



**Fourth Quarter
2024 Earnings Release**

February 7, 2025

Forward Looking Statements & Non-GAAP Financial Measures

Statements in this presentation that are not strictly historical, including statements regarding anticipated financial results, global and regional economic conditions, industry trends, geopolitical events, our plans to separate into two independent, publicly-traded companies, including the timing and cost related to the planned separation, interest rate and current exchange rate impact, future prospects, shareholder value, 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 United States federal securities laws. Factors that could cause actual results to differ materially from those in the forward-looking statements include, among other things: deterioration of or instability in the economy, the markets we serve, geopolitical conditions and conflicts, international trade policies and the financial markets, security breaches or other disruptions of our information technology systems, supply chain constraints, our ability to adjust purchases and manufacturing capacity to reflect market conditions, reliance on sole sources of supply, changes in trade relations with other countries, 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, adverse effects of restructuring activities, risk related to tax treatment of our prior or pending 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, 2023 and the Quarterly Report on Form 10-Q for the quarter ended September 27, 2024. 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 targets or outlook regarding non-GAAP measures, other than forecasted adjusted EPS, 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 and for forward-looking adjusted EPS are set forth in the appendix to this presentation and the “Investors” section of our website, www.fortive.com, under the heading “Financial Results”.

All growth or period changes refer to year-over-year comparisons unless otherwise stated.

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

Delivering Strong Performance Again in 2024

Contributing to a 5-year Execution Track Record



Strong Execution Drives Results

- Demonstrating consistent performance throughout the year
- FY 2024 delivered 13% adjusted EPS and FCF growth
- 5-year track record: +MSD CG, 14% adj. EPS, 18% FCF CAGRs

Strategically Well Positioned for 2025

- Continued durable growth in IOS and AHS
- Stabilizing demand trends drive gradual recovery in PT
- Record innovation and NPIs enhance 2025 growth outlook

Accelerating Value-Enhancing Actions

- Separation of PT progressing well, expect early Q3'25 close
- Record 2H FCF; ~80% deployed to share repurchases
- Fortive & Ralliant well-positioned for enduring success

Strong Track Record Paves Way for Future Success

Durable Growth, Margin Expansion & FCF Growth Accelerate Returns

REVENUE (\$B)



ADJ. OP MARGIN



ADJ. EPS



NWC % SALES



FREE CASH FLOW (\$B)



FBS-Driven Growth & Innovation

Increasing Innovation Velocity and Profitable Growth

Intelligent Operating Solutions

20

Fluke new product launches; **+200 bps** impact on CG



PV IV Tracer



EVSE Analyzer

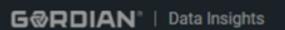


Mobile TI Camera

15 | >800

NPIs | bps

Accelerating product launches drives 3-yr margin expansion at FAL



Advanced Healthcare Solutions

6

New product launches at ASP with 510(k) approval



ULTRA GI Cycle



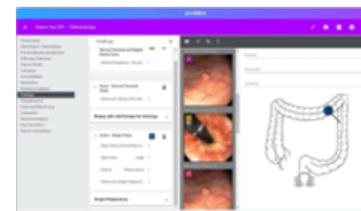
ASP BioTrace



BioFilm Removal-Claim Detergents

67%

Growth in Provation Apex sites in 2024



Provation Apex Insights

Precision Technologies

4

New Tektronix product launches; **+200 bps** to '25 CG



IsoVu Isolated Current Probes



Clarius Automation Framework



Qualitrol Capacitive Air Gap Sensor

+Low-twenties

Growth in Qualitrol Grid Monitoring product sales LTM



Setra Pressure Sensor for Cooling Systems

Q4 & FY 2024 Financial Highlights

Strong Operational Execution Drives Results

		Q4 2024	FY 2024
REVENUE & GROWTH	Revenue	\$1.62B	\$6.23B
	<i>Total Growth</i>	+2%	+3%
	<i>Core Growth</i>	+2%	+1%
MARGINS	AOP Margin	28.7%	26.9%
	<i>Adj. OMX</i>	+100 bps	+100 bps
EARNINGS & FCF	Adj. EPS	\$1.17	\$3.89
	<i>Adj. EPS Growth</i>	+19%	+13%
	Free Cash Flow	\$465M	\$1,406M
	<i>FCF Growth</i>	+13%	+13%

Q4 Highlights

- IOS delivers upside; +HSD ARR and RR growth
- 2nd consecutive quarter +DD orders growth at PT
- China headwinds muting broader recovery
- F/X (\$25M) revenue headwind vs. guide
- Adj. OP growth 6%; ~3x revenue growth
- Adj. EPS +5c beat to mid-point of guide driven by Ops and lower ETR

FY Highlights

- Adj. gross margins of 60%, +50 bps
- Adj. OMX +100bps, ~60% incrementals
- FCF margins of 23%, up ~200 bps

Q4 & FY 2024 Segment Highlights - IOS & AHS

Recurring SW and Healthcare Consumables Drive Consistent Growth & OMX

TOTAL IOS + AHS



2024 Core Growth: **+4.3%**

2024 Adj. OMX: **+120 bps**

INTELLIGENT OPERATING SOLUTIONS



- Stable industrial products demand overall
- FAL growth accelerates to +HSD, as expected
- Adj. OMX driven by SW & RR businesses

2024 Core Growth: **+3.4%**

2024 Adj. OMX: **+90 bps**

ADVANCED HEALTHCARE SOLUTIONS



- Healthcare (HC) consumables steady +MSD
- Provation accelerates, laps license headwind
- Adj. OMX driven by consumables growth

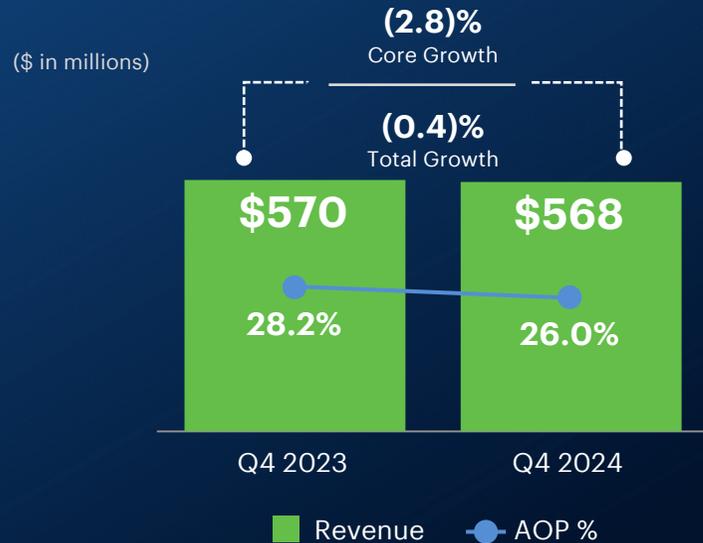
2024 Core Growth: **+6.1%**

2024 Adj. OMX: **+200 bps**

Q4 & FY 2024 Segment Highlights - PT

Demonstrating Durable Through-Cycle Performance

PRECISION TECHNOLOGIES

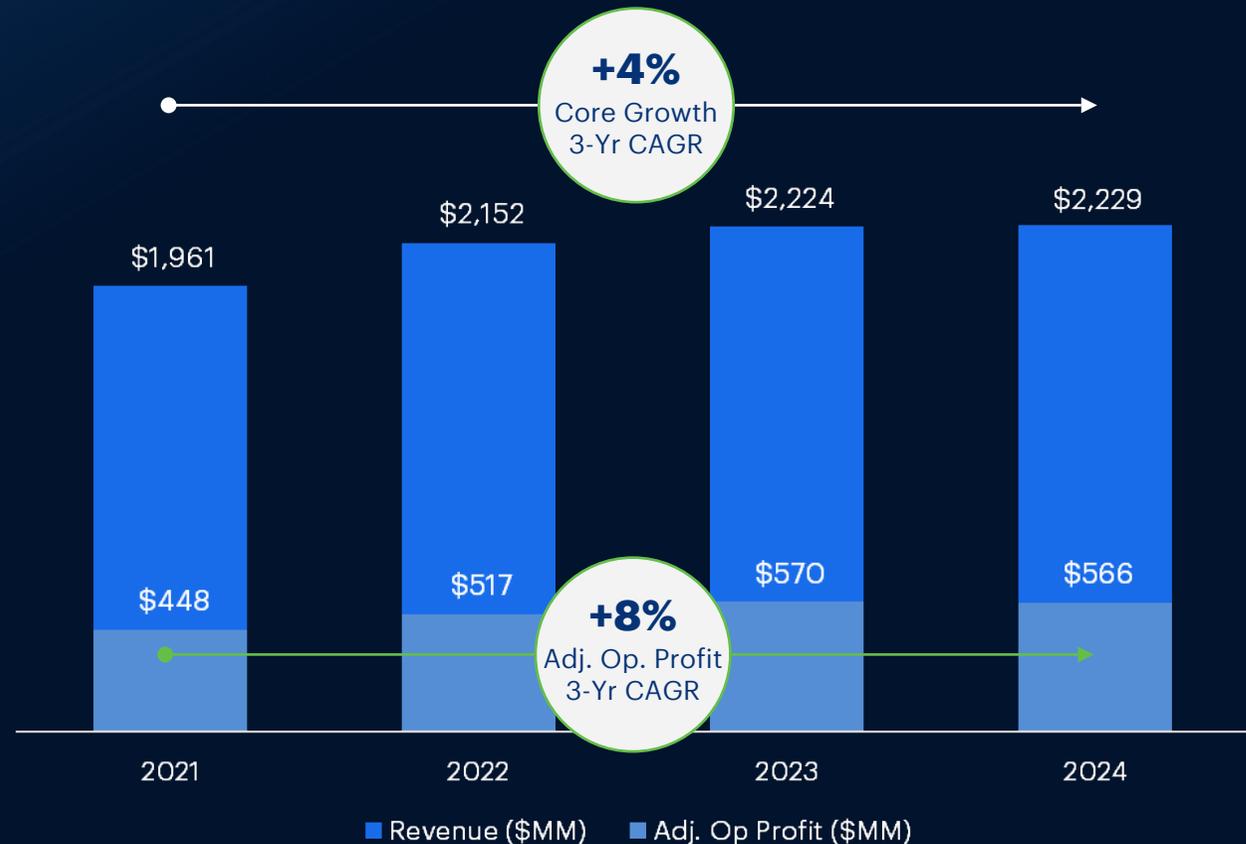


- +DD orders growth; positive all businesses
- +DD growth in key markets; China recovery lags
- FY AOP ~flat despite lower YoY volume

2024 Core Growth: **(3.7)%**

2024 Adj. OMX: **(20) bps**

PT CORE REVENUE & ADJ. OP PROFIT GROWTH



2025 Outlook

Growth Expected from All Segments

NEW FORTIVE

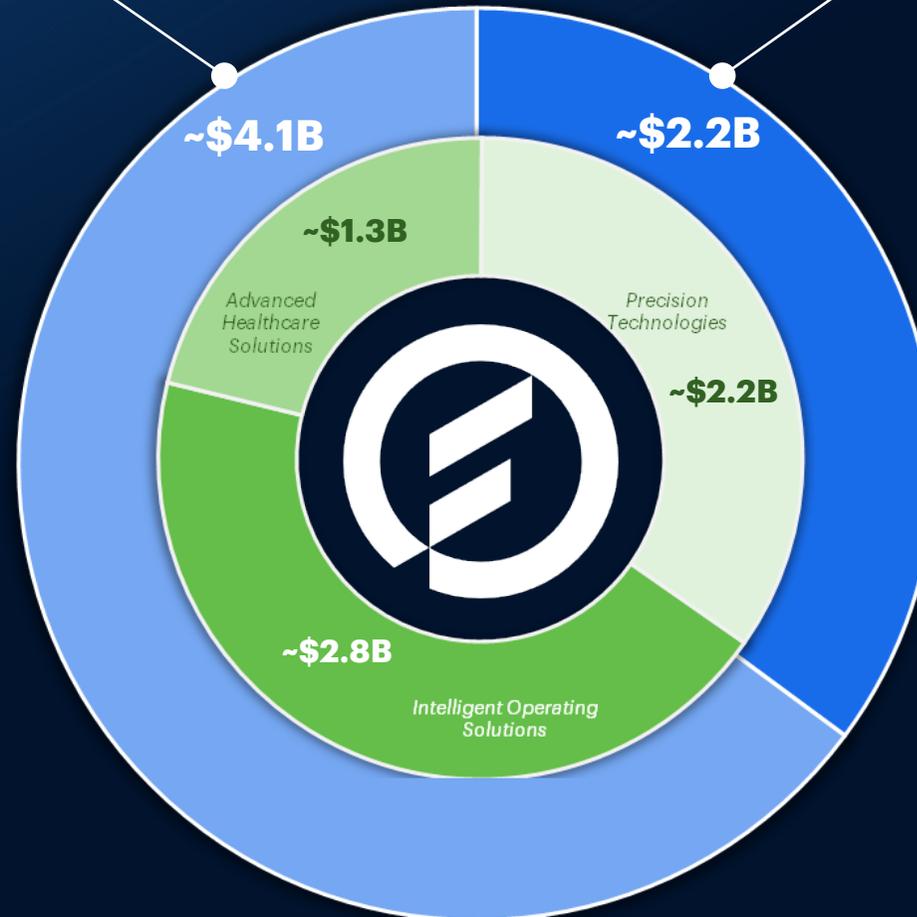
PT NEWCO

(RALLIANT)

Stable industrial demand; **NPI launches accelerate impact**

+HSD software and recurring revenue growth

LSD+ to MSD FY core growth, 2H outpaces 1H growth



~35% of PT growing at +DD, driven by strong secular trends

Orders growth in 2H'24 supports return to **core revenue growth in 2H'25**

FY core growth up slightly, improving throughout the year

Q1 and FY 2025 Outlook

Balanced and Prudent Approach

		Q1 2025	FY 2025
REVENUE & GROWTH	Revenue	\$1.48B to \$1.51B	\$6.23B to \$6.35B
	<i>Total Growth</i>	(3)% to (1)%	~Flat to 2.0%
	<i>Core Growth</i>	~Flat	1.5% to 3.5%
AOP	AOP Growth	~Flat	2% to 5%
EARNINGS & FCF	Adj. EPS	\$0.83 to \$0.86	\$4.00 to \$4.12
	<i>Adj. EPS Growth</i>	Flat to 4%	3% to 6%
	Adj. Free Cash Flow		~\$1.5B
	<i>Adj. FCF Growth</i>		7%

Q1'25 Expectations

- Rev: FX ~(\$30M) | ~(200 bps) impact
 - IOS + AHS: +LSD core
 - PT: (MSD) core; toughest YOY comp
- Adj. EPS: FX ~(2c) headwind; ETR ~(3c)

FY'25 Expectations

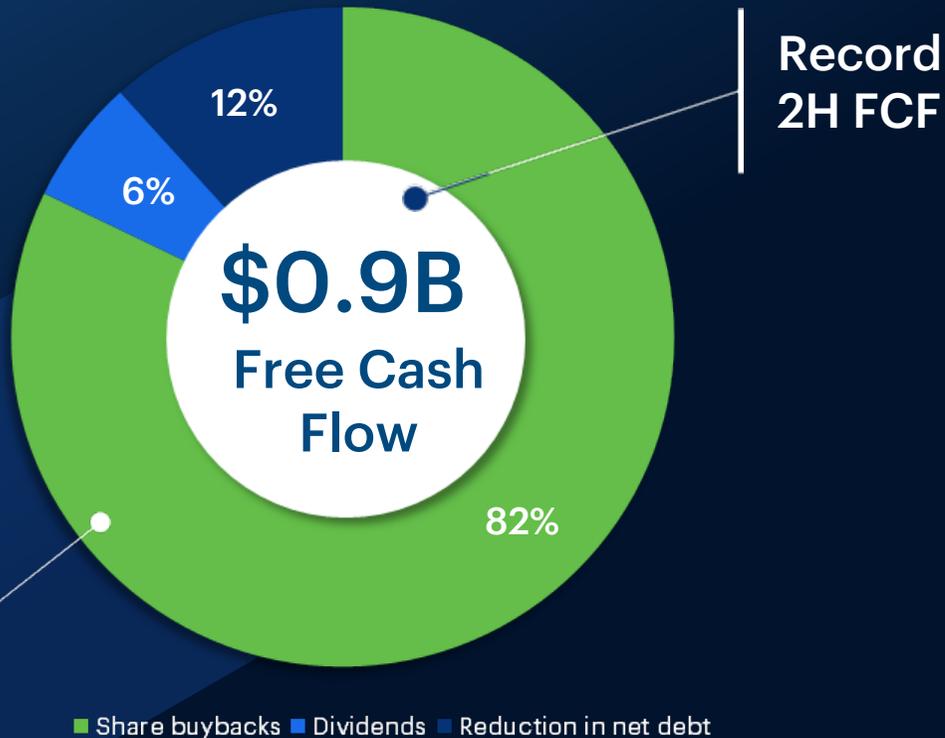
- Rev: FX ~(\$90M) | ~(150 bps) impact
 - IOS + AHS: LSD+ to MSD core
 - PT: core up slightly
- Adj. EPS: ETR ~14%; ETR and FX >(20c) headwind; lower share count and interest expense to offset
- FCF guidance excludes one-time separation cash costs of ~(\$185M)*; ~100% conversion excluding separation costs

Accelerating Shareholder Value-Enhancing Actions

Share Repurchases Step-up in Q4'24 as Spin Timing Comes into Focus

2H 2024 Capital Deployment

% of total capital deployed



Highlights

- Separation progressing well, expect to close early Q3'25
 - Submitted Form 10 confidentially with the SEC
 - Closing subject to final board approval and completion of registration statement, among other conditions
- Announced Ralliant Corporation; and Board Chair / Designees
- ~75% of FCF to be used for share repurchases through separation
- Expect investment grade balance sheets for both companies at completion of spin

Evolving Fortive

To Deliver Enduring Value



- **Execution Drives 2024 Performance**
- **Differentiated Multi-Year Track Record**
- **Strategically Well-Positioned for 2025**
- **Accelerating Value-Enhancing Actions**



Appendix & Supplemental Reconciliation Data

ADJUSTED GROSS PROFIT AND ADJUSTED GROSS PROFIT MARGIN

<i>\$ in millions</i>	Three Months Ended		Year Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Revenue (GAAP)	\$ 1,620.3	\$ 1,583.7	\$ 6,231.8	\$ 6,065.3
Gross Profit (GAAP)	\$ 977.2	\$ 947.5	\$ 3,731.0	\$ 3,594.1
Acquisition-Related Fair Value Adjustments to Inventory	—	—	2.3	—
Discrete Restructuring Charges	4.9	10.3	4.9	16.6
Adjusted Gross Profit (Non-GAAP)	\$ 982.1	\$ 957.8	\$ 3,738.2	\$ 3,610.6
Gross Profit Margin (GAAP)	60.3 %	59.8 %	59.9 %	59.3 %
Adjusted Gross Profit Margin (Non-GAAP)	60.6 %	60.5 %	60.0 %	59.5 %

The sum of the components of adjusted gross profit may not equal due to rounding.

ADJUSTED OPERATING PROFIT & ADJUSTED OPERATING PROFIT MARGIN

\$ in millions	Three Months Ended December 31, 2024						Three Months Ended December 31, 2023						Total Fortive Year over Year Change
	Intelligent Operating Solutions	Advanced Healthcare Solutions	Total IOS + AHS	Precision Technologies	Corporate	Total Fortive	Intelligent Operating Solutions	Advanced Healthcare Solutions ^(a)	Total IOS + AHS	Precision Technologies ^(a)	Corporate	Total Fortive	
Revenue (GAAP)	\$ 710.8	\$ 341.8	\$ 1,052.6	\$ 567.7	\$ —	\$ 1,620.3	\$ 682.7	\$ 331.2	\$ 1,013.9	\$ 569.8	\$ —	\$ 1,583.7	\$ 36.6
Operating Profit (GAAP)	\$ 199.6	\$ 46.9	\$ 246.5	\$ 113.6	\$ (53.0)	\$ 307.1	\$ 176.8	\$ 35.8	\$ 212.6	\$ 142.9	\$ (44.6)	\$ 310.9	
Amortization of acquisition-related intangible assets and non-cash impairments	46.6	45.6	92.2	20.7	—	112.9	49.1	45.5	94.6	0.9	—	95.5	
Acquisition, divestiture, and separation related items ^(b)	0.2	—	0.2	3.9	20.6	24.7	0.7	—	0.7	2.0	—	2.7	
Discrete restructuring charges	10.0	0.6	10.6	9.1	—	19.7	6.8	7.5	14.3	15.1	—	29.4	
Adjusted Operating Profit (Non-GAAP)	\$ 256.4	\$ 93.1	\$ 349.5	\$ 147.4	\$ (32.5)	\$ 464.4	\$ 233.4	\$ 88.8	\$ 322.2	\$ 160.9	\$ (44.6)	\$ 438.5	\$ 25.9
Operating Profit Margin (GAAP)	28.1 %	13.7 %	23.4 %	20.0 %		19.0 %	25.9 %	10.8 %	21.0 %	25.1 %		19.6 %	
Adjusted Operating Profit Margin (Non-GAAP)	36.1 %	27.2 %	33.2 %	26.0 %		28.7 %	34.2 %	26.8 %	31.8 %	28.2 %		27.7 %	
Incremental Adjusted Operating Profit Margin (Non-GAAP) ^(c)													70.8 %
2023 Adjusted Operating Profit Margin (Non-GAAP)	34.2 %	26.8 %	31.8 %	28.2 %		27.7 %							
Core (Non-GAAP)	1.8 %	0.4 %	1.4 %	(2.8)%		0.8 %							
Acquisitions and divestitures (Non-GAAP)	0.1 %	— %	— %	0.6 %		0.2 %							
2024 Adjusted Operating Profit Margin (Non-GAAP)	36.1 %	27.2 %	33.2 %	26.0 %		28.7 %							

(a) The results for the three months ended December 31, 2023 have been recast to conform with the revised segment presentation reclassifying Invetech from AHS to PT.

(b) Includes pretax transaction costs, acquisition related fair value adjustments to inventory, integration costs and corresponding restructuring charges related to acquisitions, and separation costs.

(c) Incremental adjusted operating profit margin is calculated as the increase in adjusted operating profit between two periods, divided by the increase in adjusted revenue between the same two periods.

The sum of the components of adjusted operating profit may not equal due to rounding.

ADJUSTED OPERATING PROFIT & ADJUSTED OPERATING PROFIT MARGIN

\$ in millions	Year Ended December 31, 2024						Year Ended December 31, 2023						Total Fortive Year over Year Change
	Intelligent Operating Solutions	Advanced Healthcare Solutions	Total IOS + AHS	Precision Technologies	Corporate	Total Fortive	Intelligent Operating Solutions	Advanced Healthcare Solutions ^(a)	Total IOS + AHS	Precision Technologies ^(a)	Corporate	Total Fortive	
Revenue (GAAP)	\$ 2,714.7	\$ 1,287.7	\$ 4,002.4	\$ 2,229.4	\$ —	\$ 6,231.8	\$ 2,612.2	\$ 1,229.4	\$ 3,841.6	\$ 2,223.7	\$ —	\$ 6,065.3	\$ 166.5
Operating Profit (GAAP)	\$ 704.6	\$ 155.6	\$ 860.2	\$ 500.0	\$ (153.6)	\$ 1,206.6	\$ 628.8	\$ 101.6	\$ 730.4	\$ 544.2	\$ (140.9)	\$ 1,133.7	
Amortization of acquisition-related intangible assets and non-cash impairments	188.3	181.0	369.3	84.0	—	453.3	190.6	181.3	371.9	3.7	—	375.6	
Acquisition, divestiture, and separation related items ^(b)	1.9	—	1.9	36.0	21.7	59.6	2.4	—	2.4	2.0	—	4.4	
Gain on sale of property	—	—	—	(63.1)	—	(63.1)	—	—	—	—	—	—	
Discrete restructuring charges	10.0	0.6	10.6	9.1	—	19.7	23.8	14.4	38.2	20.4	—	58.6	
Adjusted Operating Profit (Non-GAAP)	\$ 904.8	\$ 337.2	\$ 1,242.0	\$ 566.0	\$ (131.9)	\$ 1,676.1	\$ 845.6	\$ 297.3	\$ 1,142.9	\$ 570.3	\$ (140.9)	\$ 1,572.3	\$ 103.8
Operating Profit Margin (GAAP)	26.0 %	12.1 %	21.5 %	22.4 %		19.4 %	24.1 %	8.3 %	19.0 %	24.5 %		18.7 %	
Adjusted Operating Profit Margin (Non-GAAP)	33.3 %	26.2 %	31.0 %	25.4 %		26.9 %	32.4 %	24.2 %	29.8 %	25.6 %		25.9 %	
Incremental Adjusted Operating Profit Margin (Non-GAAP) ^(c)													62.3 %
2023 Adjusted Operating Profit Margin (Non-GAAP)	32.4 %	24.2 %	29.8 %	25.6 %		25.9 %							
Core (Non-GAAP)	1.0 %	2.0 %	1.3 %	(0.8)%		0.8 %							
Acquisitions and divestitures (Non-GAAP)	(0.1)%	— %	(0.1)%	0.6 %		0.2 %							
2024 Adjusted Operating Profit Margin (Non-GAAP)	33.3 %	26.2 %	31.0 %	25.4 %		26.9 %							

(a) The results for the year ended December 31, 2023 have been recast to conform with the revised segment presentation reclassifying Invetech from AHS to PT.

(b) Includes pretax transaction costs, acquisition related fair value adjustments to inventory, integration costs, corresponding restructuring charges related to acquisitions, and separation costs.

(c) Incremental adjusted operating profit margin is calculated as the increase in adjusted operating profit between two periods, divided by the increase in adjusted revenue between the same two periods.

The sum of the components of adjusted operating profit and adjusted operating profit margin may not equal due to rounding.

ADJUSTED NET EARNINGS AND ADJUSTED DILUTED NET EPS

\$ in millions, except per share amounts	Three Months Ended				Year Ended			
	December 31, 2024		December 31, 2023		December 31, 2024		December 31, 2023	
		Per share value		Per share value		Per share value		Per share value
Net Earnings and Net Earnings Per Share (GAAP)	\$ 208.8	\$ 0.60	\$ 265.2	\$ 0.75	\$ 832.9	\$ 2.36	\$ 865.8	\$ 2.43
Pretax amortization of acquisition related intangible assets and non-cash impairments	112.9	0.32	95.5	0.27	453.3	1.28	375.6	1.06
Pretax acquisition, divestiture, and separation related items ^(a)	24.7	0.07	2.7	0.01	59.6	0.17	4.4	0.01
Pretax losses from equity investments	—	—	4.4	0.01	39.4	0.11	17.3	0.05
Loss from divestiture	—	—	—	—	25.6	0.07	—	—
Pretax gain on sale of property and charitable contribution expense	—	—	—	—	(43.1)	(0.12)	—	—
Pretax discrete restructuring charges	19.7	0.06	29.4	0.08	19.7	0.06	58.6	0.16
Tax effect of the adjustments reflected above ^(b)	(25.4)	(0.07)	(23.0)	(0.07)	(80.7)	(0.23)	(76.1)	(0.21)
Discrete tax expense resulting from the Separation of NewCo	65.6	0.19	—	—	65.6	0.19	—	—
Discrete non-cash tax benefit	—	—	(25.5)	(0.07)	—	—	(25.5)	(0.07)
Adjusted Net Earnings and Adjusted Net Earnings Per Share (Non-GAAP)	\$ 406.3	\$ 1.17	\$ 348.7	\$ 0.98	\$ 1,372.3	\$ 3.89	\$ 1,220.1	\$ 3.43
Average Common Diluted Stock Outstanding (shares in millions)		348.0		354.5		352.8		355.6

(a) Includes pretax transaction costs, acquisition related fair value adjustments to inventory, integration costs, corresponding restructuring charges related to acquisitions, and costs related to the Separation.

(b) The loss from divestiture had no tax impact. The tax effect of the adjustments includes all other line items above.

The sum of the components of adjusted diluted net earnings per share may not equal due to rounding.

FORECASTED ADJUSTED DILUTED NET EPS

	Three Months Ending March 28, 2025		Twelve Months Ending December 31, 2025	
	Low	High	Low	High
Forecasted Diluted Net Earnings Per Share (GAAP)	\$ 0.39	\$ 0.42	\$ 2.38	\$ 2.50
Anticipated pretax amortization of acquisition related intangible assets	0.33	0.33	1.33	1.33
Anticipated pretax acquisition, divestiture, and separation related items	0.11	0.11	0.40	0.40
Anticipated pretax discrete restructuring charges	0.02	0.02	0.04	0.04
Tax effect of the adjustments reflected above	(0.07)	(0.07)	(0.27)	(0.27)
Discrete tax expense resulting from the Separation of NewCo	0.05	0.05	0.12	0.12
Forecasted Adjusted Diluted Net Earnings Per Share	\$ 0.83	\$ 0.86	\$ 4.00	\$ 4.12

The sum of the components of forecasted adjusted diluted net earnings per share may not equal due to rounding.

FREE CASH FLOW CONVERSION RATIO (in millions)

	Three Months Ended		Year Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Operating Cash Flows (GAAP)	\$ 502.2	\$ 446.8	\$ 1,526.8	\$ 1,353.6
Less: purchases of property, plant & equipment (capital expenditures) (GAAP)	(37.0)	(34.1)	(120.4)	(107.8)
Free Cash Flow (Non-GAAP)	\$ 465.2	\$ 412.7	\$ 1,406.4	\$ 1,245.8
Adjusted Net Earnings (Non-GAAP)	\$ 406.3	\$ 348.7	\$ 1,372.3	\$ 1,220.1
Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)	114 %	118 %	102 %	102 %
Revenue (GAAP)	\$ 1,620.3	\$ 1,583.7	\$ 6,231.8	\$ 6,065.3
Free Cash Flow Margin (Non-GAAP)	28.7 %	26.1 %	22.6 %	20.5 %

CORE REVENUE GROWTH

Components of Revenue Growth	Three Months Ended December 31, 2024	Year Ended December 31, 2024
<i>Total Fortive</i>		
Total Revenue Growth (GAAP)	2.3 %	2.7 %
Impact of:		
Acquisitions and divestitures (Non-GAAP)	(1.1)%	(2.0)%
Impact of currency translation (Non-GAAP)	0.6 %	0.6 %
Core revenue growth (Non-GAAP)	1.8 %	1.3 %
<i>Intelligent Operating Solutions</i>		
Total Revenue Growth (GAAP)	4.1 %	3.9 %
Impact of:		
Acquisitions and divestitures (Non-GAAP)	(0.2)%	(0.8)%
Impact of currency translation (Non-GAAP)	0.4 %	0.3 %
Core revenue growth (Non-GAAP)	4.3 %	3.4 %
<i>Precision Technologies</i>		
Total Revenue Growth (GAAP)	(0.4)%	0.3 %
Impact of:		
Acquisitions and divestitures (Non-GAAP)	(2.7)%	(4.4)%
Impact of currency translation (Non-GAAP)	0.3 %	0.4 %
Core revenue growth (Non-GAAP)	(2.8)%	(3.7)%
<i>Advanced Healthcare Solutions</i>		
Total Revenue Growth (GAAP)	3.2 %	4.7 %
Impact of:		
Impact of currency translation (Non-GAAP)	1.5 %	1.4 %
Core revenue growth (Non-GAAP)	4.7 %	6.1 %
<i>Total IOS + AHS</i>		
Total Revenue Growth (GAAP)	3.8 %	4.2 %
Impact of:		
Acquisitions and divestitures (Non-GAAP)	(0.2)%	(0.6)%
Impact of currency translation (Non-GAAP)	0.8 %	0.7 %
Core revenue growth (Non-GAAP)	4.4 %	4.3 %

ADJUSTED EFFECTIVE TAX RATE

\$ in millions	Three Months Ended		Year Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Earnings before income taxes	\$ 274.7	\$ 277.5	\$ 969.6	\$ 990.8
Income tax expense	(65.9)	(12.3)	(136.7)	(125.0)
Effective tax rate (GAAP)	24.0 %	4.5 %	14.1 %	12.6 %
Earnings before income taxes (GAAP)	\$ 274.7	\$ 277.5	\$ 969.6	\$ 990.8
Pretax amortization of acquisition related intangible assets and non-cash impairments	112.9	95.5	453.3	375.6
Pretax acquisition and divestiture related items ^(a)	24.7	2.7	59.6	4.4
Pretax losses from equity investments	—	4.4	39.4	17.3
Loss from divestiture	—	—	25.6	—
Pretax gain on sale of property and charitable contribution expense	—	—	(43.1)	—
Pretax discrete restructuring charges	19.7	29.4	19.7	58.6
Pretax Adjusted Earnings before income taxes (Non-GAAP)	\$ 432.0	\$ 409.5	\$ 1,524.1	\$ 1,446.7
Tax effect of the adjustments reflected above ^(b)	(25.4)	(23.0)	(80.7)	(76.1)
Discrete tax expense resulting from the Separation of NewCo	65.6	—	65.6	—
Discrete non-cash tax benefit	—	(25.5)	—	(25.5)
Adjusted income tax expense (Non-GAAP)	\$ (25.7)	\$ (60.8)	\$ (151.8)	\$ (226.6)
Adjusted effective tax rate (Non-GAAP)	5.9 %	14.9 %	10.0 %	15.7 %

(a) Includes pretax transaction costs, acquisition related fair value adjustments to inventory, integration costs and corresponding restructuring charges related to acquisitions, and costs related to the Separation.

(b) The loss from divestiture had no tax impact. The tax effect of the adjustments includes all other line items.

The recalculation of certain percentages may not equal due to rounding.



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