

FORTIVE CORPORATION AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
AND OTHER INFORMATION

Management believes that each of the non-GAAP financial measures described below provide useful information to investors by reflecting additional ways of viewing aspects of our operations that, when reconciled to the corresponding GAAP measure, help our investors to understand the long-term profitability trends of our business, and facilitate comparisons of our operational performance and profitability to prior and future periods and to our peers.

The information presented below reflect GAAP to non-GAAP reconciliations for the non-GAAP measures for Fortive including the results of the Precision Technologies segment ("total Fortive") and Fortive on a continuing operations basis ("new Fortive").

These non-GAAP measures should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measures, and may not be comparable to similarly titled measures reported by other companies.

Adjusted Net Earnings, Adjusted Diluted Net Earnings per Share, Adjusted EBITDA, and Adjusted EBITDA Margin

We disclose for total Fortive and new Fortive, on a consolidated basis, the non-GAAP measures of historical adjusted net earnings, historical adjusted diluted net earnings per share, and for Fortive on a continuing operations basis, the non-GAAP measures of historical adjusted earnings before income taxes, interest, depreciation, and amortization ("adjusted EBITDA"), and adjusted EBITDA margin, which to the extent applicable, make the following adjustments to GAAP net earnings, and GAAP diluted net earnings per share:

- Excluding on a pretax basis amortization of acquisition related intangible assets;
- Excluding on a pretax basis acquisition, divestiture, and separation related items;
- Excluding on a pretax basis the costs incurred pursuant to discrete restructuring plans that are fundamentally different from ongoing productivity improvements in terms of the size, strategic nature, planning requirements and the inconsistent frequency of such plans as well as the associated macroeconomic drivers which underlie such plans (the "Discrete Restructuring Charges"); and
- Excluding on a pretax basis the gain on sale of property;
- Excluding on a pretax basis the effect of gains and losses from our equity investments; and
- Excluding on a pretax basis (to the extent there is a tax effect) gains and losses from divestitures.

In addition, for new Fortive on a consolidated basis, with respect to the non-GAAP measures of historical adjusted EBITDA and adjusted EBITDA margin, we make the following adjustments to GAAP net earnings before income taxes:

- Excluding on a pretax basis net interest expense;
- Excluding on a pretax basis depreciation expense; and
- Excluding income taxes.

In addition, for total Fortive and new Fortive, on a consolidated basis, with respect to the non-GAAP measures of historical adjusted net earnings and historical adjusted diluted net earnings per share, we make the following adjustments to GAAP net earnings and GAAP diluted net earnings per share:

- Excluding the tax effect (to the extent tax deductible) of the pretax adjustments noted above. The tax effect of such adjustments was calculated by applying our overall estimated effective tax rate to the pretax amount of each adjustment (unless the nature of the item and/or the tax jurisdiction in which the item has been recorded requires application of a specific tax rate or tax treatment, in which case the tax effect of such item is estimated by applying such specific tax rate or tax treatment). We expect to apply our overall estimated effective tax rate to each adjustment going forward; and
- Excluding the discrete tax expense resulting from the Separation of Ralliant.

We also disclose for each segment of Fortive on a continuing operations basis, the non-GAAP measures of historical adjusted EBITDA and adjusted EBITDA margin, which to the extent applicable, make the following adjustments to GAAP operating profit for the corresponding segment, which is deemed to be the most comparable GAAP measure given interest and taxes are not incurred at the segment level:

- Excluding on a pretax basis amortization of acquisition related intangible assets;
- Excluding on a pretax basis acquisition and divestiture;
- Excluding on a pretax basis the Discrete Restructuring Charges; and
- Excluding on a pretax basis depreciation expense.

Amortization of Acquisition Related Intangible Assets

As a result of our acquisition activity, we have significant amortization expense associated with definite-lived intangible assets. We adjust for amortization expense of acquisition related intangible assets incurred in each period, and impairment charges incurred, if any. We believe that this adjustment provides our investors with additional insight into our operational performance and profitability as such impacts are not related to our core business performance.

Acquisition, Divestiture, and Separation Related Items

While we have a history of acquisition and divestiture activity, we do not acquire and divest businesses or assets on a predictable cycle. The amount of an acquisition's purchase price allocated to inventory fair value adjustments are unique to each acquisition and can vary significantly from acquisition to acquisition. In addition, transaction costs, which include acquisition, divestiture, integration, restructuring, and separation costs related to completed or announced transactions, and the non-recurring gains on divestitures of businesses or assets are unique to each transaction and are impacted from period to period depending on the number of acquisitions or divestitures evaluated, pending, or completed during such period, and the complexity of such transactions. In connection with the Separation, we also incurred costs primarily related to professional fees for legal, tax, accounting and finance, information technology services, and other general and administrative costs, including compensation related expenses, as well as costs to stand up the new company to operate as a stand alone entity. We adjust for transaction costs, costs related to the Separation, acquisition related fair value adjustments to inventory, integration costs and corresponding restructuring charges related to acquisitions, in each case, incurred in a given period.

Discrete Restructuring Costs

We will exclude costs incurred pursuant to discrete restructuring plans that are fundamentally different in terms of the size, strategic nature and planning requirements, as well as the inconsistent frequency, of such plans originating from significant macroeconomic trends or material disruptions to operations, economy or capital markets from the ongoing productivity improvements that result from application of the Fortive Business System or from execution of general cost saving strategies. Because these restructuring plans will be incremental to the fundamental activities that arise in the ordinary course of our business and we believe are not indicative of our ongoing operating costs in a given period, we exclude these costs to facilitate a more consistent comparison of operating results over time. Restructuring costs related primarily to an acquisition are not included in this adjustment but are instead included in acquisition and divestiture related items. In the fourth quarter of 2024, we initiated a discrete restructuring plan related to the Separation that is expected to be completed by December 31, 2025, we adjusted for the related discrete restructuring charges.

Gains and Losses from Equity Investments

We adjust for the effect of earnings and losses from our equity method investments over which we do not exercise control over the operations or the resulting earnings or losses. We believe that this adjustment provides our investors with additional insight into our operational performance. However, it should be noted that earnings and losses from our equity method investments will recur in future periods while we maintain such investments.

In addition, we adjust for remeasurement gains and losses, including impairment loss, on equity investments. We believe such adjustments facilitate comparison of our performance with prior and future periods and provides our investors with additional insight into our operational performance.

Gains and Losses from Divestitures

In May 2025, we recorded a gain resulting from an immaterial divestiture in our IOS segment. In June 2024, we divested and transferred ownership of Invetech, excluding the Motion Solution Business, to its management team (the "Invetech Divestiture"). We adjust for gains and losses from divestitures because we believe the adjustment facilitates comparison of our performance with prior and future periods and provides our investors with additional insight into our operational performance.

Gain on Sale of Property and Charitable Contribution Expense

On March 14, 2024, we completed a transaction to sell land and certain office buildings in the Precision Technologies segment for \$90 million, for which we received \$20 million cash proceeds and a \$70 million promissory note secured by a letter of credit, with principal received in August and November 2024. During the three-month period ended March 29, 2024, we recorded a gain on sale of property of \$63.1 million in the Consolidated Condensed Statements of Earnings.

Concurrently, during the first quarter of 2024, we pledged to make a charitable donation of \$20 million to the Fortive Foundation ("the Foundation"), a related party, without any donor imposed conditions or restrictions. In the third quarter of 2024, \$20 million of the promissory note due in November 2024 was reassigned to the Foundation. We recorded a charitable contribution expense of \$20 million within the "Other non-operating expense, net" line in the Consolidated Condensed Statements of Earnings.

We adjust for the gain on sale of property and charitable donation expense because we believe the adjustment facilitates comparison of our performance with prior and future periods and provides our investors with additional insight into our operational performance.

Discrete Tax Expense Resulting from the Separation of Ralliant

We adjust for discrete tax expense items that resulted from the Separation of Ralliant. These discrete items are non-recurring expenses that resulted from the US GAAP calculation of income taxes from continuing operations and do not reflect our current or future cash tax obligations.

Management believes that each of the non-GAAP financial measures noted above provide useful information to investors by reflecting additional ways of viewing aspects of our operations that, when reconciled to the corresponding GAAP measure, help our investors to understand the long-term

profitability trends of our business, and facilitate comparisons of our operational performance and profitability to prior and future periods and to our peers.

These non-GAAP measures should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measures, and may not be comparable to similarly titled measures reported by other companies.

Core Revenue Growth

We use the term “core revenue growth” when referring to a corresponding year-over-year GAAP revenue measure, excluding (1) the impact from acquired or divested businesses and (2) the impact of foreign currency translation. References to sales attributable to acquisitions or acquired businesses refer to GAAP sales from acquired businesses recorded prior to the first anniversary of the acquisition less the amount of sales attributable to certain divested businesses or product lines that have been divested or, at the time of reporting, are pending divestiture but are not, and will not be, considered discontinued operations prior to the first anniversary of the divestiture. The portion of sales attributable to the impact of currency translation is calculated as the difference between (a) the period-to-period change in sales (excluding sales impact from acquired businesses) and (b) the period-to-period change in sales (excluding sales impact from acquired businesses) after applying the current period foreign exchange rates to the prior year period. This non-GAAP measure should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measure, and may not be comparable to similarly titled measures reported by other companies.

Management believes that this non-GAAP measure provides useful information to investors by helping identify underlying growth trends in our business and facilitating comparisons of our revenue performance with prior and future periods and to our peers. We exclude the effect of acquisition and divestiture-related items because the nature, size and number of such transactions can vary dramatically from period to period and between us and our peers. We exclude the effect of currency translation from sales measures because currency translation is not under management’s control and is subject to volatility. We believe that such exclusions, when presented with the corresponding GAAP measures, may assist in assessing the business trends and making comparisons of long-term performance.

Free Cash Flow

We use the term “free cash flow” when referring to net cash provided by operating activities calculated according to GAAP less payments for capital expenditures.

Management believes that such non-GAAP measure provides useful information to investors in assessing our ability to generate cash without external financing, fund acquisitions and other investments and, in the absence of refinancing, repay our debt obligations. However, it should be noted that free cash flow as a liquidity measure has material limitations because it excludes certain expenditures that are required or that we have committed to, such as debt service requirements and other non-discretionary expenditures. Such non-GAAP measure should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measure, and may not be comparable to similarly titled measures reported by other companies.

Total Fortive – Adjusted Net Earnings and Adjusted Diluted Net Earnings Per Share (unaudited)

(\$ in millions, except per share amounts)	Three Months Ended			
	June 27, 2025		June 28, 2024	
	Per share values		Per share values	
Net Earnings and Net Earnings Per Share (GAAP)	\$ 166.6	\$ 0.49	\$ 195.1	\$ 0.55
Pretax amortization of acquisition related intangible assets	113.5	0.33	113.4	0.32
Pretax acquisition, divestiture, and separation related items	43.0	0.13	2.1	0.01
Pretax discrete restructuring charges	8.4	0.02	—	—
Pretax losses from equity investments	—	—	8.6	0.02
Pretax (gain) loss from divestiture	(2.1)	(0.01)	25.6	0.07
Tax effect of the adjustments reflected above ^(a)	(24.9)	(0.07)	(15.7)	(0.04)
Discrete tax expense (benefits) resulting from the Separation of Ralliant	1.9	0.01	—	—
Adjusted Net Earnings and Adjusted Net Earnings Per Share (Non-GAAP)	\$ 306.4	\$ 0.90	\$ 329.1	\$ 0.93
Average Common Diluted Stock Outstanding (shares in millions)	341.7		354.8	

(a) The loss from divestiture in 2024 had no tax impact. The tax effect of the adjustments includes all other items.

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

Core Revenue Growth Reflecting Ralliant as Discontinued Operations (unaudited)

	% Change Three Months Ended June 27, 2025 vs. Comparable 2024 Period	% Change Three Months Ended June 28, 2024 vs. Comparable 2023 Period
Total Revenue Growth (GAAP)	(0.4)%	3.7 %
Excluding impact of:		
Divestitures	0.4 %	(0.8) %
Currency exchange rates	(0.7) %	1.0 %
Core Revenue Growth (Non-GAAP)	(0.7)%	3.9 %

EBITDA and Adjusted EBITDA Margin Reflecting Ralliant as Discontinued Operations (unaudited)

	Three Months Ended	
	June 27, 2025	June 28, 2024
Revenue (GAAP)	\$ 1,016.4	\$ 1,020.2
Net Earnings from Continuing Operations (GAAP)	\$ 111.6	\$ 112.0
Interest expense, net	32.1	38.7
Income taxes	28.0	23.1
Depreciation	17.6	15.1
Amortization	91.6	92.5
EBITDA from Continuing Operations (Non-GAAP)	280.9	281.4
Pretax acquisition and divestiture related items	1.6	1.4
Pretax discrete restructuring charges	8.0	—
Pretax losses from equity investments	—	8.5
Pretax gain from divestiture	(2.1)	—
Adjusted EBITDA from Continuing Operations (Non-GAAP)	\$ 288.4	\$ 291.3
Net Earnings Margin from Continuing Operations	11.0 %	11.0 %
Adjusted EBITDA Margin from Continuing Operations (Non-GAAP)	28.4 %	28.6 %

Continuing Operations: Segment Adjusted EBITDA, Segment Adjusted EBITDA Margin (unaudited)

	Three Months Ended June 27, 2025		Three Months Ended June 28, 2024	
	Intelligent Operating Solutions	Advanced Healthcare Solutions	Intelligent Operating Solutions	Advanced Healthcare Solutions
<i>\$ in millions</i>				
Revenue (GAAP)	\$ 696.9	\$ 319.5	\$ 696.6	\$ 323.6
Operating Profit (GAAP)	\$ 170.8	\$ 35.8	\$ 173.4	\$ 35.7
Amortization of acquisition-related intangible assets	46.6	45.0	47.2	45.3
Acquisition and divestiture related items	0.4	—	1.4	—
Discrete restructuring charges	5.9	—	—	—
Adjusted Operating Profit (Non-GAAP)	223.7	80.8	222.0	81.0
Depreciation	12.0	5.3	10.0	5.1
Adjusted EBITDA (Non-GAAP)	\$ 235.7	\$ 86.1	\$ 232.0	\$ 86.1
Operating Profit Margin (GAAP)	24.5 %	11.2 %	24.9 %	11.0 %
Adjusted Operating Profit Margin (Non-GAAP)	32.1 %	25.3 %	31.9 %	25.0 %
Adjusted EBITDA Margin (Non-GAAP)	33.8 %	26.9 %	33.3 %	26.6 %

Adjusted Net Earnings from Continuing Operations and Adjusted Diluted Net Earnings Per Share from Continuing Operations Reflecting Ralliant as Discontinued Operations (unaudited)

(\$ in millions, except per share amounts)	Three Months Ended			
	June 27, 2025		June 28, 2024	
		Per share values		Per share values
Net Earnings and Net Earnings Per Share from Continuing Operations (GAAP)	\$ 111.6	\$ 0.33	\$ 112.0	\$ 0.32
Pretax amortization of acquisition related intangible assets	91.6	0.27	92.5	0.26
Pretax acquisition, divestiture, and separation related items	1.6	—	1.4	—
Pretax discrete restructuring charges	8.0	0.02	—	—
Pretax losses from equity investments	—	—	8.5	0.02
Pretax gain from divestiture	(2.1)	(0.01)	—	—
Tax effect of the adjustments reflected above	(12.9)	(0.03)	(15.8)	(0.04)
Adjusted Net Earnings and Adjusted Net Earnings Per Share from Continuing Operations (Non-GAAP)	\$ 197.8	\$ 0.58	\$ 198.6	\$ 0.56
Average Common Diluted Stock Outstanding (shares in millions)	341.7		354.8	

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

Free Cash Flow from Continuing Operations Reflecting Ralliant as Discontinued Operations - Trailing Twelve Months (unaudited)

(\$ in millions)	Three Months Ended				Trailing Twelve Months
	June 27, 2025	March 28, 2025	December 31, 2024	September 27, 2024	
Operating Cash Flows (GAAP)	\$ 205.0	\$ 191.8	\$ 327.7	\$ 304.7	\$ 1,029.2
Less: Purchases of property, plant & equipment (capital expenditures) (GAAP)	(25.0)	(21.1)	(22.6)	(21.6)	(90.3)
Free Cash Flow (Non-GAAP)	\$ 180.0	\$ 170.7	\$ 305.1	\$ 283.1	\$ 938.9

(\$ in millions)	Three Months Ended				Trailing Twelve Months
	June 28, 2024	March 29, 2024	December 31, 2023	September 29, 2023	
Operating Cash Flows (GAAP)	\$ 217.5	\$ 178.6	\$ 259.8	\$ 256.4	\$ 912.3
Less: Purchases of property, plant & equipment (capital expenditures) (GAAP)	(19.6)	(22.3)	(23.4)	(20.6)	(85.9)
Free Cash Flow (Non-GAAP)	\$ 197.9	\$ 156.3	\$ 236.4	\$ 235.8	\$ 826.4