OUTSTANDING FINANCIAL RESULTS AND INVESTING TO ACCELERATE FUTURE GROWTH

23% Revenue Growth and

41% Growth in Net Profit After Tax



ALTIUM FULL YEAR INVESTOR PRESENTATION 2019

Aram Mirkazemi CEO Joe Bedewi CFO Kim Besharati VP IR Martin Ive VP Finance 19 August – 22 August 2019 Sydney



Disclaimer



This presentation has been prepared by Altium Limited (ACN 009 568 772) and is for information purposes only. It does not constitute financial product or investment advice or a recommendation to acquire Altium shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. Altium is not licensed to provide financial product advice in respect of Altium shares.

Altium, Altium Designer, Altium Vault, Ciiva, Circuitmaker, Circuistudio, Octopart, PCBWorks, Protel and Tasking, and their respective logos, are trademarks or registered trademarks of Altium Limited, or its subsidiaries. All other registered or unregistered trademarks mentioned in this presentation are the property of their respective owners, and no trademark rights to the same are claimed

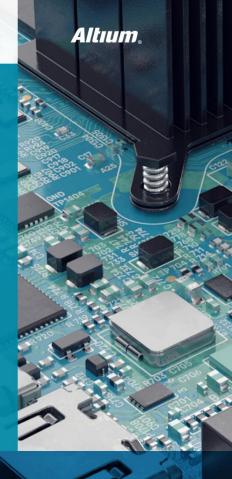
Financial data

All dollar values are in US dollars (US\$) unless as otherwise presented.

Future performance - Forward looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. An investment in Altium shares is subject to investment and other known and unknown risks, some of which are beyond the control of Altium Limited. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Altium employees, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this Presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies. Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.

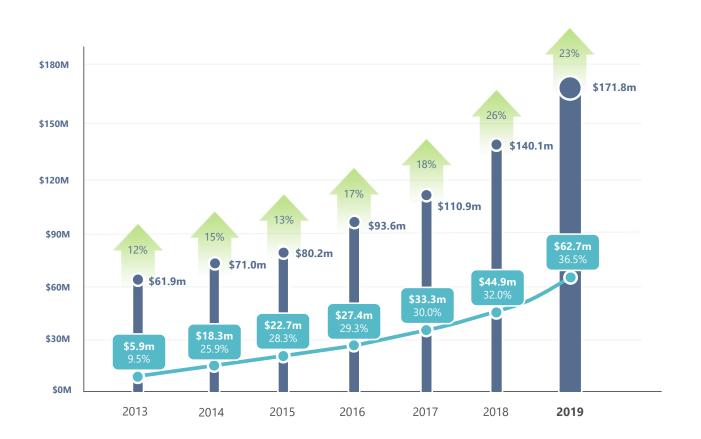
Agenda

- **Company Highlights & Significant Achievements**
- 2 2019 Full Year Financial Performance & Metrics
- (3) Driving Forces, Market Opportunity and Industry Transformation
- (4) Appendix: Company Overview



Altium's FY19 Financial Highlights

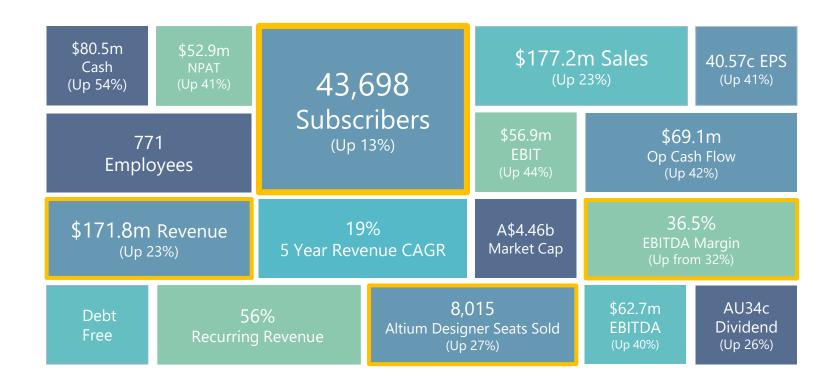




- Strong revenue growth of 23%
- Record EBITDA Margin of 36.5% (36.6% underlying)
- Strong net profit growth of 41%
- 13% increase in subscriber seats to 43,698
- 27% increase in Altium Designer seats with more than 8,000 new licenses sold
- Revenue
- EBITDA/ EBITDA Margin
- Revenue growth

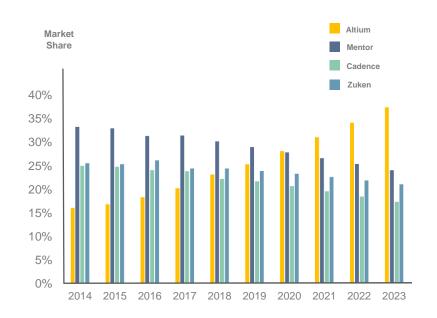
Driving Performance from a Position of Financial Strength





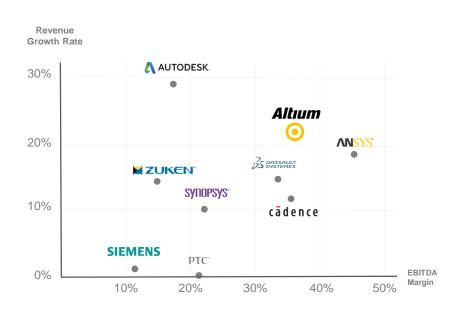
Accelerating Towards Market Dominance





Dominating the PCB Market

This chart is produced using market data from Gary Smith EDA and Altium's internal competitive model.



Industry-Leading Performance

Company financial data is based on their respective latest twelve months reporting period.

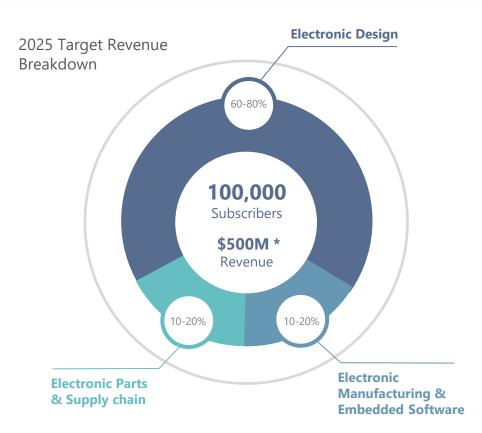
FY19 Significant Achievements

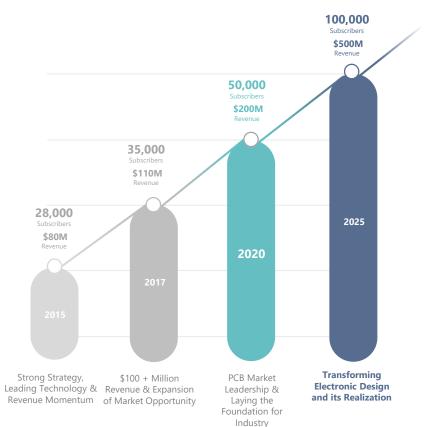


- Record growth in new Altium Designer seats of 27% and record growth in subscriber base of 13% to more than 43,600 subscribers
- All business segments delivered double-digit revenue growth
- China delivered record revenue growth and expanded beyond Shanghai and Shenzhen to Beijing
- Released Altium Designer 19 with a range of new capabilities targeting advanced design and complex projects
- Released a beta version of Altium's new cloud platform Altium 365, with general availability in November with the release of Altium Designer 20
- Furthered Octopart momentum through improved search experience and business momentum

On-Track for 2020 and Looking Beyond...







Transformation

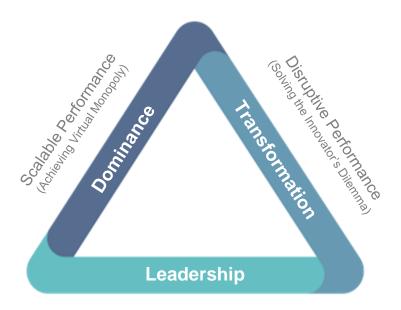
^{*} The target revenue of \$500M may include 5-10% from future acquisitions

Rising to the Challenge of Industry Transformation...



Altium needs to solve "the innovator's dilemma"

As a high performing company Altium needs to achieve dominance through delivering best in class technology and at the same time disrupt the current model through the introduction of a new class of technology that challenges the existing norms



Competitive Performance (Taking Market Share)

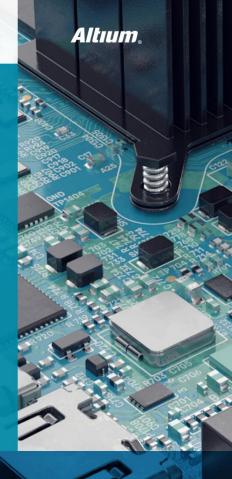
Converting dominance to transformation requires alignment of industry heavy weights

Altium's ability to convert its dominance to compel key stakeholders requires a level of execution that Altium needs to rise to

For success Altium needs to perform strongly in all three domains at the same time

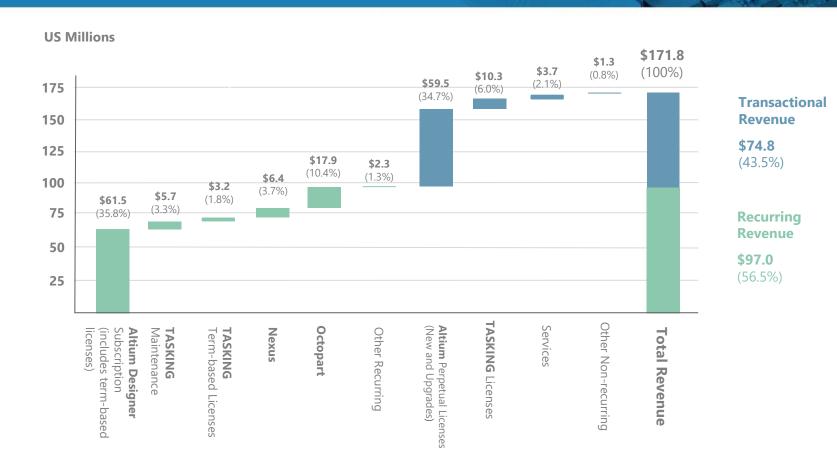
Agenda

- (1) Company Highlights & Significant Achievements
- 2 2019 Full Year Financial Performance & Metrics
- (3) Driving Forces, Market Opportunity and Industry Transformation
- (4) Appendix: Company Overview



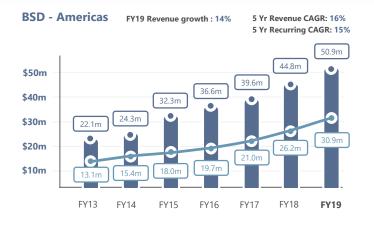
Revenue Sources

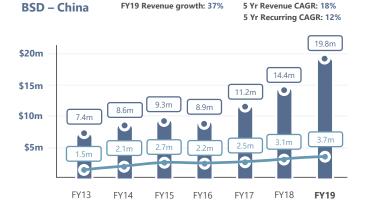


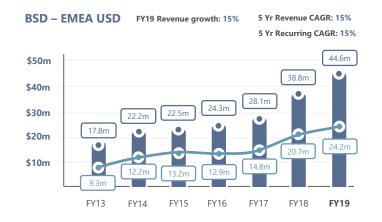


Board and Systems Revenue by Region

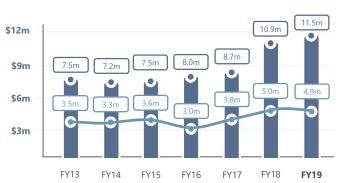








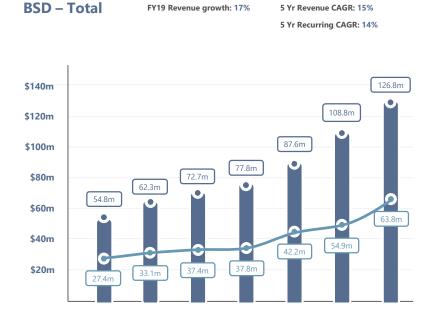




- Recurring
- Revenue

Board and Systems Revenue Total & NEXUS





FY13

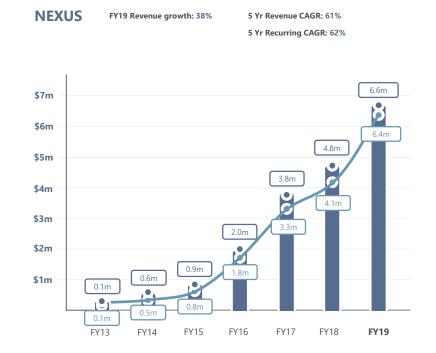
FY14

FY15

FY16

FY17

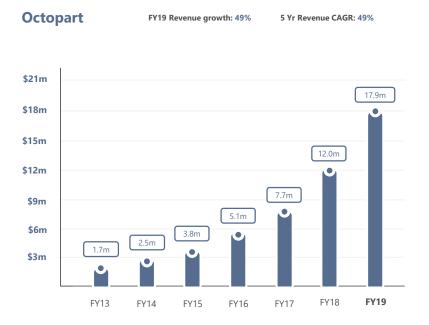
FY18

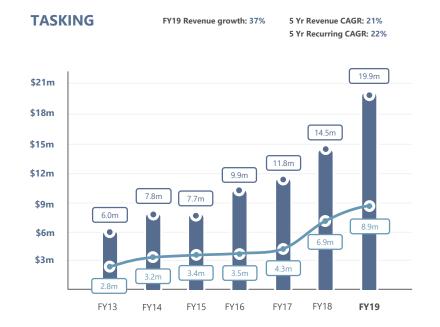


FY19

Octopart and TASKING Revenue







Board and Systems – Underlying Metrics



Altium Designer New Seats Sold



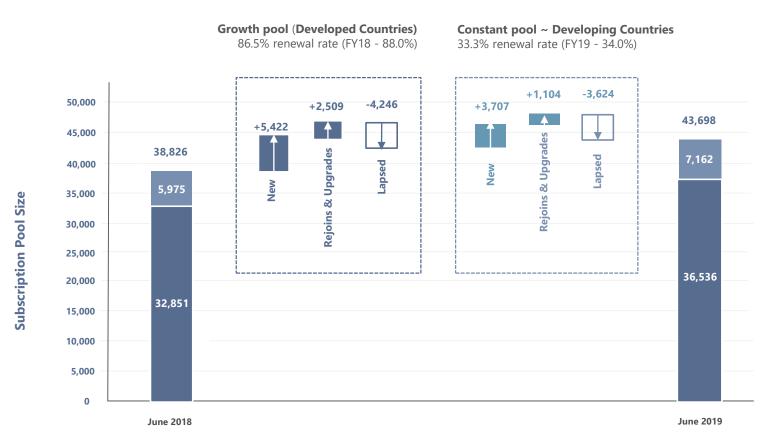
Subscription Pool

All years include term-based licenses



Altium's Subscription Pool



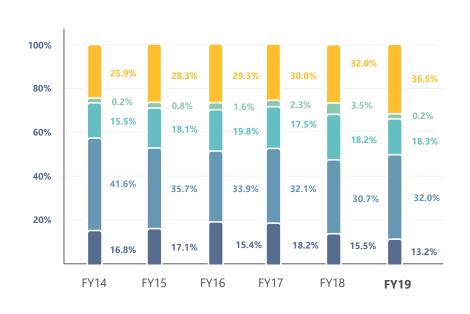


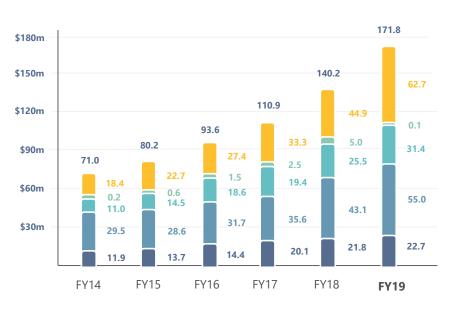
Operating Expenses



Operating Expenses as a Percentage of Revenue

Operating Expenses as a Breakdown of Revenue

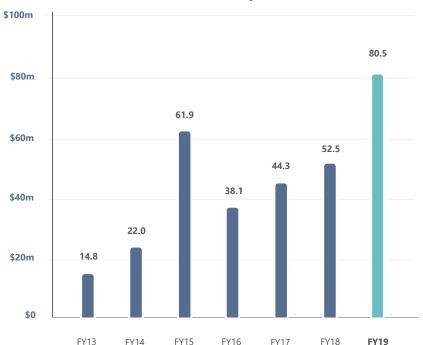




Balance Sheet



Cash and cash equivalents



Cash and cash equivalents
Trade and other receivables
Other current assets
Total current assets

Trade and other receivables Property, plant and equipment Intangible assets

Other non-current assets

Total non-current assets

Total assets

Trade and other payables
Tax liabilities
Provisions
Deferred revenue

Total current liabilities

Deferred tax liability
Provisions

Deferred revenue Other liabilities

Total non-current liabilities

Total liabilities

Net assets

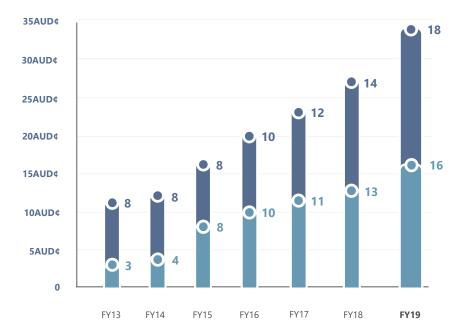
Contributed equity and reserves Accumulated profits (losses) **Total equity**

Jun-19	Jun-18	Jun-17	Jun-16
\$ '000	\$ '000	\$ '000	\$ '000
00 521			
80,531	52,459	44,273	38,139
45,833	38,799	32,672	30,406
5,108	4,171	2,861	1,548
131,472	95,429	79,806	70,093
2,285	1,952	2,531	5,379
7,762	5,712	5,054	5,091
51,534	49,068	40,459	33,508
84,873	82,120	82,946	82,301
146,454	138,852	130,990	126,279
277,926	234,281	210,796	196,372
16,278	12,147	10,179	7,188
5,705	772	1,008	2,713
2,109	6,784	7,600	3,568
48,277	43,989	38,436	32,234
72,369	63,692	57,223	45,703
5,833	5,566	5,276	4,793
6,407	3,974	703	4,230
6,875	6,035	6,958	9,038
1,884	2,098	674	1,813
20,999	17,673	13,611	19,874
93,368	81,365	70,834	65,577
184,558	152,916	139,962	130,795
126,058	138,260	137,452	135,571
58,500	14,656	2,510	(4,776)
184,558	152,916	139,962	130,795

Cash Flow







	FY19 \$ '000	FY18 \$ '000	FY17 \$ '000	FY16 \$ '000
Operating Cash Flow	69,066	48,482	35,861	14,082
Capital Expenditure				
Payments for property, plant and	(F 00F)	(2.02.1)	(4.2.42)	(2.720)
equipment	(5,095)	(2,824)	(4,343)	(2,720)
Payments for intangibles	(17)	(748)	(515)	(250)
Free Cash Flow	63.954	44.910	31.003	11.112
		•		•
Cash flows from investing activities				
Payments for purchase of subsidiary, net of cash acquired	(2,421)	(3,681)	(1,338)	(17,039)
Payments on contingent and deferred considerations	(5,471)	(7,455)	(2,845)	0
Cash flows from financing activities				
Proceeds from issue of shares	-	=	=	-
Dividends paid	(28,128)	(25,633)	(20,791)	(17,631)
Repayment of borrowings	(7)	(9)	(51)	(43)
Increase/(decrease) in cash and cash equivalents	27,927	8,132	5,978	(23,601)
Effects of exchange rate changes	145	54	156	(166)
Total increase/(decrease) in cash and cash equivalents	28,072	8,186	6,134	(23,767)

Full Year Results Key Metrics

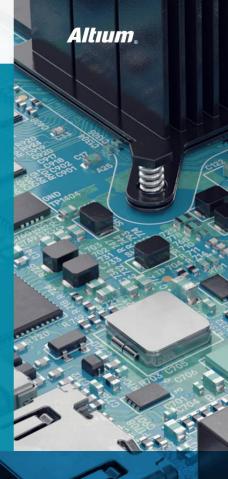


USD millions	FY19	FY18	+/- %	FY17	FY16	FY15
Revenue (excl. interest)	171.8	140.2	23%	110.9	93.6	80.2
Reported expenses	109.1	95.3	14%	77.6	66.2	57.5
Business expenses	108.9	90.3	21%	75.1	64.7	56.9
One-off expenses	0.2	5.0	(96%)	2.5	1.5	0.6
EBITDA	62.7	44.9	40%	33.3	27.4	22.7
Depreciation and amortization	5.8	5.3	9%	3.8	2.7	1.3
EBIT	56.9	39.6	44%	29.5	24.7	21.4
Net interest	0.7	0.1	600%	-	(0.1)	0.2
Profit before income tax	57.6	39.7	45%	29.5	24.6	21.6
Income tax expense	4.7	2.2	114%	1.4	1.6	(70.8)
Profit after income tax	52.9	37.5	41%	28.1	23.0	92.4

	FY19	FY18	FY17	FY16	FY15
EPS	40.57	28.86	21.70	17.89	74.84
Dividends (AU cents)	34	27	23	20	16
Key Margin Analysis EBITDA margin Underlying EBITDA margin Net profit before tax margin Net profit after tax margin Effective tax rate	36.5% 36.6% 34% 31% 8.2%	32.0% 35.5% 28% 27% 5.6%	30.0% 32.3% 27% 25% 4.7%	29.3% 30.9% 26% 25% 6.5%	28.3% 29% 27% 115% N/A
Balance Sheet (USD millions) Cash and equivalents Net assets	80.5 184.6	52.5 152.6	44.3 140.0	38.1 130.8	61.9 121.6
Operating cash flows	69.1	48.5	35.9	14.1	21.3

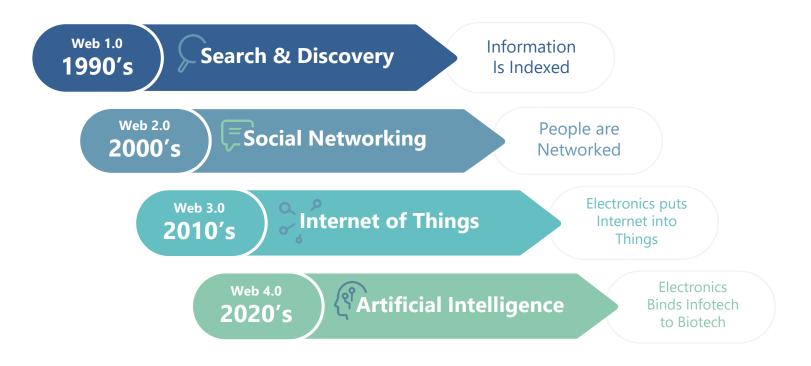
Agenda

- (1) Company Highlights & Significant Achievements
- 2 2019 Full Year Financial Performance & Metrics
- Driving Forces, Market Opportunity and Industry Transformation
- (4) Appendix: Company Overview



Rise of Smart Connected Devices

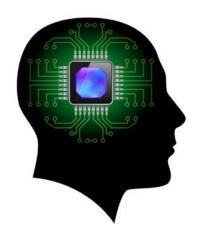


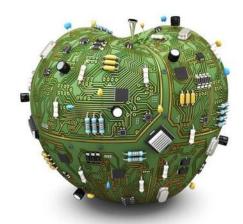


Internet of Things & Artificial Intelligence are driving the proliferation of electronics

Electronics at the Heart of All Intelligent Systems



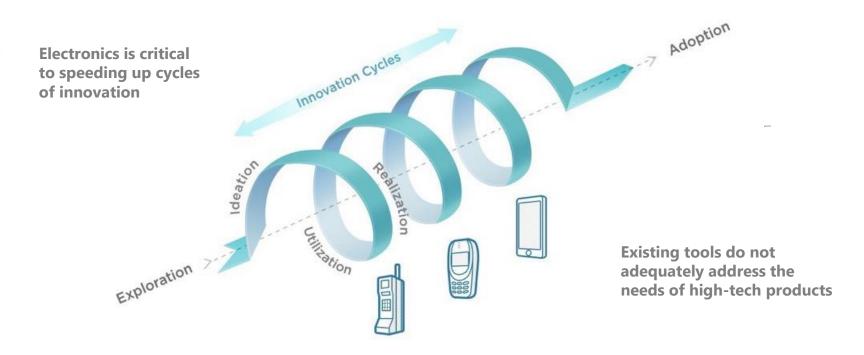




Printed Circuit Boards are central to the design & realization of electronics

IOT is Driving the Pace of Innovation

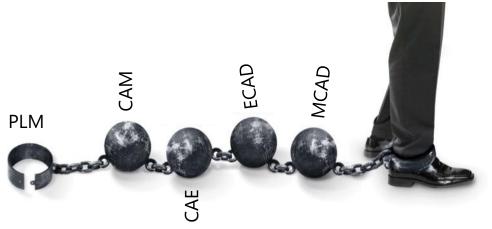




Success depends on the ability to move quickly through innovation cycles

Current Engineering Tools Fall Short





MCAD - Mechanical Computer Aided Design ECAD - Electronic Computer Aided Design

CAE - Computer Aided Engineering - Analysis and Simulation

CAM - Computer Aided Manufacturing PLM - Product Lifecycle Management

The current model for tool integration is old and has evolved around the notion of "tool-chains"

The Future of Engineering Tools is Multi-disciplinary...





ECAD and MCAD tools must communicate natively and operate at the same level of abstraction





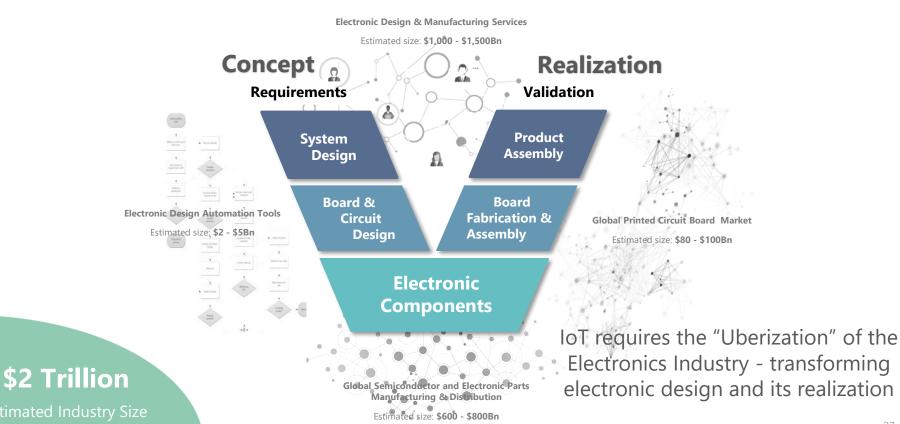






IOT Requires Transformation of the Electronics Industry

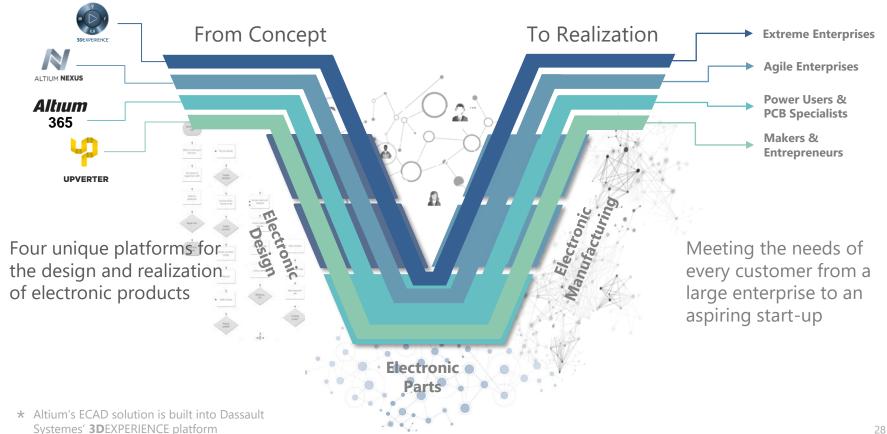




27

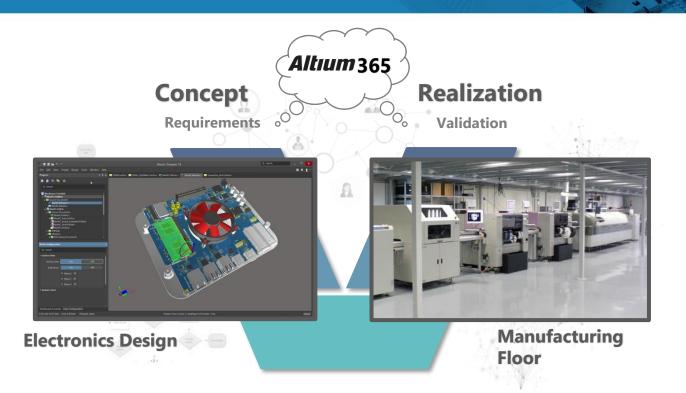
Aggressively Executing on a Product Strategy for **Dominance & Industry Transformation**





Electronics Design Needs to Connect to the Manufacturing Floor

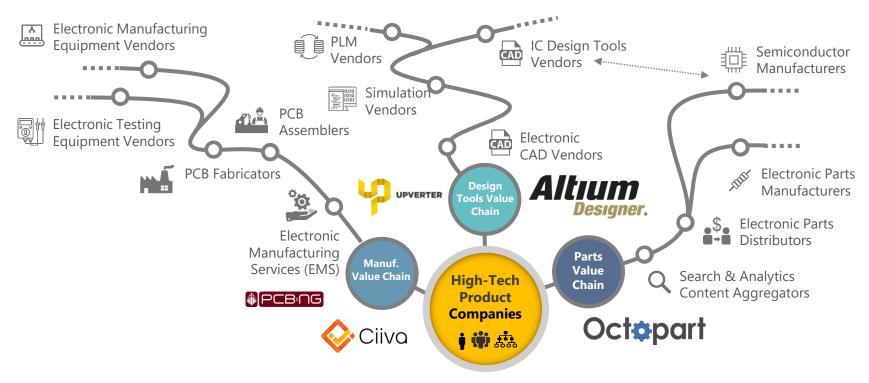




Connecting electronics design to the manufacturing floor with bi-directional digital continuity is at the heart of transformation

Electronics Industry Value Chain

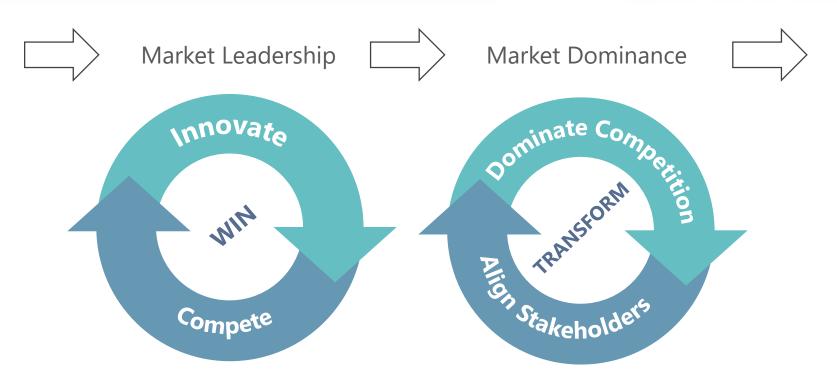




The three segments of the value chain are completely isolated and digitally disconnected within their own chain

Transformation Through Dominance...





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's Long-Term Outlook



- The proliferation of electronics through the rise of smart connected devices continues to drive growth for our business in the foreseeable future
- Altium is confident of achieving its 2020 target of US\$200 million revenue and commits to a higher EBITDA margin floor of 37% (excluding the impact of the new leasing standard)
- Altium is committed to the achievement of 100,000 Altium Designer subscribers before 2025 for market dominance and to an aspirational revenue goal of US\$500 million in 2025
- Altium is anticipating reaching its halfway mark of 50,000 subscribers as early as 2020
- Altium will continue to pursue partnership and M&A opportunities to support its long-term vision of creating a product design and realization platform that is centered around electronics

Agenda

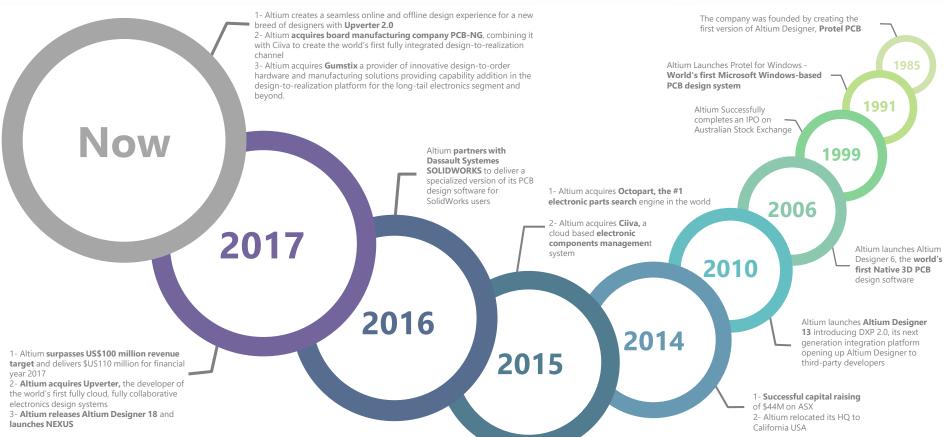
- (1) Company Highlights & Significant Achievements
- 2 2019 Full Year Financial Performance & Metrics
- (3) Driving Forces, Market Opportunity and Industry Transformation

4 Appendix: Company Overview



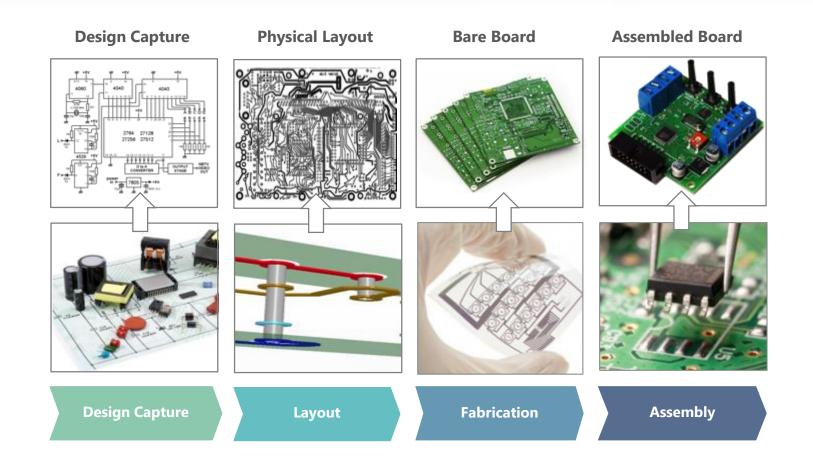
Altium's Journey - a Long History and a Promising Future





Printed Circuit Board Design and Manufacturing Process





Altium the "Easy to" Company



Altium DNA

Uncomplicated Value Proposition





Easy to Get Up and Running

Direct Sales Force





Easy to Learn, Easy to Use

Free Technical Support





Easy to Maintain with No Hidden Costs

Altium Products





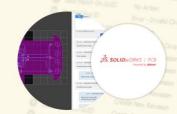


















Design Data Management & Collaboration Software

Manufacturing Automation



Embedded Software Development Tool



Printed Circuit Board Design Software Solutions

Diversity of Application





Automotive



Aerospace & Defense



Life Sciences



Mobile Devices & Communications



Consumer – Electronics



Electronics & High-Tech



Research & Education



Industrial Controls
Automation



Computers



Semiconductors

High Profile Customers





Automotive





















JOHN DEERF

TOYOTA















Aerospace & Defence











Research & Education











业

Griffith



Life Sciences













Industrial Controls







ABB







Mobile Devices





Consumer- Electronics











amazon













Honeywell



Microsoft lenovo

NEC

:: belkin



Semiconductors



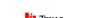
















BROADCOM*



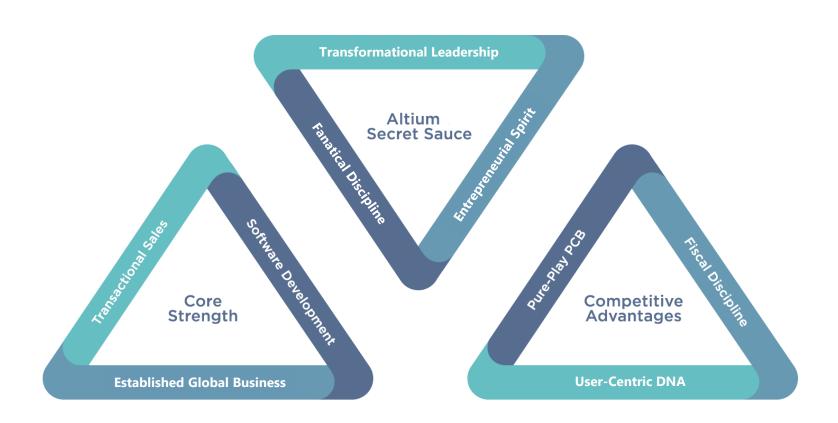
Global Reach





The Altium Advantage





Altium's Strategy for Success



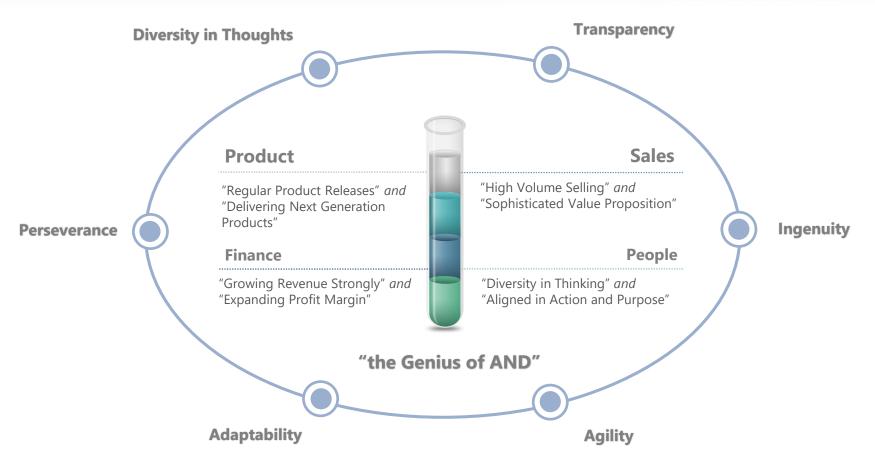
Maintaining Disciplined Execution and Remaining Single-Minded About PCB Market Leadership



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 Long-Term Outlook



- The proliferation of electronics through the rise of smart connected devices continues to drive growth for our business in the foreseeable future
- Altium is confident of achieving its 2020 target of US\$200 million revenue and commits to a higher EBITDA margin floor of 37% (excluding the impact of the new leasing standard)
- Altium is committed to the achievement of 100,000 Altium Designer subscribers before 2025 for market dominance and to an aspirational revenue goal of US\$500 million in 2025
- Altium is anticipating reaching its halfway mark of 50,000 subscribers as early as 2020
- Altium will continue to pursue partnership and M&A opportunities to support its long-term vision of creating a product design and realization platform that is centered around electronics