

BANK OF AMERICA 2021 GLOBAL TECHNOLOGY CONFERENCE

JUNE 9, 2021



JIM LICO
PRESIDENT & CEO

FORWARD LOOKING STATEMENTS & NON-GAAP FINANCIAL MEASURES

Statements in this presentation that are not strictly historical, including statements regarding business and acquisition opportunities, timing of acquisitions and other transactions, anticipated financial results, economic conditions, future prospects, anticipated market opportunities, 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 cyclicalities of markets we serve, competition, changes in industry standards and governmental regulations, our ability to recruit and retain key employees, 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, 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 historical financial measures including “free cash flow” which is not presented in accordance with generally accepted accounting principles (“GAAP”). Information required by Regulation G with respect to such historical non-GAAP financial measures is set forth in the “Investors” section of our website, www.fortive.com. We also present forward-looking non-GAAP measures, including “LT core growth,” “adjusted gross margin,” “adjusted EBITDA margin,” “adjusted operating profit margin,” “free cash flow,” “free cash flow margin,” “free cash flow conversion,” and “core OMX.” We have not reconciled such forward-looking non-GAAP outlook because any corresponding GAAP measures and the reconciliations thereto would require us to make estimates or assumptions about unidentified and unknown acquisitions, currency exchange rate, and capital investments 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 for fiscal years 2018 through 2020 as discontinued operations for historical periods. The forward-looking financial outlook in this presentation are presented on continuing operations.

FORTIVE AT A GLANCE

2021 Key Metrics*

~\$5.2B
Revenue

~38%
Recurring Revenue

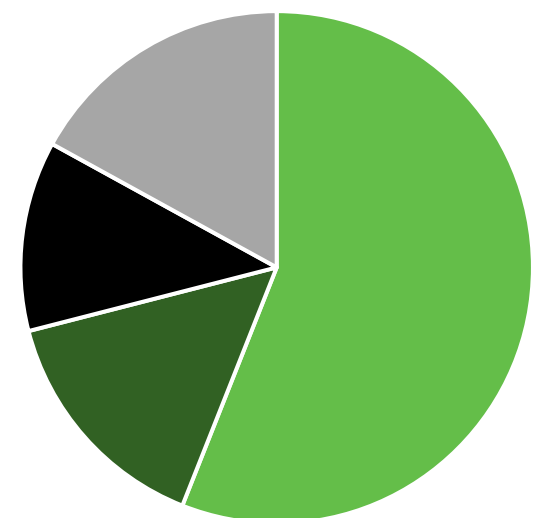
~58%
Adj. Gross
Margin

~23%
Adj. Operating
Profit Margin

>105%
Free Cash Flow
Conversion

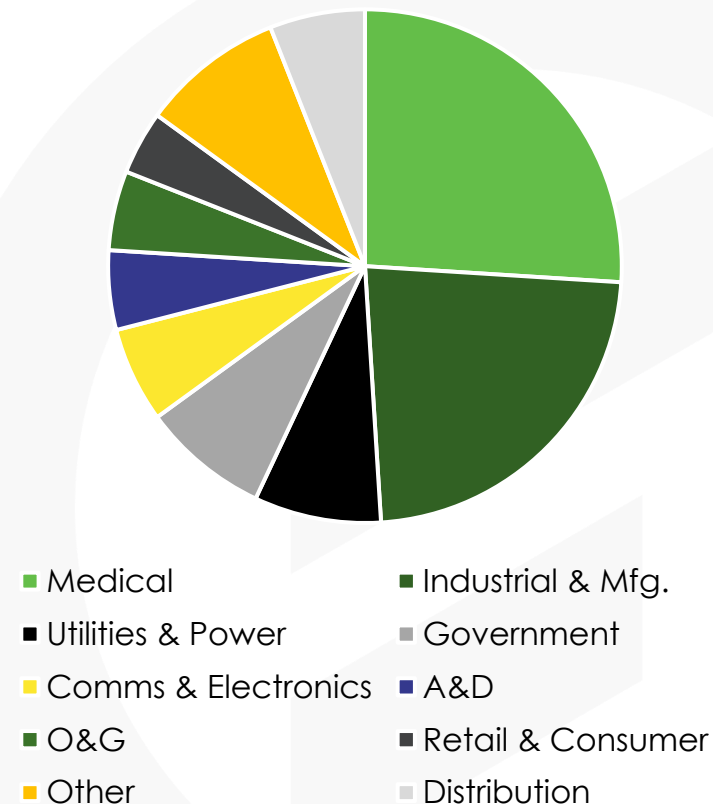
~18%
FCF
Margin

Revenue by Geography**



■ U.S. ■ W. Europe ■ China ■ RoW

Revenue by End Market**
















* Estimated figures based on FY 2021 guidance

** Based on FY 2020 revenues and, with respect to the end market, based on management estimates

LEADING FINANCIAL PROFILE AND WELL-POSITIONED ACROSS A RANGE OF ATTRACTIVE MARKETS

POSITIONED FOR ACCELERATED GROWTH & COMPOUNDING

| | Intelligent Operating Solutions (~40% of Sales*) | | | Precision Technologies (~35%*) | | | Advanced Healthcare Solutions (~25%*) | | |
|-----------------|---|-----------------------------------|----------------------------------|---|----------------------------------|--------------------------------------|---|---|-------------------------------------|
| | Delivering leading workflow solutions that facilitate field and facility safety, reliability, and productivity | | | Enabling IoT expansion and accelerating the development of new technologies and innovations | | | Serving hospital customers with essential products and workflow solutions that ensure safe, efficient and timely healthcare | | |
| LT Core Growth | | MSD+ | | | LSD | | | MSD+ | |
| Key Financials* | Adj. Gross Margin Mid-60s | Adj. OP Margin High-20s | Recurring Revenue ~30% | Adj. Gross Margin Low-50s | Adj. OP Margin Low-20s | Recurring Revenue High-20s | Adj. Gross Margin Mid-50s | Adj. OP Margin Low-to-Mid-20s | Recurring Revenue Low-70s |
| Key Brands |      | | |     | | |     | | |

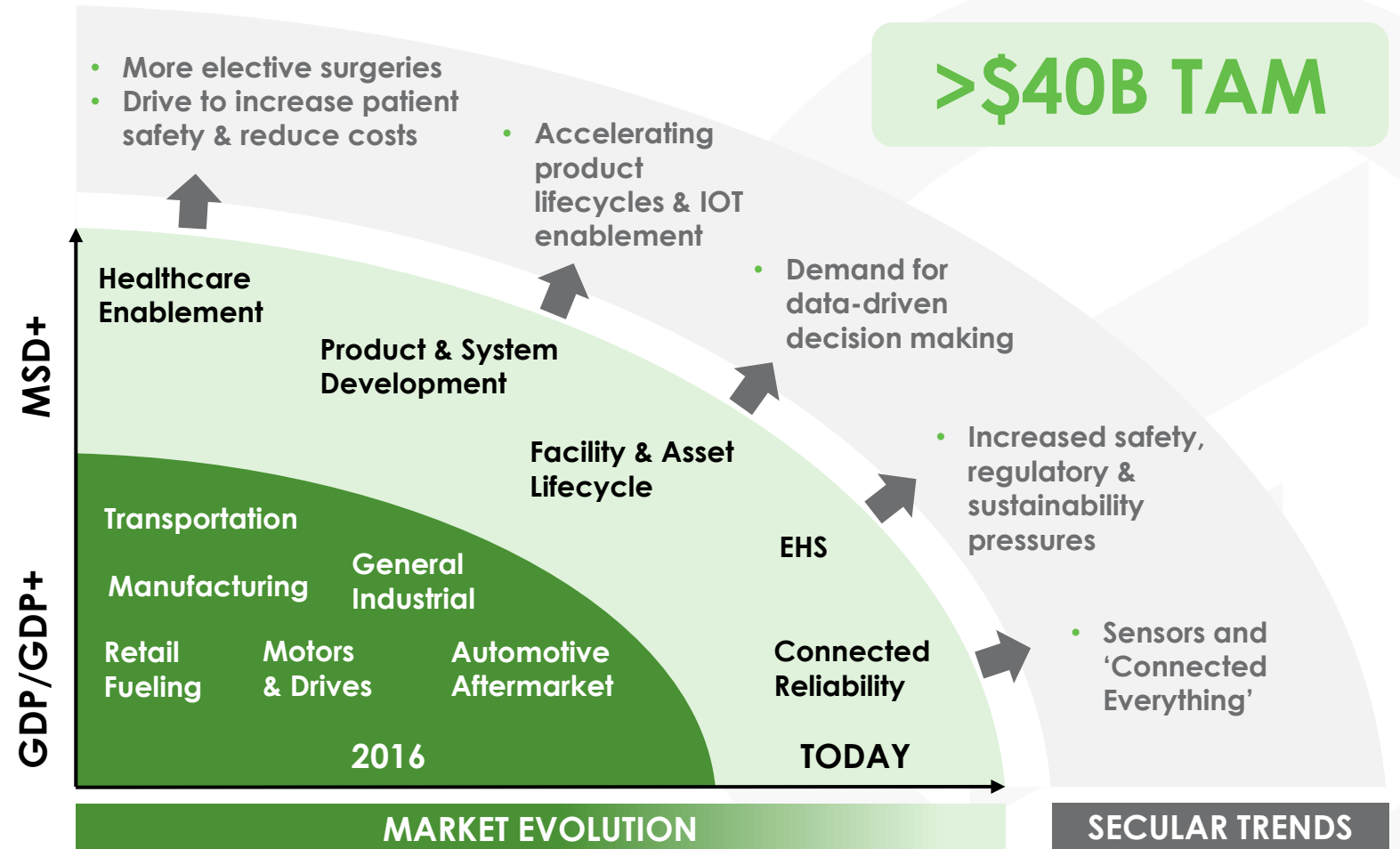
* Based on expected FY 2021 results.

DIFFERENTIATED COMPOUNDING PROFILE SUPPORTED BY HIGH QUALITY GROWTH SEGMENTS

PORTFOLIO EVOLUTION POSITIONS US IN HIGHER GROWTH MARKETS





SIGNIFICANT RUNWAY TO DRIVE MSD GROWTH

- Increased exposure to higher growth, less cyclical end markets
- Aligned with strong secular trends
- Address critical workflows with key pain points
- High-growth recurring revenue opportunities



FOCUSED ON ATTRACTIVE, HIGH GROWTH MARKET OPPORTUNITIES

OUR SECULAR DRIVERS

| | TAM (\$B) | DEMOGRAPHICS  | INTERNET OF THINGS  | REGULATION & SAFETY  | AUTOMATION & DIGITIZATION  |
|---------------------------------|----------------|---|---|--|--|
| Intelligent Operating Solutions | ~\$19B | ✓✓ | ✓✓ | ✓✓✓ | ✓✓✓ |
| Precision Technologies | ~\$14B | ✓ | ✓✓✓ | ✓ | ✓✓✓ |
| Advanced Healthcare Solutions | ~\$10B | ✓✓✓ | ✓ | ✓✓✓ | ✓✓✓ |
| Foundational Trends | Data Analytics | | | | |
| | Globalization | | | | |

FOCUSED ON CUSTOMER WORKFLOW NEEDS WITH STRONG AND DURABLE GROWTH DRIVERS

HARDWARE FOUNDATION ENABLES GROWING SOFTWARE POSITION

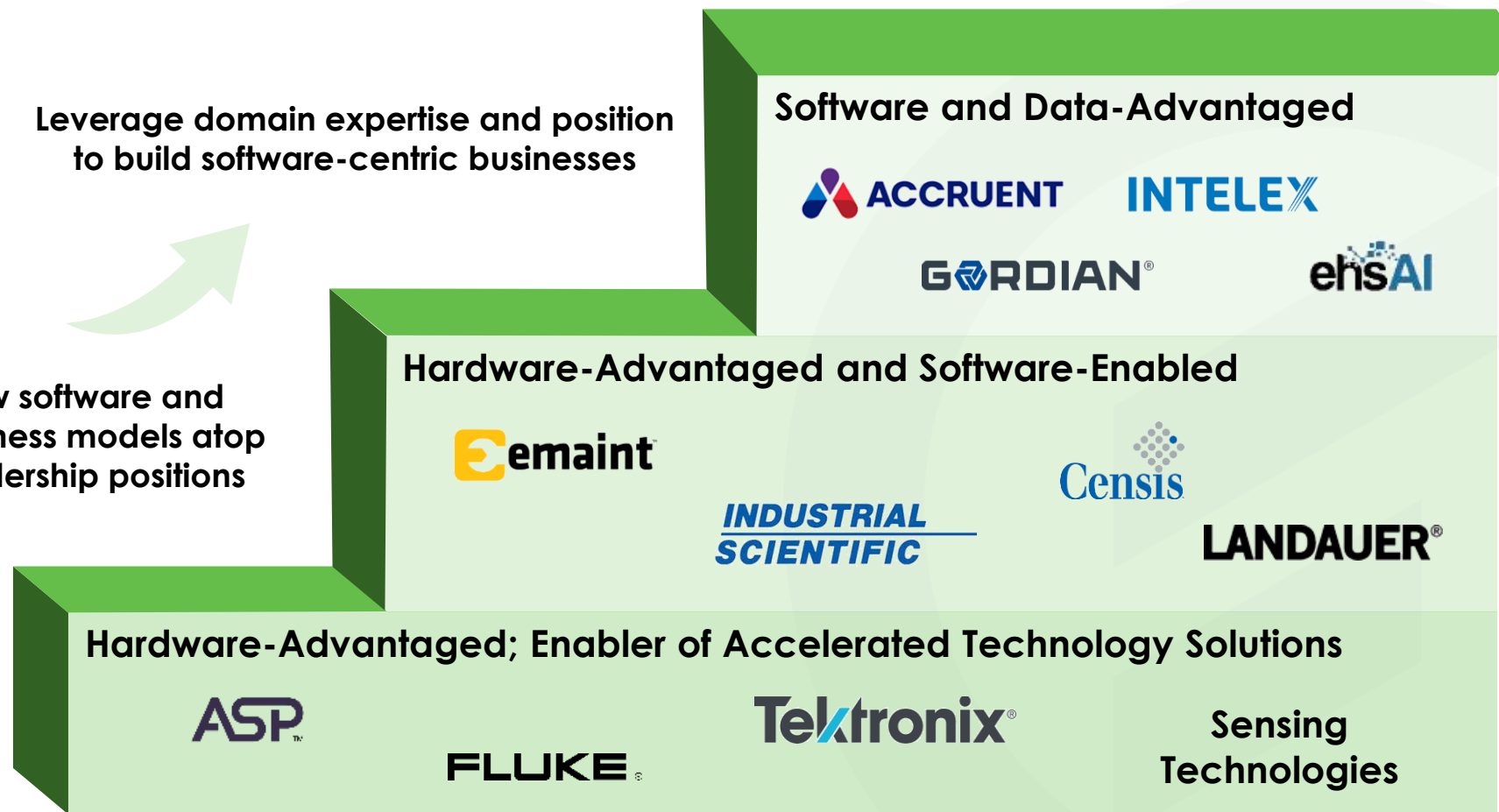
SOFTWARE REVENUE
ADDED SINCE 2016

~\$0.6B

Leverage domain expertise and position
to build software-centric businesses

Add workflow software and
innovative business models atop
hardware leadership positions

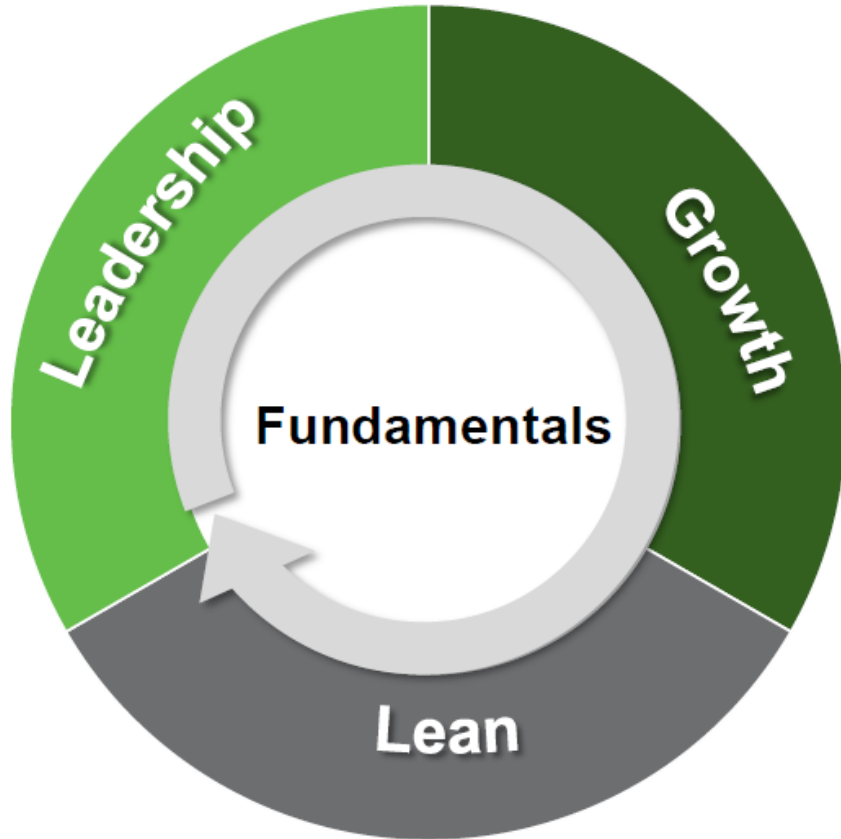
Foundation of highly-differentiated
hardware businesses



CREATING LONG-TERM COMPETITIVE ADVANTAGE WITH INCREASED CUSTOMER INTIMACY

CONSISTENTLY IMPROVING FBS TO INCREASE IMPACT

THE FORTIVE BUSINESS SYSTEM (FBS)



ADDING TO OUR INNOVATION TOOLSET & CAPABILITIES

INNOVATION



DATA ANALYTICS

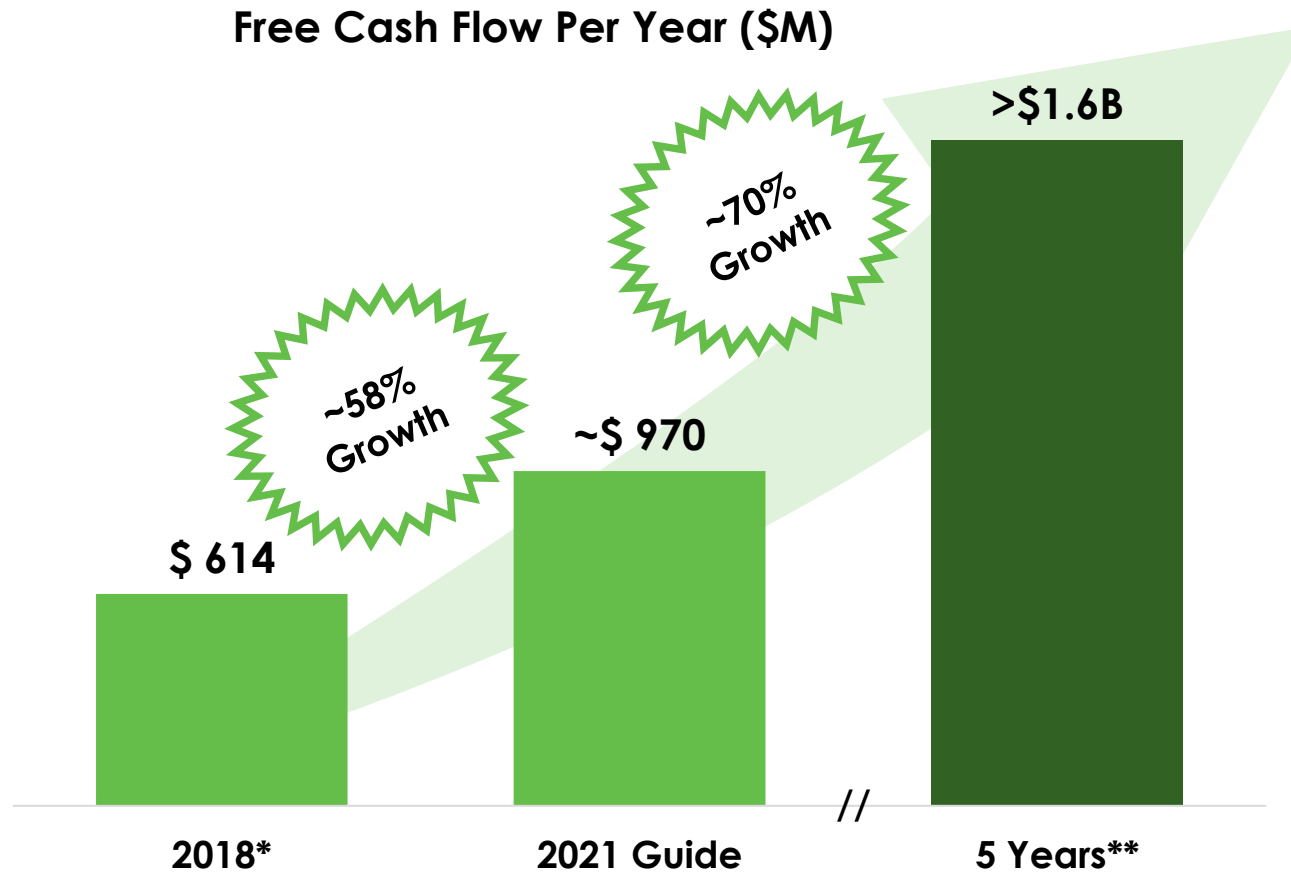


SOFTWARE



ENHANCING FBS TO DRIVE INCREASED IMPACT ACROSS OUR HARDWARE, SOFTWARE, AND DATA ANALYTICS OFFERINGS

DRIVING THE FREE CASH FLOW POWER OF THE PORTFOLIO



- Leveraging contribution from subscription-based / recurring revenue
- Driving ~75 bps of annual core OMX expansion
- Asset-lite portfolio (capex ~1.5% of sales)
- FBS driving higher working capital turns / efficiency
- Free cash flow supports balance sheet optionality for capital allocation strategy

* On a continuing operations basis

** Represents strategic targets and not forecasted results for any future periods

FREE CASH FLOW PROFILE SUPPORTS ACCELERATED COMPOUNDING

VALUE CREATION COMPOUNDING THROUGH PROVEN FLYWHEEL

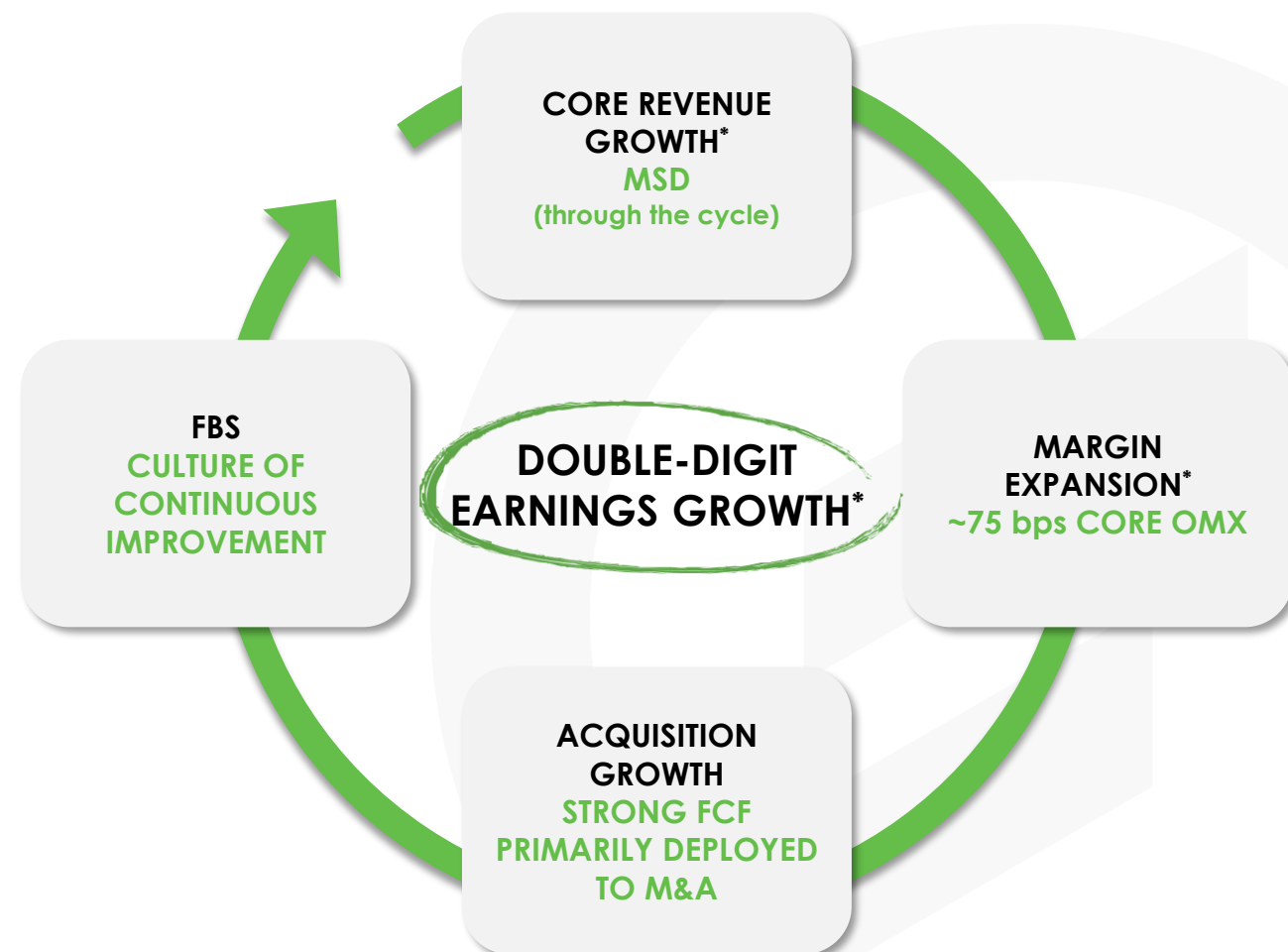
SUSTAINABLE COMPETITIVE ADVANTAGES

Leadership positions in attractive growth markets
– solving critical customer needs

Durable financial profile with strong margins and
free cash flow

Successful capital allocation track record

Supported by the Fortive Business System,
the cornerstone of our culture



* Represents strategic targets and not forecasted results for any future periods

HOW WE WIN: ADVANTAGED POSITIONS + FOCUSED GROWTH STRATEGY + DIFFERENTIATED CULTURE