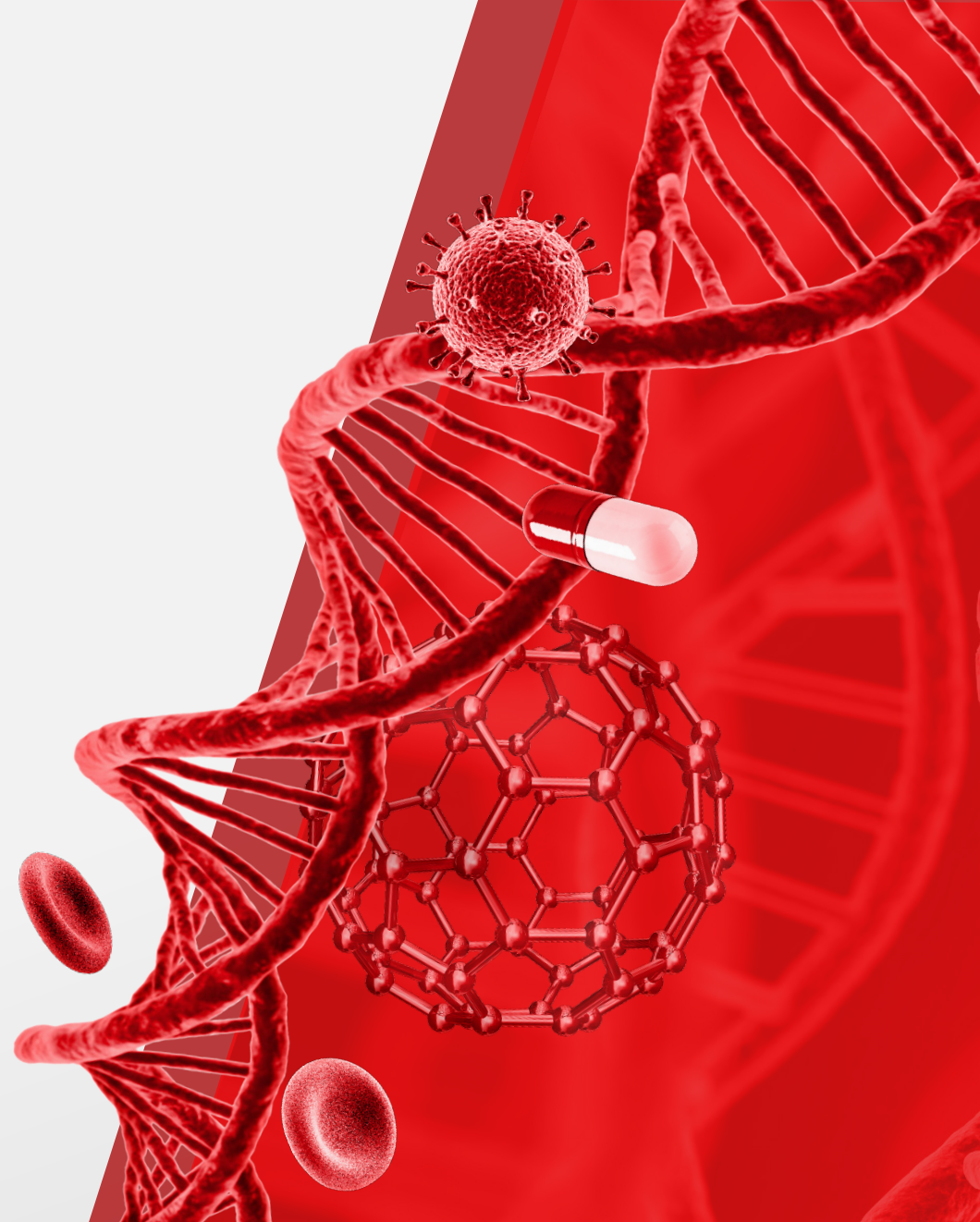


Please note that the attached presentations contain financial projections and other forward-looking statements that are specific to the date of the presentations - September 10, 2020 - and should not be considered current after such date.

 **Analyst Meeting**

2020



Safe harbor / Non-GAAP measures

Various remarks that we may make in the following presentations about the company's future expectations, plans and prospects constitute forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, including those discussed in our Form 10-Q for the quarter ended June 27, 2020, under the caption "Risk Factors," which is on file with the Securities and Exchange Commission and available in the "Investors" section of our website under the heading "SEC Filings." Important factors that could cause actual results to differ materially from those indicated by forward-looking statements include risks and uncertainties relating to: the need to develop new products and adapt to significant technological change; implementation of strategies for improving internal growth; general economic conditions and related uncertainties; dependence on customers' capital spending policies and government funding policies; the effect of economic and political conditions and exchange rate fluctuations on international operations; use and protection of intellectual property; the effect of changes in governmental regulations; and the effect of laws and regulations governing government contracts, as well as the possibility that expected benefits related to recent or pending acquisitions may not materialize as expected. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if estimates change, therefore, you should not rely on these forward-looking statements as representing our views as of any date subsequent to today.

During these presentations, we will be referring to certain financial measures not prepared in accordance with generally accepted accounting principles, or GAAP, including adjusted EPS, adjusted operating margin and free cash flow. The non-GAAP financial measures of Thermo Fisher's results of operations and cash flows included in these presentations are not meant to be considered superior to or a substitute for Thermo Fisher's results of operations prepared in accordance with GAAP. Definitions of these non-GAAP financial measures and, for historical periods, a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available in the appendix to these presentations.

Please note that the attached presentations contain financial projections and other forward-looking statements that are specific to the date of the presentations – September 10, 2020 – and should not be considered current after such date.

Kenneth Apicerno

Vice President, Investor Relations

Welcome and Safe Harbor**Marc Casper**

Chairman, President and
Chief Executive Officer

Building on Our Unrivalled Industry Leadership**Mark Stevenson**

Executive Vice President and
Chief Operating Officer

Speed at Scale: Mobilizing to Respond to the COVID-19 Pandemic**Michel Lagarde**

Executive Vice President

Stephen Williamson

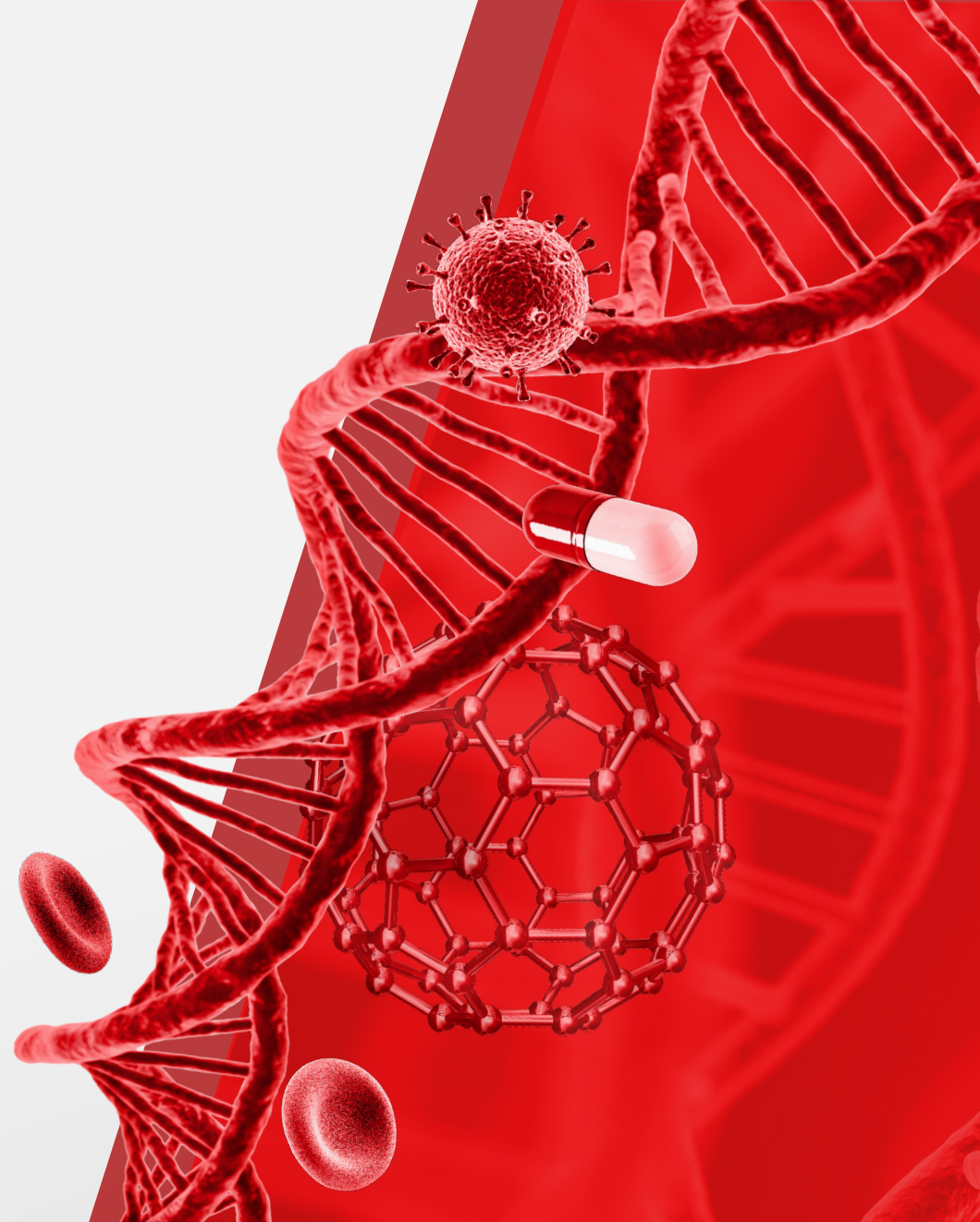
Senior Vice President and
Chief Financial Officer

Consistently Delivering Exceptional Financial Results**Marc Casper****Summary and Q&A**

Building on Our Unrivaled Industry Leadership

Marc N. Casper

Chairman, President and Chief Executive Officer



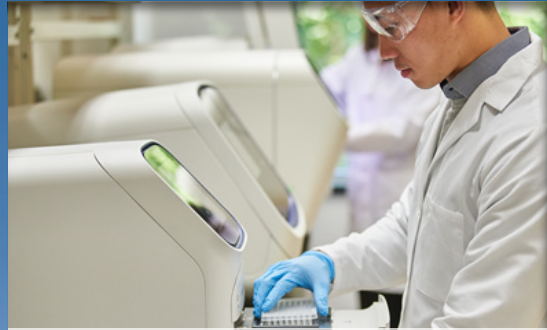
Key takeaways of the day

- **We remain exceptionally well positioned for an even brighter future**
 - Unique scale and depth of capabilities create unmatched solutions for customers
 - Long and ongoing track record of successfully executing our proven growth strategy
 - PPI Business System enables operational excellence and “speed at scale”
 - Successful capital deployment strategy delivers strong returns and strengthens our strategic position
- **Consistent with our Mission, we are significantly enabling the societal response to the pandemic**
- **We are effectively navigating the current environment to come out of this period a stronger industry leader**



Our Mission is our purpose

Healthier



Gold-standard PCR testing

**Delivering diagnostic tests,
vaccine/therapy development
and production to fight
COVID-19 globally**

Cleaner



Electron microscopy for advanced
materials analysis

**Supporting innovative
research and development
of cleaner, more efficient
power sources**

Safer



Vanquish UHPLC QA / QC lab

**Ensuring the quality and
safety of medicines**

We enable our customers to make the world healthier, cleaner and safer

Thermo Fisher Scientific is the world leader in serving science

ThermoFisher
S C I E N T I F I C

thermo
scientific

applied
biosystems

invitrogen

f fisher
scientific

unity
lab services

patheon



\$25B
revenue



75,000
employees



\$1B
R&D investment

Industry-leading scale

- Unparalleled commercial reach
- Unique customer access
- Expanding global footprint

Unmatched depth of capabilities

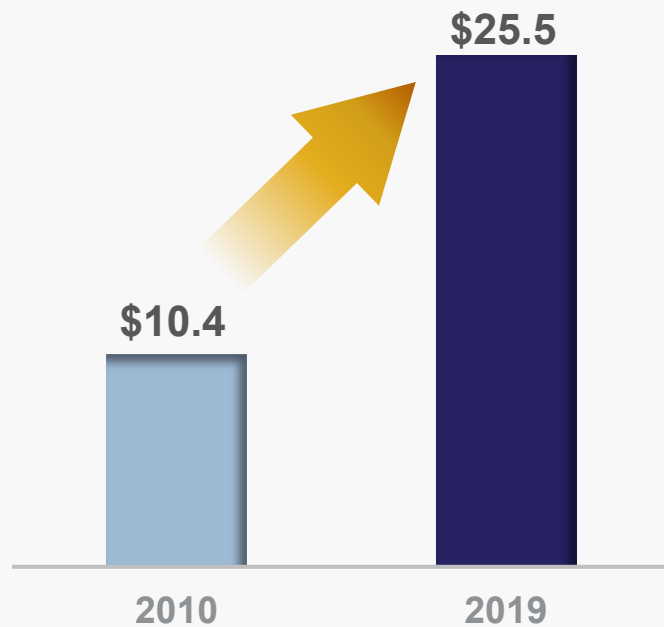
- Leading innovative technologies
- Deep applications expertise
- Premier productivity partner
- Comprehensive pharma services offering

Powered by our Practical Process Improvement (PPI) Business System

Consistently delivering exceptional financial performance

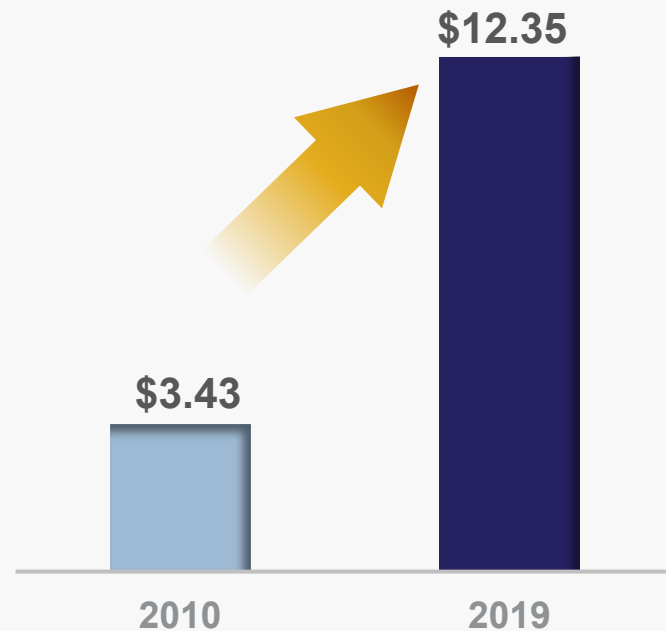
Revenue (\$B)

11% CAGR



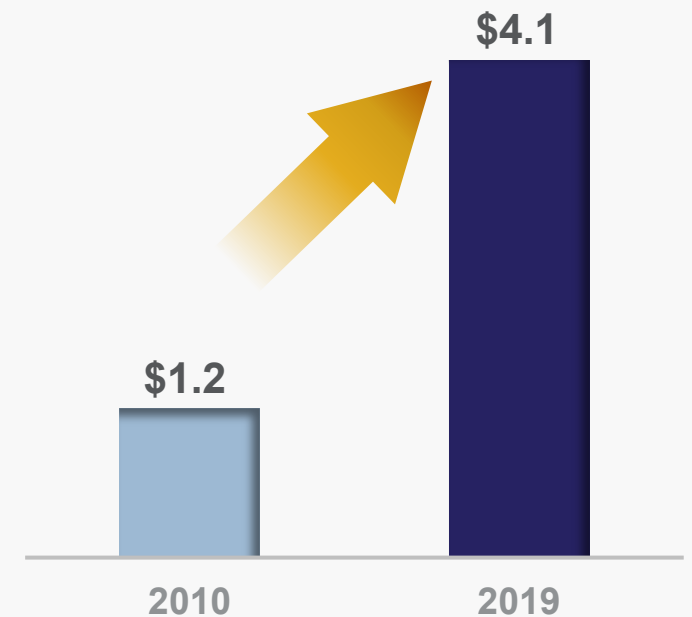
Adjusted EPS

15% CAGR



Free Cash Flow (\$B)

14% CAGR



» Speed at scale: Quickly mobilized to enable the global societal response to the pandemic



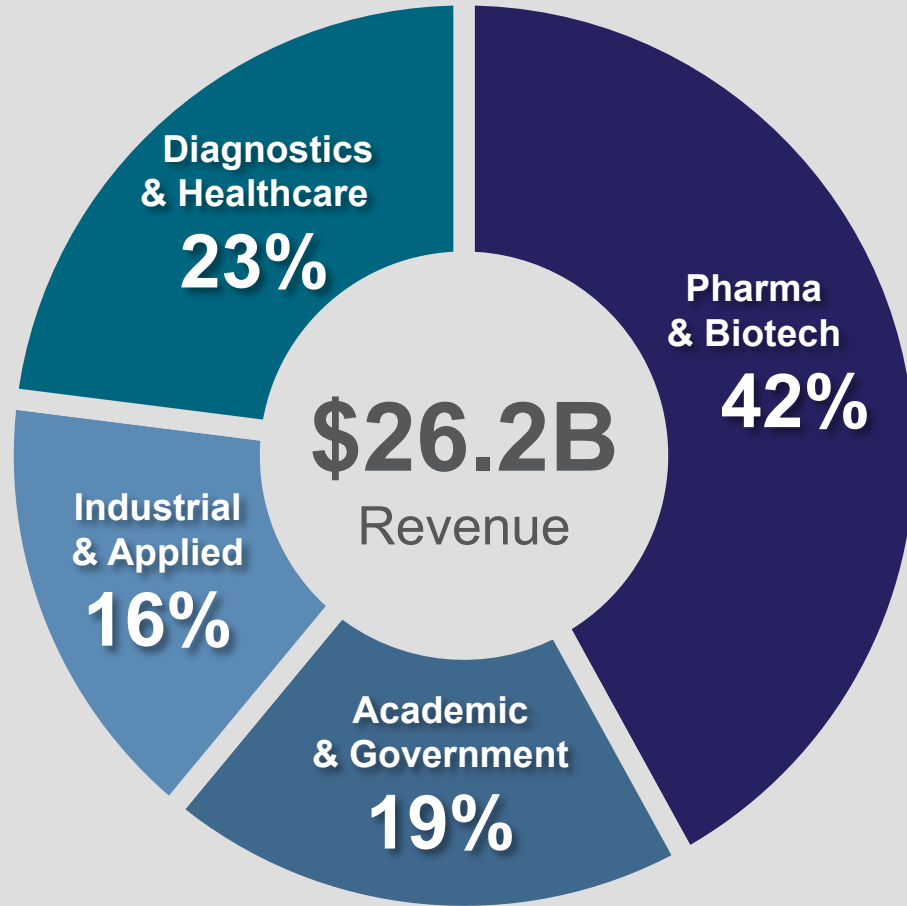
» Significantly deepened our relationships with customers and governments around the world

*Covered in detail in separate presentation
by Mark Stevenson and Michel Lagarde*

Exceptionally positioned for an even brighter future

- ① **Leadership positions in attractive end markets**
- ② **Proven growth strategy drives share gain**
- ③ **PPI Business System enables operational excellence and speed at scale**
- ④ **Disciplined capital deployment strategy**

1 Attractive fundamentals in key end markets drive long-term growth



**~\$165B addressable market,
historically growing 3 - 5%**

Favorable Demographics

- Chronic conditions among aging populations
- Rising standard of living in emerging markets

Scientific Advances

- Strong investment in pharma, biotech and life science research
- Robust growth in biotherapeutics, gene and cell therapies

Technology Migration

- Research tools transitioning to clinical and applied markets
- Digital capabilities are creating new opportunities

Macro Environment

- Global regulations driving compliance in applied markets
- Increasing emphasis on laboratory and operational productivity creates significant outsourcing / partnering opportunities

Funding Acceleration

- Increased funding for infectious disease research, diagnostics, therapy / vaccine development and manufacturing
- Focus on supply chain security and national stockpiles will create incremental opportunities

Meaningful near-term impact



- Reduced customer activity due to COVID-19 related disruptions
- + More than offset by demand for COVID-related products

Accelerated long-term momentum



- Recessionary impact on certain customers
- + Increased investment in diagnostics and development of therapies, vaccines
- + Increased private and public sector partnerships
- + Global focus on strengthening healthcare systems

1 Complementary segments

Life Sciences Solutions

Revenue: \$7.9B

Leading portfolio serving research, bioproduction, and clinical markets

Specialty Diagnostics

Revenue: \$3.8B

Leadership in niche diagnostics to cost-effectively improve patient care

Analytical Instruments

Revenue: \$5.0B

Leading technologies to solve a broad range of analytical challenges

Laboratory Products and Services

Revenue: \$11.0B

Leading capabilities for laboratories and pharmaceutical development and manufacturing

1 Complementary segments

Life Sciences Solutions

Revenue: \$7.9B

Genetic Sciences

SeqStudio CE System

QuantStudio 7 Real-Time PCR Systems

TaqPath COVID19 rtPCR test kit

Genexus Integrated Sequencer

Biosciences

Cell Culture Media & Reagents

BioProduction

GeneArt CRISPR Gene Editing

TruBio Discovery Automation System

Single-use Bioreactors

Specialty Diagnostics

Revenue: \$3.8B

Clinical Diagnostics

AcroMetrix Coronavirus 2019 RNA Control

B·R·A·H·M·S PCT Biomarkers

ImmunoDiagnostics

Phadia 200

ImmunoCAP Allergy and EliA Autoimmunity Tests

Microbiology

Antimicrobial Susceptibility Testing Solutions

Transplant Diagnostics

AllType NGS Assays High-resolution Genotyping

Healthcare Market Channel

Analytical Instruments

Revenue: \$5.0B

Chromatography & Mass Spectrometry

Vanquish Core UHPLC

Orbitrap Exploris 480 MS

Electron Microscopy

KriosG4 Cryo-TEM

Chemical Analysis

Niton Apollo Handheld LIBS Analyzer

Instrument and Enterprise Services

Laboratory Products and Services

Revenue: \$11.0B

Lab Equipment & Consumables

TSX Series ULT Storage

Nalgene/ Nunc Labware

GP PRO Centrifuge

E1 Cliptip Electronic Pipette System

Laboratory Chemicals

Laboratory Chemicals

Pharma Services

Pharma Services

Research & Safety Channel

Research & Safety Channel

Exceptionally positioned for an even brighter future

- 1 Leadership positions in attractive end markets
- 2 Proven growth strategy drives share gain
- 3 PPI Business System enables operational excellence and speed at scale
- 4 Disciplined capital deployment strategy

② Our proven growth strategy drives share gain

- **Commitment to high-impact innovation**
- **Scale in high-growth and emerging markets**
- **Unique customer value proposition**



Our R&D approach

- Business focused R&D teams innovate within their discipline
- Global R&D coordination fuels innovation across the company
- Unique customer access provides innovation insights and feedback
- Underpinned by industry-leading investment



Our R&D strategy

- Launch best-in-class products
- Enable scientific discoveries
- Migrate life science tools to applied and clinical markets

2 High-impact innovation strategy: Resulting in outstanding product launches

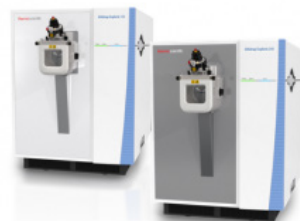
COVID-19 qPCR Test



Applied Biosystems TaqPath COVID-19 Combo Kit

Multiplex real-time PCR diagnostic kit to enable accurate COVID-19 diagnosis

Mass Spectrometry



Orbitrap Exploris 240 and 120

Market leading performance, versatility and ease-of-use to enable customer success

Cell & Gene Therapy



Gibco CTS Rotea

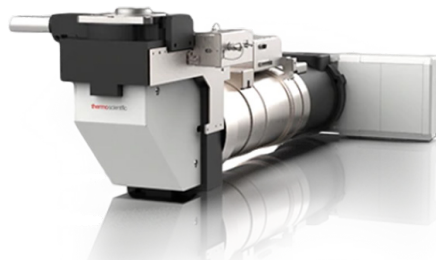
Flexible closed cell-processing system, enabling superior process flexibility

Electron Microscopy



Glacios Cryo-TEM

Sample screening and high-resolution data acquisition made easy through automation



Selectris Imaging Filter

World-record resolution enabling the viewing of precise molecular detail

Next-Generation Sequencing



Ion Torrent Genexus System

First turnkey clinical NGS system to deliver results in a single day

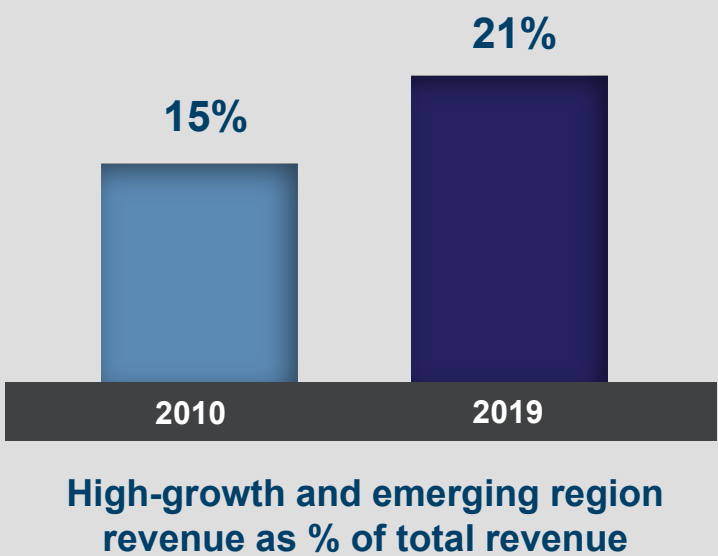
② Scale in high-growth and emerging markets

Our key differentiators

- Unique depth of product and service offerings
- Industry-leading scale
- Leading commercial infrastructure
- Expanding e-commerce platform
- World-class supply-chain capabilities
- Localized R&D and manufacturing

Driving material impact for the company

- \$5.5B revenue
- Strength across the major geographies



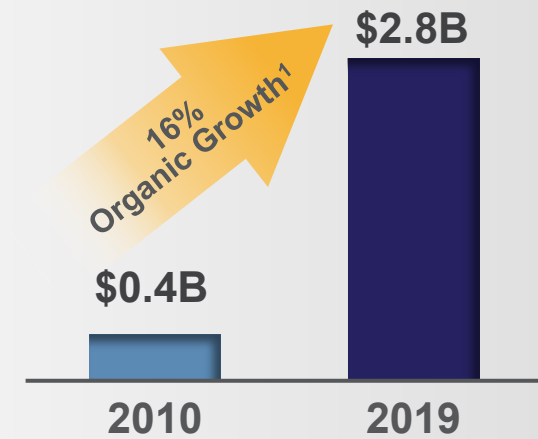
Industry-leading scale and depth create a differentiated experience for our customers

2 Industry-leading position across high-growth regions: China example



Long track record of growth

- 5,000 employees
- 14 commercial offices
- 7 application and demo labs
- 7 factories
- China Innovation Center



Aligned with China's 5-year plan and government priorities

- Uniquely positioned to enable key government and private sector investments
- Attractive opportunities in precision medicine, advanced materials, food safety and environmental monitoring
- Locally developed and manufactured products tailored to China market needs: "In China, for China"

Investing for the future



Opened Pharma and Biotech Customer Solution Center in Shanghai



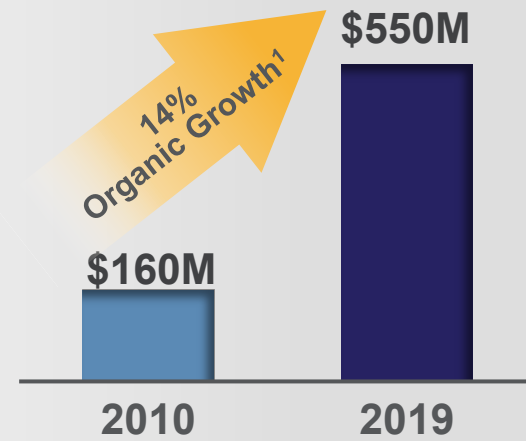
Expanded clinical trials operation in Suzhou

2 Industry-leading position across high-growth regions: South Korea example



Long track record of growth

- 750 employees
- 9 commercial offices
- 2 application and demo labs



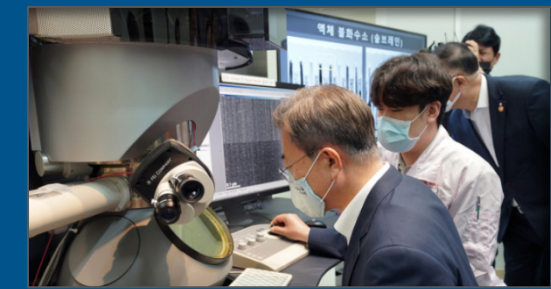
Strong presence in key segments

- Expanding our presence and capabilities to address opportunities in biosimilars with pharma & biotech
- Continued strong growth in the advanced materials and Li-ion battery segments driven by innovative technology and infrastructure

Investing to strengthen our leadership position



Opened Seoul Customer Experience Center

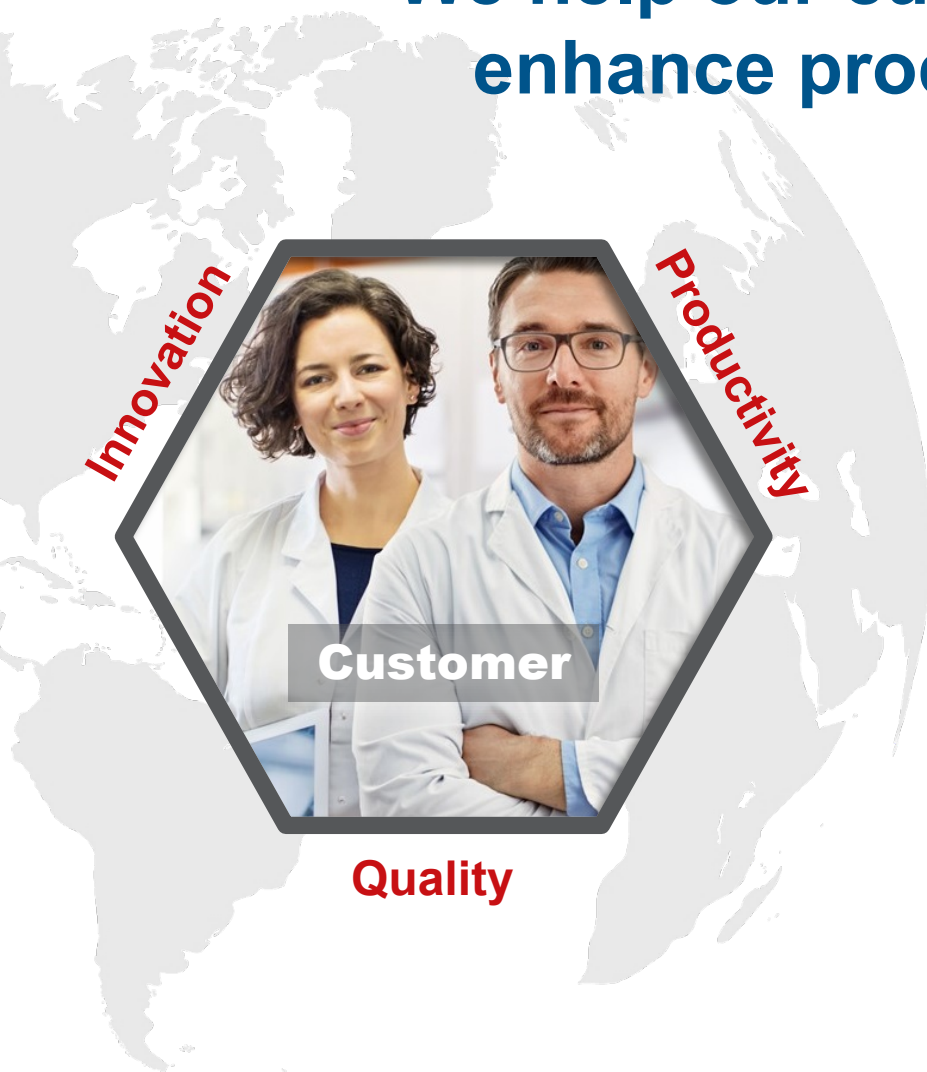


Electron microscope demonstration for President Moon

We help our customers accelerate innovation and enhance productivity, underpinned by quality

Our Approach

- Leverage unmatched customer access
- Increase share of wallet with existing customers
 - Launch steady stream of high-impact innovative products
 - Leverage our leading research and safety, and healthcare market channels
 - Provide comprehensive value-added services, including contract development and manufacturing for pharma and biotech
 - Continuously strengthen our offering through strategic acquisitions



2 Unique customer value proposition: End-to-end offering for pharma and biotech

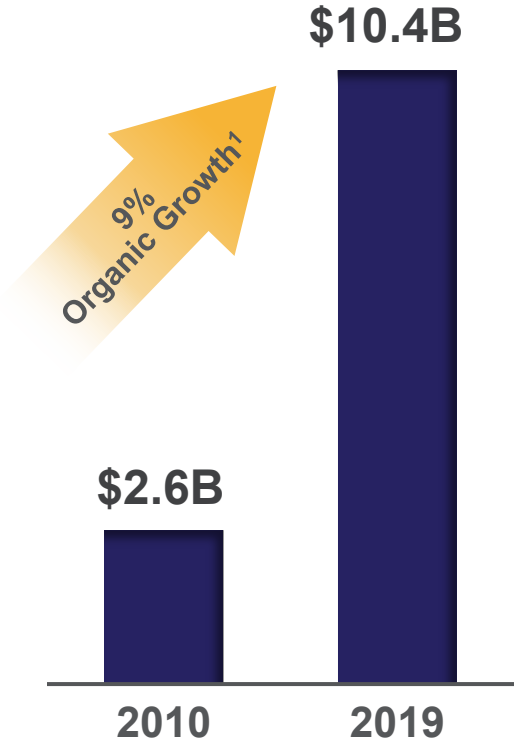
Leading Life Sciences offering
(spanning R&D to bioproduction)

Leading CDMO services

thermo scientific applied biosystems invitrogen gibco fisher scientific unity lab services fisher clinical services patheon brammer bio



Strong track record of growth
in Pharma and Biotech



Partnering to support our customers – from molecule to medicine

② Unique customer value proposition creates Pharma Services (CDMO) opportunities

Evolving trends in drug development and manufacturing

- Small and emerging Pharma and Biotech companies are gaining market share and seeking to leverage CDMO infrastructure and expertise
- Large Pharma companies are looking to align their pipelines with manufacturing assets and expertise
- We have a unique opportunity to leverage our trusted partner status and leading scale to expand our Pharma Services capabilities

Our strategy

- Drive relentless focus on quality
- Invest in capacity (e.g., sterile fill-finish)
- Enhance capabilities (e.g., viral vectors)



Built a \$4.3B business delivering high-single / low-double digit growth

Exceptionally positioned for an even brighter future

- ① **Leadership positions in attractive end markets**
- ② **Proven growth strategy drives share gain**
- ③ **PPI Business System enables operational excellence and speed at scale**
- ④ **Disciplined capital deployment strategy**

③ PPI Business System enables operational excellence and speed at scale



A culture of continuous improvement



**Committed to doing business
the right way**

3 PPI Business System drives culture of continuous improvement



Quality

Consistently deliver world-class products and services



Productivity

Improve operating and process efficiency to strengthen our competitive advantage



Customer Allegiance

Exceed expectations to maximize customer success

Impact of PPI:

- Accelerates organic growth
- Expands margins
- Enhances cash flow

3 We are committed to doing business the right way

It starts with our Mission: To enable our customers to make the world healthier, cleaner and safer

- Our products, technologies and services benefit the environment and society globally
- We take deliberate actions to address sustainability issues today in order to strengthen our business for tomorrow's customers, colleagues and communities
- Our approach focuses on areas that are aligned to our strategy and material to our stakeholders



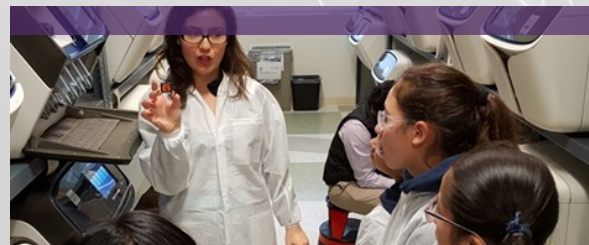
Operations

Leveraging our capabilities to support our customers, while conducting our business and relationships with integrity



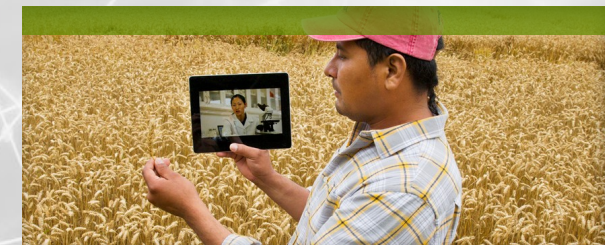
Colleagues

Providing resources and embracing unique perspectives to reach our full potential as one global team



Communities

Making a difference worldwide with an emphasis on inspiring students through STEM education



Environment

Innovating to serve our customers while actively minimizing our own global footprint

Strong focus on environmental, social, and governance (ESG)

30% ↓ Greenhouse gas emissions by 2030

Leveraging innovation and our PPI Business System to increase efficiency and reduce our carbon footprint

-  **Process optimization** Redesigning operations to lower environmental impact
-  **Built Environment Efficiency** Investing in equipment to make our sites more efficient
-  **Smart energy sourcing** Expanding use of solar energy

Giving back to the communities where we live and work

- Launched \$10M Foundation for Science to expand our STEM education programs, especially in underserved communities
- Enhanced programs that empower colleagues to support social justice issues
- Extended collaboration with Historically Black Colleges and Universities, creating new educational opportunities, contributing \$15M in COVID-19 tests and increasing our commitment to hiring students



Exceptionally positioned for an even brighter future

- ① **Leadership positions in attractive end markets**
- ② **Proven growth strategy drives share gain**
- ③ **PPI Business System enables operational excellence and speed at scale**
- ④ **Disciplined capital deployment strategy**

4 Disciplined capital deployment methodology

Successful M&A strategy

- Rigorous selection criteria
 - Enhances our customer offering
 - Strengthens our strategic position
 - Creates shareholder value
- Disciplined decision-making
- Proven integration process



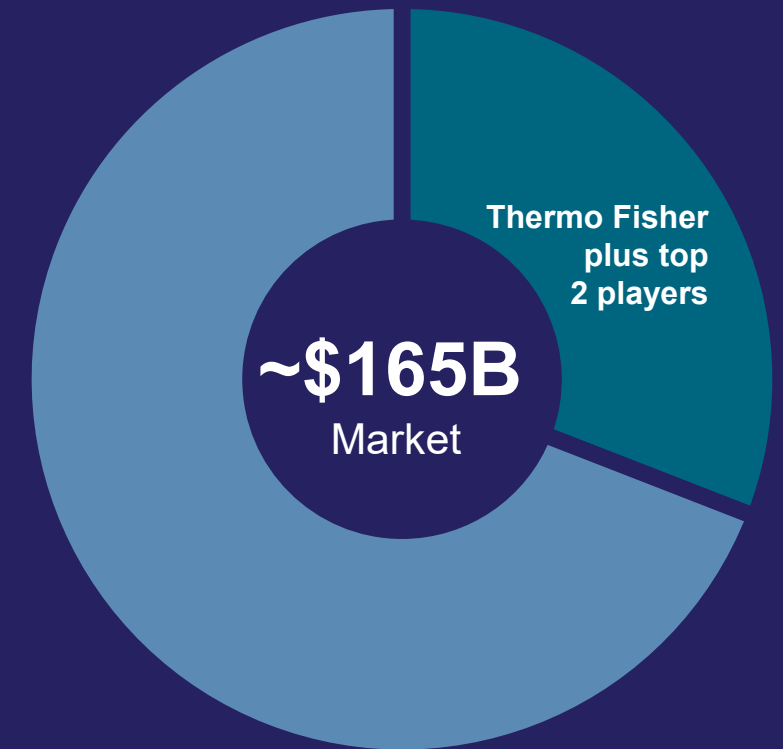
- Enhanced financial and operational performance of target company
- Excellent cost and revenue synergy realization

Consistent capital deployment

68
transactions
completed since 2010

\$39B
deployed on M&A
since 2010

Ample future opportunities



Creates significant value for our shareholders

4 M&A creates significant value for our customers and shareholders

- **Acquiring new state of the art biologics drug substance capability**
 - Stainless steel and single-use technologies
- **10-year agreement provides CSL with full suite of our Pharma Services capabilities**
 - Includes manufacturing of CSL's new-generation product for hemophilia patients
- **Attractive financial profile:**
 - Expected to generate \$300M+ revenue per year by 2024
 - Innovative deal structure
- **Site-transfer expected to close mid-2021**



CSL

Lengnau, Switzerland, site
Construction to be completed mid-2021

Attractive bolt-on transaction supports our 'start here, stay here' Pharma Services strategy

Exceptionally positioned for an even brighter future

- ① **Leadership positions in attractive end markets**
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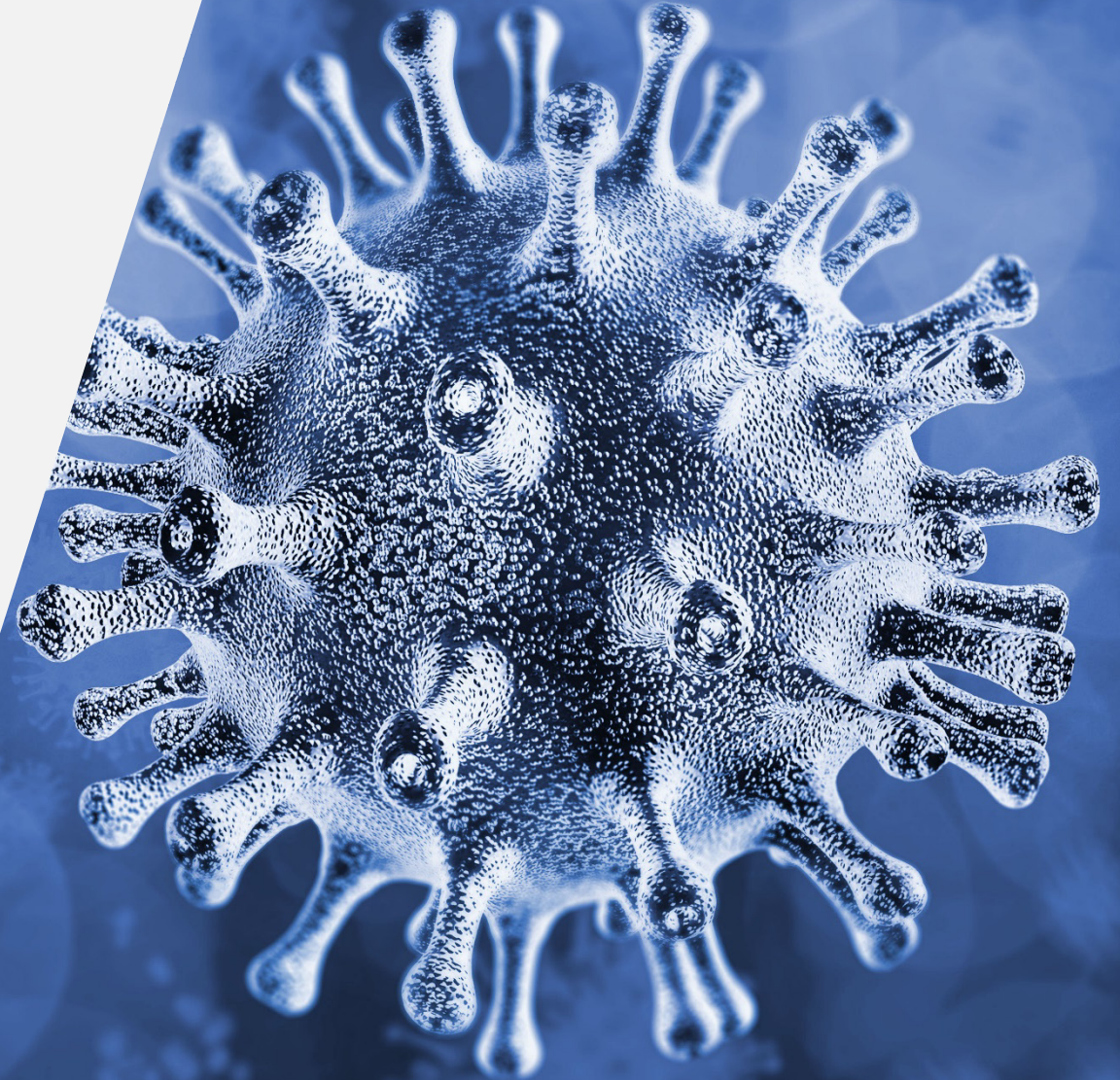
Speed at Scale: Mobilizing to Respond to the COVID-19 Pandemic

Mark Stevenson

Executive Vice President and Chief Operating Officer

Michel Lagarde

Executive Vice President



» **Speed at scale: Mobilized rapidly to enable the global societal pandemic response**



» **Significantly deepened our relationships with customers and governments around the world**

Response to COVID-19 is a powerful example of our Mission at work

Healthier



Developed FDA EUA
COVID-19 testing kits
and instruments

Cleaner



Shifted resources to make
hand sanitizer for
colleagues and customers

Safer



Provided personal
protective equipment
for our customers

We enable our customers to make the world healthier, cleaner and safer

Our approach to responding to COVID-19

1

Set clear guiding principles

Our experienced team established guiding principles to appropriately manage through the pandemic and quickly mobilize our COVID-19 response

2

Leverage scale and depth of capabilities

Rapidly developed and deployed relevant products and services to comprehensively respond to COVID-19

3

Drive operational agility

Anticipated meaningful headwinds and executed thoughtful mitigation plans while rapidly scaling up our ability to meet COVID-19 demand

4

Create an even brighter future

Intensely focused on strengthening our competitive position

① Our guiding principles for managing through the pandemic

- **Ensure the safety of our colleagues**
- **Maintain business continuity to enable and support our customers**
- **Manage the company appropriately to position ourselves for an even brighter future**



Manufacturing operations to support TaqPath COVID-19 workflow at Austin, Texas site

Our PPI Business System enabled our comprehensive COVID-19 response

Ensuring colleague safety and maintaining operational continuity at all sites

- Coordinated our response across the globe
- Verified comprehensive site preparedness
- Delivered employee training and communication
- Activated business continuity plans
- Rapidly scaled up operations and supply chains



Colleagues at our Ferentino, Italy site

② Leveraging scale and depth of capabilities to address COVID-19

Global Testing and Sample Collection



10M+

weekly
COVID-19 test
kit production
capacity

Therapies and Vaccines



Research



**Development
and Production**

250+

COVID-related
projects¹

Essential Personal Protection Equipment (PPE)



7K+

Customers
served

**Rapidly developed
and ramped up
testing capabilities
to meet
global demand**



TaqPath™ COVID-19
Combo Kit

**COVID-19 EUA test kit
using gold-standard
qPCR technology**



QuantStudio and KingFisher
instruments

**Industry-leading
installed base of qPCR
instruments**



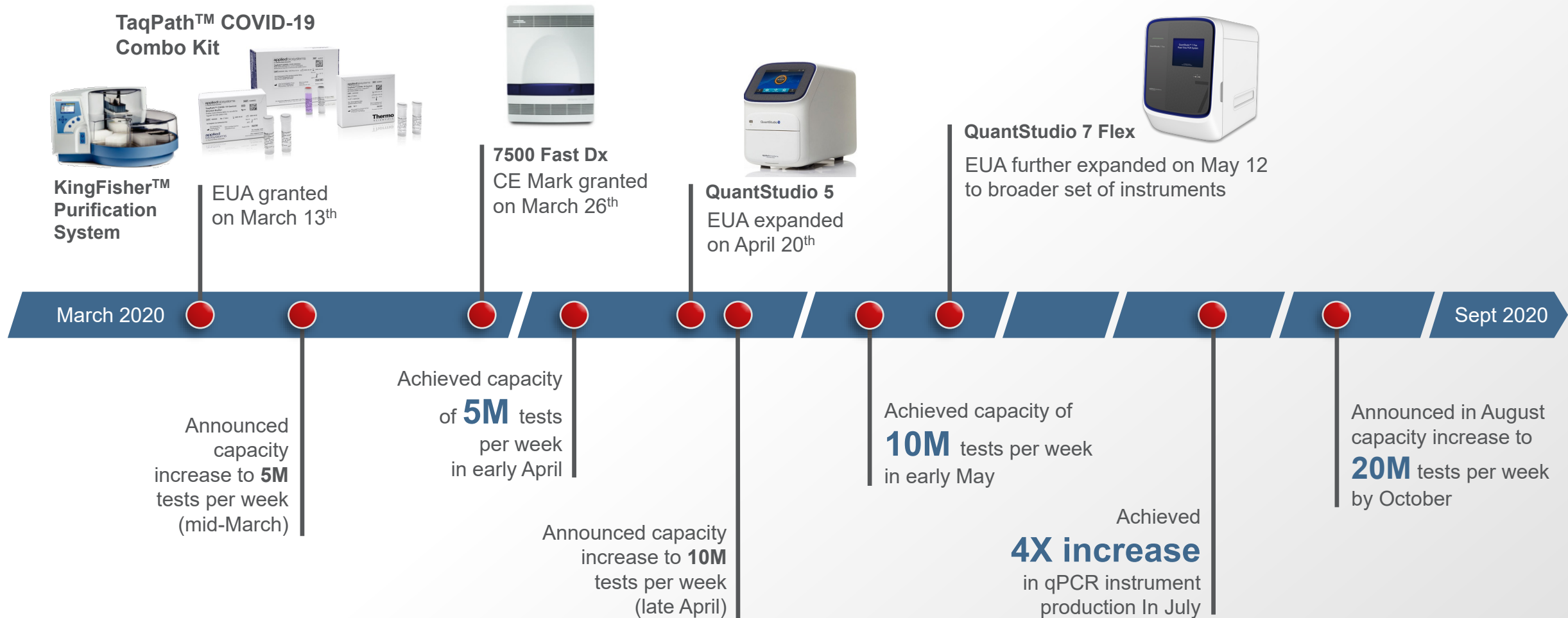
Lenexa facility

**Viral Transport Media to
enable sample collection /
specimen management**

Expanding our diagnostics offering for infectious disease

COVID-19 qPCR: Critical role in scaling global testing capacity in 180 days

Global testing and
sample collection



Exponentially increased capacity to meet massive healthcare and government demand



Amplitude: High-throughput qPCR solution

- **COVID-19 testing at high throughput and low cost**
 - Automated and standardized platform analyzes over 6,000 specimens in 24 hours
 - Increase in throughput of 4X-10X relative to standard lab activity
- **Enabling labs to rapidly increase testing capacity to support diagnostic and “back-to-life” use cases**
- **Initial shipments in September 2020**



QuantStudio 12K Flex real-time PCR and TaqMan respiratory pathogen assays including OpenArray and Array Cards



Multiplex Assays and Syndromic Panels

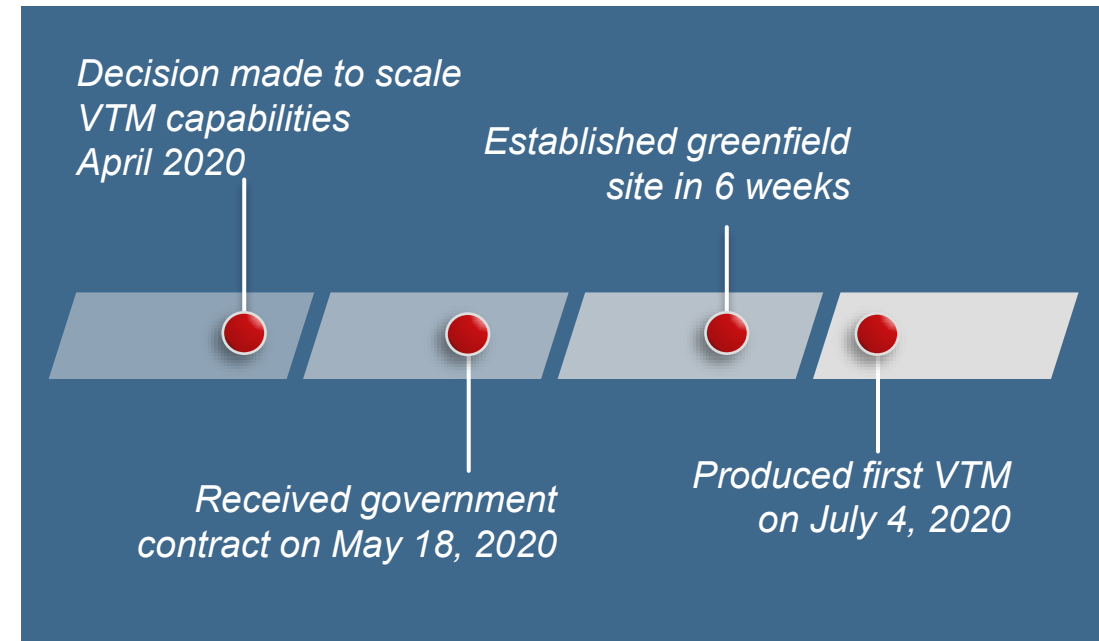
- **Two multiplex qPCR assays**
 - US: Tests for COVID-19 and pathogens Flu A/Flu B
 - EU: Tests for COVID-19 and pathogens Flu A/Flu B and RSV
- **Syndromic respiratory panels detect COVID-19 & 40+ pathogens in one test on OpenArray and TaqMan Array card formats**
- **Expected to launch Fall 2020**

Highly specialized VTM is used during collection of patient samples for proper transport to laboratories that can test for the presence of the virus



- Traditional industry suppliers unable to meet urgent need for VTM supplies
- Competed for and won U.S. Government contract
- Expanded Lenexa, KS site with a new \$40M facility dedicated to VTM production and quality control
- Scaling production to more than 8M VTM-filled tubes/week
- Replicating in Europe - expansion of Perth, Scotland VTM site underway

Rapid development of Lenexa facility



**Providing
comprehensive
portfolio of tools and
technologies to enable
COVID-19 research
and analysis**

Epidemiology research



**Examples: Ion Torrent Genexus
NGS System and COVID-19
research panel**

Virus research



**Examples: Mass spectrometry and
cryo-EM technologies to
characterize the virus**



Krios G4 Cryo-TEM

*Cryo Transmission Electron
Microscope with enhanced
productivity and compact design*

- Cryo-EM enables a 3D view of the structure of a virus
- Unlocks critical information on the virus, how it spreads, and the path to a potential vaccine



**Atomic-level structure
of the SARS-CoV-2
spike protein**

Novel coronavirus structure reveals targets for vaccines and treatments



“We hope these findings will aid in the design of candidate vaccines and the development of treatments for COVID-19”

Dr. Barney Graham, NIAID VRC¹ Deputy Director

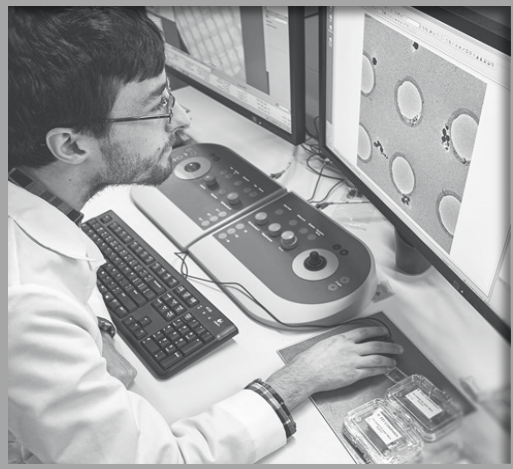
2 Leveraging scale and depth of capabilities to address COVID-19

Global Testing and Sample Collection



10M+
weekly
COVID-19 test
kit production
capacity

Therapies and Vaccines



Research



Development
and Production

250+
COVID-related
projects¹

Essential Personal Protection Equipment (PPE)



7K+
Customers
served

Governments making
significant investments

~\$10B Operation Warp
Speed (US)

€2.7B EU Vaccine
Strategy

Pharma and biotech
companies rapidly
activating therapy and
vaccine programs

NOVAVAX
Creating Tomorrow's Vaccines Today

moderna

janssen
PHARMACEUTICAL COMPANIES OF
Johnson & Johnson

AstraZeneca

gsk

SANOFI

Pfizer

UREVAC
the RNA people®

ThermoFisher
SCIENTIFIC

Working on **250+**
COVID-19 related
projects globally with
an expected **\$1B+**
impact over time

Partnering with pharma and biotech to accelerate therapy and vaccine programs



**Providing development
and production services to
biopharma customers**

**Enabling
bioproduction with
leading cell culture
media and single use
technologies**

**Deploying new
business models to
provide governments
with surge capacity for
future vaccine
production**

Broad portfolio of
best-in-class products
and CDMO services
to support all
vaccine types:

- ✓ Live (attenuated)
- ✓ Inactivated
- ✓ Recombinant
- ✓ mRNA/DNA

Live Vaccine Example



Products:



Cell culture media, buffers and reagents, single-use technologies, purification resins, analytical instruments, software and essential lab equipment

Services:



Drug substance and viral vector manufacturing



Biologics management, sterile fill-finish, clinical trials packaging and storage, distribution and logistics etc.



Partnering with government agencies to deliver critical therapies and vaccines

- Supplying dedicated local production capacity for therapy and vaccine production
 - Joint funding of capital investment for live virus sterile fill-finish capacity
 - Commercial arrangements to provide sterile fill-finish for vaccine doses

- Entered into long-term partnership with Biomedical Advanced Research and Development Authority (BARDA) in the US
- Working to expand similar partnerships with additional governments around the world



Fisher Scientific Channel sourcing and supplying PPE to keep customers operating at a critical time



Expanding
manufacturer
partnerships to
secure supply

Working closely with
customers to meet
ramp-up requests

Partnering with
federal and state
governments on
stockpile strategies

Created customer goodwill and strengthened customer relationships

Our approach to responding to COVID-19

1

Set clear guiding principles

Our experienced team established guiding principles to appropriately manage through the pandemic and quickly mobilize our COVID-19 response

2

Leverage scale and depth of capabilities

Rapidly developed and deployed relevant products and services to comprehensively respond to COVID-19

3

Drive operational agility

Anticipated meaningful headwinds and executed thoughtful mitigation plans while rapidly scaling up our ability to meet COVID-19 demand

4

Create an even brighter future

Intensely focused on strengthening our competitive position

COVID-19 impact on customers

- Reduced customer activity due to COVID-19 related disruptions
- + Dramatic demand for COVID-related products
- + Increased focus on diagnostics and development of therapies, vaccines

Our Approach

Active cost management

- Reduced discretionary costs where demand was impacted
- Drove productivity by utilizing the PPI Business System

Rapid scale-up to meet COVID-19 demand

- Mobilized to deliver highly relevant COVID-19 products and services
- Leveraged PPI Business System to enable prioritization and nimble decision making

Robust alignment with customer priorities

- Enabled governments and private sector customers to swiftly scale testing capacity
- Facilitated research customers' rapid pivot to COVID-19 and viral research
- Maintained uninterrupted supply of bioproduction products

Mobilized a coordinated, total company response

4 Creating an even brighter future



Accelerating investments to further build our industry leadership

- New capacity creates long-term opportunities in Pharma Services, bioproduction and sample handling
- Selectively increasing investments in R&D and commercial functions to drive share gain momentum

Strengthened position in Infectious Disease and Diagnostics

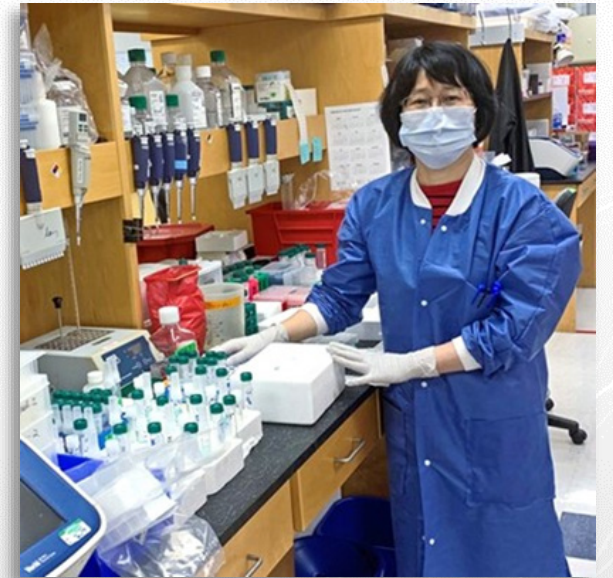
- Material increase in installed base of qPCR instruments
- Capacity expansion for COVID-19 needs can be eventually repurposed for broader infectious disease offering

Enhanced and expanded customer relationships

- Maintained assurance of supply for critical products and services
- Secured PPE supplies during industry-wide shortage to keep customers operating
- Developed hundreds of new customer relationships

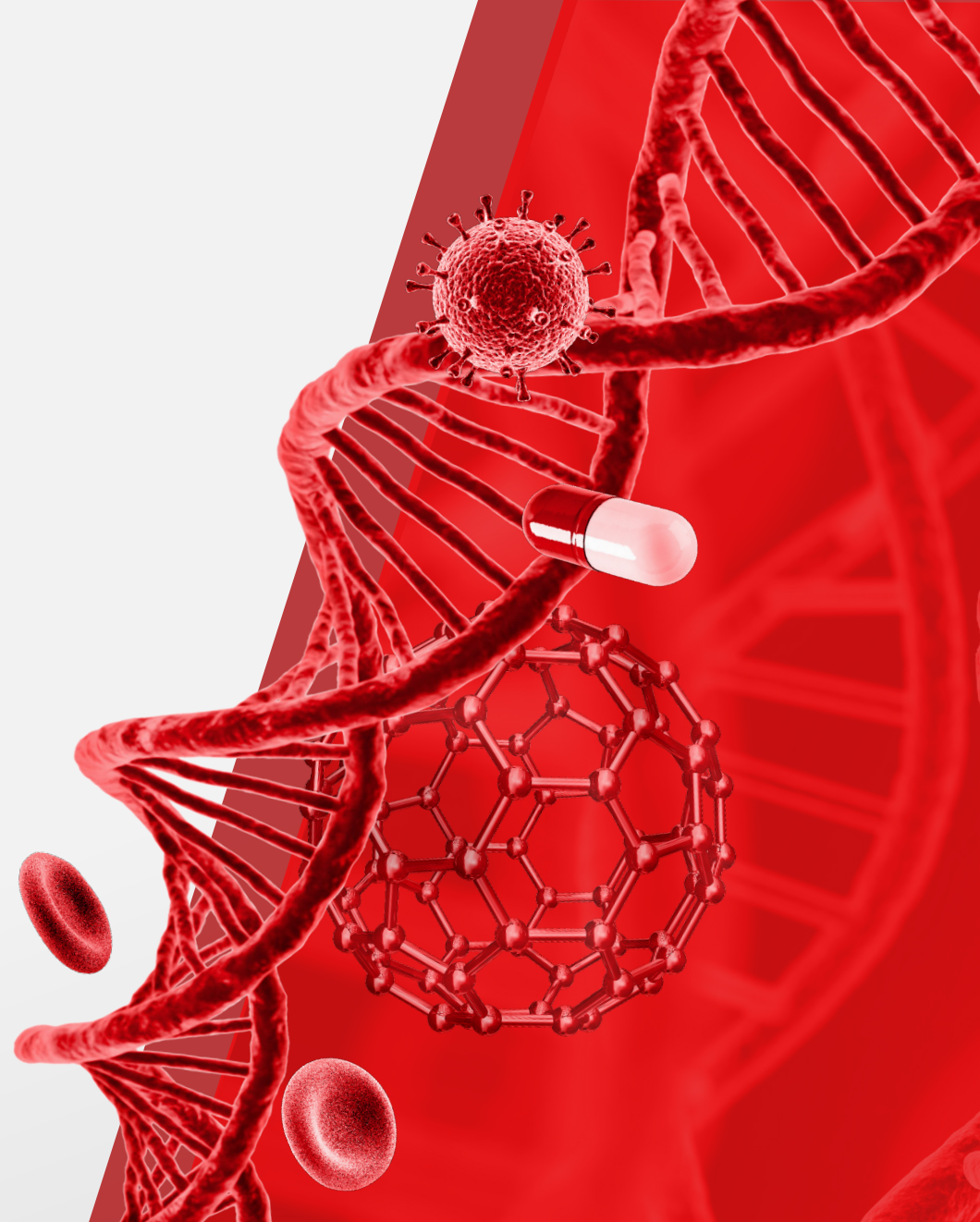
Advancing our industry leadership and accelerating growth

Thank you to the Thermo Fisher team



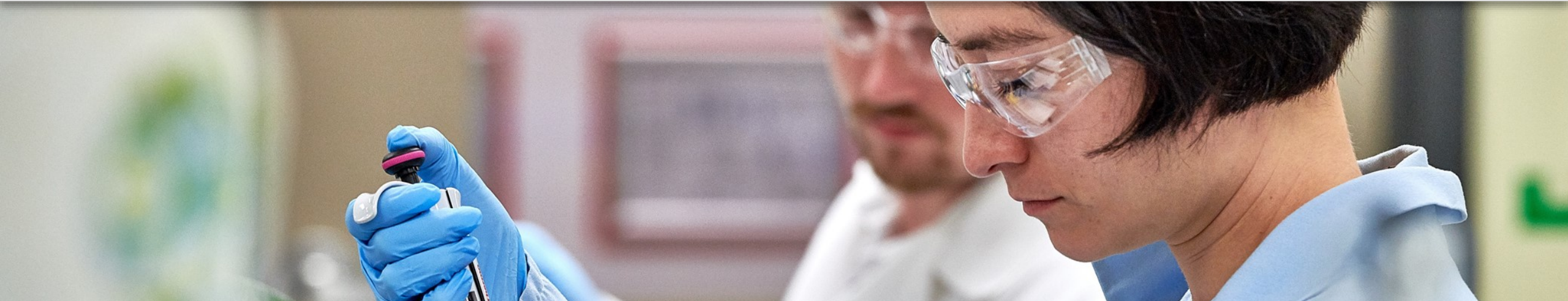
Consistently Delivering Exceptional Financial Results

Stephen Williamson
Senior Vice President and Chief Financial Officer



Agenda

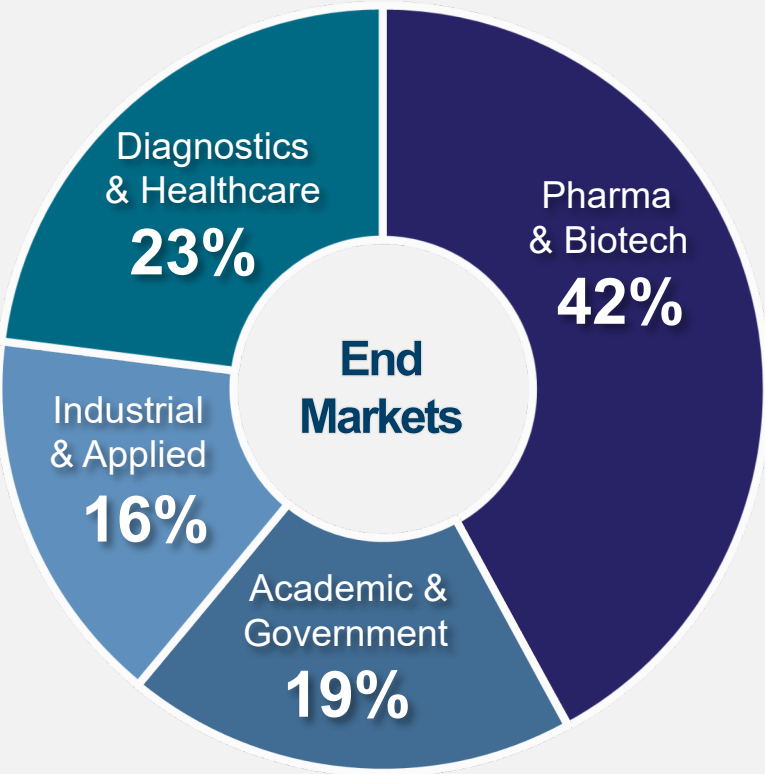
- **Company profile**
- **2020 Financial Update**
 - H1 2020 recap
 - Organizational preparedness: Speed at scale
 - H2 2020 outlook
- **Initial view of 2021 environment**
- **Long-term financial profile**



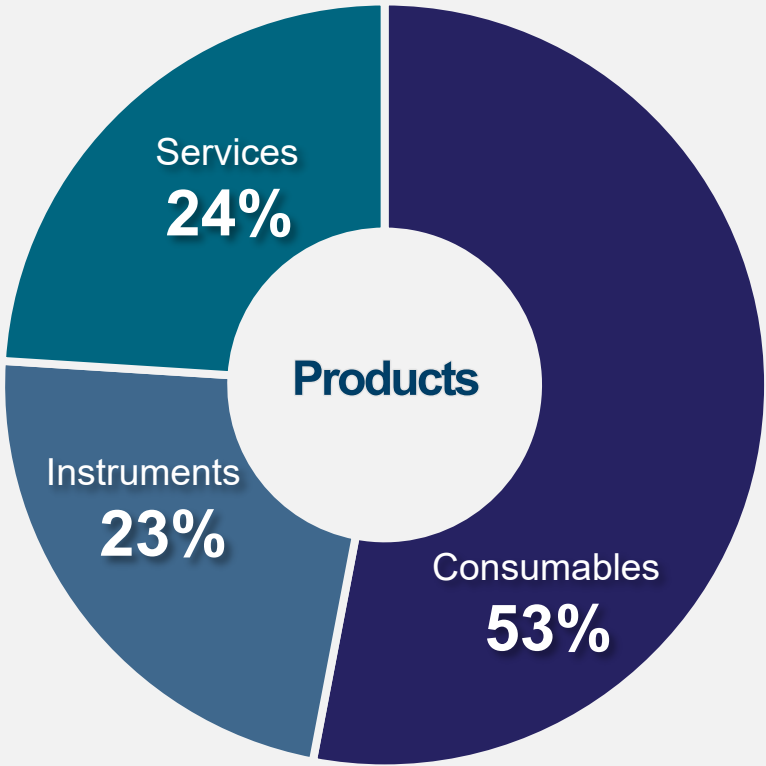
Consistently delivering exceptional financial results

Attractive revenue profile

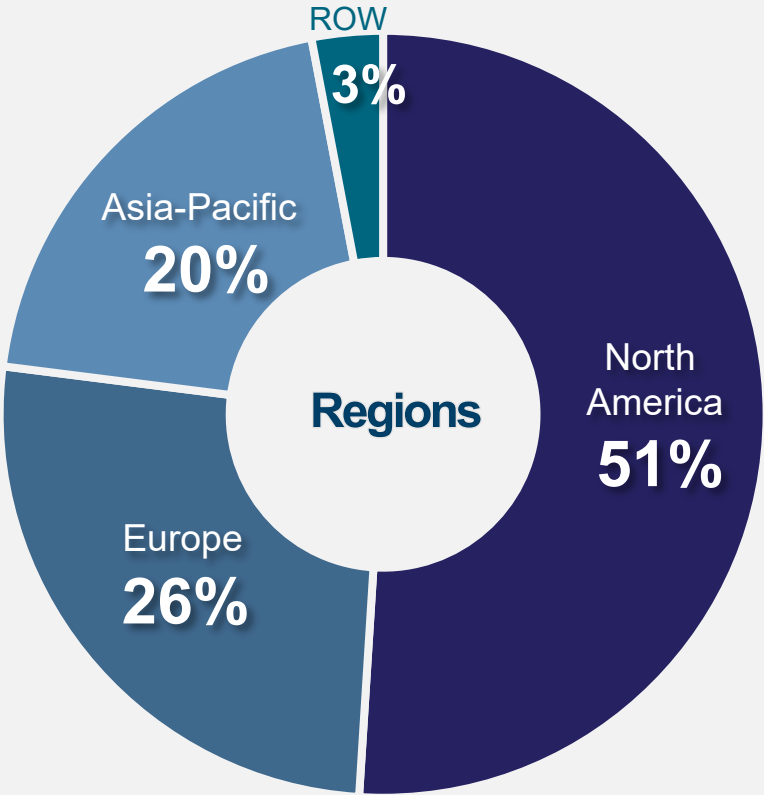
Diverse Customer Base
in Attractive End Markets



Strong Recurring
Revenue Mix



Industry - Leading Scale in
Emerging Markets



Revenue: \$26.2B

Complementary segments

Life Sciences Solutions

Revenue: \$7.9B

Genetic Sciences

SeqStudio
CE System



QuantStudio 7 Real-Time
PCR Systems



TaqPath COVID19
rtPCR test kit



Genexus
Integrated
Sequencer

Biosciences



Cell Culture
Media & Reagents

GeneArt
CRISPR Gene
Editing

BioProduction



TruBio Discovery
Automation System



Single-use
Bioreactors

Specialty Diagnostics

Revenue: \$3.8B

Clinical Diagnostics

AcroMetrix Coronavirus 2019
RNA Control



B·R·A·H·M·S
PCT Biomarkers



Viral Transport
Media and
Collection

ImmunoDiagnostics

ImmunoCAP Allergy and
EliA Autoimmunity Tests



Phadia 200

Microbiology

Antimicrobial Susceptibility
Testing Solutions



Transplant Diagnostics



AllType NGS Assays
High-resolution Genotyping

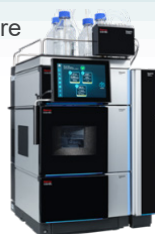
Healthcare Market Channel

Analytical Instruments

Revenue: \$5.0B

Chromatography & Mass Spectrometry

Vanquish Core
UHPLC



Orbitrap Exploris 480 MS

Electron Microscopy



KriosG4
Cryo-TEM

Chemical Analysis



Niton Apollo Handheld
LIBS Analyzer

Instrument and Enterprise Services

Laboratory Products and Services

Revenue: \$11.0B

Lab Equipment & Consumables

TSX Series
ULT Storage



Nalgene/ Nunc
Labware



E1 Cliptip
Electronic Pipette System

GP PRO
Centrifuge



Research & Safety Channel



Laboratory Chemicals



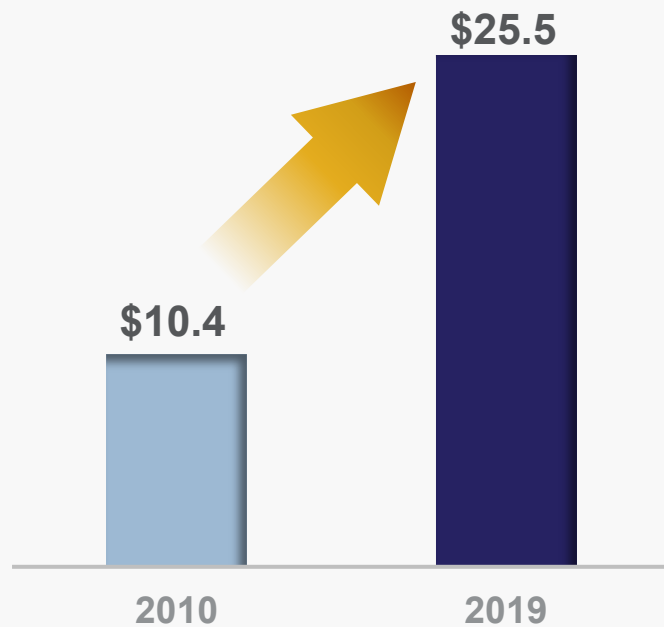
Pharma Services



Consistently delivering exceptional financial performance

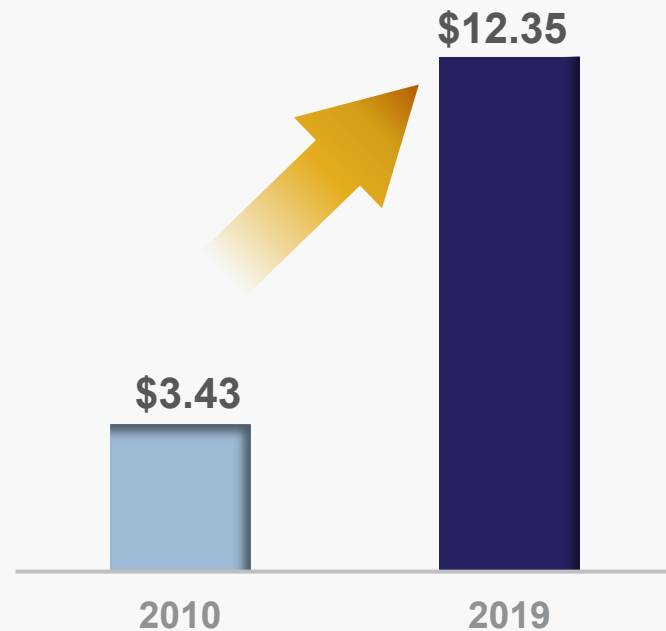
Revenue (\$B)

11% CAGR



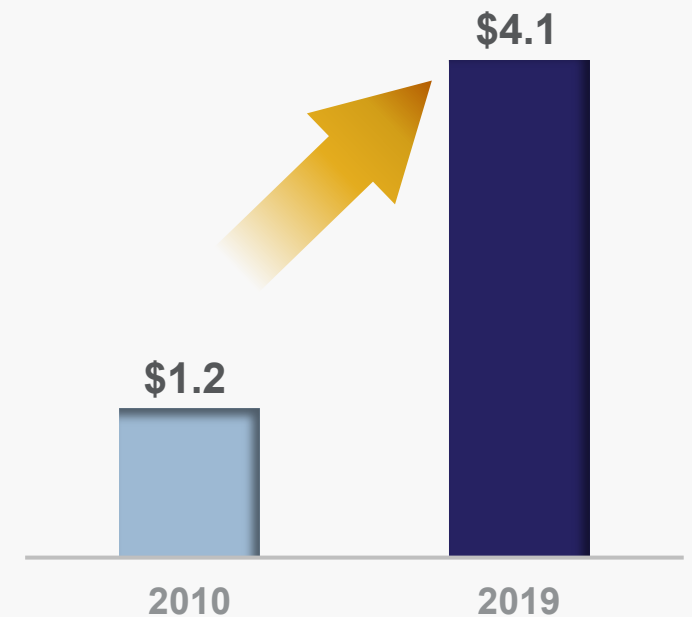
Adjusted EPS

15% CAGR

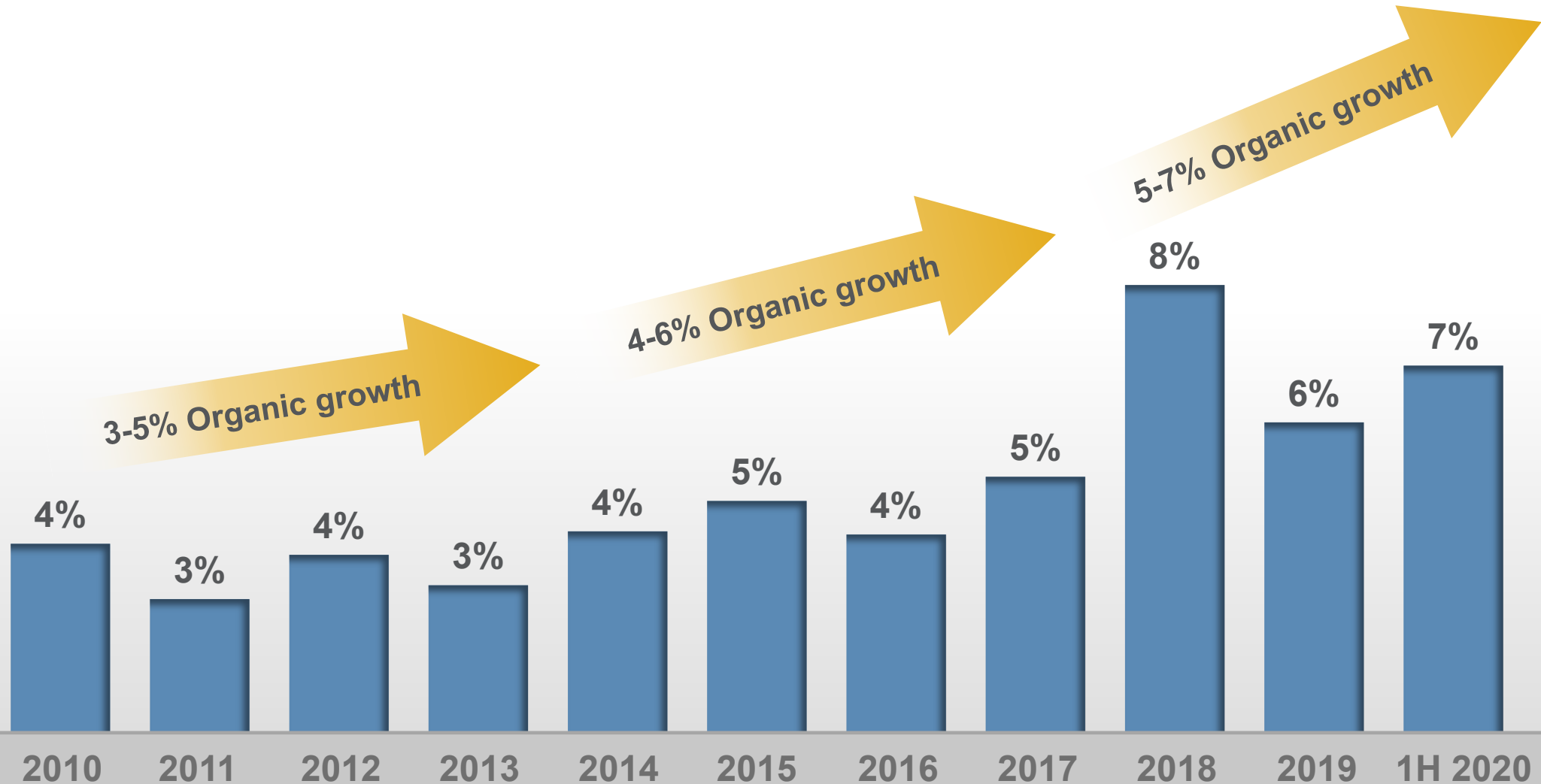


Free Cash Flow (\$B)

14% CAGR



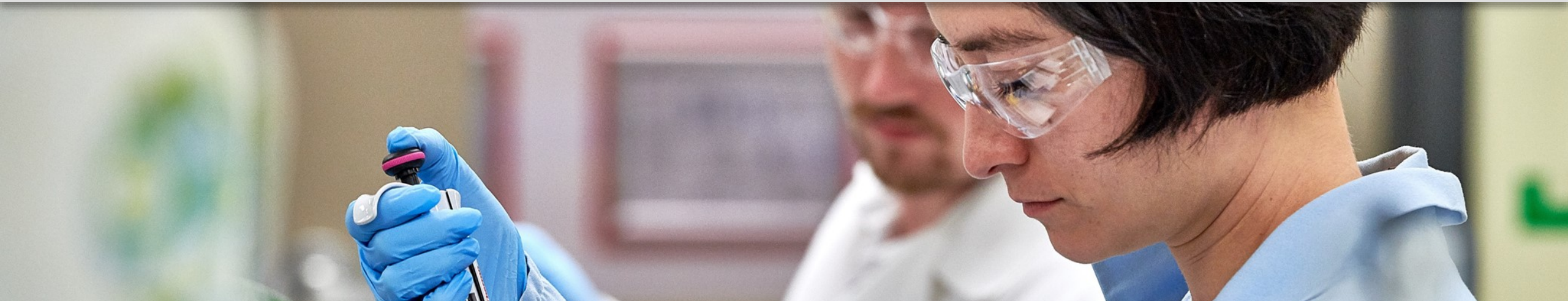
Evolution of organic growth



Organic growth acceleration reflects the impact of our proven growth strategy

Agenda

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Consistently delivering exceptional financial results

Q1

- **Mitigated initial impact of COVID-19 (mainly China) through strong cost control and focused commercial execution**
- **Initiated the COVID-19 response**
 - Developed qPCR test
 - Enabled initial virus analysis/research
 - Supported customers with PPE
- **Delivered 2% organic growth and 5% growth in adjusted EPS**

Q2

- **Ramped up COVID-19 response on multiple dimensions**
 - EUA and CE-IVD approval secured for qPCR test, shipping to over 50 countries
 - Engaged in 250+ therapy and vaccine customer projects
 - Established VTM facility
- **Continued to effectively navigate the company during disruption to end customer demand**
- **Delivered 11% organic growth and 28% growth in adjusted EPS**

- **7% Organic Revenue Growth**
- **170 bps of Adjusted Operating Margin Expansion**
- **17% Growth in Adjusted Earnings Per Share**
- **13% Growth in Free Cash Flow**
- **Capital Deployment**
 - \$1.5B of share buybacks completed in Q1
 - 16% increase in annual dividend



Managed the company extremely effectively in a very dynamic environment

Organizational preparedness: H1 demonstrating speed at scale

- The company was able to pivot quickly to react to a changing environment
- Guiding principles quickly established and remain true today
- Significant benefits from having a seasoned management team and a deep bench of talent
- PPI business system enabled nimble execution to maximize the opportunities and effectively deal with the headwinds
- Organization structure was a key enabler: decentralized decision making combined with benefits of scale enables the right decisions to be made quickly and efficiently
- Scale relevance with our customers enabled us to have a more significant impact and deepened the relationships

On track to deliver over \$4B of COVID-19 response revenue in 2020 and meaningful revenue in 2021, all while minimizing the impact of customer demand disruptions and investing for the future

Estimate on Q2 earnings call 7/22/2020

Initial estimate of Q3 organic growth was **15%**

Key drivers:

- Approximately \$1.1B of COVID-19 response revenue
- Rest of the business in the range of approximately flat to negative 5%

Updated view as of 9/10/2020

Current estimate of Q3 organic growth is **24%**

Key drivers:

- Approximately \$1.6B of COVID-19 response revenue
- Rest of the business close to flat

Q4 and full year 2020 organic growth

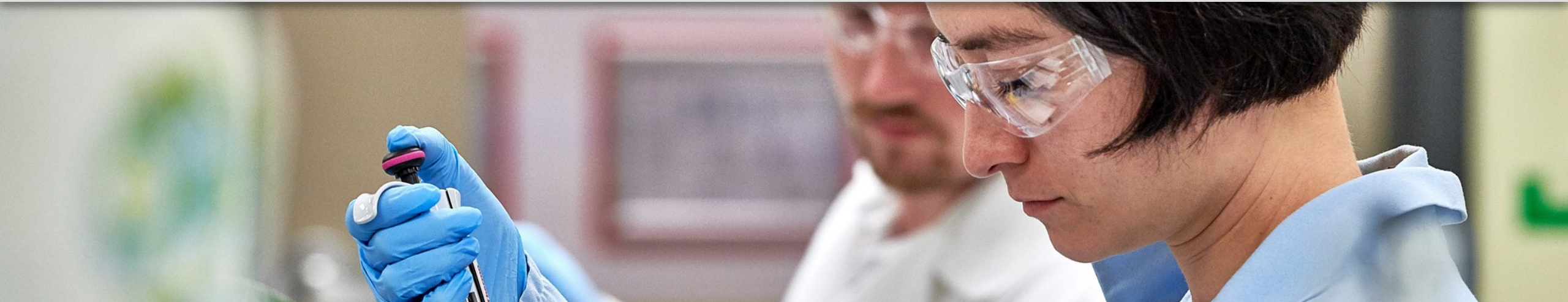
- Initial estimate of Q4 organic growth is a range of **13% to 27%** driven by:
 - \$1.0B to \$1.6B of COVID-19 response revenue
 - Rest of the business growing slightly
 - Assumes that testing still required by customers and the impact of the pandemic on customer operations continues to lessen as the year progresses
- Current estimate of FY 2020 organic growth is a range of **13% to 16%**



On track for an exceptional year

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Consistently delivering exceptional financial results

Business outlook

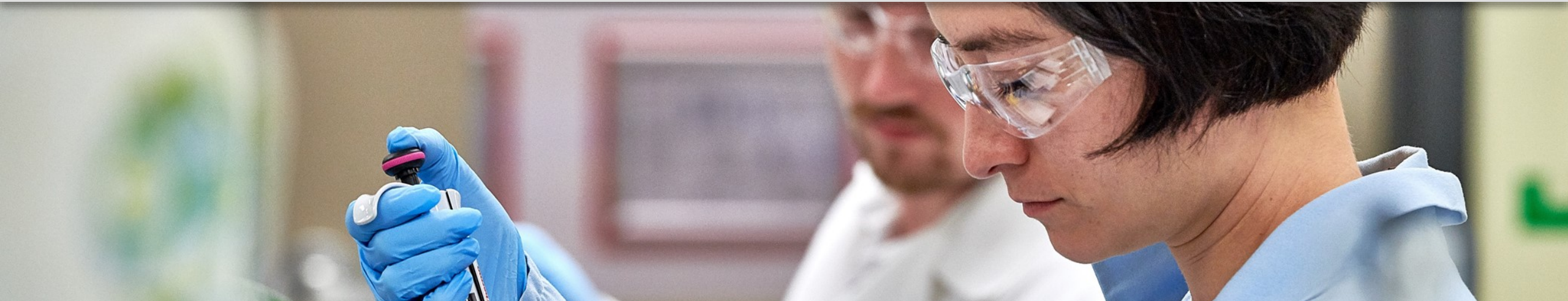
- Well positioned to continue share gains
- Market growth will depend on how long the pandemic lasts and the impact on GDP in each country
- Likely to see benefit from stimulus and infectious disease research and diagnostics funding
- Industrial likely to remain somewhat muted
- Expect Pharma and Biotech to continue strong growth trajectory

COVID-19 response revenue

- Very large installed base of testing capabilities across the world; we will likely have a meaningful revenue stream
- Expect a meaningful amount of COVID-19 response revenue driven by our significant role in vaccine development and production
- Key variables:
 - Extent and type of testing undertaken by customers and for how long
 - Success of vaccines and therapies and the extent to which we are supporting them

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Consistently delivering exceptional financial results

Our capital deployment strategy remains unchanged

- M&A is the primary focus of our capital deployment strategy
- Fragmented industry and our proven M&A playbook create ample opportunities
- Expect share buybacks to remain the primary means of returning capital
- Expect dividend to consistently increase over time
- Capital deployment mix will vary in a given year

% of Capital we expect to deploy over time

M&A

60 - 75%

Return of Capital

25 - 40%

Expect to continue to effectively deploy substantial amounts of capital

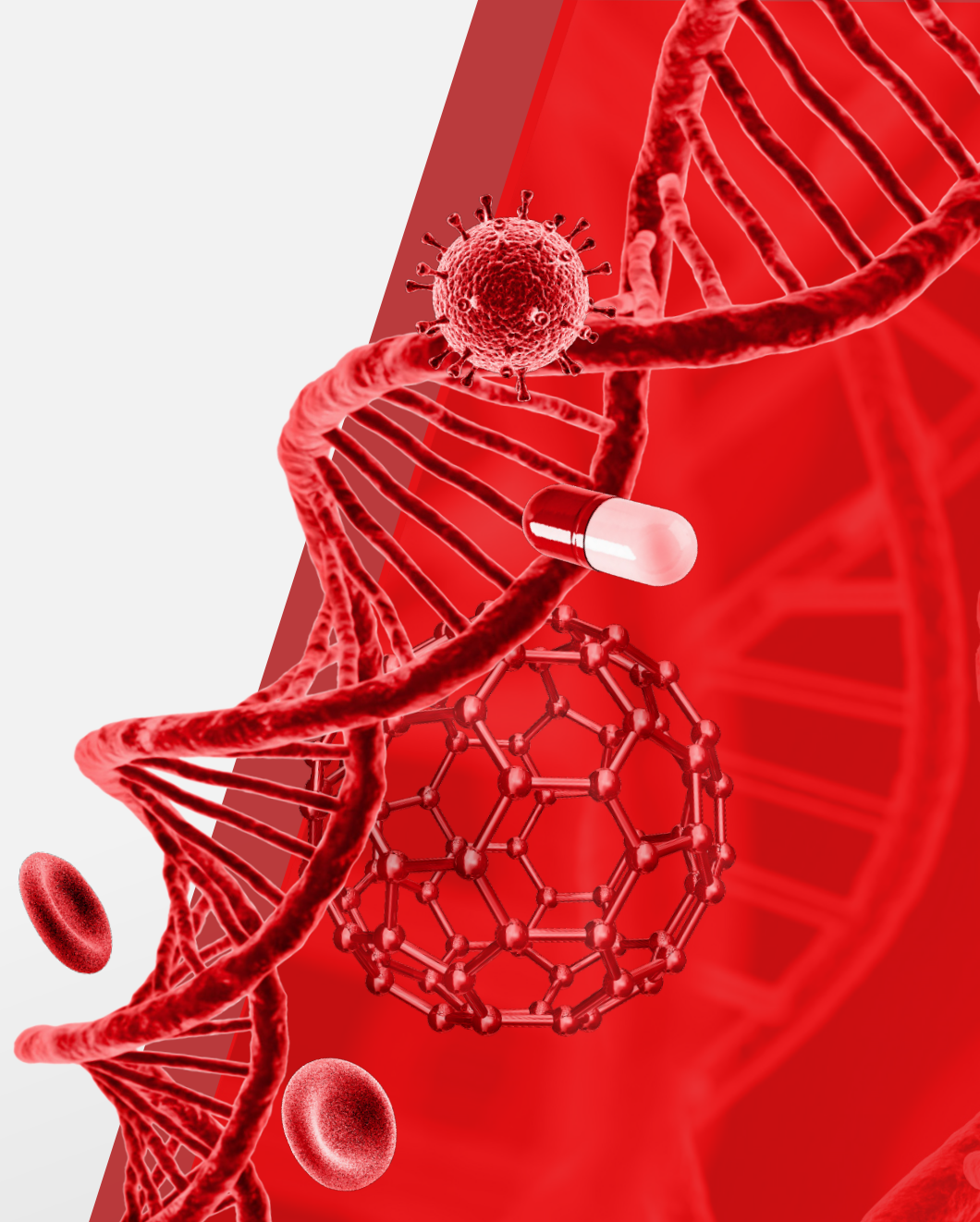
Very attractive long-term financial profile

- Serve strong end markets
- Well positioned to continue share gains
- PPI Business System enables excellent execution
- Strong cash flow
- Substantial capacity to deploy capital
- Will continue to deliver very strong adjusted EPS growth and ROIC



**A combination of strong operational execution and disciplined capital deployment
generates very strong shareholder returns**

Appendix





Executive Biographies



Marc N. Casper
Chairman, President and Chief Executive Officer

Marc Casper has been President and Chief Executive Officer of Thermo Fisher Scientific since October 2009. He was also elected Chairman of the Board in February 2020.

Marc joined Thermo Electron Corporation in 2001 as President of the Life Sciences sector. He was named Senior Vice President in 2003, and in 2005 assumed responsibility for all of the company's operating divisions. After the merger that created Thermo Fisher Scientific in 2006, he was named Executive Vice President and President of its Analytical Technologies businesses, and in 2008 he became the company's Chief Operating Officer.

Prior to joining Thermo Fisher, Marc served as President, Chief Executive Officer and a director of Kendro Laboratory Products. Previously, he worked for clinical diagnostics provider Dade Behring Inc., serving as President–Americas. He began his career as a strategy consultant at Bain & Company and later joined Bain Capital.

Marc serves on the boards of U.S. Bancorp, U.S. China Business Council, Brigham & Women's Hospital and Wesleyan University. He was previously a director of the Advisory Board Company and Zimmer Holdings. Marc earned an MBA with high distinction from Harvard Business School and is a graduate of Wesleyan University, where he received a bachelor's degree in economics.



Mark P. Stevenson
Executive Vice President and Chief Operating Officer

Mark Stevenson has been Executive Vice President and Chief Operating Officer of Thermo Fisher Scientific since August 2017 and has responsibility for the company's life sciences, analytical instruments, laboratory products and specialty diagnostics businesses as well as the company's innovation and digital strategy. He joined the company as Executive Vice President and President, Life Sciences Solutions, through the acquisition of Life Technologies in 2014.

Mark previously served as President and Chief Operating Officer of Life Technologies, and President and Chief Operating Officer of Applied Biosystems prior to its merger with Invitrogen Corporation in 2008.

Mark received his MBA from Henley Management School in the U.K. and his bachelor's degree in chemistry from the University of Reading, also in the U.K. He serves on the board of the Personalized Medicine Coalition.



Michel Lagarde
Executive Vice President

Michel was named Executive Vice President in September 2019, with responsibility for Thermo Fisher's pharma services and customer channels businesses, as well as the company's corporate accounts function. He joined the company as President, Pharma Services, through the acquisition of Patheon in 2017.

Michel previously served as President and Chief Operating Officer of Patheon from 2016 to 2017, and prior to that, he was Managing Director at JLL Partners, a leading middle-market private equity firm focused on healthcare. At JLL, Michel worked with several of the organization's portfolio companies, including Patheon, where he helped the executive committee transform the company into a global provider of biopharma development and commercial manufacturing services.

Before joining JLL, Michel was Chief Executive Officer and Chief Financial Officer (CFO) of the Domestic Appliances and Personal Care division of Philips Electronics North America. He also previously served as CFO of Philips Electronics in Indonesia and Financial Controller of Philips Electronics Hong Kong.

Michel earned a bachelor's degree in business administration from European University in Antwerp and an executive master's degree in finance and control from the University of Maastricht and University of Amsterdam.



Stephen Williamson
Senior Vice President and Chief Financial Officer

In August 2015, Stephen was named Senior Vice President and Chief Financial Officer, responsible for the company's tax, treasury, financial reporting and investor relations functions. He joined the company in 2001 as Vice President, European Financial Operations, based in the U.K., and oversaw the company's integration activities across Europe. In 2004, Stephen moved to the U.S. and held finance leadership roles for a number of the company's operating businesses. In 2008, he became Vice President of Financial Operations for Thermo Fisher Scientific and led the finance support function for all of the company's businesses.

Stephen joined Thermo Fisher from Honeywell International (formerly AlliedSignal), where he served as Vice President and Chief Financial Officer, Asia-Pacific, in Singapore and held other finance roles in corporate development and operational finance. He began his career with Price Waterhouse in the transaction support group and the audit practice, working in both London and New York.

Stephen holds a bachelor's degree in accounting and finance from the University of Wales and is a member of the Institute of Chartered Accountants of England and Wales. Stephen serves on the board of International Flavors and Fragrances Inc.

GAAP/Non-GAAP Reconciliation and Financial Package

September 10, 2020

Use of Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), we use certain non-GAAP financial measures, including adjusted EPS, adjusted operating income and adjusted operating margin, which exclude certain acquisition-related costs, such as charges for the sale of inventories revalued at the date of acquisition and significant transaction costs; restructuring and other costs/income; and amortization of acquisition-related intangible assets. Adjusted EPS also excludes certain other gains and losses that are either isolated or cannot be expected to occur again with any predictability, tax provisions/benefits related to the previous items, the impact of significant tax audits or events and the results of discontinued operations. We exclude the above items because they are outside of our normal operations and/or, in certain cases, are difficult to forecast accurately for future periods. We also use a non-GAAP measure, free cash flow, which is cash flow from continuing operations, less net capital expenditures, to provide a view of the continuing operations' ability to generate cash for use in acquisitions and other investing and financing activities. We believe that the use of non-GAAP measures helps investors to gain a better understanding of our core operating results and future prospects, consistent with how management measures and forecasts the company's performance, especially when comparing such results to previous periods or forecasts.

For example:

We exclude costs and tax effects associated with restructuring activities, such as reducing overhead and consolidating facilities. We believe that the costs related to these restructuring activities are not indicative of our normal operating costs.

We exclude certain acquisition-related costs, including charges for the sale of inventories revalued at the date of acquisition and significant transaction costs. We exclude these costs because we do not believe they are indicative of our normal operating costs.

We exclude the expense and tax effects associated with the amortization of acquisition-related intangible assets because a significant portion of the purchase price for acquisitions may be allocated to intangible assets that have lives of 3 to 20 years. Exclusion of the amortization expense allows comparisons of operating results that are consistent over time for both our newly acquired and long-held businesses and with both acquisitive and non-acquisitive peer companies.

We also exclude certain gains/losses and related tax effects and the impact of significant tax audits or events (such as changes in deferred taxes from enacted tax rate changes or the impacts of tax reform legislation in the U.S.), which are either isolated or cannot be expected to occur again with any predictability and that we believe are not indicative of our normal operating gains and losses. For example, we exclude gains/losses from items such as the sale of a business or real estate, significant litigation-related matters, curtailments of pension plans, the early retirement of debt and discontinued operations.

We also report free cash flow, which is cash flow from continuing operations, less net capital expenditures, to provide a view of the continuing operations' ability to generate cash for use in acquisitions and other investing and financing activities.

Thermo Fisher's management uses these non-GAAP measures, in addition to GAAP financial measures, as the basis for measuring the company's core operating performance and comparing such performance to that of prior periods and to the performance of our competitors. Such measures are also used by management in their financial and operating decision-making and for compensation purposes.

The non-GAAP financial measures of Thermo Fisher's results of operations and cash flows included herein are not meant to be considered superior to or a substitute for Thermo Fisher's results of operations prepared in accordance with GAAP. Reconciliations of such non-GAAP financial measures to the most directly comparable GAAP financial measures are set forth in the accompanying tables.

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Annual Reconciliation of GAAP to Adjusted P&L

(Dollars in millions except EPS)

	2010		2011		2012		2013		2014		2015	
GAAP Consolidated Revenues	10,393		11,559		12,510		13,090		16,890		16,965	
Revenue Growth	7%		11%		8%		5%		29%		0%	
Acquisitions net of Divestitures	3%						2%		25%		1%	
Currency Translation	0%						0%		0%		-6%	
Organic Revenue Growth	4%						3%		4%		5%	
Pro Forma Revenue Growth (†)			7%		3%							
Acquisitions net of Divestitures			1%		1%							
Currency Translation			2%		-2%							
Pro Forma Organic Revenue Growth (†)			3% **		4%							
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
GAAP Gross Margin	4,262	41.0%	4,794	41.5%	5,296	42.3%	5,529	42.2%	7,492	44.4%	7,756	45.7%
Cost of Revenues Charges (a)	13	0.1%	73	0.6%	56	0.4%	29	0.2%	328	1.9%	9	0.0%
Amortization of Acquisition-related Intangible Assets	129	1.3%	176	1.5%	221	1.8%	222	1.8%	427	2.5%	427	2.6%
Adjusted Gross Margin	4,404	42.4%	5,043	43.6%	5,573	44.5%	5,780	44.2%	8,247	48.8%	8,192	48.3%
GAAP SG&A Expense	2,729	26.3%	3,107	26.9%	3,355	26.8%	3,446	26.3%	4,896	29.0%	4,612	27.2%
Selling, General and Administrative Costs (b)	(3)	0.0%	(62)	-0.5%	(13)	-0.1%	(73)	-0.6%	(130)	-0.8%	(46)	-0.3%
Amortization of Acquisition-related Intangible Assets	(426)	-4.2%	(472)	-4.1%	(526)	-4.2%	(541)	-4.1%	(905)	-5.3%	(888)	-5.2%
Adjusted SG&A Expense	2,300	22.1%	2,573	22.3%	2,816	22.5%	2,832	21.6%	3,861	22.9%	3,678	21.7%
GAAP R&D Expense	284	2.7%	340	2.9%	376	3.0%	395	3.0%	691	4.1%	692	4.1%
GAAP Operating Income	1,188	11.4%	1,251	10.8%	1,482	11.8%	1,610	12.3%	2,503	14.8%	2,336	13.8%
Cost of Revenues Charges (a)	13	0.1%	73	0.6%	56	0.4%	29	0.2%	328	1.9%	9	0.0%
Selling, General and Administrative Costs (b)	3	0.0%	62	0.5%	13	0.1%	73	0.6%	130	0.8%	46	0.3%
Restructuring and Other Costs (Income), Net (c)	60	0.6%	96	0.9%	82	0.7%	78	0.6%	(598)	-3.5%	116	0.7%
Amortization of Acquisition-related Intangible Assets	555	5.4%	648	5.6%	747	6.0%	763	5.8%	1,332	7.9%	1,315	7.7%
Adjusted Operating Income	1,819	17.5%	2,130	18.4%	2,380	19.0%	2,553	19.5%	3,695	21.9%	3,822	22.5%
Add back Depreciation Expense	185	1.8%	211	1.9%	236	1.9%	237	1.8%	353	2.1%	373	2.2%
Adjusted EBITDA	2,004	19.3%	2,341	20.3%	2,616	20.9%	2,790	21.3%	4,048	24.0%	4,195	24.7%

** Results do not sum due to rounding.

(†) Revenue growth in 2011 and 2012 is calculated on a pro forma basis which includes the pre-acquisition results of 1) Dionex from the beginning of the second quarter 2011 and for the comparable prior year quarters and 2) the pre-acquisition results of Phadia from the beginning of the third quarter 2011 and for the comparable prior year quarters.

(a) The excluded items from cost of revenues include inventory charges, principally for the sale of inventories revalued at the date of acquisition and accelerated depreciation on assets to be abandoned as a result of real estate consolidation; and in 2014, charges to conform the accounting policies of recently acquired businesses to the company's accounting policies.

(b) The excluded items from selling, general and administrative costs include significant acquisition/divestiture transaction/integration costs; charges/credits for changes in estimates of contingent acquisition consideration; in 2011, 2012, 2013, 2014, and 2015, charges/income associated with product liability litigation; in 2010 and 2012, gains due to settlement of certain product liability-related matters; in 2015, accelerated depreciation on fixed assets to be abandoned due to integration synergies and facility consolidations; and in 2014, charges to conform the accounting policies of recently acquired businesses to the company's accounting policies.

(c) Restructuring and other costs (income) consist principally of severance and retention costs; abandoned facility and other expenses of real estate consolidation; material impairments; significant gains and losses on litigation-related matters; gains on the sale of businesses, product lines and property; and curtailments/settlements of pension plans.

(Annual P&L Reconciliation continued on the next page)

Annual Reconciliation of GAAP to Adjusted P&L

(Dollars in millions except EPS)

	2010		2011		2012		2013		2014		2015	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
GAAP Tax Provision	101	9.3%	109	9.7%	11	0.9%	40	3.1%	192	9.2%	(44)	-2.3%
Tax Effect of Adjusted Items (e)	243	10.4%	269	9.4%	352	15.8%	301	11.6%	283	5.3%	516	16.0%
Adjusted Tax Provision	344	19.7%	378	19.1%	363	16.7%	341	14.7%	475	14.5%	472	13.7%
GAAP Net Income	1,036		1,330		1,178		1,273		1,894		1,975	
Cost of Revenues Charges (a)	13		73		56		29		328		9	
Selling, General and Administrative Costs (b)	3		62		13		73		130		46	
Restructuring and Other Costs (Income), Net (c)	60		96		82		78		(598)		116	
Amortization of Acquisition-related Intangible Assets	555		648		747		763		1,332		1,315	
Other Expense (Income), Net (d)	28		(32)		5		61		(3)		21	
Income Tax Benefit (e)	(243)		(269)		(352)		(301)		(283)		(516)	
(Income) Loss from Discontinued Operations, Net of Tax	(49)		(307)		81		6		1		5	
Adjusted Net Income	1,403		1,601		1,810		1,982		2,801		2,971	
GAAP Diluted EPS	2.53		3.46		3.21		3.48		4.71		4.92	
GAAP Diluted EPS Growth		26%		37%		-7%		8%		35%		4%
Cost of Revenues Charges, Net of Tax (a)	0.02		0.13		0.11		0.05		0.55		0.01	
Selling, General and Administrative Costs, Net of Tax (b)	0.01		0.13		0.03		0.16		0.24		0.05	
Restructuring and Other Costs (Income), Net of Tax (c)	0.10		0.16		0.15		0.16		(0.79)		0.19	
Amortization of Acquisition-related Intangible Assets, Net of Tax	0.89		1.12		1.36		1.45		2.27		2.27	
Other Expense (Income), Net of Tax (d)	0.04		(0.05)		0.00		0.09		(0.01)		0.03	
Income Tax Provision (Benefit) (e)	(0.04)		0.01		(0.14)		0.01		(0.01)		(0.09)	
(Income) Loss from Discontinued Operations, Net of Tax	(0.12)		(0.80)		0.22		0.02		0.00		0.01	
Adjusted Diluted EPS	3.43		4.16		4.94		5.42		6.96		7.39	
Adjusted Diluted EPS Growth		17%		21%		19%		10%		28%		6%

(a) The excluded items from cost of revenues include inventory charges, principally for the sale of inventories revalued at the date of acquisition and accelerated depreciation on assets to be abandoned as a result of real estate consolidation; and in 2014, charges to conform the accounting policies of recently acquired businesses to the company's accounting policies.

(b) The excluded items from selling, general and administrative costs include significant acquisition/divestiture transaction/integration costs; charges/credits for changes in estimates of contingent acquisition consideration; in 2011, 2012, 2013, 2014, and 2015, charges/income associated with product liability litigation; in 2010 and 2012, gains due to settlement of certain product liability-related matters; in 2015, accelerated depreciation on fixed assets to be abandoned due to integration synergies and facility consolidations; and in 2014, charges to conform the accounting policies of recently acquired businesses to the company's accounting policies.

(c) Restructuring and other costs (income) consist principally of severance and retention costs; abandoned facility and other expenses of real estate consolidation; material impairments; significant gains and losses on litigation-related matters; gains on the sale of businesses, product lines and property; and curtailments/settlements of pension plans.

(d) The excluded items from other expense (income), net, represent gains and losses on investments; losses on the extinguishment of debt; costs to obtain short-term financing commitments related to acquisitions; amortization of acquisition-related intangible assets of the company's equity-method investments; and in 2015, cost associated with entering into interest rate swap arrangements.

(e) The excluded items from income tax benefit/provision include the tax benefits/provisions related to the above excluded items; the impact of the resolution of significant tax audits; and the tax benefit from adjusting the company's deferred tax balances as a result of tax rate changes.

Annual Reconciliation of GAAP to Adjusted P&L

(Dollars in millions except EPS)

	2016		2017		2018		2019	
GAAP Consolidated Revenues	18,274		20,918		24,358		25,542	
Revenue Growth	8%		14%		16%		5%	
Acquisitions net of Divestitures	4%		9%		7%		1%	
Currency Translation	-1%		0%		1%		-2%	
Organic Revenue Growth	4% **		5%		8%		6%	
	\$	%	\$	%	\$	%	\$	%
GAAP Gross Margin	8,372	45.8%	9,448	45.2%	10,857	44.6%	11,328	44.3%
Cost of Revenues Charges (a)	102	0.6%	123	0.6%	12	0.1%	17	0.1%
Amortization of Acquisition-related Intangible Assets	446	2.4%	512	2.4%	507	2.0%	499	2.0%
Adjusted Gross Margin	8,920	48.8%	10,083	48.2%	11,376	46.7%	11,844	46.4%
GAAP SG&A Expense	4,971	27.2%	5,504	26.3%	6,057	24.9%	6,144	24.1%
Selling, General and Administrative Costs (b)	(104)	-0.6%	(78)	-0.4%	(29)	-0.1%	(62)	-0.2%
Amortization of Acquisition-related Intangible Assets	(932)	-5.1%	(1,082)	-5.1%	(1,234)	-5.1%	(1,214)	-4.8%
Adjusted SG&A Expense	3,935	21.5%	4,344	20.8%	4,794	19.7%	4,868	19.1%
GAAP R&D Expense	754	4.1%	887	4.2%	967	4.0%	1,003	3.9%
GAAP Operating Income	2,458	13.5%	2,960	14.2%	3,783	15.5%	4,594	18.0%
Cost of Revenues Charges (a)	102	0.6%	123	0.6%	12	0.1%	17	0.1%
Selling, General and Administrative Costs (b)	104	0.6%	78	0.4%	29	0.1%	62	0.2%
Restructuring and Other Costs (Income), Net (c)	189	1.0%	97	0.4%	50	0.2%	(413)	-1.6%
Amortization of Acquisition-related Intangible Assets	1,378	7.5%	1,594	7.6%	1,741	7.2%	1,713	6.7%
Adjusted Operating Income	4,231	23.2%	4,852	23.2%	5,615	23.1%	5,973	23.4%
Add back Depreciation Expense	380	2.0%	439	2.1%	526	2.1%	564	2.2%
Adjusted EBITDA	4,611	25.2%	5,291	25.3%	6,141	25.2%	6,537	25.6%

** Results do not sum due to rounding.

(a) The excluded items from cost of revenues include inventory charges, principally for the sale of inventories revalued at the date of acquisition and accelerated depreciation on assets to be abandoned as a result of real estate consolidation; and charges/credits to conform the accounting policies of recently acquired businesses to the company's accounting policies.

(b) The excluded items from selling, general and administrative costs include significant acquisition/divestiture transaction/integration costs; charges/credits for changes in estimates of contingent acquisition consideration; charges/income associated with product liability litigation; accelerated depreciation on fixed assets to be abandoned due to integration synergies and facility consolidations; and in 2016 and 2017, charges to conform the accounting policies of recently acquired businesses to the company's accounting policies.

(c) Restructuring and other costs (income) consist principally of severance and retention costs; abandoned facility and other expenses of real estate consolidation; material impairments; significant gains and losses on litigation-related matters; gains on the sale of businesses, product lines and property; in 2017 and prior years, curtailments/settlements of pension plans; in 2016 and 2018, environmental remediation costs; and in 2017 and 2018, hurricane response costs.

(Annual P&L Reconciliation continued on the next page)

Annual Reconciliation of GAAP to Adjusted P&L

(Dollars in millions except EPS)

	2016		2017		2018		2019	
	\$	%	\$	%	\$	%	\$	%
GAAP Tax Provision	(1)	-0.1%	201	8.3%	324	9.9%	374	9.2%
Tax Effect of Adjusted Items (e)	530	13.9%	364	4.7%	284	2.0%	244	1.8%
Adjusted Tax Provision	529	13.8%	565	13.0%	608	11.9%	618	11.0%
GAAP Net Income	2,022		2,225		2,938		3,696	
Cost of Revenues Charges (a)	102		123		12		17	
Selling, General and Administrative Costs (b)	104		78		29		62	
Restructuring and Other Costs (Income), Net (c)	189		97		50		(413)	
Amortization of Acquisition-related Intangible Assets	1,378		1,594		1,741		1,713	
Other Expense, Net (d)	20		19		25		144	
Income Tax Benefit (e)	(530)		(364)		(284)		(244)	
Loss from Discontinued Operations, Net of Tax	3		3		—		—	
Adjusted Net Income	3,288		3,775		4,511		4,975	
GAAP Diluted EPS	5.09		5.59		7.24		9.17	
<i>GAAP Diluted EPS Growth</i>		3%		10%		30%		27%
Cost of Revenues Charges, Net of Tax (a)	0.16		0.21		0.02		0.03	
Selling, General and Administrative Costs, Net of Tax (b)	0.18		0.17		0.06		0.12	
Restructuring and Other Costs (Income), Net of Tax (c)	0.30		0.18		0.09		(0.56)	
Amortization of Acquisition-related Intangible Assets, Net of Tax	2.41		2.86		3.34		3.30	
Other Expense, Net of Tax (d)	0.09		0.03		0.05		0.27	
Income Tax Provision (e)	0.03		0.44		0.32		0.02	
Loss from Discontinued Operations, Net of Tax	0.01		0.01		0.00		0.00	
Adjusted Diluted EPS	8.27		9.49		11.12		12.35	
<i>Adjusted Diluted EPS Growth</i>		12%		15%		17%		11%

(a) The excluded items from cost of revenues include inventory charges, principally for the sale of inventories revalued at the date of acquisition and accelerated depreciation on assets to be abandoned as a result of real estate consolidation; and charges/credits to conform the accounting policies of recently acquired businesses to the company's accounting policies.

(b) The excluded items from selling, general and administrative costs include significant acquisition/divestiture transaction/integration costs; charges/credits for changes in estimates of contingent acquisition consideration; charges/income associated with product liability litigation; accelerated depreciation on fixed assets to be abandoned due to integration synergies and facility consolidations; and in 2016 and 2017, charges to conform the accounting policies of recently acquired businesses to the company's accounting policies.

(c) Restructuring and other costs (income) consist principally of severance and retention costs; abandoned facility and other expenses of real estate consolidation; material impairments; significant gains and losses on litigation-related matters; gains on the sale of businesses, product lines and property; in 2017 and prior years, curtailments/settlements of pension plans; in 2016 and 2018, environmental remediation costs; and in 2017 and 2018, hurricane response costs.

(d) The excluded items from other expense, net, represent gains and losses on investments; losses on the extinguishment of debt; in 2018 and 2019, curtailments/settlements of pension plans; in 2016 and 2017, costs to obtain short-term financing commitments related to acquisitions; and in 2016, amortization of acquisition-related intangible assets of the company's equity-method investments.

(e) The excluded items from income tax benefit/provision include the tax benefits/provisions related to the above excluded items, the impact of the resolution of significant tax audits, the tax benefit from adjusting the company's deferred tax balances as a result of tax rate changes, and in 2017, 2018 and 2019, adjustments to the impacts of U.S. tax reform legislation.

Quarterly Reconciliation of GAAP to Adjusted P&L

(Dollars in millions except EPS)

	Q1-19		Q2-19		Q3-19		Q4-19		Q1-20		Q2-20	
Revenue												
Life Sciences Solutions Segment	1,607		1,710		1,701		1,838		1,774		2,602	
Analytical Instruments Segment	1,322		1,324		1,358		1,518		1,101		1,051	
Specialty Diagnostics Segment	957		943		879		939		958		988	
Laboratory Products and Services Segment	2,513		2,633		2,619		2,834		2,730		2,787	
Eliminations	(274)		(294)		(285)		(300)		(333)		(511)	
Total Revenue	6,125		6,316		6,272		6,829		6,230		6,917	
Reported Revenue Growth	5%		4%		6%		5%		2%		10%	
Acquisitions net of Divestitures	1%		1%		0%		1%		1%		0%	
Currency Translation	-3%		-2%		-1%		-1%		-1%		-1%	
Organic Revenue Growth	7%		5%		7%		5%		2%		11%	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
GAAP Cost of Goods Sold	3,418	55.8%	3,493	55.3%	3,509	55.9%	3,794	55.6%	3,490	56.0%	3,540	51.2%
Cost of Revenues Charges (a)	(6)	-0.1%	(5)	-0.1%	(5)	-0.1%	(1)	0.0%	(2)	-0.1%	(2)	0.0%
Amortization of Acquisition-related Intangible Assets	(125)	-2.0%	(125)	-1.9%	(125)	-1.9%	(124)	-1.9%	(125)	-1.9%	(124)	-1.8%
Adjusted Cost of Goods Sold	3,287	53.7%	3,363	53.3%	3,379	53.9%	3,669	53.7%	3,363	54.0%	3,414	49.4%
GAAP Gross Margin	2,707	44.2%	2,823	44.7%	2,763	44.1%	3,035	44.4%	2,740	44.0%	3,377	48.8%
Cost of Revenues Charges (a)	6	0.1%	5	0.1%	5	0.1%	1	0.0%	2	0.1%	2	0.0%
Amortization of Acquisition-related Intangible Assets	125	2.0%	125	1.9%	125	1.9%	124	1.9%	125	1.9%	124	1.8%
Adjusted Gross Margin	2,838	46.3%	2,953	46.7%	2,893	46.1%	3,160	46.3%	2,867	46.0%	3,503	50.6%
GAAP SG&A Expense	1,528	25.0%	1,565	24.8%	1,539	24.5%	1,512	22.1%	1,551	24.9%	1,710	24.7%
Selling, General and Administrative Costs, Net (b)	(11)	-0.2%	(36)	-0.6%	(7)	-0.1%	(8)	-0.1%	(6)	-0.1%	(42)	-0.6%
Amortization of Acquisition-related Intangible Assets	(297)	-4.9%	(304)	-4.8%	(309)	-4.9%	(304)	-4.4%	(300)	-4.8%	(293)	-4.2%
Adjusted SG&A Expense	1,220	19.9%	1,225	19.4%	1,223	19.5%	1,200	17.6%	1,245	20.0%	1,375	19.9%
GAAP R&D Expense	248	4.0%	246	3.9%	247	3.9%	262	3.8%	245	3.9%	264	3.8%
GAAP Operating Income	920	15.0%	1,496	23.7%	946	15.1%	1,232	18.0%	906	14.5%	1,391	20.1%
Cost of Revenues Charges (a)	6	0.1%	5	0.1%	5	0.1%	1	0.0%	2	0.1%	2	0.0%
Selling, General and Administrative Costs (b)	11	0.2%	36	0.6%	7	0.1%	8	0.1%	6	0.1%	42	0.6%
Restructuring and Other Costs (Income), Net (c)	11	0.2%	(484)	-7.7%	31	0.5%	29	0.5%	38	0.6%	12	0.2%
Amortization of Acquisition-related Intangible Assets	422	6.9%	429	6.8%	434	6.9%	428	6.3%	425	6.8%	417	6.1%
Adjusted Operating Income	1,370	22.4%	1,482	23.5%	1,423	22.7%	1,698	24.9%	1,377	22.1%	1,864	27.0%
Add back Depreciation Expense	133	2.1%	142	2.2%	141	2.2%	148	2.1%	149	2.4%	157	2.2%
Adjusted EBITDA	1,503	24.5%	1,624	25.7%	1,564	24.9%	1,846	27.0%	1,526	24.5%	2,021	29.2%

** Results do not sum due to rounding.

(a) The excluded items from cost of revenues include inventory charges, principally for the sale of inventories revalued at the date of acquisition, and accelerated depreciation on assets to be abandoned as a result of real estate consolidation; and in Q1 2020 and Q4 2019, charges to conform the accounting policies of recently acquired businesses to the company's accounting policies.

(b) The excluded items from selling, general and administrative costs include significant acquisition/divestiture transaction/integration costs; charges/credits for changes in estimates of contingent acquisition consideration; in Q3 2019 and Q2 2019, accelerated depreciation on fixed assets to be abandoned due to integration synergies and facility consolidations; and in Q3 2019, income associated with product liability litigation.

(c) Restructuring and other costs consist principally of severance and retention costs; abandoned facility and other expenses of real estate consolidation; material impairments; significant gains and losses on litigation-related matters; and gains on the sale of businesses, product lines and property.

(Quarterly P&L Reconciliation continued on the next page)

Quarterly Reconciliation of GAAP to Adjusted P&L

(Dollars in millions except EPS)

	Q1-19		Q2-19		Q3-19		Q4-19		Q1-20		Q2-20	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
GAAP Tax Provision	2	0.2%	274	19.7%	62	7.6%	36	3.5%	40	4.8%	97	7.8%
Tax Effect of Adjusted Items (e)	125	9.9%	(122)	-8.7%	88	3.6%	153	8.2%	98	5.7%	104	3.7%
Adjusted Tax Provision	127	10.1%	152	11.0%	150	11.2%	189	11.7%	138	10.5%	201	11.5%
GAAP Net Income	815		1,119		760		1,002		788		1,156	
Cost of Revenues Charges (a)	6		5		5		1		2		2	
Selling, General and Administrative Costs (b)	11		36		7		8		6		42	
Restructuring and Other Costs (Income), Net of Tax	11		(484)		31		29		38		12	
Amortization of Acquisition-related Intangible Assets, Net of Tax	422		429		434		428		425		417	
Other (Income) Expense, Net of Tax (d)	(7)		0		38		113		14		25	
Income Tax (Benefit) Provision (e)	(125)		122		(88)		(153)		(98)		(104)	
Adjusted Net Income	1,133		1,227		1,187		1,428		1,175		1,550	
GAAP Diluted EPS	2.02		2.77		1.88		2.49		1.97		2.90	
GAAP Diluted EPS Growth		41%		50%		7%		12%		-2%		5%
Cost of Revenues Charges, Net of Tax (a)	0.01		0.01		0.01		0.00		0.01		0.00	
Selling, General and Administrative Costs, Net of Tax (b)	0.02		0.07		0.01		0.02		0.01		0.08	
Restructuring and Other Costs (Income), Net of Tax (c)	0.02		(0.74)		0.10		0.06		0.07		0.03	
Amortization of Acquisition-related Intangible Assets, Net of Tax	0.81		0.84		0.85		0.82		0.83		0.85	
Other (Income) Expense, Net of Tax (d)	(0.01)		0.00		0.08		0.21		0.03		0.05	
Income Tax Provision (Benefit) (e)	(0.06)		0.09		0.01		(0.05)		0.02		(0.02)	
Adjusted Diluted EPS	2.81		3.04		2.94		3.55		2.94		3.89	
Adjusted Diluted EPS Growth		12%		11%		12%		9%		5%		28%
Reconciliation of Free Cash Flow												
GAAP Net Cash Provided by Operating Activities	649		1,294		1,117		1,913		356		1,886	
Purchases of Property, Plant, and Equipment	(201)		(220)		(216)		(289)		(253)		(269)	
Proceeds from Sale of Property, Plant and Equipment	6		6		6		18		4		2	
Free Cash Flow	454		1,080		907		1,642		107		1,619	

(a) The excluded items from cost of revenues include inventory charges, principally for the sale of inventories revalued at the date of acquisition, and accelerated depreciation on assets to be abandoned as a result of real estate consolidation; and in Q1 2020 and Q4 2019, charges to conform the accounting policies of recently acquired businesses to the company's accounting policies.

(b) The excluded items from selling, general and administrative costs include significant acquisition/divestiture transaction/integration costs; charges/credits for changes in estimates of contingent acquisition consideration; in Q3 2019 and Q2 2019, accelerated depreciation on fixed assets to be abandoned due to integration synergies and facility consolidations; and in Q3 2019, income associated with product liability litigation.

(c) Restructuring and other costs consist principally of severance and retention costs; abandoned facility and other expenses of real estate consolidation; material impairments; significant gains and losses on litigation-related matters; and gains on the sale of businesses, product lines and property.

(d) The excluded items from other (income) expense, net, represent gains and losses on investments; losses on the early extinguishment of debt; net charges for the settlement/curtailment of pension plans; and in Q1 2020 and Q2 2020, costs for the Qiagen acquisition, primarily for entering hedging contracts and amortization of bridge loan commitment fees.

(e) The excluded items from income tax benefit/provision include the tax benefits/provisions related to the above excluded items, the impact of the resolution of significant tax audits, the tax benefit from adjusting the company's deferred tax balances as a result of tax rate changes; and in Q1 2019 and Q2 2019, adjustments to the impacts of U.S. tax reform legislation.

Free Cash Flow, Return on Invested Capital and Return on Equity

(Dollars in millions)

	2010	2011	2012	2013	2014	2015	2016
Reconciliation of Free Cash Flow							
GAAP Net Cash Provided by Operating Activities	1,498	1,717	2,072	2,083	2,729	2,942	3,258
Net Cash (Provided by) Used in Discontinued Operations	(48)	(14)	28	5	4	9	2
Purchases of Property, Plant, and Equipment	(245)	(261)	(315)	(283)	(427)	(423)	(444)
Proceeds from Sale of Property, Plant and Equipment	10	8	13	21	49	18	26
Free Cash Flow	1,215	1,450	1,798	1,826	2,355	2,546	2,842
GAAP Return on Invested Capital (ROIC)							
GAAP Return on Invested Capital (ROIC)	6.5%	7.1%	5.5%	5.9%	5.9%	5.9%	5.7%
Cost of Revenues Charges (a)	0.1%	0.4%	0.3%	0.1%	1.0%	0.0%	0.3%
Selling, General and Administrative Costs (b)	0.0%	0.3%	0.1%	0.3%	0.4%	0.1%	0.3%
Restructuring and Other Costs (Income), Net (c)	0.4%	0.5%	0.4%	0.4%	-1.8%	0.3%	0.5%
Amortization of Acquisition-related Intangible Assets	3.5%	3.5%	3.5%	3.5%	4.1%	3.9%	3.8%
Net Interest Expense	0.4%	0.7%	0.8%	1.0%	0.8%	0.7%	0.7%
Other Expense, Net (d)	0.2%	-0.2%	0.0%	0.3%	0.0%	0.1%	0.1%
Income Tax Benefit (e)	-1.6%	-1.4%	-1.7%	-1.4%	-0.9%	-1.5%	-1.5%
(Income) Loss from Discontinued Operations, Net of Tax	-0.2%	-1.7%	0.4%	0.0%	0.0%	0.0%	0.0%
Adjusted ROIC	9.3%	9.2%	9.3%	10.1%	9.5%	9.5%	9.9%
GAAP Return on Equity (ROE)							
GAAP Return on Equity (ROE)	6.7%	8.7%	7.7%	7.9%	9.5%	9.6%	9.5%
Cost of Revenues Charges (a)	0.1%	0.5%	0.4%	0.2%	1.7%	0.0%	0.5%
Selling, General and Administrative Costs (b)	0.0%	0.4%	0.1%	0.5%	0.7%	0.2%	0.5%
Restructuring and Other Costs (Income), Net (c)	0.4%	0.7%	0.6%	0.5%	-3.0%	0.6%	0.9%
Amortization of Acquisition-related Intangible Assets	3.6%	4.2%	4.9%	4.8%	6.7%	6.4%	6.4%
Net Interest Expense	0.5%	0.7%	1.2%	1.2%	1.3%	1.1%	1.2%
Other Expense, Net (d)	0.2%	-0.2%	0.0%	0.4%	0.0%	0.1%	0.1%
Income Tax Benefit (e)	-1.6%	-1.8%	-2.3%	-1.9%	-1.4%	-2.5%	-2.5%
(Income) Loss from Discontinued Operations, Net of Tax	-0.3%	-2.0%	0.5%	0.0%	0.0%	0.0%	0.0%
Adjusted ROE	9.6%	11.2%	13.1%	13.6%	15.5%	15.5%	16.6%

Definitions:

Invested capital is equity plus short-term and long-term debt and net liabilities of discontinued operations less cash and short-term investments.

Adjusted return on invested capital is trailing twelve months adjusted net income excluding net interest expense, net of tax benefit therefrom, divided by trailing five quarters average invested capital.

Adjusted return on equity is trailing twelve months adjusted net income excluding net interest expense, net of tax benefit therefrom, divided by trailing five quarters average shareholders equity.

(a) The excluded items from cost of revenues include inventory charges, principally for the sale of inventories revalued at the date of acquisition and accelerated depreciation on assets to be abandoned as a result of real estate consolidation; and in 2014 and 2016, charges/credits to conform the accounting policies of recently acquired businesses to the company's accounting policies.

(b) The excluded items from selling, general and administrative costs include significant acquisition/divestiture transaction/integration costs; charges/credits for changes in estimates of contingent acquisition consideration; charges/income associated with product liability litigation; in 2010 and 2012, gains due to settlement of certain product liability-related matters; in 2015 and 2016, accelerated depreciation on fixed assets to be abandoned due to integration synergies and facility consolidations; and in 2014, and 2016, charges to conform the accounting policies of recently acquired businesses to the company's accounting policies.

(c) Restructuring and other costs (income) consist principally of severance and retention costs; abandoned facility and other expenses of real estate consolidation; material impairments; significant gains and losses on litigation-related matters; gains on the sale of businesses, product lines and property; curtailments/settlements of pension plans; and in 2016, environmental remediation costs.

(d) The excluded items from other expense, net, represent gains and losses on investments; costs to obtain short-term financing commitments related to acquisitions; losses on the extinguishment of debt; amortization of acquisition-related intangible assets of the company's equity-method investments; and in 2015, costs for entering into interest rate swap arrangements.

(e) The excluded items from income tax benefit/provision include the tax benefits/provisions related to the above excluded items, the impact of the resolution of significant tax audits, and the tax benefit from adjusting the company's deferred tax balances as a result of tax rate changes.

Free Cash Flow, Return on Invested Capital and Return on Equity

(Dollars in millions)

	2017	2018	2019	Q2 2020
Reconciliation of Free Cash Flow				
GAAP Net Cash Provided by Operating Activities	4,005	4,543	4,973	1,886
Net Cash Used in Discontinued Operations	1	—	—	—
Purchases of Property, Plant, and Equipment	(508)	(758)	(926)	(269)
Proceeds from Sale of Property, Plant and Equipment	7	50	36	2
Free Cash Flow	3,505	3,835	4,083	1,619
GAAP Return on Invested Capital (ROIC)	5.4%	6.7%	8.2%	8.2%
Cost of Revenues Charges (a)	0.3%	0.0%	0.0%	0.0%
Selling, General and Administrative Costs (b)	0.2%	0.1%	0.1%	0.1%
Restructuring and Other Costs (Income), Net (c)	0.2%	0.1%	-0.9%	0.3%
Amortization of Acquisition-related Intangible Assets	3.9%	3.9%	3.8%	3.8%
Net Interest Expense	0.8%	0.9%	0.8%	0.7%
Other Expense, Net (d)	0.0%	0.0%	0.3%	0.4%
Income Tax Benefit (e)	-0.8%	-0.8%	-0.5%	-1.0%
Loss from Discontinued Operations, Net of Tax	0.0%	0.0%	0.0%	0.0%
Adjusted ROIC	10.0%	10.9%	11.8%	12.5%
GAAP Return on Equity (ROE)	9.5%	11.3%	12.9%	12.7%
Cost of Revenues Charges (a)	0.5%	0.0%	0.1%	0.0%
Selling, General and Administrative Costs (b)	0.3%	0.1%	0.2%	0.2%
Restructuring and Other Costs (Income), Net (c)	0.4%	0.2%	-1.4%	0.4%
Amortization of Acquisition-related Intangible Assets	6.9%	6.6%	6.0%	5.8%
Net Interest Expense	1.4%	1.5%	1.2%	1.1%
Other Expense, Net (d)	0.1%	0.1%	0.5%	0.7%
Income Tax Benefit (e)	-1.4%	-1.3%	-0.9%	-1.5%
Loss from Discontinued Operations, Net of Tax	0.0%	0.0%	0.0%	0.0%
Adjusted ROE	17.7%	18.5%	18.6%	19.4%

Definitions:

Invested capital is equity plus short-term and long-term debt and net liabilities of discontinued operations less cash and short-term investments.

Adjusted return on invested capital is trailing twelve months adjusted net income excluding net interest expense, net of tax benefit therefrom, divided by trailing five quarters average invested capital.

Adjusted return on equity is trailing twelve months adjusted net income excluding net interest expense, net of tax benefit therefrom, divided by trailing five quarters average shareholders equity.

(a) The excluded items from cost of revenues include inventory charges, principally for the sale of inventories revalued at the date of acquisition and accelerated depreciation on assets to be abandoned as a result of real estate consolidation; and charges/credits to conform the accounting policies of recently acquired businesses to the company's accounting policies.

(b) The excluded items from selling, general and administrative costs include significant acquisition/divestiture transaction/integration costs; charges/credits for changes in estimates of contingent acquisition consideration; charges/income associated with product liability litigation; accelerated depreciation on fixed assets to be abandoned due to integration synergies and facility consolidations; and in 2017, charges to conform the accounting policies of recently acquired businesses to the company's accounting policies.

(c) Restructuring and other costs (income) consist principally of severance and retention costs; abandoned facility and other expenses of real estate consolidation; material impairments; significant gains and losses on litigation-related matters; gains on the sale of businesses, product lines and property; in 2017 and prior years, curtailments/settlements of pension plans; in 2018, environmental remediation costs; and in 2017 and 2018, hurricane response costs.

(d) The excluded items from other expense, net, represent gains and losses on investments; losses on the extinguishment of debt; in years after 2017, curtailments/settlements of pension plans; in 2020, costs for the Qiagen acquisition, primarily for entering hedging contracts and amortization of bridge loan commitment fees; and in 2017, costs to obtain short-term financing commitments related to acquisitions.

(e) The excluded items from income tax benefit/provision include the tax benefits/provisions related to the above excluded items, the impact of the resolution of significant tax audits, the tax benefit from adjusting the company's deferred tax balances as a result of tax rate changes, and in 2017, 2018 and 2019, adjustments to the impacts of U.S. tax reform legislation.

(Dollars in millions)

Segment Data

	Q1-19	Q2-19	Q3-19	Q4-19	2019	Q1-20	Q2-20
Life Sciences Solutions Segment							
Revenues	1,607	1,710	1,701	1,838	6,856	1,774	2,602
Total Revenue Growth	7%	9%	13%	8%	9%	10%	52%
Acquisitions net of Divestitures	2%	2%	2%	0%	1%	0%	0%
Currency Translation	-3%	-2%	-1%	-1%	-2%	-1%	-3%
Organic Revenue Growth	8%	10% **	13% **	9%	10%	12% **	55%
Operating Income	561	609	586	690	2,446	675	1,234
Operating Income Margin	34.9%	35.6%	34.5%	37.5%	35.7%	38.0%	47.4%
Operating Income Margin Expansion	+0.4 pts	+2.3 pts	+1.6 pts	+0.7 pts	+1.3 pts	+3.1 pts	+11.8 pts
Analytical Instruments Segment							
Revenues	1,322	1,324	1,358	1,518	5,522	1,101	1,051
Total Revenue Growth	5%	1%	2%	-3%	1%	-17%	-21%
Acquisitions net of Divestitures	0%	0%	0%	0%	0%	0%	0%
Currency Translation	-3%	-2%	-1%	-1%	-2%	-1%	-1%
Organic Revenue Growth	8%	3%	3%	-2%	3%	-16%	-20%
Operating Income	282	286	311	394	1,273	171	135
Operating Income Margin	21.3%	21.6%	23.0%	26%	23.1%	15.5%	12.9%
Operating Income Margin Expansion	+1.7 pts	-0.6 pts	+1.0 pts	-0.6 pts	+0.3 pts	-5.8 pts	-8.7 pts
Specialty Diagnostics Segment							
Revenues	957	943	879	939	3,718	958	988
Total Revenue Growth	1%	1%	-2%	-1%	0%	0%	5%
Acquisitions net of Divestitures	0%	0%	-7%	-7%	-4%	-7%	-7%
Currency Translation	-3%	-2%	-1%	-1%	-2%	-1%	-1%
Organic Revenue Growth	4%	3%	7% **	7%	5% **	8%	12% **
Operating Income	242	242	223	223	930	236	214
Operating Income Margin	25.3%	25.7%	25.3%	23.7%	25.0%	24.7%	21.6%
Operating Income Margin Expansion	-0.3 pts	-1.5 pts	+0.3 pts	-0.8 pts	-0.6 pts	-0.6 pts	-4.1 pts
Laboratory Products & Services Segment							
Revenues	2,513	2,633	2,619	2,834	10,599	2,730	2,787
Total Revenue Growth	4%	3%	6%	9%	6%	9%	6%
Acquisitions net of Divestitures	0%	1%	3%	4%	2%	4%	2%
Currency Translation	-3%	-2%	-1%	-1%	-2%	-1%	-1%
Other*	0%	0%	-1%	-1%	-1%	0%	0%
Organic Revenue Growth	7%	4%	6% **	7%	6% **	6%	5%
Operating Income	285	345	303	391	1,324	295	281
Operating Income Margin	11.3%	13.1%	11.6%	13.8%	12.5%	10.8%	10.1%
Operating Income Margin Expansion	-0.3 pts	-0.1 pts	-0.5 pts	+0.7 pts	0.0 pts	-0.5 pts	-3.0 pts

** Results do not sum due to rounding.

* Other represents the impact of a change in the method of reporting certain intersegment sales with no impact on consolidated results.

Balance Sheet and Leverage Ratios

(Dollars in millions)

Assets

Current Assets:

Cash and cash equivalents
 Accounts receivable, net
 Inventories
 Other current assets

Total Current Assets

Property, Plant and Equipment, Net
 Acquisition-related Intangible Assets
 Other Assets
 Goodwill

Liabilities and Shareholders' Equity

Current Liabilities:

Short-term obligations and current maturities of long-term obligations
 Accounts payable
 Other current liabilities

Total Current Liabilities

Other Long-term Liabilities
 Long-term Obligations

Total Shareholders' Equity

Leverage Ratios

Total Debt / TTM EBITDA

Effect of Adjusted Items

Total Debt / Adjusted TTM EBITDA (a)

Net Debt (b) / TTM EBITDA

Effect of Adjusted Items

Net Debt (b) / Adjusted TTM EBITDA (a)

	12/31/2017	12/31/2018	12/31/2019	3/28/2020	6/27/2020
Cash and cash equivalents	1,335	2,103	2,399	2,981	5,818
Accounts receivable, net	3,879	4,136	4,349	4,508	4,478
Inventories	2,971	3,005	3,370	3,454	3,648
Other current assets	1,236	1,381	1,775	1,795	1,831
Total Current Assets	9,421	10,625	11,893	12,738	15,775
Property, Plant and Equipment, Net	4,047	4,165	4,749	4,736	4,887
Acquisition-related Intangible Assets	16,684	14,978	14,014	13,543	13,170
Other Assets	1,227	1,117	2,011	2,057	2,061
Goodwill	25,290	25,347	25,714	25,614	25,700
	56,669	56,232	58,381	58,688	61,593
Short-term obligations and current maturities of long-term obligations	2,135	1,271	676	738	675
Accounts payable	1,428	1,615	1,920	1,599	1,385
Other current liabilities	3,485	3,261	3,601	3,163	3,953
Total Current Liabilities	7,048	6,147	6,197	5,500	6,013
Other Long-term Liabilities	5,335	4,780	5,433	5,398	5,067
Long-term Obligations	18,873	17,719	17,076	19,231	20,638
Total Shareholders' Equity	25,413	27,586	29,675	28,559	29,875
	56,669	56,232	58,381	58,688	61,593
Total Debt / TTM EBITDA	4.2X	3.1X	2.6X	2.9X	3.1X
Effect of Adjusted Items	-0.2X	0.0X	0.1X	0.1X	0.0X
Total Debt / Adjusted TTM EBITDA (a)	4.0X	3.1X	2.7X	3.0X	3.1X
Net Debt (b) / TTM EBITDA	3.9X	2.8X	2.2X	2.5X	2.3X
Effect of Adjusted Items	-0.2X	-0.1X	0.1X	0.1X	-0.1X
Net Debt (b) / Adjusted TTM EBITDA (a)	3.7X	2.7X	2.3X	2.6X	2.2X

(a) Adjusted EBITDA equals adjusted operating income excluding depreciation.

(b) Net debt is short-term and long-term debt less cash.

Debt

(Dollars in millions)

	Effective Interest Rate at 6/27/20	Maturity Date	12/31/2017	12/31/2018	12/31/2019	3/28/2020	6/27/2020
Short-term							
TMO Floating Rate Senior Notes (euro denominated)	0.04%	8/7/2020	0	0	672	668	673
Commercial Paper			960	693	0	66	0
Other			1,175	578	4	4	2
Total Short-term			2,135	1,271	676	738	675
Long-term							
TMO 2.15% Senior Notes (euro denominated)	2.27%	7/21/2022	597	571	559	556	560
TMO 3.00% Senior Notes (a)	1.87%	4/15/2023	941	937	980	1,016	1,024
TMO 4.15% Senior Notes	4.16%	2/1/2024	993	994	995	996	996
TMO 0.75% Senior Notes (euro denominated)	0.94%	9/12/2024	1,186	1,135	1,112	1,105	1,113
TMO 0.125% Senior Notes (euro denominated)	0.41%	3/1/2025	0	0	885	880	887
TMO 4.133% Senior Notes	4.32%	3/25/2025	0	0	0	1,093	1,091
TMO 2.00% Senior Notes (euro denominated)	2.10%	4/15/2025	763	729	714	709	715
TMO 3.65% Senior Notes	3.77%	12/15/2025	347	347	348	348	348
TMO 1.40% Senior Notes (euro denominated)	1.53%	1/23/2026	832	796	779	774	780
TMO 2.95% Senior Notes	3.19%	9/19/2026	1,178	1,180	1,183	1,183	1,184
TMO 1.45% Senior Notes (euro denominated)	1.65%	3/16/2027	591	565	553	550	554
TMO 1.75% Senior Notes (euro denominated)	1.97%	4/15/2027	0	0	0	0	664
TMO 3.20% Senior Notes	3.39%	8/15/2027	739	739	740	741	741
TMO 0.50% Senior Notes (euro denominated)	0.77%	3/1/2028	0	0	884	878	885
TMO 1.375% Senior Notes (euro denominated)	1.46%	9/12/2028	715	683	668	664	669
TMO 1.95% Senior Notes (euro denominated)	2.08%	7/24/2029	830	793	776	771	777
TMO 2.60% Senior Notes	2.74%	10/1/2029	0	0	891	891	891
TMO 4.497% Senior Notes	5.31%	3/25/2030	0	0	0	1,092	1,091
TMO 0.875% Senior Notes (euro denominated)	1.13%	10/1/2031	0	0	995	989	996
TMO 2.375% Senior Notes (euro denominated)	2.55%	4/15/2032	0	0	0	0	662
TMO 2.875% Senior Notes (euro denominated)	2.94%	7/24/2037	833	795	778	773	778
TMO 1.50% Senior Notes (euro denominated)	1.73%	10/1/2039	0	0	999	993	1,000
TMO 5.30% Senior Notes	5.37%	2/1/2044	396	396	396	396	396
TMO 4.10% Senior Notes	4.23%	8/15/2047	733	733	734	734	734
TMO 1.875% Senior Notes (euro denominated)	1.98%	10/1/2049	0	0	1,095	1,088	1,096
Other			7,199	6,326	12	11	6
Total Long-term			18,873	17,719	17,076	19,231	20,638
Total Debt			21,008	18,990	17,752	19,969	21,313
Total Cash			1,335	2,103	2,399	2,981	5,818
Net Debt (b)			19,673	16,887	15,353	16,988	15,495

(a) Fixed rate interest has been swapped to variable rate.

(b) Net debt equals short-term and long-term debt less cash.

2017 - 2020 Significant Acquisitions/Divestitures

Transaction Closing Date	Entity	Acquisition or Divestiture	Business Description	Principal Segment	Revenue (a) (millions)
2019					
October 1	API Facility from GSK in Cork, Ireland	Acquisition	Manufacturer of complex active pharmaceutical ingredients (API)	LPS	N/A (b)
June 28	Anatomical Pathology business	Divestiture	Provider of microscope slides, instruments and consumables	SDS	\$344
April 30	Brammer Bio	Acquisition	Leader in viral vector manufacturing for gene and cell therapies	LPS	\$140
2018					
October 25	Advanced Bioprocessing business	Acquisition	Provider of cell culture supplements that increase yield and reduce variability in the production of biologic drugs	LSS	\$100
March 16	IntegenX Inc.	Acquisition	Provider of genetic analysis products for use in forensics and law enforcement applications	LSS	\$15
2017					
August 28	Patheon N.V.	Acquisition	Leading contract development and manufacturing organization serving the pharmaceutical and biotechnology sectors	LPS	\$1,867 (c)
March 2	Core Informatics	Acquisition	Provider of cloud-based platforms supporting scientific data management	AIS	\$10
February 14	Finesse Solutions, Inc.	Acquisition	Leader in development of scalable control automation systems and software for bioproduction	LSS	\$50
(a) Approximate revenue from prior full year reporting period as of the announcement date.					
(b) Facility purchase from a customer.					
(c) Fiscal year ended October 31, 2016.					

Capital Deployment

Share Buybacks

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Q1-2020</u>	<u>Q2-2020</u>
Total Number of Shares Purchased (millions)	5	2	6	4	—
Average Price Paid per Share	<u>\$148.59</u>	<u>\$231.91</u>	<u>\$251.43</u>	<u>\$331.76</u>	<u>\$0.00</u>
Total Spend (\$ millions)	\$750	\$500	\$1,500	\$1,500	\$0

Remaining Share Repurchase Authorization (in millions) as of 7/22/2020: \$1,000

Dividends Paid

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Q1-2020</u>	<u>Q2-2020</u>
Amount per Share	\$0.60	\$0.66	\$0.74	\$0.19	\$0.22

Future declarations of dividends are subject to board approval and may be adjusted as business needs or market conditions change.

Fiscal Calendar

2020 FISCAL CALENDAR

	FIRST QUARTER										SECOND QUARTER										THIRD QUARTER										FOURTH QUARTER								
Month	S	M	T	W	T	F	S	Week	Month	S	M	T	W	T	F	S	Week	Month	S	M	T	W	T	F	S	Week	Month	S	M	T	W	T	F	S	Week				
JAN 5 Weeks	1 2 3 4							1	APR 5 Weeks	29	30	31	1	2	3	4	14	JULY 5 Weeks	28	29	30	1	2	3	4	27	OCT 5 Weeks	27	28	29	30	1	2	3	40				
	5	6	7	8	9	10	11	2		5	6	7	8	9	10	11	15		5	6	7	8	9	10	11	28		4	5	6	7	8	9	10	41				
	12	13	14	15	16	17	18	3		12	13	14	15	16	17	18	16		12	13	14	15	16	17	18	29		11	12	13	14	15	16	17	42				
	19	20	21	22	23	24	25	4		19	20	21	22	23	24	25	17		19	20	21	22	23	24	25	30		18	19	20	21	22	23	24	43				
	26	27	28	29	30	31	1	5		26	27	28	29	30	1	2	18		26	27	28	29	30	31	1	31		25	26	27	28	29	30	31	44				
FEB 4 Weeks	2	3	4	5	6	7	8	6	MAY 4 Weeks	3	4	5	6	7	8	9	19	AUG 4 Weeks	2	3	4	5	6	7	8	32	NOV 4 Weeks	1	2	3	4	5	6	7	45				
	9	10	11	12	13	14	15	7		10	11	12	13	14	15	16	20		9	10	11	12	13	14	15	33		8	9	10	11	12	13	14	46				
	16	17	18	19	20	21	22	8		17	18	19	20	21	22	23	21		16	17	18	19	20	21	22	34		15	16	17	18	19	20	21	47				
	23	24	25	26	27	28	29	9		24	25	26	27	28	29	30	22		23	24	25	26	27	28	29	35		22	23	24	25	26	27	28	48				
	MAR 4 Weeks	1	2	3	4	5	6	7		10	JUNE 4 Weeks	31	1	2	3	4	5		6	23	SEPT 4 Weeks	30	31	1	2	3		4	5	36	DEC 4 Weeks	29	30	1	2	3	4	5	49
8		9	10	11	12	13	14	11	7	8		9	10	11	12	13	24	6	7	8		9	10	11	12	37	6	7	8	9		10	11	12	50				
15		16	17	18	19	20	21	12	14	15		16	17	18	19	20	25	13	14	15		16	17	18	19	38	13	14	15	16		17	18	19	51				
22		23	24	25	26	27	28	13	21	22		23	24	25	26	27	26	20	21	22		23	24	25	26	39	20	21	22	23		24	25	26	52				
CHANGE IN DAYS VERSUS PRIOR YEAR								- 1	CHANGE IN DAYS VERSUS PRIOR YEAR								0	CHANGE IN DAYS VERSUS PRIOR YEAR								0	CHANGE IN DAYS VERSUS PRIOR YEAR								+ 2				