



Fortive's Digital Strategy

Morgan Stanley Digital Day

Fortive Corporation

03.20.17

Forward-Looking Statements & Non-GAAP Financial Measures



Statements in this presentation that are not strictly historical, statements regarding the Company's anticipated earnings, business and acquisition opportunities, anticipated revenue growth, anticipated operating margin expansion, anticipated cash flow, economic conditions, future prospects, and any other statements identified by their use of words like "anticipate," "expect," "believe," "outlook," "guidance," or "will" or other words of similar meaning are "forward-looking" statements within the meaning of the federal securities laws. There are a number of important factors that could cause actual results, developments and business decisions to differ materially from those suggested or indicated by such forward-looking statements and you should not place undue reliance on any such forward-looking statements. These factors include, among other things, deterioration of or instability in the economy, the markets we serve and the financial markets, contractions or lower growth rates and cyclicity of markets we serve, competition, our ability to develop and successfully market new products, software and services, and expand into new markets, the potential for improper conduct by our employees, agents or business partners, our ability to successfully identify, consummate, integrate and realize the anticipated value of appropriate acquisitions and successfully complete divestitures and other dispositions, contingent liabilities relating to acquisitions and divestitures, our compliance with applicable laws and regulations and changes in applicable laws and regulations, risks relating to potential impairment of goodwill and other intangible assets, currency exchange rates, tax audits and changes in our tax rate and income tax liabilities, the impact of our debt obligations on our operations, litigation and other contingent liabilities including intellectual property and environmental, health and safety matters, risks relating to product, service or software defects, product liability and recalls, risks relating to product manufacturing, the impact of our debt obligations on our operations and liquidity, our relationships with and the performance of our channel partners, commodity costs and surcharges, our ability to adjust purchases and manufacturing capacity to reflect market conditions, reliance on sole sources of supply, labor matters, international economic, political, legal, compliance and business factors, adverse effects of restructuring activities, disruptions relating to man-made and natural disasters, security breaches or other disruptions of our information technology systems, the impact of our separation from Danaher on our operations, the impact of our indemnification obligations to Danaher, any work stoppage, and pension plan costs. 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 Information Statement furnished with the Current Report on Form 8-K filed by us on June 15, 2016. These forward-looking statements speak only as of the date of this presentation and Fortive 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.

This presentation contains references to "adjusted net earnings," "adjusted operating profit," "adjusted SG&A," "adjusted diluted net earnings per share," "core revenue growth," "core operating margin expansion (core OMX)" and "free cash flow" which are, in each case, not presented in accordance with generally accepted accounting principles ("GAAP").

Information required by Regulation G with respect to such non-GAAP financial measures can be found in the "Investors" section our web site, www.fortive.com, under the heading "Financial Information" and subheading "Quarterly Earnings."

The historical non-GAAP financial measures should not be considered in isolation or as a substitute for the GAAP financial measures but should instead be read in conjunction with the corresponding GAAP financial measures.

FORTIVE TODAY



Professional Instrumentation

Revenue	\$2.9B
GM%	~55%
OP Margin	~22%

Field Solutions*

Product
Realization*

Sensing
Technologies

FLUKE

Tektronix®

Gems
Sensors & Controls

QUALITROL

Invetech

setra

PACIFIC
SCIENTIFIC
ENERGETIC MATERIALS COMPANY

ANDERSON-NEGELE

Industrial Technologies

Revenue	\$3.3B
GM%	~40%
OP Margin	~20%

Transportation
Technologies

Automation &
Specialty

Franchise
Distribution

GILBARCO
VEEDER-ROOT

KOLLMORGEN
Because Motion Matters™

MATCO
TOOLS

TELETRAC NAVMAN



THOMSON

AMMCO® GOALS
Hennessy Industries

Portescap

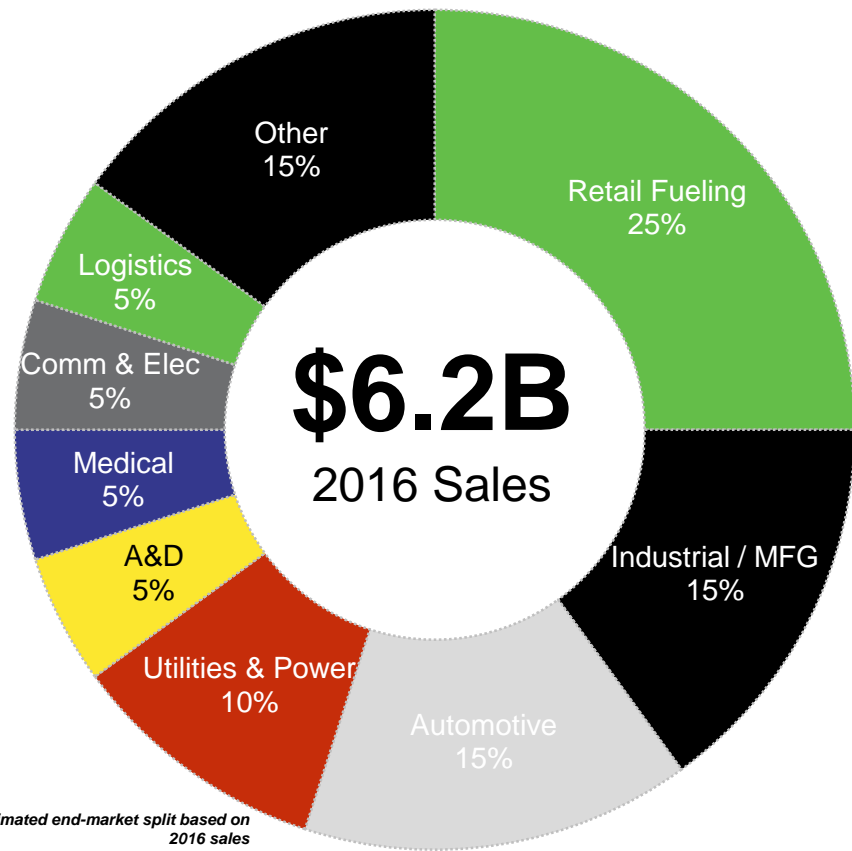
Jacobs Vehicle Systems™

All financial metrics based on 2016
*Advanced Instrumentation & Solutions

Strong financial profile, leading brands serving \$30 billion addressable market



ATTRACTIVE VERTICALS, GROWTH DRIVERS FORTIVE



Growth Drivers

- ≡ **Global trend toward connected devices, software and digital service**
- ≡ **Growing industrial base in high growth markets**
- ≡ **Energy efficiency, safety and security requirements**
- ≡ **Changing environmental regulations**

Portfolio diversity, secular trends drive growth through the cycle

ENABLING A SMART, CONNECTED WORLD **FORTIVE**



Smart
Factory



Smart
Building



Smart
Highway



Smart
Energy



Smart
Hospital

Seizing the IIoT opportunity



EVOLUTION OF DIGITAL STRATEGY



Digitization of go-to-market
2009

Enhancement of portfolio with SaaS
2012

Connected transformation in
core markets
2013

Transforming customer digital workflows since 2009

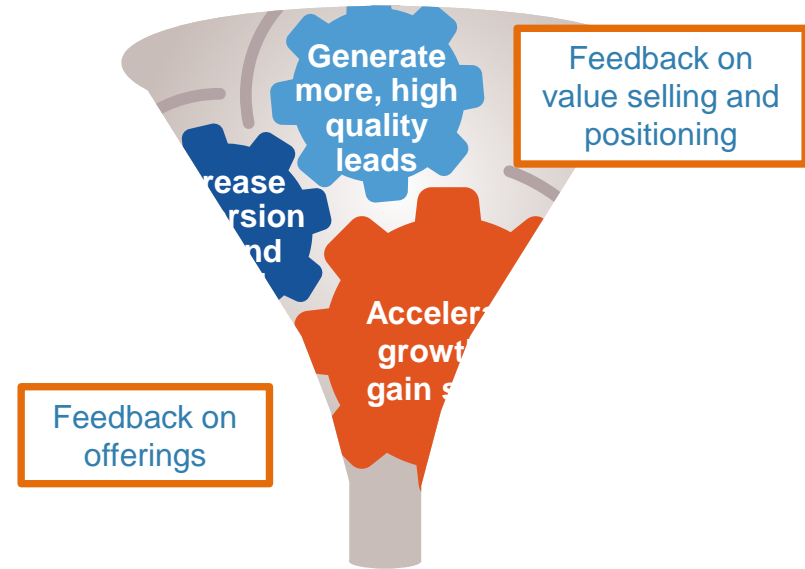


DIGITIZATION OF GO-TO-MARKET ACROSS FORTIVE



- Digital marketing largest component of marketing mix, investment and contribution to revenue
- Analytics-based tools help optimize performance (e.g., traffic, engagement, funnel conversions)

FBS Growth Engine: More Leads + Higher Conversion = Share Gains





DIGITAL MARKETING AT MATCO

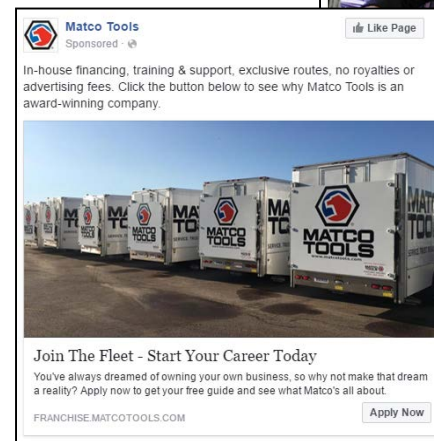


Kick started franchisee growth with social media targeting and paid optimization, leading to:

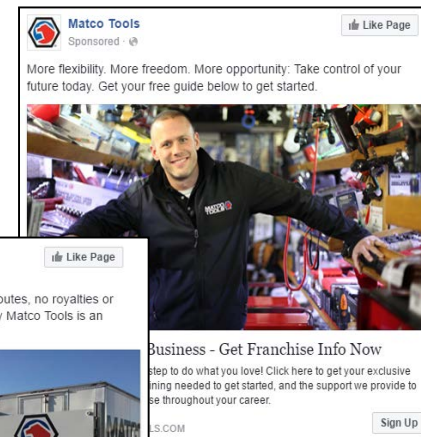
- >100% YoY in qualified leads
- >50% growth in conversion rate
- \$3M+ revenue impact from Facebook alone → doubled share of marketing mix over year
- Flat annual spend

Mobile friendly and mobile optimized – mobile represents 60% of website traffic

Persona Targeting: Top of Funnel



Behavioral Retargeting: Remarketing Web Visits



Improving Franchisee Acquisition with Digital Optimization



FORTIVE VIEW: HYPE vs. REALITY



IIOT Promises \$1B+ in Savings

20%

Factory energy savings

25%

Labor efficiency increase

10%

Worksite cost and maintenance savings

Source: "The Internet of Things: Mapping the Value Beyond the Hype", McKinsey Global Institute, June 2015

But Challenges Still Exist in Adoption...

65%

Lack of interoperability – costly integration

53%

Uncertain ROI – value unclear

38%

Legacy equipment – no embedded sensors

Source: "Industrial Internet of Things: Unleashing the Potential of Connected Products and Services", World Economic Forum, January 2015

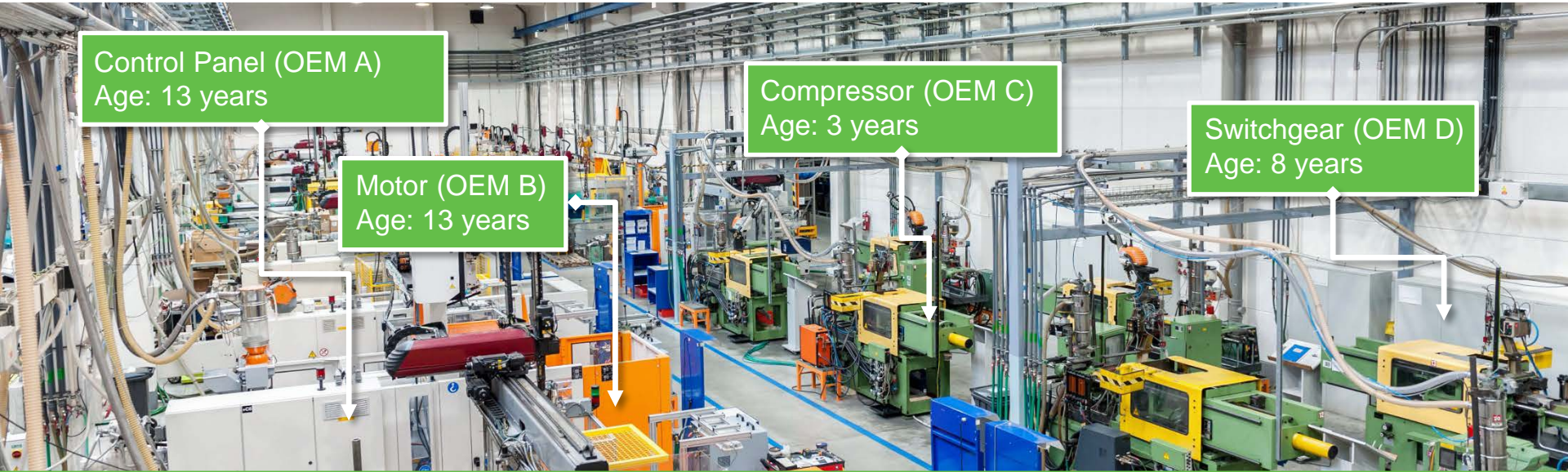
Fortive offers real and practical solutions today








THE TIER 2 ASSET RETROFIT CHALLENGE



Sensing existing facilities requires sizeable capex and complex IT integration



	Motors 1.1M		Switchgear 1.1M		Pumps 765,000		Transformers 495,000		Blowers 270,000
--	----------------	---	--------------------	---	------------------	---	-------------------------	---	--------------------

The need for a practical, affordable solution

FLUKE CONNECT RELIABILITY PLATFORM FORTIVE



Cloud Enabled Instrumentation

Saves valuable lifetime data ,
enabling advanced analytics



Condition Monitoring

Software tools for proactive and
preventative maintenance,
enabled by semi-fixed sensors



eMaint

Market leader in SaaS based
end-to-end maintenance and
asset Workflows

Practical



Affordable



Uniquely Positioned



TAKING FUEL STATIONS TO THE CLOUD FORTIVE



I360 Encore

A powerful cloud-based platform that provides retailers remote access and visibility to their connected fuel dispensers.

I360 Passport

Insite360 Passport is a cloud-based service that allows retailers to remotely manage POS content and access information across their entire network of stores.

I360 FuelQuest

A suite of fuel management, logistics, and financial workflows and advanced analytics to manage and optimize fuel supply chains from rack to nozzle.



Unlocking full site automation: forecourt, C-store, underground



TRANSFORMING FLEET OPERATIONS FORTIVE

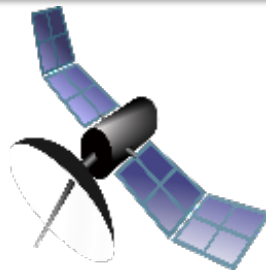
Tracking Unit
Installed in Vehicle

In Cab Data &
Workflow to Drivers

GPS
Satellite

Telco
Signal

SaaS Platform for
Workflow & Analytics



Real-time data communication streamlines complex workflows

TELETRAC NAVMAN



Comprehensive connected solutions for delivery, service and logistics

SUMMARY



- Multi-year evolution of strategy
- Privileged position with large installed base and trusted brands
- Practical, affordable, market-leading solutions
- Not just a concept, we are transforming customer workflows with connected solutions & advanced analytics TODAY