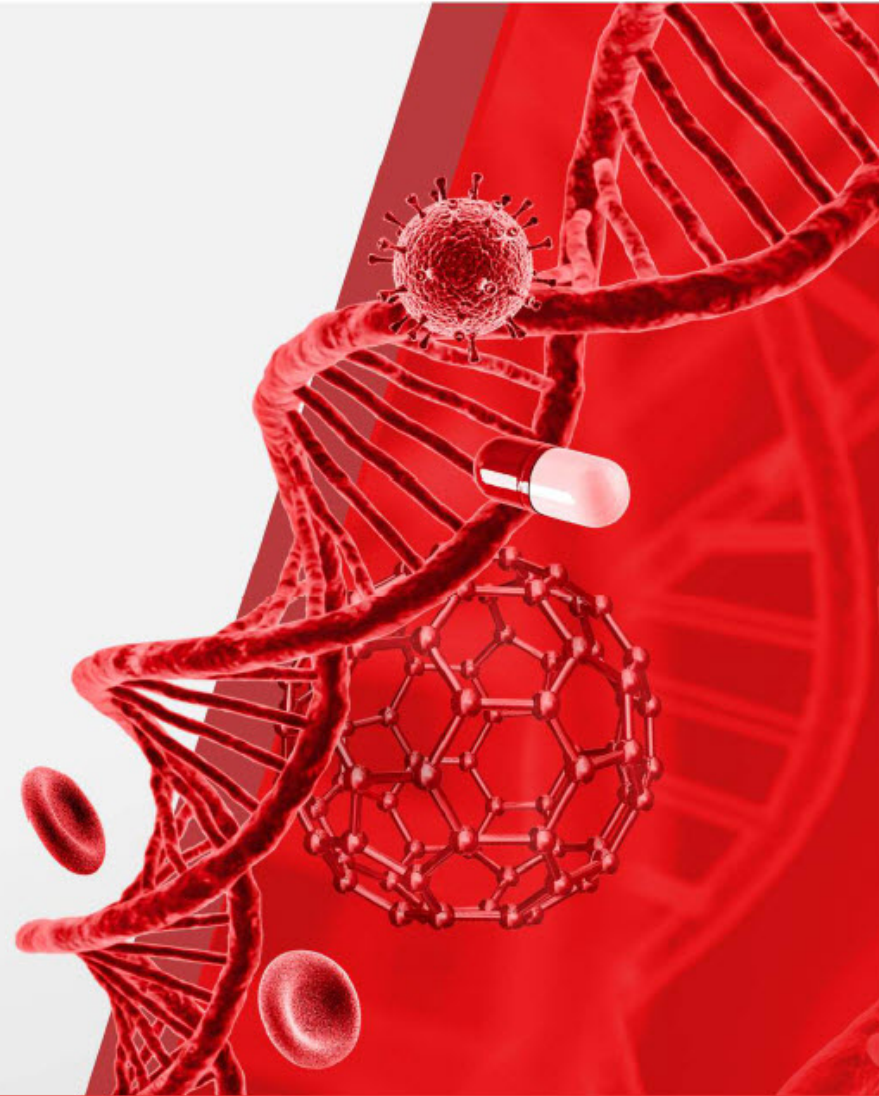
 GAAP/Non-GAAP Reconciliation and
Financial Package

October 21, 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.

Table of Contents

Page	
4.	Annual Reconciliation of GAAP to Adjusted P&L (2016 - 2019)
6.	Quarterly Reconciliation of GAAP to Adjusted P&L (2019 - 2020)
8.	Free Cash Flow, Return on Invested Capital and Return on Equity (2017 - 2020)
9.	Segment Data (2019 - 2020)
10.	Balance Sheet and Leverage Ratios (2017 - 2020)
11.	Debt (2017 - 2020)
12.	Significant Acquisitions/Divestitures (2017 - 2020)
13.	Capital Deployment (2017 - 2020)
14.	Fiscal Calendar (2020)

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; 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; 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 effects 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		Q3-20	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Revenue														
Life Sciences Solutions Segment	1,607		1,710		1,701		1,838		1,774		2,602		3,424	
Analytical Instruments Segment	1,322		1,324		1,358		1,518		1,101		1,051		1,336	
Specialty Diagnostics Segment	957		943		879		939		958		988		1,430	
Laboratory Products and Services Segment	2,513		2,633		2,619		2,834		2,730		2,787		3,112	
Eliminations	(274)		(294)		(285)		(300)		(333)		(511)		(781)	
Total Revenue	6,125		6,316		6,272		6,829		6,230		6,917		8,521	
Reported Revenue Growth	5%		4%		6%		5%		2%		10%		36%	
Acquisitions net of Divestitures	1%		1%		0%		1%		1%		0%		1%	
Currency Translation	-3%		-2%		-1%		-1%		-1%		-1%		1%	
Organic Revenue Growth	7%		5%		7%		5%		2%		11%		34%	
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%	4,190	49.2%
Cost of Revenues Charges (a)	(6)	-0.1%	(5)	-0.1%	(5)	-0.1%	(1)	0.0%	(2)	-0.1%	(2)	0.0%	(1)	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%	(125)	-1.5%
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%	4,064	47.7%
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%	4,331	50.8%
Cost of Revenues Charges (a)	6	0.1%	5	0.1%	5	0.1%	1	0.0%	2	0.1%	2	0.0%	1	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%	125	1.5%
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%	4,457	52.3%
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%	1,592	18.7%
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%	55	0.7%
Amortization of Acquisition-related Intangible Assets	(297)	-4.9%	(304)	-4.8%	(309)	-4.9%	(304)	-4.4%	(300)	-4.8%	(293)	-4.2%	(289)	-3.4%
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%	1,358	16.0%
GAAP R&D Expense	248	4.0%	246	3.9%	247	3.9%	262	3.8%	245	3.9%	264	3.8%	296	3.5%
GAAP Operating Income	920	15.0%	1,496	23.7%	946	15.1%	1,232	18.0%	906	14.5%	1,391	20.1%	2,426	28.5%
Cost of Revenues Charges (a)	6	0.1%	5	0.1%	5	0.1%	1	0.0%	2	0.1%	2	0.0%	1	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%	(55)	-0.7%
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%	17	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%	414	4.9%
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%	2,803	32.9%
Add back Depreciation Expense	133	2.1%	142	2.2%	141	2.2%	148	2.1%	149	2.4%	157	2.2%	161	1.9%
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%	2,964	34.8%

(a) The excluded items from cost of revenues include inventory charges, principally for the sale of inventories revalued at the date of acquisition; 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 (and reimbursements thereof); 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 and Q3 2020, income/charges 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		Q3-20	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
GAAP Tax Provision	2	0.2%	274	19.7%	62	7.6%	36	3.5%	40	4.8%	97	7.8%	319	14.2%
Tax Effect of Adjusted Items (e)	125	9.9%	(122)	-8.7%	88	3.6%	153	8.2%	98	5.7%	104	3.7%	100	1.5%
Adjusted Tax Provision	127	10.1%	152	11.0%	150	11.2%	189	11.7%	138	10.5%	201	11.5%	419	15.7%
GAAP Net Income	815		1,119		760		1,002		788		1,156		1,933	
Cost of Revenues Charges (a)	6		5		5		1		2		2		1	
Selling, General and Administrative Costs (b)	11		36		7		8		6		42		(55)	
Restructuring and Other Costs (Income), Net (c)	11		(484)		31		29		38		12		17	
Amortization of Acquisition-related Intangible Assets, Net of Tax	422		429		434		428		425		417		414	
Other (Income) Expense, Net (d)	(7)		0		38		113		14		25		40	
Income Tax (Benefit) Provision (e)	(125)		122		(88)		(153)		(98)		(104)		(100)	
Adjusted Net Income	1,133		1,227		1,187		1,428		1,175		1,550		2,250	
GAAP Diluted EPS	2.02		2.77		1.88		2.49		1.97		2.90		4.84	
GAAP Diluted EPS Growth		41%		50%		7%		12%		-2%		5%		157%
Cost of Revenues Charges, Net of Tax (a)	0.01		0.01		0.01		0.00		0.01		0.00		0.00	
Selling, General and Administrative Costs, Net of Tax (b)	0.02		0.07		0.01		0.02		0.01		0.08		(0.11)	
Restructuring and Other Costs (Income), Net of Tax (c)	0.02		(0.74)		0.10		0.06		0.07		0.03		0.03	
Amortization of Acquisition-related Intangible Assets, Net of Tax	0.81		0.84		0.85		0.82		0.83		0.85		0.82	
Other (Income) Expense, Net of Tax (d)	(0.01)		0.00		0.08		0.21		0.03		0.05		0.08	
Income Tax Provision (Benefit) (e)	(0.06)		0.09		0.01		(0.05)		0.02		(0.02)		(0.03)	
Adjusted Diluted EPS	2.81		3.04		2.94		3.55		2.94		3.89		5.63	
Adjusted Diluted EPS Growth		12%		11%		12%		9%		5%		28%		91%
Reconciliation of Free Cash Flow														
GAAP Net Cash Provided by Operating Activities	649		1,294		1,117		1,913		356		1,886		2,708	
Purchases of Property, Plant, and Equipment	(201)		(220)		(216)		(289)		(253)		(269)		(366)	
Proceeds from Sale of Property, Plant and Equipment	6		6		6		18		4		2		1	
Free Cash Flow	454		1,080		907		1,642		107		1,619		2,343	

(a) The excluded items from cost of revenues include inventory charges, principally for the sale of inventories revalued at the date of acquisition; 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 (and reimbursements thereof); 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 and Q3 2020, income/charges 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, Q2 2020, and Q3 2020, costs to obtain short-term financing commitments related to a terminated acquisition.

(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 effects 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)

	2017	2018	2019	Q3 2020
Reconciliation of Free Cash Flow				
GAAP Net Cash Provided by Operating Activities	4,005	4,543	4,973	2,708
Net Cash Used in Discontinued Operations	1	—	—	—
Purchases of Property, Plant, and Equipment	(508)	(758)	(926)	(366)
Proceeds from Sale of Property, Plant and Equipment	7	50	36	1
Free Cash Flow	3,505	3,835	4,083	2,343
GAAP Return on Invested Capital (ROIC)				
	5.4%	6.7%	8.2%	10.8%
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%	0.0%
Restructuring and Other Costs (Income), Net (c)	0.2%	0.1%	-0.9%	0.2%
Amortization of Acquisition-related Intangible Assets	3.9%	3.9%	3.8%	3.7%
Net Interest Expense	0.8%	0.9%	0.8%	0.8%
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%	14.9%
GAAP Return on Equity (ROE)				
	9.5%	11.3%	12.9%	16.3%
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%	0.0%
Restructuring and Other Costs (Income), Net (c)	0.4%	0.2%	-1.4%	0.3%
Amortization of Acquisition-related Intangible Assets	6.9%	6.6%	6.0%	5.7%
Net Interest Expense	1.4%	1.5%	1.2%	1.2%
Other Expense, Net (d)	0.1%	0.1%	0.5%	0.6%
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%	22.6%

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; 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 (and reimbursement thereof); 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; and in 2020 and 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 effects 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.

Segment Data

(Dollars in millions)

	Q1-19	Q2-19	Q3-19	Q4-19	2019	Q1-20	Q2-20	Q3-20
Life Sciences Solutions Segment								
Revenues	1,607	1,710	1,701	1,838	6,856	1,774	2,602	3,424
Total Revenue Growth	7%	9%	13%	8%	9%	10%	52%	101%
Acquisitions net of Divestitures	2%	2%	2%	0%	1%	0%	0%	0%
Currency Translation	-3%	-2%	-1%	-1%	-2%	-1%	-3%	1%
Organic Revenue Growth	8%	10% **	13% **	9%	10%	12% **	55%	100%
Operating Income	561	609	586	690	2,446	675	1,234	1,879
Operating Income Margin	34.9%	35.6%	34.5%	37.5%	35.7%	38.0%	47.4%	54.9%
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	+20.4 pts
Analytical Instruments Segment								
Revenues	1,322	1,324	1,358	1,518	5,522	1,101	1,051	1,336
Total Revenue Growth	5%	1%	2%	-3%	1%	-17%	-21%	-2%
Acquisitions net of Divestitures	0%	0%	0%	0%	0%	0%	0%	0%
Currency Translation	-3%	-2%	-1%	-1%	-2%	-1%	-1%	1%
Organic Revenue Growth	8%	3%	3%	-2%	3%	-16%	-20%	-3%
Operating Income	282	286	311	394	1,273	171	135	171
Operating Income Margin	21.3%	21.6%	23.0%	26%	23.1%	15.5%	12.9%	12.8%
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	-10.2 pts
Specialty Diagnostics Segment								
Revenues	957	943	879	939	3,718	958	988	1,430
Total Revenue Growth	1%	1%	-2%	-1%	0%	0%	5%	63%
Acquisitions net of Divestitures	0%	0%	-7%	-7%	-4%	-7%	-7%	0%
Currency Translation	-3%	-2%	-1%	-1%	-2%	-1%	-1%	1%
Organic Revenue Growth	4%	3%	7% **	7%	5% **	8%	12% **	62%
Operating Income	242	242	223	223	930	236	214	398
Operating Income Margin	25.3%	25.7%	25.3%	23.7%	25.0%	24.7%	21.6%	27.9%
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	+2.6 pts
Laboratory Products & Services Segment								
Revenues	2,513	2,633	2,619	2,834	10,599	2,730	2,787	3,112
Total Revenue Growth	4%	3%	6%	6%	6%	9%	6%	19%
Acquisitions net of Divestitures	0%	1%	3%	4%	2%	4%	2%	1%
Currency Translation	-3%	-2%	-1%	-1%	-2%	-1%	-1%	1%
Other*	0%	0%	-1%	-1%	-1%	0%	0%	0%
Organic Revenue Growth	7%	4%	6% **	7%	6% **	6%	5%	16% **
Operating Income	285	345	303	391	1,324	295	281	355
Operating Income Margin	11.3%	13.1%	11.6%	13.8%	12.5%	10.8%	10.1%	11.4%
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	-0.2 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)

	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>3/28/2020</u>	<u>6/27/2020</u>	<u>9/26/2020</u>
Assets						
Current Assets:						
Cash and cash equivalents	1,335	2,103	2,399	2,981	5,818	7,540
Accounts receivable, net	3,879	4,136	4,349	4,508	4,478	5,186
Inventories	2,971	3,005	3,370	3,454	3,648	3,829
Other current assets	1,236	1,381	1,775	1,795	1,831	1,679
Total Current Assets	9,421	10,625	11,893	12,738	15,775	18,234
Property, Plant and Equipment, Net	4,047	4,165	4,749	4,736	4,887	5,180
Acquisition-related Intangible Assets	16,684	14,978	14,014	13,543	13,170	12,870
Other Assets	1,227	1,117	2,011	2,057	2,061	1,995
Goodwill	25,290	25,347	25,714	25,614	25,700	25,782
	56,669	56,232	58,381	58,688	61,593	64,061
Liabilities and Shareholders' Equity						
Current Liabilities:						
Short-term obligations and current maturities of long-term obligations	2,135	1,271	676	738	675	2
Accounts payable	1,428	1,615	1,920	1,599	1,385	1,703
Other current liabilities	3,485	3,261	3,601	3,163	3,953	4,523
Total Current Liabilities	7,048	6,147	6,197	5,500	6,013	6,228
Other Long-term Liabilities	5,335	4,780	5,433	5,398	5,067	4,918
Long-term Obligations	18,873	17,719	17,076	19,231	20,638	21,091
Total Shareholders' Equity	25,413	27,586	29,675	28,559	29,875	31,824
	56,669	56,232	58,381	58,688	61,593	64,061
Leverage Ratios						
Total Debt / TTM EBITDA	4.2X	3.1X	2.6X	2.9X	3.1X	2.6X
Effect of Adjusted Items	-0.2X	0.0X	0.1X	0.1X	0.0X	-0.1X
Total Debt / Adjusted TTM EBITDA (a)	4.0X	3.1X	2.7X	3.0X	3.1X	2.5X
Net Debt (b) / TTM EBITDA	3.9X	2.8X	2.2X	2.5X	2.3X	1.6X
Effect of Adjusted Items	-0.2X	-0.1X	0.1X	0.1X	-0.1X	0.0X
Net Debt (b) / Adjusted TTM EBITDA (a)	3.7X	2.7X	2.3X	2.6X	2.2X	1.6X

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

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

Debt

<i>(Dollars in millions)</i>	Effective Interest Rate at 9/26/20	Maturity Date	12/31/2017	12/31/2018	12/31/2019	3/28/2020	6/27/2020	9/26/2020
Short-term								
TMO Floating Rate Senior Notes (euro denominated)			0	0	672	668	673	0
Commercial Paper			960	693	0	66	0	0
Other			1,175	578	4	4	2	2
Total Short-term			2,135	1,271	676	738	675	2
Long-term								
TMO 2.15% Senior Notes (euro denominated)	2.28%	7/21/2022	597	571	559	556	560	580
TMO 3.00% Senior Notes (a)	1.73%	4/15/2023	941	937	980	1,016	1,024	1,024
TMO 4.15% Senior Notes	4.16%	2/1/2024	993	994	995	996	996	996
TMO 0.75% Senior Notes (euro denominated)	0.94%	9/12/2024	1,186	1,135	1,112	1,105	1,113	1,155
TMO 0.125% Senior Notes (euro denominated)	0.41%	3/1/2025	0	0	885	880	887	920
TMO 4.133% Senior Notes	4.32%	3/25/2025	0	0	0	1,093	1,091	1,092
TMO 2.00% Senior Notes (euro denominated)	2.10%	4/15/2025	763	729	714	709	715	741
TMO 3.65% Senior Notes	3.77%	12/15/2025	347	347	348	348	348	348
TMO 1.40% Senior Notes (euro denominated)	1.53%	1/23/2026	832	796	779	774	780	809
TMO 2.95% Senior Notes	3.19%	9/19/2026	1,178	1,180	1,183	1,183	1,184	1,185
TMO 1.45% Senior Notes (euro denominated)	1.66%	3/16/2027	591	565	553	550	554	575
TMO 1.75% Senior Notes (euro denominated)	1.97%	4/15/2027	0	0	0	0	664	689
TMO 3.20% Senior Notes	3.39%	8/15/2027	739	739	740	741	741	741
TMO 0.50% Senior Notes (euro denominated)	0.78%	3/1/2028	0	0	884	878	885	918
TMO 1.375% Senior Notes (euro denominated)	1.46%	9/12/2028	715	683	668	664	669	694
TMO 1.95% Senior Notes (euro denominated)	2.08%	7/24/2029	830	793	776	771	777	806
TMO 2.60% Senior Notes	2.74%	10/1/2029	0	0	891	891	891	892
TMO 4.497% Senior Notes	5.31%	3/25/2030	0	0	0	1,092	1,091	1,091
TMO 0.875% Senior Notes (euro denominated)	1.14%	10/1/2031	0	0	995	989	996	1,033
TMO 2.375% Senior Notes (euro denominated)	2.55%	4/15/2032	0	0	0	0	662	686
TMO 2.875% Senior Notes (euro denominated)	2.94%	7/24/2037	833	795	778	773	778	807
TMO 1.50% Senior Notes (euro denominated)	1.73%	10/1/2039	0	0	999	993	1,000	1,037
TMO 5.30% Senior Notes	5.37%	2/1/2044	396	396	396	396	396	396
TMO 4.10% Senior Notes	4.23%	8/15/2047	733	733	734	734	734	734
TMO 1.875% Senior Notes (euro denominated)	1.99%	10/1/2049	0	0	1,095	1,088	1,096	1,136
Other			7,199	6,326	12	11	6	6
Total Long-term			18,873	17,719	17,076	19,231	20,638	21,091
Total Debt			21,008	18,990	17,752	19,969	21,313	21,093
Total Cash			1,335	2,103	2,399	2,981	5,818	7,540
Net Debt (b)			19,673	16,887	15,353	16,988	15,495	13,553

(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>	<u>Q3-2020</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>	<u>\$0.00</u>
Total Spend (\$ millions)	\$750	\$500	\$1,500	\$1,500	\$0	\$0
Remaining Share Repurchase Authorization (in millions) as of 10/21/2020: \$1,000						

Dividends Paid	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Q1-2020</u>	<u>Q2-2020</u>	<u>Q3-2020</u>
Amount per Share	\$0.60	\$0.66	\$0.74	\$0.19	\$0.22	\$0.22
<small>Future declarations of dividends are subject to board approval and may be adjusted as business needs or market conditions change.</small>						

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		15	5	6	7	8	9	10	11		28	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		16	5	6	7	8	9	10	11		29	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		17	19	20	21	22	23	24	25		30	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		18	19	20	21	22	23	24	25		31	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	20	20		9	10	11	12	13	14	15	33		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		21	16	17	18	19	20	21	22		34	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		22	23	24	25	26	27	28	29		35	35	22	23	24	25	26	27	28	48		
	1	2	3	4	5	6	7	10		1	2	3	4	5	6	23	23		30	31	1	2	3	4	5	6		36	36	29	30	1	2	3	4	5	49		
MAR 4 Weeks	8	9	10	11	12	13	14	11	JUNE 4 Weeks	7	8	9	10	11	12	13	24	SEPT 4 Weeks	6	7	8	9	10	11	12	37	DEC 4 Weeks	6	7	8	9	10	11	12	50				
	15	16	17	18	19	20	12	14		15	16	17	18	19	20	25	25		13	14	15	16	17	18	19	38		38	13	14	15	16	17	18	19	51			
	22	23	24	25	26	27	13	21		22	23	24	25	26	27	26	26		20	21	22	23	24	25	26	39		39	20	21	22	23	24	25	26	52			
CHANGE IN DAYS VERSUS PRIOR YEAR								- 1	CHANGE IN DAYS VERSUS PRIOR YEAR								+ 1	CHANGE IN DAYS VERSUS PRIOR YEAR								0	CHANGE IN DAYS VERSUS PRIOR YEAR								+ 2				

2021 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	1	APR 5 Weeks	4	5	6	7	8	9	10	14	JULY 5 Weeks	4	5	6	7	8	9	10	27	OCT 5 Weeks	3	4	5	6	7	8	9	40				
	3	4	5	6	7	8	9	2		11	12	13	14	15	16	17	15		15	11	12	13	14	15	16	17		28	28	10	11	12	13	14	15	16	41		
	10	11	12	13	14	15	16	3		18	19	20	21	22	23	24	16		16	18	19	20	21	22	23	24		29	29	17	18	19	20	21	22	23	42		
	17	18	19	20	21	22	23	4		25	26	27	28	29	30	1	17		17	25	26	27	28	29	30	31		30	30	24	25	26	27	28	29	30	43		
	24	25	26	27	28	29	30	5		2	3	4	5	6	7	8	18		18	1	2	3	4	5	6	7		31	31	31	1	2	3	4	5	6	44		
FEB 4 Weeks	7	8	9	10	11	12	13	6	MAY 4 Weeks	9	10	11	12	13	14	15	19	AUG 4 Weeks	8	9	10	11	12	13	14	32	NOV 4 Weeks	7	8	9	10	11	12	13	45				
	14	15	16	17	18	19	20	7		16	17	18	19	20	21	22	20		20	15	16	17	18	19	20	33		33	14	15	16	17	18	19	20	46			
	21	22	23	24	25	26	27	8		23	24	25	26	27	28	29	21		21	22	23	24	25	26	27	28		34	34	21	22	23	24	25	26	27	47		
	28	1	2	3	4	5	6	9		30	31	1	2	3	4	5	22		22	29	30	31	1	2	3	4		35	35	28	29	30	1	2	3	4	48		
	7	8	9	10	11	12	13	10		6	7	8	9	10	11	12	23		23	5	6	7	8	9	10	11		36	36	5	6	7	8	9	10	11	49		
MAR 4 Weeks	14	15	16	17	18	19	20	11	JUNE 4 Weeks	13	14	15	16	17	18	19	24	SEPT 4 Weeks	12	13	14	15	16	17	18	37	DEC 4 Weeks	12	13	14	15	16	17	18	50				
	21	22	23	24	25	26	12	20		21	22	23	24	25	26	25	25		19	20	21	22	23	24	25	38		38	19	20	21	22	23	24	25	51			
	28	29	30	31	1	2	3	13		27	28	29	30	1	2	3	26		26	26	27	28	29	30	1	2		39	39	26	27	28	29	30	31	52			
CHANGE IN DAYS VERSUS PRIOR YEAR								+ 3	CHANGE IN DAYS VERSUS PRIOR YEAR								0	CHANGE IN DAYS VERSUS PRIOR YEAR								0	CHANGE IN DAYS VERSUS PRIOR YEAR								- 4				