



A DIVERSIFIED TECHNOLOGY COMPANY

Q4 2020 FINANCIAL RESULTS

JANUARY 29, 2021

SIMPLE IDEAS. POWERFUL RESULTS.

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 the effects of the COVID-19 pandemic on our business, operations, financial results and liquidity, including the duration and magnitude of such effects, which will depend on numerous evolving factors which we cannot accurately predict or assess, including: the duration and scope of the pandemic; the 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. 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, 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 crisis (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, environmental compliance costs and liabilities, risks and cost associated with litigation, including asbestos related 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) Basis. The Q4 Results are Adjusted for the Following Items:

- (1) Acquisition-Related Intangible Amortization Expense
- (2) Purchase Accounting Adjustments to Acquired Deferred Revenue and Related Commission Expense
- (3) Transaction-Related Expenses for Completed Acquisitions

See Appendix for Reconciliations from GAAP to Adjusted Results



- Q4 & 2020 Highlights and Financial Results
- Segment Performance
- 2021 Guidance
- Q&A

- Strong Financial Performance Through Pandemic Demonstrates Durable Growth Model
 - Revenue and EBITDA +3%
 - Free Cash Flow +16%
- Grew Software Recurring Revenue MSD, Further Solidifying Leadership Positions in Niche Vertical Markets
- Nimble Execution from Businesses that Declined due to COVID; Continued Investing to Drive Long-Term Growth
- Successfully Deployed \$6B of Capital Toward High-Quality Software Acquisitions, Further Enhancing the Quality of Roper's Portfolio

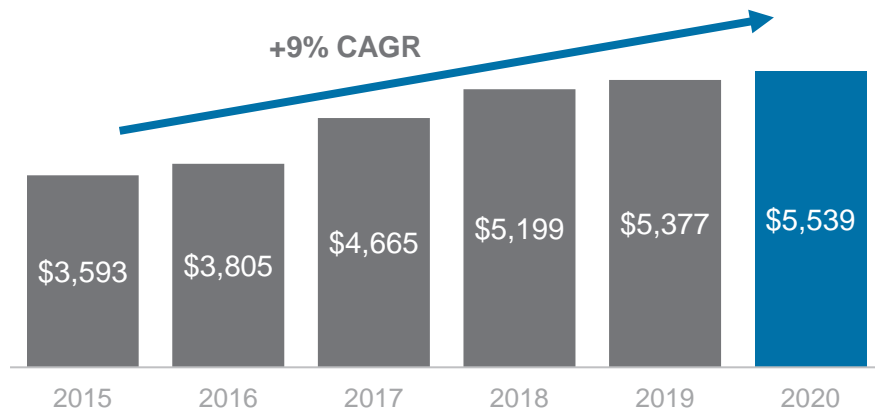
Double-Digit Cash Flow Compounding Despite Pandemic

CONSISTENT CASH FLOW COMPOUNDING



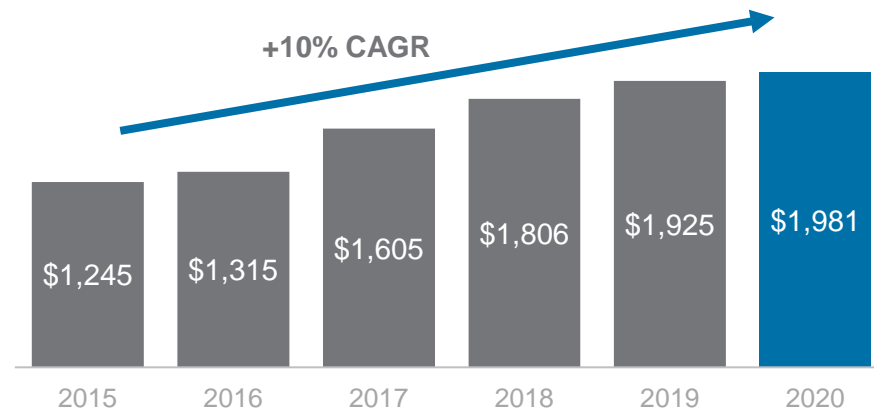
REVENUE

+9% CAGR



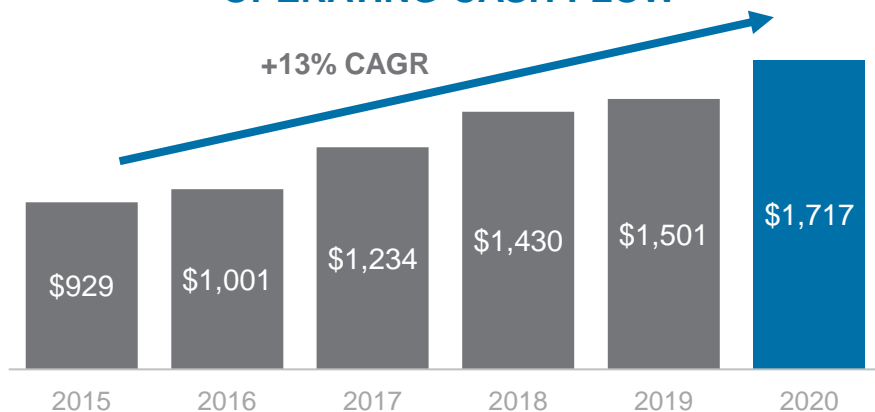
EBITDA

+10% CAGR



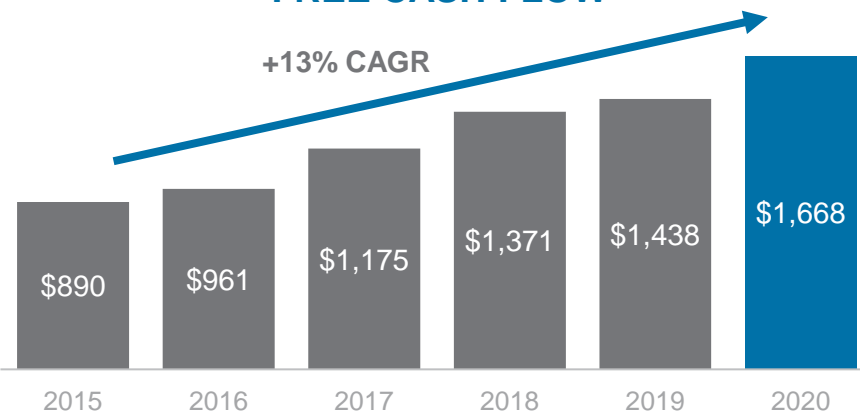
OPERATING CASH FLOW*

+13% CAGR



FREE CASH FLOW*

+13% CAGR



In \$ millions. Free Cash Flow = Operating Cash Flow less Capital Expenditures and Capitalized Software

* Adjusted for cash taxes paid related to divestitures (2019 & 2020). See appendix for reconciliation.

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

- Double-Digit Revenue and EBITDA Growth; Strong Cash Conversion
- Software Businesses Positioned for Accelerating Growth; Enter 2021 with Tailwind from Higher Recurring Revenue Base
- Loosening Restrictions on Medical Procedures Aid Product Businesses; Verathon Expanded Installed Base Drives Future Growth in Consumables After Exceptional COVID Demand
- Neptune Recovers as Residential Access Restrictions Ease
- Industrial & Process Technologies Businesses Growth After Two Years of Declines
- Meaningful Contribution from Recent Acquisitions; M&A Pipeline Remains Active

Strong Momentum Entering 2021

Q4 INCOME STATEMENT METRICS



	Q4'19	Q4'20	
Revenue	\$1,400	\$1,510	+8%; Organic (2)%
Gross Profit	\$898	\$972	
Gross Margin	64.1%	64.3%	+20 Bps
EBITDA	\$518	\$552	+7%
EBITDA Margin	37.0%	36.6%	(40) Bps
Interest Expense	\$49	\$64	
Tax Rate	21.6%	19.9%	
Net Earnings	\$356	\$378	
DEPS	\$3.39	\$3.56	+5%

In \$ millions, except DEPS.

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

Q4 SEGMENT RESULTS



APPLICATION SOFTWARE

37% of Roper Revenue

Revenue	\$554	+35% vs PY (2)% Organic
EBITDA	\$242	43.7% Margin

- MSD Recurring Revenue Growth; Continued Sharp Declines from Education Markets (CBORD & Horizon)

NETWORK SOFTWARE & SYSTEMS

30% of Roper Revenue

Revenue	\$448	+4% vs PY +2% Organic
EBITDA	\$191	42.7% Margin

- Network Software Organic +4%; TransCore Flat Due to NYC Project Timing

MEASUREMENT & ANALYTICAL SOLUTIONS

25% of Roper Revenue

Revenue	\$373	(4)% vs PY +1% Organic
EBITDA	\$123	32.9% Margin

- Sequential Recovery at Neptune and Industrial Businesses
- Final Quarter of Gatan Divestiture Headwind

PROCESS TECHNOLOGIES

9% of Roper Revenue

Revenue	\$136	(20)% vs PY (21)% Organic
EBITDA	\$43	31.3% Margin

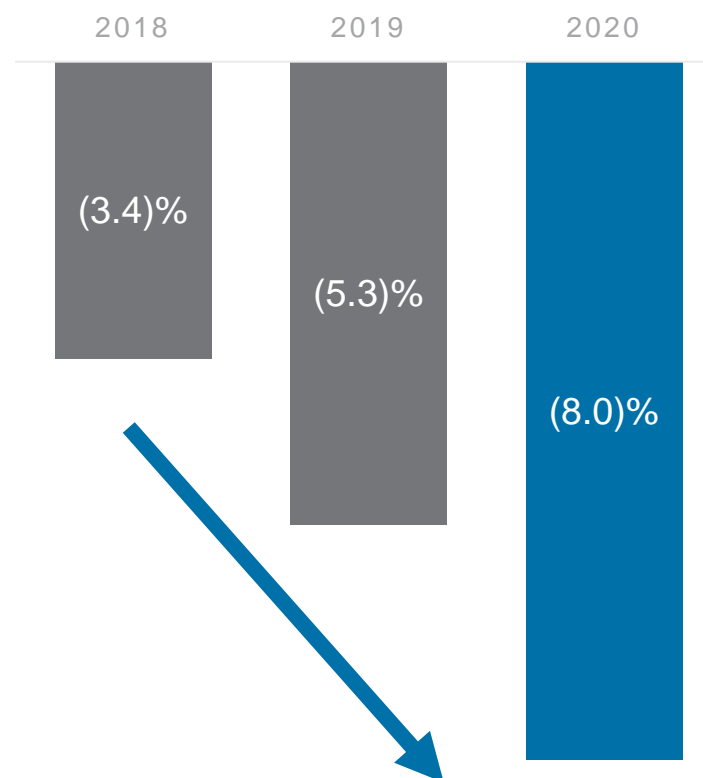
- Early Signs of Improvement After Two Years of Declines

NET WORKING CAPITAL



NET WORKING CAPITAL ^{(1) (2)} AS % OF Q4 ANNUALIZED REVENUE

	<u>Q4'18</u>	<u>Q4'19</u>	<u>Q4'20</u>
(I) Inventory	4.1%	3.6%	3.3%
(R) Receivables	16.7%	17.8%	18.2%
<hr/>			
(P) Payables & Accruals	11.9%	11.6%	13.2%
(D) Deferred Revenue	12.2%	15.1%	16.3%
Total (I+R-P-D)	(3.4)%	(5.3)%	(8.0)%



Note: Percentages may not sum correctly due to rounding.

Differentiated Asset-Light Business Model

1) Defined as Inventory + A/R + Unbilled Receivables – A/P – Accrued Liabilities – Deferred Revenue; Excludes Acquisitions & Divestitures Completed in Each Quarter, Dividend Accrual, and Current Operating Lease Liabilities.

2) Includes assets and liabilities that have been classified as held-for-sale on Roper's balance sheet.

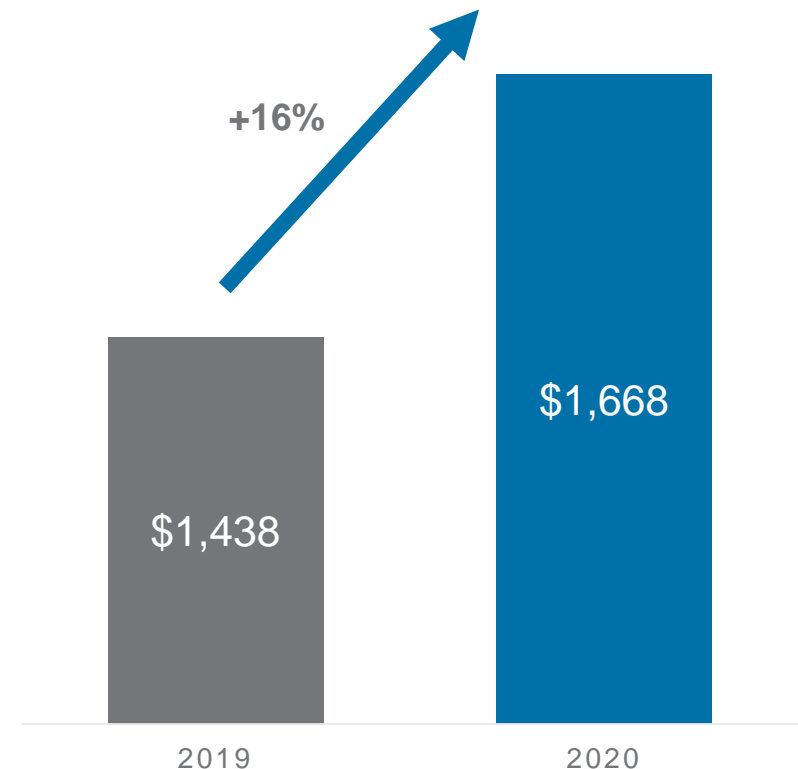
2020 CASH FLOW PERFORMANCE



- Q4 Free Cash Flow: \$558M
 - +23% vs Prior Year
 - 37% of Revenue
- FY Operating Cash Flow: \$1.72B*
 - +14% vs Prior Year
 - 31% of Revenue
- FY Free Cash Flow: \$1.67B*
 - +16% vs Prior Year
 - 84% of EBITDA

FULL YEAR FREE CASH FLOW*

in \$ millions



Tremendous Cash Flow Performance; Broad Based and Durable

* Adjusted for cash taxes paid related to divestitures (2019 & 2020). See appendix for reconciliation.

Free Cash Flow = Operating Cash Flow less Capital Expenditures and Capitalized Software

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

- Deployed \$6.0B in High-Quality Software Acquisitions in 2020
 - No Change to Solid Investment Grade Credit Ratings
 - Blended Cost of Financing ~1%
- Reduced Leverage by ~\$500M in Q4 Post Close of EPSi Acquisition on October 15th
- Expect Asset-Light Businesses to Drive Rapid Deleveraging in 2021
 - Consistent and Durable Cash Flow Generation
 - \$1.6B Revolver Balance to be Quickly Reduced

SEGMENT PERFORMANCE

FY 2020 RESULTS VS APRIL GUIDANCE



SEGMENT	APRIL ORGANIC GUIDANCE	KEY FACTORS HIGHLIGHTED IN APRIL	FY 2020 RESULTS	WHAT HAPPENED
Application Software	- LSD to + LSD	• High Level of Recurring Revenue	+ 1%	• Recurring Up MSD; Strong Retention; Increasing Bookings Shift to SaaS
		• Timing of License Sales, Expect Delays		• Perpetual Licenses Down Mid-Teens; New Logo Push Outs
		• Pacing of Services and Implementation Work (Remote vs Onsite)		• Services Down MSD; COVID Impacted Pipelines and Implementations
Network Software & Systems	+ MSD to + DD	• High Level of Recurring Revenue • Customer Retention Rates	+ 3%	• Network Software Grew LSD, High Level of Recurring Revenue; Strong Retention
		• NYC Project Completion Timing		• TransCore: <u>~\$75M of Additional NYC Project Revenue Pushed into 2021</u> ; Meaningful Decline in Toll Tag Shipments (Less Driving)
Measurement & Analytical Solutions	Flat to + MSD	• Unprecedented Demand for Verathon's Products	+ 1%	• Strong 2020 Performance Positions Verathon for Ongoing Consumables Growth
		• Timing of Non-Emergency Medical Procedures		• Other Med. Products Down MSD; Reduced Elective Procedures and Capital Spending
		• Neptune: Municipal Budget and Access Uncertainty		• Neptune Down Low Double-Digits due to Northeast US & Canada Access Restrictions
		• Sharp Declines in Industrial		• Industrial Businesses Down Low Double-Digits; Reduced Industrial Activity
Process Technologies	- 25% to - 20%	• Significant Declines in O&G Businesses	- 21%	• Steep Declines in Oil & Gas Markets
		• Project Timing		• Project Spending Deferred
		• Access to Customer Sites		• Field Service Access Restricted by COVID
Total Organic	- LSD to + LSD		- 1%	
DEPS	\$11.60 - \$12.60		\$12.74	

FY 2020 HIGHLIGHTS

- Accelerating Demand for SaaS Solutions Expanded Recurring Revenue Base; License/Service Declined Due to COVID
- Deltek Growth from Continued Solid Performance in GovCon Market; Professional Services Markets Challenged by COVID
- Aderant and PowerPlan EBITDA ~Flat with Recurring Revenue Growth
- Strong Laboratory Software Growth; Solutions Helping with Customer Response to COVID
- Double-Digit Strata Growth with Continued Strong Customer Retention and New Product Adoption; Integration of EPSi Bolt-On Underway
- CBORD and Horizon Declined Double-Digits due to COVID Impact on Education Markets

FY 2020 RESULTS

33% of Roper Revenue

Revenue	\$1,808	+14% vs PY +1% Organic
EBITDA	\$772	42.7% Margin

- Acquired and Successfully Onboarded Vertafore; Strong Earnings and Cash Flow Contributions in Q4; Off to a Great Start

Q1 2021 OUTLOOK

- Flat to LSD Organic Growth for the Segment
 - Continued MSD Recurring Revenue Growth
 - License/Service Decline on Last Pre-COVID Comp

FY 2020 HIGHLIGHTS

- Network Software (Primarily SaaS) +LSD from Strong Customer Retention & Network Effects
- Double-Digit DAT Growth; Continued Network Expansion and Premium Data Offering Adoption
- Increased Network Utilization for ConstructConnect in Tight Construction Market
- Customer Activity Impacted by COVID for iTradeNetwork, MHA, and Foundry; Networks Remain Healthy with Strong Retention
- iPipeline Performed Very Well in First Full Year with Roper, Completed Two Bolt-On Acquisitions
- Limited Access to Customers Drove Declines for IDEAS (Secure Print) and Inovonics
- TransCore NYC Project Pushed Out Half of Expected \$200M Revenue to 2021; EBITDA Declined from Project Push-Out and Lower Tag Shipments

FY 2020 RESULTS

31% of Roper Revenue

Revenue	\$1,742	+13% vs PY +3% Organic
EBITDA	\$732	42.0% Margin

Q1 2021 OUTLOOK

- Continued Network Software Growth; Comps in Food and Media Ease After Q1
- TransCore NYC Project Resumed Work Mid-January, Completion on Track for 2021; Tag Timing Impacts Margins

Organic Growth	Q1'20	Q1'21
Network Software	+LSD	+LSD
TransCore/Other	+Mid-Teens	-High-Teens
Total Organic	+9%	-3 to -5%

FY 2020 HIGHLIGHTS

- Outstanding Verathon Growth from COVID Driven Demand for Video Intubation
 - Expanded GlideScope Installed Base and Industry Shift to New Technology Creates Future Consumables Demand
 - First Full Year for New Single-Use Bronchoscope Product Line
- Other Medical Product Businesses Declined due to COVID Impact on Elective Procedures and Hospital Spending; Patient Volumes Normalized Later in Year
- Neptune Low Double-Digit Decline Due to Restricted Access in Northeast US and Canada (Other Regions Flat); Maintained Strong Share
- Industrial Businesses Declined from Reduced Market Activity; Began to Recover in 2H

FY 2020 RESULTS

27% of Roper Revenue

Revenue	\$1,470	(8)% vs PY +1% Organic
EBITDA	\$508	34.6% Margin

Q1 2021 OUTLOOK

- LSD Organic Growth for the Segment
- Similar to Q4 with Medical Products Growth Offset by Neptune and Industrial Declines

FY 2020 HIGHLIGHTS

- COVID Negatively Impacted O&G Businesses and Broad Base of Short Cycle End Markets
- Delayed Project Timing and Reduced Customer Facility Access Limited Activity Across Businesses
 - Capital Spending Environment Began to Improve Exiting the Year

FY 2020 RESULTS

9% of Roper Revenue

Revenue	\$519	(21)% vs PY (21)% Organic
EBITDA	\$156	30.0% Margin

Q1 2021 OUTLOOK

- ~10% Organic Decline for the Segment
- Continued Improvement and Easing Comps After Q1

2021 GUIDANCE

2021 FULL YEAR SEGMENT GUIDANCE



2020 ORGANIC REVENUE		2021 ORGANIC REVENUE FRAMEWORK
Application Software		+1%
Recurring	Up MSD; Strong Retention; Increasing Bookings Shift to SaaS	Up MSD+; Tailwind from Mix Shift to SaaS
Services	Down MSD; COVID Impacted Pipelines and Implementations	Flat as Pipeline Rebuilds
Perpetual Licenses	Down Mid-Teens; Push Outs and Mix Shift to SaaS	Up MSD+; Partial Recovery Offset by Mix Shift to SaaS
Network Software & Systems		+3%
Network Software	Up LSD; COVID Impacted Healthcare, Food & Media Markets	Up MSD+; Some Recovery in COVID Impacted Markets
TransCore / Other	Up MSD; NYC Project Partially Completed; Tag Declines	Up MSD; Completion of NYC Project & Recovering Tags
Measurement & Analytical Solutions		+1%
Medical Products	Up 20%; Extraordinary Demand for Verathon's Video Intubation Products	Up LSD; Recovery in Elective Procedures and Capital Spending, Partially Offset by COVID Comp
Neptune	Down Low Double-Digits due to Northeast US & Canada Access Restrictions	Up HSD+; Northeast US & Canada Access Restrictions Ease
Industrial Businesses	Down Low Double-Digits; Reduced Industrial Activity	Up HSD+; Recovery Begins After Two Down Years
Process Technologies		(21)%
	Lower Project Spending, Field Service Access, and Steep Declines in Oil & Gas Markets	Deferred Projects and Field Service Resume; Modest Improvement in Oil & Gas and Other Markets
Total	Organic (1)%, Total Growth +3%	Organic MSD+, Total Growth Mid-Teens

Guidance excludes impact of unannounced future acquisitions or divestitures.

Results are presented on an Adjusted (Non-GAAP) basis. See Appendix of this presentation and press release for reconciliations from GAAP to Adjusted results.

- Full Year Adjusted DEPS: \$14.35 - \$14.75
 - Total Revenue Growth: Mid-Teens
 - Organic: MSD+
 - Tax Rate: 21 - 22%
- Q1 Adjusted DEPS: \$3.26 - \$3.32
 - 22 - 23% of Year, Normal Seasonality
 - Note: Q1'19 Included \$0.41 Tax Benefit; Q1'20 Was Higher Due to COVID Timing

- Great Execution Against Challenging Backdrop
 - Revenue +3% to \$5.54B; (1)% Organic
 - EBITDA +3% to \$1.98B; EBITDA Margin 35.8%, Flat vs Prior Year
 - Free Cash Flow +16% to \$1.67B; 30% of Revenue and 84% of EBITDA
 - Significant Forward Progress on Strategy and Innovation
 - Deployed \$6.0B Toward High-Quality Vertical Software Acquisitions
- Extremely Well Positioned Entering 2021
 - Strong Organic Growth Outlook Augmented by Contributions from Recent Acquisitions
 - ~2/3 of EBITDA from Software Businesses; Increasing Mix of Recurring Revenue
 - Consistent and Durable Cash Flow Generation Enables Rapid Deleveraging
 - Robust Pipeline of M&A Candidates
- Remain Focused on Continuously Enhancing the Quality of Our Portfolio

Simple Ideas. Powerful Results.

APPENDIX

RECONCILIATIONS I



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

	Q4 2019	Q4 2020	V %	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	V %
Adjusted Revenue Reconciliation										
GAAP Revenue	\$ 1,395	\$ 1,505	8%	\$ 3,582	\$ 3,790	\$ 4,607	\$ 5,191	\$ 5,367	\$ 5,527	3%
Purchase accounting adjustment to acquired deferred revenue	5	5 ^A		11	15	57	8	11	12 ^A	
Adjusted Revenue	<u>\$ 1,400</u>	<u>\$ 1,510</u>	<u>8%</u>	<u>\$ 3,593</u>	<u>\$ 3,805</u>	<u>\$ 4,665</u>	<u>\$ 5,199</u>	<u>\$ 5,377</u>	<u>\$ 5,539</u>	<u>3%</u>
Adjusted Gross Profit Reconciliation										
GAAP Gross Profit	\$ 893	\$ 967		\$ 2,165	\$ 2,332	\$ 2,865	\$ 3,280	\$ 3,427	\$ 3,543	
Purchase accounting adjustment to acquired deferred revenue	5	5 ^A		11	15	57	8	11	12 ^A	
Purchase accounting adjustment to acquired inventory	-	-		5	-	-	-	-	-	
Adjusted Gross Profit	<u>\$ 898</u>	<u>\$ 972</u>	<u>8%</u>	<u>\$ 2,180</u>	<u>\$ 2,348</u>	<u>\$ 2,922</u>	<u>\$ 3,287</u>	<u>\$ 3,438</u>	<u>\$ 3,555</u>	<u>3%</u>
Adjusted Gross Margin	64.1%	64.3%	+20 bps	60.7%	61.7%	62.6%	63.2%	63.9%	64.2%	+30 bps
Adjusted EBITDA Reconciliation										
GAAP Net Earnings	\$ 871	\$ 256		\$ 696	\$ 659	\$ 972	\$ 944	\$ 1,768	\$ 950	
Taxes	277	62		306	282	63	254	460	260	
Interest Expense	49	64		84	112	181	182	187	219	
Depreciation	13	15		38	37	50	50	49	53	
Amortization	104	148		166	203	295	318	367	467	
EBITDA	<u>\$ 1,314</u>	<u>\$ 544</u>	<u>(59%)</u>	<u>\$ 1,291</u>	<u>\$ 1,293</u>	<u>\$ 1,560</u>	<u>\$ 1,748</u>	<u>\$ 2,830</u>	<u>\$ 1,949</u>	<u>(31%)</u>
Purchase accounting adjustment to acquired deferred revenue and commission expense	5	3 ^A		11	15	52	7	10	10 ^A	
Purchase accounting adjustment to acquired inventory	-	-		5	-	-	-	-	-	
Transaction-related expenses for completed acquisitions	-	5 ^B		-	6	-	-	6	9 ^B	
One-time expense for accelerated vesting	-	-		-	-	-	35	-	-	
Restructuring charge associated with certain Process Technologies businesses	-	-		-	-	-	-	-	14	
Debt extinguishment charge	-	-		-	1	-	16	-	-	
Gain on sale of divested businesses	(801)	-		(71)	-	(8)	-	(921)	-	
Write-down of investment	-	-		10	-	-	-	-	-	
Adjusted EBITDA	<u>\$ 518</u>	<u>\$ 552</u>	<u>7%</u>	<u>\$ 1,245</u>	<u>\$ 1,315</u>	<u>\$ 1,605</u>	<u>\$ 1,806</u>	<u>\$ 1,925</u>	<u>\$ 1,981</u>	<u>3%</u>
Adjusted EBITDA Margin	37.0%	36.6%	(40 bps)	34.6%	34.6%	34.4%	34.7%	35.8%	35.8%	0 bps

Note: Numbers may not foot due to rounding.

RECONCILIATIONS II



Adjusted Revenue Growth Reconciliation

Q4 2020	Application Software	Network Software & Systems	Measurement & Analytical Solutions	Process Technologies	Roper
Organic	(2%)	2%	1%	(21%)	(2%)
Acquisitions/Divestitures	36%	2%	(6%)	-	9%
Foreign Exchange	1%	-	1%	1%	1%
Total Adjusted Revenue Growth	35%	4%	(4%)	(20%)	8%

Adjusted Segment Reconciliation (\$M)

	Application Software		Network Software & Systems		Measurement & Analytical Solutions		Process Technologies	
	Q4 2019	Q4 2020	Q4 2019	Q4 2020	Q4 2019	Q4 2020	Q4 2019	Q4 2020
GAAP Revenue	\$ 411	\$ 549	\$ 426	\$ 448	\$ 388	\$ 373	\$ 170	\$ 136
Add: Foundry, iPipeline, Vertafore	-	5	5	-	-	-	-	-
Adjusted Revenue	411	554	431	448	388	373	170	136
GAAP Gross Profit	273	377	294	301	227	216	98	72
Add: Foundry, iPipeline, Vertafore	-	5	5	-	-	-	-	-
Adjusted Gross Profit	273	382	299	301	227	216	98	72
Adjusted Gross Margin	66.5%	69.0%	69.5%	67.3%	58.5%	57.9%	57.7%	53.3%
GAAP Operating Profit	106	132	146	146	126	114	63	40
Add: Foundry, iPipeline, Vertafore	-	3	5	-	-	-	-	-
Adjusted Operating Profit	106	136	152	146	126	114	63	40
Adjusted Operating Margin	25.7%	24.5%	35.2%	32.6%	32.4%	30.6%	37.0%	29.4%
Add: Amortization	54	99	40	41	7	6	2	2
Adjusted EBITA	160	235	192	188	133	120	65	42
Add: Depreciation	5	7	4	4	3	3	1	1
Adjusted EBITDA	\$ 164	\$ 242	\$ 196	\$ 191	\$ 136	\$ 123	\$ 66	\$ 43
Adjusted EBITDA Margin	40.0%	43.7%	45.5%	42.7%	35.1%	32.9%	38.7%	31.3%

RECONCILIATIONS III



Adjusted Revenue Growth Reconciliation

FY 2020	Application Software	Network Software & Systems	Measurement & Analytical Solutions	Process Technologies	Roper
Organic	1%	3%	1%	(21%)	(1%)
Acquisitions/Divestitures	13%	10%	(9%)	-	4%
Foreign Exchange	-	-	-	-	-
Total Adjusted Revenue Growth	14%	13%	(8%)	(21%)	3%

Adjusted Segment Reconciliation (\$M)

	Application Software		Network Software & Systems		Measurement & Analytical Solutions		Process Technologies	
	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020
GAAP Revenue	\$ 1,588	\$ 1,800	\$ 1,529	\$ 1,739	\$ 1,596	\$ 1,470	\$ 653	\$ 519
Add: PowerPlan, Foundry, iPipeline, Vertafore	1	8	10	4	-	-	-	-
Adjusted Revenue	1,589	1,808	1,539	1,742	1,596	1,470	653	519
GAAP Gross Profit	1,065	1,229	1,058	1,167	933	870	371	277
Add: PowerPlan, Foundry, iPipeline, Vertafore	1	8	10	4	-	-	-	-
Adjusted Gross Profit	1,065	1,237	1,068	1,170	933	870	371	277
Adjusted Gross Margin	67.1%	68.4%	69.4%	67.2%	58.5%	59.2%	56.9%	53.5%
GAAP Operating Profit	405	469	538	550	501	473	226	132
Add: Foundry, iPipeline, Vertafore, Process Technologies	-	6	10	4	-	-	-	14
Adjusted Operating Profit	406	475	548	553	501	473	226	145
Adjusted Operating Margin	25.5%	26.3%	35.6%	31.8%	31.4%	32.2%	34.6%	28.0%
Add: Amortization	211	275	119	163	28	23	8	7
Adjusted EBITA	617	750	668	717	530	496	234	152
Add: Depreciation	19	22	14	15	12	12	4	4
Adjusted EBITDA	\$ 636	\$ 772	\$ 681	\$ 732	\$ 541	\$ 508	\$ 238	\$ 156
Adjusted EBITDA Margin	40.0%	42.7%	44.3%	42.0%	33.9%	34.6%	36.4%	30.0%

Note: Numbers may not foot due to rounding.

RECONCILIATIONS IV



Adjusted Net Earnings Reconciliation (\$M) ^C

	<u>Q4 2019</u>	<u>Q4 2020</u>	<u>V %</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>V %</u>
GAAP Net Earnings	\$ 871	\$ 256	(71%)	\$ 1,768	\$ 950	(46%)
Purchase accounting adjustment to acquired deferred revenue and commission expense	4	3 ^A		8	8 ^A	
Restructuring charge associated with certain Process Technologies businesses	-	-		-	11	
Transaction-related expenses for completed acquisitions and divestiture	-	4 ^B		5	13 ^B	
Amortization of acquisition-related intangible assets ^D	81	116		288	365	
Gain on sale of Gatan and Scientific Imaging businesses	(600)	-		(687)	-	
Deferred tax expense adjustments due to held-for-sale classification of Gatan	-	-		(10)	-	
Adjusted Net Earnings	<u>\$ 356</u>	<u>\$ 378</u>	<u>6%</u>	<u>\$ 1,371</u>	<u>\$ 1,346</u>	<u>(2%)</u>

Adjusted Cash Flow Reconciliation (\$M)

	<u>Q4 2019</u>	<u>Q4 2020</u>	<u>V %</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>V %</u>
Operating Cash Flow	\$ 466	\$ 574	23%	\$ 929	\$ 964	\$ 1,234	\$ 1,430	\$ 1,462	\$ 1,525	4%
Cash taxes paid on sale of Gatan	-	-		-	-	-	-	-	192	
Cash taxes paid on sale of other divested businesses	-	-		-	37	-	-	39	-	
Adjusted Operating Cash Flow	<u>\$ 466</u>	<u>\$ 574</u>	<u>23%</u>	<u>\$ 929</u>	<u>\$ 1,001</u>	<u>\$ 1,234</u>	<u>\$ 1,430</u>	<u>\$ 1,501</u>	<u>\$ 1,717</u>	<u>14%</u>
Capital Expenditures	(10)	(8)		(36)	(37)	(49)	(49)	(53)	(31)	
Capitalized Software Expenditures	(2)	(8)		(2)	(3)	(11)	(10)	(10)	(18)	
Adjusted Free Cash Flow	<u>\$ 453</u>	<u>\$ 558</u>	<u>23%</u>	<u>\$ 890</u>	<u>\$ 961</u>	<u>\$ 1,175</u>	<u>\$ 1,371</u>	<u>\$ 1,438</u>	<u>\$ 1,668</u>	<u>16%</u>

RECONCILIATIONS V



Adjusted DEPS Reconciliation ^C

	<u>Q4 2019</u>	<u>Q4 2020</u>	<u>V %</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>V %</u>
GAAP DEPS	\$ 8.28	\$ 2.41	(71%)	\$ 16.82	\$ 8.98	(47%)
Purchase accounting adjustment to acquired deferred revenue and commission expense	0.04	0.03 ^A		0.08	0.07 ^A	
Restructuring charge associated with certain Process Technologies businesses	-	-		-	0.10	
Transaction-related expenses for completed acquisitions and divestiture	-	0.03 ^B		0.04	0.12 ^B	
Amortization of acquisition-related intangible assets ^D	0.77	1.09		2.74	3.46	
Gain on sale of Gatan and Scientific Imaging businesses	(5.70)	-		(6.54)	-	
Deferred tax expense adjustments due to held-for-sale classification of Gatan	-	-		(0.10)	-	
Rounding	-	-		0.01	0.01	
Adjusted DEPS	<u>\$ 3.39</u>	<u>\$ 3.56</u>	<u>5%</u>	<u>\$ 13.05</u>	<u>\$ 12.74</u>	<u>(2%)</u>

Forecasted Adjusted DEPS Reconciliation ^C

	<u>Q1 2021</u>		<u>FY 2021</u>	
	<u>Low End</u>	<u>High End</u>	<u>Low End</u>	<u>High End</u>
GAAP DEPS	\$ 2.18	\$ 2.24	\$ 10.09	\$ 10.49
Purchase accounting adjustment to acquired deferred revenue and commission expense ^A	-	-	(0.04)	(0.04)
Amortization of acquisition-related intangible assets ^D	1.08	1.08	4.30	4.30
Adjusted DEPS	<u>\$ 3.26</u>	<u>\$ 3.32</u>	<u>\$ 14.35</u>	<u>\$ 14.75</u>

- A. 2020 actual results and 2021 forecast of estimated acquisition-related fair value adjustments to deferred revenue and commission expense related to the acquisitions of Foundry, iPipeline, and Vertafore as shown below (\$M except per share data).

	<u>Q4 2020A</u>	<u>FY 2020A</u>	<u>Q1 2021E</u>	<u>FY 2021E</u>
Pretax	\$ 3	\$ 10	\$ -	\$ (5)
After-tax	\$ 3	\$ 8	\$ -	\$ (4)
Per Share	\$ 0.03	\$ 0.07	\$ -	\$ (0.04)

- B. Transaction-related expenses for the FMIC, Team TSI, Vertafore, IFS, WELIS, and EPSi acquisitions (Q4'20 \$5M pretax, \$4M after-tax; FY'20 \$9M pretax, \$7M after-tax), and associated Q3'20 bridge financing origination fee (\$7M pretax, \$6M after-tax).

- C. All 2019, 2020, and 2021 adjustments taxed at 21%, except for the gain on sale of the Scientific Imaging businesses and the Gatan business, which were taxed at 27% and 25%, respectively.

- D. Actual results and forecast of estimated amortization of acquisition-related intangible assets (\$M, except per share data); for comparison purposes, prior period amounts are also shown below. Tax rate of 21% applied to amortization.

	<u>Q4 2019A</u>	<u>FY 2019A</u>	<u>Q4 2020A</u>	<u>FY 2020A</u>	<u>Q1 2021E</u>	<u>FY 2021E</u>
Pretax	\$ 103	\$ 364	\$ 146	\$ 462	\$ 145	\$ 579
After-tax	\$ 81	\$ 288	\$ 116	\$ 365	\$ 115	\$ 458
Per share	\$ 0.77	\$ 2.74	\$ 1.09	\$ 3.46	\$ 1.08	\$ 4.30

Note: Numbers may not foot due to rounding.



A DIVERSIFIED TECHNOLOGY COMPANY