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## Supplemental Earnings Information for the Fourth Quarter 2023

Below are our Q4 2023 results and Q1/FY 2024 guidance:

### **Q4 2023 Results**

Q4 Core revenue growth -11.5%, exceeded our expectations of -high-teens

Q4 base business core revenue growth -4.5%, base business core growth by segment:

- Biotechnology: -High-teens
  - Bioprocessing -high-teens, as expected
- LS: -LSD
  - Life Sciences Instruments -MSD
- Dx: +HSD
  - Non-respiratory testing at Cepheid +low-teens
  - Bec Dx +>10%

Cepheid respiratory testing and COVID-19 Vx/Tx revenues

- Cepheid's Q4 respiratory revenue of ~\$650M exceeded our expectation of ~\$350M driven by positive mix of 4-in-1 test vs. COVID-only tests and higher volume
- COVID Vx/Tx revenue in Q4 was ~\$15M

Q4 Adjusted OP margin of ~29% was above our expectation of ~28%

Q4 Adjusted EPS of \$2.09

FY 2023 Free Cash Flow (FCF) of ~\$5.1B with FCF to net income conversion of >120%

## Q1 and FY 2024

Beginning with the first quarter of 2024 we will continue to provide guidance for core revenue, but will no longer report base business core revenue as the pandemic has transitioned to an endemic state

Anticipated core revenue growth for Q1 and FY 2024

- 1) Danaher FY 2024 core revenue growth expected to be -LSD
- 2) Bioprocessing FY 2024 core revenue growth anticipated to be -LSD
  - Entering 2024 with between one and two quarters of backlog
  - Anticipate 1H 2024 will be down mid to high-teens
  - Expect we'll exit the year with +HSD or better core growth
- 3) Cepheid FY 2024 respiratory revenue anticipated to be ~\$1.6B
  - Anticipate Q1 respiratory revenue of ~\$575M

2024 anticipated core revenue growth assumptions by segment

	<u>Q1</u>	<u>Full Year</u>
Biotechnology*	-low 20s	-LSD/MSD
Life Sciences	-MSD	-LSD
Diagnostics	+LSD	+LSD
<b>Danaher</b>	<b>-HSD</b>	<b>-LSD</b>

*\*includes Bioprocessing and Discovery & Medical*

2024 anticipated revenue seasonality

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
% of year	23%	24%	25%	28%

Anticipated adjusted operating profit margin for Q1 and FY 2024

Q1 2024

- We anticipate adjusted operating profit margin of ~28%

FY 2024

- We anticipate adjusted operating margin expansion of ~50 bps compared to 2023 driven by cost savings from 2023 productivity actions

## **2024 Model Items**

FX: If currency exchange rates in effect as of December 31, 2023 prevailed throughout the remainder of 2024, the impact of currency exchange rates on revenue would be

- Essentially flat for Q1
- Benefit of 0.5% for FY 2024

Corporate expense: ~\$80M in Q1 and ~\$330M for FY 2024

Adjusted non-operating income: ~\$2M in Q1 and ~\$7M for FY 2024

Assumed Interest expense, net: ~\$9M of expense in Q1 and ~\$30M of expense for FY 2024

Tax rate: ~17.5% for Q1 and FY 2024

Average adjusted diluted shares

- ~748M for Q1
- ~751M for FY 2024

## **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 (including the acquisition of Abcam plc) 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 military conflicts), 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 third quarter of 2023. These forward-looking statements speak only as of the date of this document 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 above, definitions and the accompanying information required by SEC Regulation G can be found in the document accompanying this note or in the "Investors" section of Danaher's web site, [www.danaher.com](http://www.danaher.com), under the heading "Financial Reports" and subheading "Quarterly Earnings."