

# CITI GLOBAL INDUSTRIAL TECH & MOBILITY CONFERENCE

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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, scope and timing of any share repurchases, 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 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 prior separations, 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](http://www.fortive.com) under “Investors-Quarterly Results.”

## FORTIVE TODAY

A HIGHER GROWTH, MORE CASH GENERATIVE AND DURABLE BUSINESS

### 2022 Key Expectations\*

**\$5.8B**  
Revenue

**40%**  
Recurring  
Revenue

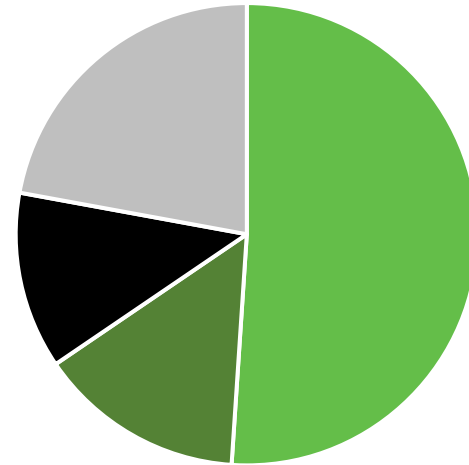
**17%**  
2-Year Stack Core  
Growth

**59%**  
Adj. Gross  
Margin

**24%**  
Adj. Operating  
Profit Margin

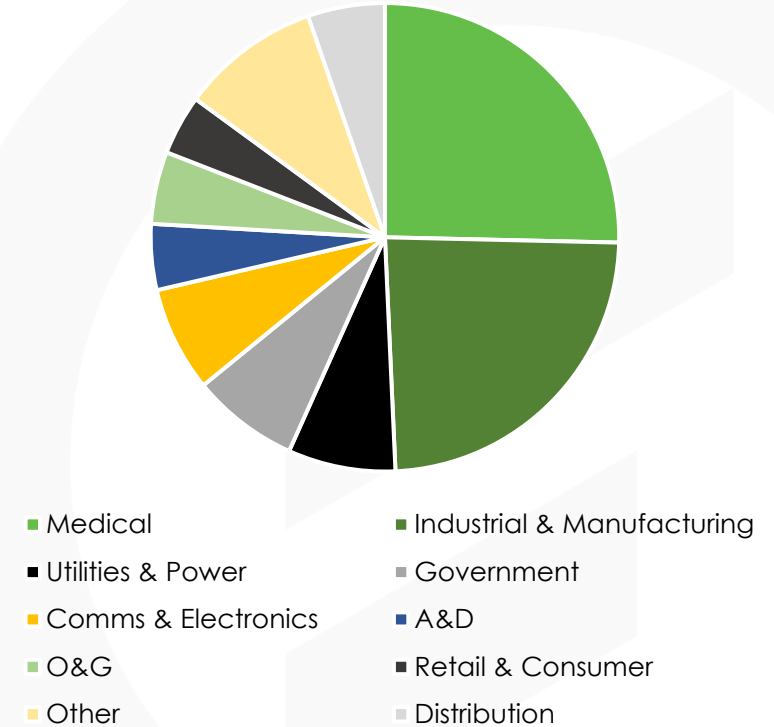
**20%**  
FCF  
Margin

### REVENUE BY GEOGRAPHY\*\*



■ U.S. ■ W. Europe ■ China ■ RoW

### REVENUE BY END MARKET\*\*

















\* Projected figures based on the midpoint of FY 2022 guidance provided on February 3, 2022

\*\* Based on FY 2021 revenues and, with respect to the end market, based on management estimates

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

# FOCUSED STRATEGIC SEGMENTS

ENABLING SAFER, SMARTER AND MORE EFFICIENT CRITICAL WORKFLOWS

	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+	
2-Yr Stack '21/22 Core Growth		High-Teens			High-Teens			LDD	
Key Financials*	Adj. Gross Margin	Adj. OP Margin	Recurring Revenue	Adj. Gross Margin	Adj. OP Margin	Recurring Revenue	Adj. Gross Margin	Adj. OP Margin	Recurring Revenue
	Mid-60s	High-20s +275 bps 2-Yr OMX '21/22	~30%	Low-50s	Low-20s +365 bps 2-Yr OMX '21/22	High-20s	Mid-50s	Low-to-Mid-20s +325 bps 2-Yr OMX '21/22	Low-70s
Key Brands	     			   			   		

\* Based on FY2021

WELL-POSITIONED FOR DIFFERENTIATED GROWTH AND COMPOUNDING

# ACQUISITION PLAYBOOK & PERFORMANCE

## EXECUTING CONSISTENT PLAYBOOK

### M&A PLAYBOOK

#### MARKET

- Secular / structural growth drivers
- High barriers to entry
- Consolidation opportunities

#### COMPANY

- Strong market position
- Revenue durability
- Expanding margins

#### VALUE CREATION

- FBS opportunities
- Strategy acceleration
- Accretive to financial profile
- ROIC returns

### PROJECTED ACQUISITION PERFORMANCE\*

#### Acquired Revenue\*

**>\$2.3B**  
\$950M Software

#### CAGR of Acquisitions (since acquisition)

**HW: MSD**  
**SW: LDD**

#### OP Growth\* (since acquisition)

**Up ~80%**

#### OMX\* (since acquisition)

**+820 bps**

\* Based on FY2022 estimated figures

**ACCELERATING PROFITABLE GROWTH IN HARDWARE, SOFTWARE AND DATA**

# FRAMING OUR PORTFOLIO EVOLUTION

## STRATEGY DELIVERING RESULTS

Key Metrics		EVOLVING FINANCIAL PROFILE		
		2016*	2021	2022E (Midpoint)**
Core Growth		GDP / GDP+	9.5%	7%
Recurring Revenue %		18%	38%	~40%
Software Revenue		Minimal	\$670M	~\$950M
FCF Profile and Compounding	Adj. Gross Profit Margin	49%	57.4%	~59%
	AOP Margin	20.5%	23.1%	~24.3%
	FCF % (of Revenue)	Mid-Teens	~18%	~20%

### FORTIVE TODAY



STRATEGIC WORKFLOW  
FOCUS



MSD CORE GROWTH



REDUCED CYCLICALITY

\* Includes A&S and Vontier businesses. For 2016, adjusted gross profit margin is equal to GAAP gross profit margin, and adjusted operating profit margin is equal to GAAP operating profit margin

\*\* Projected 2022 measures based on the midpoint of the 2022 fiscal year guidance provided on February 3, 2022

**BUILDING A MORE RESILIENT, HIGHER GROWTH PROFILE WITH STRONG FREE CASH FLOW AND EARNINGS POWER**



**FORTIVE**