



DANAHER



2017 ELECTRICAL PRODUCTS GROUP CONFERENCE

May 22, 2017

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 cyclicity of markets we serve, competition, our ability to develop and successfully market new products and technologies and expand into new markets, the potential for improper conduct by our employees, agents or business partners, our compliance with applicable laws and regulations (including 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."

Life Sciences

~\$5.4B revenue



Diagnostics

~\$5.0B revenue



Dental

~\$2.8B revenue



Environmental & Applied Solutions

~\$3.7B revenue

Water Quality



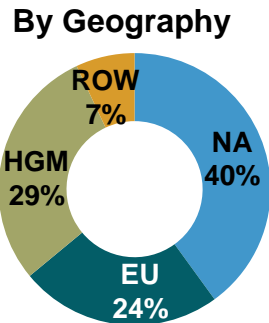
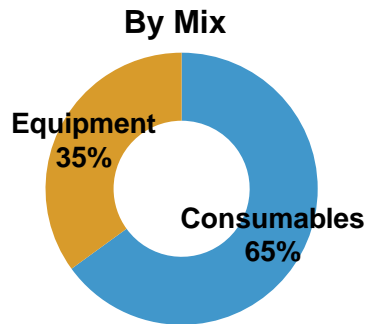
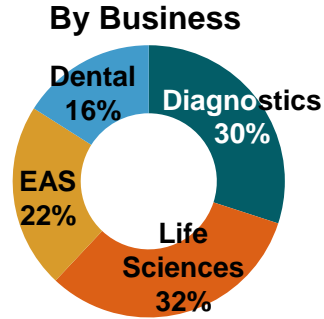
Product ID



All financial metrics shown reflect FY 2016 revenues.

Danaher Today

~\$17B
REVENUE



~55%
GROSS
MARGIN

Mid-teens
OPERATING
MARGIN

>100%
FREE CASH
FLOW TO NET
INCOME

Business Characteristics

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

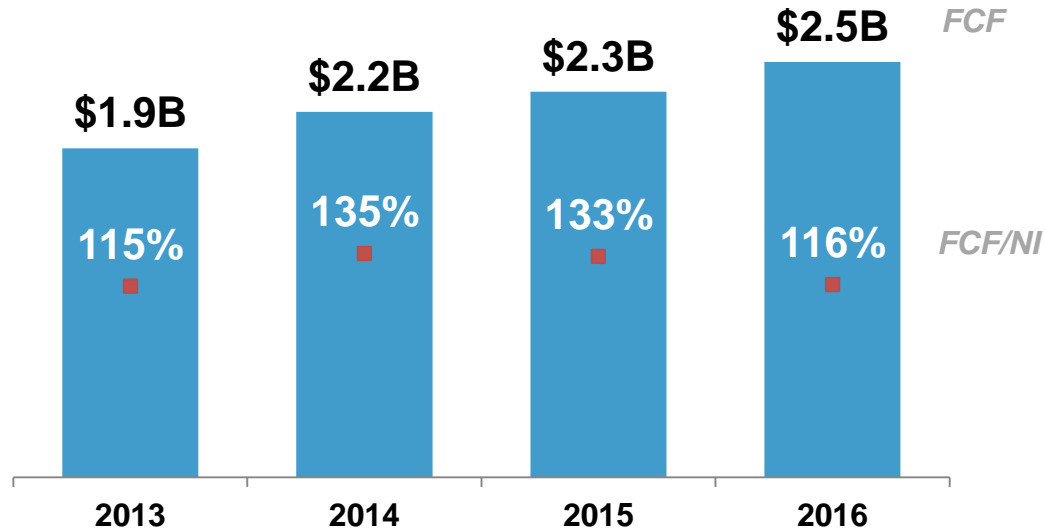
Strong Secular Growth Drivers

- ▶ 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

Danaher FCF / NI Conversion



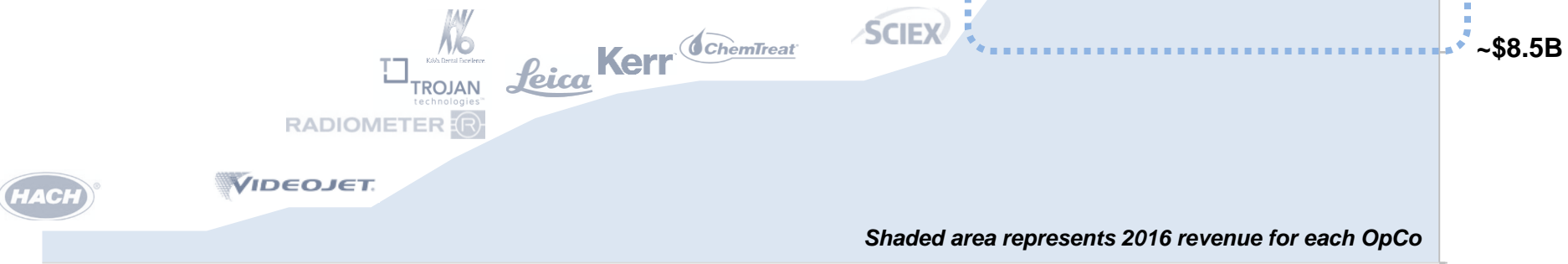
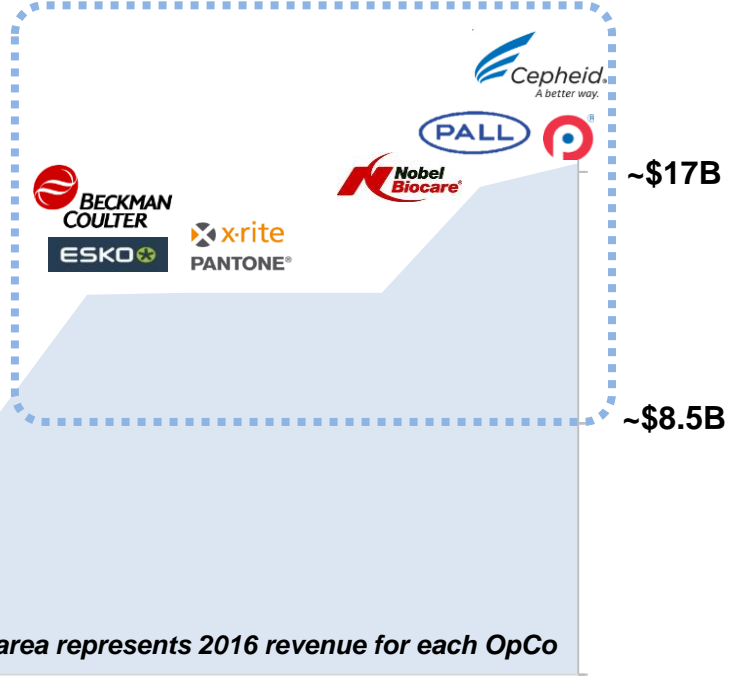
All figures referenced reflect Danaher results from continuing operations.

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

OpCos acquired since 2011 represent

~50%

of Danaher revenues today



1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016

Date of acquisition

Average age of the portfolio today is ~8 years

Core Growth & Margin Opportunities

Improving Core Revenue Growth Since Acquisition

Radiometer
LSD → MSD/HSD

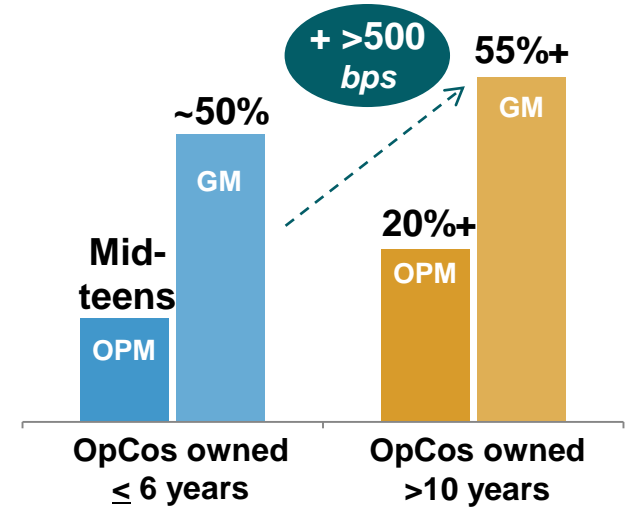
Water Quality
LSD → MSD

Product ID
LSD → MSD

Anticipated Core Revenue Growth of Recent Acquisitions



Margins: “New vs Tenured”



All margin figures referenced are based on 2016 weighted averages.

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

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.



▶ **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 expect ~\$350M in Year 5 cost savings vs. initial ~\$300M expectation



OUR SHARED PURPOSE
HELPING REALIZE LIFE'S POTENTIAL

- ▶ **Outstanding portfolio with significant growth and margin opportunities**
- ▶ **Pull off to a strong start**
- ▶ **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) | <u>\$ 1.9</u> | <u>\$ 2.2</u> | <u>\$ 2.3</u> | <u>\$ 2.5</u> |
| 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) | <u>1.7</u> | <u>1.6</u> | <u>1.7</u> | <u>2.2</u> |
| Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio (Non-GAAP) | <u>~115%</u> | <u>~135%</u> | <u>~133%</u> | <u>~116%</u> |



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