
Section 1: 8-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

April 28, 2017

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)

ROPER TECHNOLOGIES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE
(STATE OR OTHER JURISDICTION OF INCORPORATION)

1-12273

51-0263969

(COMMISSION FILE NUMBER)

(IRS EMPLOYER IDENTIFICATION NO.)

**6901 PROFESSIONAL PKWY. EAST, SUITE 200, SARASOTA,
FLORIDA**

34240

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(ZIP CODE)

(941) 556-2601

(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)
(FORMER NAME OR ADDRESS, IF CHANGED SINCE LAST REPORT)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On April 28, 2017, Roper Technologies, Inc. (the "Company") issued a press release containing information about the Company's results of operations for the quarter ended March 31, 2017. A copy of the press release is furnished as [Exhibit 99.1](#). In the press release, the Company uses several non-GAAP financial measures: Adjusted Revenue, Adjusted Gross Margin, Adjusted Diluted Earnings per Share and Adjusted EBITDA.

Business combination accounting rules required Roper to account for the fair value of deferred revenue assumed in connection with the 2015 acquisitions of Data Innovations, SoftWriters, Strata Decision Technology, OnCenter Software, Aderant and Atlas Database Software and the 2016 acquisitions of CliniSys, ConstructConnect and Deltek. The fair value is based on the assumed cost of having a third-party provide the relevant support services rather than the contracted amount under the contracts. Because the fair value is less than the contracted amount, Roper's GAAP revenues for up to eighteen months subsequent to the acquisitions will not reflect the full amount of revenue that would have otherwise been recorded by the acquired companies had they remained independent companies. The Adjusted Revenue measure is intended to reflect the full amount that would have been recognized as revenue, absent the fair value adjustment.

Business combination accounting rules require Roper to increase the carrying value of inventory acquired to fair value at the date of purchase (inventory step-up). Roper's GAAP gross profit for the two quarters subsequent to the acquisition of PCI Medical in the first quarter of 2016 did not reflect the full amount of gross profit that would have otherwise been recorded by the entities had they remained independent companies. The Adjusted Gross Profit measure is intended to reflect the full amount that would have been recognized by the company, absent the fair value adjustment.

Business combination accounting rules required Roper to account for the fair value of prepaid commissions related to deferred revenue assumed in connection with the 2016 acquisition of Deltek. The fair value of the commissions that had already been paid at the time of the acquisition was determined to be zero; therefore Roper's GAAP results for up to eighteen months subsequent to the acquisition will not reflect the full amount of expense that would have otherwise been recorded by Deltek had they remained an independent company.

The Adjusted Revenue, Adjusted Gross Margin, and Adjusted Diluted Earnings per Share reflect these adjustments. The Company believes these non-GAAP measures are useful to investors as a measure of the ongoing performance of its business.

Adjusted EBITDA as shown in the press release is defined as adjusted net earnings plus (a) interest expense, (b) income taxes and (c) depreciation and amortization. The Company believes EBITDA is an important indicator of operational performance of the Company's business. EBITDA as calculated by the Company is not necessarily comparable to similarly titled measures reported by other companies. In addition, EBITDA: (a) does not represent net income or cash flows from operations as defined by GAAP; (b) is not necessarily indicative of cash available to fund the Company's cash flow needs; and (c) should not be considered as an alternative to net earnings, operating income, cash flows from operating activities or the Company's other financial information determined under GAAP. The Company believes that the line on the Company's consolidated statement of operations entitled net earnings is the most directly comparable GAAP measure to EBITDA.

(d) Exhibits.

99.1 Press Release of the Company dated April 28, 2017.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Roper Technologies, Inc.
(Registrant)

BY: /s/ John Humphrey Date: April 28, 2017
John Humphrey,
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of the Company dated April 28, 2017

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Section 2: EX-99.1

Exhibit 99.1

Contact Information:
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941-556-2601
investor-relations@ropertech.com



Roper Technologies Announces First Quarter Results
GAAP Revenue Increased 20%; Adjusted Revenue Increased 22%
Operating Cash Flow Increased to \$378 Million

Sarasota, Florida, April 28, 2017 ... Roper Technologies, Inc. (NYSE: ROP), a diversified technology company, reported financial results for the first quarter ended March 31, 2017.

Roper reports results – including revenue, operating margin, net income and diluted earnings per share – on a GAAP basis and an adjusted basis.

First quarter GAAP revenue increased 20% to \$1.09 billion and adjusted revenue grew 22% to \$1.11 billion. GAAP diluted earnings per share (DEPS) were \$1.53 (+3%), while adjusted diluted earnings per share increased 17% to \$2.11.

GAAP gross margin was 61.5% while adjusted gross margin was 62.2%. Operating cash flow increased to \$378 million and adjusted EBITDA increased 18% to \$362 million.

"Our businesses performed exceptionally well in the first quarter," said Brian Jellison, Roper's Chairman, President and CEO. "Our significant revenue increase included 5% organic growth, as our software and medical businesses continued their strong performance and we benefited from improvement in industrial and energy markets. Growth was broad-based as revenue in each of our four segments increased organically in the quarter."

"Our cash flow performance was outstanding in the quarter with significant contributions from our recent application software acquisitions, Deltek and ConstructConnect, as well as strong execution across the enterprise. We are very pleased by our great start to 2017," concluded Mr. Jellison.

2017 Guidance

Roper is raising its full year 2017 guidance. The Company now expects full year Adjusted DEPS of \$8.98 - \$9.28, compared to previous guidance of \$8.82 - \$9.22.

For the second quarter of 2017, the Company expects Adjusted DEPS to be between \$2.16 and \$2.24.

The Company's guidance excludes the impact of future acquisitions or divestitures.

Conference Call to be Held at 8:30 AM (ET) Today

A conference call to discuss these results has been scheduled for 8:30 AM ET on Friday, April 28, 2017. The call can be accessed via webcast or by dialing +1 877-857-6149 (US/Canada) or +1 719-325-4845, using confirmation code 4090618. Webcast information and conference call materials will be made available in the Investors section of Roper's website (www.ropertech.com) prior to the start of the call. The webcast can also be accessed directly by using the following URL <http://edge.media-server.com/m/p/skmkjsqe>. Telephonic replays will be available for up to two weeks and can be accessed by using the following registration URL <https://event.replay> with access code 4090618.

Use of Non-GAAP Financial Information

The Company supplements its consolidated financial statements presented on a GAAP basis with certain non-GAAP financial information to provide investors with greater insight, increase transparency and allow for a more comprehensive understanding of the information used by management in its financial and operational decision-making. Reconciliation of non-GAAP measures to their most directly comparable GAAP measures are included in the accompanying financial schedules or tables. The non-GAAP financial measures disclosed by the company should not be considered a substitute for, or superior to, financial measures prepared in accordance with GAAP, and the financial results prepared in accordance with GAAP and reconciliations from these results should be carefully evaluated.

Table 1: Revenue Growth Detail (\$M)

	Q1 2017	Q1 2016	V %
GAAP Revenue	\$ 1,086	\$ 902	20%
Purchase accounting adjustment to acquired deferred revenue ^{A,B}	22 ^A	3 ^B	
Rounding		1	
Adjusted Revenue	<u>\$ 1,108</u>	<u>\$ 906</u>	22%
Components of Adjusted Revenue Growth			
Organic			5%
Acquisitions			+18%
Foreign Exchange			(1)%
Total Adjusted Revenue Growth			<u>22%</u>

Table 2: Reconciliation of Q1 2017 GAAP DEPS to Adjusted DEPS

	Q1 2017	Q1 2016
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GAAP Diluted Earnings Per Share (DEPS)	\$	1.53	\$	1.48
Purchase accounting adjustment to acquired deferred revenue ^{A,B}		0.14 ^A		0.02 ^B
Purchase accounting adjustment for commission expense ^C)		-
		(0.01 ^C		
Acquisition-related inventory step-up charge ^D		-		0 ^D
Amortization of Acquisition-related intangible assets, after tax ^F		0.45 ^F		0.31 ^F
Adjusted DEPS	\$	<u>2.11</u>	\$	<u>1.81</u>

Table 3: Q1 Free Cash Flow Reconciliation (\$M)

	Q1 2017	Q1 2016	V %
GAAP Operating Cash Flow	\$ 378	\$ 207	+83%
Cash taxes related to 2015 sale of Abel Pump		37	
Rounding		1	
Adjusted Operating Cash Flow	\$ 378	\$ 245	+55%
Capital expenditures	(15)	(9)	
Capitalized software expenditures	(3)	(1)	
Rounding	-	(1)	
Adjusted Free Cash Flow	\$ 360	\$ 234	+54%

Table 4: Adjusted Gross Margin Reconciliation (M)

	Q1 2017	Q1 2016	V Bps
GAAP Revenue	\$ 1,086	\$ 902	
Purchase accounting adjustment to acquired deferred revenue ^{A,B}	22 ^A	3 ^B	
Rounding		1	
Adjusted Revenue	<u>\$ 1,108</u>	<u>\$ 906</u>	
GAAP Gross Profit	\$ 668	\$ 560	
Purchase accounting adjustment to acquired deferred revenue ^{A,B}	22 ^A	3 ^B	
Rounding	(1)		
Adjusted Gross Profit	<u>\$ 689</u>	<u>\$ 563</u>	
GAAP Gross Margin	61.5%	62.0%	(50) bps
Adjusted Gross Margin	62.2%	62.1%	+ 10 bps

Table 5: Q1 EBITDA Reconciliation (\$M)

	Q1 2017	Q1 2016	V %
GAAP Revenue	\$ 1,086	\$ 902	
Purchase accounting adjustment to acquired deferred revenue ^{A,B}	22 ^A	3 ^B	
Rounding		1	
Adjusted Revenue	<u>\$ 1,108</u>	<u>\$ 906</u>	
GAAP Net Earnings	\$ 158	\$ 151	
Taxes	53	66	
Interest expense	46	27	
Depreciation	12	10	
Amortization	73	50	
Purchase accounting adjustment to acquired deferred revenue, pretax ^{A,B}	22 ^A	3 ^B	
Purchase accounting adjustment for prepaid commission expense, pretax ^C	(2)		
Acquisition-related inventory step-up charge, pretax ^D	-	0 ^D	
Rounding	-	-	
Adjusted EBITDA	<u>\$ 362</u>	<u>\$ 307</u>	+18%
% of Adjusted Revenue	32.7%	34.0%	

Table 6: Forecasted Diluted Earnings Per Share (DEPS)

	Q2 2017		Full Year 2017	
	Low End	High End	Low End	High End
GAAP DEPS	\$ 1.62	\$ 1.70	\$ 6.86	\$ 7.16
Purchase accounting adjustments to acquired deferred revenue and commissions ^E	0.09 ^E	0.09 ^E	0.32 ^E	0.32 ^E
Amortization of acquisition-related intangible assets, after-tax ^F	0.45 ^F	0.45 ^F	1.80 ^F	1.80 ^F
Adjusted DEPS	<u>\$ 2.16</u>	<u>\$ 2.24</u>	<u>\$ 8.98</u>	<u>\$ 9.28</u>

- A Acquisition-related fair value adjustments to deferred revenue related to the acquisitions of CliniSys (\$0.0M pretax, \$0.0M after-tax), ConstructConnect (\$5.3M pretax, \$3.4M after-tax) and Deltek (\$16.3M pretax, \$10.6M after-tax).
- B Acquisition-related fair value adjustments to deferred revenue related to the acquisitions of Strata (\$0.2M pretax, \$0.1M after-tax), Softwriters (\$0.0M pretax, \$0.0M after-tax), Data Innovations (\$0.7m pre-tax, \$0.4M after-tax), On Center Software (\$0.4M pretax, \$0.3M after-tax), Aderant (\$1.8M pretax, \$1.2M after-tax), Atlas Medical (\$0.1M pretax, \$0.0M after-tax) and Clinisys (\$0.1M pretax, \$0.1M after-tax)
- C Purchase Accounting Adjustment for Commission Expense related to the acquisition of Deltek (\$1.8M pretax, \$1.2M after-tax),
- D Acquisition-related inventory step-up charge related to the acquisition of PCI Medical (\$0.1M pretax, \$0.1M after-tax)
- E Forecasted acquisition-related fair value adjustments to acquired deferred revenue and commissions of ConstructConnect and Deltek, as shown below (\$M, except per share data)

	Q2 2017		FY 2017	
Pretax	\$	15	\$	51
After-tax	\$	10	\$	33
Per Share	\$	0.09	\$	0.32

- F Actual results and forecast of estimated amortization of acquisition-related intangible assets (\$M); For comparison purposes, prior period amounts are also shown below. Tax Rate of 35% applied to amortization in all periods.

	Q1 2016A		Q2 2016A		FY 2016A		Q1 2017A		Q2 2017E		FY 2017E	
Pretax	\$	49	\$	50	\$	201	\$	72	\$	72	\$	286
After-tax	\$	32	\$	32	\$	131	\$	47	\$	47	\$	186
Per share	\$	0.31	\$	0.31	\$	1.27	\$	0.45	\$	0.45	\$	1.80

Roper Technologies, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets (unaudited)
(Amounts in thousands)

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 730,666	\$ 757,200
Accounts receivable	549,838	619,854
Inventories	191,426	181,952
Unbilled receivable	143,589	129,965
Other current assets	97,104	87,530
Total current assets	<u>1,712,623</u>	<u>1,776,501</u>
PROPERTY, PLANT AND EQUIPMENT, NET	144,113	141,318
OTHER ASSETS:		
Goodwill and other intangible assets, net	12,268,952	12,302,985
Deferred taxes	30,300	30,620
Other assets	74,066	73,503
Total other assets	<u>12,373,318</u>	<u>12,407,108</u>
TOTAL ASSETS	<u>\$ 14,230,054</u>	<u>\$ 14,324,927</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 152,638	\$ 152,067
Accrued compensation	131,584	161,730
Deferred revenue	513,820	488,399
Other accrued liabilities	251,298	219,339
Income taxes payable	88,126	22,762
Current portion of long-term debt	401,072	400,975
Total current liabilities	<u>1,538,538</u>	<u>1,445,272</u>
NONCURRENT LIABILITIES:		
Long-term debt	5,439,700	5,808,561
Deferred taxes	1,169,151	1,178,205
Other liabilities	111,875	104,024
Total liabilities	<u>8,259,264</u>	<u>8,536,062</u>
STOCKHOLDERS' EQUITY:		
Common stock	1,039	1,036
Additional paid-in capital	1,518,213	1,489,067
Retained earnings	4,764,711	4,642,402
Accumulated other comprehensive earnings	(294,327)	(324,739)
Treasury stock	(18,846)	(18,901)
Total stockholders' equity	<u>5,970,790</u>	<u>5,788,865</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 14,230,054</u>	<u>\$ 14,324,927</u>

Roper Technologies, Inc. and Subsidiaries
Condensed Consolidated Statements of Earnings (unaudited)
(Amounts in thousands, except per share data)

	Three months ended	
	March 31,	
	2017	2016
Net sales	\$ 1,086,305	\$ 902,423
Cost of sales	<u>418,691</u>	<u>342,904</u>
Gross profit	667,614	559,519
Selling, general and administrative expenses	<u>409,358</u>	<u>314,528</u>
Income from operations	258,256	244,991
Interest expense	45,865	27,413
Other expense	<u>(1,047)</u>	<u>(129)</u>
Earnings from continuing operations before income taxes	211,344	217,449
Income taxes	<u>53,273</u>	<u>66,033</u>
Net Earnings	<u>\$ 158,071</u>	<u>\$ 151,416</u>
Earnings per share:		
Basic	\$ 1.55	\$ 1.50
Diluted	\$ 1.53	\$ 1.48
Weighted average common and common equivalent shares outstanding:		
Basic	101,885	101,071
Diluted	<u>103,078</u>	<u>102,318</u>

Roper Technologies, Inc. and Subsidiaries
Selected Segment Financial Data (unaudited)

(Amounts in thousands and percents of net sales)

	Three months ended March 31,			
	2017		2016	
	Amount	%	Amount	%
Net sales:				
Medical & Scientific Imaging	\$ 348,235		\$ 332,214	
RF Technology	429,619		280,210	
Industrial Technology	183,404		171,235	
Energy Systems & Controls	125,047		118,764	
Total	<u>\$ 1,086,305</u>		<u>\$ 902,423</u>	
Gross profit:				
Medical & Scientific Imaging	\$ 251,930	72.3%	\$ 246,897	74.3%
RF Technology	251,478	58.5%	160,365	57.2%
Industrial Technology	93,151	50.8%	86,020	50.2%
Energy Systems & Controls	71,055	56.8%	66,237	55.8%
Total	<u>\$ 667,614</u>	<u>61.5%</u>	<u>\$ 559,519</u>	<u>62.0%</u>
Operating profit*:				
Medical & Scientific Imaging	\$ 119,793	34.4%	\$ 114,456	34.5%
RF Technology	88,984	20.7%	88,766	31.7%
Industrial Technology	53,613	29.2%	46,759	27.3%
Energy Systems & Controls	30,236	24.2%	24,182	20.4%
Total	<u>\$ 292,626</u>	<u>26.9%</u>	<u>\$ 274,163</u>	<u>30.4%</u>
Net Orders:				
Medical & Scientific Imaging	\$ 350,777		\$ 343,850	
RF Technology	441,289		281,125	
Industrial Technology	195,316		178,905	
Energy Systems & Controls	126,727		122,770	
Total	<u>\$ 1,114,109</u>		<u>\$ 926,650</u>	

* Operating profit is before unallocated corporate general and administrative expenses. These expenses were \$34,370 and \$29,172 for the three months ended March 31, 2017 and 2016, respectively.

Roper Technologies, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (unaudited)
(Amounts in thousands)

	Three months ended March 31,	
	2017	2016
Net earnings	\$ 158,071	\$ 151,416
Non-cash items:		
Depreciation	12,377	9,702
Amortization	72,998	49,549
Stock-based compensation expense	21,049	18,979
Income taxes	39,013	20,127
Changes in assets and liabilities:		
Receivables	59,536	(14,059)
Inventory	(7,905)	(3,907)
Accounts payable	(2,009)	(1,273)
Accrued liabilities	34,094	(18,458)
Other, net	(9,007)	(5,004)
Cash provided by operating activities	<u>378,217</u>	<u>207,072</u>
Business acquisitions, net of cash acquired	(2,829)	(265,248)
Capital expenditures	(14,930)	(9,489)
Capitalized software expenditures	(3,169)	(665)
Other, net	(391)	1,446
Cash used in investing activities	<u>(21,319)</u>	<u>(273,956)</u>
Principal debt payments	-	(289)
Revolver payments, net	(370,000)	(160,000)
Dividends	(35,443)	(30,173)
Proceeds from stock-based compensation, net	7,576	690
Premium on convertible debt conversions	-	(915)
Other, net	782	505
Cash used in financing activities	<u>(397,085)</u>	<u>(190,182)</u>
Effect of exchange rate changes on cash	13,653	1,588
Net decrease in cash and equivalents	(26,534)	(255,478)
Cash and equivalents, beginning of period	<u>757,200</u>	<u>778,511</u>
Cash and equivalents, end of period	<u>\$ 730,666</u>	<u>\$ 523,033</u>

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