



Roper Technologies to acquire Procure Solutions

January 25, 2024

Leading provider of software for early childhood education centers

SARASOTA, Fla., Jan. 25, 2024 (GLOBE NEWSWIRE) -- **Roper Technologies, Inc. (Nasdaq: ROP)** today announced that it has reached a definitive agreement to acquire Procure Solutions for a net purchase price of approximately \$1.75 billion, including a \$110 million tax benefit resulting from the transaction. The net purchase price represents approximately 18 times Procure's estimated EBITDA for the twelve months ending March 31, 2025.

Procure is a leading provider of cloud-based software for the management of early childhood education centers. Procure's purpose-built solutions serve as the system-of-record and workflow software for childcare centers, managing all aspects of day-to-day operations, including parent engagement, staff and teacher scheduling, classroom management, tuition billing, and payment processing. More than 37,000 childcare organizations utilize Procure's tools to digitally transform their operations and maintain strong relationships with their families and staff.

"Procure is a terrific business with clear niche market leadership, mission critical solutions, strong organic revenue growth, a high recurring and reoccurring revenue mix, outstanding customer retention, and excellent cash conversion," said Neil Hunn, Roper Technologies' President and CEO. "This acquisition demonstrates Roper's disciplined capital deployment strategy that focuses on identifying high-quality, market-leading technology businesses that will enhance Roper's long-term cash flow compounding. Procure has multiple paths to deliver long-term mid-teens organic growth, and we look forward to partnering with the Procure team to execute their strategy."

Procure's management team will continue to lead the business from its Denver, Colorado headquarters. Procure's name, brands, and office locations will not change as a result of the transaction.

Acquisition financing and financial outlook

Roper anticipates funding the transaction using its revolving credit facility.

Procure is expected to contribute approximately \$260 million of revenue and \$95 million of EBITDA for the twelve months ending March 31, 2025, and will be reported in Roper's Application Software segment. The transaction is expected to be accretive to Roper's 2024 free cash flow and 2025 adjusted DEPS. Roper expects Procure to deliver long-term mid-teens organic revenue growth.

Roper's management team looks forward to discussing this acquisition during its fourth quarter 2023 financial results conference call scheduled to take place at 8:00AM ET on Wednesday, January 31, 2024.

The transaction is expected to close later this quarter, subject to regulatory approval and customary closing conditions.

Use of non-GAAP financial information

Roper supplements its consolidated financial statements presented on a GAAP basis with certain non-GAAP financial information, including EBITDA, 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. Roper defines EBITDA as earnings before interest, taxes, depreciation, and amortization. Roper has not provided a reconciliation of the expected EBITDA contribution by Procure to the expected net income contribution by Procure for the twelve months ending March 31, 2025 because we are unable to quantify certain amounts that would be required to be included in Procure's contribution to net income without unreasonable efforts. In addition, Roper believes such reconciliation would imply a degree of precision that would be confusing or misleading to investors. The non-GAAP financial measure disclosed by Roper in this press release 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.

About Roper Technologies

Roper Technologies is a constituent of the Nasdaq 100, S&P 500, and Fortune 1000. Roper has a proven, long-term track record of compounding cash flow and shareholder value. The Company operates market leading businesses that design and develop vertical software and technology enabled products for a variety of defensible niche markets. Roper utilizes a disciplined, analytical, and process-driven approach to redeploy its excess capital toward high-quality acquisitions. Additional information about Roper is available on the Company's website at www.ropertech.com.

About Procure Solutions

For more than 30 years, Procure Solutions has been helping early childhood educators simplify operations and create meaningful connections with families, so they can focus on what matters most – the children in their care. From registration, attendance tracking, staff management and lesson planning to family engagement, tuition collection and reporting, Procure helps ease the challenges faced of running a childcare business. Procure's dedicated team of support professionals also make it easy to get up and running quickly and answer questions along the way. That's why over 37,000 customers choose Procure. For more information, visit procaresoftware.com.

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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 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. 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, acquired businesses, 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, including risks related to labor shortages and rising interest rates, 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, including as a result of the current inflationary environment and ongoing supply chain constraints, environmental compliance costs and liabilities, risks and cost associated with 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.



Source: Roper Technologies, Inc.