “base business core sales growth” on a basis that excludes revenues related to COVID-19 testing and includes revenues from products that support COVID-19 related vaccines and therapeutics. We believe this additional measure provides useful information to investors by facilitating period-to-period comparisons of our financial performance and identifying underlying growth trends in the Company’s business that otherwise may be obscured by fluctuations in demand for COVID-19 testing as a result of the pandemic.

For the total sales growth and core sales growth for the Company’s Diagnostics and Environmental & Applied Solutions segments, refer to the Company’s Reconciliation of GAAP to Non-GAAP Financial Measures for the relevant periods on the Company’s website.

DANAHER CORPORATION

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

	Year Ended December 31, 2020	Three-Month Period Ended			Year Ended December 31, 2021	Year Ended December 31, 2021
		April 2, 2021	July 2, 2021	October 1, 2021		
Danaher:						
Total sales growth (GAAP)	24.5 %	58.0 %	36.5 %	23.0 %	20.5 %	32.0 %
Impact of:						
Acquisitions/divestitures	(18.0)%	(34.5)%	(1.0)%	(1.0)%	(2.0)%	(7.5)%
Currency exchange rates	— %	(3.5)%	(4.0)%	(1.5)%	1.0 %	(1.5)%
Core sales growth (non-GAAP)	6.5 %	20.0 %	31.5 %	20.5 %	19.5 %	23.0 %
Impact of Cytiva sales growth (net of divested product lines)	3.0 %	10.0 %				2.0 %
Core sales growth including Cytiva (non-GAAP)	9.5 %	30.0 %				25.0 %
Impact of COVID-related tailwinds						
		(20.0)%	(14.0)%	(10.5)%	(9.5)%	(13.5)%
Base business core sales growth (non-GAAP)		10.0 %	17.5 %	10.0 %	10.0 %	11.5 %
Biotechnology:						
Total sales growth (GAAP)	206.0 %	367.5 %	49.5 %	30.5 %	25.0 %	62.5 %
Impact of:						
Acquisitions/divestitures	(188.0)%	(338.0)%	(3.0)%	(3.0)%	(2.5)%	(31.5)%
Currency exchange rates	(0.5)%	(5.0)%	(4.5)%	(1.0)%	1.0 %	(1.5)%
Core sales growth (non-GAAP)	17.5 %	24.5 %	42.0 %	26.5 %	23.5 %	29.5 %
Impact of Cytiva sales growth (net of divested product lines)	9.5 %	38.0 %				7.0 %
Core sales growth including Cytiva (non-GAAP)	27.0 %	62.5 %				36.5 %
Life Sciences:						
Total sales growth (GAAP)	1.5 %	21.0 %	31.5 %	17.0 %	15.0 %	20.5 %
Impact of:						
Acquisitions/divestitures	1.0 %	2.0 %	0.5 %	(3.0)%	(6.5)%	(2.0)%
Currency exchange rates	(0.5)%	(3.5)%	(4.0)%	(1.0)%	1.5 %	(1.5)%
Core sales growth (non-GAAP)	2.0 %	19.5 %	28.0 %	13.0 %	10.0 %	17.0 %

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 the measure “core sales growth including Cytiva” is no longer provided for quarterly periods beginning with the second quarter of 2021. Therefore, the impact of Cytiva sales growth represents only the impact of Cytiva sales in the first quarter of 2021, prior to the inclusion of Cytiva sales in core sales. Impact of COVID-related tailwinds includes revenue from COVID-19 related testing and revenues related to products that support the pursuit and production of COVID-19 related treatments and vaccines.

DANAHER CORPORATION

Segment Sales, Operating Profit and Adjusted Operating Profit

(\$ in millions)

	Year Ended December 31, 2020	Three-Month Period Ended				Year Ended December 31, 2021	Three-Month Period Ended			Nine-Month Period Ended September 30, 2022
		April 2, 2021	July 2, 2021	October 1, 2021	December 31, 2021		April 1, 2022	July 1, 2022	September 30, 2022	
Sales (GAAP)										
Biotechnology	\$ 5,276	\$ 2,094	\$ 2,168	\$ 2,066	\$ 2,242	\$ 8,570	\$ 2,216	\$ 2,266	\$ 2,053	\$ 6,535
Life Sciences	5,300	1,452	1,566	1,566	1,804	6,388	1,666	1,701	1,723	5,090
Diagnostics	7,403	2,178	2,336	2,449	2,881	9,844	2,644	2,561	2,679	7,884
Environmental & Applied Solutions	4,305	1,134	1,148	1,148	1,221	4,651	1,162	1,223	1,208	3,593
Total Company	<u>\$ 22,284</u>	<u>\$ 6,858</u>	<u>\$ 7,218</u>	<u>\$ 7,229</u>	<u>\$ 8,148</u>	<u>\$ 29,453</u>	<u>\$ 7,688</u>	<u>\$ 7,751</u>	<u>\$ 7,663</u>	<u>\$ 23,102</u>
Operating Profit (GAAP)										
Biotechnology	\$ 1,082	\$ 806	\$ 779	\$ 709	\$ 780	\$ 3,074	\$ 800	\$ 824	\$ 691	\$ 2,315
Life Sciences	972	345	365	266	317	1,293	318	350	354	1,022
Diagnostics	1,538	626	649	145	893	2,313	886	800	761	2,447
Environmental & Applied Solutions	979	285	280	256	233	1,054	236	307	286	829
Other	(340)	(65)	(68)	(67)	(69)	(269)	(68)	(76)	(77)	(221)
Total Company	<u>\$ 4,231</u>	<u>\$ 1,997</u>	<u>\$ 2,005</u>	<u>\$ 1,309</u>	<u>\$ 2,154</u>	<u>\$ 7,465</u>	<u>\$ 2,172</u>	<u>\$ 2,205</u>	<u>\$ 2,015</u>	<u>\$ 6,392</u>
Amortization of Intangible Assets (GAAP)										
Biotechnology	\$ 670	\$ 226	\$ 227	\$ 227	\$ 221	\$ 901	\$ 214	\$ 205	\$ 197	\$ 616
Life Sciences	200	51	53	71	107	282	107	105	103	315
Diagnostics	205	51	51	52	51	205	51	50	50	151
Environmental & Applied Solutions	63	16	16	15	15	62	14	13	11	38
Total Company	<u>\$ 1,138</u>	<u>\$ 344</u>	<u>\$ 347</u>	<u>\$ 365</u>	<u>\$ 394</u>	<u>\$ 1,450</u>	<u>\$ 386</u>	<u>\$ 373</u>	<u>\$ 361</u>	<u>\$ 1,120</u>
Other Operating Profit Adjustments¹										
Biotechnology	\$ 509	\$ 46	\$ —	\$ —	\$ —	\$ 46	\$ 14	\$ —	\$ —	\$ 14
Life Sciences	—	—	—	45	13	58	24	—	—	24
Diagnostics	5	10	—	547	—	557	3	—	—	3
Environmental & Applied Solutions	17	—	—	—	—	—	1	9	—	10
Other	59	—	—	—	—	—	1	—	—	1
Total Company	<u>\$ 590</u>	<u>\$ 56</u>	<u>\$ —</u>	<u>\$ 592</u>	<u>\$ 13</u>	<u>\$ 661</u>	<u>\$ 43</u>	<u>\$ 9</u>	<u>\$ —</u>	<u>\$ 52</u>

¹ Refer to the Reconciliation of Operating Profit to Adjusted Operating Profit for a description of the components of Other Operating Profit Adjustments.

DANAHER CORPORATION

Segment Sales, Operating Profit and Adjusted Operating Profit

(\$ in millions)

	Year Ended December 31, 2020	Three-Month Period Ended				Year Ended December 31, 2021	Three-Month Period Ended			Nine-Month Period Ended September 30, 2022
		April 2, 2021	July 2, 2021	October 1, 2021	December 31, 2021		April 1, 2022	July 1, 2022	September 30, 2022	
Adjusted Operating Profit (non-GAAP)³										
Biotechnology	\$ 2,261	\$ 1,078	\$ 1,006	\$ 936	\$ 1,001	\$ 4,021	\$ 1,028	\$ 1,029	\$ 888	\$ 2,945
Life Sciences	1,172	396	418	382	437	1,633	449	455	457	1,361
Diagnostics	1,748	687	700	744	944	3,075	940	850	811	2,601
Environmental & Applied Solutions	1,059	301	296	271	248	1,116	251	329	297	877
Other	(281)	(65)	(68)	(67)	(69)	(269)	(67)	(76)	(77)	(220)
Total Company	\$ 5,959	\$ 2,397	\$ 2,352	\$ 2,266	\$ 2,561	\$ 9,576	\$ 2,601	\$ 2,587	\$ 2,376	\$ 7,564

² Adjusted Operating Profit (non-GAAP) is defined as operating profit (GAAP) plus amortization of intangible assets (GAAP) plus (minus) Other Operating Profit Adjustments (as defined).

DANAHER CORPORATION

Net Earnings From Continuing Operations; Operating Profit; Adjusted EBITDA; Adjusted EBITDA Margin
(\$ in millions)

	Nine-Month Period Ended September 30, 2022					Total Company
	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	
Net Earnings from Continuing Operations (GAAP)						\$ 4,977
Interest, Net						135
Other Nonoperating (Income) Expense						158
Income Taxes						1,122
Operating Profit (GAAP)	\$ 2,315	\$ 1,022	\$ 2,447	\$ 829	\$ (221)	\$ 6,392
Other Operating Profit Adjustments ¹	14	24	3	10	1	52
Depreciation	127	84	290	31	5	537
Amortization of Intangible Assets	616	315	151	38	—	1,120
Adjusted EBITDA (Non-GAAP)	<u>\$ 3,072</u>	<u>\$ 1,445</u>	<u>\$ 2,891</u>	<u>\$ 908</u>	<u>\$ (215)</u>	<u>\$ 8,101</u>
Interest, Net						(135)
Other Nonoperating Income (Expense)						(158)
Income Taxes						(1,122)
Other Operating Profit Adjustments ¹						(52)
Depreciation						(537)
Amortization of Intangible Assets						(1,120)
Net Earnings from Continuing Operations (GAAP)						<u>\$ 4,977</u>
Sales (GAAP)	<u>\$ 6,535</u>	<u>\$ 5,090</u>	<u>\$ 7,884</u>	<u>\$ 3,593</u>		<u>\$ 23,102</u>
Net Earnings from Continuing Operations Margin (GAAP)						<u>21.5 %</u>
Operating Profit Margin (GAAP)	<u>35.4 %</u>	<u>20.1 %</u>	<u>31.0 %</u>	<u>23.1 %</u>		<u>27.7 %</u>
Adjusted EBITDA Margin (Non-GAAP) ³	<u>47.0 %</u>	<u>28.4 %</u>	<u>36.7 %</u>	<u>25.3 %</u>		<u>35.1 %</u>

¹ Refer to the Reconciliation of Operating Profit to Adjusted Operating Profit for a description of the components of Other Operating Profit Adjustments.

³ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

DANAHER CORPORATION

Net Earnings From Continuing Operations; Operating Profit; Adjusted EBITDA; Adjusted EBITDA Margin
(\$ in millions)

	Three-Month Period Ended September 30, 2022					
	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	Total Company
Net Earnings from Continuing Operations (GAAP)						\$ 1,572
Interest, Net						33
Other Nonoperating (Income) Expense						51
Income Taxes						359
Operating Profit (GAAP)	\$ 691	\$ 354	\$ 761	\$ 286	\$ (77)	\$ 2,015
Other Operating Profit Adjustments ¹	—	—	—	—	—	—
Depreciation	40	29	98	10	2	179
Amortization of Intangible Assets	197	103	50	11	—	361
Adjusted EBITDA (Non-GAAP)	<u>\$ 928</u>	<u>\$ 486</u>	<u>\$ 909</u>	<u>\$ 307</u>	<u>\$ (75)</u>	<u>\$ 2,555</u>
Interest, Net						(33)
Other Nonoperating Income (Expense)						(51)
Income Taxes						(359)
Other Operating Profit Adjustments ¹						—
Depreciation						(179)
Amortization of Intangible Assets						(361)
Net Earnings from Continuing Operations (GAAP)						<u>\$ 1,572</u>
Sales (GAAP)	<u>\$ 2,053</u>	<u>\$ 1,723</u>	<u>\$ 2,679</u>	<u>\$ 1,208</u>		<u>\$ 7,663</u>
Net Earnings from Continuing Operations Margin (GAAP)						<u>20.5 %</u>
Operating Profit Margin (GAAP)	<u>33.7 %</u>	<u>20.5 %</u>	<u>28.4 %</u>	<u>23.7 %</u>		<u>26.3 %</u>
Adjusted EBITDA Margin (Non-GAAP) ³	<u>45.2 %</u>	<u>28.2 %</u>	<u>33.9 %</u>	<u>25.4 %</u>		<u>33.3 %</u>

¹ Refer to the Reconciliation of Operating Profit to Adjusted Operating Profit for a description of the components of Other Operating Profit Adjustments.

³ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

DANAHER CORPORATION

Net Earnings From Continuing Operations; Operating Profit; Adjusted EBITDA; Adjusted EBITDA Margin

(\$ in millions)

	Three-Month Period Ended July 1, 2022					Total Company
	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	
Net Earnings from Continuing Operations (GAAP)						\$ 1,680
Interest, Net						49
Other Nonoperating (Income) Expense						87
Income Taxes						389
Operating Profit (GAAP)	\$ 824	\$ 350	\$ 800	\$ 307	\$ (76)	\$ 2,205
Other Operating Profit Adjustments ¹	—	—	—	9	—	9
Depreciation	43	27	98	10	1	179
Amortization of Intangible Assets	205	105	50	13	—	373
Adjusted EBITDA (Non-GAAP)	<u>\$ 1,072</u>	<u>\$ 482</u>	<u>\$ 948</u>	<u>\$ 339</u>	<u>\$ (75)</u>	<u>\$ 2,766</u>
Interest, Net						(49)
Other Nonoperating Income (Expense)						(87)
Income Taxes						(389)
Other Operating Profit Adjustments ¹						(9)
Depreciation						(179)
Amortization of Intangible Assets						(373)
Net Earnings from Continuing Operations (GAAP)						<u>\$ 1,680</u>
Sales (GAAP)	<u>\$ 2,266</u>	<u>\$ 1,701</u>	<u>\$ 2,561</u>	<u>\$ 1,223</u>		<u>\$ 7,751</u>
Net Earnings from Continuing Operations Margin (GAAP)						<u>21.7 %</u>
Operating Profit Margin (GAAP)	<u>36.4 %</u>	<u>20.6 %</u>	<u>31.2 %</u>	<u>25.1 %</u>		<u>28.4 %</u>
Adjusted EBITDA Margin (Non-GAAP) ³	<u>47.3 %</u>	<u>28.3 %</u>	<u>37.0 %</u>	<u>27.7 %</u>		<u>35.7 %</u>

¹ Refer to the Reconciliation of Operating Profit to Adjusted Operating Profit for a description of the components of Other Operating Profit Adjustments.

³ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

DANAHER CORPORATION

Net Earnings From Continuing Operations; Operating Profit; Adjusted EBITDA; Adjusted EBITDA Margin
(\$ in millions)

	Three-Month Period Ended April 1, 2022					Total Company
	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	
Net Earnings from Continuing Operations (GAAP)						\$ 1,725
Interest, Net						53
Other Nonoperating (Income) Expense						20
Income Taxes						374
Operating Profit (GAAP)	\$ 800	\$ 318	\$ 886	\$ 236	\$ (68)	\$ 2,172
Other Operating Profit Adjustments ¹	14	24	3	1	1	43
Depreciation	44	28	94	11	2	179
Amortization of Intangible Assets	214	107	51	14	—	386
Adjusted EBITDA (Non-GAAP)	<u>\$ 1,072</u>	<u>\$ 477</u>	<u>\$ 1,034</u>	<u>\$ 262</u>	<u>\$ (65)</u>	<u>\$ 2,780</u>
Interest, Net						(53)
Other Nonoperating Income (Expense)						(20)
Income Taxes						(374)
Other Operating Profit Adjustments ¹						(43)
Depreciation						(179)
Amortization of Intangible Assets						(386)
Net Earnings from Continuing Operations (GAAP)						<u>\$ 1,725</u>
Sales (GAAP)	<u>\$ 2,216</u>	<u>\$ 1,666</u>	<u>\$ 2,644</u>	<u>\$ 1,162</u>		
Net Earnings from Continuing Operations Margin (GAAP)						<u>22.4 %</u>
Operating Profit Margin (GAAP)	<u>36.1 %</u>	<u>19.1 %</u>	<u>33.5 %</u>	<u>20.3 %</u>		
Adjusted EBITDA Margin (Non-GAAP) ³	<u>48.4 %</u>	<u>28.6 %</u>	<u>39.1 %</u>	<u>22.5 %</u>		

¹ Refer to the Reconciliation of Operating Profit to Adjusted Operating Profit for a description of the components of Other Operating Profit Adjustments.

³ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

DANAHER CORPORATION

Net Earnings From Continuing Operations; Operating Profit; Adjusted EBITDA; Adjusted EBITDA Margin

(\$ in millions)

	Year Ended December 31, 2021					Total Company
	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	
Net Earnings from Continuing Operations (GAAP)						\$ 6,347
Interest, Net						227
Other Nonoperating (Income) Expense ⁴						(360)
Income Taxes						1,251
Operating Profit (GAAP)	\$ 3,074	\$ 1,293	\$ 2,313	\$ 1,054	\$ (269)	\$ 7,465
Other Operating Profit Adjustments ¹	46	58	557	—	—	661
Depreciation	158	100	409	44	7	718
Amortization of Intangible Assets	901	282	205	62	—	1,450
Adjusted EBITDA (Non-GAAP)	<u>\$ 4,179</u>	<u>\$ 1,733</u>	<u>\$ 3,484</u>	<u>\$ 1,160</u>	<u>\$ (262)</u>	<u>\$ 10,294</u>
Interest, Net						(227)
Other Nonoperating (Income) Expense ⁴						360
Income Taxes						(1,251)
Other Operating Profit Adjustments ¹						(661)
Depreciation						(718)
Amortization of Intangible Assets						(1,450)
Net Earnings from Continuing Operations (GAAP)						<u>\$ 6,347</u>
Sales (GAAP)	<u>\$ 8,570</u>	<u>\$ 6,388</u>	<u>\$ 9,844</u>	<u>\$ 4,651</u>		
Net Earnings from Continuing Operations Margin (GAAP)						<u>21.5 %</u>
Operating Profit Margin (GAAP)	<u>35.9 %</u>	<u>20.2 %</u>	<u>23.5 %</u>	<u>22.7 %</u>		
Adjusted EBITDA Margin (Non-GAAP) ³	<u>48.8 %</u>	<u>27.1 %</u>	<u>35.4 %</u>	<u>24.9 %</u>		

¹ Refer to the Reconciliation of Operating Profit to Adjusted Operating Profit for a description of the components of Other Operating Profit Adjustments.

³ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

⁴ Other Nonoperating (Income) Expense includes loss on early extinguishment of borrowings

DANAHER CORPORATION

Net Earnings From Continuing Operations; Operating Profit; Adjusted EBITDA; Adjusted EBITDA Margin
(\$ in millions)

	Three-Month Period Ended December 31, 2021					Total Company
	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	
Net Earnings from Continuing Operations (GAAP)						\$ 1,788
Interest, Net						55
Other Nonoperating (Income) Expense ⁴						14
Income Taxes						297
Operating Profit (GAAP)	\$ 780	\$ 317	\$ 893	\$ 233	\$ (69)	\$ 2,154
Other Operating Profit Adjustments ¹	—	13	—	—	—	13
Depreciation	43	28	109	11	2	193
Amortization of Intangible Assets	221	107	51	15	—	394
Adjusted EBITDA (Non-GAAP)	<u>\$ 1,044</u>	<u>\$ 465</u>	<u>\$ 1,053</u>	<u>\$ 259</u>	<u>\$ (67)</u>	<u>\$ 2,754</u>
Interest, Net						(55)
Other Nonoperating (Income) Expense ⁴						(14)
Income Taxes						(297)
Other Operating Profit Adjustments ¹						(13)
Depreciation						(193)
Amortization of Intangible Assets						(394)
Net Earnings from Continuing Operations (GAAP)						<u>\$ 1,788</u>
Sales (GAAP)	<u>\$ 2,242</u>	<u>\$ 1,804</u>	<u>\$ 2,881</u>	<u>\$ 1,221</u>		<u>\$ 8,148</u>
Net Earnings from Continuing Operations Margin (GAAP)						<u>21.9 %</u>
Operating Profit Margin (GAAP)	<u>34.8 %</u>	<u>17.6 %</u>	<u>31.0 %</u>	<u>19.1 %</u>		<u>26.4 %</u>
Adjusted EBITDA Margin (Non-GAAP) ³	<u>46.6 %</u>	<u>25.8 %</u>	<u>36.5 %</u>	<u>21.2 %</u>		<u>33.8 %</u>

¹ Refer to the Reconciliation of Operating Profit to Adjusted Operating Profit for a description of the components of Other Operating Profit Adjustments.

³ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

⁴ Other Nonoperating (Income) Expense includes loss on early extinguishment of borrowings

DANAHER CORPORATION

Net Earnings From Continuing Operations; Operating Profit; Adjusted EBITDA; Adjusted EBITDA Margin
(\$ in millions)

	Three-Month Period Ended October 1, 2021					Total Company
	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	
Net Earnings from Continuing Operations (GAAP)						\$ 1,158
Interest, Net						59
Other Nonoperating (Income) Expense						(137)
Income Taxes						229
Operating Profit (GAAP)	\$ 709	\$ 266	\$ 145	\$ 256	\$ (67)	\$ 1,309
Other Operating Profit Adjustments ¹	—	45	547	—	—	592
Depreciation	45	26	105	11	2	189
Amortization of Intangible Assets	227	71	52	15	—	365
Adjusted EBITDA (Non-GAAP)	<u>\$ 981</u>	<u>\$ 408</u>	<u>\$ 849</u>	<u>\$ 282</u>	<u>\$ (65)</u>	<u>\$ 2,455</u>
Interest, Net						(59)
Other Nonoperating Income (Expense)						137
Income Taxes						(229)
Other Operating Profit Adjustments ¹						(592)
Depreciation						(189)
Amortization of Intangible Assets						(365)
Net Earnings from Continuing Operations (GAAP)						<u>\$ 1,158</u>
Sales (GAAP)	<u>\$ 2,066</u>	<u>\$ 1,566</u>	<u>\$ 2,449</u>	<u>\$ 1,148</u>		<u>\$ 7,229</u>
Net Earnings from Continuing Operations Margin (GAAP)						<u>16.0 %</u>
Operating Profit Margin (GAAP)	<u>34.3 %</u>	<u>17.0 %</u>	<u>5.9 %</u>	<u>22.3 %</u>		<u>18.1 %</u>
Adjusted EBITDA Margin (Non-GAAP) ³	<u>47.5 %</u>	<u>26.1 %</u>	<u>34.7 %</u>	<u>24.6 %</u>		<u>34.0 %</u>

¹ Refer to the Reconciliation of Operating Profit to Adjusted Operating Profit for a description of the components of Other Operating Profit Adjustments.

³ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

DANAHER CORPORATION

Net Earnings From Continuing Operations; Operating Profit; Adjusted EBITDA; Adjusted EBITDA Margin

(\$ in millions)

	Three-Month Period Ended July 2, 2021					Total Company
	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	
Net Earnings from Continuing Operations (GAAP)						\$ 1,699
Interest, Net						59
Other Nonoperating (Income) Expense						(97)
Income Taxes						344
Operating Profit (GAAP)	\$ 779	\$ 365	\$ 649	\$ 280	\$ (68)	\$ 2,005
Other Operating Profit Adjustments ¹	—	—	—	—	—	—
Depreciation	41	23	102	11	1	178
Amortization of Intangible Assets	227	53	51	16	—	347
Adjusted EBITDA (Non-GAAP)	<u>\$ 1,047</u>	<u>\$ 441</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)
Other Operating Profit Adjustments ¹						—
Depreciation						(178)
Amortization of Intangible Assets						(347)
Net Earnings from Continuing Operations (GAAP)						<u>\$ 1,699</u>
Sales (GAAP)	<u>\$ 2,168</u>	<u>\$ 1,566</u>	<u>\$ 2,336</u>	<u>\$ 1,148</u>		
Net Earnings from Continuing Operations Margin (GAAP)						<u>23.5 %</u>
Operating Profit Margin (GAAP)	<u>35.9 %</u>	<u>23.3 %</u>	<u>27.8 %</u>	<u>24.4 %</u>		
Adjusted EBITDA Margin (Non-GAAP) ³	<u>48.3 %</u>	<u>28.2 %</u>	<u>34.3 %</u>	<u>26.7 %</u>		

¹ Refer to the Reconciliation of Operating Profit to Adjusted Operating Profit for a description of the components of Other Operating Profit Adjustments.

³ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

DANAHER CORPORATION

Net Earnings From Continuing Operations; Operating Profit; Adjusted EBITDA; Adjusted EBITDA Margin
(\$ in millions)

	Three-Month Period Ended April 2, 2021					Total Company
	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	
Net Earnings from Continuing Operations (GAAP)						\$ 1,702
Interest, Net						54
Other Nonoperating (Income) Expense						(140)
Income Taxes						381
Operating Profit (GAAP)	\$ 806	\$ 345	\$ 626	\$ 285	\$ (65)	\$ 1,997
Other Operating Profit Adjustments ¹	46	—	10	—	—	56
Depreciation	29	23	93	11	2	158
Amortization of Intangible Assets	226	51	51	16	—	344
Adjusted EBITDA (Non-GAAP)	<u>\$ 1,107</u>	<u>\$ 419</u>	<u>\$ 780</u>	<u>\$ 312</u>	<u>\$ (63)</u>	<u>\$ 2,555</u>
Interest, Net						(54)
Other Nonoperating Income (Expense)						140
Income Taxes						(381)
Other Operating Profit Adjustments ¹						(56)
Depreciation						(158)
Amortization of Intangible Assets						(344)
Net Earnings from Continuing Operations (GAAP)						<u>\$ 1,702</u>
Sales (GAAP)	<u>\$ 2,094</u>	<u>\$ 1,452</u>	<u>\$ 2,178</u>	<u>\$ 1,134</u>		
Net Earnings from Continuing Operations Margin (GAAP)						<u>24.8 %</u>
Operating Profit Margin (GAAP)	<u>38.5 %</u>	<u>23.8 %</u>	<u>28.7 %</u>	<u>25.1 %</u>		
Adjusted EBITDA Margin (Non-GAAP) ³	<u>52.9 %</u>	<u>28.9 %</u>	<u>35.8 %</u>	<u>27.5 %</u>		

¹ Refer to the Reconciliation of Operating Profit to Adjusted Operating Profit for a description of the components of Other Operating Profit Adjustments.

³ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

DANAHER CORPORATION

Net Earnings From Continuing Operations; Operating Profit; Adjusted EBITDA; Adjusted EBITDA Margin

(\$ in millions)

	Year Ended December 31, 2020					Total Company
	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	
Net Earnings from Continuing Operations (GAAP)						\$ 3,646
Interest, Net						204
Other Nonoperating (Income) Expense ⁴						(468)
Income Taxes						849
Operating Profit (GAAP)	\$ 1,082	\$ 972	\$ 1,538	\$ 979	\$ (340)	\$ 4,231
Other Operating Profit Adjustments ¹	509	—	5	17	59	590
Depreciation	91	92	397	47	10	637
Amortization of Intangible Assets	670	200	205	63	—	1,138
Adjusted EBITDA (Non-GAAP)	<u>\$ 2,352</u>	<u>\$ 1,264</u>	<u>\$ 2,145</u>	<u>\$ 1,106</u>	<u>\$ (271)</u>	<u>\$ 6,596</u>
Interest, Net						(204)
Other Nonoperating (Income) Expense ⁴						468
Income Taxes						(849)
Other Operating Profit Adjustments ¹						(590)
Depreciation						(637)
Amortization of Intangible Assets						(1,138)
Net Earnings from Continuing Operations (GAAP)						<u>\$ 3,646</u>
Sales (GAAP)	<u>\$ 5,276</u>	<u>\$ 5,300</u>	<u>\$ 7,403</u>	<u>\$ 4,305</u>		<u>\$ 22,284</u>
Net Earnings from Continuing Operations Margin (GAAP)						<u>16.4 %</u>
Operating Profit Margin (GAAP)	<u>20.5 %</u>	<u>18.3 %</u>	<u>20.8 %</u>	<u>22.7 %</u>		<u>19.0 %</u>
Adjusted EBITDA Margin (Non-GAAP) ⁴	<u>44.6 %</u>	<u>23.8 %</u>	<u>29.0 %</u>	<u>25.7 %</u>		<u>29.6 %</u>

¹ Refer to the Reconciliation of Operating Profit to Adjusted Operating Profit for a description of the components of Other Operating Profit Adjustments.

³ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

⁴ Other Nonoperating (Income) Expense includes loss on early extinguishment of borrowings

DANAHER CORPORATION

Operating Profit and Adjusted Operating Profit

(\$ in millions)

	Year Ended December 31, 2020	Three-Month Period Ended				Year Ended December 31, 2021	Three-Month Period Ended			Nine-Month Period Ended September 30, 2022
		April 2, 2021	July 2, 2021	October 1, 2021	December 31, 2021		April 1, 2022	July 1, 2022	September 30, 2022	
Operating Profit (GAAP)	\$ 4,231	\$ 1,997	\$ 2,005	\$ 1,309	\$ 2,154	\$ 7,465	\$ 2,172	\$ 2,205	\$ 2,015	\$ 6,392
Amortization of acquisition-related intangible assets ^A	1,138	344	347	365	394	1,450	386	373	361	1,120
Acquisition-related items ^B	568	46	—	45	13	104	—	—	—	—
Impairments and other charges ^C	22	10	—	—	—	10	43	9	—	52
Contract settlement expense ^D	—	—	—	547	—	547	—	—	—	—
Adjusted Operating Profit (Non-GAAP)	<u>\$ 5,959</u>	<u>\$ 2,397</u>	<u>\$ 2,352</u>	<u>\$ 2,266</u>	<u>\$ 2,561</u>	<u>\$ 9,576</u>	<u>\$ 2,601</u>	<u>\$ 2,587</u>	<u>\$ 2,376</u>	<u>\$ 7,564</u>

^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):

	Year Ended December 31, 2020	Three-Month Period Ended				Year Ended December 31, 2021	Three-Month Period Ended			Nine-Month Period Ended September 30, 2022
		April 2, 2021	July 2, 2021	October 1, 2021	December 31, 2021		April 1, 2022	July 1, 2022	September 30, 2022	
Pretax	\$ 1,138	\$ 344	\$ 347	\$ 365	\$ 394	\$ 1,450	\$ 386	\$ 373	\$ 361	\$ 1,120
After-tax	915	274	275	293	315	1,157	311	300	293	904

^B Costs incurred for fair value adjustments to inventory and deferred revenue related to the acquisition of Cytiva in the three-month period ended April 2, 2021 (\$46 million pretax as reported in this line item, \$36 million after-tax). Costs incurred for fair value adjustments to inventory and transaction costs deemed significant related to the acquisition of Aldeyron in the three-month period ended October 1, 2021 (\$45 million pretax as reported in this line item, \$36 million after-tax). Costs incurred for fair value adjustments to inventory related to the acquisition of Aldeyron in the three-month period ended December 31, 2021 (\$13 million pretax as reported in this line item, \$10 million after-tax). Costs incurred for fair value adjustments to inventory and deferred revenue and transaction costs deemed significant related to the acquisitions of Cytiva and Aldeyron in the year ended December 31, 2021 (\$104 million pretax as reported in this line item, \$82 million after-tax). Costs incurred for fair value adjustments to inventory and deferred revenue, transaction costs deemed significant and integration preparation costs related to the acquisition of Cytiva for the year ended December 31, 2020 (\$568 million pretax as reported in this line item, \$450 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 Impairment charges related to technology and customer relationships in the Environmental & Applied Solutions segment recorded in the three-month period ended July 1, 2022 and the nine-month period ended September 30, 2022 (\$9 million pretax as reported in this line item, \$7 million after-tax). Additionally, in the three-month period ended April 1, 2022 and the nine-month period ended September 30, 2022, charges incurred primarily related to impairments of accounts receivable and inventory as well as accruals for contractual obligations in Russia (\$43 million pretax as reported in this line item, \$40 million after-tax). Impairment charges related to a trade name in the Diagnostics segment recorded in the three-month period ended April 2, 2021 and the year ended December 31, 2021 (\$10 million pretax as reported in this line item, \$8 million after-tax). Impairment charges related to a facility in the Diagnostics segment and trade names and other intangibles assets in the Environmental & Applied Solutions segment recorded in the year ended December 31, 2020 (\$22 million pretax as reported in this line item, \$17 million after-tax).

^D Expense related to the modification and partial termination of a prior commercial arrangement and resolution of the associated litigation in both the three-month period ended October 1, 2021 and the year ended December 31, 2021 (\$547 million pretax as reported in this line item, \$415 million after-tax).

DANAHER CORPORATION

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

	Segments				
	Total Company	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions
Nine-Month Period Ended October 1, 2021 Operating Profit Margins from Continuing Operations (GAAP)	24.90 %	36.30 %	21.30 %	20.40 %	23.90 %
First nine months of 2022 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	(0.40)	(0.35)	(1.55)	0.10	0.25
First nine months of 2022 impairments of accounts receivable and inventory as well as accruals for contractual obligations in Russia	(0.15)	(0.20)	(0.50)	(0.05)	—
Second quarter 2022 impairment charge related to technology and customer relationships in the Environmental & Applied Solutions segment, net of first quarter 2021 impairment charge related to a trade name in the Diagnostics segment	—	—	—	0.15	(0.25)
First nine months of 2021 acquisition-related fair value adjustments to inventory and transaction costs deemed significant related to the acquisition of Aldevron	0.20	—	1.00	—	—
First nine months of 2021 acquisition-related fair value adjustments to inventory and deferred revenue related to the acquisition of Cytiva	0.25	0.70	—	—	—
Third quarter 2021 impact of the modification and partial termination of a prior commercial arrangement and resolution of the associated litigation	2.55	—	—	7.85	—
Year-over-year core operating profit margin changes for the first nine months of 2022 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	0.35	(1.05)	(0.15)	2.55	(0.80)
Nine-Month Period Ended September 30, 2022 Operating Profit Margins from Continuing Operations (GAAP)	<u>27.70 %</u>	<u>35.40 %</u>	<u>20.10 %</u>	<u>31.00 %</u>	<u>23.10 %</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

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

	Segments				
	Total Company	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions
Three-Month Period Ended October 1, 2021 Operating Profit Margins from Continuing Operations (GAAP)	18.10 %	34.30 %	17.00 %	5.90 %	22.30 %
Third quarter 2022 impact from operating profit margins of businesses that have been owned for less than one year	(0.50)	0.10	(1.30)	(0.45)	0.05
Third quarter 2021 acquisition-related fair value adjustments to inventory and transaction costs deemed significant related to the acquisition of Aldevron	0.65	—	2.90	—	—
Third quarter 2021 impact of the modification and partial termination of a prior commercial arrangement and resolution of the associated litigation	7.55	—	—	22.35	—
Year-over-year core operating profit margin changes for the third quarter 2022 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	0.50	(0.70)	1.90	0.60	1.35
Three-Month Period Ended September 30, 2022 Operating Profit Margins from Continuing Operations (GAAP)	<u>26.30 %</u>	<u>33.70 %</u>	<u>20.50 %</u>	<u>28.40 %</u>	<u>23.70 %</u>

	Segments				
	Total Company	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions
Three-Month Period Ended July 2, 2021 Operating Profit Margins from Continuing Operations (GAAP)	27.80 %	35.90 %	23.30 %	27.80 %	24.40 %
Second quarter 2022 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	(0.30)	(0.25)	(1.40)	0.45	0.10
Second quarter 2022 impairment charge related to technology and customer relationships in the Environmental & Applied Solutions segment	(0.10)	—	—	—	(0.70)
Year-over-year core operating profit margin changes for the second quarter 2022 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	1.00	0.75	(1.30)	2.95	1.30
Three-Month Period Ended July 1, 2022 Operating Profit Margins from Continuing Operations (GAAP)	<u>28.40 %</u>	<u>36.40 %</u>	<u>20.60 %</u>	<u>31.20 %</u>	<u>25.10 %</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

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

	Segments				
	Total Company	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions
Three-Month Period Ended April 2, 2021 Operating Profit Margins from Continuing Operations (GAAP)	29.10 %	38.50 %	23.80 %	28.70 %	25.10 %
First quarter 2022 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	(0.40)	(0.75)	(1.95)	0.45	0.50
First quarter 2021 acquisition-related fair value adjustments to inventory and deferred revenue, in each case related to the acquisition of Cytiva	0.65	2.20	—	—	—
First quarter 2022 impairments of accounts receivable and inventory as well as accruals for contractual obligations in Russia	(0.55)	(0.60)	(1.45)	(0.10)	(0.10)
First quarter 2021 impairment charge related to a trade name in the Diagnostics segment	0.15	—	—	0.45	—
Year-over-year core operating profit margin changes for the first quarter 2022 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	(0.65)	(3.25)	(1.30)	4.00	(5.20)
Three-Month Period Ended April 1, 2022 Operating Profit Margins from Continuing Operations (GAAP)	28.30 %	36.10 %	19.10 %	33.50 %	20.30 %

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

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

	Segments				
	Total Company	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions
Year Ended December 31, 2020 Operating Profit Margins from Continuing Operations (GAAP)	19.00 %	20.50 %	18.30 %	20.80 %	22.70 %
Full year 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	0.60	0.80	(0.80)	0.20	—
Full year 2021 acquisition-related fair value adjustments to inventory and transaction costs deemed significant, in each case related to the acquisition of Aldevron	(0.20)	—	(0.90)	—	—
Full year 2020 acquisition-related fair value adjustments to inventory and deferred revenue, transaction costs deemed significant and integration preparation costs, net of full year 2021 acquisition-related fair value adjustments to inventory and deferred revenue in each case related to the acquisition of Cytiva	2.10	8.75	—	—	—
Third quarter 2021 impact of the modification and partial termination of a prior commercial arrangement and resolution of the associated litigation	(1.85)	—	—	(5.55)	—
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 and a third quarter 2020 impairment charge related to trade names in the Environmental & Applied Solutions segment, net of a first quarter 2021 impairment charge related to a trade name in the Diagnostics segment.	0.05	—	—	(0.05)	0.45
Year-over-year core operating profit margin changes for full year 2021 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	5.60	5.85	3.60	8.10	(0.45)
Year Ended December 31, 2021 Operating Profit Margins from Continuing Operations (GAAP)	<u>25.30 %</u>	<u>35.90 %</u>	<u>20.20 %</u>	<u>23.50 %</u>	<u>22.70 %</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

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

	Segments				
	Total Company	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions
Three-Month Period Ended December 31, 2020 Operating Profit Margins from Continuing Operations (GAAP)	23.70 %	27.40 %	20.30 %	26.30 %	23.20 %
Fourth 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	(0.25)	(0.60)	(1.15)	0.55	—
Fourth quarter 2021 acquisition-related fair value adjustment to inventory deemed significant related to the acquisition of Aldevron	(0.15)	—	(0.70)	—	—
Fourth quarter 2020 acquisition-related fair value adjustments to inventory and deferred revenue, in each case related to the acquisition of Cytiva	0.70	2.70	—	—	—
Year-over-year core operating profit margin changes for the fourth quarter 2021 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	2.40	5.30	(0.85)	4.15	(4.10)
Three-Month Period Ended December 31, 2021 Operating Profit Margins from Continuing Operations (GAAP)	<u>26.40 %</u>	<u>34.80 %</u>	<u>17.60 %</u>	<u>31.00 %</u>	<u>19.10 %</u>
	Segments				
	Total Company	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions
Three-Month Period Ended October 2, 2020 Operating Profit Margins from Continuing Operations (GAAP)	18.50 %	15.00 %	19.90 %	21.60 %	22.90 %
Third 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	(0.30)	(0.65)	(1.25)	0.25	0.05
Third quarter 2021 acquisition-related fair value adjustments to inventory and transaction costs deemed significant, in each case related to the acquisition of Aldevron	(0.65)	—	(2.85)	—	—
Third quarter 2020 acquisition-related fair value adjustments to inventory and deferred revenue, in each case related to the acquisition of Cytiva	3.95	14.65	—	—	—
Third quarter 2021 impact of the modification and partial termination of a prior commercial arrangement and resolution of the associated litigation	(7.55)	—	—	(22.35)	—
Third quarter 2020 impairment charge 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 2021 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	3.90	5.30	1.20	6.40	(1.95)
Three-Month Period Ended October 1, 2021 Operating Profit Margins from Continuing Operations (GAAP)	<u>18.10 %</u>	<u>34.30 %</u>	<u>17.00 %</u>	<u>5.90 %</u>	<u>22.30 %</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

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

	Segments				
	Total Company	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions
Three-Month Period Ended July 3, 2020 Operating Profit Margins from Continuing Operations (GAAP)	15.90 %	15.40 %	15.80 %	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)	(0.40)	(0.45)	(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	15.75	—	—	—
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	5.15	7.95	10.15	2.00
Three-Month Period Ended July 2, 2021 Operating Profit Margins from Continuing Operations (GAAP)	<u>27.80 %</u>	<u>35.90 %</u>	<u>23.30 %</u>	<u>27.80 %</u>	<u>24.40 %</u>
	Segments				
	Total Company	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions
Three-Month Period Ended April 3, 2020 Operating Profit Margins from Continuing Operations (GAAP)	16.10 %	28.60 %	16.50 %	15.40 %	22.50 %
First 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	3.55	10.30	0.05	—	(0.15)
First quarter 2021 acquisition-related fair value adjustments to inventory and deferred revenue, net of first quarter 2020 transaction costs deemed significant and integration preparation costs, in each case related to the acquisition of Cytiva	0.30	(2.20)	—	—	—
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)	0.30
Year-over-year core operating profit margin changes for the first quarter 2021 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	9.10	1.80	7.25	13.45	2.45
Three-Month Period Ended April 2, 2021 Operating Profit Margins from Continuing Operations (GAAP)	<u>29.10 %</u>	<u>38.50 %</u>	<u>23.80 %</u>	<u>28.70 %</u>	<u>25.10 %</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.

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; and
- 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;

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 beginning immediately after the acquisition Cytiva’s impact on the Company’s 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.

While we expect overall demand for the Company’s COVID-19 related products to moderate as and to the extent the pandemic subsides, as the pandemic evolves toward endemic status we believe a level of demand for the Company’s products that support COVID-19 related vaccines and therapeutics (including initiatives that seek to prevent or mitigate similar, future pandemics) and COVID-19 testing will continue. However, on a relative basis, we expect the level of ongoing demand for products supporting COVID-19 testing will be subject to more fluctuations in demand than the level of demand for products supporting COVID-19 related vaccines and therapeutics. Therefore, beginning with the first quarter of 2022, in addition to disclosing core revenue growth, we disclose “base business core sales growth” on a basis that excludes revenues related to COVID-19 testing and includes revenues from products that support COVID-19 related vaccines and therapeutics. We believe this additional measure provides useful information to investors by facilitating period-to-period comparisons of our financial performance and identifying underlying growth trends in the Company’s business that otherwise may be obscured by fluctuations in demand for COVID-19 testing as a result of the pandemic.

Management uses these non-GAAP measures to measure the Company’s operating and financial performance and uses core sales 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.

Statement Regarding Non-GAAP Measures

- 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 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 the profitability-related non-GAAP measures, 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. For example, we excluded the first quarter 2022 charge for asset impairments, accruals for contractual obligations and similar items related to our Russia operations because, even though it is possible we could incur additional charges in the future, we do not believe these charges are indicative of Danaher's ongoing operating costs.
- 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 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.



DANAHER
