



Technology That Loves Complexity

# AspenTech Historical Financials Under Topic 605 & Topic 606

10/24/2018

# Safe Harbor Statement

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We have adopted Topic 606 using the full retrospective method, whereby we are restating fiscal years 2015 through 2018 as if we had adopted Topic 606 for all fiscal periods. The following slides present our preliminary estimates of our restated results for the fiscal years 2015 through 2018. As a result, there is a possibility that the final restated information may differ, potentially materially, from our current estimates. We expect final restated results for these periods will be included in our Annual Report on Form 10-K for fiscal year 2019 to be filed with the Securities and Exchange Commission.

# FY2015 – FY2018 Trended Income Statement

Topic 606 amounts are based on our current estimates of the impact of Topic 606. All Topic 606 amounts are unaudited.

	Results as Reported Under Topic 605				Adjustments				Results Under Topic 606			
	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
<b>Bookings</b>	\$ —	\$ —	\$ —	\$ —	\$ 452,045	\$ 530,518	\$ 490,374	\$ 502,328	\$ 452,045	\$ 530,518	\$ 490,374	\$ 502,328
<b>Revenue:</b>												
License	\$ —	\$ —	\$ —	\$ —	\$ 290,798	\$ 326,904	\$ 323,146	\$ 321,507	\$ 290,798	\$ 326,904	\$ 323,146	\$ 321,507
Maintenance	—	—	—	—	148,879	151,780	157,607	163,329	148,879	151,780	157,607	163,329
Subscription and software	405,640	440,408	453,512	471,041	(405,640)	(440,408)	(453,512)	(471,041)	—	—	—	—
Services and other	34,761	31,936	29,430	28,473	(2,745)	(4,545)	726	2,772	32,016	27,391	30,156	31,245
Total revenue	440,401	472,344	482,942	499,514	31,292	33,731	27,967	16,567	471,693	506,075	510,909	516,081
<b>Cost of revenue:</b>												
License	—	—	—	—	4,835	4,019	4,231	5,236	4,835	4,019	4,231	5,236
Maintenance	—	—	—	—	16,330	16,357	16,821	17,408	16,330	16,357	16,821	17,408
Subscription and software	21,165	20,376	21,051	23,228	(21,165)	(20,376)	(21,051)	(23,228)	—	—	—	—
Services and other	28,411	28,235	26,415	27,416	—	—	(1)	584	28,411	28,235	26,414	28,000
Total cost of revenue	49,576	48,611	47,466	50,644	—	—	—	(0)	49,576	48,611	47,466	50,644
Gross profit	390,825	423,733	435,476	448,870	31,292	33,731	27,967	16,567	422,117	457,464	463,443	465,437
<b>Operating expenses:</b>												
Selling and marketing (a)	92,736	91,536	92,633	101,077	(1,266)	(4)	(656)	(1,340)	91,470	91,532	91,977	99,737
Research and development	69,584	67,152	79,530	82,076	—	—	—	—	69,584	67,152	79,530	82,076
General and administrative (b)	48,713	53,664	51,297	56,076	3,480	11,298	7,438	11,105	52,193	64,962	58,735	67,181
Total operating expenses	211,033	212,352	223,460	239,229	2,213	11,293	6,782	9,765	213,246	223,645	230,242	248,994
Income from operations	179,792	211,381	212,016	209,641	29,079	22,438	21,185	6,802	208,871	233,819	233,201	216,443
Interest income	487	441	808	231	19,223	19,318	22,134	24,723	19,710	19,759	22,942	24,954
Interest (expense)	(30)	(1,212)	(3,787)	(5,691)	—	—	—	—	(30)	(1,212)	(3,787)	(5,691)
Other (expense) income, net	(778)	29	1,309	(838)	—	—	—	—	(778)	29	1,309	(838)
Income before provision (benefit) for income taxes	179,471	210,639	210,346	203,343	48,302	41,757	43,319	31,526	227,773	252,396	253,665	234,869
Provision (benefit) for income taxes	61,064	70,688	48,150	54,655	17,456	15,174	15,482	(104,929)	78,520	85,862	63,632	(50,274)
Net income	\$ 118,407	\$ 139,951	\$ 162,196	\$ 148,688	\$ 30,845	\$ 26,582	\$ 27,837	\$ 136,454	\$ 149,252	\$ 166,533	\$ 190,033	\$ 285,142
<b>Net income per common share:</b>												
Basic	\$ 1.34	\$ 1.69	\$ 2.12	\$ 2.06	\$ 0.35	\$ 0.32	\$ 0.36	\$ 1.89	\$ 1.69	\$ 2.01	\$ 2.48	\$ 3.95
Diluted	\$ 1.33	\$ 1.68	\$ 2.11	\$ 2.04	\$ 0.35	\$ 0.32	\$ 0.36	\$ 1.87	\$ 1.68	\$ 2.00	\$ 2.47	\$ 3.91
<b>Weighted average shares outstanding:</b>												
Basic	88,398	82,892	76,491	72,140	—	—	—	—	88,398	82,892	76,491	72,140
Diluted	89,016	83,309	76,978	72,956	—	—	—	—	89,016	83,309	76,978	72,956

(a) – Expense adjustments for Selling and marketing reflect the impact of amortizing certain components of commissions expense

(b) – Expense adjustments for General and administrative reflect the impact of bad debt expense as recognized under Topic 606

# FY2018 Quarterly Trended Income Statement

Topic 606 amounts are based on our current estimates of the impact of Topic 606. All Topic 606 amounts are unaudited.

	Results as Reported Under Topic 605				Adjustments				Results Under Topic 606			
	FY2018 Q1	FY2018 Q2	FY2018 Q3	FY2018 Q4	FY2018 Q1	FY2018 Q2	FY2018 Q3	FY2018 Q4	FY2018 Q1	FY2018 Q2	FY2018 Q3	FY2018 Q4
<b>Bookings</b>	\$ —	\$ —	\$ —	\$ —	\$ 124,466	\$ 85,867	\$ 123,649	\$ 168,345	\$ 124,466	\$ 85,867	\$ 123,649	\$ 168,345
<b>Revenue:</b>												
License	\$ —	\$ —	\$ —	\$ —	\$ 78,890	\$ 56,975	\$ 79,073	\$ 106,569	\$ 78,890	\$ 56,975	\$ 79,073	\$ 106,569
Maintenance	—	—	—	—	40,264	40,729	40,897	41,439	40,264	40,729	40,897	41,439
Subscription and software	115,756	117,658	118,126	119,501	(115,756)	(117,658)	(118,126)	(119,501)	—	—	—	—
Services and other	7,025	7,244	7,745	6,459	308	582	43	1,839	7,333	7,826	7,788	8,298
Total revenue	122,781	124,902	125,871	125,960	3,706	(19,373)	1,888	30,346	126,487	105,529	127,759	156,306
<b>Cost of revenue:</b>												
License	—	—	—	—	1,231	1,233	1,279	1,493	1,231	1,233	1,279	1,493
Maintenance	—	—	—	—	4,552	4,250	4,259	4,347	4,552	4,250	4,259	4,347
Subscription and software	5,783	5,486	5,817	6,142	(5,783)	(5,486)	(5,817)	(6,142)	—	—	—	—
Services and other	6,949	6,603	6,959	6,905	—	3	279	302	6,949	6,606	7,238	7,207
Total cost of revenue	12,732	12,089	12,776	13,047	(0)	—	—	—	12,732	12,089	12,776	13,047
Gross profit	110,049	112,813	113,095	112,913	3,706	(19,373)	1,888	30,346	113,755	93,440	114,983	143,259
<b>Operating expenses:</b>												
Selling and marketing (a)	23,571	24,380	25,924	27,202	(55)	(452)	(678)	(155)	23,516	23,928	25,246	27,047
Research and development	19,489	19,790	21,584	21,213	—	—	—	—	19,489	19,790	21,584	21,213
General and administrative (b)	13,676	14,178	14,430	13,792	1,361	5,440	103	4,200	15,037	19,618	14,533	17,992
Total operating expenses	56,736	58,348	61,938	62,207	1,306	4,989	(575)	4,045	58,042	63,337	61,363	66,252
Income from operations	53,313	54,465	51,157	50,706	2,401	(24,361)	2,463	26,301	55,714	30,104	53,620	77,007
Interest income	141	40	23	27	6,165	6,199	6,281	6,079	6,306	6,239	6,304	6,106
Interest (expense)	(1,206)	(1,261)	(1,485)	(1,739)	—	—	—	—	(1,206)	(1,261)	(1,485)	(1,739)
Other (expense) income, net	(616)	(238)	(104)	120	—	—	—	—	(616)	(238)	(104)	120
Income before provision (benefit) for income taxes	51,632	53,006	49,591	49,114	8,566	(18,163)	8,743	32,379	60,198	34,843	58,334	81,493
Provision (benefit) for income taxes	16,877	14,928	11,756	11,094	2,800	(112,115)	2,073	2,314	19,677	(97,187)	13,829	13,408
Net income	\$ 34,755	\$ 38,078	\$ 37,835	\$ 38,020	\$ 5,766	\$ 93,952	\$ 6,671	\$ 30,065	\$ 40,521	\$ 132,030	\$ 44,506	\$ 68,085
<b>Net income per common share:</b>												
Basic	\$ 0.48	\$ 0.53	\$ 0.53	\$ 0.53	\$ 0.08	\$ 1.30	\$ 0.09	\$ 0.42	\$ 0.55	\$ 1.83	\$ 0.62	\$ 0.95
Diluted	\$ 0.47	\$ 0.52	\$ 0.52	\$ 0.53	\$ 0.08	\$ 1.29	\$ 0.09	\$ 0.42	\$ 0.55	\$ 1.81	\$ 0.61	\$ 0.94

(a) – Expense adjustments for Selling and marketing reflect the impact of amortizing certain components of commissions expense

(b) – Expense adjustments for General and administrative reflect the impact of bad debt expense as recognized under Topic 606