

| Key Credit Merits                     | Key Credit Risks                            |
|---------------------------------------|---|
| Strong free cash flow generation      | High leverage and debt load                 |
| Diverse global revenue base           | Exposure to macroeconomic and FX volatility |
| Ample liquidity and access to capital | Acquisition integration and execution risk  |

| THERMO FISHER SCIENTIFIC INC. - Capitalization Table |               |              |            |         |          |
|--|---------------|--------------|------------|---------|----------|
| Item   | Amount        | PPC Holdings | Coupon     | Secured | Maturity |
| Cash and Equivalents                                 | 4,576         |              |            |         |          |
| Revolving Credit Facility                            | 0             | -            | S + 80-150 | N       | 2027     |
| Senior Notes   | 35,303        | -            | None       | N       | None     |
| (Less: Debt Issuance Costs)                          | 172           | -            | -          | -       | -        |
| <b>Total Debt</b>                                    | <b>35,033</b> |              |            |         |          |
| Book Value of Equity                                 | 50,512        |              |            |         |          |
| <b>Book Capitalization</b>                           | <b>85,545</b> |              |            |         |          |
| Market Value of Equity                               | -             |              |            |         |          |
| <b>Market Capitalization</b>                         | <b>-</b>      |              |            |         |          |
| LTM Adjusted EBITDA                                  | -             |              |            |         |          |
| Market Value of RE Assets                            | -             |              |            |         |          |
| Unencumbered Assets                                  | -             |              |            |         |          |
| Key Financial Ratios:                                |               |              |            |         |          |
| Total Debt To Adj Ebitda                             | -             |              |            |         |          |
| Total Debt To Market Capitalization                  | -             |              |            |         |          |

| THERMO FISHER SCIENTIFIC INC. -<br>Historical Financial Analysis<br>(FYE 03/31) |                   |                    |                   |                   |                    |          |          |                    |
|---|-------------------|--------------------|-------------------|-------------------|--------------------|----------|----------|--------------------|
|   | Fiscal Year Ended |                    |                   |                   |                    | YTD      |          | LTM                |
|   | 2020              | 2021               | 2022              | 2023              | 2024               | 03/31/24 | 03/31/25 | 03/31/25           |
| <b>Revenue</b>  | <b>25,306,000</b> | <b>30,361,000</b>  | <b>28,548,000</b> | <b>25,243,000</b> | <b>25,034,000</b>  | <b>0</b> | <b>0</b> | <b>25,034,000</b>  |
| % YoY Growth  |                   | 20.0%              | (6.0%)            | (11.6%)           | (0.8%)             |          |          |                    |
| Cost of Goods Sold  | 11,407,000        | 13,594,000         | 14,247,000        | 13,168,000        | 12,523,000         | 0        | 0        | 12,523,000         |
| <b>Gross Profit</b>   | <b>13,899,000</b> | <b>16,767,000</b>  | <b>14,301,000</b> | <b>12,075,000</b> | <b>12,511,000</b>  | <b>0</b> | <b>0</b> | <b>12,511,000</b>  |
| % Margin  | 54.9%             | 55.2%              | 50.1%             | 47.8%             | 50.0%              |          |          | 50.0%              |
| Operating Expenses  | 8,210,000         | 9,610,000          | 10,578,000        | 10,241,000        | 10,364,000         | 0        | 0        | 10,364,000         |
| Adjustments   | 1,985,000         | 2,402,000          | 2,857,000         | 2,802,000         | 2,600,000          | 0        | 0        | 2,600,000          |
| <b>Adjusted EBITDA</b>  | <b>9,779,000</b>  | <b>12,430,000</b>  | <b>11,250,000</b> | <b>9,661,000</b>  | <b>9,937,000</b>   | <b>0</b> | <b>0</b> | <b>9,937,000</b>   |
| % Margin  | 38.6%             | 40.9%              | 39.4%             | 38.3%             | 39.7%              |          |          | 50.0%              |
| Interest Expense  | 553,000           | 536,000            | 726,000           | 1,375,000         | 1,390,000          | 0        | 0        | 1,390,000          |
| Taxes   | 850,000           | 1,109,000          | 703,000           | 284,000           | 657,000            | 0        | 0        | 657,000            |
| Change in Working Capital   | 417,000           | 2,251,000          | 2,658,000         | (505,000)         | 758,000            | 0        | 0        | 758,000            |
| Other   | (81,000)          | (694,000)          | (104,000)         | (65,000)          | 12,000             | 0        | 0        | 12,000             |
| Capital Expenditures  | 1,466,000         | 2,503,000          | 2,219,000         | 1,392,000         | 1,343,000          | 0        | 0        | 1,343,000          |
| <b>Free Cash Flow</b>   | <b>6,815,000</b>  | <b>6,789,000</b>   | <b>6,911,000</b>  | <b>6,927,000</b>  | <b>7,267,000</b>   | <b>0</b> | <b>0</b> | <b>7,267,000</b>   |
| Acq. / Disp.  | 38,000            | 19,395,000         | 39,000            | 3,660,000         | 3,132,000          | 0        | 0        | 3,132,000          |
| Change in Debt  | 2,747,000         | 8,911,000          | 654,000           | (155,000)         | (2,403,000)        | 0        | 0        | (2,403,000)        |
| Equity / Dividends  | 1,837,000         | 2,395,000          | 3,455,000         | 3,523,000         | 3,583,000          | 0        | 0        | 3,583,000          |
| Other   | (147,000)         | 65,000             | (9,000)           | 56,000            | 195,000            | 0        | 0        | 195,000            |
| <b>Change in Cash</b>   | <b>7,914,000</b>  | <b>(5,845,000)</b> | <b>4,046,000</b>  | <b>(440,000)</b>  | <b>(4,057,000)</b> | <b>0</b> | <b>0</b> | <b>(4,057,000)</b> |
| <b>Cash - End of Period</b>   | <b>10,325,000</b> | <b>4,477,000</b>   | <b>8,524,000</b>  | <b>8,077,000</b>  | <b>4,009,000</b>   |          |          |                    |
| <b>Total Debt</b>   | <b>2,628,000</b>  | <b>34,870,000</b>  | <b>34,488,000</b> | <b>34,917,000</b> | <b>31,275,000</b>  | <b>0</b> | <b>0</b> | <b>0</b>           |
| <b>Book Equity</b>  | <b>34,507,000</b> | <b>40,793,000</b>  | <b>43,978,000</b> | <b>46,735,000</b> | <b>49,584,000</b>  | <b>0</b> | <b>0</b> | <b>0</b>           |
| <b>Key Financial Ratios:</b>  |                   |                    |                   |                   |                    |          |          |                    |
| EBITDA / Int. Exp.  | 17.68x            | 23.19x             | 15.50x            | 7.03x             | 7.15x              |          |          | 7.15x              |
| Total Debt / EBITDA   | 0.27x             | 2.81x              | 3.07x             | 3.61x             | 3.15x              |          |          | 0.00x              |
| Total Debt / Book Capital   | 0.00x             | 0.00x              | 0.00x             | 0.00x             | 0.00x              |          |          |                    |
| Total Debt + Leases / EBITDA  | 0.27x             | 2.81x              | 3.07x             | 3.61x             | 3.15x              |          |          | 0.00x              |
| Total Debt + Leases / Book Capital  | 0.00x             | 0.00x              | 0.00x             | 0.00x             | 0.00x              |          |          |                    |
| EBITDAR / Interest + Rent   | 15.15x            | 17.23x             | 13.53x            | 5.52x             | 5.83x              |          |          | 7.15x              |

## Income Statement

- \*\*Revenue in FY2024 was \$42,879 million, flat compared to \$42,857 million in FY2023 (0% change). LTM revenue through Q2 2025 was \$43,557 million\*\* (calculated as FY24 plus Q1–Q2 2025 less Q1–Q2 2024). Organic revenue growth in FY2024 was 0%. In the LTM, organic revenue growth was 1%. Growth drivers in FY2024 included strong momentum in Electron Microscopy (Analytical Instruments), growth in Immunodiagnostics/Transplant Diagnostics (Specialty Diagnostics), and resilience in the Research & Safety Channel and Clinical Research businesses. These were offset by continued normalization in COVID-19-related revenues (from \$0.33B in FY23 to \$0.10B in FY24) and a decline in Life Sciences Solutions due to reduced demand for COVID-19 testing products and weak macroeconomic conditions, especially in China.
- \*\*Segment analysis for FY2024:\*\* Life Sciences Solutions revenues declined 3% (\$9,977M → \$9,631M, with acquisition benefit), driven by a fall-off in COVID-19 testing. Analytical Instruments grew 3% (\$7,263M → \$7,463M), driven by Electron Microscopy. Specialty Diagnostics grew 2% (\$4,405M → \$4,512M), led by ImmunoDiagnostics and Transplant Diagnostics. Laboratory Products and Biopharma Services grew 1% (\$23,041M → \$23,157M), as pharma services growth was offset by reduced COVID-19 vaccine demand.

- **\*\*EBITDA margins\*\***: In FY2024, GAAP operating margin increased to 17.1% from 16.0% in FY2023 (up 1.1 pts). Adjusted operating income margin, representing core EBITDA margin, declined slightly to 22.6% (from 22.9%). In LTM Q2 2025, adjusted operating margin was 21.9%. Margin compression is primarily attributed to an unfavorable business mix (reduced high-margin COVID-19 sales, higher exposure to lower-margin services), inflation, and increased strategic investments (mainly in commercial/commercial infrastructure, R&D, and capacity). Productivity improvement (cost savings from PPI, supply chain, and restructuring) partially offset these headwinds. Notably, the Life Sciences Solutions segment's margin improved in FY24 to 36.4% (+2.1 pts) due to productivity improvements, but this was partially offset by lower demand.
- **\*\*Net income for FY2024\*\*** was \$6,338 million (GAAP), up 5.7% from \$5,995 million in FY2023, driven by improved margins, lower amortization, and reduced interest expense.

## Cash Flow Statement

- **\*\*Free Cash Flow (FCF) in FY2024 was \$7,324 million\*\*** (Operating cash flow \$8,667M less capex \$1,400M plus asset sale proceeds \$57M) — an increase from \$7,014M in FY2023, driven by improved working capital management and strong operational cash generation. **\*\*In the LTM (Q3'24–Q2'25), FCF was approximately \$6,557M\*\*** (Operating cash flow trailing four quarters  $\approx$  \$7.7B, with capex about \$1.15B over H2'24 and H1'25 per cash flow schedules); the drop from FY24 reflects higher working capital outflows and the upfront costs of the Olink acquisition in H2'24/LTM.
- **\*\*Acquisitions:\*\***
  - In July 2024, TMO closed the \$3.1B cash acquisition of Olink Holding AB (high-growth proteomics).
  - In FY2023: The Binding Site Group (\$2.70B, specialty diagnostics, Jan 2023), CorEvitas LLC (\$910M, real-world evidence, Aug 2023), and a small U.S. Raman-spectroscopy business (\$31M, 2023).
  - Pending: Solventum Purification & Filtration (expected close late 2025, \$4B).
- **\*\*Dividend payout:\*\*** FY2024 cash dividends paid were \$583M (\$1.56/share), up from \$523M (\$1.40/share) in FY2023 and \$455M (\$1.20/share) in FY2022. The dividend increased at a CAGR of  $\sim$ 13% over the past three years.
- **\*\*Share repurchases:\*\*** Thermo Fisher repurchased \$4.0B of common stock (7.4 million shares) in FY2024; in Q1 2025, repurchased an incremental \$2.0B (3.6M shares). Repurchases were consistent with historical capital prioritization after major M&A.;
- **\*\*Operating cash flow in FY2024 was \$8,667M, up from \$8,406M in FY2023.\*\*** Key drivers were working capital stability, despite acquisitions and moderate revenue growth.

## Balance Sheet

- Most recent fiscal year-end: December 31, 2024. Most recent LTM date: June 28, 2025.
- **\*\*Total debt at FY2024 was \$31,275 million, including \$2,214 million short-term and \$29,061 million long-term\*\***. At LTM Q2 2025, total debt increased to \$35,229 million (Q2 2025: \$2,214M short-term + \$33,015M long-term), reflecting new issuances for the Olink acquisition and anticipated Solventum acquisition.
- **\*\*Capitalized operating leases\*\*** (estimated): As of Dec 31, 2024, operating lease liabilities were \$1,500 million (ROU asset: \$1,489M; liabilities: \$1,501M per 10-K Note 13). For simplicity, we use \$1.5B for capitalized operating leases. Thus, at FY24, leverage =  $(\text{Total Debt} + \text{Capitalized Leases}) / \text{EBITDAR} = (31.3\text{B} + 1.5\text{B}) / (7.3\text{B Op Inc} + 1.95\text{B D\&A} + 0.35\text{B lease expense}) = \textbf{**Leverage ratio} \approx 3.9\text{x**}$ . For LTM Q2 2025, the ratio is  $(35.2\text{B} + 1.5\text{B}) / [\sim 7.4\text{B Op Inc (LTM estimate)} + \sim 1.95\text{B D\&A} + \sim 0.36\text{B lease expense}] \approx \textbf{**Leverage ratio}$

~4.3x\*\* (Estimate: EBITDAR calculated from last four quarters; D&A; and lease expense from 10-K). The leverage profile increased in the LTM due to new debt issuance for the Olink acquisition and pending Solventum acquisition.

- \*\*Liquidity\*\*: As of June 28, 2025 (Q2 quarter-end), cash & cash equivalents were \$4,576M, with \$1,814M in short-term investments (total \$6,390M in liquid assets). Revolving credit facility remains undrawn, capacity of \$5,000M, less immaterial LOCs outstanding — total available liquidity exceeds \$11.3B.
- Shareholders' equity increased to \$50,512M at Q2 2025 (vs. \$49,584M at FY24). Book value per share increased.

### Comparables Analysis:

| THERMO FISHER SCIENTIFIC INC. - Credit Comparable Analysis |                   |                         |                  |                  |                                |                                |                                   |                        |                               |                               |                                       |
|--|-------------------|-------------------------|------------------|------------------|--------------------------------|--------------------------------|-----------------------------------|------------------------|-------------------------------|-------------------------------|---------------------------------------|
| LTM  |                   |                         |                  |                  |                                |                                |                                   | 3-Year Average         |                               |                               |                                       |
| Ticker   | LTM Rev<br>(000s) | LTM<br>EBITDA<br>(000s) | EBITDA<br>Mrgn % | EBITDAR          |                                | (Net Debt<br>+ COL)<br>EBITDAR | (Tot<br>Debt +<br>COL)<br>Tot Cap | (FCF +<br>Rents)       | 3Y Avg<br>(TD+COL)<br>EBITDAR | 3Y Avg<br>(TD+COL)<br>Tot Cap | 3Y Avg<br>(FCF+Ren<br>ts)<br>(TD+COL) |
|  |                   |                         |                  | (Int +<br>Rents) | (Tot Debt<br>+ COL)<br>EBITDAR |                                |                                   | (Tot<br>Debt +<br>COL) |                               |                               |                                       |
| THERMO FISHER<br>SCIENTIFIC INC.                           | 30857000.0        | 9862000.0               | 5.8%             | 1.35x            | 1.57x                          | -0.73x                         | 1.10x                             | 2.39x                  | 2.39x                         | 0.08x                         | 2.15x                                 |
| DANAHER CORP<br>/DE/                                       | 22874000.0        | 6272000.0               | 27.4%            | -                | 0.46x                          | 0.93x                          | 0.05x                             | 1.69x                  | 2.10x                         | 0.26x                         | 0.34x                                 |
| AGILENT<br>TECHNOLOGIES,<br>INC.                           | 4700000.0         | 1854000.0               | 39.4%            | 18.18x           | 0.01x                          | -0.78x                         | 0.00x                             | 48.59x                 | 1.62x                         | 0.34x                         | 0.44x                                 |
| IQVIA HOLDINGS<br>INC.                                     | 8519000.0         | 2097000.0               | 24.6%            | 2.69x            | 6.38x                          | 5.61x                          | 1.00x                             | 0.16x                  | 4.79x                         | 0.70x                         | 0.14x                                 |
| METTLER TOLEDO<br>INTERNATIONAL<br>INC/                    | 3395796.0         | 1201825.0               | 37.2%            | 15.14x           | 0.00x                          | 0.00x                          | -0.00x                            | -                      | 0.00x                         | 0.00x                         | -                                     |
| <b>AVERAGE</b>   | <b>14069159.0</b> | <b>4257365.0</b>        | <b>26.9%</b>     | <b>9.34x</b>     | <b>1.68x</b>                   | <b>1.01x</b>                   | <b>0.43x</b>                      | <b>13.21x</b>          | <b>2.18x</b>                  | <b>0.27x</b>                  | <b>0.77x</b>                          |
| <b>MEDIAN</b>  | <b>8519000.0</b>  | <b>2097000.0</b>        | <b>27.4%</b>     | <b>8.91x</b>     | <b>0.46x</b>                   | <b>0.00x</b>                   | <b>0.05x</b>                      | <b>2.04x</b>           | <b>2.10x</b>                  | <b>0.26x</b>                  | <b>0.39x</b>                          |