

# Wolfe Industrial Growth & Technology Conference

MAY 2022

# FORWARD LOOKING STATEMENTS & NON-GAAP FINANCIAL MEASURES

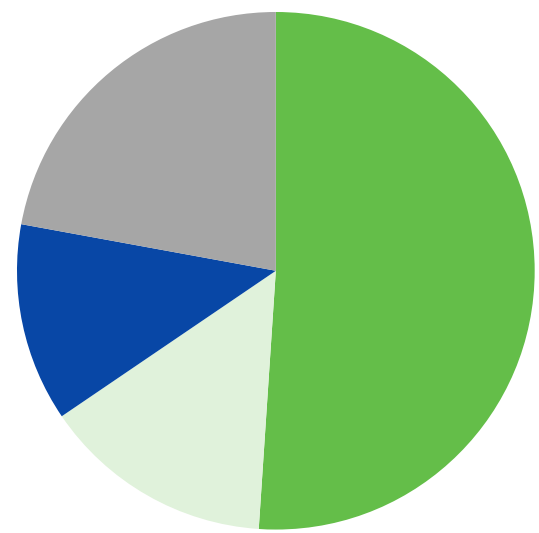
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# FORTIVE TODAY

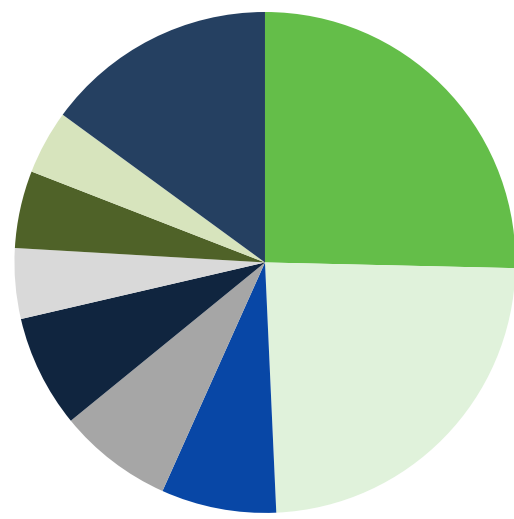
A MORE DURABLE, HIGHER CASH GENERATIVE BUSINESS

## REVENUE BY GEOGRAPHY\*\*



■ U.S. ■ W. Europe ■ China ■ RoW

## REVENUE BY END MARKET\*\*



■ Medical ■ Industrial & Manufacturing  
 ■ Utilities & Power ■ Government  
 ■ Comms, Electronics & Semi ■ Aerospace & Defense  
 ■ Oil & Gas ■ Retail & Consumer  
 ■ Other End Markets

## 2022 KEY EXPECTATIONS\*

**\$5.8B**  
Total Revenue

**40%**  
Recurring Revenue

**17%**  
2-Year Stack Core Growth

**59%**  
Adj. Gross Margin

**24%**  
Adj. Operating Profit Margin

**20%**  
FCF Margin

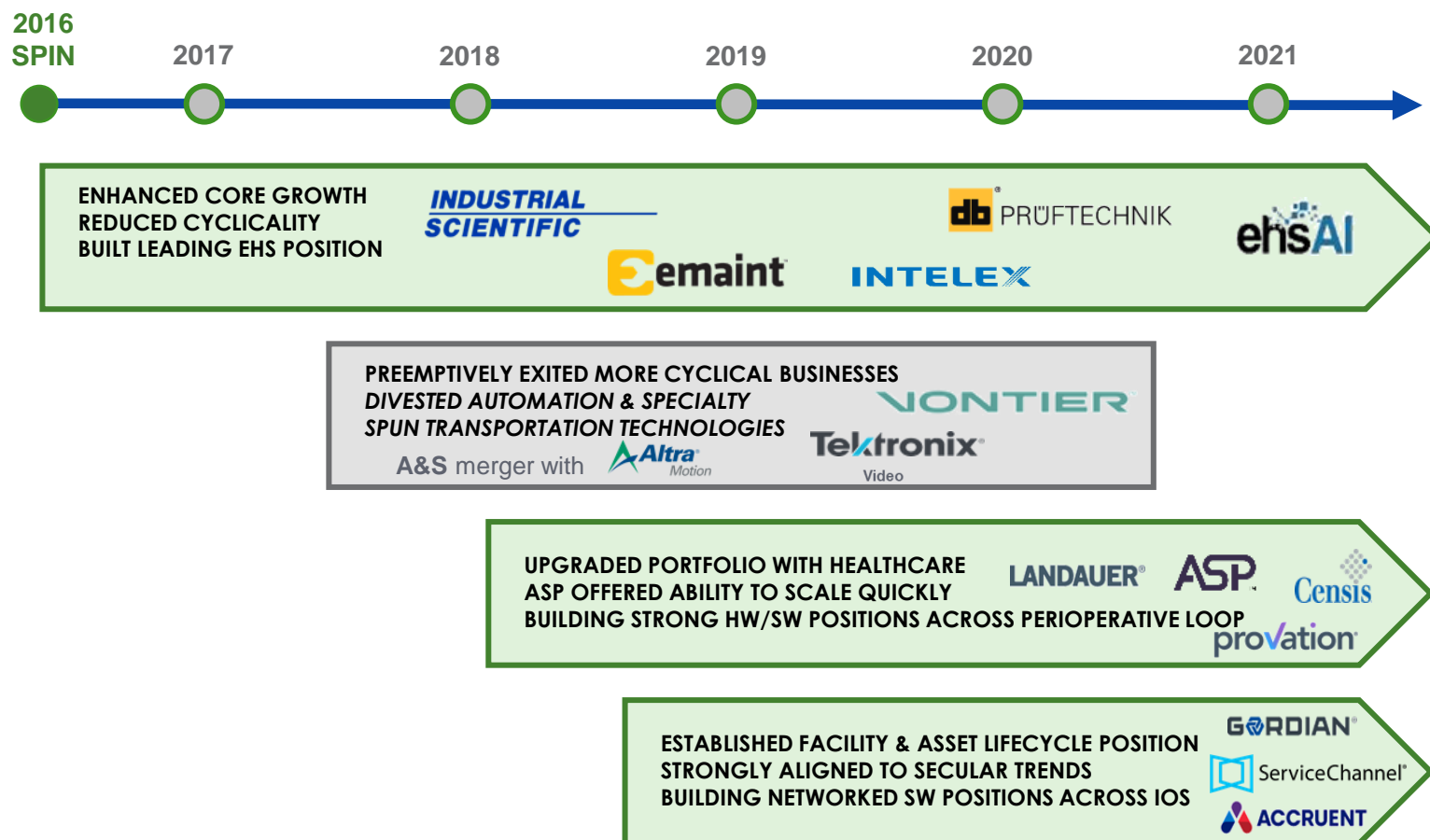
LEADING FINANCIAL PROFILE AND WELL-POSITIONED ACROSS A RANGE OF ATTRACTIVE MARKETS

\* 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

# 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 Software<sup>1</sup>  
LDD Growth\*

\* Based on 2022E

**FORTIVE PORTFOLIO POSITIONED FOR HIGHER AND MORE PROFITABLE GROWTH**

# 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**

# PRECISION TECHNOLOGIES

## Business Overview

Supplies mission critical technologies to a broad set of vertical markets and enables customers to accelerate the development of innovative products and solutions

## Key Financials\*

**Revenue:** \$1.8B

**Gross Margin %:** Low-50s

**Market Size:** ~\$14B

**Market Growth:** LSD

## Secular Drivers

DEMOGRAPHICS



INTERNET OF THINGS



REGULATION & SAFETY



DIGITIZATION & AUTOMATION

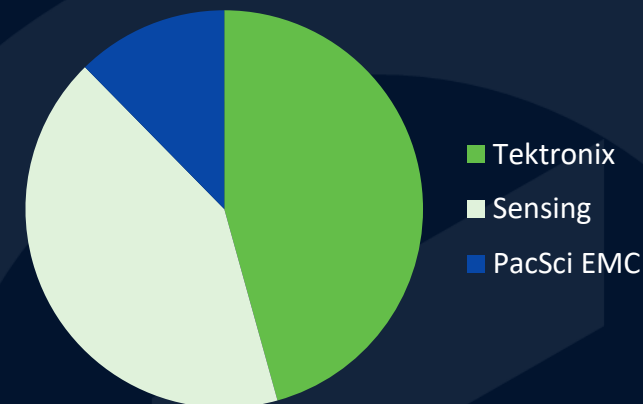


## Brands

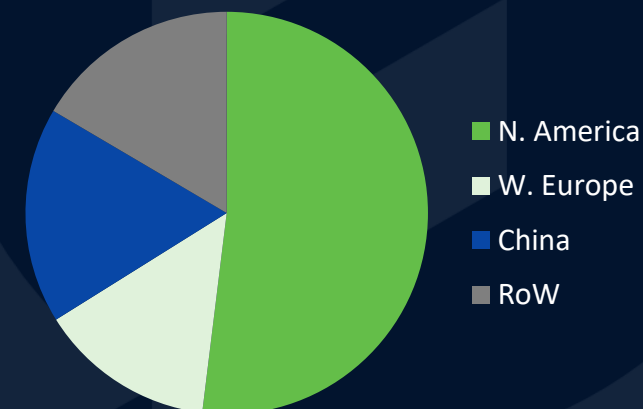


\* Based on FY 2021 results

## Revenue by OpCo\*



## Revenue by Geography\*

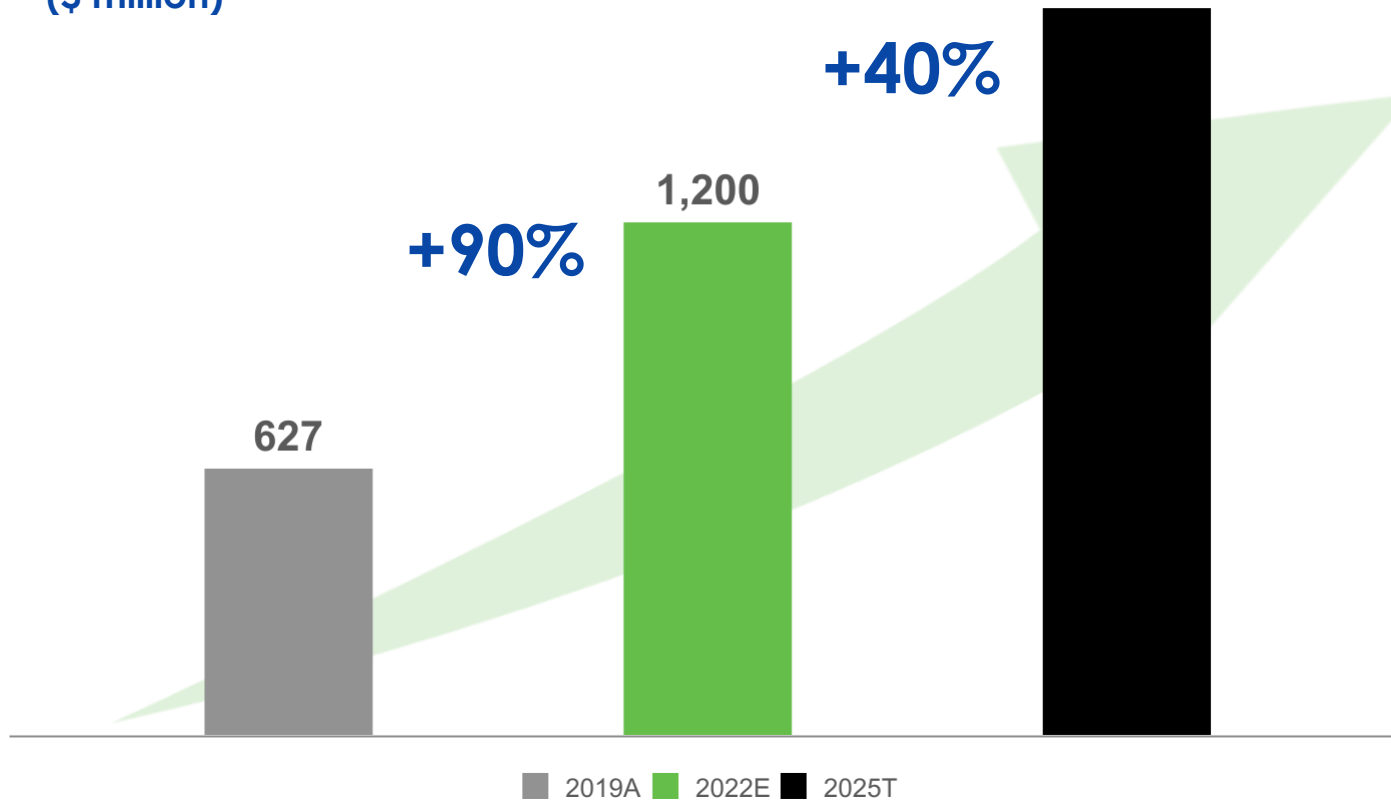


ENABLING NEXT GENERATION SOLUTIONS AND NEW BUSINESS MODELS

# COMPOUNDING UNDERPINS INVESTMENT THESIS

## ACCELERATED EARNINGS AND CASH FLOW GROWTH

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



### Summary

- Strong start the year, reinforcing sustained core growth and M&A execution
- FY 2022 outlook reflects continued robust demand and traction on supply chain countermeasures
- Consistently improving FBS to drive innovation and more 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



**FORTIVE**