



Veralto™

First Quarter 2024 Results

April 23, 2024

Forward Looking Statements

Certain statements in this presentation, including statements regarding the Company's second quarter and full year 2024 guidance, the Company's differentiation and positioning to continue delivering sustainable, long-term shareholder value and any other statements regarding events or developments that we believe or anticipate will or may occur in the future are "forward-looking" statements within the meaning of the federal securities laws. All statements other than historical factual information are forward-looking statements, including, without limitation, statements regarding: projections of revenue, expenses, profit, profit margins, tax rates, tax provisions, cash flows, pension and benefit obligations and funding requirements, Veralto's liquidity position or other financial measures; Veralto's management's plans and strategies for future operations, including statements relating to anticipated operating performance, cost reductions, restructuring activities, new product and service developments, competitive strengths or market position, acquisitions and the integration thereof, divestitures, spin-offs, split-offs or other distributions, strategic opportunities, securities offerings, stock repurchases, dividends and executive compensation; the effects of the separation or the distribution on Veralto's business; growth, declines and other trends in markets Veralto sells into; new or modified laws, regulations and accounting pronouncements; future regulatory approvals and the timing thereof; outstanding claims, legal proceedings, tax audits and assessments and other contingent liabilities; future foreign currency exchange rates and fluctuations in those rates; general economic and capital markets conditions; the anticipated timing of any of the foregoing; assumptions underlying any of the foregoing; and any other statements that address events or developments that Veralto intends or believes will or may occur in the future.

Additional information regarding the factors that may cause actual results to differ materially from these forward-looking statements is available in our SEC filings, including our 2023 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the first quarter of 2024. These forward-looking statements speak only as of the date of this release and except to the extent required by applicable law, the Company does not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.



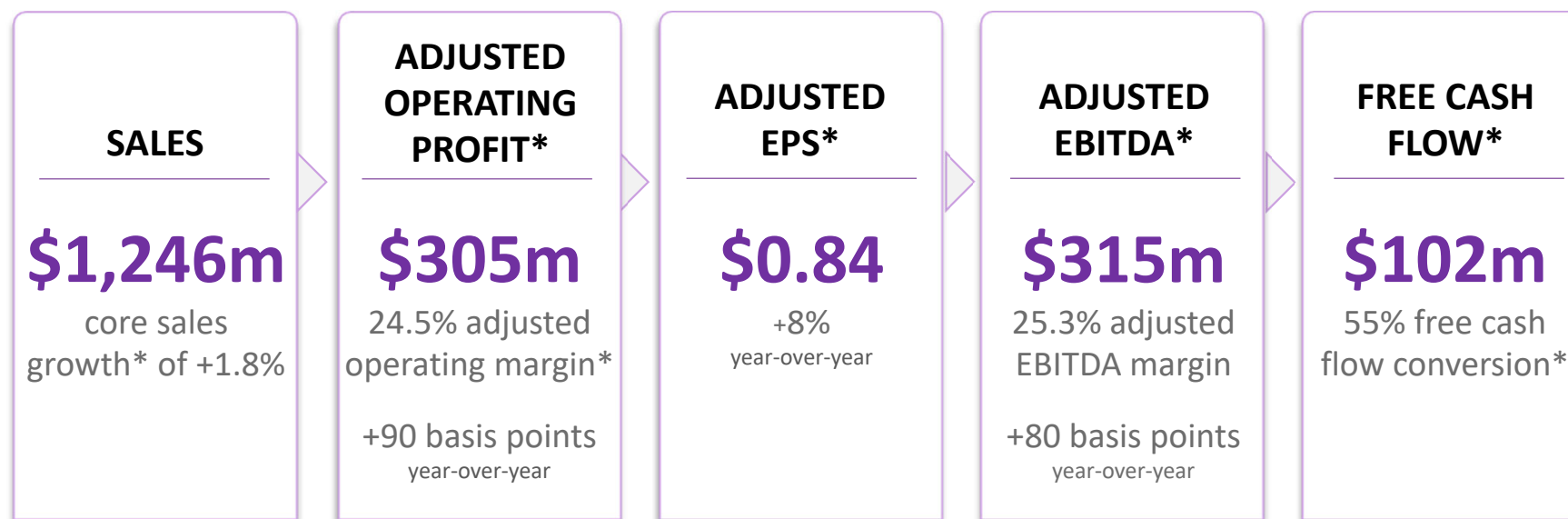
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Opening Remarks

Jennifer L. Honeycutt
President and Chief Executive Officer

Q1 2024 Results | April 23, 2024

Veralto / Q1 2024 key consolidated financial results



*See appendix for reconciliations to non-GAAP measures

Solid Start to the Year – Delivered on Guidance Commitments

Veralto / 2024 CEO Kaizen Week

Customer Engagement/Consumable Growth at Hach



Customer Buying Experience at Videojet

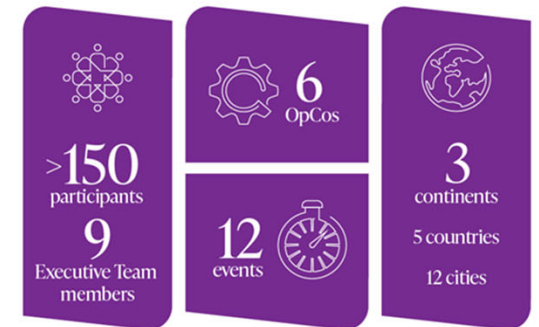


Improved Productivity at Hach



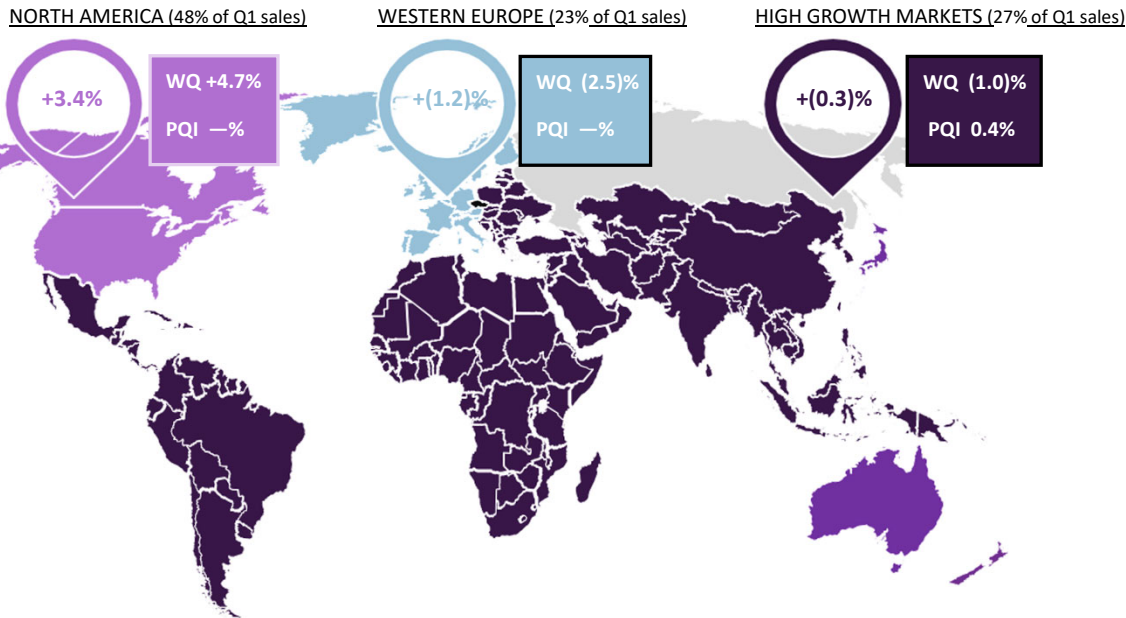
“At Veralto, we are ALL practitioners of continuous improvement.”

Jennifer Honeycutt, CEO



Veralto's First CEO Kaizen Week Completed in March

Veralto / Core sales growth by region for Q1 2024



Notes: All sales variances are on a core sales basis as compared to the prior year period; Japan, Australia and New Zealand represent 2% of total sales



Q1 2024 Commentary

North America:

- **WQ:** Growth in water treatment and analytics led by strong, broad-based industrial demand; steady municipal markets
- **PQI:** Core sales flat; CPG markets showing signs of recovery

Western Europe:

- **WQ:** Core sales decline reflects timing of UV treatment projects and strategic portfolio actions
- **PQI:** Core sales flat; CPG markets showing signs of recovery

High Growth Markets:

- **WQ:** China stabilizing with sales down LSD; HSD sales growth in India
- **PQI:** HSD growth in LATAM partially offset by LSD declines in China and Middle East

Notes: WQ = Water Quality; PQI = Product Quality & Innovation



Veralto™

Financial Review

Sameer Ralhan

SVP and Chief Financial Officer

Q1 2024 Results | April 23, 2024

Veralto / Q1 2024 consolidated performance

<i>\$ millions, except per share data</i>	Q1 2023	Q1 2024	YOY Variance
Sales	\$1,225	\$1,246	+1.8%
<i>Core Sales Growth*</i>	6.5%	1.8%	
Gross Profit	\$708	\$747	+6%
<i>Gross Profit Margin</i>	57.8%	60.0%	+220 bps
Adjusted Operating Profit*	\$290	\$305	+5%
<i>Adjusted Operating Profit Margin*</i>	23.6%	24.5%	+90 bps
Adjusted Net Diluted Earnings Per Share*	\$0.78	\$0.84	+8%
Free Cash Flow*	\$147	\$102	-31%

*See appendix for reconciliations to non-GAAP measures

Veralto

- **Sales grew +1.8% year-over-year:**

- Core sales* +1.8%
- Currency: +0.2%
- Acquisitions & divestitures: -0.2%

- **Gross profit margin up 220 bps:**

- +2.1% increase in price
- Improved productivity and reduced material costs

- **Adjusted operating profit margin* up 90 bps:**

- Cost optimization
- Increased growth investments

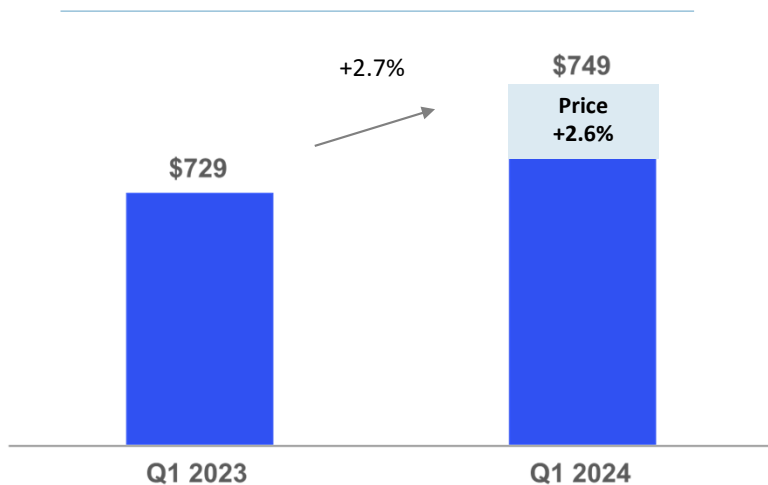
- **Free Cash Flow* of \$102m:**

- Q1 2024 reflects semi-annual interest payments
- 55% free cash flow conversion*

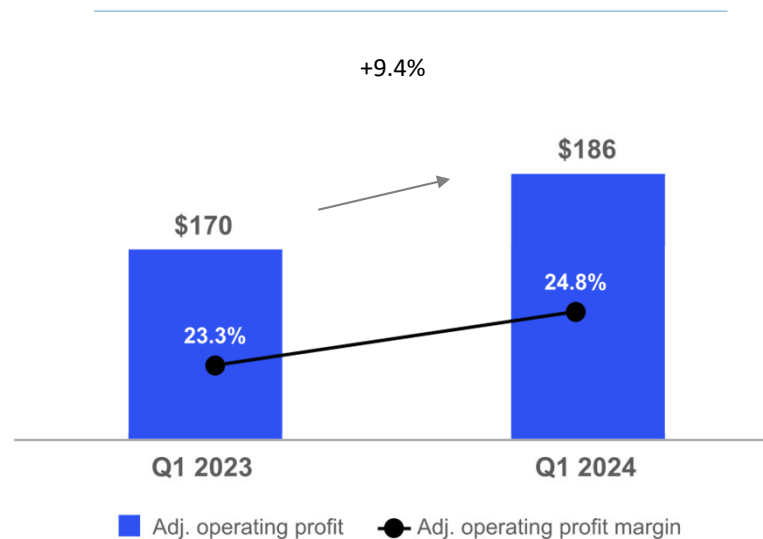
Water Quality / Q1 2024 performance

(\$ millions, variances versus prior year period)

Q1 SALES



Q1 ADJUSTED OPERATING PROFIT *



YOY Change in Sales	Q1 2023	Q1 2024
Core Growth*	+11.0%	+2.8%
Currency	-2.0%	—%
M&A	—%	-0.1%
Total Growth	+9.0%	+2.7%

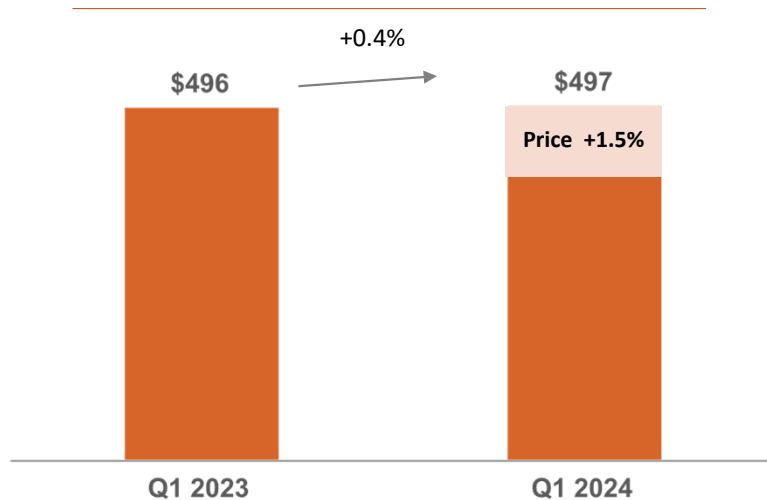


*See appendix for reconciliations of non-GAAP measures

Product Quality & Innovation / Q1 2024 performance

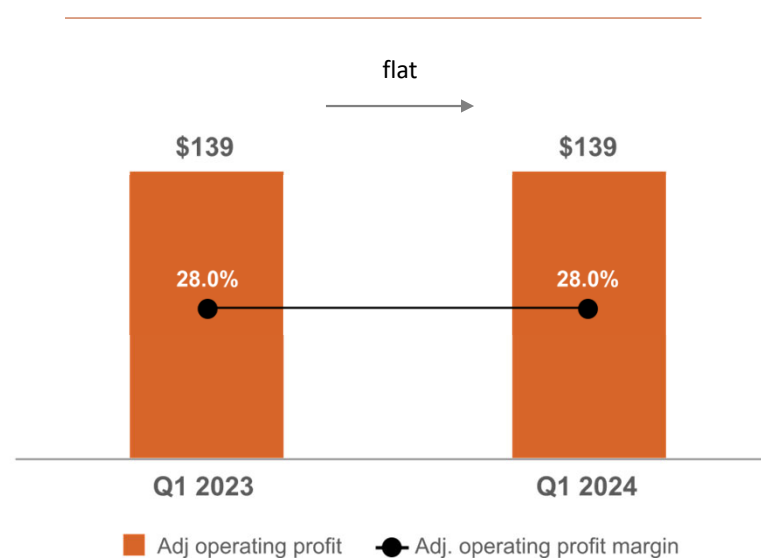
(\$ millions, variances versus prior year period)

Q1 SALES



YOY Change in Sales	Q1 2023	Q1 2024
Core Growth*	+1.0%	+0.2%
Currency	-3.0%	+0.4%
M&A	1.0%	-0.2%
Total Growth	-1.0%	+0.4%

Q1 ADJUSTED OPERATING PROFIT *



*See appendix for reconciliations of non-GAAP measures

Veralto / Q1 2024 Cash Flow and Balance Sheet

(\$ millions)

Q1 2024

Cash from operations	\$115
Capital expenditures	\$(13)

Free Cash Flow*	\$102
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Free Cash Flow Conversion*	55%
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Q1 2024

Cash and cash equivalents	\$827
Gross debt	\$2,618
Net debt*	\$1,791

* See appendix for reconciliations to non-GAAP measures

Veralto

Financial position summary:

- Strong annual cash generation
- Resilient and capital-light business model
- Gross leverage* at 2.1x
- Net leverage* at 1.5x

Veralto / Q2 and FY 2024 Guidance

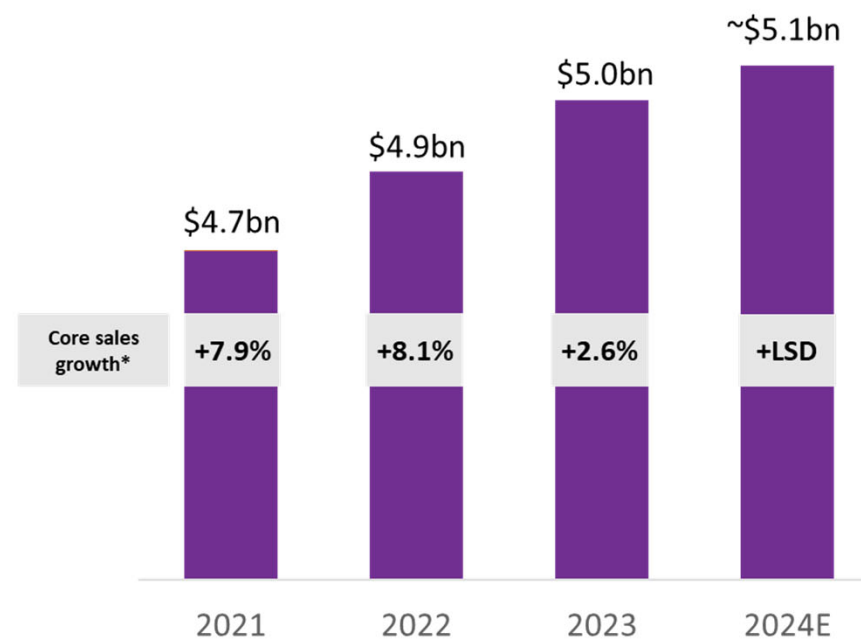
	Q2 2024E	FY2024E	
		Current	Prior
Core Sales Growth*	+LSD	+LSD	+LSD
Adjusted Operating Profit Margin*	~23.0%	+50 to +75 basis points	+50 to +75 basis points
Adjusted EPS*	\$0.75 to \$0.80	\$3.25 to \$3.34	\$3.20 to \$3.30
Free Cash Flow Conversion*	--	100% to 110%	~100%

Note: 2024 adjusted EPS guidance assumes an effective tax rate of ~25% and diluted shares outstanding of ~249m

* See appendix for reconciliations to non-GAAP measures

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Annual Sales and Core Sales Growth*





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Closing Remarks

Jennifer L. Honeycutt

Q1 2024 Results | April 23, 2024

Veralto / Well-positioned to drive compounding earnings and free cash flow growth

ATTRACTIVE SECULAR GROWTH DRIVERS

**PREMIER FINANCIAL PROFILE
and DURABLE BUSINESS MODEL**

PROVEN VALUE CREATION PLAYBOOK



SAFEGUARDING THE WORLD'S MOST VITAL RESOURCES™



Veralto™

Appendix

Q1 2024 Results | April 23, 2024



VERALTO CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
AND SUPPLEMENTAL FORWARD-LOOKING INFORMATION
THREE-MONTH PERIODS ENDED MARCH 29, 2024 AND MARCH 31, 2023

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FORWARD-LOOKING STATEMENTS DISCLOSURE

Certain statements in this document, including the statement regarding the Company's anticipated second quarter and full year 2024 non-GAAP core sales growth, the Company's differentiation and positioning to continue delivering sustainable, long-term shareholder value and any other statements regarding events or developments that we believe or anticipate will or may occur in the future are "forward-looking" statements within the meaning of the federal securities laws. All statements other than historical factual information are forward-looking statements, including, without limitation, statements regarding: projections of revenue, expenses, profit, profit margins, tax rates, tax provisions, cash flows, pension and benefit obligations and funding requirements, Veralto's liquidity position or other financial measures; Veralto's management's plans and strategies for future operations, including statements relating to anticipated operating performance, cost reductions, restructuring activities, new product and service developments, competitive strengths or market position, acquisitions and the integration thereof, divestitures, spin-offs, split-offs or other distributions, strategic opportunities, securities offerings, stock repurchases, dividends and executive compensation; the effects of the separation or the distribution on Veralto's business; growth, declines and other trends in markets Veralto sells into; new or modified laws, regulations and accounting pronouncements; future regulatory approvals and the timing thereof; outstanding claims, legal proceedings, tax audits and assessments and other contingent liabilities; future foreign currency exchange rates and fluctuations in those rates; general economic and capital markets conditions; the anticipated timing of any of the foregoing; assumptions underlying any of the foregoing; and any other statements that address events or developments that Veralto intends or believes will or may occur in the future. Additional information regarding the factors that may cause actual results to differ materially from these forward-looking statements is available in our SEC filings, including our 2023 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the first quarter of 2024. These forward-looking statements speak only as of the date of this document and except to the extent required by applicable law, the Company does not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.

VERALTO CORPORATION

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

	% Change Three-Month Period Ended March 29, 2024 vs. Comparable 2023 Period		
	Total Company	Segments	
		Water Quality	Product Quality and Innovation
Total sales growth GAAP	1.8 %	2.7 %	0.4 %
Impact of:			
Acquisitions/divestitures	0.2 %	0.1 %	0.2 %
Currency exchange rates	(0.2)%	— %	(0.4)%
Core sales growth (non-GAAP)	<u>1.8 %</u>	<u>2.8 %</u>	<u>0.2 %</u>

	% Change Three-Month Period Ended March 31, 2023 vs. Comparable 2022 Period		
	Total Company	Segments	
		Water Quality	Product Quality and Innovation
Total sales (decline) growth GAAP	4.5 %	9.0 %	(1.0)%
Impact of:			
Acquisitions/divestitures	(0.5)%	— %	(1.0)%
Currency exchange rates	2.5 %	2.0 %	3.0 %
Core sales growth (non-GAAP)	<u>6.5 %</u>	<u>11.0 %</u>	<u>1.0 %</u>

VERALTO CORPORATION

Forecasted Core Sales (Decline) Growth, Adjusted Operating Profit Margin, and Adjusted Diluted Net Earnings per Share

The Company provides forecasted sales only on a non-GAAP basis because of the difficulty in estimating the other components of GAAP revenue, such as currency translation, acquisitions and divested product lines. Additionally, we do not reconcile adjusted operating profit margin (or components thereof), adjusted diluted earnings per share or free cash flow to net earnings conversion ratio to the comparable GAAP measures because of the difficulty in estimating the other unknown components such as investment gains and losses, impairments and separation costs, which would be reflected in any forecasted GAAP operating profit, forecasted diluted earnings per share or forecasted net earnings ratio.

	% Change Three-Month Period Ending June 28, 2024 vs. Comparable 2023 Period	% Change Year Ending December 31, 2024 vs. Comparable 2023 Period
Core sales growth (decline) (non-GAAP)	+Low-single digit	+Low-single digit
	Three-Month Period Ending June 28, 2024	Year Ending December 31, 2024
Adjusted Operating Profit Margin (non-GAAP)	~23.0%	+50 to +75 basis points
Adjusted Diluted Net Earnings per Share (non-GAAP)	\$0.75 to \$0.80	\$3.25 to \$3.34
Free cash flow to net earnings conversion ratio (non-GAAP)	--	100% to 110%

VERALTO CORPORATION

Segment Sales, Operating Profit, Adjusted Operating Profit, Operating Profit Margin, and Adjusted Operating Profit Margin
(\$ in millions)

	Three-Month Period Ended	
	March 29, 2024	March 31, 2023
Sales (GAAP)		
Water Quality	\$ 749	\$ 729
Product Quality & Innovation	497	496
Total	<u>\$ 1,246</u>	<u>\$ 1,225</u>
Sales Adjustments¹		
Water Quality	\$ —	\$ 2
Product Quality & Innovation	—	—
Total	<u>\$ —</u>	<u>\$ 2</u>
Adjusted Sales (Non-GAAP)		
Water Quality	\$ 749	\$ 731
Product Quality & Innovation	497	496
Total	<u>\$ 1,246</u>	<u>\$ 1,227</u>
Operating Profit (GAAP)		
Water Quality	\$ 181	\$ 168
Product Quality & Innovation	133	135
Other	(21)	(11)
Total	<u>\$ 293</u>	<u>\$ 292</u>
Amortization of Intangible Assets (GAAP)		
Water Quality	\$ 5	\$ 5
Product Quality & Innovation	6	7
Total	<u>\$ 11</u>	<u>\$ 12</u>

VERALTO CORPORATION

Segment Sales, Operating Profit, Adjusted Operating Profit, Operating Profit Margin, and Adjusted Operating Profit Margin
(\$ in millions)

	Three-Month Period Ended	
	March 29, 2024	March 31, 2023
Other Operating Profit Adjustments²		
Water Quality	\$ —	\$ (3)
Product Quality & Innovation	—	(3)
Other	1	(8)
Total	\$ 1	\$ (14)
Adjusted Operating Profit (non-GAAP)³		
Water Quality	\$ 186	\$ 170
Product Quality & Innovation	139	139
Other	(20)	(19)
Total	\$ 305	\$ 290
Operating Profit Margin (GAAP)		
Water Quality	24.2 %	23.0 %
Product Quality & Innovation	26.8 %	27.2 %
Total	23.5 %	23.8 %
Adjusted Operating Profit Margin (Non-GAAP)⁴		
Water Quality	24.8 %	23.3 %
Product Quality & Innovation	28.0 %	28.0 %
Total	24.5 %	23.6 %

¹ Refer to the Reconciliation of GAAP to Other Non-GAAP Adjusted P&L Measures for a description of the components of Sales Adjustments

² Refer to the Reconciliation of GAAP to Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

³ Adjusted Operating Profit (non-GAAP) is defined as operating profit (GAAP) plus amortization of intangible assets (GAAP) plus (minus) Other Operating Profit Adjustments and Sales Adjustment (as defined).

⁴ Adjusted Operating Profit Margin (Non-GAAP) is defined as Adjusted Operating Profit (Non-GAAP) divided by Adjusted Sales (Non-GAAP).

VERALTO CORPORATION

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

	Three-Month Period Ended March 29, 2024			
	Water Quality	Product Quality & Innovation	Other	Total Company
Net Earnings (GAAP)				\$ 184
Interest Expense				28
Other Nonoperating (Income) Expense				15
Income Taxes				66
Operating Profit (GAAP)	\$ 181	\$ 133	\$ (21)	\$ 293
Other Operating Profit Adjustments ²	—	—	1	1
Depreciation	6	4	—	10
Amortization of Intangible Assets	5	6	—	11
Adjusted EBITDA (Non-GAAP)	\$ 192	\$ 143	\$ (20)	\$ 315
Interest Expense				(28)
Other Nonoperating Income (Expense)				(15)
Income Taxes				(66)
Other Operating Profit Adjustments ²				(1)
Depreciation				(10)
Amortization of Intangible Assets				(11)
Net Earnings (GAAP)				\$ 184
Sales (GAAP)	\$ 749	\$ 497		\$ 1,246
Net Earnings Margin (GAAP)				14.8 %
Operating Profit Margin (GAAP)	24.2 %	26.8 %		23.5 %
Adjusted EBITDA Margin (Non-GAAP)⁵	25.6 %	28.8 %		25.3 %

² Refer to the Reconciliation of GAAP to Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

⁵ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

VERALTO CORPORATION

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

	Three-Month Period Ended March 31, 2023			
	Water Quality	Product Quality & Innovation	Other	Total Company
Net Earnings (GAAP)				\$ 225
Income Taxes				67
Operating Profit (GAAP)	\$ 168	\$ 135	\$ (11)	\$ 292
Other Operating Profit Adjustments ²	(3)	(3)	(8)	(14)
Depreciation	6	4	—	10
Amortization of Intangible Assets	5	7	—	12
Adjusted EBITDA (Non-GAAP)	\$ 176	\$ 143	\$ (19)	\$ 300
Income Taxes				(67)
Other Operating Profit Adjustments ²				14
Depreciation				(10)
Amortization of Intangible Assets				(12)
Net Earnings (GAAP)				\$ 225
Sales (GAAP)	\$ 729	\$ 496		\$ 1,225
Net Earnings Margin (GAAP)				18.4 %
Operating Profit Margin (GAAP)	23.0 %	27.2 %		23.8 %
Adjusted EBITDA Margin (Non-GAAP)⁵	24.1 %	28.8 %		24.5 %

² Refer to the Reconciliation of GAAP to Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

⁵ Adjusted EBITDA Margin (Non-GAAP) is defined as Adjusted EBITDA (Non-GAAP) divided by sales.

VERALTO CORPORATION

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

	Three-Month Period Ended			
	March 29, 2024	December 31, 2023	September 29, 2023	June 30, 2023
Net Earnings (GAAP)	184	200	205	209
Interest Expense ⁶	28	25	5	—
Other Nonoperating (Income) Expense	15	—	—	14
Income Taxes	66	61	63	66
Operating Profit (GAAP)	293	286	273	289
Other Operating Profit Adjustments ²	1	8	(4)	(8)
Depreciation	10	10	9	10
Amortization of Intangible Assets	11	12	12	12
Adjusted EBITDA (Non-GAAP)	315	316	290	303
Trailing Twelve Month Operating Profit (GAAP) ⁷	\$ 1,141			
Trailing Twelve Month Adjusted EBITDA (Non-GAAP) ⁸	\$ 1,224			
Long Term Debt ⁹	\$ 2,618			
Less: Cash ⁹	827			
Net Debt (Non-GAAP)	\$ 1,791			
Gross Debt to Operating Profit ¹⁰	2.29			
Net Debt to Operating Profit ¹¹	1.57			
Gross Leverage (Non-GAAP) ¹²	2.14			
Net Leverage (Non-GAAP) ¹³	1.46			

2 Refer to the Reconciliation of GAAP to Other Non-GAAP Adjusted P&L Measures for a description of the components of Other Operating Profit Adjustments.

6 Prior to the separation, Veralto was a part of Danaher Corporation and was dependent upon Danaher for its financing. None of Danaher's debt or interest expense was assigned to Veralto for any period prior to the three month period ended September 29, 2023.

7 Trailing Twelve Month Operating Profit is defined as the sum of Operating Profit for the previous four quarters.

8 Trailing Twelve Month Adjusted EBITDA (Non-GAAP) is defined as the sum of Adjusted EBITDA (Non-GAAP) for the previous four quarters.

9 Long Term Debt and Cash balances as of March 29, 2024.

10 Calculated as Long Term Debt divided by Trailing Twelve Month Operating Profit.

11 Calculated as Net Debt divided by Trailing Twelve Month Operating Profit.

12 Calculated as Long Term Debt divided by Trailing Twelve Month Adjusted EBITDA (Non-GAAP).

13 Calculated as Net Debt divided by Trailing Twelve Month Adjusted EBITDA (Non-GAAP).

VERALTO CORPORATION

Other Non-GAAP Adjusted P&L Measures

(\$ in millions, except per share data)

Three-Month Period Ended March 29, 2024

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings before income taxes	Income taxes	Net earnings for calculation of diluted earnings per common share	Diluted net earnings per common share
Reported (GAAP)	\$ 1,246	\$ (499)	60.0 %	\$ 293	23.5 %	\$ 250	\$ (66)	\$ 184	\$ 0.74
Amortization of acquisition-related intangible assets ^A	—	—	—	11	0.9	11		11	0.04
Separation costs ^B	—	—	—	1	0.1	1		1	—
Loss on disposition of certain product lines ^C	—	—	—	—	—	15		15	0.06
Tax effect of the above adjustments ^E							(3)	(3)	(0.01)
Discrete tax adjustments ^F							1	1	—
Rounding	—	—	—	—	—	—	—	—	0.01
Adjusted (Non-GAAP)	<u>\$ 1,246</u>	<u>\$ (499)</u>	<u>60.0 %</u>	<u>\$ 305</u>	<u>24.5 %</u>	<u>\$ 277</u>	<u>\$ (68)</u>	<u>\$ 209</u>	<u>\$ 0.84</u>

Three-Month Period Ended March 29, 2024

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net (excluding interest)	Interest income (expense), net
Reported (GAAP)	\$ 1,246	\$ (394)	(31.6)%	\$ (60)	(4.8)%	\$ (15)	\$ (28)
Amortization of acquisition-related intangible assets ^A	—	11	0.9	—	—	—	—
Separation costs ^B	—	1	0.1	—	—	—	—
Loss on disposition of certain product lines ^C	—	—	—	—	—	15	—
Rounding	—	—	(0.1)	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 1,246</u>	<u>\$ (382)</u>	<u>(30.7)%</u>	<u>\$ (60)</u>	<u>(4.8)%</u>	<u>\$ —</u>	<u>\$ (28)</u>

VERALTO CORPORATION

Other Non-GAAP Adjusted P&L Measures

(\$ in millions, except per share data)

Three-Month Period Ended March 31, 2023

	Sales	Cost of sales	Gross profit margin	Operating profit	Operating profit margin	Earnings before income taxes	Income taxes	Net earnings for calculation of diluted earnings per common share	Diluted net earnings per common share
Reported (GAAP)	\$ 1,225	\$ (517)	57.8 %	\$ 292	23.8 %	\$ 292	\$ (67)	\$ 225	\$ 0.91
Amortization of acquisition-related intangible assets ^A	—	—	—	12	1.0	12		12	0.05
Standalone Adjustment ^D	2	—	0.2	(14)	(1.1)	(49)		(49)	(0.20)
Tax effect of the above adjustments ^E							9	9	0.04
Discrete tax adjustments ^F							(5)	(5)	(0.02)
Rounding	—	—	(0.1)	—	(0.1)	—	—	—	—
Adjusted (Non-GAAP)	<u>\$ 1,227</u>	<u>\$ (517)</u>	<u>57.9 %</u>	<u>\$ 290</u>	<u>23.6 %</u>	<u>\$ 255</u>	<u>\$ (63)</u>	<u>\$ 192</u>	<u>\$ 0.78</u>

Three-Month Period Ended March 31, 2023

	Sales	Selling, general and administrative expenses	Selling, general and administrative expenses as a % of sales	Research and development expenses	Research and development expenses as a % of sales	Nonoperating income (expense), net (excluding interest)	Interest income (expense), net
Reported (GAAP)	\$ 1,225	\$ (360)	(29.4)%	\$ (56)	(4.6)%	\$ —	\$ —
Amortization of acquisition-related intangible assets ^A	—	12	1.0	—	—	—	—
Standalone Adjustment ^D	2	(16)	(1.3)	—	—	—	(35)
Adjusted (Non-GAAP)	<u>\$ 1,227</u>	<u>\$ (364)</u>	<u>(29.7)%</u>	<u>\$ (56)</u>	<u>(4.6)%</u>	<u>\$ —</u>	<u>\$ (35)</u>

VERALTO CORPORATION

Other Non-GAAP Adjusted P&L Measures

(\$ in millions, except per share data)

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

	Three-Month Period Ended	
	March 29, 2024	March 31, 2023
Pretax	\$ 11	\$ 12
After-tax	9	9

^B Costs incurred in the three-month period ended March 29, 2024 related to the separation of the Company from Danaher primarily related to IT costs and certain regulatory fees (\$1 million pretax as reported in this line item).

^C Loss on the disposition of certain product lines in the three-month period ended March 29, 2024 (\$15 million pre-tax and after-tax as reported in this line item).

^D This amount encompasses management estimates of operating as a standalone entity. The management estimate includes recurring and ongoing costs required to operate new functions required for a public company such as certain corporate functions including finance, tax, legal, human resources and other general and administrative related functions. The pretax and after-tax effect of these estimates are summarized below:

	Three-Month Period Ended	
	March 31, 2023	
Impact to Operating Profit	\$	(14)
Pretax		(49)
After-tax		(37)

^E This line item reflects the aggregate tax effect of all nontax adjustments reflected in the preceding line items of the table. In addition, the footnotes above indicate the after-tax amount of each individual adjustment item. Veralto estimates the tax effect of each adjustment item by applying Veralto's overall estimated effective tax rate to the pretax amount, unless the nature of the item and/or the tax jurisdiction in which the item has been recorded requires application of a specific tax rate or tax treatment, in which case the tax effect of such item is estimated by applying such specific tax rate or tax treatment.

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

VERALTO CORPORATION

Operating Profit Margin and Year-Over-Year Core Operating Margin Changes

	Segments		
	Total Company	Water Quality	Product Quality & Innovation
Three-Month Period Ended March 31, 2023 Operating Profit Margins (GAAP)	23.8 %	23.0 %	27.2 %
Impact of acquisitions and dispositions	—	0.1	(0.1)
Costs incurred as a result of the Separation from Danaher	(0.1)	—	—
Year-over-year core operating profit margin changes for the first quarter 2024 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	(0.2)	1.1	(0.3)
Three-Month Period Ended March 29, 2024 Operating Profit Margins (GAAP)	<u>23.5 %</u>	<u>24.2 %</u>	<u>26.8 %</u>

VERALTO CORPORATION

Cash Flow, Free Cash Flow, Operating Cash Flow to Net Earnings Ratio and Free Cash Flow to Net Earnings Conversion Ratio

(\$ in millions)

	<u>Three-Month Period Ended</u>		<u>Year-over-Year Change</u>
	<u>March 29, 2024</u>	<u>March 31, 2023</u>	
Total Cash Flows:			
Net cash provided by operating activities (GAAP)	\$ 115	\$ 156	
Total cash used in investing activities (GAAP)	\$ (23)	\$ (9)	
Total cash provided by (used in) financing activities (GAAP)	\$ (20)	\$ (147)	
Free Cash Flow:			
Total cash provided by operating activities (GAAP)	\$ 115	\$ 156	~ (26.5)%
Less: payments for additions to property, plant & equipment (capital expenditures) (GAAP)	(13)	(9)	
Plus: proceeds from sales of property, plant & equipment (capital disposals) (GAAP)	—	—	
Free cash flow (non-GAAP)	<u>\$ 102</u>	<u>\$ 147</u>	~ (30.5)%
Operating Cash Flow to Net Earnings Ratio (GAAP)			
Net cash provided by operating activities (GAAP)	\$ 115	\$ 156	
Net earnings (GAAP)	\$ 184	\$ 225	
Operating cash flow to net earnings conversion ratio	<u>0.63</u>	<u>0.69</u>	
Free Cash Flow to Net Earnings Conversion Ratio (non-GAAP):			
Free cash flow from above (non-GAAP)	\$ 102	\$ 147	
Net earnings (GAAP)	\$ 184	\$ 225	
Free cash flow to net earnings conversion ratio (non-GAAP)	<u>0.55</u>	<u>0.65</u>	

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

Statement Regarding Non-GAAP Measures

Each of the non-GAAP measures set forth above should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measure, and may not be comparable to similarly titled measures reported by other companies. Management believes that these measures provide useful information to investors by offering additional ways of viewing Veralto Corporation's ("Veralto" or the "Company") results that, when reconciled to the corresponding GAAP measure, help our investors:

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

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

- The items excluded from the non-GAAP measures set forth above have been excluded for the following reasons:
 - Amortization of Intangible Assets: We exclude the amortization of acquisition-related intangible assets because the amount and timing of such charges are significantly impacted by the timing, size, number and nature of the acquisitions we consummate. While we have a history of significant acquisition activity, we do not acquire businesses on a predictable cycle, and the amount of an acquisition's purchase price allocated to intangible assets and related amortization term are unique to each acquisition and can vary significantly from acquisition to acquisition. Exclusion of this amortization expense facilitates more consistent comparisons of operating results over time between our newly acquired and long-held businesses, and with both acquisitive and non-acquisitive peer companies. We believe however that it is important for investors to understand that such intangible assets contribute to sales generation and that intangible asset amortization related to past acquisitions will recur in future periods until such intangible assets have been fully amortized.
 - Restructuring Charges: We exclude costs incurred pursuant to discrete restructuring plans that are fundamentally different (in terms of the size, strategic nature and planning requirements, as well as the inconsistent frequency, of such plans) from the ongoing productivity improvements that result from application of the Veralto Enterprise System. Because these restructuring plans are incremental to the core activities that arise in the ordinary course of our business and we believe are not indicative of Veralto's ongoing operating costs in a given period, we exclude these costs to facilitate a more consistent comparison of operating results over time.
 - Other Adjustments: With respect to the other items excluded from the profitability-related non-GAAP measures, we exclude these items because they are of a nature and/or size that occur with inconsistent frequency, occur for reasons that may be unrelated to Veralto's commercial performance during the period and/or we believe that such items may obscure underlying business trends and make comparisons of long-term performance difficult.
 - Standalone Adjustments: We believe these adjustments provide additional insight into how our businesses are performing, on a normalized basis. However, these non-GAAP financial measures should not be construed as inferring that our future results will be unaffected by the items for which the measure adjusts.
- With respect to core operating profit margin changes, in addition to the explanation set forth in the bullets above relating to "restructuring charges" and "other adjustments", we exclude the impact of businesses owned for less than one year (or disposed of during such period and not treated as discontinued operations) because the timing, size, number and nature of such transactions can vary significantly from period to period and may obscure underlying business trends and make comparisons of long-term performance difficult.

Statement Regarding Non-GAAP Measures

- We calculate adjusted EBITDA by adding to operating profit amounts equal to depreciation and amortization and making the other adjustments reflected in the applicable tables above, which allows us to calculate and disclose such measure by segment. Given Veralto's diversification, we believe this helps our investors compare the profitability of our individual segments to peer companies with like business lines.
- With respect to core sales related measures, (1) we exclude the impact of currency translation because it is not under management's control, is subject to volatility and can obscure underlying business trends, and (2) we exclude the effect of acquisitions and divested product lines because the timing, size, number and nature of such transactions can vary significantly from period-to-period and between us and our peers, which we believe may obscure underlying business trends and make comparisons of long-term performance difficult.
- With respect to the FCF Measure, we exclude payments for additions to property, plant and equipment (net of the proceeds from capital disposals) to demonstrate the amount of operating cash flow for the period that remains after accounting for the Company's capital expenditure requirements.
- We calculate gross leverage and net leverage as the ratio of debt and net debt (defined as total debt less cash and cash equivalents) to trailing twelve month adjusted EBITDA. Trailing Twelve Month EBITDA is an ongoing liquidity measure and is calculated as the sum of adjusted EBITDA for the previous four quarters. We believe these liquidity measures help our investors to assess our liquidity relative to peer companies.

Veralto™