
ALTAIR
Altair Investor Day
Change tomorrow, together.

Welcome to Altair Investor Day

May 27, 2021

David Simon

Chief Administrative Officer

Dave Simon
Chief Administrative Officer

Text: 248-563-8608
Email: DLS@altair.com

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Today's Lineup

James R. Scapa, Founder, Chairman, and Chief Executive Officer

Uwe Schramm, Chief Technical Officer

Brett Chouinard, Chief Technical Officer (June 2021)

Mahalingam Srikanth, Chief Technical Officer

Nelson Dias, Chief Revenue Officer

Amy Messano, Chief Marketing Officer

Gilma Saravia, Chief People Officer

Stephanie Buckner, SVP, Customer Engagement & Corporate Development

Matt Brown, Chief Financial Officer

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Safe Harbor Statement

This presentation and the accompanying oral commentary contain "forward-looking" statements that are based on our beliefs and assumptions and on information available to us as of the date of this presentation. All statements other than statements of historical facts contained in this presentation, including statements regarding our future results of operations and financial position, customer lifetime value, strategy and plans, market size and opportunity, competitive position, industry environment, potential growth opportunities and our expectations for future operations, are forward-looking statements. The words "believe," "may," "might," "objective," "ongoing," "will," "estimate," "continue," "anticipate," "design," "intend," "expect," "could," "plan," "potential," "predict," "project," "seek," "should," "would" or the negative version of these words and similar expressions are intended to identify forward-looking statements. This presentation also contains non-GAAP financial measures. We have provided a reconciliation of such non-GAAP financial measures to the most directly comparable measures prepared in accordance with U.S. GAAP in the Appendix to this presentation.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance, achievements or expectations to be materially different from any future results, performance, achievements or expectations expressed or implied by the forward-looking statements. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

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James R. Scapa
Founder, Chairman, and CEO


Altair’s vision is to transform enterprise decision making by leveraging the
convergence of simulation, high-performance computing, and artificial intelligence.
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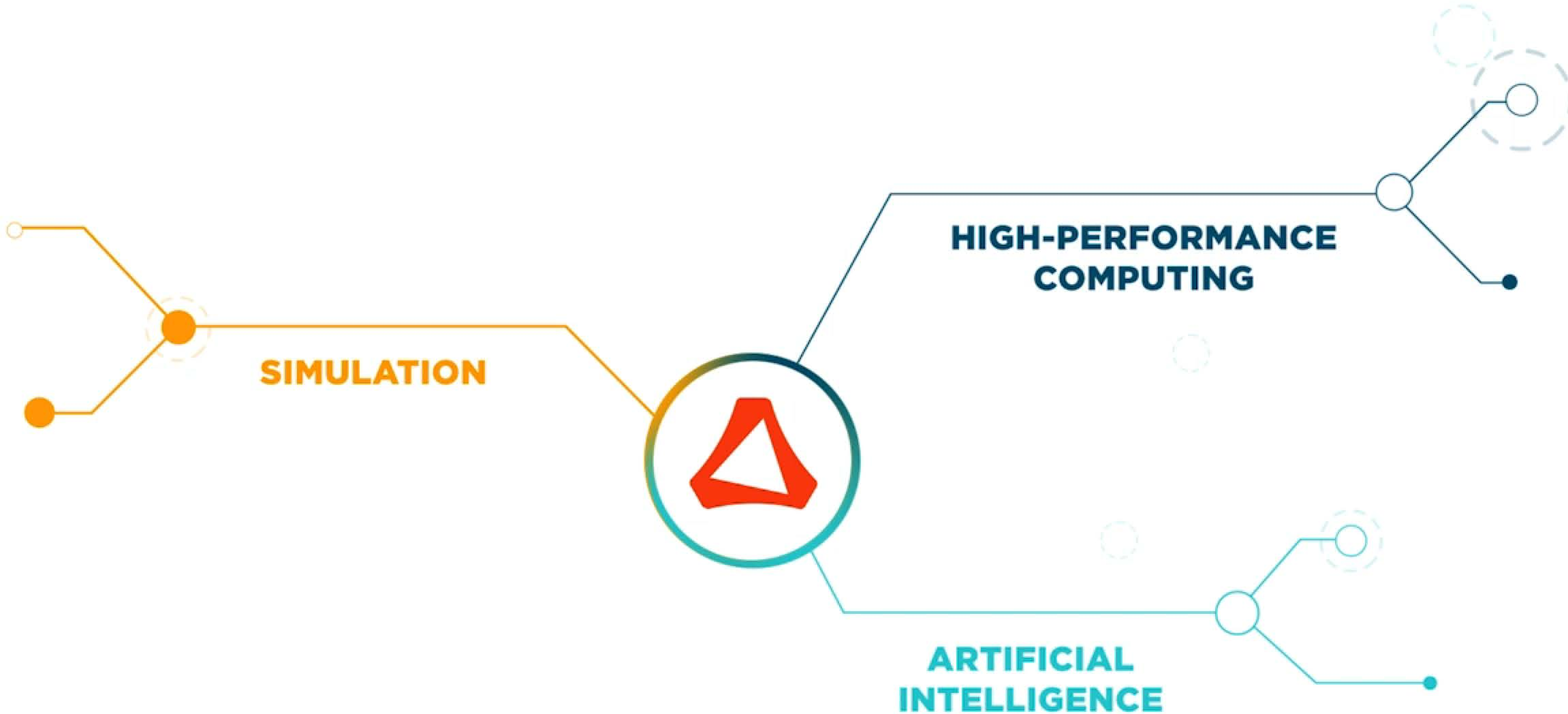
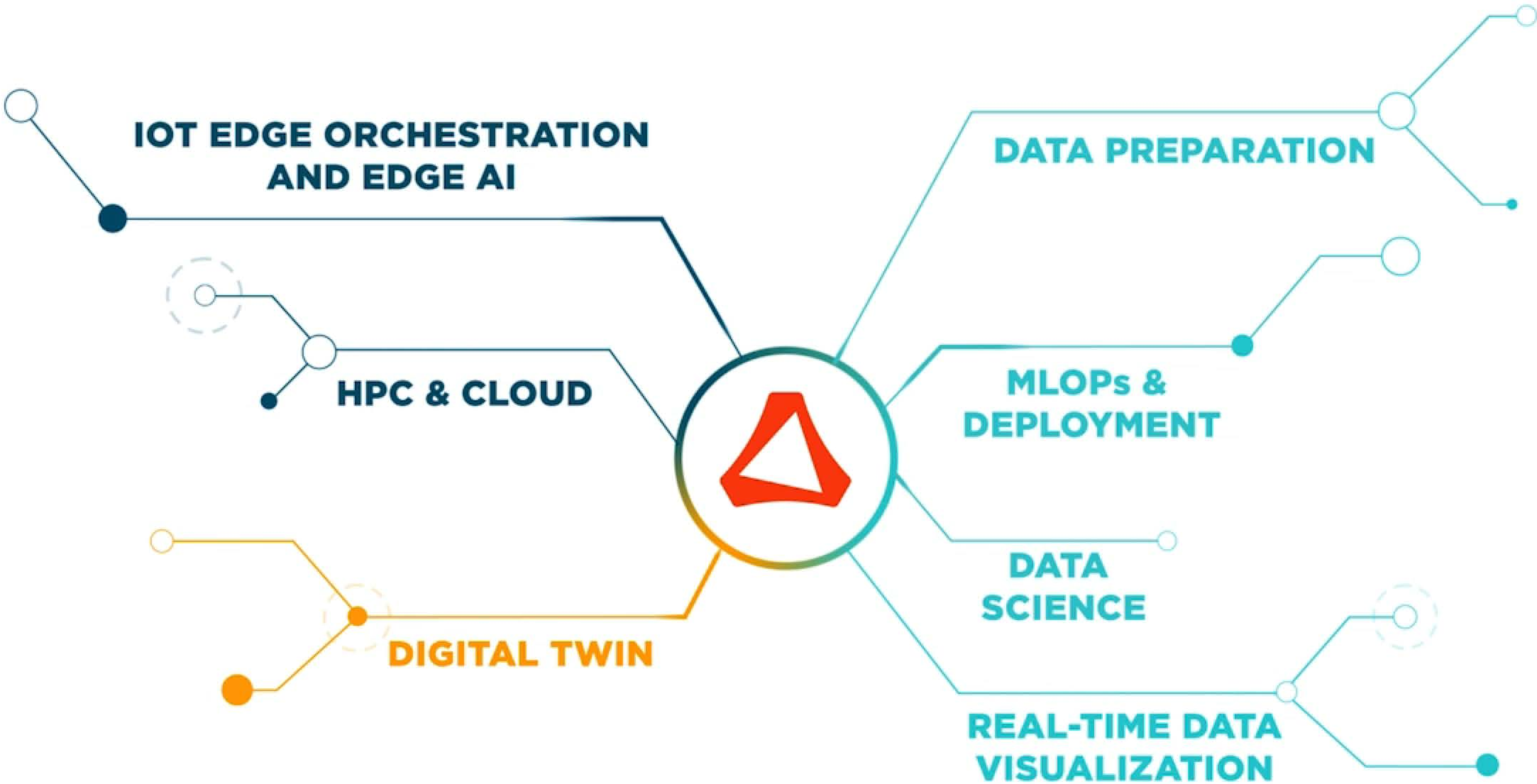
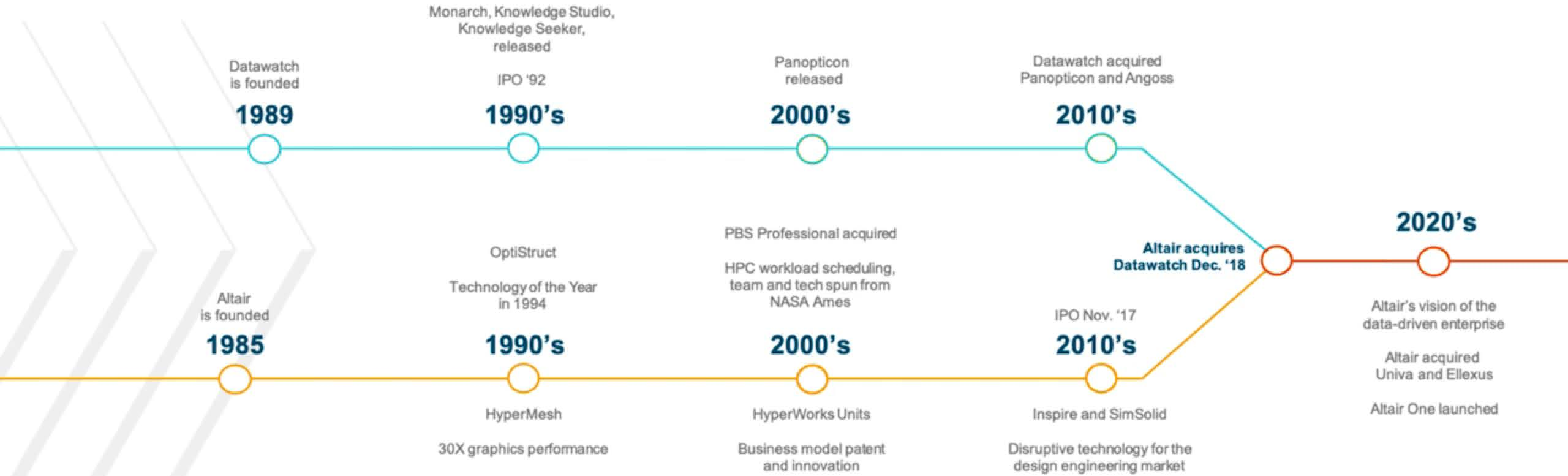

SIMULATION
HIGH-PERFORMANCE COMPUTING
ARTIFICIAL INTELLIGENCE


IOT EDGE ORCHESTRATION AND EDGE AI
HPC & CLOUD
DIGITAL TWIN
DATA PREPARATION
MLOPs & DEPLOYMENT
DATA SCIENCE
REAL-TIME DATA VISUALIZATION

Altair Timeline and Milestones



ALTAIR

11,000+ Customers Worldwide

Automotive

Ford, GM, Hyundai, FCA, Faurecia, Honda, Renault, Toyota

Aerospace

Boeing, Airbus Group, GE, Saab, KAI Korea Aerospace Industries, Ltd., Lockheed Martin, NASA, GKN Aerospace

Civil Engineering

ARUP, LIXIL, Ramboll, SOM, Thornton Tomasetti, Zaha Hadid Architects, Schüco

Education

Columbia University, Imperial College London, University of Michigan, Tsinghua University, UTP, Nelson Mandela University, Universidade Federal do Rio de Janeiro

Energy

Mitsubishi Heavy Industries, mtu, Chevron, ConocoPhillips, ExxonMobil, Reliance Industries Limited, Siemens, acciona

Financial Services

TD Bank Financial Group, Bank of America, mastercard, pwc, PayPal, JPMorganChase, BNY Mellon, BNP Paribas, citi

Government & Defense

NCI Australia, General Dynamics, BAE Systems, NAVSEA

Heavy Rail

ALSTOM, John Deere, Caterpillar, CNH Industrial, Stadler, Hitachi Inspire the Next, Oshkosh

Industrial Goods

Schneider Electric, Kawasaki, Toyotetsu, SMS group, Atlas Copco, Black+Decker

Life & Earth Sciences

SK innovation, Bureau of Meteorology, Merck, Edwards, Novartis, Ifremer

Material Suppliers

Quartus Engineering, Nippon Steel, Nemak, Sabic, AGC, ArcelorMittal, DuPont, Kobelco Kobe Steel, Ltd.

Technology

intel, tsmc, facebook, Samsung, Qualcomm

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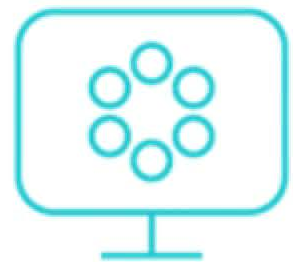
What Differentiates Altair?

We are Technology and Product Driven

Convergence Simulation, HPC, and AI

Open Solutions



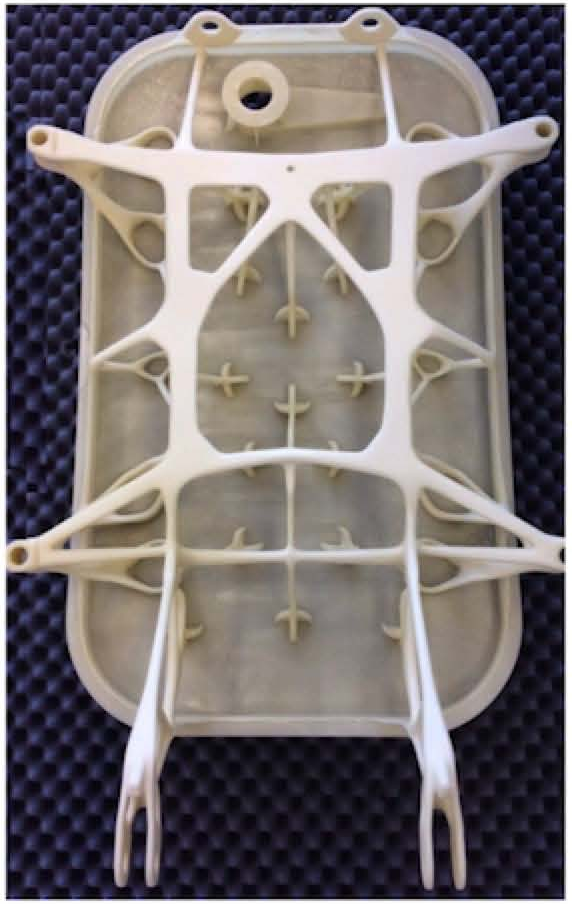
Our Business Model

ALTAIR

Dr. Uwe Schramm
CTO


Topology Optimization
is Physics-informed
Generative Design

SOGECLAIR Aerospace – Optimized Aircraft Door



3D Printing

Casting

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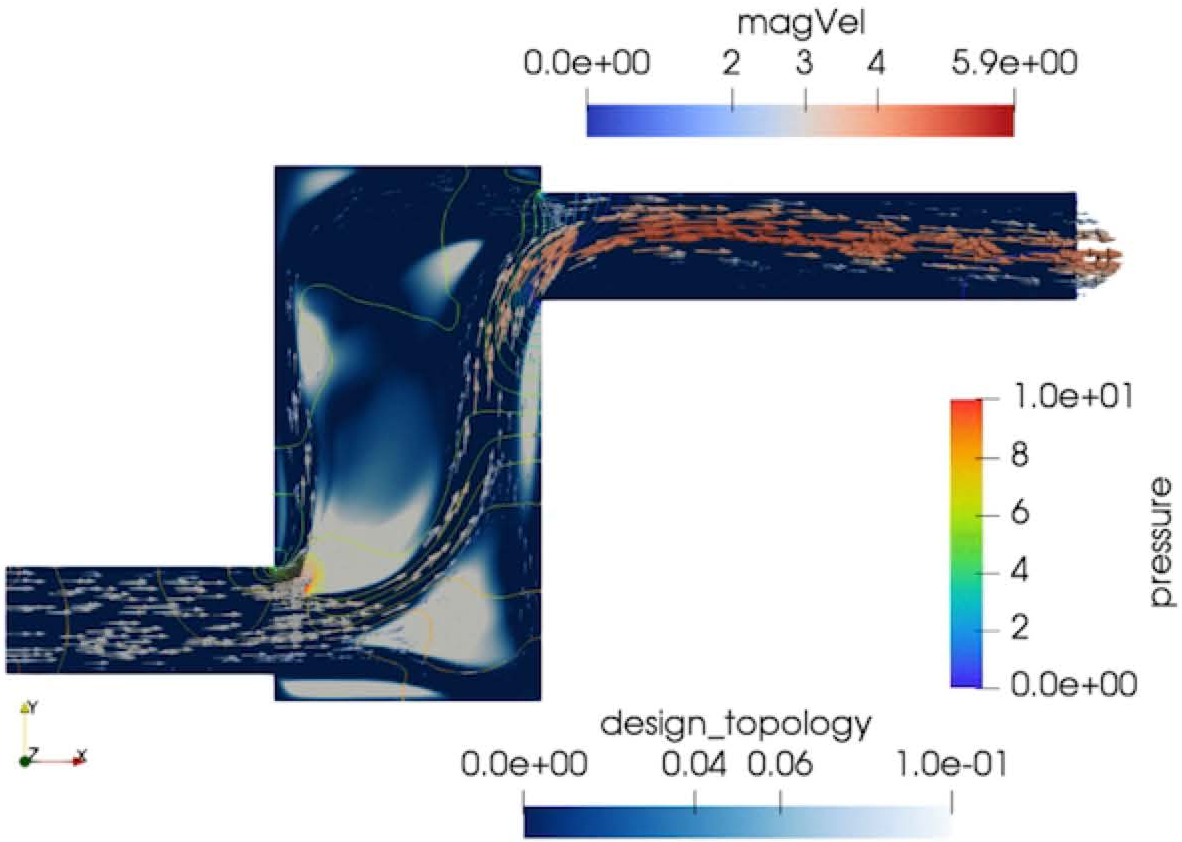
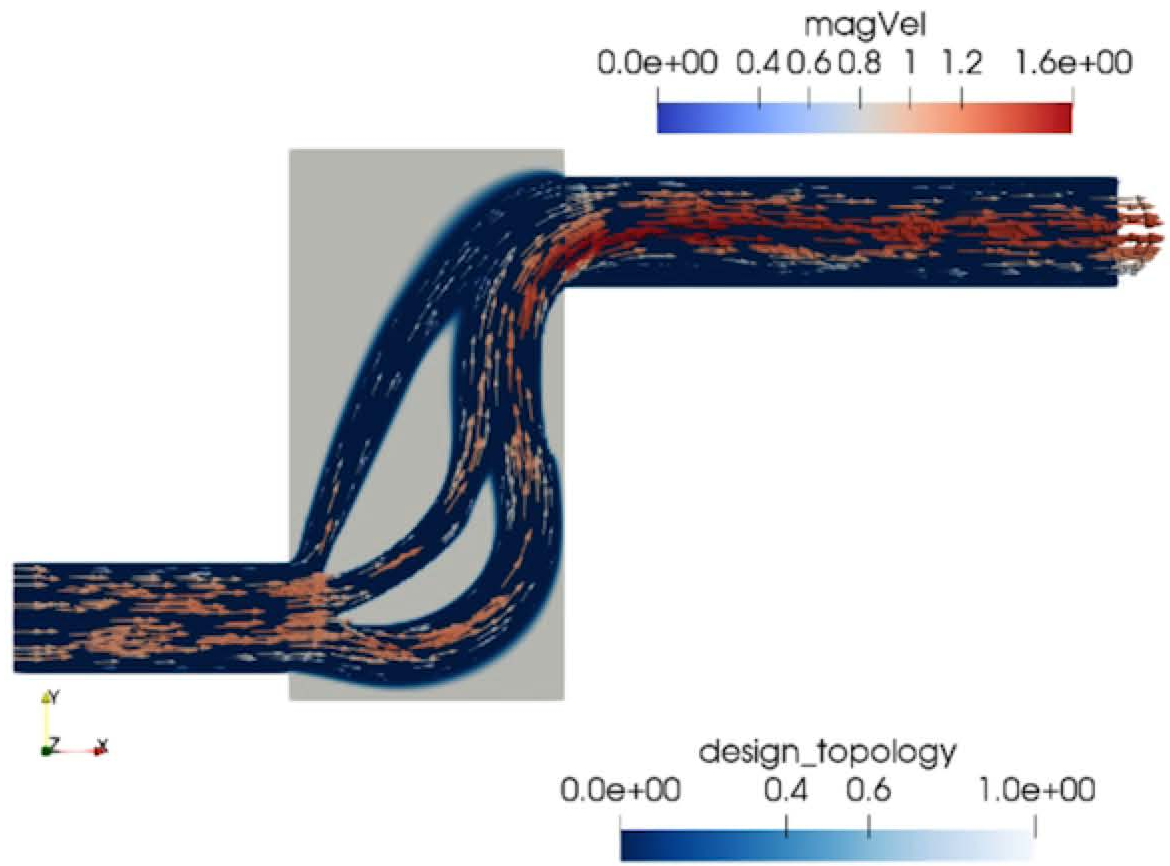
Topology Optimization Considering Fluid Flow





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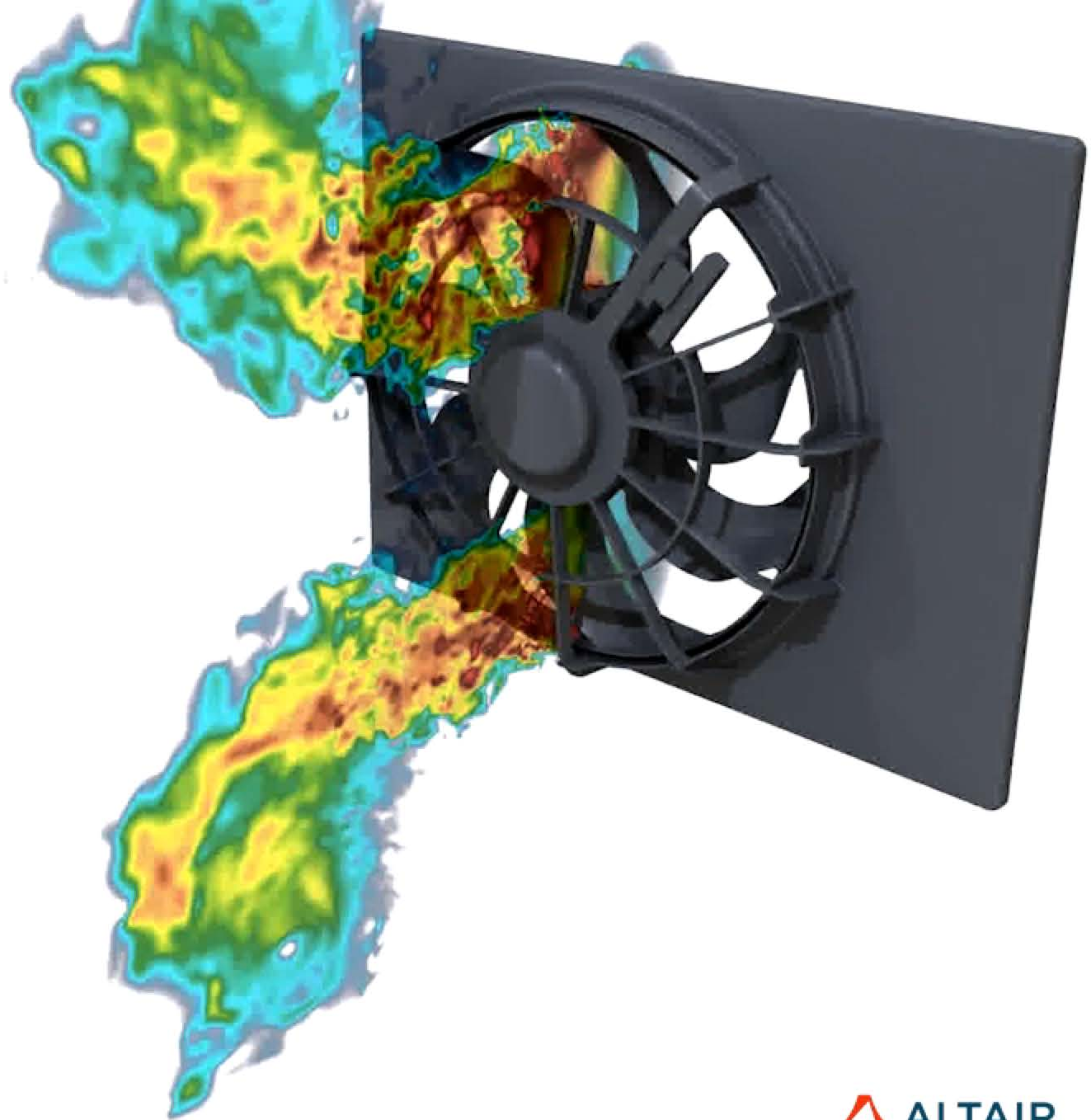
Computational Aero Acoustic Simulation



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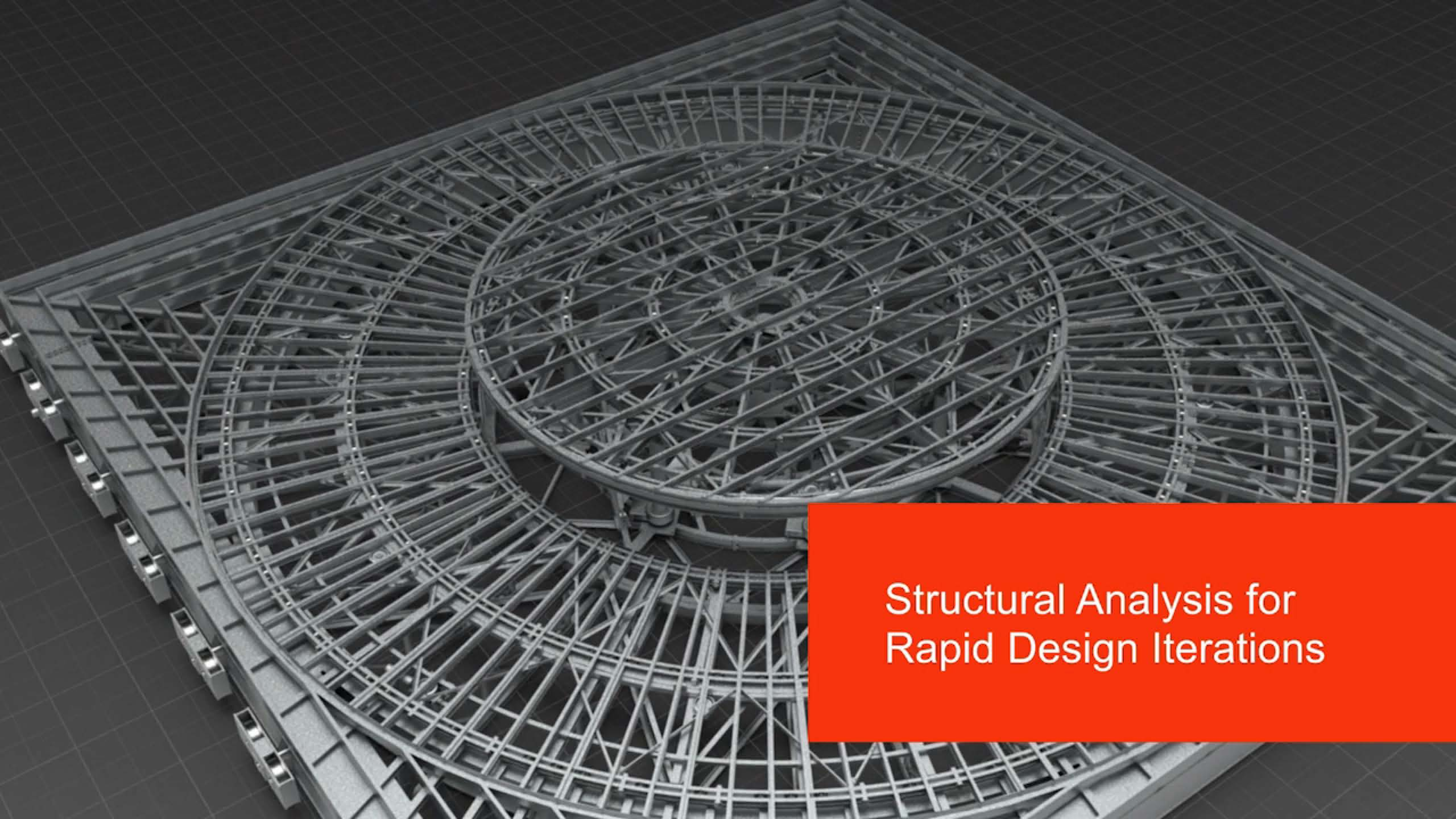
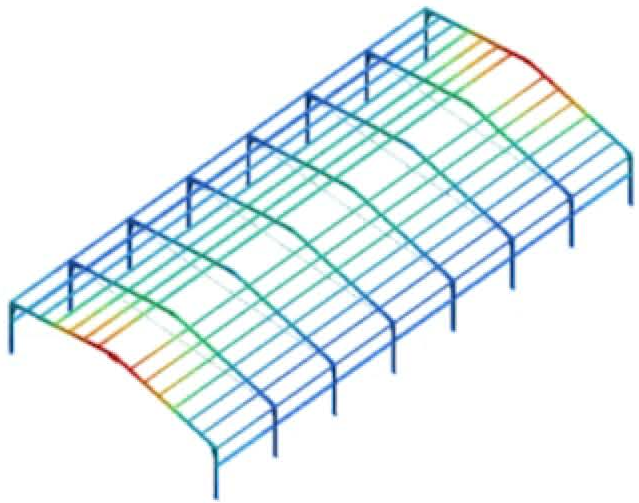
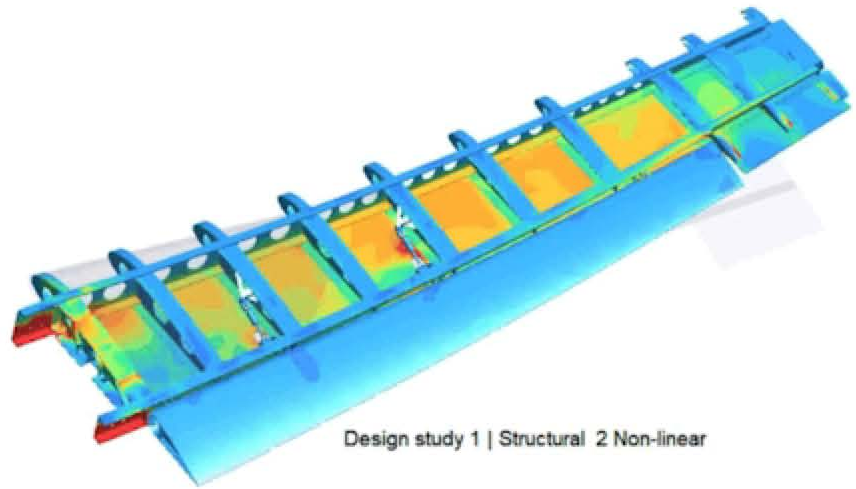
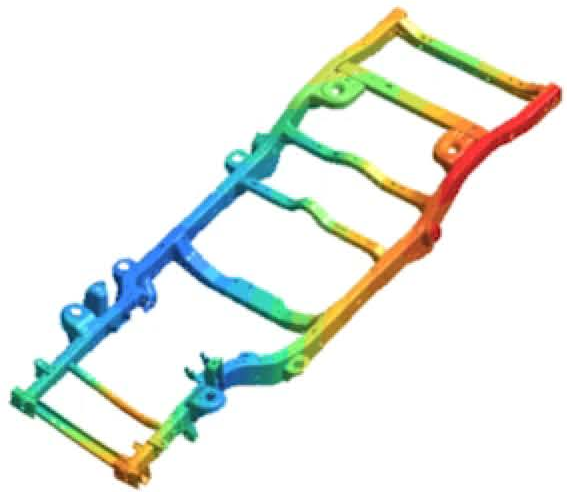


Structural Analysis for Rapid Design Iterations

SimSolid Simulations in AEC, Aerospace, & Automotive







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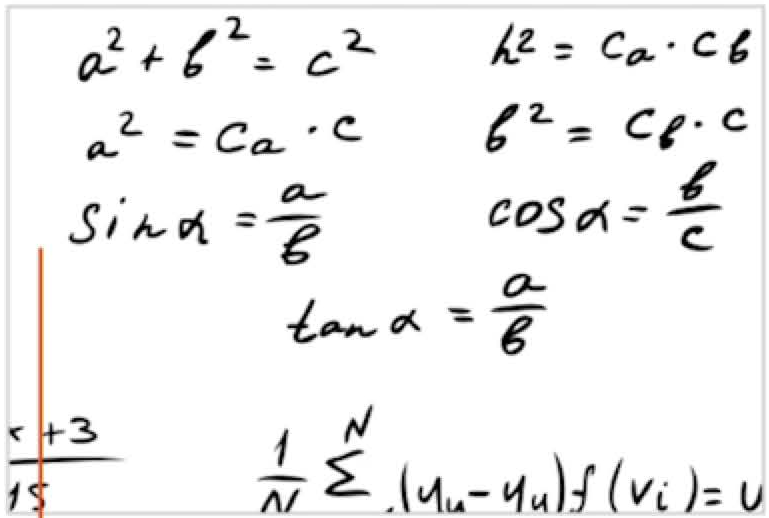
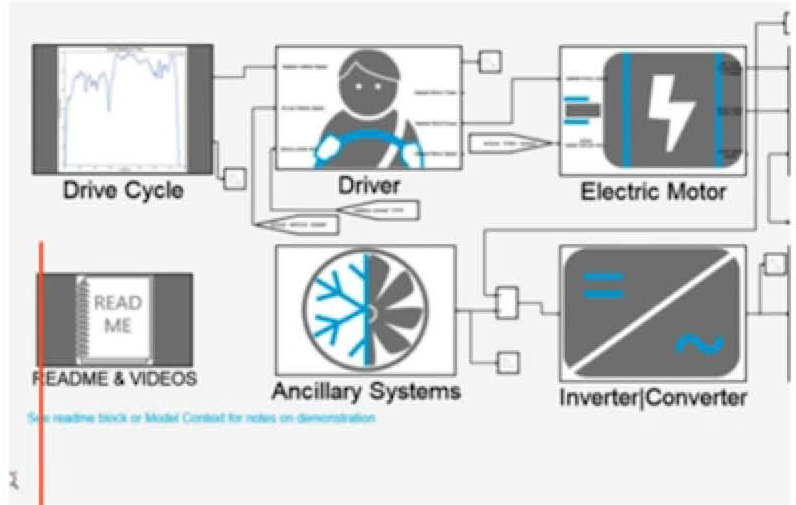
Integrating Solvers with Optimization to Support Decision Making

Reducing Complexity is Key to Build Meaningful Models

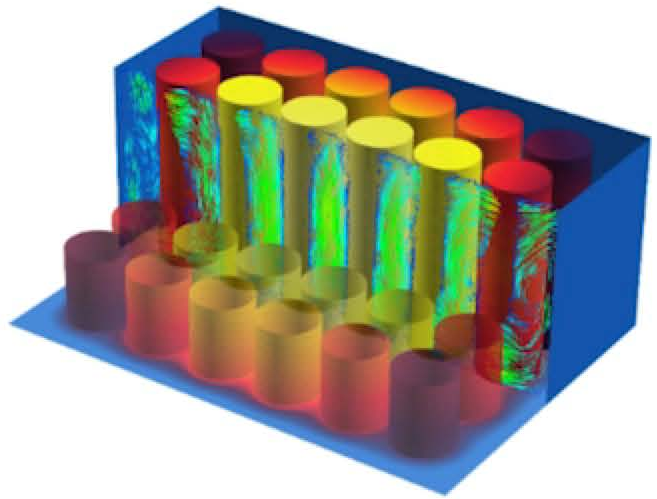
0D to 3D Simulation of a Battery Pack



0D



1D



3D

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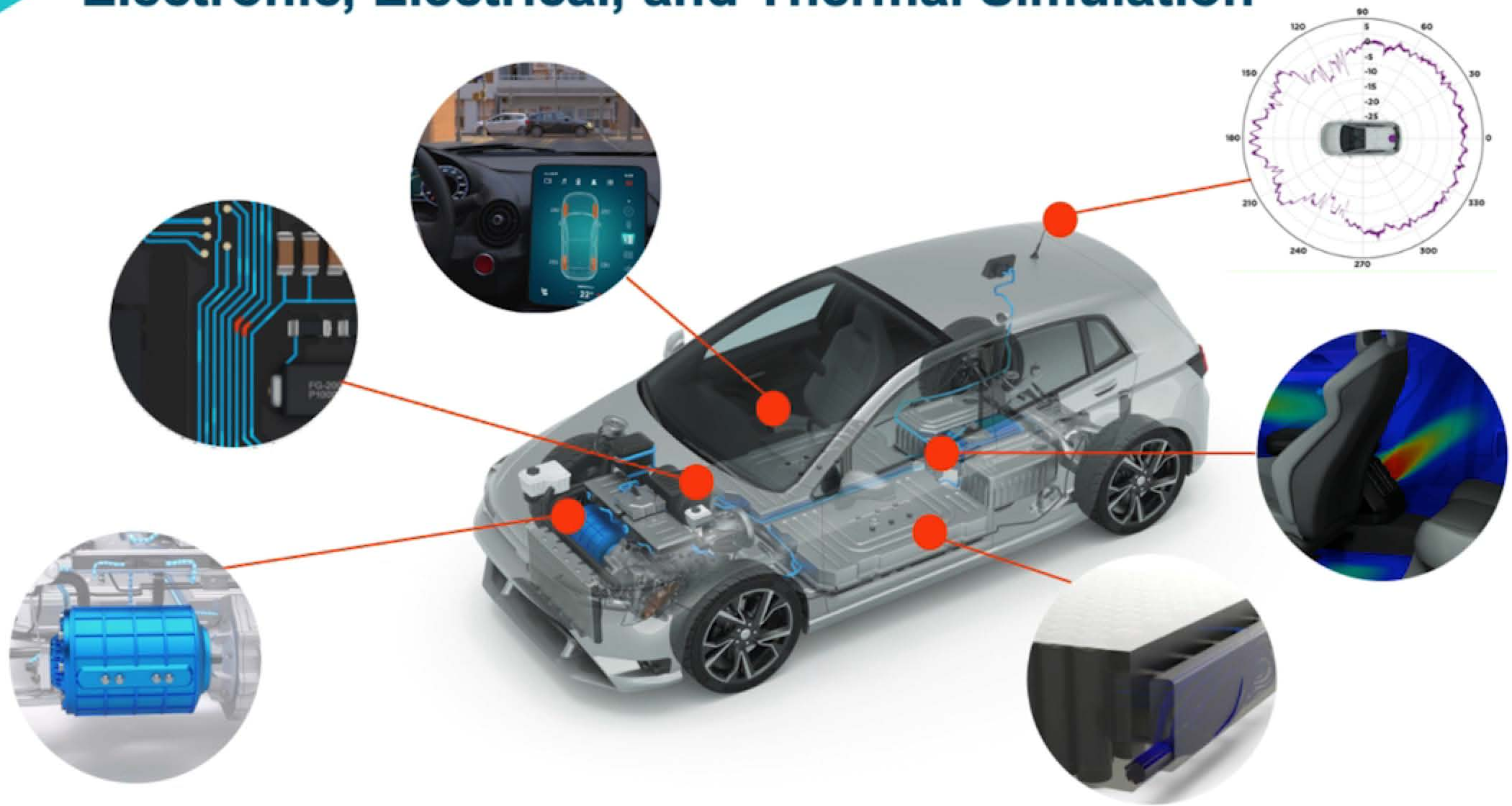
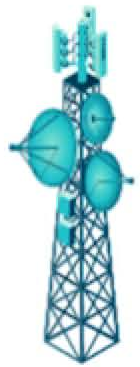
Integrated Design and Process Manufacturability

Electronic, Electrical, and Thermal Simulation

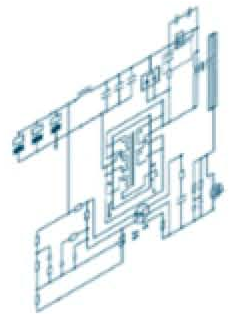


Elements for Electric System Design

Electronics | Electrical | Mechanical | Thermal | Mechatronics | Circuit | Code






Efficient HPC Scheduling & Cloud Accessibility

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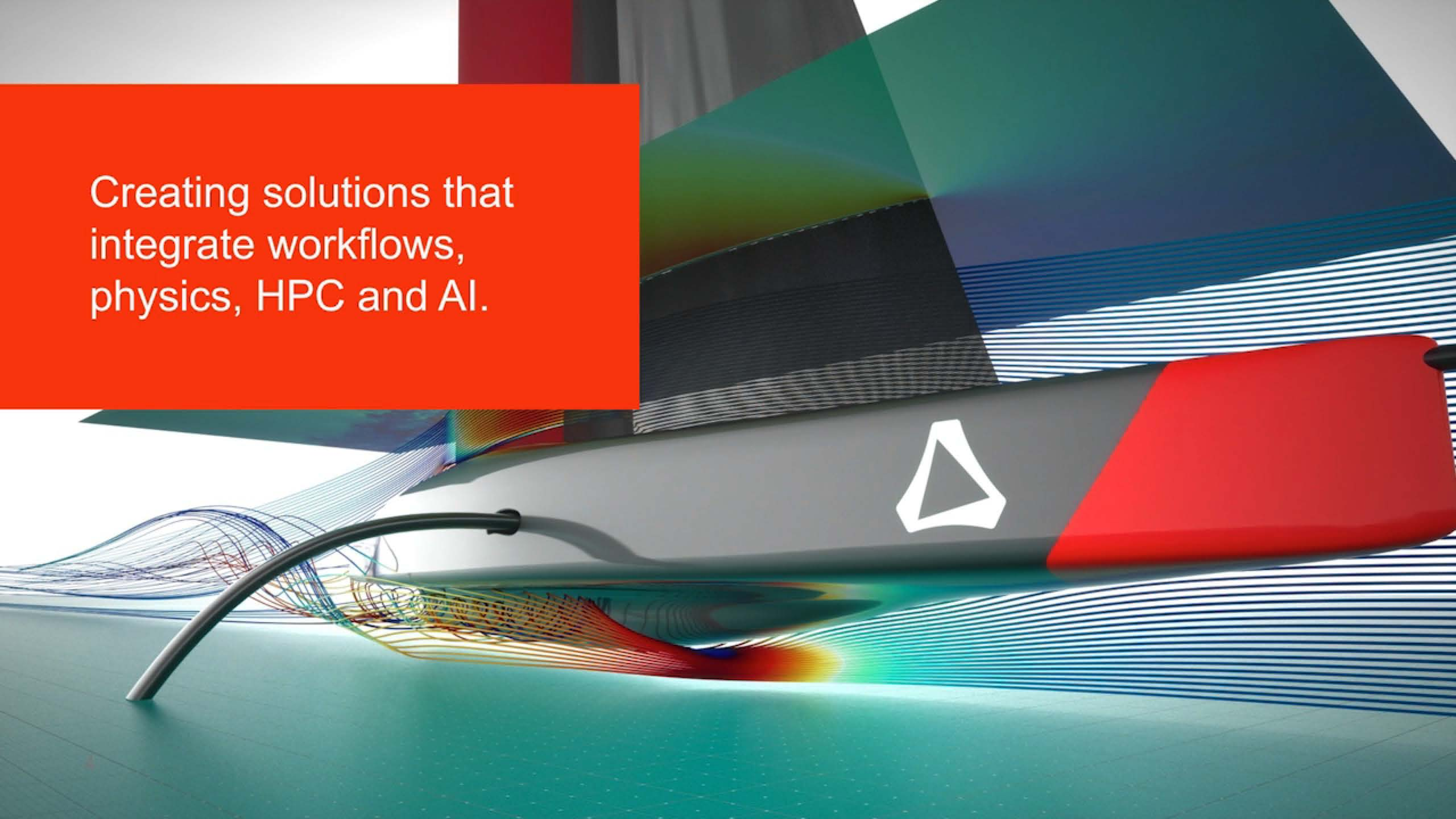
Brett Chouinard
CTO

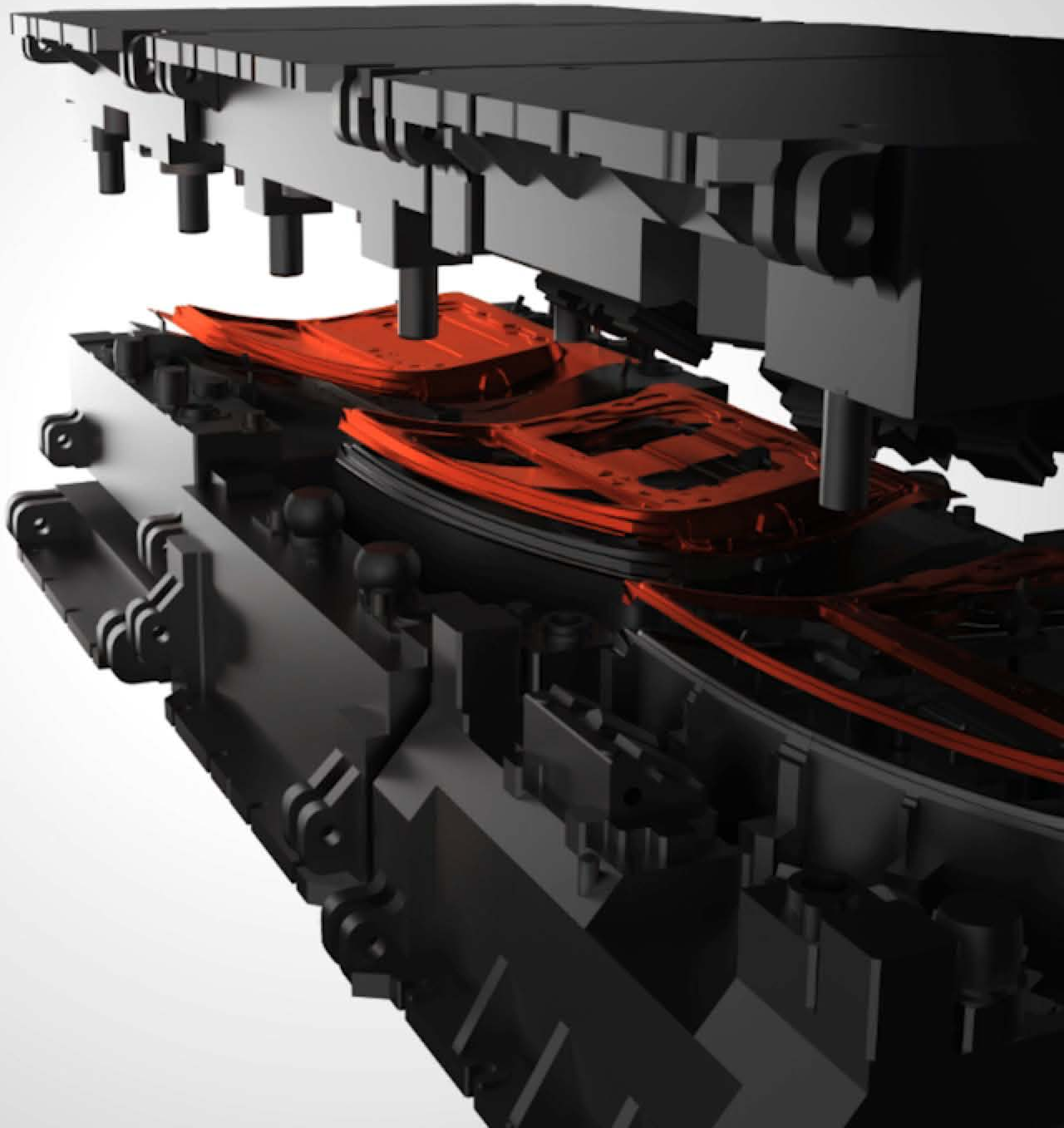
Original HyperMesh 1990

Creating solutions that integrate workflows, physics, HPC and AI.



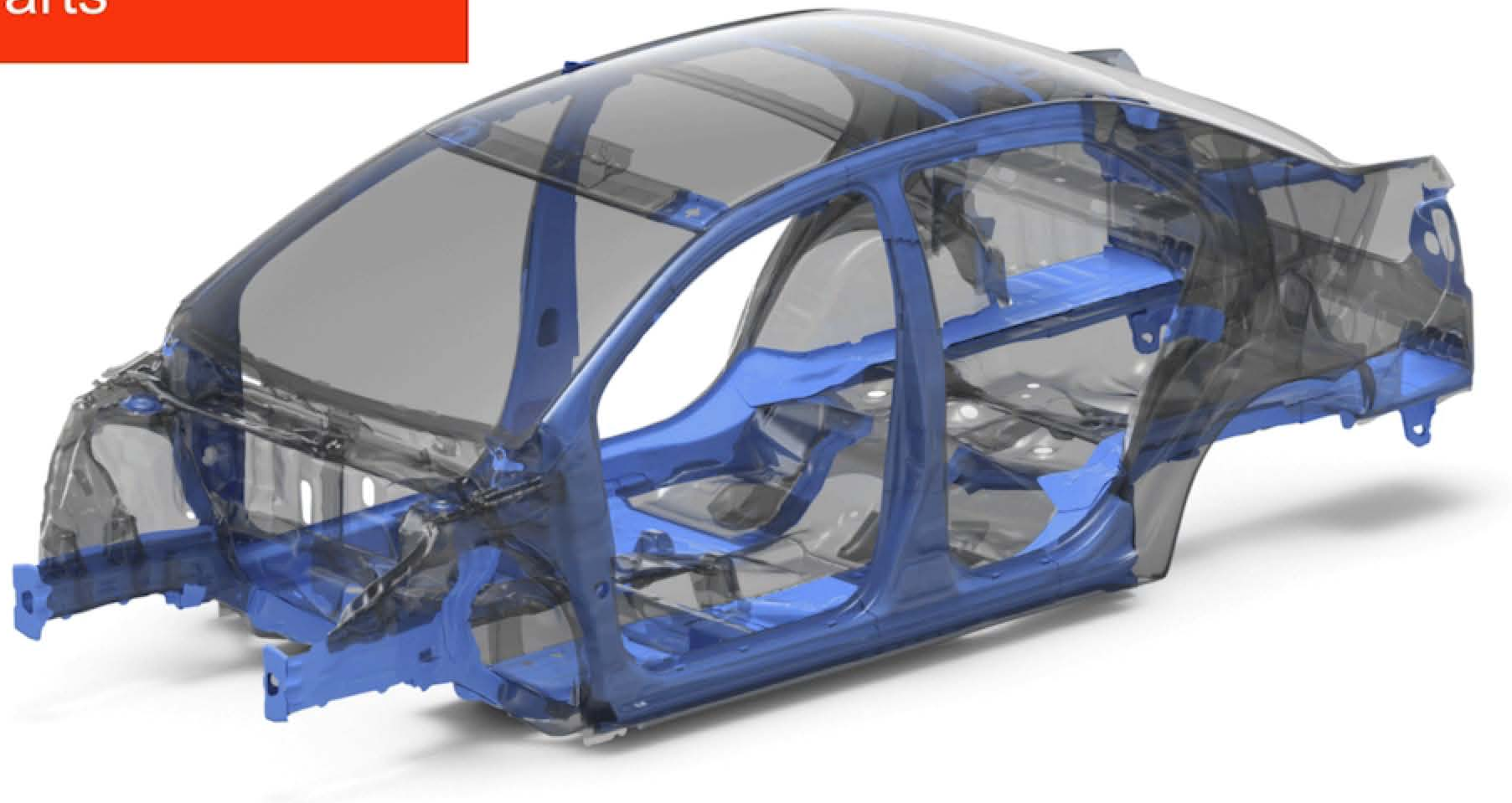
Manufacturability Solutions

- 3D Printing
- Casting
- Injection Molding
- Sheet Metal Forming
- Extrusion
- Urethane Foaming



SDM and Automation Solutions Synchronized with PLM

Machine Learning to Identify and Classify Parts



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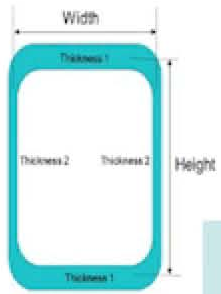
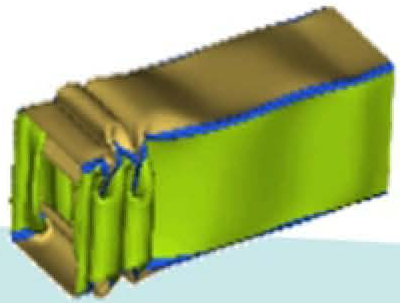
Expert Augmentation with Machine Learning

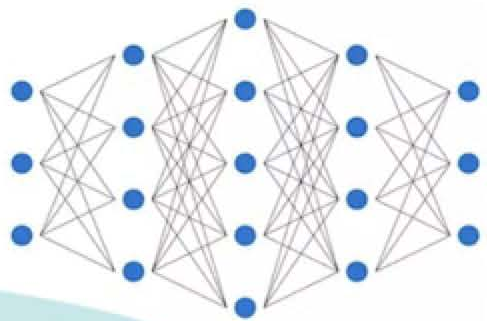
Generate Sample Sections



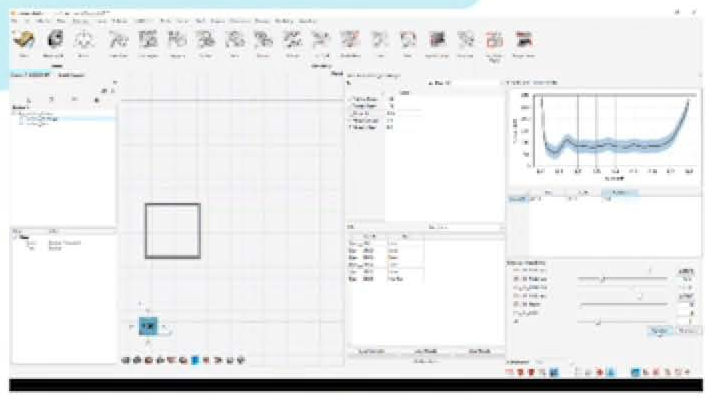
Simulate Crush with Radioss



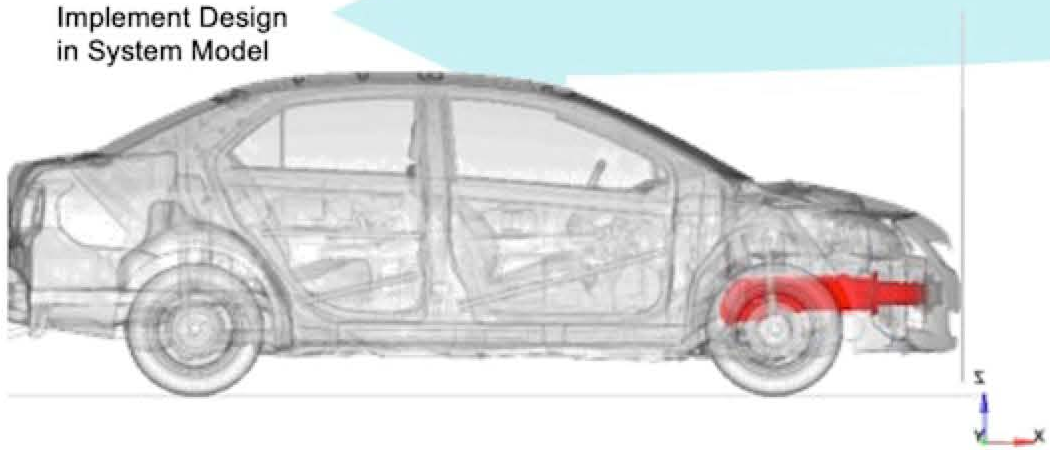
Train NN with Simulation Results



Use NN to Suggest Sections to Meet Design Requirements



Implement Design in System Model



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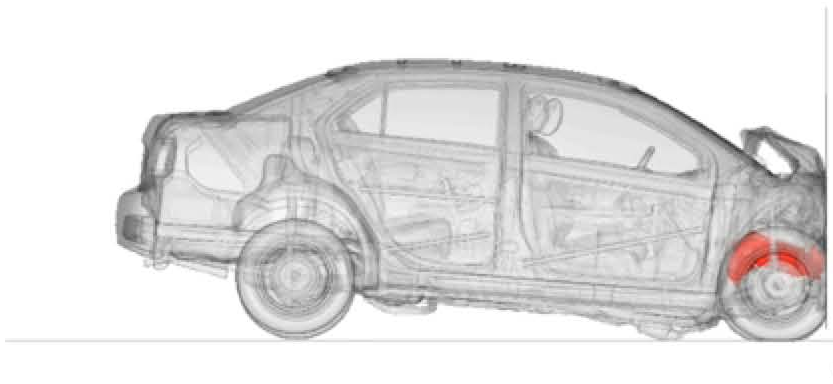
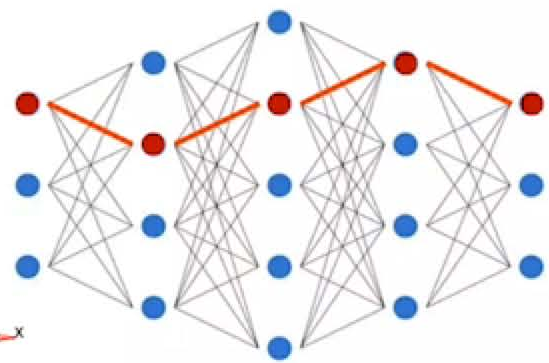
Reduced Order Modeling of Transient Simulation

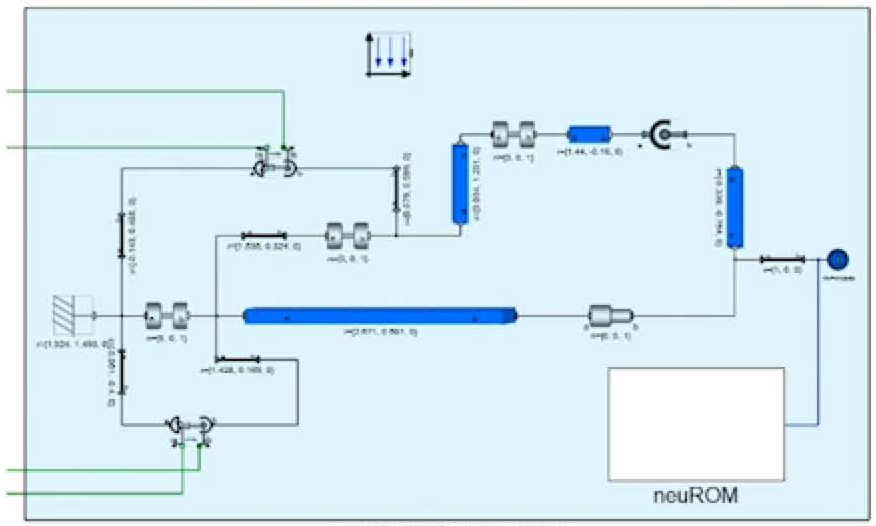
LARGE SCALE 3D ANALYSIS



MACHINE LEARNING



SYSTEM SIMULATION



MULTI-BODY SYSTEM

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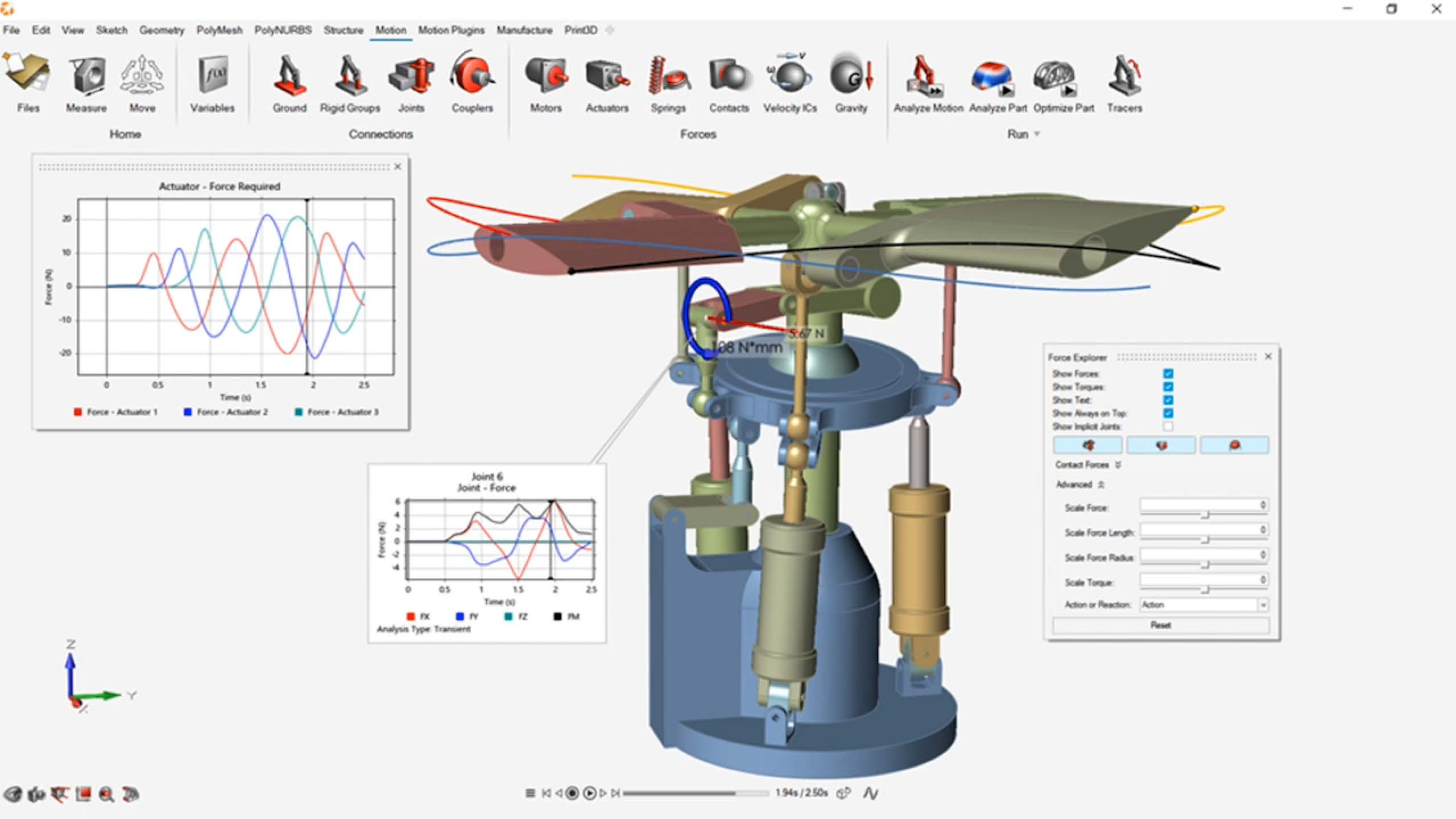
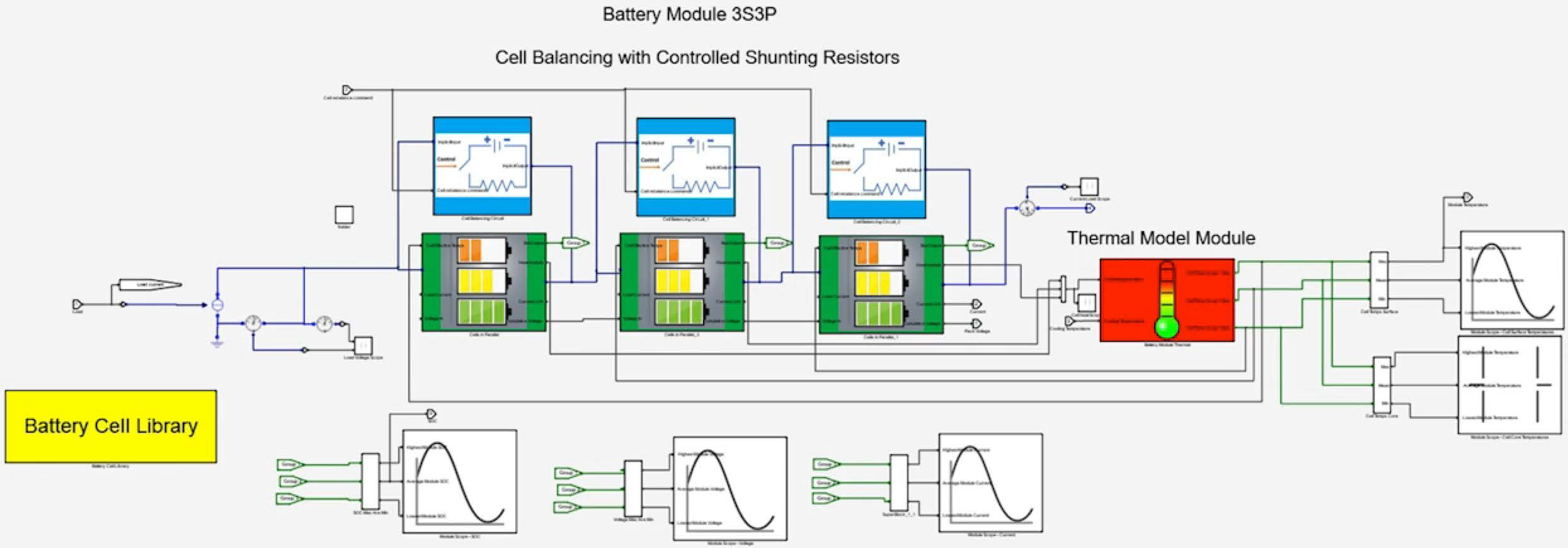

File Edit View Sketch Geometry PolyMesh PolyNURBS Structure Motion Motion Plugins Manufacture Print3D
Files Measure Move Variables Ground Rigid Groups Joints Couplers Motors Actuators Springs Contacts Velocity ICs Gravity Analyze Motion Analyze Part Optimize Part Tracers
Home Connections Forces Run
Actuator - Force Required
Force (N)
Time (s)
Force - Actuator 1
Force - Actuator 2
Force - Actuator 3
5.67 N
108 N*mm
Joint 6
Joint - Force
Force (N)
Time (s)
FX FY FZ FM
Analysis Type: Transient
Force Explorer
Show Forces:
Show Torques:
Show Text:
Show Always on Top:
Show Implicit Joints:
Contact Forces
Advanced
Scale Force:
Scale Force Length:
Scale Force Radius:
Scale Torque:
Action or Reaction:
Action
Reset
Z
Y
1.94s / 2.50s

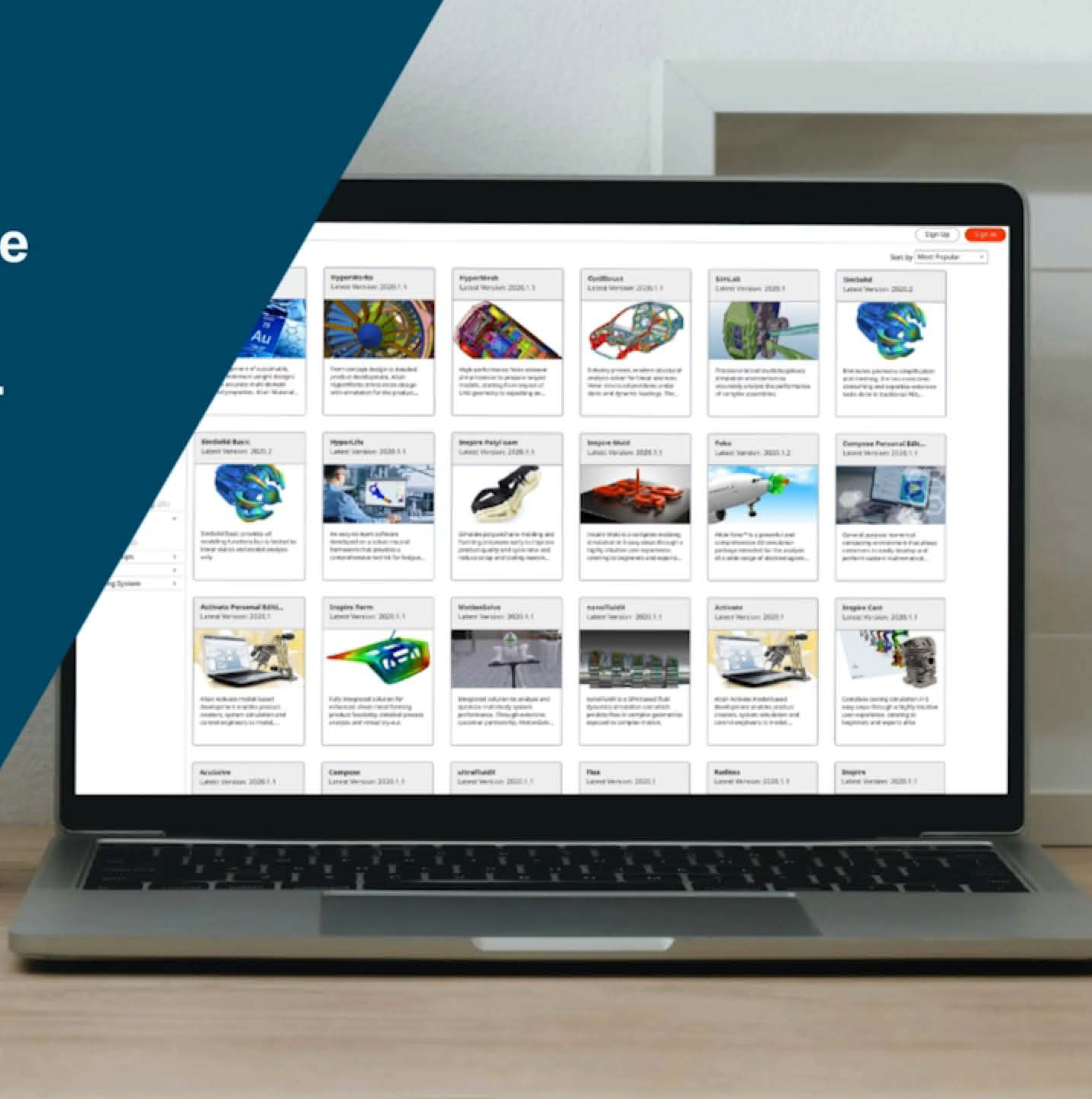

Battery Module 3S3P
Cell Balancing with Controlled Shunting Resistors
Thermal Model Module
Battery Cell Library

Sam Mahalingam
CTO

Cloud Computing – Altair One™

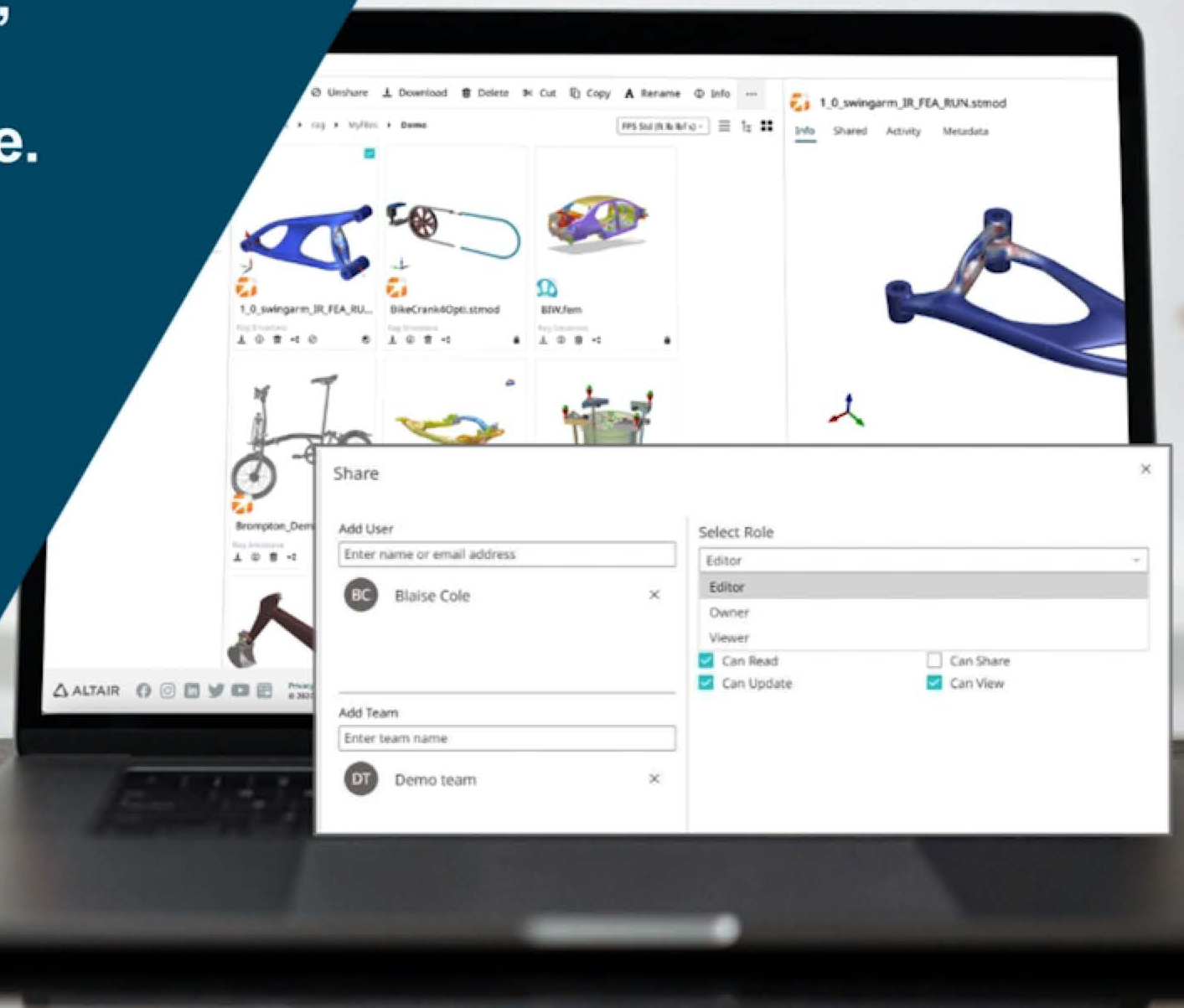
ALTAIR

Access a broad set of applications in Altair One and launch in the cloud or download to desktop.



ALTAIR

Securely upload, access, store, and manage data using the Altair One drive.



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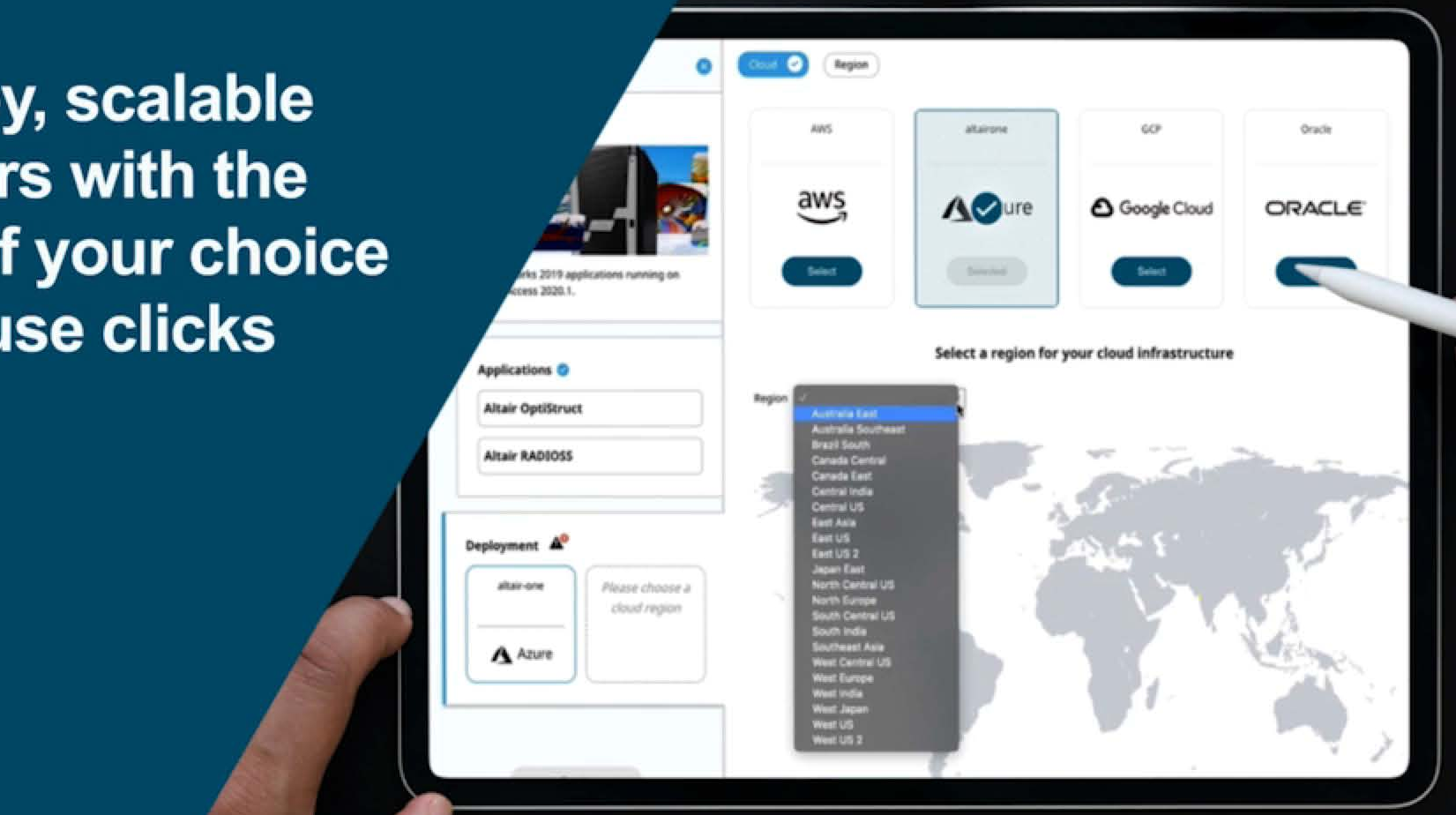
Provision turnkey, scalable appliance clusters with the cloud provider of your choice in just a few mouse clicks with Altair One.



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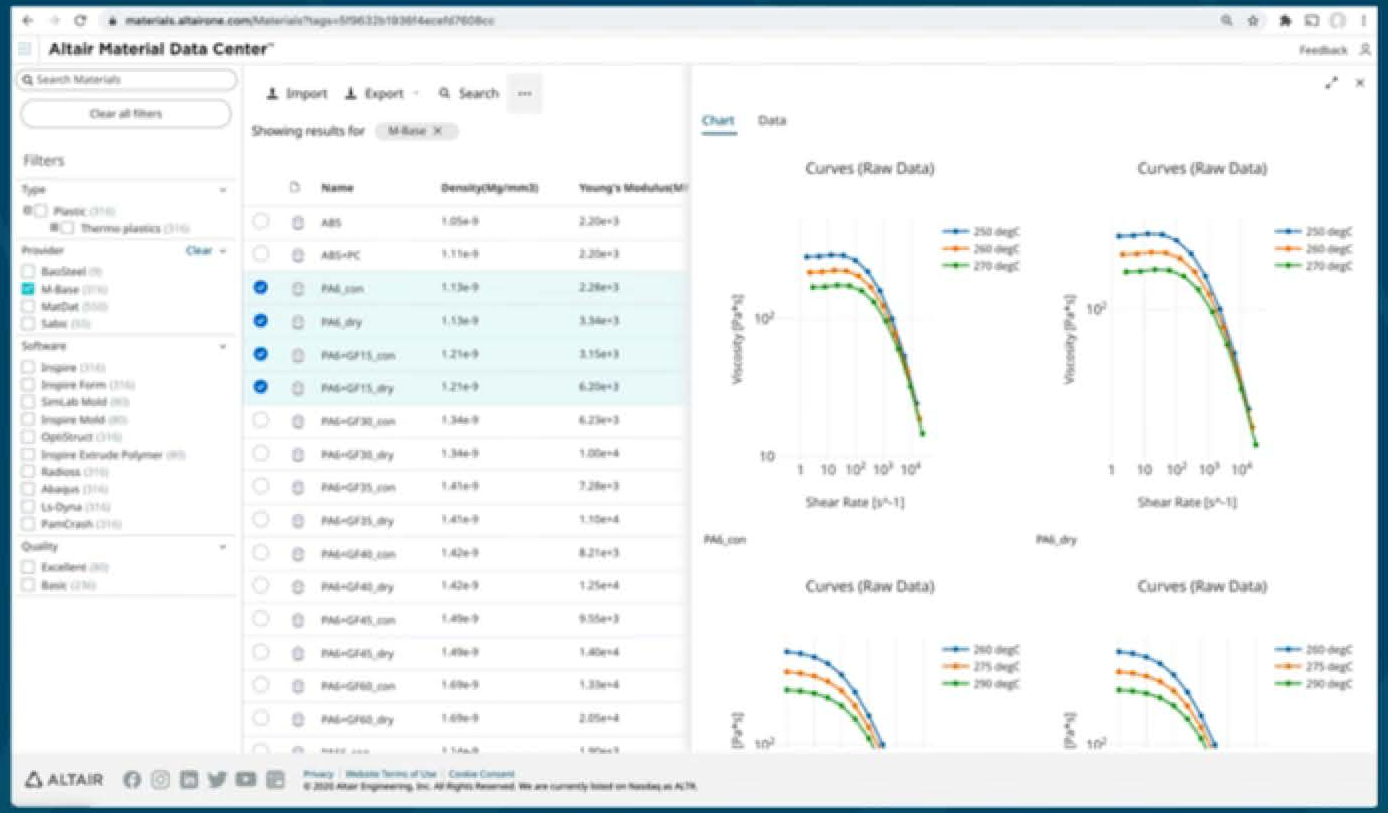
Material Data Center

Enables designers, engineers, and scientists to browse, search, and compare materials in a standalone application or through your simulation and optimization tools.



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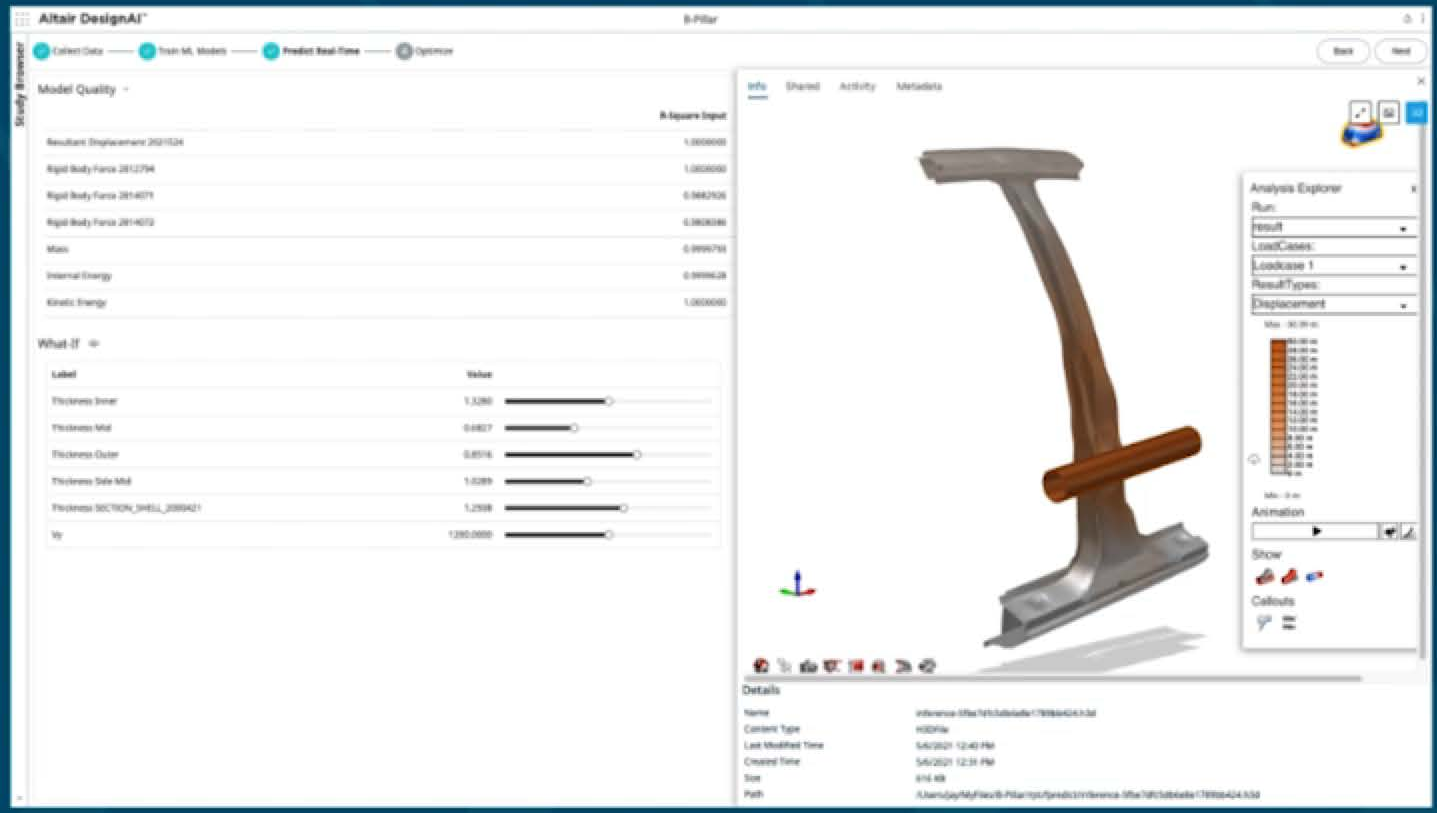
DesignAI™

A low code tool for engineers and analysts to build a machine learning model and augment AI into existing design tools to predict the performance in near real-time.



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High-performance Computing – Altair PBS Works™

ALTAIR

Advanced High-performance Computing Usability

Resource Monitoring and Dependency Management

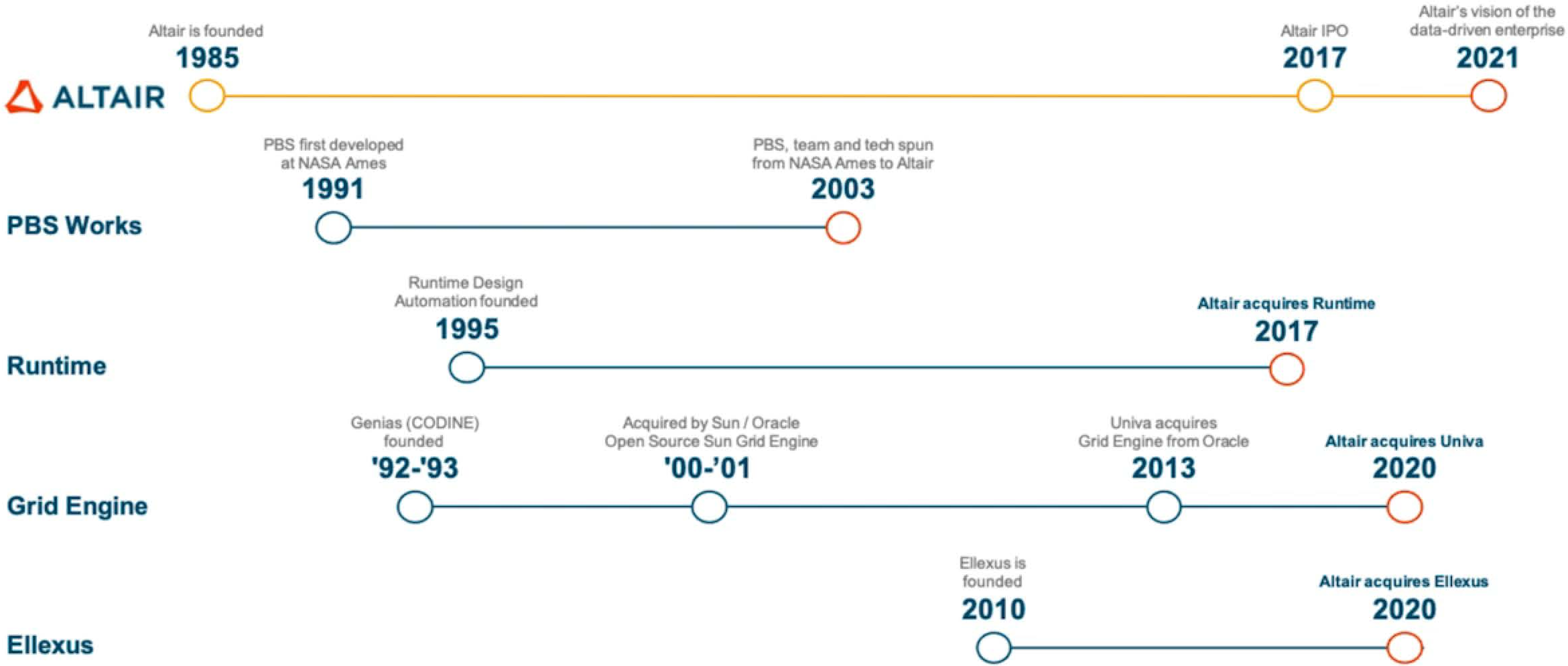
Future Innovations

Rapid cloud scaling for EDA workloads

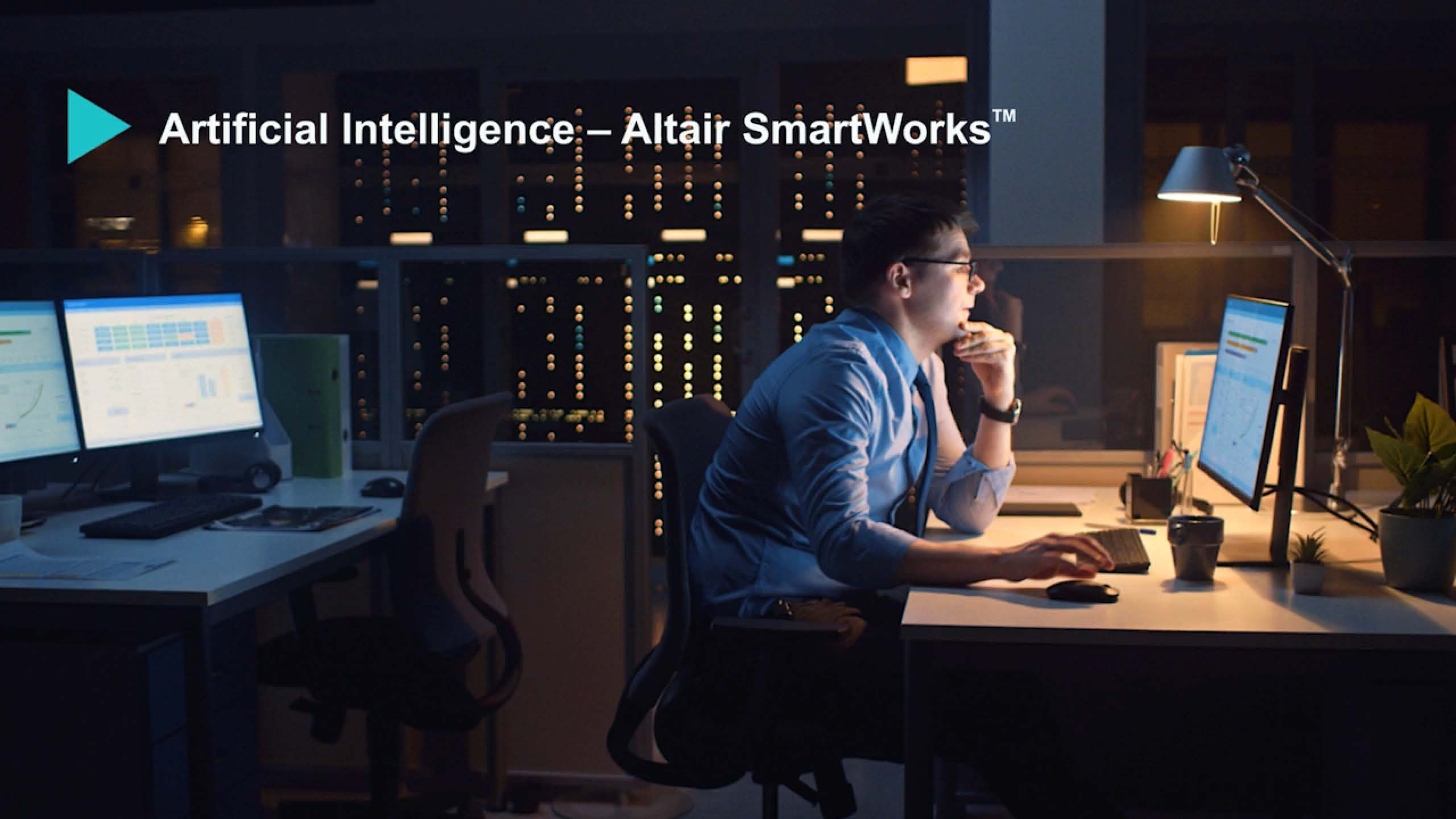
Supreme scaling through federation of servers

Multidimensional Scheduling

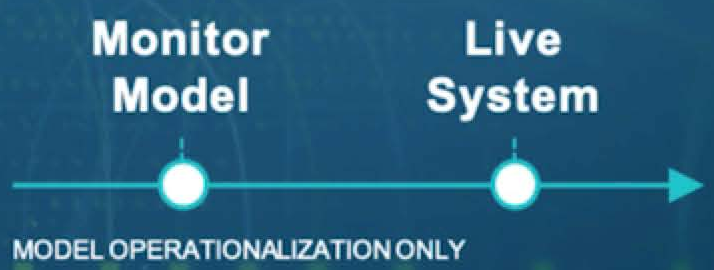
Altair in HPC



Artificial Intelligence – Altair SmartWorks™



The Right Tool for Every Job



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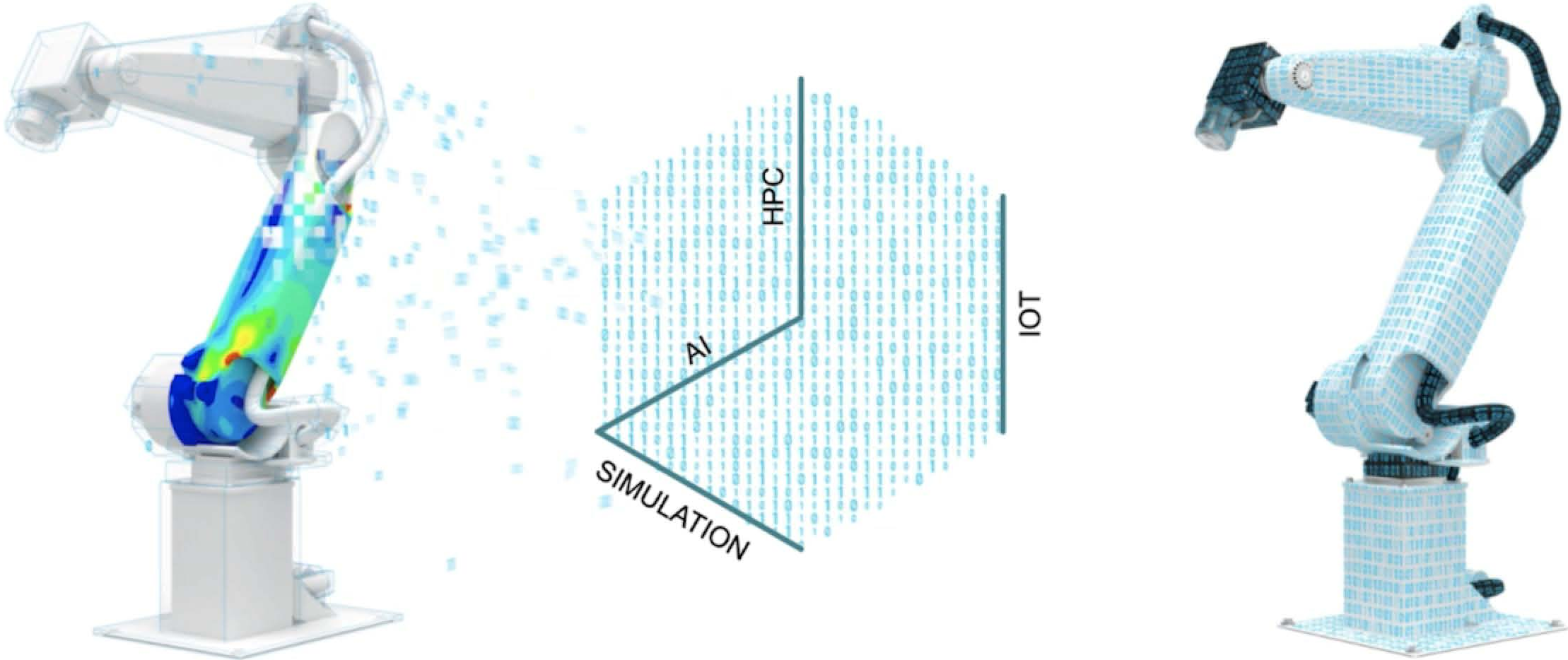
Templatize and Automate Reports for Machine Learning

Interpretable and Explainable AI

Future Innovation



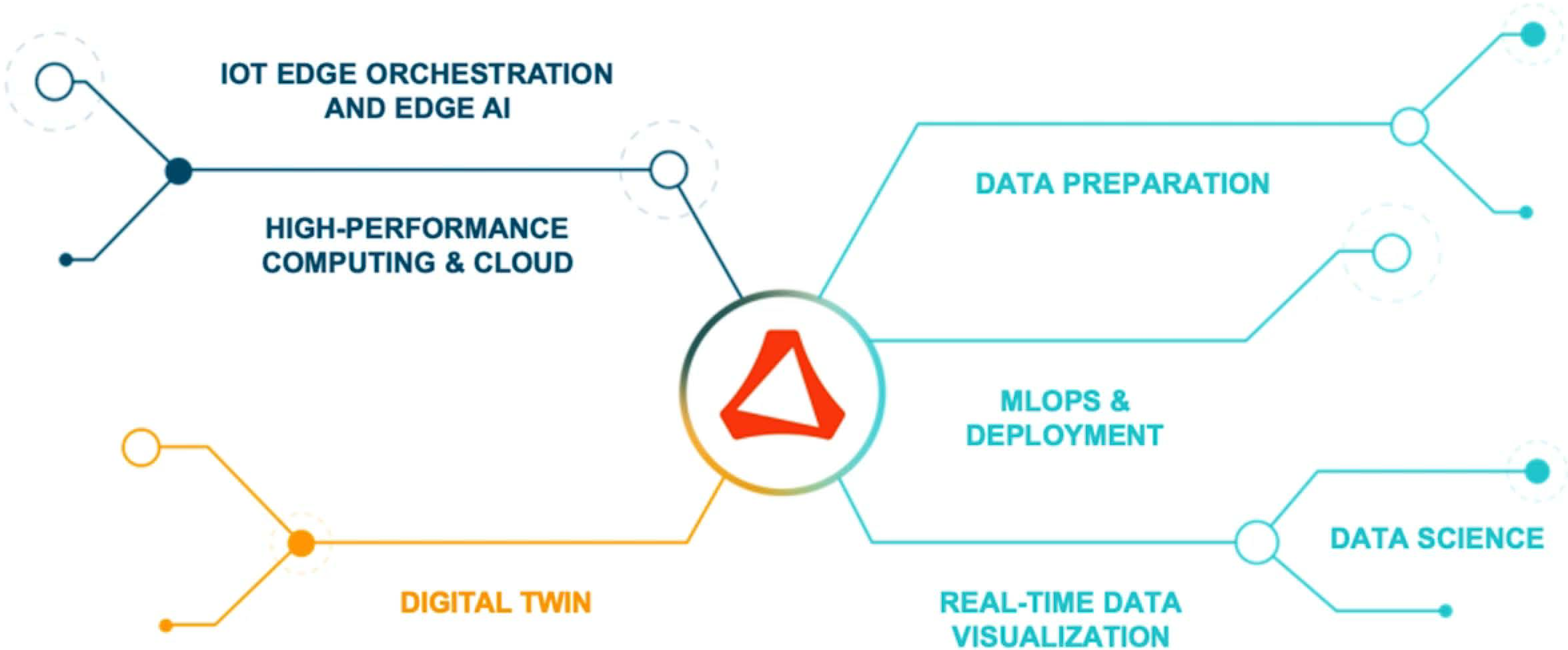
Introducing.....

SmartWorks

Altair SmartWorks empowers everyone in the enterprise to make augmented, data-driven decisions.

ALTAIR

Altair SmartWorks



ALTAIR

Nelson Dias

Chief Revenue Officer

11,000+

customers worldwide

▲ Driving

Revenue Growth

Spanning many verticals and ranging from small businesses to

FORTUNE 500

companies.

Facilitate usage of our products through our

Altair Units Model

With our previous tool we had to invest hours or even days to evaluate our components. Now it is a matter of minutes.

Mauricio Pacheco, Design Manager, GM Mexico

ALTAIR

To us, Altair SimSolid™ means efficiency.

While the software quickly provides accurate simulation and optimization in one step it does not require any expert knowledge. No expertise in analysis is necessary and especially no meshing is required. Also, SimSolid helps our designer to shape chassis components with confidence based on the SimSolid simulation.

Anthony Reullier, Renault

RENAULT

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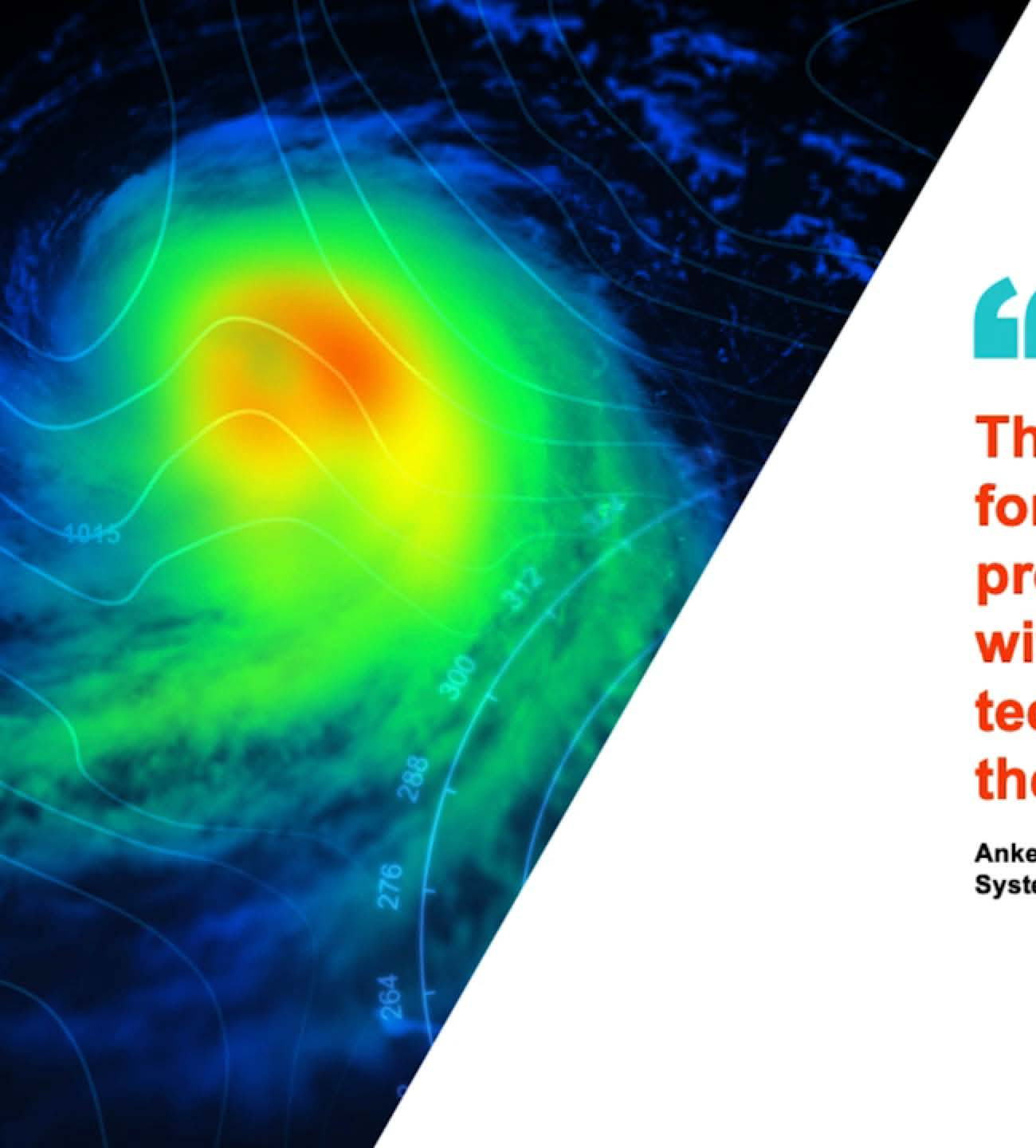

This new system is a major step forward in supercomputing power, providing the scientific community with the most cutting-edge technology to better understand the Earth system.

Anke Kamrath, Director, NCAR's Computational and Information Systems Laboratory

ALTAIR

Altair really knows HPC. They understand the challenges of maintaining complex systems and know how to deliver reliable solutions that work.

PBS Professional proved its superiority as the most flexible and reliable workload manager, and Altair gave us the confidence and comfort level we need in a long-term partner.

Dr. Ben Evans, NCI Australia

NCI AUSTRALIA

ALTAIR


Skidmore, Owings & Merrill (SOM)
is responsible for some of the world's most technically and environmentally advanced buildings
ALTAIR

The simulation process accelerated our product development…

to 26 months from the previous 65 months, a 60 percent reduction in overall development time. Furthermore, the process reduced overall development costs.

Ganesh Nanaware, Baker Hughes, C&P, Wellbore Construction

Baker Hughes

ALTAIR


The deployment of EDEM modeling in Pfizer drug product development has accelerated the decision-making process.
ALTAIR

The Monarch solution has significantly reduced our department's manual data entry requirements, enabling us to focus on strategic priorities.

As a result, we have been able to expand our skill set to become more involved across new products and services and excel in customer service.

Derek Madison, Mastercard

mastercard

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Altair® Knowledge Studio® Speeds Stamping Process Selection Increasing First-Time Through Rates

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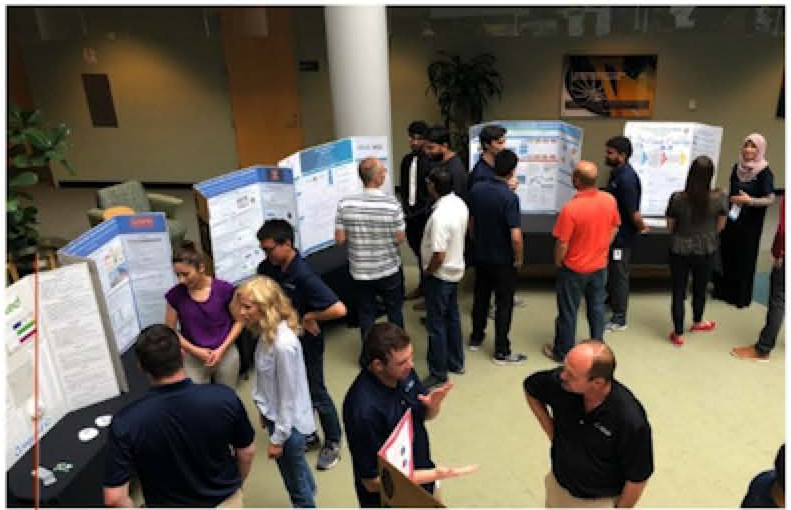
Altair Academic Program.
Empower educators today to make students the best engineers tomorrow.

ALTAIR

Global Academic Program Seeding Future Business



Strategy

Approaches

Student Usage

University of Michigan
上海交通大学
Columbia University
MIT
TU Delft
Imperial College London
清华大学 Tsinghua University
ETH zürich
भारतीय प्रौद्योगिकी संस्थान दिल्ली Indian Institute of Technology Delhi
TUM Technische Universität München

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Start-up Program

Feasibility evaluation and early assessment

Accelerating product development

Reducing the risk of design/product failure

Scalable platform and business model

Automotive
34%

Consulting Services
20%

Aerospace
18%

Technology
11%

Industrial Goods
9%

ALTAIR

Altair's client support has helped to use control material laws in such a way that we are confident in the validity and stability of our musculoskeletal models.

They have always been very helpful in finding solutions for a typical problems.

Dr. Léo Fradet, General Manager, Philomec

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Horizontals to Grow

- Data Driven Design
- Digital Twin
- Real Time Analytics
- Simulation-driven Design
- Model Based System Engineering
- IoT
- Electronic System Design
- CFD
- Data Analytics & AI in Manufacturing

ALTAIR

The Future is Here for Infinite Exploration

Physical Appliance

On-premise

Altair Unlimited Physical & Virtual Appliance

Virtual Appliance

Cloud Enablement

HPC Systems

Altair Units Licensing Model

Application Software

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Digital Productivity
Our sales and support are more productive and remain focused
ALTAIR

Amy Messano
Chief Marketing Officer

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The key to impactful marketing and communication is storytelling.

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Altair has an incredible story.

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Every good story has heroes.

Visionary Leaders

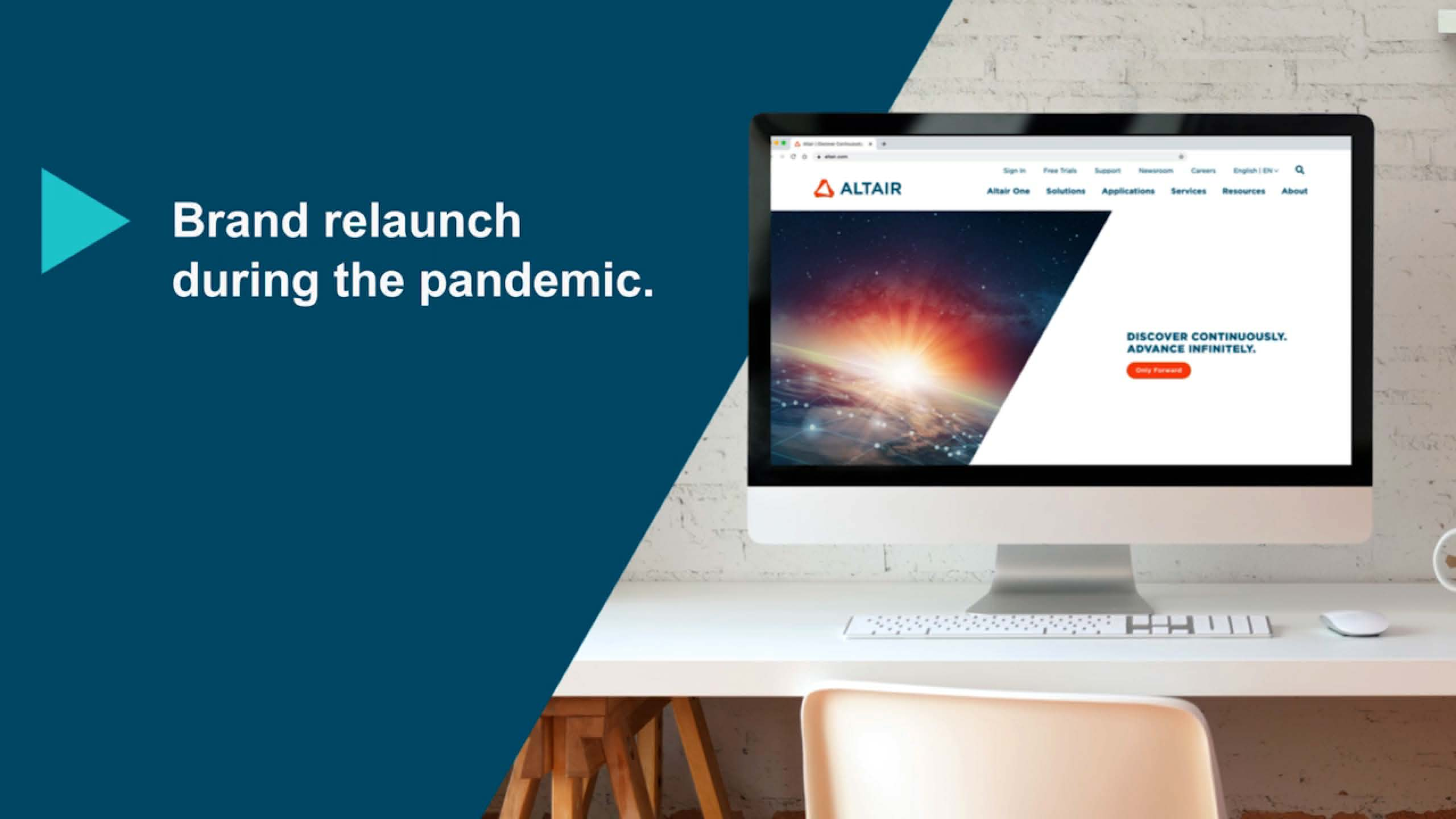
Keeping the world safer,

smarter and more connected.

ALTAIR


And we have a script like no other.
Simulation, HPC and AI • Limitless Possibilities

Brand relaunch during the pandemic.



▲ **57%** Increase in Sessions on altair.com

▲ 16.5% LinkedIn Follower Group

▲ 1,406% in Paid

LinkedIn total engagements grew by almost **40%.**

Tier One

Hits Forbes Inc. Ad Age

From brand launch to date, we have

1,863,901

web page views

Events

250+ Presentations
130+ External Speakers
25,000+ Registrations
8,000+ Unique Video Views

APA

▲ 87% Event Attendees
▲ 86% Follow Up

▲ **1,242%**

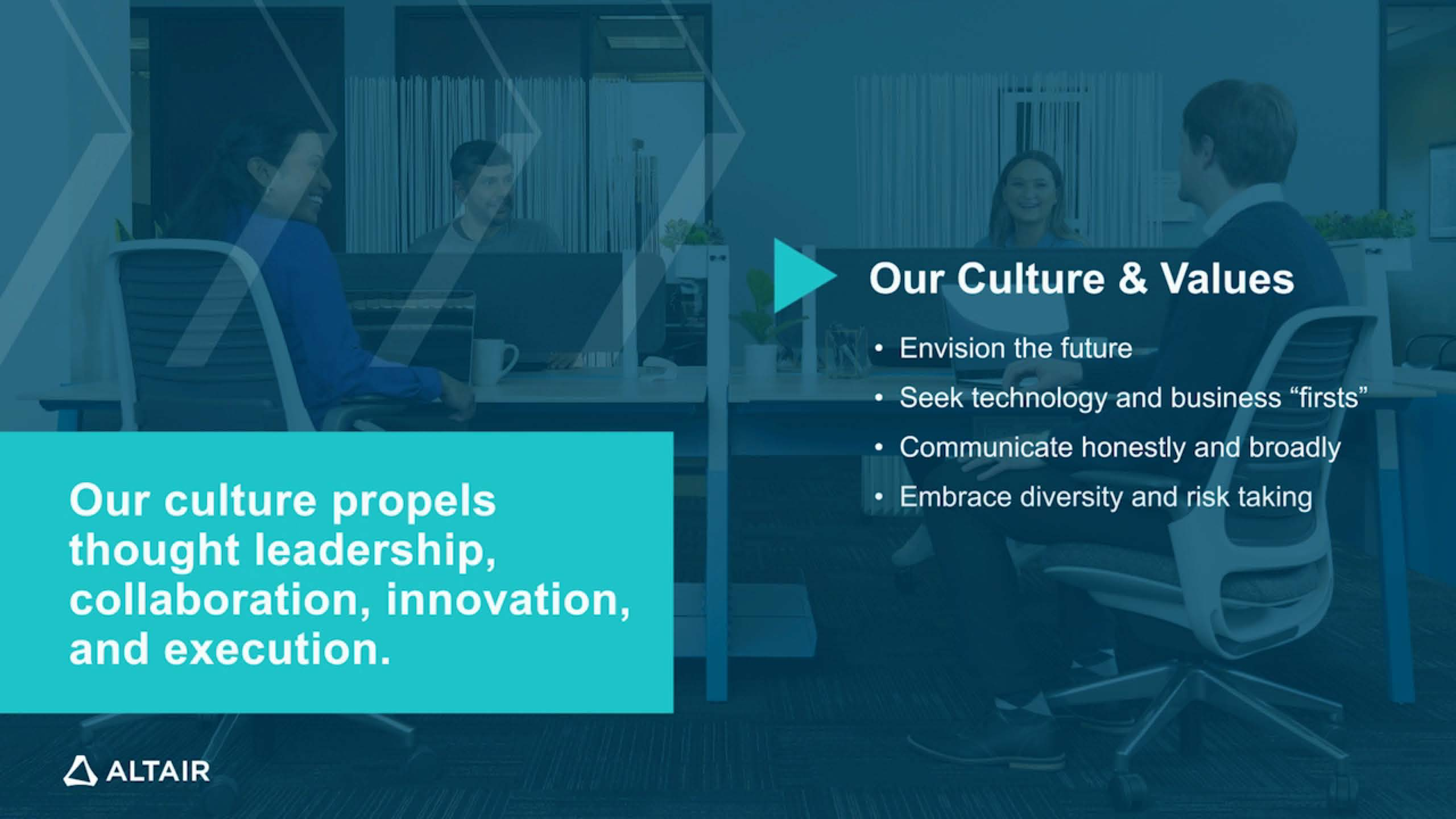
Increase in Total Published Posts

Increase of over **156%** traffic from paid sources compared to last year.

Global **275K new** leads generated, 25K MQL*.


Gilma Saravia
Chief People Officer


Why Altair?
Our Culture • Our People First • Our Vision



Our Culture & Values

- Envision the future
- Seek technology and business “firsts”
- Communicate honestly and broadly
- Embrace diversity and risk taking

Our culture propels thought leadership, collaboration, innovation, and execution.

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Our People First

- Strong global presence
- Our diverse makeup
- Strengthening our core through recruitment
- Continue to protect a culture that fuels R&D and learning

Attracting & retaining top talent is a key recipe to our success.

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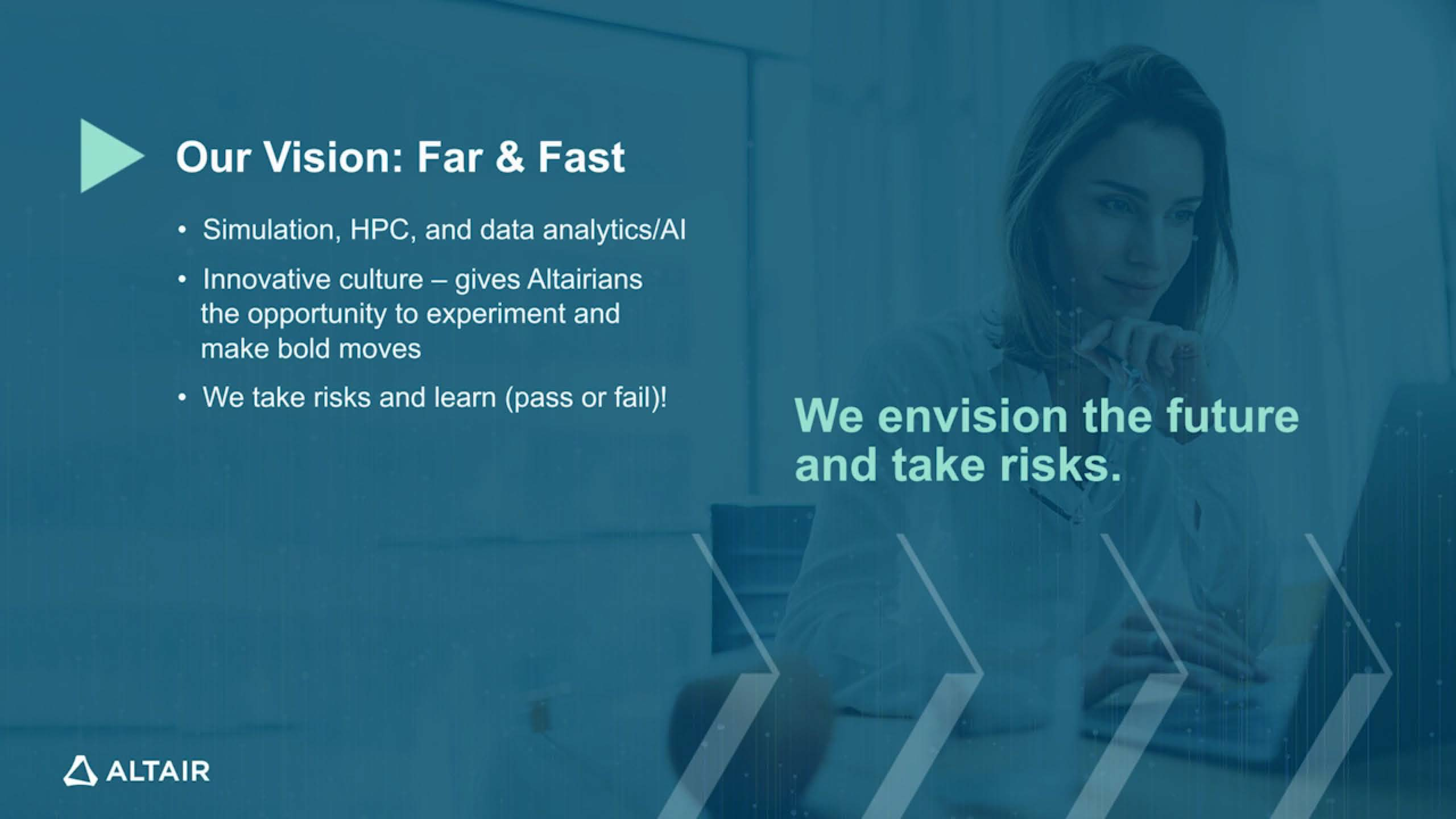
Our Vision: Far & Fast

- Simulation, HPC, and data analytics/AI
- Innovative culture – gives Altairians the opportunity to experiment and make bold moves
- We take risks and learn (pass or fail)!



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James R. Scapa
Founder, Chairman, and CEO

Segment	2020	2021	2022	2023	2024	2020-2024 (CAGR)
Simulation & Analysis	**7,217**	**7,682**	**8,429**	**9,327**	**10,344**	**9.42%**
Digital Manufacturing	844	860	899	957	1,025	4.98%
AEC	4,791	5,284	5,987	6,854	7,941	13.46%
EDA	10,547	11,289	12,209	13,257	14,451	8.19%
MCAD – Design Focused	3,478	3,614	3,884	4,220	4,589	7.18%
MCAD – Multi-Discipline	3,734	3,817	3,962	4,118	4,282	3.48%

Simulation

Revenue and CAGR for PLM, 2020-2024 (Millions of Dollars)

Segment	2020	2021	2022	2023	2024	2020-2024 (CAGR)
Simulation & Analysis	**7,217**	**7,682**	**8,429**	**9,327**	**10,344**	**9.42%**
MCAD – Multi-Discipline	3,734	3,817	3,962	4,118	4,282	3.48%
Focused Apps	2,511	2,640	2,808	3,023	3,262	6.76%
NC Non-Bundled	1,519	1,579	1,658	1,758	1,872	5.37%
Comprehensive cPDm	6,644	6,998	7,549	8,208	8,964	7.77%
SI/Reseller/VAR	7,725	7,902	8,333	8,868	9,483	5.26%

Simulation

Revenue and CAGR for PLM, 2020-2024 (Millions of Dollars)

Segment	2020	2021	2022	2023	2024	2020-2024 (CAGR)
Simulation & Analysis	**7,217**	**7,682**	**8,429**	**9,327**	**10,344**	**9.42%**
Comprehensive cPDm	6,644	6,998	7,549	8,208	8,964	7.77%
SI/Reseller/VAR	7,725	7,902	8,333	8,868	9,483	5.26%
Other Tools	1,622	1,684	1,796	1,933	2,086	6.49%
Total	**50,633**	**53,348**	**57,515**	**62,523**	**68,299**	**7.77%**

Source: CIMdata (June 2020)

HPC & Cloud

Revenues by Broader HPC Markets Areas, 2020-2024 (Millions of Dollars)

Segment	2020	2021	2022	2023	2024	2020-2024 (CAGR)
Server	12,671	14,097	16,683	18,813	19,758	11.7%
Storage	5,105	5,737	6,873	7,945	8,406	13.3%
Middleware	**1,500**	**1,671**	**2,004**	**2,275**	**2,404**	**12.5%**
Applications	4,345	4,725	5,540	6,144	6,339	9.9%
Service	2,032	2,164	2,492	2,711	2,742	7.8%
Total Revenue	25,653	28,394	33,592	37,889	39,648	11.5%

Source: Hyperion Research (January 2021)

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Data Analytics & AI – Total Market

Revenue and CAGR for Analytics and Business Intelligence, 2020-2024 (Millions of Dollars)

Segment	2020	2021	2022	2023	2024	2020-2024 (CAGR)
Analytic Applications	**4,389.4**	**4,645.5**	**5,053.2**	**5,503.9**	**5,961.1**	**8.0%**
Data Science Platforms	**4,591.0**	**5,024.7**	**5,810.8**	**6,628.4**	**7,546.1**	**13.2%**
Location Intelligence	3,841.1	4,233.7	4,719.3	5,268.5	5,830.9	11.0%
Modern BI Platforms	**6,874.0**	**8,181.9**	**9,621.7**	**11,253.8**	**12,864.4**	**17.0%**
Traditional BI Platforms	7,712.5	7,583.6	7,418.6	7,112.9	7,012.7	-2.3%
Total ABI	27,408	29,669	32,623	35,757	39,215	9.4%

*Chart created by Altair based on Gartner research. Source: Gartner, Table 1: Revenue and CAGR ABI 2019-2024, 'Forecast Analysis: Analytics and Business Intelligence Software, Worldwide, September 15, 2020
*Calculations performed by Altair

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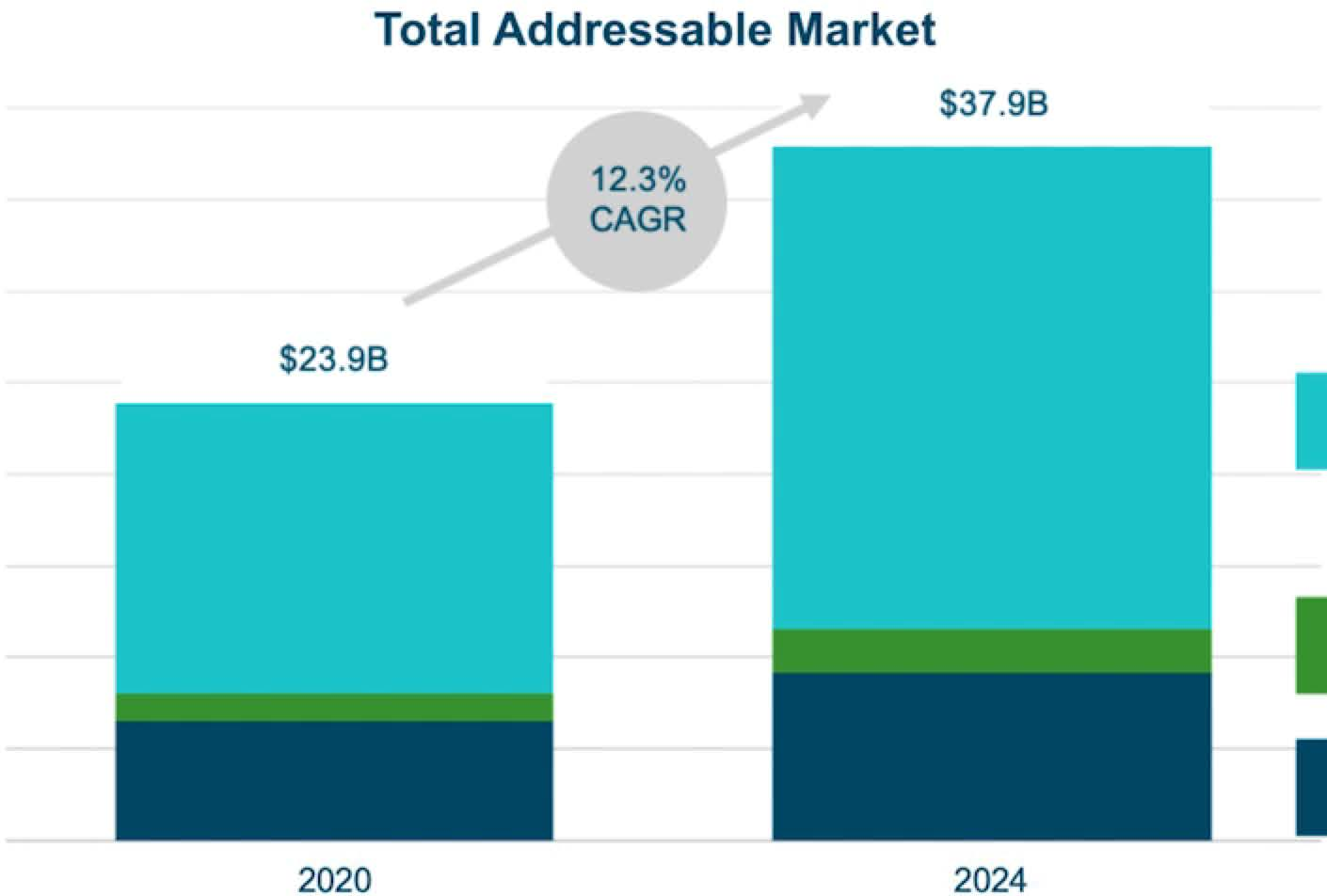
TAM & 2020-2024 CAGR – Domains



	2024 TAM	2020-2024 CAGR
Data Analytics & AI	$26.4B	13.6%
HPC & Cloud	$2.4B	12.5%
Simulation	$9.1B*	8.8%*

*Software only

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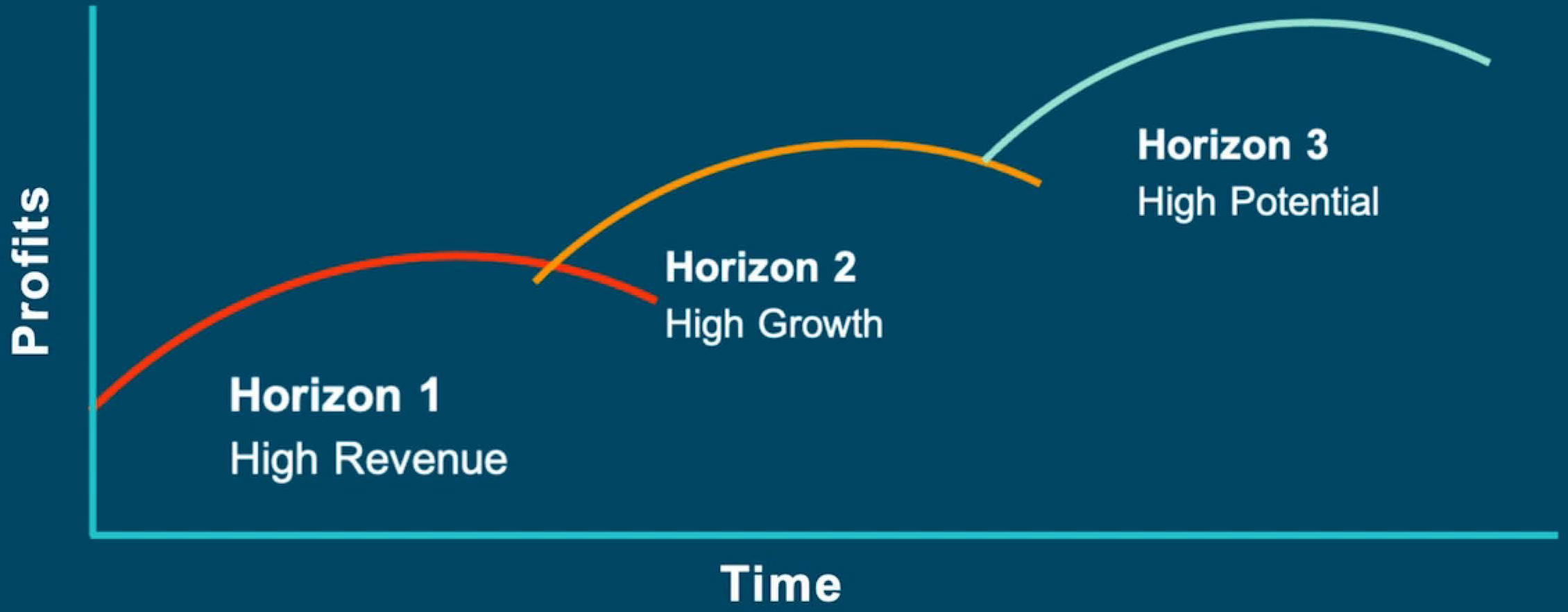
Geoffrey Moore's 3 Horizons Framework



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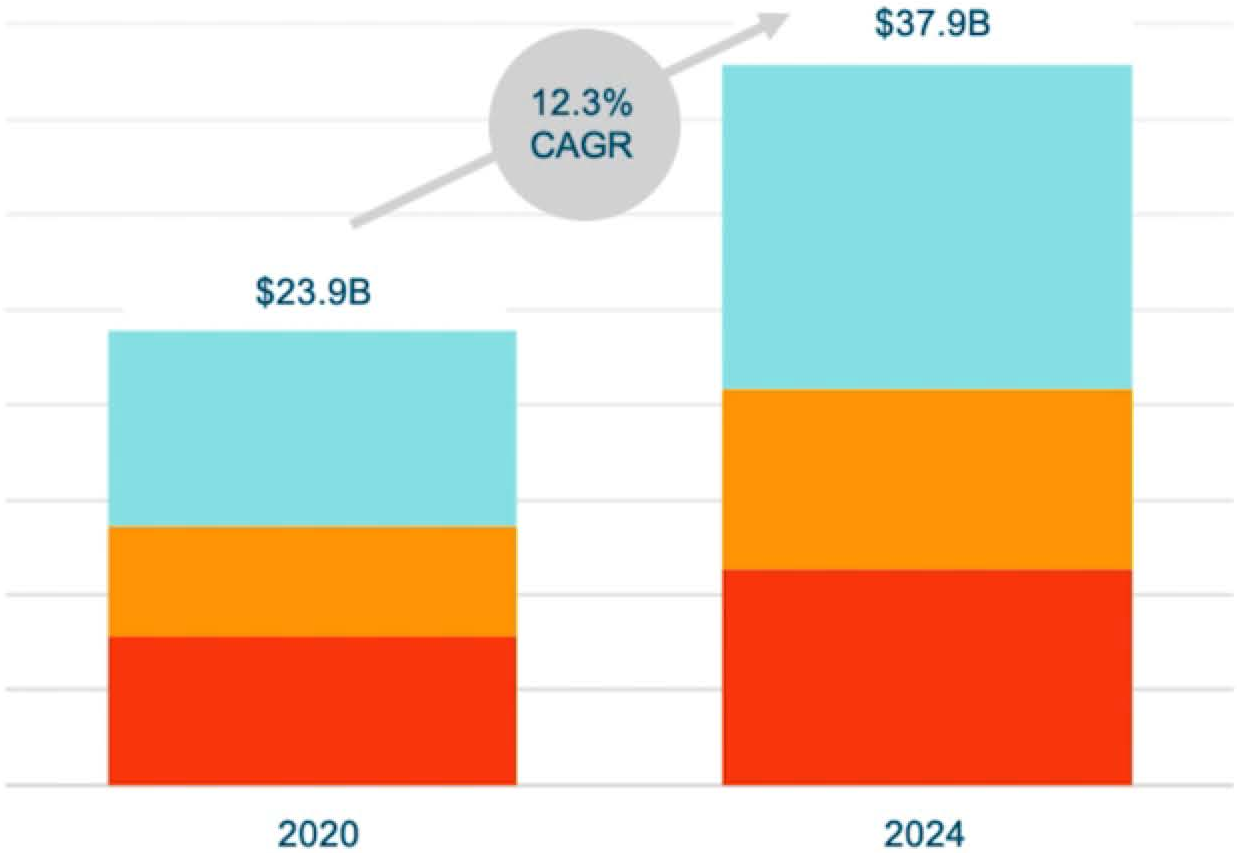
TAM & 2020-2024 CAGR – Horizons

Total Addressable Market



	2024 TAM	2020-2024 CAGR
High Potential	$17.0B	13.5%
High Growth	$9.5B	13.4%
High Revenue	$11.4B	9.6%

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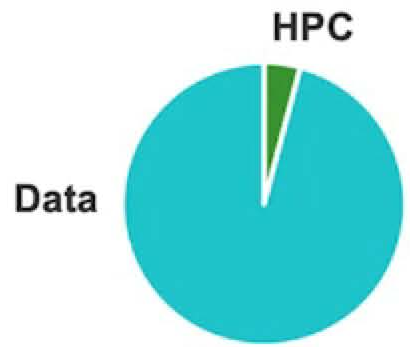
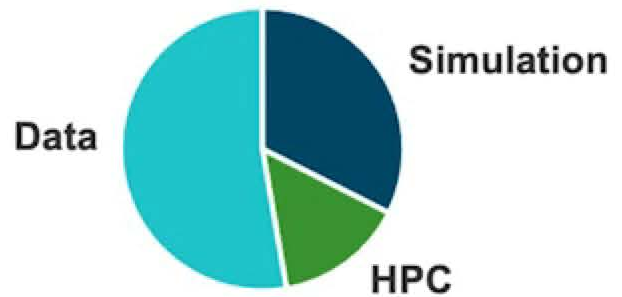
TAM & 2020-2024 CAGR – Horizons

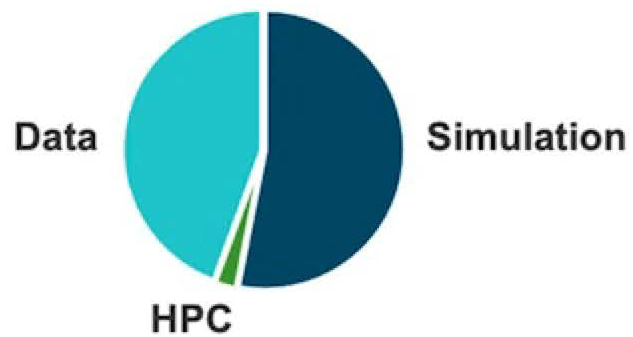
High Potential



High Growth



High Revenue



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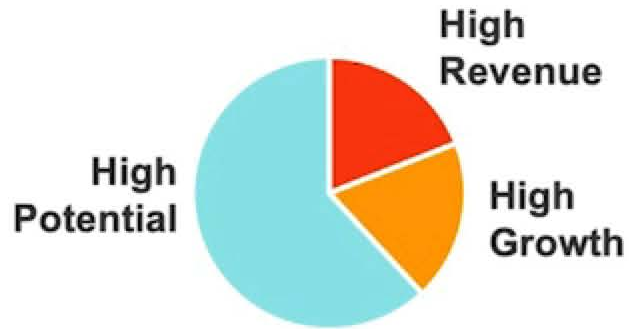
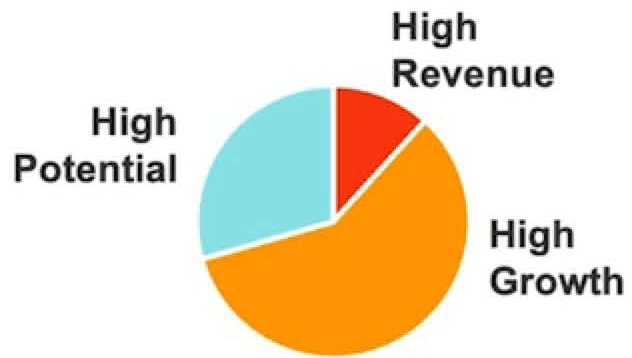
TAM & 2020-2024 CAGR – Domains

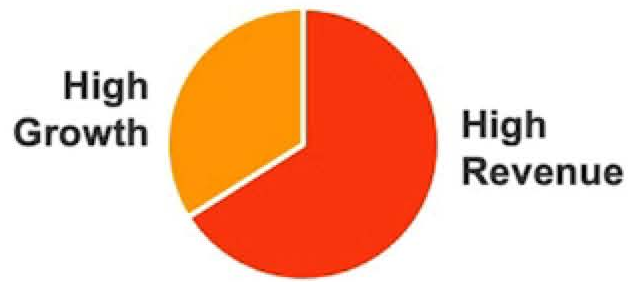
Data & Analytics

HPC & Cloud

Simulation







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Stephanie Buckner
SVP, Customer Engagement
and Corporate Development

Altair M&A Vision and Strategy

- Align our acquisitions to our horizons
- Focus on best-in-class technology and scale
- Target larger TAM opportunities

Continuously Investing – Organic & Acquisitions

32 Products Developed | **41** Products Acquired

TECHNOLOGY

Structures | HPC & Cloud | Electro-magnetics | Fluids & Thermal | Manufacturing | Systems Modeling | Internet of Things | Data Analytics & AI | Electronic System Design

ACQUISITIONS

1990 – 2009

Computational Mechanics

mecalog

HiQube

solidThinking

2010 – 2017 (IPO)

SimLab | ACUSIM SOFTWARE | cos | Synopsis CONSULTING

EMSS | Multiscale Design Sytems | Vissim | CLICK2CAST

AWE COMMUNICATIONS | CEDRAT design solutions for electrical engineering | SOLIDIRIS TECHNOLOGIES | MODELiiS

carriots® | Componeering | RUNTIME

2018 – Present

ElectroFlo | polliwog corporation | DEM Solutions, Ltd.

CANDI | newFASANT | WRAP® INTERNATIONAL

FluiDyna | S&WISE S&WISE | ellexus

SIMSOLID | UNIVA | M-Base engineering + software

DATAWATCH

SEAM Software® | GE Flow Simulator

Partner Ecosystem

Simulation

AVL

Fraunhofer

materialise

MAGNA

Maplesoft

HBM an HBK company

HUMANETICS Innovative Solutions

Cloud / HPC

intel

NVIDIA

ORACLE

Microsoft

aws

Hewlett Packard Enterprise

DELL

AMD

Google Cloud

Data Analytics

SAP

blueprism

+ableau

AMDOSOFT

AUTOMATION ANYWHERE

Nasdaq

ALTAIR

Rolls-Royce
Convergence of Simulation & Data Analytics

ROLLS ROYCE

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Altair Flow Simulator™

Integrated Fluid, Heat Transfer, and Combustion Design Software

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Matt Brown
Chief Financial Officer

Reiterating Guidance for Q2 and 2021

	Q2 2021 (in Millions)	YOY Change		Full Year 2021 (in Millions)	YOY Change
Software Product Revenue	92 - 95	12.4% - 16.1%		425 - 433	8.5% - 10.5%
Total Revenue	111 - 114	12.6% - 15.7%		504 - 512	7.3% - 9.0%
Adjusted EBITDA	2 - 4	-65.2% - -30.4%		59 - 67	3.0% - 17.0%
Net Income	-23.7 - -21.8	131.8% - 113.2%		-37.6 - -29.8	258.1% - 183.8%
Non-GAAP Net Income	0.1 - 1.6	-96.7% - -46.5%		38.0 - 44.0	2.3% - 18.4%
Free Cash Flow				30 - 38	12.0% - 41.8%

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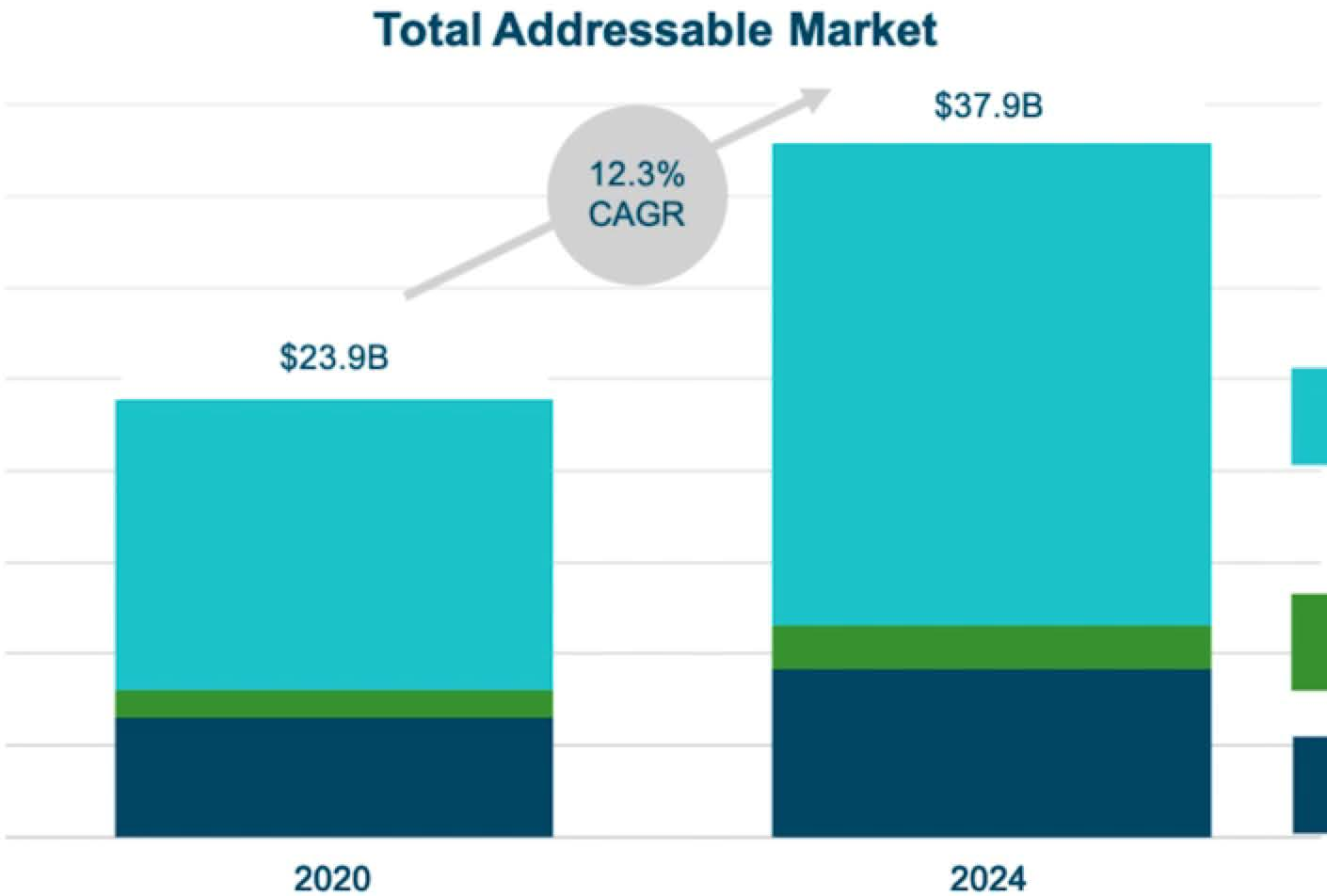
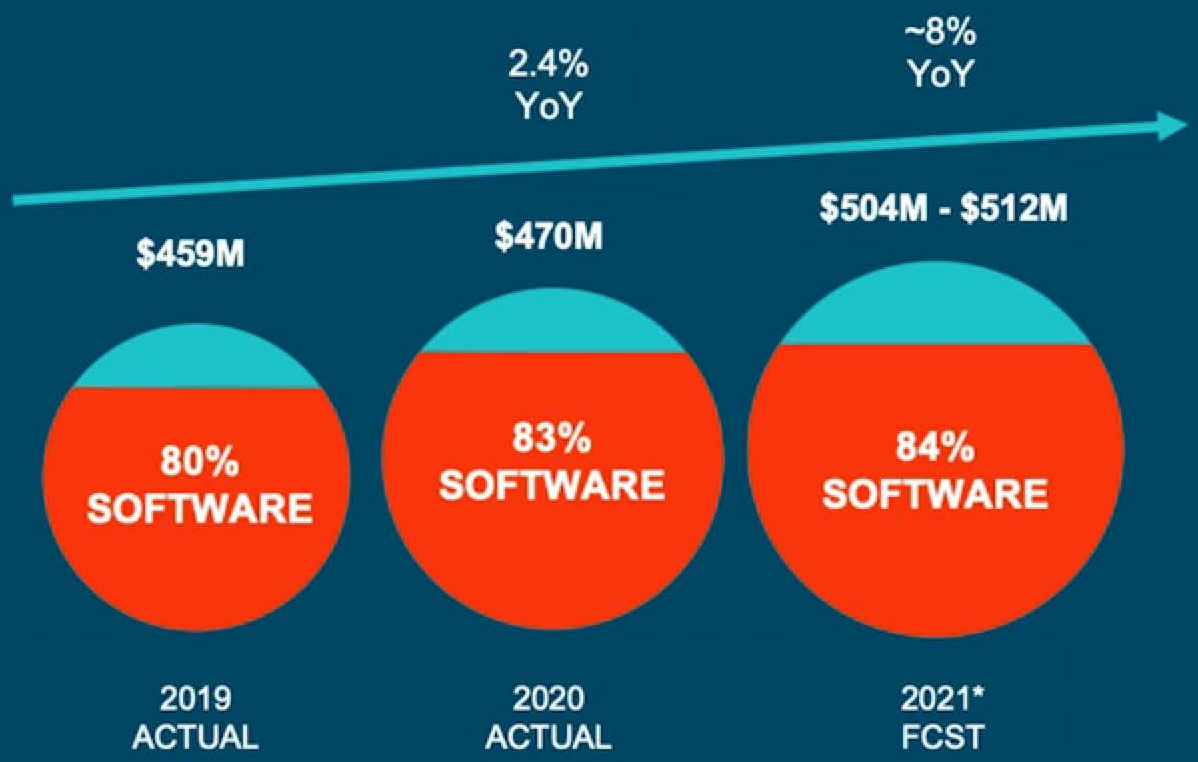
TAM & 2020-2024 CAGR – Domains



	2024 TAM	2020-2024 CAGR
Data Analytics & AI	$26.4B	13.6%
HPC & Cloud	$2.4B	12.5%
Simulation	$9.1B*	8.8%*

*Software only

Total Revenue Growth



Mid-Term Outlook

- Revenue growth accelerating post-COVID with 10% CAGR
- Low-double digit software revenue CAGR
- Return to mid-single digit services revenue CAGR
- Software revenue increasing as a proportion of total revenue, increasing to more than 85% of total revenue
- Software revenue highly recurring in nature, with more than 90% recurring

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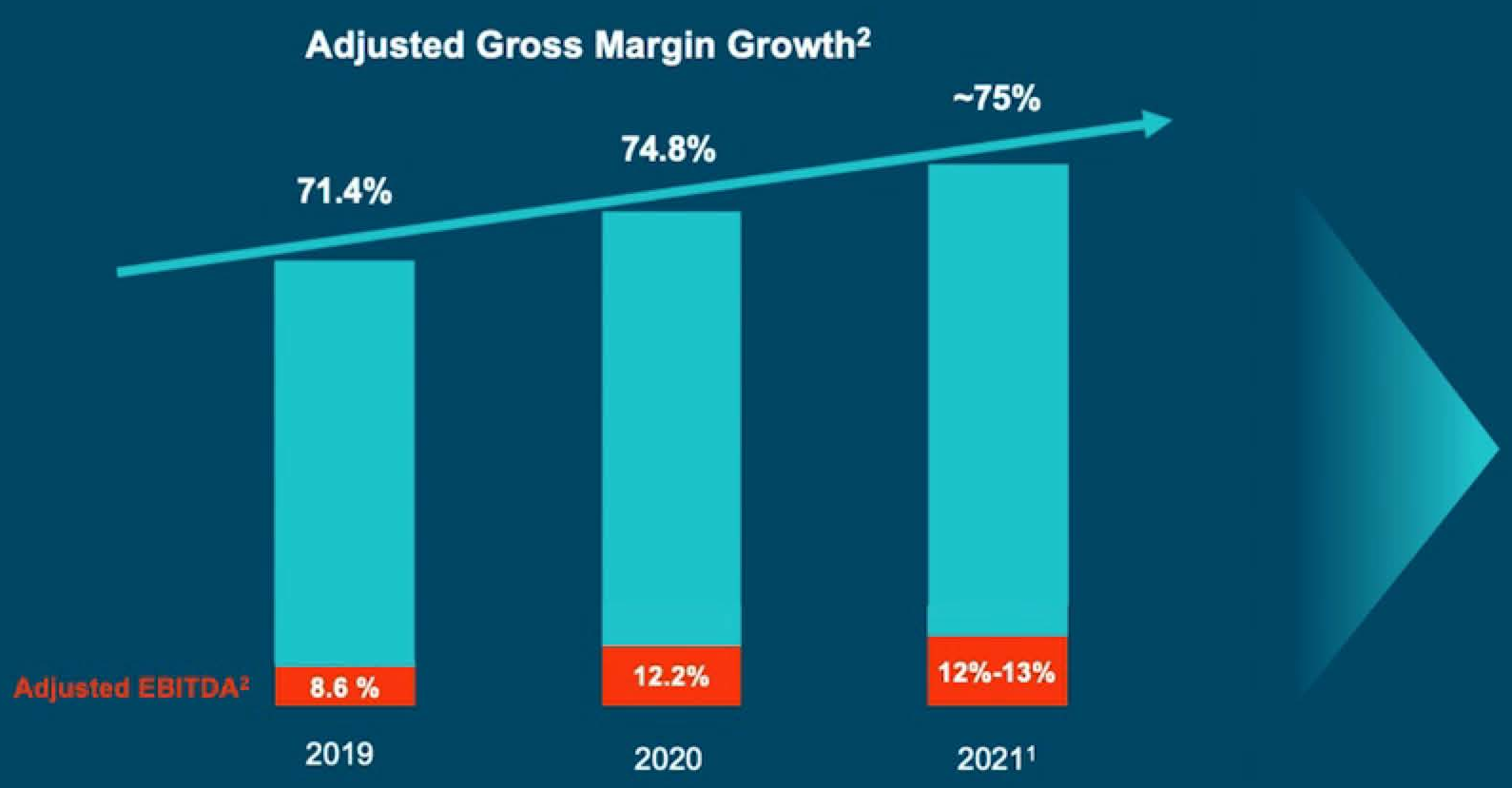
Adjusted Gross Margin and Adjusted EBITDA Expansion



Mid-Term Outlook

- Adjusted gross margin increasing beyond 75% driven by software revenue growth
- Disciplined approach to spending, with investments in product technology and sales and marketing efforts
- Adjusted gross margin growth and disciplined spending leading to adjusted EBITDA margin expansion
- Reaching ~20% annualized adjusted EBITDA margin exiting 2023

[1] 2021 amounts from management's most recently issued full year guidance
[2] Reconciliation tables of the most comparable GAAP financial measures to the non-GAAP financial measures used in this presentation are included in the appendix at the end of this presentation

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APPENDIX

GAAP to Non-GAAP Reconciliation

	Twelve Months Ended December 31,		
(in thousands)	**2019**	**2020**	**2021 (guidance midoint)**
Total Revenue	$ 458,915	$ 469,921	$ 508,000
Net income (loss)	$ (7,542)	$ (10,500)	$ (33,700)
Income tax expense	10,930	12,532	10,500
Stock-based compensation expense	8,528	21,355	44,200
Interest expense	6,371	11,598	12,000
Depreciation and amortization	21,522	23,806	24,900
Restructuring expense			5,300
Special adjustments, interest income and other [(1)]	(260)	(1,503)	(200)
Adjusted EBITDA	$ 39,549	$ 57,288	$ 63,000
Adjusted EBITDA Margin	8.6%	12.2%	12.4%

	Twelve Months Ended December 31,		
(in thousands)	**2019**	**2020**	**2021 (est)**
Gross Profit	326,316	348,617	375,000
Stock-based compensation expense	1,069	2,473	5,300
Depreciation expense	295	292	300
Adjusted Gross Profit	$ 327,680	$ 351,382	$ 380,600
Adjusted Gross Margin	71.4%	74.8%	74.9%

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GAAP to Non-GAAP Reconciliation (cont.)

	Three Months Ending June 30, 2021		Year Ending December 31, 2021	
(in thousands)	Low	High	Low	High
Net loss	$ (23.7)	$ (21.8)	$ (37.6)	$ (29.8)
Income tax expense	3.2	3.3	10.4	10.6
Stock-based compensation expense	11.1	11.1	44.2	44.2
Interest expense	3.0	3.0	12.0	12.0
Depreciation and amortization	6.5	6.5	24.9	24.9
Restructuring expense	2.0	2.0	5.3	5.3
Special adjustments, interest income and other	(0.1)	(0.1)	(0.2)	(0)
Adjusted EBITDA	$ 2.0	$ 4.0	$ 59.0	$ 67.0

	Three Months Ending June 30, 2021		Year Ending December 31, 2021	
(in thousands)	Low	High	Low	High
Net loss	$ (23.7)	$ (21.8)	$ (38)	$ (30)
Stock-based compensation expense	11.1	11.1	44	44
Amortization of intangible assets	4.7	4.7	18	18
Non-cash interest expense	2.8	2.8	11	11
Restructuring expense	2.0	2.0	5	5
Impact of non-GAAP tax rate	3.2	2.8	(3)	(5)
Non-GAAP net income	$ 0.1	$ 1.6	$ 38.0	$ 44.0

	Year Ending December 31, 2021	
(in thousands)	Low	High
Net cash provided by operating activities	$ 22.0	$ 30.0
Capital expenditures	8.0	8.0
Free Cash Flow	$ 30.0	$ 38.0

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Altair Investor Day
Change tomorrow, together.