

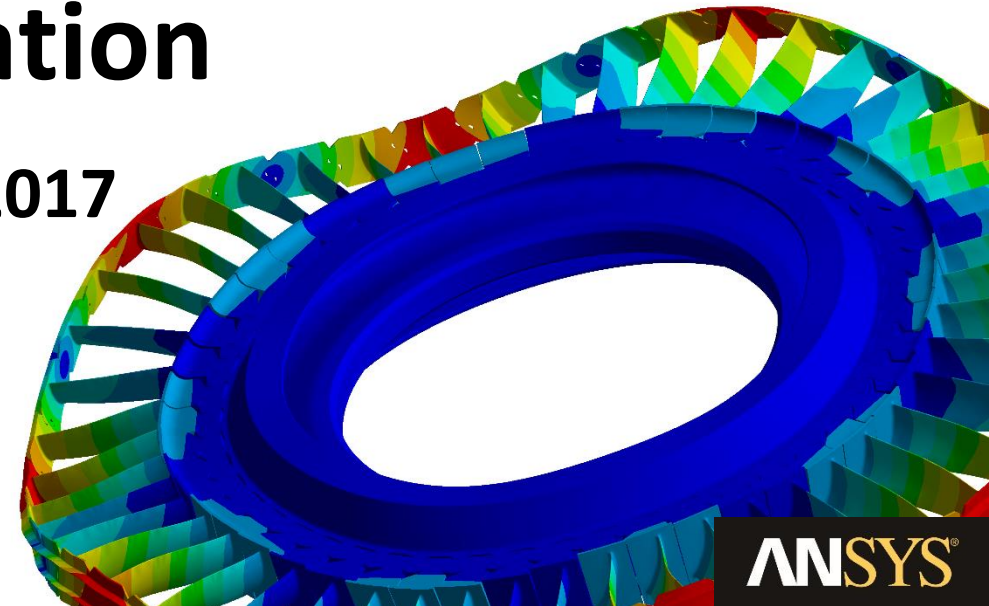


Innovation Through Simulation

Investor Presentation

Fourth Quarter and FY 2017

NASDAQ: ANSS



Safe Harbor

Certain statements contained in this presentation regarding matters that are not historical facts, including, but not limited to, statements regarding our projections for revenue, operating margin, effective tax rate, earning per share and operating cash flow (on a non-GAAP basis) and earnings per share for the first quarter 2018 and fiscal year 2018; statements about management's views concerning the Company's prospects and outlook for 2018, statements regarding our financial objectives beyond 2018, including revenue growth and operating margin targets on a non-GAAP basis, statements regarding the likelihood of obtaining those objectives and the drivers and points of impact required to reach such objectives, statements regarding the expected impact of ASC 606, the planned changes in the Company's disclosure practices, any statements regarding the Company's financial outlook utilizing the new ASC 606 framework, statements regarding the future use and pervasiveness of simulation, statements regarding our plan for investment, including the relative allocation of such investments, statements regarding the ability of our solutions to unlock the potential of additive manufacturing, statements regarding the ability of simulation to unlock significant value in digital twins, statements regarding changes in our go-to-market approach and its likelihood of success, statements regarding our European sales operations in FY 2018 and beyond are "forward-looking" statements (as defined in the Private Securities Litigation Reform Act of 1995). Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. All forward-looking statements made during this Investor Day are subject to risks and uncertainties including, but not limited to, the risk that adverse conditions in the global and domestic markets will significantly affect ANSYS' customers' ability to purchase products from the Company at the same level as prior periods or to pay for the Company's products and services, the risk that declines in the ANSYS' customers' business may lengthen customer sales cycles, the risk of declines in the economy of one or more of ANSYS' primary geographic regions, the risk that ANSYS' revenues and operating results will be adversely affected by changes in currency exchange rates or economic declines in any of the countries in which ANSYS conducts transactions, the risk that the assumptions underlying ANSYS' anticipated revenues and expenditures will change or prove inaccurate, the risk that ANSYS has overestimated its ability to maintain growth and profitability and control costs, uncertainties regarding the demand for ANSYS' products and services in future periods, uncertainties regarding customer acceptance of new products, the risk of ANSYS' products future compliance with industry quality standards and its potential impact on the Company's financial results, the risk that the Company may need to change its pricing models due to competition and its potential impact on the Company's financial results, the risk that ANSYS' operating results will be adversely affected by possible delays in developing, completing or shipping new or enhanced products, the risk that enhancements to the Company's products or products acquired in acquisitions may not produce anticipated sales, the risk that the Company may not be able to recruit and retain key executives and technical personnel, the risk that third parties may misappropriate the Company's proprietary technology or develop similar technology independently, the risk of unauthorized access to and distribution of the Company's source code, the risk of the Company's implementation of its new IT systems, the risk of difficulties in the relationship with ANSYS' independent regional channel partners, the risk of ANSYS' reliance on perpetual licenses and the result that any change in customer licensing behavior may have on the Company's financial results, the risk that ANSYS may not achieve the anticipated benefits of its acquisitions or that the integration of the acquired technologies or products with the Company's existing product lines may not be successful, the risk of periodic reorganizations and changes within ANSYS' sales organization, the risk of industry consolidation and the impact it may have on customer purchasing decisions, and other factors that are detailed from time to time in reports filed by ANSYS, Inc. with the Securities and Exchange Commission, including ANSYS, Inc.'s Annual Report and Form 10-K for the fiscal year ended December 31, 2017. We undertake no obligation to publicly update or revise any forward-looking statements, whether changes occur as a result of new information or future events, after the date they were made.

ANSYS is the simulation leader

FOCUSED

This is all we do.

Leading product technologies in all physics areas. Largest development team focused on simulation

TRUSTED

97 FORTUNE
of the **100**
industrials

More than
45,000
customers worldwide

ISO 9001
CERTIFIED

PROVEN

Member of the
prestigious

STANDARD
&**POOR'S 500**

\$14B+ market capitalization

GLOBAL

2,900+
employees globally

75
offices in **40**
countries



LARGEST

3x the size of our nearest
competitor (revenue)



INDEPENDENT

Long-term financial stability
CAD agnostic



COMMITTED

Overall customer satisfaction
globally is at **87.8%**
in 2017

DRIVEN

Helping customers address new
market challenges: **digital
exploration, additive
manufacturing** and **digital twins**

World-class companies leveraging our platform



MISSION

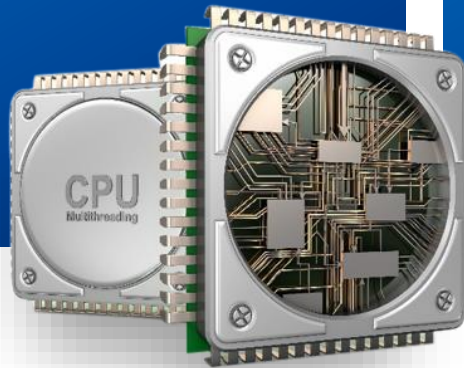
**EMPOWER OUR CUSTOMERS
TO DESIGN AND DELIVER
TRANSFORMATIONAL
PRODUCTS**



Our customers face increased pressure to deliver on the classic challenges

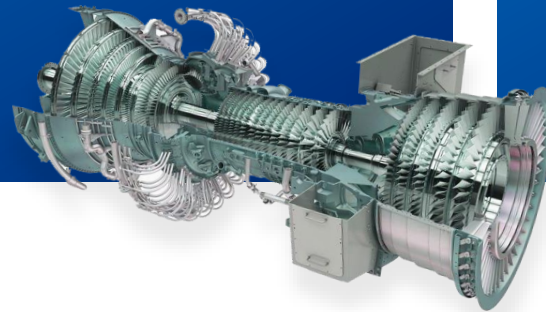
Time-to-market

↓ 30%



Cycle Times

↓ 2 years



New Product Rollouts

↑ 66%



The digital revolution is making the problem even harder

Chips are ever more complex and sophisticated

Every product will soon be connected (and smart)

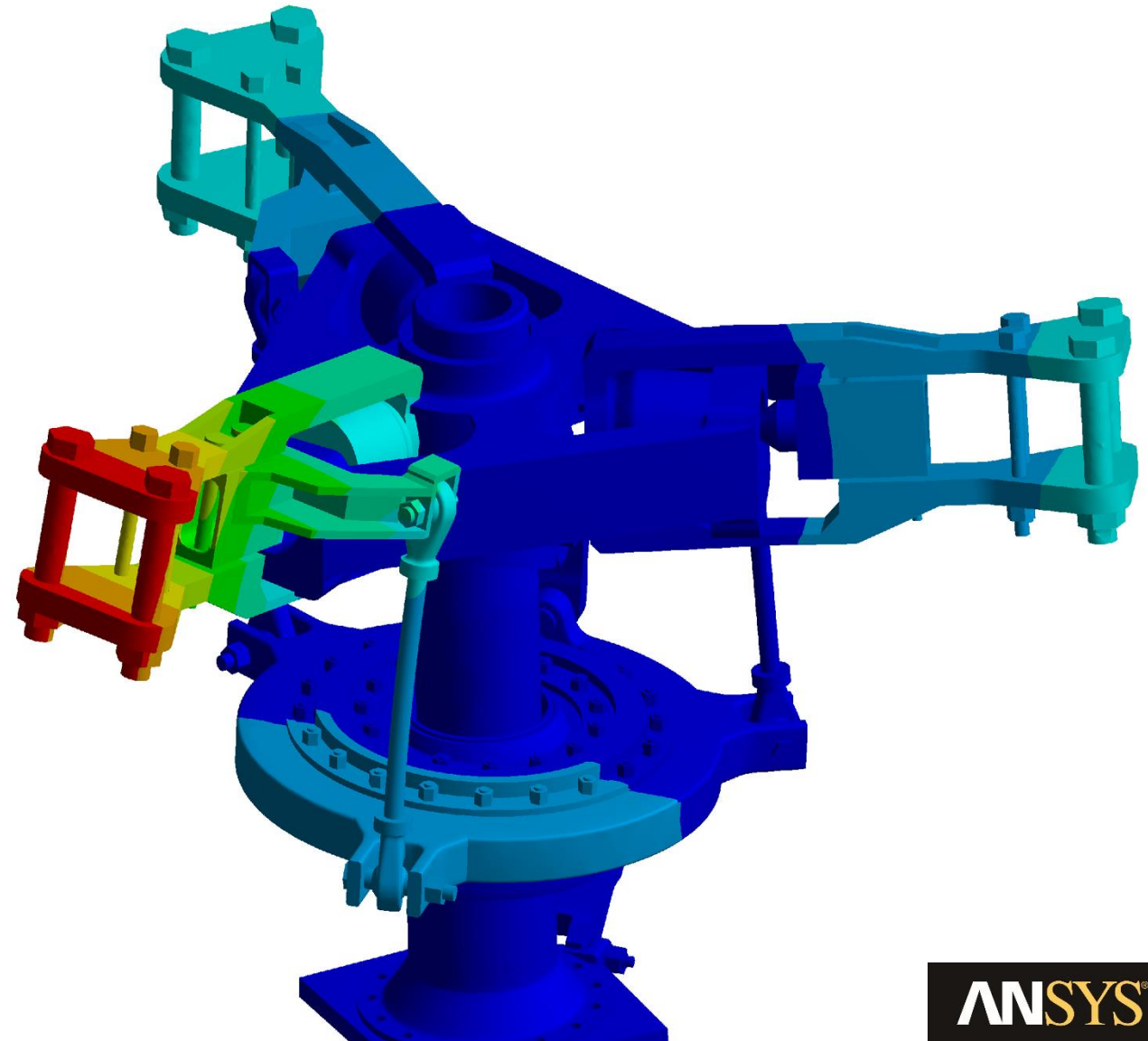
Electronics are everywhere

Additive manufacturing is transforming manufacturing

Products are made of increasingly complex composite materials

The Internet of Things is changing the way products are delivered and maintained

SIMULATION IS THE ANSWER



Simulation enables product managers to...

- Drive **INNOVATION**
- Manage **COMPLEXITY**



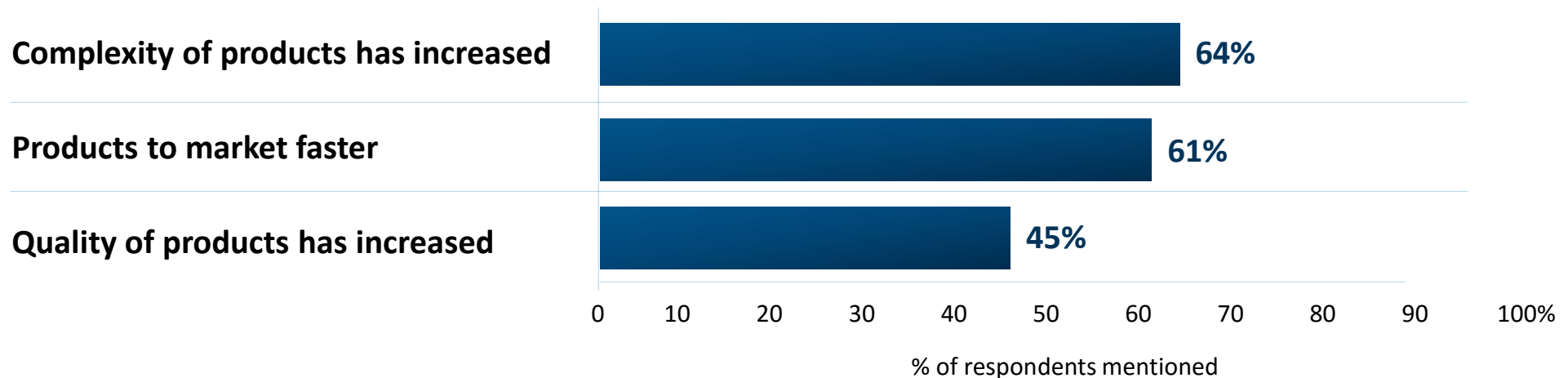
- Lower **CYCLE TIME**
- Reduce **COSTS**



- Increase **QUALITY**
- Eliminate **RISK**

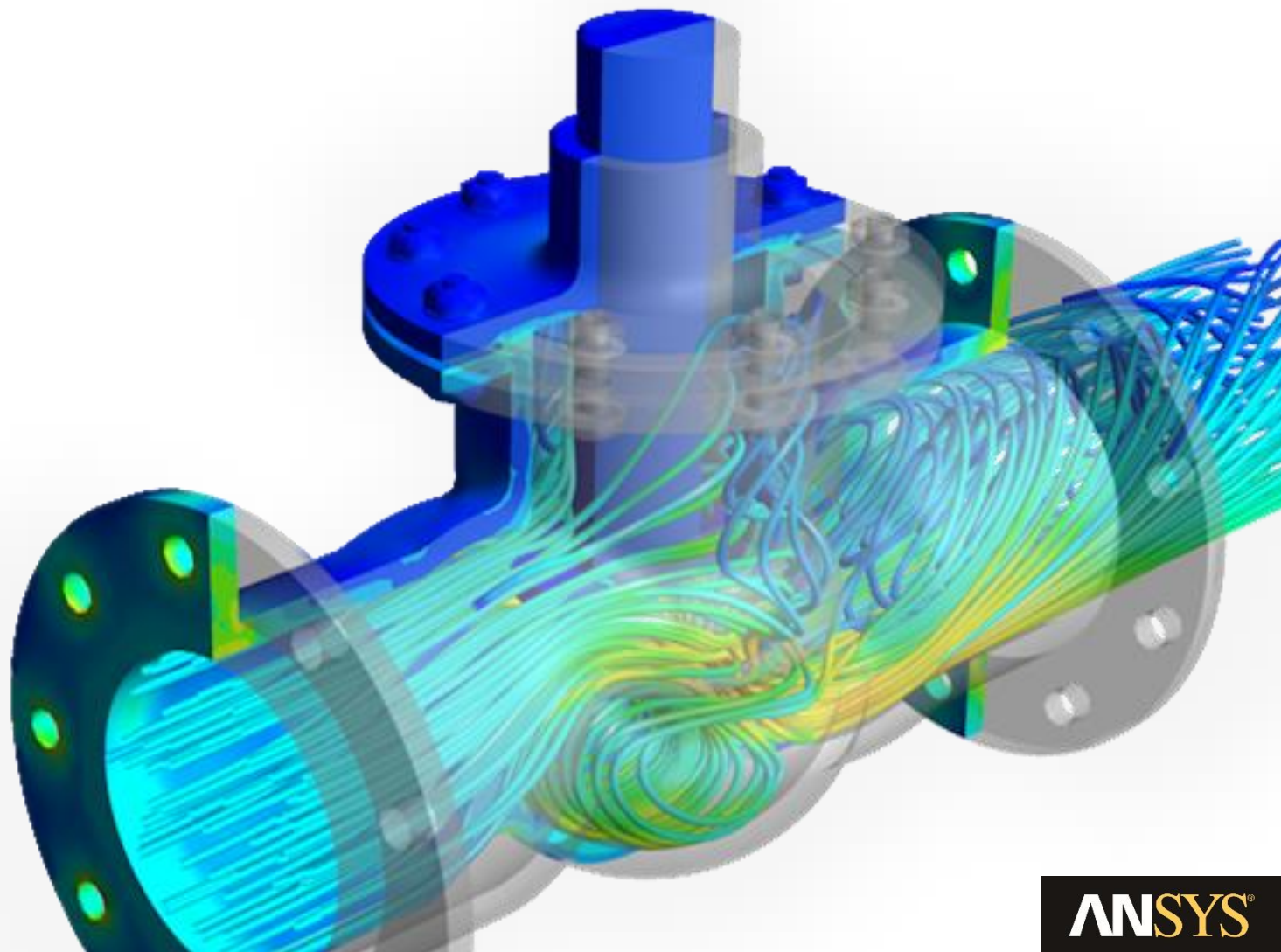
...which is driving simulation usage

Top 3 responses to: Which of the following are driving your company to use more simulation?



Source: ANSYS customer survey April 2017 (N = 582)

**WHERE DOES SIMULATION
GO FROM HERE?**



Pervasive simulation is continuous simulation with all physics across the entire lifecycle for all products

IDEATION

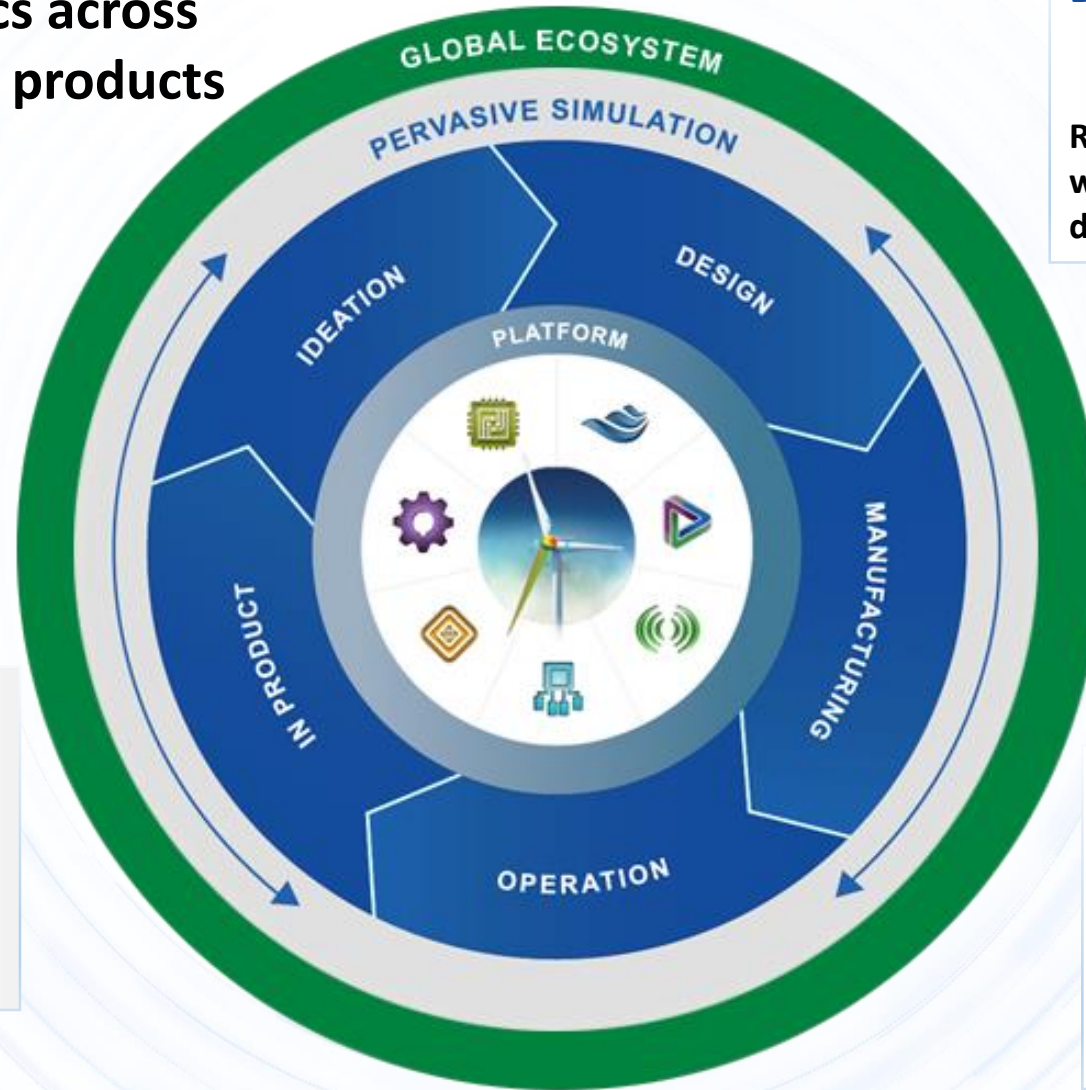


80% of costs locked in early in the design phase

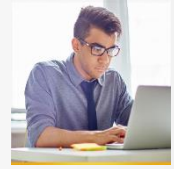
IN PRODUCT



Reduce time needed to validate autonomous vehicles from 10,000 years to 2-3 years



DESIGN



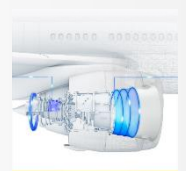
Reduce development time 9X while warranty costs 89% more likely to decrease

MANUFACTURING



Reduce weight of part by 25% through topology optimization and additive manufacturing

OPERATIONS



Increased performance with 10-20% reduction in maintenance costs

ANSYS offers the only true simulation platform with best-of-breed simulation across all major physics

Market Leader Across Individual Physics with Industry-Leading Platform



Structures



Fluids



Electromagnetics



Semiconductor
Power



Mission-critical
Embedded Software

Platform



We are investing in solutions to move Additive Manufacturing from trial-and-error innovation to Simulation-Driven innovation



DESIGN AND VALIDATION

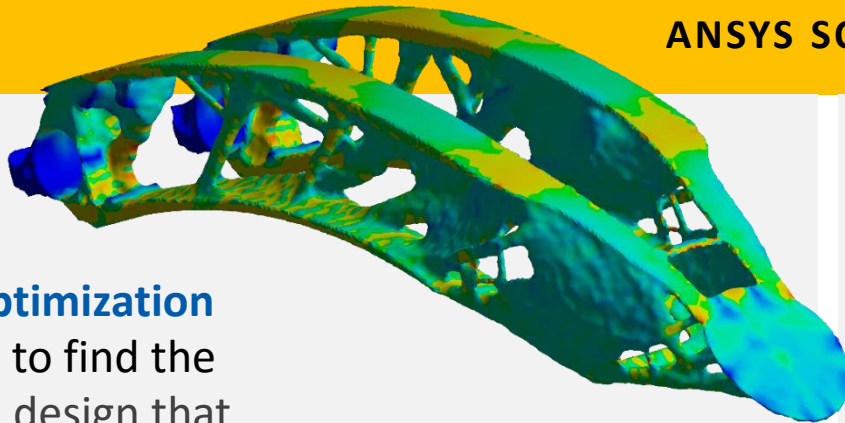
Novel designs are **difficult to optimize**

PRINT PROCESS SIMULATION

Designs **require extensive** testing to avoid **costly build failure**

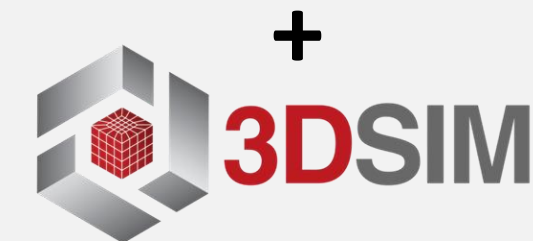
3D printing creates unique **material microstructure** that is **difficult to predict**

ANSYS SOLUTION



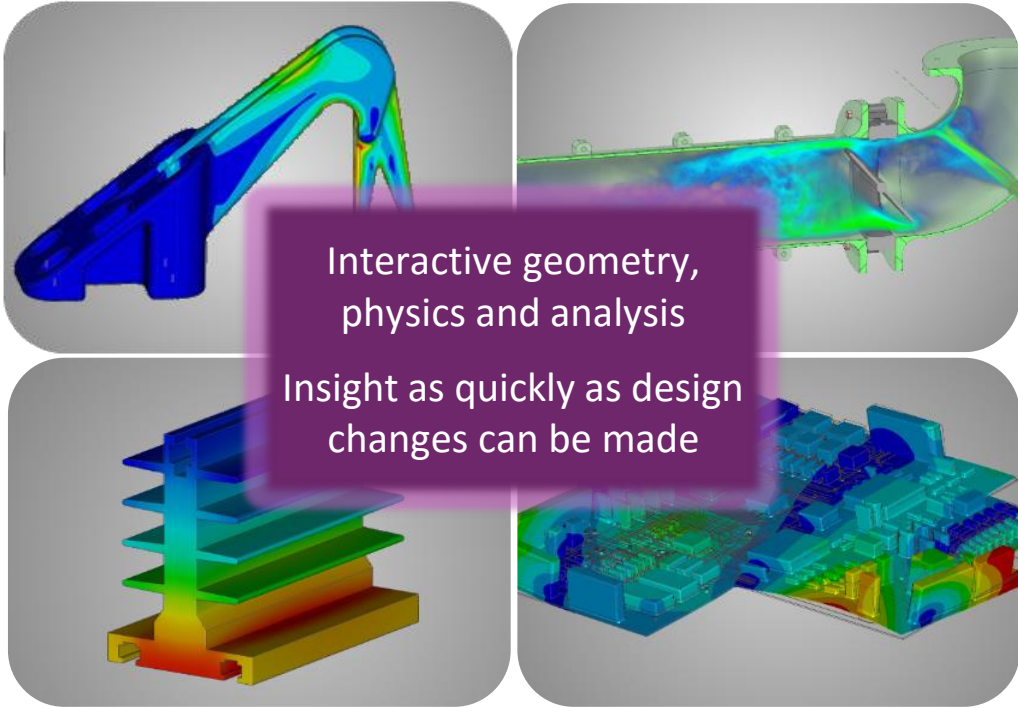
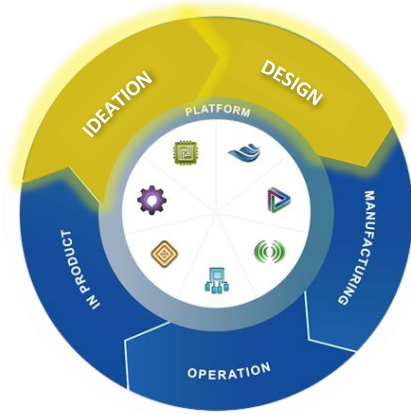
Topology Optimization uses physics to find the best possible design that meets the requirements

With the **only suite offering design-to-print capabilities**, ANSYS predicts part performance, build failures, part distortion, and material microstructure



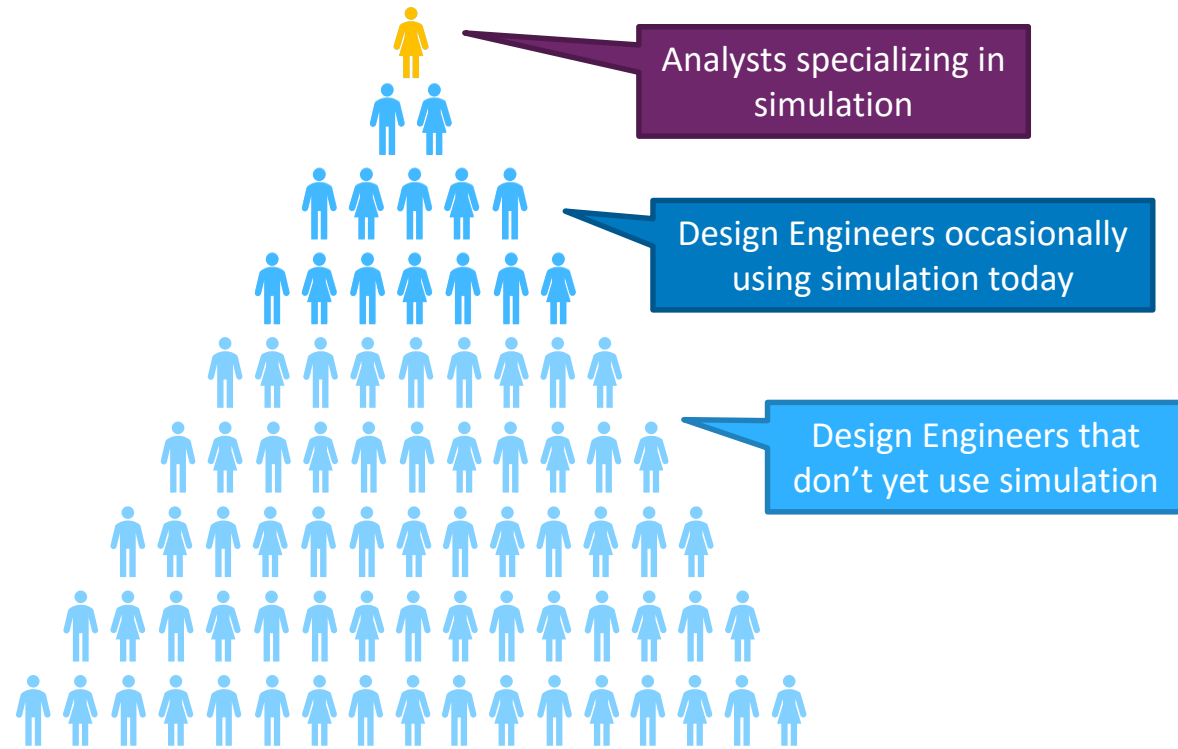
ANSYS Discovery Live - A new paradigm in 3D design exploration

First real-time intuitive simulation tool



Interactive geometry,
physics and analysis
Insight as quickly as design
changes can be made

10 million
Design Engineers



DEVELOP3D

"...one of the biggest breakthroughs in design and engineering technology in the last ten years"



ENGINEERING.COM

"I've heard the 'we're going to revolutionise simulation' a billion times ...so can it [Discovery Live] really change simulation adoption? My belief is that it could."



ANSYS is the only company that can deliver on what matters most to our customers

Our customers increasingly solve harder and harder problems

Essential to predict real-life product behavior

Why ANSYS

ANSYS has years of experience using advanced methods and emerging technology to enhance the power of physics-based engineering simulation

- 1 Accuracy
- 2 Multiphysics
- 3 Electrification
- 4 Customer support
- 5 Advanced methods

Source: Third-party customer and market research

ANSYS[®]

Improving EV design with multiphysics simulation

LUCID



Digital Exploration for a High-End Electric Vehicle

- To increase engineering cooperation and beat competitors to market with a luxury vehicle requires a new integrated approach and software that can optimize all systems and subsystems without regard to the physics involved.

ANSYS Solution

- The ANSYS simulation platform facilitates cooperation across different engineering disciplines
- Lucid engineers used ANSYS Fluent to simulate aerodynamics, motor cooling, inverter cooling and other systems
- They used ANSYS Maxwell to design the motor and ANSYS Fluent and ANSYS Mechanical to model the battery pack

Key Results

- Improved key vehicle attributes and created more compact package with superb energy density and higher comfort level.
- Reduced resource requirements by minimizing physical testing
- Saved significant time through faster design iterations and use of predictive and calibration tools within the ANSYS platform.

“ANSYS multiphysics simulation platform helps Lucid to address customer needs, solve engineering problems, optimize subsystems and components, meet regulatory requirements and bring a world-class vehicle to market.”

Alberto Bassanese
Manager
Multiphysics and Optimization
Lucid Motors

**Cut calibration dyno time by
80 percent**

**Increased motor’s power density
and energy efficiency by 12 percent**

ANSYS®

ANSYS support helps to address challenges in system-centric SoC-thermal optimization



ANSYS in Action

Experienced ANSYS support engineers

- Shared relevant technical content documents and their knowledge on Reduced Order Modelling and ANSYS Icepak simulation methodology
- Helped in refining the simulation settings to properly capture the transient data

Key Results

ANSYS Support services helped to

- Understand the theory and settings required for ROM
- Refine the simulation settings to capture the transient data
- Speed up convergence

Background

- Qualcomm has been uniquely leveraging Reduced Order Models (ROMs) for thermal mitigation to avert thermal run-away problems in smartphones
- The ROMs are generated using ANSYS Icepak and are used for thermally optimizing the SoC in a system-centric manner.
- ANSYS and Qualcomm collaborated to address the thermal runaway challenge

“Thanks to the technical support team from ANSYS India (Pune) for assisting in reduced order modeling and the application of ROM and Simplorer tools for SoC thermal optimization.

Our team at Qualcomm is now able to capture the impact of system-level thermal dynamics on SoC (and vice versa) in a very efficient manner to deliver a thermally superior chipset to our customers.

ROM has reduced the turnaround time for doing the Floorplan what-ifs from several hours to a few minutes.”

Palkesh Jain, Sr. Staff Engineer
Qualcomm India, Bangalore

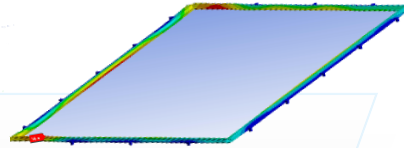
Shorten learning curve

Best practices

Result interpretation



Startup develops lightweight composite aircraft pallets



ANSYS Solution

- Use ANSYS structural solutions to develop composite pallets.
- Consider complex forces including loading stress created by cargo and contact stresses as pallets are lifted, transported and packed together.

Key Results

- Tested different material thicknesses and fiber orientations without the time and expense of creating physical prototypes.
- Obtained regulatory approvals from the Federal Aviation Administration and other organizations.

Digital Prototyping

- Reducing cargo weight is important to increase aircraft fuel efficiency
- Decreasing the weight of the cargo pallets can contribute but pallets must be strong and durable

"We've been able to test different material thicknesses and fiber orientations without the time and expense of creating physical prototypes. When we do get to the physical testing stage, we're really happy with the accuracy of our simulations."

*Glen Philen
CEO
Carbon Freight*

18% lighter than traditional pallets

Saved 50% in development time

Saved hundreds of thousands of dollars in physical testing

Ensuring a comfortable rail coach climate



Digital Exploration and Prototyping

- Regulations and customers demand passenger coaches with comfortable climates
- Wind tunnel testing with actual rail cars is extremely costly and time-consuming
- Tight deadlines for coach deliveries necessitate faster HVAC validation methods

ANSYS Solution

- Use ANSYS SpaceClaim to model each car's geometrically relevant details and create inverse geometry for flow analysis.
- Create a simulation model using ANSYS Meshing's automated routines. Solve the model with ANSYS Fluent on an HPC cluster.
- Utilize ANSYS CFD-Post to examine and evaluate simulation results such as volume flow rate and energy distribution.

Key Results

- Siemens engineers can accurately validate conditions inside the coach prior to building and testing the first product, reducing testing time and costs.
- Able to evaluate more alternate designs, often resulting in superior HVAC performance.
- Shorter testing phase enables earlier product delivery and increased revenues.

"Siemens engineers have succeeded in accurately simulating the complete passenger coach using ANSYS CFD software and produced detailed results that closely match physical measurements. Simulation results can be generated in a fraction of the time required for testing."

Thomas Plinninger
Systems Engineer
Siemens Mobility

Reduced testing time by 50%

Cut wind tunnel costs by more than 60,000 Euros



Designing better fuel injector nozzle geometry

DELPHI



Fuel injectors are critical to fuel economy, emissions and performance

- Engineers must translate spray requirements into detailed nozzle design.
- No way to effectively measure turbulence and vortex structures inside nozzles
- Today, engineers largely rely on build and test methods

ANSYS Solution

- Use ANSYS Fluent computational fluid dynamics large eddy simulation (LES) scheme to resolve multiscale vortex dynamics.
- LES resolves only the large eddies, making it possible to use a coarser mesh and larger time steps.
- Simulate round- and sharp-edge hole nozzles as well as high-performance (HP) atomization hole nozzle.

Key Results

- The nozzle flow and measured spray pattern predicted by simulation closely match experimental results.
- Simulation enables engineers to understand how different nozzle geometries produce contrasting results.
- Engineers have advanced the fundamental understanding of fluid dynamics needed to optimize fuel injector nozzle designs.

“Simulation will enable engineers to better understand the complex interaction of geometric parameters within the nozzle, which will allow a shift from a parametric to a knowledge-based optimization process. Delphi Automotive Systems engineers use ANSYS Fluent CFD to characterize the nozzle flow dynamics and breakup process.”

Junmei Shi
Simulation Team Leader
Delphi Automotive Systems

Will reduce nozzle design time

Will enable higher performing engines with greater fuel economy and lower emissions

ANSYS®

Decreasing spacecraft fuel sloshing



Fuel Sloshing Impacts Carefully Calculated Maneuvers

- Spacecraft maneuver to observe a different point or transmit to a ground station.
- During maneuvers, fuel sloshes around in the tank.
- Designers must predict sloshing to determine whether remediation is needed.

ANSYS Solution

- Airbus engineers use ANSYS fluid–structure interaction (FSI) to calculate the impact of a membrane on sloshing in the fuel tank.
- They apply translation profiles to the tank representing typical spacecraft maneuvers.
- They simultaneously solve for the effect of the fuel on the membrane and the influence of the membrane on the fuel.

Key Results

- Fluid–structure interaction enables Airbus engineers to predict fuel sloshing.
- Whether design changes are needed can be determined early in the process when changes are relatively inexpensive.
- Engineer can identify a solution with the lowest cost and weight to meet attitude control specifications.

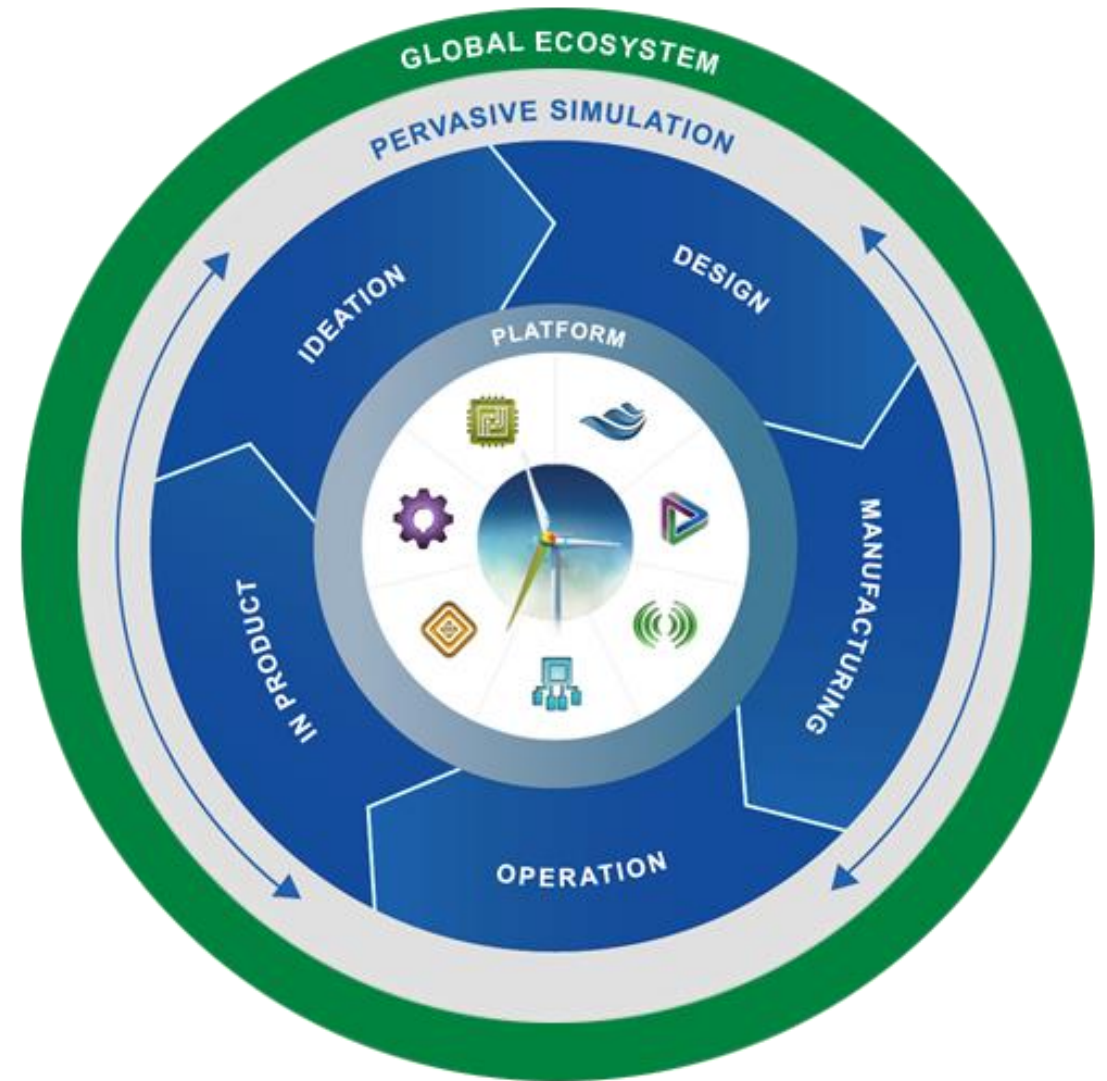
“FSI and other multiphysics simulations enable Airbus engineers to make more informed design decisions at a stage in the design process when it is possible to have a substantial impact. ANSYS software provides the complete physics required for FSI simulation.”

Rémi Roumigué
Fluidic Engineer
Airbus Defence and Space

Make better decisions earlier in design process

Minimize cost and weight of remediation solution

Our 2020 objective is sustained double-digit organic revenue growth with continued financial discipline and industry-leading operating margins



A world-class GTM will enable double-digit organic revenue growth

WE USED A 'CUSTOMER FIRST' APPROACH...

**Outside-in approach:
Customer and Partner input**

**Analytics and
Data-based research**

Previous experience

...WHICH POINTED TO THE NECESSARY CHANGES

- 1 Consultative sale for Enterprise and Strategic accounts**
- 2 Expanded field technical team**
- 3 Volume sale for smaller accounts**
- 4 Expanding channel and remote sales**
- 5 Building infrastructure to scale**

Expanding the field engineering team key to accelerating growth

CENTRAL TO BUILDING CUSTOMER
RELATIONSHIPS AND DRIVING GROWTH

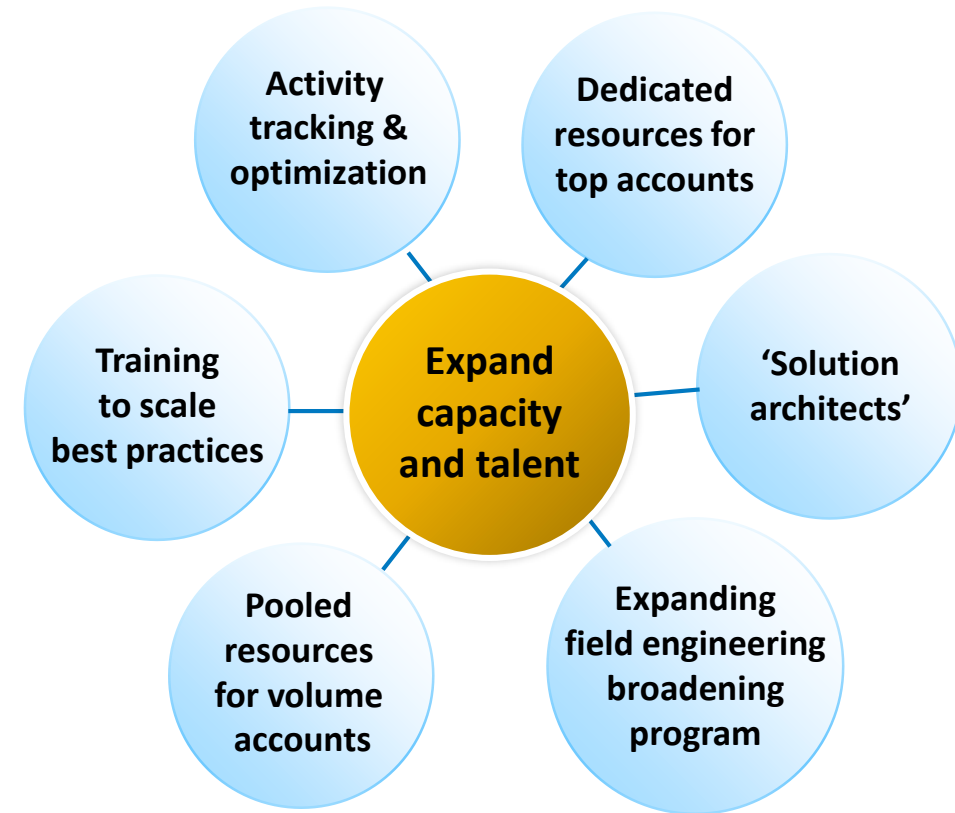
WE ARE INVESTING TO EXPAND
CAPACITY AND TALENT

Field engineers enable ANSYS to:




Better understand the problems our
customers are trying to solve

Collaborate with our customers to solve
their most challenging problems

Further penetrate accounts and displace
competition



Building a world-class GTM will require investment

 PEOPLE	 TOOLS/SYSTEMS	 PROCESSES
Enhanced enterprise and regional leadership teams	Industry-standard CRM capability	Customer advisory councils and strategic customer MRBs
Enterprise and strategic account programs	New quote-to-cash system	Formalized solutions architecture practice and function
Increased ratio of field engineers to sales reps	New world-class online customer community	Field/Factory interlocks for product planning and validation
Channel expansion and remote sales capability	Customer analytics based opportunity targeting	Data-driven resource planning and allocation
Robust sales operations function	Digital/E-commerce portal	Industry-standard forecasting process
		Standardized deal models and quality metrics



**IT ALL COMES DOWN
TO EXECUTION**

Key messages

Incredible
financial strength...

...driven by years of
financial discipline

Exciting opportunity to turn
the growth dial...

...and return to sustained
double-digit organic revenue growth

Committed to
continued financial discipline...

...and
industry-leading margins

We must increase
our investment and execution...

...early signs of success,
but significant work ahead



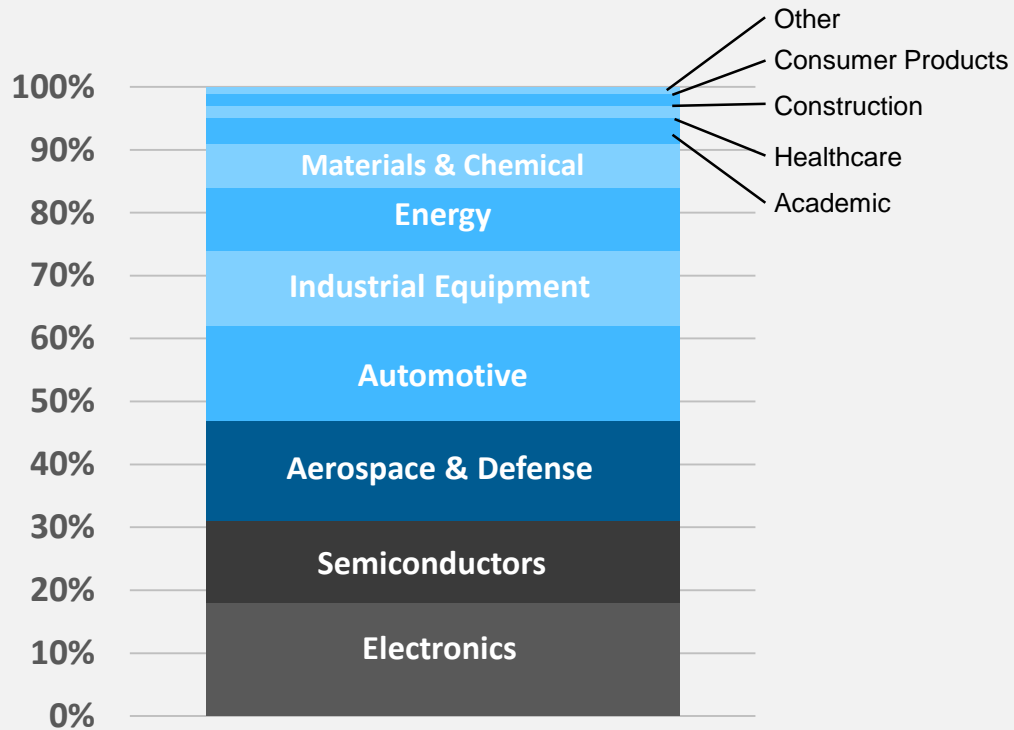
Increasingly strong financial foundation

- **Crossed the \$1B revenue threshold in 2017**
- **Diversified customer base and revenue streams**
- **High rate of recurring revenue**
- **Continuing to build deferred revenue and backlog**
- **Strong balance sheet**
- **Industry-leading margins**
- **Leveraging to inflect the growth trajectory**

Diversified customer base

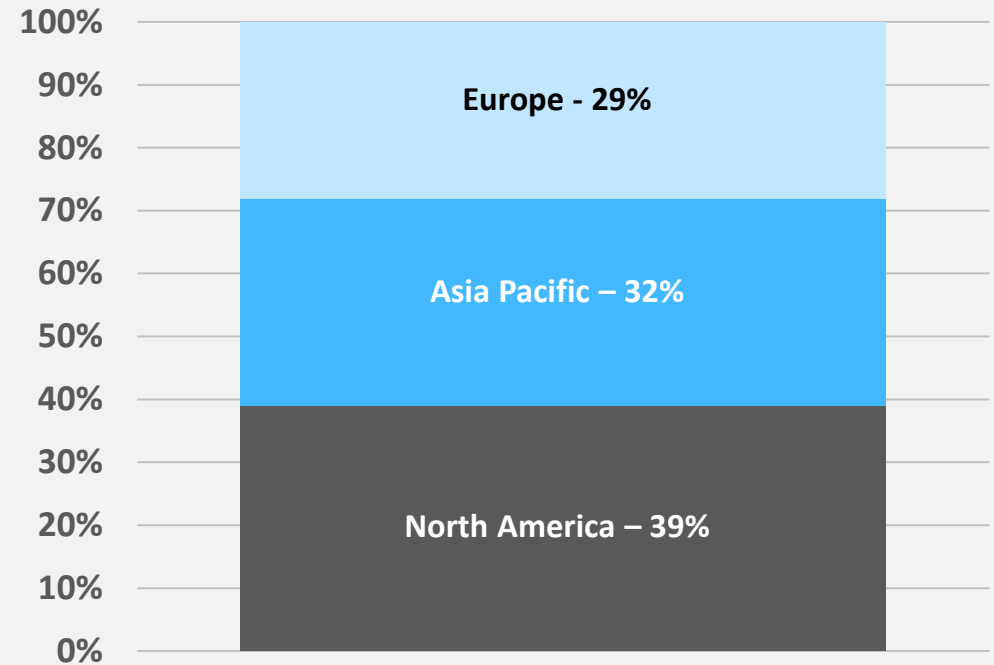


INDUSTRY



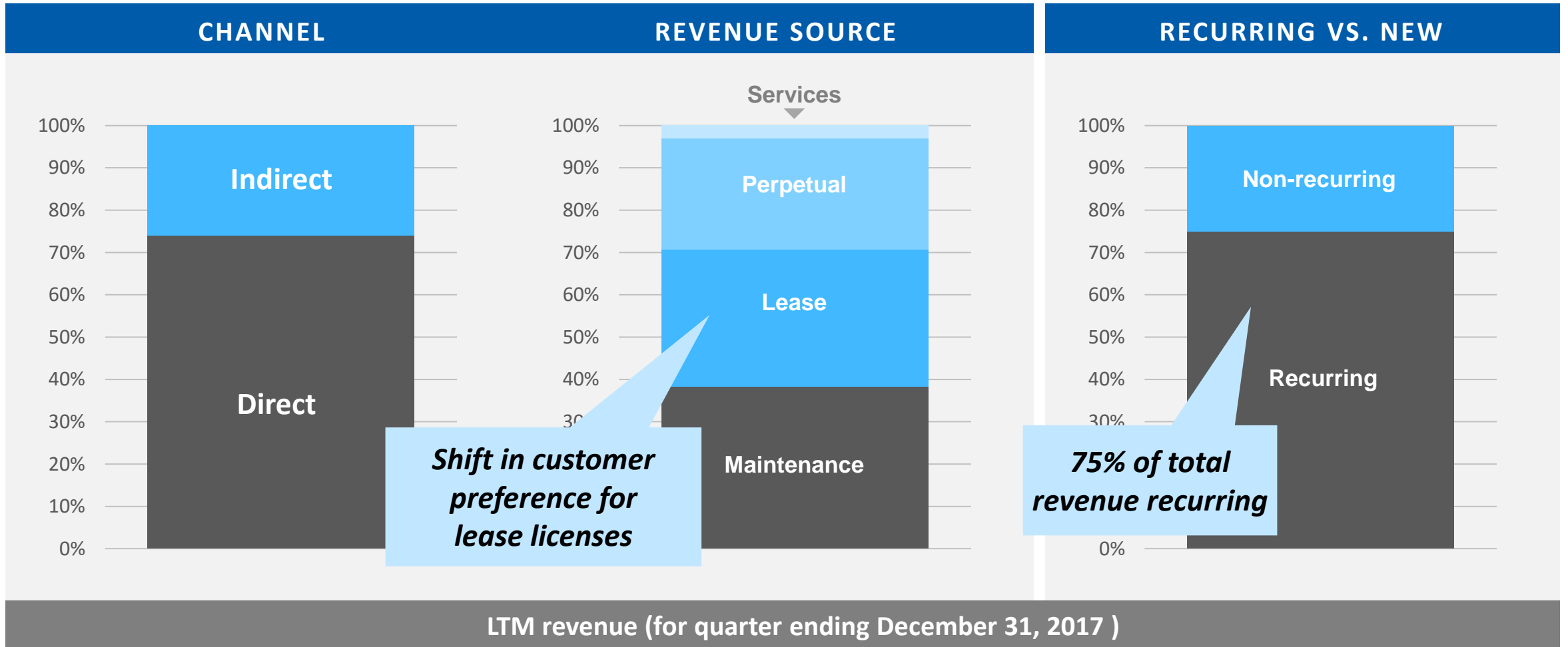
Trailing Twelve Months (TTM) revenue as of (as of December 31, 2017)

GEOGRAPHY



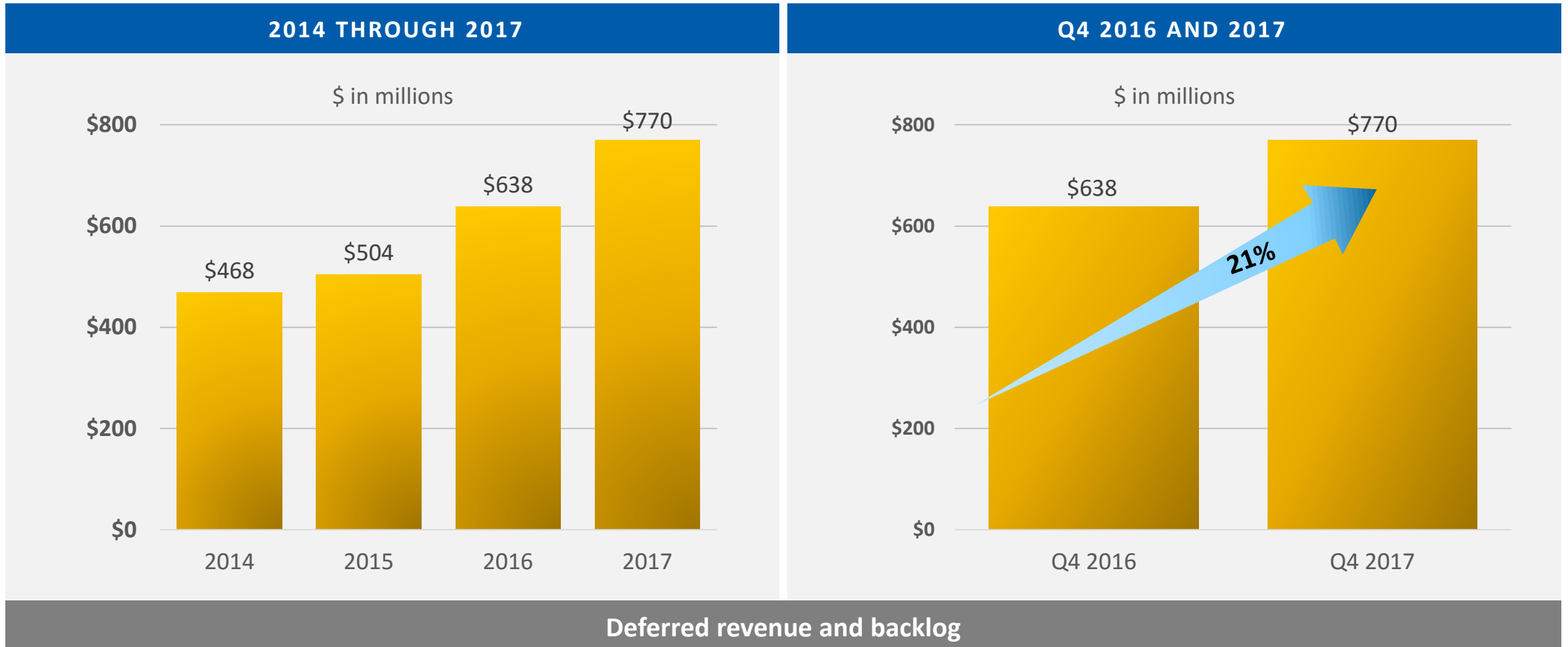
As of December 31, 2017

Diversified revenue streams





Continuing to build deferred revenue & backlog



Note: Includes long-term deferred revenue and backlog





Opportunity to turn the growth dial

Our 2020 target is sustained double-digit organic revenue growth...

...while maintaining financial discipline and best-in-class operating margins

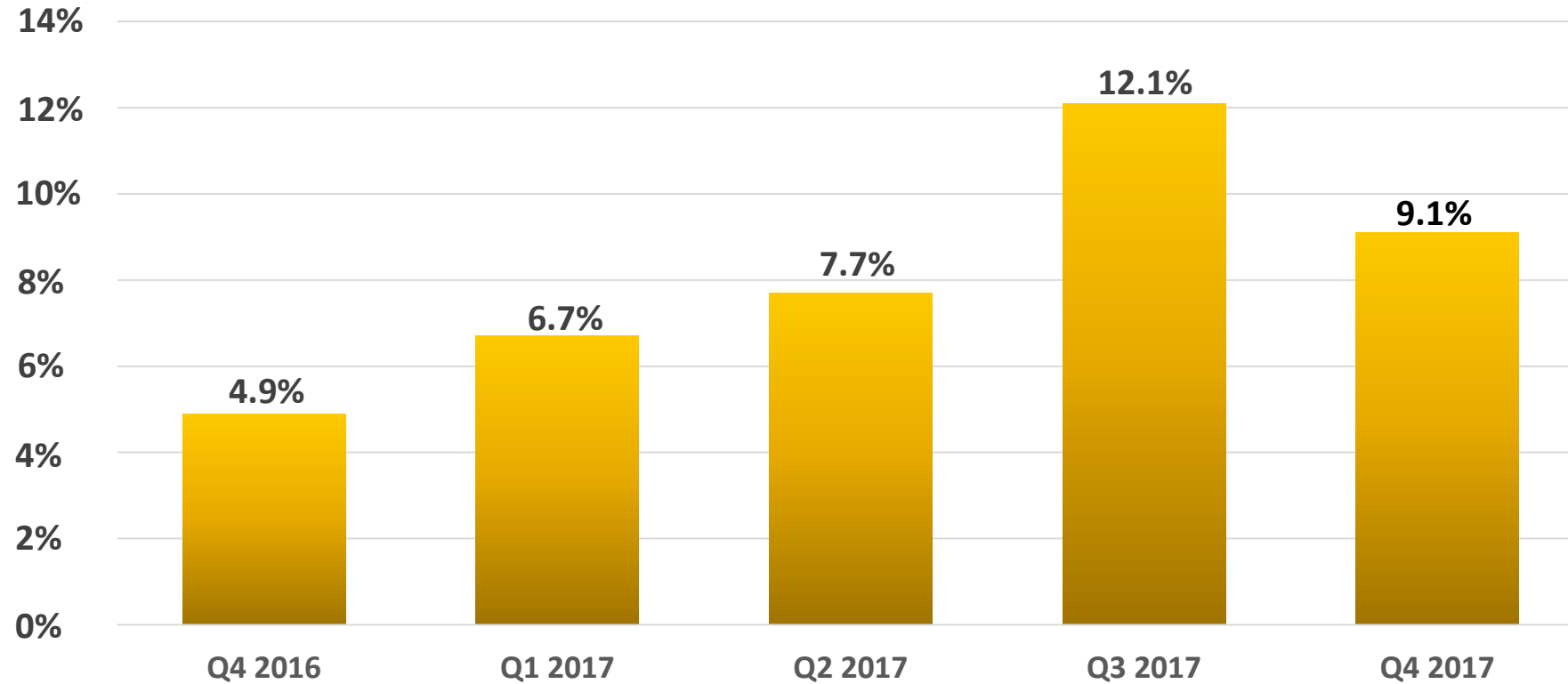


Since 2015 we have increased investment and focused on improved execution

- **Sales capacity**
- **Channel expansion**
- **ANSYS CRM**
- **European performance improvement**
- **Increased focus on making channel partners successful**

We have generated momentum...

ANSYS CONSTANT CURRENCY REVENUE GROWTH



... but we are not satisfied—there is more work to do



Further opportunity to drive growth will require incremental investment

Go-to-market

- People (increased ratio of field engineers to sales reps, channel expansion and remote sales capability)
- Tools/systems (quote-to-cash, low touch renewals)
- Processes (customer advisory councils, data-driven planning)

Product

- Extending core technology leadership (physics, platform)
- Investing in next-generation innovation (digital exploration, additive manufacturing, digital twin, IoT)

Scale Infrastructure

- Tools and systems (CRM, HRIS)
- Expand competencies (FP&A, pricing, M&A)
- New talent acquisition

Partnerships and Acquisitions

- Investing to build strategic partnerships
 - Customers: GE, Flowserve
 - Peers: PTC, Synopsys



2020 growth and operating margin target (non-GAAP)

Baseline (2016A)

Target 2020

REVENUE GROWTH (%) **5%**

10%+

OPERATING MARGIN (%) **47.0%**

43-45%

TARGET DELIVERS INCREMENTAL STOCKHOLDER VALUE COMPARED TO BASELINE

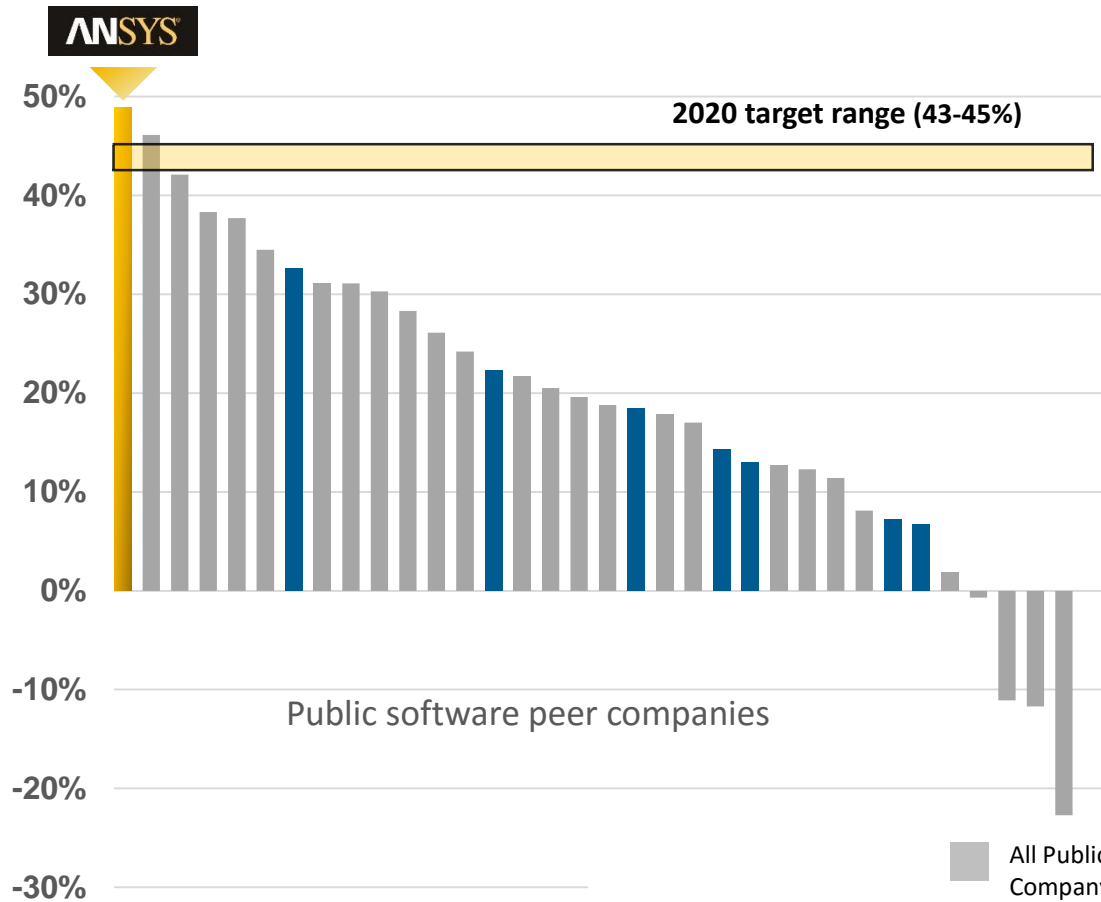
Note: Non-GAAP
Source: ANSYS Financial Statements



We are committed to financial discipline and industry-leading margins

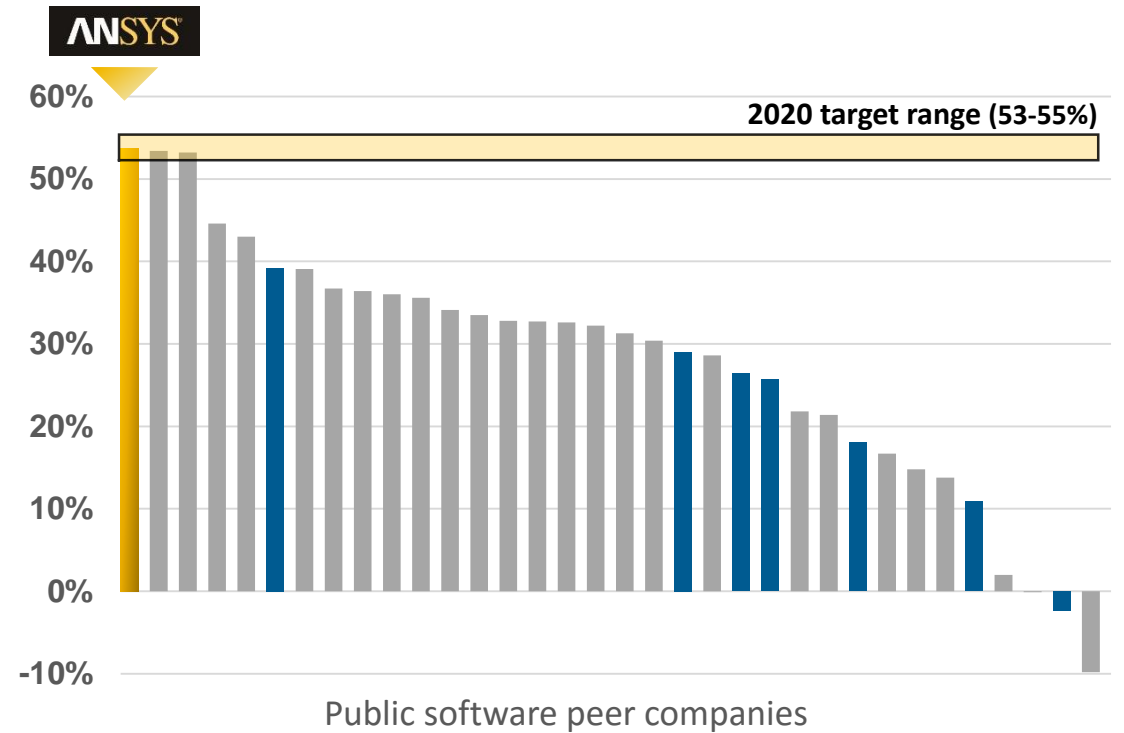


2016 MARGINS FOR ANSYS AND PEERS



Note: ANSYS data is non-GAAP operating margin. All other Public Company data is EBITDA margins.

2016 REVENUE GROWTH + 2016 MARGINS FOR ANSYS AND PEERS



Note: ANSYS data is constant-currency revenue growth plus non-GAAP operating margin. All other Public Company data is revenue growth plus EBITDA margin.





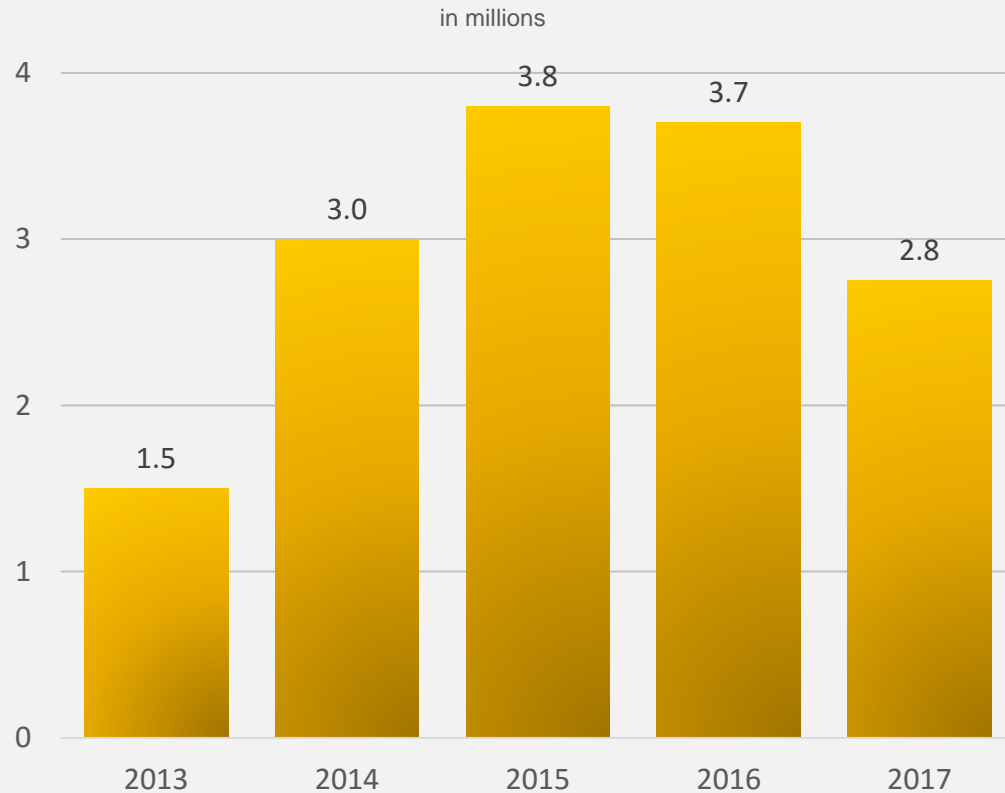
Capital allocation priorities

- **Investment in organic growth of the core business**
- **M&A to enhance growth**
 - **Size not determining factor – proven technology is key**
 - **Experienced talent**
 - **Synergy with customer base and global channel**
 - **Financially accretive within a reasonable timeframe**
- **Stock repurchase**
 - **Commitment to return excess cash to stockholders**

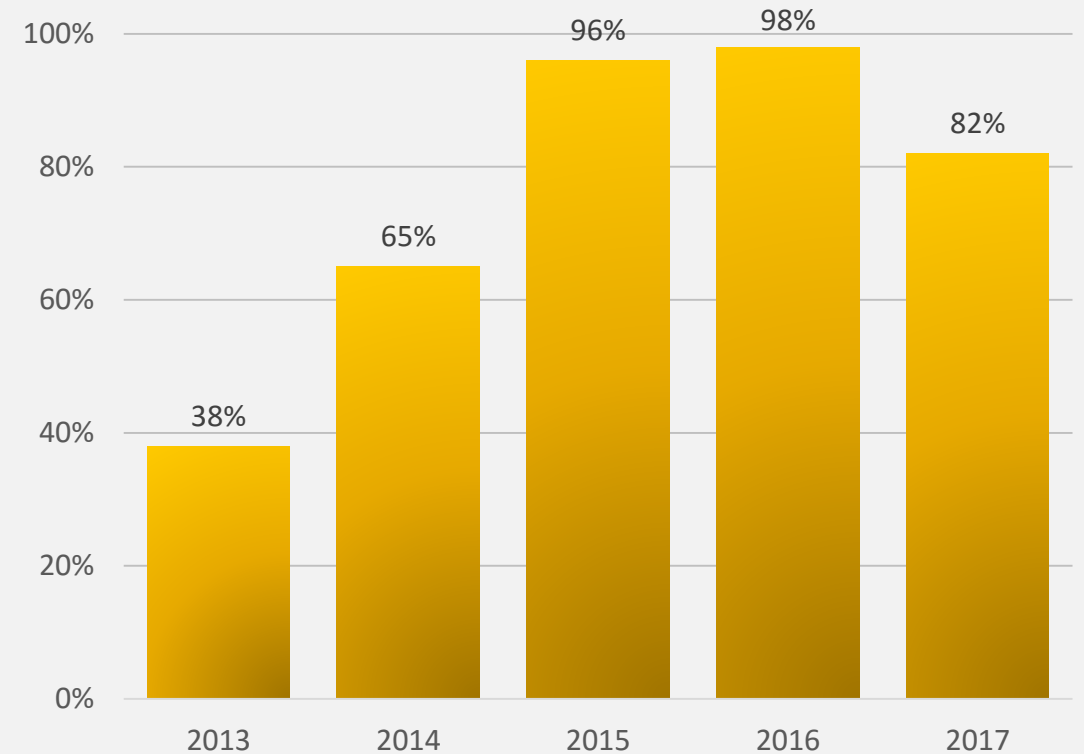
Return of excess capital to stockholders



NUMBER OF SHARES REPURCHASED



% OF FREE CASH FLOW SPENT ON SHARE REPURCHASES



Note: Free Cash Flow (FCF) defined as Operating Cash Flow – Capital Expenditures

ASC 606 requires three primary changes relative to current practice

Immediate license revenue recognition
(including the license portion embedded in a lease)

1

Revenue allocation based on estimated selling price rather than Vendor-Specific Objective Evidence (VSOE)

2

Increased financial statement disclosures
(including unbilled receivables, and the expected rollout of deferred revenue and backlog)

3

Overview of ASC 606 impact

YEAR 1 IMPACT

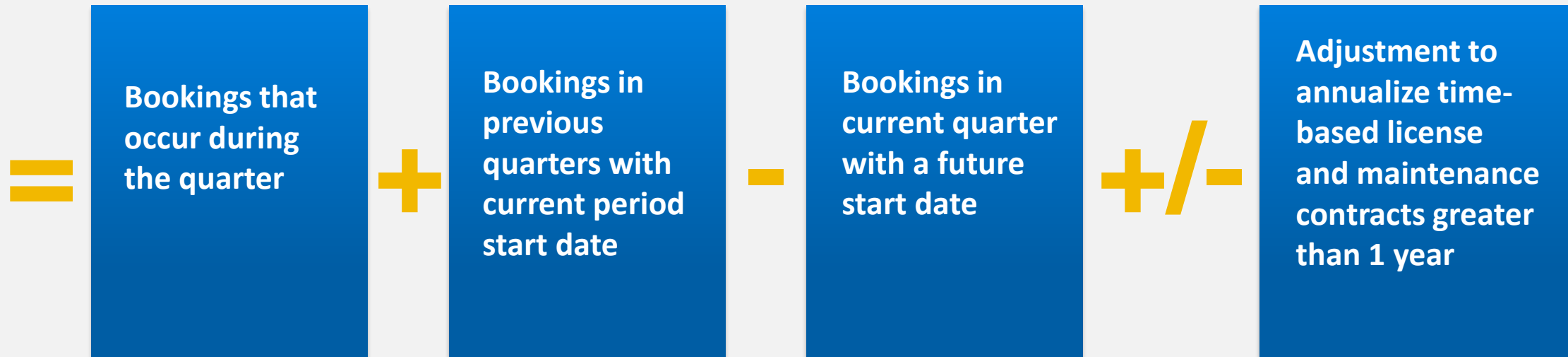
- Revenue recognition change will accelerate revenue
- Large, multi-year deals will create some volatility depending on timing (minority of the business)
- Modified retrospective implementation approach will provide disclosure of results under current rules for the first year
- Cash-flow impact for tax consequences of accelerated revenue
- No material change in accounting for sales commissions

GO-FORWARD IMPACT

- Minimal impact on future comparability for the vast majority of business volume
- Large, multi-year deals will create some volatility depending on timing (minority of the business)
- Impact likely to decrease over time as predictability increases
- ACV metric will provide clarity into business health
- No material change in accounting for sales commissions unless plan structure changes

New ACV metric will provide increased clarity into business health

NEW ANNUALIZED CONTRACT VALUE (ACV) METRIC



- We will continue to report and provide guidance on the same key financial metrics as we do today (revenue, operating margin, EPS, tax rate, etc.)
- We will begin disclosing fiscal year guidance on **operating cash flow, free cash flow and ACV**

Q4 2017 (non-GAAP) – as of December 31, 2017

Revenue	\$303.4M
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Operating margin	42.6%
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Tax rate	29.1%
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EPS	\$1.07
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Deferred Revenue & Backlog	\$769.7M
---------------------------------------	-----------------

2017 (non-GAAP) – as of December 31, 2017

Revenue

\$1.098B

Operating margin

46.4%

Tax rate

32.3%

EPS

\$4.01

Operating cash flow projected for 2018

\$430-470M

Closing thoughts

**Double organic revenue growth rate
from 5% to 10%+ by 2020...**

**Continue to maintain industry-leading
operating margins...**

**...Combination will drive significantly higher
stockholder value over the long term**

Appendix

Appendix

ANSYS, INC. AND SUBSIDIARIES

Reconciliation of Non-GAAP Measures (Unaudited)

<i>(in thousands, except percentages and per share data)</i>	Three Months Ended					
	December 31, 2017			December 31, 2016		
	As Reported	Adjustments	Non-GAAP Results	As Reported	Adjustments	Non-GAAP Results
Total revenue	\$ 302,336	\$ 1,108 (1)	\$ 303,444	\$ 270,628	\$ —	\$ 270,628
Operating income	100,679	28,582 (2)	129,261	96,966	25,124 (4)	122,090
Operating profit margin	33.3 %		42.6 %	35.8 %		45.1 %
Net income	\$ 52,585	\$ 40,183 (3)	\$ 92,768	\$ 69,983	\$ 16,141 (5)	\$ 86,124
Earnings per share – diluted:						
Earnings per share	\$ 0.61		\$ 1.07	\$ 0.80		\$ 0.98
Weighted average shares	86,709		86,709	87,811		87,811

- 1) Amount represents the revenue not reported during the period as a result of the acquisition accounting adjustment associated with the accounting for deferred revenue in business combinations.
- 2) Amount represents \$13.7 million of stock-based compensation expense, \$13.4 million of amortization expense associated with intangible assets acquired in business combinations, \$0.4 million transaction expenses related to business combinations, and the \$1.1 million adjustment to revenue as reflected in (1) above.
- 3) Amount represents the impact of the adjustments to operating income referred to in (2) above, decreased for the related income tax impact of \$11.0 million, excluding the impact of the Tax Cuts and Jobs Act, and rabbi trust income of \$0.1 million, and increased for total net impacts of the Tax Cuts and Jobs Act of \$22.7 million.
- 4) Amount represents \$12.7 million of amortization expense associated with intangible assets acquired in business combinations and \$8.8 million of stock-based compensation expense, \$3.4 million of restructuring charges and \$0.2 million of transaction expenses related to business combinations.
- 5) Amount represents the impact of the adjustments to operating income referred to in (4) above, adjusted for the related income tax impact of \$9.0 million.

Appendix

ANSYS, INC. AND SUBSIDIARIES

Reconciliation of Non-GAAP Measures (Unaudited)

<i>(in thousands, except percentages and per share data)</i>	Twelve Months Ended					
	December 31, 2017			December 31, 2016		
	As Reported	Adjustments	Non-GAAP Results	As Reported	Adjustments	Non-GAAP Results
Total revenue	\$ 1,095,250	\$ 2,856 (1)	\$ 1,098,106	\$ 988,465	\$ 103 (4)	\$ 988,568
Operating income	390,728	118,567 (2)	509,295	376,242	88,114 (5)	464,356
Operating profit margin	35.7 %		46.4 %	38.1 %		47.0 %
Net income	\$ 259,251	\$ 88,663 (3)	\$ 347,914	\$ 265,636	\$ 57,286 (6)	\$ 322,922
Earnings per share – diluted:						
Earnings per share	\$ 2.98		\$ 4.01	\$ 2.99		\$ 3.63
Weighted average shares	86,854		86,854	88,969		88,969

- 1) Amount represents the revenue not reported during the period as a result of the acquisition accounting adjustment associated with the accounting for deferred revenue in business combinations.
- 2) Amount represents \$53.2 million of stock-based compensation expense, \$49.8 million of amortization expense associated with intangible assets acquired in business combinations, \$11.7 million of restructuring charges, \$1.1 million of transaction expenses related to business combinations and the \$2.9 million adjustment to revenue as reflected in (1) above.
- 3) Amount represents the impact of the adjustments to operating income referred to in (2) above, decreased for the related income tax impact of \$52.5 million, excluding the impact of the Tax Cuts and Jobs Act, and rabbi trust income of \$0.1 million, and increased for total net impacts of the Tax Cuts and Jobs Act of \$22.7 million.
- 4) Amount represents the revenue not reported during the period as a result of the acquisition accounting adjustment associated with the accounting for deferred revenue in business combinations.
- 5) Amount represents \$50.8 million of amortization expense associated with intangible assets acquired in business combinations and \$33.3 million of stock-based compensation expense, \$3.4 million of restructuring charges, \$0.4 million of transaction expenses related to business combinations and the \$0.1 million adjustment to revenue as reflected in (4) above.
- 6) Amount represents the impact of the adjustments to operating income referred to in (5) above, adjusted for the related income tax impact of \$30.8 million.



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