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## **Aspen Technology Announces Financial Results for the Fourth Quarter and Fiscal 2022**

**Bedford, Mass. – August 8, 2022** - Aspen Technology, Inc. (AspenTech) (NASDAQ: AZPN), a global leader in industrial software, today announced financial results for its fourth quarter and fiscal year 2022, ended June 30, 2022.

“AspenTech ended fiscal year 2022 with strong fourth quarter results highlighted by 8.5% annual spend growth for the heritage AspenTech business. We have continued to see improvement in demand across our business due to the strength of our customers' end markets and the growing need for our customers to operate their assets in a more sustainable and efficient manner,” said Antonio Pietri, President and Chief Executive Officer of AspenTech.

Pietri added, “The completion of our transaction with Emerson was transformational for AspenTech. Together we have created one of the world’s leading industrial software companies that is well positioned to help our customers address the Dual Challenge of meeting the increasing global demand for resources in a sustainable manner. We believe we are uniquely positioned to deliver even greater value to our customers and shareholders over time.”

### **Fourth Quarter and Fiscal Year 2022 Recent Business Highlights**

- Annual spend for heritage AspenTech, which the company defines as the annualized value of all term license and maintenance contracts at the end of the quarter for the businesses other than OSI and SSE, was approximately \$674 million at the end of the fourth quarter of fiscal 2022, which increased 8.5% compared to the fourth quarter of fiscal 2021 and 2.8% sequentially.

### **Summary of Fourth Quarter and Fiscal Year 2022 Financial Results**

*As a result of the transaction between AspenTech and Emerson Electric (“Emerson”) the subsidiary Emerson created as part of the transaction, EmerSubCX, became the surviving entity when the transaction closed on May 16<sup>th</sup>, 2022. The financial results shown below reflect the full quarter results of the OSI and SSE businesses that were contributed to new AspenTech and the results of heritage AspenTech for the period of May 16<sup>th</sup>, 2022 to June 30<sup>th</sup>, 2022. In addition, in conjunction with the close of the transaction, EmerSubCX adjusted its fiscal year end from September 30<sup>th</sup> to June 30<sup>th</sup> to align with heritage AspenTech’s fiscal year end. As a result, the year-end financial results shown below are for the nine months of October 1<sup>st</sup>, 2021 to June 30<sup>th</sup>, 2022 and include the nine-month results of the Open Systems International, Inc. and Subsurface Science and Engineering businesses Emerson contributed to new AspenTech and the results of heritage AspenTech for the period of May 16<sup>th</sup>, 2022 to June 30<sup>th</sup>, 2022.*

AspenTech’s total revenue of \$238.9 million included:

- **License and solutions revenue**, which represents the portion of a term license agreement allocated to the initial license and OSI revenue recognized on a percentage of completion basis, was \$177.3 million in the fourth quarter of fiscal 2022, compared to \$45.7 million in the fourth quarter of fiscal 2021.
- **Maintenance revenue**, which represents the portion of customer agreements related to ongoing support and the right to future product enhancements, was \$50.2 million in the fourth quarter of fiscal 2022, compared to \$23.9 million in the fourth quarter of fiscal 2021.
- **Services and other revenue** was \$11.5 million in the fourth quarter of fiscal 2022, compared to \$7.7 million in the fourth quarter of fiscal 2021.

For the quarter ended June 30, 2022, AspenTech reported income from operations of \$39.2 million, compared to loss from operations of \$8.8 million in the fourth quarter of fiscal 2021.

Net income was \$57.2 million for the quarter ended June 30, 2022, leading to net income per share of \$1.13, compared to net loss per share of \$0.23 in the same period last fiscal year.

Non-GAAP income from operations was \$128.9 million for the fourth quarter of fiscal 2022. Non-GAAP net income was \$122.7 million, or \$2.43 per share, for the fourth quarter of fiscal 2022. These non-GAAP results add back the impact of stock-based compensation expense, amortization of intangibles and fees related to acquisitions and integration planning. A reconciliation of GAAP to non-GAAP results is presented in the financial tables included in this press release.

AspenTech had cash and cash equivalents of \$449.7 million and total borrowings, net of debt issuance costs, of \$273.6 million at June 30, 2022.

During the fourth quarter, AspenTech used \$0.3 million in cash flow from operations and generated \$4.9 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; payments for capitalized computer software development costs; and other nonrecurring items, such as payments related to acquisitions and integration planning.

## **Business Outlook**

Based on information as of today, August 8, 2022, AspenTech is issuing the following guidance for fiscal year 2023. Please note this guidance does not include any contribution from the pending acquisition of Micromine, which is currently expected to close in the second fiscal quarter of 2023, subject to regulatory approval.

- Annual Contract Value (“ACV”) growth of 10.5-13.5% year-over-year. The company defines ACV as the estimate of the annual value of our portfolio of term license and software maintenance and support (SMS) agreements
- Free cash flow of \$347 to \$362 million
- Total bookings of \$1.07 to \$1.17 billion
- Total revenue of \$1.14 to \$1.20 billion
- GAAP total expense of \$1.186 to \$1.196 billion
- Non-GAAP total expense of \$637 to \$647 million
- GAAP operating loss of \$46 million to operating income of \$6 million
- Non-GAAP operating income of \$503 to \$555 million
- GAAP net loss of \$8 million to net income of \$24 million
- Non-GAAP net income of \$423 to \$455 million
- GAAP net loss per share of \$0.12 to income per share of \$0.36
- Non-GAAP net income per share of \$6.40 to \$6.89

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.

### **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, August 8, 2022, at 4:30 p.m. (Eastern Time), to discuss the company's financial results for the fourth quarter of fiscal year 2022 as well as the company's business outlook. The live dial-in number is (646) 307-1963 or (800) 715-9871, conference ID code 9571995. 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://ir.aspentech.com/events-and-presentations>, 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 (800) 770-2030, conference ID code 9571995, through August 15, 2022.

### **About AspenTech**

Aspen Technology, Inc. (NASDAQ: AZPN) is a global software leader helping industries at the forefront of the world's dual challenge meet the increasing demand for resources from a rapidly growing population in a profitable and sustainable manner. AspenTech solutions address complex environments where it is critical to optimize the asset design, operation and maintenance lifecycle. Through our unique combination of deep domain expertise and innovation, customers in capital-intensive industries can run their assets safer, greener, longer and faster to improve their operational excellence. To learn more, visit [AspenTech.com](http://AspenTech.com).

### **Forward-Looking Statements**

The third paragraph of this press release as well as the Business Outlook section contain forward-looking statements for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. We can give no assurance that such plans, estimates or expectations will be achieved and therefore, actual results may differ materially from any plans, estimates or expectations in such forward-looking statements.

Actual results may vary significantly from AspenTech's expectations based on a number of risks and uncertainties, including, without limitation: delays or reductions in demand for AspenTech solutions due to the COVID-19 pandemic; AspenTech's failure to increase usage and product adoption of aspenONE or other offerings or grow the aspenONE APM, OSI and SSE businesses, and failure to continue to provide innovative, market-leading solutions; declines in the demand for, or usage of, aspenONE software for any reason, including declines due to adverse changes in the process or other capital-intensive industries and materially reduced industry spending budgets due to the drop in demand for oil due to the COVID-19 pandemic; unfavorable economic and market conditions or a lessening demand in the market for asset process optimization software, including materially reduced industry spending budgets due to the significant drop in oil prices arising from drop in demand due to the COVID-19 pandemic; risks of foreign operations or transacting business with customers outside the United States; risks of competition; risks that acquisitions could be difficult to consummate and integrate into our operations, which could disrupt our business, dilute stockholder value or impair our financial results; and other risk factors described from time to time in AspenTech's periodic reports filed with the Securities and Exchange Commission.

Additional factors that could cause actual results relating to the transaction with Emerson to differ materially from AspenTech's plans, estimates or expectations regarding the transaction include, among others: (1) unexpected costs, charges or expenses resulting from the transaction; (2) uncertainty of the expected financial performance of the new AspenTech ("New AspenTech") following completion of the transaction; (3) failure to realize the anticipated benefits of the transaction, including as a result of delay in integrating the industrial software business of Emerson with AspenTech's business; (4) the ability of New AspenTech to implement its business strategy; (5) difficulties and delays in achieving revenue and cost synergies of New AspenTech; (6) inability to retain and hire key personnel; (7) potential litigation in connection with the transaction or other settlements or investigations that may result in significant costs of defense, indemnification and liability; (8) AspenTech's to recover successfully from a disaster or other business continuity problem due to a hurricane, flood, earthquake, terrorist attack, war, pandemic, security breach, cyber-attack, power loss, telecommunications failure or other natural or man-made event, including the ability to function remotely during long-term disruptions such as the COVID-19 pandemic; and (9) other risk factors as detailed from time to time in AspenTech's reports filed with the SEC, including AspenTech's annual reports on Form 10-K, periodic quarterly reports on Form 10-Q, current reports on Form 8-K, the risk factors in Amendment No. 4 to the Registration Statement on Form S-4, which was filed on April 14, 2022 by Emersub CX, Inc. related to a proposal to adopt the Transaction Agreement and Plan of Merger among Aspen Technology, Emerson Electric Co., EMR Worldwide Inc., Emersub CX, Inc., and Emersub CXI, Inc. and other documents filed with the SEC.

While the list of factors presented here is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements.

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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