



Fortive 2019 Investor Day

May 16, 2019

Forward-Looking Statements & Non-GAAP Financial Measures

Statements in this presentation that are not strictly historical, statements regarding the Company's anticipated earnings, secular growth trends, business and acquisition opportunities, business strategies, 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, trade relations with China, contractions or lower growth rates and cyclicity 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, impact of changes to U.S. GAAP, 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 (EPS)," "core revenue growth," "core operating margin expansion (core OMX)," "adjusted operating margin," "free cash flow," "free cash flow conversion" 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.

Today's Agenda

Welcome	Griffin Whitney, VP Investor Relations	1:30 PM
Opening Remarks	Jim Lico, President & CEO	1:35 PM
Field Solutions	Wes Pringle, SVP	1:55 PM
Product Realization	Pat Byrne, SVP	2:15 PM
Health	Pat Byrne, SVP	2:30 PM
Transportation Technologies	Martin Gafinowitz, SVP	2:45 PM
Franchise Distribution	Martin Gafinowitz, SVP	3:05 PM
Sensing Technologies	Pat Murphy, SVP	3:15 PM
Q&A	Platform SVPs	3:25 PM
FBS Evolution	Barbara Hulit, SVP	3:45 PM
Closing Remarks	Jim Lico, President & CEO	4:05 PM
Q&A	Jim Lico, President & CEO Chuck McLaughlin, SVP & CFO	4:15 PM
Adjourn		4:35 PM

Opening Remarks

Jim Lico | President & Chief Executive Officer

OUR SHARED PURPOSE

Essential technology for the people who accelerate progress.

**We build
extraordinary teams
for extraordinary results**

**Customer success
inspires our innovation**



**We compete
for shareholders**

**Kaizen
is our way of life**

FORTIVE OVERVIEW

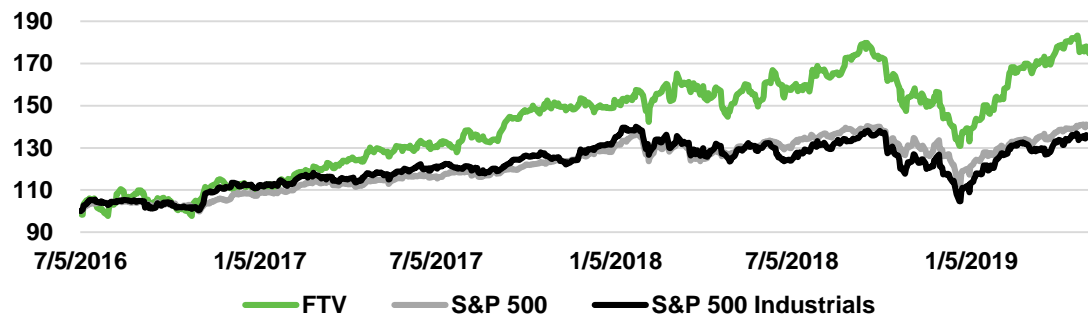
2018 Financial Snapshot

Revenue \$6.5B	Core Revenue Growth 4.1%
Adj. Operating Margin 21.8%	Core OMX 35bps
Adjusted EPS \$3.06	Adjusted EPS Growth 26%
FCF Conversion 120%	FCF Growth 20% to \$1.1B

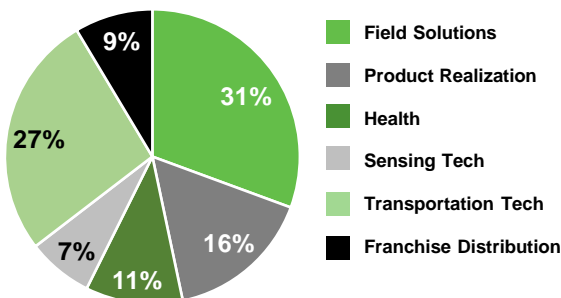
Business Characteristics

- Fortive Business System - cornerstone of culture and competitive advantage
- Leading brands and market positions
- Capital allocation prioritized toward M&A + proven M&A playbook
- Strong FCF generation and conversion
- Growth and technology focused

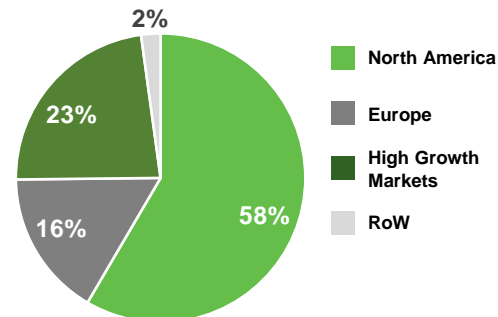
Relative Share Price Performance Since Spin (Indexed to 100)



Revenue by Platform*



Revenue by Geography*



* Assumes full-year contribution of Accruent, ASP and Gordian

DIVERSIFIED PORTFOLIO WITH STRONG SECULAR GROWTH TRENDS

Transforming the Portfolio

- Greater exposure to higher growth end markets / secular drivers
- Reduced cyclicality / greater resilience
- Increasing software offering and capabilities
- Increasing recurring revenue

Exposure to Key Global Trends



Software-Enabled Workflows



Connected Devices & IoT



Productivity, Safety & Security Requirements



Regulatory Requirements

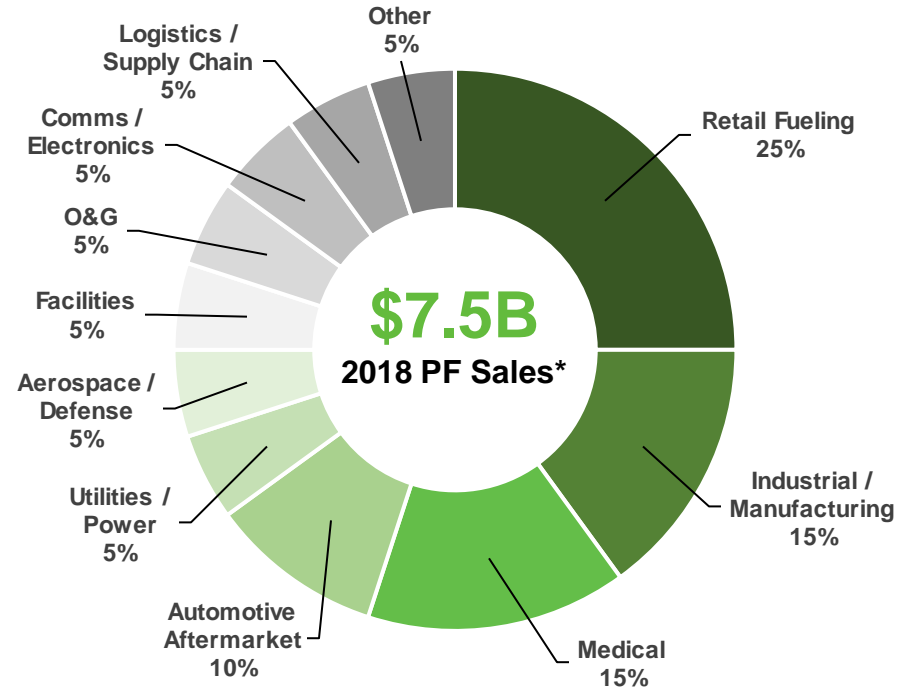


Digitalization / Increasing Vehicle Complexity



Aging Population

Sales by End Market*



* Assumes full-year contribution of Accruent, ASP and Gordian

KEY GROWTH DRIVERS

Digital / IoT Strategy

- Gordian and Accruent enhance position in Facilities and Asset Management
- Continued high-double-digit growth at eMaint, iNet, Orpak
- Fluke sensor offering gaining momentum
- Early digital offerings taking hold at Matco and Sensing Technologies

EMV

- MOC partnerships / national account wins driving MSD growth with strong 2019 momentum
- Penetration 40-45% as of year-end 2018; heading to ~80-85% at full penetration
- Smoother ramp expected into deadline; demand likely to extend into 2021

Enhance Portfolio Growth

- Acquisitions of Gordian, Accruent, and ASP – MSD/HSD growth in attractive markets
- Divestiture of Automation & Specialty businesses via RMT with Altra
- Establishment of The Fort to accelerate innovation

High Growth Markets (HGMs)

- Combined GVR + Orpak + Midco offering accelerating GVR growth in India
- Fluke delivering continued share gains in China
- Tektronix positioned to drive long-term growth (semis, auto, power) in China
- Recent acquisitions represent under-penetrated HGM opportunities

Professional Instrumentation

Revenue*	GM%*	Adj. Op Margin*
\$3.7B	>55%	~26%

Field Solutions

FLUKE®

QUALITROL®
Defining Reliability

GORDIAN®

INDUSTRIAL
SCIENTIFIC

accruent

Product Realization

Tektronix®

PACIFIC
SCIENTIFIC
ENERGETIC MATERIALS COMPANY

Invetech

Health

ASP®

Sensing Tech.

SPT SPECIALTY
PRODUCT
TECHNOLOGIES

setra

Gems™
Sensors & Controls

HYGIENIC BY DESIGN
ANDERSON-NEGELE

Industrial Technologies

Revenue	GM%	Adj. Op Margin
\$2.8B	>40%	~20%

Transportation Tech.

GILBARCO
VEEDER-ROOT

GT™ GLOBAL TRAFFIC
TECHNOLOGIES

TELETRAC NAVMAN



Franchise Distribution

MATCO
TOOLS

AMMCO® COATS
Hennessy Industries

* 2018 figures – excludes ASP

Inorganic / Strategic M&A

- Use M&A to accelerate organic growth strategy
- Grounded in market work – targeting attractive / higher growth market segments
- Consistent, proactive cultivation of targets
- Develop conviction early and play to win
- Discipline around process and returns

Organic / Innovation

- Driven by FBS and continuous improvement mindset
- Grounded in VOC / customer intimacy
- Lean new product development processes
- New business models to better serve customer needs
- Enhance ability to generate breakthrough innovations
- Supported by R&D investments of ~6% of sales

A Better, Stronger Fortive



- **Enhanced topline growth**
 - **Lower cyclicality**
- **Greater FCF / conversion**
- **Higher returns to shareholders**

DRIVING SIGNIFICANT TRANSFORMATION THROUGH M&A

Professional Instrumentation



Growth Drivers

- Software-enabled workflows
- Mobile worker
- Safety and compliance
- IoT / Data analytics
- Aging population / Health

Industrial Technologies



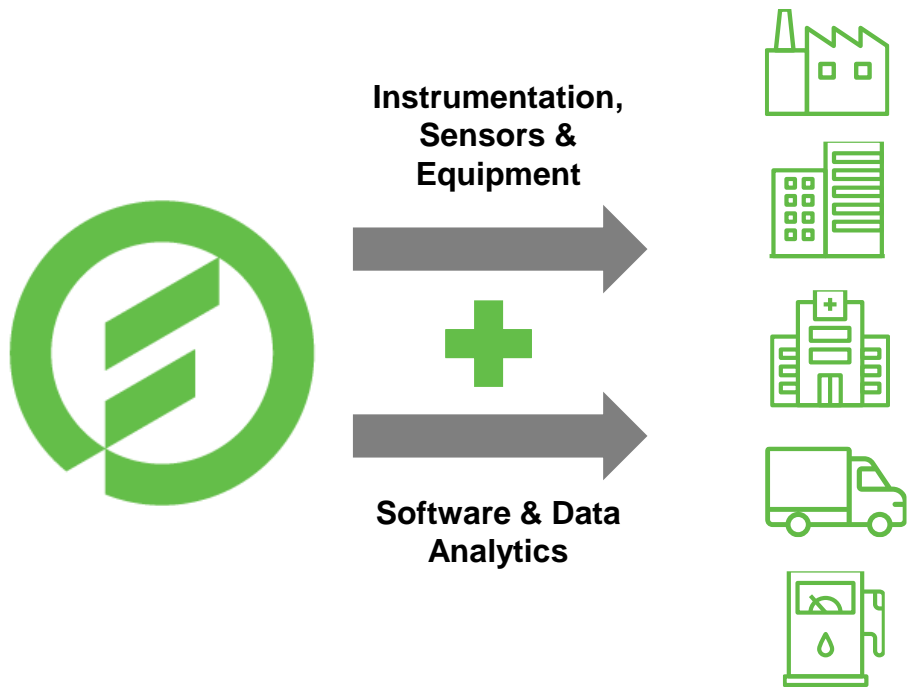
Growth Drivers

- HGM expansion – automation & services
- Urbanization / Smart Cities
- Autonomous / Electric vehicles

Fortive Portfolio

- **Businesses acquired since 2016 represent revenue of ~\$1.7B**
 - +HSD growth
 - ~70% recurring revenue
- **Well positioned in large, attractive markets**
- **More embedded in customers' critical workflows**
- **Provide significant exposure to long-term growth trends**
- **Expected to drive core revenue growth & free cash flow growth higher in coming years**
- **Expanded runway for future M&A**

Provide integrated hardware and software offerings that enable connected workflow solutions and address the essential safety, quality, and productivity requirements of our customers



- Advantaged positions and brand loyalty in verticals we know well
- Leverage large installed base
- Address applications where value of connected workflow solutions is high
- Leverage customer intimacy to identify high priority pain points
- Differentiated solutions and business models
- Strategic opportunities with clear runway for both M&A and continued innovation

EXECUTION OF DIGITAL STRATEGY GAINING MOMENTUM

Software-Related Revenue Now Accounts for ~10% of Total Fortive Revenue, and Increasing

2018 Acquisitions



- Industry standard cost data
- Benchmarking
- Leading data architecture and analytics



- Facilities management
- Asset Lifecycle management
- Optimal resource usage
- Workflow tools
- Related analytics

Gordian + Accruent + Fluke Digital Systems enables complete coverage of Facilities and Asset Management Lifecycle

Continued Organic Software Growth



Digital Systems



A Fluke Company



Innovation Continues to Drive Market Share Gains, Expansion into New Markets, and Business Model Evolution to Accelerate Organic Growth Across our Platforms

Gain Market Share

FBS growth tools driving improvements to core product offering

- **Tektronix 5 & 6 Series Mixed Signal Oscilloscopes**
 - Leverage common platform / software
 - Award-winning performance
 - 3 & 4 Series launches to come



Expand Market

Positioning our businesses to take advantage of new market opportunities

- **Fluke 3561 Vibration Sensor**
 - Sensors enable digital / IoT execution
 - Remote condition monitoring
 - Real-time performance data



Increase Stickiness

Using new business models to offer better / more flexible solutions for our customers

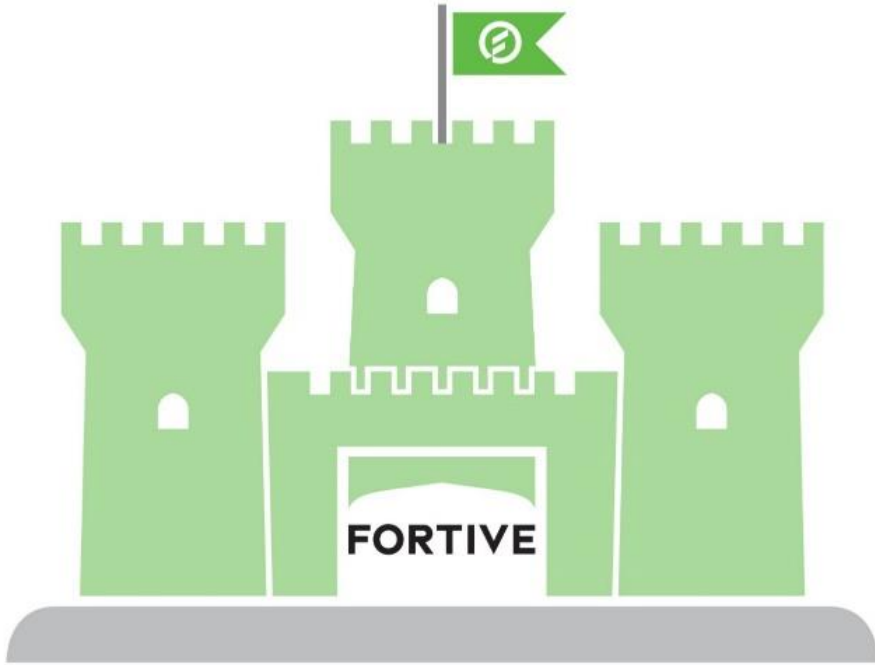
- **iNet “Safety as a Service” Platform**
 - Integrated gas detection solution
 - Equipment (including rental), software applications, and services
 - Easily configured to meet specific needs of a particular customer



ENHANCING FORTIVE'S CAPACITY FOR INNOVATION

Using FBS to Improve our Ability to Generate and Apply Disruptive Innovation

The Fort



FBS Growth Accelerators



Growth Breakthrough (GBT) Funding

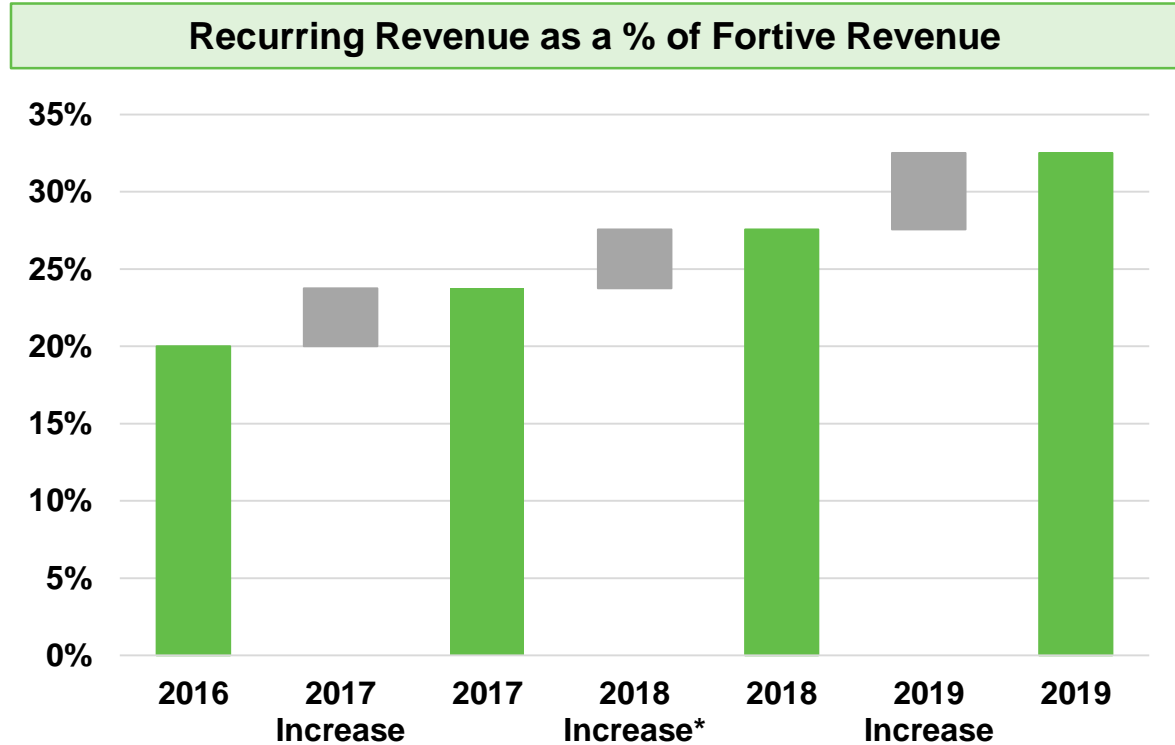


AI & Data Analytics Center

SIGNIFICANT INCREASE IN RECURRING REVENUE

Recurring Revenue has Increased 1,000+ bps Since Spin in 2016

- Growth of recurring revenue driven both by M&A and organic initiatives
- Acquisitions since spin have had ~70% recurring revenue
- Growth of service revenue across the portfolio
- Emerging organic digital / recurring revenue opportunities



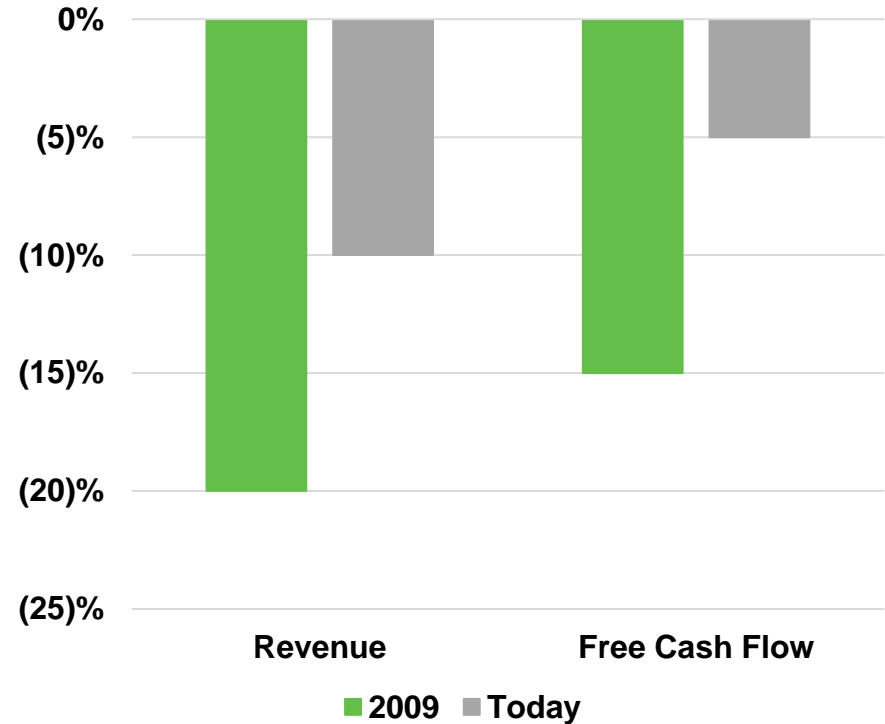
** Includes the sale of the Automation & Specialty businesses*

Continued Growth of Recent Acquisitions will Drive Recurring Revenue Higher

STRENGTHENING RESILIENCE ACROSS THE PORTFOLIO

- Significant reduction in volatility and cyclicalities across the portfolio
 - Divestiture of A&S
- Recurring revenue growth also continues to enhance portfolio resilience
 - SaaS
 - Services
 - Consumables
- Resulting portfolio cyclicalities, measured “peak to trough”, has been cut ~50% versus 2009
- Portfolio also positioned to recover / return to growth more quickly after a downturn

Estimated “Peak to Trough”: 2009 vs Today



ACCELERATING FORTIVE'S FINANCIAL EVOLUTION

Combination of M&A, Organic Strategy, and FBS has Driven the Evolution of Fortive's Financial Profile Since the Spin in Mid-2016

Core Growth

<u>Pre-Spin</u>		<u>Now</u>
GDP / GDP+		GDP+

Recurring Revenue (% of Total)

<u>Pre-Spin</u>		<u>Now</u>
~20%		30%+

Gross Margin

<u>Pre-Spin</u>		<u>Now</u>
High-40%		51%+

Software Revenue (% of Total)

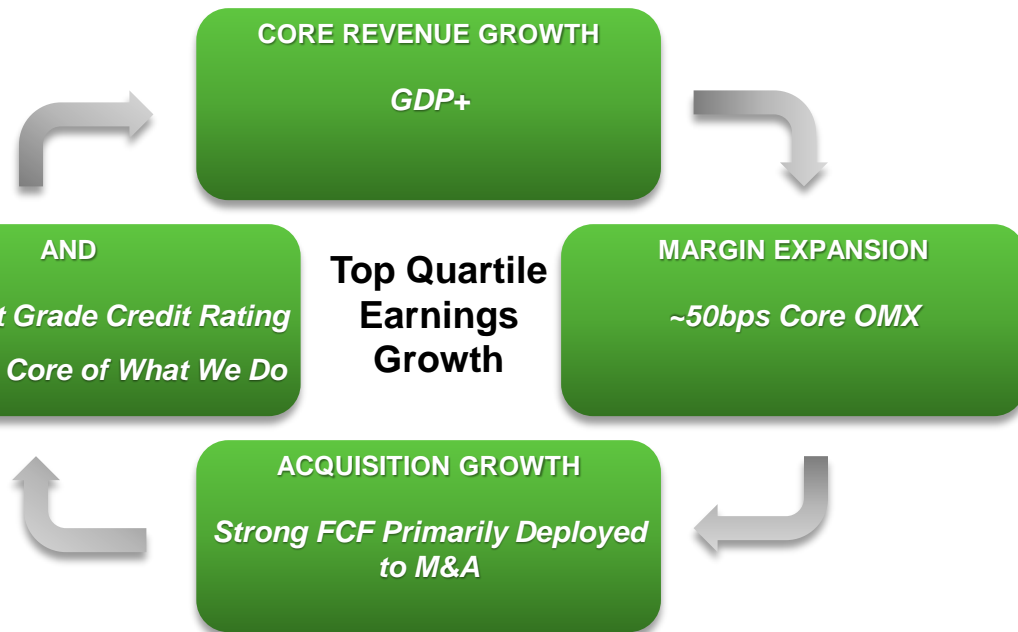
<u>Pre-Spin</u>		<u>Now</u>
~LSD		10%+

Free Cash Flow

<u>Pre-Spin</u>		<u>Now</u>
~\$750M		>\$1.1B

PORTFOLIO TRANSFORMATION IS MAKING FORTIVE STRONGER

The Fortive Formula



The Compounding Effect

- Steering the portfolio to higher growth end markets through M&A
- Investing in our innovation engine to enhance organic growth
- Using the power of FBS to deliver consistent OMX
- To drive higher EPS and FCF growth....
- ...and fuel additional organic innovation and strategic M&A so the compounding can continue

Strategic M&A accelerating the evolution of the portfolio

Strong execution against innovation strategy to drive organic growth

Clear progress advancing our digital strategy – organic and inorganic

Expanding FBS to enhance our ability to drive breakthrough innovation

Field Solutions

Wes Pringle | Senior Vice President

FIELD SOLUTIONS OVERVIEW

2018 Financials

- **Revenue:** ~\$2.1B
- **Gross Margin:** Mid-60%

Market Dynamics

- **Market Size:** ~\$16.0B
- **Growth Rate:** MSD

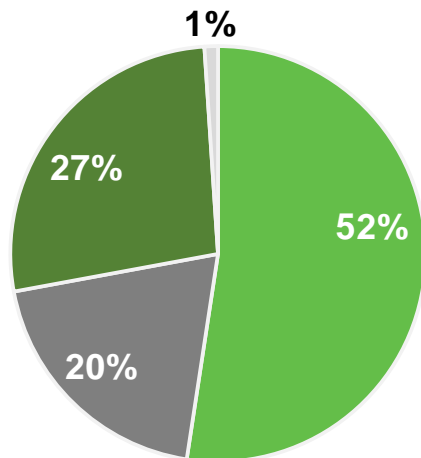
Secular Growth Drivers

- Efficiency, uptime assurance, and IoT
- Increasing safety and environmental regulations and expectations
- Emerging data capture and analytics technologies
- High Growth Market (HGM) infrastructure investments

Customers

- Facilities managers - public, private and healthcare sectors
- Industrial maintenance and safety teams

Revenue by Geography



FLUKE®

QUALITROL
Defining Reliability

**INDUSTRIAL
SCIENTIFIC**

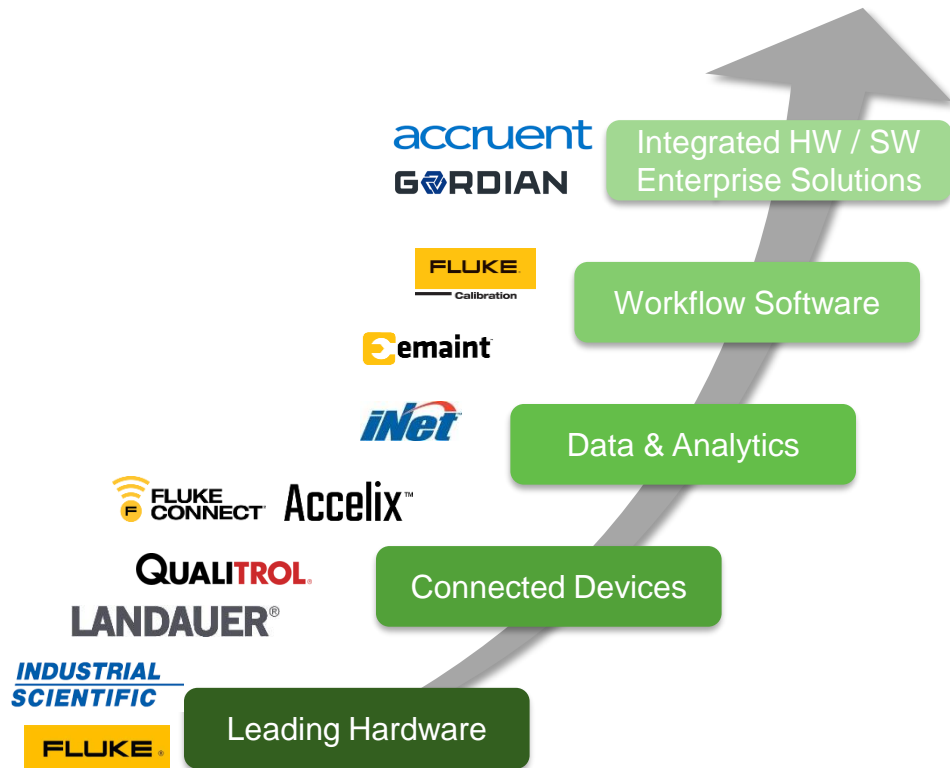
GORDIAN

accruent

FIELD SOLUTIONS STRATEGY

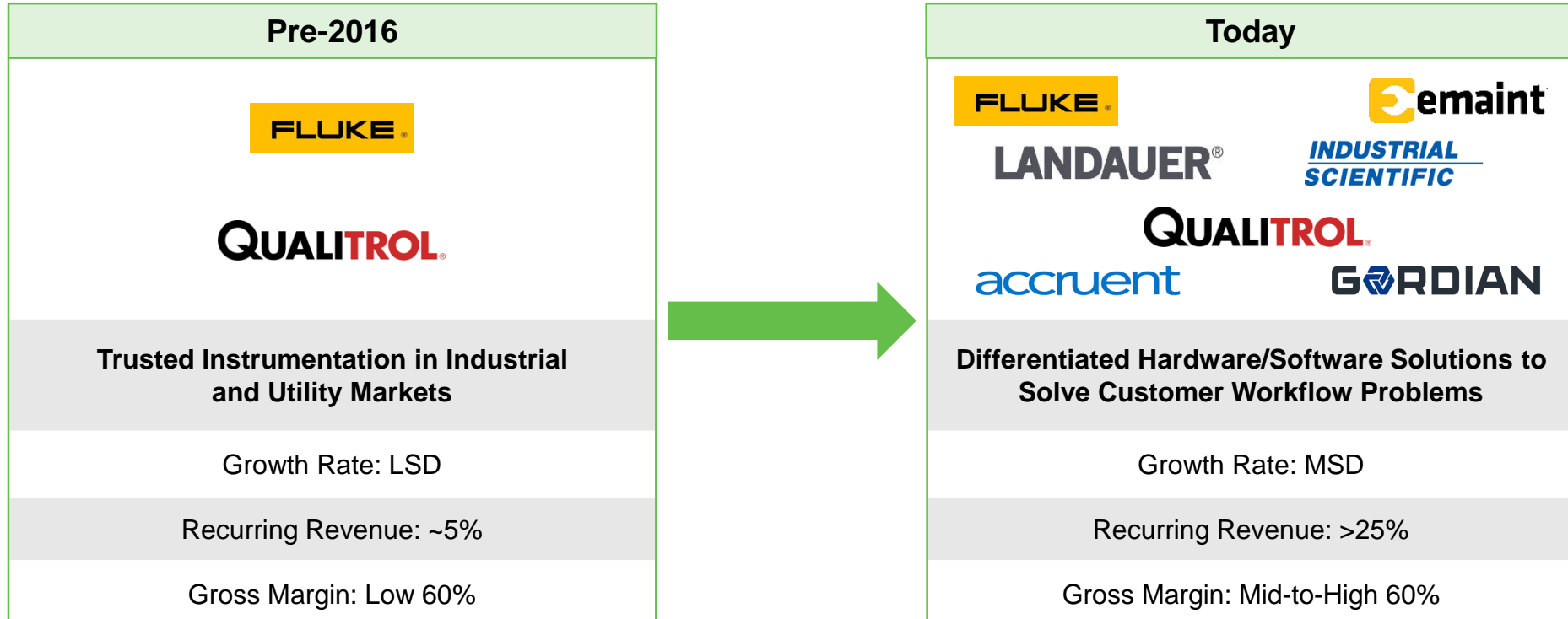
Leverage Leading Brands, Domain Expertise and Installed Base to Deeply Penetrate Evolving Workflows

- Invest in software that lives at the center of key customer workflows
 - Accruent
 - Gordian
 - eMaint
 - Fluke Calibration “OneCal”
- Leverage domain knowledge and engineering expertise to develop hardware/software integrated solutions to transform and simplify those workflows
 - Fluke Accelix
 - iNet
 - Landauer
- Add additional functionality and/or analytics to increase customer stickiness and revenue



FIELD SOLUTIONS PORTFOLIO EVOLUTION

Acquisitions and Organic Development are Strategically Transforming the Field Solutions Platform



EXPANDING SET OF LEADING WORKFLOW SOLUTIONS

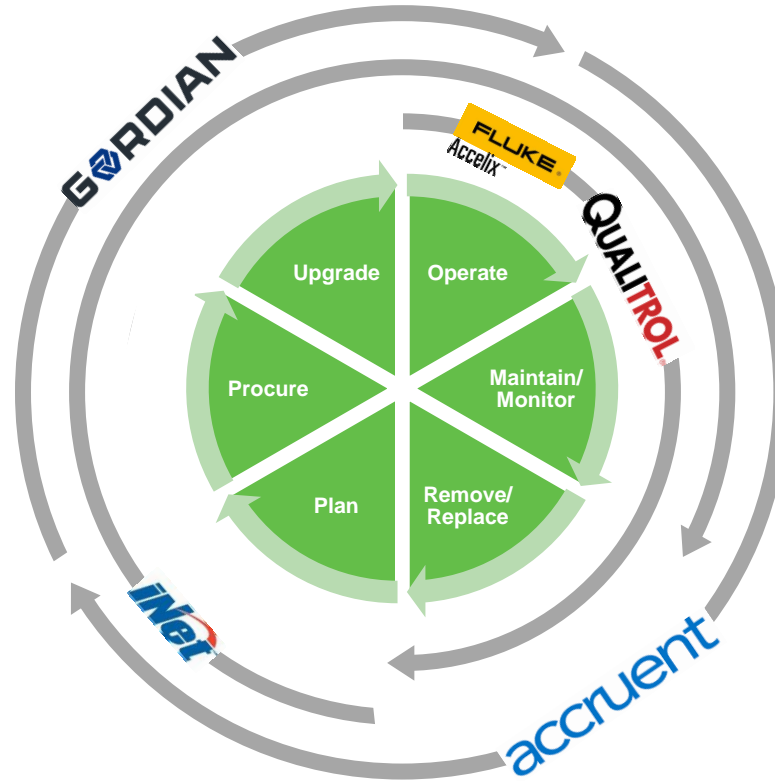
Innovative Solutions that Address Critical and Strategic Workflows Across Facility and Asset Lifecycles

GORDIAN

Leader in data architecture and analytics for facilities

INDUSTRIAL SCIENTIFIC *iNet*

Leader in portable gas detection and connected monitoring solutions



FLUKE

Accelix™

Leader in IoT solutions for maintenance and asset health workflows

QUALITROL

Leader in condition monitoring equipment and software for the energy grid

accruent

Leader in facilities and asset management software tools

Solutions that Enable Efficient Deployment of Maintenance Teams to the Most Important Work



Sensors

Accelerate Customer Wins & Recurring Revenue

30%

Revenue Growth

120%

Net Retention



"We had a major win that saved operations from a critical asset failure."



"eMaint provides transparency, consistency, and customization at a low total cost of ownership."



"Part of our becoming a reliable organization comes from using eMaint Computerized Maintenance Management System (CMMS)."

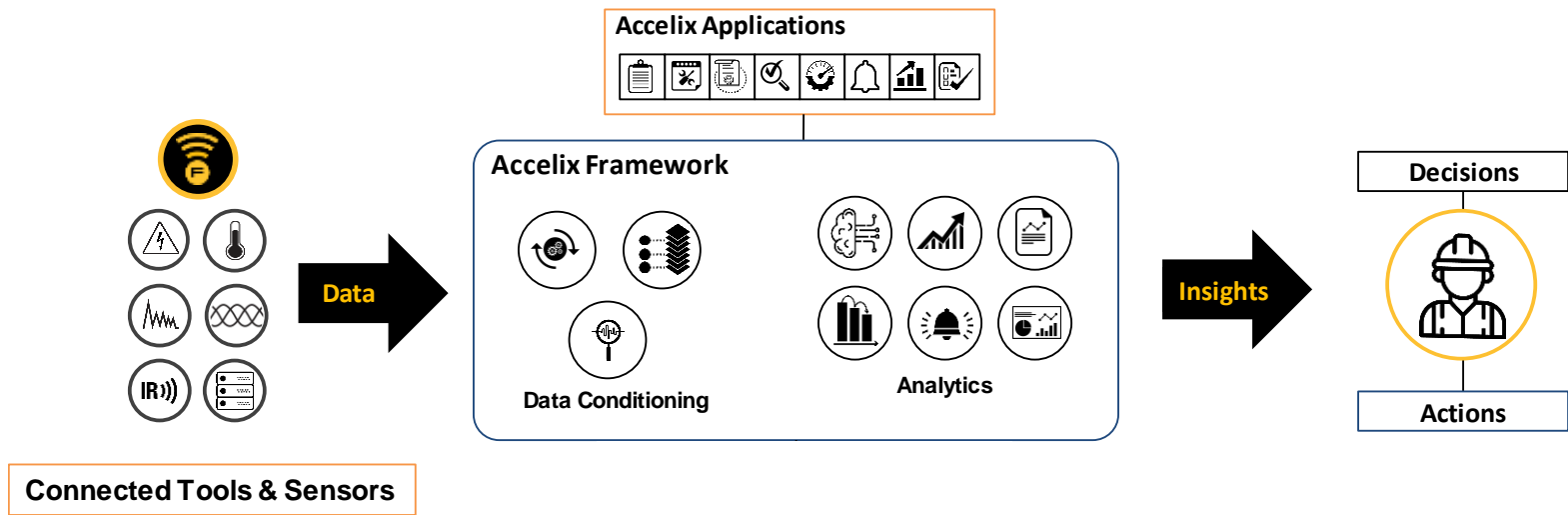
Increase Attachment & Functionality



Sensors + Asset Health Analytics → Customer Value

>35% Quarter over Quarter Sequential Growth

Enabling Teams to Focus on Critical Maintenance Actions via Automated Data Sharing and Analytics



Installed 1000s of vibration sensors

Team quickly alerted of motor anomaly

Scheduled replacement (versus unplanned failure) saving tens of thousands of dollars

“We have saved over \$30,000 a year in some of our larger facilities” – Senior Maintenance Engineer

Fluke Health Solutions Platform Evolution



% Recurring
0%



% Recurring
High 50%

Landauer strengthens Field Solutions' position as a medical safety leader

FBS Drives Continued Progress at Landauer

Obeya Room



- **Return to Growth**
 - Growing MSD versus flat at acquisition
- **Continued improvement in profitability**
- **Improvement in funnel management**
 - 2x increase in qualified leads in the funnel
 - ~25% improvement in time to close
 - 2x improvement in win-rates

ROIC on track – hitting targets for growth and operating margin improvement

INDUSTRIAL SCIENTIFIC: iNet

iNet is a Powerful and Differentiated Foundation for Further Growth

A unique Software-as-a-Service (SaaS) approach to portable gas detection - Hardware, Software, Service all included

A cloud architecture to connect devices, workers, and organizations across locations and workflow

A proprietary & sticky customer channel upon which to expand Safety-as-a-Service offerings



iNet

Discrete Transactions



Recurring Revenue Streams

10%+ 3-Year CAGR

INDUSTRIAL SCIENTIFIC: STRATEGIC OPPORTUNITIES & PRIORITIES

Global Expansion of iNet

iNet has significant runway to expand with flag planting and strategic partnering in Europe and Asia



20%+ Global CAGR – Current & Projected
iNet <5% penetrated EMEA Gas Detection-asS market

Expand iNet's Offerings

Build on the iNet platform with organic and inorganic additions



Safety Analytics



Lone Worker Protection



Automating Regulatory Workflows

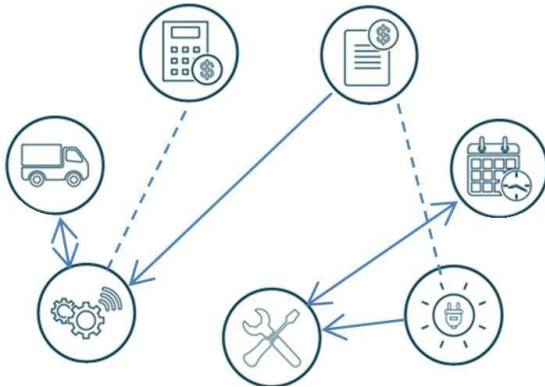
Expanding iNet brings incremental customer value and differentiation

ACCRUENT: STRATEGIC PRIORITIES & OPPORTUNITIES

Shifting from Best-In-Class Point Solutions to the Leading Integrated Facilities and Asset Management SaaS Provider

Market – Historic State

Multi-vendor point solutions with limited interoperability



Future State with Accruent's "Fabric"

Seamlessly integrated total workflow solutions



~5X Growth Potential

Brings Together the SaaS Products Facilities Managers Need – Into One Workflow

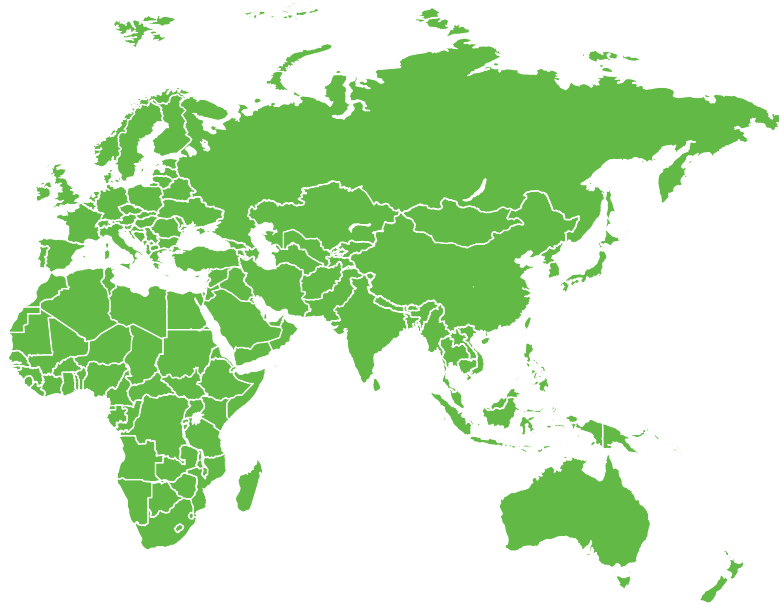
ACCRUENT: INTERNATIONAL EXPANSION

Significant Global Growth Potential from Further Penetration of Established Markets

EMEA

- \$2B+ TAM
- <20% of Accruent Revenue
- Competition largely point solutions

**20%+
Revenue
CAGR**



Asia Pacific

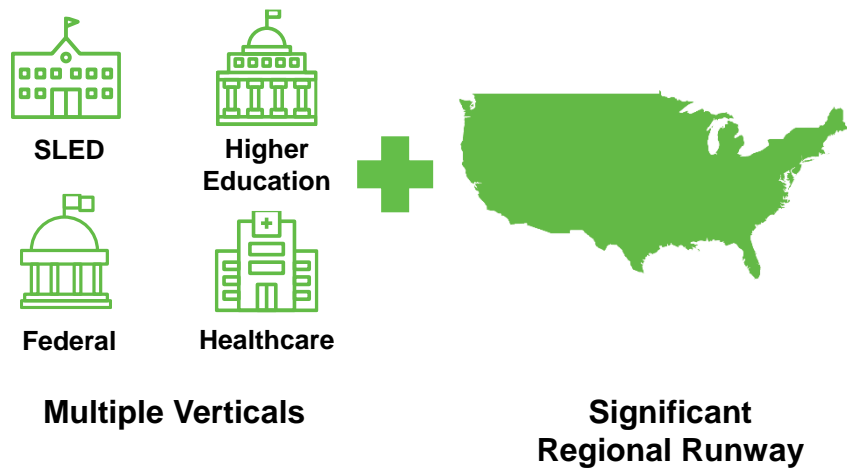
- \$1B+ TAM
- <5% of Accruent revenue
- Market underpenetrated

**30%+
Revenue
CAGR**

GORDIAN: STRATEGIC PRIORITIES & OPPORTUNITIES

Achieve Job Order Contracting's Full Potential

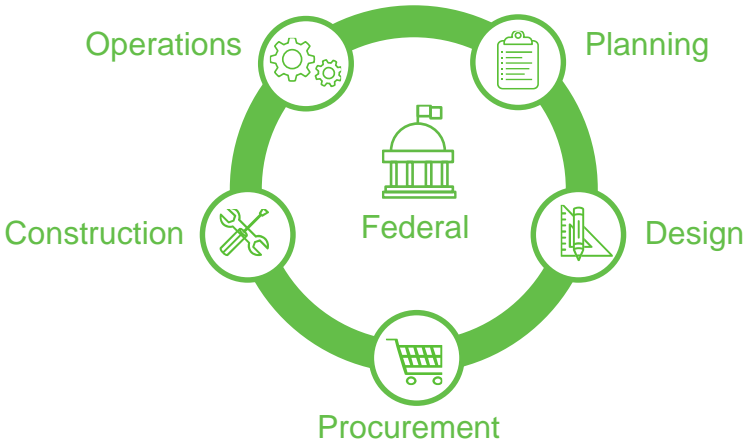
Gordian's Job Order Contracting solution is highly unique and has substantial penetration runway available in the US



Job Order Contracting has penetrated <10% of the >\$2B potential market and is growing DD

Accelerate Federal Growth

Gordian is putting in place the requirements to compete more completely in the Federal market



~\$600M TAM

CONTINUING TO DRIVE ORGANIC INNOVATION THROUGH FBS

Fluke ii900 **See Sound and Find Gas and Air Leaks**



Disrupting a \$200M market

Lean Product Definition
enabled 25% faster to
market

Rapid Prototyping
optimized UI and
functionality to solve
customer problem

Fluke Fi-3000 **Leading MPO Tester for Datacenters and 5G**

Immersive Voice of
Customer (VoC)
revealed innovative
solution to customer
pain point and led to
10X faster fiber
inspection



Fluke T6 **Measure Voltage and Current Without Contact**

Deep VoC supported
design effort led to 3X
expected bookings at
launch



FBS DRIVES PRODUCTIVITY AND ACCELERATED GROWTH

Enabling Operating Companies (OpCos) to Tackle Their Specific Challenges

INDUSTRIAL SCIENTIFIC

**Kaizen improved operating margin
390bps**

QUALITROL® Defining Reliability

**Value Stream Mapping improved
productivity ~30% for field service
team**

GORDIAN

**Funnel management improved
opportunity adds to Sightline's
funnel by 175%**

LANDAUER®

**Obeya room drove successful
integration while expanding operating
margin 600+ bps and increasing
engagement**

Expanding positions in extendable, differentiated software-enabled workflow solutions

Significant growth runway for solutions from increased customer penetration and geographic expansion

Enhancing platforms organically and inorganically to better meet customer needs and increase differentiation

Using FBS to deliver sustained growth, innovation, and margin expansion

Product Realization

Pat Byrne | Senior Vice President

PRODUCT REALIZATION OVERVIEW

2018 Financials

- **Revenue:** ~\$1.2B
- **Gross Margin:** Low-50%

Market Dynamics

- **Market Size:** ~\$5.5B
- **Growth Rate:** LSD

Secular Growth Drivers

- Increased bandwidth - wireless, optical, data centers
- Connected device development for IoT
- US Military/Government technology deployments
- Diagnostic therapy development

Customers

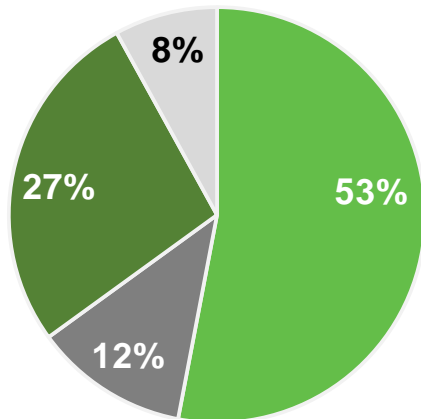
- Electronics developers in industrial, automotive, semi and data communications
- US Military/Government
- Medical and Industrial Equipment manufacturers
- Education

Tektronix[®]

Invetech

PACIFIC SCIENTIFIC
ENERGETIC MATERIALS COMPANY

Revenue by Geography



PRODUCT REALIZATION STRATEGY

Leveraging Deep Domain Expertise and Advanced Technology to Enable Breakthrough Product Innovation for Customers in High Growth Markets

Tektronix®

- Grow software and services to expand margin and reduce cyclicity
- Identify adjacent growth markets where we can deliver value in a differentiated way

 **PACIFIC SCIENTIFIC**
ENERGETIC MATERIALS COMPANY

- Leverage past successes (Space Shuttle, Atlas V, Delta IV, Mars Rover, etc.)
- Win business with new companies as well as our legacy customers

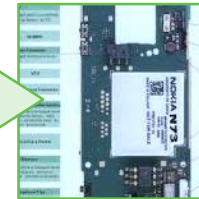
Invetech

- Leverage engineering and IP to secure long-term supply to IVD and Life Sciences clients
- Target Cell Therapy manufacturing to drive recurring revenue

Deeply Embedded in the Product Development Workflow



Early Research



Initial Development



System Verification



Broad Deployment

Addressing Attractive Opportunities in Higher Growth End Markets is Driving Portfolio Evolution

Evolution

- Shift in Portfolio Toward Higher Growth Segments
 - Data Center
 - Automotive
 - Power
- Solutions offerings that address end-to-end vertical workflows
- Service offerings bring insights into customer needs
- High-impact innovation: 35% product vitality, multiple new products, advancement in cloud strategy

Differentiators

- Product design and technology pipeline
- FBS lean product development tools
- Global application and service expertise
- Application solutions targeting high-growth verticals



Data Center



Automotive



Power



Mil/Gov

Differentiated Technology Platform

Developing scopes of the future with market leading capability for high growth verticals

Emerging Software Strategy

Driving meaningful growth with new, recurring revenue

China Growth Strategy

Win in early adopters technology and core real-time scopes

TEKTRONIX: DIFFERENTIATED SCOPES PLATFORM

Multi-Year Platform Launch with Market Leading Technology

The Challenge

- Time-to-market pressure
- Smaller devices driving harder to measure signal voltages

The Power of FBS

- Customer Obsessed Experimentation
- Rapid prototyping, experimentation, customer validation
- Lead Product Definition
- Growth Accelerator sprints
- New prototyping techniques
- Experiments range from 1-day to 1-month



The Answer:

A Differentiated Technology Platform Accelerated by FBS

- Intuitive user interface
- Modular components
- Lowest noise and highest sensitivity

2017

2018

Planned: 2019



5 Series

Broke the innovation barrier



6 Series

Automotive & Power markets



3 Series

Extend platform to new markets – for every engineer, for everyday use



4 Series

With Cloud-Based Data Visualization and Analytics

In-the-Box Software

- Best-in-class signal processing, algorithms, analyses, tools
- All provided within the box

Automation Enablement

- Automated, real-time data exchange
- Complete programmatic control of Tektronix's instrumentation

Collaboration & Analytics

- From “point tests” to “workflows”
- Cloud + Data Analytics / AI + Collaboration

Cloud, Collaboration and Analytics Offering

Increased use of off-scope analysis

Rapid growth of software engineers in design workflows

Rapidly emerging needs for new protocols and measurement algorithms

Pain points centered in data flow, retrieval, documentation and collaboration

Customer Workflow



Expanded Offering of Value-Added, On-Scope Apps Enabled by Cloud Connection

TEKTRONIX: SOFTWARE DEVELOPMENT

FBS Case Study



Growth Accelerators

Daily & Visual Management

Kaizens

Process at a Glance

Fortive Software System

Best Practices

- Empowerment & Accountability Culture
- Continuous “Build-Measure-Learn”
- Training Kaizens to Deploy Best Practices

Results

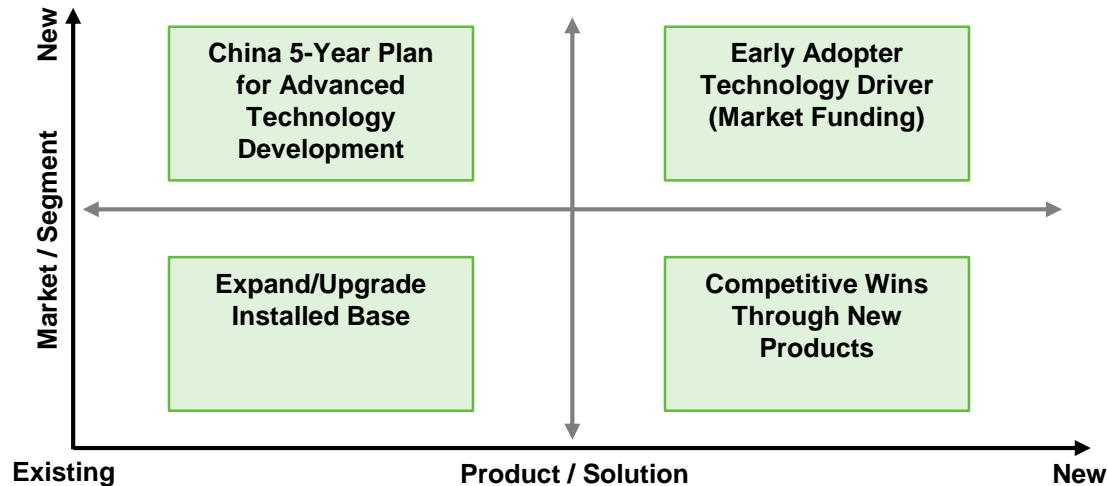
- 7X better early defect finding
- 46% more features per sprint
- 48% reduction in test cycle time

Win in Early Adopter Technologies - In China For China (IC4C) Strategy

Capture share of wallet from China regulation driver

Win in Core Real-Time Scopes

Grow market share with 3, 4, 5, 6 Series scopes



Growth Opportunities

- China semi build-up
- Quantum research
- Growing optical module demand from 5G
- Vehicle electrification and EV power infrastructure
- China education reform centered around building innovation labs

Satellite Market - Opportunities

- Addressable market: ~\$100M
- Early stages of renewed growth
- Record high investment in 2018
- SEA technology leveraged from defense market to address attractive private sector opportunity

SEA™ Technology

- Networked ordnance control system developed by PacSci EMC
- Huge savings in weight, power and wire complexity
- Emerging applications in:
 - Satellites
 - Aircraft emergency systems
 - Space launch and separation events

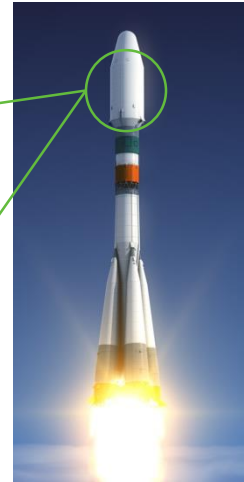
Differentiators

- Cost savings
- Plug-n-play solution
- Offers redundancy
- Compatible with multiple connectors and configurations

Controller



Initiator



PRODUCT REALIZATION SUMMARY

Advantaged by brand strength, financial profile, large installed base, and multiple secular growth drivers

Continuing to improve portfolio to reduce cyclicalities and increase profitability

Executing focused growth initiatives

Cultivating growth and innovation through FBS

Health

Pat Byrne | Senior Vice President

ADVANCED STERILIZATION PRODUCTS (ASP) OVERVIEW

2018 Financials

- **Revenue:** ~\$0.8B
- **Gross Margin:** Low-50%

Market Dynamics

- **Market Size:** ~\$5.0B
- **Growth Rate:** MSD

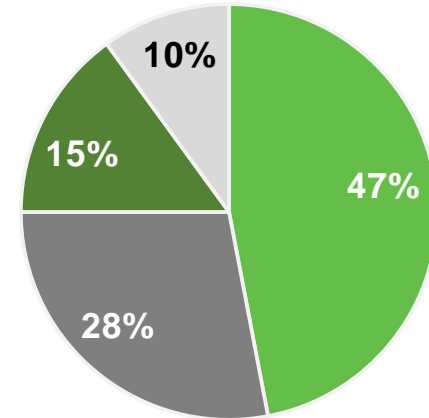
Secular Growth Drivers

- Aging population's demand for surgical procedures
- Trends towards minimally invasive & robotic surgeries
- Improving standards in High Growth Markets (HGMs)
- Increasing regulatory compliance around HAI

Customers

- Providers: Central Sterile Service Departments (CSSD); Gastrointestinal Suites
- Decision Makers: Heads of Sterilization; Purchasing
- Influencers: Infection control; Biomed; Nurses in CSSD

Revenue by Geography



FORTIVE'S PRESENCE IN HEALTHCARE

Full Solutions Player in Healthcare Workflows Combining Hardware/Software, Consumables and Services

ASP

Terminal Sterilization (TS)

High-Level Disinfection (HLD)

- Full solution portfolio for sterile ecosystems, including hardware, software and consumables
- Strong presence in healthcare customer sterilization and disinfection workflows
- Deep understanding of customer workflows drives next generation of products and solutions

Fluke Health Solutions

OEM Equipment Quality Assurance

Staff Radiation Protection

Patient Dose Optimization

- Leader in medical device quality assurance and radiation compliance
- Strong presence in healthcare safety and radiation compliance customer workflows
- Evolving offering to deliver cloud-based automation software that addresses patient dose optimization

Attractive business models with high consumables / recurring revenue content in end markets that are subject to rising compliance and safety requirements

ASP PRODUCTS AND SERVICES

	Key Products		Key Differentiators
Terminal Sterilization	Capital	STERRAD NX / 100S / 100NX with ALLClear Technology	<ul style="list-style-type: none"> Large, global installed base supports razor / razor blade model with proprietary cassettes Pioneer and leader in low-temp sterilization Premier technology and commitment to innovation Integrated digital ecosystem improves processing time and safety / compliance >24K medical devices validated for sterilization
	Consumables	STERRAD sterilant Cassettes & Biological Indicators (BI)	
	Software	ASP ACCESS Technology Connectivity Solution	
High-Level Disinfection	Capital	EVOTECH Endoscope Cleaner & Reprocessor	<ul style="list-style-type: none"> CIDEX is the leader in biocides (50+ year legacy) Innovation in biocides and processors Expertise in advanced disinfection and sterilization solutions with platform presence in both categories Offering of automated-value and automated-premium machines
		ENDOCLENS Automated Endoscope Reprocessor	
	Consumables	CIDEX (biocide)	
Services	<ul style="list-style-type: none"> Maintenance and repair contracts Critical for customer success Expansion in digitally-enabled services 		<ul style="list-style-type: none"> Service revenue from maintenance contracts (preventative and annual) or repair charges In some markets, like the U.S., a high proportion of installed base is under service contracts



STERRAD NX



Biological Indicators



EVOTECH

Macro Drivers of Market Growth

Focus on Hospital Acquired Infections (HAI)

Surgery volumes growing due to aging population

Steadily growing number of endoscopic procedures

Increased use of minimally invasive surgeries
(Delicate instruments need Terminal Sterilization)

Competitive Advantage

H2O2 Technology

- Created the category
- Improved environmental and safety considerations versus Ethylene Oxide technology
- Demonstrated lower levels of residual H2O2 on packaging

More Validated Devices

- 3X the number of medical devices validated on STERRAD
- Long-term relationships with manufacturers
- Regulator intensity increasing

Global Footprint

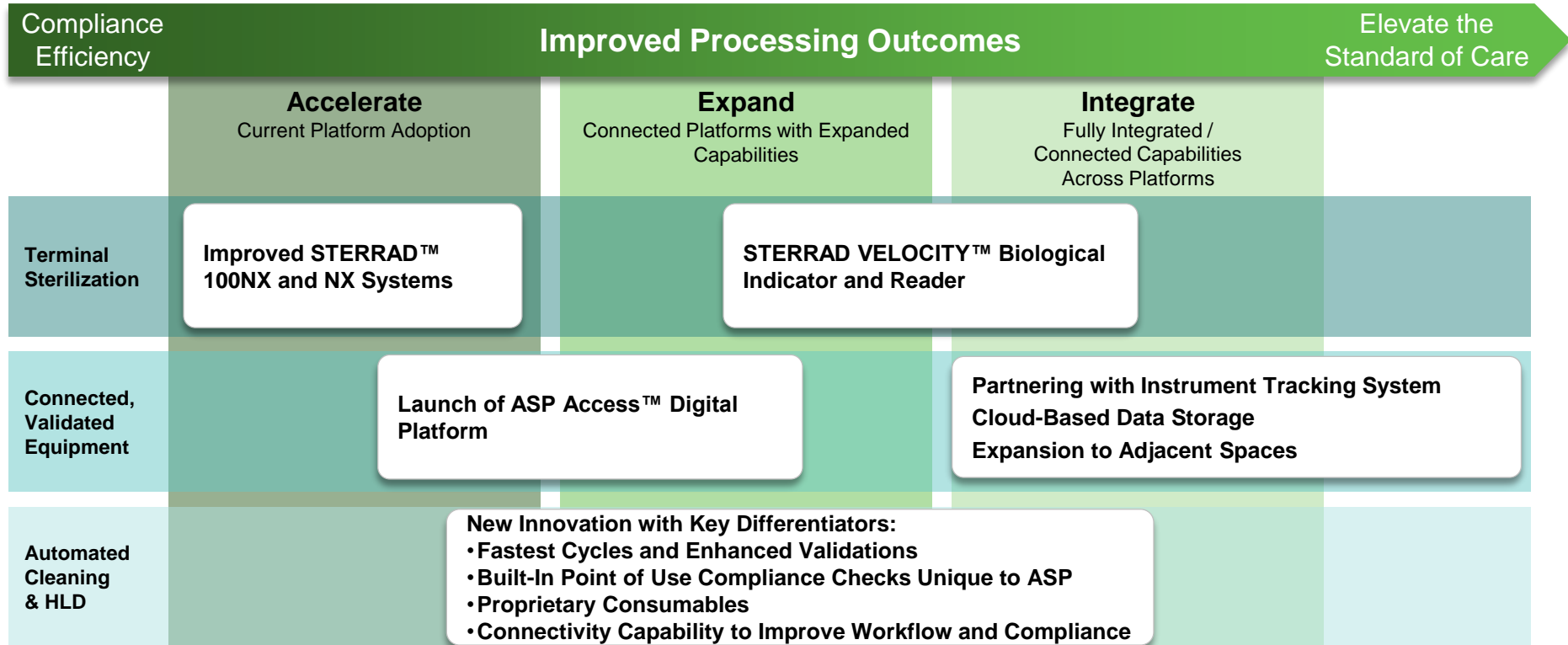
- Present in >50 countries
- Present in >11,000 hospitals

Branded/Proprietary Consumables

- Proprietary consumables for STERRAD and new HLD devices – tied to ASP capital devices
- CIDEK brand highly valued in HLD segment

CONNECTED ECOSYSTEM TO IMPROVE & SIMPLIFY COMPLIANCE

Steady Stream of Innovative Products To Drive New Revenue Streams



Unlocking our Full Potential with FBS

Global alignment to Fortive operating company structure

Improve execution
Transformative marketing
Funnel management

Accelerate innovation

High Growth Markets

M&A to expand portfolio

100-day plan shaping long-term strategic direction

Competitive Advantage

Deploy FBS

- FBS funnel management to improve win rates
- Transformative marketing to deliver significant acceleration in lead generation
- Growth Accelerators with rapid experimentation to improve innovation velocity

New Products and Digital Technology

- Successful commercialization of new AER (Aeroflex)
- Expand connected device strategy
- Use data streams to identify new innovation opportunities

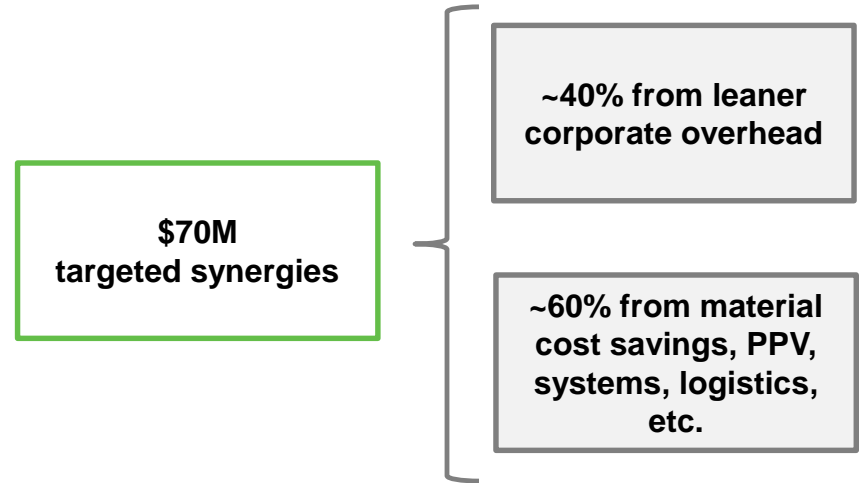


HGMs to Grow Installed Base

- Invest in HGM go-to-market resources
- Build out HGM product portfolio with specific focus on BRICs – continue expanding footprint of existing product lines

ASP INTEGRATION UPDATE

- Transaction closed on April 1st
- Strong team in place leading ASP forward
- Significant emphasis on successful stand-up process and execution of 100-day plan
- Establishing efficient go-forward corporate organization and systems
- On track to achieve previously communicated synergy target of \$70M by Year 3



Market leader with innovative technology, global footprint, and strong financial profile

Strong start with focus on 100-day plan to shape long-term strategy

Growth initiatives focused on new products, digital technology, and high growth markets

Unlocking full potential with FBS

Transportation Technologies

Martin Gafinowitz | Senior Vice President

TRANSPORTATION TECHNOLOGIES OVERVIEW

2018 Financials

- **Revenue:** ~\$2.0B
- **Gross Margin:** Mid-40%

Market Dynamics

- **Market Size:** ~\$8.0B
- **Growth Rate:** MSD

Secular Growth Drivers

- Regulation – environmental, safety, security, payment
- Larger, more sophisticated fueling networks
- Changing competitive landscape faced by fleet managers directing the movement of goods and people
- Increasing urbanization and congestion

Customers

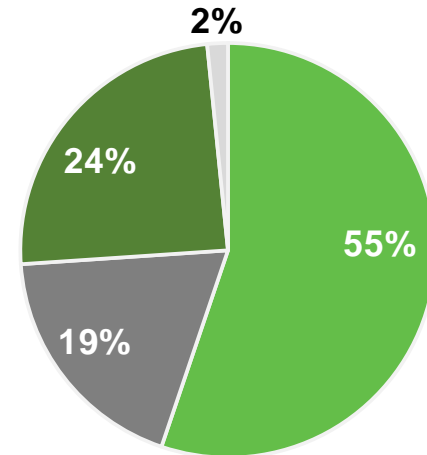
- Energy companies and convenience store retailers
- Fleet operators
- Municipalities



TELETRAC NAVMAN

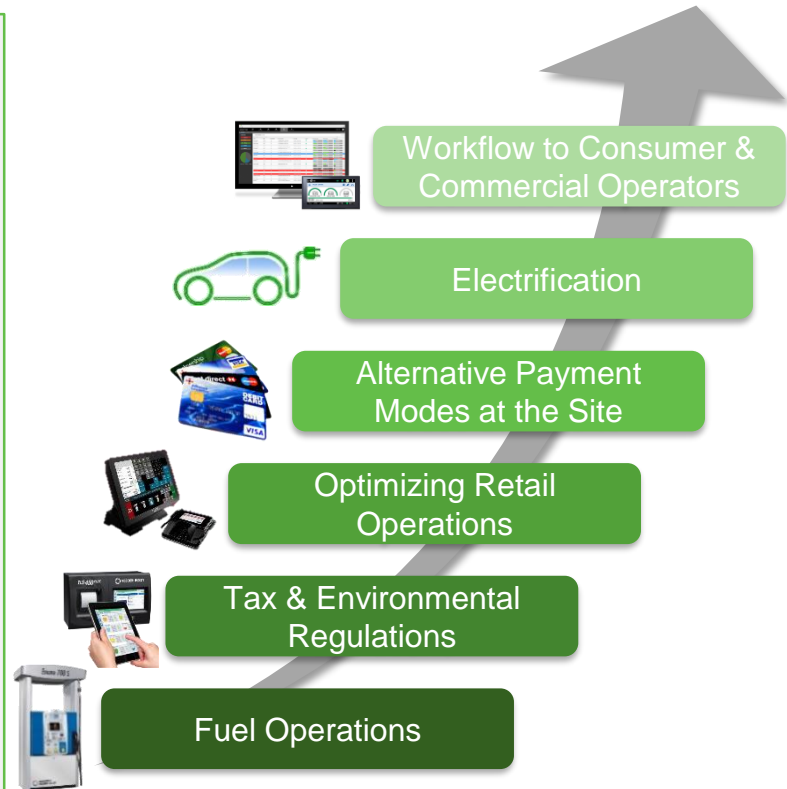


Revenue by Geography



Market Leader, Rapidly Expanding Beyond EMV

- Legacy business has significant upside and growth opportunities
 - GVR uniquely positioned to continue expanding in High Growth Markets (HGMs)
 - Significant opportunities from increasing sophistication and technology evolution of convenience store format
- Expand connected workflow solutions with Insite360 SaaS
 - Opportunities: Forecourt, in-store and in fuel supply chain
 - Best of breed applications and unique 'single pane of glass' offering to connect the applications
- Opportunities across changing "mobility infrastructure"
 - Large runway in EV Infrastructure – well positioned with Tritium
 - GVR brings best-in-class integrated solutions for convenience stores
- Future vectors
 - Continue to build out position in Smart Cities
 - Expand beyond Telematics – broader supply chain opportunities



- EMV upgrade progressing; growth across all segments
- 40-45% of the market currently has EMV-capable dispensers; Forecast to be at 50%+ by end of 2019
- Still forecasting build-out to run on well past 2020 deadline
- GVR leading the market with EMV payment acceptance
 - Outdoor EMV software released for 70% POS customers
- Well positioned with MOC programs incentivizing upgrades at branded networks



- Requirement for retailer cost reduction is driving adoption of new technologies to improve store productivity
- Bigger, more complex sites with broader offerings and omni-payment channels
- Energy companies continue to expand, increasing the complexity of overall networks



High Growth Markets

- Leverage Orpak platform to organically develop solutions
- Current installed base across HGM's is ~35K sites growing at +20%

Developed Markets

- Deploy next generation solutions
- Solution deployed at 70K stations, HSD growth
- New SaaS Tablet POS launched in the U.S.
 - Integrated EMV offering with first major brand program launched in April (Shell)

CASE STUDY: AUTOMATION IN INDIA

The Challenge

Rapidly roll-out automation solutions within large & complex customer networks

The Solution

- Leverage deep GVR customer network knowledge from existing service reach
- Deploy best-in-class automation & payment solutions gained through Orpak acquisition
- Deeply entrench solutions within customer workflows to improve stickiness & sustainable market share positions
- FBS & Kaizen enabled weekly installations to ramp from 200 to 500



~60k New Stations Being Built in Next 3-5 Years

>50% Market Share in Automation

Service Reach to ~65,000 Stations

Payment Solution Experience in ~6,500 Stations

Creating a +\$100M Business in India in 2019

CASE STUDY: FBS IN INDIA

FBS Drove Dramatic Inventory Improvements in India

The Challenge

Decrease inventory levels in GVR's Coimbatore plant while experiencing rapid growth and an increasingly complex model mix

The Solution

- Installed a full-time FBS leader focused on training, champion development and powering Kaizen events
- Conducted a Fortive Materials System assessment to ensure a detailed understanding of the current state
- Utilized Lean Conversion and Heijunka tools to enhance pull system across the plant



**Inventory
Turns up
57% Since
2016**

**50%
Reduction
in Space
Required**

**50%
Reduction
in Lead
Times**

**Sustained
On-Time-
Delivery at
>95%**

**26%
Increase in
Dispensers
Produced
Each Day**

FBS Enabled a 57% Improvement in Inventory Turns Within a Rapidly Growing Plant

STRONG FIRST STEP IN RAPIDLY EVOLVING EV MARKET



Develops and Manufactures DC Fast Chargers to Support the Global Transition to E-Mobility for Clean, Healthy and Convenient Cities



Secular Growth Drivers

- Increasing regulation of CO₂ emissions
- Rapidly improving / lower cost battery technologies
- Increasing availability of affordable EV models
- Investment in charging infrastructure to support broader EV roll-out

Tritium's Global Footprint

- Installations in 26 countries around the world
- #1 position in high speed charging in Europe – 3,000+ high speed chargers deployed
- Facilities in Australia, the U.S., and the Netherlands

Customer Base

- EV charging network providers
- Utilities
- GVR opens up energy companies, convenience store retailers & fleets



Smart Cities Secular Growth Drivers

- Global population growth and demographic shifts
- Urbanization and ride sharing causing major congestion issues
- Cities investing in mass transit systems

Global Traffic Technologies Overview

- Focused on emergency vehicle prioritization for optimized fire / ambulance response time
- >3,100 customers
 - 41 of the 50 largest cities in the U.S.
- Strong financial profile
 - 10%+ revenue growth and 30%+ OP

Expansion into Transit


- Priority control becoming increasingly critical
- Deep understanding of agencies' long-term plans provides competitive advantage
- Wins with key agencies (NYC, Montreal, San Francisco) leading to other cities adopting
- 12% 3-year revenue CAGR in the transit business



- Remain focused on stabilizing the U.S. business
- Q1 saw a sequential improvement in churn in U.S., pointing to initial progress
- Leveraging FBS to ensure that efforts are directed towards the correct problems
- Continue to experience strong growth in the Asia Pacific region

Vertical Focus on Private Transportation Drives Success in ANZ

- Capitalizing on changing safety regulations with compliance bundles, positively impacting ARPU
- Deepening presence in the private transportation work flow by launching a freight visibility solution
- Continuing to leverage market-leading position to cross-sell new solutions into the existing customer base



**+10% Core
Growth in
Each of the
Last 3 Years**



**~15% ARPU
Growth
Since 2016**



**Sustained
Churn of
Less Than
7%**

EMV continues to be a strong growth driver over the next few years

Uniquely positioned to drive growth in automation across both developed and high growth markets

Expanding deeper into the work-flow and driving growth in cloud-based services by leveraging strong existing installed base

Building position in EV infrastructure for long term growth

Adjacent market opportunities across “smart cities” & supply chain software provide additional M&A runway

Franchise Distribution

Martin Gafinowitz | Senior Vice President

FRANCHISE DISTRIBUTION OVERVIEW

2018 Financials

- **Revenue:** ~\$0.6B
- **Gross Margin:** Mid-40%

Market Dynamics

- **Market Size:** ~\$4.5B
- **Growth Rate:** LSD

Secular Growth Drivers

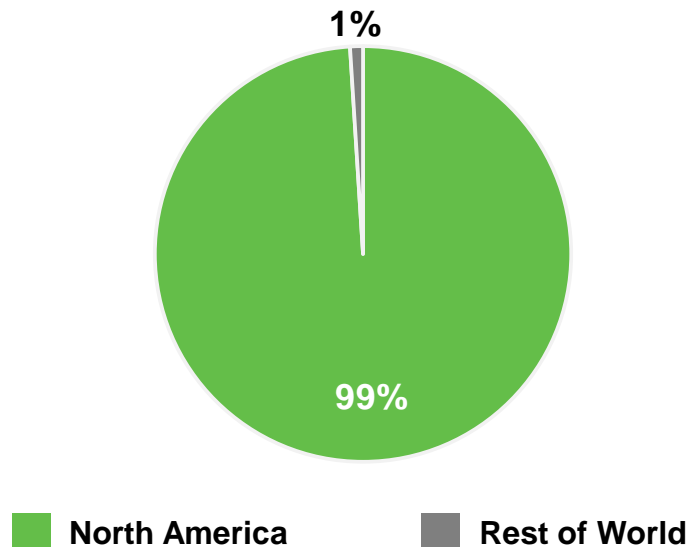
- Increasing complexity of vehicle repair
- Aging vehicle installed base
- Increasing vehicle mileage

Customers

- Automotive technicians
- National accounts
- Technical education students



Revenue by Geography



Adding Software and Service to Move More Deeply into Shop Workflow

Innovate to address evolving customer needs due to rising vehicle complexity

- Repair now requires more diagnostic tools and repair solutions
- Automotive shops struggling to keep up; looking to trusted suppliers to provide solutions

Leveraging channel access and brand strength

- Matco and Coats brands recognized and trusted in shops for tools and equipment.
- Software and diagnostics services deepening relationship with shops

Accelerate growth with deployment of digital / connected offerings

- New SaaS and services deployed digitally on tablet marketplace
- Rapid deployment of new products / services

Opportunity to Address Evolving Needs of Automotive Shops with Innovative Products and Services

- Rising vehicle complexity making repair procedures more challenging / less intuitive
 - Networked Vehicles
 - Advanced Driver Assist Systems
 - Electrified Vehicles
- Shortage of qualified automotive technicians
 - Existing technicians are aging and retiring
 - Lower technician school enrollment
 - Competitive labor market
- Repair shops need increased labor productivity to meet demand
 - Software-enabled workflow solutions, including diagnostic tools
 - Innovation within traditional tools and equipment product lines to improve productivity



ACCELERATING INNOVATION IN TRADITIONAL TOOL CATEGORIES

Ball Joint Press



- Replaces decades old product with patented design
- Significantly easier use and greater functionality

16 Volt Brushless Impact Driver



- Growing line of easy-to-use cordless products
- More to come over next 12 months

AC Recyclers



- Touch screen interface
- Remote access via Wi-Fi and an extensive service network

Hyper-Step Drill Bits



- Matco exclusive patented tip design
- Dramatically improves cutting speed

EXPANDING THE MAXIMUS PLATFORM – DRIVEN BY FBS

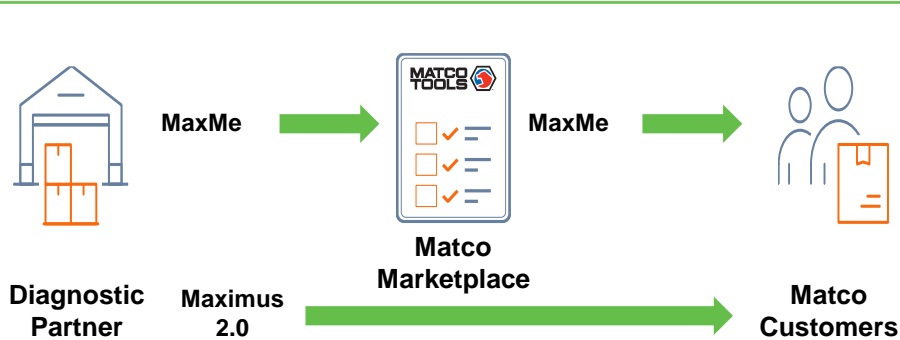
- Extensive use of FBS to identify the opportunities, quickly bring new solutions to market, and successfully commercialize them
- Voice of Customer (VoC) for idea generation and validation
- Growth Accelerators methodology to go quickly from VoC insights to prototypes
- What it means for Matco customers:
 - Broader set of solutions to complete repairs more efficiently & raise productivity
 - Improved ability to address increasingly complex repair requirements
 - Avoid lost revenue from repairs they don't have expertise / technical capability to perform on-site



DEVELOPMENT OF MATCO'S DIGITAL MARKETPLACE

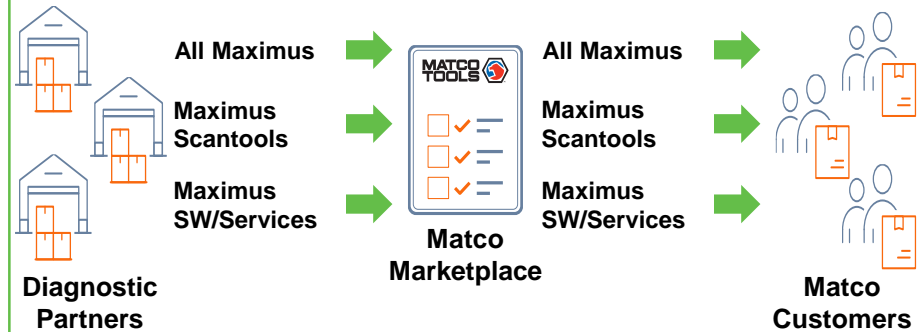
Leveraging Digital Marketplace as a Channel for Deployment of Hardware, Software, and Service Offerings

Prior Go-To-Market



- Most products sold via traditional sales method (periodic sales, done 1x1)
- MaxMe was initial / only product sold via Matco Digital Marketplace
- Limited scope for commercial interaction with customers

New Go-To-Market



- Significant expansion of Matco Digital Marketplace to enable purchases across entire Maximus platform
- Enhanced marketplace allows more rapid product development & deployment to customers
- Broader offering drives higher number of interactions with customers & on a more regular basis

Vehicle complexity and tech shortage increasing need for higher shop productivity

Growing line of diagnostics is enhancing shop workflow with point of use information and repair services

Expanded digital marketplace accelerating the deployment of software and services into the market

FBS driving development and commercialization throughout product lifecycle

Sensing Technologies

Pat Murphy | Senior Vice President

SENSING TECHNOLOGIES OVERVIEW

2018 Financials

- **Revenue:** ~\$0.4B
- **Gross Margin:** Low-50%

Market Dynamics

- **Market Size:** ~\$6.5B
- **Growth Rate:** LSD

Secular Growth Drivers

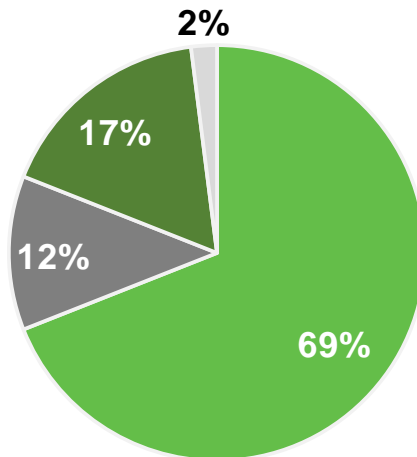
- Hygienic requirements for food and beverage
- Regulatory focus on patient safety and satisfaction
- Connected sensors; IoT remote monitoring of assets

Customers

- OEMs: Industrial, medical, agriculture, aerospace, semi
- System integrators: HVAC, bio-pharma, food and beverage
- End users: Hospitals, dairy, pharmaceuticals



Revenue by Geography



Sensor Manufacturers

Sensor Elements
/ Base Sensors

Packaged
Precision Sensors

Instruments
(Sensors Inside)

FTV's
Sensing
Technologies
Offering



Core Market Positions

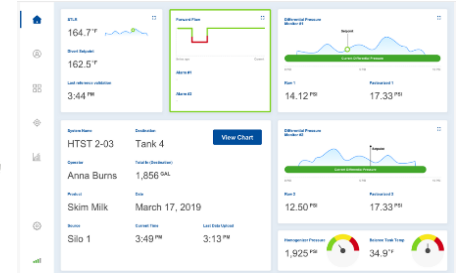
System Suppliers

Sub-system Sensors &
Instruments Connected to
HMI & Controller

Sensors & Instruments
Connected to Control &
Analytical Software / IoT



Growing Market Positions



Emerging Growth
Opportunities

Leveraging core positions in packaged sensors and sensor-enabled instruments to deliver connected precision sensing systems that improve personal health, comfort, safety, and efficiency

CASE STUDY: ACCUBIN BULK INVENTORY MANAGEMENT PLATFORM



- Identified through FBS Growth Accelerator process
- Deep customer VoC to identify customer personas, pain points, and a “problem worth solving”
- Low fidelity solutions presented to customers within 30 days
- Rapid experimentation used to refine potential solutions

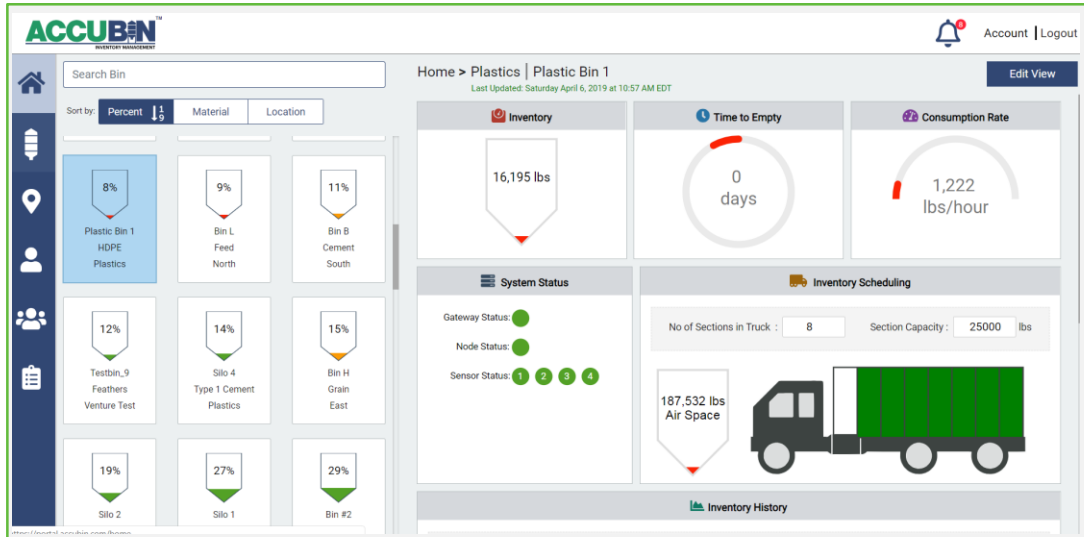
Key System Attributes / Values

- Continuous visibility into bulk inventory levels
- Increased monitoring efficiency
- Early warning notifications
- Safety enhancement
- Real-time refill confirmations
- Secure encrypted data

Addressable Market Opportunities

- Agriculture
- Poultry farming
- Plastic molding
- Oil and gas (fracking)
- Cement
- Pharmaceutical

Launched in 2019 to strong customer interest
Addressable market estimate: \$250M

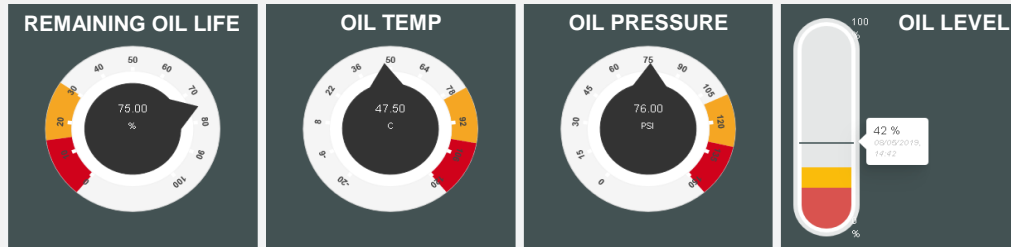


Only Digitally-Enabled System for Bulk Inventory Management on the Market

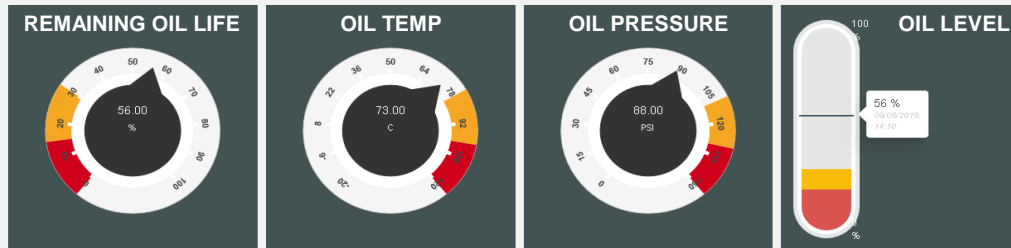
CASE STUDY: LUBRICANT ANALYSIS FOR CONDITION MONITORING

- Policy Development initiative leveraging FBS Growth Accelerator
- Proprietary fluid condition sensing technology
- Change from time-based to condition-based service
- 5 installations will be in place by June, 2019

Compressor 1



Generator 1



Key System Attributes / Values

- Continuous visibility into lubricant condition
- Extends required service intervals
- Improved productivity and service efficiency
- Reduced machine failures
- Reduced unplanned downtime
- Minimized lubricant waste and disposal

Addressable Market Opportunities

- Off-highway vehicle fleets
- Industrial equipment
- Machining facilities
- Marine
- Power generation

Launches in June 2019
Addressable market estimate: \$500M

CASE STUDY: CRITICAL ENVIRONMENTS MONITORING SYSTEM

- Identified through FBS Growth Accelerator process
- Deep customer VOC to identify customer personas, pain points, and a “problem worth solving”
- Infection Control experts and IoT partners identified for project
- Target 3 pilot sites online by Fall 2019

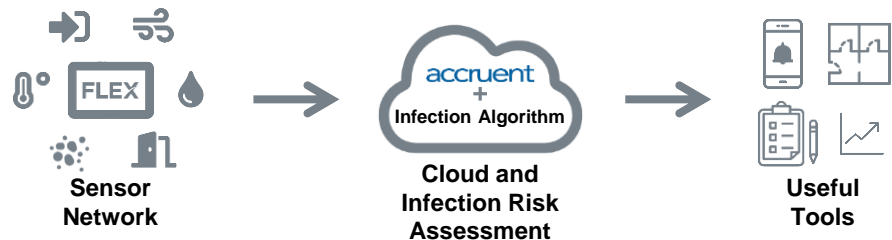


Key System Attributes / Values

- Continuous visibility of available environmental sensor data
- Algorithm to assess real-time risk of airborne infection
- Cross-functional workflow integration
- Useful tools and trending to help end users take action
- Secure data handling (healthcare application)

Addressable Market Opportunities

- Hospitals (ORs/isolation rooms/patient rooms/pharmacies)
- Cleanrooms
- Laboratories
- Vivariums



Building from a strong leadership position in core markets

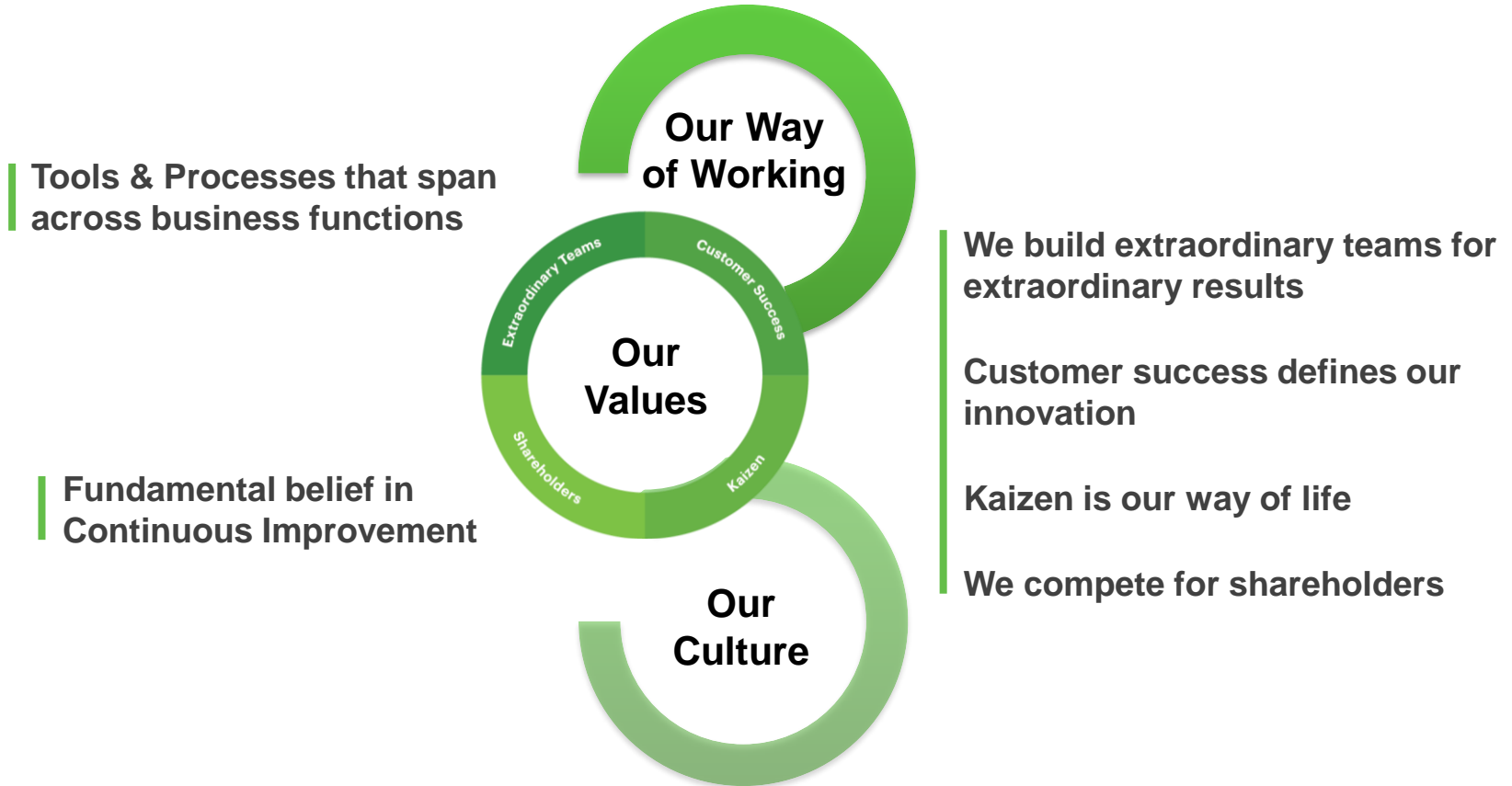
Strengthening core position through focus on product portfolio, growth verticals, and HGMs

Moving up the value continuum with growth in sub-system and IoT digital system solutions

Utilizing FBS culture and tools to drive improvements in growth and operations

FBS Evolution

Barbara Hulit | Senior Vice President



Leadership Capabilities

Senior Talent → Employee Base

Growth Capabilities

Sales → Marketing → Digital, SaaS → Experimentation

Lean Capabilities

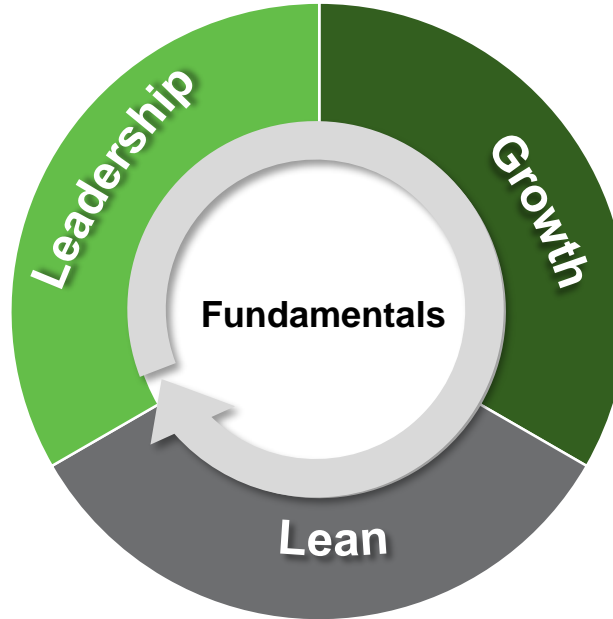
Operations → Cross-functional

RANGE OF FBS TOOLS APPLY TO SOFTWARE BUSINESSES

Traditional Tools that Apply to Software Businesses, and Software Tools that Apply to Traditional Businesses

- Policy Deployment
- Situational Leadership
- Performance for Growth
- Development for Growth
- Leadership Experiences

- Fortive Reliability System



Dream

- Growth Accelerator

Develop (R&D)

- Fortive Software System
- Lean Product Definition
- *Secure Product Development**
- *Agile Product Development & Lean Portfolio Management**

Deliver (Commercial)

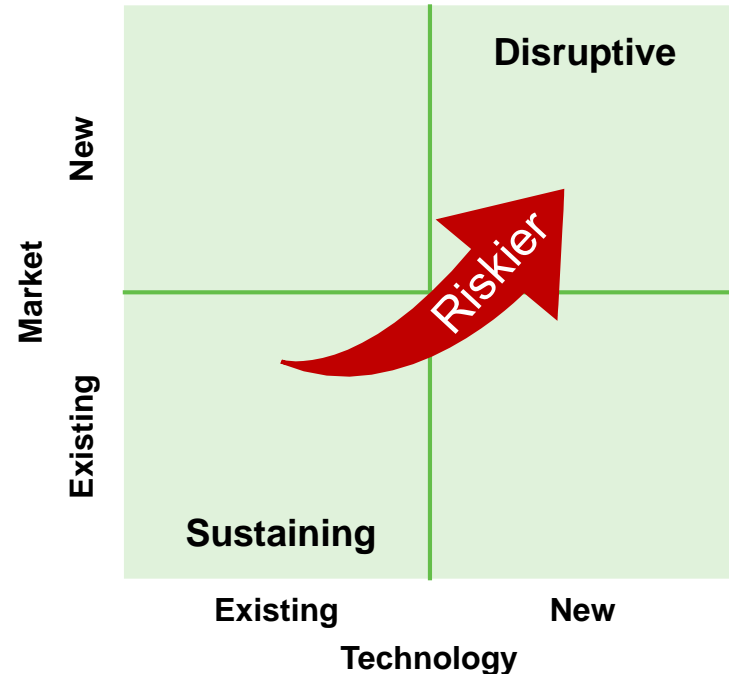
- Funnel Management
- Value Selling
- Value Pricing
- Digital Marketing
- *Customer Lifecycle Management & Retention**
- *SaaS Pricing & Deal Desk**

* Software tools

GOAL TO OUTPACE MARKET SHIFTS TOWARD DIGITAL OFFERINGS

Changing the Way we Innovate to Enhance Leading Positions Across our Markets

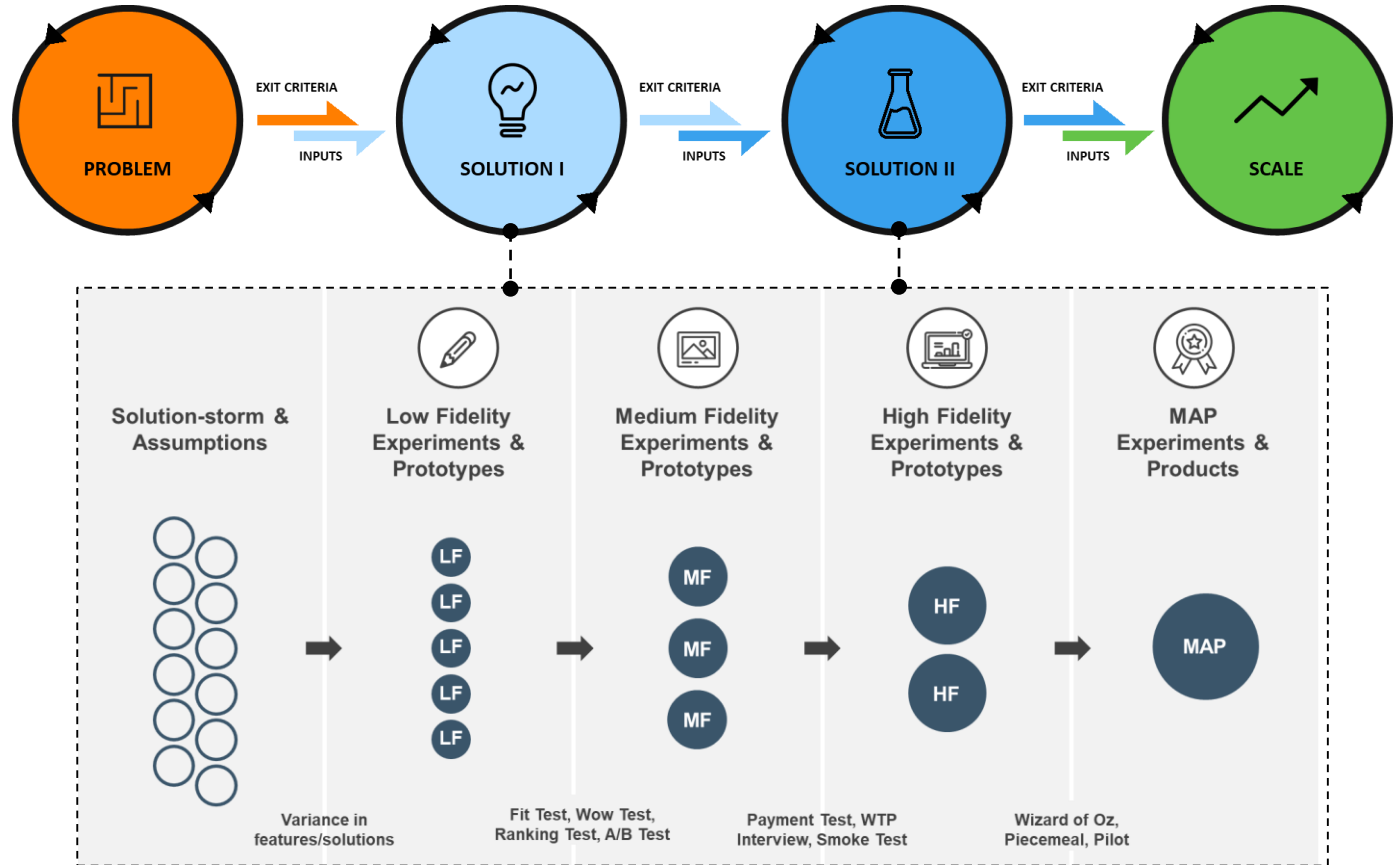
- Continuous improvement mindset is at the core of Fortive's business...
- ...but disruptive innovation requires pushing beyond making existing products / processes better
- Innovating at the pace of change, based on start-up best practices
- Leveraging the masses of data from our OpCos for the innovation journey
- Learnings from innovation effort inform our M&A activity
- Accelerating progress, forging partnerships in academia and communities



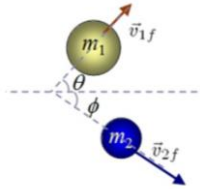
BUILDING A ROBUST IDEA & INNOVATION PIPELINE

Growth Accelerator Framework

- Aimed at identifying “Problems Worth Solving” and quickly bringing solutions to market
- Immersive VoC
- Rapid prototyping / experimentation
- Facilitating pivots and fast fails



ENCOURAGED BY GROWTH ACCELERATOR RESULTS TO DATE



Results to Date

- ~20 projects
- 14 projects developing in-house at OpCos
- 1 project incubating at The Fort
- 4 projects killed
- 1 resulted in investment

>\$1B TAM identified to date and 9 project teams already generating revenue



RUSTBUSTERS

The Challenge

Accelerated corrosion of tanks due to increasing use of environmentally-friendly fuels



More Sludge

Minimum Viable Prototypes



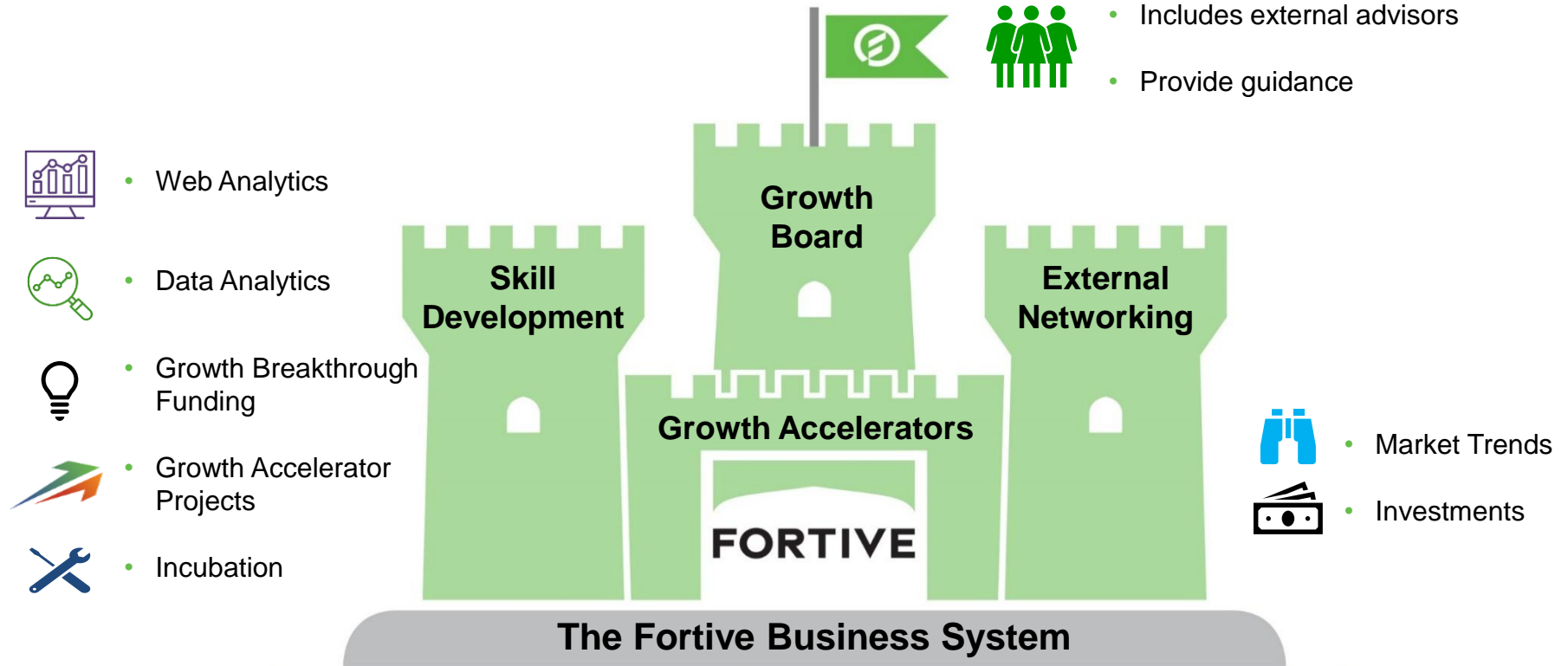
FBS Growth Accelerator Tools Applied

- Immersive VoC
 - 200+ customer / stakeholder interactions
- Rapid Prototyping and Experimentation
 - Combined 25 prototype offerings
 - 90% customer response rate, 80% beta acceptance

Results

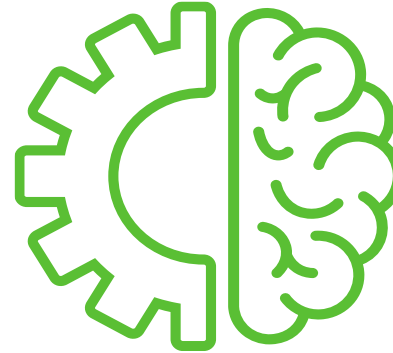
- Identified 40X larger market opportunity
- 50% faster time to revenue
- >10 committed beta customers currently undergoing installation
- >\$500M 10-year opportunity

INTRODUCING “THE FORT”



Transforming Data into Valuable Insights and Solutions

- Leveraging ecosystems of partners and own expertise to create new value for our customers
- Building from both internal and external data sources
- Charting a course for enabling new data-based, SaaS business models
- Developing algorithms for OpCos as they move from measuring to predicting
- Building capabilities in machine learning and artificial intelligence



EARLY PROGRESS WITH DATA ANALYTICS

FBS Work on Filter Clogs in Fueling Systems at GVR

Customer Need / Opportunity	<ul style="list-style-type: none">Filter clogs directly impact revenue due to slower transaction times
Data Sets	<ul style="list-style-type: none">Sensor Data: Fuel flow ratesEvent Data: Filter changeouts based on GVR DS model logic
Progress	<ul style="list-style-type: none">Cleansed data...changeout eventsTransformed noisy flow rate data to smooth signalDeployed v1 flow rate prediction model
	<ul style="list-style-type: none">Improved average flow rates by 7%Additional ~3 million monthly transactions across 500 customer sitesTotal potential value of >\$20M for customer



As the Fortive portfolio transforms, FBS will continue to evolve

Foundation of FBS and continuous improvement

- Access new tools through acquisitions for use across Fortive, e.g. SaaS selling models
- Improve acquisitions through traditional tools with proven results, e.g. funnel management
- Also learn from those who are “best in class” through external networking

Making strong progress around faster breakthrough innovation, with more to come

The Fort, including data analytics, AI, IIoT, and machine learning will help enable accelerated progress

Closing Remarks

Jim Lico | President & Chief Executive Officer

KEY THEMES

Significant portfolio transformation from \$7B+ of acquisitions since 2016

Building a portfolio to deliver higher growth and greater innovation

Advancing our digital strategy by leveraging leading positions in key markets

FBS continues to evolve with our portfolio as the foundation of our culture

A FORWARD LOOK – FORTIVE IN THE FUTURE

Progress with Portfolio Transformation in Past Three Years Provides Blueprint for Where we are Going

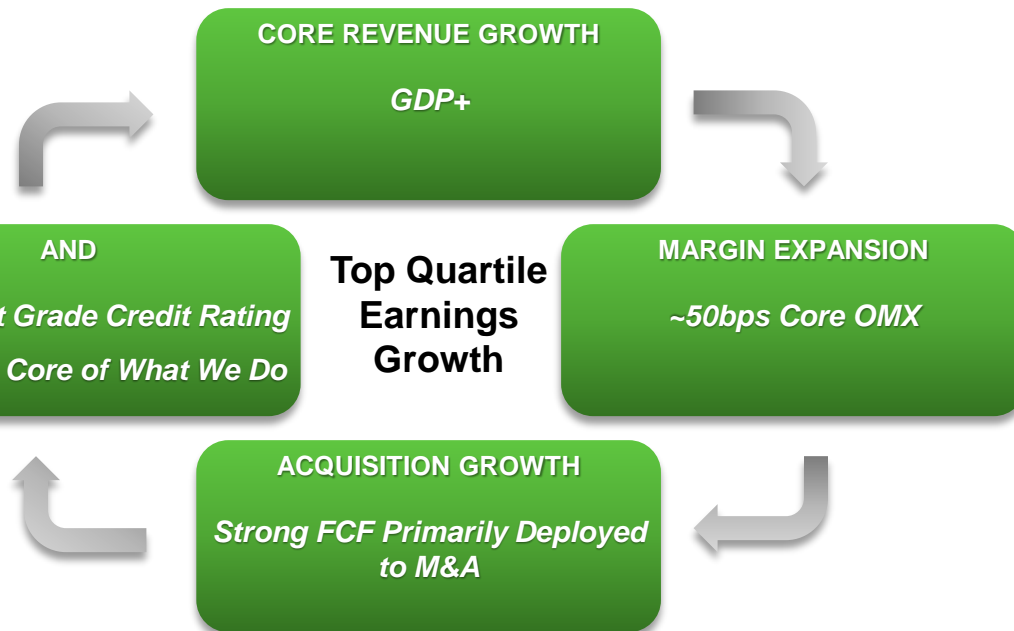
- Differentiated hardware, software and service offerings
- Enhanced core growth through the cycle
- Reduced portfolio cyclicalities from greater recurring revenue
- Growing share of revenue from software / software-enabled workflow solutions
- Consistent margin expansion and FCF growth through FBS

Targeted Future Performance	
Core Growth	MSD
Recurring Revenue	40%+
Gross Margin	60%+
Adjusted EPS Growth	Consistent DD
FCF Growth	Consistent DD

Higher Growth & Margins → Higher Free Cash Flow → Accelerated Compounding

REAFFIRMING OUR FY 2019 GUIDANCE

The Fortive Formula



Guidance

- Full year adjusted diluted net EPS guidance of \$3.55 – \$3.65
 - 3.0 – 5.0% core growth
 - 25 – 50bps core OMX
 - Includes \$0.20 contribution from ASP and \$(0.05) from Tek Video transaction
- 2Q adjusted diluted net EPS guidance of \$0.86 – \$0.90
 - 3.0 – 4.0% core growth
 - Core OMX roughly flat

Differentiated industrial technology solutions that address mission-critical productivity, safety, and quality needs for our customers

Strong free cash flow generation fuels investment in organic innovation and acquisitions to accelerate our strategy



Portfolio of leading brands with long-term customer relationships and deep installed bases in key verticals

Application of the Fortive Business System supports growth, innovation, margin expansion, and leadership development



FORTIVE