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PTC Accelerates Subscription Business Model in Select Regions

Customers Benefit from PTC's Faster Innovation Cycles, Shared Commitment to Success, and Flexibility to Compete in Today's Rapidly Changing Environments

NEEDHAM, Mass.--(BUSINESS WIRE)-- [PTC](#) (NASDAQ: PTC) today announced that, based on customer adoption of its subscription licensing model, effective January 1, 2018, new software licenses for its core solutions and ThingWorx platform will be available only by subscription in the Americas and Western Europe. Customers in these regions may continue to use their existing perpetual licenses and renew support on active licenses. For customers outside of the Americas and Western Europe, PTC plans to continue offering both perpetual and subscription licenses after January 1, 2018, while continuing to analyze subscription adoption trends in those regions.

"Customer adoption of our subscription offerings in the Americas and Western Europe has been so positive that we are accelerating our evolution to a subscription-only business in those regions," said Jim Heppelmann, president and CEO, PTC. "In our most recent quarter, over 75% of new software bookings were sold as subscription in the Americas and Western Europe, again validating the value customers ascribe to consuming enterprise software as a subscription."

Customers purchasing subscriptions benefit from PTC's faster innovation cycles, a shared commitment to success, cloud deployment options, and increased flexibility with lower upfront costs. In addition, PTC will offer additional incentive programs to enable customers to convert existing perpetual licenses to subscription, affording them access to all the benefits of the subscription model across their entire PTC software footprint.

"KTM Group recently expanded its usage of PTC offerings across the enterprise, procuring additional licenses under subscription," said Philipp Habsburg, vice president, research & development, KTM Group. "The low up-front cost, ability to pay-as-you-go, and flexibility to adjust our software configuration were compelling business justifications for us to embrace subscription."

"PTC is modernizing itself by embracing the subscription business model," said Amy Konary, program vice president, IDC. "This approach provides a foundation for the delivery of continuous innovation to customers that can help fuel their constantly changing environments."

For more information, visit <http://www.ptc.com/subscription>.

Note: PTC's Kepware product suite will continue to be available [in both perpetual and subscription business models](#).

Additional Resources

- | [Frequently Asked Questions](#)
- | [PTC's Subscription Information](#)

About PTC (NASDAQ: PTC)

PTC has the most robust Internet of Things technology in the world. In 1986 we revolutionized digital 3D design, and in 1998 were first to market with Internet-based PLM. Now our leading IoT and AR platform and field-proven solutions bring together the physical and digital worlds to reinvent the way you create, operate, and service products. With PTC, global manufacturers and an ecosystem of partners and developers can capitalize on the promise of the IoT today and drive the future of innovation.

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About our Bookings Measure and Forward-Looking Statements

Our software bookings measure is the annualized contract value of new subscription bookings multiplied by a conversion factor of 2 plus perpetual license bookings for the period.

Past adoption of subscription licensing by PTC customers is not necessarily indicative of future rates of customer subscription adoption and the effect of the transition to a subscription only model in certain geographic regions may not have the effect on revenue that we expect.

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