



Q3 2022 FINANCIAL RESULTS

OCTOBER 26, 2022

SIMPLE IDEAS. POWERFUL RESULTS.

The information provided in this presentation contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements may include, among others, statements regarding operating results, the success of our internal operating plans, and the prospects for newly acquired businesses to be integrated and contribute to future growth, profit and cash flow expectations. Forward-looking statements may be indicated by words or phrases such as "anticipate," "estimate," "plans," "expects," "projects," "should," "will," "believes," "intends" and similar words and phrases. These statements reflect management's current beliefs and are not guarantees of future performance. They involve risks and uncertainties that could cause actual results to differ materially from those contained in any forward-looking statement. Such risks and uncertainties include any ongoing impacts of the COVID-19 pandemic on our business, operations, financial results and liquidity, which will depend on numerous evolving factors which we cannot accurately predict or assess, including: the duration and scope of the pandemic, new variants of the virus and the distribution and efficacy of vaccines; any negative impact on global and regional markets, economies and economic activity; actions governments, businesses and individuals take in response to the pandemic; the effects of the pandemic, including all of the foregoing, on our customers, suppliers, and business partners, and how quickly economies and demand for our products and services recover after the pandemic subsides. Such risks and uncertainties also include our ability to identify and complete acquisitions consistent with our business strategies, integrate acquisitions that have been completed, realize expected benefits and synergies from, and manage other risks associated with, the newly acquired businesses, as well as complete any announced divestitures, including obtaining any required regulatory approvals with respect thereto. We also face other general risks, including our ability to realize cost savings from our operating initiatives, general economic conditions and the conditions of the specific markets in which we operate, including risks related to labor shortages and rising interest rates, changes in foreign exchange rates, difficulties associated with exports, risks associated with our international operations, cybersecurity and data privacy risks, including litigation resulting therefrom, risks related to political instability, armed hostilities, incidents of terrorism, public health crises (such as the COVID-19 pandemic) or natural disasters, increased product liability and insurance costs, increased warranty exposure, future competition, changes in the supply of, or price for, parts and components, including as a result of the current inflationary environment and ongoing supply chain constraints, environmental compliance costs and liabilities, risks and cost associated with litigation, potential write-offs of our substantial intangible assets, and risks associated with obtaining governmental approvals and maintaining regulatory compliance for new and existing products. Important risks may be discussed in current and subsequent filings with the SEC. You should not place undue reliance on any forward-looking statements. These statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

We refer to certain non-GAAP financial measures in this presentation. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found within this presentation.

Today's Conference Call Will Discuss Results Primarily on an Adjusted (Non-GAAP) and Continuing Operations Basis.

Q3 Results are Adjusted for the Following Items:

- (1) Acquisition-Related Intangible Amortization Expense
- (2) Purchase Accounting Adjustments to Commission Expense
- (3) Transaction-Related Expenses for Completed Acquisitions
- (4) Cash Taxes Paid Related to Divestiture Activity

See Appendix for Reconciliations.

- Q3 Enterprise Highlights & Financial Results
- Segment Detail & Outlook
- Q4 & FY 2022 Enterprise Guidance
- Q&A

- Excellent Quarterly Results
 - +10% Organic Revenue Growth; Broad-Based Across All Segments
 - Strong Strategic and Operational Execution from Business Leaders
- Completed Frontline Education Acquisition
- Increasing Full Year Guidance
- Balance Sheet Well Positioned for Continued Capital Deployment
- Enhanced Portfolio Quality



MEETS ALL ACQUISITION CRITERIA



- ✓ Leader in Resilient Niche Market
- ✓ Multiple Growth Drivers
- ✓ High Recurring Revenue
- ✓ Negative Working Capital
- ✓ Strong Cash Flow Characteristics
- ✓ Excellent Management Team

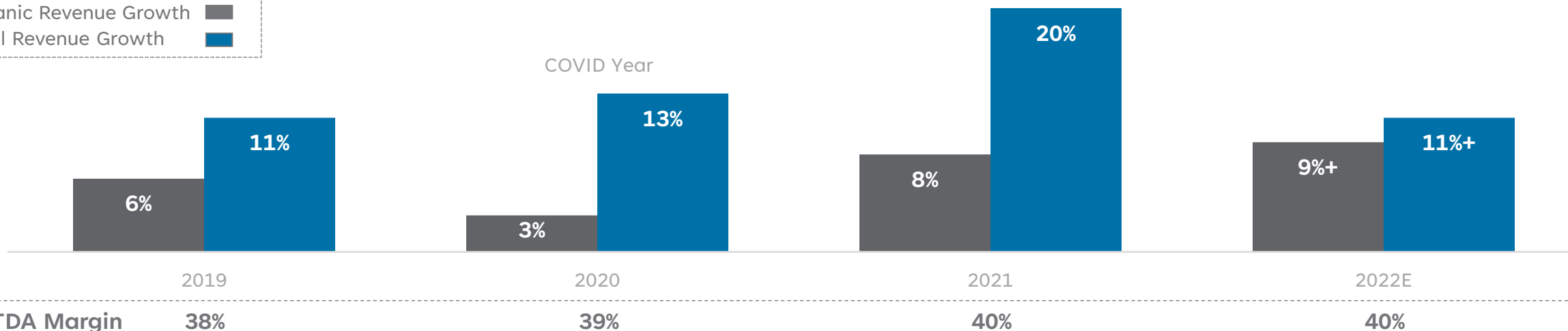
INVESTMENT HIGHLIGHTS

- Purchase Price: \$3.375B (Net of ~\$350M Tax Benefit); ~19x 2023 Estimated EBITDA
- High-Quality Business Model
 - HSD Organic Revenue Growth Outlook
 - 90%+ Recurring Revenue Mix
 - Net Working Capital ~(40)% of Revenue
 - Unlevered Free Cash Flow ~100% of EBITDA
 - Track Record of Successful Bolt-On Acquisitions
- Expected 2023 Financial Impact
 - ~\$370M of Revenue
 - ~\$175M of EBITDA
- Financed by Cash and Revolving Credit Facility
- Reported in Application Software Segment
- Closed on October 4th

Adds Another High-Quality Vertical Software Business to Roper

ENHANCED PORTFOLIO QUALITY

Continuing Operations Only
Organic Revenue Growth 
Total Revenue Growth 



Vertical Software (~75% of Revenue)

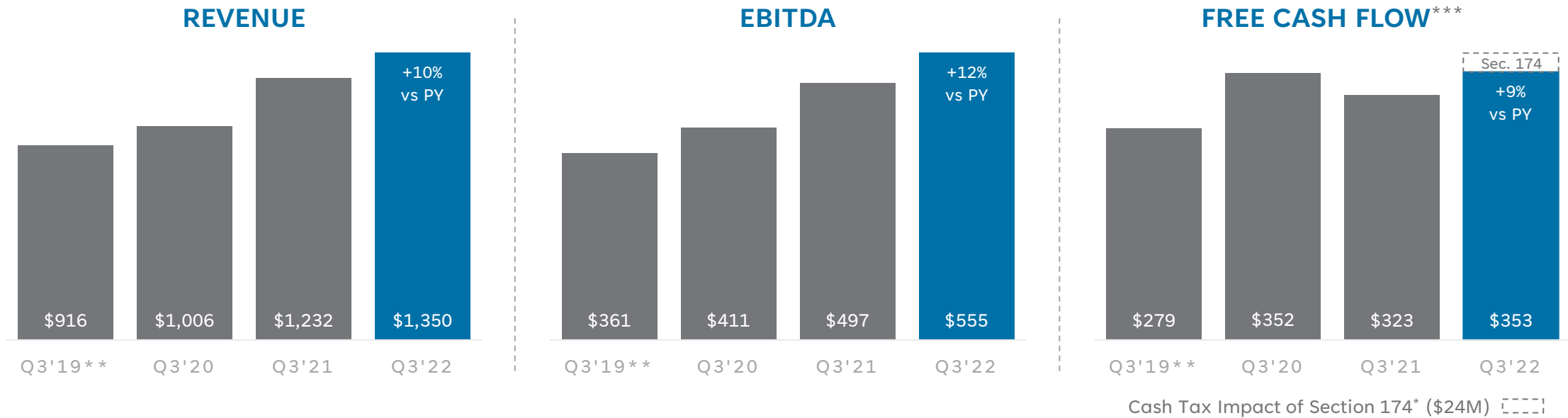


Medical & Water Products (~25% of Revenue)



Q3 FINANCIAL HIGHLIGHTS

- Revenue +10%; Organic Revenue +10%
- EBITDA +12%; EBITDA Margin +80 Bps to 41.1%
- DEPS +18% to \$3.67
- Free Cash Flow +9% to \$353M; +17% Excluding Cash Tax Impact of Section 174*



Excellent Third Quarter Results

In \$ millions. Results are presented on an Adjusted (Non-GAAP) and continuing operations basis. See appendix of this presentation and press release for reconciliations.

* Per the Tax Cuts and Jobs Act of 2017, Section 174 requires R&D to be capitalized and amortized beginning in 2022.

** Excludes the results of the divestitures completed in 2019 for (i) the Scientific Imaging businesses, sold to Teledyne on February 5, 2019 and (ii) Gatan, sold to AMETEK on October 29, 2019.

*** Q3'20 adjusted for income tax payments deferred into the third quarter due to COVID-19; Q3'22 adjusted for cash taxes paid related to divestitures.

- Closed Frontline Acquisition on October 4th
 - Financed by Cash and Revolving Credit Facility
- Current Revolver Balance \$2.2B (as of October 26th)
 - Expect to Pay Down Full Revolver Balance with Industrial Sale Proceeds (Late Q4)
- \$4B+ of M&A Capacity Through the End of 2023

SEGMENT DETAIL & OUTLOOK

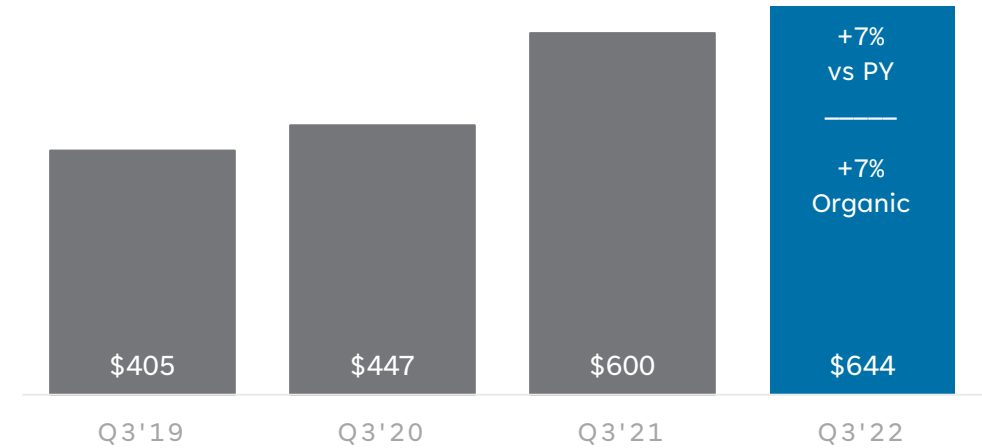
Q3 HIGHLIGHTS

- +7% Organic Revenue Growth Driven by Continued Strong Recurring Revenue
- Great Bookings Quarter for Vertafore’s Suite of P&C Insurance Solutions
- Continued Positive SaaS Momentum from New Customers and Existing Customer Migrations at Deltek and Aderant
- CBORD Growth Across Education and Healthcare Markets
- Another Quarter of Strong Growth and Demand for Clinisys and Data Innovations Lab Software Solutions
- Growth Across Strata’s Hospital Decision Support Software Suite; Strong Renewals and New Customer Adds
- Completed Frontline Acquisition (October 4th)

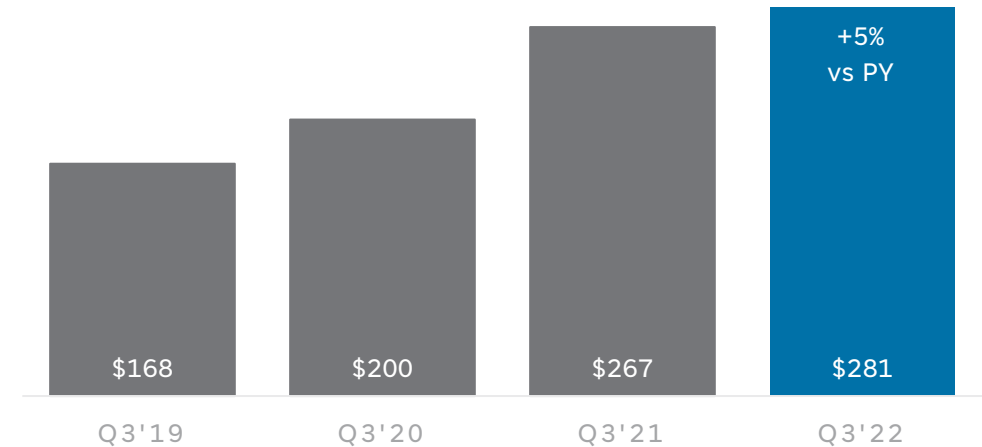
Q4 OUTLOOK

- +6 - 8% Organic Growth

REVENUE



EBITDA



Margin	Q3'19	Q3'20	Q3'21	Q3'22
	41.4%	44.7%	44.5%	43.6%

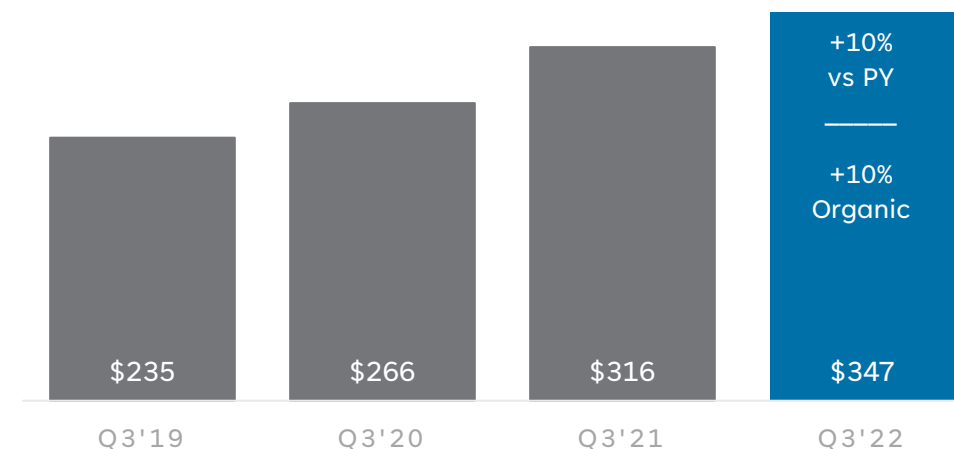
Q3 HIGHLIGHTS

- +10% Organic Revenue Growth Driven by Continued Recurring Momentum
- Another Fantastic Freight Matching Quarter (DAT and Loadlink); Strong Growth from Net Customer Adds and Increased Revenue Per Customer
- Outstanding Quarter for Foundry; Recurring Revenue and Perpetual License Growth from Customer Expansions and New Logos
- Alternate Site Healthcare Solutions Growth Led by SHP and SoftWriters; Retention Rates Remain Strong
- Continued ARR Growth for iPipeline and iTradeNetwork; Strong Renewals and New Customer Adds

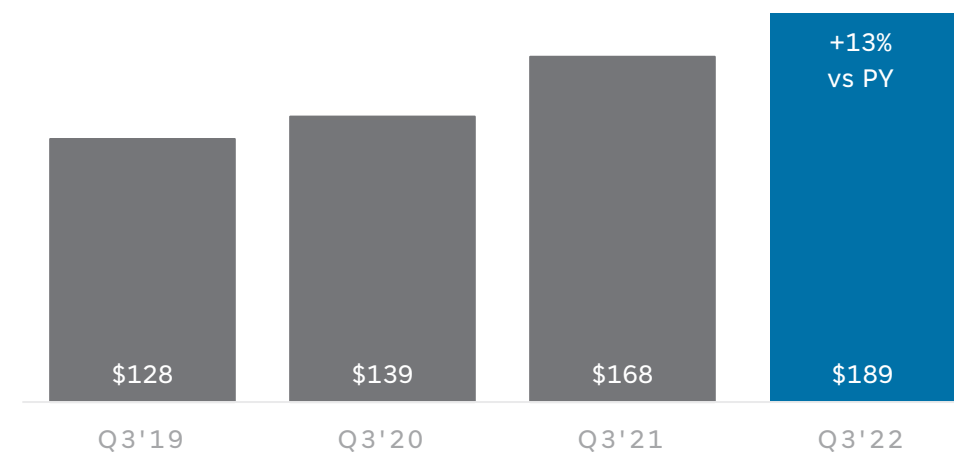
Q4 OUTLOOK

- +8 – 10% Organic Growth

REVENUE



EBITDA



Margin	Q3'19	Q3'20	Q3'21	Q3'22
	54.2%	52.1%	53.0%	54.5%

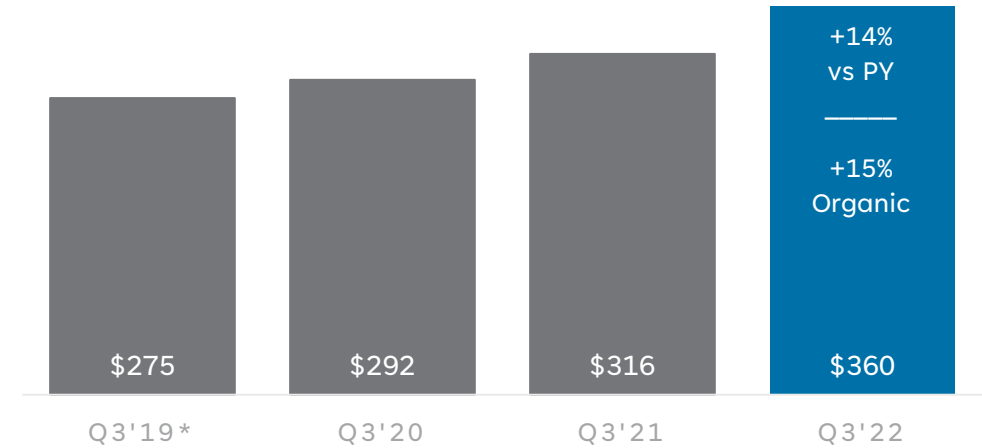
Q3 HIGHLIGHTS

- +15% Organic Revenue Growth
- Businesses Continued to Execute Well; Progress Clearing Some Supply Chain Challenges in the Quarter
- Great Performance from Neptune; Record Orders and Backlog; Continued Ultrasonic Meter Momentum
- Strong Verathon Growth from BladderScan, Video Intubation, and Single-Use Bronchoscope Products
- Another Record Quarter for NDI; Strong Demand for Precision Measurement Solutions

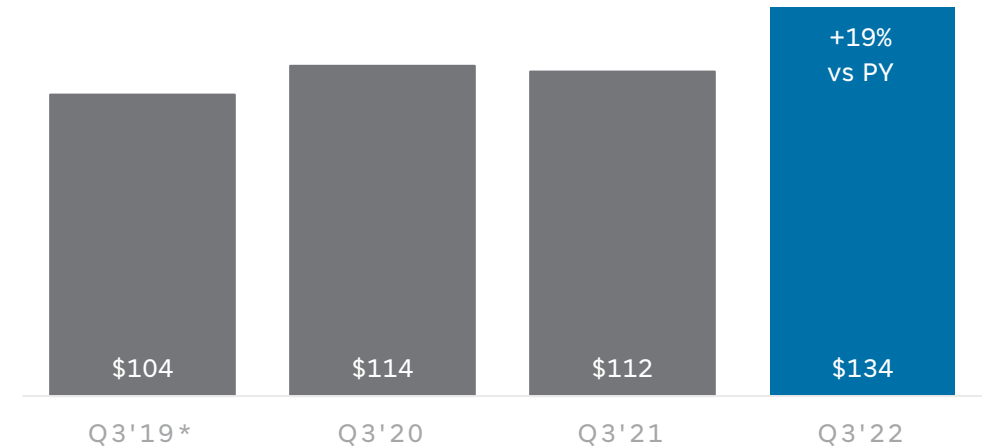
Q4 OUTLOOK

- +5 – 7% Organic Growth; Tougher Comp in Q4

REVENUE



EBITDA



Margin	Q3'19*	Q3'20	Q3'21	Q3'22
	37.7%	39.0%	35.5%	37.2%

In \$ millions.

Results are presented on an Adjusted (Non-GAAP) and continuing operations basis. See appendix of this presentation and press release for reconciliations.

* Excludes the results of the divestitures completed in 2019 for (i) the Scientific Imaging businesses, sold to Teledyne on February 5, 2019 and (ii) Gatan, sold to AMETEK on October 29, 2019.

2022 ENTERPRISE GUIDANCE

- Raising Full Year 2022 Guidance
 - Adjusted DEPS: \$14.09 - \$14.13
 - Previously \$13.46 - \$13.62
 - Organic: 9%+
 - Previously +8 - 9%
- Establishing Q4 2022 Guidance
 - Adjusted DEPS: \$3.72 - \$3.76

- Outstanding Third Quarter
 - Revenue +10%; Organic Revenue +10%
 - EBITDA +12%; EBITDA Margin +80 Bps to 41.1%
 - Free Cash Flow +9% to \$353M; +17% Excluding Cash Tax Impact of Section 174*
- Completed Frontline Education Acquisition
 - Adds Another Leading Vertical Software Business to the Enterprise
- Increasing Full Year Guidance
- Well Positioned for Capital Deployment
 - Strong Balance Sheet
 - Robust Pipeline of High-Quality M&A Opportunities
- Enhanced Portfolio Quality

Simple Ideas. Powerful Results.

APPENDIX

INCOME STATEMENT METRICS

	Q3'21	Q3'22	
Revenue	\$1,232	\$1,350	+10%; Organic +10%
Gross Profit	\$872	\$942	
Gross Margin	70.7%	69.7%	
EBITDA	\$497	\$555	+12%
EBITDA Margin	40.3%	41.1%	
Interest Expense	\$58	\$41	
Tax Rate	22.0%	21.8%	
Net Earnings	\$332	\$392	+18%
DEPS	\$3.12	\$3.67	+18%

ROPER'S REVENUE COMPOSITION

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

Q3'22 Revenue	Application Software	Network Software	Technology Enabled Products	Roper Total
Software Related				
Recurring	\$471	\$248	\$3	\$722
Reoccurring	\$30	\$62	-	\$92
Non-Recurring	\$143	\$37	-	\$180
Total Software Revenue	\$644	\$347	\$3	\$994
Total Product Revenue	-	-	\$356	\$356
Total Revenue	\$644	\$347	\$360	\$1,350

RECONCILIATIONS I

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

(From Continuing Operations)

	Q3 2019*	Q3 2020	Q3 2021	Q3 2022	V% to '21
GAAP Revenue	\$ 912	\$ 1,002	\$ 1,232	\$ 1,350	10%
Purchase accounting adjustment to acquired deferred revenue	3	3	-	-	
Adjusted Revenue	<u>\$ 916</u>	<u>\$ 1,006</u>	<u>\$ 1,232</u>	<u>\$ 1,350</u>	<u>10%</u>
GAAP Gross Profit	\$ 638	\$ 707	\$ 872	\$ 942	
Purchase accounting adjustment to acquired deferred revenue	3	3	-	-	
Adjusted Gross Profit	<u>\$ 641</u>	<u>\$ 710</u>	<u>\$ 872</u>	<u>\$ 942</u>	<u>8%</u>
% of Adjusted Revenue	70.0%	70.6%	70.7%	69.7%	
GAAP Earnings Before Income Taxes	\$ 207	\$ 221	\$ 287	\$ 355	
Interest Expense	49	62	58	41	
Depreciation	9	10	10	9	
Amortization	90	113	143	147	
EBITDA	<u>\$ 356</u>	<u>\$ 406</u>	<u>\$ 498</u>	<u>\$ 553</u>	
Purchase accounting adjustment to acquired deferred revenue and commission expense	3	3	(1)	(1) ^A	
Transaction-related expenses for completed acquisitions	2	3	-	3 ^B	
Adjusted EBITDA	<u>\$ 361</u>	<u>\$ 411</u>	<u>\$ 497</u>	<u>\$ 555</u>	<u>12%</u>
% of Adjusted Revenue	39.4%	40.9%	40.3%	41.1%	+80 bps

Adjusted Cash Flow Reconciliation (\$M)

(From Continuing Operations)

	Q3 2019*	Q3 2020	Q3 2021	Q3 2022	V% to '21
Operating Cash Flow	\$ 291	\$ 47	\$ 337	\$ 219	
Taxes paid in period related to divestitures	-	192	-	157	
Deferred tax payments due to COVID-19	-	124	-	-	
Adjusted Operating Cash Flow	<u>\$ 291</u>	<u>\$ 363</u>	<u>\$ 337</u>	<u>\$ 376</u>	<u>12%</u>
Capital Expenditures	(9)	(6)	(7)	(16)	
Capitalized Software Expenditures	(3)	(5)	(7)	(7)	
Adjusted Free Cash Flow	<u>\$ 279</u>	<u>\$ 352</u>	<u>\$ 323</u>	<u>\$ 353</u>	<u>9%</u>

*Excludes the results of the divestitures completed in 2019 for (i) the Scientific Imaging businesses, sold to Teledyne on February 5, 2019 and (ii) Gatan, sold to AMETEK on October 29, 2019.
Note: Numbers may not foot due to rounding.

RECONCILIATIONS II

Adjusted Revenue Growth Reconciliation

(From Continuing Operations)

Q3 2022	Technology			Roper
	Application Software	Network Software	Enabled Products	
Organic	7%	10%	15%	10%
Acquisitions/Divestitures	2%	1%	-	1%
Foreign Exchange	(2%)	(2%)	(1%)	(2%)
Total Adjusted Revenue Growth	7%	10%	14%	10%

Adjusted Segment Reconciliation (\$M)

(From Continuing Operations)

	Application Software				Network Software				Technology Enabled Products			
	Q3'19	Q3'20	Q3'21	Q3'22	Q3'19	Q3'20	Q3'21	Q3'22	Q3'19*	Q3'20	Q3'21	Q3'22
GAAP Revenue	\$ 405	\$ 444	\$ 600	\$ 644	\$ 232	\$ 266	\$ 316	\$ 347	\$ 275	\$ 292	\$ 316	\$ 360
Purchase accounting adjustment to acquired deferred revenue	-	3	-	-	3	-	-	-	-	-	-	-
Adjusted Revenue	\$ 405	\$ 447	\$ 600	\$ 644	\$ 235	\$ 266	\$ 316	\$ 347	\$ 275	\$ 292	\$ 316	\$ 360
GAAP Operating Profit	\$ 110	\$ 125	\$ 164	\$ 174	\$ 92	\$ 97	\$ 126	\$ 148	\$ 94	\$ 105	\$ 104	\$ 126
Purchase accounting adjustment to acquired deferred revenue and commission expense	-	3	(1)	(1)	3	-	-	-	-	-	-	-
Adjusted Operating Profit	\$ 110	\$ 128	\$ 163	\$ 173	\$ 95	\$ 97	\$ 126	\$ 148	\$ 94	\$ 105	\$ 104	\$ 126
Adjusted Operating Margin	27.2%	28.6%	27.1%	26.8%	40.5%	36.3%	40.0%	42.7%	34.3%	36.1%	33.0%	35.2%
Amortization	53	67	98	103	30	40	39	39	7	6	6	6
Adjusted EBITA	\$ 163	\$ 195	\$ 261	\$ 275	\$ 125	\$ 137	\$ 166	\$ 187	\$ 101	\$ 111	\$ 110	\$ 132
Depreciation	5	5	6	6	2	2	2	2	2	2	2	2
Adjusted EBITDA	\$ 168	\$ 200	\$ 267	\$ 281	\$ 128	\$ 139	\$ 168	\$ 189	\$ 104	\$ 114	\$ 112	\$ 134
Adjusted EBITDA Margin	41.4%	44.7%	44.5%	43.6%	54.2%	52.1%	53.0%	54.5%	37.7%	39.0%	35.5%	37.2%

RECONCILIATIONS III

Adjusted Net Earnings Reconciliation (\$M)

(From Continuing Operations)

	<u>Q3 2021</u>	<u>Q3 2022</u>	<u>V %</u>
GAAP Net Earnings	\$ 211	\$ 277	31%
Purchase accounting adjustment to acquired commission expense	(1)	(1) ^A	
Transaction-related expenses for completed acquisitions	-	2 ^B	
Amortization of acquisition-related intangible assets	112	114 ^C	
Income tax restructuring expense associated with discontinued operations	11	-	
Adjusted Net Earnings	<u>\$ 332</u>	<u>\$ 392</u>	<u>18%</u>

Adjusted DEPS Reconciliation

(From Continuing Operations)

	<u>Q3 2021</u>	<u>Q3 2022</u>	<u>V %</u>
GAAP DEPS	\$ 1.97	\$ 2.59	31%
Purchase accounting adjustment to acquired commission expense	(0.01)	(0.01) ^A	
Transaction-related expenses for completed acquisitions	-	0.02 ^B	
Amortization of acquisition-related intangible assets	1.05	1.06 ^C	
Income tax restructuring expense associated with discontinued operations	0.11	-	
Adjusted DEPS	<u>\$ 3.12</u>	<u>\$ 3.67</u>	<u>18%</u>

RECONCILIATIONS IV

Forecasted Adjusted DEPS Reconciliation

(From Continuing Operations)

	Q4 2022		FY 2022	
	Low End	High End	Low End	High End
GAAP DEPS	\$ 2.48	\$ 2.52	\$ 9.41	\$ 9.45
Purchase accounting adjustment to acquired commission expense ^A	(0.01)	(0.01)	(0.04)	(0.04)
Transaction-related expenses for completed acquisitions ^B	-	-	0.02	0.02
Amortization of acquisition-related intangible assets ^C	1.25	1.25	4.43	4.43
Income tax restructuring expense associated with discontinued operations	-	-	0.27	0.27
Adjusted DEPS	<u>\$ 3.72</u>	<u>\$ 3.76</u>	<u>\$ 14.09</u>	<u>\$ 14.13</u>

Adjusted Revenue and EBITDA Reconciliation (\$M)

(From Continuing Operations)

	FY 2019	FY 2020	FY 2021
Adjusted Revenue*	<u>\$ 3,568</u>	<u>\$ 4,034</u>	<u>\$ 4,835</u>
Organic	6%	3%	8%
Acquisitions/Divestitures	6%	10%	11%
Foreign Exchange	(1%)	-	1%
Total Adjusted Revenue Growth*	<u>11%</u>	<u>13%</u>	<u>20%</u>
Segment EBITDA*	\$ 1,526	\$ 1,764	\$ 2,136
Corp G&A	(156)	(171)	(190)
Other Income / (Expense)	(4)	(3)	(3)
Adjusted EBITDA	<u>\$ 1,366</u>	<u>\$ 1,590</u>	<u>\$ 1,943</u>
% of Adjusted Revenue	38.3%	39.4%	40.2%

*As reported in previous 8-K filing on 6/30/2022 related to updated segment structure

Note: Numbers may not foot due to rounding

- A.** 2022 actual results and 2022 forecast of estimated acquisition-related fair value adjustments to commission expense related to the acquisition of Vertafore as shown below (\$M, except per share data). These adjustments are taxed at 21%.

	<u>Q3 2021A</u>	<u>Q3 2022A</u>	<u>Q4 2022E</u>	<u>FY 2022E</u>
Pretax	\$ (1)	\$ (1)	\$ (1)	\$ (5)
After-tax	\$ (1)	\$ (1)	\$ (1)	\$ (4)
Per Share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.04)

- B.** Transaction-related expenses for the Frontline and viGlobal acquisitions. This adjustment is taxed at 21%.

- C.** Actual results and forecast of estimated amortization of acquisition-related intangible assets as shown below (\$M, except per share data). These adjustments are taxed at 21%.

	<u>Q3 2021A</u>	<u>Q3 2022A</u>	<u>Q4 2022E</u>	<u>FY 2022E</u>
Pretax	\$ 141	\$ 144	\$ 170	\$ 599
After-tax	\$ 112	\$ 114	\$ 134	\$ 474
Per share	\$ 1.05	\$ 1.06	\$ 1.25	\$ 4.43

Roper

TECHNOLOGIES