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Announcement authorised by:

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Altium Announces Financial Results for the Half Year to 31 December 2022

Altium Delivers a Strong Financial Performance with 17% Revenue Growth and 36% Margin: Reaffirms Full Year Guidance

Sydney, Australia – 20 February 2023 - Altium Limited (ASX: ALU) has announced its financial results for the half year ended 31 December 2022.

Altium delivered a strong financial performance during the period, overcoming challenging macroeconomic conditions, the extreme COVID break-down in China and the full impact of the Russia/Ukraine War.

Highlights for the half year include:

Strong results in key financial measures:

- Revenue increased by 17% to US\$119.5 million (US\$124.8 million on a constant currency basis, up 22%).
- EBITDA margin was 36.2%, up from 34.1% in the previous corresponding period.
- Recurring revenue represented 79% of total revenue, up from 74% one year earlier.
- Profit After Tax increased by 30% to US\$29.6 million.
- Earnings Per Share (EPS) grew by 29% to 22.53 cents.
- Interim dividend of AUD 25 cents declared (up 19%).

Leading business performance in both Design Software and Cloud Platform businesses:

- Design Software revenue increased by 16% to US\$91.6 million supported by strong Average Subscription Seat Value growth to US\$2,304 at the end of the half up from US\$2,067 one year earlier.
- The subscription pool grew to 58,030 at the end of the half from 55,978 one year earlier and is on target to exceed 60,000 subscribers for the full year.
- Octopart revenue increased by 22% to US\$27.0 million. Average Revenue Per Click increased to \$1.96 up from \$1.55 twelve months earlier, which compensated for moderating Offer Clicks.
- Term-based licenses represent 40% of all new licenses up from 31% one year earlier.
- Altium 365 adoption grew to over 33,500 monthly active users in February, up 36% from August 2022 and monthly active accounts were over 12,000 up 29%.

Key Half Year Financial Measures Compared with Prior Corresponding Period

| Key Financial Measures | Half Year | | |
|------------------------------------|---------------------------|---------------------------|------------|
| | 1H FY23 (US\$ million) | 1H FY22 (US\$ million) | % Change |
| Revenue | 119.5 | 102.2 | 17% |
| <i>Revenue (Constant Currency)</i> | <i>124.8</i> | <i>102.2</i> | <i>22%</i> |
| Operating Expenses | 76.2 | 67.4 | 13% |
| EBITDA | 43.3 | 34.8 | 24% |
| EBITDA Margin | 36.2% | 34.1% | |
| <i>Underlying EBITDA</i> | <i>36.2%</i> | <i>34.1%</i> | |
| Profit Before Tax | 39.2 | 29.0 | 35% |
| Profit After Tax | 29.6 | 22.9 | 30% |
| Total EPS (Cents) | 22.53 | 17.41 | 29% |
| Operating Cash Flow | 33.5 | 33.3 | 1% * |
| Cash and Cash Equivalents | 205.3 | 195.0 | 5% |
| Half Year Dividend (AUD Cents) | 25 | 21 | 19% |

* Operating cash flow remained flat, compared to the first half FY22, with higher net cash receipts offset by increased tax and supplier payments.

| Revenue Breakdown | Half Year | | |
|------------------------|---------------------------|---------------------------|------------|
| | 1H FY23 (US\$ million) | 1H FY22 (US\$ million) | % Change |
| Group Revenue | 119.5 | 102.2 | 17% |
| Design Software | 91.6 | 79.2 | 16% |
| • Americas | 39.1 | 31.3 | 25% |
| • EMEA (USD) | 34.6 | 28.7 | 21% |
| • EMEA (Euro) | 33.1 | 25.6 | 29% |
| • China | 9.7 | 11.3 | -14% |
| • Rest of World | 8.2 | 7.9 | 4% |
| Cloud Platform | 27.9 | 23.0 | 21% |
| • Octopart | 27.0 | 22.1 | 22% |
| • Manufacturing | 0.9 | 0.9 | 0% |

Altium CEO Mr Aram Mirkazemi commented, “Altium delivered a strong financial result and is on track to achieve our full year guidance. This solid performance under challenging global macroeconomic conditions reflects Altium’s dominance in the mid-market and growing competitive strength. We have added a net 2,052 seats to our subscription pool from one year earlier and increased Average Subscription Seat Value by \$237. The primary drivers for the increase in Average Subscription Seat Value have come from the mainstream adoption of Pro and Enterprise capabilities and growing sales of term-based licenses”.

Mr Mirkazemi also noted, “Our Octopart business delivered US\$27 million in revenue, up 22% and is on track to achieve its full year revenue target. Octopart Average Revenue Per Click increased to \$1.96 compensating for a tempering of traffic volume as the supply chain disruption abates. Altium 365 adoption grew to over 33,500 monthly active users in February, up 36% from August 2022 and monthly active accounts were over 12,000 up 29%. This strong adoption further potentiates and provides a solid platform to maximize the impact of our electronics industry transformation agenda.”

Altium interim CFO Mr Richard Leon commented, “The strength of our EBITDA margin is evidence of a return to traditionally strong operating leverage following a period of restructuring

for Altium. The cash-generative nature of our business is underpinned by growing recurring revenues and a value discipline approach to investments and cost management. Our transition to a business model focused on both design software and cloud platform continues to progress well with solid revenue growth driving bottom-line profitability”.

Outlook

Altium reaffirms its guidance for the 2023 financial year of:

- Total Revenue of US\$255 million to US\$265 million (15%-20% growth), comprising:
 - US\$195 million to US\$200 million for Design Software Business (15%-18% growth)
 - US\$60 million to US\$65 million for Cloud Platform Business (20%-30% growth)
- Underlying EBITDA margin of 35%-37%

Dividend

The Directors have declared an interim dividend of AUD 25 cents per share, franked to 40% for the half year ended 31 December 2022. Key dates for the interim dividend are:

| | |
|-------------------|------------------|
| Announcement date | 20 February 2023 |
| Record date | 7 March 2023 |
| Payment date | 21 March 2023 |

Investor Presentation and Call:

Altium management will host a conference call on 20 February 2023 at 5pm AEDT to discuss the investor presentation and to provide an update of the Company’s business strategy and financial performance. The first half investor presentation will be released to the ASX separately and available on Altium’s website at www.altium.com.

Participants can register for the investor call using the following link to receive dial in detail:

<https://s1.c-conf.com/diamondpass/10028082-d4m3q5.html>

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About Altium

Altium ([ASX:ALU](#)) is a multinational software corporation headquartered in San Diego, California, 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 organizations and design communities to innovate, collaborate and create connected products while remaining on time and on budget. Products provided are ACTIVEBOM®, ActiveRoute®, Altium 365®, Altium Concord Pro™, Altium Designer®, Altium NEXUS®, Altium Vault®, Autotrax®, Camtastic®, Ciiva™, CIIVA SMARTPARTS®, CircuitMaker®, CircuitStudio®, Common Parts Library™, Draftsman®, DXP™, Easytrax®, EE Concierge®, NanoBoard®, NATIVE 3D™, OCTOMYZE®, Octopart®, P-CAD®, PCBWORKS®, PDN Analyzer™, Protel®, Situs®, SmartParts™, Upverter®, X2®, XSignals®, PCB:NG®, and Gumstix®.

Founded in 1985, Altium has offices worldwide, including US locations in San Diego, Boston, Dallas, New York City and New Jersey. European locations in Karlsruhe, Munich, Markelo and Zug, and Asia Pacific locations in Shanghai, Beijing, Shenzhen, Tokyo and Sydney. For more information, visit www.altium.com. You can also follow and engage with Altium via [Facebook](#), [Twitter](#), [LinkedIn](#) and [YouTube](#).

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