

First Quarter 2022 Earnings Release

APRIL 28, 2022



FORWARD LOOKING STATEMENTS & NON-GAAP FINANCIAL MEASURES

Statements in this presentation that are not strictly historical, including statements regarding anticipated financial results, economic conditions, future prospects, impact of supply chain constraints, duration and impact of COVID-19 pandemic and the corresponding government mandated mitigation efforts, anticipated market opportunities, anticipated impact of geopolitical events and conflicts, business and acquisition opportunities, timing of acquisitions and other transactions, scope and timing of any share repurchases, and any other statements identified by their use of words like “anticipate,” “expect,” “believe,” “outlook,” “guidance,” “forecast,” 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: the duration and impact of the COVID-19 pandemic, our ability to manage supply chain constraints and transportation disruptions, deterioration of or instability in the economy, geopolitical relations and conflicts, the markets we serve, international trade policies and the financial markets, changes in trade relations with China and Russia, 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, 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, risk related to tax treatment of our prior separations, 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. 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, 2021. 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 outlook regarding non-GAAP measures because any corresponding GAAP measures and the reconciliations thereto would require us to make estimates or assumptions about unidentified and unknown acquisitions, stock price, capital and other expenditures and similar adjustments during the relevant period. Information required by Regulation G with respect to historical non-GAAP financial measures are set forth in the appendix to this presentation

Q1 2022 FINANCIALS AND HIGHLIGHTS

STRONG START TO THE YEAR

Q1 2022 FINANCIALS

\$1,377M

Revenue

5.3%

Core Growth

57.6%

Adj. Gross
Margin

23.0%

Adj. Operating
Profit Margin

\$0.70

Adj. Earnings
Per Share

\$196M

Free Cash Flow

Q1 2022 HIGHLIGHTS



Core revenue and EPS growth ahead of expectations

- Navigating challenging external environment



Demand continues robust +DD pace

- HW¹ orders increased 14%; SW revenue up 13%²



FBS driving differentiated performance

- 30 bps OP margin expansion, 11% Adj. EPS growth



Strong FCF funds growth and yields higher returns

- Delivered 36% increase in FCF

ROBUST BACKLOG AND REVENUE MOMENTUM REINFORCE CONFIDENCE IN 2022 OUTLOOK

RAISING 2022 OUTLOOK

STRONG EXECUTION AND MOMENTUM ACROSS PORTFOLIO

WHAT WE ARE SEEING



STRONG ORDERS GROWTH

Driven by accelerated innovation, share gains, and leverage to secular drivers. **Hardware* backlog up 18%** since year-end



SUPPLY CHAIN & LOGISTICS CHALLENGES

Electronic component constraints remain throughout 2022. FTV **countermeasures gain traction**; facing **higher freight costs**



MANDATED COVID LOCKDOWNS

Intermittent shutdowns during **Q1 and Q2**; Shanghai lockdown impacted Q1 revenue by **(\$20M)**, primarily Tektronix.; expect **(~\$40M)** revenue impact in Q2

WHAT WE EXPECT



SUSTAINED CORE GROWTH

Inflection in core growth driven by **normal seasonality**. Strong customer demand and **record backlog to benefit 2023**



MARGIN EXPANSION

Volume, price and operational performance initiatives drive higher segment operating margins, and **double-digit earnings and cash flow growth**



DISCIPLINED CAPITAL ALLOCATION

M&A returns **nearly double next 5-years**, driving sustainable, long-term value creation

SUSTAINED CORE GROWTH AND MARGIN EXPANSION AS UPCYCLE CONTINUES

EXECUTING OUR STRATEGY

FOCUSED CUSTOMER WORKFLOW SOLUTIONS WITH DURABLE GROWTH DRIVERS

INTELLIGENT OPERATING SOLUTIONS



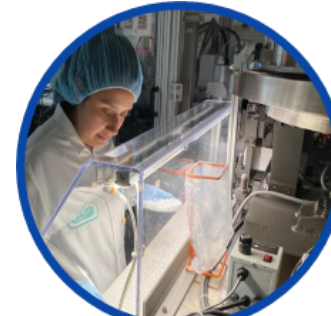
Delivering leading workflow solutions that facilitate field and facility safety, reliability, and productivity

PRECISION TECHNOLOGIES



Enabling IoT expansion and accelerating the development of new technologies and innovations

ADVANCED HEALTHCARE SOLUTIONS



Essential products and workflow solutions that ensure safe, efficient and timely delivery of healthcare

DEMOGRAPHICS



INTERNET OF THINGS



RESHORING / MFG



REGULATION, SAFETY, ESG



AUTOMATION & DIGITIZATION



Essential Technologies for the people who accelerate progress...

Connected solutions for all types of facilities: factories, buildings and hospitals



WORKFLOW
EFFICIENCY

SECULAR
DRIVERS

MARKET
RELEVANCE



STRONG BRANDS WITH LEADING POSITIONS IN CRITICAL CONNECTED WORKFLOWS

Q1 2022: INTELLIGENT OPERATING SOLUTIONS

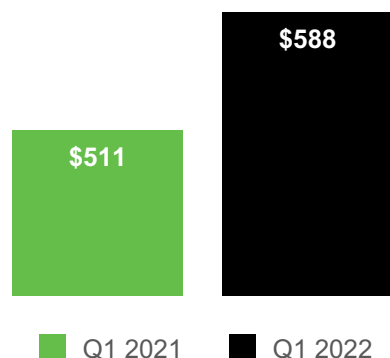
BROAD-BASED GROWTH AND EXECUTION

\$ in millions

REVENUE

+15.0%

Core +8.7%
M&A +7.7%
FX -1.4%



FLUKE®

**INDUSTRIAL
SCIENTIFIC**

INTELEX

GORDIAN®

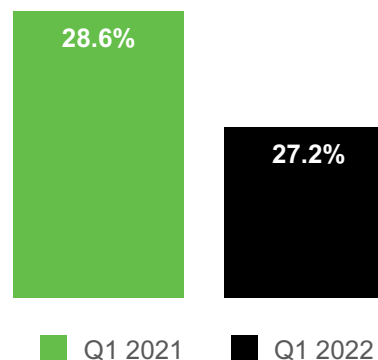
ACCRUENT

ServiceChannel®

ADJUSTED OPERATING PROFIT MARGIN

-145 BPS

Core OMX Flat



INTELLIGENT OPERATING SOLUTIONS

Q1 2022 Highlights

- Assurance of supply mitigating constraints
- Robust +DD orders growth, record backlog
- Diversifying customer base in EHS
- Record Facilities & Asset Lifecycle growth
- Core operating profit margins impacted by inflation/timing
- Strong OMX on 2-year stack basis

Sales Growth Drivers¹

	Q1 2022
FLUKE	HSD
EHS: ISC, INTELEX	LDD
GORDIAN, ACCRUENT	LDD
SERVICECHANNEL	HDD

MOMENTUM BUILDING ACROSS SEGMENT FOR STRONG 2022

1. Revenue growth excludes impact of foreign exchange and divestitures; proforma core revenue growth for acquisitions

Q1 2022: PRECISION TECHNOLOGIES

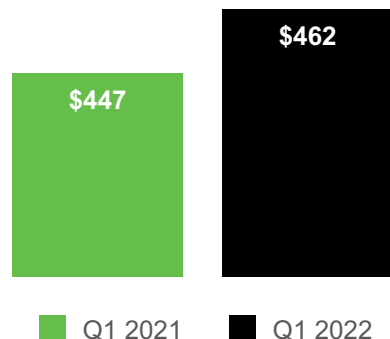
STRONG PERFORMANCE DESPITE SUPPLY CHAIN / CHINA SHUTDOWNS

\$ in millions

REVENUE

+3.4%

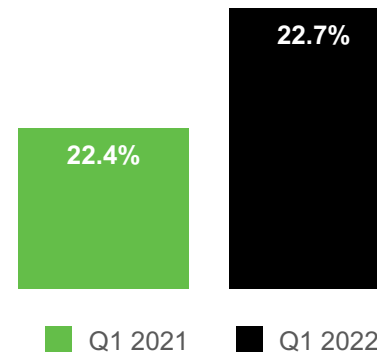
Core +4.6%
FX -1.2%



ADJUSTED OPERATING PROFIT MARGIN

+30 BPS

Core OMX +30 bps



Tektronix

Gems
Sensors & Controls

QUALITROL
Defining Reliability

setra

HENGSTLER
DYNAPAR

ANDERSON-NEGELE
SANITARY BY DESIGN

PACIFIC SCIENTIFIC
ENERGETIC MATERIALS COMPANY

PRECISION TECHNOLOGIES

Q1 2022 Highlights

- Strong demand across geographies & end markets: HVAC, Aero/Def, EV/Auto, Semi
- DD+ orders growth
- Shanghai lockdowns constrain Q1 shipments
- Supply chain lead times remain extended
- OMX driven by favorable price, more than offsetting inflation and NPI investment
- FBS tools improving growth and resiliency

Sales Growth Drivers¹

Q1 2022

TEKTRONIX

Up Slightly

SENSING

LDD

PACSI EMC

LSD

RECORD BACKLOG EXTENDS MULTI-YEAR CYCLE RECOVERY

1. Revenue growth excludes impact of foreign exchange and divestitures; proforma core revenue growth for acquisitions

Q1 2022: ADVANCED HEALTHCARE SOLUTIONS

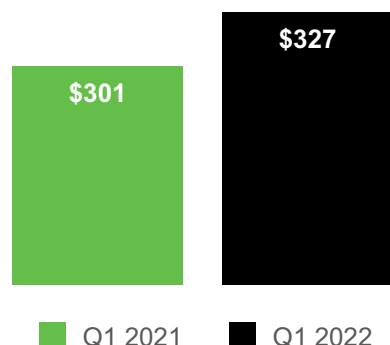
CORE GROWTH EXPECTED TO RAMP THROUGH YEAR

\$ in millions

REVENUE

+8.5%

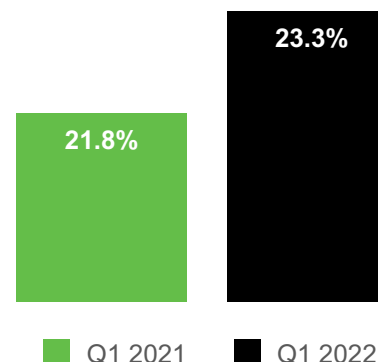
Core +0.6%
M&A +10.0%
FX -2.1%



ADJUSTED OPERATING PROFIT MARGIN

+160 BPS

Core OMX -40 bps



ASP

Censis

FLUKE
Biomedical

LANDAUER®

Invetech

provation®

ADVANCED HEALTHCARE SOLUTIONS

Q1 2022 Highlights

- Core growth unfavorably impacted by Covid
- NA electives stabilizing; uptick in Q2'22
- HSD core growth in ASP Service
- Provation integration off to a great start, with +DD growth in GI and Anesthesia
- Favorable M&A contribution and price benefited OMX, partially offset by lower Invetech volumes
- Strong OMX at ASP and FHS

Sales Growth Drivers¹

	Q1 2022
ASP	(LSD)
FHS	MSD
CENSIS	LSD
PROVATION	High Teens

STRONG HEALTHCARE FRANCHISE POISED FOR POST-COVID RECOVERY

1. Revenue growth excludes impact of foreign exchange and divestitures; proforma core revenue growth for acquisitions

FBS IN ACTION

ENABLING AND EMPOWERING OUR TEAMS TO DRIVE SUSTAINABLE RESULTS

FBS APPLICATION

FBS IMPACT

FLUKE®

- Daily Visual Management / Problem Solving

- **35% improvement** in unit output in critical cells, recovering Q4 shortfall

Tektronix®

- Lean Portfolio Management

- **5+** customer-driven solutions launching Q2-Q4

Sensing Tech

- Value Pricing / Price Leakage

- **>100 bps improvement** in OMX

ASP

- Kaizen / Daily Visual Management / Problem Solving

- **290 bps GMX** from lower freight / inventory obsolescence cost and outside spend

FORTIVE China

- Daily Visual Management / Problem Solving

- **~1x increase** in working capital turns

ACCRUENT

- Kaizen / Lean Portfolio Management

- **~30% in incremental growth** between Q4'21 and Q1'22 from uplift on renewals

provation®

- Kaizen / Daily Visual Management

- **Accelerating** APEX migration growth opportunity

GORDIAN®

- Value Stream Mapping

- **2-month improvement** in time to first revenue for Procurement customers

THE FORTIVE BUSINESS SYSTEM



FBS STRENGTHENING INNOVATION, SOFTWARE AND DATA ANALYTICS CAPABILITIES TO DRIVE IMPACT

FORTIVE'S SUSTAINABILITY JOURNEY

ACCELERATING PROGRESS TOWARDS A MORE SUSTAINABLE JOURNEY



Leverage Company Products to Advance Fortive's Sustainability Initiatives

INTELEX

EHS & Sustainability Data Workstreams:

- Safety incident management rates
- EHS audits and corrective actions
- Risk assessment process
- Sustainability data - GHG emissions, water, waste

FLUKE®

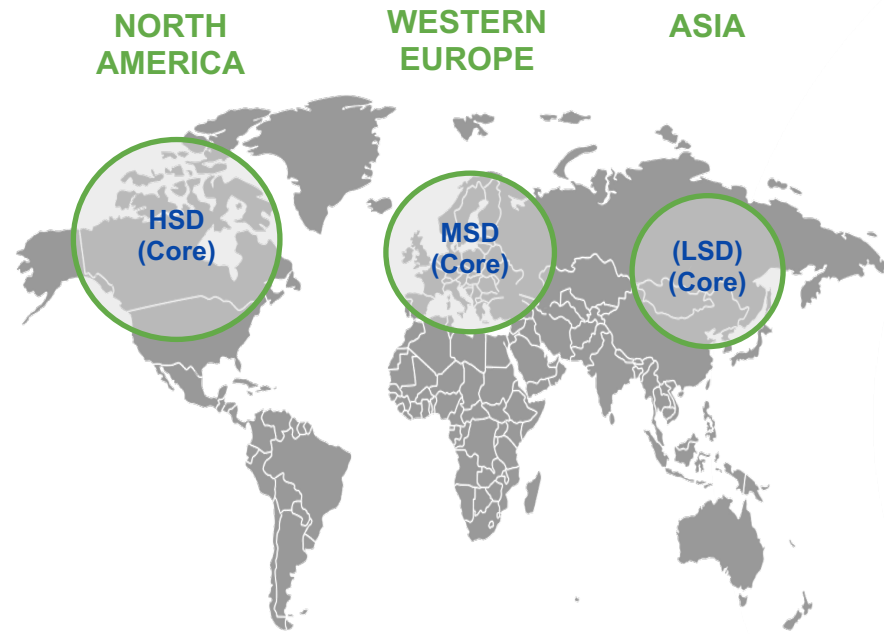
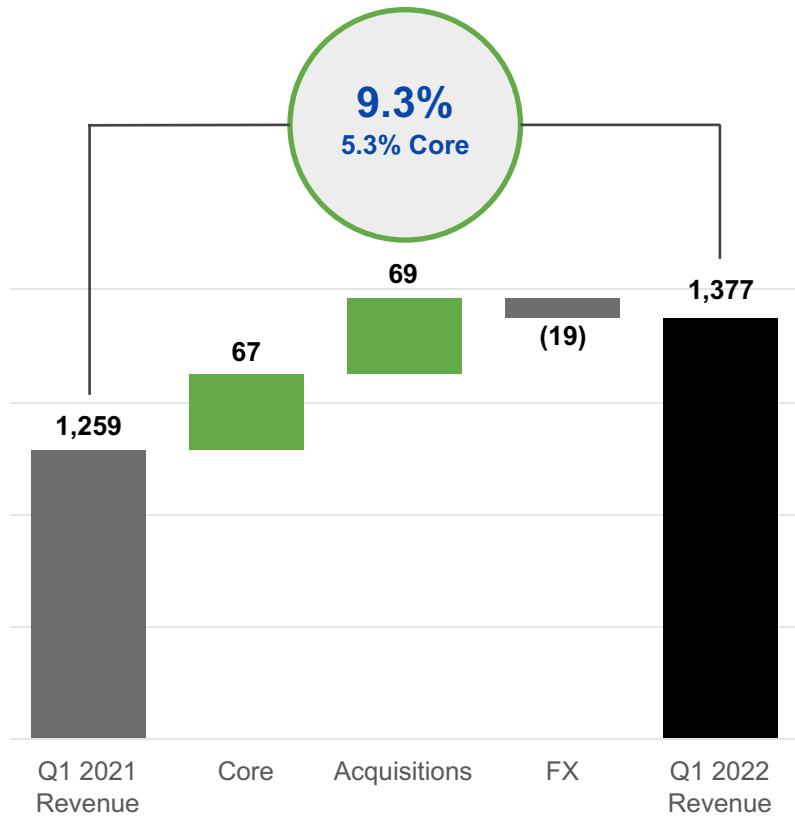
EHS & Sustainability Management:

- Leader in electrical safety
- Energy efficiency: EV and solar solutions

EVOLVING AND CONTINUOUSLY IMPROVING ESG DISCLOSURES AND CLIMATE GOALS

Q1 2022 REVENUE

NORTH AMERICA DRIVES REVENUE OUTPERFORMANCE



Regional Highlights

- Broad strength in North America; strong revenue and orders growth despite supply chain challenges
- Software revenue¹, primarily North America, +13%
- Western Europe growth in IOS and PT; AHS impacted by tough prior year comp at Invetech
- Asia ex-China +LDD
- China down low teens due to Covid-related lockdowns; +DD order growth

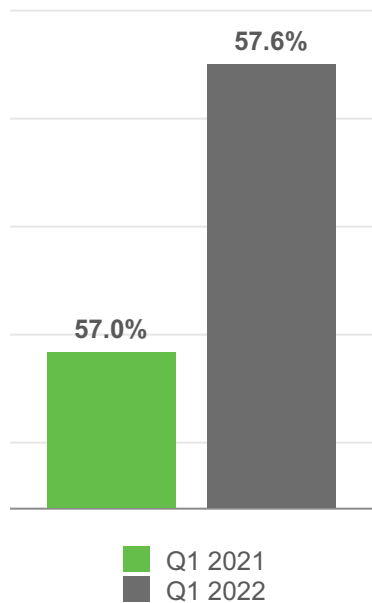
STRONG CORE GROWTH DESPITE CHINA HEADWIND

1. Software revenue includes SaaS, perpetual licenses, maintenance, and other related fees and services

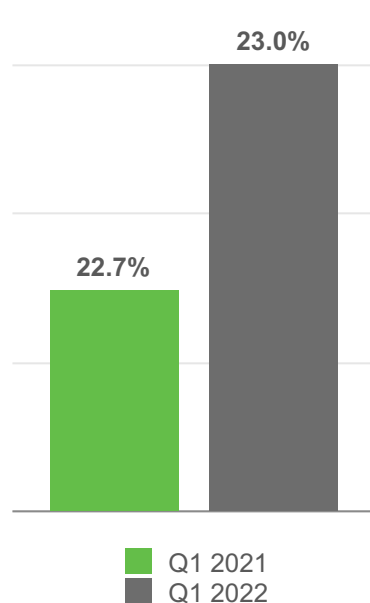
Q1 2022 PERFORMANCE SUMMARY

EXECUTING WELL IN CHALLENGING ENVIRONMENT

ADJ. GROSS
MARGIN
+60 BPS



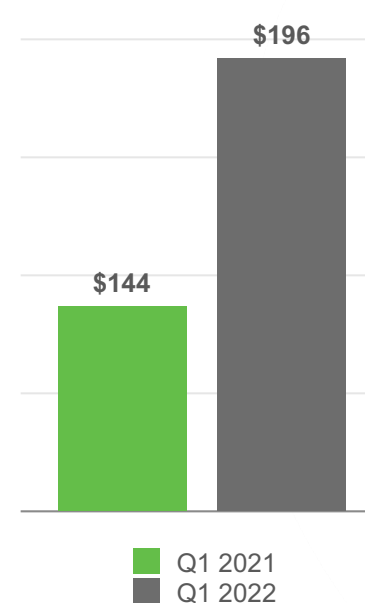
ADJ. OPERATING
PROFIT MARGIN
+30 BPS



ADJ. EARNINGS
PER SHARE
+11%



FREE CASH
FLOW (\$M)
+36%



Performance Highlights

- 60 bps of GMX driven by favorable price/cost spread
- 30 bps of OMX; +250 bps on 2-yr stack basis
- Double-digit adjusted EPS growth
- FCF conversion of 77% reflecting normalization of cash collections

GROWTH, FBS AND BUSINESS MODEL DRIVE STRONG START TO THE YEAR

Q2 AND FY 2022 OUTLOOK

ANOTHER YEAR OF DOUBLE-DIGIT EARNINGS AND FREE CASH FLOW GROWTH

	Q2 2022	FY 2022
REVENUE <i>Core / Total Growth</i>	\$1,385 – 1,425M <i>2% to 5% / 5% to 8%</i>	\$5,765 – 5,875M <i>6% to 8.5% / 9.5% to 12%</i>
ADJ. OP. PROFIT MARGIN <i>Adjusted OMX</i>	>23% <i>>80 bps OMX</i>	>24% <i>>100 bps OMX</i>
ADJ. EARNINGS PER SHARE <i>Growth</i>	\$0.70 – 0.73 <i>6% to 11%</i>	\$3.04 – 3.13 <i>11% to 14%</i>
FREE CASH FLOW <i>FCF Conversion</i>	~\$260M <i>~100%</i>	\$1,160 - 1,200M <i>~105%</i>

Q2 and FY Details

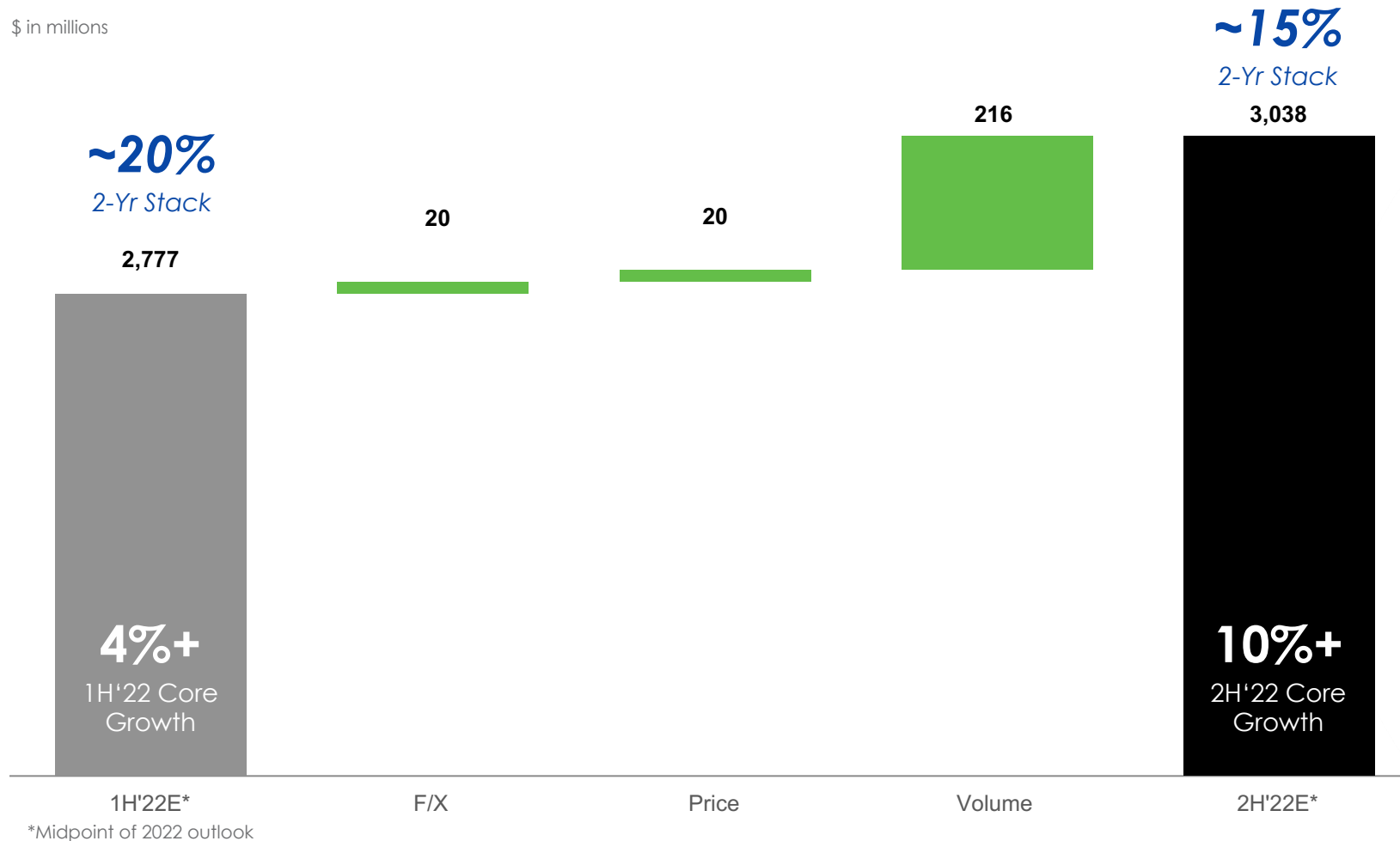
- Q2: M&A ~480 bps, FX ~(180) bps
- FY: M&A ~430 bps, FX ~(80) bps
- Q2: Corporate ~\$30M
- FY: Corporate ~\$125M
- Q2: Interest ~\$21M, ETR ~15%
- FY: Interest ~\$85M, ETR ~16%
- Reflects WC-lite business models
- Capex ~1.5% of Sales (\$80M to \$100M)

INCREASING OUTLOOK TO REFLECT STRONG START TO THE YEAR

2022 REVENUE WALK

STRONG DEMAND AND RECORD BACKLOG SUPPORT 2H OUTLOOK

\$ in millions



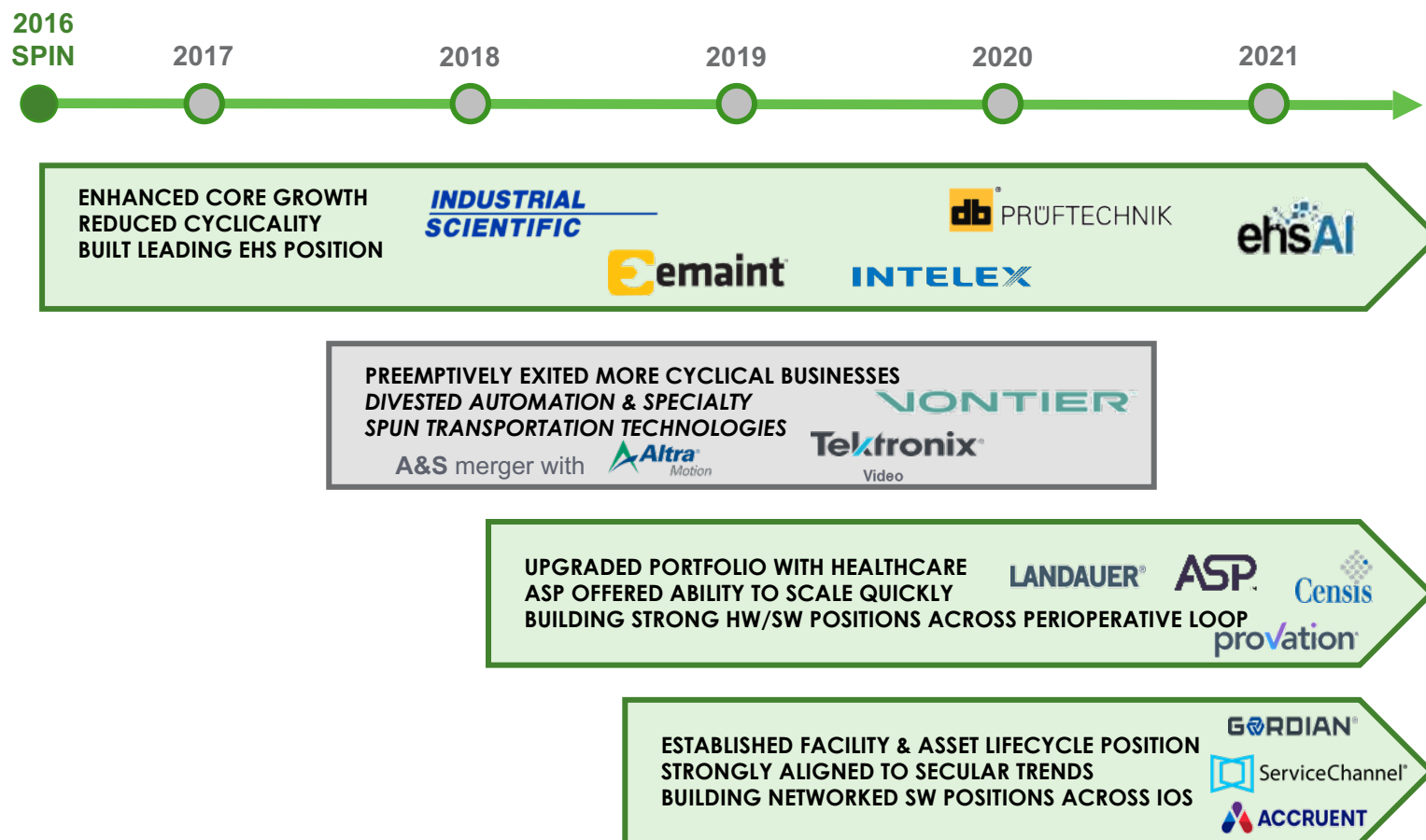
Key Drivers

- 1H:2H reflects reasonable 48:52 seasonality profile
- 2H includes ~\$60M of volume that shifted from 1H:2H as a result of 1H Shanghai lockdowns
- Strong incremental volume flow-through on additional revenue
- Assurance of supply, countermeasures reinforce seasonal step-up
- Orders growth drives record backlog entering 2H
- Higher recurring revenue and software growth mitigate risk of slowing demand

CORE GROWTH NORMALIZES IN 2H'22 ON 2-YEAR STACK BASIS

BUILDING A MORE RESILIENT BUSINESS

PORTFOLIO STRATEGY YIELDING RESULTS



+\$7B
NET CAPITAL
DEPLOYED

+\$2.3B
'22 REVENUE
ACQUIRED, UP LDD*

+820BPS
OMX SINCE
ACQUISITION*



Disciplined M&A



2x Accelerated Annual Core
Growth Rate Last 5 Years



Reduced Cyclicity



+1000 BPS Adj. GP
Margin Expansion*



~40% Recurring Revenue*



~\$950M Software¹
LDD Growth*

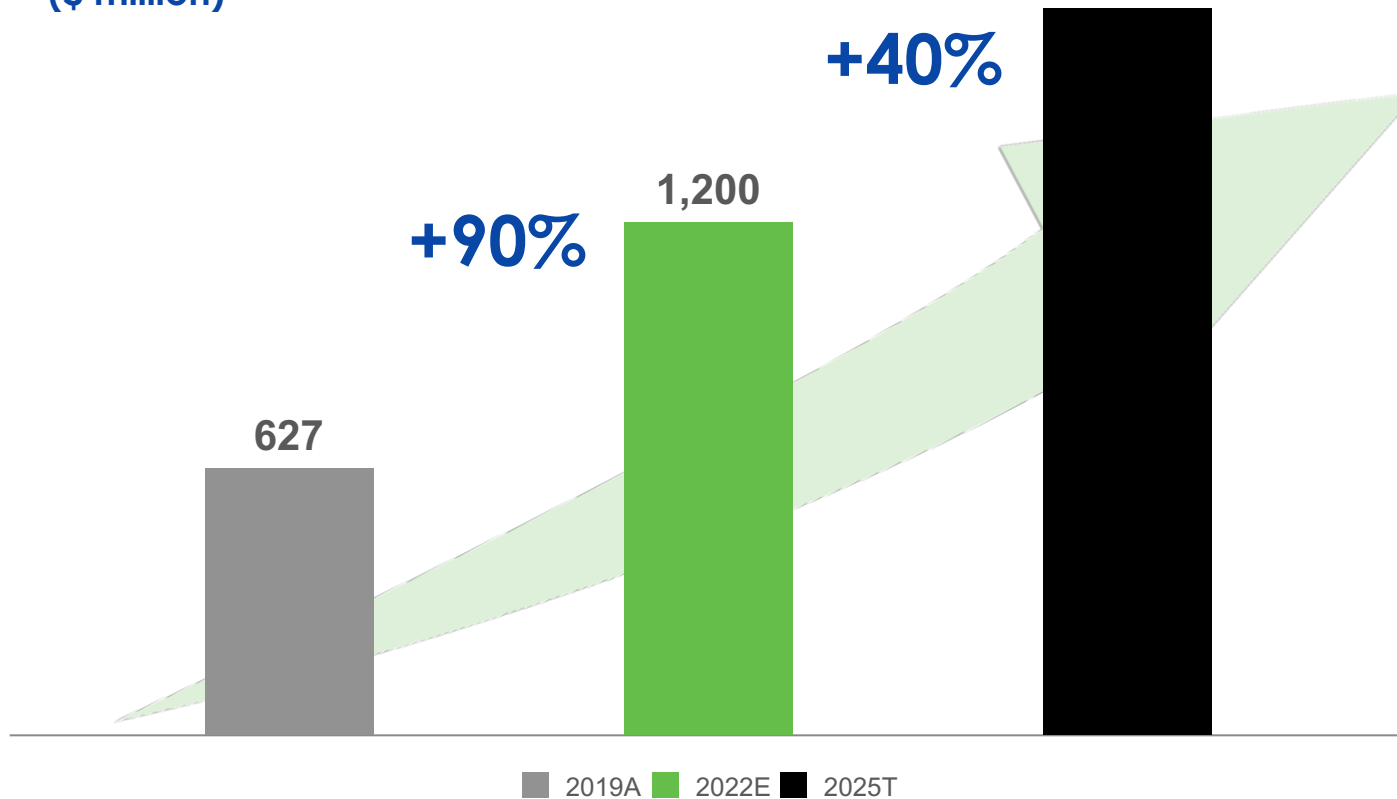
* Based on 2022E

FORTIVE PORTFOLIO POSITIONED FOR HIGHER AND MORE PROFITABLE GROWTH

COMPOUNDING UNDERPINS INVESTMENT THESIS

ACCELERATED EARNINGS AND CASH FLOW GROWTH

ANNUAL FREE CASH FLOW
(\$ million)



Summary

- Strong Q1'22 performance reinforces sustained core growth and M&A execution
- Raising FY 2022 outlook to reflect strong start to the year
- Consistently improving FBS to drive innovation and sustainable results
- Expected 3-year ('19-'22E) stack: +MSD growth, +300 bps Adjusted OMX and +90% FCF growth
- Further cash flow compounding provides ~\$5B of M&A capacity next 3-years

EXECUTION PROVING BENEFITS OF STRATEGY WITH HIGHER EARNINGS AND FCF POWER

Appendix & Supplemental Reconciliation Data

Q2 AND FY 2022 SEGMENT OUTLOOKS

	Q2 2022			FY 2022		
	IOS	PT	AHS	IOS	PT	AHS
REVENUE GROWTH						
	4% to 7%	Flat to 3%	1% to 4%	7.5% to 9.5%	7% to 9%	3% to 5%
Core						
Total	8.5% to 11.5%	(1.5)% to 1.5%	8.5% to 11.5%	11% to 13%	6.5% to 8.5%	12% to 14%
ADJ. OP. PROFIT MARGIN						
	>27%	>23.5%	>24.5%	28.5% to 29%	24.5% to 25%	24.5% to 25%
	~(100) bps	+75 bps	>400 bps	+75 bps	+165 bps	+185 bps
OPCO EXPECTATIONS						
	Fluke: MSD	Tektronix: ~Flat	ASP: LSD	Fluke: HSD	Tektronix: HSD+	ASP: LSD+
	EHS (ISC/Intelelex): HSD	Sensing: MSD	FHS: LSD+	EHS (ISC/Intelelex): LDD	Sensing: HSD	FHS: MSD
	Accruent/Gordian: MSD	PacSci EMC: (LSD)	Censis: Flat+	Accruent/Gordian: LDD	PacSci EMC: LSD+	Censis: LSD
			Invetech: HSD+			Invetech: MSD

ADJUSTED GROSS PROFIT AND ADJUSTED GROSS PROFIT MARGIN

\$ in millions	Three Months Ended	
	April 1, 2022	April 2, 2021
Revenue (GAAP)	\$ 1,376.5	\$ 1,259.2
Adjusted Gross Profit		
Gross Profit (GAAP)	\$ 792.0	\$ 711.9
Acquisition-Related Fair Value Adjustments to Inventory	0.4	5.5
Adjusted Gross Profit (Non-GAAP)	\$ 792.4	\$ 717.4
Adjusted Gross Profit Margin		
Gross Profit (GAAP) Margin	57.5 %	56.5 %
Acquisition-Related Fair Value Adjustments to Inventory	0.1 %	0.5 %
Adjusted Gross Profit Margin (Non-GAAP)	57.6 %	57.0 %

ADJUSTED OPERATING PROFIT & ADJUSTED OPERATING PROFIT MARGIN



\$ in millions	Three Months Ended April 1, 2022					Three Months Ended April 2, 2021				
	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Corporate	Total Fortive	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Corporate	Total Fortive
Revenue (GAAP)	\$ 587.6	\$ 462.4	\$ 326.5	\$ —	\$ 1,376.5	\$ 510.9	\$ 447.4	\$ 300.9	\$ —	\$ 1,259.2
Operating Profit (GAAP)	\$ 107.0	\$ 101.4	\$ 28.0	\$ (24.1)	\$ 212.3	\$ 108.1	\$ 95.9	\$ 18.9	\$ (25.3)	\$ 197.6
Acquisition and Other Transaction Costs	6.4	—	1.3	—	7.7	—	—	5.8	—	5.8
Acquisition-Related Fair Value Adjustments to Inventory	—	—	0.4	—	0.4	—	—	5.5	—	5.5
Amortization of Acquisition-Related Intangible Assets	46.1	3.6	46.5	—	96.3	37.9	4.3	35.3	—	77.5
Adjusted Operating Profit (Non-GAAP)	\$ 159.5	\$ 105.0	\$ 76.2	\$ (24.1)	\$ 316.6	\$ 146.0	\$ 100.2	\$ 65.5	\$ (25.3)	\$ 286.4
Operating Profit Margin (GAAP)	18.2 %	21.9 %	8.6 %		15.4 %	21.2 %	21.4 %	6.3 %		15.7 %
Adjusted Operating Profit Margin (Non-GAAP)	27.2 %	22.7 %	23.3 %		23.0 %	28.6 %	22.4 %	21.8 %		22.7 %
Incremental Adjusted Operating Profit Margin^(a)										
Year-over-year change in Revenue (GAAP)										\$ 117.3
Year-over-year change in Adjusted Operating Profit (Non-GAAP)										\$ 30.2
Q1 2022 Incremental Adjusted Operating Profit Margin (Non-GAAP)^(a)										25.7 %

(a) 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.

TWO YEAR STACK - ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN

\$ in millions	Three Months Ended April 1, 2022					Three Months Ended March 27, 2020				
	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Corporate	Total Fortive	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Corporate	Total Fortive
Revenue (GAAP)	\$ 587.6	\$ 462.4	\$ 326.5	\$ —	\$ 1,376.5	\$ 466.7	\$ 391.3	\$ 250.1	\$ —	\$ 1,108.1
Acquisition-Related Fair Value Adjustments to Deferred Revenue	—	—	—	—	—	4.6	—	2.3	—	6.9
Adjusted Revenue (Non-GAAP)	\$ 587.6	\$ 462.4	\$ 326.5	\$ —	\$ 1,376.5	\$ 471.3	\$ 391.3	\$ 252.4	\$ —	\$ 1,115.0
Operating Profit (GAAP)	\$ 107.0	\$ 101.4	\$ 28.0	\$ (24.1)	\$ 212.3	\$ 81.1	\$ 73.5	\$ (15.8)	\$ (23.4)	\$ 115.4
Acquisition and Other Transaction Costs	6.4	—	1.3	—	7.7	0.3	—	20.4	—	20.7
Acquisition-Related Fair Value Adjustments to Deferred Revenue and Inventory	—	—	0.4	—	0.4	4.9	—	9.1	—	14.0
Amortization of Acquisition-Related Intangible Assets	46.1	3.6	46.5	—	96.3	38.1	4.5	35.6	—	78.2
Adjusted Operating Profit (Non-GAAP)	\$ 159.5	\$ 105.0	\$ 76.2	\$ (24.1)	\$ 316.6	\$ 124.4	\$ 78.0	\$ 49.3	\$ (23.4)	\$ 228.3
Operating Profit Margin (GAAP)	18.2 %	21.9 %	8.6 %		15.4 %	17.4 %	18.8 %	(6.3)%		10.4 %
Adjusted Operating Profit Margin (Non-GAAP)	27.2 %	22.7 %	23.3 %		23.0 %	26.4 %	19.9 %	19.5 %		20.5 %

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

Three Months Ended April 1, 2022

	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Total Fortive
2021 Adjusted Operating Profit Margin (Non-GAAP)	28.6 %	22.4 %	21.8 %	22.7 %
Core (Non-GAAP)	— %	0.3 %	(0.4)%	0.3 %
Acquisitions (Non-GAAP)	(1.4)%	— %	1.9 %	— %
2022 Adjusted Operating Profit Margin (Non-GAAP)	27.2 %	22.7 %	23.3 %	23.0 %

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

ADJUSTED NET EARNINGS FROM CONTINUING OPERATIONS

\$ in millions	Three Months Ended	
	April 1, 2022	April 2, 2021
Net Earnings Attributable to Common Stockholders from Continuing Operations (GAAP) ^(a)	\$ 165.1	\$ 94.4
Dividends on the mandatory convertible preferred stock to apply if-converted method ^(a)	—	17.3
Net Earnings from Continuing Operations (GAAP)	\$ 165.1	\$ 111.7
Interest on the Convertible Notes to apply if-converted method ^(b)	2.1	—
Tax effect of the Convertible Notes to apply if-converted method ^(c)	(0.3)	—
Diluted Net Earnings from Continuing Operations (GAAP)	166.9	111.7
Pretax amortization of acquisition-related intangible assets	96.3	77.5
Pretax acquisition and other transaction costs	7.7	5.8
Pretax acquisition-related fair value adjustments to inventory related to significant acquisitions	0.4	5.5
Pretax losses from equity method investments	2.6	2.6
Pretax loss on debt extinguishment, net of gain on Vontier common stock	—	47.9
Pretax noncash interest expense associated with our 0.875% convertible notes	—	7.7
Pretax interest on convertible notes to reverse the if-converted method ^(b)	(2.1)	—
Tax effect of the adjustments reflected above ^(c)	(16.7)	(29.6)
Adjusted Net Earnings from Continuing Operations (Non-GAAP)	\$ 255.1	\$ 229.1

(a) On July 1, 2021, all outstanding shares of our MCPS converted at a rate of 14.0978 common shares per share of preferred stock into an aggregate of approximately 19.4 million shares (net of fractional shares). The MCPS were anti-dilutive for the three months ended April 2, 2021 and as such GAAP net earnings per share was calculated using net earnings from continuing operations attributable to common stockholders.

(b) Beginning with our adoption of ASU 2020-06 on January 1, 2022 we assumed share settlement of our outstanding Convertible Notes under the if-converted method when calculating GAAP diluted net earnings per share. Since we settled the Convertible Notes in cash on February 15, 2022 and no common share conversion occurred, we have reversed the impacts of applying the if-converted method and included the actual cash interest expense in calculating the adjusted net earnings per share.

(c) The dividend on the MCPS is not tax deductible and the convertible note interest is calculated on a net of tax basis 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 inventory, losses from equity method investments, the loss on extinguishment of debt, the non-cash interest expense associated with the 0.875% convertible notes, and the interest expense on the Convertible Notes. The gain on the fair value change in Vontier common stock had no tax effect.

ADJUSTED DILUTED NET EPS

	Three Months Ended ^(a)	
	April 1, 2022	April 2, 2021
Net Earnings Attributable to Common Stockholders from Continuing Operations (GAAP) (b)	\$ 0.45	\$ 0.28
Dividends on the mandatory convertible preferred stock to apply if-converted method ^(b)	—	0.05
Assumed dilutive impact on the Diluted Net Earnings Per Share Attributable to Common Stockholders if the MCPS Converted Shares had been outstanding ^(b)	—	(0.02)
Net Earnings from Continuing Operations (GAAP)	0.45	0.31
Interest on the Convertible Notes to apply if-converted method ^(c)	—	—
Tax effect of the Convertible Notes to apply if-converted method ^(c)	—	—
Diluted Net Earnings Per Share from Continuing Operations (GAAP)	0.45	0.31
Pretax amortization of acquisition-related intangible assets	0.27	0.21
Pretax acquisition and other transaction costs	0.02	0.02
Pretax acquisition-related fair value adjustments to inventory related to significant acquisitions	—	0.02
Pretax losses from equity method investments	0.01	0.01
Pretax loss on debt extinguishment, net of gain on Vontier common stock	—	0.13
Pretax non-cash interest expense associated with our 0.875% Convertible Notes	—	0.02
Pretax interest expense on Convertible Notes to reverse if-converted method ^(c)	—	—
Tax effect of the adjustments reflected above ^(d)	(0.05)	(0.08)
Adjusted Diluted Net Earnings Per Share from Continuing Operations (Non-GAAP)	\$ 0.70	\$ 0.63
(shares in millions)		
Average common diluted stock outstanding	368.4	341.7
MCPS Converted Shares ^(a)	—	20.0
Convertible Notes - if converted shares ^(c)	(6.4)	—
Adjusted average common stock and common equivalent shares outstanding	362.0	361.7

(a) The April 2, 2021 per share adjustments below were calculated assuming the MCPS Converted Shares had converted at the beginning of the period prior to their conversion on July 1, 2021. The April 1, 2022 per share adjustments were calculated assuming the Convertible Notes converted during the period.

(b) Prior to their conversion on July 1, 2021, the MCPS were anti-dilutive for the three months ended April 2, 2021, and as such GAAP net earnings per share was calculated using net earnings from continuing operations attributable to common stockholders.

(c) Beginning with our adoption of ASU 2020-06 on January 1, 2022 we assumed share settlement of our outstanding Convertible Notes under the if-converted method when calculating GAAP diluted net earnings per share. Since we settled the Convertible Notes in cash on February 15, 2022 and no common share conversion occurred, we have reversed the impacts of applying the if-converted method and included the actual cash interest expense in calculating the adjusted net earnings per share. The impact of the after tax adjustment to GAAP diluted net earnings per share for the three months ended April 2, 2022 rounds to zero.

(d) The dividend on the MCPS is not tax deductible and the convertible note interest is calculated on a net of tax basis 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 inventory, losses from equity method investments, the loss on extinguishment of debt, the non-cash interest expense associated with the 0.875% Convertible Notes, and the interest expense on Convertible Notes. The gain on the fair value change in Vontier common stock had no tax effect.

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

FORECASTED ADJUSTED DILUTED NET EPS FROM CONTINUING OPERATIONS



	Three Months Ending July 1, 2022		Twelve Months Ending December 31, 2022	
	Low	High	Low	High
Forecasted Net Earnings Per Share from Continuing Operations (GAAP)	\$ 0.44	\$ 0.47	\$ 2.07	\$ 2.16
Forecasted interest on the Convertible Notes to apply if-converted method (a)	—	—	—	—
Forecasted tax effect of the Convertible Notes to apply if-converted method	—	—	—	—
Forecasted Diluted Net Earnings Per Share from Continuing Operations	0.44	0.47	2.07	2.16
Anticipated pretax amortization of acquisition-related intangible assets	0.27	0.27	1.06	1.06
Anticipated pretax significant acquisition and other transaction costs	0.03	0.03	0.07	0.07
Anticipated pretax losses from equity method investments	0.01	0.01	0.01	0.01
Anticipated pretax interest expense on Convertible Notes to reverse if-converted method ^(a)	—	—	—	—
Tax effect of the adjustments reflected above	(0.05)	(0.05)	(0.18)	(0.18)
Forecasted Adjusted Diluted Net Earnings Per Share from Continuing Operations	\$ 0.70	\$ 0.73	\$ 3.04	\$ 3.13

^(a) The impact of these components round to zero for the three months ending July 1, 2022 and twelve months ending December 31, 2022.
The sum of the components of forecasted adjusted diluted net earnings per share from continuing operations may not equal due to rounding.

FREE CASH FLOW CONVERSION RATIO - TWELVE MONTHS ENDED APRIL 1, 2022 AND APRIL 2, 2021

\$ in millions

	Three Months Ended				Twelve Months Ended
	April 1, 2022	December 31, 2021	October 1, 2021	July 1, 2021	April 1, 2022
Operating Cash Flows from Continuing Operations (GAAP)	\$ 214.8	\$ 287.0	\$ 262.9	\$ 291.0	\$ 1,055.7
Less: purchases of property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(18.8)	(22.0)	(10.9)	(8.7)	(60.4)
Free Cash Flow from Continuing Operations (Non-GAAP)	\$ 196.0	\$ 265.0	\$ 252.0	\$ 282.3	\$ 995.3
Net Earnings from Continuing Operations (GAAP)	\$ 165.1	\$ 167.9	\$ 152.6	\$ 182.0	\$ 667.6
Free Cash Flow Conversion Ratio (Non-GAAP)	119 %	158 %	165 %	155 %	149 %

\$ in millions

	Three Months Ended				Twelve Months Ended
	April 2, 2021	December 31, 2020	September 25, 2020	June 26, 2020	April 2, 2021
Operating Cash Flows from Continuing Operations (GAAP)	\$ 152.0	\$ 329.4	\$ 217.5	\$ 309.1	\$ 1,008.0
Less: purchases of property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(8.4)	(16.8)	(13.4)	(19.3)	(57.9)
Free Cash Flow from Continuing Operations (Non-GAAP)	\$ 143.6	\$ 312.6	\$ 204.1	\$ 289.8	\$ 950.1
Net Earnings from Continuing Operations (GAAP)	\$ 111.7	\$ 1,251.6	\$ 86.0	\$ 59.8	\$ 1,509.1
Free Cash Flow Conversion Ratio (Non-GAAP)	129 %	25 %	237 %	485 %	63 %

ADJUSTED FREE CASH FLOW CONVERSION RATIO - TWELVE MONTHS ENDED APRIL 1, 2022 AND APRIL 2, 2021

\$ in millions

	Three Months Ended				Twelve Months Ended
	April 1, 2022	December 31, 2021	October 1, 2021	July 1, 2021	April 1, 2022
Operating Cash Flows from Continuing Operations (GAAP)	\$ 214.8	\$ 287.0	\$ 262.9	\$ 291.0	\$ 1,055.7
Less: purchases of property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(18.8)	(22.0)	(10.9)	(8.7)	(60.4)
Free Cash Flow from Continuing Operations (Non-GAAP)	\$ 196.0	\$ 265.0	\$ 252.0	\$ 282.3	\$ 995.3
Adjusted Net Earnings from Continuing Operations (Non-GAAP)	\$ 255.1	\$ 288.0	\$ 240.5	\$ 238.8	\$ 1,022.4
Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)	77 %	92 %	105 %	118 %	97 %

\$ in millions

	Three Months Ended				Twelve Months Ended
	April 2, 2021	December 31, 2020	September 25, 2020	June 26, 2020	April 2, 2021
Operating Cash Flows from Continuing Operations (GAAP)	\$ 152.0	\$ 329.4	\$ 217.5	\$ 309.1	\$ 1,008.0
Less: purchases of property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(8.4)	(16.8)	(13.4)	(19.3)	(57.9)
Free Cash Flow from Continuing Operations (Non-GAAP)	\$ 143.6	\$ 312.6	\$ 204.1	\$ 289.8	\$ 950.1
Adjusted Net Earnings from Continuing Operations (Non-GAAP)	\$ 229.1	\$ 252.9	\$ 179.3	\$ 154.9	\$ 816.2
Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)	63 %	124 %	114 %	187 %	116 %

CORE REVENUE GROWTH

Components of Revenue Growth

Three Months Ended April 1, 2022

Total Fortive

Total Revenue Growth (GAAP)	9.3 %
Core (Non-GAAP)	5.3 %
Acquisitions (Non-GAAP)	5.5 %
Impact of currency translation (Non-GAAP)	(1.5)%

Intelligent Operating Solutions

Total Revenue Growth (GAAP)	15.0 %
Core (Non-GAAP)	8.7 %
Acquisitions (Non-GAAP)	7.7 %
Impact of currency translation (Non-GAAP)	(1.4)%

Precision Technologies

Total Revenue Growth (GAAP)	3.4 %
Core (Non-GAAP)	4.6 %
Acquisitions (Non-GAAP)	— %
Impact of currency translation (Non-GAAP)	(1.2)%

Advanced Healthcare Solutions

Total Revenue Growth (GAAP)	8.5 %
Core (Non-GAAP)	0.6 %
Acquisitions (Non-GAAP)	10.0 %
Impact of currency translation (Non-GAAP)	(2.1)%

ADJUSTED EFFECTIVE TAX RATE

\$ in millions	Three Months Ended	
	April 1, 2022	April 2, 2021
Earnings before income taxes from continuing operations	\$ 190.8	\$ 118.7
Income tax expense	(25.7)	(7.0)
Effective tax rate (GAAP)	13.5 %	5.9 %
Earnings before income taxes from continuing operations (GAAP)	\$ 190.8	\$ 118.7
Pretax amortization of acquisition-related intangible assets	96.3	77.5
Pretax acquisition and other transaction costs	7.7	5.8
Pretax acquisition-related fair value adjustments to deferred revenue and inventory related to significant acquisitions	0.4	5.5
Pretax losses from equity method investments	2.6	2.6
Pretax loss on debt extinguishment, net of gain on Vontier common stock	—	47.9
Pretax noncash interest expense associated with our 0.875% convertible notes	—	7.7
Pretax Adjusted Net Earnings (Non-GAAP)	\$ 297.8	\$ 265.7
Tax effect of the adjustments reflected above	(17.0)	(29.6)
Adjusted income tax expense (Non-GAAP)	\$ (42.7)	\$ (36.6)
Adjusted effective tax rate (Non-GAAP)	14.3 %	13.8 %



FORTIVE