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

June 1, 2022 (May 29, 2022)
Date of Report (Date of earliest event reported)

ROPER TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation)

1-12273	51-0263969
(Commission File Number)	(IRS Employer Identification No.)

6901 Professional Parkway, Suite 200 Sarasota, Florida	34240
(Address of principal executive offices)	(Zip Code)

(941) 556-2601
(Registrant's telephone number, including area code)

(Former name or former 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-(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange On Which Registered
Common Stock, $0.01 Par Value	**ROP**	**New York Stock Exchange**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

On May 29, 2022, Roper Technologies, Inc. ("Roper") and its wholly owned subsidiaries, Roper International Holding Inc. and RIPIC Holdco Inc. (collectively, the "Sellers") and RIPIC Equity LLC ("RIPIC TopCo") entered into an equity purchase agreement (the "Equity Purchase Agreement") with CD&R Tree Delaware Holdings, L.P., a newly formed investment vehicle owned by affiliates of Clayton, Dubilier & Rice, LLC ("Buyer"), related to the acquisition by Buyer of a majority equity interest (the "Equity Purchase") in Roper's industrial businesses, including its entire Process Technologies segment and the industrial businesses within its Measurement & Analytical Solutions segment. The businesses included in this transaction are Alpha, AMOT, CCC, Cornell, Dynisco, FTI, Hansen, Hardy, Logitech, Metrix, PAC, Roper Pump, Struers, Technolog, Uson, and Viatran (collectively referred to herein as the "Business"). RIPIC TopCo currently owns all of the equity of RIPIC Holdings, LLC ("RIPIC Holdings"), a limited liability holding company that indirectly holds the operating companies comprising the Business. Immediately following the closing of the transactions contemplated by the Equity Purchase Agreement (the "Closing"), Sellers will continue to own 49% of the equity of RIPIC TopCo. Roper will then cease to consolidate the results of the Business within its financial statements and will report its ownership interest in the Business using the equity method of accounting.

Immediately prior to the Equity Purchase, RIPIC TopCo will make an estimated distribution of approximately $1,775 million in cash to Sellers, subject to certain adjustments relating to cash, debt, net working capital and transaction expenses of the Business. Under the terms of the Equity Purchase Agreement, it is anticipated that a wholly owned operating subsidiary of RIPIC Holdings will incur new third-party funded indebtedness of approximately $1,950 million through borrowings of term loans under new secured credit agreements. A portion of the proceeds of the term loans will fund the distribution to Sellers at Closing. The secured credit agreements will also include a $300 million revolving credit facility, which could be used to fund future cash needs of the Business and other general corporate purposes.

Pursuant to the Equity Purchase Agreement, Buyer will pay a purchase price of approximately $829 million to the Sellers in exchange for approximately 51% of the total outstanding equity of RIPIC TopCo at the Closing. In addition, the Sellers shall be entitled to an earnout of payment from Buyer of up to $51 million if the Business exceeds a threshold level of earnings before interest taxes, depreciation and amortization ("EBITDA") for the year ended December 31, 2022.

At the Closing, Buyer and the Sellers will enter into an amended and restated limited liability company agreement of RIPIC TopCo (the "LLC Agreement") that will govern RIPIC TopCo. Under the LLC Agreement, the Sellers will be required to make quarterly payments, directly or indirectly to Buyer, either (at the Sellers' election) (i) in cash, with total payments initially equaling approximately $29 million per year on a pre-tax basis, or (ii) in kind through the transfer of the Sellers' equity interests in RIPIC TopCo to Buyer, initially representing approximately a 1.7% ownership interest of RIPIC TopCo on an annual basis. Sellers' obligation to make such quarterly payments under the LLC Agreement will cease upon the Business' trailing twelve months EBITDA exceeding at least $425 million in any three twelve month periods ending at the end of a fiscal quarter, whether or not consecutive. In the event of a liquidation of RIPIC TopCo, Buyer would be entitled to a liquidation preference in an initial amount of approximately $829 million, subject to increase in accordance with the terms of the LLC Agreement.

The Equity Purchase Agreement contains customary representations and warranties, covenants, agreements and indemnities. The closing of the Equity Purchase, which is currently expected to occur by the end of 2022, is subject to customary closing conditions, including (i) the expiration or early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") and applicable foreign jurisdictions; (ii) the absence of any law restraining, enjoining or prohibiting the Equity Purchase; (iii) the accuracy of the other party's representations and warranties (subject to customary materiality qualifiers); (iv) the other party's compliance with its covenants and agreements contained in the Equity Purchase Agreement (subject to customary materiality qualifiers); (v) completion of a marketing period in connection with the new third-party financing arranged by Buyer for the transaction; and (vi) the delivery of audited financial statements for the Business for the year ended December 31, 2021 that satisfy certain EBITDA thresholds. The Closing is not subject to any financing contingency or the approval of Roper's stockholders.

The Equity Purchase Agreement contains certain termination rights of the parties, including if (i) the Closing has not occurred on or prior to January 31, 2023 and (ii) the other party has breached its representations, warranties or covenants, subject to certain negotiated materiality qualifications and cure periods as set forth in the Equity Purchase Agreement. Upon termination of the Equity Purchase Agreement under specified circumstances, Buyer will be required to pay the Sellers a termination fee of approximately $107 million in cash.

Under the Equity Purchase Agreement, Roper has agreed not to compete with the Business or solicit employees from the Business for a period of three years following the Closing, subject to certain customary exceptions.

In connection with the Equity Purchase, at Closing, the Sellers, Buyer and certain of their affiliates will enter into an investor rights agreement and certain related agreements, pursuant to which Roper will initially be entitled to designate three of RIPIC Holdings' eight board members. The remaining directors will initially be (i) four directors designated by Buyer and (ii) the Chief Executive Officer of RIPIC Holdings, who will initially be John Stroup. For so long as the Sellers own, directly or indirectly through RIPIC TopCo, at least 25% of the outstanding equity of RIPIC Holdings, the Sellers will have certain consultation rights related to the hiring of a new Chief Executive Officer of RIPIC Holdings, subject to the board of RIPIC Holdings ultimately being entitled to hire a new Chief Executive Officer of RIPIC Holdings. Prior to an initial public offering with aggregate gross cash proceeds of at least $500 million (a "Qualified IPO"), so long as any party to the investor rights agreement owns equity, directly or indirectly through RIPIC TopCo, at least 15% of the total outstanding equity of RIPIC Holdings, the consent of such party will be needed for certain significant actions with respect to RIPIC TopCo and its subsidiaries, including, among other things, liquidation and dissolution, issuance of certain equity, incurrence of additional indebtedness and the acquisition or disposal of a material amount of assets (subject to specified dollar thresholds), in each case subject to certain exceptions. Under limited circumstances, either the Sellers or Buyer have the right to cause the Qualified IPO of RIPIC Holdings for so long as they own, directly or indirectly through RIPIC TopCo, at least 25% of the equity of RIPIC Holdings held in the aggregate by the Sellers and Buyer. The investor rights agreement will provide customary registration rights to members of RIPIC Holdings and certain of their transferees and will include certain restrictions on the ability of each party to the investor rights agreement to transfer its equity interests in RIPIC TopCo and RIPIC Holdings. Subject to certain limitations and exceptions, (i) Buyer has customary drag along rights, (ii) the Sellers and Buyer have customary rights of first refusal, and (iii) the Sellers, Buyer and their respective permitted transferees have customary tag along rights and preemptive rights.

The above description of the Equity Purchase Agreement is only a summary, does not purport to be complete and is qualified in its entirety by reference to full text of the Equity Purchase Agreement, a copy of which will be filed as an exhibit to Roper's quarterly report on Form 10-Q for the quarterly period ended June 30, 2022. The representations, warranties and covenants contained in the Equity Purchase Agreement were made only for purposes of the Equity Purchase Agreement and as of specified dates, were solely for the benefit of the parties to the agreement, and may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures exchanged between the parties in connection with the execution of the agreement. The representations and warranties have been made for the purpose of allocating contractual risk between the parties to the Equity Purchase Agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors should not rely on the representations, warranties and covenants or any description thereof as characterizations of the actual state of facts or condition of applicable parties thereto. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Equity Purchase Agreement, which subsequent information may or may not be fully reflected in public disclosures.

Item 7.01. Regulation FD Disclosure.

On June 1, 2022, Roper issued a press release announcing entry into the Equity Purchase Agreement and related transactions, a copy of which is attached as Exhibit 99.1 to this report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*.

99.1	Press release dated June 1, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 TECHNOLOGIES, INC.

By:	/s/ John K. Stipancich
Name:	John K. Stipancich
Title:	Executive Vice President, General Counsel and Corporate Secretary

Date: June 1, 2022

Roper Technologies To Sell Majority Stake In Its Industrial Businesses To CD&R

Sarasota, Florida, June 1, 2022 ... Roper Technologies, Inc. (NYSE: ROP) today announced that it has agreed to sell a majority stake in its industrial businesses, including its entire Process Technologies segment and the industrial businesses within its Measurement & Analytical Solutions segment, to affiliates of Clayton, Dubilier & Rice, LLC ("CD&R"). Roper will receive total upfront, pre-tax cash proceeds of approximately $2.6 billion while retaining a 49% minority interest in a new standalone entity. The transaction includes the following businesses: Alpha, AMOT, CCC, Cornell, Dynisco, FTI, Hansen, Hardy, Logitech, Metrix, PAC, Roper Pump, Struers, Technolog, Uson, and Viatran. Collectively, these businesses generated approximately $940 million of revenue and $260 million of EBITDA in 2021.

"This is the final step in Roper's divestiture strategy to reduce the cyclicality and asset intensity of our enterprise," said Neil Hunn, Roper Technologies' President and CEO. "We have created a meaningfully enhanced and higher-quality go-forward portfolio of market-leading businesses that is better positioned to deliver higher and more resilient organic growth, an improved working capital profile, and strong cash conversion."

"Selling a majority interest in these industrial businesses will provide Roper with significant upfront cash, while maintaining the ability to receive additional cash proceeds from the future exit of our minority interest," said Mr. Hunn. "The after-tax proceeds from this transaction will expand Roper's M&A firepower to more than $7 billion, which will be targeted toward our large pipeline of high-quality acquisition opportunities."

"We are excited to partner with CD&R given their track record of successful corporate partnerships. Operating as a standalone entity will enable these businesses to build on their niche-leading strategies and continue creating value for their customers and shareholders," concluded Mr. Hunn.

"We are excited to partner with Roper in a manner that assists them in achieving their corporate objectives while creating a new industrial platform with significant opportunity as a standalone entity. Roper has proven to be an excellent operator of these market-leading industrial businesses, which we believe will serve as the foundation for continued organic and inorganic growth. We look forward to working collaboratively with Neil and the rest of the Roper team to execute on our thesis and create value for Roper shareholders and our investors," said CD&R Partner Andrew Campelli.

“We are enthusiastic about our partnership with Roper and its employees. I am particularly impressed with the extraordinary talent within these organizations and look forward to working together to build upon the long track record of growth and value creation within the businesses,” added Operating Advisor to CD&R Funds, John Stroup, who will lead the standalone entity upon close of the transaction.

Beginning in the second quarter of 2022, Roper plans to report the results of these businesses as discontinued operations. Following the closing of this transaction, Roper’s ownership interest in the new standalone entity will be reported as income from minority interest. The Company expects this transaction to close by the end of 2022, subject to customary closing conditions.

Roper retained Evercore as its financial advisor in connection with this transaction. For CD&R, UBS Investment Bank, RBC Capital Markets, and BNP Paribas served as lead financial advisors and BMO Capital Markets, Mizuho Securities and Natixis, New York Branch provided advisory services. CD&R obtained committed financing from UBS AG, Stamford Branch, Royal Bank of Canada, BNP Paribas, BMO Capital Markets, Mizuho Bank and Natixis, New York Branch.

A presentation summarizing today’s announcement will be posted on the Company’s website, www.ropertech.com.

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

A conference call to discuss this announcement has been scheduled for 8:30 AM ET on Wednesday, June 1, 2022. The call can be accessed via webcast or by dialing +1 844-750-4898 (US/Canada) or +1 412-317-5294 and referencing Roper Technologies. 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 https://event.webcast. Telephonic replays will be available for up to two weeks and can be accessed by dialing +1 412-317-0088 with access code 7039759.

About Roper Technologies

Roper Technologies is a constituent of the S&P 500 and Fortune 500. 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 application-specific products for a variety of defensible niche markets. Roper utilizes a disciplined, analytical, and process-driven approach to redeploy its excess free cash flow toward high-quality acquisitions. Additional information about Roper is available on the Company's website at www.ropertech.com.

Contact Information

Investor Relations
941-556-2601
investor-relations@ropertech.com

About Clayton, Dubilier & Rice

Clayton, Dubilier & Rice is a private investment firm with a strategy predicated on building stronger, more profitable businesses. Since inception, CD&R has managed the investment of more than $40 billion in over 100 companies with an aggregate transaction value of more than $175 billion. The Firm has offices in New York and London. For more information, please visit www.cdr-inc.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 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 any 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, 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.*

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