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**Aspen Technology Announces Financial Results for the**

**First Quarter of Fiscal 2018**

**Bedford, Mass. – October 26, 2017** – Aspen Technology, Inc. (NASDAQ: AZPN), the asset optimization software company, today announced financial results for its first quarter of fiscal year 2018, ended September 30, 2017.

“AspenTech delivered a solid start to fiscal 2018 with financial results that exceeded our expectations, driven by positive, broad-based demand from owner-operator customers,” said Antonio Pietri, President and Chief Executive Officer of AspenTech.

Pietri continued, “During the quarter we continued to execute well against our Asset Optimization strategy and develop momentum among prospective customers for the APM product suite, which we believe positions us to enhance the value we deliver to both our customers and shareholders over the long term.”

**First Quarter Fiscal 2018 and Recent Business Highlights**

* Annual spend, which the company defines as the annualized value of all term license and maintenance contracts at the end of the quarter, was approximately $461 million at the end of the first quarter of fiscal 2018, which increased 3.3% compared to the first quarter of fiscal 2017 and 0.3% sequentially.
* GAAP operating margin was 43.4%, compared to 45.6% in the first quarter of fiscal 2017. Non-GAAP operating margin was 49.2%, compared to 50.4% in the first quarter of fiscal 2017.
* AspenTech repurchased approximately 839,000 shares of its common stock for $50.0 million in the first quarter of fiscal 2018.

**Summary of First Quarter Fiscal Year 2018 Financial Results**

AspenTech’s total revenue of $122.8 million included:

* **Subscription and software revenue** was $115.8 million in the first quarter of fiscal 2018, an increase from $113.4 million in the first quarter of fiscal 2017.
* **Services and other revenue** was $7.0 million in the first quarter of fiscal 2018, compared to $6.6 million in the first quarter of fiscal 2017.

For the quarter ended September 30, 2017, AspenTech reported income from operations of $53.3 million, compared to income from operations of $54.7 million for the quarter ended September 30, 2016.

Net income was $34.8 million for the quarter ended September 30, 2017, leading to net income per share of $0.47, compared to net income per share of $0.44 in the same period last fiscal year.

Non-GAAP income from operations, which adds back the impact of stock-based compensation expense, amortization of intangibles associated with acquisitions, acquisition-related expenses and non-capitalized acquired technology, was $60.4 million for the first quarter of fiscal 2018, compared to non-GAAP income from operations of $60.5 million in the same period last fiscal year. Non-GAAP net income was $39.3 million, or $0.53 per share, for the first quarter of fiscal 2018, compared to non-GAAP net income of $38.7 million, or $0.49 per share, in the same period last fiscal year. A reconciliation of GAAP to non-GAAP results is included in the financial tables included in this press release.

AspenTech had cash and marketable securities of $59.0 million and borrowings of $140.0 million at September 30, 2017.

During the first quarter, the company generated $12.4 million in cash flow from operations and $12.2 million in free cash flow. 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; capitalized computer software development costs; non-capitalized acquired technology, excess tax benefits from stock-based compensation, and other nonrecurring items, such as acquisition or litigation related payments.

**Use of Non-GAAP Financial Measures**

This press release contains “non-GAAP financial measures” under the rules of the U.S. Securities and Exchange Commission. 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 press release.

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 press release, to track AspenTech’s business performance. None of these non-GAAP metrics should be considered as an alternative to any measure of financial performance calculated in accordance with GAAP.

**Conference Call and Webcast**

AspenTech will host a conference call and webcast today, October 26, 2017, at 4:30 p.m. (Eastern Time), to discuss the company's financial results for the first quarter fiscal year 2018 as well as the company’s business outlook.

The live dial-in number is (866) 604-6127 or (443) 961-0460, conference ID code 98608997. Interested parties may also listen to a live webcast of the call by logging on to the Investor Relations section of AspenTech’s website, http://www.aspentech.com/corporate/investor.cfm, and clicking on the “webcast” link. A replay of the call will be archived on AspenTech’s website and will also be available via telephone at (855) 859-2056 or (404) 537-3406, conference ID code 98608997, through November 26, 2017.

**About AspenTech**

AspenTech is a leading software supplier for optimizing asset performance. Our products thrive in complex, industrial environments where it is critical to optimize the asset design, operation and maintenance lifecycle. AspenTech uniquely combines decades of process modeling expertise with big data machine learning. Our purpose-built software platform automates knowledge work and builds sustainable competitive advantage by delivering high returns over the entire asset lifecycle. As a result, companies in capital-intensive industries can maximize uptime and push the limits of performance, running their assets faster, safer, longer and greener. Visit *AspenTech.com* to find out more.

**Forward-Looking Statements**

The third paragraph of this press release contains forward-looking statements for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results may vary significantly from AspenTech’s expectations based on a number of risks and uncertainties, including, without limitation:  AspenTech’s failure to increase usage and product adoption of aspenONE offerings or grow the aspenONE APM business, and failure to continue to provide innovative, market-leading solutions; the demand for, or usage of, aspenONE software declines for any reason, including declines due to adverse changes in the capital-intensive process industries; unfavorable economic and market conditions or a lessening demand in the market for asset process optimization software; and other risk factors described from time to time in AspenTech’s periodic reports filed with the Securities and Exchange Commission.  AspenTech cannot guarantee any future results, levels of activity, performance, or achievements. AspenTech expressly disclaims any obligation to update forward-looking statements after the date of this press release.

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**Source**: Aspen Technology, Inc.







