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DELTA REPORT

10-Q

FORTIVE CORP

10-Q - JUNE 28, 2024 COMPARED TO 10-Q - MARCH 29, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1304
CHANGES	185
DELETIONS	285
ADDITIONS	834

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: March 29, 2024 June 28, 2024

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-37654

Fortive Corporation

(Exact name of registrant as specified in its charter)

Delaware	**47-5654583**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)
6920 Seaway Blvd	
Everett, WA	**98203**
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: (425) 446-5000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common stock, par value $0.01 per share	FTV	New York Stock Exchange
3.700% Notes due 2026	FTV26A	New York Stock Exchange
3.700% Notes due 2029	FTV29	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of common stock outstanding at April 19, 2024 July 19, 2024 was 352,028,662. 350,341,685.

FORTIVE CORPORATION

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FORM 10-Q

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PART I - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

FORTIVE CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
($ and shares in millions, except share and per share amounts)

	As of	As of

	March 29, 2024 (unaudited)	December 31, 2023	June 28, 2024 (unaudited)	December 31, 2023
ASSETS				
Current assets:				
Current assets:				
Current assets:				
Cash and equivalents				
Cash and equivalents				
Cash and equivalents				
Accounts receivable less allowance for doubtful accounts of $33.1 and $39.2, respectively				
Accounts receivable less allowance for doubtful accounts of $27.8 and $39.2, respectively				
Inventories:				
Finished goods				
Finished goods				
Finished goods				
Work in process				
Raw materials				
Inventories				
Prepaid expenses and other current assets				
Total current assets				
Property, plant and equipment, net of accumulated depreciation of $793.1 and $809.0, respectively				
Property, plant and equipment, net of accumulated depreciation of $793.1 and $809.0, respectively				
Property, plant and equipment, net of accumulated depreciation of $793.1 and $809.0, respectively				
Property, plant and equipment, net of accumulated depreciation of $810.2 and $809.0, respectively				
Property, plant and equipment, net of accumulated depreciation of $810.2 and $809.0, respectively				
Property, plant and equipment, net of accumulated depreciation of $810.2 and $809.0, respectively				
Other assets				
Goodwill				
Other intangible assets, net				
Total assets				
LIABILITIES AND EQUITY				
LIABILITIES AND EQUITY				
LIABILITIES AND EQUITY				
Current liabilities:				
Current liabilities:				
Current liabilities:				
Trade accounts payable				
Trade accounts payable				
Current portion of long-term debt				
Current portion of long-term debt				

Current portion of long-term debt			
Trade accounts payable			
Accrued expenses and other current liabilities			
Total current liabilities			
Other long-term liabilities			
Other long-term liabilities			
Other long-term liabilities			
Long-term debt			
Commitments and Contingencies (Note 9)	Commitments and Contingencies (Note 9)		Commitments and Contingencies (Note 9)
Equity:			
Equity:			
Equity:			
Common stock: $0.01 par value, 2.0 billion shares authorized; 365.3 and 363.7 issued; 352.0 and 350.7 outstanding, respectively			
Common stock: $0.01 par value, 2,000.0 shares authorized; 365.6 and 363.7 issued; 350.3 and 350.7 outstanding, respectively			
Common stock: $0.01 par value, 2.0 billion shares authorized; 365.3 and 363.7 issued; 352.0 and 350.7 outstanding, respectively			
Common stock: $0.01 par value, 2,000.0 shares authorized; 365.6 and 363.7 issued; 350.3 and 350.7 outstanding, respectively			
Common stock: $0.01 par value, 2.0 billion shares authorized; 365.3 and 363.7 issued; 352.0 and 350.7 outstanding, respectively			
Common stock: $0.01 par value, 2,000.0 shares authorized; 365.6 and 363.7 issued; 350.3 and 350.7 outstanding, respectively			
Additional paid-in capital			
Treasury shares, at cost			
Retained earnings			
Accumulated other comprehensive loss			
Total Fortive stockholders' equity			
Noncontrolling interests			
Total stockholders' equity			
Total liabilities and equity			

See the accompanying Notes to Consolidated Condensed Financial Statements.

FORTIVE CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
($ and shares in millions, except per share amounts)
(unaudited)

	Three Months Ended		Six Months Ended	
	June 28, 2024	**June 30, 2023**	**June 28, 2024**	**June 30, 2023**
Sales of products and software				
Sales of products and software				
Sales of products and software				
Sales of services				
Sales of services				

Sales of services
Total sales
Total sales
Total sales
Cost of product and software sales
Cost of product and software sales
Cost of product and software sales
Cost of service sales
Cost of service sales
Cost of service sales
Total cost of sales
Total cost of sales
Total cost of sales
Gross profit
Gross profit
Gross profit
Operating costs:
Operating costs:
Operating costs:
Selling, general and administrative expenses
Selling, general and administrative expenses
Selling, general and administrative expenses
Research and development expenses
Research and development expenses
Research and development expenses
Gain on sale of property
Gain on sale of property
Gain on sale of property
Operating profit
Operating profit
Operating profit
Non-operating income (expense), net:
Non-operating income (expense), net:
Non-operating income (expense), net:
Interest expense, net
Interest expense, net
Interest expense, net
Loss from divestiture
Other non-operating expense, net
Other non-operating expense, net
Other non-operating expense, net
Earnings before income taxes
Earnings before income taxes
Earnings before income taxes
Income taxes
Income taxes
Income taxes

Net earnings
Net earnings
Net earnings
Net earnings per share:
Net earnings per share:
Net earnings per share:
Basic
Basic
Basic
Diluted
Diluted
Diluted
Average common stock and common equivalent shares outstanding:
Average common stock and common equivalent shares outstanding:
Average common stock and common equivalent shares outstanding:
Basic
Basic
Basic
Diluted
Diluted
Diluted

See the accompanying Notes to Consolidated Condensed Financial Statements.

FORTIVE CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
($ in millions)
(unaudited)

		Three Months Ended		Six Months Ended	
	March 29, 2024				
	March 29, 2024				
	March 29, 2024				
		June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Net earnings					
Net earnings					
Net earnings					
Other comprehensive income (loss), net of income taxes:					
Other comprehensive income (loss), net of income taxes:					
Other comprehensive income (loss), net of income taxes:					
Foreign currency translation adjustments					
Foreign currency translation adjustments					
Foreign currency translation adjustments					
Pension adjustments					
Pension adjustments					
Pension adjustments					

Total other comprehensive income (loss), net of income taxes
Total other comprehensive income (loss), net of income taxes
Total other comprehensive income (loss), net of income taxes
Comprehensive income
Comprehensive income
Comprehensive income

See the accompanying Notes to Consolidated Condensed Financial Statements.

FORTIVE CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN EQUITY
($ and shares in millions)
(unaudited)

	Common Stock						Common Stock							
	Common Stock													
	Common Stock	Additional			Accumulated Other				Additional			Accumulated Other		
	Shares Outstanding	Paid-In Capital	Treasury Shares	Retained Earnings	Comprehensive Loss	Noncontrolling Interests	Shares Outstanding	Accumulated Other Comprehensive Loss	Paid-In Capital	Treasury Shares	Retained Earnings	Comprehensive Loss	Noncontrolling Interests	Noncontrolling Interests	Amount
Balance, December 31, 2023															
Net earnings for the period															
Net earnings for the period															
Net earnings for the period															
Dividends to common shareholders															
Other comprehensive income															
Other comprehensive income (loss)															
Common stock-based award activity															
Shares withheld for taxes															
Shares withheld for taxes															
Shares withheld for taxes															

Balance, March 29, 2024
Balance, March 29, 2024
Balance, March 29, 2024
Net earnings for the period
Dividends to common shareholders
Other comprehensive income (loss)
Common stock-based award activity
Common stock repurchases
Shares withheld for taxes
Change in noncontrolling interests
Balance, June 28, 2024

	Common Stock							Common Stock							
	Common Stock														
	Common Stock				Accumulated Other Comprehensive Loss								Accumulated Other Comprehensive Loss		
	Shares Outstanding	Additional Paid-In Capital	Treasury Shares	Retained Earnings		Noncontrolling Interests	Shares Outstanding	Accumulated Other Comprehensive Loss	Additional Paid-In Capital	Treasury Shares	Retained Earnings		Noncontrolling Interests	Noncontrolling Interests	Amount
Balance, December 31, 2022															
Net earnings for the period															
Net earnings for the period															
Net earnings for the period															
Dividends to common shareholders															
Other comprehensive income (loss)															

Common stock-based award activity
Shares withheld for taxes
Shares withheld for taxes
Shares withheld for taxes
Change in noncontrolling interest
Change in noncontrolling interests
Balance, March 31, 2023
Net earnings for the period
Dividends to common shareholders
Other comprehensive income
Common stock-based award activity
Common stock repurchases
Shares withheld for taxes
Change in noncontrolling interests
Balance, June 30, 2023

See the accompanying Notes to Consolidated Condensed Financial Statements.

FORTIVE CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
($ in millions)
(unaudited)

	Three Months Ended		Six Months Ended	
	March 29, 2024	**March 31, 2023**	**June 28, 2024**	**June 30, 2023**
Cash flows from operating activities:				
Net earnings				
Net earnings				

Net earnings
Noncash items:
Amortization
Amortization
Amortization
Depreciation
Stock-based compensation expense
Gain on sale of property
Loss from divestiture
Change in trade accounts receivable, net
Change in trade accounts receivable, net
Change in trade accounts receivable, net
Change in inventories
Change in trade accounts payable
Change in prepaid expenses and other assets
Change in accrued expenses and other liabilities
Net cash provided by operating activities
Net cash provided by operating activities
Net cash provided by operating activities
Cash flows from investing activities:
Cash flows from investing activities:
Cash flows from investing activities:
Cash paid for acquisitions, net of cash received
Cash paid for acquisitions, net of cash received
Cash paid for acquisitions, net of cash received
Payments for additions to property, plant and equipment
Proceeds from sale of property
Cash infusion into divestiture
All other investing activities
Net cash used in investing activities
Net cash used in investing activities
Net cash used in investing activities
Cash flows from financing activities:
Cash flows from financing activities:
Cash flows from financing activities:
Net proceeds from (repayments of) commercial paper borrowings
Net proceeds from (repayments of) commercial paper borrowings
Net proceeds from (repayments of) commercial paper borrowings
Proceeds from borrowings (maturities greater than 90 days), net of issuance costs
Repayment of borrowings (maturities greater than 90 days)
Payment of dividends
Payment of dividends
Repurchase of common shares
Repurchase of common shares
Repurchase of common shares
Payment of dividends
All other financing activities

All other financing activities

All other financing activities

Net cash provided by (used in) financing activities

Net cash used in financing activities

Net cash provided by (used in) financing activities

Net cash used in financing activities

Net cash provided by (used in) financing activities

Net cash used in financing activities

Effect of exchange rate changes on cash and equivalents

Effect of exchange rate changes on cash and equivalents

Effect of exchange rate changes on cash and equivalents

Net change in cash and equivalents

Beginning balance of cash and equivalents

Ending balance of cash and equivalents

See the accompanying Notes to Consolidated Condensed Financial Statements.

FORTIVE CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

NOTE 1. BUSINESS OVERVIEW

Fortive Corporation ("Fortive," "the Company," "we," "us," or "our") is a provider of essential technologies for connected workflow solutions across a range of attractive end-markets. Our strategic segments - Intelligent Operating Solutions ("IOS"), Precision Technologies ("PT"), and Advanced Healthcare Solutions ("AHS") - include well-known brands with leading positions in their markets. Our businesses design, develop, manufacture, and service professional and engineered products, software, and services, building upon leading brand names, innovative technologies, and significant market positions. Our research and development, manufacturing, sales, distribution, service, and administrative facilities are located in more than 50 countries around the world.

We prepared the unaudited consolidated condensed financial statements included herein in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") applicable for interim periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted pursuant to such rules and regulations; however, we believe the disclosures are adequate to make the information presented not misleading. The unaudited consolidated condensed financial statements included herein should be read in conjunction with the audited annual consolidated financial statements as of and for the year ended December 31, 2023 and the footnotes ("Notes") thereto included within our 2023 Annual Report on Form 10-K.

In our opinion, the accompanying financial statements contain all adjustments, which consist of only normal, recurring accruals necessary to fairly present our financial position, results of operations, comprehensive income, stockholders' equity, and cash flows for the periods presented. The results of operations for the three and six months ended March 29, 2024 June 28, 2024, are not necessarily indicative of the results for the full year.

Segment Realignment and Divestiture

In January 2024, we realigned Invetech from the AHS segment to the PT segment as we explored strategic alternatives for certain products and services of Invetech (the "Segment Realignment"). In March 2024, we entered into a non-binding memorandum of understanding with based on our strategic decision to divest the management equipment design and manufacturing businesses of Invetech, pursuant to which we will transfer ownership of certain product lines of Invetech to its current management team. The products and operations of Invetech while retaining the motion solution businesses (the "Motion Solution Business") that we will retain following such transfer of ownership are more closely aligned with the PT segment than the AHS segment. Prior period segment amounts in Note 3, 6, and 11 have been recast to conform to the revised segment presentation. In June 2024, we divested and transferred ownership of Invetech, excluding the Motion Solution Business, to its management team (the "Invetech Divestiture"). As a result of the divestiture, in the three and six-month periods ended June 28, 2024, we recorded a net realized loss of $25.6 million, which is identified as "Loss from divestiture" in the Consolidated Condensed Statements of Earnings. The divested businesses accounted for less than 1.0% of total revenue and less than 1.0% of total assets for the fiscal year ended December 31, 2023. The Invetech Divestiture did not represent a strategic shift with a major effect on the Company's operations and financial results, and therefore the divested businesses are not reported as discontinued operations.

Accumulated Other Comprehensive Loss

Foreign currency translation adjustments are generally not adjusted for income taxes as they relate to indefinite investments in non-U.S. subsidiaries. As of March 29, 2024 June 28, 2024, our outstanding €500 million Euro-denominated senior unsecured notes due 2026, €700 million Euro-denominated senior unsecured notes due 2029, €275 million Euro-denominated term loan, and ¥14.4 billion Yen-denominated term loan were designated as net investment hedges of our investment in applicable foreign operations.

We recognized after-tax foreign currency transaction gains of $8.4 $13.0 million and losses of $1.7 $5.1 million during the three-month periods ended March 29, 2024 June 28, 2024 and March 31, 2023 June 30, 2023, respectively, and gains of $21.4 million of $3.4 million during the six-month periods ended June 28, 2024 and June 30, 2023, respectively, on the debt that was deferred in the foreign currency translation component of Accumulated Other Comprehensive Income (Loss) ("AOCI") as an offset to the foreign currency translation adjustments on our investments in foreign subsidiaries. Any amounts deferred in AOCI will remain until the hedged investment is sold or substantially liquidated. We recorded no ineffectiveness from our net investment hedges during the three-month three and six-month periods ended March 29, 2024 June 28, 2024 and March 31, 2023 June 30, 2023.

The changes in AOCI by component are summarized below ($ in millions):

	Foreign currency translation adjustments	Foreign currency translation adjustments	Pension & post-retirement plan benefit adjustments (a)	Total	Foreign currency translation adjustments	Pension & post-retirement plan benefit adjustments (a)	Total
For the Three Months Ended March 29, 2024:							
Balance, December 31,2023							
Balance, December 31,2023							
Balance, December 31,2023							
For the Three Months Ended June 28, 2024:							
Balance, March 29, 2024							
Balance, March 29, 2024							
Balance, March 29, 2024							
Other comprehensive income (loss) before reclassifications, net of income taxes							
Amounts reclassified from AOCI into income:							
Increase (decrease)							
Increase (decrease)							
Increase (decrease)							
Income tax impact							
Amounts reclassified from AOCI into income, net of income taxes							
Net current period other comprehensive income (loss), net of income taxes							
Balance, March 29, 2024							
Balance, June 28, 2024							
For the Three Months Ended March 31, 2023:							
For the Three Months Ended March 31, 2023:							
For the Three Months Ended March 31, 2023:							
Balance, December 31, 2022							
Balance, December 31, 2022							
Balance, December 31, 2022							
For the Three Months Ended June 30, 2023:							
For the Three Months Ended June 30, 2023:							

For the Three Months Ended June 30, 2023:
Balance, March 31, 2023
Balance, March 31, 2023
Balance, March 31, 2023
Other comprehensive income (loss) before reclassifications, net of income taxes
Amounts reclassified from AOCI into income:
Increase (decrease)
Increase (decrease)
Increase (decrease)
Income tax impact
Amounts reclassified from AOCI into income, net of income taxes
Net current period other comprehensive income (loss), net of income taxes
Balance, March 31, 2023
Balance, June 30, 2023

(a) Includes balances relating to defined benefit plans, supplemental executive retirement plans, and other postretirement employee benefit plans.

(a) Includes balances relating to defined benefit plans, supplemental executive retirement plans, and other postretirement employee benefit plans.

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(a) Includes balances relating to defined benefit plans, supplemental executive retirement plans, and other postretirement employee benefit plans.

(b) This amount relates to the cumulative translation adjustment recognized in earnings upon the Invetech Divestiture. Refer to Note 1 for additional details.

(c) This component of AOCI is included in the computation of net periodic pension cost (refer to Note 11 in our 2023 Annual Report on Form 10-K for additional details).

(a) Includes balances relating to defined benefit plans, supplemental executive retirement plans, and other postretirement employee benefit plans.

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(a) Includes balances relating to defined benefit plans, supplemental executive retirement plans, and other postretirement employee benefit plans.

(b) This component of AOCI is included in the computation of net periodic pension cost (refer to Note 11 in our most recently filed Form 10-K for additional details).

(c) The income tax impact amount was rounded to zero.

	Foreign currency translation adjustments		Pension & post-retirement plan benefit adjustments (a)		Total
For the Six Months Ended June 28, 2024:					
Balance, December 31, 2023	$ (291.7)		$ (34.4)		$ (326.1)
Other comprehensive income (loss) before reclassifications, net of income taxes	(104.6)		—		(104.6)
Amounts reclassified from AOCI into income:					
Increase (decrease)	7.0	(b)	0.2	(c)	7.2
Income tax impact	—		(0.1)		(0.1)
Amounts reclassified from AOCI into income, net of income taxes	7.0		0.1		7.1
Net current period other comprehensive income (loss)	(97.6)		0.1		(97.5)
Balance, June 28, 2024	$ (389.3)		$ (34.3)		$ (423.6)
For the Six Months Ended June 30, 2023:					
Balance, December 31, 2022	$ (301.4)		$ (24.3)		$ (325.7)
Other comprehensive income (loss) before reclassifications, net of income taxes	6.0		—		6.0
Amounts reclassified from AOCI into income:					
Increase (decrease)	—		(0.4)	(c)	(0.4)
Income tax impact	—		0.2		0.2
Amounts reclassified from AOCI into income, net of income taxes	—		(0.2)		(0.2)
Net current period other comprehensive income (loss)	6.0		(0.2)		5.8
Balance, June 30, 2023	$ (295.4)		$ (24.5)		$ (319.9)

(a) Includes balances relating to defined benefit plans, supplemental executive retirement plans, and other postretirement employee benefit plans.

(b) This amount relates to the cumulative translation adjustment recognized in earnings upon the Invetech Divestiture. Refer to Note 1 for additional details.

(c) This component of AOCI is included in the computation of net periodic pension cost (refer to Note 11 in our 2023 Annual Report on Form 10-K for additional details).

Allowances for Doubtful Accounts

All trade accounts and unbilled receivables are recorded in the Consolidated Condensed Balance Sheets adjusted for any write-offs and net of allowances for credit losses. The allowances for credit losses represent management's best estimate of the credit losses expected from our unbilled and trade accounts receivable portfolios over the life of the underlying assets. Additions to the allowances are charged to current period earnings, amounts determined to be uncollectible are charged directly against the allowances, while amounts recovered on previously written-off accounts increase the allowances. During the three-month three and six-month periods ending March 29, 2024 June 28, 2024 and March 31, 2023 June 30, 2023, the activity was immaterial.

Property Sale

On March 14, 2024, we sold land and certain office buildings in our PT segment for $90 million, for which we received $20 million in cash proceeds and a $70 million promissory note secured by a letter of credit, with principal due in August and November 2024. The promissory note is recorded within Prepaid expenses and other current assets. During the three-month six-month period ended March 29, 2024 June 28, 2024, we recorded a gain on sale of property of $63.1 million in the Consolidated Condensed Statements of Earnings.

Concurrently, using a portion of the proceeds from the property sale, we entered into an arm's length transaction with the Fortive Foundation (the "Foundation"), pledging a charitable contribution of $20 million, which had no donor imposed conditions or restrictions. The Foundation, a not-for-profit entity established to expand our philanthropic efforts, is a related party due to certain Fortive executives serving as members of the entity's board of directors. The charitable contribution is recorded within the "Other non-operating expense, net" line in the Consolidated Condensed Statements of Earnings and the liability related to the pledged donation is recorded within Accrued expenses and other current liabilities in the Consolidated Condensed Balance Sheets.

Restructuring

We initiated a discrete restructuring plan in the first quarter of 2023 that was completed during the fourth quarter of 2023. The nature of these activities were broadly consistent throughout our segments and consist consisted primarily of targeted workforce reductions in response to overall macroeconomic and other external conditions. We incurred these costs to position ourselves to provide superior products and services to customers in a cost-efficient manner, while taking into consideration the impact of broad economic uncertainties. During the three-month period three and six-month periods ended March 31, 2023 June 30, 2023, we incurred charges of $17.6 million. $10.7 million and $28.3 million, respectively. These charges are recorded within Cost of sales and Selling, general, and administrative expenses in the Consolidated Condensed Statements of Earnings. Accrued restructuring costs were $13 $10 million and $26 million as of March 29, 2024 June 28, 2024 and December 31, 2023 and are recorded within Accrued expenses and other current liabilities in the Consolidated Condensed Balance Sheets.

Recently Issued Accounting Standard

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, *Segment Reporting (Topic 280)—Improvements to Reportable Segment Disclosures*, which amends the disclosure requirements for reportable segments on the interim and annual basis. This standard is effective for fiscal year ending December 31, 2024 and interim periods within fiscal year ending December 31, 2025, with early adoption permitted. . The adoption of the standard will not impact our consolidated financial statements; however, we are currently evaluating the impact of the new disclosure requirements on the notes to the financial statements. Upon adoption, we will update the applicable interim and annual disclosures to align with the new standard.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740)—*Improvements to Income Tax Disclosures*, which amends certain disclosure requirements related to income taxes on an annual basis. This standard is effective for fiscal year ending December 31, 2025, . This standard should be applied on a prospective basis, with early adoption retrospective application permitted. The adoption of the standard will not impact our consolidated financial statements; however, we are currently evaluating the impact of the new disclosure requirements on the notes to the financial statements. Upon adoption, we We will update the applicable annual disclosures to align with the new standard.

NOTE 2. ACQUISITIONS

We continually evaluate potential mergers and acquisitions that align with our business portfolio strategy. We have completed a number of acquisitions that have been accounted for as purchases of businesses and resulted in the recognition of goodwill in our financial statements. This goodwill arises when the purchase price for an acquired business exceeds its identifiable assets, net of liabilities. The purchase price for acquired businesses reflect a number of factors, including the future earnings and cash flow potential of the business, the strategic fit and resulting synergies from the complementary portfolio of the acquired business to our existing operations, industry expertise, and market access.

The purchase price allocation is provisional and is subject to further adjustments as we finalize the measurement of the acquired tangible and intangible assets and liabilities, as well as the associated income tax considerations. The preliminary fair value of the net assets acquired was based on several estimates and assumptions. As additional information necessary to complete the valuation is obtained and analyzed, we will make appropriate adjustments to purchase price allocations prior to completion of the applicable measurement period, as required and as soon as practicable.

During the three-month period three and six-month periods ended March 29, 2024 June 28, 2024, immaterial adjustments were made to the purchase price allocation of prior year acquisitions.

2024

On January 3, 2024, we acquired EA Elektro-Automatik Holding GmbH ("EA"), a leading supplier of high-power electronic test solutions for energy storage, mobility, hydrogen, and renewable energy applications. The acquisition of EA will bolster our innovative portfolio of products and services for engineers with complementary test and measurement solutions enabling the global energy transition. The total consideration paid was approximately $1.72 billion, net of acquired cash. We funded this transaction with financing activities and available cash. We recorded approximately $1.2 $1.17 billion of goodwill within our PT segment related to the EA acquisition, which is not tax deductible.

For the three-month period three and six-month periods ended March 29, 2024 June 28, 2024, we incurred approximately $27 $0.2 million and $27.4 million, respectively, of pretax transaction-related costs related to the EA acquisition, which were primarily for banking fees, legal fees, and amounts paid to other third-party advisers. These costs were recorded within Selling, general, and administrative expenses in the Consolidated Condensed Statement of Earnings.

The following table summarizes the preliminary estimated acquisition date fair values of the assets acquired and liabilities assumed as of March 29, 2024 June 28, 2024 ($ in millions):

		Total
Accounts receivable	$	21.5
Inventories		35.6
Property, plant and equipment		18.7 18.9
Goodwill		1,167.0 1,172.6
Other intangible assets (customer relationships, technology, and trade names)		681.2
Deferred tax liabilities		(183.3) (189.1)
Other assets and liabilities, net		(22.5)
Net cash consideration	$	1,718.2

2023

During 2023, we made four acquisitions ("the 2023 acquisitions") in our IOS segment for an aggregate cash consideration of $101.4 million, which includes an immaterial deferred payment, net of acquired cash. The 2023 acquisitions are intended to accelerate our strategy and strengthen our product portfolio, providing world-class solutions to our customers. We recorded approximately $55.8 $55.6 million of goodwill related to the acquisitions, which is not tax deductible, as well as $43.2 million of intangible assets, primarily consisting of customer relationships, technology, and trade names. All other acquired assets and assumed liabilities are immaterial.

NOTE 3. GOODWILL AND OTHER INTANGIBLE ASSETS

The following is a roll forward of our carrying value of goodwill by segment ($ in millions):

	Intelligent Operating Solutions	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Total Goodwill	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Total Goodwill
Balance, December 31, 2023									
Measurement period adjustments for prior year acquisitions									
Attributable to acquisitions									
Foreign currency translation and other									
Balance, March 29, 2024									
Balance, June 28, 2024									

Due to the Segment Realignment, the beginning goodwill balance balances for PT and AHS have been recast to conform to the revised segment presentation. Refer to Note 1 for further information on the realignment. The increase in the goodwill balance of the PT segment for the three-month period ended March 29, 2024 is a result of the EA acquisition. Refer to Note 2 for more information. information related to goodwill attributable to acquisitions.

The following summarizes the gross carrying value and accumulated amortization for each major category of intangible asset ($ in millions):

		March 29, 2024		December 31, 2023					
		June 28, 2024		December 31, 2023					
	Gross Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Finite-lived intangibles:									
Patents and technology									
Patents and technology									
Patents and technology									

Customer relationships and other intangibles
Trademarks and trade names
Total finite-lived intangibles
Indefinite-lived intangibles:
Trademarks and trade names
Trademarks and trade names
Trademarks and trade names
Total intangibles

Finite-lived intangible assets are amortized over the shorter of their legal or estimated useful lives.

During the three-month six-month period ended March 29, 2024 June 28, 2024, we acquired finite-lived intangible assets, consisting of customer relationships, developed technology, and trade names, with a weighted average life of approximately 9 years as a result of the EA acquisition. Refer to Note 2 for additional information on the intangible assets acquired.

NOTE 4. FAIR VALUE MEASUREMENTS

Accounting standards define fair value based on an exit price model, establish a framework for measuring fair value for assets and liabilities required to be carried at fair value, and provide for certain disclosures related to the valuation methods used within the valuation hierarchy as established within the accounting standards. This hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, or other observable characteristics for the asset or liability, including interest rates, yield curves and credit risks, or inputs that are derived principally from, or corroborated by, observable market data through correlation.
- Level 3 inputs are unobservable inputs based on our assumptions. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Below is a summary of financial liabilities that are measured at fair value on a recurring basis ($ in millions):

	Quoted Prices in Active Market (Level 1)	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
March 29, 2024									
June 28, 2024									
Deferred compensation liabilities									
Deferred compensation liabilities									
Deferred compensation liabilities									
December 31, 2023									
Deferred compensation liabilities									
Deferred compensation liabilities									
Deferred compensation liabilities									

Certain management employees participate in our nonqualified deferred compensation programs that permit such employees to defer a portion of their compensation, on a pretax basis, until after their termination of employment. All amounts deferred under such plans are unfunded, unsecured obligations and are recorded within Other long-term liabilities in the accompanying Consolidated Condensed Balance Sheets. Participants may choose among alternative earning rates for the amounts they defer, which are primarily based on investment options within our defined contribution plans for the benefit of U.S. employees (except that the earnings rates for amounts contributed unilaterally by the Company are entirely based on changes in the value of Fortive common stock). Changes in the deferred compensation liability under these programs are recognized based on changes in the fair value of the participants' accounts and are recorded within Selling, general and administrative expenses in the Consolidated Condensed Statements of Earnings.

Non-recurring Fair Value Measurements

Certain non-financial assets, primarily property, plant, and equipment, goodwill, and intangible assets, are not required to be measured at fair value on a recurring basis and are reported at their carrying value. However, these assets are required to be assessed for impairment whenever events or circumstances indicate that their carrying value may not be fully recoverable, and at least annually for goodwill and indefinite-lived intangible assets. We evaluated events or circumstances that may indicate the carrying value of our non-financial assets may not be fully recoverable during the three-month period three and six-month periods ended March 29, 2024 June 28, 2024, and recorded no impairments.

Fair Value of Financial Instruments

The carrying amount and fair value of financial instruments are as follows ($ in millions):

	March 29, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	$ 3,941.7	$ 3,835.4	$ 3,646.2	$ 3,539.4

	June 28, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Current portion of long-term debt	$ 383.9	$ 384.0	$ —	$ —
Long-term debt, net of current maturities	3,396.4	3,281.3	3,646.2	3,539.4

As of March 29, 2024 June 28, 2024 and December 31, 2023, the current portion of long-term debt and long-term debt, net of current maturities were categorized as Level 1.

The fair value of the long-term borrowings were based on quoted market prices. The difference between the fair value and the carrying amounts of long-term borrowings may be attributable to changes in market interest rates and/or our credit ratings subsequent to the borrowing. The fair value of cash and equivalents, trade accounts receivable, net, trade accounts payable, and commercial paper approximates their carrying amount due to the short-term maturities of these instruments.

NOTE 5. FINANCING

The components of our debt were as follows ($ in millions):

	March 29, 2024
	March 29, 2024
	March 29, 2024
	June 28, 2024
	June 28, 2024
	June 28, 2024
U.S. dollar-denominated commercial paper	
U.S. dollar-denominated commercial paper	
U.S. dollar-denominated commercial paper	
3.7% Euro-denominated senior unsecured notes due 2026	
3.7% Euro-denominated senior unsecured notes due 2026	
3.7% Euro-denominated senior unsecured notes due 2026	
3.7% Euro-denominated senior unsecured notes due 2029	
3.7% Euro-denominated senior unsecured notes due 2029	
3.7% Euro-denominated senior unsecured notes due 2029	
Euro Term Loan due 2025	
Euro Term Loan due 2025	
Euro Term Loan due 2025	
Yen Term Loan due 2025	

Yen Term Loan due 2025
Yen Term Loan due 2025
3.15% senior unsecured notes due 2026
3.15% senior unsecured notes due 2026
3.15% senior unsecured notes due 2026
4.30% senior unsecured notes due 2046
4.30% senior unsecured notes due 2046
4.30% senior unsecured notes due 2046
Delayed-Draw Term Loan due 2024
Delayed-Draw Term Loan due 2024
Delayed-Draw Term Loan due 2024
Long-term debt, principal amounts
Long-term debt, principal amounts
Long-term debt, principal amounts
Less: aggregate unamortized debt discounts, premiums, and issuance costs
Less: aggregate unamortized debt discounts, premiums, and issuance costs
Less: aggregate unamortized debt discounts, premiums, and issuance costs
Long-term debt, carrying value
Long-term debt, carrying value
Long-term debt, carrying value
Less: current portion of long-term debt, carrying value
Less: current portion of long-term debt, carrying value
Less: current portion of long-term debt, carrying value
Long-term debt, net of current maturities
Long-term debt, net of current maturities
Long-term debt, net of current maturities

Refer to Note 10 of our 2023 Annual Report on Form 10-K for further details of our debt financing.

Euro-denominated Senior Unsecured Notes Due 2026 and 2029

On February 13, 2024, we completed the registered offering of the following Euro-denominated senior unsecured notes:

- €500 million in aggregate principal amount of our 3.7% Euro-denominated senior unsecured notes due 2026 (the "2026 Notes") issued at 99.928% of their principal amount and bearing interest at 3.7% per annum. The 2026 Notes mature on February 13, 2026 with interest payable in arrears on February 13 of each year, beginning in 2025.
- €700 million in aggregate principal amount of our 3.7% Euro-denominated senior unsecured notes due 2029 (the "2029 Notes") issued at 99.943% of their principal amount and bearing interest at 3.7% per annum. The 2029 Notes mature on August 15, 2029 with interest payable in arrears on August 15 of each year, beginning in 2024.

The net proceeds from the offering, after underwriting discounts and commissions and offering expenses, were approximately $1.3 billion based on the currency exchange rates at which the Euro denominated proceeds were converted into U.S. dollars.

We used the net proceeds to refinance the $1.0 billion outstanding principal of the Delayed-Draw Term Loan Due 2024, refinance borrowings under the U.S. dollar-denominated commercial paper, and for general corporate purposes.

Redemption Provisions and Covenants Applicable to 2026 and 2029 Notes

Prior to July 15, 2029 for the 2029 Notes, and prior to maturity for the 2026 Notes, we may redeem the applicable series of notes at our option, in whole or in part, at any time and from time to time, at the applicable make-whole redemption price specified in the indentures. On or after July 15, 2029, we may redeem the 2029 Notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the 2029 Notes being redeemed plus accrued and unpaid interest thereon to, but not including, the redemption date.

We may, at our option, redeem the applicable series of notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of such series of notes to be redeemed, together with any accrued and unpaid interest thereon to, but not including, the redemption date, at any time, if as a result of any change in, or amendment to, the laws, regulations, treaties, or rulings of the United States or any political subdivision of or in the United States or any taxing authority thereof or therein affecting taxation, or any change in, or amendment to, the application, official interpretation, administration or enforcement of such laws, regulations, treaties or rulings (including a holding by a court of competent jurisdiction in the United States), which change or amendment is enacted, adopted, announced or become effective, we become or, based upon a written opinion of independent counsel selected by us, will become obligated to pay additional amounts with respect to the applicable series of notes.

If a change of control triggering event occurs, we will, in certain circumstances, be required to make an offer to repurchase the notes from each holder at a purchase price equal to 101% of the principal amount of the notes being repurchased, plus accrued and unpaid interest to, but not including the repurchase date. A change of control triggering event is defined as the occurrence of both a change of control and a rating event, each as defined in the indentures. Except in connection with a change of control triggering event, the 2026 Notes and 2029 Notes do not have any credit rating downgrade triggers that would accelerate the maturity of the notes.

The 2026 Notes and 2029 Notes contain customary covenants. None of these covenants are considered restrictive to our operations and as of March 29, 2024 June 28, 2024, we were in compliance with all of our covenants.

Delayed-Draw Term Loan due 2024

On January 2, 2024, we drew down an additional $450 million of the Delayed-Draw Term Loan due 2024 as part of the funding for the acquisition of EA, with $1.0 billion outstanding immediately following such additional draw. Refer to Note 2 for additional information regarding the EA acquisition. On February 13, 2024, we used the net proceeds from the 2026 Notes and 2029 Notes to refinance the entire $1.0 billion outstanding principal and accrued interest thereon.

Other Liquidity Sources

We generally satisfy any short-term liquidity needs that are not met through operating cash flows and available cash primarily through issuances of commercial paper under our U.S. dollar and Euro-denominated commercial paper programs ("Commercial Paper Programs"). Under these programs, we may issue unsecured promissory notes with maturities not exceeding 397 and 183 days, respectively.

Interest expense on commercial paper is paid at maturity and is generally based on our credit ratings at the time of issuance and prevailing short-term interest rates.

The details of our outstanding Commercial Paper Programs as of March 29, 2024 June 28, 2024 were as follows ($ in millions):

		Carrying value (a)	Carrying value (a)	Annual effective rate			Weighted average maturity (in days)	Carrying value (a)	Annual effective rate	Weighted average maturity (in days)
U.S. dollar-denominated commercial paper	U.S. dollar-denominated commercial paper	$818.4	5.56	5.56 %	28	U.S. dollar-denominated commercial paper	$673.0	5.53	5.53 %	32

(a) Net of unamortized debt discount.

Credit support for the Commercial Paper Programs is provided by a five-year $2.0 billion senior unsecured revolving credit facility that expires on October 18, 2027 (the "Revolving Credit Facility") which, to the extent not otherwise providing credit support for our commercial paper programs, can also be used for working capital and other general corporate purposes. As of March 29, 2024 June 28, 2024, no borrowings were outstanding under the Revolving Credit Facility.

We classified our borrowings outstanding under the Commercial Paper Programs as Long-term debt in the accompanying Consolidated Condensed Balance Sheets as we had the intent and ability, as supported by availability under the Revolving Credit Facility, to refinance these borrowings for at least one year from the balance sheet date.

NOTE 6. SALES

We derive revenue primarily from the sales of products, including software, and services. Revenue is recognized when control of promised products or services is transferred to customers in an amount that reflects the consideration we expect to be entitled to in exchange for those products, software, or services.

Product sales include revenue from the sale of products and equipment, which includes our software and software as a service ("SaaS") product offerings and equipment rentals. Service sales include revenues from extended warranties, post-contract customer support ("PCS"), maintenance contracts or services, contract labor to perform ongoing service at a customer location, services related to previously sold products, and software implementation services.

Contract Assets — In certain circumstances, we record contract assets which include unbilled amounts typically resulting from sales under contracts when revenue recognized exceeds the amount billed to the customer, and right to payment is not only subject to the passage of time. Contract assets were $107 $109 million as of March 29, 2024 June 28, 2024 and $108 million as of December 31, 2023. Contract assets are recorded within Prepaid expenses and other current assets in our Consolidated Condensed Balance Sheets.

Contract Costs — We incur and capitalize incremental costs to obtain certain contracts, typically sales-related commissions where the amortization period is greater than one year and costs associated with assets used by our customers in certain service arrangements. As of March 29, 2024 June 28, 2024 and December 31, 2023, we had $52 million and $51 million, respectively, in net revenue-related contract costs primarily related to certain software contracts. Revenue-related contract costs are recorded within Other assets in our Consolidated Condensed Balance Sheets. These assets have estimated useful lives between three and five years.

Contract Liabilities — Our contract liabilities consist of deferred revenue generally related to subscription-based software contracts, PCS and extended warranty sales, where we generally receive up-front payment and recognize revenue over the service or support term. We classify deferred revenue as current or noncurrent based on the timing of when we expect to recognize revenue. The current portion of deferred revenue is recorded within Accrued expenses and other current liabilities and the noncurrent portion of deferred revenue is recorded within Other long-term liabilities in our Consolidated Condensed Balance Sheets.

Our contract liabilities consisted of the following ($ in millions):

	March 29, 2024	December 31, 2023
	June 28, 2024	December 31, 2023
Deferred revenue - current		
Deferred revenue - noncurrent		
Total contract liabilities		

During the three-month period three and six-month periods ended March 29, 2024 June 28, 2024, we recognized revenue related to our contract liabilities at December 31, 2023 of $196 million. $121 million and $317 million, respectively. The change in our contract liabilities from December 31, 2023 to March 29, 2024 June 28, 2024 was primarily due to the timing of billings and revenue recognized for subscription-based software contracts, PCS and extended warranty services.

Remaining Performance Obligations — Our remaining performance obligations represent the transaction price of firm, non-cancelable orders and the average contract value for software contracts, for which work has not been performed. We have excluded performance obligations with an original expected duration of one year or less from the amounts below.

The aggregate remaining performance obligations attributable to each of our segments is as follows ($ in millions):

		March 29, June 28, 2024
Intelligent Operating Solutions	$	565.9 571.6
Precision Technologies		75.7 62.1
Advanced Healthcare Solutions		70.9 71.5
Total remaining performance obligations	$	712.5 705.2

The majority of remaining performance obligations are related to service and support contracts, which we expect to fulfill approximately 80 percent within the next two years, approximately 95 percent within the next three years, and substantially all within four years.

Disaggregation of Revenue

We disaggregate revenue from contracts with customers by sales of products and software and services, geographic location, and end market for each of our segments, as we believe it best depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors. Due to the Segment Realignment, prior period segment amounts have been recast to conform to the revised segment presentation. Refer to Note 1 for further information on the realignment.

Disaggregation of revenue for the three-month period ended March 29, 2024 June 28, 2024 is presented as follows ($ in millions):

	Total	Total	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Total	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions
Sales:									
Sales of products and software									
Sales of products and software									
Sales of products and software									
Sales of services									
Total									
Geographic:									
Geographic:									
Geographic:									
United States									
United States									
United States									
China									
All other (each country individually less than 5% of total sales)									
Total									
End markets:(a)									
End markets:(a)									
End markets:(a)									
Direct sales:									
Direct sales:									
Direct sales:									
Healthcare									
Healthcare									
Healthcare									
Industrial & Manufacturing									
Government									
Utilities & Power									
Communications, Electronics & Semiconductor									
Aerospace & Defense									
Retail & Consumer									
Oil & Gas									
Other									
Total direct sales									
Distributors									
Total									

(a) Direct sales by end market include sales made through third-party distributors where we have visibility to the end customer.

(a) Direct sales by end market include sales made through third-party distributors where we have visibility to the end customer.

(a) Direct sales by end market include sales made through third-party distributors where we have visibility to the end customer.

Disaggregation of revenue for the three-month period ended March 31, 2023 June 30, 2023 is presented as follows ($ in millions):

	Total	Total	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions	Total	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions
Sales:									
Sales of products and software									
Sales of products and software									
Sales of products and software									
Sales of services									
Total									
Geographic:									
Geographic:									
Geographic:									
United States									
United States									
United States									
China									
All other (each country individually less than 5% of total sales)									
Total									
End markets:[a]									
End markets:[a]									
End markets:[a]									
Direct sales:									
Direct sales:									
Direct sales:									
Healthcare									
Healthcare									
Healthcare									
Industrial & Manufacturing									
Government									
Utilities & Power									
Communications, Electronics & Semiconductor									
Aerospace & Defense									
Retail & Consumer									
Oil & Gas									
Other									
Total direct sales									
Distributors									

Total

(a) Direct sales by end market include sales made through third-party distributors where we have visibility to the end customer.

(a) Direct sales by end market include sales made through third-party distributors where we have visibility to the end customer.

(a) Direct sales by end market include sales made through third-party distributors where we have visibility to the end customer.

Disaggregation of revenue for the six-month period ended June 28, 2024 is presented as follows ($ in millions):

	Total	Intelligent Operating Solutions	Precision Technologies	Advanced Healthcare Solutions
Sales:				
Sales of products and software	$ 2,608.8	$ 1,130.2	$ 990.9	$ 487.7
Sales of services	468.1	212.5	119.9	135.7
Total	$ 3,076.9	$ 1,342.7	$ 1,110.8	$ 623.4
Geographic:				
United States	$ 1,630.2	$ 730.3	$ 555.1	$ 344.8
China	341.4	120.3	169.5	51.6
All other (each country individually less than 5% of total sales)	1,105.3	492.1	386.2	227.0
Total	$ 3,076.9	$ 1,342.7	$ 1,110.8	$ 623.4
End markets:(a)				
Direct sales:				
Healthcare	$ 706.1	$ 22.4	$ 94.7	$ 589.0
Industrial & Manufacturing	680.0	478.2	192.6	9.2
Government	268.4	149.8	100.2	18.4
Utilities & Power	206.0	98.0	108.0	—
Communications, Electronics & Semiconductor	184.9	53.4	131.5	—
Aerospace & Defense	166.8	0.2	166.6	—
Retail & Consumer	157.4	127.2	30.2	—
Oil & Gas	144.8	138.8	6.0	—
Other	364.1	195.9	168.2	—
Total direct sales	2,878.5	1,263.9	998.0	616.6
Distributors	198.4	78.8	112.8	6.8
Total	$ 3,076.9	$ 1,342.7	$ 1,110.8	$ 623.4

(a) Direct sales by end market include sales made through third-party distributors where we have visibility to the end customer.

Disaggregation of revenue for the six-month period ended June 30, 2023 is presented as follows ($ in millions):

	Total		Intelligent Operating Solutions		Precision Technologies		Advanced Healthcare Solutions	
Sales:								
Sales of products and software	$	2,527.4	$	1,083.8	$	978.1	$	465.5
Sales of services		459.7		201.4		123.3		135.0
Total	$	2,987.1	$	1,285.2	$	1,101.4	$	600.5
Geographic:								
United States	$	1,599.3	$	702.1	$	561.3	$	335.9
China		360.3		123.5		186.4		50.4
All other (each country individually less than 5% of total sales)		1,027.5		459.6		353.7		214.2
Total	$	2,987.1	$	1,285.2	$	1,101.4	$	600.5
End markets:(a)								
Direct sales:								
Healthcare	$	699.0	$	22.5	$	111.6	$	564.9
Industrial & Manufacturing		711.0		460.9		241.3		8.8
Government		244.0		139.0		87.9		17.1
Utilities & Power		203.5		93.6		109.9		—
Communications, Electronics & Semiconductor		203.3		48.9		154.4		—
Aerospace & Defense		143.9		0.3		143.6		—
Retail & Consumer		167.3		124.4		42.9		—
Oil & Gas		141.9		133.5		8.4		—
Other		351.7		195.1		156.6		—
Total direct sales		2,865.6		1,218.2		1,056.6		590.8
Distributors		121.5		67.0		44.8		9.7
Total	$	2,987.1	$	1,285.2	$	1,101.4	$	600.5

(a) Direct sales by end market include sales made through third-party distributors where we have visibility to the end customer.

NOTE 7. INCOME TAXES

Our effective tax rates for the three-month period three and six-month periods ended March 29, 2024 June 28, 2024 were 11.4% 14.7% and 13.0%, respectively, as compared to 15.7% 16.5% and 16.1%, respectively, for the three-month period three and six-month periods ended March 31, 2023 June 30, 2023. The decrease in the effective tax rate for the three-month period ended March 29, 2024 June 28, 2024 as compared to the three-month period ended March 31, 2023 June 30, 2023 was primarily related to change in valuation allowances, resulting in a benefit in the three-month period ended June 28, 2024. The decrease in the effective tax rate for the six-month period ended June 28, 2024 as compared to the six-month period ended June 30, 2023 was primarily related to cash repatriation, resulting in a discrete tax credit, and changes in valuation allowances in the three-month six-month period ended March 29, 2024 June 28, 2024.

Our effective tax rates for the three-month period three and six-month periods ended March 29, 2024, June 28 2024, differ from the U.S. federal statutory rate of 21% due primarily to the impact of credits and deductions provided by law and changes in our uncertain tax position reserves.

NOTE 8. STOCK-BASED COMPENSATION

The 2016 Stock Incentive Plan (the “Stock Plan”), provides for the grant of stock appreciation rights, restricted stock units, and performance stock units (collectively, “Stock Awards”), stock options, or any other stock-based award. As of March 29, 2024 June 28, 2024, approximately 12 million shares of our common stock were available for subsequent issuance under the Stock Plan. For a full description of our Stock Plan, refer to Note 15 of our 2023 Annual Report on Form 10-K.

Stock-based Compensation Expense

Stock-based compensation has been recognized as a component of Selling, general and administrative expenses in the Consolidated Condensed Statements of Earnings based on the portion of the awards that are ultimately expected to vest.

The following summarizes the components of our stock-based compensation expense under the Stock Plan ($ in millions):

	Three Months Ended		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Stock Awards:				
Stock Awards:				
Stock Awards:				
Pretax compensation expense				
Pretax compensation expense				
Pretax compensation expense				
Income tax benefit				
Income tax benefit				
Income tax benefit				
Stock Award expense, net of income taxes				
Stock Award expense, net of income taxes				
Stock Award expense, net of income taxes				
Stock options:				
Stock options:				
Stock options:				
Pretax compensation expense				
Pretax compensation expense				
Pretax compensation expense				
Income tax benefit				
Income tax benefit				
Income tax benefit				
Stock option expense, net of income taxes				
Stock option expense, net of income taxes				
Stock option expense, net of income taxes				
Total stock-based compensation:				
Total stock-based compensation:				
Total stock-based compensation:				
Pretax compensation expense				
Pretax compensation expense				
Pretax compensation expense				
Income tax benefit				
Income tax benefit				
Income tax benefit				
Total stock-based compensation expense, net of income taxes				
Total stock-based compensation expense, net of income taxes				
Total stock-based compensation expense, net of income taxes				

The following summarizes the unrecognized compensation cost for the Stock Plan awards as of March 29, 2024 June 28, 2024. This compensation cost is expected to be recognized over a weighted average period of approximately two years, representing the remaining service period related to the awards. Future compensation amounts will be adjusted for any changes in estimated forfeitures ($ in millions):

Stock Awards	$	64.1 53.3
Stock options		162.8 135.7
Total unrecognized compensation cost	$	226.9 189.0

NOTE 9. COMMITMENTS AND CONTINGENCIES

For a description of our litigation and contingencies and additional information about our leases, refer to Note 14 and Note 9, respectively, in our 2023 Annual Report on Form 10-K.

Warranty

We generally accrue estimated warranty costs at the time of sale. In general, manufactured products are warranted against defects in material and workmanship when properly used for their intended purpose, installed correctly, and appropriately maintained. Warranty period terms depend on the nature of the product and range from 90 days up to the life of the product. The amount of the accrued warranty liability is determined based on historical information such as past experience, product failure rates or number of units repaired, estimated cost of material and labor, and, in certain instances, estimated property damage. The accrued warranty liability is reviewed on a quarterly basis and may be adjusted as additional information regarding expected warranty costs becomes known. During the three-month three and six-month periods ended March 29, 2024 June 28, 2024 and March 31, 2023 June 30, 2023, warranty related activity was immaterial.

Leases

Operating lease costs for both the three-month periods ended March 29, 2024 June 28, 2024 and March 31, 2023 was $13 June 30, 2023 were $12 million. Operating lease costs for the six-month periods ended June 28, 2024 and June 30, 2023 were $25 million and $12 $24 million, respectively. During both the three-month six-month periods ended March 29, 2024 June 28, 2024 and March 31, 2023 June 30, 2023, cash paid for operating leases included in operating cash flows was $12 $24 million. Right-of-use ("ROU") assets obtained in exchange for operating lease obligations were $4 $10 million and $18 million during both the three-month six-month periods ended March 29, 2024 June 28, 2024 and March 31, 2023 June 30, 2023, respectively. Operating lease ROU assets were $170 $159 million and $155 million as of March 29, 2024 June 28, 2024 and December 31, 2023, respectively. Operating lease liabilities were $177 $166 million and $164 million as of March 29, 2024 June 28, 2024 and December 31, 2023, respectively.

Operating lease ROU assets and operating lease liabilities are recorded in the Consolidated Condensed Balance Sheets within Other assets, Accrued expenses and other current liabilities, and Other long-term liabilities, respectively.

Other Matters

We discovered that a subsidiary of ours made certain incorrect representations regarding status as a small business concern as defined by the Small Business Act for certain contracts that it was awarded by the Defense Logistics Agency ("DLA"). As a result, on January 26, 2024, we voluntarily notified the Department of Defense Office of Inspector General ("OIG") and the DLA of this matter. While we are continuing to investigate, we We currently do not expect this matter to have a material adverse effect on our financial condition or results of operations. However, resolution of this matter could subject us to fines or penalties, and we cannot provide assurance as to the timing or outcome of such resolution.

NOTE 10. NET EARNINGS PER SHARE

Basic net earnings per share ("EPS") is calculated by dividing net earnings attributable to common stockholders by the weighted average number of shares of common stock outstanding for the applicable period. Diluted EPS is similarly calculated, except that the calculation includes the dilutive effect of the assumed issuance of shares under stock-based compensation plans under the treasury stock method, except where the inclusion of such shares would have an anti-dilutive impact. Anti-dilutive options excluded from the diluted EPS calculation for the three-month three and six-month periods ended March 29, 2024 June 28, 2024 were 1.3 million and March 31, 2023 1.2 million, respectively, and were 1.2 million 2.7 million for both the three and 2.9 million, respectively. six-month periods ended June 30, 2023.

Information related to the calculation of net earnings per share of common stock is summarized as follows ($ and shares in millions, except per share amounts):

	Three Months Ended	Three Months Ended		Six Months Ended
	Three Months Ended			
	Three Months Ended			
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Numerator				
Numerator				
Numerator				

Net earnings	
Net earnings	
Net earnings	
Denominator	
Denominator	
Denominator	
Weighted average common shares outstanding used in basic earnings per share	
Weighted average common shares outstanding used in basic earnings per share	
Weighted average common shares outstanding used in basic earnings per share	
Incremental common shares from:	
Incremental common shares from:	
Incremental common shares from:	
Assumed exercise of dilutive options and vesting of dilutive Stock Awards	
Assumed exercise of dilutive options and vesting of dilutive Stock Awards	
Assumed exercise of dilutive options and vesting of dilutive Stock Awards	
Weighted average common shares outstanding used in diluted earnings per share	
Weighted average common shares outstanding used in diluted earnings per share	
Weighted average common shares outstanding used in diluted earnings per share	
Net earnings per common share - Basic	
Net earnings per common share - Basic	
Net earnings per common share - Basic	
Net earnings per common share - Diluted	
Net earnings per common share - Diluted	
Net earnings per common share - Diluted	

We declared and paid cash dividends per common share for the periods as presented below:

	Dividend Per Common Share	Dividend Per Common Share	Amount ($ in millions)	Dividend Per Common Share	Amount ($ in millions)
2024:					
First quarter					
First quarter					
First quarter					
Second quarter					
Total					
Total					
Total					
2023:					
2023:					
2023:					
First quarter					
First quarter					
First quarter					
Second quarter					
Total					
Total					

Total
Total

Share Repurchase Program

On February 17, 2022, the Company's Board of Directors approved a share repurchase program authorizing the Company to repurchase up to 20 million shares of the Company's outstanding common stock from time to time on the open market or in privately negotiated transactions. There is no expiration date for the repurchase program, and the timing and amount of repurchases under the program are determined by the Company's management based on market conditions and other factors. The repurchase program may be suspended or discontinued at any time by the Board of Directors. As of December 31, 2023, there were 9 million shares remaining for repurchase under the program. On January 23, 2024, the Company’s Board of Directors increased the number of shares authorized under the share repurchase program by an additional 11 million shares.

During both the three-month three and six-month periods ended March 29, 2024 June 28, 2024 and March 31, 2023 June 30, 2023, respectively, the Company made no repurchases under the plan. purchased 2 million shares of its common stock at an average share price of $76.43 and $64.54, respectively. As of March 29, 2024 June 28, 2024, there were 20 18 million shares remaining for repurchase under the program.

NOTE 11. SEGMENT INFORMATION

We report our results in three separate business segments consisting of IOS, PT, and AHS. Our chief operating decision maker (“CODM”) assesses performance and allocates resources based on our operating segments, which are also our reportable segments. Due to the Segment Realignment, prior period segment amounts have been recast to conform to the revised segment presentation. Refer to Note 1 for further information on the realignment.

Our IOS segment provides advanced instrumentation, software and services to tens of thousands of customers enabling their mission-critical workflows. These offerings include electrical test & measurement, facility and asset lifecycle software applications, connected worker safety and compliance solutions across a range of vertical end markets, including manufacturing, process industries, healthcare, utilities and power, communications and electronics, among others.

Our PT segment helps solve tough technical challenges to speed breakthroughs in a wide range of applications, from food and beverage production and manufacturing to next-generation electric vehicles and clean energy, as our customers seek new test solutions to enable the electrification and connectivity of everything. Our expertise in materials, methods and measurements are reflected in our electrical test & measurement and sensing and material technologies and cell therapy equipment design and manufacturing offered to a broad set of customers and vertical end markets, including industrial, power and energy, automotive, medical equipment, food and beverage, aerospace and defense, semiconductor, and other general industries.

Our AHS segment supplies critical workflow solutions enabling healthcare providers to deliver exceptional patient care more efficiently. Our offerings include instrument sterilization solutions, instrument tracking, biomedical test tools, radiation detection and safety monitoring, and end-to-end clinical productivity software and solutions. Our healthcare offerings help ensure critical safety standards are met, instruments and operating rooms are working at peak performance, and complex procedures are followed accurately in these mission-critical healthcare environments.

Our segment results are as follows ($ in millions):

	Three Months Ended		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Sales:				
Sales:				
Sales:				
Intelligent Operating Solutions				
Intelligent Operating Solutions				
Intelligent Operating Solutions				
Precision Technologies				
Precision Technologies				
Precision Technologies				
Advanced Healthcare Solutions				
Advanced Healthcare Solutions				
Advanced Healthcare Solutions				
Total				
Total				

Total
Operating Profit:
Operating Profit:
Operating Profit:
Intelligent Operating Solutions
Intelligent Operating Solutions
Intelligent Operating Solutions
Precision Technologies
Precision Technologies
Precision Technologies
Advanced Healthcare Solutions
Advanced Healthcare Solutions
Advanced Healthcare Solutions
Other
Other
Other
Total Operating Profit
Total Operating Profit
Total Operating Profit
Interest expense, net
Interest expense, net
Interest expense, net
Loss from divestiture
Other non-operating expense, net
Loss from divestiture
Loss from divestiture
Other non-operating expense, net
Other non-operating expense, net
Other non-operating expense, net
Earnings before income taxes
Earnings before income taxes
Earnings before income taxes

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Fortive Corporation ("Fortive," the "Company," "we," "us," or "our") is a provider of essential technologies for connected workflow solutions across a range of attractive end-markets. Our strategic segments - Intelligent Operating Solutions ("IOS"), Precision Technologies ("PT"), and Advanced Healthcare Solutions ("AHS") - include well-known brands with leading positions in their markets. Our businesses design, develop, manufacture, and service professional and engineered products, software, and services, building upon leading brand names, innovative technologies, and significant market positions. We are headquartered in Everett, Washington and have a workforce of more than 18,000 research and development, manufacturing, sales, distribution, service, and administrative professionals in more than 50 countries around the world.

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is designed to provide a reader of our financial statements with a narrative from the perspective of management. The following discussion should be read in conjunction with the MD&A and consolidated financial statements included in our 2023 Annual Report on Form 10-K. Our MD&A is divided into five sections:

- Information Relating to Forward-Looking Statements

- Overview
- Results of Operations
- Liquidity and Capital Resources
- Critical Accounting Estimates

INFORMATION RELATING TO FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this quarterly report, in other documents we file with or furnish to the Securities and Exchange Commission ("SEC"), in our press releases, webcasts, conference calls, materials delivered to shareholders and other communications, are "forward-looking statements" within the meaning of the United States federal securities laws. All statements other than historical factual information are forward-looking statements, including without limitation statements regarding: projections of revenue, expenses, profit, profit margins, tax rates, tax provisions, cash flows, pension and benefit obligations and funding requirements, our liquidity position or other financial measures; management's plans and strategies for future operations, including statements relating to anticipated operating performance, cost reductions, restructuring activities, new product and service developments, competitive strengths or market position, acquisitions, divestitures, strategic opportunities, securities offerings, stock repurchases, dividends and executive compensation; growth, declines and other trends in markets we sell into, including the expected impact of trade and tariff policies; new or modified laws, regulations and accounting pronouncements; impact of climate-related events or transition activities; outstanding claims, legal proceedings, tax audits and assessments and other contingent liabilities; foreign currency exchange rates and fluctuations in those rates; impact of changes to tax laws; general economic and capital markets conditions, including expected impact of inflation or interest rate changes; impact of geopolitical events, including the anticipated impact of the Ukraine/Russia conflict, conflict in the Middle East, and other hostilities; the timing of any of the foregoing; assumptions underlying any of the foregoing; and any other statements that address events or developments that we intend or believe will or may occur in the future. Terminology such as "believe," "anticipate," "should," "could," "intend," "will," "plan," "expect," "estimate," "project," "target," "may," "possible," "potential," "forecast" and "positioned" and similar references to future periods are intended to identify forward-looking statements, although not all forward-looking statements are accompanied by such words.

Forward-looking statements are based on assumptions and assessments made by our management in light of their experience and perceptions of historical trends, current conditions, expected future developments, and other factors they believe to be appropriate. Forward-looking statements are not guarantees of future performance and actual results may differ materially from the results, developments and business decisions contemplated by our forward-looking statements. Accordingly, you should not place undue reliance on any such forward-looking statements. Important factors that could cause actual results to differ materially from those envisaged in the forward-looking statements include, among others, the following:

Risk Related to Our Business Operations

- Conditions in the global economy, the markets we serve, and the financial markets and banking systems may adversely affect our business and financial statements.
- If we cannot adjust our manufacturing capacity, supply chain management or the purchases required for our manufacturing activities to reflect changes in market conditions, customer demand and supply chain or transportation disruptions, our profitability may suffer. In addition, our reliance upon sole or limited sources of supply for certain materials, components, and services could cause production interruptions, delays and inefficiencies.
- Our financial results are subject to fluctuations in the cost and availability of commodities or components that we use in our operations.
- Pandemics and epidemics, including any resurgence in the spread of COVID-19, and any corresponding constraints on supply chain, labor force, and the operations of our customers, suppliers, and vendors could have an adverse impact on our business and results of operations.
- Our growth could suffer if the markets into which we sell our products and services decline, do not grow as anticipated, or experience cyclicality.
- We face intense competition and if we are unable to compete effectively, we may experience decreased demand and decreased market share. Even if we compete effectively, we may be required to reduce prices for our products and services.
- Our growth depends in part on the timely development and commercialization and customer acceptance of new and enhanced products and services based on technological innovation.
- If we are unable to recruit and retain key employees, our business may be harmed.
- Significant disruptions in, or breaches in security of, our information technology systems have adversely affected, and in the future could adversely affect, our business.
- We use artificial intelligence in our business and our products, and challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability, and adversely affect our results of operations.

- Defects and unanticipated use or inadequate disclosure with respect to our products (including software) or services could adversely affect our business, reputation, and financial statements.
- Adverse changes in our relationships with, or the financial condition, performance, purchasing patterns, or inventory levels of, key distributors and other channel partners could adversely affect our financial statements.
- Our restructuring activities could have long-term adverse effects on our business.
- Work stoppages, works council campaigns, and other labor disputes could adversely impact our productivity, economic conditions, and results of operations.
- If we suffer loss to our facilities, supply chains, distribution systems, or information technology systems due to catastrophe or other events, our operations could be seriously harmed.
- If we do not or cannot adequately protect our intellectual property, or if third parties infringe our intellectual property rights, we may suffer competitive injury or expend significant resources enforcing our rights.
- Third parties may claim that we are infringing or misappropriating their intellectual property rights and we could suffer significant litigation expenses, losses, or licensing expenses or be prevented from selling products or services.
- We are subject to a variety of litigation and other legal and regulatory proceedings in the course of our business that could adversely affect our financial statements.
- Future pandemics and epidemics, and any corresponding constraints on supply chain, labor force, and the operations of our customers, suppliers, and vendors could have an adverse impact on our business and results of operations.
- Climate change, or legal or regulatory measures to address climate change, may negatively affect us.
- We use artificial intelligence in our business, and challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability, and adversely affect our results of operations.

<u>Risk Related to our International Operations</u>

- International economic, political, legal, compliance, and business factors could negatively affect our financial statements.
- Trade relations between China and the United States could have a material adverse effect on our business and financial statements.
- Foreign currency exchange rates, including the volatility thereof, may adversely affect our financial statements.

<u>Risk Related to Our Acquisitions, Investments, and Dispositions</u>

- Any inability to consummate acquisitions at our anticipated rate and at appropriate prices could negatively impact our growth rate and stock price.
- Our acquisition of businesses, joint ventures, and strategic relationships could negatively impact our financial statements.
- The indemnification provisions of acquisition agreements by which we have acquired companies may not fully protect us and as a result we may face unexpected liabilities.
- Divestitures or other dispositions could negatively impact our business, and contingent liabilities from businesses that we have sold could adversely affect our financial statements.
- Potential indemnification liabilities to Vontier Corporation (“Vontier”) pursuant to the separation agreement could materially and adversely affect our businesses, financial condition, results of operations, and cash flows.

<u>Risk Related to Regulatory and Compliance Matters</u>

- Changes in industry standards and governmental regulations may reduce demand for our products or services or increase our expenses.
- Our reputation, ability to do business, and financial statements may be impaired by improper conduct by any of our employees, agents, or business partners.
- Our operations, products, and services expose us to the risk of environmental, health, and safety liabilities, costs, and violations that could adversely affect our reputation and financial statements.

- Our businesses are subject to extensive regulation, including healthcare regulations; existing or future failures to comply with those regulations could adversely affect our financial statements and reputation.

Risk Related to Our Tax and Accounting Matters

- Changes in our effective tax rates or exposure to additional income tax liabilities or assessments could affect our profitability. In addition, audits by tax authorities could result in additional tax payments for prior periods.
- We could incur significant liability if our separation from Danaher, our separation of our Automation and Specialty business or our separation of Vontier (collectively, the "Separation Transactions") are determined to be a taxable transaction.
- Changes in U.S. GAAP could adversely affect our reported financial results and may require significant changes to our internal accounting systems and processes.
- We may be required to recognize impairment charges for our goodwill and other intangible assets.

Risk Related to Our Financing Activities

- We have incurred a significant amount of debt, and our debt obligations, including the cost of such debt, will increase further if we incur additional debt and do not retire existing debt, our credit rating declines, or if the applicable interest rates rise.

See "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 for further discussion regarding reasons that actual results may differ materially from the results, developments, and business decisions contemplated by our forward-looking statements. Forward-looking statements speak only as of the date of the report, document, press release, webcast, call, materials or other communication in which they are made (or such earlier date as may be specified in such statement). We do 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.

OVERVIEW

General

Fortive is a multinational business with global operations with approximately 46% of our sales derived from customers outside the United States in 2023. As a company with global operations, our businesses are affected by worldwide, regional, and industry-specific economic, regulatory, and political factors. Our geographic and industry diversity, as well as the range of products, software, and services we offer, typically help limit the impact of any one industry or the economy of any single country (except for the United States) on our operating results. Given the broad range of products manufactured, software and services provided, and geographies served, we do not use any indices other than general economic trends to predict the overall outlook for the Company. Our individual businesses monitor key competitors and customers, including their sales, to the extent possible, to gauge relative performance and the outlook for the future.

As a result of our geographic and industry diversity, we face a variety of opportunities and challenges, including technological development in most of the markets we serve, the expansion and evolution of opportunities in high-growth markets, trends and costs associated with a global labor force, and consolidation of our competitors. We define high-growth markets as developing markets of the world experiencing extended periods of accelerated growth in gross domestic product and infrastructure which include Eastern Europe, the Middle East, Africa, Latin America, and Asia with the exception of Japan and Australia. We operate in a highly competitive business environment in most markets, and our long-term growth and profitability will depend, in particular, on our ability to expand our business across geographies and market segments, identify, consummate, and integrate appropriate acquisitions, develop innovative and differentiated new products, services, and software, expand and improve the effectiveness of our sales force, continue to reduce costs and improve operating efficiency and quality, attract relevant talent and retain, grow, and empower our talented workforce, and effectively address the demands of an increasingly regulated environment. We are making significant investments, organically and through acquisitions, to address technological change in the markets we serve and to improve our manufacturing, research and development, and customer-facing resources in order to be responsive to our customers throughout the world.

Segment Presentation

We operate and report our results in three segments, IOS, PT, and AHS, each of which is further described below.

In January 2024, we realigned Invetech from the AHS segment to the PT segment as we explored strategic alternatives for certain products and services of Invetech (the "Segment Realignment"). In March 2024, we entered into a non-binding memorandum of understanding with based on our strategic decision to divest the management equipment design and manufacturing businesses of Invetech, pursuant to which we will transfer ownership of certain product lines of Invetech to its current management team. The products and operations of Invetech while retaining the motion solution businesses (the "Motion Solution Business") that we will retain following such transfer of ownership are more closely aligned with the PT segment than the AHS segment. Prior period segment amounts below have been recast to conform to the revised segment presentation. In June 2024, we divested and transferred ownership of Invetech, excluding the Motion Solution Business, to its management team (the "Invetech Divestiture"). As a result of the divestiture, in the three and six-month periods ended June 28, 2024, we recorded a net realized loss of $25.6 million, which is identified as "Loss from divestiture" in the Consolidated Condensed Statements of Earnings. The divested businesses accounted for less than 1.0% of total revenue and less than 1.0% of total assets for the fiscal year ended December 31, 2023. The Invetech Divestiture did not represent a strategic shift with a major effect on the Company's operations and financial results, and therefore the divested businesses are not reported as discontinued operations.

Our IOS segment provides advanced instrumentation, software and services to tens of thousands of customers enabling their mission-critical workflows. These offerings include electrical test & measurement, facility and asset lifecycle software applications, connected worker safety and compliance solutions across a range of vertical end markets, including manufacturing, process industries, healthcare, utilities and power, communications and electronics, among others. Typical users of these safety, productivity and sustainability solutions include electrical engineers, electricians, electronic technicians, EHS professionals, network technicians, facility managers, first-responders, and maintenance professionals.

Our PT segment helps solve tough technical challenges to speed breakthroughs in a wide range of applications, from food and beverage production and manufacturing to next-generation electric vehicles and clean energy, as our customers seek new test solutions to enable the electrification and connectivity of everything. Our expertise in materials, methods and measurements are reflected in our electrical test & measurement and sensing and material technologies and cell therapy equipment design and manufacturing offered to a broad set of customers and vertical end markets, including industrial, power and energy, automotive, medical equipment, food and beverage, aerospace and defense, semiconductor, and other general industries. Customers for these products and services include design engineers for advanced electronic devices and equipment, process and quality engineers focused on improved process capability and productivity, facility maintenance managers driving increased uptime, and other customers for whom precise measurement, reliability, and compliance are critical in their applications.

Our AHS segment supplies critical workflow solutions enabling healthcare providers to deliver exceptional patient care more efficiently. Our offerings include instrument sterilization solutions, instrument tracking, biomedical test tools, radiation detection and safety monitoring, and end-to-end clinical productivity software and solutions. Our healthcare offerings help ensure critical safety standards are met, instruments and operating rooms are working at peak performance, and complex procedures are followed accurately in these mission-critical healthcare environments.

Non-GAAP Measures

In this report, references to sales from existing businesses ("core revenue") refer to sales from operations calculated according to generally accepted accounting principles in the United States ("GAAP") but excluding (1) the impact from acquired and divested businesses and (2) the impact of currency translation. References to sales attributable to acquisitions or 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 businesses or product lines that have been divested or, at the time of reporting, are pending divestiture but are not, and will not be, 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 impact from acquired businesses) and (b) the period-to-period change in sales (excluding sales impact from acquired businesses) after applying the current period foreign exchange rates to the prior year period. Sales from existing businesses should be considered in addition to, and not as a replacement for or superior to, sales, and may not be comparable to similarly titled measures reported by other companies.

Management believes that reporting the non-GAAP financial measure of core revenue provides useful information to investors by helping identify underlying growth trends in our business and facilitating comparisons of our sales performance with our performance in prior and future periods and to our peers. We exclude the effect of acquisition and divestiture related items because the nature, size, and number of such transactions can vary dramatically from period to period and between us and our peers. We exclude the effect of currency translation from core revenue because the impact of currency translation is not under management's control and is subject to volatility. Management believes the exclusion of the effect of acquisitions and divestitures and currency translation may facilitate the assessment of underlying business trends and may assist in comparisons of long-term performance. References to sales volume from existing businesses refer to the impact of both price and unit sales.

Acquisitions

On January 3, 2024, we acquired EA Elektro-Automatik Holding GmbH ("EA"), a leading supplier of high-power electronic test solutions for energy storage, mobility, hydrogen, and renewable energy applications. The acquisition of EA will bolster our innovative portfolio of products and services for engineers with complementary test and measurement solutions enabling the global energy transition. The total consideration paid was approximately $1.72 billion, net of acquired cash. We recorded approximately $1.2 $1.17 billion of goodwill related to the EA acquisition, which is not tax deductible.

Other Matters

We initiated a discrete restructuring plan in the first quarter of 2023 that was completed during the fourth quarter of 2023. The nature of these activities were broadly consistent throughout our segments and consist consisted primarily of targeted workforce reductions in response to overall macroeconomic and other external conditions. We incurred these costs to position ourselves to provide superior products and services to customers in a cost-efficient manner, while taking into consideration the impact of broad economic uncertainties. During the three-month period three and six-month periods ended March 31, 2023 June 30, 2023, we incurred charges of $17.6 million. These charges are recorded within Cost of sales and Selling, general, and administrative expenses in the Consolidated Condensed Statements of Earnings. Accrued restructuring costs were $13 $10.7 million and $26 $28.3 million, as of March 29, 2024 and December 31, 2023 and are recorded within Accrued expenses and other current liabilities in the Consolidated Condensed Balance Sheets. respectively.

Business Performance and Outlook

Business Performance for the Period Ended March 29, 2024 June 28, 2024

During the three-month period three and six-month periods ended March 29, 2024 June 28, 2024 (the “quarter” or the “first “second quarter”) and “year-to-date period,” respectively), our sales increased by 4.4% 1.7% and 3.0%, respectively.

The year-over-year increase in sales in the second quarter was driven by a 2.5% increase in our core revenue, and a 2.5% 2.7% increase from acquisitions, net of divestitures partially offset by 0.6% a 1.0% decrease from due to unfavorable currency translation. Core revenue growth was essentially flat in the second quarter, where favorable pricing of 2.6% and volume gains in IOS and AHS were offset by volume declines in PT.

Year-over-year increases in the year-to-date period were driven by a 1.2% increase in our core revenue and a 2.6% increase from acquisitions, net of divestitures, partially offset by a decline of 0.8% due to unfavorable currency translation. The core revenue growth performance in the year-to-date period of 1.2% was comprised of favorable pricing of 2.3% 2.4% and increased volume of 0.2%. The increase gains in volume from IOS and AHS were mostly offset by volume declines in PT.

Geographically, in the first second quarter, year-over-year core revenue in developed markets increased low single-digits, was essentially flat, driven by low single-digit slight growth in North America, and a mid-single-digits growth in Japan, offset by a mid-single-digit growth decline in Western Europe. Core revenue in high growth markets increased mid-single-digit was up slightly year-over-year in the first second quarter, driven by low double-digit low-twenties growth in Latin America, and offset by a mid-single-digit decline in China.

Geographically, in the year-to-date period, year-over-year sales from existing businesses in developed markets increased slightly, driven by low single-digit growth in Asia, despite North America while Western Europe and Japan were essentially flat. Sales from existing businesses in high growth markets increased year-over-year in the year-to-date period by low single-digits, driven by high-teens growth in Latin America, partially offset by a low single-digit mid-single-digit decline in China.

Outlook

We anticipate revenue growth to be between 2% 3% and 3% 4.5% for the second third quarter of 2024, and approximately 4.5% 3% and 6% 4% for the full year. We anticipate core revenue growth to be between flat 2% and 2% 3.5% for the second third quarter and approximately 2% and 4% 3% for the full year.

We expect foreign exchange rates to remain volatile throughout the year, which could continue to adversely impact our financial results. Additionally, our financial outlook is subject to various assumptions and risks, including but not limited to, macroeconomic conditions in the United States, China and other critical regions, ongoing challenges with global logistics and supply chains, disruption in supply or transportation resulting from geopolitical developments severe weather or other and events, the impact of inflationary dynamics on our expenses or our ability to realize price increases in our sales, interest rates, market conditions in key product segments, and elective surgery rates. We will continue to deploy FBS to actively manage production these challenges, collaborate with customers and suppliers to minimize disruptions and utilize pricing and other countermeasures to offset the aforementioned dynamics. We continue to monitor these conditions which may continue to impact our business, as well as potential adverse global economic trends and sentiments, monetary and fiscal policies, international trade and relations between the U.S., China and other nations, and investment and taxation policy initiatives being considered in the United States and by the Organization for Economic Co-operation and Development (“OECD”), including the potential impact of the Pillar Two initiative.

RESULTS OF OPERATIONS

Sales Growth

The following table summarizes total aggregate year-over-year sales growth and the components thereof for the first second quarter as compared to the comparable period of 2023:

Components of Sales Growth

	% Change Three Months Ended March 29, 2024 vs. Comparable 2023 Period
Total revenue growth (GAAP)	**4.4%**
Core (Non-GAAP)	2.5 %
Acquisitions and divestitures (Non-GAAP)	2.5 %
Currency exchange rates (Non-GAAP)	(0.6)%

	% Change Three Months Ended June 28, 2024 vs. Comparable 2023 Period	% Change Six Months Ended June 28, 2024 vs. Comparable 2023 Period
Total revenue growth (GAAP)	**1.7 %**	**3.0 %**
Core (Non-GAAP)	— %	1.2 %

Acquisitions and divestitures (Non-GAAP)	2.7 %	2.6 %
Currency exchange rates (Non-GAAP)	(1.0)%	(0.8)%

Operating Profit Margins

Operating profit margin was 19.8% 19.4% for the first second quarter, yielding an increase of 330 30 basis points as compared to 16.5% 19.1% in the comparable period of 2023. Year-over-year changes in operating profit margin were comprised of the following:

- Year-over-year increase in price from existing businesses, a slight increase volume gains in overall demand despite a decline in certain businesses in PT, IOS and AHS, and gains from productivity measures, which were partially offset by a volume decline in certain businesses and end markets within our PT segment, higher employee compensation, customer acquisition and marketing costs, as well as unfavorable changes in foreign currency exchange rates — favorable 90 65 basis points
- The year-over-year effect of amortization from existing businesses, and impairment of intangible assets incurred in 2023 — favorable 30 25 basis points
- The year-over-year net effect of acquisition-related acquisition and divestiture-related transaction costs incurred in the first second quarter of 2024 — unfavorable 15 basis points

- The year-over-year net effect of acquired and divested businesses, including amortization, and acquisition-related fair value adjustments — unfavorable 115 basis points
- The year-over-year effect of costs relating to the discrete restructuring plan initiated and completed in 2023 — favorable 70 basis points

Operating profit margin was 19.6% for the year-to-date period ended June 28, 2024, an increase of 180 basis points as compared to 17.8% in the comparable period of 2023. Year-over-year changes in operating profit margin were comprised of the following:

- Year-over-year fluctuations were consistent with those in the second quarter. Namely price from existing businesses, volume gains in IOS and AHS, and gains from productivity measures, partially offset by volume decline in certain businesses and end markets within our PT segment, higher employee compensation, customer acquisition and marketing costs, as well as unfavorable foreign exchange rates — favorable 85 basis points
- The year-over-year effect of amortization from existing businesses, and impairment of intangible assets incurred in 2023 — favorable 25 basis points
- The year-over-year net effect of acquisition and divestiture-related transaction costs incurred in the year-to-date period — unfavorable 95 basis points
- The year-over-year net effect of acquired and divested businesses, including amortization and acquisition-related fair value adjustments — unfavorable 140 135 basis points
- The year-over-year effect of costs relating to the discrete restructuring plan initiated and completed in 2023 — favorable 120 95 basis points
- The year-over-year effect of the gain on sale of land and certain office buildings in the PT segment in the first quarter of 2024 — favorable 410 205 basis points

Business Segments

Sales by business segment for each of the periods indicated were as follows ($ in millions):

	Three Months Ended		Six Months Ended	
	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
Intelligent Operating Solutions				
Intelligent Operating Solutions				
Intelligent Operating Solutions				
Precision Technologies				
Precision Technologies				
Precision Technologies				

Advanced Healthcare Solutions
Advanced Healthcare Solutions
Advanced Healthcare Solutions
Total
Total
Total

INTELLIGENT OPERATING SOLUTIONS

Our IOS segment provides advanced instrumentation, software and services to tens of thousands of customers enabling their mission-critical workflows. These offerings include electrical test & measurement, facility and asset lifecycle software applications, connected worker safety and compliance solutions across a range of vertical end markets, including manufacturing, process industries, healthcare, utilities and power, communications and electronics, among others.

Intelligent Operating Solutions Selected Financial Data

		Three Months Ended				Six Months Ended			
($ in millions)	($ in millions)	June 28, 2024		June 30, 2023		June 28, 2024		June 30, 2023	
($ in millions)									
($ in millions)									
Sales									
Sales									
Sales									
Operating profit									
Operating profit									
Operating profit									
Depreciation									
Depreciation									
Depreciation									
Amortization									
Amortization									
Amortization									
Operating profit as a % of sales									
Operating profit as a % of sales									
Operating profit as a % of sales	Operating profit as a % of sales	25.6	%	24.8	%	25.1	%	23.0	%
Depreciation as a % of sales	Depreciation as a % of sales	1.5	%	1.3	%	1.5	%	1.3	%
Depreciation as a % of sales									
Depreciation as a % of sales									
Amortization as a % of sales	Amortization as a % of sales	7.0	%	7.1	%	7.1	%	7.2	%
Amortization as a % of sales									
Amortization as a % of sales									

Components of Sales Growth

	% Change Three Months Ended March 29, 2024 vs. Comparable 2023 Period
Total revenue growth (GAAP)	**5.3%**
Core (Non-GAAP)	4.6 %
Acquisitions and divestiture (Non-GAAP)	1.1 %
Currency exchange rates (Non-GAAP)	(0.4)%

	% Change Three Months Ended June 28, 2024 vs. Comparable 2023 Period	% Change Six Months Ended June 28, 2024 vs. Comparable 2023 Period
Total revenue growth (GAAP)	**3.7 %**	**4.5 %**
Core (Non-GAAP)	3.1 %	3.9 %
Acquisitions and divestiture (Non-GAAP)	1.2 %	1.2 %
Currency exchange rates (Non-GAAP)	(0.6)%	(0.6)%

The sales results for both the first second quarter and year-to-date period were driven primarily by growth in our existing businesses due to price increases and increased volume in our test and measurement instrumentation and gas detection products, as well as software and service offerings in both EHS and facility and asset lifecycle applications.

Geographically, core revenue in developed markets increased in the first second quarter by low single-digits, driven by a mid-single-digit growth in North America and a low single-digit growth in Western Europe. Core revenue in high growth markets was low single-digits, driven by mid-teens growth in Latin America, partially offset by a mid-single-digit decline in China.

Geographically, on a year-to-date basis, sales from existing businesses in developed markets increased by low single-digits, driven by low single-digit growth in North America and high single-digit mid-single-digit growth in Western Europe. Core revenue Sales from existing businesses in high growth markets increased year-over-year in the year-to-date period by high single-digits, mid-single-digits, driven by high mid-single-digit growth in Asia, where China contributed a low single-digit growth, in China and mid-teens growth in Latin America.

Year-over-year price increases in our IOS segment contributed 2.9% 2.4% and 2.6% to sales growth in during the first second quarter and year-to-date period, respectively, and is reflected as a component of the change in sales from existing businesses.

Operating profit margin increased 360 80 basis points during the first second quarter as compared to the comparable period of 2023. Year-over-year changes in operating profit margin were comprised of the following:

- Year-over-year increase in price and sales volumes from existing businesses, offset by higher employee compensation and customer acquisition and marketing costs, as well as unfavorable changes in foreign currency exchange rates — relatively flat
- The year-over-year effect of amortization from existing businesses, and impairment of intangible assets incurred in 2023 — favorable 65 basis points
- The year-over-year net effect of acquisition-related transaction costs incurred in the second quarter of 2024 — unfavorable 25 basis points
- The year-over-year net effect of acquired business, including amortization — unfavorable 30 basis points
- The year-over-year effect of costs relating to the discrete restructuring plan initiated and completed in 2023 — favorable 70 basis points

Operating profit margin increased 210 basis points during the year-to-date period, as compared to the comparable period of 2023. Year-over-year changes in operating profit margin comparisons were comprised of the following:

- Year-over-year increases in price and sales volume from existing businesses and gains from productivity measures, partially offset by higher employee compensation and customer acquisition and marketing costs, as well as unfavorable changes in foreign currency exchange rates — favorable 180 85 basis points
- The year-over-year effect of amortization from existing businesses, and impairment of intangible assets incurred in 2023 — favorable 35 50 basis points
- The year-over-year net effect of acquisition-related transaction costs which were incurred in the first quarter of 2023 year-to-date period — relatively flat unfavorable 15 basis points
- The year-over-year net effect of acquired business, including amortization, and acquisition-related fair value adjustments — unfavorable 35 basis points

- The year-over-year effect of costs relating to the discrete restructuring plan initiated and completed in 2023 — favorable 180 125 basis points

PRECISION TECHNOLOGIES

Our PT segment helps solve tough technical challenges to speed breakthroughs in a wide range of applications, from food and beverage production and manufacturing to next-generation electric vehicles and clean energy, as our customers seek new test solutions to enable the electrification and connectivity of everything. Our expertise in materials, methods and measurements are reflected in our electrical test & measurement and sensing and material technologies and cell therapy equipment design and manufacturing offered to a broad set of customers and vertical end markets, including industrial, power and energy, automotive, medical equipment, food and beverage, aerospace and defense, semiconductor, and other general industries.

Precision Technologies Selected Financial Data

		Three Months Ended		Six Months Ended	
($ in millions)	($ in millions)	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
($ in millions)					
($ in millions)					
Sales					
Sales					
Sales					
Operating profit					
Operating profit					
Operating profit					
Depreciation					
Depreciation					
Depreciation					
Amortization					
Amortization					
Amortization					
Operating profit as a % of sales					
Operating profit as a % of sales					
Operating profit as a % of sales	Operating profit as a % of sales	20.9 %	24.4 %	23.8 %	23.6 %
Depreciation as a % of sales	Depreciation as a % of sales	1.4 %	1.2 %	1.5 %	1.2 %
Depreciation as a % of sales					
Depreciation as a % of sales					
Amortization as a % of sales	Amortization as a % of sales	3.8 %	0.1 %	3.8 %	0.1 %
Amortization as a % of sales					
Amortization as a % of sales					

Components of Sales Growth

	% Change Three Months Ended March 29, 2024 vs. Comparable 2023 Period
Total revenue growth (GAAP)	**3.3%**
Core (Non-GAAP)	(1.5)%
Acquisitions and divestiture (Non-GAAP)	5.6 %
Currency exchange rates (Non-GAAP)	(0.8)%

	% Change Three Months Ended June 28, 2024 vs. Comparable 2023 Period	% Change Six Months Ended June 28, 2024 vs. Comparable 2023 period
Total revenue growth (GAAP)	**(1.5)%**	**0.9 %**

Core (Non-GAAP)	(6.6)%	(4.1)%
Acquisitions and divestiture (Non-GAAP)	6.0 %	5.8 %
Currency exchange rates (Non-GAAP)	(0.9)%	(0.8)%

The sales results for both the first second quarter and year-to-date periods were impacted by the overall price increases in across the segment and volume increases in energetic materials, which were offset by volume reductions in test and measurement and sensing technology products. The acquisition of EA, partially offset by product line divestments at the Invetech Divestiture, contributed 5.6% 6.0% and 5.8% to revenue growth. growth during the second quarter and year-to-date period, respectively.

Geographically, core revenue in developed markets decreased slightly by mid-single-digits in the first second quarter, with low single-digit growth driven by a mid-single-digit decline in North America, being offset by a slight mid-teens decline in Western Europe, and a mid-twenties decline mid-single-digit growth in Japan. Core revenue in high growth markets decreased by low high single-digits in the first second quarter, driven by a high single-digit decline in Asia where China decreased by high single-digits.

Geographically, on a year-to-date basis, sales from existing businesses in developed markets decreased by mid-single-digits, driven by a low single-digit decline in North America, a high single-digit decline in Western Europe, and a low double-digit decline in China, partially offset Japan. Sales from existing businesses in high growth markets decreased year-over-year in the year-to-date period by high single-digit growth mid-single-digits, driven by low double-digits decline in Other Asia. China.

Year-over-year price increases in our PT segment contributed 1.3% 2.3% and 1.8% to sales growth in for the first second quarter and year-to-date period, respectively, and is reflected as a component of the change in sales from existing businesses.

Operating profit margin increased 390 decreased 350 basis points for the first second quarter as compared to the comparable period of 2023. Year-over-year changes in operating profit margin were comprised of the following:

- Year-over-year increase in price from existing businesses and gains from productivity measures, partially offset by net volume reduction reductions in the segment and higher employee compensation unfavorable changes in foreign currency exchange rates — favorable 10 unfavorable 100 basis points
- The year-over-year effect of amortization from existing businesses — favorable unfavorable 10 basis points

- The year-over-year net effect of acquisition-related acquisition and divestiture-related transaction costs, which were incurred in the first second quarter of 2024, primarily related to the EA acquisition — unfavorable 485 10 basis points
- The year-over-year net effect of acquired and divested business, businesses, including amortization, and acquisition-related fair value adjustments — unfavorable 270 basis points
- The year-over-year effect of costs relating to the discrete restructuring plan initiated and completed in 2023 — favorable 40 basis points

Operating profit margin increased 20 basis points during the year-to-date period as compared to the comparable period of 2023. Year-over-year changes in operating profit margins were comprised of the following:

- Year-over-year increase in price from existing businesses and gains from productivity measures, offset by net volume reduction in the segment, higher employee compensation costs, and unfavorable changes in foreign currency exchange rates — unfavorable 15 basis points
- The year-over-year effect of amortization from existing businesses — flat
- The year-over-year net effect of acquisition and divestiture-related transaction costs incurred in the year-to-date period primarily related to the EA acquisition — unfavorable 250 basis points
- The year-over-year net effect of acquired and divested businesses, including amortization, and acquisition-related fair value adjustments — unfavorable 335 basis points
- The year-over-year effect of costs relating to the discrete restructuring plan initiated and completed in 2023 — favorable 60 50 basis points
- The year-over-year effect of the gain on sale of land and certain office buildings in the first quarter of 2024 — favorable 1,130 570 basis points

ADVANCED HEALTHCARE SOLUTIONS

Our AHS segment supplies critical workflow solutions enabling healthcare providers to deliver exceptional patient care more efficiently. Our offerings include instrument sterilization solutions, instrument tracking, biomedical test tools, radiation detection and safety monitoring, and end-to-end clinical productivity software and solutions. Our healthcare offerings help ensure critical safety standards are met, instruments and operating rooms are working at peak performance, and complex procedures are followed accurately in these mission-critical healthcare environments.

Advanced Healthcare Solutions Financial Data

		Three Months Ended				Six Months Ended			
($ in millions)	($ in millions)	June 28, 2024		June 30, 2023		June 28, 2024		June 30, 2023	
($ in millions)									
($ in millions)									
Sales									
Sales									
Sales									
Operating profit									
Operating profit									
Operating profit									
Depreciation									
Depreciation									
Depreciation									
Amortization									
Amortization									
Amortization									
Operating profit as a % of sales									
Operating profit as a % of sales									
Operating profit as a % of sales	Operating profit as a % of sales	12.4	%	8.1	%	10.9	%	6.8	%
Depreciation as a % of sales	Depreciation as a % of sales	1.6	%	1.7	%	1.6	%	1.7	%
Depreciation as a % of sales									
Depreciation as a % of sales									
Amortization as a % of sales	Amortization as a % of sales	14.0	%	14.5	%	14.5	%	15.1	%
Amortization as a % of sales									
Amortization as a % of sales									

Components of Sales Growth

	% Change Three Months Ended March 29, 2024 vs. Comparable 2023 period
Total revenue growth (GAAP)	**4.3%**
Core (Non-GAAP)	5.5 %
Currency exchange rates (Non-GAAP)	(1.2)%

	% Change Three Months Ended June 28, 2024 vs. Comparable 2023 period	% Change Six Months Ended June 28, 2024 vs. Comparable 2023 Period
Total revenue growth (GAAP)	**3.4 %**	**3.8 %**
Core (Non-GAAP)	5.0 %	5.3 %
Currency exchange rates (Non-GAAP)	(1.6)%	(1.5)%

The sales results for both the first second quarter and year-to-date period were driven by growth in our existing businesses due to price increases across the segment and volume increases primarily with in our sterilization products products.

Geographically, core revenue in developed markets increased mid-single-digits low single-digits in the first second quarter, driven by mid-single-digit a low single-digit growth in North America and a low double-digit growth in Western Europe. In high growth markets, core revenue increased by low double-digits in the second quarter, driven by mid-thirties growth in Latin America, while China was essentially flat.

Geographically, on a year-to-date basis, sales from existing businesses in developed markets increased by mid-single-digits, driven by a low single-digit growth in North America, high single-digit growth in Western Europe, and high single-digit growth in Japan. In Sales from existing businesses in high growth markets core revenue increased by high single-digits in the first quarter, low double-digits, driven by low double-digit growth in China and mid-teens high twenties growth in Latin America. America and mid-single-digit growth in China.

Year-over-year price increases in our AHS segment contributed 2.8% 3.5% and 3.2% to sales growth in during the first second quarter and year-to-date period, respectively, and is reflected as a component of the change in sales from existing businesses.

Operating profit margin increased 380 430 basis points during the first second quarter, as compared to the comparable period of 2023. Year-over-year changes in operating profit margin were comprised of the following:

- Year-over-year increases in price and volume from existing businesses increased volume, and gains from productivity measures, partially offset by higher employee compensation and customer acquisition and marketing costs — favorable 200 260 basis points
- The year-over-year effect of amortization from existing businesses — favorable 70 50 basis points
- The year-over-year effect of costs relating to the discrete restructuring plan initiated and completed in 2023 — favorable 110 120 basis points

Operating profit margin increased 410 basis points during the year-to-date period as compared to the comparable period of 2023. Year-over-year changes in operating profit margin were comprised of the following:

- Year-over-year increases in price and volume from existing businesses and gains from productivity measures, partially offset by higher employee compensation and customer acquisition and marketing costs — favorable 235 basis points
- The year-over-year effect of amortization from existing businesses — favorable 60 basis points
- The year-over-year effect of costs relating to the discrete restructuring plan initiated and completed in 2023 — favorable 115 basis points

COST OF SALES AND GROSS PROFIT

		Three Months Ended		Six Months Ended	
($ in millions)	($ in millions)	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
($ in millions)					
($ in millions)					
Sales					
Sales					
Sales					
Cost of sales					
Cost of sales					
Cost of sales					
Gross profit					
Gross profit					
Gross profit					
Gross profit margin	Gross profit margin	59.8 %	59.3 %	59.6 %	58.7 %
Gross profit margin					
Gross profit margin					

The year-over-year increase in gross profit during the first second quarter and year-to-date period was due to year-over-year contributions from our acquired businesses, price increases in price from existing businesses, increased volume with IOS and volume from both existing and acquired businesses, AHS, productivity measures and FBS initiatives, partially offset by initiatives. The volume decline in our PT segment, higher employee compensation costs. costs, and unfavorable changes in foreign currency exchange rates partially offset the year-over-year increase.

OPERATING EXPENSES

		Three Months Ended		Six Months Ended	
($ in millions)	($ in millions)	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
($ in millions)					
($ in millions)					
Sales					
Sales					
Sales					
Selling, general and administrative ("SG&A")					
Selling, general and administrative ("SG&A")					
Selling, general and administrative ("SG&A")					
Research and development ("R&D")					
Research and development ("R&D")					
Research and development ("R&D")					
SG&A as a % of sales					
SG&A as a % of sales					
SG&A as a % of sales		33.8 %	33.7 %	35.3 %	34.2 %
R&D as a % of sales	R&D as a % of sales	6.5 %	6.6 %	6.7 %	6.7 %
R&D as a % of sales					
R&D as a % of sales					

The year-over-year increase in SG&A during the first second quarter and year-to-date period was due to higher intangible amortization, and incremental operating costs and transaction expenses from our recent acquisitions, employee compensation costs, and customer acquisition and marketing costs, partially offset by productivity measures.

R&D, consisting principally of internal and contract engineering personnel costs, increased during the first second quarter and year-to-date period, as compared to the comparable period of 2023 due to the incremental costs from our recent acquisitions and ongoing investments in innovation.

NON-OPERATING INCOME (EXPENSE), NET

Interest Costs costs

Net interest expense for the first second quarter and year-to-date period was $44 $38.7 million and $82.7 million as compared to $32 $33.1 million and $65.2 million in the comparable period periods in 2023. The year-over-year increase in net interest expense was due to higher overall debt balance balances and higher interest rates incurred on floating rate debt instruments. For discussion of our outstanding indebtedness, refer to Note 5 to the consolidated condensed financial statements.

Loss from divestiture

During the second quarter and year-to-date period, we recognized a net realized loss of $25.6 million related to the Invetech Divestiture. For further discussion of this transaction, refer to Note 1 to the consolidated condensed financial statements.

Other non-operating expense, net

Other non-operating expense for the first second quarter and year-to-date period was $24.2 million $8.8 million and $33.0 million, respectively, as compared to $2.5 million $7.8 million and $10.3 million, respectively, in the comparable period in 2023. The year-over-year increase during the year-to-date period was primarily due to a charitable contribution made in the first quarter of 2024. For further discussion of this transaction, refer to Note 1 to the consolidated condensed financial statements.

INCOME TAXES

Our effective tax rates for the three-month period three and six-month periods ended March 29, 2024 June 28, 2024 were 11.4% 14.7% and 13.0%, respectively, as compared to 15.7% 16.5% and 16.1%, respectively, for the three-month period three and six-month periods ended March 31, 2023 June 30, 2023. The decrease in the effective tax rate for the three-month period ended March 29, 2024 June 28, 2024 as compared to the three-month period ended March 31, 2023 June 30, 2023 was primarily related to change in valuation allowances, resulting in a benefit in the three-month period ended June 28, 2024. The decrease in the effective tax rate for the six-month period ended June 28, 2024 as compared to the six-month period ended June 30, 2023 was primarily related to cash repatriation, resulting in a discrete tax credit, and changes in valuation allowances in the three-month six-month period ended March 29, 2024 June 28, 2024.

Our effective tax rates for the three-month period three and six-month periods ended March 29, 2024, June 28 2024, differ from the U.S. federal statutory rate of 21% due primarily to the impact of credits and deductions provided by law and changes in our uncertain tax position reserves.

During 2021,

The OECD has published the Organisation for Economic Co-operation and Development (the "OECD") announced an agreed framework for a "Pillar Two" and released detailed model rules for a global minimum corporate income tax rate of fifteen percent (15%) which requires multilateral agreement(s) and/or country-specific legislative action to be effective. A few jurisdictions have implemented legislation with effective dates spanning from 2024 through 2026. We will continue to monitor further legislation by individual countries and are currently evaluating. For the potential impact current year, portions of Pillar Two are effective in certain countries where the Company conducts business, and the impact has been included within the provision for income taxes. The Company continues to our business in future periods. monitor for further corporate tax legislative developments and changes to the Pillar Two framework.

COMPREHENSIVE INCOME

Comprehensive income decreased by $56 million $27 million during the first second quarter as compared to the comparable period in 2023 due to a decrease in net income and unfavorable changes in foreign currency translation adjustments of $14 million.

Comprehensive income decreased by $83 million during the year-to-date period as compared to the comparable period in 2023 due primarily to unfavorable changes in foreign currency translation adjustments of $90 million $104 million, partially offset by an offsetting the increase in net income.

LIQUIDITY AND CAPITAL RESOURCES

We assess our liquidity in terms of our ability to generate cash to fund our operating, investing, and financing activities. We generate substantial cash from operating activities and believe that our operating cash flow and other sources of liquidity, which consist of available cash, our revolving credit facility, and access to commercial paper, bank loans, and capital markets, will be sufficient to allow us to continue funding and investing in our existing businesses, consummate strategic acquisitions, make interest and principal payments on our outstanding indebtedness, fulfill our contractual obligations, and manage our capital structure on a short and long-term basis.

We have generally satisfied any short-term liquidity needs that are not met through operating cash flows and available cash through issuances of commercial paper under our U.S. dollar and Euro-denominated commercial paper programs ("Commercial Paper Programs").

Credit support for the Commercial Paper Programs is provided by a five-year $2.0 billion senior unsecured revolving credit facility that expires on October 18, 2027 (the "Revolving Credit Facility") which, to the extent not otherwise providing credit support for the commercial paper programs, can also be used for working capital and other general corporate purposes. As of March 29, 2024 June 28, 2024, no borrowings were outstanding under the Revolving Credit Facility.

The availability of the Revolving Credit Facility as a standby liquidity facility to repay maturing commercial paper is an important factor in maintaining the existing credit ratings of the Commercial Paper Programs when we have outstanding borrowings. We expect to limit any future borrowings under the Revolving Credit Facility to amounts that would leave sufficient credit available under the facility to allow us to borrow, if needed, and repay any outstanding commercial paper as it matures.

On June 7, 2023, we filed with the SEC an "automatic shelf" registration statement (the "Shelf Registration Statement"). Under the Shelf Registration Statement, we may from time to time sell shares of common stock, preferred stock, debt securities, depositary shares, purchase contracts, purchase units, warrants and subscription rights in one or more offerings. For example, in February 2024, we recently completed our offering of €500 million aggregate principal amount of our 3.7% Euro-denominated senior unsecured notes due 2026 (the "2026 Notes") and €700 million aggregate principal amount of our 3.7% Euro-denominated senior unsecured notes due 2029 (the "2029 Notes") under the Shelf Registration Statement.

We continue to monitor the financial markets, the stability of U.S U.S. and international banks and general global economic conditions. In addition, our access to the capital markets and other financing sources are impacted by any change in our credit rating. If changes in financial markets or other areas of the economy or downgrade in our credit rating adversely affect our access to the capital markets and other financing sources, we would expect to rely on a combination of available cash and existing available capacity under our credit facilities to provide short-term funding.

Overview of Cash Flows and Liquidity

Following is an overview of our cash flows and liquidity ($ in millions):

($ in millions)	($ in millions)	Three Months Ended March 29, 2024	March 31, 2023	($ in millions)	Six Months Ended June 28, 2024	June 30, 2023
Net cash provided by operating activities						
Cash paid for acquisitions, net of cash received						
Cash paid for acquisitions, net of cash received						
Cash paid for acquisitions, net of cash received						
Payments for additions to property, plant and equipment						
Proceeds from sale of property						
Net cash used in investing activities						
Net cash used in investing activities						
Cash infusion into divestiture						
All other investing activities						
Net cash used in investing activities						
Net proceeds from (repayments of) commercial paper borrowings						
Net proceeds from (repayments of) commercial paper borrowings						
Net proceeds from (repayments of) commercial paper borrowings						
Proceeds from borrowings (maturities greater than 90 days), net of issuance costs						
Repayment of borrowings (maturities greater than 90 days)						
Payment of dividends						
Payment of dividends						
Repurchase of common shares						
Repurchase of common shares						
Repurchase of common shares						
Payment of dividends						
All other financing activities						
All other financing activities						
All other financing activities						
Net cash provided by (used in) financing activities						
Net cash used in financing activities						

Operating Activities

Cash flows from operating activities can fluctuate significantly from period-to-period as working capital needs and the timing of payments for income taxes, interest, pension funding, and other items impact reported cash flows.

Operating cash flows were $257 $566 million during the year-to-date period, representing an increase of $82 million $70 million, or 47.2% 14.2%, as compared to the comparable period of 2023. The year-over-year change in operating cash flows was primarily attributable to the following factors:

- Year-over-year decreases increases of $3 $27 million in Operating cash flows from net earnings, net of non-cash items (Amortization, Depreciation, Stock-based compensation, and Gain on sale of property) property, and Loss from divestiture).
- The aggregate changes in trade accounts receivable, inventories, and trade accounts payable generated $52 $43 million of cash during the year-to-date period as compared to using $44 $38 million in the comparable period of 2023. The amount of cash flow generated from or used by the aggregate of trade accounts receivable, inventories, and trade accounts payable depends upon how effectively we manage the cash conversion cycle, which generally represents the number of days that elapse from the day we pay for the purchase of raw materials and components to the collection of cash from our customers, and can be significantly impacted by the timing of collections and payments in a period.
- The aggregate changes in prepaid expenses, other assets, accrued expenses, and other liabilities used $105 $169 million of cash in the year-to-date period as compared to using $94 $131 million of cash in the comparable period of 2023. The year-over-year changes were driven by timing differences related to tax and interest payments, employee compensation and benefits, tax payments, contract assets, and contract liabilities. restructuring activities in the prior year.

Investing Activities

Cash outflows from investing activities increased by $1.7 $1.74 billion during the year-to-date period, as compared to the comparable period of 2023 with the increase primarily due to cash used for acquisitions, net of cash acquired, totaling $1.7 $1.72 billion and a year-over-year increase in capital expenditures of approximately $2 $10 million, and the cash infusion into the Invetech Divestiture entity totaling $14 million, partially offset by the year-over-year increase in proceeds from sale of property. property of approximately $6 million.

Capital expenditures are made primarily for increasing production capacity, replacing aged equipment, supporting product development initiatives for hardware and software offerings, improving information technology systems, and purchasing equipment that is used in revenue arrangements with customers. For the current year, we expect capital spending to be approximately $100-$120 million, although actual expenditures will ultimately depend on business conditions.

Financing Activities and Indebtedness

Cash flows from financing activities consist primarily of cash flows associated with the issuance and repayment of debt and commercial paper, payments of cash dividends to shareholders and share repurchases.

In the year-to-date period, financing activities generated used cash of $307 $15 million, reflecting the following transactions:

- We repaid $427 million in net commercial paper repayments under the U.S. dollar-denominated commercial paper program.
- On January 2, 2024, we drew down an additional $450 million of the $1.3 billion Delayed-Draw Term Loan due 2024 as part of the funding for the acquisition of EA.
- On February 13, 2024, we completed the sale of our registered offering of the 2026 Notes and the 2029 Notes, yielding net proceeds of approximately $1.3 billion.
- On February 13 2024, Fortive repaid $1.0 billion in outstanding principal of the Delayed-Draw Term Loan due 2024, using net proceeds from the 2026 Notes and 2029 Notes.
- We repaid $572 million in net commercial paper repayments under the U.S. dollar-denominated commercial paper program.
- We repurchased 2 million shares of our common stock for approximately $153 million under our share repurchase program.
- We made dividend payments to common shareholders totaling $28 $56 million.

In the comparable 2023 period, financing activities used cash of $187 $441 million, reflecting the following transaction:

- We repaid $159 million $269 million in net commercial paper borrowings under the U.S. dollar-denominated commercial paper program.
- We repurchased 2 million shares of our common stock for approximately $129 million under our share repurchase program.
- We made dividend payments to common shareholders totaling $25 million $49 million.

Refer to Note 5 of the consolidated condensed financial statements for additional information regarding our financing activities and indebtedness.

Cash and Cash Requirements

As of March 29, 2024 June 28, 2024, we held approximately $705 million $644 million of cash and equivalents that were invested in highly liquid investment-grade instruments with a maturity of 90 days or less, of which approximately 85% 95% was held outside of the United States.

We have cash requirements to support working capital needs, capital expenditures and acquisitions, pay interest and service debt, pay taxes and any related interest or penalties, fund our pension plans as required, pay dividends to shareholders, and support other business needs or objectives. With respect to our cash requirements, we generally intend to use available cash and internally generated funds to meet these cash requirements, but in the event that additional liquidity is required, particularly in connection with acquisitions and repayment of maturing debt, we may also borrow under our commercial paper programs or credit facilities or enter into new credit facilities and either borrow directly thereunder or use such credit facilities to backstop additional borrowing capacity under our commercial paper programs. We also may from time to time access the capital markets, including to take advantage of favorable interest rate environments or other market conditions.

Foreign cumulative earnings remain subject to foreign remittance taxes. We have made an election regarding the amount of earnings that we do not intend to repatriate due to local working capital needs, local law restrictions, high foreign remittance costs, previous investments in physical assets and acquisitions, or future growth needs. For most of our foreign operations, we make an assertion regarding the amount of earnings in excess of intended repatriation that are expected to be held for indefinite reinvestment. No provisions for foreign remittance taxes have been made with respect to earnings that are planned to be reinvested indefinitely. The amount of foreign remittance taxes that may be applicable to such earnings is not readily determinable given local law restrictions that may apply to a portion of such earnings, unknown changes in foreign tax law that may occur during the applicable restriction periods caused by applicable local corporate law for cash repatriation, and the various tax planning alternatives we could employ if we repatriated these earnings.

As of March 29, 2024 June 28, 2024, we expect to have sufficient liquidity to satisfy our cash needs for the foreseeable future.

CRITICAL ACCOUNTING ESTIMATES

There were no material changes during the three-month period three and six-month periods ended March 29, 2024 June 28, 2024 to the items we disclosed as our critical accounting estimates in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2023 Annual Report on Form 10-K, except as noted below.

Acquisitions

Our business acquisitions, including EA, typically result in the recognition of goodwill, customer relationships, developed technology, and other intangible assets, which affect the amount of future period amortization expense and possible impairment charges that we may incur. The fair value of acquired intangible assets are determined using information available near the acquisition date based on estimates and assumptions that are deemed reasonable by us. Significant assumptions include the discount rates and certain assumptions that form the basis of the forecasted cash flows of the acquired business including earnings before interest, taxes, depreciation and amortization (“EBITDA”), revenue, revenue growth rates, royalty rates, customer attrition rates, and technology obsolescence rates. These assumptions are forward looking and could be affected by future economic and market conditions. We engage third-party valuation specialists who review our critical assumptions and calculations of the fair value of acquired intangible assets in connection with material acquisitions. In connection with the EA acquisition in the first quarter of 2024, we recorded approximately $1.2 $1.17 billion of goodwill and approximately $0.7 billion $681 million of intangible assets. Refer to Note 2 for additional information of the EA acquisition.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our concentrations of credit risk arising from trade receivables is limited due to the diversity of our customers. Our businesses perform credit evaluations of their customers’ financial conditions as appropriate and also obtain collateral or other security when appropriate.

Additional quantitative and qualitative disclosures about market risk appear in “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Financial Instruments and Risk Management,” in our 2023 Annual Report on Form 10-K. There were no material changes during the three-month period three and six-month periods ended March 29, 2024 June 28, 2024 to the information reported in our 2023 Annual Report on Form 10-K relating to our evaluation of interest rate, foreign currency exchange, and commodity price risk. Refer to Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations for discussion around the impact of these items in the first quarter. second quarter and year-to-date period.

ITEM 4. CONTROLS AND PROCEDURES

Our management, with the participation of the President and Chief Executive Officer, and the Senior Vice President and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this report. Based on such evaluation, the President and Chief Executive Officer, and the Senior Vice President and Chief Financial Officer, have concluded that, as of the end of such period, these disclosure controls and procedures were effective.

There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the most recent completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1A. RISK FACTORS

Information regarding risk factors appears in “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Information Relating to Forward-Looking Statements,” in Part I - Item 2 of this Form 10-Q and in the “Risk Factors” section of our 2023 Annual Report on Form 10-K. There were no material changes during the quarter ended March 29, 2024 June 28, 2024 to the risk factors reported in the “Risk Factors” section of our 2023 Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On February 17, 2022, the Company’s Board of Directors approved a share repurchase program authorizing the Company to repurchase up to 20 million shares of the Company’s outstanding common stock from time to time on the open market or in privately negotiated transactions. On January 23, 2024, the Company’s Board of Directors increased the number of shares authorized under the share repurchase program by an additional 11 million shares, with 20 18 million shares remaining authorized under the share repurchase program as of March 29, 2024 June 28, 2024. There is no expiration date for the repurchase program, and the timing and amount of repurchases under the program are determined by the Company's management based on market conditions and other factors. The repurchase program may be suspended or discontinued at any time by the Board of Directors. During the fiscal quarter ended March 29, 2024 June 28, 2024, the Company did not repurchase any purchased 2 million shares of its common stock. stock at an average share price of $76.43.

The following table provides details about our share repurchases during the fiscal quarter ended June 28, 2024.

Period	Total number of shares (or units) purchased		Average price paid per share (or unit)	Total number of shares (or units) purchased as part of publicly announced plans or programs	Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs
March 30 - April 29	—	$	—	N/A	N/A
April 30 - May 29	2,000,000		76.43	2,000,000	18,000,000
May 30 - June 28	—		—	N/A	N/A
Total	2,000,000	$	76.43	2,000,000	18,000,000

ITEM 5. OTHER INFORMATION

(c) Trading Plans

During the first second quarter ended March 29, 2024 June 28, 2024, no directors or Section 16 officers adopted, modified, or terminated any "Rule 10b5-1 trading arrangement" or any "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of Fortive Corporation (incorporated by reference to Exhibit 3.1 to Fortive Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended July 1, 2022. Commission File No. 1-37654). Corporation.
3.2	Amended and Restated Bylaws of Fortive Corporation (incorporated by reference from Exhibit 3.1 to Fortive Corporation's Current Report on Form 8-K, filed on November 8, 2022. Commission File No. 1-37654).
4.1 10.1	I Fndenture, dated as orm of February 13, 2024, between Fortive Corporation Non-, as issuer, Employee Directorand The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference from Exhibit 4.1 to Fortive Corporation's Current Report on Form 8-K filed on February 13, 2024. Commission File No. 1-37654) Restricted Stock Unit Agreement*.
4.2 10.2	S Fupplemental Indenture No.1, dated as orm of February 13, 2024, between Fortive Corporation, as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference from Exhibit 4.2 to Fortive Corporation Non-Employee 's Current Report on Form 8-K filed on Director February 13, 2024. Commission File Deferred Compensation Restricted Stock Unit Agreement*No. 1-37654).
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document (1) - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document (1)
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document (1)
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document (1)
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document (1)
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document (1)
104	The cover page from this Quarterly Report on Form 10-Q for the quarter ended March 29, 2024 June 28, 2024, formatted in Inline XBRL and contained in Exhibit 101

* Indicates management contract or compensatory plan, contract or arrangement

(1) Exhibit 101 to this report includes the following documents formatted in Inline XBRL (Extensible Business Reporting Language): (i) Consolidated Condensed Balance Sheets as of March 29, 2024 June 28, 2024 and December 31, 2023, (ii) Consolidated Condensed Statements of Earnings for the three-month three and six-month periods ended March 29, 2024 June 28, 2024 and March 31, 2023 June 30, 2023, (iii) Consolidated Condensed Statements of Comprehensive Income for the three-month three and six-month periods ended March 29, 2024 June 28, 2024 and

March 31, 2023, June 30, 2023, (iv) Consolidated Condensed Statement of Changes in Equity for the three-month three and six-month periods ended March 29, 2024 June 28, 2024 and March 31, 2023 June 30, 2023, (v) Consolidated Condensed Statements of Cash Flows for the three-month six-month periods ended March 29, 2024 June 28, 2024 and March 31, 2023 June 30, 2023, and (vi) Notes to Consolidated Condensed Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FORTIVE CORPORATION:

Date: April 24, 2024 July 24, 2024

By: /s/ Charles E. McLaughlin
Charles E. McLaughlin
Senior Vice President and Chief Financial Officer

Date: April 24, 2024 July 24, 2024

By: /s/ Christopher M. Mulhall
Christopher M. Mulhall
Chief Accounting Officer

Exhibit 3.1

RESTATED CERTIFICATE OF INCORPORATION

OF

FORTIVE CORPORATION
(a Delaware corporation)

Fortive Corporation (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "DGCL"), hereby certifies as follows:

1. The present name of the Corporation is Fortive Corporation. The Corporation was originally incorporated under the name TGA Holding Corp. by filing its original Certificate of Incorporation of the Corporation with the Secretary of State of the State of Delaware on November 10, 2015.

2. This Restated Certificate of Incorporation, only restates and integrates and does not further amend the provisions of the Corporation's Certificate of Incorporation as theretofore amended or supplemented and there is no discrepancy between the provisions of the Certificate of Incorporation as theretofore amended and supplemented and the provisions of this Restated Certificate of Incorporation. This Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 245 of the DGCL.

3. The Certificate of Incorporation of the Corporation is hereby integrated and restated in its entirety to read as follows:

ARTICLE I NAME

Section 1.01 Name. The name of the Corporation is Fortive Corporation.

ARTICLE II

REGISTERED OFFICE AND REGISTERED AGENT

Section 2.01 Registered Address. The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801. The name of the registered agent of the Corporation is The Corporation Trust Company.

ARTICLE III

CORPORATE PURPOSE

Section 3.01 Corporate Purpose. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV
CAPITAL STOCK

Section 4.01 Authorized Capital Stock. The total number of shares of all classes of capital stock that the Corporation is authorized to issue is 2,015,000,000, consisting of: (i) 2,000,000,000 shares of common stock, par value $.01 per share (the "Common Stock"); and (ii) 15,000,000 shares of preferred stock, par value $.01 per share (the "Preferred Stock").

Section 4.02 Common Stock. The powers, preferences and relative participating, optional or other special rights, and the qualifications, limitations and restrictions of the Common Stock are as follows:

(a) Ranking. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights of the holders of the Preferred Stock of any series as may be designated by the Board upon any issuance of the Preferred Stock of any series.

(b) Voting. Each share of Common Stock shall entitle the holder thereof to one vote in person or by proxy for each share on all matters on which such stockholders are entitled to vote. Except as expressly set forth in the applicable Certificate of Designations with respect to any such series of Preferred Stock, the holders of Common Stock shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any Certificate of Designations) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon.

(c) Dividends. The holders of shares of Common Stock shall be entitled to receive ratably such dividends and other distributions in cash, stock or property of the Corporation when, as and if declared thereon by the Board in its sole discretion from time to time out of assets or funds of the Corporation legally available therefor, subject to any preferential rights of any then outstanding Preferred Stock and any other provisions of this Amended and Restated Certificate of Incorporation, as may be amended from time to time.

(d) Liquidation. Upon the dissolution, liquidation or winding up of the affairs of the Corporation, whether voluntary or involuntary, after payment or provision for payment of the debts and other liabilities of the Corporation, holders of Common Stock shall be entitled to receive all remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of Common Stock held by them and subject to any preferential rights of any then outstanding Preferred Stock.

(e) No Preemptive or Subscription Rights. No holder of shares of Common Stock shall be entitled to preemptive or subscription rights.

Section 4.03 Preferred Stock. The Board is hereby expressly authorized to provide, out of the unissued shares of Preferred Stock, for the issuance of all or any of the shares of Preferred Stock in one or more series and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers, full or limited, if any, of the shares of such series, and the preferences and relative participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series. The powers, preferences and relative participating, optional and other special rights of each series of preferred stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

The authority of the Board with respect to each series of Preferred Stock shall include, but not be limited to, the determination of the following:

(a) the designation of the series, which may be by distinguishing number, letter or title;

(b) the number of shares of the series, which number the Board may thereafter increase or decrease, but not below the number of shares thereof then outstanding;

(c) the entitlement to receive dividends (which may be cumulative or non-cumulative) at such rates, on such conditions, and at such times and payable in preference to, or in such relation to, the dividends payable on any other class or classes or any other series of capital stock;

(d) the redemption rights and price or prices, if any, for shares of the series;

(e) the terms and amount of any sinking fund, if any, provided for the purchase or redemption of shares of the series;

(f) the amounts payable on, and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation;

(g) whether the shares of the series shall be convertible into or exchangeable for shares of any other class or series, or any other security, of the Corporation or any other corporation, and, if so, the specification of such other class or series or such other security, the conversion or exchange price or prices or rate or rates, any adjustments thereof, the date or dates at which such shares shall be convertible or exchangeable and all other terms and conditions upon which such conversion or exchange may be made;

(h) restrictions on the issuance of shares of the same series or any other class or series;

(i) the voting rights, if any, of the holders of shares of the series generally or upon specified events; and

(j) any other powers, preferences and relative participating, optional or other special rights of each series of Preferred Stock, and any qualifications, limitations or restrictions of such shares,

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all as may be determined from time to time by the Board and stated in the resolution or resolutions providing for the issuance of such Preferred Stock.

Without limiting the generality of the foregoing, the resolutions providing for issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to any other series of Preferred Stock to the extent permitted by law.

ARTICLE V BOARD OF DIRECTORS

Section 5.01 Election of Directors. Election of directors need not be by written ballot unless the Bylaws of the Corporation shall so require.

Section 5.02 Annual Meeting. The annual meeting of the stockholders for the election of directors and for the transaction of such business as may properly come before the meeting shall be held at such date, time and place, if any, as shall be determined solely by the resolution of the Board in its sole and absolute discretion.

Section 5.03 Number of Directors. The business and affairs of the Corporation shall be managed by, or under the direction of, the Board. Subject to the rights of holders of Preferred Stock, if any, the Board shall consist of not less than three (3) or greater than fifteen (15), the exact number of which shall be fixed from time to time exclusively pursuant to a resolution adopted by the affirmative vote of a majority of the entire Board, and subject to the rights of the holders of the Preferred Stock, if any, the exact number may be increased or decreased by such a resolution (but not to less than three (3) or greater than fifteen (15)).

Section 5.04 Terms of Office. Other than those directors, if any, elected by the holders of any series of Preferred Stock, the Board shall be and is divided into three classes, as nearly equal in number as possible, designated as: Class I, Class II and Class III. In case of any increase or decrease, from time to time, in the number of directors, the number of directors in each class shall be apportioned as nearly equal as possible.

Notwithstanding the foregoing, except for the terms of such additional directors, if any, as elected by the holders of any series of Preferred Stock, (a) at the 2018 annual meeting of stockholders, the directors whose terms expire at that meeting shall be elected to hold office for a three-year term expiring at the 2021 annual meeting of stockholders (until the 2021 annual meeting of stockholders, the "2021 Class Directors"); (b) at the 2019 annual meeting of stockholders, the directors whose terms expire at that meeting (until the 2019 annual meeting of the stockholders, the "2019 Class Directors") shall be elected to hold office for a one-year term expiring at the 2020 annual meeting of stockholders; (c) at the 2020 annual meeting of stockholders, the directors whose terms expire at that meeting (until the 2020 annual meeting of the stockholders, the "2020Class Directors" and, together with the 2019 Class Directors and 2021 Class Directors, the "Continuing ClassifiedDirectors") shall be elected to hold office for a one-year term expiring at the 2021 annual meeting of stockholders; and (d) at the 2021 annual meeting of stockholders and each annual meeting of stockholders thereafter, all directors shall be elected for a one-year term expiring at the next annual meeting of stockholders. Pursuant to such procedures, effective as of the 2021 annual meeting of stockholders, the Board of Directors will no longer be classified under Section 141(d) of the General Corporation Law of Delaware.

No decrease in the number of directors shall shorten the term of any incumbent director.

Section 5.05 Vacancies; Removal. Subject to the rights of the holders of any series of Preferred Stock then outstanding, any vacancy in the Board of Directors resulting from the death, resignation, retirement, disqualification or removal of any director or other cause, or any newly created directorship resulting from an increase in the authorized number of directors, shall be filled exclusively by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Any director (a) appointed to fill a vacancy caused by the death, resignation, retirement, disqualification or removal of any Continuing

Classified Director shall have a term expiring at the corresponding annual meeting of stockholders at which the term of such Continuing Classified Director would have expired, and (b) appointed to fill a newly created directorship resulting from an increase in the authorized number of directors, shall have a term expiring at the next subsequent annual meeting of stockholders, in each of case (a) or (b) subject to the election and qualification of a successor and to such director's earlier death, resignation or removal. Subject to the rights of the holders of any series of Preferred

Stock then outstanding with respect to any directors elected by the holders of such series, any director, or the entire Board of Directors, may be removed with or without cause by the holders of a majority in voting power of the outstanding shares of capital stock of the Corporation entitled to elect such director, except that any Continuing Classified Director and any director appointed to fill a vacancy caused by the death, resignation, retirement, disqualification or removal of any Continuing Classified Director may be removed only for cause.

Section 5.06 Authority. In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the DGCL, this Amended and Restated Certificate of Incorporation, and any Bylaws of the Corporation adopted by the stockholders; provided, however, that no Bylaws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such Bylaws had not been adopted.

Section 5.07 Advance Notice. Advance notice of stockholder nominations for the election of directors shall be given in the manner and to the extent provided in the Bylaws of the Corporation.

ARTICLE VI
STOCKHOLDERS

Section 6.01 Cumulative Voting. No holder of Common Stock of the Corporation shall be entitled to exercise any right of cumulative voting.

Section 6.02 Stockholder Action. Subject to the terms of any series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of the stockholders of the Corporation, and the ability of the stockholders to consent in writing to the taking of any action in lieu of a meeting is hereby specifically denied.

Section 6.03 Special Meetings. Unless otherwise required by law or the terms of any resolution or resolutions adopted by the Board providing for the issuance of a class or series of the Preferred Stock, special meetings of stockholders, for any purpose or purposes, may be called by the Secretary upon a written request delivered to the Secretary by (i) the Board as set forth in the Corporation's Bylaws, (ii) the Chairman of the Board, (iii) the Chief Executive Officer of the Corporation, or (iv) the holders of record who "Own" (as such term is defined in Section 2.12 of Article II of the Bylaws of the Corporation) at least twenty-five percent (25%) of the outstanding shares of Common Stock and who have complied in full with the requirements set forth in the Bylaws of the Corporation. At a special meeting of stockholders, only such business shall be conducted as shall be specified in the notice of meeting (or any supplement thereto).

ARTICLE VII
LIMITATION ON LIABILITY; INDEMNIFICATION

Section 7.01 Limitation on Liability. To the fullest extent permitted by the DGCL, as it now exists and as it may hereafter be amended, no director or Officer (as defined below) of the Corporation shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director or Officer, except for liability of (a) a director or Officer for any breach of the director's or Officer's duty of loyalty to the Corporation or its stockholders, (b) a director or Officer for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) a director under Section 174 of the DGCL, (d) a director or Officer for any transaction from which the director derived an improper personal benefit, or (e) an Officer in any action by or in the right of the Corporation; provided that if the DGCL shall be amended or modified to provide for exculpation for any director or Officer in any circumstances where exculpation is prohibited pursuant to any of the preceding clauses (a) through (e), then such directors or Officers shall be entitled to exculpation to the maximum extent permitted by such amendment or modification. No amendment to, modification of or repeal of this Section 7.01 shall apply to or have any adverse effect on any right or protection of, or any limitation of the liability of, a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions of such director occurring prior to such amendment, modification or repeal. All references in this Section

7.01 to an "Officer" shall mean only a person who, at the time of an act or omission as to which liability is asserted, falls within the meaning of the term "officer," as defined in Section 102(b)(7) of the DGCL."

Section 7.02 Indemnification. The Corporation shall indemnify to the full extent authorized or permitted by law any person made, or threatened to be made, a party to any action or proceeding (whether civil or criminal or otherwise) by reason of the fact that he, his testator or intestate, is or was a director or officer of the Corporation or by reason of the fact that such director or officer, at the request of the Corporation, is or was serving any other corporation, partnership, joint venture, trust,

employee benefit plan or other enterprise, in any capacity. Nothing contained herein shall affect any rights to indemnification to which employees other than directors and officers may be entitled by law.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was a director, officer, employee or agent of the Corporation serving at the request of the Corporation as a director, manager, officer, employee, trustee or agent of, or in a fiduciary capacity with respect to, another corporation, limited liability company, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Section 7.02.

The right of indemnification provided in this Section 7.02 shall not be exclusive, and shall be in addition to any other right to which any person may otherwise be entitled by law, statue, under the Bylaws of the Corporation, or under any agreement, vote of stockholders or disinterested directors, or otherwise. Any amendment, repeal or modification of this Section 7.02 shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

ARTICLE VIII
FORUM SELECTION

Section 8.01 Forum Selection. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of the Corporation; (ii) any action asserting a claim for breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders; (iii) any action asserting a claim arising pursuant to any provision of the DGCL; or (iv) any action asserting a claim governed by the internal affairs doctrine; provided, however, that, in the event that the Court of Chancery of the State of Delaware lacks subject matter jurisdiction over any such action or proceeding, the sole and exclusive forum for such action or proceeding shall be another state or federal court located within the State of Delaware, in each such case, unless the Court of Chancery (or such other state or federal court located within the State of Delaware, as applicable) has dismissed a prior action by the same plaintiff asserting the same claims because such court lacked personal jurisdiction over an indispensable party named as a defendant therein. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 8.01 of Article VIII. Failure to enforce the foregoing provisions would cause the Corporation irreparable harm and the Corporation shall be entitled to equitable relief, including injunction and specific performance, to enforce the forgoing provisions.

ARTICLE IX
AMENDMENT

Section 9.01 Certificate of Incorporation. The Corporation shall have the right, from time to time, to amend, alter, change or repeal any provision of this Amended and Restated Certificate of Incorporation in any manner now or hereafter provided by this Restated Certificate of Incorporation, the Bylaws of the Corporation or the DGCL, and all rights, preferences, privileges and powers of any kind conferred upon any director or stockholder of the Corporation by this Restated Certificate of Incorporation or any amendment thereof are conferred subject to such right.

Section 9.02 Bylaws. In furtherance and not in limitation of the powers conferred by law, the Board is expressly authorized and empowered, without the assent or vote of the stockholders, to adopt, amend and repeal the Bylaws of the Corporation. Any adoption, amendment or repeal of the Bylaws of the Corporation by the Board shall require the approval by the majority of the entire Board. The stockholders shall also have power to adopt, amend or repeal the Bylaws of the

Corporation; provided, however, that, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by this Restated Certificate of Incorporation, the affirmative vote of the holders of at least a majority of the voting power of the shares entitled to vote for the election of directors shall be required to amend, repeal or adopt any provision of the Bylaws of the Corporation.

IN WITNESS WHEREOF, the undersigned has executed this Restated Certificate of Incorporation as of this 28th day of June 2024.

FORTIVE CORPORATION

By:/s Daniel B. Kim

Name: Daniel B. Kim
Title: Secretary

Exhibit 10.1

FORTIVE CORPORATION 2016 STOCK INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

(Non-Employee Directors)

Unless otherwise defined herein, the terms defined in the Fortive Corporation 2016 Stock Incentive Plan (the “Plan”) will have the same defined meanings in this Restricted Stock Unit Agreement (the “Agreement”).

I. NOTICE OF GRANT

Name:

Address:

The undersigned Participant has been granted an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Agreement, as follows (each of the following capitalized terms are defined terms having the meaning indicated below):

Date of Grant ____

Number of Restricted Stock Units ____

Vesting Schedule:

Time-Based Vesting Criteria The time-based vesting criteria will be satisfied with respect to 100% of the shares underlying the RSUs on the earlier of (1) the first anniversary of the Date of Grant, or
(2) the date of, and immediately prior to, the next annual meeting of shareholders of the Company following the Date of Grant.

II. AGREEMENT

1. Grant of RSUs. Fortive Corporation (the “Company”) hereby grants to the Participant named in this Notice of Grant (the “Participant”), an Award of Restricted Stock Units (“RSUs”) subject to the terms and conditions of this Agreement and the Plan, which are incorporated herein by reference. In the event of a conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of the Plan shall prevail.

2. Vesting.

(a) Vesting Schedule. Except as may otherwise be set forth in this Agreement or in the Plan, RSUs awarded to a Participant shall not vest until the Participant continues to be actively providing services to the Company for the periods required to satisfy the time-based vesting criteria (“Time-Based Vesting Criteria”) applicable to such RSUs. The Time-Based Vesting Criteria applicable to RSUs are referred to as “Vesting Conditions,” and the date upon which all Vesting Conditions are satisfied is referred to as the “Vesting Date.” The Vesting Conditions shall be established by the Compensation Committee(the “Committee”) of the Company’s Board of Directors and reflected in the account maintained for the Participant by an external third party administrator of the RSU awards. Further, during any approved leave of absence (and without limiting the application of any other rules governing leaves of absence that the Committee may approve from time to time pursuant to the Plan), to the extent permitted by applicable law the Committee shall have discretion to provide that the vesting of the RSUs shall be frozen as of the first day of the leave (or as of any subsequent day during such leave, as applicable) and shall not resume until and unless the Participant returns to active service.

(b) Fractional RSU Vesting. In the event the Participant is vested in a fractional portion of an RSU (a “Fractional Portion”), such Fractional Portion will be rounded up and converted into a whole share of Common Stock (“Share”) and issued to the Participant.

3. Form and Timing of Payment; Conditions to Issuance of Shares.

(a) Form and Timing of Payment. The Award of RSUs represents the right to receive a number of Shares equal to the number of RSUs that vest pursuant to the Vesting Conditions. Unless and until the RSUs have vested in the manner set forth in Sections 2 and 4, Participant shall have no right to payment of any such RSUs. Prior to actual issuance of any Shares underlying the RSUs, such RSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company. Subject to the other terms of the Plan and this Agreement, any RSUs that vest in accordance with Sections 2 and 4 will be paid to the Participant in whole Shares within 90 days of the Vesting Date. Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company’s securities may then be traded. The Committee may require the Participant to take any reasonable action in order to comply with any such rules or regulations.

(b) Acknowledgment of Potential Securities Law Restrictions. Unless a registration statement under the Securities Act covers the Shares issued upon vesting of an RSU, the Committee may require that the Participant agree in writing to acquire such Shares for investment and not for public resale or distribution, unless and until the Shares subject to the Award are registered under the Securities Act. The Committee may also require the Participant to acknowledge that he or she shall not sell or transfer such Shares except in compliance with all applicable laws, and may apply such other restrictions as it deems appropriate. The Participant acknowledges that the U.S. federal securities laws prohibit trading in the stock of the Company by persons who are in possession of material, non-public information, and also acknowledges and understands the other restrictions set forth in the Company’s Insider Trading Policy.

4. Termination.

(a) General. In the event the Participant’s active service-providing relationship with the Company terminates for any reason (other than death, Early Retirement or Normal Retirement) whether or not in breach of applicable labor laws, all RSUs that are unvested as of termination shall automatically terminate as of the date of termination and Participant’s right to receive further RSUs under the Plan shall also terminate as of the date of termination The Committee shall have discretion to determine whether the Participant has ceased actively providing services to the Company, and the effective date on which such active service-providing relationship terminated. The Participant's active service-providing relationship will not be extended by any notice period mandated under applicable law (*e.g.* a period of "garden leave", paid administrative leave or similar period pursuant to applicable law). Unless the Committee provides otherwise, termination will include instances in which Participant is terminated and immediately rehired as an independent contractor.

(b) Death. Upon Participant's death, any unvested RSUs shall vest.

(c) Retirement.

(i) Upon termination of employment by reason of the Participant's Early Retirement, unless contrary to applicable law and unless otherwise provided by the Committee either initially or subsequent to the grant of the relevant Award, a pro-rata portion of the RSUs that are unvested as of the Early Retirement date (i.e. based on the ratio of (x) the number of full or partial months worked by the Participant from the Date of Grant to the Early Retirement date to (y) the total number of months in the original time-based vesting schedule for such RSUs) will vest as of the Time-Based Vesting Date for such RSUs.

(ii) Upon termination of employment by reason of the Participant's Normal Retirement, unless contrary to applicable law and unless otherwise provided by the Committee either initially or subsequent to the grant of the relevant Award, the RSUs that are unvested as of the Normal Retirement date will vest as of the Time-Based Vesting Date for such RSUs.

(d) Gross Misconduct. If the Participant is terminated as an Eligible Director by reason of Gross Misconduct, the Participant's unvested RSUs shall automatically terminate as of the time of termination without consideration. The Participant acknowledges and agrees that the Participant's termination shall also be deemed to be a termination by reason of the Participant's Gross Misconduct if, after the Participant's active service-providing relationship has terminated, facts and circumstances are discovered or confirmed by the Company that would have justified a termination for Gross Misconduct.

(e) Violation of Post-Termination Covenant. To the extent that any of the Participant's RSUs remain outstanding under the terms of the Plan or this Agreement after termination of the Participant's active service-providing relationship with the Company, such RSUs shall expire as of the date the Participant violates any covenant not to compete or similar covenant that exists between the Participant on the one hand and the Company or any subsidiary of the Company, on the other hand.

(f) Substantial Corporate Change. Upon a Substantial Corporate Change, the Participant's unvested RSUs will terminate unless provision is made in writing in connection with such transaction for the assumption or continuation of the RSUs, or the substitution for such RSUs of any options or grants covering the stock or securities of a successor employer corporation, or a parent or subsidiary of such successor, with appropriate adjustments as to the number and kind of shares of stock and prices, in which event the RSUs will continue in the manner and under the terms so provided.

5. Non-Transferability of RSUs. Unless the Committee determines otherwise in advance in writing, RSUs may not be transferred in any manner otherwise than by will or by the applicable laws of descent or distribution. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs and permitted successors and assigns of the Participant.

6. Amendment of RSUs or Plan.

(a) The Plan and this Agreement constitute the entire understanding of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof. Participant expressly warrants that he or she is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. The Company's Board may amend, modify or terminate

the Plan or any Award in any respect at any time; provided, however, that modifications to this Agreement or the Plan that materially and adversely affect the Participant's rights hereunder can be made only in an express written contract signed by the Company and the Participant.

Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement and Participant's rights under outstanding RSUs as it deems necessary or advisable, in its sole discretion and without the consent of the Participant, (1) upon a Substantial Corporate Change, (2) as required by law, or (3) to comply with Section 409A of the Internal Revenue Code of 1986 ("Section 409A") or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award.

7. Tax Obligations.

(a) Taxes. Regardless of any action the Company takes with respect to any or all federal, state, local or foreign income tax, social insurance, payroll tax, payment on account or other tax related items ("Tax Related Items"), the Participant acknowledges that the ultimate liability for all Tax Related Items associated with the RSUs is and remains the Participant's responsibility and that the Company (i) makes no representations or undertakings regarding the treatment of any Tax Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant or vesting of the RSUs, the delivery of the Shares, the subsequent sale of Shares acquired at vesting and the receipt of any dividends or dividend equivalents; and (ii) does not commit to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax Related Items.

(b) Code Section 409A. The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of Code to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted and be administered to be in compliance therewith. Notwithstanding anything contained herein to the contrary, to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, the Participant shall not be considered to have separated from service with the Company for purposes of this Agreement and no payment shall be due to the Participant under this Agreement on account of a separation from service until the Participant would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A of the Code. Any payments described in this Agreement that are due within the "short-term deferral period" as defined in Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise. Notwithstanding anything to the contrary in this Agreement, to the extent that any amounts are payable upon a separation from service and such payment would result in accelerated taxation and/or tax penalties under Section 409A of the Code, such payment, under this Agreement or any other agreement of the Company, shall be made on the first business day after the date that is six (6) months following such separation from service (or death, if earlier). The Company makes no representation that any or all of the payments described in this Agreement will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. The Grantee shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

For purposes of making a payment under this Agreement, if any amount is payable as a result of a Substantial Corporate Change, such event must also constitute a "change in ownership or effective control" of the Company or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A.

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8. Rights as Shareholder. Until all requirements for vesting of the RSUs pursuant to the terms of this Agreement and the Plan have been satisfied, the Participant shall not be deemed to be a shareholder of the Company, and shall have no dividend rights or voting rights with respect to the RSUs or any Shares underlying or issuable in respect of such RSUs until such Shares are actually issued to the Participant.

9. No Right to Continue as Eligible Director. Nothing in the Plan or this Agreement shall confer upon the Participant any right to continuation as an Eligible Director.

10. Board Authority. The Board and/or the Committee shall have the power to interpret this Agreement and to adopt such rules for the administration, interpretation and application of the Agreement as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether any RSUs have vested). All interpretations and determinations made by the Board and/or the Committee in good faith shall be final and binding upon Participant, the Company and all other interested persons and such determinations of the Board and/or

the Committee do not have to be uniform nor do they have to consider whether Plan participants are similarly situated. No member of the Board and/or the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to this Agreement.

11. Headings. The captions used in this Agreement and the Plan are inserted for convenience and shall not be deemed to be a part of the RSUs for construction and interpretation.

12. Electronic Delivery.

(a) If the Participant executes this Agreement electronically, for the avoidance of doubt Participant acknowledges and agrees that his or her execution of this Agreement electronically (through an on-line system established and maintained by the Company or a third party designated by the Company, or otherwise) shall have the same binding legal effect as would execution of this Agreement in paper form. Participant acknowledges that upon request of the Company he or she shall also provide an executed, paper form of this Agreement.

(b) If the Participant executes this Agreement in paper form, for the avoidance of doubt the parties acknowledge and agree that it is their intent that any agreement previously or subsequently entered into between the parties that is executed electronically shall have the same binding legal effect as if such agreement were executed in paper form.

(c) If Participant executes this Agreement multiple times (for example, if the Participant first executes this Agreement in electronic form and subsequently executes this Agreement in paper form), the Participant acknowledges and agrees that (i) no matter how many versions of this Agreement are executed and in whatever medium, this Agreement only evidences a single Award relating to the number of RSUs set forth in the Notice of Grant and (ii) this Agreement shall be effective as of the earliest execution of this Agreement by the parties, whether in paper form or electronically, and the subsequent execution of this Agreement in the same or a different medium shall in no way impair the binding legal effect of this Agreement as of the time of original execution.

(d) The Company may, in its sole discretion, decide to deliver by electronic means any documents related to the RSUs, to participation in the Plan, or to future awards granted under the Plan, or otherwise required to be delivered to the Participant pursuant to the Plan or under applicable law, including but not limited to, the Plan, the Agreement, the Plan prospectus and any reports of the Company generally provided to shareholders. Such means of electronic delivery may include, but do not necessarily include, the delivery of a link to the Company's intranet or the internet site of a third party involved in administering the Plan, the delivery of documents via electronic mail ("e-mail") or such other means of electronic delivery specified by the Company. By executing this Agreement, the Participant hereby

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consents to receive such documents by electronic delivery. ***At the Participant's written request to the Secretary of the Company, the Company shall provide a paper copy of any document at no cost to the Participant.***

13. ***Data Privacy. This Section 13 provides important information about the Company's use of personal information about the Participant. For the purposes of applicable data privacy laws the data controller is Fortive Corporation with registered offices at 6920 Seaway Blvd, Everett, Washington 98203. Participants should read the information below carefully:***

(a) ***Uses of Data and Legal Basis. In order to implement, administer and manage the Participant's participation in the Plan it will be necessary for the Company to collect, use and transfer, in electronic or other form, the Participant's Data, (as defined below) by and among, as applicable, the Employer, the Company and its Subsidiaries. . The use of the Participant's Data for these purposes is necessary for the performance of the Plan and for the Company to fulfil its contractual commitments to the Participant. The Participant's refusal to provide the Data set out in subsection (b) below may affect the Participant's ability to participate in the Plan.***

(b) Categories of Data. In order to implement, administer and manage the Participant's participation in the Plan Company and the Employer may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address, email address and telephone number, date of birth, social insurance number, passport or other identification number

(e.g., resident registration number), salary, nationality, and job title, any shares of stock or directorships held in the Company, details of the RSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data").

(c) Sharing and Transferring Data. In order to implement, administer and manage the Participant's participation in the Plan, the Participant's Data may be transferred to Fidelity Stock Plan Services and its affiliated companies, or such other stock plan service provider or any other third party (as may be selected by the Company in the future) which is assisting the Company with the implementation, administration and management of the Plan. Data may also be shared with a broker or other third party with whom the Participant may elect to deposit any Shares acquired upon vesting of the RSUs. The recipients of the Data may be located in the Participant's country or elsewhere, and the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. Where this is the case, the Company will take steps to put in place appropriate safeguards in respect of the Participant's Data. Under the data privacy laws of certain countries, the Participant may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative.

(d) Retention and Legal Rights. Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. Under the data privacy laws of certain countries the Participant may , request access to and receive a copy of Data, request additional information about the storage and processing of Data, require any necessary amendments to Data in any case without cost, by contacting in writing his or her local human resources representative. The Company will handle such requests in accordance with applicable law and there may therefore be legal reasons why the Company cannot grant the Participant's request.

For more information, the Participant may contact his or her local human resources representative.

14. Waiver of Right to Jury Trial. Each party, to the fullest extent permitted by law, waives any right or expectation against the other to trial or adjudication by a jury of any claim, cause or action arising with respect to the RSUs or hereunder, or the rights, duties or liabilities created hereby.

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15. Agreement Severable. In the event that any provision of this Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of this Agreement.

16. Governing Law and Venue. The laws of the State of Delaware (other than its choice of law provisions) shall govern this Agreement and its interpretation. For purposes of litigating any dispute that arises with respect to the RSUs, this Agreement or the Plan, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the courts of New Castle County, or the United States Federal court for the District of Delaware, and no other courts; and waive, to the fullest extent permitted by law, any objection that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in any such court is improper or that such proceedings have been brought in an inconvenient forum. Any claim under the Plan, this Agreement or any Award must be commenced by a Participant within twelve (12) months of the earliest date on which the Participant's claim first arises, or the Participant's cause of action accrues, or such claim will be deemed waived by the Participant.

17. Nature of RSUs. In accepting the RSUs, Participant acknowledges and agrees that:

(a) the award of RSUs is voluntary and occasional and does not create any contractual or other right to receive future awards of RSUs, benefits in lieu of RSUs or other equity awards, even if RSUs have been awarded repeatedly in the past;

(b) all decisions with respect to future equity awards, if any, shall be at the sole discretion of the Company;

(c) Participant's participation in the Plan is voluntary;

(d) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(e) the value of the Shares acquired upon vesting/settlement of the RSUs may increase or decrease in value;

(f) in consideration of the award of RSUs, no claim or entitlement to compensation or damages shall arise from termination of the Award or from any diminution in value of the Award or Shares upon vesting of the Award resulting from termination of Participant's continuous service by the Company or any Subsidiary (for any reason whatsoever and whether or not in breach of applicable labor laws of the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any, and whether or not later found to be invalid) and in consideration of the grant of the Award, Participant irrevocably releases the Company and any Subsidiary from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing the Agreement/electronically accepting the Agreement, Participant shall be deemed irrevocably to have waived Participant's entitlement to pursue or seek remedy for any such claim;

(g) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan or Participant's acquisition or sale of the underlying Shares; and

(h) Participant is hereby advised to consult with Participant's own personal tax, legal and financial advisors regarding Participant's participation in the Plan before taking any action related to the Plan.

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18. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. Waiver. Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other participant.

20. Insider Trading/Market Abuse Laws. The Participant acknowledges that, depending on the Participant's or the Participant's broker's country of residence or where the Company Shares are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to accept, acquire, sell or otherwise dispose of Company Shares, rights to the Shares (e.g., RSUs) or rights linked to the value of the Shares (*e.g.,* phantom awards, futures) during such times as the Participant is considered to have "inside information" regarding the Company as defined by the laws or regulations in the Participant's country. Local insider trading laws and regulations may prohibit the cancellation or amendment or orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant should consult with his or her own personal legal and financial advisors on this matter.

21. Recoupment. The RSUs granted pursuant to this Agreement are subject to the terms of the Fortive Corporation Recoupment Policy as it exists from time to time (a copy of the Recoupment Policy as it exists from time to time is available on the Company's internal website) (the "Policy") if and to the extent such Policy by its terms applies to the RSUs, and to the terms required by applicable law; and the terms of the Policy and such applicable law are incorporated by reference herein and made a part hereof.

22. Notices. The Company may, directly or through its third party stock plan administrator, endeavor to provide certain notices to Participant regarding certain events relating to awards that the Participant may have received or may in the future receive under the Plan, such as

notices reminding Participant of the vesting or expiration date of certain awards. Participant acknowledges and agrees that (1) the Company has no obligation (whether pursuant to this Agreement or otherwise) to provide any such notices; (2) to the extent the Company does provide any such notices to Participant the Company does not thereby assume any obligation to provide any such notices or other notices; and (3) the Company, its affiliates and the third party stock plan administrator have no liability for, and the Participant has no right whatsoever (whether pursuant to this Agreement or otherwise) to make any claim against the Company, any of its affiliates or the third party stock plan administrator based on any allegations of, damages or harm suffered by the Participant as a result of the Company's failure to provide any such notices or Participant's failure to receive any such notices.

23. Consent and Agreement With Respect to Plan. Participant (1) acknowledges that the Plan and the prospectus relating thereto are available to Participant on the website maintained by the Company's third party stock plan administrator; (2) represents that he or she has read and is familiar with the terms and provisions thereof, has had an opportunity to obtain the advice of counsel of his or her choice prior to executing this Agreement and fully understands all provisions of the Agreement and the Plan; (3) accepts these RSUs subject to all of the terms and provisions thereof; (4) consents and agrees to all amendments that have been made to the Plan since it was adopted in 2016 (and for the avoidance of doubt consents and agrees to each amended term reflected in the Plan as in effect on the date of this Agreement), and consents and agrees that all options and restricted stock units, if any, held by Participant that were previously granted under the Plan as it has existed from time to time are now governed by the Plan as in effect on the date of this Agreement (except to the extent the Committee has expressly provided that a particular Plan amendment does not apply retroactively); and (5) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement.

[*If the Agreement is signed in paper form, complete and execute the following:*]

PARTICIPANT FORTIVE CORPORATION

______________________________ ______________

Signature Signature

______________________________ ______________

Print Name Print Name

______________________________ ______________

Title

Residence Address

Exhibit 10.2

FORTIVE CORPORATION 2016 STOCK INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

(Non-Employee Directors Deferred Compensation)

Unless otherwise defined herein, the terms defined in the Fortive Corporation 2016 Stock Incentive Plan (the "Plan") will have the same defined meanings in this Restricted Stock Unit Agreement (the "Agreement").

I. NOTICE OF GRANT

Name:

Address:

The undersigned Participant has been granted an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Agreement, as follows (each of the following capitalized terms are defined terms having the meaning indicated below):

Date of Grant ____

Number of Restricted Stock Units ____

Vesting Schedule:

Time-Based Vesting Criteria The time-based vesting criteria will be satisfied with respect to 100% of the shares underlying the RSUs on the earlier of (1) the first anniversary of the Date of Grant, or (2) the date of, and immediately prior to, the next annual meeting of shareholders of the Company following the Date of Grant.

Payment Date ___________

II. AGREEMENT

1. Grant of RSUs. Fortive Corporation (the "Company") hereby grants to the Participant named in this Notice of Grant (the "Participant"), an Award of Restricted Stock Units ("RSUs") subject to the terms and conditions of this Agreement and the Plan, which are incorporated herein by reference. In the event of a conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of the Plan shall prevail.

2. Vesting.

(a) Vesting Schedule. Except as may otherwise be set forth in this Agreement or in the Plan, RSUs awarded to a Participant shall not vest until the Participant continues to be actively providing services to the Company for the periods required to satisfy the time-based vesting criteria ("Time-Based Vesting Criteria") applicable to such RSUs. The Time-Based Vesting Criteria applicable to RSUs are referred to as "Vesting Conditions," and the date upon which all Vesting Conditions are satisfied is referred to as the "Vesting Date." The Vesting Conditions shall be established by the Compensation Committee (the "Committee") of the Company's Board of Directors and reflected in the account maintained for the Participant by an external third party administrator of the RSU awards. Further, during any approved leave of absence (and without limiting the application of any other rules governing leaves of absence that the Committee may approve from time to time pursuant to the Plan), to the extent permitted by applicable law the Committee shall have discretion to provide that the vesting of the RSUs shall be frozen as of the first day of the leave (or as of any subsequent day during such leave, as applicable) and shall not resume until and unless the Participant returns to active service.

(b) Fractional RSU Vesting. In the event the Participant is vested in a fractional portion of an RSU (a "Fractional Portion"), such Fractional Portion will be rounded up and converted into a whole share of Common Stock ("Share") and issued to the Participant.

3. Form and Timing of Payment; Conditions to Issuance of Shares.

(a) Form and Timing of Payment. The Award of RSUs represents the right to receive a number of Shares equal to the number of RSUs that vest pursuant to the Vesting Conditions. Unless and until the RSUs have vested in the manner set forth in Sections 2 and 4, Participant shall have no right to payment of any such RSUs. Prior to actual issuance of any Shares underlying the RSUs, such RSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company. Subject to the other terms of the Plan and this Agreement, any RSUs that vest in accordance with Sections 2 and 4 will be paid to the Participant in whole Shares on the earlier of (i) the first day of the payment date specified in Section I above (the "Payment Date"), or (ii) the Participant's date of death (or in each case the next business day thereafter if such date is not a business day). Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Committee may require the Participant to take any reasonable action in order to comply with any such rules or regulations.

(b) Acknowledgment of Potential Securities Law Restrictions. Unless a registration statement under the Securities Act covers the Shares issued upon vesting of an RSU, the Committee may require that the Participant agree in writing to acquire such Shares for investment and not for public resale or distribution, unless and until the Shares subject to the Award are registered under the Securities Act. The Committee may also require the Participant to acknowledge that he or she shall not sell or transfer such Shares except in compliance with all applicable laws, and may apply such other restrictions as it deems appropriate. The Participant acknowledges that the U.S. federal securities laws prohibit trading in the stock of the Company by persons who are in possession of material, non-public information, and also acknowledges and understands the other restrictions set forth in the Company's Insider Trading Policy.

4. Termination.

(a) General. In the event the Participant's active service-providing relationship with the Company terminates for any reason (other than death, Early Retirement or Normal Retirement) whether or not in breach of applicable labor laws, all RSUs that are unvested as of termination shall automatically terminate as of the date of termination and Participant's right to receive further RSUs under the Plan shall also terminate as of the date of termination The Committee shall have discretion to determine whether the Participant has ceased actively providing services to the Company, and the effective date on which such active service-providing relationship terminated. The Participant's active service-providing relationship will not be extended by any notice period mandated under applicable law (*e.g.* a period of "garden leave", paid administrative leave or similar period pursuant to applicable law). Unless the Committee provides otherwise, termination will include instances in which Participant is terminated and immediately rehired as an independent contractor.

(b) Death. Upon Participant's death, any unvested RSUs shall vest.

(c) Retirement.

(i) Upon termination of employment by reason of the Participant's Early Retirement, unless contrary to applicable law and unless otherwise provided by the Committee either initially or subsequent to the grant of the relevant Award, a pro-rata portion of the RSUs that are unvested as of the Early Retirement date (i.e. based on the ratio of (x) the number of full or partial months worked by the Participant from the

Date of Grant to the Early Retirement date to (y) the total number of months in the original time-based vesting schedule for such RSUs) will vest as of the Time-Based Vesting Date for such RSUs.

(ii) Upon termination of employment by reason of the Participant's Normal Retirement, unless contrary to applicable law and unless otherwise provided by the Committee either initially or subsequent to the grant of the relevant Award, the RSUs that are unvested as of the Normal Retirement date will vest as of the Time-Based Vesting Date for such RSUs.

(d) Gross Misconduct. If the Participant is terminated as an Eligible Director by reason of Gross Misconduct, the Participant's unvested RSUs shall automatically terminate as of the time of termination without consideration. The Participant acknowledges and agrees that the Participant's termination shall also be deemed to be a termination by reason of the Participant's Gross Misconduct if, after the Participant's active service-providing relationship has terminated, facts and circumstances are discovered or confirmed by the Company that would have justified a termination for Gross Misconduct.

(e) Violation of Post-Termination Covenant. To the extent that any of the Participant's RSUs remain outstanding under the terms of the Plan or this Agreement after termination of the Participant's active service-providing relationship with the Company, such RSUs shall expire as of the date the Participant violates any covenant not to compete or similar covenant that exists between the Participant on the one hand and the Company or any subsidiary of the Company, on the other hand.

(f) Substantial Corporate Change. Upon a Substantial Corporate Change, the Participant's unvested RSUs will terminate unless provision is made in writing in connection with such transaction for the assumption or continuation of the RSUs, or the substitution for such RSUs of any options or grants covering the stock or securities of a successor employer corporation, or a parent or subsidiary of such successor, with appropriate adjustments as to the number and kind of shares of stock and prices, in which event the RSUs will continue in the manner and under the terms so provided.

5. Non-Transferability of RSUs. Unless the Committee determines otherwise in advance in writing, RSUs may not be transferred in any manner otherwise than by will or by the applicable laws of

descent or distribution. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs and permitted successors and assigns of the Participant.

6. Amendment of RSUs or Plan.

(a) The Plan and this Agreement constitute the entire understanding of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof. Participant expressly warrants that he or she is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. The Company's Board may amend, modify or terminate the Plan or any Award in any respect at any time; provided, however, that modifications to this Agreement or the Plan that materially and adversely affect the Participant's rights hereunder can be made only in an express written contract signed by the Company and the Participant. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement and Participant's rights under outstanding RSUs as it deems necessary or advisable, in its sole discretion and without the consent of the Participant, (1) upon a Substantial Corporate Change, (2) as required by law, or (3) to comply with Section 409A of the Internal Revenue Code of 1986 ("Section 409A") or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award.

7. Tax Obligations.

(a) Taxes. Regardless of any action the Company takes with respect to any or all federal, state, local or foreign income tax, social insurance, payroll tax, payment on account or other tax related items ("Tax Related Items"), the Participant acknowledges that the ultimate liability for all Tax Related Items associated with the RSUs is and remains the Participant's responsibility and that the Company (i) makes no representations or undertakings regarding the treatment of any Tax Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant or vesting of the RSUs, the delivery of the Shares, the subsequent sale of Shares acquired at vesting and the receipt of any dividends or dividend equivalents; and (ii) does not commit to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax Related Items.

(b) Code Section 409A. The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of Code to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted and be administered to be in compliance therewith. Notwithstanding anything contained herein to the contrary, to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, the Participant shall not be considered to have separated from service with the Company for purposes of this Agreement and no payment shall be due to the Participant under this Agreement on account of a separation from service until the Participant would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A of the Code. Any payments described in this Agreement that are due within the "short-term deferral period" as defined in Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise. Notwithstanding anything to the contrary in this Agreement, to the extent that any amounts are payable upon a separation from service and such payment would result in accelerated taxation and/or tax penalties under Section 409A of the Code, such payment, under this Agreement or any other agreement of the Company, shall be made on the first business day after the date that is six (6) months following such separation from service (or death, if earlier). The Company makes no representation that any or all of the payments described in this Agreement will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. The

Grantee shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

For purposes of making a payment under this Agreement, if any amount is payable as a result of a Substantial Corporate Change, such event must also constitute a "change in ownership or effective control" of the Company or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A.

8. Rights as Shareholder. Until all requirements for vesting of the RSUs pursuant to the terms of this Agreement and the Plan have been satisfied, the Participant shall not be deemed to be a shareholder of the Company, and shall have no dividend rights or voting rights with respect to the RSUs or any Shares underlying or issuable in respect of such RSUs until such Shares are actually issued to the Participant.

9. No Right to Continue as Eligible Director. Nothing in the Plan or this Agreement shall confer upon the Participant any right to continuation as an Eligible Director.

10. Board Authority. The Board and/or the Committee shall have the power to interpret this Agreement and to adopt such rules for the administration, interpretation and application of the Agreement as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether any RSUs have vested). All interpretations and determinations made by the Board and/or the Committee in good faith shall be final and binding upon Participant, the Company and all other interested persons and such determinations of the Board and/or the Committee do not have to be uniform nor do they have to consider whether Plan participants are similarly situated. No member of the Board and/or the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to this Agreement.

11. Headings. The captions used in this Agreement and the Plan are inserted for convenience and shall not be deemed to be a part of the RSUs for construction and interpretation.

12. Electronic Delivery.

(a) If the Participant executes this Agreement electronically, for the avoidance of doubt Participant acknowledges and agrees that his or her execution of this Agreement electronically (through an on-line system established and maintained by the Company or a third party designated by the Company, or otherwise) shall have the same binding legal effect as would execution of this Agreement in paper form. Participant acknowledges that upon request of the Company he or she shall also provide an executed, paper form of this Agreement.

(b) If the Participant executes this Agreement in paper form, for the avoidance of doubt the parties acknowledge and agree that it is their intent that any agreement previously or subsequently entered into between the parties that is executed electronically shall have the same binding legal effect as if such agreement were executed in paper form.

(c) If Participant executes this Agreement multiple times (for example, if the Participant first executes this Agreement in electronic form and subsequently executes this Agreement in paper form), the Participant acknowledges and agrees that (i) no matter how many versions of this Agreement are executed and in whatever medium, this Agreement only evidences a single Award relating to the number of RSUs set forth in the Notice of Grant and (ii) this Agreement shall be effective as of the earliest execution of this Agreement by the parties, whether in paper form or electronically, and the

subsequent execution of this Agreement in the same or a different medium shall in no way impair the binding legal effect of this Agreement as of the time of original execution.

(d) The Company may, in its sole discretion, decide to deliver by electronic means any documents related to the RSUs, to participation in the Plan, or to future awards granted under the Plan, or otherwise required to be delivered to the Participant pursuant to the Plan or under applicable law, including but not limited to, the Plan, the Agreement, the Plan prospectus and any reports of the Company generally provided to shareholders. Such means of electronic delivery may include, but do not necessarily include, the delivery of a link to the Company's intranet or the internet site of a third party involved in administering the Plan, the delivery of documents via electronic mail ("e-mail") or such other means of electronic delivery specified by the Company. By executing this Agreement, the Participant hereby consents to receive such documents by electronic delivery. ***At the Participant's written request to the Secretary of the Company, the Company shall provide a paper copy of any document at no cost to the Participant.***

13. ***Data Privacy. This Section 13 provides important information about the Company's use of personal information about the Participant. For the purposes of applicable data privacy laws the data controller is Fortive Corporation with registered offices at 6920 Seaway Blvd, Everett, Washington 98203. Participants should read the information below carefully:***

(a) ***Uses of Data and Legal Basis. In order to implement, administer and manage the Participant's participation in the Plan it will be necessary for the Company to collect, use and transfer, in electronic or other form, the Participant's Data, (as defined below) by and among, as applicable, the Employer, the Company and its Subsidiaries. . The use of the Participant's Data for these purposes is necessary for the performance of the Plan and for the Company to fulfil its contractual commitments to the Participant. The Participant's refusal to provide the Data set out in subsection (b) below may affect the Participant's ability to participate in the Plan.***

(b) Categories of Data. In order to implement, administer and manage the Participant's participation in the Plan Company and the Employer may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address, email address and telephone number, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, and job title, any shares of stock or directorships held in the Company, details of the RSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data").

(c) Sharing and Transferring Data. In order to implement, administer and manage the Participant's participation in the Plan, the Participant's Data may be transferred to Fidelity Stock Plan Services and its affiliated companies, or such other stock plan

service provider or any other third party (as may be selected by the Company in the future) which is assisting the Company with the implementation, administration and management of the Plan. Data may also be shared with a broker or other third party with whom the Participant may elect to deposit any Shares acquired upon vesting of the RSUs. The recipients of the Data may be located in the Participant's country or elsewhere, and the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. Where this is the case, the Company will take steps to put in place appropriate safeguards in respect of the Participant's Data. Under the data privacy laws of certain countries, the Participant may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative.

(d) Retention and Legal Rights. Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. Under the data privacy

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laws of certain countries the Participant may , request access to and receive a copy of Data, request additional information about the storage and processing of Data, require any necessary amendments to Data in any case without cost, by contacting in writing his or her local human resources representative. The Company will handle such requests in accordance with applicable law and there may therefore be legal reasons why the Company cannot grant the Participant's request.

For more information, the Participant may contact his or her local human resources representative.

14. Waiver of Right to Jury Trial. Each party, to the fullest extent permitted by law, waives any right or expectation against the other to trial or adjudication by a jury of any claim, cause or action arising with respect to the RSUs or hereunder, or the rights, duties or liabilities created hereby.

15. Agreement Severable. In the event that any provision of this Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of this Agreement.

16. Governing Law and Venue. The laws of the State of Delaware (other than its choice of law provisions) shall govern this Agreement and its interpretation. For purposes of litigating any dispute that arises with respect to the RSUs, this Agreement or the Plan, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the courts of New Castle County, or the United States Federal court for the District of Delaware, and no other courts; and waive, to the fullest extent permitted by law, any objection that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in any such court is improper or that such proceedings have been brought in an inconvenient forum. Any claim under the Plan, this Agreement or any Award must be commenced by a Participant within twelve (12) months of the earliest date on which the Participant's claim first arises, or the Participant's cause of action accrues, or such claim will be deemed waived by the Participant.

17. Nature of RSUs. In accepting the RSUs, Participant acknowledges and agrees that:

(a) the award of RSUs is voluntary and occasional and does not create any contractual or other right to receive future awards of RSUs, benefits in lieu of RSUs or other equity awards, even if RSUs have been awarded repeatedly in the past;

(b) all decisions with respect to future equity awards, if any, shall be at the sole discretion of the Company;

(c) Participant's participation in the Plan is voluntary;

(d) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(e) the value of the Shares acquired upon vesting/settlement of the RSUs may increase or decrease in value;

(f) in consideration of the award of RSUs, no claim or entitlement to compensation or damages shall arise from termination of the Award or from any diminution in value of the Award or Shares upon vesting of the Award resulting from termination of Participant's continuous service by the Company or any Subsidiary (for any reason whatsoever and whether or not in breach of applicable labor laws of the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any, and whether or not later found to be invalid) and in consideration of the grant of the Award, Participant irrevocably releases the Company and any Subsidiary from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing the Agreement/electronically accepting the Agreement, Participant shall be deemed irrevocably to have waived Participant's entitlement to pursue or seek remedy for any such claim;

(g) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan or Participant's acquisition or sale of the underlying Shares; and

(h) Participant is hereby advised to consult with Participant's own personal tax, legal and financial advisors regarding Participant's participation in the Plan before taking any action related to the Plan.

18. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. Waiver. Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other participant.

20. Insider Trading/Market Abuse Laws. The Participant acknowledges that, depending on the Participant's or the Participant's broker's country of residence or where the Company Shares are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to accept, acquire, sell or otherwise dispose of Company Shares, rights to the Shares (e.g., RSUs) or rights linked to the value of the Shares (*e.g.,* phantom awards, futures) during such times as the Participant is considered to have "inside information" regarding the Company as defined by the laws or regulations in the Participant's country. Local insider trading laws and regulations may prohibit the cancellation or amendment or orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant should consult with his or her own personal legal and financial advisors on this matter.

21. Recoupment. The RSUs granted pursuant to this Agreement are subject to the terms of the Fortive Corporation Recoupment Policy as it exists from time to time (a copy of the Recoupment Policy as it exists from time to time is available on the Company's internal website) (the "Policy") if and to the extent such Policy by its terms applies to the RSUs, and to the terms required by applicable law; and the terms of the Policy and such applicable law are incorporated by reference herein and made a part hereof.

22. Notices. The Company may, directly or through its third party stock plan administrator, endeavor to provide certain notices to Participant regarding certain events relating to awards that the Participant may have received or may in the future receive under the Plan, such as notices reminding Participant of the vesting or expiration date of certain awards. Participant acknowledges and agrees that (1) the Company has no obligation (whether pursuant to this Agreement or otherwise) to provide any such notices; (2) to the extent the Company does provide any such notices to Participant the Company does not thereby assume any obligation to provide any such notices or other notices; and (3) the Company, its affiliates and the third party stock plan administrator have no liability for, and the Participant has no right

whatsoever (whether pursuant to this Agreement or otherwise) to make any claim against the Company, any of its affiliates or the third party stock plan administrator based on any allegations of, damages or harm suffered by the Participant as a result of the Company's failure to provide any such notices or Participant's failure to receive any such notices.

23. <u>Consent and Agreement With Respect to Plan</u>. Participant (1) acknowledges that the Plan and the prospectus relating thereto are available to Participant on the website maintained by the Company's third party stock plan administrator; (2) represents that he or she has read and is familiar with the terms and provisions thereof, has had an opportunity to obtain the advice of counsel of his or her choice prior to executing this Agreement and fully understands all provisions of the Agreement and the Plan; (3) accepts these RSUs subject to all of the terms and provisions thereof; (4) consents and agrees to all amendments that have been made to the Plan since it was adopted in 2016 (and for the avoidance of doubt consents and agrees to each amended term reflected in the Plan as in effect on the date of this Agreement), and consents and agrees that all options and restricted stock units, if any, held by Participant that were previously granted under the Plan as it has existed from time to time are now governed by the Plan as in effect on the date of this Agreement (except to the extent the Committee has expressly provided that a particular Plan amendment does not apply retroactively); and (5) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement.

[*If the Agreement is signed in paper form, complete and execute the following:*]

PARTICIPANT FORTIVE CORPORATION

____ __________________

Signature Signature

____ __________________

Print Name Print Name

____ __________________

Title

Residence Address

Exhibit 31.1

Certification

I, James A. Lico, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Fortive Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	April July 24, 2024	By:	/s/ James A. Lico
			James A. Lico
			President and Chief Executive Officer

Exhibit 31.2

Certification

I, Charles E. McLaughlin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Fortive Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	April July 24, 2024	By:	/s/ Charles E. McLaughlin
			Charles E. McLaughlin
			Senior Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, James A. Lico, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, Fortive Corporation’s Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2024 June 28, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Fortive Corporation.

Date:	April July 24, 2024	By:	/s/ James A. Lico
			James A. Lico
			President and Chief Executive Officer

This certification accompanies the Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that Fortive Corporation specifically incorporates it by reference.

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Charles E. McLaughlin, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, Fortive Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2024 June 28, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Fortive Corporation.

Date:	April July 24, 2024	By:	/s/ Charles E. McLaughlin
			Charles E. McLaughlin
			Senior Vice President and Chief Financial Officer

This certification accompanies the Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that Fortive Corporation specifically incorporates it by reference.

DISCLAIMER

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