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Aspen Technology 2019 Investor Day

August 8, 2019

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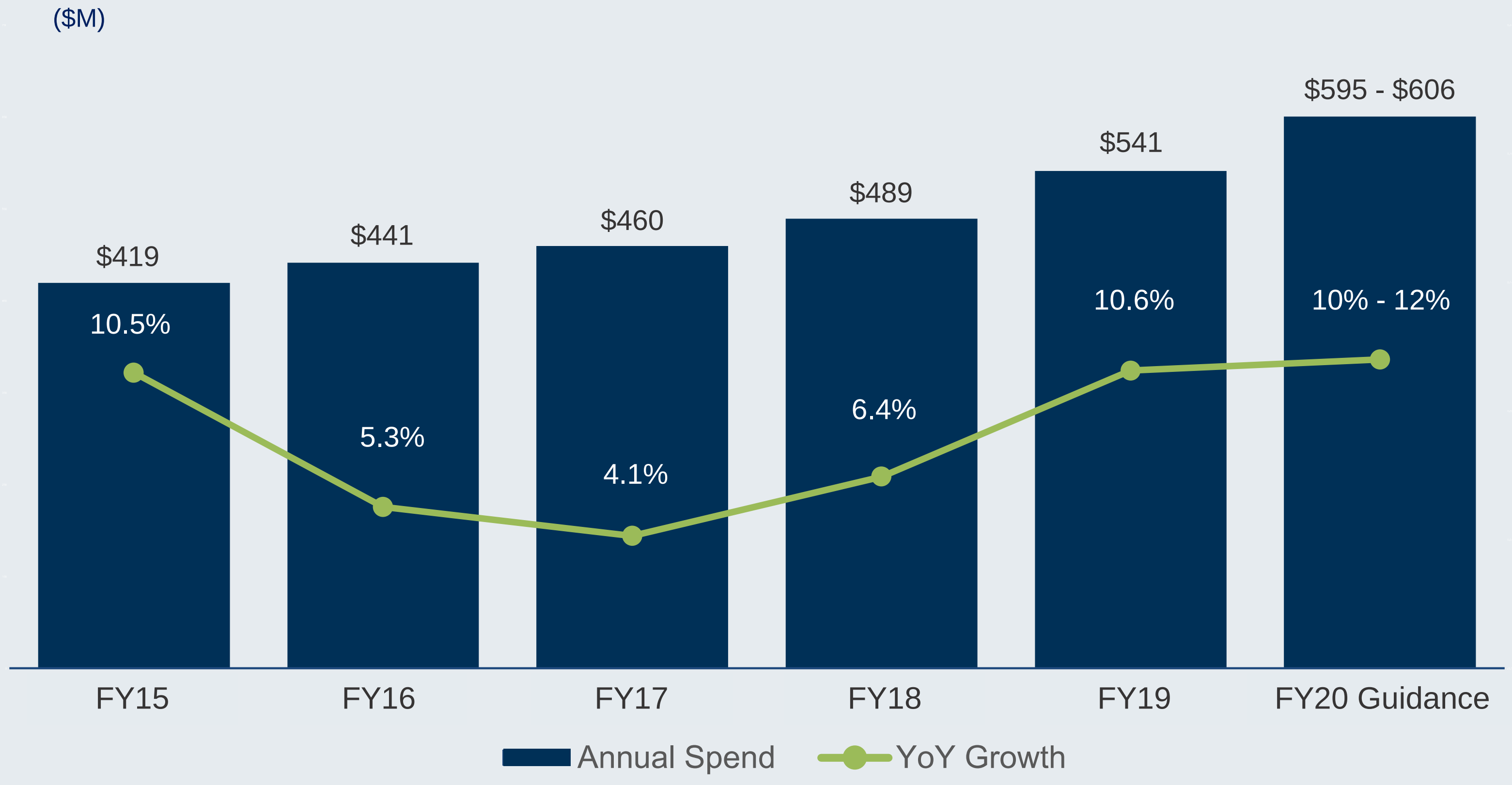
Company Overview and Strategy

Antonio Pietri, President and CEO

August 8, 2019

Annual Spend Performance and FY20 Guidance[1]



[1] Annual spend is an estimate of the annualized value of our portfolio of term license arrangements.

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By the Numbers

- **More than $50 billion annually** in value created for customers worldwide
- Blue-chip customers, more than **2,300 globally**
- **90% revenue** across Energy, Chemicals, Engineering & Construction
- **Global presence** with over 60% of business outside North America
- **1,600 employees worldwide**, 50% outside U.S.
- **38 years** of technology leadership and innovation

World leader in asset optimization software for capital-intensive industries

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Industry Characteristics & Dynamics

Characteristics

Multi-trillion global industries

Complex manufacturing processes

High capital costs

High volume production

High leveraging of technology and engineering

Diverse business processes, continuous and discrete

Dynamics

Globalization

Market volatility

Changing demographics

Safety and environmental regulations

Focus on operational excellence

Reliability and service factors

ENERGY

ENGINEERING & CONSTRUCTION

CHEMICALS

PHARMACEUTICALS

METALS & MINING

POWER

PULP & PAPER

FOOD & BEVERAGE

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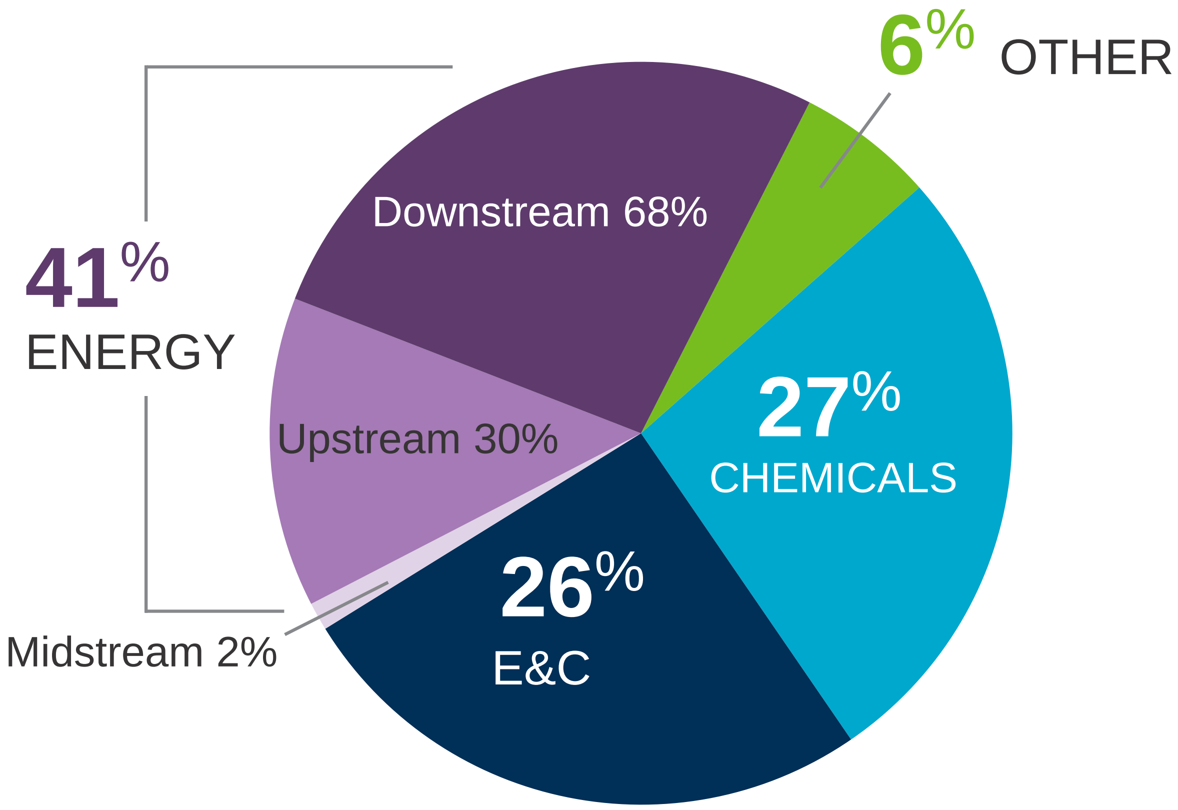
Customers by Industry



Percentages based on Annual Spend for FY2019 through Q4

20/20
Largest E&C Oil & Gas Companies

19/20
Largest Petroleum Companies

20/20
Largest Chemical Companies

Pharmaceuticals
Power & Utilities
Metals & Mining
Pulp & Paper
Consumer Packaged Goods

Ranking from ENR, ICIS and Forbes for calendar year 2018

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Asset Optimization Powers the Smart Enterprise

OPERATE
Running to the limits of performance

Asset Lifecycle

MAINTAIN
Driving uptime through actionable insights

DESIGN
Pushing the boundaries of what's possible

A comprehensive, holistic approach achieves the highest possible financial return over the entire asset lifecycle

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Asset Optimization — Extending the Lifecycle

Engineering

PUSHING ASSET DESIGN

- R&D/Conceptual Engineering
- Basic Engineering
- Equipment Engineering
- Debottlenecking & Upgrades Planning

Manufacturing & Supply Chain

OPTIMIZING ASSET OPERATIONS

- Long-term Forecasting & Planning
- Production Planning & Scheduling
- Manufacturing Operations Management
- Dynamic Optimization & Advanced Control

Asset Performance Management

DRIVING ASSET UPTIME

- Predictive & Prescriptive Analytics
- Reliability Management
- Maintenance Strategy

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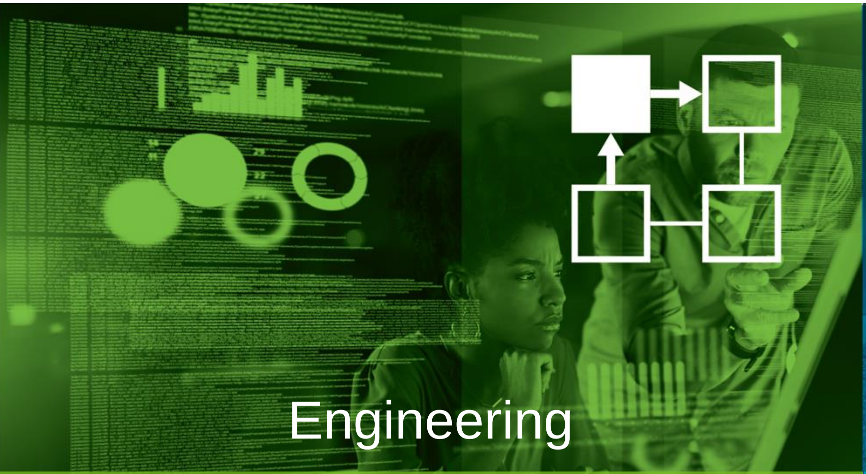
Asset Optimization — Extending the Lifecycle



Engineering

Performance Engineering

Pushing the Boundaries of What's Possible

Manufacturing & Supply Chain

Optimum Operations

Running to the Limits of Performance

Asset Performance Management

Maximum Reliability

Driving Uptime Through Actionable Insights

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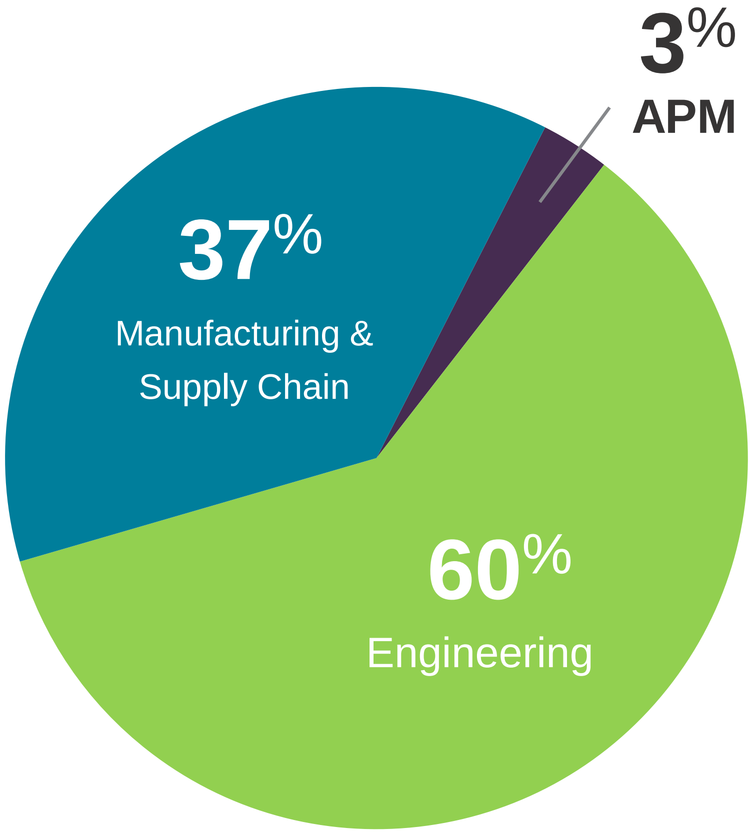
Customers by Product Suite and FY19 Growth



Percentages based on Annual Spend for FY2019

FY19 growth in Annual Spend

- ENG – 6%
- MSC – 13%
- APM – 256%

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Asset Optimization — Extending the Lifecycle

$50 B

2300 customers

Engineering

Performance Engineering

Pushing the Boundaries of What's Possible

Manufacturing & Supply Chain

Optimum Operations

Running to the Limits of Performance

Asset Performance Management

Maximum Reliability

Driving Uptime Through Actionable Insights

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Asset Optimization — Extending the Lifecycle

$50 B

2300 customers

$1.4 T

All Manufacturing Industries

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Supporting Sustainability

Safe & Reliable Operations

- Accurate design plan to operate at limits of performance
- Improve asset and process safety throughout operation lifecycle
- Prevent unplanned downtime from equipment degradation or failure

Emissions Management

- Apply environmental standards and custom requirements in design process
- Reduce unplanned outages that cause higher emissions and flaring
- Simulate thousands of scenarios for new processes such as carbon capture

Energy Reduction

- Analyze high energy efficiency and waste reduction during design
- Maximize use of renewable feedstocks
- Efficiently model demand-supply requirements

9 days advanced warning of major fire

Emissions fines of \$60k per day avoided

Refinery reduced energy demand by \$15M per year

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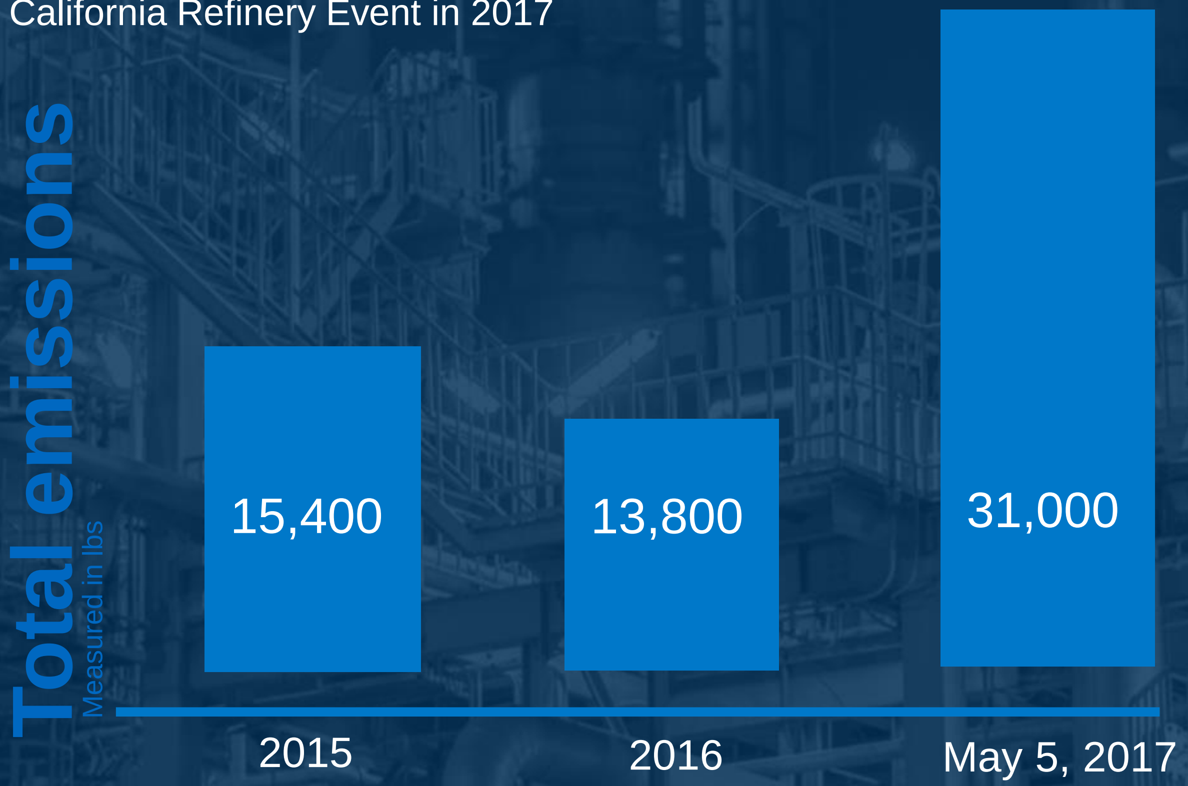
Unplanned Downtime can Trigger Significant Emissions Events

California Refinery Event in 2017



Sulfur dioxide released on May 5, 2017

Due to unplanned power outage

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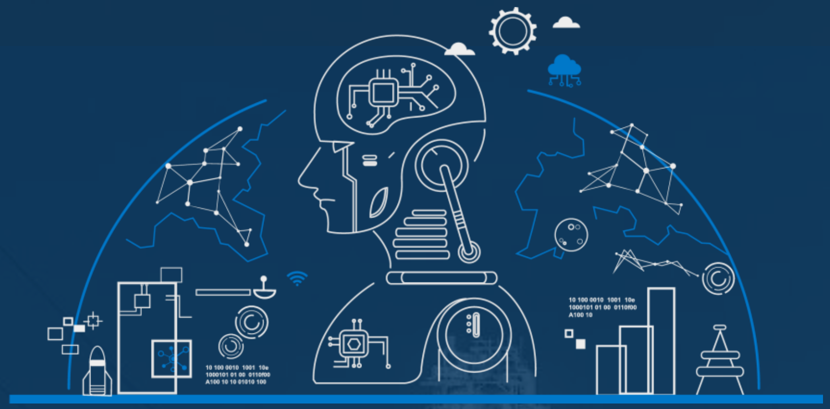
Interconnected World

200x More Data



Industry 4.0 Technologies

Connected Devices

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A VUCA Environment

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Our Mission

Accelerate the digital transformation of
the industries we serve by optimizing their assets
to run safer, greener, longer and faster

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TAM Methodology

SITES

PRODUCTS

Focus on top 500 accounts

Calculate white space by site and product for each account

Estimate Annual Spend potential for each account

Total extrapolated to all accounts

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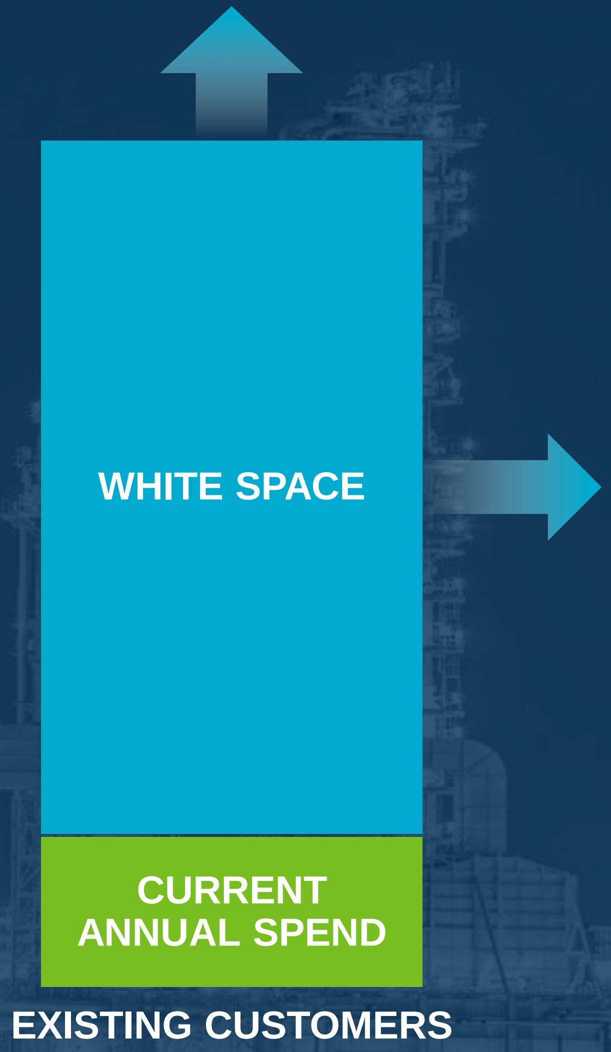
What Drives TAM Expansion?

- Industry Growth
  - 1-2% for Energy
  - 2-3% for Chemicals
  - 1-2% for Engineering
- Price Increases
  - 2-3% price escalation on average on term contracts
- Product Innovations
- Expansion into New Market Segments



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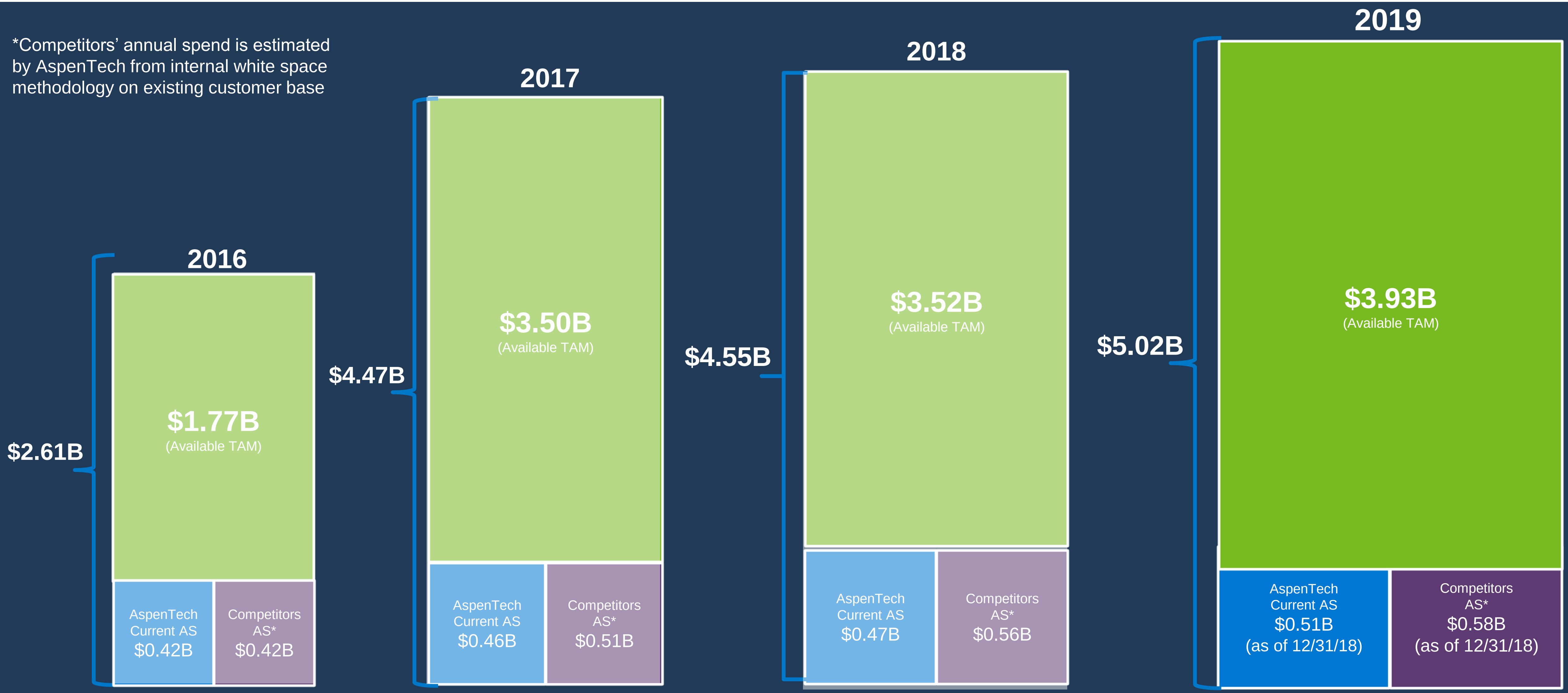
Potential TAM (AS) – Grew by 10% between FY18 and FY19

*Competitors' annual spend is estimated by AspenTech from internal white space methodology on existing customer base



* Estimated by AspenTech from internal white space methodology on existing customer base

FY19 TAM is as of December 31, 2018

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Expanding TAM Through Innovation and New Verticals (AS)

<u>2019</u>

Expanded vertical penetration

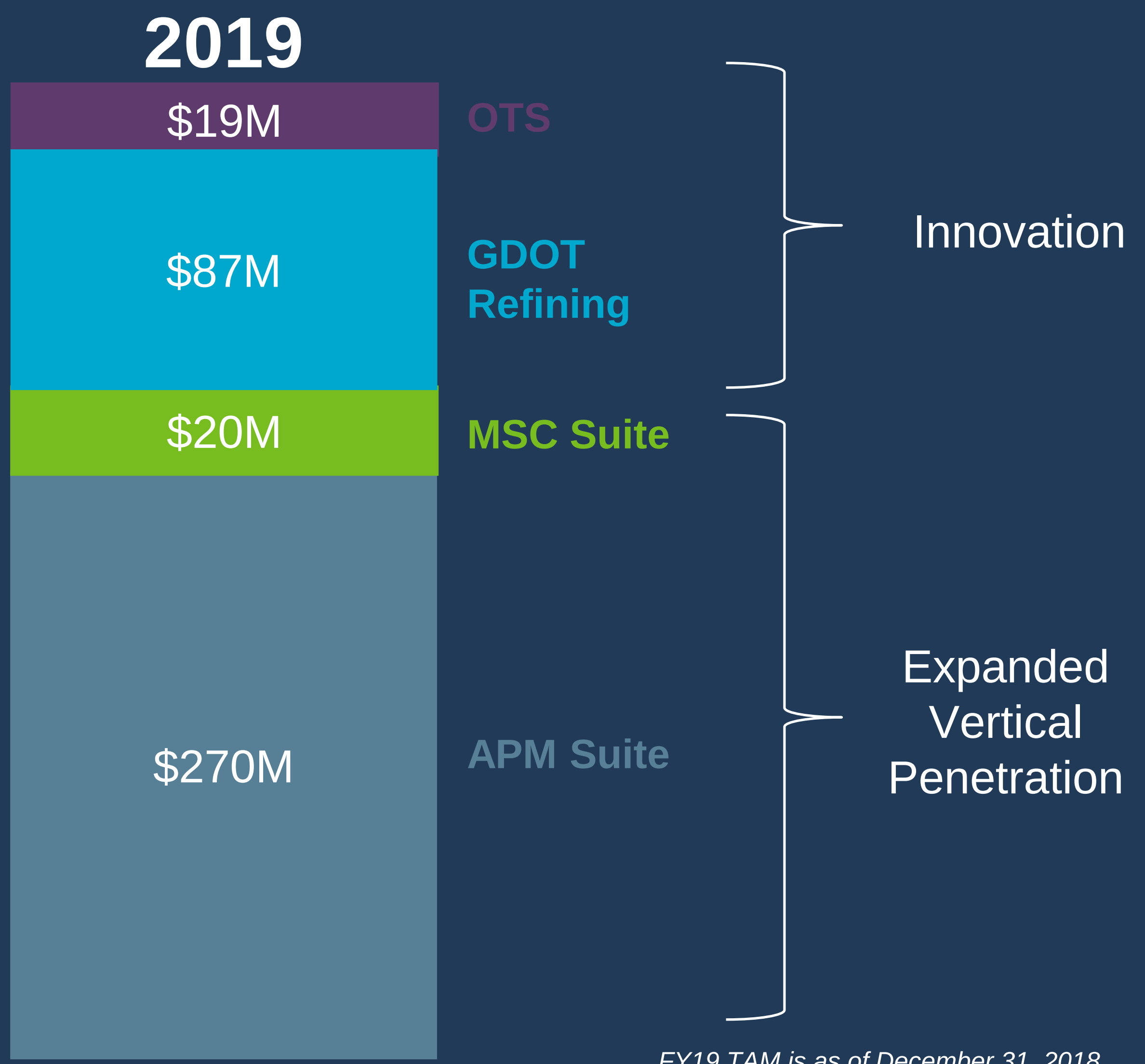
- $290M
  - APM suite: $270M
  - MSC suite: $20M

GDOT Refining

- $87M

OTS

- $19M



FY19 TAM is as of December 31, 2018

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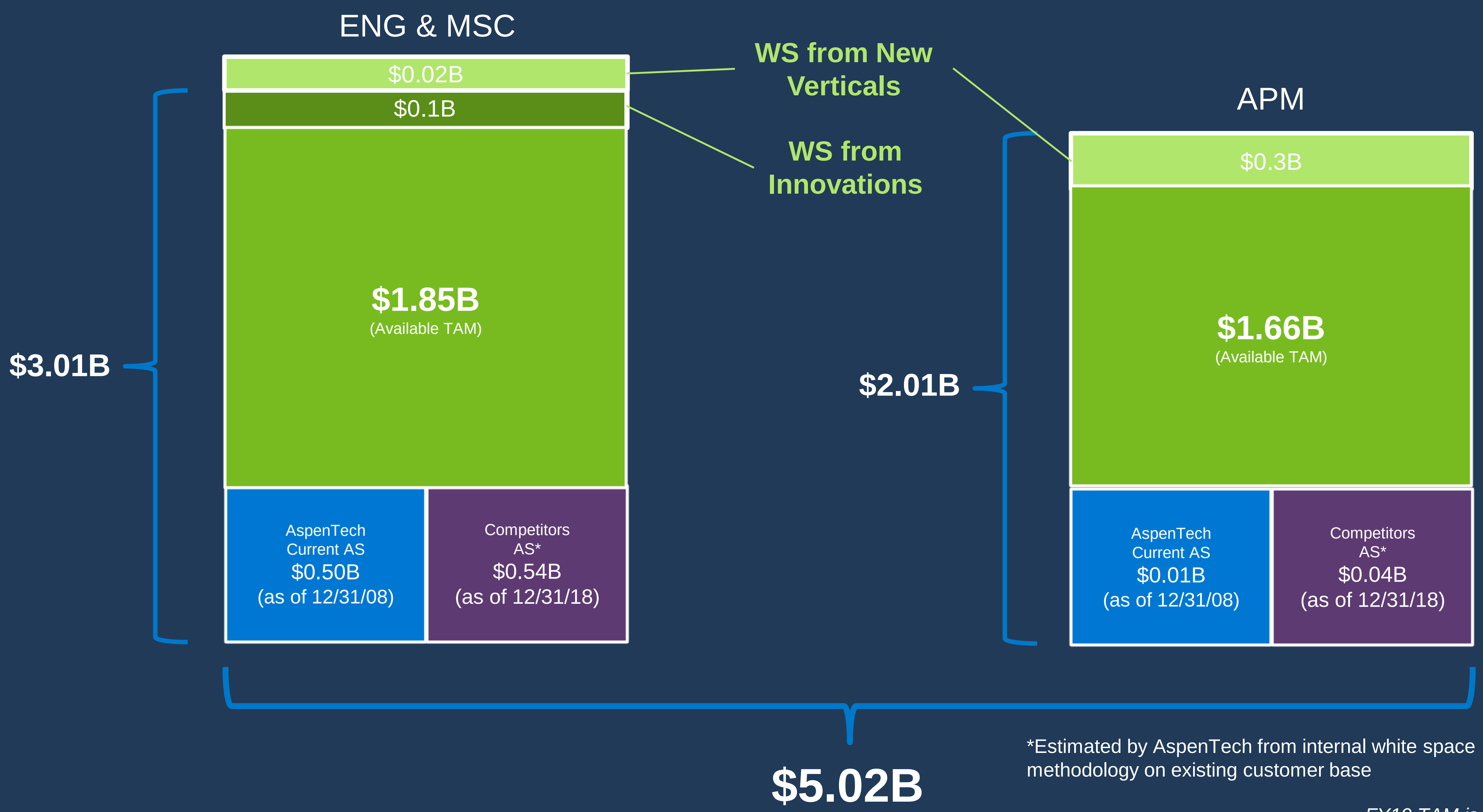
Expanding TAM Through Innovation and Vertical Expansion (AS)



*Estimated by AspenTech from internal white space methodology on existing customer base

FY19 TAM is as of December 31, 2018

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AspenTech Strengths

Multi-Billion Dollar Opportunity

Market Leadership Position

World-Class Customer Base

Long-Term Contracts and Recurring Revenue Model

Best-in-Class Profitability

Focus on Capital Deployment to Enhance Shareholder Value

Value Creation for Customers

Mission-Critical Products and Solutions

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Financial Highlights

Karl E. Johnsen, Chief Financial Officer

8 August 2019

Safe Harbor Statement

These slides may contain forward-looking statements for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results may vary significantly from AspenTech’s expectations based on a number of risks and uncertainties, including, without limitation, the risk factors described in AspenTech’s most recent Annual Report on Form 10-K and any subsequent quarterly reports on Form 10-Q, each as filed with the U.S. Securities and Exchange Commission. AspenTech cannot guarantee any future results, levels of activity, performance, or achievements. Further, AspenTech expressly disclaims any current intention to update any forward-looking statements after the date hereof.

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Financial Strengths

- Multi-year history of delivering best-in-class profitability and cash flow
- Expense discipline facilitates investing for future growth
- Substantial market white space opportunity
- Disciplined capital allocation strategy
- Topic 606 changed the timing of our revenue recognition, but our value proposition remains consistent

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AspenTech Topic 606 Revenue Model

STEP 01	STEP 02	STEP 03 + STEP 04	STEP 05
CONTRACT/ BOOKING	**PERFORMANCE OBLIGATIONS**	**ALLOCATE CONSIDERATION***	**RECOGNIZE AS DELIVERED**
	• Initial License	62% - 67%	Upfront
	• New Products	< 1%	Ratably
	• Maintenance	30% - 33%	Ratably
	• Financing Element	3% - 5%**	Ratably
	• Other	Variable	Variable

* Allocation values can change based on business conditions and external factors. The percentages presented are subject to change.

** Interest Income is dependent on our estimate for our customer specific incremental borrow rate and is subject to change.

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Key Metrics

Non-GAAP Metric

- **Annual Free Cash Flow** – is calculated as net cash provided by operating activities adjusted for the net impact of (a) purchases of property, equipment and leasehold improvements, (b) capitalized computer software development costs, (c) non-capitalized acquired technology, (d) excess tax benefits from stock-based compensation and (e) other nonrecurring items, such as acquisition and litigation related payments. Annual free cash flow is the best metric to assess the overall value our business creates in a period.

Business Metrics

- **Annual Spend** – is an estimate of the annualized value of our portfolio of term license arrangements. Annual spend is calculated by summing the most recent annual invoice value of each of our active term license contracts. Comparing annual spend for different dates can provide insight into the growth and retention rates of our business.

- **Bookings** – is the total value of customer term license contracts signed and delivered in the current period. License revenue is heavily impacted by the timing of Bookings, and more specifically renewal Bookings. A decrease or increase in Bookings between fiscal periods resulting from a change in the amount of term license contracts up for renewal is not an indicator of the health or growth of our business.

- **Total Contract Value** – is defined as the aggregate value of all payments received or to be received under all active term license agreements, including maintenance and escalation. Comparing Total Contract Value for different dates provides insight into the total revenue that will be recognized under our active contracts.

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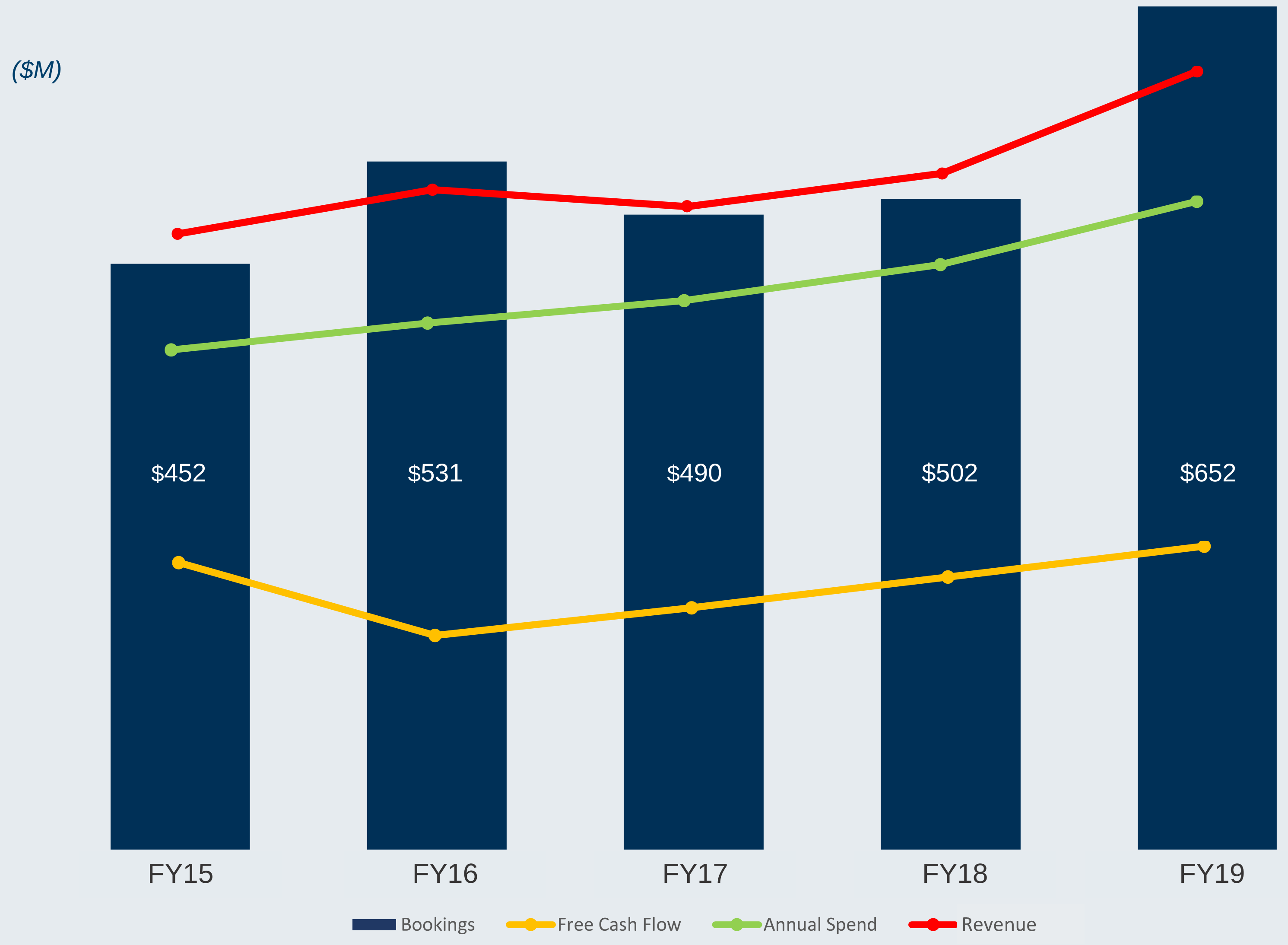
Bookings



- Bookings include both renewals and growth bookings
- Bookings are heavily influenced by the timing of renewals
- The timing of renewals is not linear between quarters or fiscal years

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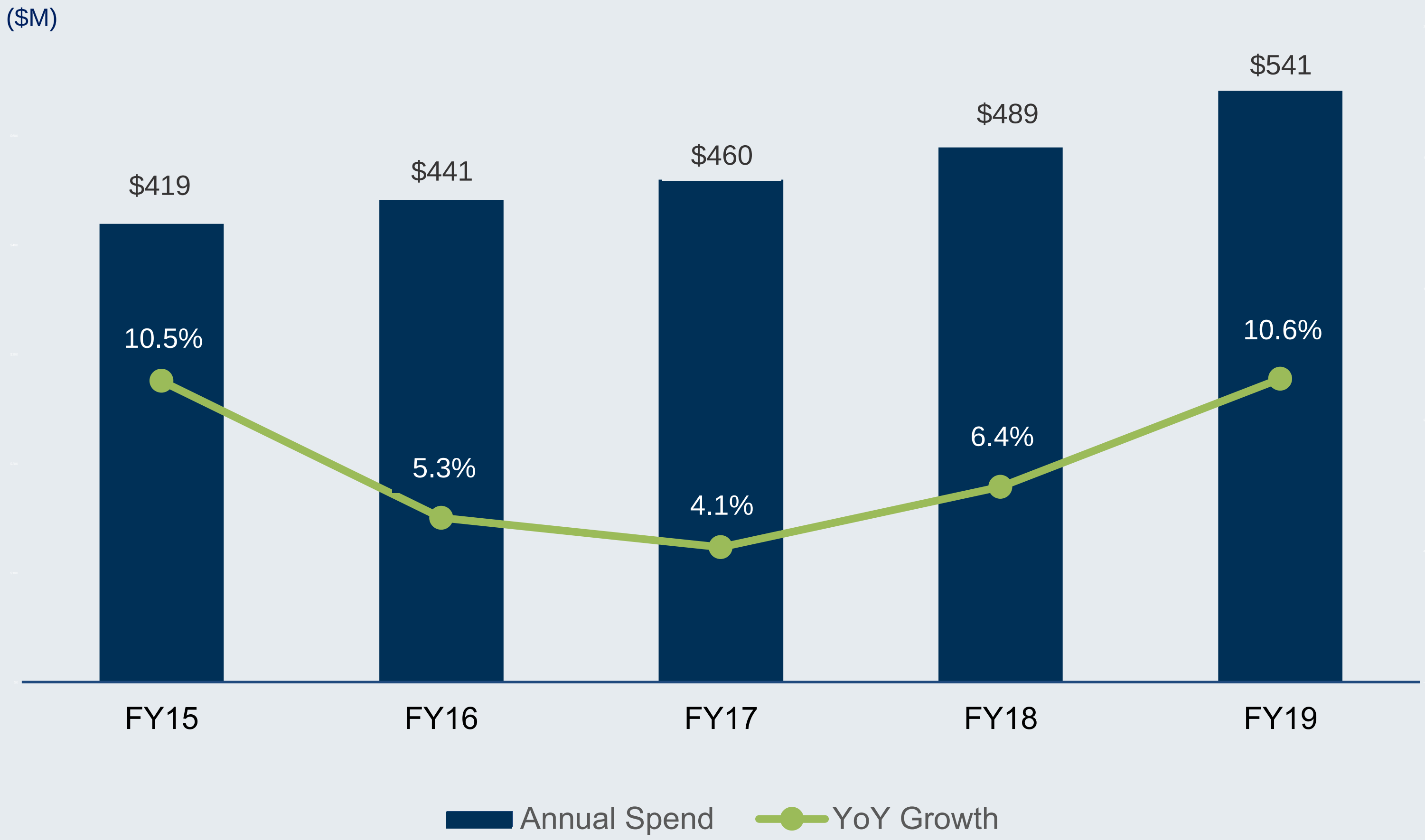
Annual Spend
Year-Over-Year Growth



- Provides insight into the growth and retention rate of our customers
- Leading indicator of cash inflow
- Provides financial stability and predictability
  - 5-6 year contracts
  - 2-3% annual escalation
  - High renewal rates

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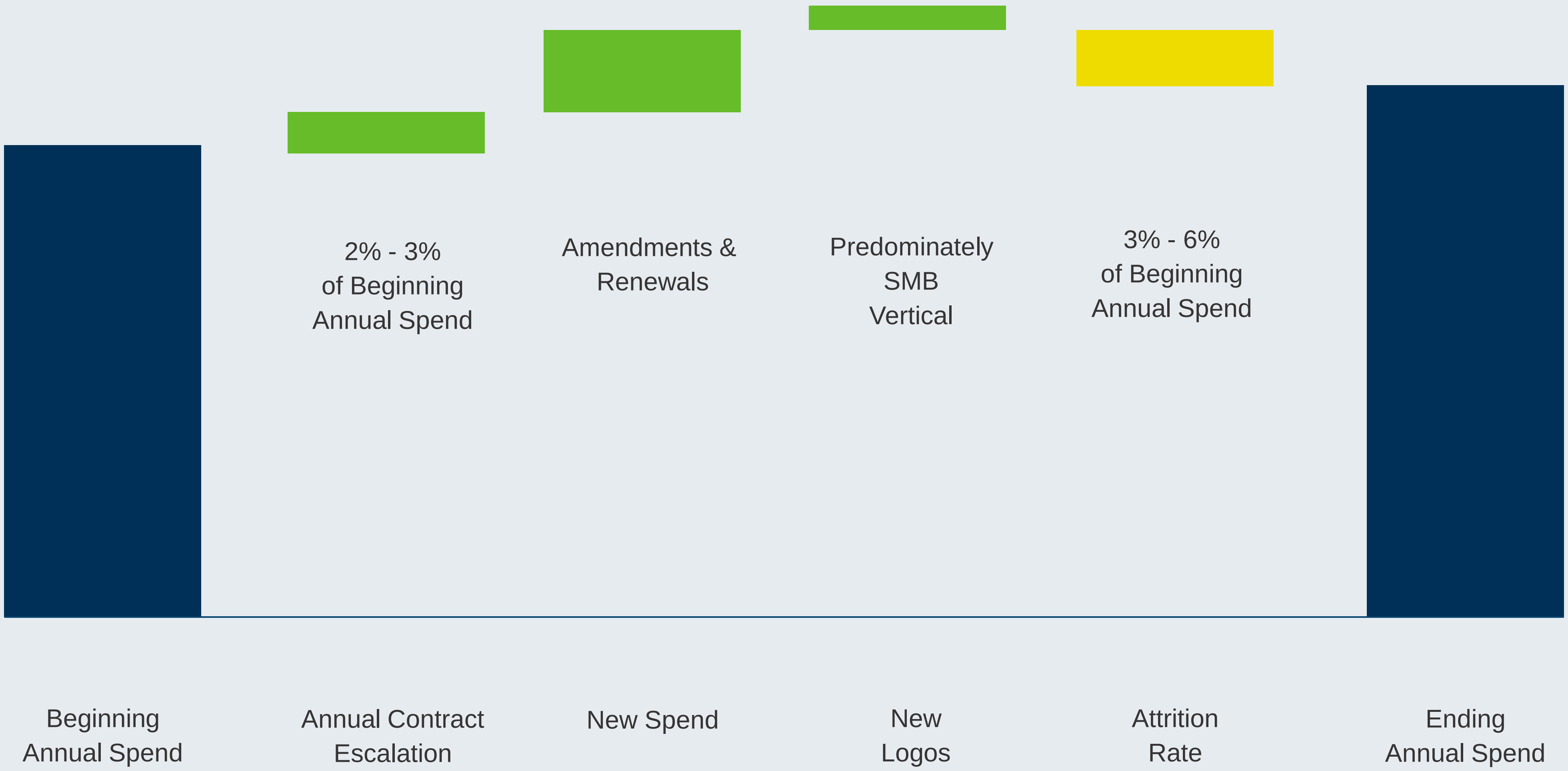
How Annual Spend Grows



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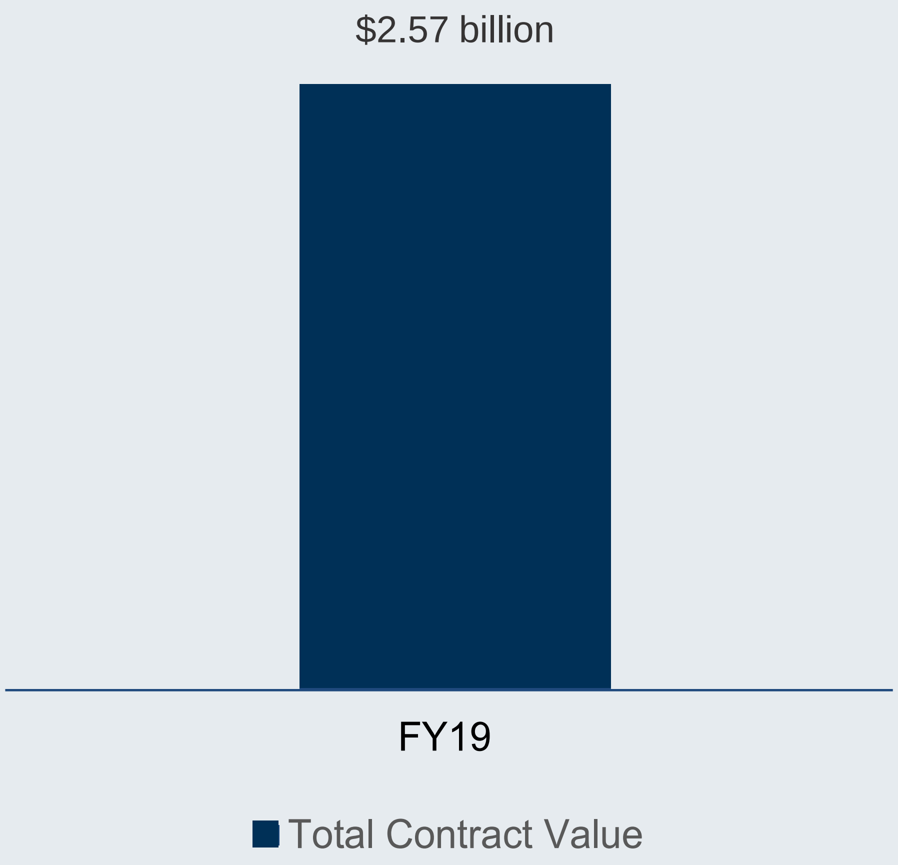
Total Contract Value



- **Total Contract Value** – is defined as the aggregate value of all payments received or to be received under all active term license agreements, including maintenance and escalation.
- Comparing Total Contract Value for different dates provides insight into the total revenue that will be recognized under our active contracts.
- We will be providing Total Contract Value on an annual basis.

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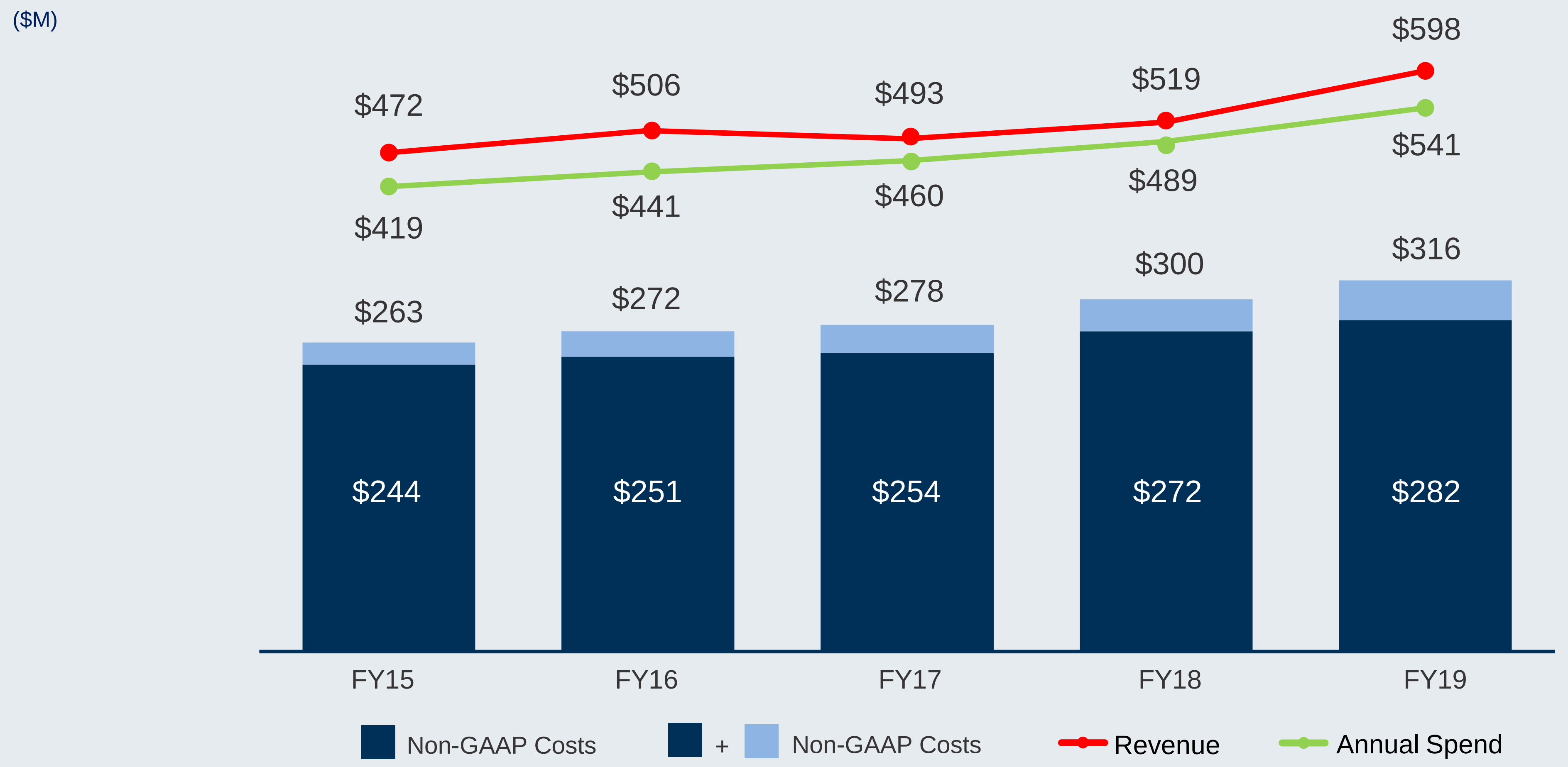
Expense Management

Revenue and GAAP & Non-GAAP Total Costs[1]



1 - Non-GAAP costs are GAAP costs adjusted for the impact of stock-based compensation expense, non-capitalized acquired technology, amortization of intangibles, and other items, such as the impact of litigation judgments and acquisition related fees.

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Target Operating Model

	Target Values *
Ending Annual Spend	100%
Cost of Revenue	10-13%
Sales & Marketing	20-22%
Research & Development	14-16%
General & Administrative	8-9%
GAAP Operating Expenses	43-46%
GAAP Operating Margin	42-45%
Non-GAAP Operating Margin	47-50%

GAAP

Non-GAAP

* Stated as a percentage of ending annual spend

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Target Operating Model

	Target Values	FY2019 Actual
Ending Annual Spend	100%	100%
Cost of Revenue	10-13%	11%
Sales & Marketing	20-22%	21%
Research & Development	14-16%	15%
General & Administrative	8-9%	12%
GAAP Operating Expenses	43-46%	48%
GAAP Operating Margin	42-45%	42%
Non-GAAP Operating Margin	47-50%	48%

GAAP

Non-GAAP

*Totals may not equal 100% due to rounding

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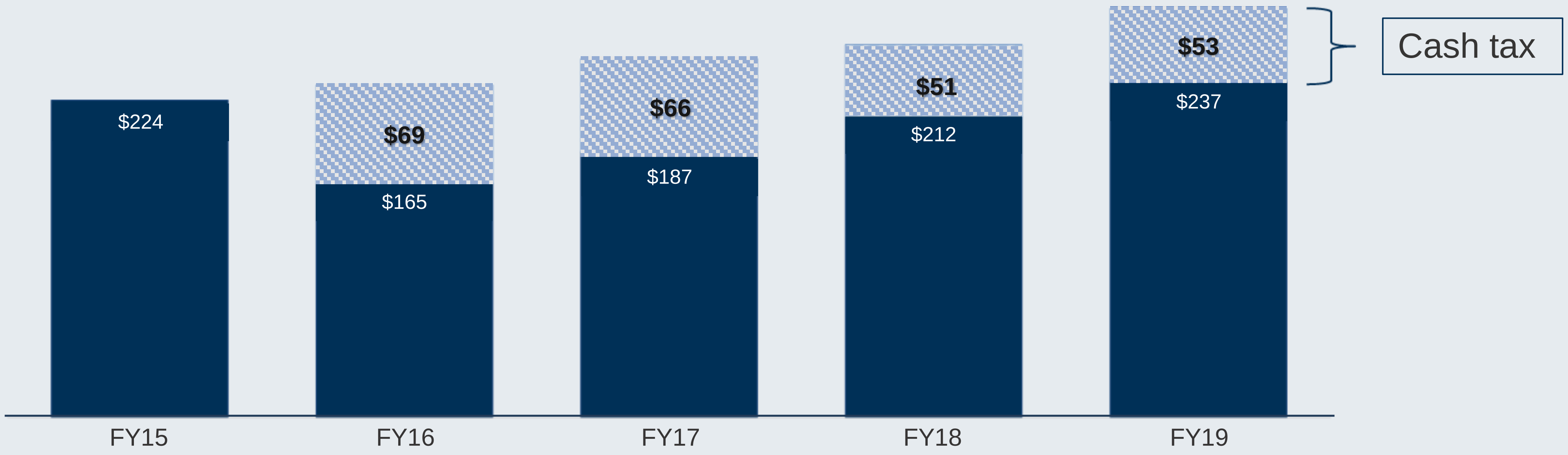
Free Cash Flow[1]

($M's except per share)



	FY15	FY16	FY17	FY18	FY19
FCF Per Share	*$2.51*	*$1.98*	*$2.43*	*$2.91*	*$3.34*
Cash Tax Per Share	*$0.04*	*$0.83*	*$0.85*	*$0.69*	*$0.75*

1 - Free cash flow is net cash provided by operating activities adjusted for the net impact of (a) purchases of property, equipment and leasehold improvements, (b) capitalized software development costs, (c) excess tax benefits from stock-based compensation, (d) non-capitalized acquired technology and (e) other nonrecurring items, such as acquisition and litigation related payments.

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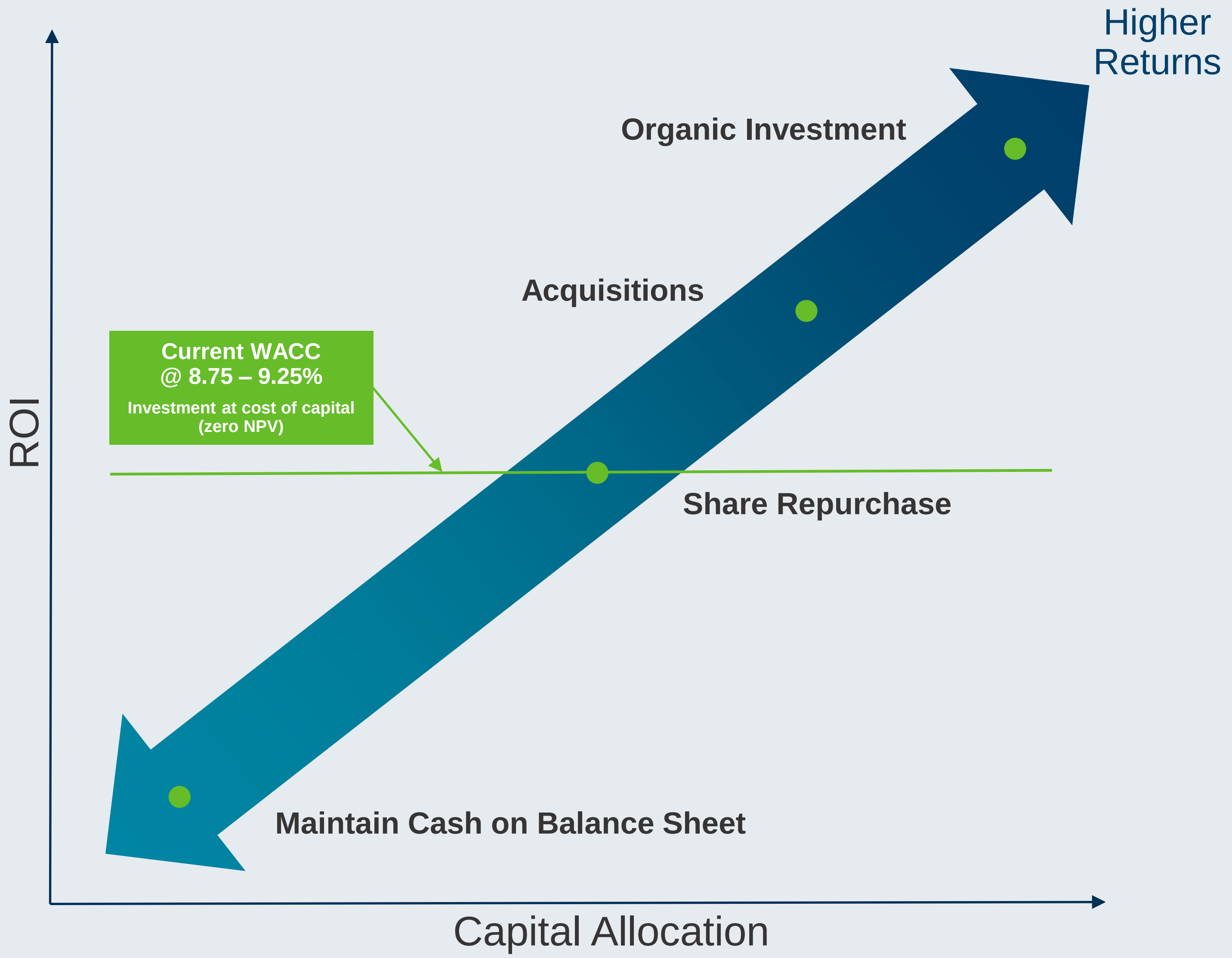
Capital Allocation



- Goal – Allocate AspenTech's capital in the most efficient manner to create long-term shareholder value
- Allocation is based on:
  - Disciplined value based process
  - AspenTech's short and long term strategy
  - WACC driven return on investment of the different options
  - Current and anticipated market conditions
  - Quantitative and qualitative criteria
- Capital allocation is evaluated on a continuous basis
- Target Capital Structure
  - Approximately $40 million – $90 million in cash
  - Gross Leverage at 0.5 – 2x turns of annual Free Cash Flow with ability to lever up to 3 – 4x temporarily

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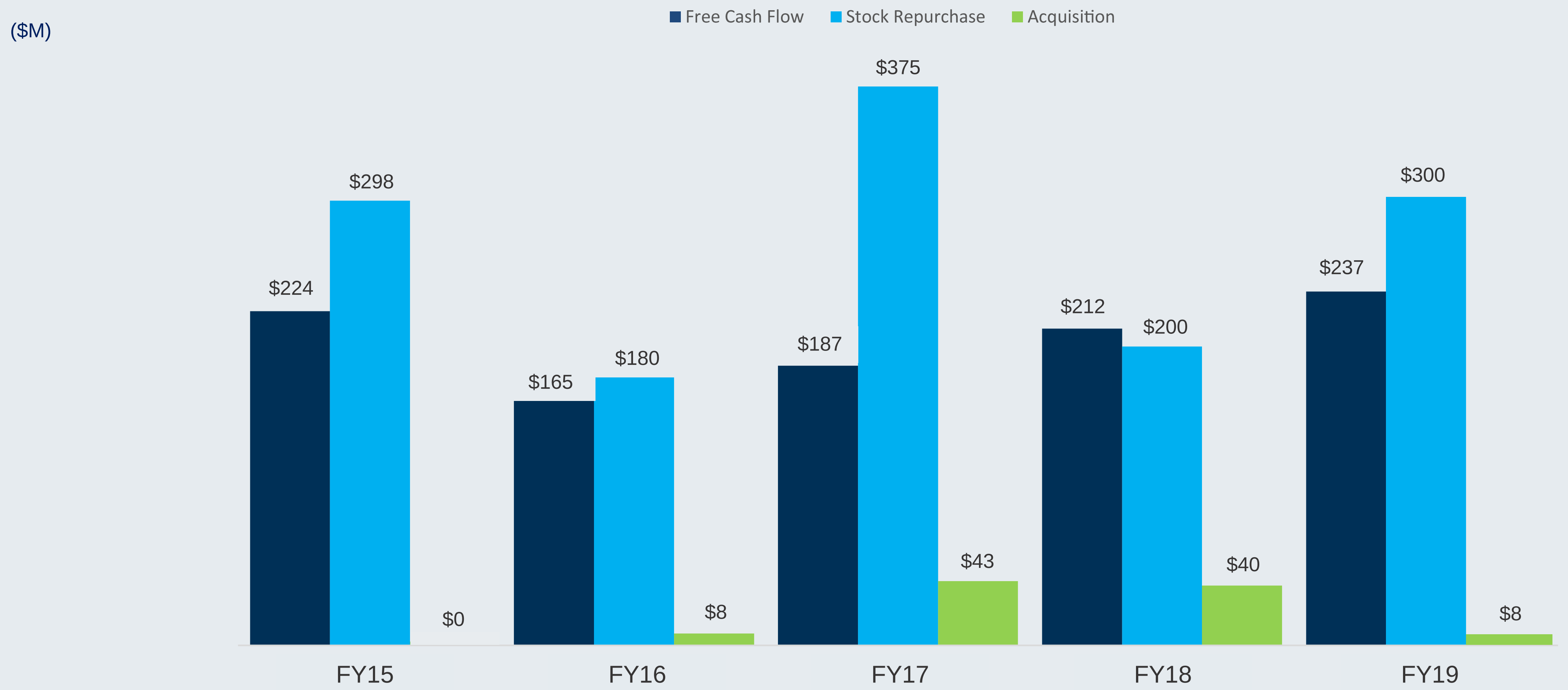
Historical Capital Allocation



Cash & Equivalents	*$215*	*$321*	*$102*	*$96*	*$72*

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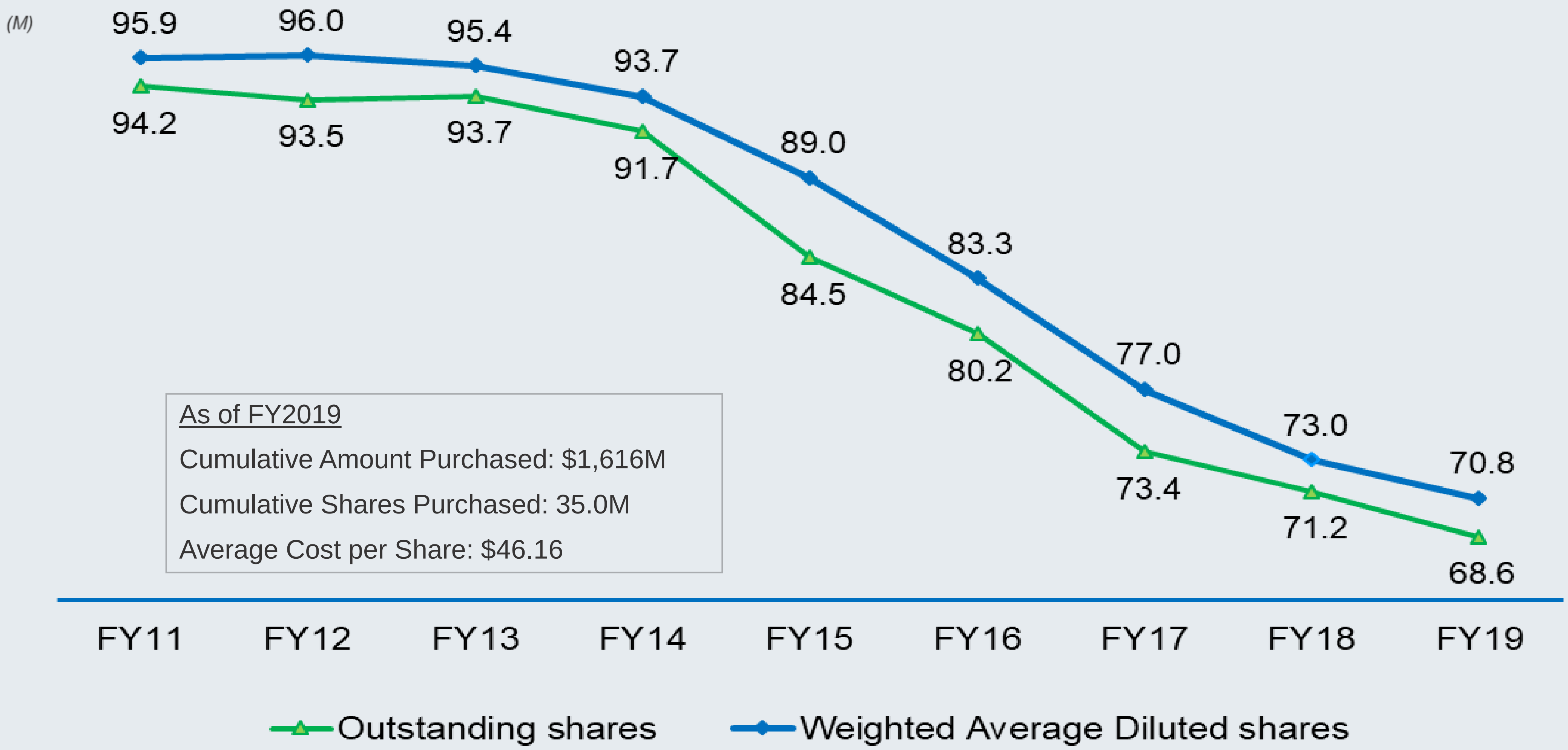
Share Repurchase Impact on Outstanding and Diluted Shares



As of FY2019

Cumulative Amount Purchased: $1,616M

Cumulative Shares Purchased: 35.0M

Average Cost per Share: $46.16

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Guidance

Annual Spend Guidance

- Targeting 10% – 12% range for FY2020
  - 7% – 9% from ENG and MSC
  - 3% from APM
- Timing of FY2020 Annual Spend Growth
  - Similar to FY2019, we anticipate growth in Annual Spend will be heavily weighted to the second half of the fiscal year
  - Guidance assumes this outcome

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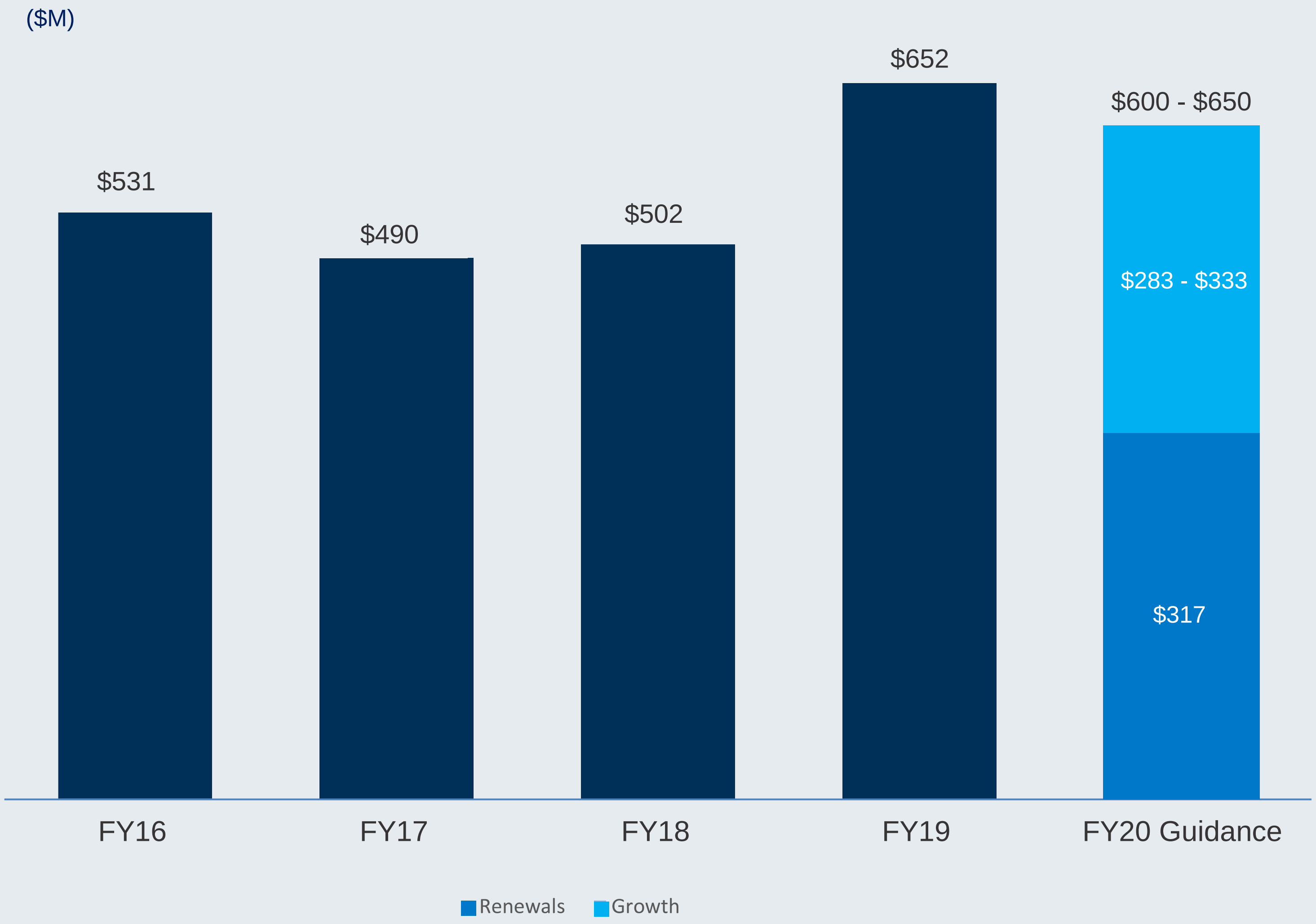
Bookings Guidance



- Targeting $600 - $650 million in FY2020 Bookings
  - In FY2020, we have $317 million Renewal Bookings coming due
- Timing of FY2020 Bookings
  - Timing of bookings does not necessarily correspond with Annual Spend growth
  - Currently we see 40%-45% of Bookings coming in the first half of FY2020 with the remainder in the second half
  - Guidance assumes this outcome

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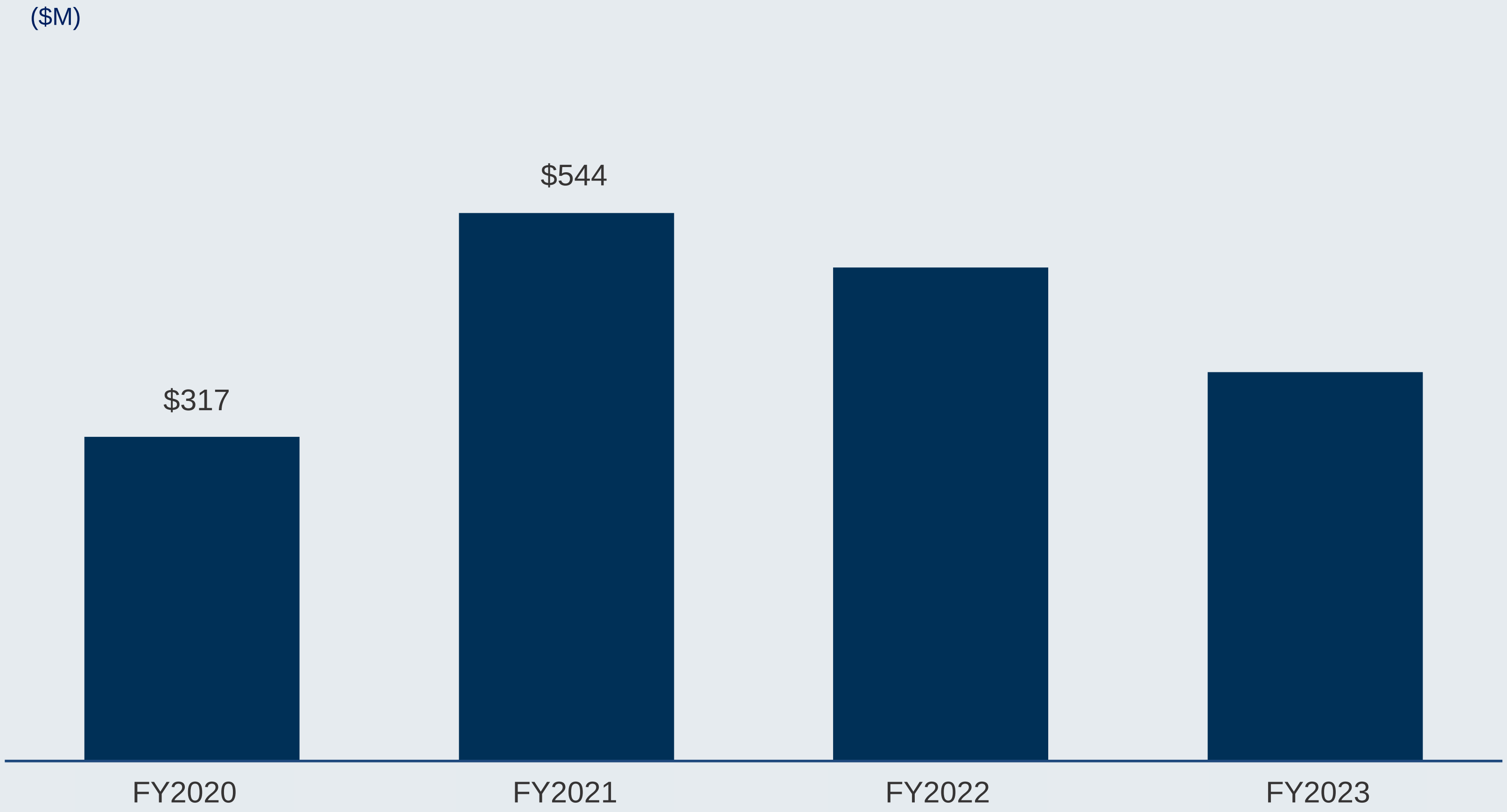
Renewal Bookings for FY2020 – FY2023



- The Renewal Bookings information provided is based on our current outlook. The actual timing of the Renewal Bookings can be impacted by early renewals

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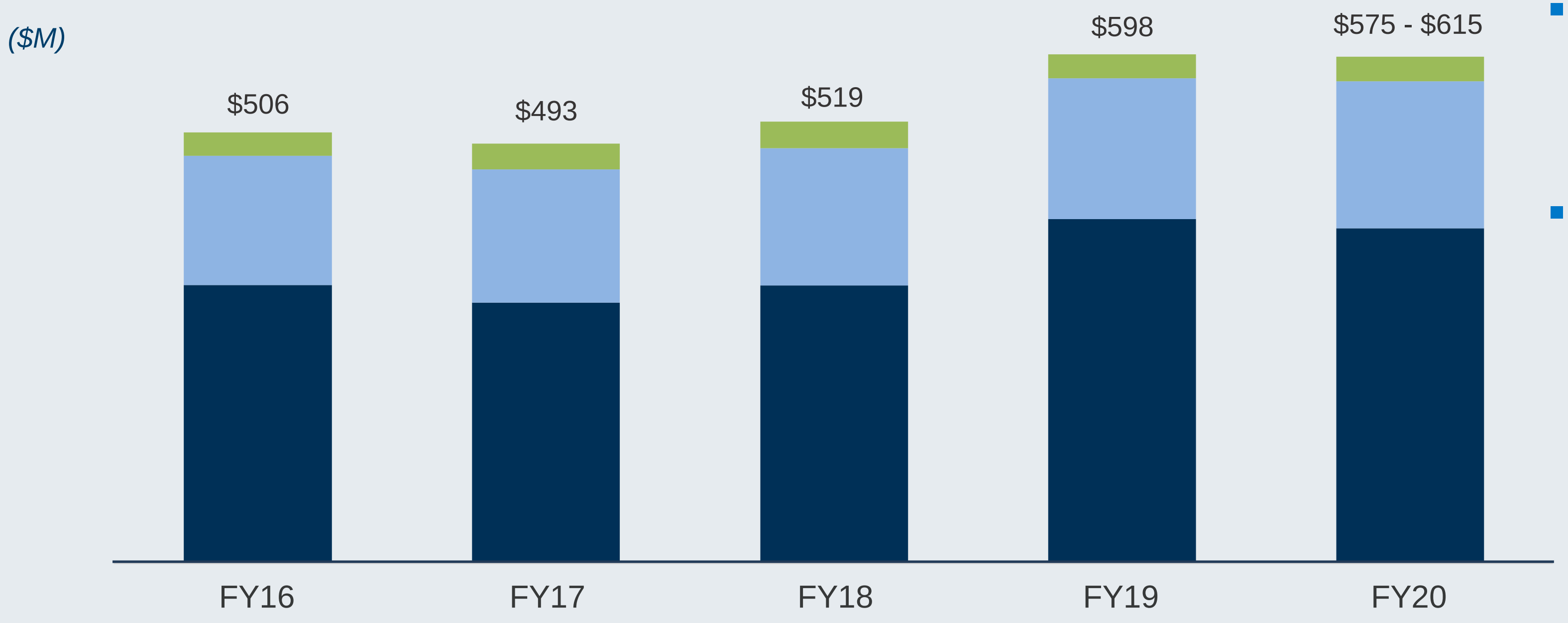
Revenue Guidance



	FY16	FY17	FY18	FY19	FY20
Services & Other	$27	$30	$31	$29	$28 - $30
Maintenance	$152	$157	$161	$165	$170 - $175
License	$327	$306	$327	$404	$377 - $410
Total	$506	$493	$519	$598	$575 - $615

License Maintenance Services & Other

- The guidance for FY2020 Revenue does not include 'one time' revenue items
- Revenue will fluctuate quarter-to-quarter based on the timing of customer contracts and renewals, but should generally follow the renewal bookings

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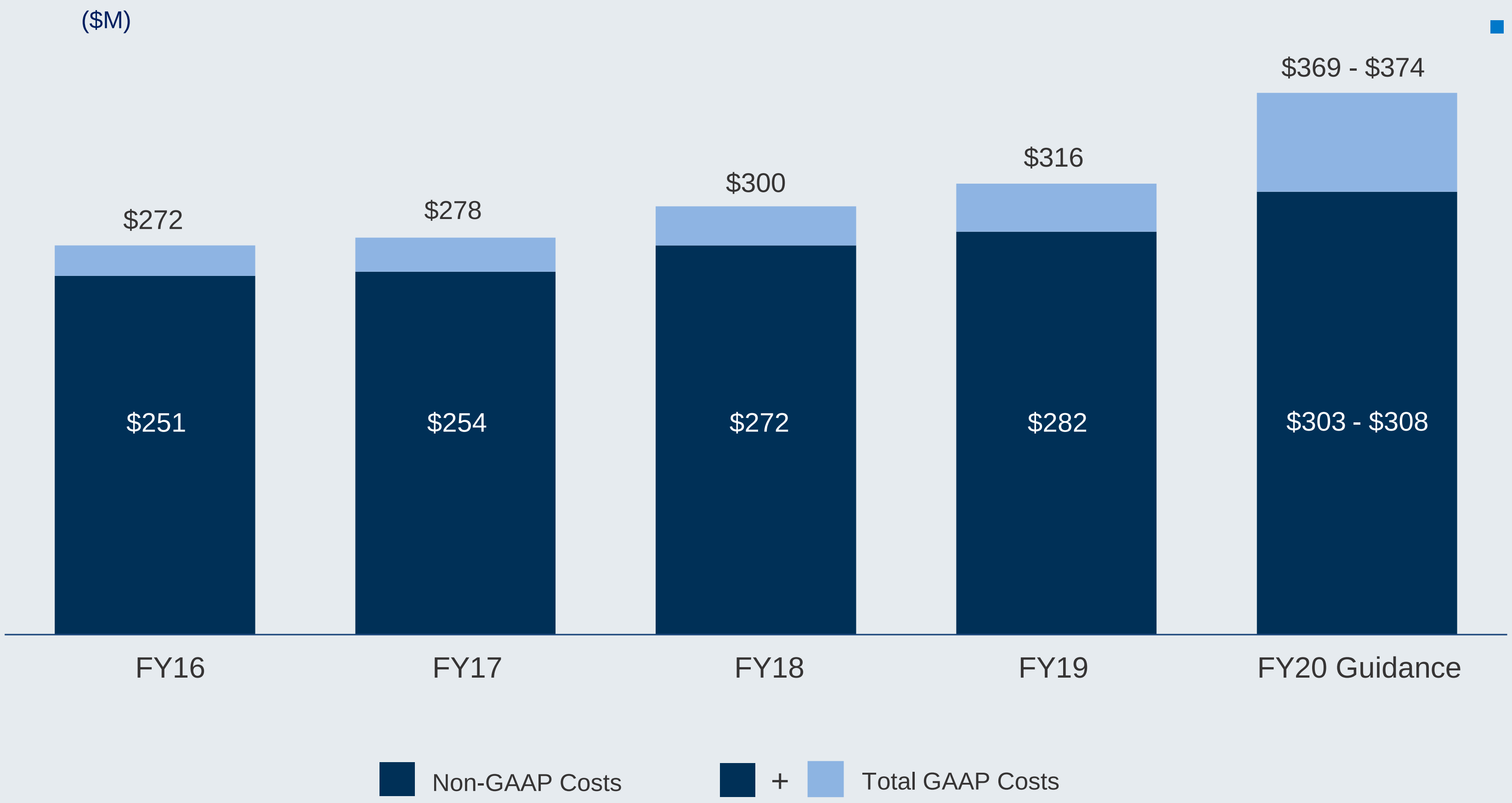
Expense Guidance

Revenue and GAAP & Non-GAAP Total Costs[1]



- The preliminary FY2020 expense guidance reflects our continued investment in our APM product suite and the costs of our two recent acquisitions

1 - Non-GAAP costs are GAAP costs adjusted for the impact of stock-based compensation expense, non-capitalized acquired technology, amortization of intangibles, and other items, such as the impact of litigation judgments and acquisition related fees.

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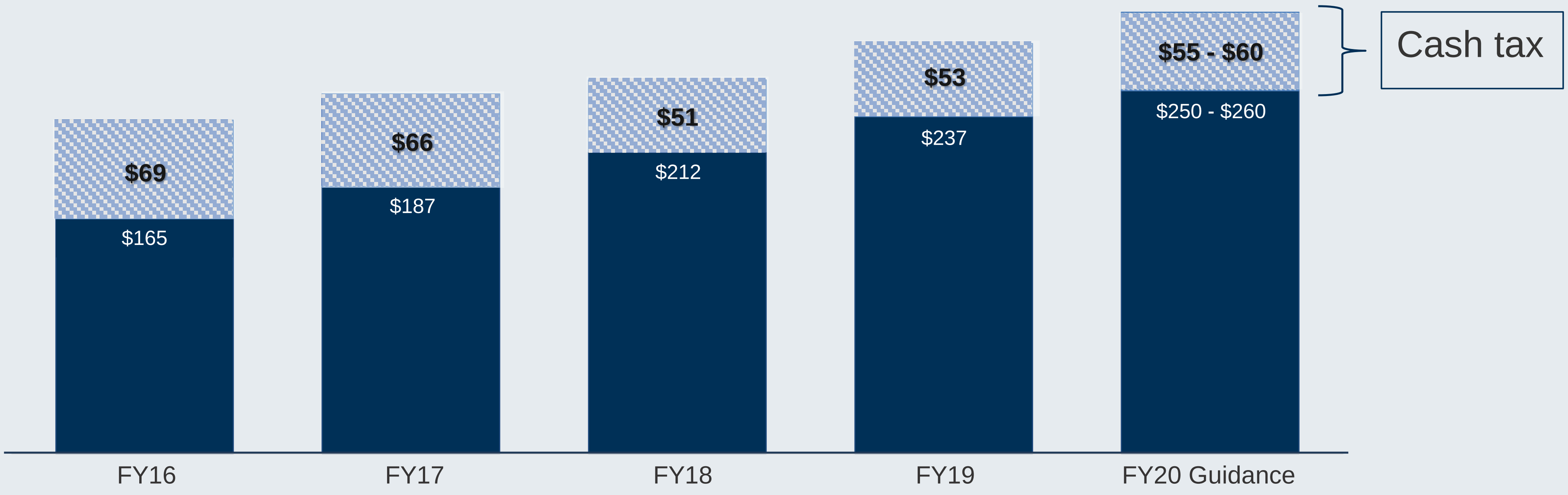
Free Cash Flow[1] Guidance

($M's except per share)



1 - Free cash flow is net cash provided by operating activities adjusted for the net impact of (a) purchases of property, equipment and leasehold improvements, (b) capitalized software development costs, (c) excess tax benefits from stock-based compensation, (d) non-capitalized acquired technology and (e) other nonrecurring items, such as acquisition and litigation related payments. 2 - Diluted shares outstanding are an estimate for FY2020

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FY2020 Guidance

($M's except per share)	FY2020 Guidance (1)
Annual Spend Growth	10% - 12%
Bookings	$600 - $650
Total Revenue	$575 - $615
Total GAAP Expense	$369 - $374
Operating Income	$206 - $241
Net Income	$188 - $217
Net Income per share	$2.70 - $3.11
Non-GAAP Operating Income	$272 - $307
Non-GAAP Operating Margin	47% - 50%
Non-GAAP Net Income per share	$3.44 - $3.85
Free Cash Flow	$250 - $260

Key Assumptions:

- The preliminary guidance for FY2020 Revenue does not include ‘one time’ revenue items
- Does not reflect potential acquisitions
- FY2020 share count does not assume stock repurchases
- Current plan is to repurchase approximately $200M of our stock in FY2020

(1) Guidance assumes 69.9M weighted average diluted shares outstanding

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Conclusion

- Topic 606 Impacts the Timing of Revenue, not the Value Proposition of AspenTech
- Annual Spend and Free Cash Flow are Best Metrics to Evaluate Performance
- Multi-Billion Dollar Market Opportunity
- Market Leadership Position
- Investing for Future Growth
- World-Class Customer Base with Significant Upsell Opportunities
- Subscription Model with Long-Term Contracts
- Shareholder Value Driven Focus

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Q&A

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Thank You