



Q2 2024

Financial results

July 24, 2024

Safe harbor statement

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 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, acquired businesses, 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.

Reg. G Disclosure

Today's conference call will discuss results primarily on an adjusted (non-GAAP) and continuing operations basis.

Q2 results adjusted for the following Items:

1. Amortization of acquisition-related intangible assets
2. Financial impacts associated with minority investments

See appendix for reconciliations.

Agenda

Q2 enterprise highlights & financial results

Segment detail & outlook

Q3 & FY 2024 enterprise guidance

Q&A

Q2 overview

Solid second quarter

+12% revenue, +4% organic revenue, +13% EBITDA

+24% free cash flow; TTM +35% to \$2.1B

Increasing low end of full year guidance

Well positioned for capital deployment

Results are presented on an adjusted (non-GAAP) and continuing operations basis. See appendix for reconciliations.

Q2 financial highlights

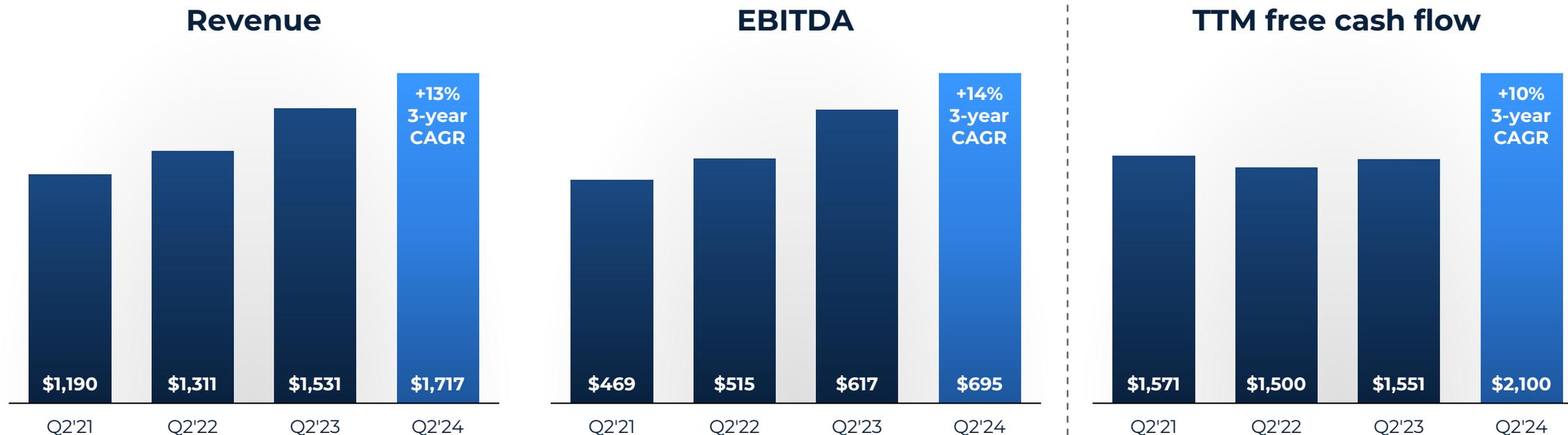
Solid second quarter results

Total revenue +12%; organic revenue +4%

EBITDA +13%; EBITDA margin +20 bps to 40.5%

DEPS +9% to \$4.48

Free cash flow +24% to \$367M; TTM 32% free cash flow margin



Strong financial position

\$4B+ capacity for capital deployment

	6/30/24
Cash	\$251
Gross debt	\$7,424
Net debt	\$7,172
TTM EBITDA	\$2,683
Gross debt-to-EBITDA (TTM)	2.8x
Net debt-to-EBITDA (TTM)	2.7x
Drawn on \$3.5B revolver	\$1,450

In \$ millions. Numbers may not foot due to rounding.
Results are presented on an adjusted (non-GAAP) and continuing operations basis.
See appendix for reconciliations.

Segment detail & outlook

Application Software

Q2 highlights

Revenue +21%; organic revenue +5%

Deltek growth driven by continued cloud momentum across GovCon & private sector

Aderant delivered another excellent quarter; ongoing SaaS momentum & GenAI innovation

ARR growth at Vertafore & Frontline with strong retention & bookings

Strata & Syntellis combination delivering on growth plan; strong pipeline converting to bookings

Data Innovations accelerating growth; customer decision making normalizing

Procure off to a strong start

2nd half outlook

MSD organic growth

Revenue



EBITDA



Margin	Q2'21	Q2'22	Q2'23	Q2'24
	43.7%	43.1%	43.7%	43.6%

In \$ millions. Results are presented on an adjusted (non-GAAP) and continuing operations basis. See appendix for reconciliations.

Network Software

Q2 highlights

Revenue +2%; organic revenue +2%

Challenging but stabilized freight market conditions drove DAT & Loadlink declines, as expected; continued innovation to enhance network value

Foundry declined as industry begins recovery from strikes; Nuke product update well received
iPipeline ARR growth fueled by continued strong customer retention & expansion

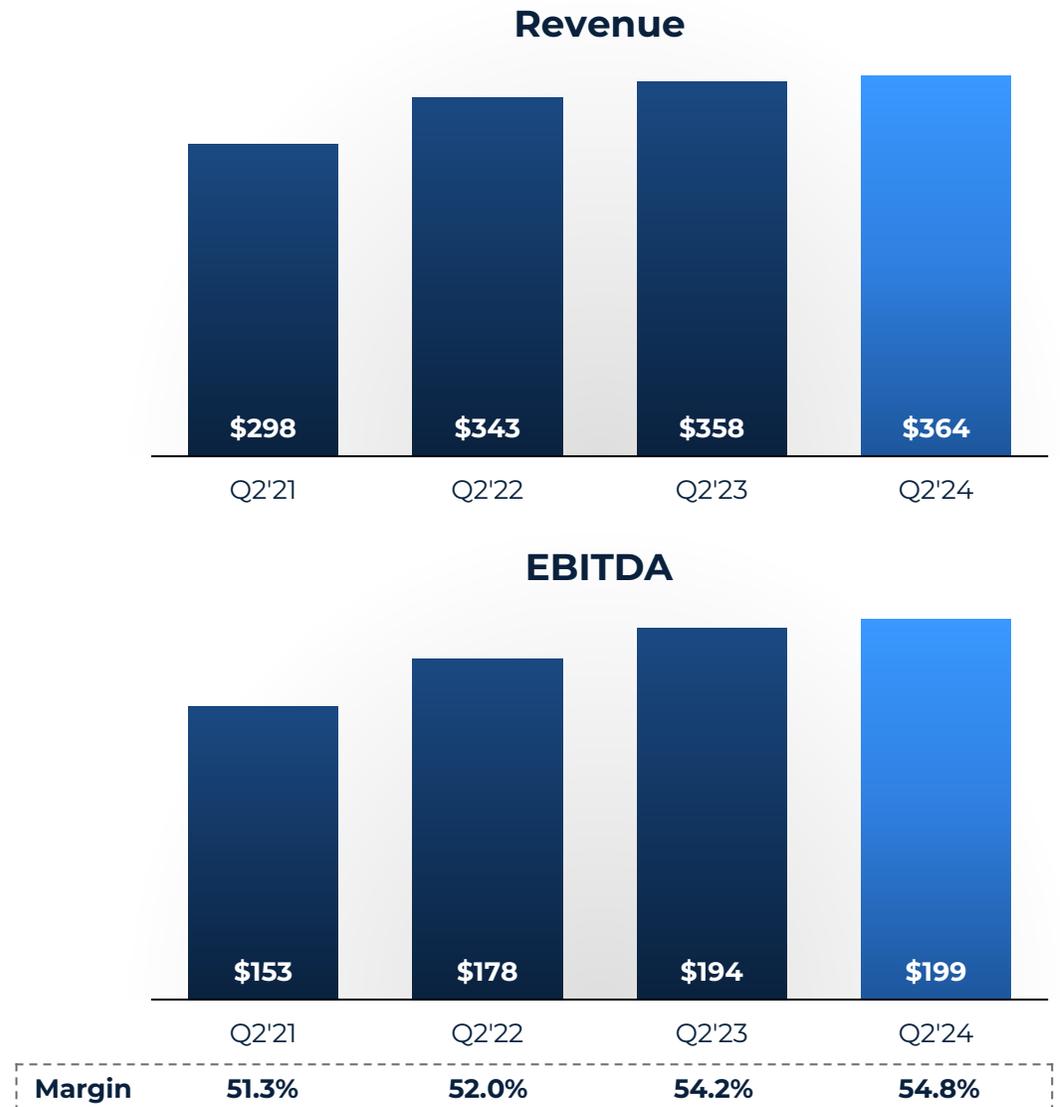
Strong ConstructConnect bookings; continued adoption of GenAI-powered takeoff solution

Good execution across alternate site healthcare businesses (MHA, SoftWriters & SHP)

2nd half outlook

LSD organic growth; continued difficult freight market conditions

In \$ millions. Results are presented on an adjusted (non-GAAP) and continuing operations basis. See appendix for reconciliations.



Technology Enabled Products

Q2 highlights

Revenue +4%; organic revenue +5%

Another great Verathon quarter; sustained momentum across BFlex, GlideScope & BladderScan product families

Neptune demand as expected; ultrasonic capacity successfully expanded; mechanical meter production delays

NDI declined, as expected, due to customer program timing; strong OEM order activity

IPA, Inovonics & rf IDEAS declined against tough prior year comps

2nd half outlook

MSD - HSD organic growth; Neptune production timing

In \$ millions. Results are presented on an adjusted (non-GAAP) and continuing operations basis. See appendix for reconciliations.

Revenue



EBITDA



Margin	Q2'21	Q2'22	Q2'23	Q2'24
	36.3%	34.9%	36.4%	36.2%

2024 enterprise guidance

Guidance update

FY 2024 guidance

Total revenue: ~12%

Organic: ~6%

Adjusted DEPS: \$18.10 - \$18.25

Previously \$18.05 - \$18.25

Establishing Q3 2024 guidance

Adjusted DEPS: \$4.50 - \$4.54

Guidance excludes impact of unannounced future acquisitions or divestitures.
Guidance presented on an adjusted (non-GAAP) and continuing operations basis.
See appendix for reconciliations.

Summary

Simple ideas.

Powerful results.

Solid second quarter

+12% revenue, +4% organic revenue, +13% EBITDA

+24% free cash flow; TTM 32% free cash flow margin

Increasing low end of full year guidance

Continued demand for mission critical solutions

Ongoing expansion of recurring revenue base

Well positioned for capital deployment

M&A capacity of \$4B+

Robust pipeline of attractive acquisition opportunities

**Market-leading businesses
in defensible niches**



**Process-driven
capital deployment**



**Decentralized
operating
environment**



Appendix



Q2 income statement metrics

	Q2'23	Q2'24	
Revenue	\$1,531	\$1,717	+12%; organic +4%
Gross profit	\$1,067	\$1,193	
Gross margin	69.7%	69.5%	
EBITDA	\$617	\$695	+13%
EBITDA margin	40.3%	40.5%	
Interest expense	\$35	\$68	
Tax rate	22.1%	20.9%	
Net earnings	\$442	\$483	
DEPS	\$4.12	\$4.48	+9%

Roper's revenue composition

Disaggregated revenue reconciliation (\$M) (from continuing operations)

	Q2 2024				Technology Enabled Products		Roper	
	Application Software		Network Software					
	Q2'23	Q2'24	Q2'23	Q2'24	Q2'23	Q2'24	Q2'23	Q2'24
Software related								
Recurring	587	700	258	263	4	6	850	970
Reoccurring	34	80	66	67	-	-	100	147
Non-recurring	149	151	34	34	-	-	183	186
Total software revenue	770	932	358	364	5	6	1,133	1,302
Total product revenue	-	-	-	-	398	415	398	415
Total revenue	770	932	358	364	403	421	1,531	1,717

Reconciliations I

Revenue and adjusted EBITDA reconciliation (\$M) (from continuing operations)

	Q2 2021	Q2 2022	Q2 2023	Q2 2024	V% to '23	3-Year CAGR	TTM 2024
GAAP revenue	\$ 1,190	\$ 1,311	\$ 1,531	\$ 1,717	12%	13%	\$ 6,574
GAAP earnings before income taxes	\$ 257	\$ 317	\$ 464	\$ 425			\$ 1,829
Interest expense	59	45	35	68			213
Depreciation	12	9	9	9			37
Amortization	143	146	176	192			746
EBITDA	\$ 471	\$ 516	\$ 683	\$ 694	2%	14%	\$ 2,825
Purchase accounting adjustment to acquired commission expense	(1)	(1)	-	-			-
Restructuring-related expenses associated with the Syntellis acquisition	-	-	-	-			9
Transaction-related expenses for completed acquisitions	-	-	-	-			9
Financial impacts associated with the minority investments in Indicor & Certinia ^A	-	-	(66)	1			(157)
Gain on sale of non-operating assets	-	-	-	-			(3)
Adjusted EBITDA	\$ 469	\$ 515	\$ 617	\$ 695	13%	14%	\$ 2,683
% of revenue	39.4%	39.3%	40.3%	40.5%	+20 bps		40.8%

Adjusted cash flow reconciliation (\$M) (from continuing operations)

	TTM 2021	TTM 2022	TTM 2023	TTM 2024	V% to '23	3-Year CAGR	Q2 2023	Q2 2024	V %
Operating cash flow	\$ 1,308	\$ 1,181	\$ 1,061	\$ 2,168	104%	18%	\$ 320	\$ 384	20%
Taxes paid in period related to divestitures	192	378	576	32			-	-	
Deferred tax payments due to COVID-19	124	-	-	-			-	-	
Adjusted operating cash flow from continuing operations	\$ 1,624	\$ 1,559	\$ 1,636	\$ 2,200	34%	11%	\$ 320	\$ 384	20%
Capital expenditures	(25)	(29)	(51)	(59)			(15)	(7)	
Capitalized software expenditures	(28)	(29)	(35)	(41)			(9)	(11)	
Adjusted free cash flow	\$ 1,571	\$ 1,500	\$ 1,551	\$ 2,100	35%	10%	\$ 295	\$ 367	24%

Reconciliations II

Revenue growth reconciliation (from continuing operations)

Q2 2024	Technology			
	Application Software	Network Software	Enabled Products	Roper
Organic	5%	2%	5%	4%
Acquisitions/divestitures	16%	-	-	8%
Foreign exchange	-	-	-	-
Total revenue growth	21%	2%	4%	12%

Segment reconciliation (\$M) (from continuing operations)

	Application Software				Network Software				Technology Enabled Products			
	Q2'21	Q2'22	Q2'23	Q2'24	Q2'21	Q2'22	Q2'23	Q2'24	Q2'21	Q2'22	Q2'23	Q2'24
GAAP revenue	\$ 588	\$ 627	\$ 770	\$ 932	\$ 298	\$ 343	\$ 358	\$ 364	\$ 304	\$ 340	\$ 403	\$ 421
GAAP operating profit	\$ 153	\$ 165	\$ 201	\$ 251	\$ 111	\$ 137	\$ 153	\$ 159	\$ 102	\$ 111	\$ 139	\$ 147
Purchase accounting adjustment to acquired commission expense	(1)	(1)	-	-	-	-	-	-	-	-	-	-
Adjusted operating profit	\$ 152	\$ 164	\$ 201	\$ 251	\$ 111	\$ 137	\$ 153	\$ 159	\$ 102	\$ 111	\$ 139	\$ 147
Amortization	98	100	131	150	39	40	39	39	6	6	6	4
Adjusted EBITA	\$ 250	\$ 265	\$ 332	\$ 401	\$ 150	\$ 177	\$ 192	\$ 198	\$ 108	\$ 117	\$ 145	\$ 150
Depreciation	7	6	5	5	2	2	2	2	2	2	2	2
Adjusted EBITDA	\$ 257	\$ 270	\$ 337	\$ 406	\$ 153	\$ 178	\$ 194	\$ 199	\$ 110	\$ 119	\$ 147	\$ 152
Adjusted EBITDA margin	43.7%	43.1%	43.7%	43.6%	51.3%	52.0%	54.2%	54.8%	36.3%	34.9%	36.4%	36.2%

Reconciliations III

Adjusted DEPS reconciliation (from continuing operations)

	Q2 2023	Q2 2024	V %
GAAP DEPS	\$ 3.36	\$ 3.12	(7%)
Financial impacts associated with the minority investments in Indicor & Certinia ^A	(0.50)	-	
Amortization of acquisition-related intangible assets ^B	1.25	1.35	
Adjusted DEPS	\$ 4.12	\$ 4.48	9%

Forecasted adjusted DEPS reconciliation (from continuing operations)

	Q3 2024		FY 2024	
	Low end	High end	Low end	High end
GAAP DEPS ^C	\$ 3.16	\$ 3.20	\$ 12.76	\$ 12.91
Transaction-related expenses for completed acquisitions	-	-	0.01	0.01
Financial impacts associated with the minority investments in Indicor & Certinia ^A	TBD	TBD	TBD	TBD
Amortization of acquisition-related intangible assets ^B	1.34	1.34	5.33	5.33
Adjusted DEPS	\$ 4.50	\$ 4.54	\$ 18.10	\$ 18.25

Footnotes

- A.** Adjustments related to the financial impacts associated with the minority investments in Indicor & Certinia as shown below (\$M, except per share data). Forecasted results do not include any potential impacts associated with our minority investments in Indicor or Certinia, as these potential impacts cannot be reasonably predicted. These impacts will be excluded from all non-GAAP results in future periods.

	Q2 2023A	Q2 2024A	Q3 2024E	FY 2024E
Pretax	\$ (66)	\$ 1	TBD	TBD
After-tax	\$ (53)	\$ -	TBD	TBD
Per share	\$ (0.50)	\$ -	TBD	TBD

- B.** 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%.

	Q2 2023A	Q2 2024A	Q3 2024E	FY 2024E
Pretax	\$ 170	\$ 185	\$ 184	\$ 729
After-tax	\$ 135	\$ 146	\$ 145	\$ 576
Per share	\$ 1.25	\$ 1.35	\$ 1.34	\$ 5.33

- C.** Forecasted GAAP DEPS do not include any potential impacts associated with our minority investments in Indicor or Certinia. These impacts will be excluded from all non-GAAP results in future periods.



Roper

TECHNOLOGIES