



A DIVERSIFIED TECHNOLOGY COMPANY

Q3 2021 FINANCIAL RESULTS

OCTOBER 22, 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 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 our 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, 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.

During and Subsequent to Q3, Roper Signed Definitive Agreements to Divest its TransCore, Zetec, and CIVCO Radiotherapy Businesses. Results for these Businesses are Reported as Discontinued Operations for All Periods Presented. Unless Otherwise Noted, the Numbers Shown in this Presentation are on a 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) Income Tax Restructuring Associated with Pending Divestitures

See Appendix for Reconciliations.



- Q3 Enterprise Highlights & Financial Results
- Segment Detail & Outlook
- Q4 & FY 2021 Enterprise Guidance
- Q&A

- Another Quarter of Excellent Performance
- Revenue, EBITDA, and DEPS Grew 20%+
- +12% Organic Revenue Growth
- Continued Strong Software Recurring Revenue Growth
- Strong Customer Demand; Product Businesses Executing Well Despite Challenging Supply Chain Environment
- Continued Rapid Deleveraging Following Acquisitions
- Improved Full Year Outlook
- Excellent Additions to Board of Directors
- Strategic Actions Accelerate Portfolio Transformation

- Divesting TransCore, Zetec, and CIVCO Radiotherapy for a Combined \$3.15B
 - ~\$160M EBITDA in 2021
 - ~20x 2021 EBITDA
- Higher Quality Portfolio Following Transactions
- Accelerates and Amplifies Roper's Ability to Deploy Capital; \$5B+ of M&A Firepower Including Deal Proceeds
- Retaining DAT, Loadlink, and CIVCO Medical Solutions, Which Continue to Be Strong Growth Businesses for Roper

Q3 RESULTS

(BRIDGE TO CONTINUING OPERATIONS)



	Q3'21 Including Discontinued Operations	Discontinued Operations	Q3'21 Continuing Operations
Revenue	\$1,621	\$(159)	\$1,463
EBITDA	\$602	\$(44)	\$558
DEPS	\$3.91	\$(0.31)	\$3.60
DEPS Guidance	\$3.80 - \$3.84		
Free Cash Flow	\$431		

In \$ millions, except DEPS.

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

Q3 INCOME STATEMENT METRICS

(CONTINUING OPERATIONS)



	Q3'20	Q3'21	
Revenue	\$1,201	\$1,463	+22%; Organic +12%
Gross Profit	\$813	\$996	+23%
Gross Margin	67.7%	68.1%	
EBITDA	\$462	\$558	+21%
EBITDA Margin	38.5%	38.2%	
Interest Expense	\$55	\$58	
Tax Rate	21.8%	21.1%	
Net Earnings	\$308	\$384	+24%
DEPS	\$2.91	\$3.60	+24%

In \$ millions, except DEPS.

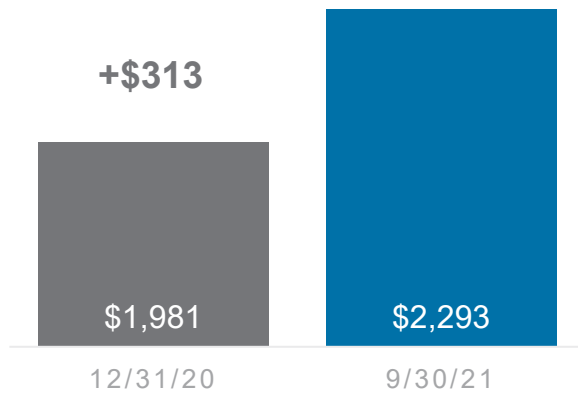
Results are presented on an Adjusted (Non-GAAP) and continuing operations basis. See subsequent slides of this presentation and press release for reconciliations.

DELEVERAGING UPDATE

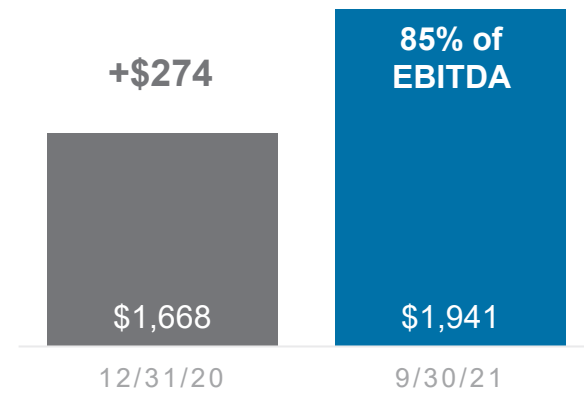
(INCLUDING DISCONTINUED OPERATIONS)



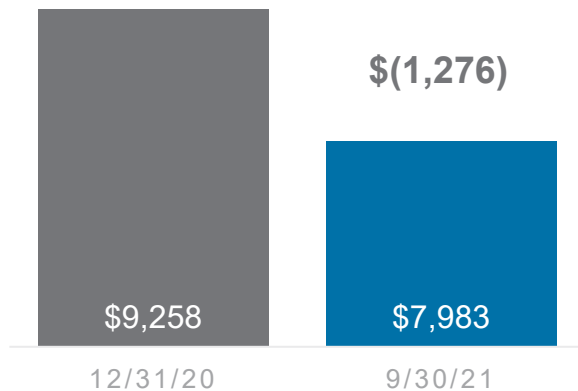
EBITDA* (TTM)



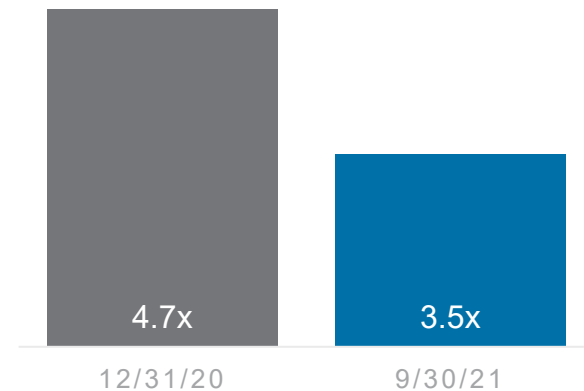
FREE CASH FLOW* (TTM)



NET DEBT*



NET DEBT-TO-EBITDA* (TTM)



Reduced Leverage by \$1.8B Since Completing 2020 Acquisitions

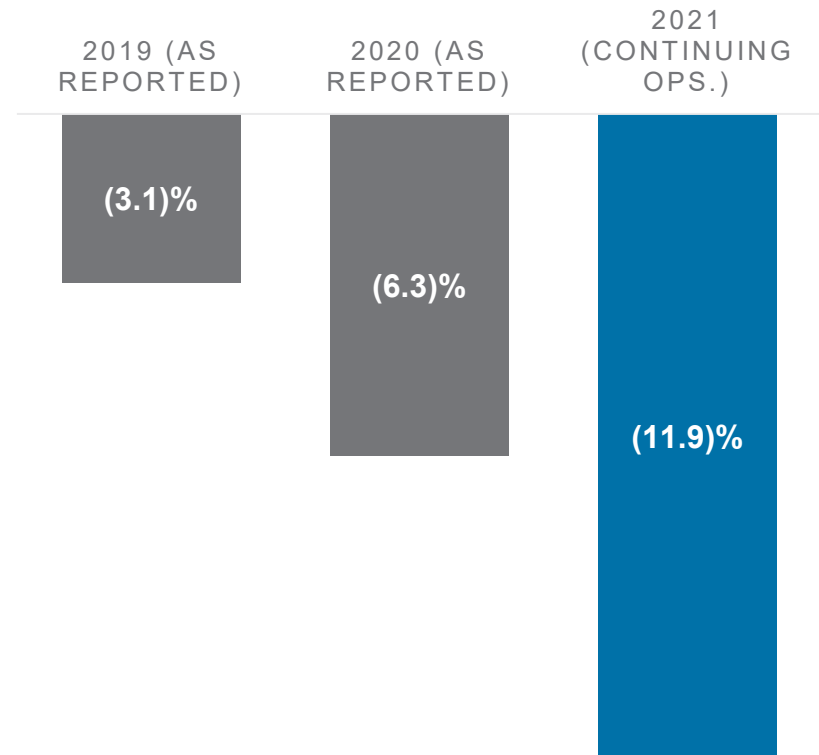
* Includes discontinued operations.

In \$ millions. Numbers may not foot due to rounding.

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

NET WORKING CAPITAL ⁽¹⁾ AS % OF Q3 ANNUALIZED REVENUE

- Divestitures Meaningfully Improve Net Working Capital Position
 - NWC Lower by \$200M+
 - Significant Decrease in Unbilled Receivables

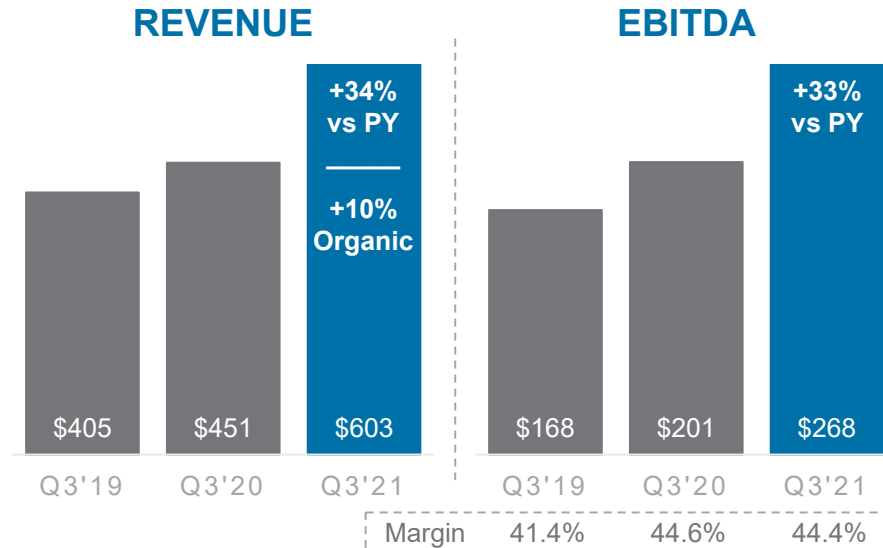


Negative Net Working Capital Enhances Cash Conversion

SEGMENT PERFORMANCE

Q3 HIGHLIGHTS

- Double-Digit Organic Revenue Growth
 - Recurring Revenue +DD (~75% of Segment)
- Continued Broad-Based Growth
 - Deltek Strength – GovCon Wins; Enterprise SaaS Momentum; PS Strength
 - Strong Performance at Vertafore; Large Enterprise Expansions; End-Market Strength
 - Record SaaS Bookings for Aderant; Continued Market Share Gains
 - PowerPlan Strong Bookings; Recurring Revenue Accelerating
 - Strata New Subscription Growth; EPSi Integration On-Track
 - Additional UK System Wins for CliniSys



Q4 OUTLOOK

- Organic Growth Similar to Q3
 - Strong Recurring Revenue Growth

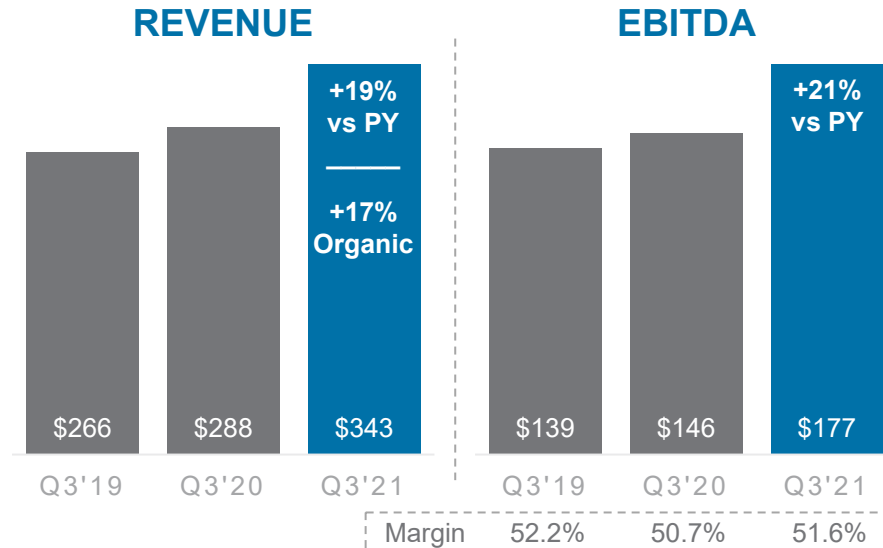
NETWORK SOFTWARE & SYSTEMS

(CONTINUING OPERATIONS)



Q3 HIGHLIGHTS

- Segment Now >90% Software
- Continued Strong Software Recurring Revenue Growth & Customer Retention Rates
- Record Carrier Additions for DAT; Increased Revenue Per Customer; Favorable Market Conditions
- Customer Additions and Upsell to Existing Customers Drove Foundry Growth; New Nuke Features Well Received
- Strong Growth from Long-Term Care Focused Businesses (MHA, SHP, and SoftWriters)
- iTradeNetwork Growth with Network Expansion and Continued Strong Customer Retention
- Strong Growth for rf IDEAS and Inovonics Products Led by Healthcare Solutions

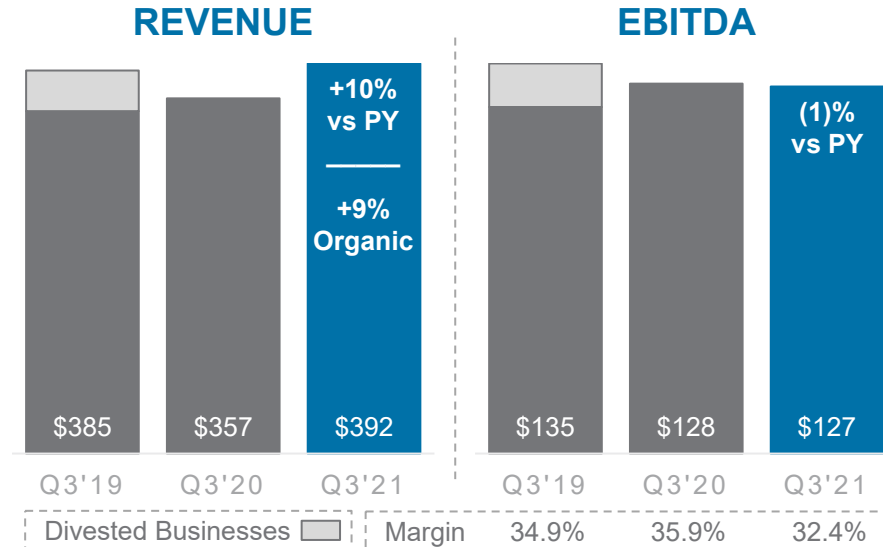


Q4 OUTLOOK

- Low Double-Digit Organic Growth
 - Strong Recurring Revenue Growth

Q3 HIGHLIGHTS

- Organic Revenue Grew 20%+ Excl. Verathon
- Backlog Up 50%+
- Strong Customer Demand; Margins In Line with Expectations; Businesses Executed Well Despite Supply Chain Challenges
- Verathon Revenue Remained Significantly Above 2019 Levels; Sequential Growth; Strong Demand for Single-Use Bronchoscope and BladderScan
- Recovery Continued for Other Medical Products; NDI and CIVCO Medical Solutions Especially Strong
- Neptune Share Gains; Markets Improving but Not Fully Recovered; New Product Adoption
- Industrial Businesses Growth Limited by Supply Chain; Customer Demand Strong

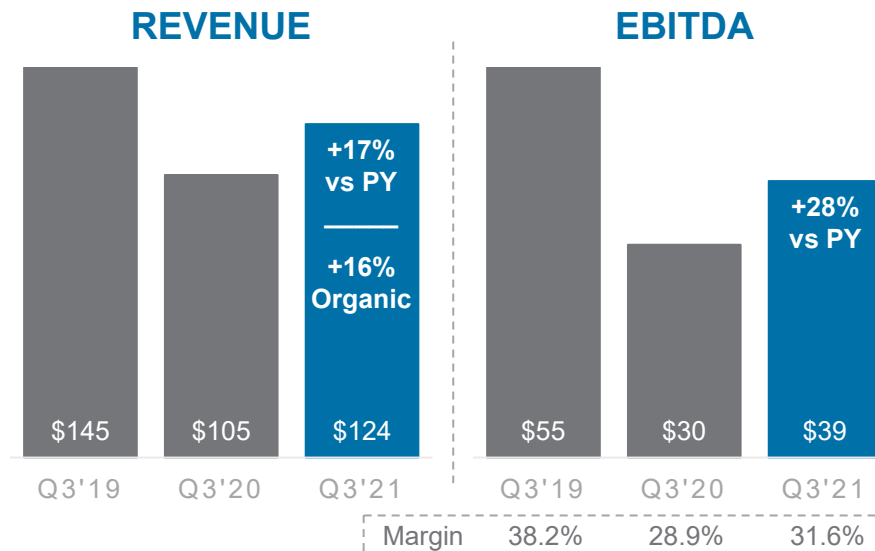


Q4 OUTLOOK

- Low Double-Digit Organic Growth

Q3 HIGHLIGHTS

- Strong Demand for Our Solutions; Orders and Backlog Up ~50%
- Accelerated Upstream O&G Growth
- Continued Cornell Share Gains; IoT Pumping Solutions Ramping
- Businesses Managing Through Challenging Supply Chain Conditions



Q4 OUTLOOK

- High-Teens Organic Growth

2021 GUIDANCE

GUIDANCE UPDATE

(CONTINUING OPERATIONS)



	Adjusted DEPS	
	Low End	High End
New FY'21 Guidance (Continuing Operations)	\$14.08	\$14.12
<i>FY Discontinued Operations</i>		<i>\$1.18</i>
<i>FY'21 DEPS Including Discontinued Operations</i>	<i>\$15.26</i>	<i>\$15.30</i>
<i>Previous FY'21 Guidance Including Discontinued Operations</i>	<i>\$15.00</i>	<i>\$15.20</i>
Establishing Q4'21 Guidance (Continuing Operations)	\$3.62	\$3.66
<i>Q4 Discontinued Operations</i>		<i>\$0.37</i>

Guidance excludes impact of unannounced future acquisitions or divestitures. Also excludes any redeployment of proceeds from announced divestitures. Guidance presented on an Adjusted (Non-GAAP) and continuing operations basis. See Appendix of this presentation and press release for reconciliations. Discontinued operations DEPS assumes ownership of businesses for the entire fourth quarter of 2021.

- Continued Strong Execution; Improved 2021 Outlook
 - 20%+ Revenue, EBITDA, and DEPS Growth
 - +12% Organic Revenue Growth
 - Continued Strong Software Recurring Revenue Growth
 - Customer Demand Strong; Product Businesses Navigating Challenging Supply Chain
 - Reduced Debt by ~\$370M in Q3; Decreased \$1.8B Since Completing 2020 Acquisitions
- Excellent Additions to Board of Directors (Irene Esteves & Tom Joyce)
- Ongoing Enhancement of Portfolio Quality
 - Growing Recurring Revenue Base
 - Strategic Actions Accelerate Portfolio Transformation
 - Divestiture Proceeds Amplify Capital Deployment Capacity
 - \$5B+ of M&A Firepower; Robust Pipeline of High-Quality M&A Opportunities

Simple Ideas. Powerful Results.

APPENDIX

SEGMENT RESULTS - CONTINUING OPERATIONS



	Q1'20	Q2'20	Q3'20	Q4'20	FY'20	Q1'21	Q2'21	Q3'21
Application Software								
Revenue	\$405	\$398	\$451	\$554	\$1,808	\$578	\$592	\$603
Operating Profit	\$98	\$113	\$128	\$136	\$475	\$153	\$153	\$163
EBITDA	\$156	\$172	\$201	\$242	\$772	\$259	\$258	\$268
Network Software & Systems								
Revenue	\$299	\$280	\$288	\$310	\$1,177	\$314	\$326	\$343
Operating Profit	\$105	\$94	\$102	\$116	\$417	\$114	\$120	\$134
EBITDA	\$148	\$136	\$146	\$159	\$589	\$157	\$163	\$177
Measurement & Analytical Solutions								
Revenue	\$354	\$355	\$357	\$360	\$1,426	\$370	\$385	\$392
Operating Profit	\$112	\$121	\$120	\$111	\$463	\$121	\$121	\$119
EBITDA	\$120	\$130	\$128	\$119	\$497	\$130	\$130	\$127
Process Technologies								
Revenue	\$127	\$106	\$105	\$117	\$455	\$116	\$125	\$124
Operating Profit	\$39	\$27	\$28	\$35	\$129	\$35	\$40	\$37
EBITDA	\$42	\$29	\$30	\$37	\$139	\$37	\$42	\$39

Q3 INCOME STATEMENT METRICS - INCLUDING DISCONTINUED OPERATIONS



	Q3'21
Application Software	\$603
Network Software & Systems	\$475
Measurement & Analytical Solutions	\$404
Process Technologies	\$138
Revenue	\$1,621
Application Software	\$163
Network Software & Systems	\$172
Measurement & Analytical Solutions	\$121
Process Technologies	\$40
Operating Profit	\$497
Amortization	\$146
Corporate	\$53
Interest Expense	\$58
Taxes	\$112
DEPS	\$3.91
DEPS Guidance	\$3.80 - \$3.84
Free Cash Flow	\$431

In \$ millions, except DEPS.

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

RECONCILIATIONS I

(CONTINUING OPERATIONS)



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

	<u>Q3 2020</u>	<u>Q3 2021</u>	<u>V %</u>
Adjusted Revenue Reconciliation			
GAAP Revenue	\$ 1,198	\$ 1,463	22%
Purchase accounting adjustment to acquired deferred revenue	3	-	
Adjusted Revenue	<u>\$ 1,201</u>	<u>\$ 1,463</u>	<u>22%</u>
Components of Adjusted Revenue Growth			
Organic			12%
Acquisitions/Divestitures			9%
Foreign Exchange			1%
Total Adjusted Revenue Growth for Continuing Operations			<u>22%</u>
Adjusted Gross Profit Reconciliation			
GAAP Gross Profit	\$ 810	\$ 996	
Purchase accounting adjustment to acquired deferred revenue	3	-	
Adjusted Gross Profit	<u>\$ 813</u>	<u>\$ 996</u>	<u>23%</u>
GAAP Gross Margin	67.6%	68.1%	+50 bps
Adjusted Gross Margin	67.7%	68.1%	+40 bps
Adjusted EBITDA Reconciliation			
GAAP Net Earnings from Continuing Operations	\$ 207	\$ 260	
Taxes	59	84	
Interest Expense	62	58	
Depreciation	11	12	
Amortization	116	146	
EBITDA	<u>\$ 456</u>	<u>\$ 560</u>	<u>23%</u>
Purchase accounting adjustment to acquired deferred revenue and commission expense	3	(1) ^A	
Transaction-related expenses for completed acquisitions	3	-	
Adjusted EBITDA	<u>\$ 462</u>	<u>\$ 558</u>	<u>21%</u>
% of Adjusted Revenue	38.5%	38.2%	(30 bps)

Note: Numbers may not foot due to rounding.

RECONCILIATIONS II

(CONTINUING OPERATIONS)



Adjusted Revenue Growth Reconciliation

Q3 2021	Application Software	Network Software & Systems	Measurement & Analytical Solutions	Process Technologies	Roper
Organic	10%	17%	9%	16%	12%
Acquisitions/Divestitures	23%	1%	-	-	9%
Foreign Exchange	1%	1%	1%	1%	1%
Total Adjusted Revenue Growth	34%	19%	10%	17%	22%

Adjusted Net Earnings Reconciliation (\$M)^B

	Q3 2020	Q3 2021	V %
GAAP Net Earnings from Continuing Operations	\$ 207	\$ 260	26%
Purchase accounting adjustment to acquired deferred revenue and commission expense	2	(1) ^A	
Transaction-related expenses for completed acquisitions	8	-	
Amortization of acquisition-related intangible assets ^C	91	114	
Internal tax restructuring	-	11	
Adjusted Net Earnings from Continuing Operations	\$ 308	\$ 384	24%
GAAP Net Earnings from Discontinued Operations	27	30	
Deferred tax adjustment due to held-for-sale classification of Zetec	-	3	
Total Adjusted Net Earnings	\$ 336	\$ 417	24%

RECONCILIATIONS III

(CONTINUING OPERATIONS)



Adjusted DEPS Reconciliation ^B

	<u>Q3 2020</u>	<u>Q3 2021</u>	<u>V %</u>
GAAP DEPS from Continuing Operations	\$ 1.95	\$ 2.43	25%
Purchase accounting adjustment to acquired deferred revenue and commission expense	0.02	(0.01) ^A	
Transaction-related expenses for completed acquisitions	0.08	-	
Amortization of acquisition-related intangible assets ^C	0.86	1.07	
Internal tax restructuring	-	0.11	
Adjusted DEPS from Continuing Operations	<u>\$ 2.91</u>	<u>\$ 3.60</u>	<u>24%</u>
GAAP DEPS from Discontinued Operations	0.26	0.28	
Deferred tax adjustment due to held-for-sale classification of Zetec	-	0.03	
Total Adjusted DEPS	<u>\$ 3.17</u>	<u>\$ 3.91</u>	<u>23%</u>

Forecasted Adjusted DEPS Reconciliation ^B

	<u>Q4 2021</u>		<u>FY 2021</u>	
	<u>Low End</u>	<u>High End</u>	<u>Low End</u>	<u>High End</u>
GAAP DEPS from Continuing Operations	\$ 2.57	\$ 2.61	\$ 9.93	\$ 9.97
Purchase accounting adjustment to acquired deferred revenue and commission expense ^A	(0.01)	(0.01)	(0.04)	(0.04)
Amortization of acquisition-related intangible assets ^C	1.06	1.06	4.29	4.29
Internal tax restructuring	-	-	0.11	0.11
Gain on sale related to minority investment in Sedaru	-	-	(0.21)	(0.21)
Adjusted DEPS from Continuing Operations	<u>\$ 3.62</u>	<u>\$ 3.66</u>	<u>\$ 14.08</u>	<u>\$ 14.12</u>
FY GAAP DEPS from Discontinued Operations			1.15	1.15
Deferred tax adjustment due to held-for-sale classification of Zetec			0.03	0.03
FY Adjusted DEPS			<u>\$ 15.26</u>	<u>\$ 15.30</u>

RECONCILIATIONS IV

(CONTINUING OPERATIONS)



<u>Application Software</u>	2019	2020					2021		
	Q3 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021
GAAP Revenue	\$ 405	\$ 405	\$ 398	\$ 448	\$ 549	\$ 1,800	\$ 577	\$ 592	\$ 603
Purchase accounting adjustment to acquired deferred revenue	-	-	-	3	5	8	1	-	-
Adjusted Revenue	405	405	398	451	554	1,808	578	592	603
GAAP Operating Profit	110	98	113	126	132	469	154	154	165
Purchase accounting adjustment to acquired deferred revenue and commission expense	-	-	-	3	3	6	-	(1)	(1)
Adjusted Operating Profit	110	98	113	128	136	475	153	153	163
Adjusted Operating Margin	27.2%	24.1%	28.5%	28.4%	24.5%	26.3%	26.5%	25.8%	27.0%
Amortization	53	54	54	68	99	275	99	99	99
Depreciation	5	5	5	5	8	22	7	7	6
Adjusted EBITDA	\$ 168	\$ 156	\$ 172	\$ 201	\$ 242	\$ 772	\$ 259	\$ 258	\$ 268
Adjusted EBITDA Margin	41.4%	38.6%	43.1%	44.6%	43.7%	42.7%	44.9%	43.7%	44.4%

<u>Network Software & Systems</u>	2019	2020					2021		
	Q3 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021
GAAP Revenue	\$ 263	\$ 297	\$ 279	\$ 288	\$ 310	\$ 1,174	\$ 314	\$ 326	\$ 343
Purchase accounting adjustment to acquired deferred revenue	3	2	1	-	-	4	-	-	-
Adjusted Revenue	266	299	280	288	310	1,177	314	326	343
GAAP Operating Profit	101	103	93	102	116	414	114	120	134
Purchase accounting adjustment to acquired deferred revenue	3	2	1	-	-	4	-	-	-
Adjusted Operating Profit	104	105	94	102	116	417	114	120	134
Adjusted Operating Margin	39.3%	35.2%	33.6%	35.5%	37.3%	35.5%	36.3%	36.8%	39.1%
Amortization	32	40	40	41	41	162	41	41	41
Depreciation	2	2	2	2	2	9	2	2	2
Adjusted EBITDA	\$ 139	\$ 148	\$ 136	\$ 146	\$ 159	\$ 589	\$ 157	\$ 163	\$ 177
Adjusted EBITDA Margin	52.2%	49.4%	48.7%	50.7%	51.3%	50.1%	50.0%	50.1%	51.6%

Note: Numbers may not foot due to rounding.

RECONCILIATIONS V

(CONTINUING OPERATIONS)



Measurement & Analytical Solutions	2019	2020					2021		
	Q3 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021
GAAP Revenue	\$ 385	\$ 354	\$ 355	\$ 357	\$ 360	\$ 1,426	\$ 370	\$ 385	\$ 392
Purchase accounting adjustment to acquired deferred revenue	-	-	-	-	-	-	-	-	-
Adjusted Revenue	385	354	355	357	360	1,426	370	385	392
GAAP Operating Profit	125	112	121	120	111	463	121	121	119
Purchase accounting adjustment to acquired deferred revenue	-	-	-	-	-	-	-	-	-
Adjusted Operating Profit	125	112	121	120	111	463	121	121	119
Adjusted Operating Margin	32.4%	31.6%	34.1%	33.5%	30.8%	32.5%	32.9%	31.5%	30.3%
Amortization	7	6	6	6	6	22	6	6	5
Depreciation	3	3	3	3	3	12	3	3	3
Adjusted EBITDA	\$ 135	\$ 120	\$ 130	\$ 128	\$ 119	\$ 497	\$ 130	\$ 130	\$ 127
Adjusted EBITDA Margin	34.9%	34.0%	36.5%	35.9%	33.1%	34.9%	35.2%	33.7%	32.4%

Process Technologies	2019	2020					2021		
	Q3 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021
GAAP Revenue	\$ 145	\$ 127	\$ 106	\$ 105	\$ 117	\$ 455	\$ 116	\$ 125	\$ 124
Purchase accounting adjustment to acquired deferred revenue	-	-	-	-	-	-	-	-	-
Adjusted Revenue	145	127	106	105	117	455	116	125	124
GAAP Operating Profit	53	39	13	28	35	115	35	40	37
Restructuring	-	-	14	-	-	14	-	-	-
Adjusted Operating Profit	53	39	27	28	35	129	35	40	37
Adjusted Operating Margin	36.3%	31.1%	25.5%	26.6%	29.6%	28.4%	30.3%	32.4%	30.0%
Amortization	2	2	2	2	2	6	1	1	1
Depreciation	1	1	1	1	1	3	1	1	1
Adjusted EBITDA	\$ 55	\$ 42	\$ 29	\$ 30	\$ 37	\$ 139	\$ 37	\$ 42	\$ 39
Adjusted EBITDA Margin	38.2%	33.0%	27.7%	28.9%	31.7%	30.5%	32.1%	33.9%	31.6%

Note: Numbers may not foot due to rounding.

RECONCILIATIONS VI

(INCLUDING DISCONTINUED OPERATIONS)



Adjusted Revenue, and EBITDA Reconciliation (\$M)

	Q3 2020	Q3 2021	V %	FY 2020	TTM 2021
Adjusted Revenue Reconciliation					
GAAP Revenue	\$ 1,366	\$ 1,621	19%	\$ 5,527	\$ 6,243
Purchase accounting adjustment to acquired deferred revenue	3	-		12	6
Adjusted Revenue	<u>\$ 1,369</u>	<u>\$ 1,621</u>	<u>18%</u>	<u>\$ 5,539</u>	<u>\$ 6,249</u>
Adjusted EBITDA Reconciliation					
GAAP Net Earnings	\$ 234	\$ 289		\$ 950	\$ 1,121
Taxes	69	96		260	309
Interest Expense	62	58		219	242
Depreciation	13	13		53	58
Amortization	117	146		467	587
EBITDA	<u>\$ 495</u>	<u>\$ 604</u>	<u>22%</u>	<u>\$ 1,949</u>	<u>\$ 2,316</u>
Purchase accounting adjustment to acquired deferred revenue and commission expense	3	(1) ^A		10	-
Restructuring charge associated with certain Process Technologies businesses	-	-		14	-
Transaction-related expenses for completed acquisitions	3	-		9	5
Gain on sale related to minority investment in Sedaru	-	-		-	(28)
Adjusted EBITDA	<u>\$ 501</u>	<u>\$ 602</u>	<u>20%</u>	<u>\$ 1,981</u>	<u>\$ 2,293</u>
% of Adjusted Revenue	36.6%	37.1%	+50 bps	35.8%	36.7%

Adjusted Cash Flow Reconciliation (\$M)

	Q3 2020	Q3 2021	V %	FY 2020	TTM 2021
Operating Cash Flow	\$ 138	\$ 447	224%	\$ 1,525	\$ 2,007
Cash taxes paid on sale of Gatan	192	-		192	-
Deferred tax payments	124	-		-	-
Adjusted Operating Cash Flow	<u>\$ 454</u>	<u>\$ 447</u>	<u>(1%)</u>	<u>\$ 1,717</u>	<u>\$ 2,007</u>
Capital Expenditures	(7)	(8)		(28)	(30)
Capitalized Software Expenditures	(5)	(7)		(18)	(30)
Investing Activities from Discontinued Operations	-	(1)		(3)	(5)
Total Adjusted Free Cash Flow	<u>\$ 442</u>	<u>\$ 431</u>	<u>(3%)</u>	<u>\$ 1,668</u>	<u>\$ 1,941</u>

Note: Numbers may not foot due to rounding.

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>Q3 2020A</u>	<u>Q3 2021A</u>	<u>Q4 2021E</u>	<u>FY 2021E</u>
Pretax	\$ 3	\$ (1)	\$ (1)	\$ (5)
After-tax	\$ 2	\$ (1)	\$ (1)	\$ (4)
Per Share	\$ 0.02	\$ (0.01)	\$ (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>Q3 2020A</u>	<u>Q3 2021A</u>	<u>Q4 2021E</u>	<u>FY 2021E</u>
Pretax	\$ 115	\$ 144	\$ 144	\$ 578
After-tax	\$ 91	\$ 114	\$ 114	\$ 457
Per share	\$ 0.86	\$ 1.07	\$ 1.06	\$ 4.29



A DIVERSIFIED TECHNOLOGY COMPANY