Altium®

Altium Technology & Business Strategy Presentation

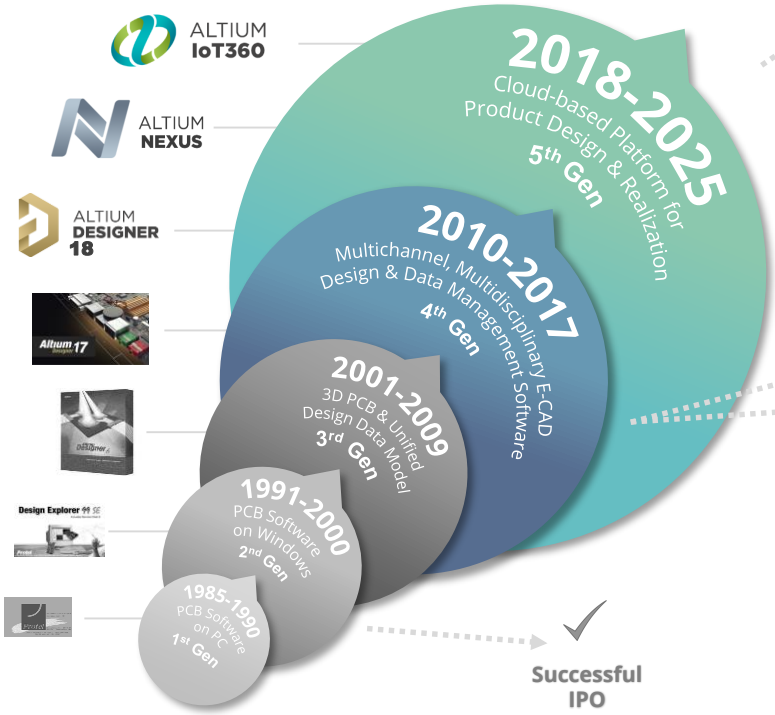
November 2017
Sydney Australia

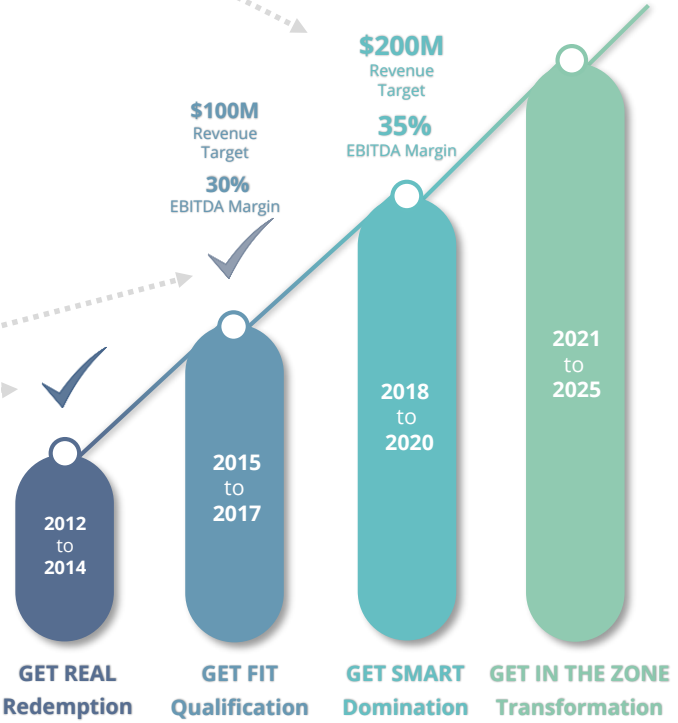
Altium®

Reaching $200 Million by 2020 and Transforming Electronic Design & Its Realization

Aram Mirkazemi – Chief Executive Officer
Henry Potts – Chief Operating Officer

Transforming Electronic Design & Its Realization...





Altium's Strategy for Success…

Maintaining Disciplined Execution and Remaining Single-Minded About PCB Market Leadership

Being True to Our Deep Conviction that Altium's Journey Will Bring About Transformation of the Electronics Industry

Building a Strong Partnership with Leading Engineering Software Companies to Connect ECAD with MCAD & PLM

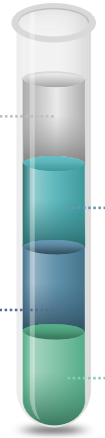
Altium's Secret Sauce…

Diversity in Thoughts

Transparency

Perseverance

Ingenuity



Product

"Regular Product Releases" *and*
"Delivering Next Generation Products"

Finance

"Growing Revenue Strongly"
and
"Expanding Profit Margin"

Sales

"High Volume Selling" *and*
"Sophisticated Value Proposition"

People

"Diversity in Thinking" *and*
"Aligned in Action and Purpose"

"the Genius of AND"

Adaptability

Agility

Altium's Engines of Growth...

Transactional Selling (Jet Engine)

Unqualified Leads (Air) → Marketing (Compression) → Product Releases (Fuel) → Sales (Combustion)

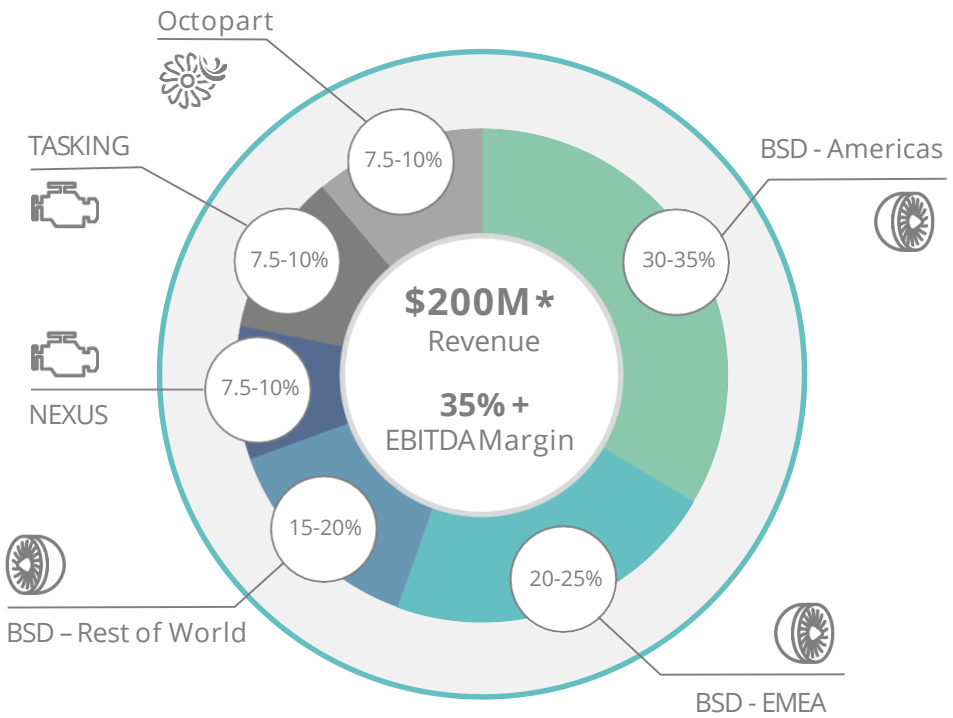
Solution Selling (Combustion Engine)

Qualified Leads (Fuel Mixture) → Sales Pitch (Compression) → Closing Deals (Combustion)

Indirect Monetization (Water Turbine)

Web Traffic (Water) → Indirect Monetization (Generator)

2020 Target Revenue Breakdown



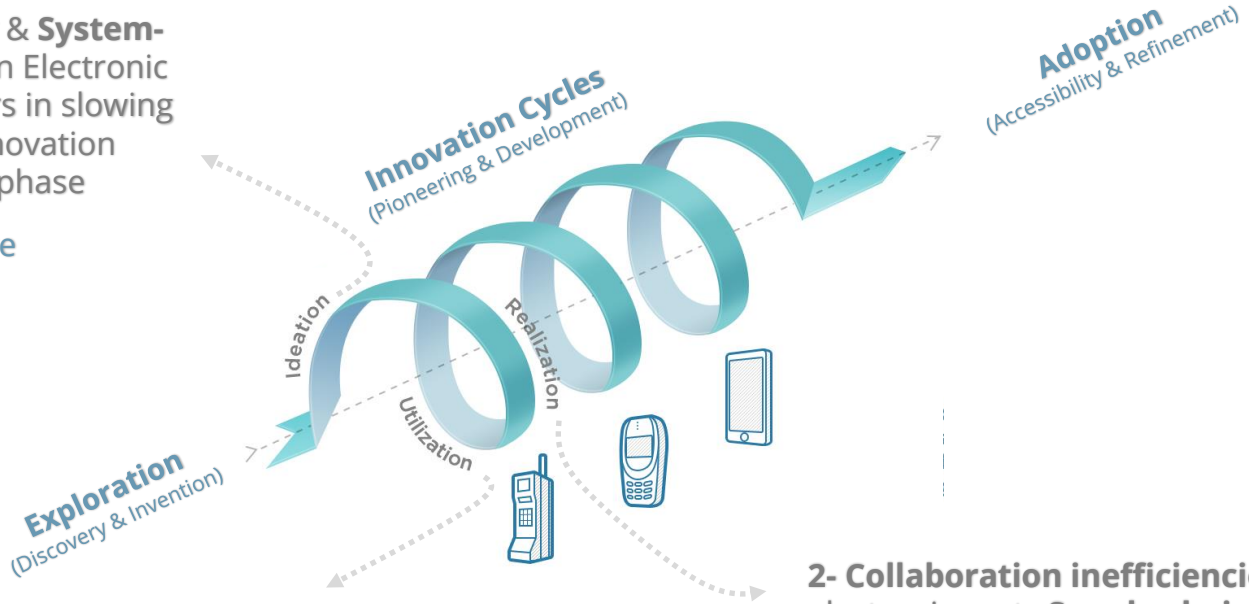
* Includes 5-10% from future acquisitions

BSD – Board and System Division (Accounts for all PCB Products Excluding NEXUS)

Drivers for Altium's Next Generation Products

1- Multidisciplinary & **System-level complexities** in Electronic design are key factors in slowing down the pace of innovation during the **ideation** phase

Key Enabler: Software



2- Collaboration inefficiencies in electronic parts **Supply-chain** and **PCB Manufacturing** are key factors in slowing down the pace of innovation during the **realization** phase

Key Enabler: Cloud

3- Lack of direct access to performance data during the **utilization** phase is a key factor in slowing down the pace of innovation

Key Enabler: Data Analytics

Altium NEXUS – Working Together Made Easy!

INDIVIDUALLY DEFINED & DRIVEN APPROACHES

- Ad-hoc tool use and design processes
- Design-reviews as “point in time” collaboration events
- Multiple design spins
- Delays, quality issues, cost over-runs

GROUPS WORKING AS A TEAM

ALTIUM NEXUS

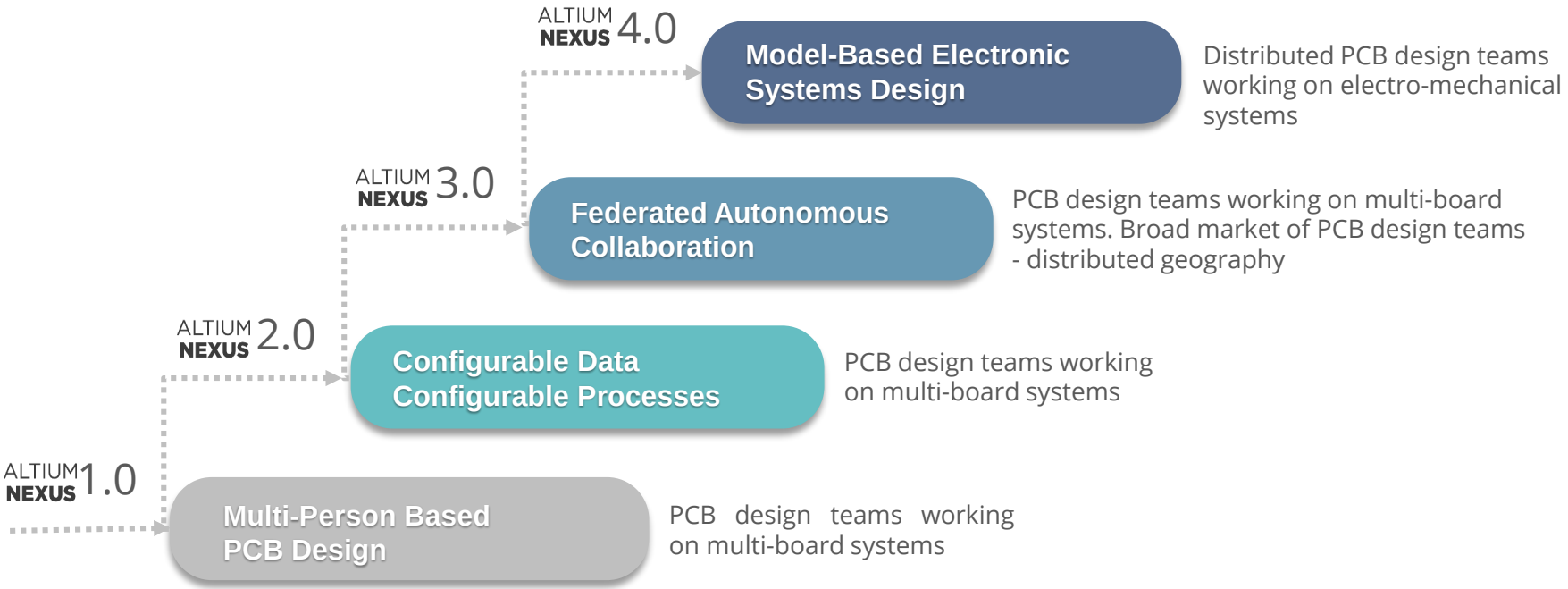
ENTERPRISE DEFINED & DRIVEN APPROACHES

- Legislative, top-down tool selection and design processes
- Constrains designer/engineer creativity
- Expensive
- Limited accessibility

nexus
/ˈnɛksəs/

1. a connection or series of connections linking two or more things.
   "the nexus between industry and political power"
2. a central or focal point.
   "the nexus of any government in this country is No. 10"

Altium NEXUS Roadmap…



Altium

Cloud and Democratization of Electronics Design Bringing About Disruption

Sam Wurzel – Octopart Co-founder
Zak Homuth- Upverter Co-founder

New Trends Shaping the Electronic Industry…

Shift to the Cloud

Supply Chain Management in the Cloud

PCB Design in the Cloud

upverter
Octopart
Ciiva
EE Concierge

Design Content in the Cloud

Manufacturing management in the Cloud

From Engineers to Product Designers

4 Year Bachelors Degree in Electrical Engineering

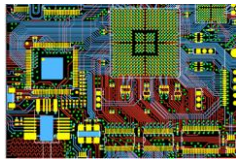
Design centered product development, Kids getting involved earlier

From Shipping Boxes to Value-add Services

AVNET
UBM
ARROW
MICROCHIP
TEXAS INSTRUMENTS
Digi-Key ELECTRONICS
DragonInnovation

Component manufacturers selling direct in small quantities

From Email and Spreadsheets to Protocols



Upload your design

Automated factory spins up

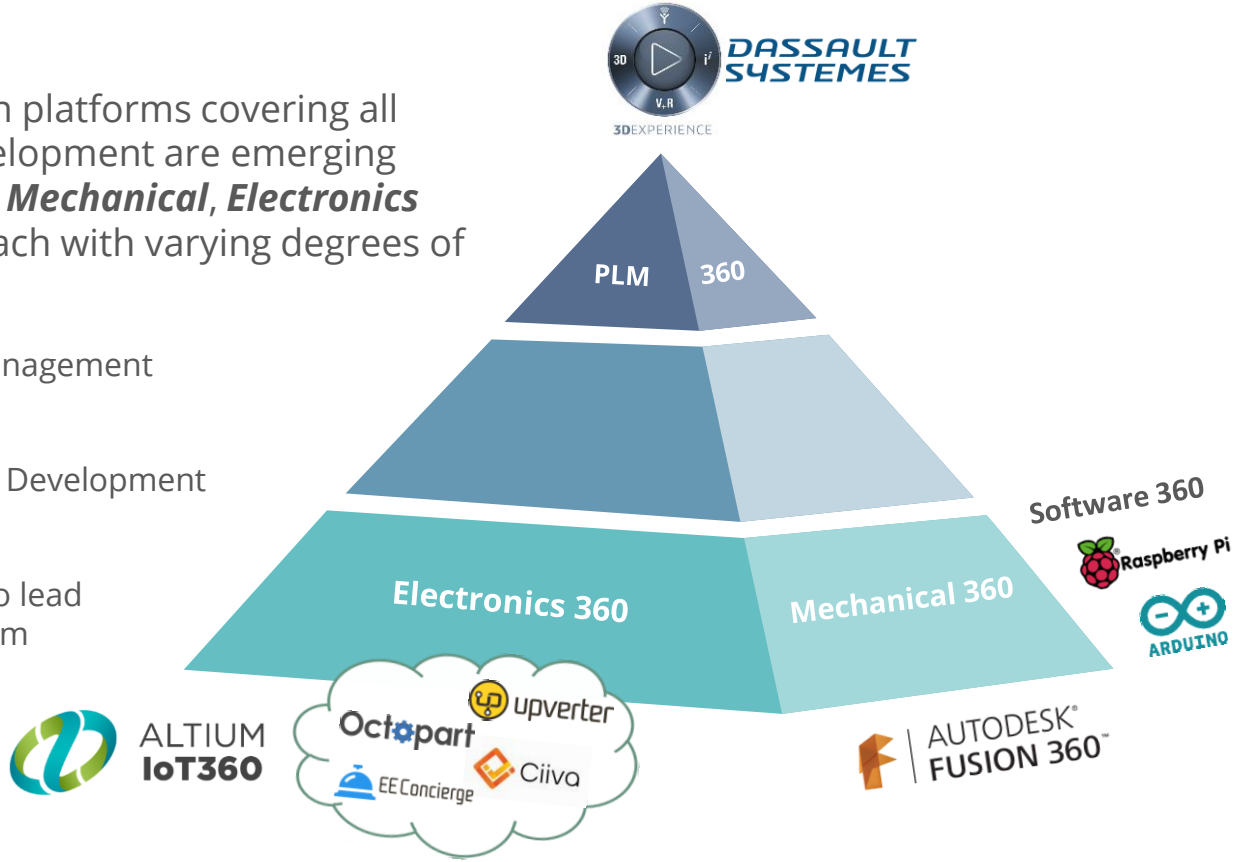
Receive board in 3 days

Altium IoT360 …

Distinct product design platforms covering all angles of product development are emerging centered around ***PLM, Mechanical***, ***Electronics*** and ***Software flows,*** each with varying degrees of support for:

- Product Lifecycle Management
- Mechanical Design
- Electronic Design
- Embedded Software Development
- Data & Analytics

Altium is well positioned to lead the Electronics 360 platform



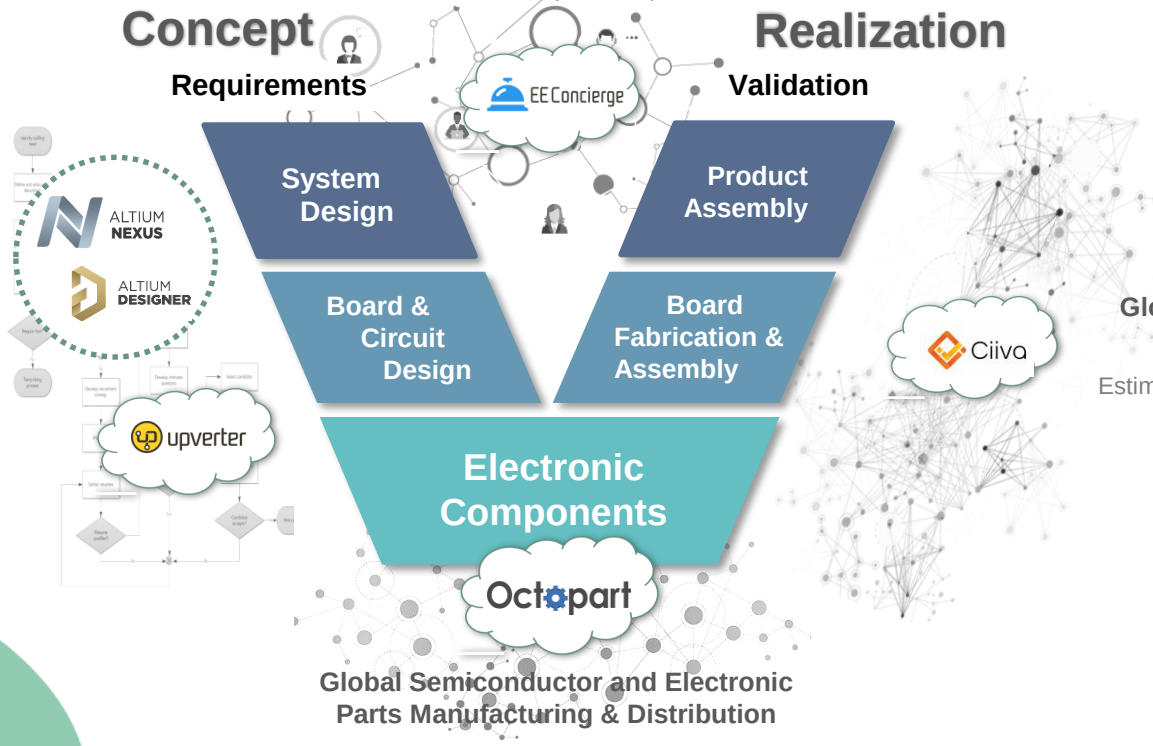
Transforming Electronic Industry...

Electronic Design & Manufacturing Services

Estimated size: **$1,000 - $1,500Bn**

Concept **Realization**

Requirements **Validation**



Electronic Design Automation Tools

Estimated size: **$2 - $5Bn**

Global Printed Circuit Board Market

Estimated size: **$80 - $100Bn**

Global Semiconductor and Electronic Parts Manufacturing & Distribution

Estimated size: **$600 - $800Bn**

$2 Trillion

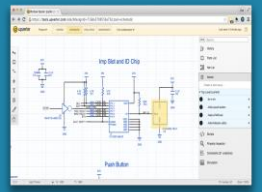
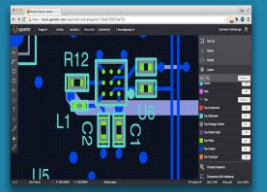
Estimated Industry Size

Upverter's Story – Starting out …

Inspiration
2008: Designing hardware is harder than it should be…

YC
We move to San Francisco and wrote code…

Launch
2011: We launch the first cloud-based schematic design tool…

U Waterloo
2004: Zak, Steve and Mike meet at university…

Founding
2010: Zak, Steve and Mike start Upverter…

Toronto
We move to Toronto and hire a team…

PCB
2012: We launch the first cloud-based PCB design tool…

Upverter's Story – Building Strength…

Funding

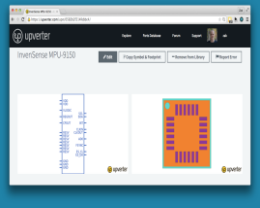
We raise our seed round and hire a bigger team…

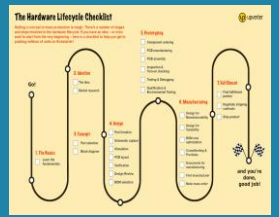
New Breed

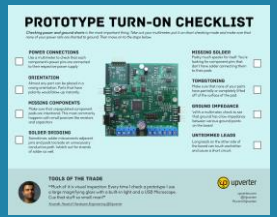
The IOT starts, we focus on makers, hackers, and hobbyists…

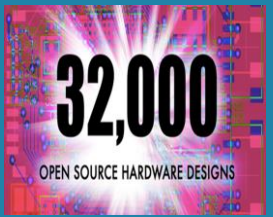
Boards

We teach them debugging and iteration…









Parts

2013: We add part library management & 1.3 million parts…

SAAS

We start experimenting with paid subscriptions…

Manufacturing

We teach them hardware design & production…

Community

2014: We are the largest HW design community with over 32K public designs…

Upverter's Story – Getting Traction...

Density

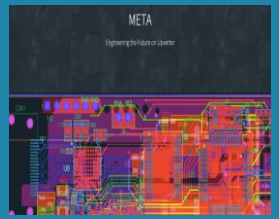
We add high-density-design and constraints checking...

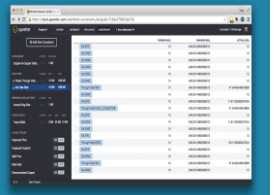
System Design

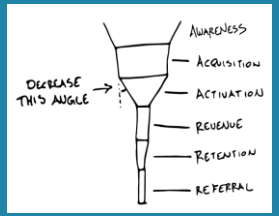
Our first discovery: we need system design...

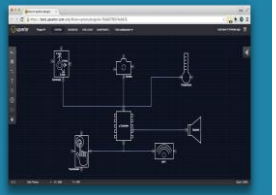
Verified

We begin approving and verifying parts...









Real

We begin to see our first business users and real products...

Activation

2015: We start refining our users' journey...

Parts

Our second discovery: we need better parts & more of them...

Concierge

We begin making parts for users on demand...

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Altium Raising the Bar in Electronic Design Automation Industry with its Next Generation Products

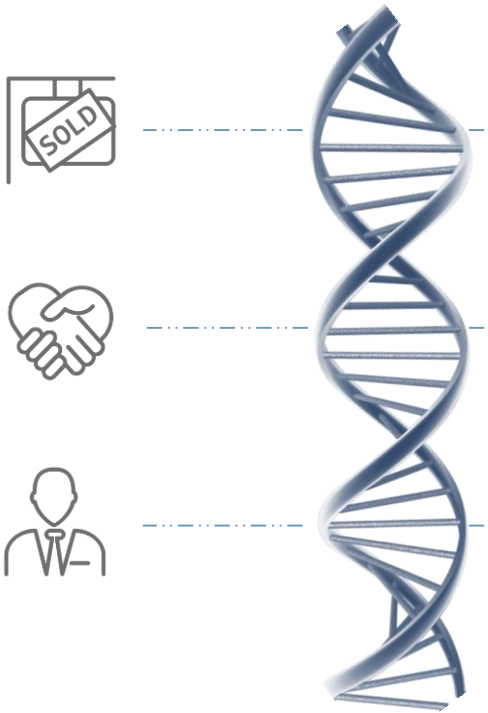
Ted Pawela– Chief Marketing Officer
Lawrence Romine- Global Head of Field Marketing

Altium the “Easy to” Company…

Uncomplicated Value Proposition

Direct Sales Force

Free Technical Support



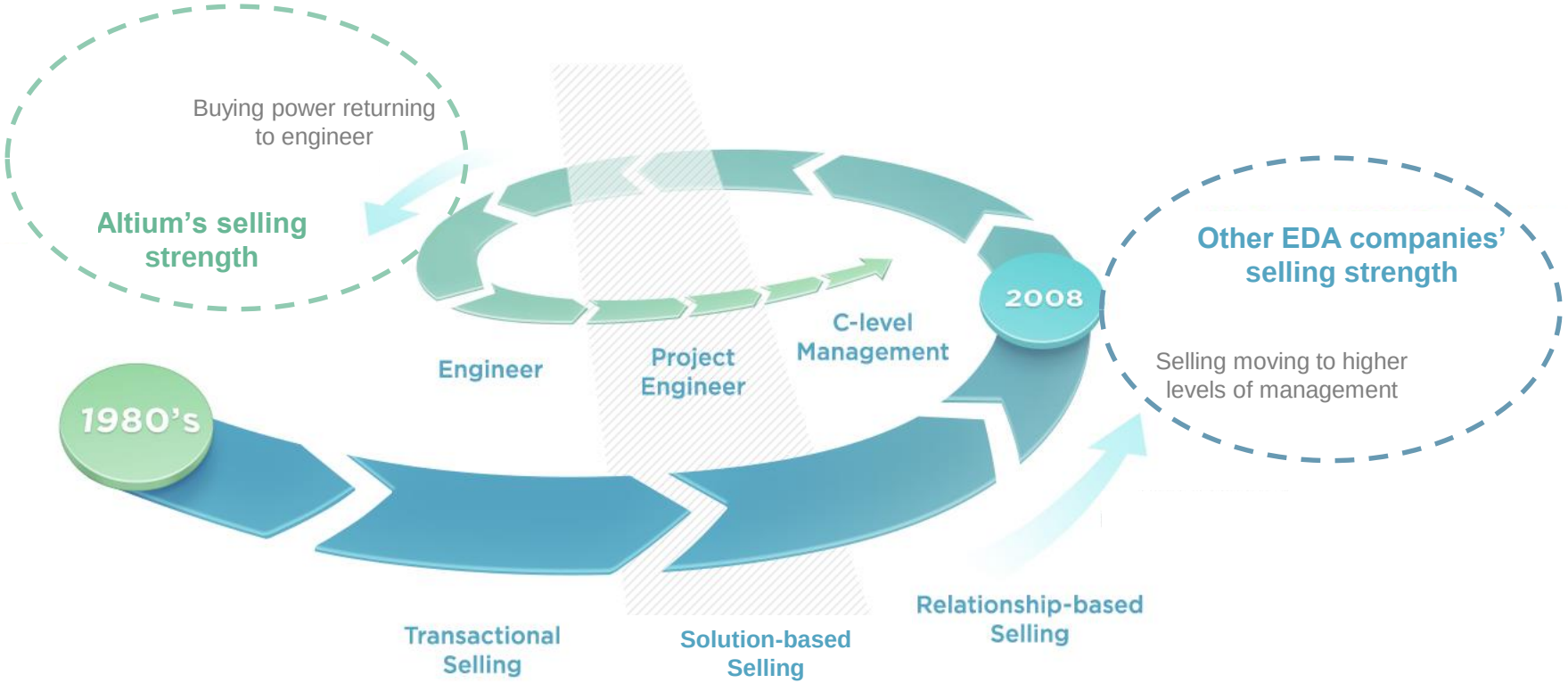
Easy to Get Up and Running

Easy to Learn, Easy to Use

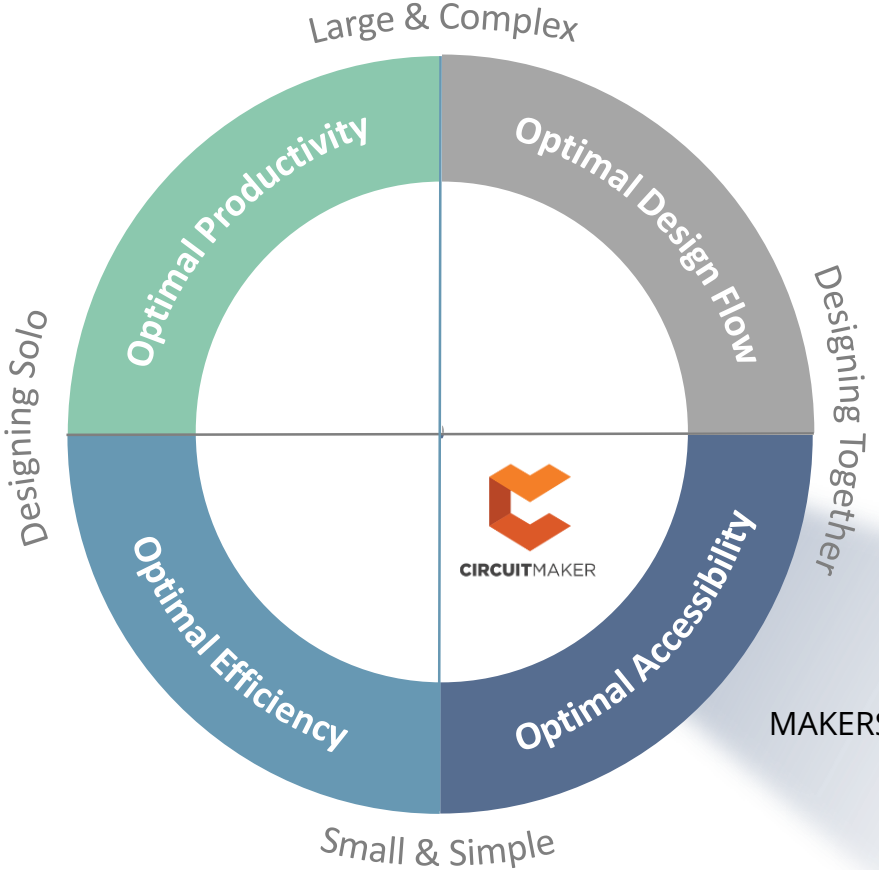
Easy to Maintain with No Hidden Costs

“Easy to” is in Altium’s DNA

The Engineer/User is the Buyer

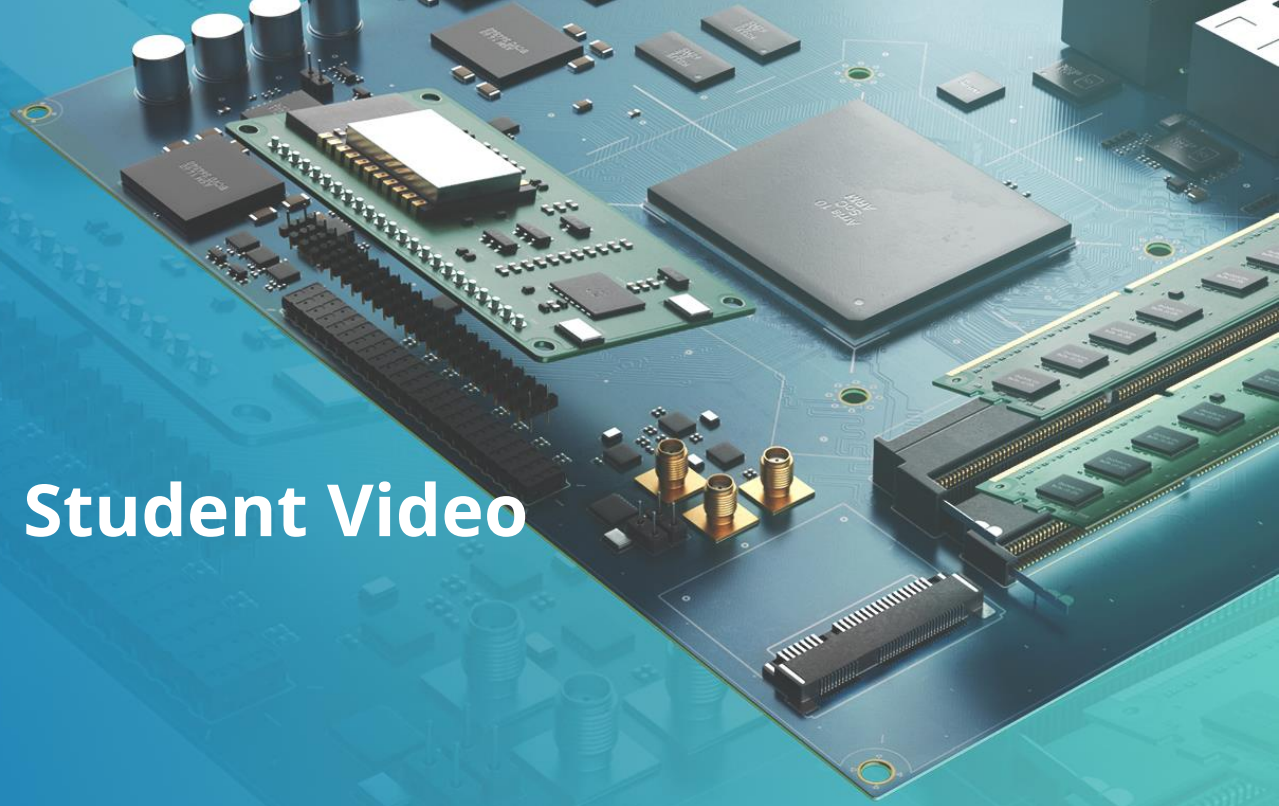


A Unique Solution For Every Usage Profile



MAKERS & STUDENTS

Altium®



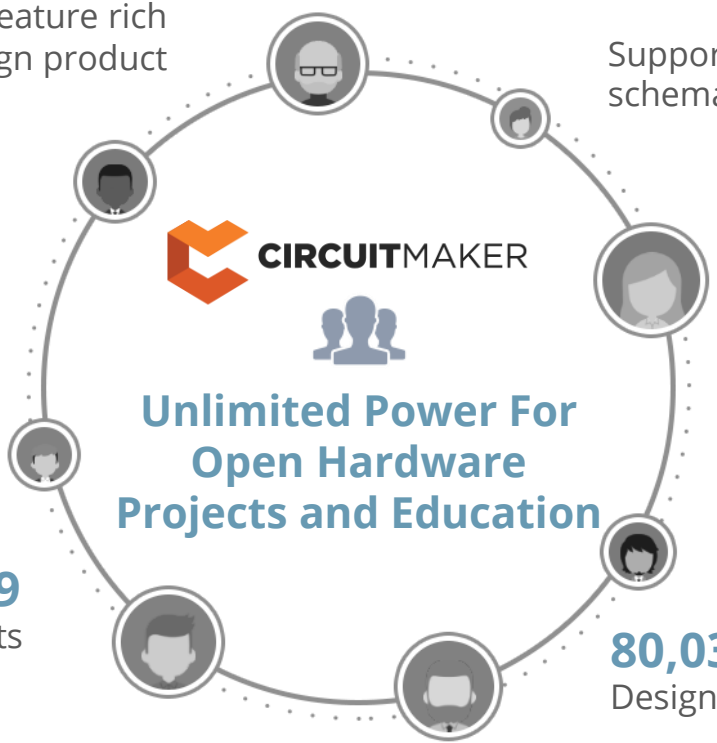
Student Video

Collaborative Community For PCB Design

The most feature rich free PCB design product

Supports concurrent multi-user schematic and PCB design

30,182
Library parts released by the community

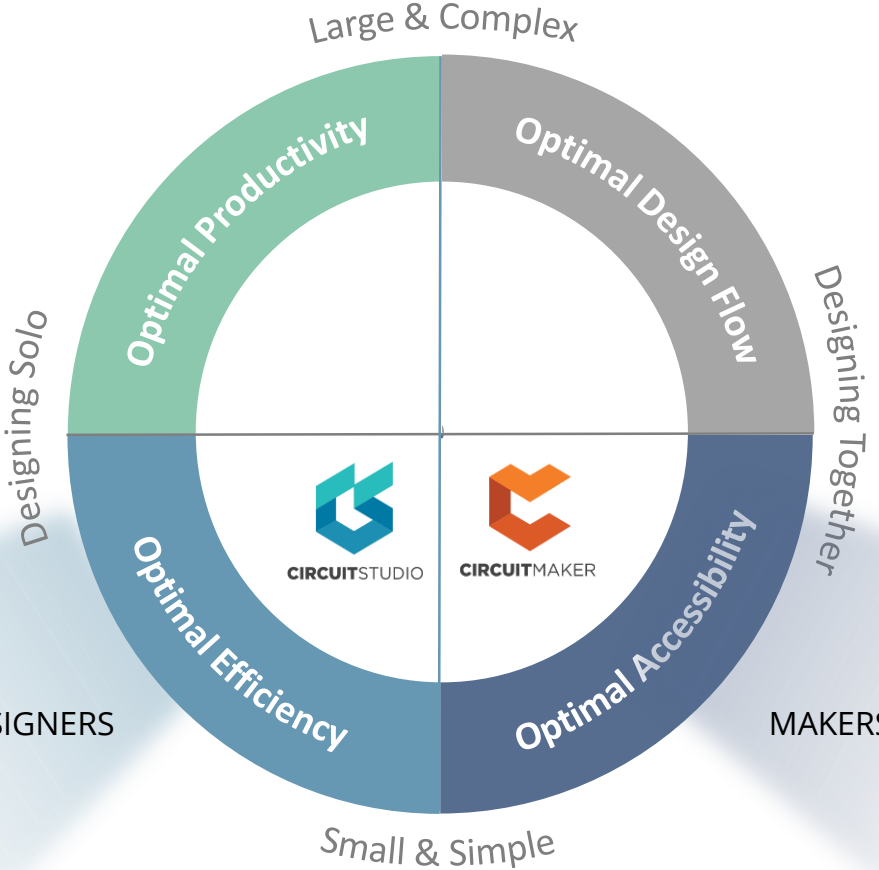


2,491
Designs have been forked

244,249
Library parts

80,032
Designs created

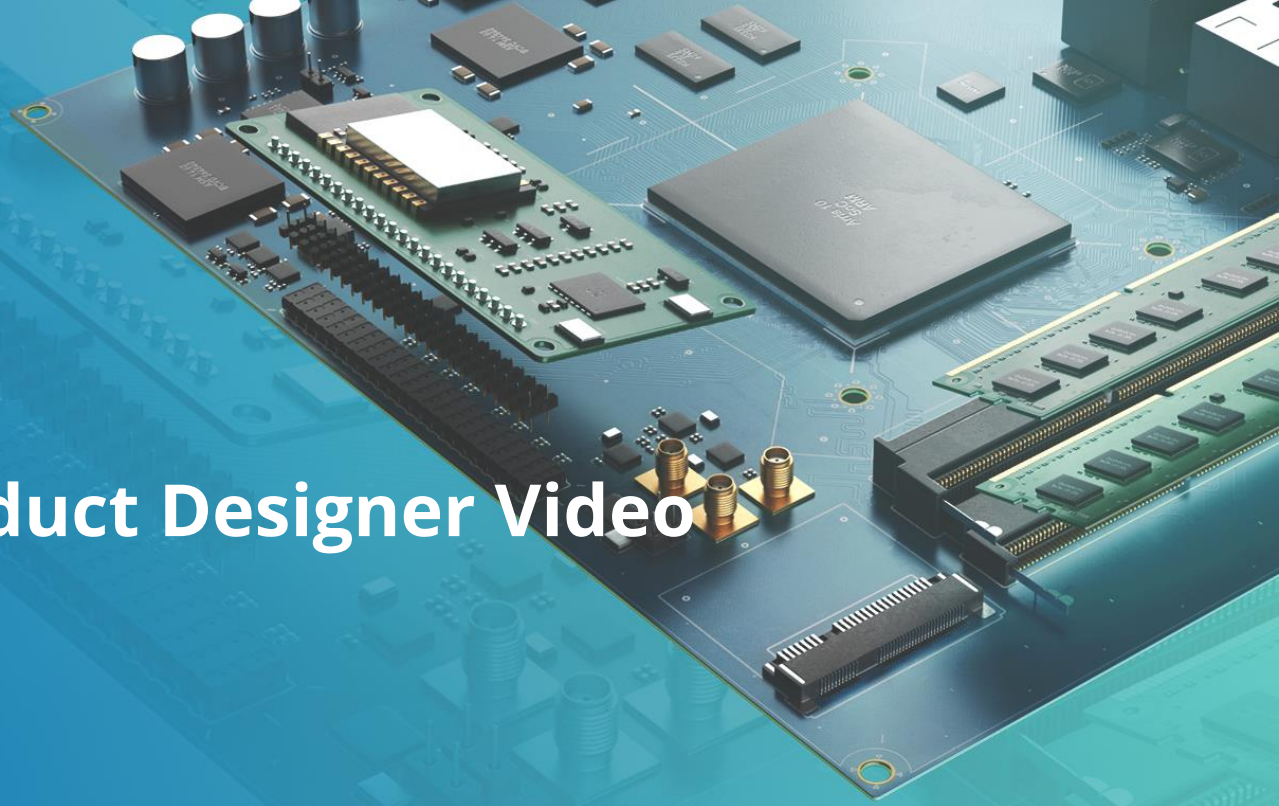
A Unique Solution For Every Usage Profile



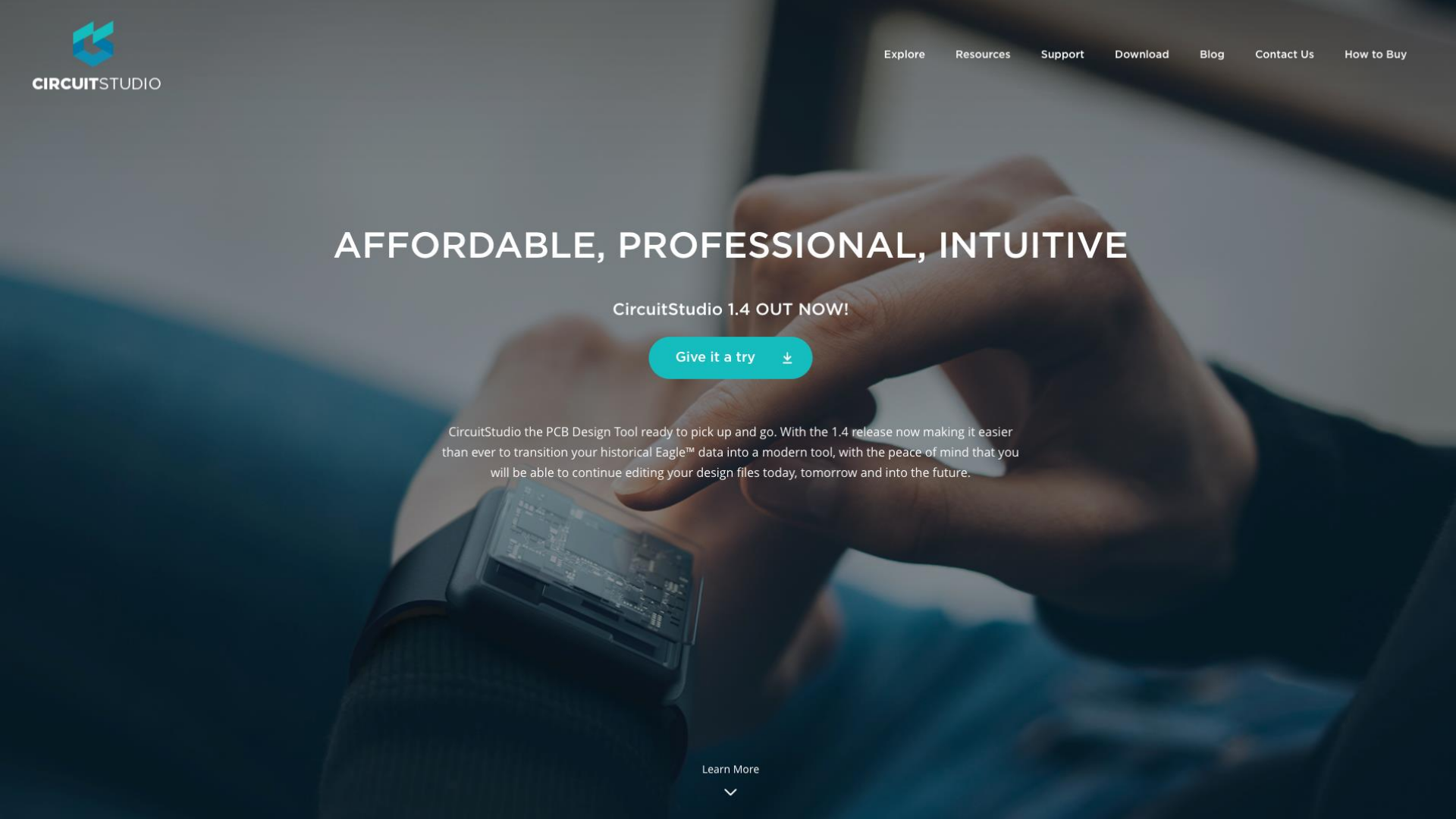
PRODUCT DESIGNERS

MAKERS & STUDENTS

Altium®



Product Designer Video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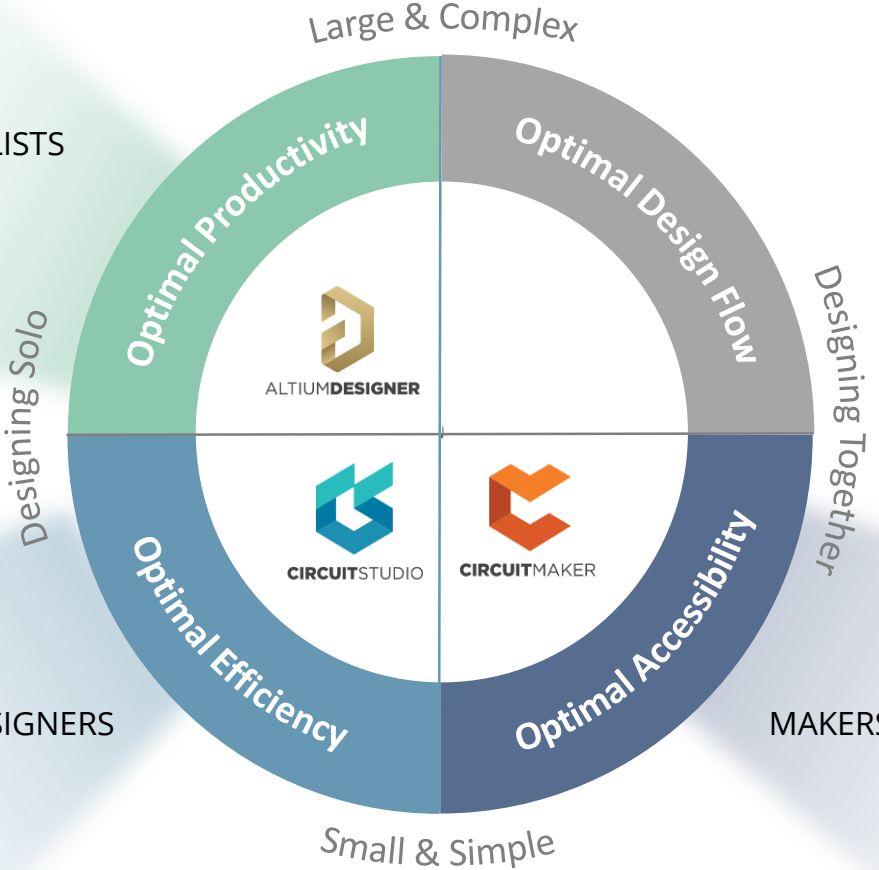
CircuitStudio 1.4 OUT NOW!
Give it a try
CircuitStudio the PCB Design Tool ready to pick up and go. With the 1.4 release now making it easier than ever to transition your historical Eagle™ data into a modern tool, with the peace of mind that you will be able to continue editing your design files today, tomorrow and into the future.
Learn More

Unique PCB Solution For Every Usage Profile



PCB SPECIALISTS

PRODUCT DESIGNERS

MAKERS & STUDENTS

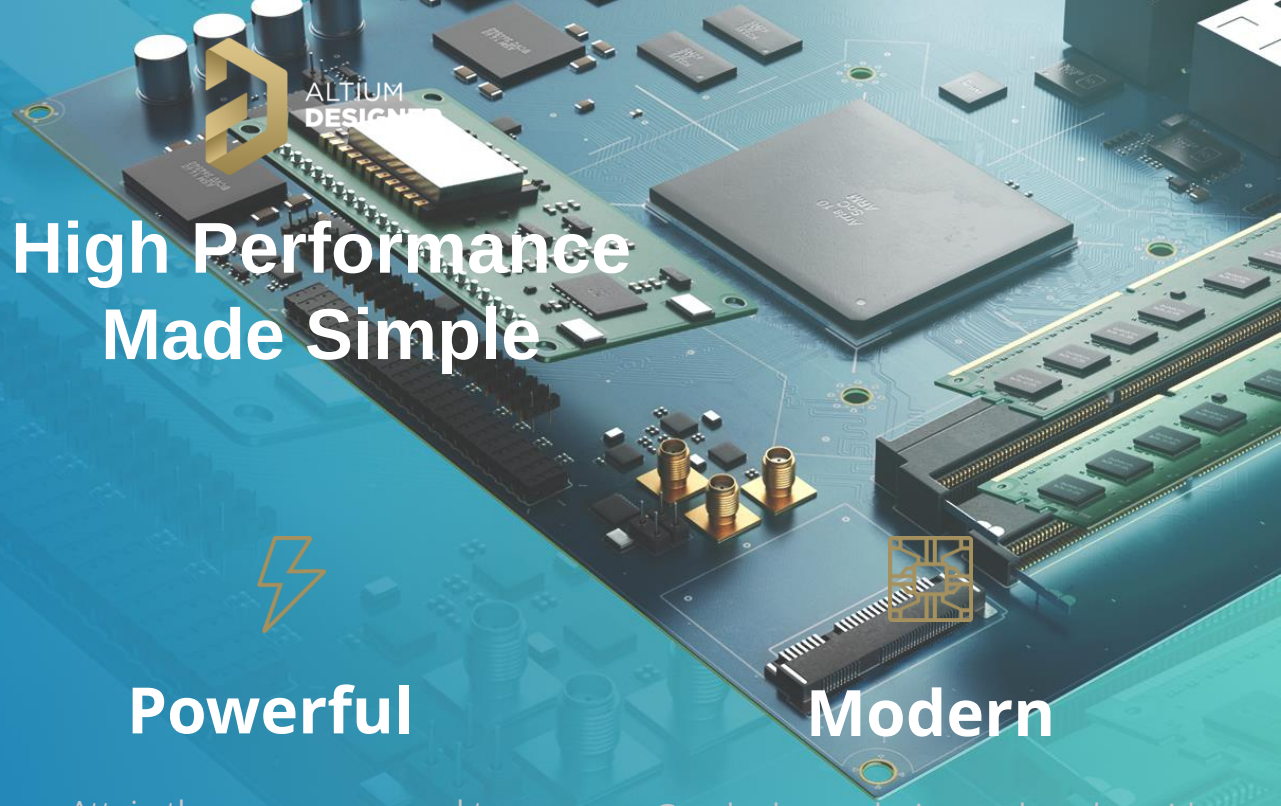
Altium®

PCB Specialist Video

World's Largest PCB Product Community

Altium®

High Performance Made Simple



Easy

Experience the most cohesive, user-friendly interface for you to achieve productivity right “out of the box”

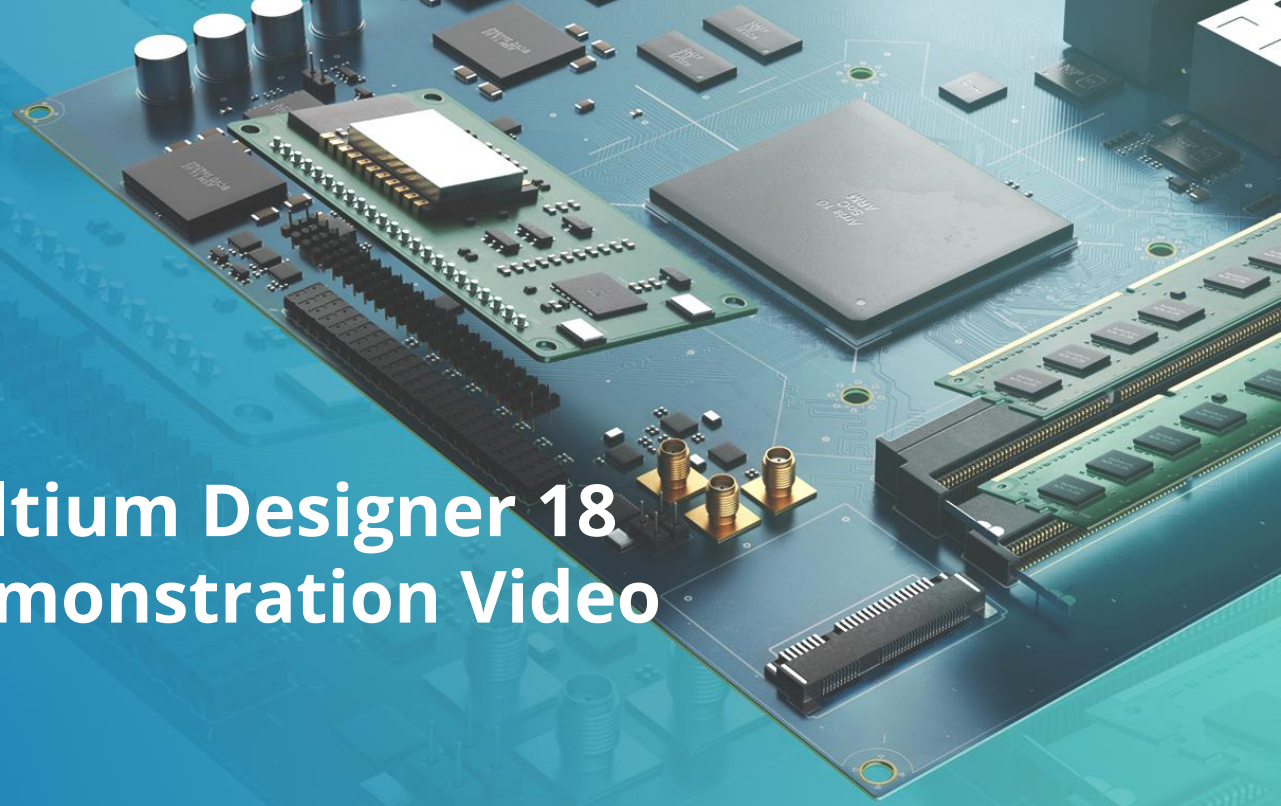
Powerful

Attain the power you need to complete large, complex designs - quickly and accurately.

Modern

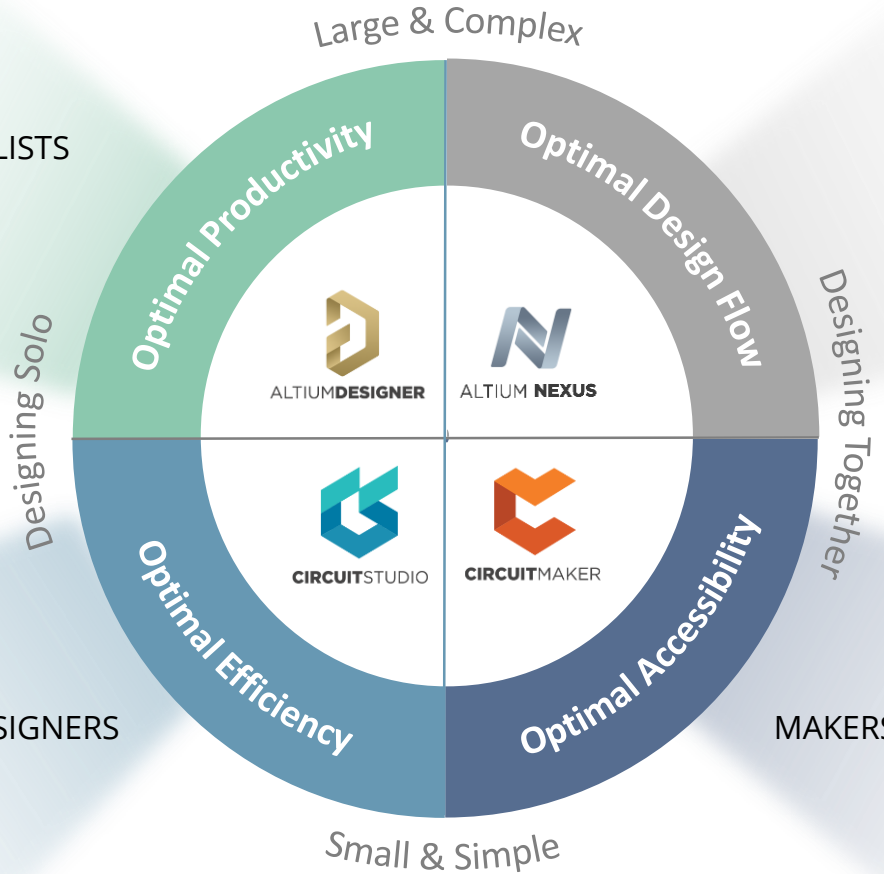
Get the latest design tools today with the guarantee of continuous innovation in the future - year after year.

Altium®



Altium Designer 18 Demonstration Video

A Unique Solution For Every Usage Profile



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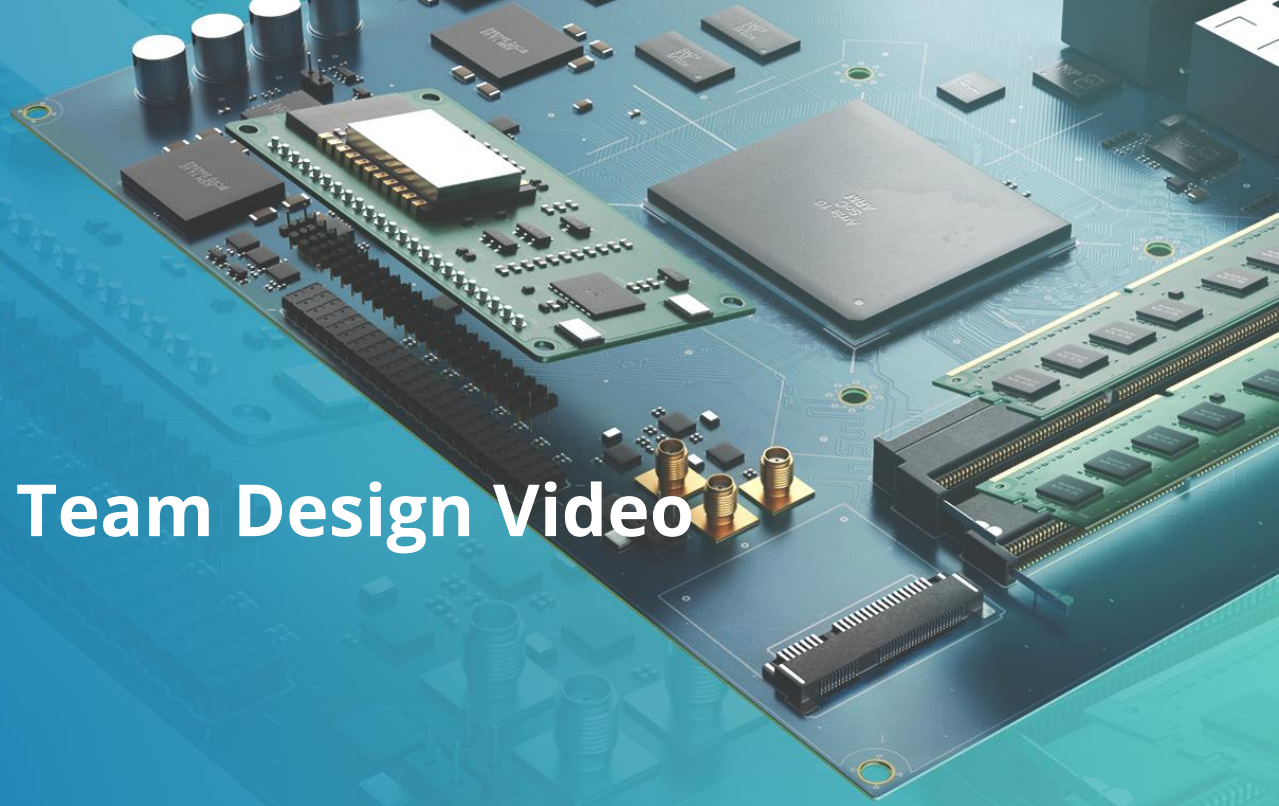

PCB Team Design Video

ALTIUM NEXUS

Working Together is Hard.

Of new products are late getting to market

Of these are late due to insufficient collaboration

Of revenue potential lost when late to market

NEXUS Makes It Easy.

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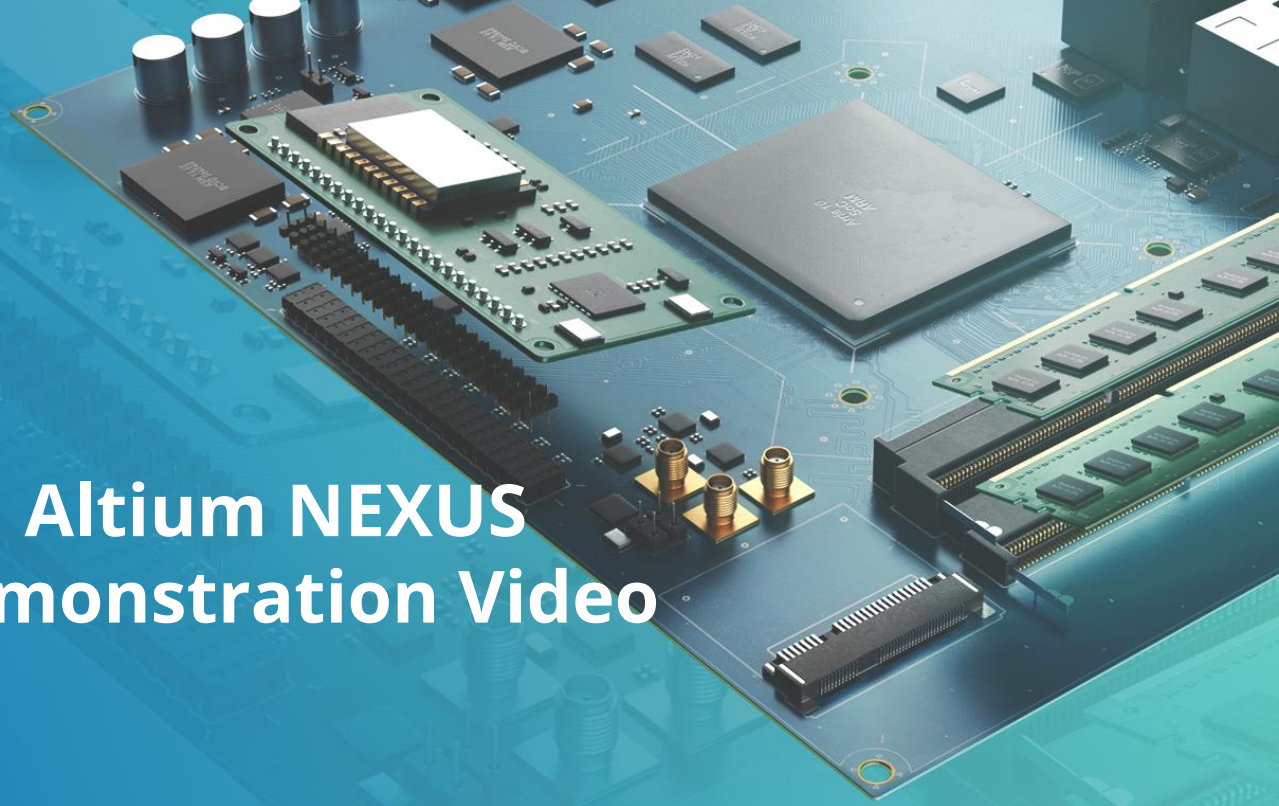
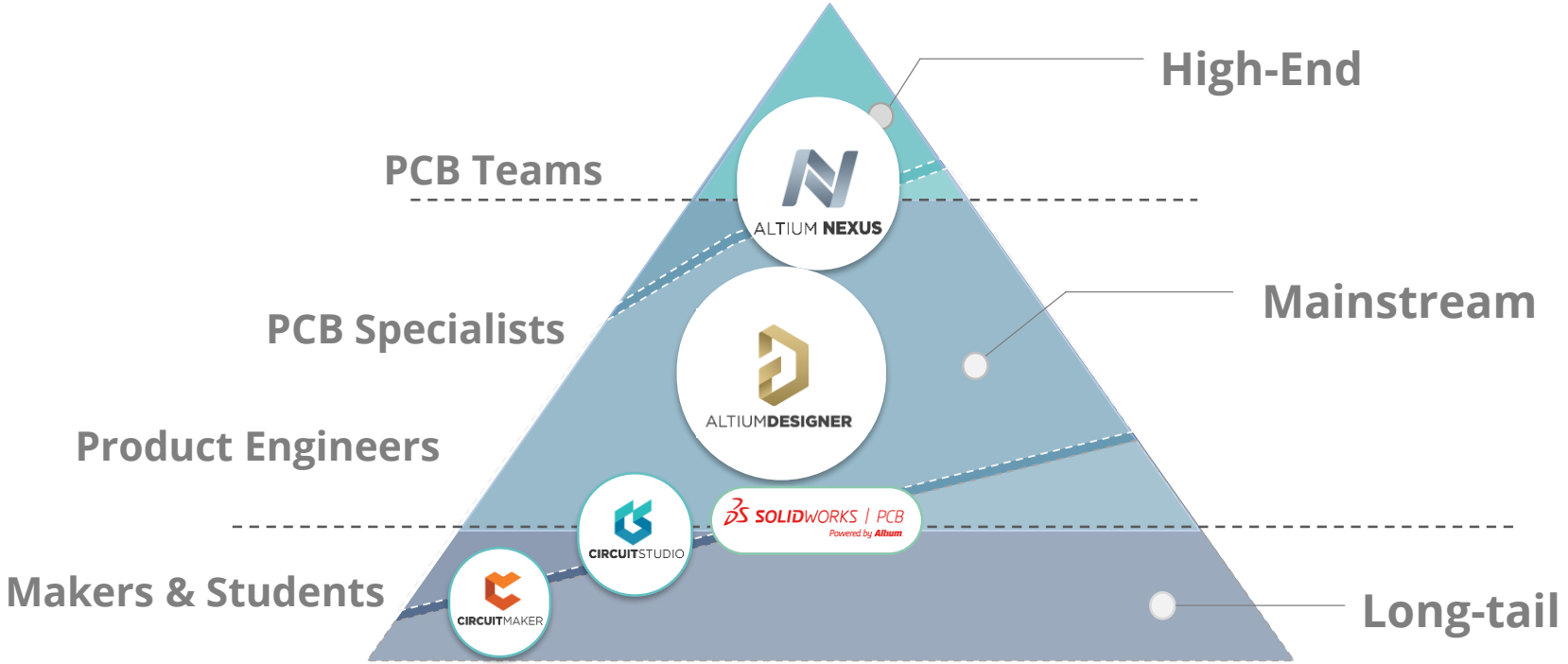
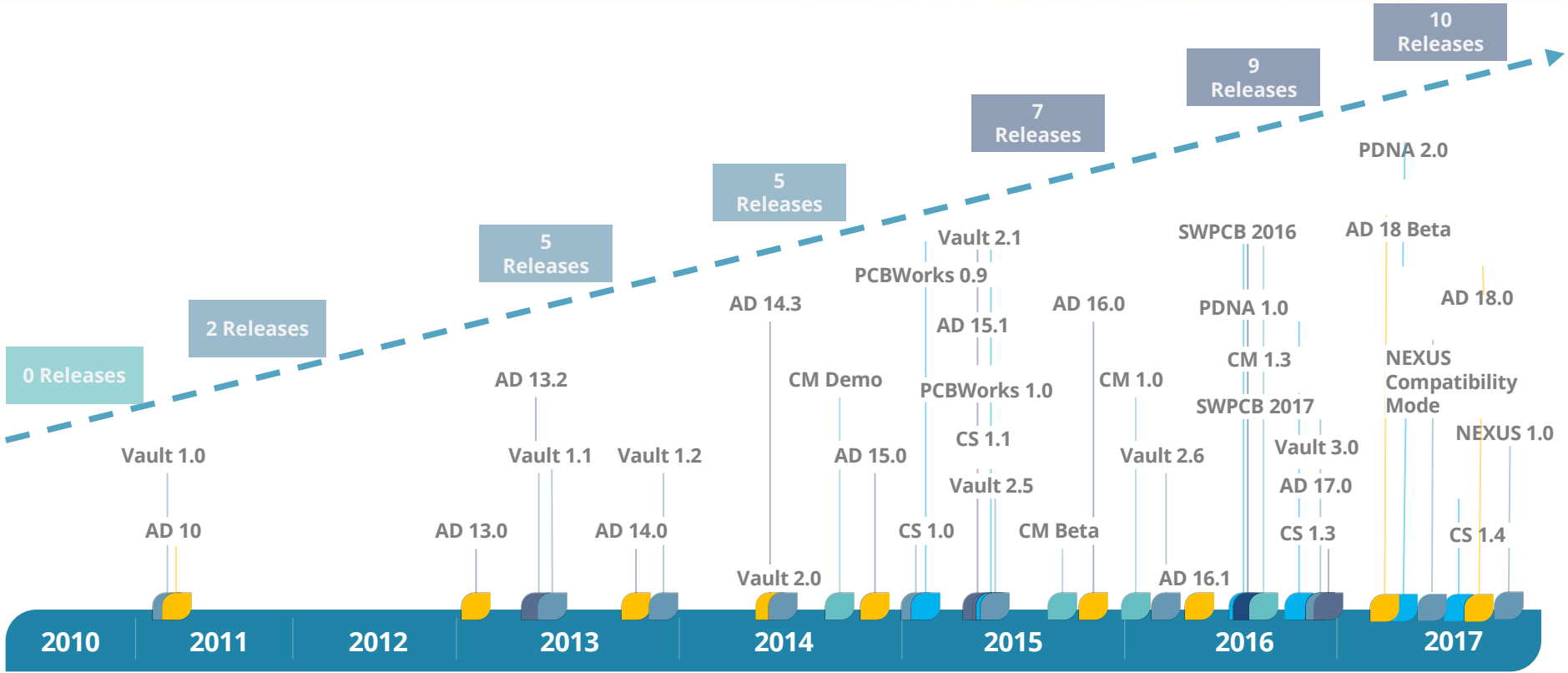


Altium NEXUS Demonstration Video

A Unique Solution For Every Market Segment



Setting The Pace for Innovation



Order of Magnitude Increase in Updates and Upgrades Since 2012

Consistent “Easy To” Customer Experience

Altium

Altium's "Line & Length" Strategy Delivering Margin Expansion While Aggressively Growing the Business

Joe Bedewi – Chief Financial Officer

Line and Length – Altium's Story

Why use Cricket Terms to describe a corporate value?

Easy to Understand – Engages the participants
Achieving a good result requires balancing objectives and reading the field
Line and Length requires a keen understanding of conditions, competition and timing

What does Line and Length mean to Altium?

Simply put - double digit revenue growth and expanding EBITDA
Meaning we endeavor to drive growth but not at the cost of EBITDA

Why Talk Line and Length at Technology Day?

Technology is about the Future, changing the World, Improvement
It takes Discipline to actually design the Future, build innovation that changes the world and drive improvement
Line and Length instills discipline into all we do – we understand the need to be financially strong in order to deliver a new future

Line and Length Delivers

Investor Returns

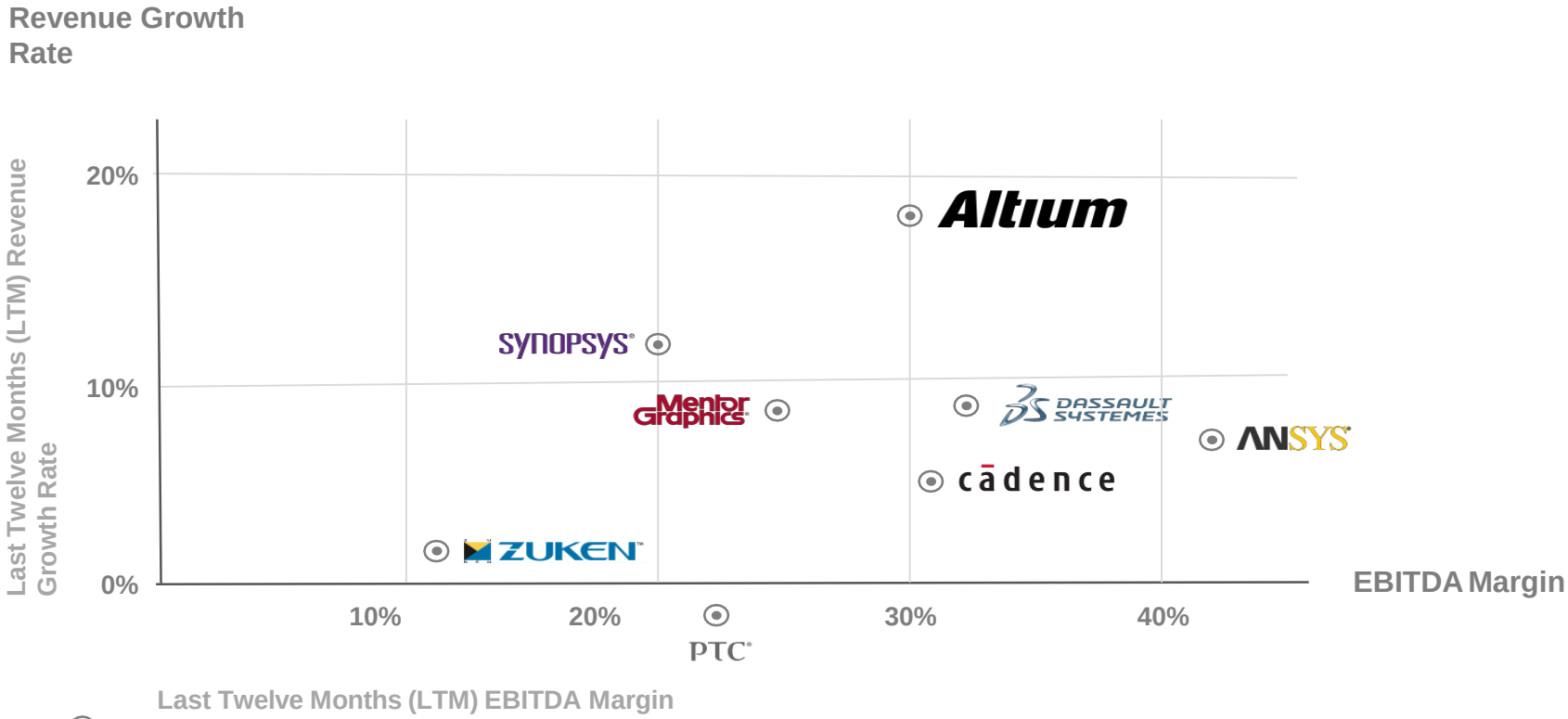
Ability to Execute our Vision

Enables resources to be aligned with Future Products while delivering excellent returns with existing products

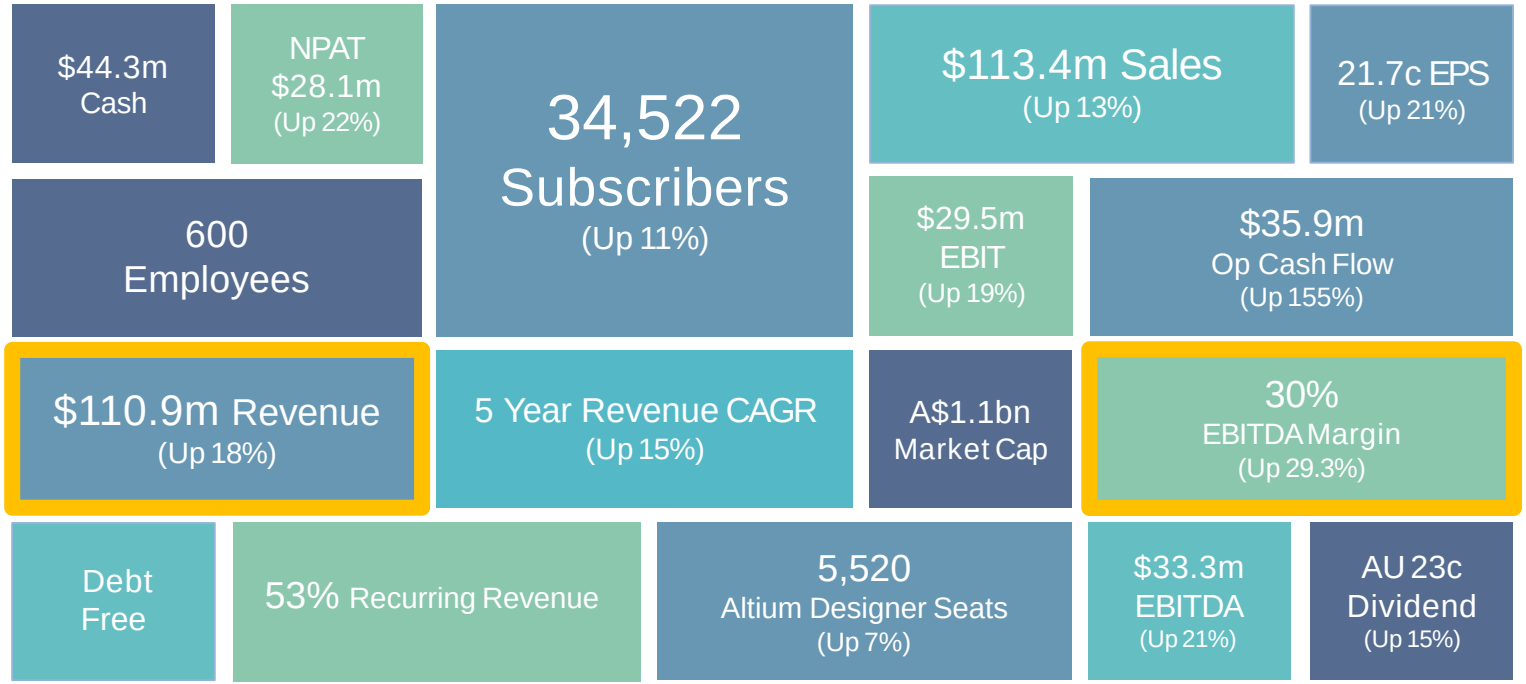
Requires discipline in all aspects of Altium's Execution

Acknowledges the Ingenuity of "And"

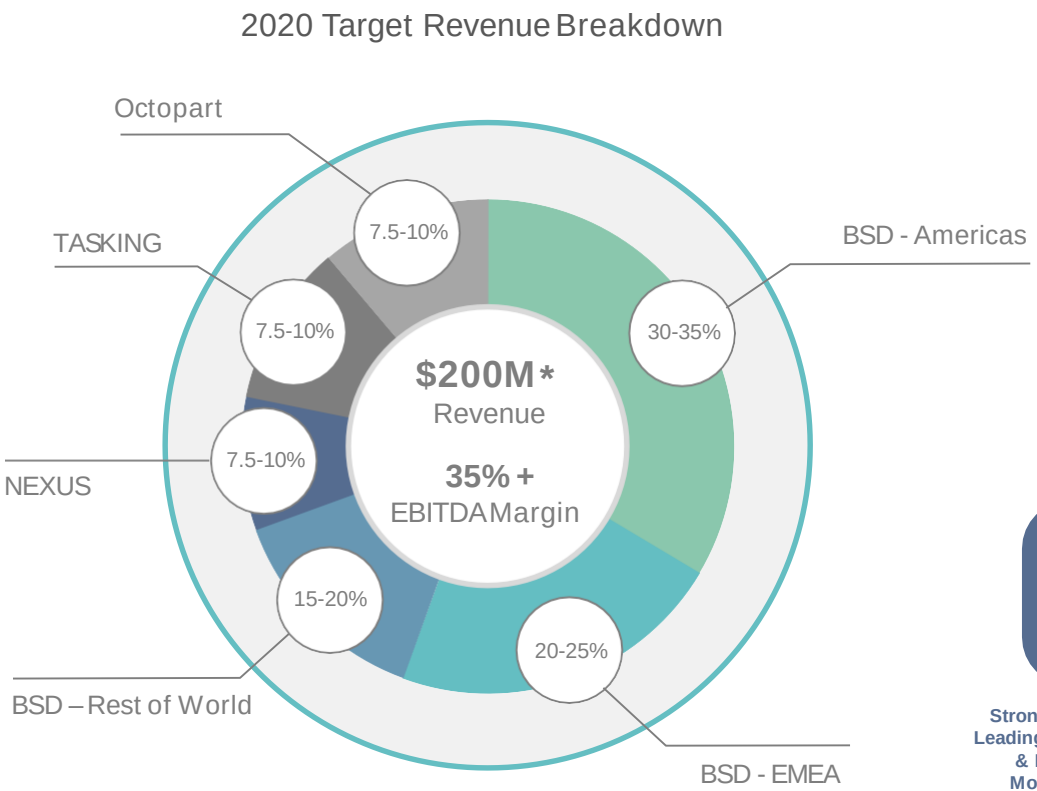
Altium Industry-Leading Performance

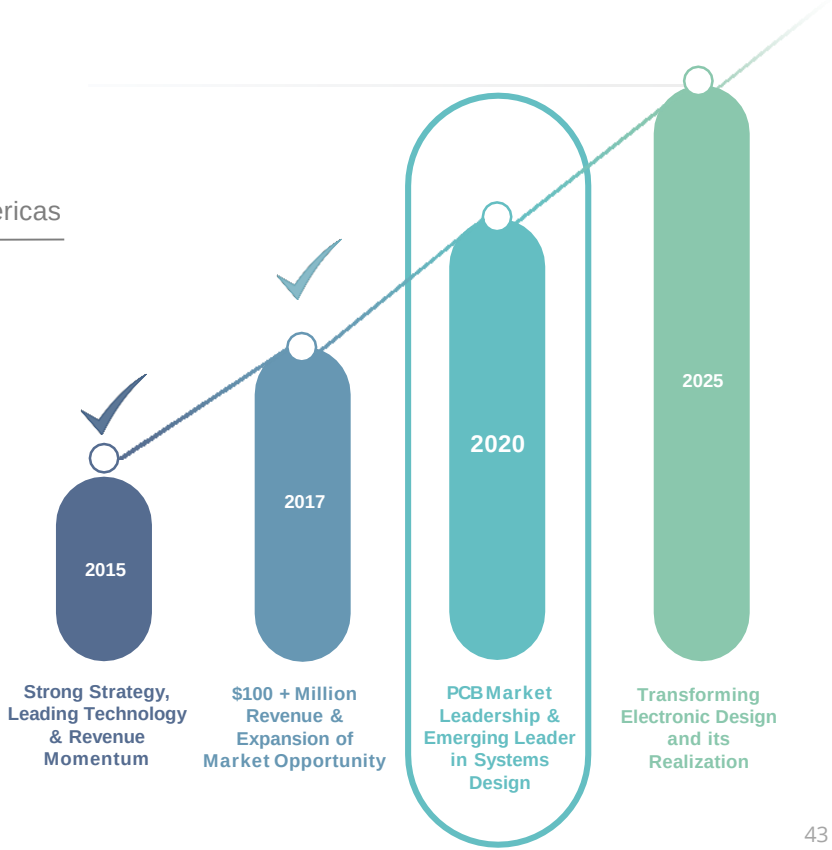


Driving Performance from a Position of Financial Strength



Achieving Market Leadership by 2020

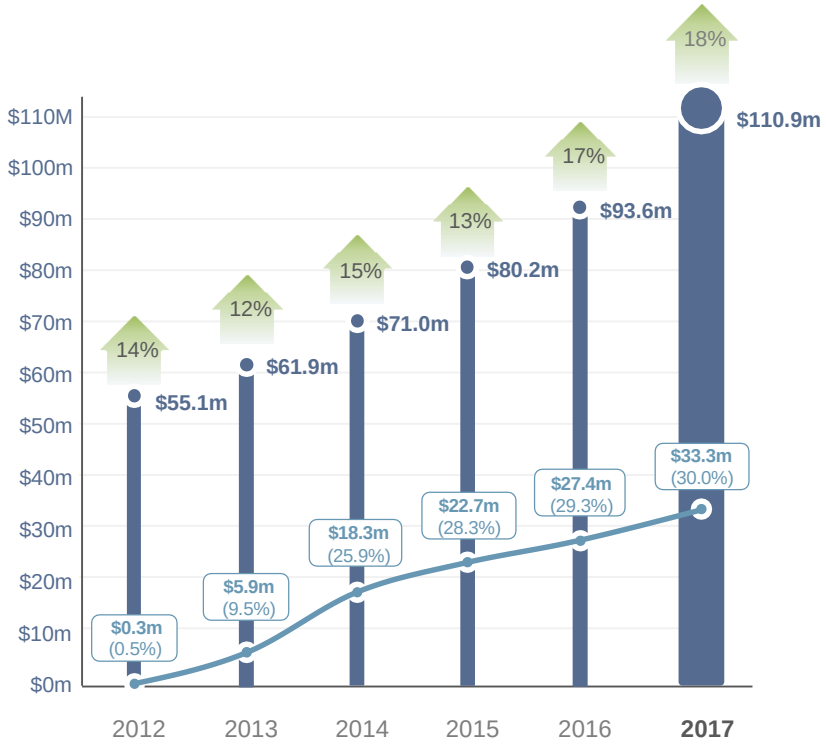


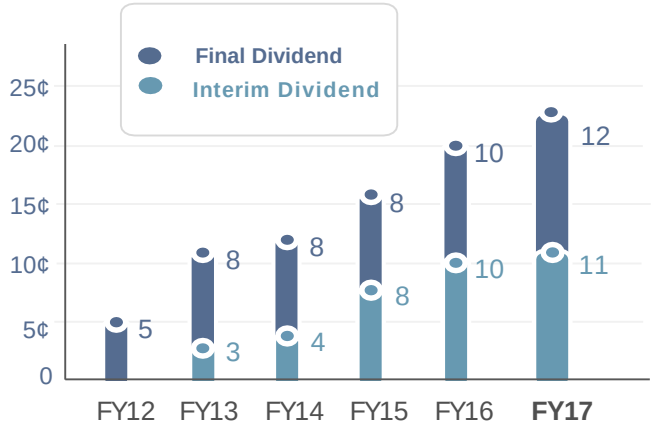


* Includes 5-10% from future acquisitions

BSD – Board and System Division (Accounts for all PCB Products Excluding NEXUS)

Altium's Performance – Line and Length Consistency





Thank You