

UBS Global TMT Virtual Conference

Jim Lico | President & CEO

December 07, 2020



FORWARD LOOKING STATEMENTS & NON-GAAP FINANCIAL MEASURES

Statements in this presentation that are not strictly historical, including statements regarding the future impact of the COVID-19 pandemic on our financial condition and our operations on a consolidated basis and by operating company and product group, the Company's ability to execute on cost reduction measures effectively, the Company's anticipated earnings, business and acquisition opportunities, ability to realize the benefits of the separation of Vontier, timing of acquisitions, dispositions and other transactions, anticipated revenue, anticipated operating margin, anticipated cash flow, economic conditions, future prospects, anticipated impact of geopolitical events, and any other statements identified by their use of words like "anticipate," "expect," "believe," "outlook," "guidance," "forecast," 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: the duration and impact of the COVID-19 pandemic, 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 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 realize the intended benefits of our separation of Vontier, 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 the phase out of LIBOR, 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, risk related to tax treatment of our separation of Vontier, impact of our indemnification obligation to Vontier, 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, 2019 and our Quarterly Report on Form 10-Q for the quarters ended March 27, 2020, June 26, 2020 and September 25, 2020. 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 forward-looking financial measures including, "adjusted gross profit margin (adjusted gross margin)," "adjusted operating profit margin (adjusted operating margins)," "adjusted free cash flow conversion," "adjusted diluted shares outstanding," "adjusted effective tax rate," and "adjusted incremental margin," which are, in each case, not presented in accordance with generally accepted accounting principles ("GAAP"). We have not reconciled such forward-looking outlook because any corresponding GAAP measures and the reconciliations thereto would require us to make estimates or assumptions about unidentified and unknown acquisitions, and similar adjustments during the relevant period.

We completed the divestiture of our Automation and Specialty Business ("A&S Business") on October 1, 2018, and of our Industrial Technologies segment on October 9, 2020, and accordingly we have treated the results of those businesses as discontinued operations for historical periods. The forward-looking outlook presented in this presentation are based on continuing operations.



FORTIVE