

*Sales increased 6.9% in the year ended December 31, 2017. Core revenues increased 4.5% over the same period.

Financial Highlights for Fiscal Year Ended December 31, 2017

OPERATING PROFIT MARGIN 20.4%	Operating profit margin increased 40 bps in the year ended December 31, 2017. Core operating margin expanded 110 basis points over the same period.	CASH DIVIDEND RATE PER SHARE \$0.28	Fortive declared regular quarterly cash dividends of \$0.07 per share or an annual payout of \$0.28 per share.
NET EARNINGS \$1,045 MILLION	Net earnings for the year ended December 31, 2017 increased 19.7%. Adjusted net earnings increased 16.7% over the same period.	FREE CASH FLOW \$1,040 MILLION	Free cash flow increased 3.3% in the year ended December 31, 2017, reflecting a free cash flow conversion ratio of 107% for the same period.
DILUTED NET EARNINGS PER SHARE \$2.96	Diluted net earnings per share for the year ended December 31, 2017 increased 17.9%. Adjusted diluted net earnings per share increased 14.7% over the same period.	SHARE PRICE \$72.35 AS OF 12/29/2017 CLOSE	During 2017, our stock price increased almost 35% compared to a 19% increase by the S&P 500 index.

FORTIVE

Fortive is a diversified industrial growth company comprised of Professional Instrumentation and Industrial Technologies businesses that are recognized leaders in attractive markets. Fortive's well-known brands hold leading positions in field solutions, transportation technologies, sensing, product realization, automation and specialty, and franchise distribution markets. With a culture rooted in continuous improvement, the core of our company's operating model is the Fortive Business System.

SALES BY REGION

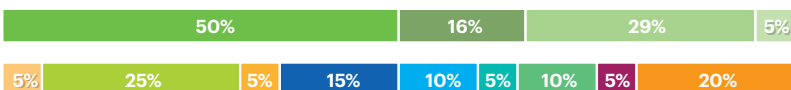


SALES BY END MARKET



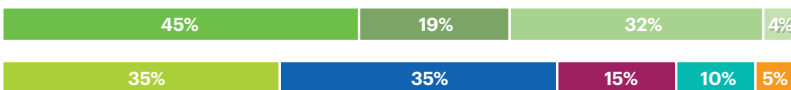
PROFESSIONAL INSTRUMENTATION

Measurement and monitoring that yields actionable intelligence.
* Part of Advanced Instrumentation and Solutions



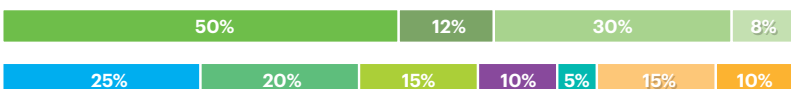
FIELD SOLUTIONS*

Our field solutions businesses deliver offline and connected hardware and software solutions that keep critical industrial, power and health infrastructure running smoothly, without interruption.



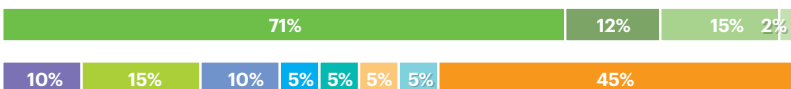
PRODUCT REALIZATION*

When it's time to convert breakthrough concepts into advanced finished products, our product realization businesses supply engineers with the tools, modules, software and services to get it done.



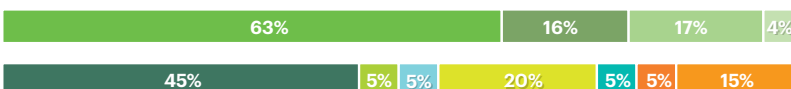
SENSING TECHNOLOGIES

Our sensing technologies businesses make precise operational measurements possible by combining material science with innovative hardware and software.



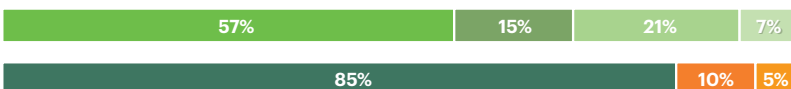
INDUSTRIAL TECHNOLOGIES

Technical equipment, components, software and services for global manufacturing, repair and transportation markets.



TRANSPORTATION TECHNOLOGIES

From fleet operations and remote fuel management to safe dispensing and secure payments, our industry-leading transportation technologies keep the world moving.



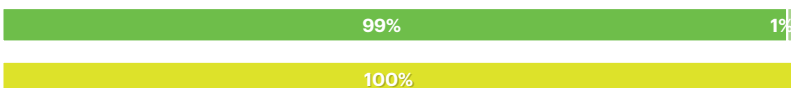
AUTOMATION & SPECIALTY COMPONENTS

Our automation and specialty businesses supply mission-critical components and equipment for industrial automation, robotics, medical devices and other precision control applications.



FRANCHISE DISTRIBUTION

Our franchise distribution businesses offer mobile distribution of high-end tools and diagnostic equipment, as well as wheel service equipment for the automotive aftermarket.



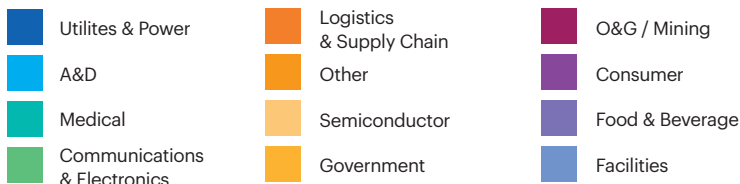
SALES BY REGION



SALES BY END MARKET

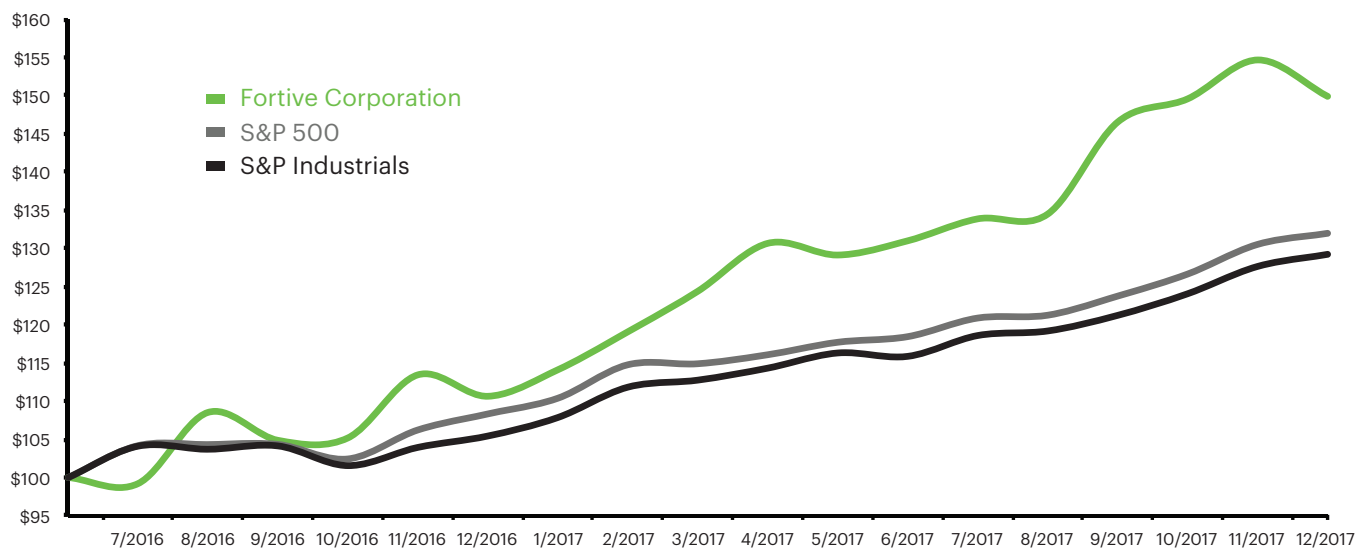


Sales by end market, presented above in increments of five percentage points, are estimates by management based on assumed participation by Fortive in the selected industries.



Comparison of 18 Month Cumulative Total Shareholder Return

Assumes Initial Investment of \$100
December 2017



NOTE: Data complete through last fiscal year. Copyright Standard and Poor's, Inc. Used with permission. All rights reserved.

	7/5/2016	12/31/2016	12/31/2017
Fortive Corporation	100.00	110.64	149.91
S&P 500	100.00	108.33	131.98
S&P Industrials	100.00	105.43	129.23

Reconciliation of Non-GAAP Financial Information to Corresponding Financial Information Presented in Accordance with GAAP

COMPONENTS OF REVENUE GROWTH

	Year Ended 2017 vs. 2016
Total revenue growth (GAAP)	6.9%
Core (Non-GAAP)	4.5%
Acquisitions* (Non-GAAP)	2.1%
Impact of currency translation (Non-GAAP)	0.3%

YEAR-OVER-YEAR OPERATING MARGIN CHANGES

GAAP

Year ended December 31, 2016 Operating Profit Margin (GAAP)	20.0%
Year ended December 31, 2017 impact from operating profit margin of businesses that have been owned for less than one year* (Non-GAAP)	(0.4)%
Year ended December 31, 2017 acquisition-related transaction costs and restructuring deemed significant (Non-GAAP)	(0.3)%
Year-over-year core operating margin changes for year ended December 31, 2017 (defined as all year-over-year operating margin changes other than the changes identified in the line item above) (Non-GAAP)	1.1%
Year ended December 31, 2017 Operating Profit Margin (GAAP)	20.4%

FREE CASH FLOW (NON-GAAP)

	Year Ended 12/31/2017	Year Ended 12/31/2016
Free Cash Flow from Operations (\$ in millions):		
Cash Flows from Operations (GAAP)	\$1,176.4	\$1,136.9
Less: purchases of property, plant and equipment (capital expenditures) from operations (GAAP)	(136.1)	(129.6)
Free Cash Flow (Non-GAAP)	\$1,040.3	\$1,007.3
Ratio of Free Cash Flow to Net Earnings (\$ in millions):		
Net earnings (GAAP)	\$1,044.5	\$872.3
TCJA Adjustments (GAAP)**	(70.3)	—
Net earnings excluding the estimated provisional TCJA impact (Non-GAAP)**	\$974.2	\$872.3
Free Cash Flow to Net Earnings Conversion Ratio Excluding the Estimated Provisional TCJA Impact (Non-GAAP)	107%	115%

ADJUSTED NET EARNINGS

(\$ in millions)

	Year Ended 12/31/2017	Year Ended 12/31/2016
Net Earnings (GAAP)	\$1,044.5	\$872.3
Pretax amortization of acquisition-related intangible assets in the year ended December 31, 2017 (\$65 million pretax, \$49 million after tax), and in the year ended December 31, 2016 (\$86 million pretax, \$62 million after tax)	65.3	85.7
Pretax Additional Interest Expense in the year ended December 31, 2016 (\$42 million pretax, \$30 million after tax)	—	(42.3)
Acquisition-related transaction costs and acquisition-related restructuring in the year ended December 31, 2017 (\$22 million pretax, \$16 million after tax)	21.8	—
Gain on sale of real property in the year ended December 31, 2017 (\$8 million pretax, \$5 million after tax)	(8.0)	—
Gain from acquisition in the year ended December 31, 2017 (\$15 million after tax)	(15.3)	—
Estimated tax effect of the adjustments reflected above	(18.8)	(12.3)
Estimated provisional TCJA Adjustments**	(70.3)	—
Additional Income Tax Adjustment in the year ended December 31, 2016 (\$30 million after tax)	—	(29.8)
Adjusted Net Earnings (Non-GAAP)	\$1,019.2	\$873.6

ADJUSTED DILUTED NET EARNINGS PER SHARE ***

(\$ in millions)

	Year Ended 12/31/2017	Year Ended 12/31/2016
Diluted Net Earnings Per Share (GAAP)	\$2.96	\$2.51
Pretax amortization of acquisition-related intangible assets in the year ended December 31, 2017 (\$65 million pretax, \$49 million after tax), and in the year ended December 31, 2016 (\$86 million pretax, \$62 million after tax)	0.19	0.25
Pretax Additional Interest Expense in the year ended December 31, 2016 (\$42 million pretax, \$30 million after tax)	—	(0.13)
Acquisition-related transaction costs and acquisition-related restructuring in the year ended December 31, 2017 (\$22 million pretax, \$16 million after tax)	0.06	—
Gain on sale of real property in the year ended December 31, 2017 (\$8 million pretax, \$5 million after tax)	(0.02)	—
Gain from acquisition in the year ended December 31, 2017 (\$15 million after tax)	(0.04)	—
Estimated tax effect of the adjustments reflected above	(0.05)	(0.03)
Estimated provisional TCJA Adjustments**	(0.20)	—
Additional Income Tax Adjustment in the year ended December 31, 2016 (\$30 million after tax)	—	(0.09)
Adjusted Diluted Net Earnings Per Share (GAAP)	\$2.89	\$2.52

* Includes the impact from acquisitions and the separation from Danaher.

** Non-recurring, provisional impact of the Tax Cut and Jobs Act (the "TCJA"), including the provisional amount of the remeasurement of deferred tax assets and liabilities and the provisional amount of the transitional tax obligations on deemed repatriation of foreign earnings.

*** The sum of the components of Adjusted Diluted Net Earnings Per Share may not equal the total amount due to rounding.