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, 2019.

☐ 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 Pkwy. East, Suite 200

Sarasota, Florida	**34240**
(Address of principal executive offices)	(Zip Code)

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

(Former name, 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 (Do not check if a smaller reporting company)	☐ 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 25, 2019 was 104,057,938.

ROPER TECHNOLOGIES, INC.

REPORT ON FORM 10-Q FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2019

TABLE OF CONTENTS

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,	
	2019	**2018**	**2019**	**2018**
Net revenues	$ 1,354.5	$ 1,318.7	$ 3,972.0	$ 3,814.9
Cost of sales	480.9	478.7	1,437.8	1,408.5
Gross profit	873.6	840.0	2,534.2	2,406.4
Selling, general and administrative expenses	488.4	462.5	1,434.2	1,374.4
Income from operations	385.2	377.5	1,100.0	1,032.0
Interest expense, net	48.8	48.4	137.6	134.8
Loss on debt extinguishment	—	15.9	—	15.9
Other income (expense), net	1.5	(1.6)	(2.6)	(1.0)
Gain on disposal of business	—	—	119.6	—
Earnings before income taxes	337.9	311.6	1,079.4	880.3
Income taxes	60.4	64.0	182.6	193.0
Net earnings	$ 277.5	$ 247.6	$ 896.8	$ 687.3
Net earnings per share:				
Basic	$ 2.67	$ 2.39	$ 8.64	$ 6.66
Diluted	$ 2.64	$ 2.37	$ 8.54	$ 6.58
Weighted average common shares outstanding:				
Basic	104.0	103.4	103.8	103.2
Diluted	105.2	104.6	105.0	104.4

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,	
	2019	**2018**	**2019**	**2018**
Net earnings	$ 277.5	$ 247.6	$ 896.8	$ 687.3
Other comprehensive income, net of tax:				
Foreign currency translation adjustments	(41.9)	5.0	(41.8)	(13.4)
Total other comprehensive income, net of tax	(41.9)	5.0	(41.8)	(13.4)
Comprehensive income	$ 235.6	$ 252.6	$ 855.0	$ 673.9

See accompanying notes to Condensed Consolidated Financial Statements.

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

	September 30, 2019	December 31, 2018
ASSETS:		
Cash and cash equivalents	$ 323.0	$ 364.4
Accounts receivable, net	697.6	700.8
Inventories, net	205.0	190.8
Income taxes receivable	34.9	21.7
Unbilled receivables	197.8	169.4
Other current assets	101.5	80.0
Current assets held for sale	59.6	83.6
Total current assets	1,619.4	1,610.7
Property, plant and equipment, net	142.6	128.7
Goodwill	10,746.7	9,346.8
Other intangible assets, net	4,730.8	3,842.1
Deferred taxes	91.1	52.2
Other assets	393.8	101.1
Assets held for sale	94.7	167.9
Total assets	$ 17,819.1	$ 15,249.5
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Accounts payable	$ 156.8	$ 165.3
Accrued compensation	204.3	248.3
Deferred revenue	745.7	677.9
Other accrued liabilities	324.3	258.0
Income taxes payable	35.4	58.3
Current portion of long-term debt, net	2.9	1.5
Current liabilities held for sale	31.5	38.9
Total current liabilities	1,500.9	1,448.2
Long-term debt, net of current portion	6,195.1	4,940.2
Deferred taxes	1,099.7	931.1
Other liabilities	437.7	191.5
Liabilities held for sale	14.4	—
Total liabilities	9,247.8	7,511.0
Commitments and contingencies (Note 10)		
Common stock	1.1	1.1
Additional paid-in capital	1,873.3	1,751.5
Retained earnings	7,000.3	6,247.7
Accumulated other comprehensive loss	(285.1)	(243.3)
Treasury stock	(18.3)	(18.5)
Total stockholders' equity	8,571.3	7,738.5
Total liabilities and stockholders' equity	$ 17,819.1	$ 15,249.5

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,	
	2019	**2018**
Cash flows from operating activities:		
Net earnings	$ 896.8	$ 687.3
Adjustments to reconcile net earnings to cash flows from operating activities:		
Depreciation and amortization of property, plant and equipment	35.9	37.3
Amortization of intangible assets	263.2	235.6
Amortization of deferred financing costs	5.2	4.6
Non-cash stock compensation	80.4	81.1
Loss on debt extinguishment	—	15.9
Gain on disposal of business, net of associated income tax	(87.4)	—
Changes in operating assets and liabilities, net of acquired businesses:		
Accounts receivable	52.1	(30.1)
Unbilled receivables	(26.6)	(20.1)
Inventories	(25.2)	(30.4)
Accounts payable and accrued liabilities	(59.2)	17.6
Deferred revenue	26.5	32.4
Income taxes, excluding tax associated with gain on disposal of businesses	(104.6)	(59.3)
Cash tax paid for gain on disposal of businesses	(39.4)	—
Other, net	(22.1)	(5.9)
Cash provided by operating activities	995.6	966.0
Cash flows used in investing activities:		
Acquisitions of businesses, net of cash acquired	(2,351.9)	(1,188.3)
Capital expenditures	(42.2)	(34.2)
Capitalized software expenditures	(7.7)	(7.2)
Proceeds from disposal of business	220.5	—
Other, net	(2.5)	(0.7)
Cash used in investing activities	(2,183.8)	(1,230.4)
Cash flows from (used in) financing activities:		
Proceeds from senior notes	1,200.0	1,500.0
Payment of senior notes	—	(500.0)
Borrowings (payments) under revolving line of credit, net	60.0	(930.0)
Debt issuance costs	(12.0)	(12.8)
Redemption premium for debt extinguishment	—	(15.5)
Cash dividends to stockholders	(143.5)	(126.7)
Proceeds from stock-based compensation, net	38.8	46.6
Treasury stock sales	5.2	4.1
Other	3.6	(6.5)
Cash provided by (used in) financing activities	1,152.1	(40.8)
Effect of foreign currency exchange rate changes on cash	(5.3)	(2.7)
Net decrease in cash and cash equivalents	(41.4)	(307.9)
Cash and cash equivalents, beginning of period	364.4	671.3
Cash and cash equivalents, end of period	$ 323.0	$ 363.4

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, 2019	$ 1.1	$ 1,840.5	$ 6,771.0	$ (243.2)	$ (18.4)	$ 8,351.0
Net earnings	—	—	277.5	—	—	277.5
Stock option exercises	—	6.7	—	—	—	6.7
Treasury stock sold	—	1.5	—	—	0.1	1.6
Currency translation adjustments	—	—	—	(41.9)	—	(41.9)
Stock based compensation	—	25.4	—	—	—	25.4
Restricted stock activity	—	(0.8)	—	—	—	(0.8)
Dividends declared ($0.4625 per share)	—	—	(48.2)	—	—	(48.2)
Balances at September 30, 2019	$ 1.1	$ 1,873.3	$ 7,000.3	$ (285.1)	$ (18.3)	$ 8,571.3
Balances at December 31, 2018	$ 1.1	$ 1,751.5	$ 6,247.7	$ (243.3)	$ (18.5)	$ 7,738.5
Net earnings	—	—	896.8	—	—	896.8
Stock option exercises	—	55.8	—	—	—	55.8
Treasury stock sold	—	5.0	—	—	0.2	5.2
Currency translation adjustments	—	—	—	(41.8)	—	(41.8)
Stock-based compensation	—	77.9	—	—	—	77.9
Restricted stock activity	—	(16.9)	—	—	—	(16.9)
Dividends declared ($1.3875 per share)	—	—	(144.2)	—	—	(144.2)
Balances at September 30, 2019	$ 1.1	$ 1,873.3	$ 7,000.3	$ (285.1)	$ (18.3)	$ 8,571.3
Balances at June 30, 2018	$ 1.1	$ 1,691.6	$ 5,833.4	$ (204.6)	$ (18.6)	$ 7,302.9
Net earnings	—	—	247.6	—	—	247.6
Stock option exercises	—	14.6	—	—	—	14.6
Treasury stock sold	—	1.3	—	—	—	1.3
Currency translation adjustments	—	—	—	5.0	—	5.0
Stock-based compensation	—	26.8	—	—	—	26.8
Restricted stock activity	—	(0.7)	—	—	—	(0.7)
Dividends declared ($0.4125 per share)	—	—	(42.6)	—	—	(42.6)
Balances at September 30, 2018	$ 1.1	$ 1,733.6	$ 6,038.4	$ (199.6)	$ (18.6)	$ 7,554.9
Balances at December 31, 2017	$ 1.0	$ 1,602.9	$ 5,464.6	$ (186.2)	$ (18.7)	$ 6,863.6
Adoption of ASC 606	—	—	14.3	—	—	14.3
Net earnings	—	—	687.3	—	—	687.3
Stock option exercises	0.1	53.8	—	—	—	53.9
Treasury stock sold	—	4.0	—	—	0.1	4.1
Currency translation adjustments	—	—	—	(13.4)	—	(13.4)
Stock-based compensation	—	80.2	—	—	—	80.2
Restricted stock activity	—	(7.3)	—	—	—	(7.3)
Dividends declared ($1.2375 per share)	—	—	(127.8)	—	—	(127.8)
Balances at September 30, 2018	$ 1.1	$ 1,733.6	$ 6,038.4	$ (199.6)	$ (18.6)	$ 7,554.9

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, 2019 and 2018 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, 2018 financial position data included herein was derived from the audited consolidated financial statements included in the Company's 2018 Annual Report on Form 10-K ("Annual Report") filed on February 25, 2019 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, 2019 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.

Changes in Segment Reporting Structure

During the first quarter of 2019, we implemented a realignment of our reportable segment structure. The new reportable segments continue to provide a transparent view into Roper's operations and capital deployment objectives. The Company's new reporting segment structure reinforces Roper's diversified, niche market strategy by reporting based upon business models instead of end markets. The four new reportable segments (and businesses within each - including acquisitions since the realignment) are as follows:

- **Application Software** - Aderant, CBORD, CliniSys, Data Innovations, Deltek, Horizon, IntelliTrans, PowerPlan, Strata, Sunquest
- **Network Software & Systems** - ConstructConnect, DAT, Foundry, Inovonics, iPipeline, iTradeNetwork, Link Logistics, MHA, RF IDeas, SHP, SoftWriters, TransCore
- **Measurement & Analytical Solutions** - Alpha, CIVCO Medical Solutions, CIVCO Radiotherapy, Dynisco, FMI, Gatan, Hansen, Hardy, IPA, Logitech, Neptune, Northern Digital, Struers, Technolog, Uson, Verathon
- **Process Technologies** - AMOT, CCC, Cornell, FTI, Metrix, PAC, Roper Pump, Viatran, Zetec

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.

Accounting Policies Update

The Company adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 842, Leases ("ASC 842"), as of January 1, 2019 using the cumulative effect transition method for leases in existence as of the date of adoption.

Our accounting policies are detailed in Note 1 of the Notes to Consolidated Financial Statements of our Annual Report. Changes to our accounting policies as a result of adopting ASC 842 are as follows:

Leases - The Company adopted ASC 842 on January 1, 2019 using the cumulative effect transition method for leases in existence as of the date of adoption. The reported results for 2019 reflect the application of ASC 842 guidance while the reported results for 2018 were prepared under the previous guidance of ASC 840, Leases ("ASC 840"). The adoption of ASC 842 represents a change in accounting principle that recognizes right-of-use ("ROU") assets and lease liabilities arising from all leases based on the present value of future minimum lease payments over the lease term. Consistent with ASC 840, lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The Company's adoption of ASC 842 had no impact on our Condensed Consolidated Statement of Earnings or our Condensed Consolidated Statement of Cash Flows.

We elected the package of practical expedients permitted under the transition guidance within ASC 842, which allowed us: (i) to carry forward the historical lease classification, (ii) not to reassess whether any existing contract contains a lease, and (iii) not to reassess initial direct costs for existing leases.

Operating leases are classified as non-current operating lease ROU assets and current and non-current operating lease liabilities on our Condensed Consolidated Balance Sheet. Finance leases are not material.

Adoption of ASC 842 resulted in the recognition of operating lease ROU assets and total operating lease liabilities of $274.0 and $282.7, respectively, as of January 1, 2019. Certain of the ROU assets and total operating lease liabilities have been reclassified within the held for sale line items on the Condensed Consolidated Balance Sheet related to the classification of the Gatan business as held for sale. The difference between the operating lease ROU assets and total operating lease liabilities is the reclassification of previously recognized deferred rent liabilities against operating lease ROU assets. The adoption of ASC 842 did not result in an adjustment to retained earnings and it did not impact our deferred tax assets or liabilities.

The Company's operating leases are primarily for real property in support of our business operations. Although many of our leases contain renewal options, we generally are not reasonably certain to exercise these options at the commencement date. Accordingly, renewal options are generally not included in the lease term for determining the ROU asset and lease liability at commencement.

Variable lease payments generally depend on an inflation-based index and such payments are not included in the original estimate of the lease liability. These variable lease payments are not material.

Discount rates are determined based on Roper's incremental borrowing rate as our leases generally do not provide an implicit rate.

2. Recent Accounting Pronouncements

The FASB establishes changes to accounting principles under GAAP in the form of accounting standards updates ("ASUs") to the ASC. The Company considers the applicability and impact of all ASUs. Any recent ASUs not listed below 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.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued ASC 842, which included the recognition of right-of-use lease assets and lease liabilities on the balance sheet and the disclosure of other key information about leasing arrangements. The Company adopted ASC 842 on January 1, 2019 using the cumulative effect transition method for leases in existence as of the date of adoption. See Note 1 of the Condensed Consolidated Financial Statements for details.

In May 2014, the FASB issued ASC 606, which created a single, comprehensive revenue recognition model for all contracts with customers. The Company adopted ASC 606 as of January 1, 2018 using the modified retrospective transition method resulting in a $14.3 increase to beginning retained earnings.

Recently Released Accounting Pronouncements

In June 2016, the FASB issued an update which amends the measurement of credit losses on financial instruments by requiring entities to use a forward-looking approach based on expected losses rather than incurred losses to estimate credit losses on certain types of financial instruments, including trade receivables. This update is effective for public entities for fiscal years beginning after December 15, 2019. We are currently designing and implementing processes, policies, and controls to comply with the update on the measurement of credit losses. While we have not yet completed our assessment, we currently believe the primary impact of adoption will relate to our processes associated with assessing the adequacy of our allowance for doubtful accounts on trade receivables which may result in earlier recognition of credit losses. We intend to adopt this standard as of January 1, 2020 using the modified retrospective transition approach with a cumulative effect adjustment to the opening balance of retained earnings as of the date of adoption.

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,	
	2019	2018	2019	2018
Basic shares outstanding	104.0	103.4	103.8	103.2
Effect of potential common stock:				
Common stock awards	1.2	1.2	1.2	1.2
Diluted shares outstanding	105.2	104.6	105.0	104.4

For the three and nine months ended September 30, 2019, there were 0.605 and 0.622 outstanding stock options, that were not included in the determination of diluted earnings per share because doing so would have been antidilutive, as compared to 0.689 and 0.697 outstanding stock options that would have been antidilutive in the respective 2018 periods.

4. Business Acquisitions and Assets and Liabilities Held for Sale

Roper completed three business acquisitions in the nine months ended September 30, 2019, with an aggregate purchase price of$2,352.5, net of cash acquired. The results of operations of the acquired businesses are included in Roper's Condensed Consolidated Financial Statements since the date of each acquisition. Supplemental pro forma information has not been provided as the acquisitions did not have a material impact on Roper's Condensed Consolidated Results of Operations individually or in aggregate.

Acquisition of Foundry - On April 18, 2019, Roper acquired 100% of the shares of Foundry, a leading provider of software technologies used to deliver visual effects and 3D content for the entertainment, digital design, and visualization industries. The results of Foundry are reported in the Network Software & Systems reportable segment.

Acquisition of ComputerEase - On August 19, 2019, Roper acquired substantially all of the assets of ComputerEase Software, a leading provider of integrated accounting, project management and field-to-office solutions for commercial construction firms. ComputerEase is integrating into our Deltek business and its results are reported in the Application Software reportable segment.

Acquisition of iPipeline - On August 22, 2019, Roper acquired 100% of the shares of iPipeline Holdings, Inc., a leading provider of cloud-based software solutions for the life insurance and financial services industries. The results of iPipeline are reported in the Network Software & Systems reportable segment.

The Company recorded $1,424.9 in goodwill and $1,165.5 of other identifiable intangibles in connection with the acquisition; however, purchase price allocations are preliminary pending final tax-related adjustments. The majority of the goodwill is not expected to be deductible for tax purposes. The amortizable intangible assets include customer relationships of $1,005.3 (15.8 year weighted average useful life) and technology of $107.6 (6.8 year weighted average useful life).

Assets and Liabilities Held for Sale

During the second quarter of 2018, Roper and Thermo Fisher Scientific, Inc. ("Thermo Fisher") entered into a definitive agreement under which Thermo Fisher would acquire 100% of the shares of Gatan, Inc. ("Gatan"), a wholly owned subsidiary of Roper, for approximately $925.0 in cash. On June 10, 2019, Roper and Thermo Fisher announced a mutual termination of this agreement due to the challenges in obtaining regulatory approval in the United Kingdom.

During the third quarter of 2019, Roper and AMETEK, Inc. ("AMETEK") entered into a definitive agreement under which AMETEK would acquire Gatan for approximately $925.0 in cash. On October 29, 2019, the Company closed on its sale of Gatan to AMETEK. The Company is currently calculating the gain and associated tax expense on the sale, which will be disclosed within the Company's 2019 Annual Report on Form 10-K. Gatan is reported in the Measurement & Analytical Solutions reportable segment.

At December 31, 2018 and September 30, 2019, the assets and liabilities of Gatan were classified as held for sale on Roper's Condensed Consolidated Balance Sheets. The Company recognized a deferred tax liability of $10.0 associated with the excess of book basis over tax basis in the shares of Gatan during 2018. The Company reversed this deferred tax liability in the third quarter of 2019 due to the structure of the transaction with AMETEK.

The Company closed on its sale of Princeton Instruments, Photometrics, Lumenera, and other brands (collectively, the "Imaging" businesses) to Teledyne Technologies Inc. on February 5, 2019 for approximately $225.0 in cash. The results of the Imaging businesses are reported in the Measurement & Analytical Solutions segment through such date. The sale resulted in a pretax gain of $119.6, which is reported within "Gain on disposal of business" in the Condensed Consolidated Statement of Earnings. In addition, we recognized income tax expense of $32.2 in connection with the sale, which is included within "Income taxes" in the Condensed Consolidated Statement of Earnings. The assets and liabilities of the Imaging businesses were classified as held for sale on Roper's Condensed Consolidated Balance Sheet at December 31, 2018.

5. Stock Based Compensation

The Roper Technologies, Inc. 2016 Incentive Plan ("2016 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,	
	2019	**2018**	**2019**	**2018**
Stock-based compensation	$ 26.1	$ 27.1	$ 80.4	$ 81.1
Tax effect recognized in net earnings	5.5	5.7	16.9	17.0

Stock Options - In the nine months ended September 30, 2019, 0.753 options were granted with a weighted average fair value of $68.05 per option. During the same period in 2018, 0.694 options were granted with a weighted average fair value of $57.59 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 2016 Plan.

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,	
	2019	**2018**
Risk-free interest rate (%)	2.38	2.63
Expected option life (years)	5.42	5.32
Expected volatility (%)	19.22	18.04
Expected dividend yield (%)	0.58	0.59

Cash received from option exercises for the nine months ended September 30, 2019 and 2018 was $55.8 and $53.8, respectively.

Restricted Stock Grants - During the nine months ended September 30, 2019, the Company granted 0.317 shares with a weighted average grant date fair value of $318.46 per restricted share. During the same period in 2018, the Company granted 0.372 shares with a weighted average grant date fair value of $277.92 per restricted share. All grants were issued at grant date fair value.

During the nine months ended September 30, 2019, 0.177 restricted shares vested with a weighted average grant date fair value of $192.93 per restricted share and a weighted average vest date fair value of $313.68 per restricted share.

Employee Stock Purchase Plan - Roper's stock purchase plan allows employees in the U.S. and Canada to designate up to 10% of eligible earnings to purchase Roper's common stock at a 5% discount to the average closing price of the stock at the beginning and end of a quarterly offering period. Common stock sold to employees pursuant to the stock purchase plan may be either treasury stock, stock purchased on the open market, or newly issued shares.

During both the nine months ended September 30, 2019 and 2018, participants in the employee stock purchase plan purchased 0.016 shares of Roper's common stock for total consideration of $5.2 and $4.1, respectively. All shares were purchased from Roper's treasury shares.

6. Inventories

The components of inventory were as follows:

	September 30, 2019	December 31, 2018
Raw materials and supplies	$ 129.9	$ 120.3
Work in process	30.8	26.2
Finished products	77.6	74.6
Inventory reserves	(33.3)	(30.3)
	$ 205.0	$ 190.8

7. Goodwill and Other Intangible Assets

The carrying value of goodwill by segment was as follows:

	Application Software	Network Software & Systems	Measurement &Analytical Solutions	Process Technologies	Total
Balances at December 31, 2018	$ 5,236.1	$ 2,623.7	$ 1,174.7	$ 312.3	$ 9,346.8
Additions	121.3	1,303.6	—	—	1,424.9
Other	0.7	—	—	—	0.7
Currency translation adjustments	(6.1)	(13.7)	(5.1)	(0.8)	(25.7)
Balances at September 30, 2019	$ 5,352.0	$ 3,913.6	$ 1,169.6	$ 311.5	$ 10,746.7

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	$ 3,926.8	$ (1,083.6)	$ 2,843.2
Unpatented technology	504.0	(199.5)	304.5
Software	172.0	(93.2)	78.8
Patents and other protective rights	9.7	(7.5)	2.2
Trade names	7.3	(2.8)	4.5
Assets not subject to amortization:			
Trade names	608.9	—	608.9
Balances at December 31, 2018	$ 5,228.7	$ (1,386.6)	$ 3,842.1
Assets subject to amortization:			
Customer related intangibles	$ 4,917.7	$ (1,270.7)	$ 3,647.0
Unpatented technology	608.2	(257.2)	351.0
Software	171.9	(106.8)	65.1
Patents and other protective rights	12.0	(7.9)	4.1
Trade names	7.9	(3.7)	4.2
Assets not subject to amortization:			
Trade names	659.4	—	659.4
Balances at September 30, 2019	$ 6,377.1	$ (1,646.3)	$ 4,730.8

Amortization expense of other intangible assets was $262.1 and $234.9 during the nine months ended September 30, 2019 and 2018, 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 2019. The Company will perform the annual analysis during the fourth quarter of 2019.

8. Debt

On August 26, 2019, the Company completed a public offering of $500.0 aggregate principal amount of 2.35% senior unsecured notes due September 15, 2024 (“2024 Notes”) and $700.0 aggregate principal amount of 2.95% senior unsecured notes due September 15, 2029 (“2029 Notes” and, together with the 2024 Notes, the “Notes”). The net proceeds were used to fund a portion of the purchase of iPipeline Holdings, Inc.

The 2024 Notes and 2029 Notes bear interest at a fixed rate of 2.35% and 2.95% per year, respectively, and are payable semi-annually in arrears on March 15 and September 15 of each year, beginning March 15, 2020.

Roper may redeem some or all of the Notes at any time or from time to time, at 100% of their principal amount, plus a make-whole premium based on a spread to U.S. Treasury securities.

The Notes are senior unsecured obligations of the Company and rank equally in right of payment with all of its existing and future senior unsecured indebtedness. The Notes are effectively subordinated to any of our existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness. The Notes are not, and will not be, guaranteed by any of our subsidiaries and are effectively subordinated to all existing and future indebtedness and other liabilities of our subsidiaries.

9. Fair Value of Financial Instruments

Roper’s debt at September 30, 2019 included $5,300 of fixed-rate senior notes with the following fair values:

$600 3.000% senior notes due 2020	606
$500 2.800% senior notes due 2021	507
$500 3.125% senior notes due 2022	512
$700 3.650% senior notes due 2023	736
$500 2.350% senior notes due 2024	500
$300 3.850% senior notes due 2025	322
$700 3.800% senior notes due 2026	751
$800 4.200% senior notes due 2028	878
$700 2.950% senior notes due 2029	702

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

10. Contingencies

Roper, in the ordinary course of business, is the subject of, or a party to, various pending or threatened legal actions, including product liability and employment practices that, in general, are based upon claims of the kind that have been customary over the past several years and which the Company is vigorously defending. After analyzing the Company’s contingent liabilities on a gross basis and, based upon past experience with resolution of its product liability and employment practices claims and the limits of the primary, excess, and umbrella liability insurance coverages that are available 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.

Roper or its subsidiaries have been named defendants along with numerous industrial companies in asbestos-related litigation claims in certain U.S. states. No significant resources have been required by Roper to respond to these cases and Roper believes it has valid defenses to such claims and, if required, intends to defend them vigorously. Given the state of these claims, it is not possible to determine the potential liability, if any. In April 2018, a stockholder derivative complaint was filed in Sarasota County, Florida against the Company, nominally, and its directors and former chairman & chief executive officer ("CEO"), alleging the directors breached their fiduciary duties and were unjustly enriched by the compensation earned by the nonexecutive directors and the CEO in 2015 and 2016. The matter was settled in June 2019, and the settlement was approved by the court in September. Under the terms of the settlement, the Company agreed to, among other things, expand future disclosures regarding its compensation practices, submit a new director compensation plan to shareholders for approval in 2020, and pay plaintiff's attorneys' fees and expenses.

11. Business Segments

Net revenues and operating profit by segment are set forth in the following table:

	Three months ended September 30,			Nine months ended September 30,		
	2019	2018	Change %	2019	2018	Change %
Net revenues:						
Application Software	$ 405.4	$ 378.3	7.2 %	$ 1,177.2	$ 1,060.4	11.0 %
Network Software & Systems	391.2	341.9	14.4 %	1,103.7	989.7	11.5 %
Measurement & Analytical Solutions	398.3	429.6	(7.3)%	1,208.5	1,259.4	(4.0)%
Process Technologies	159.6	168.9	(5.5)%	482.6	505.4	(4.5)%
Total	$ 1,354.5	$ 1,318.7	2.7 %	$ 3,972.0	$ 3,814.9	4.1 %
Gross profit:						
Application Software	$ 275.4	$ 255.7	7.7 %	$ 791.5	$ 712.5	11.1 %
Network Software & Systems	271.9	236.7	14.9 %	763.6	674.8	13.2 %
Measurement & Analytical Solutions	234.7	253.2	(7.3)%	706.1	737.1	(4.2)%
Process Technologies	91.6	94.4	(3.0)%	273.0	282.0	(3.2)%
Total	$ 873.6	$ 840.0	4.0 %	$ 2,534.2	$ 2,406.4	5.3 %
Operating profit*:						
Application Software	$ 110.1	$ 97.7	12.7 %	$ 299.9	$ 265.6	12.9 %
Network Software & Systems	137.5	128.1	7.3 %	392.0	349.7	12.1 %
Measurement & Analytical Solutions	127.0	136.1	(6.7)%	375.4	379.8	(1.2)%
Process Technologies	55.5	57.0	(2.6)%	162.8	164.9	(1.3)%
Total	$ 430.1	$ 418.9	2.7 %	$ 1,230.1	$ 1,160.0	6.0 %
Long-lived assets:						
Application Software	$ 85.6	$ 76.4	12.0 %			
Network Software & Systems	50.0	36.4	37.4 %			
Measurement & Analytical Solutions	41.6	39.1	6.4 %			
Process Technologies	21.3	21.2	0.5 %			
Total	$ 198.5	$ 173.1	14.7 %			

*Segment operating profit is before unallocated corporate general and administrative expenses; these expenses were $44.9 and $41.4 for the three months ended September 30, 2019 and 2018, respectively, and $130.1 and $128.0 for the nine months ended September 30, 2019 and 2018, respectively.

12. Revenues from Contracts

Disaggregated Revenue - We disaggregate our revenues into two categories: (i) software and related services; and (ii) engineered products and related services. Software and related services revenues are primarily derived from our Application Software and Network Software & Systems reportable segments. Engineered products and related services revenues are derived from all of our reportable segments except Application Software and comprise substantially all of the revenues generated in our Measurement & Analytical Solutions and Process Technologies reportable segments. See details in the table below.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Software and related services	$ 637.3	$ 561.1	$ 1,808.8	$ 1,586.8
Engineered products and related services	717.2	757.6	2,163.2	2,228.1
Net revenues	$ 1,354.5	$ 1,318.7	$ 3,972.0	$ 3,814.9

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, 2019, the aggregate amount of the transaction price allocated to remaining performance obligations was $3,133.3. We expect to recognize revenue on approximately 60% of our remaining performance obligations over the next 12 months, with the remainder to be recognized thereafter.

Contract balances

Balance Sheet Account	September 30, 2019	December 31, 2018	Change
Unbilled receivables	$ 197.8	$ 169.4	$ 28.4
Contract liabilities - current [1]	(771.6)	(714.1)	(57.5)
Deferred revenue - non-current [2]	(28.9)	(29.8)	0.9
Net contract assets/(liabilities)	$ (602.7)	$ (574.5)	$ (28.2)

[1] Consists of “Deferred revenue,” billings in-excess of revenues (“BIE”) and customer deposits. BIE and customer deposits are reported in “Other accrued liabilities” in our Condensed Consolidated Balance Sheets.
[2] 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, 2018, to September 30, 2019 was due primarily to the acquisitions completed in 2019, which increased net contract liabilities by $56.5 as of September 30, 2019, and the timing of payments and invoicing relating to Software-as-a-Service (“SaaS”) and post contract support (“PCS”) renewals, partially offset by revenues recognized in the three and nine months ended September 30, 2019 of $76.5 and $620.2, respectively, related to our contract liability balances at December 31, 2018.

In order to determine revenues recognized in the period from contract liabilities, we allocate revenue to the individual deferred revenue, BIE or customer deposit balance outstanding at the beginning of the year until the revenue exceeds that balance.

Impairment losses recognized on our accounts receivable and unbilled receivables were immaterial in the three and nine months ended September 30, 2019.

13. Leases

The Company’s operating leases are primarily for real property in support of our business operations. Although many of our leases contain renewal options, we generally are not reasonably certain to exercise these options at the commencement date. Accordingly, renewal options are generally not included in the lease term for determining the ROU asset and lease liability at commencement. Variable lease payments generally depend on an inflation-based index and such payments are not included in the original estimate of the lease liability. These variable lease payments are not material.

For the three and nine months ended September 30, 2019, the Company recognized $16.0 and $48.7 in operating lease expense, respectively.

The following table presents the supplemental cash flow information related to the Company’s operating leases for the nine months ended September 30, 2019:

Operating cash flows used for operating leases	$ 49.2
Right-of-use assets obtained in exchange for operating lease obligations	59.4

The following table presents the lease balances (excluding the Gatan business which is classified as held for sale) within the Consolidated Condensed Balance Sheet related to the Company's operating leases as of September 30, 2019:

Lease Assets and Liabilities	**Balance Sheet Account**		
ASSETS:			
Operating lease ROU assets	Other assets	$	276.9
LIABILITIES:			
Current operating lease liabilities	Other accrued liabilities	$	56.4
Operating lease liabilities	Other liabilities		229.7
Total operating lease liabilities		$	286.1

Future minimum lease payments under non-cancellable leases (excluding the Gatan business which is classified as held for sale) were as follows:

Remainder of 2019	$	16.3
2020		62.4
2021		54.2
2022		41.5
2023		34.2
Thereafter		108.0
Total operating lease payments		316.6
Less: Imputed interest		30.5
Total operating lease liabilities	$	286.1

Weighted average remaining lease term - operating leases (years)	7
Weighted average discount rate (%)	3.0

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, 2018 ("Annual Report") as filed on February 25, 2019 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.

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. 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;
- 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, raw materials, parts and components;
- environmental compliance costs and liabilities;
- risks and costs associated with asbestos-related litigation;
- 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 terrorist attacks, health crises or other unforeseen events; and
- the factors discussed in other reports filed with the SEC.

We believe these forward-looking statements are reasonable. However, 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 them in light of new information or future events.

Overview

Roper Technologies, Inc. (“Roper,” “we,” “us” or “our”) is a diversified technology company. We operate businesses that design and develop software (both license and SaaS) and engineered products and solutions for a variety of niche end markets.

We pursue consistent and sustainable growth in earnings and cash flow by emphasizing continuous improvement in the operating performance of our existing businesses and by acquiring other businesses that offer high value-added software, services, engineered products and solutions that we believe are capable of achieving growth and maintaining high margins. We compete in many niche markets and believe we are the market leader or a competitive alternative to the market leader in most of these markets.

As discussed in Note 1, during the first quarter of 2019, we implemented a realignment of our reportable segment structure. The new reportable segments continue to provide a transparent view into Roper’s operations and capital deployment objectives. The Company’s new reporting segment structure reinforces Roper’s diversified, niche market strategy by reporting based upon business models instead of end markets. The four new reportable segments (and businesses within each - including acquisitions since the realignment) are as follows:

– **Application Software** - Aderant, CBORD, CliniSys, Data Innovations, Deltek, Horizon, IntelliTrans, PowerPlan, Strata, Sunquest
– **Network Software & Systems** - ConstructConnect, DAT, Foundry, Inovonics, iPipeline, iTradeNetwork, Link Logistics, MHA, RF IDeas, SHP, SoftWriters, TransCore
– **Measurement & Analytical Solutions** - Alpha, CIVCO Medical Solutions, CIVCO Radiotherapy, Dynisco, FMI, Gatan, Hansen, Hardy, IPA, Logitech, Neptune, Northern Digital, Struers, Technolog, Uson, Verathon
– **Process Technologies** - AMOT, CCC, Cornell, FTI, Metrix, PAC, Roper Pump, Viatran, Zetec

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, 2019 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.

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

General

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,	
	2019	2018	2019	2018
Net revenues:				
Application Software	$ 405.4	$ 378.3	$ 1,177.2	$ 1,060.4
Network Software & Systems	391.2	341.9	1,103.7	989.7
Measurement & Analytical Solutions	398.3	429.6	1,208.5	1,259.4
Process Technologies	159.6	168.9	482.6	505.4
Total	$ 1,354.5	$ 1,318.7	$ 3,972.0	$ 3,814.9
Gross margin:				
Application Software	67.9 %	67.6 %	67.2 %	67.2 %
Network Software & Systems	69.5	69.2	69.2	68.2
Measurement & Analytical Solutions	58.9	58.9	58.4	58.5
Process Technologies	57.4	55.9	56.6	55.8
Total	64.5	63.7	63.8	63.1
Selling, general and administrative expenses:				
Application Software	40.8 %	41.7 %	41.8 %	42.1 %
Network Software & Systems	34.4	31.8	33.7	32.8
Measurement & Analytical Solutions	27.0	27.3	27.4	28.4
Process Technologies	22.7	22.1	22.8	23.2
Total	32.8	31.9	32.8	32.7
Segment operating margin:				
Application Software	27.2 %	25.8 %	25.5 %	25.0 %
Network Software & Systems	35.1	37.5	35.5	35.3
Measurement & Analytical Solutions	31.9	31.7	31.1	30.2
Process Technologies	34.8	33.7	33.7	32.6
Total	31.8	31.8	31.0	30.4
Corporate administrative expenses	(3.3)	(3.1)	(3.3)	(3.4)
Income from operations	28.4	28.6	27.7	27.1
Interest expense, net	(3.6)	(3.7)	(3.5)	(3.5)
Loss on debt extinguishment	—	(1.2)	—	(0.4)
Other income (expense), net	0.1	(0.1)	(0.1)	—
Gain on disposal of business	—	—	3.0	—
Earnings before income taxes	24.9	23.6	27.2	23.1
Income taxes	(4.5)	(4.9)	(4.6)	(5.1)
Net earnings	20.5 %	18.8 %	22.6 %	18.0 %

Three months ended September 30, 2019 compared to three months ended September 30, 2018

Net revenues for the three months ended September 30, 2019 increased by 2.7% as compared to the three months ended September 30, 2018. The increase was the result of organic growth of 1.8%, and a net acquisition/divestiture contribution of 1.5%, partially offset by a negative foreign exchange impact of 0.6%.

In our Application Software segment, revenues were $405.4 in the third quarter of 2019 as compared to $378.3 in the third quarter of 2018, an increase of 7%. Organic revenues increased 6% and acquisitions accounted for 2% of our growth, partially offset by a negative foreign exchange impact of 1%. The increase in organic revenues was due to broad-based revenue growth across the segment, led by businesses serving government contracting, legal and healthcare markets. Gross margin increased to 67.9% in the third quarter of 2019 as compared to 67.6% in the third quarter of 2018 and selling, general and administrative (“SG&A”) expenses as a percentage of revenues decreased to 40.8% in the third quarter of 2019 as compared to 41.7% in the third quarter of 2018, both of which were due primarily to operating leverage on higher revenues. The resulting operating margin was 27.2% in the third quarter of 2019 as compared to 25.8% in the third quarter of 2018.

In our Network Software & Systems segment, revenues were $391.2 in the third quarter of 2019 as compared to $341.9 in the third quarter of 2018, an increase of 14%. Organic revenues increased 4% and acquisitions accounted for 10% of our growth. The growth in organic revenues was due primarily to our network software businesses serving the transportation, healthcare and food markets, slightly offset by lower project revenue in our toll and traffic business. Gross margin increased to 69.5% in the third quarter of 2019 as compared to 69.2% in the third quarter of 2018 due primarily to favorable revenue mix. SG&A expenses as a percentage of revenues increased to 34.4% in the third quarter of 2019 as compared to 31.8% in the third quarter of 2018 due primarily to the acquisitions completed in 2019, including amortization of acquired intangibles. As a result, operating margin was 35.1% in the third quarter of 2019 as compared to 37.5% in the third quarter of 2018.

Our Measurement & Analytical Solutions segment revenues decreased by 7% to $398.3 in the third quarter of 2019 as compared to $429.6 in the third quarter of 2018. The disposal of the Imaging businesses on February 5, 2019 accounted for 5% of the decrease, organic revenues declined 2%, and the negative foreign exchange impact was 1%. The decline in organic revenues was due primarily to our industrial businesses, and to a lesser extent our water meter technology and scientific imaging businesses, partially offset by growth across our medical products businesses. Gross margin remained flat at 58.9% in the third quarter of 2019 and 2018. SG&A expenses as a percentage of revenues decreased to 27.0% in the third quarter of 2019 as compared to 27.3% in the third quarter of 2018 due primarily to the sale of the Imaging businesses. The resulting operating margin was 31.9% in the third quarter of 2019 as compared to 31.7% in the third quarter of 2018.

Our Process Technologies segment revenues decreased by 6% to $159.6 in the third quarter of 2019 as compared to $168.9 in the third quarter of 2018. Organic revenues decreased 5%, and the negative foreign exchange impact was 1%. The decrease in organic revenues was due primarily to businesses serving upstream oil and gas end markets. Gross margin increased to 57.4% in the third quarter of 2019 as compared to 55.9% in the third quarter of 2018 due primarily to favorable revenue mix. SG&A expenses as a percentage of revenues increased to 22.7% in the third quarter of 2019 as compared to 22.1% in the third quarter of 2018 due primarily to the organic revenue decline previously discussed. As a result, operating margin was 34.8% in the third quarter of 2019 as compared to 33.7% in the third quarter of 2018.

Corporate expenses increased to $44.9, or 3.3% of revenues, in the third quarter of 2019 as compared to $41.4, or 3.1% of revenues, in the third quarter of 2018. The increase was due primarily to higher acquisition-related expenses.

Net interest expense was $48.8 for the third quarter of 2019 as compared to $48.4 for the third quarter of 2018 due to higher weighted average interest rates, partially offset by lower weighted average debt balances.

Other income, net, of $1.5 for the three months ended September 30, 2019 was composed primarily of foreign exchange gains at our non-U.S. based subsidiaries. Other expense, net of $1.6 for the three months ended September 30, 2018 was composed primarily of foreign exchange losses at our non-U.S. subsidiaries.

Loss on debt extinguishment of $15.9 for the third quarter of 2018, incurred in connection with the redemption of the $500.0 of outstanding 6.25% senior notes due September 1, 2019 (“2019 Notes”), was composed of the early redemption premium and the remaining unamortized deferred financing costs.

Income taxes as a percent of pretax earnings were 17.9% in the third quarter of 2019 as compared to 20.5% in the third quarter of 2018. The rate was favorably impacted primarily by the reversal of the deferred tax liability of $10.0 originally recorded in the second quarter of 2018, associated with the excess of Gatan's book basis over our tax basis in the shares during the third quarter of 2019. This reversal was due to the structure of the transaction with AMETEK for the Gatan divestiture.

Backlog is equal to our remaining performance obligations expected to be recognized within the next 12 months as discussed in Note 12 of the Notes to Condensed Consolidated Financial Statements. Backlog increased 10% to $1,865.7 at September 30, 2019 as compared to $1,694.4 at September 30, 2018, 5% increase in organic and 7% attributable to acquisitions, partially offset by a 2% decline related to the disposal of the Imaging businesses.

	Backlog as of September 30,	
	2019	2018
Application Software	$ 796.5	$ 738.8
Network Software & Systems	657.5	514.8
Measurement & Analytical Solutions	292.9	317.2
Process Technologies	118.8	123.6
Total	$ 1,865.7	$ 1,694.4

Nine months ended September 30, 2019 compared to nine months ended September 30, 2018

Net revenues for the nine months ended September 30, 2019 increased by 4.1% as compared to the nine months ended September 30, 2018. The increase was the result of organic growth of 3.4%, and a net acquisitions/divestiture contribution of 1.6%, partially offset by a negative foreign exchange impact of 0.9%.

In our Application Software segment, revenues were $1,177.2 in the nine months ended September 30, 2019 as compared to $1,060.4 in the nine months ended September 30, 2018, an increase of 11%. Organic revenues increased 5% and acquisitions accounted for 7% of our growth, partially offset by a negative foreign exchange impact of 1%. The growth in organic revenues was due primarily to broad-based revenue growth across the segment, led by businesses serving government contracting, professional services, legal and healthcare markets. Gross margin remained flat at 67.2% in the nine months ended September 30, 2019 and 2018. SG&A expenses decreased as a percentage of revenue at 41.8% in the nine months ended September 30, 2019 as compared to 42.1% in the nine months ended September 30, 2018 due primarily to operating leverage on higher organic revenues. The resulting operating margin was 25.5% in the nine months ended September 30, 2019 as compared to 25.0% in the nine months ended September 30, 2018.

In our Network Software & Systems segment, revenues increased by 12% to $1,103.7 in the nine months ended September 30, 2019 as compared to $989.7 in the nine months ended September 30, 2018. Organic revenues increased 6% and acquisitions accounted for 5%. The growth in organic revenues was due to broad-based revenue growth across the segment led by our network software businesses serving the transportation, healthcare and food markets. Gross margin increased to 69.2% in the nine months ended September 30, 2019 as compared to 68.2% in the nine months ended September 30, 2018 due primarily to revenue mix. SG&A expenses increased as a percentage of revenues at 33.7% in the nine months ended September 30, 2019 as compared to 32.8% in the nine months ended September 30, 2018 due primarily to the acquisitions completed in 2019, including amortization of acquired intangibles. As a result, operating margin was 35.5% in the nine months ended September 30, 2019 as compared to 35.3% in the nine months ended September 30, 2018.

Our Measurement and Analytical segment revenues decreased by 4% to $1,208.5 in the nine months ended September 30, 2019 as compared to $1,259.4 in the nine months ended September 30, 2018. Organic revenues increased 2%, more than offset by a decrease in revenue of 5% attributable to the disposal of the Imaging businesses as discussed above, and a negative foreign exchange impact of 1%. The growth in organic revenues was due primarily to our medical products and water meter technology businesses, partially offset by industrial business declines. Gross margin remained relatively flat at 58.4% in the nine months ended September 30, 2019 as compared to 58.5% in the nine months ended September 30, 2018. SG&A expenses as a percentage of revenues decreased to 27.4% in the nine months ended September 30, 2019 as compared to 28.4% in the nine months ended September 30, 2018 due primarily to operating leverage on higher organic revenues and the sale of the Imaging businesses. The resulting operating margin was 31.1% in the nine months ended September 30, 2019 as compared to 30.2% in the nine months ended September 30, 2018.

Our Process Technologies segment revenues decreased by 5% to $482.6 in the nine months ended September 30, 2019 as compared to $505.4 in the nine months ended September 30, 2018. Organic revenues decreased by 3%, and the negative foreign exchange impact was 2%. The decrease in organic revenues was due primarily to lower demand at our businesses serving upstream oil and gas end markets. Gross margin increased to 56.6% in the nine months ended September 30, 2019 as compared to 55.8% in the nine months ended September 30, 2018 due primarily to favorable revenue mix. SG&A expenses as a percentage of revenues decreased to 22.8% in the nine months ended September 30, 2019 as compared to 23.2% in the nine months ended September 30, 2018 due primarily to lower costs that are generally variable with revenue. As a result, operating margin was 33.7% in the nine months ended September 30, 2019 as compared to 32.6% in the nine months ended September 30, 2018.

Corporate expenses increased to $130.1, or 3.3% of revenues, in the nine months ended September 30, 2019 as compared to $128.0, or 3.4% of revenues, in the nine months ended September 30, 2018. The dollar increase was due primarily to higher acquisition-related expenses, partially offset by lower compensation related expenses and professional services.

Net interest expense was $137.6 for the nine months ended September 30, 2019 as compared to $134.8 for the nine months ended September 30, 2018 due to higher weighted average interest rates, partially offset by lower weighted average debt balances.

Other expense, net, of $2.6 and $1.0 for the nine months ended September 30, 2019 and 2018, respectively, was composed primarily of foreign exchange losses at our non-U.S. based subsidiaries.

Gain on disposal of business, of $119.6 is the pretax gain recognized on the sale of the Imaging businesses, which closed February 5, 2019.

Income taxes as a percent of pretax earnings decreased to 16.9% in the nine months ended September 30, 2019 as compared to 21.9% in the nine months ended September 30, 2018. The rate was favorably impacted primarily due to the recognition of a discrete tax benefit of $41.0 in connection with a foreign restructuring plan allowing the future realization of net operating losses and the reversal of the deferred tax liability of $10.0 originally recorded in the second quarter of 2018 associated with the excess of Gatan's book basis over our tax basis in the shares during the third quarter of 2019.

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

Selected cash flows for the nine months ended September 30, 2019 and 2018 were as follows:

	Nine months ended September 30,	
Cash provided by/(used in):	**2019**	**2018**
Operating activities	$ 995.6	$ 966.0
Investing activities	(2,183.8)	(1,230.4)
Financing activities	1,152.1	(40.8)

Operating activities - Net cash provided by operating activities increased by 3.1% to $995.6 in the nine months ended September 30, 2019 as compared to $966.0 in the nine months ended September 30, 2018 due primarily to higher net income exclusive of the gain on sale of Imaging businesses, partially offset by cash taxes paid of $39.4 on the disposal of the Imaging businesses.

Investing activities - Cash used in investing activities during the nine months ended September 30, 2019 was primarily business acquisitions, most notably iPipeline and Foundry, partially offset by proceeds from the disposal of the Imaging businesses. Cash used in investing activities during the nine months ended September 30, 2018 was primarily for business acquisitions, most notably PowerPlan.

Financing activities - Cash provided by financing activities for the nine months ended September 30, 2019 was primarily due to net proceeds from the issuance of the 2024 Notes and the 2029 Notes, partially offset by dividend payments. Cash used in financing activities during the nine months ended September 30, 2018 was primarily due to the redemption of our 2019 Notes and net repayments on our unsecured credit facility, as well as dividend payments, largely offset by net proceeds from the issuance of the $700.0 aggregate principal amount of 3.65% senior unsecured notes due September 15, 2023 and $800.0 aggregate principal amount of 4.20% senior unsecured notes due September 15, 2028 as well as proceeds from stock option exercises.

Effect of foreign currency exchange rate changes on cash - Cash and cash equivalents decreased during the nine months ended September 30, 2019 by $5.3 due primarily to the strengthening of the U.S. dollar against the functional currencies of our European subsidiaries. Cash and cash equivalents decreased during the nine months ended September 30, 2018 by $2.7 due primarily to the strengthening of the U.S. dollar against the Canadian dollar.

Total debt at September 30, 2019 consisted of the following:

$600 3.000% senior notes due 2020	$	600.0
$500 2.800% senior notes due 2021		500.0
$500 3.125% senior notes due 2022		500.0
$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 3.800% senior notes due 2026		700.0
$800 4.200% senior notes due 2028		800.0
$700 2.950% senior notes due 2029		700.0
Unsecured credit facility		925.0
Deferred finance costs		(34.2)
Other		7.2
Total debt, net of deferred finance costs		6,198.0
Less current portion		2.9
Long-term debt, net of deferred finance costs	$	6,195.1

The interest rate on borrowings under our $2,500.0 unsecured credit facility is calculated based upon various recognized indices plus a margin as defined in the credit agreement. At September 30, 2019, there were $925.0 outstanding borrowings under our unsecured credit facility. At September 30, 2019, we had $7.2 of other debt in the form of short term borrowings, finance leases and several smaller facilities that allow for borrowings in various foreign locations to support our non-U.S. businesses and $75.3 of outstanding letters of credit.

Cash at our foreign subsidiaries at September 30, 2019 decreased to $271 as compared to $339 at December 31, 2018 primarily due to the repatriation of historical foreign earnings subject to the deemed repatriation tax under the Tax Cuts and Jobs Act of 2017, and the cash used in the acquisition of Foundry, partially offset by cash generated at our foreign subsidiaries during the nine months ended September 30, 2019. We intend to repatriate substantially all historical and future earnings subject to the deemed repatriation tax.

We expect existing cash and cash equivalents, cash generated by our operations and availability under our unsecured credit facility, as well as our expected ability to access the capital markets, will be sufficient to fund 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, 2019.

Net working capital (total current assets, excluding cash, less total current liabilities, excluding debt) was negative $201.6 at September 30, 2019 as compared to negative $200.4 at December 31, 2018, reflecting a decrease in working capital due primarily to an increase in deferred revenue and the adoption of ASC 842, partially offset by an increase in unbilled receivables and a seasonal decrease in accrued compensation. The trend of negative net working capital demonstrates Roper’s continued evolution and focus on asset-light business models. Total debt was $6,198.0 at September 30, 2019 as compared to $4,941.7 at December 31, 2018 due primarily to the issuance of the 2024 Notes and the 2029 Notes. Our leverage is shown in the following table:

		September 30, 2019		December 31, 2018
Total debt	$	6,198.0	$	4,941.7
Cash		(323.0)		(364.4)
Net debt		5,875.0		4,577.3
Stockholders’ equity		8,571.3		7,738.5
Total net capital	$	14,446.3	$	12,315.8
Net debt / total net capital		40.7%		37.2%

Capital expenditures were $42.2 for the nine months ended September 30, 2019 as compared to $34.2 for the nine months ended September 30, 2018. Capitalized software expenditures were $7.7 for the nine months ended September 30, 2019 as compared to $7.2 for the nine months ended September 30, 2018. 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.

There have been no material changes to our contractual obligations from those disclosed in our Annual Report.

Off-Balance Sheet Arrangements

At September 30, 2019, 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 uncertainties could adversely affect our business prospects. A significant terrorist attack or other global conflict could cause changes in world economies that would adversely affect us. It is impossible to isolate each of these factor's effects on current economic conditions. 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.

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, future divestitures, the proceeds from the issuance of new debt or equity securities or any combination of these methods.

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 during 2019 (and reduce the associated interest expense) will be affected by, among other things, the financing and operating requirements of any new acquisitions and the financial performance of our existing companies. 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, 2019.

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 10 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

For information regarding factors that could affect our business, financial condition and results of operations, see the risk factors discussion in Item 1A of our Annual Report. See also "Information About Forward-Looking Statements" included in Part I, Item 2 of this Quarterly Report on Form 10-Q.

ITEM 6. EXHIBITS

2.1	Agreement and Plan of Merger, dated as of August 5, 2019, by and among iPipeline Holdings, Inc., Roper Technologies, Inc., Project Purpose Merger Sub, Inc. and Thoma Bravo, LLC, as representative of the stockholders and optionholders of iPipeline Holdings, Inc., incorporated herein by reference to Exhibit 2.1 to the Roper Technologies, Inc. Current Report on Form 8-K filed August 19, 2019.
4.1	Form of 2.350% Senior Notes due 2024, incorporated herein by reference to Exhibit 4.1 to the Roper Technologies, Inc. Current Report on Form 8-K filed August 26, 2019.
4.2	Form of 2.950% Senior Notes due 2029 (included in Exhibit 4.1).
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, filed herewith.
101.SCH	XBRL Taxonomy Extension Schema Document, filed herewith.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document, filed herewith.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document, filed herewith.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document, filed herewith.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document, filed herewith.

Table of Contents

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 1, 2019
/S/ Robert C. Crisci Robert C. Crisci	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	November 1, 2019
/S/ Jason Conley Jason Conley	Vice President and Controller (Principal Accounting Officer)	November 1, 2019

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 1, 2019

/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 1, 2019

/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, 2019, 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 1, 2019

/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 certificate is being made for the exclusive purpose of compliance of the Company with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002, and may not be disclosed, distributed or used by any person or for any reason other than specifically required by law.