

BAIRD 2021 GLOBAL INDUSTRIAL CONFERENCE

NOVEMBER 10, 2021



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PRESIDENT & CEO

FORWARD LOOKING STATEMENTS & NON-GAAP FINANCIAL MEASURES

Statements in this presentation that are not strictly historical, including statements regarding impact of supply chain constraints, anticipated financial results, economic conditions, future prospects, anticipated market opportunities, anticipated impact of geopolitical events, business and acquisition opportunities, timing of acquisitions and other transactions, 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 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 may contain references to financial measures not presented in accordance with generally accepted accounting principles (“GAAP”). We have not reconciled forward-looking outlook regarding non-GAAP measures because any corresponding GAAP measures and the reconciliations thereto would require us to make estimates or assumptions about unidentified and unknown acquisitions, stock price, capital and other expenditures and similar adjustments during the relevant period. Information required by Regulation G with respect to historical non-GAAP financial measures are set forth in www.fortive.com under “Investors-Quarterly Results.”

LEADING FINANCIAL PROFILE; WELL-POSITIONED ACROSS ATTRACTIVE MARKETS

2021 Key Metrics*

~\$5.3B
Revenue

~38%
Recurring Revenue

~58%
Adj. Gross
Margin

~23%
Adj. Operating
Profit Margin

>105%
Free Cash Flow
Conversion

~20%
FCF
Margin

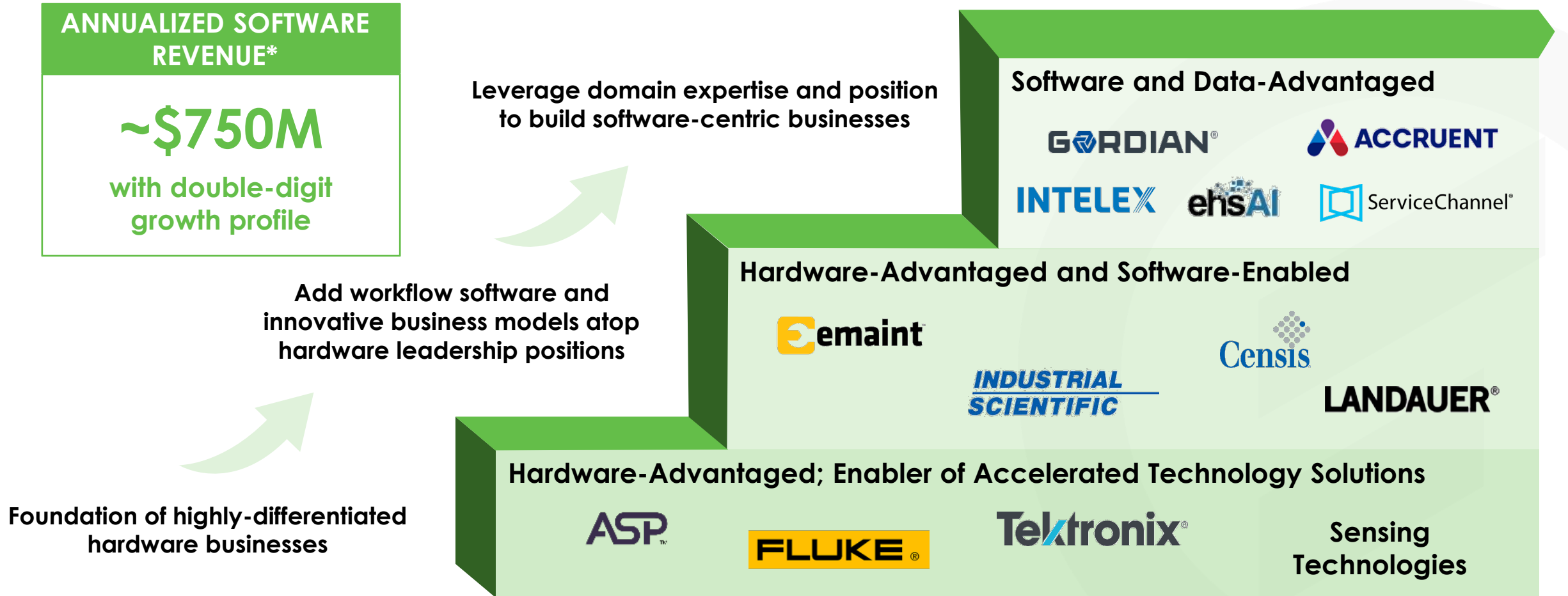
Three Strategic Segments with Strong Secular Growth Drivers

	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions
	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
Long-Term Core Growth	MSD+	LSD	MSD+
Adjusted Gross Margin	Mid-60s	Low-50s	Mid-50s
Adjusted Operating Profit Margin	High-20s	Low-20s	Low-to-Mid-20s
Recurring Revenue	~30%	High-20s	Low-70s

* Estimated figures based on FY 2021 guidance

EXPECTING TO DELIVER +LDD CORE GROWTH AND APPROXIMATELY 30% EARNINGS GROWTH IN 2021

HARDWARE FOUNDATION ENABLES GROWING SOFTWARE POSITION

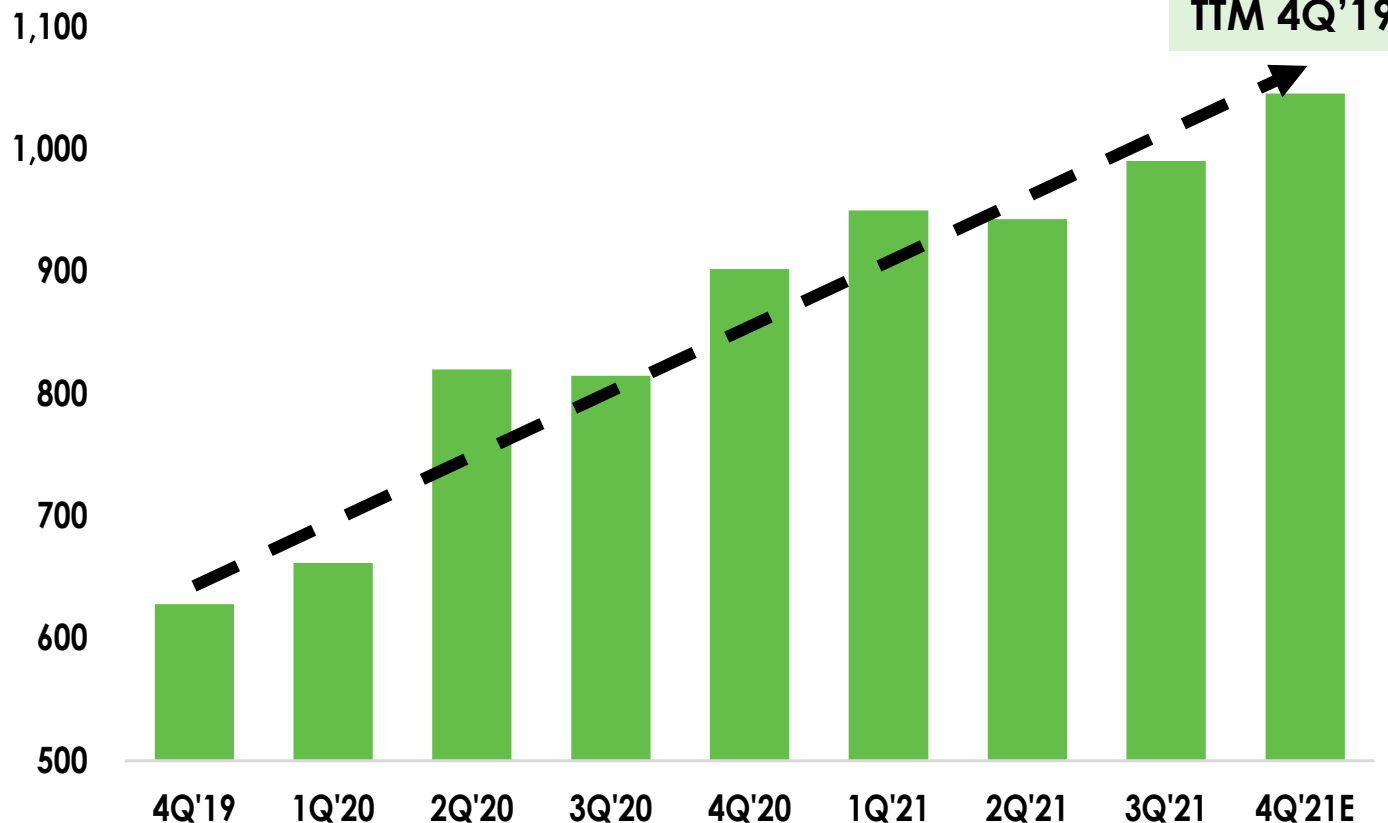


* Based on expected FY 2021 results; includes ServiceChannel FY2021E revenue.

CREATING LONG-TERM COMPETITIVE ADVANTAGE WITH INCREASED CUSTOMER INTIMACY

DRIVING THE FREE CASH FLOW POWER OF THE PORTFOLIO

Trailing 12-Month Free Cash Flow by Quarter (\$M)*



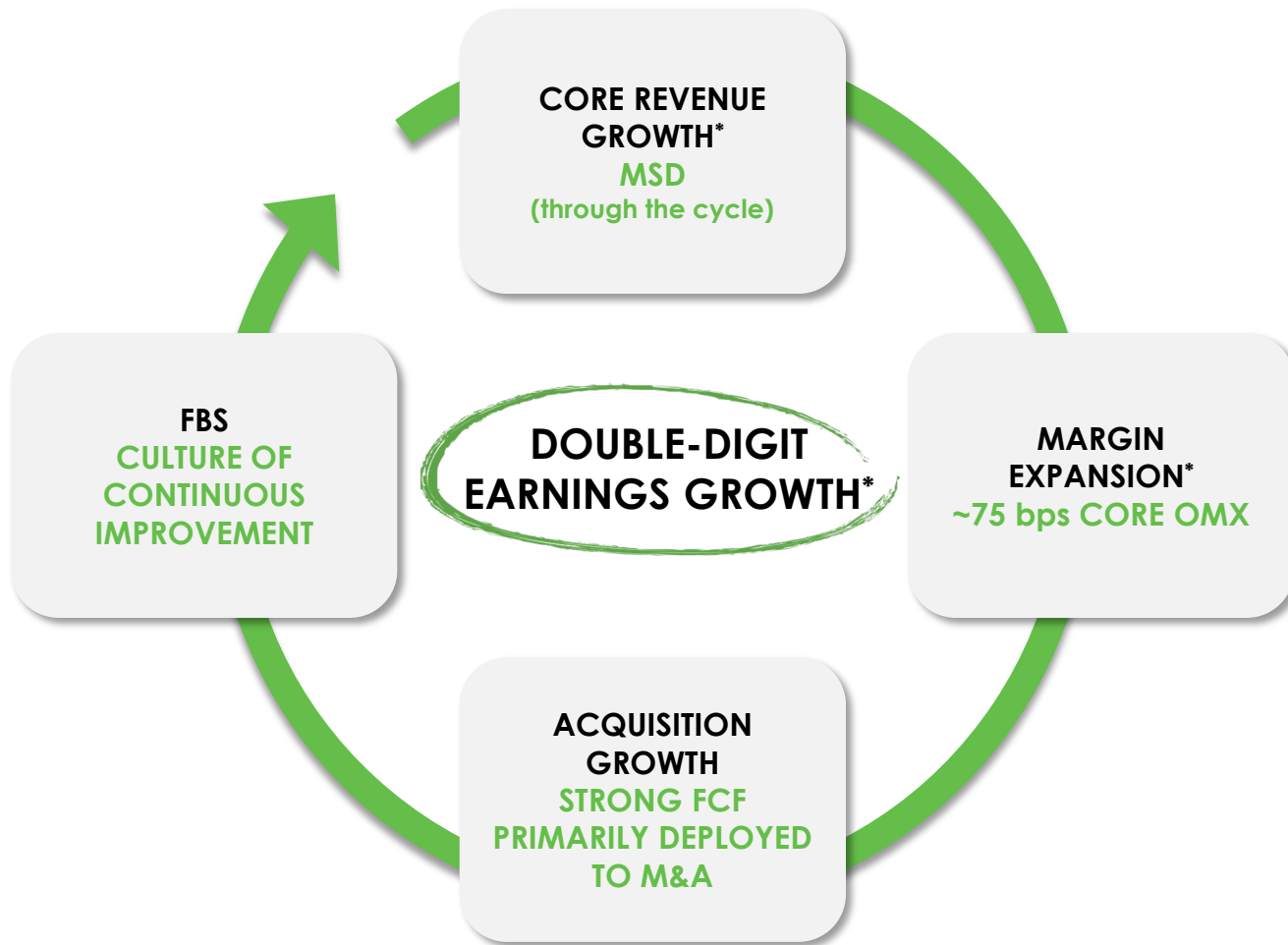
- Portfolio generating consistent +DD FCF growth
 - FCF in 2021 expected to be >\$1.0B**
- Continuing to add businesses with strong FCF profiles
 - Software growing as a percentage of the portfolio
- Approaching FCF margin of 20%
- Well on way to achieving >\$1.6B annual FCF target (in 5 years) as outlined at Investor Day

* On a continuing operations basis

** Based on FY 2021 guidance

PORTFOLIO EVOLUTION AND FBS DRIVING SIGNIFICANT IMPROVEMENT IN FREE CASH FLOW

ENHANCED PORTFOLIO WITH STRONGER COMPOUNDING FORMULA



- Capital allocation strategy has improved Fortive's organic growth profile
- Top-line progression to more recurring revenue drives resiliency and higher incremental margins
- FCF generation improves with margins; creating a more robust compounding model
- De-levered balance sheet provides optionality to continue to pursue strategic, accretive acquisitions
- Continue to apply discipline around returns on capital allocation

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

SIGNIFICANT RUNWAY TO DELIVER SUSTAINED DOUBLE-DIGIT EARNINGS AND FREE CASH FLOW GROWTH



FORTIVE