

J.P. MORGAN INDUSTRIALS CONFERENCE

MARCH 2022



JIM LICO
PRESIDENT & CEO

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, anticipated market opportunities, anticipated impact of geopolitical events, 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, 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 www.fortive.com under “Investors-Quarterly Results.”

FORTIVE TODAY

A HIGHER GROWTH, MORE CASH GENERATIVE AND DURABLE BUSINESS

2022 Key Expectations*

\$5.8B

Revenue

40%

Recurring
Revenue

17%

2-Year Stack Core
Growth

59%

Adj. Gross
Margin

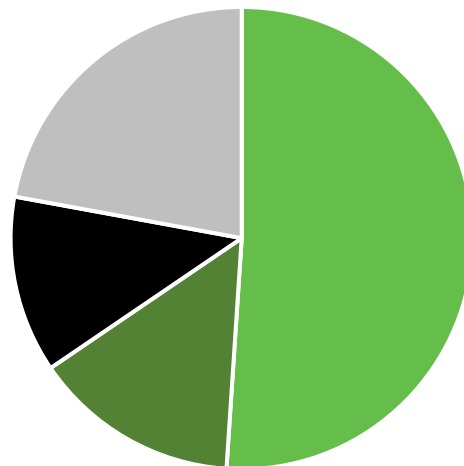
24%

Adj. Operating
Profit Margin

20%

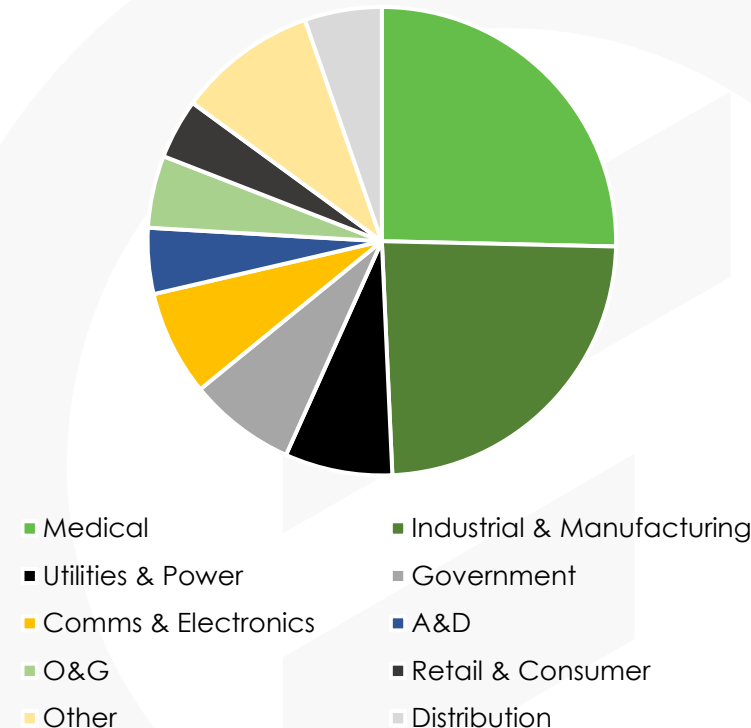
FCF
Margin

REVENUE BY GEOGRAPHY**



■ U.S. ■ W. Europe ■ China ■ RoW

REVENUE BY END MARKET**



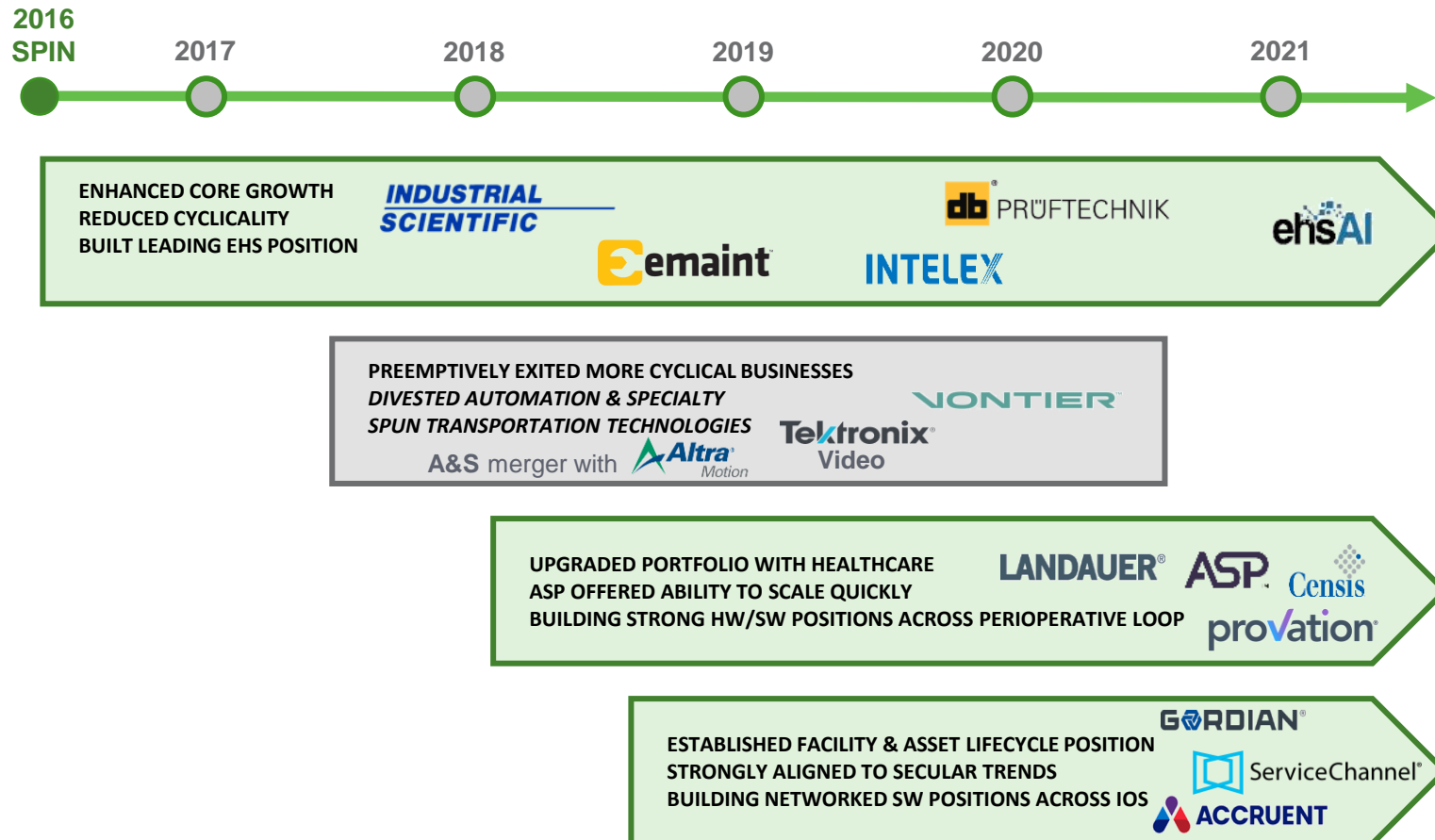
* Projected figures based on the midpoint of FY 2022 guidance provided on February 3, 2022

** Based on FY 2021 revenues and, with respect to the end market, based on management estimates

LEADING FINANCIAL PROFILE AND WELL-POSITIONED ACROSS A RANGE OF ATTRACTIVE MARKETS

BUILDING A HIGHER-QUALITY PORTFOLIO THROUGH M&A

ESSENTIAL TECHNOLOGIES THAT MAKE THE WORLD STRONGER, SAFER AND MORE EFFICIENT



+\$7B
 NET CAPITAL
 DEPLOYED

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

+820BPS
 OMX SINCE
 ACQUISITION*



Disciplined M&A



2x Core Growth*



Reduced Cyclicalilty



+1000 BPS Adj. GP
 Margin Expansion*



~40% Recurring Revenue*



~\$950M Software
 LDD Growth*

* Based on 2022E

M&A TRANSFORMING FORTIVE PORTFOLIO FOR MORE RESILIENT AND MORE PROFITABLE GROWTH

FOCUSED STRATEGIC SEGMENTS

DEMONSTRATING IMPROVED PORTFOLIO RESILIENCY AND HIGHER, MORE PROFITABLE GROWTH

	Intelligent Operating Solutions (~40% of Sales*)			Precision Technologies (~35%*)			Advanced Healthcare Solutions (~25%*)		
	Delivering leading workflow solutions that facilitate field and facility safety, reliability, and productivity			Enabling IoT expansion and accelerating the development of new technologies and innovations			Serving hospital customers with essential products and workflow solutions that ensure safe, efficient and timely healthcare		
LT Core Growth	MSD+			LSD			MSD+		
2-Yr Stack '21/22 Core Growth	High-Teens			High-Teens			LDD		
Key Financials*	Adj. Gross Margin	Adj. OP Margin	Recurring Revenue	Adj. Gross Margin	Adj. OP Margin	Recurring Revenue	Adj. Gross Margin	Adj. OP Margin	Recurring Revenue
	Mid-60s	High-20s +275 bps 2-Yr OMX '21/22	~30%	Low-50s	Low-20s +365 bps 2-Yr OMX '21/22	High-20s	Mid-50s	Low-to-Mid-20s +325 bps 2-Yr OMX '21/22	Low-70s
Key Brands									

* Based on FY2021

WELL-POSITIONED FOR DIFFERENTIATED GROWTH AND COMPOUNDING

FRAMING OUR PORTFOLIO EVOLUTION

STRATEGY DELIVERING RESULTS

Key Metrics		EVOLVING FINANCIAL PROFILE		
		2016*	2021	2022E (Midpoint)**
Core Growth		GDP / GDP+	9.5%	7%
Recurring Revenue %		18%	38%	~40%
Software Revenue		Minimal	\$670M	~\$950M
FCF Profile and Compounding	Adj. Gross Profit Margin	49%	57.4%	~59%
	AOP Margin	20.5%	23.1%	~24.3%
	FCF % (of Revenue)	Mid-Teens	~18%	~20%

* Includes A&S and Vontier businesses. For 2016, adjusted gross profit margin is equal to GAAP gross profit margin, and adjusted operating profit margin is equal to GAAP operating profit margin

** Projected 2022 measures based on the midpoint of the 2022 fiscal year guidance provided on February 3, 2022

EXECUTION PROVING BENEFITS OF STRATEGY WITH HIGHER EARNINGS AND FREE CASH FLOW POWER



FORTIVE