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PTC Delivers Standout Year of Success in Its Internet of Things Business

Successful 2016 Calendar Year Punctuated by Bookings Growth, Platform Innovation, Academic Mindshare, and Analyst Validation

NEEDHAM, Mass.--(BUSINESS WIRE)-- PTC (NASDAQ: PTC) concluded the 2016 calendar year as its most successful year yet in the Internet of Things (IoT) space. PTC expanded its year-over-year IoT bookings, added new customers and partners to its IoT ecosystem, enhanced its IoT technology portfolio, garnered industry recognition and validation, and substantially grew its IoT academic programs. PTC ignited its IoT strategy in 2013 with the acquisition of ThingWorx, and, since that time, has developed one of the most robust IoT offerings in the market.

"When we embarked on our IoT journey, we didn't set out to be a casual participant in this space. Instead, from day one, we committed ourselves to becoming the leading IoT platform company for the industrial market," said Jim Heppelmann, president and CEO, PTC. "2016 was a banner year for PTC, as we further proved that our vision and offerings resonate with buyers around the world. As we enter 2017, many of the world's largest, most successful companies are eager to work with us on new IoT projects."

IoT Bookings Growth
PTC's IoT business grew in calendar 2016, with total year-over-year bookings growth of 115%, including the contributions from Kepware and Vuforia, and organic bookings growth of 53%. PTC's IoT business concluded calendar 2016 with revenue of approximately $100 million.

Key Customer and Partner Success
PTC continued to add to its expansive IoT customer base in 2016, surpassing 1,200 companies. Realizing that a vast ecosystem is needed to win in the era of the IoT, PTC has established a network of more than 250 partners that promote the company's strategy and embrace its technology.

Fundamental to PTC's growth was the selection of the ThingWorx® platform by customers and partners of all sizes and specialties, including:

- **GE Digital** - PTC and GE Digital furthered their strategic relationship, with the aim to better optimize the combination of the ThingWorx and Predix platforms with a "ThingWorx for Predix" solution for the industrial space, as demonstrated at GE's Minds + Machines 2016.

- **Vodafone** - Vodafone Group selected the ThingWorx platform in order to build additional Vodafone IoT applications that it can extend to its global footprint of operating companies.

- **Hewlett Packard Enterprise (HPE)** - PTC and HPE are collaborating to develop new IoT solutions for industrial use cases. PTC's ThingWorx software and HPE's Edgeline Converged Edge System and the HPE Aruba ClearPass network access and security policy software were demonstrated together at HPE Discover 2016.

- **VMware** - VMware joined the PTC ThingWorx Ready partner program, with a goal of pairing the ThingWorx platform with its own IoT solutions to create new offerings.

Additionally, as part of its expanding partner network, PTC continued to focus on working with the world's leading systems integrators and professional services companies, which can be a valuable channel for extending PTC's ThingWorx platform to a wider network of customers. Approximately 100 systems integrators are now part of the PTC Partner Network, including Cognizant, Deloitte, Kalypso, INFOSYS, ITC Infotech, and Tech Mahindra. In 2016, systems integrators developed new IoT solutions based on ThingWorx, including solutions for smart manufacturing, fleet management, smart energy management, and connected care.

ThingWorx Technology Innovations
To maintain and expand the robust functionality of its core IoT technology, PTC announced several enhancements to the ThingWorx platform during 2016. Highlights include:

- **AR-Enhanced IoT -** ThingWorx Studio (incorporating Vuforia® technology) is the first enterprise augmented reality authoring tool of its kind, allowing companies to design, publish, and scale integrated AR and IoT experiences. Since mid-2016, 1,000 companies have piloted new augmented reality projects as part of the ThingWorx Studio Pilot Program.

- **Comprehensive Platform -** PTC integrated its acquired Kepware® industrial connectivity technology and ColdLight® machine learning technology into the ThingWorx platform.

- **Flexible Cloud Options -** PTC expanded cloud support for customers to now include leading device clouds.

- **Product Insights -** ThingWorx Utilities offers tools to help companies provision and manage their connected assets, to remotely access and interact with those connected assets, and to model and trigger business process flows that integrate with enterprise IT and business systems.

- **Data Insights -** PTC incorporated ThingWorx Analytics Builder as an interactive user interface, enabling users to create and manage advanced analytics models in ThingWorx-powered solutions.

- **IoT at the Edge -** PTC introduced enhanced edge computing capabilities to ThingWorx, enabling more robust data collection and management from the site of a connected asset.

Widespread Industry Recognition

The ThingWorx technology enhancements throughout 2016 further elevated the positions of PTC and ThingWorx in the market, leading to third-party acknowledgement and validation. In its Forrester Wave report on IoT platforms, Forrester Research identified PTC as having the most complete IoT platform offering on the market. Research firms IoT Analytics and Experton Group identified PTC as the IoT platform provider market leader. To top it off, PTC was named Internet of Things Enablement Company of the Year by Compass Intelligence and Industrial IoT Company of the Year by the IoT Breakthrough organization.

Record Participation in Universities and Academic Settings

PTC has established a broad, IoT-focused academic program for students of all grades and levels, developed and implemented by the PTC Academic Program. Since the inception of the PTC IoT Academic Program, over 1,000 universities worldwide have registered. Many leading academic institutions, including 14 of the top 15 engineering colleges in the USA, have adopted the ThingWorx platform in the classroom. In 2016, over 500 new universities joined the PTC IoT Academic Program.

Also in 2016, PTC significantly increased the level of developer participation by delivering what is currently the highest rated IoT course on Udemy, the global online teaching and learning marketplace. The "Fundamentals of IoT Development with ThingWorx" course saw its student enrollment number eclipse 4,200 in just five months, while maintaining a 4.5/5 rating from those who have participated. Excerpts from student reviews of the course include: "This is one of the best online courses that I have ever seen," and "This course is just what I needed to truly understand what IoT is about."

"In 2016, PTC proved that it is more than just a force to be reckoned with in the IoT space. PTC solidified itself as one of the leading IoT companies, with an impressive combination of technology offerings through ThingWorx, considerable growth potential, and an expanding ecosystem of reputable customers and partners," said Dan Shey, managing director and vice president, ABI Research.

Additional Resources

- ThingWorx IoT Platform

- Harvard Business Review: "How Smart, Connected Products are Transforming Companies," authors PTC CEO Jim Heppelmann and Harvard Professor Michael Porter

About our Bookings Measure

Our 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 plus any monthly software rental bookings during the period.

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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PTC
Jack McAvoy, 781-370-6143
Corporate Communications
jmcavoy@ptc.com
or
FleishmanHillard
Sara Steindorf, 314-982-1725
sara.steindorf@fleishman.com

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