



Fourth Quarter 2016 Earnings Release
February 7, 2017

Forward-Looking Statements & Non-GAAP Financial Measures



Statements in this presentation that are not strictly historical, including the statements regarding Fortive's anticipated diluted net earnings per share, adjusted diluted net earnings per share, core revenue growth, growth opportunities, capital allocation, acquisitions, economic conditions, future prospects, and any other statements identified by their use of words like “anticipate,” “expect,” “believe,” “outlook,” “guidance,” 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, deterioration of or instability in the economy, the markets we serve and the financial markets, contractions or lower growth rates and cyclicity of markets we serve, competition, changes in industry standards and government regulation, 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, adequacy of indemnification we receive from sellers in our acquisitions, our ability to comply with extensive regulation, 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, risks relating to product, service or software defects, product liability and recalls, risks relating to product manufacturing, the impact of our debt obligations on our operations and liquidity, 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, labor matters, international economic, political, legal, compliance and business factors, adverse effects of restructuring activities, any work stoppages, disruptions relating to man-made and natural disasters, security breaches or other disruptions of our information technology systems, impact of our separation from Danaher on our operations, impact of our indemnification obligation to and from Danaher, qualification of the separation as a tax-free transaction, and transactional and execution related liabilities resulting from our separation from Danaher. 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 the Information Statement we furnished with the Current Report on Form 8-K filed on June 15, 2016. 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 contains references to “adjusted net earnings,” “adjusted operating profit,” “adjusted SG&A,” “adjusted diluted net earnings per share,” “core revenue growth,” “core operating margin expansion (core OMX),” and “free cash flow” which are, in each case, not presented in accordance with generally accepted accounting principles (“GAAP”).

Information required by Regulation G with respect to such non-GAAP financial measures can be found in the “Investors” section our web site, www.fortive.com, under the heading “Financial Information” and subheading “Quarterly Earnings.”

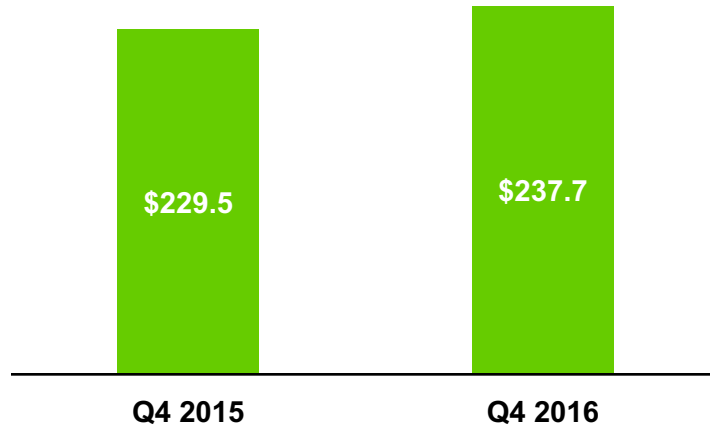
The historical non-GAAP financial measures should not be considered in isolation or as a substitute for the GAAP financial measures but should instead be read in conjunction with the corresponding GAAP financial measures.

Fourth Quarter 2016 Performance Summary



NON-GAAP ADJUSTED NET EARNINGS

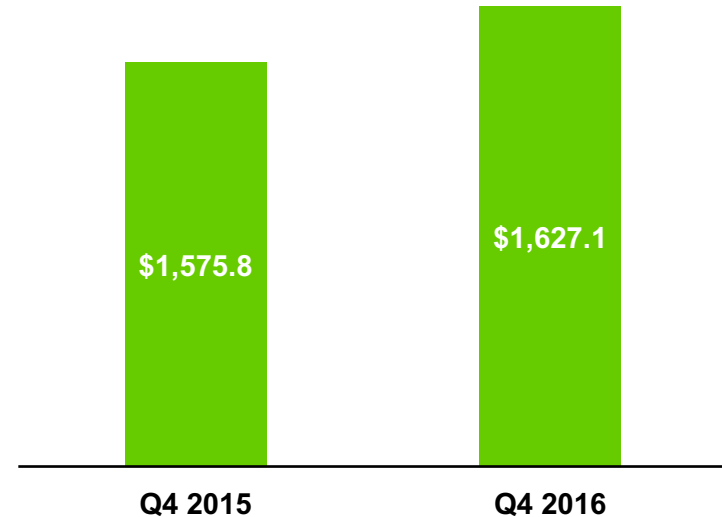
+3.6%



* Includes the impact from acquisitions and the Separation

REVENUE

+3.3%
Core +3.5%
Acquisitions* +0.9%
FX -1.1%

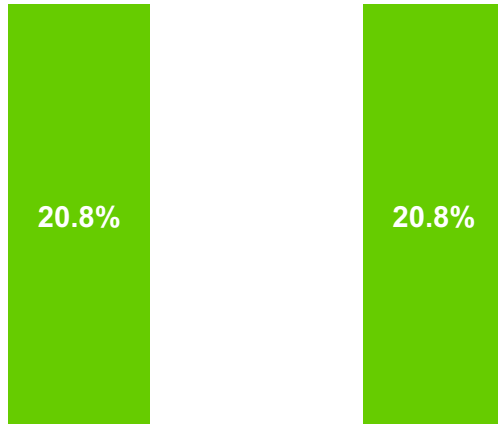


Fourth Quarter 2016 Performance Summary



Non-GAAP Adjusted Operating Margin

0 bps
Core +20 bps
Acquisitions* -20 bps



Q4 2015

Q4 2016

* Includes the impact from acquisitions and the Separation

GROSS MARGINS

Q4 2015 – 48.1%

Q4 2016 – 49.0%

+90 bps

NON-GAAP ADJUSTED SG&A (as a % of Revenue)

Q4 2015 – 21.5%

Q4 2016 – 22.1%

+60 bps

R&D (as a % of Revenue)

Q4 2015 – 5.8%

Q4 2016 – 6.1%

+30 bps

Fourth Quarter 2016 Performance Summary



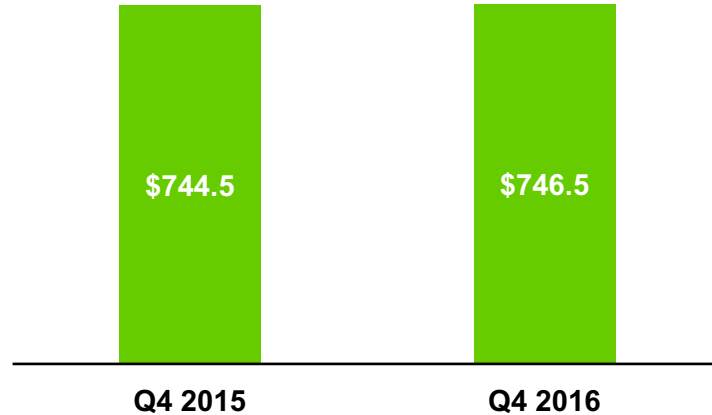
(\$M)	Quarter Ended December 31		Year Ended December 31	
	2015	2016	2015	2016
OPERATING CASH FLOW	\$388	\$318	\$1,009	\$1,137
CAP EX	33	40	120	130
FREE CASH FLOW	\$355	\$278	\$889	\$1,007

Fourth Quarter 2016 Professional Instrumentation



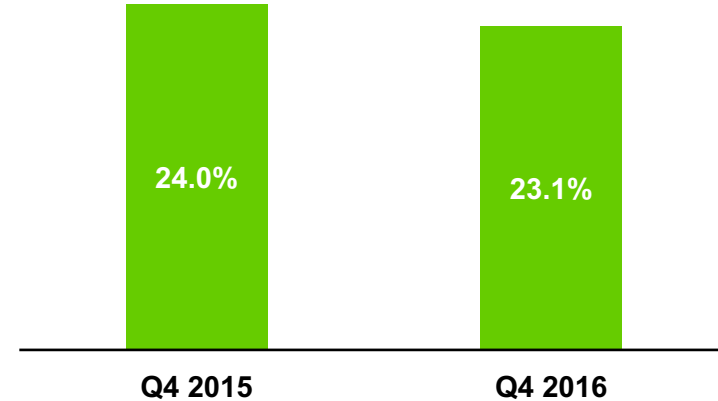
Revenue

+0.3%
Core +1.2%
Acquisitions* +0.4%
FX -1.3%



Non-GAAP Adjusted Operating Margin

-90 bps
Core -30 bps
Acquisitions* -60 bps



* Includes the impact from acquisitions and the Separation

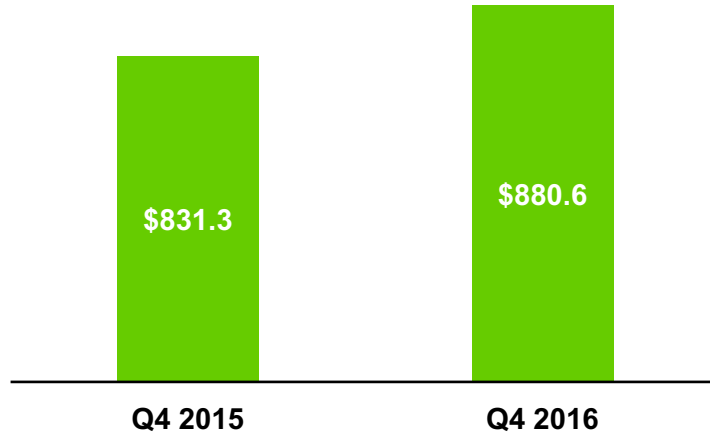


Fourth Quarter 2016 Industrial Technologies



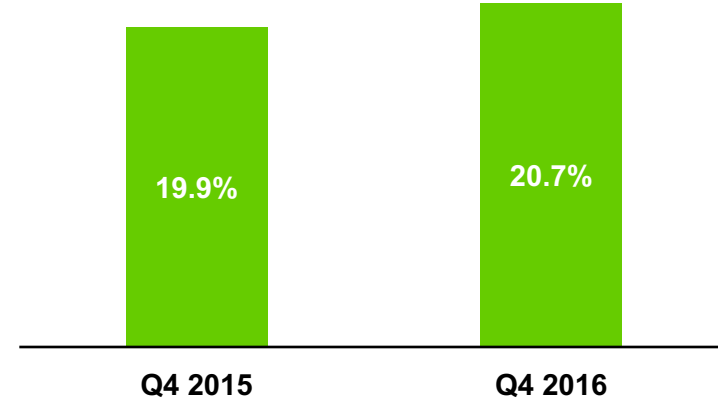
Revenue

+5.9%
Core +5.6%
Acquisitions* +1.3%
FX -1.0%



Non-GAAP Adjusted Operating Margin

+80 bps
Core +80 bps
Acquisitions* 0 bps



* Includes the impact from acquisitions and the Separation



TELETRAC NAVMAN



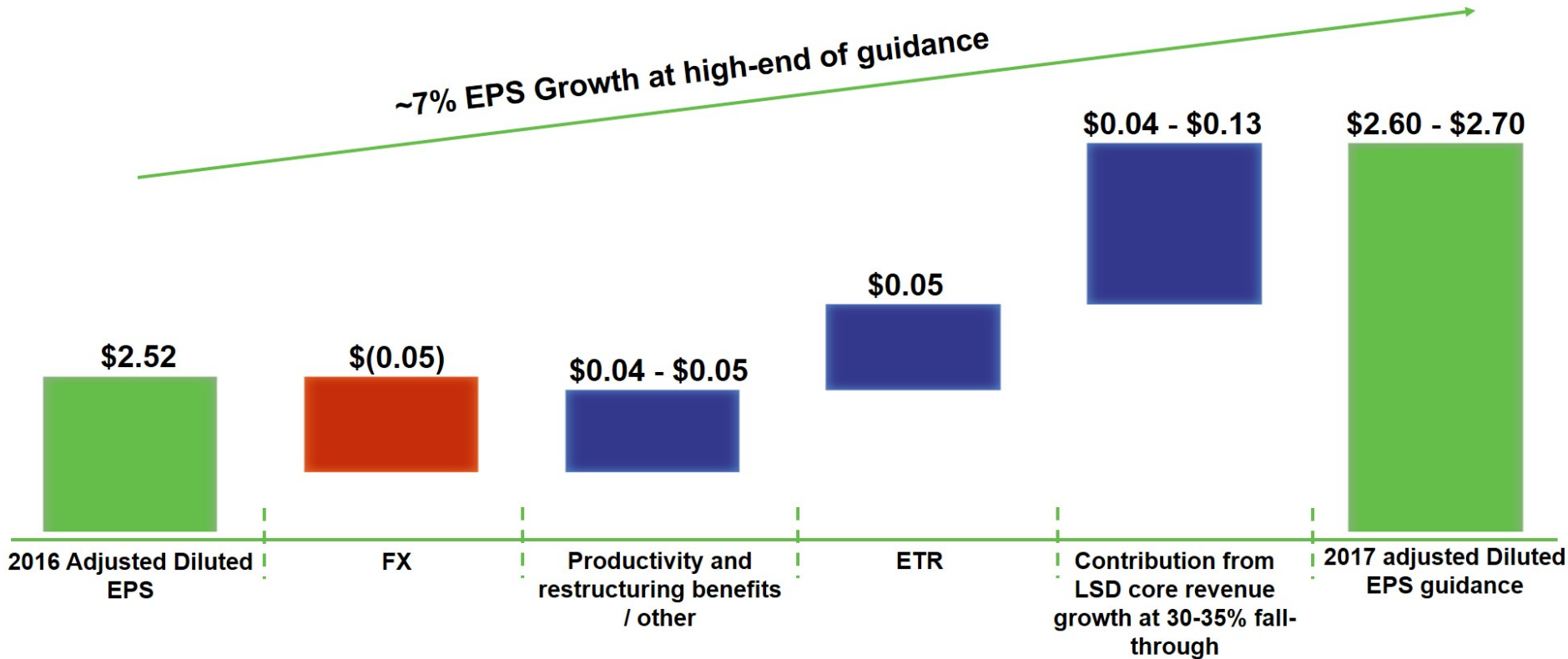
HENGSTLER

Jacobs Vehicle Systems™

- ▄ **Core revenue growth of +LSD with ~30-35% fall-through**
- ▄ **Over 50 basis points of operating margin expansion on a GAAP basis**
- ▄ **FX* headwind 100-200 basis points of revenue and ~\$0.05 in EPS**
- ▄ **Effective tax rate of ~28%**

*based on 12/31/16 exchange rates

2017 Adjusted Diluted EPS Guidance



2017 adjusted EPS guidance implies 3-7% growth y/y

Q & A



FORTIVE