FORTIVE

Fourth Quarter 2019 Earnings Release

February 6, 2020

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 the separation of Vontier, 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 the phase out of LIBOR, 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 revenue," "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.

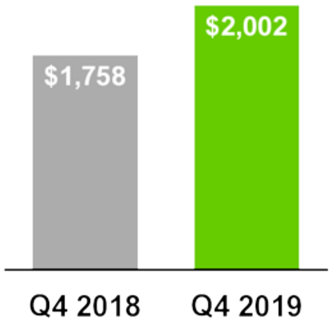
We completed the divestiture of our Automation and Specialty Business ("A&S Business") on October 1, 2018, and accordingly have included the results of the A&S Business as discontinued operations for current and historical periods. The results presented in this presentation are based on continuing operations.

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.

Q4 2019 FINANCIAL PERFORMANCE*

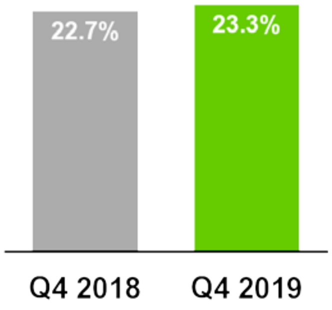
Summary of Key Financial Items

Revenue ($M)



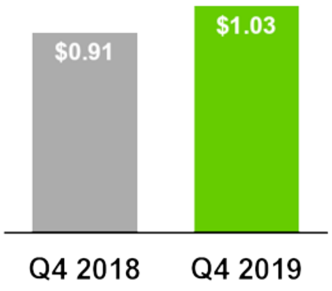
- **Core growth: 0.4%**
  - Price: 1.2%
- **Acquisitions: +14.6%**
- **FX: (1.1)%**
- **Total Growth: 13.9%**

Adjusted Operating Profit Margin (%)



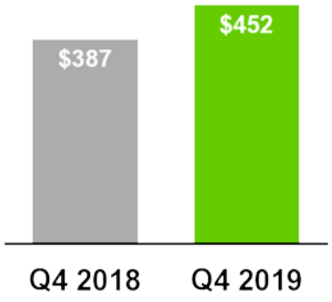
- **Adjusted Margins +60bps Y/Y**
  - Core OMX: 150bps
  - Acquisitions: (90)bps
- **PI Adjusted Margin: 25.1%**
- **IT Adjusted Margin: 23.8%**

Adjusted Diluted Net Earnings Per Share ($)



- **Adjusted EPS +13.2% Y/Y**
- **Growth driven by:**
  - Strong performance in Industrial Technologies
  - Contribution from recent acquisitions, including ASP

Free Cash Flow ($M)



- **FCF: +17% Y/Y**
- **253% Conversion of GAAP Net Earnings**
- **123% Conversion of Adjusted Net Earnings**

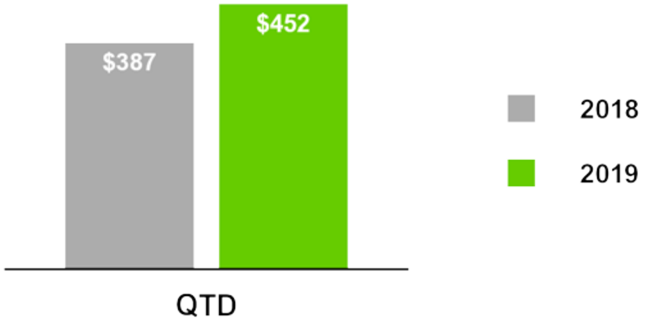
* From Continuing Operations

Q4 2019 FINANCIAL PERFORMANCE*

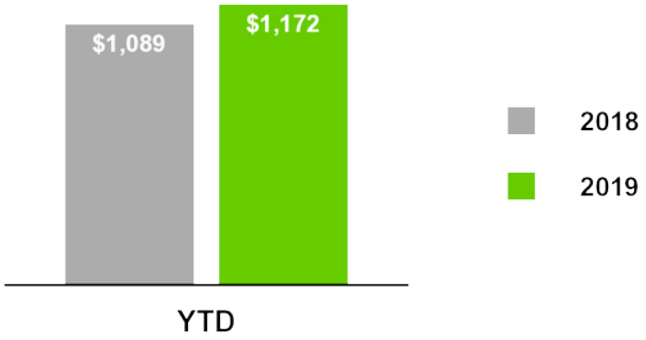
Cash Flow

- **Q4 2019:**
  - **Free Cash Flow:** $452M (+17% versus Prior Year)
    - +$104M versus Q3 2019
  - **FCF Conversion:** 253% of GAAP Net Earnings; 123% of Adjusted Net Earnings
- **FY 2019:**
  - **Free Cash Flow:** $1,172M** (+8% versus Prior Year)
  - **FCF Conversion:** 162% of GAAP Net Earnings; 94% of Adjusted Net Earnings

Free Cash Flow ($M) - Q4 2019



Free Cash Flow ($M) - YTD 2019



* From Continuing Operations
** 2019 free cash flow reflects ~$100M cash flow headwind from ASP

Segment Detail

PROFESSIONAL INSTRUMENTATION

Q4 Performance Overview

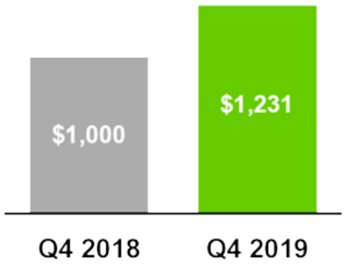
- **Slow short-cycle demand dynamics persisted at Fluke and Tektronix**
  - Some early signs of stability in North America at Fluke
  - China more challenging with negative POS at Fluke and continued impact from Huawei restrictions at Tektronix
  - Western Europe remained soft with negative POS at both Fluke and Tektronix

- **ASP +LSD, continuing to make progress toward wind-down of TSAs**
  - Seamless closing of China, the largest of the Day 2 countries, in Q4
  - Tracking toward the exit of the majority of the TSAs by the middle of the year

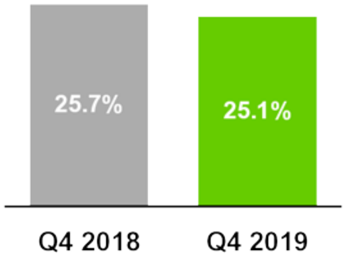
Revenue ($M)

Total Growth: 23.1%

- Core: (2.1)%
- Acquisitions: 25.7%
- FX: (0.5)%



Adjusted Operating Profit Margin (%)



Adjusted Operating Profit Margin: 25.1%

- Core OMX: 130bps
- Acquisitions: (190)bps

INDUSTRIAL TECHNOLOGIES*

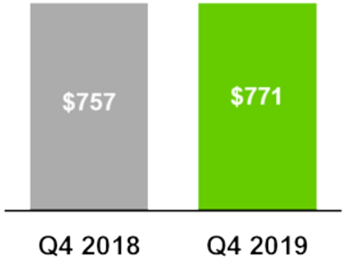
Q4 Performance Overview

- **Solid growth continued at GVR**
  - North America driven by sustained momentum from EMV-related sales; approaching October 2020 liability deadline
  - China slower due to headwinds from winding down of the double-wall tank upgrade cycle
  - GVR recently received a large order for Tritium EV-chargers - GVR gaining traction distributing EV-charging solutions to legacy customer base
- **+MSD growth at Matco**
  - Broad-based growth across Power Tools, Tool Storage and Specialty Tools
  - Continues to benefit from strong product vitality and success of recent new product introductions

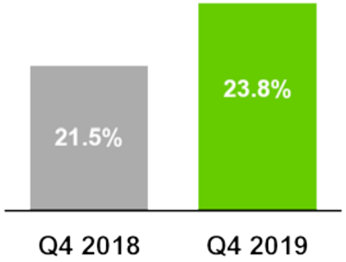
Revenue ($M)

Total Growth: 1.9%

- Core: 3.6%
- Acquisitions: 0.1%
- FX: (1.8)%



Adjusted Operating Profit Margin (%)



Adjusted Operating Profit Margin: 23.8%

- Core OMX: 230bps

* From Continuing Operations

Guidance

2020 GUIDANCE HIGHLIGHTS*

Full-Year 2020 Guidance

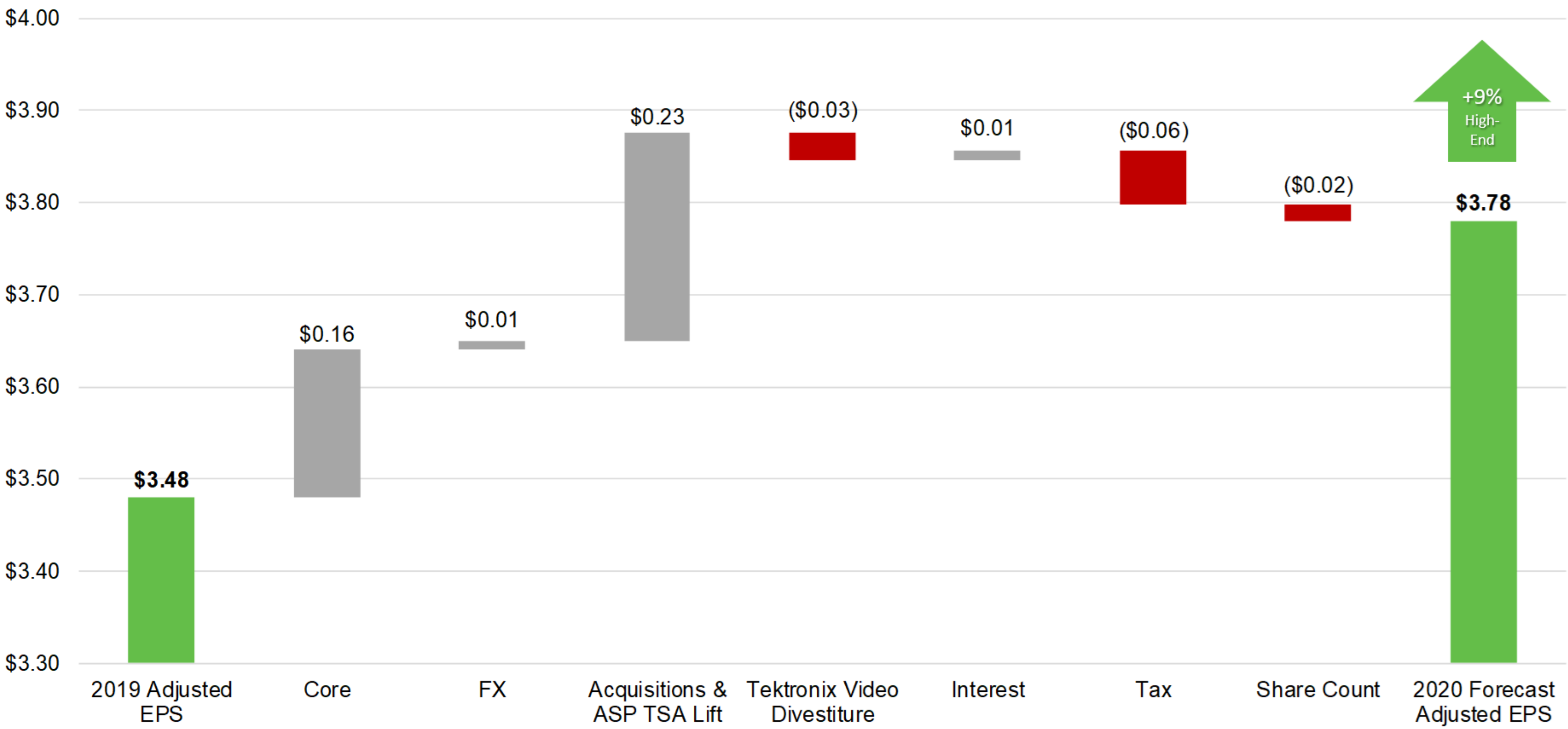
- **Adjusted Diluted EPS:** $3.68 to $3.78 (+6% to +9%)
  - **Assumptions:**
    - **Core Revenue Growth (Y/Y):** LSD
    - **Core OMX:** +50bps
    - **Adjusted Operating Margins:** ~22% (Segments: ~24% at PI; ~Mid-21% at IT)
    - **Tax Rate:** ~16.0%

Q1 2020 Guidance

- **Adjusted Diluted EPS:** $0.70 to $0.74 (+1% to +7%)
  - **Assumptions:**
    - **Core Revenue Growth (Y/Y):** -LSD
    - **Adjusted Operating Margins:** ~19% (Segments: ~22% at PI; ~Mid-17% at IT)
    - **Tax Rate:** ~15.0%
    - **Coronavirus:** Anticipated $0.02 headwind based on disruption thus far

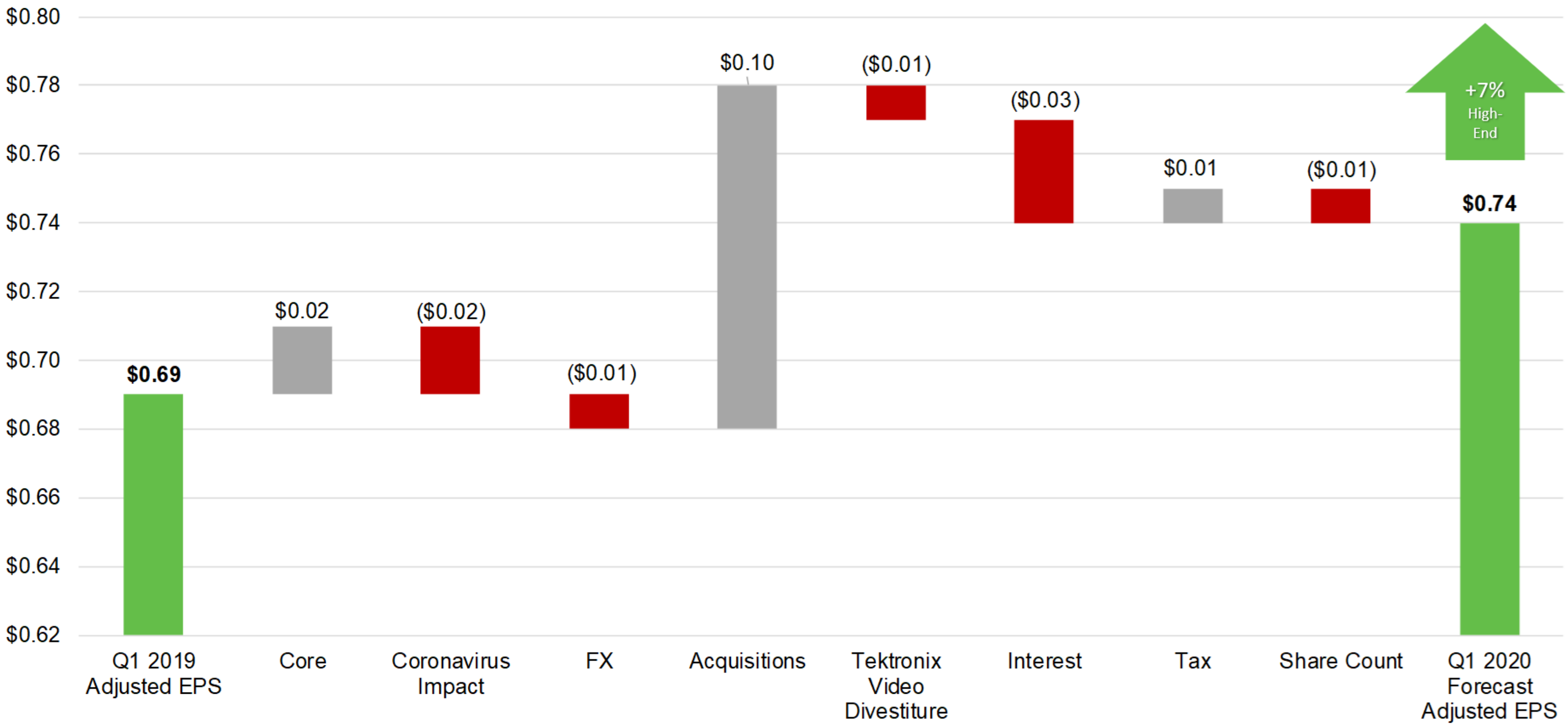
* From Continuing Operations without giving effect to any pending transaction

FULL-YEAR 2020 ADJUSTED EPS BRIDGE



* Assumptions noted above

Q1 2020 ADJUSTED EPS BRIDGE



* Assumptions noted above

Supplemental Data*

* From Continuing Operations

ADJUSTED GROSS PROFIT MARGIN

	Three Months Ended		Year Ended	
$ in millions	**December 31, 2018**	**December 31, 2019**	**December 31, 2018**	**December 31, 2019**
Revenue (GAAP)	**$ 1,757.5**	**$ 2,002.4**	**$ 6,452.7**	**$ 7,320.0**
Acquisition-Related Fair Value Adjustments to Deferred Revenue	31.4	10.8	34.4	54.5
Adjusted Revenue (Non-GAAP)	**$ 1,788.9**	**$ 2,013.2**	**$ 6,487.1**	**$ 7,374.5**
Adjusted Gross Profit				
Gross Profit (GAAP)	**$ 898.3**	**$ 1,035.9**	**$ 3,321.3**	**$ 3,680.3**
Acquisition-Related Fair Value Adjustments to Deferred Revenue and Inventory	31.4	10.8	34.4	121.0
Restructuring	—	9.4	—	9.4
Adjusted Gross Profit (Non-GAAP)	**$ 929.7**	**$ 1,056.1**	**$ 3,355.7**	**$ 3,810.7**
Adjusted Gross Profit Margin				
Gross Profit (GAAP) Margin	**51.1%**	**51.7%**	**51.5%**	**50.3%**
Acquisition-Related Fair Value Adjustments to Deferred Revenue and Inventory	0.9%	0.3%	0.2%	1.3%
Restructuring	—%	0.5%	—%	0.1%
Adjusted Gross Profit Margin (Non-GAAP)	**52.0%**	**52.5%**	**51.7%**	**51.7%**

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

FORTIVE

$ in millions	Three Months Ended December 31, 2019				Year Ended December 31, 2019			
	Professional Instrumentation	Industrial Technologies	Corporate	Total Fortive	Professional Instrumentation	Industrial Technologies	Corporate	Total Fortive
Revenue (GAAP)	**$ 1,231.0**	**$ 771.4**	**$ —**	**$ 2,002.4**	**$ 4,427.8**	**$ 2,892.2**	**$ —**	**$ 7,320.0**
Acquisition-Related Fair Value Adjustments to Deferred Revenue	10.8	—	—	10.8	54.5	—	—	54.5
Adjusted Revenue (Non-GAAP)	**$ 1,241.8**	**$ 771.4**	**$ —**	**$ 2,013.2**	**$ 4,482.3**	**$ 2,892.2**	**$ —**	**$ 7,374.5**
Operating Profit (GAAP)	**$ 171.0**	**$ 149.7**	**$ (25.5)**	**$ 295.2**	**$ 547.9**	**$ 553.9**	**$ (97.7)**	**$ 1,004.1**
Acquisition and Other Transaction Costs	26.1	17.3	—	43.4	111.1	34.7	—	145.8
Acquisition-Related Fair Value Adjustments to Deferred Revenue and Inventory	10.8	—	—	10.8	121.0	—	—	121.0
Amortization of Acquisition-Related Intangible Assets	73.7	7.8	—	81.5	261.0	31.9	—	292.9
Restructuring	29.8	8.5	—	38.3	29.8	8.5	—	38.3
Adjusted Operating Profit (Non-GAAP)	**$ 311.4**	**$ 183.3**	**$ (25.5)**	**$ 469.2**	**$ 1,070.8**	**$ 629.0**	**$ (97.7)**	**$ 1,602.1**
Operating Profit (GAAP)	**13.9%**	**19.4%**		**14.7%**	**12.4%**	**19.2%**		**13.7%**
Acquisition and Other Transaction Costs	2.1%	2.3%		2.2%	2.5%	1.1%		2.0%
Acquisition-Related Fair Value Adjustments to Deferred Revenue and Inventory	0.7%	—%		0.4%	2.4%	—%		1.5%
Amortization of Acquisition-Related Intangible Assets	6.0%	1.0%		4.1%	5.9%	1.1%		4.0%
Restructuring	2.4%	1.1%		1.9%	0.7%	0.3%		0.5%
Adjusted Operating Profit (Non-GAAP)	**25.1%**	**23.8%**		**23.3%**	**23.9%**	**21.7%**		**21.7%**

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

	Three Months Ended December 31, 2018				Year Ended December 31, 2018			
$ in millions	**Professional Instrumentation**	**Industrial Technologies**	**Corporate**	**Total Fortive**	**Professional Instrumentation**	**Industrial Technologies**	**Corporate**	**Total Fortive**
Revenue (GAAP)	**$ 1,000.3**	**$ 757.2**	**$ —**	**$ 1,757.5**	**$ 3,655.1**	**$ 2,797.6**	**$ —**	**$ 6,452.7**
Acquisition-Related Fair Value Adjustments to Deferred Revenue	31.4	—	—	31.4	34.4	—	—	34.4
Adjusted Revenue (Non-GAAP)	**$ 1,031.7**	**$ 757.2**	**$ —**	**$ 1,788.9**	**$ 3,689.5**	**$ 2,797.6**	**$ —**	**$ 6,487.1**
Operating Profit (GAAP)	**$ 161.3**	**$ 155.1**	**$ (21.9)**	**$ 294.5**	**$ 744.6**	**$ 525.6**	**$ (91.8)**	**$ 1,178.4**
Acquisition and Other Transaction Costs	26.8	—	—	26.8	67.4	—	—	67.4
Acquisition-Related Fair Value Adjustments to Deferred Revenue and Inventory	31.4	—	—	31.4	34.4	—	—	34.4
Amortization of Acquisition-Related Intangible Assets	45.9	7.9	—	53.8	104.4	30.8	—	135.2
Adjusted Operating Profit (Non-GAAP)	**$ 265.4**	**$ 163.0**	**$ (21.9)**	**$ 406.5**	**$ 950.8**	**$ 556.4**	**$ (91.8)**	**$ 1,415.4**
Operating Profit (GAAP)	**16.1%**	**20.5%**		**16.8%**	**20.4%**	**18.8%**		**18.3%**
Acquisition and Other Transaction Costs	2.7%	—%		1.5%	1.8%	—%		1.0%
Acquisition-Related Fair Value Adjustments to Deferred Revenue and Inventory	2.3%	—%		1.3%	0.7%	—%		0.4%
Amortization of Acquisition-Related Intangible Assets	4.6%	1.0%		3.1%	2.9%	1.1%		2.1%
Adjusted Operating Profit (Non-GAAP)	**25.7%**	**21.5%**		**22.7%**	**25.8%**	**19.9%**		**21.8%**

OPERATING PROFIT MARGIN (Y/Y WALK)

$ in millions	Three Months Ended December 31, 2019			Year Ended December 31, 2019		
	Professional Instrumentation	Industrial Technologies	Total Fortive	Professional Instrumentation	Industrial Technologies	Total Fortive
2018 Adjusted Operating Profit Margin (Non-GAAP)	**25.7%**	**21.5%**	**22.7%**	**25.8%**	**19.9%**	**21.8%**
Core (Non-GAAP)	1.3%	2.3%	1.5%	(0.85)%	1.95%	0.30%
Acquisitions (Non-GAAP)	(1.9)%	—%	(0.9)%	(1.05)%	(0.15)%	(0.40)%
2019 Adjusted Operating Profit Margin (Non-GAAP)	**25.1%**	**23.8%**	**23.3%**	**23.9%**	**21.7%**	**21.7%**

ADJUSTED NET EARNINGS

$ in millions	Three Months Ended December 31, 2018	Three Months Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2019
Net Earnings From Continuing Operations Attributable to Common Stockholders (GAAP)	**$ 222.8**	**$ 161.6**	**$ 883.4**	**$ 656.4**
Dividends on the mandatory convertible preferred stock	17.3	17.2	34.9	69.0
Net Earnings from Continuing Operations (GAAP)	**240.1**	**178.8**	**918.3**	**725.4**
Pretax amortization of acquisition-related intangible assets in the three months ($82 million pretax, $69 million after tax) and year ended ($293 million pretax, $246 million after tax) December 31, 2019, and in the three months ($54 million pretax, $45 million after tax) and year ended ($135 million pretax, $113 million after tax) December 31, 2018	53.8	81.5	135.2	292.9
Pretax acquisition and other transaction costs in the three months ($43 million pretax, $37 million after tax) and year ended ($146 million pretax, $123 million after tax) December 31, 2019, and in the three months ($27 million pretax, $22 million after tax) and year ended ($67 million pretax, $56 million after tax) December 31, 2018*	26.8	43.4	67.4	145.8
Pretax acquisition-related fair value adjustments to deferred revenue and inventory related to significant acquisitions in the three months ($11 million pretax, $9 million after tax) and year ended ($121 million pretax, $102 million after tax) December 31, 2019, and in the three months ($31 million pretax, $26 million after tax) and year ended ($34 million pretax, $28 million after tax) December 31, 2018	31.4	10.8	34.4	121.0
Pretax losses from equity method investments in the three months ($3 million pretax, $3 million after tax) and year ended ($4 million pretax, $3 million after tax) December 31, 2019	—	3.4	—	3.9
Pretax (gain) loss on the disposition of the Tektronix Video Business in the three months ($0 million pretax, $0 million after tax) and year ended ($41 million pretax, $39 million after tax) December 31, 2019	—	0.4	—	(40.8)
Pretax non-cash interest expense associated with our 0.875% convertible notes in the three months ($8 million pretax, $7 million after tax) and year ended ($28 million pretax, $24 million after tax) December 31, 2019	—	8.4	—	28.1
Pretax discrete restructuring charges in the three months ($38 million pretax, $32 million after tax) and year ended ($38 million pretax, $32 million after tax) December 31, 2019	—	38.3	—	38.3
Tax effect of the adjustments reflected above [(a)]	(19.5)	(29.6)	(42.0)	(98.6)
Additional income tax adjustment	—	32.4	—	32.4
TCJA Adjustments	(7.5)	—	(12.5)	—
Adjusted Net Earnings from Continuing Operations (Non-GAAP)	**$ 325.1**	**$ 367.8**	**$ 1,100.8**	**$ 1,248.4**

(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, the non-cash interest expense associated with the 0.875% convertible notes, and restructuring charges.

* $1.3 million and $0.6 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 year ended December 31, 2019.

ADJUSTED DILUTED NET EPS

	Three Months Ended [a]		Year Ended [a]	
	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019
Diluted Net Earnings Per Share from Continuing Operations Attributable to Common Stockholders (GAAP)	**$ 0.66**	**$ 0.48**	**$ 2.52**	**$ 1.93**
Dividends on the mandatory convertible preferred stock to apply if-converted method	0.05	0.05	0.10	0.20
Assumed dilutive impact on the Diluted Net Earnings Per Share Attributable to Common Stockholders if the MCPS Converted Shares had been outstanding	(0.04)	(0.03)	(0.06)	(0.11)
Pretax amortization of acquisition-related intangible assets in the three months ($82 million pretax, $69 million after tax) and year ended ($293 million pretax, $246 million after tax) December 31, 2019, and in the three months ($54 million pretax, $45 million after tax) and year ended ($135 million pretax, $113 million after tax) December 31, 2018	0.15	0.23	0.38	0.82
Pretax acquisition and other transaction costs in the three months ($43 million pretax, $37 million after tax) and year ended ($146 million pretax, $123 million after tax) December 31, 2019, and in the three months ($27 million pretax, $22 million after tax) and year ended ($67 million pretax, $56 million after tax) December 31, 2018*	0.07	0.12	0.19	0.41
Pretax acquisition-related fair value adjustments to deferred revenue and inventory related to significant acquisitions in the three months ($11 million pretax, $9 million after tax) and year ended ($121 million pretax, $102 million after tax) December 31, 2019, and in the three months ($31 million pretax, $26 million after tax) and year ended ($34 million pretax, $28 million after tax) December 31, 2018	0.09	0.03	0.10	0.34
Pretax losses from equity method investments in the three months ($3 million pretax, $3 million after tax) and year ended ($4 million pretax, $3 million after tax) December 31, 2019	—	0.01	—	0.01
Pretax (gain) loss on the disposition of the Tektronix Video Business in the three months ($0 million pretax, $0 million after tax) and year ended ($41 million pretax, $39 million after tax) December 31, 2019	—	—	—	(0.11)
Pretax non-cash interest expense associated with our 0.875% convertible notes in the three months ($8 million pretax, $7 million after tax) and year ended ($28 million pretax, $24 million after tax) December 31, 2019	—	0.02	—	0.08
Pretax discrete restructuring charges in the three months ($38 million pretax, $32 million after tax) and year ended ($38 million pretax, $32 million after tax) December 31, 2019	—	0.11	—	0.11
Tax effect of the adjustments reflected above [b]	(0.05)	(0.08)	(0.12)	(0.28)
Additional income tax adjustment	—	0.09	—	0.09
TCJA Adjustments	(0.02)	—	(0.03)	—
Adjusted Diluted Net Earnings Per Share from Continuing Operations (Non-GAAP)	**$ 0.91**	**$ 1.03**	**$ 3.06**	**$ 3.48**

(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, the non-cash interest expense associated with the 0.875% convertible notes, and restructuring charges.

* $1.3 million and $0.6 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 year ended December 31, 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

	Three Months Ending March 27, 2020		Year Ending December 31, 2020	
	Low End	High End	Low End	High End
Forecasted Diluted Net Earnings Per Share from Continuing Operations Attributable to Common Stockholders	**$ 0.24**	**$ 0.28**	**$ 2.16**	**$ 2.26**
Anticipated dividends on mandatory convertible preferred stock in the three months ending March 27, 2020 ($17 million) and year ending December 31, 2020 ($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 (17.7 million shares in the three months ending March 27, 2020 and year ending December 31, 2020) had been outstanding	(0.02)	(0.02)	(0.12)	(0.12)
Anticipated pretax amortization of acquisition-related intangible assets in the three months ending March 27, 2020 ($85 million pretax (or $0.24 per share), $72 million after tax (or $0.20 per share)) and year ending December 31, 2020 ($336 million pretax (or $0.93 per share), $282 million after tax (or $0.78 per share))	0.24	0.24	0.93	0.93
Anticipated pretax significant acquisition and other transaction costs, including costs related to establishing a new separate company infrastructure in connection with the Vontier transaction in the three months ending March 27, 2020 ($67 million pretax (or $0.19 per share), $57 million after tax (or $0.16 per share)) and year ending December 31, 2020 ($185 million pretax (or $0.51 per share), $156 million after tax (or $0.43 per share))	0.19	0.19	0.51	0.51
Anticipated pretax fair value adjustments to deferred revenue and inventory related to significant acquisitions in the three months ending March 27, 2020 ($15 million pretax (or $0.04 per share), $14 million after tax (or $0.04 per share)) and year ending December 31, 2020 ($37 million pretax (or $0.10 per share), $33 million after tax (or $0.09 share))	0.04	0.04	0.10	0.10
Anticipated pretax losses from equity method investments in the three months ending March 27, 2020 ($1 million pretax (or $0 per share), $1 million after tax (or $0 per share)) and year ending December 31, 2020 ($7 million pretax (or $0.02 per share), $7 million after tax (or $0.02 share))	—	—	0.02	0.02
Anticipated pretax non-cash interest from 0.875% convertible notes in the three months ending March 27, 2020 ($8 million pretax (or $0.02 per share), $7 million after tax (or $0.02 per share)) and the year ending December 31, 2020 ($34 million pretax (or $0.09 per share), $29 million after tax (or $0.07 per share))	0.02	0.02	0.09	0.09
Tax effect of the adjustments reflected above	(0.07)	(0.07)	(0.26)	(0.26)
Additional income tax adjustment	0.01	0.01	0.05	0.05
Forecasted Adjusted Diluted Net Earnings Per Share from Continuing Operations	**$ 0.70**	**$ 0.74**	**$ 3.68**	**$ 3.78**

(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, losses from equity method investments, and non-cash interest from 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.

Forecasted Adjusted Diluted Net Earnings Per Share from Continuing Operations does not give effect to the pending Vontier separation.

ADJUSTED DILUTED SHARES OUTSTANDING

	Three Months Ended		Year Ended	
(shares in millions)	**December 31, 2018**	**December 31, 2019**	**December 31, 2018**	**December 31, 2019**
Average common diluted stock outstanding	339.3	340.1	350.7	340.0
MCPS Converted Shares (a)	18.4	18.3	8.7	18.3
Adjusted average common stock and common equivalent shares outstanding	**357.7**	**358.4**	**359.4**	**358.3**

(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 $75.19 as of December 31, 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		% Change	Year Ended		% Change
	December 31, 2018	December 31, 2019		December 31, 2018	December 31, 2019	
Operating Cash Flows from Continuing Operations (GAAP)	**$ 422.5**	**$ 484.5**	**14.7%**	**$ 1,201.3**	**$ 1,284.9**	**7.0%**
Less: purchases of property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(35.5)	(32.9)		(112.3)	(112.5)	
Free Cash Flow from Continuing Operations (Non-GAAP)	**$ 387.0**	**$ 451.6**	**16.7%**	**$ 1,089.0**	**$ 1,172.4**	**7.7%**
Net earnings from Continuing Operations (GAAP)	**$ 240.1**	**$ 178.8**		**$ 918.3**	**$ 725.4**	
TCJA Adjustments (GAAP)	(7.5)	—		(12.5)	—	
Net earnings from Continuing Operations excluding the TCJA Adjustments (Non-GAAP)	**$ 232.6**	**$ 178.8**		**$ 905.8**	**$ 725.4**	
Free Cash Flow Conversion Ratio (Non-GAAP)	**166%**	**253%**		**120%**	**162%**	

ADJUSTED FREE CASH FLOW CONVERSION RATIO

$ in millions	Three Months Ended			Year Ended		
	December 31, 2018	December 31, 2019	% Change	December 31, 2018	December 31, 2019	% Change
Operating Cash Flows from Continuing Operations (GAAP)	**$ 422.5**	**$ 484.5**	**14.7%**	**$ 1,201.3**	**$ 1,284.9**	**7.0%**
Less: purchases of property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(35.5)	(32.9)		(112.3)	(112.5)	
Free Cash Flow from Continuing Operations (Non-GAAP)	**$ 387.0**	**$ 451.6**	**16.7%**	**$ 1,089.0**	**$ 1,172.4**	**7.7%**
Adjusted Net Earnings from Continuing Operations (Non-GAAP)	**$ 325.1**	**$ 367.8**		**$ 1,100.8**	**$ 1,248.4**	
Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)	**119%**	**123%**		**99%**	**94%**	

CORE REVENUE GROWTH

FORTIVE

Components of Revenue Growth	Three Months Ended December 31, 2019	Year Ended December 31, 2019
Total Fortive		
Total Revenue Growth (GAAP)	**13.9%**	**13.4%**
Core (Non-GAAP)	0.4%	2.0%
Acquisitions (Non-GAAP)	14.6%	13.2%
Impact of currency translation (Non-GAAP)	(1.1)%	(1.8)%
Professional Instrumentation		
Total Revenue Growth (GAAP)	**23.1%**	**21.1%**
Core (Non-GAAP)	(2.1)%	(0.4)%
Acquisitions (Non-GAAP)	25.7%	23.0%
Impact of currency translation (Non-GAAP)	(0.5)%	(1.5)%
Industrial Technologies		
Total Revenue Growth (GAAP)	**1.9%**	**3.4%**
Core (Non-GAAP)	3.6%	5.2%
Acquisitions (Non-GAAP)	0.1%	0.3%
Impact of currency translation (Non-GAAP)	(1.8)%	(2.1)%

ADJUSTED EFFECTIVE TAX RATE

$ in millions	Three Months Ended December 31, 2018	Three Months Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2019
Earnings before income taxes from continuing operations	$ 267.4	$ 242.7	$ 1,078.4	$ 874.5
Income tax expense	(27.3)	(63.9)	(160.1)	(149.1)
Effective tax rate (GAAP)	**10.2%**	**26.3%**	**14.8%**	**17.0%**
Earnings before income taxes from continuing operations (GAAP)	**$ 267.4**	**$ 242.7**	**$ 1,078.4**	**$ 874.5**
Pretax amortization of acquisition-related intangible assets	53.8	81.5	135.2	292.9
Pretax acquisition and other transaction costs	26.8	43.4	67.4	145.8
Pretax acquisition-related fair value adjustments to deferred revenue and inventory related to completed acquisitions	31.4	10.8	34.4	121.0
Pretax non-cash interest expense associated with our 0.875% convertible notes	—	8.4	—	28.1
Pretax (gain) loss on the disposition of Tektronix Video Business	—	0.4	—	(40.8)
Pretax losses from equity method investments	—	3.4	—	3.9
Pretax discrete restructuring charges	—	38.3	—	38.3
Pretax Adjusted Net Earnings (Non-GAAP)	**$ 379.4**	**$ 428.9**	**$ 1,315.4**	**$ 1,463.7**
Tax effect of the adjustments reflected above	(19.5)	(29.6)	(42.0)	(98.6)
Additional income tax adjustment	—	32.4	—	32.4
TCJA Adjustments	(7.5)	—	(12.5)	—
Adjusted income tax expense (Non-GAAP)	**$ (54.3)**	**$ (61.1)**	**$ (214.6)**	**$ (215.3)**
Adjusted effective tax rate (Non-GAAP)	**14.3%**	**14.2%**	**16.3%**	**14.7%**

FORTIVE