

ROPER INDUSTRIES INC  
Form 8-K  
October 27, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

October 27, 2014

---

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)  
ROPER INDUSTRIES, INC.

---

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)  
DELAWARE

---

(STATE OR OTHER JURISDICTION OF INCORPORATION)  
1-12273

(COMMISSION FILE NUMBER)

6901 PROFESSIONAL PKWY. EAST, SUITE 200, SARASOTA,  
FLORIDA  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)  
(941) 556-2601

51-0263969

(IRS EMPLOYER IDENTIFICATION  
NO.)

34240

(ZIP CODE)

---

(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

---

(FORMER NAME OR ADDRESS, IF CHANGED SINCE LAST REPORT)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On October 27, 2014, Roper Industries, Inc. (the "Company") issued a press release containing information about the Company's results of operations for the quarter ended September 30, 2014. A copy of the press release is furnished as Exhibit 99.1. In the press release, the Company uses several non-GAAP financial measures: non-GAAP Revenue, non-GAAP Gross Profit, non-GAAP Gross Margin, non-GAAP Net Income, non-GAAP Diluted Earnings per Share, EBITDA and Free Cash Flow.

Business combination accounting rules required Roper to account for the fair value of deferred revenue assumed in connection with the 2013 acquisition of Sunquest Information Systems, and the 2014 acquisitions of Foodlink and Strategic Healthcare Programs ("SHP"). The fair value is based on the assumed cost of having a third-party provide the relevant support services rather than the contracted amount under the contracts. Because the fair value is less than the contracted amount, Roper's GAAP revenues for the one year period subsequent to the acquisition will not reflect the full amount of revenue that would have otherwise been recorded by the acquired companies had they remained independent companies. The Adjusted Revenue measure is intended to reflect the full amount that would have recognized as revenue, absent the fair value adjustment.

In the second quarter of 2013, business combination accounting rules required Roper to account for the fair value of accounts receivable at acquisition date for revenue that was "earned but not recognized" at the date of purchase of Managed Healthcare Associates, Inc. ("MHA"). Roper's GAAP revenues for the one year period subsequent to the acquisition did not reflect the full amount of revenue that would have otherwise been recorded by MHA had they remained an independent company. The Adjusted Revenue measure is intended to reflect the full amount that MHA would have recognized as revenue, absent the fair value adjustment.

In the third quarter of 2014, business combination accounting rules required Roper to increase the carrying value of the inventory (inventory step-up) to fair value at the date of purchase of Innovative Product Achievements ("IPA"). Roper's GAAP gross profit for the two quarters subsequent to the acquisition will not reflect the full amount of gross profit that would have otherwise been recorded by IPA had they remained an independent company. The Adjusted Gross Profit measure is intended to reflect the full amount that IPA would have recognized, absent the fair value adjustment.

The non-GAAP Gross Margin, non-GAAP Net Income and non-GAAP Diluted Earnings per Share reflect these fair value adjustments. The Company believes these non-GAAP measures are useful to investors as a measure of the ongoing performance of its business.

EBITDA as shown in the press release is defined as net earnings plus (a) interest expense, (b) income taxes and (c) depreciation and amortization. The Company believes EBITDA is an important indicator of operational performance of the Company's business because it provides a link between profitability and operating cash flow. EBITDA as calculated by the Company is not necessarily comparable to similarly titled measures reported by other companies. In addition, EBITDA: (a) does not represent net income or cash flows from operations as defined by GAAP; (b) is not necessarily indicative of cash available to fund the Company's cash flow needs; and (c) should not be considered as an alternative to net earnings, operating income, cash flows from operating activities or the Company's other financial information determined under GAAP. The Company believes that the line on the Company's consolidated statement of operations entitled net earnings is the most directly comparable GAAP measure to EBITDA.

Free Cash Flow is defined as "Cash Provided by Operating Activities" ("Operating Cash Flow") as stated in Roper's Consolidated Statements of Cash Flows, reduced by capital expenditures. The Company believes that Free Cash Flow is useful to investors as a basis for comparing its performance with other companies. Roper's measure of Free Cash Flow may not be comparable to similar measures used by other companies.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press Release of the Company dated October 27, 2014.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Roper Industries, Inc.  
(Registrant)

BY: /s/ John Humphrey  
John Humphrey,  
Vice President and Chief Financial Officer Date: October 27, 2014

---

EXHIBIT INDEX

Exhibit No. Description

---

99.1 Press Release of the Company dated October 27, 2014