

**FORTIVE CORPORATION**  
**SUPPLEMENTAL ADJUSTED FINANCIAL DATA**

Fortive is providing the following unaudited adjusted supplemental financial information to reflect the split-off transaction of our Automation & Specialty platform (excluding Fortive's Hengstler and Dynapar businesses) (the "A&S Business") that we completed on October 1, 2018 ("Supplemental Information"). The A&S Business includes the market-leading brands of Kollmorgen, Thomson, Portescap and Jacobs Vehicle Systems.

The Supplemental Information has been provided for the year ended December 31, 2017 and three months ended December 31, 2017, March 30, 2018, June 29, 2018 and September 28, 2018, and management believes this non-GAAP supplemental information helps investors understand the long-term profitability trends of our business operations giving effect after the split-off of the A&S Business and facilitates comparisons of our profitability to prior and future periods and to our peers. The Supplemental Information should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP financial measures, and may not be comparable to similarly titled measures reported by other companies. The split-off the A&S Business will be retrospectively classified as discontinued operations beginning in the fourth quarter of 2018.

**Segment data**

(\$ in millions)	Year Ended		Three Months Ended		
	December 31, 2017	December 31, 2017	March 30, 2018	June 29, 2018	September 28, 2018
<b>Sales</b>					
Professional Instrumentation (GAAP)	\$ 3,139.1	\$ 877.2	\$ 871.7	\$ 889.0	\$ 894.1
Industrial Technologies (GAAP)	3,516.9	929.5	869.0	967.0	946.0
Adjustment to remove sales of the A&S Business from the Industrial Technologies segment (Non-GAAP)	(899.9)	(228.8)	(248.5)	(254.2)	(238.9)
<b>Total supplemental sales (Non-GAAP)</b>	<b>\$ 5,756.1</b>	<b>\$ 1,577.9</b>	<b>\$ 1,492.2</b>	<b>\$ 1,601.8</b>	<b>\$ 1,601.2</b>

**Non-GAAP adjusted operating profit**

Professional Instrumentation (GAAP)	\$ 712.9	\$ 189.7	\$ 206.4	\$ 219.4	\$ 180.0
Industrial Technologies (GAAP)	719.5	188.6	158.3	200.9	199.7
Adjustment to remove the contribution of the A&S Business from the Industrial Technologies segment (Non-GAAP)	(216.7)	(53.7)	(64.1)	(66.3)	(58.0)
Adjusted supplemental Industrial Technologies operating profit (Non-GAAP)	502.8	134.9	94.2	134.6	141.7
Other (GAAP)	(73.5)	(20.8)	(26.5)	(37.9)	(58.3)
Adjustment to Other for the A&S Business split-off (Non-GAAP)	1.2	1.2	3.8	8.3	18.2
<b>Total supplemental operating profit (Non-GAAP)</b>	<b>\$ 1,143.4</b>	<b>\$ 305.0</b>	<b>\$ 277.9</b>	<b>\$ 324.4</b>	<b>\$ 281.6</b>

## Supplemental Adjusted Net Earnings

(\$ in millions)	Year Ended	Three Months Ended			
	December 31, 2017	December 31, 2017	March 30, 2018	June 29, 2018	September 28, 2018
<b>Net Earnings Available to Common Shareholders (GAAP)</b>	\$ 1,044.5	\$ 336.9	\$ 261.2	\$ 294.8	\$ 227.9
Dividends on the mandatory convertible preferred stock included in earnings available to common shareholders	—	—	—	0.2	17.4
<b>Net Earnings (GAAP)</b>	<b>1,044.5</b>	<b>336.9</b>	<b>261.2</b>	<b>295.0</b>	<b>245.3</b>
A&S separation impact	(154.4)	(33.2)	(49.2)	(51.5)	(46.0)
Pretax amortization of acquisition-related intangible assets	65.3	24.0	25.0	24.1	32.4
Acquisition and divestiture-related transaction costs	21.8	10.6	3.8	11.0	56.0
Gain on sale of real property	(8.0)	(8.0)	—	—	—
Pretax acquisition-related fair value adjustments to deferred revenue related to the Accruent acquisition	—	—	—	—	3.0
Gain from acquisition	(15.3)	—	—	—	—
Estimated tax effect of the adjustments reflected above	(18.8)	(4.6)	(5.1)	(6.5)	(16.8)
Estimated provisional TCJA Adjustments	(70.3)	(70.3)	(4.2)	(1.9)	1.2
<b>Supplemental Adjusted Net Earnings (non-GAAP)</b>	<b>\$ 864.8</b>	<b>\$ 255.4</b>	<b>\$ 231.5</b>	<b>\$ 270.2</b>	<b>\$ 275.1</b>

## Supplemental Adjusted Diluted Net Earnings Per Share

	Year Ended		Three Months Ended		
	December 31, 2017	December 31, 2017	March 30, 2018	June 29, 2018	September 28, 2018
<b>Diluted Net Earnings Per Share Available to Common Shareholders (GAAP)</b>	\$ 2.96	\$ 0.95	\$ 0.74	\$ 0.83	\$ 0.64
Dividends on the mandatory convertible preferred stock	—	—	—	—	0.05
Assumed dilutive impact on the Adjusted Diluted Net Earnings Per Share Attributable to Common Stockholders if the Converted shares had been outstanding	—	—	—	—	(0.03)
A&S separation impact	(0.44)	(0.09)	(0.14)	(0.15)	(0.12)
Pretax amortization of acquisition-related intangible assets.	0.19	0.07	0.07	0.07	0.09
Acquisition and divestiture-related transaction costs	0.06	0.03	0.01	0.03	0.15
Gain on sale of real property	(0.02)	(0.02)	—	—	—
Pretax acquisition-related fair value adjustments to deferred revenue related to the Accruent acquisition	—	—	—	—	0.01
Gain from acquisition	(0.04)	—	—	—	—
Estimated tax effect of the adjustments reflected above	(0.05)	(0.01)	(0.01)	(0.02)	(0.05)
Estimated provisional TCJA Adjustments	(0.20)	(0.20)	(0.01)	(0.01)	—
<b>Supplemental Adjusted Diluted Net Earnings Per Share (non-GAAP)</b>	<u>\$ 2.45</u>	<u>\$ 0.72</u>	<u>\$ 0.65</u>	<u>\$ 0.76</u>	<u>\$ 0.74</u>

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

## Adjusted Diluted Shares Outstanding

(shares in millions)	Year Ended		Three Months Ended		
	December 31, 2017	December 31, 2017	March 30, 2018	June 29, 2018	September 28, 2018
Average common diluted stock outstanding	352.6	353.9	354.4	355.0	355.3
Converted Shares <sup>(a)</sup>	—	—	—	—	16.1
Adjusted average common stock and common equivalent shares outstanding	352.6	353.9	354.4	355.0	371.4

(a) The number of Converted Shares assumes the conversion of all 1.38 million shares applying the “if-converted” method and using an average 20-day VWAP of \$85.52 as of September 28, 2018.

## Non-GAAP Supplemental Sales from Existing Businesses (Core Growth) Reconciliation to Total Supplemental Sales Growth <sup>(a)</sup>

	Year Ended	Three Months Ended			
	December 31, 2017	December 31, 2017	March 30, 2018	June 29, 2018	September 28, 2018
<b>Professional Instrumentation</b>					
Revenue Growth (GAAP)	8.6%	17.5%	21.7%	17.1%	13.6%
Adjustment for A&S Business revenue growth (Non-GAAP)	—	—	—	—	—
<b>Adjusted supplemental revenue growth (Non-GAAP)</b>	<b>8.6%</b>	<b>17.5%</b>	<b>21.7%</b>	<b>17.1%</b>	<b>13.6%</b>
Existing businesses (non-GAAP)	5.5%	5.6%	5.5%	3.4%	1.4%
Acquisitions (non-GAAP)	3.0%	9.6%	12.2%	11.9%	13.2%
Currency exchange rates (non-GAAP)	0.1%	2.3%	4.0%	1.8%	(1.0)%
<b>Industrial Technologies</b>					
Revenue Growth (GAAP)	5.5%	5.6%	6.1%	11.2%	5.3%
Adjustment for A&S Business revenue growth (Non-GAAP)	(0.3)%	(1.5)%	(3.1)%	0.1%	(0.4)%
<b>Adjusted supplemental revenue growth (Non-GAAP)</b>	<b>5.2%</b>	<b>4.1%</b>	<b>3.0%</b>	<b>11.3%</b>	<b>4.9%</b>
Existing businesses (non-GAAP)	2.7%	(1.4)%	(4.0)%	6.1%	3.9%
Acquisitions (non-GAAP)	2.0%	3.6%	4.3%	3.9%	2.6%
Currency exchange rates (non-GAAP)	0.5%	1.9%	2.7%	1.3%	(1.6)%
<b>Fortive Corporation</b>					
Revenue Growth (GAAP)	6.9%	11.0%	13.4%	13.9%	9.2%
Adjustment for A&S Business revenue growth (Non-GAAP)	0.1%	0.2%	(0.3)%	0.5%	0.5%
<b>Adjusted supplemental revenue growth (Non-GAAP)</b>	<b>7.0%</b>	<b>11.2%</b>	<b>13.1%</b>	<b>14.4%</b>	<b>9.7%</b>
Existing businesses (non-GAAP)	4.2%	2.3%	1.2%	4.6%	2.6%
Acquisitions (non-GAAP)	2.5%	6.8%	8.5%	8.3%	8.3%
Currency exchange rates (non-GAAP)	0.3%	2.1%	3.4%	1.5%	(1.2)%

(a) Non-GAAP sales from existing businesses (core growth) refers to sales from operations excluding (1) sales impact from acquired businesses and (2) the impact of currency translation. References to sales impacts from 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 not 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 from acquired businesses) and (b) the period-to-period change in sales (excluding sales from acquired businesses) after applying current period foreign exchange rates to the prior year period.

## Adjusted Estimated Effective Tax Rate

(\$ in millions)	Year Ended	Three Months Ended			
	December 31, 2017	December 31, 2017	March 30, 2018	June 29, 2018	September 28, 2018
Earnings before income taxes	\$ 1,284.2	\$ 338.0	\$ 312.9	\$ 356.0	\$ 296.2
Income tax expense	\$ (239.7)	\$ (1.1)	\$ (51.7)	\$ (61.0)	\$ (50.9)
<b>Estimated effective tax rate (GAAP)</b>	<b>18.7%</b>	<b>0.3%</b>	<b>16.5%</b>	<b>17.1%</b>	<b>17.2%</b>
A&S separation impact	\$ (211.8)	\$ (52.5)	\$ (62.8)	\$ (65.0)	\$ (56.6)
Amortization of acquisition-related intangible assets	\$ 65.3	\$ 24.0	\$ 25.0	\$ 24.1	\$ 32.4
Acquisition and divestiture-related transaction costs	21.8	10.6	3.8	11.0	56.0
Fair value adjustments to deferred revenue related to the Accruent acquisition	—	—	—	—	3.0
Gain from acquisition	(15.3)	—	—	—	—
Gain on sale of real property	(8.0)	(8.0)	\$ —	\$ —	\$ —
<b>Pretax Adjusted Supplemental Net Earnings (Non-GAAP)</b>	<b>\$ 1,136.2</b>	<b>\$ 312.1</b>	<b>\$ 278.9</b>	<b>\$ 326.1</b>	<b>\$ 331.0</b>
Income tax attributable to the A&S Business	\$ 57.4	\$ 19.3	\$ 13.7	\$ 13.6	\$ 10.6
Tax effect of the adjustments reflected above	\$ (18.8)	\$ (4.6)	\$ (5.1)	\$ (6.5)	\$ (16.8)
TCJA Adjustments	(70.3)	(70.3)	(4.2)	(1.9)	1.2
Adjusted income tax expense	\$ (271.4)	\$ (56.7)	\$ (47.3)	\$ (55.8)	\$ (55.9)
<b>Adjusted estimated effective tax rate (Non-GAAP)</b>	<b>23.9%</b>	<b>18.2%</b>	<b>17.0%</b>	<b>17.1%</b>	<b>16.9%</b>