



# Roper

TECHNOLOGIES

# Investor Day

March 21, 2023

# 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, 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.

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.

## Reg. G disclosure

Today's presentation will discuss results primarily on an adjusted (Non-GAAP) and continuing operations basis.

See appendix for reconciliations.

# Roper Technologies

## Today's messages

High-quality  
portfolio of  
market leaders

Demonstrated  
ability to improve  
our businesses

Disciplined &  
analytical approach  
to capital  
deployment

Our culture is a  
competitive  
advantage

Low risk  
orientation

Clear & compelling  
long-term growth  
algorithm

# Agenda

<b>Welcome &amp; overview</b>	Zack Moxcey Neil Hunn	8:30AM
<b>Decentralized operating model</b>	Satish Maripuri	9:10AM
<b>Business case studies</b>	Mike Corkery, Deltek Chris Cartrett, Aderant Earl Thompson, Verathon Amy Zupon, Vertafore	9:30AM
<b>Q&amp;A panel</b>	Group Executives Business Presidents	10:30AM
<b>Break</b>		11:00AM
<b>Process-driven capital deployment</b>	Jason Conley	11:15AM
<b>Wrap-up</b>	Neil Hunn	11:45AM
<b>Q&amp;A</b>	All	12:00PM
<b>Lunch reception</b>	All	12:30PM

# Roper team members in attendance



**Shellye Archambeau**  
Board Director



**Amy Woods Brinkley**  
Board Chair



**Chris Cartrett**  
President, Aderant



**Jason Conley**  
EVP & CFO



**Mike Corkery**  
Group Executive & President, Deltek



**Harold Flynn**  
Group Executive



**Tim Haddock**  
VP, Development



**Neil Hunn**  
President & CEO



**Satish Maripuri**  
Group Executive



**Zack Moxcey**  
VP, Investor Relations



**Shannon O'Callaghan**  
VP, Finance



**Jeff Paulsen**  
Group Executive



**John Stipancich**  
EVP, General Counsel & Secretary



**Earl Thompson**  
President, Verathon



**Amy Zupon**  
President, Vertafore

# Overview

Neil Hunn, President & CEO





**We compound cash flow  
by acquiring and growing  
niche, market-leading  
technology businesses.**

Roper Technologies

# Who we are



**Market-leading  
businesses in  
defensible niches**



**Decentralized  
operating  
environment**



**Process-driven  
capital deployment**

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Cash return on investment

---

Trust & mutual respect

---

High-performance culture

---

Minimize risk

---

Keep it simple

# Who we are

---

Vertical & mission critical solutions

Compete on customer intimacy

High customer value =  
high gross margins

Resilient & highly recurring  
revenue

Asset-light



**Market-leading  
businesses in  
defensible niches**



**Decentralized  
operating  
environment**



**Process-driven  
capital deployment**

Cash return on investment

Trust & mutual respect

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Minimize risk

Keep it simple

# Who we are

---

Local resource allocation

Nimble execution

High performance expectations

Corporate coaching

Build for long-term competitive advantage

Growth based incentives



**Market-leading  
businesses in  
defensible niches**



**Decentralized  
operating  
environment**



**Process-driven  
capital deployment**

Cash return on investment

Trust & mutual respect

High-performance culture

Minimize risk

Keep it simple

# Who we are

---

Center-led

Business pickers

Low risk

Highly disciplined & analytical

Learning process

Free cash flow + investment grade leverage funded



**Market-leading  
businesses in  
defensible niches**



**Decentralized  
operating  
environment**



**Process-driven  
capital deployment**

Cash return on investment

Trust & mutual respect

High-performance culture

Minimize risk

Keep it simple

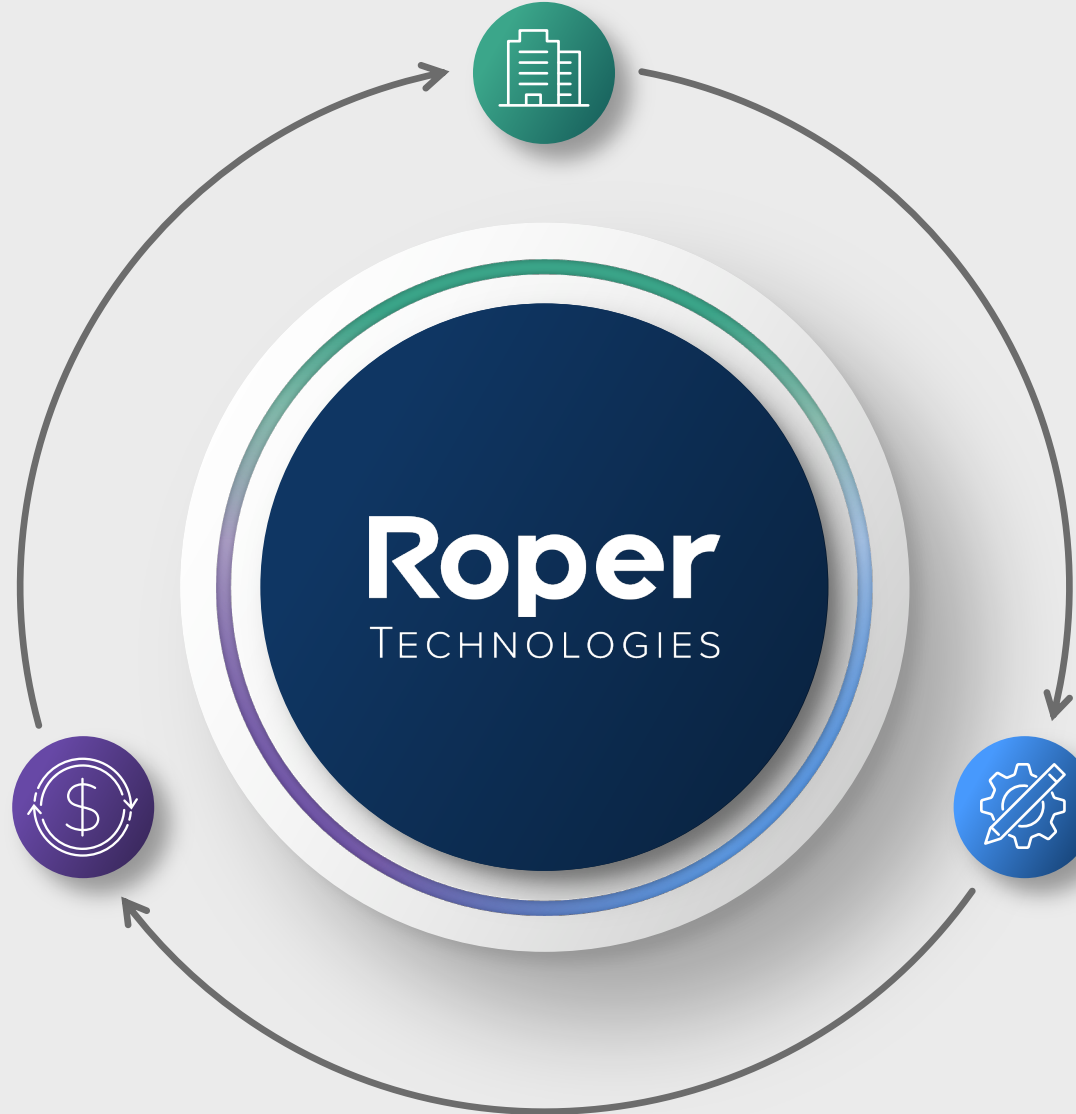
**Market-leading businesses  
in defensible niches**



**Decentralized  
operating  
environment**



**Process-driven  
capital deployment**



# Our journey



# CRI discipline



Cash



Return on



Investment



## Cash Earnings

Net Income + D&A -  
Maintenance Capex

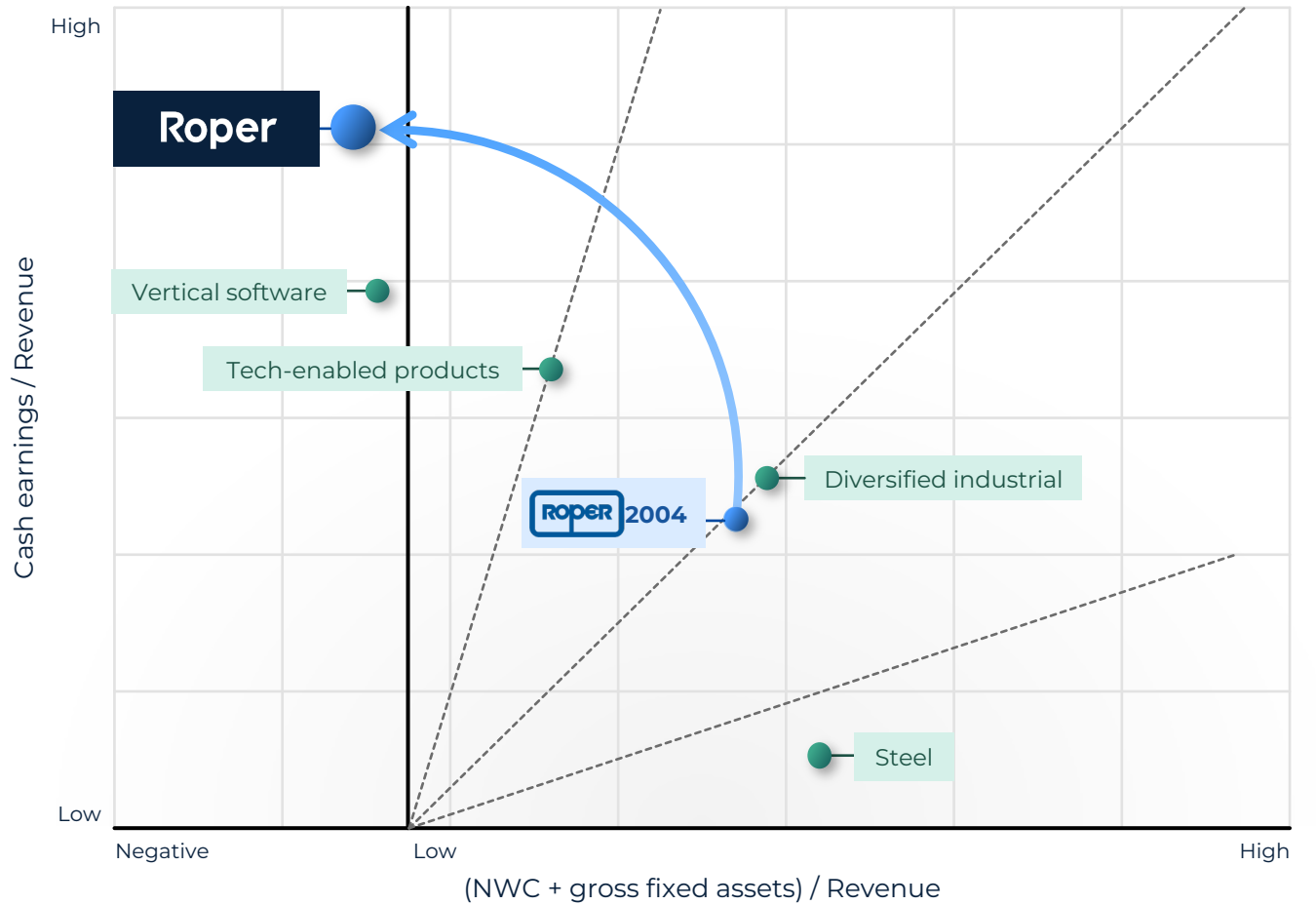
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## Gross Investment

Net Working Capital + Net PP&E  
+ Accumulated Depreciation

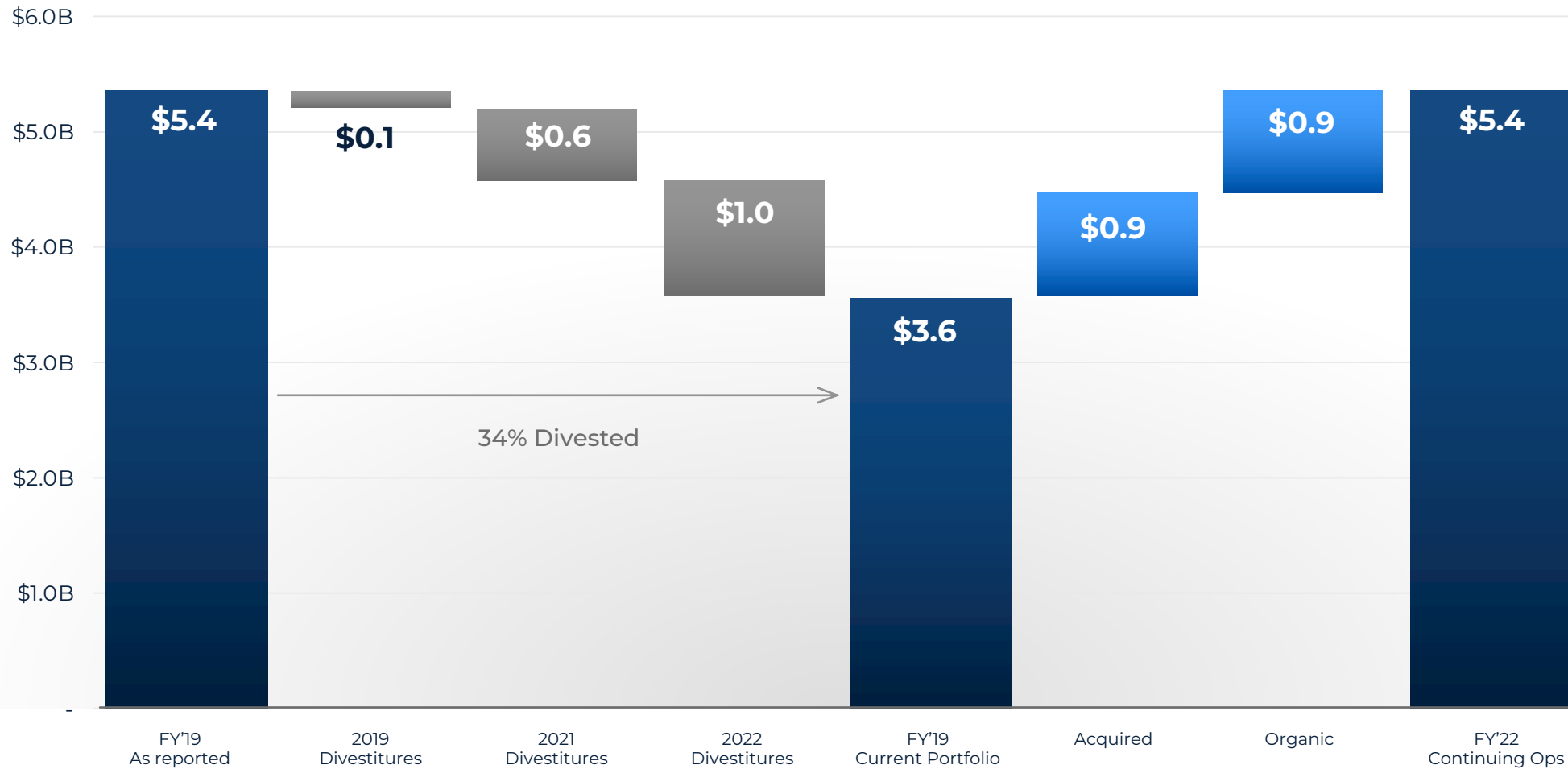


# Asset-light journey



# Multi-year portfolio optimization

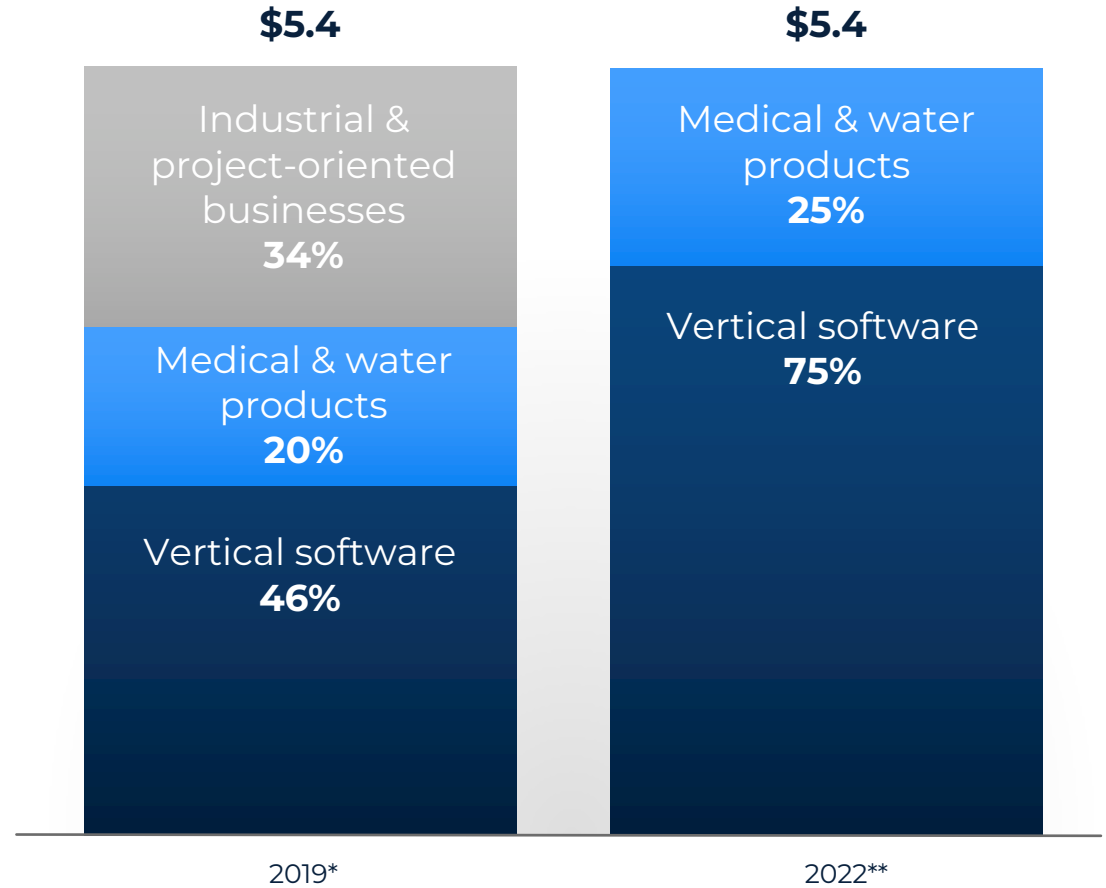
## Revenue



# Multi-year portfolio optimization

High quality & more resilient

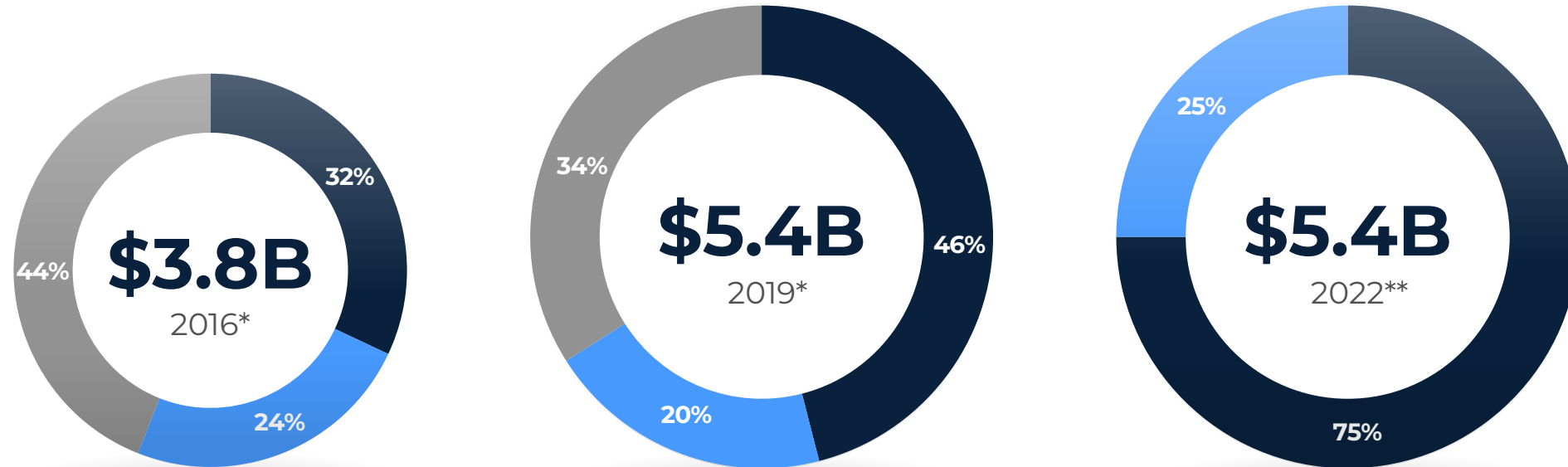
## Revenue mix (\$ Billions)



\* Includes divestitures and discontinued operations.  
\*\* Excludes divestitures and discontinued operations.

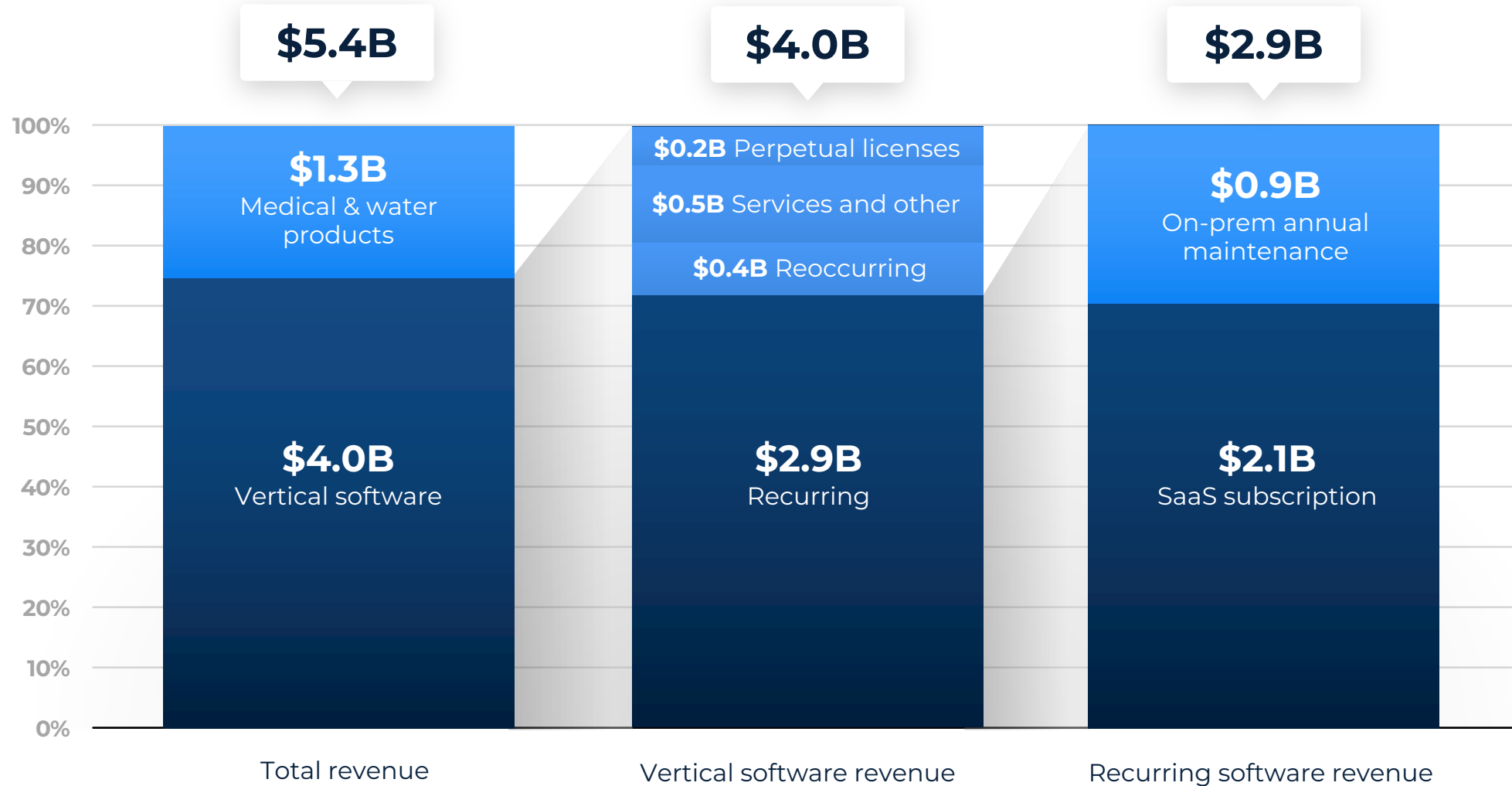
# Improved quality & increased scale

● Vertical software  
 ● Medical & water products  
 ● Industrial & project-oriented businesses



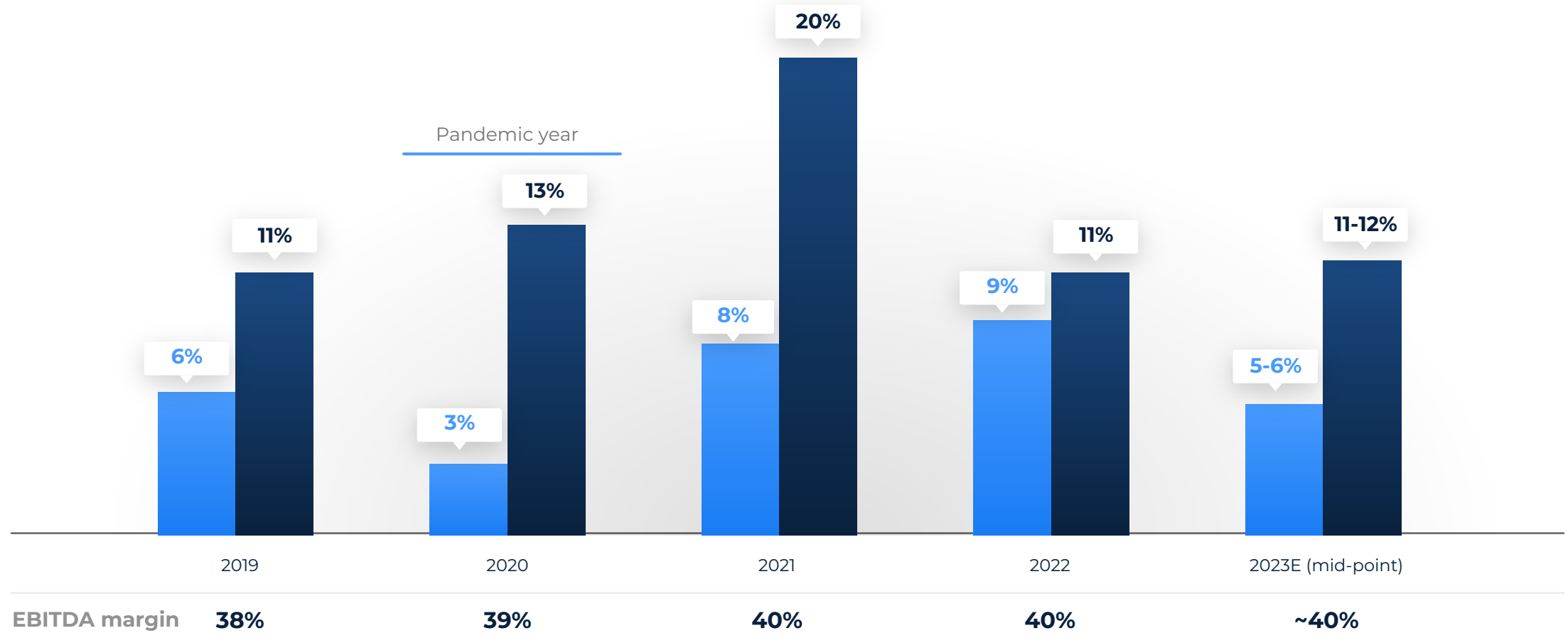
Organic growth	<b>-1%</b>	<b>+3%</b>	<b>+9%</b>
Software % of revenue	<b>32%</b>	<b>46%</b>	<b>75%</b>
Cyclical revenue	<b>44%</b>	<b>34%</b>	<b>~0%</b>
EBITDA margin	<b>35%</b>	<b>36%</b>	<b>40%</b>
NWC % of revenue	<b>+3%</b>	<b>(5)%</b>	<b>(17)%</b>

# Roper's revenue composition



# Double-digit revenue growth profile

● Organic revenue growth ● Total revenue growth



# Long-term compounding

2007 - 2022

Revenue

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**+8%**  
CAGR

EBITDA

---

**+11%**  
CAGR

Free cash flow

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**+12%**  
CAGR

Market capitalization

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**+15%**  
CAGR

Cumulative total shareholder return

# Long-term outperformance

Business model & strategy designed for long-term value creation





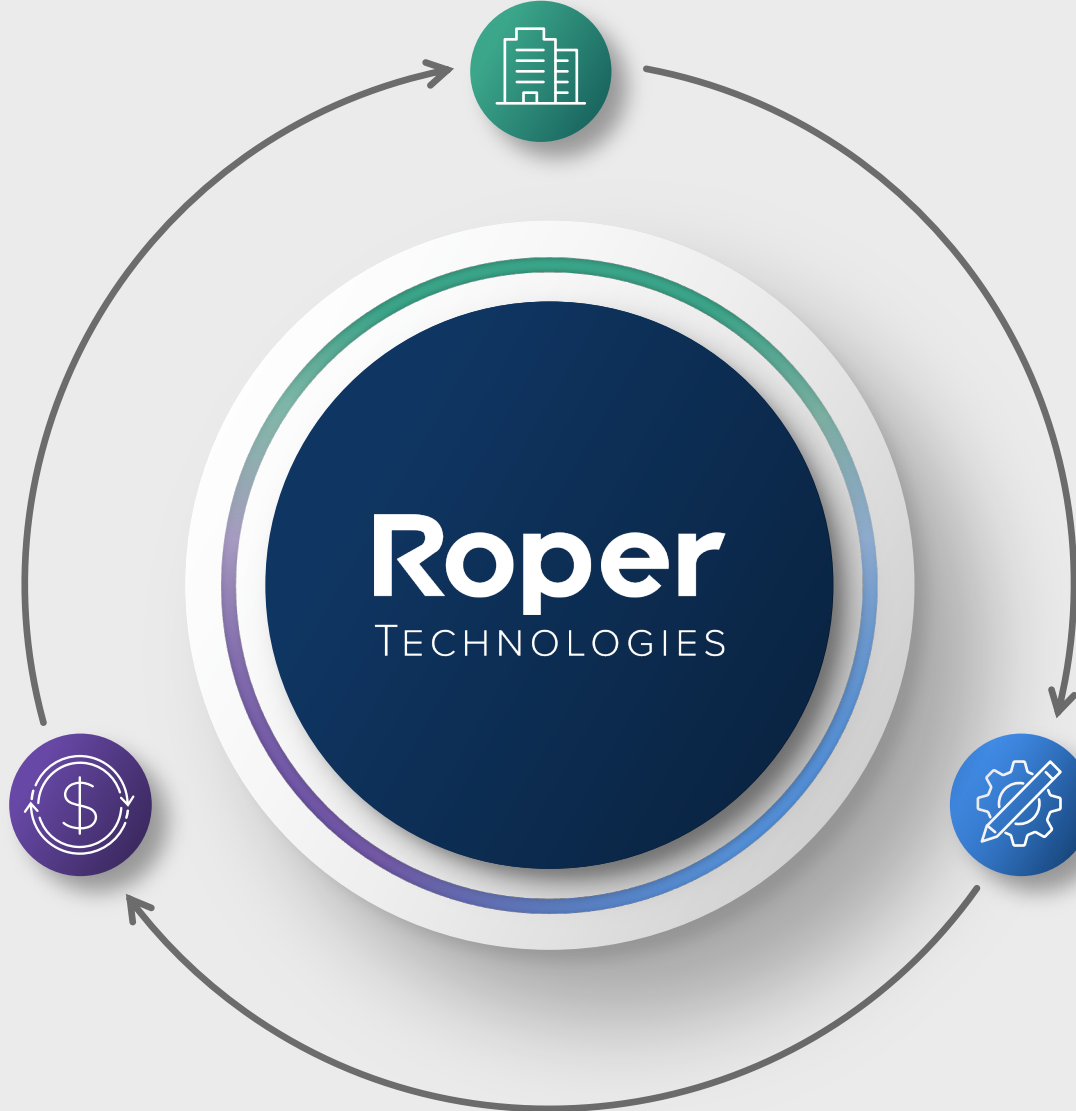
**Market-leading businesses  
in defensible niches**



**Decentralized  
operating  
environment**



**Process-driven  
capital deployment**





**Roper**  
TECHNOLOGIES

The logo is a dark blue circle with a white border and a green inner ring. To its right is a smaller green circle containing a white building icon. Two curved arrows originate from the top and bottom of the large logo circle and point towards the smaller building icon circle.

**Who we are**

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## **Market-leading businesses in defensible niches**

Vertical & mission critical solutions

Compete on customer intimacy

High customer value = high gross margins

Resilient & highly recurring revenue

Asset-light

# Roper's portfolio

Annual revenue	Business					
\$500M+						
\$250M to \$500M						
\$100M to \$250M						
						
Less than \$100M						
						

# What our businesses do

## Application software

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Acute care healthcare

Education

Government contracting

Legal

Property & casualty insurance

Utilities

## Network software

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Construction data

Food supply chain

Freight matching

Life insurance & annuities

Media & entertainment

Post-acute healthcare

## Technology enabled products

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Medical

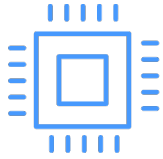
Water

**Purpose built**

**Mission critical solutions**

**High customer value**

# Secular tailwinds support long-term business growth



## **Vertical software**

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Digital transformation

AI / ML

SaaS migration



## **Medical & water**

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Aging of America

Single-use medical devices

Conservation



# The power of customer intimacy

Rooted in deep understanding of markets

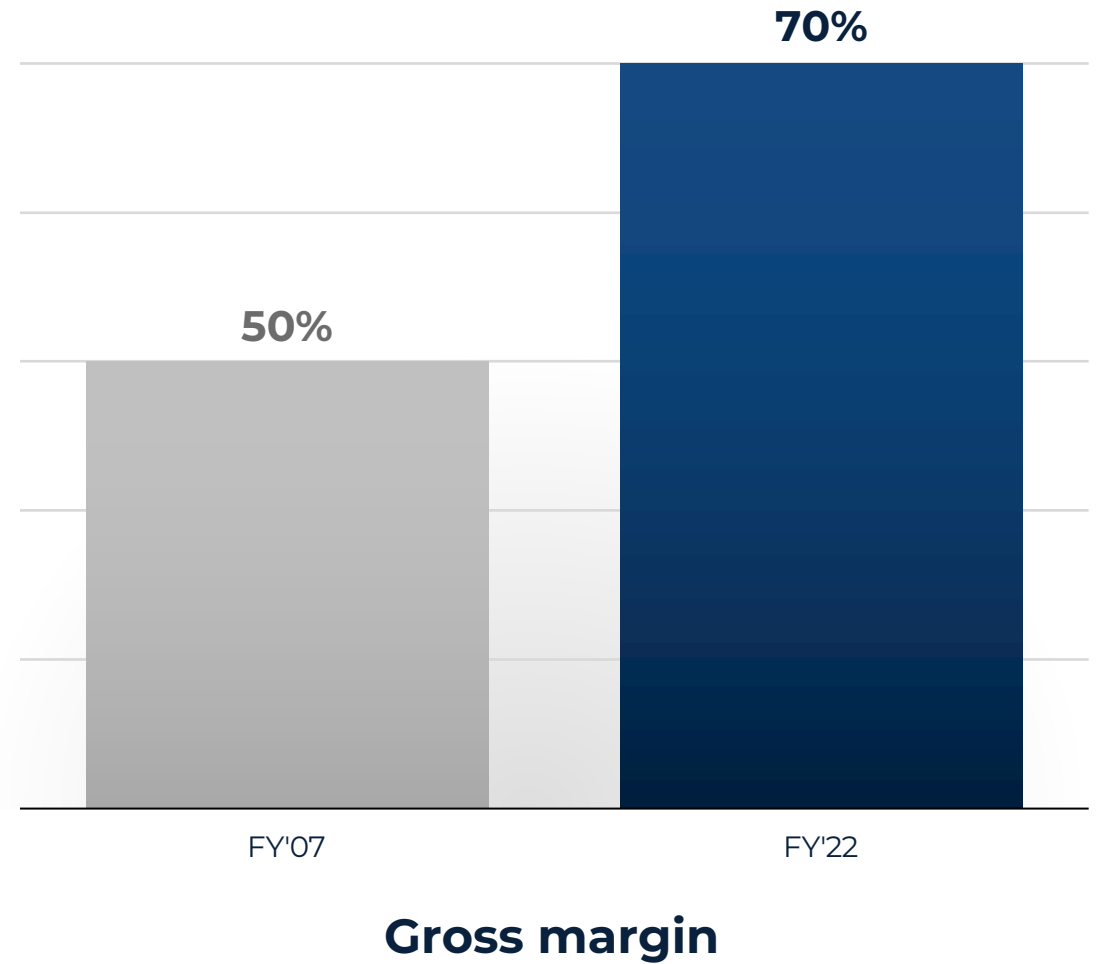
Informs innovation roadmap

Enables development of highly specific solutions

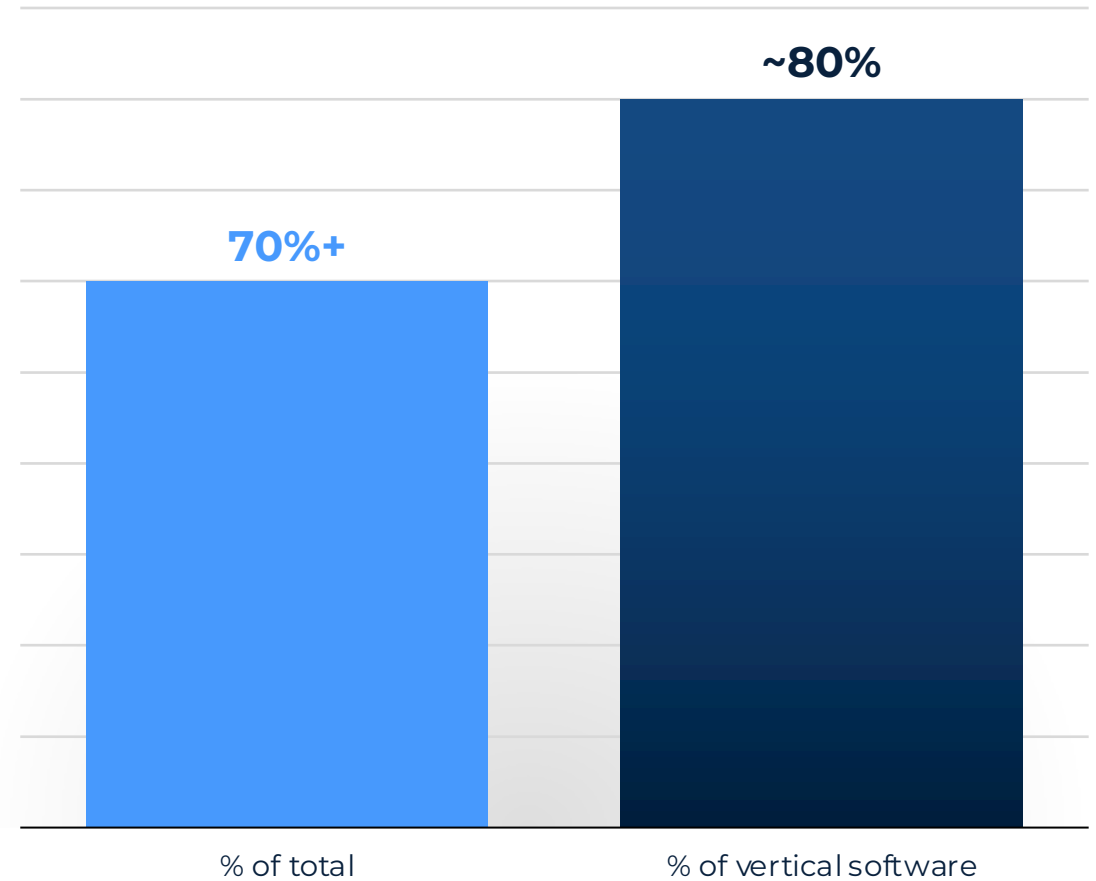
Increases market adoption

Leads to high value capture

**High customer  
value = high  
gross margins**



# Resilient & highly recurring revenue

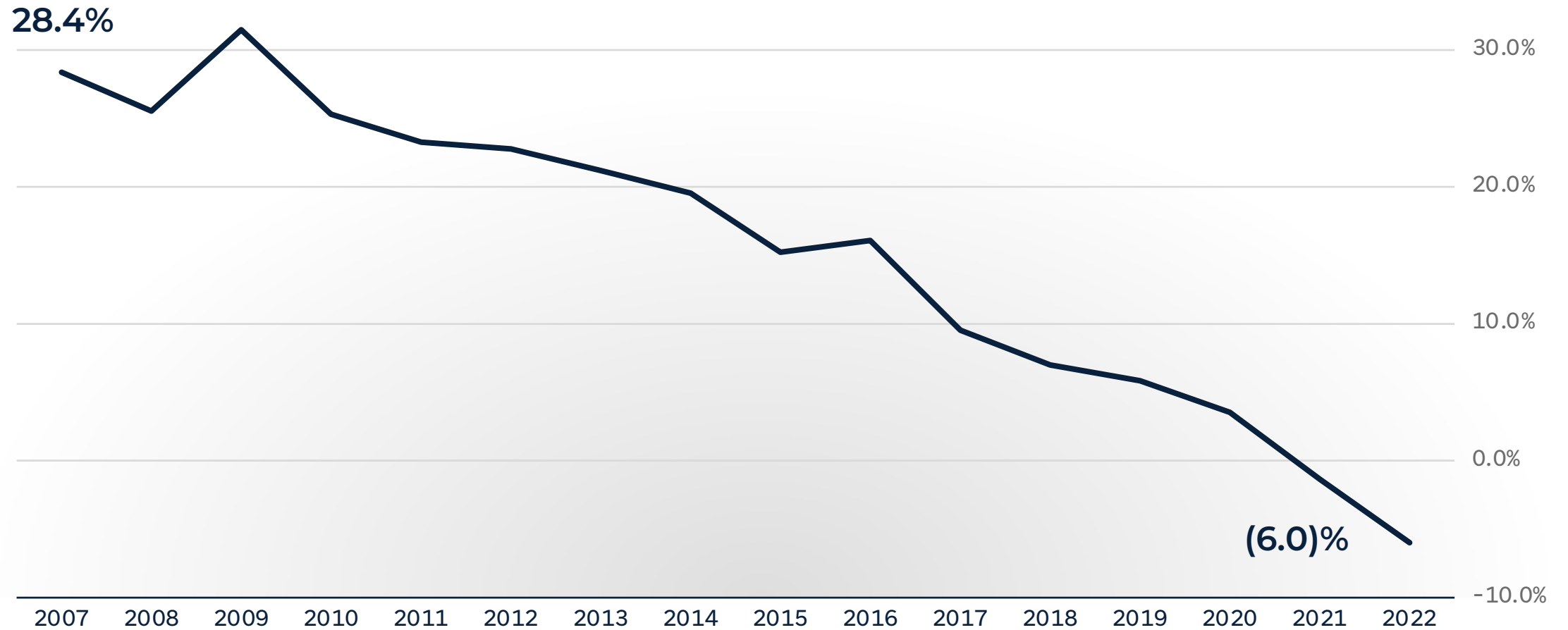


**Recurring & reoccurring  
as a % of 2022 revenue**



# Asset-light

● (NWC + gross fixed assets) / Revenue



# Decentralized operating environment

Satish Maripuri, Group Executive

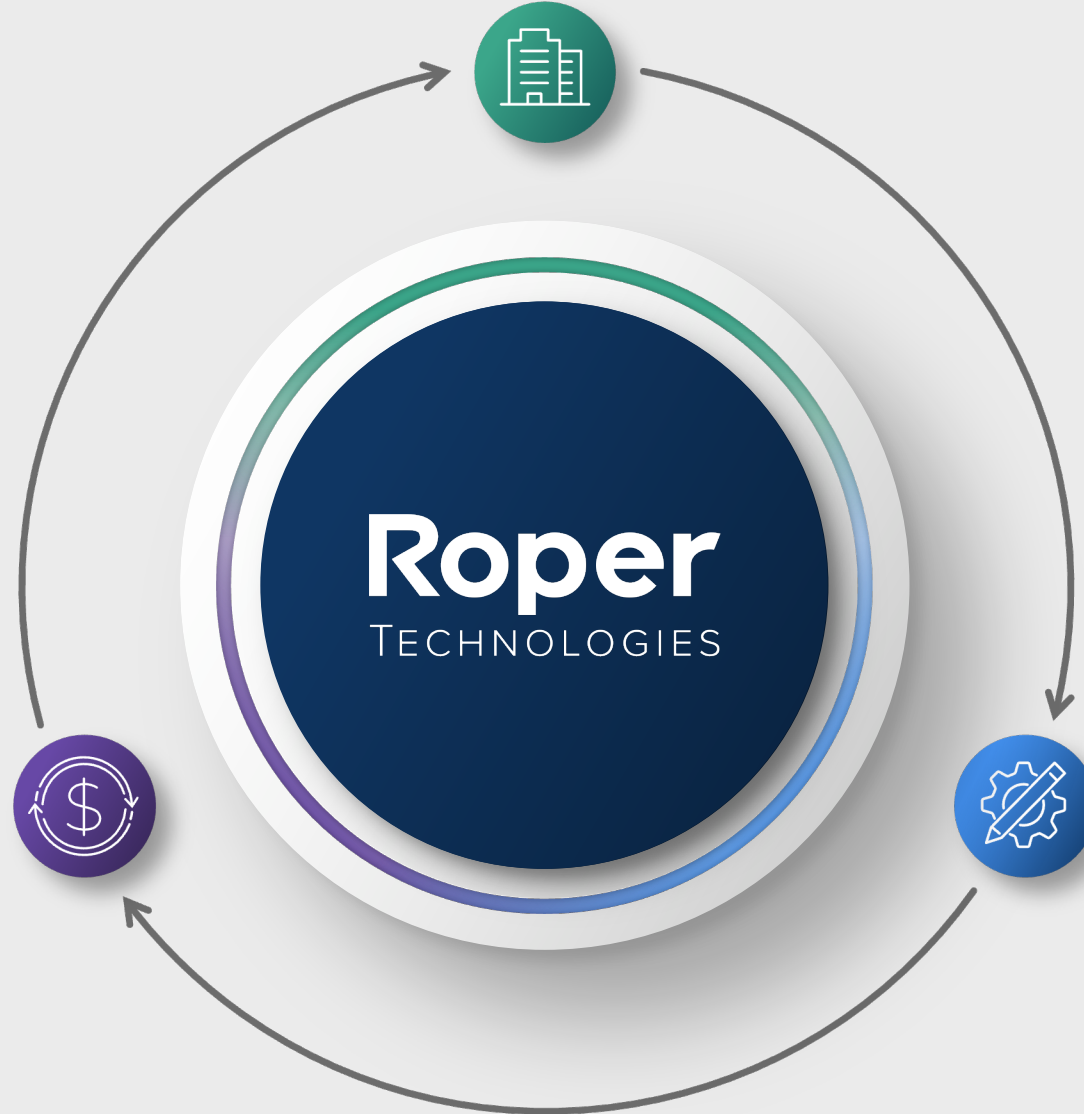
**Market-leading businesses  
in defensible niches**



**Decentralized  
operating  
environment**



**Process-driven  
capital deployment**





## Who we are

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# Decentralized operating environment

Local resource allocation

Nimble execution

High performance expectations

Corporate coaching

Build for long-term competitive advantage

Growth based incentives

# Local decision making enables nimble execution

High level of **autonomy & accountability**

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Businesses focused on **competing & winning** in their growing niche markets

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Strategic choice & resource allocation **decisions at business level**

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**Careers** built within an **individual business**, not across multiple businesses

# Building a culture of high performance

**Continuous  
learner**



**Autonomous  
competitor**



**Passionate  
builder**



**Strategic  
operator**



Act like  
an owner

**Transparent | Humble | High integrity**

# Evolution of our governance system

## **How we are helping businesses improve organic revenue growth**

Increased performance expectation  
of businesses and leaders

Upgraded field leadership talent

Focus on systemic capability building

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## **Institutionalizing processes while maintaining autonomy for our businesses**

Mostly opt-in, some non-negotiables

Socratic approach

# Governance & engagement model

## Engagement rhythm



## KPIs and incentives



Organic growth algorithm



Operating leverage



CRI & cash flow growth



2003

2014

2015

2016

2017

2018

2019

2020

2021

2022

2023 >

# Enabling high performance

ESG & DEI

Cyber & data security

Talent offense

Strategy enablement

Strategy development

Group executives

CRI

2016

2017

2018

2019

2020

2021

2022

2023 >

**Strategy development**

Where to play

How to win

**Creating a plan**

**Making a choice**

2016

2017

2018

2019

2020

2021

2022

2023 >

**Strategy enablement**

Translates long-term strategy into near-term priorities

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Focus on building enduring capabilities

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Rooted in lean principles

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**Strategy development**

2017

2018

2019

2020

2021

2022

2023 >

**Talent offense**

Selection

Engagement

Development

**Rigorous & consistent application yields sustainable competitive advantage**

Strategy enablement

development



Talent offense

ment

2020

2021

2022

2023 >

**ESG & DEI**

Authentic  
focus

Long-term  
commitment

Part of  
operating fabric

Positive impact  
from solutions

**Enables long-term competitive advantage**

# Growth-based incentives

Create an open, honest, performance-based culture



Incentives based on business-specific organic EBITDA growth



No budgets

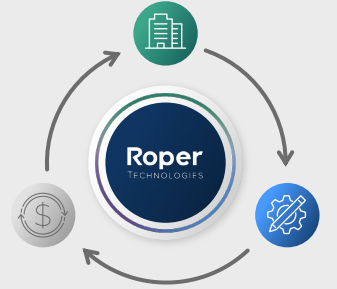


Ensure alignment across the organization



Foundation of trust & transparency

# How we compete & win



## Market

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Vertical & mission  
critical solutions

Market leadership



## Model

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Compete on customer  
intimacy

Nimble execution

High customer value = high  
gross margins

Resilient & highly recurring  
revenue

Asset-light



## Culture

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Local resource allocation

High performance  
expectations

Build for long-term  
competitive advantage

Growth based incentives

Corporate coaching



# Business case studies

Mike Corkery, Chris Cartrett, Earl Thompson & Amy Zupon  
Business Presidents

**Deltek®**

# **Powering project success**

Mike Corkery

Group Executive & President, Deltek

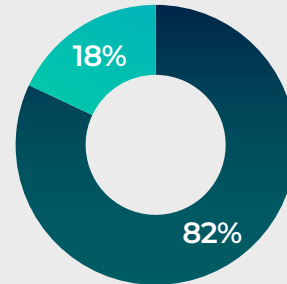
Deltek

~\$800M

Total 2022 revenue

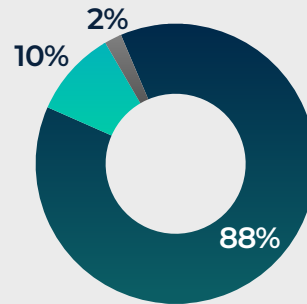
2022 recurring vs. non-recurring revenue

■ Recurring ■ Non-recurring



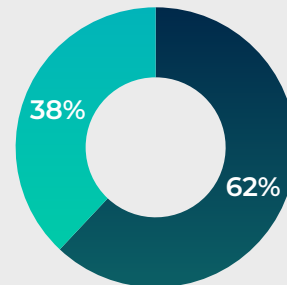
2022 revenue by geography

■ North America ■ Europe ■ Rest of World



2022 revenue by end market

■ GovCon ■ Private sector



## Purpose built software for project-based businesses

Strong organic growth & successful integration of bolt-on acquisitions

Investing to scale market-leading position

# Purpose built for project-based industries

Connecting & automating the project lifecycle that fuels our customers' businesses



## Win

Finding the right opportunities



## Manage

Optimizing resource allocation across projects



## Develop

Finding & cultivating top talent



## Deliver

Connecting resources & materials back to projects



## Measure

Understanding specific project profitability & company performance

## Better software means better projects

Clear market leader

Purposeful product innovation

Customer centricity

# Industry leaders choose Deltek



**98%**

Of the top 100 federal contractors



**Top 5**

Of the largest global accounting & consulting firms



**4 of 5**

Of the world's top marketing & communications networks



**95%**

Of the top 100 architecture & engineering design firms



**10K+**

Small businesses powered by Deltek solutions

# Deltek.

## 40 Years of global leadership

3,400 employees dedicated to project-based businesses

Expertise trusted by 30,000+ customers in 80 countries

Acquired by Roper in 2016

### Innovative solutions



### Award-winning customer success



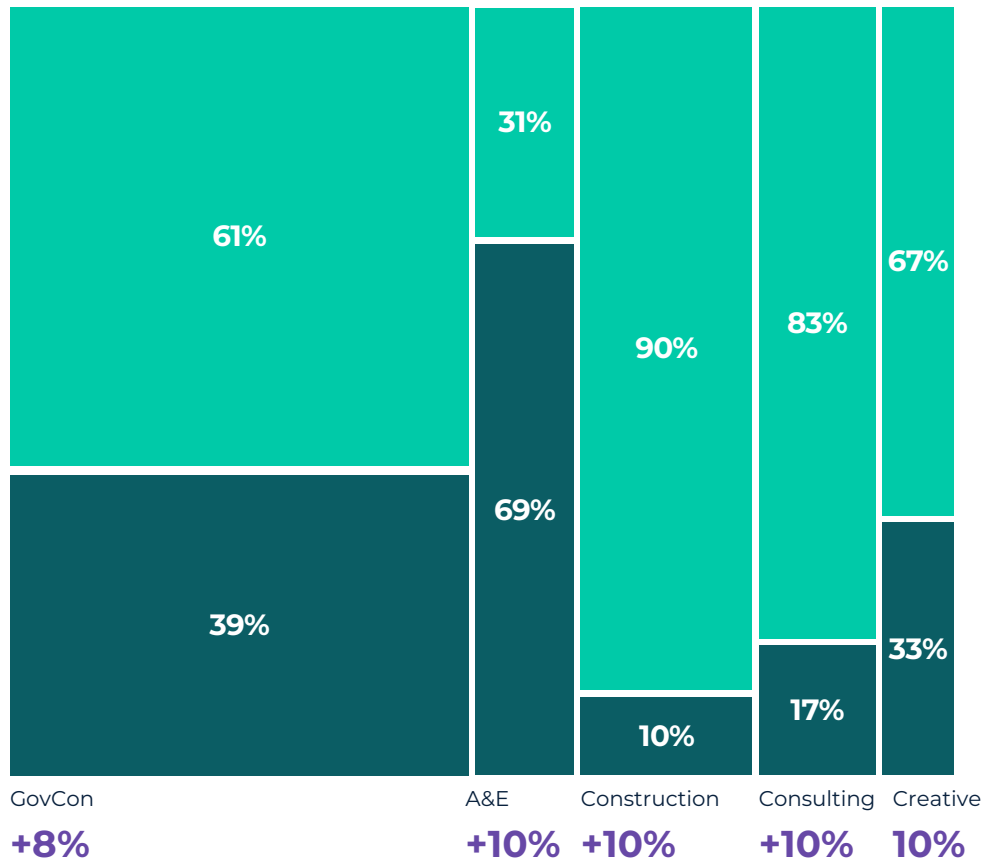
### Great place to work



# Market conditions favorable to growth

● Deltek ● Others

Deltek 2023 estimated annual market share



2023 estimated ERP spend growth



**US government contracting**



**Architecture & engineering**



**Construction SMB**



**Consulting**



**Creative**

# Building the business





Deltek

# Strategic M&A fueling growth

TIP Technologies is 7th  
acquisition under Roper

~\$425m

Capital deployed

Government  
contracting

 ONVIA

2017

 TIP Technologies, Inc.

2022

Creative

 WORKBOOK

2017

 ConceptShare

2018

Architects &  
engineers

 AVITRU

2018

 ArchiSnapper

2021

Construction

 ComputerEase  
*Software for Contractors*

2019

# Deltek has become even stronger as part of Roper

	<b>At acquisition</b>	<b>Now</b>
<b>Revenue (\$M)</b>	~\$500M	~\$800M
<b>Organic recurring revenue growth profile</b>	MSD	HSD
<b>Recurring revenue % of total</b>	70%	82%
<b>EBITDA margin</b>	~35%	~40%
<b>Gross retention</b>	93%	97%

*We are*  
Deltek®  
Project  
»Nation

Aderant

# Technology enabling the business of law

Chris Cartrett

President, Aderant

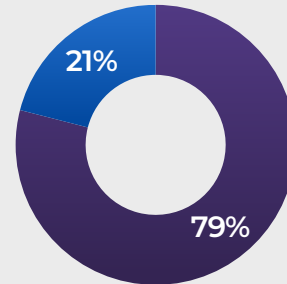
Aderant

~\$200M

Total 2022 revenue

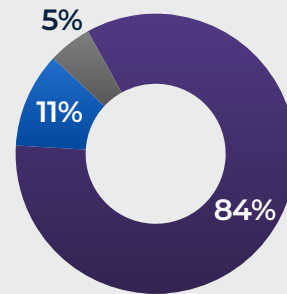
### Recurring vs. non-recurring

■ Recurring & reoccurring ■ Non-recurring



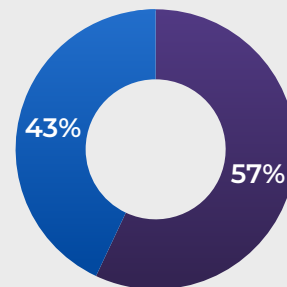
### Geographic mix

■ NA ■ EMEA ■ APAC



### ERP vs. add-on mix

■ ERP ■ Add-on



## Purpose built software for large & medium law firms

Strategic evolution while gaining share

Accelerated organic growth, & expanded reach through acquisition under Roper's ownership

# Trusted leader in legal software solutions

## Practice management

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 **Expert**

The industry's #1  
time & billing solution

## eBilling

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 **BillBlast**

Legal tech's fastest-  
growing application

## Time entry, billing compliance

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 **iTimekeep**

100,000+ monthly  
active users (MAUs)

## Applicant tracking

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 **viRecruit**

#1 recruiting software  
for professional  
services firms

## Resource allocation

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 **viResourceAllocation**

Grow your firm without  
risking talent burnout

## Calendaring & docketing

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 **Milana**

Loved by docketers.  
Trusted by firms.

Aderant

# The world's best firms rely on Aderant solutions

2,500+

Unique clients

97%

AmLaw Top 200

21

Countries Served

86%

Global 100

Large law market  
continues to grow

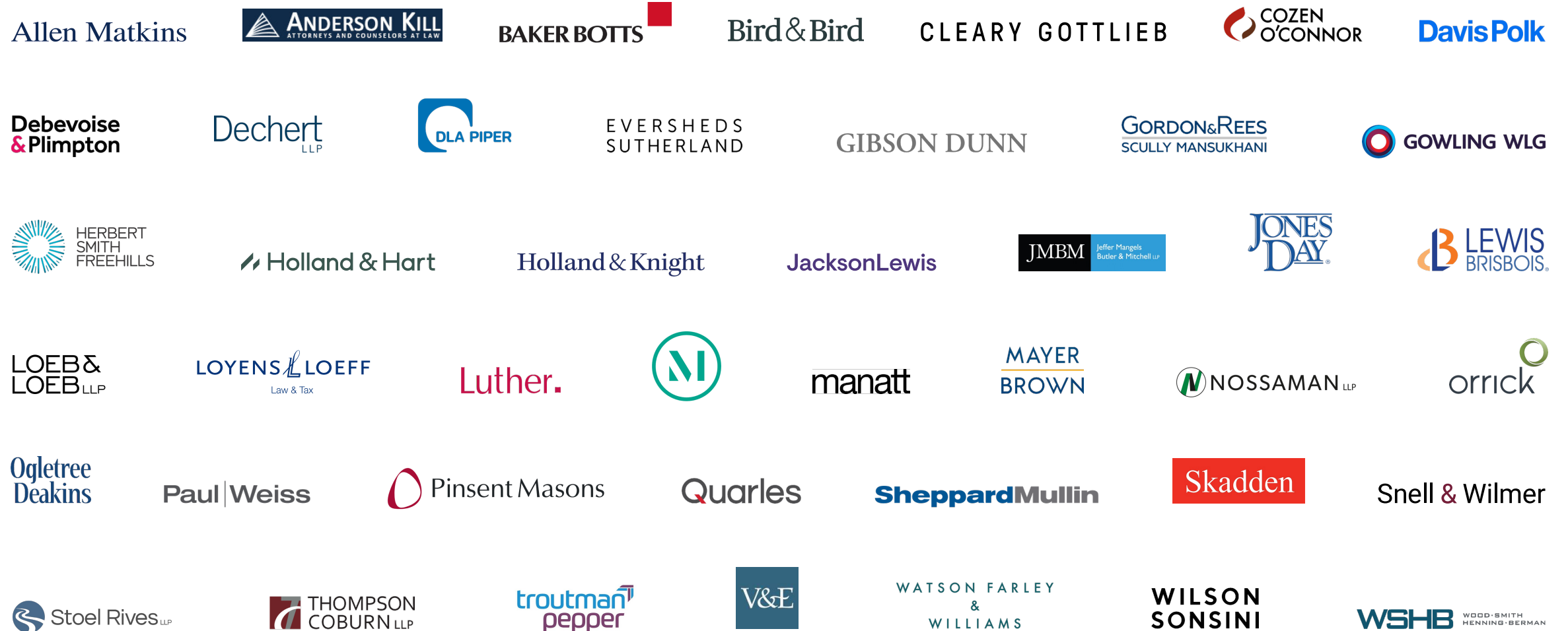
**+5%**

Legal services

**+10%**

Law firm  
revenue

# Leading law firms rely on Aderant





Aderant

# Firms are moving in our direction

220+

Firms replaced their legacy system with Aderant Expert in the last 5 years

39

AmLaw Top 200 firms moved to Aderant Expert from largest competitor

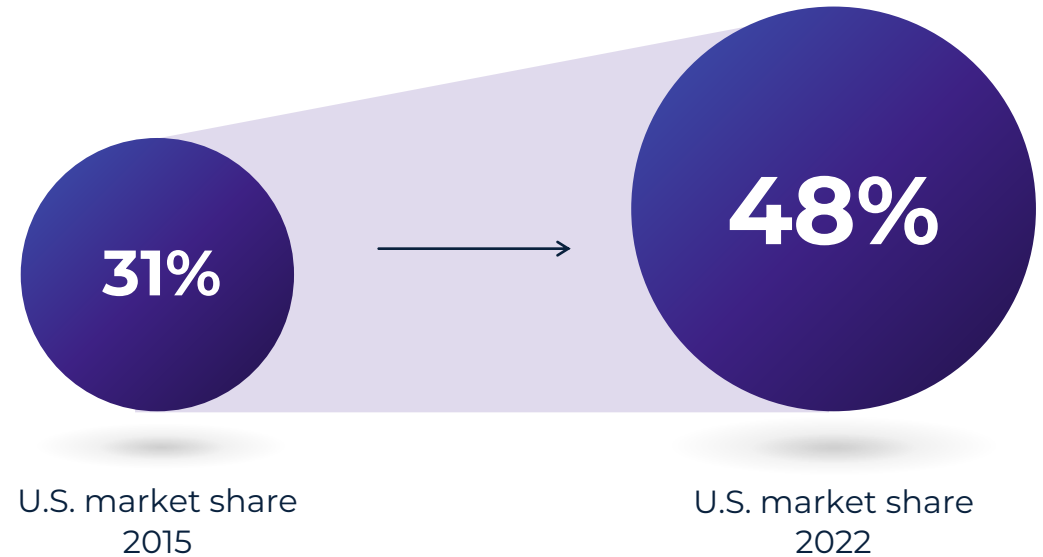
97

AmLaw Top 200 firms on or implementing Expert/Sierra (Cloud)

0

Firms moved from Aderant Expert to largest competitor in the last decade

U.S. market share increased  
from 31% in 2015 to 48% in 2022



# Experience the

Commitment



**100%**

Zero failed enterprise implementations

Support



**92**

Net promoter score (NPS) is consistently above 90

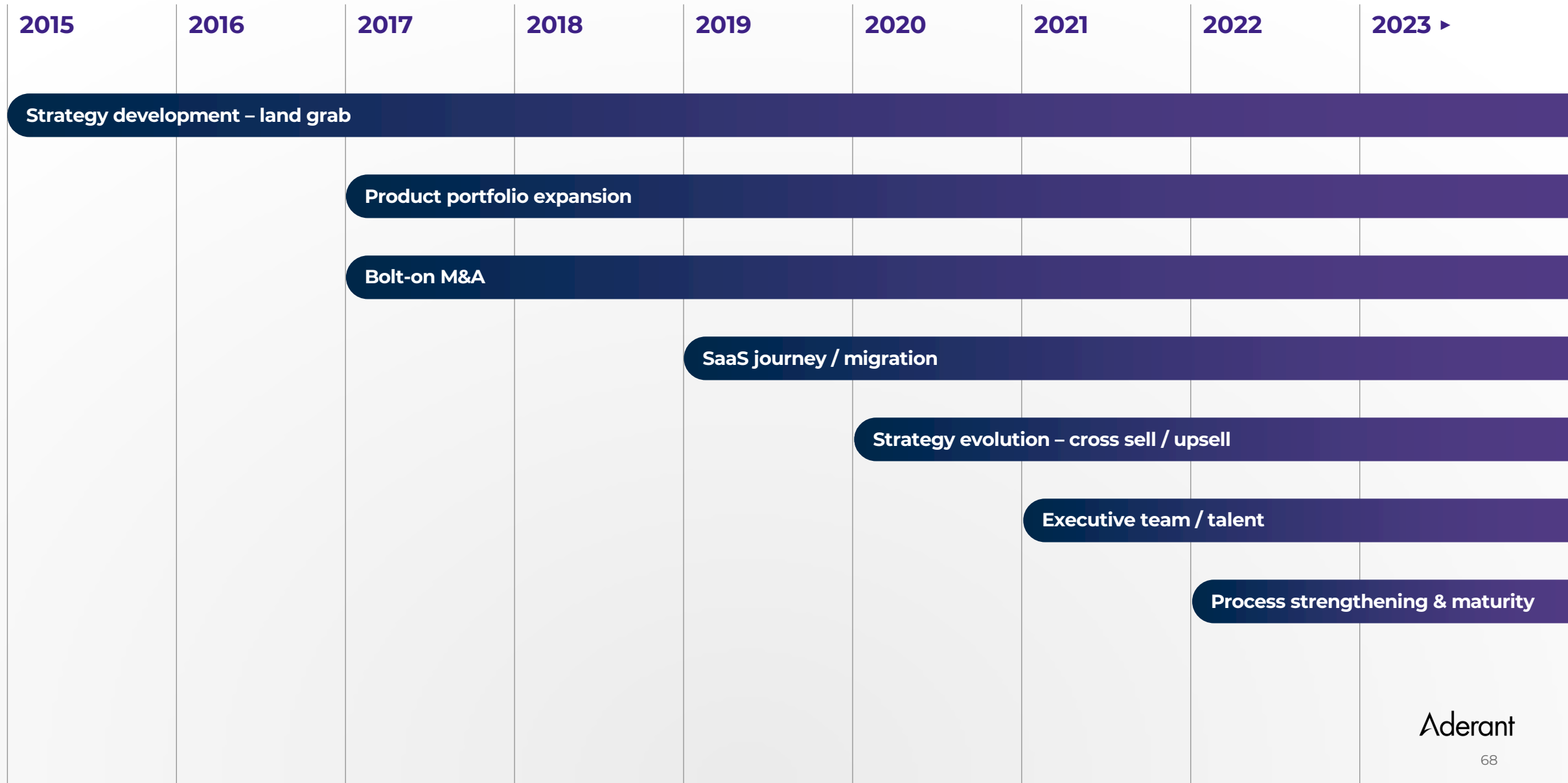
Innovation



**35+**

New products released

# Building the business



# Aderant has become even stronger as part of Roper

	<b>At acquisition</b>	<b>Now</b>
<b>Market position</b>	#2	#1
<b>Revenue</b>	~\$100M	~\$200M
<b>Organic recurring growth profile</b>	MSD	LDD
<b>Recurring &amp; reoccurring revenue % of total</b>	71%	79%
<b>SaaS % of bookings</b>	0%	80%
<b>EBITDA margin</b>	47%	50%
<b>Net retention</b>	102%	113%

Verathon

# Improving & extending patients' lives

Earl Thompson

President, Verathon

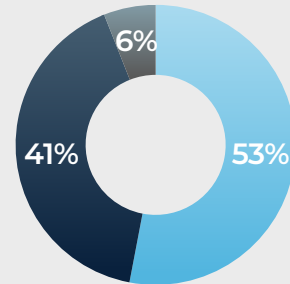
Verathon

~\$350M

Total 2022 revenue

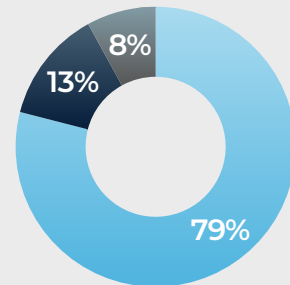
### Revenue streams

■ Consumables ■ Capital ■ Service



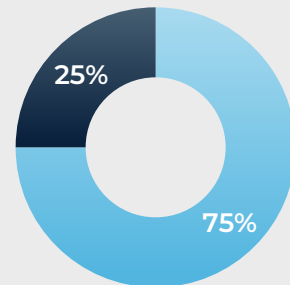
### Revenue by geography

■ USA ■ EMEA ■ ROW



### Revenue by business

■ Visualization ■ Imaging



## Global leader in airway management & bladder volume measurement devices

Delivering accelerated growth through market expansion & product generation excellence

Scaling for growth through business process transformation

# Leading products with strong brand preference

## Video laryngoscopes

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### GlideScope

Rigid devices, utilizing video camera technology, used to help intubate patients. They allow for visualization of the vocal cords and related airway structures when placing the endotracheal tube.



# Leading products with strong brand preference

## Single-use bronchoscopes

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### BFlex

Single-use, flexible devices used to visualize the airway and tracheobronchial tree. They are used for diagnosis and management of various airway and lung diseases. These include assisting and confirming tube placement, suctioning patient fluids, and diagnosing lung disease.





# Leading products with strong brand preference

## Bladder volume measurement devices

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### BladderScan

A purpose-built ultrasound machine which measures bladder volume accurately with point and click technology. This empowers healthcare providers to make catheterization decisions when a patient is not able to void on their own.



# Our current markets & positions

The markets we participate in have a combined served available market size of \$1B+, growing double digits

	Visualization		Imaging
	<b>Video laryngoscopy</b>	<b>Single-use bronchoscopy</b>	<b>Bladder volume measurement</b>
Market growth	HSD	Strong DD	LSD
Verathon market position	Global market leader	Global #2 rapidly gaining share  Expect to be US market leader in 2023	Global market leader



# Leading healthcare providers choose Verathon

**95%**

of U.S. hospitals use Verathon products



**4.8M**

SU video laryngoscope consumables shipped annually

**6M**

Patients are intubated annually with GlideScope



**#2**

BFlex bronchoscopes U.S. market position vectoring to #1 in 2023



**175M**

Annual patient exams using BladderScan

# Building the business

2009

2012

2015

2018

2021

2023 ▶

Founder transition

Quality management system

NPD capability...

Product generation excellence

Operations & lean journey

Operating system / processes

Strategy development & enablement

Culture / engagement

Team / talent

Infrastructure / ERP

Supply chain

GTM expansion / transition

# Accelerating growth

The journey to double-digit growth

## Market expansion

Doubled served available market (SAM) through entry into single-use bronchoscopy

## Portfolio extensions

Three major new product categories

## Product development acceleration

>20 new products launched since 2017

## Commercial transformation

Coverage & clinical expansion

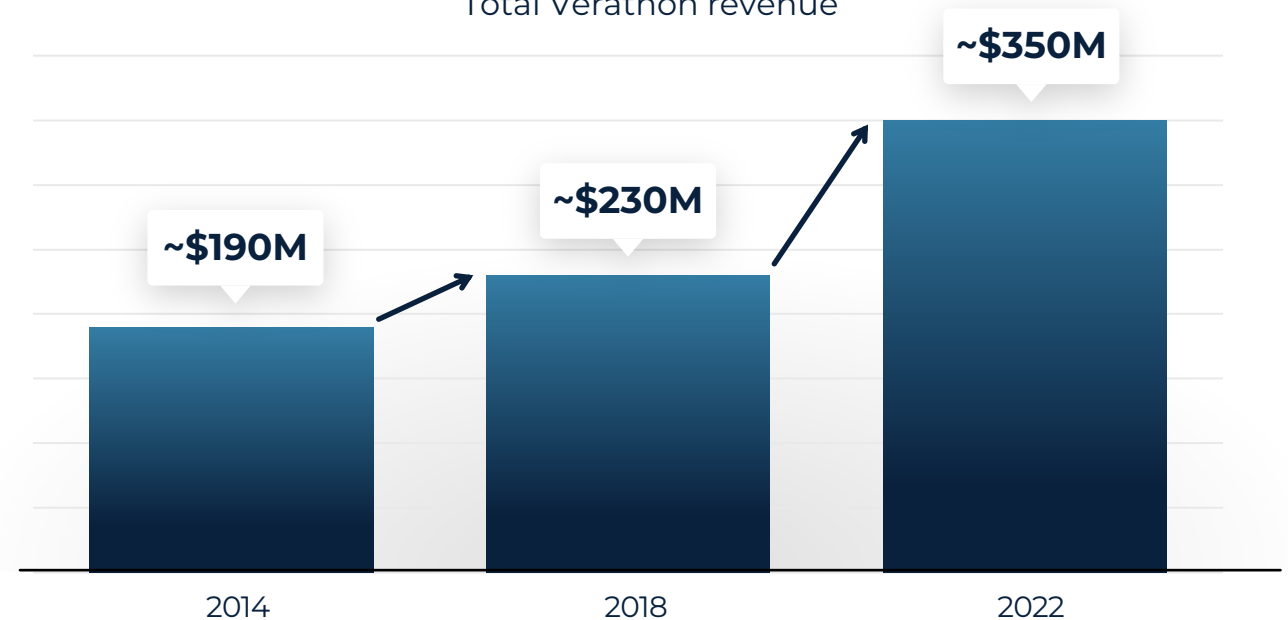
Served available market



Video laryngoscopy  
bladder volume  
measurement

+SU bronchoscopy

Total Verathon revenue



# Verathon has become even stronger as part of Roper

	2014	Now
Revenue	~\$190	~\$350
Organic growth profile	LSD	LDD
Reoccurring revenue	<15%	53%
New products introduced	<1 per year	~3 per year
Employee engagement	N/A	93%



# The leader in modern insurance technology

Amy Zupon

President, Vertafore

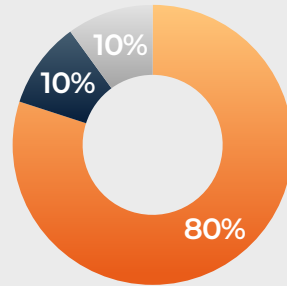


~\$635M

Total 2022 revenue

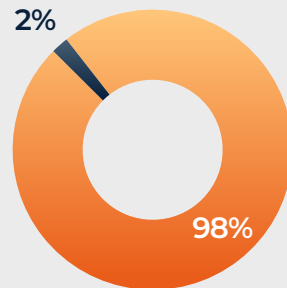
### Recurring vs. non-recurring

■ Recurring ■ Reoccurring ■ Non-recurring



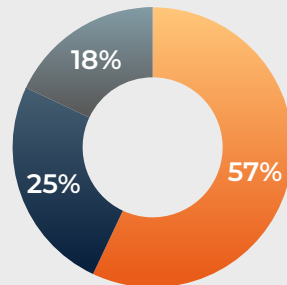
### Revenue by geography

■ US ■ Canada



### Customer type

■ Agency ■ Carrier ■ Other



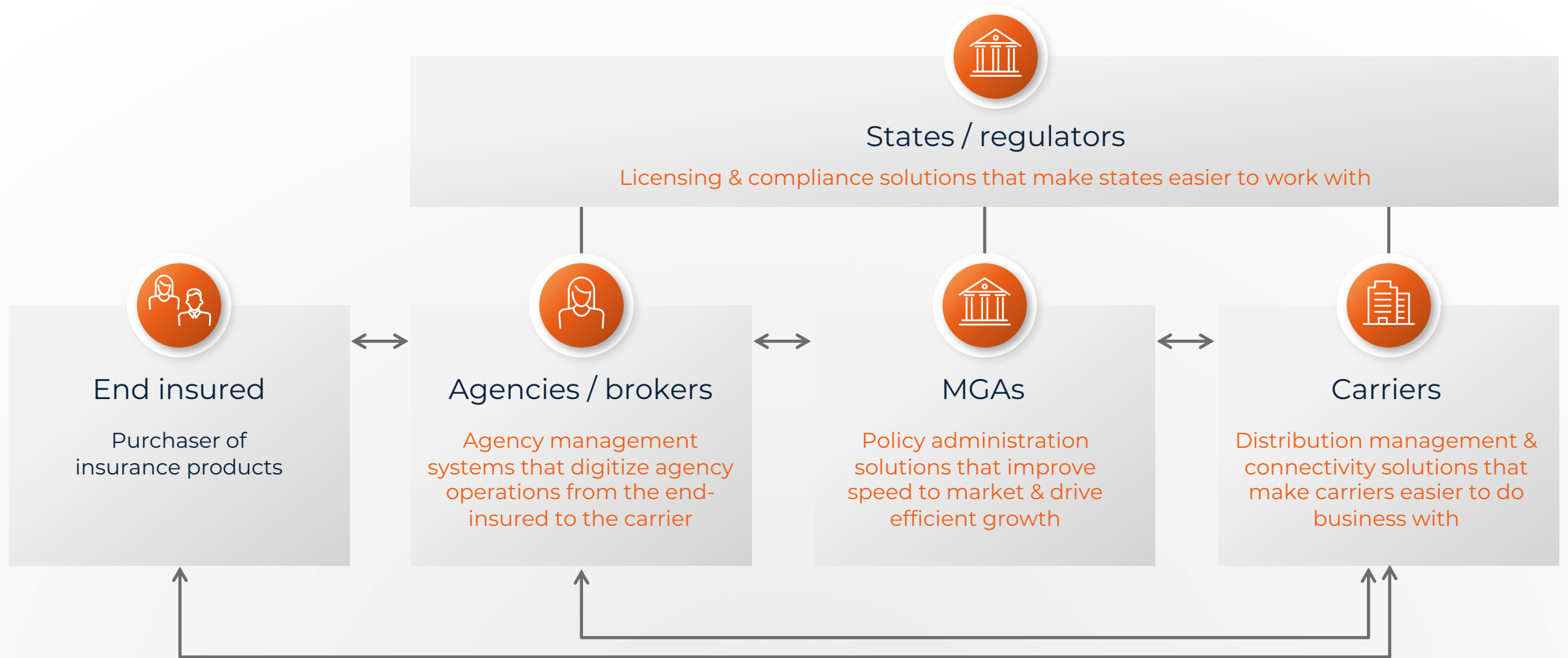
## Purpose built software for the P&C insurance & benefits distribution channel

Strategic investments under Roper ownership

Enabling long-term growth



# Vertafore serves the entire insurance distribution channel



# Vertafore at a glance

Great industry – growing with favorable trends

Operates from a unique position as leading market player

Industry complexity creates barrier to entry

Have a strong team in place to execute

Investing in R&D to drive future growth

## Award winning products



## Recognized industry leader



Company of the Year • Insurance



## Great place to work



# Vertafore operates from a strong market position

**100**

of the top 100 brokers partner with Vertafore

**96**

of the top P&C 100 carriers leverage Vertafore solutions

**20**

state governments use Vertafore for regulatory management

**~85%**

of managing general agents leverage Vertafore solutions

**66**

of the top 100 brokers partner with Vertafore for an agency management system

**7**

of the top 10 benefits brokerages use BenefitPoint

**~50%**

of industry transactions for producer compliance are handled by Sircon

**1.2M+**

insurance agents are in the Sircon network

# More industry players than anyone else

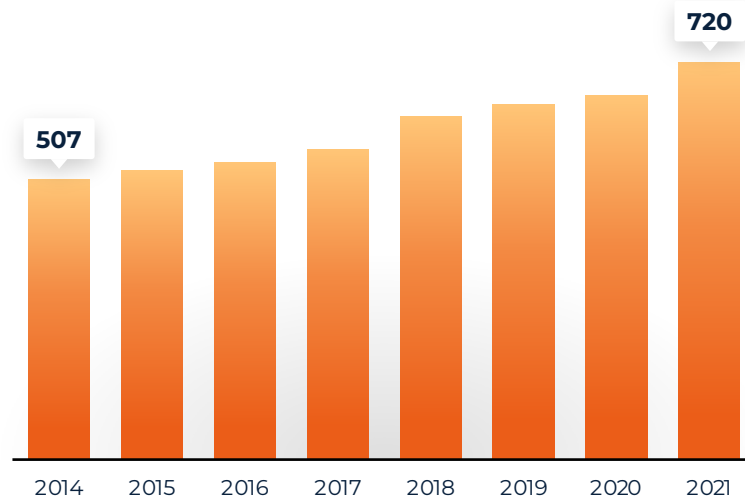


# Insurance market trends support continued growth

Independent agents are a fixture in the insurance distribution channel & continue to grow in importance

## Consistent growth in insurance premiums

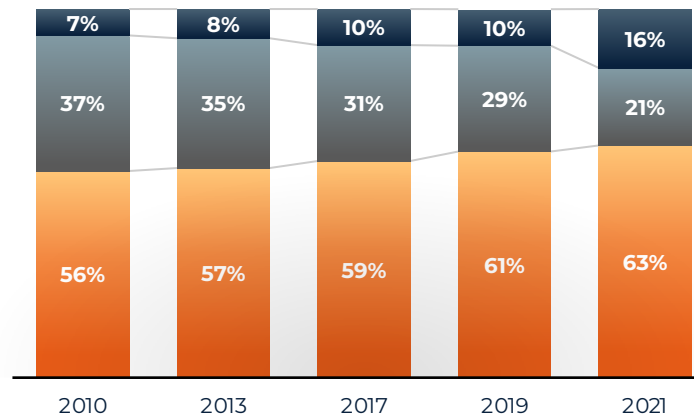
US P&C net premiums written (\$B)



## Agents expanding their share of distribution

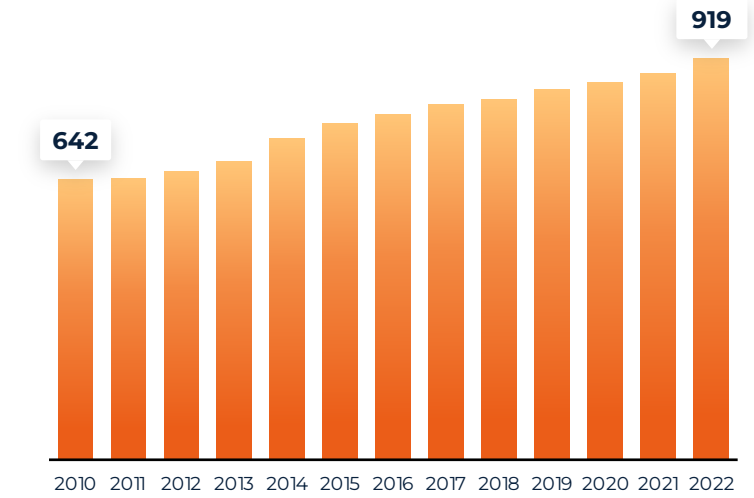
Independent channel expanding its share of premiums (%)

● IA ● Captive ● Direct

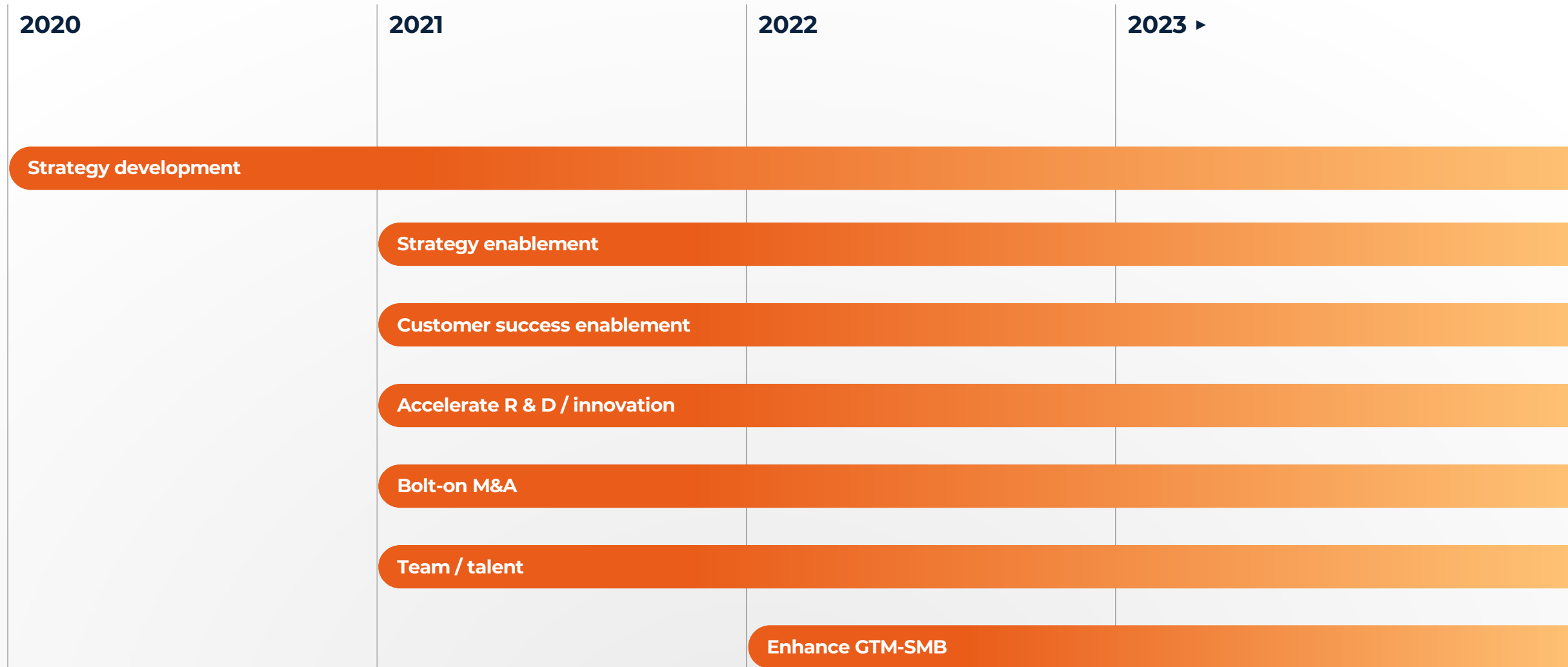


## Growing in size (employment)

Insurance broker & agency employment (000s)



# Building the business



# Enhancing customer engagement model

New model for long-term growth – not short-term bookings

## Evolving needs of customers

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Large agencies, MGAs, and carriers are becoming **more sophisticated** in their deployment and use of technology

**M&A activity** in our customer base is driving consolidation and a need for more complex service programs

## A different engagement model

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Vertafore is moving from a transactional “vendor” model to a **partnership model**

**Strategic alignment** with customers on their business priorities (not just technology)

**Expanded account team structure** to account for new roles

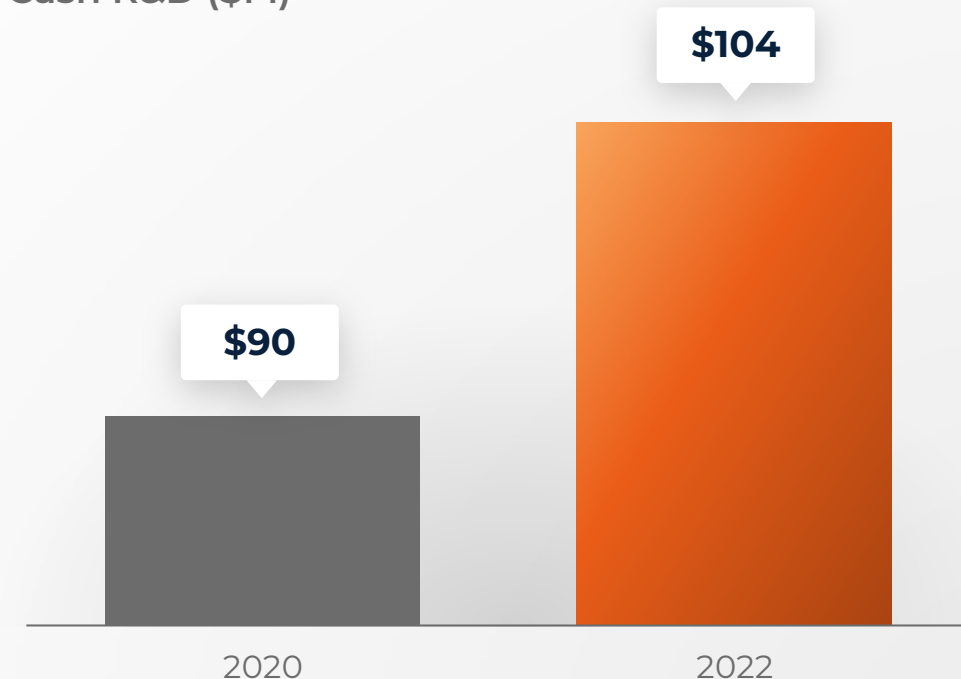
**Upskilling** team members

# Increased product investment

Investing in R&D to drive long-term profitable growth for Vertafore

## Increasing investment in R&D

Cash R&D (\$M)



## Focused in 3 primary areas



### User experience

Simplifying the workflows & modernizing the experience



### Advancing technology

Migration to AWS, enhancing APIs & modern data management



### New capabilities

New product launches to digitize more agency & carrier workflows



# Driving strategic M&A for growth

Disciplined M&A with partnership from Roper's industry leading M&A experts

## Acquisitions under Roper

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Acquired November 2021

50%+ growth since acquisition

Outperforming deal models on top & bottom line



Acquired June 2022

30%+ above plan on bookings for 2H 2022

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Vertafore partners with Roper to drive M&A agenda based on overall strategy

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Partnership in diligence between Roper & Vertafore – benefit from Roper's transaction execution capabilities

---

Vertafore drives the value creation plan with accountability to Roper to ensure success

# Vertafore has become even stronger under Roper

	<b>At acquisition</b>	<b>Now</b>
<b>Revenue (\$M)</b>	~\$550M	~\$635M
<b>Organic growth profile</b>	MSD	MSD+
<b>EBITDA margin (%)</b>	49%	50%
<b>Releases per year</b>	79	113
<b>Gross / net retention</b>	91% / 105%	92% / 108%
<b>Employee engagement<sup>1</sup></b>	93%	95%

# Panel Q&A

Neil Hunn, Group Executives  
& Business Presidents

# Break

15 minutes

# Process-driven capital deployment

Jason Conley, EVP & CFO

**Market-leading businesses  
in defensible niches**



**Process-driven  
capital deployment**



**Decentralized  
operating  
environment**





## Who we are

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# Process-driven capital deployment

Center-led

Business pickers

Low risk

Highly disciplined & analytical

Learning process

Free cash flow + investment grade  
leverage funded

# Center-led capital deployment



Roper corporate  
team led



Enables deployment to best  
and highest use



Strong reputation;  
buyer of choice



# Business pickers: high quality, low risk

## Company criteria



**CRI**



**Market leadership**



**Durable organic growth / recurring revenue**



**EBITDA margins**



**Strong management**



**Low company-specific existential risk**

## Market criteria



**Growing niche market**



**Favorable competitive landscape**



**Low cycle exposure**



**Low existential risk**

**Highly  
disciplined &  
analytical**

Effective sourcing & filtering

Rigorous & systematic diligence process

CRI-based valuation methodology

# Deal process overview

**Effective sourcing & filtering**

**Rigorous & systematic diligence process**

**CRI-based valuation methodology**

- ✓ Vast universe of private equity assets
- ✓ Relationships with sellers built over decades
- ✓ Business picker orientation enables focus
- ✓ Honed go-to-market capability & process

# Deal process overview

Effective sourcing & filtering

**Rigorous & systematic diligence process**

CRI-based valuation methodology

- ✓ Weekly M&A briefings; go / no-go on diligence
- ✓ Establish “got to believes” or thesis for each attractive deal
- ✓ Due diligence

#### Market & strategic

Market size, market growth, competition position, competitive stability, disintermediation risk, etc.

#### Finance & accounting

Business & financial model analysis (unit economics, projections, etc.)

Quality of earnings

Tax

#### Business specific

Commercial (GTM, implementation, customer support/success, etc.)

Product (product management, R&D architecture, capability & effectiveness)

Leadership & culture

#### Risk related

Legal, HR, cyber & insurance

- ✓ Dedicated advisory partners – market, finance, technical
- ✓ Diagnose / score “got to believes”
- ✓ Corporate executive go / no-go
- ✓ Board insight and authorization

# Deal process overview

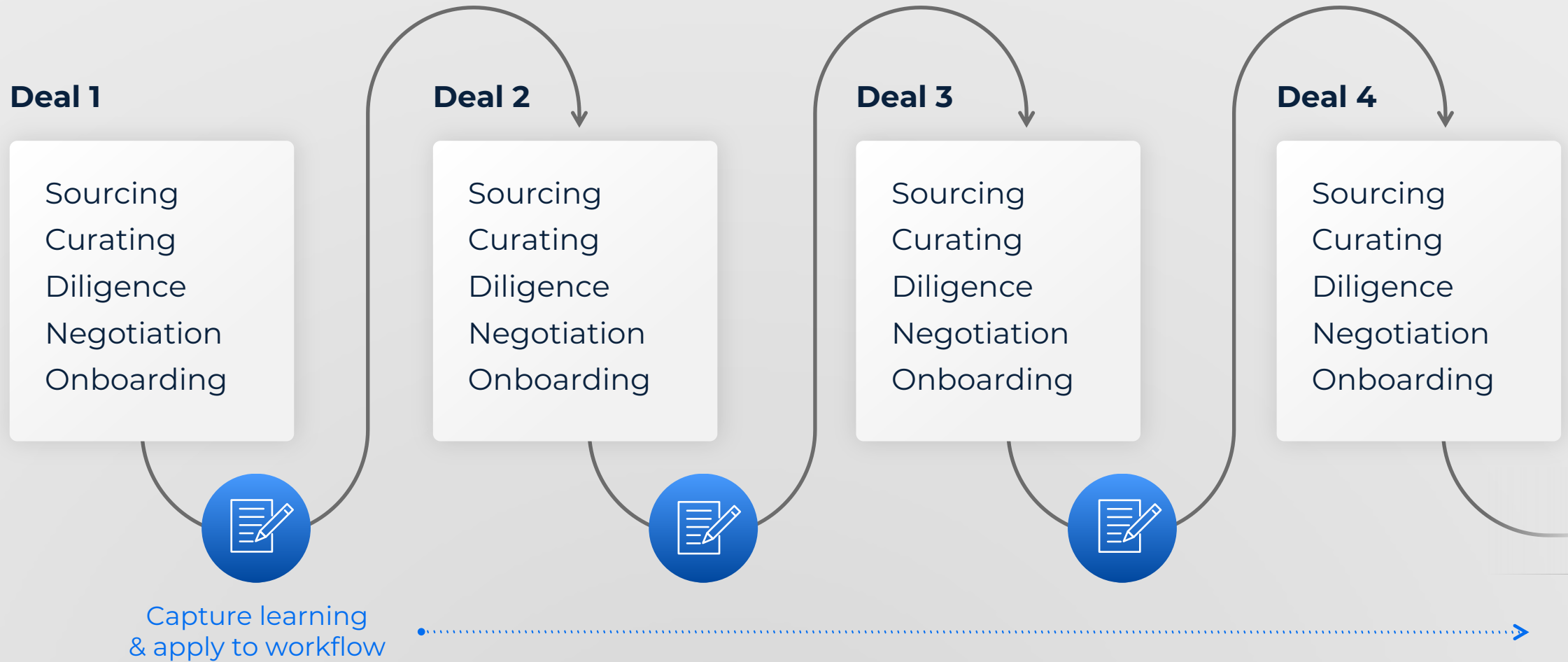
**Effective sourcing & filtering**

**Rigorous & systematic diligence process**

**CRI-based valuation methodology**

- ✔ Identifies value accretive opportunities
- ✔ Prevents bias & ensures objectivity
- ✔ 20-year track record of success

# Learning process



# Acquisition profiles



# Acquisition detail



**DAT**<sup>®</sup>  
Freight & Analytics



**NDI**



**strata**



**FOUNDRY.**  
imagination engineered

Acquired in 2004 (part of TransCore)

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#1 load board for freight spot market

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Internal carve-out from TransCore

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Growth beyond network; data monetization

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E-Commerce investment enables scaled GTM

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Cash flow CAGR since acquisition = +16%



# Acquisition detail

**DAT**  
Freight & Analytics

**NDI**

**strata**

**FOUNDRY.**  
imagination engineered

Acquired in 2011 (\$204M)

---

#1 precision measurement solution

---

Management investing for long-term growth

---

Strategic choice: prioritized medical end market

---

Medical focus unlocked new applications & faster growth

---

Cash flow CAGR since acquisition = +16%

# Acquisition detail

**DAT**<sup>®</sup>  
Freight & Analytics

Acquired in 2015 (\$140M); EPSi bolt-on in 2020 (\$365M)

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**NDI**

#1 hospital decision support & cost accounting solution

---

**strata**

Long-term solution investments driving innovation

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Customer cross sell & monetization of network data

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Bolt-on brings new logos and conversion upsell

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**FOUNDRY.**  
imagination engineered

Cash flow CAGR since acquisition = +28% total / +23% organic

# Acquisition detail

**DAT**<sup>®</sup>  
Freight & Analytics

**NDI**

**strata**

**FOUNDRY.**  
imagination engineered

Acquired in 2019 (\$543M)

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#1 postproduction media & entertainment solution

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Long-term investments in product innovation

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Support for transition to subscription model

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Cash flow CAGR since acquisition = +21%

# Large universe of M&A opportunities

Private equity generates a large & high-quality pipeline of acquisition candidates



# Free cash flow & investment grade leverage

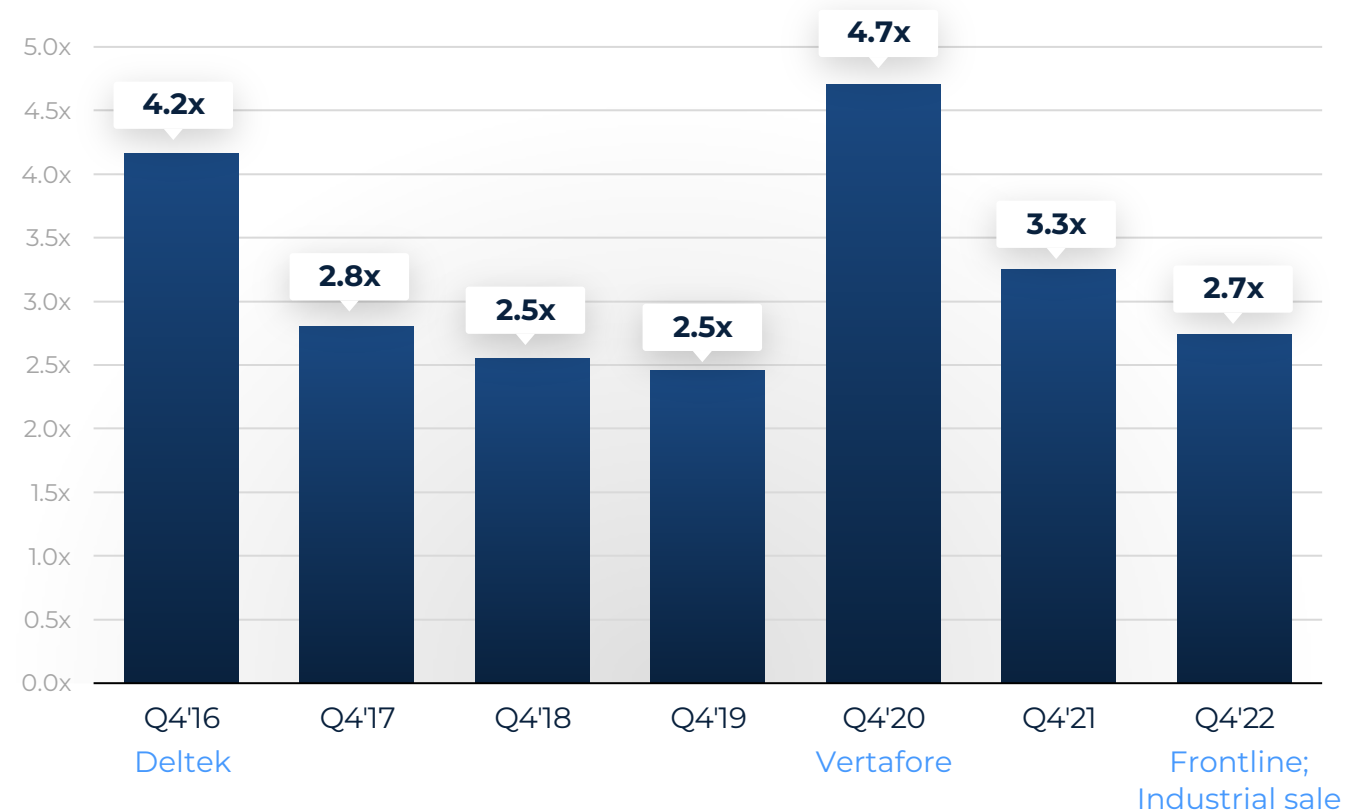
Invest in organic growth

Strategic use of our balance sheet to improve compounding

Commitment to solid investment grade

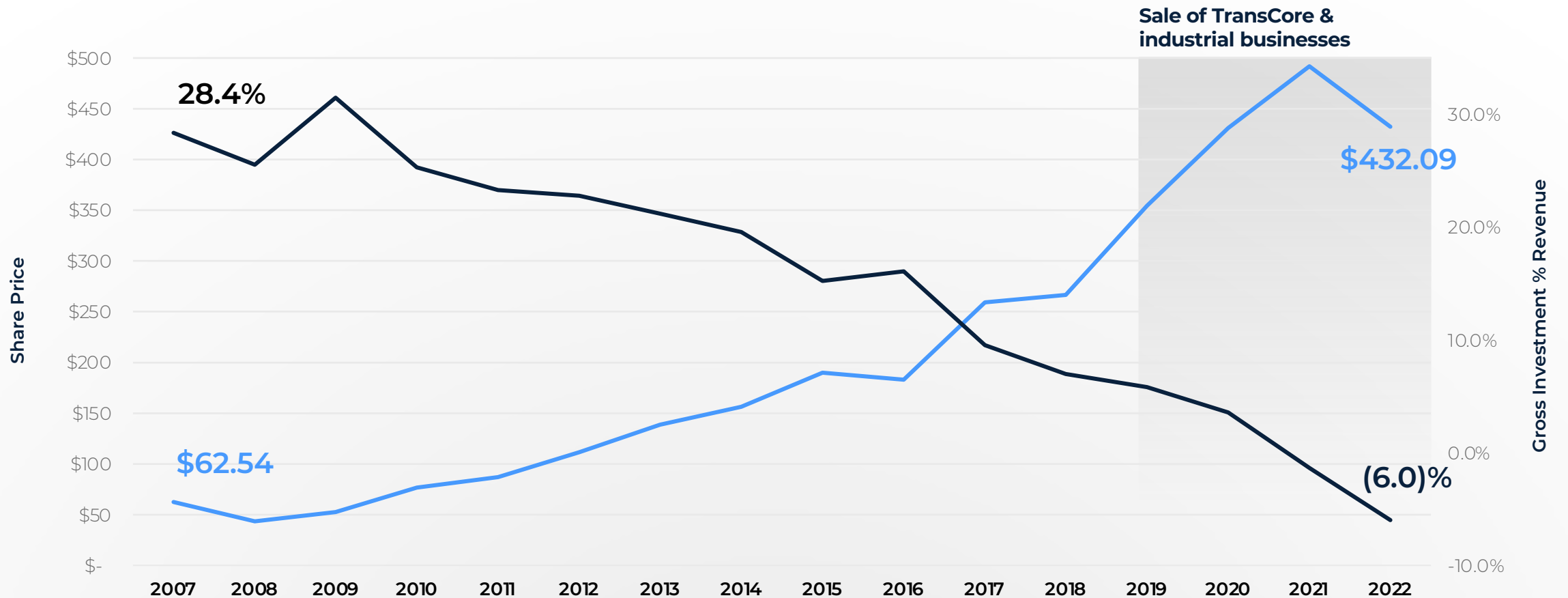
Enables nimble & opportunistic execution

## Net Debt / LTM EBITDA (Actual)



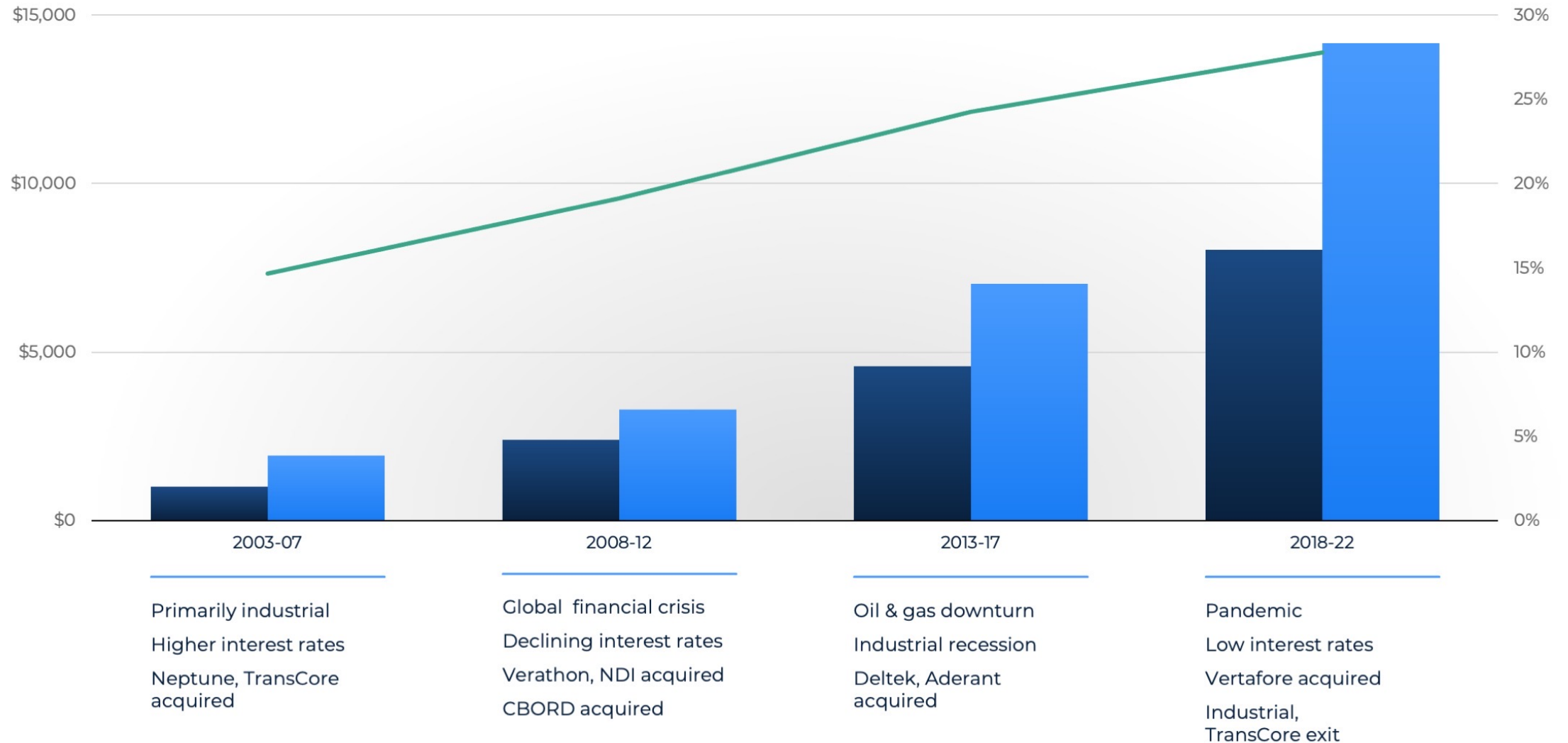
# Roper's consistent asset-light focus

● Share price ● (NWC + gross fixed assets) / Revenue



# Proven & repeatable capital deployment process

● FCF generation ● Capital deployment — FCF margin



In \$millions. Free cash flow excludes cash taxes paid for divestitures.

# Sustainable & low-risk acquisition approach

Centralized capital  
deployment

Focused on buying  
the best available  
businesses

Highly analytical,  
disciplined,  
& process-driven  
approach

Learning  
process enables  
continuous  
improvement

Large universe of  
acquisition  
opportunities

Funded by  
excess free cash  
flow & investment  
grade debt



# Wrap-up

Neil Hunn, President & CEO

**Market-leading businesses  
in defensible niches**



**Process-driven  
capital deployment**



**Decentralized  
operating  
environment**



# By the numbers

## 2023E Revenue

~\$6B

## Revenue growth

Double-digit

## Revenue growth + FCF margin

Rule of 40+

## Margins

**70%+** Gross margin

**40%+** EBITDA margin

**30%+** FCF margin

## Business mix

**~75%** Vertical software

**~25%** Medical & water products

## Recurring & reoccurring

**~80%** Of vertical software

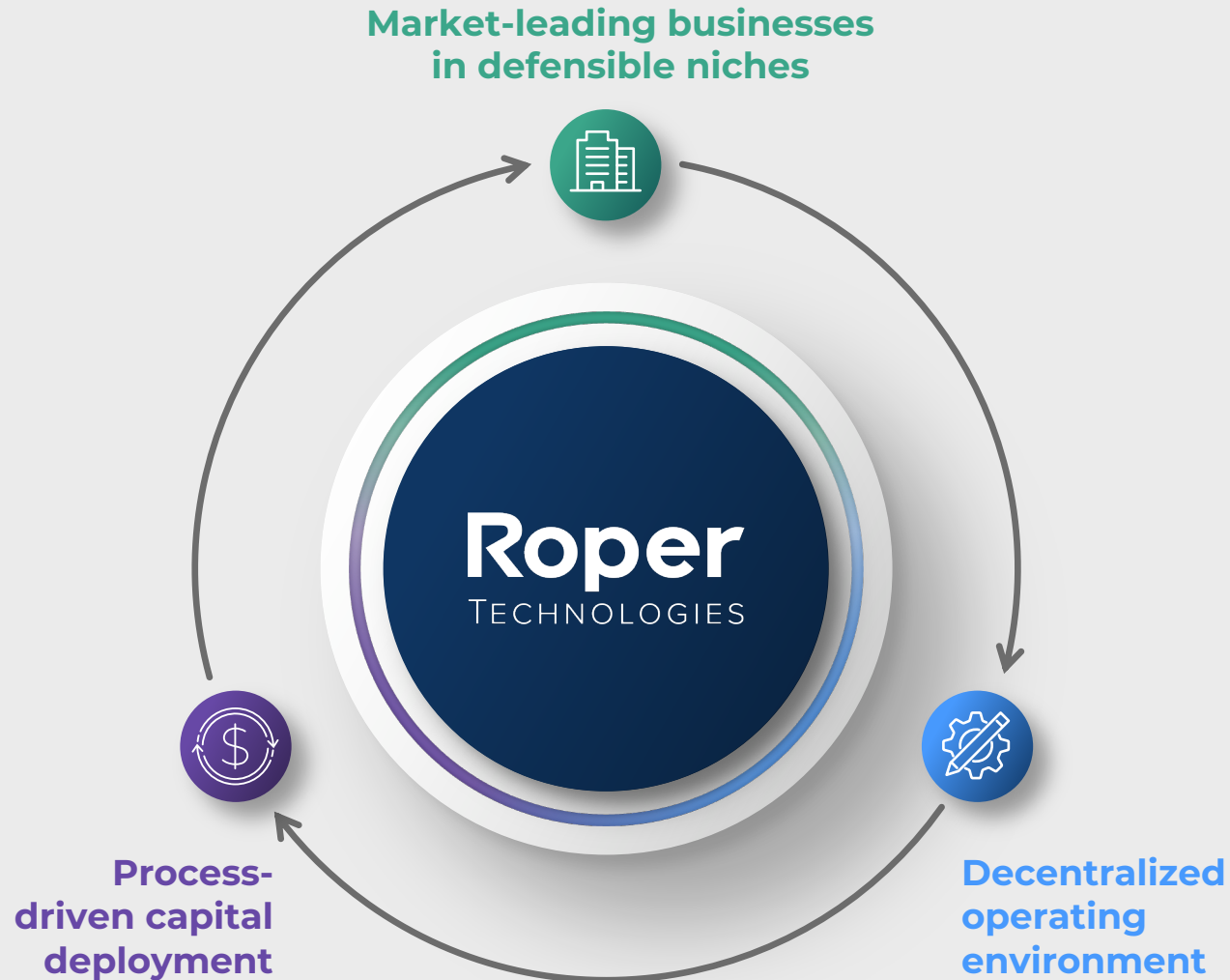
**70%+** Of total

# Roper's evolution

	~15 years ago	Now
Portfolio	Niche, market-leading businesses	<b>Niche, market-leading businesses</b>
Revenue	~\$2B	<b>~\$6B</b>
EBITDA margin %	~25%	<b>~40%</b>
Organic growth profile	LSD+	<b>MSD+</b>
Software % of revenue	~5%	<b>~75%</b>
Cyclical revenue %	~50%	<b>~0%</b>
NWC % of revenue	~10%	<b>~(17)%</b>

**Higher growth & higher quality financial profile**

# Long-term compounding growth algorithm



## Double-digit revenue growth

MSD+ organic growth

Patient & disciplined capital deployment

+

## 45%+ operating leverage

High margin niche leaders

Improve what we own

=

## Mid-teens free cash flow compounding

High cash return business models

Long runway ahead

# Roper Technologies

## Today's messages

High-quality  
portfolio of  
market leaders

Demonstrated  
ability to improve  
our businesses

Disciplined &  
analytical approach  
to capital  
deployment

Our culture is a  
competitive  
advantage

Low risk  
orientation

Clear & compelling  
long-term growth  
algorithm

# Q&A

# Appendix



# Reconciliations I

## Adjusted revenue and EBITDA reconciliation (\$M) (including discontinued operations)

GAAP revenue	
Purchase accounting adjustment to acquired deferred revenue	
Adjusted revenue	
GAAP net earnings	
Taxes	
Interest expense	
Depreciation	
Amortization	
EBITDA	
Purchase accounting adjustment to acquired commission expense	
Transaction-related expenses for completed acquisitions & divestitures	
Legal settlement charge	
Gain on sale of discontinued operations	
Adjusted EBITDA	
% of adjusted revenue	

	FY 2007	FY 2022	CAGR
	\$2,102	\$6,388	
	-	-	
	\$2,102	\$6,388	8%
	\$250	\$4,545	
	134	1,345	
	52	192	
	32	40	
	61	617	
	\$529	\$6,739	
	-	(5)	
	-	17	
	-	45	
	-	(4,366)	
	\$529	\$2,431	11%
	25.2%	38.1%	

## Adjusted cash flow reconciliation (\$M) (including discontinued operations)

Operating cash flow	
Taxes paid in period related to divestitures	
Adjusted operating cash flow	
Capital expenditures	
Capitalized software expenditures	
Investing activities from discontinued operations	
Adjusted free cash flow	

	FY 2007	FY 2022	CAGR
	\$344	\$735	
	-	954	
	\$344	\$1,688	11%
	(30)	(40)	
	(7)	(30)	
	-	(6)	
	\$307	\$1,613	12%

# Reconciliations II

## Adjusted revenue and EBITDA reconciliation (\$M) (including discontinued operations)

	FY 2016	FY 2019
GAAP revenue	\$3,790	\$5,367
Purchase accounting adjustment to acquired deferred revenue	15	11
Adjusted revenue	\$3,805	\$5,377
Organic	(1%)	3%
Acquisitions / divestitures	7%	1%
Foreign exchange	(1%)	(1%)
Total adjusted revenue growth	6%	3%
GAAP net earnings	\$659	\$1,768
Taxes	282	460
Interest expense	112	187
Depreciation	37	49
Amortization	203	367
EBITDA	\$1,293	\$2,830
Purchase accounting adjustment to acquired deferred revenue and commission expense	15	11
Transaction-related expenses for completed acquisitions & divestitures	6	6
Gain on sale of divested businesses	-	(921)
Debt extinguishment charge	1	-
Adjusted EBITDA	\$1,315	\$1,925
% of adjusted revenue	34.6%	35.8%

# Reconciliations III

## Adjusted EBITDA reconciliation (\$M) (including discontinued operations)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
GAAP net earnings	\$659	\$972	\$944	\$1,768	\$950	\$1,153
Taxes	282	63	254	460	260	338
Interest expense	112	181	182	187	219	234
Depreciation	37	50	50	49	53	54
Amortization	203	295	318	367	467	585
EBITDA	\$1,293	\$1,560	\$1,748	\$2,830	\$1,949	\$2,364
Purchase accounting adjustment to acquired deferred revenue and commission expense	15	52	7	10	10	(5)
Impairment related to merger of Clinisys and Sunquest	-	-	-	-	-	100
Transaction-related expenses for completed acquisitions & divestitures	6	-	-	6	9	-
Restructuring charge associated with certain Process Technologies businesses	-	-	-	-	14	-
One-time expense for accelerated vesting	-	-	35	-	-	-
Gain on sale of divested businesses	-	(8)	-	(921)	-	(28)
Debt extinguishment charge	1	-	16	-	-	-
Adjusted EBITDA	\$1,315	\$1,605	\$1,806	\$1,925	\$1,981	\$2,432

# Reconciliations IV

## Adjusted revenue and EBITDA reconciliation (\$M) (from continuing operations)

	FY 2019*	FY 2020	FY 2021	FY 2022	V% to '21	3-Year CAGR
GAAP revenue	\$3,558	\$4,022	\$4,834	\$5,372		
Purchase accounting adjustment to acquired deferred revenue	11	12	1	-		
Adjusted revenue	\$3,568	\$4,034	\$4,835	\$5,372	11%	15%
Organic	6%	3%	8%	9%		
Acquisitions / divestitures	6%	10%	11%	3%		
Foreign exchange	(1%)	-	1%	(1%)		
Total adjusted revenue growth	11%	13%	20%	11%		
GAAP earnings before income taxes	\$778	\$861	\$1,032	\$1,282		
Interest expense	186	219	234	192		
Depreciation	37	41	44	37		
Amortization	349	451	572	613		
EBITDA	\$1,350	\$1,572	\$1,882	\$2,124		
Purchase accounting adjustment to acquired deferred revenue and commission expense	10	10	(5)	(5)		
Transaction-related expenses for completed acquisitions & divestitures	6	9	-	5		
Legal settlement charge	-	-	-	45		
Impairment related to merger of Clinisys and Sunquest	-	-	94	-		
Gain on sale of divested businesses	-	-	(28)	-		
Adjusted EBITDA	\$1,366	\$1,590	\$1,944	\$2,170	12%	17%
% of adjusted revenue	38.3%	39.4%	40.2%	40.4%	+20 bps	



# Roper

TECHNOLOGIES