

21 August 2018

ALTIUM LIMITED

ACN 009 568 772

Level 6, Tower B
The Zenith
821 Pacific Highway
Chatswood 2067

Investor Relations
Contact Details:

Kim Besharati
VP Investor Relations &
Corporate Affairs
Company Secretary

Phone: +1 858 864 1513
Mobile: +1 760 828 3567

Altium Announces Final, Audited Results for the Year to 30 June 2018

Altium Delivers Record Revenue Growth of 26% & Record Growth in Net Profit After Tax of 34%

Sydney, Australia - 21 August 2018 - Electronic design software company Altium Limited (ASX:ALU) has announced its final, audited results for the financial year ended 30 June 2018. Altium achieved record revenue growth of 26% to US\$140.2 million for the financial year ended 30 June 2018. Altium expanded profit margins to record levels with a 34% increase in net profit after tax to US\$37.5 million. Other highlights include:

- Board and Systems revenue grew 24% to US\$108.8 million, with all regions contributing.
- Altium Designer new seats grew by 15% compared to the same period last year.
- The subscription pool for recurring revenue grew by 10% to reach over 37,900.
- China continued its impressive run with 29% revenue growth.
- Octopart furthered momentum delivering 56% growth in revenue.
- TASKING grew revenue by 23%.
- EBITDA margin of 32% (underlying of 35.5%) up from 30% (underlying of 32.3%) compared with last year.
- EPS of 28.86 cents (up 33%).
- Operating cash flow up 35% to US\$48.5 million.
- Final dividend of AUD 14 cents with full year dividends up 17%.

The following tables summarise the key financial measures and revenue breakdown for fiscal 2018.

Key Financial Measures	FY18 (US\$'000s)	FY17 (US\$'000s)	Change %
Sales to customers	144,541	113,443	27%
Revenue (excluding interest)	140,176	110,865	26%
Reported expenses	(95,307)	(77,611)	23%
EBITDA	44,869	33,254	35%
<i>EBITDA margin</i>	32.0%	30.0%	
<i>EBITDA margin (underlying)*</i>	35.5%	32.3%	
Profit before income tax	39,703	29,472	35%
Profit after income tax	37,489	28,077	34%
EPS	28.86	21.70	33%
Operating cash flow	48,482	35,861	35%
Cash and cash equivalents	52,459	44,273	18%
Dividend per share (AU cents)	27	23	17%

* The underlying EBITDA margin excludes re-evaluation (due to out-performance related to Octopart), acquisition costs and restructure costs.

Revenue Breakdown	FY18 (US'000s)	FY17 (US'000s)	Change %
Worldwide revenue	140,176	110,865	26%
Board and Systems (Altium Designer, Circuit Studio, SolidWorks PCB)	108,806	87,635	24%
- Americas (US\$)	44,760	39,646	13%
- EMEA (€)	32,785	25,670	28%
- China (US\$)	14,406	11,176	29%
- Rest of World (US\$)	10,882	8,734	25%
NEXUS (US\$)	4,833	3,761	29%
TASKING (US\$)	14,525	11,768	23%
Octopart (US\$)	12,012	7,701	56%

Comments from Altium's CEO Mr Aram Mirkazemi

Altium CEO, Mr Aram Mirkazemi commented: "After six years of consecutive growth and profitability, Altium has delivered its strongest ever performance in FY18. Altium grew its revenue by 26% and its net profit by 34%. We have been strong and potentiating in all markets and across all business units. From China to EMEA and the US, and from TASKING to Octopart, Altium's FY18 performance has been an absolute stand-out."

"Altium's performance in FY18 places the company firmly on track to achieve its 2020 revenue target of US\$200 million with strong margin expansion".

Comments from Altium's CFO Mr Joe Bedewi

Altium CFO, Mr Joe Bedewi commented: "Altium has delivered a strong performance across all key financial metrics, reflecting the disciplined execution of our strategy and our growing market. This includes EPS of 28.86 cents (up 33%) and operating cash flow that is up 35% to US\$48.5 million. Altium achieved an EBITDA margin of 32.0% for the fiscal year (35.5% on an underlying basis). These results are in line with meeting our EBITDA target for 2020".

"Altium Designer licence seats increased by 15% to reach 6,321 licences sold for the full year and Altium's subscription pool for recurring revenue grew by 10% to reach over 37,900 subscribers".

"Altium has continued to expand its direct sales model. This creates a competitive advantage for Altium in the PCB market as we increase the systematization of our direct sales methodology, which will increase margin and support our drive to US\$200 million by 2020".

Dividend

The Board has declared an unfranked dividend for the full year AU 14 cents per share, a 17% increase over the full year dividend for the prior year. Key dates for the final dividend are:

Ex-dividend date	Monday 3 September 2018
Record date	Tuesday 4 September 2018
Payment date	Tuesday 25 September 2018

Investor Presentation and Call Details

Altium management will host a conference call on 21 August 2018 at 5pm AEST to discuss the investor presentation (slides to be released separately to the market) and to provide an update of the company's business strategy and financial performance.

Date: 21 August 2018 at 5pm AEST

Dial in Numbers:

Australia (toll free)	1800 148 258
Australia (mobile)	1300 157 230
New Zealand	0800 667 018
Hong Kong	800 965 808
USA	1866 586 2813
Canada	1866 837 4489
United Kingdom	08000 569 662

International Dial in: +61 280385271

Attendee Passcode: 6753018

Investor Relations contact details:

Kim Besharati - VP Investor Relations & Corporate Affairs (US based)

Ph:+1 858 864 1513

Mobile: +1 760 828 3567

Alison Raffin - Company Secretary (Australia based)

Ph:+61 2 9410 1005

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About Altium

Altium Limited (ASX: ALU) is an Australian multinational software corporation that focuses on electronics design systems for 3D PCB design and embedded system development. Altium products are found everywhere from world leading electronic design teams to the grassroots electronic design community. With a unique range of technologies Altium helps organisations and design communities to innovate, collaborate and create connected products while remaining on-time and on-budget. Products provided are Altium Designer®, Altium Vault®, CircuitStudio®, CircuitMaker®, the TASKING® range of embedded software compilers and Octopart® the search engine for electronic components and industrial products. Founded in 1985, Altium has offices worldwide, with US locations in San Diego , New York and Boston, European locations in Munich, Karlsruhe, Amersfoort, Kiev and Zug and Asia-Pacific locations in Shanghai, Tokyo and Sydney. For more information, visit www.altium.com. You can also follow and engage with Altium via Facebook, Twitter and YouTube.