



A DIVERSIFIED TECHNOLOGY COMPANY

Q2 2019 FINANCIAL RESULTS

JULY 25, 2019

SIMPLE IDEAS. POWERFUL RESULTS.

SAFE HARBOR STATEMENT



The information provided in this presentation contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements may include, among others, statements regarding operating results, the success of our internal operating plans, and the prospects for newly acquired businesses to be integrated and contribute to future growth, profit and cash flow expectations. Forward-looking statements may be indicated by words or phrases such as "anticipate," "estimate," "plans," "expects," "projects," "should," "will," "believes" or "intends" and similar words and phrases. These statements reflect management's current beliefs and are not guarantees of future performance. They involve risks and uncertainties that could cause actual results to differ materially from those contained in any forward-looking statement. Such risks and uncertainties include our ability to identify and complete acquisitions consistent with our business strategies, integrate acquisitions that have been completed, realize expected benefits and synergies from, and manage other risks associated with, the newly acquired businesses. We also face general risks, including our ability to realize cost savings from our operating initiatives, general economic conditions and the conditions of the specific markets in which we operate, changes in foreign exchange rates, difficulties associated with exports, risks associated with our international operations, increased product liability and insurance costs, increased warranty exposure, future competition, changes in the supply of, or price for, parts and components, environmental compliance costs and liabilities, risks and cost associated with asbestos related litigation and potential write-offs of our substantial intangible assets, and risks associated with obtaining governmental approvals and maintaining regulatory compliance for new and existing products. Important risks may be discussed in current and subsequent filings with the SEC. You should not place undue reliance on any forward-looking statements. These statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

We refer to certain non-GAAP financial measures in this presentation. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found within this presentation.

Today's Conference Call Will Discuss Results Primarily on an Adjusted (Non-GAAP) Basis. The Q2 Results are Adjusted for the Following Items:

- (1) Acquisition-Related Intangible Amortization Expense
- (2) Purchase Accounting Adjustment to Acquired Deferred Revenue
- (3) Transaction-Related Expenses for the Foundry Acquisition
- (4) Adjustment to Income Tax Expense Related to the Gain on Sale of Scientific Imaging Businesses

See Appendix and Press Release for Reconciliations from GAAP to Adjusted Results



- Q2 Enterprise Highlights and Financial Results
- Segment Detail & Outlook
- Q3 & FY 2019 Enterprise Guidance
- Q&A



- Record Q2 Results: Revenue, EBITDA, Net Earnings, Cash Flow
- Revenue +3% to \$1.33B; Organic +2%
- Gross Margin +90 Bps to 64.0%
- EBITDA +5% to \$471M; EBITDA Margin +70 Bps to 35.3%
- DEPS +6% to \$3.07
- Operating Cash Flow +13% to \$301M; Free Cash Flow +14% to \$286M
- Completed Acquisition and Successful Onboarding of Foundry

Continued Strong Execution and Excellent Cash Performance

Q2 INCOME STATEMENT METRICS



	Q2'18	Q2'19	
Revenue	\$1,296	\$1,332	+3%; Organic +2%
Gross Profit	\$818	\$852	
Gross Margin	63.1%	64.0%	+90 bps
EBITDA	\$449	\$471	+5%
EBITDA Margin	34.6%	35.3%	+70 bps
Interest Expense	\$43	\$45	
Tax Rate	23.1%	21.9%	
Net Earnings	\$302	\$323	
DEPS	\$2.89	\$3.07	+6%

In \$ millions, except DEPS.

Results are presented on an Adjusted (Non-GAAP) basis. See appendix of this presentation and press release for reconciliations from GAAP to Adjusted results.

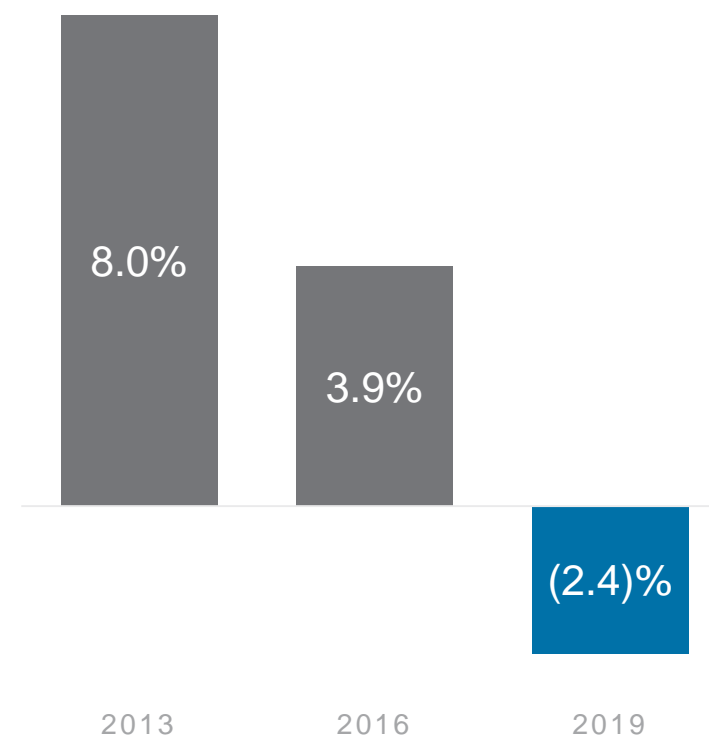
ASSET-LIGHT BUSINESS MODEL



NET WORKING CAPITAL ⁽¹⁾⁽²⁾ AS % OF Q2 ANNUALIZED REVENUE

	<u>6/30/13</u>	<u>6/30/16</u>	<u>6/30/19</u>
(I) Inventory	6.3%	5.1%	4.3%
(R) Receivables	19.7%	16.9%	17.3%
<hr/>			
(P) Payables & Accruals	11.3%	10.6%	10.5%
(D) Deferred Revenue	6.7%	7.5%	13.5%
Total (I+R-P-D)	8.0%	3.9%	(2.4)%

HISTORICAL TREND



Note: Percentages may not sum correctly due to rounding.

Negative Net Working Capital Accelerates Cash Flow Compounding

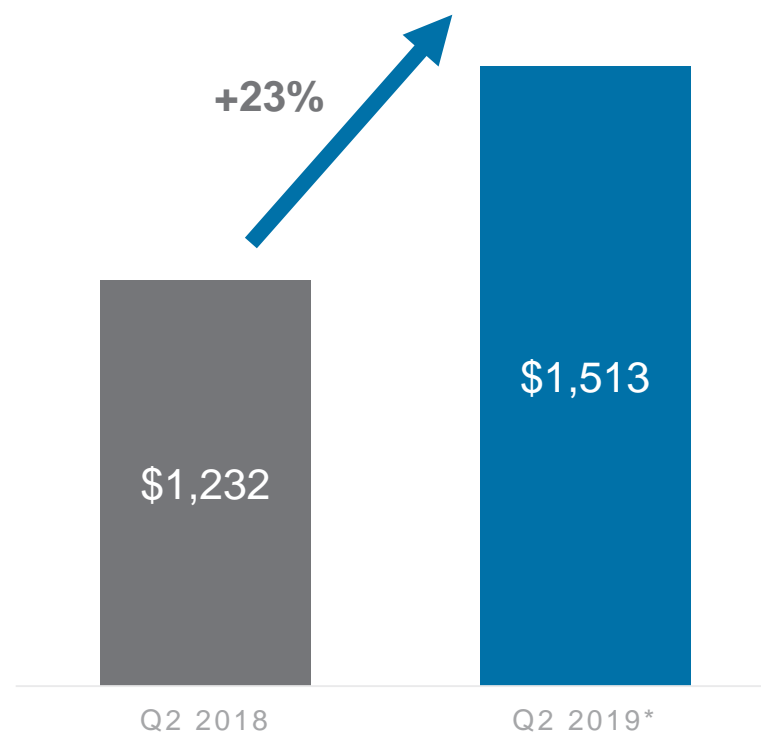
1) Defined as Inventory + A/R + Unbilled Receivables – A/P – Accrued Liabilities – Deferred Revenue; Excludes Acquisitions & Divestitures Completed in Each Quarter, Dividend Accrual, and Current Operating Lease Liabilities.

2) Includes assets and liabilities that have been classified as held-for-sale on Roper's balance sheet.

- Q2 Operating Cash Flow: \$301M
 - +13% vs Prior Year
- Q2 Free Cash Flow: \$286M
 - +14% vs Prior Year
- TTM Operating Cash Flow: \$1.51B*
 - +23% vs Prior Year
 - 28% of Revenue

TTM OPERATING CASH FLOW

in \$ millions



Cash Remains the Best Measure of Performance

* Adjusted for Cash Taxes from Sale of Scientific Imaging Businesses, See Reconciliation in Appendix.

Free Cash Flow = Operating Cash Flow less Capital Expenditures and Capitalized Software

Results are presented on an Adjusted (Non-GAAP) basis. See appendix of this presentation and press release for reconciliations from GAAP to Adjusted results.

STRONG FINANCIAL POSITION



	6/30/18	6/30/19	V to PY
Cash	\$422	\$321	
Gross Debt	\$5,623	\$4,721	(\$902)
Net Debt	\$5,202	\$4,400	
TTM EBITDA	\$1,686	\$1,877	+\$191
Gross Debt-to-EBITDA (TTM)	3.3x	2.5x	
Net Debt-to-EBITDA (TTM)	3.1x	2.3x	
Undrawn on \$2.5B Revolver	\$765	\$1,860	

Well Positioned for Continued Capital Deployment

SEGMENT DETAIL & OUTLOOK

Q2 HIGHLIGHTS

- Accelerated Adoption of Deltek SaaS Offerings for Professional Services and GovCon End Markets; Greater Mix of SaaS vs Prior Year - as Expected
- Double-Digit Aderant Growth; Continued Share Gains and Adoption of New SaaS Solutions for Law Firms
- Recurring Revenue Growth at PowerPlan due to Continued Strong Retention and Expanding Customer Base
- Continued Strength at CBORD; Excellent Cash Performance
- Expanding Customer Base at Strata; Strong Renewals and Adoption of New Products Drove Continued Growth

Q2 RESULTS

29% of Roper Revenue

Revenue	\$391	+9% vs PY +2% Organic
EBITDA	\$155	+3% vs PY 39.7% Margin

2ND HALF OUTLOOK

- 4 – 6% Organic for the Segment
 - Deltek Comps Normalize

Q2 HIGHLIGHTS

- Outstanding and Continued Growth at Freight Matching SaaS Businesses; Strong Demand for Rate Data Offering
- Network Expansion and New Contracted Product Growth at MHA
- SoftWriters Growth in Alternate Site Healthcare Markets
- iTradeNetwork HSD Growth from Strong Renewals and Trading Partner Adds
- Record Quarter for RF Ideas; Continued Growth in Healthcare Identity Access and Secure Print Solutions
- TransCore's Proprietary Technology, Used in Gentex's Integrated Tolling Module, Began Shipping in Select New Vehicles
- Successful Onboarding of Foundry; Strong Start

Q2 RESULTS

28% of Roper Revenue

Revenue	\$368	+10% vs PY +6% Organic
EBITDA	\$159	+14% vs PY 43.2% Margin

2ND HALF OUTLOOK

- 4 – 6% Organic for the Segment
 - TransCore New Project Pipeline Remains Strong; Timing Difficult to Forecast

Q2 HIGHLIGHTS

- Another Record Quarter for Neptune; Customer Intimacy and Product Innovations Drove Continued Share Gains
- NDI Continued Strong Growth from Optical and Electromagnetic Measurement Systems
- Verathon Growth Led by Recurring GlideScope Consumables Revenue and Demand for New BladderScan
- Niche Ultrasound Guidance and Infection Control Products Drove Continued CIVCO Medical Solutions Growth
- Industrial Businesses (25% of Segment) Impacted by Short Cycle Pause Late in the Quarter
- Gatan Performed as Expected; Divestiture Agreement Terminated

Q2 RESULTS

31% of Roper Revenue

Revenue	\$408	(4)% vs PY +2% Organic
EBITDA	\$140	+1% vs PY 34.3% Margin

2ND HALF OUTLOOK

- 1 – 3% Organic for the Segment
 - Medical Products and Neptune: MSD+ Growth
 - Short Cycle Industrial Businesses Down HSD; No 2H Recovery Assumed
 - Gatan Expected to Add ~\$0.20 to 2nd Half with Modest Organic Declines Against Record 2018 Comps; Sale Process Continues

Q2 HIGHLIGHTS

- Upstream O&G Businesses Declined, as Expected, Against Challenging Comps
- Nimble Execution Drove Strong Segment Margin Performance
- CCC LNG New Project Pipeline Remains Strong
- Record Quarter at Metrix; Demand for Vibration Monitoring Systems and Controls Across Multiple End Markets

Q2 RESULTS

12% of Roper Revenue

Revenue	\$164	(6)% vs PY (5)% Organic
EBITDA	\$60	(1)% vs PY 36.6% Margin

2ND HALF OUTLOOK

- (1 – 3)% Organic for the Segment
 - Easing Prior Year Comps in Q4 vs Q3

GUIDANCE UPDATE

- Updating Full Year 2019 Guidance
 - Adjusted DEPS: \$12.94 - \$13.06
 - Previously \$12.70 - \$13.00
 - Now Includes Gatan for Full Year
 - FY Organic Revenue Growth Outlook: ~4%
 - Previously 4 – 5%
 - Tax Rate: ~21% for 2nd Half
- Establishing Q3 2019 Guidance
 - Adjusted DEPS: \$3.16 - \$3.20

- Diversified Portfolio of Businesses Delivered Another Excellent Quarter
 - EBITDA +5% to \$471M; EBITDA Margin +70 Bps to 35.3%
 - DEPS +6% to \$3.07
 - Operating Cash Flow +13% to \$301M; Free Cash Flow +14% to \$286M
 - Organic Growth, High Recurring Revenue, Margin Expansion, Negative Net Working Capital and Acquisitions Fuel Outstanding Cash Performance
- Balance Sheet Strategically Positioned for Capital Deployment and Continued Cash Flow Compounding
 - Net Debt-to-EBITDA: 2.3x
 - Upgraded by Moody's to Baa2; S&P BBB+
 - Active Pipeline of High-Quality Acquisition Opportunities

Remain On Track for Another Record Year

APPENDIX

RECONCILIATIONS I



Adjusted Revenue Growth Reconciliation

Q2 2019	Application Software	Network Software & Systems	Measurement & Analytical Solutions	Process Technologies	Roper
Organic Growth	2%	6%	2%	(5%)	2%
Acquisitions/Divestitures	8%	4%	(5%)	-	2%
Foreign Exchange	(1%)	-	(1%)	(2%)	(1%)
Rounding	-	-	-	1%	-
Total Adjusted Revenue Growth	9%	10%	(4%)	(6%)	3%

Adjusted Gross Margin Reconciliation (\$M)

	Q2 2018	Q2 2019	V% / Bps
GAAP Revenue	\$ 1,294	\$ 1,330	3%
Purchase accounting adjustment to acquired deferred revenue	2	2 ^A	
Adjusted Revenue	\$ 1,296	\$ 1,332	3%
GAAP Gross Profit	\$ 816	\$ 850	
Purchase accounting adjustment to acquired deferred revenue	2	2 ^A	
Adjusted Gross Profit	\$ 818	\$ 852	4%
GAAP Gross Margin	63.1%	63.9%	+80 bps
Adjusted Gross Margin	63.1%	64.0%	+90 bps

RECONCILIATIONS II



Adjusted EBITDA Reconciliation (\$M)

	<u>Q2 2018</u>	<u>Q2 2019</u>	<u>V% / Bps</u>
GAAP Revenue	\$ 1,294	\$ 1,330	3%
Purchase accounting adjustment to acquired deferred revenue	2	2 ^A	
Adjusted Revenue	<u>\$ 1,296</u>	<u>\$ 1,332</u>	<u>3%</u>
GAAP Net Earnings	228	250	
Taxes	85	73	
Interest Expense	43	45	
Depreciation	13	12	
Amortization	78	87	
EBITDA	<u>\$ 447</u>	<u>\$ 466</u>	<u>4%</u>
Purchase accounting adjustment to acquired deferred revenue	2	2 ^A	
Transaction-related expenses for the Foundry acquisition ^B	-	3	
Adjusted EBITDA	<u>\$ 449</u>	<u>\$ 471</u>	<u>5%</u>
% of Adjusted Revenue	34.6%	35.3%	+70 bps

	<u>TTM Q2'18</u>	<u>TTM Q2'19</u>	<u>V% / Bps</u>
GAAP Net Earnings	1,074	1,124	
Taxes	63	247	
Interest Expense	175	184	
Depreciation	50	48	
Amortization	301	334	
EBITDA	<u>\$ 1,664</u>	<u>\$ 1,937</u>	<u>16%</u>
Purchase accounting adjustment to acquired deferred revenue	24	6	
Gain on sale of Scientific Imaging businesses	-	(120)	
Purchase accounting adjustment for commission expense	(2)	(1)	
One-time expense for accelerated vesting	-	35	
Debt extinguishment charge	-	16	
Transaction-related expenses for the Foundry acquisition ^B	-	3	
Adjusted EBITDA	<u>\$ 1,686</u>	<u>\$ 1,877</u>	<u>11%</u>

Note: Numbers may not foot due to rounding.

RECONCILIATIONS III



Adjusted Net Earnings Reconciliation (\$M) ^C

	<u>Q2 2018</u>	<u>Q2 2019</u>	<u>V %</u>
GAAP Net Earnings	\$ 228	\$ 250	9%
Purchase accounting adjustment to acquired deferred revenue	1	1 ^A	
Amortization of acquisition-related intangible assets ^D	61	68	
Transaction-related expenses for the Foundry acquisition ^B	-	3	
Adjustment to income tax expense related to the gain on sale of Scientific Imaging businesses ^E	-	1	
Recognition of deferred tax expense due to held-for-sale classification of Gatan	10	-	
Measurement period adjustment to 2017 provisional income tax amounts resulting from the Tax Cuts and Jobs Act	1	-	
Adjusted Net Earnings	<u>\$ 302</u>	<u>\$ 323</u>	<u>7%</u>

Cash Flow Reconciliation (\$M)

	<u>Q2 2018</u>	<u>Q2 2019</u>	<u>V %</u>	<u>TTM Q2'18</u>	<u>TTM Q2'19</u>	<u>V %</u>
Operating Cash Flow	\$ 266	\$ 301	13%	\$ 1,232	\$ 1,473	20%
Add: Cash taxes paid on sale of Scientific Imaging businesses	-	-		-	39	
Adjusted Operating Cash Flow	\$ 266	\$ 301	13%	\$ 1,232	\$ 1,513	23%
Capital Expenditures	(13)	(12)		(47)	(54)	
Capitalized Software Expenditures	(3)	(3)		(10)	(10)	
Adjusted Free Cash Flow	<u>\$ 250</u>	<u>\$ 286</u>	<u>14%</u>	<u>\$ 1,176</u>	<u>\$ 1,449</u>	<u>23%</u>

RECONCILIATIONS IV



Adjusted DEPS Reconciliation ^C

	<u>Q2 2018</u>	<u>Q2 2019</u>	<u>V %</u>
GAAP DEPS	\$ 2.19	\$ 2.38	9%
Purchase accounting adjustment to acquired deferred revenue and commission expense	0.01	0.01 ^A	
Amortization of acquisition-related intangible assets ^D	0.58	0.65	
Transaction-related expenses for the Foundry acquisition ^B	-	0.03	
Adjustment to income tax expense related to the gain on sale of Scientific Imaging businesses ^E	-	0.01	
Recognition of deferred tax expense due to held-for-sale classification of Gatan	0.10	-	
Measurement period adjustment to 2017 provisional income tax amounts resulting from the Tax Cuts and Jobs Act	0.01	-	
Rounding	-	(0.01)	
Adjusted DEPS	<u>\$ 2.89</u>	<u>\$ 3.07</u>	<u>6%</u>

Forecasted Adjusted DEPS Reconciliation ^C

	<u>Q3 2019</u>		<u>Full Year 2019</u>	
	<u>Low End</u>	<u>High End</u>	<u>Low End</u>	<u>High End</u>
GAAP DEPS	\$ 2.50	\$ 2.54	\$ 11.15	\$ 11.27
Amortization of acquisition-related intangible assets ^D	0.65	0.65	2.58	2.58
Purchase accounting adjustment to acquired deferred revenue ^F	0.01	0.01	0.03	0.03
Gain on sale of Scientific Imaging businesses ^G	-	-	(0.85)	(0.85)
Transaction-related expenses for the Foundry acquisition ^B	-	-	0.03	0.03
Adjusted DEPS	<u>\$ 3.16</u>	<u>\$ 3.20</u>	<u>\$ 12.94</u>	<u>\$ 13.06</u>

Note: Numbers may not foot due to rounding.

RECONCILIATIONS V



Adjusted Segment Reconciliation (\$M)

	Application Software		Network Software & Systems		Measurement & Analytical Solutions		Process Technologies	
	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019
GAAP Revenue	\$ 358	\$ 391	\$ 334	\$ 367	\$ 426	\$ 408	\$ 176	\$ 164
Add: Onvia, PowerPlan, Foundry	2	-	-	2	-	-	-	-
Adjusted Revenue	360	391	334	368	426	408	176	164
GAAP Gross Profit	243	263	225	253	250	240	98	94
Add: Onvia, PowerPlan, Foundry	2	-	-	2	-	-	-	-
Adjusted Gross Profit	245	263	225	254	250	240	98	94
Adjusted Gross Margin	68.0%	67.2%	67.5%	69.1%	58.7%	58.8%	55.6%	57.4%
GAAP Operating Profit	98	98	116	129	128	130	58	57
Add: Onvia, PowerPlan, Foundry	2	-	-	2	-	-	-	-
Adjusted Operating Profit	100	98	116	131	128	130	58	57
Adjusted Operating Margin	27.7%	25.2%	34.6%	35.5%	30.1%	31.9%	32.8%	34.8%
Add Amortization	46	52	22	26	8	7	2	2
Adjusted EBITA	146	150	137	156	136	137	60	59
Add Depreciation	5	5	3	3	4	3	1	1
Adjusted EBITDA	151	155	140	159	139	140	61	60
Adjusted EBITDA Margin	41.8%	39.7%	42.0%	43.2%	32.8%	34.3%	34.6%	36.6%

- A. Q2'19 acquisition-related fair value adjustment to deferred revenue related to the acquisition of Foundry (\$2M pretax, \$1M after-tax).
- B. Transaction-related expenses for the Foundry acquisition (\$3M pretax, \$3M after-tax).
- C. All 2018 and 2019 adjustments taxed at 21%, except for the gain on sale of the Scientific Imaging businesses which was taxed at 25%.
- D. Actual results and forecast of estimated amortization of acquisition-related intangible assets (\$M, except per share data); for comparison purposes, prior period amounts are also shown below. Tax rate of 21% applied to amortization.

	<u>Q2 2018A</u>	<u>Q2 2019A</u>	<u>Q3 2019E</u>	<u>FY 2019E</u>
Pretax	\$77	\$86	\$87	\$343
After-tax	\$61	\$68	\$69	\$271
Per share	\$0.58	\$0.65	\$0.65	\$2.58

- E. Adjustment to income tax expense related to sale of Scientific Imaging businesses (\$1M).
- F. Forecasted acquisition-related fair value adjustments to acquired deferred revenue of Foundry and PowerPlan as shown below (\$M, except per share data).

	<u>Q3 2019E</u>	<u>FY 2019E</u>
Pretax	\$1	\$5
After-tax	\$1	\$4
Per Share	\$0.01	\$0.03

- G. Gain on sale of Scientific Imaging businesses (\$120M pretax, \$89M after-tax).



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