



**Fourth Quarter  
2023 Earnings Release**

January 31, 2024

# 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, impact of cybersecurity incidents, impact of voluntary government notification 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.

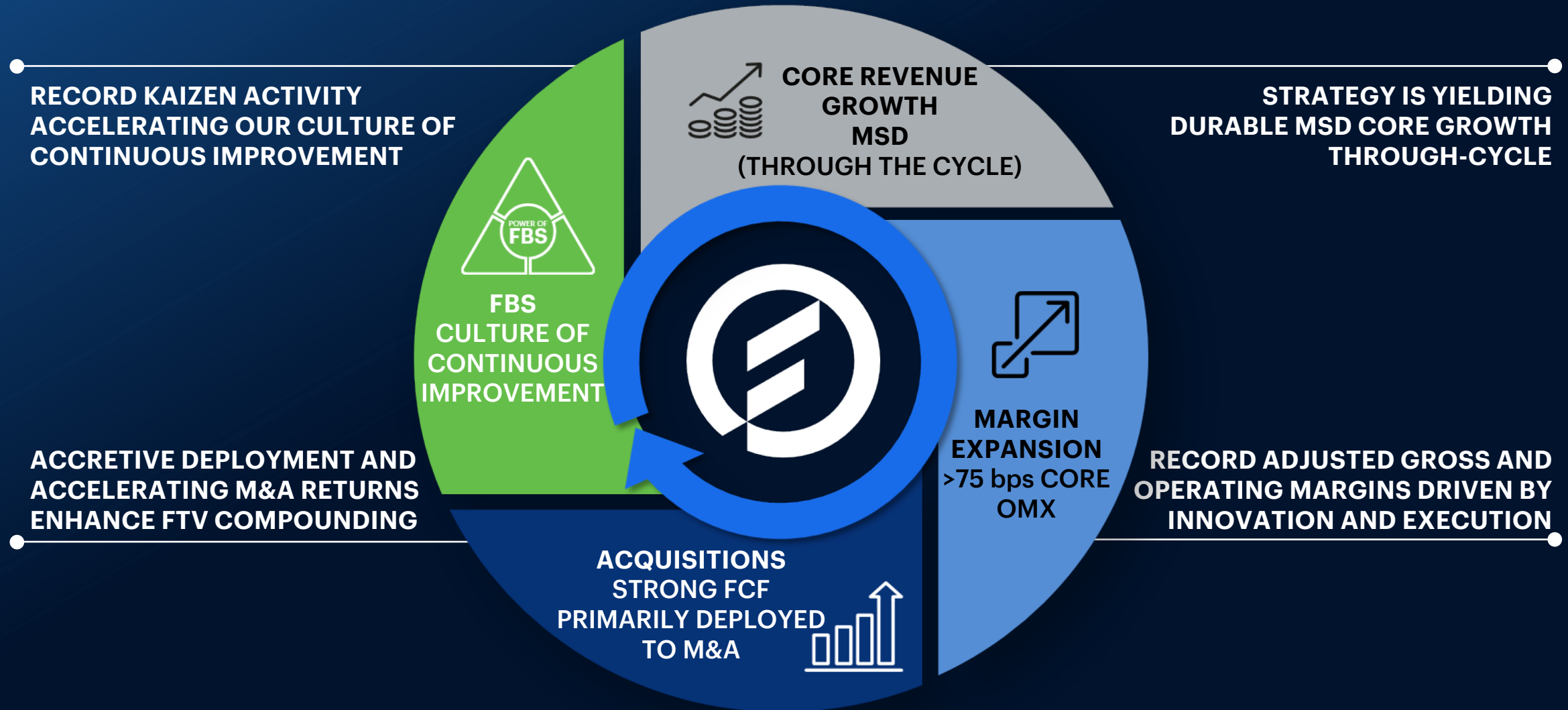
All financial metrics relate only to the continuing operations, and all growth or period changes refer to year-over-year comparisons unless otherwise stated. Please refer to the corresponding Form 10-K for the year ended December 31, 2023 for additional details relating to the financial results and performances 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.

# The Fortive Formula for Value Creation

**Delivers Outstanding Performance Again in 2023**



# Evolving to a Premier Company

## Consistent Performance and Value Creation

PREMIER  
COMPANY

### DRIVING GROWTH

**+5%** | **+15%**  
Y/Y | 2-yr stack

**CORE GROWTH**

**33%**

Increase in NPI  
Revenue Attainment

**5** | **~\$220M**  
Acquisitions<sup>1</sup> | Annualized  
Revenue

### DRIVING PROGRESS

**+160 BPS** | **+280 BPS**  
Y/Y | 2-yr stack

**ADJ. OMX**



**~60%**

Revenue associated with  
sustainability-enabling  
products & services

**>20%**  
Acceleration in SW Development  
Time utilizing GenAI

### DRIVING VALUE



**'Rule of 35'**

Avg. '19 - '24E

High Quality Portfolio

**>20 pts**

Employee Engagement  
Score Increase (since 2016)

**7.5%** | **~120 BPS**  
NWC as a % | FTV ROIC<sup>2</sup>  
of Revenue | Expansion

'Rule of 35' equation indicates a company's total revenue growth plus adj. EBITDA margin is equal to or greater than 35%

1. Acquisitions signed in 2023

2. ROIC (GAAP Basis) is calculated as GAAP NOPAT divided by GAAP capitalization (Book Equity plus Net debt)



# Accelerating Innovation & Growth

## Organic and Inorganic Investments Aligned with Secular Drivers

### INTELLIGENT OPERATING SOLUTIONS



**Fluke's new Multi-Product Calibrators** provide the broadest workload coverage and highest accuracy

**Accruent bolt-on RedEye** enhances SaaS offering with cloud-based engineering document management system

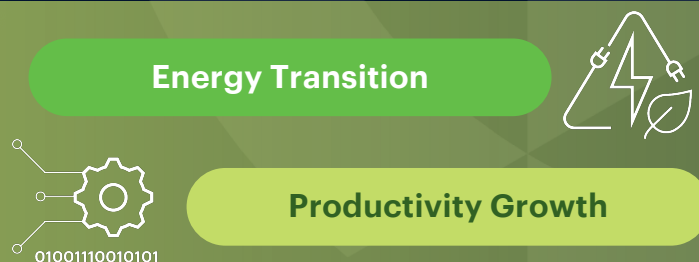
### PRECISION TECHNOLOGIES



**Tektronix is harnessing the power of open-source software** with release of its Python native drivers for automation and testing

**Electrifying the future of everything with EA acquisition**, adding best-in-class electronic T&M portfolio

### ADVANCED HEALTHCARE SOLUTIONS



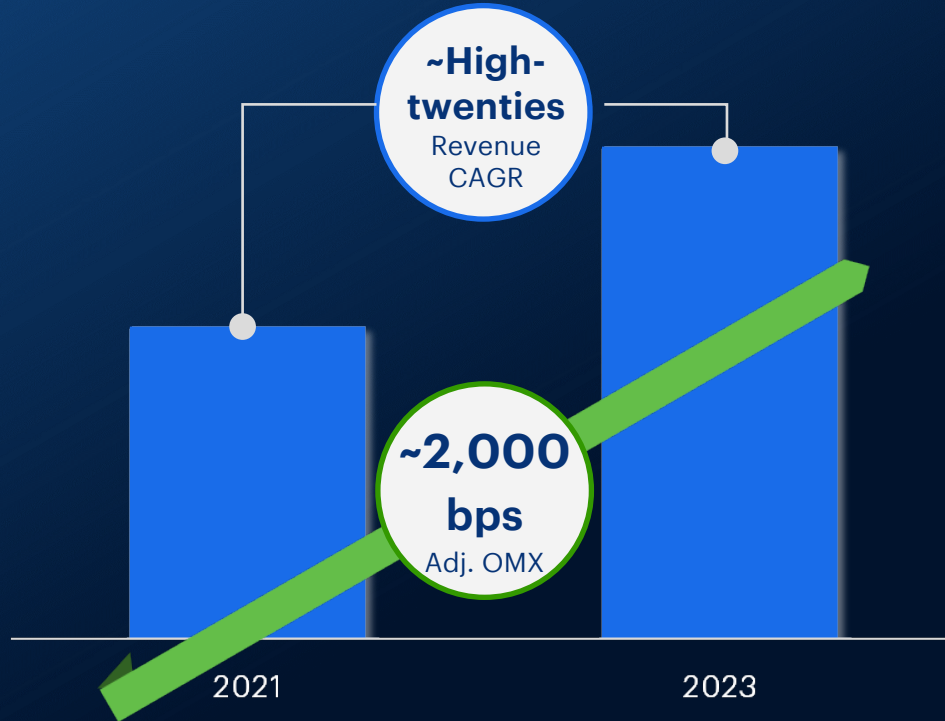
**Landauer digital dosimetry solution** reduces energy use, carbon, and waste

**ASP expanding into steam sterilization monitoring**, ensuring greater customer efficiency and sterility assurance

# M&A Spotlight

Recent M&A Contributing to Higher Core Growth and Margin Expansion

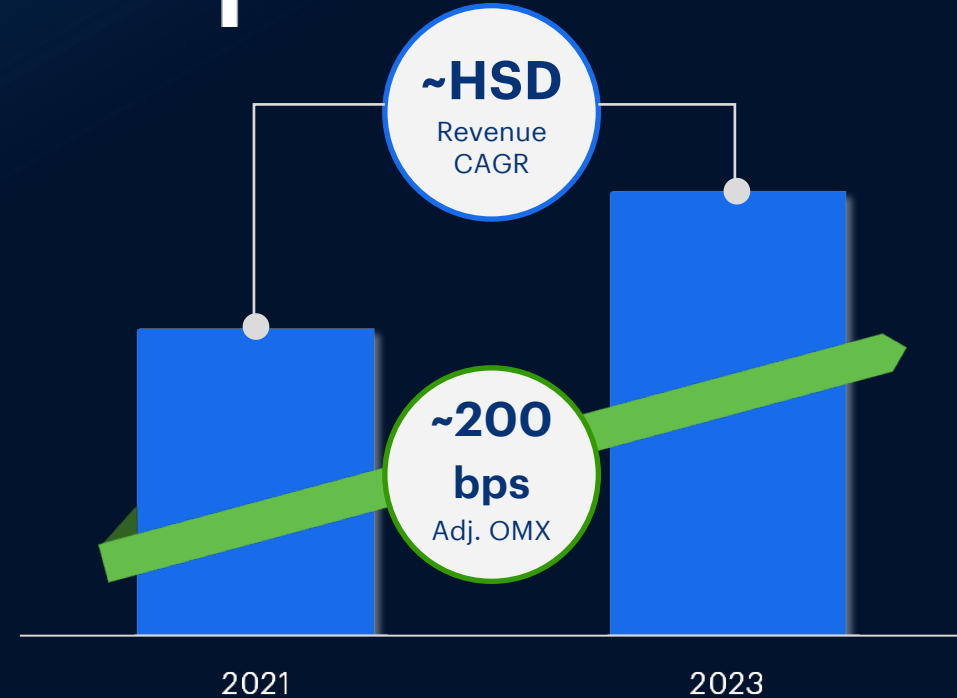
 ServiceChannel



**110%** 2023 NDR

**15%** 2023 ARR growth

proVation®



**112%** 2023 GI Solution NDR

**17%** 2023 ARR growth

# Power of FBS: Sustaining Differentiated Results

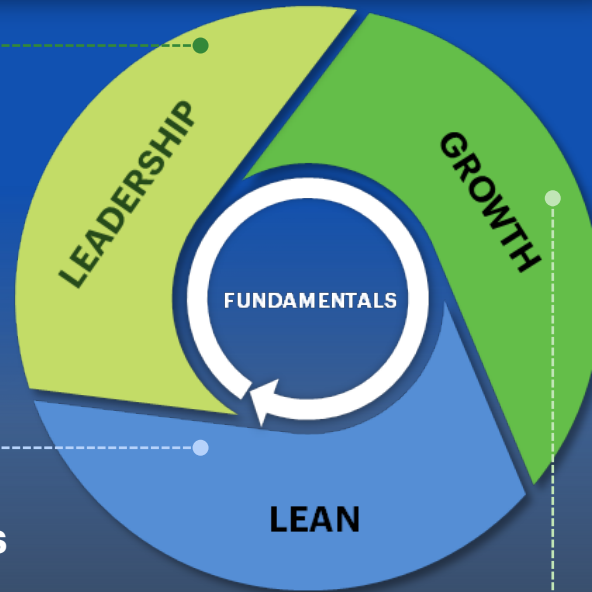
## Delivering Value Through Innovation, Leadership and Productivity

### EVOLUTION OF FBS TOOLS AND RIGOROUS OPERATING CADENCE ...

Building capabilities and leaders to enable extraordinary results

Maximizing customer expectations with best-in-class quality, delivery, and cost

Accelerating growth through innovation and improved commercial execution



### ... DELIVERING SUSTAINED MULTI-YEAR PERFORMANCE



Since 2019:

- ✓ **+MSD CORE GROWTH CAGR**
- ✓ **~70 BPS/YR ADJ. GMX**
- ✓ **~125 BPS/YR ADJ. OMX**
- ✓ **14% ADJ. EPS CAGR**
- ✓ **19% FREE CASH FLOW CAGR**



# Q4 & FY 2023 Financials and Highlights

Strong Finish to the Year, Delivering Outstanding Operational Performance

		Q4 2023		FY 2023	
REVENUE & GROWTH	Progression to more recurring revenue drives higher, more durable growth	Revenue	\$1,584M	\$6,065M	 Q4 core growth at high-end of expectations
		Core Growth	+3%	+5%	
		Total Growth	+4%	+4%	
MARGINS	High quality portfolio enables strong incremental margins and powers earnings flywheel	Adj. Gross Margin	60.5%	59.5%	 Record adjusted gross and operating margins
		Adj. GMX	+220 bps	+180 bps	
		AOP Margin	27.7%	25.9%	 High-quality portfolio & strong execution deliver upside
		Adj. OMX	+220 bps	+160 bps	
EARNINGS & FCF	Power of FBS drives robust Free Cash Flow generation and accelerated compounding	Adj. EPS	\$0.98	\$3.43	 Operational beat of 4 cents
		Adj. EPS Growth	11%	9%	
		Free Cash Flow	\$413M	\$1,246M	 Q4 FCF +56% on a 2-yr stack
		Adj. FCF Conversion	118%	102%	



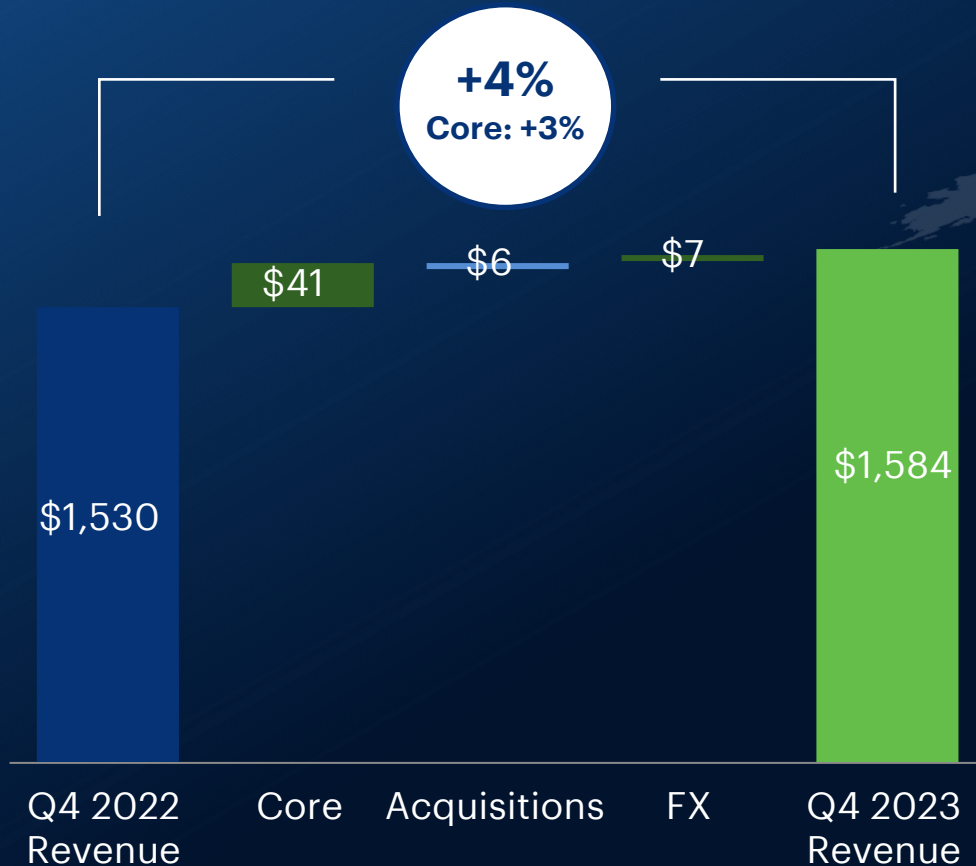
# Q4 & FY 2023 Segment Highlights

All Segments Outperform Q4 Margin Expectations

	IOS		PT		AHS	
	<u>Q4</u>	<u>FY</u>	<u>Q4</u>	<u>FY</u>	<u>Q4</u>	<u>FY</u>
<b>Revenue</b> <i>Core Growth</i>	<b>\$683M</b> +6%	<b>\$2,612M</b> +6%	<b>\$549M</b> -1%	<b>\$2,133M</b> +5%	<b>\$352M</b> +3%	<b>\$1,320M</b> +2%
<b>Adj. Op. Profit Margin</b> <i>Adj. OMX</i>	<b>34.2%</b> +300 bps	<b>32.4%</b> +310 bps	<b>29.0%</b> +270 bps	<b>26.5%</b> +170 bps	<b>25.7%</b> +160 bps	<b>22.9%</b> +10 bps
<b>Q4 and Full Year Highlights</b>	<ul style="list-style-type: none"> <li>Stable POS and industrial demand; new logo software and recurring bookings growth contribute to MSD+ ARR growth</li> <li>All businesses contribute to strong margin expansion driven by accretive SW mix and productivity initiatives</li> </ul>		<ul style="list-style-type: none"> <li>Growth in power, food &amp; bev, and A&amp;D markets, offset by pockets of industrial OEM weakness and normalizing demand in China</li> <li>Core growth 2-year stack: High-teens Q4 &amp; FY23</li> <li>Pricing &amp; productivity initiatives driving OMX</li> </ul>		<ul style="list-style-type: none"> <li>Consumables, SaaS uptake, and new logos driving core growth</li> <li>Invetech ~280 bps negative impact on Q4 core growth</li> <li>Channel transition, pricing, and productivity initiatives driving margin expansion</li> </ul>	

# Q4 2023 Revenue

## Normalizing Growth Across All Regions



North America

Western Europe

Asia

Core  
MSD

Core  
up  
slightly

Core  
(LSD)

## REGIONAL HIGHLIGHTS

### NORTH AMERICA

- Growth in all segments
- Driven by software growth at IOS and +HSD ASP Consumables growth
- 2-year stack +High-teens

### WESTERN EUROPE

- Growth driven by +MSD at IOS, +HSD at AHS
- Offset by (HSD) at PT due to weakness in parts of Tek and Sensing
- 2-year stack +Mid-teens

### ASIA

- Continued strength in India with LDD growth
- Japan HSD growth
- China down HSD, lapping tough Y/Y comp; up Low-teens on 2-year stack



# Q1 & FY 2024 Outlook

Reflects Durable Portfolio and Normalizing Macro Environment

		Q1 2024		FY 2024
REVENUE & GROWTH	Progression to more recurring revenue drives higher, more durable growth	Revenue	\$1,515M to \$1,540M	\$6,425M to \$6,525M
		Core Growth	~Flat to 2%	2% to 4%
		Total Growth	3% to 5%	6% to 8%
MARGINS	High quality portfolio enables strong incremental margins and powers earnings flywheel	Adj. Operating Profit	\$370M to \$385M	\$1,725 to \$1,775
		AOP Growth	6% to 10%	10% to 13%
		AOP Margin	~24.8%	~27%
EARNINGS & FCF	Power of FBS drives robust Free Cash Flow generation and accelerated compounding	Adj. OMX	+75 bps	+100 bps
		Adj. EPS	\$0.77 to \$0.80	\$3.73 to \$3.85
		Adj. EPS Growth	3% to 7%	9% to 12%
		Free Cash Flow	~\$180M	~\$1,375M
		Adj. FCF Conversion	~65%	100% to 105%



# 2024 Outlook: Segment Highlights

Recurring and Secular Drivers Underpin Growth in All Segments

	INTELLIGENT OPERATING SOLUTIONS	PRECISION TECHNOLOGIES	ADVANCED HEALTHCARE SOLUTIONS
<b>Revenue</b> <i>Core Growth</i> <i>Total Growth</i>	<b>\$2,730M to \$2,770M</b> 4% to 5% 5% to 6%	<b>\$2,420M to \$2,465M</b> Flat to 2% 9% to 11%	<b>\$1,275M to \$1,290M</b> 4% to 5% 4% to 5%
<b>Adj. Op. Profit Margin</b> <i>Adj. OMX</i>	<b>~33.4%</b> +100 bps	<b>~26.8%</b> +100 bps	<b>~25.4%</b> +125 bps
<b>Highlights</b>	<ul style="list-style-type: none"> <li>• Stable demand and NPI traction drive hardware growth</li> <li>• Continued strong ARR growth</li> <li>• 2023 M&amp;A contributes ~\$20m to 2024 segment revenue</li> <li>• SW growth, pricing, productivity initiatives driving OMX</li> </ul>	<ul style="list-style-type: none"> <li>• Excess backlog delivered in 1H</li> <li>• EA accretive to growth and margins</li> <li>• Expected recovery in industrial &amp; healthcare sensing markets 2H</li> <li>• Cont'd strength in A&amp;D, Food &amp; Bev</li> <li>• Productivity initiatives, EA drive OMX</li> </ul>	<ul style="list-style-type: none"> <li>• Procedure growth, NPI traction, and ASP channel position drive core sales growth</li> <li>• New logos/SaaS solutions drives continued SW growth</li> <li>• Pricing, volume growth drives 2024 OMX</li> </ul>

Beginning January 1, 2024, our Invetech business will be reported within our Precision Technologies segment. Previously, this business was reported within our Advanced Healthcare Solutions segment. The projected measures, including year over year comparisons, reflect the reclassification for all periods.

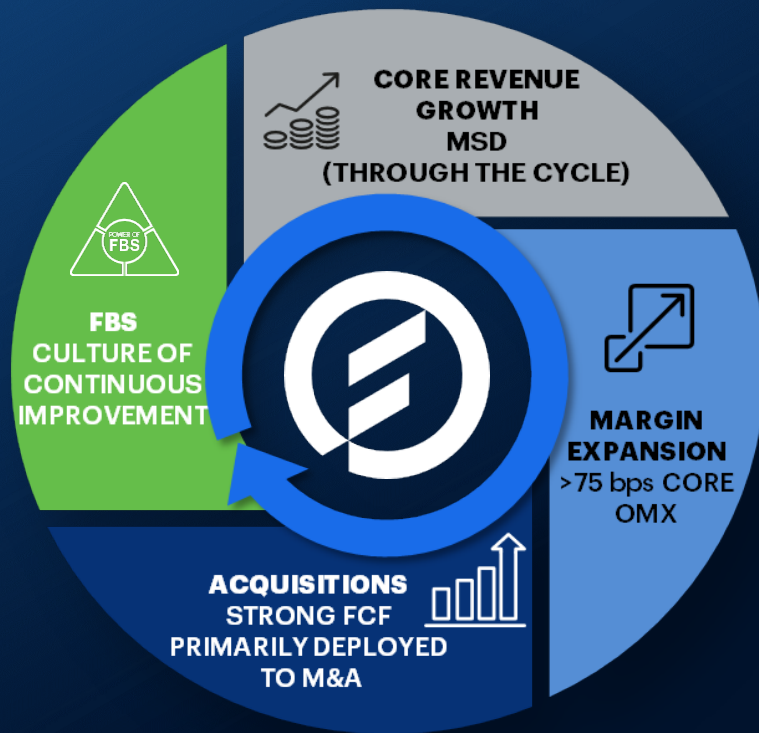
# Strategy Delivering Differentiated Multi-Year Performance

Leveraging FBS and our connected workflow strategy to relentlessly drive sustainable results



# On the Path to Achieving Long Term Targets

## Differentiating Performance and Value Creation

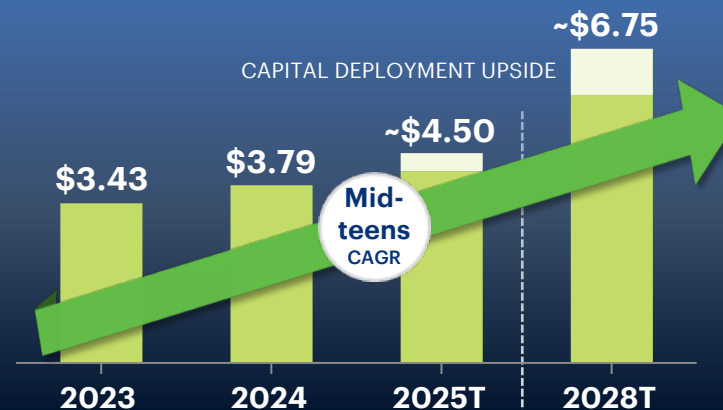


### DURABLE, HIGH-GROWTH COMPOUNDING

**~2X**

EPS growth 2023 to 2028

#### ADJ. EARNINGS PER SHARE

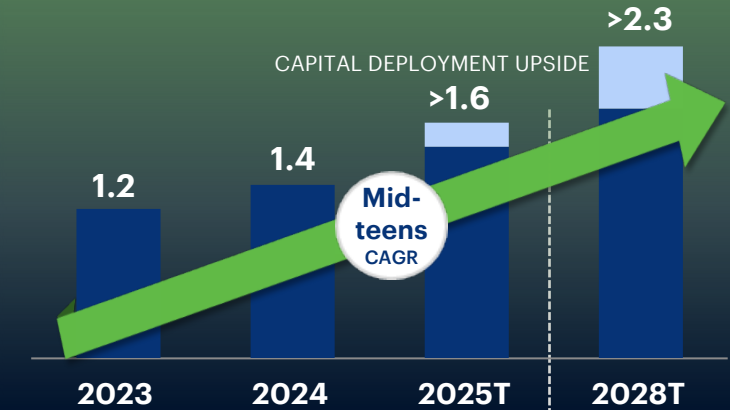


### CREATING SHAREHOLDER VALUE

**~\$8B FCF**

To deploy in next 5 years

#### ANNUAL FREE CASH FLOW (\$B)



Figures on this page beyond 2024 represent management's strategic targets, 2024 represents midpoint of current guide

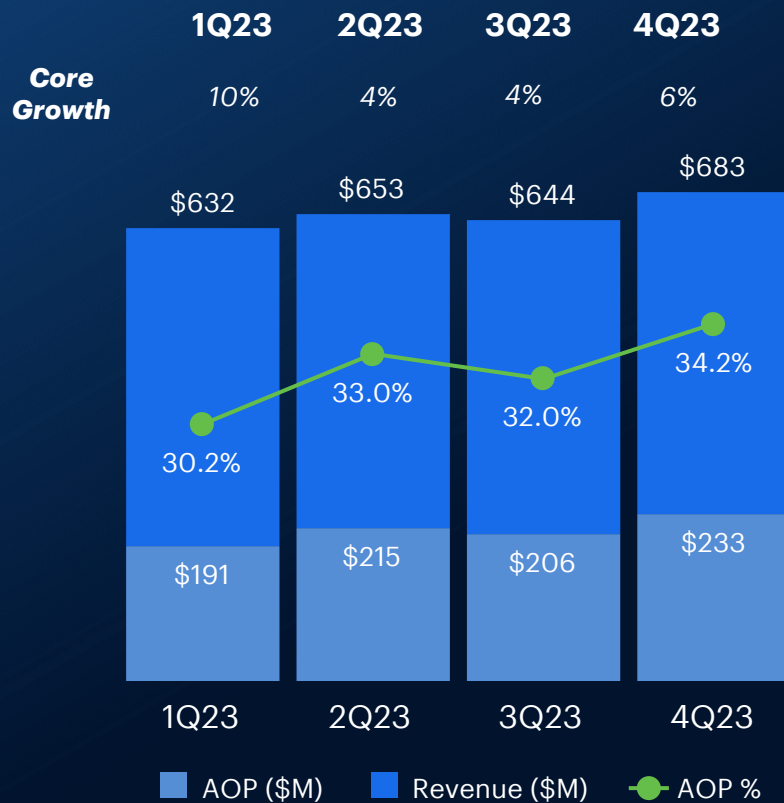




# Appendix & Supplemental Reconciliation Data

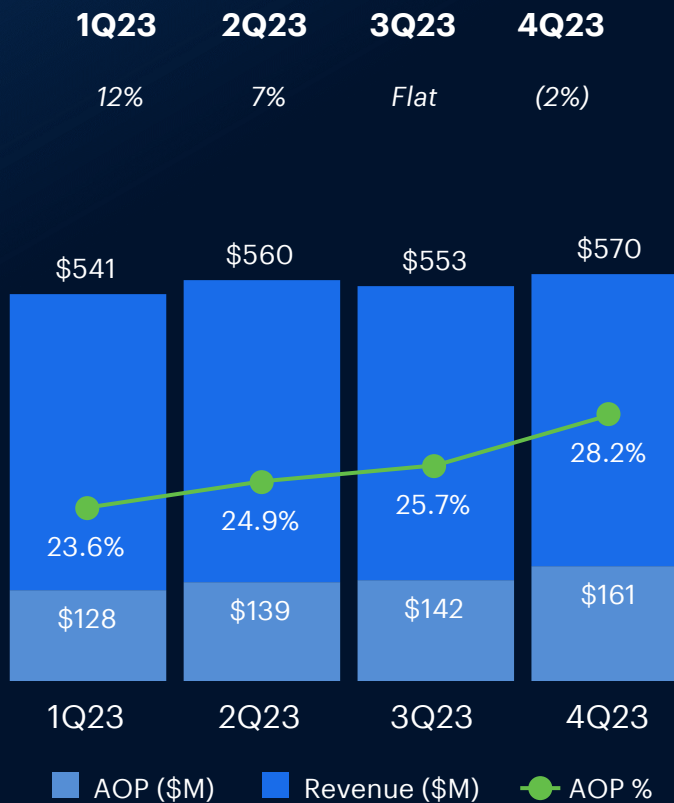
# 2023 Segment Results (Pro Forma PT & AHS)

## Intelligent Operating Solutions



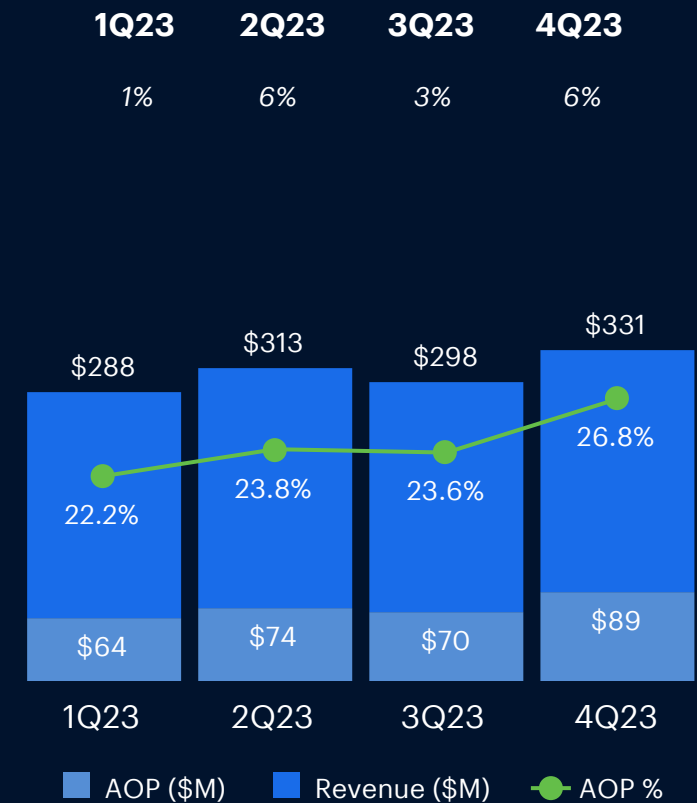
## Precision Technologies

"Pro Forma"



## Advanced Healthcare Solutions

"Pro Forma"



Beginning January 1, 2024, our Invitech business will be reported within our Precision Technologies segment. Previously, this business was reported within our Advanced Healthcare Solutions segment. References to "Pro Forma" reflects presentation of historical measures as if the reclassification of Invitech from AHS to PT has been effectuated on January 1, 2022.

# FY 2024 Assumptions & Regional Outlooks

		Q1 2024	FY 2024
REVENUE	Core Growth	~Flat to 2%	2% to 4%
	M&A	~3%	~4%
	FX	~Flat	Slight Tailwind
	Total Growth	3% to 5%	6% to 8%
	Corporate	~\$43M	\$145M to 150M
	Interest	~\$47M	\$175M to 180M
	Est. Tax Rate	~15%	14.5% to 15%
	Share Count	~355M	~355M
	Capex		~1.7% of Sales (\$100M to \$120M)

## FY 2024 REGIONAL GROWTH EXPECTATIONS<sup>1</sup>



Key Outlook Assumptions presented above include Invetech as part of Precision Technologies

1. Based on the midpoint of the consolidated revenue guide



## ADJUSTED GROSS PROFIT AND ADJUSTED GROSS PROFIT MARGIN

\$ in millions	Three Months Ended		Year Ended		
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2019
<b>Revenue (GAAP)</b>	\$ 1,583.7	\$ 1,529.9	\$ 6,065.3	\$ 5,825.7	\$ 4,563.9
Acquisition-Related Fair Value Adjustments to Deferred Revenue	—	—	—	—	54.5
<b>Adjusted Revenue (Non-GAAP)</b>	\$ 1,583.7	\$ 1,529.9	\$ 6,065.3	\$ 5,825.7	\$ 4,618.4
<b>Gross Profit (GAAP)</b>	\$ 947.5	\$ 892.5	\$ 3,594.1	\$ 3,363.4	\$ 2,483.2
Acquisition-Related Fair Value Adjustments to Inventory	—	—	—	0.7	121.0
Discrete Restructuring Charges	10.3	—	16.6	—	7.6
<b>Adjusted Gross Profit (Non-GAAP)</b>	\$ 957.8	\$ 892.5	\$ 3,610.6	\$ 3,364.1	\$ 2,611.8
<b>Gross Profit (GAAP) Margin</b>	59.8 %	58.3 %	59.3 %	57.7 %	54.4 %
<b>Adjusted Gross Profit Margin (Non-GAAP)</b>	60.5 %	58.3 %	59.5 %	57.7 %	56.6 %

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 December 31, 2023					Three Months Ended December 31, 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)	\$ 682.7	\$ 549.3	\$ 351.7	\$ —	\$ 1,583.7	\$ 634.7	\$ 553.0	\$ 342.2	\$ —	\$ 1,529.9	\$ 53.8
Operating Profit (GAAP)	\$ 176.8	\$ 142.0	\$ 36.7	\$ (44.6)	\$ 310.9	\$ 150.4	\$ 142.8	\$ 34.5	\$ (36.8)	\$ 290.9	
Amortization of Acquisition-Related Intangible Assets and Non-cash Impairments	49.1	0.9	45.5	—	95.5	46.6	2.7	45.5	—	94.8	
Acquisition and Divestiture Related Items <sup>(a)</sup>	0.7	2.0	—	—	2.7	1.1	—	2.6	—	3.7	
Discrete Restructuring Charges	6.8	14.5	8.1	—	29.4	—	—	—	—	—	
Russia Exit and Wind Down Costs	—	—	—	—	—	—	—	—	0.6	0.6	
Adjusted Operating Profit (Non-GAAP)	\$ 233.4	\$ 159.4	\$ 90.3	\$ (44.6)	\$ 438.5	\$ 198.1	\$ 145.5	\$ 82.6	\$ (36.2)	\$ 390.0	\$ 48.5
Operating Profit Margin (GAAP)	25.9 %	25.9 %	10.4 %		19.6 %	23.7 %	25.8 %	10.1 %		19.0 %	
Adjusted Operating Profit Margin (Non-GAAP)	34.2 %	29.0 %	25.7 %		27.7 %	31.2 %	26.3 %	24.1 %		25.5 %	
Incremental Adjusted Operating Profit Margin (Non-GAAP) <sup>(b)</sup>											90.1 %
2022 Adjusted Operating Profit Margin (Non-GAAP)	31.2 %	26.3 %	24.1 %		25.5 %						
Core (Non-GAAP)	3.1 %	2.7 %	1.6 %		2.2 %						
Acquisitions and divestitures (Non-GAAP)	(0.1)%	— %	— %		— %						
2023 Adjusted Operating Profit Margin (Non-GAAP)	34.2 %	29.0 %	25.7 %		27.7 %						

(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	Year Ended December 31, 2023					Year Ended December 31, 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	
<b>Revenue (GAAP)</b>	\$ 2,612.2	\$ 2,132.8	\$ 1,320.3	\$ —	\$ 6,065.3	\$ 2,466.1	\$ 2,038.2	\$ 1,321.4	\$ —	\$ 5,825.7	\$ 239.6
<b>Operating Profit (GAAP)</b>	\$ 628.8	\$ 540.3	\$ 105.5	\$ (140.9)	\$ 1,133.7	\$ 519.4	\$ 491.3	\$ 107.9	\$ (131.2)	\$ 987.4	
Amortization of Acquisition-Related Intangible Assets and Non-cash Impairments	190.6	3.6	181.4	—	375.6	184.5	13.5	184.2	—	382.2	
Acquisition and Divestiture Related Items <sup>(a)</sup>	2.4	2.0	—	—	4.4	17.7	—	9.4	—	27.1	
Discrete Restructuring Charges	23.8	19.2	15.6	—	58.6	—	—	—	—	—	
Russia Exit and Wind Down Costs	—	—	—	—	—	—	—	—	17.9	17.9	
<b>Adjusted Operating Profit (Non-GAAP)</b>	\$ 845.6	\$ 565.1	\$ 302.5	\$ (140.9)	\$ 1,572.3	\$ 721.6	\$ 504.8	\$ 301.5	\$ (113.3)	\$ 1,414.6	\$ 157.7
<b>Operating Profit Margin (GAAP)</b>	24.1 %	25.3 %	8.0 %		18.7 %	21.1 %	24.1 %	8.2 %		16.9 %	
<b>Adjusted Operating Profit Margin (Non-GAAP)</b>	32.4 %	26.5 %	22.9 %		25.9 %	29.3 %	24.8 %	22.8 %		24.3 %	
<b>Incremental Adjusted Operating Profit Margin (Non-GAAP) <sup>(b)</sup></b>											65.8 %
<b>2022 Adjusted Operating Profit Margin (Non-GAAP)</b>	29.3 %	24.8 %	22.8 %		24.3 %						
Core (Non-GAAP)	3.2 %	1.7 %	(0.1)%		1.6 %						
Acquisitions and divestitures (Non-GAAP)	(0.1)%	— %	0.2 %		— %						
<b>2023 Adjusted Operating Profit Margin (Non-GAAP)</b>	32.4 %	26.5 %	22.9 %		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 and adjusted operating profit margin may not equal due to rounding.



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

\$ in millions	Year Ended		
	December 31, 2023	December 31, 2021	December 31, 2019
Revenue (GAAP)	\$ 6,065.3	\$ 5,254.7	\$ 4,563.9
Acquisition-Related Fair Value Adjustments to Deferred Revenue	—	—	54.5
Adjusted Revenue (Non-GAAP)	\$ 6,065.3	\$ 5,254.7	\$ 4,618.4
Operating Profit (GAAP)	\$ 1,133.7	\$ 812.8	\$ 443.9
Amortization of Acquisition-Related Intangible Assets and non-cash impairments	375.6	320.8	261.0
Acquisition and Divestiture related items <sup>(a)</sup>	4.4	66.8	231.5
Discrete Restructuring Charges	58.6	12.2	32.4
Adjusted Operating Profit (Non-GAAP)	\$ 1,572.3	\$ 1,212.6	\$ 968.8
Operating Profit Margin (GAAP)	18.7 %	15.5 %	9.7 %
Adjusted Operating Profit Margin (Non-GAAP)	25.9 %	23.1 %	21.0 %

(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

	Three Months Ended				Year Ended			
<i>\$ in millions, except per share amounts</i>	December 31, 2023		December 31, 2022		December 31, 2023		December 31, 2022	
	Per share value		Per share value		Per share value		Per share value	
<b>Net Earnings and Net Earnings Per Share (GAAP)</b>	<b>\$ 265.2</b>	<b>\$ 0.75</b>	<b>\$ 227.2</b>	<b>\$ 0.64</b>	<b>\$ 865.8</b>	<b>\$ 2.43</b>	<b>\$ 755.2</b>	<b>\$ 2.10</b>
Interest on the Convertible Notes to apply if-converted method <sup>(a)</sup>	—	—	—	—	—	—	2.1	—
Tax effect of the Convertible Notes to apply if-converted method	—	—	—	—	—	—	(0.3)	—
<b>Diluted Net Earnings and Diluted Net Earnings Per Share (GAAP)</b>	<b>265.2</b>	<b>0.75</b>	<b>227.2</b>	<b>0.64</b>	<b>865.8</b>	<b>2.43</b>	<b>757.0</b>	<b>2.10</b>
Pretax amortization of acquisition related intangible assets and non-cash impairments	95.5	0.27	94.8	0.27	375.6	1.06	382.2	1.06
Pretax acquisition and divestiture related items <sup>(b)</sup>	2.7	0.01	3.7	0.01	4.4	0.01	27.1	0.08
Pretax discrete restructuring charges	29.4	0.08	—	—	58.6	0.16	—	—
Pretax losses from equity investments <sup>(c)</sup>	4.4	0.01	2.1	0.01	17.3	0.05	17.3	0.05
Pretax Russia exit and wind down costs	—	—	0.6	—	—	—	17.9	0.05
Pretax (gain) loss on sale of business	—	—	1.8	0.01	—	—	(0.5)	—
Pretax interest expense on Convertible Notes to reverse the if-converted method <sup>(a)</sup>	—	—	—	—	—	—	(2.1)	—
Tax effect of the adjustments reflected above	(23.0)	(0.07)	(17.2)	(0.05)	(76.1)	(0.21)	(65.9)	(0.19)
Discrete non-cash tax benefit	(25.5)	(0.07)	—	—	(25.5)	(0.07)	—	—
<b>Adjusted Net Earnings and Adjusted Net Earnings Per Share (Non-GAAP)</b>	<b>\$ 348.7</b>	<b>\$ 0.98</b>	<b>\$ 313.0</b>	<b>\$ 0.88</b>	<b>\$ 1,220.1</b>	<b>\$ 3.43</b>	<b>\$ 1,133.0</b>	<b>\$ 3.15</b>

## Adjusted Diluted Shares (Non-GAAP)

(shares in millions)

Average common diluted stock outstanding	354.5	356.7	355.6	360.8
Convertible Notes - if converted shares <sup>(a)</sup>	—	—	—	(1.6)
<b>Adjusted average common stock and common equivalent shares outstanding</b>	<b>354.5</b>	<b>356.7</b>	<b>355.6</b>	<b>359.2</b>

(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) Includes pretax losses from equity method investments. The year ended December 31, 2022 also includes an \$8.1 pretax impairment loss on an equity investment.

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

# MULTI-YEAR STACK ADJUSTED NET EARNINGS AND ADJUSTED DILUTED NET EPS

\$ in millions, except per share amounts	Year Ended							
	December 31, 2023		12/31/2019 <sup>(a)</sup>					
	Per share value		Per share value					
Net Earnings Attributable to Common Stockholders (GAAP)	\$	865.8	\$	2.43	\$	199.1	\$	0.59
Dividends on the mandatory convertible preferred stock to apply if-converted method <sup>(b)</sup>		—		—		69.0		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)
Net Earnings and Net Earnings Per Share (GAAP)	\$	865.8	\$	2.43	\$	268.1	\$	0.75
Pretax amortization of acquisition related intangible assets and non-cash impairments		375.6		1.06		261.0		0.73
Pretax acquisition and divestiture related items <sup>(c)</sup>		4.4		0.01		231.5		0.65
Pretax discrete restructuring charges		58.6		0.16		32.4		0.09
Pretax losses from equity investments		17.3		0.05		3.9		0.01
Pretax (gain) loss on the disposition of the Tektronix Video Business		—		—		(40.8)		(0.11)
Pretax non-cash interest expense associated with our 0.875% convertible notes		—		—		28.1		0.08
Tax effect of the adjustments reflected above <sup>(d)</sup>		(76.1)		(0.21)		(82.2)		(0.23)
Discrete non-cash tax benefit <sup>(e)</sup>		(25.5)		(0.07)		27.0		0.08
Adjusted Net Earnings and Adjusted Net Earnings Per Share (Non-GAAP)	\$	1,220.1	\$	3.43	\$	729.0	\$	2.03
Adjusted Diluted Shares (Non-GAAP)								
(shares in millions)								
Average common diluted stock outstanding				355.6				340.0
MCPS Converted Shares <sup>(f)</sup>				—				18.3
Adjusted average common stock and common equivalent shares outstanding				355.6				358.3

(a) The MCPS Converted Shares were converted on July 1, 2021. Each of the per share adjustments for 2019 was calculated assuming the MCPS Converted Shares had been outstanding.

(b) Prior to their conversion on July 1, 2021, the MCPS were anti-dilutive for the year ended December 31, 2019, and as such GAAP net earnings per share was calculated using net earnings attributable to common stockholders.

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

(d) The dividend on the MCPS is not tax deductible. The tax effect of the adjustments includes all other line items.

(e) The discrete non-cash tax benefit in 2023 was a result of evaluation of deferred tax assets required due to changes in tax rates in Switzerland. The discrete non-cash tax benefit in 2022 was a result of the Separation of Vontier.

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



FORECASTED ADJUSTED DILUTED NET EPS

	Three Months Ending March 29, 2024		Twelve Months Ending December 31, 2024	
	Low	High	Low	High
Forecasted Diluted Net Earnings Per Share (GAAP)	\$ 0.44	\$ 0.47	\$ 2.58	\$ 2.70
Anticipated pretax amortization of acquisition related intangible assets	0.31	0.31	1.25	1.25
Anticipated pretax acquisition-related items	0.07	0.07	0.08	0.08
Anticipated pretax losses from equity investments	0.02	0.02	0.05	0.05
Tax effect of the adjustments reflected above	(0.07)	(0.07)	(0.23)	(0.23)
Forecasted Adjusted Diluted Net Earnings Per Share	\$ 0.77	\$ 0.80	\$ 3.73	\$ 3.85

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 AND MULTI YEAR STACK (in millions)

	Three Months Ended				Twelves Months Ended
	December 31, 2023	September 29, 2023	June 30, 2023	March 31, 2023	December 31, 2023
<b>Operating Cash Flows (GAAP)</b>	\$ 446.8	\$ 411.4	\$ 321.0	\$ 174.4	\$ 1,353.6
Less: purchases property, plant & equipment (capital expenditures) (GAAP)	(34.1)	(27.9)	(21.0)	(24.8)	(107.8)
<b>Free Cash Flow (Non-GAAP)</b>	\$ 412.7	\$ 383.5	\$ 300.0	\$ 149.6	\$ 1,245.8
<b>Adjusted Net Earnings (Non-GAAP)</b>	\$ 348.7	\$ 301.6	\$ 303.1	\$ 266.7	\$ 1,220.1
<b>Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)</b>	118 %	127 %	99 %	56 %	102 %

	Three Months Ended				Twelves Months Ended
	December 31, 2022	September 30, 2022	July 1, 2022	April 1, 2022	December 31, 2022
<b>Operating Cash Flows (GAAP)</b>	\$ 464.2	\$ 329.8	\$ 294.4	\$ 214.8	\$ 1,303.2
Less: purchases property, plant & equipment (capital expenditures) (GAAP)	(36.1)	(22.5)	(18.4)	(18.8)	(95.8)
<b>Free Cash Flow (Non-GAAP)</b>	\$ 428.1	\$ 307.3	\$ 276.0	\$ 196.0	\$ 1,207.4
<b>Adjusted Net Earnings (Non-GAAP)</b>	\$ 313.0	\$ 283.8	\$ 281.1	\$ 255.1	\$ 1,133.0
<b>Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)</b>	137 %	108 %	98 %	77 %	107 %

	Three Months Ended	Twelves Months Ended
	December 31, 2021	December 31, 2019
<b>Operating Cash Flows (GAAP)</b>	\$ 287.0	\$ 702.0
Less: purchases property, plant & equipment (capital expenditures) (GAAP)	(22.0)	(74.5)
<b>Free Cash Flow (Non-GAAP)</b>	\$ 265.0	\$ 627.5
<b>Adjusted Net Earnings (Non-GAAP)</b>	\$ 288.0	\$ 729.0
<b>Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)</b>	92 %	86 %

CORE REVENUE GROWTH

Components of Revenue Growth	Three Months Ended December 31, 2023	Year Ended December 31, 2023
<i>Total Fortive</i>		
Total Revenue Growth (GAAP)	3.5 %	4.1 %
Core (Non-GAAP)	2.7 %	4.8 %
Acquisitions and divestitures (Non-GAAP)	0.4 %	(0.1)%
Impact of currency translation (Non-GAAP)	0.4 %	(0.6)%
<i>Intelligent Operating Solutions</i>		
Total Revenue Growth (GAAP)	7.6 %	5.9 %
Core (Non-GAAP)	5.9 %	5.9 %
Acquisitions and divestitures (Non-GAAP)	0.9 %	0.3 %
Impact of currency translation (Non-GAAP)	0.8 %	(0.3)%
<i>Precision Technologies</i>		
Total Revenue Growth (GAAP)	(0.7)%	4.6 %
Core (Non-GAAP)	(1.1)%	5.1 %
Impact of currency translation (Non-GAAP)	0.4 %	(0.5)%
<i>Advanced Healthcare Solutions</i>		
Total Revenue Growth (GAAP)	2.8 %	(0.1)%
Core (Non-GAAP)	3.0 %	2.2 %
Acquisitions and divestitures (Non-GAAP)	— %	(1.1)%
Impact of currency translation (Non-GAAP)	(0.2)%	(1.2)%

TWO YEAR STACK CORE REVENUE GROWTH

Components of Revenue Growth	Year Ended December 31, 2022
<i>Total Fortive</i>	
Total Revenue Growth (GAAP)	10.9 %
Core (Non-GAAP)	10.1 %
Acquisitions and divestitures (Non-GAAP)	3.9 %
Impact of currency translation (Non-GAAP)	(3.1)%

Two-year stack core growth (a) 15.4 %

(a) 2-year stack calculated by multiplying the 2022 core growth of 110.1% and the 2023 core growth of 104.8% and subtracting 1.0

# ADJUSTED EFFECTIVE TAX RATE

\$ in millions	Three Months Ended		Year Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Earnings before income taxes	\$ 277.5	\$ 257.0	\$ 990.8	\$ 873.5
Income tax expense	(12.3)	(29.8)	(125.0)	(118.3)
<b>Effective tax rate (GAAP)</b>	<b>4.5 %</b>	<b>11.6 %</b>	<b>12.6 %</b>	<b>13.5 %</b>
<b>Earnings before income taxes (GAAP)</b>	<b>\$ 277.5</b>	<b>\$ 257.0</b>	<b>\$ 990.8</b>	<b>\$ 873.5</b>
Pretax amortization of acquisition related intangible assets and non-cash impairments	95.5	94.8	375.6	382.2
Pretax acquisition and divestiture related items	2.7	3.7	4.4	27.1
Pretax discrete restructuring charges	29.4	—	58.6	—
Pretax losses from equity investments	4.4	2.1	17.3	17.3
Pretax Russia exit and wind down costs	—	0.6	—	17.9
Pretax (gain) loss on sale of business	—	1.8	—	(0.5)
<b>Pretax Adjusted Net Earnings (Non-GAAP)</b>	<b>\$ 409.5</b>	<b>\$ 360.0</b>	<b>\$ 1,446.7</b>	<b>\$ 1,317.5</b>
Tax effect of the adjustments reflected above	(23.0)	(17.2)	(76.1)	(65.9)
Discrete non-cash tax benefit	(25.5)	—	(25.5)	—
<b>Adjusted income tax expense (Non-GAAP)</b>	<b>\$ (60.8)</b>	<b>\$ (47.0)</b>	<b>\$ (226.6)</b>	<b>\$ (184.2)</b>
<b>Adjusted effective tax rate (Non-GAAP)</b>	<b>14.9 %</b>	<b>13.1 %</b>	<b>15.7 %</b>	<b>14.0 %</b>

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



## "PRO FORMA" <sup>(a)</sup> 2023 ADJUSTED OPERATING PROFIT & ADJUSTED OPERATING PROFIT MARGIN FOR PT AND AHS

\$ in millions	Three months ended							
	March 31, 2023		June 30, 2023		September 29, 2023		December 31, 2023	
	Precision Technologies	Advanced Healthcare Solutions	Precision Technologies	Advanced Healthcare Solutions	Precision Technologies	Advanced Healthcare Solutions	Precision Technologies	Advanced Healthcare Solutions
<b>Revenue (GAAP)</b>	\$ 541.1	\$ 287.5	\$ 560.3	\$ 313.0	\$ 552.5	\$ 297.7	\$ 569.8	\$ 331.2
<b>Operating Profit (GAAP)</b>	\$ 123.6	\$ 15.4	\$ 136.8	\$ 25.4	\$ 140.9	\$ 25.0	\$ 142.9	\$ 35.8
Amortization of Acquisition-Related Intangible Assets and Non-cash Impairments	1.1	45.3	0.4	45.3	1.3	45.2	0.9	45.5
Acquisition and Divestiture Related Items <sup>(a)</sup>	—	—	—	—	—	—	2.0	—
Discrete Restructuring Charges	3.1	3.2	2.2	3.7	—	—	15.1	7.5
<b>Adjusted Operating Profit (Non-GAAP)</b>	\$ 127.8	\$ 63.9	\$ 139.4	\$ 74.4	\$ 142.2	\$ 70.2	\$ 160.9	\$ 88.8
<b>Operating Profit Margin (GAAP)</b>	22.8 %	5.4 %	24.4 %	8.1 %	25.5 %	8.4 %	25.1 %	10.8 %
<b>Adjusted Operating Profit Margin (Non-GAAP)</b>	23.6 %	22.2 %	24.9 %	23.8 %	25.7 %	23.6 %	28.2 %	26.8 %

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

## "PRO FORMA" <sup>(a)</sup> 2023 CORE GROWTH FOR PT AND AHS

\$ in millions	Three months ended							
	March 31, 2023		June 30, 2023		September 29, 2023		December 31, 2023	
	Precision Technologies	Advanced Healthcare Solutions	Precision Technologies	Advanced Healthcare Solutions	Precision Technologies	Advanced Healthcare Solutions	Precision Technologies	Advanced Healthcare Solutions
<b>Total Revenue Growth (GAAP)</b>	10.1 %	(3.3)%	5.7 %	3.4 %	0.6 %	1.5 %	(2.0)%	5.5 %
Core (Non-GAAP)	12.4 %	1.0 %	6.6 %	6.3 %	0.3 %	3.5 %	(2.4)%	5.8 %
Acquisitions and divestitures (Non-GAAP)	— %	(1.9)%	— %	(1.7)%	— %	(1.5)%	— %	— %
Impact of currency translation (Non-GAAP)	(2.3)%	(2.4)%	(0.9)%	(1.2)%	0.3 %	(0.5)%	0.4 %	(0.3)%

(a) References to "Pro Forma" reflects presentation of historical measures as if the reclassification of Invetech from AHS to PT has been effectuated on January 1, 2022.



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