

# Danaher Corporation

*First Quarter 2024 Earnings Release*

April 23, 2024

Innovation at the speed of life.



# 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, unanticipated, further declines in demand for our COVID-19 related products, the impact of global health crises, the impact of our debt obligations on our operations and liquidity, deterioration of or instability in the global economy, the markets we serve and the financial markets, uncertainties with respect to the development, deployment, and use of artificial intelligence in our business and products, 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 cyclicity of markets we serve, competition, our ability to develop and successfully market new products and technologies and expand into new markets, the potential for improper conduct by our employees, agents or business partners, our compliance with applicable laws and regulations (including rules relating to off-label marketing and other regulations relating to medical devices and the health care industry), the results of our clinical trials and perceptions thereof, our ability to effectively address cost reductions and other changes in the health care industry, our ability to successfully identify and consummate appropriate acquisitions and strategic investments, 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 our manufacturing operations and 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, 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 2023 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the first quarter of 2024. These forward-looking statements speak only as of the date of this presentation (April 23, 2024) 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](http://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 first quarter Form 10-Q. 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 2024 Performance Summary

## Adjusted Diluted Net Earnings Per Common Share from Continuing Operations

**-6.5%**



## Revenue

**-2.5%**

Core -4.0%  
Acquisitions +2.0%  
FX -0.5%



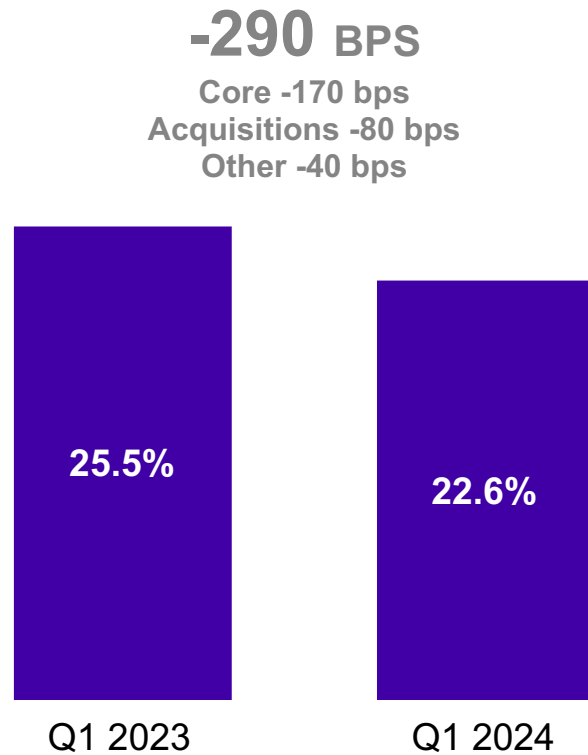
*(\$ millions)*



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 2024 Performance Summary

## Operating Profit Margin



## Free Cash Flow Performance



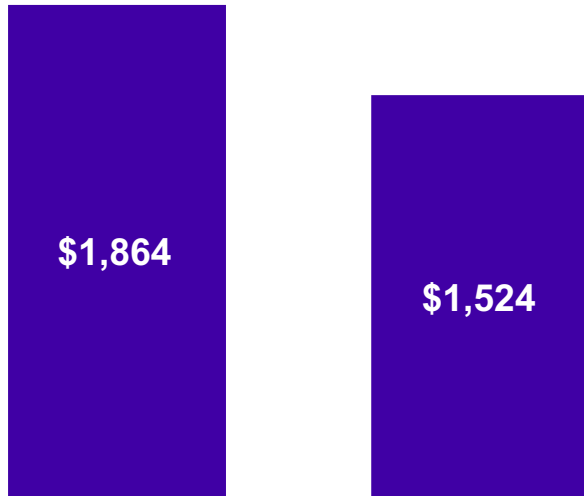
Throughout this presentation when referred to in connection with operating profit margins, "Acquisitions" refers to the impact of businesses owned for less than one year or disposed of during such period and not treated as discontinued operations; "Other" refers to the impact of the 2024 fair value adjustment to inventory related to the acquisition of Abcam plc; 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 2024: Biotechnology

## Revenue

**-18.0%**

Core -17.0%  
FX -1.0%



Q1 2023

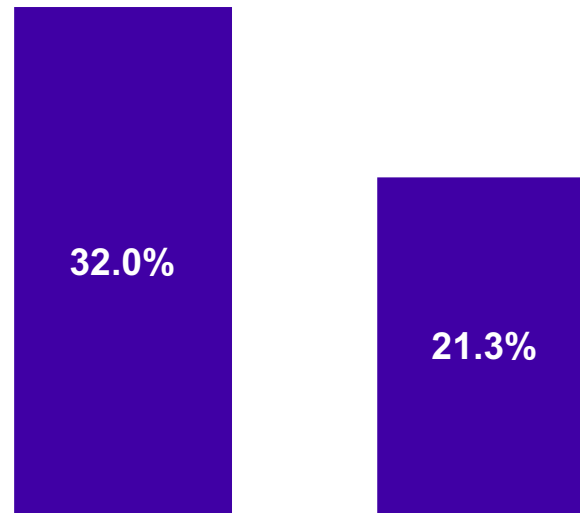
Q1 2024

(\$ millions)

## Operating Profit Margin

**-1,070 BPS**

Core -1,070 bps



Q1 2023

Q1 2024



# First Quarter 2024: Life Sciences

## Revenue

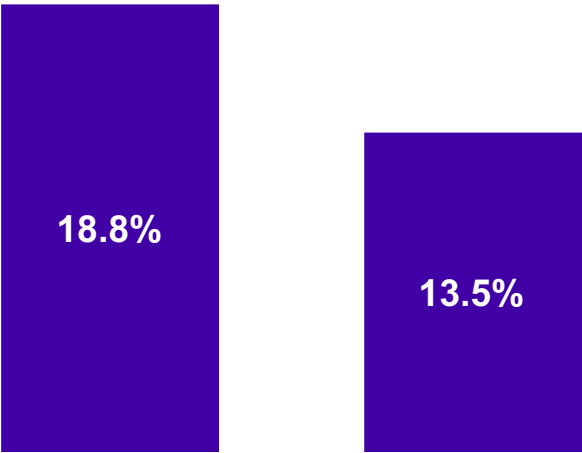
**+2.0%**  
 Core -3.0%  
 Acquisitions +6.0%  
 FX -1.0%



(\$ millions)

## Operating Profit Margin

**-530 BPS**  
 Core -170 bps  
 Acquisitions -220 bps  
 Other -140 bps

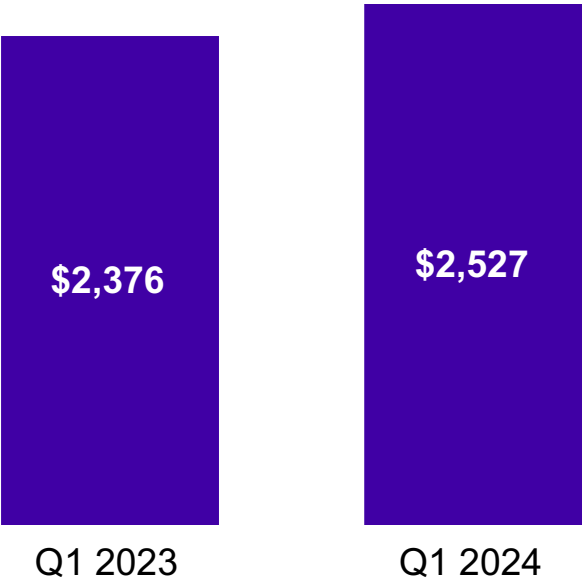


# First Quarter 2024: Diagnostics

## Revenue

**+6.5%**

Core +7.5%  
FX -1.0%

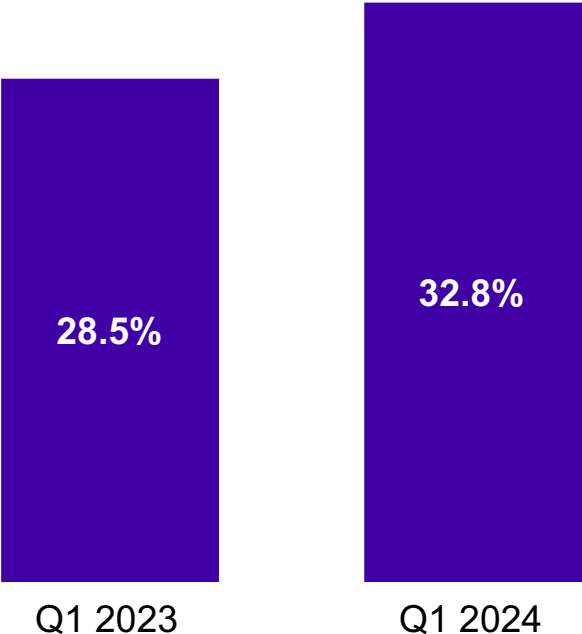


(\$ millions)

## Operating Profit Margin

**+430 BPS**

Core +430 bps



# Guidance



# Q&A





DANAHER CORPORATION  
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES  
AND SUPPLEMENTAL FORWARD-LOOKING INFORMATION  
THREE-MONTH PERIODS ENDED MARCH 29, 2024 AND MARCH 31, 2023

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## FORWARD-LOOKING STATEMENTS DISCLOSURE

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**DANAHER CORPORATION**

**Sales (Decline) Growth by Segment and Core Sales (Decline) Growth by Segment**

	% Change Three-Month Period Ended March 29, 2024 vs. Comparable 2023 Period			
	Total Company	Segments		
		Biotechnology	Life Sciences	Diagnostics
Total sales (decline) growth (GAAP)	(2.5)%	(18.0)%	2.0 %	6.5 %
Impact of:				
Acquisitions	(2.0)%	— %	(6.0)%	— %
Currency exchange rates	0.5 %	1.0 %	1.0 %	1.0 %
Core sales (decline) growth (non-GAAP)	<u>(4.0)%</u>	<u>(17.0)%</u>	<u>(3.0)%</u>	<u>7.5 %</u>

**Forecasted Core Sales Decline 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 forecasted adjusted operating profit margin (or components thereof) to the comparable GAAP measures because of the difficulty in estimating the other components (in addition to items identified in the prior sentence) such as investment gains and losses and impairments, which would be reflected in any forecasted GAAP operating profit.

	% Change Three-Month Period Ending June 28, 2024 vs. Comparable 2023 Period	% Change Year Ending December 31, 2024 vs. Comparable 2023 Period
Core sales decline (non-GAAP)	-Mid-single digit	-Low-single digit
	Three-Month Period Ending June 28, 2024	Year Ending December 31, 2024
Adjusted operating profit margin (non-GAAP)	~26.0%	~29.0%

**DANAHER CORPORATION**

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

	Three-Month Period Ended	
	March 29, 2024	March 31, 2023
<b>Sales (GAAP)</b>		
Biotechnology	\$ 1,524	\$ 1,864
Life Sciences	1,745	1,709
Diagnostics	2,527	2,376
Total Company	<u>\$ 5,796</u>	<u>\$ 5,949</u>
<b>Operating Profit (GAAP)</b>		
Biotechnology	\$ 325	\$ 596
Life Sciences	235	321
Diagnostics	830	677
Other	(78)	(77)
Total Company	<u>\$ 1,312</u>	<u>\$ 1,517</u>
<b>Amortization of Intangible Assets (GAAP)</b>		
Biotechnology	\$ 218	\$ 217
Life Sciences	141	105
Diagnostics	48	50
Total Company	<u>\$ 407</u>	<u>\$ 372</u>
<b>Other Operating Profit Adjustments <sup>1</sup></b>		
Biotechnology	\$ —	\$ —
Life Sciences	25	—
Diagnostics	—	—
Other	—	—
Total Company	<u>\$ 25</u>	<u>\$ —</u>
<b>Adjusted Operating Profit (non-GAAP) <sup>2</sup></b>		
Biotechnology	\$ 543	\$ 813
Life Sciences	401	426
Diagnostics	878	727
Other	(78)	(77)
Total Company	<u>\$ 1,744</u>	<u>\$ 1,889</u>

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

<sup>2</sup> 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, Net Earnings from Continuing Operations Margin, Operating Profit Margin and Adjusted EBITDA Margin**  
(\$ in millions)

	Three-Month Period Ended March 29, 2024				Total Company
	Biotechnology	Life Sciences	Diagnostics	Other	
<b>Net Earnings from Continuing Operations (GAAP)</b>					\$ 1,088
Interest, Net					5
Other Nonoperating (Income) Expense					36
Income Taxes					183
<b>Operating Profit (GAAP)</b>	\$ 325	\$ 235	\$ 830	\$ (78)	\$ 1,312
Other Operating Profit Adjustments <sup>1</sup>	—	25	—	—	25
Depreciation	42	38	97	2	179
Amortization of Intangible Assets	218	141	48	—	407
<b>Adjusted EBITDA (Non-GAAP)</b>	<u>\$ 585</u>	<u>\$ 439</u>	<u>\$ 975</u>	<u>\$ (76)</u>	<u>\$ 1,923</u>
Interest, Net					(5)
Other Nonoperating Income (Expense)					(36)
Income Taxes					(183)
Other Operating Profit Adjustments <sup>1</sup>					(25)
Depreciation					(179)
Amortization of Intangible Assets					(407)
<b>Net Earnings from Continuing Operations (GAAP)</b>					<u>\$ 1,088</u>
Sales (GAAP)	<u>\$ 1,524</u>	<u>\$ 1,745</u>	<u>\$ 2,527</u>		<u>\$ 5,796</u>
<b>Net Earnings from Continuing Operations Margin (GAAP)</b>					<u>18.8 %</u>
<b>Operating Profit Margin (GAAP)</b>	<u>21.3 %</u>	<u>13.5 %</u>	<u>32.8 %</u>		<u>22.6 %</u>
<b>Adjusted EBITDA Margin (Non-GAAP) <sup>3</sup></b>	<u>38.4 %</u>	<u>25.2 %</u>	<u>38.6 %</u>		<u>33.2 %</u>

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

<sup>3</sup> Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by Sales (GAAP).

**DANAHER CORPORATION**

**Net Earnings from Continuing Operations, Operating Profit, Adjusted EBITDA, Net Earnings from Continuing Operations Margin, Operating Profit Margin and Adjusted EBITDA Margin**  
(\$ in millions)

	Three-Month Period Ended March 31, 2023				Total Company
	Biotechnology	Life Sciences	Diagnostics	Other	
<b>Net Earnings from Continuing Operations (GAAP)</b>					\$ 1,240
Interest, Net					18
Other Nonoperating (Income) Expense					(24)
Income Taxes					283
<b>Operating Profit (GAAP)</b>	\$ 596	\$ 321	\$ 677	\$ (77)	\$ 1,517
Other Operating Profit Adjustments <sup>1</sup>	—	—	—	—	—
Depreciation	40	29	93	1	163
Amortization of Intangible Assets	217	105	50	—	372
<b>Adjusted EBITDA (Non-GAAP)</b>	<u>\$ 853</u>	<u>\$ 455</u>	<u>\$ 820</u>	<u>\$ (76)</u>	<u>\$ 2,052</u>
Interest, Net					(18)
Other Nonoperating Income (Expense)					24
Income Taxes					(283)
Other Operating Profit Adjustments <sup>1</sup>					—
Depreciation					(163)
Amortization of Intangible Assets					(372)
<b>Net Earnings from Continuing Operations (GAAP)</b>					<u>\$ 1,240</u>
Sales (GAAP)	<u>\$ 1,864</u>	<u>\$ 1,709</u>	<u>\$ 2,376</u>		<u>\$ 5,949</u>
<b>Net Earnings from Continuing Operations Margin (GAAP)</b>					<u>20.8 %</u>
<b>Operating Profit Margin (GAAP)</b>	<u>32.0 %</u>	<u>18.8 %</u>	<u>28.5 %</u>		<u>25.5 %</u>
<b>Adjusted EBITDA Margin (Non-GAAP) <sup>3</sup></b>	<u>45.8 %</u>	<u>26.6 %</u>	<u>34.5 %</u>		<u>34.5 %</u>

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

<sup>3</sup> Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by Sales (GAAP).



DANAHER CORPORATION

**Other Non-GAAP Adjusted P&L Measures**

(\$ in millions, except per share data)

**Three-Month Period Ended March 29, 2024**

	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
<b>Reported (GAAP)</b>	\$ 5,796	\$ (2,309)	60.2 %	\$ 1,312	22.6 %	\$ 1,271	\$ (183)	\$ 1,088 <sup>G</sup>	\$ 1.45
Amortization of acquisition-related intangible assets <sup>A</sup>	—	—	—	407	7.0	407		407	0.54
Fair value net (gains) losses on investments <sup>B</sup>	—	—	—	—	—	37		37	0.05
Acquisition-related items <sup>C</sup>	—	25	0.4	25	0.4	25		25	0.03
Tax effect of the above adjustments <sup>D</sup>							(86)	(86)	(0.11)
Discrete tax adjustments <sup>E</sup>							(36)	(36)	(0.05)
Rounding	—	—	—	—	0.1	—	—	—	0.01
<b>Adjusted (Non-GAAP)</b>	<u>\$ 5,796</u>	<u>\$ (2,284)</u>	<u>60.6 %</u>	<u>\$ 1,744</u>	<u>30.1 %</u>	<u>\$ 1,740</u>	<u>\$ (305)</u>	<u>\$ 1,435</u>	<u>\$ 1.92</u>

**Three-Month Period Ended March 29, 2024**

	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
<b>Reported (GAAP)</b>	\$ 5,796	\$ (1,807)	(31.2)%	\$ (368)	(6.3)%	\$ (36)	\$ (5)
Amortization of acquisition-related intangible assets <sup>A</sup>	—	407	7.0	—	—	—	—
Fair value net (gains) losses on investments <sup>B</sup>	—	—	—	—	—	37	—
<b>Adjusted (Non-GAAP)</b>	<u>\$ 5,796</u>	<u>\$ (1,400)</u>	<u>(24.2)%</u>	<u>\$ (368)</u>	<u>(6.3)%</u>	<u>\$ 1</u>	<u>\$ (5)</u>

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 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 <sup>4</sup>
<b>Reported (GAAP)</b>	\$ 5,949	\$ (2,287)	61.6 %	\$ 1,517	25.5 %	\$ 1,523	\$ (283)	\$ 1,219 <sup>G</sup>	\$ 1.65
Amortization of acquisition-related intangible assets <sup>A</sup>	—	—	—	372	6.3	372		372	0.50
Fair value net (gains) losses on investments <sup>B</sup>	—	—	—	—	—	(22)		(22)	(0.03)
Tax effect of the above adjustments <sup>D</sup>							(63)	(63)	(0.08)
MCPS "as if converted" <sup>F</sup>	—	—	—	—	—	—	—	21	0.01
<b>Adjusted (Non-GAAP)</b>	<u>\$ 5,949</u>	<u>\$ (2,287)</u>	<u>61.6 %</u>	<u>\$ 1,889</u>	<u>31.8 %</u>	<u>\$ 1,873</u>	<u>\$ (346)</u>	<u>\$ 1,527</u>	<u>\$ 2.05</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
<b>Reported (GAAP)</b>	\$ 5,949	\$ (1,772)	(29.8)%	\$ (373)	(6.3)%	\$ 24	\$ (18)
Amortization of acquisition-related intangible assets <sup>A</sup>	—	372	6.3	—	—	—	—
Fair value net (gains) losses on investments <sup>B</sup>	—	—	—	—	—	(22)	—
<b>Adjusted (Non-GAAP)</b>	<u>\$ 5,949</u>	<u>\$ (1,400)</u>	<u>(23.5)%</u>	<u>\$ (373)</u>	<u>(6.3)%</u>	<u>\$ 2</u>	<u>\$ (18)</u>

<sup>4</sup> 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 for all periods prior to their conversion on April 17, 2023.

**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):

	Three-Month Period Ended	
	March 29, 2024	March 31, 2023
Pretax	\$ 407	\$ 372
After-tax	336	304

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):

	Three-Month Period Ended	
	March 29, 2024	March 31, 2023
Pretax	\$ 37	\$ (22)
After-tax	28	(17)

C Costs incurred for the fair value adjustment to inventory related to the acquisition of Abcam plc for the three-month period ended March 29, 2024 (\$25 million pretax as reported in this line item, \$19 million after-tax).

D 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.

E Discrete tax adjustments and other tax-related adjustments for the three-month period ended March 29, 2024, include the impact of net discrete tax benefits of \$36 million due principally to excess tax benefits from stock-based compensation, release of reserves for uncertain tax positions due to the expiration of statutes of limitation and changes in estimates associated with prior period uncertain tax positions.

F In May 2020, the Company issued \$1.72 billion in aggregate liquidation preference of 5.0% MCPS. Dividends on the MCPS were payable on a cumulative basis at an annual rate of 5.0% on the liquidation preference of \$1,000 per share. Each share of MCPS converted on April 17, 2023 into 5.0175 shares of Danaher's common stock. 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 MCPS cash dividends and assumed the "if-converted" method of share dilution (the incremental shares of common stock deemed outstanding applying the "if-converted" method of calculating share dilution only with respect to any MCPS the conversion of which would be dilutive in the particular period are referred to as the "Converted Shares") for any MCPS that were anti-dilutive for the given period. For additional information about the impact of the MCPS on the calculation of diluted EPS, see note 5 in the Average and Adjusted Average Common Stock and Common Equivalent Diluted Shares Outstanding table below.

G Net earnings from continuing operations for calculation of diluted earnings per common share from continuing operations is summarized as follows:

	Three-Month Period Ended	
	March 29, 2024	March 31, 2023
Net earnings from continuing operations	\$ 1,088	\$ 1,240
MCPS dividends	—	(21)
Net earnings from continuing operations attributable to common stockholders for Basic and Diluted EPS	1,088	1,219

**DANAHER CORPORATION**

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

	Three-Month Period Ended	
	March 29, 2024	March 31, 2023
Average common stock and common equivalent shares outstanding - diluted (GAAP) <sup>5</sup>	748.6	737.2
Converted shares <sup>6</sup>	—	8.6
Adjusted average common stock and common equivalent shares outstanding - diluted (non-GAAP)	<u>748.6</u>	<u>745.8</u>

<sup>5</sup> The impact of the MCPS calculated under the if-converted method was anti-dilutive for the three-month period ended March 31, 2023 and the related MCPS dividends of \$21 million were included in the calculation of net earnings for diluted EPS. As of April 17, 2023, all outstanding shares of the MCPS converted into 8.6 million shares of the Company's common stock.

<sup>6</sup> 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 of \$246.26 as of March 31, 2023.

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

	Total Company	Segments		
		Biotechnology	Life Sciences	Diagnostics
<b>Three-Month Period Ended March 31, 2023 Operating Profit Margins from Continuing Operations (GAAP)</b>	<b>25.50 %</b>	<b>32.00 %</b>	<b>18.80 %</b>	<b>28.50 %</b>
First quarter 2024 impact from operating profit margin of business that has been owned for less than one year	(0.80)	—	(2.20)	—
First quarter 2024 acquisition-related fair value adjustment to inventory related to the acquisition of Abcam	(0.40)	—	(1.40)	—
<b>Year-over-year core operating profit margin changes for the first quarter 2024 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)</b>	<b>(1.70)</b>	<b>(10.70)</b>	<b>(1.70)</b>	<b>4.30</b>
Three-Month Period Ended March 29, 2024 Operating Profit Margins from Continuing Operations (GAAP)	<u>22.60 %</u>	<u>21.30%</u>	<u>13.50 %</u>	<u>32.80 %</u>

**DANAHER CORPORATION**

**Cash Flow from Continuing Operations, Free Cash Flow from Continuing Operations, Operating Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Ratio 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
	March 29, 2024	March 31, 2023	
<b>Total Cash Flow from Continuing Operations:</b>			
Net cash provided by operating activities from continuing operations (GAAP)	\$ 1,739	\$ 1,806	
Total cash used in investing activities from continuing operations (GAAP)	\$ (321)	\$ (295)	
Total cash used in financing activities from continuing operations (GAAP)	\$ (133)	\$ (262)	
<b>Free Cash Flow from Continuing Operations:</b>			
Net cash provided by operating activities from continuing operations (GAAP)	\$ 1,739	\$ 1,806	~ (3.5)%
Less: payments for additions to property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(291)	(266)	
Plus: proceeds from sales of property, plant & equipment (capital disposals) from continuing operations (GAAP)	—	—	
Free cash flow from continuing operations (non-GAAP)	<u>\$ 1,448</u>	<u>\$ 1,540</u>	~ (6.0)%
<b>Operating Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Ratio (GAAP)</b>			
Net cash provided by operating activities from continuing operations (GAAP)	\$ 1,739	\$ 1,806	
Net earnings from continuing operations (GAAP)	1,088	1,240	
Operating cash flow from continuing operations to net earnings from continuing operations conversion ratio	<u>1.60</u>	<u>1.46</u>	
<b>Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio:</b>			
Free cash flow from continuing operations from above (non-GAAP)	\$ 1,448	\$ 1,540	
Net earnings from continuing operations (GAAP)	1,088	1,240	
Free cash flow from continuing operations to net earnings from continuing operations conversion ratio (non-GAAP)	<u>1.33</u>	<u>1.24</u>	

We define free cash flow from continuing operations 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").

**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 from continuing operations 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).

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 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.
  - Other Adjustments: With respect to the other items excluded from Adjusted Diluted Net Earnings Per Common Share from Continuing Operations, we exclude these items because they are of a nature and/or size that occur with inconsistent frequency, occur for reasons that may be unrelated to Danaher's commercial performance during the period and/or we believe that such items may obscure underlying business trends and make comparisons of long-term performance difficult.
- With respect to adjusted average common stock and common equivalent shares outstanding, Danaher's Mandatory Convertible Preferred Stock ("MCPS") 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 from Continuing Operations, we apply the "if converted" method of share dilution to the MCPS 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 the net impact on Danaher's earnings per share-related measures irrespective of the period.

**Statement Regarding Non-GAAP Measures**

- 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 forecasted adjusted operating profit margin (or components thereof) to the comparable GAAP measures because of the difficulty in estimating the other components (in addition to items identified in the prior sentence) such as investment gains and losses and impairments, which would be reflected in any forecasted GAAP operating profit.



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