

Danaher Corporation

First Quarter 2025 Earnings Release

April 22, 2025

Innovation at the speed of life.

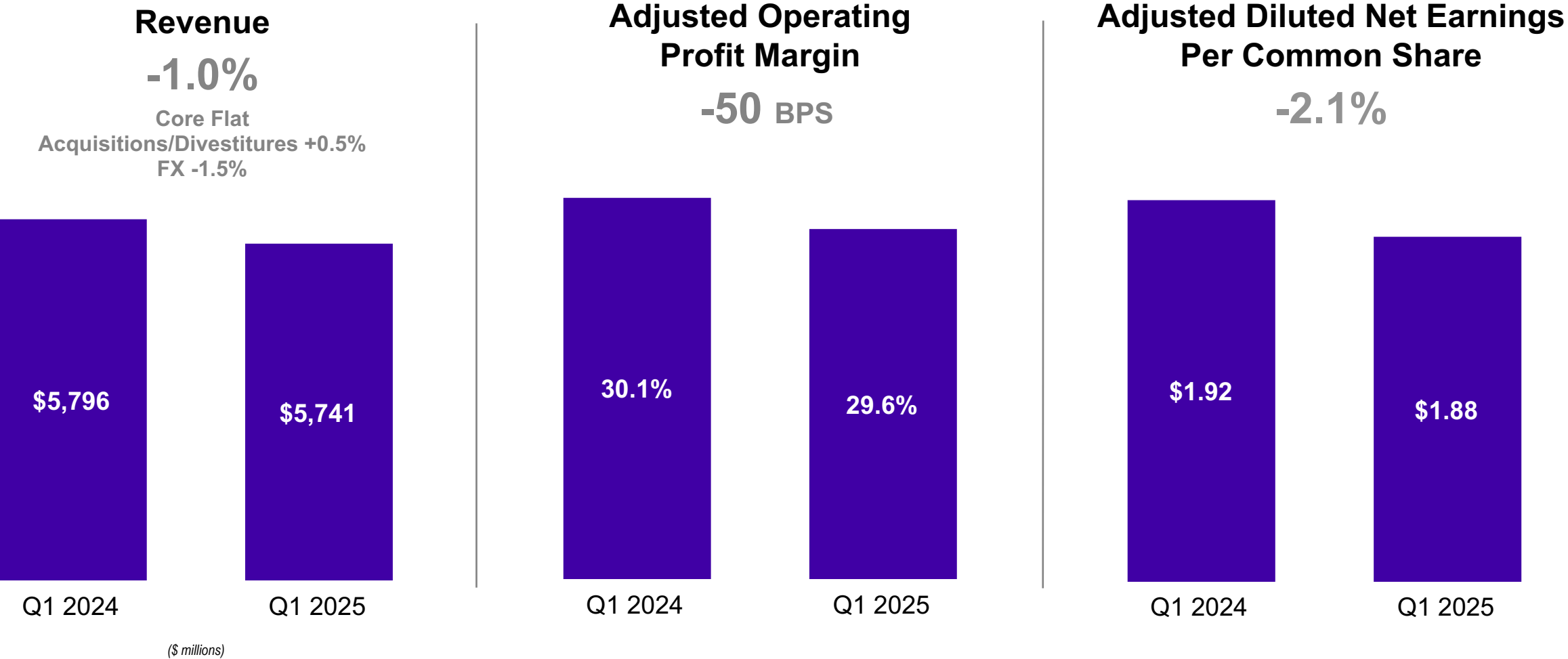


Forward Looking Statements

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: the impact of the tariffs and related actions recently implemented by the U.S. and other countries, 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, the impact of global health crises, 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 healthcare industry), the results of our clinical trials and perceptions thereof, our ability to effectively address cost reductions and other changes in the healthcare 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, regulatory proceedings 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, the impact of climate change, legal or regulatory measures to address climate change and other sustainability topics and our ability to address regulatory requirements or stakeholder expectations relating to climate change and other sustainability topics, 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, labor matters and our ability to recruit, retain and motivate talented employees, U.S. and non-U.S. economic, political, geopolitical, legal, compliance, social and business factors (including the impact of elections, regulatory changes or uncertainty and military conflicts), disruptions and other impacts 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 2024 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the first quarter of 2025. These forward-looking statements speak only as of the date of this presentation (April 22, 2025) 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, calculations of these measures, explanations of what these measures represent, the reasons why we believe these measures provide useful information to investors, a reconciliation of these measures to the most directly comparable GAAP measures, as applicable, and other information relating to these non-GAAP measures required by SEC Regulation G can be found in the accompanying information at the end of this presentation or in the "Investors" section of Danaher's web site, www.danaher.com, under the 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, as well as our first quarter Form 10-Q, all of which are available in the "Investors" section of Danaher's web site under the subheadings "Financial Reports" and "Quarterly Earnings." 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 2025 Performance Summary



First Quarter 2025: Biotechnology

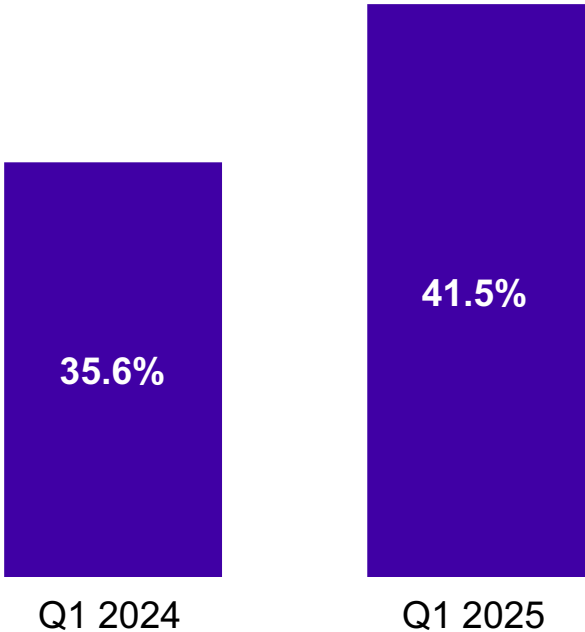
Revenue

6.0%
Core +7.0%
FX -1.0%



Adjusted Operating Profit Margin

+590 BPS



First Quarter 2025: Life Sciences

Revenue

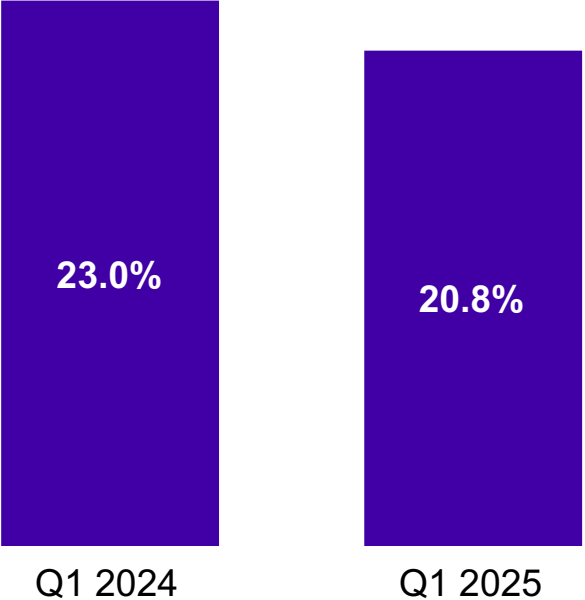
-3.5%

Core -4.0%
Acquisitions +2.0%
FX -1.5%



Adjusted Operating Profit Margin

-220 BPS



First Quarter 2025: Diagnostics

Revenue

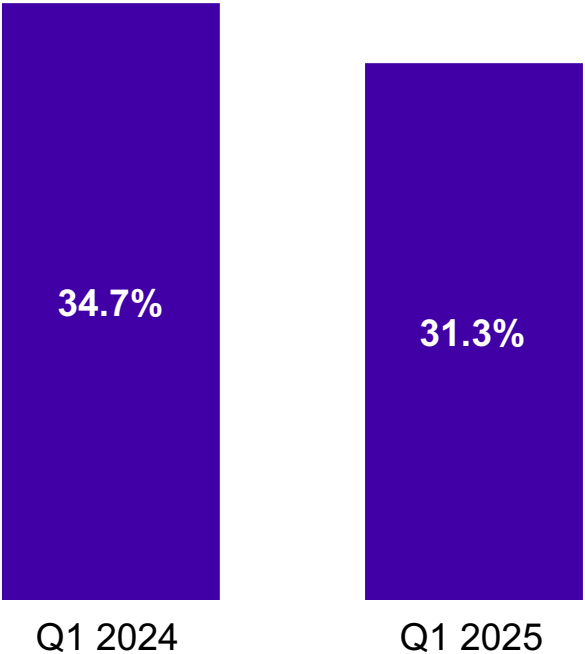
-3.0%

Core -1.5%
Divestitures -0.5%
FX -1.0%



Adjusted Operating Profit Margin

-340 BPS



Guidance

Q&A





DANAHER CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
AND SUPPLEMENTAL FORWARD-LOOKING INFORMATION
THREE-MONTH PERIODS ENDED MARCH 28, 2025 AND MARCH 29, 2024

TABLE OF CONTENTS

Page

<u>1</u>	<u>Sales (Decline) Growth by Segment and Core Sales Growth (Decline) by Segment</u>
<u>1</u>	<u>Forecasted Core Sales Growth, Adjusted Operating Profit Margin and Adjusted Diluted Net Earnings Per Common Share</u>
<u>2</u>	<u>Segment Sales, Operating Profit and Adjusted Operating Profit</u>
<u>3</u>	<u>Non-GAAP Profitability Measures</u>
<u>5</u>	<u>Other Non-GAAP Adjusted P&L Measures</u>
<u>8</u>	<u>Operating Profit Margins and Year-Over-Year Core Operating Profit Margin Changes</u>
<u>9</u>	<u>Total Cash Flow, Free Cash Flow, Operating Cash Flow to Net Earnings Conversion Ratio and Free Cash Flow to Net Earnings Conversion Ratio</u>
<u>10</u>	<u>Statement Regarding Non-GAAP Measures</u>

FORWARD-LOOKING STATEMENTS DISCLOSURE

Statements in this document that are not strictly historical, including any statements regarding anticipated performance for any fiscal period that has not been completed, 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. There are a number of important factors that could cause actual results, developments and business decisions to differ materially from those suggested or indicated by such forward-looking statements and you should not place undue reliance on any such forward-looking statements. These factors include, among other things: the impact of the tariffs and related actions recently implemented by the U.S. and other countries, 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, the impact of global health crises, 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 healthcare industry), the results of our clinical trials and perceptions thereof, our ability to effectively address cost reductions and other changes in the healthcare 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, regulatory proceedings 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, the impact of climate change, legal or regulatory measures to address climate change and other sustainability topics and our ability to address regulatory requirements or stakeholder expectations relating to climate change and other sustainability topics, 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, labor matters and our ability to recruit, retain and motivate talented employees, U.S. and non-U.S. economic, political, geopolitical, legal, compliance, social and business factors (including the impact of elections, regulatory changes or uncertainty and military conflicts), disruptions and other impacts 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 2024 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the first quarter of 2025. These forward-looking statements speak only as of the date of this document (April 22, 2025) 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 and Core Sales Growth (Decline) by Segment

	% Change Three-Month Period Ended March 28, 2025 vs. Comparable 2024 Period			
	Total Company	Segments		
		Biotechnology	Life Sciences	Diagnostics
Total sales (decline) growth (GAAP)	(1.0)%	6.0 %	(3.5)%	(3.0)%
Impact of:				
Acquisitions/divestitures	(0.5)%	— %	(2.0)%	0.5 %
Currency exchange rates	1.5 %	1.0 %	1.5 %	1.0 %
Core sales growth (decline) (non-GAAP)	— %	7.0 %	(4.0)%	(1.5)%

Forecasted Core Sales Growth, Adjusted Operating Profit Margin and Adjusted Diluted Net Earnings Per Common Share

The Company provides forecasted sales only on a non-GAAP core revenue basis because of the difficulty in estimating the other components of GAAP revenue, such as currency translation, acquisitions and divested product lines. 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, as identified in the prior sentence, that would be reflected in any forecasted GAAP operating profit. We do not reconcile forecasted adjusted diluted net earnings per common share (or components thereof) to the comparable GAAP measure because of the difficulty in estimating the other components (in addition to the items identified in the prior sentences) that would be reflected in any forecasted GAAP diluted net earnings per common share, such as investment gains and losses and discrete tax items.

	% Change Three-Month Period Ending June 27, 2025 vs. Comparable 2024 Period	% Change Year Ending December 31, 2025 vs. Comparable 2024 Period
Core sales growth (non-GAAP)	+Low-single digit	~3.0%
		Three-Month Period Ending June 27, 2025
Adjusted operating profit margin (non-GAAP)		~25.5%
		Year Ending December 31, 2025
Adjusted diluted net earnings per common share (non-GAAP)		\$7.60 - \$7.75

DANAHER CORPORATION

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

	Three-Month Period Ended	
	March 28, 2025	March 29, 2024
Sales (GAAP)		
Biotechnology	\$ 1,612	\$ 1,524
Life Sciences	1,680	1,745
Diagnostics	2,449	2,527
Total Company	<u>\$ 5,741</u>	<u>\$ 5,796</u>
Operating Profit (GAAP)		
Biotechnology	\$ 441	\$ 325
Life Sciences	201	235
Diagnostics	718	830
Other	(86)	(78)
Total Company	<u>\$ 1,274</u>	<u>\$ 1,312</u>
Amortization of Intangible Assets (GAAP)		
Biotechnology	\$ 213	\$ 218
Life Sciences	149	141
Diagnostics	48	48
Total Company	<u>\$ 410</u>	<u>\$ 407</u>
Other Operating Profit Adjustments¹		
Biotechnology	\$ 15	\$ —
Life Sciences	—	25
Diagnostics	—	—
Other	—	—
Total Company	<u>\$ 15</u>	<u>\$ 25</u>
Adjusted Operating Profit (non-GAAP)²		
Biotechnology	\$ 669	\$ 543
Life Sciences	350	401
Diagnostics	766	878
Other	(86)	(78)
Total Company	<u>\$ 1,699</u>	<u>\$ 1,744</u>

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

² Adjusted Operating Profit (non-GAAP) is defined as Operating Profit (GAAP) plus amortization of intangible assets (GAAP) plus (minus) Other Operating Profit Adjustments (as defined).

DANAHER CORPORATION

Non-GAAP Profitability Measures (\$ in millions)

	Three-Month Period Ended March 28, 2025				
	Biotechnology	Life Sciences	Diagnostics	Other	Total Company
Net Earnings (GAAP)					\$ 954
Interest, Net					66
Other Nonoperating (Income) Expense					79
Income Taxes					175
Operating Profit (GAAP)	\$ 441	\$ 201	\$ 718	\$ (86)	\$ 1,274
Other Operating Profit Adjustments ¹	15	—	—	—	15
Amortization of Intangible Assets	213	149	48	—	410
Adjusted Operating Profit (Non-GAAP)²	669	350	766	(86)	1,699
Depreciation	34	45	100	2	181
Adjusted EBITDA (Non-GAAP)	\$ 703	\$ 395	\$ 866	\$ (84)	\$ 1,880
Interest, Net					(66)
Other Nonoperating Income (Expense)					(79)
Income Taxes					(175)
Other Operating Profit Adjustments ¹					(15)
Amortization of Intangible Assets					(410)
Depreciation					(181)
Net Earnings (GAAP)					\$ 954
Sales (GAAP)	\$ 1,612	\$ 1,680	\$ 2,449		\$ 5,741
Net Earnings Margin (GAAP)					16.6 %
Operating Profit Margin (GAAP)	27.4 %	12.0 %	29.3 %		22.2 %
Adjusted Operating Profit Margin (Non-GAAP)³	41.5 %	20.8 %	31.3 %		29.6 %
Adjusted EBITDA Margin (Non-GAAP)⁴	43.6 %	23.5 %	35.4 %		32.7 %

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).

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

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

DANAHER CORPORATION

Non-GAAP Profitability Measures (\$ in millions)

	Three-Month Period Ended March 29, 2024				
	Biotechnology	Life Sciences	Diagnostics	Other	Total Company
Net Earnings (GAAP)					\$ 1,088
Interest, Net					5
Other Nonoperating (Income) Expense					36
Income Taxes					183
Operating Profit (GAAP)	\$ 325	\$ 235	\$ 830	\$ (78)	\$ 1,312
Other Operating Profit Adjustments ¹	—	25	—	—	25
Amortization of Intangible Assets	218	141	48	—	407
Adjusted Operating Profit (Non-GAAP)²	543	401	878	(78)	1,744
Depreciation	42	38	97	2	179
Adjusted EBITDA (Non-GAAP)	\$ 585	\$ 439	\$ 975	\$ (76)	\$ 1,923
Interest, Net					(5)
Other Nonoperating Income (Expense)					(36)
Income Taxes					(183)
Other Operating Profit Adjustments ¹					(25)
Amortization of Intangible Assets					(407)
Depreciation					(179)
Net Earnings (GAAP)					\$ 1,088
Sales (GAAP)	\$ 1,524	\$ 1,745	\$ 2,527		\$ 5,796
Net Earnings Margin (GAAP)					18.8 %
Operating Profit Margin (GAAP)	21.3 %	13.5 %	32.8 %		22.6 %
Adjusted Operating Profit Margin (Non-GAAP)³	35.6 %	23.0 %	34.7 %		30.1 %
Adjusted EBITDA Margin (Non-GAAP)⁴	38.4 %	25.2 %	38.6 %		33.2 %

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).

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

⁴ 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 28, 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 earnings per common share	Diluted net earnings per common share
Reported (GAAP)	\$ 5,741	\$ (2,230)	61.2 %	\$ 1,274	22.2 %	\$ 1,129	\$ (175)	\$ 954	\$ 1.32
Amortization of acquisition-related intangible assets ^A	—	—	—	410	7.1	410		410	0.57
Fair value net (gains) losses on investments ^B	—	—	—	—	—	90		90	0.12
Impairments ^C	—	15	0.3	15	0.3	15		15	0.02
Gain on a product line disposition ^D	—	—	—	—	—	(9)		(9)	(0.01)
Tax effect of the above adjustments ^F							(94)	(94)	(0.13)
Discrete tax adjustments ^G							(10)	(10)	(0.01)
Rounding	—	—	(0.1)	—	—	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 5,741</u>	<u>\$ (2,215)</u>	<u>61.4 %</u>	<u>\$ 1,699</u>	<u>29.6 %</u>	<u>\$ 1,635</u>	<u>\$ (279)</u>	<u>\$ 1,356</u>	<u>\$ 1.88</u>

Three-Month Period Ended March 28, 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)	\$ 5,741	\$ (1,858)	(32.4)%	\$ (379)	(6.6)%	\$ (79)	\$ (66)
Amortization of acquisition-related intangible assets ^A	—	410	7.1	—	—	—	—
Fair value net (gains) losses on investments ^B	—	—	—	—	—	90	—
Gain on a product line disposition ^D	—	—	—	—	—	(9)	—
Rounding	—	—	0.1	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 5,741</u>	<u>\$ (1,448)</u>	<u>(25.2)%</u>	<u>\$ (379)</u>	<u>(6.6)%</u>	<u>\$ 2</u>	<u>\$ (66)</u>

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 before income taxes	Income taxes	Net earnings for calculation of diluted earnings per common share	Diluted net earnings per common share
Reported (GAAP)	\$ 5,796	\$ (2,309)	60.2 %	\$ 1,312	22.6 %	\$ 1,271	\$ (183)	\$ 1,088	\$ 1.45
Amortization of acquisition-related intangible assets ^A	—	—	—	407	7.0	407		407	0.54
Fair value net (gains) losses on investments ^B	—	—	—	—	—	37		37	0.05
Acquisition-related items ^E	—	25	0.4	25	0.4	25		25	0.03
Tax effect of the above adjustments ^F							(86)	(86)	(0.11)
Discrete tax adjustments ^G							(36)	(36)	(0.05)
Rounding	—	—	—	—	0.1	—	—	—	0.01
Adjusted (Non-GAAP)	<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
Reported (GAAP)	\$ 5,796	\$ (1,807)	(31.2)%	\$ (368)	(6.3)%	\$ (36)	\$ (5)
Amortization of acquisition-related intangible assets ^A	—	407	7.0	—	—	—	—
Fair value net (gains) losses on investments ^B	—	—	—	—	—	37	—
Adjusted (Non-GAAP)	<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)

^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 28, 2025	March 29, 2024
Pretax	\$ 410	\$ 407
After-tax	340	336

^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 28, 2025	March 29, 2024
Pretax	\$ 90	\$ 37
After-tax	68	28

^C Impairment charges related to a facility in the Biotechnology segment recorded in the three-month period ended March 28, 2025 (\$15 million pretax as reported in this line item, \$11 million after-tax).

^D Gain on a product line disposition in the three-month period ended March 28, 2025 (\$9 million pretax as reported in this line item, \$7 million after-tax).

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

^G Discrete tax adjustments and other tax-related adjustments for the three-month period ended March 28, 2025, include the impact of net discrete tax benefits of \$10 million related primarily to changes in estimates of prior year tax filing positions, release of reserves for uncertain tax positions due to the expiration of statutes of limitation and excess tax benefits from stock-based compensation, net of charges related to changes in estimates associated with prior period uncertain tax positions. 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.

DANAHER CORPORATION

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

	Total Company	Segments		
		Biotechnology	Life Sciences	Diagnostics
Three-Month Period Ended March 29, 2024 Operating Profit Margins (GAAP)	22.60 %	21.30 %	13.50 %	32.80 %
First quarter 2025 impact from operating profit margin of businesses that have been owned for less than one year or were disposed of during such period and did not qualify as discontinued operations	(0.25)	—	(0.40)	(0.10)
First quarter 2025 impairment charge related to a facility in the Biotechnology segment	(0.25)	(0.90)	—	—
First quarter 2024 acquisition-related fair value adjustment to inventory related to the acquisition of Abcam	0.40	—	1.40	—
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)	(0.30)	7.00	(2.50)	(3.40)
Three-Month Period Ended March 28, 2025 Operating Profit Margins (GAAP)	22.20 %	27.40%	12.00 %	29.30 %

DANAHER CORPORATION

Total Cash Flow, Free Cash Flow, Operating Cash Flow to Net Earnings Conversion Ratio and Free Cash Flow to Net Earnings Conversion Ratio (\$ in millions)

	Three-Month Period Ended		Year-over-Year Change
	March 28, 2025	March 29, 2024	
Total Cash Flow:			
Net cash provided by operating activities (GAAP)	\$ 1,299	\$ 1,739	
Total cash used in investing activities (GAAP)	\$ (242)	\$ (321)	
Total cash used in financing activities (GAAP)	\$ (1,255)	\$ (133)	
Free Cash Flow:			
Net cash provided by operating activities (GAAP)	\$ 1,299	\$ 1,739	~ (25.5)%
Less: payments for additions to property, plant & equipment (capital expenditures) (GAAP)	(245)	(291)	
Plus: proceeds from sales of property, plant & equipment (capital disposals) (GAAP)	6	—	
Free cash flow (non-GAAP)	<u>\$ 1,060</u>	<u>\$ 1,448</u>	~ (27.0)%
Operating Cash Flow to Net Earnings Conversion Ratio:			
Net cash provided by operating activities (GAAP)	\$ 1,299	\$ 1,739	
Net earnings (GAAP)	954	1,088	
Operating cash flow to net earnings conversion ratio (GAAP)	<u>1.36</u>	<u>1.60</u>	
Free Cash Flow to Net Earnings Conversion Ratio:			
Free cash flow from above (non-GAAP)	\$ 1,060	\$ 1,448	
Net earnings (GAAP)	954	1,088	
Free cash flow to net earnings conversion ratio (non-GAAP)	<u>1.11</u>	<u>1.33</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, 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).

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 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.
- 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.

Statement Regarding Non-GAAP Measures

- With respect to core sales, (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 deduct 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 core revenue basis because of the difficulty in estimating the other components of GAAP revenue, such as currency translation, acquisitions and divested product lines. 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, as identified in the prior sentence, that would be reflected in any forecasted GAAP operating profit. We do not reconcile forecasted adjusted diluted net earnings per common share (or components thereof) to the comparable GAAP measure because of the difficulty in estimating the other components (in addition to the items identified in the prior sentences) that would be reflected in any forecasted GAAP diluted net earnings per common share, such as investment gains and losses and discrete tax items.

