

DANAHER CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
AND SUPPLEMENTAL FORWARD-LOOKING INFORMATION
THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 27, 2024 AND SEPTEMBER 29, 2023

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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: unanticipated, further declines in demand for our COVID-19 related products, the impact of global health crises, the impact of our debt obligations on our operations and liquidity, deterioration of or instability in the global economy, the markets we serve and the financial markets, uncertainties with respect to the development, deployment, and use of artificial intelligence in our business and products, uncertainties relating to national laws or policies, including laws or policies to protect or promote domestic interests and/or address foreign competition, contractions or growth rates and 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 rules relating to off-label marketing and other regulations relating to medical devices and the health care industry), the results of our clinical trials and perceptions thereof, our ability to effectively address cost reductions and other changes in the health care industry, our ability to successfully identify and consummate appropriate acquisitions and strategic investments, our ability to integrate the businesses we acquire and achieve the anticipated growth, synergies and other benefits of such acquisitions, contingent liabilities and other risks relating to acquisitions, investments, strategic relationships and divestitures (including tax-related and other contingent liabilities relating to past and future IPOs, split-offs or spin-offs), security breaches or other disruptions of our information technology systems or violations of data privacy laws, the impact of our restructuring activities on our ability to grow, risks relating to potential impairment of goodwill and other intangible assets, currency exchange rates, tax audits and changes in our tax rate and income tax liabilities, changes in tax laws applicable to multinational companies, litigation and other contingent liabilities including intellectual property and environmental, health and safety matters, the rights of the United States government with respect to our production capacity in times of national emergency or with respect to intellectual property/production capacity developed using government funding, risks relating to product, service or software defects, product liability and recalls, risks relating to our manufacturing operations and fluctuations in the cost and availability of the supplies we use (including commodities) and labor we need for our operations, our relationships with and the performance of our channel partners, uncertainties relating to collaboration arrangements with third-parties, the impact of deregulation on demand for our products and services, the impact of climate change, legal or regulatory measures to address climate change and our ability to address stakeholder expectations relating to climate change, labor matters and our ability to recruit, retain and motivate talented employees representing diverse backgrounds, experiences and skill sets, non-U.S. economic, political, legal, compliance, social and business factors (including the impact of military conflicts), disruptions 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 2023 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the third quarter of 2024. These forward-looking statements speak only as of the date of this document (October 21, 2024) and except to the extent required by applicable law, the Company does not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.

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

	% Change Three-Month Period Ended September 27, 2024 vs. Comparable 2023 Period			
		Segments		
	Total Company	Biotechnology	Life Sciences	Diagnostics
Total sales growth (decline) (GAAP)	3.0 %	(0.5)%	4.5 %	5.0 %
Impact of:				
Acquisitions	(2.5)%	— %	(7.0)%	— %
Currency exchange rates	— %	0.5 %	0.5 %	— %
Core sales growth (decline) (non-GAAP)	0.5 %	— %	(2.0)%	5.0 %

	% Change Nine-Month Period Ended September 27, 2024 vs. Comparable 2023 Period			
		Segments		
	Total Company	Biotechnology	Life Sciences	Diagnostics
Total sales (decline) growth (GAAP)	(1.0)%	(9.5)%	1.5 %	4.0 %
Impact of:				
Acquisitions	(2.0)%	— %	(6.5)%	— %
Currency exchange rates	1.0 %	1.0 %	1.5 %	1.0 %
Core sales (decline) growth (non-GAAP)	(2.0)%	(8.5)%	(3.5)%	5.0 %

Forecasted Core Sales Decline and Adjusted Operating Profit Margin

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. Additionally, we do not reconcile forecasted adjusted operating profit margin (or components thereof) to the comparable GAAP measures because of the difficulty in estimating the other components (in addition to items identified in the prior sentence) such as investment gains and losses and impairments, which would be reflected in any forecasted GAAP operating profit.

	% Change Three-Month Period Ending December 31, 2024 vs. Comparable 2023 Period	% Change Year Ending December 31, 2024 vs. Comparable 2023 Period
Core sales decline (non-GAAP)	-Low-single digit	-Low-single digit

	Three-Month Period Ending December 31, 2024	Year Ending December 31, 2024
Adjusted operating profit margin (non-GAAP)	~30.0%	~29.0%

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

	Three-Month Period Ended		Nine-Month Period Ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
Sales (GAAP)				
Biotechnology	$ 1,653	$ 1,664	$ 4,890	$ 5,413
Life Sciences	1,782	1,706	5,297	5,211
Diagnostics	2,363	2,254	7,150	6,861
Total Company	$ 5,798	$ 5,624	$ 17,337	$ 17,485
Operating Profit (GAAP)				
Biotechnology	$ 390	$ 417	$ 1,177	$ 1,493
Life Sciences	35	313	503	974
Diagnostics	615	539	2,001	1,640
Other	(82)	(84)	(243)	(242)
Total Company	$ 958	$ 1,185	$ 3,438	$ 3,865
Amortization of Intangible Assets (GAAP)				
Biotechnology	$ 218	$ 214	$ 650	$ 649
Life Sciences	147	104	428	313
Diagnostics	49	49	145	149
Total Company	$ 414	$ 367	$ 1,223	$ 1,111
Other Operating Profit Adjustments [1]				
Biotechnology	$ —	$ —	$ —	$ 42
Life Sciences	222	—	247	—
Diagnostics	—	—	—	—
Other	—	—	—	—
Total Company	$ 222	$ —	$ 247	$ 42
Adjusted Operating Profit (non-GAAP) [2]				
Biotechnology	$ 608	$ 631	$ 1,827	$ 2,184
Life Sciences	404	417	1,178	1,287
Diagnostics	664	588	2,146	1,789
Other	(82)	(84)	(243)	(242)
Total Company	$ 1,594	$ 1,552	$ 4,908	$ 5,018

[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).

Non-GAAP Profitability Measures
($ in millions)

	Three-Month Period Ended September 27, 2024				
	Biotechnology	Life Sciences	Diagnostics	Other	Total Company
Net Earnings from Continuing Operations (GAAP)					$ 818
Interest, Net					83
Other Nonoperating (Income) Expense					(102)
Income Taxes					159
Operating Profit (GAAP)	$ 390	$ 35	$ 615	$ (82)	$ 958
Other Operating Profit Adjustments [1]	—	222	—	—	222
Amortization of Intangible Assets	218	147	49	—	414
Adjusted Operating Profit (Non-GAAP) [2]	608	404	664	(82)	1,594
Depreciation	36	44	95	2	177
Adjusted EBITDA (Non-GAAP)	$ 644	$ 448	$ 759	$ (80)	$ 1,771
Interest, Net					(83)
Other Nonoperating Income (Expense)					102
Income Taxes					(159)
Other Operating Profit Adjustments [1]					(222)
Amortization of Intangible Assets					(414)
Depreciation					(177)
Net Earnings from Continuing Operations (GAAP)					$ 818
Sales (GAAP)	$ 1,653	$ 1,782	$ 2,363		$ 5,798
Net Earnings from Continuing Operations Margin (GAAP)					14.1 %
Operating Profit Margin (GAAP)	23.6 %	2.0 %	26.0 %		16.5 %
Adjusted Operating Profit Margin (Non-GAAP) [3]	36.8 %	22.7 %	28.1 %		27.5 %
Adjusted EBITDA Margin (Non-GAAP) [4]	39.0 %	25.1 %	32.1 %		30.5 %

[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).

Non-GAAP Profitability Measures
($ in millions)

	Three-Month Period Ended September 29, 2023				
	Biotechnology	Life Sciences	Diagnostics	Other	Total Company
Net Earnings from Continuing Operations (GAAP)					$ 940
Interest, Net					(9)
Other Nonoperating (Income) Expense					47
Income Taxes					207
Operating Profit (GAAP)	$ 417	$ 313	$ 539	$ (84)	$ 1,185
Other Operating Profit Adjustments [1]	—	—	—	—	—
Amortization of Intangible Assets	214	104	49	—	367
Adjusted Operating Profit (Non-GAAP) [2]	631	417	588	(84)	1,552
Depreciation	40	31	93	2	166
Adjusted EBITDA (Non-GAAP)	$ 671	$ 448	$ 681	$ (82)	$ 1,718
Interest, Net					9
Other Nonoperating Income (Expense)					(47)
Income Taxes					(207)
Other Operating Profit Adjustments [1]					—
Amortization of Intangible Assets					(367)
Depreciation					(166)
Net Earnings from Continuing Operations (GAAP)					$ 940
Sales (GAAP)	$ 1,664	$ 1,706	$ 2,254		$ 5,624
Net Earnings from Continuing Operations Margin (GAAP)					16.7 %
Operating Profit Margin (GAAP)	25.1 %	18.3 %	23.9 %		21.1 %
Adjusted Operating Profit Margin (Non-GAAP) [3]	37.9 %	24.4 %	26.1 %		27.6 %
Adjusted EBITDA Margin (Non-GAAP) [4]	40.3 %	26.3 %	30.2 %		30.5 %

[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).

Non-GAAP Profitability Measures
($ in millions)

	Nine-Month Period Ended September 27, 2024				
	Biotechnology	Life Sciences	Diagnostics	Other	Total Company
Net Earnings from Continuing Operations (GAAP)					$ 2,813
Interest, Net					114
Other Nonoperating (Income) Expense					(7)
Income Taxes					518
Operating Profit (GAAP)	$ 1,177	$ 503	$ 2,001	$ (243)	$ 3,438
Other Operating Profit Adjustments [1]	—	247	—	—	247
Amortization of Intangible Assets	650	428	145	—	1,223
Adjusted Operating Profit (Non-GAAP) [2]	1,827	1,178	2,146	(243)	4,908
Depreciation	113	123	292	6	534
Adjusted EBITDA (Non-GAAP)	$ 1,940	$ 1,301	$ 2,438	$ (237)	$ 5,442
Interest, Net					(114)
Other Nonoperating Income (Expense)					7
Income Taxes					(518)
Other Operating Profit Adjustments [1]					(247)
Amortization of Intangible Assets					(1,223)
Depreciation					(534)
Net Earnings from Continuing Operations (GAAP)					$ 2,813
Sales (GAAP)	$ 4,890	$ 5,297	$ 7,150		$ 17,337
Net Earnings from Continuing Operations Margin (GAAP)					16.2 %
Operating Profit Margin (GAAP)	24.1 %	9.5 %	28.0 %		19.8 %
Adjusted Operating Profit Margin (Non-GAAP) [3]	37.4 %	22.2 %	30.0 %		28.3 %
Adjusted EBITDA Margin (Non-GAAP) [4]	39.7 %	24.6 %	34.1 %		31.4 %

[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).

Non-GAAP Profitability Measures
($ in millions)

	Nine-Month Period Ended September 29, 2023				
	Biotechnology	Life Sciences	Diagnostics	Other	Total Company
Net Earnings from Continuing Operations (GAAP)					$ 3,100
Interest, Net					15
Other Nonoperating (Income) Expense					38
Income Taxes					712
Operating Profit (GAAP)	$ 1,493	$ 974	$ 1,640	$ (242)	$ 3,865
Other Operating Profit Adjustments [1]	42	—	—	—	42
Amortization of Intangible Assets	649	313	149	—	1,111
Adjusted Operating Profit (Non-GAAP) [2]	2,184	1,287	1,789	(242)	5,018
Depreciation	119	92	282	4	497
Adjusted EBITDA (Non-GAAP)	$ 2,303	$ 1,379	$ 2,071	$ (238)	$ 5,515
Interest, Net					(15)
Other Nonoperating Income (Expense)					(38)
Income Taxes					(712)
Other Operating Profit Adjustments [1]					(42)
Amortization of Intangible Assets					(1,111)
Depreciation					(497)
Net Earnings from Continuing Operations (GAAP)					$ 3,100
Sales (GAAP)	$ 5,413	$ 5,211	$ 6,861		$ 17,485
Net Earnings from Continuing Operations Margin (GAAP)					17.7 %
Operating Profit Margin (GAAP)	27.6 %	18.7 %	23.9 %		22.1 %
Adjusted Operating Profit Margin (Non-GAAP) [3]	40.3 %	24.7 %	26.1 %		28.7 %
Adjusted EBITDA Margin (Non-GAAP) [4]	42.5 %	26.5 %	30.2 %		31.5 %

[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).

Other Non-GAAP Adjusted P&L Measures
($ in millions, except per share data)

Three-Month Period Ended September 27, 2024

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings from continuing operations before income taxes	Income taxes	Net earnings from continuing operations for calculation of diluted earnings per common share	Diluted net earnings per common share from continuing operations
Reported (GAAP)	$ 5,798	$ (2,397)	58.7 %	$ 958	16.5 %	$ 977	$ (159)	$ 818 [H]	$ 1.12
Amortization of acquisition-related intangible assets [A]	—	—	—	414	7.1	414		414	0.57
Fair value net (gains) losses on investments [B]	—	—	—	—	—	(103)		(103)	(0.14)
Impairments [C]	—	—	—	222	3.8	222		222	0.30
Tax effect of the above adjustments [E]							(105)	(105)	(0.14)
Rounding	—	—	—	—	0.1	—	—	—	—
Adjusted (Non-GAAP)	$ 5,798	$ (2,397)	58.7 %	$ 1,594	27.5 %	$ 1,510	$ (264)	$ 1,246	$ 1.71

Three-Month Period Ended September 27, 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)	$ 5,798	$ (2,060)	(35.5)%	$ (383)	(6.6)%	$ 102	$ (83)
Amortization of acquisition-related intangible assets [A]	—	414	7.1	—	—	—	—
Fair value net (gains) losses on investments [B]	—	—	—	—	—	(103)	—
Impairments [C]	—	222	3.8	—	—	—	—
Adjusted (Non-GAAP)	$ 5,798	$ (1,424)	(24.6)%	$ (383)	(6.6)%	$ (1)	$ (83)

Other Non-GAAP Adjusted P&L Measures
($ in millions, except per share data)

Three-Month Period Ended September 29, 2023

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings from continuing operations before income taxes	Income taxes	Net earnings from continuing operations for calculation of diluted earnings per common share	Diluted net earnings per common share from continuing operations
Reported (GAAP)	$ 5,624	$ (2,349)	58.2 %	$ 1,185	21.1 %	$ 1,147	$ (207)	$ 940 [H]	$ 1.26
Amortization of acquisition-related intangible assets [A]	—	—	—	367	6.5	367		367	0.49
Fair value net (gains) losses on investments [B]	—	—	—	—	—	48		48	0.06
Tax effect of the above adjustments [E]							(78)	(78)	(0.10)
Discrete tax adjustments [F]							5	5	0.01
Adjusted (Non-GAAP)	$ 5,624	$ (2,349)	58.2 %	$ 1,552	27.6 %	$ 1,562	$ (280)	$ 1,282	$ 1.72

Three-Month Period Ended September 29, 2023

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net (excluding interest)	Interest income (expense), net
Reported (GAAP)	$ 5,624	$ (1,728)	(30.7)%	$ (362)	(6.4)%	$ (47)	$ 9
Amortization of acquisition-related intangible assets [A]	—	367	6.5	—	—	—	—
Fair value net (gains) losses on investments [B]	—	—	—	—	—	48	—
Adjusted (Non-GAAP)	$ 5,624	$ (1,361)	(24.2)%	$ (362)	(6.4)%	$ 1	$ 9

Other Non-GAAP Adjusted P&L Measures
($ in millions, except per share data)

Nine-Month Period Ended September 27, 2024

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings from continuing operations before income taxes	Income taxes	Net earnings from continuing operations for calculation of diluted earnings per common share	Diluted net earnings per common share from continuing operations[5]
Reported (GAAP)	$ 17,337	$ (7,021)	59.5 %	$ 3,438	19.8 %	$ 3,331	$ (518)	$ 2,813 [H]	$ 3.80
Amortization of acquisition-related intangible assets[A]	—	—	—	1,223	7.1	1,223		1,223	1.65
Fair value net (gains) losses on investments[B]	—	—	—	—	—	(7)		(7)	(0.01)
Impairments[C]	—	—	—	222	1.3	222		222	0.30
Acquisition-related items[D]	—	25	0.1	25	0.1	25		25	0.03
Tax effect of the above adjustments[E]							(276)	(276)	(0.37)
Discrete tax adjustments[F]							(45)	(45)	(0.06)
Adjusted (Non-GAAP)	$ 17,337	$ (6,996)	59.6 %	$ 4,908	28.3 %	$ 4,794	$ (839)	$ 3,955	$ 5.34

Nine-Month Period Ended September 27, 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)	$ 17,337	$ (5,736)	(33.1)%	$ (1,142)	(6.6)%	$ 7	$ (114)
Amortization of acquisition-related intangible assets[A]	—	1,223	7.1	—	—	—	—
Fair value net (gains) losses on investments[B]	—	—	—	—	—	(7)	—
Impairments[C]	—	222	1.3	—	—	—	—
Rounding	—	—	(0.1)	—	—	—	—
Adjusted (Non-GAAP)	$ 17,337	$ (4,291)	(24.8)%	$ (1,142)	(6.6)%	$ —	$ (114)

[5] For the nine-month period ended September 29, 2023, each of the per share amounts above have been calculated assuming the Mandatory Convertible Preferred Stock ("MCPS") had been converted into shares of common stock prior to their conversion on April 17, 2023. Net earnings from continuing operations per diluted common share for the relevant three-month periods may not add to the year-to-date amounts due to rounding.

Other Non-GAAP Adjusted P&L Measures
($ in millions, except per share data)

Nine-Month Period Ended September 29, 2023

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings from continuing operations before income taxes	Income taxes	Net earnings from continuing operations for calculation of diluted earnings per common share	Diluted net earnings per common share from continuing operations[5]
Reported (GAAP)	$ 17,485	$ (7,230)	58.7 %	$ 3,865	22.1 %	$ 3,812	$ (712)	$ 3,079 [H]	$ 4.15
Amortization of acquisition-related intangible assets[A]	—	—	—	1,111	6.4	1,111		1,111	1.49
Fair value net (gains) losses on investments[B]	—	—	—	—	—	43		43	0.06
Impairments[C]	—	14	0.1	42	0.2	42		42	0.06
Tax effect of the above adjustments[E]							(223)	(223)	(0.30)
Discrete tax adjustments[F]							24	24	0.03
MCPS "as if converted"[G]	—	—	—	—	—	—	—	21	—
Rounding	—	—	(0.1)	—	—	—	—	—	0.01
Adjusted (Non-GAAP)	$ 17,485	$ (7,216)	58.7 %	$ 5,018	28.7 %	$ 5,008	$ (911)	$ 4,097	$ 5.50

Nine-Month Period Ended September 29, 2023

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net (excluding interest)	Interest income (expense), net
Reported (GAAP)	$ 17,485	$ (5,294)	(30.3)%	$ (1,096)	(6.3)%	$ (38)	$ (15)
Amortization of acquisition-related intangible assets[A]	—	1,111	6.4	—	—	—	—
Fair value net (gains) losses on investments[B]	—	—	—	—	—	43	—
Impairments[C]	—	28	0.2	—	—	—	—
Rounding	—	—	(0.1)	—	—	—	—
Adjusted (Non-GAAP)	$ 17,485	$ (4,155)	(23.8)%	$ (1,096)	(6.3)%	$ 5	$ (15)

[5] For the nine-month period ended September 29, 2023, each of the per share amounts above have been calculated assuming the Mandatory Convertible Preferred Stock ("MCPS") had been converted into shares of common stock prior to their conversion on April 17, 2023. Net earnings from continuing operations per diluted common share for the relevant three-month periods may not add to the year-to-date amounts due to rounding.

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		Nine-Month Period Ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
Pretax	$ 414	$ 367	$ 1,223	$ 1,111
After-tax	341	301	1,008	909

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		Nine-Month Period Ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
Pretax	$ (103)	$ 48	$ (7)	$ 43
After-tax	(82)	36	(9)	32

C Impairment charges related to a trade name in the Life Sciences segment recorded in the three and nine-month periods ended September 27, 2024 ($222 million pretax as reported in this line item, $169 million after-tax) and technology and other assets in the Biotechnology segment recorded in the nine-month period ended September 29, 2023 ($42 million pretax as reported in this line item, $32 million after-tax).

D Costs incurred for the fair value adjustment to inventory related to the acquisition of Abcam plc (“Abcam”) for the nine-month period ended September 27, 2024 ($25 million pretax as reported in this line item, $19 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 There were no discrete tax adjustments and other tax-related adjustments for the three-month period ended September 27, 2024 as excess tax benefits from stock-based compensation were offset by other discrete tax charges. Discrete tax adjustments and other tax-related adjustments for the nine-month period ended September 27, 2024, include net discrete tax benefits of $45 million related primarily 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. Discrete tax adjustments and other tax-related adjustments for the three-month period ended September 29, 2023, include the impact of a net discrete tax charge of $5 million due principally to tax costs related to the separation of the Environmental & Applied Solutions business and changes in estimates associated with prior period uncertain tax positions, partially offset by excess tax benefits from stock compensation. Discrete tax adjustments and other tax-related adjustments for the nine-month period ended September 29, 2023, include the impact of a net discrete tax charge of $24 million due principally to tax costs related to the separation of the Environmental & Applied Solutions business, tax costs related to legal and operational actions taken to realign certain businesses and changes in estimates associated with prior period uncertain tax positions, partially offset by excess tax benefits from stock-based compensation and interest on prior year tax refunds.

Other Non-GAAP Adjusted P&L Measures

($ in millions, except per share data)

G In May 2020, the Company issued $1.72 billion in aggregate liquidation preference of 5.0% MCPS. Dividends on the MCPS were payable on a cumulative basis at an annual rate of 5.0% on the liquidation preference of $1,000 per share. Each share of MCPS converted on April 17, 2023 into 5.0175 shares of Danaher's common stock. For the calculation of net earnings per common share from continuing operations, the impact of the dilutive MCPS is calculated under the "if-converted" method and the related MCPS dividends are excluded. For the purposes of calculating adjusted earnings per common share from continuing operations, the Company has excluded the paid MCPS cash dividends and assumed the "if-converted" method of share dilution (the incremental shares of common stock deemed outstanding applying the "if-converted" method of calculating share dilution only with respect to any MCPS the conversion of which would be dilutive in the particular period are referred to as the "Converted Shares") for any MCPS that were anti-dilutive for the given period. For additional information about the impact of the MCPS on the calculation of diluted EPS, see note 6 in the Average and Adjusted Average Common Stock and Common Equivalent Diluted Shares Outstanding table below.

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

	Three-Month Period Ended		Nine-Month Period Ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
Net earnings from continuing operations	$ 818	$ 940	$ 2,813	$ 3,100
MCPS dividends	—	—	—	(21)
Net earnings from continuing operations attributable to common stockholders for Basic and Diluted EPS	$ 818	$ 940	$ 2,813	$ 3,079

Average and Adjusted Average Common Stock and Common Equivalent Diluted Shares Outstanding

(shares in millions)

	Three-Month Period Ended		Nine-Month Period Ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
Average common stock and common equivalent shares outstanding - diluted (GAAP)[6]	729.4	745.9	740.1	742.1
Converted shares[7]	—	—	—	3.4
Adjusted average common stock and common equivalent shares outstanding - diluted (non-GAAP)	729.4	745.9	740.1	745.5

[6] The impact of the MCPS calculated under the if-converted method was anti-dilutive for the nine-month period ended September 29, 2023, and as such, 3.4 million weighted average shares underlying the MCPS were excluded from the calculation of diluted EPS and the related MCPS dividends of $21 million were included in the calculation of net earnings for diluted EPS. As of April 17, 2023, all outstanding shares of the MCPS converted into 8.6 million shares of the Company's common stock.

[7] 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 the actual conversion rates as of September 29, 2023.

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

		Segments		
	Total Company	Biotechnology	Life Sciences	Diagnostics
Three-Month Period Ended September 29, 2023 Operating Profit Margins from Continuing Operations (GAAP)	**21.10 %**	**25.10 %**	**18.30 %**	**23.90 %**
Third quarter 2024 impact from operating profit margin of businesses that have been owned for less than one year	(1.20)	—	(3.60)	—
Third quarter 2024 impairment charge related to a trade name in the Life Sciences segment	(3.85)	—	(12.45)	—
Year-over-year core operating profit margin changes for the third quarter 2024 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	**0.45**	**(1.50)**	**(0.25)**	**2.10**
Three-Month Period Ended September 27, 2024 Operating Profit Margins from Continuing Operations (GAAP)	16.50 %	23.60%	2.00 %	26.00 %

		Segments		
	Total Company	Biotechnology	Life Sciences	Diagnostics
Nine-Month Period Ended September 29, 2023 Operating Profit Margins from Continuing Operations (GAAP)	**22.10 %**	**27.60 %**	**18.70 %**	**23.90 %**
First nine months of 2024 impact from operating profit margins of businesses that have been owned for less than one year	(0.95)	—	(2.70)	—
First nine months of 2024 acquisition-related fair value adjustment to inventory related to the acquisition of Abcam	(0.15)	—	(0.45)	—
First nine months of 2024 impairment charge related to a trade name in the Life Sciences segment, net of first nine months of 2023 impairment charges related to technology and other assets in the Biotechnology segment	(1.15)	0.80	(4.20)	—
Year-over-year core operating profit margin changes for first nine months of 2024 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	**(0.05)**	**(4.30)**	**(1.85)**	**4.10**
Nine-Month Period Ended September 27, 2024 Operating Profit Margins from Continuing Operations (GAAP)	19.80 %	24.10 %	9.50 %	28.00 %

Cash Flow from Continuing Operations, Free Cash Flow from Continuing Operations, Operating Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Ratio and Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio
($ in millions)

	Three-Month Period Ended		Year-over-Year Change	Nine-Month Period Ended		Year-over-Year Change
	September 27, 2024	September 29, 2023		September 27, 2024	September 29, 2023	
Total Cash Flow from Continuing Operations:						
Net cash provided by operating activities from continuing operations (GAAP)	$ 1,513	$ 1,447		$ 4,669	$ 4,899	
Total cash used in investing activities from continuing operations (GAAP)	$ (606)	$ (315)		$ (1,287)	$ (1,031)	
Total cash (used in) provided by financing activities from continuing operations (GAAP)	$ (845)	$ 2,443		$ (6,693)	$ 1,973	
Free Cash Flow from Continuing Operations:						
Net cash provided by operating activities from continuing operations (GAAP)	$ 1,513	$ 1,447	~ 4.5 %	$ 4,669	$ 4,899	~ (4.5)%
Less: payments for additions to property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(298)	(354)		(876)	(949)	
Plus: proceeds from sales of property, plant & equipment (capital disposals) from continuing operations (GAAP)	11	4		12	6	
Free cash flow from continuing operations (non-GAAP)	$ 1,226	$ 1,097	~ 12.0 %	$ 3,805	$ 3,956	~ (4.0)%
Operating Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Ratio (GAAP)						
Net cash provided by operating activities from continuing operations (GAAP)	$ 1,513	$ 1,447		$ 4,669	$ 4,899	
Net earnings from continuing operations (GAAP)	818	940		2,813	3,100	
Operating cash flow from continuing operations to net earnings from continuing operations conversion ratio	1.85	1.54		1.66	1.58	
Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio:						
Free cash flow from continuing operations from above (non-GAAP)	$ 1,226	$ 1,097		$ 3,805	$ 3,956	
Net earnings from continuing operations (GAAP)	818	940		2,813	3,100	
Free cash flow from continuing operations to net earnings from continuing operations conversion ratio (non-GAAP)	1.50	1.17		1.35	1.28	

We define free cash flow from continuing operations as operating cash flows from continuing operations, less payments for additions to property, plant and equipment from continuing operations ("capital expenditures") plus the proceeds from sales of plant, property and equipment from continuing operations ("capital disposals").

Statement Regarding Non-GAAP Measures

Each of the non-GAAP measures set forth above should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measure, and may not be comparable to similarly titled measures reported by other companies. Management believes that these measures provide useful information to investors by offering additional ways of viewing Danaher Corporation's ("Danaher" or the "Company") results that, when reconciled to the corresponding GAAP measure, help our investors:

- with respect to the profitability-related non-GAAP measures, understand the long-term profitability trends of our business and compare our profitability to prior and future periods and to our peers;
- with respect to core sales, identify underlying growth trends in our business and compare our sales performance with prior and future periods and to our peers; and
- with respect to free cash flow from continuing operations and related non-GAAP cash flow measures (the "FCF Measure"), understand Danaher's ability to generate cash without external financings, strengthen its balance sheet, invest in its business and grow its business through acquisitions and other strategic opportunities (although a limitation of free cash flow is that it does not take into account the Company's debt service requirements and other non-discretionary expenditures, and as a result the entire free cash flow amount is not necessarily available for discretionary expenditures).

Management uses the non-GAAP measures referenced above to measure the Company's operating and financial performance, and uses core sales and non-GAAP measures similar to Adjusted Diluted Net Earnings Per Common Share from Continuing Operations and the FCF Measure in the Company's executive compensation program.

- The items excluded from the non-GAAP measures set forth above have been excluded for the following reasons:
  - Amortization of Intangible Assets: We exclude the amortization of acquisition-related intangible assets because the amount and timing of such charges are significantly impacted by the timing, size, number and nature of the acquisitions we consummate. While we have a history of significant acquisition activity we do not acquire businesses on a predictable cycle, and the amount of an acquisition's purchase price allocated to intangible assets and related amortization term are unique to each acquisition and can vary significantly from acquisition to acquisition. Exclusion of this amortization expense facilitates more consistent comparisons of operating results over time between our newly acquired and long-held businesses, and with both acquisitive and non-acquisitive peer companies. We believe however that it is important for investors to understand that such intangible assets contribute to sales generation and that intangible asset amortization related to past acquisitions will recur in future periods until such intangible assets have been fully amortized.
  - Restructuring Charges: We exclude costs incurred pursuant to discrete restructuring plans that are fundamentally different (in terms of the size, strategic nature and planning requirements, as well as the inconsistent frequency, of such plans) from the ongoing productivity improvements that result from application of the Danaher Business System. Because these restructuring plans are incremental to the core activities that arise in the ordinary course of our business and we believe are not indicative of Danaher's ongoing operating costs in a given period, we exclude these costs to facilitate a more consistent comparison of operating results over time.
  - Other Adjustments: With respect to the other items excluded from Adjusted Diluted Net Earnings Per Common Share from Continuing Operations, we exclude these items because they are of a nature and/or size that occur with inconsistent frequency, occur for reasons that may be unrelated to Danaher's commercial performance during the period and/or we believe that such items may obscure underlying business trends and make comparisons of long-term performance difficult.
- With respect to adjusted average common stock and common equivalent shares outstanding, Danaher's MCPS mandatorily converted into Danaher common stock on the mandatory conversion date of April 17, 2023 (unless converted or redeemed earlier in accordance with the terms of the applicable certificate of designations). With respect to the calculation of Adjusted Diluted Net Earnings Per Common Share from Continuing Operations, we apply the "if converted" method of share dilution to the MCPS in all applicable periods irrespective of whether such preferred shares would be dilutive or anti-dilutive in the period. We believe this presentation provides useful information to investors by helping them understand the net impact on Danaher's earnings per share-related measures irrespective of the period.

Statement Regarding Non-GAAP Measures

- With respect to core operating profit margin changes, in addition to the explanation set forth in the bullets above relating to "restructuring charges" and "other adjustments", we exclude the impact of businesses owned for less than one year (or disposed of during such period and not treated as discontinued operations) because the timing, size, number and nature of such transactions can vary significantly from period to period and may obscure underlying business trends and make comparisons of long-term performance difficult.
- We calculate adjusted EBITDA by adding to operating profit amounts equal to depreciation and amortization and making the other adjustments reflected in the applicable tables above, which allows us to calculate and disclose such measure by segment. Given Danaher's diversification, we believe this helps our investors compare the profitability of our individual segments to peer companies with like business lines.
- With respect to core sales, (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. Additionally, we do not reconcile forecasted adjusted operating profit margin (or components thereof) to the comparable GAAP measures because of the difficulty in estimating the other components (in addition to items identified in the prior sentence) such as investment gains and losses and impairments, which would be reflected in any forecasted GAAP operating profit.


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