



Technology Presentation

Transforming Electronic Design & Its Realization

16 November 2018

Sydney



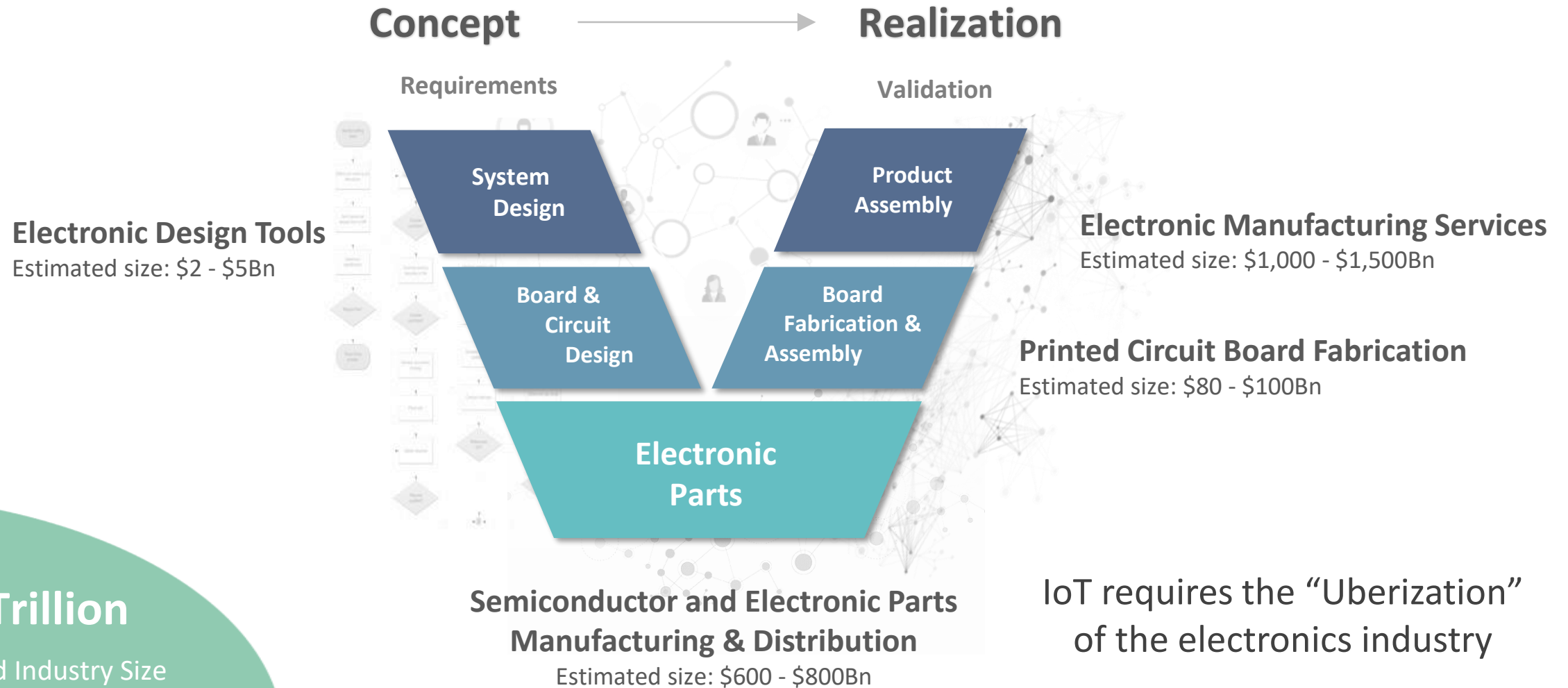


Industry Transformation Through Market Dominance

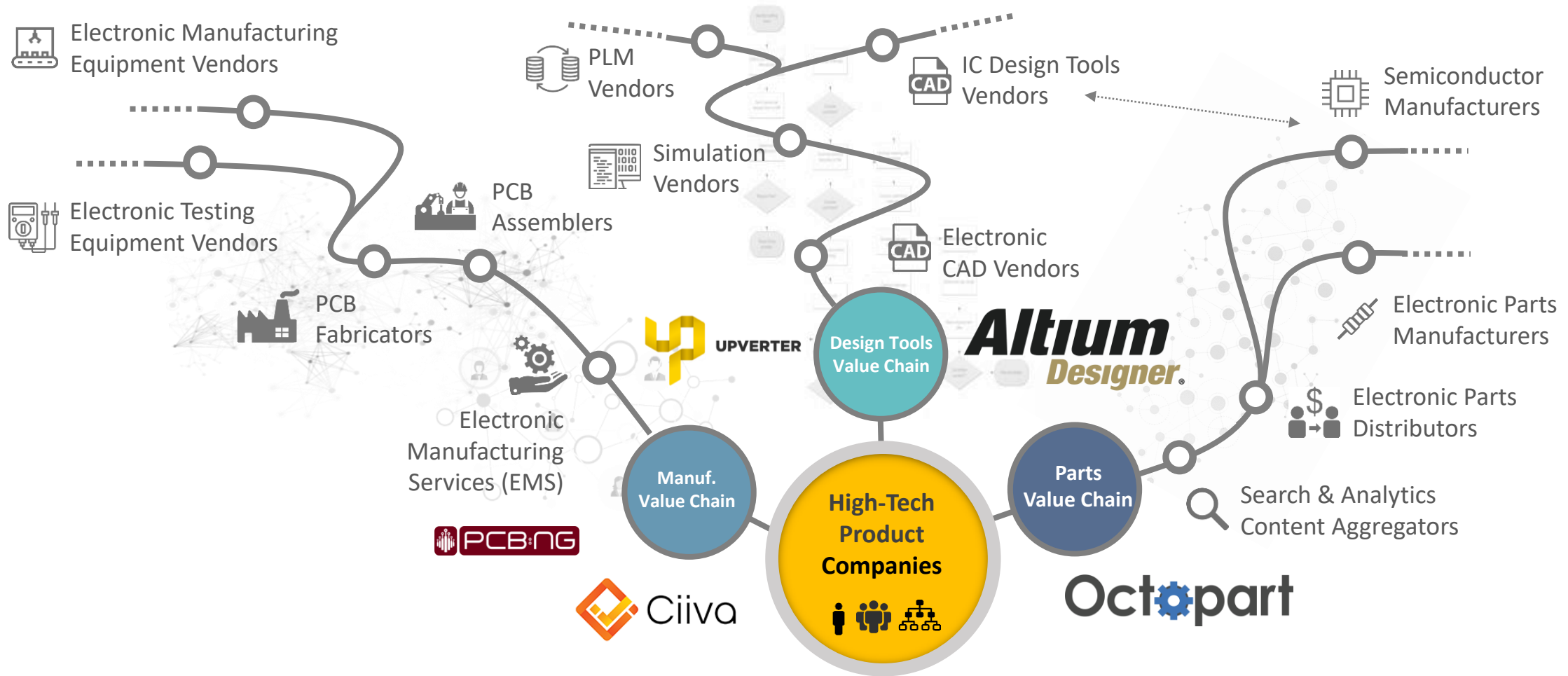
The Century Strategy

Aram Mirkazemi – Chief Executive Officer

Electronics Industry & Its Segmentation



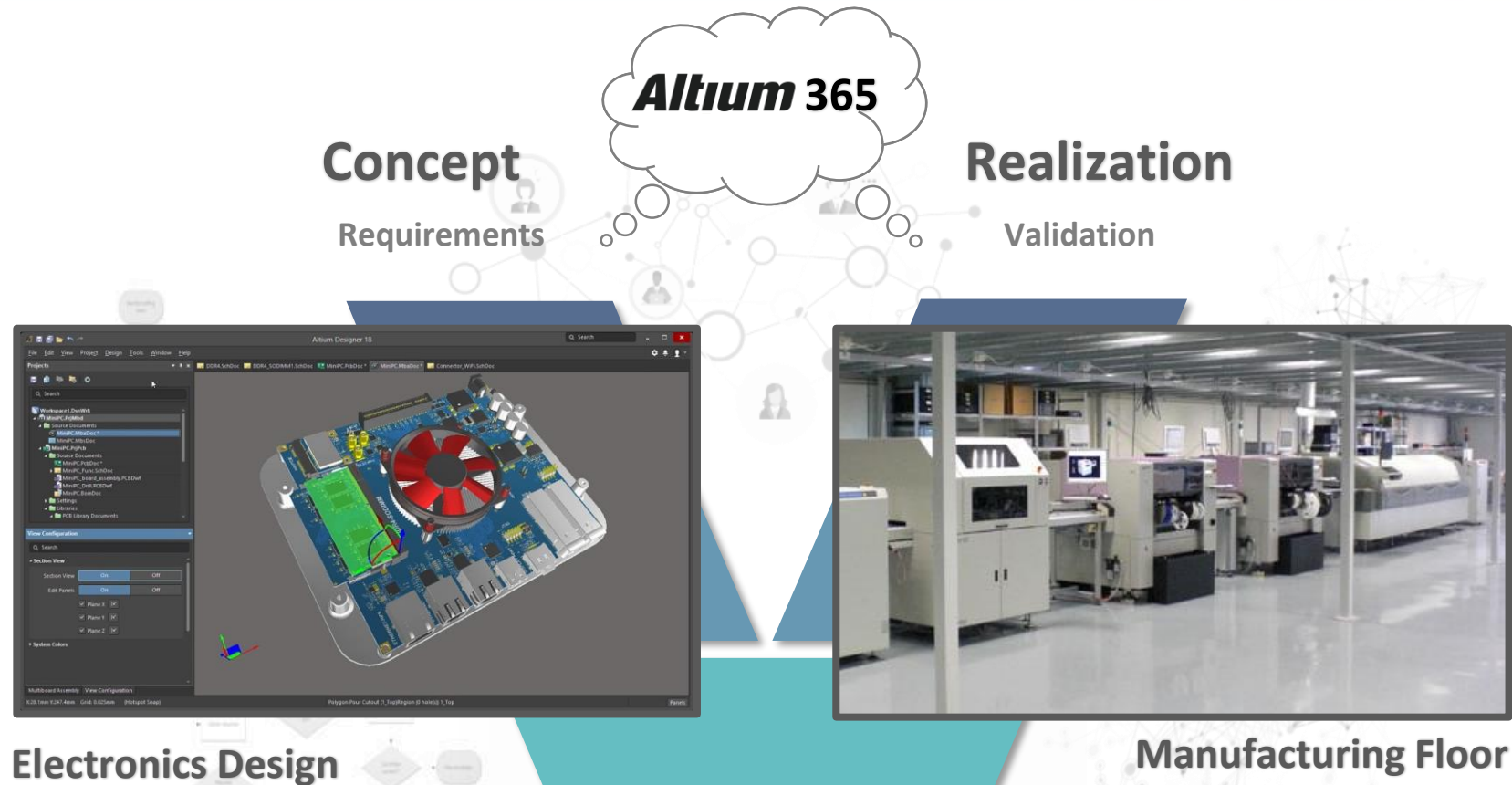
Electronics Industry Value Chain



The three segments of the value chain are completely isolated and digitally disconnected within their own chain

Electronics Design Needs to Connect to the Manufacturing Floor

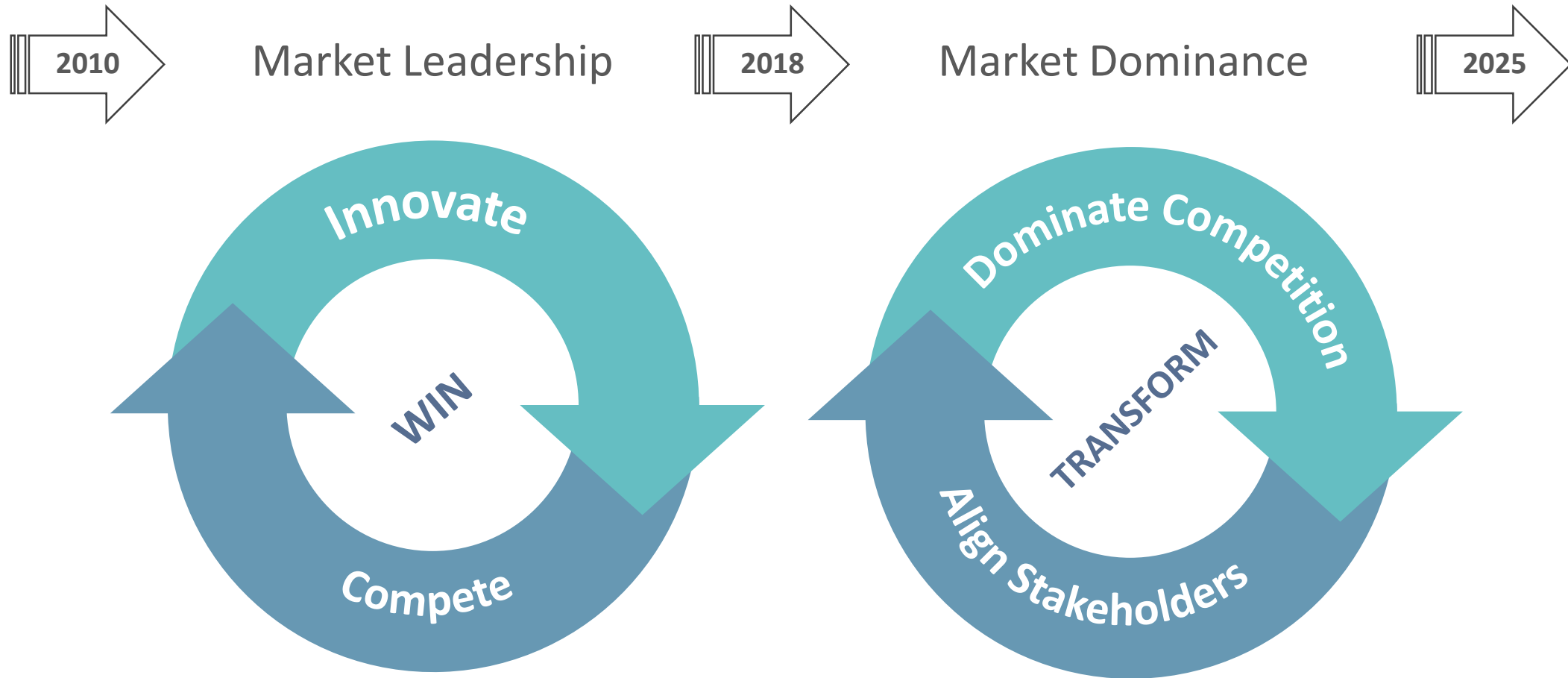
Altium®



Connecting electronics design to the manufacturing floor with bi-directional digital continuity is at the heart of transformation

Transformation Through Dominance...

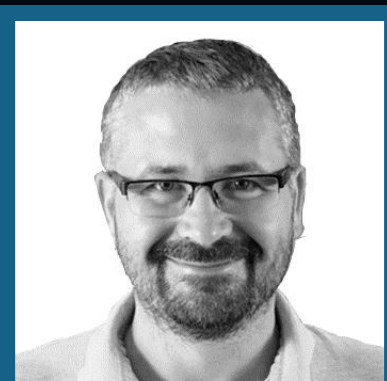
Altium®



Altium must target 100,000 active subscribers by 2025 so as to compel key industry stakeholders to support its agenda to transform electronic design and its realization



Altium 365 A Platform for Transformation



**Connected Design to Realization
Experience for Electronics**

*Ted Pawela— Chief Operating Officer
Leigh Gawne - Head of Ciiva*

Electronic Product Development Is Multidisciplinary

Altium®



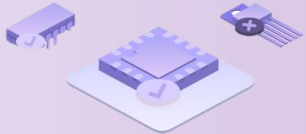
But The Connections Are Loose



One place to organize and manage everything, and everyone



Simplified, interactive collaboration - from ANY device



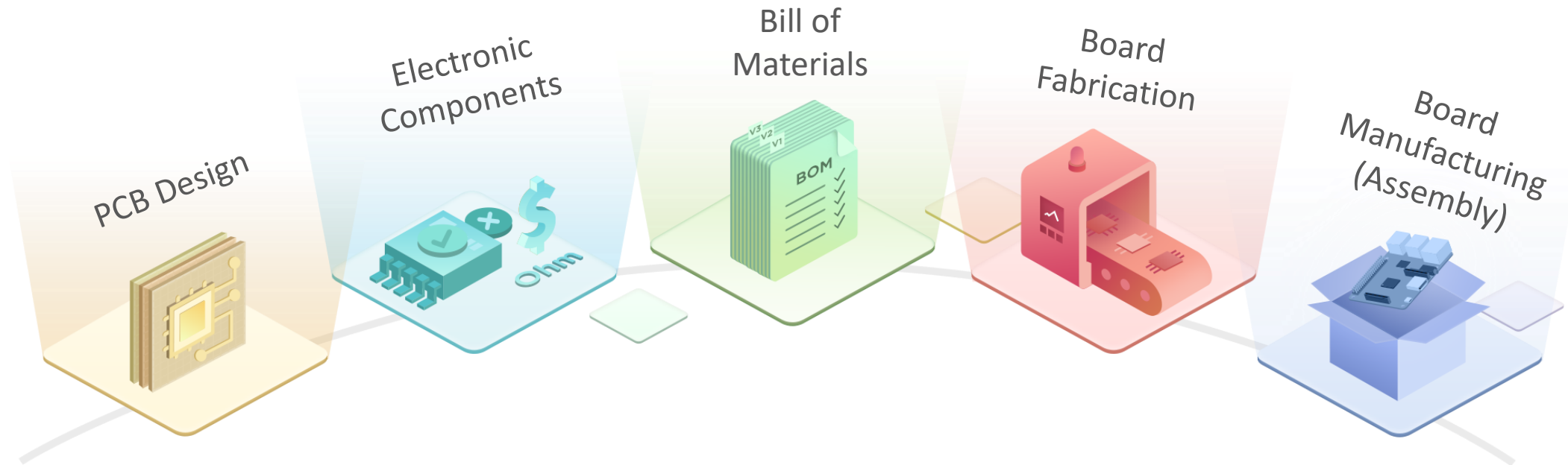
Manufacturable BOM assured – today and future



Flexible control of design data



Component and part information at your fingertips



Connecting electronics design to the manufacturing floor



What is Unique About Altium & Why it Will Dominate the PCB Market?

Growing to 100,000 Subscribers

Henry Potts – Senior Executive Vice President Sales

Altium Connects to Users in a Unique Way

Altium®



Altium connects to users at all levels within an organization providing a *user experience* that is unique within the industry



Product

- Complexity
- Cycle Time

People

- Demographics
- Expanding Roles

Buyer Expectation

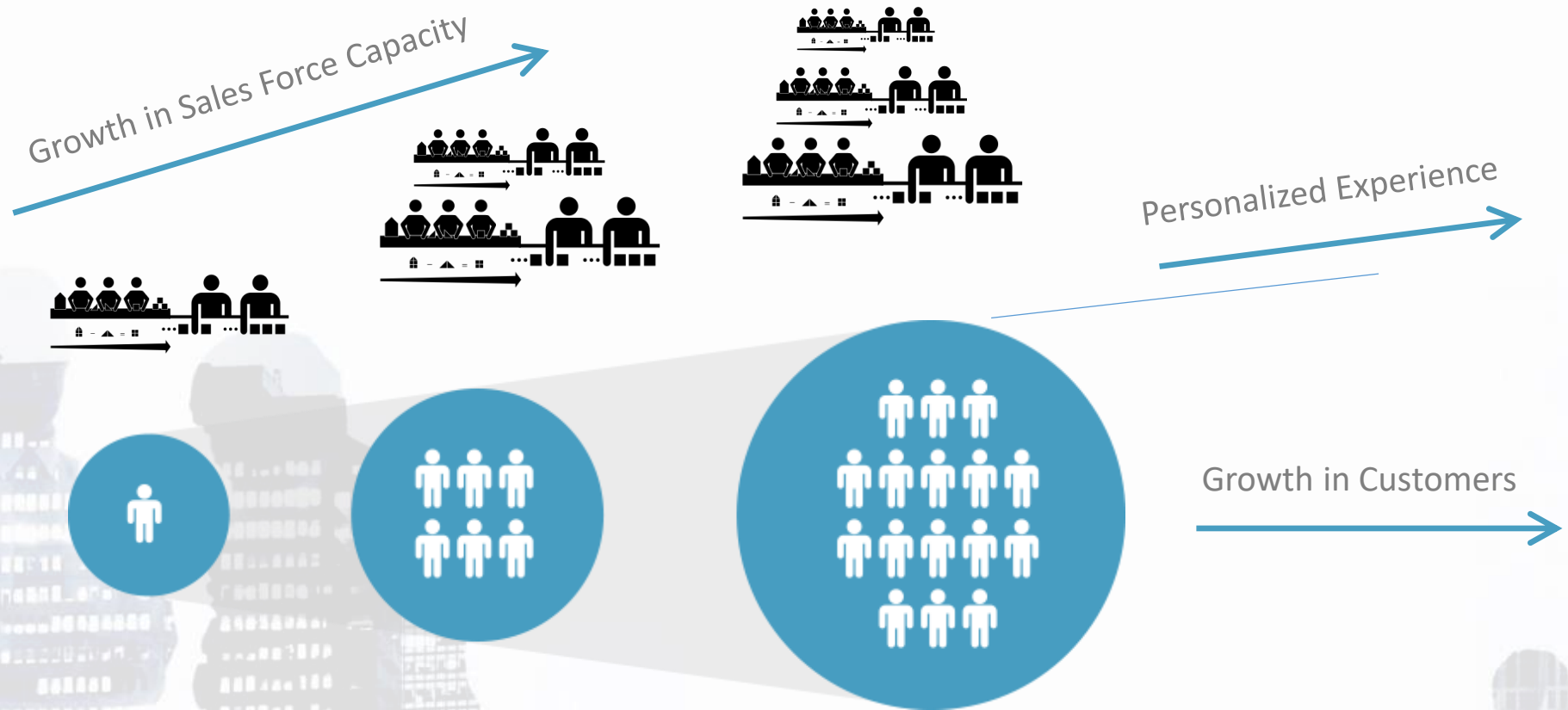
- Consumer-like
- Experiences

Growing demands on engineers is driving expectation for a consumer-like experience

Altium's Business Model is Highly Scalable

Altium®

Altium



Unlike its competitors, Altium's transactional sales model is system-driven and not based on relationships, making it highly scalable

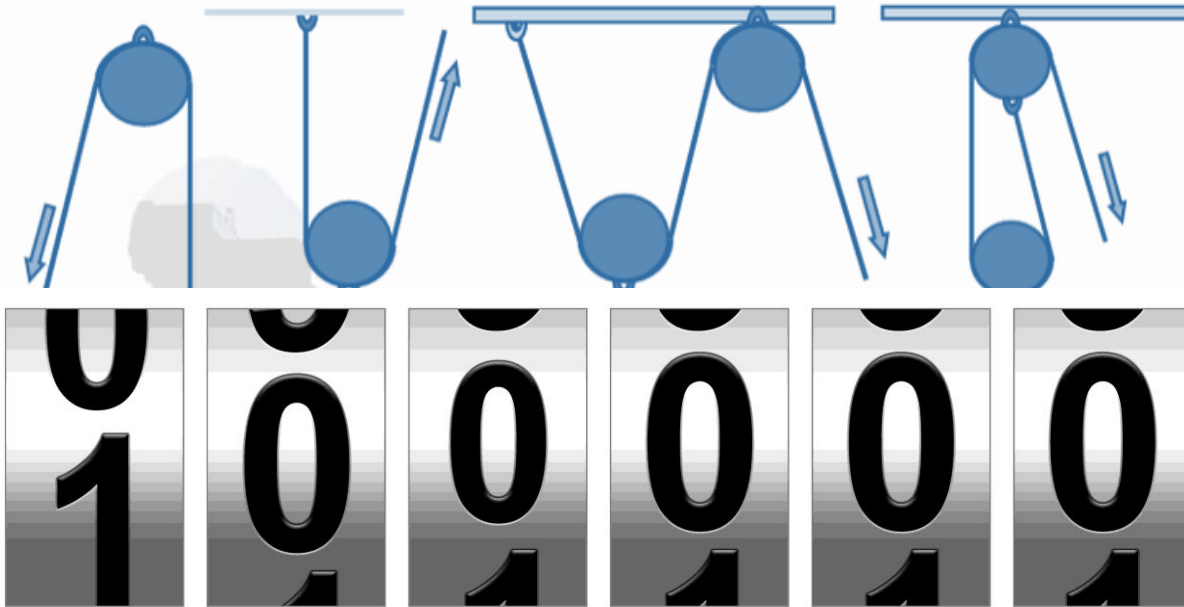
Scaling to 100,000 Subscribers

Competitive
displacement

Expanding into
new markets

Man out-of-the-loop
selling approach

Data driven account
based Intelligence



Altium's transactional sales will be leveraged in multiple ways to reach 100,000 subscribers



Vietnam

Beijing

Shanghai

Shenzhen

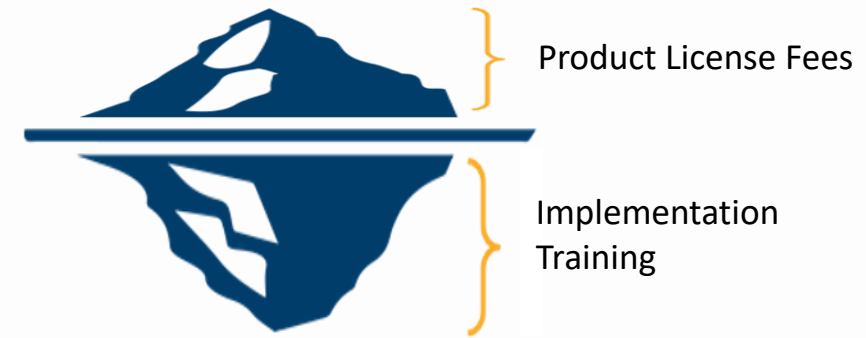
\$2 Trillion
Estimated Industry Size

Altium's license compliance business in China shares many characteristics with Altium's systematic approach to sales

Customizable Solutions



Configurable Solutions



The hidden costs of customization for enterprises are creating opportunities for configurable solutions that are agile, affordable and deployed at scale

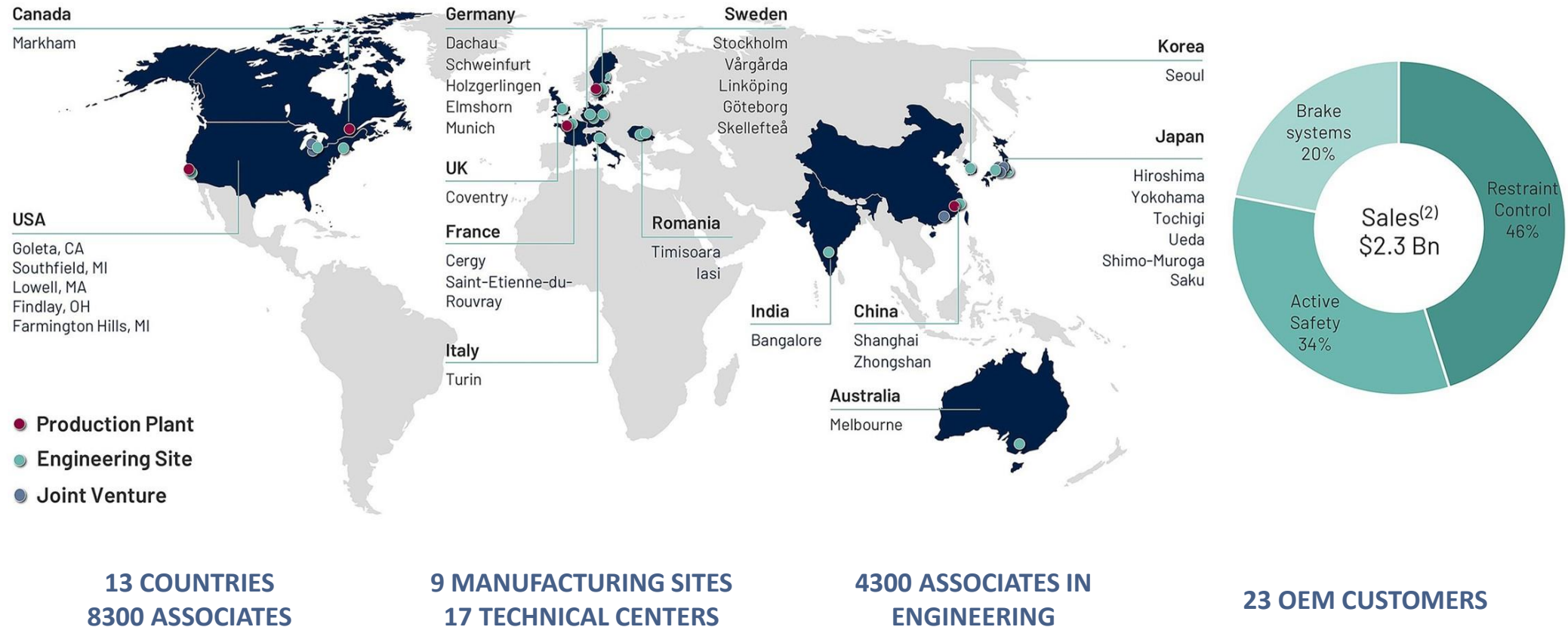


NEXUS Delivering Success The Autoliv Veoneer Experience

Agile enterprise solutions shaking up
traditional enterprise software

Don Cantow – SVP Solution Sales

Veoneer and Its Business Environment



Founded in 2018, Veoneer is a new company building on the heritage of more than 60 years of automotive safety development as part of Autoliv

Challenges of Legacy Enterprise Tools

- Minimal focus on employee experience and expertise
- Sluggishness from bureaucracy
- Stagnating innovation, engagement and collaboration
- Communication flows from the top to the bottom
- Lost opportunities to competitors and new incumbents

Challenges of Veoneer's Existing Tool

- Expensive and slow to get things done
- Too much customization consuming resources and eating up time

”

“We were looking at Altium back in 2015 ... the product at that point was not mature. We did a revaluation in 2017 and we realized that the technology and software itself had matured to the point that it was a viable alternative.”

Joe Borland, Director of Engineering at Veoneer

”

Altium NEXUS has reached a level of maturity to challenge the traditional enterprise software tools

Veoneer's Challenges

- Changing people is much harder than changing technology
- Veoneer and its users had two decades of Mentor experience
- Many users value themselves based on tool knowledge
- NEXUS needed to allow change in months not years

”

“We had people who were the experts, they were the go to people, they had 15-20 years’ experience in the existing tool. Now they feel like kind of amateurs, and that knowledge-reset is tough to get through. We managed it, but I would say this, learning the tool is faster.”

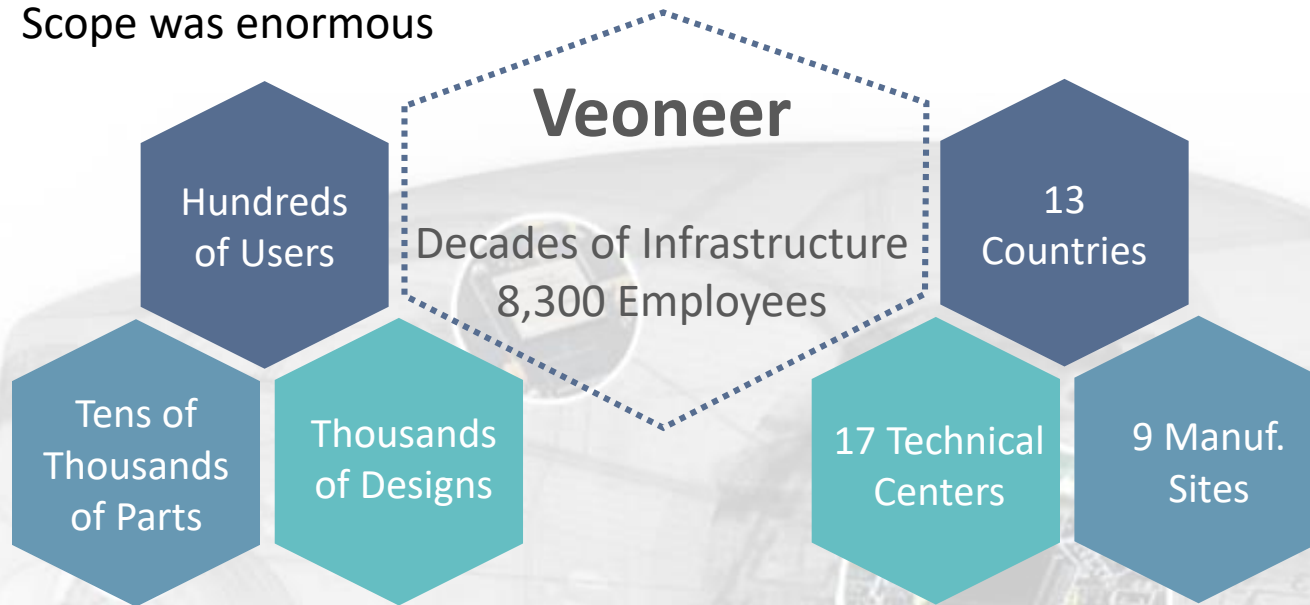
Joe Borland, Director of Engineering at Veoneer

”

In 3-6 months Veoneer engineers were up and running with NEXUS being considered as their preferred tool!

Veoneer's Implementation of NEXUS – A Record Four Months!

- The Mentor contract was expiring in just four months from January
 - The cost of failure was extreme
- Time frame for change was unprecedented
- Scope was enormous



- Altium committed to success not effort!

”

“If everyone was aligned, including the upper management, from the top down and they supported the initiative, I think you can get this done. We did ours in 4 months.”

Joe Borland, Director of Engineering at Veoneer

”

The strength of NEXUS as an agile solution was fully leveraged by Veoneer to go from decision to deployment in 4 months with the first PCB released in the first month

In just four months

- Altium trained the trainer
- Veoneer themselves trained 500 users
- Together we translated thousands of parts
- Together we translated hundreds of designs

In the first month of deployment

- Users achieved competency
- Design were begun
- Designs were completed
- Designs went to production

”

“You are probably looking at a 10X investment to implement a Mentor’s global system which does not give you the performance you need... NEXUS is 1/10th of the cost giving you that speed of operation.

Joe Borland, Director of Engineering at Veoneer

”

NEXUS meets the needs of growing enterprises with less overhead and delivering performance through agility

NEXUS Shaking up Traditional Enterprise Software Market

Altium®

- Veoneer is strongly recommending NEXUS and Altium
- Big and small companies alike want
 - Agility
 - Collaboration
 - Visibility to design
 - Process management the way they want to work
- NEXUS is a solution for enterprises not a traditional enterprise solution

”

“This is why I would recommend it. Not only because of the cost of ownership, but also from a technology perspective and the direction that I see Altium going in and that they are focused on PCB design... Seems that it is all about PCBs all day every day.”

Joe Borland, Director of Engineering at Veoneer

”

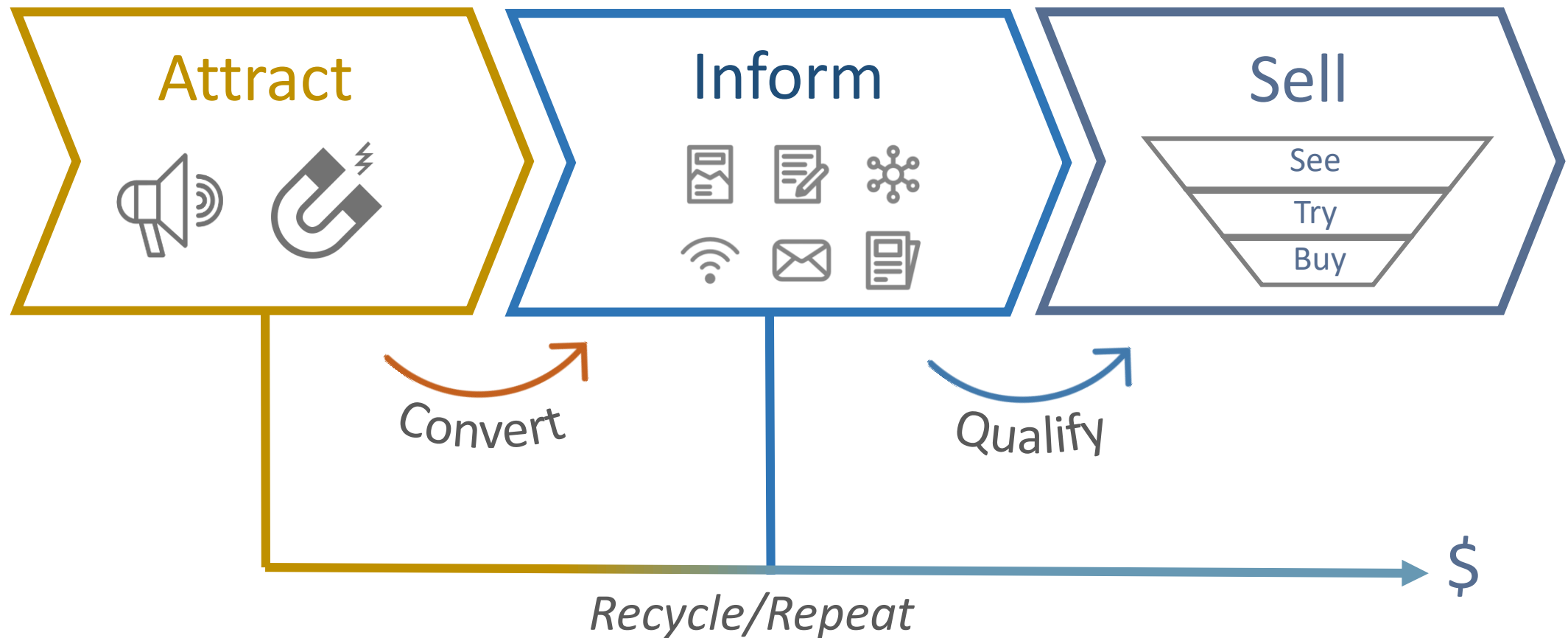
NEXUS is driving the future of PCB design tools for enterprises
The mission that was seemingly impossible is now possible



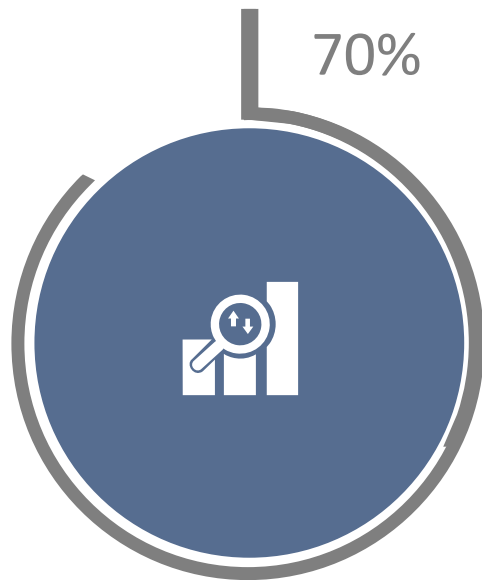
Altium Raising the Bar with Its Next Generation Marketing & Sales Process

Scaling through marketing & sales automation

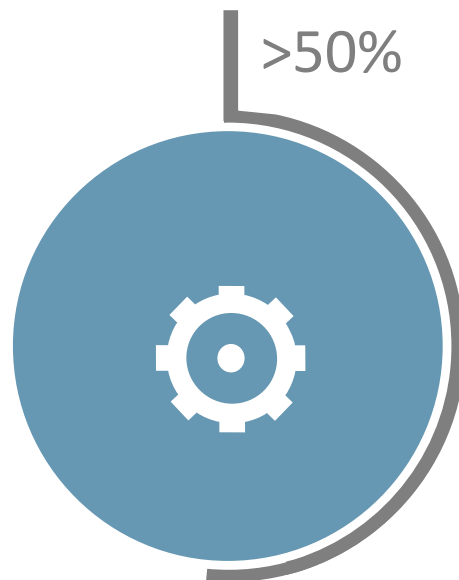
Lawrence Romine – VP Corporate Marketing



Attraction: Content is King



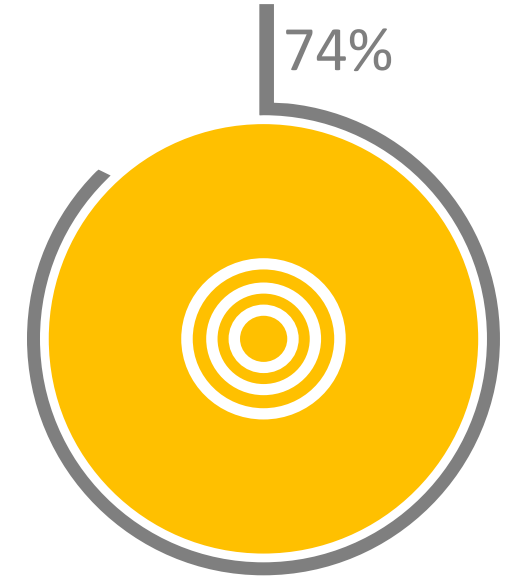
OF ENGINEERS CITE, SEARCH ENGINES AS THE MOST VALUABLE WHEN SEEKING INFORMATION ON THE LATEST ENGINEERING TRENDS



SHARE TECHNICAL INFORMATION SUCH AS WHITEPAPERS WITH THEIR COLLEAGUES "VERY OFTEN"

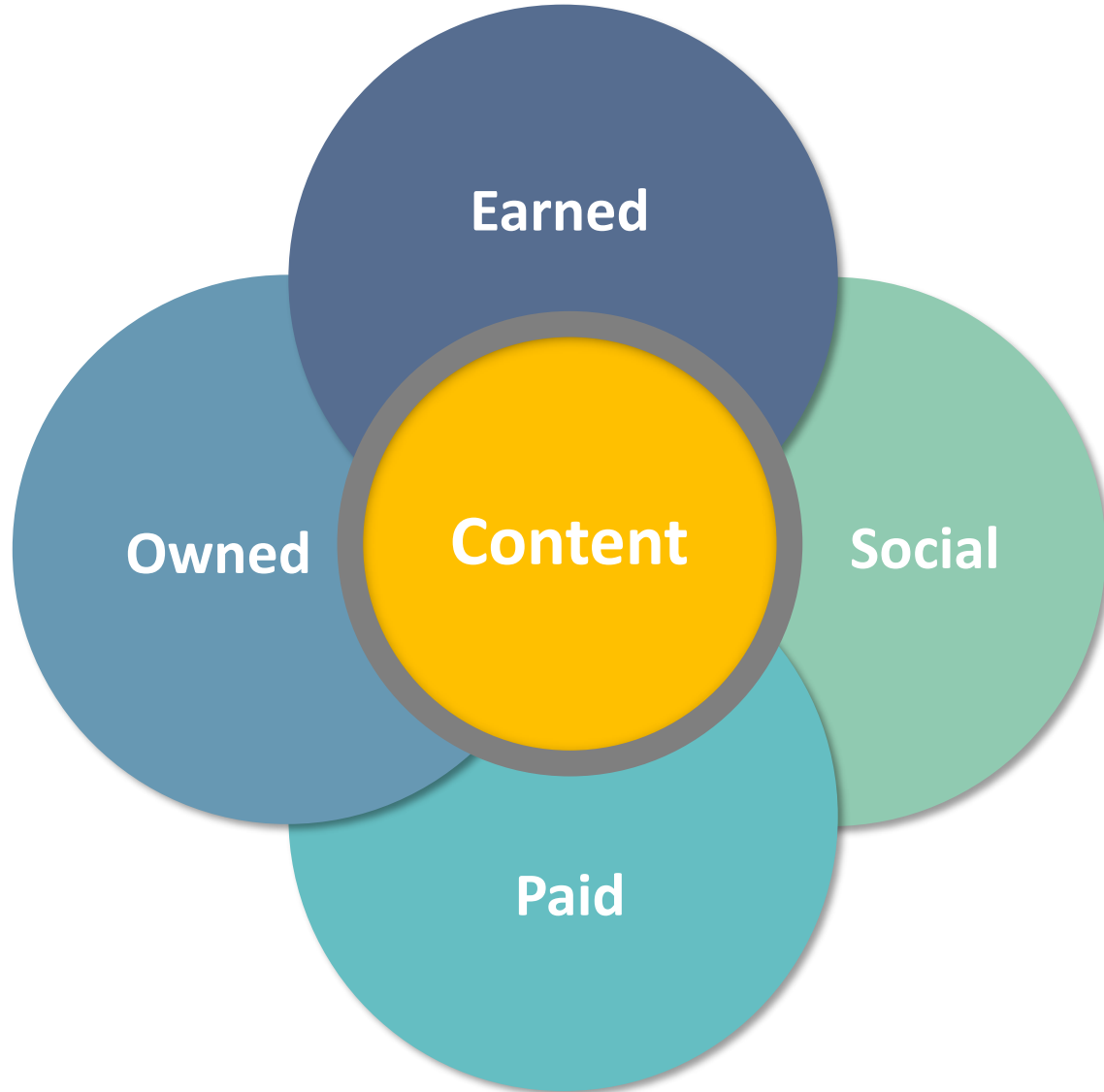


SAY THE MOST IMPORTANT FACTOR IN CHOOSING A SUPPLIER IS VALUABLE CONSULTATION, EDUCATION, CONTENT AND TOOLS



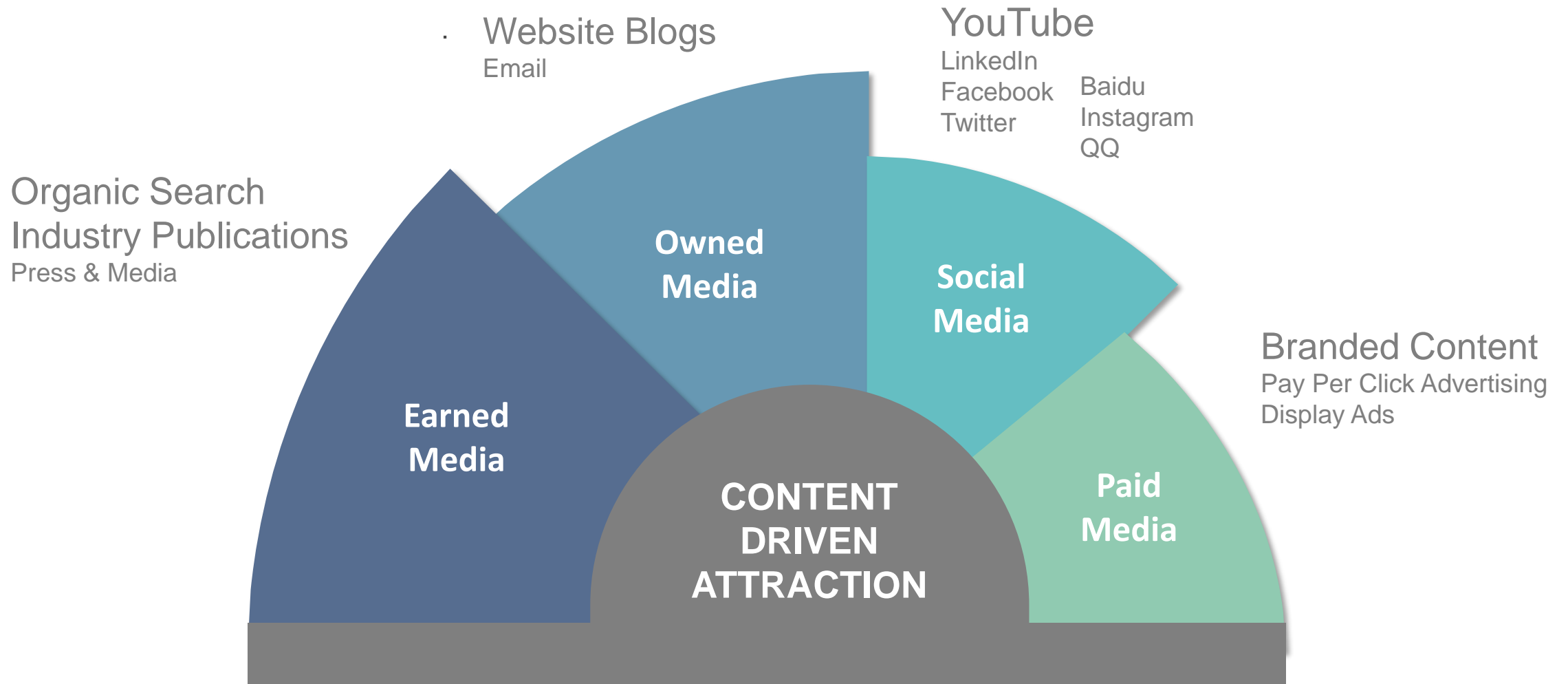
SAY THEY ARE MOST LIKELY TO DO BUSINESS WITH A COMPANY THAT REGULARLY PRODUCES NEW OR UPDATED CONTENT

Engineers want content on their terms and they share valuable content



Content is at the heart
of all media types

Authentic Content Yields Search Performance



Authority is the name of the game



- Highly Discoverable
- Experienced via the Medium of Their Choosing
- On the Topics of Their Choosing
- In the Sequence They Dictate, and
- Engaged by Sales When They Decide

Discoverable content for all phases of interest for all customer profiles

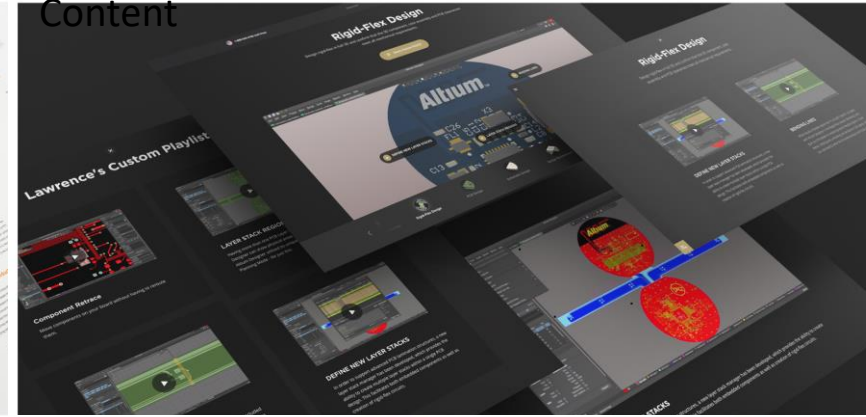
Educate, Glimpse of Value, Experience and Realize and Expand...

Altium®

1) Non-Commercial Resource Materials



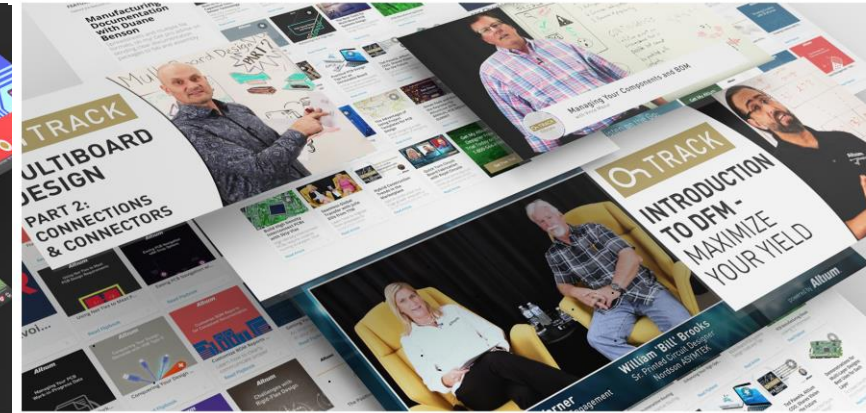
2) Configurable and Shareable Virtual Demo Content



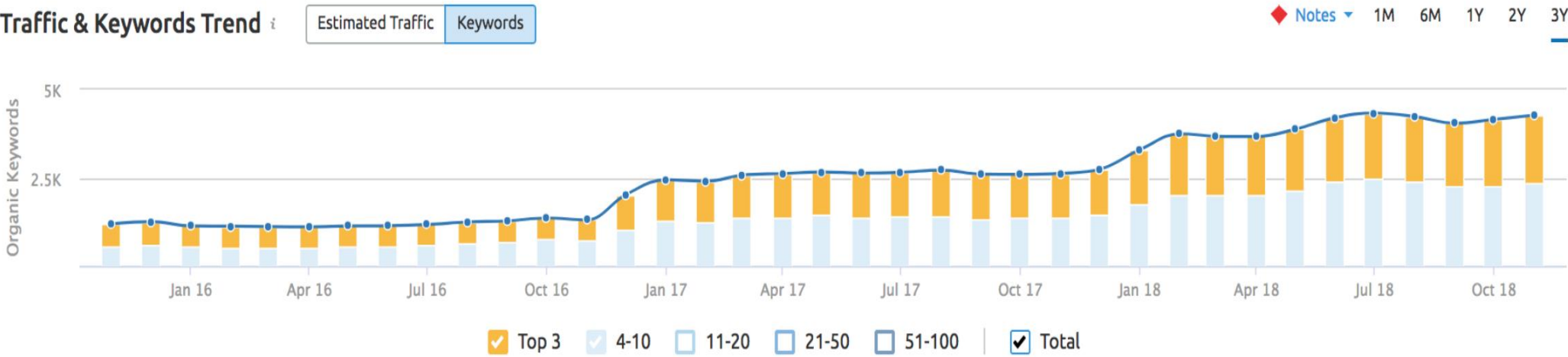
3) Instant Success How-To Content



4) Instant Success How-To Content



Topic Key Words in the Top Search Results...



Top 10 Google results

Topic Ownership...

Google search for "3d pcb design" showing results dominated by Altium content.

Search results for "3d pcb design":

- 3D PCB Design Software Lets You Sculpt Your Design in Real Time
<https://www.altium.com/solution/3d-pcb-design-software>
By visualizing your designs, even complex design errors can appear simple and their solutions can become clear. 3D PCB design software lets you see your ...
- Images for 3d pcb design
Report images
- Videos
3D PCB Design: A Gimmick or Feature? - OnTrack
Altium
YouTube - Sep 25, 2017
A Quick Dive into 3D PCB Layout
PADS Desktop PCB Design
YouTube - Jun 16, 2017
Altium Designer 3D, PCB design CAD Tool overview.
Altium
YouTube - Jan 11, 2010
- 3D PCB Design: Why You Need It and How It Will Help You | Blog ...
<https://resources.altium.com/pcb-design.../3d-pcb-design-why-you-need-it-and-how-it...>
Aug 29, 2017 - Tips on how 3D PCB design CAD tools will help you with today's rapidly changing design requirements.

Google search for "spread glass" showing results dominated by Isola Group and Altium content.

Search results for "spread glass":

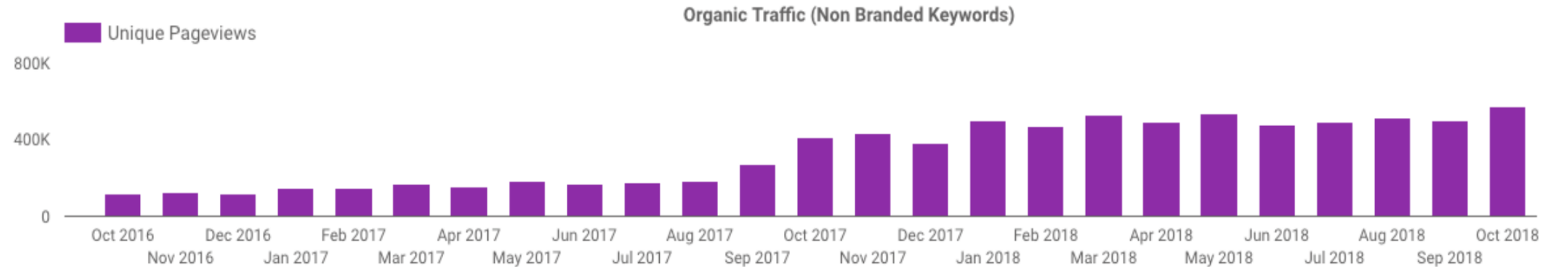
- [PDF] Understanding Glass Fabric - Isola Group
<https://www.isola-group.com/wp-content/uploads/Understanding-Glass-Fabric.pdf>
Glass Fabric. MS Spread Glass Fabrics Used by Isola: 1035, 1037, 1067, 1086 & 1078. Glass. Weave. Warp. Fill. Warp. Fill. Fabric. Fabric. Fabric. Fabric. Style.
- Videos
Benefits of Spread Glass for Printed Circuit Board Manufacturing
Altium
YouTube - May 1, 2018
Bacterial Spread (Glass Bead Method)
TurtleSplashVideos
YouTube - Sep 20, 2010
XIDO Spreading Machine Spread Glass Fiber Cotton
XIDO Down Filling Machine...
YouTube - Feb 6, 2017
- Images for spread glass
Report images
- High Density Interconnect | Isola Group
<https://www.isola-group.com/products/all-printed-circuit.../high-density-interconnect/>
In addition, we incorporate square weaves, spread glass technology that improves laser ablation consistency, critical feature registration, and dielectric thickness ...
- Why is Spread Glass popular? Chris Hunrath from Insulectro | Altium ...
<https://resources.altium.com/.../why-is-spread-glass-popular-chris-hunrath-from-insule...>
Apr 30, 2018 - Spread glass is becoming more popular - electrical and fabrication benefits because it is more electrically uniform. No open areas, the filaments ...

Dominant Google presence due to authority on topics

Organic Traffic = Conversions

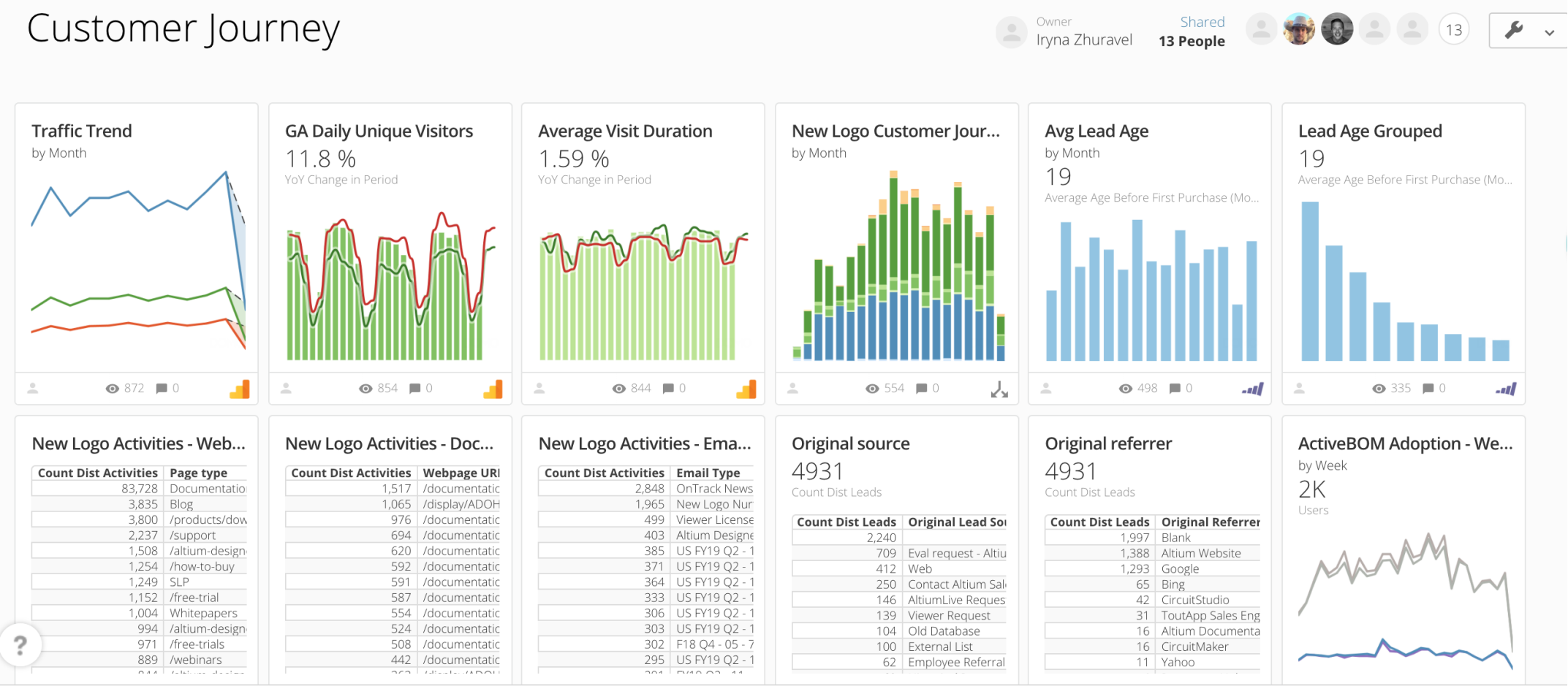
Altium Top Of Funnel Report

Oct 1, 2016 - Oct 31, 2018



The most valuable traffic is organic

Analytics Drives Continuous Marketing Improvement

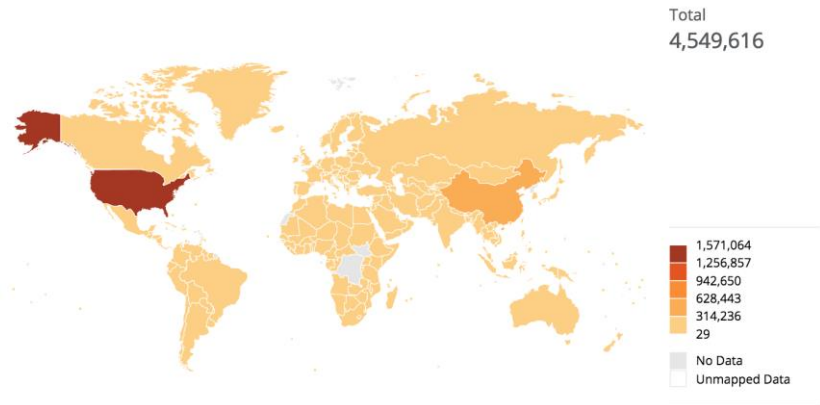


Measuring everything guides investment and divestment decisions

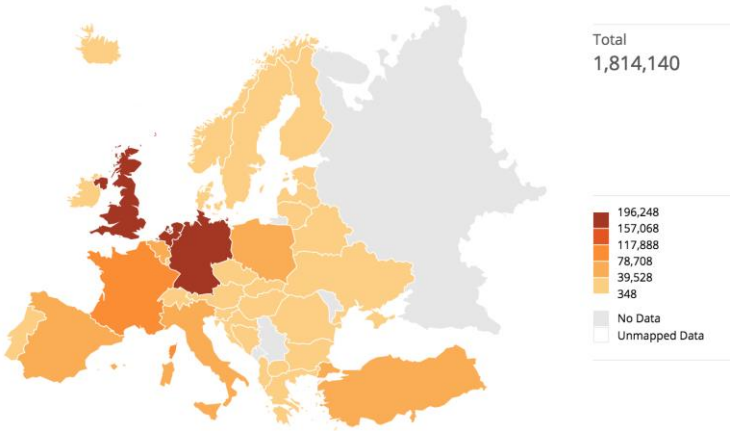
And Informs Business Decisions



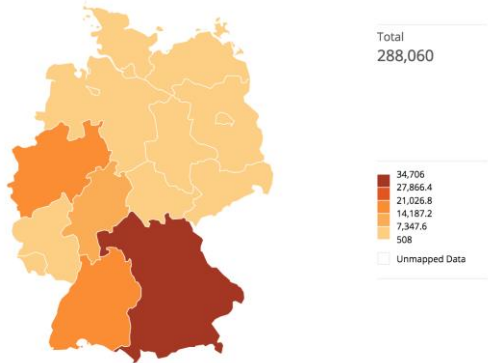
5m New Emails Generated



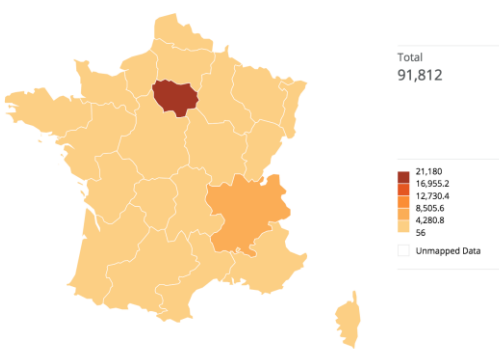
2m New Emails Generated



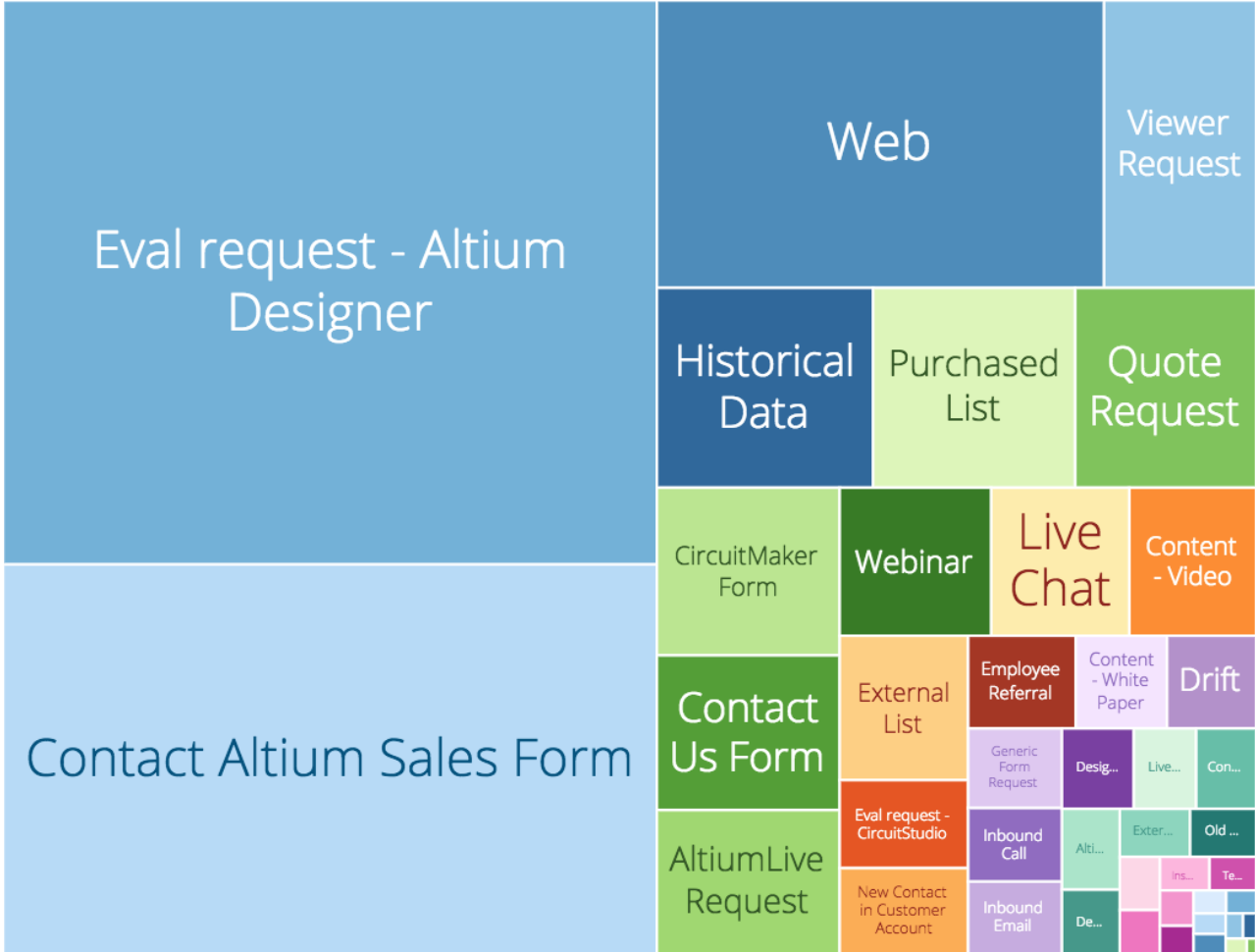
288k New Emails Generated



92k New Emails Generated



Optimized by Geo

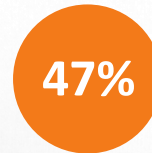


Self-selecting to engage with sales

How Were You First Introduced to Altium Designer?



How were you first introduced to Altium Designer?



Previous
Job



Colleague



Internet
Search



University



Tradeshow

Referring and discovering Altium Designer



Before this purchase, what was your previous experience with Altium Designer?

44%

No
Experience

31%

Used in
Previous Job

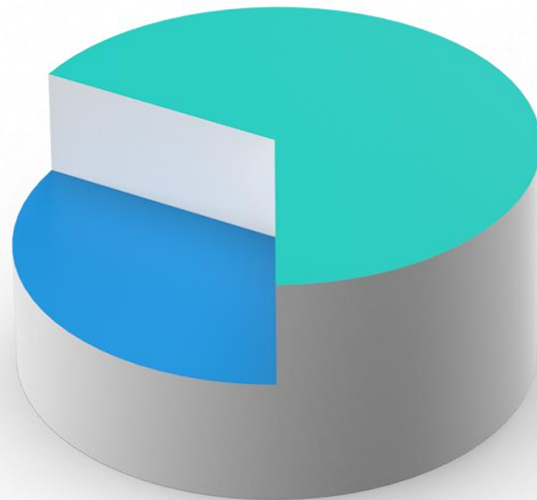
20%

Some
Experience

5%

Power
User

Loyal users and displacement make up our new logo business



Were any other tools included in your evaluation process?

67%

No, we were only evaluating Altium Designer

33%

Yes, we were evaluating other tools alongside Altium Designer

The credibility of market leadership



Financial Strength Powering a Transformative Journey

Financial Capacity is Critical to Success

Joe Bedewi – Chief Financial Officer

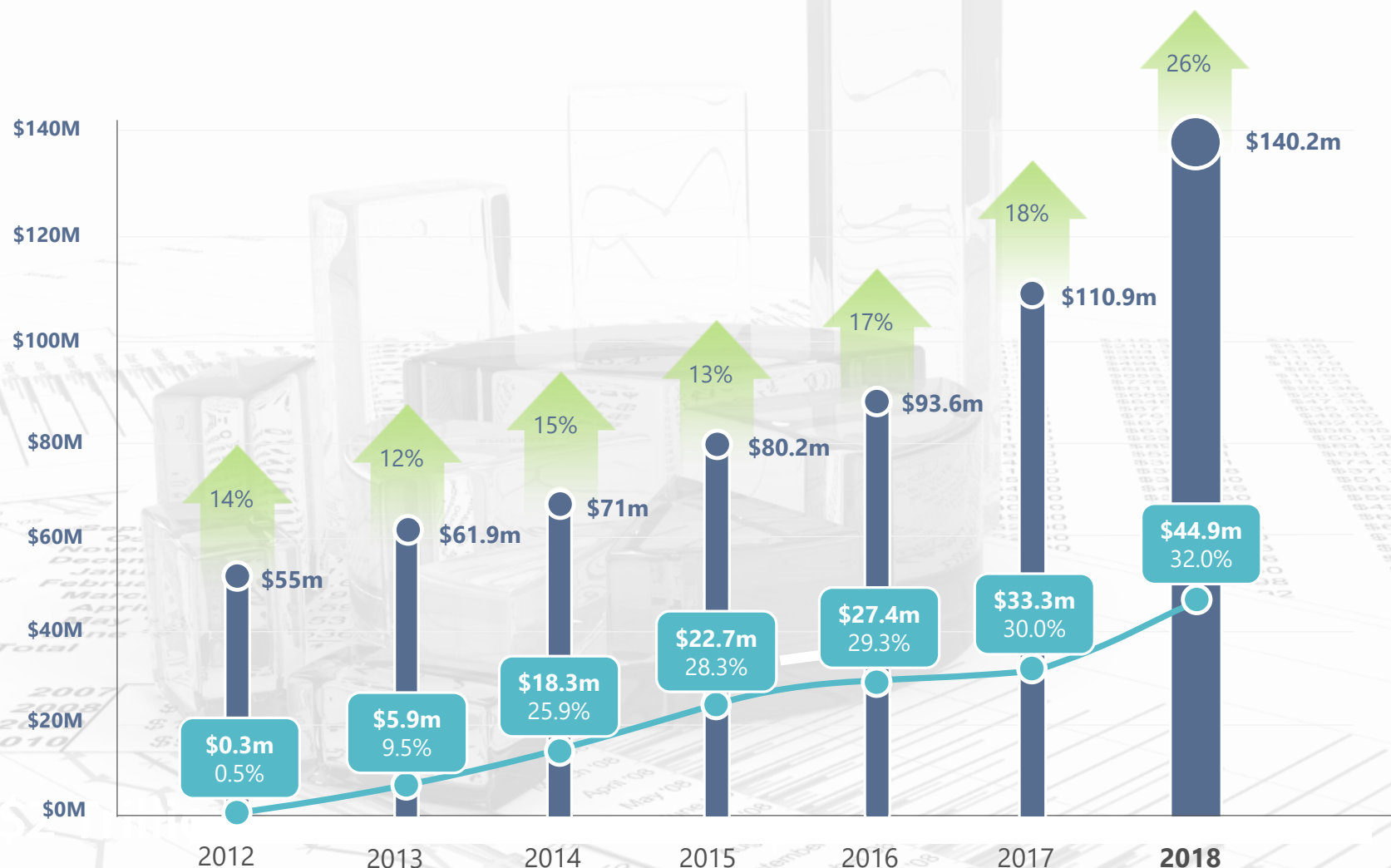
Altium follows a core set of principles and they drive our passion to achieve our Vision

- Set Goals that Drive Performance and Deliver Commitment
- Deliver on the “Ingenuity of And” - Double digit growth “and” expanding EBITDA
- Be Transparent with those on our Journey – Shareholders, Stakeholders, and Employees
- Drive Results that enable us to Win

Altium is committed to delivering double digit growth and expanding margin because we believe financial strength is core to achieving our Vision

A Strong History of Achieving Commitments

Altium®



- 2012 –Altium committed to providing investors greater visibility into the company operations – deliver a positive investor return
- 2013 –Deliver a new version of Altium Designer annually
- 2014 –Altium committed to revenue of \$100M by FY17
- 2017 –Altium committed to revenue of \$200M by FY20
- 2018 –Altium committed to a total subscription pool of 100,000 by 2025

● Revenue

● EBITDA/ EBITDA Margin

● Revenue growth

Financial Foundation

- Double digit revenue growth and expanding EBITDA margins
 - FY2020 revenue of \$200M and EBITDA of at least 35%
- Generate free cash flow
 - Continued commitment to dividend enhancement
 - Fund the Altium Vision
- Continued transparency
 - R&D fully expensed
 - EBITDA reported at an all-In level

Executing to the Altium Vision

- Achieve the 100,000 subscribers by 2025
- Attract, retain and reward high quality talent
- Position Altium to be able to participate in transforming electronic design and its realization

Continue to create value for shareholders, stakeholders and employees

Thank You

