



**Second Quarter
2024 Earnings Release**

July 24, 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, interest rate and current exchange rate impact, future prospects, shareholder value, impact of cybersecurity incidents 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 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, 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, 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. 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 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, 2023 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.

References to NWC mean the net working capital operational measure determined by the sum of net accounts receivable, inventories and unbilled receivables, less accounts payable and deferred revenue, each calculated in accordance with GAAP. References to adj. FCF Conversion refers to the ratio of Free Cash Flow to adjusted net income.

Q2 2024 Highlights

Resilient Earnings and Free Cash Flow Performance



High quality EPS growth in low growth environment

- Achieved high-end of adj. EPS/FCF guide on low-end of revenue
- Strong execution driven by FBS-led growth/productivity

Benefiting from long-term durable growth drivers

- Continued +HSD software ARR growth, healthcare upside
- Bolt-ons and NPI launches running ahead of expectations

Confident in 2024 outlook

- +MSD core growth through-cycle with strong recurring revenue
- Continuing track record of double-digit EPS and FCF growth

Q2 2024 Financial Highlights

Strong Operational Execution Driving Results

		Q2 2024	YTD 2024
REVENUE & GROWTH	Revenue	\$1,552M	\$3,077M
	<i>Core Growth</i>	<i>~Flat</i>	<i>+1%</i>
	<i>Total Growth</i>	<i>+2%</i>	<i>+3%</i>
MARGINS	AOP Margin	27%	26%
	<i>Adj. OMX</i>	<i>+90 bps</i>	<i>+100 bps</i>
	Adj. EPS	\$0.93	\$1.76
EARNINGS & FCF	<i>Adj. EPS Growth</i>	<i>+9%</i>	<i>+10%</i>
	Free Cash Flow	\$280M	\$510M
	<i>FCF Growth</i>	<i>(7)%</i>	<i>+13%</i>

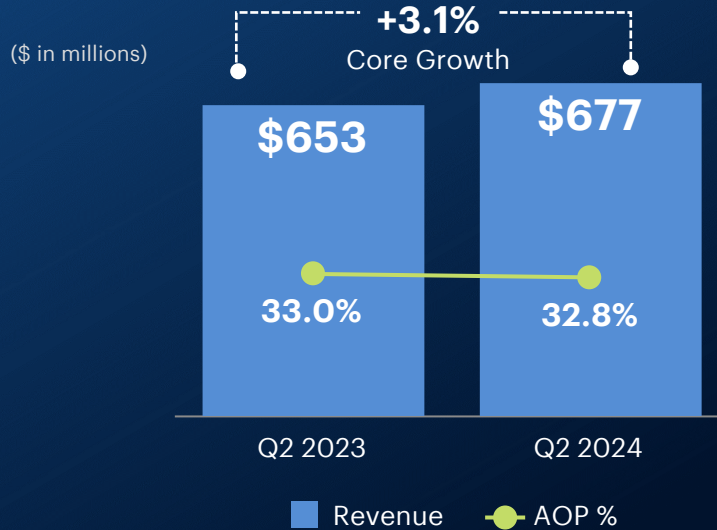
What We Are Seeing

- IOS & AHS momentum continues driven by durable and recurring growth drivers
- +LDD recurring revenue growth expected to continue
- Government spending delays push Q2 revenue to low-end of guide
- Orders at PT stabilized, BTB ~1.0 in Q2; expect return to growth in Q3 and Q4
- Slower recovery in certain end markets reflected in updated PT outlook
- Delay in global minimum tax implementation provides ETR benefit
- FCF growth continues to differentiate
 - Pace of share repurchases continues

Q2 2024 Segment Highlights

IOS and AHS Momentum Offset Weaker Demand at PT

INTELLIGENT OPERATING SOLUTIONS

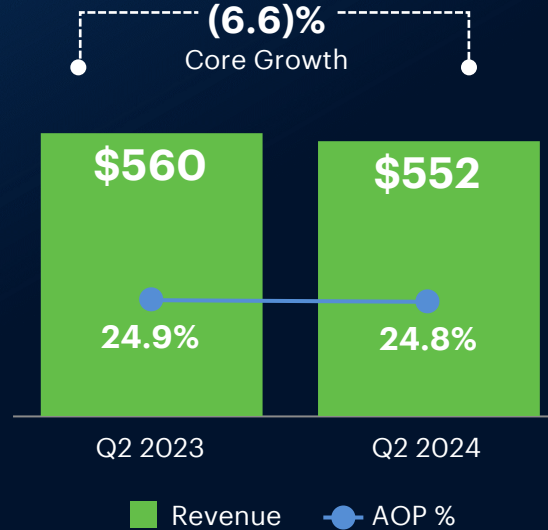


- Solar/EVSE, bolt-ons running ahead at Fluke
- Strong SaaS and iNet growth at EHS
- FAL benefiting from new logos and upsell in software; cont. normalization at Gordian

2024E Core Growth: **+MSD**

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

PRECISION TECHNOLOGIES

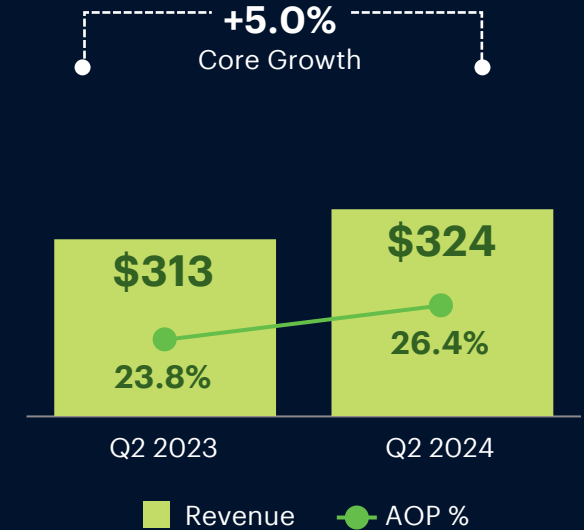


- Tektronix impacted by delayed Mil/Gov investments and China recovery
- Strong utility/data center demand offset by EU/China weakness at Sensing
- +DD growth at PacSci

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

2024E Adj. OMX: **Flat**

ADVANCED HEALTHCARE SOLUTIONS



- +DD Consumables growth at ASP
- +Mid-teens SaaS growth in software
- Strong volume and price realization deliver OMX upside

2024E Core Growth: **+MSD**

2024E Adj. OMX: **+150 bps**

Key Regional Trends

Delayed Recovery in Certain End Markets; Expect 2H Orders Growth

North America

Q2 2024 Core
Up Slightly

- IOS +MSD driven by industrial products and software
- PT (MSD) driven by lower US R&D investments
- +Mid-teens healthcare consumables growth, partially offset by lower capital

Western Europe

Q2 2024 Core
(MSD)

- Revenue normalized to bookings with mid-teens decline at PT
- IOS +LSD driven by slowing industrial demand
- +LDD growth in AHS

Asia

Q2 2024 Core
(LSD)

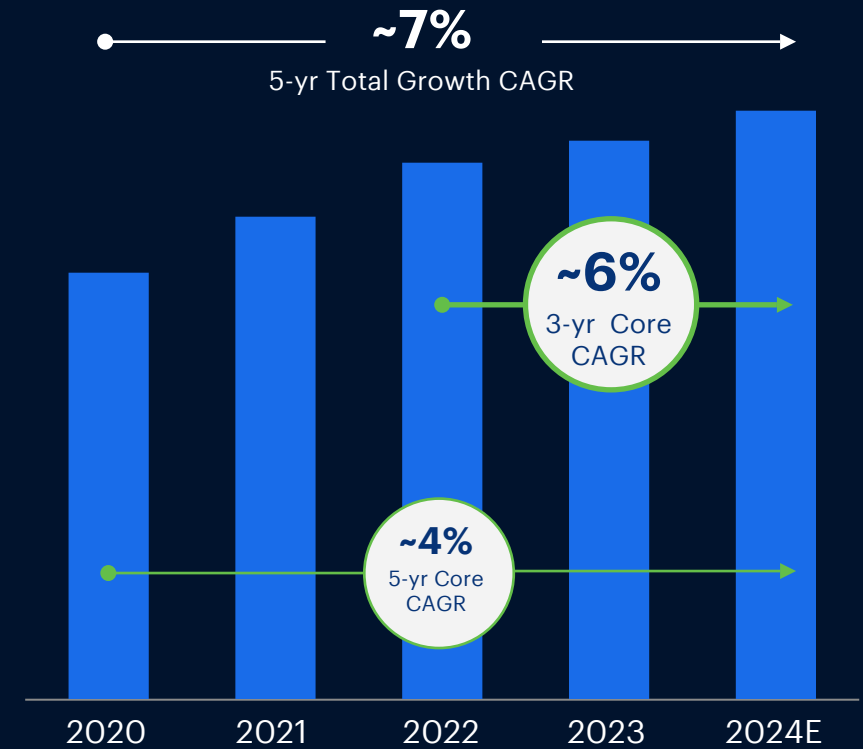
- China (MSD); rest of Asia +LSD
- Slower gov't spending and semi/PV demand in China
- Japan MSD+ all segments
- India +DD in IOS and AHS, partially offset by election uncertainty impacting PT

Q3 and FY 2024 Outlook

Execution Offsetting Lower PT Outlook

		Q3 2024	FY 2024
REVENUE & GROWTH	Revenue	\$1,535M to \$1,560M	\$6,250M to \$6,300M
	Core Growth	2% to 3.5%	2% to 3%
	Total Growth	3% to 4.5%	3% to 4%
MARGINS	AOP Margin	~27%	27% to 27.5%
	Adj. OMX	+100 bps	+100 to +150 bps
EARNINGS & FCF	Adj. EPS	\$0.92 to \$0.95	\$3.80 to \$3.86
	Adj. EPS Growth	10%	11% to 13%
	Free Cash Flow	~\$360M	~\$1,365M
	FCF Growth	(6%)	10%

Annual Revenue & Core Growth



FBS Growth & Innovation Acceleration

More Growth, More Productivity

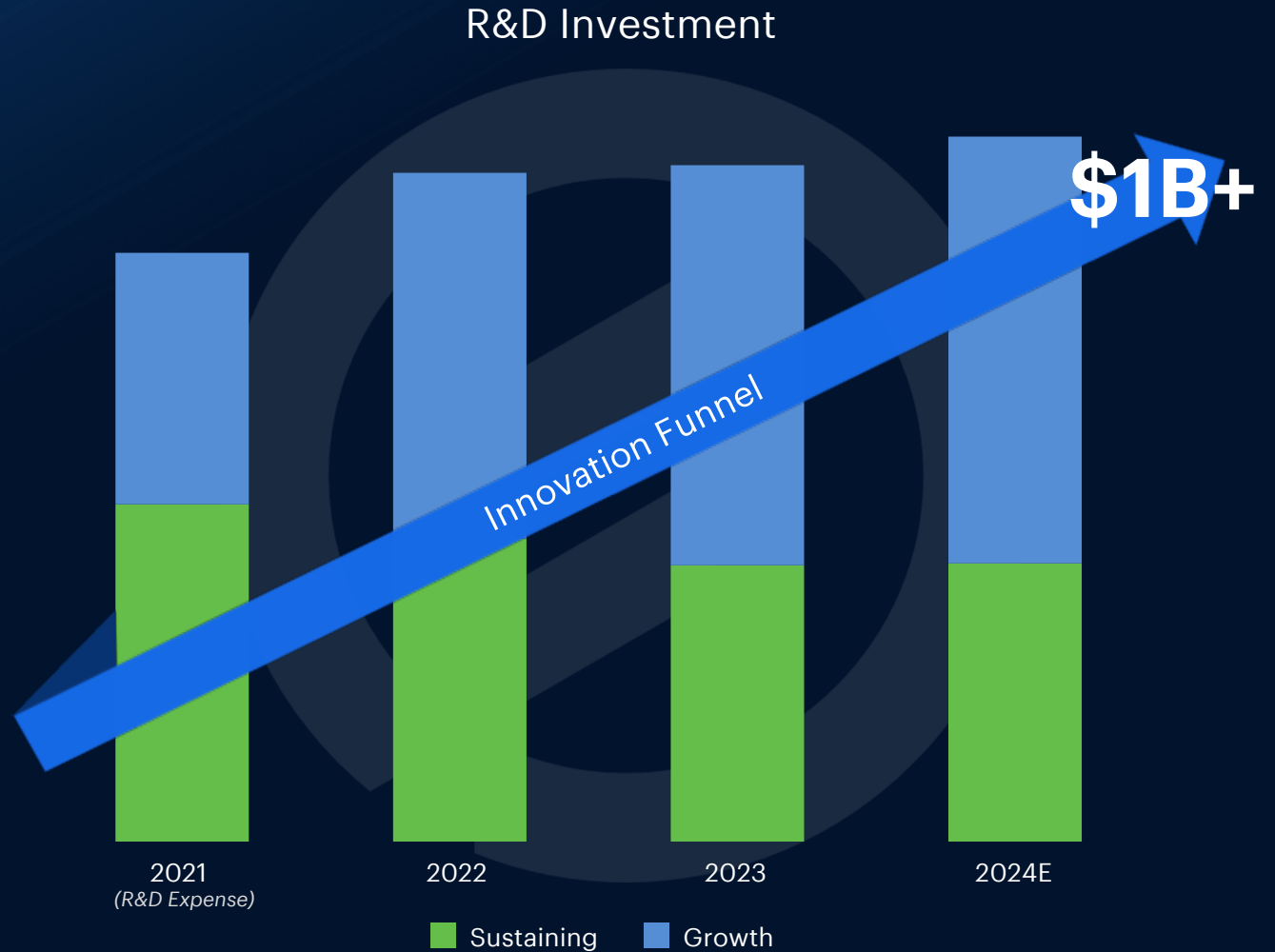
2X

Innovation spend
since 2021



3X

Innovation revenue
opportunity since 2021



On the Path to Achieving Long Term Targets

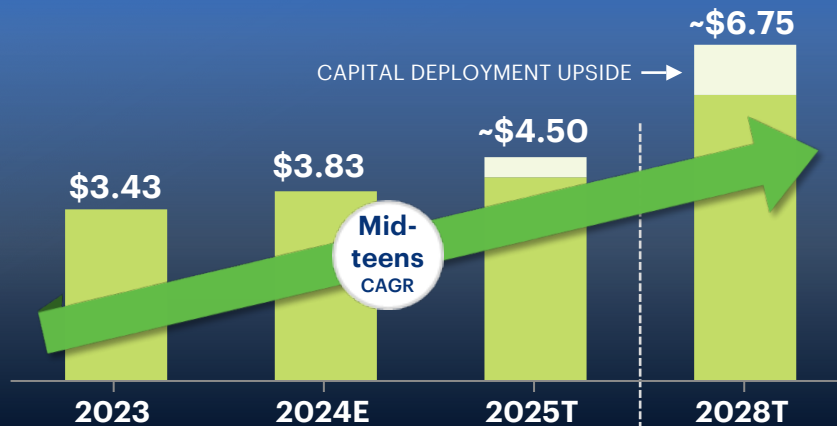
Differentiating Performance and Value Creation

DURABLE, HIGH-GROWTH COMPOUNDING

~2X

EPS growth 2023 to 2028

ADJ. EARNINGS PER SHARE



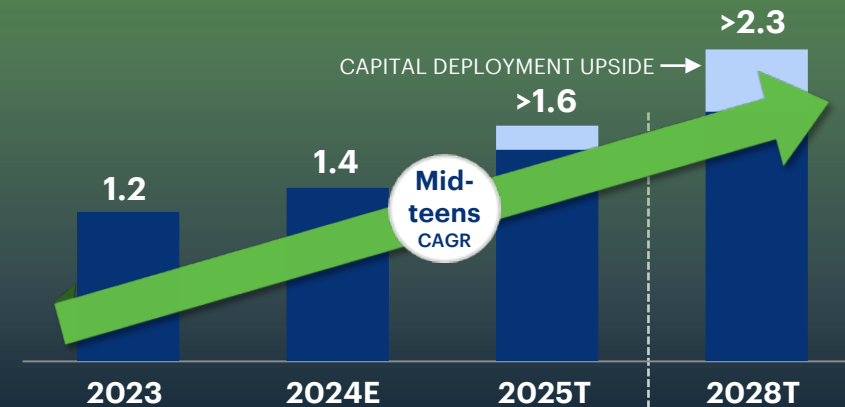
CREATING SHAREHOLDER VALUE

~2X

FCF growth 2023 to 2028

~\$8B FCF to deploy in next 5 years

ANNUAL FREE CASH FLOW (\$B)



Figures on this page beyond 2024 represent management's strategic targets, 2024 represents midpoint of current guide

Fortive - Executing on High Expectations

Remaining Disciplined and Focused

A MORE DURABLE INDUSTRIAL
GROWTH COMPANY



Resilient performance despite low growth environment

- Balanced end market outlook, narrowed FY EPS outlook

Innovation and focus on execution position us for 2H growth

- Robust NPI traction and recurring revenue contribution

Leveraging robust FCF generation to enhance compounding

- Deployment focused on accretive bolt-ons and share buybacks

Poised for higher return on invested capital

- M&A returns accelerate; driving higher earnings & FCF growth



Appendix & Supplemental Reconciliation Data

Q3, Q4, and FY 2024 Outlook¹

	Q3 2024	Q4 2024	FY 2024	
REVENUE & GROWTH	Revenue	\$1,535M to \$1,560M	\$1,635M to \$1,660M	\$6,250M to \$6,300M
	Core Growth	2% to 3.5%	2.5% to 4%	2% to 3%
	M&A	+1.5%	+1.5%	+2%
	FX	(0.5)%	(0.5)%	(1)%
	Total Growth	3% to 4.5%	3.5% to 5%	3% to 4%
MARGINS	Corporate	~\$30M	~\$30M	~\$125M
	AOP Margin	~27%	~29.3%	27% to 27.5%
	Adj. OMX	+100 bps	+150 bps	+100 bps to 150 bps
EARNINGS & FCF	Interest	~\$37M	~\$37M	~\$157M
	Est. Adj. Tax Rate	~14%	~10%	~12%
	Adj. EPS	\$0.92 to \$0.95	\$1.12 to \$1.15	\$3.80 to \$3.86
	Adj. EPS Growth	10%	16%	11% to 13%
	Share Count	~354M	~353M	~354M
	Free Cash Flow	~\$360M	~\$495M	~\$1,365M
	FCF Growth	(6%)	20%	10%

FY 2024 Regional Growth Expectations

North America	Core LSD+
Western Europe	Core LSD
Asia	Core Flat

Capex: ~1.7% of sales
(\$100 - \$120M)

1. Items on this page not presented as ranges are based on the midpoint of management's guidance.

ADJUSTED OPERATING PROFIT & ADJUSTED OPERATING PROFIT MARGIN

\$ in millions	Three Months Ended June 28, 2024					Three Months Ended June 30, 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)	\$ 677.0	\$ 551.8	\$ 323.6	\$ —	\$ 1,552.4	\$ 653.1	\$ 560.3	\$ 313.0	\$ —	\$ 1,526.4	\$ 26.0
Operating Profit (GAAP)	\$ 173.2	\$ 115.3	\$ 40.2	\$ (26.9)	\$ 301.8	\$ 161.7	\$ 136.8	\$ 25.4	\$ (32.6)	\$ 291.3	
Amortization of Acquisition-Related Intangible Assets and non-cash impairments	47.2	20.9	45.3	—	113.4	48.9	0.4	45.3	—	94.6	
Acquisition and Divestiture Related Items ^(b)	1.4	0.7	—	—	2.1	—	—	—	—	—	
Discrete Restructuring Charges	—	—	—	—	—	4.8	2.2	3.7	—	10.7	
Adjusted Operating Profit (Non-GAAP)	\$ 221.8	\$ 136.9	\$ 85.5	\$ (26.9)	\$ 417.3	\$ 215.4	\$ 139.4	\$ 74.4	\$ (32.6)	\$ 396.6	\$ 20.7
Operating Profit Margin (GAAP)	25.6 %	20.9 %	12.4 %		19.4 %	24.8 %	24.4 %	8.1 %		19.1 %	
Adjusted Operating Profit Margin (Non-GAAP)	32.8 %	24.8 %	26.4 %		26.9 %	33.0 %	24.9 %	23.8 %		26.0 %	
Incremental Adjusted Operating Profit Margin (Non-GAAP)^(c)											79.6 %
2023 Adjusted Operating Profit Margin (Non-GAAP)	33.0 %	24.9 %	23.8 %		26.0 %						
Core (Non-GAAP)	— %	(1.0)%	2.6 %		0.7 %						
Acquisitions and divestitures (Non-GAAP)	(0.2)%	0.9 %	— %		0.2 %						
2024 Adjusted Operating Profit Margin (Non-GAAP)	32.8 %	24.8 %	26.4 %		26.9 %						

(a) The results for the three months ended June 30, 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	Six Months Ended June 28, 2024					Six Months Ended June 30, 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)	\$ 1,342.7	\$ 1,110.8	\$ 623.4	\$ —	\$ 3,076.9	\$ 1,285.2	\$ 1,101.4	\$ 600.5	\$ —	\$ 2,987.1	\$ 89.8
Operating Profit (GAAP)	\$ 337.3	\$ 264.4	\$ 67.7	\$ (65.4)	\$ 604.0	\$ 295.2	\$ 260.4	\$ 40.8	\$ (64.7)	\$ 531.7	
Amortization of Acquisition-Related Intangible Assets and Non-cash Impairments	94.8	42.0	90.3	—	227.1	94.9	1.5	90.6	—	187.0	
Acquisition and Divestiture Related Items ^(b)	1.6	30.1	—	—	31.7	—	—	—	—	—	
Gain on sale of property	—	(63.1)	—	—	(63.1)	—	—	—	—	—	
Discrete Restructuring Charges	—	—	—	—	—	16.1	5.3	6.9	—	28.3	
Adjusted Operating Profit (Non-GAAP)	\$ 433.7	\$ 273.4	\$ 158.0	\$ (65.4)	\$ 799.7	\$ 406.2	\$ 267.2	\$ 138.3	\$ (64.7)	\$ 747.0	\$ 52.7
Operating Profit Margin (GAAP)	25.1 %	23.8 %	10.9 %		19.6 %	23.0 %	23.6 %	6.8 %		17.8 %	
Adjusted Operating Profit Margin (Non-GAAP)	32.3 %	24.6 %	25.3 %		26.0 %	31.6 %	24.3 %	23.0 %		25.0 %	
Incremental Adjusted Operating Profit Margin (Non-GAAP)^(c)											58.7 %
2023 Adjusted Operating Profit Margin (Non-GAAP)	31.6 %	24.3 %	23.0 %		25.0 %						
Core (Non-GAAP)	0.9 %	(0.2)%	2.4 %		0.9 %						
Acquisitions and divestitures (Non-GAAP)	(0.2)%	0.5 %	(0.1)%		0.1 %						
2024 Adjusted Operating Profit Margin (Non-GAAP)	32.3 %	24.6 %	25.3 %		26.0 %						

(a) The results for the six months ended June 30, 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 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				Six Months Ended			
	June 28, 2024		June 30, 2023		June 28, 2024		June 30, 2023	
		Per share value		Per share value		Per share value		Per share value
Net Earnings and Net Earnings Per Share (GAAP)	\$ 195.1	\$ 0.55	\$ 209.0	\$ 0.59	\$ 402.5	\$ 1.13	\$ 382.6	\$ 1.07
Pretax amortization of acquisition related intangible assets and non-cash impairments	113.4	0.32	94.6	0.27	227.1	0.64	187.0	0.52
Pretax acquisition and divestiture related items ^(a)	2.1	0.01	—	—	31.7	0.09	—	—
Pretax losses from equity investments	8.6	0.02	7.2	0.02	13.2	0.04	9.1	0.03
Loss from divestiture	25.6	0.07	—	—	25.6	0.07	—	—
Pretax gain on sale of property and charitable contribution expense	—	—	—	—	(43.1)	(0.12)	—	—
Pretax discrete restructuring charges	—	—	10.7	0.03	—	—	28.3	0.08
Tax effect of the adjustments reflected above ^(b)	(15.7)	(0.04)	(18.4)	(0.05)	(32.6)	(0.09)	(37.2)	(0.10)
Adjusted Net Earnings and Adjusted Net Earnings Per Share (Non-GAAP)	\$ 329.1	\$ 0.93	\$ 303.1	\$ 0.85	\$ 624.4	\$ 1.76	\$ 569.8	\$ 1.60
Average Common Diluted Stock Outstanding (shares in millions)		354.8		355.5		355.4		356.0

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

(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 September 27, 2024		Twelve Months Ending December 31, 2024	
	Low	High	Low	High
Forecasted Diluted Net Earnings Per Share (GAAP)	\$ 0.63	\$ 0.66	\$ 2.68	\$ 2.74
Anticipated pretax amortization of acquisition related intangible assets	0.32	0.32	1.28	1.28
Anticipated pretax acquisition-related items	—	—	0.10	0.10
Anticipated pretax losses from equity investments	0.01	0.01	0.06	0.06
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	(0.04)	(0.04)	(0.27)	(0.27)
Forecasted Adjusted Diluted Net Earnings Per Share	\$ 0.92	\$ 0.95	\$ 3.80	\$ 3.86

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 June 28, 2024	Six Months Ended June 28, 2024
Operating Cash Flows (GAAP)	\$ 308.9	\$ 565.6
Less: purchases property, plant & equipment (capital expenditures) (GAAP)	(29.2)	(55.6)
Free Cash Flow (Non-GAAP)	\$ 279.7	\$ 510.0
Adjusted Net Earnings (Non-GAAP)	\$ 329.1	\$ 624.4
Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)	85 %	82 %

	Three Months Ended June 30, 2023	Six Months Ended June 30, 2023
Operating Cash Flows (GAAP)	\$ 321.0	\$ 495.4
Less: purchases property, plant & equipment (capital expenditures) (GAAP)	(21.0)	(45.8)
Free Cash Flow (Non-GAAP)	\$ 300.0	\$ 449.6
Adjusted Net Earnings (Non-GAAP)	\$ 303.1	\$ 569.8
Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)	99 %	79 %

CORE REVENUE GROWTH

Components of Revenue Growth

	Three Months Ended June 28, 2024	Six Months Ended June 28, 2024
<i>Total Fortive</i>		
Total Revenue Growth (GAAP)	1.7 %	3.0 %
Core (Non-GAAP)	— %	1.2 %
Acquisitions and divestitures (Non-GAAP)	2.7 %	2.6 %
Impact of currency translation (Non-GAAP)	(1.0)%	(0.8)%
<i>Intelligent Operating Solutions</i>		
Total Revenue Growth (GAAP)	3.7 %	4.5 %
Core (Non-GAAP)	3.1 %	3.9 %
Acquisitions and divestitures (Non-GAAP)	1.2 %	1.2 %
Impact of currency translation (Non-GAAP)	(0.6)%	(0.6)%
<i>Precision Technologies</i>		
Total Revenue Growth (GAAP)	(1.5)%	0.9 %
Core (Non-GAAP)	(6.6)%	(4.1)%
Acquisitions and divestitures (Non-GAAP)	6.0 %	5.8 %
Impact of currency translation (Non-GAAP)	(0.9)%	(0.8)%
<i>Advanced Healthcare Solutions</i>		
Total Revenue Growth (GAAP)	3.4 %	3.8 %
Core (Non-GAAP)	5.0 %	5.3 %
Impact of currency translation (Non-GAAP)	(1.6)%	(1.5)%

ADJUSTED EFFECTIVE TAX RATE

\$ in millions	Three Months Ended		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Earnings before income taxes	\$ 228.7	\$ 250.4	\$ 462.7	\$ 456.2
Income tax expense	(33.6)	(41.4)	(60.2)	(73.6)
Effective tax rate (GAAP)	14.7 %	16.5 %	13.0 %	16.1 %
Earnings before income taxes (GAAP)	\$ 228.7	\$ 250.4	\$ 462.7	\$ 456.2
Pretax amortization of acquisition related intangible assets and non-cash impairments	113.4	94.6	227.1	187.0
Pretax acquisition and divestiture related items ^(a)	2.1	—	31.7	—
Pretax losses from equity investments	8.6	7.2	13.2	9.1
Loss from divestiture	25.6	—	25.6	—
Pretax gain on sale of property and charitable contribution expense	—	—	(43.1)	—
Pretax discrete restructuring charges	—	10.7	—	28.3
Pretax Adjusted Earnings before income taxes (Non-GAAP)	\$ 378.4	\$ 362.9	\$ 717.2	\$ 680.6
Tax effect of the adjustments reflected above ^(b)	(15.7)	(18.4)	(32.6)	(37.2)
Adjusted income tax expense (Non-GAAP)	\$ (49.3)	\$ (59.8)	\$ (92.8)	\$ (110.8)
Adjusted effective tax rate (Non-GAAP)	13.1 %	16.5 %	13.0 %	16.3 %

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

(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