



2023 Investor Day

May 25, 2023



Welcome

Elena Rosman, VP – Investor Relations



Forward Looking Statements, Non-GAAP Financial Measures & Basis of Presentation

Statements in this presentation that are not strictly historical, including statements regarding anticipated financial results, economic conditions, industry trends, geopolitical events, future prospects, shareholder value, employee relations, sustainability initiatives, secular trends, organic and inorganic growth opportunities and any other statements identified by their use of words like “anticipate,” “expect,” “believe,” “outlook,” “guidance,” “target”, or “will” or other words of similar meaning are “forward-looking” statements within the meaning of the federal securities laws. These factors include, among other things: deterioration of or instability in the economy, the markets we serve, international trade policies and the financial markets, the spread of, and the remedial effort related to COVID-19, our ability to adjust purchases and manufacturing capacity to reflect market conditions, reliance on sole sources of supply, 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 changes to tax laws, our compliance with applicable laws and regulations and changes in applicable laws and regulations, risks relating to international economic, geopolitical, including war and sanctions, 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, security breaches or other disruptions of our information technology systems, adverse effects of restructuring activities, risk related to tax treatment of the Separation, 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 and climate change. 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, 2022. These forward-looking statements speak only as of the date of this release, 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 targets or outlook regarding non-GAAP measures because any corresponding GAAP measures and the reconciliations thereto would require us to make estimates or assumptions with precision about acquisitions, 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 available on [fortive.com](https://www.fortive.com) under “Investors – Quarterly Results”.

All financial metrics relate only to the continuing operations unless otherwise stated, and all growth or period changes refer to year-over-year comparisons unless otherwise stated.

Forward looking financial measures not otherwise presented as a range reflect assumptions underlying the midpoint of our forward-looking targets.

“Financial Highlights” and references to “Today” in the Segment presentations reflect 2023 projections.

Measures corresponding to market or industry opportunities are based on management’s estimates.

Comparison of financial measures from 2016 historical to 2023 projections relate to financial measures on an as reported basis that include discontinued operations to 2023 projected measures.

References to NWC means the net working capital operational measure determined by the sum of net accounts receivable, inventories and unbilled receivables, less accounts payable and deferred revenue, each calculated in accordance with GAAP, and reference to FCF Margin means free cash flow divided by revenue.

2023 Outlook

Confirming Q2 & FY 2023 Outlook

	Q2 2023	FY 2023
REVENUE Core Growth Total Growth	\$1,480 to 1,515M 2.5% to 4.5% 1.5% to 3.5%	\$6,000 to 6,100M 4% to 5.5% 3% to 4.5%
ADJ. OP. PROFIT Growth	\$363 to 378M 3% to 7%	\$1,500 to 1,550M 6% to 10%
ADJ. OP. PROFIT MARGIN Adjusted OMX	24.5% to 25% +40bps to 90bps	25% to 25.5% +75 bps
ADJ. EPS Growth	\$0.78 to 0.82 Flat to 5%	\$3.29 to 3.40 4% to 8%
FREE CASH FLOW FCF Conversion	~\$285M ~100%	~\$1,250M 100% to 105%

Agenda





CEO Update

Jim Lico, President & CEO



Today's Key Themes

Transformed, High Quality Portfolio Of High Growth, Profitable Businesses

Connected Workflows Aligned To Secular Trends In Large, Growing Markets

FBS Remains A Core Differentiator, Relentlessly Driving Sustainable Results

Disciplined Capital Deployment Enhances Earnings & FCF Compounding

Fortive Today

High Quality Portfolio Of High Growth, Profitable Businesses

3 SEGMENTS

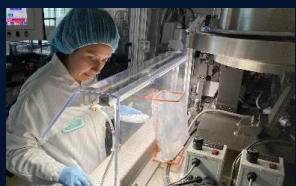
INTELLIGENT OPERATING SOLUTIONS (IOS)



PRECISION TECHNOLOGIES (PT)



ADVANCED HEALTHCARE SOLUTIONS (AHS)



5 WORKFLOWS



Connected reliability



Environmental health & safety



Facility & asset lifecycle



Product realization



Perioperative loop



- ✓ Leading positions in critical connected workflows
- ✓ Connected solutions for all types of facilities
- ✓ Domain expertise hardware / software / data analytics
- ✓ Aligned to secular trends
- ✓ Industry-leading margins
- ✓ Superior FCF compounding

We Are Guided By Our Shared Purpose

Essential Technologies For The People Who Accelerate Progress

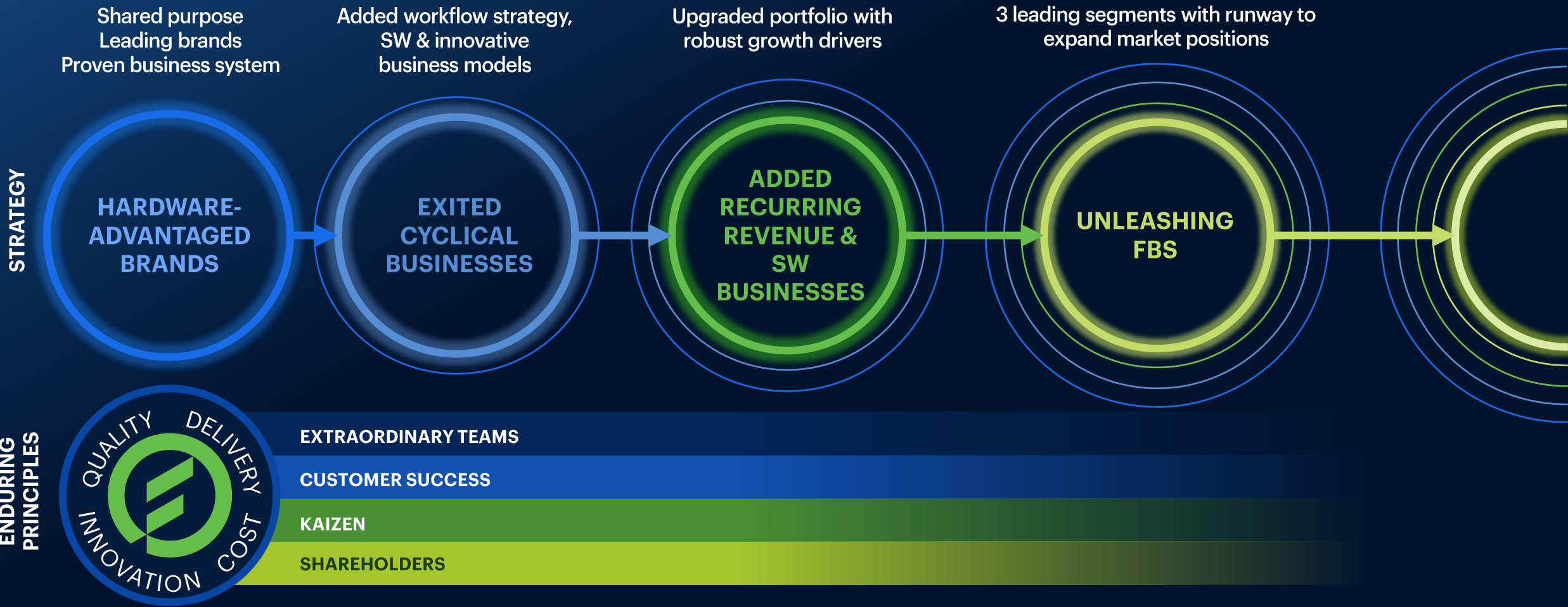


Creating A Premier Company

To Accelerate Progress

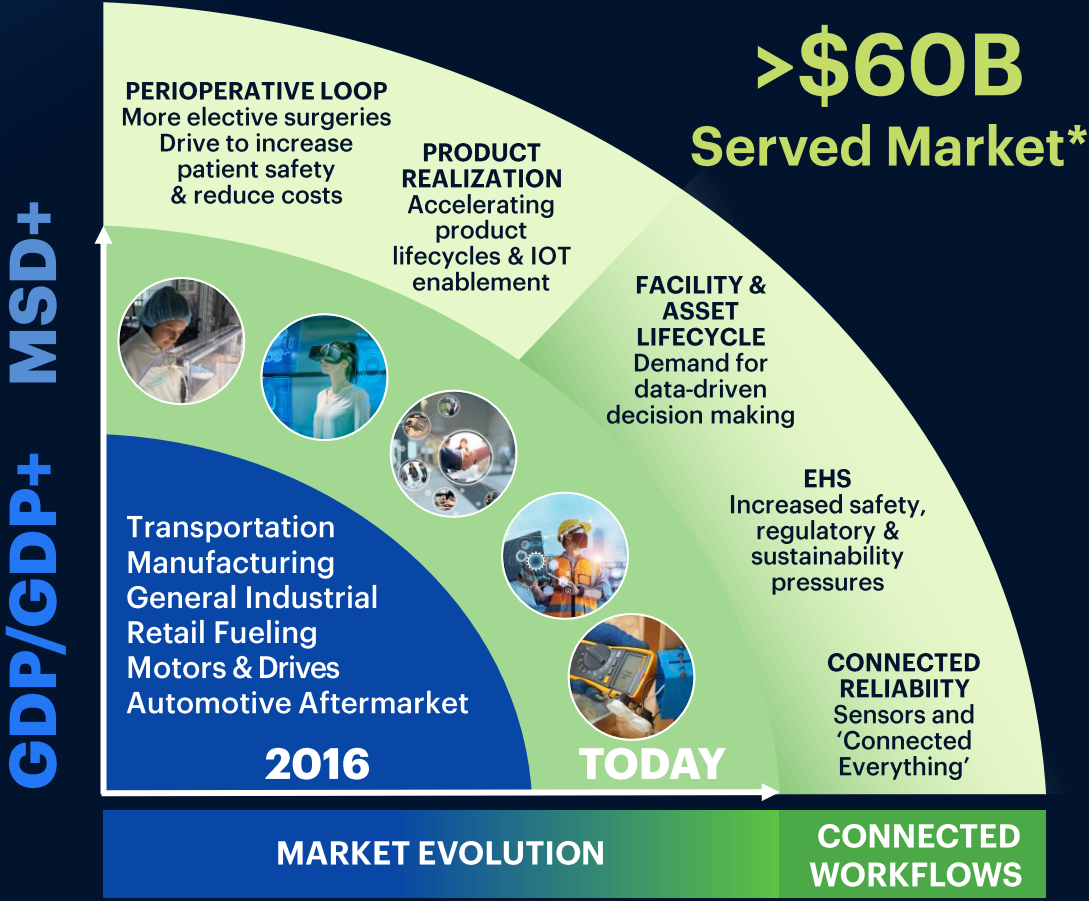
STRONG FOUNDATION

TODAY'S INFLECTION



Consistent Strategy

Applied To 5 Workflows Serving Large And Growing Markets



*Based on management's estimate

M&A Transformed Portfolio

For Higher, More Profitable Growth



Connected Reliability



Environmental Health & Safety



Facility & Asset Lifecycle



Product Realization



Perioperative Loop



~\$7B
Net Capital Deployed

~\$2.5B
REVENUE ACQUIRED ('23)

~1000 BPS
ADJ OMX SINCE ACQUISITION

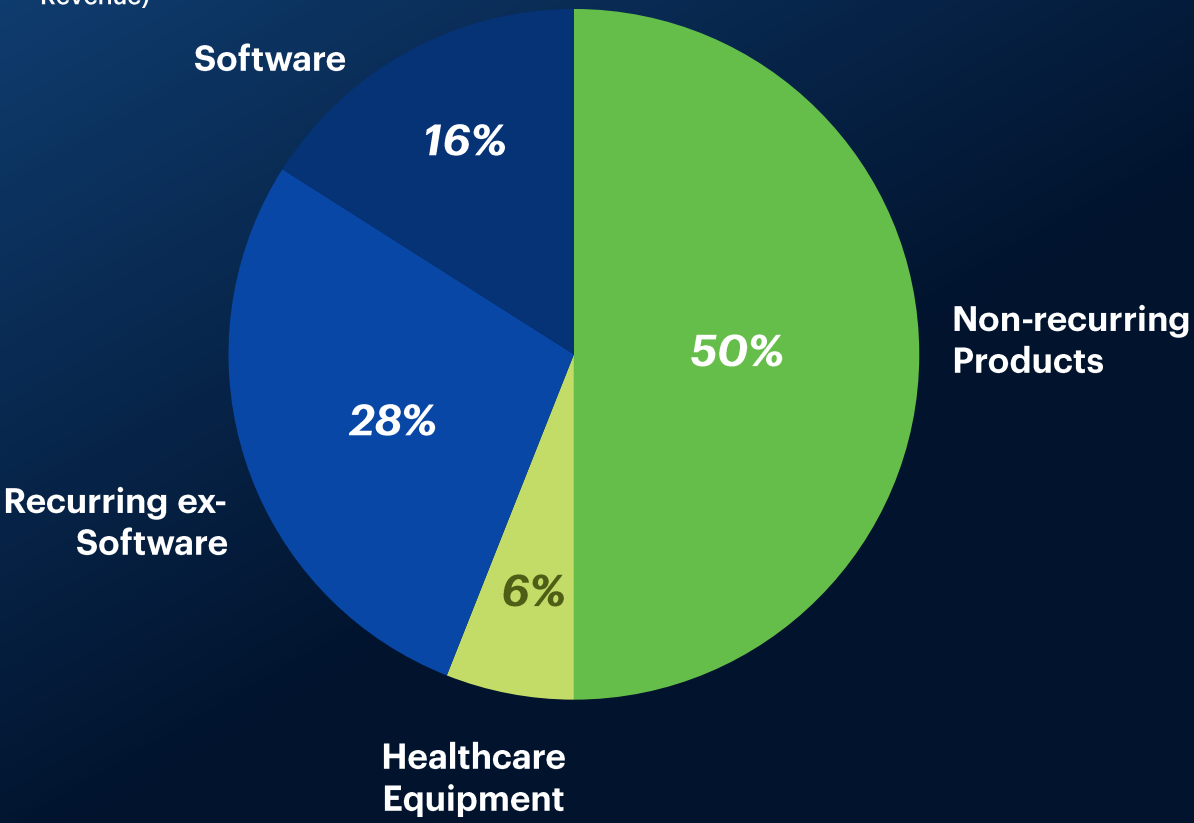


- ✓ **2x** core growth last 5 years
- ✓ **+1100 bps** adj. GMX
- ✓ **+500 bps** FCF margin improvement
- ✓ **HSD** cash return, accelerating next 5 yrs

Increased Durability

Hardware, Software And Recurring Revenue Aligned To Favorable Secular Trends

(Percent of '22 Revenue)



AUTOMATION & DIGITIZATION



Network Proliferation



Software / Automation & Rise of AI/ML



Cloud Connectivity



Operational Productivity in Healthcare

ENERGY TRANSITION



Power Efficiency



Electrification



ESG



Inflation

PRODUCTIVITY GROWTH



Constrained Labor



Costs of Compliance



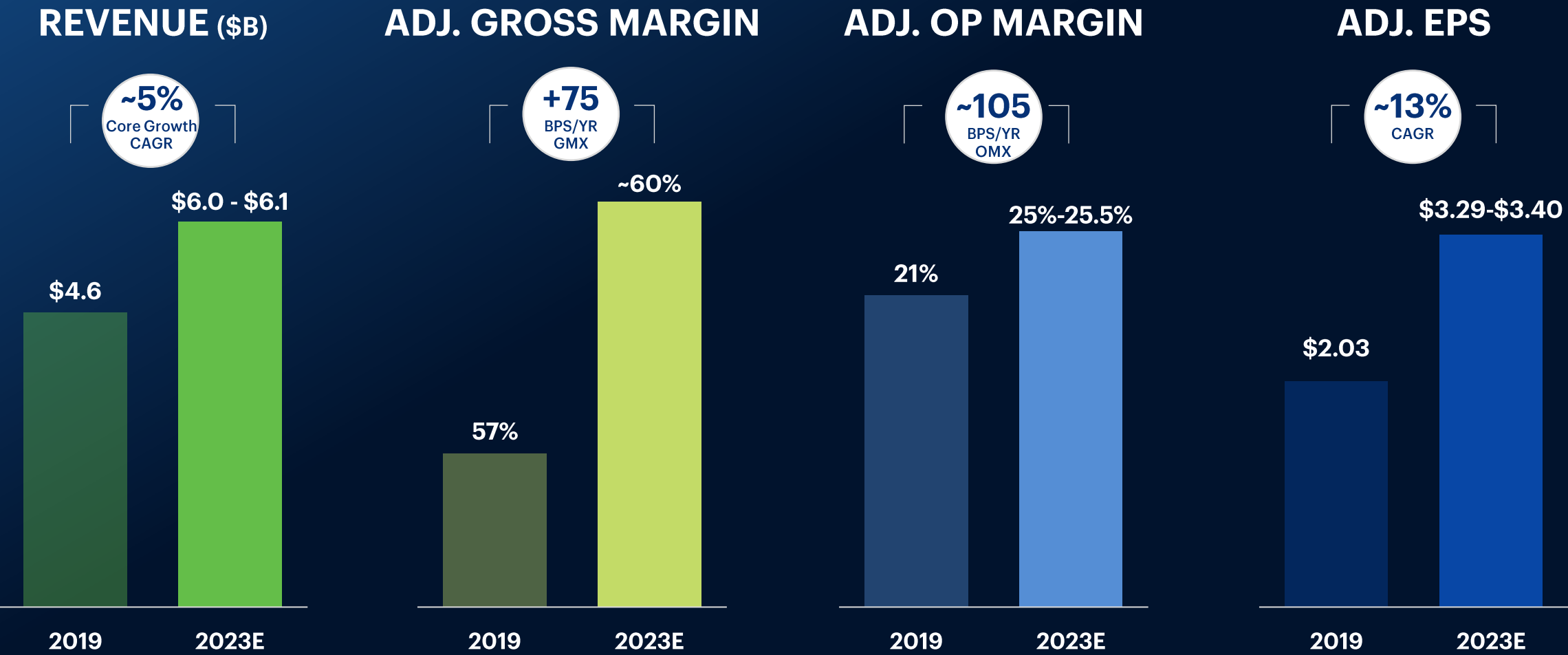
Industrial Reshoring



Demographics

Strategy Has Yielded Results

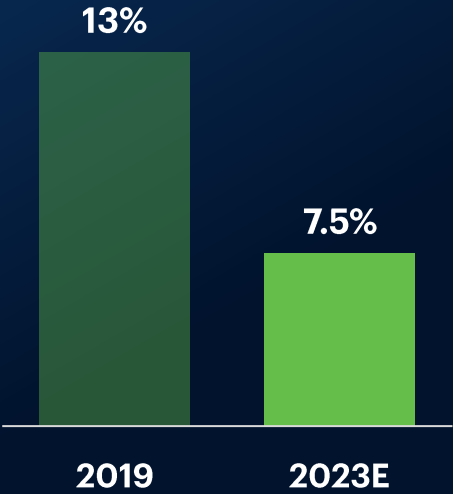
Delivering Accelerated Core Growth, Margin Expansion And Earnings Growth



Driving Better Cash Flow

Enabling Faster Cash Compounding

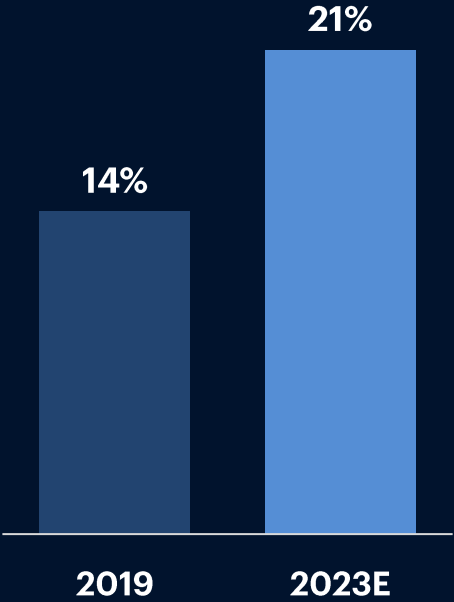
NWC % SALES



FREE CASH FLOW (\$B)

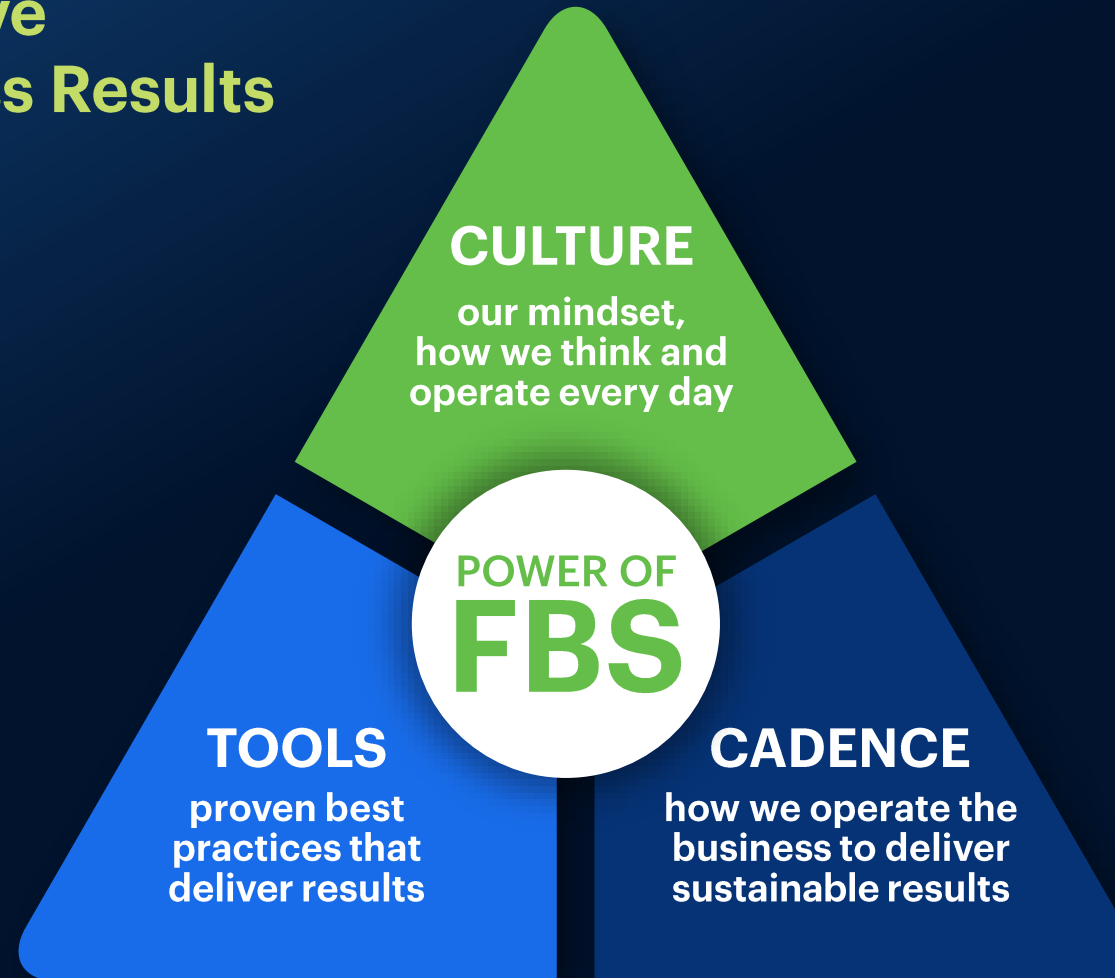


FCF MARGIN



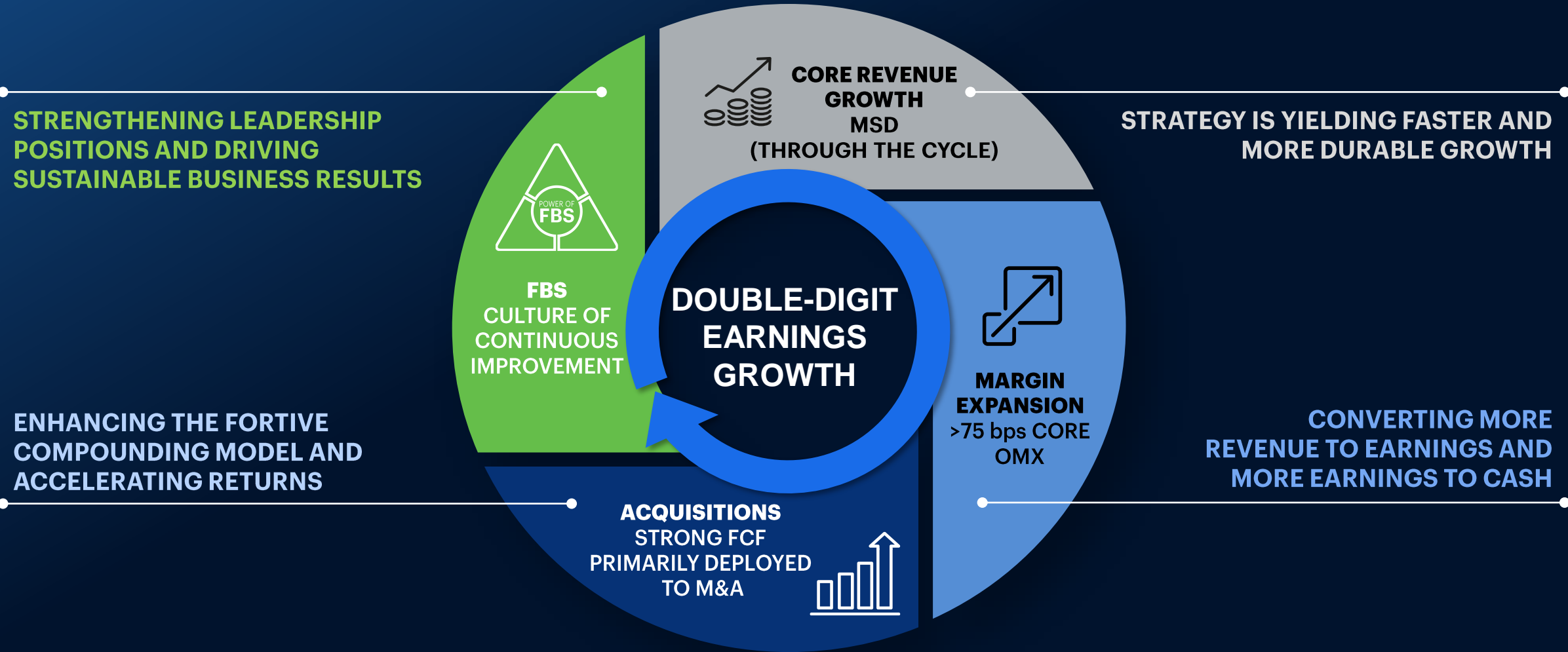
The Power of FBS

A Core Differentiator To How
We Relentlessly Drive
Sustainable Business Results



Fortive Formula For Value Creation

Continued Compounding Through Proven Flywheel



Acquisition Discipline

Accelerating Strategy To Improve Durability & Drive Attractive Returns



MARKET

- ✓ Strong secular growth drivers
- ✓ Accelerate connected workflow strategy
- ✓ Technology differentiation
- ✓ High barriers to entry
- ✓ Geographic expansion



COMPANY

- ✓ Strong market position
- ✓ Above industry growth
- ✓ Durable revenue profile
- ✓ Competitive advantages reflected in high GMs
- ✓ Strong talent
- ✓ Ability to expand margins



VALUE CREATION

- ✓ Accretive to overall financial profile
- ✓ FBS accelerates improvement
- ✓ Clear path to MSD ROIC Y1/2 and DD YR 3 for bolt-ons
- ✓ DD ROIC target in Y5 for adjacencies and larger M&A

Executing Consistent M&A Playbook

Rigorous, “Always-on” Cultivation & Due Diligence Enables Discipline

GROWING MARKETS



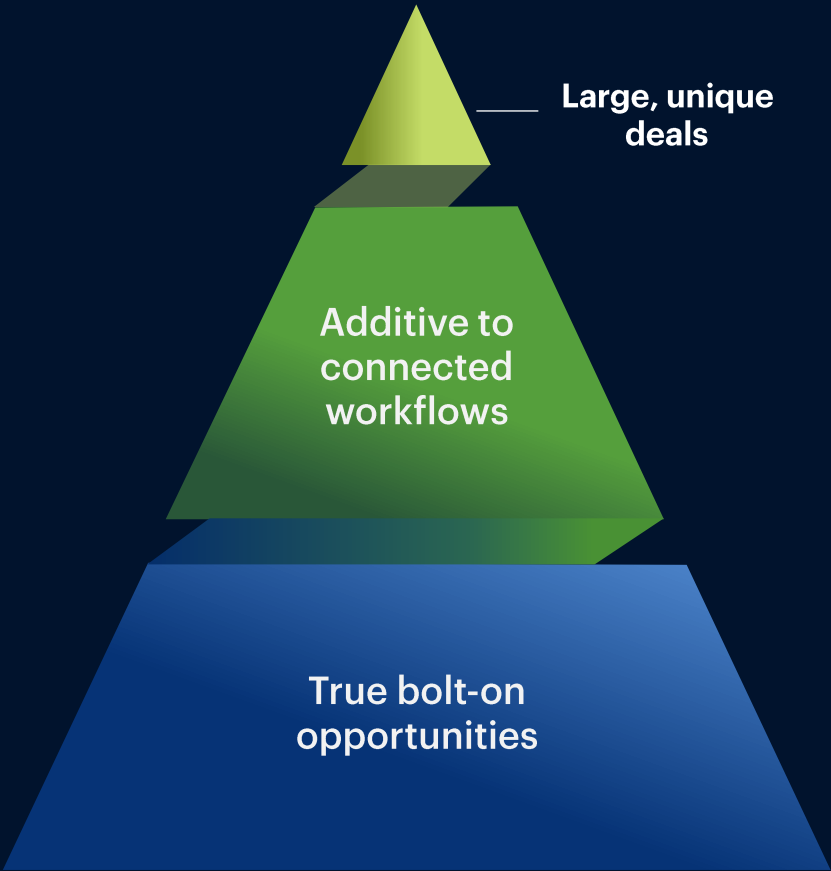
ACTIVE PIPELINE*



15-20/yr

Reach go/no-go decision

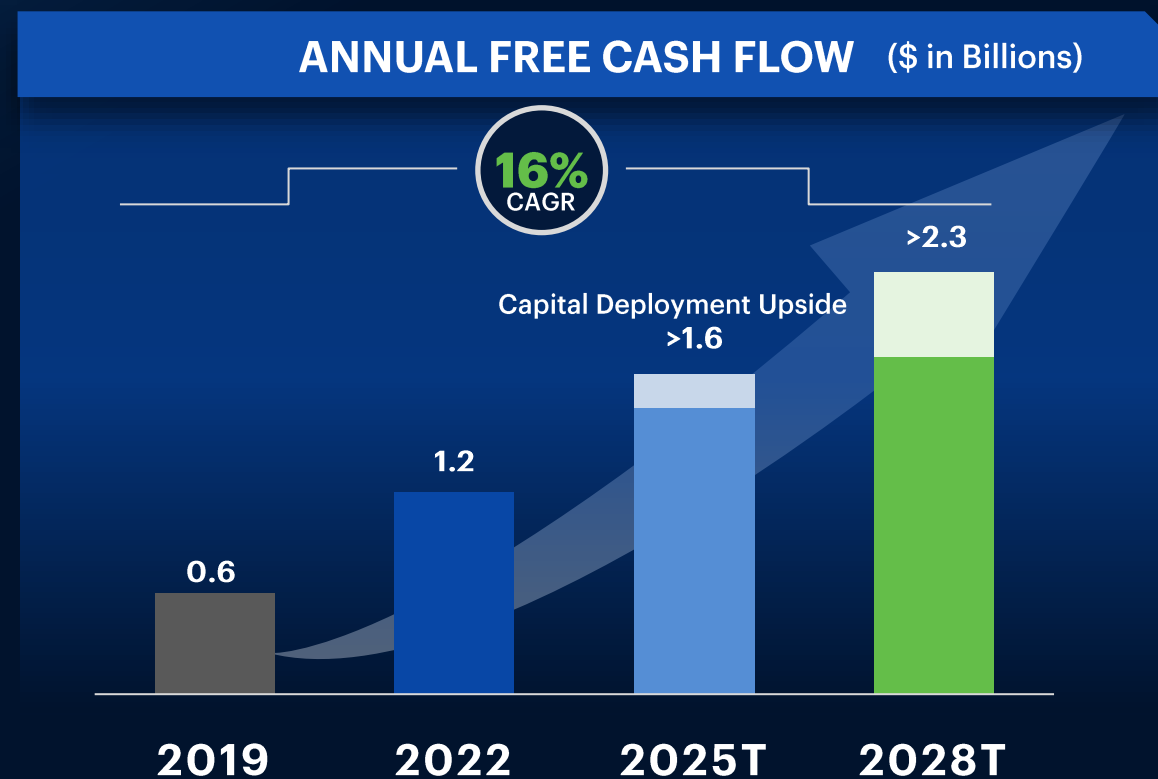
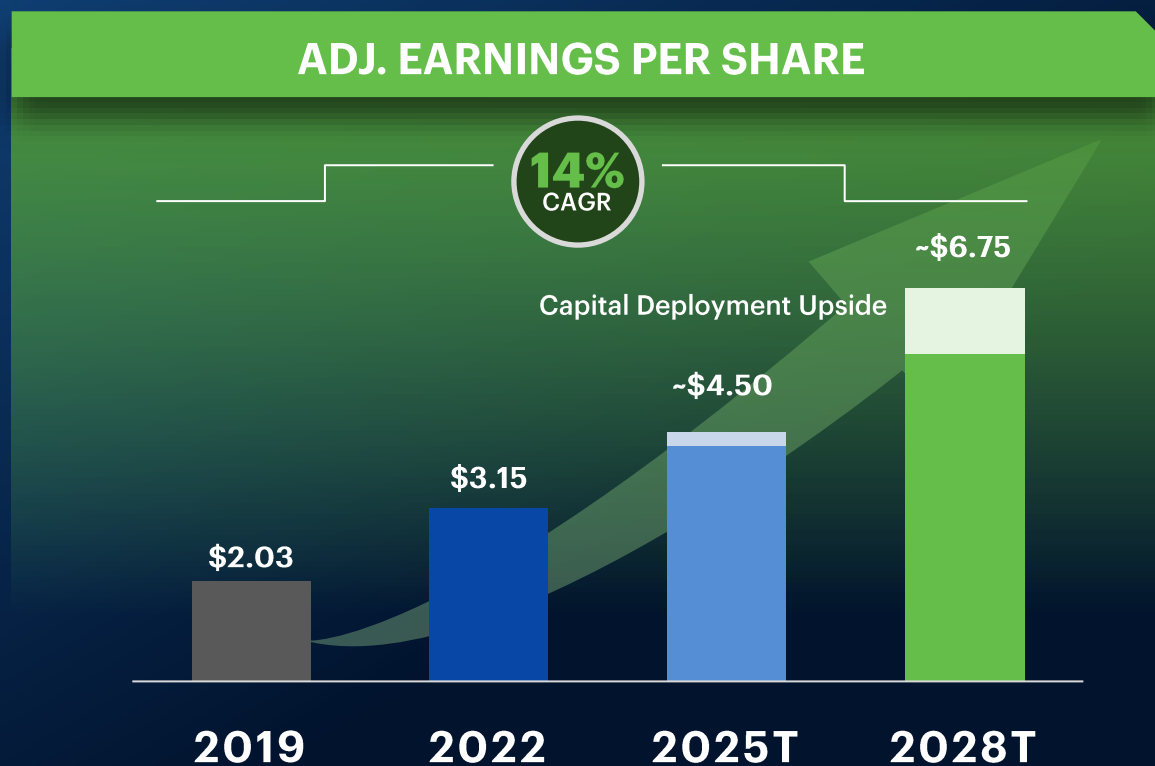
FUNNEL CHARACTERISTICS



* Based on target and not on the results of any specific year

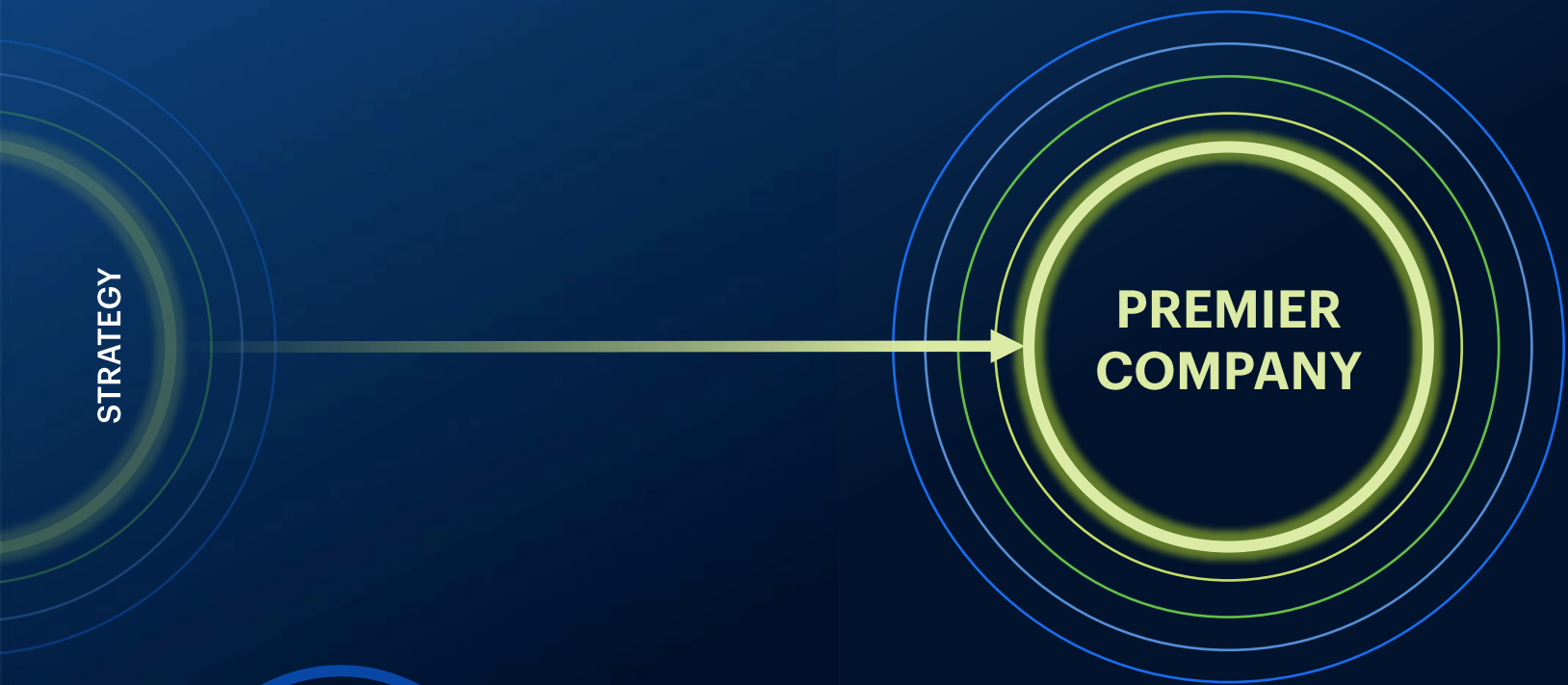
Compounding Earnings And Cash Flow

With Disciplined Capital Deployment Accelerating Growth



Evolving To A Premier Company

Differentiating Performance And Value Creation



ACCELERATING PROGRESS

Durable, high-growth and
cash flow compounder



EXTRAORDINARY TEAMS

CUSTOMER SUCCESS

KAIZEN

SHAREHOLDERS

Today's Presenters



Kirsten Paust

SVP – FBS Office

Unleashing FBS



Stacey Walker

SVP & CHRO

People Strategy



Peter Underwood

SVP & General Counsel

Sustainability



Tami Newcombe

President & CEO – PT & AHS

**Advanced Healthcare Solutions
Precision Technologies**



Olumide Soroye

President & CEO – IOS

Intelligent Operating Solutions



Chuck McLaughlin

SVP & CFO

Financial Overview & Outlook



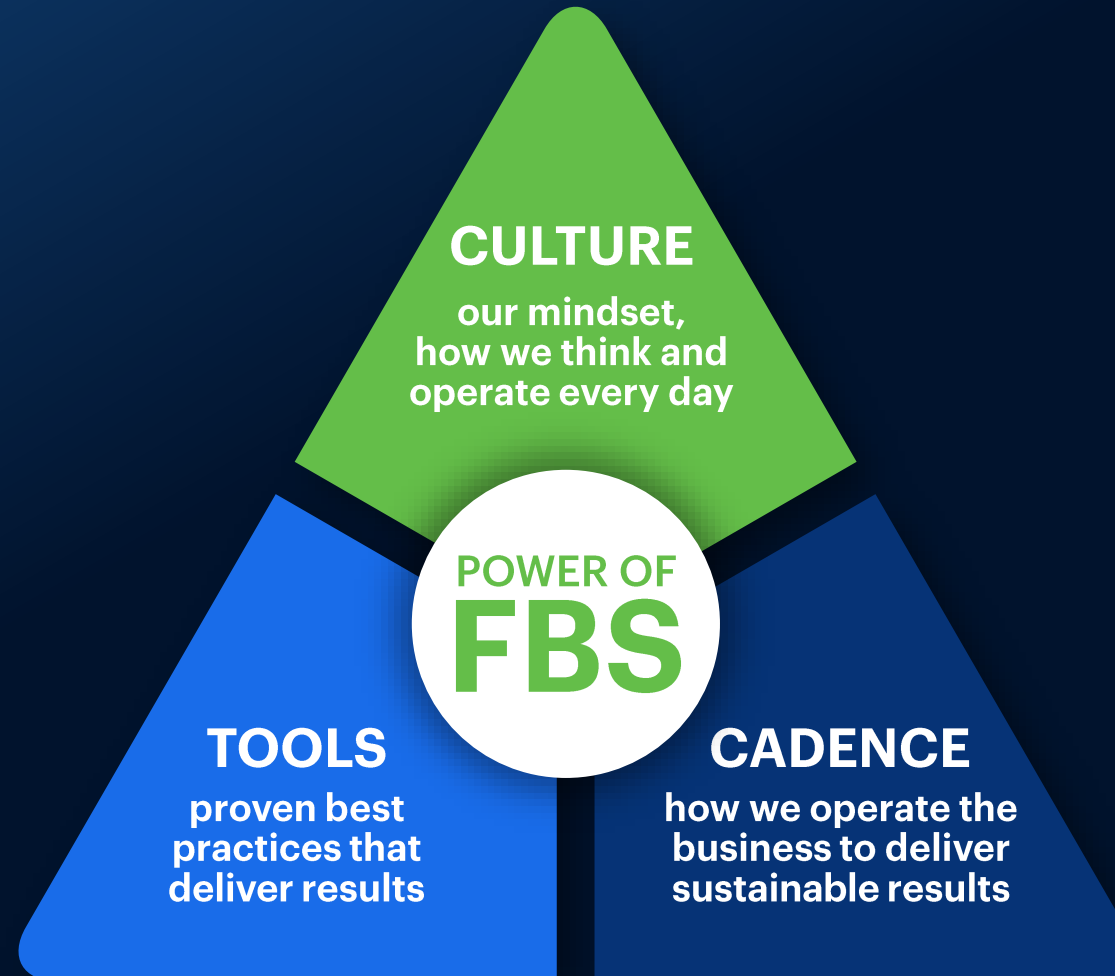
Unleashing FBS

Kirsten Paust, SVP FBS

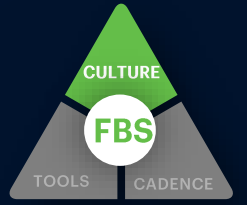


The Power of FBS

How We Drive Sustainable Business Results



Reinforcing Culture of Continuous Improvement



INCLUSION

Culture of Kaizen where every voice is heard

HUMILITY

Continuously learning and adapting to improve

HIGH EXPECTATIONS

Relentless focus on execution to drive out-performance

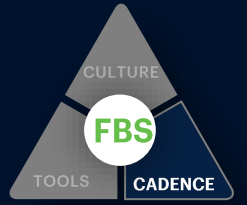
TRANSPARENCY

Clear about challenges, rigor in addressing

SUSTAINED PERFORMANCE OVER TIME



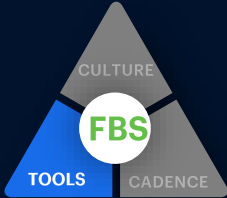
Operating Cadence Promotes Rigor & Results



	KEY OPERATING CADENCE LEVERS	MONTHLY RIGOR	
STRATEGIC PLANNING	Set clear strategic focus & initiatives to win	Market & customer insight generation & execution	Assess & build strategic initiatives
POLICY DEPLOYMENT (PD)	Accelerate execution of strategic breakthroughs	Establish clear breakthroughs & targets	Problem solving, experimentation & scale
ORG & TALENT	Building strong capability and leaders to deliver results	Evaluate & set clear actions	Assess, adjust, execute
OPERATING REVIEW (OPS)	Deliver core value drivers & KPIs to achieve the plan	Clear targets & accountability	Problem solving & countermeasures
LEAN PORTFOLIO MANAGEMENT (LPM)	Invest & deliver the right portfolio of products to win	Prioritized program & idea lists	Red program reviews

Evolution of FBS

FBS Has Evolved to Meet Our Changing Portfolio & World



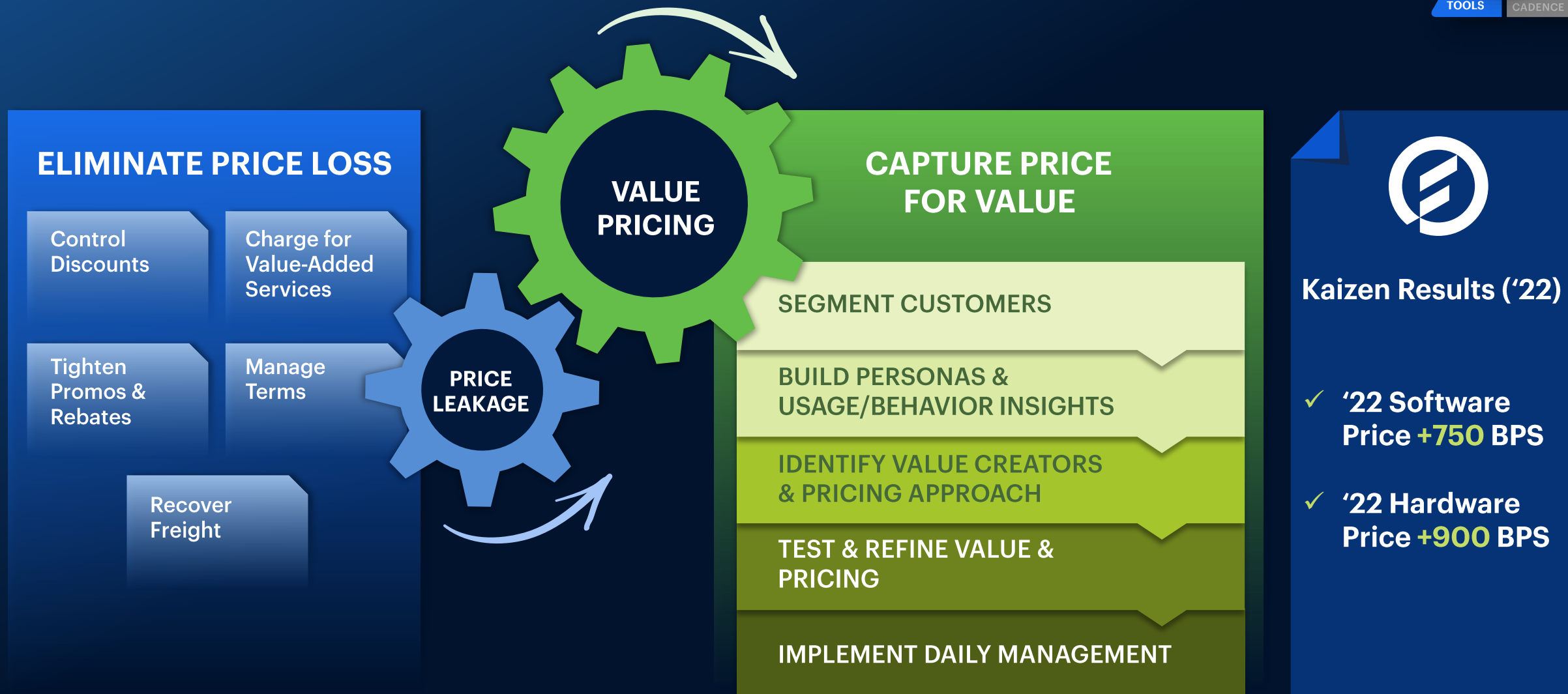
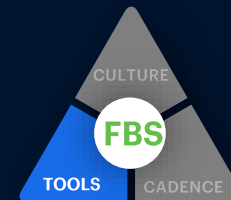
LEADERSHIP

Ignite Accelerated Leadership Experience

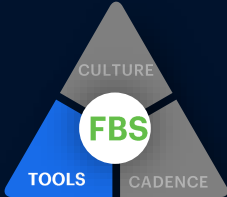
Fortive Leadership Summit
Digital Learning Fundamentals

People Leader Experience
Senior Leader Ignite

FBS Tools: Driving Price Growth



FBS Tools: Driving Innovation



FBS LEAN PORTFOLIO MANAGEMENT

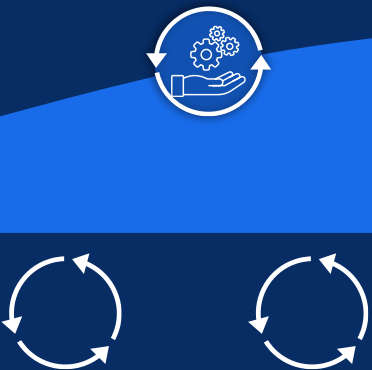
DREAM

Create innovative offerings that accelerate growth



DEVELOP

Build the right products at speed, quality, and cost to win



DELIVER

Execute go-to-market that drives share gains



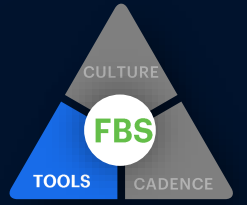
RESULTS

\$695M New revenue discovered

16% Increase in OTD

14% Decrease in sustaining

FBS Tools: Accelerating Software Development

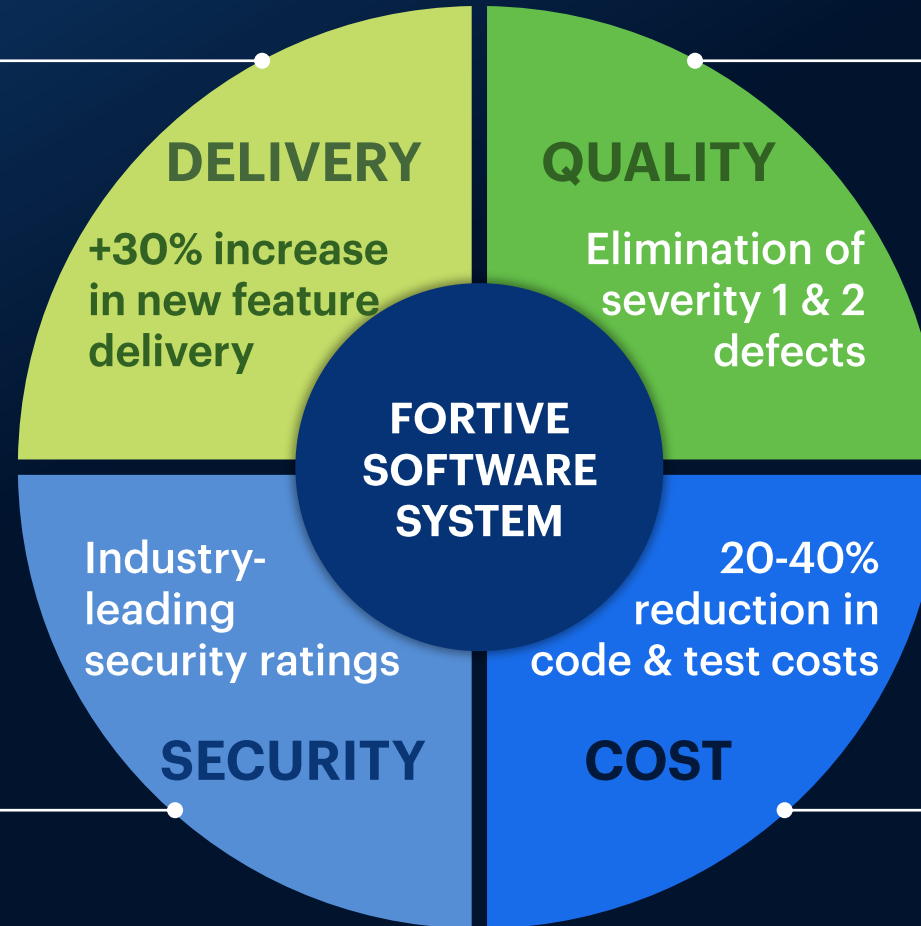


LEAN SOFTWARE DEVELOPMENT

Accelerate delivery of features and releases to increase value delivery

SECURE PRODUCT DEVELOPMENT

Embed security to increase confidence & reduce risk



PEER REVIEW & TEAM INSPECTION

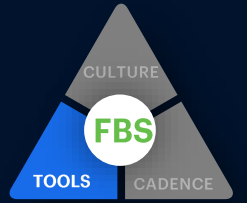
Eliminate defects in development to increase time on value-adds

AGILE DEVOPS

Automate and improve key processes to gain efficiency and to increase value

FBS Tools: Improving Working Capital

Daily Management & Problem Solving @ GEMBA

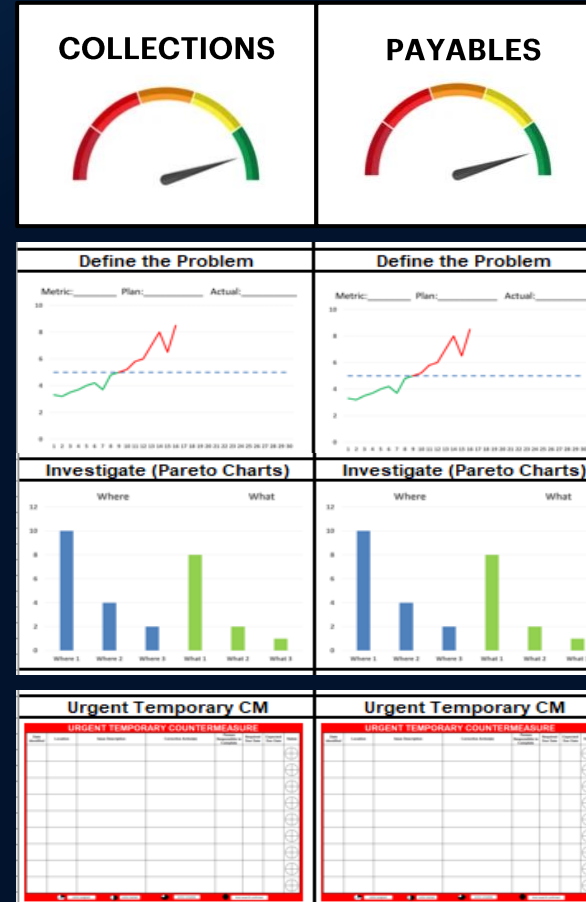


3 Seconds – Winning or Losing

PROBLEM SOLVING

- Define the problem
- Investigate and drive to root cause
- Verify and implement countermeasures
- Ensure sustainment

Drive urgency and accountability to close gaps on daily issues

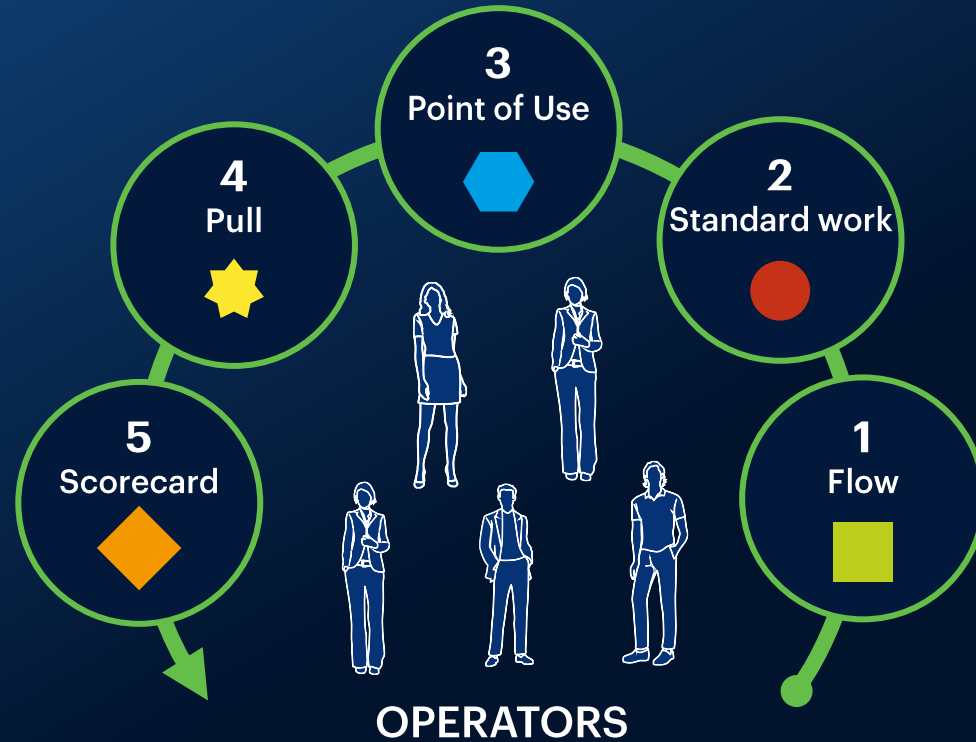
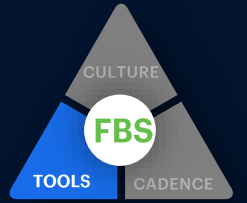


2022 Results

- ✓ Hardware ~\$45M NWC improvement
- ✓ Mitigated unprecedented supply chain challenges

FBS Tools: Driving Manufacturing Productivity

Lean Conversion



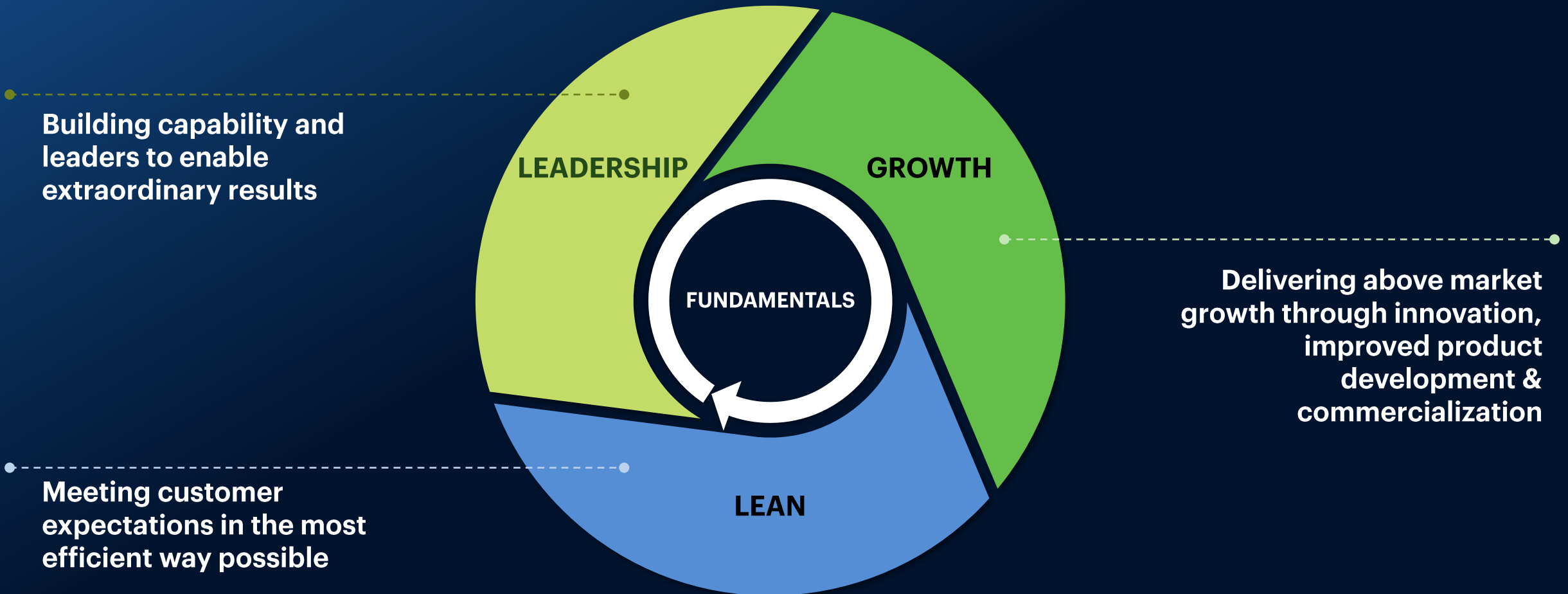
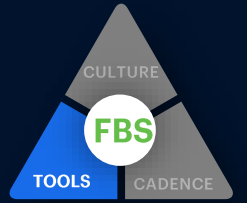
**RESULTS WHERE
DEPLOYED**

4x Improvement in Productivity

45% reduction in costs

>1 inventory turn improvement

FBS Tools Accelerate Results





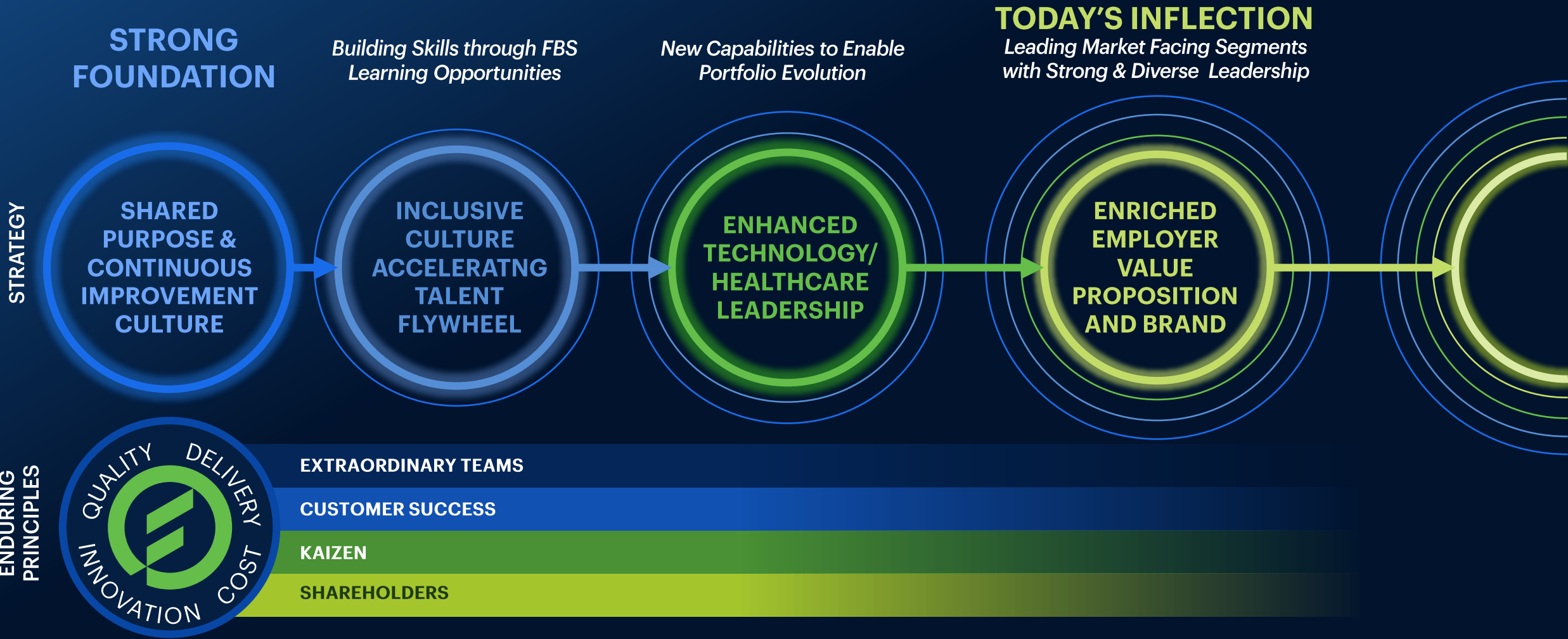
People Strategy

Stacey Walker, SVP & CHRO



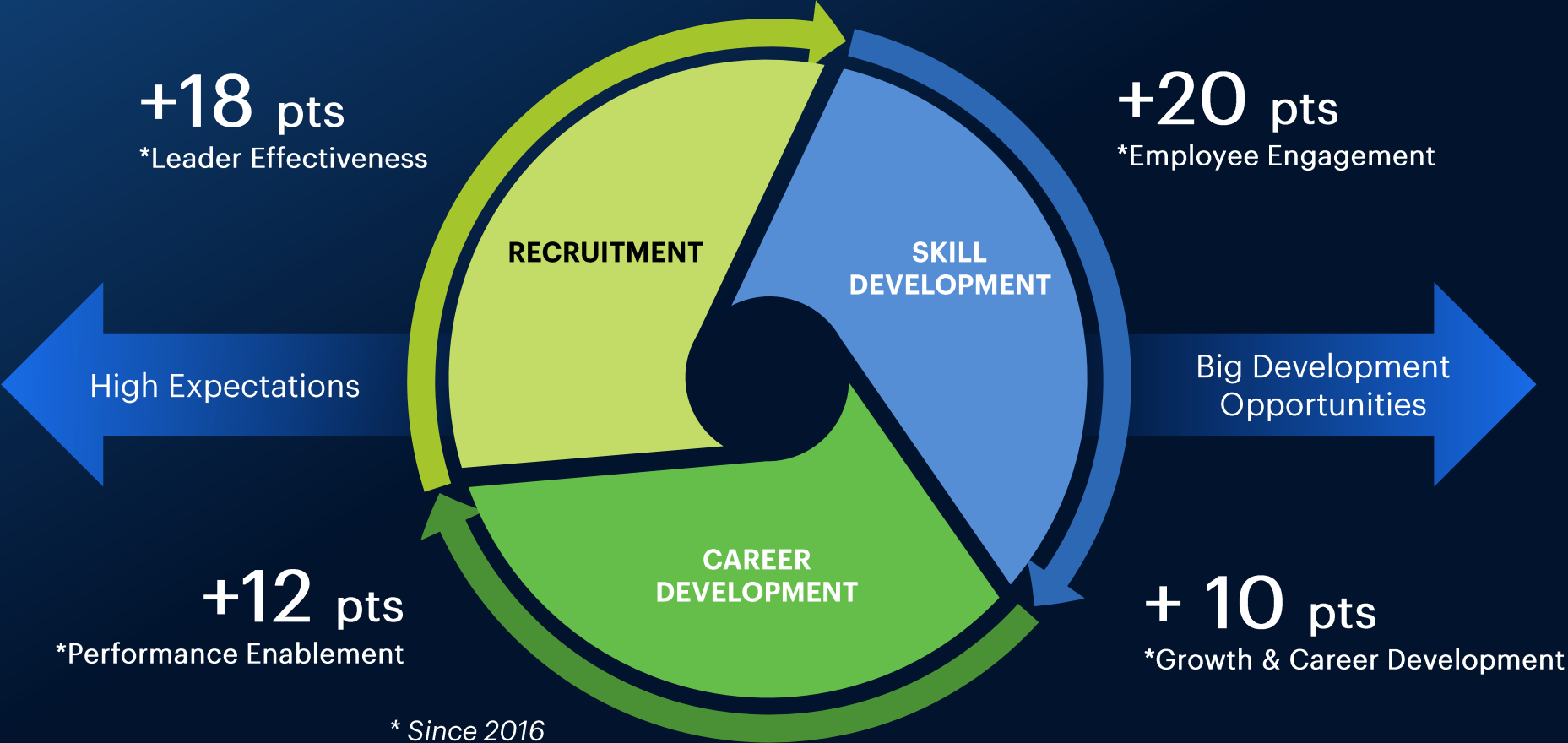
People Strategy Aligned To Business Strategy

Our Approach To Talent Has Evolved With Our Portfolio



Our Culture Enabling Outsized Impact

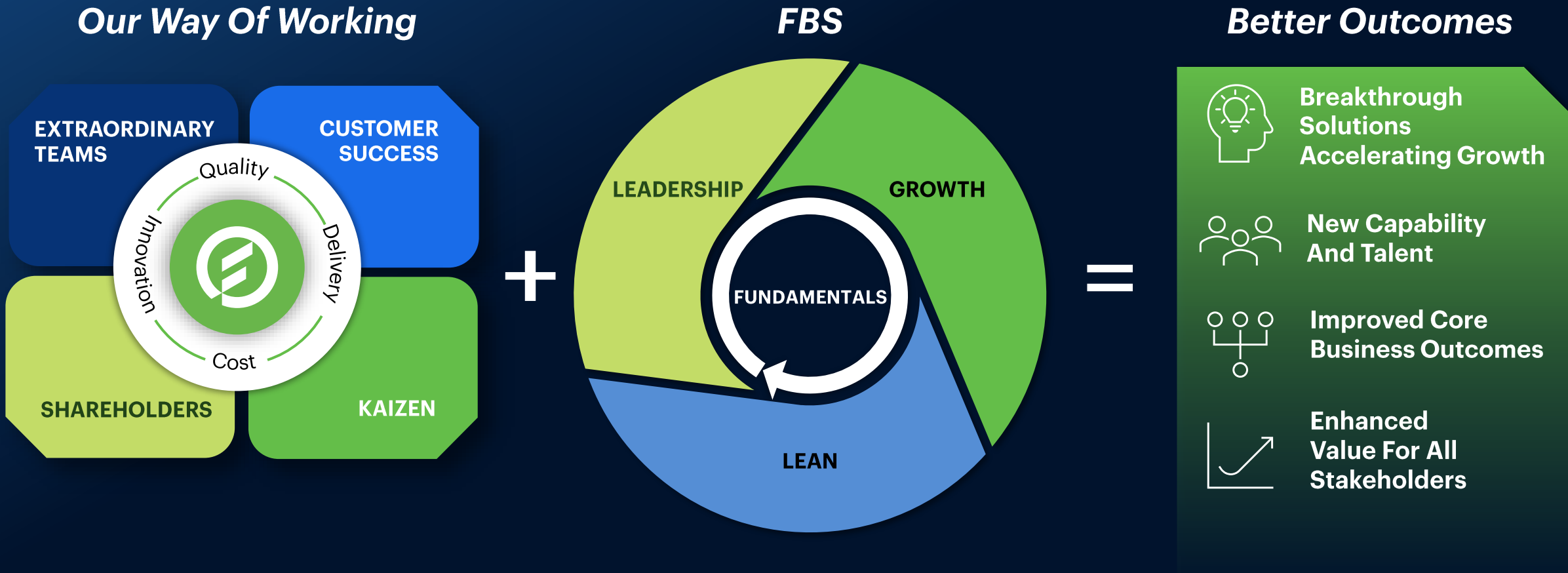
Employee Experience Unlocking Value Across Fortive



- ✓ Focus on people enablement drives employee engagement
- ✓ Culture of talent development is a key differentiator
- ✓ Stronger talent drives better business outcomes

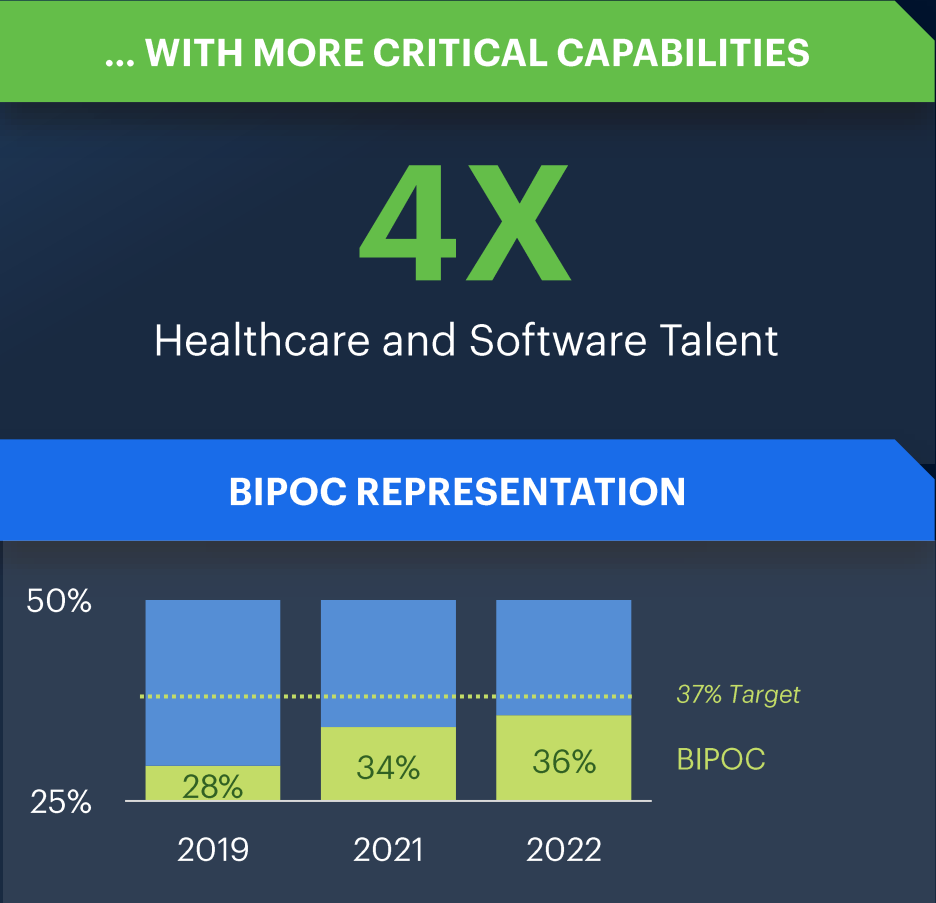
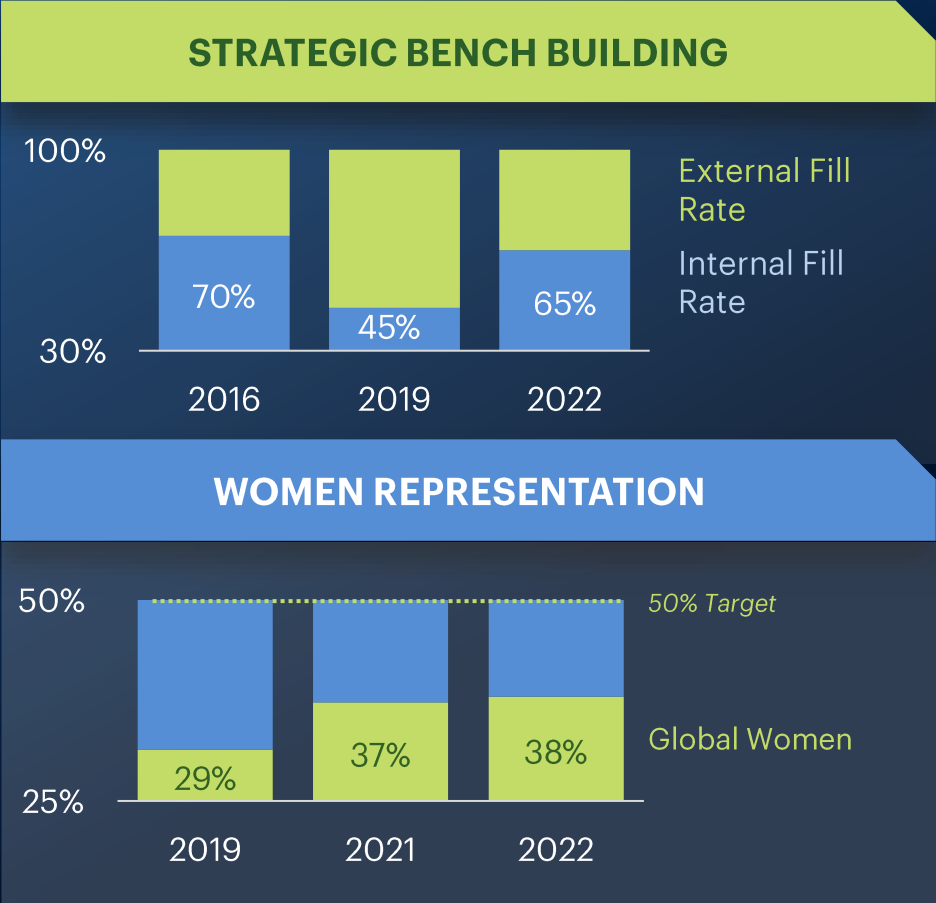
Innovation & FBS

Key Differentiator In How We Attract, Grow And Retain Talent



Building Capabilities For Future Success

Strengthening Diversity And Leadership Bench



- ✓ Focused hiring has delivered strategic talent growth
- ✓ Strategic pivot in leadership targets has resulted in a stronger, more engaged, more skilled workforce
- ✓ Talent development & opportunity set ensures long-term alignment and value creation

Talent Enablement Flywheel

Key Differentiator In How We Attract, Grow And Retain Talent

ASP

- MSD CAGR*
- 66% External hiring
- 2x Improvement in talent bench
- 3x Improvement in product and commercial talent bench



GORDIAN®

- Mid-Teens CAGR*
- 7% Gordian leaders exported across FTV
- 80% Internal fill
- 85% Engagement

Tektronix

- LDD CAGR*
- 58 talent exports across FTV
- 55% Internal fill
- 82% Engagement

* 2020-2023E Revenue CAGR

Our People Accelerating Extraordinary Results

Leveraging Our Brand & Deep Belief In Better





Sustainability

Pete Underwood, SVP & General Counsel



Sustainability Connected to Strategy

Objectives Inextricably Linked To Our Shared Purpose

UNIQUELY POSITIONED PORTFOLIO



Connected Reliability



Environmental Health & Safety



Facility & Asset Lifecycle



Product Realization



Perioperative Loop

ALIGNED TO **SUSTAINABLE**, SECULAR MEGATRENDS



AUTOMATION & DIGITIZATION



ENERGY TRANSITION



PRODUCTIVITY GROWTH



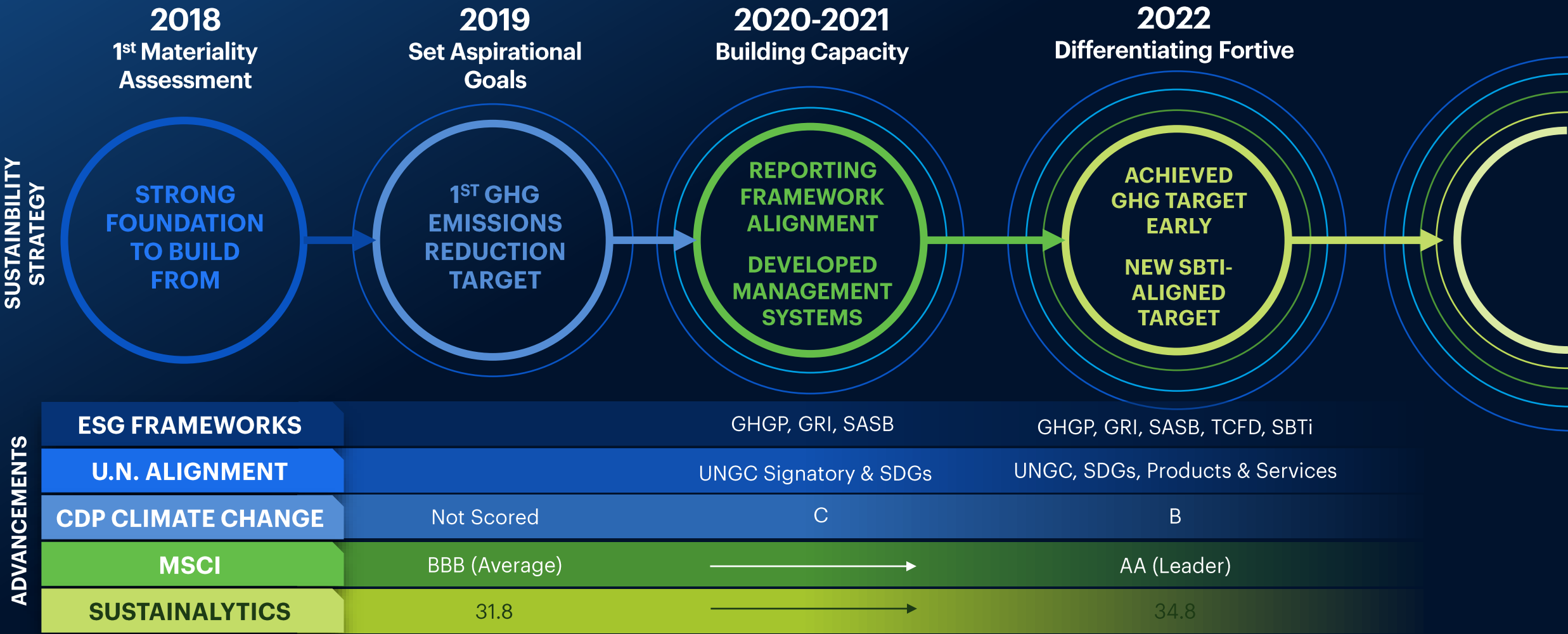
60% OF OUR REVENUE IS ASSOCIATED WITH SUSTAINABILITY-ENABLING PRODUCTS AND SERVICES

ALIGNED TO UN SDGs



Fortive's Sustainability Journey

Accelerating Progress Toward A Sustainable Future



Environmental Responsibility

Leveraging Culture Of Innovation And Continuous Improvement



2029 GOAL	REDUCE ABSOLUTE SCOPE 1 & 2 GHG EMISSIONS BY 50%	<ul style="list-style-type: none">• Aligned with Science Based Targets Initiative (SBTi) guidance• Aligned to Paris Agreement goal to achieve net-zero by 2050		
NEW 2029 GOAL	REDUCE WATER USE BY 10%	<ul style="list-style-type: none">• Focused on major operations• Prioritizing regions where water scarcity is higher risk		
POWER OF FBS	✓ GHG data accounting and reporting	✓ KPIs for operating companies	✓ Emissions reduction capital projects	✓ Environmental risk assessments

Responsible Sourcing

Setting High Expectations In The Fortive And Supplier Codes Of Conduct



2025 GOAL

INCREASE SPEND WITH DIVERSE SUPPLIERS TO AT LEAST \$100M

- Partnering with NMSDC to expand connections with minority business enterprises
- Established an LGBTQ+ supplier classification

2025 GOAL

100%: COMPLETION RATE FOR AUDITS OF HIGHER-RISK SUPPLIERS

- Expanded Sourcing Responsibly initiative to include human rights; completed 100% of reviews without major concerns
- Prioritizing local suppliers to reduce risk, carbon, costs and promote business resilience

POWER OF FBS

- ✓ Supplier audit KPIs and process
- ✓ Supplier diversity playbook
- ✓ Sustainability criteria in supplier risk matrix
- ✓ Standard training for all internal auditors

Fortive's Sustainability Future

Accelerating Progress Toward A Sustainable Future



ADVANCEMENTS	ESG FRAMEWORKS	Maintain currency with integrated frameworks
	PORTFOLIO	>75%
	CDP	Leader
	ESG RATINGS	Top decile
	GLOBAL ALIGNMENT	UNGC, UN SDGs, Paris Agreement, Future COP outcomes



FORTIVE



FORTIVE

INVESTOR DAY

Advanced Healthcare Solutions

Tami Newcombe, President & CEO, AHS



Advanced Healthcare Solutions (AHS) Today

Leading Positions In Attractive Healthcare Market

BUSINESS OVERVIEW

Provides solutions to enhance provider productivity and safety in critical operational and clinical healthcare workflows

MISSION- CRITICAL WORKFLOWS

PERIOPERATIVE LOOP



BIOMEDICAL SAFETY & COMPLIANCE



KEY FINANCIALS (2023E)

\$10B
Total
Addressable Market

\$1.3B
Total
Revenue

MSD
3-Year Core
Revenue CAGR

~70%
Recurring
Revenue

~56%
Adj. Gross
Margin

~24%
Adj. Op.
Profit Margin

SECULAR DRIVERS



AGING
POPULATIONS



INCREASING MEDICAL
COMPLEXITY



GLOBAL INVESTMENT
IN HEALTHCARE



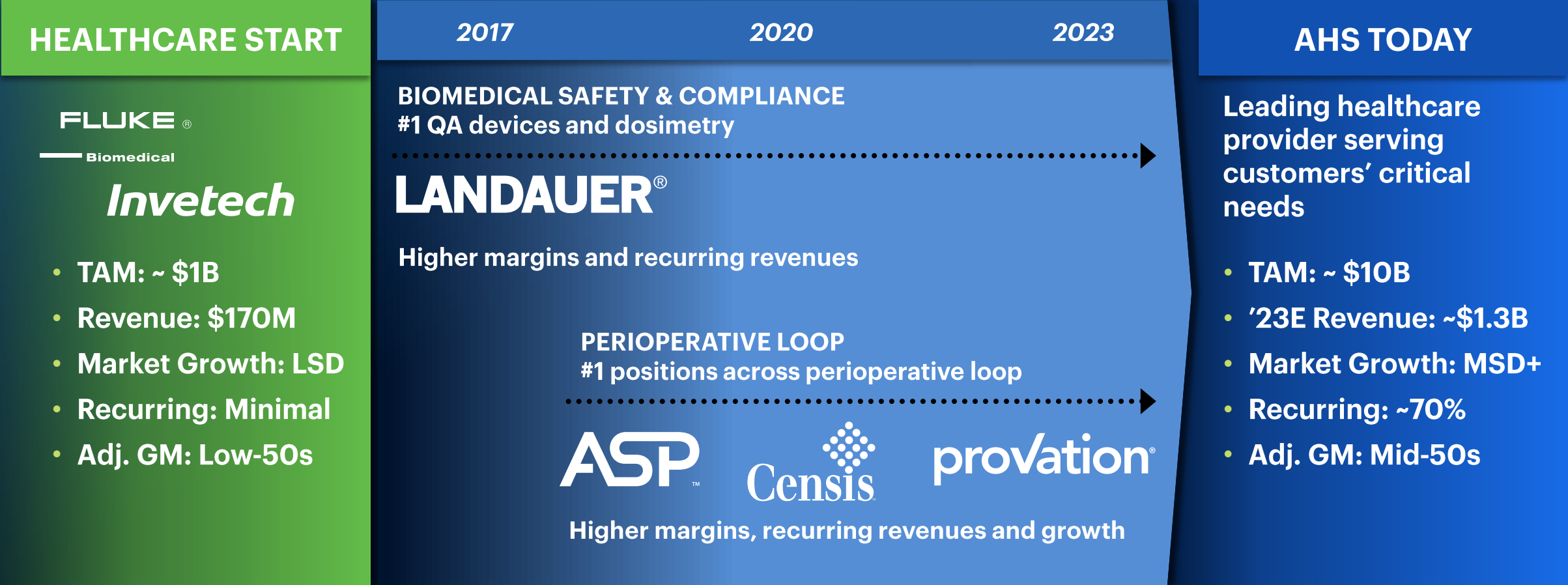
PATIENT SAFETY AND
COMPLIANCE



OPERATIONAL
PRODUCTIVITY

How We Built The AHS Segment

High Recurring Revenue And Strong Margin Profile In Resilient End Market



Our Strategy Builds Upon Leading Positions

Essential Workflow Solutions Ensure Safe, Efficient And Timely Healthcare

INCREASE VALUE WITH CUSTOMERS

Market leading positions and
>13,000 customers

Customer success
and utilization

Services advantage

EXPANSION OPPORTUNITY

Existing solutions and
value proposition

Care shifting to ASCs

Geographic reach through
partnerships

INNOVATION VELOCITY

Healthy funnel
growth accelerator

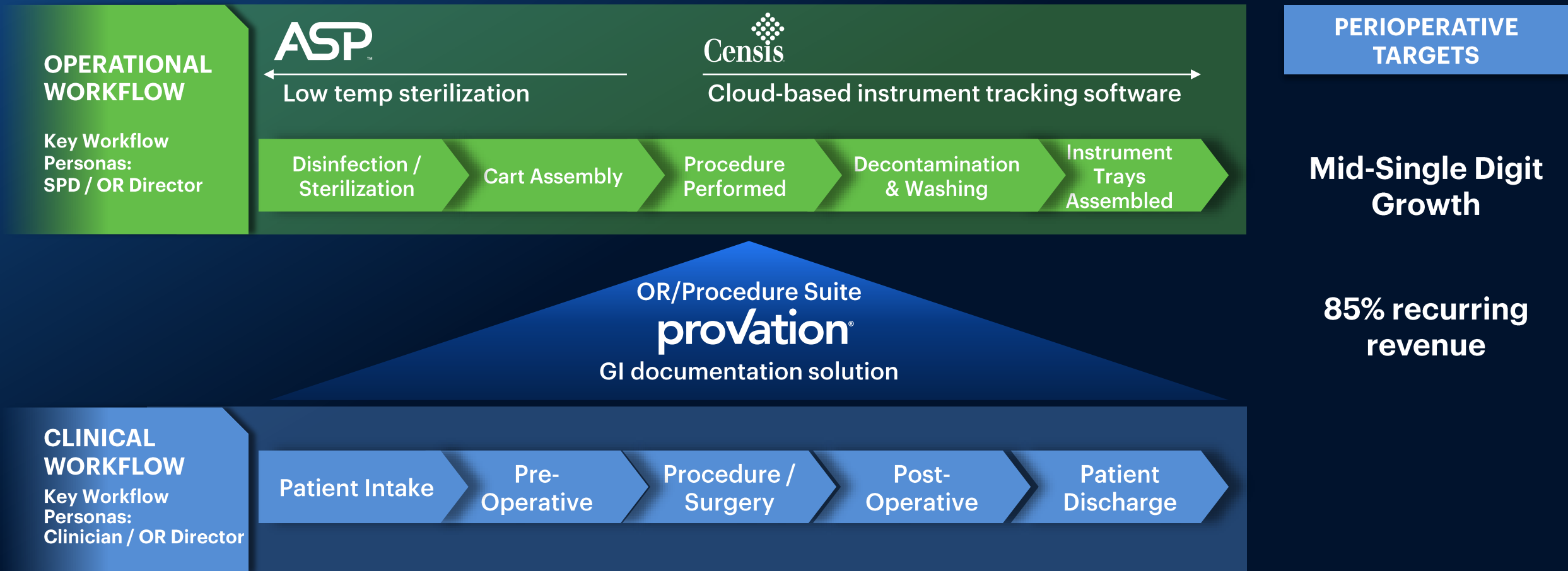
BI / CI consumables

New solutions
new personas / specialties

Analytics and AI

Our Perioperative Positions

Solving Customer Challenges Across The Perioperative Loop



Case Study: ASP

Well Positioned For Profitable Growth As Healthcare Market Recovers

CHALLENGE

- Unprecedented disruption to healthcare systems
- FBS to drive share gains, incremental margins and working capital improvements
- Despite macro challenges, our ASP thesis remains intact

PROGRESS

- Expanded installed base, primarily outside the US
- \$30M improvement in working capital since 2019
- +30% improvement in BI facility productivity
- Mid-20s margins 2H'23



HSD Cash ROIC projected in 2023

INFLECTION

- Elective procedure recovery in 2023
- Expanding our direct customer relationships in the US market
- Growing position in sterilization monitoring to drive higher customer value
- Continue to leverage FBS and cost structure to deliver consistent margin expansion

Case Study: Censis

Capturing Instrument Tracking White Space

OPPORTUNITY

- Censis is the market leader in instrument tracking software with significant white space opportunity

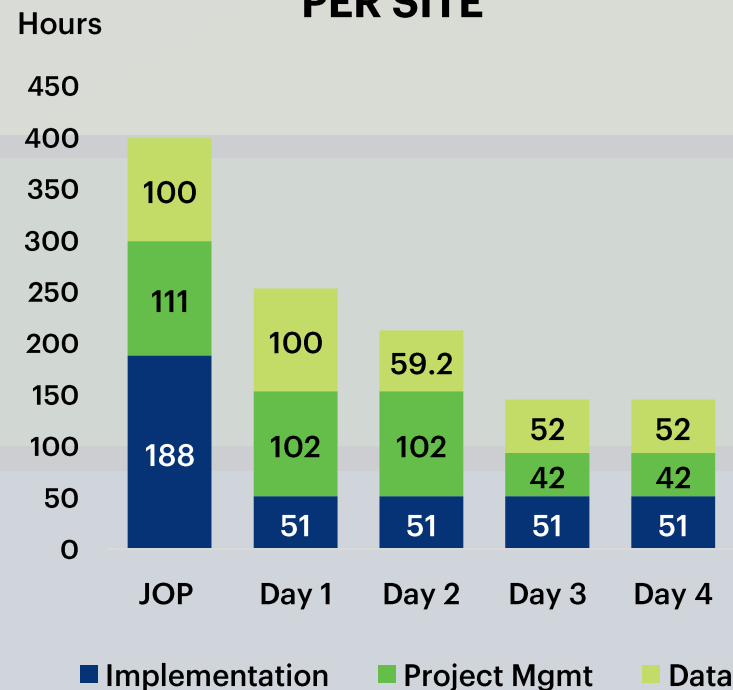
CHALLENGE

- Accelerating new site growth without increasing the implementation workforce

SOLUTION

- Leveraged FBS tools for focused engagement, automated processes, and new digital tools
- Sustained efforts through daily visual management

IMPLEMENTATION HOURS PER SITE



CUSTOMER OUTCOMES

- ✓ **20%** increase in speed to subscription revenues
- ✓ **48%** reduction in hours spent processing data needed for install
- ✓ **64%** decrease in implementation hours per site

Case Study: Provation

SaaS Migrations Progressing

OPPORTUNITY

- Provation's Apex (GI documentation product) is the leading SaaS solution
- Represents 2-3x pricing uplift opportunity vs on-prem solution

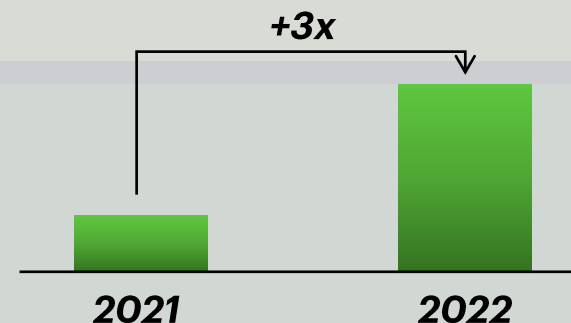
CHALLENGE

- Growing bookings in a challenged post-COVID healthcare environment

SOLUTION

- Used value stream mapping to understand buyer's journey
- Created sales funnel Obeya for key pipeline opportunities
- Prioritized customer targets for more focused actions

TOTAL EOY APEX MIGRATION BOOKINGS (\$M ARR)



CUSTOMER OUTCOMES

- ✓ **20%** increase in ASC Apex migration bookings ARR vs. plan
- ✓ **+2x** pricing uplift vs on-prem
- ✓ **3x** Apex migration ARR Y/Y

AHS Value Creation Drivers

Constructed For Growth And Margin Runway

CULTURE OF CONTINUOUS IMPROVEMENT

- Driving net dollar retention
- Innovation velocity



FORTIVE
BUSINESS
SYSTEM



DURABLE
GROWTH

COMPELLING OUTLOOK

- MSD CG (through the cycle)
- 100bps per year of OMX



WINNING IN
THE CORE

\$10B TOTAL ADDRESSABLE MARKET

- Increase value with customers
- Market expansion opportunity

BOLSTER POSITIONS

- Expand hospital productivity solutions
- Increase solutions with clinicians

INNOVATING IN
CRITICAL
WORKFLOWS



Compelling Outlook

AHS Well Positioned To Execute Across All Value Creation Drivers

STRONG SECULAR DRIVERS



VALUE CREATION

Winning in the Core

Innovating in Critical Workflows

Productivity and FCF

Targeted M&A



FINANCIAL TARGETS





Precision Technologies

Tami Newcombe, President & CEO, PT



Precision Technologies (PT) Today

Enabling An Intelligent And Sustainable Future

BUSINESS OVERVIEW

We provide customers, across a broad range of end markets, mission critical technologies and solutions to enable an intelligent and sustainable future.

MISSION-CRITICAL WORKFLOWS

PRODUCT REALIZATION



SENSING TECHNOLOGIES



ENERGETIC SOLUTIONS



KEY FINANCIALS (2023E)

>\$20B
Total Addressable Market

\$2.1B
Total Revenue

HSD
3-Year Core Revenue CAGR

~24%
Recurring Revenue

~54%
Gross Margin

~26%
Adj. Op. Profit Margin

SECULAR DRIVERS



ELECTRIFICATION OF EVERYTHING



REGULATION, SAFETY, ESG



AUTOMATION AND DIGITIZATION



RESHORING MANUFACTURING



DEMOGRAPHICS AND LABOR MARKETS

PT Value Creation Drivers

Proven Formula For Profitable Durable Growth

CULTURE OF CONTINUOUS IMPROVEMENT

- Accelerate innovation
- Price realization
- Manufacturing productivity

BOLSTER POSITIONS

- M&A to accelerate strategy
- Partnerships
- AI/ML



COMPELLING OUTLOOK

- MSD core growth (through the cycle)
- 75bps per year of OMX

\$22B TOTAL ADDRESSABLE MARKET

- Workflow expansion
- Diversify end markets
- Geographic reach

Product Realization Workflow

Diversification Across Workflow And End Markets



Tektronix Differentiation – Power Innovation

Solving Ubiquitous Need For Power Efficiency



**Fast Growing
Market –
Multi-Billion
Opportunity**

**HSD+
CAGR**

**Across Diverse
End Markets**

Tektronix Winning In Power

Driving Wide Bandgap Technology Innovation For An Electrified Ecosystem



**TESTING FOR POWER EFFICIENCY AND
RELIABILITY OF ENERGY GRIDS**



**TESTING INDUSTRIAL AUTOMATION
MOTOR DRIVE ANALYSIS**



**TESTING ELECTRIC
INVERTERS AND MOTORS**



**TESTING WIDE BANDGAP
PRODUCTS**



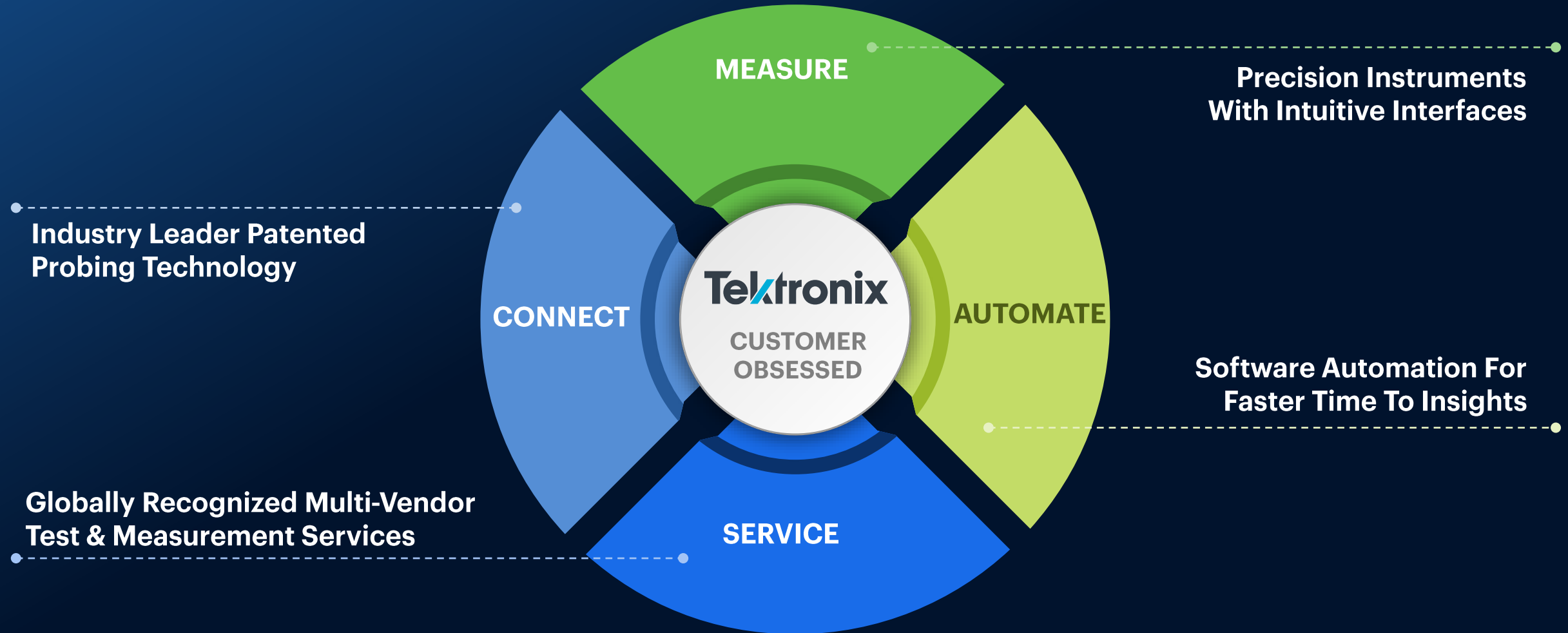
**TESTING ELECTRIC MOBILITY
BATTERY QUALITY**



**CHARACTERIZING POWER DEVICE
PERFORMANCE**

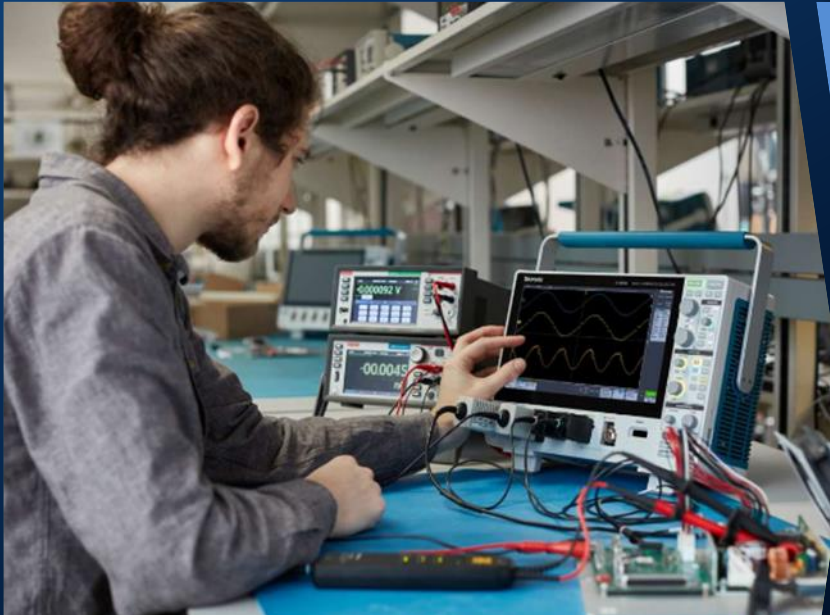
Tektronix Winning Combination

Continuously Increasing Customer Value



Tektronix FBS Innovation

A New Compact Oscilloscope For Test, Anywhere Anytime



**TRADITIONAL "BENCH TOP"
BASED TESTING**



2X Expansion in SAM*






**GO-ANYWHERE WITH
BENCH TOP PERFORMANCE**

** SAM for measurement performance of 500 MHz bandwidth and 2.5GS/S sampling rate*

Proliferation of Sensors

Sensing Technologies Growth Vectors

WIN IN CORE	SOLUTIONS	END MARKET EXPANSION	ADD SENSING MODALITIES
<p>Trusted for applications expertise in regulated and critical environments</p> <ul style="list-style-type: none">LPM growth acceleratorSolution value sellingGeographic expansion	<div><p>Collect Data</p><p>Proprietary, IP-protected sensors</p></div> <div><p>Measure Data</p><p>Mission-critical instrumentation</p></div> <div><p>Analyze Data</p><p>Software solutions</p></div>	<p>Served:</p> <ul style="list-style-type: none">HealthcarePower / EnergyDairyDiversified Industrial <p>Expansion:</p> <ul style="list-style-type: none">Food & BeverageLifesciencesClimate / WeatherTransportationA&D	<p>Served:</p> <ul style="list-style-type: none">PressureLevelTemperatureHumidityPosition <p>Expansion:</p> <ul style="list-style-type: none">ChemicalEnvironmental

QUALITROL
Defining Reliability

Gems
Sensors & Controls

setra


ANDERSON-NEGELE

HENGSTLER
DYNAPAR

Case Study: FBS at Qualitrol

Customer's Ramping Demand in Electric Grid

OPPORTUNITY

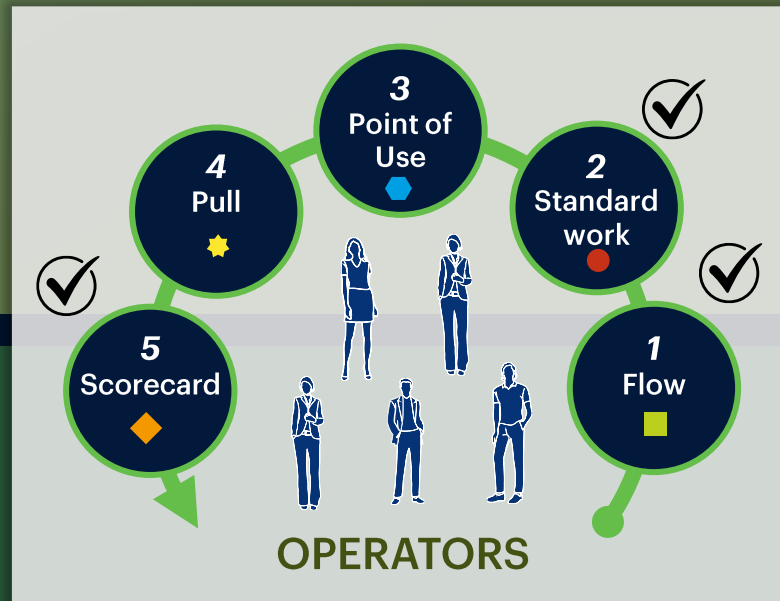
- Record backlog: EV demand, renewables, datacenters
- Customers adding capacity to support regional carbon footprint targets

CHALLENGE

- Orders growth outgrowing capacity
- Supply chain challenges
- OTD bottleneck

SOLUTION

- Fortive Material System (FMS): improved material replenishment
- 5S/ Standard work: down cycle time

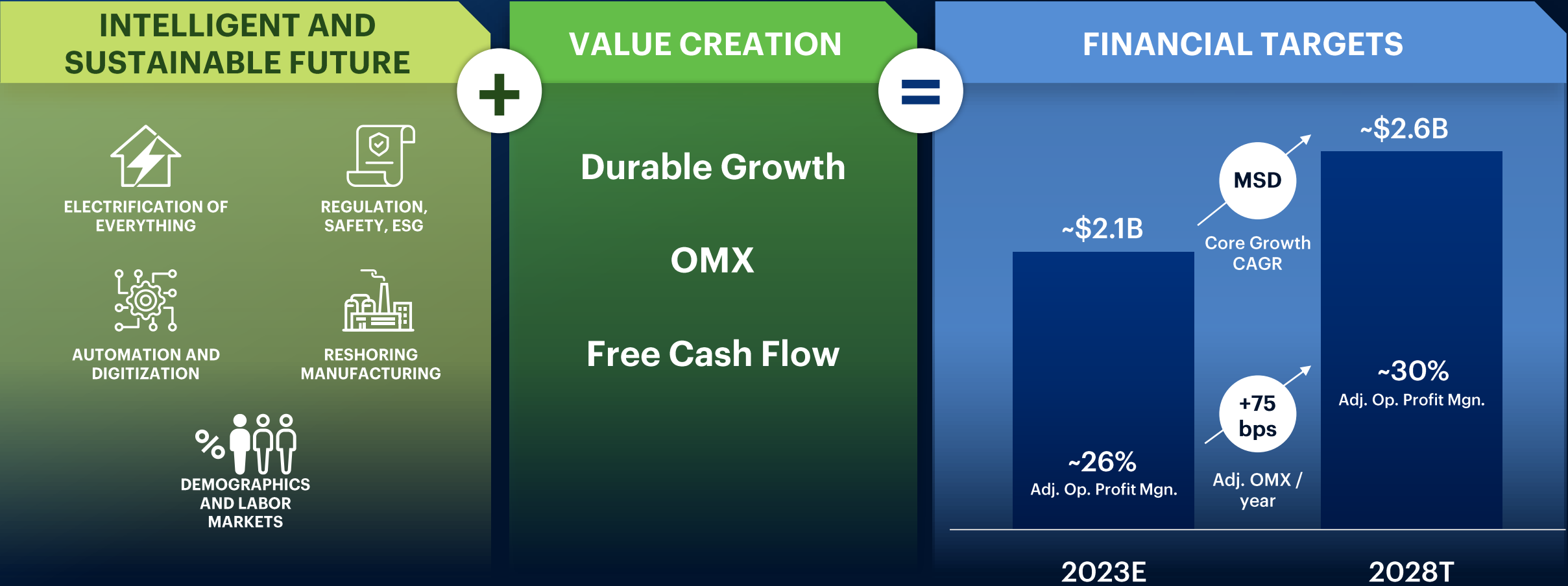


CUSTOMER OUTCOMES

- ✓ **10%+** Improvement in OTD
- ✓ **70% Capacity Expansion**
- ✓ **20% Increase in Production Throughput**

Compelling Outlook

Significant Runway For Continued Profitable Growth





Intelligent Operating Solutions

Olumide Soroye, President & CEO, IOS



Intelligent Operating Solutions (IOS) Today

Attractive Markets And FBS Execution Powering Great Results

BUSINESS OVERVIEW

Serving customers across end markets with solutions that are accelerating field and facility productivity, reliability, and safety

MISSION-CRITICAL WORKFLOWS

FACILITY & ASSET LIFECYCLE (FAL)



CONNECTED RELIABILITY (CR)



ENVIRONMENTAL, HEALTH & SAFETY (EHS)



KEY FINANCIALS (2023E)

~\$30B
Total Addressable Market

~\$2.6B
Total Revenue

High-teens
3-Year Core Revenue CAGR

~30%
Recurring Revenue

~30%
Software Revenue

~65%
Adj. Gross Margin

~31%
Adj. Op. Profit Margin

SECULAR DRIVERS



"MORE WITH LESS"
UPTIME AND EFFICIENCY



WORKFLOW DIGITIZATION



RESHORING



COSTS OF COMPLIANCE



SUSTAINABILITY



DATA-DRIVEN
DECISION MAKING

How We Have Built The IOS Segment

Scaled Positions With Significant Growth And M&A Runway



Leading Positions in Critical Workflows

Strong Brands Positioned For Durable Growth

Facility &
Asset
Lifecycle

GORDIAN[®]

 **ACCRUENT**

 ServiceChannel

#1 FAL software and tech-enabled services platform

Environmental,
Health &
Safety

**INDUSTRIAL
SCIENTIFIC**

INTELEX

**#1 Connected portable gas detector
brand and leading EHS software**

Connected
Reliability

FLUKE[®]

 **PRÜFTECHNIK**

Eemaint

**#1 Test and measurement brand
with a 75-year legacy of innovation**

Organic Strategy Leverages Our Leading Positions

Flywheel Driving Sustained Value Creation

CULTURE OF CONTINUOUS IMPROVEMENT

- Sustained productivity improvement and OMX
- Outstanding FCF conversion enabled by software/SaaS models

BOLSTER POSITIONS

- Product innovation to solve key customer problems worth solving
- Business model innovation with multi-year service plans, managed services, HWaaS and pricing models



COMPELLING OUTLOOK

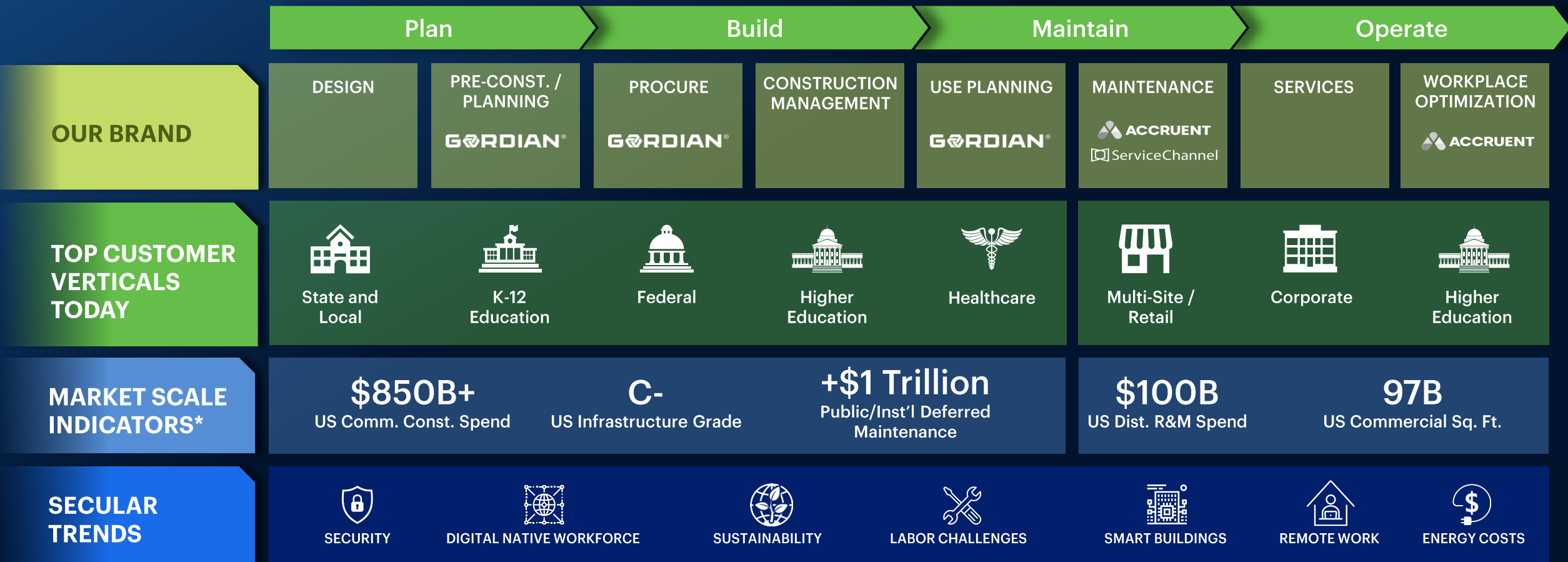
- MSD+ Core Growth (through the cycle)
- DD Adj. Op Profit Growth
- Capital Deployment Upside

\$30B TOTAL ADDRESSABLE MARKET

- Large and growing addressable market
- Sales productivity
- Value-based pricing
- Customer success (Net Revenue Retention, upsell, cross-sell)

Facility & Asset Lifecycle Solutions Workflow

Well Positioned In Attractive Spaces Benefiting From Secular Trends



* Based on management’s estimates

Case Study: Leading University

Creating Customer Value Throughout The Building Lifecycle

CHALLENGE

- Leading state flagship university faced infrastructure challenges
- Outdated facilities and budget constraints were compelling them to do “more with less”



SOLUTION

- Customer uses Gordian and Accruent solutions to plan, procure, and optimize their facilities
- Customer now has single source of truth for all facility assessments and documents
- Allows efficient preparation of requests for University Board to approve

CUSTOMER OUTCOMES

- ✓ Campus sq. ft. has increased **14%** while energy consumption is down **12%** per sq. ft.
- ✓ **Able to help plug budget gaps** by renting vacant academic and multipurpose spaces
- ✓ **Single solution** for space utilization and scheduling
- ✓ **FAL solutions driving DD growth**

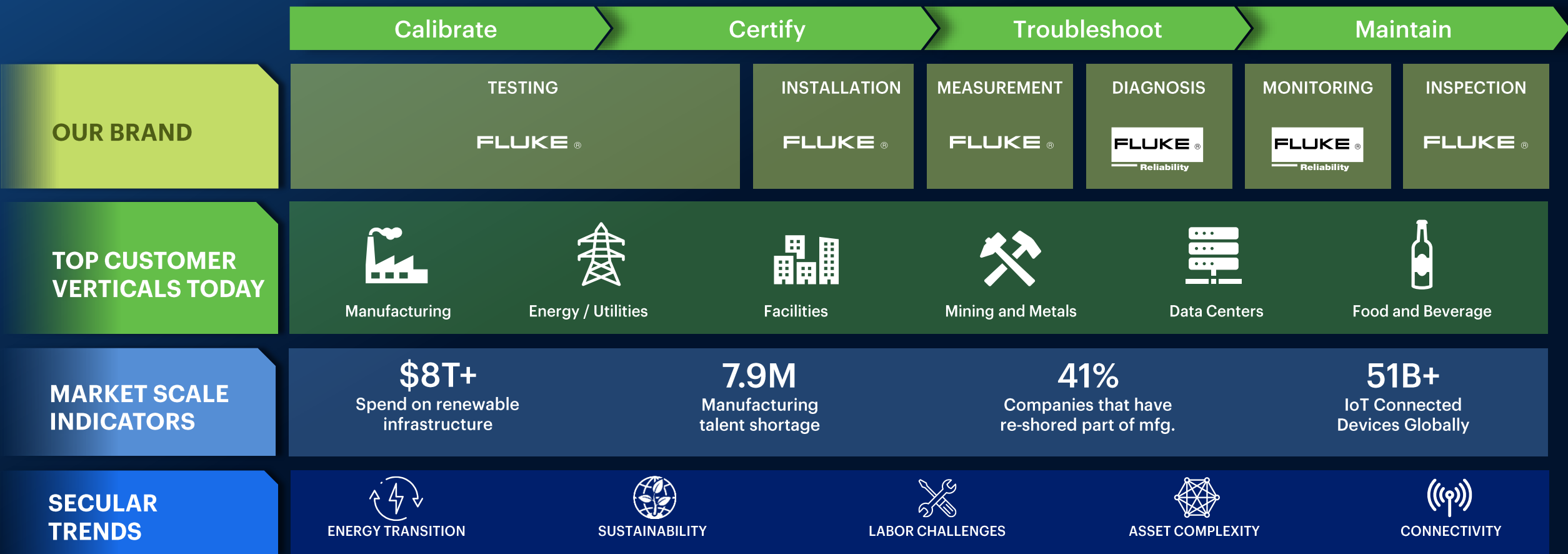
Case Study: Accelerating Impact At Accruent

Transforming Into A High-Performing, Unified Software Engine

	INNOVATION	WORKING CAPITAL
CHALLENGE	<ul style="list-style-type: none">• Complex software suite• Limited new feature releases• High customer churn	<ul style="list-style-type: none">• Migration from license to subscription models• More customers using payment portals• Inconsistent terms and collections processes across customer base and products
PROGRESS	<ul style="list-style-type: none">• Kaizens used to drive churn and outage reduction• Implemented LPM to prioritize and improve efficiency in development• Created capacity for innovation and new offerings	<ul style="list-style-type: none">• Rigorous daily visual management to achieve timely payments• Automated key processes to speed payment, reduce costs and improve customer satisfaction
INFLECTION	<ul style="list-style-type: none">• Reduced outages by over 60%• Streamlined portfolio – 50% reduction in products• Strongest slate of new product enhancement releases in last 5 years	<ul style="list-style-type: none">• \$50M+ improvement in NWC since acquisition; transitioning to a negative WC model• Reinvestment in innovation enhancing customer value

Connected Reliability Solutions Workflow

Broad Coverage Across Customer Workflow



Case Study: Innovation at Fluke

Winning In New Verticals

OPPORTUNITY

- Need for new solutions in high-growth markets accelerated by Energy Transition – Solar, EVSE, etc.
- Solar vertical required simplified & reliable testing for technician safety and asset performance
- Time-to-market leadership opportunity

PROGRESS

- Launched uniquely differentiated SMFT-1000 solar tester in late 2022 that cuts test time up to 50%
- Strong slate of Fluke NPI focused on broader Energy Transition
- 5X increase in revenues from solar products

INFLECTION

- Lean Portfolio Management critical to accelerating new vertical strategy
- Deployed FBS Voice of Customer and Growth Accelerator toolkit to accelerate time-to-market of award-winning and customer-delighting product
- Leveraging leading T&M brand in Solar, EVSE and Storage high-growth verticals
- Leading Solar and EVSE Industries standard development and technician training



Case Study: Critical Equipment Monitoring

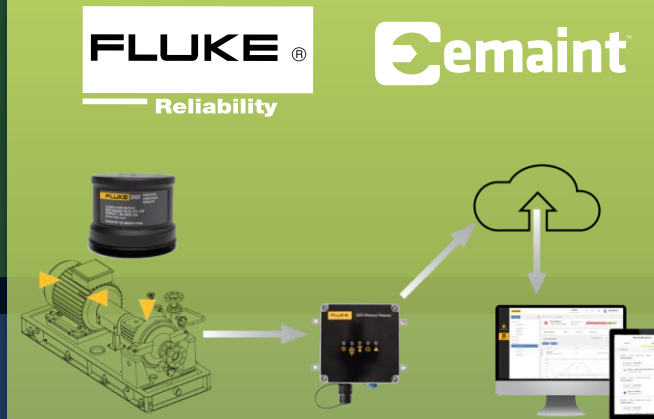
Ensuring Uptime Of Critical Equipment Through Connected Reliability

CHALLENGE

- Major food processor experienced challenges with maintaining critical equipment, forcing evacuations and fines

SOLUTION

- Connected Reliability solution established *preventative* maintenance system, with alerts allowing repairs to be made before critical equipment fails
- Customer able to turn machine health data into action, deploying technicians before failures and reducing downtime-related costs



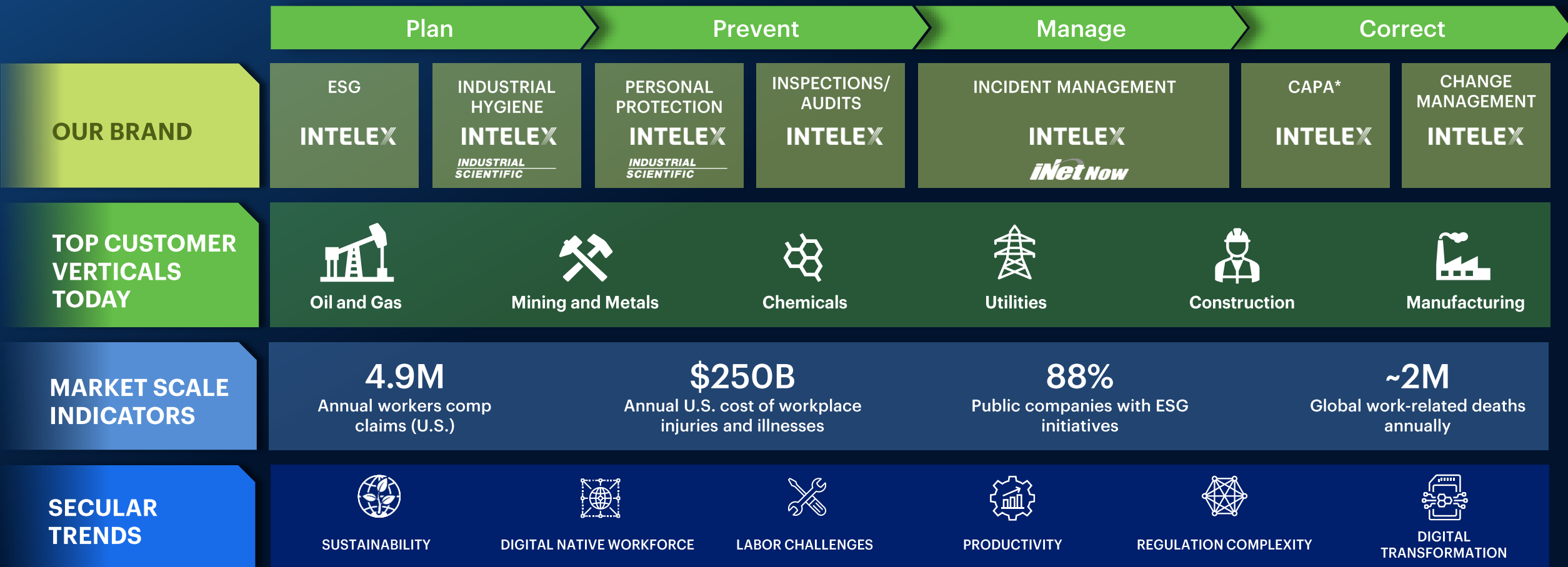
"Fluke's Condition Monitoring on our critical equipment is a big deal for us because they are difficult to access and repair. Failure is catastrophic and usually the whole plant has to shut down..."

CUSTOMER OUTCOMES

- ✓ ~\$300K+ cost per machine downtime avoided – no failures since program implemented
- ✓ Fines, up to ~\$200K per action, **reduced** and/or **avoided**
- ✓ Worker safety scores **materially improved**

EHS Solutions Workflow

Creating Value For Customers Across The EHS Workflow



*Corrective and Preventative Action processes

Case Study: Delivering Results With Software

Driving Cost Savings With Best-In-Class EHS Software

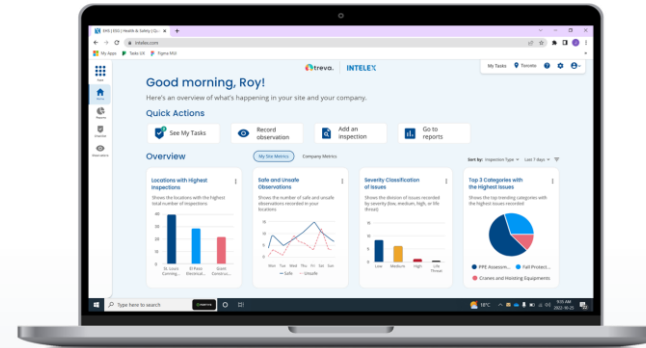
CHALLENGE

- Large U.S. manufacturer used multiple EHS systems to track incidents and perform corrective actions
- Poor user experience and lack of visibility for senior management

SOLUTION

- Customer chose Incident Management, Audit, and Observation software solutions from InteleX
- InteleX's solution suite enabled a single centralized safety and compliance system helping to drive improved KPIs across the organization

INTELEX



"We use InteleX to track and communicate close calls and safety observations, which has helped tremendously in increasing employee engagement...[it has been] a culture shift."

CUSTOMER OUTCOMES

- ✓ **60%+** reduction in lost time due to injury
- ✓ **55%** improvement in employee compliance with safety rules and regulations
- ✓ **50%+** reduction in OSHA reported incidents

Case Study: Scaling Hardware-as-a-Service Model

Accelerating Growth Of Recurring Revenue Model

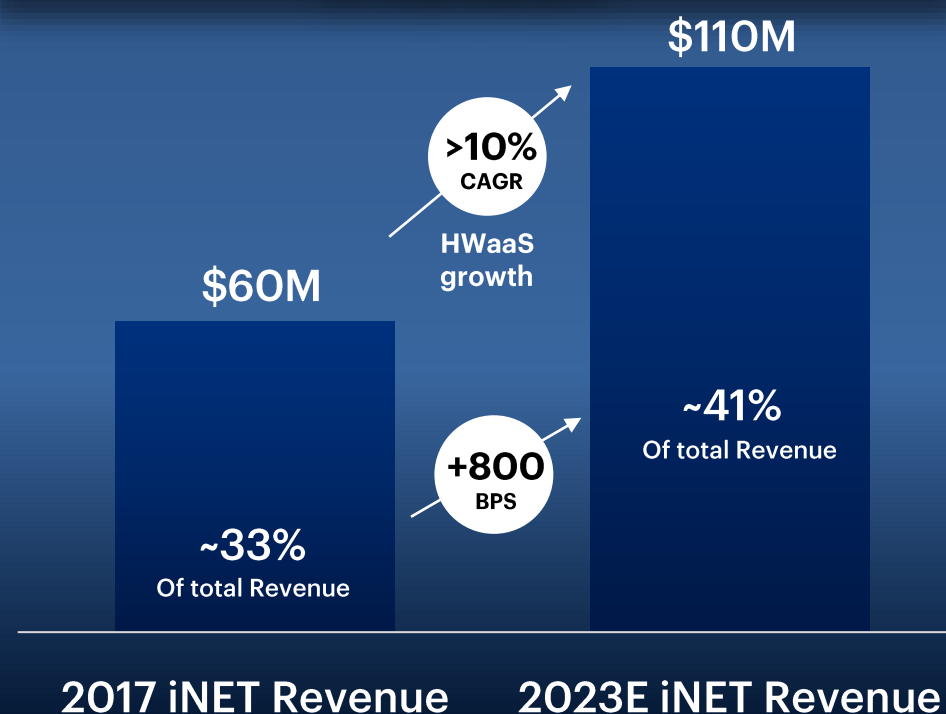
OPPORTUNITY

- Fortive acquired portable gas detection leader Industrial Scientific in 2017
- Its recurring HWaaS model (iNET) needed to rapidly scale to secure market leadership and revenue durability

ACCELERATION

- Leveraging FBS, Industrial Scientific Team materially accelerated iNET's growth
- FBS sales funnel management, customer success, value selling & pricing and cross-sell/upsell toolkit enabled acceleration
- Industrial Scientific team is now HWaaS champion across Fortive

Scaling Recurring Revenues in Hardware



Compelling Outlook

Significant Runway For Continued Profitable Growth

GREAT MARKETS



Facility & Asset
Lifecycle



Connected
Reliability



EHS

STRONG STRATEGY



Winning in the Core

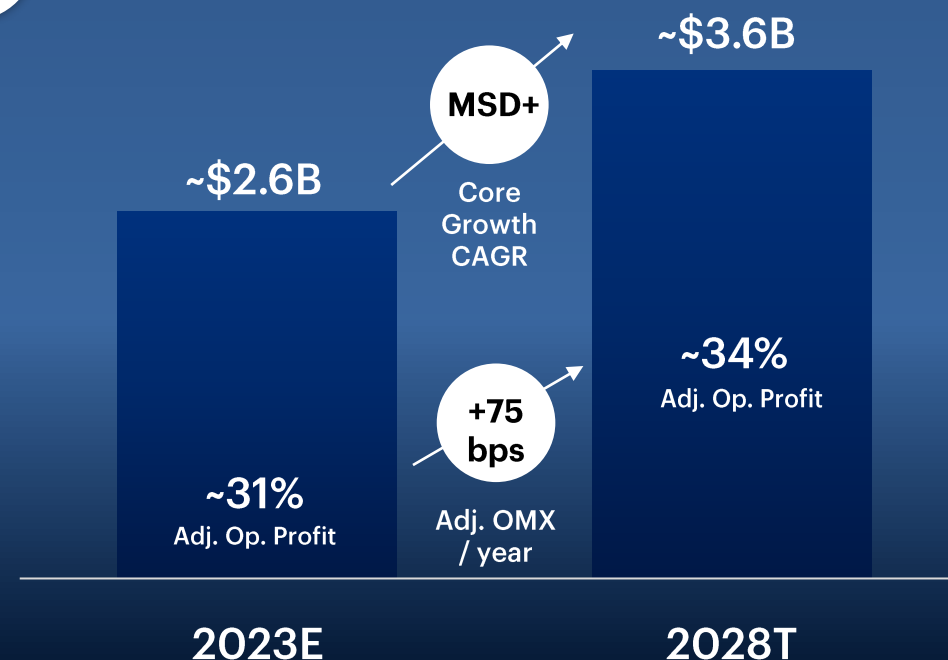
Innovating in
Critical Workflows

Productivity and FCF

Accretive Reinvestment



FINANCIAL TARGETS








Financial Overview & Outlook

Chuck McLaughlin, SVP & CFO



Delivering On Our 5 Year Commitments

More Recurring & Durable Growth, Margin & FCF Expansion

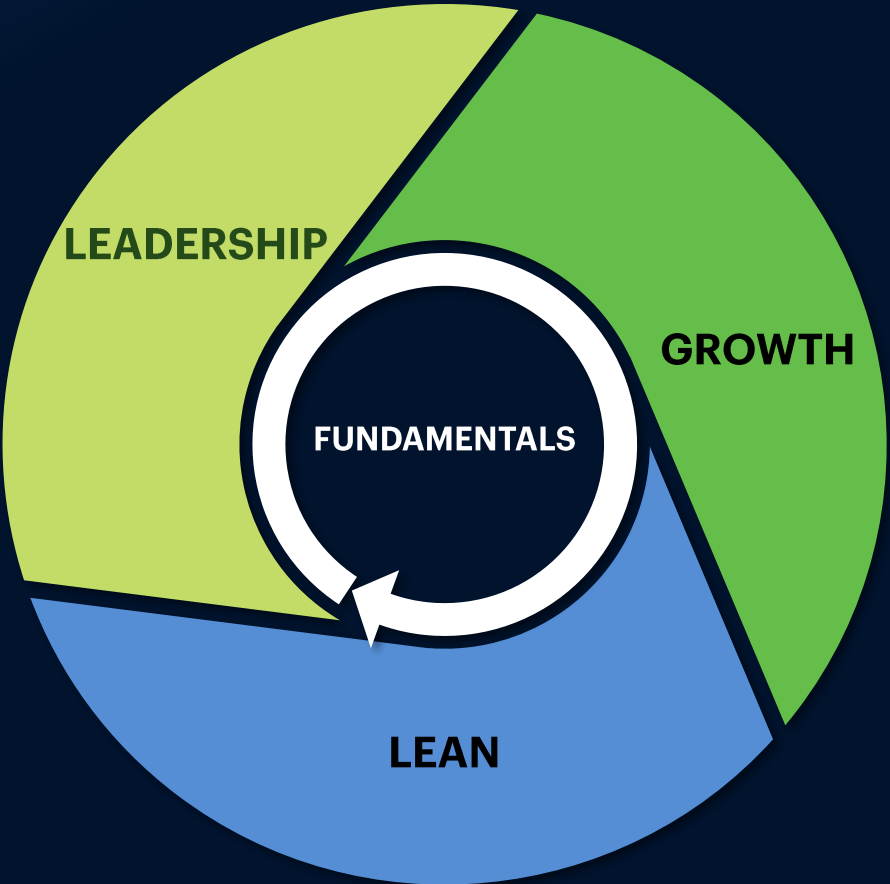
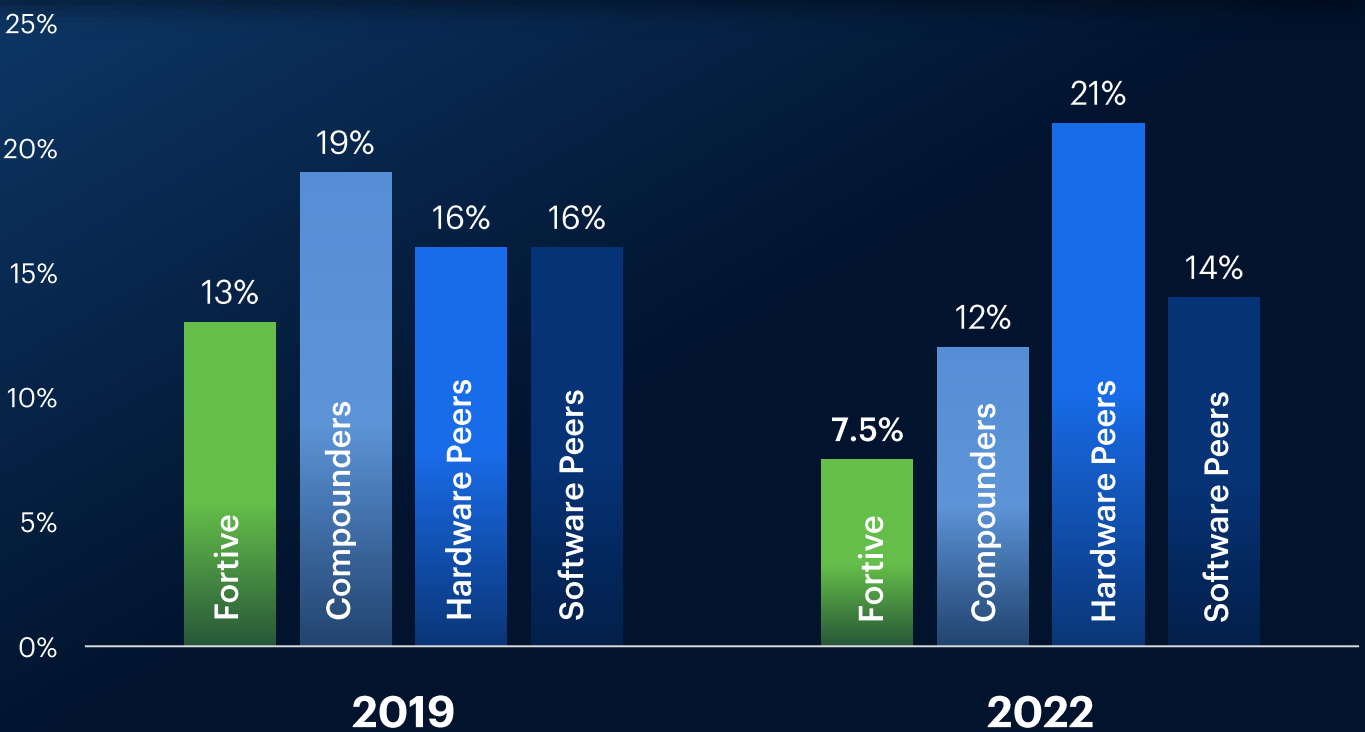
		2021 INVESTOR DAY		PERFORMANCE TO DATE (2021 – 2023E)
REVENUE & GROWTH	Progression to more recurring revenue drives higher, more durable growth	5 YR COMMITMENTS		
		Core Growth	MSD	
		Recurring Revenue	45% - 50%	
		Software Revenue	~20%	
MARGINS	High quality portfolio enables strong incremental margins and powers earnings flywheel	5 YR COMMITMENTS		
		Adj. GMX	+50 bps / yr	
		Adj. OMX	+75 bps / yr	
FREE CASH FLOW	Power of FBS drives robust Free Cash Flow generation and accelerated compounding	5 YR COMMITMENTS		
		Free Cash Flow Growth	+DD CAGR	
		Free Cash Flow	>\$1.6B	2023E: \$1.25B, ~105% Conversion

Differentiated Operational Performance

Reduced NWC As A Percent Of Revenue By >40% Since 2019













BEST-IN-CLASS NET WORKING CAPITAL EFFICIENCY

NWC % of Revenue



Value Creation Track Record

Returns Continue To Compound Next 5 Years

		CORE GROWTH 5 YR CAGRs ¹	NWC % of Revenue	BOOK ROIC ²	CASH RETURN ³	
ON/ABOVE PLAN Group Average	     	HSD	(3%)	LOW-TEENS	MID-TEENS	✓
ACCELERATING TOWARD TARGETS Group Average	  	LSD	(6%)	MSD	MSD	↗
RECENT DEALS ON-TRACK Group Average	 	MID-TEENS	(4%)	LSD	LSD	✓
SHARE REPURCHASES (7M Shares in 2022)		MSD	7.5%	MSD	MSD	✓

1. Five years or since time of acquisition if less than five years

2. Based on 2023E; defined as Adj. NOPAT / Purchase Price

3. Based on 2023E; defined as Adj. Free Cash Flow / Purchase Price

Consistent & Compelling Outlook Ahead

Even More Recurring & Durable Growth, Margin & FCF Expansion

2023 – 2028 OUTLOOK

REVENUE & GROWTH

Progression to more recurring revenue drives higher, more durable growth

Core Growth

MSD

Recurring Revenue

45% - 50%

Software Revenue

~20%



MARGINS

High quality portfolio enables strong incremental margins and powers earnings flywheel

Adj. GMX

>50 bps / yr

Adj. OMX

>75 bps / yr



FREE CASH FLOW

Power of FBS drives robust Free Cash Flow generation and accelerated compounding

Free Cash Flow Growth

Mid-teens

Free Cash Flow

~105%

Conversion



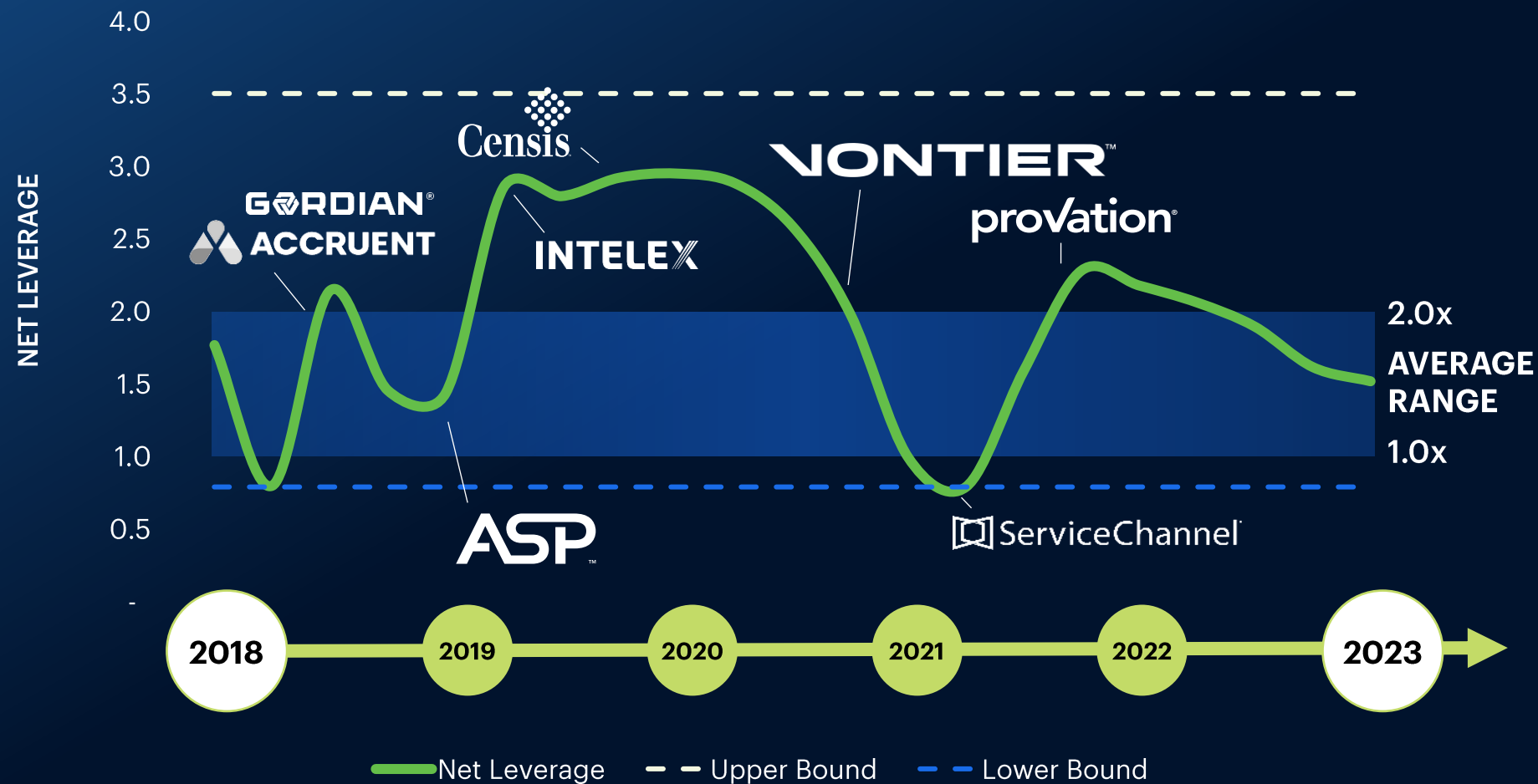
Disciplined Capital Deployment

Informed By Value Creation Strategy



Robust Capital Structure

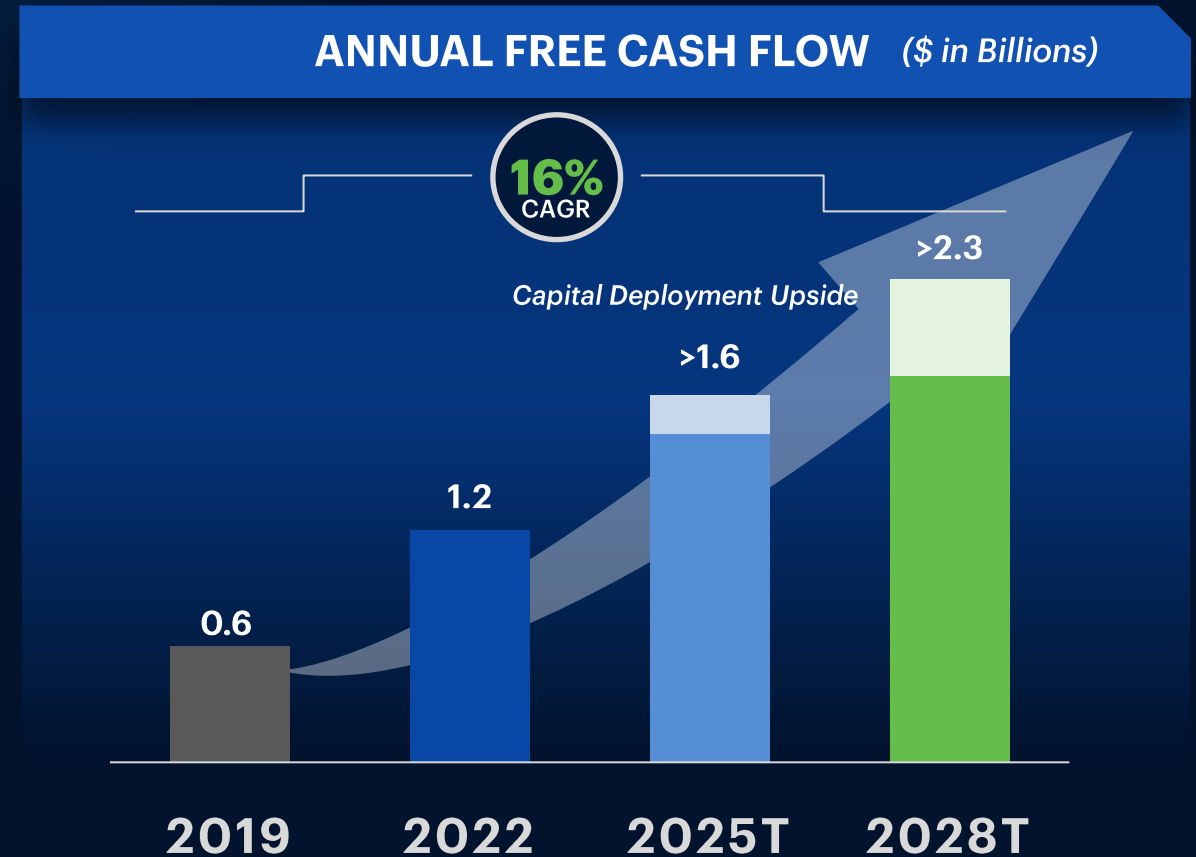
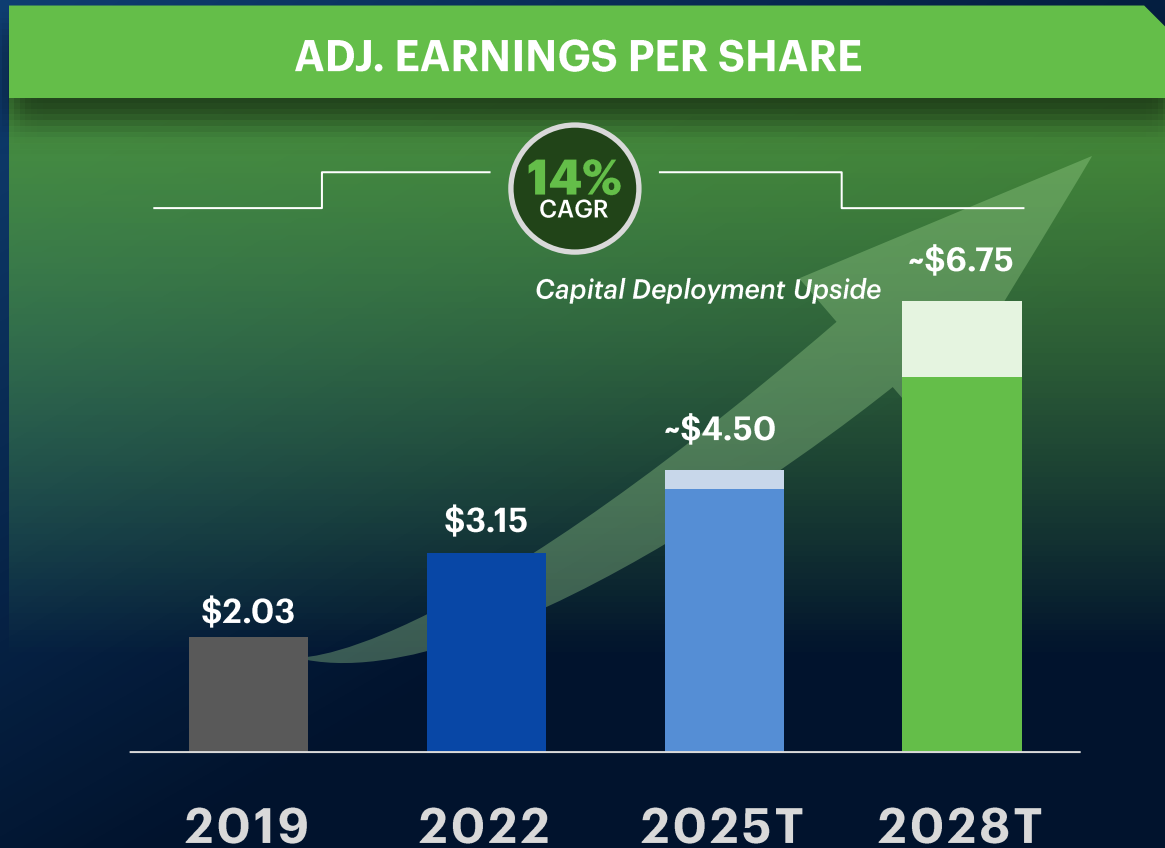
Ample Capacity → Compounding FCF Drives Rapid Delevering



- ✓ Maintain strong investment grade credit rating (BBB)
- ✓ Target leverage averages 1-2x Net Debt/EBITDA
- ✓ Stable and strong FCF and flexible structure allows for rapid delevering

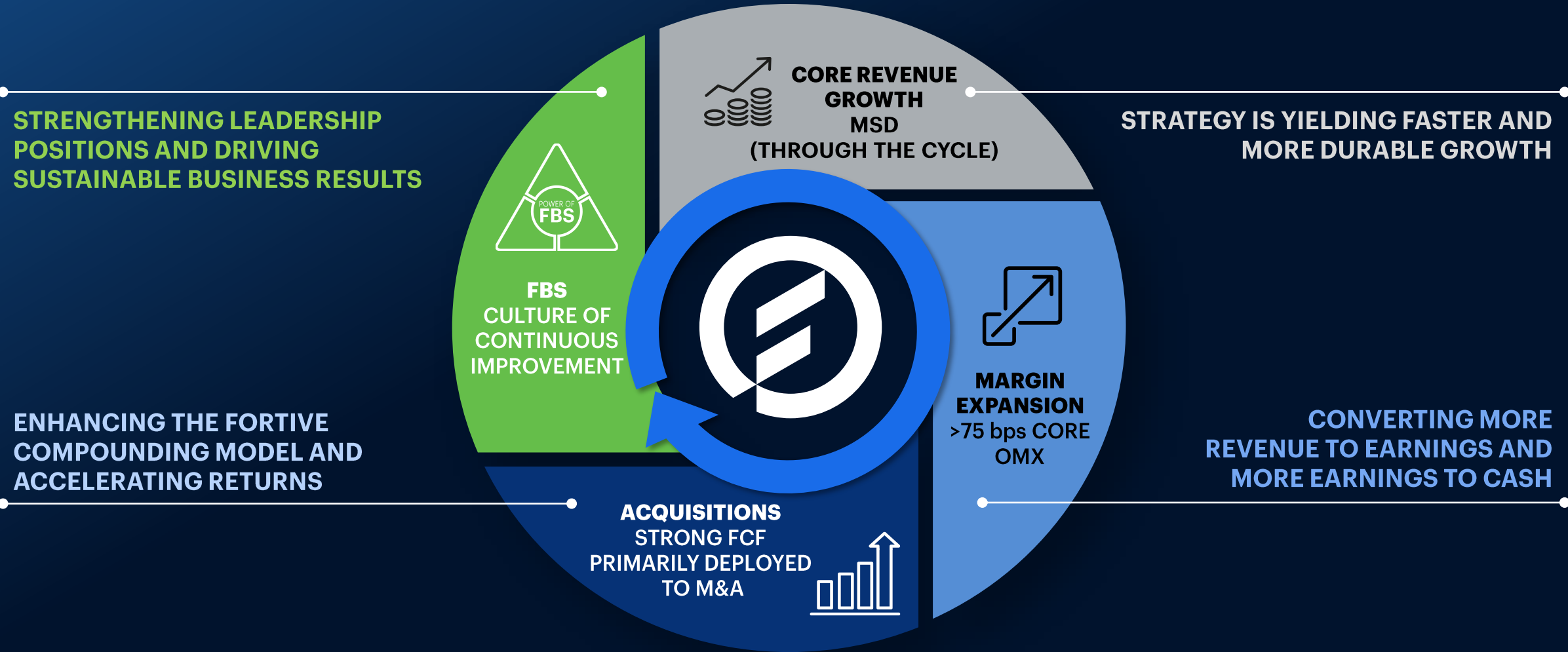
Accelerating Earnings And Cash Flow Compounding

With Upside From Capital Deployment



Fortive Formula For Value Creation

Continued Compounding Through Proven Flywheel





FORTIVE



Closing Remarks

Jim Lico, President & CEO



Accelerated Value Creation

Fortive Fundamentals Continue To Differentiate



Summary

Transformed, High Quality Portfolio Of High Growth, Profitable Businesses

Connected Workflows Aligned To Secular Trends In Large, Growing Markets

FBS Remains A Core Differentiator, Relentlessly Driving Sustainable Results

Disciplined Capital Deployment Enhances Earnings & FCF Compounding



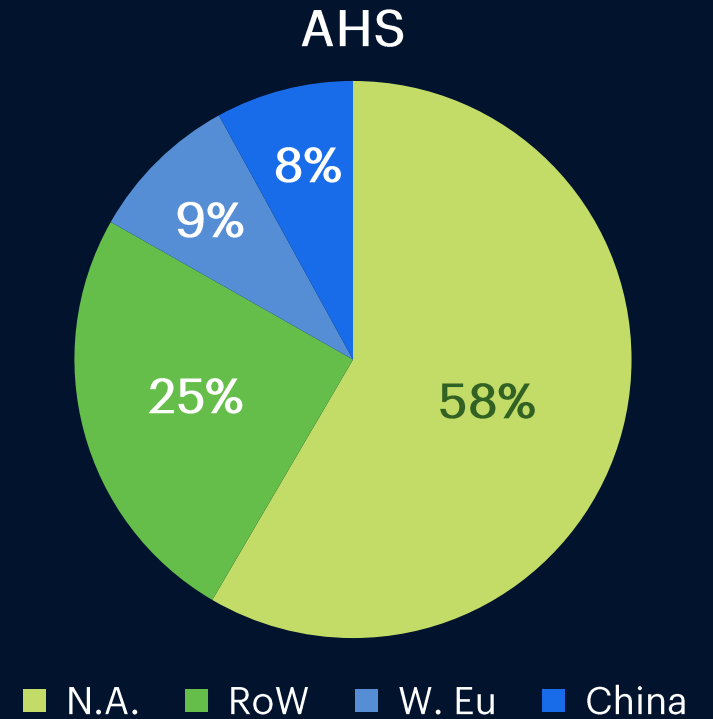
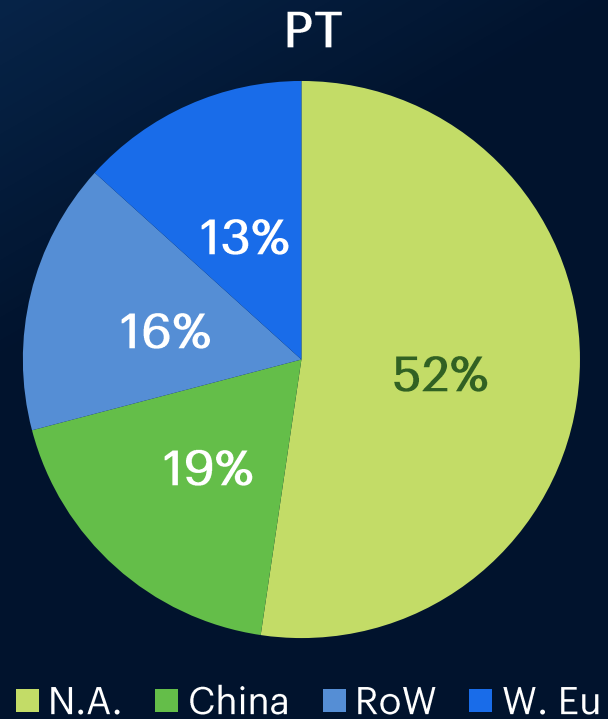
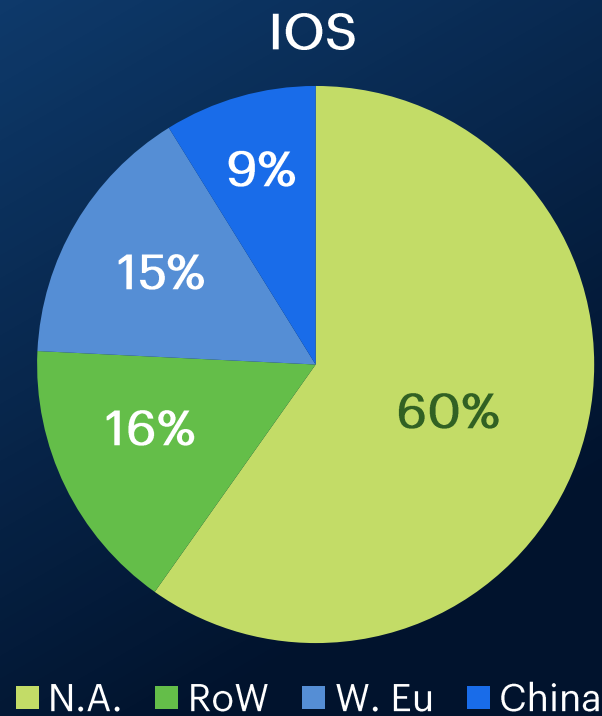
Appendix & Supplemental Reconciliation Data

Free Cash Flow Margin

\$ in millions	Twelve Months Ended	
	December 31, 2022	December 31, 2019 ^a
Revenue (GAAP)	\$ 5,825.7	\$ 4,563.9
Acquisition-Related Fair Value Adjustments to Deferred Revenue	-	54.50
Adjusted Revenue (Non-GAAP)	\$ 5,825.7	\$ 4,618.4
Operating Cash Flows (GAAP)	\$ 1,303.2	\$ 702.0
Less: purchases property, plant & equipment (capital expenditures) (GAAP)	(95.8)	(74.5)
Free Cash Flow (Non-GAAP)	\$ 1,207.4	\$ 627.5
Operating Cash Flows Margin (GAAP)	22.4%	15.4%
FCF Margin (Non-GAAP)	20.7%	13.6%

^a 2019 reflects the amounts excluding the Vontier business and A&S business.

2022 Segment Revenue By Geography



2022 Segment Revenue By Business

