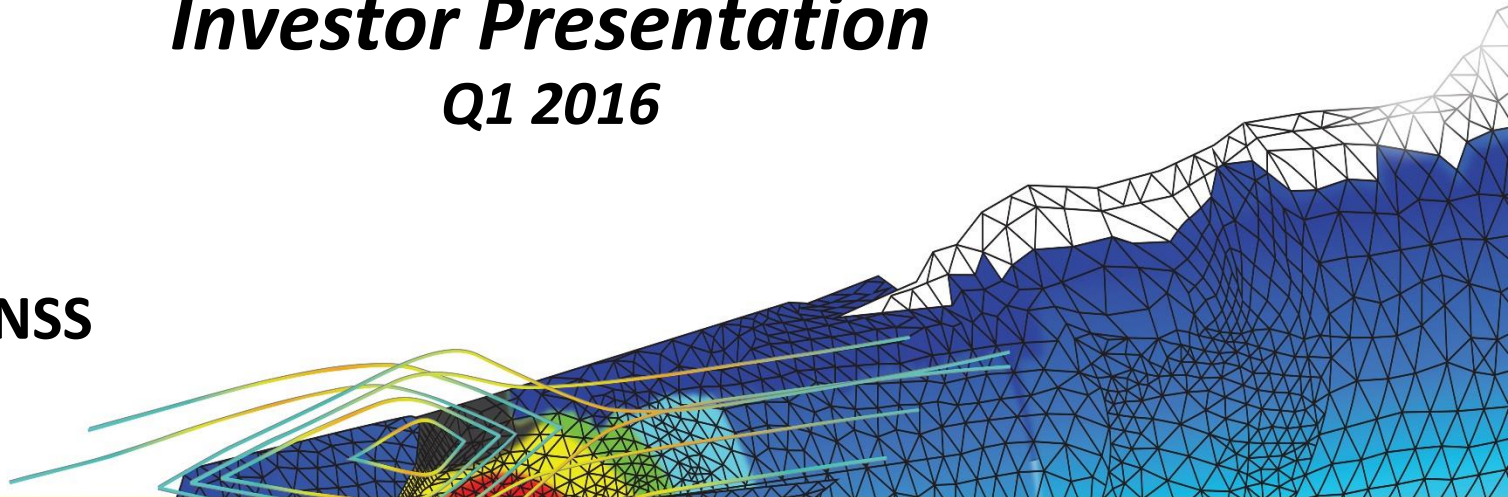


**ANSYS®**

# The World's Leading Engineering Software Provider

*Investor Presentation*  
*Q1 2016*

**NASDAQ: ANSS**



# Important Factors Regarding Future Results

The Company cautions investors that its performance is subject to risks and uncertainties. Some matters that will be discussed throughout this presentation may constitute forward-looking statements that involve risks and uncertainties which could cause actual results to differ materially from those projected. These risks and uncertainties are discussed at length, and may be amended from time to time, in the Company's Annual Report to Stockholders and its filings with the SEC, including our most recent filings on Forms 10-K and 10-Q. 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

**96** of the top 100

FORTUNE 500 Industrials  
ISO 9001 and NQA-1 certified

FORTUNE

500

## CAPABLE



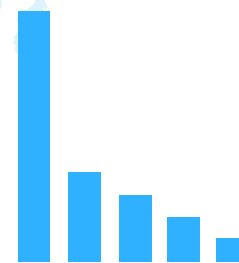
## PROVEN

Recognized as one of the world's **MOST INNOVATIVE AND FASTEST-GROWING COMPANIES\***

## INDEPENDENT

Long-term financial stability  
CAD agnostic

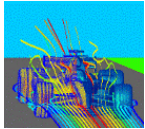
## LARGEST



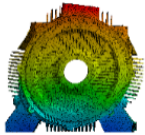
**3x** The size of our nearest competitor

# Comprehensive industry reach and solution offerings

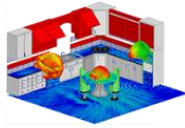
## Leading Disciplines



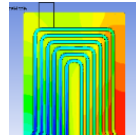
Fluids



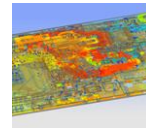
Structures



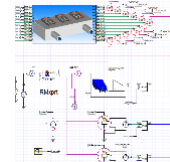
Electromagnetics



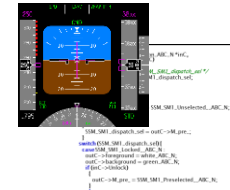
Thermal



Power Integrity



Systems



Embedded Software

## Global Reach

PEOPLE

1,400+

680+

800+

2,000+  
FROM CHANNEL PARTNERS

CUSTOMERS

45,000+  
GLOBALLY

## Industry Presence



Automotive



Academic



Consumer Goods



Energy



Industrial Equip.  
& Rotating Machinery



Aerospace  
& Defense



Construction



Electronics



Healthcare



Materials &  
Chemical Processing



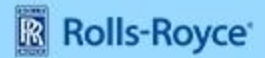
Semiconductors

# Industry-leading customers

Aerospace/  
Defense



BAE SYSTEMS



Industrial  
Equipment

SIEMENS



ABB

ALSTOM

VOLVO



Hi-Tech  
Electronics



HITACHI



Panasonic



Automotive



BOSCH



DAIMLER



Energy



Consumer  
Products

Nestlé



P&G

Canon



Biomed



ThermoFisher  
SCIENTIFIC



PHILIPS

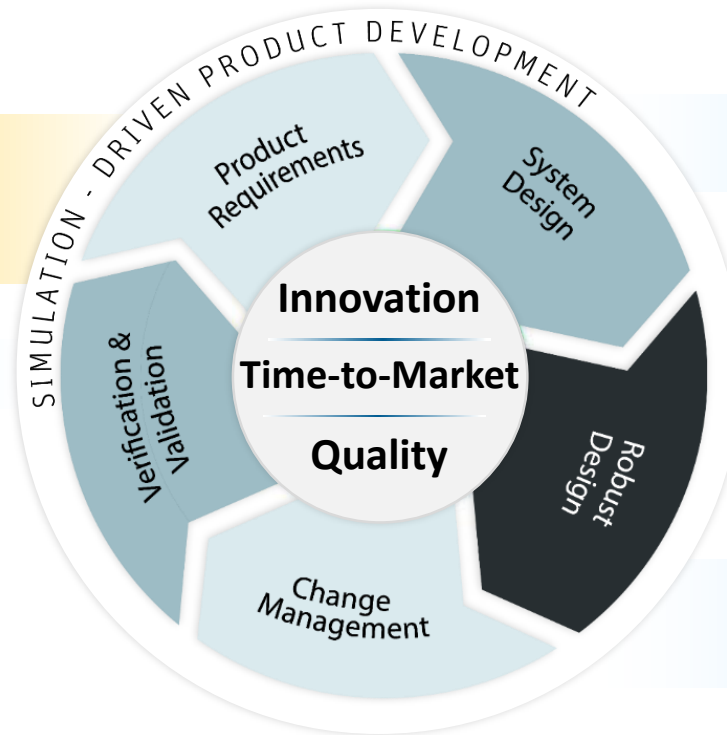




# By using simulation throughout the product development process...

## Simulation-Driven Product Development Process

Concept



Detailed Design

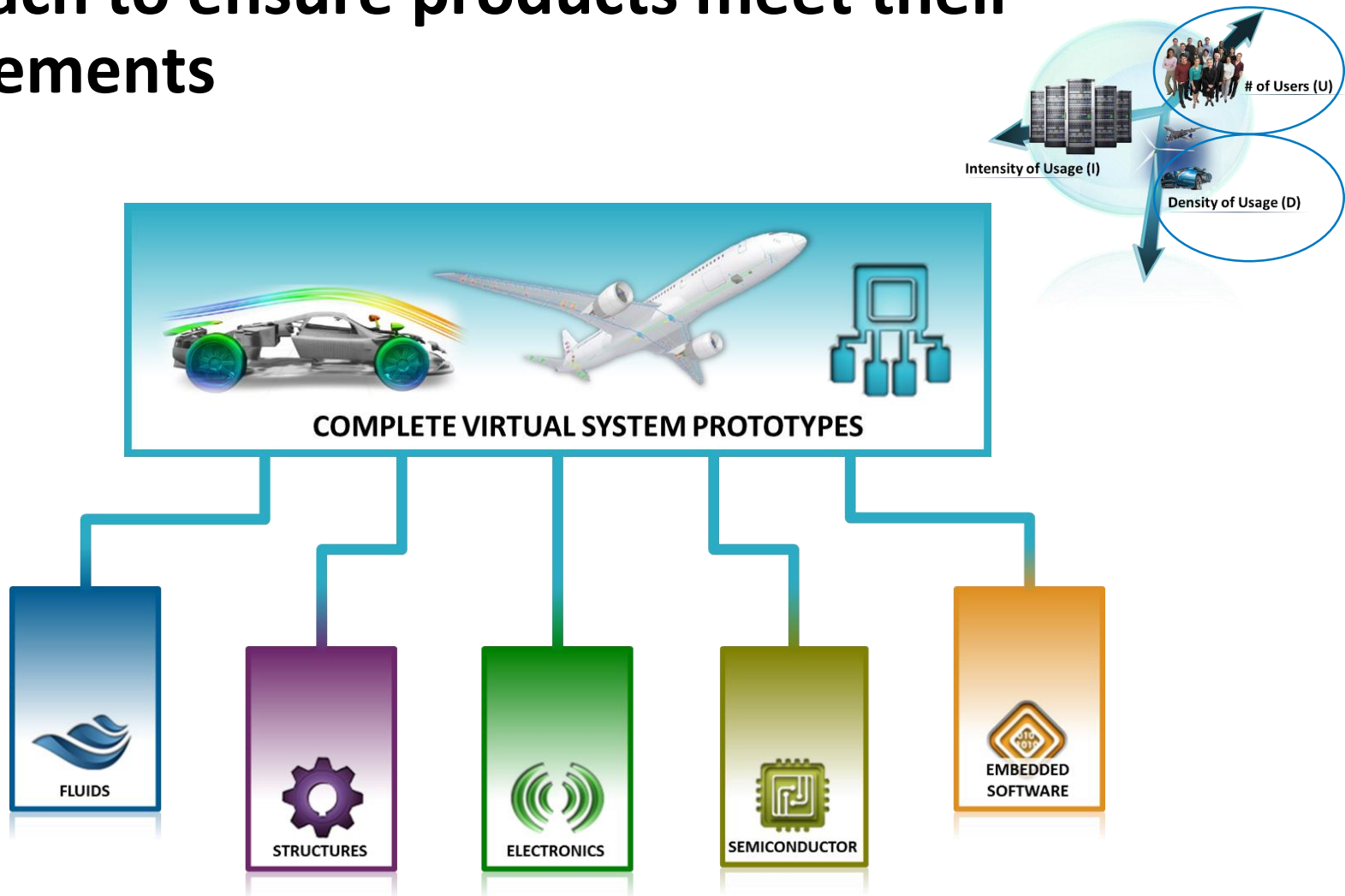
Physical Testing

Production

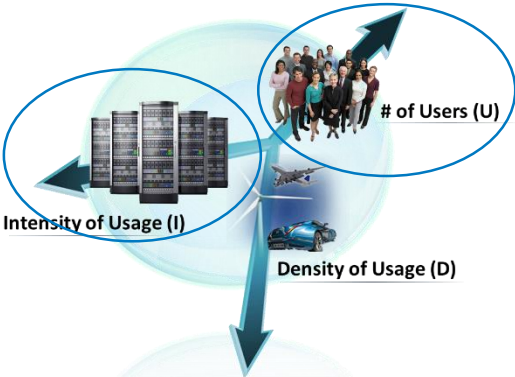
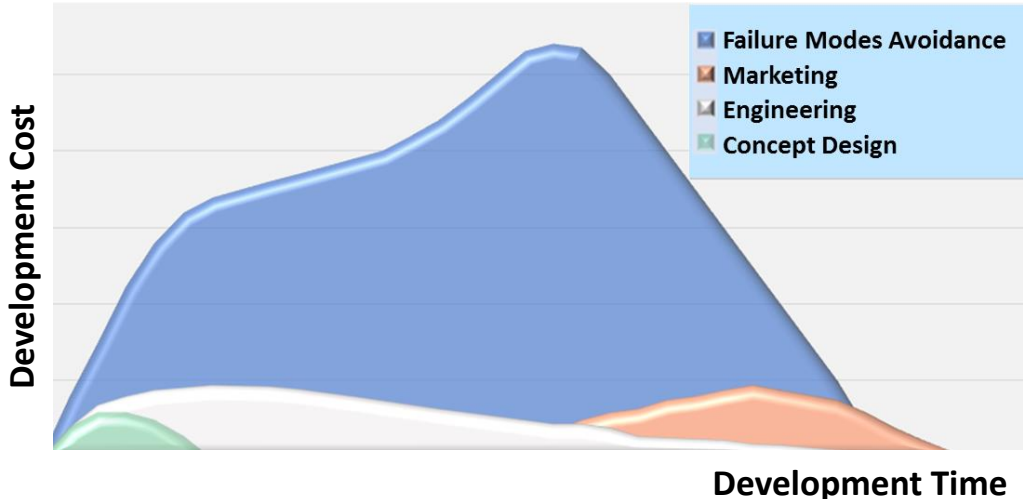
## Traditional Product Development Process



# A model-based systems engineering approach to ensure products meet their requirements



# Reduce product development cost



## Relative Product Development Costs



- Design and engineering contributes ~17% of product development costs
- Most costs are spent avoiding failure modes

Source: MIT Study on Product Development Cost Distribution



# ANSYS complete virtual prototype

*Comprehensive Solution to Pressing Business Challenges*

...as is the value of a platform approach

## HOLISTIC DEVELOPMENT vs SILOED DEVELOPMENT

Holistic Development Experiences:

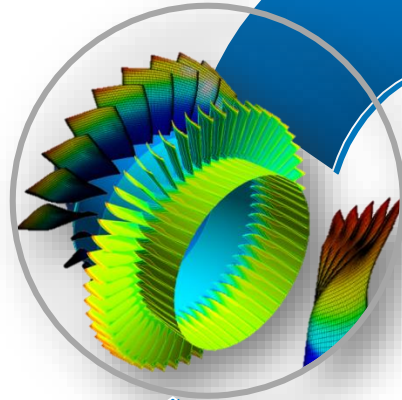
Length of Development Time	▼	<b>7x</b> reduction
Overall Product Cost	▼	<b>2.5x</b> reduction
Warranty Costs	▼	<b>53%</b> more likely to decrease
Number of Change Orders After Release to Manufacturing	▼	<b>123%</b> more likely to decrease
Percent Successful New Product Introduction (NPI) Rate	▲	<b>33%</b> more likely to achieve

Source: Aberdeen Group July 2015

**ANSYS**<sup>®</sup>

# Improve next-generation products and operations

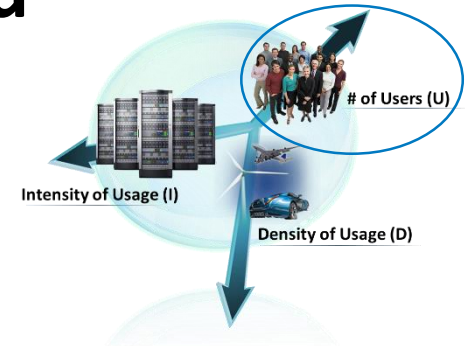
## Design



## Test

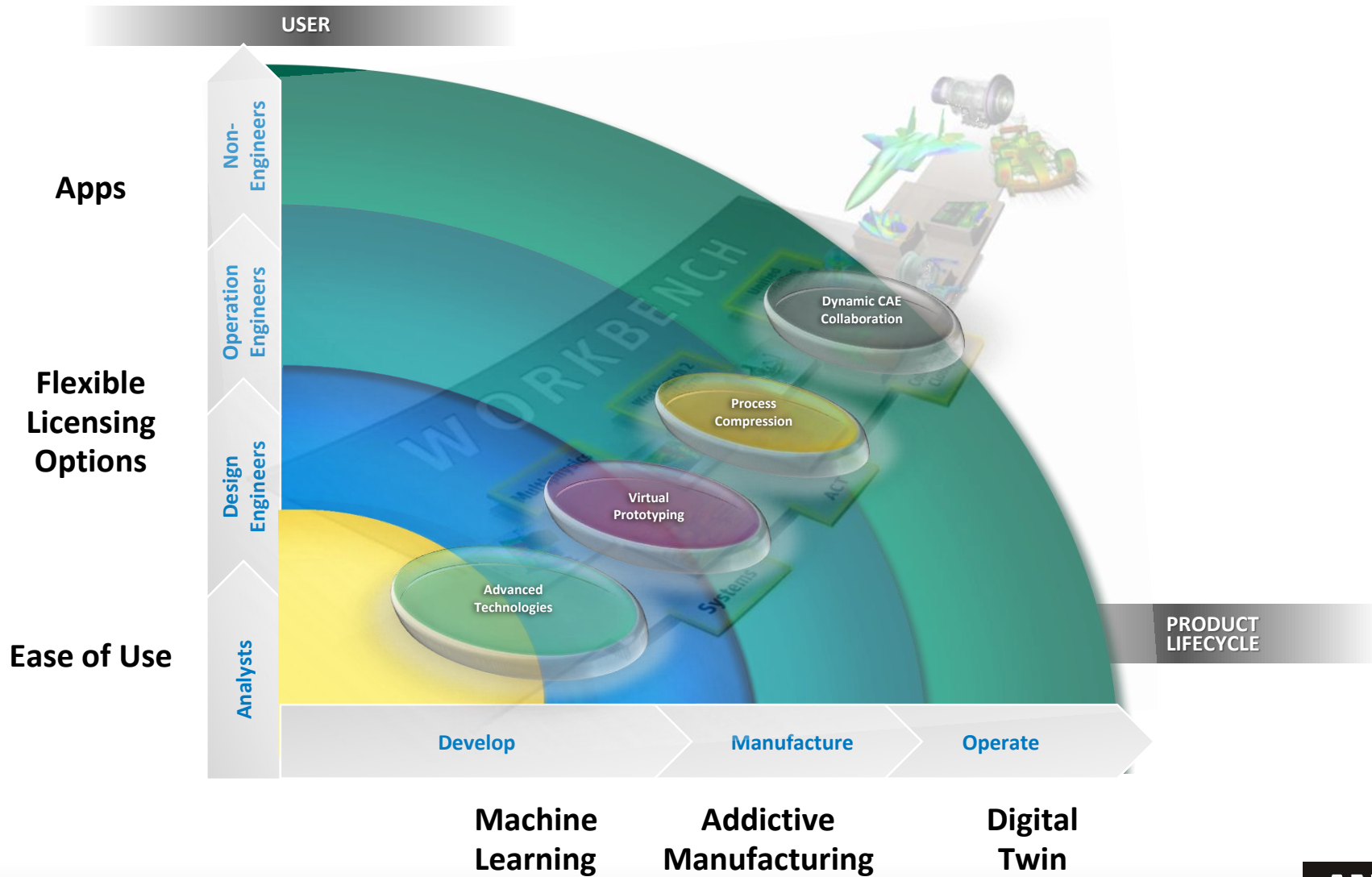


## Operate



- **Design to reality**  
(increase profits, customer for life)
- **Compress cycle time/cost** (grow market share)
- **Best product at best price**  
(sustained growth)

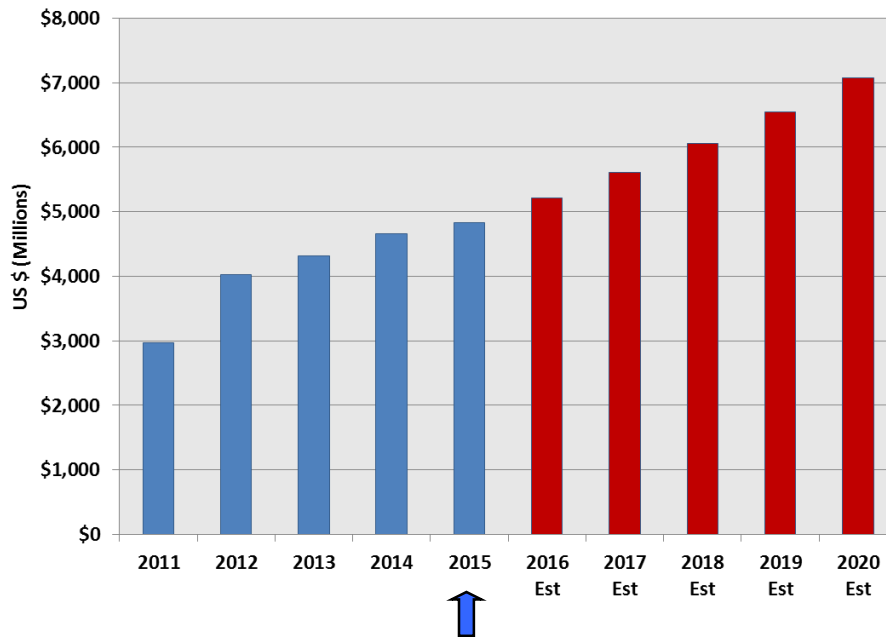
# The next 20 years



# Solid and increasing opportunity

## Simulation & Analysis – Investments

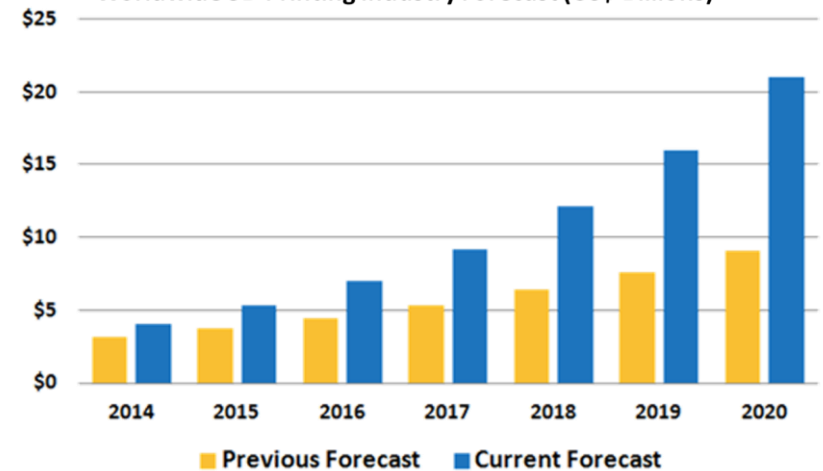
*Software + services market history and forecast – Five year CAGR estimate = 7.9%*



## Additive Manufacturing Forecasts

*Wohlers Associates forecasts from 2013 and 2014 reports*

**Worldwide 3D Printing Industry Forecast (US\$ Billions)**



Source: CIMdata June 2016



# Solid and increasing opportunity



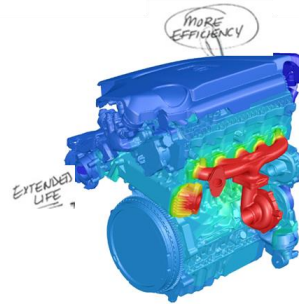
A billion times better

1000x resolution  
1000x lighter  
1000x cheaper



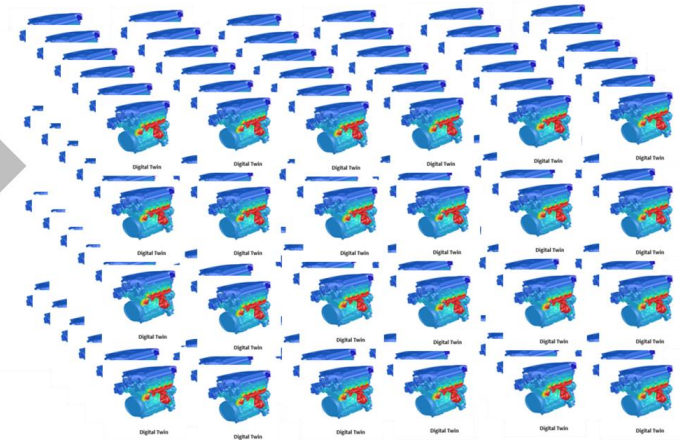
Source: Peter Diamandis lecture series

“Engineering” Asset  
Design Model



1 Automotive Engine System Model =  
1,000s of component models

Digital Twins in  
operations

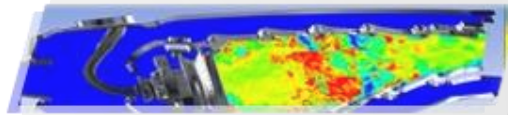


1,000,000s of Systems Models





# Product & technology investments



**Frequent Release Program – 17.x**  
*Sustaining Our Competitive Advantage*



**Cloud & Elastic Licensing**  
*Scaling Simulation on Demand*



**App Store – ANSYS ACT**  
*Reaching Non-Traditional Users*



**ANSYS AIM**  
*Simulation for Every Engineer*



**Internet of Things**  
*Reaching Beyond Engineering Design*



**Big Data & Analytics**  
*Increasing Simulation Throughput*



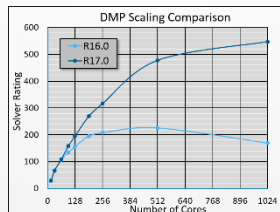
**Additive Manufacturing**  
*New Opportunities for Extreme Customization*

# Extending our competitive advantage with R17.x



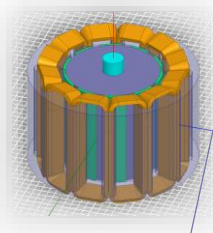
## STRUCTURES

Scalability up to an incredible 1000s cores. 10x compared to the three-year-old hardware and software



## ELECTRONICS

Patent-pending technology solves time steps simultaneously, reducing solution times greater than 30x

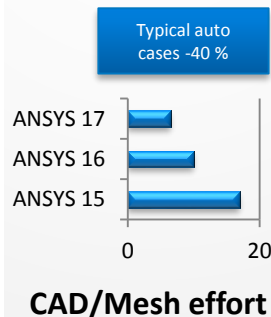


From 11 days to 12 hours!



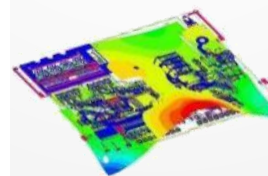
## FLUIDS

Set-up time for complex model reduced 40-80%. Continued leadership in CFD extends range of applications



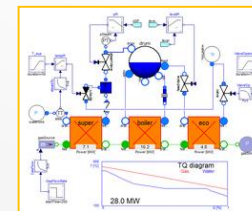
## SEMICONDUCTORS

The most robust and productive coupled chip-package-system design for smaller, high-power density electronics



## SYSTEMS

New system simulation capabilities provide ability to simulate with over 1,500 additional modeling components

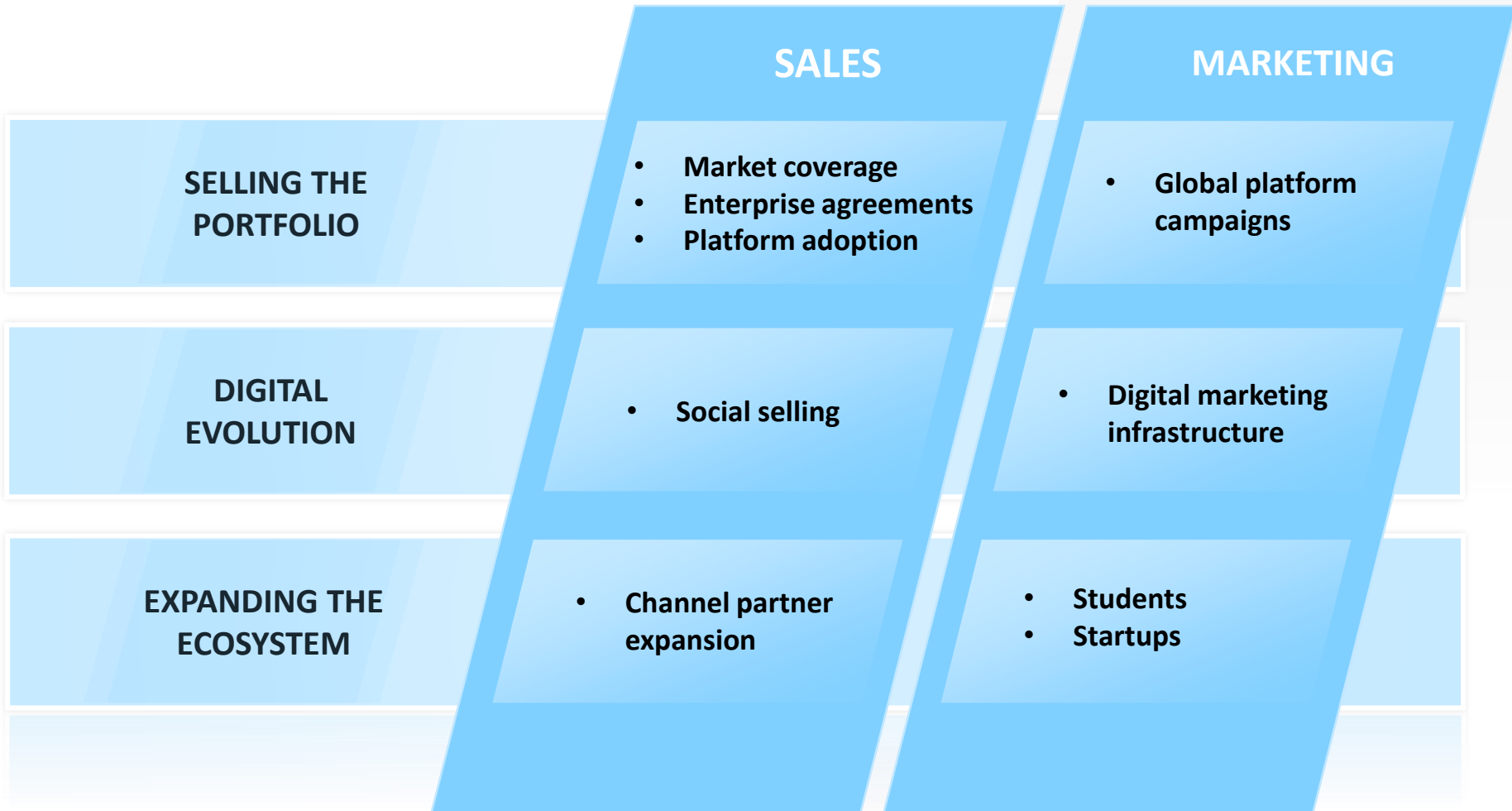


## EMBEDDED SOFTWARE

New embedded applications supported for avionics, automotive and rail transportation



# Transforming the go-to-market



# Transforming our go-to-market

## HIRE

**40%**  
of sales force  
<2 years tenure

## SHIFT

**20%**  
Transitioned to  
named accounts

**90%**  
Named account team  
has >2 years tenure

## EXECUTE

- Sell platform into high-value accounts
- Consulting offerings to increase adoption
- Enterprise license agreements
- CRM & sales technology deployment
- Improve market coverage
- ACE team optimization
- Channel program execution

# Modernizing the ANSYS sales force

LinkedIn's Social Selling Index U.S. Powerhouse



Create a **professional brand**

Find the **right people**

Build strong **relationships**

Engage with **insights**



# Enterprise license agreement

Why do an enterprise license agreement with ANSYS?

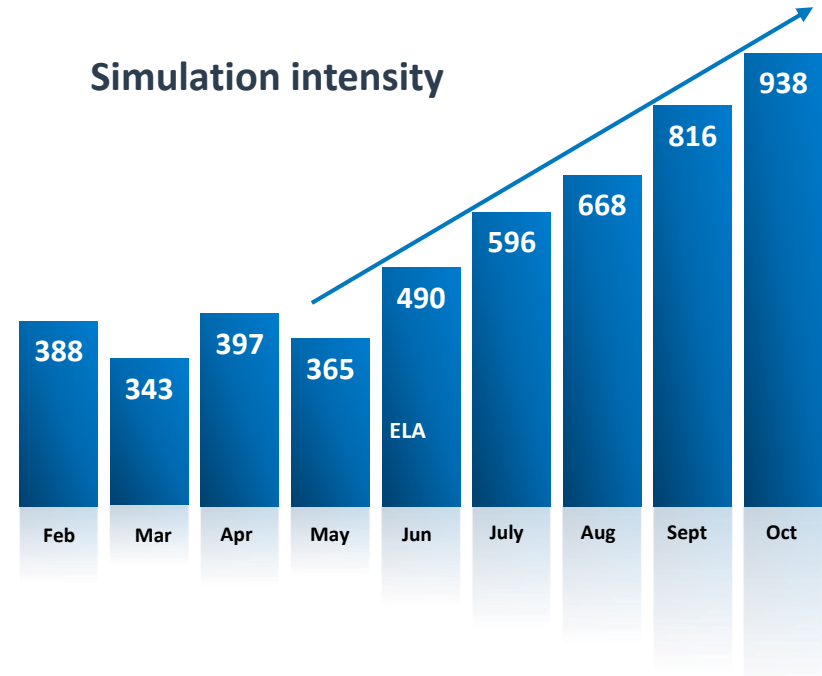
Flexibility

Reduce risk

Adopt one simulation platform

Maximize simulation investment

Simulation intensity



6

Number of Enterprise Agreements  
In 2014 & 2015

15

Number of Enterprise Agreements  
Estimated In 2016

# ANSYS Elite Channel Partner Program



**15**

**Number of new channel partners signed in 2015**

**75**

**Number of total channel partners by end of 2016**

**30%**

**Number of channel partners expanded from single to multiple physics**

**60%**

**Number of channel partners on new incentive program**

# New consulting offerings – Launched 2016

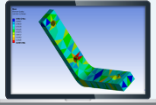
- Consulting offerings support the adoption of the ANSYS simulation platform
- Paid high-value engagements



- Simulation deployments
- Workflow optimization
- Embedded experts
- Mentoring experts

# Simulation for every engineer

## Empowering next-generation engineers



*Access*



*Content*



*Engagement*

Free ANSYS Student product launched Q3 2015

ANSYS AIM Student product launched Q2 2016

+20,000 signed up for Cornell & edX MOOC

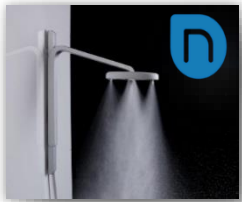
Most Hyperloop student teams using ANSYS

All top 25 engineering schools in the US use ANSYS

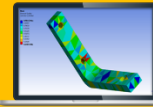
**100,000 downloads of ANSYS Student!**

# Simulation for every engineer

Supporting next-generation engineering companies



KARMA



*ANSYS Startup Program*

Pilot

2015

Incubator Program

2016

Online Startup program

2017+



# ANSYS FY 2015 financial highlights

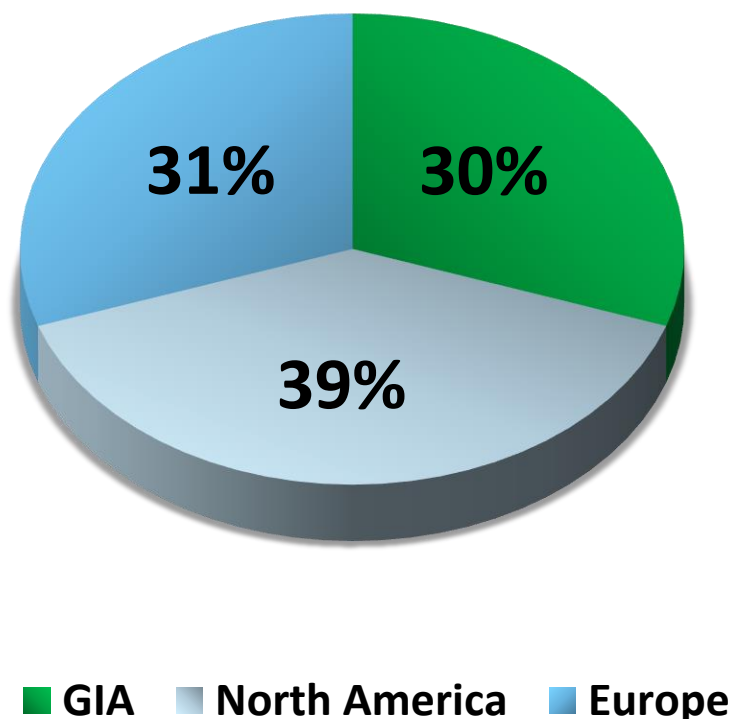
- **Non-GAAP Revenue** **\$944.5M**
- **Non-GAAP Diluted EPS** **\$3.42/share**
- **Non-GAAP Operating Margin** **47%**
- **Recurring Revenue** **72%**
- **Cash Flows from Operations** **\$367.5M**
- **Deferred Revenue & Backlog** **\$504.0M**

# ANSYS Q1 2016 financial highlights

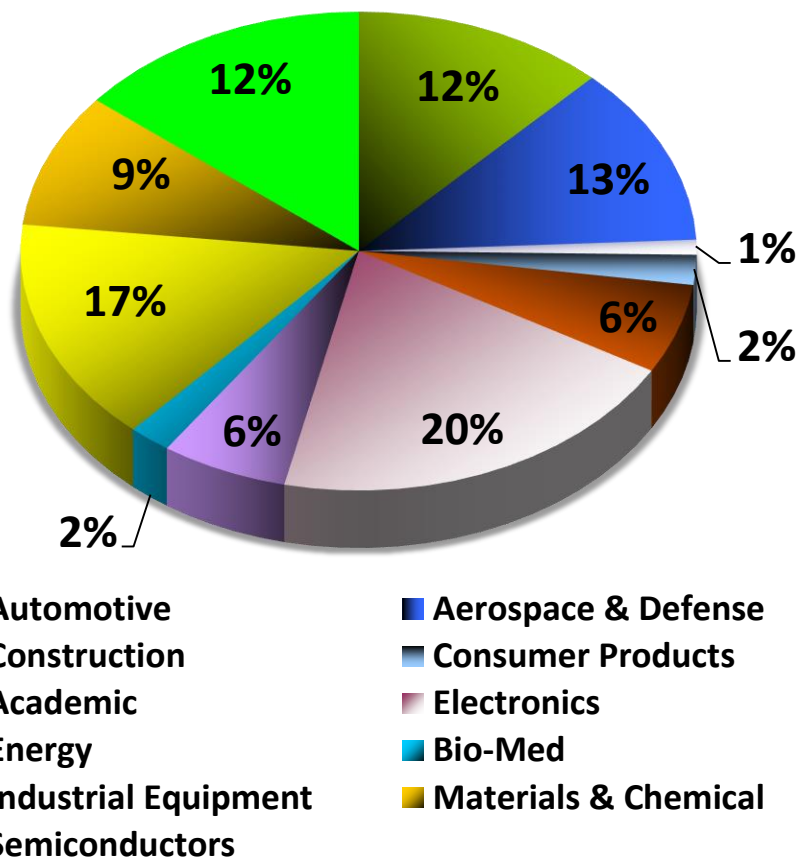
- **Non-GAAP Revenue** **\$226.0M**
- **Non-GAAP Diluted EPS** **\$0.77/share**
- **Non-GAAP Operating Margin** **46%**
- **Recurring Revenue** **78%**
- **Cash Flows from Operations** **\$108.6M**
- **Deferred Revenue & Backlog** **\$506.4M**

# Diversified Revenue Model – Trailing 12 Months Thru March 31, 2016

Revenue by Geography\*



Sales by Industry\*\*

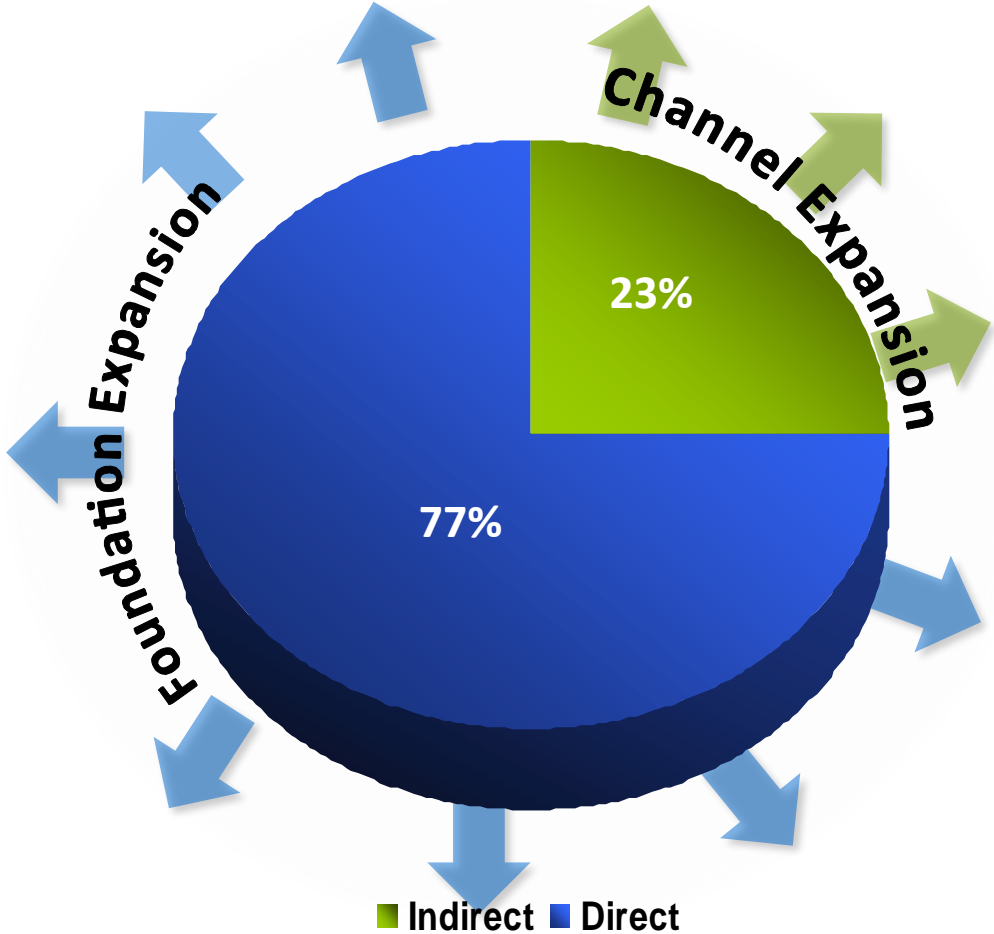


\* Non-GAAP

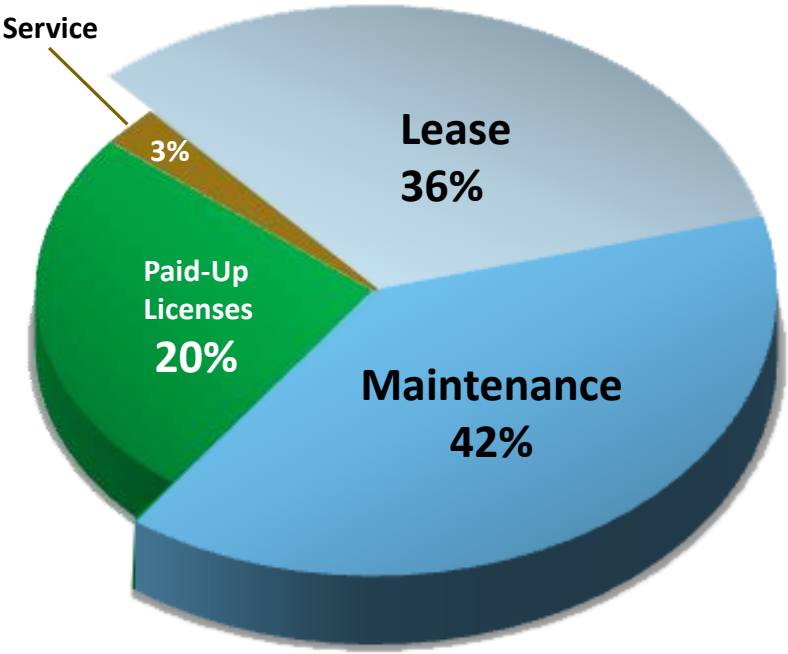
(Unaudited)\*\*

# Revenue Distribution

Q1 2016  
Revenue Distribution

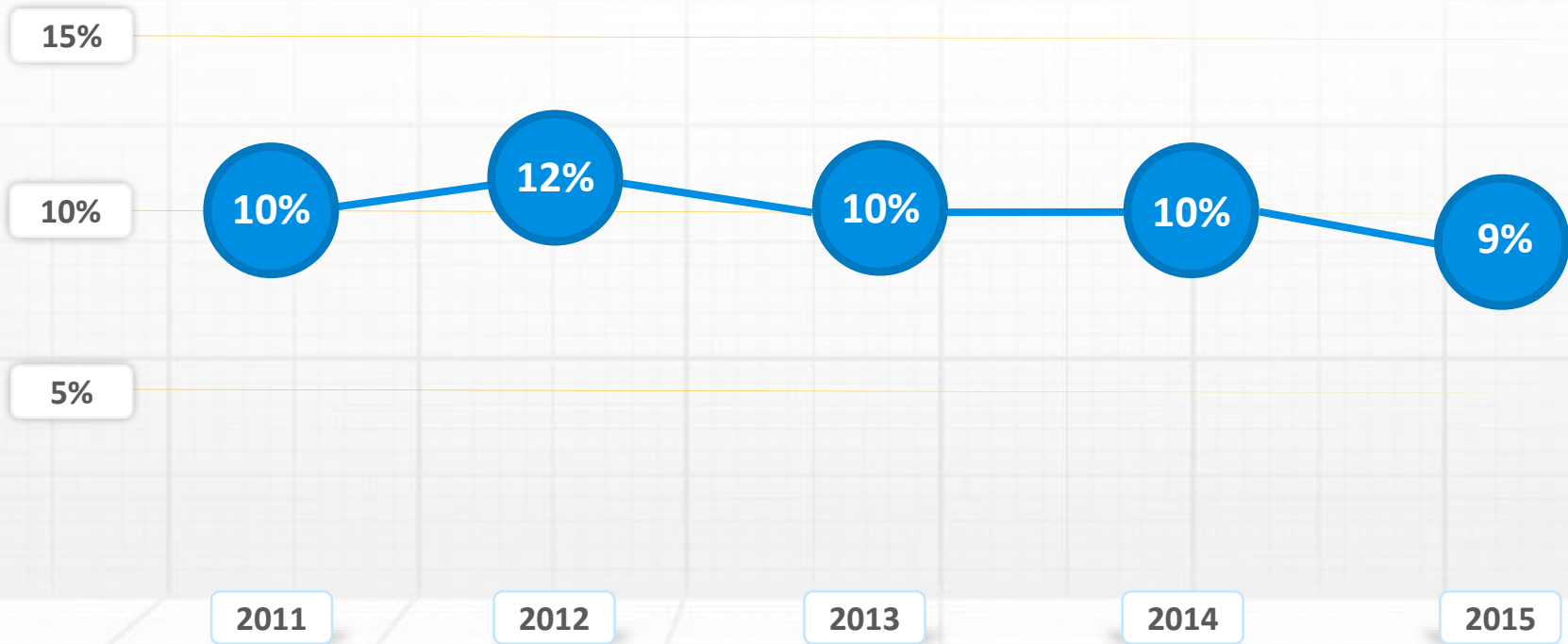


Q1 2016  
Revenue Streams



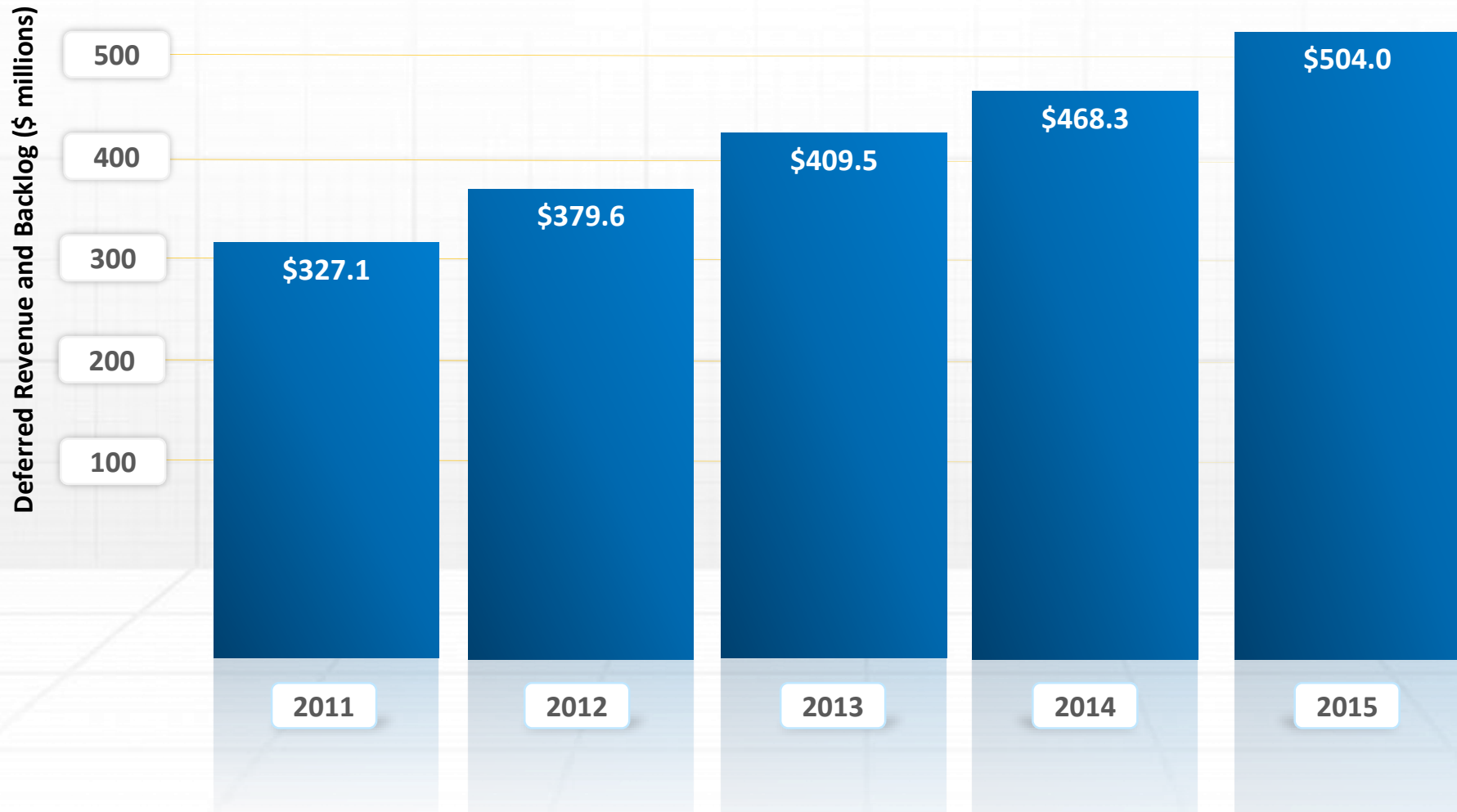
Recurring Revenue = 78%

# Annual organic recurring revenue growth (in constant currency)



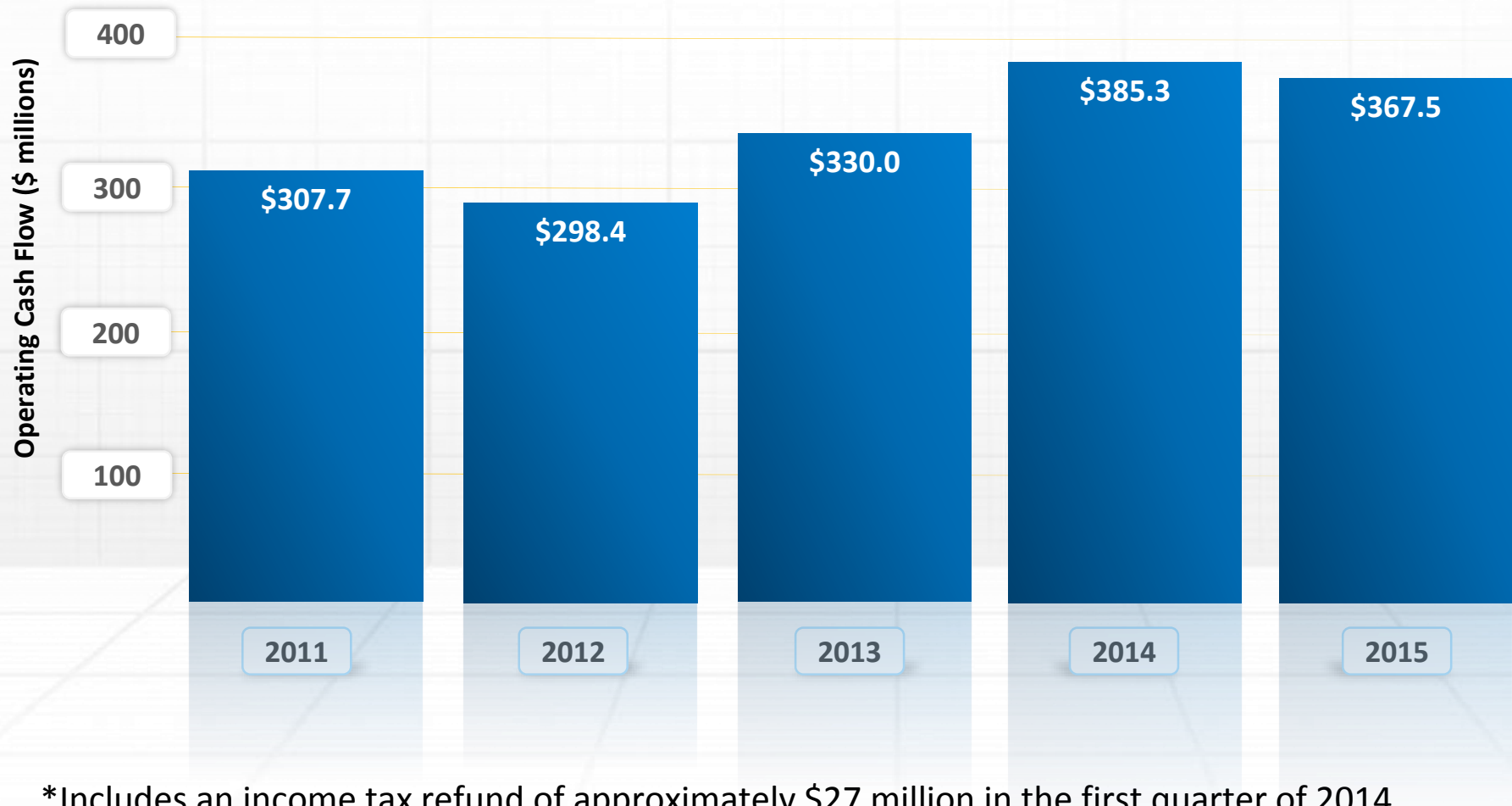


# Building deferred revenue & backlog



\*Includes long-term deferred revenue and backlog

# Consistently strong cash flows from operations



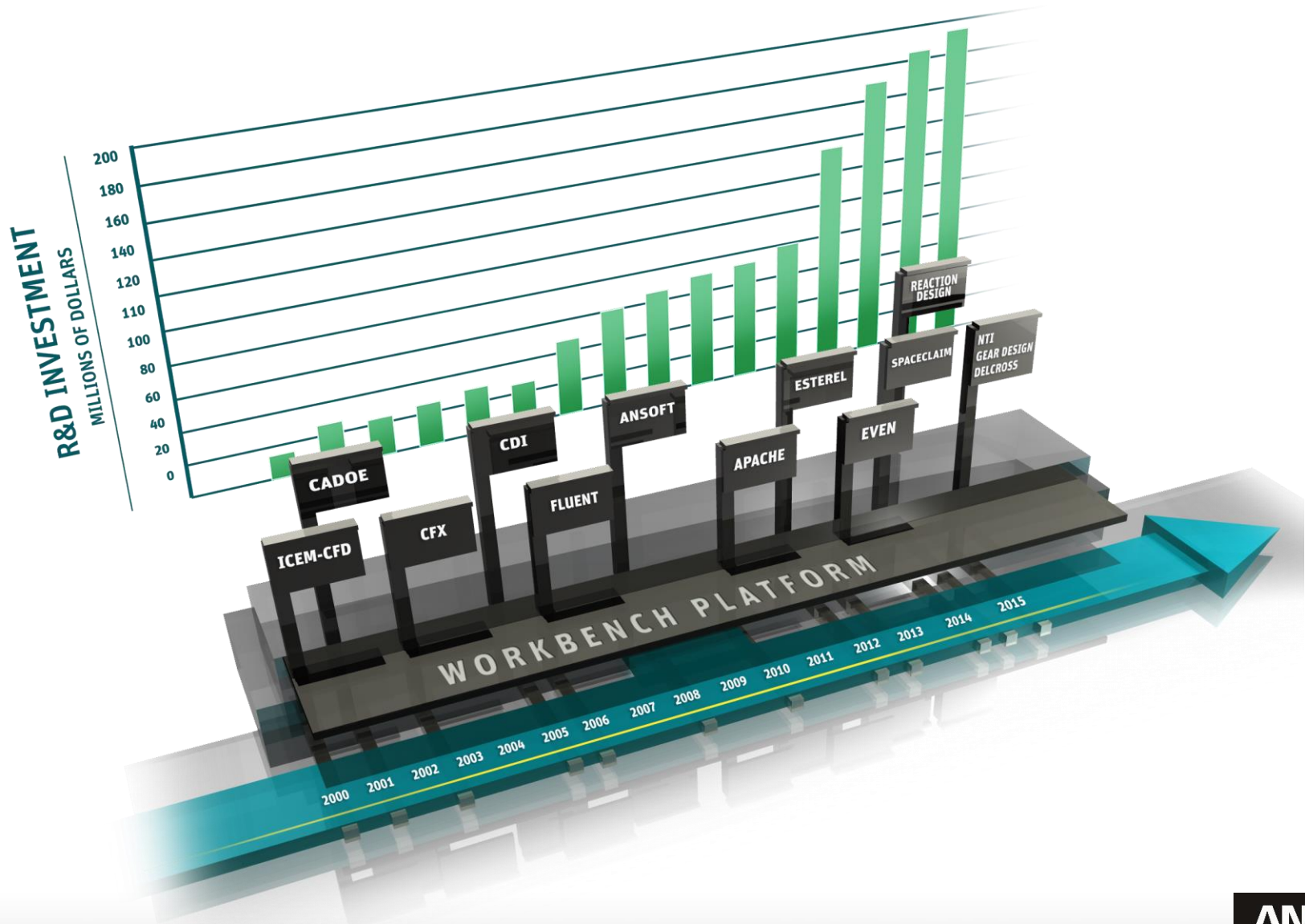
\*Includes an income tax refund of approximately \$27 million in the first quarter of 2014 that did not recur in 2015

# 2016 Capital Allocation

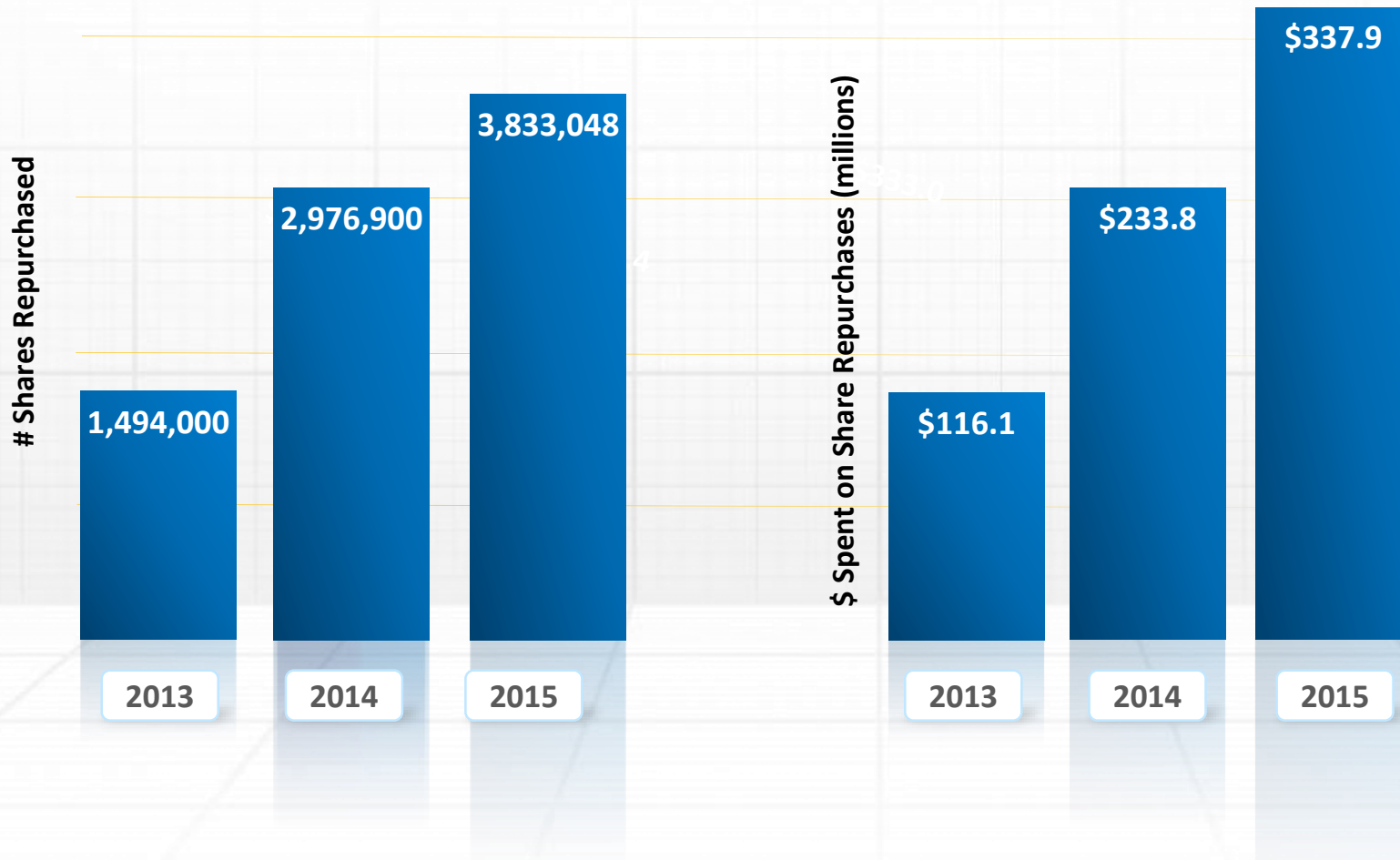
- **Investment in Organic Growth of the Business**
- **M&A to Enhance Growth**
  - **Size Not Determining Factor –Proven Technology is Key**
  - **Experienced Talent**
  - **Synergy With Customer Base and Global Channel**
  - **Financially Accretive Within a Reasonable Timeframe**
- **Stock Repurchase**
  - **Commitment to Return Excess Cash to Stockholders**
  - **Reduce Total Share Count Over Time**



# ...and ongoing financial commitment to deliver value



# Share repurchases over time

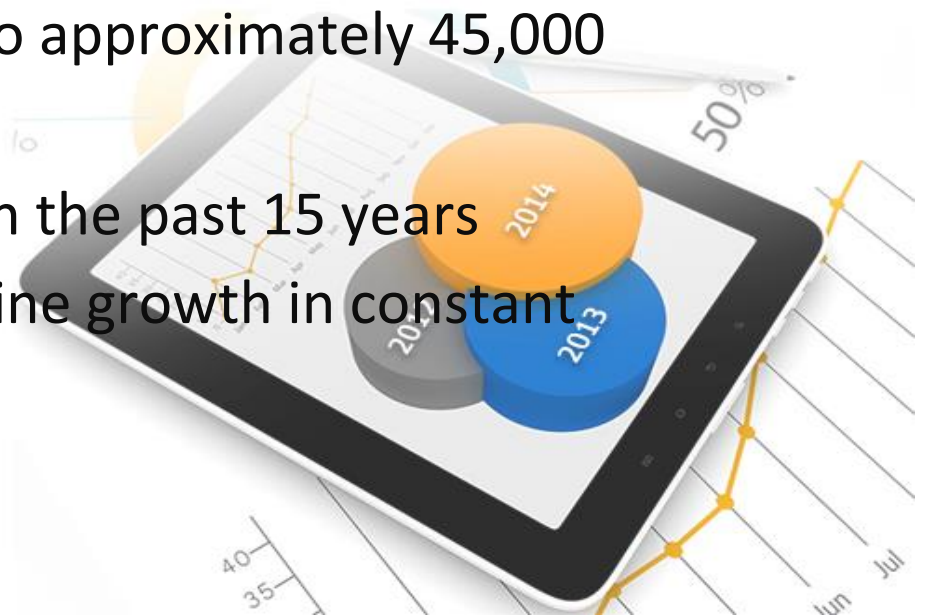




# History Of Performance

## Track record of strong and consistent execution

- Released ANSYS®17.1 in May 2016; ANSYS®17.0 in January 2016; ANSYS®16.1 in May 2015 and ANSYS®16.2 in August 2015 – delivering major enhancements across the Company's entire product portfolio
- Grown the customer base to approximately 45,000 logoed companies
- Increased revenue 13 fold in the past 15 years
- Driving to double digit top line growth in constant currency
- Industry leading margins



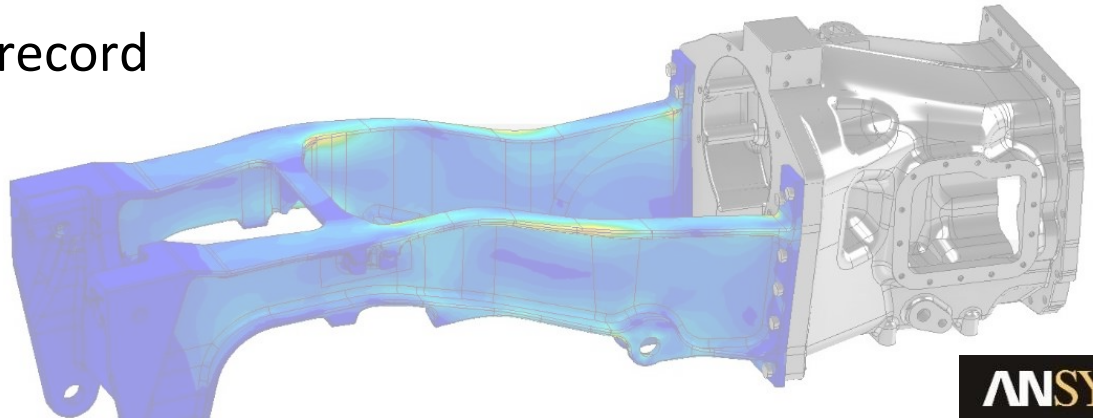


# Positioning ANSYS for the Next 20 Years



# ANSYS: Well positioned for continued value creation

- Unique customer value proposition
- The market leader focused on engineering simulation
- Investing in future growth: people, sales & marketing initiatives, technology and infrastructure
- Large and growing market opportunity
- Capitalizing on key global trends in engineering and compute environments (increased power and capacity)
- Broad customer base of leaders in their field
- Diverse portfolio across industries and geographies
- Proven financial track record
- Solid balance sheet



# A race with no finish line



# Reconciliation Of Non-GAAP

**ANSYS, INC. AND SUBSIDIARIES**  
**Reconciliation of Non-GAAP Measures**  
**For the three months ended March 31, 2016**  
(in millions, except per share data)  
(unaudited)

	As Reported	Adjustments	Non-GAAP Results
Total revenue	\$225.9	\$0.1 <sup>(1)</sup>	\$226.0
Operating income	\$85.0	\$19.9 <sup>(2)</sup>	\$104.9
Operating profit margin	37.6%		46.4%
Net income	\$56.5	\$12.9 <sup>(3)</sup>	\$69.4
EPS – diluted	\$0.63		\$0.77
Weighted avg. shares-diluted	90.1		90.1

- (1) Amount represents the revenue not reported during the period as a result of the acquisition accounting adjustment associated with accounting for deferred revenue in business combinations.
- (2) Amount represents \$14.2 million of amortization expense associated with intangible assets acquired in business combinations, \$8.2 million charge for stock-based compensation, and \$0.4 million adjustment to revenue as reflected in (1) above and \$0.4 million of transaction expenses related to business combinations.
- (3) Amount represents the impact of the adjustments to operating income referred to in (2) above, adjusted for the related income tax impact of \$8.4 million.

# Reconciliation Of Non-GAAP

**ANSYS, INC. AND SUBSIDIARIES**  
**Reconciliation of Non-GAAP Measures**  
**For the twelve months ended December 31, 2015**  
(in millions, except per share data)  
(unaudited)

	As Reported	Adjustments	Non-GAAP Results
Total revenue	\$942.8	\$1.7 <sup>(1)</sup>	\$944.5
Operating income	\$353.7	\$94.7 <sup>(2)</sup>	\$448.4
Operating profit margin	37.5%		47.5%
Net income	\$252.5	\$60.9 <sup>(3)</sup>	\$313.4
EPS – diluted	\$2.76		\$3.42
Weighted avg. shares-diluted	91.5		91.5

- (1) Amount represents the revenue not reported during the period as a result of the acquisition accounting adjustment associated with accounting for deferred revenue in business combinations.
- (2) Amount represents \$12.7 million of amortization expense associated with intangible assets acquired in business combinations, \$7.1 million charge for stock-based compensation, and \$0.1 million adjustment to revenue as reflected in (1) above and \$0.8 million of transaction expenses related to business combinations.
- (3) Amount represents the impact of the adjustments to operating income referred to in (2) above, adjusted for the related income tax impact of \$6.9 million.





## For More Information, Contact:

Annette N. Arribas, CTP  
Global Investor Relations Officer  
PH: (724) 820-3700  
EM: [annette.arribas@ansys.com](mailto:annette.arribas@ansys.com)  
Website: [www.ansys.com](http://www.ansys.com)

NASDAQ:ANSS

