



# Q1 2024

Financial results

April 26, 2024

# 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 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.

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 conference call will discuss results primarily on an adjusted (non-GAAP) and continuing operations basis.

Q1 results adjusted for the following Items:

1. Amortization of acquisition-related intangible assets
2. Financial impacts associated with minority investments
3. Transaction-related expenses associated with completed acquisitions

See appendix for reconciliations.

# Agenda

**Q1 enterprise highlights & financial results**

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**Segment detail & outlook**

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**Q2 & FY 2024 enterprise guidance**

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**Q&A**

# Q1 overview

Continued strong  
execution & momentum

## Great start to 2024

+14% revenue, +8% organic revenue, +16% EBITDA

+15% free cash flow; 31% free cash flow margin

Completed Procure acquisition

## Increasing full year guidance

## Well positioned for capital deployment

Results are presented on an adjusted (non-GAAP) and continuing operations basis. See appendix for reconciliations.

# Q1 financial highlights

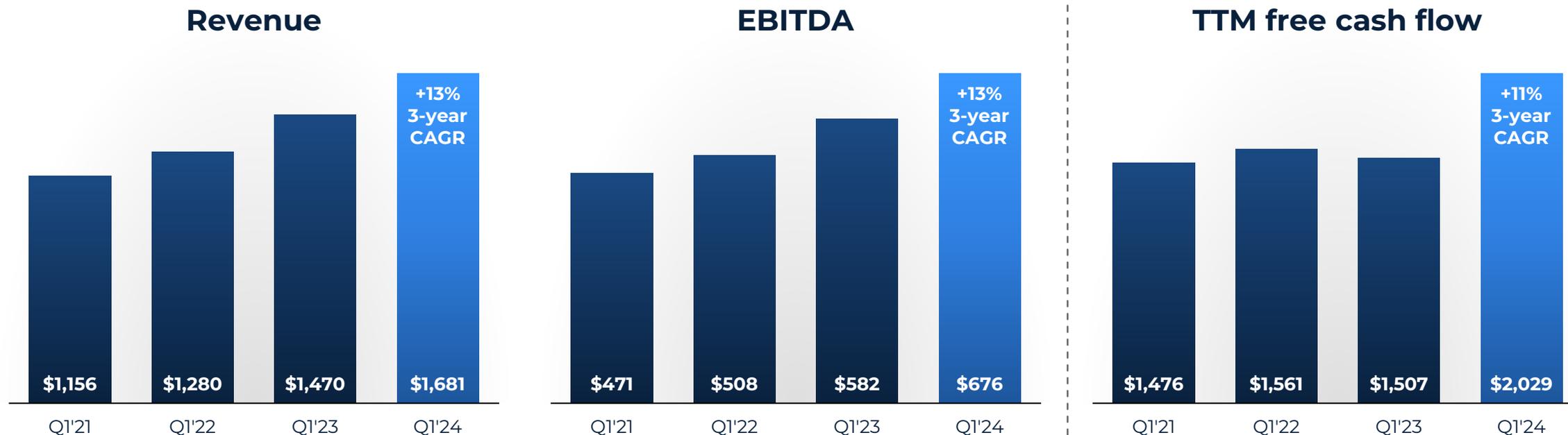
## Excellent first quarter results

Total revenue +14%; organic revenue +8%

EBITDA +16%; EBITDA margin +60 bps to 40.2%

DEPS +13% to \$4.41

Free cash flow +15% to \$513M; TTM +35% to \$2.0B



# Strong financial position

**\$4B+ capacity for capital deployment**

	3/31/24
Cash	\$198
Gross debt	\$7,722
Net debt	\$7,524
TTM EBITDA	\$2,604
Gross debt-to-EBITDA (TTM)	3.0x
Net debt-to-EBITDA (TTM)	2.9x
Drawn on \$3.5B revolver	\$1,750

In \$ millions. Numbers may not foot due to rounding.  
Results are presented on an adjusted (non-GAAP) and continuing operations basis.  
See appendix for reconciliations.

# Segment detail & outlook

# Application Software

## Q1 highlights

Revenue +18%; organic revenue +6%

Deltek growth led by private sector cloud strength; launched GenAI-powered assistant

Another great Aderant quarter; continued SaaS momentum & GenAI-focused innovation

Vertafore performed well; continued ARR growth

PowerPlan ARR growth with strong customer retention & adoption of new SaaS solution

Strata & Data Innovations growth driven by strong hospital demand & GTM execution

Completed Procure acquisition & onboarding; off to a good start

## Q2 – Q4 outlook

MSD organic growth

### Revenue



### EBITDA



Margin	Q1'21	Q1'22	Q1'23	Q1'24
	44.9%	44.1%	43.2%	43.3%

# Network Software

## Q1 highlights

Revenue +5%; organic revenue +4%

DAT & Loadlink declined, as expected; challenging freight market conditions continued

Foundry declined, as expected, from industry strike impact; major product updates & AI/ML innovation

iPipeline ARR growth with strong renewals & customer expansions; annuities momentum

ConstructConnect enhancing network value with GenAI-powered solutions

Strong quarter for MHA; continued improvement in senior care occupancy

## Q2 – Q4 outlook

LSD organic growth; continued difficult freight market conditions

In \$ millions. Results are presented on an adjusted (non-GAAP) and continuing operations basis. See appendix for reconciliations.

### Revenue



### EBITDA



Margin	Q1'21	Q1'22	Q1'23	Q1'24
	51.1%	52.7%	53.1%	55.9%

# Technology Enabled Products

## Q1 highlights

Revenue +17%; organic revenue +17%

Another record Neptune quarter; continued strong ultrasonic meter growth & adoption of meter data management software

BFlex, GlideScope & BladderScan drove outstanding Verathon growth

Strong execution & growth from CIVCO, Inovonics, IPA, and rf IDEAS

## Q2 – Q4 outlook

HSD organic growth

### Revenue



### EBITDA



Margin	Q1'21	Q1'22	Q1'23	Q1'24
	38.6%	34.3%	34.7%	34.3%

In \$ millions. Results are presented on an adjusted (non-GAAP) and continuing operations basis. See appendix for reconciliations.

# 2024 enterprise guidance

# Guidance update

## Increasing full year 2024 guidance

Total revenue: ~12%

Previously +11 - 12%

Organic: ~6%

Previously +5 - 6%

Adjusted DEPS: \$18.05 - \$18.25

Previously \$17.85 - \$18.15

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## Establishing Q2 2024 guidance

Adjusted DEPS: \$4.42 - \$4.46

Guidance excludes impact of unannounced future acquisitions or divestitures.  
Guidance presented on an adjusted (non-GAAP) and continuing operations basis.  
See appendix for reconciliations.

# Summary

Simple ideas.

Powerful results.

## Great start to 2024

+14% revenue, +8% organic revenue, +16% EBITDA

+15% free cash flow; 31% free cash flow margin

Completed Procure acquisition

## Increasing full year guidance

Continued demand for mission critical solutions

Ongoing expansion of recurring revenue base

## Well positioned for capital deployment

\$4B+ of M&A firepower

Robust pipeline of attractive acquisition opportunities

**Market-leading businesses  
in defensible niches**

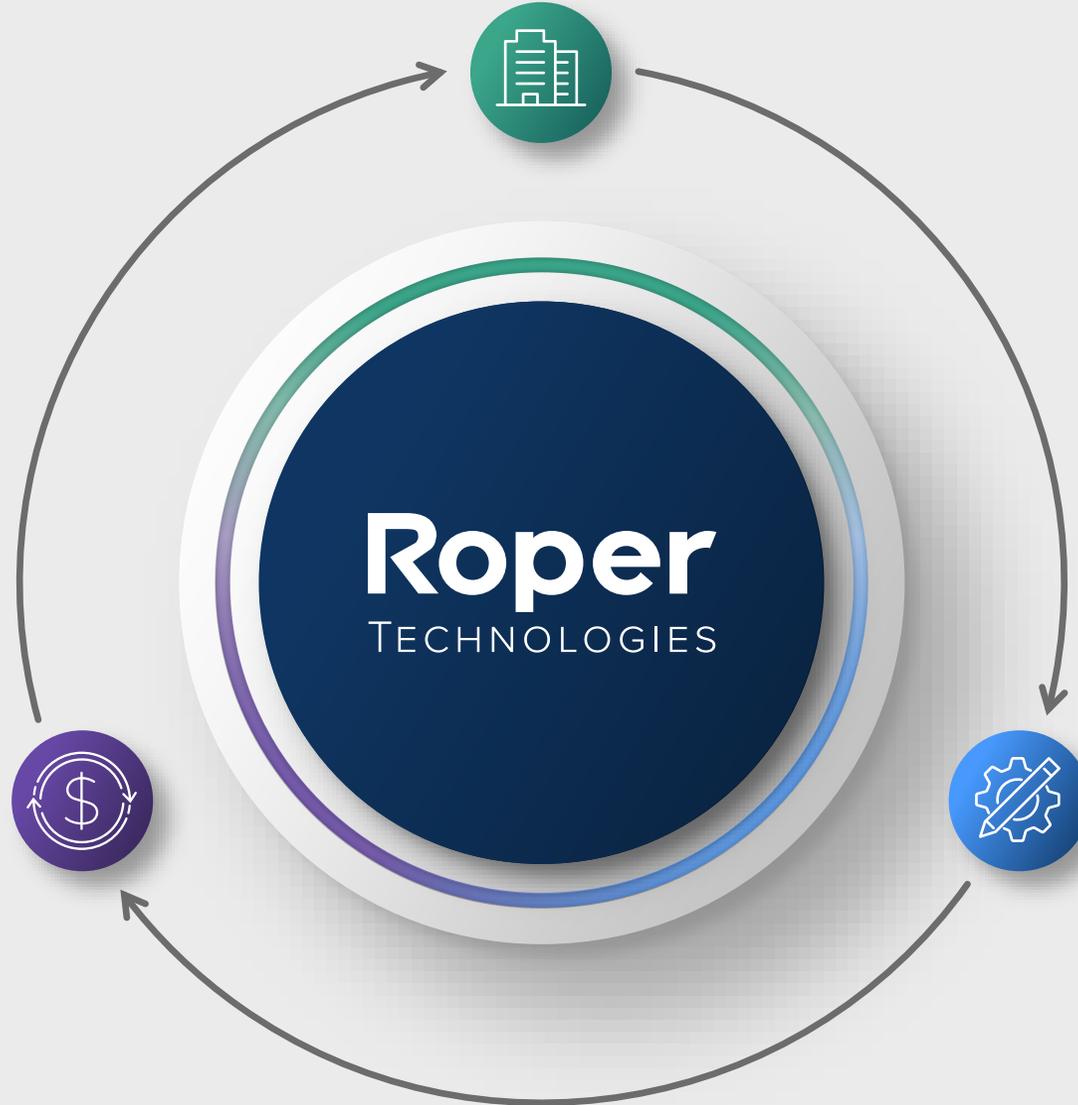


**Decentralized  
operating  
environment**



**Roper**  
TECHNOLOGIES

**Process-driven  
capital deployment**



# Appendix

# Q1 income statement metrics

	Q1'23	Q1'24	
Revenue	\$1,470	\$1,681	+14%; organic +8%
Gross profit	\$1,019	\$1,181	
Gross margin	69.3%	70.3%	
EBITDA	\$582	\$676	+16%
EBITDA margin	39.6%	40.2%	
Interest expense	\$37	\$53	
Tax rate	21.6%	21.6%	
Net earnings	\$417	\$476	
DEPS	\$3.90	\$4.41	+13%

# Roper's revenue composition

## Disaggregated revenue reconciliation (\$M) (from continuing operations)

	Q1 2024				Technology Enabled Products		Roper	
	Application Software		Network Software					
	Q1'23	Q1'24	Q1'23	Q1'24	Q1'23	Q1'24	Q1'23	Q1'24
<b>Software related</b>								
Recurring	581	694	256	268	4	6	840	967
Reoccurring	35	54	64	69	-	-	100	122
Non-recurring	145	148	34	34	-	-	180	182
<b>Total software revenue</b>	<b>761</b>	<b>895</b>	<b>355</b>	<b>371</b>	<b>4</b>	<b>6</b>	<b>1,120</b>	<b>1,272</b>
<b>Total product revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350</b>	<b>409</b>	<b>350</b>	<b>409</b>
<b>Total revenue</b>	<b>761</b>	<b>895</b>	<b>355</b>	<b>371</b>	<b>354</b>	<b>415</b>	<b>1,470</b>	<b>1,681</b>

# Reconciliations I

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

	Q1 2021	Q1 2022	Q1 2023	Q1 2024	V% to '23	3-Year CAGR	TTM 2024
GAAP revenue	\$ 1,155	\$ 1,280	\$ 1,470	\$ 1,681	14%	13%	\$ 6,389
Purchase accounting adjustment to acquired deferred revenue	1	-	-	-			-
Adjusted revenue	\$ 1,156	\$ 1,280	\$ 1,470	\$ 1,681	14%	13%	\$ 6,389
GAAP earnings before income taxes	\$ 284	\$ 301	\$ 360	\$ 484			\$ 1,867
Interest expense	61	53	37	53			181
Depreciation	12	10	9	9			36
Amortization	143	146	175	185			730
EBITDA	\$ 499	\$ 509	\$ 581	\$ 731	26%	14%	\$ 2,813
Purchase accounting adjustment to acquired deferred revenue and commission expense	-	(1)	-	-			-
Restructuring-related expenses associated with the Syntellis acquisition	-	-	-	-			9
Transaction-related expenses for completed acquisitions	-	-	-	2			9
Financial impacts associated with the minority investments in Indicor & Certinia <sup>A</sup>	-	-	1	(57)			(224)
Gain on sale of non-operating assets	-	-	-	-			(3)
Gain on sale related to minority investment in Sedaru	(28)	-	-	-			-
Adjusted EBITDA	\$ 471	\$ 508	\$ 582	\$ 676	16%	13%	\$ 2,604
% of adjusted revenue	40.8%	39.7%	39.6%	40.2%	+60 bps		40.8%

## Cash flow reconciliation (\$M) (from continuing operations)

	TTM 2021	TTM 2022	TTM 2023	TTM 2024	V% to '23	3-Year CAGR	Q1 2023	Q1 2024	V %
Operating cash flow	\$ 1,331	\$ 1,618	\$ 630	\$ 2,104			\$ 465	\$ 531	
Taxes paid in period related to divestitures	192	-	954	32			-	-	
Adjusted operating cash flow from continuing operations	\$ 1,523	\$ 1,618	\$ 1,584	\$ 2,136	35%	12%	\$ 465	\$ 531	14%
Capital expenditures	(25)	(27)	(44)	(68)			(10)	(9)	
Capitalized software expenditures	(22)	(30)	(33)	(40)			(10)	(10)	
Free cash flow	\$ 1,476	\$ 1,561	\$ 1,507	\$ 2,029	35%	11%	\$ 445	\$ 513	15%

# Reconciliations II

## Revenue growth reconciliation

(from continuing operations)

Q1 2024	Technology			
	Application Software	Network Software	Enabled Products	Roper
Organic	6%	4%	17%	8%
Acquisitions/divestitures	12%	-	-	6%
Foreign exchange	-	-	-	-
Total revenue growth	18%	5%	17%	14%

## Adjusted segment reconciliation (\$M)

(from continuing operations)

	Application Software				Network Software				Technology Enabled Products			
	Q1'21	Q1'22	Q1'23	Q1'24	Q1'21	Q1'22	Q1'23	Q1'24	Q1'21	Q1'22	Q1'23	Q1'24
GAAP revenue	\$ 573	\$ 628	\$ 761	\$ 895	\$ 287	\$ 338	\$ 355	\$ 371	\$ 295	\$ 313	\$ 354	\$ 415
Purchase accounting adjustment to acquired deferred revenue	1	-	-	-	-	-	-	-	-	-	-	-
Adjusted revenue	\$ 574	\$ 628	\$ 761	\$ 895	\$ 287	\$ 338	\$ 355	\$ 371	\$ 295	\$ 313	\$ 354	\$ 415
GAAP operating profit	\$ 154	\$ 172	\$ 193	\$ 240	\$ 106	\$ 137	\$ 148	\$ 167	\$ 106	\$ 100	\$ 115	\$ 136
Purchase accounting adjustment to acquired deferred revenue and commission expense	-	(1)	-	-	-	-	-	-	-	-	-	-
Adjusted operating profit	\$ 153	\$ 171	\$ 193	\$ 240	\$ 106	\$ 137	\$ 148	\$ 167	\$ 106	\$ 100	\$ 115	\$ 136
Adjusted operating margin	26.7%	27.2%	25.4%	26.8%	36.7%	40.4%	41.6%	45.0%	35.8%	31.8%	32.6%	32.9%
Amortization	98	100	130	143	39	40	39	39	6	6	6	4
Adjusted EBITA	\$ 251	\$ 271	\$ 324	\$ 382	\$ 145	\$ 177	\$ 187	\$ 206	\$ 112	\$ 105	\$ 121	\$ 140
Depreciation	7	6	5	5	2	2	2	2	2	2	2	2
Adjusted EBITDA	\$ 258	\$ 277	\$ 329	\$ 387	\$ 147	\$ 178	\$ 188	\$ 207	\$ 114	\$ 107	\$ 123	\$ 142
Adjusted EBITDA margin	44.9%	44.1%	43.2%	43.3%	51.1%	52.7%	53.1%	55.9%	38.6%	34.3%	34.7%	34.3%

Note: Numbers may not foot due to rounding.

# Reconciliations III

## Adjusted DEPS reconciliation (from continuing operations)

	Q1 2023	Q1 2024	V %
GAAP DEPS	\$ 2.66	\$ 3.54	33%
Transaction-related expenses for completed acquisitions	-	0.01	
Financial impacts associated with the minority investments in Indicor & Certinia <sup>A</sup>	(0.02)	(0.45)	
Amortization of acquisition-related intangible assets <sup>B</sup>	1.26	1.31	
Adjusted DEPS	\$ 3.90	\$ 4.41	13%

## Forecasted adjusted DEPS reconciliation (from continuing operations)

	Q2 2024		FY 2024	
	Low end	High end	Low end	High end
GAAP DEPS <sup>C</sup>	\$ 3.07	\$ 3.11	\$ 12.71	\$ 12.91
Transaction-related expenses for completed acquisitions	-	-	0.01	0.01
Financial impacts associated with the minority investments in Indicor & Certinia <sup>A</sup>	TBD	TBD	TBD	TBD
Amortization of acquisition-related intangible assets <sup>B</sup>	1.35	1.35	5.33	5.33
Adjusted DEPS	\$ 4.42	\$ 4.46	\$ 18.05	\$ 18.25

# Footnotes

- A.** Adjustments related to the financial impacts associated with the minority investments in Indicor & Certinia as shown below (\$M, except per share data). Forecasted results do not include any potential impacts associated with our minority investments in Indicor or Certinia, as these potential impacts cannot be reasonably predicted. These impacts will be excluded from all non-GAAP results in future periods.

	<b>Q1 2023A</b>	<b>Q1 2024A</b>	<b>Q2 2024E</b>	<b>FY 2024E</b>
Pretax	\$ 1	\$ (57)	TBD	TBD
After-tax	\$ (2)	\$ (48)	TBD	TBD
Per share	\$ (0.02)	\$ (0.45)	TBD	TBD

- B.** Actual results and forecast of estimated amortization of acquisition-related intangible assets as shown below (\$M, except per share data). These adjustments are taxed at 21%.

	<b>Q1 2023A</b>	<b>Q1 2024A</b>	<b>Q2 2024E</b>	<b>FY 2024E</b>
Pretax	\$ 170	\$ 178	\$ 185	\$ 730
After-tax	\$ 135	\$ 141	\$ 147	\$ 577
Per share	\$ 1.26	\$ 1.31	\$ 1.35	\$ 5.33

- C.** Forecasted GAAP DEPS do not include any potential impacts associated with our minority investments in Indicor or Certinia. These impacts will be excluded from all non-GAAP results in future periods.



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