DANAHER

2017 BERNSTEIN STRATEGIC DECISIONS CONFERENCE

June 1, 2017

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, 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), our ability to effectively address cost reductions and other changes in the health care industry, 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 such 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), 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, the impact of our debt obligations on our operations and liquidity, 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 UK's decision to leave the EU), disruptions relating to man-made and natural disasters, 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 2016 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the first quarter of 2017. 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 referenced in the following presentation, the accompanying information required by SEC Regulation G can be found in the back of the presentation and in the “Investors” section of Danaher’s web site, www.danaher.com, under the heading “Financial Information.”

What You'll Hear Today

- **Outstanding portfolio with significant growth and margin opportunities**

- **Superior FCF generation and disciplined M&A help drive compounding long-term results**

- **Danaher Business System is our culture and our <u>competitive advantage</u>**

Danaher Today

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Life Sciences	Diagnostics	Dental	Environmental & Applied Solutions
~$5.4B revenue	~$5.0B revenue	~$2.8B revenue	~$3.7B revenue
Beckman Coulter Life Sciences, SCIEX, Molecular Devices, Leica Microsystems, Pall, Phenomenex	Beckman Coulter, Leica Biosystems, Radiometer, Cepheid (A better way.)	KaVo Kerr, Nobel Biocare, Ormco	**Water Quality:** Hach, Trojan technologies, ChemTreat; **Product ID:** Videojet, Esko, X-Rite, Pantone

All financial metrics shown reflect FY 2016 revenues.

Building a multi-industry, science & technology company

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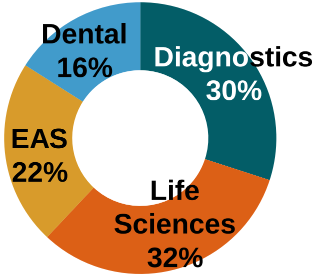
Outstanding Portfolio

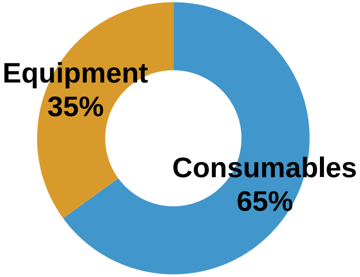
Danaher Today

~$17B
REVENUE

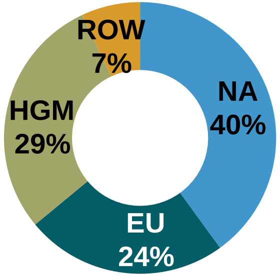
By Business



By Mix



By Geography



~55%
GROSS MARGIN

Mid-teens
OPERATING MARGIN

>100%
FREE CASH FLOW TO NET INCOME

Business Characteristics

- Market leading positions
- Resilient business models
- Outstanding brands
- Large installed base

Strong Secular Growth Drivers

- Increasing environmental, healthcare and food safety regulatory requirements and changes
- Improving standards of care in high growth markets (HGM)
- Proliferation of digital trends

All financial metrics based on FY 2016.

Strong growth, free cash flow and earnings profile

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Key Portfolio Initiatives

Building Scale at the Platform Level

1999

HACH

"Beachhead" Asset + Adjacencies, Bolt-ons

2002

VIDEOJET

Recent Key Strategic Acquisitions

2014

Nobel Biocare

Premium Implants
Digital Dentistry

2015

PALL

Biopharmaceuticals

2016

Cepheid. A better way.

Molecular Diagnostics

Spin-off of Fortive

FORTIVE

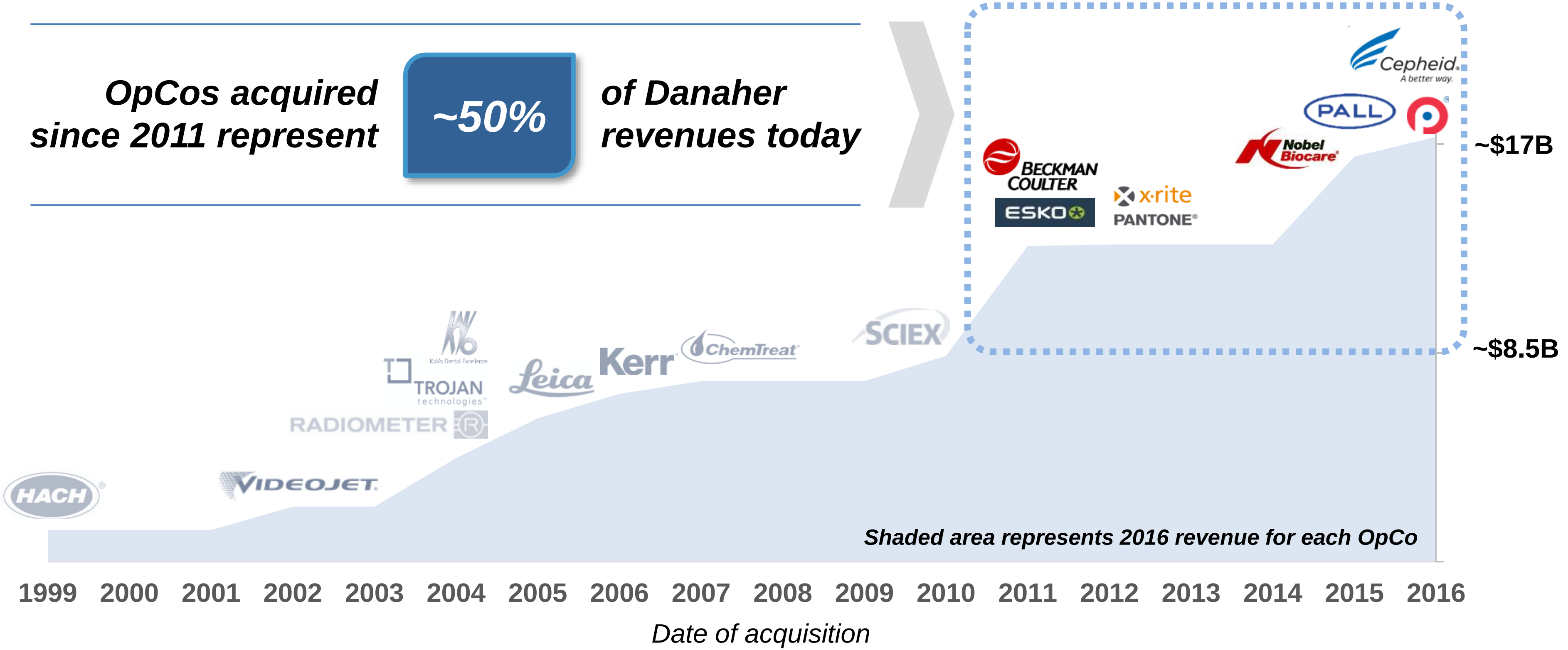
2016

Portfolio Optimization

Recent strategic initiatives helping to optimize Danaher's portfolio for the long-term

Portfolio Evolution

OpCos acquired since 2011 represent **~50%** ***of Danaher revenues today***



Average age of the portfolio today is ~8 years

Margin Opportunities

Improving Operating Margins Since Acquisition

Radiometer

High-teens ➡ **<u>>25%</u>**

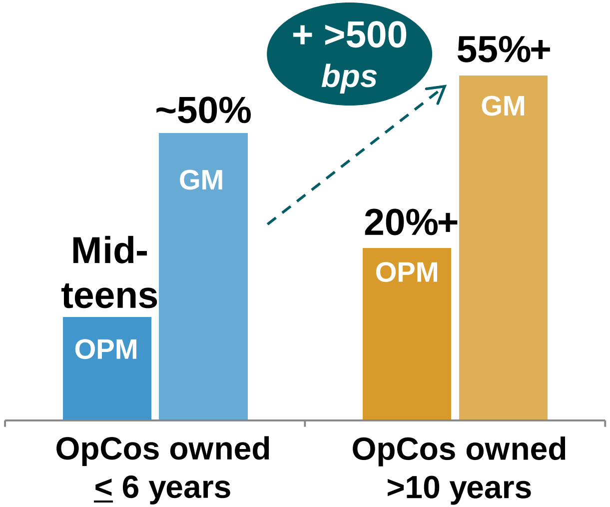
Water Quality

Low-teens ➡ **<u>~25%</u>**

Product ID

Low-teens ➡ **<u>~25%</u>**

Margins: "New vs Tenured"



All margin figures referenced are based on 2016 weighted averages.

Significant room to expand gross and operating margins

Margin Opportunity – Meaningful Runway

- **Early innings at Pall, Nobel, Cepheid**
  - Significant runway at recent acquisitions
  - Lean tools, direct/indirect spend, pricing
- **2nd wave at Beckman Coulter**
  - Expanded installed base
  - Bolt-ons enhance higher margin opportunities
- **Dental platform being treated as a "new acquisition"**
  - Facility & brand consolidation
  - Back-office rationalization

Represents >$10B of $17B revenue DHR portfolio

Expect 50-75+ bps of core OMX annually for Danaher, driven by DBS

Core Growth Opportunities

Running the Danaher Playbook	*Improving Core Revenue Growth Since Acquisition*	*Anticipated Core Revenue Growth of Recent Acquisitions*

Running the Danaher Playbook

Gross Margins

G&A

Reinvest for Growth

R&D

S&M

Core Growth

OMX

Improving Core Revenue Growth Since Acquisition

Radiometer
LSD → **MSD/HSD**

Water Quality
LSD → **MSD**

Product ID
LSD → **MSD**

Anticipated Core Revenue Growth of Recent Acquisitions

PALL	**MSD**
Nobel Biocare	**MSD**
Cepheid	**DD**
phenomenex	**MSD**

Expect new acquisitions and progress at existing OpCos to drive better core growth

Growth Opportunity – Targeted Investment

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Investments in R&D

Outperformance

SCIEX

R&D +300bps
AS A % OF REVENUE SINCE ACQUISITION

Case Study

SCIEX
X500R/B

Commercial Initiatives

Market Penetration

VIDEOJET

S&M + >300bps
AS A % OF REVENUE SINCE 2011

Case Study

VIDEOJET

+MSD Core Revenue Growth
each of the last 7 years

Building Scale

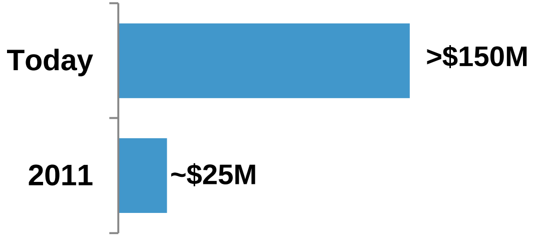
High Growth Markets

DENTAL

HGM +50%
TOTAL HGM REVENUE SINCE 2013

Case Study

DHR China Dental Revenue



Outperformance by investing in the highest impact organic opportunities

Strong Track Record With Runway Ahead

HACH *Acquired in 1999*

	At Acq	Today
Core growth	LSD	MSD
Gross Margin	~45%	>55%
Operating Margin	Low teens	>25%
*ROIC**		High teens

VIDEOJET *Acquired in 2002*

	At Acq	Today
Core growth	LSD	MSD
Gross Margin	>45%	>55%
Operating Margin	Low teens	>25%
*ROIC**		High teens

Nobel Biocare *Acquired in 2014*

	At Acq	Today
Core growth	LSD	MSD
Gross Margin	~70%	>70%
Operating Margin	Mid teens	>20%
ROIC		MSD/ HSD

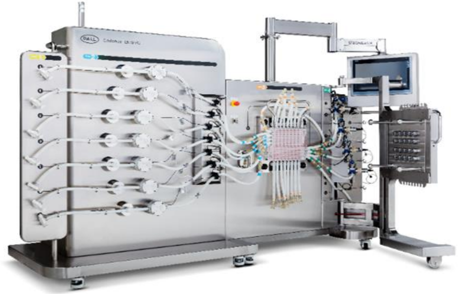
* Represents ROIC for the platform.

1999 → 2005 → 2011 → 2016

HACH Be Right™, VIDEOJET, RADIOMETER, KaVo Dental Excellence, TROJAN technologies, Leica, Kerr, ChemTreat, SCIEX, ESKO, BECKMAN COULTER, x-rite PANTONE, Nobel Biocare, PALL, Cepheid. A better way.

Pall Update

- **Improving operational and commercial execution with a tailored DBS integration**
  - Reducing manufacturing and operating costs
  - Meaningful gains in quality and delivery
  - DBS commercial initiatives driving better go-to-market capabilities
  - Accelerating innovation through reinvestment and focused R&D processes



***BioSMB GMP** (Biopharma)*

Updated Cost Savings

*Year 1**	~$125M
Year 2	~$75M
Year 5 (Total)	~$350M

** Includes 2015 stub & 2016.*

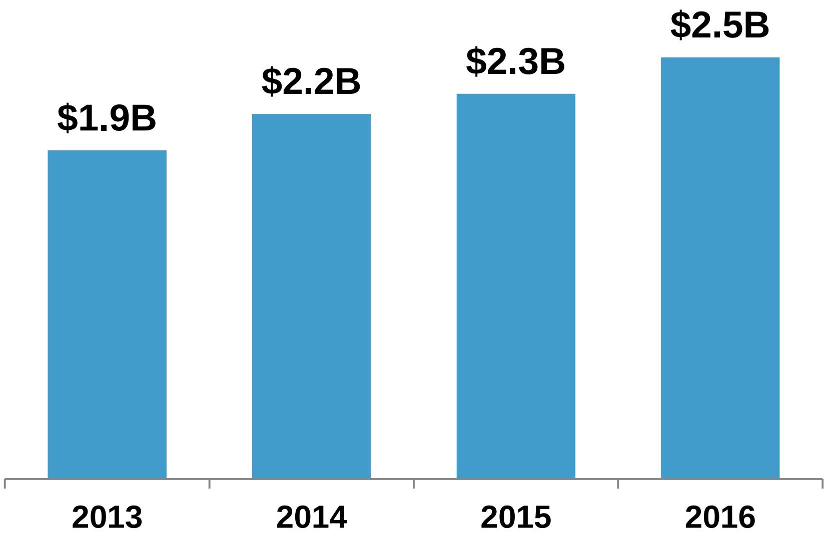
PALL ***Results Since Acquisition***

Core Revenue Growth	MSD
Gross Margin	+ >150 bps
Operating Margin	+ >500 bps
On Time Delivery (OTD)	+ >2,000 bps
New Product Launches	+ 50%
Working Capital Improvement	~$100M
Total Cost Savings (expected by year 5)	~$350M

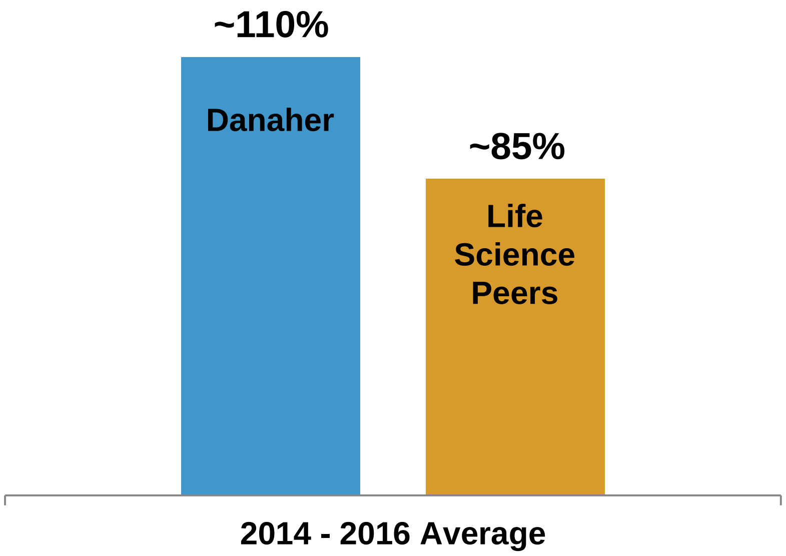
Now anticipate ~$350M in year 5 total cost savings vs. initial ~$300M expectation

Free Cash Flow – A Key Differentiator

Danaher Free Cash Flow



FCF/Adjusted NI Conversion



All Danaher figures referenced reflect results from continuing operations.

FCF exceeded Net Income for the 25th consecutive year in 2016

M&A – Our Strategic Approach

M&A Considerations – What We Look For

MARKET

- Secular and structural **growth drivers**
- **Fragmented** (consolidation opportunities)

COMPANY

- Competitive **market position**
- **Strong brand** and/or channel
- Consistent **revenue visibility**
- **Higher margin** businesses

VALUATION

- Focus on **ROIC**
- **DBS opportunities**
- **Sustainability**
- **Synergies** with Danaher OpCos
- Combination of **value** and **growth** deals

Pursuing value creation opportunities with a tailored integration for each deal

Danaher Business System

OUR SHARED PURPOSE

HELPING REALIZE LIFE'S POTENTIAL

DANAHER

Summary

- **Outstanding portfolio with significant growth and margin opportunities**

- **Superior FCF generation and disciplined M&A help drive compounding long-term results**

- **Danaher Business System is our culture and our competitive advantage**

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Non-GAAP Reconciliations

Danaher Corporation
Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures
Reconciliation of Operating Cash Flows from Continuing Operations (GAAP) to Free Cash Flow from Continuing Operations (Non-GAAP)
$ in Billions

	Years Ended December 31			
	2013	**2014**	**2015**	**2016**
Free Cash Flow from Continuing Operations ($ in billions):				
Operating Cash Flows from Continuing Operations (GAAP)	$ 2.4	$ 2.7	$ 2.8	$ 3.1
Less: purchases of property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(0.5)	(0.5)	(0.5)	(0.6)
Free Cash Flow from Continuing Operations (Non-GAAP)	$ 1.9	$ 2.2	$ 2.3	$ 2.5
Ratio of Free Cash Flow to Net Earnings ($ in billions):				
Free Cash Flow from Continuing Operations from Above (Non-GAAP)	$ 1.9	$ 2.2	$ 2.3	$ 2.5
Net Earnings from Continuing Operations (GAAP)	1.7	1.6	1.7	2.2
Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio (Non-GAAP)	˜115%	˜135%	˜133%	~116%

Non-GAAP Reconciliations

Adjusted Net Earnings from Continuing Operations (Non-GAAP) ($ in billions):	2014	2015	2016
Net Earnings from Continuing Operations (GAAP)	$ 1.6	$ 1.7	$ 2.2
Pretax amortization of acquisition-related intangible assets	0.3 [A]	0.4 [A]	0.6 [A]
Pretax charge for early extinguishment of borrowings	-	-	0.2 [B]
Pretax acquisition-related transaction costs deemed significant, change in control payments, restructuring costs and fair value adjustments to inventory and deferred revenue	-	0.2 [C]	0.1 [D]
Pretax gain on sales of marketable equity securities	(0.1) [E]	-	-
Pretax gain on sales of investments	-	-	(0.2) [F]
Tax effect of all adjustments reflected above	-	(0.1) [G]	(0.3) [G]
Discrete tax adjustments and other tax-related adjustments	0.1 [H]	(0.1) [H]	(0.1) [H]
Adjusted Net Earnings from Continuing Operations (Non-GAAP)	$ 1.9	$ 2.1	$ 2.5

Ratio of Free Cash Flow to Adjusted Net Earnings from Continuing Operations ($ in billions):	2014	2015	2016	2014 to 2016 Average (rounded to nearest 5%)
Free Cash Flow from Continuing Operations (Non-GAAP)	$ 2.2	$ 2.3	$ 2.5	
Adjusted Net Earnings from Continuing Operations (Non-GAAP)	1.9	2.1	2.5	
Free Cash Flow from Continuing Operations to Adjusted Net Earnings from Continuing Operations Conversion Ratio (Non-GAAP)	˜115%	˜110%	~100%	~110%

Adjusted Net Earnings from Continuing Operations Notes

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

	Years Ended December 31		
	2014	2015	2016
Pretax	$ 0.3	$ 0.4	$ 0.6
After-tax	0.2	0.3	0.4

[B] Charge for early extinguishment of borrowings ($0.2 billion pretax as presented in this line item, $0.1 billion after-tax) incurred in the third quarter of 2016. The Company did not incur any charges related to the early extinguishment of borrowings in 2014 or 2015, and therefore no such elimination item is reflected in the calculation of Adjusted Net Earnings From Continuing Operations for any other period presented.

[C] Fair value adjustments to inventory ($0.02 billion pretax as presented in this line item, $0.02 billion after-tax) incurred in the year ended December 31, 2015, in connection with the acquisition of Nobel Biocare. Acquisition-related transaction costs deemed significant ($0.02 billion pretax as presented in this line item, $0.02 billion after-tax), change in control payments, and fair value adjustments to inventory and deferred revenue, net of the impact of freezing pension benefits, in each case related primarily to the acquisition of Pall Corporation and incurred in the year ended December 31, 2015 ($0.1 billion pretax as presented in this line item, $0.08 billion after-tax). 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 the Company in a given period.

[D] Acquisition-related transaction costs deemed significant ($0.01 billion pretax as presented in this line item, $0.01 billion after-tax), change in control payments and restructuring costs ($0.05 billion pretax as presented in this line item, $0.03 billion after-tax), and fair value adjustments to inventory and deferred revenue ($0.02 billion pretax as presented in this line item, $0.01 billion after-tax), in each case related primarily to the acquisition of Cepheid and incurred in the year ended December 31, 2016.

[E] Gain on sales of marketable equity securities in the year ended December 31, 2014 ($0.1 billion pretax is presented in this line item, $0.08 billion after-tax).

[F] Gain on sales of investments in the year ended December 31, 2016 ($0.2 billion pretax as presented in this line item, $0.1 billion after-tax).

[G] This line item reflects the aggregate tax effect of all nontax adjustments reflected in the table above. In addition, the footnotes above indicate the after-tax amount of each individual adjustment item. Danaher estimates the tax effect of the adjustment items identified in the reconciliation schedule above 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.

[H] For 2014, discrete income tax charges net of discrete income tax gains and benefits from a lower than expected effective tax rate (compared to the anticipated 2014 effective tax rate publicly communicated in December 2013), due primarily to year-end tax law changes for the year ended December 31, 2014. For 2015, discrete income tax gains net of discrete income tax charges ($0.1 billion) incurred in the year ended December 31, 2015. For 2016, discrete income tax gains net of discrete income tax charges and Fortive separation-related tax costs related to repatriation of earnings and legal entity realignments incurred in the year ended December 31, 2016 ($0.1 billion).

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