



DANAHER CORPORATION

First Quarter 2023 Earnings Release

April 25, 2023



Forward Looking Statements

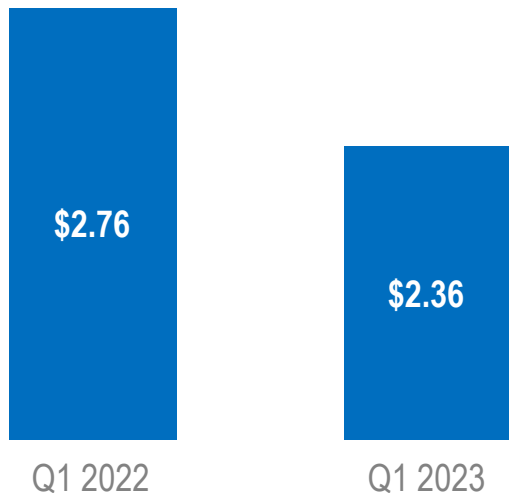
Statements in this presentation that are not strictly historical, including any statements regarding events or developments that we believe or anticipate will or may occur in the future are "forward-looking" statements within the meaning of the federal securities laws. There are a number of important 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, potential future, adverse impacts on our business, results of operations and financial condition related to the COVID-19 pandemic, 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, uncertainties relating to national laws or policies, including laws or policies to protect or promote domestic interests and/or address foreign competition, 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 with respect to our production capacity in times of national emergency or with respect to intellectual property/production capacity developed using government funding, risks relating to product, service or software defects, product liability and recalls, risks relating to fluctuations in the cost and availability of the supplies we use (including commodities) and labor we need for our operations, our relationships with and the performance of our channel partners, uncertainties relating to collaboration arrangements with third-parties, the impact of deregulation on demand for our products and services, the impact of climate change, legal or regulatory measures to address climate change and our ability to address stakeholder expectations relating to climate change, labor matters and our ability to recruit, retain and motivate talented employees representing diverse backgrounds, experiences and skill sets, non-U.S. economic, political, legal, compliance, social and business factors (including the impact of the military conflict between Russia and Ukraine), disruptions relating to man-made and natural disasters, pension plan and healthcare costs, inflation and the impact of our By-law exclusive forum provisions. 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 2022 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the first quarter of 2023. These forward-looking statements speak only as of the date of this presentation (April 25, 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.

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. 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.

First Quarter 2023 Performance Summary

ADJUSTED DILUTED NET EARNINGS PER COMMON SHARE

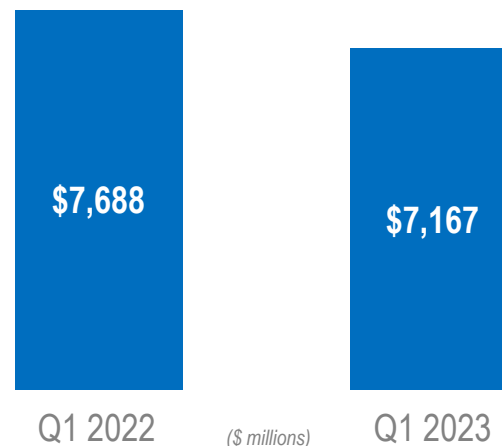
-14.5%



REVENUE

-7.0%

Core -4.0%
FX -3.0%



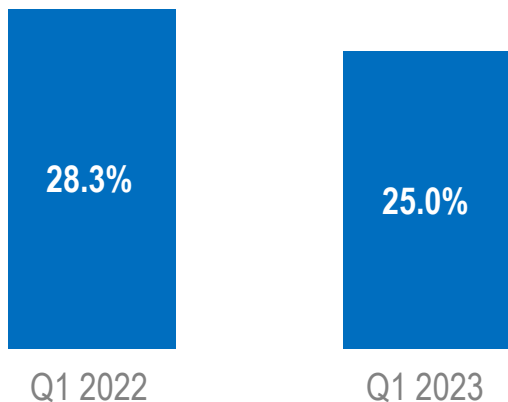
Throughout this presentation, with respect to revenue performance, for the definitions of "Acquisitions," "Core," and "FX," please refer to the accompanying information required by Regulation G, located at the end of this presentation and on the "Investors" section of Danaher's website.

First Quarter 2023 Performance Summary

OPERATING PROFIT MARGIN

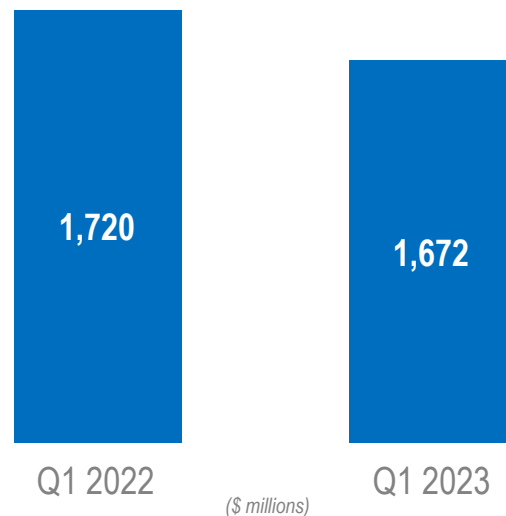
-330 BPS

Core -330 bps
Acquisitions -15 bps
Other +15 bps



FREE CASH FLOW PERFORMANCE

-3.0%



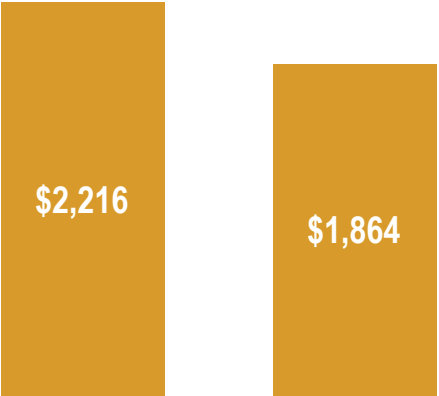
Throughout this presentation when referred to in connection with operating profit margins, "Acquisitions" refers to the impact of businesses owned for less than one year or disposed of during such period and not treated as discontinued operations, "Other" refers to the impact of impairment and other charges incurred in 2022 and costs incurred related to preparation for the anticipated separation of the Company's Environmental and Applied Solutions business incurred in 2023; 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.

First Quarter 2023: Biotechnology

REVENUE

-16.0%

Core -13.0%
FX -3.0%

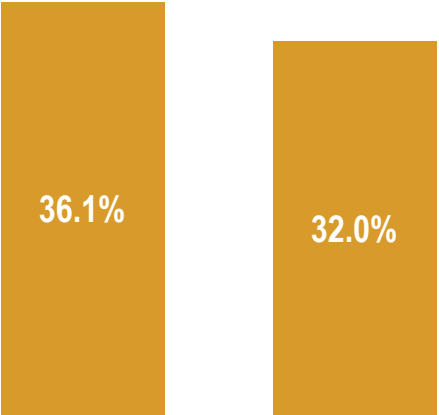


Q1 2022 (\$ millions) Q1 2023

OPERATING PROFIT MARGIN

-410 BPS

Core -455 bps
Acquisitions -15 bps
Other +60 bps



Q1 2022 Q1 2023



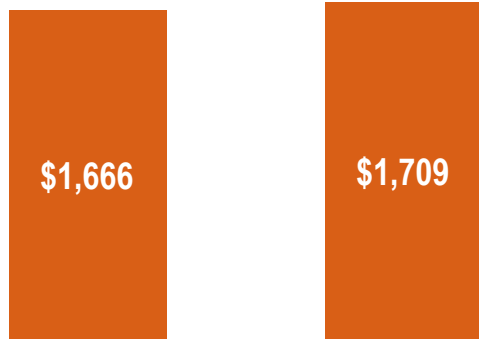
Life Sciences

First Quarter 2023: Life Sciences

REVENUE

+2.5%

Core +5.0%
Acquisitions +1.0%
FX -3.5%



Q1 2022

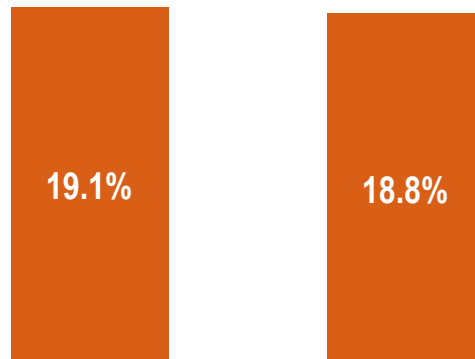
(\$ millions)

Q1 2023

OPERATING PROFIT MARGIN

-30 BPS

Core -130 bps
Acquisitions -45 bps
Other +145 bps



Q1 2022

Q1 2023



MICROSYSTEMS



Industrial



INTEGRATED DNA TECHNOLOGIES



First Quarter 2023: Diagnostics

REVENUE

-10.0%

Core -7.5%
FX -2.5%



Q1 2022

(\$ millions)

Q1 2023

OPERATING PROFIT MARGIN

-500 BPS

Core -510 bps
Other +10 bps



Q1 2022

Q1 2023



Cepheid



BECKMAN
COULTER



BIOSYSTEMS



First Quarter 2023: Environmental & Applied Solutions

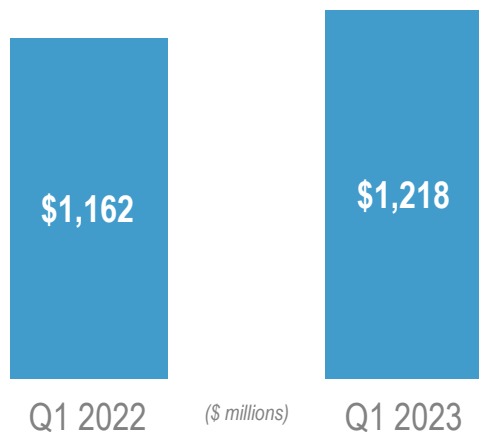
REVENUE

+5.0%

Core +6.5%

Acquisitions +0.5%

FX -2.0%



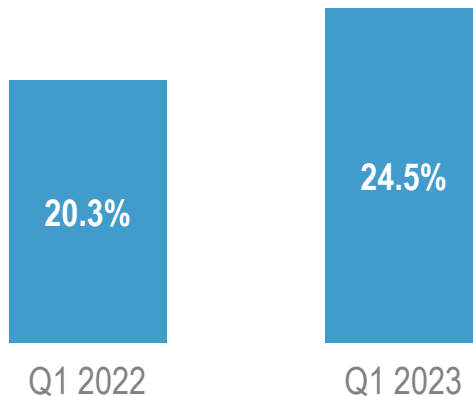
OPERATING PROFIT MARGIN

+420 BPS

Core +395 bps

Acquisitions +15 bps

Other +10 bps



GUIDANCE

Q & A



DANAHER



DANAHER CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
AND SUPPLEMENTAL FORWARD-LOOKING INFORMATION
THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND APRIL 1, 2022

TABLE OF CONTENTS

<u>Page</u>	
<u>1</u>	<u>Sales (Decline) Growth by Segment, Core Sales (Decline) Growth by Segment and Base Business Core Sales Growth by Segment</u>
<u>2</u>	<u>Forecasted Core Sales (Decline) Growth, Base Business Core Sales Growth and Adjusted Operating Profit Margin</u>
<u>3</u>	<u>Segment Sales, Operating Profit and Adjusted Operating Profit</u>
<u>4</u>	<u>Net Earnings, Operating Profit, Adjusted EBITDA, Net Earnings Margin, Operating Profit Margin and Adjusted EBITDA Margin</u>
<u>6</u>	<u>Other Non-GAAP Adjusted P&L Measures</u>
<u>9</u>	<u>Average and Adjusted Average Common Stock and Common Equivalent Diluted Shares Outstanding</u>
<u>10</u>	<u>Operating Profit Margins and Year-Over-Year Core Operating Margin Changes</u>
<u>11</u>	<u>Cash Flow, Free Cash Flow, Operating Cash Flow to Net Earnings Ratio and Free Cash Flow to Net Earnings Conversion Ratio</u>
<u>12</u>	<u>Statement Regarding Non-GAAP Measures</u>
<u>14</u>	<u>Supplemental Forward-Looking Information and Quarter Highlights</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, potential future, adverse impacts on our business, results of operations and financial condition related to the COVID-19 pandemic, 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, uncertainties relating to national laws or policies, including laws or policies to protect or promote domestic interests and/or address foreign competition, 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 with respect to our production capacity in times of national emergency or with respect to intellectual property/production capacity developed using government funding, risks relating to product, service or software defects, product liability and recalls, risks relating to fluctuations in the cost and availability of the supplies we use (including commodities) and labor we need for our operations, our relationships with and the performance of our channel partners, uncertainties relating to collaboration arrangements with third-parties, the impact of deregulation on demand for our products and services, the impact of climate change, legal or regulatory measures to address climate change and our ability to address stakeholder expectations relating to climate change, labor matters and our ability to recruit, retain and motivate talented employees representing diverse backgrounds, experiences and skill sets, non-U.S. economic, political, legal, compliance, social and business factors (including the impact of the military conflict between Russia and Ukraine), disruptions relating to man-made and natural disasters, pension plan and healthcare costs, inflation and the impact of our By-law exclusive forum provisions. 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 2022 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the first quarter of 2023. These forward-looking statements speak only as of the date of this document (April 25, 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 (Decline) Growth by Segment, Core Sales (Decline) Growth by Segment and Base Business Core Sales Growth by Segment

	% Change Three-Month Period Ended March 31, 2023 vs. Comparable 2022 Period				
	Segments				
	Total Company	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions
Total sales (decline) growth (GAAP)	(7.0)%	(16.0)%	2.5 %	(10.0)%	5.0 %
Impact of:					
Acquisitions/divestitures	— %	— %	(1.0)%	— %	(0.5)%
Currency exchange rates	3.0 %	3.0 %	3.5 %	2.5 %	2.0 %
Core sales (decline) growth (non-GAAP)	(4.0)%	(13.0)%	5.0 %	(7.5)%	6.5 %
Impact of COVID-19 related testing, vaccines and therapeutics	10.0 %	+Low-teens	+Low-single digit	+High-teens	— %
Base business core sales growth (non-GAAP)	6.0 %	Flat	+High-single digit	+Low-double digit	6.5 %

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 (Decline) Growth, 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 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 June 30, 2023 vs. Comparable 2022 Period	% Change Year Ending December 31, 2023 vs. Comparable 2022 Period
Core sales decline (non-GAAP)	-High-single digit	-High-single digit
Impact of COVID-19 related testing, vaccines and therapeutics	+Low-double digit	+Low-double digit
Base business core sales growth (non-GAAP)	+Mid-single digit	+Mid-single digit
	Three-Month Period Ending June 30, 2023	Year Ending December 31, 2023
Adjusted operating profit margin (non-GAAP)	~26.0 %	~30.0%

DANAHER CORPORATION

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

	Three-Month Period Ended	
	March 31, 2023	April 1, 2022
Sales (GAAP)		
Biotechnology	\$ 1,864	\$ 2,216
Life Sciences	1,709	1,666
Diagnostics	2,376	2,644
Environmental & Applied Solutions	1,218	1,162
Total Company	\$ 7,167	\$ 7,688
Operating Profit (GAAP)		
Biotechnology	\$ 596	\$ 800
Life Sciences	321	318
Diagnostics	677	886
Environmental & Applied Solutions	299	236
Other	(99)	(68)
Total Company	\$ 1,794	\$ 2,172
Amortization of Intangible Assets (GAAP)		
Biotechnology	\$ 217	\$ 214
Life Sciences	105	107
Diagnostics	50	51
Environmental & Applied Solutions	12	14
Total Company	\$ 384	\$ 386
Other Operating Profit Adjustments ¹		
Biotechnology	\$ —	\$ 14
Life Sciences	—	24
Diagnostics	—	3
Environmental & Applied Solutions	—	1
Other	28	1
Total Company	\$ 28	\$ 43
Adjusted Operating Profit (non-GAAP) ²		
Biotechnology	\$ 813	\$ 1,028
Life Sciences	426	449
Diagnostics	727	940
Environmental & Applied Solutions	311	251
Other	(71)	(67)
Total Company	\$ 2,206	\$ 2,601

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, Operating Profit, Adjusted EBITDA, Net Earnings Margin, Operating Profit Margin and Adjusted EBITDA Margin
(\$ in millions)

	Three-Month Period Ended March 31, 2023					Total Company
	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	
Net Earnings (GAAP)						\$ 1,450
Interest, Net						20
Other Nonoperating (Income) Expense						(24)
Income Taxes						348
Operating Profit (GAAP)	\$ 596	\$ 321	\$ 677	\$ 299	\$ (99)	\$ 1,794
Other Operating Profit Adjustments ¹	—	—	—	—	28	28
Depreciation	40	29	93	10	1	173
Amortization of Intangible Assets	217	105	50	12	—	384
Adjusted EBITDA (Non-GAAP)	<u>\$ 853</u>	<u>\$ 455</u>	<u>\$ 820</u>	<u>\$ 321</u>	<u>\$ (70)</u>	<u>\$ 2,379</u>
Interest, Net						(20)
Other Nonoperating Income (Expense)						24
Income Taxes						(348)
Other Operating Profit Adjustments ¹						(28)
Depreciation						(173)
Amortization of Intangible Assets						(384)
Net Earnings (GAAP)						<u>\$ 1,450</u>
Sales (GAAP)	<u>\$ 1,864</u>	<u>\$ 1,709</u>	<u>\$ 2,376</u>	<u>\$ 1,218</u>		<u>\$ 7,167</u>
Net Earnings Margin (GAAP)						<u>20.2 %</u>
Operating Profit Margin (GAAP)	<u>32.0 %</u>	<u>18.8 %</u>	<u>28.5 %</u>	<u>24.5 %</u>		<u>25.0 %</u>
Adjusted EBITDA Margin (Non-GAAP) ³	<u>45.8 %</u>	<u>26.6 %</u>	<u>34.5 %</u>	<u>26.4 %</u>		<u>33.2 %</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, Operating Profit, Adjusted EBITDA, Net Earnings Margin, Operating Profit Margin and Adjusted EBITDA Margin
(\$ in millions)

	Three-Month Period Ended April 1, 2022					Total Company
	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions	Other	
Net Earnings (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 (GAAP)						<u>\$ 1,725</u>
Sales (GAAP)	<u>\$ 2,216</u>	<u>\$ 1,666</u>	<u>\$ 2,644</u>	<u>\$ 1,162</u>		<u>\$ 7,688</u>
Net Earnings 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>		<u>28.3 %</u>
Adjusted EBITDA Margin (Non-GAAP) ³	<u>48.4 %</u>	<u>28.6 %</u>	<u>39.1 %</u>	<u>22.5 %</u>		<u>36.2 %</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

Other Non-GAAP Adjusted P&L Measures

(\$ in millions, except per share data)

Three-Month Period Ended March 31, 2023

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings before income taxes	Income taxes	Net earnings for calculation of diluted earnings per common share ¹	Diluted net earnings per common share ⁴
Reported (GAAP)	\$ 7,167	\$ (2,797)	61.0 %	\$ 1,794	25.0 %	\$ 1,798	\$ (348)	\$ 1,429	\$ 1.94
Amortization of acquisition-related intangible assets ^A	—	—	—	384	5.4	384		384	0.52
Fair value net (gains) losses on investments ^B	—	—	—	—	—	(22)		(22)	(0.03)
Separation costs ^C	—	—	—	28	0.4	28		28	0.04
Tax effect of the above adjustments ^F							(72)	(72)	(0.10)
Discrete tax adjustments ^G							(5)	(5)	(0.01)
MCPS "as if converted" ^H	—	—	—	—	—	—	—	21	—
Adjusted (Non-GAAP)	<u>\$ 7,167</u>	<u>\$ (2,797)</u>	<u>61.0 %</u>	<u>\$ 2,206</u>	<u>30.8 %</u>	<u>\$ 2,188</u>	<u>\$ (425)</u>	<u>\$ 1,763</u>	<u>\$ 2.36</u>

Three-Month Period Ended March 31, 2023

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net (excluding interest)	Interest income (expense), net
Reported (GAAP)	\$ 7,167	\$ (2,147)	(30.0)%	\$ (429)	(6.0)%	\$ 24	\$ (20)
Amortization of acquisition-related intangible assets ^A	—	384	5.4	—	—	—	—
Fair value net (gains) losses on investments ^B	—	—	—	—	—	(22)	—
Separation costs ^C	—	28	0.4	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 7,167</u>	<u>\$ (1,735)</u>	<u>(24.2)%</u>	<u>\$ (429)</u>	<u>(6.0)%</u>	<u>\$ 2</u>	<u>\$ (20)</u>

⁴ 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.

DANAHER CORPORATION

Other Non-GAAP Adjusted P&L Measures

(\$ in millions, except per share data)

Three-Month Period Ended April 1, 2022

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings before income taxes	Income taxes	Net earnings for calculation of diluted earnings per common share ¹	Diluted net earnings per common share ⁴
Reported (GAAP)	\$ 7,688	\$ (2,983)	61.2 %	\$ 2,172	28.3 %	\$ 2,099	\$ (374)	\$ 1,704	\$ 2.31
Amortization of acquisition-related intangible assets ^A	—	—	—	386	5.0	386		386	0.52
Fair value net (gains) losses on investments ^B	—	—	—	—	—	24		24	0.03
Loss on partial settlement of a defined benefit plan ^D	—	—	—	—	—	10		10	0.01
Impairments and other charges ^E	—	18	0.2	43	0.6	43		43	0.06
Tax effect of the above adjustments ^F							(85)	(85)	(0.11)
Discrete tax adjustments ^G							(41)	(41)	(0.06)
MCPS "as if converted" ^H	—	—	—	—	—	—	—	21	—
Rounding	—	—	—	—	(0.1)	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 7,688</u>	<u>\$ (2,965)</u>	<u>61.4 %</u>	<u>\$ 2,601</u>	<u>33.8 %</u>	<u>\$ 2,562</u>	<u>\$ (500)</u>	<u>\$ 2,062</u>	<u>\$ 2.76</u>

Three-Month Period Ended April 1, 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)	\$ 7,688	\$ (2,092)	(27.2)%	\$ (441)	(5.7)%	\$ (20)	\$ (53)
Amortization of acquisition-related intangible assets ^A	—	386	5.0	—	—	—	—
Fair value net (gains) losses on investments ^B	—	—	—	—	—	24	—
Loss on partial settlement of a defined benefit plan ^D	—	—	—	—	—	10	—
Impairments and other charges ^E	—	25	0.3	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 7,688</u>	<u>\$ (1,681)</u>	<u>(21.9)%</u>	<u>\$ (441)</u>	<u>(5.7)%</u>	<u>\$ 14</u>	<u>\$ (53)</u>

⁴ 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.

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 (only the pretax amounts set forth below are reflected in the amortization line item above):

	<u>Three-Month Period Ended</u>	
	<u>March 31, 2023</u>	<u>April 1, 2022</u>
Pretax	\$ 384	\$ 386
After-tax	310	311

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

	<u>Three-Month Period Ended</u>	
	<u>March 31, 2023</u>	<u>April 1, 2022</u>
Pretax	\$ (22)	\$ 24
After-tax	(17)	18

^C Costs incurred in the three-month period ended March 31, 2023, 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 and duplicative general and administrative costs (\$28 million pretax as reported in this line item, \$25 million after-tax).

^D 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 three-month period ended April 1, 2022 (\$10 million pretax as reported in this line item, \$9 million after-tax).

^E Charges incurred primarily related to impairments of accounts receivable and inventory as well as accruals for contractual obligations in Russia incurred in the three-month period ended April 1, 2022 (\$43 million pretax as reported in this line item, \$40 million after-tax).

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

^G Discrete tax adjustments and other tax-related adjustments for the three-month period ended March 31, 2023, include the impact of net discrete tax benefits of \$5 million related primarily to excess tax benefits from stock-based compensation and the release of reserves for uncertain tax positions due to the expiration of statutes of limitation, partially offset by tax costs related to the separation of the Environmental & Applied Solutions business and changes in estimates associated with prior period uncertain tax positions. Discrete tax adjustments and other tax-related adjustments for the three-month period ended April 1, 2022, include the impact of net discrete tax benefits of \$41 million related primarily to excess tax benefits from stock-based compensation and the changes in estimates associated with prior period uncertain tax positions.

^H In March 2019, the Company issued \$1.65 billion in aggregate liquidation preference of 4.75% MCPS Series A. In May 2020, the Company issued \$1.72 billion in aggregate liquidation preference of 5.0% MCPS Series B. Dividends on the MCPS Series A 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. Each share of MCPS Series B converted on April 17, 2023 into 5.0175 shares of Danaher's common stock. For the calculation of net earnings per common share, 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, the Company has excluded the paid 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

DANAHER CORPORATION

Other Non-GAAP Adjusted P&L Measures

(\$ in millions, except per share data)

MCPS that were anti-dilutive for the given period. For additional information about the impact of the MCPS on the calculation of diluted EPS, see note 5 in the Average and Adjusted Average Common Stock and Common Equivalent Diluted Shares Outstanding table below.

¹ Net earnings for calculation of diluted earnings per common share is summarized as follows:

	<u>Three-Month Period Ended</u>	
	<u>March 31, 2023</u>	<u>April 1, 2022</u>
Net earnings	\$ 1,450	\$ 1,725
MCPS dividends	(21)	(41)
Net earnings attributable to common stockholders for Basic EPS	1,429	1,684
Adjustment for MCPS dividends for dilutive MCPS	—	20
Net earnings attributable to common stockholders after assumed conversions for Diluted EPS	<u>\$ 1,429</u>	<u>\$ 1,704</u>

Average and Adjusted Average Common Stock and Common Equivalent Diluted Shares Outstanding

(shares in millions)

	<u>Three-Month Period Ended</u>		<u>Forecasted</u>	
	<u>March 31, 2023</u>	<u>April 1, 2022</u>	<u>Three-Month Period Ending June 30, 2023</u>	<u>Year Ending December 31, 2023</u>
	Average common stock and common equivalent shares outstanding - diluted (GAAP) ⁵	737.2	737.7	746.0
Converted shares ⁶	8.6	8.6	1.5	2.5
Adjusted average common stock and common equivalent shares outstanding - diluted (non-GAAP)	<u>745.8</u>	<u>746.3</u>	<u>747.5</u>	<u>748.6</u>

⁵ The impact of the MCPS Series B calculated under the if-converted method was anti-dilutive for the three-month periods ended March 31, 2023 and April 1, 2022, and as such 8.6 million shares underlying the MCPS Series B were excluded from the calculation of diluted EPS in both periods and the related MCPS Series B dividends of \$21 million were included in the calculation of net earnings for diluted EPS for the periods.

The impact of the MCPS Series A calculated under the if-converted method was dilutive for the three-month period ended April 1, 2022, and as such 11.0 million shares underlying the MCPS Series A were included in the calculation of diluted EPS in the three-month period and the related MCPS Series A dividends of \$20 million were excluded from the calculation of net earnings for diluted EPS.

Additionally, for the three-month period ending June 30, 2023 and the year ending December 31, 2023, the impact of the MCPS Series B calculated under the if-converted method is forecasted to be anti-dilutive and as such, approximately 1.5 million shares and 2.5 million shares, respectively, underlying the MCPS Series B are excluded from the calculation of diluted EPS.

⁶ The number of converted shares assumes the conversion of all MCPS and issuance of the underlying shares applying the “if-converted” method of accounting and using an average 20 trading-day trailing Volume Weighted Average Price (“VWAP”) of \$246.26 and \$281.28 as of March 31, 2023 and April 1, 2022, respectively.

DANAHER CORPORATION

Operating Profit Margins and Year-Over-Year Core Operating Margin Changes

	Segments				
	Total Company	Biotechnology	Life Sciences	Diagnostics	Environmental & Applied Solutions
Three-Month Period Ended April 1, 2022 Operating Profit Margins (GAAP)	28.30 %	36.10 %	19.10 %	33.50 %	20.30 %
First quarter 2023 impact from operating profit margins of businesses that have been owned for less than one year	(0.15)	(0.15)	(0.45)	—	0.15
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 2023 costs incurred related to preparation for the anticipated separation of the Company's Environmental & Applied Solutions business	(0.40)	—	—	—	—
Year-over-year core operating profit margin changes for the first quarter 2023 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	(3.30)	(4.55)	(1.30)	(5.10)	3.95
Three-Month Period Ended March 31, 2023 Operating Profit Margins (GAAP)	25.00 %	32.00 %	18.80 %	28.50 %	24.50 %

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

(\$ in millions)

	Three-Month Period Ended		Year-over-Year Change
	March 31, 2023	April 1, 2022	
Total Cash Flows:			
Net cash provided by operating activities (GAAP)	\$ 1,947	\$ 1,968	
Total cash used in investing activities (GAAP)	\$ (304)	\$ (503)	
Total cash used in financing activities (GAAP)	\$ (262)	\$ (274)	
Free Cash Flow:			
Net cash provided by operating activities (GAAP)	\$ 1,947	\$ 1,968	~ (1.0)%
Less: payments for additions to property, plant & equipment (capital expenditures) (GAAP)	(275)	(250)	
Plus: proceeds from sales of property, plant & equipment (capital disposals) (GAAP)	—	2	
Free cash flow (non-GAAP)	<u>\$ 1,672</u>	<u>\$ 1,720</u>	~ (3.0)%
Operating Cash Flow to Net Earnings Ratio (GAAP)			
Net cash provided by operating activities (GAAP)	\$ 1,947	\$ 1,968	
Net earnings (GAAP)	1,450	1,725	
Operating cash flow to net earnings conversion ratio	<u>1.34</u>	<u>1.14</u>	
Free Cash Flow to Net Earnings Conversion Ratio:			
Free cash flow from above (non-GAAP)	\$ 1,672	\$ 1,720	
Net earnings (GAAP)	1,450	1,725	
Free cash flow to net earnings conversion ratio (non-GAAP)	<u>1.15</u>	<u>1.00</u>	

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

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 non-GAAP 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 and related non-GAAP 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 the non-GAAP measures referenced above 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 and the FCF Measure in the Company's executive compensation program.

- The items excluded from the non-GAAP measures set forth above have been excluded for the following reasons:
 - Amortization of Intangible Assets: We exclude the amortization of acquisition-related intangible assets because the amount and timing of such charges are significantly impacted by the timing, size, number and nature of the acquisitions we consummate. While we have a history of significant acquisition activity we do not acquire businesses on a predictable cycle, and the amount of an acquisition's purchase price allocated to intangible assets and related amortization term are unique to each acquisition and can vary significantly from acquisition to acquisition. Exclusion of this amortization expense facilitates more consistent comparisons of operating results over time between our newly acquired and long-held businesses, and with both acquisitive and non-acquisitive peer companies. We believe however that it is important for investors to understand that such intangible assets contribute to sales generation and that intangible asset amortization related to past acquisitions will recur in future periods until such intangible assets have been fully amortized.
 - Restructuring Charges: We exclude costs incurred pursuant to discrete restructuring plans that are fundamentally different (in terms of the size, strategic nature and planning requirements, as well as the inconsistent frequency, of such plans) from the ongoing productivity improvements that result from application of the Danaher Business System. Because these restructuring plans are incremental to the core activities that arise in the ordinary course of

Statement Regarding Non-GAAP Measures

our business and we believe are not indicative of Danaher’s ongoing operating costs in a given period, we exclude these costs to facilitate a more consistent comparison of operating results over time.

- Other Adjustments: With respect to the other items excluded from Adjusted Diluted Net Earnings Per Common Share, 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 the MCPS Series B mandatorily converted into Danaher common stock on the mandatory conversion date of April 17, 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, 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 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

(\$ in millions)

	Three-Month Period Ending June 30, 2023	Year Ending December 31, 2023
COVID-19 testing sales	~\$175	~\$1,200
COVID vaccine and therapeutics sales		~\$150
Corporate expense ⁷	~\$(80)	~\$(310)
Non-service components of periodic benefit costs (as included in Other income (expense), net in the Consolidated Condensed Statements of Earnings)	~\$2	~\$8
Interest expense, net ⁸	~\$(20)	~\$(80)
Effective tax rate	~19.5 %	~19.5 %

⁷ 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.

⁸ 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 March 31, 2023 are to prevail throughout the remainder of the period indicated and no change in the amount of commercial paper outstanding.

Quarter Highlights

Q1 2023 Base Business Core Revenue Growth by Segment

- Biotechnology ~Flat
 - Bioprocessing +low-single digit
- Life Sciences +High-single digit
 - Life Sciences Instruments +mid-single digit
 - Genomics Consumables +double-digit
- Diagnostics +Low-double digit
 - +>30% at Cepheid
 - Radiometer +double-digit, LBS and Beckman Diagnostics +mid-single digit
- Environmental & Applied Solutions +6.5%
 - Water Quality +low-double digit
 - Product Identification +low-single digit



DANAHER
