



BAIRD INDUSTRIAL CONFERENCE
Tom Joyce / November 9, 2016



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, deterioration of or instability in the economy, the markets we serve and the financial markets, the impact of our restructuring activities on our ability to grow, 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 ability to successfully identify, consummate and integrate appropriate acquisitions and successfully complete divestitures and other dispositions, our ability to integrate the recent acquisitions of Pall Corporation and Cepheid and achieve the anticipated benefits of those transactions, contingent liabilities relating to acquisitions and divestitures (including tax-related and other contingent liabilities relating to the distributions of each of Fortive Corporation and our communications business), our compliance with applicable laws and regulations (including regulations relating to medical devices and the healthcare industry) and changes in applicable laws and regulations, our ability to effectively address cost reductions and other changes in the healthcare industry, 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, litigation and other contingent liabilities including intellectual property and environmental, health and safety matters, risks relating to product, service or software defects, product liability and recalls, risks relating to product manufacturing, the impact of our debt obligations on our operations and liquidity, our relationships with and the performance of our channel partners, commodity costs and surcharges, our ability to adjust purchases and manufacturing capacity to reflect market conditions, reliance on sole sources of supply, labor matters, international economic, political, legal, compliance and business factors (including the impact of the UK referendum to leave the EU), disruptions relating to man-made and natural disasters, security breaches or other disruptions of our information technology systems 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 2015 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the third quarter of 2016. These forward-looking statements speak only as of the date of this presentation and 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.

2015 revenues from continuing operations exclude Fortive Corporation and have been adjusted to add Pall Corporation's revenues as a stand-alone business from January 1 through August 30, 2015. With respect to this non-GAAP measure and any other non-GAAP financial measures included in the following presentation, the accompanying information required by SEC Regulation G can be found in the "Financial Information"/"Quarterly Earnings"/"Third Quarter 2016" section of Danaher's web site, www.danaher.com. With respect to forward-looking estimates of organic revenue growth, it is not feasible to provide an estimate of GAAP revenue growth because the other components of GAAP revenue growth (revenue growth attributable to acquisitions and the effect of currency exchange rates) are significantly dependent on future events that are inherently difficult to predict and estimate, such as acquisitions and currency exchange rates. All references in this presentation to earnings, revenues and other company-specific financial metrics relate only to the continuing operations of Danaher's business, unless otherwise noted. All references in this presentation to "growth" refer to year-over-year growth unless otherwise indicated.

Life Sciences

~\$5.2B revenue



Diagnostics

~\$4.8B revenue



Dental

~\$2.7B revenue



Environmental & Applied Solutions

~\$3.6B revenue

Water Quality



Product ID



All financial metrics shown reflect 2015 adjusted revenues from continuing operations.

Outstanding portfolio of businesses

- ▶ **Team executing well in current macro backdrop**
 - ▶ 20%+ adjusted EPS growth y/y
 - ▶ Core revenue growth of 3%; all 4 segments up 3% or better
 - ▶ Core OMX up 155bps y/y in Q3 and up 90bps YTD
 - ▶ Ex-Pall GM up 100bps, G&A down, R&D/S&M up 30bps
 - ▶ FCF conversion of >150%
- ▶ **Announced \$4.8B in acquisitions, including Cepheid and Phenomenex**
 - ▶ Highly complementary additions to our Diagnostics and Life Sciences platforms
 - ▶ Accelerate our strategy and position us well for stronger growth

Phenomenex remains subject to customary closing conditions.

Raised FY Adjusted EPS 2016 guidance to \$3.57-3.61



***A leading global molecular
diagnostics company***

>\$600M

***2016E
Revenue***

~50%

***Gross
Margins***

~75%

***Consumables
Revenue***

Strategic Rationale

- ▶ **Leading player in the fast-growing, highly attractive molecular diagnostics industry**
- ▶ **Further strengthens Danaher's \$5B Diagnostics platform**
- ▶ **Significant opportunity for operational efficiency, profitable growth, increased scale (including in HGM) utilizing DBS**

All financial metrics based on 2015 unless otherwise indicated.

Closed on November 4th



*A leading provider of
chromatography consumables*

>60%

**Gross
Margins**

~25%

**OP
Margins**

~95%

**Consumables
Revenue**

Strategic Rationale

- ▶ Highly attractive SCIEX adjacency with high consumables mix
- ▶ Strong brand, leading position in +MSD growth separations consumables market
- ▶ Opportunity to drive growth, productivity improvements, and enhanced GTM capabilities using DBS

All financial metrics based on 2015 unless otherwise indicated.

Expect double-digit ROIC in less than 5 years



OUR SHARED PURPOSE
HELPING REALIZE LIFE'S POTENTIAL



DANAHER

DANAHER CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

	Three Month Period Ended September 30, 2016		
	Danaher Corporation (GAAP)	Impact of Pall and Pall acquisition-related items ("Pall Impact")	Danaher Corporation excluding Pall Impact (Non-GAAP)
<u>Year over Year Change:</u>			
Gross Profit as % of Sales	140 Bps	(40) Bps	100 Bps
R&D as % of Sales	(20) Bps	30 Bps	10 Bps
SG&A as % of Sales	(160) Bps	160 Bps	-- Bps