



Trusted to

# Transform

# AGENDA

## Trusted to Transform

The AspenTech Opportunity

**ANTONIO PIETRI, President and CEO**

## Trusted to Solve

Driving ACV Growth

**DR VIKAS DHOLE, VP of Product Management**

**DR HEIKO CLAUSSEN, SVP and Co-Chief Technology Officer**

## Trusted to Deliver

Customer Value Creation

**SONALI SINGH (Performance Engineering)**

**SALLY JACQUEMIN (Digital Grid Management)**

**ALEX KALAFATIS (Manufacturing and Supply Chain)**

## Trusted to Execute

Shareholder Value Creation

**DAVID BAKER, SVP and CFO**

# Safe Harbor Statement

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Statements in this presentation and our commentary and responses to questions that are not strictly historical may be “forward-looking” statements for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, which involve risks and uncertainties, and AspenTech undertakes no obligation to update any such statements to reflect later developments. These forward-looking statements include, but are not limited to, our guidance for fiscal 2025, our target operating model and annual contract value growth targets. In some cases, you can identify forward-looking statements by the following words: “may,” “will,” “could,” “would,” “should,” “expect,” “intend,” “plan,” “strategy,” “anticipate,” “believe,” “estimate,” “predict,” “project,” “potential,” “continue,” “ongoing,” “target,” “opportunity” or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. These risks and uncertainties include, without limitation: the failure to realize the anticipated benefits of our transaction with Emerson Electric Co.; risks resulting from our status as a controlled company; risks arising from our suspension of commercial activities in Russia and the scope, duration and ultimate impact of the Israeli-Hamas conflict; as well as economic and currency conditions, market demand (including adverse changes in the process or other capital-intensive industries such as materially reduced spending budgets due to oil and gas price declines and volatility), pricing, protection of intellectual property, cybersecurity, natural disasters, tariffs, sanctions, competitive and technological factors, and inflation; and others, as set forth in AspenTech’s most recent Annual Report on Form 10-K and subsequent reports filed with the Securities and Exchange Commission (the “SEC”). Except as otherwise required by law, AspenTech disclaims any intention or obligation to update or revise any forward-looking statements, which speak only as of the date they were made, whether as a result of new information, future events, or circumstances or otherwise. The outlook contained herein represents AspenTech’s expectation for its consolidated results, other than as noted herein.

# Business Metrics and Non-GAAP Financial Measures

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## Use of Business Metrics

AspenTech utilizes Annual Contract Value (“ACV”) as one of its key metrics to track and assess business performance. ACV represents the annualized value of AspenTech’s term license software and software, maintenance, and support (“SMS”) contracts. Comparing ACV for different dates can provide insight into the growth and retention rates of our recurring software business because ACV represents the estimated annual billings associated with our recurring license and SMS agreements at any point in time. Management uses the ACV business metric to evaluate the growth and performance of our business as well as for planning and forecasting purposes. See the appendix for a glossary of definitions including ACV. Unless otherwise noted, all ACV numbers in this presentation exclude ACV associated with our Russian business for all periods presented. Please refer to our appendix for additional information about AspenTech’s exit from its Russian business operations.

## Use of Non-GAAP Financial Measures

This presentation contains “non-GAAP financial measures” under the rules of the SEC. Non-GAAP financial measures are not based on a comprehensive set of accounting rules or principles. This non-GAAP information supplements, and is not intended to represent a measure of performance in accordance with, disclosures required by generally accepted accounting principles, or GAAP. Non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with GAAP. A reconciliation of GAAP to non-GAAP results is included in the appendix to this presentation.

Management considers both GAAP and non-GAAP financial results in managing AspenTech’s business. As the result of adoption of new licensing models, management believes that a number of AspenTech’s performance indicators based on GAAP, including revenue, gross profit, operating income and net income, should be viewed in conjunction with certain non-GAAP and other business measures in assessing AspenTech’s performance, growth and financial condition. Accordingly, management utilizes a number of non-GAAP and other business metrics, including the non-GAAP metrics set forth in this presentation, to track AspenTech’s business performance.

# Trusted to

# Transform

The AspenTech Opportunity



**ANTONIO PIETRI**, President and CEO

# Your Takeaways from Today's Investor Day

**1**

**Opportunity**

**2**

**Uniquely  
Positioned**

**3**

**Target Operating  
Model  
Significant Value  
Creation**

**4**

**Achieving the  
Target Operating  
Model**

**5**

**End-Market  
Dynamics**

## AspenTech Today

A diversified leader in mission-critical industrial software, benefitting from the scale and capabilities of Emerson.

## Customer Value

Industrial customers confronting the dual challenge. Digitalization is critical enabler of transformation.

## AspenTech Leadership

Market leader with 40+ year history of innovation & customer value creation.

## Shareholder Value

Attractive growth and margin expansion, with disciplined capital allocation.

# Why Customers Trust AspenTech Today

## CONTINUOUS INNOVATION

Transformational capabilities that drive performance, resiliency and sustainability

Mission-critical

Breadth and depth of capabilities

## RETURN ON INVESTMENT

Significant impact on financial results, resiliency of critical infrastructure, and sustainability goals

Customer ROI > 25:1<sup>1</sup>

Investment recovered in <1 year<sup>1</sup>

## ENABLER OF ORGANIZATIONAL EXCELLENCE

The capabilities to achieve Operational Excellence

Agility, guidance and automation



# Our People Are Our Advantage

TALENT



DOMAIN  
EXPERTISE



PASSION

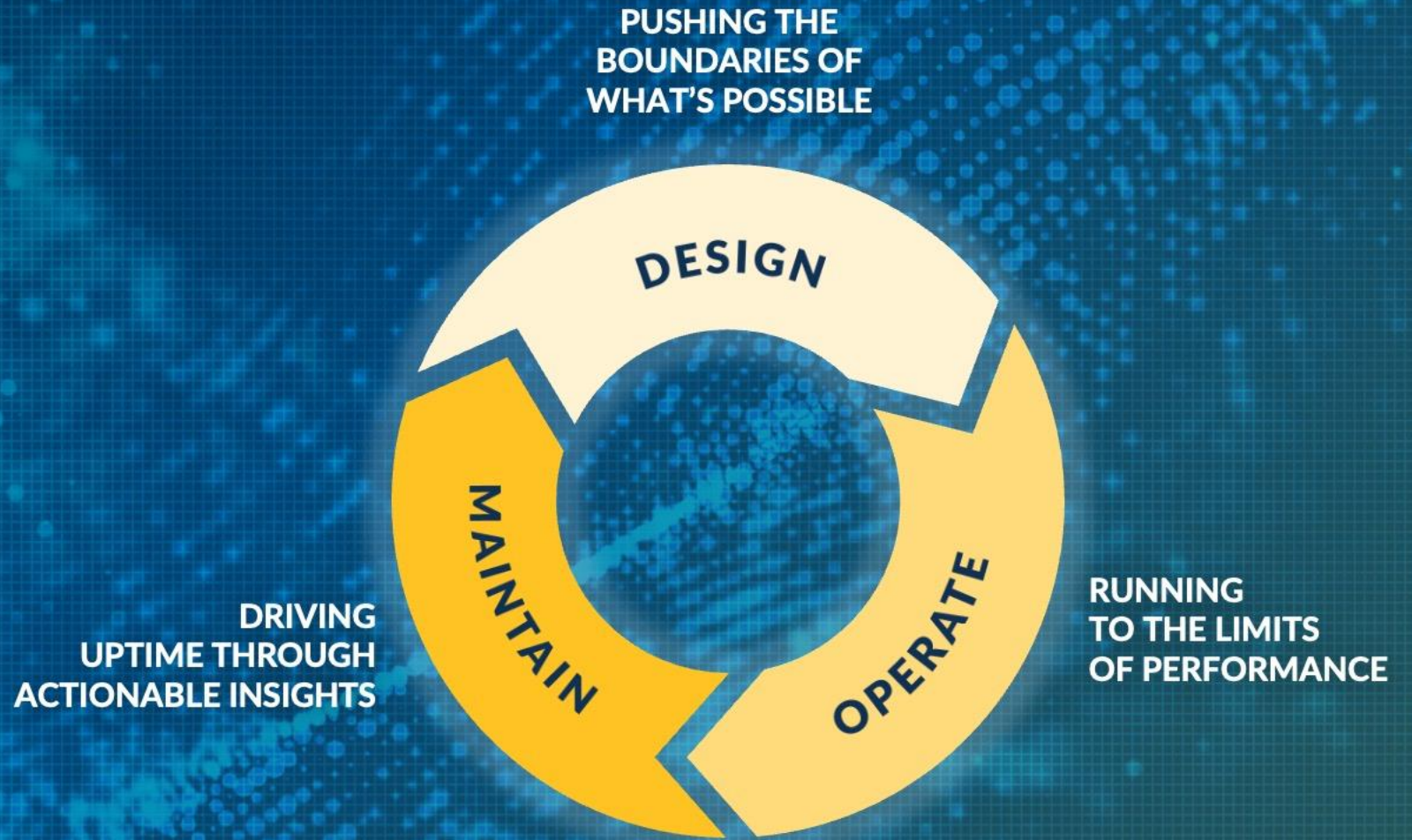
INNOVATION | TRUST | RESPECT | COMMITMENT | CREDIBILITY | RESULTS

GLOBAL LEADER IN INDUSTRIAL SOFTWARE

# Proven Track Record of Delivering and Scaling Innovation Over the Last 40+ Years

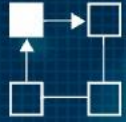


# Our Innovation-Led Approach Drives Asset Optimization Across the Entire Asset Lifecycle



# Expanded Industrial Software Portfolio

## ASSET OPTIMIZATION



### PERFORMANCE ENGINEERING (ENG)

Optimizing the design and operations of complex assets across the engineering lifecycle



### SUBSURFACE SCIENCE & ENGINEERING (SSE)

Solving the most complex exploration and production challenges while accelerating carbon storage solutions



### MANUFACTURING & SUPPLY CHAIN (MSC)

Maximizing margins and achieving sustainability goals by improving production performance and value chain resiliency



### DIGITAL GRID MANAGEMENT (DGM)

Operating and managing complex electric grids and gas networks



### ASSET PERFORMANCE MANAGEMENT (APM)

Increasing asset availability and reducing costs by predicting, quantifying, and mitigating risk



### INDUSTRIAL DATA FABRIC

Empowering stakeholders across the enterprise to make data-driven decisions

# AspenTech's Industrial Data Fabric – Enabling Digital Transformation at Scale

## AspenTech Software Suites



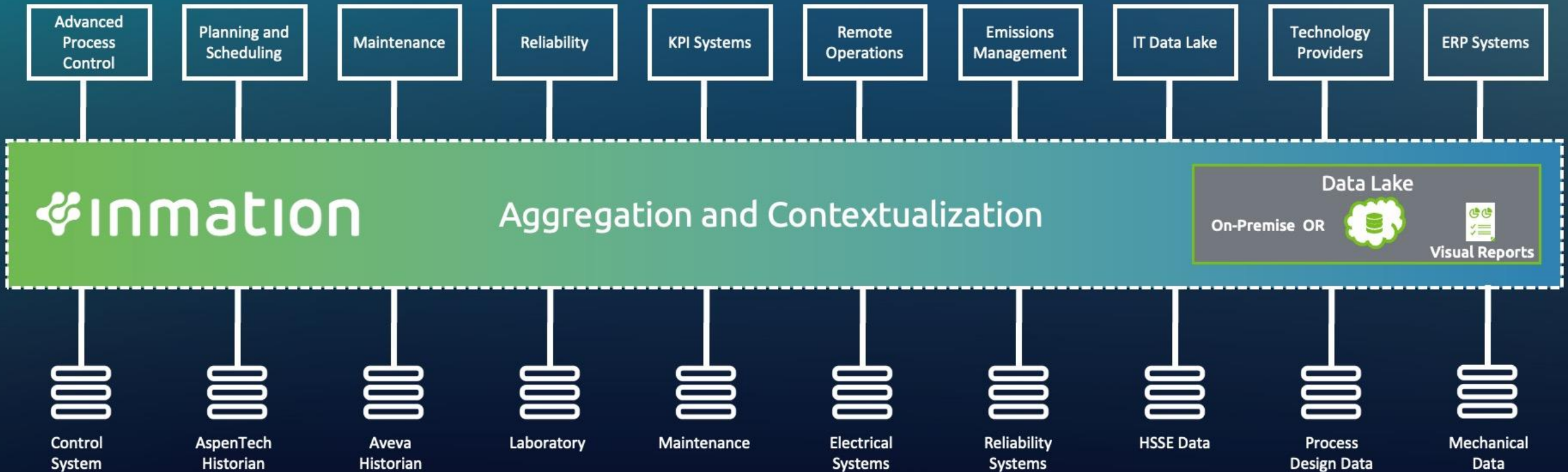
## Visualization



## Cloud Partners



## ERP



# Product and Market Leadership

## LEADING CUSTOMER BASE

**20**  
LARGEST  
ENERGY  
COMPANIES<sup>1</sup>

**19**  
LARGEST  
CHEMICALS  
COMPANIES<sup>1</sup>

**20**  
LARGEST  
EPCs  
(ENERGY & CHEM)<sup>1</sup>

**10**  
LARGEST  
U.S. UTILITIES  
COMPANIES<sup>1</sup>

## DELIVERING CRITICAL SOLUTIONS AT SCALE

- **66% of the world's refining capacity**
  - Optimized by AspenTech production planning solutions<sup>2</sup>
- **\$1B in capital cost reduction**
  - On \$20B chemical project enabled by AspenTech asset utilization modeling<sup>3</sup>
- **Entire value chain of a National Oil Company**
  - Performance analysis from oil & gas separation through processing and products distribution<sup>4</sup>
- **World's largest synchronous grid in India**
  - Transmission of 430GW of power managed with AspenTech software<sup>4</sup>
- **Gas transmission for all of Spain**
  - Manage 3,000km of pipelines, 650 delivery stations, 7 LNG plants<sup>4</sup>
- **64M (~40%) residential & industrial meters in the U. S.**
  - Power in the electrical value chain managed with AspenTech software<sup>4</sup>

# Product and Market Leadership

## LEADING CUSTOMER BASE

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**10**  
**20**  
LARGEST  
U.S. UTILITIES  
COMPANIES<sup>1</sup>

## LEADING SOFTWARE PRODUCT CAPABILITIES

#1 Process Simulation & Optimization<sup>2</sup>

#1 Advanced Process Control & On-Line Optimization<sup>3</sup>

#1 Asset Failure Prediction<sup>4</sup>

#1 Asset Lifecycle Management<sup>4</sup>

#1 Performance Optimization<sup>4</sup>

#1 DERMS Execution<sup>5</sup>

#3 Exploration & Production Software<sup>6</sup>

# AspenTech is a Key Driver of Customer Value

**\$59B**  
CUSTOMER PROFIT  
PER YEAR<sup>1</sup>

**16MMt**  
CO<sub>2</sub> EMISSIONS  
REDUCTION PER YEAR<sup>1</sup>

In Global Refining  
via Energy Efficiency

Operational efficiency improvements  
remain the highest leverage form of  
CO<sub>2</sub> reduction today

1. Figures estimated in 2019 based on internal study. Includes data from Heritage AspenTech suites only  
MMt = million metric tons | CO<sub>2</sub>e = CO<sub>2</sub> equivalent of various GHG



# Strengths Amplified – A Complementary Offering Across the Industrial Technology Stack Together With Emerson



Asset Optimization Software  
**OPTIMIZE**



Intelligent Sensors & Measurement

**SEE**

Control Systems

**DECIDE**

Intelligent Final Control

**ACT**

- Closed-loop control and asset optimization
- Leverage operations data
- Enhanced decision-support
- Deeper & broader customer relationships

# DUAL CHALLENGE

Meeting the increasing demand for resources from a growing population with rising standards of living while also achieving sustainability goals

# DEMAND

HIGHER STANDARD OF LIVING FOR ALL. SUSTAINABLY.

**9.7B**

WORLD  
POPULATION BY  
2050<sup>1</sup>

**40%**

GLOBAL MIDDLE  
AND UPPER-CLASS  
GROWTH BY 2030<sup>2</sup>

**86%**

GLOBAL ELECTRICITY  
GENERATION GROWTH<sup>3</sup>

**34%**

INCREASE IN ENERGY  
DEMAND BY 2050<sup>4</sup>

**300%**

INCREASE IN GLOBAL  
CHEMICALS DEMAND BY 2050<sup>5</sup>

**DOUBLE**

ENERGY EFFICIENCY BY 2030<sup>6</sup>

**TRIPLE**

INSTALLED RENEWABLE  
CAPACITY BY 2030<sup>6</sup>

1. Population, UN, 2022
2. A long-term view of COVID-19's impact on the rise of the global consumer class, Brookings, 2021
3. World Energy Outlook 2023, IEA (Stated Policies Scenario), 2023
4. EIA Expects Global Energy Consumption to Increase Through 2050, EIA, 2023
5. Global Chemical Companies Collaborate in Pivotal Move to Net-Zero, WEFForum, 2021
6. Global Renewables & Energy Efficiency Pledge, COP28, 2023

# INVESTMENTS

HIGHER STANDARD OF LIVING FOR ALL. SUSTAINABLY.

9.7B

WORLD  
POPULATION BY  
2050<sup>1</sup>

40%

GLOBAL MIDDLE  
AND UPPER-CLASS  
GROWTH BY 2030<sup>2</sup>

\$10T+

OIL, GAS, REFINING,  
AND CHEMICALS CAPEX  
THROUGH 2030<sup>3</sup>

\$4T+

CAPEX INVESTMENTS  
PER YEAR REQUIRED BY  
2030 TO MEET NET  
ZERO<sup>4</sup>

\$3T+

GRID INFRASTRUCTURE  
INVESTMENT  
REQUIRED BY 2030<sup>5</sup>

\$5T+

IN DIGITALIZATION  
REQUIRED FOR 2050  
NET ZERO GOALS<sup>6</sup>

1. Population, UN, 2022
2. A long-term view of COVID-19's impact on the rise of the global consumer class, Brookings, 2021
3. Oxford Economic, 2024
4. Net Zero Roadmap A Global Pathway to Keep the 1.5 °C Goal in Reach, IEA, 2023
5. Enable or Inhibit: Power grids, key to energy transition, require \$3.1T investments by 2030, Rystad Energy, 2024
6. Global Net Zero Will Require \$21 Trillion Investment In Power Grids, BloombergNEF, 2023

# MISSIONS ARE EVOLVING

## ExxonMobil

“Meeting society’s energy needs and reducing emissions.”<sup>1</sup>



“We believe that reliable, clean and affordable energy is essential to a brighter, more sustainable future.”<sup>2</sup>

## wood.

“Designing. Digitalizing. Decarbonizing. Delivering a sustainable world.”<sup>3</sup>



“Expects to have realized 17 offshore grid connections with an installed capacity of more than 21 GW of offshore wind by 2031.”<sup>1</sup>



“Intends to transform the plastic waste to deliver 3 million metric tons per year of circular and renewable solutions by 2030.”<sup>3</sup>



“Increasing production capacity in bioenergy, particularly in biofuels and biomethane... >3MTPA bio-refining capacity by 2026.”<sup>2</sup>



“Producing efficient and reliable energy from oil & gas and renewable sources such as wind, solar, geothermal and hydropower.”<sup>4</sup>

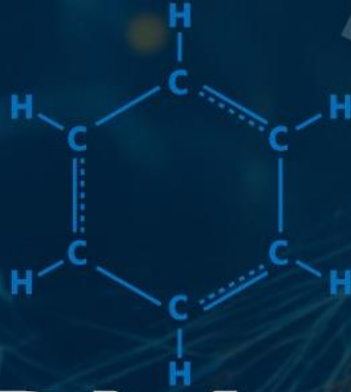
# STRATEGIES ARE TRANSFORMING

# New Sustainability Pathways Are Emerging – We Are Leading the Way



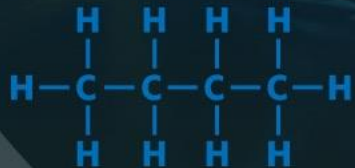
MOLECULES

HYDROCARBONS



# INDUSTRY CONVERGENCE

SUSTAINABLE  
FUELS



GRAY & GREEN  
ELECTRICITY

$$p = \frac{V_F V_T}{X} \sin \theta$$

ELECTRONS



# **GREATER DIGITALIZATION IS REQUIRED**

## **PERFORMANCE & RESILIENCY**



**SAFETY**



**RELIABILITY**



**EFFICIENCY**

## **OPERATIONAL EXCELLENCE**

## **SUSTAINABILITY**

# Our Customer Base Continues to Evolve and Grow

## Power & Utilities

- Generation
- Transmission
- Distribution
- Distributed Energy Resource Management
- Gas Pipeline Management

## Tech Leaders & Emerging Energy Entrants

- Electric Batteries
- Biofuels
- Carbon Capture
- Green Hydrogen
- Plastic Recycling
- Renewable Energy
- Sustainable Materials

# A HISTORY OF FIRSTS

monarch™ Common Real-time  
Platform for Utilities & Industries

Multi-Variable Adaptive  
Control Technology

Ensemble-Based Reservoir  
Simulations

Concurrent  
Engineering Workflows

360° Subsurface Images  
Voxel Visualization

Process Industry  
Modeling System (PIMS)

Flowsheet  
Simulator

Industrial AI  
Hybrid Models™

## Domain Expertise

Engineering Fundamentals,  
Asset Knowledge, Industry  
Experience

## Data Insights

Advanced Analytics,  
AI – ML, Deep Learning,  
Generative AI

# INDUSTRIAL AI

Agility | Guidance | Automation

# SELF-OPTIMIZING ASSET

## SELF-LEARNING

Monitor and utilize data to increase accuracy and scope of predictions

## SELF-ADAPTING

React to changing conditions by adjusting to meet targets

## SELF-SUSTAINING

Detect anomalies and trigger actions to sustain equipment and process performance



**HIGHER MARGINS**



**SAFER OPERATION**



**IMPROVED RELIABILITY**



**MORE SUSTAINABLE**

# Positioned to Deliver Attractive Shareholder Value Creation

## ACV GROWTH

Innovating and increasing product usage in growing markets with significant whitespace

Double-digit  
growth potential

## EXPANDING MARGIN

Driving to Target Operating Model with disciplined execution of AspenTech playbook

45-47% ACV margin

Mid-teens FCF<sup>1</sup> growth

## DISCIPLINED CAPITAL ALLOCATION

Investing organically, executing value-creating M&A, and returning cash to shareholders

Drives ACV growth

Return capital to shareholders

# Our People Are Our Advantage

## WORKFORCE

ATTRACT | MOBILIZE | CULTIVATE



- Critical Skills & Skills Cultivation
- Workforce Planning & Talent Availability
- Employer Reputation & Competitiveness

## ORGANIZATION

SCALE | ALIGN | PERFORM



- Organizational Agility & Growth Readiness
- Performance & Total Rewards Leverage
- Organizational Health & Cultural Connection

## INDIVIDUAL

DEVELOP | CONNECT | INCLUDE

- Employee Engagement, Enablement & Experience
- Development & Succession
- Inclusion & Belonging

ALIGNING OUR PEOPLE STRATEGY TO THE GROWTH STRATEGY

# ACV GROWTH

DD Growth Potential

## Large industrial software market with durable tailwinds

Attractive industries with large installed capacity  
Significant whitespace in each of our suites  
Suites aligned to long-term macro trends

## Continuous innovation

History of industry-leading innovation  
Transformative innovation across the full asset lifecycle

## Product usage & adoption

Token model enables rapid adoption of product innovation  
Strategic customer engagement & sales acceleration

EXPANDING  
MARGIN

DISCIPLINED CAPITAL  
ALLOCATION

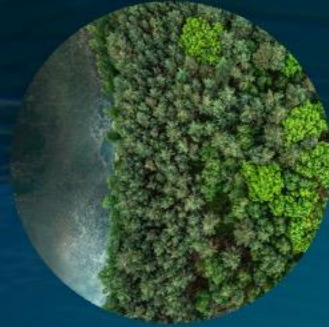


# Durable Secular Tailwinds Underpin Growth in Our End-Markets



## Digitalization

- Software as driver of competitive advantage
- Significant whitespace
- Labor shortage and aging workforce
- Artificial intelligence opportunity



## Sustainability

- Dual Challenge: commitment to net zero – while increasing production
- Optimize for emissions
- Molecules and electrons



## Global Electrification

- Grid expansion and modernization
- Renewable energy driving complexity
- Resiliency is critical – cybersecurity, outage management



## Energy Transition

- Gradual transition in energy sources
- Scaling diverse energy sources
- Build 'new' while maintain 'existing'

# Large Market Opportunity Across Suites

**~\$11B ADDRESSABLE  
MARKET IN CURRENT SUITES**

**CONTINUED TAM  
EXPANSION THROUGH:**

- Organic innovation
- Industry growth
- Price escalation
- Product upgrades
- M&A

AspenTech estimated addressable software spend by suite  
(Est. 2024)\*

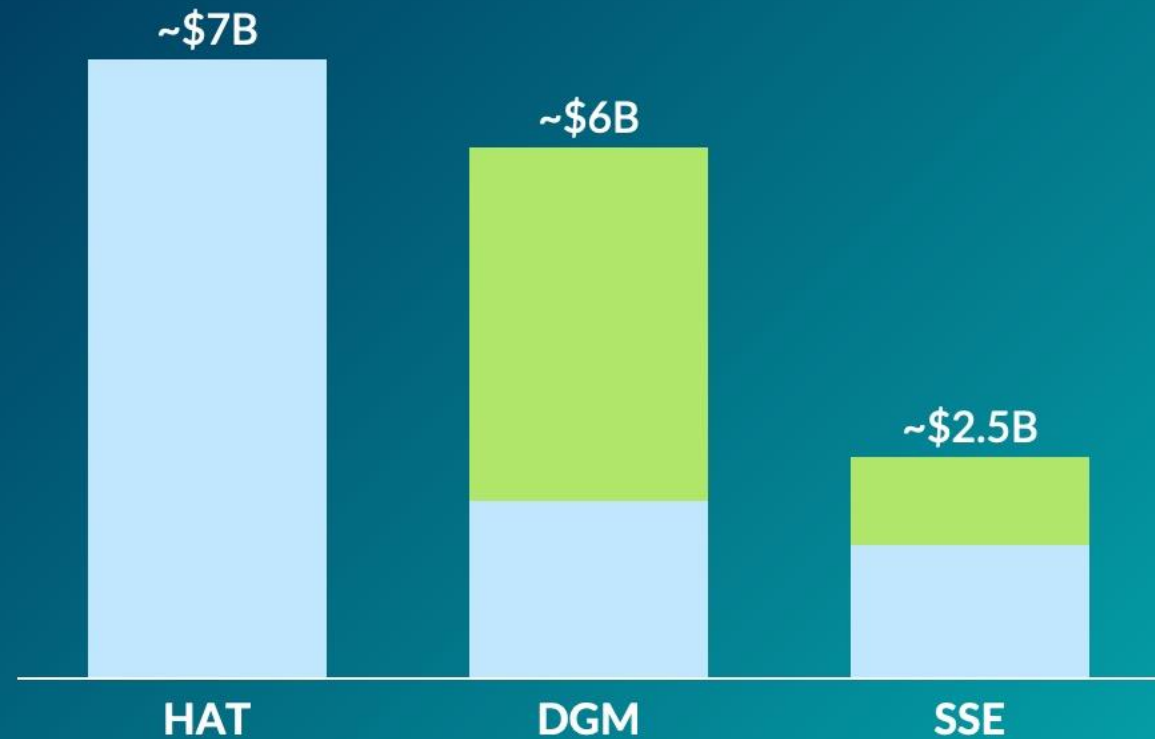


# Large Market Opportunity Across Suites – With More Opportunity Ahead

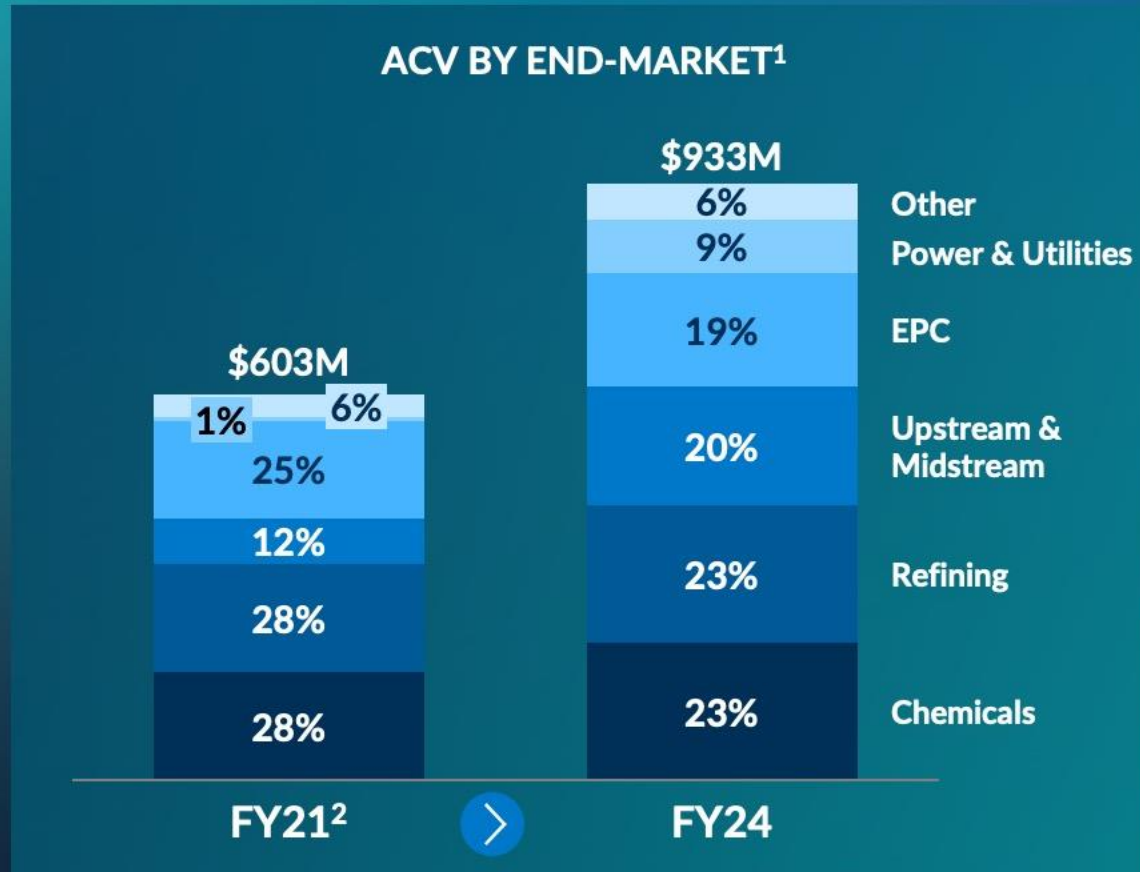
**~\$11B ADDRESSABLE  
MARKET IN CURRENT SUITES**

**ADDITIONAL ~\$4-5B  
ADDRESSABLE MARKET  
IN NEAR-ADJACENT  
OPPORTUNITIES**

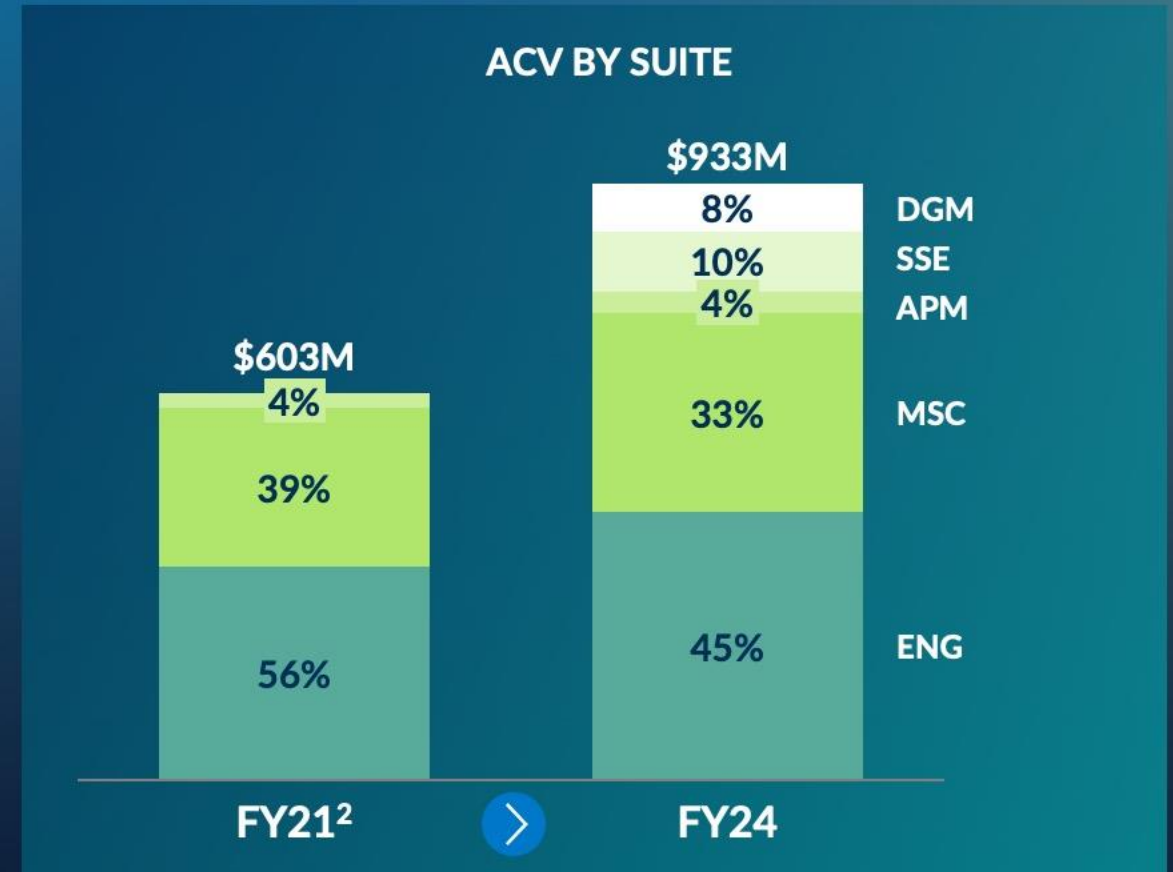
AspenTech estimated addressable software spend by suite  
(Est. 2024)\*



# AspenTech Today – More Scaled, More Diversified, More Attractive Exposures








**NO SINGLE END-MARKET WITH >25% EXPOSURE**



**IMPROVED PRODUCT DIVERSIFICATION**

# Customer Spend Type and Related KPIs

INDUSTRY	CAPEX	OPEX	Driver (KPI)
 <b>OIL &amp; GAS</b> Upstream & Midstream	●		Oil Price
 <b>REFINING</b>		●	Oil Price Margins
 <b>CHEMICALS</b>		●	Demand Margins
 <b>EPC</b>	●		Oil & Gas Refining Chemical Sustainability
 <b>POWER &amp; UTILITIES</b>	●	●	Grid Modernization

SUITE	CAPEX	OPEX
 <b>ENG</b>	● EPC	● Refining Chemicals
 <b>MSC</b>		●
 <b>APM</b>		●
 <b>DGM</b>	●	●
 <b>SSE</b>	●	●

# 3-5 Year ACV Growth Rate Potential by Suite with Healthy Industry Drivers



## GROWTH DRIVER REQUIREMENTS

- Healthy traditional energy investment environment
- Chemical industry recovery
- Long-term tailwinds behind sustainability and energy transition
- Pace of global electrification and investment in utilities remains robust

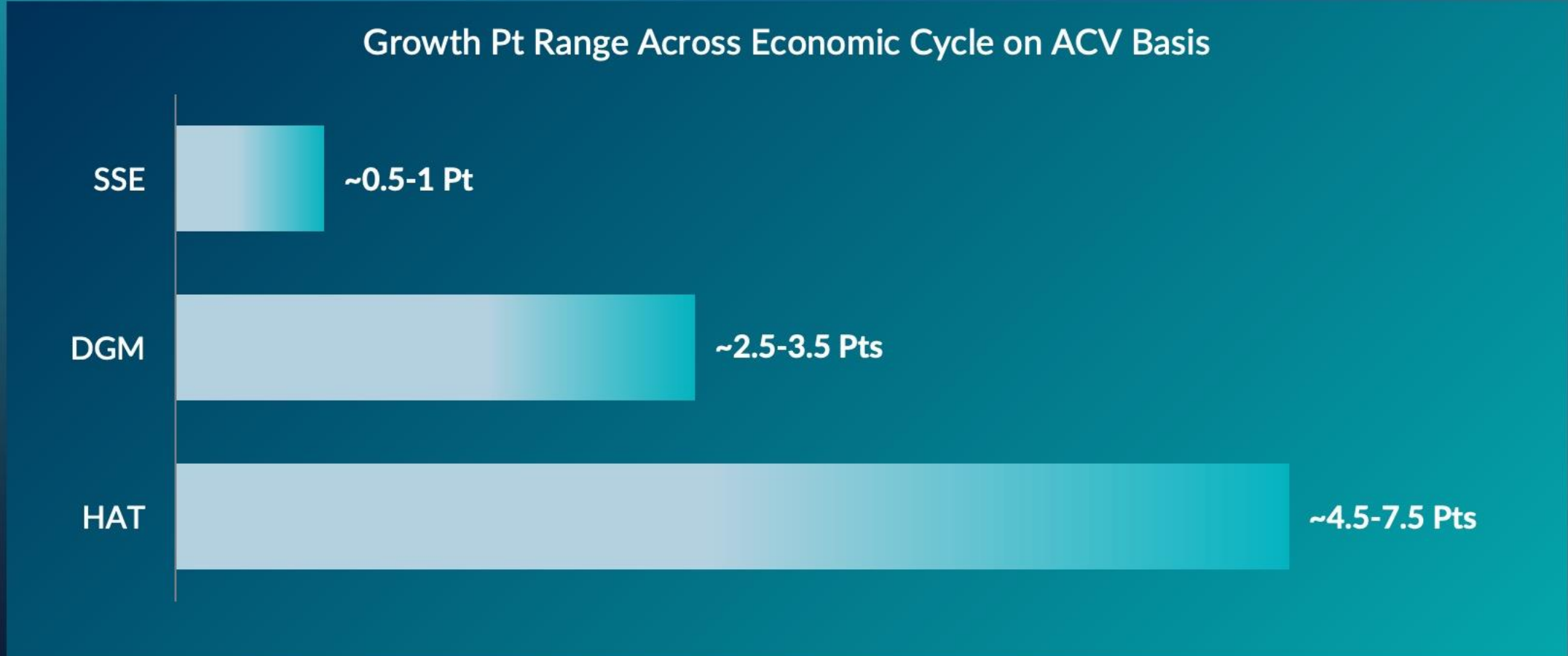
- Drive attrition<sup>1</sup> to 3-4% range

## IF A MACRO DISRUPTION, THEN

- Trough growth estimated at HSD

1. Attrition is defined as the period over period reduction in ACV, driven by a customer's non-renewal of an agreement, a customer's reduction in entitlement, and bad debt write offs. Attrition is adjusted for any conversion of perpetual SMS agreements to term license contracts.

# ACV Growth Potential Across the Cycle Supported by Solid Position of Expanded Portfolio



# Driving ACV Growth – Innovation Across the Portfolio

## Continuous Core Innovation

- Ongoing innovation for core offerings
- Driving increased insights & ROI for customers



## Solutions

- Concurrent Engineering
- Value-chain optimization
- High-level customer engagement



## Industrial AI

- Embedded, purpose-built AI
- 40+ years of AI experience, built on first principles



## Sustainability

- Supporting emission reduction
- Positioning to lead in energy transition



## Self-Optimizing Asset

Self-learning, self-adapting, self-sustaining asset

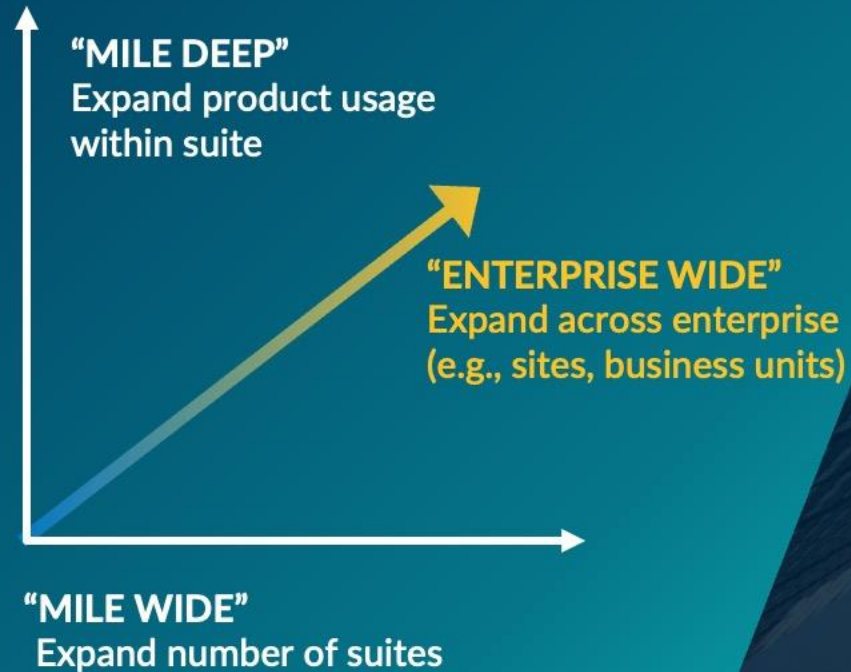
# \$191M

## Total Non-GAAP R&D investment FY24<sup>1</sup>



# Driving ACV Growth - Customer Product Usage & Adoption

## SIGNIFICANT WHITESPACE OPPORTUNITIES



## CRITICAL LEVERS TO DRIVE USAGE & ADOPTION

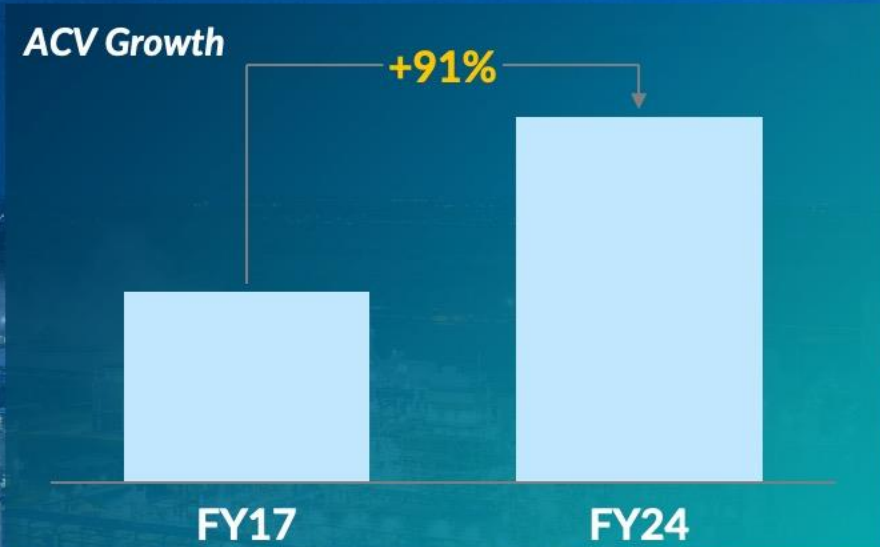
### Term & Token Model

- Accelerates cross-sell and up-sell
- Aligns AspenTech and customer incentives
- Provide access to AspenTech’s ongoing innovation

### Customer Engagement

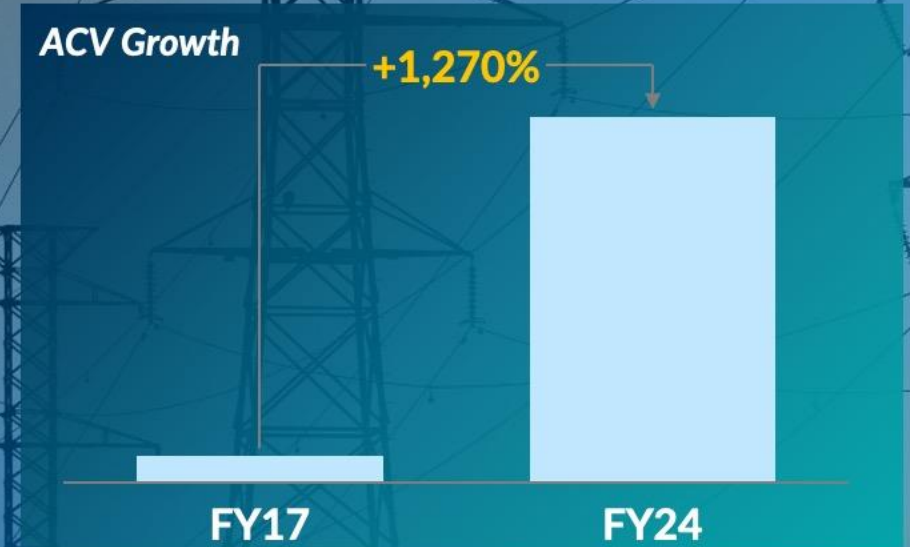
- Strategic account management
- Customer Success: supports customer in capturing and sustaining value expected
- Customer competency development
- Co-innovation

# Deliver High ROI Solutions to Industry-Leading Customers



**LEADING INTEGRATED ENERGY COMPANY**

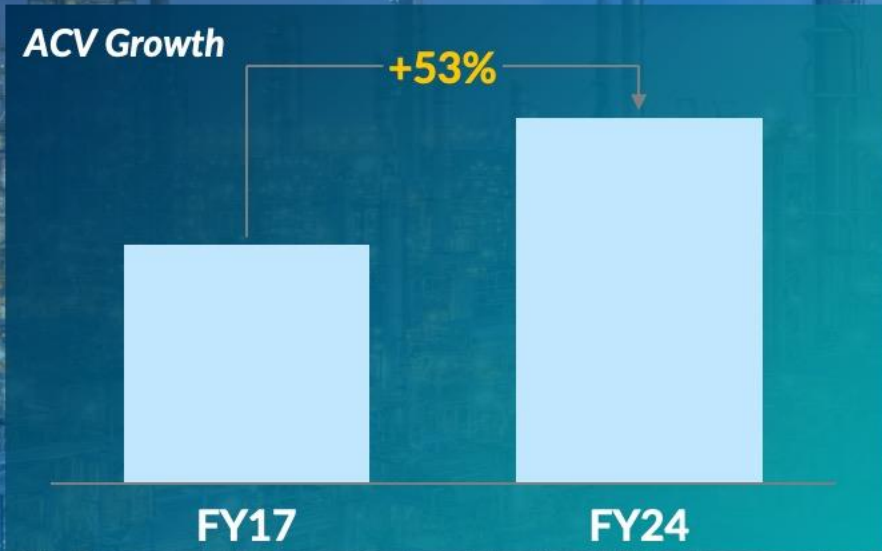
End-to-end value chain optimization



**U.S. UTILITY SERVING 10M+ CUSTOMERS**

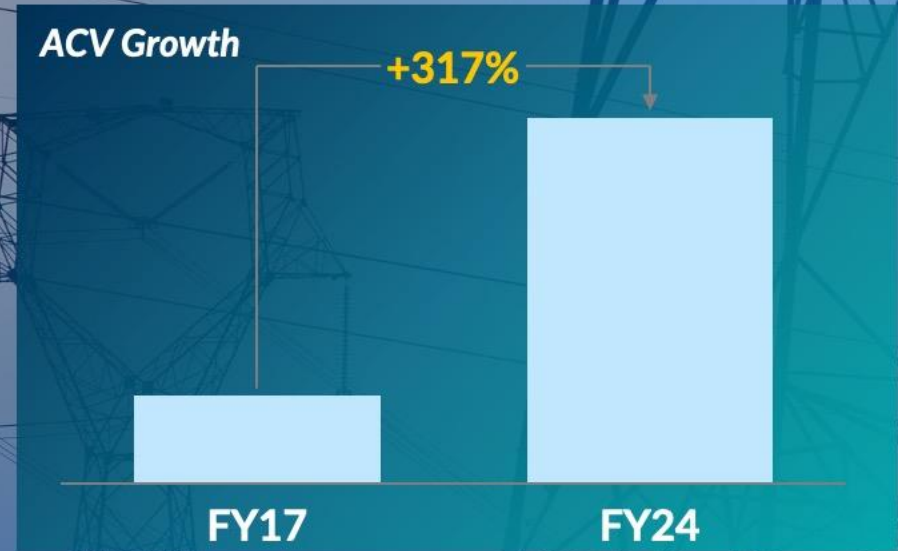
Enterprise solution for resiliency, reliability, agility

# Deliver High ROI Solutions to Industry-Leading Customers



**GLOBAL INTEGRATED ENERGY COMPANY**

Transforming Business for Sustainability



**U.S. UTILITY SERVING 6M+ CUSTOMERS**

Driving Resiliency of Electric & Gas Operations

# Emerson Relationship Complementary to Commercial Model and Innovation Agenda

## Commercial Model

- Cross-sell into Emerson end-markets
- Penetrate whitespace opportunities
- Alignment of teams on GTM

## Collaborative Innovation

- OEM AspenTech software
- Develop products and solutions through co-innovation
- Enhancement of sustainability offerings

## R&D Vision Alignment



**SELF-OPTIMIZING  
ASSET**

- Self-learning
- Self-adapting
- Self-sustaining



**BOUNDLESS  
AUTOMATION™**

- Reduced organizational silos
- Data across the enterprise
- Enhanced decision support

SHORT TERM

MID TERM

LONG TERM

ACV GROWTH

# EXPANDING MARGIN

45-47% ACV Margin

## Returning to historic mix of software & services

Building out DGM independent services delivery network  
Aligned with focus on pure play industrial software

## Scalable commercial model

Term token model creates low incremental cost for new ACV dollars  
Accelerates access to innovation - supports upselling motion  
Strongly aligned with customer value creation

## Focused on productivity & efficiency

Rigorous focus on efficiencies across the business  
Significant leverage in cost structure; higher productivity

DISCIPLINED CAPITAL  
ALLOCATION

# Driving Towards Our Target Operating Model

	% of ACV		
	FY24 Values <sup>1</sup>	FY25E Guide	Target Values
Ending ACV	100%	100%	100%
Non-GAAP Cost of Revenue	20%		13-15%
Non-GAAP Sales & Marketing	20%		15-16%
Non-GAAP Research & Development	21%		13-15%
Non-GAAP General & Administrative	12%		8-9%
<b>Total Non-GAAP Expenses</b>	<b>72%</b>	<b>66%</b>	<b>53-55%</b>
<b>ACV Margin<sup>2</sup></b>	<b>28%</b>	<b>34%</b>	<b>45-47%</b>
<b>FCF Margin<sup>3</sup></b>	<b>36%</b>	<b>33%</b>	<b>40-43%</b>

ACV GROWTH

EXPANDING  
MARGIN

**DISCIPLINED  
CAPITAL  
ALLOCATION**

### **Investment in core business to drive growth**

Committed to innovation

Continuing to expand product usage and adoption

### **Track record of successful M&A, disciplined approach**

Proven value-creating M&A playbook

Focus on tuck-ins and strategic anchor targets

Financial discipline with focus on shareholder return

### **Ongoing share repurchases**

Repurchased \$2B+ of shares over past decade

\$100M authorized for share repurchases in FY25

# A Focused Approach to M&A

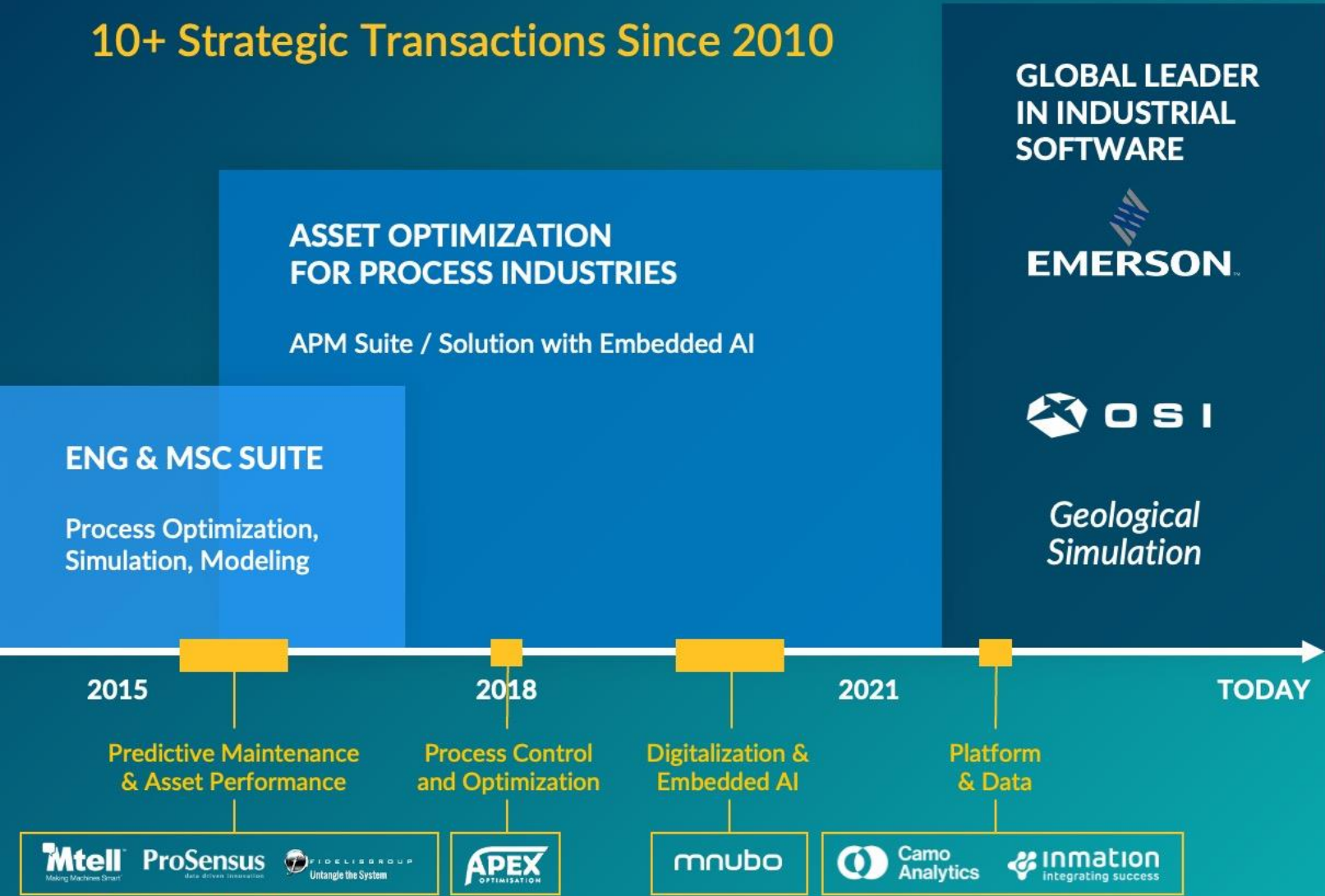
**We have and will use M&A to accelerate the digitalization of industries and optimize assets to run safer, greener, faster and more reliably**

- ✓ Proven track record of successful integration and execution of AspenTech Playbook
- ✓ Clear view on the types of M&A that will support our strategy
- ✓ Defined criteria for adjacencies and targets
- ✓ Robust M&A process and disciplined financial policy, designed to create value for customers and shareholders



# M&A Has Been a Critical Enabler of AspenTech's 40-Year Journey

## 10+ Strategic Transactions Since 2010



## VALUE CREATION

- Increased portfolio and end market diversification
- Enhanced macro resilience
- Increased exposure to macro tailwinds
- Integration and AspenTech playbook drive incremental growth and margin

# Actively Working M&A Funnel Across a Range of Opportunities

## Augment Core Suites

- Add incremental capabilities that support our core suites
- Integrate into existing suites through token model
- Cross-sell & up-sell to customers

## Product Adjacencies

- Extend solutions across the value chain in existing verticals
- Leverage existing account relationships
- Build on knowledge of value chain

## Market Adjacencies

- Establish anchor positions in new markets
- Execute AspenTech playbook
- Foundation for future tuck-ins over time

STRENGTHENING EXISTING POSITIONS  
TUCK-INS

EXPANDING BUSINESS  
ANCHOR FRANCHISES

## AspenTech Today

## The Opportunity

## AspenTech Leadership

## Shareholder Value

Market Leader in Mission-Critical Software

Uniquely Positioned to Address the Dual Challenge

World-Class and Expanding Customer Base

Multiple ACV Growth Opportunities

Diversified Industry Exposure

Value Creation for Customers

Breadth & Depth of Portfolio, Innovation & Expertise

Drive to Best-in-Class Profitability & FCF

Strong and Diverse Talent

Investment Capacity & Discipline

# Trusted to Solve

Driving ACV Growth

**DR VIKAS DHOLE**, VP of Product Management

**DR HEIKO CLAUSSEN**, Co-Chief Technology Officer and Head of AI

# Trusted to Solve

Driving ACV Growth



**DR VIKAS DHOLE**, VP of Product Management

# AspenTech – Leading Global Industrial Software Provider

Defining the **industry standard** through decades of industry-first innovation

40+ years delivering leading solutions

Harnessing **unique capabilities** purpose-built for complex problems

34,000 chemical compounds in modeling database

Establishing trust with **accuracy and security** required for **mission-critical solutions**

8,000 Advanced Process Control applications

Earning leading positions across **best-in-class solutions**

Leading market position across suites

# Executing Against Controllable ACV Growth Drivers

**PRODUCT USAGE AND ADOPTION**

**Term & Token Model**

**Customer Engagement**

**INNOVATION**

# Token Model Benefits AspenTech and Customers

Customers license a defined number of tokens, each product has a unique number of token count

As customers increase number of users and applications per user, they use more tokens

## Benefits to AspenTech

Rapidly scale new offerings with established channel

Facilitates seamless customer expansion into additional products

Perpetual to term to token transition drives ACV uplift and faster growth

## Aligned Incentives

Simplified customer experience

Access to innovation

Resilient spend

## Benefits to Customers

Simpler commercial relationship

Immediate access to benefits of AspenTech innovation – *i.e., new capabilities & upgrades*

Flexibility across verticals & projects



# Strategically Supporting Customers Across the Asset Lifecycle



# Customers Become More Mature Users of AspenTech Products Over Time – Driving Penetration of Whitespace



**Enabling customers to capture value from advanced solutions**

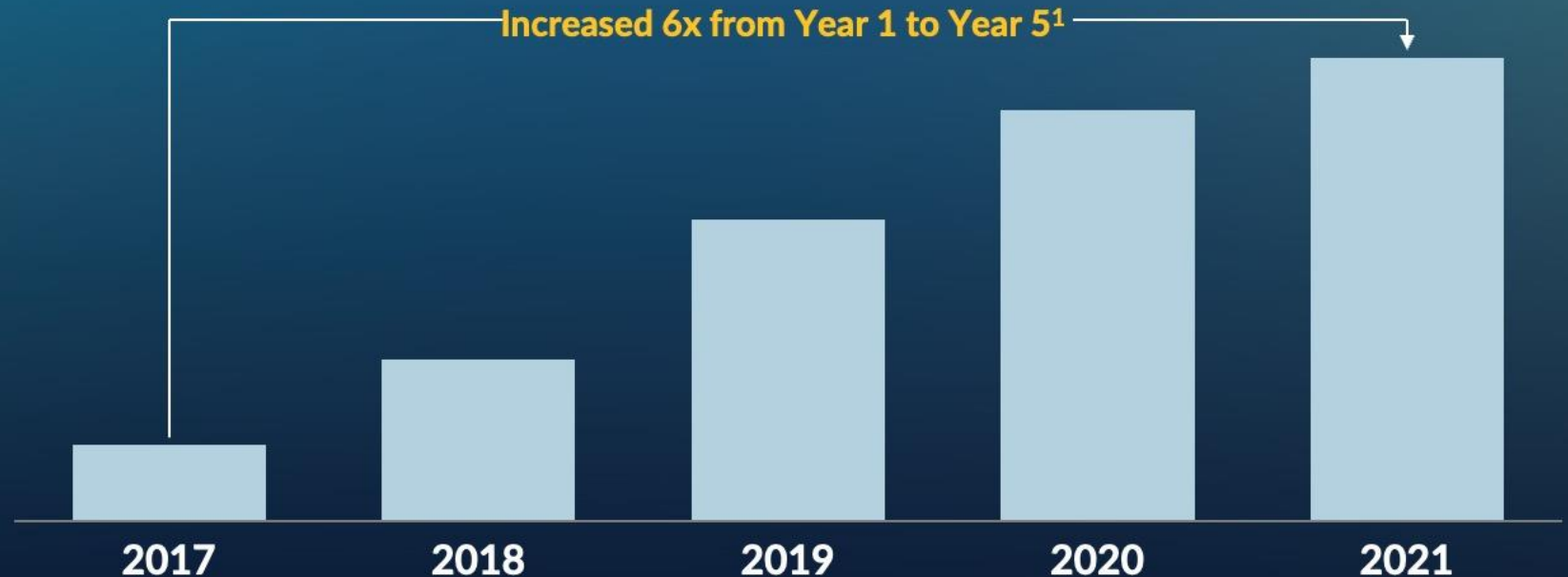
Customer Success Management | Technology Engagement Program | Competency Development Program | Accelerating New Version Adoption

# Commercial Model Enables Us to Rapidly Monetize New Capabilities

## Usage hours on example new product

Example: New product for optimization of fluid dynamics within distillation columns

New product offerings can be rapidly adopted by existing customers



# Executing Against Controllable ACV Growth Drivers

PRODUCT USAGE AND ADOPTION

INNOVATION

Continuous Core Innovation  
Solutions

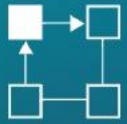
Sustainability Applications

Embedded Industrial AI

Self-Optimizing Asset

# Industry-Leading Innovation Creates Value for Customers and Drives ACV Growth

## RECENT INNOVATIONS ACROSS THE PORTFOLIO



**ENG**

140 Sustainability models  
& industry-first hybrid models



**MSC**

AI-driven guidance &  
deep learning in APC



**APM**

Faster root cause analysis &  
mitigation with AI-enabled models



**SSE**

AI-assisted workflow automation  
for faster decision making



**DGM**

New microgrid solution  
targeting industrial sector



**Industrial Data Fabric**

Industry-proven data aggregation  
and contextualization

# Solutions Solve Complex Customer Challenges and Drive Incremental Product Usage

## Sustainability

Energy & Emissions Management

LNG

Carbon Capture Utilization & Storage

Biofuels

## Industry

Upstream Oil & Gas

Refining

Chemicals

Power & Utilities

## Solutions

Lifecycle Engineering

Production Optimization

Predictive & Prescriptive Maintenance

Digital Grid Management

**ASSET OPTIMIZATION ACROSS THE LIFECYCLE**



ENG



SSE



MSC



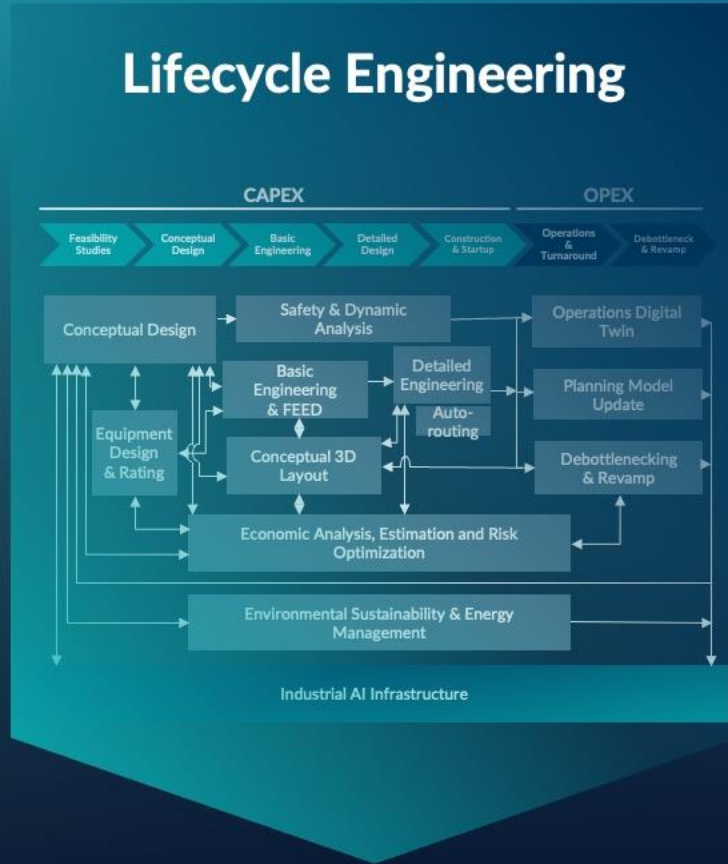
DGM



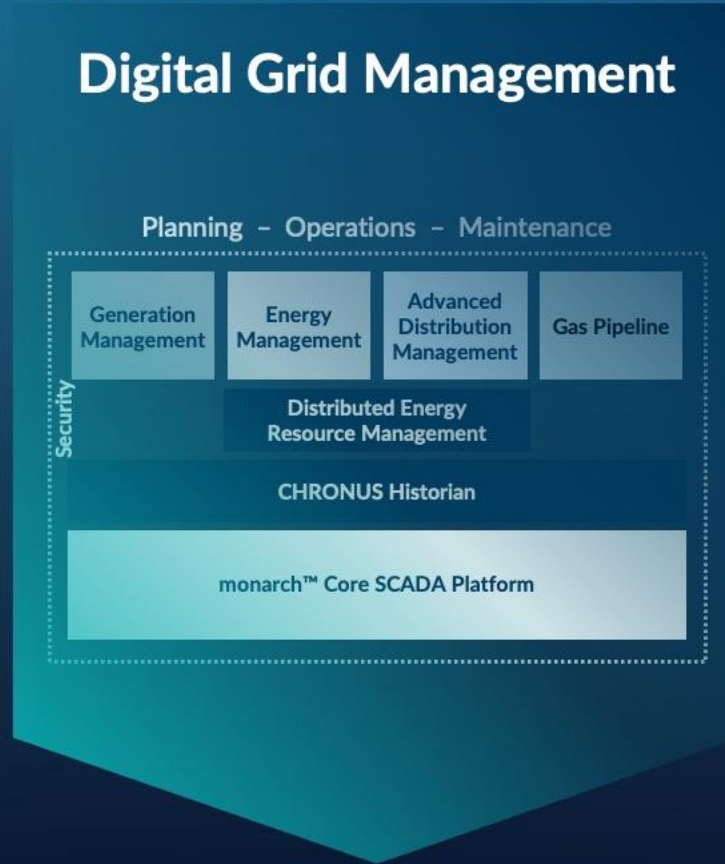
APM

# Driving Increased Value Through Solutions Across the Portfolio

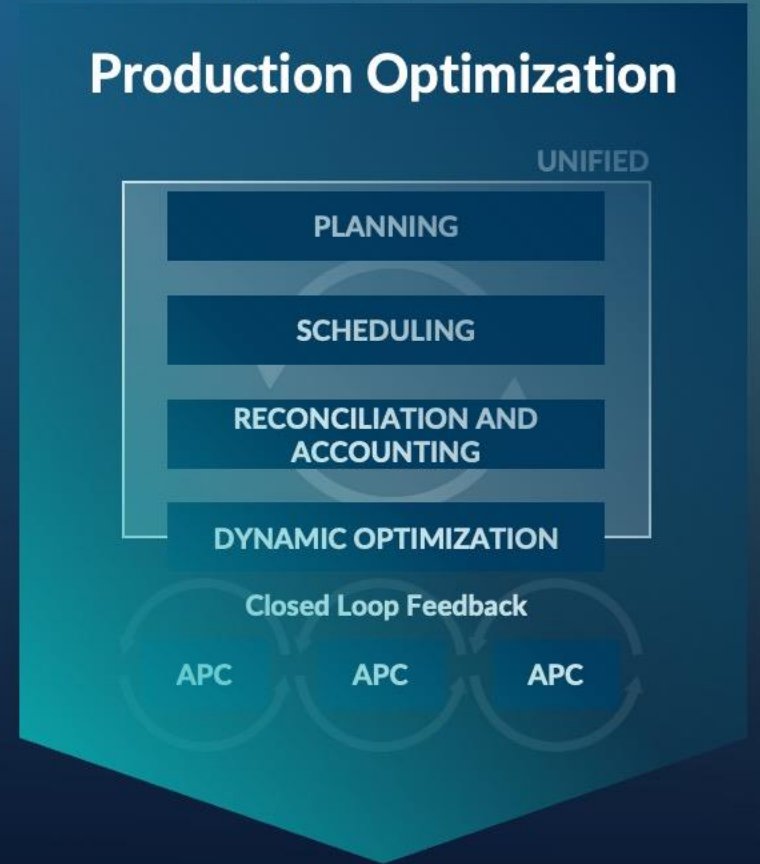
## Performance Engineering



## Digital Grid Management

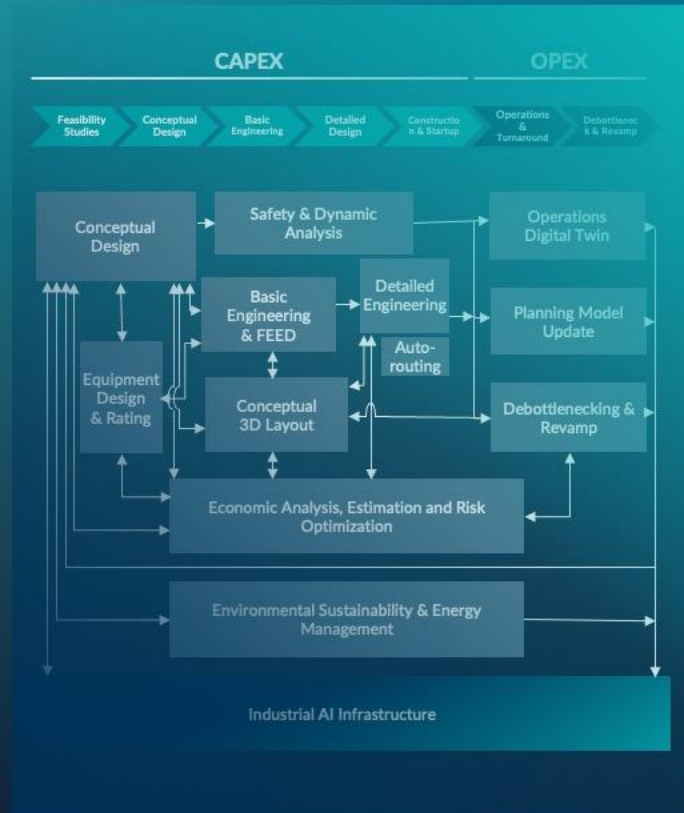


## Manufacturing & Supply Chain

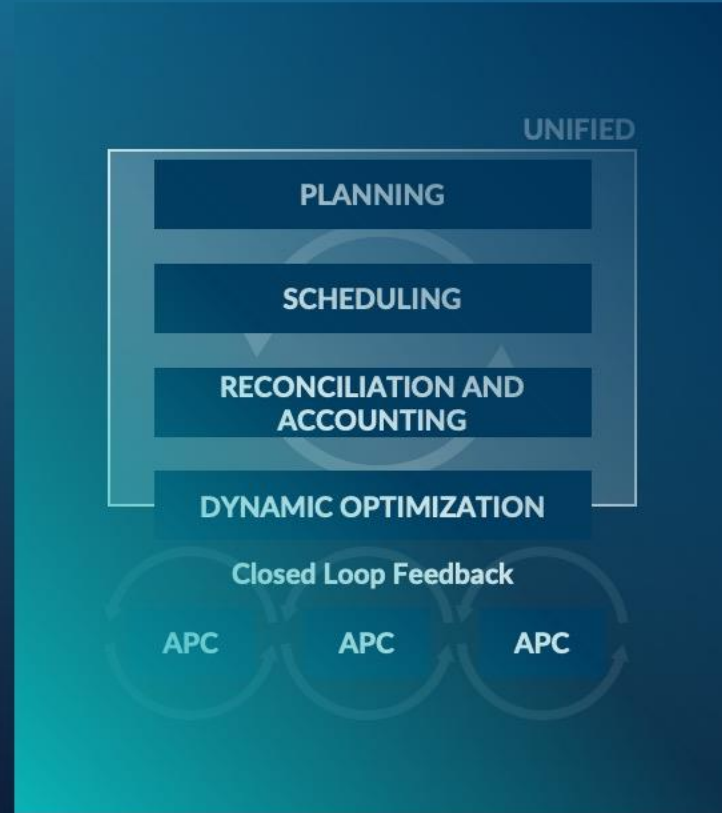


# Cross-Suite Solutions Drive Increased Value

## Performance Engineering



## Manufacturing & Supply Chain



## Asset Performance Management





# New Sustainability Pathways Are Emerging – We Are Leading the Way



# Addressing Sustainability by Increasing Efficiency and Expanding Applications to New, Growing Markets



## ENERGY & EMISSIONS MANAGEMENT

**\$50B** in industry energy efficiency investments in 2023<sup>1</sup>

Braskem Idesa 

Reduced 200,000T/year of CO<sub>2</sub> saving \$15M/year<sup>3</sup>

 Tüpraş

Improved energy efficiency by 20%, with payback period < one year<sup>3</sup>



## CARBON CAPTURE & STORAGE

**339** projects  
Value of **\$168B**<sup>2</sup>

 ptt

Saved 20% in CAPEX/OPEX and six months in the project schedule<sup>3</sup>



## HYDROGEN ECONOMY

**634** projects  
Value of **\$771B**<sup>2</sup>

GLOBAL ENERGY COMPANY

**\$500M NPV savings identified with quantified risks**<sup>3</sup>

# AspenTech Cross-Suite Sustainability Pathway for Carbon Capture Utilization & Storage

## CCUS Pathway Solutions

### Development & Project Execution

Research & Develop  
New Processes

Performance  
Engineering

Scale-up & Execute  
Projects

Performance  
Engineering

### Optimization & Monitoring

Optimize CO<sub>2</sub> Capture  
& Utilization

Manufacturing & Supply  
Chain and Asset  
Performance Management

Optimize CO<sub>2</sub> Transport  
to Storage

Digital Grid  
Management

Subsurface Science  
& Engineering

Characterize  
Geological Storage

Subsurface Science  
& Engineering

Design Storage  
& Injection

Subsurface Science  
& Engineering

Optimize Storage  
Operations

Subsurface Science  
& Engineering

Ensure Proper Storage  
& Site Closure

# Accelerating Sustainability Co-innovation With Customers

## Sustainability Customer Regional Advisories

Collaborating to understand challenges, co-innovate solutions and guide product roadmap



## Collaboration with Customers



Co-innovation in biofuels using production optimization



Co-innovation in strategic planning resulting in commercialized solution

# Trusted to Solve

Driving ACV Growth



**DR HEIKO CLAUSSEN**, Co-Chief Technology Officer and Head of AI

# Our Approach to Artificial Intelligence to Deliver Solutions That Drive Customer Value

## ARTIFICIAL INTELLIGENCE

Technology that allows **software** to perform tasks that normally **require human intelligence**

## INDUSTRIAL AI

Combination of **AI with domain expertise** to provide **guardrails, robustness and trusted results**

## DOMAIN EXPERTISE

Engineering Fundamentals,  
Asset Knowledge, Industry  
Experience

## DATA INSIGHTS

Advanced Analytics,  
AI – ML, Deep Learning,  
Generative AI

Purpose-Built

# INDUSTRIAL AI

Seamlessly integrated into product offerings

Guardrails | Robustness | Trust

# AspenTech's AI Journey – More Than Two Decades of Innovation

## ASPENTECH AI INNOVATION HIGHLIGHTS

Embedding AI across all AspenTech product suites





**Industrial AI is Driving  
Customer Value With  
Increased Solution  
Functionality & Faster  
Time to Value**

## Focused on Innovation Across 3 Areas

### **AGILITY**

Help organizations quickly adapt to business conditions and opportunities to create value

### **GUIDANCE**

Uplevels the workforce to guide them through decisions faster

### **AUTOMATION**

Frees up engineers for more critical activities by optimizing tasks

# Industrial AI is Driving Customer Value With Tangible ROI

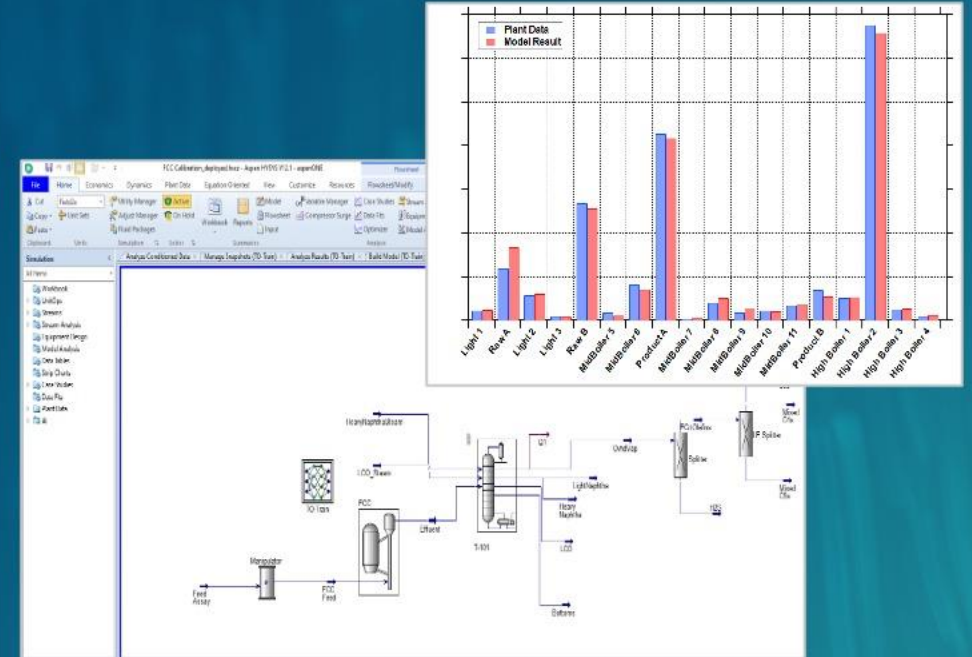
AGILITY

GUIDANCE

AUTOMATION

## Hybrid Models

- Combine AI with first principles engineering and domain expertise
- Address challenges such as feedstock volatility, demand changes and sustainability goals



*Leveraging models built on physics principles and real-world conditions to deliver improved accuracy*

# Industrial AI is Driving Customer Value With Tangible ROI

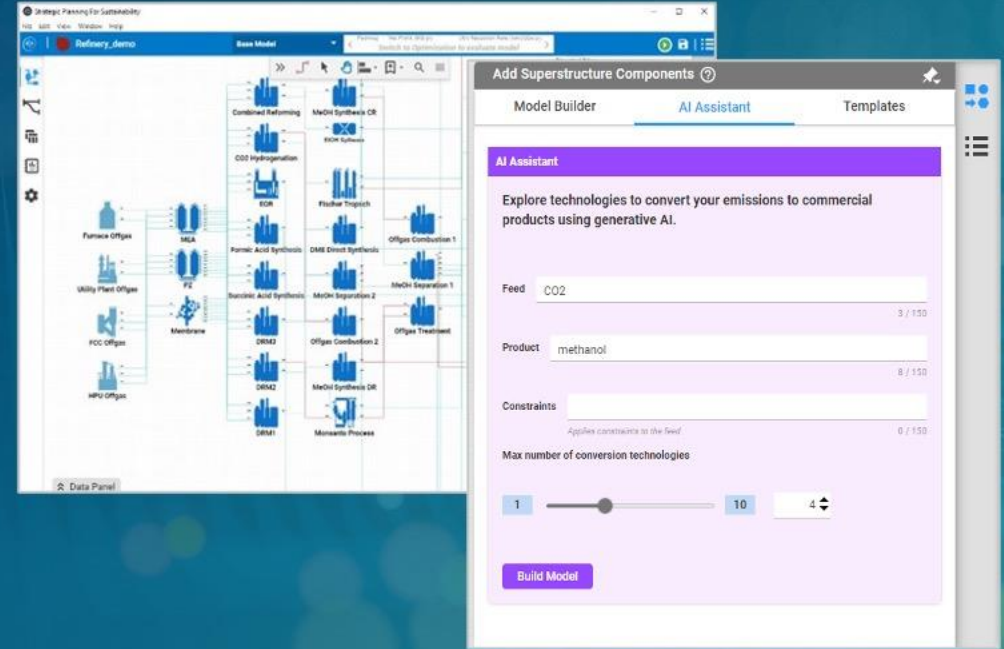
AGILITY

GUIDANCE

AUTOMATION

## Strategic Planning for Sustainability Pathways

- Leverage GenAI to build new pathway structures
- Solve 'blank page' problem, providing first draft to edit and iterate



*GenAI capabilities deliver faster time to value with guidance to construct model pathways*

# Industrial AI is Driving Customer Value With Tangible ROI

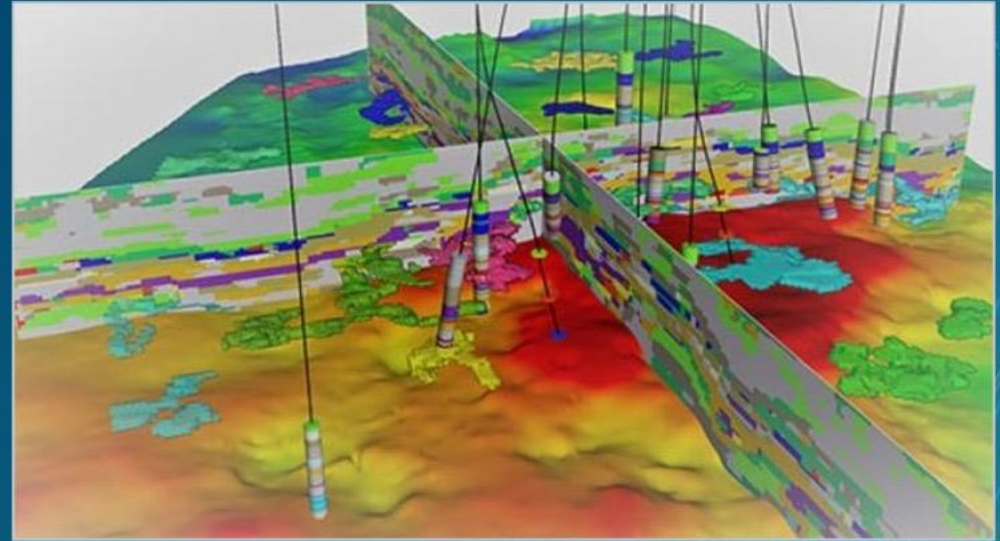
AGILITY

GUIDANCE

AUTOMATION

## Subsurface Geophysics Workflows

- Automates routine tasks to free up engineers for more critical activities
- Improves productivity and accuracy, from model development to decision-making



*Automating qualitative analysis to predict rock properties for more accurate subsurface models*

# Industrial AI is Driving Customer Value With Tangible ROI

## AGILITY



Heat recovery optimization for acrylonitrile with Aspen Hybrid Models™

**36% increase in waste heat recovery<sup>1</sup>**

## GUIDANCE



Early, accurate detection of degradation with Aspen Mtell® improves productivity of wind farm

**10% reduction of maintenance costs / year<sup>1</sup>**

## AUTOMATION



Fully automatic load changes to maximize EO selectivity & reduce energy consumption

**Streamlined development, ROI in <6 months<sup>1</sup>**

# Significant Customer Value to Be Delivered By AI Innovation Process

Co-Innovate to Create What Matters

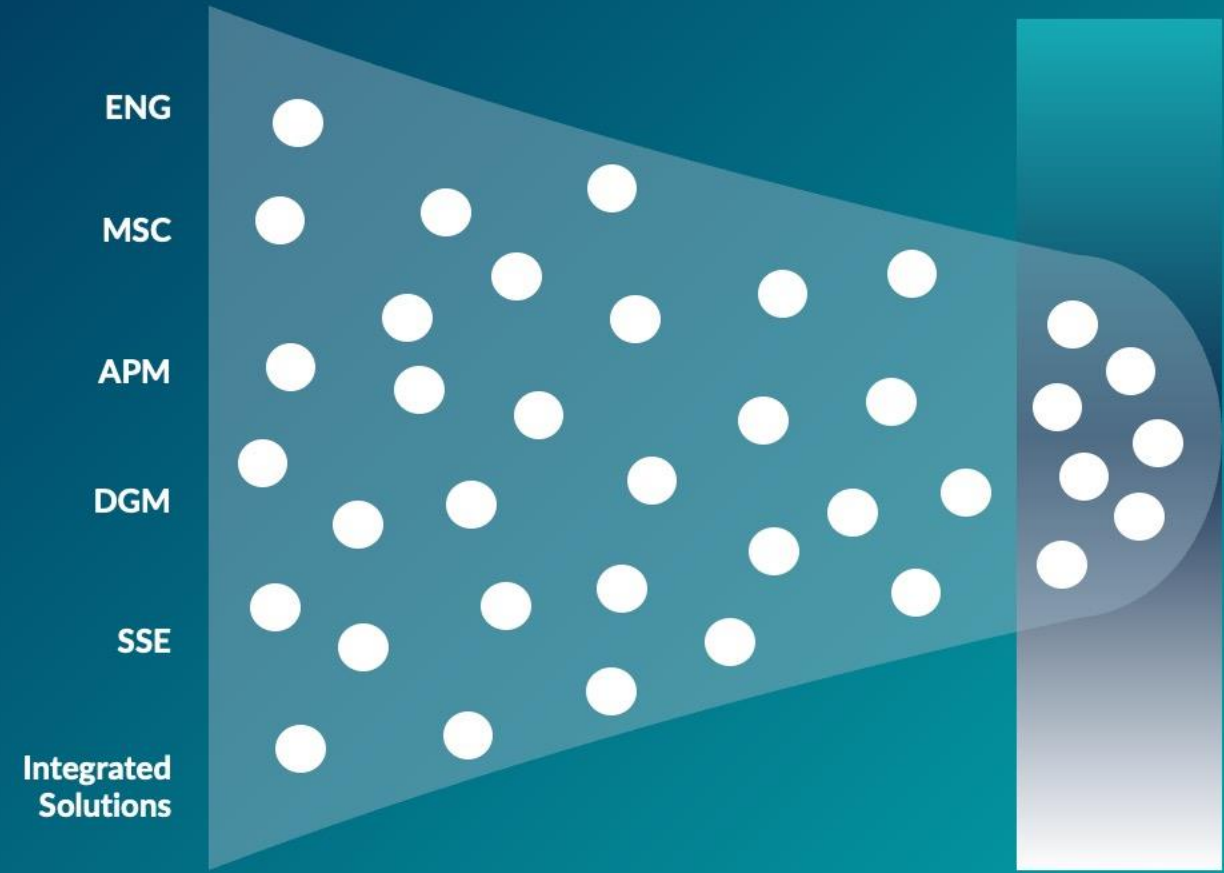
Leverage Industrial Data Scientists

Execute Industrial AI Vision

- Agility – Self-Sustained Asset
- Guidance – Smart Advisor
- Automation – Generative Design

## DISCIPLINED INNOVATION PROCESS

Idea → Research → Prototype → Productize → Product



*Illustrative representation of innovation projects*

# BREAK

# Trusted to Deliver

Customer Value Creation

**SONALI SINGH** (Performance Engineering)  
**SALLY JACQUEMIN** (Digital Grid Management)  
**ALEX KALAFATIS** (Manufacturing and Supply Chain)



# Trusted to Deliver

Performance Engineering



**SONALI SINGH** VP, Product Management

# Engineering the Next Generation of Industrial Facilities

## ACV GROWTH DRIVERS

- Accelerating Concurrent Engineering product expansion
- Leading development of new, high-growth sustainability applications
- Efficient high-velocity sales force to access new logos
- Broadened portfolio enables upselling within customer base through token model

# Optimal Design and Operations Across the Engineering Lifecycle

## Trusted

**Market-leading** process simulator

Built on **35+ years of experience** with top energy & chemical companies

**Award-winning** physical properties database

## Innovative

**Lifecycle modeling** from design through operations

Leading-edge **embedded AI** capabilities

**End-to-End Concurrent Engineering** from equipment to 3D plant design

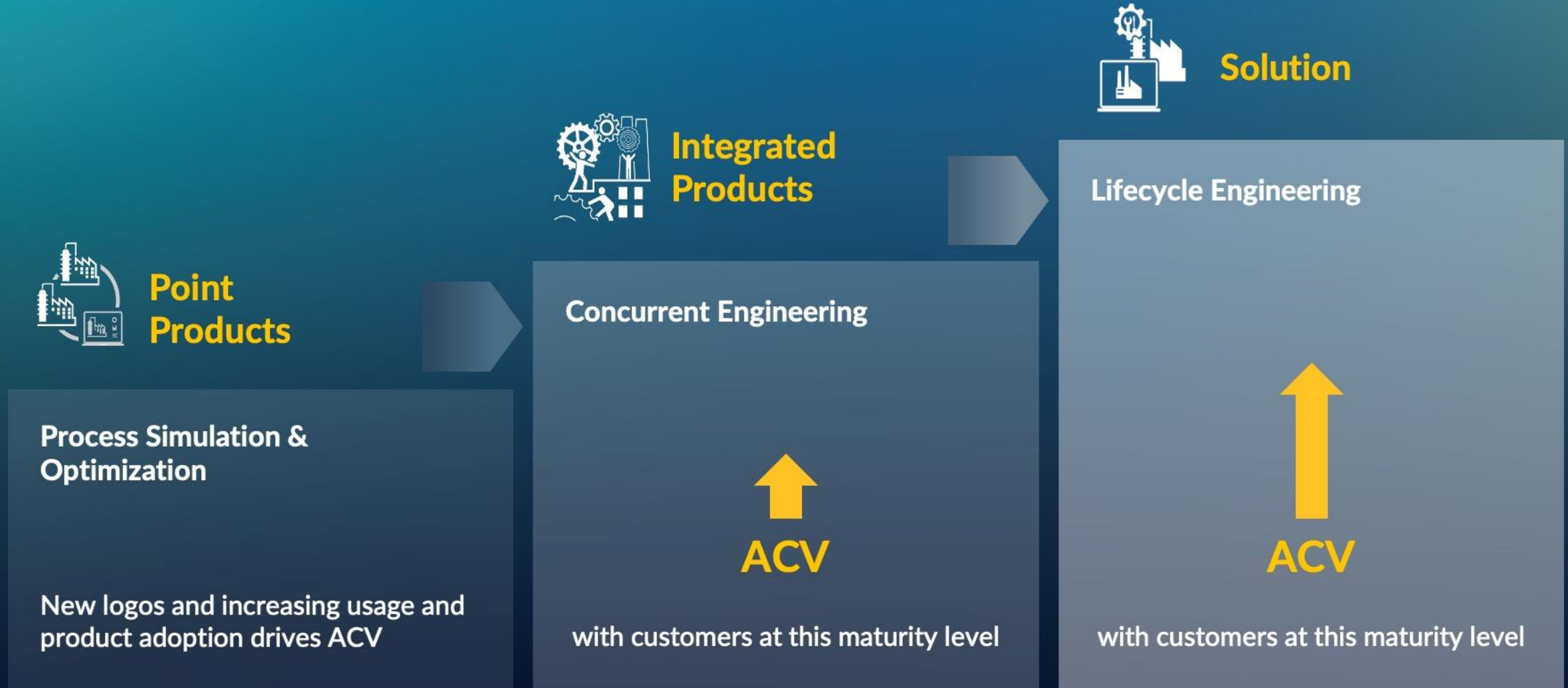
## Growing

**Expanding lifecycle engineering** across products & geographies

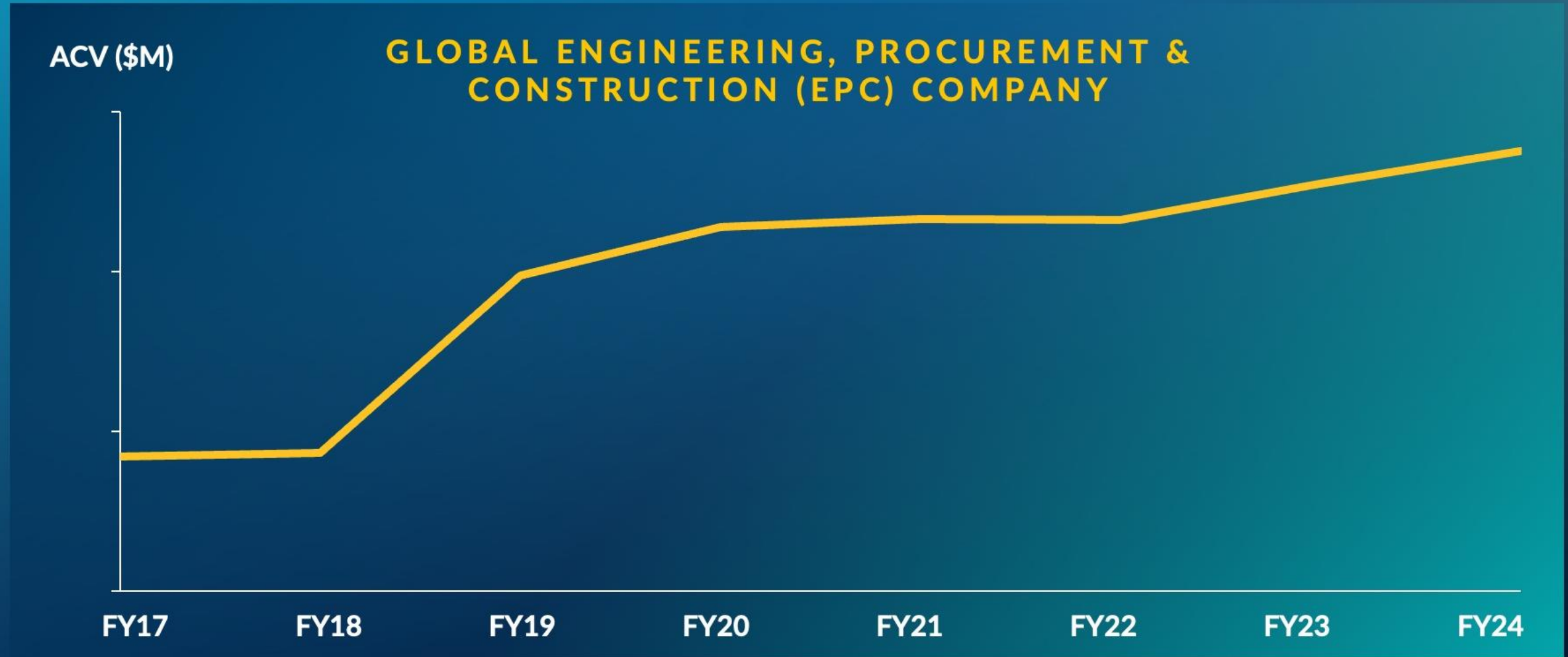
Driving engineering **sustainability solutions**

Accessing new customers with **high-velocity sales force**

# Performance Engineering - Continuing to Advance Customer Maturity, Product Usage and ACV

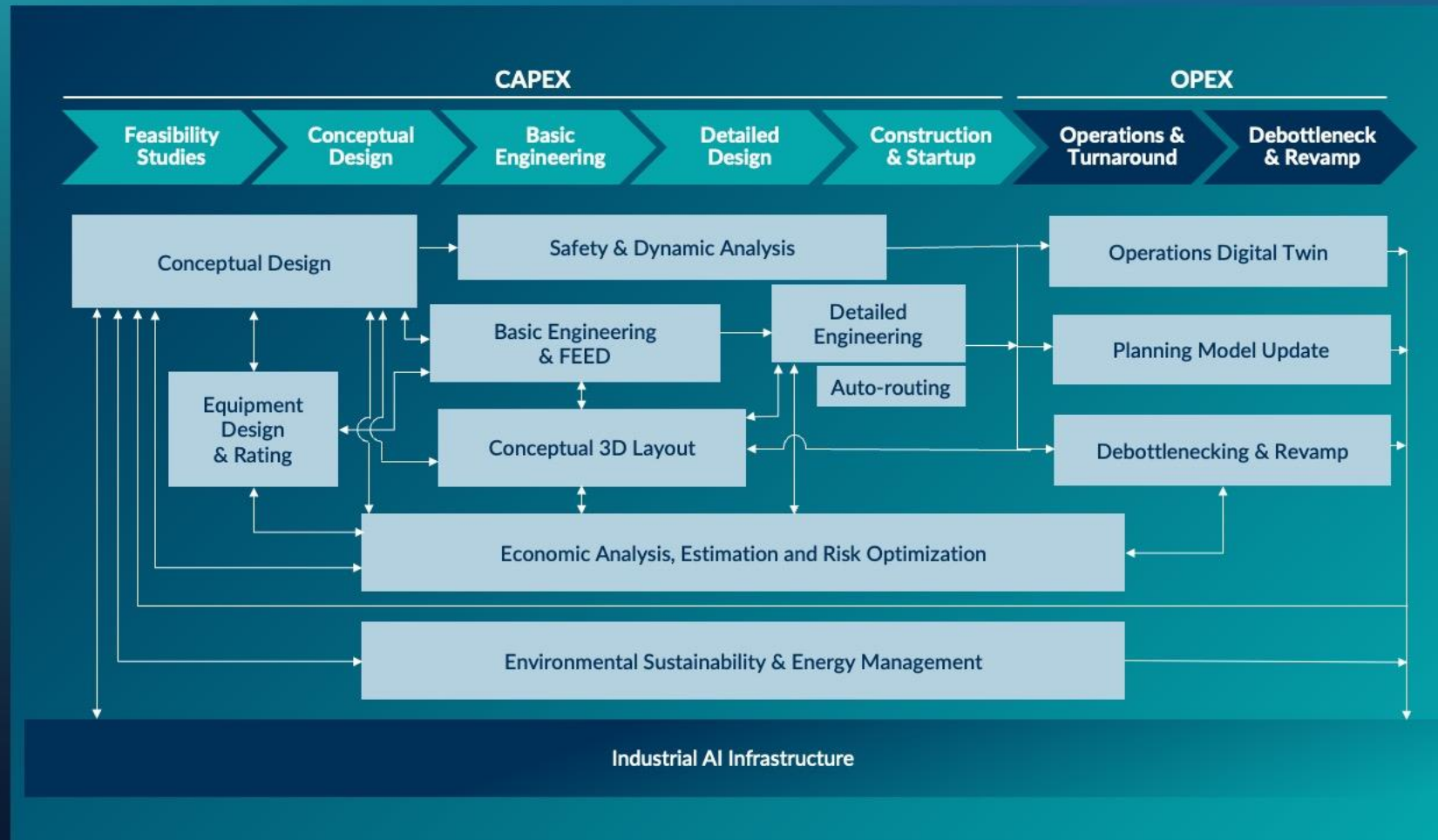


# ACV Growth Journey From Point Product to Lifecycle Engineering



# Performance Engineering Delivers Value Across Engineering Lifecycle

Leveraging digital solutions to accelerate design and decisions



**Customer Value Creation**  
Millions reduced in capital spend  
Up to 50% faster time to value

**Integrated Products**  
Increased data sharing across  
operational & financial dimensions

**Enhanced Decision-Making**  
Rapid design, cost, & safety  
simulation with earlier risk detection

# Rapidly Growing Concurrent Engineering Adoption

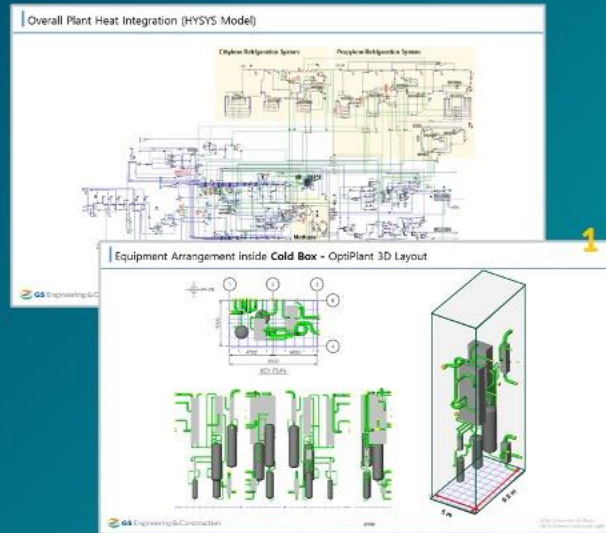


Selection of accurate design concept faster

*Process Design*

*Equipment Design*

*3D Design for Construction*



## Strong Foundation for Rapid Growth

Early adoption stages with significant runway

## Land & Expand Growth Strategies

### Product Expansion

Expand integration from HYSYS and Aspen Plus to Aspen Capital Cost Estimator, Aspen Basic Engineering, OptiPlant

### Global Expansion

Focus on regional sales enablement to grow global implementation

**Increase capacity by 12%, within existing real estate, in tight 45-day schedule<sup>1</sup>**

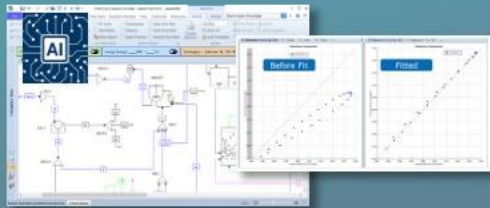
Maximize energy recovery, design new plate fin exchangers and 3D model to factor space limitations

# AspenTech Sustainability Pathway for Carbon Capture Utilization & Storage

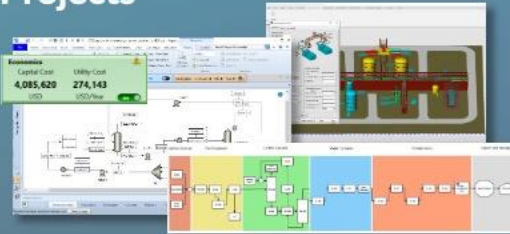
## Development & Project Execution

ENG solutions

Research & Develop  
New Processes



Scale-up & Execute  
Projects



## Optimization & Monitoring

Optimize CO<sub>2</sub> Capture &  
Utilization

Optimize CO<sub>2</sub> Transport to  
Storage

Characterize  
Geological Storage

Design Storage  
& Injection

Optimize Storage  
Operations

Ensure Proper Storage  
& Site Closure



# Leading Innovation to Develop and Scale New Sustainability Use Cases



## Direct Air Capture (DAC)

**Driving ACV uplift with both current & emerging sustainability leaders**

High-velocity sales force supporting small & medium customers to develop solutions to complex problems

Improved water usage and energy efficiency in calciner & gas turbines

Balanced process economics tradeoff for energy needs and carbon retention

Optimized carbon capture under different conditions and CO<sub>2</sub> end use scenarios

Products Included: *Aspen Plus, Aspen Capital Cost Estimator*

**Driving optimized 1Mt-CO<sub>2</sub>/y DAC process**

# PERFORMANCE ENGINEERING



**Expanding Concurrent Engineering**

**Leading Sustainability Use Cases**

# Trusted to Deliver

Digital Grid Management



SALLY JACQUEMIN VP, Power & Utilities

# Driving Transformed Business in Growing Utilities Space

## ACV GROWTH DRIVERS

- Strong tailwinds from global electrification
- DGM is winning in the market
- Significant upsell potential
- Strong foundation for global expansion
- Building DGM partner network

# Digital Grid Management Addresses the Grid's Most Urgent Challenges

Decentralize & Electrify	Expand & Modernize	Decarbonize	Extreme Weather	Cybersecurity Threats	Workforce Skill Gaps
<p><b>2.6x</b></p> <p>Growth in electricity generation by 2050<sup>1</sup></p>	<p><b>2x</b></p> <p>Increase in size of electric grid globally by 2050<sup>2</sup></p>	<p><b>65-85%</b></p> <p>Share of renewables in global power mix by 2050<sup>3</sup></p>	<p><b>63</b></p> <p># of billion-dollar weather-related disasters globally in 2023<sup>4</sup></p>	<p><b>2x</b></p> <p>Increase in utility cyber attacks (2022 vs 2020)<sup>5</sup></p>	<p><b>50%</b></p> <p>Of utility workforce eligible for retirement in 2025<sup>6</sup></p>

## ASPENTECH DIGITAL GRID MANAGEMENT PORTFOLIO COVERAGE

✓	✓	✓	✓	✓	✓
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# DGM is Winning in the Market

Enterprise OT platform

Best-in-class cybersecurity

Modern and open software system

Widely adopted, proven technology

Scalable with evergreen updates

Lower Total Cost of Ownership

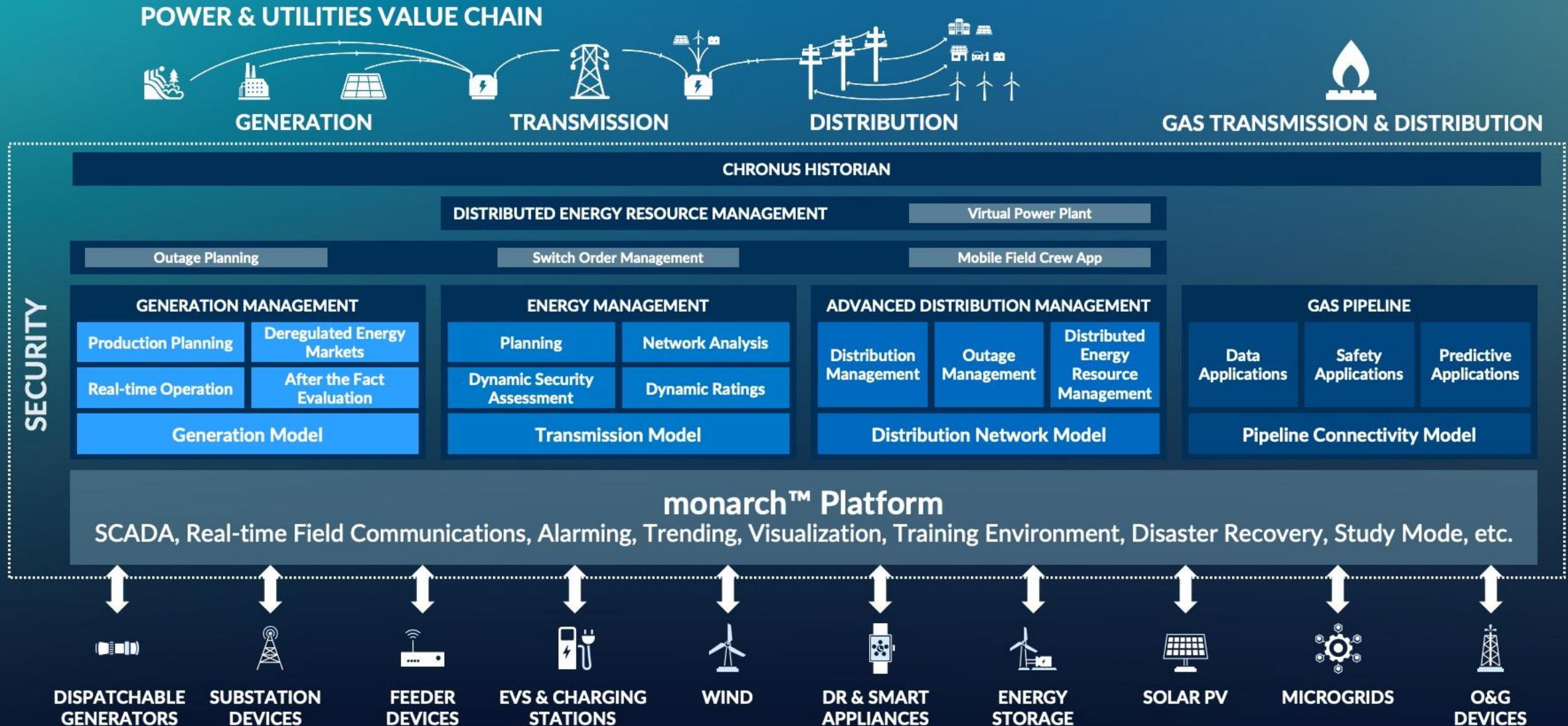
Collaborative product roadmap

**30% increase in new customers**  
over past five years<sup>1</sup>

Majority of customers were  
**competitive replacements**

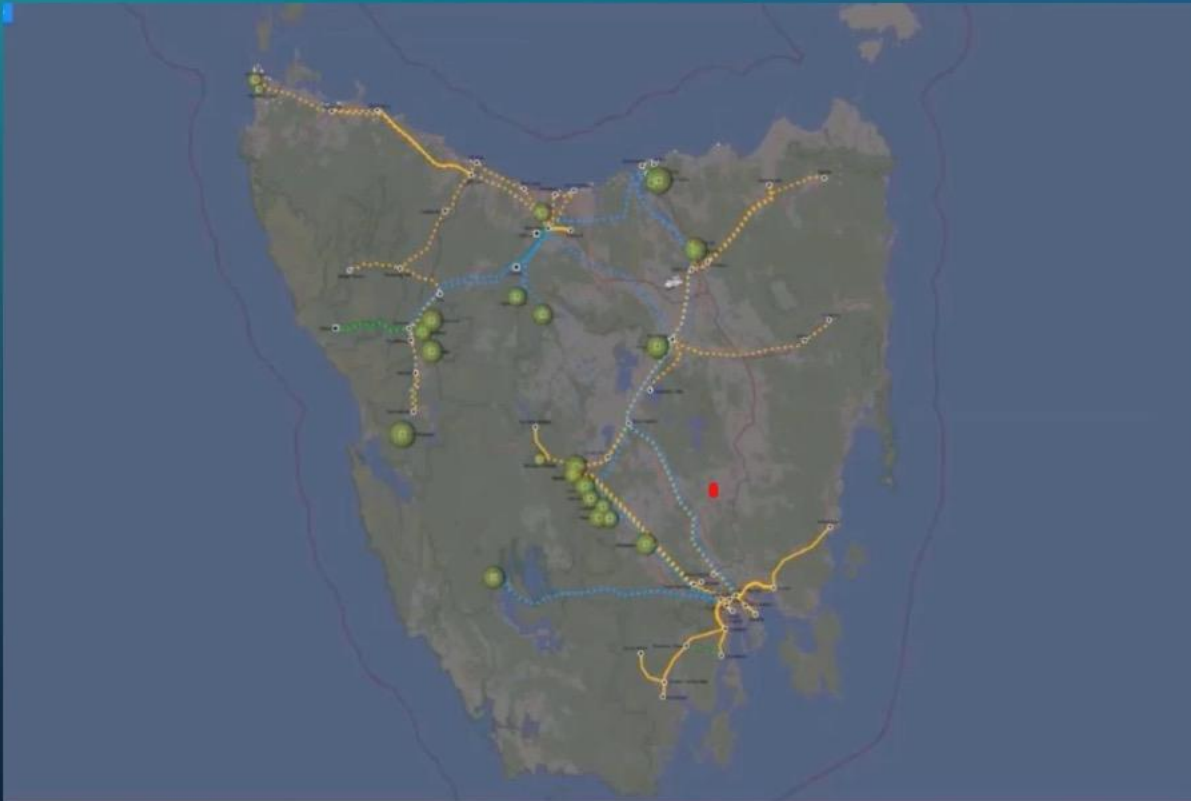
Keeping lights on at **>100M homes**  
& **businesses globally** through the  
distribution grid<sup>2</sup>

# Holistic Suite of Offerings That Address Utilities' Critical Challenges

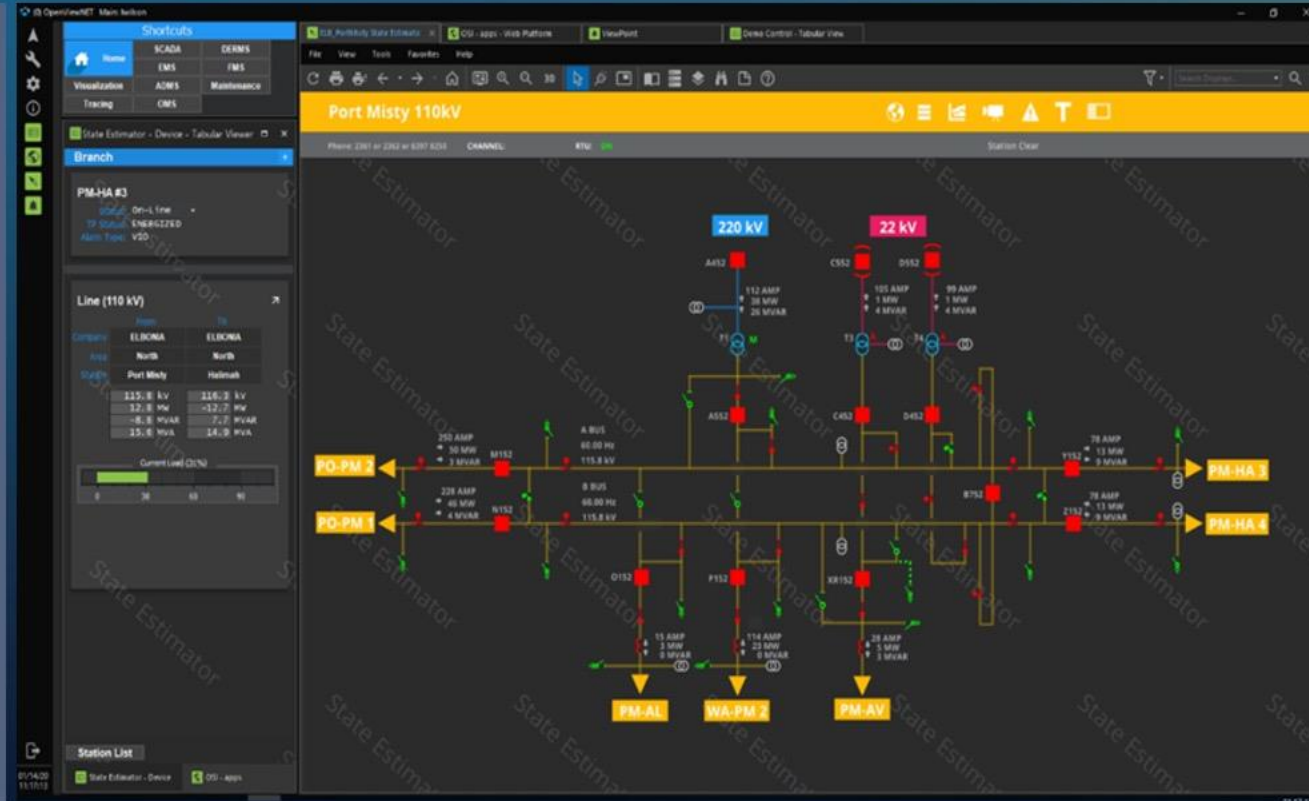


# Product Views

## GEOGRAPHICAL OVERVIEW

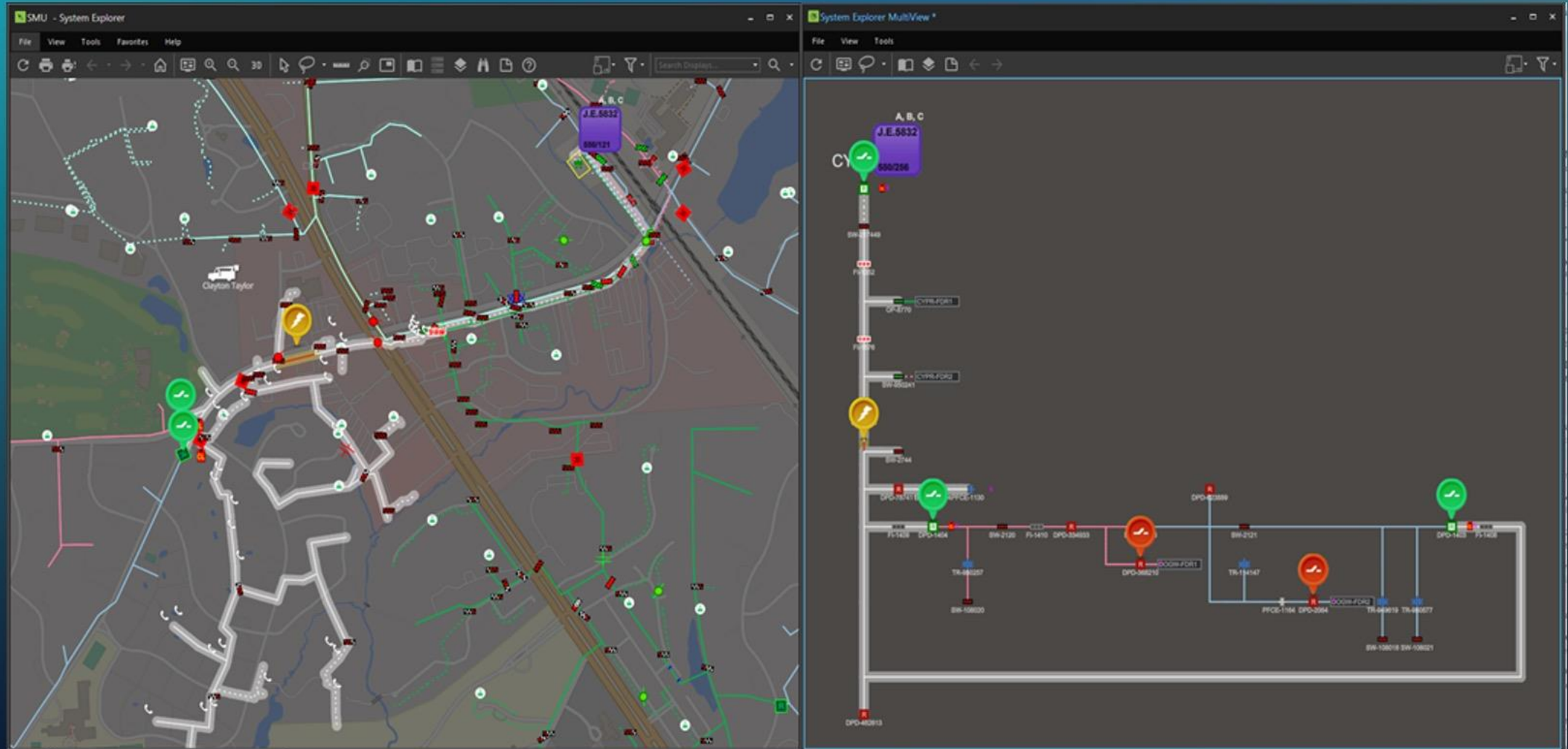


## SCHEMATIC OVERVIEW





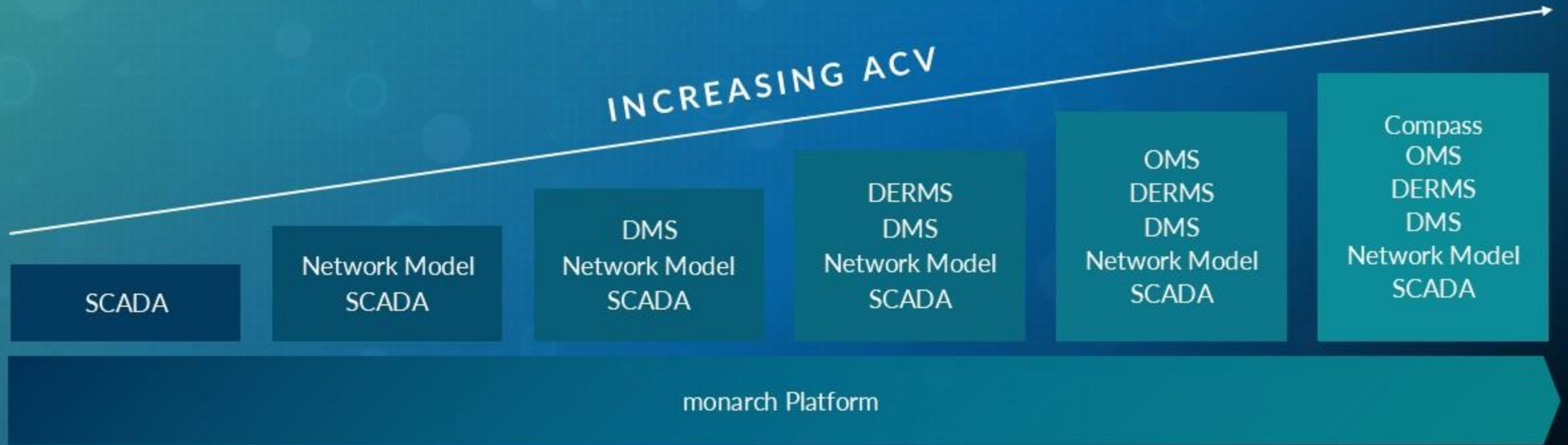
# Product View - Outage Management System



# Product View - Distributed Energy Resource Management System



# Significant Growth Opportunity Across DGM Suite Offerings



Sacramento Municipal  
Utility District

Providing reliable electric distribution service to 645,000 customers while integrating distributed energy resources to achieve Zero-Carbon goal by 2030

# Expanding Globally From Strong Position in North America



Generation, Transmission, Distribution  
United States



Generation & Transmission  
Netherlands



Distribution  
El Salvador



Distribution  
India

## EXPANSION STRATEGIES

- Increase local sales teams & global partner network
- Develop regional technology enhancements
- Launch standard solution packages
- Maximize value with add-on products
- Gain insights from Power & Utilities Industry Councils

# Expanding Delivery Capacity With Implementation Partners in Support of ACV Growth

## Partner Certification

Qualified implementation partners that demonstrate technical expertise and high-quality service delivery



## AspenTech Value Assurance

- Value Assurance Program for technical support, delivery collaboration and project oversight
- Training curriculum to maintain excellence standards
- Tools, templates, and process sharing for efficient and high-quality software delivery

# DIGITAL GRID MANAGEMENT



**Accelerating Global  
Electrification**

**Significant  
Upsell Potential**

**Foundation for  
Global Expansion**

# Trusted to

# Deliver

Manufacturing & Supply Chain



ALEX KALAFATIS VP, Product Management

# Enabling Autonomy With an Integrated Unified Platform


## ACV GROWTH DRIVERS

- Strong tailwinds from the energy transition
- Optimization to autonomy with embedded AI
- User upgrades to Aspen Unified platform
- Production Optimization solution increases the synergies for upsell and cross-sell



# Customers' Challenging Business Environment Driving Need For Digital Solutions in Manufacturing & Supply Chain

**Maximize margins & meet production goals while minimizing CO<sub>2</sub> emissions**



Reducing margin loss due to misaligned business and operating processes

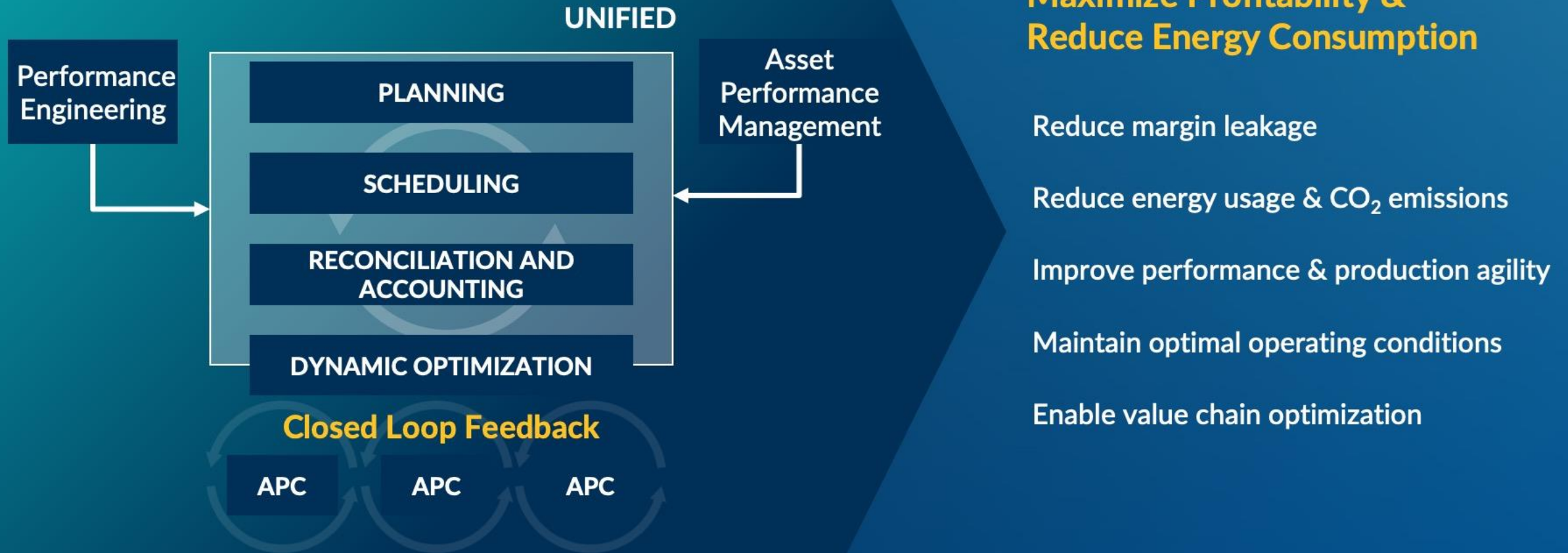
Minimizing energy usage & CO<sub>2</sub> emissions

Optimizing constraint limits necessary to run ambitious plans in process units

Eliminating manual manufacturing execution and information silos that constrain performance

# Unified Platform Driving Improved Production Performance

## Manufacturing & Supply Chain Solution



# Driving ACV Growth Throughout the Manufacturing & Supply Chain Portfolio

Increase in ACV as customers mature and gain more value



# Reducing Margin Leakage and CO<sub>2</sub> Emissions

Example: 200 Kbpd Refinery, Approximately 2.5 MMT/Year CO<sub>2</sub> Emissions

Optimum Plan and Reduced Emissions

AspenTech Solutions

Total Savings \$4.80/bbl

Total Reduction 250K t/y



Operations and Emissions Today

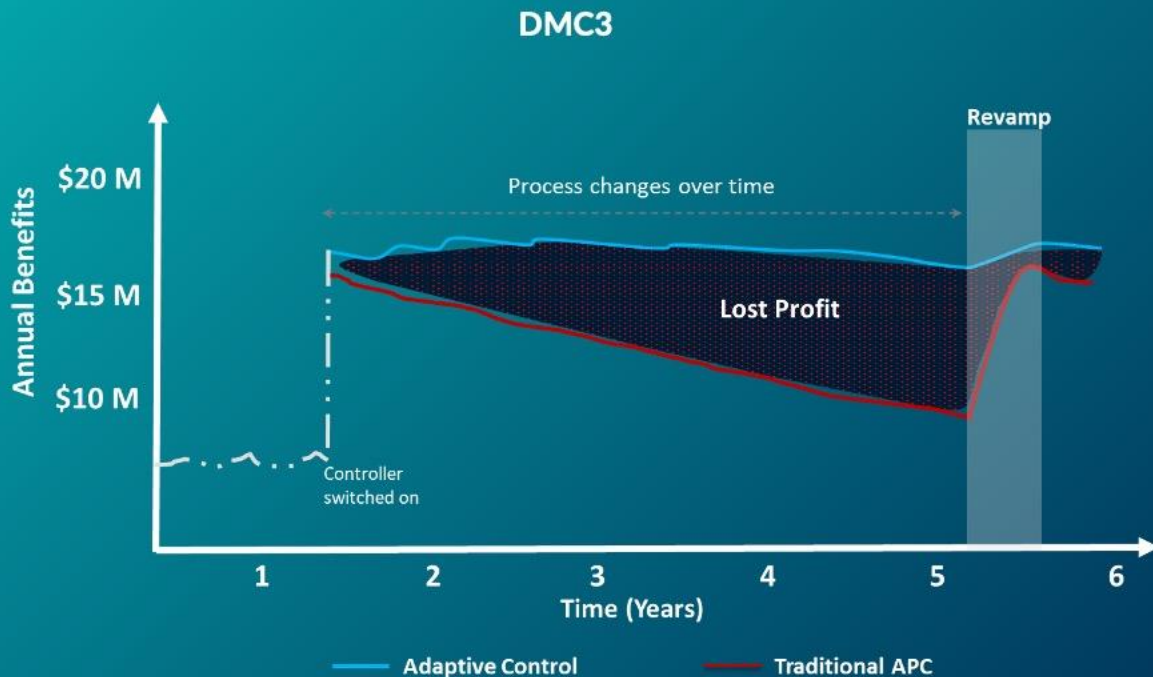
Savings per barrel (assumes \$20/bbl margin)<sup>1</sup>

CO<sub>2</sub> Emissions Reduction (tons of CO<sub>2</sub> /yr)<sup>1</sup>

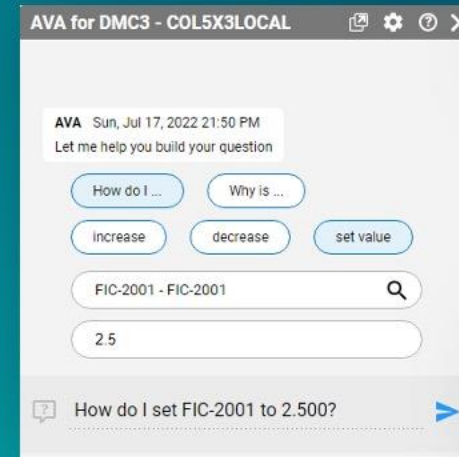
# Faster Time to Value Delivered With Simplified Implementation and User Guidance

## Self-adapting and Self-sustaining Advanced Process Control (APC)

## Faster time to value enabled by AI-driven user guidance



## ASPEN VIRTUAL ADVISOR - AVA



-0.18 To change FIC-2001 from 2.628 MBBL/D to 2.5 MBBL/D, change AI-2021 low limit up from 2.5 MOLE % to 2.814 MOLE %.

-0.05 To change FIC-2001 from 2.628 MBBL/D to 2.5 MBBL/D, change FIC-2004 low limit up from 5 MBBL/D to 5.136 MBBL/D.

+0.61 To change FIC-2001 from 2.628 MBBL/D to 2.5 MBBL/D, change AI-2020 high limit up from 3.5 MOLE % to 3.549 MOLE %.

+1.0 To change FIC-2001 from 2.628 MBBL/D to 2.5 MBBL/D, change AI-2022 high limit up from 4.5 MOLE % to 4.576 MOLE %.

# Value Delivered By Manufacturing & Supply Chain Solutions Today



**20% reduction in energy usage** while increasing the production rate at an ethylene plant <sup>1</sup>

CHEMICALS



**Maximized oil production and minimized flaring** on 100+ wells in the Permian Basin with adaptive process control <sup>1</sup>

UPSTREAM



**\$10 million/year in margin increase** at one large integrated complex through better production planning <sup>1</sup>

DOWNSTREAM



**€1.5M / year in energy savings** through energy optimization of crude distillation unit (CDU) <sup>1</sup>

DOWNSTREAM

# MANUFACTURING & SUPPLY CHAIN



**Upgrade to Unified Platform**

**Beyond Optimization to Autonomy**



# SELF-OPTIMIZING ASSET

SELF-LEARNING

SELF-ADAPTING

SELF-SUSTAINING



# BOUNDLESS AUTOMATION

ENHANCED DECISION SUPPORT

DATA ACROSS THE ENTERPRISE

REDUCED ORGANIZATIONAL SILOS

UNIFIED DATA MODEL  
INTEGRATED BY DESIGN

HIGHER  
MARGINS

SAFER  
OPERATION

IMPROVED  
RELIABILITY

MORE  
SUSTAINABLE



# Product Strategy Drives ACV Growth

## Product Usage & Adoption

## Innovation

Term & Token Model

Continuous Core  
Innovation

Sustainability  
Applications

Self-Optimizing Asset

Customer Engagement

Solutions

Embedded Industrial AI

# Trusted to

# Execute

Shareholder Value Creation



**DAVID BAKER, CFO**

# How to Measure AspenTech Business Performance: ACV & FCF

## ANNUAL CONTRACT VALUE

Est. annual value of term license and SMS contracts

### ACV MARGIN

$$\frac{\text{current ACV} - \text{TTM total non-GAAP expenses}}{\text{current ACV}}$$

## FREE CASH FLOW

Op. Cash Flow – CapEx – Capitalized Software

### FCF MARGIN

$$\text{TTM FCF} / \text{current ACV}$$

Revenue variability under ASC Topic 606 means that we primarily monitor ACV and FCF metrics to gauge business health and performance

# AspenTech Today is a Global Industrial Software Leader

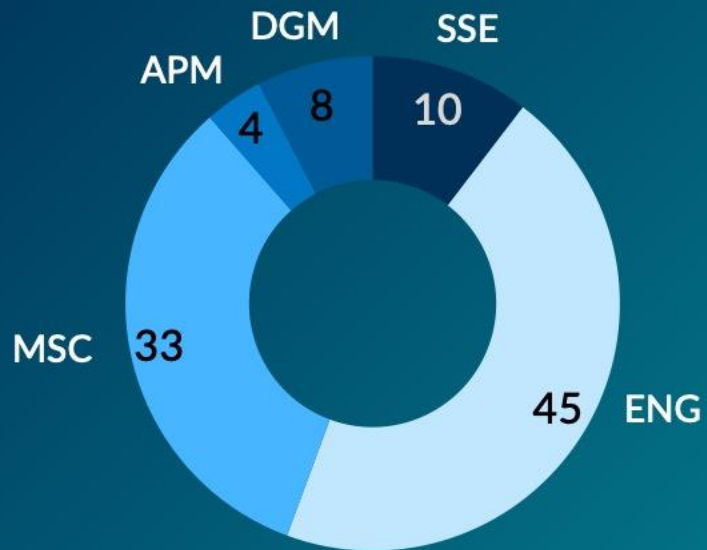
FY24 ACV  
**\$933M**

FY24 ACV GROWTH  
**10%**

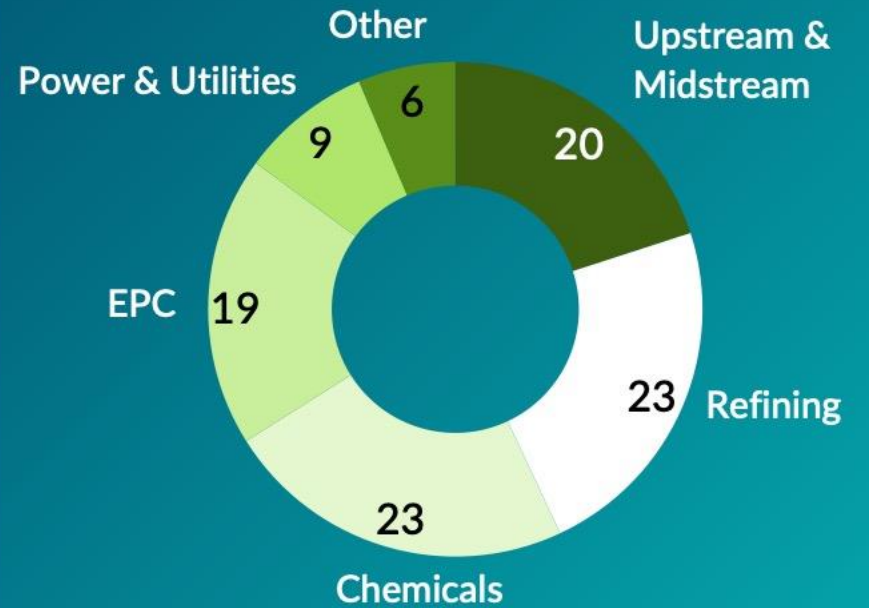
FY24 ACV MARGIN<sup>1</sup>  
**28%**

FY24 FCF  
**\$335M**

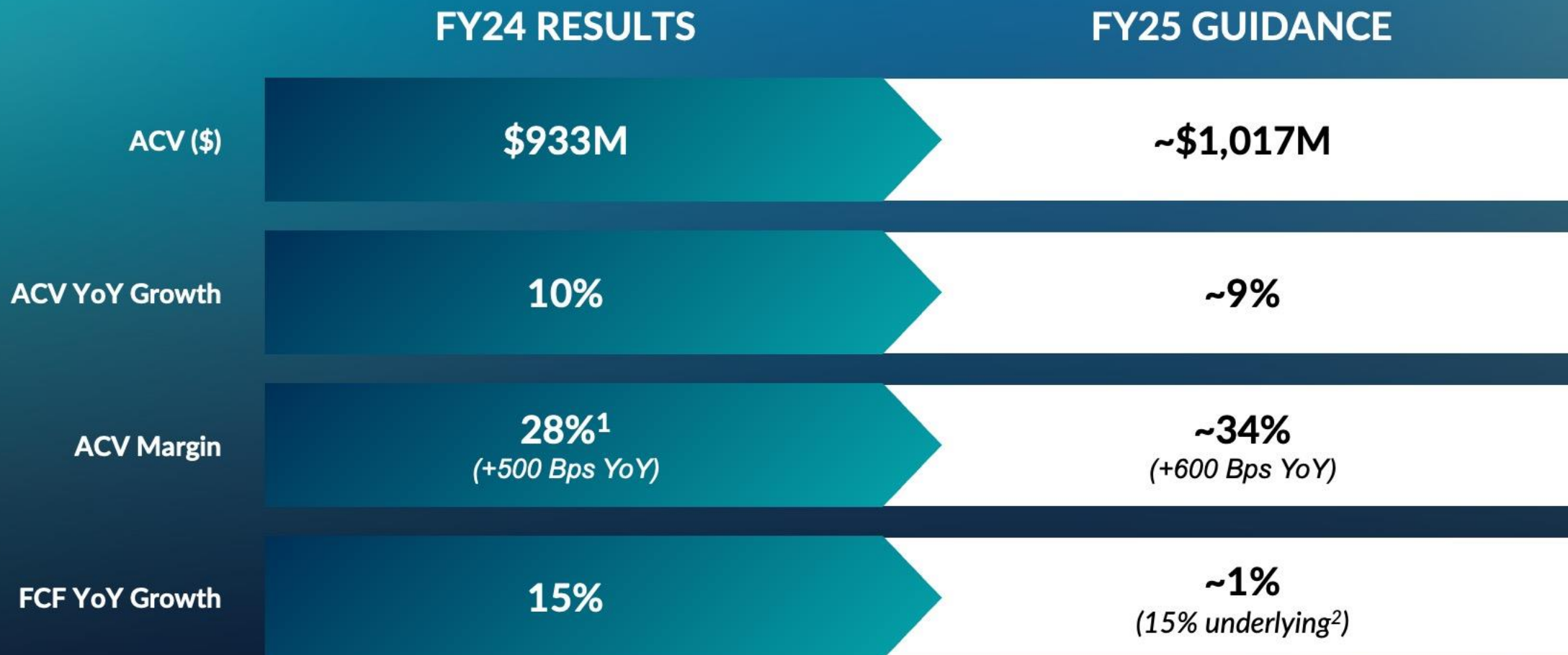
FY24 ACV BY SUITE (%)



FY24 ACV BY INDUSTRY<sup>2</sup> (%)



# Delivered Strong FY24 Results, Expect Solid FY25



# Positioned to Deliver Attractive Shareholder Value Creation

## ACV GROWTH

Large market with durable tailwinds

Continuous innovation

Increasing product usage & adoption

HSD-DD ACV growth

## EXPANDING MARGIN

Return to historic mix of software & services

Scalable commercial model

Focus on productivity & efficiency

45-47% ACV margin

Mid-teens FCF growth

## DISCIPLINED CAPITAL ALLOCATION

Organic investment

Value-creating M&A

Share buy-backs

Drives ACV growth

Return capital to shareholders

# Driving Towards Our Target Operating Model

	% of ACV		
	FY24 Values <sup>1</sup>	FY25E Guide	Target Values
Ending ACV	100%	100%	100%
Non-GAAP Cost of Revenue	20%		13-15%
Non-GAAP Sales & Marketing	20%		15-16%
Non-GAAP Research & Development	21%		13-15%
Non-GAAP General & Administrative	12%		8-9%
<b>Total Non-GAAP Expenses</b>	<b>72%</b>	<b>66%</b>	<b>53-55%</b>
<b>ACV Margin<sup>2</sup></b>	<b>28%</b>	<b>34%</b>	<b>45-47%</b>
<b>FCF Margin<sup>3</sup></b>	<b>36%</b>	<b>33%</b>	<b>40-43%</b>

# Executing AspenTech Playbook to Achieve Target Operating Model

## Software Pure-Play

Minimizing services and implementation exposure

## Scalable Commercial Model

Expanding ACV with optimal sales & marketing cost increases

## Productivity & Efficiency

Rigorous focus on efficiency & significant leverage in cost structure

## Common Approach to Run Our Suites

Consistent management processes applied to current businesses & future acquisitions



# DGM Implementation Service Partner (ISP) Network Build Showing Early Momentum

## Non-GAAP Cost of Revenue as % of ACV Trajectory

	FY21 Values <sup>1</sup>	FY24 Values	Target Values
Ending ACV	100%	100%	100%
Non-GAAP Cost of Revenue <sup>2</sup>	9%	20%	13-15%



- ISP network build supports elevated demand and Target Operating Model objectives
- Utilities industry today requires higher mix of services relative to HAT and SSE
- Initial ISP engagements show higher software percentage of total contract value

# Further Unlocking the Benefits of Innovation Through Our Token Model

## Commercial Advantages of Token Model

- Customers able to try new products and solutions with minimal friction
- Insights and usage reports inform customer engagement and drive efficient Sales & Marketing
- Highly scalable selling motion that is supportive of growth and profitability goals

## Steady Progress in SSE Tokenization Adoption



# Disciplined Approach to Drive Productivity & Efficiency

## Sales & Marketing

- Drive more productive sales force as token model is adopted
- Optimize regional sales structures
- Leverage productivity gains from recent sales investments

Target 15-16% of ACV

## Research & Development

- Optimize global R&D footprint
- Choose best architectural strategies
- Leverage AI to accelerate development and reduce costs

Target 13-15% of ACV

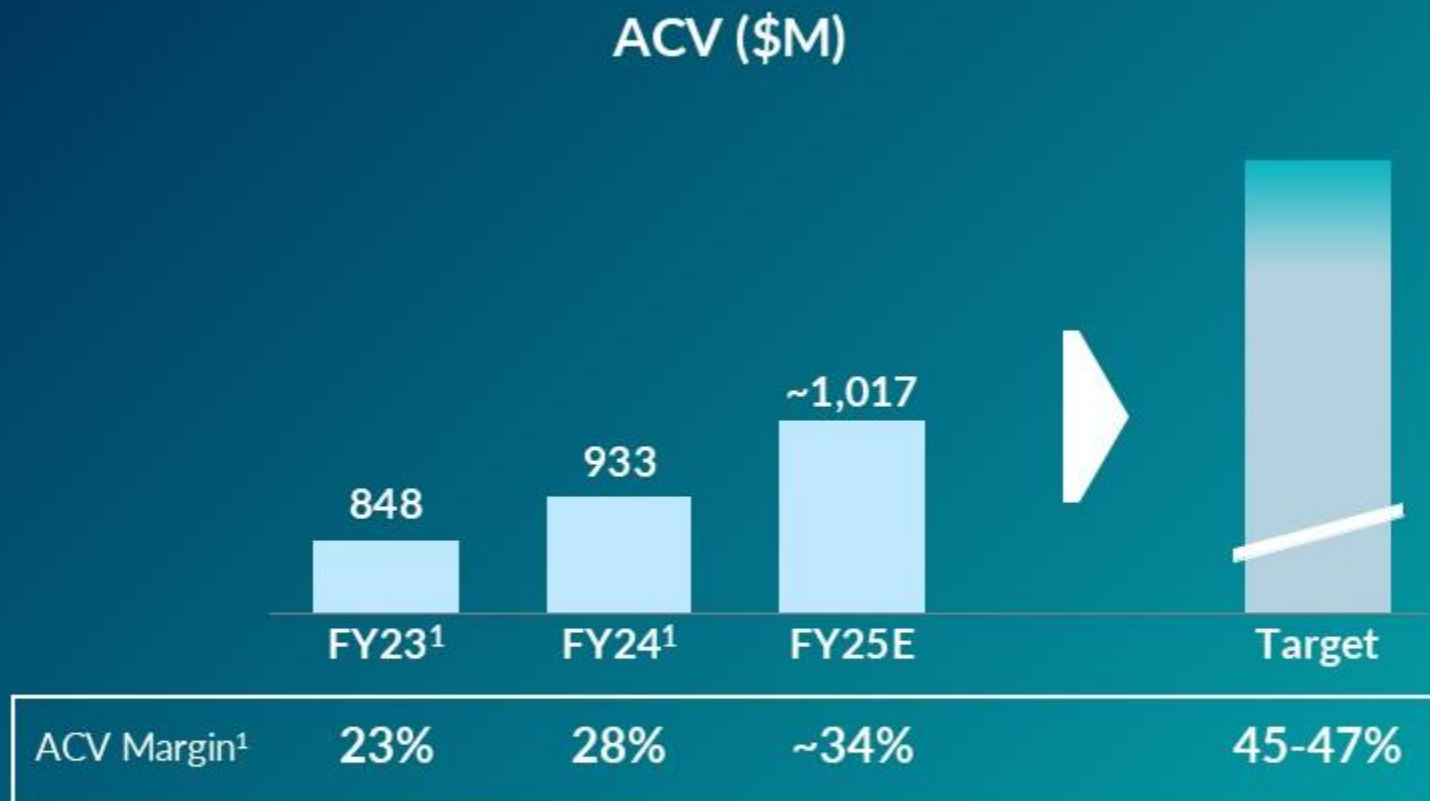
## General & Administrative

- Further harmonize sourcing and finalize ERP systems integration
- Improved bad debt and collections performance
- Aligned talent program

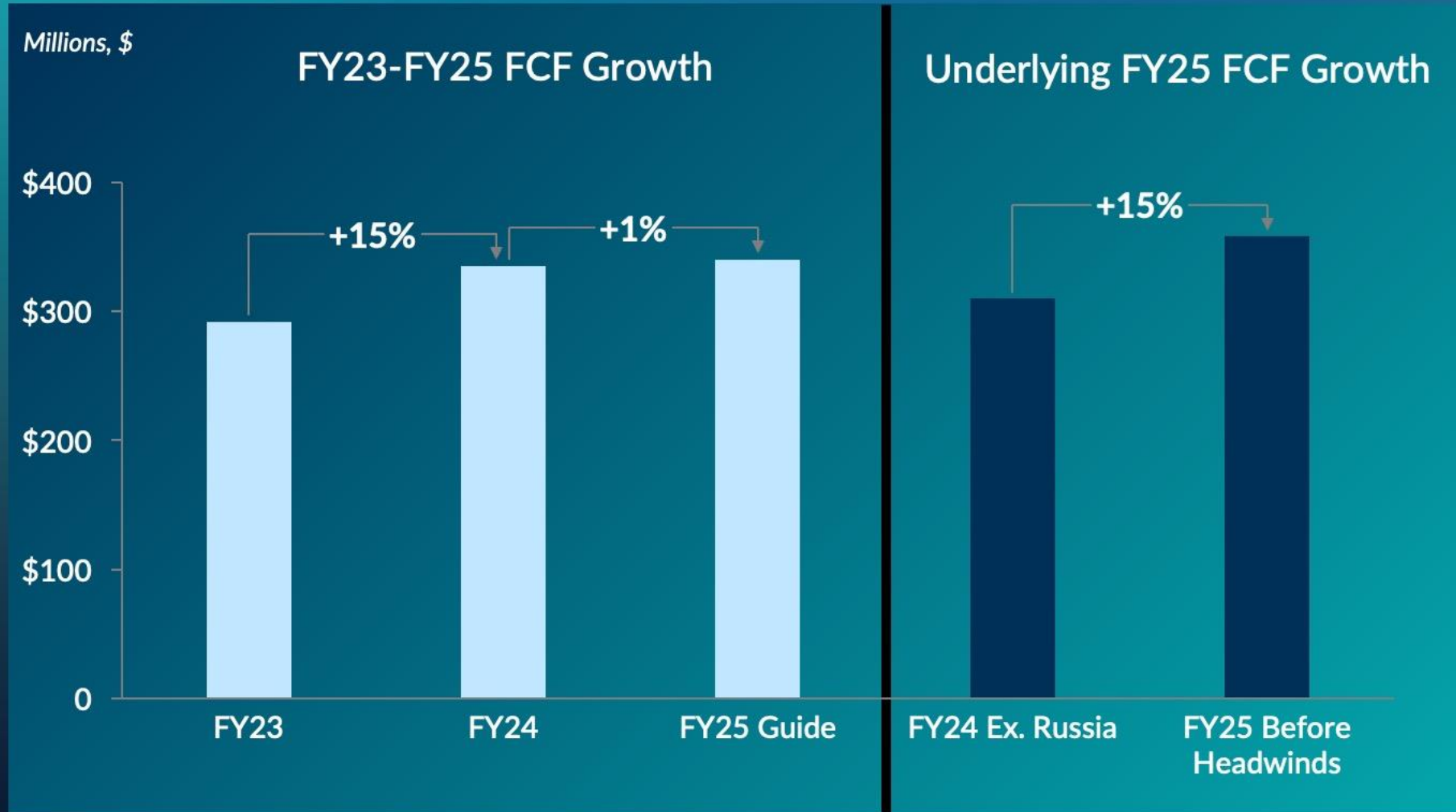
Target 8-9% of ACV

Driving towards Target Operating Model

## Consistently Enhancing Profitability by Running Our Playbook



# Targeting Mid-Teens FCF Growth



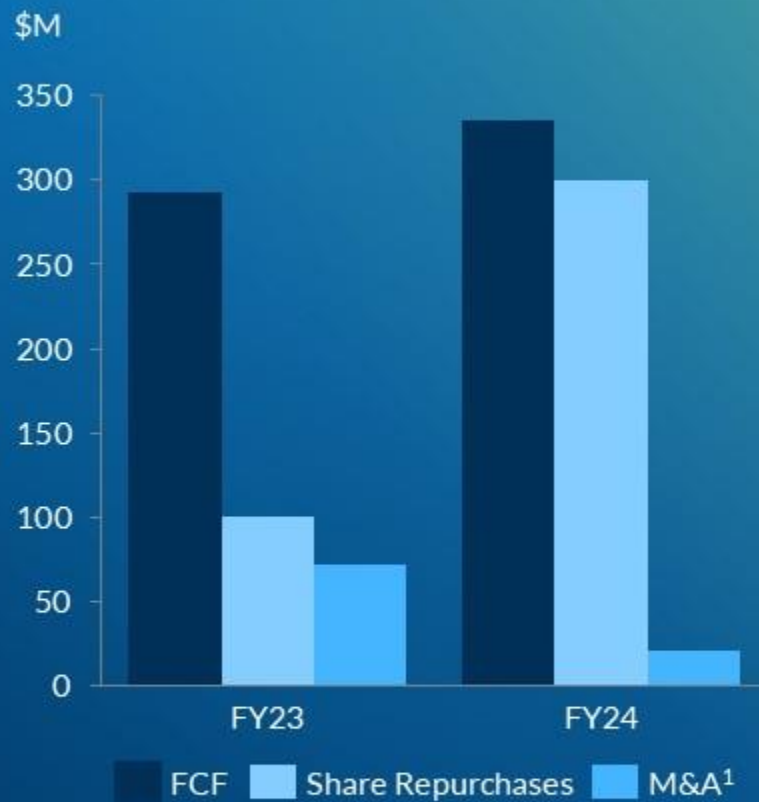
- Expect underlying FCF to grow 15% in FY25 before adjusting for one-time items
- See appendix for FY25 FCF guidance bridge
- Expect cash taxes to remain variable from year-to-year

# Well-Defined Capital Allocation Framework

HIGHER RETURNS

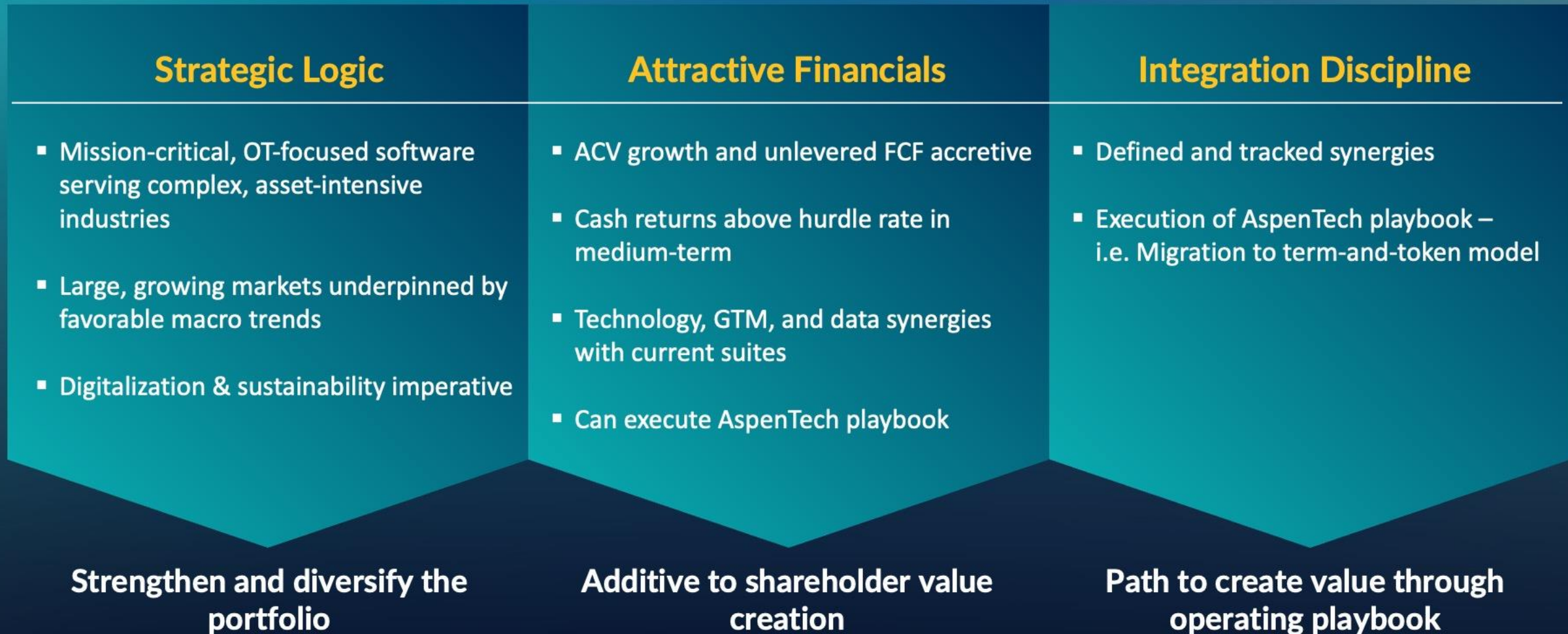


# We Deliver On This Framework



	FY23	FY24
Cash & Equivalents	\$241M	\$237M

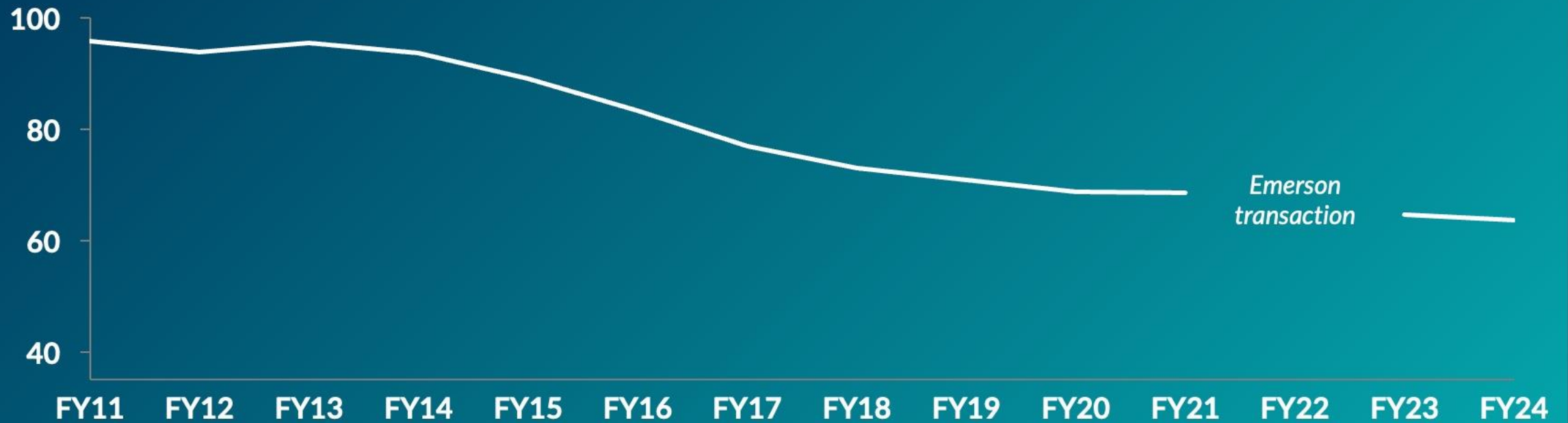
# Disciplined Approach to Evaluating and Executing Acquisitions



# Committed to Returning Excess Cash to Shareholders

**\$2B+ OF SHARE REPURCHASES OVER PAST 10+ YEARS**

**Diluted Average Shares Outstanding  
(Millions)**





# Driving Towards Our Target Operating Model

	% of ACV		
	FY24 Values <sup>1</sup>	FY25E Guide	Target Values
Ending ACV	100%	100%	100%
Non-GAAP Cost of Revenue	20%		13-15%
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# Trusted to

# Transform

Key Takeaways



**ANTONIO PIETRI**, President and CEO

## AspenTech Today

## The Opportunity

## AspenTech Leadership

## Shareholder Value

Market Leader in Mission-Critical Software

Uniquely Positioned to Address the Dual Challenge

World-Class and Expanding Customer Base

Multiple ACV Growth Opportunities

Diversified Industry Exposure

Value Creation for Customers

Breadth & Depth of Portfolio, Innovation & Expertise

Drive to Best-in-Class Profitability & FCF

Strong and Diverse Talent

Investment Capacity & Discipline

# Your Takeaways from Today's Investor Day

**1**

**Opportunity**

**2**

**Uniquely  
Positioned**

**3**

**Target Operating  
Model  
Significant Value  
Creation**

**4**

**Achieving the  
Target Operating  
Model**

**5**

**End-market  
Dynamics**

# Q&A

# THANK YOU!

**Investor Relations Contact**  
**[IR@aspentech.com](mailto:IR@aspentech.com)**



# Trusted to Transform

# APPENDIX

- Impact of ASC Topic 606 On Financial Results
- Glossary of Terms / Definitions
- Russia Business Exit
- FY25 FCF Guidance Bridge
- Financial Reconciliations



# Impact of ASC Topic 606 On Financial Results

AspenTech's results are being reported under ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which has a material impact on both the timing and method of our revenue recognition for term license contracts. Our license revenue is heavily impacted by the timing of Bookings, and more specifically renewal Bookings. We believe 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. The timing of renewals is not linear between quarters or fiscal years and this non-linearity will have a significant impact on the timing of our revenue.

We use Annual Contract Value, or ACV, as defined on the following slide in this presentation, as our primary growth metric. ACV provides insight into the annual growth and retention of our recurring revenue base, which is the majority of our overall revenue, as well as recurring cash flow.

For additional information regarding Topic 606 and its impact on our revenue recognition, please refer to our Annual Report on Form 10-K for our fiscal year 2024 filed with the SEC.

# Glossary of Terms / Definitions

- **Annual Contract Value (“ACV”)** – is an estimate of the annual value of our portfolio of term license software maintenance and support (SMS) contracts, the annual value of SMS agreements purchased with perpetual licenses and the annual value of standalone SMS agreements purchased with certain legacy term license agreements, which have become an immaterial part of our business. ACV is calculated by summing the most recent annual invoice value of each of our active term license and SMS contracts.
- **Total Contract Value (“TCV”)** – is the aggregate value of all payments received or to be received under all active term license and perpetual SMS agreements, including maintenance and escalation.
- **Attrition** – is the period over period reduction in ACV, driven by a customer's non-renewal of an agreement, a customer's reduction in entitlement, and bad debt write offs. Attrition is adjusted for any conversion of perpetual SMS agreements to term license contracts.
- **ACV Margin** –  $ACV \text{ margin} = (\text{current ACV} - \text{TTM total non-GAAP expenses}) / \text{current ACV}$
- **FCF Margin** –  $FCF \text{ Margin} = \text{TTM FCF} / \text{current ACV}$
- **Free Cash Flow** – is calculated as net cash provided by operating activities adjusted for the net impact of purchases of property, equipment and leasehold improvements, and payments for capitalized computer software development costs.

# Russia Business Exit

In June 2024, the United States government announced new expanded sanctions that prohibit certain commercial activities with customers in Russia. These expanded restrictions impact the sale, service, maintenance, and support (such as bug fixes and updates) of enterprise management software and design and manufacturing software in the Russian market. As a result, AspenTech suspended all commercial activities in Russia. This includes the discontinuation of the following activities: all commercial discussions with customers, initiating and/or processing renewals, providing proposals to customers or selling products or services to customers.

As a result of the sanctions and the decision to exit Russia, AspenTech wrote off certain assets that were related to operations in Russia and recorded a reduction of \$35.5 million in Russia-based ACV (the "Write-Off"). ACV was \$932.9 million as of June 30, 2024, after including the impact of the Write-Off. The impact of the additional sanctions was treated as a modification to existing contracts with customers in Russia in accordance with ASC Topic 606, Revenue from Contracts with Customers. The aggregate impact of the contract modification resulted in the reversal of \$5.5 million of revenue in the fourth quarter of fiscal 2024. The remaining net accounts receivable balance associated with customers in Russia as of June 30, 2024, is not material. AspenTech now classifies cash balances that are both held in Russia and in excess of what is estimated to be required to wind down operations in Russia in fiscal 2025 as restricted cash due to current restrictions impacting AspenTech's ability to transfer funds from bank accounts located in Russia to other countries. As of June 30, 2024, AspenTech's restricted cash held in Russia was \$11.5 million, which is included within other non-current assets on AspenTech's consolidated balance sheets.

# FY25 FCF Guidance Bridge (\$M)



# Appendix:

# Financial Reconciliations

# Total Cost of Revenue – FY21

Year Ended June 30, 2021

## Cost of Revenue

GAAP Cost of Revenue	\$60,151
Less:	
Stock-based compensation	\$(2,509)
Amortization of Intangibles	\$(6,146)
Non-GAAP total expenses	\$51,496

# Total Expenses – FY23

	Year Ended June 30, 2023				
	Cost of Revenue	Sales & Marketing	Research & Development	General & Administrative	Total Expenses
GAAP total expenses	\$373,589	\$482,656	\$209,347	\$161,651	\$1,227,243
Less:					
Stock-based compensation	\$(7,048)	\$(16,112)	\$(21,998)	\$(39,692)	\$(84,850)
Amortization of intangibles	\$(191,412)	\$(294,074)	\$(165)	\$(308)	\$(485,959)
Acquisition and integration planning related fees	-	\$(377)	-	\$(7,179)	\$(7,556)
Non-GAAP total expenses	\$175,129	\$172,092	\$187,184	\$114,472	\$648,877

# Total Expenses – FY24

	Year Ended June 30, 2024				
	Cost of Revenue	Sales & Marketing	Research & Development	General & Administrative	Total Expenses
GAAP total expenses	\$382,576	\$490,767	\$206,114	\$137,565	\$1,217,022
Less:					
Stock-based compensation	\$(7,088)	\$(10,368)	\$(14,189)	\$(25,667)	\$(57,311)
Amortization of intangibles	\$(192,586)	\$(293,904)	\$(371)	\$(294)	\$(487,155)
Acquisition and integration planning related fees	-	-	-	\$(1,947)	\$(1,947)
Non-GAAP total expenses	\$182,902	\$186,495	\$191,554	\$109,658	\$670,609



# Free Cash Flow

	Twelve Months Ended June 30, 2024	Twelve Months Ended June 30, 2023
<u>Free Cash Flow</u> <sup>(6)</sup>		
Net cash provided by operating activities (GAAP)	\$339,886	\$299,209
Purchases of property, equipment and leasehold improvements	\$(4,432)	\$(6,577)
Payments for capitalized computer software development costs	\$(183)	\$(366)
Free cash flow (non-GAAP)	\$335,271	\$292,266

(6) Effective January 1, 2023, we no longer exclude acquisition and integration planning related payments from our computation of free cash flow. Free cash flow for all prior periods presented has been revised to the current period computation methodology.