



A DIVERSIFIED TECHNOLOGY COMPANY

# ROPER TECHNOLOGIES OVERVIEW

RAYMOND JAMES CONFERENCE

MARCH 5, 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.

## STRATEGY

**Win in Niche Markets with Diverse Portfolio of Software and Engineered Products & Solutions**



High Gross Margins  
Recurring Revenue

**Asset-Light Business Model and Nimble Governance System**



Superior Operating Profits  
Excess Free Cash Flow

**Utilize CRI to Strategically Reinvest Cash**



R&D, Internal Growth, Acquisitions

## RESULTS

### **Significant Growth Platforms**

- Leadership in Favorable Markets
- Diverse End Markets, Broad Customer Base

### **Outstanding Cash Returns and Compounding**

- Strong and Sustainable Margins
- High Incremental Operating Profit

### **Cash Deployment Creates Value**

- Continuous Innovation
- Disciplined Acquisitions

**Simple Ideas. Powerful Results.**

# GOVERNANCE PROCESS ENHANCES GROWTH AND DRIVES FINANCIAL DISCIPLINE



- Cash Return on Investment Metrics
- Product, Placement, Hit Rate Analysis
- Sales & Operating Leverage; Working Capital Efficiency
- Operating Reviews with Detailed Performance Analysis
- Break-Even Analysis Drives Better Decision Making
- Group Executives Provide Strategic Leadership for Businesses
- Talent Offense
- Incentives Tied to Continuous, Sustained Performance Improvements;  
Not Budget-Based

**Highly Scalable Business System**

## Cash Earnings

Net Income + D&A –  
Maintenance Cap-Ex

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## Gross Investment

Net Working Capital\* + Net PP&E +  
Accumulated Depreciation

=

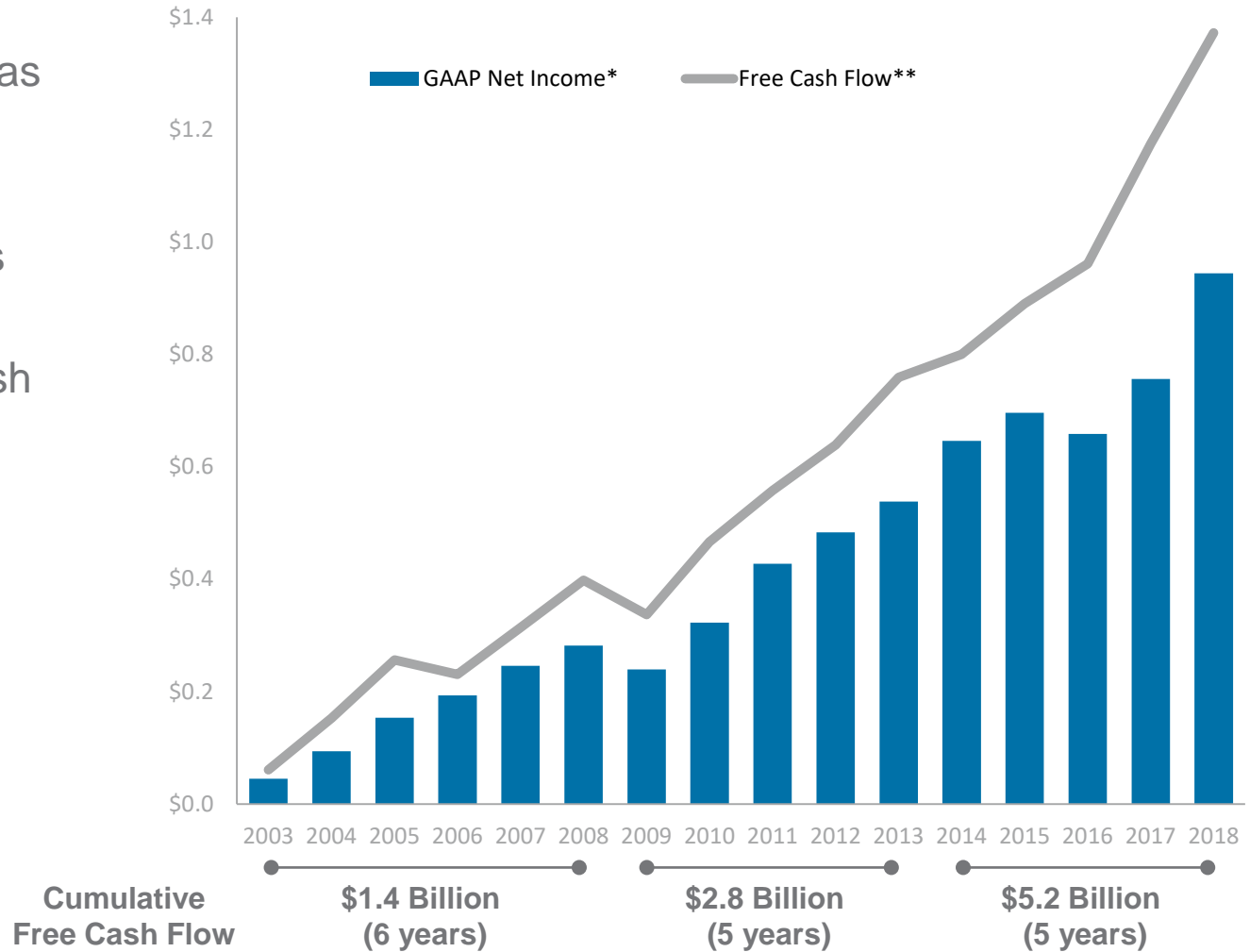
**C**ash  
**R**eturn on  
**I**nvestment

- Common Metric throughout Roper Businesses
- Focuses Businesses on Cash Flow Growth & Disciplined Asset Investment
- Encourages Internal Growth Using Current or Reduced Assets
- CRI is Highly Correlated to Market Valuation

# COMPELLING CASH CONVERSION



- Free Cash Flow Has Exceeded Net Income for 21 Consecutive Years
- Expect Strong Cash Conversion to Continue
- \$1.43 Billion of Operating Cash Flow in 2018



## Cash Flow Greatly Exceeds Net Income

In \$ Billions.

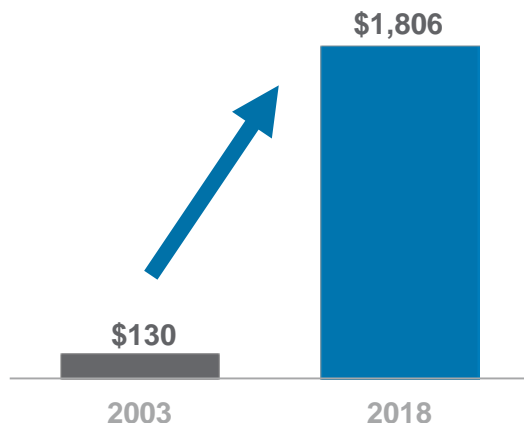
\*2017 net income excludes one-time \$215 million net gain resulting from the Tax Cuts and Jobs Act (see Appendix for reconciliation)

\*\*Free Cash Flow = Operating Cash Flow - Capital Exp. - Capitalized Software Exp.; 2016 adjusted for cash taxes from Abel sale (see Appendix for reconciliation)

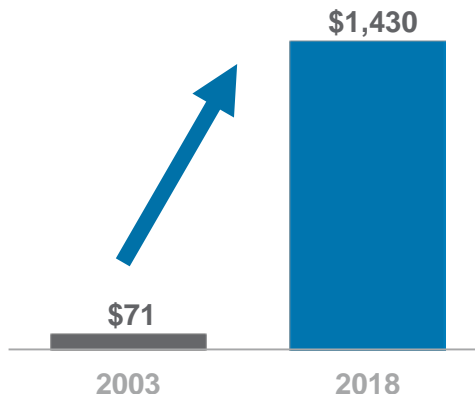
# EXECUTING OUR HIGH PERFORMANCE MODEL



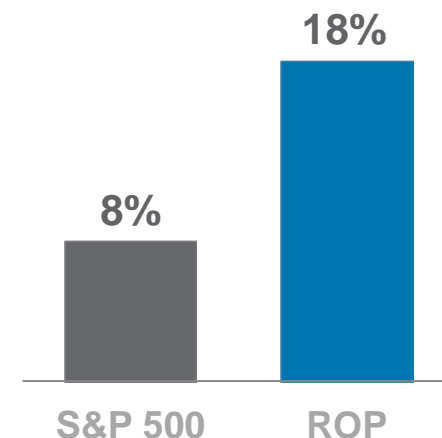
## EBITDA



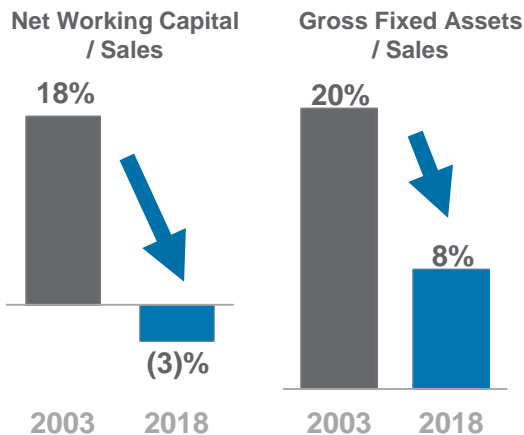
## OPERATING CASH FLOW



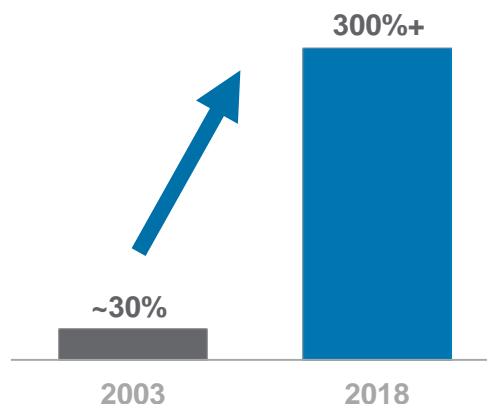
## COMPOUND ANNUAL SHAREHOLDER RETURN (2003 - 2018)



## ASSET INTENSITY



## CASH RETURN ON INVESTMENT



## Compounding Cash to Drive Shareholder Value

In \$ millions.

Results are presented on an Adjusted (Non-GAAP) basis. See appendix of this presentation for reconciliations from GAAP to Adjusted results; Asset intensity is calculated prior to the Dec. 2003 Neptune acquisition; Includes assets and liabilities that have been classified as held-for-sale on Roper's balance sheet.

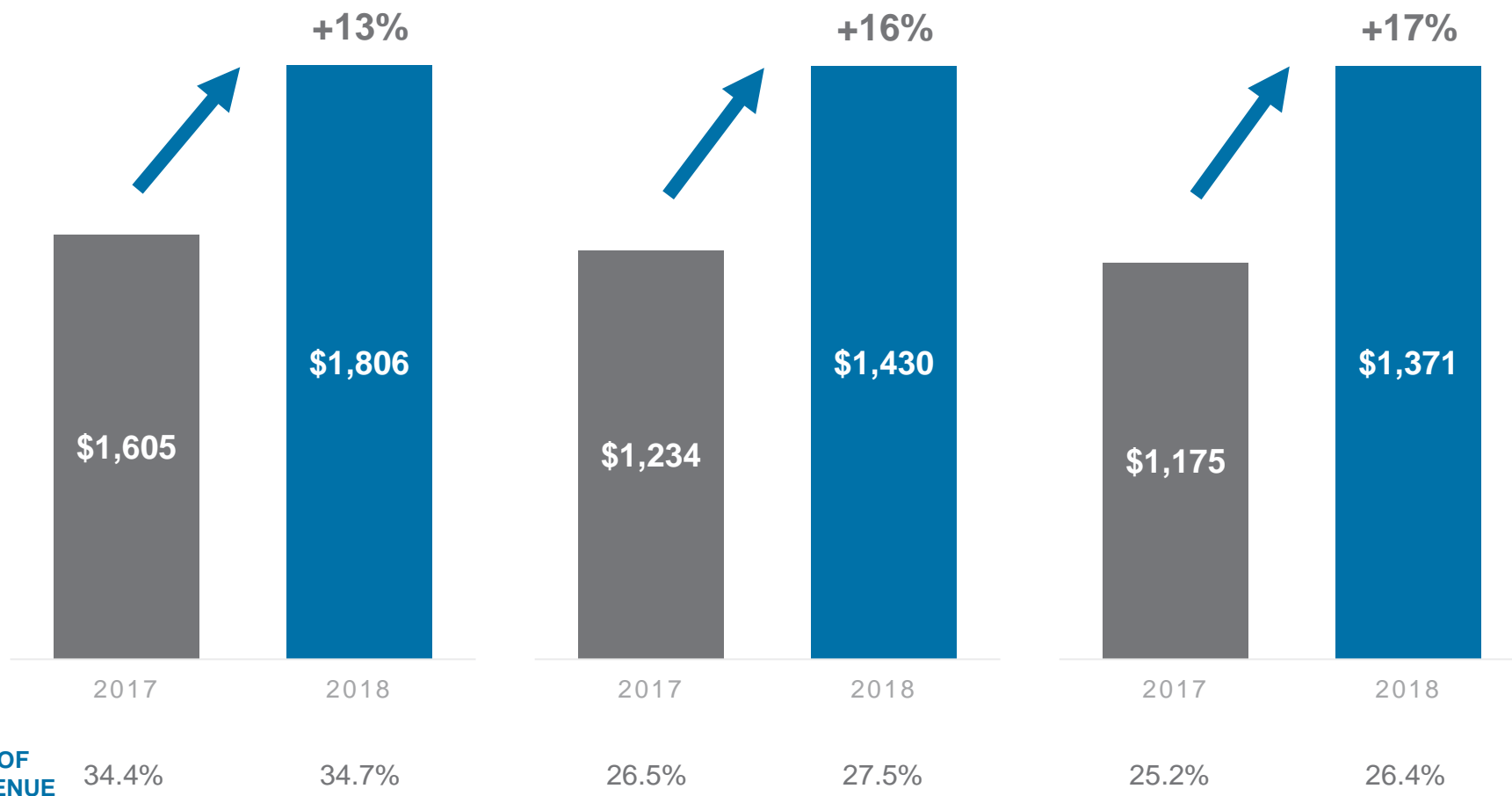
# FULL YEAR 2018 GROWTH



## EBITDA

## OPERATING CASH FLOW

## FREE CASH FLOW

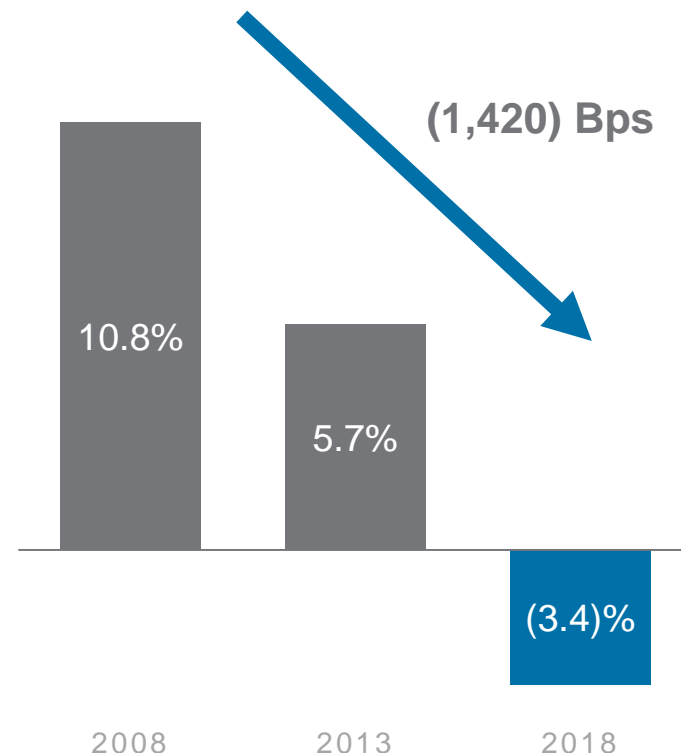




## NET WORKING CAPITAL <sup>(1)(2)</sup> AS % OF Q4<sup>(3)</sup> ANNUALIZED REVENUE

	12/31/08 (10 Yrs Ago)	12/31/13 (5 Yrs Ago)	12/31/18 (Today)
(I) Inventory	8.1%	5.7%	4.1%
(R) Receivables	19.0%	17.0%	16.7%
<hr/>			
(P) Payables & Accruals	13.1%	11.0%	11.9%
(D) Deferred Revenue	3.2%	5.9%	12.2%
<b>Total (I+R-P-D)</b>	<b>10.8%</b>	<b>5.7%</b>	<b>(3.4)%</b>

(\$ Millions)			
Deferred Revenue	\$73	\$209	\$682



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 Completed in Each Quarter and Dividend Accrual.

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

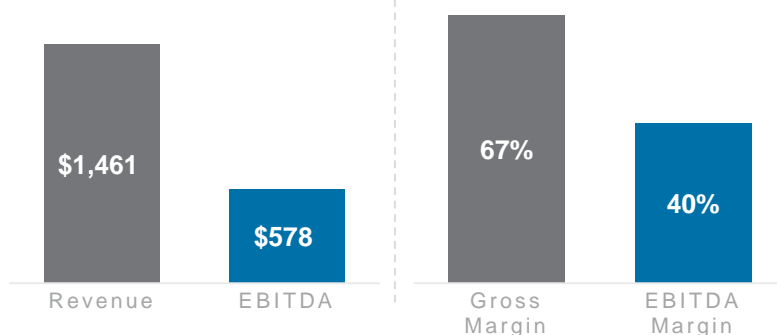
3) Defined as Q4 Revenue x 4.

# NEW SEGMENTS



## APPLICATION SOFTWARE

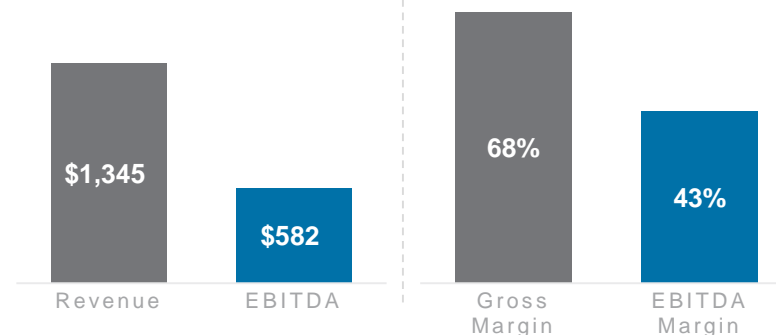
28% of Roper Revenue



**Businesses:** Aderant, CBORD, CliniSys, Data Innovations, Deltek, Horizon, IntelliTrans, PowerPlan, Strata, Sunquest

## NETWORK SOFTWARE & SYSTEMS

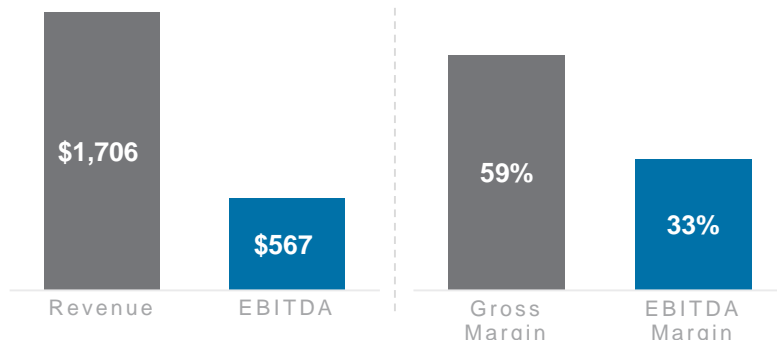
26% of Roper Revenue



**Businesses:** ConstructConnect, DAT, Inovonics, iTradeNetwork, Link Logistics, MHA, RF Ideas, SHP, SoftWriters, TransCore

## MEASUREMENT & ANALYTICAL SOLUTIONS\*

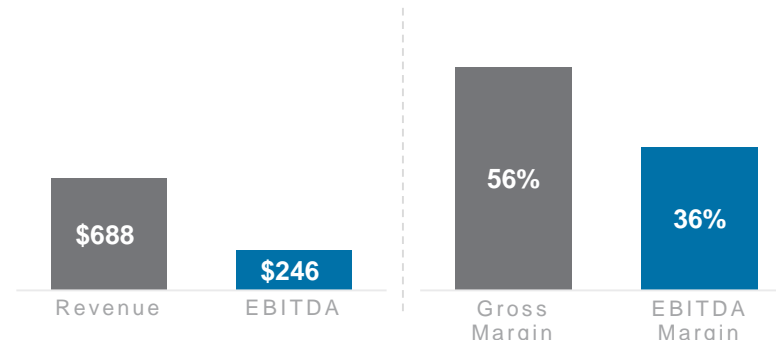
33% of Roper Revenue



**Businesses:** Alpha, CIVCO Medical Solutions, CIVCO Radiotherapy, Dynisco, FMI, Gatan, Hansen, Hardy, IPA, Logitech, Neptune, Northern Digital, Struers, Technolog, Uson, Verathon

## PROCESS TECHNOLOGIES

13% of Roper Revenue



**Businesses:** AMOT, CCC, Cornell, FTI, Metrix, PAC, Roper Pump, Viatran, Zetec

In \$ Millions; Excludes Corporate Expenses

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

% of Roper Revenue, Revenue, EBITDA, Gross Margin, and EBITDA Margin are for the full year ended December 31, 2018.

\* Includes results of the Scientific Imaging businesses; these businesses were sold to Teledyne on February 5, 2019.



## NEW SEGMENTS

Application Software  
 Network Software & Systems  
 Measurement & Analytical Solutions  
 Process Technologies

**Roper Technologies Total**

## 2019 Organic Revenue Guidance

+4% to +6%

+4% to +6%

+4% to +6%

(1%) to (5%)

**+3% to +5%**

## OLD SEGMENTS

RF Technology & Software  
 Medical & Scientific Imaging  
 Industrial Technology  
 Energy Systems & Controls

**Roper Technologies Total**

## 2019 Organic Revenue Guidance

+4% to +6%

+4% to +6%

+1% to +3%

Flat to (3%)

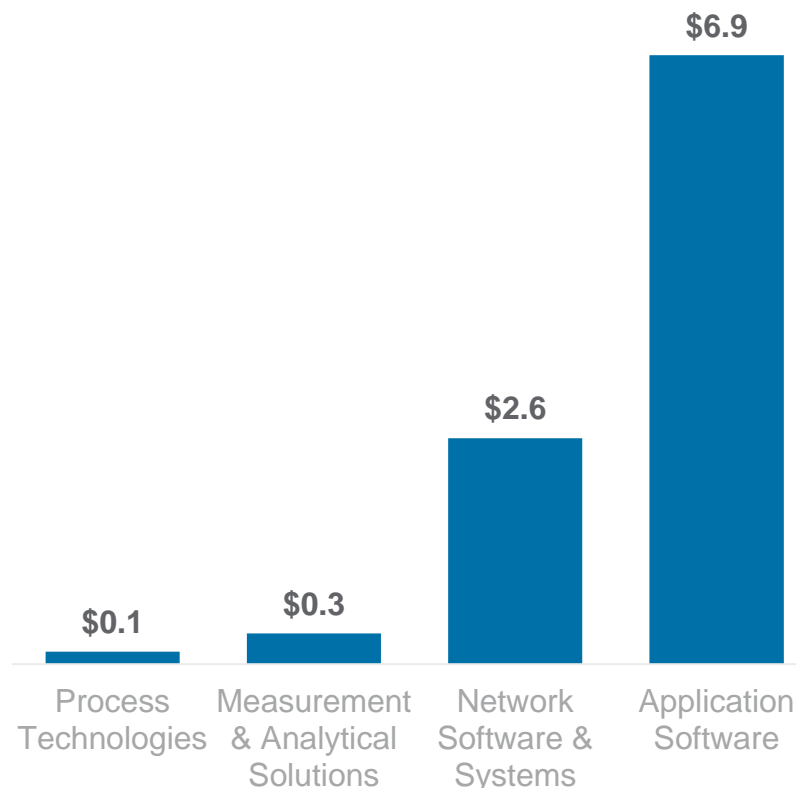
**+3% to +5%**

# DISCIPLINED ACQUISITION STRATEGY FOCUSED ON HIGH QUALITY TARGETS



- We Only Acquire High CRI Businesses; Primarily Software and Networks
- Acquisitions Funded by Excess Cash Flow and Investment Grade Debt
- Leaders in Niche Markets with Sustainable Competitive Advantages
- High Margin, High Recurring Revenue
- Asset-Light with Powerful Cash Flow Characteristics
- Management Teams Committed to Continued Growth

## Deployed ~\$10B in Acquisitions Over Last Eight Years (2011- 2018)



**Capital Deployment Enhances Future Cash Compounding**

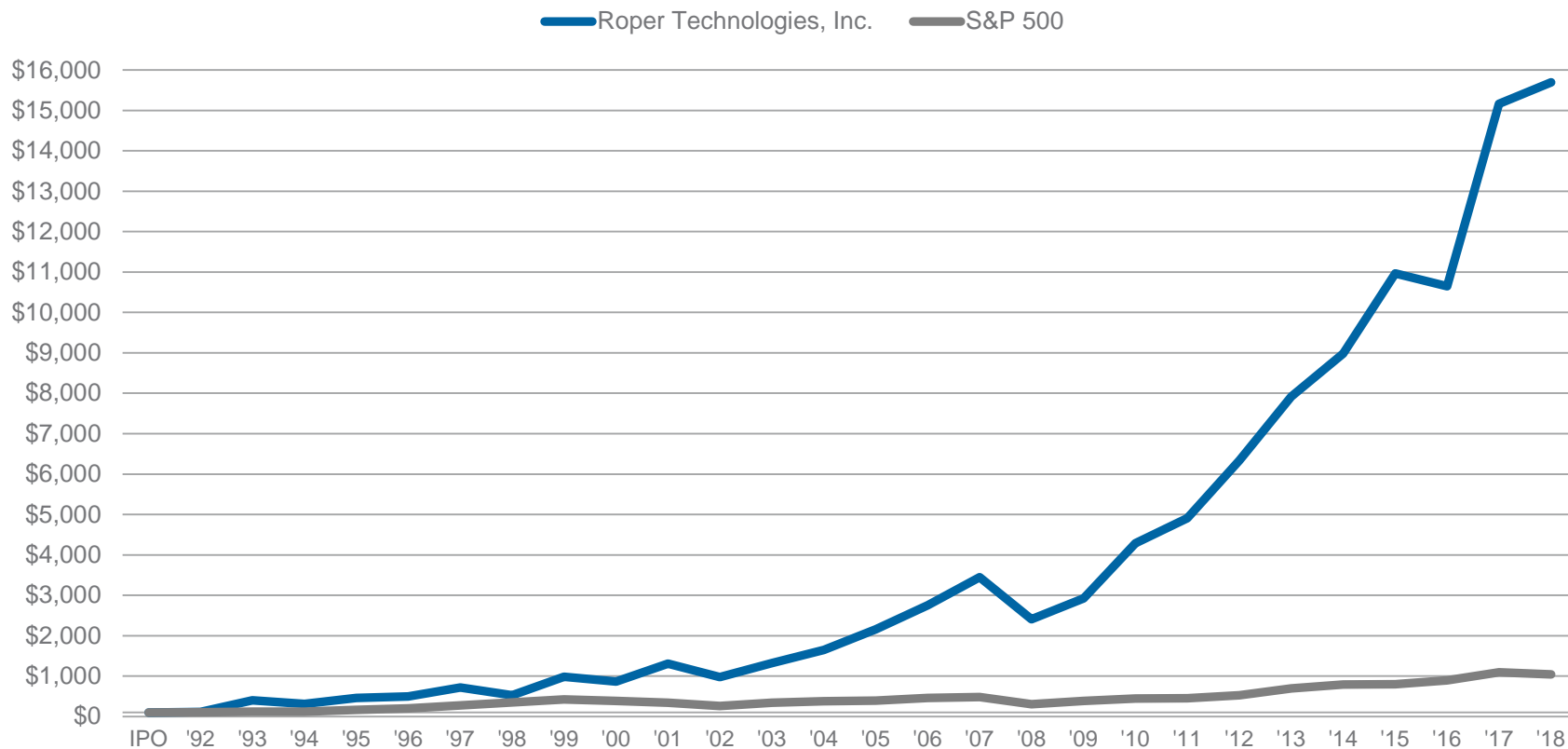
- Diversified Technology Company
  - Independent Businesses with Leadership Positions in Niche Markets
  - Highly Profitable: 63% Gross Margin, 35% EBITDA Margin
  - Asset Light Model: Negative Working Capital and Minimal Cap Ex Requirements
  - Greater than 50% of Revenue is Recurring
- Powerful Cash Flow Engine Drives Capital Deployment
  - 2018 Free Cash Flow: ~26% of Revenue
  - Acquire Companies that Generate Excess Free Cash Flow for Future Capital Deployment
  - Our Diverse Technology Businesses Provide Exceptional Investment Opportunities

## Proven CRI Principles Drive Shareholder Value

# TOTAL SHAREHOLDER RETURN



## COMPARISON OF CUMULATIVE TOTAL SHAREHOLDER RETURN



## Creating Long-Term Shareholder Value

# APPENDIX

# NEW SEGMENT FINANCIALS



## Adjusted Segment Financials (\$M) (Unaudited)

	2016	2017				2018					
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
<b>Revenue</b>											
Application Software	\$ 707	\$ 301	\$ 313	\$ 321	\$ 334	\$ 1,269	\$ 326	\$ 360	\$ 380	\$ 394	\$ 1,461
Network Software & Systems	1,111	303	316	326	321	1,265	314	334	342	355	1,345
Measurement & Analytical Solutions <sup>A</sup>	1,456	371	379	373	408	1,531	404	426	430	446	1,706
Process Technologies	530	134	143	151	173	600	161	176	169	182	688
<b>Total</b>	<b>\$ 3,805</b>	<b>\$ 1,108</b>	<b>\$ 1,151</b>	<b>\$ 1,171</b>	<b>\$ 1,235</b>	<b>\$ 4,665</b>	<b>\$ 1,205</b>	<b>\$ 1,296</b>	<b>\$ 1,321</b>	<b>\$ 1,378</b>	<b>\$ 5,199</b>
<b>Gross Profit</b>											
Application Software	\$ 475	\$ 196	\$ 210	\$ 217	\$ 221	\$ 845	\$ 216	\$ 245	\$ 258	\$ 261	\$ 980
Network Software & Systems	714	200	208	219	219	846	213	225	237	244	919
Measurement & Analytical Solutions <sup>A</sup>	864	219	224	216	235	894	234	250	253	263	1,001
Process Technologies	295	75	79	86	98	338	90	98	94	106	388
<b>Total</b>	<b>\$ 2,348</b>	<b>\$ 689</b>	<b>\$ 722</b>	<b>\$ 738</b>	<b>\$ 773</b>	<b>\$ 2,922</b>	<b>\$ 753</b>	<b>\$ 818</b>	<b>\$ 842</b>	<b>\$ 874</b>	<b>\$ 3,287</b>
<b>Operating Profit</b>											
Application Software	\$ 218	\$ 66	\$ 84	\$ 85	\$ 86	\$ 321	\$ 73	\$ 100	\$ 100	\$ 93	\$ 365
Network Software & Systems	410	101	108	119	120	449	106	116	128	135	484
Measurement & Analytical Solutions <sup>A</sup>	419	107	111	105	123	446	115	128	136	144	524
Process Technologies	150	39	43	49	57	188	50	58	57	69	234
Corporate	(121)	(34)	(38)	(38)	(32)	(142)	(42)	(45)	(41)	(40)	(169)
<b>Total</b>	<b>\$ 1,076</b>	<b>\$ 278</b>	<b>\$ 309</b>	<b>\$ 321</b>	<b>\$ 354</b>	<b>\$ 1,262</b>	<b>\$ 303</b>	<b>\$ 356</b>	<b>\$ 379</b>	<b>\$ 401</b>	<b>\$ 1,439</b>
<b>EBITDA</b>											
Application Software	\$ 305	\$ 110	\$ 129	\$ 132	\$ 133	\$ 504	\$ 121	\$ 151	\$ 156	\$ 150	\$ 578
Network Software & Systems	494	127	134	144	144	549	130	140	153	159	582
Measurement & Analytical Solutions <sup>A</sup>	474	119	123	117	135	494	127	139	146	154	567
Process Technologies	165	42	46	53	61	202	54	61	60	72	246
Corporate	(121)	(34)	(38)	(37)	(32)	(141)	(41)	(45)	(41)	(40)	(168)
Other Income / (Expense)	(1)	(1)	(1)	(1)	—	(3)	(2)	2	(2)	1	—
<b>Total</b>	<b>\$ 1,315</b>	<b>\$ 362</b>	<b>\$ 394</b>	<b>\$ 407</b>	<b>\$ 441</b>	<b>\$ 1,605</b>	<b>\$ 389</b>	<b>\$ 449</b>	<b>\$ 473</b>	<b>\$ 496</b>	<b>\$ 1,806</b>

Note: Numbers may not foot due to rounding.

A) All periods include the results of Princeton Instruments, Photometrics and Lumenera, as well as other brands (collectively the "Scientific Imaging" businesses).

The Company closed on its sale of the Scientific Imaging businesses to Teledyne Technologies Incorporated on February 5, 2019.



# NEW SEGMENT REVENUE GROWTH



## Adjusted Revenue Growth (Unaudited)

### Application Software

	2017					2018				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Organic Growth	6 %	4 %	3 %	1 %	4 %	3 %	7 %	4 %	7 %	5 %
Acquisitions/Divestitures	73 %	77 %	77 %	77 %	76 %	4 %	7 %	15 %	11 %	9 %
Foreign Exchange	(1)%	(1)%	—%	1 %	—%	2 %	1 %	—%	(1)%	—%
Total Revenue Growth	78 %	79 %	81 %	80 %	79 %	9 %	15 %	18 %	18 %	15 %

### Network Software & Systems

	2017					2018				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Organic Growth	2 %	6 %	4 %	(1)%	3 %	3 %	4 %	3 %	9 %	5 %
Acquisitions/Divestitures	14 %	14 %	14 %	4 %	11 %	—%	2 %	2 %	2 %	2 %
Foreign Exchange	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%
Total Revenue Growth	16 %	20 %	17 %	3 %	14 %	4 %	6 %	5 %	11 %	6 %

### Measurement & Analytical Solutions <sup>A</sup>

	2017					2018				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Organic Growth	7 %	4 %	2 %	6 %	5 %	6 %	11 %	16 %	10 %	11 %
Acquisitions/Divestitures	1 %	—%	—%	—%	—%	—%	—%	—%	—%	—%
Foreign Exchange	(1)%	(1)%	1 %	2 %	—%	3 %	2 %	—%	(1)%	1 %
Total Revenue Growth	6 %	3 %	3 %	8 %	5 %	9 %	12 %	15 %	9 %	11 %

### Process Technologies

	2017					2018				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Organic Growth	5 %	13 %	15 %	16 %	13 %	16 %	20 %	13 %	7 %	14 %
Acquisitions/Divestitures	—%	—%	1 %	1 %	—%	1 %	1 %	—%	—%	—%
Foreign Exchange	(1)%	(1)%	1 %	2 %	—%	3 %	2 %	(1)%	(1)%	1 %
Total Revenue Growth	4 %	12 %	17 %	19 %	13 %	20 %	23 %	12 %	6 %	15 %

### Roper Consolidated <sup>A</sup>

	2017					2018				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Organic Growth	5 %	6 %	5 %	5 %	5 %	6 %	9 %	9 %	9 %	8 %
Acquisitions/Divestitures	18 %	18 %	19 %	15 %	18 %	1 %	2 %	5 %	4 %	3 %
Foreign Exchange	(1)%	(1)%	1 %	1 %	—%	2 %	1 %	—%	(1)%	—%
Total Revenue Growth	22 %	23 %	24 %	21 %	23 %	9 %	13 %	13 %	12 %	11 %

Note: Numbers may not foot due to rounding.

A) All periods include the results of Princeton Instruments, Photometrics and Lumenera, as well as other brands (collectively the "Scientific Imaging" businesses).

The Company closed on its sale of the Scientific Imaging businesses to Teledyne Technologies Incorporated on February 5, 2019.

# RECONCILIATIONS I



## Adjusted Segment & Consolidated Financials Reconciliation (Unaudited)

### Application Software Reconciliation (\$M)

	2016	2017					2018				
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
GAAP Revenue	\$ 699	\$ 284	\$ 300	\$ 311	\$ 327	\$ 1,222	\$ 324	\$ 358	\$ 378	\$ 392	\$ 1,453
Purchase accounting adjustment to acquired deferred revenue	8	16	13	10	7	47	2	2	2	1	8
Adjusted Revenue	707	301	313	321	334	1,269	326	360	380	394	1,461
GAAP Gross Profit	466	180	197	206	214	798	214	243	256	259	972
Purchase accounting adjustment to acquired deferred revenue	8	16	13	10	7	47	2	2	2	1	8
Adjusted Gross Profit	475	196	210	217	221	845	216	245	258	261	980
Adjusted Gross Margin	67.1 %	65.3 %	67.1 %	67.4 %	66.3 %	66.5 %	66.3 %	68.0 %	67.8 %	66.2 %	67.1 %
GAAP Operating Profit	210	51	72	76	79	279	70	98	98	92	358
Purchase accounting adjustment to acquired deferred revenue & commission expense	8	15	12	9	7	42	2	2	2	1	7
Adjusted Operating Profit	218	66	84	85	86	321	73	100	100	93	365
Adjusted Operating Margin	30.8 %	22.0 %	26.7 %	26.5 %	25.7 %	25.3 %	22.3 %	27.7 %	26.2 %	23.7 %	25.0 %
Amortization	81	39	41	42	42	165	44	46	52	51	193
Depreciation	6	5	4	5	5	19	5	5	5	5	20
Adjusted EBITDA	305	110	129	132	133	504	121	151	156	150	578
Adjusted EBITDA Margin	43.1 %	36.6 %	41.2 %	41.1 %	39.8 %	39.7 %	37.2 %	41.8 %	41.0 %	38.1 %	39.6 %

# RECONCILIATIONS II



## Adjusted Segment & Consolidated Financials Reconciliation (Unaudited)

### Network Software & Systems Reconciliation (\$M)

	2016	2017					2018				
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
GAAP Revenue	\$ 1,104	\$ 297	\$ 313	\$ 325	\$ 320	\$ 1,254	\$ 314	\$ 334	\$ 342	\$ 355	\$ 1,345
Purchase accounting adjustment to acquired deferred revenue	7	5	3	1	1	10	—	—	—	—	—
Adjusted Revenue	1,111	303	316	326	321	1,265	314	334	342	355	1,345
GAAP Gross Profit	707	194	205	218	218	835	213	225	237	244	919
Purchase accounting adjustment to acquired deferred revenue	7	5	3	1	1	10	—	—	—	—	—
Adjusted Gross Profit	714	200	208	219	219	846	213	225	237	244	919
Adjusted Gross Margin	64.3 %	65.9 %	66.0 %	67.3 %	68.3 %	66.9 %	67.8 %	67.5 %	69.2 %	68.7 %	68.3 %
GAAP Operating Profit	403	96	105	118	120	439	106	116	128	135	484
Purchase accounting adjustment to acquired deferred revenue	7	5	3	1	1	10	—	—	—	—	—
Adjusted Operating Profit	410	101	108	119	120	449	106	116	128	135	484
Adjusted Operating Margin	36.9 %	33.5 %	34.4 %	36.5 %	37.5 %	35.5 %	33.8 %	34.6 %	37.4 %	37.9 %	36.0 %
Amortization	75	23	23	22	21	89	22	22	22	22	87
Depreciation	9	3	3	3	3	11	3	3	3	3	11
Adjusted EBITDA	494	127	134	144	144	549	130	140	153	159	582
Adjusted EBITDA Margin	44.5 %	41.9 %	42.5 %	44.1 %	45.1 %	43.4 %	41.5 %	42.0 %	44.7 %	44.7 %	43.3 %

# RECONCILIATIONS III



## Adjusted Segment & Consolidated Financials Reconciliation (Unaudited)

### Measurement & Analytical Solutions Reconciliation (\$M) <sup>A</sup>

	2016	2017					2018				
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
GAAP Revenue	1,456	371	379	373	408	1,531	404	426	430	446	1,706
GAAP Gross Profit	864	219	224	216	235	894	234	250	253	263	1,001
GAAP Gross Margin	59.3 %	58.9 %	59.0 %	58.0 %	57.7 %	58.4 %	57.9 %	58.7 %	59.0 %	59.0 %	58.7 %
GAAP Operating Profit	419	107	111	105	123	446	115	128	136	144	524
GAAP Operating Margin	28.8 %	28.7 %	29.3 %	28.2 %	30.2 %	29.1 %	28.6 %	30.1 %	31.7 %	32.3 %	30.7 %
Amortization	39	9	8	8	8	33	8	8	7	7	29
Depreciation	15	4	3	3	3	14	4	4	3	3	13
EBITDA	474	119	123	117	135	494	127	139	146	154	567
EBITDA Margin	32.5 %	32.0 %	32.5 %	31.4 %	33.0 %	32.2 %	31.4 %	32.8 %	34.1 %	34.5 %	33.2 %

### Process Technologies Reconciliation (\$M)

	2016	2017					2018				
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
GAAP Revenue	530	134	143	151	173	600	161	176	169	182	688
GAAP Gross Profit	295	75	79	86	98	338	90	98	94	106	388
GAAP Gross Margin	55.6 %	56.0 %	55.6 %	56.8 %	56.5 %	56.3 %	56.0 %	55.6 %	55.9 %	58.3 %	56.4 %
GAAP Operating Profit	150	39	43	49	57	188	50	58	57	69	234
GAAP Operating Margin	28.3 %	28.9 %	30.3 %	32.5 %	33.3 %	31.4 %	31.3 %	32.8 %	33.7 %	37.7 %	34.0 %
Amortization	9	2	2	2	2	8	2	2	2	2	9
Depreciation	6	1	1	1	1	5	1	1	1	1	4
EBITDA	165	42	46	53	61	202	54	61	60	72	246
EBITDA Margin	31.2 %	31.5 %	32.5 %	34.8 %	35.3 %	33.6 %	33.4 %	34.6 %	35.6 %	39.4 %	35.8 %

Note: Numbers may not foot due to rounding.

A) All periods include the results of Princeton Instruments, Photometrics and Lumenera, as well as other brands (collectively the "Scientific Imaging" businesses). The Company closed on its sale of the Scientific Imaging businesses to Teledyne Technologies Incorporated on February 5, 2019.

# RECONCILIATIONS IV



## Adjusted Segment & Consolidated Financials Reconciliation (Unaudited)

### Roper Consolidated Reconciliation (\$M) <sup>A</sup>

	2016	2017					2018				
	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
GAAP Revenue	\$ 3,790	\$ 1,086	\$ 1,135	\$ 1,160	\$ 1,227	\$ 4,607	\$ 1,203	\$ 1,294	\$ 1,319	\$ 1,376	\$ 5,191
Purchase accounting adjustment to acquired deferred revenue	15	22	16	12	8	57	2	2	2	1	8
Adjusted Revenue	3,805	1,108	1,151	1,171	1,235	4,665	1,205	1,296	1,321	1,378	5,199
GAAP Gross Profit	2,332	668	706	726	765	2,865	750	816	840	873	3,280
Purchase accounting adjustment to acquired deferred revenue	15	22	16	12	8	57	2	2	2	1	8
Adjusted Gross Profit	2,348	689	722	738	773	2,922	753	818	842	874	3,287
Adjusted Gross Margin	61.7 %	62.2 %	62.7 %	63.0 %	62.6 %	62.6 %	62.5 %	63.1 %	63.8 %	63.5 %	63.2 %
GAAP Operating Profit	1,055	258	294	311	347	1,210	300	354	378	364	1,396
Purchase accounting adjustment to acquired deferred revenue & commission expense	15	20	15	10	7	52	2	2	2	1	7
One-time accelerated vesting charge & significant acquisition-related expenses	6	—	—	—	—	—	—	—	—	35	35
Adjusted Operating Profit	1,076	278	309	321	354	1,262	303	356	379	401	1,439
Adjusted Operating Margin	28.3 %	25.1 %	26.8 %	27.4 %	28.7 %	27.1 %	25.1 %	27.5 %	28.7 %	29.1 %	27.7 %
Amortization	203	73	74	74	74	295	75	78	83	82	318
Depreciation	37	12	12	12	13	50	13	13	12	12	50
GAAP Other Income / (Expense)	(2)	(1)	7	(1)	—	5	(2)	2	(18)	1	(16)
Debt extinguishment charge	1	—	—	—	—	—	—	—	16	—	16
Gain on sale of divested energy product line, net of impairment on minority investment	—	—	(8)	—	—	(8)	—	—	—	—	—
Adjusted EBITDA	1,315	362	394	407	441	1,605	389	449	473	496	1,806
Adjusted EBITDA Margin	34.6 %	32.7 %	34.3 %	34.8 %	35.7 %	34.4 %	32.3 %	34.6 %	35.8 %	36.0 %	34.7 %

Note: Numbers may not foot due to rounding.

A) All periods include the results of Princeton Instruments, Photometrics and Lumenera, as well as other brands (collectively the "Scientific Imaging" businesses). The Company closed on its sale of the Scientific Imaging businesses to Teledyne Technologies Incorporated on February 5, 2019.

# RECONCILIATIONS V



## Adjusted EBITDA Reconciliation (\$M)

	<u>FY 2018</u>
GAAP Revenue	\$ 5,191
Purchase accounting adjustment to acquired deferred revenue	8
Adjusted Revenue	<u>\$ 5,199</u>
GAAP Net Earnings	944
Taxes	254
Interest Expense	182
Depreciation	50
Amortization	318
EBITDA	<u>\$ 1,748</u>
Purchase accounting adjustment to acquired deferred revenue	8
Debt extinguishment charge	16
One-time expense for accelerated vesting	35
Adjusted EBITDA	<u>\$ 1,806</u>
% of Adjusted Revenue	34.7%

## Free Cash Flow Reconciliation (\$M)

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Operating Cash Flow	\$ 964	\$ 1,234	\$ 1,430
Add: Cash Paid for Taxes on Sale of ABEL	37	-	-
Adjusted Operating Cash Flow	\$ 1,001	\$ 1,234	\$ 1,430
Capital Expenditures	(37)	(49)	(49)
Capitalized Software Expenditures	(3)	(11)	(10)
Adjusted Free Cash Flow	<u>\$ 961</u>	<u>\$ 1,175</u>	<u>\$ 1,371</u>

## Net Income Reconciliation (\$M)

	<u>FY 2017</u>	<u>FY 2018</u>
GAAP Net Income	\$ 972	\$ 944
One-time net gain resulting from the Tax Cuts and Jobs Act	215	-
Net Income excl. Tax Cuts and Jobs Act	<u>\$ 756</u>	<u>\$ 944</u>



**A DIVERSIFIED TECHNOLOGY COMPANY**