



Fourth Quarter 2018 Earnings Release

February 7, 2019

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, timing of acquisitions and dispositions, 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, international trade policies and the financial markets, 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 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, 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, and disruptions relating to man-made and natural disasters. 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 and our Quarterly Reports on Forms 10-Q for the quarters ended March 30, 2018 and June 29, 2018. 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," "core revenue growth," "core operating margin expansion (core OMX)," "free cash flow," and "net earnings excluding the estimated provisional tax reform adjustments", which are, in each case, not presented in accordance with generally accepted accounting principles ("GAAP").

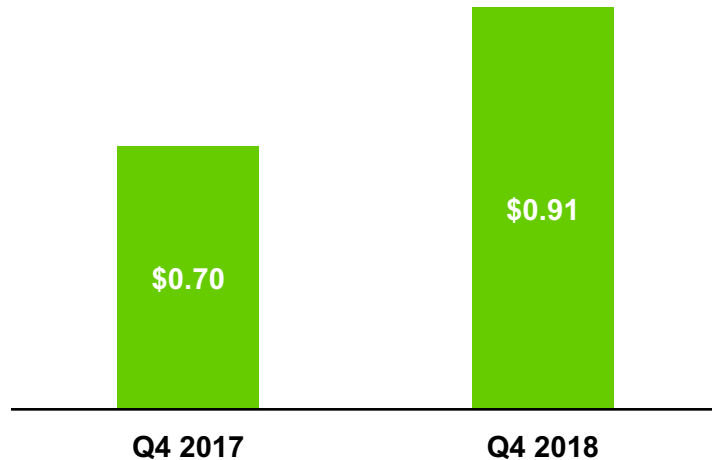
Information required by Regulation G with respect to such non-GAAP financial measures can be found in the "Investors" section our web site, www.fortive.com, under the heading "Financial Information" and subheading "Quarterly Earnings" and "Supplemental Adjusted Financial Data."

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.

PERFORMANCE SUMMARY

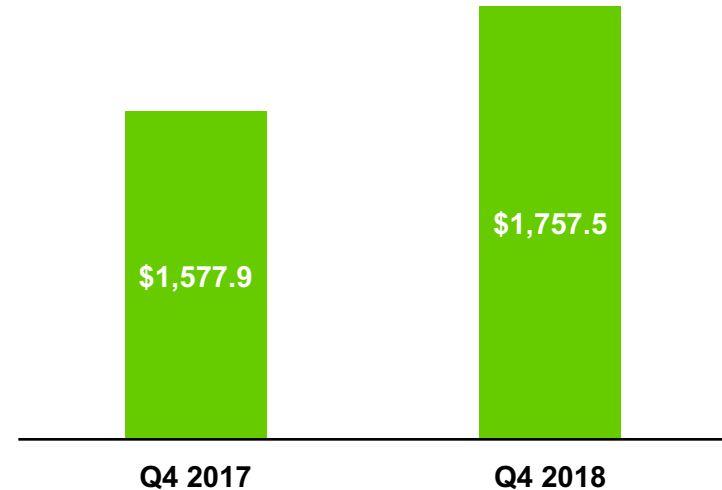
ADJUSTED DILUTED NET EARNINGS PER SHARE FROM CONTINUING OPERATIONS

+30%



REVENUE FROM CONTINUING OPERATIONS

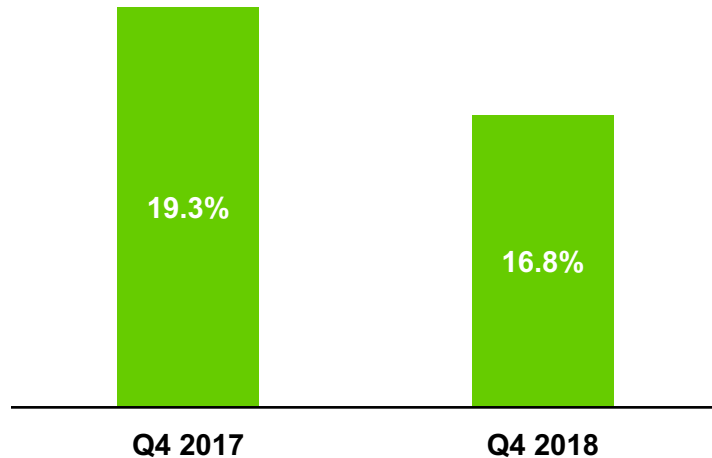
+11.4%
Core +7.4%
Acquisitions +5.8%
FX -1.8%



PERFORMANCE SUMMARY

OPERATING MARGIN

-250 bps
Core +40 bps
Acquisitions -200 bps
Transaction Costs -90 bps



GROSS MARGINS

Q4 2017 – 51.6%

Q4 2018 – 51.1%

-50 bps

SG&A

(as a % of Revenue)

Q4 2017 – 25.9%

Q4 2018 – 28.2%

230 bps

R&D

(as a % of Revenue)

Q4 2017 – 6.3%

Q4 2018 – 6.2%

-10 bps

PERFORMANCE SUMMARY



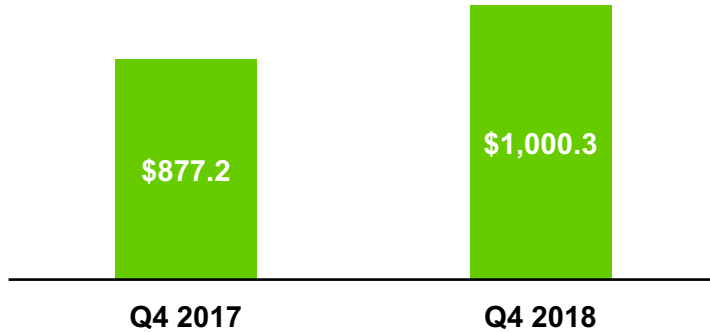
(\$M)	Three Months Ended			Year Ended		
	December 31, 2017	December 31, 2018	FCF % Change	December 31, 2017	December 31, 2018	FCF % Change
Operating Cash Flows From Continuing Operations	\$ 416	\$ 423		\$ 1,020	\$ 1,201	
Cap Ex	39	36		111	112	
Free Cash Flow From Continuing Operations	\$ 376	\$ 387	3%	\$ 909	\$ 1,089	20%
Net Earnings from Continuing Operations (GAAP)	\$ 298	\$ 240		\$ 884	\$ 918	
Estimated Provisional Tax Reform Adjustments (GAAP)	(70)	(8)		(70)	(13)	
Net Earnings from Continuing Operations Excluding the Estimated Provisional Tax Reform Adjustments (Non-GAAP)	\$ 227	\$ 233		\$ 814	\$ 906	
FCF Conversion Ratio	165%	166%		112%	120%	

The sum of the components of Free Cash Flow from Continuing Operations may not equal the total amount due to rounding

PROFESSIONAL INSTRUMENTATION

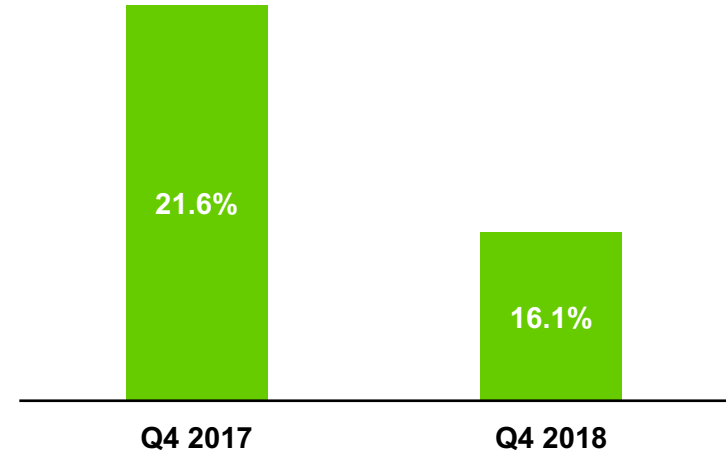
REVENUE

+14.0%
 Core +5.2%
 Acquisitions +10.2%
 FX -1.4%



OPERATING MARGIN

-550 bps
 Core -5 bps
 Acquisitions -375 bps
 Transaction Costs -170 bps



Field Solutions*



Product Realization*



Sensing Technologies

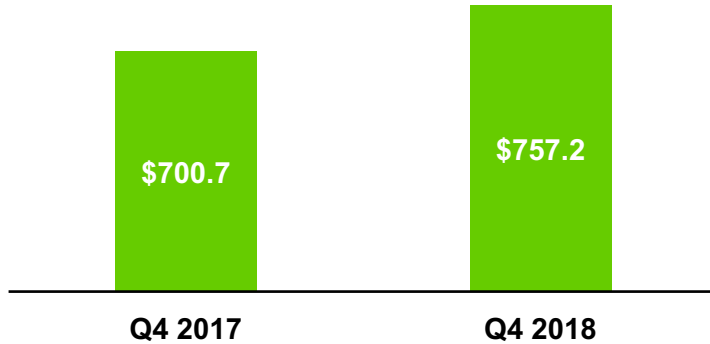


* Part of Advanced Instrumentation and Solutions

** Financial measures are presented on a continuing operations basis

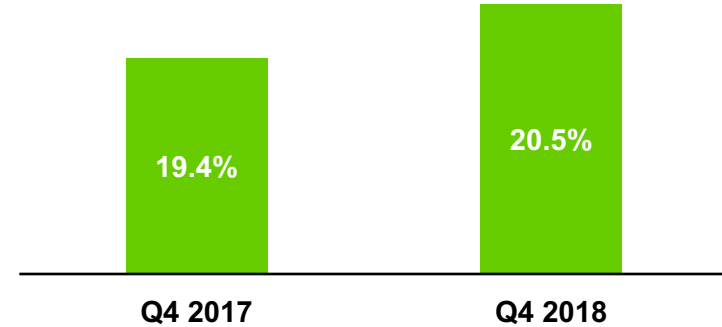
REVENUE

+8.1%
Core +10.3%
Acquisitions +0.1%
FX -2.3%



OPERATING MARGIN

+110 bps
Core +95 bps
Acquisitions +15 bps



Transportation Technologies

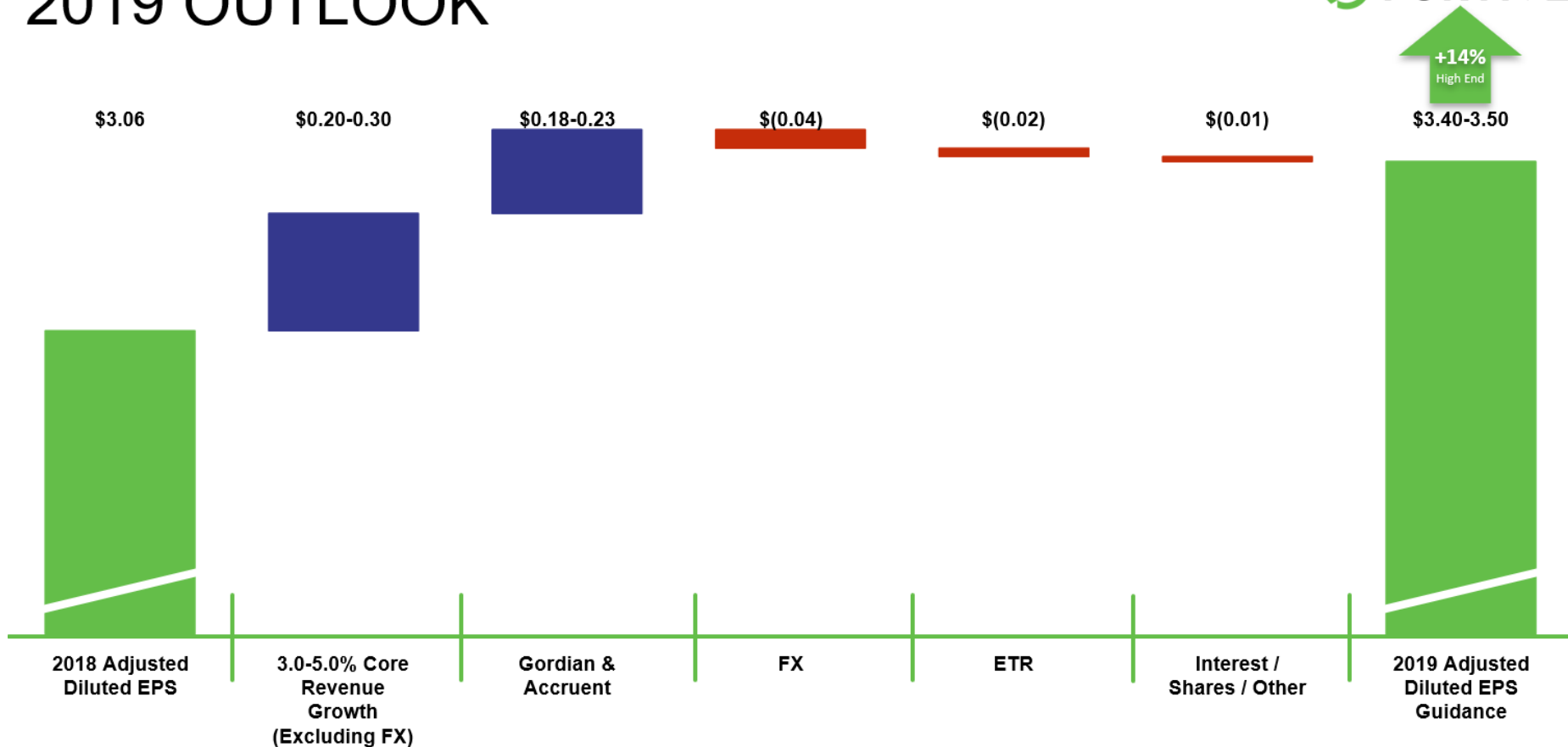


Franchise Distribution



** Financial measures are presented on a continuing operations basis

2019 OUTLOOK



Fortive Formula Delivering Double Digit Earnings Growth in 2019

Q & A



FORTIVE