



DANAHER



GOLDMAN SACHS GLOBAL HEALTHCARE CONFERENCE

June 14, 2017

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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.

- ▶ **Danaher and Life Sciences platform overview**
- ▶ **Broad presence in attractive biologics market**
- ▶ **Pull off to a great start, ahead of initial expectations**

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.

Building a multi-industry, science & technology company – united by a common business model

~\$5.4B
REVENUE

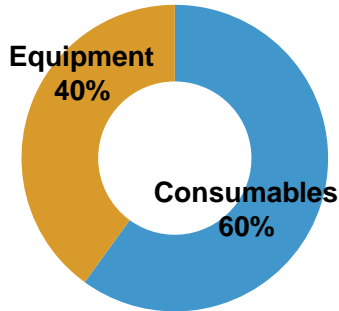
>20%
EBITDA
MARGIN

~\$40B
MARKET
SIZE

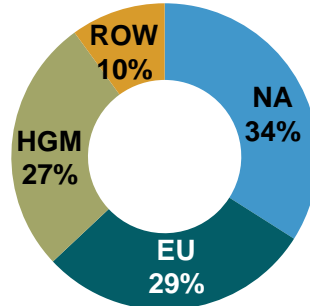


Life Sciences Revenue 2016

By Mix



By Geography



Growth Drivers

- ▶ Evolution of life science research
- ▶ Growth of chronic diseases and infections
- ▶ HGM investing in basic and applied research capacity

Customers

- ▶ Pharma/biotech
- ▶ Government, academic and clinical research
- ▶ Food & beverage, forensics, hospital/reference labs

All financial metrics based on FY 2016.



2005



2010



2010



2011



2015



2010



2011



2014



2014



2016



2016

2005



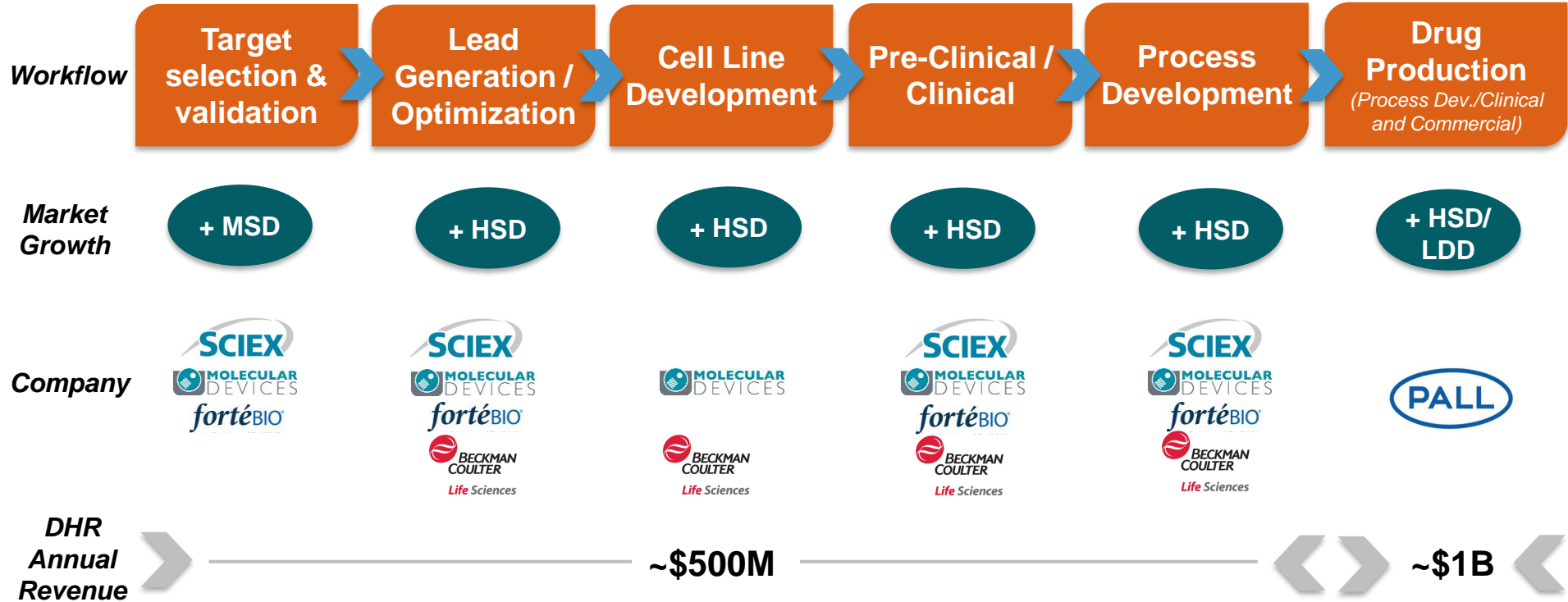
2016

~\$600M
REVENUE

- ▶ 20 acquisitions since 2005
- ▶ Adding well-established brands and solid performing franchises
- ▶ Meaningful M&A runway remains

~\$5.4B
REVENUE

Broad Presence in Biologic Drug Development Process



~\$1.5B biologics revenue exposure across our Life Sciences Platform



X500B QTOF

First high-res Mass Spec solution specifically designed for complex biologics characterization

- ▶ Easy-to-use: accessible to even novice MS users
- ▶ Compact footprint
- ▶ Differentiated BioPharmaView software enables faster decisions
- ▶ Increases exposure to fast-growing biologics market

HSD
MARKET
GROWTH



Vi-CELL MetaFLEX

Identified unmet market needs and used existing technology to quickly develop new product

- ▶ Tests for cell viability, a critical component of biologics drug research and process development
- ▶ Internal collaboration (Radiometer technology)

< 6 mos
TO
LAUNCH

22 hrs
A DAY
UPTIME

< 60 sec
TURN-
AROUND

RADIOMETER 



Significant Runway in Biopharma

- ▶ Large and growing pipeline of biologic molecules
- ▶ Single-use technologies (SUT) adoption still in early innings
- ▶ Continuous bioprocessing still to come



9 out of 12 FDA cleared biologics last year specified Pall products in their processes

7 of 10 top-selling drugs
are biologics

>2,500 biologic molecules
in the approval pipeline
+15% y/y

< 20% of current processes
for marketed drugs
use SUT

\$4B+ addressable market growing HSD/LDD

▶ 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

PALL Results Since Acquisition

<i>Gross Margin</i>	+ >150 bps
<i>Operating Margin</i>	+ >500 bps
<i>On Time Delivery (OTD)</i>	+ >2,000 bps
<i>Working Capital Improvement</i>	~\$100M
<i>Total Cost Savings (expected by year 5)</i>	~\$350M

Updated Cost Savings

<i>Year 1*</i>	~\$125M
<i>Year 2</i>	~\$75M
<i>Year 5 (Total)</i>	~\$350M

* Includes 2015 stub & 2016.

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

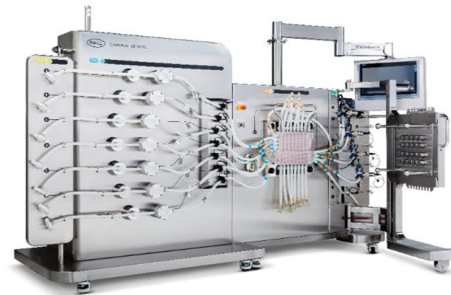
Product Innovation Driving Growth at Pall

- ▶ **Pall has a strong innovative foundation**
 - ▶ >350 scientists worldwide across 11 facilities
 - ▶ >1,300 patents held, >680 pending, add ~25/year
- ▶ **Accelerating new product development**
 - ▶ Compressed cycle times with standard DBS tools
- ▶ **Preserving entrepreneurial spirit with DBS rigor**
 - ▶ Focus on larger “breakthrough” projects
 - ▶ Implemented new DBS-based framework to rapidly assess and convert concepts to actionable projects



Results Since Acquisition

Core Revenue Growth	MSD
New Product Launches	+ 50%
On Time to Market (Project Tracking)	+ 2,700 bps



BioSMB GMP (Biopharma)



5nm PTFE Filters (MicroE)

- ▶ **Strategically building strong Life Sciences platform**
- ▶ **Well-positioned in attractive biologics market**
- ▶ **Pull off to a great start, meaningful runway ahead**



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Non-GAAP Reconciliation

Life Sciences Segment

Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures

<u>\$M</u>	<u>2016</u>
Operating Profit (GAAP)	\$ 819
Depreciation	\$ 127
Amortization	\$ 299
EBITDA (Non-GAAP)	\$ 1,245
Net Sales	\$ 5,366
EBITDA / Net Sales (Non-GAAP)	~23%



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