



ANSYS ISSUES LETTER TO INVESTORS

April 2, 2020

PITTSBURGH, April 02, 2020 (GLOBE NEWSWIRE) -- [Ansys](#) (NASDAQ: ANSS) announced today that it issued an open letter to its investors amid the coronavirus disease 2019 ("COVID-19") pandemic. The full text of the letter follows:

April 2, 2020

To Our Valued Investors:

It goes without saying that these are extraordinary times. Just as our hearts go out to everyone affected by COVID-19, we are enormously grateful to our first responders and medical professionals who are risking their lives every day to keep us safe. They are the true heroes of this crisis, and their intrepid actions are an inspiration to us all.

As always, our first responsibility during these uncertain times is the health and safety of our employees and their families, our partners and our broad Ansys community around the world. At the onset of the crisis, Ansys took action to enable our employees to work from home as we closed our offices first in China, followed by other locations around the world. As I write to you now at the end of March, the improving situation in China has led us to reopen all our offices there.

In addition to its terrible impact on human life, COVID-19 has created a tidal wave of disruption affecting nearly every business in every country around the world. Smaller, less insulated companies are at risk or have already gone out of business. We are all moved by the stories of our neighbors and family members who have lost their jobs as a result of this pandemic. At Ansys though, we are continuing to pay all our salaried and hourly workers. And based on today's circumstances, we are not planning any job actions.

Over the course of the last 50 years, Ansys has built a resilient business that helps our customers power their mission-critical research and development engines. And as even the most basic products become more complicated, engineering simulation becomes an imperative during the development process.

R&D is critical for many companies. Our experience is that, unlike manufacturing and operations, R&D is the least impacted by budget cuts and usually the first restored, primarily because it drives future growth and market success. This was well illustrated in the financial crisis - a 2009 study by McKinsey and Company, "Upgrading R&D in a downturn," showed that companies that heavily invest during an economic slowdown increase their chances of emerging from the downturn stronger and more competitive.

Thanks to our recent investments in collaboration technologies and updated infrastructure, our employees are able to work remotely in an effective manner. Our direct and indirect sales and support teams are using this technology to access both Ansys' data centers and the public cloud, and to meet virtually with customers to ensure their needs are being met while working to mitigate disruptions to our sales pipeline.

Similarly, the vast majority of our customers are also being forced to work from home – and Ansys is well positioned to support them in their virtual offices. We have created relaxed licenses that allow customers to temporarily access Ansys software without having to rely on bottlenecked virtual private networks. Customers can also remotely access their corporate data centers – and have access to burst compute capacity thanks to our native cloud offerings. We have expanded the cloud capabilities we introduced last year on Microsoft Azure, enabling customers to test their product designs remotely.

With the recent expansion of many shelter-in-place regulations, we have also recently extended the time period for these offers to enable our customers to continue to use Ansys software remotely. This expansion is helping customers to continue to take advantage of Ansys simulation benefits, such as enhanced productivity as well as faster time to market with reduced development costs.

Thanks to our fiscal discipline, we have a strong balance sheet, great liquidity as well as access to credit, when and if we need it. Also, as a reminder, 77% of Ansys' annual contract value last year was of a recurring nature, meaning customers continued to pay for access to our simulation technology and ongoing enhancements. It is also important to remember that our business is highly diversified, both from a vertical and a geographical perspective. Our strength across multiple industries, including high-technology, aerospace and defense, automotive, industrial equipment and energy helps to insulate us against a downturn in specific markets. Similarly, about 40% of our revenue comes from North America with the rest split roughly evenly between Asia and Europe.

These are unpredictable times and the extent of the economic impact of the pandemic is still uncertain. But with the precautions we are taking for our employees' health and safety, our investments in infrastructure and collaboration technologies, special accommodations for our customers and our continued fiscal discipline, I believe Ansys is well positioned to help our customers during this critical time – and well into the future. When this crisis has abated, I believe that we will emerge in an even better leadership position to make simulation pervasive across the product lifecycle.

I am looking forward to sharing our Q1 results with you in early May.

Thank you for your continued support of Ansys.

Sincerely,

Ajei Gopal
President and CEO

Forward-Looking Statements

This letter contains forward-looking statements with the meaning of the Private Securities Litigation Reform Act of 1995, as amended, including those about employment at Ansys, investments in research and development and Ansys's financial and business performance during and following the pandemic. Factors that could cause actual results to differ materially from those implied by these forward-looking statements include: the impact of the COVID-19 pandemic on Ansys' business, financial position, results of operations and liquidity; the effects of government and other measures seeking to contain its spread; and risks related to an economic downturn or recession in the United States and in other countries around the world; as well as other risks described from time to time in Ansys's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2019. Forward-looking statements speak only as of the date they are made and Ansys undertakes no obligation to publicly update forward-looking statements, except as required by law.

About Ansys

If you've ever seen a rocket launch, flown on an airplane, driven a car, used a computer, touched a mobile device, crossed a bridge or put on wearable technology, chances are you've used a product where Ansys software played a critical role in its creation. Ansys is the global leader in engineering simulation. Through our strategy of Pervasive Engineering Simulation, we help the world's most innovative companies deliver radically better products to their customers. By offering the best and broadest portfolio of engineering simulation software, we help them solve the most complex design challenges and create products limited only by imagination. Founded in 1970, Ansys is headquartered south of Pittsburgh, Pennsylvania, U.S.A., Visit www.ansys.com for more information.

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