



VERALTO CORPORATION  
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES  
THE FISCAL YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2021,  
THE 2022 QUARTERS AND FISCAL YEAR ENDED DECEMBER 31, 2022 AND  
FIRST AND SECOND QUARTERS AND SIX MONTHS OF 2023

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### **FORWARD-LOOKING STATEMENTS DISCLOSURE**

Statements in this document 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. All statements other than historical factual information are forward-looking statements, including, without limitation, statements regarding: projections of revenue, expenses, profit, profit margins, tax rates, tax provisions, cash flows, pension and benefit obligations and funding requirements, Veralto's liquidity position or other financial measures; Veralto's management's plans and strategies for future operations, including statements relating to anticipated operating performance, cost reductions, restructuring activities, new product and service developments, competitive strengths or market position, acquisitions and the integration thereof, divestitures, spin-offs, split-offs or other distributions, strategic opportunities, securities offerings, stock repurchases, dividends and executive compensation; the effects of the separation or the distribution, if consummated, on Veralto's business; growth, declines and other trends in markets Veralto sells into; new or modified laws, regulations and accounting pronouncements; future regulatory approvals and the timing thereof; outstanding claims, legal proceedings, tax audits and assessments and other contingent liabilities; future foreign currency exchange rates and fluctuations in those rates; general economic and capital markets conditions; the anticipated timing of any of the foregoing; assumptions underlying any of the foregoing; and any other statements that address events or developments that Veralto intends or believes will or may occur in the future. Terminology such as "believe," "anticipate," "will," "should," "could," "intend," "plan," "expect," "estimate," "project," "target," "may," "possible," "potential," "forecast" and "positioned" and similar references to future periods are intended to identify forward-looking statements, although not all forward-looking statements are accompanied by such words. Forward-looking statements are based on assumptions and assessments made by Veralto's management in light of their experience and perceptions of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Additional information regarding the factors that may cause actual results to differ materially from these forward-looking statements is available in the SEC filings of Danaher Corporation and Veralto Corporation, including Danaher's 2022 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the second quarter of 2023, and Veralto's registration statement on Form 10. These forward-looking statements speak only as of the date of this document (September 6, 2023) and except to the extent required by applicable law, Veralto 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.

**VERALTO CORPORATION**

**Sales Growth (Decline), Core Sales Growth (Decline) by Segment, Average Sales Growth and Average Core Sales Growth by Segment**

	Year Ended December 31, 2021	Three-Month Period Ended				Year Ended December 31, 2022	Three-Month Period Ended		Six-Month Period Ended June 30, 2023
		April 1, 2022	July 1, 2022	September 30, 2022	December 31, 2022		March 31, 2023	June 30, 2023	
<b>Veralto:</b>									
Total sales growth (GAAP)	8.0 %	2.0 %	6.0 %	5.5 %	1.5 %	3.5 %	4.5 %	2.0 %	3.0 %
Impact of:									
Acquisitions/divestitures	1.5 %	2.5 %	— %	— %	(0.5)%	0.5 %	(0.5)%	(0.5)%	(0.5)%
Currency exchange rates	(1.5)%	2.0 %	4.0 %	5.0 %	4.5 %	4.0 %	2.5 %	— %	1.5 %
Core sales growth (non-GAAP)	<u>8.0 %</u>	<u>6.5 %</u>	<u>10.0 %</u>	<u>10.5 %</u>	<u>5.5 %</u>	<u>8.0 %</u>	<u>6.5 %</u>	<u>1.5 %</u>	<u>4.0 %</u>
<b>Water Quality:</b>									
Total sales growth (GAAP)	7.5 %	6.5 %	9.0 %	12.0 %	5.5 %	8.0 %	9.0 %	5.0 %	7.0 %
Impact of:									
Acquisitions/divestitures	(1.0)%	— %	— %	— %	— %	— %	— %	— %	— %
Currency exchange rates	(1.5)%	1.5 %	3.5 %	4.5 %	4.0 %	3.5 %	2.0 %	— %	1.0 %
Core sales growth (non-GAAP)	<u>5.0 %</u>	<u>8.0 %</u>	<u>12.5 %</u>	<u>16.5 %</u>	<u>9.5 %</u>	<u>11.5 %</u>	<u>11.0 %</u>	<u>5.0 %</u>	<u>8.0 %</u>
<b>Product Quality &amp; Innovation:</b>									
Total sales growth (decline) (GAAP)	9.0 %	(3.0)%	1.5 %	(3.5)%	(4.0)%	(2.5)%	(1.0)%	(2.5)%	(2.0)%
Impact of:									
Acquisitions/divestitures	4.5 %	5.5 %	— %	— %	(1.5)%	1.0 %	(1.0)%	(1.0)%	(1.0)%
Currency exchange rates	(2.0)%	2.5 %	5.0 %	6.5 %	5.5 %	5.0 %	3.0 %	— %	1.5 %
Core sales growth (decline) (non-GAAP)	<u>11.5 %</u>	<u>5.0 %</u>	<u>6.5 %</u>	<u>3.0 %</u>	<u>— %</u>	<u>3.5 %</u>	<u>1.0 %</u>	<u>(3.5)%</u>	<u>(1.5)%</u>

VERALTO CORPORATION

Sales Growth (Decline), Core Sales Growth (Decline) by Segment, Average Sales Growth and Average Core Sales Growth by Segment

Year Ended:	Water Quality				Product Quality & Innovation				Veralto			
	Impact of				Impact of				Impact of			
	Total sales growth (GAAP)	Acquisitions /divestitures	Currency exchange rates & other	Core sales growth (non-GAAP)	Total sales growth (GAAP)	Acquisitions /divestitures	Currency exchange rates & other	Core sales growth (non-GAAP)	Total sales growth (GAAP)	Acquisitions /divestitures	Currency exchange rates & other	Core sales growth (non-GAAP)
2013	4.0 %	(0.5)%	— %	3.5 %	10.0 %	(6.5)%	— %	3.5 %	6.5 %	(3.0)%	— %	3.5 %
2014	6.0 %	(2.0)%	0.5 %	4.5 %	4.0 %	— %	— %	4.0 %	5.0 %	(1.5)%	0.5 %	4.0 %
2015	3.5 %	(4.5)%	5.5 %	4.5 %	(2.5)%	(0.5)%	7.5 %	4.5 %	0.5 %	(2.5)%	6.5 %	4.5 %
2016	6.0 %	(5.0)%	1.5 %	2.5 %	4.5 %	(2.0)%	1.5 %	4.0 %	5.0 %	(3.5)%	1.5 %	3.0 %
2017	3.5 %	— %	(0.5)%	3.0 %	8.0 %	(2.5)%	— %	5.5 %	5.5 %	(1.0)%	(0.5)%	4.0 %
2018	9.5 %	(1.5)%	(0.5)%	7.5 %	8.5 %	(2.5)%	(1.5)%	4.5 %	9.0 %	(2.0)%	(1.0)%	6.0 %
2019	2.5 %	— %	2.5 %	5.0 %	0.5 %	(1.0)%	2.5 %	2.0 %	1.5 %	(0.5)%	2.5 %	3.5 %
2020	(0.5)%	— %	1.0 %	0.5 %	(4.0)%	— %	(0.5)%	(4.5)%	(2.0)%	— %	0.5 %	(1.5)%

**VERALTO CORPORATION**

**Sales Growth (Decline), Core Sales Growth (Decline) by Segment, Average Sales Growth and Average Core Sales Growth by Segment**

<i>Averages based upon tables above.</i>	<b>2 Year Average (2022-2021)</b>	<b>3 Year Average (2022-2020)</b>	<b>5 Year Average (2022-2018)</b>	<b>10 Year Average (2022- 2013)</b>
<b>Veralto:</b>				
Total sales growth (GAAP)	5.8 %	3.2 %	4.0 %	4.3 %
Impact of:				
Acquisitions/divestitures	1.0 %	0.7 %	(0.1)%	(1.2)%
Currency exchange rates	1.3 %	1.0 %	0.9 %	1.3 %
Core sales growth (non-GAAP) <sup>#</sup>	8.0 %	4.8 %	4.8 %	4.3 %
<b>Water Quality:</b>				
Total sales growth (GAAP)	7.8 %	5.0 %	5.4 %	5.0 %
Impact of:				
Acquisitions/divestitures	(0.5)%	(0.3)%	(0.5)%	(1.5)%
Currency exchange rates	1.0 %	1.0 %	1.0 %	1.2 %
Core sales growth (non-GAAP) <sup>#</sup>	8.3 %	5.7 %	5.9 %	4.8 %
<b>Product Quality &amp; Innovation:</b>				
Total sales growth (decline) (GAAP)	3.3 %	0.8 %	2.3 %	3.6 %
Impact of:				
Acquisitions/divestitures	2.8 %	1.8 %	0.4 %	(1.0)%
Currency exchange rates	1.5 %	0.8 %	0.7 %	1.3 %
Core sales growth (decline) (non-GAAP) <sup>#</sup>	7.5 %	3.5 %	3.4 %	3.9 %

<sup>#</sup> Amounts above may not add to the presented average for Core sales growth (decline) due to rounding.

**VERALTO CORPORATION**

**Segment Sales, Operating Profit, Adjusted Operating Profit, Operating Profit Margin and Adjusted Operating Profit Margin**

(\$ in millions)

	Year Ended December 31, 2020	Year Ended December 31, 2021	Three-Month Period Ended				Year Ended December 31, 2022	Three-Month Period Ended		Six-Month Period Ended June 30, 2023
			April 1, 2022	July 1, 2022	September 30, 2022	December 31, 2022		March 31, 2023	June 30, 2023	
<b>Sales (GAAP)</b>										
Water Quality	\$ 2,487	\$ 2,669	\$ 670	\$ 720	\$ 741	\$ 756	\$ 2,887	\$ 729	\$ 756	\$ 1,485
Product Quality & Innovation	1,861	2,031	502	511	478	492	1,983	496	497	993
Total Company	<u>\$ 4,348</u>	<u>\$ 4,700</u>	<u>\$ 1,172</u>	<u>\$ 1,231</u>	<u>\$ 1,219</u>	<u>\$ 1,248</u>	<u>\$ 4,870</u>	<u>\$ 1,225</u>	<u>\$ 1,253</u>	<u>\$ 2,478</u>
<b>Operating Profit (GAAP)</b>										
Water Quality	\$ 573	\$ 584	\$ 125	\$ 175	\$ 185	\$ 183	\$ 668	\$ 168	\$ 180	\$ 348
Product Quality & Innovation	419	496	117	138	109	124	488	135	122	257
Other	(41)	(39)	(11)	(11)	(9)	(13)	(44)	(11)	(13)	(24)
Total Company	<u>\$ 951</u>	<u>\$ 1,041</u>	<u>\$ 231</u>	<u>\$ 302</u>	<u>\$ 285</u>	<u>\$ 294</u>	<u>\$ 1,112</u>	<u>\$ 292</u>	<u>\$ 289</u>	<u>\$ 581</u>
<b>Amortization of Intangible Assets (GAAP)</b>										
Water Quality	\$ 27	\$ 27	\$ 6	\$ 6	\$ 4	\$ 6	\$ 22	\$ 5	\$ 5	\$ 10
Product Quality & Innovation	36	35	8	7	7	6	28	7	7	14
Total Company	<u>\$ 63</u>	<u>\$ 62</u>	<u>\$ 14</u>	<u>\$ 13</u>	<u>\$ 11</u>	<u>\$ 12</u>	<u>\$ 50</u>	<u>\$ 12</u>	<u>\$ 12</u>	<u>\$ 24</u>
<b>Other Operating Profit Adjustments<sup>1</sup></b>										
Water Quality	\$ (16)	\$ (15)	\$ (3)	\$ 5	\$ (4)	\$ (3)	\$ (5)	\$ (3)	\$ (3)	\$ (6)
Product Quality & Innovation	1	(16)	(3)	(4)	(3)	(3)	(13)	(3)	3	—
Other	(33)	(34)	(8)	(8)	(8)	(9)	(33)	(8)	(8)	(16)
Total Company	<u>\$ (48)</u>	<u>\$ (65)</u>	<u>\$ (14)</u>	<u>\$ (7)</u>	<u>\$ (15)</u>	<u>\$ (15)</u>	<u>\$ (51)</u>	<u>\$ (14)</u>	<u>\$ (8)</u>	<u>\$ (22)</u>
<b>Adjusted Operating Profit (non-GAAP)<sup>2</sup></b>										
Water Quality	\$ 584	\$ 596	\$ 128	\$ 186	\$ 185	\$ 186	\$ 685	\$ 170	\$ 182	\$ 352
Product Quality & Innovation	456	515	122	141	113	127	503	139	132	271
Other	(74)	(73)	(19)	(19)	(17)	(22)	(77)	(19)	(21)	(40)
Total Company	<u>\$ 966</u>	<u>\$ 1,038</u>	<u>\$ 231</u>	<u>\$ 308</u>	<u>\$ 281</u>	<u>\$ 291</u>	<u>\$ 1,111</u>	<u>\$ 290</u>	<u>\$ 293</u>	<u>\$ 583</u>

**VERALTO CORPORATION**

**Segment Sales, Operating Profit, Adjusted Operating Profit, Operating Profit Margin and Adjusted Operating Profit Margin**

(\$ in millions)

	Year Ended December 31, 2020	Year Ended December 31, 2021	Three-Month Period Ended			Year Ended December 31, 2022	Three-Month Period Ended		Six-Month Period Ended June 30, 2023	
			April 1, 2022	July 1, 2022	September 30, 2022		December 31, 2022	March 31, 2023		June 30, 2023
<b>Operating Profit Margin (GAAP)</b>										
Water Quality	23.0 %	21.9 %	18.7 %	24.3 %	25.0 %	24.2 %	23.1 %	23.0 %	23.8 %	23.4 %
Product Quality & Innovation	22.5 %	24.4 %	23.3 %	27.0 %	22.8 %	25.2 %	24.6 %	27.2 %	24.5 %	25.9 %
Total Company	21.9 %	22.1 %	19.7 %	24.5 %	23.4 %	23.6 %	22.8 %	23.8 %	23.1 %	23.4 %
<b>Adjusted Operating Profit Margin (Non-GAAP)<sup>3</sup></b>										
Water Quality	23.5 %	22.3 %	19.1 %	25.8 %	25.0 %	24.6 %	23.7 %	23.3 %	24.1 %	23.7 %
Product Quality & Innovation	24.5 %	25.4 %	24.3 %	27.6 %	23.6 %	25.8 %	25.4 %	28.0 %	26.6 %	27.3 %
Total Company	22.2 %	22.1 %	19.7 %	25.0 %	23.1 %	23.3 %	22.8 %	23.7 %	23.4 %	23.5 %

<sup>1</sup> Refer to the Reconciliation of Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

<sup>2</sup> Adjusted Operating Profit (non-GAAP) is defined as operating profit (GAAP) plus amortization of intangible assets (GAAP) plus (minus) Other Operating Profit Adjustments (as defined).

<sup>3</sup> Adjusted Operating Profit Margin (Non-GAAP) is defined as Adjusted Operating Profit (Non-GAAP) divided by sales.

**VERALTO CORPORATION**

**Summary of Net Earnings, Operating Profit, Adjusted EBITDA and Adjusted EBITDA Margin**

(\$ in millions)

	Year Ended December 31, 2020	Year Ended December 31, 2021	Three-Month Period Ended			Year Ended December 31, 2022	Three-Month Period Ended		Six-Month Period Ended June 30, 2023	
			April 1, 2022	July 1, 2022	September 30, 2022		December 31, 2022	March 31, 2023		June 30, 2023
<b>Net Earnings (GAAP)</b>	\$ 724	\$ 861	\$ 180	\$ 231	\$ 218	\$ 216	\$ 845	\$ 225	\$ 209	\$ 434
Interest, Net <sup>5</sup>	—	—	—	—	—	—	—	—	—	—
Other Nonoperating (Income) Expense	1	(6)	—	—	—	(1)	(1)	—	14	14
Income Taxes	226	186	51	71	67	79	268	67	66	133
<b>Operating Profit (GAAP)</b>	\$ 951	\$ 1,041	\$ 231	\$ 302	\$ 285	\$ 294	\$ 1,112	\$ 292	\$ 289	\$ 581
Other Operating Profit Adjustments <sup>1</sup>	(48)	(65)	(14)	(7)	(15)	(15)	(51)	(14)	(8)	(22)
Depreciation	47	44	11	10	10	9	40	10	10	20
Amortization of Intangible Assets	63	62	14	13	11	12	50	12	12	24
<b>Adjusted EBITDA (Non-GAAP)</b>	\$ 1,013	\$ 1,082	\$ 242	\$ 318	\$ 291	\$ 300	\$ 1,151	\$ 300	\$ 303	\$ 603
<b>Sales (GAAP)</b>	\$ 4,348	\$ 4,700	\$ 1,172	\$ 1,231	\$ 1,219	\$ 1,248	\$ 4,870	\$ 1,225	\$ 1,253	\$ 2,478
<b>Operating Profit Margin (GAAP)</b>	<u>21.9 %</u>	<u>22.1 %</u>	<u>19.7 %</u>	<u>24.5 %</u>	<u>23.4 %</u>	<u>23.6 %</u>	<u>22.8 %</u>	<u>23.8 %</u>	<u>23.1 %</u>	<u>23.4 %</u>
<b>Adjusted EBITDA Margin (Non-GAAP) <sup>4</sup></b>	<u>23.3 %</u>	<u>23.0 %</u>	<u>20.6 %</u>	<u>25.8 %</u>	<u>23.9 %</u>	<u>24.0 %</u>	<u>23.6 %</u>	<u>24.5 %</u>	<u>24.2 %</u>	<u>24.3 %</u>

<sup>1</sup> Refer to the Reconciliation of Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

<sup>4</sup> Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

<sup>5</sup> Prior to the separation, Veralto was a part of Danaher Corporation and was dependent upon Danaher for its financing. None of Danaher's debt or interest expense was assigned to Veralto for these historic periods. Refer to Veralto's registration statement on Form 10 for more information in connection with the separation. Veralto expects to issue approximately \$2.6 billion of senior unsecured notes in connection with the separation and will incur interest expense in future periods.



**VERALTO CORPORATION**

**Net Earnings, Operating Profit, Adjusted EBITDA and Adjusted EBITDA Margin**  
**(\$ in millions)**

	Six-Month Period Ended June 30, 2023			
	Water Quality	Product Quality & Innovation	Other	Total Company
<b>Net Earnings (GAAP)</b>				\$ 434
Interest, Net <sup>5</sup>				—
Other Nonoperating (Income) Expense				14
Income Taxes				133
<b>Operating Profit (GAAP)</b>	\$ 348	\$ 257	\$ (24)	\$ 581
Other Operating Profit Adjustments <sup>1</sup>	(6)	—	(16)	(22)
Depreciation	12	8	—	20
Amortization of Intangible Assets	10	14	—	24
<b>Adjusted EBITDA (Non-GAAP)</b>	\$ 364	\$ 279	\$ (40)	\$ 603
Interest, Net <sup>5</sup>				—
Other Nonoperating Income (Expense)				(14)
Income Taxes				(133)
Other Operating Profit Adjustments <sup>1</sup>				22
Depreciation				(20)
Amortization of Intangible Assets				(24)
<b>Net Earnings (GAAP)</b>				\$ 434
Sales (GAAP)	\$ 1,485	\$ 993		\$ 2,478
<b>Net Earnings Margin (GAAP)</b>				17.5 %
<b>Operating Profit Margin (GAAP)</b>	23.4 %	25.9 %		23.4 %
<b>Adjusted EBITDA Margin (Non-GAAP) <sup>4</sup></b>	24.5 %	28.1 %		24.3 %

<sup>1</sup> Refer to the Reconciliation of Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

<sup>4</sup> Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

<sup>5</sup> Prior to the separation, Veralto was a part of Danaher Corporation and was dependent upon Danaher for its financing. None of Danaher's debt or interest expense was assigned to Veralto for these historic periods. Refer to Veralto's registration statement on Form 10 for more information in connection with the separation. Veralto expects to issue approximately \$2.6 billion of senior unsecured notes in connection with the separation and will incur interest expense in future periods.

**VERALTO CORPORATION**

**Net Earnings, Operating Profit, Adjusted EBITDA and Adjusted EBITDA Margin**  
(\$ in millions)

	Three-Month Period Ended June 30, 2023			
	Water Quality	Product Quality & Innovation	Other	Total Company
<b>Net Earnings (GAAP)</b>				\$ 209
Interest, Net <sup>5</sup>				—
Other Nonoperating (Income) Expense				14
Income Taxes				66
<b>Operating Profit (GAAP)</b>	\$ 180	\$ 122	\$ (13)	\$ 289
Other Operating Profit Adjustments <sup>1</sup>	(3)	3	(8)	(8)
Depreciation	6	4	—	10
Amortization of Intangible Assets	5	7	—	12
<b>Adjusted EBITDA (Non-GAAP)</b>	\$ 188	\$ 136	\$ (21)	\$ 303
Interest, Net <sup>5</sup>				—
Other Nonoperating Income (Expense)				(14)
Income Taxes				(66)
Other Operating Profit Adjustments <sup>1</sup>				8
Depreciation				(10)
Amortization of Intangible Assets				(12)
<b>Net Earnings (GAAP)</b>				\$ 209
Sales (GAAP)	\$ 756	\$ 497		\$ 1,253
<b>Net Earnings Margin (GAAP)</b>				16.7 %
<b>Operating Profit Margin (GAAP)</b>	23.8 %	24.5 %		23.1 %
<b>Adjusted EBITDA Margin (Non-GAAP) <sup>4</sup></b>	24.9 %	27.4 %		24.2 %

<sup>1</sup> Refer to the Reconciliation of Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

<sup>4</sup> Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

<sup>5</sup> Prior to the separation, Veralto was a part of Danaher Corporation and was dependent upon Danaher for its financing. None of Danaher's debt or interest expense was assigned to Veralto for these historic periods. Refer to Veralto's registration statement on Form 10 for more information in connection with the separation. Veralto expects to issue approximately \$2.6 billion of senior unsecured notes in connection with the separation and will incur interest expense in future periods.

**VERALTO CORPORATION**

**Net Earnings, Operating Profit, Adjusted EBITDA and Adjusted EBITDA Margin**  
**(\$ in millions)**

	Three-Month Period Ended March 31, 2023			
	Water Quality	Product Quality & Innovation	Other	Total Company
<b>Net Earnings (GAAP)</b>				\$ 225
Interest, Net <sup>5</sup>				—
Other Nonoperating (Income) Expense				—
Income Taxes				67
<b>Operating Profit (GAAP)</b>	\$ 168	\$ 135	\$ (11)	\$ 292
Other Operating Profit Adjustments <sup>1</sup>	(3)	(3)	(8)	(14)
Depreciation	6	4	—	10
Amortization of Intangible Assets	5	7	—	12
<b>Adjusted EBITDA (Non-GAAP)</b>	\$ 176	\$ 143	\$ (19)	\$ 300
Interest, Net <sup>5</sup>				—
Other Nonoperating Income (Expense)				—
Income Taxes				(67)
Other Operating Profit Adjustments <sup>1</sup>				14
Depreciation				(10)
Amortization of Intangible Assets				(12)
<b>Net Earnings (GAAP)</b>				<u>\$ 225</u>
Sales (GAAP)	<u>\$ 729</u>	<u>\$ 496</u>		<u>\$ 1,225</u>
<b>Net Earnings Margin (GAAP)</b>				<u>18.4 %</u>
<b>Operating Profit Margin (GAAP)</b>	<u>23.0 %</u>	<u>27.2 %</u>		<u>23.8 %</u>
<b>Adjusted EBITDA Margin (Non-GAAP) <sup>4</sup></b>	<u>24.1 %</u>	<u>28.8 %</u>		<u>24.5 %</u>

<sup>1</sup> Refer to the Reconciliation of Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

<sup>4</sup> Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

<sup>5</sup> Prior to the separation, Veralto was a part of Danaher Corporation and was dependent upon Danaher for its financing. None of Danaher's debt or interest expense was assigned to Veralto for these historic periods. Refer to Veralto's registration statement on Form 10 for more information in connection with the separation. Veralto expects to issue approximately \$2.6 billion of senior unsecured notes in connection with the separation and will incur interest expense in future periods.

**VERALTO CORPORATION**

**Net Earnings, Operating Profit, Adjusted EBITDA and Adjusted EBITDA Margin**  
(\$ in millions)

	Year Ended December 31, 2022			
	Water Quality	Product Quality & Innovation	Other	Total Company
<b>Net Earnings (GAAP)</b>				\$ 845
Interest, Net <sup>5</sup>				—
Other Nonoperating (Income) Expense				(1)
Income Taxes				268
<b>Operating Profit (GAAP)</b>	\$ 668	\$ 488	\$ (44)	\$ 1,112
Other Operating Profit Adjustments <sup>1</sup>	(5)	(13)	(33)	(51)
Depreciation	24	16	—	40
Amortization of Intangible Assets	22	28	—	50
<b>Adjusted EBITDA (Non-GAAP)</b>	\$ 709	\$ 519	\$ (77)	\$ 1,151
Interest, Net <sup>5</sup>				—
Other Nonoperating Income (Expense)				1
Income Taxes				(268)
Other Operating Profit Adjustments <sup>1</sup>				51
Depreciation				(40)
Amortization of Intangible Assets				(50)
<b>Net Earnings (GAAP)</b>				\$ 845
Sales (GAAP)	\$ 2,887	\$ 1,983		\$ 4,870
<b>Net Earnings Margin (GAAP)</b>				17.4 %
<b>Operating Profit Margin (GAAP)</b>	23.1 %	24.6 %		22.8 %
<b>Adjusted EBITDA Margin (Non-GAAP) <sup>4</sup></b>	24.6 %	26.2 %		23.6 %

<sup>1</sup> Refer to the Reconciliation of Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

<sup>4</sup> Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

<sup>5</sup> Prior to the separation, Veralto was a part of Danaher Corporation and was dependent upon Danaher for its financing. None of Danaher's debt or interest expense was assigned to Veralto for these historic periods. Refer to Veralto's registration statement on Form 10 for more information in connection with the separation. Veralto expects to issue approximately \$2.6 billion of senior unsecured notes in connection with the separation and will incur interest expense in future periods.

**VERALTO CORPORATION**

**Net Earnings, Operating Profit, Adjusted EBITDA and Adjusted EBITDA Margin**  
(\$ in millions)

	Three-Month Period Ended December 31, 2022			
	Water Quality	Product Quality & Innovation	Other	Total Company
<b>Net Earnings (GAAP)</b>				\$ 216
Interest, Net <sup>5</sup>				—
Other Nonoperating (Income) Expense				(1)
Income Taxes				79
<b>Operating Profit (GAAP)</b>	\$ 183	\$ 124	\$ (13)	\$ 294
Other Operating Profit Adjustments <sup>1</sup>	(3)	(3)	(9)	(15)
Depreciation	5	4	—	9
Amortization of Intangible Assets	6	6	—	12
<b>Adjusted EBITDA (Non-GAAP)</b>	\$ 191	\$ 131	\$ (22)	\$ 300
Interest, Net <sup>5</sup>				—
Other Nonoperating Income (Expense)				1
Income Taxes				(79)
Other Operating Profit Adjustments <sup>1</sup>				15
Depreciation				(9)
Amortization of Intangible Assets				(12)
<b>Net Earnings (GAAP)</b>				<u>\$ 216</u>
Sales (GAAP)	\$ 756	\$ 492		\$ 1,248
<b>Net Earnings Margin (GAAP)</b>				<u>17.3 %</u>
<b>Operating Profit Margin (GAAP)</b>	<u>24.2 %</u>	<u>25.2 %</u>		<u>23.6 %</u>
<b>Adjusted EBITDA Margin (Non-GAAP) <sup>4</sup></b>	<u>25.3 %</u>	<u>26.6 %</u>		<u>24.0 %</u>

<sup>1</sup> Refer to the Reconciliation of Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

<sup>4</sup> Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

<sup>5</sup> Prior to the separation, Veralto was a part of Danaher Corporation and was dependent upon Danaher for its financing. None of Danaher's debt or interest expense was assigned to Veralto for these historic periods. Refer to Veralto's registration statement on Form 10 for more information in connection with the separation. Veralto expects to issue approximately \$2.6 billion of senior unsecured notes in connection with the separation and will incur interest expense in future periods.

**VERALTO CORPORATION**

**Net Earnings, Operating Profit, Adjusted EBITDA and Adjusted EBITDA Margin**  
**(\$ in millions)**

	<b>Three-Month Period Ended September 30, 2022</b>			
	<b>Water Quality</b>	<b>Product Quality &amp; Innovation</b>	<b>Other</b>	<b>Total Company</b>
<b>Net Earnings (GAAP)</b>				\$ 218
Interest, Net <sup>5</sup>				—
Other Nonoperating (Income) Expense				—
Income Taxes				67
<b>Operating Profit (GAAP)</b>	\$ 185	\$ 109	\$ (9)	\$ 285
Other Operating Profit Adjustments <sup>1</sup>	(4)	(3)	(8)	(15)
Depreciation	6	4	—	10
Amortization of Intangible Assets	4	7	—	11
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 191</b>	<b>\$ 117</b>	<b>\$ (17)</b>	<b>\$ 291</b>
Interest, Net <sup>5</sup>				—
Other Nonoperating Income (Expense)				—
Income Taxes				(67)
Other Operating Profit Adjustments <sup>1</sup>				15
Depreciation				(10)
Amortization of Intangible Assets				(11)
<b>Net Earnings (GAAP)</b>				<b>\$ 218</b>
Sales (GAAP)	\$ 741	\$ 478		\$ 1,219
<b>Net Earnings Margin (GAAP)</b>				<b>17.9 %</b>
<b>Operating Profit Margin (GAAP)</b>	<b>25.0 %</b>	<b>22.8 %</b>		<b>23.4 %</b>
<b>Adjusted EBITDA Margin (Non-GAAP) <sup>4</sup></b>	<b>25.8 %</b>	<b>24.5 %</b>		<b>23.9 %</b>

<sup>1</sup> Refer to the Reconciliation of Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

<sup>4</sup> Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

<sup>5</sup> Prior to the separation, Veralto was a part of Danaher Corporation and was dependent upon Danaher for its financing. None of Danaher's debt or interest expense was assigned to Veralto for these historic periods. Refer to Veralto's registration statement on Form 10 for more information in connection with the separation. Veralto expects to issue approximately \$2.6 billion of senior unsecured notes in connection with the separation and will incur interest expense in future periods.

**VERALTO CORPORATION**

**Net Earnings, Operating Profit, Adjusted EBITDA and Adjusted EBITDA Margin**  
**(\$ in millions)**

	<b>Six-Month Period Ended July 1, 2022</b>			
	<b>Water Quality</b>	<b>Product Quality &amp; Innovation</b>	<b>Other</b>	<b>Total Company</b>
<b>Net Earnings (GAAP)</b>				\$ 411
Interest, Net <sup>5</sup>				—
Other Nonoperating (Income) Expense				—
Income Taxes				122
<b>Operating Profit (GAAP)</b>	\$ 300	\$ 255	\$ (22)	\$ 533
Other Operating Profit Adjustments <sup>1</sup>	2	(7)	(16)	(21)
Depreciation	13	8	—	21
Amortization of Intangible Assets	12	15	—	27
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 327</b>	<b>\$ 271</b>	<b>\$ (38)</b>	<b>\$ 560</b>
Interest, Net <sup>5</sup>				—
Other Nonoperating Income (Expense)				—
Income Taxes				(122)
Other Operating Profit Adjustments <sup>1</sup>				21
Depreciation				(21)
Amortization of Intangible Assets				(27)
<b>Net Earnings (GAAP)</b>				<b>\$ 411</b>
Sales (GAAP)	\$ 1,390	\$ 1,013		\$ 2,403
<b>Net Earnings Margin (GAAP)</b>				<b>17.1 %</b>
<b>Operating Profit Margin (GAAP)</b>	<b>21.6 %</b>	<b>25.2 %</b>		<b>22.2 %</b>
<b>Adjusted EBITDA Margin (Non-GAAP) <sup>4</sup></b>	<b>23.5 %</b>	<b>26.8 %</b>		<b>23.3 %</b>

<sup>1</sup> Refer to the Reconciliation of Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

<sup>4</sup> Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

<sup>5</sup> Prior to the separation, Veralto was a part of Danaher Corporation and was dependent upon Danaher for its financing. None of Danaher's debt or interest expense was assigned to Veralto for these historic periods. Refer to Veralto's registration statement on Form 10 for more information in connection with the separation. Veralto expects to issue approximately \$2.6 billion of senior unsecured notes in connection with the separation and will incur interest expense in future periods.

**VERALTO CORPORATION**

**Net Earnings, Operating Profit, Adjusted EBITDA and Adjusted EBITDA Margin**  
**(\$ in millions)**

	Three-Month Period Ended July 1, 2022			
	Water Quality	Product Quality & Innovation	Other	Total Company
<b>Net Earnings (GAAP)</b>				\$ 231
Interest, Net <sup>5</sup>				—
Other Nonoperating (Income) Expense				—
Income Taxes				71
<b>Operating Profit (GAAP)</b>	\$ 175	\$ 138	\$ (11)	\$ 302
Other Operating Profit Adjustments <sup>1</sup>	5	(4)	(8)	(7)
Depreciation	7	3	—	10
Amortization of Intangible Assets	6	7	—	13
<b>Adjusted EBITDA (Non-GAAP)</b>	\$ 193	\$ 144	\$ (19)	\$ 318
Interest, Net <sup>5</sup>				—
Other Nonoperating Income (Expense)				—
Income Taxes				(71)
Other Operating Profit Adjustments <sup>1</sup>				7
Depreciation				(10)
Amortization of Intangible Assets				(13)
<b>Net Earnings (GAAP)</b>				<u>\$ 231</u>
Sales (GAAP)	<u>\$ 720</u>	<u>\$ 511</u>		<u>\$ 1,231</u>
<b>Net Earnings Margin (GAAP)</b>				<u>18.8 %</u>
<b>Operating Profit Margin (GAAP)</b>	<u>24.3 %</u>	<u>27.0 %</u>		<u>24.5 %</u>
<b>Adjusted EBITDA Margin (Non-GAAP) <sup>4</sup></b>	<u>26.8 %</u>	<u>28.2 %</u>		<u>25.8 %</u>

<sup>1</sup> Refer to the Reconciliation of Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

<sup>4</sup> Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

<sup>5</sup> Prior to the separation, Veralto was a part of Danaher Corporation and was dependent upon Danaher for its financing. None of Danaher's debt or interest expense was assigned to Veralto for these historic periods. Refer to Veralto's registration statement on Form 10 for more information in connection with the separation. Veralto expects to issue approximately \$2.6 billion of senior unsecured notes in connection with the separation and will incur interest expense in future periods.



**VERALTO CORPORATION**

**Net Earnings, Operating Profit, Adjusted EBITDA and Adjusted EBITDA Margin**  
**(\$ in millions)**

	<b>Three-Month Period Ended April 1, 2022</b>			
	<b>Water Quality</b>	<b>Product Quality &amp; Innovation</b>	<b>Other</b>	<b>Total Company</b>
<b>Net Earnings (GAAP)</b>				\$ 180
Interest, Net <sup>5</sup>				—
Other Nonoperating (Income) Expense				—
Income Taxes				51
<b>Operating Profit (GAAP)</b>	\$ 125	\$ 117	\$ (11)	\$ 231
Other Operating Profit Adjustments <sup>1</sup>	(3)	(3)	(8)	(14)
Depreciation	6	5	—	11
Amortization of Intangible Assets	6	8	—	14
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 134</b>	<b>\$ 127</b>	<b>\$ (19)</b>	<b>\$ 242</b>
Interest, Net <sup>5</sup>				—
Other Nonoperating Income (Expense)				—
Income Taxes				(51)
Other Operating Profit Adjustments <sup>1</sup>				14
Depreciation				(11)
Amortization of Intangible Assets				(14)
<b>Net Earnings (GAAP)</b>				<b>\$ 180</b>
Sales (GAAP)	\$ 670	\$ 502		\$ 1,172
<b>Net Earnings Margin (GAAP)</b>				<b>15.4 %</b>
<b>Operating Profit Margin (GAAP)</b>	<b>18.7 %</b>	<b>23.3 %</b>		<b>19.7 %</b>
<b>Adjusted EBITDA Margin (Non-GAAP) <sup>4</sup></b>	<b>20.0 %</b>	<b>25.3 %</b>		<b>20.6 %</b>

<sup>1</sup> Refer to the Reconciliation of Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

<sup>4</sup> Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

<sup>5</sup> Prior to the separation, Veralto was a part of Danaher Corporation and was dependent upon Danaher for its financing. None of Danaher's debt or interest expense was assigned to Veralto for these historic periods. Refer to Veralto's registration statement on Form 10 for more information in connection with the separation. Veralto expects to issue approximately \$2.6 billion of senior unsecured notes in connection with the separation and will incur interest expense in future periods.

**VERALTO CORPORATION**

**Net Earnings, Operating Profit, Adjusted EBITDA and Adjusted EBITDA Margin**  
(\$ in millions)

	Year Ended December 31, 2021			
	Water Quality	Product Quality & Innovation	Other	Total Company
<b>Net Earnings (GAAP)</b>				\$ 861
Interest, Net <sup>5</sup>				—
Other Nonoperating (Income) Expense				(6)
Income Taxes				186
<b>Operating Profit (GAAP)</b>	\$ 584	\$ 496	\$ (39)	\$ 1,041
Other Operating Profit Adjustments <sup>1</sup>	(15)	(16)	(34)	(65)
Depreciation	27	17	—	44
Amortization of Intangible Assets	27	35	—	62
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 623</b>	<b>\$ 532</b>	<b>\$ (73)</b>	<b>\$ 1,082</b>
Interest, Net <sup>5</sup>				—
Other Nonoperating Income (Expense)				6
Income Taxes				(186)
Other Operating Profit Adjustments <sup>1</sup>				65
Depreciation				(44)
Amortization of Intangible Assets				(62)
<b>Net Earnings (GAAP)</b>				<b>\$ 861</b>
Sales (GAAP)	\$ 2,669	\$ 2,031		\$ 4,700
<b>Net Earnings Margin (GAAP)</b>				<b>18.3 %</b>
<b>Operating Profit Margin (GAAP)</b>	<b>21.9 %</b>	<b>24.4 %</b>		<b>22.1 %</b>
<b>Adjusted EBITDA Margin (Non-GAAP) <sup>4</sup></b>	<b>23.3 %</b>	<b>26.2 %</b>		<b>23.0 %</b>

<sup>1</sup> Refer to the Reconciliation of Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

<sup>4</sup> Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

<sup>5</sup> Prior to the separation, Veralto was a part of Danaher Corporation and was dependent upon Danaher for its financing. None of Danaher's debt or interest expense was assigned to Veralto for these historic periods. Refer to Veralto's registration statement on Form 10 for more information in connection with the separation. Veralto expects to issue approximately \$2.6 billion of senior unsecured notes in connection with the separation and will incur interest expense in future periods.

**VERALTO CORPORATION**

**Net Earnings, Operating Profit, Adjusted EBITDA and Adjusted EBITDA Margin**  
**(\$ in millions)**

	Year Ended December 31, 2020			
	Water Quality	Product Quality & Innovation	Other	Total Company
<b>Net Earnings (GAAP)</b>				\$ 724
Interest, Net <sup>5</sup>				—
Other Nonoperating (Income) Expense				1
Income Taxes				226
<b>Operating Profit (GAAP)</b>	\$ 573	\$ 419	\$ (41)	\$ 951
Other Operating Profit Adjustments <sup>1</sup>	(16)	1	(33)	(48)
Depreciation	28	19	—	47
Amortization of Intangible Assets	27	36	—	63
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 612</b>	<b>\$ 475</b>	<b>\$ (74)</b>	<b>\$ 1,013</b>
Interest, Net <sup>5</sup>				—
Other Nonoperating Income (Expense)				(1)
Income Taxes				(226)
Other Operating Profit Adjustments <sup>1</sup>				48
Depreciation				(47)
Amortization of Intangible Assets				(63)
<b>Net Earnings (GAAP)</b>				<b>\$ 724</b>
Sales (GAAP)	\$ 2,487	\$ 1,861		\$ 4,348
<b>Net Earnings Margin (GAAP)</b>				<b>16.7 %</b>
<b>Operating Profit Margin (GAAP)</b>	<b>23.0 %</b>	<b>22.5 %</b>		<b>21.9 %</b>
<b>Adjusted EBITDA Margin (Non-GAAP) <sup>4</sup></b>	<b>24.6 %</b>	<b>25.5 %</b>		<b>23.3 %</b>

<sup>1</sup> Refer to the Reconciliation of Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

<sup>4</sup> Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

<sup>5</sup> Prior to the separation, Veralto was a part of Danaher Corporation and was dependent upon Danaher for its financing. None of Danaher's debt or interest expense was assigned to Veralto for these historic periods. Refer to Veralto's registration statement on Form 10 for more information in connection with the separation. Veralto expects to issue approximately \$2.6 billion of senior unsecured notes in connection with the separation and will incur interest expense in future periods.

**VERALTO CORPORATION**

**Trailing Twelve Month Adjusted EBITDA, Gross Leverage and Net Leverage**  
**(\$ in millions)**

	<b>Three-Month Period Ended</b>			
	<b>June 30, 2023</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<b>Net Earnings (GAAP)</b>	\$ 209	\$ 225	\$ 216	\$ 218
Interest, Net <sup>5</sup>	—	—	—	—
Other Nonoperating (Income) Expense	14	—	(1)	—
Income Taxes	66	67	79	67
<b>Operating Profit (GAAP)</b>	<b>\$ 289</b>	<b>\$ 292</b>	<b>\$ 294</b>	<b>\$ 285</b>
Other Operating Profit Adjustments <sup>1</sup>	(8)	(14)	(15)	(15)
Depreciation	10	10	9	10
Amortization of Intangible Assets	12	12	12	11
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 303</b>	<b>\$ 300</b>	<b>\$ 300</b>	<b>\$ 291</b>
<b>Trailing Twelve Month Operating Profit (GAAP)<sup>6</sup></b>	<b>\$ 1,160</b>			
<b>Trailing Twelve Month Adjusted EBITDA (Non-GAAP)<sup>7</sup></b>	<b>\$ 1,194</b>			
Long Term Debt <sup>8</sup>	\$ 2,580			
Less: Cash on Hand <sup>8</sup>	(250)			
<b>Net Debt (Non-GAAP)</b>	<b>\$ 2,330</b>			
<b>Gross Debt to Operating Profit <sup>9</sup></b>	<b>2.22</b>			
<b>Net Debt to Operating Profit <sup>10</sup></b>	<b>2.01</b>			
<b>Gross Leverage (Non-GAAP)<sup>11</sup></b>	<b>2.16</b>			
<b>Net Leverage (Non-GAAP) <sup>12</sup></b>	<b>1.95</b>			

<sup>1</sup> Refer to the Reconciliation of Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

<sup>5</sup> Prior to the separation, Veralto was a part of Danaher Corporation and was dependent upon Danaher for its financing. None of Danaher's debt or interest expense was assigned to Veralto for these historic periods. Refer to Veralto's registration statement on Form 10 for more information in connection with the separation. Veralto expects to issue approximately \$2.6 billion of senior unsecured notes in connection with the separation and will incur interest expense in future periods.

<sup>6</sup> Trailing Twelve Month Operating Profit is defined as the sum of Operating Profit for the previous four quarters.

<sup>7</sup> Trailing Twelve Month Adjusted EBITDA (Non-GAAP) is defined as the sum of Adjusted EBITDA (Non-GAAP) for the previous four quarters.

<sup>8</sup> Estimate of anticipated post-separation capital structure and cash balance as of separation.

<sup>9</sup> Calculated as Long Term Debt divided by Trailing Twelve Month Operating Profit.

<sup>10</sup> Calculated as Net Debt divided by Trailing Twelve Month Operating Profit.

<sup>11</sup> Calculated as Long Term Debt divided by Trailing Twelve Month Adjusted EBITDA (Non-GAAP).

<sup>12</sup> Calculated as Net Debt divided by Trailing Twelve Month Adjusted EBITDA (Non-GAAP).

VERALTO CORPORATION

**Other Non-GAAP Adjusted P&L Measures**

(\$ in millions, except per share data)

**Six-Month Period Ended June 30, 2023**

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings before income taxes	Income taxes	Net earnings for calculation of adjusted diluted net earnings per common share	Adjusted diluted net earnings per common share <sup>G</sup>
<b>Reported (GAAP)</b>	\$ 2,478	\$ (1,046)	57.8 %	\$ 581	23.4 %	\$ 567	\$ (133)	\$ 434	\$ 1.76
Amortization of acquisition-related intangible assets <sup>A</sup>	—	—	—	24	1.0	24		24	0.10
Impairments and other charges <sup>B</sup>	—	—	—	6	0.2	6		6	0.02
Fair value net losses on investments <sup>C</sup>	—	—	—	—	—	15		15	0.06
Standalone Entity Adjustment <sup>D</sup>	4	—	0.2	(28)	(1.1)	(101)		(101)	(0.41)
Tax effect of the above adjustments <sup>E</sup>							13	13	0.05
Discrete tax adjustments <sup>F</sup>							(6)	(6)	(0.02)
Rounding	—	—	(0.1)	—	—	—	—	—	—
<b>Adjusted (Non-GAAP)</b>	<b>\$ 2,482</b>	<b>\$ (1,046)</b>	<b>57.9 %</b>	<b>\$ 583</b>	<b>23.5 %</b>	<b>\$ 511</b>	<b>\$ (126)</b>	<b>\$ 385</b>	<b>\$ 1.56</b>

**Six-Month Period Ended June 30, 2023**

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net	Interest income (expense), net
<b>Reported (GAAP)</b>	\$ 2,478	\$ (738)	(29.8)%	\$ (113)	(4.6)%	\$ (14)	\$ —
Amortization of acquisition-related intangible assets <sup>A</sup>	—	24	1.0	—	—	—	—
Impairments and other charges <sup>B</sup>	—	6	0.2	—	—	—	—
Fair value net losses on investments <sup>C</sup>	—	—	—	—	—	15	—
Standalone Entity Adjustment <sup>D</sup>	4	(32)	(1.3)	—	—	—	(73)
Rounding	—	—	0.1	—	—	—	—
<b>Adjusted (Non-GAAP)</b>	<b>\$ 2,482</b>	<b>\$ (740)</b>	<b>(29.8)%</b>	<b>\$ (113)</b>	<b>(4.6)%</b>	<b>\$ 1</b>	<b>(73)</b>

VERALTO CORPORATION

**Other Non-GAAP Adjusted P&L Measures**

(\$ in millions, except per share data)

**Three-Month Period Ended June 30, 2023**

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings before income taxes	Income taxes	Net earnings for calculation of adjusted diluted net earnings per common share	Adjusted diluted net earnings per common share <sup>G</sup>
<b>Reported (GAAP)</b>	\$ 1,253	\$ (529)	57.8 %	\$ 289	23.1 %	\$ 275	\$ (66)	\$ 209	\$ 0.85
Amortization of acquisition-related intangible assets <sup>A</sup>	—	—	—	12	1.0	12		12	0.05
Impairments and other charges <sup>B</sup>	—	—	—	6	0.5	6		6	0.02
Fair value net losses on investments <sup>C</sup>	—	—	—	—	—	15		15	0.06
Standalone Entity Adjustment <sup>D</sup>	2	—	0.2	(14)	(1.1)	(51)		(51)	(0.21)
Tax effect of the above adjustments <sup>E</sup>							4	4	0.02
Discrete tax adjustments <sup>F</sup>							(1)	(1)	—
Rounding	—	—	(0.2)	—	(0.2)	—	—	—	—
<b>Adjusted (Non-GAAP)</b>	<b>\$ 1,255</b>	<b>\$ (529)</b>	<b>57.8 %</b>	<b>\$ 293</b>	<b>23.3 %</b>	<b>\$ 257</b>	<b>\$ (63)</b>	<b>\$ 194</b>	<b>\$ 0.79</b>

**Three-Month Period Ended June 30, 2023**

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net	Interest income (expense), net
<b>Reported (GAAP)</b>	\$ 1,253	\$ (378)	(30.2)%	\$ (57)	(4.5)%	\$ (14)	\$ —
Amortization of acquisition-related intangible assets <sup>A</sup>	—	12	1.0	—	—	—	—
Impairments and other charges <sup>B</sup>	—	6	0.5	—	—	—	—
Fair value net losses on investments <sup>C</sup>	—	—	—	—	—	15	—
Standalone Entity Adjustment <sup>D</sup>	2	(16)	(1.3)	—	—	—	(37)
<b>Adjusted (Non-GAAP)</b>	<b>\$ 1,255</b>	<b>\$ (376)</b>	<b>(30.0)%</b>	<b>\$ (57)</b>	<b>(4.5)%</b>	<b>\$ 1</b>	<b>\$ (37)</b>

VERALTO CORPORATION

**Other Non-GAAP Adjusted P&L Measures**

(\$ in millions, except per share data)

**Three-Month Period Ended March 31, 2023**

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings before income taxes	Income taxes	Net earnings for calculation of adjusted diluted net earnings per common share	Adjusted diluted net earnings per common share <sup>G</sup>
<b>Reported (GAAP)</b>	\$ 1,225	\$ (517)	57.8 %	\$ 292	23.8 %	\$ 292	\$ (67)	\$ 225	\$ 0.91
Amortization of acquisition-related intangible assets <sup>A</sup>	—	—	—	12	1.0	12		12	0.05
Standalone Entity Adjustment <sup>D</sup>	2	—	0.2	(14)	(1.1)	(50)		(50)	(0.20)
Tax effect of the above adjustments <sup>E</sup>							9	9	0.04
Discrete tax adjustments <sup>F</sup>							(5)	(5)	(0.02)
Rounding	—	—	(0.1)	—	(0.1)	—	—	—	(0.01)
<b>Adjusted (Non-GAAP)</b>	<u>\$ 1,227</u>	<u>\$ (517)</u>	<u>57.9 %</u>	<u>\$ 290</u>	<u>23.6 %</u>	<u>\$ 254</u>	<u>\$ (63)</u>	<u>\$ 191</u>	<u>\$ 0.77</u>

**Three-Month Period Ended March 31, 2023**

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net	Interest income (expense), net
<b>Reported (GAAP)</b>	\$ 1,225	\$ (360)	(29.4)%	\$ (56)	(4.6)%	\$ —	\$ —
Amortization of acquisition-related intangible assets <sup>A</sup>	—	12	1.0	—	—	—	—
Standalone Entity Adjustment <sup>D</sup>	2	(16)	(1.3)	—	—	—	(36)
<b>Adjusted (Non-GAAP)</b>	<u>\$ 1,227</u>	<u>\$ (364)</u>	<u>(29.7)%</u>	<u>\$ (56)</u>	<u>(4.6)%</u>	<u>\$ —</u>	<u>\$ (36)</u>

VERALTO CORPORATION

**Other Non-GAAP Adjusted P&L Measures**

(\$ in millions, except per share data)

**Year Ended December 31, 2022**

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings before income taxes	Income taxes	Net earnings for calculation of adjusted diluted net earnings per common share	Adjusted diluted net earnings per common share <sup>G</sup>
<b>Reported (GAAP)</b>	\$ 4,870	\$ (2,110)	56.7 %	\$ 1,112	22.8 %	\$ 1,113	\$ (268)	\$ 845	\$ 3.43
Amortization of acquisition-related intangible assets <sup>A</sup>	—	—	—	50	1.0	50		50	0.20
Impairments and other charges <sup>B</sup>	—	—	—	10	0.2	10		10	0.04
Standalone Entity Adjustment <sup>D</sup>	9	—	0.2	(61)	(1.3)	(207)		(207)	(0.84)
Tax effect of the above adjustments <sup>E</sup>							37	37	0.15
Discrete tax adjustments <sup>F</sup>							(4)	(4)	(0.02)
Rounding	—	—	(0.1)	—	0.1	—	—	—	—
<b>Adjusted (Non-GAAP)</b>	<u>\$ 4,879</u>	<u>\$ (2,110)</u>	<u>56.8 %</u>	<u>\$ 1,111</u>	<u>22.8 %</u>	<u>\$ 966</u>	<u>\$ (235)</u>	<u>\$ 731</u>	<u>\$ 2.96</u>

**Year Ended December 31, 2022**

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net	Interest income (expense), net
<b>Reported (GAAP)</b>	\$ 4,870	\$ (1,431)	(29.4)%	\$ (217)	(4.5)%	\$ 1	\$ —
Amortization of acquisition-related intangible assets <sup>A</sup>	—	50	1.0	—	—	—	—
Impairments and other charges <sup>B</sup>	—	10	0.2	—	—	—	—
Standalone Entity Adjustment <sup>D</sup>	9	(70)	(1.4)	—	—	—	(146)
Rounding	—	—	0.1	—	0.1	—	—
<b>Adjusted (Non-GAAP)</b>	<u>\$ 4,879</u>	<u>\$ (1,441)</u>	<u>(29.5)%</u>	<u>\$ (217)</u>	<u>(4.4)%</u>	<u>\$ 1</u>	<u>\$ (146)</u>



VERALTO CORPORATION

**Other Non-GAAP Adjusted P&L Measures**

(\$ in millions, except per share data)

**Three-Month Period Ended December 31, 2022**

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings before income taxes	Income taxes	Net earnings for calculation of adjusted diluted net earnings per common share	Adjusted diluted net earnings per common share <sup>G</sup>
<b>Reported (GAAP)</b>	\$ 1,248	\$ (537)	57.0 %	\$ 294	23.6 %	\$ 295	\$ (79)	\$ 216	\$ 0.88
Amortization of acquisition-related intangible assets <sup>A</sup>	—	—	—	12	1.0	12		12	0.05
Standalone Entity Adjustment <sup>D</sup>	3	—	0.2	(15)	(1.2)	(52)		(52)	(0.21)
Tax effect of the above adjustments <sup>E</sup>							11	11	0.04
Discrete tax adjustments <sup>F</sup>							7	7	0.03
Rounding	—	—	(0.1)	—	(0.1)	—	—	—	—
<b>Adjusted (Non-GAAP)</b>	<u>\$ 1,251</u>	<u>\$ (537)</u>	<u>57.1 %</u>	<u>\$ 291</u>	<u>23.3 %</u>	<u>\$ 255</u>	<u>\$ (61)</u>	<u>\$ 194</u>	<u>\$ 0.79</u>

**Three-Month Period Ended December 31, 2022**

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net	Interest income (expense), net
<b>Reported (GAAP)</b>	\$ 1,248	\$ (364)	(29.2)%	\$ (53)	(4.2)%	\$ 1	\$ —
Amortization of acquisition-related intangible assets <sup>A</sup>	—	12	1.0	—	—	—	—
Standalone Entity Adjustment <sup>D</sup>	3	(18)	(1.4)	—	—	—	(37)
<b>Adjusted (Non-GAAP)</b>	<u>\$ 1,251</u>	<u>\$ (370)</u>	<u>(29.6)%</u>	<u>\$ (53)</u>	<u>(4.2)%</u>	<u>\$ 1</u>	<u>\$ (37)</u>

VERALTO CORPORATION

**Other Non-GAAP Adjusted P&L Measures**

(\$ in millions, except per share data)

**Three-Month Period Ended September 30, 2022**

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings before income taxes	Income taxes	Net earnings for calculation of adjusted diluted net earnings per common share	Adjusted diluted net earnings per common share <sup>G</sup>
<b>Reported (GAAP)</b>	\$ 1,219	\$ (525)	56.9 %	\$ 285	23.4 %	\$ 285	\$ (67)	\$ 218	\$ 0.88
Amortization of acquisition-related intangible assets <sup>A</sup>	—	—	—	11	0.9	11		11	0.04
Standalone Entity Adjustment <sup>D</sup>	2	—	0.2	(15)	(1.2)	(51)		(51)	(0.21)
Tax effect of the above adjustments <sup>E</sup>							10	10	0.04
Discrete tax adjustments <sup>F</sup>							(3)	(3)	(0.01)
Rounding	—	—	(0.1)	—	(0.1)	—	—	—	0.01
<b>Adjusted (Non-GAAP)</b>	<u>\$ 1,221</u>	<u>\$ (525)</u>	<u>57.0 %</u>	<u>\$ 281</u>	<u>23.0 %</u>	<u>\$ 245</u>	<u>\$ (60)</u>	<u>\$ 185</u>	<u>\$ 0.75</u>

**Three-Month Period Ended September 30, 2022**

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net	Interest income (expense), net
<b>Reported (GAAP)</b>	\$ 1,219	\$ (357)	(29.3)%	\$ (52)	(4.3)%	\$ —	\$ —
Amortization of acquisition-related intangible assets <sup>A</sup>	—	11	0.9	—	—	—	—
Standalone Entity Adjustment <sup>D</sup>	2	(17)	(1.4)	—	—	—	(36)
Rounding	—	—	0.1 %	—	—	—	—
<b>Adjusted (Non-GAAP)</b>	<u>\$ 1,221</u>	<u>\$ (363)</u>	<u>(29.7)%</u>	<u>\$ (52)</u>	<u>(4.3)%</u>	<u>\$ —</u>	<u>\$ (36)</u>

VERALTO CORPORATION

**Other Non-GAAP Adjusted P&L Measures**

(\$ in millions, except per share data)

**Six-Month Period Ended July 1, 2022**

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings before income taxes	Income taxes	Net earnings for calculation of adjusted diluted net earnings per common share	Adjusted diluted net earnings per common share <sup>G</sup>
<b>Reported (GAAP)</b>	\$ 2,403	\$ (1,048)	56.4 %	\$ 533	22.2 %	\$ 533	\$ (122)	\$ 411	\$ 1.67
Amortization of acquisition-related intangible assets <sup>A</sup>	—	—	—	27	1.1	27		27	0.11
Impairments and other charges <sup>B</sup>	—	—	—	10	0.4	10		10	0.04
Standalone Entity Adjustment <sup>D</sup>	4	—	0.2	(31)	(1.3)	(104)		(104)	(0.42)
Tax effect of the above adjustments <sup>E</sup>							16	16	0.06
Discrete tax adjustments <sup>F</sup>							(8)	(8)	(0.03)
Rounding	—	—	(0.1)	—	—	—	—	—	—
<b>Adjusted (Non-GAAP)</b>	<u>\$ 2,407</u>	<u>\$ (1,048)</u>	<u>56.5 %</u>	<u>\$ 539</u>	<u>22.4 %</u>	<u>\$ 466</u>	<u>\$ (114)</u>	<u>\$ 352</u>	<u>\$ 1.43</u>

**Six-Month Period Ended July 1, 2022**

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net	Interest income (expense), net
<b>Reported (GAAP)</b>	\$ 2,403	\$ (710)	(29.5)%	\$ (112)	(4.7)%	\$ —	\$ —
Amortization of acquisition-related intangible assets <sup>A</sup>	—	27	1.1	—	—	—	—
Impairments and other charges <sup>B</sup>	—	10	0.4	—	—	—	—
Standalone Entity Adjustment <sup>D</sup>	4	(35)	(1.5)	—	—	—	(73)
Rounding	—	—	0.1	—	—	—	—
<b>Adjusted (Non-GAAP)</b>	<u>\$ 2,407</u>	<u>\$ (708)</u>	<u>(29.4)%</u>	<u>\$ (112)</u>	<u>(4.7)%</u>	<u>\$ —</u>	<u>\$ (73)</u>

VERALTO CORPORATION

**Other Non-GAAP Adjusted P&L Measures**

(\$ in millions, except per share data)

**Three-Month Period Ended July 1, 2022**

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings before income taxes	Income taxes	Net earnings for calculation of adjusted diluted net earnings per common share	Adjusted diluted net earnings per common share <sup>G</sup>
<b>Reported (GAAP)</b>	\$ 1,231	\$ (524)	57.4 %	\$ 302	24.5 %	\$ 302	\$ (71)	\$ 231	\$ 0.94
Amortization of acquisition-related intangible assets <sup>A</sup>	—	—	—	13	1.1	13		13	0.05
Impairments and other charges <sup>B</sup>	—	—	—	9	0.7	9		9	0.04
Standalone Entity Adjustment <sup>D</sup>	2	—	0.2	(16)	(1.3)	(53)		(53)	(0.21)
Tax effect of the above adjustments <sup>E</sup>							8	8	0.03
Discrete tax adjustments <sup>F</sup>							(3)	(3)	(0.01)
Rounding	—	—	(0.1)	—	—	—	—	—	(0.01)
<b>Adjusted (Non-GAAP)</b>	<b>\$ 1,233</b>	<b>\$ (524)</b>	<b>57.5 %</b>	<b>\$ 308</b>	<b>25.0 %</b>	<b>\$ 271</b>	<b>\$ (66)</b>	<b>\$ 205</b>	<b>\$ 0.83</b>

**Three-Month Period Ended July 1, 2022**

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net	Interest income (expense), net
<b>Reported (GAAP)</b>	\$ 1,231	\$ (350)	(28.4)%	\$ (55)	(4.5)%	\$ —	\$ —
Amortization of acquisition-related intangible assets <sup>A</sup>	—	13	1.1	—	—	—	—
Impairments and other charges <sup>B</sup>	—	9	0.7	—	—	—	—
Standalone Entity Adjustment <sup>D</sup>	2	(18)	(1.5)	—	—	—	(37)
<b>Adjusted (Non-GAAP)</b>	<b>\$ 1,233</b>	<b>\$ (346)</b>	<b>(28.1)%</b>	<b>\$ (55)</b>	<b>(4.5)%</b>	<b>\$ —</b>	<b>\$ (37)</b>

VERALTO CORPORATION

**Other Non-GAAP Adjusted P&L Measures**

(\$ in millions, except per share data)

**Three-Month Period Ended April 1, 2022**

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings before income taxes	Income taxes	Net earnings for calculation of adjusted diluted net earnings per common share	Adjusted diluted net earnings per common share <sup>G</sup>
<b>Reported (GAAP)</b>	\$ 1,172	\$ (524)	55.3 %	\$ 231	19.7 %	\$ 231	\$ (51)	\$ 180	\$ 0.73
Amortization of acquisition-related intangible assets <sup>A</sup>	—	—	—	14	1.2	14		14	0.06
Impairments and other charges <sup>B</sup>	—	—	—	1	0.1	1		1	—
Standalone Entity Adjustment <sup>D</sup>	2	—	0.2	(15)	(1.3)	(51)		(51)	(0.21)
Tax effect of the above adjustments <sup>E</sup>							8	8	0.03
Discrete tax adjustments <sup>F</sup>							(5)	(5)	(0.02)
Rounding	—	—	(0.1)%	—	—	—	—	—	0.01
<b>Adjusted (Non-GAAP)</b>	<u>\$ 1,174</u>	<u>\$ (524)</u>	<u>55.4 %</u>	<u>\$ 231</u>	<u>19.7 %</u>	<u>\$ 195</u>	<u>\$ (48)</u>	<u>\$ 147</u>	<u>\$ 0.60</u>

**Three-Month Period Ended April 1, 2022**

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net	Interest income (expense), net
<b>Reported (GAAP)</b>	\$ 1,172	\$ (360)	(30.7)%	\$ (57)	(4.9)%	\$ —	\$ —
Amortization of acquisition-related intangible assets <sup>A</sup>	—	14	1.2	—	—	—	—
Impairments and other charges <sup>B</sup>	—	1	0.1	—	—	—	—
Standalone Entity Adjustment <sup>D</sup>	2	(17)	(1.5)	—	—	—	(36)
Rounding	—	—	0.1 %	—	—	—	—
<b>Adjusted (Non-GAAP)</b>	<u>\$ 1,174</u>	<u>\$ (362)</u>	<u>(30.8)%</u>	<u>\$ (57)</u>	<u>(4.9)%</u>	<u>\$ —</u>	<u>\$ (36)</u>

VERALTO CORPORATION

**Other Non-GAAP Adjusted P&L Measures**

(\$ in millions, except per share data)

**Year Ended December 31, 2021**

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings before income taxes	Income taxes	Net earnings for calculation of adjusted diluted net earnings per common share	Adjusted diluted net earnings per common share <sup>G</sup>
<b>Reported (GAAP)</b>	\$ 4,700	\$ (1,987)	57.7 %	\$ 1,041	22.1 %	\$ 1,047	\$ (186)	\$ 861	\$ 3.49
Amortization of acquisition-related intangible assets <sup>A</sup>	—	—	—	62	1.3	62		62	0.25
Gain on disposition of certain product lines <sup>H</sup>	—	—	—	—	—	(8)		(8)	(0.03)
Standalone Entity Adjustment <sup>D</sup>	5	—	0.1	(65)	(1.4)	(211)		(211)	(0.86)
Tax effect of the above adjustments <sup>E</sup>							41	41	0.17
Discrete tax adjustments <sup>F</sup>							(65)	(65)	(0.26)
Rounding	—	—	—	—	0.1	—	—	—	—
<b>Adjusted (Non-GAAP)</b>	<u>\$ 4,705</u>	<u>\$ (1,987)</u>	<u>57.8 %</u>	<u>\$ 1,038</u>	<u>22.1 %</u>	<u>\$ 890</u>	<u>\$ (210)</u>	<u>\$ 680</u>	<u>\$ 2.76</u>

**Year Ended December 31, 2021**

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense)	Interest income (expense), net
<b>Reported (GAAP)</b>	\$ 4,700	\$ (1,428)	(30.4)%	\$ (244)	(5.2)%	\$ 6	\$ —
Amortization of acquisition-related intangible assets <sup>A</sup>	—	62	1.3	—	—	—	—
Gain on disposition of certain product lines <sup>H</sup>	—	—	—	—	—	(8)	—
Standalone Entity Adjustment <sup>D</sup>	5	(70)	(1.5)	—	—	—	(146)
<b>Adjusted (Non-GAAP)</b>	<u>\$ 4,705</u>	<u>\$ (1,436)</u>	<u>(30.5)%</u>	<u>\$ (244)</u>	<u>(5.2)%</u>	<u>\$ (2)</u>	<u>\$ (146)</u>

VERALTO CORPORATION

**Other Non-GAAP Adjusted P&L Measures**

(\$ in millions, except per share data)

**Year Ended December 31, 2020**

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings before income taxes	Income taxes	Net earnings for calculation of adjusted diluted net earnings per common share	Adjusted diluted net earnings per common share <sup>G</sup>
<b>Reported (GAAP)</b>	\$ 4,348	\$ (1,838)	57.7 %	\$ 951	21.9 %	\$ 950	\$ (226)	\$ 724	\$ 2.93
Amortization of acquisition-related intangible assets <sup>A</sup>	—	—	—	63	1.4	63		63	0.26
Impairments and other charges <sup>B</sup>	—	—	—	17	0.4	17		17	0.07
Standalone Entity Adjustment <sup>D</sup>	5	—	0.1	(65)	(1.5)	(211)		(211)	(0.86)
Tax effect of the above adjustments <sup>E</sup>							32	32	0.13
Discrete tax adjustments <sup>F</sup>							(16)	(16)	(0.06)
<b>Adjusted (Non-GAAP)</b>	<b>\$ 4,353</b>	<b>\$ (1,838)</b>	<b>57.8 %</b>	<b>\$ 966</b>	<b>22.2 %</b>	<b>\$ 819</b>	<b>\$ (210)</b>	<b>\$ 609</b>	<b>\$ 2.47</b>

**Year Ended December 31, 2020**

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense)	Interest income (expense), net
<b>Reported (GAAP)</b>	\$ 4,348	\$ (1,340)	(30.8)%	\$ (219)	(5.0)%	\$ (1)	\$ —
Amortization of acquisition-related intangible assets <sup>A</sup>	—	63	1.4	—	—	—	—
Impairments and other charges <sup>B</sup>	—	17	0.4	—	—	—	—
Standalone Entity Adjustment <sup>D</sup>	5	(70)	(1.6)	—	—	—	(146)
<b>Adjusted (Non-GAAP)</b>	<b>\$ 4,353</b>	<b>\$ (1,330)</b>	<b>(30.6)%</b>	<b>\$ (219)</b>	<b>(5.0)%</b>	<b>\$ (1)</b>	<b>\$ (146)</b>

**VERALTO CORPORATION**

**Other Non-GAAP Adjusted P&L Measures**

(\$ in millions, except per share data)

<sup>A</sup> Amortization of acquisition-related intangible assets in the following historical periods (\$ in millions) (only the pretax amounts set forth below are reflected in the amortization line item above):

	Year Ended December 31, 2020	Year Ended December 31, 2021	Three-Month Period Ended		Six-Month Period Ended July 1, 2022	Three-Month Period Ended		Year Ended December 31, 2022	Three-Month Period Ended		Six-Month Period Ended June 30, 2023
			April 1, 2022	July 1, 2022		September 30, 2022	December 31, 2022		March 31, 2023	June 30, 2023	
Pretax	\$ 63	\$ 62	\$ 14	\$ 13	\$ 27	\$ 11	\$ 12	\$ 50	\$ 12	\$ 12	\$ 24
After-tax	\$ 48	\$ 51	\$ 10	\$ 10	\$ 20	\$ 8	\$ 10	\$ 38	\$ 9	\$ 9	\$ 18

<sup>B</sup> Impairment charge related to customer relationships in the Product Quality & Innovation segment for the three and six-month periods ended June 30, 2023 (\$6 million pretax as reported in this line item, \$5 million after-tax). Impairment charges related to technology and customer relationships in the Water Quality segment recorded in the three and six-month periods ended July 1, 2022 and year ended December 31, 2022 (\$9 million pretax as reported in this line item, \$7 million after-tax). Additionally, in the three-month period ended April 1, 2022, six-month period ended July 1, 2022 and year ended December 31, 2022 charges incurred primarily related to impairments of accounts receivable and inventory in Russia in the Product Quality & Innovation segment (\$1 million pretax as reported in this line item, \$1 million after-tax). Impairment charges related to trade names and other intangible assets in the Product Quality & Innovation segment recorded in the year ended December 31, 2020 (\$17 million pretax as reported in this line item, \$13 million after-tax).

<sup>C</sup> Fair value loss related to an impairment of an equity method investment in the three and six-month periods ended June 30, 2023 (\$15 million pretax as reported in this line item, \$11 million after-tax).

<sup>D</sup> This amount encompasses management estimates of operating as a standalone entity. The management estimate includes recurring and ongoing costs required to operate new functions required for a public company such as certain corporate functions including finance, tax, legal, human resources and other general and administrative related functions. This estimate also includes interest costs associated with the anticipated post-separation capital structure, including the issuance of approximately \$2.6 billion of long-term debt at an estimated weighted average interest rate of 5.50%. The pretax and after-tax effect of these estimates are summarized below:

	Year Ended December 31, 2020	Year Ended December 31, 2021	Three-Month Period Ended		Six-Month Period Ended July 1, 2022	Three-Month Period Ended		Year Ended December 31, 2022	Three-Month Period Ended		Six-Month Period Ended June 30, 2023
			April 1, 2022	July 1, 2022		September 30, 2022	December 31, 2022		March 31, 2023	June 30, 2023	
Pretax	\$ (211)	\$ (211)	\$ (51)	\$ (53)	\$ (104)	\$ (51)	\$ (52)	\$ (207)	\$ (50)	\$ (51)	\$ (101)
After-tax	\$ (160)	\$ (160)	\$ (39)	\$ (40)	\$ (79)	\$ (38)	\$ (39)	\$ (156)	\$ (38)	\$ (39)	\$ (77)

<sup>E</sup> 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. Veralto estimates the tax effect of each adjustment item by applying Veralto'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.

<sup>F</sup> Discrete tax matters relate to changes in estimates associated with prior period uncertain tax positions, audit settlements and excess tax benefits from stock-based compensation.



**Other Non-GAAP Adjusted P&L Measures**  
**(\$ in millions, except per share data)**

- <sup>G</sup> The number of Veralto shares assumed in each period is based on the number of diluted common shares used in Danaher Corporation's diluted net earnings per common share for the six-month period ended June 30, 2023, assuming a distribution ratio of one share of Veralto common stock for every three shares of Parent common stock outstanding (246.7 million shares). This calculation does not reflect the dilutive effect that will result from the issuance of Veralto stock-based compensation awards in connection with the adjustment and conversion of outstanding Parent stock-based compensation awards held by Veralto employees or the grant of new Veralto stock-based compensation awards. The number of dilutive shares of Veralto common stock underlying Veralto's stock-based compensation awards issued in connection with the adjustment and conversion of outstanding Parent stock-based compensation awards will not be determined until after the distribution date. Upon separation, the number of shares of Veralto common stock outstanding as of the separation date will be used for all historical periods for the calculation of earnings per share.
- <sup>H</sup> Gain on the disposition of certain product lines in the year ended December 31, 2021 (\$8 million pretax as reported in this line item, \$7 million after-tax).

VERALTO CORPORATION

Year-Over-Year Core Operating Margin Changes

	Segments		
	Total Company	Water Quality	Product Quality and Innovation
<b>Six-Month Period Ended July 1, 2022 Operating Profit Margins (GAAP)</b>	<b>22.20 %</b>	<b>21.60 %</b>	<b>25.20 %</b>
First half of 2023 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	—	0.25
Second quarter 2022 impairment charge related to customer relationships in the Water Quality segment, net of second quarter 2023 impairment charge related to customer relationships and technology in the Product Quality & Innovation segment	0.15	0.60	(0.55)
First quarter 2022 impairments of accounts receivable and inventory in Russia in the Product Quality & Innovation segment	0.05	—	0.10
<b>Year-over-year core operating profit margin changes for the first half of 2023 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)</b>	<b>0.90</b>	<b>1.20</b>	<b>0.90</b>
Six-Month Period Ended June 30, 2023 Operating Profit Margins (GAAP)	<u>23.40 %</u>	<u>23.40 %</u>	<u>25.90 %</u>
		Segments	
	Total Company	Water Quality	Product Quality and Innovation
<b>Three-Month Period Ended July 1, 2022 Operating Profit Margins (GAAP)</b>	<b>24.50 %</b>	<b>24.30 %</b>	<b>27.00 %</b>
Second quarter 2023 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	—	0.20
Second quarter 2022 impairment charge related to customer relationships in the Water Quality segment, net of second quarter 2023 impairment charge related to customer relationships and technology in the Product Quality & Innovation segment	0.25	1.20	(1.10)
<b>Year-over-year core operating profit margin changes for the second quarter 2023 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)</b>	<b>(1.75)</b>	<b>(1.70)</b>	<b>(1.60)</b>
Three-Month Period Ended June 30, 2023 Operating Profit Margins (GAAP)	<u>23.10 %</u>	<u>23.80 %</u>	<u>24.50 %</u>

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 Veralto in a given period.

VERALTO CORPORATION

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

	Segments		
	Total Company	Water Quality	Product Quality and Innovation
<b>Three-Month Period Ended April 1, 2022 Operating Profit Margins (GAAP)</b>	<b>19.70 %</b>	<b>18.70 %</b>	<b>23.30 %</b>
First quarter 2023 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	0.15	—	0.30
First quarter 2022 impairments of accounts receivable and inventory in Russia in the Product Quality & Innovation segment	0.10	—	0.25
<b>Year-over-year core operating profit margin changes for the first quarter 2023 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)</b>	<b>3.85</b>	<b>4.30</b>	<b>3.35</b>
Three-Month Period Ended March 31, 2023 Operating Profit Margins (GAAP)	<u>23.80 %</u>	<u>23.00 %</u>	<u>27.20 %</u>

	Segments		
	Total Company	Water Quality	Product Quality & Innovation
<b>Year Ended December 31, 2021 Operating Profit Margins (GAAP)</b>	<b>22.10 %</b>	<b>21.90 %</b>	<b>24.40 %</b>
Full year 2022 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	0.20	(0.05)	0.55
2022 impairment charge related to technology and customer relationships in the Water Quality segment	(0.20)	(0.30)	—
Full year 2022 impairments of accounts receivable and inventory in Russia	(0.05)	—	(0.05)
<b>Year-over-year core operating profit margin changes for full year 2022 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)</b>	<b>0.75</b>	<b>1.55</b>	<b>(0.30)</b>
Year Ended December 31, 2022 Operating Profit Margins (GAAP)	<u>22.80 %</u>	<u>23.10 %</u>	<u>24.60 %</u>

	Segments		
	Total Company	Water Quality	Product Quality & Innovation
<b>Year Ended December 31, 2020 Operating Profit Margins (GAAP)</b>	<b>21.90 %</b>	<b>23.00 %</b>	<b>22.50 %</b>
Full year 2021 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	—	(0.30)	0.50
2020 impairment charge related to trade names and other intangible assets in the Product Quality & Innovation segment	0.40	—	0.95
<b>Year-over-year core operating profit margin changes for full year 2021 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)</b>	<b>(0.20)</b>	<b>(0.80)</b>	<b>0.45</b>
Year Ended December 31, 2021 Operating Profit Margins (GAAP)	<u>22.10 %</u>	<u>21.90 %</u>	<u>24.40 %</u>

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 Veralto in a given period.

**VERALTO CORPORATION**

**Cash Flow, Free Cash Flow and Free Cash Flow to Net Earnings Conversion Ratio**  
**(\$ in millions)**

	Six-Month Period Ended		Year Ended		
	June 30, 2023	July 1, 2022	December 31, 2022	December 31, 2021	December 31, 2020
<b>Total Cash Flows:</b>					
Total cash provided by operating activities (GAAP)	\$ 457	\$ 276	\$ 870	\$ 896	\$ 1,001
Total cash used in investing activities (GAAP)	\$ (19)	\$ (34)	\$ (89)	\$ (97)	\$ (157)
Total cash used in financing activities (GAAP)	\$ (438)	\$ (242)	\$ (781)	\$ (799)	\$ (844)
<b>Free Cash Flow:</b>					
Total cash provided by operating activities (GAAP)	\$ 457	\$ 276	\$ 870	\$ 896	\$ 1,001
Less: payments for additions to property, plant & equipment (capital expenditures) (GAAP)	(21)	(20)	(34)	(54)	(36)
Plus: proceeds from sales of property, plant & equipment (capital disposals) (GAAP)	2	—	—	—	—
Free cash flow (non-GAAP)	<u>\$ 438</u>	<u>\$ 256</u>	<u>\$ 836</u>	<u>\$ 842</u>	<u>\$ 965</u>
<b>Operating Cash Flow to Net Earnings Ratio (GAAP):</b>					
Total cash provided by operating activities (GAAP)	\$ 457	\$ 276	\$ 870	\$ 896	\$ 1,001
Net earnings (GAAP)	\$ 434	\$ 411	\$ 845	\$ 861	\$ 724
Operating cash flow to net earnings conversion ratio	<u>1.05</u>	<u>0.67</u>	<u>1.03</u>	<u>1.04</u>	<u>1.38</u>
<b>Free Cash Flow to Net Earnings Ratio (non-GAAP):</b>					
Free cash flow from above (non-GAAP)	\$ 438	\$ 256	\$ 836	\$ 842	\$ 965
Net earnings (GAAP)	\$ 434	\$ 411	\$ 845	\$ 861	\$ 724
Free cash flow to net earnings conversion ratio (non-GAAP)	<u>1.01</u>	<u>0.62</u>	<u>0.99</u>	<u>0.98</u>	<u>1.33</u>

The Company defines free cash flow as operating cash flows from continuing operations, less payments for additions to property, plant and equipment (“capital expenditures”) plus the proceeds from sales of plant, property and equipment (“capital disposals”).

**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 Veralto Corporation's ("Veralto" or the "Company") results that, when reconciled to the corresponding GAAP measure, help our investors:

- with respect to the profitability-related non-GAAP measures, understand the long-term profitability trends of our business and compare our profitability to prior and future periods and to our peers;
- with respect to core sales and related sales measures, identify underlying growth trends in our business and compare our sales performance with prior and future periods and to our peers; and
- with respect to free cash flow and related cash flow measures (the "FCF Measure"), understand Veralto's ability to generate cash without external financings, strengthen its balance sheet, invest in its business and grow its business through acquisitions and other strategic opportunities (although a limitation of free cash flow is that it does not take into account the Company's non-discretionary expenditures, and as a result the entire free cash flow amount is not necessarily available for discretionary expenditures).

Management uses these non-GAAP measures to measure the Company's operating and financial performance.

- The items excluded from the non-GAAP measures set forth above have been excluded for the following reasons:
  - Amortization of Intangible Assets: 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 sales generation and that intangible asset amortization related to past acquisitions will recur in future periods until such intangible assets have been fully amortized.
  - Restructuring Charges: 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 Veralto Enterprise 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 Veralto's ongoing operating costs in a given period, we exclude these costs to facilitate a more consistent comparison of operating results over time.
  - Other Adjustments: With respect to the other items excluded from the profitability-related non-GAAP measures, 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 Veralto'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.
  - Standalone Adjustments: We believe these adjustments provide additional insight into how our businesses are performing, on a normalized basis. However, these non-GAAP financial measures should not be construed as inferring that our future results will be unaffected by the items for which the measure adjusts.
- With respect to core operating profit margin changes, in addition to the explanation set forth in the bullets above relating to "restructuring charges" and "other adjustments", we exclude the impact of businesses owned for less than one year (or disposed of during such period and not treated as discontinued operations) because the timing, size, number and nature of such transactions can vary significantly from period to period and may obscure underlying business trends and make comparisons of long-term performance difficult.

**Statement Regarding Non-GAAP Measures**

- We calculate adjusted EBITDA by adding to operating profit amounts equal to depreciation and amortization and making the other adjustments reflected in the applicable tables above, which allows us to calculate and disclose such measure by segment. Given Veralto's diversification, we believe this helps our investors compare the profitability of our individual segments to peer companies with like business lines.
- With respect to core sales related measures, (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 the FCF Measure, we exclude payments for additions to property, plant and equipment (net of the proceeds from capital disposals) to demonstrate the amount of operating cash flow for the period that remains after accounting for the Company's capital expenditure requirements.
- We calculate gross leverage and net leverage as the ratio of debt and net debt (defined as total debt less cash and cash equivalents) to trailing twelve month adjusted EBITDA. Trailing Twelve Month EBITDA is an ongoing liquidity measure and is calculated as the sum of adjusted EBITDA for the previous four quarters. We believe these liquidity measures help our investors to assess our liquidity relative to peer companies.

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