Q4-FY23 Results

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August 1, 2023

Forward-Looking Statements

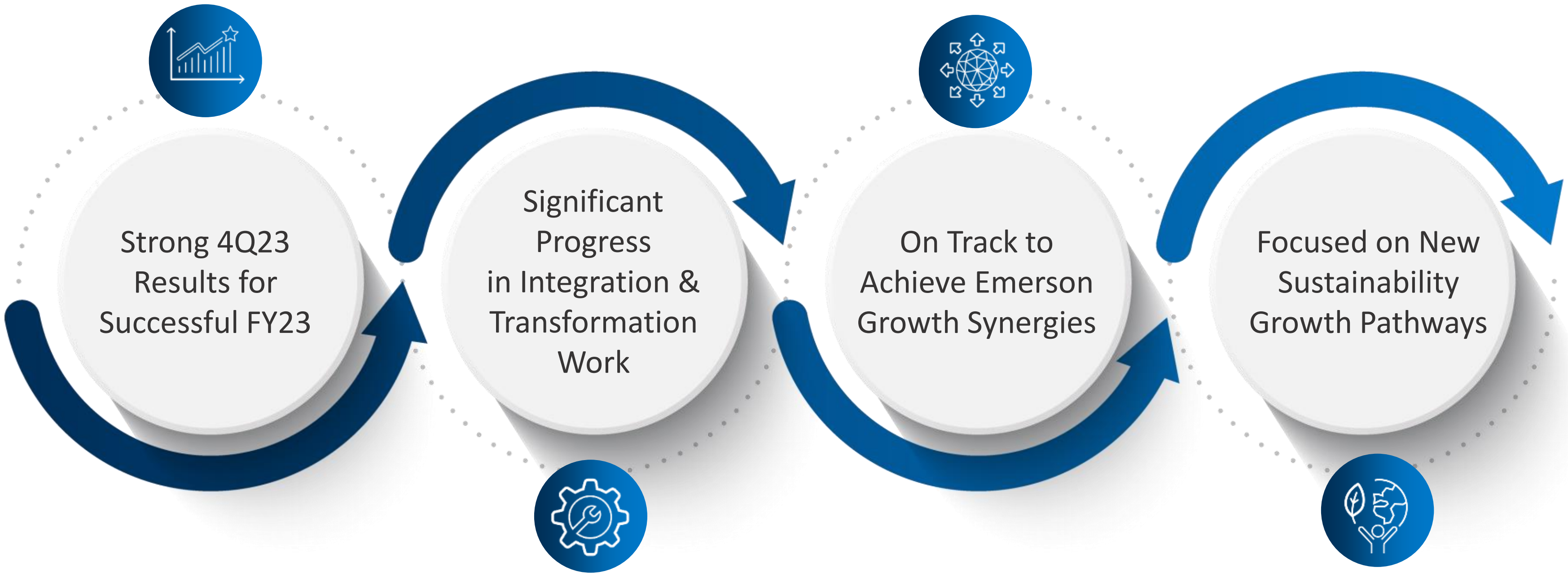
Safe Harbor Statement

Statements in this presentation and our commentary and responses to questions that are not strictly historical may be “forward-looking” statements, which involve risks and uncertainties, and AspenTech undertakes no obligation to update any such statements to reflect later developments. 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,” “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; the scope, duration and ultimate impacts of the COVID-19 pandemic and the Russia-Ukraine conflict; as well as economic and currency conditions, market demand (including related to the pandemic and 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-KT and subsequent reports filed with the Securities and Exchange Commission. The outlook contained herein represents the Company's expectation for its consolidated results, other than as noted herein.

Use of Non-GAAP Financial Measures

In this presentation we will discuss some non-GAAP measures used by our management in talking about our company’s performance, and the reconciliation of those measures to the most comparable GAAP measures is contained within this presentation or available at our website, https://ir.aspentech.com. 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.

FY23 Achievements Set Growth Foundation



In FY23, we built the foundation for our next growth stage as an industrial software powerhouse.
We believe these results position us well for future ACV growth and FCF margin expansion over time

FY23 RESULTS

$885m
Annual Contract Value (ACV)*

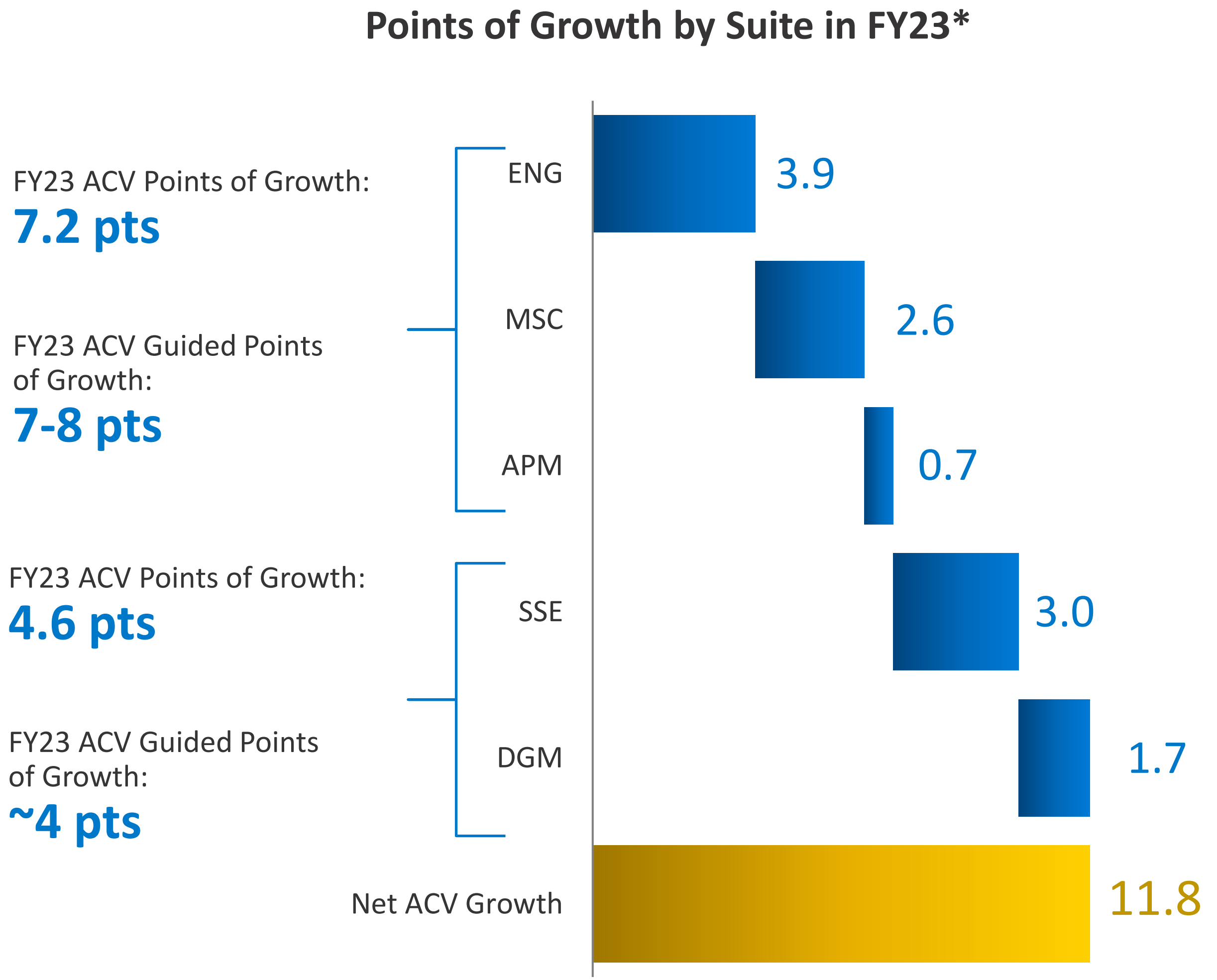
$94m
Growth in ACV (GACV)*

11.8%
ACV YoY Growth

$292m
Free Cash Flow

*Please see glossary for definition of ACV and GACV.

FY23 ACV Suite Performance



Engineering (ENG)
- Improving environment for EPC customers and strong Energy market
- Growth contribution from new customers around sustainability-related projects

Manufacturing & Supply Chain (MSC)
- Driven by refining market strength
- Chemicals remained a headwind, particularly in bulk chemicals market

Asset Performance Management (APM)
- Remain confident in APM growth potential; investing to capitalize
- Closed tuck-in IP acquisition for FMEA and RCA capabilities in the APM Mtell

Subsurface Science & Engineering (SSE)
- Outperformance driven by initial transformation synergies
- Strength in upstream market drove better-than-expected customer demand

Digital Grid Management (DGM)
- Strong demand environment, with focus on global electrification and grid upgrades
- Investing in international sales capabilities leveraging our global footprint

*Points of growth are rounded illustrative purposes. Please refer to the Additional Information section for a table of fiscal year ACV values by suite from fiscal year 2021 to fiscal year 2023.

Significant Progress in Integration and Transformation Work

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Strategic Emerson partnership and cross-functional collaboration driving transformation initiatives

On track to achieve $110 million in EBITDA synergies

Sales Synergies

- Won joint bids for two world-scale polymer complexes
- Continue to develop and prove out go-to-market approach for white spaces

Cost Synergies

- Vendor consolidation
- Unified corporate policies
- Leverage our global footprint to best manage labor costs

OSI Transformation

- Achieved separability between professional services and software licenses
- Build out of 3rd party ISP network
- Ahead of plan in converting to a term software contract model

SSE Transformation

- Tokenized SSE suite to provide customers with more flexibility and easier access to ongoing innovation
- Aligned contract structure with overall business

Scaling Through M&A

- Completed acquisition of inmation
- With inmation, launched our new Enterprise Data Management platform, DataWorks

Sustainability Growth Opportunity

AspenTech is well-positioned to drive existing customer growth, win new logos and gain market share through these sustainability-related opportunities.

- Acceleration of sustainability projects in calendar 2023, in line with megatrends of energy transition and global electrification
- ENG, MSC and APM suites well-positioned to drive energy efficiencies and profitability in customers' existing asset operations, while also addressing multiple energy transition use cases
- ENG suite already capturing benefits from sustainability efforts; new ENG customers represent opportunity to land and expand through our other, complementary offerings
- Opportunity to cross-sell DGM suite offerings, including Monarch SCADA platform and microgrid management solutions, into our other core industries
- SSE customers showing interest in various sustainability use cases, such as geothermal energy production, carbon capture and sequestration, and more, at a faster rate than we originally anticipated in certain parts of the world

SUSTAINABILITY PATHWAYS

- Energy Efficiency
- Emissions Management
- Electrification
- Bio-Based Feedstocks
- Hydrogen Economy
- Carbon Capture & Storage
- Materials Circularity

R&D and Co-Innovation Achievements

We remain one of the foremost innovators in the industry through R&D and co-innovation partnerships

Research & Development

Increasing investments in AI to accelerate productivity and time-to-value, automate knowledge for customers and provide more actionable insights and guidance to users of our products and solutions

Released aspenONE v14 for MSC in FY23 to augment product intelligence and add 100+ sustainability model templates, or pathways, for customers in asset-intensive industries

Enhanced design workflow capabilities in ENG suite in FY23 by adding 3D visualization to shorten EPC design cycle times from months to weeks

Co-innovation

Working in concert with Microsoft Azure Quantum Elements to explore the intersection of quantum computing and AI and the potential of these technologies to speed up technology innovations for a more sustainable future

Partnered with Emerson and Microsoft in FY23 to develop joint hydrogen value chain solution demo that helps optimize CapEx investment, lifecycle operating costs of production, supply chain and storage infrastructure to expedite speed to market

Announced new product partnership with Saudi Aramco in FY23 to develop an integrated modelling and optimization solution for carbon capture and utilization

Key 4Q-FY23 Customer Wins

National Electricity Grid Operator in Europe Selects DGM

- Customer selected DGM Monarch platform to provide SCADA and EMS systems, displacing an incumbent who had a long-standing relationship with the customer
- Experience has provided us with valuable learnings around the European electricity market and thus gives us additional confidence to continue growing in region
- See potential to provide customer with DERMS solution in the future

Leading Global Chemicals Co. Pursues Sustainability Use Case

- Customer increased MSC tokens entitlement following extensive analysis of current suite usage and emissions reduction goals
- Building on multi-decade customer relationship, we identified emissions reduction benefits from enterprise rollout of DMC3 technology
- We estimate that we can help this customer reduce its global carbon emissions by 25%

Growing Clean Energy Company Increases ENG Usage

- Growing clean energy startup using ammonia to develop renewable fuel increased ENG tokens to facilitate higher usage and increased headcount
- Customer is using our software to optimize ammonia cracking process for development of renewable fuel and decarbonization efforts

Emerson Clears Hurdle for DGM to Expand in Caribbean

- Successfully participated in competitive process to upgrade transmission distribution system for a significant electricity operator in the Caribbean
- Emerson’s expertise and familiarity with the regulatory authorities and local procurement processes was instrumental to our ability to win and sign this project
- Displaced well-known incumbent as part of this contract win

FY24 Guidance: ACV & Key Assumptions

FY24 Outlook	FY24 Growth	Assumptions
Total ACV YoY Growth	**≥ 11.5%**	▪ Demand remains resilient across most end markets, excluding chemicals, consistent with FY23 ▪ Chemicals market conditions experienced in 2H23 to persist throughout FY24
HAT Growth Pt. Contribution	**≥ 7.5 pts**	▪ MSC growth solid with ongoing strength in refining market ▪ ENG benefits from encouraging CapEx trends in upstream Energy and sustainability initiatives ▪ APM growth contribution similar to FY23
DGM Growth Pt. Contribution	**≥ 2.5 pts**	▪ Investing in DGM sales capacity, including for international markets ▪ Benefit of full year of DGM customers adopting term license offering ▪ Increasing market demand on favorable funding tailwinds
SSE Growth Pt. Contribution	**≥ 1.5 pts**	▪ Increased investment in upstream CapEx and growing number of sustainability opportunities ▪ Conversion of large base of perpetual SMS ACV tied to historical perpetual software deals that we plan to begin converting in FY24 through tokenization ▪ FY23 had a one-time benefit from contract transformation work that will not repeat going forward

Q4-FY23 & FY23 Results*

($ in millions)	Q4-FY23	FY23
Revenue	$320.6	$1,044.2
GAAP Operating Expenses	$219.1	$853.7
Total Expenses	$314.7	$1,227.2
Operating Income (Loss)	$6.0	($183.1)
Net Income (Loss)	$27.3	($107.8)
Non-GAAP Operating Income	$148.9	$394.8
Non-GAAP Operating Margin	46.4%	37.8%
Operating Cash Flow	$113.6	$299.2
Free Cash Flow	$111.5	$292.3

Cash and Liquidity Position – June 30, 2023

$241M Cash and Cash Equivalents

$193M Available on Revolving Credit Facility

$0 Current Borrowings

- Bookings in Q4-FY23: ~$380 million
- Bookings in FY23: ~$1.08 billion

*The Company is not providing YoY or QoQ comparisons for the fourth quarter and full fiscal year 2023 in consideration of the assets acquired in the Emerson transaction, which operated on a different fiscal year schedule than heritage AspenTech, and accordingly resulted in substantial differences between the financial profiles of the business before and after transaction close.

Capital Allocation Approach

Strategic M&A

- Committed to pursuing acquisitions as our primary use of capital
- Strengthened internal capabilities to execute on additional M&A as part of our strategic roadmap
- Will opportunistically pursue smaller technology tuck-ins, larger, more strategic targets, as well as companies that provide us with leadership positions in new markets

Share Repurchases

- Will continue to pursue share repurchase authorizations as market and business conditions warrant
- Announced $100m accelerated share repurchase (ASR) program in Q4-FY23 that we expect to complete in Q1-FY24
- Today announced $300m share repurchase authorization for FY24; aim to begin executing on this once ASR is complete

We maintain a robust financial profile, with a strong balance sheet, and healthy cash flows. We consider these to be strategic assets, as they allow us to deploy capital in ways that generate value for our customers, employees, the communities we serve, and our shareholders.

FY24 Guidance*

Key Metrics	FY 2024 Guidance	
ACV Growth (Total)	≥	11.5%
Total Bookings	≥	$1.04 billion
Total Revenue	≥	$1.12 billion
GAAP Operating Cash Flow	≥	$378 million
Free Cash Flow	≥	$360 million

As we kick off FY24, we enter the year with a strong foundation from which we can build and grow the new AspenTech.

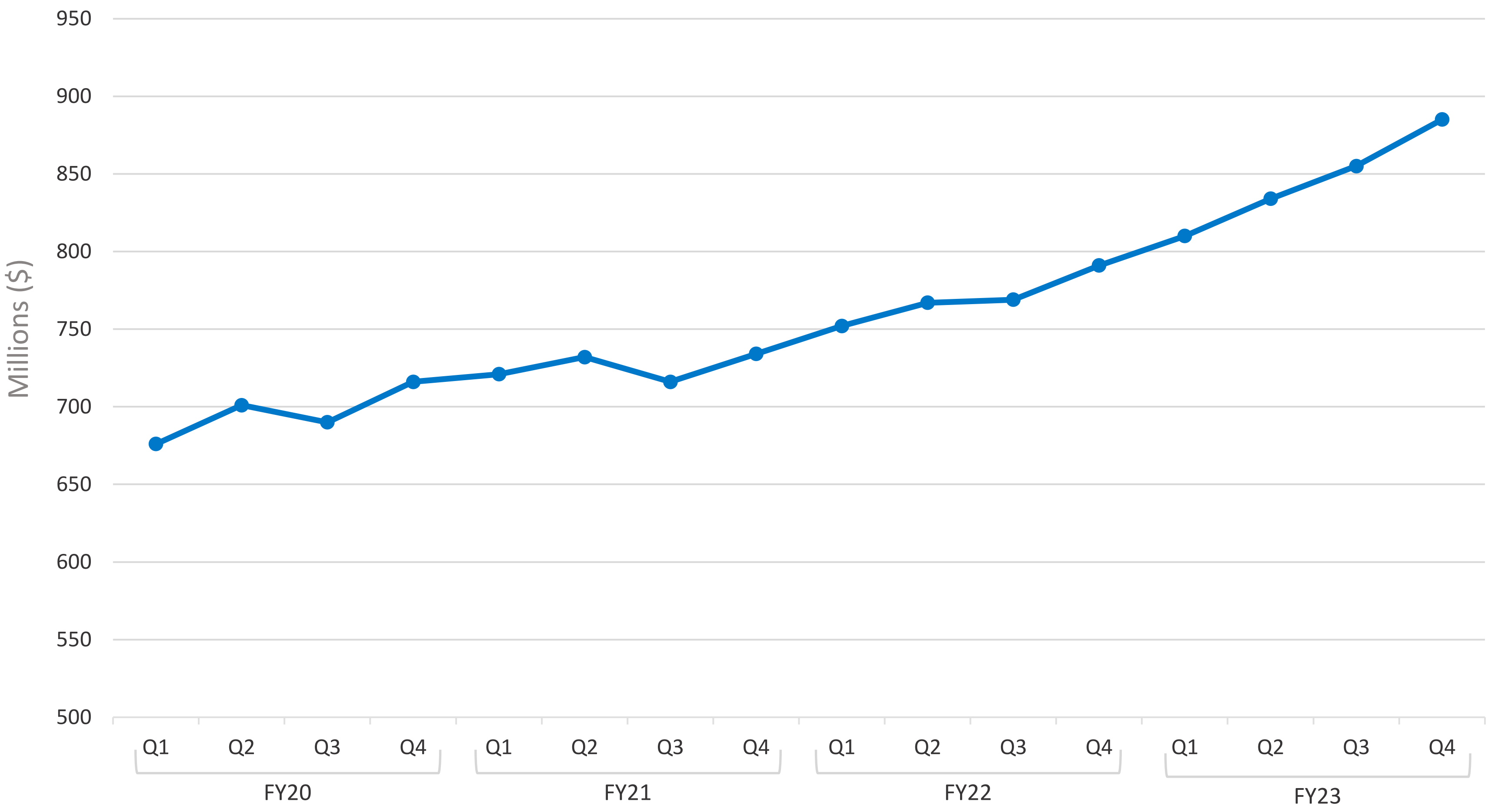
Additional Metrics	FY 2024 Guidance	
GAAP Total Expense	*Approx.*	$1.22 billion
Non-GAAP Total Expense	*Approx.*	$675 million
GAAP Operating Loss	*At or better than*	$100 million
Non-GAAP Operating Income	≥	$445 million
GAAP Net Loss	*At or better than*	$7 million
Non-GAAP Net Income	≥	$424 million
GAAP Net Loss Per Share	*At or better than*	$0.11
Non-GAAP Net Income Per Share	≥	$6.51

*These statements are forward-looking and actual results may differ materially. Refer to the Forward-Looking Statements safe harbor below for information on the factors that could cause AspenTech's actual results to differ materially from these forward-looking statements.

Additional Information

Double-Digit ACV Growth in FY23

Grew ACV by 11.8% YoY in FY23, 30 bps above midpoint of guide



Annual Contract Value (ACV)*

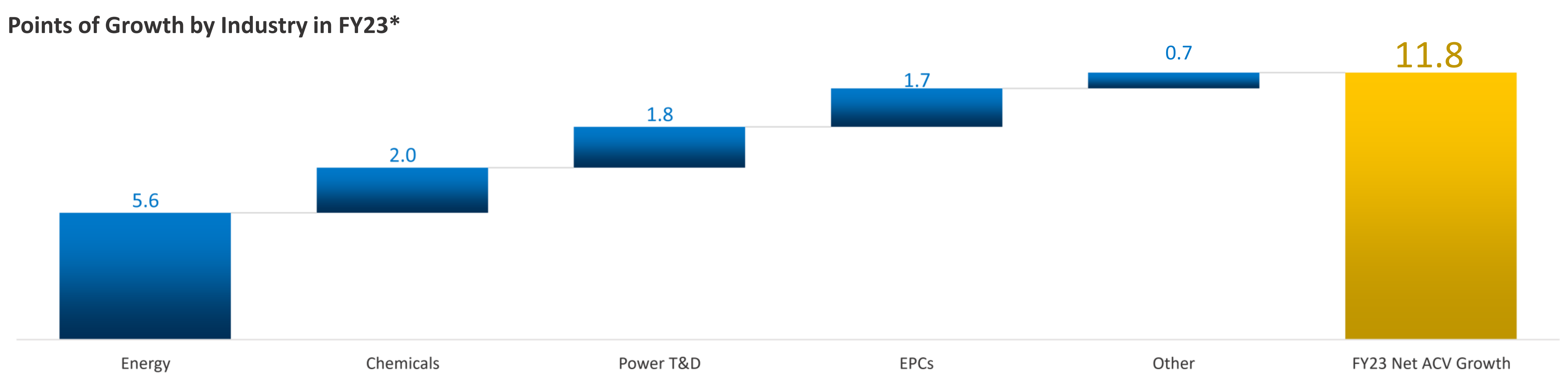
ACV as of 6/30/23	**$885m**
ACV as of 6/30/22	**$791m**
FY23 ACV Growth Rate	**11.8% YoY**
FY23 ACV Guidance Growth Rate	**11-12% YoY**
Q4-FY23 ACV Sequential Growth Rate	**3.5% QoQ**

ACV Attrition*

FY23 Attrition	**5.9%**
FY23 Attrition Guidance	**7-8%**

ACV trends and growth include heritage AspenTech, DGM, and SSE for all periods.
*Please see glossary for definition of ACV and ACV Attrition.

FY23 ACV Industry Performance



Upstream & Midstream Energy

Strong energy prices drove increased CapEx in upstream projects to meet growing demand for oil and gas

Refining

Record profitability from strong energy prices and resilient demand

Chemicals

Higher energy costs and lower demand drove lower utilization rates and destocking, with most significant impact on Bulk Chemicals

Transmission & Distribution (T&D)

Growth driven by increasing demand, renewables adoption, and government policy support

Engineering & Construction (E&C)

EPC business environment improved due to strong Energy market and increased sustainability-related projects

*Points of growth are rounded illustrative purposes.

FY23 ACV Suite Performance

($ in millions)	ACV by Suite		
	FY21	FY22	FY23
ENG	$354	$373	$404
MSC	$246	$275	$295
APM	$27	$30	$36
SSE	$71	$70	$93
DGM	$36	$43	$56
Total	$734	$791	$885

Linearity of Quarterly Results in FY24

FY24 ACV

- FY24 cadence to be similar to FY23
- Q1 to be lowest, and Q4 to be highest, in terms of quarterly GACV contribution
- Attrition in FY24: ~5%
- Expect higher concentration of attrition to occur in Q2 and Q3

FY24 FCF

- Generate at least 80% of FCF in 2H-FY24, with an approximately even distribution between Q3 and Q4
- Q1 to have lowest quarterly FCF contribution for FY24, as has historically been the case in our business
- Cash tax payments: ~$125m

FY24 Revenue*

- Revenue linearity in FY24 to be similar to FY23
- Q1 to have lowest bookings up for renewal, while Q4 to have highest bookings up for renewal
- Bookings up for renewal in FY24: ~$580m
- Bookings up for renewal in Q1-FY24: ~$80m

AspenTech results are generally more weighted to the second half of the fiscal year. Above commentary on ACV, FCF, and Revenue outlines some concepts for investors to consider when modeling our business for FY24.

*Revenue is highly impacted by contract renewal timing and variability under ASC Topic 606. Bookings up for renewal heavily impact license revenue and are generally more weighted toward the second half of our fiscal year.

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. We believe comparing ACV for different dates can provide insight into the growth and retention rates of our business.

- **Bookings** – is the total value of customer term license and perpetual license SMS contracts signed and delivered in the current period, less the value of such contracts signed in the current period where the initial licenses and SMS agreements are not yet deemed delivered, plus term license contracts and perpetual license SMS contracts signed in a previous period for which the initial licenses are deemed 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.

- **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, and (b) payments for capitalized computer software development costs.

- **ACV Attrition –** is the period over period reduction in ACV, driven by a customers' non-renewal of an agreement, a customers' reduction in entitlement, or bad debt write offs. Attrition is adjusted for any conversion of perpetual SMS agreements to term license contracts.

- **Growth in ACV ("GACV")** – net change in ACV on a period-over-period basis. Presented on a U.S. dollars basis.

Reconciliation of GAAP to Non-GAAP Results of Operations and Cash Flows

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Total Expenses

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Year Ended June 30, 2023	Nine Months Ended June 30, 2022
GAAP total expenses (a)	$314,658	$199,766	$1,227,243	$369,139
Less:				
Stock-based compensation (b)	(20,830)	(14,786)	(84,850)	(15,763)
Amortization of intangibles (c)	(121,526)	(71,342)	(485,486)	(116,743)
Acquisition and integration planning related fees	(526)	(3,749)	(7,556)	(3,749)
Non-GAAP total expenses	$171,776	$109,889	$649,351	$232,884

Income from Operations

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Year Ended June 30, 2023	Nine Months Ended June 30, 2022
GAAP income (loss) from operations	$5,985	$39,154	($183,065)	$36,157
Plus:				
Stock-based compensation (b)	20,830	14,786	84,850	15,763
Amortization of intangibles (c)	121,526	71,342	485,486	116,743
Acquisition and integration planning related fees	526	3,749	7,556	3,749
Non-GAAP income from operations	$148,867	$129,031	$394,827	$172,412

Net Income

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Year Ended June 30, 2023	Nine Months Ended June 30, 2022
GAAP net income (loss)	$27,316	$57,186	($107,760)	$53,146
Plus (less):				
Stock-based compensation (b)	20,830	14,786	84,850	15,763
Amortization of intangibles	121,526	71,342	485,486	116,743
Acquisition and integration planning related fees	526	3,749	7,556	3,749
Unrealized loss (gain) on foreign currency forward contract	(40,454)	-	-	-
Realized loss on foreign currency forward contract	36,997	-	26,176	-
Less:				
Income tax effect on Non-GAAP items (d)	(28,565)	(18,295)	(124,231)	(28,316)
Non-GAAP net income	$138,176	$128,786	$372,077	$161,085

Diluted Income per Share

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Year Ended June 30, 2023	Nine Months Ended June 30, 2022
GAAP diluted income (loss) per share	$0.42	$1.13	($1.67)	$1.30
Plus (less):				
Stock-based compensation (b)	0.32	0.29	1.30	0.38
Amortization of intangibles (c)	1.87	1.42	7.46	2.85
Acquisition and integration related planning fees	0.01	0.07	0.12	0.09
Unrealized (gain) on foreign currency forward contract	(0.62)	-	-	-
Realized loss on foreign currency forward contract	0.57	-	0.40	-
Impact of diluted shares	-	-	0.02	-
Less:				
Income tax effect on Non-GAAP items (d)	(0.44)	(0.36)	(1.91)	(0.69)
Non-GAAP diluted income per share	$2.13	$2.55	$5.72	$3.93
Shares used in computing non-GAAP diluted income per share	64,943	50,406	65,094	41,008

Free Cash Flow[1]

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Year Ended June 30, 2023	Nine Months Ended June 30, 2022
Net cash provided by (used in) operating activities (GAAP)	$113,559	($344)	$299,209	$28,962
Purchases of property, equipment and leasehold improvements	(2,062)	(982)	(6,577)	(2,263)
Payments for capitalized computer software development costs	(19)	(508)	(366)	(508)
Free cash flow (non-GAAP)	$111,478	($1,834)	$292,266	$26,191

1. 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.

(a) GAAP Total Expenses

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Year Ended June 30, 2023	Nine Months Ended June 30, 2022
Total costs of revenue	$95,562	$71,018	$373,589	$156,396
Total operating expenses	219,096	128,748	853,654	212,743
GAAP total expenses	$314,658	$199,766	$1,227,243	$369,139

(b) Stock-based compensation was as follows:

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Year Ended June 30, 2023	Nine Months Ended June 30, 2022
Cost of license and solutions	$813	$1,351	$3,565	$1,351
Cost of maintenance	431	344	1,893	344
Cost of services and other	538	282	1,995	282
Selling and marketing	5,316	2,850	16,202	2,850
Research and development	7,959	3,507	21,790	3,507
General and administrative	5,773	6,452	39,405	7,429
Total stock-based compensation	$20,830	$14,786	$84,850	$15,763

(c) Amortization of intangible assets was as follows:

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Year Ended June 30, 2023	Nine Months Ended June 30, 2022
Cost of license and solutions	$48,035	$30,068	$191,412	$56,453
Selling and marketing	73,491	41,274	294,074	60,290
Total amortization of intangible assets	$121,526	$71,342	$485,486	$116,743

(d) U.S. Statutory Rate

The income tax effect on non-GAAP items is calculated using the Company's combined US federal and state statutory tax rate as follows:

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Year Ended June 30, 2023	Nine Months Ended June 30, 2022
U.S. statutory rate	21.79%	21.79%	21.79%	21.79%

Reconciliation of Forward-Looking Guidance Range

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Guidance – Total Expenses

	Twelve Months Ended June 30, 2024 (a)
GAAP expectation – total expenses	$1,220,000
Less:	
Stock-based compensation	(59,000)
Amortization of intangibles	(486,000)
Non-GAAP expectation - total expenses	$675,000

a) Rounded amounts used, except per share data.

Guidance – Income from Operations

	Twelve Months Ended June 30, 2024 (a)
GAAP expectation – (loss) income from operations	($100,000)
Plus:	
Stock-based compensation	59,000
Amortization of intangibles	486,000
Non-GAAP expectation - income from operations	$445,000

a) Rounded amounts used, except per share data.

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Guidance – Net income and Diluted Income Per Share

	Twelve Months Ended June 30, 2024 (a)
GAAP expectation – net (loss) income	($7,000)
Plus (less):	
Stock-based compensation	59,000
Amortization of intangibles	486,000
Less:	
Income tax effect on Non-GAAP items (b)	(114,000)
Non-GAAP expectation – net income	$424,000
Shares used in computing guidance for Non-GAAP diluted income per share	65,100
GAAP EPS	($0.11)
Non-GAAP EPS	$6.51

a) Rounded amounts used, except per share data.
b) The income tax effect on non-GAAP items for the twelve months ended June 30, 2023 is calculated utilizing the Company's statutory tax rate of 21.79 percent.

Guidance – Free Cash Flow[1]

	Twelve Months Ended June 30, 2024 (a)
GAAP expectation – Net cash provided by operating activities	$378,000
Less:	
Purchases of property, equipment, and leasehold improvements	(17,500)
Payments for capitalized computer software development costs	(500)
Free Cash flow expectation (non-GAAP)	$360,000

1. Free cash flow guidance has been updated to reflect a change in methodology to calculate free cash flow and does not represent a change in management's expectations. Effective January 1, 2023, we no longer exclude acquisition and integration planning related payments from our computation of free cash flow. We have updated our guidance computation for free cash flow to reflect that such payments are no longer excluded from free cash flow.

a) Rounded amounts used, except per share data.