



DANAHER CORPORATION

Fourth Quarter 2022 Earnings Release

January 24, 2023



Forward Looking Statements

Statements in this presentation that are not strictly historical, including any statements regarding Danaher's anticipated future financial performance and any other statements regarding events or developments that we anticipate will or may occur in the future are "forward-looking" statements within the meaning of the federal securities laws. There are a number of important factors that could cause actual results, developments and business decisions to differ materially from those suggested or indicated by such forward-looking statements and you should not place undue reliance on any such forward-looking statements. These factors include, among other things, 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 cyclicality 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 presentation and except to the extent required by applicable law, the Company does not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.

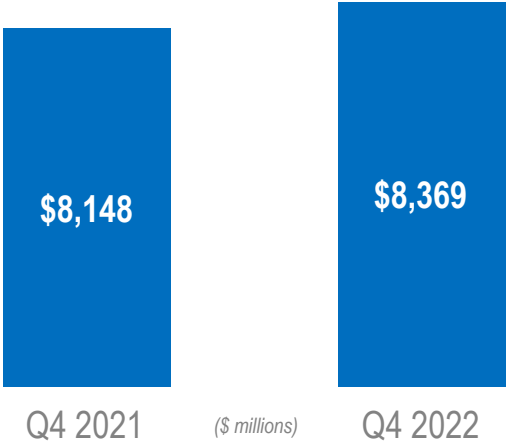
With respect to the non-GAAP financial measures referenced in the following presentation, definitions and the accompanying information required by SEC Regulation G can be found in this presentation or in the "Investors" section of Danaher's web site, www.danaher.com, under the heading "Financial Reports" and subheading "Quarterly Earnings." In addition, in addressing various financial metrics the presentation describes certain of the more significant factors that impacted year-over-year performance. For additional factors that impacted year-over-year performance, please refer to our earnings release and the other related presentation materials supplementing today's call, all of which are available in the "Investors" section of Danaher's web site under the heading "Financial Reports" and subheading "Quarterly Earnings," as well as our Annual Report on Form 10-K for the year ended December 31, 2022 when it becomes available. All references in this presentation (1) to financial metrics relate only to the continuing operations of Danaher's business, unless otherwise noted; and (2) to "growth" or other period-to-period changes refer to year-over-year comparisons unless otherwise indicated. We may also describe certain products and devices which have applications submitted and pending for certain regulatory approvals.

Performance Summary: Revenue

Q4 REVENUE

+2.5%

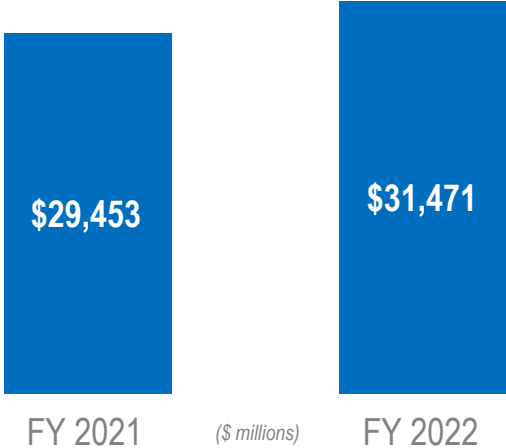
Core +7.5%
FX -5.0%



FY REVENUE

+7.0%

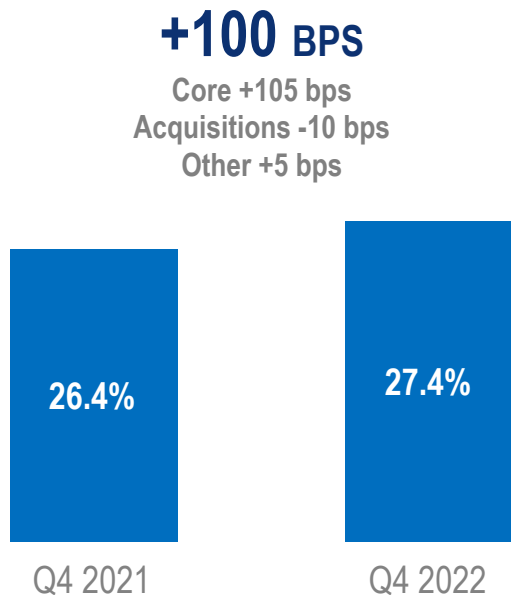
Core +9.5%
Acquisitions +1.5%
FX -4.0%



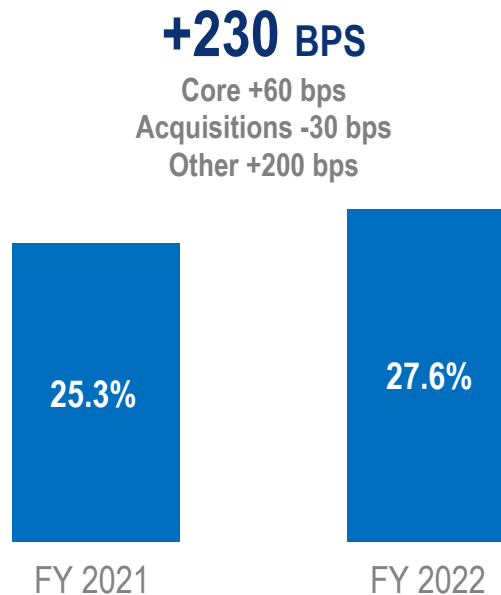
Throughout this presentation, with respect to revenue performance, for the definitions of "Acquisitions," "Core" and "FX," please refer to the accompanying information required by Regulation G, located at the end of this presentation and on the "Investors" section of Danaher's website.

Performance Summary: Operating Profit Margin

Q4 OPERATING PROFIT MARGIN



FY OPERATING PROFIT MARGIN

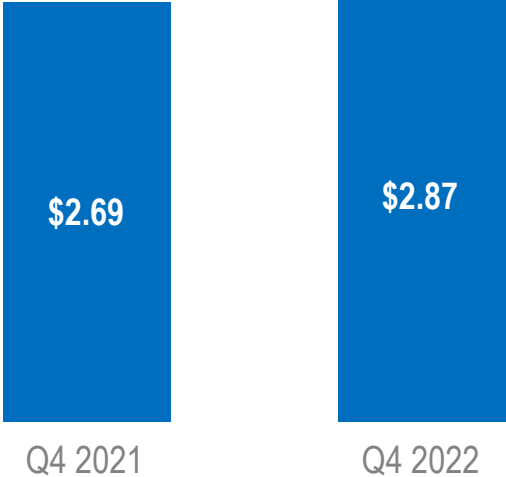


Throughout this presentation when referred to in connection with operating profit margins, "Acquisitions" refers to the impact of businesses owned for less than one year or disposed of during such period and not treated as discontinued operations, "Other" refers to the impact of certain 2021 acquisition-related fair value adjustments and transaction costs deemed significant associated with the acquisition of Aldevron and Cytiva and a modification and partial termination of a prior commercial arrangement and the resolution of the associated litigation, impairment and other charges incurred in 2022 net of impairment charges incurred in 2021 and costs incurred related to the anticipated separation of the Company's Environmental and Applied Solutions business, and "Core" refers to all other year-over-year operating profit margin changes; for further description of these items, please refer to the accompanying information required by Regulation G, located at the end of this presentation and on the "Investors" section of Danaher's website.

Performance Summary: Adjusted Diluted Net EPS

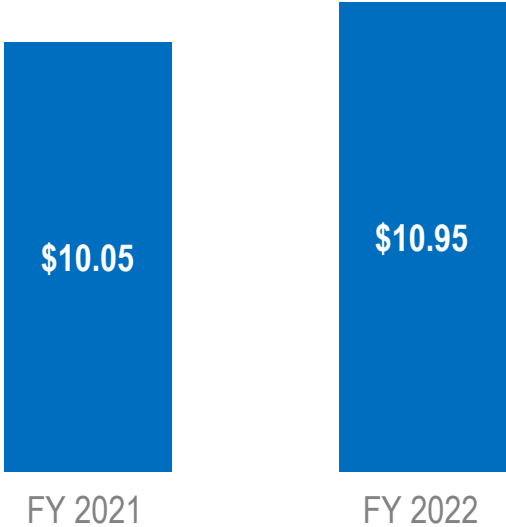
Q4 ADJUSTED DILUTED NET EARNINGS PER COMMON SHARE

+6.5%



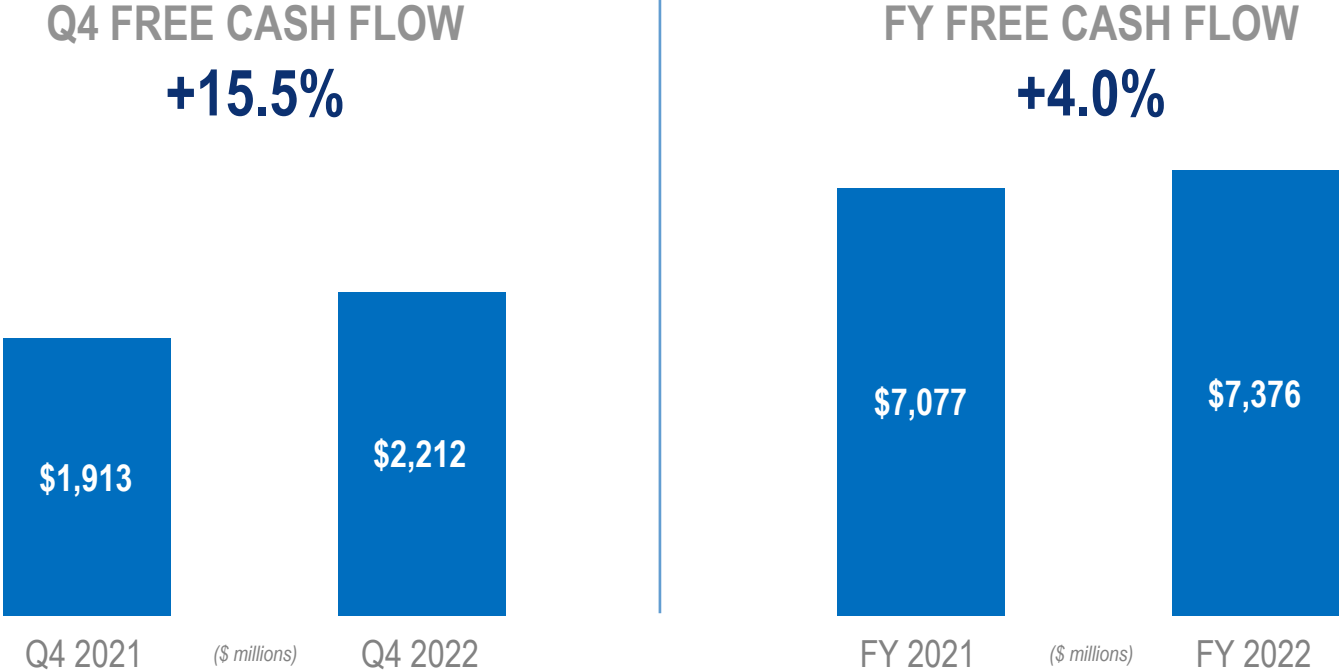
FY ADJUSTED DILUTED NET EARNINGS PER COMMON SHARE

+9.0%



For the definition of Adjusted Diluted Net EPS, please refer to the accompanying information required by Regulation G, located at the end of this presentation and on the "Investors" section of Danaher's website.

Performance Summary: Free Cash Flow



For the definition of Free Cash Flow, please refer to the accompanying information required by Regulation G, located at the end of this presentation and on the "Investors" section of Danaher's website.

Fourth Quarter 2022: Biotechnology

REVENUE

-1.0%

Core +4.0%
FX -5.0%

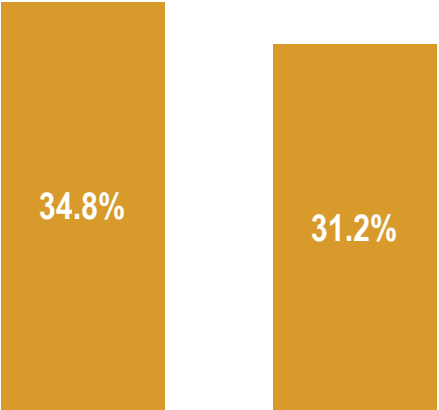


Q4 2021 (\$ millions) Q4 2022

OPERATING PROFIT MARGIN

-360 BPS

Core -340 bps
Acquisitions -20 bps



Q4 2021 Q4 2022



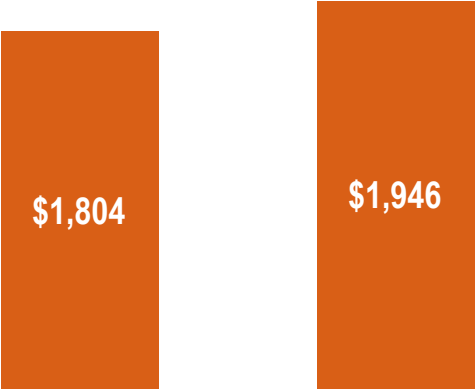
Life Sciences

Fourth Quarter 2022: Life Sciences

REVENUE

8.0%

Core +13.0%
FX -5.0%



Q4 2021

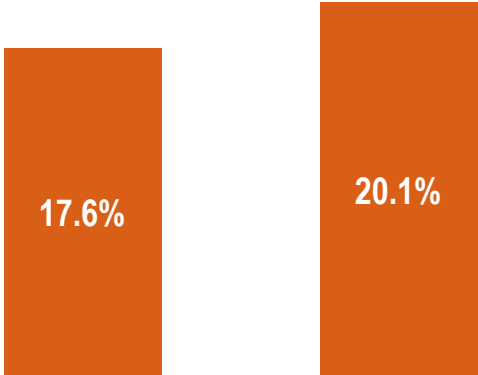
(\$ millions)

Q4 2022

OPERATING PROFIT MARGIN

+250 BPS

Core +200 bps
Acquisitions -20 bps
Other +70 bps



Q4 2021

Q4 2022



MICROSYSTEMS



Industrial



Fourth Quarter 2022: Diagnostics

REVENUE

+3.0%

Core +7.5%
FX -4.5%



Q4 2021

(\$ millions)

Q4 2022

OPERATING PROFIT MARGIN

+240 BPS

Core +240 bps



Q4 2021

Q4 2022

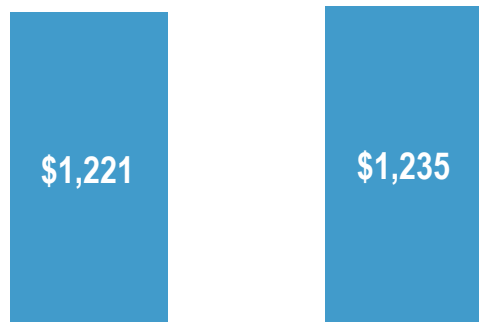


Fourth Quarter 2022: Environmental & Applied Solutions

REVENUE

+1.0%

Core +5.5%
Acquisitions +0.5%
FX -5.0%



Q4 2021

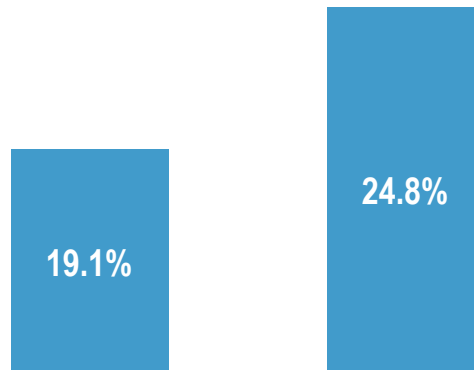
(\$ millions)

Q4 2022

OPERATING PROFIT MARGIN

+570 BPS

Core +565 bps
Acquisitions +5 bps



Q4 2021

Q4 2022



GUIDANCE

Q & A



DANAHER



DANAHER CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
AND SUPPLEMENTAL FORWARD-LOOKING INFORMATION
THREE-MONTH PERIODS AND YEARS ENDED DECEMBER 31, 2022 AND DECEMBER 31, 2021

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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 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 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 24, 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.

DANAHER CORPORATION

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

	% Change Three-Month Period Ended December 31, 2022 vs. Comparable 2021 Period				
	Segments				
	Total Company	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions
Total sales growth (GAAP)	2.5 %	(1.0)%	8.0 %	3.0 %	1.0 %
Impact of:					
Acquisitions/divestitures	— %	— %	— %	— %	(0.5)%
Currency exchange rates	5.0 %	5.0 %	5.0 %	4.5 %	5.0 %
Core sales growth (non-GAAP)	7.5 %	4.0 %	13.0 %	7.5 %	5.5 %
Impact of COVID-19 related testing	— %				
Base business core sales growth (non-GAAP)	7.5 %				

	% Change Year Ended December 31, 2022 vs. Comparable 2021 Period				
	Segments				
	Total Company	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions
Total sales growth (GAAP)	7.0 %	2.0 %	10.0 %	10.0 %	4.0 %
Impact of:					
Acquisitions/divestitures	(1.5)%	(0.5)%	(5.5)%	(0.5)%	0.5 %
Currency exchange rates	4.0 %	4.5 %	5.0 %	4.0 %	3.5 %
Core sales growth (non-GAAP)	9.5 %	6.0 %	9.5 %	13.5 %	8.0 %
Impact of COVID-19 related testing	(1.5)%				
Base business core sales growth (non-GAAP)	8.0 %				

Note: We expect overall demand for the Company’s COVID-19 related products to continue moderating as the pandemic subsides and evolves toward endemic status. We believe certain 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, though that demand will likely be uncertain and will vary from period to period. At the beginning of 2022, the Company believed that on a relative basis, the level of ongoing demand for products supporting COVID-19 testing would be subject to more fluctuations in demand than the level of demand for products supporting COVID-19 related vaccines and therapeutics, due in part to expected COVID-19 case levels, vaccination rates and use of therapies. However, as a result of lower vaccination rates and the spread of less severe variants of the virus, 2022 demand for the Company’s products supporting COVID-19 related vaccines and therapeutics fluctuated and declined more than anticipated at the beginning of the year. Therefore, beginning with the first quarter of 2023, we have revised the definition of “base business core sales growth” on a basis that not only excludes revenues related to COVID-19 testing but also excludes revenues from products that support COVID-19 related vaccines and therapeutics. We believe this adjusted definition of “base business core sales growth” will provide more 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 related products.

DANAHER CORPORATION

Forecasted Core Sales Growth and Base Business Core Sales Growth and Adjusted Operating Profit Margin

The Company provides forecasted sales only on a non-GAAP basis because of the difficulty in estimating the other components of GAAP revenue, such as currency translation, acquisitions and divested product lines. Additionally, we do not reconcile adjusted operating profit margin (or the components thereof) to the comparable GAAP measures because of the difficulty in estimating the other unknown components such as investment gains and losses, impairments and separation costs, which would be reflected in any forecasted GAAP operating profit.

	% Change Three-Month Period Ending March 31, 2023 vs. Comparable 2022 Period	% Change Year Ending December 31, 2023 vs. Comparable 2022 Period
Core sales growth (non-GAAP)	-Mid-single digit	-Mid-single digit
Impact of COVID-19 related testing, vaccines and therapeutics	+High-single to low- double digit	+Low-double digit
Base business core sales growth (non-GAAP)	<u>+Mid-single digit</u>	<u>+High-single digit</u>
	Three-Month Period Ending March 31, 2023	Year Ending December 31, 2023
Adjusted operating profit margin (non-GAAP)	~30.0 %	~31.0%

DANAHER CORPORATION

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

	Three-Month Period Ended		Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Sales (GAAP)				
Biotechnology	\$ 2,223	\$ 2,242	\$ 8,758	\$ 8,570
Life Sciences	1,946	1,804	7,036	6,388
Diagnostics	2,965	2,881	10,849	9,844
Environmental & Applied Solutions	1,235	1,221	4,828	4,651
Total Company	<u>\$ 8,369</u>	<u>\$ 8,148</u>	<u>\$ 31,471</u>	<u>\$ 29,453</u>
Operating Profit (GAAP)				
Biotechnology	\$ 693	\$ 780	\$ 3,008	\$ 3,074
Life Sciences	392	317	1,414	1,293
Diagnostics	989	893	3,436	2,313
Environmental & Applied Solutions	306	233	1,135	1,054
Other	(84)	(69)	(305)	(269)
Total Company	<u>\$ 2,296</u>	<u>\$ 2,154</u>	<u>\$ 8,688</u>	<u>\$ 7,465</u>
Amortization of Intangible Assets (GAAP)				
Biotechnology	\$ 196	\$ 221	\$ 812	\$ 901
Life Sciences	104	107	419	282
Diagnostics	52	51	203	205
Environmental & Applied Solutions	12	15	50	62
Total Company	<u>\$ 364</u>	<u>\$ 394</u>	<u>\$ 1,484</u>	<u>\$ 1,450</u>
Other Operating Profit Adjustments¹				
Biotechnology	\$ —	\$ —	\$ 14	\$ 46
Life Sciences	—	13	24	58
Diagnostics	—	—	3	557
Environmental & Applied Solutions	—	—	10	—
Other	9	—	10	—
Total Company	<u>\$ 9</u>	<u>\$ 13</u>	<u>\$ 61</u>	<u>\$ 661</u>
Adjusted Operating Profit (non-GAAP)²				
Biotechnology	\$ 889	\$ 1,001	\$ 3,834	\$ 4,021
Life Sciences	496	437	1,857	1,633
Diagnostics	1,041	944	3,642	3,075
Environmental & Applied Solutions	318	248	1,195	1,116
Other	(75)	(69)	(295)	(269)
Total Company	<u>\$ 2,669</u>	<u>\$ 2,561</u>	<u>\$ 10,233</u>	<u>\$ 9,576</u>

¹ Refer to the Reconciliation of GAAP to Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

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)

	Three-Month Period Ended December 31, 2022					Total Company
	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	
Net Earnings from Continuing Operations (GAAP)						\$ 2,232
Interest, Net						35
Other Nonoperating (Income) Expense						68
Income Taxes						(39)
Operating Profit (GAAP)	\$ 693	\$ 392	\$ 989	\$ 306	\$ (84)	\$ 2,296
Other Operating Profit Adjustments ¹	—	—	—	—	9	9
Depreciation	63	28	97	9	4	201
Amortization of Intangible Assets	196	104	52	12	—	364
Adjusted EBITDA (Non-GAAP)	<u>\$ 952</u>	<u>\$ 524</u>	<u>\$ 1,138</u>	<u>\$ 327</u>	<u>\$ (71)</u>	<u>\$ 2,870</u>
Interest, Net						(35)
Other Nonoperating Income (Expense)						(68)
Income Taxes						39
Other Operating Profit Adjustments ¹						(9)
Depreciation						(201)
Amortization of Intangible Assets						(364)
Net Earnings from Continuing Operations (GAAP)						<u>\$ 2,232</u>
Sales (GAAP)	<u>\$ 2,223</u>	<u>\$ 1,946</u>	<u>\$ 2,965</u>	<u>\$ 1,235</u>		
Net Earnings from Continuing Operations Margin (GAAP)						<u>26.7 %</u>
Operating Profit Margin (GAAP)	<u>31.2 %</u>	<u>20.1 %</u>	<u>33.4 %</u>	<u>24.8 %</u>		
Adjusted EBITDA Margin (Non-GAAP)³	<u>42.8 %</u>	<u>26.9 %</u>	<u>38.4 %</u>	<u>26.5 %</u>		

¹ Refer to the Reconciliation of GAAP to Adjusted P&L Measures 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 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 GAAP to Adjusted P&L Measures 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)

	Year Ended December 31, 2022					Total Company
	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	
Net Earnings from Continuing Operations (GAAP)						\$ 7,209
Interest, Net						170
Other Nonoperating (Income) Expense						226
Income Taxes						1,083
Operating Profit (GAAP)	\$ 3,008	\$ 1,414	\$ 3,436	\$ 1,135	\$ (305)	\$ 8,688
Other Operating Profit Adjustments ¹	14	24	3	10	10	61
Depreciation	190	112	387	40	9	738
Amortization of Intangible Assets	812	419	203	50	—	1,484
Adjusted EBITDA (Non-GAAP)	<u>\$ 4,024</u>	<u>\$ 1,969</u>	<u>\$ 4,029</u>	<u>\$ 1,235</u>	<u>\$ (286)</u>	<u>\$ 10,971</u>
Interest, Net						(170)
Other Nonoperating Income (Expense)						(226)
Income Taxes						(1,083)
Other Operating Profit Adjustments ¹						(61)
Depreciation						(738)
Amortization of Intangible Assets						(1,484)
Net Earnings from Continuing Operations (GAAP)						<u>\$ 7,209</u>
Sales (GAAP)	<u>\$ 8,758</u>	<u>\$ 7,036</u>	<u>\$ 10,849</u>	<u>\$ 4,828</u>		<u>\$ 31,471</u>
Net Earnings from Continuing Operations Margin (GAAP)						<u>22.9 %</u>
Operating Profit Margin (GAAP)	<u>34.3 %</u>	<u>20.1 %</u>	<u>31.7 %</u>	<u>23.5 %</u>		<u>27.6 %</u>
Adjusted EBITDA Margin (Non-GAAP) ³	<u>45.9 %</u>	<u>28.0 %</u>	<u>37.1 %</u>	<u>25.6 %</u>		<u>34.9 %</u>

¹ Refer to the Reconciliation of GAAP to Adjusted P&L Measures 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 GAAP to Adjusted P&L Measures 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

Other Non-GAAP Adjusted P&L Measures

(\$ in millions, except per share data)

Three-Month Period Ended December 31, 2022

	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)	\$ 8,369	\$ (3,430)	59.0 %	\$ 2,296	27.4 %	\$ 2,193	\$ 39	\$ 2,232 ^M	\$ 2.99
Amortization of acquisition-related intangible assets ^A	—	—	—	364	4.3	364		364	0.49
Fair value net (gains) losses on investments ^B	—	—	—	—	—	85		85	0.11
Separation costs ^C	—	—	—	9	0.1	9		9	0.01
Tax effect of the above adjustments ^J							(99)	(99)	(0.13)
Discrete tax adjustments ^K							(452)	(452)	(0.61)
Rounding	—	—	—	—	0.1	—	—	—	0.01
Adjusted (Non-GAAP)	<u>\$ 8,369</u>	<u>\$ (3,430)</u>	<u>59.0 %</u>	<u>\$ 2,669</u>	<u>31.9 %</u>	<u>\$ 2,651</u>	<u>\$ (512)</u>	<u>\$ 2,139</u>	<u>\$ 2.87</u>

Three-Month Period Ended December 31, 2022

	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)	\$ 8,369	\$ (2,190)	(26.2)%	\$ (453)	(5.4)%	\$ (68)	\$ (35)
Amortization of acquisition-related intangible assets ^A	—	364	4.3	—	—	—	—
Fair value net (gains) losses on investments ^B	—	—	—	—	—	85	—
Separation costs ^C	—	9	0.1	—	—	—	—
Rounding	—	—	0.1	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 8,369</u>	<u>\$ (1,817)</u>	<u>(21.7)%</u>	<u>\$ (453)</u>	<u>(5.4)%</u>	<u>\$ 17</u>	<u>\$ (35)</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 diluted common share amounts for the relevant three-month periods may not add to the year-to-date amounts due to rounding.

DANAHER CORPORATION

Other Non-GAAP Adjusted P&L Measures

(\$ in millions, except per share data)

Three-Month Period Ended December 31, 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)	\$ 8,148	\$ (3,205)	60.7 %	\$ 2,154	26.4 %	\$ 2,085	\$ (297)	\$ 1,767 ^M	\$ 2.39
Amortization of acquisition-related intangible assets ^A	—	—	—	394	4.8	394		394	0.53
Fair value net (gains) losses on investments ^B	—	—	—	—	—	(71)		(71)	(0.10)
Acquisition-related items ^F	—	13	0.2	13	0.2	13		13	0.02
Loss on early extinguishment of debt ^I	—	—	—	—	—	96		96	0.13
Tax effect of the above adjustments ^J							(91)	(91)	(0.12)
Discrete tax adjustments ^K							(120)	(120)	(0.16)
MCPS "as if converted" ^L	—	—	—	—	—	—	—	21	—
Rounding			(0.1)	—	—	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 8,148</u>	<u>\$ (3,192)</u>	<u>60.8 %</u>	<u>\$ 2,561</u>	<u>31.4 %</u>	<u>\$ 2,517</u>	<u>\$ (508)</u>	<u>\$ 2,009</u>	<u>\$ 2.69</u>

Three-Month Period Ended December 31, 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) ⁴ , net (excluding interest)	Interest income (expense), net
Reported (GAAP)	\$ 8,148	\$ (2,294)	(28.2)%	\$ (495)	(6.1)%	\$ (14)	\$ (55)
Amortization of acquisition-related intangible assets ^A	—	394	4.8	—	—	—	—
Fair value (gains) losses on investments ^B	—	—	—	—	—	(71)	—
Loss on early extinguishment of debt ^I	—	—	—	—	—	96	—
Rounding	—	—	0.1	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 8,148</u>	<u>\$ (1,900)</u>	<u>(23.3)%</u>	<u>\$ (495)</u>	<u>(6.1)%</u>	<u>\$ 11</u>	<u>\$ (55)</u>

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

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

DANAHER CORPORATION

Other Non-GAAP Adjusted P&L Measures

(\$ in millions, except per share data)

Year Ended December 31, 2022

	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)	\$ 31,471	\$ (12,522)	60.2 %	\$ 8,688	27.6 %	\$ 8,292	\$ (1,083)	\$ 7,123 ^M	\$ 9.66
Amortization of acquisition-related intangible assets ^A	—	—	—	1,484	4.7	1,484		1,484	1.99
Fair value net (gains) losses on investments ^B	—	—	—	—	—	271		271	0.36
Separation costs ^C	—	—	—	9	—	9		9	0.01
Impairments and other charges ^D	—	18	0.1	52	0.2	52		52	0.07
Loss on partial settlement of a defined benefit plan ^E	—	—	—	—	—	10		10	0.01
Tax effect of the above adjustments ^J							(366)	(366)	(0.48)
Discrete tax adjustments ^K							(504)	(504)	(0.68)
MCPS "as if converted" ^L	—	—	—	—	—	—	—	86	—
Rounding	—	—	—	—	—	—	—	—	0.01
Adjusted (Non-GAAP)	\$ 31,471	\$ (12,504)	60.3 %	\$ 10,233	32.5 %	\$ 10,118	\$ (1,953)	\$ 8,165	\$ 10.95

Year Ended December 31, 2022

	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)	\$ 31,471	\$ (8,516)	(27.1)%	\$ (1,745)	(5.5)%	\$ (226)	\$ (170)
Amortization of acquisition-related intangible assets ^A	—	1,484	4.7	—	—	—	—
Fair value net (gains) losses on investments ^B	—	—	—	—	—	271	—
Separation costs ^C	—	9	—	—	—	—	—
Impairments and other charges ^D	—	34	0.1	—	—	—	—
Loss on partial settlement of a defined benefit plan ^E	—	—	—	—	—	10	—
Adjusted (Non-GAAP)	\$ 31,471	\$ (6,989)	(22.3)%	\$ (1,745)	(5.5)%	\$ 55	\$ (170)

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

DANAHER CORPORATION

Other Non-GAAP Adjusted P&L Measures

(\$ in millions, except per share data)

Year Ended December 31, 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)	\$ 29,453	\$ (11,501)	61.0 %	\$ 7,465	25.3 %	\$ 7,598	\$ (1,251)	\$ 6,261 ^M	\$ 8.50
Amortization of acquisition-related intangible assets ^A	—	—	—	1,450	4.9	1,450		1,450	1.95
Fair value net (gains) losses on investments ^B	—	—	—	—	—	(401)		(401)	(0.54)
Impairments and other charges ^D	—	—	—	10	—	10		10	0.01
Acquisition-related items ^F	17	59	0.3	104	0.4	104		104	0.14
Gain on disposition of certain product lines ^G	—	—	—	—	—	(13)		(13)	(0.02)
Contract settlement expense ^H	—	—	—	547	1.9	547		547	0.73
Loss on early extinguishment of debt ^I	—	—	—	—	—	96		96	0.13
Tax effect of the above adjustments ^J							(383)	(383)	(0.51)
Discrete tax adjustments ^K							(263)	(263)	(0.35)
MCPS "as if converted" ^L	—	—	—	—	—	—	—	86	0.01
Rounding	—	—	(0.1)	—	—	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 29,470</u>	<u>\$ (11,442)</u>	<u>61.2 %</u>	<u>\$ 9,576</u>	<u>32.5 %</u>	<u>\$ 9,391</u>	<u>\$ (1,897)</u>	<u>\$ 7,494</u>	<u>\$ 10.05</u>

Year Ended December 31, 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	Other operating expenses	Other operating expenses as a % of sales	Nonoperating income (expense) ⁴ , net (excluding interest)	Interest income (expense), net
Reported (GAAP)	\$ 29,453	\$ (8,198)	(27.8)%	\$ (1,742)	(5.9)%	\$ (547)	(1.9)%	\$ 360	\$ (227)
Amortization of acquisition-related intangible assets ^A	—	1,450	4.9	—	—	—	—	—	—
Fair value net (gains) losses on investments ^B	—	—	—	—	—	—	—	(401)	—
Impairments and other charges ^D	—	10	—	—	—	—	—	—	—
Acquisition-related items ^F	17	28	0.1	—	—	—	—	—	—
Gain on disposition of certain product lines ^G	—	—	—	—	—	—	—	(13)	—
Contract settlement expense ^H	—	—	—	—	—	547	1.9	—	—
Loss on early extinguishment of debt ^I	—	—	—	—	—	—	—	96	—
Adjusted (Non-GAAP)	<u>\$ 29,470</u>	<u>\$ (6,710)</u>	<u>(22.8)%</u>	<u>\$ (1,742)</u>	<u>(5.9)%</u>	<u>\$ —</u>	<u>— %</u>	<u>\$ 42</u>	<u>\$ (227)</u>

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

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

DANAHER CORPORATION

Other Non-GAAP Adjusted P&L Measures

(\$ 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		Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Pretax	\$ 364	\$ 394	\$ 1,484	\$ 1,450
After-tax	294	315	1,198	1,157

^B Net (gains) losses, including impairments, on the Company's equity and limited partnership investments recorded in the following historical periods (\$ in millions) (only the pretax amounts set forth below are reflected in the fair value net (gains) losses on investments line above):

	Three-Month Period Ended		Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Pretax	\$ 85	\$ (71)	\$ 271	\$ (401)
After-tax	57	(57)	198	(315)

^C Costs incurred in the three-month period and year ended December 31, 2022 related to preparation for the anticipated separation of the Company's Environmental & Applied Solutions business primarily related to professional fees for legal, tax, finance and information technology services (\$9 million pretax as reported in this line item, \$8 million after-tax).

^D Impairment charges related to technology and customer relationships in the Environmental & Applied Solutions segment recorded in the year ended December 31, 2022 (\$9 million pretax as reported in this line item, \$7 million after-tax). Additionally, in the year ended December 31, 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 year ended December 31, 2021 (\$10 million pretax as reported in this line item, \$8 million after-tax).

^E Loss on a partial settlement of a defined benefit plan as a result of the transfer of a portion of the Company's non-U.S. pension liabilities related to one defined benefit plan to a third-party in the year ended December 31, 2022 (\$10 million pretax as reported in this line item, \$9 million after-tax).

^F Costs incurred for fair value adjustments to inventory related to the acquisition of Aldevron 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 Aldevron in the year ended December 31, 2021 (\$104 million pretax as reported in this line item, \$82 million after-tax).

^G Gain on disposition of certain product lines in the year ended December 31, 2021 (\$13 million pretax as reported in this line item, \$10 million after-tax).

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

^I Loss on early extinguishment of debt resulting from "make-whole" payments and deferred costs associated with the retirement of the 2025 Euronotes in both the three-month period and the year ended December 31, 2021 (\$96 million pretax as reported in this line item, \$73 million after-tax).

^J 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.

Other Non-GAAP Adjusted P&L Measures

(\$ in millions, except per share data)

^K Discrete tax adjustments and other tax-related adjustments for both the three-month period and year ended December 31, 2022, include the impact of net discrete tax benefits of \$452 million and \$504 million, respectively, due principally to net deferred tax benefits resulting from legal and operational actions undertaken to realign certain of its businesses, as well as excess tax benefits from stock-based compensation, the release of reserves for uncertain tax positions due to the expiration of statutes of limitation and audit settlements and changes in estimates related to prior year tax filing positions, net of changes in estimates associated with prior period uncertain tax positions. Discrete tax adjustments for both the three-month and year ended December 31, 2021, include the impact of net discrete tax benefits of \$120 million and \$263 million, respectively, related primarily to release of reserves for uncertain tax positions due to the expiration of statutes of limitation and audit settlements, excess tax benefits from stock-based compensation and the mix of earnings between the U.S. and certain jurisdictions with lower overall tax rates, net of changes in estimates associated with prior period uncertain tax positions. 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.

^L 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 were, and on the 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. Each share of MCPS Series A converted on April 15, 2022 into 6.6632 shares of Danaher’s common stock. Unless earlier converted, each share of MCPS Series B will automatically convert on April 15, 2023 into between 5.0156 and 6.1441 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 volume weighted average price (“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, 2023 for the MCPS Series B. For the calculation of net earnings per common share from continuing operations, the impact of the dilutive MCPS is 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 6 in the Adjusted Average Common Stock and Common Equivalent Diluted Shares Outstanding table below.

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

	Three-Month Period Ended		Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net earnings from continuing operations	\$ 2,232	\$ 1,788	\$ 7,209	\$ 6,347
MCPS dividends	(22)	(41)	(106)	(164)
Net earnings from continuing operations attributable to common stockholders for Basic EPS	2,210	1,747	7,103	6,183
Adjustment for MCPS dividends for dilutive MCPS	22	20	20	78
Net earnings from continuing operations attributable to common stockholders after assumed conversions for Diluted EPS	\$ 2,232	\$ 1,767	\$ 7,123	\$ 6,261

DANAHER CORPORATION

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

	Three-Month Period Ended		Year Ended		Forecasted	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	Period Ending March 31, 2023	Year Ending December 31, 2023
	Average common stock and common equivalent shares outstanding - diluted (GAAP) ⁶	745.7	738.4	737.1	736.8	738.5
Converted shares ⁷	—	8.6	8.6	8.6	8.6	2.5
Adjusted average common stock and common equivalent shares outstanding - diluted (non-GAAP)	<u>745.7</u>	<u>747.0</u>	<u>745.7</u>	<u>745.4</u>	<u>747.1</u>	<u>750.3</u>

⁶ The impact of the MCPS Series A calculated under the if-converted method was dilutive for the year ended December 31, 2022 and the three-month period and year ended December 31, 2021, and as such 3.0 million shares, 11.0 million shares and 11.0 million shares, respectively, underlying the MCPS Series A were included in the calculation of diluted EPS in the periods and the related MCPS Series A dividends of \$20 million, \$20 million and \$78 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 dilutive for the three-month period ended December 31, 2022, and as such 8.6 million shares underlying the MCPS Series B were included in the calculation of diluted EPS in the period and the related MCPS Series B dividends of \$22 million were excluded from the calculation of net earnings for diluted EPS for the period.

The impact of the MCPS Series B calculated under the if-converted method was anti-dilutive for the year ended December 31, 2022 and the three-month period and year ended December 31, 2021, and as such 8.6 million shares underlying the MCPS Series B were excluded from the diluted EPS calculation in all periods and the related MCPS Series B dividends of \$86 million, \$21 million and \$86 million were included in the calculation of net earnings for diluted EPS for the respective periods.

Additionally, for both the three-month period and year ending December 31, 2022, the impact of the MCPS Series B calculated under the if-converted method is forecasted to be anti-dilutive and as such, approximately 8.6 million shares and 2.5 million shares, respectively, underlying the MCPS Series B are excluded from the calculation of diluted EPS.

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 VWAP of \$266.27 and \$316.06 as of December 31, 2022 and December 31, 2021, respectively.

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, 2021 Operating Profit Margins from Continuing Operations (GAAP)	26.40 %	34.80 %	17.60 %	31.00 %	19.10 %
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	(0.10)	(0.20)	(0.20)	—	0.05
Fourth quarter 2021 acquisition-related fair value adjustment to inventory deemed significant related to the acquisition of Aldevron	0.15	—	0.70	—	—
Fourth quarter 2022 costs incurred related to the anticipated separation of the Company's Environmental & Applied Solutions business	(0.10)	—	—	—	—
Year-over-year core operating profit margin changes for the fourth quarter 2022 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	1.05	(3.40)	2.00	2.40	5.65
Three-Month Period Ended December 31, 2022 Operating Profit Margins from Continuing Operations (GAAP)	<u>27.40 %</u>	<u>31.20 %</u>	<u>20.10 %</u>	<u>33.40 %</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

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

	Segments				
	Total Company	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions
Year Ended December 31, 2021 Operating Profit Margins from Continuing Operations (GAAP)	25.30 %	35.90 %	20.20 %	23.50 %	22.70 %
Full year 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)	(0.30)	(1.15)	0.10	0.20
Full year 2022 impairments of accounts receivable and inventory as well as accruals for contractual obligations in Russia	(0.15)	(0.15)	(0.35)	(0.05)	(0.05)
Second quarter 2022 impairment charge related to technology and customer relationships in the Environmental & Applied Solutions segment, net of a first quarter 2021 impairment charge related to a trade name in the Diagnostics segment	—	—	—	0.10	(0.20)
Fourth quarter 2022 costs incurred related to the anticipated separation of the Company's Environmental & Applied Solutions business	(0.05)	—	—	—	—
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 2021 acquisition-related fair value adjustments to inventory and deferred revenue related to the acquisition of Cytiva	0.15	0.55	—	—	—
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	—
Year-over-year core operating profit margin changes for full year 2022 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	0.60	(1.70)	0.50	2.50	0.85
Year Ended December 31, 2022 Operating Profit Margins from Continuing Operations (GAAP)	<u>27.60 %</u>	<u>34.30 %</u>	<u>20.10 %</u>	<u>31.70 %</u>	<u>23.50 %</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

Cash Flow from Continuing Operations, Free Cash Flow from Continuing Operations and Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio

(\$ in millions)

	Three-Month Period Ended		Year-over-Year Change	Year Ended		Year-over-Year Change
	December 31, 2022	December 31, 2021		December 31, 2022	December 31, 2021	
Total Cash Flows from Continuing Operations:						
Total cash provided by operating activities from continuing operations (GAAP)	\$ 2,541	\$ 2,333		\$ 8,519	\$ 8,358	
Total cash used in investing activities from continuing operations (GAAP)	\$ (816)	\$ (879)		\$ (2,234)	\$ (12,987)	
Total cash (used in) provided by financing activities from continuing operations (GAAP)	\$ (906)	\$ (1,422)		\$ (2,570)	\$ 1,295	
Free Cash Flow from Continuing Operations:						
Total cash provided by operating activities from continuing operations (GAAP)	\$ 2,541	\$ 2,333	~9.0 %	\$ 8,519	\$ 8,358	~2.0 %
Less: payments for additions to property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(329)	(420)		(1,152)	(1,294)	
Plus: proceeds from sales of property, plant & equipment (capital disposals) from continuing operations (GAAP)	—	—		9	13	
Free cash flow from continuing operations (non-GAAP)	<u>\$ 2,212</u>	<u>\$ 1,913</u>	~15.5 %	<u>\$ 7,376</u>	<u>\$ 7,077</u>	~4.0 %
Operating Cash Flow to Net Earnings Ratio (GAAP)						
Total cash provided by operating activities from continuing operations (GAAP)	\$ 2,541	\$ 2,333		\$ 8,519	\$ 8,358	
Net earnings from continuing operations (GAAP)	<u>\$ 2,232</u>	<u>\$ 1,788</u>		<u>\$ 7,209</u>	<u>\$ 6,347</u>	
Operating cash flow from continuing operations to net earnings from continuing operations conversion ratio	<u>1.14</u>	<u>1.30</u>		<u>1.18</u>	<u>1.32</u>	
Free Cash Flow to Net Earnings Ratio (non-GAAP)						
Free cash flow from continuing operations from above (non-GAAP)	\$ 2,212	\$ 1,913		\$ 7,376	\$ 7,077	
Net earnings from continuing operations (GAAP)	<u>\$ 2,232</u>	<u>\$ 1,788</u>		<u>\$ 7,209</u>	<u>\$ 6,347</u>	
Free cash flow from continuing operations to net earnings from continuing operations conversion ratio (non-GAAP)	<u>0.99</u>	<u>1.07</u>		<u>1.02</u>	<u>1.12</u>	

The Company defines 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.

DANAHER CORPORATION

Former Life Sciences Segment Presentation

Sales Growth and Core Sales Growth of Former Life Sciences Segment

	% Change Three-Month Period Ended December 31, 2022 vs. Comparable 2021 Period	% Change Year Ended December 31, 2022 vs. Comparable 2021 Period
Total sales growth (GAAP)		
Biotechnology Segment*	(1.0)%	2.0 %
Life Sciences Segment*	8.0 %	10.0 %
Total sales growth former Life Sciences Segment* (non-GAAP)	3.0 %	5.5 %
Impact of:		
Acquisitions/divestitures	— %	(2.5)%
Currency exchange rates	5.0 %	4.5 %
Core sales growth former Life Sciences Segment* (non-GAAP)	8.0 %	7.5 %

Segment Sales, Operating Profit and Adjusted Operating Profit for Former Life Sciences Segment

(\$ in millions)

	Three-Month Period Ended		Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Sales (GAAP)				
Biotechnology Segment*	\$ 2,223	\$ 2,242	\$ 8,758	\$ 8,570
Life Sciences Segment*	1,946	1,804	7,036	6,388
Former Life Sciences Segment (non-GAAP)*	<u>\$ 4,169</u>	<u>\$ 4,046</u>	<u>\$ 15,794</u>	<u>\$ 14,958</u>
Operating Profit (GAAP)				
Biotechnology Segment*	\$ 693	\$ 780	\$ 3,008	\$ 3,074
Life Sciences Segment*	392	317	1,414	1,293
Former Life Sciences Segment (non-GAAP)*	<u>\$ 1,085</u>	<u>\$ 1,097</u>	<u>\$ 4,422</u>	<u>\$ 4,367</u>
Amortization of Intangible Assets (GAAP)				
Biotechnology Segment*	\$ 196	\$ 221	\$ 812	\$ 901
Life Sciences Segment*	104	107	419	282
Former Life Sciences Segment (non-GAAP)*	<u>\$ 300</u>	<u>\$ 328</u>	<u>\$ 1,231</u>	<u>\$ 1,183</u>
Other Operating Profit Adjustments¹				
Biotechnology Segment*	\$ —	\$ —	\$ 14	\$ 46
Life Sciences Segment*	—	13	24	58
Former Life Sciences Segment (non-GAAP)*	<u>\$ —</u>	<u>\$ 13</u>	<u>\$ 38</u>	<u>\$ 104</u>
Adjusted Operating Profit (non-GAAP)²				
Biotechnology Segment*	\$ 889	\$ 1,001	\$ 3,834	\$ 4,021
Life Sciences Segment*	496	437	1,857	1,633
Former Life Sciences Segment (non-GAAP)*	<u>\$ 1,385</u>	<u>\$ 1,438</u>	<u>\$ 5,691</u>	<u>\$ 5,654</u>

Note: This schedule presents the sum of the sales, operating profit and adjusted operating profit of the Biotechnology and Life Sciences segments for the periods indicated to present the results of the former Life Sciences segment. Refer to Segment Sales, Operating Profit and Adjusted Operating Profit for a description of the components of Adjusted Operating Profit (non-GAAP).

* Prior to the fourth quarter of 2022, the businesses included the Company's current Biotechnology and Life Sciences segments were reported in the former Life Sciences segment.

¹ Refer to the Reconciliation of GAAP to Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

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).

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:

- 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 expect overall demand for the Company's COVID-19 related products to continue moderating as the pandemic subsides and evolves toward endemic status. We believe certain 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, though that demand will likely be uncertain and will vary from period to period. At the beginning of 2022, the Company believed that on a relative basis, the level of ongoing demand for products supporting COVID-19 testing would be subject to more fluctuations in demand than the level of demand for products supporting COVID-19 related vaccines and therapeutics, due in part to expected COVID-19 case levels, vaccination rates and use of therapies. However, as a result of lower vaccination rates and the spread of less severe variants of the virus, 2022 demand for the Company's products supporting COVID-19 related vaccines and therapeutics fluctuated and declined more than anticipated at the beginning of the year. Therefore, beginning with the first quarter of 2023, we have revised the definition of "base business core sales growth" on a basis that not only excludes revenues related to COVID-19 testing but also excludes revenues from products that support COVID-19 related vaccines and therapeutics. We believe this adjusted definition of "base business core sales growth" will provide more 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 related products.

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 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.

Statement Regarding Non-GAAP Measures

- 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. 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 adjusted average common stock and common equivalent shares outstanding, Danaher's Mandatory Convertible Preferred Stock ("MCPS") Series A converted into Danaher common stock on April 15, 2022 and MCPS Series B will mandatorily convert into Danaher common stock on the mandatory conversion date, which is expected to be April 15, 2023 (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 "restructuring charges" and "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.
- 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.

The Company provides forecasted sales only on a non-GAAP basis because of the difficulty in estimating the other components of GAAP revenue, such as currency translation, acquisitions and divested product lines. Additionally, we do not reconcile adjusted operating profit margin (or the components thereof) to the comparable GAAP measures because of the difficulty in estimating the other unknown components such as investment gains and losses, impairments and separation costs, which would be reflected in any forecasted GAAP operating profit.

Supplemental Forward-Looking Information and Quarter Highlights

	Three-Month Period Ending March 31, 2023	Year Ending December 31, 2023
COVID-19 testing sales	~\$450	~\$1,200
COVID vaccine and therapeutics sales	~\$50	~\$150
Impact of currency exchange rates on sales ⁸	~\$(225)	~\$(50)
Corporate expense ⁹	~\$(65) - \$(70)	~\$(300)
Non-service components of periodic benefit costs (as included in Other income (expense), net in the Consolidated Condensed Statements of Earnings)	~\$10 - \$15	~\$40 - \$60
Interest expense, net ¹⁰	~\$(25) - \$(30)	~\$(100) - \$(120)
Effective tax rate	~19.5%	~19.5%

⁸ This line item is not a forecast. The impact to the Company's sales for the indicated periods is calculated using the assumption that the currency exchange rates in effect as of December 31, 2022 prevail throughout 2023, and estimates the impact to the Company's sales for the indicated periods based on such assumptions.

⁹ Corporate expense represents the operating profit (GAAP) for the Other segment, which consists of unallocated corporate costs and other costs not considered part of management's evaluation of reportable segment operating performance, excluding costs related to preparation for the anticipated separation of the Company's Environmental & Applied Solutions business.

¹⁰ Interest expense, net is defined as interest expense net of interest income. This line item is an assumption rather than a forecast. The estimated interest expense, net is calculated assuming the currency exchange rates in effect as of December 31, 2022 are to prevail throughout the period indicated.

Quarter Highlights

Q4 2022 Core Revenue Growth by Segment

- Biotechnology +4.0%
 - >20% growth for non-COVID bioprocessing
 - FY 2022 bioprocessing grew +high-single digit
- Life Sciences +13.0%
 - Strength in both Life Sciences Instruments and Genomics Consumables
- Diagnostics +7.5%
 - Led by Cepheid
 - Radiometer and LBS +double-digit
- Environmental & Applied Solutions +5.5%



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