

Fourth Quarter & Full-Year 2022 Earnings Release

February 1, 2023



FORWARD LOOKING STATEMENTS & NON-GAAP FINANCIAL MEASURES

Statements in this release that are not strictly historical, including statements regarding the impact of the COVID-19 pandemic, business and acquisition opportunities, impact of acquisitions and dispositions, leadership succession, anticipated financial results, economic conditions, industry trends, future prospects, shareholder value, and any other statements identified by their use of words like “anticipate,” “expect,” “believe,” “outlook,” “guidance,” 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, the spread of, and the remedial effort related to COVID-19, 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, security breaches or other disruptions of our information technology systems, adverse effects of restructuring activities, risk related to tax treatment of the Separation, 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, 2021. These forward-looking statements speak only as of the date of this release, 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, other than 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, 2022 for additional details relating to the financial results and performances discussed in this presentation.





Q4 & FY 2022 FINANCIALS AND HIGHLIGHTS

A STRONG FINISH TO AN OUTSTANDING YEAR

Q4 & FY 2022 FINANCIALS

Revenue Q4 \$1,530M FY \$5,826M	Core Growth Q4 13.8% FY 10.1%
Adj. Gross Margin Q4 58.3% FY 57.7%	Adj. Operating Profit Margin Q4 25.5% FY 24.3%
Adj. Earnings Per Share Q4 \$0.88 FY \$3.15	Free Cash Flow Q4 \$428M FY \$1,207M

HIGHLIGHTS

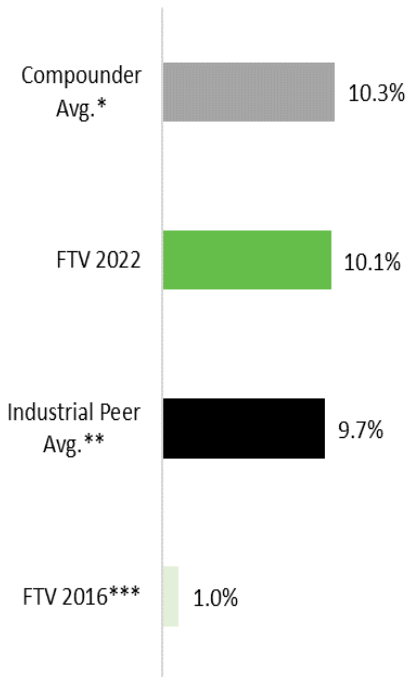
	14% core revenue growth in Q4 10% in FY'22 <ul style="list-style-type: none"> High-quality portfolio & strong execution deliver upside
	50 bps adj. GMX; 110 bps adj. OMX in Q4 30 bps adj. GMX; 120 bps adj. OMX in FY'22 <ul style="list-style-type: none"> Leading brands & power of FBS enable margin expansion
	11% adj. EPS growth in Q4 15% in FY'22 <ul style="list-style-type: none"> Delivering above high-end of initial 2022 outlook
	62% growth in free cash flow in Q4 28% in FY'22 <ul style="list-style-type: none"> Robust compounding model yielding results

DELIVERED AHEAD OF EXPECTATIONS IN CHALLENGING "SHOW ME" YEAR

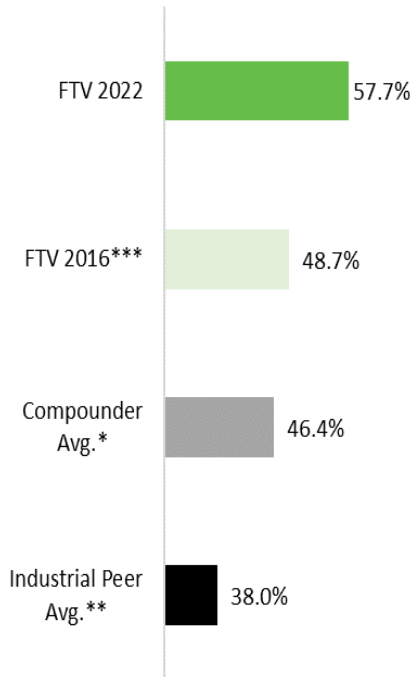
DIFFERENTIATED PERFORMANCE IN 2022

COMPARING FAVORABLY TO PEERS ON HEADLINE FINANCIAL METRICS

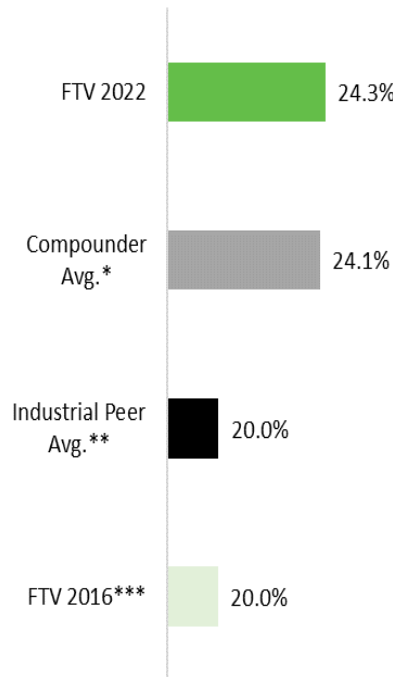
CORE GROWTH



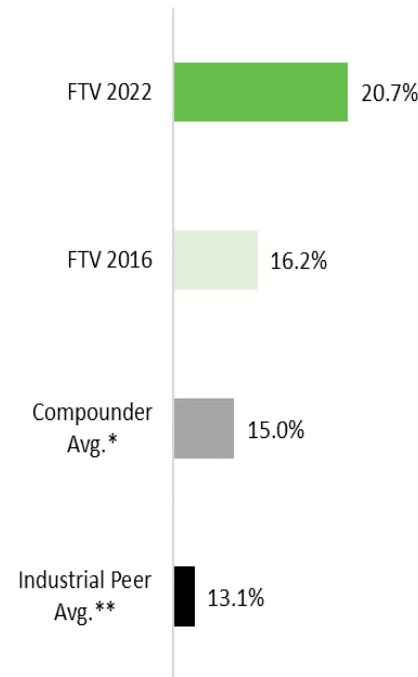
ADJ. GROSS MARGIN



ADJ. OP MARGIN



FCF MARGIN



SUMMARY

- Significant progress delivering on our vision and strategy over the last 6 years
- Portfolio today consists of higher growth and more profitable businesses aligned to more enduring secular trends
- Strong 2-year stack performance of 20% core growth and +330bps adj. OMX
- Compounding cash flow off higher base, a key FTV differentiator and value driver

2022 PERFORMANCE HIGHLIGHTS BENEFITS OF PORTFOLIO TRANSFORMATION AND EXECUTION

* Compounder avg. includes AME, DOV, IEX, ROP using actual numbers for companies that have reported and Factset consensus for those that have not. ** Industrial peer average includes EMR, ETN, HON, IR, ITW, MMM, PH and ROK, using actual numbers for companies that have reported and Factset consensus for those that have not. *** Because no corresponding adjustments were applicable in 2016, FTV 2016 non-GAAP measures are equal to the corresponding GAAP measures. **** 2-year stack core growth calculated by adding 2021 core growth of 9.5% and 2022 core growth of 10.1%

Q4/FY 2022: INTELLIGENT OPERATING SOLUTIONS

BROAD-BASED STRENGTH ACROSS THE SEGMENT

\$ in millions

REVENUE

Q4 2022

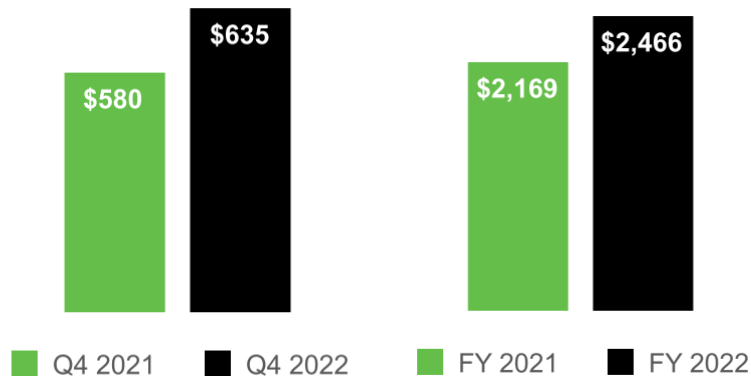
+9.5%

Core +13.1%
FX -3.6%

FY 2022

+13.7%

Core +12.0%
M&A +4.6%
FX -2.9%



ADJUSTED OPERATING PROFIT MARGIN

Q4 2022

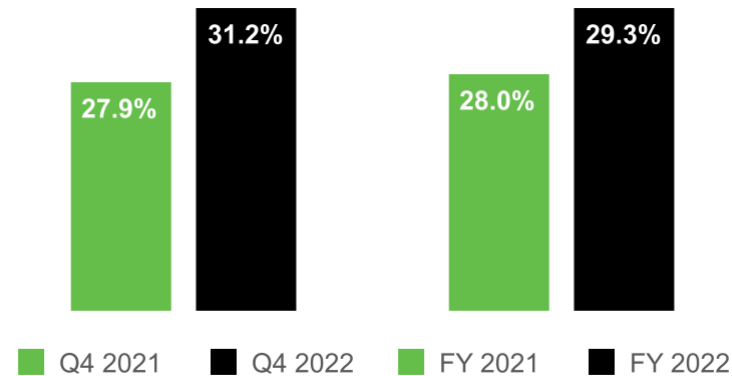
+330 BPS

Core OMX +330 bps

FY 2022

+130 BPS

Core OMX +230 bps



FLUKE

**INDUSTRIAL
SCIENTIFIC**

INTELEX

GORDIAN

ACCRUENT

ServiceChannel

INTELLIGENT OPERATING SOLUTIONS

Highlights

- Strong backlog and new product launches driving +DD growth at Fluke
- Record iNet expansion and accelerated software implementations drove EHS upside and built momentum for 2023
- FAL SaaS momentum and productivity value proposition drive +DD growth Q4/FY
- Orders slow as supply chains ease and sales cycles extend, as expected
- +DD core growth drove strong OMX in Q4/FY22

Core Growth Drivers

	Q4 2022	FY 2022
FLUKE	Low Teens	LDD
EHS: ISC, INTELEX	High Teens	LDD
FACILITY & ASSET LIFECYCLE (FAL)	LDD	Low Teens

PORTFOLIO QUALITY AND EXECUTION DRIVE RECORD PERFORMANCE

Q4/FY 2022: PRECISION TECHNOLOGIES

DELIVERED GROWTH AND MARGIN UPSIDE

\$ in millions

REVENUE

Q4 2022

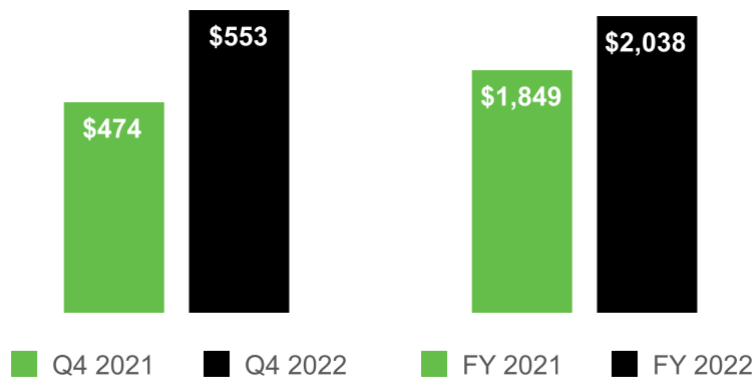
+16.7%

Core +20.4%
FX -3.7%

FY 2022

+10.2%

Core +13.2%
FX -3.0%



ADJUSTED OPERATING PROFIT MARGIN

Q4 2022

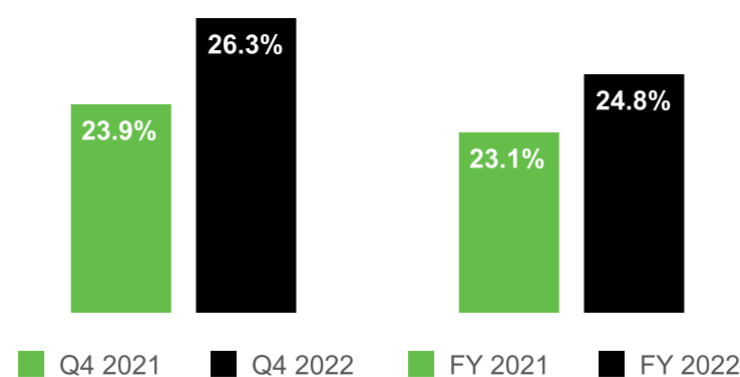
+240 BPS

Core OMX +240 bps

FY 2022

+170 BPS

Core OMX +170 bps



Tektronix

Gems
Sensors & Controls

QUALITROL
Defining Reliability

setra

HENGSTLER
DYNAPAR

SANITARY BY DESIGN
ANDERSON-NEGELE

PACIFIC SCIENTIFIC
ENERGETIC MATERIALS COMPANY

PRECISION TECHNOLOGIES

Highlights

- Record backlog, share gains and NPIs drive another quarter of DD revenue growth at Tektronix
- Tektronix orders slow as supply chains ease and customers exercise caution, as expected
- Sensing Tech saw strong growth in all major regions despite recent orders decline in industrial and semi markets
- Capacity expansion and improved material availability drove record PacSci EMC growth
- +DD core growth and productivity improvements drove strong OMX

Core Growth Drivers

	Q4 2022	FY 2022
TEKTRONIX	Mid-20%	Mid-Teens
SENSING	Mid-Teens	Low Teens
PACSI EMC	High 20%	LDD

RECORD OUTPERFORMANCE DRIVEN BY STRENGTH OF BACKLOG AND EXECUTION

Q4/FY 2022: ADVANCED HEALTHCARE SOLUTIONS

BROAD-BASED GROWTH ACROSS SEGMENT AS EXPECTED

\$ in millions

REVENUE

Q4 2022

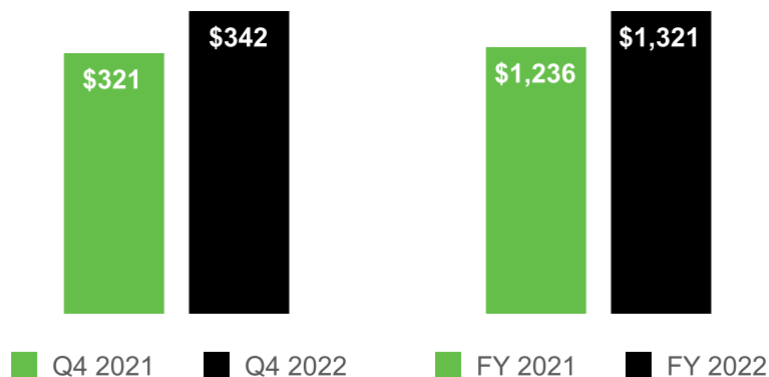
+6.6%

Core +5.3%
M&A +5.9%
FX -4.6%

FY 2022

+6.9%

Core +2.1%
M&A +8.4%
FX -3.6%



ADJUSTED OPERATING PROFIT MARGIN

Q4 2022

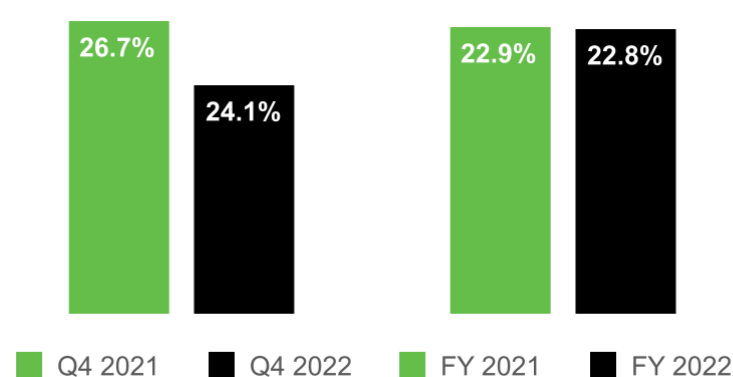
-260 BPS

Core OMX -420 bps

FY 2022

-10 BPS

Core OMX -170 bps



ASP

Censis

FLUKE
Biomedical

LANDAUER®

Invetech

proVation®

ADVANCED HEALTHCARE SOLUTIONS

Highlights

- Core growth acceleration at ASP driven by improvement in elective procedures ex-China
- COVID surges drove decline in China in Q4; headwind to continue in Q1'23
- Increased availability of supply at FHS benefits Q4'22 and FY 2023
- FBS-driven market expansion and share gains building momentum in 2023
- Volume more than offset by F/X and higher than expected inflation

Core Growth Drivers

	Q4 2022	FY 2022
ASP	MSD	LSD
FHS	MSD	LSD
CENSIS	HSD	(LSD)
INVETECH	HSD	MSD

STRONG HEALTHCARE FRANCHISE POISED FOR CONTINUED IMPROVEMENT

FBS IN ACTION

SUSTAINING KAIZEN RESULTS



4 Operating Companies...

FLUKE®

**INDUSTRIAL
SCIENTIFIC**

Tektronix

Censis

28 Cross-Fortive Teams...

- Accelerating culture of performance
- Deep engagement with segment leaders and many OpCo presidents
- Driving significant improvements in growth, margin, free cash flow and breakthrough innovations
- >400 employees setting and delivering on high expectations

CEO KAIZEN

...Sustaining Meaningful Project Results, Including:

- **α 20%** improvement in quality
- **α 50%** reduction in past due orders
- **α 25%** improvement in on time delivery
- **α 50%** improvement in feature release lead time
- **α 80%** improvement in quote turnaround time

ACCELERATING KAIZEN ACTIVITY IN 2023, DRIVING MORE INNOVATION AND PROFITABLE GROWTH ACROSS FORTIVE

2022 SUSTAINABILITY HIGHLIGHTS

ACCELERATING PROGRESS FOR ALL STAKEHOLDERS



Empower Diverse & Inclusive Teams

Advance an inclusive culture that enables everyone to do their best work

2022 PROGRESS

- **2% improvement to 82% in employee experience scores** (overall EE and inclusion & belonging)
- **67% Board diversity** (ethnic or gender diversity)



Invest In Our Communities

Create and advocate for positive impacts in the communities in which we work and live

2022 PROGRESS

- **Day of Caring:** Dedicated **25,000+ hours to service** in 75+ communities
- **Fortive Foundation:** Issued charitable gifts to **15 orgs aligned to Giving Areas**



Protect The Planet

Safeguard the environment and natural resources across our value chain

2022 PROGRESS

- Obtained **third-party assurance** for Scope 1 & 2 GHG emissions inventories
- Conducted **10+ Sustainability kaizens**
- Achieved a **B score** on **CDP Climate Change disclosure**



Work & Source Responsibly

Raise and reinforce expectations to ensure people, safety and quality are priority #1

2022 PROGRESS

- Deployed **three new Intelex EHS management applications**
- **Scaled custom EHS training** across all OpCos
- Joined the **National Minority Supplier Development Council**



Operate with Principle

Establish and enforce boundaries to protect critical assets

2022 PROGRESS

- **15% improvement** in SpeakUp! average time to close rate
- Named to **Newsweek's Most Responsible Companies** list (4th consecutive year)

RECOGNITION

Newsweek's **Most Responsible Companies** 4th consecutive year



Environment + Energy Leader 2022 Awards:

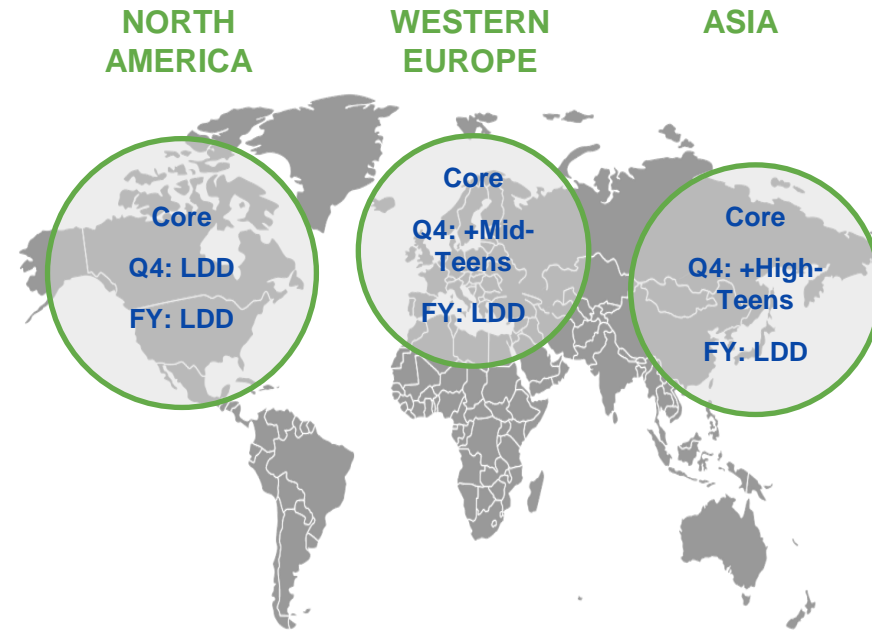
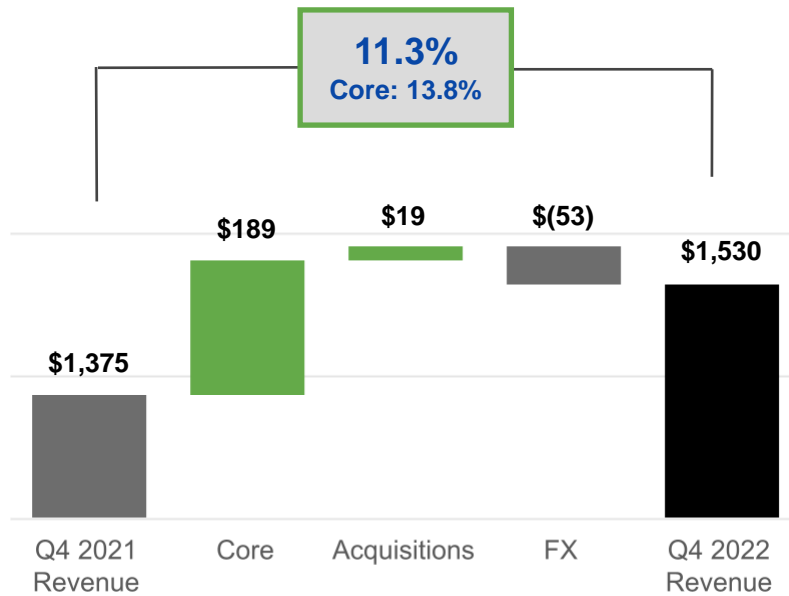
- **ehsAI Compliance Automation Software**
- **Fluke ii900 Industrial Acoustic Imager**
- **Intelex ESG Management Software**



DRIVING MEANINGFUL, RESPONSIBLE AND SUSTAINABLE IMPACT FOR ESG ISSUES THAT MATTER MOST TO OUR STAKEHOLDERS

Q4 2022 REVENUE

DOUBLE-DIGIT CORE REVENUE GROWTH IN Q4



Q4 HIGHLIGHTS

- ~1.5% M&A contribution, net of Therapy Physics divestiture
- ~4% F/X headwind, better than expected
- Broad-based growth across our businesses in NA and W. Europe
- China up low-20% despite COVID surges impacting AHS
- Broad-based growth across all high growth markets

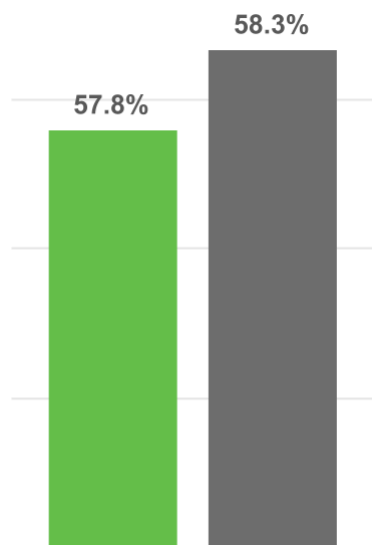
BROAD-BASED GROWTH IN ALL MAJOR REGIONS

Q4 2022 PERFORMANCE SUMMARY

A STRONG FINISH TO 2022

ADJ. GROSS MARGIN

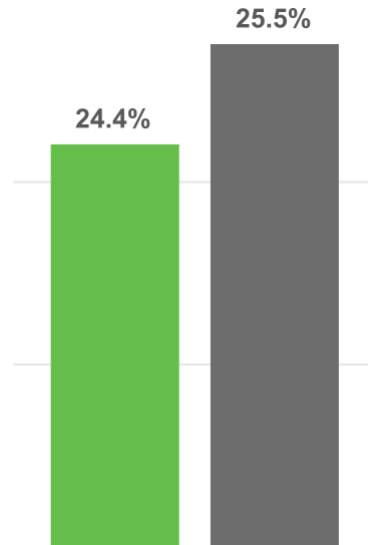
+50 BPS



■ Q4 2021
■ Q4 2022

ADJ. OPERATING PROFIT MARGIN

+110 BPS



■ Q4 2021
■ Q4 2022

ADJ. EARNINGS PER SHARE

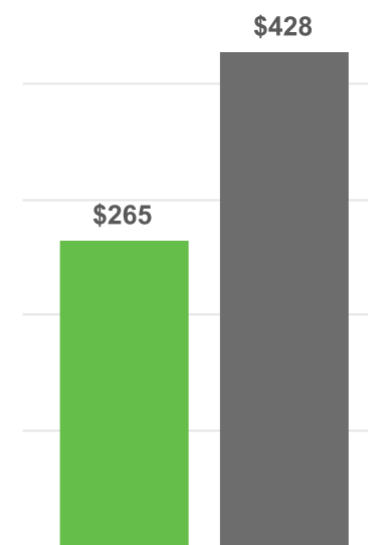
+11%



■ Q4 2021
■ Q4 2022

FREE CASH FLOW (\$M)

+62%



■ Q4 2021
■ Q4 2022

PERFORMANCE HIGHLIGHTS

- Adj. gross margin +50bps driven by favorable price / cost
- +110 bps of adj. OMX
- +230 bps adj. OMX on 2-yr stack
- 11% adj. EPS growth despite higher interest and tax Y/Y (16% normalized for tax)
- Q4 FCF up 62% driven by strong year-end collections
- FY'22 FCF up 28%, 107% conversion

HIGHER REVENUE AND MARGINS CONVERTING INTO MORE CASH

BALANCED 2023 OUTLOOK

REFLECTS CURRENT MACRO ENVIRONMENT AND PROACTIVE POSITIONING



INTELLIGENT OPERATING SOLUTIONS

- Orders normalize at Fluke, expected to improve 2H
- Enhanced market positions yield DD SaaS growth
- Innovation targeting attractive, high growth segments

3.5% to 5.5%
Core Growth
+125 bps
OMX



PRECISION TECHNOLOGIES

- Strong secular trends create durable growth runway at Tektronix
- Weakening industrial and semi demand at Sensing Tech
- FBS-lean productivity benefits driving strong margin performance

3% to 5%
Core Growth
+75 bps
OMX



ADVANCED HEALTHCARE SOLUTIONS

- Hospital labor and productivity challenges expected to continue
- China/Russia headwinds impact Q1/FY growth respectively
- Pricing actions gain traction, beginning to offset inflation

3 to 5%
Core Growth
+150 bps
OMX

HIGHLIGHTS

- Less cyclical portfolio driven by recurring and secular drivers
- ~\$350M “excess” Hardware Products backlog de-risk outlook
- DD software growth in 2023
- Price realization remains driver of core growth and OMX, but below 2022 levels
- Productivity initiatives planned in all segments
- FBS-Lean tools drive material and value engineering savings, and opex cost-outs

WELL-POSITIONED TO NAVIGATE THE EVOLVING MACRO ENVIRONMENT

Q1 AND FY 2023 OUTLOOK

KEY ASSUMPTIONS

	Q1 2023	FY 2023
REVENUE <i>Core Growth²</i> <i>Total Growth</i>	\$1,400 to 1,435M 5% to 6.5% 2% to 4%	\$5,950 to 6,100M 3% to 5.5% 2% to 4.5%
ADJ. OP. PROFIT² <i>Growth</i>	\$330 to 345M 4% to 9%	\$1,485 to 1,550M 5% to 10%
ADJ. OP. PROFIT MARGIN² <i>Adjusted OMX</i>	23.5% to 24% +50 bps OMX	25% to 25.5% +75 bps OMX
ADJ. EPS <i>Growth</i>	\$0.71 to 0.74 1% to 5% 7% to 11% normalized for interest & tax ¹	\$3.25 to 3.40 3% to 8% 6% to 11% normalized for interest & tax ¹
FREE CASH FLOW <i>FCF Conversion²</i>	~\$170M ~65%	~\$1,250M 100% to 105%

- Q1: FX ~(2.5)% headwind
- FY: FX ~(1)% full year headwind
- Q1: Corporate ~\$30M
- FY: Corporate ~\$125M
- Productivity benefits - \$25-30M actions planned 1H
- Q1: Interest ~\$30M, ETR ~16%
- FY: Interest ~\$108M, ETR 16-16.5%
- Share Count: ~357M
- Capex ~1.7% of Sales (\$90M to \$110M)

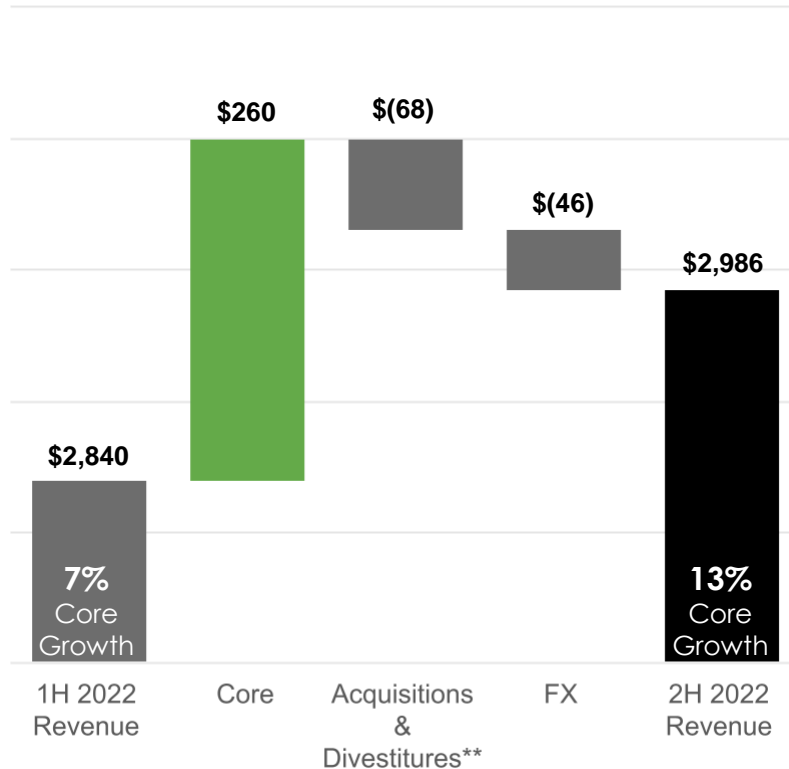
EXCESS BACKLOG MORE THAN OFFSETS ORDERS DECLINE, CHINA/RUSSIA HEADWINDS IN Q1

1. The normalized EPS variance percentage was calculated by holding the interest and ETR for both years constant, which was the prior period's actual interest and ETR
2. Represents a target based on the mid-point of the guide

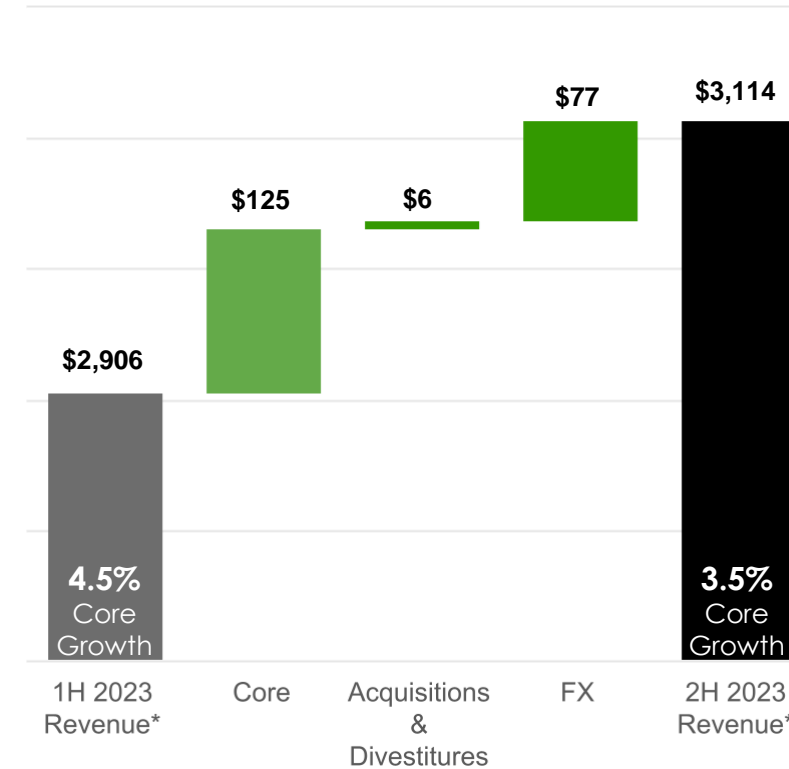
H1:H2 REVENUE BRIDGES

OUTLOOK ASSUMES REASONABLE 1H → 2H STEP-UP

2022 ACTUAL



2023 OUTLOOK



KEY ASSUMPTIONS

REVENUE

- Volume growth and mix drives 1H → 2H core revenue improvement as order profile improves through year
- F/X becomes a tailwind in 2H versus 1H

EPS

- Disciplined and proactive cost management drives 1H:2H benefit
- EPS seasonality impacted by F/X and interest
- Interest expense expected to decline through 2023 as debt is paid down

MODEST STEP UP IN CORE REVENUE 1H:2H; ACCELERATING CORE GROWTH RATE IN 2H

SUMMARY



Resilient Financial Profile: High recurring revenue, leading margins and free cash flow growth



Platform Value Creation: Leadership positions in attractive markets with expanded innovation capabilities



Unleashing the Power of FBS: Continuous improvement culture drives differentiated and sustainable results



Accelerated Compounding: Strong balance sheet and FCF growth position us for capital deployment upside

MORE RESILIENT FINANCIAL PROFILE AND HIGHER FCF POWER A KEY DIFFERENTIATOR

Appendix & Supplemental Reconciliation Data

Q1 AND FY 2023 SEGMENT OUTLOOKS

	Q1 2023			FY 2023		
	IOS	PT	AHS	IOS	PT	AHS
REVENUE GROWTH						
Core	4% to 5.5%	10% to 11.5%	0.5% to 2%	3.5% to 5.5%	3% to 5%	3% to 5%
Total	1.5% to 3%	7.5% to 9%	(4)% to (2.5)%	3% to 5%	2.5% to 4.5%	1% to 3%
ADJ. OP. PROFIT MARGIN¹	27.5% to 28% +50 bps	24% to 24.5% +150 bps	24% to 24.5% +75 bps	30.5% to 31% +125 bps	25.5% to 26% +75 bps	24.5% to 25% +150 bps
OPCO EXPECTATIONS²	Fluke: MSD+ EHS: MSD FAL: LSD ³	Tektronix: High-Teens Sensing: LSD PacSci EMC: High-Teens	ASP/Censis: LSD ⁴ FHS: MSD Invetech: (Low-20s) Provation: HSD	Fluke: LSD+ EHS: MSD FAL: LDD	Tektronix: MSD+ Sensing: Flat PacSci EMC: MSD+	ASP/Censis: LSD+ FHS: LSD Invetech: LSD Provation: Mid-Teens+

1. Values represent targets based on the mid-point of the guide.
2. Core growth based on the mid-point of the guide.
3. Reflects Q1'23 headwind related to ServiceChannel customer transition from pass-through to SaaS.
4. Reflects Q1'23 headwind related to lower China and Russia volumes.

ADJUSTED GROSS PROFIT AND ADJUSTED GROSS PROFIT MARGIN

\$ in millions	Three Months Ended		Twelve Months Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Revenue (GAAP)	\$ 1,529.9	\$ 1,374.8	\$ 5,825.7	\$ 5,254.7
Gross Profit (GAAP)	\$ 892.5	\$ 794.0	\$ 3,363.4	\$ 3,007.1
Acquisition-Related Fair Value Adjustments to Inventory	—	0.2	0.7	6.9
Discrete Restructuring Charges	—	0.7	—	0.7
Adjusted Gross Profit (Non-GAAP)	\$ 892.5	\$ 794.9	\$ 3,364.1	\$ 3,014.7
Adjusted Gross Profit Margin				
Gross Profit (GAAP) Margin	58.3 %	57.8 %	57.7 %	57.2 %
Acquisition-Related Fair Value Adjustments to Inventory	— %	— %	— %	0.2 %
Discrete Restructuring Charges	— %	— %	— %	— %
Adjusted Gross Profit Margin (Non-GAAP)	58.3 %	57.8 %	57.7 %	57.4 %

ADJUSTED OPERATING PROFIT & ADJUSTED OPERATING PROFIT MARGIN

\$ in millions	Three Months Ended December 31, 2022					Three Months Ended December 31, 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)	\$ 634.7	\$ 553.0	\$ 342.2	\$ —	\$ 1,529.9	\$ 579.8	\$ 473.9	\$ 321.1	\$ —	\$ 1,374.8
Operating Profit (GAAP)	\$ 150.4	\$ 142.8	\$ 34.5	\$ (36.8)	\$ 290.9	\$ 93.6	\$ 106.9	\$ 26.1	\$ (25.0)	\$ 201.6
Acquisition and Other Transaction Costs	1.1	—	2.6	—	3.7	15.8	—	20.2	—	36.0
Russia Exit and Wind Down Costs	—	—	—	0.6	0.6	—	—	—	—	—
Acquisition-Related Fair Value Adjustments to Inventory	—	—	—	—	—	—	—	0.2	—	0.2
Amortization of Acquisition-Related Intangible Assets	46.6	2.7	45.5	—	94.8	46.4	3.7	35.3	—	85.4
Discrete Restructuring Charges	—	—	—	—	—	5.9	2.5	3.8	—	12.2
Adjusted Operating Profit (Non-GAAP)	\$ 198.1	\$ 145.5	\$ 82.6	\$ (36.2)	\$ 390.0	\$ 161.7	\$ 113.1	\$ 85.6	\$ (25.0)	\$ 335.4
Operating Profit Margin (GAAP)	23.7 %	25.8 %	10.1 %		19.0 %	16.1 %	22.6 %	8.1 %		14.7 %
Adjusted Operating Profit Margin (Non-GAAP)	31.2 %	26.3 %	24.1 %		25.5 %	27.9 %	23.9 %	26.7 %		24.4 %

Incremental Adjusted Operating Profit Margin^(a)

Year-over-year change in Revenue (GAAP)	\$ 155.1
Year-over-year change in Adjusted Operating Profit (Non-GAAP)	\$ 54.6
Incremental Adjusted Operating Profit Margin (Non-GAAP)^(a)	35.2 %

(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.

ADJUSTED OPERATING PROFIT & ADJUSTED OPERATING PROFIT MARGIN

\$ in millions	Twelve Months Ended December 31, 2022					Twelve Months Ended December 31, 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)	\$ 2,466.1	\$ 2,038.2	\$ 1,321.4	\$ —	\$ 5,825.7	\$ 2,169.4	\$ 1,848.9	\$ 1,236.4	\$ —	\$ 5,254.7
Operating Profit (GAAP)	\$ 519.4	\$ 491.3	\$ 107.9	\$ (131.2)	\$ 987.4	\$ 408.5	\$ 408.0	\$ 101.9	\$ (105.6)	\$ 812.8
Acquisition and Other Transaction Costs	17.7	—	8.7	—	26.4	30.2	—	29.7	—	59.9
Russia Exit and Wind Down Costs	—	—	—	17.9	17.9	—	—	—	—	—
Acquisition-Related Fair Value Adjustments to Inventory	—	—	0.7	—	0.7	—	—	6.9	—	6.9
Amortization of Acquisition-Related Intangible Assets	184.5	13.5	184.2	—	382.2	163.3	16.4	141.1	—	320.8
Discrete Restructuring Charges	—	—	—	—	—	5.9	2.5	3.8	—	12.2
Adjusted Operating Profit (Non-GAAP)	\$ 721.6	\$ 504.8	\$ 301.5	\$ (113.3)	\$ 1,414.6	\$ 607.9	\$ 426.9	\$ 283.4	\$ (105.6)	\$ 1,212.6
Operating Profit Margin (GAAP)	21.1 %	24.1 %	8.2 %		16.9 %	18.8 %	22.1 %	8.2 %		15.5 %
Adjusted Operating Profit Margin (Non-GAAP)	29.3 %	24.8 %	22.8 %		24.3 %	28.0 %	23.1 %	22.9 %		23.1 %

Incremental Adjusted Operating Profit Margin^(a)

Year-over-year change in Revenue (GAAP)	\$ 571.0
Year-over-year change in Adjusted Operating Profit (Non-GAAP)	\$ 202.0
Incremental Adjusted Operating Profit Margin (Non-GAAP)^(a)	35.4 %

(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 December 31, 2022					Three Months Ended December 31, 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)	\$ 634.7	\$ 553.0	\$ 342.2	\$ —	\$ 1,529.9	\$ 544.9	\$ 464.2	\$ 315.8	\$ —	\$ 1,324.9
Acquisition-Related Fair Value Adjustments to Deferred Revenue	—	—	—	—	—	—	—	0.5	—	0.5
Adjusted Revenue (Non-GAAP)	\$ 634.7	\$ 553.0	\$ 342.2	\$ —	\$ 1,529.9	\$ 544.9	\$ 464.2	\$ 316.3	\$ —	\$ 1,325.4
Operating Profit (GAAP)	\$ 150.4	\$ 142.8	\$ 34.5	\$ (36.8)	\$ 290.9	\$ 104.8	\$ 89.0	\$ 18.0	\$ (27.9)	\$ 183.9
Acquisition and Other Transaction Costs	1.1	—	2.6	—	3.7	0.1	—	14.2	—	14.3
Russia Exit and Wind Down Costs	—	—	—	0.6	0.6	—	—	—	—	—
Acquisition-Related Fair Value Adjustments to Deferred Revenue and Inventory	—	—	—	—	—	—	—	4.5	—	4.5
Amortization of Acquisition-Related Intangible Assets	46.6	2.7	45.5	—	94.8	37.7	4.2	35.3	—	77.2
Discrete Restructuring Charges	—	—	—	—	—	13.7	9.7	4.2	—	27.6
Adjusted Operating Profit (Non-GAAP)	\$ 198.1	\$ 145.5	\$ 82.6	\$ (36.2)	\$ 390.0	\$ 156.3	\$ 102.9	\$ 76.2	\$ (27.9)	\$ 307.5
Operating Profit Margin (GAAP)	23.7 %	25.8 %	10.1 %		19.0 %	19.2 %	19.2 %	5.7 %		13.9 %
Adjusted Operating Profit Margin (Non-GAAP)	31.2 %	26.3 %	24.1 %		25.5 %	28.7 %	22.2 %	24.1 %		23.2 %

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	Twelve Months Ended December 31, 2022					Twelve Months Ended December 31, 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)	\$ 2,466.1	\$ 2,038.2	\$ 1,321.4	\$ —	\$ 5,825.7	\$ 1,883.7	\$ 1,651.3	\$ 1,099.4	\$ —	\$ 4,634.4
Acquisition-Related Fair Value Adjustments to Deferred Revenue	—	—	—	—	—	7.6	—	5.3	—	12.9
Adjusted Revenue (Non-GAAP)	\$ 2,466.1	\$ 2,038.2	\$ 1,321.4	\$ —	\$ 5,825.7	\$ 1,891.3	\$ 1,651.3	\$ 1,104.7	\$ —	\$ 4,647.3
Operating Profit (GAAP)	\$ 519.4	\$ 491.3	\$ 107.9	\$ (131.2)	\$ 987.4	\$ 317.8	\$ 321.7	\$ 2.1	\$ (102.2)	\$ 539.4
Acquisition and Other Transaction Costs	17.7	—	8.7	—	26.4	0.9	0.1	70.6	—	71.6
Russia Exit and Wind Down Costs	—	—	—	17.9	17.9	—	—	—	—	—
Acquisition-Related Fair Value Adjustments to Deferred Revenue and Inventory	—	—	0.7	—	0.7	7.8	—	19.5	—	27.3
Amortization of Acquisition-Related Intangible Assets	184.5	13.5	184.2	—	382.2	151.1	17.2	141.6	—	309.9
Discrete Restructuring Charges	—	—	—	—	—	13.7	9.7	4.2	—	27.6
Adjusted Operating Profit (Non-GAAP)	\$ 721.6	\$ 504.8	\$ 301.5	\$ (113.3)	\$ 1,414.6	\$ 491.3	\$ 348.7	\$ 238.0	\$ (102.2)	\$ 975.8
Operating Profit Margin (GAAP)	21.1 %	24.1 %	8.2 %		16.9 %	16.9 %	19.5 %	0.2 %		11.6 %
Adjusted Operating Profit Margin (Non-GAAP)	29.3 %	24.8 %	22.8 %		24.3 %	26.0 %	21.1 %	21.5 %		21.0 %

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

ADJUSTED OPERATING PROFIT MARGIN



	Three Months Ended December 31, 2022				Twelve Months Ended December 31, 2022			
	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Total Fortive	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Total Fortive
2021 Adjusted Operating Profit Margin (Non-GAAP)	27.9 %	23.9 %	26.7 %	24.4 %	28.0 %	23.1 %	22.9 %	23.1 %
Core (Non-GAAP)	3.3 %	2.4 %	(4.2)%	0.8 %	2.3 %	1.7 %	(1.7)%	1.2 %
Acquisitions (Non-GAAP)	— %	— %	1.6 %	0.3 %	(1.0)%	— %	1.6 %	— %
2022 Adjusted Operating Profit Margin (Non-GAAP)	31.2 %	26.3 %	24.1 %	25.5 %	29.3 %	24.8 %	22.8 %	24.3 %

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		Twelve Months Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net Earnings Attributable to Common Stockholders from Continuing Operations (GAAP) ^(a)	\$ 227.2	\$ 167.9	\$ 755.2	\$ 579.7
Dividends on the mandatory convertible preferred stock to apply if-converted method ^(a)	—	—	—	34.5
Net Earnings from Continuing Operations (GAAP)	\$ 227.2	\$ 167.9	\$ 755.2	\$ 614.2
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)	227.2	167.9	757.0	614.2
Pretax amortization of acquisition-related intangible assets	94.8	85.4	382.2	320.8
Pretax acquisition-related items ^(d)	3.7	36.2	27.1	66.8
Pretax losses from equity investments ^(e)	2.1	3.9	17.3	11.6
Pretax Russia exit and wind down costs	0.6	—	17.9	—
Pretax (gain) loss on sale of business	1.8	—	(0.5)	—
Pretax interest expense on Convertible Notes to reverse the if-converted method ^(b)	—	—	(2.1)	—
Pretax loss on debt extinguishment, net of gain on Vontier common stock	—	—	—	47.9
Pretax gain on litigation resolution	—	(3.9)	—	(29.9)
Pretax non-cash interest expense associated with our 0.875% Convertible Notes	—	7.2	—	29.1
Pretax discrete restructuring charges	—	12.2	—	12.2
Tax effect of the adjustments reflected above ^(c)	(17.2)	(20.9)	(65.9)	(76.3)
Adjusted Net Earnings from Continuing Operations (Non-GAAP)	\$ 313.0	\$ 288.0	\$ 1,133.0	\$ 996.4

(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 year ended December 31, 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. The gain on the fair value change in Vontier common stock had no tax effect. The tax effect of the adjustments includes all other line items.

(d) Includes pretax Transaction Costs and acquisition-related fair value adjustments to inventory related to significant acquisitions.

(e) Includes pretax losses from equity method investments and, an \$8.1 million pretax impairment loss on an equity investment in the third quarter of 2022.

ADJUSTED DILUTED NET EPS

	Three Months Ended ^(a)		Twelve Months Ended ^(a)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net Earnings Attributable to Common Stockholders from Continuing Operations (GAAP) (b)	\$ 0.64	\$ 0.46	\$ 2.10	\$ 1.65
Dividends on the mandatory convertible preferred stock to apply if-converted method ^(b)	—	—	—	0.10
Assumed dilutive impact on the Diluted Net Earnings Per Share Attributable to Common Stockholders if the MCPS Converted Shares had been outstanding ^(b)	—	—	—	(0.05)
Net Earnings from Continuing Operations (GAAP)	0.64	0.46	2.10	1.70
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)	0.64	0.46	2.10	1.70
Pretax amortization of acquisition-related intangible assets	0.27	0.24	1.06	0.89
Pretax acquisition-related items ^(d)	0.01	0.10	0.08	0.19
Pretax losses from equity investments ^(e)	0.01	0.01	0.05	0.03
Pretax Russia exit and wind down costs	—	—	0.05	—
Pretax (gain) loss on sale of business	0.01	—	—	—
Pretax interest expense on Convertible Notes to reverse if-converted method ^(c)	—	—	—	—
Pretax loss on debt extinguishment, net of gain on Vontier common stock	—	—	—	0.13
Pretax gain on litigation resolution	—	(0.01)	—	(0.08)
Pretax non-cash interest expense associated with our 0.875% Convertible Notes	—	0.02	—	0.08
Pretax discrete restructuring charges	—	0.03	—	0.03
Tax effect of the adjustments reflected above ^(f)	(0.05)	(0.06)	(0.19)	(0.21)
Adjusted Diluted Net Earnings Per Share from Continuing Operations (Non-GAAP)	\$ 0.88	\$ 0.79	\$ 3.15	\$ 2.75
(shares in millions)				
Average common diluted stock outstanding	356.7	362.9	360.8	352.3
MCPS Converted Shares ^(a)	—	—	—	9.9
Convertible Notes - if converted shares ^(c)	—	—	(1.6)	—
Adjusted average common stock and common equivalent shares outstanding	356.7	362.9	359.2	362.2

(a) Each of the per share adjustments below was calculated assuming the MCPS Converted Shares had converted at the beginning of the period prior to their conversion on July 1, 2021. The 0.875% convertible notes did not have an impact on the adjusted diluted shares outstanding.

(b) Prior to their conversion on July 1, 2021, the MCPS were anti-dilutive for the year ended December 31, 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 twelve months ended December 31, 2022 rounds to zero.

(d) Includes pretax Transaction Costs and acquisition-related fair value adjustments to inventory related to significant acquisitions.

(e) Includes pretax losses from equity method investments and, an \$8.1 million pretax impairment loss on an equity investment in the third quarter of 2022.

(f) The dividend on the MCPS is not tax deductible and the convertible note interest is calculated on a net of tax basis. The gain on the fair value change in Vontier common stock had no tax effect. 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 due to rounding.

FORECASTED ADJUSTED DILUTED NET EPS FROM CONTINUING OPERATIONS



	Three Months Ending March 31, 2023		Twelve Months Ending December 31, 2023	
	Low	High	Low	High
Forecasted Net Earnings Per Share from Continuing Operations (GAAP)	\$ 0.47	\$ 0.50	\$ 2.30	\$ 2.45
Anticipated pretax amortization of acquisition-related intangible assets	0.26	0.26	1.04	1.04
Anticipated pretax losses from equity investments	—	—	0.03	0.03
Anticipated pretax discrete restructuring charges	0.03	0.03	0.06	0.06
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	\$ 0.71	\$ 0.74	\$ 3.25	\$ 3.40

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

December 31, 2022 AND December 31, 2021 (in millions)



	Three Months Ended				Twelve Months Ended
	December 31, 2022	September 30, 2022	July 1, 2022	April 1, 2022	December 31, 2022
Operating Cash Flows from Continuing Operations (GAAP)	\$ 464.2	\$ 329.8	\$ 294.4	\$ 214.8	\$ 1,303.2
Less: purchases of property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(36.1)	(22.5)	(18.4)	(18.8)	(95.8)
Free Cash Flow from Continuing Operations (Non-GAAP)	\$ 428.1	\$ 307.3	\$ 276.0	\$ 196.0	\$ 1,207.4
Net Earnings from Continuing Operations (GAAP)	\$ 227.2	\$ 189.9	\$ 173.0	\$ 165.1	\$ 755.2
Free Cash Flow Conversion Ratio (Non-GAAP)	188 %	162 %	160 %	119 %	160 %
Adjusted Net Earnings from Continuing Operations (Non-GAAP)	\$ 313.0	\$ 283.8	\$ 281.1	\$ 255.1	\$ 1,133.0
Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)	137 %	108 %	98 %	77 %	107 %
Revenue (GAAP)					\$ 5,825.7
Free Cash Flow Margin (Non-GAAP)					20.7 %

	Three Months Ended				Twelve Months Ended	Twelve Months Ended
	December 31, 2021	October 1, 2021	July 2, 2021	April 2, 2021	December 31, 2021	December 31, 2016 ^(a)
Operating Cash Flows from Continuing Operations (GAAP)	\$ 287.0	\$ 262.9	\$ 291.0	\$ 152.0	\$ 992.9	\$ 1,136.9
Less: purchases of property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(22.0)	(10.9)	(8.7)	(8.4)	(50.0)	129.6
Free Cash Flow from Continuing Operations (Non-GAAP)	\$ 265.0	\$ 252.0	\$ 282.3	\$ 143.6	\$ 942.9	\$ 1,007.3
Net Earnings from Continuing Operations (GAAP)	\$ 167.9	\$ 152.6	\$ 182.0	\$ 111.7	\$ 614.2	
Free Cash Flow Conversion Ratio (Non-GAAP)	158 %	165 %	155 %	129 %	154 %	
Adjusted Net Earnings from Continuing Operations (Non-GAAP)	\$ 288.0	\$ 240.5	\$ 238.8	\$ 229.1	\$ 996.4	
Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)	92 %	105 %	118 %	63 %	95 %	
Revenue (GAAP)						\$ 6,224.3
Free Cash Flow Margin (Non-GAAP)						16.2 %

^(a) Includes carve-out amounts from Danaher and includes the A&S and Vontier businesses

CORE REVENUE GROWTH

Components of Revenue Growth

	Three Months Ended December 31, 2022	Twelve Months Ended December 31, 2022
<i>Total Fortive</i>		
Total Revenue Growth (GAAP)	11.3 %	10.9 %
Core (Non-GAAP)	13.8 %	10.1 %
Acquisitions (Non-GAAP)	1.4 %	3.9 %
Impact of currency translation (Non-GAAP)	(3.9)%	(3.1)%
<i>Intelligent Operating Solutions</i>		
Total Revenue Growth (GAAP)	9.5 %	13.7 %
Core (Non-GAAP)	13.1 %	12.0 %
Acquisitions (Non-GAAP)	— %	4.6 %
Impact of currency translation (Non-GAAP)	(3.6)%	(2.9)%
<i>Precision Technologies</i>		
Total Revenue Growth (GAAP)	16.7 %	10.2 %
Core (Non-GAAP)	20.4 %	13.2 %
Acquisitions (Non-GAAP)	— %	— %
Impact of currency translation (Non-GAAP)	(3.7)%	(3.0)%
<i>Advanced Healthcare Solutions</i>		
Total Revenue Growth (GAAP)	6.6 %	6.9 %
Core (Non-GAAP)	5.3 %	2.1 %
Acquisitions (Non-GAAP)	5.9 %	8.4 %
Impact of currency translation (Non-GAAP)	(4.6)%	(3.6)%

TWO YEAR STACK CORE GROWTH

Components of Revenue Growth

	Twelve Months Ended December 31, 2021
<i>Total Fortive</i>	
Total Revenue Growth (GAAP)	13.4 %
Core (Non-GAAP)	9.5 %
Acquisitions (Non-GAAP)	2.4 %
Impact of currency translation (Non-GAAP)	1.5 %
Two-year stack core growth ^(a)	19.6 %

^(a) 2-year stack core growth calculated by adding 2021 core growth of 9.5% and 2022 core growth of 10.1%

ADJUSTED EFFECTIVE TAX RATE



<i>\$ in millions</i>	Three Months Ended		Twelve Months Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Earnings before income taxes from continuing operations	\$ 257.0	\$ 175.7	\$ 873.5	\$ 677.5
Income tax expense	(29.8)	(7.8)	(118.3)	(63.3)
Effective tax rate (GAAP)	11.6 %	4.4 %	13.5 %	9.3 %
Earnings before income taxes from continuing operations (GAAP)	\$ 257.0	\$ 175.7	\$ 873.5	\$ 677.5
Pretax amortization of acquisition-related intangible assets	94.8	85.4	382.2	320.8
Pretax acquisition-related items	3.7	36.2	27.1	66.8
Pretax losses from equity investments	2.1	3.9	17.3	11.6
Pretax Russia exit and wind down costs	0.6	—	17.9	—
Pretax (gain) loss on sale of business	1.8	—	(0.5)	—
Pretax loss on debt extinguishment, net of gain on Vontier common stock	—	—	—	47.9
Pretax gain on litigation resolution	—	(3.9)	—	(29.9)
Pretax non-cash interest expense associated with our 0.875% Convertible Notes	—	7.2	—	29.1
Pretax discrete restructuring charges	—	12.2	—	12.2
Pretax Adjusted Net Earnings (Non-GAAP)	\$ 360.0	\$ 316.7	\$ 1,317.5	\$ 1,136.0
Tax effect of the adjustments reflected above	(17.2)	(20.9)	(65.9)	(76.3)
Adjusted income tax expense (Non-GAAP)	\$ (47.0)	\$ (28.7)	\$ (184.2)	\$ (139.6)
Adjusted effective tax rate (Non-GAAP)	13.1 %	9.1 %	14.0 %	12.3 %



FORTIVE