



A DIVERSIFIED TECHNOLOGY COMPANY

Q1 2021 FINANCIAL RESULTS

APRIL 27, 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 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, 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 Q1 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) Gain on Sale Related to Minority Investment in Sedaru

See Appendix for Reconciliations from GAAP to Adjusted Results



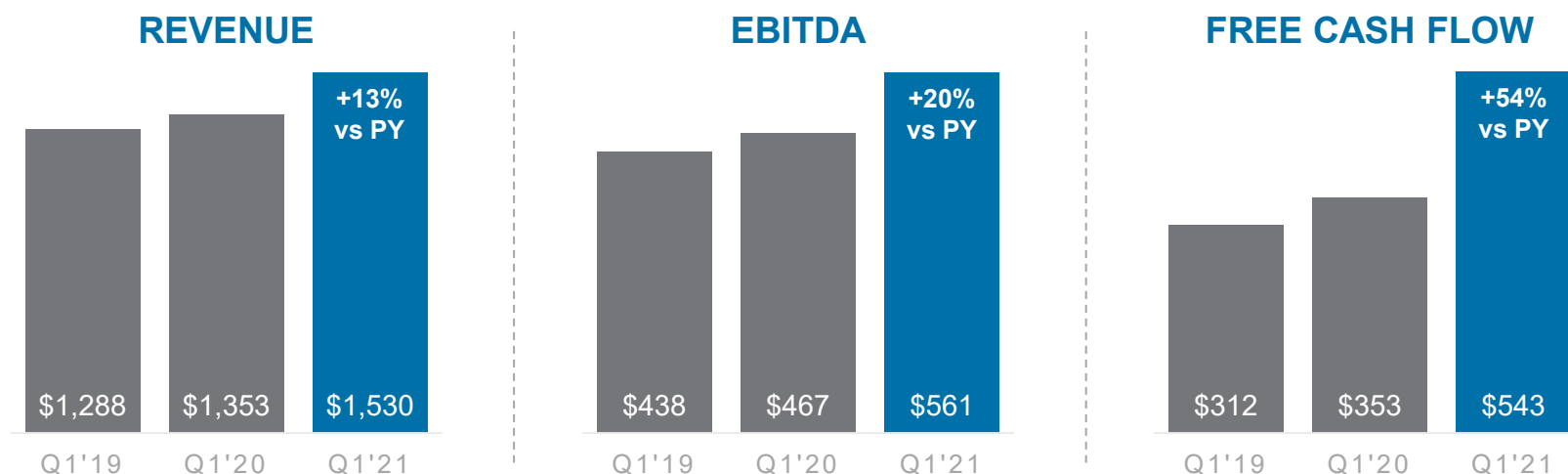
- Q1 Enterprise Highlights & Financial Results
- Segment Detail & Outlook
- Q2 & FY 2021 Enterprise Guidance
- Q&A

- Strong Execution Across Our Portfolio of Niche Market Businesses
- Continued Improvement in End Markets Impacted by Pandemic
- Accelerating Software Recurring Revenue Growth
- 2020 Acquisition Cohort (Vertafore, EPSi, etc.) Performing Very Well
- Revenue, EBITDA, DEPS, and Cash Flow Grew Double-Digits
- Rapid Deleveraging Following Acquisitions
- Encouraging Start; Increasing Guidance

Q1 FINANCIAL HIGHLIGHTS

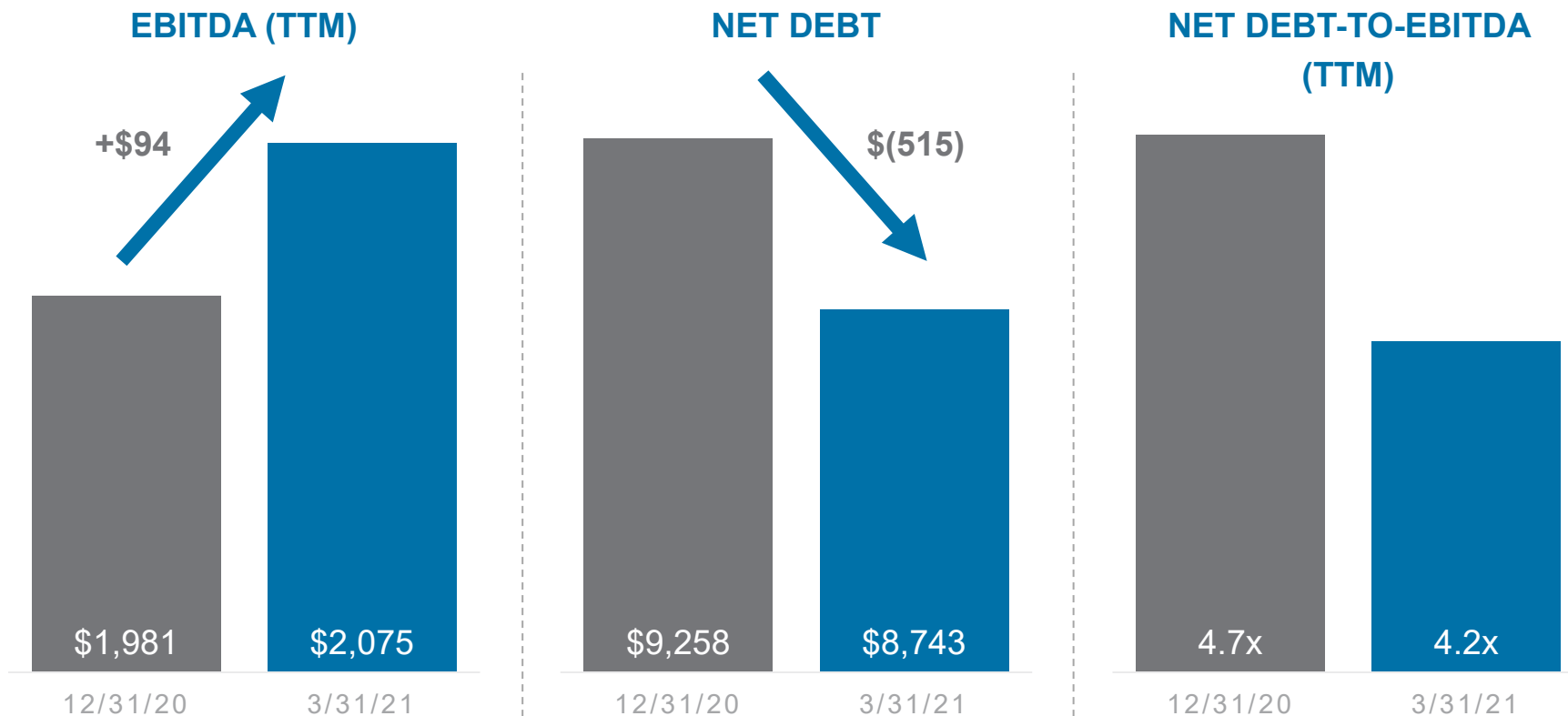


- Revenue +13%; Organic Revenue (1)% vs +4% Comp
- EBITDA +20%; EBITDA Margin +220 Bps to 36.7%
- DEPS +18% to \$3.60
- Free Cash Flow +54%; Net Working Capital (8)% of Q1 Annualized Revenue
- Reduced Debt by ~\$500M; Quickly Deleveraging After Acquisitions



Great Start to 2021

DELEVERAGING UPDATE



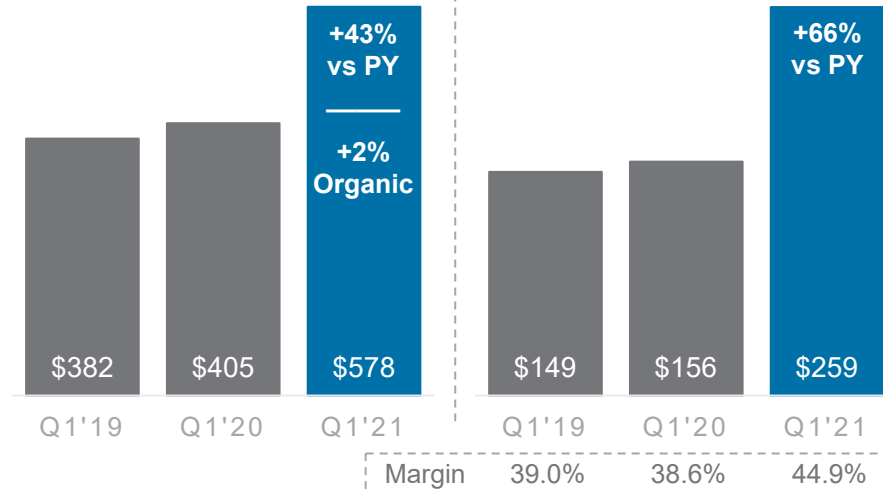
Cash Generation Enables Rapid Debt Reduction

SEGMENT PERFORMANCE

Q1 HIGHLIGHTS

- Consistent Organic Recurring Revenue Growth (~75% of Segment)
 - Strong Renewals and SaaS Adoption
 - Last Quarter of Non-Recurring Declines
- Strong Results from Deltek and Lab Software
 - Deltek Perpetual and Recurring Growth
 - Significant Share Gains at CliniSys
- Recovery Began for Businesses Negatively Impacted by COVID
 - Deltek Growth in Prof. Svcs. End Markets
 - CBORD Seeing Encouraging Signs in Education and Healthcare
- Meaningful Contributions from 2020 Acquisitions
 - Vertafore an Excellent Fit
 - Strata EPSi Integration Progressing Well

REVENUE



Q2 – Q4 OUTLOOK

- +HSD Organic Growth for the Segment
 - Sustained Recurring Growth
 - Resumption of Non-Recurring Growth
 - Q2 Lab Software Comp Against COVID Strength

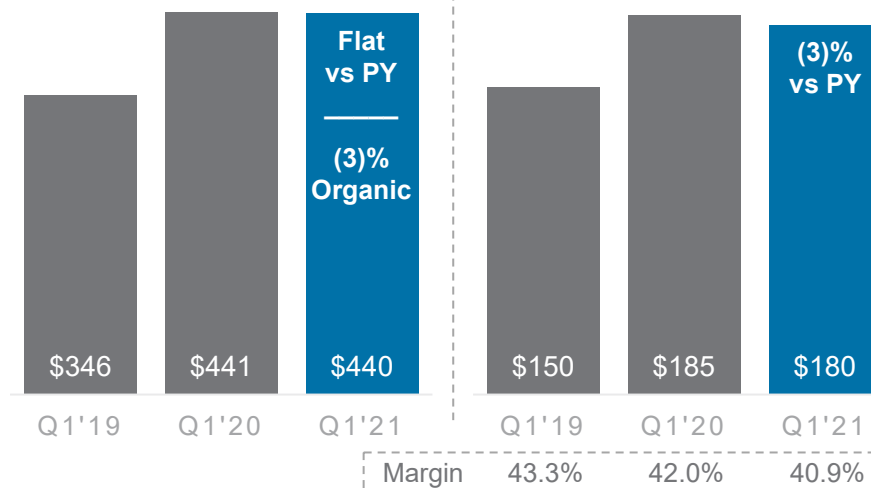
Q1 HIGHLIGHTS

- Network Software +4% Organic
(~65% of Segment)
 - Consistent Recurring Revenue Strength
 - Continued DAT Network Expansion
 - Accelerating Growth at ConstructConnect
 - Improved End Market Conditions and Customer Activity for Foundry
 - Customer Retention Remains High Across All Verticals
- TransCore/Other (13)% Organic
(~35% of Segment)
 - NYC Project Work Continued; Tag Declines Impacted Revenue and Margins

Organic Growth	Q1'20	Q1'21 Guide	Q1'21 Actual
Network Software	+LSD	+LSD	+4%
TransCore/Other	+Mid-Teens	(High-Teens)	(13)%
Total Organic	+9%	(3) to (5)%	(3)%

REVENUE

EBITDA

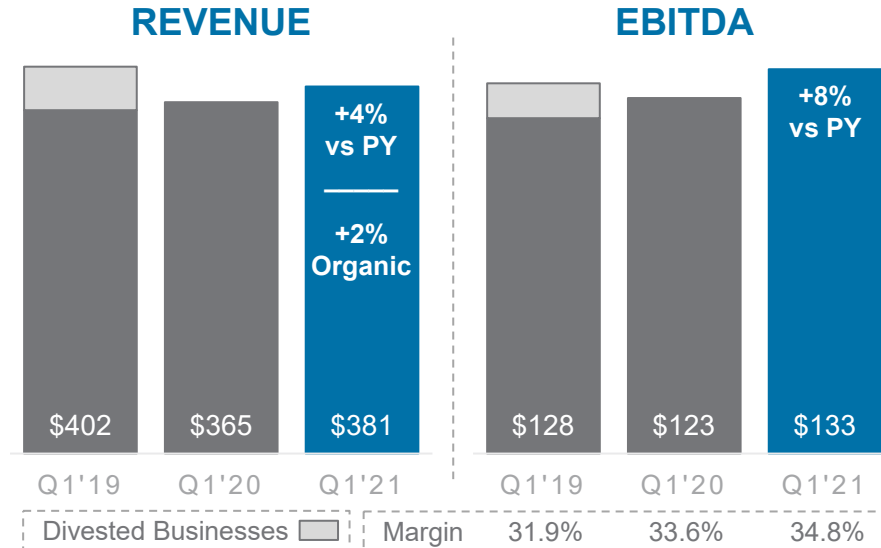


Q2 – Q4 OUTLOOK

- +HSD Organic Growth for the Segment
 - HSD Network Software Growth Q2 – Q4
 - TransCore Stronger in H2 vs Q2

Q1 HIGHLIGHTS

- Medical Products Businesses Seeing Recovering Hospital Capital Spending and Elective Procedure Volumes
 - Verathon GlideScope (Systems & Consumables) and BladderScan Growth
 - Other Medical Products Businesses Returned to Growth
- Neptune Declined, as Expected, from Ongoing Access Restrictions in Northeast US and Canada; Some Easing in March
- Continued End Market Improvement in Industrial Businesses

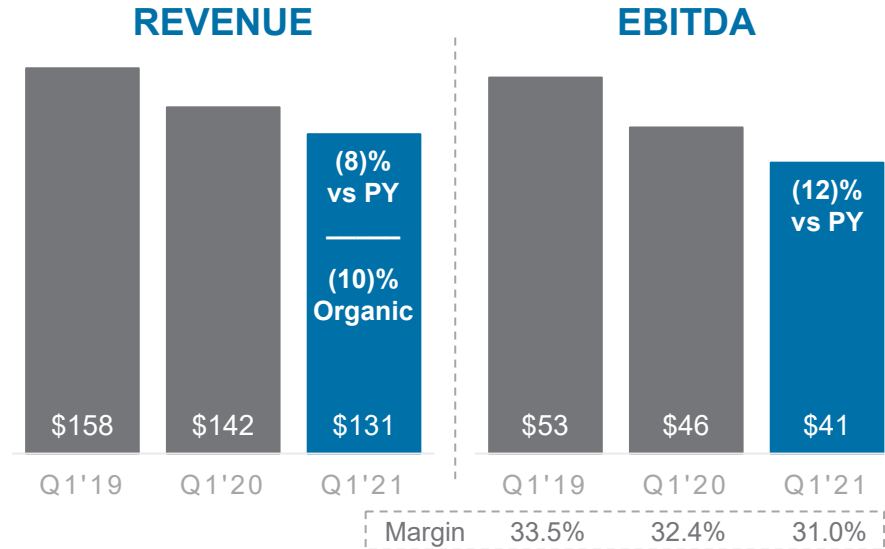


Q2 – Q4 OUTLOOK

- +HSD Organic Growth for the Segment
 - Broadly Improving Markets and Easing Comps, Partially Offset by Extraordinary Prior Year COVID Demand at Verathon

Q1 HIGHLIGHTS

- Improving End Market Conditions; O&G Beginning to Improve after Two Years of Declines
- Resumption of Previously Deferred Projects and Field Services Beginning
- Increasing Demand for Cornell's Connected IoT Pumping Solutions



Q2 – Q4 OUTLOOK

- +Double-Digit Organic Growth for the Segment

2021 GUIDANCE

- Raising Full Year 2021 Guidance
 - Adjusted DEPS: \$14.75 - \$15.00
 - Previously \$14.35 - \$14.75
 - Organic: +6 – 7%
- Establishing Q2 2021 Guidance
 - Adjusted DEPS: \$3.61 - \$3.65

- Great Start to 2021; Increased Outlook for Year
 - Double-Digit Revenue, EBITDA, DEPS, and Cash Flow Growth
 - EBITDA Margin +220 Bps to 36.7%
 - Free Cash Flow +54% to \$543M
 - Reduced Debt by ~\$500M; Rapid Deleveraging Continues
- Well Positioned for Continued Double-Digit Compounding
 - +HSD Organic Growth for Remainder of Year; Improving End Market Conditions
 - Ongoing Benefit from Enhanced Portfolio Quality and Growing Recurring Revenue Base
 - Meaningful Contribution from 2020 Cohort of Acquisitions
 - Actively Managing Large and High-Quality Pipeline of M&A Candidates

Simple Ideas. Powerful Results.

APPENDIX

Q1 INCOME STATEMENT METRICS



	Q1'20	Q1'21	
Revenue	\$1,353	\$1,530	+13%; Organic (1)%
Gross Profit	\$859	\$995	
Gross Margin	63.5%	65.0%	+150 Bps
EBITDA	\$467	\$561	+20%
EBITDA Margin	34.5%	36.7%	+220 Bps
Interest Expense	\$45	\$61	
Tax Rate	21.1%	21.2%	
Net Earnings	\$322	\$382	
DEPS	\$3.05	\$3.60	+18%

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.

RECONCILIATIONS I



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

	<u>Q1 2019</u>	<u>Q1 2020</u>	<u>Q1 2021</u>	<u>V %</u>	<u>FY 2020</u>	<u>Q1 TTM</u>
Adjusted Revenue Reconciliation						
GAAP Revenue	\$ 1,287	\$ 1,351	\$ 1,529	13%	\$ 5,527	\$ 5,705
Purchase accounting adjustment to acquired deferred revenue	1	2	1 ^A		12	10
Adjusted Revenue	<u>\$ 1,288</u>	<u>\$ 1,353</u>	<u>\$ 1,530</u>	<u>13%</u>	<u>\$ 5,539</u>	<u>\$ 5,715</u>
Adjusted Gross Profit Reconciliation						
GAAP Gross Profit	\$ 811	\$ 857	\$ 994		\$ 3,543	\$ 3,680
Purchase accounting adjustment to acquired deferred revenue	1	2	1 ^A		12	10
Adjusted Gross Profit	<u>\$ 811</u>	<u>\$ 859</u>	<u>\$ 995</u>	<u>16%</u>	<u>\$ 3,555</u>	<u>\$ 3,690</u>
Adjusted Gross Margin	63.0%	63.5%	65.0%	+150 bps	64.2%	64.6%
Adjusted EBITDA Reconciliation						
GAAP Net Earnings	\$ 370	\$ 240	\$ 289		\$ 950	\$ 998
Taxes	50	64	78		260	273
Interest Expense	44	45	61		219	234
Depreciation	12	13	15		53	55
Amortization	83	102	147		467	512
EBITDA	<u>\$ 558</u>	<u>\$ 465</u>	<u>\$ 589</u>	<u>27%</u>	<u>\$ 1,949</u>	<u>\$ 2,073</u>
Purchase accounting adjustment to acquired deferred revenue and commission expense	-	2	- ^A		10	7
Restructuring charge associated with certain Process Technologies businesses	-	-	-		14	14
Transaction-related expenses for completed acquisitions and divestiture	-	-	-		9	9
Gain on sale related to minority investment in Sedaru	-	-	(28)		-	(28)
Gain on sale of Scientific Imaging businesses	(120)	-	-		-	-
Adjusted EBITDA	<u>\$ 438</u>	<u>\$ 467</u>	<u>\$ 561</u>	<u>20%</u>	<u>\$ 1,981</u>	<u>\$ 2,075</u>
% of Adjusted Revenue	34.0%	34.5%	36.7%	+220 bps	35.8%	36.3%

Note: Numbers may not foot due to rounding.

RECONCILIATIONS II



Adjusted Revenue Growth Reconciliation

Q1 2021	Application	Network	Measurement	Process	Roper
	Software	Software & Systems	& Analytical Solutions	Technologies	
Organic	2%	(3%)	2%	(10%)	(1%)
Acquisitions/Divestitures	39%	2%	-	-	12%
Foreign Exchange	1%	1%	2%	2%	1%
Rounding	1%	-	-	-	1%
Total Adjusted Revenue Growth	43%	-	4%	(8%)	13%

Adjusted Segment Reconciliation (\$M)

	Application Software			Network Software & Systems			Measurement & Analytical Solutions			Process Technologies		
	Q1 2019	Q1 2020	Q1 2021	Q1 2019	Q1 2020	Q1 2021	Q1 2019	Q1 2020	Q1 2021	Q1 2019	Q1 2020	Q1 2021
GAAP Revenue	\$ 381	\$ 405	\$ 577	\$ 346	\$ 438	\$ 440	\$ 402	\$ 365	\$ 381	\$ 158	\$ 142	\$ 131
Add: PowerPlan, Foundry, iPipeline, Vertafore	1	-	1	-	2	-	-	-	-	-	-	-
Adjusted Revenue	382	405	578	346	441	440	402	365	381	158	142	131
GAAP Operating Profit	91	98	154	125	139	135	118	114	124	50	43	38
Add: PowerPlan, Foundry, iPipeline, Vertafore	-	-	-	-	2	-	-	-	-	-	-	-
Adjusted Operating Profit	92	98	153	125	141	135	118	114	124	50	43	38
Adjusted Operating Margin	24.0%	24.1%	26.5%	36.2%	32.0%	30.8%	29.4%	31.2%	32.6%	31.6%	30.5%	29.3%
Add: Amortization	52	54	99	22	40	41	7	6	6	2	2	1
Adjusted EBITA	144	152	252	147	181	176	125	120	130	52	45	40
Add: Depreciation	5	5	7	3	4	4	3	3	3	1	1	1
Adjusted EBITDA	\$ 149	\$ 156	\$ 259	\$ 150	\$ 185	\$ 180	\$ 128	\$ 123	\$ 133	\$ 53	\$ 46	\$ 41
Adjusted EBITDA Margin	39.0%	38.6%	44.9%	43.3%	42.0%	40.9%	31.9%	33.6%	34.8%	33.5%	32.4%	31.0%

Note: Numbers may not foot due to rounding.

RECONCILIATIONS III



Adjusted Net Earnings Reconciliation (\$M) ^B

	<u>Q1 2020</u>	<u>Q1 2021</u>	<u>V %</u>
GAAP Net Earnings	\$ 240	\$ 289	20%
Purchase accounting adjustment to acquired deferred revenue and commission expense ^A	2	-	
Amortization of acquisition-related intangible assets ^C	79	115	
Gain on sale related to minority investment in Sedaru	-	(22)	
Adjusted Net Earnings	<u>\$ 322</u>	<u>\$ 382</u>	<u>19%</u>

Adjusted DEPS Reconciliation ^B

	<u>Q1 2020A</u>	<u>Q1 2021A</u>	<u>V %</u>	<u>Q2 2021E</u>		<u>FY 2021E</u>	
				<u>Low End</u>	<u>High End</u>	<u>Low End</u>	<u>High End</u>
GAAP DEPS	\$ 2.28	\$ 2.73	20%	\$ 2.54	\$ 2.58	\$ 10.70	\$ 10.95
Purchase accounting adjustment to acquired deferred revenue and commission expense ^A	0.02	-		(0.01)	(0.01)	(0.04)	(0.04)
Amortization of acquisition-related intangible assets ^C	0.75	1.08		1.08	1.08	4.30	4.30
Gain on sale related to minority investment in Sedaru	-	(0.21)		-	-	(0.21)	(0.21)
Adjusted DEPS	<u>\$ 3.05</u>	<u>\$ 3.60</u>	<u>18%</u>	<u>\$ 3.61</u>	<u>\$ 3.65</u>	<u>\$ 14.75</u>	<u>\$ 15.00</u>

Adjusted Cash Flow Reconciliation (\$M)

	<u>Q1 2019</u>	<u>Q1 2020</u>	<u>Q1 2021</u>	<u>V %</u>
Operating Cash Flow	\$ 290	\$ 364	\$ 560	54%
Cash taxes paid on sale of Scientific Imaging businesses	39	-	-	
Adjusted Operating Cash Flow	\$ 330	\$ 364	\$ 560	54%
Capital Expenditures	(16)	(8)	(9)	
Capitalized Software Expenditures	(2)	(3)	(7)	
Adjusted Free Cash Flow	<u>\$ 312</u>	<u>\$ 353</u>	<u>\$ 543</u>	<u>54%</u>

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

	<u>Q1 2020A</u>	<u>Q1 2021A</u>	<u>Q2 2021E</u>	<u>FY 2021E</u>
Pretax	\$ 2	\$ -	\$ (1)	\$ (5)
After-tax	\$ 2	\$ -	\$ (1)	\$ (4)
Per Share	\$ 0.02	\$ -	\$ (0.01)	\$ (0.04)

- B. All 2020 and 2021 adjustments taxed at 21%.

- C. Actual results and forecast of estimated amortization of acquisition-related intangible assets as shown below (\$M, except per share data).

	<u>Q1 2020A</u>	<u>Q1 2021A</u>	<u>Q2 2021E</u>	<u>FY 2021E</u>
Pretax	\$ 101	\$ 145	\$ 145	\$ 578
After-tax	\$ 79	\$ 115	\$ 114	\$ 457
Per share	\$ 0.75	\$ 1.08	\$ 1.08	\$ 4.30



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