



**First Quarter 2017 Earnings Release**  
**April 27, 2017**

# Forward-Looking Statements & Non-GAAP Financial Measures



Statements in this presentation that are not strictly historical, statements regarding the Company's anticipated earnings, business and acquisition opportunities, anticipated revenue growth, anticipated operating margin expansion, anticipated cash flow, 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 cyclicality of markets we serve, competition, changes in industry standards and governmental regulations, 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, 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, labor matters, disruptions relating to man-made and natural disasters, impact of our separation from Danaher on our operations or financial results, and impact of our indemnification obligation to 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 our Annual Report on Form 10-K for the year ended December 31, 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 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](http://www.fortive.com), under the heading "Financial Information" and subheading "Quarterly Earnings."

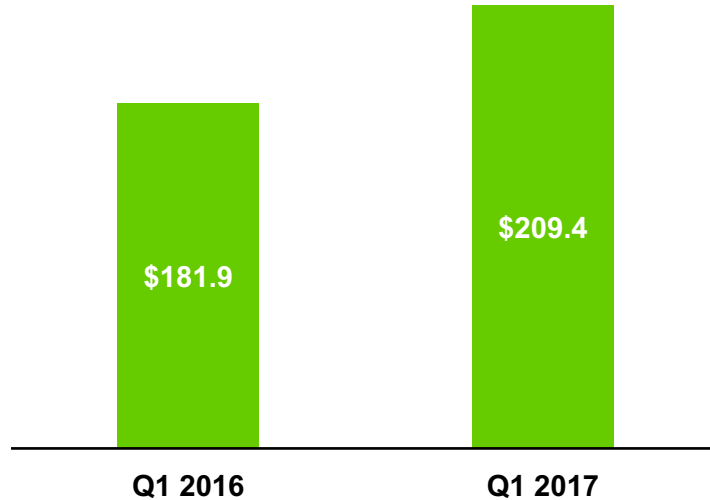
The historical non-GAAP financial measures should not be considered in isolation or as a substitute for the GAAP financial measures but should instead be read in conjunction with the corresponding GAAP financial measures.

# First Quarter 2017 Performance Summary



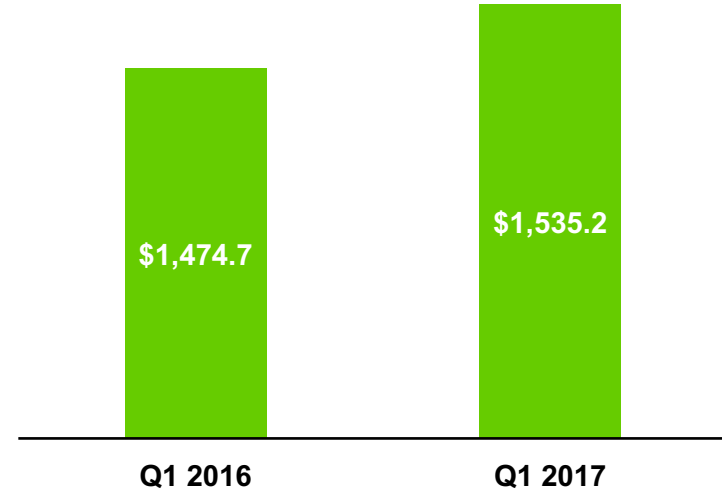
## NON-GAAP ADJUSTED NET EARNINGS

+15.1%



## REVENUE

**+4.1%**  
Core +4.9%  
Acquisitions\* +0.2%  
FX -1.0%



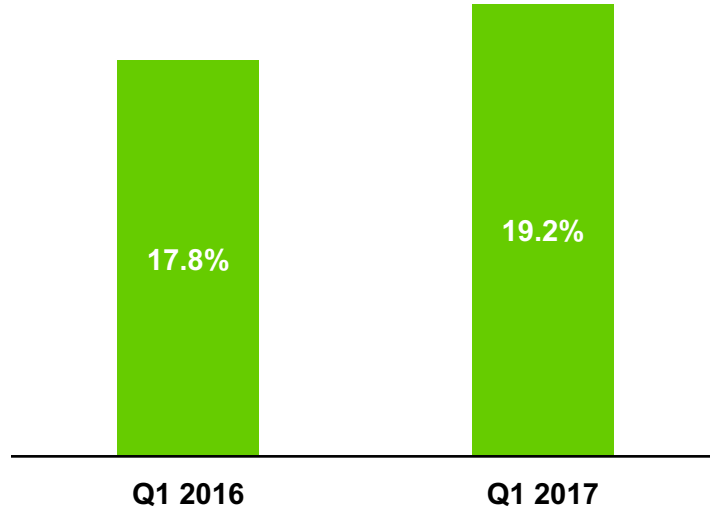
\* Includes the impact from acquisitions and the Separation

# First Quarter 2017 Performance Summary



## OPERATING MARGIN

**+140 bps**  
Core +160 bps  
Acquisitions\* -20 bps



\* Includes the impact from acquisitions and the Separation

## GROSS MARGINS

Q1 2016 – 47.1%

Q1 2017 – 48.5%

**+140 bps**

## SG&A

(as a % of Revenue)

Q1 2016 – 23.0%

Q1 2017 – 23.0%

**0 bps**

## R&D

(as a % of Revenue)

Q1 2016 – 6.4%

Q1 2017 – 6.3%

**-10 bps**

The sum of the components of Operating Margin may not equal the total amount due to rounding

# First Quarter 2017 Performance Summary

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(\$M)	Three Months Ended	
	April 1, 2016	March 31, 2017
Operating Cash Flow	\$177	\$148
Cap Ex	28	27
<b>FREE CASH FLOW</b>	<b>\$149</b>	<b>\$121</b>

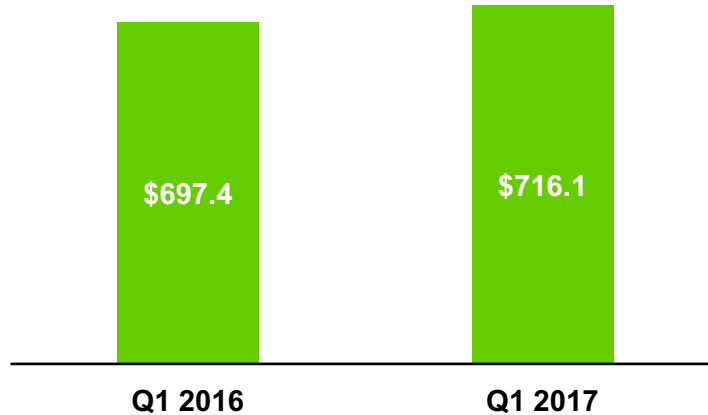
# First Quarter 2017

## Professional Instrumentation



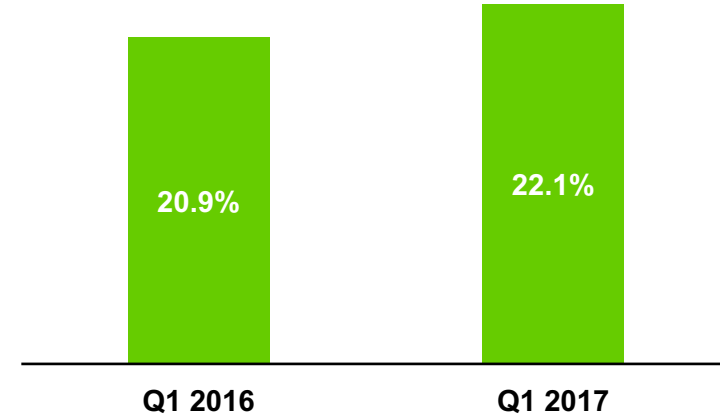
### REVENUE

**+2.7%**  
Core +4.6%  
Acquisitions\* -0.7%  
FX -1.2%



### OPERATING MARGIN

**+120 bps**  
Core +160 bps  
Acquisitions\* -40 bps



\* Includes the impact from acquisitions and the Separation

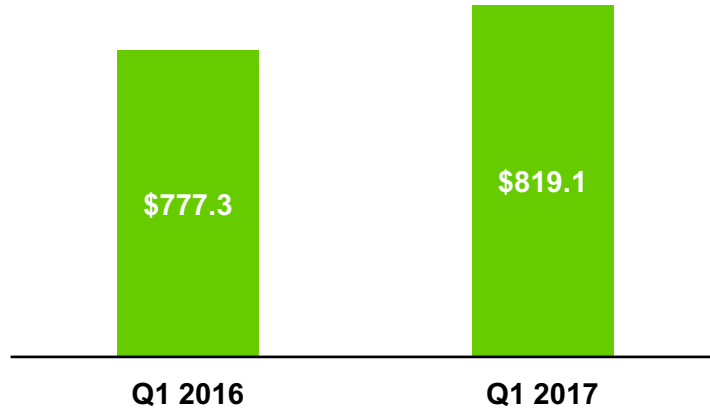


# First Quarter 2017 Industrial Technologies



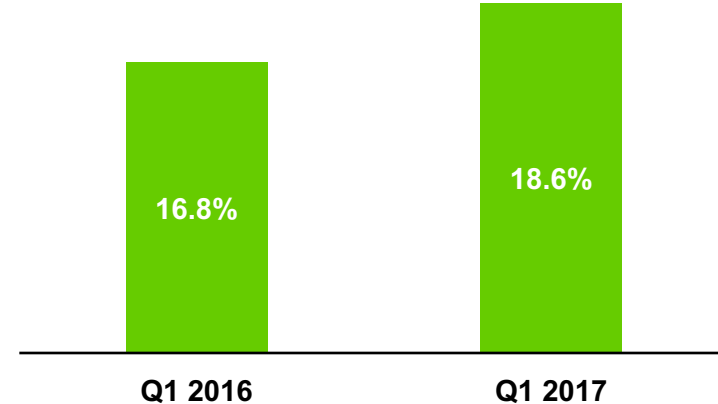
## REVENUE

**+5.4%**  
Core +5.1%  
Acquisitions\* +1.1%  
FX -0.8%



## OPERATING MARGIN

**+180 bps**  
Core +180 bps  
Acquisitions\* 0 bps



\* Includes the impact from acquisitions and the Separation



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Portescap



HENGSTLER

Jacobs Vehicle Systems™

## **GUIDANCE**



## Q & A



**FORTIVE**