

J.P. Morgan Aviation, Transportation and Industrials Conference

Jim Lico | President & CEO

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, timing of acquisitions and dispositions, 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, international trade policies and the financial markets, changes in trade relations with China, contractions or lower growth rates and cyclicalities of markets we serve, competition, changes in industry standards and governmental regulations, our ability to successfully identify, consummate, integrate and realize the anticipated value of appropriate acquisitions and successfully complete divestitures and other dispositions, 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, contingent liabilities relating to acquisitions and divestitures, impact of changes to tax laws, our compliance with applicable laws and regulations and changes in applicable laws and regulations, risks relating to international economic, political, legal, compliance and business factors, 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, our ability to adequately protect our intellectual property rights, risks relating to product, service or software defects, product liability and recalls, risks relating to product manufacturing, 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, security breaches or other disruptions of our information technology systems, adverse effects of restructuring activities, labor matters, and disruptions relating to man-made and natural disasters. 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 Annual Report on Form 10-K for the year ended December 31, 2018. 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 diluted net earnings per share," "core revenue growth," "core operating margin expansion (core OMX)," "free cash flow," and "net earnings excluding the estimated provisional tax reform adjustments", 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" and "Supplemental Adjusted Financial Data."

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 OVERVIEW

2018 Highlights

Financial Performance

4.1% core growth; +25% Adj. EPS growth; 35bps core OMX; 120% FCF conversion

Accelerate Growth

Innovation; market share gains; recurring revenue

Portfolio Transformation

Acquisitions since spin average 70% recurring revenue, growing at high-single-digits

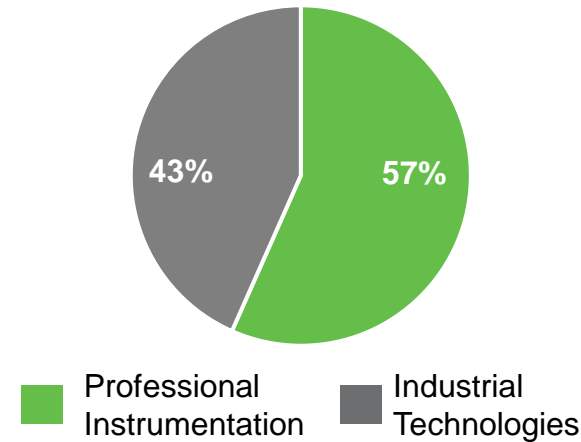
High Growth Markets

High-single digit revenue growth in 2018

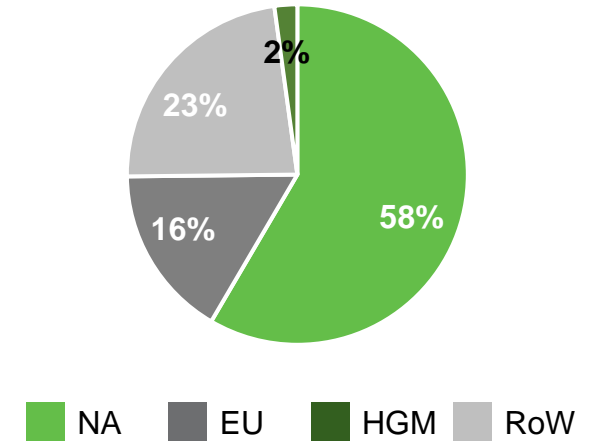
Business Characteristics

- Fortive Business System is cornerstone of culture and competitive advantage
- Experienced leadership team and Board of Directors
- Economic moat, leading brands, and market positions
- Strong FCF/conversion, capital allocation bias toward M&A
- Investment grade credit rating

Revenue By Business¹



Revenue By Geography²



Growth Initiatives

- Drive Digital / SW-Enabled Workflows, IoT
- Capture EMV Market Opportunity (nearer term)
- Expand in High Growth Markets
- Enhance Portfolio Growth

¹ Based on FY18 sales on a Continuing Operations basis

² NA is North America (56% in the U.S.), EU is Europe, HGM is High Growth Markets, RoW is Rest of World

ENHANCED PORTFOLIO GROWTH

ACCELERATED THROUGH M&A – SUBSTANTIAL AVAILABLE CAPACITY



Professional Instrumentation

- Mobile Worker
- Smart Factory
- IoT / Sensor Proliferation
- Safety and Compliance



Industrial Technologies

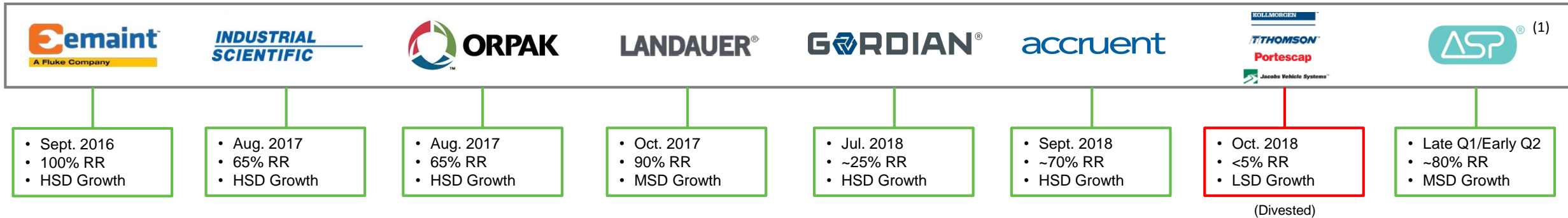
- Autonomous Vehicles / Electric Vehicles
- Urbanization / Smart City
- Supply Chain / Logistics



Attractive Megatrends

- Software Enabled Workflows
- Aging Population / Health
- Food / Water Sustainability
- Environmental Stewardship

ACCELERATING STRATEGY THROUGH M&A: \$10B+ OF TRANSACTIONS SINCE 2016



Acquired ~\$1.7B⁽²⁾ of Revenue with Significant Growth Momentum and Exposure to Key Global Trends



MSD / HSD Growth Trajectory



~70% Recurring Revenue



Software-Enabled Workflows & Connected Devices



Increasing Regulatory / Safety & Security Requirements

* LSD, MSD, HSD are defined as Low Single Digit, Mid Single Digit and High Single Digit, respectively

(1) Pending acquisition. The transaction is expected to close in late Q1 or early Q2 of 2019 and is subject to customary closing conditions.

(2) Includes estimated revenue assuming completion of the pending ASP acquisition

Strategic M&A to Enhance Portfolio Growth, Reduce Cyclicalilty, & Drive Digital Strategy

EXECUTING OUR DIGITAL STRATEGY



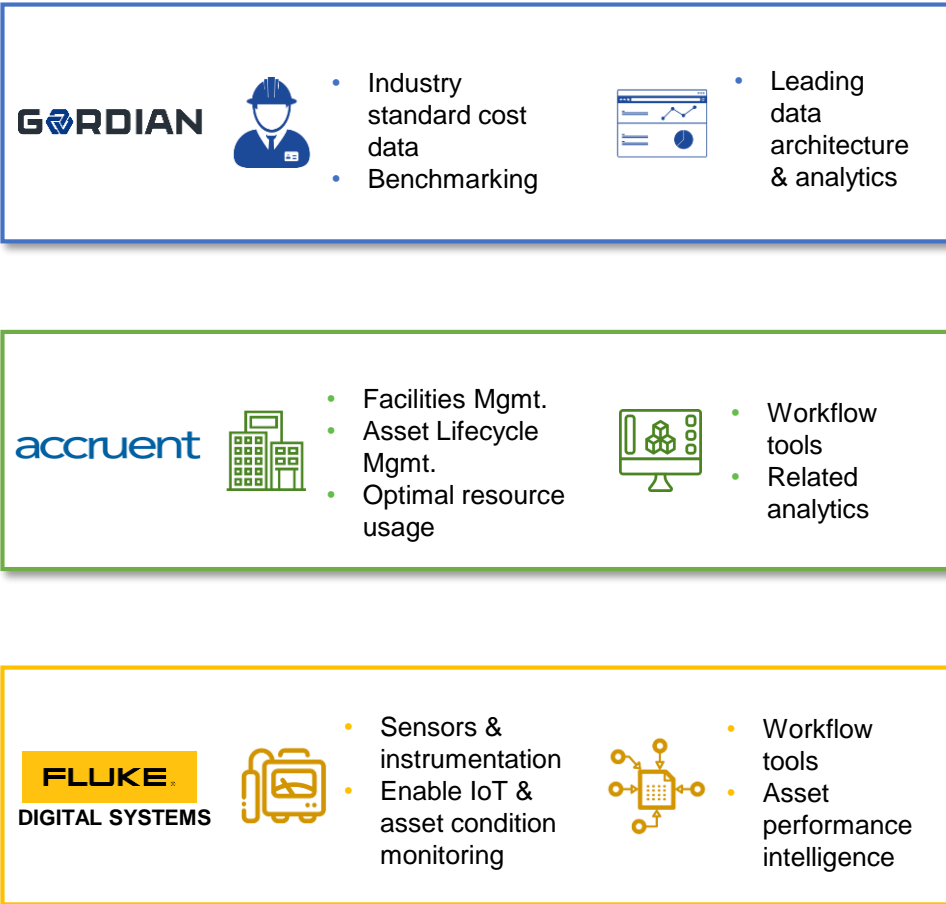
TELETRAC NAVMAN



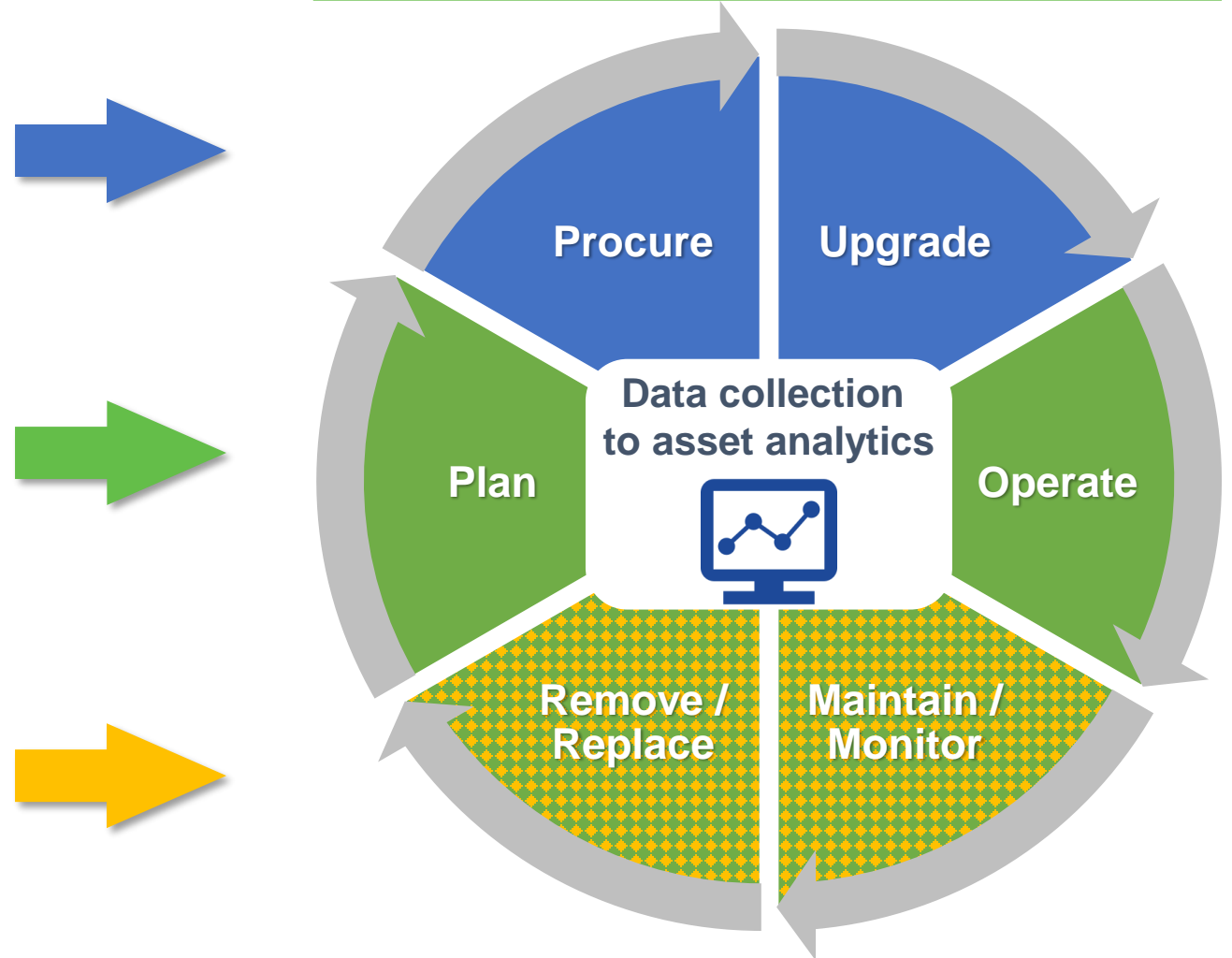
Enhanced Software Capabilities to Better Serve Customer Needs

COMPREHENSIVE SOLUTION FOR FACILITIES & ASSET MANAGEMENT

Gordian + Accruent + Fluke Digital Systems



Complete Facilities & Asset Mgmt. Lifecycle Coverage



HIGHLIGHTS FROM 2018 EARNINGS & 2019 GUIDANCE INTRODUCTION

ANOTHER YEAR OF DOUBLE-DIGIT EARNINGS GROWTH EXPECTED IN 2019

2018

Q4 2018 HIGHLIGHTS

- Adjusted diluted EPS growth of 30%
- Core revenue growth of 7.4%
 - PI core revenue growth of 5.2%
 - IT core revenue growth of 10.3%
- Core OMX of 40 basis points
- FCF conversion of 166% (seasonally strong)

FY 2018 HIGHLIGHTS

- Adjusted diluted net EPS growth of 25%
- Core revenue growth of 4.1%
- Core OMX of 35 basis points
- FCF conversion of 120%
- Closed \$2.8B in acquisitions in 2018, and completed the divestiture of the Automation & Specialty businesses

2019

FY 2019 GUIDANCE

- Adjusted diluted EPS of \$3.40-3.50
 - Represents Y/Y growth of 14% at the high-end
- Core revenue growth of 3-5%
- Core OMX of 50 basis points
 - Still expecting to fully offset tariffs in 2019
- ETR of ~17.0%
- Share Count of ~360M (if-converted basis)
- FCF conversion of >120%

ASP expected to close late Q1/early Q2

- ASP is not included in the 2019 guidance

Note: Financial measures are presented on a Continuing Operations basis

THE FORTIVE FORMULA



Note: All financial metrics reflect anticipated annual performance unless otherwise indicated

INVEST WITH US



Outstanding Portfolio With Market-leading Brands And Strong Secular Drivers

Deep Experience In Fortive Business System Drives Sales Growth, Margin Expansion And Talent Development

Strong Capital Structure, Superior FCF Generation, And Proven Playbook That Allows For Substantial M&A To Drive Long-term Value Creation



FORTIVE