



First Quarter 2025 Results

April 29, 2025

Forward Looking Statements

Certain statements in this presentation, including statements regarding the Company's second quarter and full year 2025 financial performance and guidance, the Company's differentiation and positioning to continue delivering sustainable, long-term shareholder value and any other 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. All statements other than historical factual information are forward-looking statements, including, without limitation, statements regarding: projections of revenue, expenses, profit, profit margins, asset values, pricing, tax rates, tax provisions, cash flows, pension and benefit obligations and funding requirements, Veralto's liquidity position or other projected financial measures; Veralto's management's plans and strategies for future operations, including statements relating to anticipated operating performance, customer demand, cost reductions, restructuring activities, new product and service developments, competitive strengths or market position, acquisitions and the integration thereof, divestitures, spin-offs, split-offs, initial public offerings, other securities offerings or other distributions, strategic opportunities, stock repurchases, dividends and executive compensation; growth, declines and other trends in markets Veralto sells into, including the impact of changes to global trade policies, restrictions on imports, related countermeasures and reciprocal tariffs; future new or modified laws, regulations, accounting pronouncements or public policy changes; regulatory approvals and the timing and conditionality thereof; outstanding claims, legal proceedings, tax audits and assessments and other contingent liabilities; future foreign currency exchange rates and fluctuations in those rates; results of operations and/or financial condition; general economic and capital markets conditions; the anticipated timing of any of the foregoing; assumptions underlying any of the foregoing; and any other statements that address events or developments that Veralto intends or believes will or may occur in the future.

Additional information regarding the factors that may cause actual results to differ materially from these forward-looking statements is available in our SEC filings. These forward-looking statements speak only as of the date of this presentation and except to the extent required by applicable law, the Company does not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.



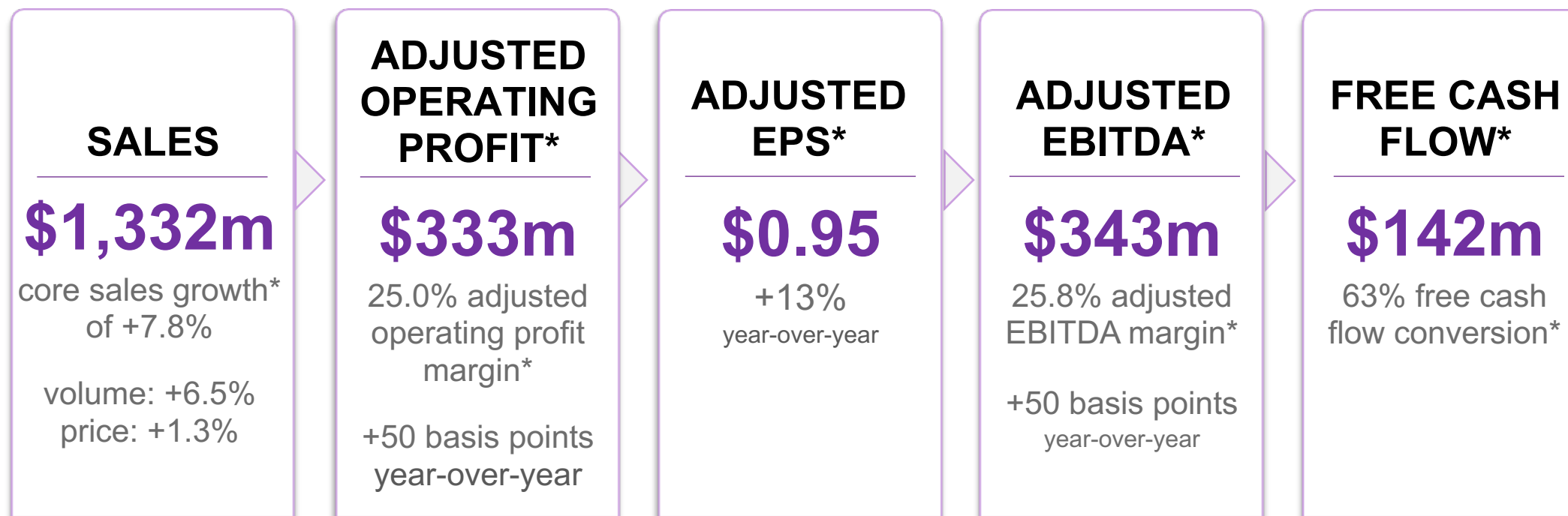
Opening Remarks

Jennifer L. Honeycutt

President and Chief Executive Officer

Q1 2025 Results | April 29, 2025

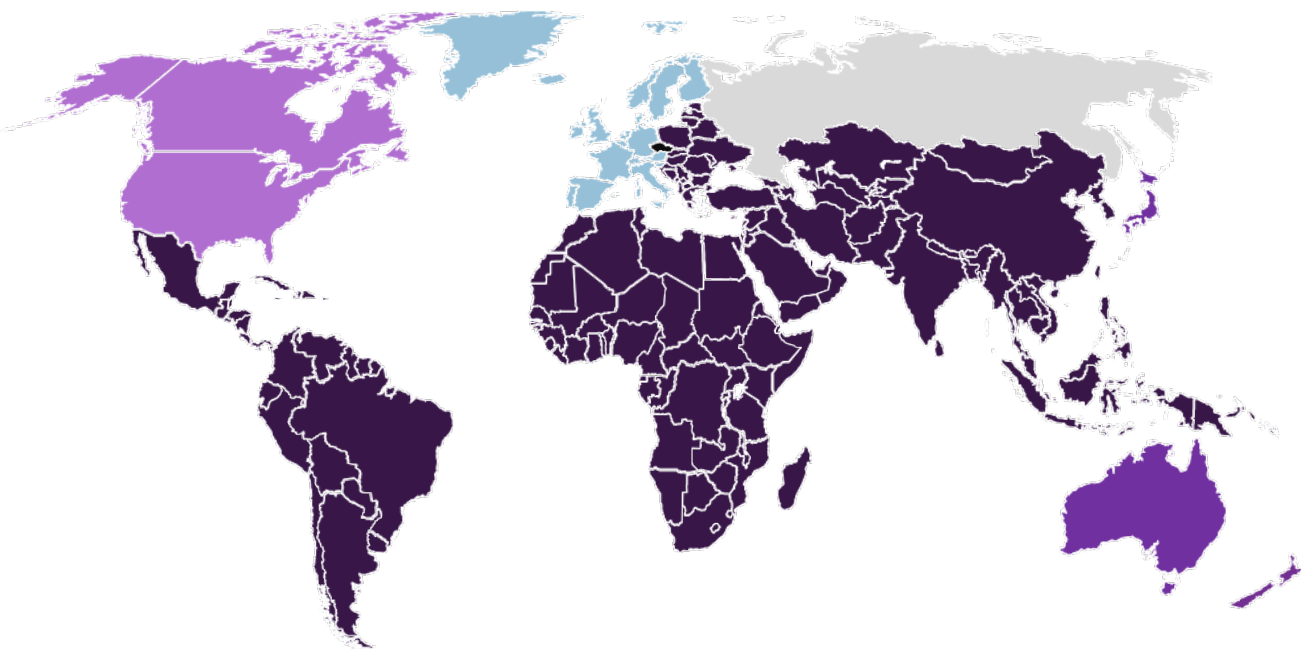
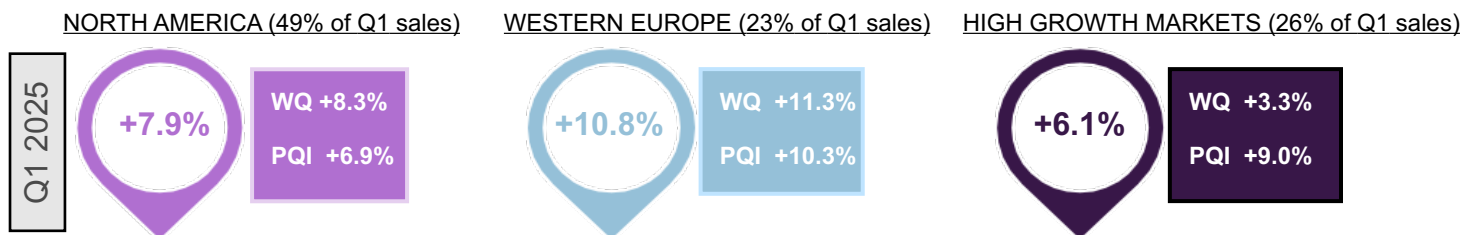
Veralto / Q1 2025 key consolidated financial results



*See appendix for reconciliations to non-GAAP measures

Q1 2025 Performance Reflects the Durability of our Businesses Fortified by Strong Execution

Veralto / Core sales growth by region for Q1 2025



Notes: All sales variances are on a core sales basis as compared to the prior year period; Japan, Australia and New Zealand represent 2% of total sales



Q1 2025 Commentary

North America:

- **WQ:** DD growth in water treatment led by broad-based industrial demand and reuse at municipal waste-water; LSD growth in water analytics
- **PQI:** HSD growth in marking and coding; MSD growth in packaging and color

Western Europe:

- **WQ:** DD growth in water analytics driven by commercial initiatives across municipalities and industrials
- **PQI:** DD growth in packaging and color; HSD growth in marking and coding

High Growth Markets:

- Strong growth in LATAM, India and the Middle East across both Water Quality and PQI
- Sales in China grew LSD driven by PQI

Notes: WQ = Water Quality; PQI = Product Quality & Innovation

Veralto / Resilient Business Model

A DURABLE BUSINESS MODEL...

- Essential technologies integral to customers' daily operations (OPEX vs. CAPEX)
- Steady stream of recurring and reoccurring to support extensive installed base

- ✓ Razor / Razor Blade
- ✓ Consumables
- ✓ Software & Service

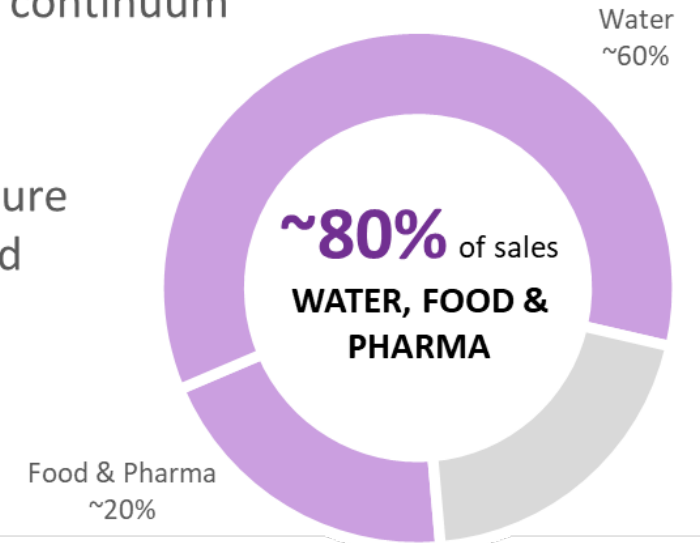


Note: Sales data based on 2024 actuals

...IN ATTRACTIVE END MARKETS

- End markets with attractive growth and long-term secular growth drivers
- Technology solutions at the high-end of customer value continuum

- ✓ strategic exposure to thematic end markets



Essential Technologies | Durable Business Model | Secular Growth Drivers

Veralto / 2025 CEO Kaizen Week

Increasing software adoption with mid-market



Accelerating design inputs for innovation



Various



Optimizing sourcing strategy



Accelerating growth of laser marking and coding system



Improving standard work for regulatory growth opportunities



At Veralto, We Are All Practitioners of Continuous Improvement



Financial Review

Sameer Ralhan

SVP and Chief Financial Officer

Q1 2025 Results | April 29, 2025

Veralto / Q1 2025 consolidated performance

	Q1 2024	Q1 2025	YOY Variance
\$ millions, except per share data			
Sales	\$1,246	\$1,332	+6.9%
Core Sales Growth*	1.8%	7.8%	
Gross Profit	\$747	\$805	+8%
Gross Profit Margin	60.0%	60.4%	40 bps
Adjusted Operating Profit*	\$305	\$333	+9%
Adjusted Operating Profit Margin*	24.5%	25.0%	+50 bps
Adjusted Net Diluted Earnings Per Share*	\$0.84	\$0.95	+13%
Free Cash Flow*	\$102	\$142	+39%

*See appendix for reconciliations to non-GAAP measures

- **Sales grew +6.9% year-over-year:**

- Core sales* +7.8%
- Currency: -1.3%
- Acquisitions & divestitures: +0.4%

- **Gross profit margin up 40 bps:**

- +1.3% increase in price
- Reduced manufacturing costs

- **Adjusted operating profit margin* up 50 bps:**

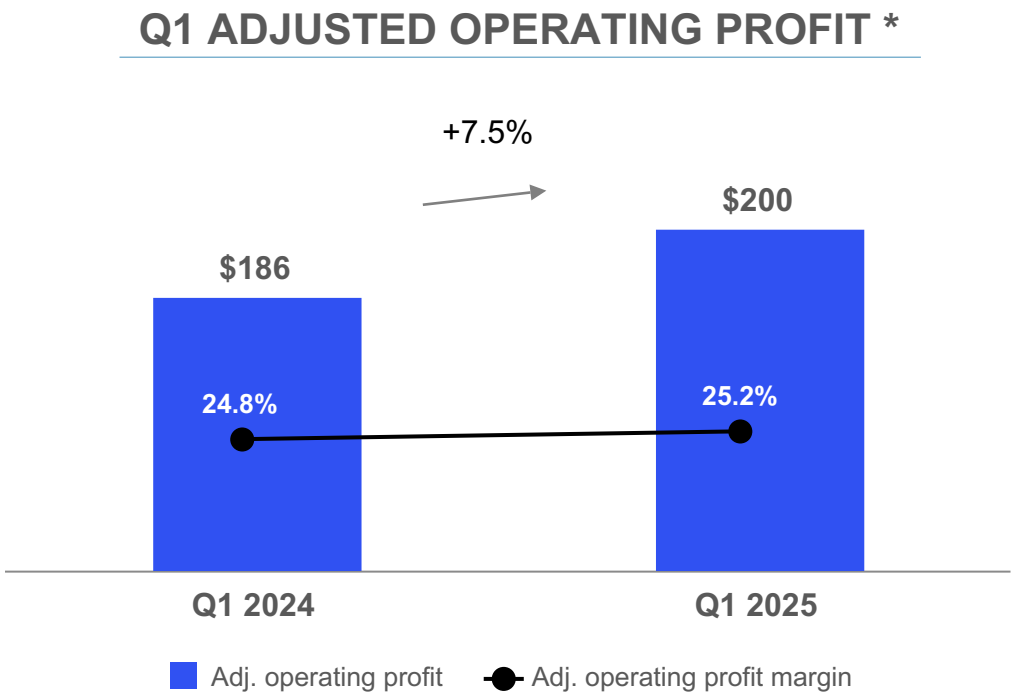
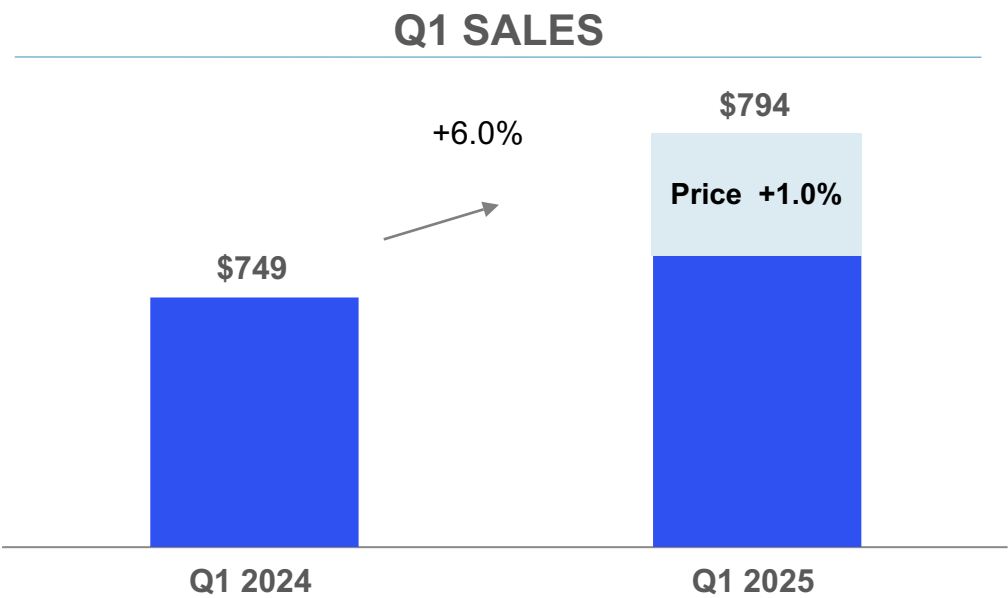
- Operating leverage on volume growth

- **Free cash flow* of \$142m:**

- 63% free cash flow conversion*

Water Quality / Q1 2025 Performance

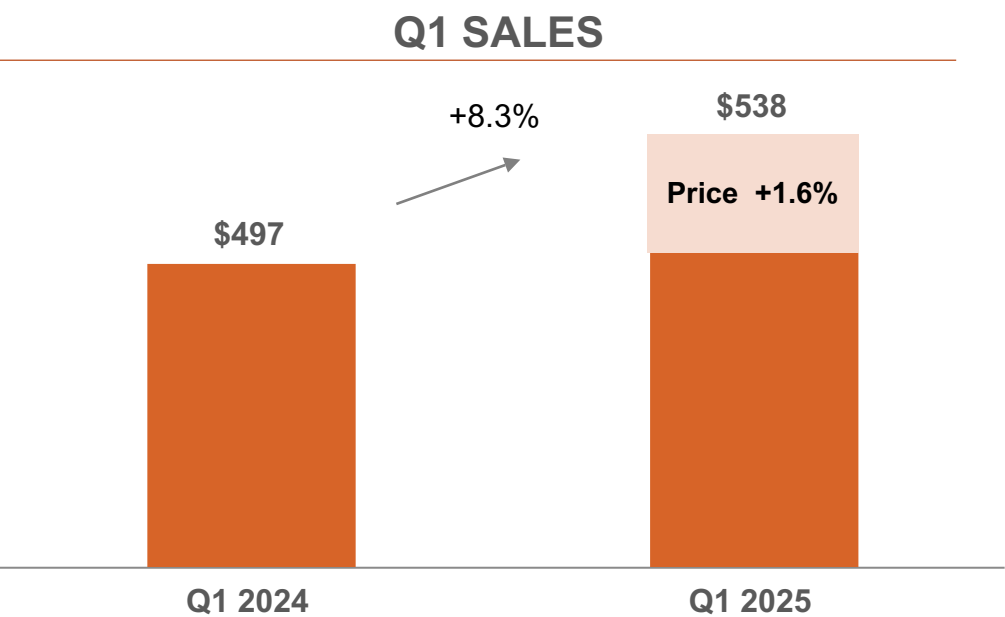
(\$ millions, variances versus prior year period)



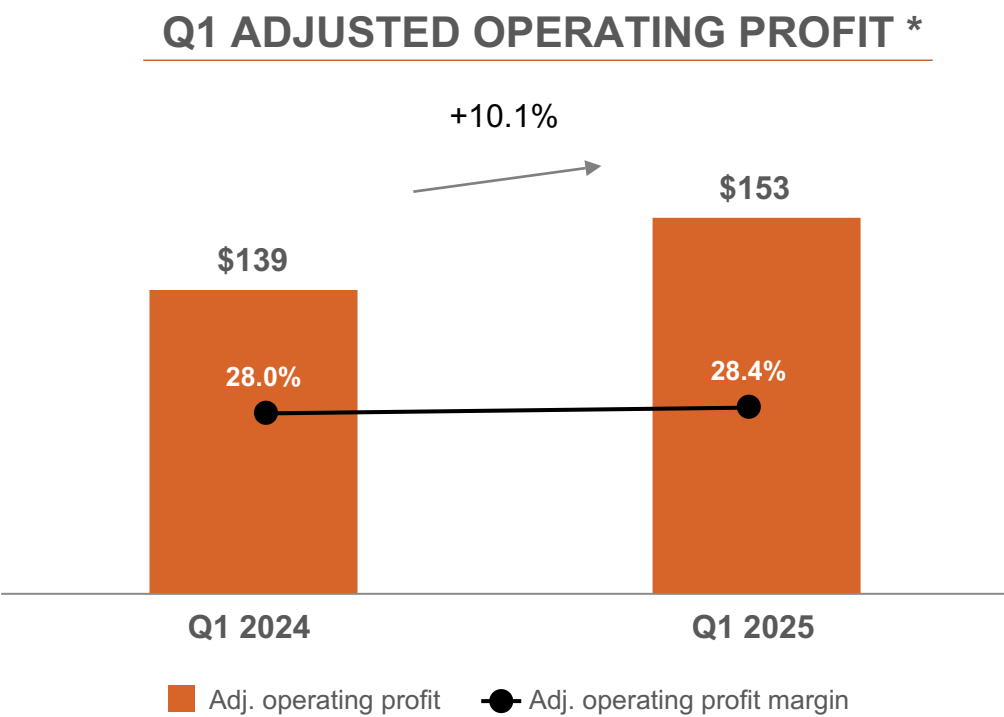
YOY Change in Sales	Q1 2024	Q1 2025
Core Growth*	+2.8%	+7.4%
Currency	+—%	-1.3%
M&A	-0.1%	-0.1%
Total Growth	+2.7%	+6.0%

Product Quality & Innovation / Q1 2025 performance

(\$ millions, variances versus prior year period)



YOY Change in Sales	Q1 2024	Q1 2025
Core Growth*	+0.2%	+8.3%
Currency	+0.4%	-1.3%
M&A	-0.2%	+1.3%
Total Growth	+0.4%	+8.3%



Veralto / Q1 2025 cash flow and balance sheet

(\$ millions)

Q1 2025

Cash from operations	\$157
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Capital expenditures	\$(15)
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Free cash flow*	\$142
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Free cash flow conversion*	63%
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Q1 2025

Cash and cash equivalents	\$1,239
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Gross debt	\$2,630
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Net debt*	\$1,391
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Financial position summary:

- Strong annual cash generation
- Resilient and capital-light business model
- Gross leverage* at 2.0x
- Net leverage* at 1.1x

* See appendix for reconciliations to non-GAAP measures

Veralto / Q2 and FY 2025 guidance

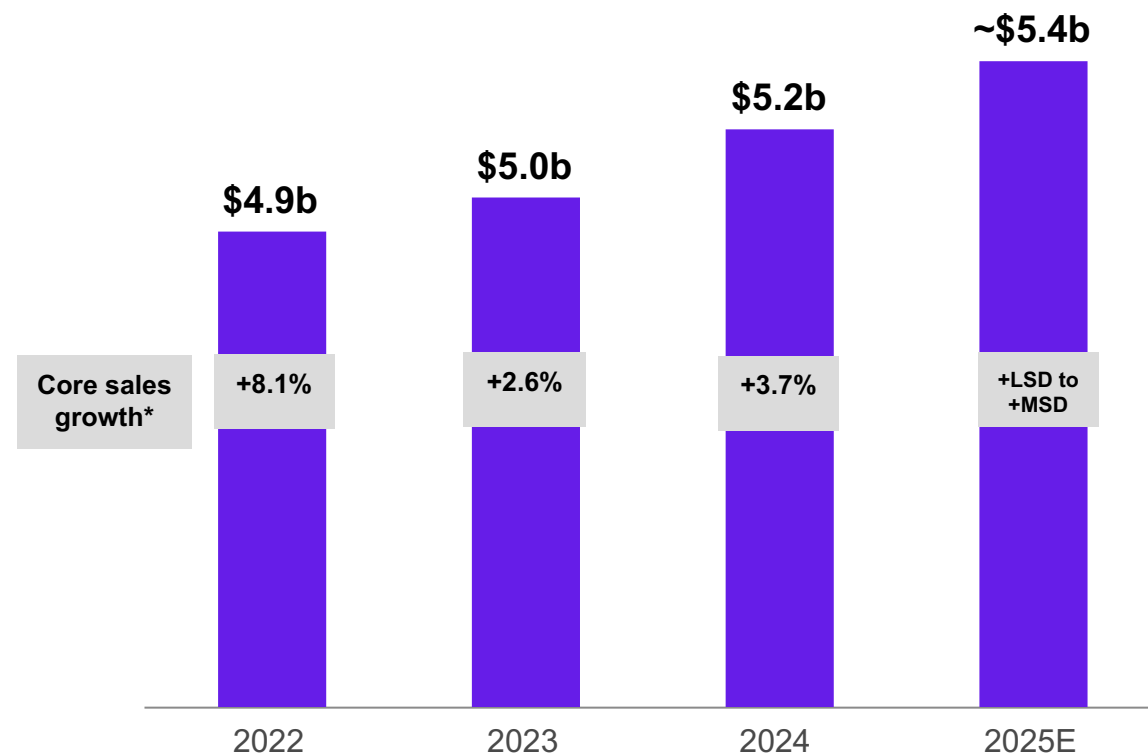
	Q2 2025E	FY2025E	
		Current	Prior
Core Sales Growth*	+LSD to +MSD	+LSD to +MSD	+LSD to +MSD
Adjusted Operating Profit Margin*	--	flat to +50 basis points	+25 to +50 basis points
Adjusted EPS*	\$0.84 to \$0.88	\$3.60 to \$3.70	\$3.60 to \$3.70
Free Cash Flow Conversion*	--	90% to 100%	90% to 100%

Note: 2025 adjusted EPS guidance assumes an effective tax rate of ~23% and diluted shares outstanding of ~251m

Note: 2025 Q2 and FY Guidance is net of estimated tariff increases and countermeasures

*See appendix for reconciliations to non-GAAP measures

Annual Sales and Core Sales Growth*





Closing Remarks

Jennifer L. Honeycutt

Q1 2025 Results | April 29, 2025

Veralto / Well-positioned to drive compounding earnings and free cash flow growth

ATTRACTIVE SECULAR GROWTH DRIVERS

**PREMIER FINANCIAL PROFILE
and DURABLE BUSINESS MODEL**

**PROVEN VALUE CREATION
PLAYBOOK**



SAFEGUARDING THE WORLD'S MOST VITAL RESOURCES™



Veralto™

Appendix

Q1 2025 Results | April 29, 2025

Veralto / 2025E Modeling Items

	(\$ millions, except per share data)	Q2 2025E	FY 2025E
Year-over-year Sales assumptions	Core sales growth (non-GAAP)	+LSD to +MSD	+LSD to +MSD
	Acquisitions/divestitures ⁽¹⁾	~flat	~flat
	Currency exchange rates impact on sales ⁽²⁾	~flat	~flat
	Total sales growth (GAAP)	+LSD to +MSD	+LSD to +MSD
Other key assumptions			
	Corporate expense ⁽³⁾	\$25m to \$30m	\$100m to \$105m
	Interest expense, net	\$26m to \$28m	\$110m to \$120m
	Effective Tax Rate	~23%	~23%
	Average diluted shares	~250m	~251m
	Capital expenditures	NA	1.0% to 1.5% of sales

1. Primarily the TraceGains and AQUAFIDES acquisition growth offset by the AVT divestiture
2. Impact of currency exchange rates on sales if rates in effect as of April 4, 2025 prevail throughout the remainder of 2025
3. Corporate expense reported as “other” under Operating Profit



VERALTO CORPORATION

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

AND SUPPLEMENTAL FORWARD-LOOKING INFORMATION

THREE-MONTH PERIODS ENDED APRIL 4, 2025 AND MARCH 29, 2024

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FORWARD-LOOKING STATEMENTS DISCLOSURE

Certain statements in this document, including statements regarding the Company's second quarter and full year 2025 financial performance and guidance, the Company's differentiation and positioning to continue delivering sustainable, long-term shareholder value and any other 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. All statements other than historical factual information are forward-looking statements, including, without limitation, statements regarding: projections of revenue, expenses, profit, profit margins, asset values, pricing, tax rates, tax provisions, cash flows, pension and benefit obligations and funding requirements, Veralto's liquidity position or other projected financial measures; Veralto's management's plans and strategies for future operations, including statements relating to anticipated operating performance, customer demand, cost reductions, restructuring activities, new product and service developments, competitive strengths or market position, acquisitions and the integration thereof, divestitures, spin-offs, split-offs, initial public offerings, other securities, offerings or other distributions, strategic opportunities, stock repurchases, dividends and executive compensation; growth, declines and other trends in markets Veralto sells into, including the impact of changes to global trade policies, restrictions on imports, related countermeasures and reciprocal tariffs; future new or modified laws, regulations, accounting pronouncements or public policy changes; regulatory approvals and the timing and conditionality thereof; outstanding claims, legal proceedings, tax audits and assessments and other contingent liabilities; future foreign currency exchange rates and fluctuations in those rates; results of operations and/or financial condition; general economic and capital markets conditions; the anticipated timing of any of the foregoing; assumptions underlying any of the foregoing; and any other statements that address events or developments that Veralto intends or believes will or may occur in the future. Additional information regarding the factors that may cause actual results to differ materially from these forward-looking statements is available in our SEC filings. 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.

VERALTO CORPORATION

Sales Growth by Segment, Core Sales Growth by Segment

	% Change Three-Month Period Ended April 4, 2025 vs. Comparable 2024 Period		
	Segments		
	Total Company	Water Quality	Product Quality and Innovation
Total sales growth (GAAP)	6.9 %	6.0 %	8.3 %
Impact of:			
Acquisitions/divestitures	(0.4)%	0.1 %	(1.3)%
Currency exchange rates	1.3 %	1.3 %	1.3 %
Core sales growth (non-GAAP)	7.8 %	7.4 %	8.3 %

	% Change Three-Month Period Ended March 29, 2024 vs. Comparable 2023 Period		
	Segments		
	Total Company	Water Quality	Product Quality and Innovation
Total sales growth (GAAP)	1.8 %	2.7 %	0.4 %
Impact of:			
Acquisitions/divestitures	0.2 %	0.1 %	0.2 %
Currency exchange rates	(0.2)%	— %	(0.4)%
Core sales growth (non-GAAP)	1.8 %	2.8 %	0.2 %

VERALTO CORPORATION

Forecasted Core Sales Growth, Adjusted Operating Profit Margin, Adjusted Diluted Net Earnings per Share and Free Cash Flow to Net Earnings Conversion Ratio

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), adjusted diluted earnings per share or free cash flow to net earnings conversion ratio 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, forecasted diluted earnings per share or forecasted net earnings ratio.

	% Change Three-Month Period Ending July 4, 2025 vs. Comparable 2024 Period
Core sales growth (non-GAAP)	+Low-to-mid-single digits
	Three-Month Period Ending July 4, 2025
Adjusted Diluted Net Earnings per Share (non-GAAP)	\$0.84 to \$0.88
	% Change Year Ending December 31, 2025 vs. Comparable 2024 Period
Core sales growth (non-GAAP)	+Low-to-mid-single digits
	Year Ending December 31, 2025
Adjusted Operating Profit Margin (non-GAAP)	flat to +50 basis points
Adjusted Diluted Net Earnings per Share (non-GAAP)	\$3.60 to \$3.70
Free cash flow to net earnings conversion ratio (non-GAAP)	90% to 100%

VERALTO CORPORATION

Segment Sales, Operating Profit, Adjusted Operating Profit, Operating Profit Margin and Adjusted Operating Profit Margin

(\$ in millions)

	Three-Month Period Ended	
	April 4, 2025	March 29, 2024
Sales (GAAP)		
Water Quality	\$ 794	\$ 749
Product Quality & Innovation	538	497
Total	<u>\$ 1,332</u>	<u>\$ 1,246</u>
Operating Profit (GAAP)		
Water Quality	\$ 198	\$ 181
Product Quality & Innovation	146	133
Other	(22)	(21)
Total	<u>\$ 322</u>	<u>\$ 293</u>
Amortization of Intangible Assets (GAAP)		
Water Quality	\$ 2	\$ 5
Product Quality & Innovation	7	6
Total	<u>\$ 9</u>	<u>\$ 11</u>
Other Operating Profit Adjustments ¹		
Water Quality	\$ —	\$ —
Product Quality & Innovation	—	—
Other	2	1
Total	<u>\$ 2</u>	<u>\$ 1</u>

VERALTO CORPORATION

Segment Sales, Operating Profit, Adjusted Operating Profit, Operating Profit Margin and Adjusted Operating Profit Margin

(\$ in millions)

	<u>Three-Month Period Ended</u>	
	<u>April 4, 2025</u>	<u>March 29, 2024</u>
Adjusted Operating Profit (non-GAAP) ²		
Water Quality	\$ 200	\$ 186
Product Quality & Innovation	153	139
Other	(20)	(20)
Total	<u>\$ 333</u>	<u>\$ 305</u>
Operating Profit Margin (GAAP)		
Water Quality	24.9 %	24.2 %
Product Quality & Innovation	27.1 %	26.8 %
Total	24.2 %	23.5 %
Adjusted Operating Profit Margin (Non-GAAP) ³		
Water Quality	25.2 %	24.8 %
Product Quality & Innovation	28.4 %	28.0 %
Total	25.0 %	24.5 %

¹ Refer to the Reconciliation of GAAP to Other Non-GAAP 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.

³ Adjusted Operating Profit Margin (Non-GAAP) is defined as Adjusted Operating Profit (Non-GAAP) divided by Sales (GAAP).

VERALTO CORPORATION

Net Earnings, Operating Profit, Adjusted EBITDA, Net Earnings Margin, Operating Profit Margin and Adjusted EBITDA Margin

(\$ in millions)

	Three-Month Period Ended April 4, 2025			
	Water Quality	Product Quality & Innovation	Other	Total Company
Net Earnings (GAAP)				\$ 225
Interest Expense				27
Other Nonoperating (Income) Expense				6
Income Taxes				64
Operating Profit (GAAP)	\$ 198	\$ 146	\$ (22)	\$ 322
Other Operating Profit Adjustments ¹	—	—	2	2
Depreciation	6	4	—	10
Amortization of Intangible Assets	2	7	—	9
Adjusted EBITDA (Non-GAAP)	<u>\$ 206</u>	<u>\$ 157</u>	<u>\$ (20)</u>	<u>\$ 343</u>
Interest Expense				(27)
Other Nonoperating Income (Expense)				(6)
Income Taxes				(64)
Other Operating Profit Adjustments ¹				(2)
Depreciation				(10)
Amortization of Intangible Assets				(9)
Net Earnings (GAAP)				<u>\$ 225</u>
Sales (GAAP)	\$ 794	\$ 538		\$ 1,332
Net Earnings Margin (GAAP)				16.9 %
Operating Profit Margin (GAAP)	24.9 %	27.1 %		24.2 %
Adjusted EBITDA Margin (Non-GAAP) ⁴	25.9 %	29.2 %		25.8 %

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

⁴ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

VERALTO CORPORATION

Net Earnings, Operating Profit, Adjusted EBITDA, Net Earnings Margin, Operating Profit Margin and Adjusted EBITDA Margin

(\$ in millions)

	Three-Month Period Ended March 29, 2024			
	Water Quality	Product Quality & Innovation	Other	Total Company
Net Earnings (GAAP)				\$ 184
Interest Expense				28
Other Nonoperating (Income) Expense				15
Income Taxes				66
Operating Profit (GAAP)	\$ 181	\$ 133	\$ (21)	\$ 293
Other Operating Profit Adjustments ¹	—	—	1	1
Depreciation	6	4	—	10
Amortization of Intangible Assets	5	6	—	11
Adjusted EBITDA (Non-GAAP)	\$ 192	\$ 143	\$ (20)	\$ 315
Interest Expense				(28)
Other Nonoperating Income (Expense)				(15)
Income Taxes				(66)
Other Operating Profit Adjustments ¹				(1)
Depreciation				(10)
Amortization of Intangible Assets				(11)
Net Earnings (GAAP)				\$ 184
Sales (GAAP)	\$ 749	\$ 497		\$ 1,246
Net Earnings Margin (GAAP)				14.8 %
Operating Profit Margin (GAAP)	24.2 %	26.8 %		23.5 %
Adjusted EBITDA Margin (Non-GAAP) ⁴	25.6 %	28.8 %		25.3 %

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

⁴ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

VERALTO CORPORATION

Trailing Twelve Month Adjusted EBITDA, Gross Leverage and Net Leverage

(\$ in millions)

	Three-Month Period Ended			
	April 4, 2025	December 31, 2024	September 27, 2024	June 28, 2024
Net Earnings (GAAP)	\$ 225	\$ 227	\$ 219	\$ 203
Interest Expense	27	28	27	30
Other Nonoperating (Income) Expense	6	—	(5)	(1)
Income Taxes	64	53	67	67
Operating Profit (GAAP)	\$ 322	\$ 308	\$ 308	\$ 299
Other Operating Profit Adjustments ¹	2	2	2	—
Depreciation	10	10	10	10
Amortization of Intangible Assets	9	10	7	10
Adjusted EBITDA (Non-GAAP)	\$ 343	\$ 330	\$ 327	\$ 319
Trailing Twelve Month Operating Profit (GAAP) ⁵	\$ 1,237			
Trailing Twelve Month Adjusted EBITDA (Non-GAAP) ⁶	\$ 1,319			
Long Term Debt ⁷	\$ 2,630			
Less: Cash ⁷	(1,239)			
Net Debt (Non-GAAP)	<u>\$ 1,391</u>			
Gross Debt to Operating Profit ⁸	2.13			
Net Debt to Operating Profit ⁹	1.12			
Gross Leverage (Non-GAAP) ¹⁰	1.99			
Net Leverage (Non-GAAP) ¹¹	1.05			

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

⁵ Trailing Twelve Month Operating Profit is defined as the sum of Operating Profit for the previous four quarters.

⁶ Trailing Twelve Month Adjusted EBITDA (Non-GAAP) is defined as the sum of Adjusted EBITDA (Non-GAAP) for the previous four quarters.

⁷ Long Term Debt and Cash balances as of April 4, 2025.

⁸ Calculated as Long Term Debt divided by Trailing Twelve Month Operating Profit.

⁹ Calculated as Net Debt divided by Trailing Twelve Month Operating Profit.

¹⁰ Calculated as Long Term Debt divided by Trailing Twelve Month Adjusted EBITDA (Non-GAAP).

¹¹ Calculated as Net Debt divided by Trailing Twelve Month Adjusted EBITDA (Non-GAAP).

VERALTO CORPORATION

Other Non-GAAP Adjusted P&L Measures

(\$ in millions, except per share data)

Three-Month Period Ended April 4, 2025

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings before income taxes	Income taxes	Net earnings for calculation of diluted net earnings per common share	Diluted net earnings per common share
Reported (GAAP)	\$ 1,332	\$ (527)	60.4 %	\$ 322	24.2 %	\$ 289	\$ (64)	\$ 225	\$ 0.90
Amortization of acquisition-related intangible assets ^A	—	—	—	9	0.7	9		9	0.04
Loss on disposition of certain product lines ^B	—	—	—	—	—	6		6	0.02
Other items ^C	—	—	—	2	0.2	2		2	0.01
Tax effect of the above adjustments ^E							(3)	(3)	(0.01)
Discrete tax adjustments ^F							(2)	(2)	(0.01)
Rounding	—	—	—	—	(0.1)	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 1,332</u>	<u>\$ (527)</u>	<u>60.4 %</u>	<u>\$ 333</u>	<u>25.0 %</u>	<u>\$ 306</u>	<u>\$ (69)</u>	<u>\$ 237</u>	<u>\$ 0.95</u>

Three-Month Period Ended April 4, 2025

	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)	\$ 1,332	\$ (419)	(31.5)%	\$ (64)	(4.8)%	\$ (6)	\$ (27)
Amortization of acquisition-related intangible assets ^A	—	9	0.7	—	—	—	—
Loss on disposition of certain product lines ^B	—	—	—	—	—	6	—
Other items ^C	—	2	0.2	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 1,332</u>	<u>\$ (408)</u>	<u>(30.6)%</u>	<u>\$ (64)</u>	<u>(4.8)%</u>	<u>\$ —</u>	<u>\$ (27)</u>

VERALTO 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 before income taxes	Income taxes	Net earnings for calculation of diluted net earnings per common share	Diluted net earnings per common share
Reported (GAAP)	\$ 1,246	\$ (499)	60.0 %	\$ 293	23.5 %	\$ 250	\$ (66)	\$ 184	\$ 0.74
Amortization of acquisition-related intangible assets ^A	—	—	—	11	0.9	11		11	0.04
Loss on disposition of certain product lines ^B	—	—	—	—	—	15		15	0.06
Separation costs ^D	—	—	—	1	0.1	1		1	—
Tax effect of the above adjustments ^E							(3)	(3)	(0.01)
Discrete tax adjustments ^F							1	1	—
Rounding	—	—	—	—	—	—	—	—	0.01
Adjusted (Non-GAAP)	<u>\$ 1,246</u>	<u>\$ (499)</u>	<u>60.0 %</u>	<u>\$ 305</u>	<u>24.5 %</u>	<u>\$ 277</u>	<u>\$ (68)</u>	<u>\$ 209</u>	<u>\$ 0.84</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
Reported (GAAP)	\$ 1,246	\$ (394)	(31.6)%	\$ (60)	(4.8)%	\$ (15)	\$ (28)
Amortization of acquisition-related intangible assets ^A	—	11	0.9	—	—	—	—
Loss on disposition of certain product lines ^B	—	—	—	—	—	15	—
Separation costs ^D	—	1	0.1	—	—	—	—
Rounding	—	—	(0.1)	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 1,246</u>	<u>\$ (382)</u>	<u>(30.7)%</u>	<u>\$ (60)</u>	<u>(4.8)%</u>	<u>\$ —</u>	<u>\$ (28)</u>

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	
	April 4, 2025	March 29, 2024
Pretax	\$ 9	\$ 11
After-tax	7	9

B Loss on the disposition of certain product lines in the three-month period ended April 4, 2025 (\$6 million pretax and after-tax as reported in this line item).
Loss on the disposition of certain product lines in the three-month period ended March 29, 2024 (\$15 million pretax and after-tax as reported in this line item).

C Costs incurred during the three-month period ended April 4, 2025 related to certain strategic initiatives (\$2 million pretax as reported in this line item and \$1 million after-tax).

D Costs incurred in the three-month period ended March 29, 2024 related to the separation of the Company from Danaher primarily related to IT costs and certain regulatory fees (\$1 million pretax as reported in this line item).

E 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. Veralto estimates the tax effect of each adjustment item by applying Veralto'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.

F Discrete tax matters relate to changes in estimates associated with prior period uncertain tax positions, audit settlements and excess tax benefits from stock-based compensation.

VERALTO CORPORATION

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

	Segments		
	Total Company	Water Quality	Product Quality & Innovation
Three-Month Period Ended March 29, 2024 Operating Profit Margins (GAAP)	23.5 %	24.2 %	26.8 %
Costs incurred during 2024 as a result of the Separation from Danaher	0.1	0.1	0.1
Impact of acquisitions and dispositions	(0.2)	0.1	(0.7)
Costs incurred related to certain strategic initiatives	(0.2)	—	—
Year-over-year core operating profit margin changes for the first quarter 2025 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	1.0	0.5	0.9
Three-Month Period Ended April 4, 2025 Operating Profit Margins (GAAP)	24.2 %	24.9 %	27.1 %

VERALTO 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
	April 4, 2025	March 29, 2024	Change
Total Cash Flows:			
Net cash provided by operating activities (GAAP)	\$ 157	\$ 115	
Total cash used in investing activities (GAAP)	\$ (11)	\$ (23)	
Total cash provided by (used in) financing activities (GAAP)	\$ (26)	\$ (20)	
Free Cash Flow:			
Total cash provided by operating activities (GAAP)	\$ 157	\$ 115	~ 36.5 %
Less: payments for additions to property, plant & equipment (capital expenditures) (GAAP)	(15)	(13)	
Free cash flow (non-GAAP)	<u>\$ 142</u>	<u>\$ 102</u>	~ 39.0 %
Operating Cash Flow to Net Earnings Ratio (GAAP)			
Net cash provided by operating activities (GAAP)	\$ 157	\$ 115	
Net earnings (GAAP)	\$ 225	\$ 184	
Operating cash flow to net earnings conversion ratio	<u>0.70</u>	<u>0.63</u>	
Free Cash Flow to Net Earnings Conversion Ratio (non-GAAP):			
Free cash flow from above (non-GAAP)	\$ 142	\$ 102	
Net earnings (GAAP)	\$ 225	\$ 184	
Free cash flow to net earnings conversion ratio (non-GAAP)	<u>0.63</u>	<u>0.55</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 Veralto Corporation's ("Veralto" or the "Company") results that, when reconciled to the corresponding GAAP measure, help our investors:

- with respect to the profitability-related non-GAAP measures, understand the long-term profitability trends of our business and compare our profitability to prior and future periods and to our peers;
- with respect to core sales and related sales measures, identify underlying growth trends in our business and compare our sales performance with prior and future periods and to our peers; and
- with respect to free cash flow and related cash flow measures (the "FCF Measure"), understand Veralto'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 non-discretionary expenditures, and as a result the entire free cash flow amount is not necessarily available for discretionary expenditures).

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

- 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 Veralto Enterprise 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 Veralto's ongoing operating costs in a given period, we exclude these costs to facilitate a more consistent comparison of operating results over time.
 - Other Adjustments: With respect to the other items excluded from the profitability-related non-GAAP measures, we exclude these items because they are of a nature and/or size that occur with inconsistent frequency, occur for reasons that may be unrelated to Veralto'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 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

Statement Regarding Non-GAAP Measures

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 Veralto'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.
- We calculate gross leverage and net leverage as the ratio of debt and net debt (defined as total debt less cash and cash equivalents) to trailing twelve month adjusted EBITDA. Trailing Twelve Month EBITDA is an ongoing liquidity measure and is calculated as the sum of adjusted EBITDA for the previous four quarters. We believe these liquidity measures help our investors to assess our liquidity relative to peer companies.

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