



A DIVERSIFIED TECHNOLOGY COMPANY

ROPER TECHNOLOGIES OVERVIEW

EPG ANNUAL SPRING CONFERENCE

MAY 21, 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.

Cash Earnings

Net Income + D&A –
Maintenance Cap-Ex

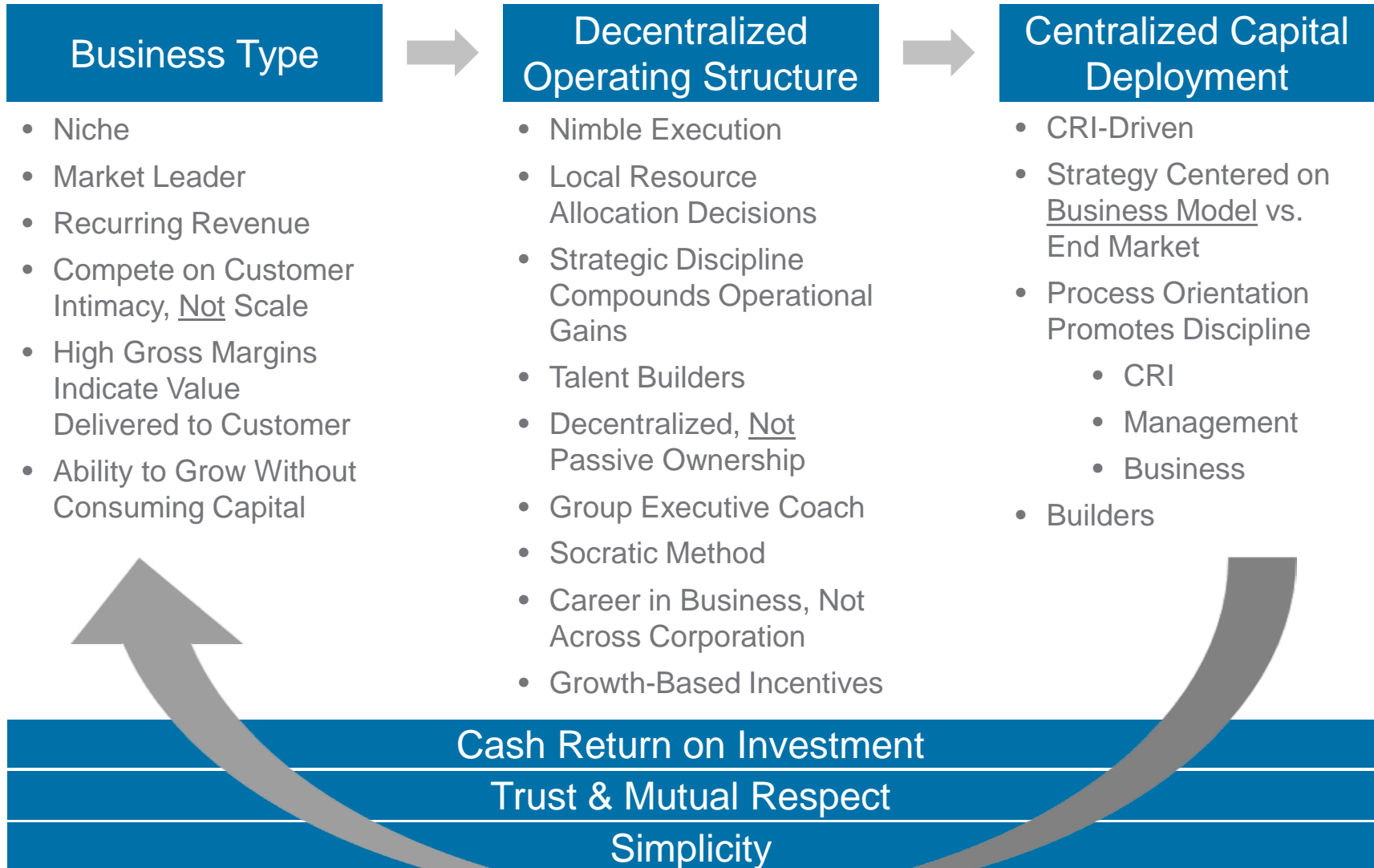
Gross Investment

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

=

Cash
Return on
Investment

- 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



GOVERNANCE PROCESS ENHANCES GROWTH AND DRIVES FINANCIAL DISCIPLINE



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

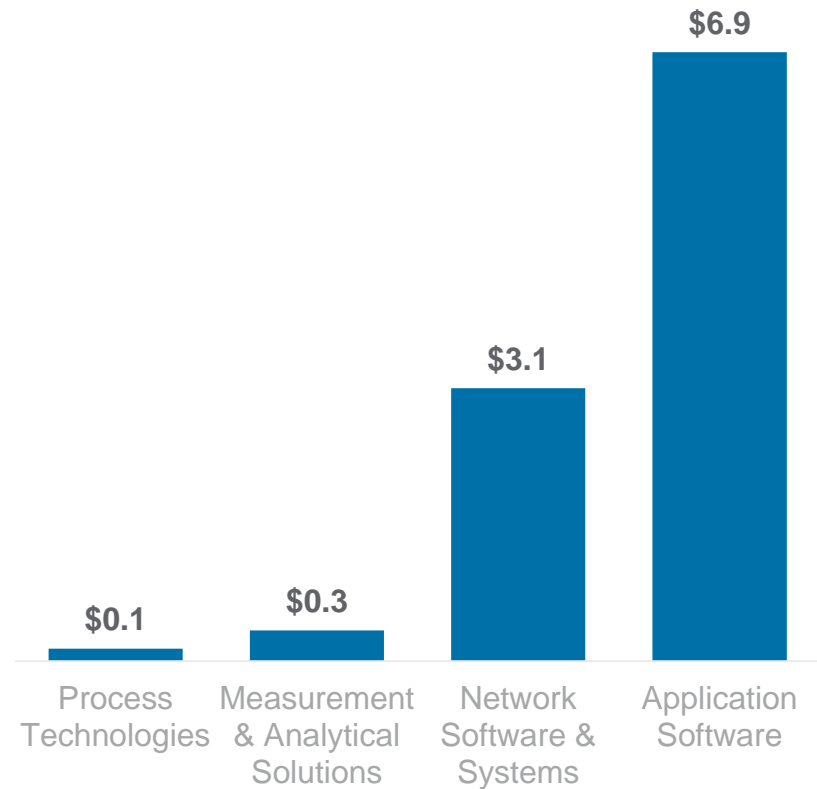
Highly Scalable Business System

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 Nine Years (2011- 2019 YTD)



Capital Deployment Enhances Future Cash Compounding

FOUNDRY.

imagination engineered

Meets All Acquisition Criteria

- ✓ Strong Cash Flow Characteristics
- ✓ Asset Light (Negative Working Capital)
- ✓ Excellent Management Team
- ✓ Niche Market Leader
- ✓ Deep Domain Expertise
- ✓ High Recurring Revenue
- ✓ Multiple Growth Opportunities

- Purchase Price: £410 Million; Immediately Cash Accretive
- First 12 Months Financial Impact
 - ~\$75M of Revenue
 - ~\$25M of Unlevered Free Cash Flow
- Strong History of Revenue, EBITDA and Cash Flow Growth Expected to Continue
- Leading Provider of Complex Visualization Software Solutions
 - Used to Deliver Award-Winning Visual Effects and 3D Content for the Media & Entertainment and Digital Design Markets
- Deeply Embedded Across the Creative Pipeline; Supported by Global Ecosystem of Users, Trainers and Evangelists

Another Great Niche Software Business for Roper

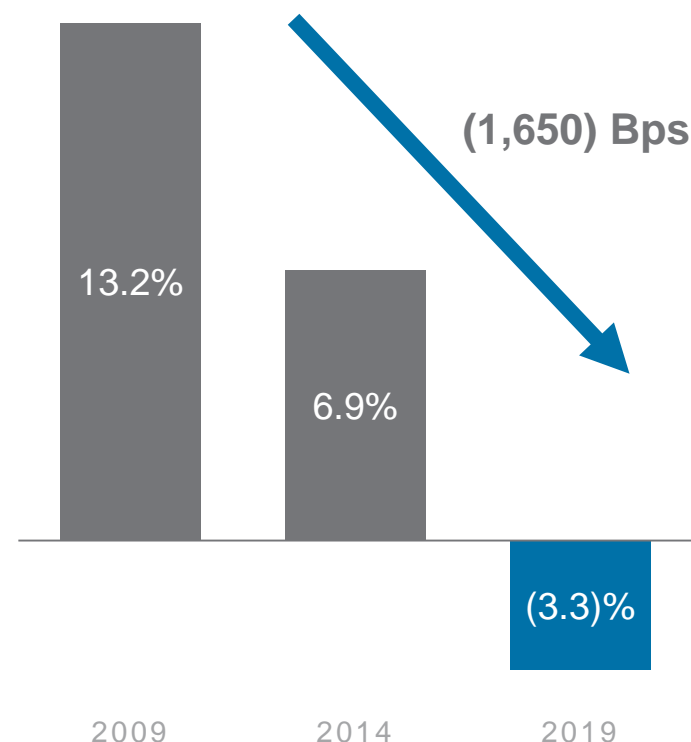
ASSET-LIGHT BUSINESS MODEL



NET WORKING CAPITAL ⁽¹⁾⁽²⁾ AS % OF Q1 ⁽³⁾ ANNUALIZED REVENUE

| | <u>3/31/09</u> <u>(10 Yrs Ago)</u> | <u>3/31/14</u> <u>(5 Yrs Ago)</u> | <u>3/31/19</u> <u>(Today)</u> |
|----------------------------|---------------------------------------|--------------------------------------|----------------------------------|
| (I) Inventory | 9.2% | 6.3% | 4.5% |
| (R) Receivables | 20.1% | 18.3% | 16.6% |
| <hr/> | | | |
| (P) Payables & Accruals | 12.8% | 11.4% | 10.8% |
| (D) Deferred Revenue | 3.4% | 6.2% | 13.5% |
| Total (I+R-P-D) | 13.2% | 6.9% | (3.3)% |

| (\$ Millions) | | | |
|------------------|------|-------|-------|
| Deferred Revenue | \$69 | \$208 | \$694 |



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.

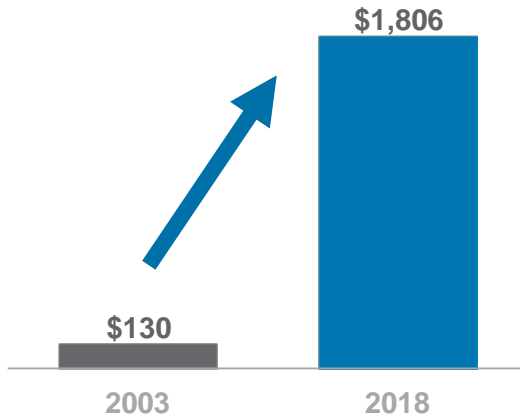
2) Includes assets and liabilities that have been classified as held-for-sale on Roper's balance sheet.

3) Defined as Q1 Revenue x 4.

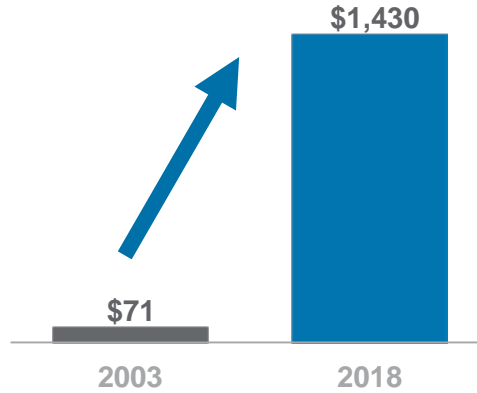
EXECUTING OUR HIGH PERFORMANCE MODEL



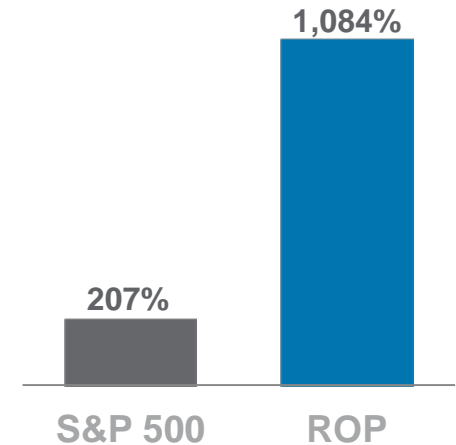
EBITDA



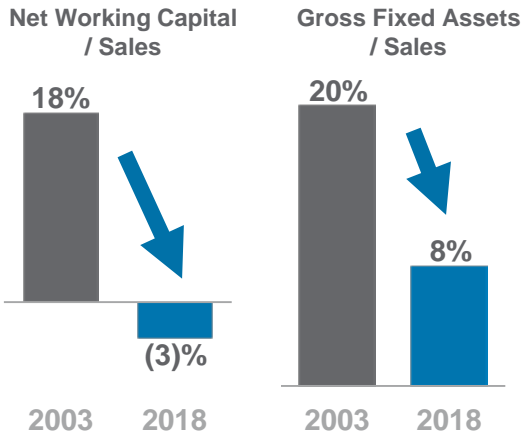
OPERATING CASH FLOW



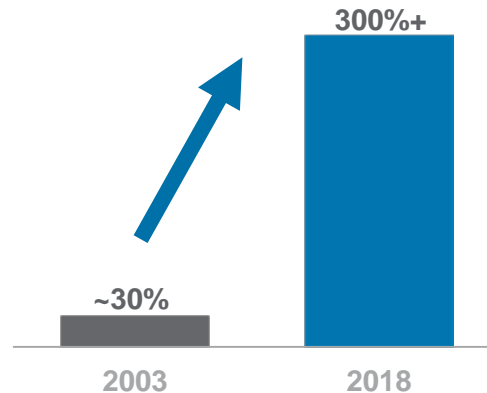
TOTAL SHAREHOLDER RETURN (2003 - 2018)



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.

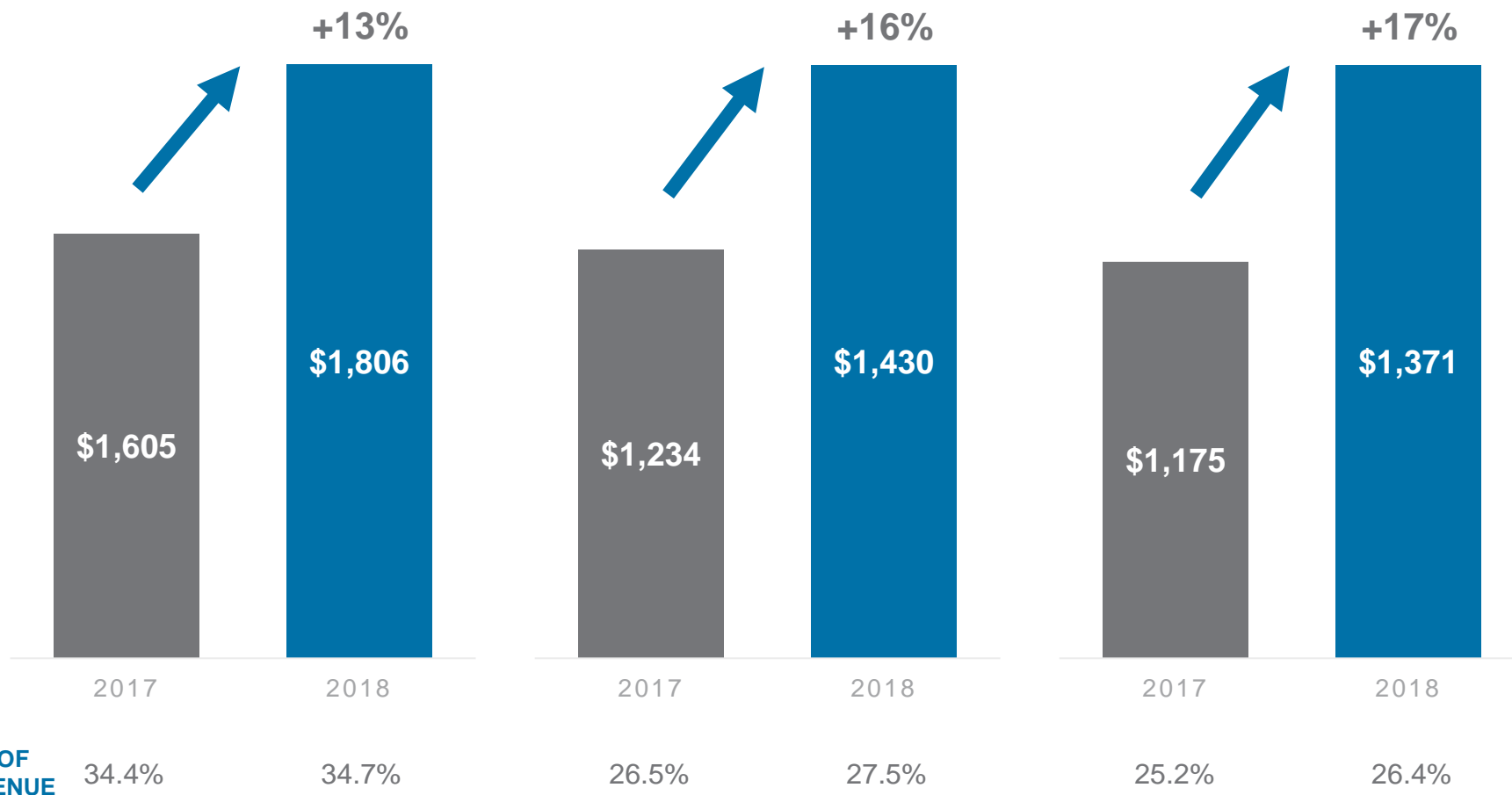
FULL YEAR 2018 GROWTH



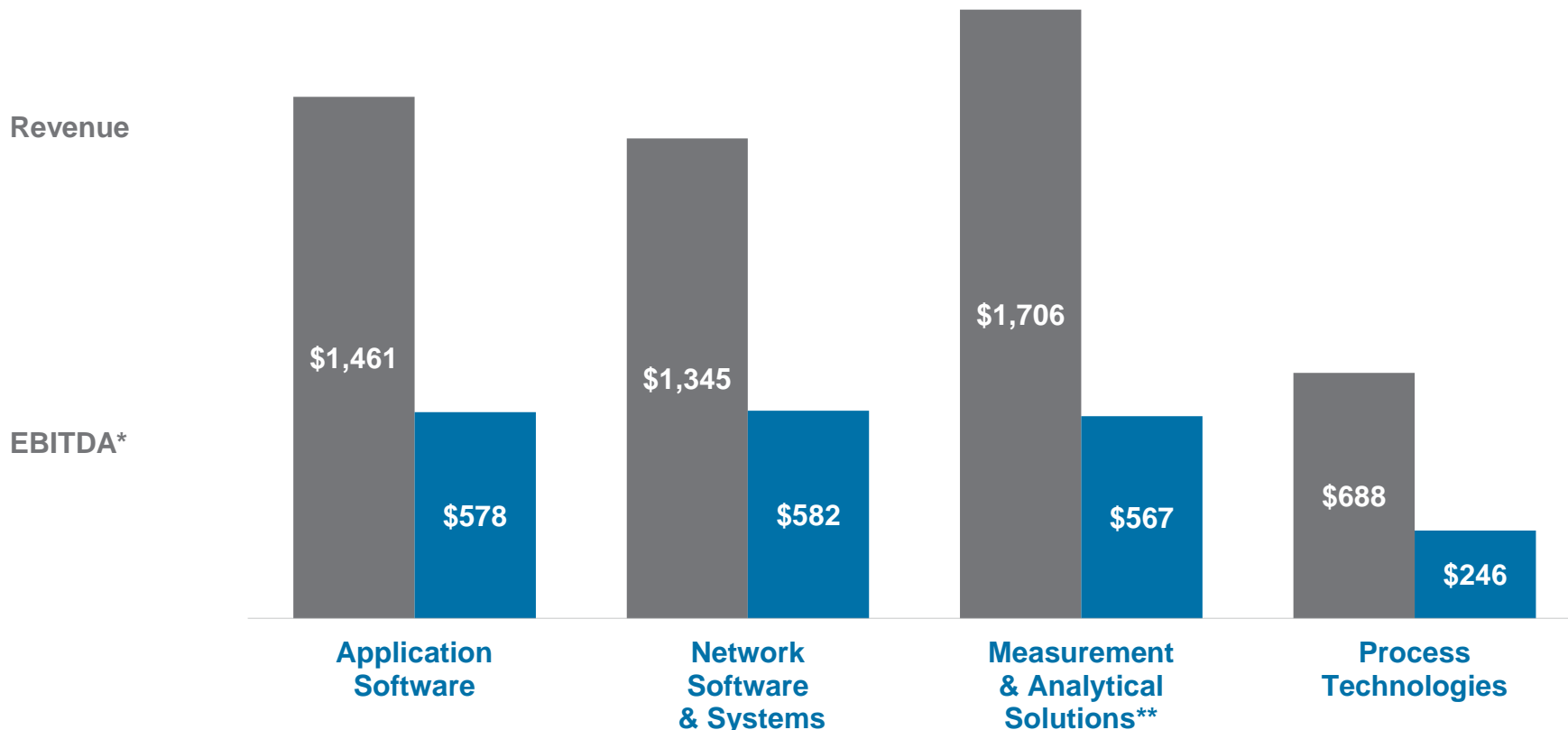
EBITDA

OPERATING CASH FLOW

FREE CASH FLOW



2018 SEGMENT PERFORMANCE



| EBITDA Margin* | 40% | 43% | 33% | 36% |
|----------------|--|---|--|--|
| | <ul style="list-style-type: none"> Vertical Software & SaaS | <ul style="list-style-type: none"> Network Software & SaaS Electronic Tolling | <ul style="list-style-type: none"> Data Collection & Metering Technology Medical Products Instrumentation | <ul style="list-style-type: none"> Control Systems Sensors Fluid Handling |

In \$ Millions.
 Results are presented on an Adjusted (Non-GAAP) basis. See appendix of this presentation for reconciliations from GAAP to Adjusted results.
 * Excludes Corporate Expenses. ** Includes results of the Scientific Imaging businesses; these businesses were sold to Teledyne on February 5, 2019.

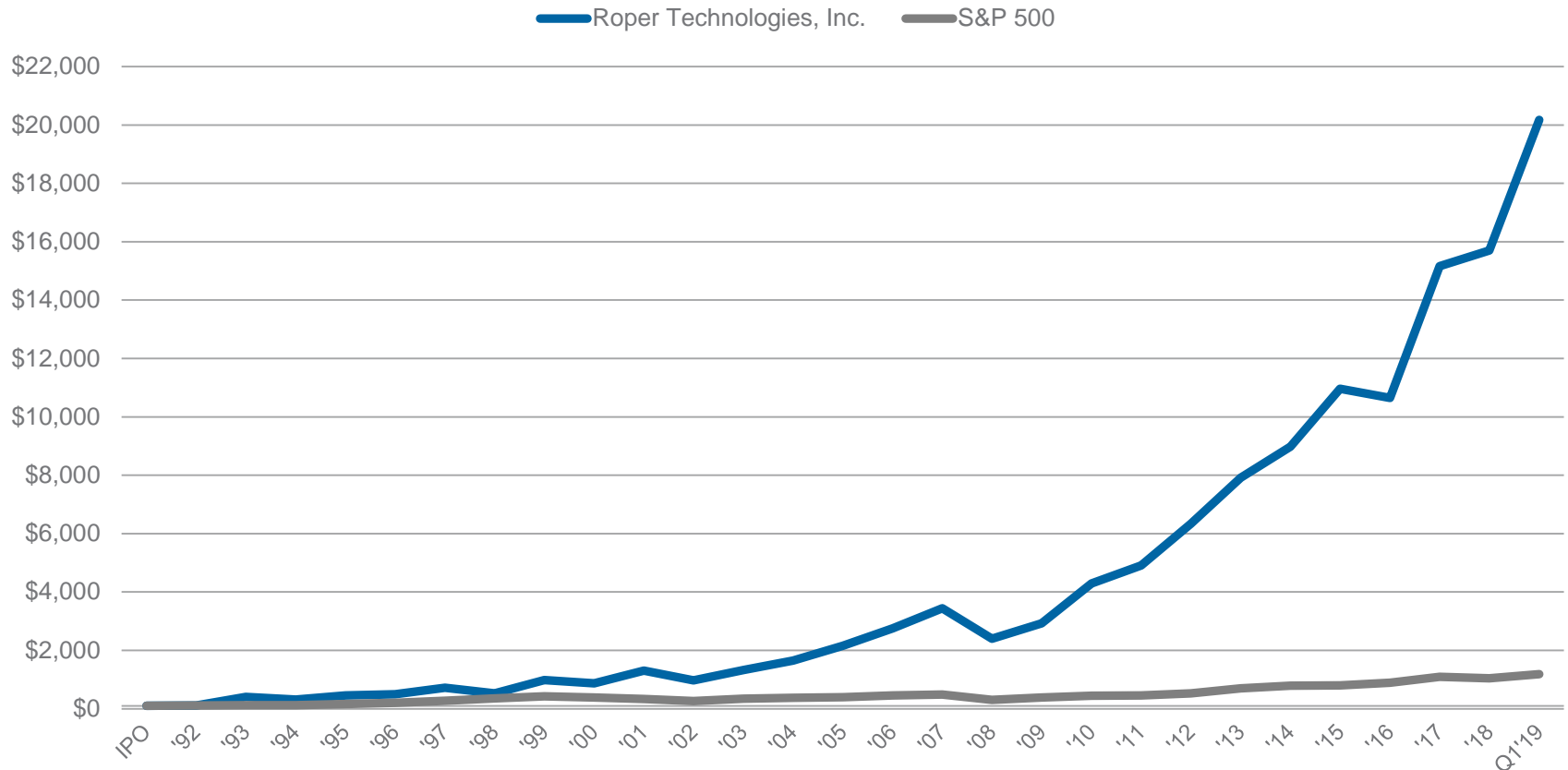
- Diversified Technology Company
 - Independent Businesses with Leadership Positions in Niche Markets
 - Highly Profitable: 63% Gross Margin, 35% EBITDA Margin
 - Asset Light Model: Negative Working Capital and Minimal Cap Ex Requirements
 - Greater than 50% of Revenue is Recurring
- Powerful Cash Flow 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

RECONCILIATIONS I



Adjusted Segment & Consolidated Financials Reconciliation (\$M) (Unaudited)

| | FY 2018 | Application Software | Network Software & Systems | Measurement & Analytical Solutions* | Process Technologies | | | |
|--|---------|-------------------------|----------------------------------|---|-------------------------|-------|----|-------|
| GAAP Revenue | \$ | 1,453 | \$ | 1,345 | \$ | 1,706 | \$ | 688 |
| Purchase accounting adjustment to acquired deferred revenue | | 8 | | - | | - | | - |
| Adjusted Revenue | | 1,461 | | 1,345 | | 1,706 | | 688 |
| GAAP Operating Profit | | 358 | | 484 | | 524 | | 234 |
| Purchase accounting adjustment to acquired deferred revenue & commission expense | | 7 | | - | | - | | - |
| Adjusted Operating Profit | | 365 | | 484 | | 524 | | 234 |
| Amortization | | 193 | | 87 | | 29 | | 9 |
| Depreciation | | 20 | | 11 | | 13 | | 4 |
| Adjusted EBITDA | \$ | 578 | \$ | 582 | \$ | 567 | \$ | 246 |
| Adjusted EBITDA Margin | | 39.6% | | 43.3% | | 33.2% | | 35.8% |

Note: Numbers may not foot due to rounding.

* Includes 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 II



Adjusted EBITDA Reconciliation (\$M)

| | <u>FY 2017</u> | <u>FY 2018</u> |
|---|-----------------|-----------------|
| GAAP Revenue | \$ 4,607 | \$ 5,191 |
| Purchase accounting adjustment to acquired deferred revenue | <u>57</u> | <u>8</u> |
| Adjusted Revenue | <u>4,665</u> | <u>5,199</u> |
| GAAP Net Earnings | 972 | 944 |
| Taxes | 63 | 254 |
| Interest Expense | 181 | 182 |
| Depreciation | 50 | 50 |
| Amortization | <u>295</u> | <u>318</u> |
| EBITDA | <u>1,560</u> | <u>1,748</u> |
| Purchase accounting adjustment to acquired deferred revenue | 57 | 8 |
| Debt extinguishment charge | - | 16 |
| One-time expense for accelerated vesting | - | 35 |
| Purchase accounting adjustment for commission expense | (5) | - |
| Gain on sale of divested energy product line | (9) | - |
| Impairment charge on minority investment | <u>2</u> | <u>-</u> |
| Adjusted EBITDA | <u>\$ 1,605</u> | <u>\$ 1,806</u> |
| % of Adjusted Revenue | 34.4% | 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 | <u>37</u> | <u>-</u> | <u>-</u> |
| Adjusted Operating Cash Flow | <u>1,001</u> | <u>1,234</u> | <u>1,430</u> |
| Capital Expenditures | (37) | (49) | (49) |
| Capitalized Software Expenditures | <u>(3)</u> | <u>(11)</u> | <u>(10)</u> |
| Adjusted Free Cash Flow | <u>\$ 961</u> | <u>\$ 1,175</u> | <u>\$ 1,371</u> |

Net Income Reconciliation (\$M)

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



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