DANAHER CORPORATION

First Quarter 2020 Earnings Release

May 7, 2020

DANAHER

Forward Looking Statements

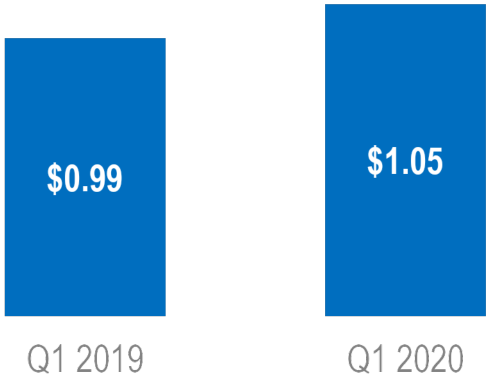
Statements in this presentation that are not strictly historical, including any statements regarding Danaher's anticipated financial performance for the second quarter and full year 2020, and any other statements regarding events or developments that we anticipate will or may occur in the future are "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 highly uncertain and unpredictable severity, magnitude and duration of the COVID-19 pandemic (and the related governmental, business and community responses thereto) on our business, results of operations and financial condition, Danaher's ability to successfully integrate the operations and employees of the Biopharma business Danaher recently acquired from General Electric Company (now known as Cytiva) with Danaher's existing business, the ability to realize anticipated financial, tax and operational synergies and benefits from such acquisition, Cytiva's performance and maintenance of important business relationships, the impact of our debt obligations (including the debt incurred to finance the acquisition of Cytiva) on our operations and liquidity, deterioration of or instability in the economy, the markets we serve and the financial markets (including as a result of the COVID-19 pandemic), developments and uncertainties in U.S. policy stemming from the U.S. administration, such as changes in U.S. trade and tariff policies and the reaction of other countries thereto, contractions or growth rates and cyclicality 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 regulations relating to medical devices and the health care industry), the results of our clinical trials and perceptions thereof, our ability to effectively address cost reductions and other changes in the health care industry, our ability to successfully identify and consummate appropriate acquisitions and strategic investments and successfully complete divestitures and other dispositions, our ability to integrate the businesses we acquire and achieve the anticipated benefits of such acquisitions, contingent liabilities relating to acquisitions, investments 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 to use, disclose and license certain intellectual property we license if we fail to commercialize it, risks relating to product, service or software defects, product liability and recalls, risks relating to product manufacturing, our relationships with and the performance of our channel partners, uncertainties relating to collaboration arrangements with third-parties, commodity costs and surcharges, our ability to adjust purchases and manufacturing capacity to reflect market conditions, reliance on sole sources of supply, the impact of deregulation on demand for our products and services, labor matters, international economic, political, legal, compliance and business factors (including the impact of the United Kingdom's separation from the EU and uncertainty relating to the terms of such separation), disruptions relating to man-made and natural disasters (including pandemics such as COVID-19) and pension plan costs. 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 2019 Annual Report on Form 10-K, our first quarter 2020 Quarterly Report on Form 10-Q and our Prospectus Supplement filed with the SEC on April 6, 2020 pursuant to Rule 424(b)(5) under the Securities Act of 1933, as amended. 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.

With respect to the non-GAAP financial measures of adjusted diluted net earnings per common share, core revenue growth, core revenue growth including Cytiva, year-over-year core operating margin changes and free cash flow referenced in the following presentation, definitions and the accompanying information required by SEC Regulation G can be found in the "Investors" section of Danaher's web site under the heading "Financial Reports" and subheading "Quarterly Earnings," and can also be found at the end of this presentation. 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, first quarter 2020 Quarterly Report on Form 10-Q 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". In this presentation, all figures relate to Danaher's continuing operations and revenue amounts are in millions.

First Quarter 2020 Performance Summary

ADJUSTED DILUTED NET EARNINGS PER COMMON SHARE

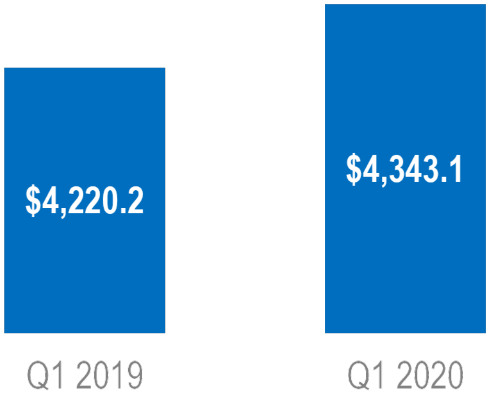
+6.0%



REVENUE

+3.0%

Core +4.5%
FX -1.5%



($ millions)

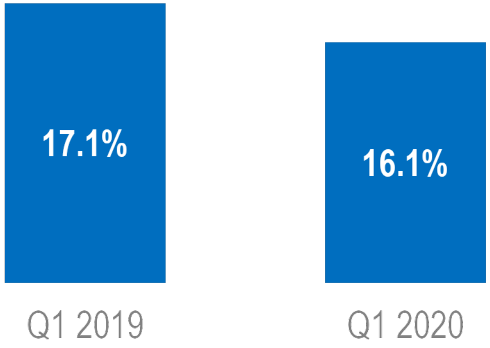
Throughout this presentation, with respect to revenue performance, for the definitions of "Acquisitions," "Core," and "FX," please refer to the accompanying information required by Regulation G, located at the end of this presentation and on the "Investors" section of Danaher's website.

First Quarter 2020 Performance Summary

OPERATING PROFIT MARGIN

-100 BPS

Core +25 bps
Acquisitions -5 bps
Other -120 bps



GROSS MARGINS

Q1 2020 – 56.2%
Q1 2019 – 55.8%

+40 BPS

SG&A (as a % of Revenue)

Q1 2020 – 33.6%
Q1 2019 – 32.4%

+120 BPS

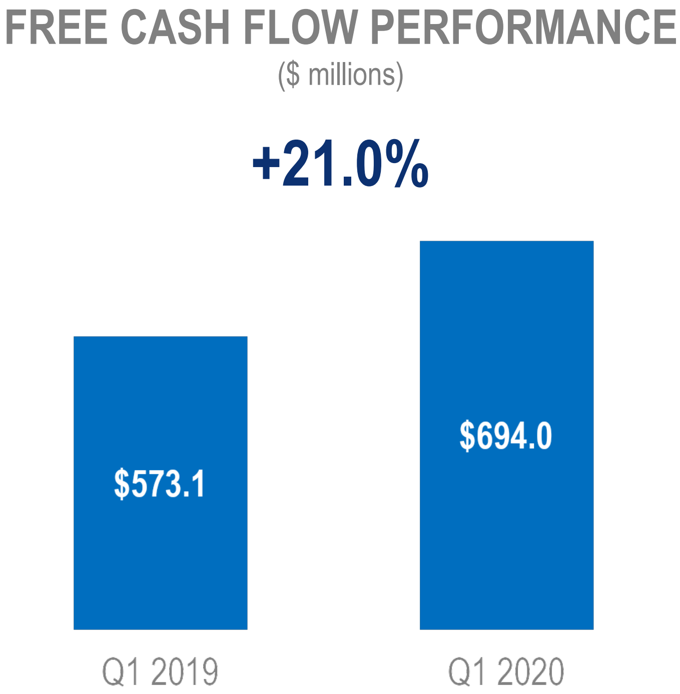
R&D (as a % of Revenue)

Q1 2020 – 6.6%
Q1 2019 – 6.3%

+30 BPS

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 transaction costs and integration preparation costs related to the Cytiva acquisition, and impairment charges related to a facility in the Diagnostics segment and a trade name and other intangible assets in the Environmental & Applied Solutions segment, and "Core" refers to all other year-over-year operating profit margin changes; 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 2020 Performance Summary



For the definition of Free Cash Flow, 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 2020: Life Sciences

REVENUE

+1.5%

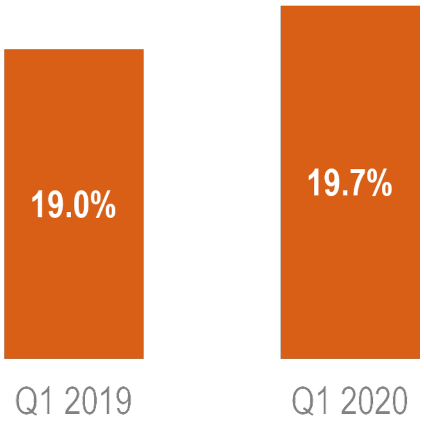
Core +2.5%
FX -1.0%

($ millions)

OPERATING PROFIT MARGIN

+70 BPS

Core +90 bps
Acquisitions -20 bps

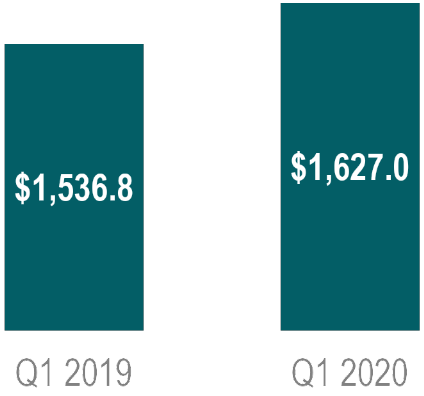


First Quarter 2020: Diagnostics

REVENUE

+6.0%

Core +8.0%
FX -2.0%

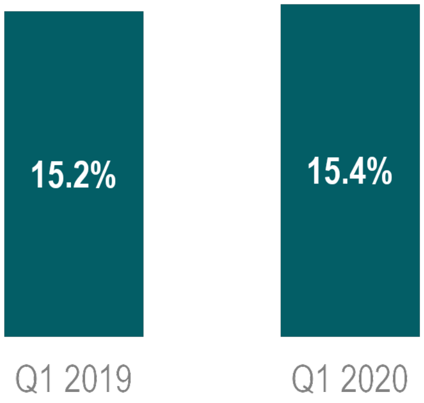


($ millions)

OPERATING PROFIT MARGIN

+20 BPS

Core +50 bps
Other -30 bps

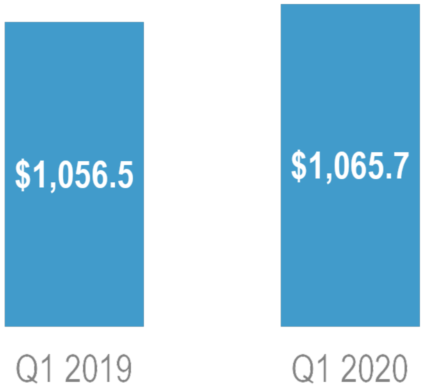


First Quarter 2020: Environmental & Applied Solutions

REVENUE

+1.0%

Core +2.5%
FX -1.5%

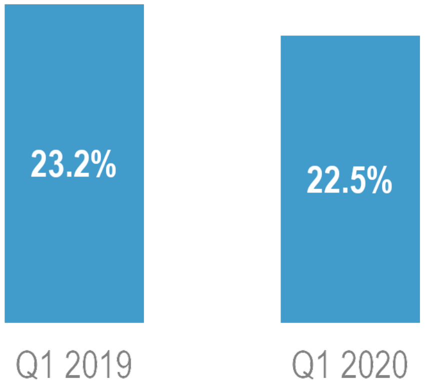


($ millions)

OPERATING PROFIT MARGIN

-70 BPS

Core -40 bps
Other -30 bps



GUIDANCE

Q & A

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Non-GAAP Reconciliations

Adjusted Diluted Net Earnings Per Common Share from Continuing Operations [1]

	Three-Month Period Ended April 3, 2020	Three-Month Period Ended March 29, 2019
Diluted Net Earnings Per Common Share from Continuing Operations (GAAP)	**$ 0.81**	**$ 0.45**
Pretax amortization of acquisition-related intangible assets [A]	0.22	0.22
Pretax transaction costs deemed significant and integration preparation costs, in each case related to the acquisition of Cytiva [B]	0.08	0.02
Pretax impairment charges related to a facility in the Diagnostics segment and a trade name and other intangible assets in the Environmental & Applied Solutions segment [C]	0.01	-
Pretax fair value adjustments and losses on the Company's equity and limited partnership investments [D]	0.01	-
Tax effect of all adjustments reflected above [E]	(0.05)	(0.04)
Discrete tax adjustments and other tax-related adjustments [F]	(0.04)	0.34
Declared dividends on the MCPS assuming "if-converted" method [G]	0.01	-
Adjusted Diluted Net Earnings Per Common Share from Continuing Operations (Non-GAAP)	**$ 1.05**	**$ 0.99**

[1] Each of the per share adjustment amounts above have been calculated assuming the Mandatory Convertible Preferred Stock ("MCPS") had been converted into shares of common stock.

Adjusted Diluted Shares Outstanding

(shares in millions)	Three-Month Period Ended April 3, 2020	Three-Month Period Ended March 29, 2019
Average common stock and common equivalent shares outstanding - diluted	707.9	718.5
Converted shares [2]	12.4	4.3
Adjusted average common stock and common equivalent shares outstanding - diluted	720.3	722.8

[2] The number of converted shares assumes the conversion of all MCPS and issuance of the underlying shares applying the "if-converted" method of accounting and using an average 20 trading-day trailing volume weighted average price ("VWAP") of $132.64 and $128.09 as of April 3, 2020 and March 29, 2019, respectively.

Core Revenue Growth

	% Change Three-Month Period Ended April 3, 2020 vs. Comparable 2019 Period
Total sales growth (GAAP)	3.0%
Impact of:	
Currency exchange rates	1.5%
Core revenue growth (Non-GAAP)	4.5%

Year-Over-Year Core Operating Margin Changes From Continuing Operations

The Company defines core operating profit margin changes as all year-over-year operating profit margin changes other than the adjustments reflected below for the respective period.

	Total Company	Segments: Life Sciences	Segments: Diagnostics	Segments: Environmental & Applied Solutions
Three-Month Period Ended March 29, 2019 Operating Profit Margins From Continuing Operations (GAAP)	**17.10%**	**19.00%**	**15.20%**	**23.20%**
First quarter 2020 impact from operating profit margins 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	(0.05)	(0.20)	-	-
First quarter 2020 incremental acquisition-related transaction costs deemed significant and integration preparation costs, in each case related to the acquisition of Cytiva	(1.00)	-	-	-
First quarter 2020 impairment charges related to certain long-lived assets in the Diagnostics and Environmental & Applied Solutions segments	(0.20)	-	(0.30)	(0.30)
Year-over-year core operating profit margin changes for the first quarter 2020 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	**0.25**	**0.90**	**0.50**	**(0.40)**
Three-Month Period Ended April 3, 2020 Operating Profit Margins From Continuing Operations (GAAP)	16.10%	19.70%	15.40%	22.50%

Note: The Company deems acquisition-related transaction costs incurred in a given period to be significant (generally relating to the Company's larger acquisitions) if it determines that such costs exceed the range of acquisition-related transaction costs typical for Danaher in a given period.

Non-GAAP Reconciliations

Reconciliation of Operating Cash Flows from Continuing Operations (GAAP) to Free Cash Flow from Continuing Operations (Non-GAAP)

	Three Month Period Ended April 3, 2020	Three Month Period Ended March 29, 2019	Year-over-Year Change
Cash Flows from Continuing Operations ($ in millions):			
Operating Cash Flows from Continuing Operations (GAAP)	$ 826.0	$ 712.7	
Investing Cash Flows from Continuing Operations (GAAP)	$ (20,868.6)	$ (483.2)	
Financing Cash Flows from Continuing Operations (GAAP)	$ 4,633.5	$ 2,877.8	
Free Cash Flow from Continuing Operations ($ in millions):			
Operating Cash Flows from Continuing Operations (GAAP)	$ 826.0	$ 712.7	≈ 16.0%
Less: payments for additions to property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(132.5)	(140.1)	
Plus: proceeds from sales of property, plant & equipment (capital disposals) from continuing operations (GAAP)	0.5	0.5	
Free Cash Flow from Continuing Operations (Non-GAAP)	$ 694.0	$ 573.1	≈ 21.0%
Ratio of Free Cash Flow to Net Earnings ($ in millions):			
Free Cash Flow from Continuing Operations from Above (Non-GAAP)	$ 694.0	$ 573.1	
Net Earnings from Continuing Operations (GAAP)	595.1	332.3	
Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio (Non-GAAP)	1.17	1.72	

We define free cash flow 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").

Non-GAAP Reconciliations

Notes to Reconciliation of GAAP to Non-GAAP Financial Measures

A Amortization of acquisition-related intangible assets in the following historical periods ($ in millions) (only the pretax amounts set forth below are reflected in the amortization line item above):

	Three-Month Period Ended	
	April 3, 2020	March 29, 2019
Pretax	$ 156.4	$ 157.4
After-tax	125.9	126.8

B Pretax costs incurred for transaction costs deemed significant and integration preparation costs, in each case related to the acquisition of Cytiva in the three-month periods ended April 3, 2020 and March 29, 2019 ($59 million pretax as reported in this line item, $53 million after-tax and $15 million pretax as reported in this line item, $13 million after-tax, respectively). The Company deems acquisition-related transaction costs incurred in a given period to be significant (generally relating to the Company's larger acquisitions) if it determines that such costs exceed the range of acquisition-related transaction costs typical for Danaher in a given period.

C Pretax impairment charges related to a facility in the Diagnostics segment and a trade name and other intangible assets in the Environmental & Applied Solutions segment recorded in the three-month period ended April 3, 2020 ($8 million pretax as reported in this line item, $6 million after-

D Pretax fair value adjustments and losses on the Company's equity and limited partnership investments recorded in the three-month period ended April 3, 2020 ($7 million pretax as reported in this line item, $5 million after-tax).

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. 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.

F Discrete tax adjustments and other tax-related adjustments for the three-month period ended April 3, 2020, include the impact of net discrete tax gains of $27 million (or $0.04 per diluted common share) related primarily to excess tax benefits from stock-based compensation and the release of reserves for uncertain tax positions due to the expiration of statutes of limitation. Discrete tax adjustments and other tax-related adjustments for the three-month period ended March 29, 2019, include the impact of net discrete tax charges of $245 million (or $0.34 per diluted common share) related primarily to changes in estimates associated with prior period uncertain tax positions and audit settlements, net of the release of valuation allowances associated with certain foreign tax credits, tax benefits resulting from a change in tax law and excess tax benefits from stock-based compensation. The Company anticipates excess tax benefits from stock compensation of approximately $7 million per quarter and therefore excludes benefits in excess of this amount in the calculation of Adjusted Diluted Net Earnings Per Common Share from Continuing Operations.

G In March 2019, the Company issued $1.65 billion in aggregate liquidation preference of 4.75% MCPS. Dividends on the MCPS are payable on a cumulative basis at an annual rate of 4.75% on the liquidation preference of $1,000 per share. Unless earlier converted, each share of MCPS will automatically convert on April 15, 2022 into between 6.6542 and 8.1513 shares of Danaher's common stock, subject to further anti-dilution adjustments. The number of shares of Danaher's common stock issuable on conversion of the MCPS will be determined based on the VWAP per share of our common stock over the 20 consecutive trading day period beginning on, and including, the 21st scheduled trading day immediately before April 15, 2022. For the purposes of calculating adjusted earnings per share, the Company has excluded the paid and anticipated 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 are referred to as the "Converted Shares".)

<u>Statement Regarding Non-GAAP Measures</u>

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 to:

- with respect to Adjusted Diluted Net Earnings Per Common Share from Continuing Operations, understand the long-term profitability trends of our business and compare our profitability to prior and future periods and to our peers; and
- with respect to core revenue from continuing operations, identify underlying growth trends in our business and compare our revenue performance with prior and future periods and to our peers.

Beginning with respect to forecasted results for the second quarter of 2020, we also present core revenue from continuing operations on a basis that includes revenue attributable to Cytiva (formerly the Biopharma Business of General Electric Company's ("GE") Life Sciences business), which Danaher acquired from GE on March 31, 2020. Historically Danaher has calculated core revenue solely on a basis that excludes revenues from acquired businesses recorded prior to the first anniversary of the acquisition. However, given Cytiva's significant size and historical core revenue growth rate, in each case compared to Danaher's existing businesses, management believes it is appropriate to also present core revenue on a basis that includes Cytiva. Management believes this presentation provides useful information to investors by demonstrating now the impact Cytiva has on the Company's growth profile, rather than waiting to demonstrate such impact twelve months after the acquisition when Cytiva would normally have been included in Danaher's core revenue calculation. Danaher calculates period-to-period core revenue from continuing operations including Cytiva by adding to the baseline period revenue Cytiva's historical revenue from such period (when it was owned by GE), net of the revenues of the product lines Danaher divested to obtain regulatory approval for the Cytiva acquisition, and also adding Cytiva's net revenues to the current period.

Management uses these non-GAAP measures to measure the Company's operating and financial performance, and uses core revenue and non-GAAP measures similar to Adjusted Diluted Net Earnings Per Common Share from Continuing Operations 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:

- With respect to Adjusted Diluted Net Earnings Per Common Share from Continuing Operations:
  - 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 revenue generation and that intangible asset amortization related to past acquisitions will recur in future periods until such intangible assets have been fully amortized.
  - 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.
  - With respect to the other items excluded, 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.
  - Danaher's Mandatory Convertible Preferred Stock ("MCPS") will mandatorily convert into Danaher common stock on the mandatory conversion date, which is expected to be April 15, 2022 (unless converted or redeemed earlier in accordance with the terms of the applicable certificate of designations). On the prior pages, we present the earnings per share-related measures on a basis which assumes the MCPS had already been converted as of the beginning of the applicable period (and accordingly also exclude the dividends that were actually paid on the MCPS during such period, since such dividends would no longer be paid once the MCPS convert). We believe this presentation provides useful information to investors by helping them understand what the net impact will be on Danaher's earnings per share-related measures once the MCPS convert into Danaher common stock.
- With respect to core revenue from continuing operations and core revenue from continuing operations including Cytiva, (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 (other than Cytiva, in the case of core revenue from continuing operations including Cytiva) 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.

Forward-looking estimates of Adjusted Diluted Net Earnings Per Common Share from Continuing Operations do not reflect future gains and charges that are inherently difficult to predict and estimate due to their unknown timing, effect and/or significance, such as certain future gains or losses on the sale of investments, acquisition or divestiture-related gains or charges, discrete tax items and legal contingency provisions. With respect to forecasted core revenue from continuing operations and forecasted core revenue from continuing operations including Cytiva, we do not reconcile these measures to the comparable GAAP measure because of the inherent difficulty in predicting and estimating the future impact and timing of currency translation, acquisitions and divested product lines, which would be reflected in any forecasted GAAP revenue.

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