



Baird 2018 Global Industrial Conference

Jim Lico | President & CEO

FORWARD-LOOKING STATEMENTS & NON-GAAP FINANCIAL MEASURES

Statements in this presentation that are not strictly historical, statements regarding the Company's anticipated earnings, business and acquisition opportunities, anticipated revenue growth, anticipated operating margin expansion, anticipated cash flow, economic conditions, future prospects, and any other statements identified by their use of words like “anticipate,” “expect,” “believe,” “outlook,” “guidance,” or “will” or other words of similar meaning are “forward-looking” statements within the meaning of the federal securities laws. There are a number of important factors that could cause actual results, developments and business decisions to differ materially from those suggested or indicated by such forward-looking statements and you should not place undue reliance on any such forward-looking statements. These factors include, among other things: deterioration of or instability in the economy, the markets we serve and the financial markets, contractions or lower growth rates and cyclicalities of markets we serve, competition, changes in industry standards and governmental regulations, 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, our compliance with applicable laws and regulations and changes in applicable laws and regulations, risks relating to international economic, political, 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, our ability to adjust purchases and manufacturing capacity to reflect market conditions, reliance on sole sources of supply, security breaches or other disruptions of our information technology systems, adverse effects of restructuring activities, labor matters, disruptions relating to man-made and natural disasters, impact of our separation from Danaher on our operations or financial results, and impact of our indemnification obligation to Danaher. 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, 2017. 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 contains references to “adjusted diluted net earnings per share (adjusted diluted net EPS),” “core revenue growth,” “core operating margin expansion (core OMX),” adjusted effective tax rate (ETR), and “free cash flow (FCF)” which are, in each case, not presented in accordance with generally accepted accounting principles (“GAAP”).

Information required by Regulation G with respect to such non-GAAP financial measures can be found in the “Investors” section our web site, www.fortive.com, under the heading “Financial Information” and subheading “Quarterly Earnings.”

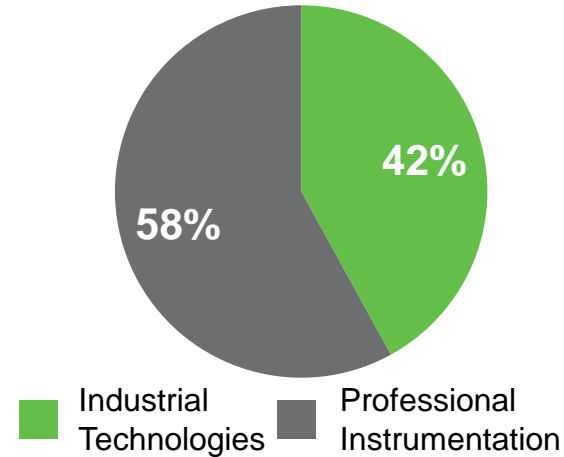
The historical non-GAAP financial measures should not be considered in isolation or as a substitute for the GAAP financial measures but should instead be read in conjunction with the corresponding GAAP financial measures.

FORTIVE OVERVIEW

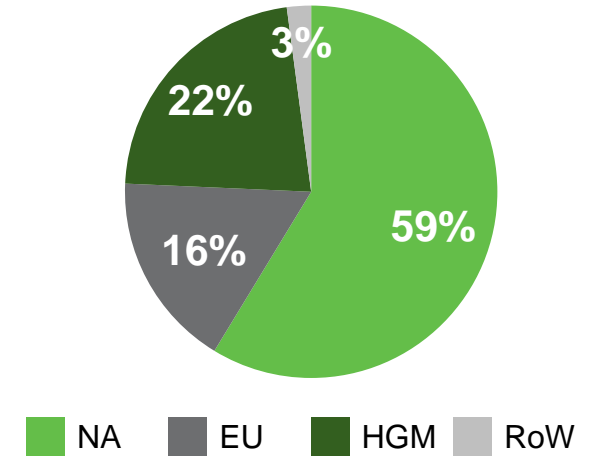
2018 Highlights

Financial Performance	FY guide: ~4.0% core growth; +22-23% Adj. EPS growth; 50bps core OMX; >110% FCF conversion
Accelerate Growth	Innovation; market share gains; recurring revenue
Portfolio Transformation	\$8.2B of transactions announced / \$5.5B closed (incl. A&S RMT); issued mandatory convert
High Growth Markets	High-single digit revenue growth YTD

Revenue By Business¹



Revenue By Geography²



Business Characteristics

- Fortive Business System is cornerstone of culture and competitive advantage
- Experienced leadership team and Board of Directors
- Economic moat, leading brands, and market positions
- Strong FCF/conversion, capital allocation bias toward M&A
- Investment grade credit rating

Growth Initiatives

- Drive Digital / SW-Enabled Workflows, IoT
- Capture EMV Market Opportunity (nearer term)
- Expand in High Growth Markets
- Enhance Portfolio Growth

¹ Based on FY17 sales on a Continuing Operations basis

² NA is North America (56% in the U.S.), EU is Europe, HGM is High Growth Markets, RoW is Rest of World

ENHANCED PORTFOLIO GROWTH

ACCELERATED THROUGH M&A – SUBSTANTIAL AVAILABLE CAPACITY



Professional Instrumentation

- Mobile Worker
- Smart Factory
- IoT / Sensor Proliferation
- Safety and Compliance



Industrial Technologies

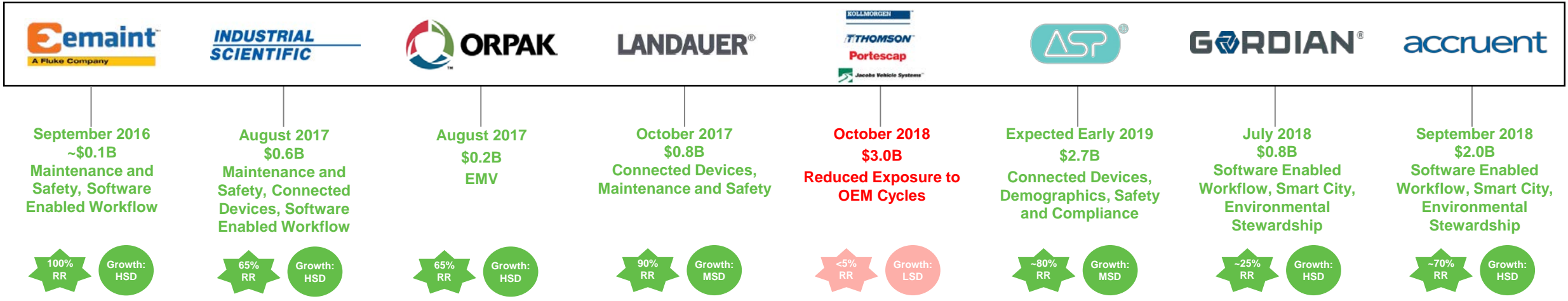
- Autonomous Vehicles / Electric Vehicles
- Urbanization / Smart City
- Supply Chain / Logistics



Attractive Megatrends

- Software Enabled Workflows
- Aging Population / Health
- Food / Water Sustainability
- Environmental Stewardship

TRACK RECORD OF CAPITAL DEPLOYMENT TO ACCELERATE STRATEGY



Recurring Revenue Base with Significant Growth Potential and Exposed to Key Global Trends

Capital Deployment Since Spin

- \$4.5B deployed since spin on seven strategic acquisitions
- \$2.7B acquisition of ASP expected to close in early 2019
- ~\$1.7B in acquired revenue with MSD / HSD trajectory (including ASP)

Compelling Financial Profile



~70% Recurring Revenue
Drives High Annuity Cash Flow



MSD / HSD Growth
Trajectory

2017 ACQUISITIONS DELIVERING STRONG RESULTS



- Fuel automation technology synergies on-track
- Delivering HSD sales growth and expanding High Growth Markets footprint



- Record iNet bookings; YTD sales growth high-teens
- Advancing digital strategy with industry leading innovation, connected solutions, and predictive analytics



- Ahead of plan for growth & cost synergies and margin expansion
- Created Fluke Health Solutions operational structure and product roadmap

COMPREHENSIVE SOLUTION FOR FACILITIES & ASSET MANAGEMENT

Accruent + Gordian + Fluke Digital Systems

accruent

- Facilities Mgmt.
- Asset Lifecycle Mgmt.
- Optimal resource usage

Workflow tools

- Related analytics

GORDIAN

- Industry standard cost data
- Benchmarking

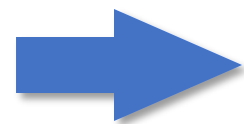
Leading data architecture & analytics

FLUKE DIGITAL SYSTEMS

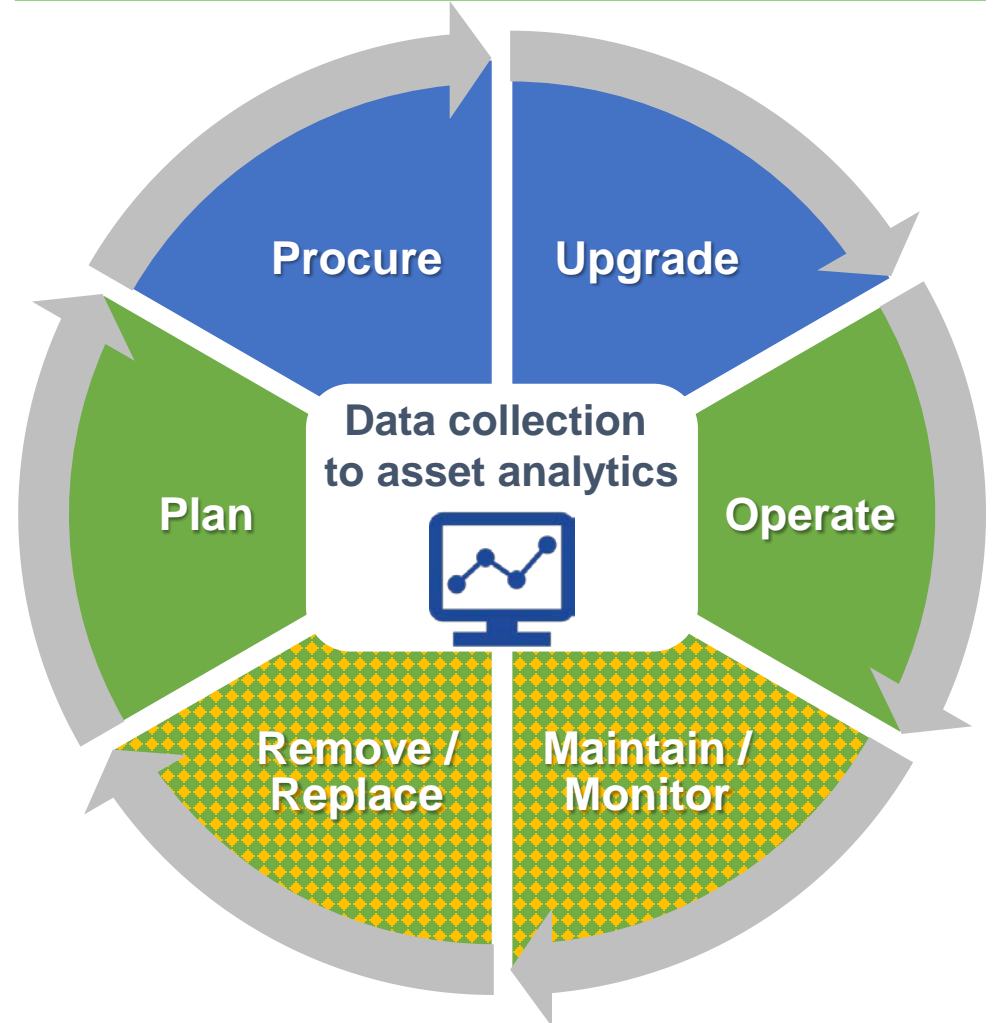
- Sensors & instrumentation
- Enable IoT & asset condition monitoring

Workflow tools

- Asset performance intelligence

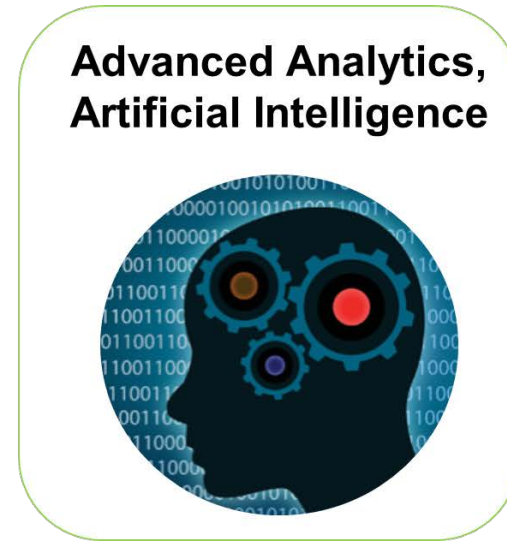


Complete Facilities & Asset Mgmt. Lifecycle Coverage



Full Suite of Software-Enabled Workflow Tools With Support from Leading Analytics

EXECUTING OUR DIGITAL STRATEGY

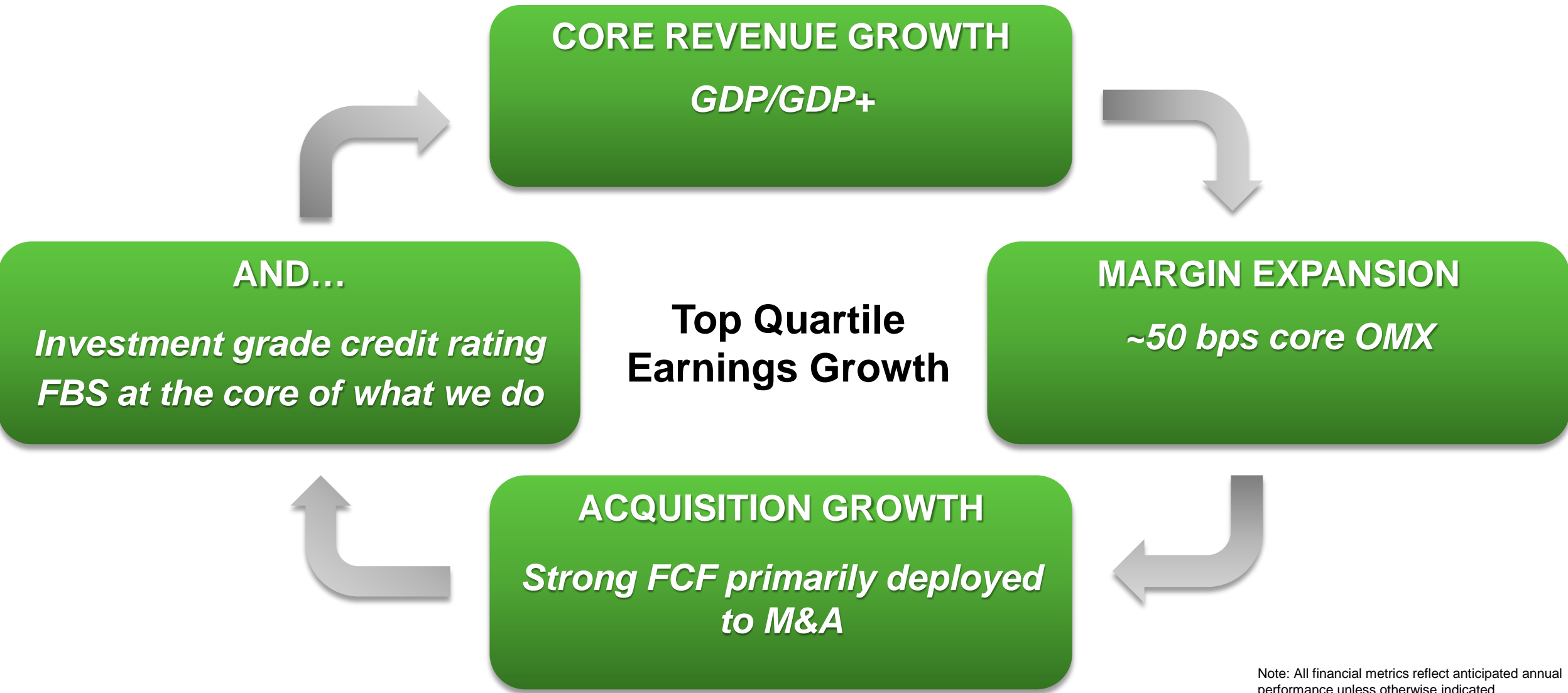


TELETRAC NAVMAN



Enhanced Software Capabilities to Better Serve Customer Needs

THE FORTIVE FORMULA



Note: All financial metrics reflect anticipated annual performance unless otherwise indicated

WELL POSITIONED FOR SUSTAINED TOP-QUARTILE EARNINGS GROWTH



Outstanding Portfolio with Market-Leading Brands and Strong Secular Drivers

Deep Experience in Fortive Business System Drives Sales Growth, Margin Expansion and Talent Development

Strong Capital Structure, Superior FCF Generation, and Proven Playbook that Allows for Substantial M&A to Drive Long-Term Value Creation



FORTIVE