

First Quarter 2023 Earnings Release

April 26, 2023



FORWARD LOOKING STATEMENTS & NON-GAAP FINANCIAL MEASURES

Statements in this release that are not strictly historical, including statements regarding anticipated financial results, economic conditions, industry trends, geopolitical events, interest rate and current exchange rate impact, future prospects, shareholder value, 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. These factors include, among other things: deterioration of or instability in the economy, the markets we serve, international trade policies and the financial markets, the spread of, and the remedial effort related to COVID-19, our ability to adjust purchases and manufacturing capacity to reflect market conditions, reliance on sole sources of supply, changes in trade relations with China, contractions or lower growth rates and cyclicity of markets we serve, competition, changes in industry standards and governmental regulations, our ability to recruit and retain key employees, 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, geopolitical, including war and sanctions, 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, security breaches or other disruptions of our information technology systems, adverse effects of restructuring activities, risk related to tax treatment of the Separation, impact of our indemnification obligation to Vontier, impact of changes to U.S. GAAP, labor matters, and disruptions relating to man-made and natural disasters and climate change. 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, 2022. These forward-looking statements speak only as of the date of this release, 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 may contain references to financial measures not presented in accordance with generally accepted accounting principles (“GAAP”). We have not reconciled forward-looking targets or outlook regarding non-GAAP measures, other than forecasted adjusted EPS, because any corresponding GAAP measures and the reconciliations thereto would require us to make estimates or assumptions with precision about acquisitions, capital and other expenditures and similar adjustments during the relevant period. Information required by Regulation G with respect to historical non-GAAP financial measures and for forward-looking adjusted EPS are set forth in the appendix to this presentation.

All financial metrics relate only to the continuing operations, and all growth or period changes refer to year-over-year comparisons unless otherwise stated. Please refer to the corresponding Form 10-Q for the quarter ended March 31, 2023 for additional details relating to the financial results and performances discussed in this presentation.




Q1 2023 FINANCIALS AND HIGHLIGHTS

CONTINUED TOP-LINE MOMENTUM AND MARGIN EXPANSION

Q1 2023 FINANCIALS

Revenue \$1,461M	Core Growth 8.8%
Adj. Gross Margin 58.4%	Adj. Operating Profit Margin 24.0%
Adj. Earnings Per Share \$0.75	Free Cash Flow \$150M

HIGHLIGHTS

	Core revenue growth higher than expectations <ul style="list-style-type: none"> Demand remained strong, backlog up sequentially, ARR up 9%
	80 bps adj. GMX; 100 bps adj. OMX in Q1 <ul style="list-style-type: none"> Record first quarter gross and operating margins
	7.1% adj. EPS growth in Q1 <ul style="list-style-type: none"> Delivering above high-end of Q1 2023 guidance
	Strong FCF funds growth and yields higher returns <ul style="list-style-type: none"> Q1 reflects normal seasonality

MORE RESILIENT FINANCIAL PROFILE A KEY DIFFERENTIATOR

BALANCED 2023 OUTLOOK

RAISING LOW-END OF 2023 GUIDE WITH Q1 BEAT

WHAT WE ARE SEEING



DEMAND INDICATORS RESILIENT

Hardware Products* **orders better than expected**, with **book-to-bill of 1.0** as backlog burndown has yet to start



SOFTWARE REMAINS STRONG

Strong secular trends and enhanced market positions driving 9% ARR and 10% SaaS growth



HEALTHCARE CHALLENGES REMAIN

AHS impacted by **China/Russia declines** and **supply chain headwinds**, expected to ease through rest of year

WHAT WE EXPECT



CORE GROWTH CONTINUES

2H'23 Y/Y core growth slows to low-to-mid single digit; **accelerates on 2-year stack basis**



ROBUST MARGIN EXPANSION

FBS-enabled cost savings and discrete productivity initiatives in all segments drive **>75 bps Adj. Op Margin** expansion in 2023



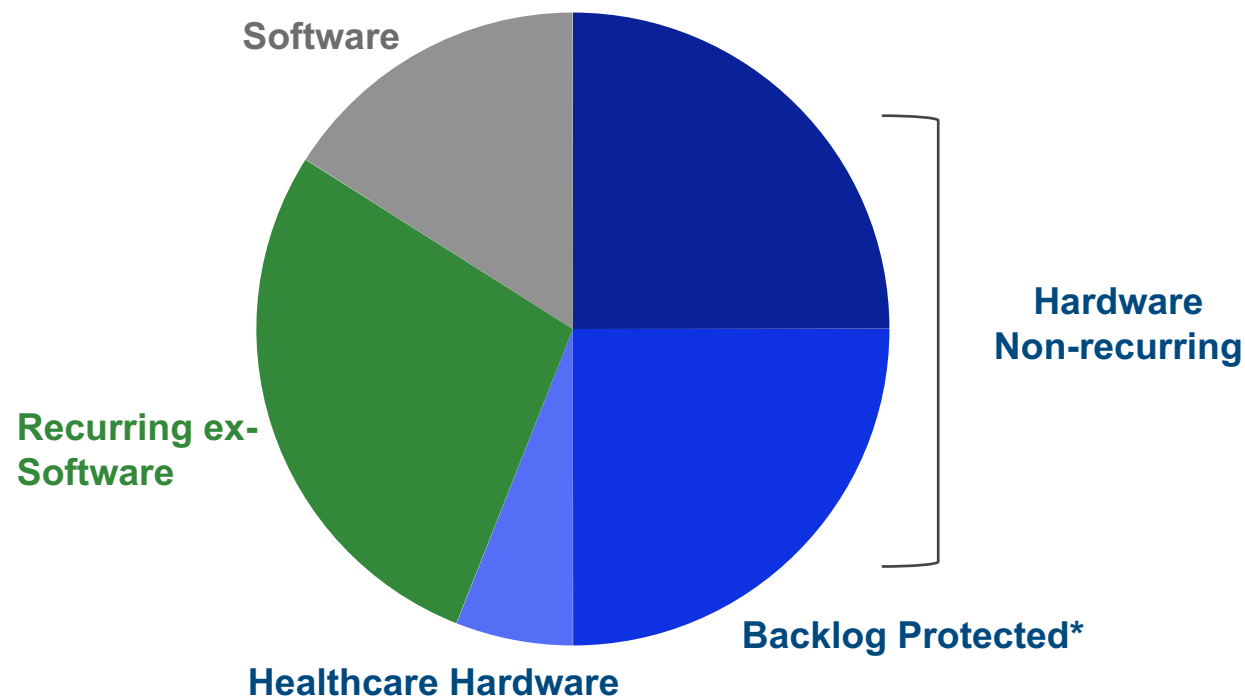
DISCIPLINED CAPITAL ALLOCATION

Strong balance sheet and FCF generation provide firepower for **enhanced earnings and FCF compounding**

SUSTAINED CORE GROWTH AND MARGIN EXPANSION DRIVE HIGHER OUTLOOK

INCREASING OUR DURABILITY

WELL POSITIONED TO NAVIGATE EVOLVING MACRO ENVIRONMENT



PORTFOLIO ALIGNED WITH STRONG SECULAR DRIVERS



REGULATION,
SAFETY, ESG

AUTOMATION &
DIGITIZATION



ELECTRIFICATION
OF EVERYTHING

RESHORING/
MANUFACTURING



DEMOGRAPHICS &
LABOR MARKETS

RESILIENT REVENUE PROFILE FAVORABLY ALIGNED TO SECULAR TRENDS

UNLEASHING FBS

RIGOROUS CONTINUOUS IMPROVEMENT CREATES SUSTAINABLE COMPETITIVE ADVANTAGE

Empowering Teams

Engage and develop our teams to drive results across all core value drivers

Operational Rigor

Leverage Lean tools to drive manufacturing and supply chain performance, even in uncertainty



Go-to-Market and R&D Returns

Deploy standard work & lean portfolio management to drive innovation and increase customer value

FBS Applied to Software

Deploy software tools to accelerate time to market, customer retention and enhance software and data analytics capabilities

FBS DRIVING MORE INNOVATION AND PROFITABLE GROWTH ACROSS FORTIVE

FORTIVE: A FORCE FOR GOOD

ACCELERATING PROGRESS FOR ALL STAKEHOLDERS



FORTIVE

Accelerating
Progress Toward a
Sustainable Future

2022 SUSTAINABILITY REPORT

Annual Sustainability Report

Launching May'23



2022 HIGHLIGHTS

- Leveraging FBS to advance our sustainability strategy and drive performance
- 20% reduction in Scope 1 & 2 GHG emissions 2019-2022
- Strengthening responsible sourcing initiative
- Advanced employee engagement and inclusion, diversity & equity performance
- 100% Score in Human Rights Campaign Corporate Equality Index 6th consecutive year

SETTING AND ACHIEVING ASPIRATIONAL TARGETS

Q1 2023: INTELLIGENT OPERATING SOLUTIONS

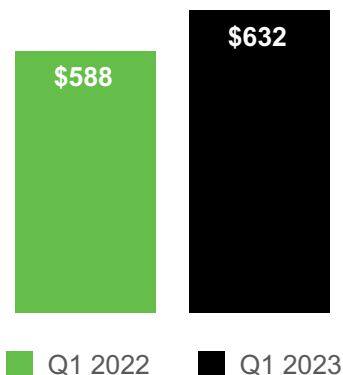
DELIVERED GROWTH AND MARGIN UPSIDE

\$ in millions

REVENUE

+7.6%

Core +9.7%
FX -2.1%



FLUKE®

**INDUSTRIAL
SCIENTIFIC**

INTELEX

GORDIAN®

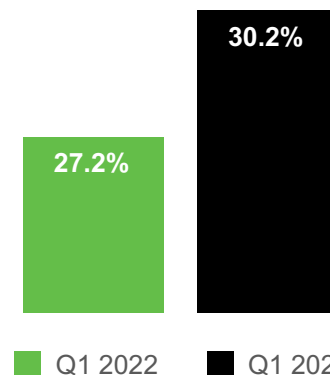
ACCRUENT

ServiceChannel®

ADJUSTED OPERATING PROFIT MARGIN

+300 BPS

Core OMX +300 bps



INTELLIGENT OPERATING SOLUTIONS

Highlights

- MSD order growth at Fluke, with strong POS in all major regions
- Record quarter for eMaint; LPM driving record NPI revenue
- Strong SaaS growth at EHS; Orders outpaced sales at ISC driven by new launch and cross-sell activity
- Strong growth at FAL as customers seek more productive and digitized solutions
- Volume growth and strong execution drove continued OMX expansion

Core Growth Drivers

Q1 2023

FLUKE	LDD
EHS: ISC, INTELEX	MSD
FACILITY & ASSET LIFECYCLE (FAL)	HSD

PORTFOLIO QUALITY AND EXECUTION DRIVE UPSIDE

Q1 2023: PRECISION TECHNOLOGIES

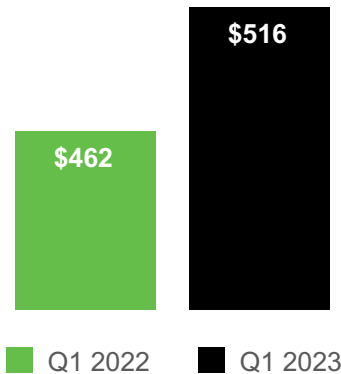
DOUBLE-DIGIT CORE GROWTH AND SUBSTANTIAL MARGIN IMPROVEMENT

\$ in millions

REVENUE

+11.5%

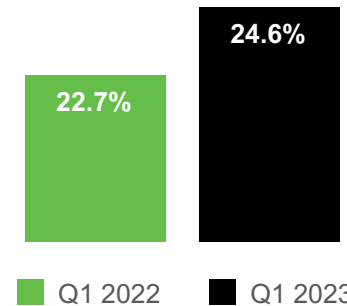
Core +13.7%
FX -2.2%



ADJUSTED OPERATING PROFIT MARGIN

+190 BPS

Core OMX +190 bps



Tektronix

Gems
Sensors & Controls

QUALITROL
Defining Reliability

setra

HENGSTLER
DYNAPAR

ANDERSON-NEGELE
SANITARY BY DESIGN

PACIFIC SCIENTIFIC
ENERGETIC MATERIALS COMPANY

PRECISION TECHNOLOGIES

Highlights

- Record first quarter revenue and margins at Tektronix; POS positive in all major regions and backlog remains elevated
- Sensing growth as expected driven by broad strength at Qualitrol
- Strong execution drove >20% core growth at PacSci EMC; multi-year backlog continues to grow with new customer wins
- +DD core growth and price more than offset inflation to drive strong OMX

Core Growth Drivers

	Q1 2023
TEKTRONIX	>20%
SENSING	LSD
PACSCI EMC	>20%

STRONG BACKLOG, DEMAND AND EXECUTION DRIVE ANOTHER IMPRESSIVE QUARTER

Q1 2023: ADVANCED HEALTHCARE SOLUTIONS

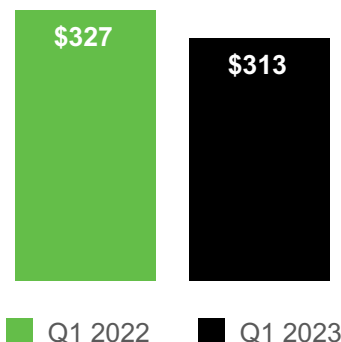
INDUSTRY CHALLENGES PERSIST

\$ in millions

REVENUE

-4.1%

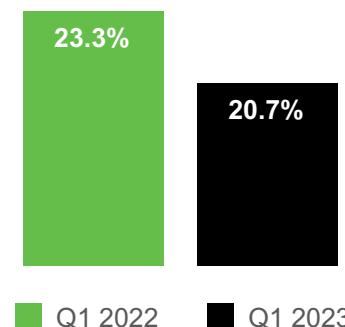
Core +0.1%
M&A* -1.7%
FX -2.5%



ADJUSTED OPERATING PROFIT MARGIN

-260 BPS

Core OMX -300 bps



ASP

Censis

FLUKE
Biomedical

LANDAUER®

Invetech

provation®

ADVANCED HEALTHCARE SOLUTIONS

Highlights

- Improvement in elective procedures ex-China
- China / Russia headwinds as expected in Q1
- Supply chain constraints stall equipment shipments FHS
- Orders and implementations ahead of plan at Provation
- Elective procedures improving in all major markets as pent-up demand remains
- Unfavorable F/X, mix and lower volume partially offset by favorable price, cost actions

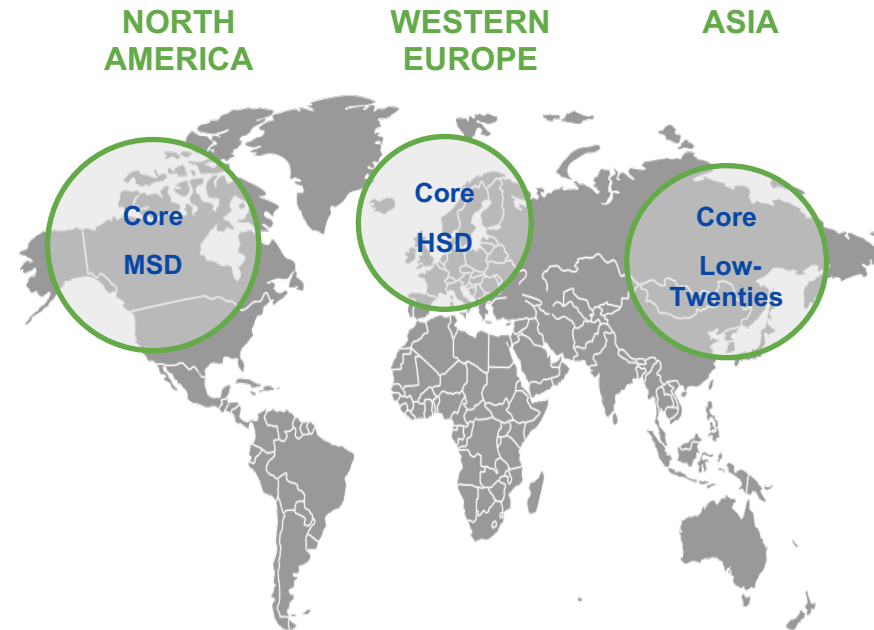
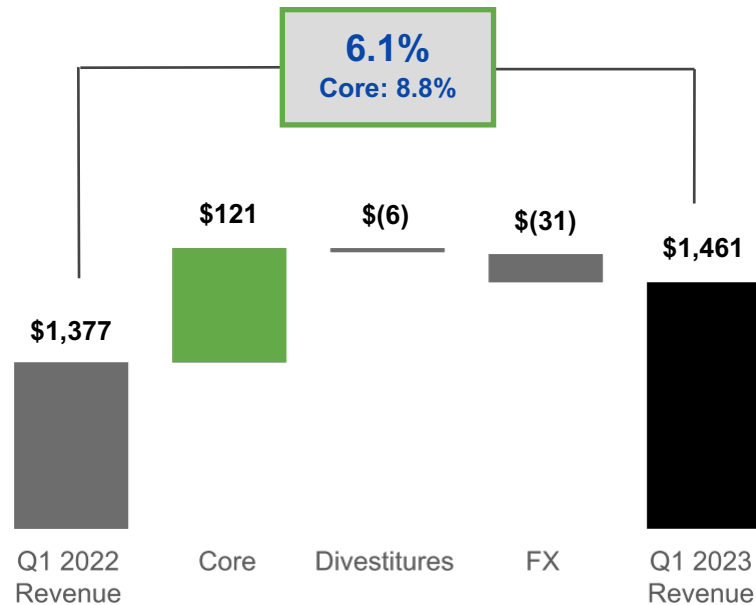
Core Growth Drivers

	Q1 2023
ASP/Censis	Flat
FHS	Up Slightly
Invetech	(HSD)
Provation	LDD

STEADY PACE OF RECOVERY EXPECTED THROUGH THE REST OF 2023

Q1 2023 REVENUE

STRONG GROWTH ACROSS ALL GEOGRAPHIES



Q1 HIGHLIGHTS

- North America driven by solid growth at IOS and PT; continued Software resilience
- W. Europe growth strong in all segments
- China up low-30%, lapping prior year COVID shutdowns
- China rest of year expected to slow as we lap tougher comps, despite elective procedure recovery benefiting AHS

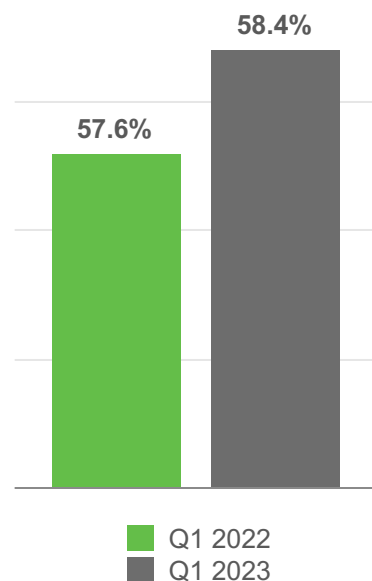
BROAD-BASED GROWTH IN ALL MAJOR REGIONS

Q1 2023 PERFORMANCE SUMMARY

A STRONG START TO 2023

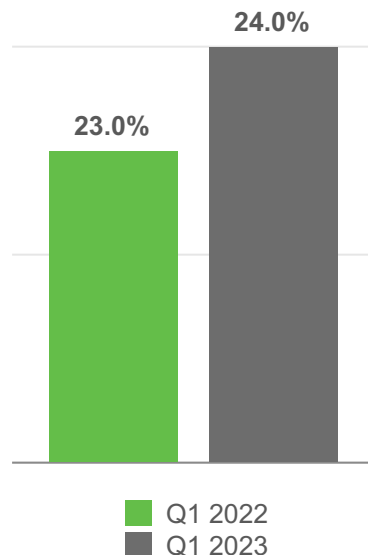
ADJ. GROSS MARGIN

+80 BPS



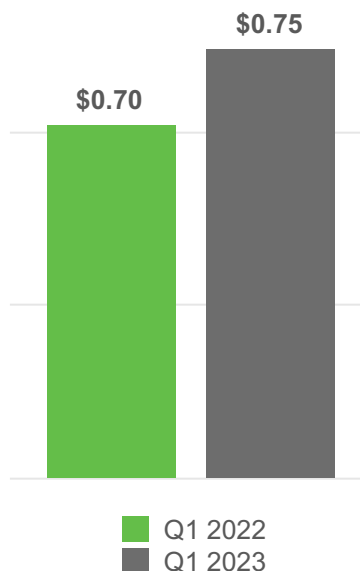
ADJ. OPERATING PROFIT MARGIN

+100 BPS



ADJ. EARNINGS PER SHARE

+7.1%



FREE CASH FLOW (\$M)

-23.5%



PERFORMANCE HIGHLIGHTS

- Adj. gross margin +80bps driven by favorable price / cost
- +100 bps of adj. OMX
- +130 bps adj. OMX on 2-yr stack
- Q1 adjusted results excludes \$17.6M expense on discrete productivity initiatives
- 7.1% adj. EPS growth despite higher interest and tax Y/Y
- Q1 FCF reflects normal seasonality and small China impact due to COVID shutdowns

STRONG MARGINS DRIVE HIGHER THAN EXPECTED EARNINGS

Q2 AND FY 2023 OUTLOOK

Q2 2023

FY 2023

REVENUE
Core Growth
Total Growth

\$1,480 to 1,515M
2.5% to 4.5%
1.5% to 3.5%

\$6,000 to 6,100M
4% to 5.5%
3% to 4.5%

ADJ. OP. PROFIT
Growth

\$363 to 378M
3% to 7%

\$1,500 to 1,550M
6% to 10%

ADJ. OP. PROFIT MARGIN
Adjusted OMX

24.5% to 25%
+40bps to 90bps

25% to 25.5%
+75 bps

ADJ. EPS
Growth

\$0.78 to 0.82
Flat to 5%
4% to 8% normalized for interest & tax²

\$3.29 to 3.40
4% to 8%
7% to 11% normalized for interest & tax²

FREE CASH FLOW¹
FCF Conversion¹

~\$285M
~100%

~\$1,250M
100% to 105%

KEY ASSUMPTIONS

- Q2: FX (0.5)% headwind
- FY: FX ~(1)% full year headwind
- Q2: Corporate ~\$32M
- FY: Corporate ~\$128M
- Discrete productivity initiatives - ~\$25-30M actions planned 1H
- Q2: Interest ~\$30M, ETR ~17%
- FY: Interest ~\$108M, ETR 16-16.5%
- Q2 share count: ~357M
- FY share count: ~357M
- FY capex ~1.7% of Sales (\$90M to \$110M)

RAISING AND NARROWING FULL-YEAR GUIDANCE

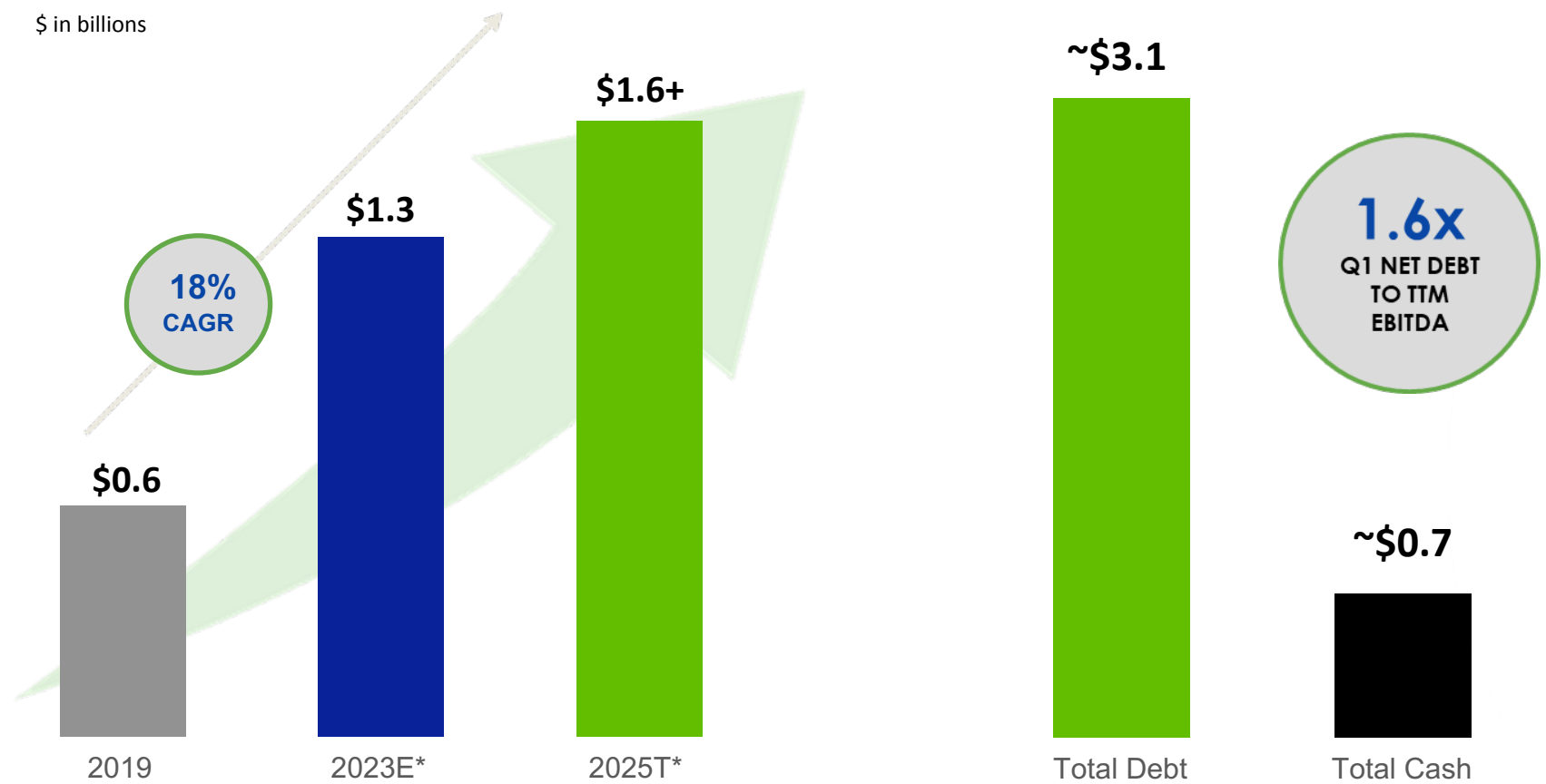
1. Represents a target based on the mid-point of the guide

2. The normalized EPS variance percentage was calculated by holding the interest and ETR for both years constant, which was the prior period's actual interest and ETR

STRONG CASH GENERATION AND BALANCE SHEET

ACCELERATED CASH FLOW GROWTH DRIVES SUSTAINABLE VALUE CREATION

\$ in billions



HIGHLIGHTS

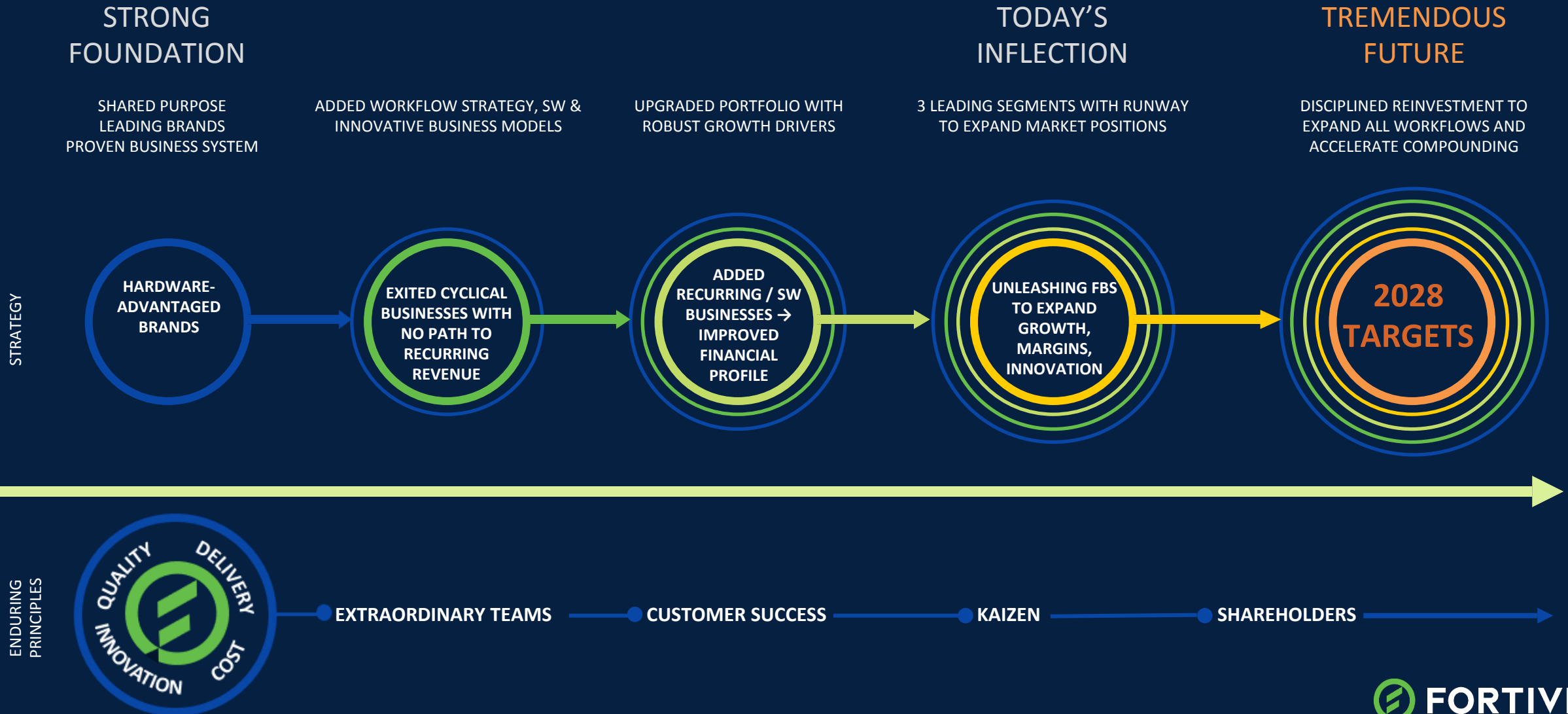
- Enhanced portfolio and asset-lite operating model accelerates FCF growth and improves FCF conversion
- Accelerated FCF growth provides significant capacity for disciplined and accretive capital deployment
 - Over \$5B M&A capacity
 - Opportunistic share repurchases
- Increasing return on invested capital drives sustainable, long-term value creation

STRONG FCF GROWTH AND BALANCE SHEET ENHANCE FIREPOWER TO ACCELERATE COMPOUNDING

* Based on Management's expectations.

Fortive Investor Day Preview

Our Future Builds on a Strong Foundation & Continued Evolution



FORTIVE'S VALUE CREATION FRAMEWORK...



High quality portfolio with focused segments and durable growth drivers



Culture of leadership continues to build capability for Fortive of the future



Resilient financial profile with leading margins and free cash flow growth



Unleashing the power of FBS to drive continuous improvement and results



Strong balance sheet and FCF growth position us for value creation upside

...IS A DIFFERENTIATOR

Appendix & Supplemental Reconciliation Data

Q2 AND FY 2023 SEGMENT OUTLOOKS

	Q2 2023			FY 2023		
	IOS	PT	AHS	IOS	PT	AHS
REVENUE GROWTH						
	Core	3% to 5%	2.5% to 4.5%	1% to 3%	4% to 6%	3% to 5%
Total	2.5% to 4.5%	2% to 4%	(1.5)% to 0.5%	3.5% to 5.5%	2.5% to 4.5%	1% to 3%
ADJ. OP. PROFIT MARGIN ¹	30.5% to 31.0% +225 bps	24% to 24.5% +50 bps	22.5% to 23% (50) bps	31% to 31.5% +175 bps	25.5% to 26% +75 bps	23.5% to 24% +75 bps
OPCO EXPECTATIONS ²	Fluke: LSD EHS: HSD FAL: HSD	Tektronix: LDD Sensing: (LSD) PacSci EMC: LSD	ASP/Censis: MSD FHS: MSD+ Invetech: (Mid-20s) Provation: LDD	Fluke: MSD EHS: MSD FAL: LDD	Tektronix: MSD+ Sensing: Flat PacSci EMC: HSD	ASP/Censis: LSD+ FHS: LSD Invetech: LSD Provation: Mid-Teens

1. Values represent targets based on the mid-point of the guide.
2. Core growth based on the mid-point of the guide.

ADJUSTED GROSS PROFIT AND ADJUSTED GROSS PROFIT MARGIN

\$ in millions	Three Months Ended	
	March 31, 2023	April 1, 2022
Revenue (GAAP)	\$ 1,460.7	\$ 1,376.5
Gross Profit (GAAP)	\$ 848.2	\$ 792.0
Acquisition-Related Fair Value Adjustments to Inventory	—	0.4
Discrete Restructuring Charges	4.2	—
Adjusted Gross Profit (Non-GAAP)	\$ 852.4	\$ 792.4
Gross Profit (GAAP) Margin	58.1 %	57.5 %
Adjusted Gross Profit Margin (Non-GAAP)	58.4 %	57.6 %

ADJUSTED OPERATING PROFIT & ADJUSTED OPERATING PROFIT MARGIN

\$ in millions	Three Months Ended March 31, 2023					Three Months Ended April 1, 2022					Year over Year Change
	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Corporate	Total Fortive	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Corporate	Total Fortive	
Revenue (GAAP)	\$ 632.1	\$ 515.5	\$ 313.1	\$ —	\$ 1,460.7	\$ 587.6	\$ 462.4	\$ 326.5	\$ —	\$ 1,376.5	\$ 84.2
Operating Profit (GAAP)	\$ 133.5	\$ 122.7	\$ 16.3	\$ (32.1)	\$ 240.4	\$ 107.0	\$ 101.4	\$ 28.0	\$ (24.1)	\$ 212.3	
Acquisition-related items ^(b)	—	—	—	—	—	6.4	—	1.7	—	8.1	
Amortization of Acquisition-Related Intangible Assets	46.0	1.1	45.3	—	92.4	46.1	3.6	46.5	—	96.3	
Discrete Restructuring Charges	11.3	3.1	3.2	—	17.6	—	—	—	—	—	
Adjusted Operating Profit (Non-GAAP)	\$ 190.8	\$ 126.9	\$ 64.8	\$ (32.1)	\$ 350.4	\$ 159.5	\$ 105.0	\$ 76.2	\$ (24.1)	\$ 316.6	\$ 33.8
Operating Profit Margin (GAAP)	21.1 %	23.8 %	5.2 %		16.5 %	18.2 %	21.9 %	8.6 %		15.4 %	
Adjusted Operating Profit Margin (Non-GAAP)	30.2 %	24.6 %	20.7 %		24.0 %	27.1 %	22.7 %	23.3 %		23.0 %	
Incremental Adjusted Operating Profit Margin (Non-GAAP) ^(a)											40.1 %
2022 Adjusted Operating Profit Margin (Non-GAAP)	27.1 %	22.7 %	23.3 %		23.0 %						
Core (Non-GAAP)	3.0 %	1.9 %	(3.0)%		0.9 %						
Acquisitions and divestitures (Non-GAAP)	0.1 %	— %	0.4 %		0.1 %						
2023 Adjusted Operating Profit Margin (Non-GAAP)	30.2 %	24.6 %	20.7 %		24.0 %						

(a) Incremental adjusted operating profit margin is calculated as the increase in adjusted operating profit between two periods, divided by the increase in adjusted revenue between the same two periods.

(b) Includes pretax Transaction Costs and acquisition-related fair value adjustments to inventory related to significant acquisitions.

The sum of the components of adjusted operating profit may not equal due to rounding.

TWO YEAR STACK - ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN

\$ in millions	Three Months Ended March 31, 2023					Three Months Ended April 2, 2021				
	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Corporate	Total Fortive	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Corporate	Total Fortive
Revenue (GAAP)	\$ 632.1	\$ 515.5	\$ 313.1	\$ —	\$ 1,460.7	\$ 510.9	\$ 447.4	\$ 300.9	\$ —	\$ 1,259.2
Operating Profit (GAAP)	\$ 133.5	\$ 122.7	\$ 16.3	\$ (32.1)	\$ 240.4	\$ 108.1	\$ 95.9	\$ 18.9	\$ (25.3)	\$ 197.6
Acquisition-related items ^(a)	—	—	—	—	—	—	—	11.3	—	11.3
Amortization of Acquisition-Related Intangible Assets	46.0	1.1	45.3	—	92.4	37.9	4.3	35.3	—	77.5
Discrete Restructuring Charges	11.3	3.1	3.2	—	17.6	—	—	—	—	—
Adjusted Operating Profit (Non-GAAP)	\$ 190.8	\$ 126.9	\$ 64.8	\$ (32.1)	\$ 350.4	\$ 146.0	\$ 100.2	\$ 65.5	\$ (25.3)	\$ 286.4
Operating Profit Margin (GAAP)	21.1 %	23.8 %	5.2 %		16.5 %	21.2 %	21.4 %	6.3 %		15.7 %
Adjusted Operating Profit Margin (Non-GAAP)	30.2 %	24.6 %	20.7 %		24.0 %	28.6 %	22.4 %	21.8 %		22.7 %

(a) Includes pretax Transaction Costs and acquisition-related fair value adjustments to inventory related to significant acquisitions.

The sum of the components of adjusted operating profit may not equal due to rounding.

ADJUSTED NET EARNINGS AND ADJUSTED DILUTED NET EPS



\$ in millions, except per share amounts	Three Months Ended		Three Months Ended	
	March 31, 2023	April 1, 2022	March 31, 2023	April 1, 2022
			Per share value	
Net Earnings and Net Earnings Per Share(GAAP)	\$ 173.6	\$ 165.1	\$ 0.49	\$ 0.45
Interest on the Convertible Notes to apply if-converted method ^(a)	—	2.1	—	—
Tax effect of the Convertible Notes to apply if-converted method	—	(0.3)	—	—
Diluted Net Earnings and Diluted Net Earnings Per Share (GAAP)	173.6	166.9	0.49	0.45
Pretax amortization of acquisition related intangible assets	92.4	96.3	0.26	0.27
Pretax acquisition and divestiture related items ^(b)	—	8.1	—	0.02
Pretax losses from equity investments	1.9	2.6	—	0.01
Pretax interest expense on Convertible Notes to reverse the if-converted method ^(a)	—	(2.1)	—	—
Pretax discrete restructuring charges	17.6	—	0.05	—
Tax effect of the adjustments reflected above ^(c)	(18.8)	(16.7)	(0.05)	(0.05)
Adjusted Net Earnings and Adjusted Net Earnings Per Share (Non-GAAP)	\$ 266.7	\$ 255.1	\$ 0.75	\$ 0.70
Adjusted Diluted Net Earnings Per Share (Non-GAAP)				
(shares in millions)				
Average common diluted stock outstanding			356.5	368.4
Convertible Notes - if converted shares (a)			—	(6.4)
Adjusted average common stock and common equivalent shares outstanding			356.5	362.0

(a) Beginning with our adoption of ASU 2020-06 on January 1, 2022 we assumed share settlement of our outstanding Convertible Notes under the if-converted method when calculating GAAP diluted net earnings per share. Since we settled the Convertible Notes in cash on February 15, 2022 and no common share conversion occurred, we have reversed the impacts of applying the if-converted method and included the actual cash interest expense in calculating the adjusted net earnings per share, as well as excluded the assumed share settlement.

(b) Includes pretax Transaction Costs and acquisition-related fair value adjustments to inventory related to significant acquisitions.

(c) The convertible note interest is calculated on a net of tax basis. The tax effect of the adjustments includes all other line items.

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

FORECASTED ADJUSTED DILUTED NET EPS

	Three Months Ending June 30, 2023		Twelve Months Ending December 31, 2023	
	Low	High	Low	High
Forecasted Diluted Net Earnings Per Share (GAAP)	\$ 0.52	\$ 0.56	\$ 2.33	\$ 2.44
Anticipated pretax amortization of acquisition related intangible assets	0.26	0.26	1.03	1.03
Anticipated pretax losses from equity investments	0.01	0.01	0.03	0.03
Anticipated pretax discrete restructuring charges	0.04	0.04	0.09	0.09
Tax effect of the adjustments reflected above	(0.05)	(0.05)	(0.19)	(0.19)
Forecasted Adjusted Diluted Net Earnings Per Share	\$ 0.78	\$ 0.82	\$ 3.29	\$ 3.40

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

FREE CASH FLOW CONVERSION RATIO - TRAILING TWELVE MONTHS (in millions)

	Three Months Ended				Trailing Twelve Months
	March 31, 2023	December 31, 2022	September 30, 2022	July 1, 2022	
Operating Cash Flows (GAAP)	\$ 174.4	\$ 464.2	\$ 329.8	\$ 294.4	\$ 1,262.8
Less: purchases property, plant & equipment (capital expenditures) (GAAP)	(24.8)	(36.1)	(22.5)	(18.4)	(101.8)
Free Cash Flow (Non-GAAP)	\$ 149.6	\$ 428.1	\$ 307.3	\$ 276.0	\$ 1,161.0
Adjusted Net Earnings (Non-GAAP)	\$ 266.7	\$ 313.0	\$ 283.8	\$ 281.1	\$ 1,144.6
Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)	56 %	137 %	108 %	98 %	101 %

	Three Months Ended				Trailing Twelve Months
	April 1, 2022	December 31, 2021	October 1, 2021	July 1, 2021	
Operating Cash Flows (GAAP)	\$ 214.8	\$ 287.0	\$ 262.9	\$ 291.0	\$ 1,055.7
Less: purchases property, plant & equipment (capital expenditures) (GAAP)	(18.8)	(22.0)	(10.9)	(8.7)	(60.4)
Free Cash Flow (Non-GAAP)	\$ 196.0	\$ 265.0	\$ 252.0	\$ 282.3	\$ 995.3
Adjusted Net Earnings (Non-GAAP)	\$ 255.1	\$ 288.0	\$ 240.5	\$ 238.8	\$ 1,022.4
Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)	77 %	92 %	105 %	118 %	97 %

CORE REVENUE GROWTH

Components of Revenue Growth

Three Months Ended March 31, 2023

Total Fortive

Total Revenue Growth (GAAP)	6.1 %
Core (Non-GAAP)	8.8 %
Acquisitions and divestitures (Non-GAAP)	(0.4)%
Impact of currency translation (Non-GAAP)	(2.3)%

Intelligent Operating Solutions

Total Revenue Growth (GAAP)	7.6 %
Core (Non-GAAP)	9.7 %
Impact of currency translation (Non-GAAP)	(2.1)%

Precision Technologies

Total Revenue Growth (GAAP)	11.5 %
Core (Non-GAAP)	13.7 %
Impact of currency translation (Non-GAAP)	(2.2)%

Advanced Healthcare Solutions

Total Revenue Growth (GAAP)	(4.1)%
Core (Non-GAAP)	0.1 %
Acquisitions and divestitures (Non-GAAP)	(1.7)%
Impact of currency translation (Non-GAAP)	(2.5)%

TWO YEAR STACK CORE GROWTH

Components of Revenue Growth

Three Months Ended April 1, 2022

Total Fortive

Total Revenue Growth (GAAP)	9.3 %
Core (Non-GAAP)	5.3 %
Acquisitions and divestitures (Non-GAAP)	5.5 %
Impact of currency translation (Non-GAAP)	(1.5)%

Two-year stack core growth ^(a)	14.8 %
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^(a) 2-year stack calculated by multiplying the 2022 core growth of 105.3% and the 2023 core growth of 108.8% and subtracting 1.0

ADJUSTED EFFECTIVE TAX RATE

<i>\$ in millions</i>	Three Months Ended	
	March 31, 2023	April 1, 2022
Earnings before income taxes	\$ 205.8	\$ 190.8
Income tax expense	(32.2)	(25.7)
Effective tax rate (GAAP)	15.7 %	13.5 %
Earnings before income taxes (GAAP)	\$ 205.8	\$ 190.8
Pretax amortization of acquisition related intangible assets	92.4	96.3
Pretax acquisition and divestiture related items	—	8.1
Pretax losses from equity investments	1.9	2.6
Pretax discrete restructuring charges	17.6	—
Pretax Adjusted Net Earnings (Non-GAAP)	\$ 317.7	\$ 297.8
Tax effect of the adjustments reflected above	(18.8)	(17.0)
Adjusted income tax expense (Non-GAAP)	\$ (51.0)	\$ (42.7)
Adjusted effective tax rate (Non-GAAP)	16.0 %	14.3 %

The recalculation of certain percentages may not equal due to rounding.



FORTIVE