First Quarter 2022 Earnings Release

May 5, 2022



Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws. These statements include, but are not limited to statements regarding Vontier Corporation's (the "Company's") business and acquisition opportunities, anticipated revenue growth, anticipated operating margin expansion, anticipated cash flow, and anticipated earnings growth, and any other statements identified by their use of words like "anticipate," "expect," "believe," "outlook," "guidance," or "will" or other words of similar meaning. There are a number of important risks and uncertainties that could cause actual results, developments and business decisions to differ materially from those suggested or indicated by such forward-looking statements and you should not place undue reliance on any such forward-looking statements. These risks and uncertainties include, among other things, the duration and impact of the ongoing COVID-19 pandemic, deterioration of or instability in the economy, the markets we serve, international trade policies and the financial markets, contractions or lower growth rates and cyclicality of markets we serve, competition, changes in industry standards and governmental regulations that may adversely impact demand for our products or our costs, our ability to successfully identify, consummate, integrate and realize the anticipated value of appropriate acquisitions and successfully complete divestitures and other dispositions, our ability to develop and successfully market new products, software, and services and expand into new markets, the potential for improper conduct by our employees, agents or business partners, impact of divestitures, contingent liabilities relating to acquisitions and divestitures, impact of changes to tax laws, our compliance with applicable laws and regulations and changes in applicable laws and regulations, risks relating to international economic, political, war or hostility, legal, compliance and business factors, risks relating to potential impairment of goodwill and other intangible assets, currency exchange rates, tax audits and changes in our tax rate and income tax liabilities, the impact of our debt obligations on our operations, litigation and other contingent liabilities including intellectual property and environmental, health and safety matters, our ability to adequately protect our intellectual property rights, risks relating to product, service or software defects, product liability and recalls, risks relating to product manufacturing, our relationships with and the performance of our channel partners, commodity costs and surcharges, our ability to adjust purchases and manufacturing capacity to reflect market conditions, reliance on sole sources of supply, security breaches or other disruptions of our information technology systems, adverse effects of restructuring activities, impact of changes to U.S. GAAP, labor matters, and disruptions relating to man-made and natural disasters. Additional information regarding the factors that may cause actual results to differ materially from these forward-looking statements is available in our SEC filings, including our Annual Report on Form 10-K for the year ended December 31, 2021. These forward-looking statements represent Vontier's beliefs and assumptions only as of the date of this presentation and Vontier does not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.

Non-GAAP Financial Measures

This presentation contains references to “core revenue growth,” “free cash flow,” "free cash flow conversion," “adjusted free cash flow,” “adjusted free cash flow conversion,” “adjusted operating profit,” “adjusted operating profit margin,” “adjusted core operating margin expansion,” “adjusted net earnings,” “adjusted diluted net earnings per share,” “adjusted EBITDA,” and “net leverage ratio” financial measures which are, in each case, not presented in accordance with generally accepted accounting principles (“GAAP”).

- Core revenue growth refers to the change of total sales calculated according to GAAP but excluding (1) sales from acquired and divested businesses; (2) the impact of currency translation; and (3) certain other items. References to sales attributable to acquisitions or acquired businesses refers to GAAP sales from acquired businesses recorded prior to the first anniversary of the acquisition less the amount of sales attributable to certain divested businesses or product lines not considered discontinued operations. The portion of sales attributable to the impact of currency translation is calculated as the difference between (a) the period-to-period change in sales (excluding sales from acquired businesses) and (b) the period-to-period change in sales, including foreign operations (excluding sales from acquired businesses) after applying the current period foreign exchange rates to the prior year period. The portion of sales attributable to other items is calculated as the impact of those items which are not directly correlated to sales from existing businesses which do not have an impact on the current or comparable period.
- Free cash flow refers to cash flow from operations calculated according to GAAP but excluding capital expenditures. Free cash flow conversion refers to free cash flow divided by net earnings calculated according to GAAP.
  - Adjusted free cash flow refers to free cash flow adjusted for cash paid for standalone and other one-time public company costs, transaction- and deal-related costs and other charges. Adjusted free cash flow conversion refers to adjusted free cash flow divided by adjusted net earnings.
- Adjusted operating profit refers to operating profit calculated in accordance with GAAP, but excluding amortization of acquisition-related intangible assets, restructuring costs and other termination costs and severance benefits ("restructuring costs"), transaction- and deal-related costs, amortization of acquisition-related inventory fair value step-up, other charges which represent charges incurred that are not part of our core operating results ("other charges") and asset and goodwill impairments and is adjusted for standalone and other one-time public company costs. Adjusted operating profit margin refers to adjusted operating profit divided by GAAP sales. Adjusted core operating margin expansion refers to the change in adjusted operating profit margin but excluding (1) the impact on operating profit from acquired and divested businesses. References to the impact of acquisitions and divestitures refer to operating profit from acquired businesses recorded prior to the first anniversary of the acquisition less the amount of operating profit attributable to certain divested businesses or product lines not considered discontinued operations.
- Adjusted net earnings refers to net earnings calculated in accordance with GAAP, but excluding amortization of acquisition-related intangible assets, restructuring costs, transaction- and deal-related costs, amortization of acquisition-related inventory fair value step-up, gains and losses on sales and settlements of property and investments, asset and goodwill impairments, earnings attributable to noncontrolling interests, other charges and non-cash write-off of deferred financing costs and is adjusted for standalone and other one-time public company costs, and certain other tax adjustments and applying the Company's overall estimated effective tax rate to the pretax amount of the adjustment, unless the nature of the adjustment and/or the tax jurisdiction in which the adjustment has been recorded requires application of a specific tax rate or tax treatment, in which case the tax effect of such adjustment is estimated by applying such specific tax rate or tax treatment. Adjusted diluted net earnings per share refers to adjusted net earnings divided by the weighted average diluted shares outstanding.
- EBITDA refers to net earnings calculated in accordance with GAAP, excluding, interest, taxes, depreciation, and amortization of acquisition-related intangible assets.
  - Adjusted EBITDA refers to EBITDA excluding restructuring costs, asset impairments, transaction- and deal-related costs, amortization of acquisition-related inventory fair value step-up, gains and losses on sales and settlements of property and investments, one-time costs related to separation, earnings attributable to non controlling interest, other charges and non-cash write-off of deferred financing costs.

The Company has not reconciled the forward-looking statements regarding core revenue growth, adjusted core operating margin expansion and adjusted free cash flow conversion because both the corresponding GAAP measures and the reconciliation thereto would require the Company to make estimates or assumptions about unknown currency impact, unidentified acquisitions and similar adjustments during the relevant period that could not be determined without unreasonable effort. The historical non-GAAP financial measures should not be considered in isolation or as a substitute for the GAAP financial measures but should instead be read in conjunction with the corresponding GAAP financial measures. The historical non-GAAP financial measures used by the Company in this presentation may be different than similarly-titled non-GAAP measures used by other companies. Further information with respect to and reconciliations of such non-GAAP financial measures to the nearest GAAP financial measure can be found attached to this presentation.

We report our financial results in accordance with GAAP. However, we present certain non-GAAP measures, as described above, which are not recognized financial measures under GAAP, because we believe they assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. Management believes these measure are helpful in highlighting trends in our operating results, while other measures can differ significantly depending on long-term strategic decisions regarding capital structure and allocation, the tax jurisdictions in which companies operate and capital investments and acquisitions.

Q1 2022 Summary

Continued strong execution delivers another quality beat

- **Adj. EPS $0.70, +11%** DD DRB and non-EMV growth, strong price/cost actions; partially offset by mix and supply chain headwinds
- **Adj. GMX +80 bps** cost/price positive
- **Core OMX +20 bps** profitable growth initiatives drove favorable operating leverage, 30% incrementals

Raised FY22 Adj. EPS guide to $3.20-$3.30 due to strong performance and accelerated share repurchase program

Profitable Growth Initiatives driving accelerated non-EMV core revenue growth and margin expansion

- Expect HSD non-EMV core revenue growth in 2022 and 2023
- Simplification and strategic pricing driving enhanced profitability
- Long runway of opportunity

High-return capital allocation

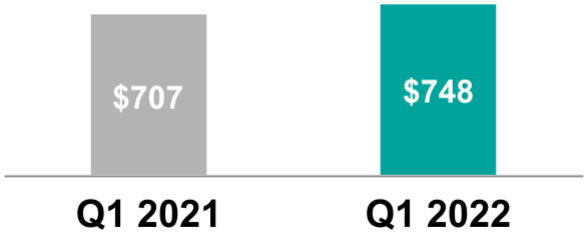
- Leveraged strong cash flow and balance sheet to deploy $441.9M of capital
  - $257M toward share repurchase, significant progress against $500M program
- Accretive M&A: DRB delivered strong DD, highly-profitable revenue growth
- Anticipate ~$2B of capacity over the next 2 to 3 years

Note: Adjusted EPS, Adjusted Core Operating Margin Expansion, Adjusted Gross Margin Expansion, and Core Revenue Growth are non-GAAP financial metrics. For a reconciliation to the most comparable GAAP metrics, see appendix.

Q1 2022 Financial Performance

Summary of Key Financial Items

Revenue ($M)



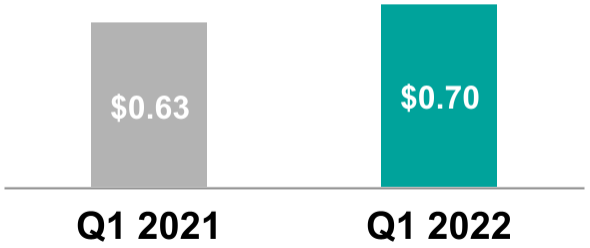
- Total growth: 5.7%
- Core revenue growth: (0.1)%
- Acquisitions: 7.2%
- FX: (1.4)%

Adj. Operating Profit Margin (%)



- GAAP OP Margins -80 bps
- Adj. Core OMX 20 bps
- Reflecting Adj. GMX +80 bps

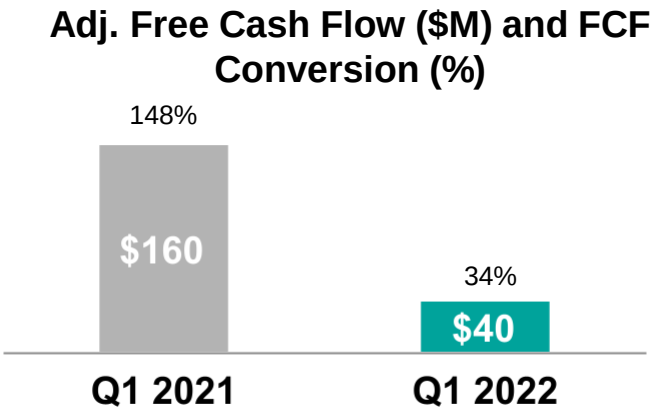
Adj. Diluted Net EPS



- GAAP EPS of $1.50
- 23.0% Adj. Effective Tax Rate ("ETR")
- Share Repurchase +$0.02

Note: Adjusted Operating Profit Margin, Adjusted Core Operating Margin Expansion, Adjusted Gross Margin Expansion, Adjusted Diluted Net Earnings Per Share and Core Revenue Growth are non-GAAP financial metrics. For a reconciliation to the most comparable GAAP metrics, see appendix.

Q1 2022 Free Cash Flow Detail



- **Q1 2022:**
  - **Free Cash Flow:** $28M, -81%; conversion of 11% of GAAP Net Earnings
  - **Adj. Free Cash Flow:** $40M, -75%; conversion of 34% of Adj. Net Earnings, reflecting increase in working capital due to return to typical Q1 working capital build trend and poor sales linearity from supply chain challenges
- **Net leverage ratio of 3.3x as of quarter end**
  - Lower cash balance reflects outflows for Accelerated Share Repurchase program and energy transition investment acquisitions
  - Remain committed to investment grade balance sheet
  - Earnings growth and strong free cash flow generation expected to reduce leverage ratio to below 3.0X by end of 2022

Note: Free Cash Flow, Adjusted Free Cash Flow, Free Cash Flow Conversion, Adjusted Free Cash Flow Conversion and Net Leverage Ratio are non-GAAP financial metrics. For a reconciliation to the most comparable GAAP metrics, see appendix.

Continue to Expect FY22 Adjusted FCF Conversion ~100%

Performance by Platform

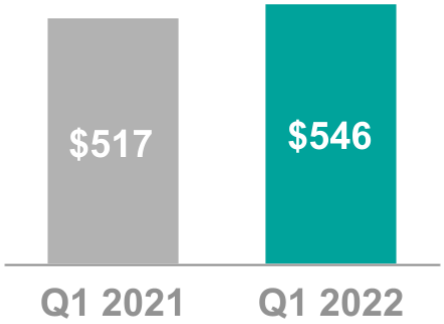
Mobility Technologies and other

GILBARCO VEEDER-ROOT · Teletrac Navman · GTT GLOBAL TRAFFIC TECHNOLOGIES · DRB

Revenue

+5.5%

Core (2.4)%



- DRB continuing to deliver strong DD growth
- Electronic component shortages constrained EMV sales conversion at GVR

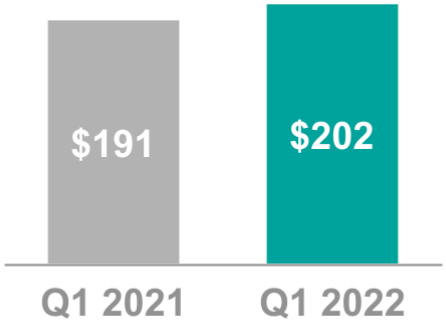
Diagnostics & Repair Technologies

MATCO TOOLS · HENNESSY INDUSTRIES

Revenue

+6.1%

Core +6.1%



- Strong growth in Diagnostic Tools and Tool Storage
- Backlog almost doubled Y-O-Y in DT due to supply chain challenges

Note: Revenue in $M. Core revenue growth is a non-GAAP financial metric. For a reconciliation to the most comparable GAAP metrics, see appendix.

HSD Non-EMV Core Revenue Growth & Strong FCF Conversion Drives Compounding EPS Growth Ahead of Revenue Growth

2022-2023 YoY	EMV Sunset	***HSD Non-EMV Core Revenue Growth***		
		Profitable Growth Initiatives	**Platform Strategies**	**Capital Deployment[1]**
Revenue Impact	-$300M to -$350M	+LDD YoY Core Growth	+HSD YoY Core Growth	~$100M
Incremental OP	~50%	>65%	>50%	>Fleet Average Gross Margin
EPS Contribution	**-$0.70 to -$0.80**	**$0.40 to $0.50**	**$0.20 to $0.30**	**$0.20 to $0.25**
		➢ Simplification and restructuring ➢ Strategic pricing ➢ Solution & product innovation ➢ High-growth markets ➢ Matco franchisee growth ➢ Teletrac Navman & Hennessy improvement	➢ Retail Solutions ➢ Digital Technologies ➢ Alternative Energy	✓ Strategic M&A ✓ Share Repurchase

[1]Assumes deploying ~$750M, split between M&A and share repurchases, 2Q22 through 2023

Thoughts on Q2 and FY22

Q2 Considerations

- Anticipate total revenue growth +MSD, core revenue flat, reflecting continued supply chain and component availability headwinds
- Expect flat adj. core OMX, excluding restructuring costs
- Expect adj. EPS of $0.68 - $0.72
- ETR ~23%

FY22 Considerations

- Anticipate total revenue growth +HSD, core revenue growth of +LSD to +MSD, despite EMV headwind closer to high end of range ($50M)
- Expect adj. core OMX of +30 to +60 bps, excluding restructuring costs
- Expect adj. EPS of $3.20 - $3.30, reflects $250M accelerated share repurchase program
- Expect adj. FCF conversion of ~100%
- ETR ~23%
- Share Count ~163M

Supplemental Reconciliation and Other Data

RECONCILIATION OF GROSS PROFIT TO ADJUSTED GROSS PROFIT AND ADJUSTED GROSS PROFIT MARGIN

$ in millions	Three Months Ended	
	April 1, 2022	April 2, 2021
Revenue (GAAP)	**$ 748.1**	**$ 707.4**
Gross Profit (GAAP)	**$ 335.3**	**$ 311.8**
Restructuring costs	0.3	—
Adjusted Gross Profit (Non-GAAP)	**$ 335.6**	**$ 311.8**
Gross Profit Margin (GAAP)	**44.8 %**	**44.1 %**
Restructuring costs	0.1 %	— %
Adjusted Gross Profit Margin (Non-GAAP)	**44.9 %**	**44.1 %**

RECONCILIATION OF OPERATING PROFIT TO ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN

$ in millions	Three Months Ended	
	April 1, 2022	April 2, 2021
Revenue (GAAP)	**$ 748.1**	**$ 707.4**
Operating Profit (GAAP)	**$ 134.8**	**$ 132.9**
Amortization of acquisition-related intangible assets	18.5	7.6
Restructuring costs	0.6	4.0
Transaction- and deal-related costs	7.1	1.8
Other charges	1.3	—
One-time costs related to separation	1.6	6.4
Normalization and other adjustments [(a)]	(0.3)	(1.3)
Adjusted Operating Profit (Non-GAAP)	**$ 163.6**	**$ 151.4**
Operating Profit Margin (GAAP)	**18.0%**	**18.8%**
Amortization of acquisition-related intangible assets	2.5%	1.1%
Restructuring costs	0.1%	0.6%
Transaction- and deal-related costs	0.9%	0.3%
Other charges	0.2%	—%
One-time costs related to separation	0.2%	0.9%
Normalization and other adjustments [(a)]	—%	(0.2)%
Adjusted Operating Profit Margin (Non-GAAP)	**21.9%**	**21.4%**

[(a)] Adjustment for standalone public company costs

RECONCILIATION OF ADJUSTED OPERATING PROFIT MARGIN EXPANSION

	Three Months Ended April 1, 2022
2021 Adjusted Operating Profit Margin (Non-GAAP)	**21.4%**
Core (Non-GAAP)	0.2%
Acquisitions (Non-GAAP)	0.3%
2022 Adjusted Operating Profit Margin (Non-GAAP)	**21.9%**

RECONCILIATION OF NET EARNINGS TO ADJUSTED NET EARNINGS

$ in millions	Three Months Ended	
	April 1, 2022	April 2, 2021
Net Earnings (GAAP)	**$ 250.2**	**$ 91.0**
Amortization of acquisition-related intangible assets	18.5	7.6
Restructuring costs	0.6	4.0
Transaction- and deal-related costs	7.1	1.8
Earnings attributable to noncontrolling interests	—	0.1
Gain on previously held equity interests from combination of business	(32.7)	—
Unrealized gain on equity securities measured at fair value	(163.0)	—
Other charges	1.3	—
Non-cash write-off of deferred financing costs	—	3.2
One-time costs related to separation	1.6	6.4
Normalization and other adjustments [(a)]	(0.3)	(1.3)
Tax effect of the Non-GAAP adjustments [(b)]	32.1	(5.1)
Other tax adjustment	0.5	—
Adjusted Net Earnings (Non-GAAP)	**$ 115.9**	**$ 107.7**

[(a)] Adjustment for standalone public company costs

[(b)] Tax effect calculated using an estimated adjusted effective tax rate for each respective period. The gain on previously held equity interests from combination of business is non-taxable income and therefore the tax effect of the adjustments only includes the other adjustments noted.

RECONCILIATION OF DILUTED NET EARNINGS PER SHARE TO ADJUSTED DILUTED NET EARNINGS PER SHARE

	Three Months Ended	
	April 1, 2022	April 2, 2021
Diluted Net Earnings per Share (GAAP)	**$ 1.50**	**$ 0.54**
Amortization of acquisition-related intangible assets	0.11	0.04
Restructuring costs	—	0.02
Transaction- and deal-related costs	0.04	0.01
Earnings attributable to noncontrolling interests	—	—
Gain on previously held equity interests from combination of business	(0.20)	—
Unrealized gain on equity securities measured at fair value	(0.98)	—
Other charges	0.01	—
Non-cash write-off of deferred financing costs	—	0.02
One-time costs related to separation	0.01	0.04
Normalization and other adjustments [(a)]	—	(0.01)
Tax effect of the Non-GAAP adjustments [(b)]	0.19	(0.03)
Other tax adjustment	—	—
Adjusted Diluted Net Earnings per Share (Non-GAAP)	**$ 0.70**	**$ 0.63**
Average common stock and common equivalent shares outstanding - in millions	**166.5**	**169.7**

[(a)] Adjustment for standalone public company costs

[(b)] Tax effect calculated using an estimated adjusted effective rate for each respective period. The gain on previously held equity interests from combination of business is not tax deductible and therefore the tax effect of the adjustments includes only the other adjustments noted

Note: The sum of the components of Adjusted Diluted Net Earnings per Share may not equal due to rounding

FORECASTED ADJUSTED DILUTED NET EARNINGS PER SHARE

	Three Months Ended July 1, 2022		Year Ended December 31, 2022	
	Low End	High End	Low End	High End
Forecasted Diluted Net Earnings Per Share	**$ 0.57**	**$ 0.61**	**$ 3.72**	**$ 3.82**
Anticipated amortization of acquisition-related intangible assets	0.12	0.12	0.47	0.47
Anticipated restructuring costs	0.04	0.04	0.09	0.09
Anticipated one-time costs, net of normalization [(a)]	0.01	0.01	0.04	0.04
Transaction- and deal-related costs	—	—	0.04	0.04
Other charges	—	—	0.01	0.01
Gain on previously held equity interests from combination of business	—	—	(0.20)	(0.20)
Unrealized gain on equity interests measured at fair value	—	—	(1.00)	(1.00)
Tax effect of the Non-GAAP adjustments and other tax adjustment [(b)]	(0.06)	(0.06)	0.03	0.03
Forecasted Adjusted Diluted Net Earnings Per Share (Non-GAAP)	**$ 0.68**	**$ 0.72**	**$ 3.20**	**$ 3.30**

[(a)] Adjustment for standalone public company costs

[(b)] Tax effect calculated using an estimated adjusted effective rate for each respective period. The gain on previously held equity interests from combination of business is non-taxable income and therefore the tax effect of the adjustments only includes the other adjustments noted.

Note: The sum of the components of Forecasted Adjusted Diluted Net Earnings per Share may not equal due to rounding.

RECONCILIATION OF OPERATING CASH FLOWS TO FREE CASH FLOW AND FREE CASH FLOW CONVERSION

	Three Months Ended		
$ in millions	**April 1, 2022**	**April 2, 2021**	**% Change**
Operating Cash Flows (GAAP)	**$ 41.3**	**$ 163.3**	**(74.7)%**
Less: Purchases of property, plant & equipment (capital expenditures)	(12.9)	(11.0)	
Free Cash Flow (Non-GAAP)	**$ 28.4**	**$ 152.3**	**(81.4)%**
Net Earnings (GAAP)	**$ 250.2**	**$ 91.0**	
Free Cash Flow Conversion Ratio (Non-GAAP)	**11 %**	**167 %**	

RECONCILIATION OF OPERATING CASH FLOWS TO ADJUSTED FREE CASH FLOW AND ADJUSTED FREE CASH FLOW CONVERSION

	Three Months Ended		
$ in millions	**April 1, 2022**	**April 2, 2021**	**% Change**
Operating Cash Flows (GAAP)	**$ 41.3**	**$ 163.3**	**(74.7)%**
Less: Purchases of property, plant & equipment (capital expenditures)	(12.9)	(11.0)	
Free Cash Flow (Non-GAAP)	**$ 28.4**	**$ 152.3**	**(81.4)%**
One-time costs related to separation	0.1	3.7	
Restructuring costs	4.4	2.9	
Other charges	0.9	—	
Transaction- and deal-costs	6.1	1.0	
Adjusted Free Cash Flow (Non-GAAP)	**$ 39.9**	**$ 159.9**	**(75.0)%**
Adjusted Net Earnings (Non-GAAP)	**$ 115.9**	**$ 107.7**	
Adjusted Free Cash Flow Conversion Ratio (Non-GAAP)	**34 %**	**148 %**	

[(a)] Adjustment for standalone public company costs

COMPONENTS OF REVENUE GROWTH

Components of Revenue Growth	% Change Three Months Ended April 1, 2022 vs. Comparable 2021 Period
Total Revenue Growth (GAAP)	**5.7%**
Core revenue growth (Non-GAAP)	(0.1)%
Impact of acquisitions (Non-GAAP)	7.2%
Impact of currency exchange rates (Non-GAAP)	(1.4)%

COMPONENTS OF REVENUE GROWTH BY PLATFORM

	% Change Three Months Ended April 1, 2022 vs. Comparable 2021 Period	
Components of Revenue Growth	**Mobility Technologies**	**Diagnostics & Repair Technologies**
Total Revenue Growth (GAAP)	**5.5%**	**6.1%**
Core revenue growth (Non-GAAP)	(2.4)%	6.1%
Impact of acquisitions (Non-GAAP)	9.8%	—%
Impact of currency exchange rates (Non-GAAP)	(1.9)%	—%

NET LEVERAGE RATIO AND RECONCILIATION FROM NET EARNINGS TO EBITDA TO ADJUSTED EBITDA

Total Debt	$	2,604.2
Less: Cash		(145.1)
Net Debt	**$**	**2,459.1**
Adjusted EBITDA (Non-GAAP)	$	740.0
Net Leverage Ratio		**3.3**

	Three Months Ended		Year Ended	LTM
$ in millions	**April 2, 2021**	**April 1, 2022**	**December 31, 2021**	**April 1, 2022**
Net Earnings (GAAP)	**$ 91.0**	**$ 250.2**	**$ 413.0**	**$ 572.2**
Interest expense, net	10.4	12.9	47.8	50.3
Income tax expense	28.1	67.3	121.0	160.2
Depreciation and amortization expense	19.8	29.1	88.3	97.6
EBITDA (Non-GAAP)	**149.3**	**359.5**	**670.1**	**880.3**
Restructuring costs	4.0	0.6	13.1	9.7
Transaction- and deal-related costs	1.8	7.1	11.4	16.7
Amortization of acquisition-related inventory fair value step-up	—	—	6.8	6.8
Gain on previously held equity interests from combination of business	—	(32.7)	—	(32.7)
Unrealized gain on securities measured at fair value	—	(163.0)	—	(163.0)
Gain on settlement of investment	—	—	(3.3)	(3.3)
Earnings attributable to noncontrolling interests	0.1	—	(3.2)	(3.3)
Other charges	—	1.3	15.0	16.3
One-time costs related to separation	6.4	1.6	17.1	12.3
Non-cash write-off of deferred financing costs	3.2	—	3.4	0.2
Adjusted EBITDA (Non-GAAP)	**$ 164.8**	**$ 174.4**	**$ 730.4**	**$ 740.0**