



**Third Quarter
2024 Earnings Release**

October 30, 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, our plans to separate into two independent, publicly-traded companies, including the timing and cost related to the planned separation, interest rate and current exchange rate impact, future prospects, shareholder value, 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 United States federal securities laws. Factors that could cause actual results to differ materially from those in the forward-looking statements include, among other things: deterioration of or instability in the economy, the markets we serve, geopolitical conditions and conflicts, international trade policies and the financial markets, security breaches or other disruptions of our information technology systems, 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, our plans to separate into two independent, publicly-traded companies, 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, 2023 and Quarterly Report on Form 10-Q for the quarter ended September 27, 2024. 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 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 and Quarterly Report on Form 10-Q for the quarter ended September 27, 2024 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.

Q3 2024 Highlights

Benefiting from Durable & Secular Growth Drivers



Strong earnings & FCF performance

- +3% revenue growth showcasing consistent performance
- +14% adj. EPS growth and +12% FCF growth

Benefiting from long-term durable growth drivers

- Positive orders growth all segments, +DD orders growth in PT
- +HSD ARR growth in IOS and AHS

Value-enhancing performance and capital deployment

- Accelerated pace of repurchases to ~4M in Q3
- Spin transaction on-track

Q3 2024 Financial Highlights

Strong Operational Execution Drives Results

		Q3 2024	YTD 2024
REVENUE & GROWTH	Revenue	\$1.54B	\$4.61B
	<i>Total Growth</i>	+3%	+3%
	<i>Core Growth</i>	+1%	+1%
MARGINS	AOP Margin	26.8%	26.3%
	<i>Adj. OMX</i>	+90 bps	+100 bps
	Adj. EPS	\$0.97	\$2.73
EARNINGS & FCF	<i>Adj. EPS Growth</i>	+14%	+11%
	Free Cash Flow	\$431M	\$941M
	<i>FCF Growth</i>	12%	+13%

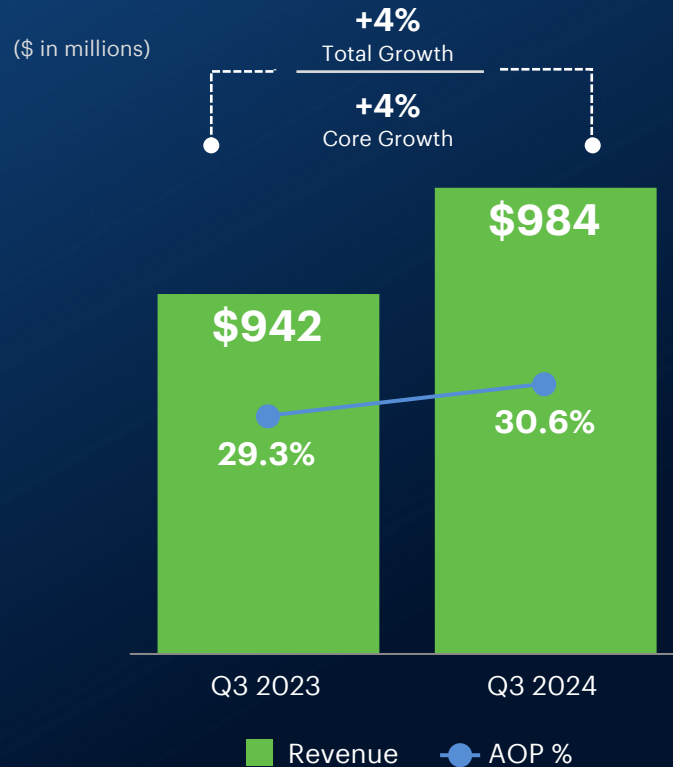
What We Are Seeing

- +HSD ARR growth again in Q3
- +HSD HW orders growth
- Ramping supply chain / capacity to support robust demand in key growth markets
- Macro/geopolitical uncertainties impacting select customer decision timing
- Adj. gross margins of 60%, expanded +30 bps
- Adj. operating profit growth of 7% reflects +60% incrementals
- FCF margins of 28% continue to differentiate
- Pace of share repurchases accelerates to ~4M in Q3, reflecting commitment to value-enhancing capital deployment

Q3 2024 Segment Highlights - IOS & AHS

Durable Recurring Revenue Businesses Drive Growth and Margin Expansion

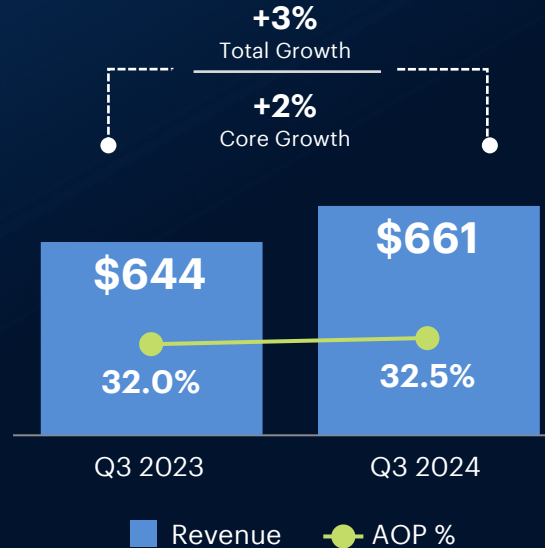
TOTAL IOS + AHS



2024E Core Growth: **+MSD**

2024E Adj. OMX: **+125 bps**

INTELLIGENT OPERATING SOLUTIONS

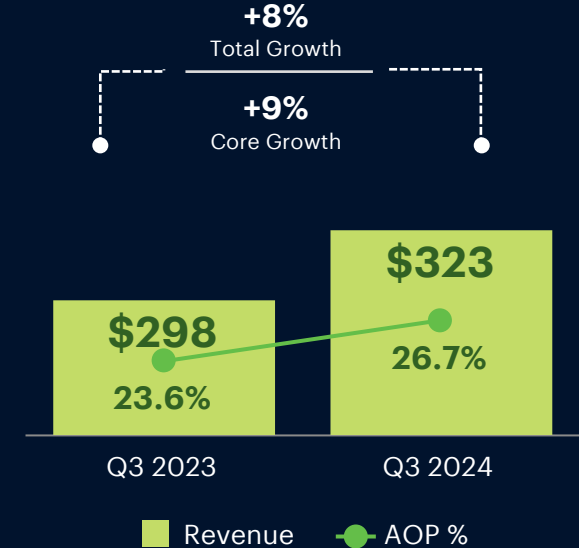


- +HSD ARR growth; +LDD SaaS growth
- Select customer delays at Fluke and FAL
- +MSD orders growth reflects stabilizing regional demand trends

2024E Core Growth: **+LSD to MSD**

2024E Adj. OMX: **+100 bps**

ADVANCED HEALTHCARE SOLUTIONS



- +DD Consumables growth
- +DD SaaS growth
- Strong execution delivers +310 bps adj. OMX

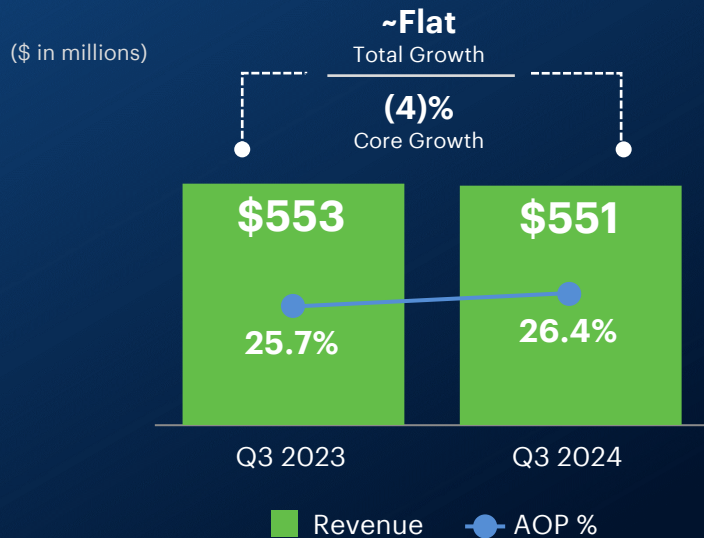
2024E Core Growth: **+MSD to HSD**

2024E Adj. OMX: **+200 bps**

Q3 2024 Segment Highlights - PT

Orders Growth Driven by Stabilizing Demand Trends

PRECISION TECHNOLOGIES

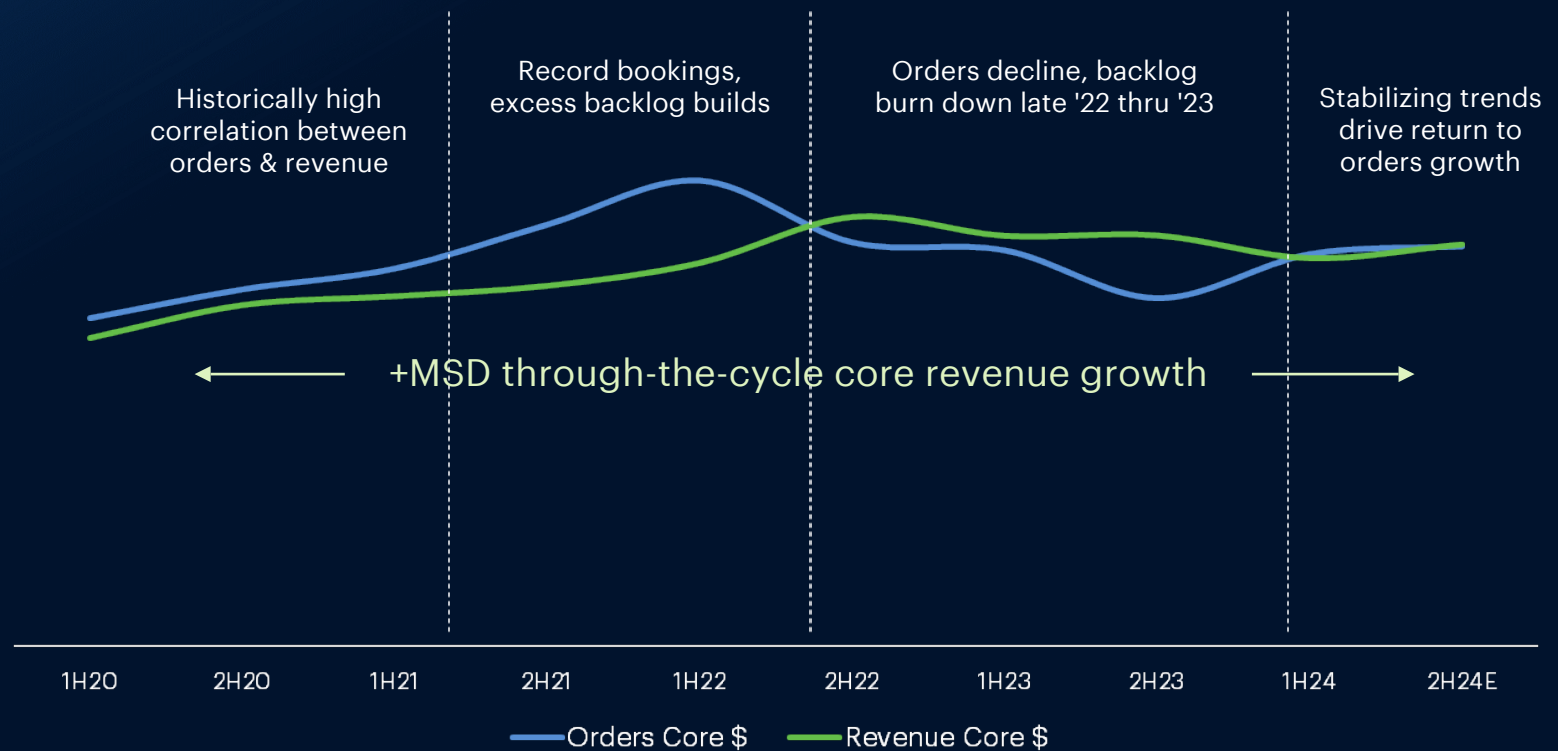


- Core Tektronix revenue (HSD), orders +HSD
- +DD growth at A&D and utility subsystems
- Sensing Tech orders +MSD, as demand trends stabilize in certain industrial markets

2024E Core Growth: **(LSD)**

2024E Adj. OMX: **Flat**

PT ORDERS & REVENUE TRENDS



Key Regional Trends

Revenue Growth Driven by HGMs; Orders Growth All Regions

North America

Q3 2024 Core Orders Growth

+LDD

Q3 2024 Core Revenue Growth

LSD

- +HSD software growth in IOS despite select customer delays
- Strong utility and A&D sub-systems, partially offset by lower customer R&D investments in PT
- Robust healthcare consumables, lapping PY channel transition

Western Europe

Q3 2024 Core Orders Growth

+Mid-teens

Q3 2024 Core Revenue Growth

(LSD)

- Weak industrial demand at select IOS and PT end markets; stabilizing demand yields positive orders growth
- Strong capital placements and NPIs benefit Healthcare

Asia

Q3 2024 Core Orders Growth

Up slightly

Q3 2024 Core Revenue Growth

(LSD)

- China (HSD); POS stable
- Rest of Asia accelerated
- PT benefiting from recovery in semi investments
- India +DD in IOS and AHS

Q4 and FY 2024 Outlook

Raising Our Full Year Adj. EPS Guidance Range

		Q4 2024	FY 2024
REVENUE & GROWTH	Revenue	\$1.63B to \$1.65B	\$6.24B to \$6.26B
	<i>Total Growth</i>	~3%	~3%
	<i>Core Growth</i>	~1%	~1%
MARGINS	AOP Margin	~28.5%	~26.9%
	<i>Adj. OMX</i>	+75 bps	+100 bps
EARNINGS & FCF	Adj. EPS	\$1.11 to \$1.14	\$3.84 to \$3.87
	<i>Adj. EPS Growth</i>	13% to 16%	12% to 13%
	Free Cash Flow	~\$425M	~\$1,365M
	<i>FCF Growth</i>	3%	10%

What We Are Expecting

- Strong ARR growth continues
- Positive HW orders trend continues
- Proactive restructuring of \$20-30M in Q4
- Q4 interest expense roughly flat to Q3
- FY 2024 ETR ~11%
- Commitment to value-enhancing capital deployment, with targeted 75% of FCF to buybacks pre-spin

Framing 2025

Stabilizing Demand Trends Expected to Drive Improvement in Core Growth



Continued momentum in recurring software, services and healthcare consumables



HW orders trajectory supports improvement in 2025 growth despite certain geopolitical and macro uncertainty



Accelerating innovation and NPI provide tailwind to 2025 performance



Proactive restructuring and FBS-led productivity initiatives sustain healthy incrementals



Share repurchases enhance EPS growth, somewhat offset by higher effective tax rate

Fortive Evolution

Accelerating Progress



- Execution Drives 2024 Performance
- Strategically Well-Positioned for 2025
- Value-Enhancing Actions On Track



Appendix & Supplemental Reconciliation Data

ADJUSTED GROSS PROFIT AND ADJUSTED GROSS PROFIT MARGIN

<i>\$ in millions</i>	Three Months Ended		Nine Months Ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
Revenue (GAAP)	\$ 1,534.6	\$ 1,494.5	\$ 4,611.5	\$ 4,481.6
Gross Profit (GAAP)	\$ 921.3	\$ 893.0	\$ 2,753.8	\$ 2,646.6
Acquisition-Related Fair Value Adjustments to Inventory	—	—	2.3	—
Discrete Restructuring Charges	—	—	—	6.3
Adjusted Gross Profit (Non-GAAP)	\$ 921.3	\$ 892.9	\$ 2,756.2	\$ 2,652.9
Gross Profit Margin (GAAP)	60.0 %	59.8 %	59.7 %	59.1 %
Adjusted Gross Profit Margin (Non-GAAP)	60.0 %	59.7 %	59.8 %	59.2 %

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 September 27, 2024						Three Months Ended September 29, 2023						Total Fortive Year over Year Change
	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Corporate	Total Fortive	Total IOS + AHS	Intelligent Operating Solutions	Precision Technologies ^(a)	Advanced Healthcare Solutions ^(a)	Corporate	Total Fortive	Total IOS + AHS	
Revenue (GAAP)	\$ 661.2	\$ 550.9	\$ 322.5	\$ —	\$ 1,534.6	\$ 983.7	\$ 644.3	\$ 552.5	\$ 297.7	\$ —	\$ 1,494.5	\$ 942.0	\$ 40.1
Operating Profit (GAAP)	\$ 167.7	\$ 122.0	\$ 41.0	\$ (35.2)	\$ 295.5	\$ 208.7	\$ 156.8	\$ 140.9	\$ 25.0	\$ (31.6)	\$ 291.1	\$ 181.8	
Amortization of Acquisition-Related Intangible Assets and non-cash impairments	46.9	21.3	45.1	—	113.3	92.0	46.6	1.3	45.2	—	93.1	91.8	
Acquisition and Divestiture Related Items ^(b)	0.1	2.0	—	1.1	3.2	0.1	1.7	—	—	—	1.7	1.7	
Discrete Restructuring Charges	—	—	—	—	—	—	0.9	—	—	—	0.9	0.9	
Adjusted Operating Profit (Non-GAAP)	\$ 214.7	\$ 145.3	\$ 86.1	\$ (34.1)	\$ 412.0	\$ 300.8	\$ 206.0	\$ 142.2	\$ 70.2	\$ (31.6)	\$ 386.8	\$ 276.2	\$ 25.2
Operating Profit Margin (GAAP)	25.4 %	22.1 %	12.7 %		19.3 %	21.2 %	24.3 %	25.5 %	8.4 %		19.5 %	19.3 %	
Adjusted Operating Profit Margin (Non-GAAP)	32.5 %	26.4 %	26.7 %		26.8 %	30.6 %	32.0 %	25.7 %	23.6 %		25.9 %	29.3 %	
Incremental Adjusted Operating Profit Margin (Non-GAAP)^(c)													62.8 %
2023 Adjusted Operating Profit Margin (Non-GAAP)	32.0 %	25.7 %	23.6 %		25.9 %	29.3 %							
Core (Non-GAAP)	0.4 %	0.1 %	3.1 %		0.7 %	1.2 %							
Acquisitions and divestitures (Non-GAAP)	0.1 %	0.6 %	— %		0.2 %	0.1 %							
2024 Adjusted Operating Profit Margin (Non-GAAP)	32.5 %	26.4 %	26.7 %		26.8 %	30.6 %							

(a) The results for the three months ended September 29, 2023 have been recast to conform with the revised segment presentation reclassifying Invetech from AHS to PT.

(b) Includes pretax transaction costs, acquisition related fair value adjustments to inventory, integration costs and corresponding restructuring charges related to acquisitions.

(c) 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	Nine Months Ended September 27, 2024					Nine Months Ended September 29, 2023					Year over Year Change
	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Corporate	Total Fortive	Intelligent Operating Solutions	Precision Technologies ^(a)	Advanced Healthcare Solutions ^(a)	Corporate	Total Fortive	
Revenue (GAAP)	\$ 2,003.9	\$ 1,661.7	\$ 945.9	\$ —	\$ 4,611.5	\$ 1,929.5	\$ 1,653.9	\$ 898.2	\$ —	\$ 4,481.6	\$ 129.9
Operating Profit (GAAP)	\$ 505.0	\$ 386.4	\$ 108.7	\$ (100.6)	\$ 899.5	\$ 452.0	\$ 401.3	\$ 65.8	\$ (96.3)	\$ 822.8	
Amortization of Acquisition-Related Intangible Assets and Non-cash Impairments	141.7	63.3	135.4	—	340.4	141.5	2.8	135.8	—	280.1	
Acquisition and Divestiture Related Items ^(b)	1.7	32.1	—	1.1	34.9	1.7	—	—	—	1.7	
Gain on sale of property	—	(63.1)	—	—	(63.1)	—	—	—	—	—	
Discrete Restructuring Charges	—	—	—	—	—	17.0	5.3	6.9	—	29.2	
Adjusted Operating Profit (Non-GAAP)	\$ 648.4	\$ 418.7	\$ 244.1	\$ (99.5)	\$ 1,211.7	\$ 612.2	\$ 409.4	\$ 208.5	\$ (96.3)	\$ 1,133.8	\$ 77.9
Operating Profit Margin (GAAP)	25.2 %	23.3 %	11.5 %		19.5 %	23.4 %	24.3 %	7.3 %		18.4 %	
Adjusted Operating Profit Margin (Non-GAAP)	32.4 %	25.2 %	25.8 %		26.3 %	31.7 %	24.8 %	23.2 %		25.3 %	
Incremental Adjusted Operating Profit Margin (Non-GAAP)^(c)											60.0 %
2023 Adjusted Operating Profit Margin (Non-GAAP)	31.7 %	24.8 %	23.2 %		25.3 %						
Core (Non-GAAP)	0.7 %	(0.1)%	2.6 %		0.8 %						
Acquisitions and divestitures (Non-GAAP)	— %	0.5 %	— %		0.2 %						
2024 Adjusted Operating Profit Margin (Non-GAAP)	32.4 %	25.2 %	25.8 %		26.3 %						

(a) The results for the nine months ended September 29, 2023 have been recast to conform with the revised segment presentation reclassifying Invetech from AHS to PT.

(b) Includes pretax transaction costs, acquisition related fair value adjustments to inventory, integration costs, corresponding restructuring charges related to acquisitions, and separation costs.

(c) 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.

ADJUSTED NET EARNINGS AND ADJUSTED DILUTED NET EPS

\$ in millions, except per share amounts	Three Months Ended				Nine Months Ended			
	September 27, 2024		September 29, 2023		September 27, 2024		September 29, 2023	
	Per share value		Per share value		Per share value		Per share value	
Net Earnings and Net Earnings Per Share (GAAP)	\$ 221.6	\$ 0.63	\$ 218.0	\$ 0.61	\$ 624.1	\$ 1.76	\$ 600.6	\$ 1.69
Pretax amortization of acquisition related intangible assets and non-cash impairments	113.3	0.32	93.1	0.26	340.4	0.96	280.1	0.79
Pretax acquisition and divestiture related items ^(a)	3.2	0.01	1.7	—	34.9	0.10	1.7	—
Pretax losses from equity investments	26.2	0.07	3.8	0.01	39.4	0.11	12.9	0.04
Loss from divestiture	—	—	—	—	25.6	0.07	—	—
Pretax gain on sale of property and charitable contribution expense	—	—	—	—	(43.1)	(0.12)	—	—
Pretax discrete restructuring charges	—	—	0.9	—	—	—	29.2	0.08
Tax effect of the adjustments reflected above ^(b)	(22.7)	(0.06)	(15.9)	(0.04)	(55.3)	(0.16)	(53.1)	(0.15)
Adjusted Net Earnings and Adjusted Net Earnings Per Share (Non-GAAP)	\$ 341.6	\$ 0.97	\$ 301.6	\$ 0.85	\$ 966.0	\$ 2.73	\$ 871.4	\$ 2.45
Average Common Diluted Stock Outstanding (shares in millions)	352.3		356.1		354.4		356.0	

(a) Includes pretax transaction costs, acquisition related fair value adjustments to inventory, integration costs, corresponding restructuring charges related to acquisitions, and separation costs.

(b) The loss from divestiture had no tax impact. 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

	Three Months Ending December 31, 2024		Twelve Months Ending December 31, 2024	
	Low	High	Low	High
Forecasted Diluted Net Earnings Per Share (GAAP)	\$ 0.72	\$ 0.75	\$ 2.47	\$ 2.50
Anticipated pretax amortization of acquisition related intangible assets	0.33	0.33	1.29	1.29
Anticipated pretax acquisition and divestiture related items	0.07	0.07	0.18	0.18
Anticipated pretax discrete restructuring charges	0.06	0.06	0.06	0.06
Anticipated pretax losses from equity investments	—	—	0.11	0.11
Loss from divestiture	—	—	0.07	0.07
Pretax gain from sale of property and charitable contribution expense	—	—	(0.12)	(0.12)
Tax effect of the adjustments reflected above	(0.07)	(0.07)	(0.22)	(0.22)
Forecasted Adjusted Diluted Net Earnings Per Share	\$ 1.11	\$ 1.14	\$ 3.84	\$ 3.87

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

FREE CASH FLOW CONVERSION RATIO (in millions)

	Three Months Ended		Nine Months Ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
Operating Cash Flows (GAAP)	\$ 459.0	\$ 411.4	\$ 1,024.6	\$ 906.8
Less: purchases property, plant & equipment (capital expenditures) (GAAP)	(27.8)	(27.9)	(83.4)	(73.7)
Free Cash Flow (Non-GAAP)	\$ 431.2	\$ 383.5	\$ 941.2	\$ 833.1
Adjusted Net Earnings (Non-GAAP)	\$ 341.6	\$ 301.6	\$ 966.0	\$ 871.4
Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)	126 %	127 %	97 %	96 %
Revenue (GAAP)	\$ 1,534.6	\$ 1,494.5	\$ 4,611.5	\$ 4,481.6
Free Cash Flow Margin (Non-GAAP)	28.1 %	25.7 %	20.4 %	18.6 %

CORE REVENUE GROWTH

Components of Revenue Growth	Three Months Ended September 27, 2024	Nine Months Ended September 27, 2024
<i>Total Fortive</i>		
Total Revenue Growth (GAAP)	2.7 %	2.9 %
Core (Non-GAAP)	1.1 %	1.2 %
Acquisitions and divestitures (Non-GAAP)	1.6 %	2.3 %
Impact of currency translation (Non-GAAP)	— %	(0.6)%
<i>Intelligent Operating Solutions</i>		
Total Revenue Growth (GAAP)	2.6 %	3.9 %
Core (Non-GAAP)	1.5 %	3.1 %
Acquisitions and divestitures (Non-GAAP)	0.8 %	1.1 %
Impact of currency translation (Non-GAAP)	0.3 %	(0.3)%
<i>Precision Technologies</i>		
Total Revenue Growth (GAAP)	(0.3)%	0.5 %
Core (Non-GAAP)	(3.7)%	(4.0)%
Acquisitions and divestitures (Non-GAAP)	3.3 %	5.0 %
Impact of currency translation (Non-GAAP)	0.1 %	(0.5)%
<i>Advanced Healthcare Solutions</i>		
Total Revenue Growth (GAAP)	8.3 %	5.3 %
Core (Non-GAAP)	9.2 %	6.6 %
Impact of currency translation (Non-GAAP)	(0.9)%	(1.3)%
<i>Total IOS + AHS</i>		
Total Revenue Growth (GAAP)	4.4 %	
Core (Non-GAAP)	4.0 %	
Acquisitions and divestitures (Non-GAAP)	(0.1)%	
Impact of currency translation (Non-GAAP)	0.6 %	

ADJUSTED EFFECTIVE TAX RATE

\$ in millions	Three Months Ended		Nine Months Ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
Earnings before income taxes	\$ 232.2	\$ 257.1	\$ 694.9	\$ 713.3
Income tax expense	(10.6)	(39.1)	(70.8)	(112.7)
Effective tax rate (GAAP)	4.6 %	15.2 %	10.2 %	15.8 %
Earnings before income taxes (GAAP)	\$ 232.2	\$ 257.1	\$ 694.9	\$ 713.3
Pretax amortization of acquisition related intangible assets and non-cash impairments	113.3	93.1	340.4	280.1
Pretax acquisition and divestiture related items ^(a)	3.2	1.7	34.9	1.7
Pretax losses from equity investments	26.2	3.8	39.4	12.9
Loss from divestiture	—	—	25.6	—
Pretax gain on sale of property and charitable contribution expense	—	—	(43.1)	—
Pretax discrete restructuring charges	—	0.9	—	29.2
Pretax Adjusted Earnings before income taxes (Non-GAAP)	\$ 374.9	\$ 356.6	\$ 1,092.1	\$ 1,037.2
Tax effect of the adjustments reflected above ^(b)	(22.7)	(15.9)	(55.3)	(53.1)
Adjusted income tax expense (Non-GAAP)	\$ (33.3)	\$ (55.0)	\$ (126.1)	\$ (165.8)
Adjusted effective tax rate (Non-GAAP)	8.8 %	15.4 %	11.5 %	16.0 %

(a) Includes pretax transaction costs, acquisition related fair value adjustments to inventory, integration costs and corresponding restructuring charges related to acquisitions and separation costs.

(b) The loss from divestiture had no tax impact. The tax effect of the adjustments includes all other line items.

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



FORTIVE