

*Sales increased 3.0% in the six months ended December 31, 2016. Core revenues increased 3.1% over the same period.

Financial Highlights for Fiscal Year Ended December 31, 2016

FULL YEAR ENDED DECEMBER 31, 2016	SIX MONTHS ENDED DECEMBER 31, 2016	FULL YEAR ENDED DECEMBER 31, 2016	SIX MONTHS ENDED DECEMBER 31, 2016
OPERATING PROFIT MARGIN 20%	Operating profit margin increased 10 basis points in the six months ended December 31, 2016. Core adjusted operating margin expanded 90 basis points over the same period.	CASH DIVIDEND RATE PER SHARE \$0.28	Fortive initiated a regular quarterly cash dividend of \$0.07 per share or an indicated annual payout of \$0.28 per share.
NET EARNINGS \$872 MILLION	Net earnings for the six months ended December 31, 2016 increased 4.3% over the same period in the prior year. Adjusted net earnings increased 12.0% over the same period.	FREE CASH FLOW \$1,007 MILLION	Free cash flow increased 4.4% in the six months ended December 31, 2016, reflecting a Free Cash Flow to Net Earnings Ratio of 129% for the same period.
DILUTED NET EARNINGS PER SHARE \$2.51	Diluted net earnings per share for the six months ended December 31, 2016 increased 3.2% over the same period in the prior year. Adjusted diluted net earnings per share increased 10.7% over the same period.	SHARE PRICE \$53.63	During the second half of 2016, our stock price increased 10.0% compared to a 7.0% 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



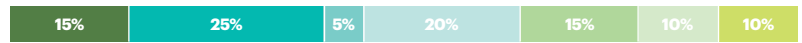
FIELD SOLUTIONS*

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.



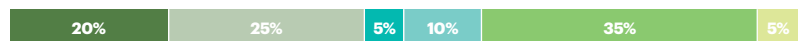
TRANSPORTATION TECHNOLOGIES

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



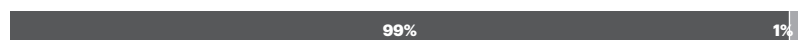
AUTOMATION & SPECIALTY COMPONENTS

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

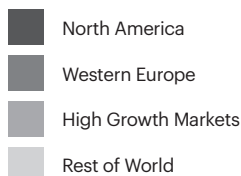


FRANCHISE DISTRIBUTION

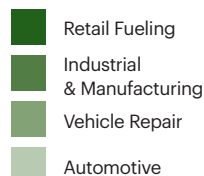
Our franchise distribution businesses offer mobile distribution of high-end tools and diagnostic equipment, as well as wheel service equipment for the automotive aftermarket.



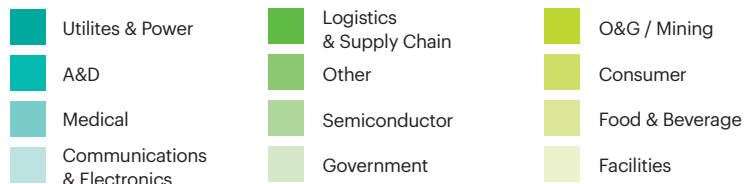
SALES BY REGION



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.



Financial Summary

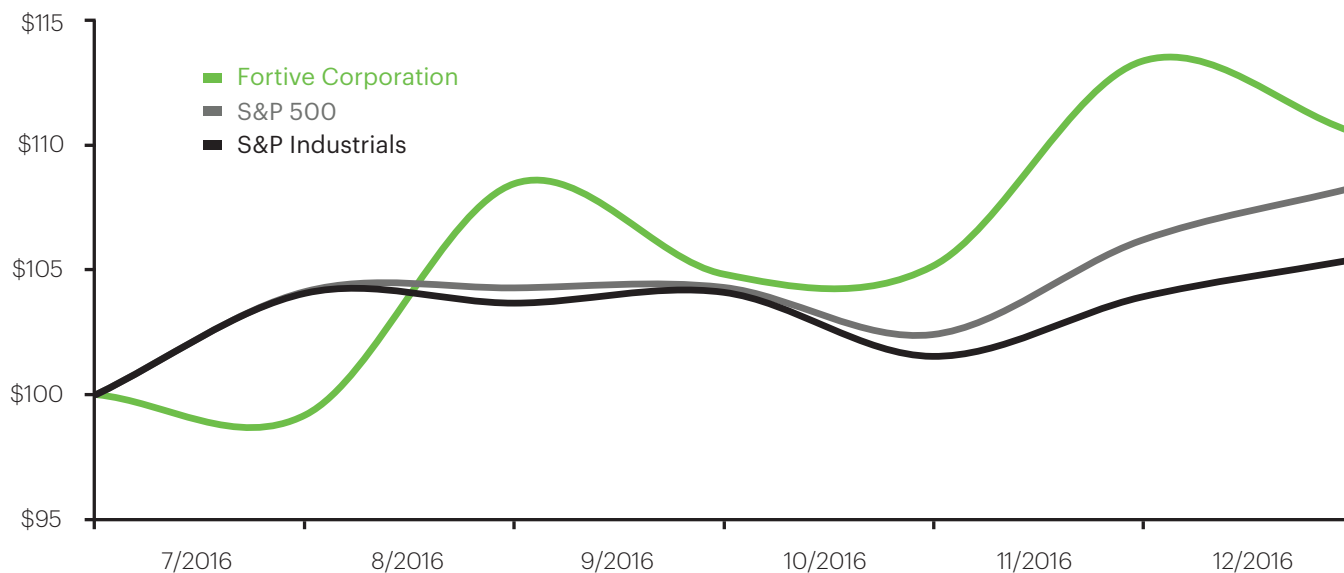
SIX MONTHS ENDED 12/31/2016

(\$ in millions, except per share)	2016	2015
Sales	\$3,195	\$3,100
Operating Profit Margin (GAAP)	20.7%	20.6%
Adjusted Operating Profit Margin (Non-GAAP)	20.7%	20.0%
Diluted Net Earnings per Share	1.29	1.25
Adjusted Diluted Net Earnings per Share (Non-GAAP)	1.35	1.22
Diluted Weighted Average Common Shares Outstanding	349.5	345.2

	2016	2015
Cash Dividends Paid	0.14	
Cash Provided by Operating Activities	649	624
Capital Expenditures	68	68
Free Cash Flow (Non-GAAP)	581	557
Total Fortive Stockholders' Equity	2,688	
Total Debt	3,365	
Total Assets	8,190	

COMPARISON OF 6 MONTH CUMULATIVE TOTAL SHAREHOLDER RETURN

Assumes Initial Investment of \$100
December 2016



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

Company/Index	Base Period 7/5/2016	7/31/2016	8/31/2016	9/30/2016	10/31/2016	11/30/2016	12/31/2016
Fortive Corporation	100.00	99.20	108.52	104.88	105.18	113.45	110.64
S&P 500	100.00	104.17	104.32	104.34	102.43	106.23	108.33
S&P Industrials	100.00	104.10	103.70	104.14	101.56	103.94	105.43

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

COMPONENTS OF REVENUE GROWTH

Six Months Ended 12/31/16 vs. Comparable 2015 Period

Total revenue growth (GAAP)	3.0%
Core (Non-GAAP)	3.1%
Acquisitions* (Non-GAAP)	0.7%
Impact of currency translation (Non-GAAP)	(0.8)%

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

ADJUSTED OPERATING PROFIT MARGIN (NON-GAAP)

	Six Months Ended 12/31/2016	Six Months Ended 12/31/2015
Operating Profit Margin (GAAP)	20.7%	20.6%
Estimated SG&A Level adjustments	0.0%	-0.6%
Adjusted Operating Profit Margin (Non-GAAP)	20.7%	20.0%

YEAR-OVER-YEAR OPERATING PROFIT MARGINS

GAAP

Six Month Period ended 12/31/2015 Operating Profit Margin (GAAP)	20.6%
Second half 2016 impact from operating profit margin of businesses that have been owned for less than one year (Non-GAAP)	(0.1)%
Year-over-year core operating margin changes for second half 2016 (defined as all year-over-year operating margin changes other than the changes identified in the line item above) (Non-GAAP)	0.2%
Six Month Period ended 12/31/2016 Operating Profit Margin (GAAP)	20.7%

Non-GAAP

Six Month Period ended 12/31/2015 Adjusted Operating Profit Margin (Non-GAAP)	20.0%
Second half 2016 impact from adjusted operating profit margin of businesses that have been owned for less than one year (Non-GAAP)	(0.2)%
Year-over-year core adjusted operating margin changes for second half 2016 (defined as all year-over-year adjusted operating margin changes other than the changes identified in the line item above) (Non-GAAP)	0.9%
Six Month Period ended 12/31/2016 Adjusted Operating Profit Margin (Non-GAAP)	20.7%

FREE CASH FLOW (NON-GAAP)

	Six Months Ended		Year Ended	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Free Cash Flow from Operations (\$ in millions):				
Cash Flows from Operations (GAAP)	\$649.1	\$624.2	\$1,136.9	\$1,009.0
Less: purchases of property, plant and equipment (capital expenditures) from operations (GAAP)	(68.2)	(67.7)	(129.6)	(120.1)
Free Cash Flow (Non-GAAP)	\$580.9	\$556.5	\$1,007.3	\$888.9
Ratio of Free Cash Flow to Net Earnings (\$ in millions):				
Free Cash Flow from Above (Non-GAAP)	\$580.9	\$556.5	\$1,007.3	\$888.9
Net earnings (GAAP)	451.4	432.7	872.3	863.8
Free Cash Flow to Net Earnings Conversion Ratio (Non-GAAP)	129%	129%	115%	103%

ADJUSTED NET EARNINGS

(\$ in millions)

	Six Months Ended 12/31/2016	Six Months Ended 12/31/2015
Net Earnings (GAAP)	\$451.4	\$432.7
Pretax amortization of acquisition-related intangible assets in the six months ended 12/31/2016 (\$41 million pretax, \$29 million after tax) and 12/31/2015 (\$44 million pretax, \$28 million after tax)	41.0	44.2
Pretax additional interest expense in the six months ended 12/31/2015 (\$45 million pretax, \$28 million after tax) related to the borrowings incurred in connection with the separation from Danaher	—	(45.0)
Pretax adjustments in the six months ended 12/31/2015 (\$19 million pretax, \$12 million after tax) to increase SG&A expenses up to the Estimated SG&A Level	—	(19.4)
Tax effect of all adjustments reflected above	(11.6)	7.7
Adjustment for pre- and post-Separation period tax rate differential (\$10 million after tax)	(10.0)	—
Adjusted Net Earnings (Non-GAAP)	\$470.8	\$420.2

ADJUSTED DILUTED NET EARNINGS PER SHARE

	Six Months Ended 12/31/2016	Six Months Ended 12/31/2015
Net Earnings (GAAP)	\$1.29	\$1.25
Pretax amortization of acquisition-related intangible assets in the six months (\$41 million pretax, \$29 million after tax) ended December 31, 2016, and in the six months (\$44 million pretax, \$28 million after tax) ended December 31, 2015	0.12	0.13
Pretax additional interest expense in the six months (\$45 million pretax, \$28 million after tax) ended December 31, 2015, related to the borrowings incurred in connection with the separation from Danaher	—	(0.13)
Pretax adjustments in the six months (\$19 million pretax, \$12 million after tax) ended December 31, 2015, to increase SG&A expenses up to the Estimated SG&A Level	—	(0.06)
Tax effect of all adjustments reflected above	(0.03)	0.02
Additional Income Tax Adjustments in the year ended December 31, 2016 (\$10 million after tax)	(0.03)	—
Adjusted Net Earnings (Non-GAAP)	\$1.35	\$1.22