
Section 1: 8-K (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, 2020 (April 23, 2020)

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 Pkway. 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new

or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On April 23, 2020, Roper Technologies, Inc. (the “Company”) entered into Amendment No. 2 to Credit Agreement (the “Amendment”) to the Credit Agreement dated September 23, 2016 among the Company, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the other agents and parties thereto, as previously amended December 2, 2016 (the “Credit Agreement”).

The Amendment amends the definition of Consolidated Total Leverage Ratio (as defined in the Credit Agreement) to be the ratio of (a)(i) Consolidated Total Debt (as defined in the Credit Agreement) minus (ii) the aggregate amount of Unrestricted Cash (as defined in the Credit Agreement) to (b) Consolidated EBITDA (as defined in the Credit Agreement). The Amendment also adds a condition to each extension of credit through December 31, 2020, that after giving effect to any such borrowing and intended use of such borrowing, the aggregate amount of Unrestricted Cash may not be greater than \$1,250,000,000.

The above description of the Amendment does not purport to be complete and is included solely as a summary of the material terms of the Amendment, a copy of which is filed as Exhibit 10.1 hereto and is incorporated by reference.

Item 2.02. Results of Operations and Financial Condition.

On April 28, 2020, the Company issued a press release containing information about the Company’s results of operations for the quarter ended March 31, 2020. A copy of the press release is furnished as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

| | |
|-------|--|
| 10.01 | <u>Amendment No. 2 to Credit Agreement dated April 23, 2020, to Credit Agreement dated as of September 23, 2016 by and among Registrant, the foreign subsidiary borrowers party thereto from time to time, the lenders party thereto from time to time, JP Morgan Chase Bank, N.A., as Administrative Agent, and the other agents and parties thereto, as previously amended December 2, 2016.</u> |
| 99.1 | <u>Press Release of the Company dated April 28, 2020</u> |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

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/ Robert C. Crisci

Date: April 28, 2020

Robert C. Crisci,
Executive Vice President and Chief Financial Officer

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Section 2: EX-10.1 (EX-10.1)

AMENDMENT NO. 2 TO CREDIT AGREEMENT

AMENDMENT NO. 2 TO CREDIT AGREEMENT, dated as of April 23, 2020 (this “**Amendment**”), which amends that certain Credit Agreement, dated as of September 23, 2016 (as in effect prior to this Amendment, the “**Existing Credit Agreement**”), by and among Roper Technologies, Inc., (the “**Parent Borrower**”), the Foreign Subsidiary Borrowers party thereto from time to time, the Lenders party thereto from time to time (the “**Lenders**”), JPMorgan Chase Bank, N.A., as Administrative Agent (in such capacity, the “**Administrative Agent**”), and the other agents and parties thereto.

W I T N E S S E T H :

WHEREAS, the parties hereto have agreed to modify the terms and conditions of the Existing Credit Agreement as more fully set forth herein.

THEREFORE, the parties hereto agree as follows:

SECTION 1. *Defined Terms; References.* Unless otherwise specifically defined herein, each term used herein that is defined in the Amended Credit Agreement has the meaning assigned to such term in the Amended Credit Agreement. Each reference in the Existing Credit Agreement to “this Agreement”, “hereof”, “hereunder”, “herein” and “hereby” and each other similar reference, and each reference in any other Loan Document to “the Credit Agreement”, “thereof”, “thereunder”, “therein” or “thereby” or any other similar reference to the Existing Credit Agreement shall, from the Amendment Effective Date (as defined below), refer to the Existing Credit Agreement as amended by this Amendment (the “**Amended Credit Agreement**”). For the avoidance of doubt, this Amendment shall constitute a “Loan Document” for all purposes under the Amended Credit Agreement and the other Loan Documents.

SECTION 2. *Amendments.* Effective as of the Amendment Effective Date, the Existing Credit Agreement is hereby amended as follows:

- (a) Section 1.1 of the Existing Credit Agreement is hereby amended by adding in the correct place alphabetically the following additional definitions:

““Restricted Cash”: cash and cash equivalents of the Group Members to the extent (a) classified (or required to be classified) as restricted cash or restricted cash equivalents on the balance sheet of the Parent Borrower in accordance with GAAP or (b) such cash or cash equivalents are encumbered by or subject to any Lien, setoff, counterclaim, recoupment, defense or any restriction on the use thereof to pay Indebtedness and other liabilities of the Parent Borrower and its Subsidiaries.”

““Unrestricted Cash”: cash and cash equivalents of the Group Members that are not Restricted Cash.”

- (b) The definition of “Consolidated Total Leverage Ratio” in Section 1.1 of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

““Consolidated Total Leverage Ratio”: as of any date of determination, the ratio of (a)(i) Consolidated Total Debt on such date minus (ii) the aggregate amount of Unrestricted Cash on such date, to (b) Consolidated EBITDA measured for the Test Period most recently ended on or prior to such date.”

(c) Section 5.2 of the Existing Credit Agreement is hereby amended by adding the following text as a new clause (c) after clause (b) thereof:

“(c) Maximum Cash Balance. With respect to any borrowing occurring during the period from April 23, 2020 through December 31, 2020, on the date of such requested borrowing, after giving effect to such borrowing and the intended use of such borrowing within 10 Business Days after the date of such borrowing (as determined by the Parent Borrower in good faith), the aggregate amount of Unrestricted Cash is no greater than \$1,250,000,000.”

SECTION 3. *Representations of Parent Borrower.* The Parent Borrower represents and warrants that (i) the representations and warranties of the Parent Borrower set forth in Section 4 of the Amended Credit Agreement are true and correct in all material respects on and as of the Amendment Effective Date (including, for the avoidance of doubt, as such representations and warranties relate to this Amendment as a Loan Document) except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) and (ii) no Event of Default or Default has occurred and is continuing.

SECTION 4. *Effectiveness of Amendments.* This Amendment shall become effective on the first date on which (a) the Administrative Agent (or its counsel) shall have received from (i) the Administrative Agent, (ii) such Lenders constituting the Required Lenders and (iii) the Parent Borrower either (x) counterparts of this Amendment signed on behalf of such parties or (y) written evidence satisfactory to the Administrative Agent (which may include facsimile or other electronic transmissions of signed signature pages) that such parties have signed counterparts of this Amendment and (b) the Parent Borrower has paid to the Administrative Agent the fees and expenses required to be paid to the Administrative Agent pursuant to Section 10.5 of the Existing Credit Agreement on the Amendment Effective Date (the date of satisfaction of such conditions precedent, the “**Amendment Effective Date**”).

SECTION 5. *Certain Consequences of Effectiveness.* Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders, the Administrative Agent or any other party under the Existing Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect.

SECTION 6. *Governing Law.* This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 7. *Counterparts.* This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto

and hereto were upon the same instrument. Delivery by electronic means (including facsimile or “pdf”) of an executed counterpart of a signature page to this Amendment shall be effective as delivery of an original executed counterpart hereof.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

ROPER TECHNOLOGIES, INC.,
as Parent Borrower

By: /S/ John K. Stipancich

Name: John K. Stipancich
Title: Executive Vice President, General Counsel and
Corporate Secretary

JPMORGAN CHASE BANK, N.A.,
as a Lender and as Administrative Agent

By: /S/ Jonathan Bennett

Name: Jonathan Bennett
Title: Executive Director

Comerica Bank,
as a Lender

By: /S/ Carl Bradley

Name: Carl Bradley

Title: Portfolio Manager

CITIZENS BANK OF PENNSYLVANIA,
as a Lender

By: /S/ Brent Fieser

Name: Brent Fieser

Title: Director

MUFG Bank, Ltd., (f/k/a The Bank of Tokyo-Mitsubishi UFJ, Ltd.)
as a Lender

By: /S/ Victor Pierzchalski

Name: Victor Pierzchalski

Title: Managing Director

Truist Bank,
as a Lender

By: /S/ Max N. Greer III

Name: Max N. Greer III

Title: Senior Vice President

Royal Bank of Canada,
as a Lender

By: /S/ Andra Bosneaga

Name: Andra Bosneaga

Title: Vice President

Seaside National Bank & Trust,
as a Lender

By: /S/ David E. Robinson

Name: David E. Robinson

Title: Chief Credit Officer

UniCredit Bank AG, New York Branch
as a Lender

By: /S/ Fabio Della Malva
Name: Fabio Della Malva
Title: Managing Director

By: /S/ Peter Daugavietis
Name: Peter Daugavietis
Title: Associate Director

Mizuho Bank, Ltd.,
as a Lender

By: /S/ Donna DeMagistris

Name: Donna DeMagistris

Title: Executive Director

Wells Fargo Bank, N.A.,
as a Lender

By: /S/ Matt J. Perrizo

Name: Matt J. Perrizo

Title: Director

PNC Bank, National Association,
as a Lender

By: /S/ Dan Beckwith

Name: Dan Beckwith

Title: Senior Vice President

Bank of America, N.A.,
as a Lender

By: /S/ Max Oligario
Name: Max Oligario
Title: Senior Vice President

TD Bank, N.A.,
as a Lender

By: /S/ Bernadette Collins

Name: Bernadette Collins

Title: Senior Vice President

U.S. BANK, NATIONAL ASSOCIATION,
as a Lender

By: /S/ Ken Gorski
Name: Ken Gorski
Title: Vice President

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Section 3: EX-99.1 (EX-99.1)

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



Roper Technologies, Inc.

Roper Technologies Announces Record First Quarter Results and Updates Full Year 2020 Guidance

Sarasota, Florida, April 28, 2020 ... Roper Technologies, Inc. (NYSE: ROP), a leading diversified technology company, reported financial results for the first quarter ended March 31, 2020.

First quarter GAAP and adjusted revenue increased 5% to \$1.35 billion, and organic revenue increased 4%. GAAP gross margin expanded 40 basis points to 63.4% and adjusted gross margin expanded 50 basis points to 63.5%.

GAAP earnings before taxes decreased 27% to \$305 million. Prior year GAAP results included a \$120 million pretax gain on sale from the Scientific Imaging businesses. Adjusted earnings before taxes increased 7% to \$408 million. GAAP diluted earnings per share ("DEPS") was \$2.28 and adjusted DEPS was \$3.05.

EBITDA increased 7% to \$467 million and EBITDA margin expanded 50 basis points to 34.5%. Adjusted operating cash flow increased 10% to \$364 million while adjusted free cash flow increased 13% to \$353 million, representing 26% of adjusted revenue.

"Our primary focus during this unprecedented time is on the safety and well-being of our employees and their families," said Neil Hunn, Roper's President & CEO. "All of our businesses with manufacturing facilities have been deemed essential and remain operational, supplying our customers with vital and necessary products. Additionally, all of our businesses are highly productive and operational in their work-from-home environments."

"Clearly, this global health crisis has created tremendous uncertainty in the future economic outlook," said Mr. Hunn. "However, for nearly two decades, Roper has transformed our business model to be one that is characterized by high levels of recurring revenue, direct channel access, low fixed costs, low capital expenditure requirements, and high levels of operating cash flow. For these reasons, and many others, we are highly confident in our ability to successfully navigate the situation. We will continue to invest in innovation and talent, enabling Roper to be on the offensive during and after this period."

"We expect our cash flow generation capability to remain very strong," continued Mr. Hunn. "Our balance sheet is exceptionally well positioned with \$1 billion in cash and an undrawn \$2.5 billion revolving line of credit. Given these factors, we will continue to pursue our disciplined capital deployment strategy."

Updating 2020 Guidance

The Company's previous guidance provided on January 30, 2020 did not reflect any impact from COVID-19. Based on current assumptions, the Company now expects full year adjusted DEPS of \$11.60 - \$12.60.

For the second quarter, the Company expects adjusted DEPS of \$2.50 - \$2.70.

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

Conference Call to be Held at 8:00 AM (ET) Today

A conference call to discuss these results has been scheduled for 8:00 AM ET on Tuesday, April 28, 2020. The call can be accessed via webcast or by dialing +1 800-263-0877 (US/Canada) or +1 646-828-8143, using confirmation code 5367118. 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 <https://event.webcast>. 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 5367118.

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

| | <u>Q1 2019</u> | <u>Q1 2020</u> | <u>V %</u> |
|---|-----------------|-----------------|--------------|
| Adjusted Revenue Reconciliation | | | |
| GAAP Revenue | \$ 1,287 | \$ 1,351 | 5 % |
| Purchase accounting adjustment to acquired deferred revenue | 1 | 2 ^A | |
| Adjusted Revenue | <u>\$ 1,288</u> | <u>\$ 1,353</u> | <u>5 %</u> |
| Components of Adjusted Revenue Growth | | | |
| Organic | | | 4 % |
| Acquisitions/Divestitures | | | 2 % |
| Rounding | | | (1)% |
| Total Adjusted Revenue Growth | | | <u>5 %</u> |
| Adjusted Gross Profit Reconciliation | | | |
| GAAP Gross Profit | \$ 811 | \$ 857 | |
| Purchase accounting adjustment to acquired deferred revenue | 1 | 2 ^A | |
| Adjusted Gross Profit | <u>\$ 811</u> | <u>\$ 859</u> | <u>6 %</u> |
| GAAP Gross Margin | 63.0 % | 63.4 % | +40 bps |
| Adjusted Gross Margin | 63.0 % | 63.5 % | +50 bps |
| Adjusted EBITDA Reconciliation | | | |
| GAAP Net Earnings | \$ 370 | \$ 240 | |
| Taxes | 50 | 64 | |
| Interest Expense | 44 | 45 | |
| Depreciation | 12 | 13 | |
| Amortization | 83 | 102 | |
| EBITDA | <u>\$ 558</u> | <u>\$ 465</u> | <u>(17)%</u> |
| Purchase accounting adjustment to acquired deferred revenue | — | 2 ^A | |
| Gain on sale of Scientific Imaging businesses | (120) | — | |
| Adjusted EBITDA | <u>\$ 438</u> | <u>\$ 467</u> | <u>7 %</u> |
| % of Adjusted Revenue | 34.0 % | 34.5 % | +50 bps |

Table 2: Adjusted Earnings Before Taxes Reconciliation (\$M)

| | <u>Q1 2019</u> | <u>Q1 2020</u> | <u>V %</u> |
|--|----------------|----------------|------------|
| GAAP Earnings Before Taxes | \$ 419 | \$ 305 | (27)% |
| Purchase accounting adjustment to acquired deferred revenue | — | 2 ^A | |
| Amortization of acquisition-related intangible assets ^B | 82 | 101 | |
| Gain on sale of Scientific Imaging businesses | (120) | — | |
| Adjusted Earnings Before Taxes | <u>\$ 382</u> | <u>\$ 408</u> | <u>7 %</u> |

Table 3: Adjusted DEPS Reconciliation^C

| | <u>Q1 2019</u> | <u>Q1 2020</u> | <u>V %</u> |
|--|----------------|-------------------|-------------|
| GAAP DEPS | \$ 3.53 | \$ 2.28 | (35)% |
| Purchase accounting adjustment to acquired deferred revenue | — | 0.02 ^A | |
| Amortization of acquisition-related intangible assets ^B | 0.62 | 0.75 | |
| Gain on sale of Scientific Imaging businesses | (0.86) | — | |
| Rounding | 0.01 | — | |
| Adjusted DEPS | <u>\$ 3.30</u> | <u>\$ 3.05</u> | <u>(8)%</u> |

Table 4: Adjusted Cash Flow Reconciliation (\$M)

| | <u>Q1 2019</u> | <u>Q1 2020</u> | <u>V %</u> |
|---|----------------|----------------|-------------|
| Operating Cash Flow | \$ 290 | \$ 364 | 25 % |
| Add: Cash taxes paid on sale of Scientific Imaging businesses | 39 | — | |
| Adjusted Operating Cash Flow | 330 | 364 | 10 % |
| Capital Expenditures | (16) | (8) | |
| Capitalized Software Expenditures | (2) | (3) | |
| Adjusted Free Cash Flow | <u>\$ 312</u> | <u>\$ 353</u> | <u>13 %</u> |

Table 5: Forecasted Adjusted DEPS Reconciliation^C

| | <u>Q2 2020</u> | | <u>FY 2020</u> | |
|--|----------------|-----------------|-----------------|-----------------|
| | <u>Low End</u> | <u>High End</u> | <u>Low End</u> | <u>High End</u> |
| GAAP DEPS | \$ 1.75 | \$ 1.95 | \$ 8.60 | \$ 9.60 |
| Purchase accounting adjustment to acquired deferred revenue ^A | 0.01 | 0.01 | 0.03 | 0.03 |
| Amortization of acquisition-related intangible assets ^B | 0.74 | 0.74 | 2.97 | 2.97 |
| Adjusted DEPS | <u>\$ 2.50</u> | <u>\$ 2.70</u> | <u>\$ 11.60</u> | <u>\$ 12.60</u> |

- A. 2020 actual results and forecast of estimated acquisition-related fair value adjustments to deferred revenue related to the acquisitions of Foundry and iPipeline as shown below (\$M, except per share data).

| | Q1 2019A | | Q1 2020A | | Q2 2020E | | FY 2020E | |
|-----------|----------|---|----------|------|----------|------|----------|------|
| Pretax | \$ | 1 | \$ | 2 | \$ | 1 | \$ | 4 |
| After-tax | \$ | — | \$ | 2 | \$ | 1 | \$ | 3 |
| Per Share | \$ | — | \$ | 0.02 | \$ | 0.01 | \$ | 0.03 |

- B. 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.

| | Q1 2019A | | Q1 2020A | | Q2 2020E | | FY 2020E | |
|-----------|----------|------|----------|------|----------|------|----------|------|
| Pretax | \$ | 82 | \$ | 101 | \$ | 99 | \$ | 397 |
| After-tax | \$ | 65 | \$ | 79 | \$ | 79 | \$ | 314 |
| Per share | \$ | 0.62 | \$ | 0.75 | \$ | 0.74 | \$ | 2.97 |

- C. All 2019 and 2020 adjustments taxed at 21%, except for the gain on sale of the Scientific Imaging businesses, which were taxed at 25%.

Note: Numbers may not foot due to rounding.

About Roper Technologies

Roper Technologies is a constituent of the S&P 500, Fortune 1000, and the Russell 1000 indices. Roper operates businesses that design and develop software (both license and software-as-a-service) and engineered products and solutions for a variety of niche end markets. Additional information about Roper is available on the Company's website at www.ropertech.com.

The information provided in this press release 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, the prospects for newly acquired businesses to be integrated and contribute to future growth, and 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," "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 the effects of the COVID-19 pandemic on our business, operations, financial results and liquidity, including the duration and magnitude of such effects, which will depend on numerous evolving factors which we cannot accurately predict or assess, including: the duration and scope of the pandemic; the negative impact on global and regional markets, economies and economic activity; actions governments, businesses and individuals take in response to the pandemic; the effects of the pandemic, including all of the foregoing, on our customers, suppliers, and business partners, and how quickly economies and demand for our products and services recover after the pandemic subsides. Such risks and uncertainties also 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 other 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, risks related to political instability, armed hostilities, incidents of terrorism, public health crisis (such as the COVID-19 pandemic) or natural disasters, 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, 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.

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

| | <u>March 31, 2020</u> | <u>December 31, 2019</u> |
|--|-----------------------|--------------------------|
| ASSETS: | | |
| Cash and cash equivalents | \$ 999.8 | \$ 709.7 |
| Accounts receivable, net | 712.2 | 791.6 |
| Inventories, net | 206.2 | 198.6 |
| Income taxes receivable | 19.1 | 18.5 |
| Unbilled receivables | 225.3 | 183.5 |
| Other current assets | 110.8 | 97.6 |
| Total current assets | <u>2,273.4</u> | <u>1,999.5</u> |
| Property, plant and equipment, net | 133.4 | 139.9 |
| Goodwill | 10,732.5 | 10,815.4 |
| Other intangible assets, net | 4,523.0 | 4,667.7 |
| Deferred taxes | 95.0 | 95.6 |
| Other assets | 380.5 | 390.8 |
| Total assets | <u>\$ 18,137.8</u> | <u>\$ 18,108.9</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY: | | |
| Accounts payable | \$ 180.8 | \$ 162.0 |
| Accrued compensation | 159.5 | 240.1 |
| Deferred revenue | 827.5 | 831.8 |
| Other accrued liabilities | 327.0 | 346.2 |
| Income taxes payable | 268.9 | 215.1 |
| Current portion of long-term debt, net | 602.4 | 602.2 |
| Total current liabilities | <u>2,366.1</u> | <u>2,397.4</u> |
| Long-term debt, net of current portion | 4,674.2 | 4,673.1 |
| Deferred taxes | 1,081.1 | 1,108.1 |
| Other liabilities | 425.1 | 438.4 |
| Total liabilities | <u>8,546.5</u> | <u>8,617.0</u> |
| Common stock | 1.1 | 1.1 |
| Additional paid-in capital | 1,946.3 | 1,903.9 |
| Retained earnings | 8,003.1 | 7,818.0 |
| Accumulated other comprehensive loss | (341.0) | (212.8) |
| Treasury stock | (18.2) | (18.3) |
| Total stockholders' equity | <u>9,591.3</u> | <u>9,491.9</u> |
| Total liabilities and stockholders' equity | <u>\$ 18,137.8</u> | <u>\$ 18,108.9</u> |

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

| | Three months ended March 31, | |
|--|-------------------------------------|-----------------|
| | 2020 | 2019 |
| Net revenues | \$ 1,350.7 | \$ 1,287.2 |
| Cost of sales | 493.9 | 476.6 |
| Gross profit | 856.8 | 810.6 |
| Selling, general and administrative expenses | 507.6 | 464.2 |
| Income from operations | 349.2 | 346.4 |
| Interest expense, net | 45.4 | 43.7 |
| Other income (expense), net | 0.8 | (3.1) |
| Gain on disposal of business | — | 119.6 |
| Earnings before income taxes | 304.6 | 419.2 |
| Income taxes | 64.3 | 49.6 |
| Net earnings | <u>\$ 240.3</u> | <u>\$ 369.6</u> |
| Net earnings per share: | | |
| Basic | \$ 2.30 | \$ 3.57 |
| Diluted | \$ 2.28 | \$ 3.53 |
| Weighted average common shares outstanding: | | |
| Basic | 104.3 | 103.6 |
| Diluted | 105.3 | 104.7 |

Roper Technologies, Inc. and Subsidiaries
Selected Segment Financial Data (unaudited)
(Amounts in millions; percentages of net revenues)

| | Three Months Ended March 31, | | | |
|------------------------------------|-------------------------------------|---------------|-------------------|---------------|
| | 2020 | | 2019 | |
| | Amount | % | Amount | % |
| Net revenues: | | | | |
| Application Software | \$ 405.1 | | \$ 381.2 | |
| Network Software & Systems | 438.2 | | 345.7 | |
| Measurement & Analytical Solutions | 365.2 | | 401.8 | |
| Process Technologies | 142.2 | | 158.5 | |
| Total | <u>\$ 1,350.7</u> | | <u>\$ 1,287.2</u> | |
| Gross profit: | | | | |
| Application Software | \$ 270.4 | 66.7 % | \$ 253.4 | 66.5 % |
| Network Software & Systems | 293.2 | 66.9 % | 239.0 | 69.1 % |
| Measurement & Analytical Solutions | 214.6 | 58.8 % | 231.2 | 57.5 % |
| Process Technologies | 78.6 | 55.3 % | 87.0 | 54.9 % |
| Total | <u>\$ 856.8</u> | <u>63.4 %</u> | <u>\$ 810.6</u> | <u>63.0 %</u> |
| Operating profit*: | | | | |
| Application Software | \$ 97.6 | 24.1 % | \$ 91.4 | 24.0 % |
| Network Software & Systems | 138.7 | 31.7 % | 125.3 | 36.2 % |
| Measurement & Analytical Solutions | 114.0 | 31.2 % | 118.1 | 29.4 % |
| Process Technologies | 43.3 | 30.5 % | 50.1 | 31.6 % |
| Total | <u>\$ 393.6</u> | <u>29.1 %</u> | <u>\$ 384.9</u> | <u>29.9 %</u> |

*Segment operating profit is before unallocated corporate general and administrative expenses; these expenses were \$44.4 and \$38.5 for the three months ended March 31, 2020 and 2019, respectively.

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

| | Three months ended March 31, | |
|--|------------------------------|----------|
| | 2020 | 2019 |
| Cash flows from operating activities: | | |
| Net earnings | \$ 240.3 | \$ 369.6 |
| Adjustments to reconcile net earnings to cash flows from operating activities: | | |
| Depreciation and amortization of property, plant and equipment | 12.8 | 11.7 |
| Amortization of intangible assets | 101.8 | 82.9 |
| Amortization of deferred financing costs | 2.1 | 1.7 |
| Non-cash stock compensation | 27.7 | 25.3 |
| Gain on disposal of business, net of associated income tax | — | (89.6) |
| Changes in operating assets and liabilities, net of acquired businesses: | | |
| Accounts receivable | 69.1 | 88.9 |
| Unbilled receivables | (43.1) | (25.3) |
| Inventories | (10.3) | (19.5) |
| Accounts payable and accrued liabilities | (70.2) | (92.8) |
| Deferred revenue | 3.6 | 11.9 |
| Income taxes, excluding tax associated with gain on disposal of business | 40.2 | (17.6) |
| Cash tax paid for gain on disposal of business | — | (39.4) |
| Other, net | (10.1) | (17.5) |
| Cash provided by operating activities | 363.9 | 290.3 |
| Cash flows from (used in) investing activities: | | |
| Acquisitions of businesses, net of cash acquired | (2.8) | (3.2) |
| Capital expenditures | (7.9) | (15.8) |
| Capitalized software expenditures | (2.6) | (2.0) |
| Proceeds from (used in) disposal of businesses | (3.7) | 220.4 |
| Other, net | — | (2.2) |
| Cash provided by (used in) investing activities | (17.0) | 197.2 |
| Cash flows used in financing activities: | | |
| Borrowings (payments) under revolving line of credit, net | — | (455.0) |
| Cash dividends to stockholders | (53.1) | (47.7) |
| Proceeds from stock-based compensation, net | 12.1 | 22.0 |
| Treasury stock sales | 2.8 | 2.2 |
| Other | (0.5) | 14.2 |
| Cash used in financing activities | (38.7) | (464.3) |
| Effect of foreign currency exchange rate changes on cash | (18.1) | 4.9 |
| Net increase in cash and cash equivalents | 290.1 | 28.1 |
| Cash and cash equivalents, beginning of period | 709.7 | 364.4 |
| Cash and cash equivalents, end of period | \$ 999.8 | \$ 392.5 |