UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2022.

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________to _______ .

Commission File Number 1-12273

ROPER TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Delaware	**51-0263969**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6901 Professional Parkway, Suite 200	
Sarasota, Florida	**34240**
(Address of principal executive offices)	(Zip Code)

(941) 556-2601
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange On Which Registered
Common Stock, $0.01 Par Value	ROP	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

☒ Large accelerated filer	☐ Accelerated filer
☐ Non-accelerated filer	☐ Smaller reporting company
	☐ 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The number of shares outstanding of the registrant's common stock as of October 28, 2022 was 106,052,054.

ROPER TECHNOLOGIES, INC.

REPORT ON FORM 10-Q FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2022

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Net revenues	$ 1,350.3	$ 1,232.1	$ 3,940.9	$ 3,577.2
Cost of sales	408.5	360.4	1,190.4	1,050.0
Gross profit	941.8	871.7	2,750.5	2,527.2
Selling, general and administrative expenses	548.6	524.8	1,638.5	1,546.5
Income from operations	393.2	346.9	1,112.0	980.7
Interest expense, net	41.3	58.2	138.6	178.2
Other income (expense), net	3.6	(2.1)	0.2	25.0
Earnings before income taxes	355.5	286.6	973.6	827.5
Income taxes	78.6	75.8	235.3	189.3
Net earnings from continuing operations	276.9	210.8	738.3	638.2
Earnings from discontinued operations, net of tax	49.0	78.7	170.3	226.6
Gain on disposition of discontinued operations, net of tax	1.1	—	1,707.7	—
Net earnings from discontinued operations	50.1	78.7	1,878.0	226.6
Net earnings	$ 327.0	$ 289.5	$ 2,616.3	$ 864.8
Net earnings per share from continuing operations:				
Basic	$ 2.61	$ 2.00	$ 6.97	$ 6.07
Diluted	$ 2.59	$ 1.97	$ 6.91	$ 6.00
Net earnings per share from discontinued operations:				
Basic	$ 0.47	$ 0.75	$ 17.74	$ 2.15
Diluted	$ 0.47	$ 0.74	$ 17.59	$ 2.13
Net earnings per share:				
Basic	$ 3.08	$ 2.75	$ 24.71	$ 8.22
Diluted	$ 3.06	$ 2.71	$ 24.50	$ 8.13
Weighted average common shares outstanding:				
Basic	106.0	105.4	105.9	105.2
Diluted	106.8	106.7	106.8	106.4

See accompanying notes to Condensed Consolidated Financial Statements.

Roper Technologies, Inc. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income (unaudited)
(in millions)

	Three months ended September 30,		Nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Net earnings	$ 327.0	$ 289.5	$ 2,616.3	$ 864.8
Other comprehensive loss, net of tax:				
Foreign currency translation adjustments	(180.9)	(35.4)	(285.6)	(3.5)
Total other comprehensive loss, net of tax	(180.9)	(35.4)	(285.6)	(3.5)
Comprehensive income	$ 146.1	$ 254.1	$ 2,330.7	$ 861.3

See accompanying notes to Condensed Consolidated Financial Statements.

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

	September 30, 2022	December 31, 2021
ASSETS:		
Cash and cash equivalents	$ 1,894.5	$ 351.5
Accounts receivable, net	630.3	687.6
Inventories, net	101.0	69.2
Income taxes receivable	33.5	16.8
Unbilled receivables	98.8	81.9
Other current assets	138.6	136.1
Current assets held for sale	1,094.7	1,078.0
Total current assets	3,991.4	2,421.1
Property, plant and equipment, net	83.2	82.7
Goodwill	13,672.8	13,476.3
Other intangible assets, net	6,243.5	6,509.1
Deferred taxes	47.2	50.0
Other assets	359.1	369.8
Assets held for sale	—	804.9
Total assets	$ 24,397.2	$ 23,713.9
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Accounts payable	$ 121.2	$ 98.3
Accrued compensation	225.6	261.9
Deferred revenue	1,048.8	1,106.3
Other accrued liabilities	365.6	398.7
Income taxes payable	159.9	117.3
Current portion of long-term debt, net	698.9	799.2
Current liabilities held for sale	220.4	340.1
Total current liabilities	2,840.4	3,121.8
Long-term debt, net of current portion	5,960.6	7,122.6
Deferred taxes	1,365.0	1,466.2
Other liabilities	373.4	390.1
Liabilities held for sale	—	49.4
Total liabilities	10,539.4	12,150.1
Commitments and contingencies (Note 11)		
Common stock	1.1	1.1
Additional paid-in capital	2,467.9	2,307.8
Retained earnings	11,874.8	9,455.6
Accumulated other comprehensive loss	(468.7)	(183.1)
Treasury stock	(17.3)	(17.6)
Total stockholders' equity	13,857.8	11,563.8
Total liabilities and stockholders' equity	$ 24,397.2	$ 23,713.9

See accompanying notes to Condensed Consolidated Financial Statements.

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

	Nine months ended September 30,	
	2022	**2021**
Cash flows from operating activities:		
Net earnings from continuing operations	$ 738.3	$ 638.2
Adjustments to reconcile net earnings from continuing operations to cash flows from operating activities:		
Depreciation and amortization of property, plant and equipment	28.0	33.9
Amortization of intangible assets	438.4	429.0
Amortization of deferred financing costs	9.2	10.1
Non-cash stock compensation	90.8	93.5
Gain on sale of assets, net of tax	—	(21.6)
Income tax provision, excluding tax associated with gain on sale of assets	235.3	183.8
Changes in operating assets and liabilities, net of acquired businesses:		
Accounts receivable	48.3	(0.3)
Unbilled receivables	(21.7)	(22.9)
Inventories	(33.6)	—
Accounts payable	24.7	14.6
Other accrued liabilities	(59.0)	10.8
Deferred revenue	(15.2)	26.5
Cash tax payments related to disposal of businesses	(534.6)	—
Cash income taxes paid	(397.5)	(223.8)
Other, net	(1.2)	(29.2)
Cash provided by operating activities from continuing operations	550.2	1,142.6
Cash provided by operating activities from discontinued operations	112.7	289.8
Cash provided by operating activities	662.9	1,432.4
Cash flows from (used in) investing activities:		
Acquisitions of businesses, net of cash acquired	(580.9)	(19.4)
Capital expenditures	(30.0)	(19.9)
Capitalized software expenditures	(21.9)	(22.2)
Proceeds from sale of assets	—	27.1
Other, net	(1.8)	(1.5)
Cash used in investing activities from continuing operations	(634.6)	(35.9)
Proceeds from disposition of discontinued operations	2,997.1	—
Cash used in investing activities from discontinued operations	(4.9)	(6.5)
Cash provided by (used in) investing activities	2,357.6	(42.4)
Cash flows from (used in) financing activities:		
Payments on senior notes	(800.0)	—
Borrowings (payments) under revolving line of credit, net	(470.0)	(1,240.0)
Debt issuance costs	(3.9)	—
Cash dividends to stockholders	(196.2)	(176.9)
Proceeds from stock-based compensation, net	57.0	63.9
Treasury stock sales	11.6	11.8
Other	(0.3)	—
Cash flows used in financing activities from continuing operations	(1,401.8)	(1,341.2)
Cash flows provided by (used in) financing activities from discontinued operations	(11.3)	0.3
Cash flows used in financing activities	(1,413.1)	(1,340.9)

(Continued)

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

	Nine months ended September 30,	
	2022	**2021**
Effect of foreign currency exchange rate changes on cash	(64.4)	(4.9)
Net increase in cash and cash equivalents	1,543.0	44.2
Cash and cash equivalents, beginning of period	351.5	308.3
Cash and cash equivalents, end of period	$ 1,894.5	$ 352.5

See accompanying notes to Condensed Consolidated Financial Statements.

Roper Technologies, Inc. and Subsidiaries
Condensed Consolidated Statements of Changes in Stockholders' Equity (unaudited)
(in millions)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total stockholders' equity
Balances at June 30, 2022	$ 1.1	$ 2,417.1	$ 11,613.5	$ (287.8)	$ (17.4)	$ 13,726.5
Net earnings	—	—	327.0	—	—	327.0
Stock option exercises	—	17.9	—	—	—	17.9
Treasury stock sold	—	3.0	—	—	0.1	3.1
Currency translation adjustments	—	—	—	(180.9)	—	(180.9)
Stock-based compensation	—	31.7	—	—	—	31.7
Restricted stock activity	—	(1.8)	—	—	—	(1.8)
Dividends declared ($0.62 per share)	—	—	(65.7)	—	—	(65.7)
Balances at September 30, 2022	$ 1.1	$ 2,467.9	$ 11,874.8	$ (468.7)	$ (17.3)	$ 13,857.8
Balances at December 31, 2021	$ 1.1	$ 2,307.8	$ 9,455.6	$ (183.1)	$ (17.6)	$ 11,563.8
Net earnings	—	—	2,616.3	—	—	2,616.3
Stock option exercises	—	80.8	—	—	—	80.8
Cash settlement of share-based awards in connection with disposition of discontinued operations	—	(11.1)	—	—	—	(11.1)
Treasury stock sold	—	11.3	—	—	0.3	11.6
Currency translation adjustments	—	—	—	(285.6)	—	(285.6)
Stock-based compensation	—	102.9	—	—	—	102.9
Restricted stock activity	—	(23.8)	—	—	—	(23.8)
Dividends declared ($1.86 per share)	—	—	(197.1)	—	—	(197.1)
Balances at September 30, 2022	$ 1.1	$ 2,467.9	$ 11,874.8	$ (468.7)	$ (17.3)	$ 13,857.8
Balances at June 30, 2021	$ 1.1	$ 2,217.9	$ 9,003.1	$ (115.1)	$ (17.8)	$ 11,089.2
Net earnings	—	—	289.5	—	—	289.5
Stock option exercises	—	20.7	—	—	—	20.7
Treasury stock sold	—	3.5	—	—	0.1	3.6
Currency translation adjustments	—	—	—	(35.4)	—	(35.4)
Stock-based compensation	—	36.1	—	—	—	36.1
Restricted stock activity	—	(2.0)	—	—	—	(2.0)
Dividends declared ($0.5625 per share)	—	—	(59.4)	—	—	(59.4)
Balances at September 30, 2021	$ 1.1	$ 2,276.2	$ 9,233.2	$ (150.5)	$ (17.7)	$ 11,342.3
Balances at December 31, 2020	$ 1.1	$ 2,097.5	$ 8,546.2	$ (147.0)	$ (18.0)	$ 10,479.8
Net earnings	—	—	864.8	—	—	864.8
Stock option exercises	—	81.8	—	—	—	81.8
Treasury stock sold	—	11.5	—	—	0.3	11.8
Currency translation adjustments	—	—	—	(3.5)	—	(3.5)
Stock-based compensation	—	103.3	—	—	—	103.3
Restricted stock activity	—	(17.9)	—	—	—	(17.9)
Dividends declared ($1.6875 per share)	—	—	(177.8)	—	—	(177.8)
Balances at September 30, 2021	$ 1.1	$ 2,276.2	$ 9,233.2	$ (150.5)	$ (17.7)	$ 11,342.3

See accompanying notes to Condensed Consolidated Financial Statements.

Roper Technologies, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)
All currency and share amounts are in millions, except per share data

1. Basis of Presentation

The accompanying Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2022 and 2021 are unaudited. In the opinion of management, the accompanying unaudited Condensed Consolidated Financial Statements reflect all adjustments, which include only normal recurring adjustments, necessary to state fairly the financial position, results of operations, comprehensive income and cash flows of Roper Technologies, Inc. and its subsidiaries ("Roper," the "Company," "we," "our" or "us") for all periods presented. The December 31, 2021 financial position data included herein was derived from the audited consolidated financial statements included in the Company's 2021 Annual Report on Form 10-K ("Annual Report") filed on February 22, 2022 with the Securities and Exchange Commission ("SEC") but does not include all disclosures required by U.S. generally accepted accounting principles ("GAAP").

Roper's management has made estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these Condensed Consolidated Financial Statements in conformity with GAAP. Actual results could differ from those estimates.

The results of operations for the three and nine months ended September 30, 2022 are not necessarily indicative of the results to be expected for the full year. You should read these unaudited Condensed Consolidated Financial Statements in conjunction with Roper's audited consolidated financial statements and the notes thereto included in its Annual Report. Certain prior period amounts have been reclassified to conform to current period presentation.

Discontinued Operations

During the second quarter of 2022, the Company entered into a definitive agreement to sell a majority equity stake in our industrial businesses, including its entire historical Process Technologies reportable segment and the industrial businesses within its historical Measurement & Analytical Solutions reportable segment, to affiliates of Clayton, Dubilier & Rice, LLC. The transaction, which is expected to close in the fourth quarter of 2022, is subject to customary closing conditions, including regulatory approvals. The businesses included in this transaction are Alpha, AMOT, CCC, Cornell, Dynisco, FTI, Hansen, Hardy, Logitech, Metrix, PAC, Roper Pump, Struers, Technolog, Uson, and Viatran (collectively the "Industrial Businesses").

During 2021, the Company entered into definitive agreements to divest our TransCore, Zetec and CIVCO Radiotherapy businesses ("2021 Divestitures"). As of March 31, 2022, Roper had completed the 2021 Divestitures.

The financial results for these businesses are presented as discontinued operations for all periods presented. Unless otherwise noted, discussion within these notes to the Condensed Consolidated Financial Statements relate to continuing operations. Refer to Note 5 for additional information on discontinued operations.

Update to Segment Reporting Structure

During the second quarter of 2022, we updated our reportable segment structure following the announcement of the transaction to sell a majority stake in our Industrial Businesses. The Company's new reporting segment structure is classified based on business model and delivery of performance obligations. The three updated reportable segments (and businesses within each) are as follows:

–**Application Software** - Aderant, CBORD, CliniSys, Data Innovations, Deltek, IntelliTrans, PowerPlan, Strata, Vertafore

–**Network Software** - ConstructConnect, DAT, Foundry, iPipeline, iTradeNetwork, Loadlink, MHA, SHP, SoftWriters

–**Technology Enabled Products** - CIVCO Medical Solutions, FMI, Inovonics, IPA, Neptune, Northern Digital, rf IDEAS, Verathon

The day-to-day operations of our businesses, our organizational structure, and our strategy remain unchanged. All prior periods have been recast to reflect the changes noted above.

2. Recent Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") establishes changes to accounting principles under GAAP in the form of accounting standards updates ("ASUs") to the Accounting Standards Codification ("ASC"). The Company considers the applicability and impact of all ASUs. Any recent ASUs were assessed and determined to be either not applicable or are expected to have an immaterial impact on the Company's results of operations, financial position or cash flows.

3. Weighted Average Shares Outstanding

Basic earnings per share were calculated using net earnings and the weighted average number of shares of common stock outstanding during the respective period. Diluted earnings per share were calculated using net earnings and the weighted average number of shares of common stock and potential common stock outstanding during the respective period. Potentially dilutive common stock consisted of stock options based upon the trading price of Roper's common stock. The effects of potential common stock were determined using the treasury stock method. Weighted average shares outstanding are shown below:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Basic shares outstanding	106.0	105.4	105.9	105.2
Effect of potential common stock:				
Common stock awards	0.8	1.3	0.9	1.2
Diluted shares outstanding	106.8	106.7	106.8	106.4

For the three and nine months ended September 30, 2022, there were 0.832 and 0.829 outstanding stock options, respectively, that were not included in the determination of diluted earnings per share because doing so would have been antidilutive, as compared to 0.502 and 0.530 outstanding stock options that would have been antidilutive in the respective 2021 periods.

4. Business Acquisitions and Disposition

On January 3, 2022, Roper acquired the outstanding membership interests of Horizon Lab Systems, LLC, a provider of laboratory information management systems in the toxicology, environmental, public health and agricultural markets for an aggregate purchase price of $49.8.

On April 6, 2022, Roper acquired the issued and outstanding shares of Common Cents Systems, Inc. ("ApolloLIMS") for a purchase price of $25.5, net of cash acquired and debt assumed. ApolloLIMS is a provider of laboratory information management systems in the toxicology and public health markets.

Both of these acquisitions have been integrated into our CliniSys business and their results are reported in the Application Software reportable segment.

On June 27, 2022, Roper acquired the issued and outstanding shares of MGA Systems Holdings, Inc., ("MGA") for a purchase price of $180.1, net of cash acquired and debt assumed. MGA is a leading provider of purpose-built insurance software for managing general agents. This acquisition has been integrated into our Vertafore business and its results are reported in the Application Software reportable segment.

On August 19, 2022, Roper acquired substantially all of the assets of viDesktop Inc., ("viGlobal") for a purchase price of $286.5, net of cash acquired and debt assumed. viGlobal is a leading provider of end-to-end human resources management software used for recruiting and integration, productivity management, resource allocation, performance management, learning and development, and diversity and inclusion to primarily law firms. This acquisition will be operated by and integrated with our Aderant business and its results are reported in the Application Software reportable segment.

During the third quarter of 2022, Roper also completed two business acquisitions, TIP Technologies Inc. and Common Sense Solutions Inc., for an aggregate purchase price of $36.9 which will be operated by and integrated with our Deltek business and their results are reported in the Application Software reportable segment.

The Company recorded $361.5 in goodwill, $9.5 assigned to trade names that are not subject to amortization and $239.3 of other identifiable intangibles in connection with these acquisitions. The amortizable intangible assets include customer relationships of $223.4 (18.2 year weighted average useful life) and technology of $15.9 (4.9 year weighted average useful life).

The results of operations of the acquired businesses are included in Roper's Condensed Consolidated Financial Statements since the date of acquisition. Pro forma results of operations and the revenue and net income subsequent to the acquisition date has not been presented because the effects of the acquisitions were not material to our financial results.

On October 4, 2022, Roper completed its previously announced acquisition of Frontline Technologies Parent, LLC, a Delaware limited liability company and the parent company of Frontline Technologies ("Frontline Education"), pursuant to an Equity Purchase and Merger Agreement dated as of August 30, 2022 for a purchase price of $3,738, net of cash acquired and debt assumed. Frontline Education is a leading provider of school administration software, connecting solutions for human capital management, student and special programs, and business operations with powerful analytics to empower educators. Frontline Education will be reported in the Application Software reportable segment beginning in the fourth quarter of 2022. Roper funded the transaction using its cash on hand and revolving credit facility.

Disposition

On March 17, 2021, Roper completed the sale of a minority investment in Sedaru, Inc. for $27.1. The pretax gain on the sale was $27.1, which is reported in "Other income (expense), net" in the Condensed Consolidated Statements of Earnings.

5. Discontinued Operations

The Company concluded that both the 2021 Divestitures and the sale of the Industrial Businesses each represented a strategic shift that will have a major effect on the Company's operations and financial results. These transactions will greatly reduce the cyclicality and asset intensity of the Company. In addition, the Company will have an improved recurring revenue and higher margin profile. Accordingly, the financial results related to the 2021 Divestitures and Industrial Businesses are presented in the Condensed Consolidated Financial Statements as discontinued operations for all periods presented. Current and non-current assets and liabilities of the 2021 Divestitures and Industrial Businesses are presented in the Condensed Consolidated Balance Sheets as assets and liabilities of discontinued operations classified as held for sale for both periods presented, as applicable.

2021 Divestitures - During 2021, the Company signed definitive agreements to divest our TransCore, Zetec and CIVCO Radiotherapy businesses as described below.

- On March 17, 2022, Roper closed on the divestiture of our TransCore business to an affiliate of Singapore Technologies Engineering Ltd., for approximately $2,680.0 in cash. The sale resulted in a pretax gain of $2,073.7 and income tax expense of $550.5, which are reported within "Gain/(loss) on disposition of discontinued operations, net of tax" in the Condensed Consolidated Statements of Earnings. TransCore was previously included in the historical Network Software & Systems reportable segment.

- On January 5, 2022, Roper closed on the divestiture of our Zetec business to Eddyfi NDT Inc. for approximately $350.0 in cash. The sale resulted in a pretax gain of $255.3 and income tax expense of $60.9, which are reported within "Gain/(loss) on disposition of discontinued operations, net of tax" in the Condensed Consolidated Statements of Earnings. Zetec was previously included in the historical Process Technologies reportable segment.

- On November 1, 2021, Roper closed the divestiture of our CIVCO Radiotherapy business to an affiliate of Blue Wolf Capital Partners LLC. CIVCO Radiotherapy business was previously included in the historical Measurement & Analytical Solutions reportable segment.

The following table summarizes the major classes of assets and liabilities related to the discontinued operations of the TransCore, Zetec and CIVCO Radiotherapy businesses, as reported in the Condensed Consolidated Balance Sheets at December 31, 2021:

	December 31, 2021
Accounts receivable, net	$ 74.7
Inventories, net	47.8
Unbilled receivables	158.2
Goodwill	405.5
Other intangible assets, net	31.0
Other current assets	71.4
Current assets held for sale	$ 788.6
Accounts payable	$ 40.3
Accrued compensation	27.0
Deferred taxes	29.5
Other current liabilities	62.3
Current liabilities held for sale	$ 159.1

The following table summarizes the major classes of revenue and expenses constituting net income from discontinued operations attributable to the TransCore, Zetec and CIVCO Radiotherapy businesses:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net revenues	$ —	$ 158.6	$ 100.4	$ 472.1
Cost of sales	—	91.3	71.2	280.2
Gross profit	—	67.3	29.2	191.9
Selling, general and administrative expenses (1)	—	25.6	19.9	87.8
Income from operations	—	41.7	9.3	104.1
Other income (expense), net	—	0.2	0.1	1.4
Earnings before income taxes (2)	—	41.9	9.4	105.5
Income taxes	—	12.2	(6.2)	23.4
Earnings from discontinued operations, net of tax	—	29.7	15.6	82.1
Gain on disposition of discontinued operations, net of tax	1.1	—	1,707.7	—
Net earnings from discontinued operations	$ 1.1	$ 29.7	$ 1,723.3	$ 82.1

(1) Includes stock-based compensation expense of $1.4 for the three months ended September 30, 2021, and $0.9 and $3.2 for the nine months ended September 30, 2022 and 2021, respectively. Stock-based compensation for discontinued operations was previously reported as a component of unallocated corporate general and administrative expenses. In connection with the sale of TransCore and Zetec, we recognized expense of $4.5 associated with accelerated vesting of share-based awards for the nine months ended September 30, 2022. The charges associated with accelerated vesting were recorded as a component of "Gain on disposition of discontinued operations, net of tax" within the Condensed Consolidated Statements of Earnings.

(2) During the three and nine months ended September 30, 2022, there was no depreciation of property, plant and equipment or amortization of intangible assets given the asset classification as held for sale during the period. During the three and nine months ended September 30, 2021 depreciation and amortization was $1.7 and $5.2, respectively.

Industrial Businesses - On May 29, 2022, Roper entered into a definitive agreement to sell a 51% majority stake in the Industrial Businesses to affiliates of Clayton, Dubilier & Rice, LLC ("CD&R"). Roper will receive total upfront, pre-tax cash proceeds of approximately $2,600 while retaining a 49% minority equity interest in a new standalone entity, RIPIC Equity LLC ("RIPIC TopCo"). Roper will receive a distribution of $1,775 from RIPIC TopCo, which will be funded by third-party indebtedness of $1,950 on RIPIC TopCo, and $829 of purchase price proceeds related to the 51% majority stake obtained by CD&R in RIPIC TopCo. In addition, Roper shall be entitled to an earnout payment from CD&R of up to $51 million if RIPIC TopCo exceeds a threshold level of earnings before interest, taxes, depreciation and amortization for the year ended December 31, 2022. Roper will also be required to make quarterly payments, directly or indirectly to CD&R, either (i) in cash, with total payments initially equaling approximately $29 million per year on a pre-tax basis, or (ii) in kind through the transfer of Roper's equity interests in RIPIC TopCo to CD&R, initially representing approximately a 1.7% ownership interest of RIPIC TopCo on an annual basis.

The transaction, which is expected to close in the fourth quarter of 2022, is subject to customary closing conditions, including regulatory approvals.

The following table summarizes the major classes of assets and liabilities related to the discontinued operations of the Industrial Businesses, as reported in the Condensed Consolidated Balance Sheets:

	September 30, 2022 [(1)]	December 31, 2021
Accounts receivable, net	$ 163.0	$ 151.8
Inventories, net	146.2	106.9
Deferred taxes	45.3	—
Goodwill	569.0	—
Other intangible assets, net	69.3	—
Other current assets	101.9	30.7
Current assets held for sale	$ 1,094.7	$ 289.4
Goodwill	—	618.2
Other intangible assets, net	—	79.4
Deferred taxes	—	51.1
Other assets	—	56.2
Assets held for sale	$ —	$ 804.9
Accounts payable	$ 64.7	$ 52.5
Accrued compensation	39.0	47.9
Deferred revenue	19.7	23.9
Deferred taxes	12.7	—
Income taxes payable	10.1	14.7
Operating lease liabilities	34.4	—
Other current liabilities	39.8	42.0
Current liabilities held for sale	$ 220.4	$ 181.0
Deferred taxes	$ —	$ 13.3
Noncurrent operating lease liabilities	—	24.1
Other liabilities	—	12.0
Liabilities held for sale	$ —	$ 49.4

(1) All assets and liabilities held for sale were classified as current as it is probable the sale of the Industrial Businesses will be completed within one year.

The following table summarizes the major classes of revenue and expenses constituting net income from discontinued operations attributable to the Industrial Businesses:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net revenues	$ 269.0	$ 230.7	$ 770.9	$ 688.3
Cost of sales	126.3	106.3	361.6	316.1
Gross profit	142.7	124.4	409.3	372.2
Selling, general and administrative expenses [1]	78.9	67.8	213.4	193.3
Income from operations	63.8	56.6	195.9	178.9
Other income (expense), net	2.5	0.4	3.6	(0.1)
Earnings before income taxes [2]	66.3	57.0	199.5	178.8
Income taxes	17.3	8.0	44.8	34.3
Earnings from discontinued operations, net of tax	$ 49.0	$ 49.0	$ 154.7	$ 144.5

[1] Certain costs previously reported as a component of unallocated corporate general and administrative expenses have been reclassified to discontinued operations. These costs primarily include stock-based compensation expense of $2.6 and $3.4 for the three months ended September 30, 2022 and 2021, respectively, and $8.1 and $9.4 for the nine months ended September 30, 2022 and 2021, respectively.

[2] During the three months ended September 30, 2022, there was no depreciation of property, plant and equipment or amortization of intangible assets given the asset classification as held for sale during the period. There was depreciation and amortization expense of $4.4 for the three months ended September 30, 2021 and $6.4 and $14.2 for the nine months ended September 30, 2022 and 2021, respectively.

6. Stock Based Compensation

The Roper Technologies, Inc. 2021 Incentive Plan is a stock-based compensation plan used to grant incentive stock options, nonqualified stock options, restricted stock, stock appreciation rights or equivalent instruments to Roper's employees, officers, directors and consultants.

The following table provides information regarding the Company's stock-based compensation expense:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Stock-based compensation	$ 29.6	$ 32.0	$ 90.8	$ 93.5
Tax effect recognized in net earnings from continuing operations	6.2	6.7	19.1	19.6

Stock Options - In the nine months ended September 30, 2022, 0.379 options were granted with a weighted average fair value of $115.91 per option. During the same period in 2021, 0.513 options were granted with a weighted average fair value of $95.04 per option. All options were issued with an exercise price equal to the closing price of Roper's common stock on the date of grant, as required by the Company's stock-based compensation plans.

Roper records compensation expense for employee stock options based on the estimated fair value of the options on the date of grant using the Black-Scholes option-pricing model. Historical data is used to estimate the expected price volatility, the expected dividend yield, the expected option life and the expected forfeiture rate. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant for the estimated life of the option.

The following weighted average assumptions were used to estimate the fair value of options granted during current and prior year periods using the Black-Scholes option-pricing model:

	Nine months ended September 30,	
	2022	2021
Risk-free interest rate (%)	2.09	0.94
Expected option life (years)	5.63	5.61
Expected volatility (%)	24.54	25.15
Expected dividend yield (%)	0.55	0.56

Cash received from option exercises for the nine months ended September 30, 2022 and 2021 was $80.8 and $81.8, respectively.

Restricted Stock Grants - During the nine months ended September 30, 2022, the Company granted 0.239 shares with a weighted average grant date fair value of $450.49 per restricted share. During the same period in 2021, the Company granted 0.225 shares with a weighted average grant date fair value of $408.07 per restricted share. All grants were issued at grant date fair value.

During the nine months ended September 30, 2022, 0.163 restricted shares vested with a weighted average grant date fair value of $345.79 per restricted share and a weighted average vest date fair value of $449.67 per restricted share.

Employee Stock Purchase Plan - Roper's employee stock purchase plan ("ESPP") allows employees in the U.S. and Canada to designate up to 10% of eligible earnings to purchase Roper's common stock at a 10% discount on the lower of the closing price of the stock on the first and last day of each quarterly offering period. Common stock sold to employees pursuant to the ESPP may be either treasury stock, stock purchased on the open market, or newly issued shares.

During the nine months ended September 30, 2022 and 2021, participants in the ESPP purchased 0.031 and 0.031 shares of Roper's common stock for total consideration of $11.6 and $11.8, respectively. All shares were purchased from Roper's treasury shares.

7. Inventories

The components of inventory were as follows:

	September 30, 2022	December 31, 2021
Raw materials and supplies	$ 52.9	$ 36.4
Work in process	25.3	19.1
Finished products	29.6	18.4
Inventory reserves	(6.8)	(4.7)
Inventories, net	$ 101.0	$ 69.2

8. Goodwill and Other Intangible Assets

The carrying value of goodwill by segment was as follows:

	Application Software	Network Software	Technology Enabled Products	Total
Balances at December 31, 2021	$ 8,889.3	$ 3,655.3	$ 931.7	$ 13,476.3
Additions	361.5	—	—	361.5
Other	(0.2)	(0.7)	—	(0.9)
Currency translation adjustments	(59.6)	(102.8)	(1.7)	(164.1)
Balances at September 30, 2022	$ 9,191.0	$ 3,551.8	$ 930.0	$ 13,672.8

Other relates primarily to purchase accounting adjustments for acquisitions.

Other intangible assets were comprised of:

	Cost	Accumulated amortization	Net book value
Assets subject to amortization:			
Customer related intangibles	$ 7,379.6	$ (1,989.8)	$ 5,389.8
Unpatented technology	886.4	(414.6)	471.8
Software	149.5	(122.4)	27.1
Patents and other protective rights	8.5	(1.0)	7.5
Trade names	12.1	(5.6)	6.5
Assets not subject to amortization:			
Trade names	606.4	—	606.4
Balances at December 31, 2021	$ 9,042.5	$ (2,533.4)	$ 6,509.1
Assets subject to amortization:			
Customer related intangibles	$ 7,500.0	$ (2,289.9)	$ 5,210.1
Unpatented technology	872.7	(475.3)	397.4
Software	148.5	(130.5)	18.0
Patents and other protective rights	10.3	(1.2)	9.1
Trade names	15.8	(8.4)	7.4
Assets not subject to amortization:			
Trade names	601.5	—	601.5
Balances at September 30, 2022	$ 9,148.8	$ (2,905.3)	$ 6,243.5

Amortization expense of other intangible assets was $429.7 and $424.3 during the nine months ended September 30, 2022 and 2021, respectively.

An evaluation of the carrying value of goodwill and indefinite-lived intangibles is required to be performed on an annual basis and on an interim basis if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. There have been no events or changes in circumstances which indicate an interim impairment review is required in 2022. The Company will perform the annual analysis during the fourth quarter of 2022.

9. Debt

On June 23, 2022, the Company elected to exercise its optional redemption rights to redeem all of its outstanding 3.125% Notes due 2022 (the "Notes") in the original aggregate principal amount of $500.0, and Computershare Trust Company, N.A., as successor to Wells Fargo Bank, National Association, as trustee under the indenture governing the Notes (the "Indenture"), issued redemption notices to registered holders of the Notes. The date fixed for the redemption of the Notes was August 15, 2022 (the "Redemption Date"). The Notes were redeemed at 100% of the aggregate principal amount of the Notes, plus accrued and unpaid interest thereon to, but not including, the Redemption Date in accordance with the terms and conditions set forth in the Indenture.

On August 15, 2022, $300.0 of 0.450% senior notes due 2022 were repaid at maturity using cash on hand.

On July 21, 2022, the Company entered into a new five-year unsecured credit facility (the "Credit Agreement") among Roper, the financial institutions from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, Bank of America, N.A. and Wells Fargo Bank, N.A., as syndication agents, and Mizuho Bank, Ltd., MUFG Bank, Ltd., PNC Bank, National Association, TD Bank, N.A., Truist Bank and U.S Bank, National Association, as documentation agents, which replaced the existing $3,000.0 unsecured credit facility, dated as of September 2, 2020, as amended. The new facility comprises a five-year $3,500.0 revolving credit facility, which includes availability of up to $150.0 for letters of credit. Loans under the facility will be available in dollars, and letters of credit will be available in dollars and other currencies to be agreed. The Company may also, subject to compliance with specified conditions, request additional term loans or revolving credit commitments in an aggregate amount not to exceed $500.0.

The Company will have the right to add foreign subsidiaries as borrowers under the Credit Agreement, subject to the satisfaction of specified conditions. The Company will guarantee the payment and performance by the foreign subsidiary borrowers of their obligations under the Credit Agreement. The Company's obligations under the Credit Agreement are not guaranteed by any of its subsidiaries. However, the Company has the right, subject to the satisfaction of certain conditions set forth in the Credit Agreement, to cause any of its wholly-owned domestic subsidiaries to become guarantors.

Loans under the Credit Agreement can be borrowed as term SOFR loans or ABR Loans, at the Company's option. Each term SOFR loan will bear interest at a rate per annum equal to the applicable Adjusted Term SOFR rate plus a spread ranging from 0.795% to 1.300%, as determined by the Company's senior unsecured long-term debt rating at such time. Based on the Company's current rating, the spread for SOFR loans would be 0.910%. Each ABR Loan will bear interest at a rate per annum equal to the Alternate Base Rate plus a spread ranging from 0.000% to 0.300%, as determined by the Company's senior unsecured long-term debt rating at such time. Based on the Company's current rating, the spread for ABR Loans would be 0.000%.

Outstanding letters of credit issued under the Credit Agreement will be charged a quarterly fee depending on the Company's senior unsecured long-term debt rating. Based on the Company's current rating, the quarterly fee would be payable at a rate of 0.910% per annum, plus a fronting fee of 0.125% per annum on the undrawn and unexpired amount of all letters of credit.

Additionally, the Company will pay a quarterly facility fee on the used and unused portions of the revolving credit facility depending on the Company's senior unsecured long-term debt rating. Based on the Company's current rating, the quarterly fee would accrue at a rate of 0.090% per annum.

Amounts outstanding under the Credit Agreement may be accelerated upon the occurrence of customary events of default. The Credit Agreement requires the Company to maintain a Total Debt to Total Capital Ratio of 0.65 to 1.00 or less. Borrowings under the Credit Agreement are prepayable at Roper's option at any time in whole or in part without premium or penalty.

10. Fair Value of Financial Instruments

Roper's debt at September 30, 2022 included $6,700 of fixed-rate senior notes with the following fair values:

$700 3.650% senior notes due 2023	691
$500 2.350% senior notes due 2024	476
$300 3.850% senior notes due 2025	287
$700 1.000% senior notes due 2025	621
$700 3.800% senior notes due 2026	662
$700 1.400% senior notes due 2027	579
$800 4.200% senior notes due 2028	748
$700 2.950% senior notes due 2029	590
$600 2.000% senior notes due 2030	461
$1,000 1.750% senior notes due 2031	740

The fair values of the senior notes are based on the trading prices of each series of notes, which the Company has determined to be Level 2 in the FASB fair value hierarchy.

11. Contingencies

Roper, in the ordinary course of business, is party to various pending or threatened legal actions, including product liability, intellectual property, data privacy and employment practices that, in general, are of a nature consistent with those over the past several years. After analyzing the Company's contingent liabilities on a gross basis and, based upon past experience with resolution of such legal claims and the availability and limits of the primary, excess, and umbrella liability insurance coverages with respect to pending claims, management believes that adequate provision has been made to cover any potential liability not covered by insurance, and that the ultimate liability, if any, arising from these actions should not have a material adverse effect on Roper's consolidated financial position, results of operations or cash flows. However, no assurances can be given in this regard.

Roper's subsidiary, Vertafore, Inc., was named in three putative class actions, two in the U.S. District Court for the Southern District of Texas (Allen, et al. v. Vertafore, Inc., Case 4:20-cv-4139, filed December 4, 2020) and Masciotra, et al. v. Vertafore, Inc., (originally filed on December 8, 2020 as Case 1:20-cv-03603 in the U.S. District Court for the District of Colorado and subsequently transferred), and one in the U.S. District Court for the Northern District of Texas (Mulvey, et al. v. Vertafore, Inc., Case 3:21-cv-00213-E, filed January 31, 2021). In July 2021, the court granted Vertafore's motion to dismiss the Allen Case. In March 2022, the U.S. Fifth Circuit Court of Appeals affirmed the lower court's dismissal of the Allen case, and in September 2022 the U.S. Supreme Court declined to hear plaintiffs' appeal, effectively concluding the litigation. In July 2021, the plaintiff in the Masciotra case voluntarily dismissed his action without prejudice. In June 2022, Vertafore filed a motion to dismiss the Mulvey case on similar grounds as the dismissal of the Allen case. The Allen case purported and the Mulvey case purports to represent approximately 27.7 million individuals who held Texas driver's licenses prior to February 2019. In November 2020, Vertafore announced that as a result of human error, three data files were inadvertently stored in an unsecured external storage service that appears to have been accessed without authorization. The files, which included driver information for licenses issued before February 2019, contained Texas driver license numbers, as well as names, dates of birth, addresses and vehicle registration histories. The files did not contain any Social Security numbers or financial account information. Like the Allen case, which is concluded, the Mulvey case seeks recovery under the Driver's Privacy Protection Act, 18 U.S.C. § 2721. In addition, Roper was advised that the Texas Attorney General is investigating the data event.

Roper's subsidiary, Verathon, Inc. ("Verathon"), is defending a patent infringement action pending in the United States District Court for the Western District of Washington (Berall v. Verathon, Inc., Case No. 2:2021mc00043). Plaintiff claims that video laryngoscopes and certain accessories sold by Verathon from approximately 2006 through 2016 infringe U.S. Patent 5,827,178 (the "'178 Patent"). The complaint seeks an unspecified amount of damages, enhanced damages, attorneys' fees, costs, and pre- and post-judgment interest. The allegations in the complaint are not covered by insurance. Verathon contends that the products at issue do not infringe the '178 Patent and that the '178 Patent is invalid. Verathon is vigorously defending the matter. Trial is currently scheduled for 2023.

Roper or our subsidiaries have been named defendants along with numerous industrial companies in asbestos-related litigation claims in certain U.S. states. To date, no significant resources have been required by Roper to respond to asbestos claims. In the first quarter of 2022, Roper completed a transaction in which it transferred the remainder of our exposure for asbestos claims to a third party. In connection with this transaction, Roper incurred a one-time charge of $4.1, which is recorded as a component of "Other income (expense), net" within the Condensed Consolidated Statements of Earnings for the nine months ended September 30, 2022.

12. Business Segments

The following table presents selected financial information by reportable segment:

	Three months ended September 30,			Nine months ended September 30,		
	2022	2021	Change %	2022	2021	Change %
Net revenues:						
Application Software	$ 644.0	$ 600.2	7.3 %	$ 1,899.7	$ 1,761.2	7.9 %
Network Software	346.6	316.0	9.7 %	1,028.0	901.3	14.1 %
Technology Enabled Products	359.7	315.9	13.9 %	1,013.2	914.7	10.8 %
Total	$ 1,350.3	$ 1,232.1	9.6 %	$ 3,940.9	$ 3,577.2	10.2 %
Gross profit:						
Application Software	$ 440.2	$ 418.5	5.2 %	$ 1,306.5	$ 1,223.0	6.8 %
Network Software	293.9	267.5	9.9 %	867.9	757.1	14.6 %
Technology Enabled Products	207.7	185.7	11.8 %	576.1	547.1	5.3 %
Total	$ 941.8	$ 871.7	8.0 %	$ 2,750.5	$ 2,527.2	8.8 %
Operating profit*:						
Application Software	$ 173.8	$ 164.2	5.8 %	$ 511.4	$ 471.2	8.5 %
Network Software	148.1	126.5	17.1 %	422.0	343.3	22.9 %
Technology Enabled Products	126.5	104.1	21.5 %	337.6	312.0	8.2 %
Total	$ 448.4	$ 394.8	13.6 %	$ 1,271.0	$ 1,126.5	12.8 %
Long-lived assets:						
Application Software	$ 145.1	$ 129.8	11.8 %			
Network Software	27.6	25.0	10.4 %			
Technology Enabled Products	26.9	26.2	2.7 %			
Total	$ 199.6	$ 181.0	10.3 %			

*Segment operating profit is before unallocated corporate general and administrative expenses. These expenses were $55.2 and $47.9 for the three months ended September 30, 2022 and 2021, respectively, and $159.0 and $145.8 for the nine months ended September 30, 2022 and 2021, respectively.

13. Revenues from Contracts

Disaggregated Revenue - We disaggregate our revenues by reportable segment into four categories: (i) recurring revenue comprised of SaaS licenses and software maintenance; (ii) reoccurring revenue comprised of transactional and volume-based fees related to software licenses; (iii) non-recurring revenue comprised of term and perpetual software licenses, professional services associated with software products and hardware sold with our software licenses; and (iv) product revenue. See details in the table below.

	Three months ended September 30, 2022				Three months ended September 30, 2021			
Revenue Stream	Application Software	Network Software	Technology Enabled Products	Total	Application Software	Network Software	Technology Enabled Products	Total
Software related								
Recurring	$ 471.1	$ 247.5	$ 3.2	$ 721.8	$ 431.3	$ 213.4	$ 2.1	$ 646.8
Reoccurring	30.0	62.0	—	92.0	28.9	68.4	—	97.3
Non-recurring	142.9	37.1	0.3	180.3	140.0	34.2	0.1	174.3
Total Software Revenues	644.0	346.6	3.5	994.1	600.2	316.0	2.2	918.4
Product Revenue	—	—	356.2	356.2	—	—	313.7	313.7
Total Revenue	$ 644.0	$ 346.6	$ 359.7	$ 1,350.3	$ 600.2	$ 316.0	$ 315.9	$ 1,232.1

	Nine months ended September 30, 2022				Nine months ended September 30, 2021			
Revenue Stream	Application Software	Network Software	Technology Enabled Products	Total	Application Software	Network Software	Technology Enabled Products	Total
Software related								
Recurring	$ 1,390.5	$ 729.2	$ 8.6	$ 2,128.3	$ 1,272.4	$ 612.8	$ 5.5	$ 1,890.7
Reoccurring	90.3	184.5	—	274.8	82.5	186.6	—	269.1
Non-recurring	418.9	114.3	0.9	534.1	406.3	101.9	0.5	508.7
Total Software Revenues	1,899.7	1,028.0	9.5	2,937.2	1,761.2	901.3	6.0	2,668.5
Product Revenue	—	—	1,003.7	1,003.7	—	—	908.7	908.7
Total Revenue	$ 1,899.7	$ 1,028.0	$ 1,013.2	$ 3,940.9	$ 1,761.2	$ 901.3	$ 914.7	$ 3,577.2

Remaining performance obligations - Remaining performance obligations represent the transaction price of firm orders for which work has not been performed and excludes unexercised contract options. As of September 30, 2022, the aggregate amount of the transaction price allocated to remaining performance obligations was $3,621.1. We expect to recognize revenue of $2,420.9, or approximately 67% of our remaining performance obligations over the next 12 months ("Backlog"), with the remainder to be recognized thereafter.

Contract balances

Balance Sheet Account	**September 30, 2022**	**December 31, 2021**	**Change**
Unbilled receivables	$ 98.8	$ 81.9	$ 16.9
Deferred revenue - current	(1,048.8)	(1,106.3)	57.5
Deferred revenue - non-current [1]	(89.0)	(69.9)	(19.1)
Net contract assets/(liabilities)	$ (1,039.0)	$ (1,094.3)	$ 55.3

[1] The non-current portion of deferred revenue is included in "Other liabilities" in our Condensed Consolidated Balance Sheets.

The change in our net contract assets/(liabilities) from December 31, 2021 to September 30, 2022 was due primarily to the timing of payments and invoicing relating to Software-as-a-Service ("SaaS") and post contract support ("PCS") renewals, and the increase in unbilled receivables due to the timing of invoicing primarily related to software milestone billings associated with multi-year term license renewals and software implementations.

Most of the Company's project-based contracts where the input method of revenue recognition is utilized are billed as work progresses in accordance with the contract terms and conditions, either at periodic intervals or upon achievement of certain milestones. Often this results in unbilled receivables where billing occurs after revenue recognition. The Company records deferred revenue when cash payments are received or due in advance of the Company's performance relating primarily to SaaS and PCS renewals. Revenue recognized from the deferred revenue balance on December 31, 2021 and 2020 was $181.5 and $153.9 for the three months ended September 30, 2022 and 2021, respectively, and $958.2 and $858.3 for the nine months ended September 30, 2022 and 2021, respectively.

In order to determine revenues recognized in the period, we allocate revenue to the individual deferred revenue balance outstanding at the beginning of the year until the revenue exceeds that balance.

The current and non-current portions of deferred commissions are included in "Other current assets" and "Other assets," respectively, in our Condensed Consolidated Balance Sheets. At September 30, 2022 and December 31, 2021, we had $59.8 and $56.7 of total deferred commissions, respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on form 10-K for the year ended December 31, 2021 ("Annual Report") as filed on February 22, 2022 with the U.S. Securities and Exchange Commission ("SEC") and the Notes to Condensed Consolidated Financial Statements included elsewhere in this report.

Information About Forward-Looking Statements

This report includes "forward-looking statements" within the meaning of the federal securities laws. In addition, we, or our executive officers on our behalf, may from time to time make forward-looking statements in reports and other documents we file with the SEC or in connection with oral statements made to the press, potential investors or others. All statements that are not historical facts are "forward-looking statements." 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 expressed or implied in any forward-looking statement. Such risks and uncertainties include any ongoing impacts of the COVID-19 pandemic on our business, operations, financial results and liquidity, which will depend on numerous evolving factors that we cannot accurately predict or assess, including: the duration and scope of the pandemic, new variants of the virus and the distribution and efficacy of vaccines; the impact of vaccine mandates on our workforce in certain jurisdictions; any 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 employees, customers, suppliers, and business partners, and how quickly economies and demand for our products and services recover following the pandemic.

Examples of forward-looking statements in this report include but are not limited to statements regarding operating results, the success of our operating plans, our expectations regarding our ability to generate cash and reduce debt and associated interest expense, profit and cash flow expectations, the prospects for newly acquired businesses to be integrated and contribute to future growth and our expectations regarding growth through acquisitions and the ability to complete announced divestitures. Important assumptions relating to the forward-looking statements include, among others, demand for our products, the cost, timing and success of product upgrades and new product introductions, raw material costs, expected pricing levels, expected outcomes of pending litigation, competitive conditions and general economic conditions. These assumptions could prove inaccurate. Although we believe that the estimates and projections reflected in the forward-looking statements are reasonable, our expectations may prove to be incorrect. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include but are not limited to:

- general economic conditions;
- difficulty making acquisitions and successfully integrating acquired businesses;
- any unforeseen liabilities associated with future acquisitions;
- limitations on our business imposed by our indebtedness;
- unfavorable changes in foreign exchange rates;
- failure to effectively mitigate cybersecurity threats, including any litigation arising therefrom;
- failure to comply with new data privacy laws and regulations, including any litigation arising therefrom;
- difficulties associated with exports/imports and risks of changes to tariff rates;
- risks and costs associated with our international sales and operations;
- rising interest rates;
- product liability and insurance risks;
- increased warranty exposure;
- future competition;
- the cyclical nature of some of our markets;
- reduction of business with large customers;
- risks associated with government contracts;
- changes in the supply of, or price for, labor, energy, raw materials, parts and components, including as a result of impacts from the current inflationary environment, ongoing supply chain constraints or additional or ongoing outbreaks of COVID-19;
- environmental compliance costs and liabilities;
- potential write-offs of our goodwill and other intangible assets;
- our ability to successfully develop new products;
- failure to protect our intellectual property;

- the effect of, or change in, government regulations (including tax);
- economic disruption caused by armed conflicts (such as the war in Ukraine), terrorist attacks, health crises (such as the COVID-19 pandemic) or other unforeseen geopolitical events; and
- the factors discussed in other reports we file with the SEC from time to time.

You should not place undue reliance on any forward-looking statements, which are based on current expectations. Further, forward-looking statements speak only as of the date they are made, and we undertake no obligation to publicly update any of these statements in light of new information or future events.

Overview

Roper is a diversified technology company. We operate market leading businesses that design and develop vertical software and technology enabled products for a variety of defensible niche markets.

We pursue consistent and sustainable growth in revenue, earnings and cash flow by emphasizing continuous improvement in the operating performance of our businesses. In addition, we utilize a disciplined, analytical and process-driven approach to redeploy our excess free cash flow toward high-quality acquisitions.

Discontinued Operations

During the second quarter of 2022, the Company entered into a definitive agreement to sell a majority equity stake in our industrial businesses, including its entire historical Process Technologies reportable segment and the industrial businesses within its historical Measurement & Analytical Solutions reportable segment, to affiliates of Clayton, Dubilier & Rice, LLC. The transaction, which is expected to close in the fourth quarter of 2022, is subject to customary closing conditions, including regulatory approvals. The businesses included in this transaction are Alpha, AMOT, CCC, Cornell, Dynisco, FTI, Hansen, Hardy, Logitech, Metrix, PAC, Roper Pump, Struers, Technolog, Uson, and Viatran (collectively the “Industrial Businesses”).

During 2021, the Company signed definitive agreements to divest our TransCore, Zetec and CIVCO Radiotherapy businesses (“2021 Divestitures”). As of March 31, 2022, Roper had completed the 2021 Divestitures.

The financial results of these businesses are presented as discontinued operations and certain prior period amounts have been reclassified to conform to current period presentation. Information regarding discontinued operations is included in Note 5 of the Notes to Condensed Consolidated Financial Statements.

Update to Segment Reporting Structure

During the second quarter of 2022, we updated our reportable segment structure following the announcement of the transaction to sell a majority stake in our Industrial Businesses. The Company’s new reporting segment structure is classified based on business model and delivery of performance obligations. The three updated reportable segments (and businesses within each) are as follows:

–Application Software - Aderant, CBORD, CliniSys, Data Innovations, Deltek, IntelliTrans, PowerPlan, Strata, Vertafore

–Network Software - ConstructConnect, DAT, Foundry, iPipeline, iTradeNetwork, Loadlink, MHA, SHP, SoftWriters

–Technology Enabled Products - CIVCO Medical Solutions, FMI, Inovonics, IPA, Neptune, Northern Digital, rf IDEAS, Verathon

The day-to-day operations of our businesses, our organizational structure, and our strategy remain unchanged. All prior periods have been recast to reflect the changes noted above.

Critical Accounting Policies

There were no material changes during the nine months ended September 30, 2022 to the items that we disclosed as our critical accounting policies and estimates in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report.

Recently Issued Accounting Standards

Information regarding new accounting pronouncements is included in Note 2 of the Notes to Condensed Consolidated Financial Statements.

Impact of COVID-19 on our Business

The extent to which the COVID-19 pandemic impacts our business, results of operations and financial condition will depend on future developments, which are highly uncertain and are difficult to predict, including, but not limited to, the duration and spread of the outbreak and its severity, the actions to contain the virus and its variants including the distribution, administration and efficacy of available vaccines, the impact of vaccine mandates on our workforce, and how quickly and to what extent normal economic and operating conditions can resume. As a result of the effects of the COVID-19 global pandemic our ability to obtain products or services from certain suppliers and to operate at certain locations has been and could again in the future be impacted. If COVID-19 and its variants continue to spread, particularly in countries with low vaccination rates, certain countries may experience more severe and lasting impacts from the pandemic. To the extent we have operations and/or customers in these countries, we may experience adverse impacts on our businesses located in such countries.

Results of Continuing Operations
All currency amounts are in millions, percentages are of net revenues

Percentages may not sum due to rounding.

The following table sets forth selected information for the periods indicated.

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net revenues:				
Application Software	$ 644.0	$ 600.2	$ 1,899.7	$ 1,761.2
Network Software	346.6	316.0	1,028.0	901.3
Technology Enabled Products	359.7	315.9	1,013.2	914.7
Total	$ 1,350.3	$ 1,232.1	$ 3,940.9	$ 3,577.2
Gross margin:				
Application Software	68.4 %	69.7 %	68.8 %	69.4 %
Network Software	84.8	84.7	84.4	84.0
Technology Enabled Products	57.7	58.8	56.9	59.8
Total	69.7	70.7	69.8	70.6
Selling, general and administrative expenses:				
Application Software	41.4 %	42.4 %	41.9 %	42.7 %
Network Software	42.1	44.6	43.4	45.9
Technology Enabled Products	22.6	25.9	23.5	25.7
Total	36.5	38.7	37.5	39.2
Segment operating margin:				
Application Software	27.0 %	27.4 %	26.9 %	26.8 %
Network Software	42.7	40.0	41.1	38.1
Technology Enabled Products	35.2	33.0	33.3	34.1
Total	33.2	32.0	32.3	31.5
Corporate administrative expenses	(4.1)	(3.9)	(4.0)	(4.1)
Income from operations	29.1	28.2	28.2	27.4
Interest expense, net	(3.1)	(4.7)	(3.5)	(5.0)
Other income (expense), net	0.3	(0.2)	—	0.7
Earnings before income taxes	26.3	23.3	24.7	23.1
Income taxes	(5.8)	(6.2)	(6.0)	(5.3)
Net earnings from continuing operations	20.5 %	17.1 %	18.7 %	17.8 %

Three months ended September 30, 2022 compared to three months ended September 30, 2021

Net revenues for the three months ended September 30, 2022 increased by 9.6% as compared to the three months ended September 30, 2021. The components of revenue growth for the three months ended September 30, 2022 were as follows:

	Application Software	Network Software	Technology Enabled Products	Roper
Total Revenue Growth	7.3 %	9.7 %	13.9 %	9.6 %
Less Impact of:				
Acquisitions/Divestitures	2.2	1.2	—	1.4
Foreign Exchange	(1.7)	(1.9)	(1.2)	(1.6)
Organic Revenue Growth	6.8 %	10.4 %	15.1 %	9.8 %

In our Application Software segment, revenues were $644.0 in the third quarter of 2022 as compared to $600.2 in the third quarter of 2021. The growth of 6.8% in organic revenues was broad-based across the segment led by our businesses serving the acute healthcare, property and casualty insurance, higher education and government contracting markets. Gross margin decreased to 68.4% in the third quarter of 2022 as compared to 69.7% in the third quarter of 2021 due primarily to increased headcount to support growth and a higher mix of SaaS and professional service revenue across a number of businesses. Selling, general and administrative ("SG&A") expenses as a percentage of revenues decreased to 41.4% in the third quarter of 2022 as compared to 42.4% in the third quarter of 2021 due primarily to operating leverage on higher organic revenues. The resulting operating margin was 27.0% in the third quarter of 2022 as compared to 27.4% in the third quarter of 2021.

In our Network Software segment, revenues were $346.6 in the third quarter of 2022 as compared to $316.0 in the third quarter of 2021. The growth of 10.4% in organic revenues was led by our network software businesses serving the freight match, media and entertainment and life insurance markets. Gross margin of 84.8% in the third quarter of 2022 was consistent with 84.7% in the third quarter of 2021. SG&A expenses as a percentage of revenues decreased to 42.1% in the third quarter of 2022 as compared to 44.6% in the third quarter of 2021 due primarily to operating leverage on higher organic revenues. As a result, operating margin was 42.7% in the third quarter of 2022 as compared to 40.0% in the third quarter of 2021.

In our Technology Enabled Products segment, revenues were $359.7 in the third quarter of 2022 as compared to $315.9 in the third quarter of 2021. The growth of 15.1% in organic revenues was primarily due to our water meter technology business and medical products businesses. Gross margin decreased to 57.7% in the third quarter of 2022 as compared to 58.8% in the third quarter of 2021 as operating leverage and price were offset by higher material and freight costs. SG&A expenses as a percentage of revenues decreased to 22.6% in the third quarter of 2022 as compared to 25.9% in the third quarter of 2021 primarily due to operating leverage on higher organic revenues. The resulting operating margin was 35.2% in the third quarter of 2022 as compared to 33.0% in the third quarter of 2021.

Corporate expenses increased to $55.2, or 4.1% of revenues, in the third quarter of 2022 as compared to $47.9, or 3.9% of revenues, in the third quarter of 2021. The dollar increase was due primarily to higher professional service and acquisition related expenses partially offset by lower compensation expense.

Net interest expense decreased to $41.3 for the third quarter of 2022 as compared to $58.2 for the third quarter of 2021 due to lower weighted average debt balances and higher interest income earned on our cash and cash equivalents.

Other income, net, of $3.6 for the third quarter of 2022 was composed primarily of foreign exchange gains at our non-U.S. based subsidiaries. Other expense, net, for the third quarter of 2021 of $2.1 was composed primarily of asset disposals and foreign exchange losses at our non-U.S. based subsidiaries.

Income taxes as a percent of pretax earnings decreased to 22.1% in the third quarter of 2022 as compared to 26.4% in the third quarter of 2021. The rate was favorably impacted by the recognition of a net tax benefit related to a reduction in certain state income tax rates.

Backlog is equal to our remaining performance obligations expected to be recognized within the next 12 months as discussed in Note 13 of the Notes to Condensed Consolidated Financial Statements. Backlog increased 23% to $2,420.9 at September 30, 2022 as compared to $1,974.2 at September 30, 2021. Organic growth in backlog was 21% and acquisitions contributed 2%.

	Backlog as of September 30,	
	2022	2021
Application Software	$ 1,416.4	$ 1,305.8
Network Software	438.9	403.2
Technology Enabled Products	565.6	265.2
Total	$ 2,420.9	$ 1,974.2

Nine months ended September 30, 2022 compared to nine months ended September 30, 2021

Net revenues for the nine months ended September 30, 2022 increased by 10.2% as compared to the nine months ended September 30, 2021. The components of revenue growth for the nine months ended September 30, 2022 were as follows:

	Application Software	Network Software	Technology Enabled Products	Roper
Total Revenue Growth	7.9 %	14.1 %	10.8 %	10.2 %
Less Impact of:				
Acquisitions/Divestitures	1.5	1.3	—	1.1
Foreign Exchange	(1.2)	(1.1)	(0.8)	(1.1)
Organic Revenue Growth	7.6 %	13.9 %	11.6 %	10.2 %

In our Application Software segment, revenues were $1,899.7 in the nine months ended September 30, 2022 as compared to $1,761.2 in the nine months ended September 30, 2021. The growth of 7.6% in organic revenues was broad-based across the segment led by our businesses serving property and casualty insurance, government contracting, and acute healthcare markets. Gross margin decreased to 68.8% in the nine months ended September 30, 2022 as compared to 69.4% in the nine months ended September 30, 2021 due primarily to increased headcount to support growth and a higher mix of SaaS and professional services revenue. SG&A expenses decreased as a percentage of revenue to 41.9% in the nine months ended September 30, 2022 as compared to 42.7% in the nine months ended September 30, 2021 due primarily to operating leverage on higher organic revenues. The resulting operating margin was 26.9% in the nine months ended September 30, 2022 as compared to 26.8% in the nine months ended September 30, 2021.

In our Network Software segment, revenues were $1,028.0 in the nine months ended September 30, 2022 as compared to $901.3 in the nine months ended September 30, 2021. The growth of 13.9% in organic revenues was led by our network software businesses serving the freight match, life insurance and media and entertainment markets. Gross margin increased to 84.4% in the nine months ended September 30, 2022 as compared to 84.0% in the nine months ended September 30, 2021 due to favorable revenue mix. SG&A expenses decreased as a percentage of revenues at 43.4% in the nine months ended September 30, 2022 as compared to 45.9% in the nine months ended September 30, 2021 due to operating leverage on higher organic revenues combined with revenue mix. As a result, operating margin was 41.1% in the nine months ended September 30, 2022 as compared to 38.1% in the nine months ended September 30, 2021.

In our Technology Enabled Products segment, revenues were $1,013.2 in the nine months ended September 30, 2022 as compared to $914.7 in the nine months ended September 30, 2021. The growth of 11.6% in organic revenues was primarily due to our water meter technology business and medical products businesses. Gross margin decreased to 56.9% in the nine months ended September 30, 2022 as compared to 59.8% in the nine months ended September 30, 2021 due primarily to higher material, component and freight costs as our businesses navigate the widespread global supply chain challenges and unfavorable revenue mix. SG&A expenses as a percentage of revenues decreased to 23.5% in the nine months ended September 30, 2022 as compared to 25.7% in the nine months ended September 30, 2021 due to operating leverage on higher organic revenues and favorable revenue mix. The resulting operating margin was 33.3% in the nine months ended September 30, 2022 as compared to 34.1% in the nine months ended September 30, 2021.

Corporate expenses increased to $159.0, or 4.0% of revenues, in the nine months ended September 30, 2022 as compared to $145.8, or 4.1% of revenues, in the nine months ended September 30, 2021. The dollar increase was due primarily to higher professional service and acquisition related expenses partially offset by lower compensation expense.

Net interest expense decreased to $138.6 for the nine months ended September 30, 2022 as compared to $178.2 for the nine months ended September 30, 2021 due to lower weighted average debt balances and higher interest income earned on our cash and cash equivalents.

Other income, net, of $0.2 for the nine months ended September 30, 2022 was composed primarily of foreign exchange gains at our non-U.S. based subsidiaries partially offset by a one-time charge associated with a transaction to transfer the remainder of our exposure related to asbestos claims to a third party. Other income, net, of $25.0 for the nine months ended September 30, 2021 was composed primarily of a gain on sale of minority investment.

Income taxes as a percent of pretax earnings were 24.2% for the nine months ended September 30, 2022 as compared to 22.9% for the nine months ended September 30, 2021. The rate was unfavorably impacted by the recognition of a net tax expense associated with an internal restructuring plan related to the pending sale of the Industrial Businesses.

Financial Condition, Liquidity and Capital Resources
All currency amounts are in millions

Selected cash flows for the nine months ended September 30, 2022 and 2021 were as follows:

	Nine months ended September 30,	
Cash provided by/(used in):	**2022**	**2021**
Continuing operations:		
Cash provided by operating activities	$ 550.2	$ 1,142.6
Cash used in investing activities	(634.6)	(35.9)
Cash used in financing activities	(1,401.8)	(1,341.2)
Cash provided by discontinued operations	3,093.6	283.6

Operating activities - Net cash provided by operating activities from continuing operations decreased by 52% to $550.2 in the nine months ended September 30, 2022 as compared to $1,142.6 in the nine months ended September 30, 2021, due primarily to (i) the timing of cash taxes paid in connection with the 2021 Divestitures, (ii) higher cash taxes associated with changes to Internal Revenue Code Section 174 and (iii) less cash provided by working capital primarily associated with higher incentive compensation payments in the first quarter of 2022 associated with 2021 performance. These cash outflows were partially offset by higher net income from continuing operations net of non-cash expenses.

Investing activities - Cash used in investing activities from continuing operations during the nine months ended September 30, 2022 is due to business acquisitions and capital expenditures. Cash used in investing activities from continuing operations during the nine months ended September 30, 2021 was due primarily to capital expenditures and business acquisitions, partially offset by proceeds from the sale of a minority investment.

Financing activities - Cash used in financing activities from continuing operations for the nine months ended September 30, 2022 was primarily due to repayments on maturities of certain senior notes, repayments on our unsecured credit facility and dividend payments, partially offset by net proceeds from stock based compensation. Cash used in financing activities for the nine months ended September 30, 2021 was primarily due to net repayments on our unsecured credit facility and dividend payments, partially offset by net proceeds from stock based compensation.

Discontinued operations - Cash provided by discontinued operations for the nine months ended September 30, 2022 was primarily due to proceeds from the sale of TransCore and Zetec slightly offset by less cash provided by discontinued operations which was impacted by the timing of our divestiture activity. Cash provided by discontinued operations during the nine months ended September 30, 2021 was primarily due to net income net of non-cash expenses.

Effect of foreign currency exchange rate changes on cash - Cash and cash equivalents decreased during the nine months ended September 30, 2022 by $64.4 due primarily to the strengthening of the U.S. dollar against the functional currencies of our European and United Kingdom subsidiaries. Cash and cash equivalents decreased during the nine months ended September 30, 2021 by $4.9 due primarily to the strengthening of the U.S. dollar against the functional currencies of our European subsidiaries.

Total debt at September 30, 2022 consisted of the following:

$700 3.650% senior notes due 2023		700.0
$500 2.350% senior notes due 2024		500.0
$300 3.850% senior notes due 2025		300.0
$700 1.000% senior notes due 2025		700.0
$700 3.800% senior notes due 2026		700.0
$700 1.400% senior notes due 2027		700.0
$800 4.200% senior notes due 2028		800.0
$700 2.950% senior notes due 2029		700.0
$600 2.000% senior notes due 2030		600.0
$1,000 1.750% senior notes due 2031		1,000.0
Unsecured credit facility		—
Deferred finance costs		(40.9)
Other		0.4
Total debt, net of deferred finance costs		6,659.5
Less current portion		698.9
Long-term debt, net of deferred finance costs	$	5,960.6

The interest rate on borrowings under the $3,500.0 unsecured credit facility is calculated based upon various recognized indices plus a margin as defined in the credit facility which replaced our previous credit facility on July 21, 2022. At September 30, 2022, we had no outstanding borrowings under our unsecured credit facility and $20.8 of outstanding letters of credit.

Cash at our foreign subsidiaries at September 30, 2022 increased to $321 as compared to $311 at December 31, 2021 due primarily to the cash generated at our foreign subsidiaries during the nine months ended September 30, 2022, partially offset by the repatriation of $169 during the nine months ended September 30, 2022. We intend to repatriate substantially all historical and future earnings.

We expect existing cash balances, together with cash generated by our operations and amounts available under our credit facility, will be sufficient to fund our operating requirements for the foreseeable future.

We were in compliance with all debt covenants related to our unsecured credit facility throughout the nine months ended September 30, 2022.

Net working capital (total current assets, excluding cash and current assets held for sale, less total current liabilities, excluding debt and current liabilities held for sale) increased to negative $918.9 at September 30, 2022 as compared to negative $990.9 at December 31, 2021 primarily driven by a decrease in accrued compensation, deferred revenue due to software renewal timing and greater inventory build in response to the widespread global supply chain challenges partially offset by a decrease in accounts receivable. Total debt was $6,659.5 at September 30, 2022 as compared to $7,921.8 at December 31, 2021, due primarily to repayments on certain senior notes and net repayments under our unsecured credit facility. Our leverage on a continuing operations basis is shown in the following table:

		September 30, 2022		**December 31, 2021**
Total debt	$	6,659.5	$	7,921.8
Cash		(1,894.5)		(351.5)
Net debt		4,765.0		7,570.3
Stockholders' equity		13,857.8		11,563.8
Total net capital	$	18,622.8	$	19,134.1
Net debt / total net capital		25.6 %		39.6 %

Capital expenditures were $30.0 for the nine months ended September 30, 2022 as compared to $19.9 for the nine months ended September 30, 2021. Capitalized software expenditures were $21.9 for the nine months ended September 30, 2022 as compared to $22.2 for the nine months ended September 30, 2021. We expect the aggregate of capital expenditures and capitalized software expenditures for the balance of the year to be comparable to prior years as a percentage of revenues.

On June 23, 2022, the Company elected to exercise its optional redemption rights to redeem all of its outstanding 3.125% Notes due 2022 (the “Notes”) in the original aggregate principal amount of $500.0, and Computershare Trust Company, N.A., as successor to Wells Fargo Bank, National Association, as trustee under the indenture governing the Notes (the “Indenture”), issued redemption notices to registered holders of the Notes. The date fixed for the redemption of the Notes was August 15, 2022 (the “Redemption Date”). The Notes were redeemed at 100% of the aggregate principal amount of the Notes, plus accrued and unpaid interest thereon to, but not including, the Redemption Date in accordance with the terms and conditions set forth in the Indenture.

On August 15, 2022, $300.0 of 0.450% senior notes due 2022 were repaid at maturity using cash on hand.

On July 21, 2022, the Company entered into a new five-year unsecured credit facility (the “Credit Agreement”) among Roper, the financial institutions from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, Bank of America, N.A. and Wells Fargo Bank, N.A., as syndication agents, and Mizuho Bank, Ltd., MUFG Bank, Ltd., PNC Bank, National Association, TD Bank, N.A., Truist Bank and U.S Bank, National Association, as documentation agents, which replaced the existing $3,000.0 unsecured credit facility, dated as of September 2, 2020, as amended. The new facility comprises a five-year $3,500.0 revolving credit facility, which includes availability of up to $150.0 for letters of credit. Loans under the facility will be available in dollars, and letters of credit will be available in dollars and other currencies to be agreed. The Company may also, subject to compliance with specified conditions, request additional term loans or revolving credit commitments in an aggregate amount not to exceed $500.0.

Off-Balance Sheet Arrangements

At September 30, 2022, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Outlook

Current geopolitical and economic uncertainties, including the current inflationary environment, supply chain disruptions and labor shortage, could adversely affect our business prospects. The COVID-19 pandemic has had, and may continue to have, an adverse impact on our business. An armed conflict (such as the ongoing war in Ukraine), significant terrorist attack, other global conflict, or public health crisis could cause changes in world economies that would adversely affect us. It is impossible to isolate each of these potential factor’s future effects on current economic conditions or any of our businesses. It is also impossible to predict with any reasonable degree of certainty what or when any additional events may occur that also would similarly disrupt the economy and have an adverse impact on our businesses.

We maintain an active acquisition program; however, future acquisitions will be dependent on numerous factors and it is not feasible to reasonably estimate if or when any such acquisitions will occur and what the impact will be on our business, financial condition and results of operations. Such acquisitions may be financed by the use of existing credit lines, future cash flows from operations, announced divestitures, future divestitures, the proceeds from the issuance of new debt or equity securities or any combination of these methods, the terms and availability of which will be subject to market and economic conditions generally.

We anticipate that our businesses will generate positive cash flows from operating activities, and that these cash flows will permit the reduction of currently outstanding debt in accordance with the repayment schedule. However, the rate at which we can reduce our debt (and reduce the associated interest expense) will be affected by, among other things, the financing and operating requirements of any new acquisitions, the financial performance of our existing companies and the impact of the COVID-19 pandemic on our business prospects and the financial markets generally. None of these factors can be predicted with certainty.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See “Item 7A. Quantitative and Qualitative Disclosures about Market Risk” in our Annual Report. There were no material changes during the nine months ended September 30, 2022.

ITEM 4. CONTROLS AND PROCEDURES

As required by SEC rules, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q (“Evaluation Date”). This evaluation was carried out under the supervision and with the participation of our management, including our principal executive officer and principal financial officer. Based on this evaluation as of the Evaluation Date, these officers have concluded that the design and operation of our disclosure controls and procedures are effective.

Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act are accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes to our internal controls during the period covered by this Quarterly Report on Form 10-Q that materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information pertaining to legal proceedings can be found in Note 11 of the Notes to Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q and is incorporated by reference herein.

ITEM 1A. RISK FACTORS

Information regarding risk factors can be found in “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Information About Forward-Looking Statements,” in Part 1 - Item 2 of this Form 10-Q and in Part 1 - Item 1A of our 2021 Annual Report on Form 10-K. Other than as supplemented in Item 1A of the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, there have been no other material changes to our risk factors previously disclosed in the 2021 Annual Report on Form 10-K.

ITEM 6. EXHIBITS

2.1	Equity Purchase and Merger Agreement by and among the Company, Roper T2 LLC, Project Franklin Merger Sub LLC, Frontline Technologies Parent LLC, Roper Operations Company II LLC, the Blocker Sellers and the Representative, dated as of August 30, 2022 (incorporated herein by reference to Exhibit 2.1 to the Roper Technologies, Inc. Current Report on Form 8-K filed August 30, 2022).*
10.1	Credit Agreement dated as of July 21, 2022, among Roper, the foreign subsidiary borrowers from time to time party thereto, the financial institutions party thereto, JPMorgan Chase Bank, N.A., as administrative agent, Bank of America, N.A. and Wells Fargo Bank, N.A., as syndication agents, and Mizuho Bank, Ltd., MUFG Bank, Ltd., PNC Bank, National Association, TD Bank, N.A., Truist Bank and U.S Bank, National Association, as documentation agents (incorporated herein by reference to Exhibit 10.1 to the Roper Technologies, Inc. Current Report on Form 8-K filed July 22, 2022).
10.2	First Amendment to Roper Technologies, Inc. Employee Stock Purchase Plan (As Amended and Restated effective July 1, 2020) (incorporated herein by reference to Exhibit 10.2 to the Roper Technologies, Inc. Quarterly Report on Form 10-Q filed August 3, 2022).†
31.1	Rule 13a-14(a)/15d-14(a), Certification of the Chief Executive Officer, filed herewith.
31.2	Rule 13a-14(a)/15d-14(a), Certification of the Chief Financial Officer, filed herewith.
32.1	Section 1350 Certification of the Chief Executive and Chief Financial Officers, furnished herewith.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* The related exhibits and schedules are not being filed herewith. The Company agrees to furnish supplementally a copy of any such exhibits and schedules to the Securities and Exchange Commission upon request.
† Management contract or compensatory plan or arrangement.

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 thereunto duly authorized.

Roper Technologies, Inc.

/S/ L. Neil Hunn L. Neil Hunn	President and Chief Executive Officer (Principal Executive Officer)	November 2, 2022
/S/ Robert C. Crisci Robert C. Crisci	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	November 2, 2022
/S/ Jason Conley Jason Conley	Vice President and Chief Accounting Officer (Principal Accounting Officer)	November 2, 2022

Exhibit 31.1

I, L. Neil Hunn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Roper Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2022

/S/ L. Neil Hunn

L. Neil Hunn
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

I, Robert C. Crisci, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Roper Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 2, 2022

/S/ Robert C. Crisci

Robert C. Crisci
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Roper Technologies, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), L. Neil Hunn, Chief Executive Officer of the Company, and Robert C. Crisci, Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 2, 2022

/S/ L. Neil Hunn
L. Neil Hunn
President and Chief Executive Officer
(Principal Executive Officer)

/S/ Robert C. Crisci
Robert C. Crisci
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

This certification accompanies the Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that Roper Technologies, Inc. specifically incorporates it by reference.