



A DIVERSIFIED TECHNOLOGY COMPANY

Q4 2019 FINANCIAL RESULTS

JANUARY 30, 2020

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, cybersecurity and data privacy risks, 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 Q4 Results are Adjusted for the Following Items:

- (1) Acquisition-Related Intangible Amortization Expense
- (2) Purchase Accounting Adjustment to Acquired Deferred Revenue
- (3) Gain on Sale Related to the Divestiture of Gatan

See Appendix for Reconciliations from GAAP to Adjusted Results



- 2019 Highlights & Financial Results
- 2019 Segment Detail & 2020 Segment Outlook
- 2020 Guidance
- Q&A

- Revenue +2% to \$1.40B; Organic +1%
 - Positive Organic Growth in Three of Four Segments
 - Short Cycle and Upstream O&G Declined, as Expected
- Gross Margin +60 Bps to 64.1%
- EBITDA +4% to \$518M; EBITDA Margin +100 Bps to 37.0%
- DEPS +5% to \$3.39
- Free Cash Flow of \$453M; 32% of Revenue
- Completed Divestiture of Gatan on October 29th

Strong Quarter; Gatan Divestiture Completed

Q4 INCOME STATEMENT METRICS



	Q4'18	Q4'19	
Revenue	\$1,378	\$1,400	+2%; Organic +1%
Gross Profit	\$874	\$898	+3%
Gross Margin	63.5%	64.1%	+60 bps
EBITDA	\$496	\$518	+4%
EBITDA Margin	36.0%	37.0%	+100 bps
Interest Expense	\$47	\$49	
Tax Rate	22.8%	21.6%	
Net Earnings	\$336	\$356	
DEPS	\$3.22	\$3.39	+5%

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.

Q4 SEGMENT RESULTS



APPLICATION SOFTWARE

29% of Roper Revenue

Revenue	\$411	+4% vs PY +2% Organic
EBITDA	\$164	40.0% Margin

- Deltek Organic Growth Tempered by Perpetual Deal Timing; Strong SaaS Bookings Growth
- EBITDA Margin Expanded 190 Bps

NETWORK SOFTWARE & SYSTEMS

31% of Roper Revenue

Revenue	\$431	+21% vs PY +3% Organic
EBITDA	\$196	45.5% Margin

- Network Software Organic Revenue +6%; Broad-Based Growth
- TransCore Declined on Project Timing

MEASUREMENT & ANALYTICAL SOLUTIONS

28% of Roper Revenue

Revenue	\$388	(13)% vs PY +1% Organic
EBITDA	\$136	35.1% Margin

- Neptune and Medical Products Growth
- Short Cycle Industrial Declined, as Expected

PROCESS TECHNOLOGIES

12% of Roper Revenue

Revenue	\$170	(7)% vs PY (6)% Organic
EBITDA	\$66	38.7% Margin

- Revenue Declined as Expected Driven by Upstream O&G

FULL YEAR INCOME STATEMENT METRICS



	FY'18	FY'19	
Revenue	\$5,199	\$5,377	+3%; Organic +3%
Gross Profit	\$3,287	\$3,438	+5%
Gross Margin	63.2%	63.9%	+70 bps
EBITDA	\$1,806	\$1,925	+7%
EBITDA Margin	34.7%	35.8%	+110 bps
Interest Expense	\$182	\$187	
Tax Rate	21.5%	18.7%	
Net Earnings	\$1,233	\$1,371	
DEPS	\$11.81	\$13.05	+10%

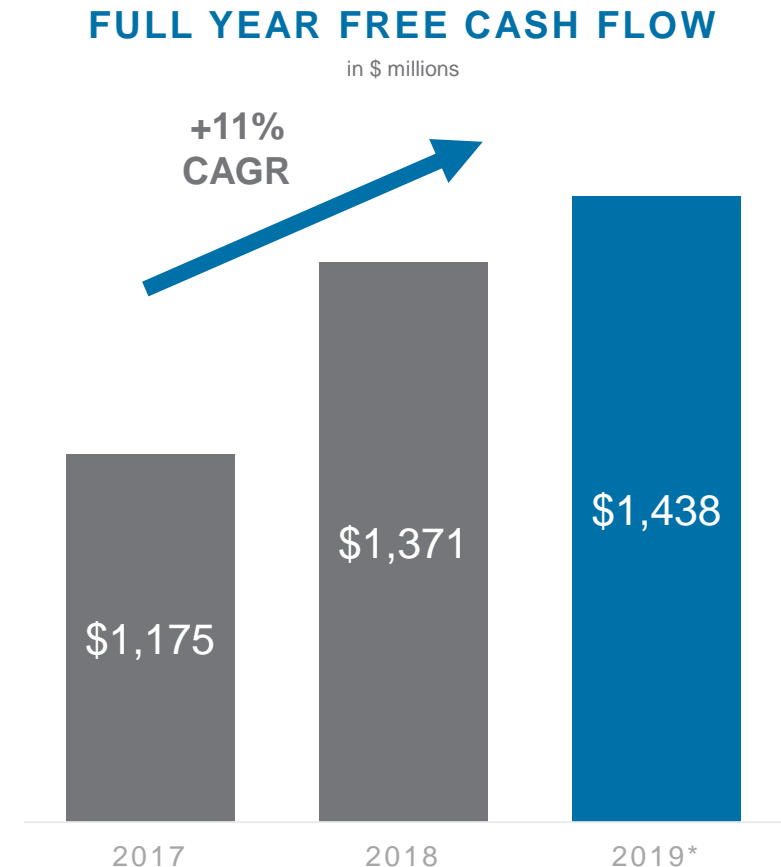
In \$ millions, except DEPS.

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

2019 CASH FLOW PERFORMANCE



- Q4 Free Cash Flow: \$453M
 - 32% of Revenue
- FY Operating Cash Flow: \$1.50B*
 - +5% vs Prior Year
 - 28% of Revenue
- FY Free Cash Flow: \$1.44B*
 - +5% vs Prior Year
 - 27% of Revenue



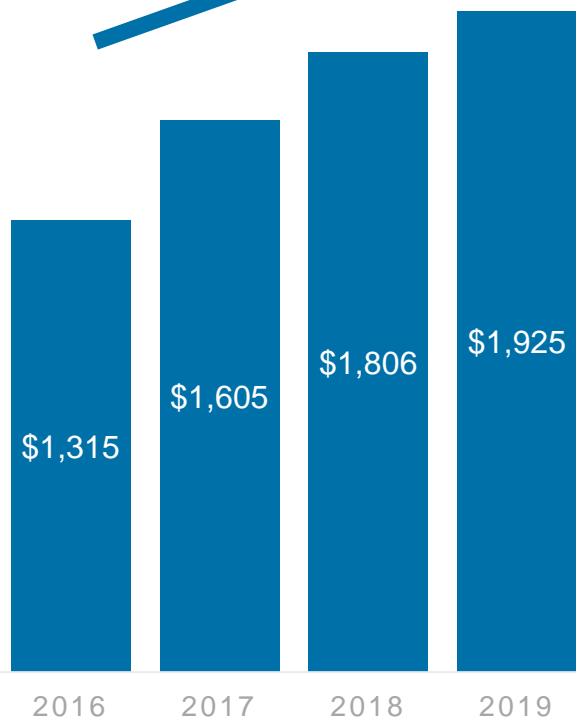
Cash Remains the Best Measure of Performance

CONSISTENT CASH FLOW COMPOUNDING



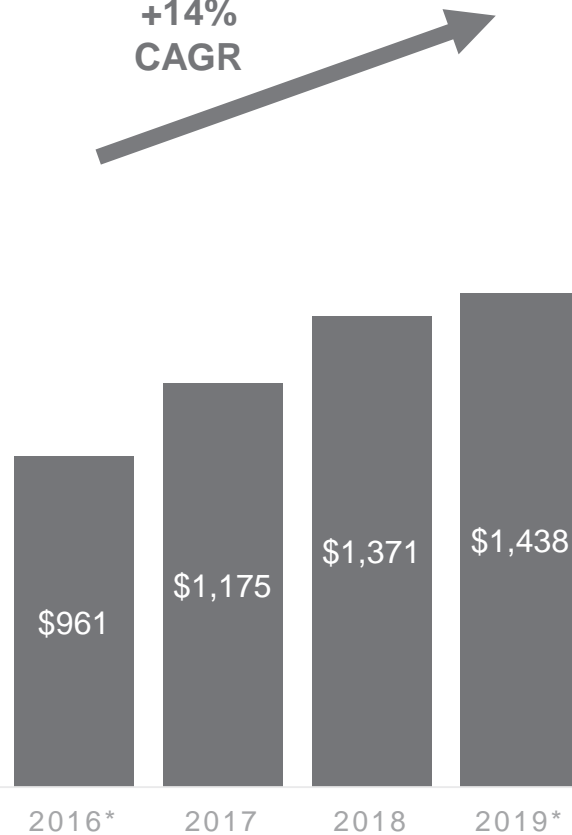
EBITDA

+14%
CAGR

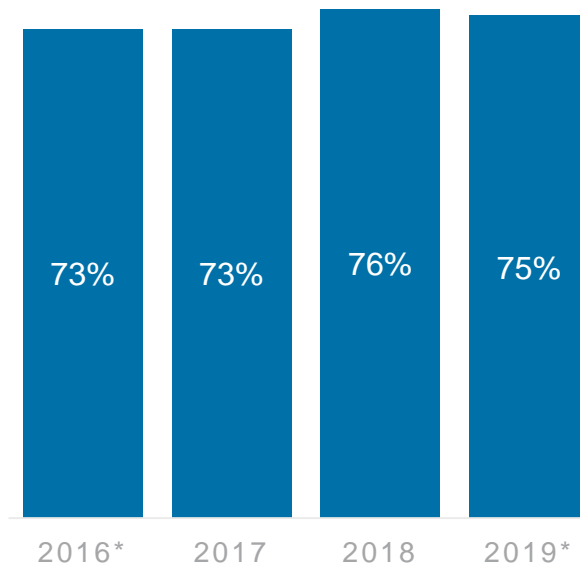


FREE CASH FLOW

+14%
CAGR



FREE CASH FLOW % OF EBITDA



* Adjusted for Cash Taxes from Sale of Abel (2016) and Scientific Imaging Businesses (2019), 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.

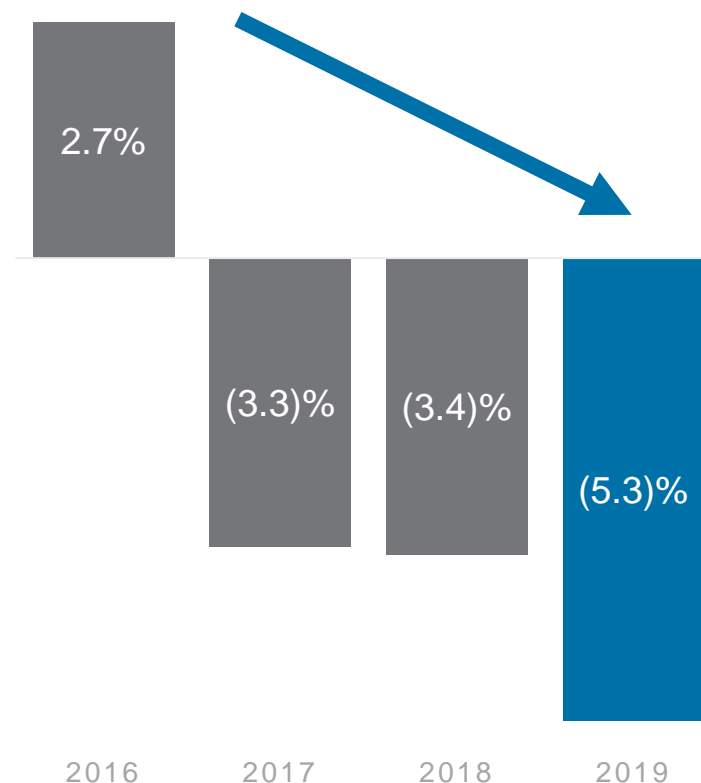
ASSET-LIGHT BUSINESS MODEL



NET WORKING CAPITAL ^{(1) (2)} AS % OF Q4 ANNUALIZED REVENUE

	<u>Q4'16</u>	<u>Q4'17</u>	<u>Q4'18</u>	<u>Q4'19</u>
(I) Inventory	4.6%	4.2%	4.1%	3.6%
(R) Receivables	16.3%	16.0%	16.7%	17.8%
<hr/>				
(P) Payables & Accruals	10.9%	12.0%	11.9%	11.6%
(D) Deferred Revenue	7.2%	11.4%	12.2%	15.1%
<hr/>				
Total (I+R-P-D)	2.7%	(3.3)%	(3.4)%	(5.3)%

Note: Percentages may not sum correctly due to rounding.



Negative Net Working Capital Remains a Source of Cash

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.

STRONG FINANCIAL POSITION



	12/31/18	12/31/19	V to PY
Cash	\$364	\$710	
Gross Debt	\$4,942	\$5,275	
Net Debt	\$4,578	\$4,566	(\$12)
TTM EBITDA	\$1,806	\$1,925	+\$119
Gross Debt-to-EBITDA (TTM)	2.7x	2.7x	
Net Debt-to-EBITDA (TTM)	2.5x	2.4x	
Drawn on \$2.5B Revolver	\$865	\$0	

Significant Capacity for Continued Capital Deployment

SEGMENT DETAIL & OUTLOOK

FY 2019 HIGHLIGHTS

- MSD Organic Revenue Growth at Deltek
 - Increased SaaS Adoption in GovCon and Professional Services End Markets
 - Successful Integration of ComputerEase and Avitru Acquisitions
- Another Year of Double-Digit Growth at Aderant
 - Acquired Bellefield Systems in Q4; Enhances SaaS Offering with Leading Compliance and Timekeeping Solutions
- Strong Recurring Revenue Growth at PowerPlan; Professional Services Declined Against Difficult Comp (Lease Accounting)
- Outstanding Growth at Strata Driven by Hospital Decision Support SaaS; Launched StrataSphere™ Data Network
- Lab Software: Sunquest Revenue Declined as Expected, Partially Offset by Continued Growth at CliniSys and Data Innovations
- Great Year for CBORD: Strong Growth, Excellent Cash Performance

FY 2019 RESULTS

30% of Roper Revenue

Revenue	\$1,589	+9% vs PY +4% Organic
EBITDA	\$636	+10% vs PY 40.0% Margin

FY 2020 OUTLOOK

- MSD Segment Organic Revenue Growth
- Double-Digit Deltek ACV Bookings Provide Momentum

FY 2019 HIGHLIGHTS

- Completed Successful Acquisition and Onboarding of Foundry and iPipeline; Strong Performance from Both Businesses
- Excellent DAT Growth from Continued Network Expansion and Increased Demand for Rate Data Offering
- Great MHA Year Driven by Network Expansion and New Contracted Product Growth
- ConstructConnect New Platform Successfully Launched
- Strong Renewals and New Customer Adds Drove Continued Growth at iTradeNetwork
- TransCore Awarded Contract for New York City Central Business District Tolling Program

FY 2019 RESULTS

29% of Roper Revenue

Revenue	\$1,539	+14% vs PY +5% Organic
EBITDA	\$681	+17% vs PY 44.3% Margin

FY 2020 OUTLOOK

- Mid-Teens Segment Organic Revenue Growth
 - Continued MSD+ for Network Software
 - TransCore Driven by NYC
- Q1: MSD Organic Growth
 - LSD Excluding TransCore; Difficult Q1'19 Comp for MHA
 - Majority of TransCore Growth in Q2 - Q4 Based on NYC Project Timeline

FY 2019 HIGHLIGHTS

- Strong Execution Across Medical Product Businesses: Grew HSD
 - Another Terrific Year for Northern Digital (NDI) from Continued Adoption of Precision Measurement Applications
 - Verathon Growth Driven by Product Launches Including New Single-Use Bronchoscope Line; Built Great Momentum for 2020 and Beyond
 - Continued CIVCO Medical Solutions Growth from Niche Ultrasound Guidance and Infection Control Products
- MSD Neptune Growth; Increased Demand for New Ultrasonic Meters Encouraging
- Strong Margin Execution Amid Challenging Market Conditions for Short Cycle Industrial Businesses; Declines Moderated in Q4
- Successful Divestiture of Scientific Imaging and Gatan Businesses; Combined \$1.2B Pretax Proceeds

FY 2019 RESULTS

30% of Roper Revenue

Revenue	\$1,596	(6)% vs PY +2% Organic
EBITDA	\$541	(4)% vs PY 33.9% Margin

FY 2020 OUTLOOK

- MSD Segment Organic Revenue Growth
 - Industrial Declines in H1; Comps Ease in H2

FY 2019 HIGHLIGHTS

- Upstream O&G Businesses Declined HSD due to Deteriorating Market Conditions
- CCC Growth from New Construction and System Replacement Projects
- Great Cornell Execution; Strong Growth in Agriculture and After-Market Offset by Rental Market Declines
- Segment Margin Expansion Driven by Proactive Cost Actions and Nimble Execution in Response to Difficult Market Conditions

FY 2019 RESULTS

12% of Roper Revenue

Revenue	\$653	(5)% vs PY (4)% Organic
EBITDA	\$238	(4)% vs PY 36.4% Margin

FY 2020 OUTLOOK

- Down MSD Driven by Upstream O&G; Comps Ease in H2

2020 GUIDANCE

- Full Year Adjusted DEPS: \$13.30 - \$13.60
 - Organic Revenue Growth: +6 - 7%
 - +3 - 4% Excluding TransCore
 - Tax Rate: ~22%
- Q1 Adjusted DEPS: \$2.94 - \$3.00
 - Organic Revenue Growth: +2 - 3%
 - Majority of TransCore NYC Project Contribution in Q2 - Q4

- Another Excellent Year for Roper
 - EBITDA +7% to \$1.93B; Margin +110 Bps to 35.8%
 - DEPS +10% to \$13.05
 - Free Cash Flow +5% to \$1.44B; 27% of Revenue
 - Deployed \$2.4B Toward High-Quality Software Acquisitions; Completed Divestitures of Gatan and Scientific Imaging Businesses
- Well Positioned for a Tremendous 2020
 - Strong Organic Growth Outlook
 - Significant Acquisition Capacity Enhanced by Gatan Proceeds
 - Large and Active Pipeline of High-Quality Acquisition Opportunities

Simple Ideas. Powerful Results.

APPENDIX

RECONCILIATIONS I



Adjusted Revenue, Gross Profit and EBITDA Reconciliation (\$M)

	Q4 2018	Q4 2019	V %	FY 2016	FY 2017	FY 2018	FY 2019	V %
Adjusted Revenue Reconciliation								
GAAP Revenue	\$ 1,376	\$ 1,395	1%	\$ 3,790	\$ 4,607	\$ 5,191	\$ 5,367	3%
Purchase accounting adjustment to acquired deferred revenue	1	5 ^A		15	57	8	11 ^A	
Adjusted Revenue	<u>\$ 1,378</u>	<u>\$ 1,400</u>	<u>2%</u>	<u>\$ 3,805</u>	<u>\$ 4,665</u>	<u>\$ 5,199</u>	<u>\$ 5,377</u>	<u>3%</u>
Adjusted Gross Profit Reconciliation								
GAAP Gross Profit	\$ 873	\$ 893		\$ 2,332	\$ 2,865	\$ 3,280	\$ 3,427	
Purchase accounting adjustment to acquired deferred revenue	1	5 ^A		15	57	8	11 ^A	
Adjusted Gross Profit	<u>\$ 874</u>	<u>\$ 898</u>	<u>3%</u>	<u>\$ 2,348</u>	<u>\$ 2,922</u>	<u>\$ 3,287</u>	<u>\$ 3,438</u>	<u>5%</u>
GAAP Gross Margin	63.4%	64.0%	+60 bps	61.5%	62.2%	63.2%	63.9%	+70 bps
Adjusted Gross Margin	63.5%	64.1%	+60 bps	61.7%	62.6%	63.2%	63.9%	+70 bps
Adjusted EBITDA Reconciliation								
GAAP Net Earnings	\$ 257	\$ 871		\$ 659	\$ 972	\$ 944	\$ 1,768	
Taxes	61	277		282	63	254	460	
Interest Expense	47	49		112	181	182	187	
Depreciation	12	13		37	50	50	49	
Amortization	82	104		203	295	318	367	
EBITDA	<u>\$ 460</u>	<u>\$ 1,314</u>	<u>186%</u>	<u>\$ 1,293</u>	<u>\$ 1,560</u>	<u>\$ 1,748</u>	<u>\$ 2,830</u>	<u>62%</u>
Purchase accounting adjustment to acquired deferred revenue	1	5 ^A		15	57	8	11 ^A	
Purchase accounting adjustment for commission expense	-	-		-	(5)	-	-	
Transaction-related expenses for completed acquisitions and divestiture	-	-		6	-	-	6 ^B	
One-time expense for accelerated vesting	35	-		-	-	35	-	
Gain on sale of divested businesses	-	(801) ^C		-	(8)	-	(921) ^C	
Debt extinguishment charge	-	-		1	-	16	-	
Adjusted EBITDA	<u>\$ 496</u>	<u>\$ 518</u>	<u>4%</u>	<u>\$ 1,315</u>	<u>\$ 1,605</u>	<u>\$ 1,806</u>	<u>\$ 1,925</u>	<u>7%</u>
% of Adjusted Revenue	36.0%	37.0%	+100 bps	34.6%	34.4%	34.7%	35.8%	+110 bps

RECONCILIATIONS II



Adjusted Revenue Growth Reconciliation

Q4 2019	Application Software	Network Software & Systems	Measurement & Analytical Solutions	Process Technologies	Roper
Organic Growth	2%	3%	1%	(6%)	1%
Acquisitions/Divestitures	2%	18%	(14%)	-	1%
Foreign Exchange	-	-	-	(1%)	-
Total Adjusted Revenue Growth	4%	21%	(13%)	(7%)	2%

Adjusted Segment Reconciliation (\$M)

	Application Software		Network Software & Systems		Measurement & Analytical Solutions		Process Technologies	
	Q4 2018	Q4 2019	Q4 2018	Q4 2019	Q4 2018	Q4 2019	Q4 2018	Q4 2019
GAAP Revenue	\$ 392	\$ 411	\$ 355	\$ 426	\$ 446	\$ 388	\$ 182	\$ 170
Add: Foundry, iPipeline	1	-	-	5	-	-	-	-
Adjusted Revenue	394	411	355	431	446	388	182	170
GAAP Gross Profit	259	273	244	294	263	227	106	98
Add: Foundry, iPipeline	1	-	-	5	-	-	-	-
Adjusted Gross Profit	261	273	244	299	263	227	106	98
Adjusted Gross Margin	66.2%	66.5%	68.7%	69.5%	59.0%	58.5%	58.3%	57.7%
GAAP Operating Profit	92	106	135	146	144	126	69	63
Add: Foundry, iPipeline	1	-	-	5	-	-	-	-
Adjusted Operating Profit	93	106	135	152	144	126	69	63
Adjusted Operating Margin	23.7%	25.7%	37.9%	35.2%	32.3%	32.4%	37.7%	37.0%
Add Amortization	51	54	22	40	7	7	2	2
Adjusted EBITA	145	160	156	192	151	133	71	65
Add Depreciation	5	5	3	4	3	3	1	1
Adjusted EBITDA	\$ 150	\$ 164	\$ 159	\$ 196	\$ 154	\$ 136	\$ 72	\$ 66
Adjusted EBITDA Margin	38.1%	40.0%	44.7%	45.5%	34.5%	35.1%	39.4%	38.7%

RECONCILIATIONS III



Adjusted Revenue Growth Reconciliation

FY 2019	Application Software	Network Software & Systems	Measurement & Analytical Solutions	Process Technologies	Roper
Organic Growth	4%	5%	2%	(4%)	3%
Acquisitions/Divestitures	5%	9%	(7%)	-	1%
Foreign Exchange	(1%)	-	(1%)	(1%)	(1%)
Rounding	1%	-	-	-	-
Total Adjusted Revenue Growth	9%	14%	(6%)	(5%)	3%

Adjusted Segment Reconciliation (\$M)

	Application Software		Network Software & Systems		Measurement & Analytical Solutions		Process Technologies	
	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019
GAAP Revenue	\$ 1,453	\$ 1,588	\$ 1,345	\$ 1,529	\$ 1,706	\$ 1,596	\$ 688	\$ 653
Add: PowerPlan, Foundry, iPipeline	8	1	-	10	-	-	-	-
Adjusted Revenue	1,461	1,589	1,345	1,539	1,706	1,596	688	653
GAAP Gross Profit	972	1,065	919	1,058	1,001	933	388	371
Add: PowerPlan, Foundry, iPipeline	8	1	-	10	-	-	-	-
Adjusted Gross Profit	980	1,065	919	1,068	1,001	933	388	371
Adjusted Gross Margin	67.1%	67.1%	68.3%	69.4%	58.7%	58.5%	56.4%	56.9%
GAAP Operating Profit	358	405	484	538	524	501	234	226
Add: Foundry, iPipeline	7	-	-	10	-	-	-	-
Adjusted Operating Profit	365	406	484	548	524	501	234	226
Adjusted Operating Margin	25.0%	25.5%	36.0%	35.6%	30.7%	31.4%	34.0%	34.6%
Add Amortization	193	211	87	119	29	28	9	8
Adjusted EBITA	558	617	571	668	553	530	242	234
Add Depreciation	20	19	11	14	13	12	4	4
Adjusted EBITDA	\$ 578	\$ 636	\$ 582	\$ 681	\$ 567	\$ 541	\$ 246	\$ 238
Adjusted EBITDA Margin	39.6%	40.0%	43.3%	44.3%	33.2%	33.9%	35.8%	36.4%

Note: Numbers may not foot due to rounding.

RECONCILIATIONS IV



Adjusted Net Earnings Reconciliation (\$M) ^D

	<u>Q4 2018</u>	<u>Q4 2019</u>	<u>V %</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>V %</u>
GAAP Net Earnings	\$ 257	\$ 871	239%	\$ 944	\$ 1,768	87%
Purchase accounting adjustment to acquired deferred revenue	1	4 ^A		6	8 ^A	
Amortization of acquisition-related intangible assets ^E	64	81		248	288	
Transaction-related expenses for completed acquisitions and divestiture ^B	-	-		-	5	
One-time expense for accelerated vesting	28	-		28	-	
Gain on sale of Gatan and Scientific Imaging businesses ^C	-	(600)		-	(687)	
Debt extinguishment charge	-	-		13	-	
Deferred tax expense adjustments due to held-for-sale classification of Gatan and Scientific Imaging businesses	(2)	-		8	(10) ^F	
Measurement period adjustment to 2017 provisional income tax amounts resulting from the Tax Cuts and Jobs Act	(12)	-		(14)	-	
Adjusted Net Earnings	<u>\$ 336</u>	<u>\$ 356</u>	<u>6%</u>	<u>\$ 1,233</u>	<u>\$ 1,371</u>	<u>11%</u>

Adjusted Cash Flow Reconciliation (\$M)

	<u>Q4 2018</u>	<u>Q4 2019</u>	<u>V %</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>V %</u>
Operating Cash Flow	\$ 464	\$ 466	--%	\$ 964	\$ 1,234	\$ 1,430	\$ 1,462	2%
Add: Cash taxes paid on sale of divested businesses	-	-		37	-	-	39	
Adjusted Operating Cash Flow	\$ 464	\$ 466	--%	\$ 1,001	\$ 1,234	\$ 1,430	\$ 1,501	5%
Capital Expenditures	(15)	(10)		(37)	(49)	(49)	(53)	
Capitalized Software Expenditures	(2)	(2)		(3)	(11)	(10)	(10)	
Adjusted Free Cash Flow	<u>\$ 447</u>	<u>\$ 453</u>	<u>1%</u>	<u>\$ 961</u>	<u>\$ 1,175</u>	<u>\$ 1,371</u>	<u>\$ 1,438</u>	<u>5%</u>

RECONCILIATIONS V



Adjusted DEPS Reconciliation ^D

	<u>Q4 2018</u>	<u>Q4 2019</u>	<u>V %</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>V %</u>
GAAP DEPS	\$ 2.46	\$ 8.28	237%	\$ 9.05	\$ 16.82	86%
Purchase accounting adjustment to acquired deferred revenue	0.01	0.04 ^A		0.06	0.08 ^A	
Amortization of acquisition-related intangible assets ^E	0.61	0.77		2.38	2.74	
Transaction-related expenses for completed acquisitions and divestiture ^B	-	-		-	0.04	
One-time expense for accelerated vesting	0.26	-		0.26	-	
Gain on sale of Gatan and Scientific Imaging businesses ^C	-	(5.70)		-	(6.54)	
Debt extinguishment charge	-	-		0.12	-	
Deferred tax expense adjustments due to held-for-sale classification of Gatan and Scientific Imaging businesses	(0.02)	-		0.08	(0.10) ^F	
Measurement period adjustment to 2017 provisional income tax amounts resulting from the Tax Cuts and Jobs Act	(0.11)	-		(0.14)	-	
Rounding	0.01	-		-	0.01	
Adjusted DEPS	<u>\$ 3.22</u>	<u>\$ 3.39</u>	<u>5%</u>	<u>\$ 11.81</u>	<u>\$ 13.05</u>	<u>10%</u>

Forecasted Adjusted DEPS Reconciliation ^D

	<u>Q1 2020</u>		<u>FY 2020</u>	
	<u>Low End</u>	<u>High End</u>	<u>Low End</u>	<u>High End</u>
GAAP DEPS	\$ 2.16	\$ 2.22	\$ 10.28	\$ 10.58
Purchase accounting adjustment to acquired deferred revenue ^A	0.02	0.02	0.03	0.03
Amortization of acquisition-related intangible assets ^E	0.76	0.76	2.99	2.99
Adjusted DEPS	<u>\$ 2.94</u>	<u>\$ 3.00</u>	<u>\$ 13.30</u>	<u>\$ 13.60</u>

- A. 2019 acquisition-related fair value adjustment to deferred revenue related to the acquisitions of PowerPlan, Foundry and iPipeline as shown below. Forecasted acquisition-related fair value adjustments to acquired deferred revenue of Foundry and iPipeline as shown below (\$M, except per share data).

	<u>Q4 2019A</u>	<u>FY 2019A</u>	<u>Q1 2020E</u>	<u>FY 2020E</u>
Pretax	\$5	\$11	\$2	\$4
After-tax	\$4	\$8	\$2	\$3
Per Share	\$0.04	\$0.08	\$0.02	\$0.03

- B. Transaction-related expenses for the Foundry, iPipeline and ComputerEase acquisitions, and the Gatan divestiture (\$6M pretax, \$5M after-tax).
- C. Gain on sale of Gatan business (\$801M pretax, \$600M after-tax); Gain on sale of Scientific Imaging businesses (\$120M pretax, \$87M after-tax).
- D. All 2018 and 2019 adjustments taxed at 21%, except for the gain on sale of the Scientific Imaging businesses and the Gatan business, which were taxed at 27% and 25%, respectively.
- E 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>Q4 2018A</u>	<u>FY 2018A</u>	<u>Q4 2019A</u>	<u>FY 2019A</u>	<u>Q1 2020E</u>	<u>FY 2020E</u>
Pretax	\$81	\$314	\$103	\$364	\$101	\$400
After-tax	\$64	\$248	\$81	\$288	\$80	\$316
Per share	\$0.61	\$2.38	\$0.77	\$2.74	\$0.76	\$2.99

- F. Adjustment to previously recognized deferred tax expense related to new deal structure for divestiture of Gatan (\$10M).



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