

Fortive Investor Meeting: Facility & Asset Lifecycle (FAL)

NOVEMBER 2022

Olumide Soroye, President & CEO, Intelligent Operating Solutions (IOS)
Bill Pollak, Group President, Facility & Asset Lifecycle (FAL)

FORWARD LOOKING STATEMENTS & NON-GAAP FINANCIAL MEASURES

Statements in this presentation that are not strictly historical, including statements regarding anticipated financial results, economic conditions, future prospects, anticipated market opportunities, anticipated 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, our ability to manage supply chain constraints and transportation disruptions, deterioration of or instability in the economy, geopolitical relations and conflicts, the markets we serve, international trade policies and the financial markets, changes in trade relations with China and Russia, 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 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, 2021. 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 contain references to forward-looking financial measures not presented in accordance with generally accepted accounting principles (“GAAP”). We have not reconciled such 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.

TODAY'S PRESENTERS



Olumide Soroye
President & CEO,
IOS Segment

Biography

- Responsible for the IOS segment, including the expansion of its served market and the acceleration of strategy through organic innovation and acquisitions
- Wealth of experience and expertise in executing software, data, analytics, and AI-advantaged strategies in connected digital workflows across multiple industries
- **Previous experience:**
 - MD at CoreLogic, leading transformation to a highly profitable growth engine through data-driven digital workflow innovation and strategic acquisitions.
 - SVP at QuinStreet
 - Partner at McKinsey focused on growth, product, and sales strategy in the technology sector



Bill Pollak
Group President,
FAL
President,
Accruent

Biography

- Responsible for overall strategy, operations, growth and profitability of the Facilities & Asset Lifecycle group
- Joined Fortive with the 2018 acquisition of Gordian and has since served as President of each of the three businesses that currently make up the FAL group
- **Previous experience:**
 - President of ServiceChannel during its first year as a Fortive Operating Company
 - President & CEO of Gordian
 - CEO of American Lawyer Media
 - Executive at the New York Times

FORTIVE TODAY

FOCUSED SEGMENTS WITH DURABLE GROWTH DRIVERS

INTELLIGENT OPERATING SOLUTIONS



Delivering leading workflow solutions that facilitate field and facility safety, reliability, and productivity

PRECISION TECHNOLOGIES



Enabling IoT expansion and accelerating the development of new technologies and innovations

ADVANCED HEALTHCARE SOLUTIONS



Essential products and workflow solutions that ensure safe, efficient and timely delivery of healthcare

REGULATION,
SAFETY, ESG



AUTOMATION &
DIGITIZATION



INTERNET OF
THINGS



ELECTRIFICATION
OF EVERYTHING



RESHORING /
MANUFACTURING



DEMOGRAPHICS AND
LABOR MARKETS



Essential technologies for the people who accelerate progress...

Connected solutions for all types of facilities: factories, buildings and hospitals

LEADING POSITIONS IN CRITICAL CONNECTED WORKFLOWS



2022 KEY EXPECTATIONS¹

\$5.8B
Total
Revenue

~40%
Recurring
Revenue

~20%
2-Year Stack
Core Growth

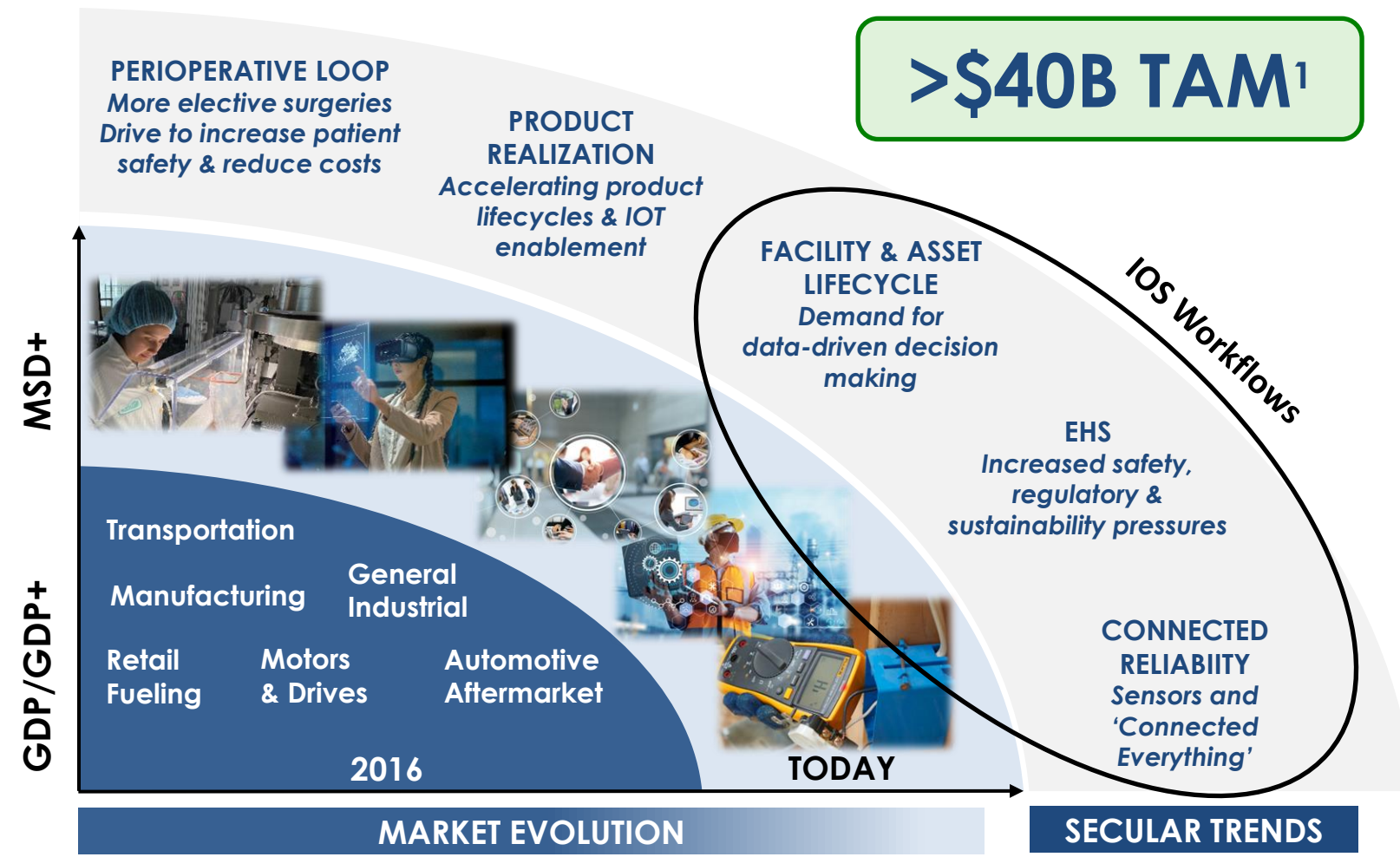
High 50%
Adj. Gross
Margin

>24.1%
Adj. Operating
Profit Margin

~20%
FCF
Margin

WORKSTREAMS POSITIONED IN HIGH GROWTH MARKETS

>\$40B TAM¹



5 KEY WORKFLOWS

- Significant runway to drive MSD growth through cycle
- Aligned with strong secular trends
- Increased exposure to more durable, less cyclical end markets
- Address critical workflows with key pain points
- High-growth and profitability recurring revenue opportunities

FOCUSED ON ATTRACTIVE, HIGH GROWTH MARKET OPPORTUNITIES

1. Based on management's estimates

INTELLIGENT OPERATING SOLUTIONS (IOS) TODAY

Business Overview

Provides solutions to accelerate field and facility safety, reliability, and productivity, as well as operating intelligence, across a range of vertical end markets

Mission-Critical Workflows

Facility & Asset Lifecycle



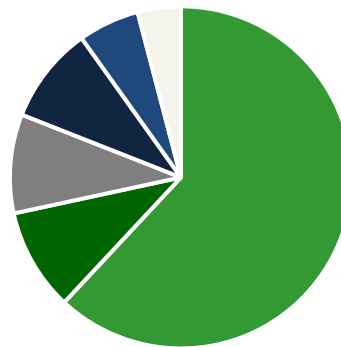
Connected Reliability



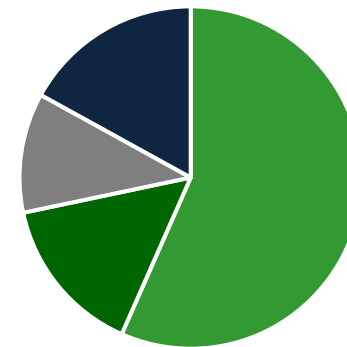
Environment, Health and Safety (EHS)



Revenue¹ By OpCo & Geography



- Fluke
- ISC
- Accruent
- Gordian
- ServiceChannel
- InteleX



- N. America
- W. Europe
- China
- RoW

2022 KEY EXPECTATIONS¹

\$2.5B
Total Revenue

>20%
2-Year Stack Core Growth

Low 30%
Recurring Revenue

Low 30%
Software Revenue

Mid-60%
Gross Margin

~29%
Adj. Operating Profit Margin

STRONG BRANDS AND IMPROVED EXECUTION CONTRIBUTING TO ROBUST 2022 OUTLOOK

1. Projected figures based on the midpoint of FY 2022 guidance

HOW WE HAVE BUILT THE IOS SEGMENT

FLUKE®¹

2016 2017 2018 2019 2020 2021

IOS TODAY²

Leading instrumentation business with strong installed base and brand recognition

- TAM: ~\$7B
- Revenue: ~\$1.2B
- Market Growth: GDP/GDP+
- Recurring: Minimal
- Software: Minimal
- GM: Low 60s

Connected Reliability



Environmental, Health & Safety (EH&S)



Facility & Asset Lifecycle



Hardware-advantaged, software-enabled provider of field/facility safety, reliability, and productivity solutions

- TAM: >\$20B
- Revenue: ~\$2.5B
- 2-Yr Stack Core: >20%
- Market Growth: MSD+
- Recurring: Low 30s
- Software: Low 30s
- GM: Mid-60s
- Adj. OP: ~29%

BUILDING FROM STRENGTH

- Expanding our TAM by extending into agencies to leverage positions of strength
- Connected Reliability builds on Fluke's world-leading expertise in test and measurement
- EH&S software position a natural extension of ISC's worker safety solutions
- F&AL extends IOS' expertise in asset maintenance and management into facilities

SCALED POSITIONS IN CRITICAL CUSTOMER WORKFLOWS WITH SIGNIFICANT GROWTH AND M&A RUNWAY

IOS WELL POSITIONED FOR GROWTH

	Connected Reliability (~60% of Sales*)	Environmental Health & Safety (EHS) (~15%*)	Facility & Asset Lifecycle (~25%*)
	Leader in software-driven reliability and productivity solutions for Industry 4.0	Leader in Software and AI solutions for EHS and ESG workflows	Leader in data, network, and workflow solutions for the built environment
Revenue '22	~\$1.5B	~\$0.4B	~\$0.6B
2-Yr Stack '21/22 Core	Mid 20%	High-Teens	High 20% ¹
TAM	>\$8B	>\$6B	>\$10B
Market Growth	MSD	HSD	LDD
Key Growth Drivers	<ul style="list-style-type: none"> Factory floor digitization Decreasing costs of connectivity Remote reliability service AI/ML powered analytics Aging technician workforce 	<ul style="list-style-type: none"> ESG performance and compliance Increasing and dynamic regulatory landscape Proliferation of connected devices No more Excel AI/ML powered analytics 	<ul style="list-style-type: none"> Skilled labor shortage Need to connect demand and supply at critical moments Datafication and digitization of pre-construction workflows Battle for talent and retention increases importance of safe and productive facilities

KEY GROWTH DRIVERS

- Increasing penetration of software-enabled solutions
- 'Connected everything' and the proliferation of sensors
- Competition driving need for productivity improvements and better uptime
- Increasingly complex ESG and risk management needs
- Explosion of data sources and demand for data-driven decision making

FAVORABLE SECULAR DRIVERS FUEL COMPELLING GROWTH OUTLOOK

FACILITY & ASSET LIFECYCLE (FAL) TODAY

Business Overview

Leader in workflow software, data, and service provider network solutions for building, operating, and maintaining the built environment

Leading Brands

GORDIAN[®]

Providing organizations with unrivaled insights, technology and expertise enabling public and institutional facility owners to optimize capital-intensive assets and build safe, modern and resilient communities

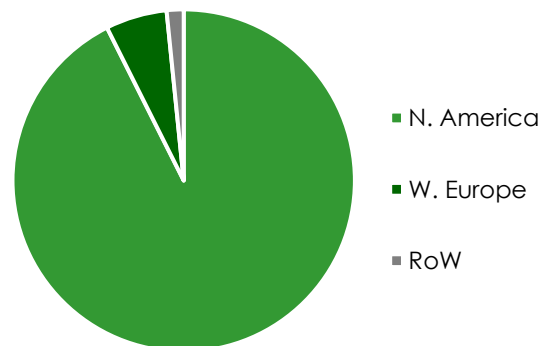
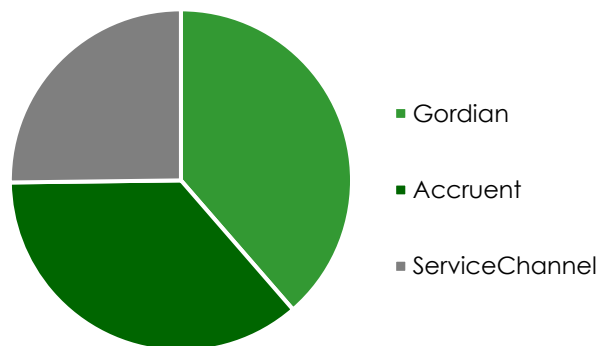
ACCRUENT

Leader in facilities and asset management software tools enabling customers to optimize the performance of their facilities, assets and people across their lifecycle

ServiceChannel[®]

Facility and asset maintenance solution provider matching assets with the right resource at the right time and the right cost to ensure uptime, quality and optimal lifecycle management

Revenue¹ By OpCo & Geography



KEY EXPECTATIONS

~\$0.6B
2022 Total Revenue

DD
Core Growth Target

~105%
NDR Target

10,000+
Customers

**Rule of
~40**
TODAY

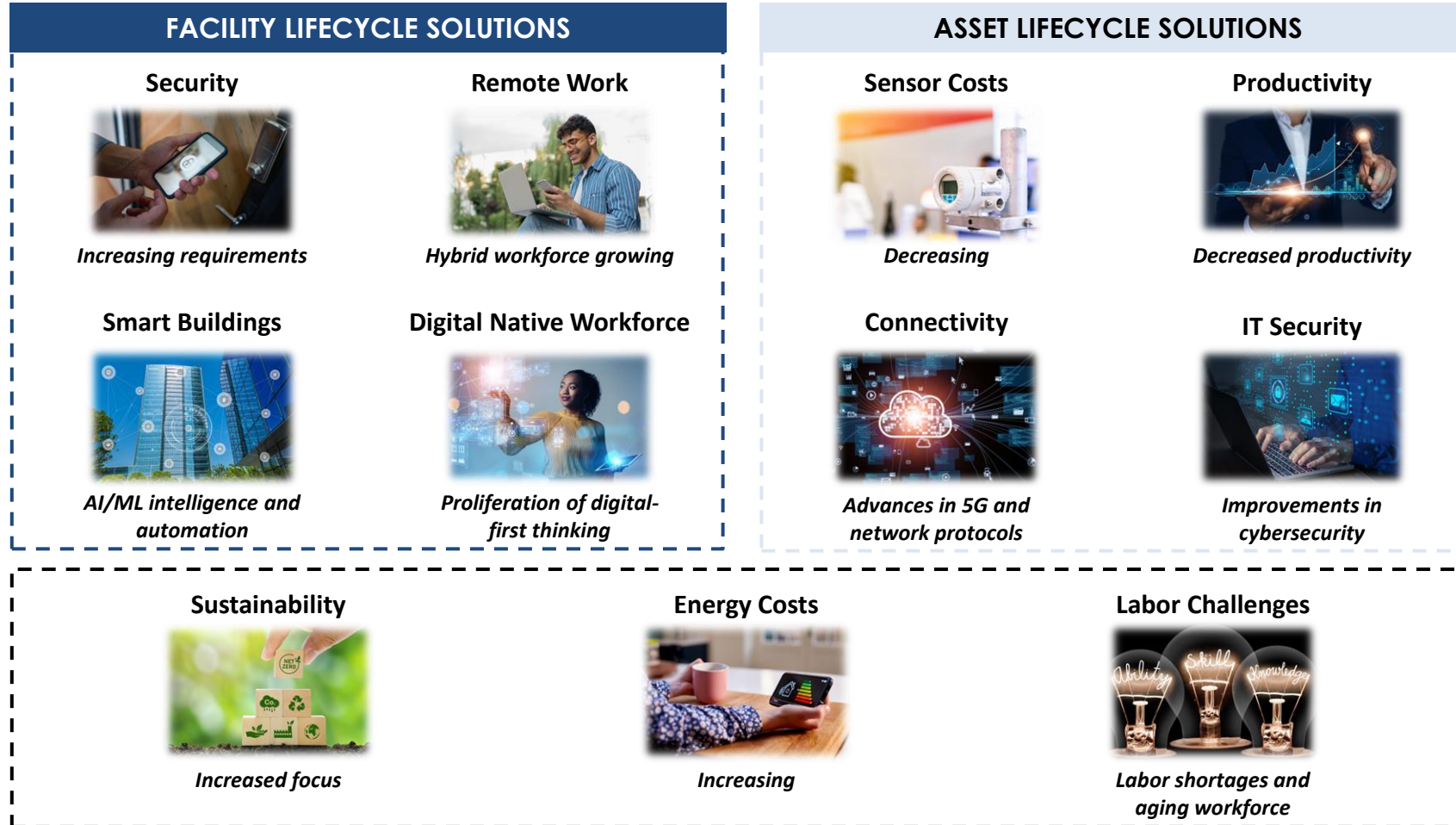


**Rule of
~50**
+5 YEARS

STRONG BRANDS AND IMPROVED EXECUTION CONTRIBUTING TO ROBUST 2022 OUTLOOK

FAVORABLE SECULAR TRENDS

ALIGNED WITH CUSTOMER NEEDS AND OPPORTUNITIES



SECULAR THEMES

- Overlapping and complementary secular trends
- Highly aligned to leading edge tech innovation (e.g., decreasing costs of IOT) as well as social/cultural evolution (e.g., Sustainability/ESG)
- FAL solutions at the intersection of these trends, uniquely positioned to address customer needs holistically

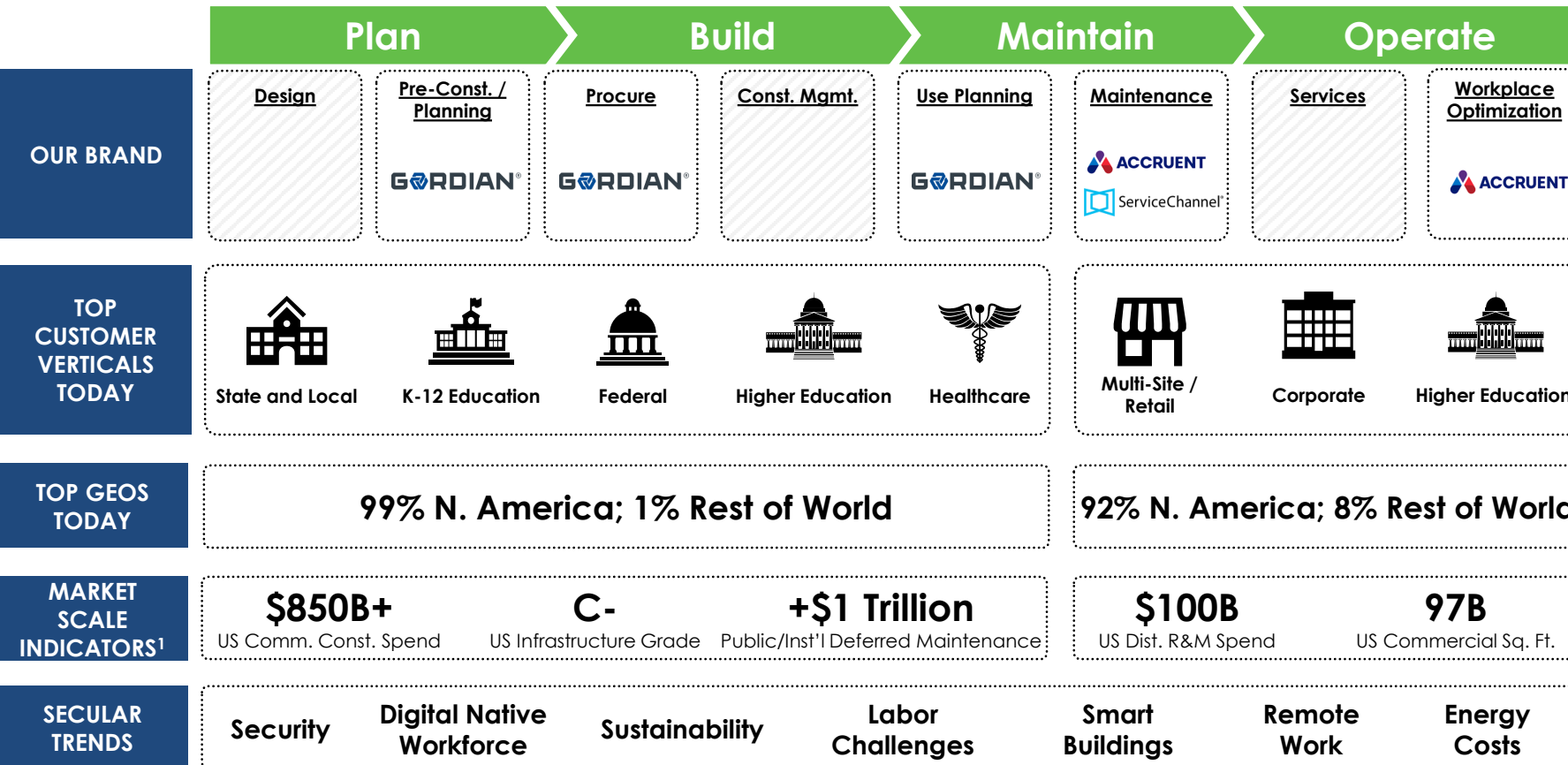
COMPLEMENTARY AND FAVORABLE SECULAR TRENDS PROVIDE TAILWIND FOR DURABLE GROWTH

FACILITY LIFECYCLE SOLUTIONS

LARGE AND GROWING ADDRESSABLE MARKET

MARKET CHARACTERISTICS

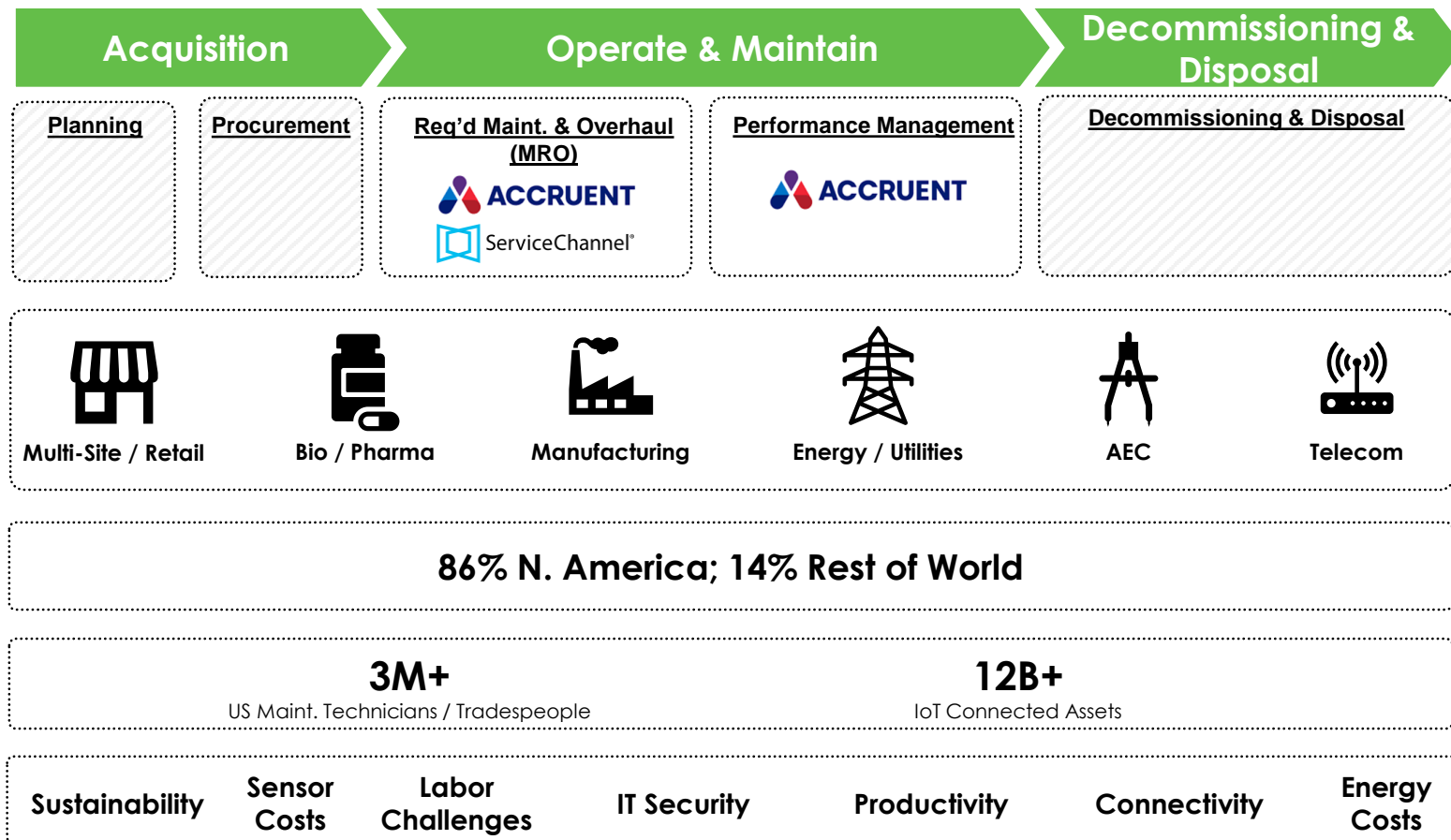
- Large, growing addressable market aligned to favorable secular trends
- Customers are served by an ecosystem of fragmented solutions
- Creating customer value through:
 - Digitizing and streamlining essential customer workflows
 - Leveraging aggregated data to drive insights and action
 - Deploying AI/ML capabilities to solve customer problems



~\$6B MARKET GROWING HSD¹

ASSET LIFECYCLE SOLUTIONS

LARGE AND GROWING ADDRESSABLE MARKET



MARKET CHARACTERISTICS

- Convergence of decision makers, data, and workflows to solve complex customer problems
- Global whitespace for the digitization of Asset workflows remains substantial and will drive market expansion

~\$4B MARKET GROWING HSD¹

HIGHLY DIFFERENTIATED CUSTOMER VALUE PROPOSITION

CUSTOMER VALUE CREATION ACROSS MULTIPLE DIMENSIONS

Productivity

- Accruent asset management solutions **save customers 16% from improved labor efficiency and a 22% reduction in unplanned downtime**
- Gordian reviews **>60k price proposals annually, saving owners 6%** in hard/construction costs; customers reported a **21% total cost savings using Gordian JOC**
- ServiceChannel **saves customers 10%-30% in MRO** with **over \$9B in annual spend** on the platform

Growth & Experience

- Accruent solutions enable customers to facilitate modern workspaces and experiences across **5.3T square feet of space and \$7.3B of assets**, including **rapid transition to hybrid workforce**
- Gordian collects, analyzes and draws insights from **>1.65B gross square feet** of facilities data each year
- ServiceChannel platform networks **70k service providers and 4M assets**; ServiceChannel providers **deliver 50%-100% improvement in speed and 20% improvement in quality**

CUSTOMER VALUE CREATED

- FAL's solutions create tangible value for customers
- Clear and knowable customer productivity and savings improvement
- FAL solutions directly improve critical customer KPIs

SOLUTIONS PROVIDE CLEAR AND TANGIBLE VALUE TO CUSTOMERS

10,000+ CUSTOMERS

STATE & LOCAL / K-12



GROCERY



MANUFACTURING / LOGISTICS / DISTRIBUTION



MULTI-SITE / RETAIL



RESTAURANT



HIGHER EDUCATION



FEDERAL



CORPORATE



LIFE SCIENCES / PHARMA



ENERGY / UTILITIES



HEALTHCARE



KEY CHARACTERISTICS

- Stable, consistent funding
- Mission-critical facilities and assets
- Asset intensity and complexity
- Regulated workflows
- Navigating substantial change
- Cycle resilient

CREATING VALUE ACROSS BROAD AND DEEP CUSTOMER BASE

CROSS-SELL / PLATFORM EXAMPLES

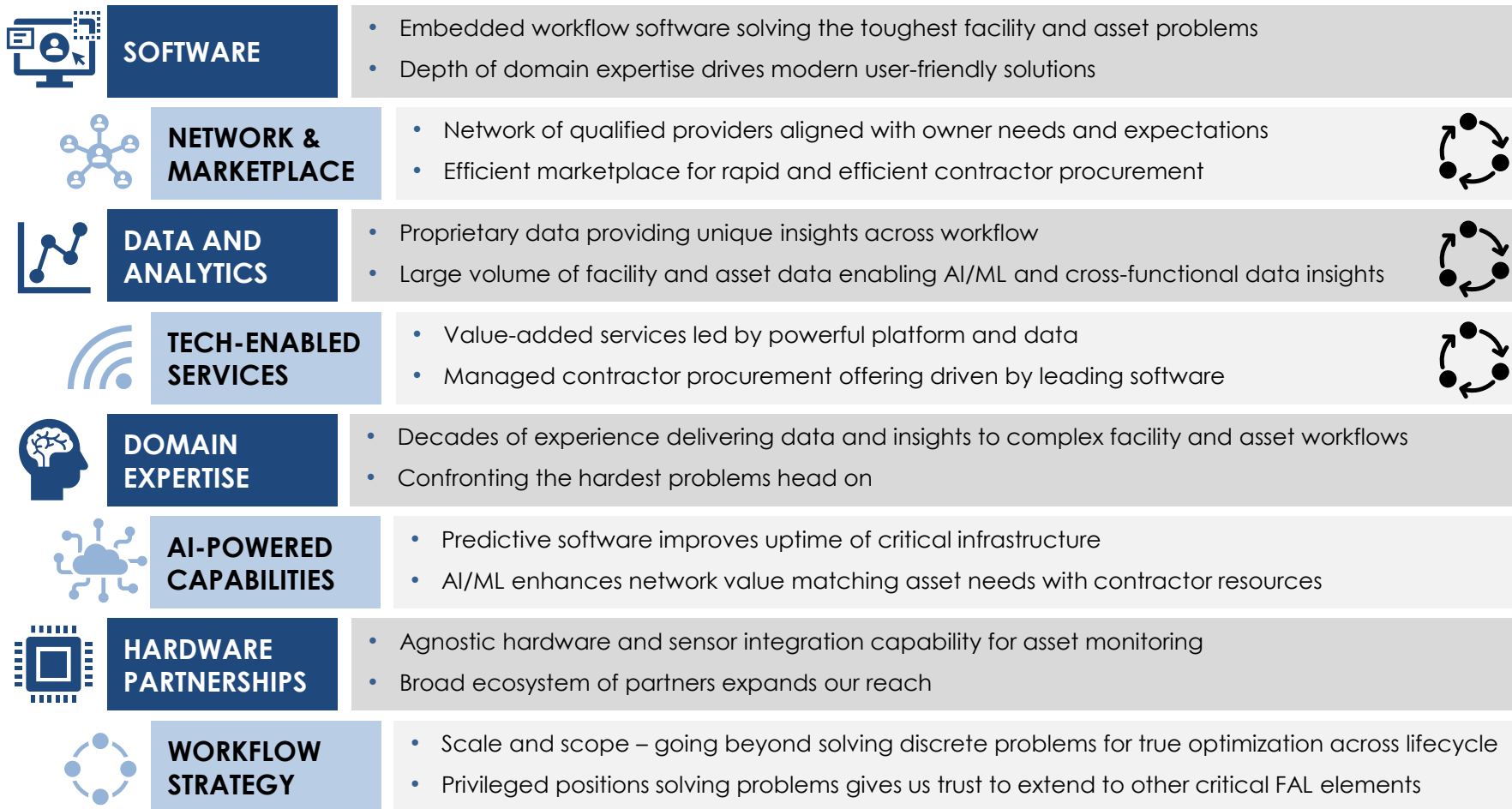


INTEGRATED CUSTOMER VALUE PROPOSITION

- FAL customers accessing multiple solutions across facility and asset lifecycle
- Material opportunity to expand share of wallet through cross-sell, product development, and solution integration
- Significant value to be created for customers through integrated value proposition

CUSTOMERS IN MULTIPLE VERTICALS BENEFITING FROM FULL RANGE OF FAL SOLUTIONS

SUSTAINABLE COMPETITIVE ADVANTAGES



HOW WE WIN

- New customer acquisition engine driven by our data, contractor, and scale-advantaged flywheel
- Data networks and AI/ML capabilities enhance our unique value proposition
- Hardware partnerships and tech-enabled services extend reach across ecosystem and use cases



DIFFERENTIATED SOLUTIONS DRIVING COMMERCIAL SUCCESS

DEPLOYMENT OF FBS DRIVES PROFITABLE GROWTH

EXAMPLES FROM ACROSS OUR FAL OFFERINGS

Growth	Margins	FCF
<ul style="list-style-type: none"> Gordian: 51% YoY growth in ezIQC new monthly revenue YTD <ul style="list-style-type: none"> Improved ezIQC gross retention by over 15% Accruent: 45% increase in channel partner bookings in 2H22 <ul style="list-style-type: none"> 50% increase in sales funnel velocity for new logo opportunities ServiceChannel: 15% reduction in implementation time for SaaS products 	<ul style="list-style-type: none"> ServiceChannel: 25% reduction in sustaining engineering; Gordian: Pricing leakage substantially reduced 	<ul style="list-style-type: none"> Accruent: Doubled negative working capital levels Y/Y Gordian: 2-month improvement in time to first revenue for Procurement customers

FBS Tools & Mindset

Growth Tools

- Dream:** Growth Accelerator
- Develop:** Lean Portfolio Management, Fortive Software System
- Deliver:** Digital Marketing, Transformative Marketing, Funnel Management

Lean Tools

- Lean Conversion
- Daily Management
- Problem Solving

Leadership Tools

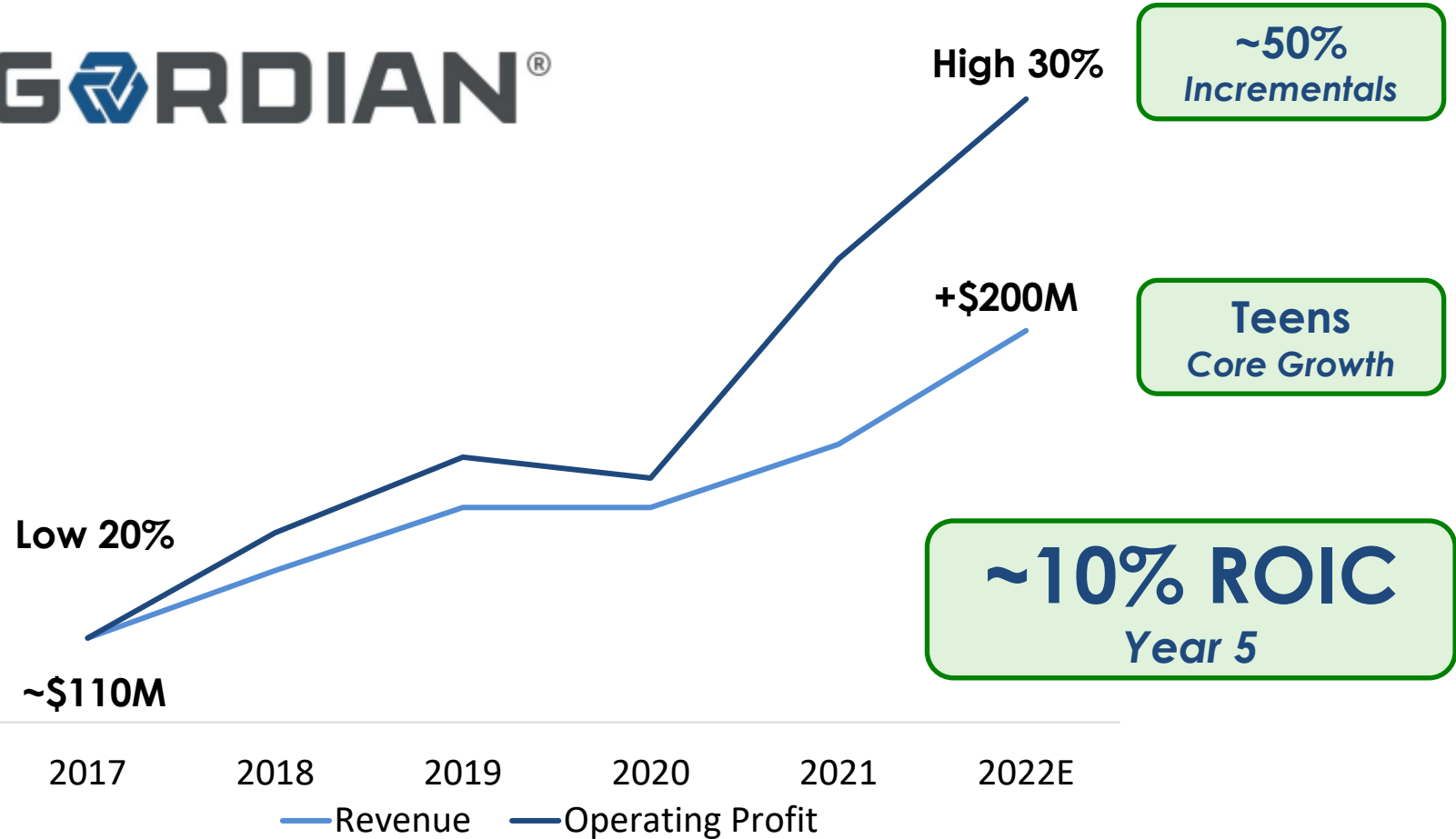
- Policy Deployment
- Accelerated Leadership Program
- Talent for Growth Processes

KEY HIGHLIGHTS

- FBS toolkit deployed across FAL portfolio
- FBS culture of continuous improvement constantly seeking value creation opportunities
- Leveraging The Fort AI and ML to drive new product innovation

FBS TOOLS ENABLE PROFITABLE GROWTH AND HIGHER FCF GENERATION

GORDIAN CASE STUDY: PROVEN FBS MINDSET



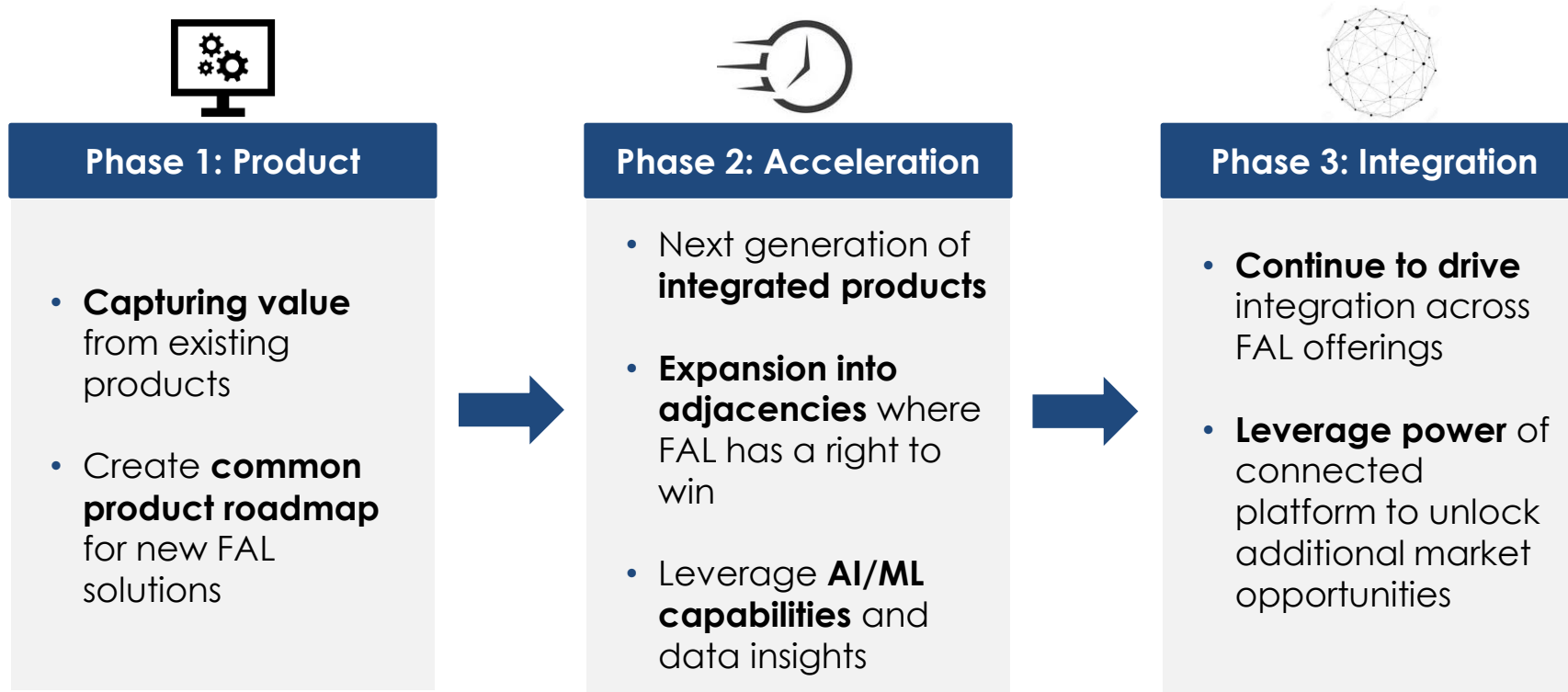
Excludes VFA/Kykloud transfer from Accruent

KEY SUCCESSES

- Developed complete pre-construction solution with clear data advantage
- Shortened contracting process to achieve revenue faster
- Increased JOC penetration to larger construction projects
- Extended offering of high-value intelligence and execution tools to address multi-year transition to a “new normal” in higher-ed
- Increased penetration through planning solutions that address deferred maintenance / aging infrastructure in SLED

CUSTOMER-CENTRIC INNOVATION LEVERAGING FBS TO DRIVE RESULTS

PLATFORM VALUE CREATION



Continuous: Fortive Business System

FBS driving product innovation, commercial excellence, productivity and FCF discipline

SUMMARY

- Well positioned as the leading facility and asset lifecycle platform with top-rated brands and networks deployed across a range of verticals
- Building scaled software-enabled and data-advantaged positions to deliver greater value to our customers
- Fortive's M&A engine accelerates strategy, innovation and market penetration

VALUE CREATION ROADMAP DRIVES COMPELLING OUTLOOK



FORTIVE