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Roper Technologies, Inc.

Roper Technologies Announces First Quarter Results

GAAP Revenue Increased 20%; Adjusted Revenue Increased 22%

Operating Cash Flow Increased to \$378 Million

Sarasota, Florida, April 28, 2017 ... Roper Technologies, Inc. (NYSE: ROP), a diversified technology company, reported financial results for the first quarter ended March 31, 2017.

Roper reports results – including revenue, operating margin, net income and diluted earnings per share – on a GAAP basis and an adjusted basis.

First quarter GAAP revenue increased 20% to \$1.09 billion and adjusted revenue grew 22% to \$1.11 billion. GAAP diluted earnings per share (DEPS) were \$1.53 (+3%), while adjusted diluted earnings per share increased 17% to \$2.11.

GAAP gross margin was 61.5% while adjusted gross margin was 62.2%. Operating cash flow increased to \$378 million and adjusted EBITDA increased 18% to \$362 million.

“Our businesses performed exceptionally well in the first quarter,” said Brian Jellison, Roper’s Chairman, President and CEO. “Our significant revenue increase included 5% organic growth, as our software and medical businesses continued their strong performance and we benefited from improvement in industrial and energy markets. Growth was broad-based as revenue in each of our four segments increased organically in the quarter.”

“Our cash flow performance was outstanding in the quarter with significant contributions from our recent application software acquisitions, Deltek and ConstructConnect, as well as strong execution across the enterprise. We are very pleased by our great start to 2017,” concluded Mr. Jellison.

2017 Guidance

Roper is raising its full year 2017 guidance. The Company now expects full year Adjusted DEPS of \$8.98 - \$9.28, compared to previous guidance of \$8.82 - \$9.22.

For the second quarter of 2017, the Company expects Adjusted DEPS to be between \$2.16 and \$2.24.

The Company’s guidance excludes the impact of future acquisitions or divestitures.

Conference Call to be Held at 8:30 AM (ET) Today

A conference call to discuss these results has been scheduled for 8:30 AM ET on Friday, April 28, 2017. The call can be accessed via webcast or by dialing +1 877-857-6149 (US/Canada) or +1 719-325-4845, using confirmation code 4090618. Webcast information and conference call materials will be made available in the Investors section of Roper's website (www.ropertech.com) prior to the start of the call. The webcast can also be accessed directly by using the following URL <http://edge.media-server.com/m/p/skmkjsqe>. Telephonic replays will be available for up to two weeks and can be accessed by using the following registration URL <https://event.replay> with access code 4090618.

Use of Non-GAAP Financial Information

The Company supplements its consolidated financial statements presented on a GAAP basis with certain non-GAAP financial information to provide investors with greater insight, increase transparency and allow for a more comprehensive understanding of the information used by management in its financial and operational decision-making. Reconciliation of non-GAAP measures to their most directly comparable GAAP measures are included in the accompanying financial schedules or tables. The non-GAAP financial measures disclosed by the company should not be considered a substitute for, or superior to, financial measures prepared in accordance with GAAP, and the financial results prepared in accordance with GAAP and reconciliations from these results should be carefully evaluated.

Table 1: Revenue Growth Detail (\$M)

	<u>Q1 2017</u>	<u>Q1 2016</u>	<u>V %</u>
GAAP Revenue	\$ 1,086	\$ 902	20%
Purchase accounting adjustment to acquired deferred revenue ^{A,B}	22 ^A	3 ^B	
Rounding		1	
Adjusted Revenue	<u>\$ 1,108</u>	<u>\$ 906</u>	22%

Components of Adjusted Revenue Growth

Organic	5%
Acquisitions	+18%
Foreign Exchange	(1%)
Total Adjusted Revenue Growth	<u>22%</u>

Table 2: Reconciliation of Q1 2017 GAAP DEPS to Adjusted DEPS

	<u>Q1 2017</u>		<u>Q1 2016</u>	
GAAP Diluted Earnings Per Share (DEPS)	\$ 1.53		\$ 1.48	
Purchase accounting adjustment to acquired deferred revenue ^{A,B}	0.14 ^A		0.02 ^B	
Purchase accounting adjustment for commission expense ^C	(0.01) ^C		-	
Acquisition-related inventory step-up charge ^D	-		0.00 ^D	
Amortization of Acquisition-related intangible assets, after tax ^F	0.45 ^F		0.31 ^F	
Adjusted DEPS	<u>\$ 2.11</u>		<u>\$ 1.81</u>	

Table 3: Q1 Free Cash Flow Reconciliation (\$M)

	<u>Q1 2017</u>	<u>Q1 2016</u>	<u>V %</u>
GAAP Operating Cash Flow	\$ 378	\$ 207	+ 83%
Cash taxes related to 2015 sale of Abel Pump		37	
Rounding		1	
Adjusted Operating Cash Flow	<u>\$ 378</u>	<u>\$ 245</u>	+ 55%
Capital expenditures	(15)	(9)	
Capitalized software expenditures	(3)	(1)	
Rounding	-	(1)	
Adjusted Free Cash Flow	<u>\$ 360</u>	<u>\$ 234</u>	+ 54%

Table 4: Adjusted Gross Margin Reconciliation (\$M)

	<u>Q1 2017</u>	<u>Q1 2016</u>	<u>V Bps</u>
GAAP Revenue	\$ 1,086	\$ 902	
Purchase accounting adjustment to acquired deferred revenue ^{A,B}	22 ^A	3 ^B	
Rounding		1	
Adjusted Revenue	<u>\$ 1,108</u>	<u>\$ 906</u>	
GAAP Gross Profit	\$ 668	\$ 560	
Purchase accounting adjustment to acquired deferred revenue ^{A,B}	22 ^A	3 ^B	
Rounding	(1)		
Adjusted Gross Profit	<u>\$ 689</u>	<u>\$ 563</u>	
GAAP Gross Margin	61.5%	62.0%	(50) bps
Adjusted Gross Margin	62.2%	62.1%	+ 10 bps

Table 5: Q1 EBITDA Reconciliation (\$M)

	<u>Q1 2017</u>	<u>Q1 2016</u>	<u>V%</u>
GAAP Revenue	\$ 1,086	\$ 902	
Purchase accounting adjustment to acquired deferred revenue ^{A,B}	22 ^A	3 ^B	
Rounding		1	
Adjusted Revenue	<u>\$ 1,108</u>	<u>\$ 906</u>	
GAAP Net Earnings	\$ 158	\$ 151	
Taxes	53	66	
Interest expense	46	27	
Depreciation	12	10	
Amortization	73	50	
Purchase accounting adjustment to acquired deferred revenue, pretax ^{A,B}	22 ^A	3 ^B	
Purchase accounting adjustment for commission expense, pretax ^C	(2)		
Acquisition-related inventory step-up charge, pretax ^D	-	0 ^D	
Rounding	-	-	
Adjusted EBITDA	<u>\$ 362</u>	<u>\$ 307</u>	+18%
% of Adjusted Revenue	32.7%	34.0%	

Table 6: Forecasted Diluted Earnings Per Share (DEPS)

	Q2 2017		Full Year 2017	
	Low End	High End	Low End	High End
GAAP DEPS	\$ 1.62	\$ 1.70	\$ 6.86	\$ 7.16
Purchase accounting adjustments to acquired deferred revenue and commissions ^E	0.09 ^E	0.09 ^E	0.32 ^E	0.32 ^E
Amortization of acquisition-related intangible assets, after-tax ^F	0.45 ^F	0.45 ^F	1.80 ^F	1.80 ^F
Adjusted DEPS	\$ 2.16	\$ 2.24	\$ 8.98	\$ 9.28

- A Acquisition-related fair value adjustments to deferred revenue related to the acquisitions of CliniSys (\$0.0M pretax, \$0.0M after-tax), ConstructConnect (\$5.3M pretax, \$3.4M after-tax) and Deltek (\$16.3M pretax, \$10.6M after-tax).
- B Acquisition-related fair value adjustments to deferred revenue related to the acquisitions of Strata (\$0.2M pretax, \$0.1M after-tax), Softwriters (\$0.0M pretax, \$0.0M after-tax), Data Innovations (\$0.7M pre-tax, \$0.4M after-tax), On Center Software (\$0.4M pretax, \$0.3M after-tax), Aderant (\$1.8M pretax, \$1.2M after-tax), Atlas Medical (\$0.1M pretax, \$0.0M after-tax) and Clinisys (\$0.1M pretax, \$0.1M after-tax)
- C Purchase Accounting Adjustment for Commission Expense related to the acquisition of Deltek (\$1.8M pretax, \$1.2M after-tax),
- D Acquisition-related inventory step-up charge related to the acquisition of PCI Medical (\$0.1M pretax, \$0.1M after-tax)
- E Forecasted acquisition-related fair value adjustments to acquired deferred revenue and commissions of ConstructConnect and Deltek, as shown below (\$M, except per share data)

	<u>Q2 2017</u>	<u>FY 2017</u>
Pretax	\$ 15	\$ 51
After-tax	\$ 10	\$ 33
Per Share	\$ 0.09	\$ 0.32

- F Actual results and forecast of estimated amortization of acquisition-related intangible assets (\$M); For comparison purposes, prior period amounts are also shown below. Tax Rate of 35% applied to amortization in all periods.

	<u>Q1 2016A</u>	<u>Q2 2016A</u>	<u>FY 2016A</u>	<u>Q1 2017A</u>	<u>Q2 2017E</u>	<u>FY 2017E</u>
Pretax	\$ 49	\$ 50	\$ 201	\$ 72	\$ 72	\$ 286
After-tax	\$ 32	\$ 32	\$ 131	\$ 47	\$ 47	\$ 186
Per share	\$ 0.31	\$ 0.31	\$ 1.27	\$ 0.45	\$ 0.45	\$ 1.80

About Roper Technologies

Roper Technologies is a constituent of the S&P 500, Fortune 1000, and the Russell 1000 indices. Roper designs and develops software (both software-as-a-service and licensed), and engineered products and solutions for healthcare, transportation, food, energy, water, education and other niche markets worldwide. Additional information about Roper is available on the Company's website at www.ropertech.com.

The information provided in this press release 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 integrate acquisitions and realize expected synergies. We also face other general risks, including our ability to realize cost savings from our operating initiatives, general economic conditions, changes in foreign exchange rates, difficulties associated with exports, risks associated with our international operations, difficulties in making and integrating acquisitions, risks associated with newly acquired businesses, 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 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.

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

(Amounts in thousands)

ASSETS	March 31, 2017	December 31, 2016
CURRENT ASSETS:		
Cash and cash equivalents	\$ 730,666	\$ 757,200
Accounts receivable	549,838	619,854
Inventories	191,426	181,952
Unbilled receivable	143,589	129,965
Other current assets	97,104	87,530
Total current assets	1,712,623	1,776,501
PROPERTY, PLANT AND EQUIPMENT, NET	144,113	141,318
OTHER ASSETS:		
Goodwill and other intangible assets, net	12,268,952	12,302,985
Deferred taxes	30,300	30,620
Other assets	74,066	73,503
Total other assets	12,373,318	12,407,108
TOTAL ASSETS	\$ 14,230,054	\$ 14,324,927
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 152,638	\$ 152,067
Accrued compensation	131,584	161,730
Deferred revenue	513,820	488,399
Other accrued liabilities	251,298	219,339
Income taxes payable	88,126	22,762
Current portion of long-term debt	401,072	400,975
Total current liabilities	1,538,538	1,445,272
NONCURRENT LIABILITIES:		
Long-term debt	5,439,700	5,808,561
Deferred taxes	1,169,151	1,178,205
Other liabilities	111,875	104,024
Total liabilities	8,259,264	8,536,062
STOCKHOLDERS' EQUITY:		
Common stock	1,039	1,036
Additional paid-in capital	1,518,213	1,489,067
Retained earnings	4,764,711	4,642,402
Accumulated other comprehensive earnings	(294,327)	(324,739)
Treasury stock	(18,846)	(18,901)
Total stockholders' equity	5,970,790	5,788,865
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 14,230,054	\$ 14,324,927

Roper Technologies, Inc. and Subsidiaries
Condensed Consolidated Statements of Earnings (unaudited)

(Amounts in thousands, except per share data)

	Three months ended	
	March 31,	
	2017	2016
Net sales	\$ 1,086,305	\$ 902,423
Cost of sales	418,691	342,904
Gross profit	667,614	559,519
Selling, general and administrative expenses	409,358	314,528
Income from operations	258,256	244,991
Interest expense	45,865	27,413
Other expense	(1,047)	(129)
Earnings from continuing operations before income taxes	211,344	217,449
Income taxes	53,273	66,033
Net Earnings	\$ 158,071	\$ 151,416

Earnings per share:

Basic	\$ 1.55	\$ 1.50
Diluted	\$ 1.53	\$ 1.48

Weighted average common and common equivalent shares outstanding:

Basic	101,885	101,071
Diluted	103,078	102,318

Roper Technologies, Inc. and Subsidiaries
Selected Segment Financial Data (unaudited)

(Amounts in thousands and percents of net sales)

	Three months ended March 31,			
	2017		2016	
	Amount	%	Amount	%
Net sales:				
Medical & Scientific Imaging	\$ 348,235		\$ 332,214	
RF Technology	429,619		280,210	
Industrial Technology	183,404		171,235	
Energy Systems & Controls	125,047		118,764	
Total	\$ 1,086,305		\$ 902,423	
Gross profit:				
Medical & Scientific Imaging	\$ 251,930	72.3%	\$ 246,897	74.3%
RF Technology	251,478	58.5%	160,365	57.2%
Industrial Technology	93,151	50.8%	86,020	50.2%
Energy Systems & Controls	71,055	56.8%	66,237	55.8%
Total	\$ 667,614	61.5%	\$ 559,519	62.0%
Operating profit*:				
Medical & Scientific Imaging	\$ 119,793	34.4%	\$ 114,456	34.5%
RF Technology	88,984	20.7%	88,766	31.7%
Industrial Technology	53,613	29.2%	46,759	27.3%
Energy Systems & Controls	30,236	24.2%	24,182	20.4%
Total	\$ 292,626	26.9%	\$ 274,163	30.4%
Net Orders:				
Medical & Scientific Imaging	\$ 350,777		\$ 343,850	
RF Technology	441,289		281,125	
Industrial Technology	195,316		178,905	
Energy Systems & Controls	126,727		122,770	
Total	\$ 1,114,109		\$ 926,650	

* Operating profit is before unallocated corporate general and administrative expenses. These expenses were \$34,370 and \$29,172 for the three months ended March 31, 2017 and 2016, respectively.

Roper Technologies, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (unaudited)
(Amounts in thousands)

	Three months ended	
	March 31,	
	2017	2016
Net earnings	\$ 158,071	\$ 151,416
Non-cash items:		
Depreciation	12,377	9,702
Amortization	72,998	49,549
Stock-based compensation expense	21,049	18,979
Income taxes	39,013	20,127
Changes in assets and liabilities:		
Receivables	59,536	(14,059)
Inventory	(7,905)	(3,907)
Accounts payable	(2,009)	(1,273)
Accrued liabilities	34,094	(18,458)
Other, net	(9,007)	(5,004)
Cash provided by operating activities	378,217	207,072
Business acquisitions, net of cash acquired	(2,829)	(265,248)
Capital expenditures	(14,930)	(9,489)
Capitalized software expenditures	(3,169)	(665)
Other, net	(391)	1,446
Cash used in investing activities	(21,319)	(273,956)
Principal debt payments	-	(289)
Revolver payments, net	(370,000)	(160,000)
Dividends	(35,443)	(30,173)
Proceeds from stock-based compensation, net	7,576	690
Premium on convertible debt conversions	-	(915)
Other, net	782	505
Cash used in financing activities	(397,085)	(190,182)
Effect of exchange rate changes on cash	13,653	1,588
Net decrease in cash and equivalents	(26,534)	(255,478)
Cash and equivalents, beginning of period	757,200	778,511
Cash and equivalents, end of period	730,666	523,033