Q1-FY25 Results

Antonio Pietri, *President and Chief Executive Officer*

David Baker, *Chief Financial Officer*

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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 for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, which involve risks and uncertainties, and Aspen Technology, Inc. ("AspenTech" or the "Company") 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, completion of the new share repurchase authorization announced for fiscal 2025, and the completion and timing of announced acquisitions. 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; risks resulting from the suspension of commercial activities in Russia and the scope, duration and ultimate impacts of the conflict in the Middle East; 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"). The outlook contained herein represents AspenTech's expectation for its consolidated results, other than as noted herein. 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.

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 financial tables included in 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.

Q1-FY25 Highlights

Strong Execution and Foundation for Growth

Resilient Demand for Mission-Critical Offerings

Introducing New Sustainability and AI Innovation

Remain Confident in FY25 Guidance

Open Grid Systems Limited Acquisition

AspenTech announced its definitive agreement to acquire Open Grid Systems Limited ("Open Grid Systems") on November 4, 2024. This acquisition will provide AspenTech with critical network model management technology and data-centric infrastructure capabilities in its Digital Grid Management (DGM) suite. The acquisition is expected to close in Q2-FY25, subject to customary closing conditions.

Q1-FY25 RESULTS[1]

$941m
Annual Contract Value (ACV)

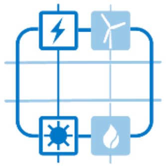
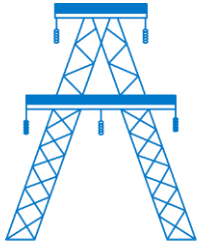
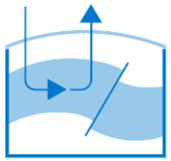
9.4%
ACV Growth YoY[2]

$8m
Growth in ACV (GACV) QoQ

($6m)
Free Cash Flow

1. Please see glossary for definition of ACV, GACV and Free Cash Flow.
2. Q1-FY25 YoY ACV growth excludes ACV associated with the Company's Russia business in Q1-FY24.

Q1-FY25 Suite Updates: DGM & SSE

Suite	Q1-FY25 Updates	Q1 Win Highlights
Digital Grid Management 	▪ Robust demand supported by secular tailwinds ▪ Grid innovation remains mission-critical ▪ Healthy global pipeline growth	 Distributed Energy Resources Management System (DERMS) expansion with U.S. utility leader to support clean energy goals
Subsurface Science & Engineering 	▪ Upstream demand remains solid ▪ Strong interest in innovation and token offering ▪ Focused on supporting high investment ROI	 Displaced competitor at LATAM national oil company on strength of innovation and existing relationships

Q1-FY25 Suite Updates: Heritage AspenTech

Suite	Q1-FY25 Updates	Q1 Win Highlights
Engineering	▪ Strong demand from EPCs and owner-operators ▪ Momentum with new logos and existing customers	Large solution win with global industrial group to support company's CCUS[1] business
Manufacturing & Supply Chain	▪ Downstream conditions consistent with prior quarters ▪ Remain mission-critical to operational excellence ▪ Notable interest from Upstream Energy industry	$38 million of savings identified following two implementations of dynamic optimization GDOT™ product[2]
Asset Performance Management	▪ Solid traction in focused go-to-market ▪ Emerson partnership and innovation support wins	Two noteworthy deals in upstream Energy, supported by innovation and Emerson partnership

1. CCUS = Carbon Capture Utilization and Storage
2. Research conducted internally and validated with customers.

Innovation Update

aspenONE® V14.5 Software Update

- Introduced important enhancements across portfolio in Industrial AI and sustainability
- Includes new Generative AI capabilities for more optimized and accelerated equipment placement decisions in OptiPlant®

Open Grid Systems Acquisition

- High-performance Network Model Management and unified approach to managing network model data architecture
- Aligned with emerging regulatory standards, particularly in Europe

Microgrid Management System™ Launch

- Supports industrial asset owners in managing increasing complexity of asset-related electrical networks, or microgrids, following rapid adoption of renewables

Q1-FY25 Results

($ in millions)	Q1-FY25	Q1-FY24
Bookings[1]	$151.4	$211.8
Revenue[1]	$215.9	$249.3
Operating Expenses	$216.4	$211.5
Total Expenses	$311.8	$309.5
Total Non-GAAP Expenses	$167.3	$171.5
Operating Loss	($96.0)	($60.2)
Non-GAAP Operating Income	$48.6	$77.8
Non-GAAP Operating Margin[2]	22.5%	31.2%
Net Loss	($60.5)	($34.5)
Non-GAAP Net Income	$53.9	$74.9
Operating Cash Flow[3]	($4.4)	$17.0
Free Cash Flow[3]	($6.4)	$16.0

Annual Contract Value (ACV)[4]

$941.4m ▲ **9.4% YoY**

Cash & Liquidity Position

$221.1m in cash and cash equivalents

$194.5m available under revolving credit facility

Share Repurchases

~93k shares repurchased for $20.5m

$79.5m remaining of $100m share repurchase authorization

1. See glossary for a definition of bookings. The year-over-year differences related to bookings and total revenue were in line with the Company's expectations and driven by the timing of contract renewals and a higher-than-normal concentration of attrition in the first quarter of fiscal 2025 relative to the full fiscal year.
2. Non-GAAP operating margin represents non-GAAP operating income divided by revenue for the period.
3. The year-over-year differences in operating cash flow and free cash flow were due to the timing of collections, the Company's workforce reduction, and the Company's Russia exit in the first quarter of fiscal 2025.
4. Q1-FY25 YoY ACV growth excludes ACV associated with the Company's Russia business in Q1-FY24.

FY25 Guidance[1]

Key Metrics	FY 2025 Guidance
ACV Growth (Total)[2]	~9.0%
Total Bookings	~$1.17 billion
Total Revenue	~$1.19 billion
GAAP Operating Cash Flow	~$357 million
Free Cash Flow	~$340 million

Additional Metrics	FY 2025 Guidance
GAAP Total Expense	~$1.21 billion
Non-GAAP Total Expense	~$675 million
GAAP Operating Loss	~$24 million
Non-GAAP Operating Income	~$514 million
GAAP Net Income	~$52 million
Non-GAAP Net Income	~$478 million
GAAP Net Income Per Share	~$0.82
Non-GAAP Net Income Per Share	~$7.52

AspenTech's FY25 guidance reflects continued expectations for dynamic macro conditions to persist throughout FY25.

1. These statements are forward-looking and actual results may differ materially. Refer to the Forward-Looking Statements safe harbor on slide two for information on the factors that could cause AspenTech's actual results to differ materially from these forward-looking statements.
2. FY25 ACV guidance is based on an ACV balance of $932.9 million as of June 30, 2024.

Linearity of Quarterly Results in FY25[1]

FY25 ACV

- Net new ACV cadence to be similar to historical cadence
- Attrition[2] in FY25: ~4.5%

FY25 FCF

- Nearly all of FCF to occur in H2-FY25
- Delayed Q1 collections to come in over remainder of FY25
- FY25 cash tax payments: ~$135m

FY25 Revenue

- Q2 revenue to be between $290m - $300m, with Q4 being highest revenue quarter
- FY25 renewal bookings: ~$681m
- Q2 renewal bookings: ~$119m

AspenTech results are generally more weighted to the second half of the fiscal year. Above commentary on ACV, FCF, revenue, and bookings outlines some concepts for investors to consider when modeling our business for FY25.

1. These statements are forward-looking and actual results may differ materially. Refer to the Forward-Looking Statements safe harbor on slide two for information on the factors that could cause AspenTech's actual results to differ materially from these forward-looking statements.
2. See glossary for a definition of attrition.

Additional Information

Glossary of Terms / Definitions

- **Annual Contract Value ("ACV")** – is an estimate of the annual value of our portfolio of term license and 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. All ACV numbers in this presentation exclude ACV associated with the Company's Russia business for all periods presented.

- **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.

- **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.

- **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.

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

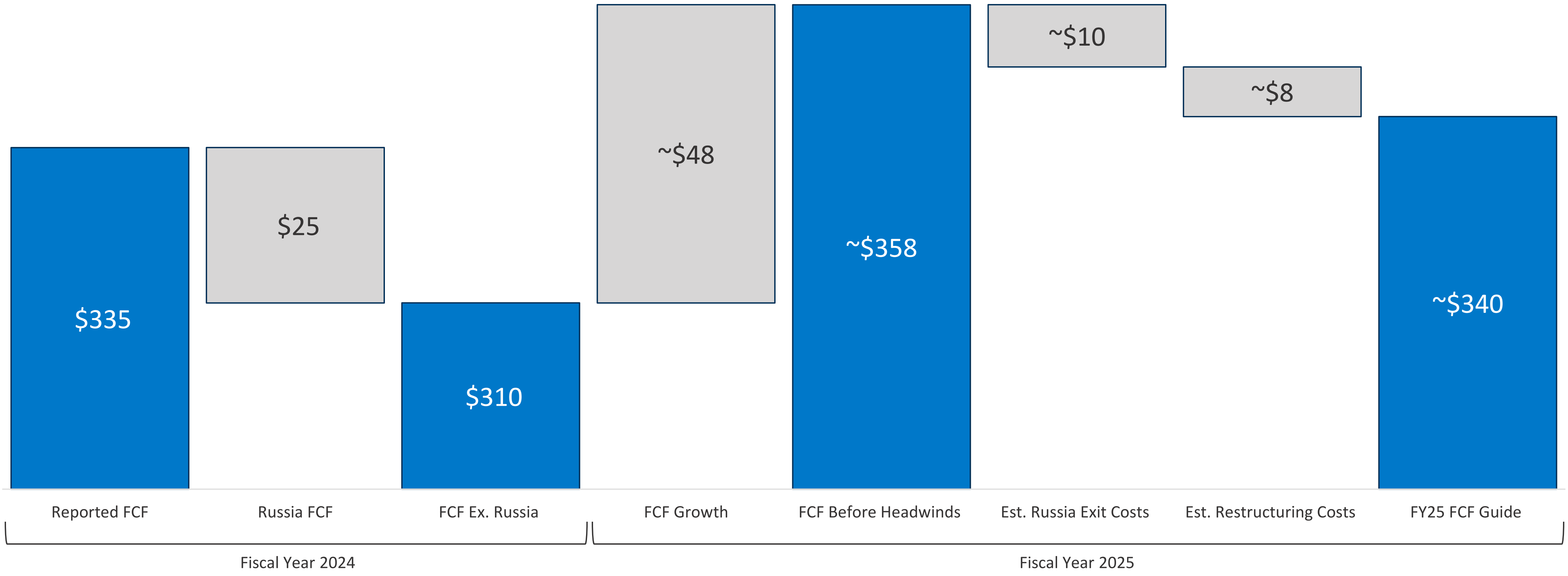
Impact of ASC Topic 606 on Financial Results

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 slide 11 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.

FY25 FCF Guidance Bridge ($, millions)



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

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Total Expenses

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
GAAP total expenses (a)	$311,842	$309,519
Less:		
Stock-based compensation (b)	$(14,814)	$(16,699)
Amortization of intangibles (c)	$(121,589)	$(121,587)
Acquisition and integration planning related fees	$(405)	$255
Restructuring costs[1]	$(7,726)	—
Non-GAAP total expenses	$167,308	$171,488

1. AspenTech incurred restructuring costs as a result of its workforce reduction and Russian business exit both announced in August 2024.

(Loss) Income from Operations

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
GAAP loss from operations	$(95,965)	$(60,211)
Plus:		
Stock-based compensation (b)	$14,814	$16,699
Amortization of intangibles (c)	$121,589	$121,587
Acquisition and integration planning related fees	$405	$(255)
Restructuring costs[1]	$7,726	—
Non-GAAP income from operations	$48,569	$77,820

1. AspenTech incurred restructuring costs as a result of its workforce reduction and Russian business exit both announced in August 2024.

Net (Loss) Income

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
GAAP net loss	$(60,464)	$(34,525)
Plus:		
Stock-based compensation (b)	$14,814	$16,699
Amortization of intangibles (c)	$121,589	$121,587
Acquisition and integration planning related fees	$405	$(255)
Restructuring costs[1]	$7,726	—
Less:		
Income tax effect on Non-GAAP items (d)	$(30,203)	$(28,621)
Non-GAAP net income	$53,867	$74,885

1. AspenTech incurred restructuring costs as a result of its workforce reduction and Russian business exit both announced in August 2024.

Diluted (Loss) Income per Share

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
GAAP diluted loss per share	$(0.96)	$(0.54)
Plus:		
Stock-based compensation (b)	$0.23	$0.26
Amortization of intangibles (c)	$1.91	$1.88
Acquisition and integration related planning fees	$0.01	—
Restructuring costs[1]	$0.12	—
Impact of diluted shares	$0.02	—
Less:		
Income tax effect on Non-GAAP items (d)	$(0.48)	$(0.44)
Non-GAAP diluted income per share	$0.85	$1.16
Shares used in computing non-GAAP diluted income per share	63,547	64,658

1. AspenTech incurred restructuring costs as a result of its workforce reduction and Russian business exit both announced in August 2024.

Free Cash Flow

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
Net cash (used in) provided by operating activities (GAAP)	$(4,397)	$16,981
Less:		
Purchases of property, equipment and leasehold improvements	$(2,022)	$(937)
Free cash flow (non-GAAP)	$(6,419)	$16,044

(a) GAAP Total Expenses

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
Total costs of revenue	$95,447	$98,060
Total operating expenses	$216,395	$211,459
GAAP total expenses	$311,842	$309,519

(b) Stock-based compensation expense was as follows:

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
Cost of license and solutions	$551	$680
Cost of maintenance	$887	$488
Cost of services and other	$1,045	$498
Selling and marketing	$2,930	$2,942
Research and development	$3,000	$4,553
General and administrative	$6,401	$7,538
Total stock-based compensation	$14,814	$16,699

(c) Amortization of intangible assets was as follows:

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
Cost of license and solutions	$48,202	$48,035
Selling and marketing	$73,387	$73,552
Total amortization of intangible assets	$121,589	$121,587

(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 September 30, 2024	Three Months Ended September 30, 2023
U.S. statutory rate	21.79%	21.79%

Reconciliation of Forward-Looking Guidance Range

Guidance – Total Expenses

	Twelve Months Ended June 30, 2025[1]
GAAP expectation – total expenses	$1,213,000
Less:	
Stock-based compensation	$(56,000)
Amortization of intangible assets	$(474,000)
Restructuring	$(8,000)
Non-GAAP expectation – total expenses	$675,000

1. Rounded amounts used, except per share data.

Guidance – Income from Operations

	Twelve Months Ended June 30, 2025[1]
GAAP expectation – (loss) from operations	$(24,000)
Plus:	
Stock-based compensation	$56,000
Amortization of intangible assets	$474,000
Restructuring	$8,000
Non-GAAP expectation - income from operations	$514,000

1. Rounded amounts used, except per share data.

Guidance – Net Income and Diluted Income Per Share

	Twelve Months Ended June 30, 2025[1]	
GAAP expectation – net income and diluted income per share	$52,000	$0.82
Plus:		
Stock-based compensation	$56,000	
Amortization of intangible assets	$474,000	
Restructuring	$8,000	
Less:		
Income tax effect on Non-GAAP items[3]	$(112,000)	
Non-GAAP expectation – net income and diluted income per share	$478,000	$7.52
Shares used in computing guidance for Non-GAAP diluted income per share	63,600	

1. Rounded amounts used, except per share data.
2. The income tax effect on non-GAAP items for the twelve months ended June 30, 2025, is calculated utilizing the Company's statutory tax rate of 21.79 percent.

Guidance – Free Cash Flow

	Twelve Months Ended June 30, 2025[1]
GAAP expectation – Net cash provided by operating activities	$357,000
Less:	
Purchases of property, equipment and leasehold improvements	$(17,000)
Free Cash flow expectation (non-GAAP)	$340,000

1. Rounded amounts used, except per share data.

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