FORTIVE

Third Quarter 2019 Earnings Release

October 24, 2019

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, timing of acquisitions, dispositions and other transactions, 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, international trade policies and the financial markets, changes in trade relations with China, 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 separate into two independent, publicly traded companies on a timely basis and with the intended benefits, 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, 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, 2018 and our Quarterly Report on Form 10-Q for the quarters ended June 28, 2019 and September 27, 2019. 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 operating profit margin (adjusted margins}," "adjusted net earnings from continuing operations," "adjusted diluted net earnings per share (adjusted EPS)," "core revenue growth (core growth),” “core operating margin expansion (core OMX),” “free cash flow," "adjusted free cash flow," "free cash flow conversion," "adjusted gross profit," "adjusted gross profit margin," "adjusted diluted shares outstanding," and "adjusted effective tax rate", 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 are provided herewith.

We completed the divestiture of our Automation and Specialty Business ("A&S Business") on October 1, 2018, and accordingly have included the results of the A&S Business as discontinued operations for current and historical periods. The results presented in this presentation are based on continuing operations.

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.

Q3 2019 FINANCIAL PERFORMANCE*

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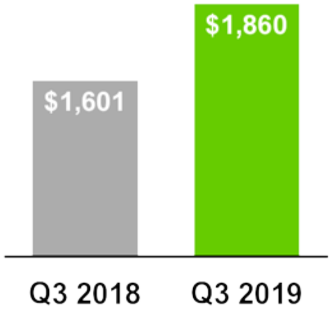
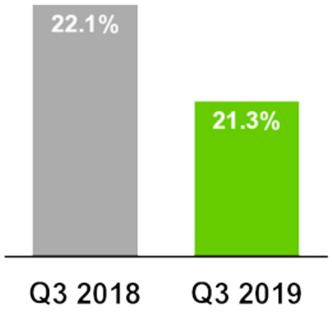
Summary of Key Financial Items

Revenue ($M)



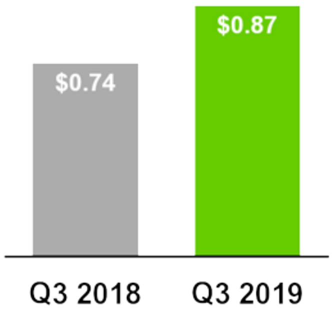
- **Core growth: 2.1%**
  - Price: 1.5%
- **Acquisitions: +15.3%**
- **FX: (1.2)%**
- **Total Growth: 16.2%**

Adjusted Operating Profit Margin (%)



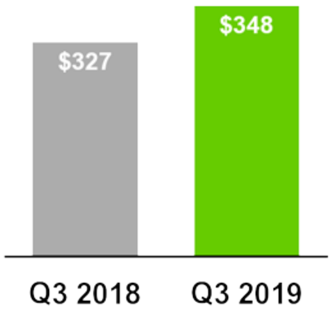
- **Adjusted Margins (80)bps Y/Y**
  - Core OMX: (25)bps
  - Acquisitions: (55)bps
- **PI Adjusted Margin: 22.2%**
- **IT Adjusted Margin: 23.0%**

Adjusted Diluted Net Earnings Per Share ($)



- **Adjusted EPS +18% Y/Y**
- **Growth driven by:**
  - Strong performance at Industrial Technologies
  - Contribution from recent acquisitions including ASP

Free Cash Flow ($M)



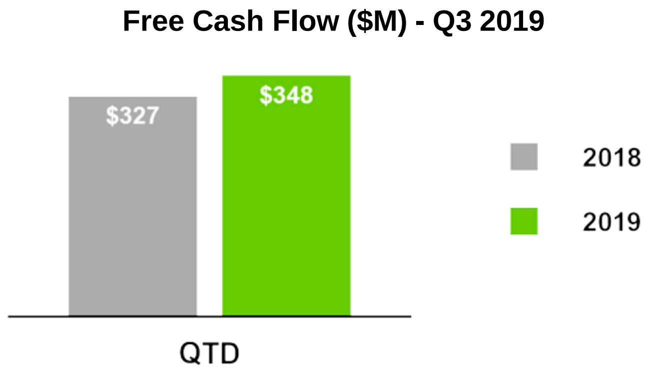
- **FCF: +6% Y/Y**
- **168% Conversion of GAAP Net Earnings**
- **112% Conversion of Adjusted Net Earnings**

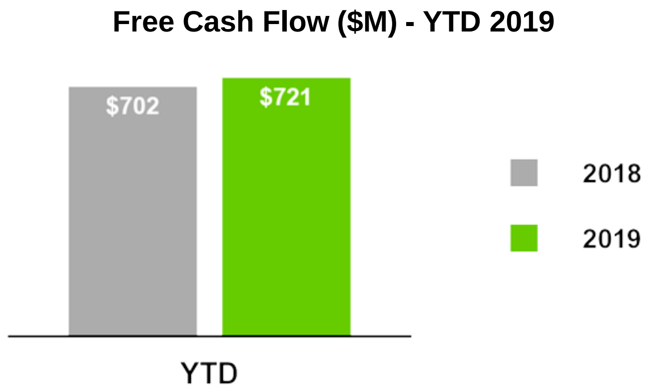
* From Continuing Operations

Q3 2019 FINANCIAL PERFORMANCE*

Cash Flow

- **Q3 2019:**
  - **Free Cash Flow:** $348M (+6% versus Prior Year)
    - +$112M versus Q2 2019
  - **FCF Conversion:** 168% of GAAP Net Earnings; 112% of Adjusted Net Earnings
- **Year-To-Date:**
  - **Free Cash Flow:** $721M** (+3% versus Prior Year)
  - **FCF Conversion:** 132% of GAAP Net Earnings; 82% of Adjusted Net Earnings
- **Trailing 12-Months:**
  - **Free Cash Flow:** $1,108M**
  - **FCF Conversion:** 142% of GAAP Net Earnings; 92% of Adjusted Net Earnings





* From Continuing Operations
** 2019 YTD and Trailing 12-month free cash flow reflects ~$80M headwind from ASP working capital build

Segment Detail

PROFESSIONAL INSTRUMENTATION

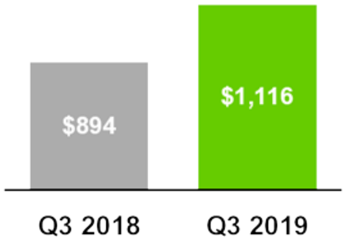
Q3 Performance Overview

- **Continued short-cycle slowing at Fluke and Tektronix**
  - Signs of broader industrial slowing intensified, with POS deteriorating throughout the quarter
  - Fluke driven by weakness at Fluke Industrial, which saw strong declines in both North America and Western Europe
  - Tektronix saw continued broad-based slowing across all geographies, particularly North America
- **ASP +LSD, in-line with our expectations as we continue to work through the TSAs**
  - Strong performance across China and Japan with continued momentum in Terminal Sterilization and High Level Disinfection
  - Several key large Integrated Delivery Network (IDN) wins in North America
  - Using FBS to streamline innovation efforts and accelerate the introduction of a series of new products targeted for launch in 2020

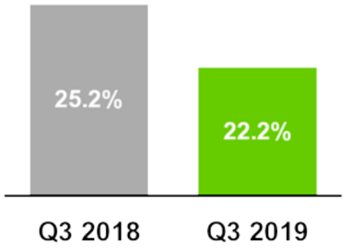
Revenue ($M)

Total Growth: 24.8%

- Core: (1.3)%
- Acquisitions: 27.2%
- FX: (1.1)%



Adjusted Operating Profit Margin (%)



Adjusted Operating Profit Margin: 22.2%

- Core OMX: (180)bps
- Acquisitions: (120)bps

INDUSTRIAL TECHNOLOGIES*

Q3 Performance Overview

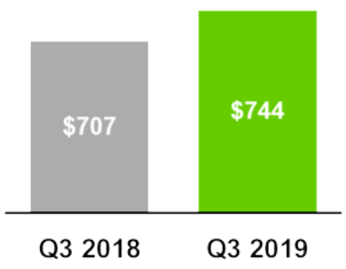
- **Strong growth at GVR**
  - North America driven by sustained momentum from EMV-related sales
  - Western Europe benefiting from continued share gains and significant service rollouts from Costco
  - Continues to build on its strong position in HGMs, with strong order momentum and a healthy backlog

- **Matco paced by strong performance within Hardline tools**
  - Continuing to see good traction with new product introductions
  - Delivered another quarter of strong OMX

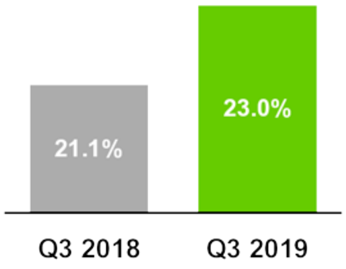
Revenue ($M)

Total Growth: 5.2%

- Core: 6.5%
- Acquisitions: 0.1%
- FX: (1.4)%



Adjusted Operating Profit Margin (%)



Adjusted Operating Profit Margin: 23.0%

- Core OMX: 190bps
- Acquisitions: Flat

* From Continuing Operations

Guidance

2019 GUIDANCE HIGHLIGHTS*

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Q4 Guidance

- **Adjusted Diluted EPS:** $0.96 to $1.01 (+5% to +11%)
  - **Assumptions:**
    - **Core Revenue Growth (Y/Y):** Flat
    - **Core OMX:** Flat
    - **Tax Rate:** ~15.0%

Full-Year 2019 Guidance

- **Adjusted Diluted EPS:** $3.42 to $3.47 (+12% to +13%)
  - **Assumptions:**
    - **Core Revenue Growth (Y/Y):** 1.0% to 2.0%
    - **Core OMX:** Flat to +25bps
    - **Tax Rate:** ~15.0%

* From Continuing Operations

Supplemental Data*

* From Continuing Operations

ADJUSTED GROSS PROFIT MARGIN

$ in millions	Three Months Ended September 28, 2018	Three Months Ended September 27, 2019	Nine Months Ended September 28, 2018	Nine Months Ended September 27, 2019
Revenue (GAAP)	**$ 1,601.2**	**$ 1,860.0**	**$ 4,695.2**	**$ 5,317.6**
Acquisition-Related Fair Value Adjustments to Deferred Revenue	3.0	18.1	3.0	43.8
Adjusted Revenue	**$ 1,604.2**	**$ 1,878.1**	**$ 4,698.2**	**$ 5,361.4**
Adjusted Gross Profit				
Gross Profit (GAAP)	**$ 825.9**	**$ 927.7**	**$ 2,423.0**	**$ 2,644.4**
Acquisition-Related Fair Value Adjustments to Deferred Revenue and Inventory	3.0	35.5	3.0	110.2
Adjusted Gross Profit (Non-GAAP)	**$ 828.9**	**$ 963.2**	**$ 2,426.0**	**$ 2,754.6**
Adjusted Gross Profit Margin				
Gross Profit (GAAP) Margin	**51.6%**	**49.9%**	**51.6%**	**49.7%**
Acquisition-Related Fair Value Adjustments to Deferred Revenue and Inventory	0.1%	1.4%	—%	1.6%
Adjusted Gross Profit Margin (Non-GAAP)	**51.7%**	**51.3%**	**51.6%**	**51.4%**

2019 ADJUSTED OPERATING PROFIT & ADJUSTED OPERATING PROFIT MARGIN (GAAP TO ADJUSTED WALK)

	Three Months Ended September 27, 2019				Nine Months Ended September 27, 2019			
$ in millions	**Professional Instrumentation**	**Industrial Technologies**	**Corporate**	**Total Fortive**	**Professional Instrumentation**	**Industrial Technologies**	**Corporate**	**Total Fortive**
Revenue (GAAP)	**$ 1,116.2**	**$ 743.8**	**$ —**	**$ 1,860.0**	**$ 3,196.8**	**$ 2,120.8**	**$ —**	**$ 5,317.6**
Acquisition-Related Fair Value Adjustments to Deferred Revenue	**18.1**	**—**	**—**	**18.1**	**43.8**	**—**	**—**	**43.8**
Adjusted Revenue	**$ 1,134.3**	**$ 743.8**	**$ —**	**$ 1,878.1**	**$ 3,240.6**	**$ 2,120.8**	**$ —**	**$ 5,361.4**
Operating Profit Margin (GAAP)	**$ 118.7**	**$ 146.0**	**$ (22.6)**	**$ 242.1**	**$ 376.9**	**$ 404.2**	**$ (72.2)**	**$ 708.9**
Acquisition and Other Transaction Costs	23.6	17.4	—	41.0	85.0	18.3	—	103.3
Acquisition-Related Fair Value Adjustments to Deferred Revenue and Inventory	35.5	—	—	35.5	110.2	—	—	110.2
Amortization of Acquisition-Related Intangible Assets	73.9	7.9	—	81.8	187.3	24.1	—	211.4
Adjusted Operating Profit (Non-GAAP)	**$ 251.7**	**$ 171.3**	**$ (22.6)**	**$ 400.4**	**$ 759.4**	**$ 446.6**	**$ (72.2)**	**$ 1,133.8**
Operating Profit Margin (GAAP)	**10.6%**	**19.6%**		**13.0%**	**11.8%**	**19.1%**		**13.3%**
Acquisition and Other Transaction Costs	2.1%	2.3%		2.2%	2.6%	0.9%		1.9%
Acquisition-Related Fair Value Adjustments to Deferred Revenue and Inventory	3.0%	—%		1.8%	3.2%	—%		1.9%
Amortization of Acquisition-Related Intangible Assets	6.5%	1.1%		4.4%	5.8%	1.1%		3.9%
Adjusted Operating Profit (Non-GAAP)	**22.2%**	**23.0%**		**21.3%**	**23.4%**	**21.1%**		**21.1%**

2018 ADJUSTED OPERATING PROFIT & ADJUSTED OPERATING PROFIT MARGIN (GAAP TO ADJUSTED WALK)

	Three Months Ended September 28, 2018				Nine Months Ended September 28, 2018			
$ in millions	**Professional Instrumentation**	**Industrial Technologies**	**Corporate**	**Total Fortive**	**Professional Instrumentation**	**Industrial Technologies**	**Corporate**	**Total Fortive**
Revenue (GAAP)	**$ 894.1**	**$ 707.1**	**$ —**	**$ 1,601.2**	**$ 2,654.8**	**$ 2,040.4**	**$ —**	**$ 4,695.2**
Acquisition-Related Fair Value Adjustments to Deferred Revenue	**3.0**	**—**	**—**	**3.0**	**3.0**	**—**	**—**	**3.0**
Adjusted Revenue	**$ 897.1**	**$ 707.1**	**$ —**	**$ 1,604.2**	**$ 2,657.8**	**$ 2,040.4**	**$ —**	**$ 4,698.2**
Operating Profit Margin (GAAP)	**$ 160.2**	**$ 141.7**	**$ (20.3)**	**$ 281.6**	**$ 583.3**	**$ 370.5**	**$ (69.9)**	**$ 883.9**
Acquisition and Other Transaction Costs	37.9	—	—	37.9	40.6	—	—	40.6
Acquisition-Related Fair Value Adjustments to Deferred Revenue and Inventory	3.0	—	—	3.0	3.0	—	—	3.0
Amortization of Acquisition-Related Intangible Assets	24.8	7.5	—	32.3	58.4	22.9	—	81.3
Adjusted Operating Profit (Non-GAAP)	**$ 225.9**	**$ 149.2**	**$ (20.3)**	**$ 354.8**	**$ 685.3**	**$ 393.4**	**$ (69.9)**	**$ 1,008.8**
Operating Profit Margin (GAAP)	**17.9%**	**20.0%**		**17.6%**	**22.0%**	**18.2%**		**18.8%**
Acquisition and Other Transaction Costs	4.2%	—%		2.4%	1.5%	—%		0.9%
Acquisition-Related Fair Value Adjustments to Deferred Revenue and Inventory	0.3%	—%		0.2%	0.1%	—%		0.1%
Amortization of Acquisition-Related Intangible Assets	2.8%	1.1%		2.0%	2.2%	1.1%		1.7%
Adjusted Operating Profit (Non-GAAP)	**25.2%**	**21.1%**		**22.1%**	**25.8%**	**19.3%**		**21.5%**

ADJUSTED OPERATING PROFIT MARGIN (Y/Y WALK)

	Three Months Ended September 27, 2019			Nine Months Ended September 27, 2019		
$ in millions	**Professional Instrumentation**	**Industrial Technologies**	**Total Fortive**	**Professional Instrumentation**	**Industrial Technologies**	**Total Fortive**
2018 Adjusted Operating Profit Margin (Non-GAAP)	**25.2%**	**21.1%**	**22.1%**	**25.8%**	**19.3%**	**21.5%**
Core (Non-GAAP)	(1.8)%	1.9%	(0.25)%	(1.7)%	1.9%	(0.2)%
Acquisitions (Non-GAAP)	(1.2)%	_	(0.55)%	(0.7)%	(0.1)%	(0.2)%
2019 Adjusted Operating Profit Margin (Non-GAAP)	**22.2%**	**23.0%**	**21.3%**	**23.4%**	**21.1%**	**21.1%**

ADJUSTED NET EARNINGS

$ in millions	Three Months Ended September 28, 2018	Three Months Ended September 27, 2019	Nine Months Ended September 28, 2018	Nine Months Ended September 27, 2019
Net Earnings From Continuing Operations Attributable to Common Stockholders (GAAP)	**$ 196.6**	**$ 190.0**	**$ 660.6**	**$ 494.8**
Dividends on the mandatory convertible preferred stock	17.4	17.3	17.6	51.8
Net Earnings from Continuing Operations (GAAP)	**214.0**	**207.3**	**678.2**	**546.6**
Pretax amortization of acquisition-related intangible assets in the three months ($82 million pretax, $70 million after tax) and nine months ($211 million pretax, $178 million after tax) ended September 27, 2019, and in the three months ($32 million pretax, $26 million after tax) and nine months ($81 million pretax, $67 million after tax) ended September 28, 2018	32.3	81.8	81.3	211.4
Pretax acquisition and other transaction costs in the three months ($41 million pretax, $35 million after tax) and nine months ($103 million pretax, $87 million after tax) ended September 27, 2019, and in the three months ($38 million pretax, $30 million after tax) and nine months ($41 million pretax, $33 million after tax) ended September 28, 2018*	37.9	41.0	40.6	103.3
Pretax acquisition-related fair value adjustments to deferred revenue and inventory related to significant acquisitions in the three months ($36 million pretax, $30 million after tax) and nine months ($110 million pretax, $93 million after tax) ended September 27, 2019, and in the three months ($3 million pretax, $2 million after tax) and nine months ($3 million pretax, $2 million after tax) ended September 28, 2018	3.0	35.5	3.0	110.2
Pretax gain on the disposition of the Tektronix Video Business in the three and nine months ($41 million pretax, $39 million after tax) ended September 27, 2019	—	(41.2)	—	(41.2)
Pretax losses from equity method investments in the three and nine months ($1 million pretax, $0 million after tax) ended September 27, 2019	—	0.5	—	0.5
Pretax non-cash interest expense associated with our 0.875% convertible notes in the three months ($8 million pretax, $7 million after tax) and nine months ($20 million pretax, $17 million after tax) ended September 27, 2019	—	8.3	—	19.7
Tax effect of the adjustments reflected above [(a)]	(13.2)	(22.2)	(22.5)	(69.1)
TCJA Adjustments	1.2	—	(4.9)	—
Adjusted Net Earnings from Continuing Operations (Non-GAAP)	**$ 275.2**	**$ 311.0**	**$ 775.7**	**$ 881.4**

(a) The MCPS are not tax deductible and therefore the tax effect of the adjustments includes only the amortization of acquisition-related intangible assets, acquisition and other transaction costs, acquisition-related fair value adjustments to deferred revenue and inventory, the gain on the disposition of the Tektronix Video Business, losses from equity method investments and the non-cash interest expense associated with the convertible notes.

* $1.3 million and $1.5 million of acquisition and other transaction costs were recorded in the three months ended March 29, 2019 and June 28, 2019, respectively, that were not previously adjusted for but are reflected in the totals for the nine months ended September 27, 2019.

ADJUSTED NET EPS

	Three Months Ended (a)		Nine Months Ended (a)	
	September 28, 2018	September 27, 2019	September 28, 2018	September 27, 2019
Diluted Net Earnings Per Share from Continuing Operations Attributable to Common Stockholders (GAAP)	**$ 0.55**	**$ 0.56**	**$ 1.86**	**$ 1.46**
Dividends on the mandatory convertible preferred stock to apply if-converted method	0.05	0.05	0.05	0.15
Assumed dilutive impact on the Diluted Net Earnings Per Share Attributable to Common Stockholders if the MCPS Converted Shares had been outstanding	(0.02)	(0.03)	(0.03)	(0.08)
Pretax amortization of acquisition-related intangible assets in the three months ($82 million pretax, $70 million after tax) and nine months ($211 million pretax, $178 million after tax) ended September 27, 2019, and in the three months ($32 million pretax, $26 million after tax) and nine months ($81 million pretax, $67 million after tax) ended September 28, 2018	0.09	0.23	0.23	0.59
Pretax acquisition and other transaction costs in the three months ($41 million pretax, $35 million after tax) and nine months ($103 million pretax, $87 million after tax) ended September 27, 2019, and in the three months ($38 million pretax, $30 million after tax) and nine months ($41 million pretax, $33 million after tax) ended September 28, 2018*	0.10	0.11	0.11	0.29
Pretax acquisition-related fair value adjustments to deferred revenue and inventory related to significant acquisitions in the three months ($36 million pretax, $30 million after tax) and nine months ($110 million pretax, $93 million after tax) ended September 27, 2019, and in the three months ($3 million pretax, $2 million after tax) and nine months ($3 million pretax, $2 million after tax) ended September 28, 2018	0.01	0.10	0.01	0.31
Pretax gain on the disposition of the Tektronix Video Business in the three and nine months ($41 million pretax, $39 million after tax) ended September 27, 2019	—	(0.11)	—	(0.12)
Pretax losses from equity method investments in the three and nine months ($1 million pretax, $0 million after tax) ended September 27, 2019	—	—	—	—
Pretax non-cash interest expense associated with our 0.875% convertible notes in the three months ($8 million pretax, $7 million after tax) and nine months ($20 million pretax, $17 million after tax) ended September 27, 2019	—	0.02	—	0.06
Anticipated pretax restructuring charges in the three months and year ending December 31, 2019 ($45 million pretax (or $0.13 per share), $39 million after tax (or $0.11 per share))				
Tax effect of the adjustments reflected above (b)	(0.04)	(0.06)	(0.06)	(0.19)
TCJA Adjustments	—	—	(0.01)	—
Adjusted Diluted Net Earnings Per Share from Continuing Operations (Non-GAAP)	**$ 0.74**	**$ 0.87**	**$ 2.15**	**$ 2.46**

(a) Each of the per share adjustments below was calculated assuming the MCPS Converted Shares had been outstanding. The 0.875% convertible notes did not have an impact on the adjusted diluted shares outstanding.

(b) The MCPS are not tax deductible and therefore the tax effect of the adjustments includes only the amortization of acquisition-related intangible assets, acquisition and other transaction costs, acquisition-related fair value adjustments to deferred revenue and inventory, the gain on the disposition of the Tektronix Video Business, losses from equity method investments and the non-cash interest expense associated with the 0.875% convertible notes.

* $1.3 million and $1.5 million of acquisition and other transaction costs were recorded in the three months ended March 29, 2019 and June 28, 2019, respectively, that were not previously adjusted for but are reflected in the totals for the nine months ended September 27, 2019.

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

FORECASTED ADJUSTED DILUTED NET EPS FROM CONTINUING OPERATIONS

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	Three Months Ending December 31, 2019		Year Ending December 31, 2019	
	Low End	High End	Low End	High End
Forecasted Diluted Net Earnings Per Share from Continuing Operations Attributable to Common Stockholders	**$ 0.36**	**$ 0.41**	**$ 1.81**	**$ 1.86**
Anticipated dividends on mandatory convertible preferred stock in the three months ending ($17 million) and year ending December 31, 2019 ($69 million)	0.05	0.05	0.20	0.20
Anticipated dilutive impact on Forecasted Diluted Net Earnings Per Share from Continuing Operations if the MCPS Converted Shares (18 million shares in the three months ending and year ending December 31, 2019) had been outstanding	(0.03)	(0.03)	(0.11)	(0.11)
Anticipated pretax amortization of acquisition-related intangible assets in the three months ending ($83 million pretax (or $0.23 per share), $71 million after tax (or $0.20 per share)) and year ending December 31, 2019 ($295 million pretax (or $0.82 per share), $249 million after tax (or $0.69 per share))	0.23	0.23	0.82	0.82
Anticipated pretax significant acquisition and other transaction costs in the three months ending ($98 million pretax (or $0.27 per share), $84 million after tax (or $0.23 per share)) and the year ending December 31, 2019 ($201 million pretax (or $0.56 per share), $171 million after tax (or $0.48 per share))	0.27	0.27	0.56	0.56
Anticipated pretax fair value adjustments to deferred revenue and inventory related to significant acquisitions in the three months ending ($10 million pretax (or $0.03 per share), $9 million after tax (or $0.03 per share)) and year ending December 31, 2019 ($121 million pretax (or $0.34 per share), $102 million after tax (or $0.28 share))	0.03	0.03	0.34	0.34
Pretax gain on the disposition of the Tektronix Video Business in the year ending December 31, 2019 ($41 million pretax (or $0.12 per share), $40 million after tax (or $0.11 share))	—	—	(0.12)	(0.12)
Anticipated pretax losses from equity method investments in the three months ending ($1 million pretax (or $0 per share), $1 million after tax (or $0 per share)) and year ending December 31, 2019 ($2 million pretax (or $0 per share), $2 million after tax (or $0 share))	—	—	—	—
Anticipated pretax non-cash interest from 0.875% convertible notes in the three months ending ($8 million pretax (or $0.02 per share), $7 million after tax (or $0.02 per share)) and the year ending December 31, 2019 ($28 million pretax (or $0.08 per share), $24 million after tax (or $0.07 per share))	0.02	0.02	0.08	0.08
Anticipated pretax restructuring charges in the three months and year ending December 31, 2019 ($45 million pretax (or $0.13 per share), $39 million after tax (or $0.11 per share))	0.13	0.13	0.13	0.13
Tax effect of the adjustments reflected above	(0.10)	(0.10)	(0.29)	(0.29)
Forecasted Adjusted Diluted Net Earnings Per Share from Continuing Operations	**$ 0.96**	**$ 1.01**	**$ 3.42**	**$ 3.47**

(a) The MCPS are not tax deductible and therefore the tax effect of the adjustments includes only the amortization of acquisition-related intangible assets, acquisition and other transaction costs, acquisition-related fair value adjustments to deferred revenue and inventory, the gain on the disposition of the Tektronix Video Business, losses from equity method investments and the non-cash interest expense associated with the 0.875% convertible notes.

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

ADJUSTED DILUTED SHARES OUTSTANDING

	Three Months Ended		Nine Months Ended	
(shares in millions)	**September 28, 2018**	**September 27, 2019**	**September 28, 2018**	**September 27, 2019**
Average common diluted stock outstanding	355.3	339.9	354.8	339.7
MCPS Converted Shares (a)	16.1	18.4	5.4	18.4
Adjusted average common stock and common equivalent shares outstanding	**371.4**	**358.3**	**360.2**	**358.1**

(a) The number of MCPS Converted Shares assumes the conversion of all 1.38 million shares applying the “if-converted” method and using an average 20-day VWAP of $68.82 as of September 27, 2019. The 0.875% convertible notes did not have an impact on the adjusted diluted shares outstanding.

FREE CASH FLOW CONVERSION RATIO

$ in millions	Three Months Ended			Nine Months Ended		
	September 28, 2018	September 27, 2019	% Change	September 28, 2018	September 27, 2019	% Change
Operating Cash Flows from Continuing Operations (GAAP)	**$ 355.8**	**$ 379.0**	**6.5%**	**$ 778.9**	**$ 800.4**	**2.8%**
Less: purchases of property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(29.1)	(31.1)		(76.8)	(79.6)	
Free Cash Flow from Continuing Operations (Non-GAAP)	**$ 326.7**	**$ 347.9**	**6.5%**	**$ 702.1**	**$ 720.8**	**2.7%**
Net earnings from Continuing Operations (GAAP)	**$ 214.0**	**$ 207.3**		**$ 678.2**	**$ 546.6**	
TCJA Adjustments (GAAP)	1.2	—		(4.9)	—	
Net earnings from Continuing Operations excluding the TCJA Adjustments (Non-GAAP)	**$ 215.2**	**$ 207.3**		**$ 673.3**	**$ 546.6**	
Free Cash Flow Conversion Ratio (Non-GAAP)	**152%**	**168%**		**104%**	**132%**	

ADJUSTED FREE CASH FLOW CONVERSION RATIO

$ in millions	Three Months Ended			Nine Months Ended		
	September 28, 2018	September 27, 2019	% Change	September 28, 2018	September 27, 2019	% Change
Operating Cash Flows from Continuing Operations (GAAP)	$ 355.8	$ 379.0	6.5%	$ 778.9	$ 800.4	2.8%
Less: purchases of property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(29.1)	(31.1)		(76.8)	(79.6)	
Free Cash Flow from Continuing Operations (Non-GAAP)	$ 326.7	$ 347.9	6.5%	$ 702.1	$ 720.8	2.7%
Adjusted Net Earnings from Continuing Operations (Non-GAAP)	$ 275.2	$ 311.0		$ 775.7	$ 881.4	
Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)	119%	112%		91%	82%	

FREE CASH FLOW CONVERSION RATIO - TRAILING TWELVE MONTHS

$ in millions	Three Months Ended December 31, 2018	Nine Months Ended September 27, 2019	Twelve Months Ended September 27, 2019
Operating Cash Flows from Continuing Operations (GAAP)	**$ 422.5**	**$ 800.4**	**$ 1,222.9**
Less: purchases of property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(35.5)	(79.6)	(115.1)
Free Cash Flow from Continuing Operations (Non-GAAP)	**$ 387.0**	**$ 720.8**	**$ 1,107.8**
Net earnings from Continuing Operations (GAAP)	**$ 240.1**	**$ 546.6**	**$ 786.7**
TCJA Adjustments (GAAP)	(7.5)	—	(7.5)
Net earnings from Continuing Operations excluding the TCJA Adjustments (Non-GAAP)	**$ 232.6**	**$ 546.6**	**$ 779.2**
Free Cash Flow Conversion Ratio (Non-GAAP)	**166%**	**132%**	**142%**

ADJUSTED FREE CASH FLOW CONVERSION RATIO - TRAILING TWELVE MONTHS

$ in millions	Three Months Ended December 31, 2018	Nine Months Ended September 27, 2019	Twelve Months Ended September 27, 2019
Operating Cash Flows from Continuing Operations (GAAP)	**$ 422.5**	**$ 800.4**	**$ 1,222.9**
Less: purchases of property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(35.5)	(79.6)	(115.1)
Free Cash Flow from Continuing Operations (Non-GAAP)	**$ 387.0**	**$ 720.8**	**$ 1,107.8**
Adjusted Net Earnings from Continuing Operations (Non-GAAP)	**$ 325.1**	**$ 881.4**	**$ 1,206.5**
Free Cash Flow Conversion Ratio (Non-GAAP)	**119%**	**82%**	**92%**

NET EARNINGS - TRAILING TWELVE MONTHS

$ in millions	Three Months Ended December 31, 2018	Nine Months Ended September 27, 2019	Trailing Twelve Months Ended September 27, 2019
Net Earnings From Continuing Operations Attributable to Common Stockholders (GAAP)	$ **222.8**	$ **494.8**	$ **717.6**
Dividends on the mandatory convertible preferred stock	17.3	51.8	69.1
Net Earnings from Continuing Operations (GAAP)	**240.1**	**546.6**	**786.7**
Pretax amortization of acquisition-related intangible assets	53.8	211.4	265.2
Pretax acquisition and other transaction costs in the three months	26.8	103.3	130.1
Pretax acquisition-related fair value adjustments to deferred revenue and inventory related to significant acquisitions	31.4	110.2	141.6
Pretax gain on the disposition of the Tektronix Video Business	—	(41.2)	(41.2)
Pretax losses from equity method investments	—	0.5	0.5
Pretax non-cash interest expense associated with our 0.875% convertible notes	—	19.7	19.7
Tax effect of the adjustments reflected above [(a)]	(19.5)	(69.1)	(88.6)
TCJA Adjustments	(7.5)	—	(7.5)
Adjusted Net Earnings from Continuing Operations (Non-GAAP)	$ **325.1**	$ **881.4**	$ **1,206.5**

(a) The MCPS are not tax deductible and therefore the tax effect of the adjustments includes only the amortization of acquisition-related intangible assets, acquisition and other transaction costs, acquisition-related fair value adjustments to deferred revenue and inventory, the gain on the disposition of the Tektronix Video Business, losses from equity method investments and the non-cash interest expense associated with the convertible notes.

ADJUSTED EFFECTIVE TAX RATE

	Three Months Ended		Nine Months Ended	
$ in millions	**September 28, 2018**	**September 27, 2019**	**September 28, 2018**	**September 27, 2019**
Earnings before income taxes from continuing operations	$ 257.7	$ 235.1	$ 811.0	$ 631.8
Income tax expense	(43.7)	(27.8)	(132.8)	(85.2)
Effective tax rate (GAAP)	**17.0%**	**11.8%**	**16.4%**	**13.5%**
Pretax amortization of acquisition-related intangible assets	$ 32.3	$ 81.8	$ 81.3	$ 211.4
Pretax acquisition and other transaction costs	37.9	41.0	40.6	103.3
Pretax acquisition-related fair value adjustments to deferred revenue and inventory related to completed acquisitions	3.0	35.5	3.0	110.2
Pretax non-cash interest expense associated with our 0.875% convertible notes	—	8.3	—	19.7
Pretax gain on the disposition of Tektronix Video Business	—	(41.2)	—	(41.2)
Pretax earnings from equity method investments	—	0.5	—	0.5
Pretax Adjusted Net Earnings (Non-GAAP)	**$ 330.9**	**$ 361.0**	**$ 935.9**	**$ 1,035.7**
Tax effect of the adjustments reflected above	$ (13.2)	$ (22.2)	$ (22.5)	$ (69.1)
TCJA Adjustments	1.2	—	(4.9)	—
Adjusted income tax expense	$ (55.7)	$ (50.0)	$ (160.2)	$ (154.3)
Adjusted effective tax rate (Non-GAAP)	**16.8%**	**13.9%**	**17.1%**	**14.9%**

FORTIVE