DANAHER CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

**Adjusted Diluted Net Earnings Per Share**

| | Three-Month Period Ended | | Nine-Month Period Ended | |
|---|---|---|---|---|
| | September 27, 2019 [1] | September 28, 2018 | September 27, 2019 [1] | September 28, 2018 |
| **Diluted Net Earnings Per Share (GAAP)** | **$ 0.89** | **$ 0.93** | **$ 2.32** | **$ 2.68** |
| Pretax amortization of acquisition-related intangible assets [A] | 0.24 | 0.25 | 0.73 | 0.75 |
| Pretax Envista separation costs and costs related to establishing a new separate company infrastructure in connection with the Envista initial public offering, primarily related to incremental salaries, benefits and rent expense [B] | 0.03 | - | 0.06 | - |
| Pretax transaction costs deemed significant and integration preparation costs related to the anticipated GE Biopharma acquisition [C] | 0.04 | - | 0.09 | - |
| First quarter 2019 costs and estimated liabilities related to a legal contingency [D] | - | - | 0.05 | - |
| Pretax acquisition-related transaction costs deemed significant and fair value adjustments to inventory, in each case related to the acquisition of IDT and incurred in the second quarter of 2018 [E] | - | - | - | 0.02 |
| Pretax gain on resolution of acquisition-related matters recognized in the second quarter of 2018 [F] | - | - | - | (0.01) |
| Tax effect of all adjustments reflected above [H] | (0.05) | (0.05) | (0.17) | (0.16) |
| Discrete tax adjustments and other tax-related adjustments [I] | - | (0.03) | 0.31 | (0.04) |
| Declared dividends on the MCPS assuming "if-converted" method [J] | 0.01 | - | 0.03 | - |
| **Adjusted Diluted Net Earnings Per Share (Non-GAAP)** | **$ 1.16** | **$ 1.10** | **$ 3.42** | **$ 3.24** |

[1] 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.

**Forecasted Adjusted Diluted Net Earnings Per Share** [2]

| | Three-Month Period Ending December 31, 2019 [3] | | Year Ending December 31, 2019 [3] | |
|---|---|---|---|---|
| | Low End | High End | Low End | High End |
| **Forecasted Diluted Net Earnings Per Share (GAAP)** | **$ 1.06** | **$ 1.09** | **$ 3.38** | **$ 3.41** |
| Anticipated pretax amortization of acquisition-related intangible assets [A] | 0.23 | 0.23 | 0.96 | 0.96 |
| Pretax Envista separation costs and costs related to establishing a new separate company infrastructure in connection with the Envista initial public offering, primarily related to incremental salaries, benefits and rent expense [B] | - | - | 0.06 | 0.06 |
| Anticipated pretax transaction costs deemed significant and integration preparation costs related to the anticipated GE Biopharma acquisition [C] | 0.06 | 0.06 | 0.15 | 0.15 |
| First quarter 2019 costs and estimated liabilities related to a legal contingency [D] | - | - | 0.05 | 0.05 |
| Early extinguishment of debt [G] | 0.01 | 0.01 | 0.01 | 0.01 |
| Tax effect of all adjustments reflected above [H] | (0.05) | (0.05) | (0.22) | (0.22) |
| Discrete tax adjustments and other tax-related adjustments [I] | - | - | 0.31 | 0.31 |
| Declared and anticipated dividends on the MCPS assuming "if-converted" method [J] | 0.01 | 0.01 | 0.04 | 0.04 |
| **Forecasted Adjusted Diluted Net Earnings Per Share (Non-GAAP)** | **$ 1.32** | **$ 1.35** | **$ 4.74** | **$ 4.77** |

[2] These forward-looking estimates do not reflect future gains and charges that are inherently difficult to predict and estimate due to their unknown timing, effect and/or significance, such as certain future gains or losses on the sale of investments, acquisition or divestiture-related gains or charges (other than related to the GE Biopharma acquisition), discrete tax items and legal contingency provisions.

[3] Each of the per share amounts above was calculated assuming MCPS had been converted into shares of common stock.

**Adjusted Diluted Shares Outstanding**

| | | | Forecasted | |
|---|---|---|---|---|
| **(shares in millions)** | **Three-Month Period Ended September 27, 2019** [5] | **Nine-Month Period Ended September 27, 2019** | **Three-Month Period Ending December 31, 2019** | **Year Ending December 31, 2019** |
| Average common stock and common equivalent shares outstanding - diluted | 729.3 | 725.2 | 730.6 | 726.5 |
| Converted shares | 11.6 | 9.3 | 12.0 | 10.0 |
| Adjusted average common stock and common equivalent shares outstanding - diluted | 740.9 | 734.5 | 742.6 | 736.5 |

[5] The number of converted shares assumes the conversion of all 1.65 million shares of common stock underlying the MCPS applying the "if-converted" method of accounting and using an average 20 trading-day trailing volume weighted average price ("VWAP") of $142.26 as of September 27, 2019.

See the accompanying Notes to Reconciliation of GAAP to Non-GAAP Financial Measures

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**Core Revenue Growth [4]**

| | % Change Three-Month Period Ended September 27, 2019 vs. Comparable 2018 Period | % Change Nine-Month Period Ended September 27, 2019 vs. Comparable 2018 Period |
|---|---|---|
| Total sales growth (GAAP) | 4.0% | 3.5% |
| Less the impact of: | | |
| Acquisitions | (0.5%) | (1.0%) |
| Currency exchange rates | 1.5% | 3.0% |
| Core revenue growth (Non-GAAP) | 5.0% | 5.5% |

[4] We use the term "core revenue" to refer to GAAP revenue excluding (1) sales from acquired businesses recorded prior to the first anniversary of the acquisition less the amount of sales attributable to divested businesses or product lines not considered discontinued operations ("acquisitions") and (2) the impact of currency translation. The portion of GAAP revenue attributable to currency translation is calculated as the difference between (a) the period-to-period change in revenue (excluding acquisition sales) and (b) the period-to-period change in revenue (excluding acquisition sales) after applying current period foreign exchange rates to the prior year period. We use the term "core revenue growth" to refer to the measure of comparing current period core revenue with the corresponding period of the prior year.

**Adjusted Core Revenue Growth [4]**

| | % Change Three-Month Period Ended September 27, 2019 vs. Comparable 2018 Period | | % Change Nine-Month Period Ended September 27, 2019 vs. Comparable 2018 Period | |
|---|---|---|---|---|
| | Total Danaher (including Envista) | Dental / Envista | Total Danaher (including Envista) | Dental / Envista |
| Total sales growth (GAAP) | 4.0% | (3.0%) | 3.5% | (2.5%) |
| Less the impact of: | | | | |
| Acquisitions | (0.5%) | —% | (1.0%) | —% |
| Currency exchange rates | 1.5% | 1.5% | 3.0% | 2.5% |
| Core revenue growth (Non-GAAP) | 5.0% | (1.5%) | 5.5% | —% |
| Less the impact of Envista on Danaher's core revenue growth | 1.0% | | 0.5% | |
| **Adjusted core revenue growth (Non-GAAP)** | 6.0% | | 6.0% | |

See the accompanying Notes to Reconciliation of GAAP to Non-GAAP Financial Measures

**DANAHER CORPORATION**
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**

**Reconciliation of Operating Cash Flows from Continuing Operations (GAAP) to Free Cash Flow from Continuing Operations (Non-GAAP)**

| | Three Month Period Ended | | Three Month Period Ended | | Three Month Period Ended | | Nine Month Period Ended | |
|---|---|---|---|---|---|---|---|---|
| | March 29, 2019 | March 30, 2018 | June 28, 2019 | June 29, 2018 | September 27, 2019 | September 28, 2018 | September 27, 2019 | September 28, 2018 |
| **Cash Flows from Continuing Operations ($ in millions):** | | | | | | | | |
| Operating Cash Flows from Continuing Operations (GAAP) | $ 703.3 | $ 828.9 | $ 1,171.5 | $ 1,036.0 | $ 965.6 | $ 919.5 | $ 2,840.4 | $ 2,784.4 |
| Investing Cash Flows from Continuing Operations (GAAP) | $ (498.5) | $ (122.7) | $ (228.9) | $ (2,242.6) | $ (244.6) | $ (286.7) | $ (972.0) | $ (2,652.0) |
| Financing Cash Flows from Continuing Operations (GAAP) | $ 2,877.8 | $ (321.7) | $ 605.0 | $ 1,172.1 | $ 8,127.7 | $ (732.7) | $ 11,610.5 | $ 117.7 |
| **Free Cash Flow from Continuing Operations ($ in millions):** | | | | | | | | |
| Operating Cash Flows from Continuing Operations (GAAP) | $ 703.3 | $ 828.9 | $ 1,171.5 | $ 1,036.0 | $ 965.6 | $ 919.5 | $ 2,840.4 | $ 2,784.4 |
| Less: payments for additions to property, plant & equipment (capital expenditures) from continuing operations (GAAP) | (155.7) | (137.9) | (180.8) | (153.8) | $ (181.9) | (149.6) | (518.4) | (441.3) |
| Plus: proceeds from sales of property, plant & equipment (capital disposals) from continuing operations (GAAP) | 0.8 | 0.4 | 11.3 | 1.0 | 2.0 | 0.2 | 14.1 | 1.6 |
| Free Cash Flow from Continuing Operations (Non-GAAP) | $ 548.4 | $ 691.4 | $ 1,002.0 | $ 883.2 | $ 785.7 | $ 770.1 | $ 2,336.1 | $ 2,344.7 |
| **Ratio of Free Cash Flow to Net Earnings ($ in millions):** | | | | | | | | |
| Free Cash Flow from Continuing Operations from Above (Non-GAAP) | $ 548.4 | $ 691.4 | $ 1,002.0 | $ 883.2 | $ 785.7 | $ 770.1 | $ 2,336.1 | $ 2,344.7 |
| Net Earnings from Continuing Operations (GAAP) | 333.8 | 566.6 | 731.3 | 673.8 | $ 673.9 | 663.7 | 1,739.0 | 1,904.1 |
| Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio (Non-GAAP) | 1.64 | 1.22 | 1.37 | 1.31 | 1.17 | 1.16 | 1.34 | 1.23 |

We define free cash flow 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”).

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**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**
**(continued)**

**Notes to Reconciliation of GAAP to Non-GAAP Financial Measures**

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

| | Three-Month Period Ended | | Nine-Month Period Ended | | Forecasted | |
|---|---|---|---|---|---|---|
| | | | | | Three-Month Period Ending | Year Ending |
| | September 27, 2019 | September 28, 2018 | September 27, 2019 | September 28, 2018 | December 31, 2019 | December 31, 2019 |
| Pretax | $ 177.9 | $ 174.1 | $ 536.6 | $ 527.5 | $ 173.7 | $ 710.3 |
| After-tax | 143.2 | 139.1 | 430.9 | 420.4 | 139.5 | 570.4 |

Pretax amortization for the three-month period and year ending December 31, 2019, has been reduced by $4.3 million pretax as reported in this line item, $3.5 million after-tax to reflect the amount that will be allocated to the Envista noncontrolling interest.

[B] Pretax costs incurred in the three-month period ended September 27, 2019, ($25 million pretax as reported in this line item, $22 million after-tax), the nine-month period ended September 27, 2019, and year ending December 31, 2019, ($47 million pretax as reported in this line item, $41 million after-tax) related to preparation for the Envista separation and initial public offering primarily related to professional fees for legal, tax, finance and information technology services and duplicative general and administrative costs related to establishing a public company infrastructure for the business including incremental salaries, benefits and rent expense.

[C] Pretax costs incurred (or anticipated to be incurred, as applicable) for transaction costs deemed significant and integration preparation costs in the three-month period ended September 27, 2019, ($30 million pretax as reported in this line item, $28 million after-tax), the nine-month period ended September 27, 2019, ($63 million pretax as reported in this line item, $57 million after-tax), the three-month period ending December 31, 2019, ($49 million pretax as reported in this line item, $43 million after-tax) and the year ending December 31, 2019, ($112 million pretax as reported in this line item, $100 million after-tax) related to the anticipated GE Biopharma acquisition. 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 Danaher in a given period.

[D] Provision for potential costs and liabilities in connection with a legal contingency ($36 million pretax as reported in this line item, $29 million after-tax) recorded in the first quarter of 2019.

[E] Acquisition-related transaction costs deemed significant ($15 million pretax as reported in this line item, $13 million after-tax), and fair value adjustments to inventory ($1 million pretax as presented in this line item, $0.8 million after-tax), in each case related to the acquisition of IDT and incurred in the second quarter of 2018.

[F] Net gains on resolution of acquisition-related matters in the Life Sciences segment ($9 million pretax as reported in this line item, $7 million after-tax) for the second quarter of 2018.

[G] Loss on early extinguishment of debt resulting from "make-whole" payments associated with the retirement of the 2020 U.S. Notes and the 2020 Assumed Pall Notes ($7 million pretax as reported in this line item, $5 million after-tax) in the three-month period ending December 31, 2019.

[H] 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.

[I] Discrete tax adjustments and other tax-related adjustments for the nine-month period ended September 27, 2019, includes the impact of net discrete tax charges of $227 million or $0.31 per diluted share. The discrete tax matters relate primarily to changes in estimates associated with prior period uncertain tax positions and audit settlements, net of the release of valuation allowances associated with certain foreign tax credits and tax benefits resulting from a change in law. The Company anticipates excess tax benefits from stock compensation of approximately $7 million per quarter and therefore excludes benefits in excess of this amount in the calculation of Adjusted Diluted Net Earnings Per Share.

[J] In March 2019, the Company issued $1.65 billion in aggregate liquidation preference of our 4.75% MCPS. Dividends on the MCPS are payable on a cumulative basis at an annual rate of 4.75% on the liquidation preference of $1,000 per share. Unless earlier converted, each share of MCPS will automatically convert on April 15, 2022 into between6.6382 and 8.1318 shares of Danaher's common stock, subject to further anti-dilution adjustments. The number of shares of Danaher's common stock issuable on conversion of the MCPS will be determined based on the VWAP per share of our common stock over the 20 consecutive trading day period beginning on, and including, the 21st scheduled trading day immediately before April 15, 2022. For the purposes of calculating adjusted earnings per share, the Company has excluded the anticipated 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 are referred to as the "Converted Shares.") The Company believes that using the "if-converted" method provides additional insight to investors on the anticipated impact of the MCPS once they are converted into common stock no later than April 15, 2022.

**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 to:

- with respect to Adjusted Diluted Net Earnings Per Share, understand the long-term profitability trends of our business and compare our profitability to prior and future periods and to our peers; and
- with respect to core revenue and adjusted core revenue, identify underlying growth trends in our business and compare our revenue performance with prior and future periods and to our peers.

Management uses these non-GAAP measures to measure the Company's operating and financial performance, and uses core revenue and non-GAAP measures similar to Adjusted Diluted Net Earnings Per Share 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:

- With respect to Adjusted Diluted Net Earnings Per Share:
  - 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 revenue generation and that intangible asset amortization related to past acquisitions will recur in future periods until such intangible assets have been fully amortized.
  - 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 from the calculation of Adjusted Diluted Net Earnings Per Share to facilitate a more consistent comparison of operating results over time.
  - With respect to the other items excluded from Adjusted Diluted Net Earnings Per Share, 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. For example, the first quarter 2019 legal contingency charges excluded from Adjusted Earnings Per Share were excluded because legal contingencies of this nature and amount are atypical for our businesses, infrequent and not representative of a trend in our underlying business.
- With respect to core revenue and adjusted core revenue, (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 adjusted core revenue, we also exclude the impact of our Envista business as we have indicated that we intend to distribute our remaining stake in Envista, and presenting core revenue on this basis gives investors insights into Danaher's core revenue excluding Envista.

**DANAHER CORPORATION**
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**

**Year-Over-Year Core Operating Margin Changes**

| | | Segments | | | |
|---|---|---|---|---|---|
| | **Total Company** | **Life Sciences** | **Diagnostics** | **Dental/Envista** | **Environmental & Applied Solutions** |
| **Three-Month Period Ended September 28, 2018 Operating Profit Margins (GAAP)** | **17.10%** | **19.60%** | **15.60%** | **12.70%** | **23.70%** |
| Third quarter 2019 impact from operating profit margins of businesses that have been owned for less than one year or were disposed of during such period and did not qualify as discontinued operations | (0.10) | (0.40) | - | - | (0.10) |
| Third quarter 2019 transaction costs deemed significant and integration preparation costs related to the anticipated acquisition of the GE Biopharma business | (0.60) | - | - | - | |
| Third quarter 2019 Envista separation costs and costs related to establishing new separate company infrastructure and Envista initial public offering, primarily related to incremental salaries, benefits and rent expense | (0.50) | - | - | - | - |
| Year-over-year core operating profit margin changes for the third quarter 2019 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP) | 0.70 | 1.00 | 1.00 | (0.80) | 0.10 |
| **Three-Month Period Ended September 27, 2019 Operating Profit Margins (GAAP)** | **16.60%** | **20.20%** | **16.60%** | **11.90%** | **23.70%** |
| **Nine-Month Period Ended September 28, 2018 Operating Profit Margins (GAAP)** | **16.80%** | **18.70%** | **16.60%** | **11.60%** | **22.90%** |
| First nine months of 2019 impact from operating profit margins of businesses that have been owned for less than one year or were disposed of during such period and did not qualify as discontinued operations | (0.10) | (0.30) | - | - | (0.10) |
| First nine months of 2019 transaction costs deemed significant and integration preparation costs related to the anticipated acquisition of the GE Biopharma business | (0.40) | - | - | - | - |
| First nine months of 2019 Envista separation costs and costs related to establishing new separate company infrastructure and Envista initial public offering, primarily related to incremental salaries, benefits and rent expense | (0.30) | - | - | - | - |
| First quarter 2019 costs and estimated liabilities related to a legal contingency | (0.25) | - | - | - | - |
| Acquisition-related transaction costs deemed significant and fair value adjustments to inventory, in each case related to the acquisition of IDT and incurred in the second quarter of 2018. | 0.10 | 0.35 | - | - | - |
| Second quarter 2018 gain on resolution of acquisition-related matters | (0.05) | (0.20) | - | - | - |
| Year-over-year core operating profit margin changes for first nine months of 2019 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP) | 0.40 | 1.25 | (0.20) | (1.40) | 0.60 |
| **Nine-Month Period Ended September 27, 2019 Operating Profit Margins (GAAP)** | **16.20%** | **19.80%** | **16.40%** | **10.20%** | **23.40%** |

Note: 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 Danaher in a given period.