



**Third Quarter
2023 Earnings Release**

October 25, 2023

Forward Looking Statements & Non-GAAP Financial Measures

Statements in this presentation that are not strictly historical, including statements regarding anticipated financial results, global and regional economic conditions, industry trends, geopolitical events, interest rate and current exchange rate impact, future prospects, shareholder value, network infrastructure disruptions and any other statements identified by their use of words like “anticipate,” “expect,” “believe,” “outlook,” “guidance,” “target”, or “will” or other words of similar meaning are “forward-looking” statements within the meaning of the federal securities laws. These factors include, among other things: deterioration of or instability in the economy, the markets we serve, international trade policies and the financial markets, security breaches or other disruptions of our information technology systems, the spread of, and the future resurgence of COVID-19, supply chain constraints, our ability to adjust purchases and manufacturing capacity to reflect market conditions, reliance on sole sources of supply, changes in trade relations with China, 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, geopolitical, including war and sanctions, 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, adverse effects of restructuring activities, risk related to tax treatment of our separation of Vontier, 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 and climate change. 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, 2022. 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 targets or outlook regarding non-GAAP measures, other than forecasted adjusted EPS, because any corresponding GAAP measures and the reconciliations thereto would require us to make estimates or assumptions with precision about acquisitions, capital and other expenditures and similar adjustments during the relevant period. Information required by Regulation G with respect to historical non-GAAP financial measures and for forward-looking adjusted EPS are set forth in the appendix to this presentation.

All financial metrics relate only to the continuing operations, and all growth or period changes refer to year-over-year comparisons unless otherwise stated. Please refer to the corresponding Form 10-Q for the quarter ended September 29, 2023 for additional details relating to the financial results and performances discussed in this presentation.

Forward looking financial information not otherwise presented as a range reflect assumptions underlying the midpoint of our forward-looking targets.

References to NWC mean the net working capital operational measure determined by the sum of net accounts receivable, inventories and unbilled receivables, less accounts payable and deferred revenue, each calculated in accordance with GAAP. References to adj. FCF Conversion refers to the ratio of Free Cash Flow to adjusted net income.

Q3 2023 Financials and Highlights

Benefiting from Portfolio Strategy

Q3 2023 YTD 2023

Revenue <i>Core Growth</i>	\$1,495M 2.5%	\$4,482M 5.5%
Adj. Gross Margin <i>GMX</i>	59.7% +160 bps	59.2% +170 bps
Adj. Operating Profit Margin <i>OMX</i>	25.9% +150 bps	25.3% +150 bps
Adj. Earnings Per Share <i>Growth</i>	\$0.85 8%	\$2.45 7%
Free Cash Flow <i>Adj. FCF Conversion¹</i>	\$384M 127%	\$833M 96%

Q3 2023 HIGHLIGHTS



Core growth in all segments; SW and recurring revenue growth partially offset by slowing in China/parts of Sensing



Robust GMX and OMX in all segments, driven by portfolio enhancements, FBS-enabled innovation, and productivity initiatives



Earnings growth driven by strong operational performance, favorable tax rate



25% FCF growth, ~50% growth on 2-Yr stack basis; strong earnings and working capital

1. Adj. FCF Conversion defined as FCF divided by adj. Net Income

Delivering on 2023 Expectations

Performance Above Initial Outlook Despite Mixed Macro Environment

WHAT WE EXPECTED...



HW Products Orders Normalizing

Multi-year order rates still strong at Fluke, Tektronix, and Qualitrol; parts of Sensing slowing, particularly in China



Software & Services Yielding Resilient Growth

Continued HSD SaaS revenue and bookings growth in Facilities & Asset Lifecycle, Environmental, Health & Safety and Perioperative workflows



Improving Healthcare Environment

Industry recovery continues and underlying core growth accelerates despite channel transition headwinds which are dissipating

WHAT WE'RE DELIVERING...



Durable Multi-Year Growth

MSD 2023 core growth; recurring revenue accelerates 2H, with higher SW and consumables and moderating HW products growth



Robust Margin Expansion

Raised FY AOP margin outlook driven by FBS-enabled innovation, pricing tools and productivity initiatives benefiting 2023 and 2024



Accelerated Compounding

Strong balance sheet and robust FCF provide ample firepower for disciplined capital deployment

Our Strategy is Working

Traction on Innovation & Investment in Key Secular Trends

AUTOMATION & DIGITIZATION



proVation®

Enabling AI-Driven Automation & Productivity

Mid-teens YTD core growth tied to SaaS migration



Connected Reliability Bolt-On

Subscription-based remote condition monitoring and AI-driven vibration analytics software

ENERGY TRANSITION



FLUKE®

QUALITROL®
Defining Reliability

Innovation in Distributed Energy/Solar Expands TAM

Solar/EVSE shipments up >100% YTD as high growth vertical ramps; Qualitrol record backlog supporting modernization of electric grid



Fluke Bolt-On

Market leader in high precision, solar test and measurement products

PRODUCTIVITY GROWTH



ASP™

Expansion of Sterilization Monitoring Portfolio

Broadening ASP's leading position in biological indicators, helping customers reprocess surgical instruments with greater speed and efficiency



FAL Gordian Bolt-On

U.K. leader in pricing and cost schedules that are an integral part of construction and procurement contracts

EA Elektro-Automatik Enhances Our Durable, High-Growth Profile

Best-in-Class Electronic T&M Solutions Electrifying the Future of Everything

Strategic Rationale



Early innings of multi-decade, multi-industry, high-growth market enabling the global energy transition



Best-in-class electronic T&M company with leading positions in high power, bi-directional applications



Enhancing customer value and accelerating market expansion leveraging Tektronix's global franchise and 10x GTM efforts

Markets Served



Grid & Energy Storage

Global proliferation of batteries, modernization of grids, and energy storage systems



Data Center & Industrial

AI and green energy innovation driving ubiquitous power density & efficiency needs across diverse applications



Mobility

Investment across the global electrification ecosystem, spanning auto, aviation, rail and marine

Financial Highlights



\$1.45B purchase price, net of tax; mid-teens '24 EBITDA multiple; ~\$175M '23E revenue; accretive to growth, gross & operating margins



HSD ROIC Year 3, accelerating to DD in Year 5; higher cash ROICs with working capital upside



Unleashing FBS to drive commercial and operational success, yielding high-margin incrementals and cash upside

FBS in Action

CEO Kaizen Spotlight - Accelerating Our Culture of Continuous Improvement



Deep engagement from leaders across Fortive to drive *improvements in growth, margin, FCF and breakthrough innovations*¹

INDUSTRIAL
SCIENTIFIC

Realized >100% improvement in productivity

ServiceChannel

Reduced quote to order lead time by 40%

Tektronix

Leveraged AI/automation to build and launch sales and customer AI co-pilots to improve customer experience and efficiency

QUALITROL[®]
Defining Reliability

Realized >100% improvement in productivity

FLUKE[®]

Biomedical

Breakthrough results in dosimetry reporting, reducing customer response time by >50%

proVation[®]

2x marketing lead conversion rate, unlocking millions of additional ARR

1. OpCo improvement figures are estimates.

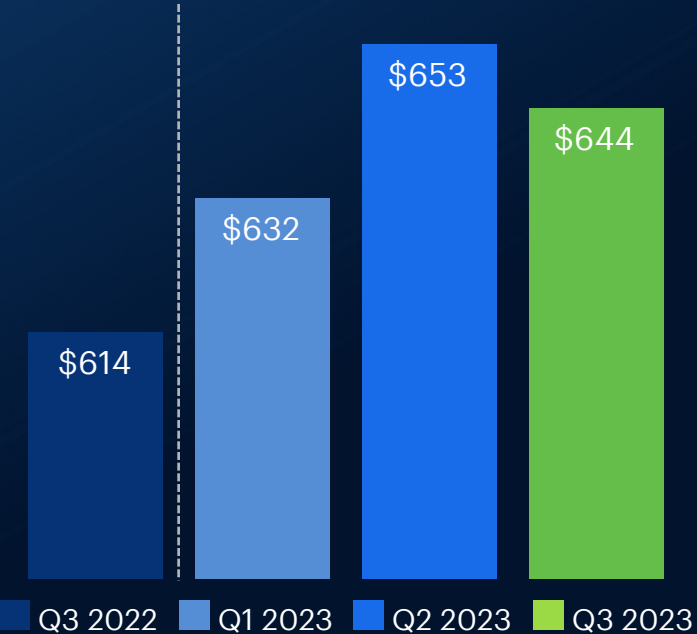
Q3 2023: Intelligent Operating Solutions

Solid Orders Demand and Accelerating Recurring Revenue Growth

REVENUE (\$M)

+5.0%

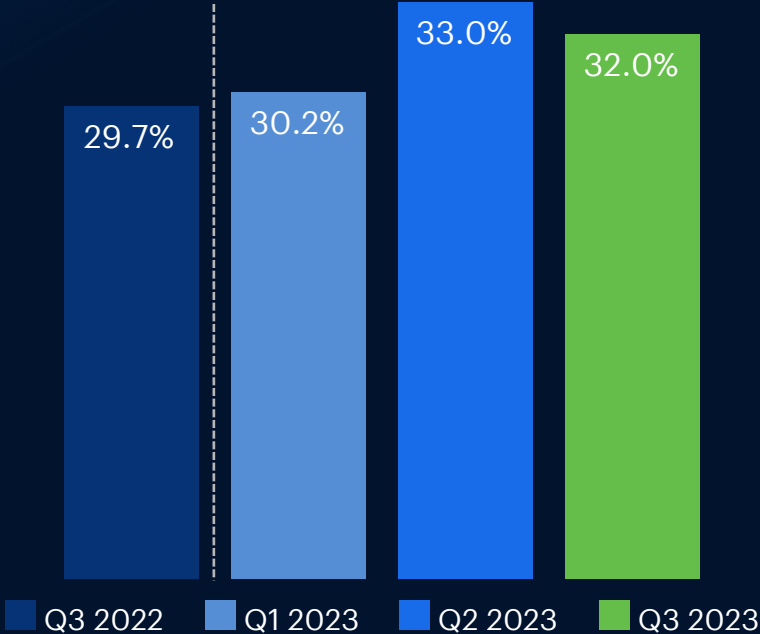
Core +4.0%
M&A +0.3%
FX +0.7%



ADJ. OP. PROFIT MARGIN

+230 BPS Y/Y

Core OMX +230 bps Y/Y



Highlights

- Solid core demand and NPI traction buffer expected channel normalization
- MSD+ POS across major regions in Q3
- iNet +LDD core growth; +Mid-thirties orders growth at Intelix driven by innovation and new logos
- Continued strong demand for FAL digital solutions
- Favorable pricing, higher SW growth drove record Q3 margins

Core Growth Drivers

	Q3 2023	2 Yr Stack
Fluke	LSD	Mid-teens
EHS	MSD	Mid-teens
Facility & Asset Lifecycle (FAL)*	HSD	Low-thirties

* FAL 2 Yr Stack is pro-forma for ServiceChannel, which was acquired in 3Q21

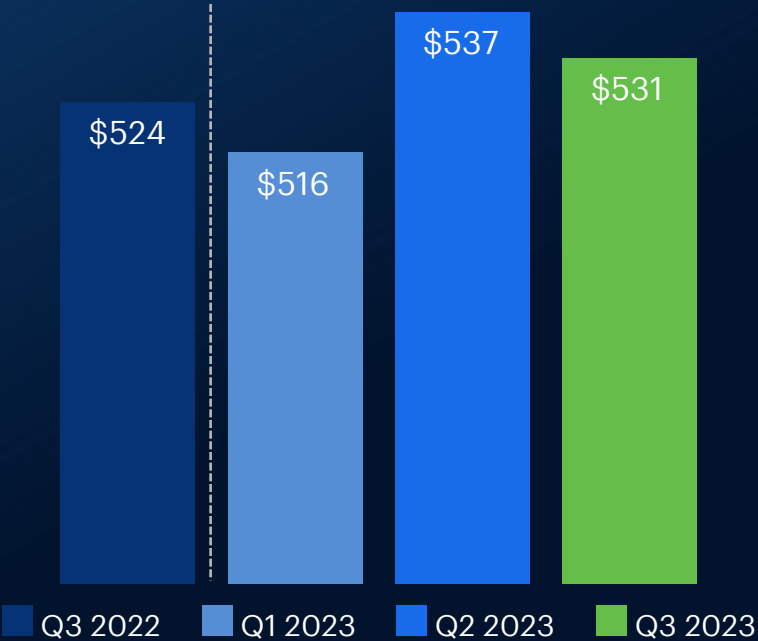
Q3 2023: Precision Technologies

Backlog and Productivity Actions Mitigate China Slowing

REVENUE (\$M)

+1.3%

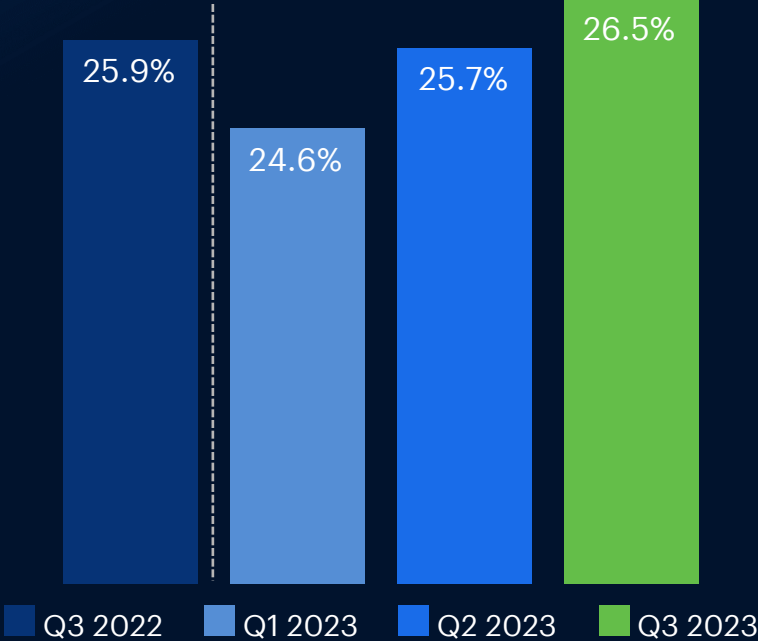
Core +0.9%
FX +0.4%



ADJ. OP. PROFIT MARGIN

+60 BPS Y/Y

Core OMX +60 bps Y/Y



Highlights

- Accelerated core growth (2 Yr stack) at Tektronix driven by backlog and stable core demand in Power/EV and AI/Compute
- End market demand slower in China
- Strength at Qualitrol more than offset by slower demand at other Sensing businesses
- Sustainable demand and A&D market growth
- Favorable pricing and productivity actions yield strong OMX/GMX

Core Growth Drivers

	Q3 2023	2 Yr Stack
Tektronix	LSD	High-twenties
Sensing	(MSD)	HSD
PacSci EMC	LDD	Low-twenties

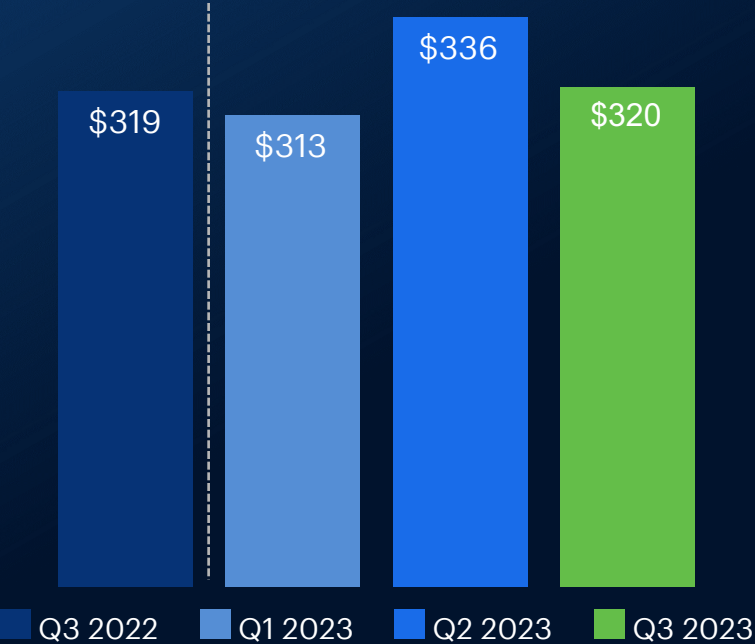
Q3 2023: Advanced Healthcare Solutions

Acceleration in Underlying Growth Despite Channel Transition Headwind

REVENUE (\$M)

+0.3%

Core +2.2%
M&A¹ -1.4%
FX -0.5%

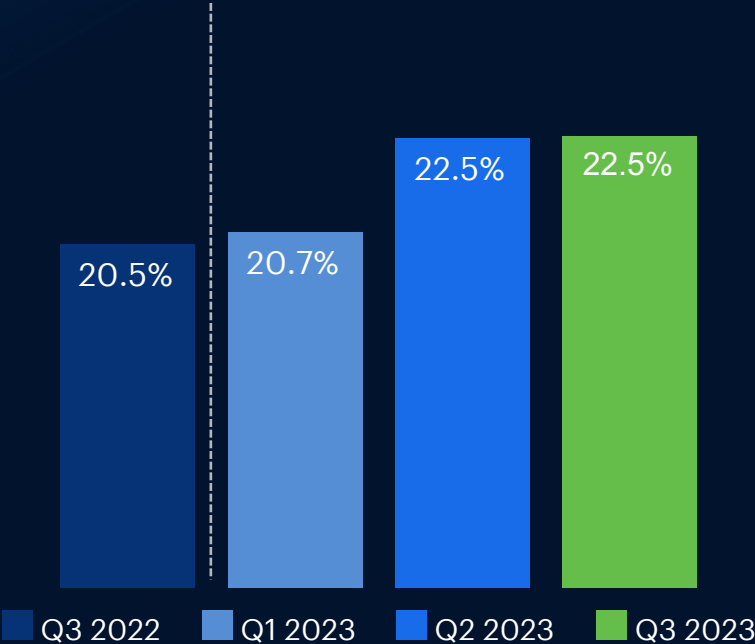


1. Represents impact of Therapy Physics divestiture in Q3 2022

ADJ. OP. PROFIT MARGIN

+200 BPS Y/Y

Core OMX +185 bps Y/Y



Highlights

- Non-repeating channel transition at ASP lowered AHS core growth by ~330 bps and OMX by ~190bps
- High-growth markets core growth +LDD
- Provation +Mid-Forties SaaS growth, Censis Censitrac SaaS growth +Mid-teens
- Market-driven customer delays at Invetech
- Strong price realization and productivity actions yield margin recovery

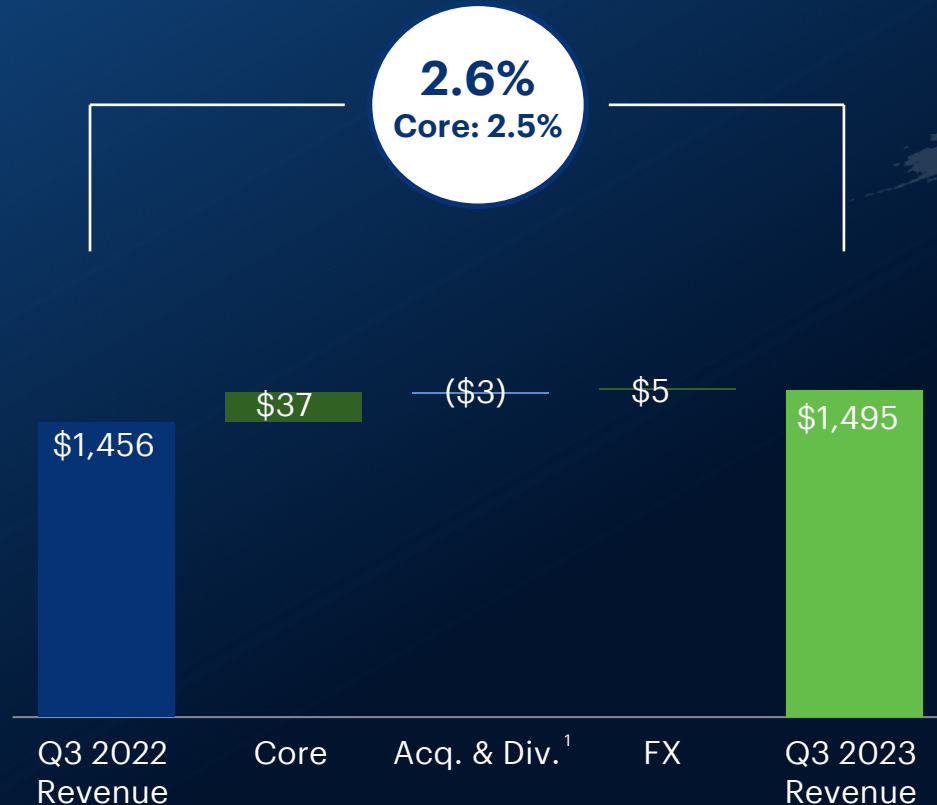
Core Growth Drivers

	Q3 2023	2 Yr Stack
ASP/Censis	LSD	LSD+
FHS	Up slightly	(MSD)
Invetech	(LDD)	(Mid-teens)
Provation	Low-twenties	LDD

* Provation 2 Yr Stack is pro-forma for the acquisition, which closed in 4Q21

Q3 2023 Revenue

Strong Growth Across All Regions



1. Represents net impact of Acquisitions in 2023 & Divestiture in 2022

North America

Core
MSD

Western Europe

Core
up
slightly

Asia

Core
(MSD)

REGIONAL HIGHLIGHTS

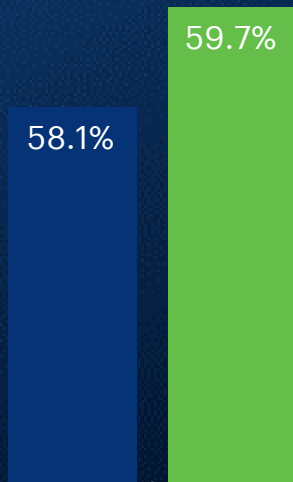
- North America driven by low-twenties growth at Tektronix, LDD growth at PacSci, and SW growth, partially offset by declines at parts of Sensing
- W. Europe SW growth offsets normalizing HW Products growth
- Continued strength in India with mid-teens growth & Japan with HSD growth
- China down LDD, lapping tough Y/Y comp, up Mid-teens on 2-year stack

Q3 2023 Performance Summary

Another Quarter Broadly Ahead of Expectations

ADJ. GROSS MARGIN

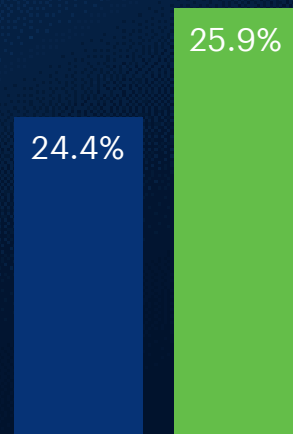
+160 BPS



■ Q3 2022
■ Q3 2023

ADJ. OPERATING PROFIT MARGIN

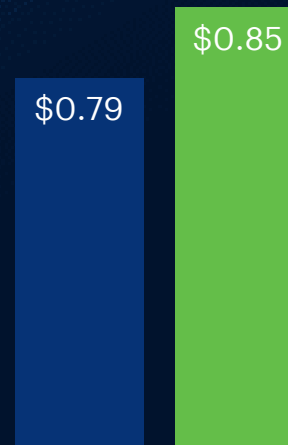
+150 BPS



■ Q3 2022
■ Q3 2023

ADJ. EARNINGS PER SHARE

+8%



■ Q3 2022
■ Q3 2023

FREE CASH FLOW (\$M)

+25%



■ Q3 2022
■ Q3 2023

PERFORMANCE HIGHLIGHTS

- Record adj. gross margin +160 bps driven by favorable price/cost and continued portfolio evolution
- +240 bps adj. GMX on 2-yr stack; +300 bps adj. OMX on 2-yr stack
- Strong Q3 incremental margins of ~80%, benefiting from proactive productivity initiatives in 2023
- 8% adj. EPS growth driven by operational performance, lower tax expense; +30% on 2-yr stack
- 25% growth in Q3 FCF on strong working capital management; +50% on 2-yr stack

Q4 and FY 2023 Outlook

Reaffirming Mid-point of FY 2023 adj. EPS Guide

	October 2023 Guide Q4 2023 ¹	February 2023 Guide FY 2023 ¹	October 2023 Guide FY 2023 ¹
Revenue <i>Core Growth 2-Year Stack</i>	\$1,555 to \$1,575M 1.5% to 3% 16% to 17%	~\$6,025 4.25% 15%	~\$6,045M ~5% ~15.5% +75bps +50bps
Adj. Op. Profit <i>Growth</i>	\$415 to \$430M 6.5% to 9.5%	~\$1,515M 7.5%	~\$1,555M ~10% +250bps
Adj. Op. Profit Margin <i>Adjusted OMX</i>	26.75% to 27.25% +125bps to +175bps	~25.25% +95bps	~25.75% +145bps +50bps
Adj. EPS <i>Growth</i>	\$0.92 to \$0.95 4.5% to 8%	~\$3.33 5.5%	~\$3.39 7.5% +200bps
Free Cash Flow <i>Adj. FCF Conversion²</i>	~\$415M ~125%	~\$1,250M ~102.5%	~\$1,250M ~105%

FY HIGHLIGHTS

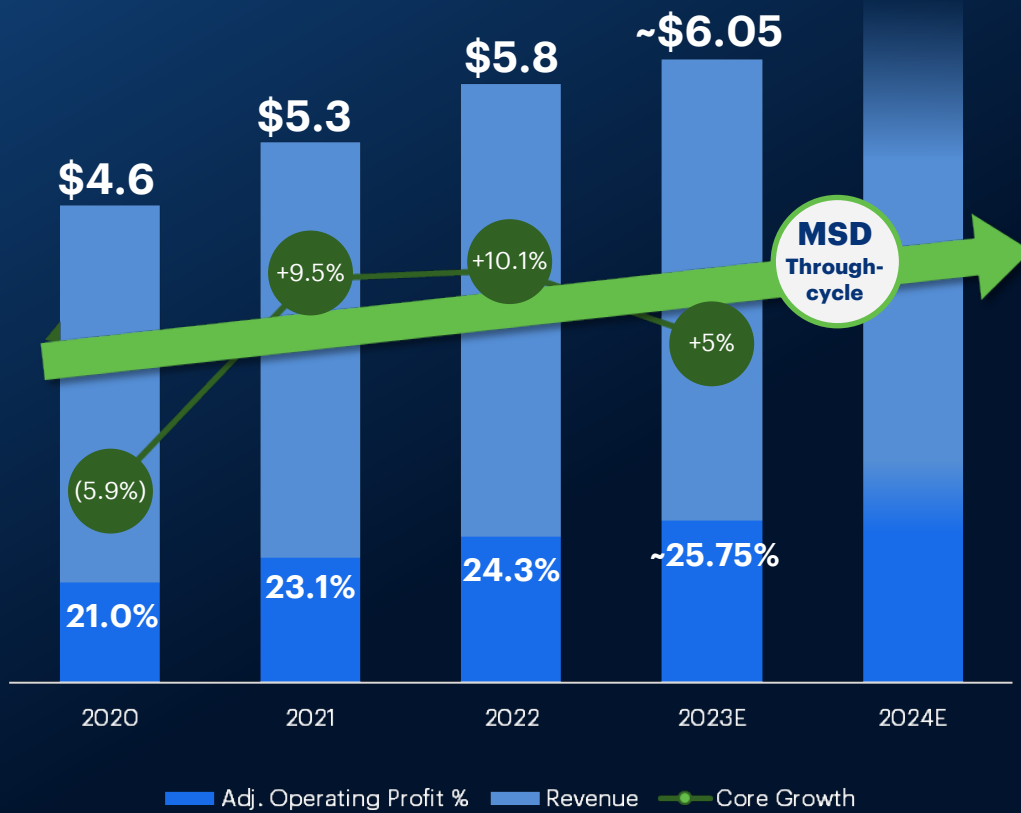
- Core growth outlook of ~5%; up 75 bps from beginning of year
- Expecting adj. OMX of +145 bps, above long-term target of +75 bps on MSD core growth
- Higher Q4 corporate expense of \$5M vs. prior outlook related to cybersecurity
- FY Adj. EPS outlook at ~7.5% growth, up +200 bps vs. February outlook
- Additional productivity initiatives planned in Q4 of ~\$35M, excluded from adj. EPS guidance
- Expecting 2023 FCF Margin of 21%; FCF up 33% on a 2-year stack basis

1. Measures other than Revenue and Adj. EPS represent a target based on the mid-point of the Adj. EPS guide
 2. Adj. FCF Conversion defined as FCF divided by adj. Net Income

Framing 2024

Sustainable Core Growth with Robust Margin Expansion and FCF Growth

(\$ in billions)



HW Products: LDD 3-Yr CAGR* normalizing to MSD through-cycle

- Pace of orders growth expected to accelerate throughout 2024
- Durability in high-growth segments, product vitality and recurring revenue



Healthcare Ex-Software: Recovering to MSD core growth through-cycle

- Expanding new logos and direct customer relationships drive market outgrowth
- Volume, pricing and productivity benefits drive >50% incrementals



Software & Other Recurring: Consistent HSD+ to LDD core growth

- Durability driven by digitally more productive solutions and growth verticals
- Rule of +40 businesses with continued acceleration



Fortive: Normalizing to MSD through-cycle core growth

- Sustained core growth and margin expansion
- Durable earnings growth and FCF compounding

* 3-Yr average based on 2021, 2022 and 2023E growth

FCF and Capital Deployment

Differentiating Performance and Value Creation

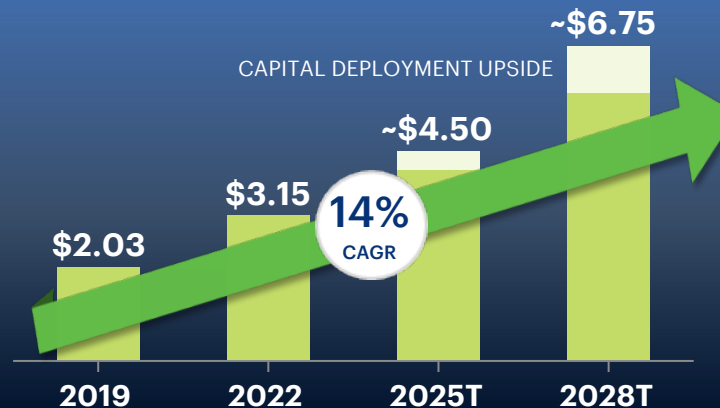


DURABLE, HIGH-GROWTH COMPOUNDING

~2X

EPS growth targeted over next 5 years

ADJ. EARNINGS PER SHARE

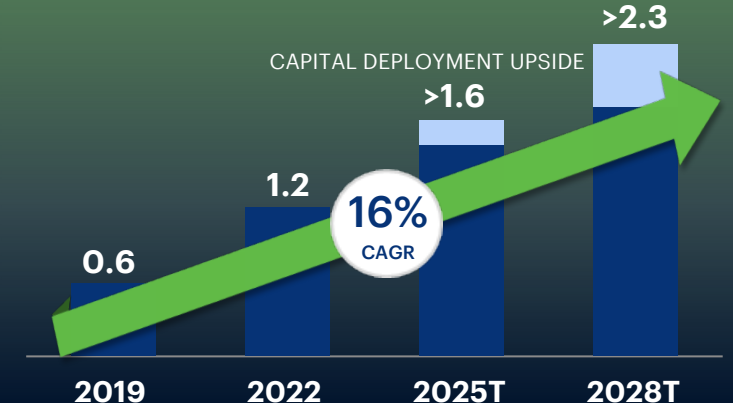


CREATING SHAREHOLDER VALUE

>\$8B FCF

Targeted to deploy in next 5 years

ANNUAL FREE CASH FLOW (\$B)



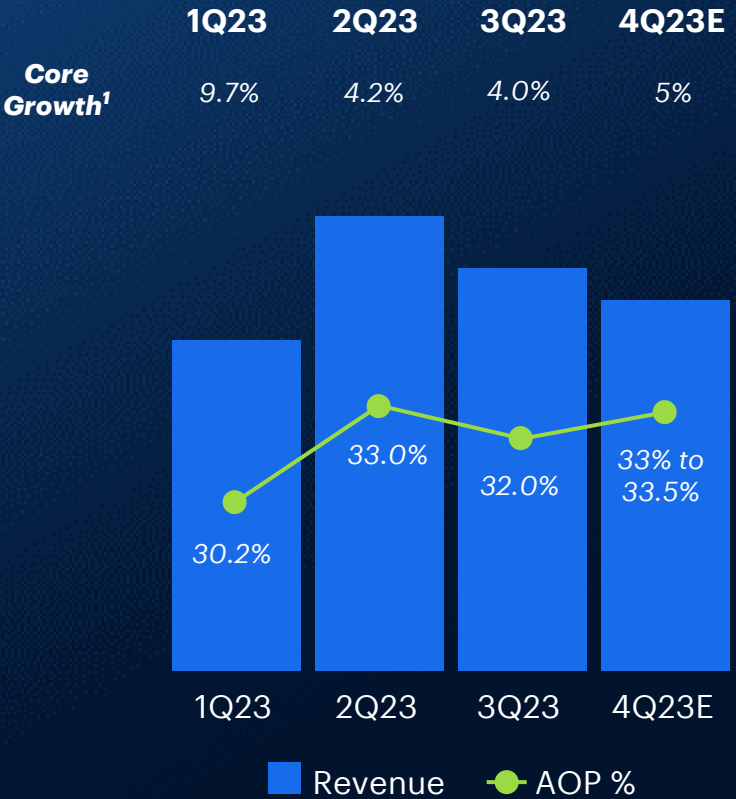
Figures on this page beyond 2023 represent management's strategic targets



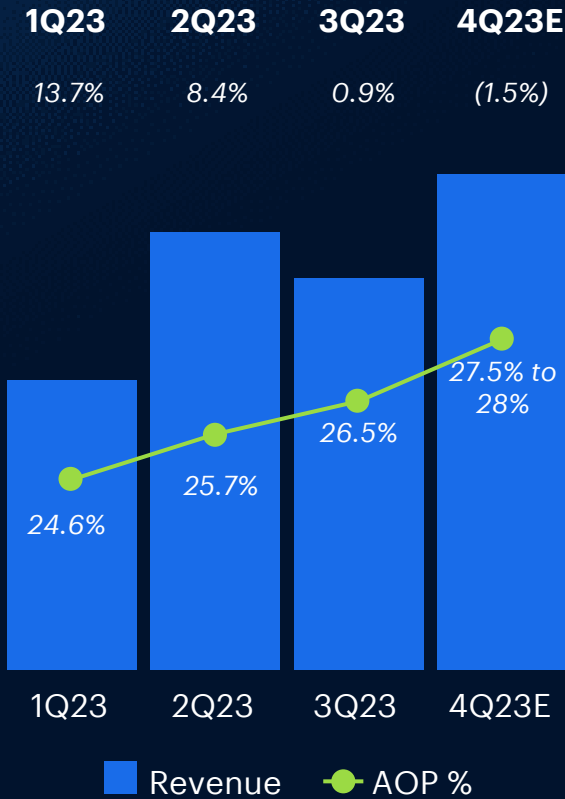
Appendix & Supplemental Reconciliation Data

2023 Segment Outlooks

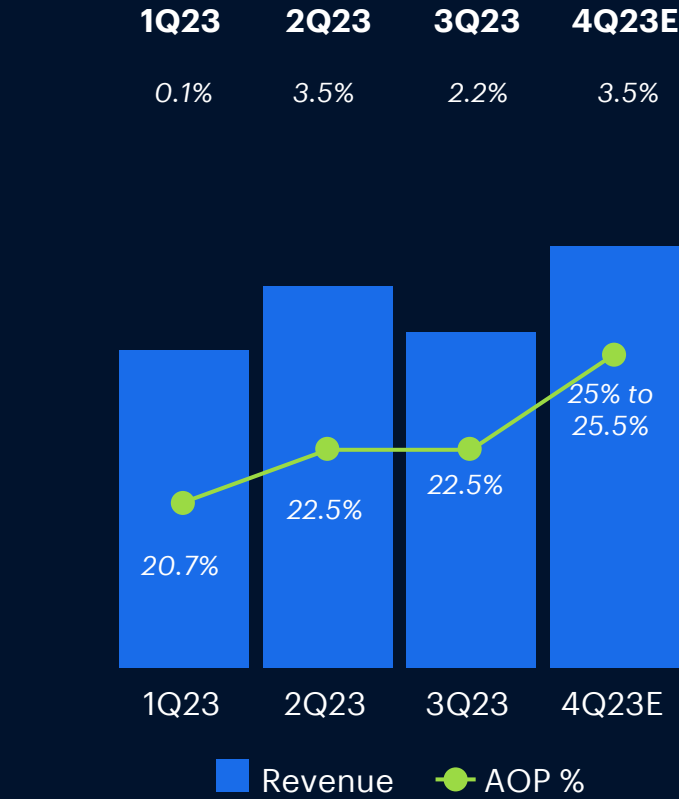
Intelligent Operating Solutions



Precision Technologies



Advanced Healthcare Solutions







1. Estimates based on the mid-point of the consolidated revenue guide

FY 2023 Assumptions & OpCo Outlooks

KEY OUTLOOK ASSUMPTIONS

	<u>Q4</u>	<u>FY</u>
FX:	Slight Headwind	~(1)%
Corporate:	~\$39M	~\$135M
Interest:	~\$25M	~\$120M
ETR:	~16%	~16%
Share Count:	~356M	~356M
Capex:		\$90M to \$110M
NWC % Sales:		~7.5%

FY 2023 OPCO CORE GROWTH EXPECTATIONS¹

<u>IOS</u>	<u>PT</u>	<u>AHS</u>
Fluke: MSD	Tektronix: HSD+ 	ASP/Censis: LSD+
EHS: MSD	Sensing: (LSD) 	FHS: LSD
FAL: LDD	PacSci EMC: LDD	Invetech: (High-teens) 
		Provation: High-teens 

  = change vs. prior expectations

1. Core growth based on the mid-point of the consolidated revenue guide

ADJUSTED GROSS PROFIT AND ADJUSTED GROSS PROFIT MARGIN

\$ in millions	Three Months Ended		Nine Months Ended		Three Months Ended
	September 29, 2023	September 30, 2022	September 29, 2023	September 30, 2022	October 1, 2021
Revenue (GAAP)	\$ 1,494.5	\$ 1,456.0	\$ 4,481.6	\$ 4,295.8	\$ 1,301.0
Gross Profit (GAAP)	\$ 893.0	\$ 845.4	\$ 2,646.6	\$ 2,470.9	\$ 745.7
Acquisition-Related Fair Value Adjustments to Inventory	—	—	—	0.7	—
Discrete Restructuring Charges	—	—	6.3	—	—
Adjusted Gross Profit (Non-GAAP)	\$ 892.9	\$ 845.4	\$ 2,652.9	\$ 2,471.6	\$ 745.7
Gross Profit (GAAP) Margin	59.8 %	58.1 %	59.1 %	57.5 %	57.3 %
Adjusted Gross Profit Margin (Non-GAAP)	59.7 %	58.1 %	59.2 %	57.5 %	57.3 %

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

ADJUSTED OPERATING PROFIT & ADJUSTED OPERATING PROFIT MARGIN

\$ in millions	Three Months Ended September 29, 2023					Three Months Ended September 30, 2022					Year over Year Change
	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Corporate	Total Fortive	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Corporate	Total Fortive	
Revenue (GAAP)	\$ 644.3	\$ 530.6	\$ 319.6	\$ —	\$ 1,494.5	\$ 613.7	\$ 523.7	\$ 318.6	\$ —	\$ 1,456.0	\$ 38.5
Operating Profit (GAAP)	\$ 156.8	\$ 139.3	\$ 26.6	\$ (31.6)	\$ 291.1	\$ 132.1	\$ 131.8	\$ 17.3	\$ (29.3)	\$ 251.9	
Amortization of Acquisition-Related Intangible Assets and Non-cash Impairments	46.6	1.2	45.3	—	93.1	45.7	3.6	46.0	—	95.3	
Acquisition and Divestiture Related Items ^(a)	1.7	—	—	—	1.7	4.8	—	2.2	—	7.0	
Discrete Restructuring Charges	0.9	—	—	—	0.9	—	—	—	—	—	
Russia Exit and Wind Down Costs	—	—	—	—	—	—	—	—	1.1	1.1	
Adjusted Operating Profit (Non-GAAP)	\$ 206.0	\$ 140.5	\$ 71.9	\$ (31.6)	\$ 386.8	\$ 182.6	\$ 135.4	\$ 65.5	\$ (28.2)	\$ 355.3	\$ 31.5
Operating Profit Margin (GAAP)	24.3 %	26.3 %	8.3 %		19.5 %	21.5 %	25.2 %	5.4 %		17.3 %	
Adjusted Operating Profit Margin (Non-GAAP)	32.0 %	26.5 %	22.5 %		25.9 %	29.7 %	25.9 %	20.6 %		24.4 %	
Incremental Adjusted Operating Profit Margin (Non-GAAP) ^(b)											81.8 %
2022 Adjusted Operating Profit Margin (Non-GAAP)	29.7 %	25.9 %	20.6 %		24.4 %						
Core (Non-GAAP)	2.3 %	0.6 %	1.9 %		1.5 %						
Acquisitions and divestitures (Non-GAAP)	— %	— %	— %		— %						
2023 Adjusted Operating Profit Margin (Non-GAAP)	32.0 %	26.5 %	22.5 %		25.9 %						

(a) Includes pretax transaction costs and acquisition-related fair value adjustments to inventory related to acquisitions.

(b) 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.

ADJUSTED OPERATING PROFIT & ADJUSTED OPERATING PROFIT MARGIN

\$ in millions	Nine Months Ended September 29, 2023					Nine Months Ended September 30, 2022					Year over Year Change
	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Corporate	Total Fortive	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Corporate	Total Fortive	
Revenue (GAAP)	\$ 1,929.5	\$ 1,583.5	\$ 968.6	\$ —	\$ 4,481.6	\$ 1,831.4	\$ 1,485.2	\$ 979.2	\$ —	\$ 4,295.8	\$ 185.8
Operating Profit (GAAP)	\$ 452.0	\$ 398.3	\$ 68.8	\$ (96.3)	\$ 822.8	\$ 369.0	\$ 348.5	\$ 73.4	\$ (94.4)	\$ 696.5	
Amortization of Acquisition-Related Intangible Assets and Non-cash Impairments	141.5	2.7	135.9	—	280.1	137.9	10.8	138.7	—	287.4	
Acquisition and Divestiture Related Items ^(a)	1.7	—	—	—	1.7	16.6	—	6.8	—	23.4	
Discrete Restructuring Charges	17.0	4.7	7.5	—	29.2	—	—	—	—	—	
Russia Exit and Wind Down Costs	—	—	—	—	—	—	—	—	17.3	17.3	
Adjusted Operating Profit (Non-GAAP)	\$ 612.2	\$ 405.7	\$ 212.2	\$ (96.3)	\$ 1,133.8	\$ 523.4	\$ 359.3	\$ 218.9	\$ (77.1)	\$ 1,024.5	\$ 109.3
Operating Profit Margin (GAAP)	23.4 %	25.2 %	7.1 %		18.4 %	20.1 %	23.5 %	7.5 %		16.2 %	
Adjusted Operating Profit Margin (Non-GAAP)	31.7 %	25.6 %	21.9 %		25.3 %	28.6 %	24.2 %	22.3 %		23.8 %	
Incremental Adjusted Operating Profit Margin (Non-GAAP) ^(b)											58.8 %
2022 Adjusted Operating Profit Margin (Non-GAAP)	28.6 %	24.2 %	22.3 %		23.8 %						
Core (Non-GAAP)	3.2 %	1.5 %	(0.6)%		1.4 %						
Acquisitions and divestitures (Non-GAAP)	(0.1)%	— %	0.2 %		0.1 %						
2023 Adjusted Operating Profit Margin (Non-GAAP)	31.7 %	25.6 %	21.9 %		25.3 %						

(a) Includes pretax transaction costs and acquisition-related fair value adjustments to inventory related to acquisitions.

(b) 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 and adjusted operating profit margin may not equal due to rounding.

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

\$ in millions	Three Months Ended September 29, 2023					Three Months Ended October 1, 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)	\$ 644.3	\$ 530.6	\$ 319.6	\$ —	\$ 1,494.5	\$ 536.9	\$ 455.7	\$ 308.4	\$ —	\$ 1,301.0
Operating Profit (GAAP)	\$ 156.8	\$ 139.3	\$ 26.6	\$ (31.6)	\$ 291.1	\$ 91.5	\$ 101.1	\$ 34.4	\$ (24.7)	\$ 202.3
Amortization of Acquisition-Related Intangible Assets and non-cash impairments	46.6	1.2	45.3	—	93.1	41.0	4.2	35.2	—	80.4
Acquisition and Divestiture Related Items ^(a)	1.7	—	—	—	1.7	13.3	—	1.2	—	14.5
Discrete Restructuring Charges	0.9	—	—	—	0.9	—	—	—	—	—
Adjusted Operating Profit (Non-GAAP)	\$ 206.0	\$ 140.5	\$ 71.9	\$ (31.6)	\$ 386.8	\$ 145.8	\$ 105.3	\$ 70.8	\$ (24.7)	\$ 297.2
Operating Profit Margin (GAAP)	24.3 %	26.3 %	8.3 %		19.5 %	17.0 %	22.2 %	11.2 %		15.5 %
Adjusted Operating Profit Margin (Non-GAAP)	32.0 %	26.5 %	22.5 %		25.9 %	27.1 %	23.1 %	23.0 %		22.8 %

(a) Includes pretax transaction costs and acquisition-related fair value adjustments to inventory related to acquisitions.

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

ADJUSTED NET EARNINGS AND ADJUSTED DILUTED NET EPS

\$ in millions, except per share amounts	Three Months Ended				Nine Months Ended											
	September 29, 2023		September 30, 2022		September 29, 2023		September 30, 2022									
	Per share value		Per share value		Per share value		Per share value									
Net Earnings and Net Earnings Per Share (GAAP)	\$	218.0	\$	0.61	\$	189.9	\$	0.53	\$	600.6	\$	1.69	\$	528.0	\$	1.46
Interest on the Convertible Notes to apply if-converted method ^(a)		—		—		—		—		—		—		2.1		—
Tax effect of the Convertible Notes to apply if-converted method		—		—		—		—		—		—		(0.3)		—
Diluted Net Earnings and Diluted Net Earnings Per Share (GAAP)		218.0		0.61		189.9		0.53		600.6		1.69		529.8		1.46
Pretax amortization of acquisition related intangible assets and non-cash impairments		93.1		0.26		95.3		0.27		280.1		0.79		287.4		0.81
Pretax acquisition and divestiture related items ^(b)		1.7		—		7.0		0.02		1.7		—		23.4		0.06
Pretax discrete restructuring charges		0.9		—		—		—		29.2		0.08		—		—
Pretax losses from equity investments		3.8		0.01		9.5		0.02		12.9		0.04		15.2		0.04
Pretax Russia exit and wind down costs		—		—		1.1		—		—		—		17.3		0.05
Pretax (gain) loss on sale of business		—		—		(2.3)		(0.01)		—		—		(2.3)		(0.01)
Pretax interest expense on Convertible Notes to reverse the if-converted method ^(a)		—		—		—		—		—		—		(2.1)		—
Tax effect of the adjustments reflected above ^(c)		(15.9)		(0.04)		(16.7)		(0.04)		(53.1)		(0.15)		(48.7)		(0.13)
Adjusted Net Earnings and Adjusted Net Earnings Per Share (Non-GAAP)	\$	301.6	\$	0.85	\$	283.8	\$	0.79	\$	871.4	\$	2.45	\$	820.0	\$	2.28
Adjusted Diluted Net Earnings Per Share (Non-GAAP)																
(shares in millions)																
Average common diluted stock outstanding				356.1				357.9					356.0			362.0
Convertible Notes - if converted shares ^(a)				—				—					—			(2.1)
Adjusted average common stock and common equivalent shares outstanding				356.1				357.9					356.0			359.9

(a) 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, as well as excluded the assumed share settlement.

(b) Includes pretax transaction costs and acquisition-related fair value adjustments to inventory related to acquisitions.

(c) The convertible note interest is calculated on a net of tax basis. The tax effect of the adjustments includes all other line items.

The sum of the components of adjusted diluted net earnings per share may not equal

FORECASTED ADJUSTED DILUTED NET EPS

	Three Months Ending December 31, 2023			Twelve Months Ending December 31, 2023		
	Low	Mid	High	Low	Mid	High
Forecasted Diluted Net Earnings Per Share (GAAP)	\$ 0.61	\$ 0.63	\$ 0.64	\$ 2.30	\$ 2.32	\$ 2.33
Anticipated pretax amortization of acquisition related intangible assets and non-cash impairments	0.26	0.26	0.26	1.05	1.05	1.05
Anticipated pretax discrete restructuring charges	0.10	0.10	0.10	0.18	0.18	0.18
Anticipated pretax losses from equity investments	0.01	0.01	0.01	0.05	0.05	0.05
Tax effect of the adjustments reflected above	(0.06)	(0.06)	(0.06)	(0.21)	(0.21)	(0.21)
Forecasted Adjusted Diluted Net Earnings Per Share	\$ 0.92	\$ 0.94	\$ 0.95	\$ 3.37	\$ 3.39	\$ 3.40

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

FREE CASH FLOW CONVERSION RATIO - TRAILING TWELVE MONTHS (in millions)

	Three Months Ended				Nine Months Ended	Trailing Twelve Months
	September 29, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 29, 2023	
Operating Cash Flows (GAAP)	\$ 411.4	\$ 321.0	\$ 174.4	\$ 464.2	\$ 906.8	\$ 1,371.0
Less: purchases property, plant & equipment (capital expenditures) (GAAP)	(27.9)	(21.0)	(24.8)	(36.1)	(73.7)	(109.8)
Free Cash Flow (Non-GAAP)	\$ 383.5	\$ 300.0	\$ 149.6	\$ 428.1	\$ 833.1	\$ 1,261.2
Adjusted Net Earnings (Non-GAAP)	\$ 301.6	\$ 303.1	\$ 266.7	\$ 313.0	\$ 871.4	\$ 1,184.4
Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)	127 %	99 %	56 %	137 %	96 %	106 %

	Three Months Ended				Trailing Twelve Months	Three Months Ended
	September 30, 2022	July 1, 2022	April 1, 2022	December 31, 2021		October 1, 2021
Operating Cash Flows (GAAP)	\$ 329.8	\$ 294.4	\$ 214.8	\$ 287.0	\$ 1,126.0	\$ 262.9
Less: purchases property, plant & equipment (capital expenditures) (GAAP)	(22.5)	(18.4)	(18.8)	(22.0)	(81.7)	(10.9)
Free Cash Flow (Non-GAAP)	\$ 307.3	\$ 276.0	\$ 196.0	\$ 265.0	\$ 1,044.3	\$ 252.0
Adjusted Net Earnings (Non-GAAP)	\$ 283.8	\$ 281.1	\$ 255.1	\$ 288.0	\$ 1,108.0	\$ 240.5
Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)	108 %	98 %	77 %	92 %	94 %	105 %

CORE REVENUE GROWTH

Components of Revenue Growth	Three Months Ended September 29, 2023	Nine Months Ended September 29, 2023
<i>Total Fortive</i>		
Total Revenue Growth (GAAP)	2.6 %	4.3 %
Core (Non-GAAP)	2.5 %	5.5 %
Acquisitions and divestitures (Non-GAAP)	(0.2)%	(0.3)%
Impact of currency translation (Non-GAAP)	0.3 %	(0.9)%
<i>Intelligent Operating Solutions</i>		
Total Revenue Growth (GAAP)	5.0 %	5.4 %
Core (Non-GAAP)	4.0 %	5.9 %
Acquisitions and divestitures (Non-GAAP)	0.3 %	0.1 %
Impact of currency translation (Non-GAAP)	0.7 %	(0.6)%
<i>Precision Technologies</i>		
Total Revenue Growth (GAAP)	1.3 %	6.6 %
Core (Non-GAAP)	0.9 %	7.4 %
Impact of currency translation (Non-GAAP)	0.4 %	(0.8)%
<i>Advanced Healthcare Solutions</i>		
Total Revenue Growth (GAAP)	0.3 %	(1.1)%
Core (Non-GAAP)	2.2 %	2.0 %
Acquisitions and divestitures (Non-GAAP)	(1.4)%	(1.5)%
Impact of currency translation (Non-GAAP)	(0.5)%	(1.6)%

ADJUSTED EFFECTIVE TAX RATE

\$ in millions	Three Months Ended		Nine Months Ended	
	September 29, 2023	September 30, 2022	September 29, 2023	September 30, 2022
Earnings before income taxes	\$ 257.1	\$ 217.5	\$ 713.3	\$ 616.5
Income tax expense	(39.1)	(27.6)	(112.7)	(88.5)
Effective tax rate (GAAP)	15.2 %	12.7 %	15.8 %	14.4 %
Earnings before income taxes (GAAP)	\$ 257.1	\$ 217.5	\$ 713.3	\$ 616.5
Pretax amortization of acquisition related intangible assets and non-cash impairments	93.1	95.3	280.1	287.4
Pretax acquisition and divestiture related items	1.7	7.0	1.7	23.4
Pretax discrete restructuring charges	0.9	—	29.2	—
Pretax losses from equity investments	3.8	9.5	12.9	15.2
Pretax Russia exit and wind down costs	—	1.1	—	17.3
Pretax (gain) loss on sale of business	—	(2.3)	—	(2.3)
Pretax Adjusted Net Earnings (Non-GAAP)	\$ 356.6	\$ 328.1	\$ 1,037.2	\$ 957.5
Tax effect of the adjustments reflected above	(15.9)	(16.7)	(53.1)	(48.7)
Adjusted income tax expense (Non-GAAP)	\$ (55.0)	\$ (44.3)	\$ (165.8)	\$ (137.2)
Adjusted effective tax rate (Non-GAAP)	15.4 %	13.5 %	16.0 %	14.3 %

The recalculation of certain percentages may not equal due to rounding.



FORTIVE