

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

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

July 29, 2004

---

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)

**ROPER INDUSTRIES, INC.**

---

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE

---

(STATE OR OTHER JURISDICTION OF INCORPORATION)

1-12273

51-0263969

---

(COMMISSION FILE NUMBER)

(IRS EMPLOYER IDENTIFICATION NO.)

2160 SATELLITE BLVD., SUITE 200, DULUTH, GEORGIA

30097

---

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(ZIP CODE)

(770) 495-5100

---

(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

160 BEN BURTON ROAD, BOGART, GEORGIA 30622

---

(FORMER ADDRESS)

---

**ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS**

(a) Financial Statements of Business Acquired

Not Applicable

(b) *Pro Forma* Financial Statements

Not Applicable

(c) Exhibits

99.1 Slide Presentation related to Second Quarter Results of Roper Industries, Inc. dated July 29, 2004.

**ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL POSITION**

On July 29, 2004, during the Roper Industries, Inc. (the "Company") conference call to discuss its earlier release of its second-quarter financial results, the Company delivered the slide presentation. A copy of the slide presentation is furnished as Exhibit 99.1.

---

**SIGNATURE**

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

**Roper Industries, Inc.**

(Registrant)

BY: /s/ Martin S. Headley

\_\_\_\_\_  
Martin S. Headley,  
Vice President, Chief Financial Officer

Date: July 29, 2004

---

**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Slide Presentation of Second Quarter Results of the Company dated July 29, 2004



Roper Industries, Inc.



---

**Second Quarter 2004  
Financial Results Conference Call  
July 29, 2004**



The information provided in this presentation contains forward-looking statements within the meaning of the federal securities laws. These statements reflect management's current beliefs and are not guarantees of performance. They involve risks and uncertainties, which could cause actual results to differ materially from those contained in any forward-looking statement. Important risk factors include those discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2003, and may be discussed in subsequent filings with the SEC. You should not place undue reliance on any forward-looking statements. These statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

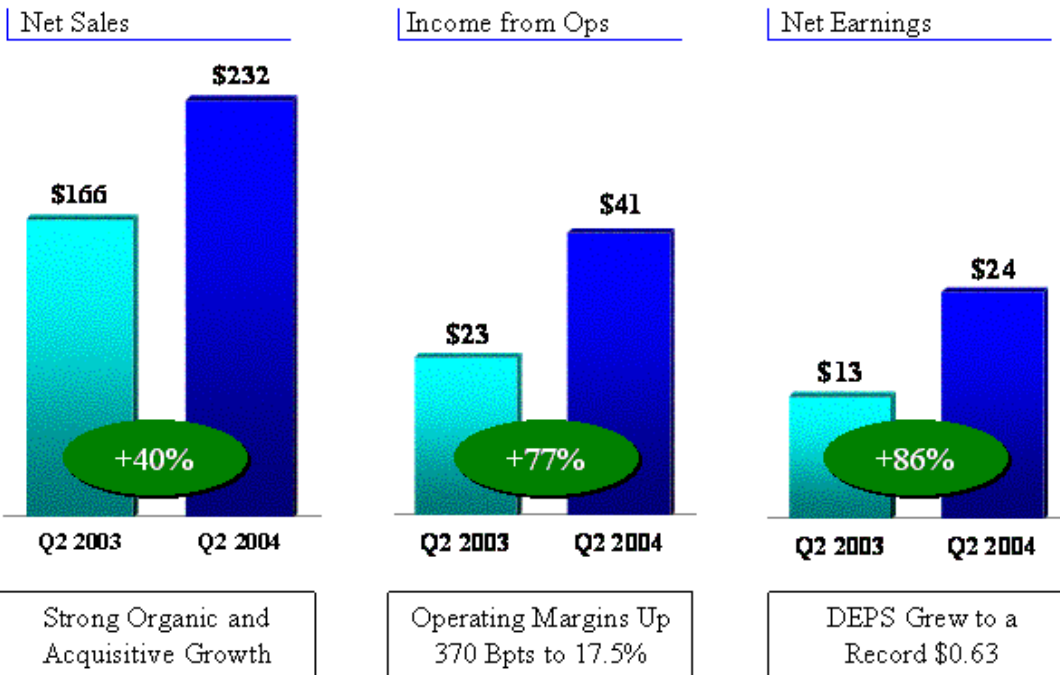


- ❑ Achieved Record Financial Results
  - Net Sales, Earnings, Cash Flow
- ❑ Margins Expanded
  - Restructuring Benefits
- ❑ Earned Upper-End of Our Guidance Range
  - Despite Shortfall of Sales to Gazprom
- ❑ Successfully Executing Growth Strategy
  - Organic Growth Expanded
  - NTGH Performing Well
  - Completed First 2004 Acquisition
- ❑ Acquired Power Generation Business from R/D Tech
  - Expands Non-Destructive Platform



## Significant Second Quarter Growth

(Millions)





## Results Sequentially Strengthening

(Millions)

	Q1 2004		Q2 2004	Change	
Net Sales	\$221	→	\$232	\$11	
Income from Ops	\$33	→	\$41	\$8	High Contribution Margin
Adj. Inc. from Ops <sup>1</sup>	\$36	→	\$41	\$5	
Cash from Ops	\$26	→	\$40	\$14	

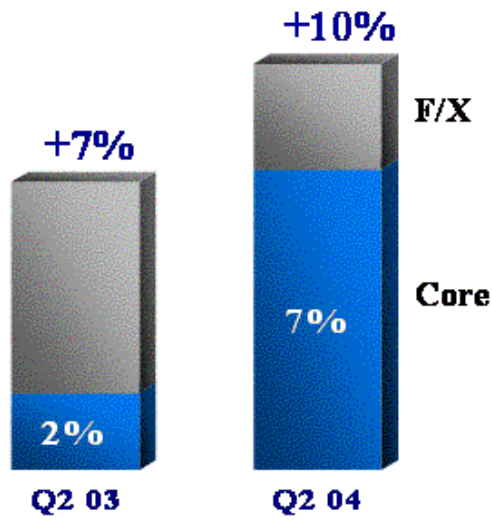
**Expect Continued Growth Throughout 2004**

<sup>1</sup> Excludes Q1 restructuring costs and Q1/Q2 inventory revaluation adjustments arising from acquisitions.

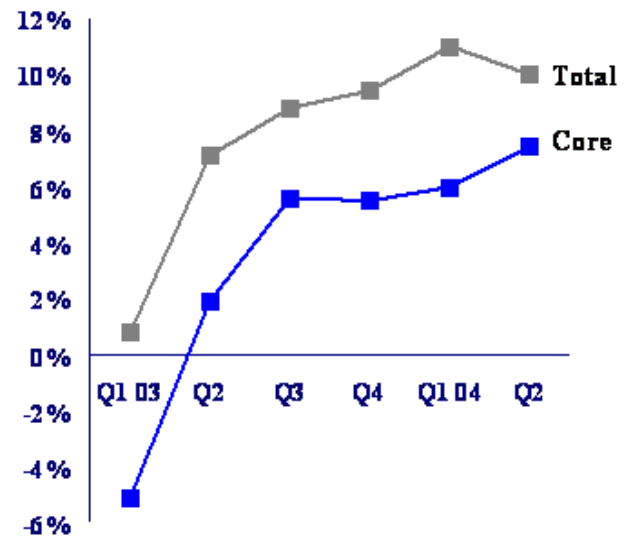


# Organic Revenue Growth

## Strong Year-on-Year Comparison



## Favorable Trend



## Growth Initiatives Driving Results

Represents the year-over-year increase in net sales for businesses owned for the entire quarter in 2003 and 2004; excludes sales to Gazprom.





## Income Statement

*Millions except DEPS*

	Q2 2003	Q2 2004	
Net Sales	\$166	\$232	<ul style="list-style-type: none"><li>▪ Broad-Based Strength Throughout Roper</li><li>▪ Orders Grew 10% Organically</li></ul>
Gross Profit	85	116	<ul style="list-style-type: none"><li>▪ Excluding NTGH, Gross Margins were Higher in Q2 2004</li></ul>
Gross Margin	51%	50%	
Income from Ops	23	41	<ul style="list-style-type: none"><li>▪ Capturing Restructuring Benefits from Restructuring Activities</li></ul>
Operating Margin	13.8%	17.5%	
Diluted EPS (DEPS)	\$0.40	\$0.63	<ul style="list-style-type: none"><li>▪ 58% Increase</li></ul>

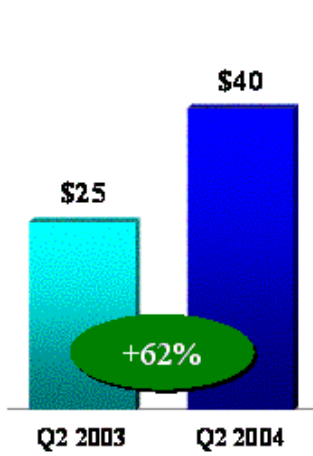
**Cash Results Tell the Real Story**



## Focus on Cash

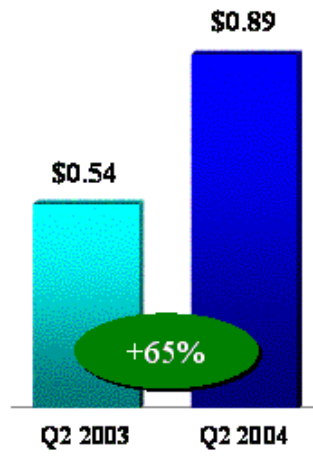
(Millions)

Cash From Operations



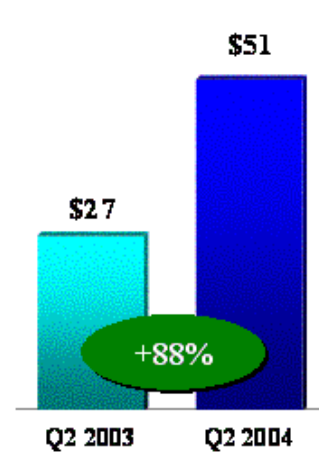
171% Conversion of Earnings

Cash DEPS



DEPS + D&A per Share

EBITDA



EBITDA Margins Up 560 Bpts to 21.8%



## Balance Sheet Strengthening

<i>Millions</i>	Dec. 2003	March 2004	June 2004	
<b>As a Percent of Sales</b>				
(I) Inventory	13.5% <sup>1</sup>	12.4%	11.7%	▪ Down 180 Bpts YTD
(R) Receivables	18.5% <sup>1</sup>	17.8%	17.4%	▪ Reduced 110 Bpts YTD
(P) Payables & Accruals	14.5% <sup>1</sup>	14.5%	13.9%	▪ NTGH Acq. Payments
Total (I+R-P)	17.5% <sup>1</sup>	15.7%	15.2%	▪ Reduced 230 Bpts YTD
Net Working Cap	\$170	\$187	\$185	▪ \$5 Million Favorable Cash Impact in Q2
Net Debt-to-Net Cap	47.0%	43.7%	43.0%	▪ Strengthened in Q2 Even With \$39 Million Acquisition

### Focus on Cash Return on Investment Produces Results

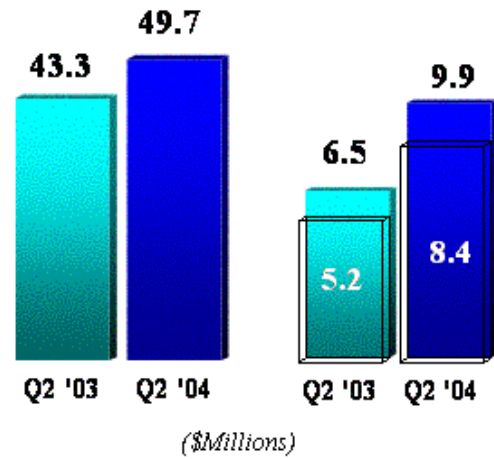
<sup>1</sup> Excludes Net Working Capital from the December 29, 2003 Acquisition of NTGH.



## Highlights

- Net Sales Up 15%
  - Strong Oil & Gas Markets
  - Favorable Materials Testing Markets
- Orders Grew 17%
- Operating Margins Improved 490 Bpts to 17%
  - Restructuring Benefits
- Positive Outlook for Remainder of Year
  - Favorable Market Conditions
  - New Product Introductions

Net Sales      EBITDA/Op Profit

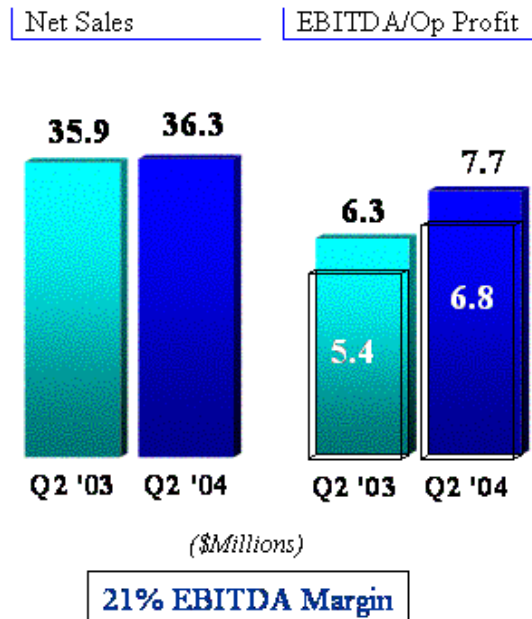


20% EBITDA Margin



## Highlights

- Despite \$8 Million Decline in Gazprom Revenues, Net Sales Increased
  - Now Expect Under \$10 Million of Net Sales from Gazprom in 2004...Less than 1% of Roper's Total Sales
- Strong Growth with Other Customers, Restructuring Activities Contributed to 390 Bpt Improvement in Margins
  - Achieved 19% in Q2
- Acquired Power Generation Business (PGB) from R/D Tech Late in Q2
- Robust Outlook for Second Half Despite Softer Q2 Orders





## Acquisition Complements Zetec Business

	<b>Zetec</b>	<b>PGB</b>	
<b>Businesses</b>	Steam Generator Inspection	Steam Generator Inspection Balance of Plant Inspection	<b>Greater BOP Activity</b>
<b>Technologies</b>	Eddy Current	Eddy Current Ultrasonic	<b>Enhanced Customer Offerings</b>
<b>Markets</b>	US Korea and Asia	US Canada France	<b>Geographic Expansion</b>

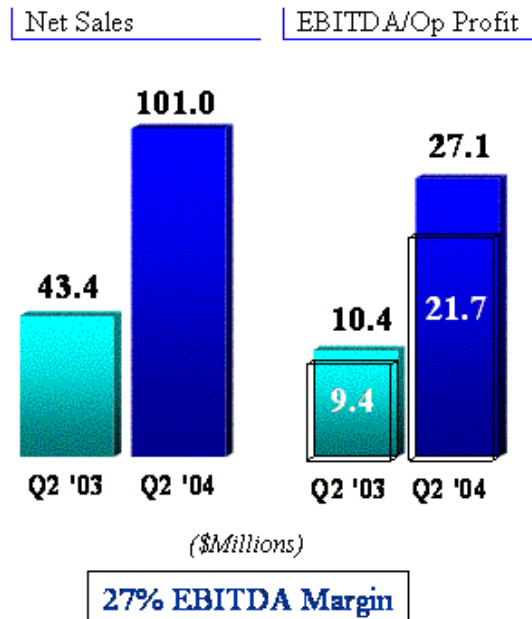
**Transaction Adds \$23 Million+ of Annual Sales;  
Accretive in 2005 (Post-Integration)**



Abel ■ AMOT ■ Carnell ■ Flow Technology ■ Fluid Metering ■ Hansen ■ Neptune ■ Roper Pump

## Highlights

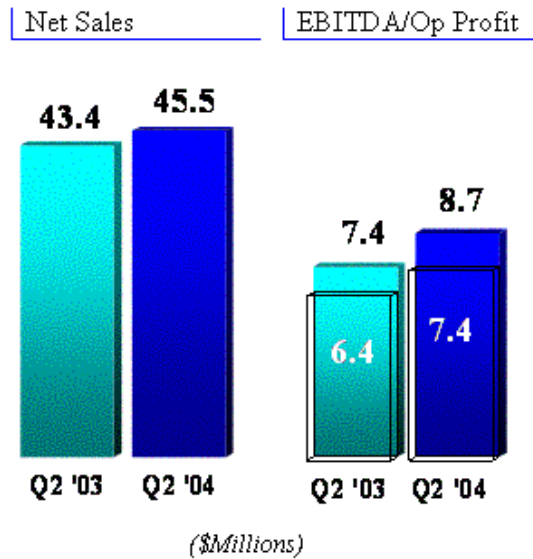
- **Double-Digit Sales and Order Organic Growth**
  - Broad-Based Gains
  - Strengthened Industrial Markets
- **Neptune Enjoyed Double-Digit Growth**
  - Customer-Focused Strategy Produces Results
  - Scheduled Shutdowns for Maintenance and Vacations in Second Half
- **22% Margins Benefited from Sales Gains and Restructuring Benefits**
  - Further Production Efficiencies Expected from Mexican Plant
- **Steady Outlook for Remainder of Year**





## Highlights

- ☐ Sales Up 5%
  - Handheld Instrument Volume Increased
  - Physical Science Markets Soft
  - Project Timing
- ☐ Orders Increased 29%
  - Focus on Solutions in Life Science
  - Broad-Based Gains
  - Launched New Physical Science Product Line: PIXIS
- ☐ Orders, Backlog, New Products Support Strong Outlook for Remainder of Year

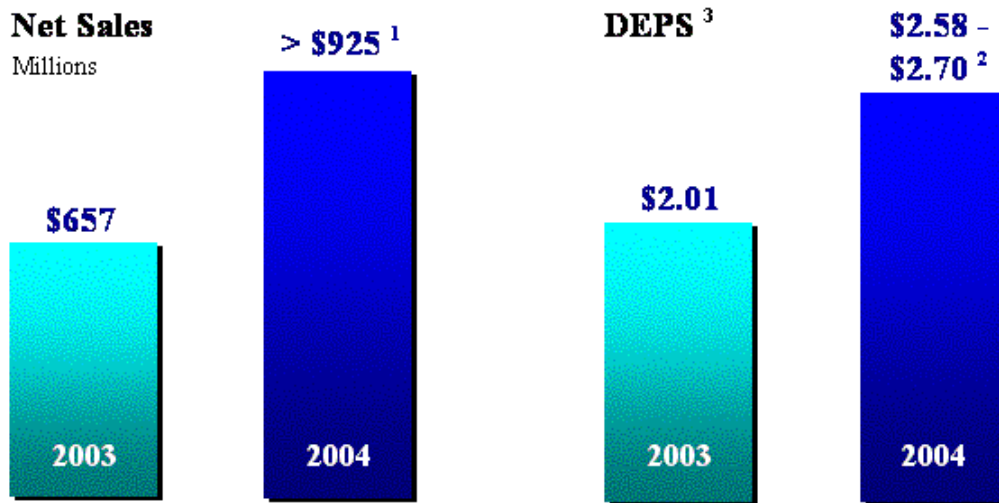


19% EBITDA Margin





## Strong Growth Expected in 2004



<sup>1</sup> Raised from Revised Guidance of \$900-\$925  
Despite \$10+ Million Lower Sales to Gazprom

<sup>2</sup> Raised from Revised Guidance of \$2.50-\$2.70

<sup>3</sup> DEPS excludes debt extinguishment costs, discontinued operations and NTGH inventory revaluation costs. 2003 includes \$6 million of restructuring costs; 2004 includes \$1 million of restructuring costs.



	Q1	Q2	Q3	Q4	Year
2004 DEPS	\$0.52	\$0.63	\$0.68-\$0.73	\$0.75-\$0.82	\$2.58-\$2.70

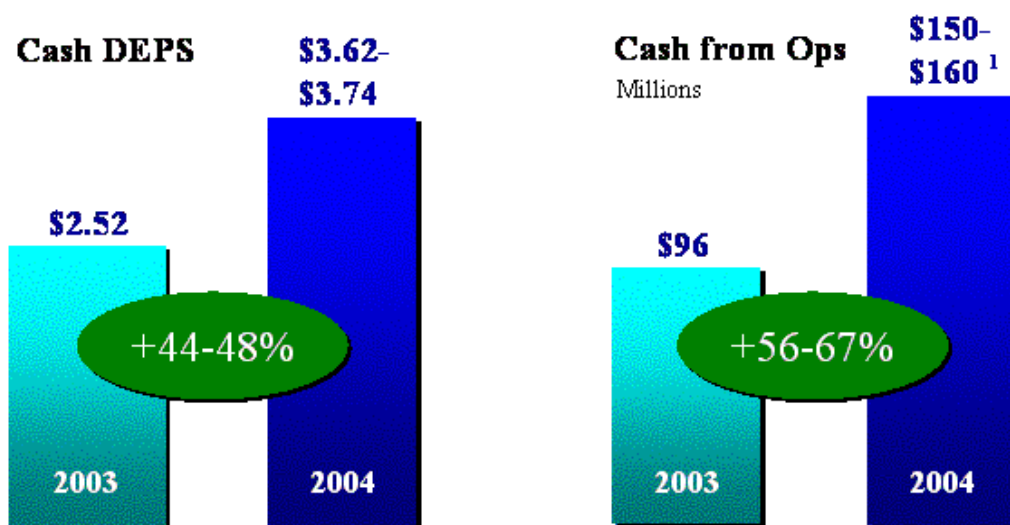
- Q3 Shut-Downs
- Heavy Sarbox Costs in Q3
- Strong Imaging Backlog
- Strong Energy Projects Q4
- Wastewater Project Timing Q4
- Modest Sales to Gazprom
- Continued Success of Organic Growth Initiatives

*2004 Excludes  
\$0.04 Effect from  
\$2 Million NTGH  
Inventory  
Revaluation.*

**Successfully Executing the Growth Strategy**



## Cash Performance Supports Growth Initiatives



<sup>1</sup> Raised from Original Guidance of \$140-\$160

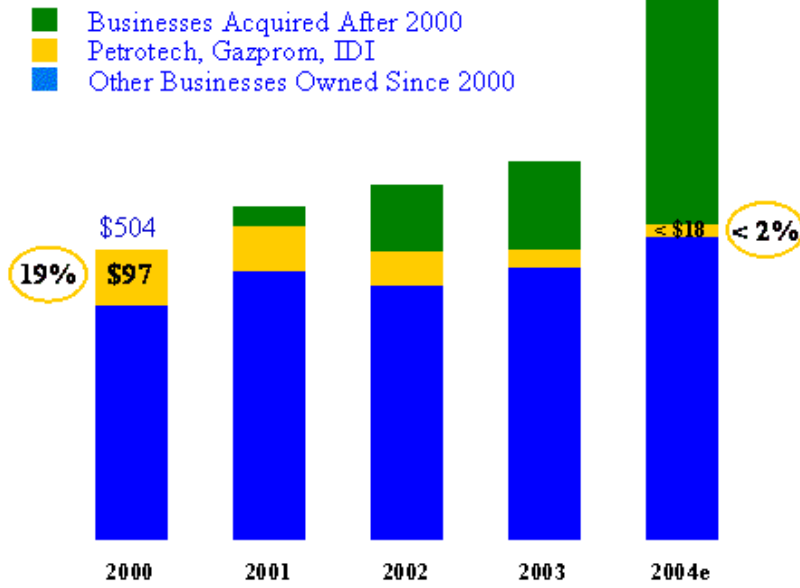
### Accelerating Cash Flow Throughout 2004

Excludes discontinued ops, and debt extinguishment and NTGH inventory revaluation costs. 2003 includes \$6 million of restructuring costs; 2004 includes \$1 million of restructuring costs.



# Roper's Strategic Portfolio Transformation

## Net Sales (Millions)



## Transforming Businesses Acquired After 2000



- Great Cash Returns
- Favorable Markets
- Recurring Revenue
- Clear Growth Paths
- Scale Advantages
- Platforms with Bolt-On Opportunities

**Steady Growth, Reduced Volatility**

Excludes Petrotech in 2001-2003 as a discontinued operation; business disposed in 2003.



- ❑ Growth Initiatives Delivering Powerful Results
- ❑ Cash Focus Delivering Record Performance
- ❑ Balance Sheet Strengthening
- ❑ Working Capital Velocity Increasing
- ❑ Results Sequentially Improving Throughout Year
- ❑ Portfolio Transformation Driving Steady Growth, Less Volatility

**Expect Record Second Half**



Roper Industries, Inc.

---



Appendix



# Reconciliations and Definitions

## EBIT DA, Q1 2014

Millions	Energy	Industrial	Manufacturing	Energy	Consolidated
Net Income					\$23.6
Operating Income	\$1.1	\$2.1	\$8.1	\$6.8	
Depreciation & Amortization (DA)	1.3	5.1	1.5	0.9	9.9
Interest Expense					6.8
Income Taxes					10.3
EBITDA	\$8.1	\$2.1	\$9.6	\$7.7	\$27.5

## EBIT DA, Q1 2013

Millions	Energy	Industrial	Manufacturing	Energy	Consolidated
Net Income					\$12.1
Operating Income	\$6.1	\$9.1	\$5.2	\$5.1	
Depreciation & Amortization (DA)	1.0	1.0	1.3	0.9	4.2
Interest Expense					1.1
Income Taxes					5.6
EBITDA	\$7.1	\$10.1	\$6.5	\$6.0	\$29.8

## Income from Operations, Q1 2014

Millions	Consolidated
Income from Operations	\$33.0
Restructuring Costs	1.2
NTCH Inventory Reserves	1.8
Adjusted Income from Operations	\$36.0

## DEPR

	Q1 2013	Full Year 2013	Q1 2014	Q1 2014	Full Year 2014
DEPR less Repairs of	\$0.10	\$1.1	\$0.9	\$0.6	\$2.5-\$2.66
NTCH Inventory Reserves	-	-	0.03	-	0.0
Less on Discontinued Operations	0.01	0.09	-	-	-
Or M Equipment of Costs		0.51			
Adjusted DEPR	\$0.11	\$2.01	\$0.92	\$0.6	\$2.5-\$2.70

## Cash DEPR

	Q1 2013	Full Year 2013	Q1 2014	2014 Proforma
Adjusted DEPR	\$0.11	\$2.01	\$0.6	\$2.5-\$2.70
GAAP Depreciation	0.13	0.51	0.26	1.0
Adjusted Cash DEPR	\$0.51	\$2.52	\$0.86	\$3.5-\$3.7

## Supplemental Data Information

Millions	Q1 2014	Q1 2013
Net Sales Excluding NTCH-Related PCB Acquisitions	\$11.30	\$15.1
Net Sales Attributable to NTCH and PCB Acquisitions	5.81	0.0
Net Sales in Program	0.1	0.1
Net Sales as Reported	\$23.21	\$15.2

