

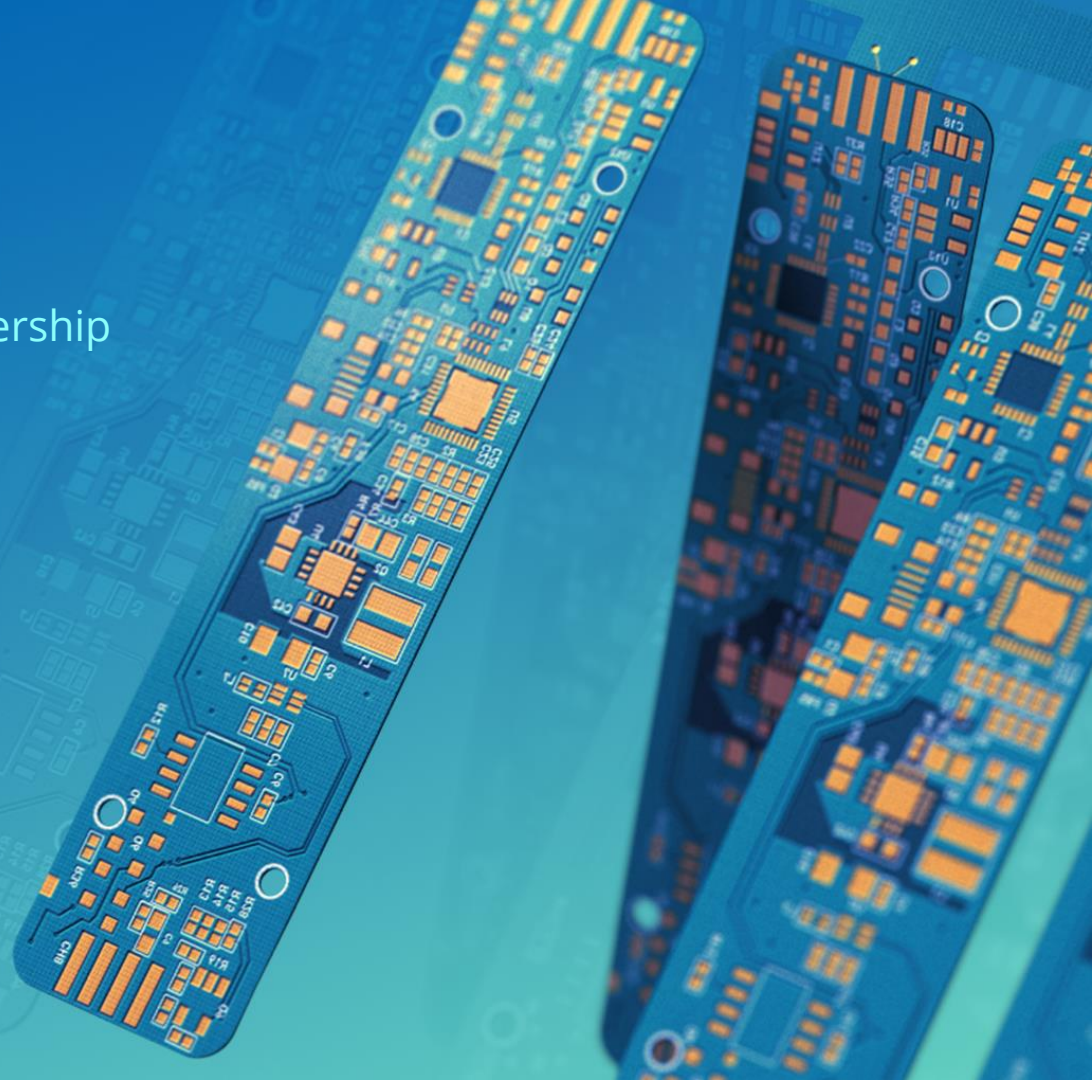


Delivering Strong Performance &
Growing Momentum to Market Leadership

ALTIUM HALF YEAR INVESTOR PRESENTATION

Aram Mirkazemi CEO
Joe Bedewi CFO
Kim Besharati VP IR

21-24 February 2017
Sydney & Melbourne



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The Altium logo is positioned in the top right corner of the slide. It features the word "Altium" in a white, sans-serif font, with a registered trademark symbol (®) to its upper right. The background of the slide is a blue gradient with a faint, stylized image of a circuit board.

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Agenda

Altium®

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Company Highlights & Significant Achievements

2

2017 Half Year Financial Performance & Metrics

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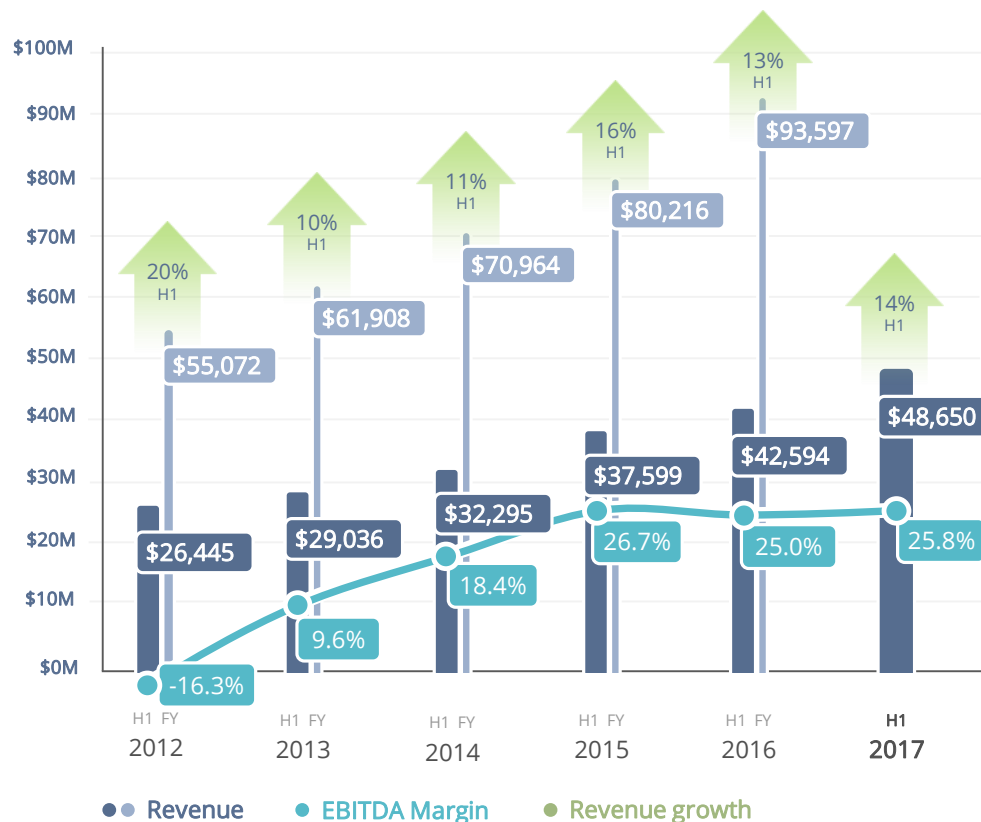
Pursuing PCB Market Leadership & EDA Transformation

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Appendix: Company Overview

Altium's H1 FY17 Performance Highlights

Altium®

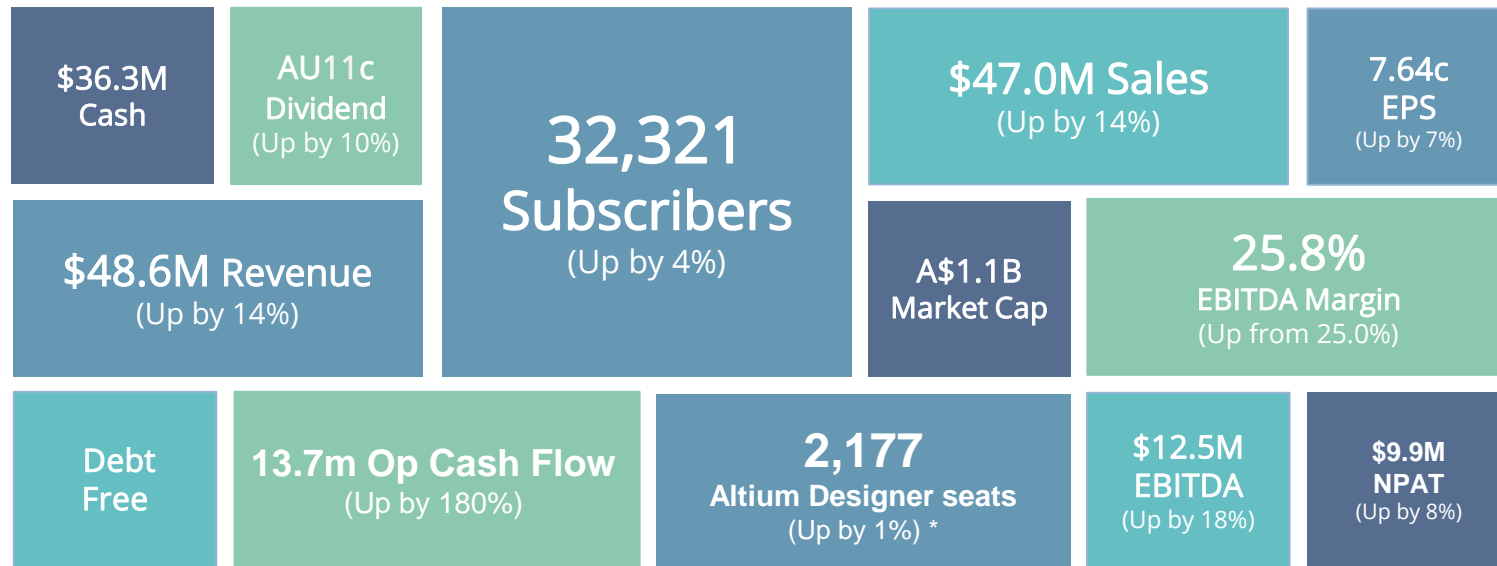


- Revenue growth of **14%**
- EBITDA Margin **25.8%**
- Achieved double digit sales growth and on-track to exceed \$100M revenue in FY17
- **4%** increase in subscribed seats to **32,321**

Driving Performance from a Position of Strength



Altium's H1 FY17 Financial Metrics



* Seat count was impacted by 8% effective price increase.

Progress Update – First Half Significant Milestones

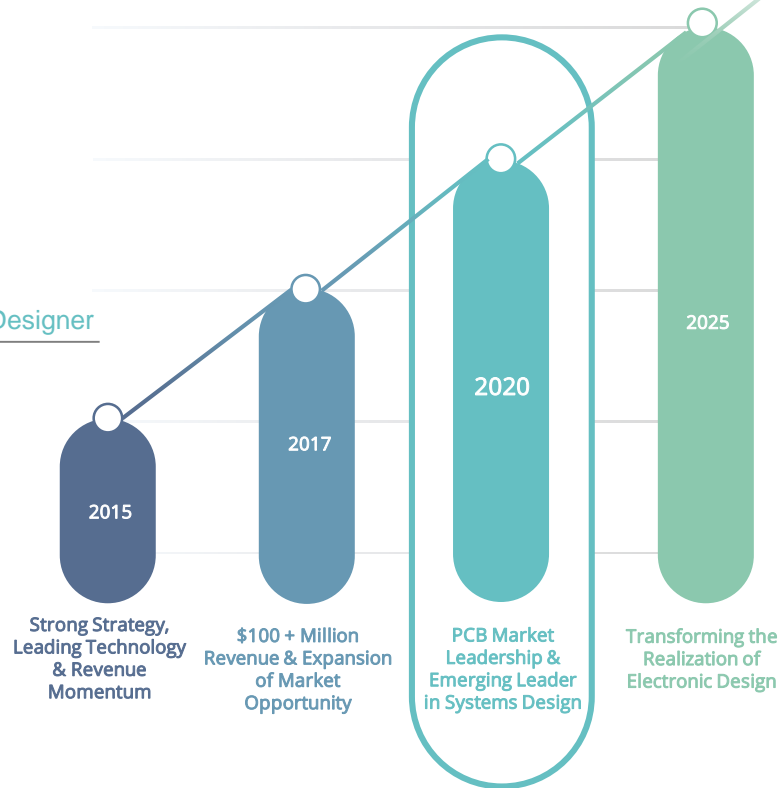
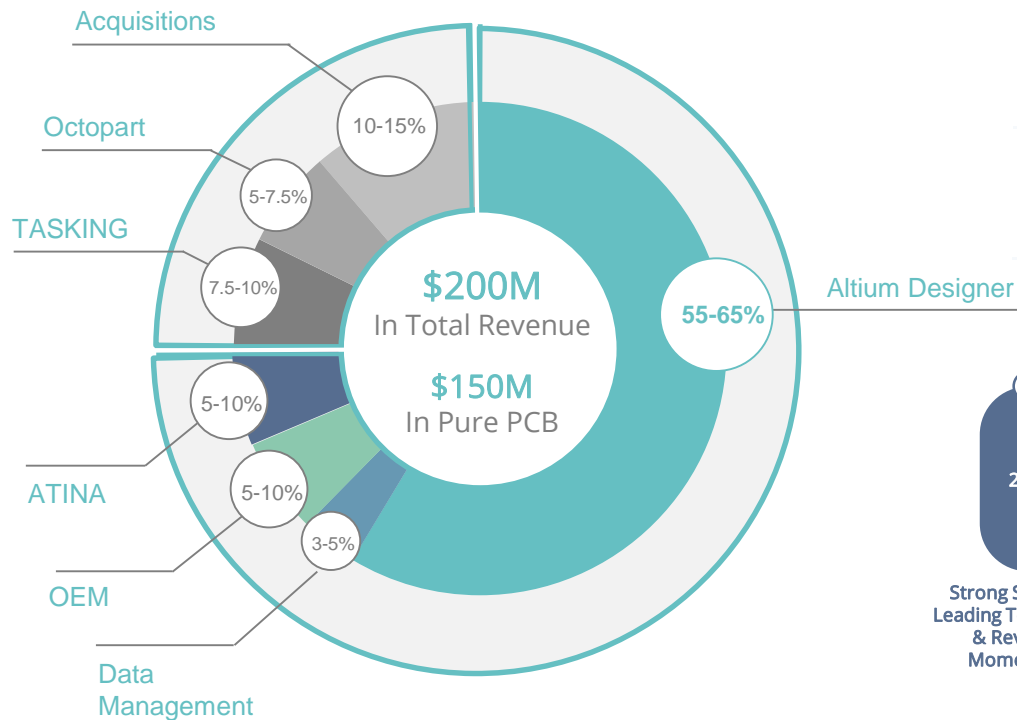


- ✓ Delivered major upgrade to Altium's flagship product, Altium Designer 17, representing the fifth consecutive annual upgrade.
- ✓ Released new electronic/mechanical CAD product under OEM partnership with Dassault Systèmes SolidWorks.
- ✓ Expanded direct sales presence in Europe acquiring long-time resellers in the Netherlands and the United Kingdom.
- ✓ Began the modernization of our TASKING R&D and achieved highly-sought industry accreditation to support the sale of TASKING's compiler technology in the automotive industry.

Achieving Market Leadership by 2020

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2020 Target Revenue Breakdown



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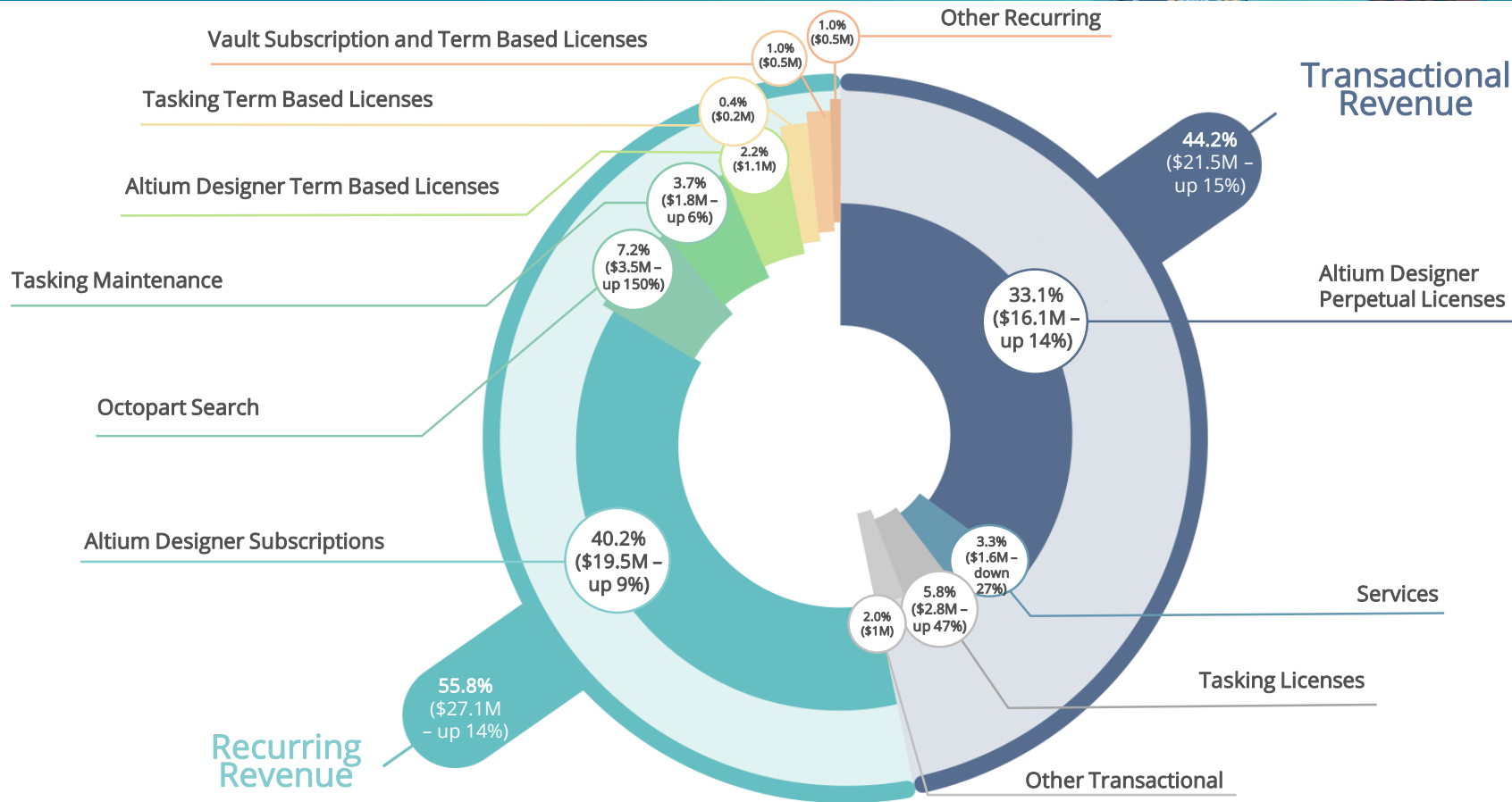
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Appendix: Company Overview

Revenue Sources

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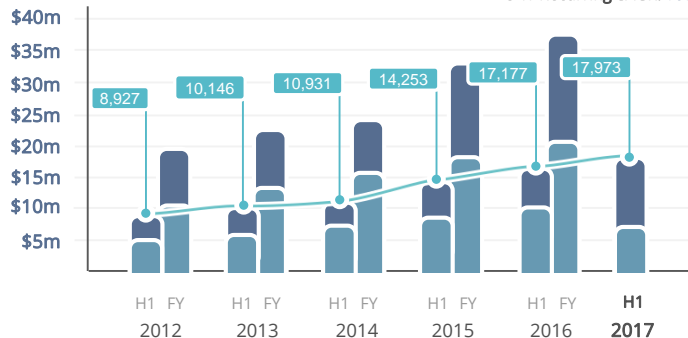
Revenue – Board and Systems

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BSD - Americas

H1 Revenue: 5%

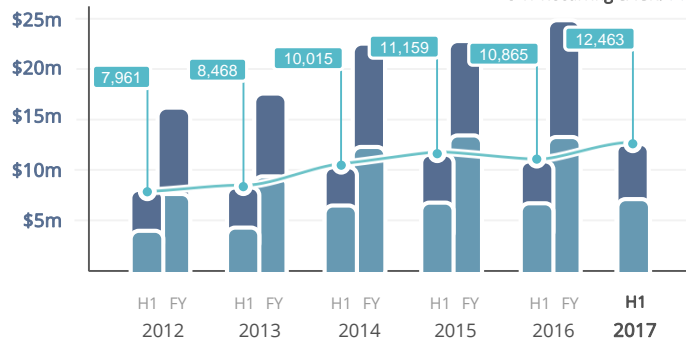
5 Yr Revenue CAGR: 15%
5 Yr Recurring CAGR: 16%



BSD – EMEA USD

H1 Revenue: 15%

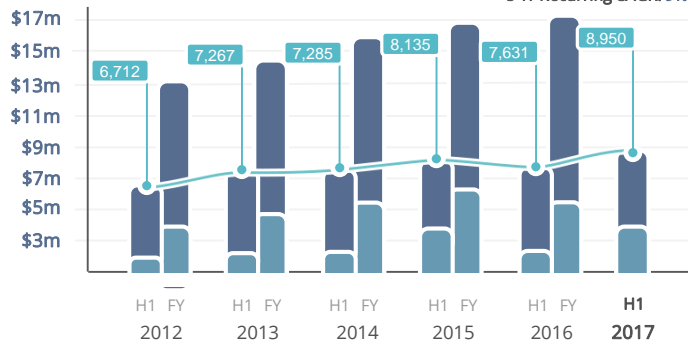
5 Yr Revenue CAGR: 11%
5 Yr Recurring CAGR: 14%



BSD – Rest of World

H1 Revenue: 17%

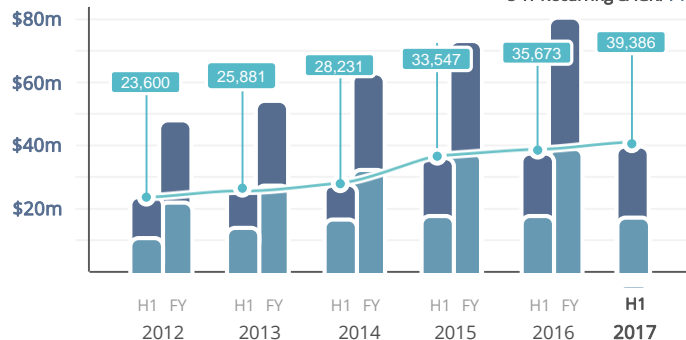
5 Yr Revenue CAGR: 8%
5 Yr Recurring CAGR: 9%



BSD – Total

H1 Revenue: 10%

5 Yr Revenue CAGR: 12%
5 Yr Recurring CAGR: 14%



- Recurring
- Revenue

Revenue – TASKING and Octopart

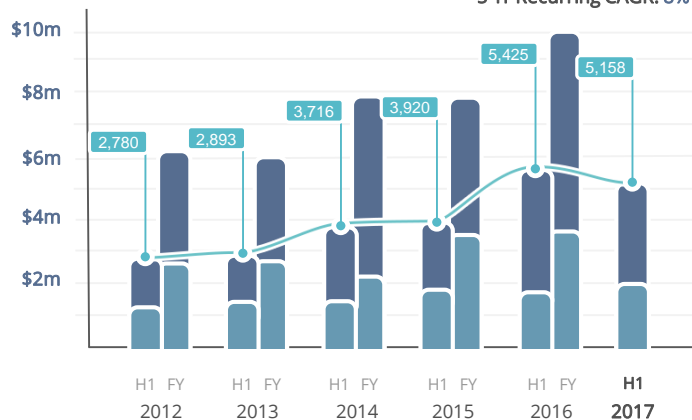
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TASKING

H1 Revenue: -5%

5 Yr Revenue CAGR: 10%

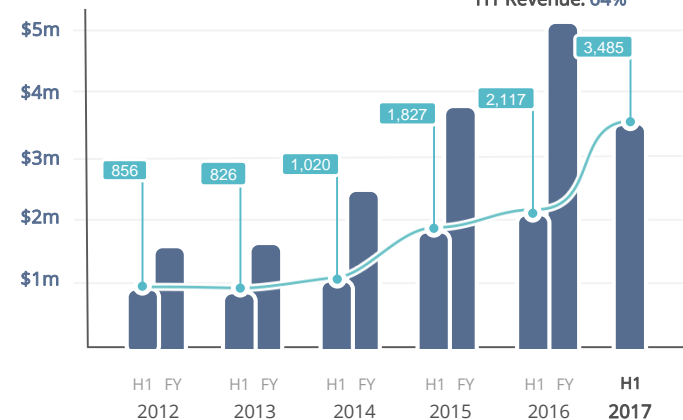
5 Yr Recurring CAGR: 8%



Octopart Search

5 Yr Revenue CAGR: 34%

H1 Revenue: 64%



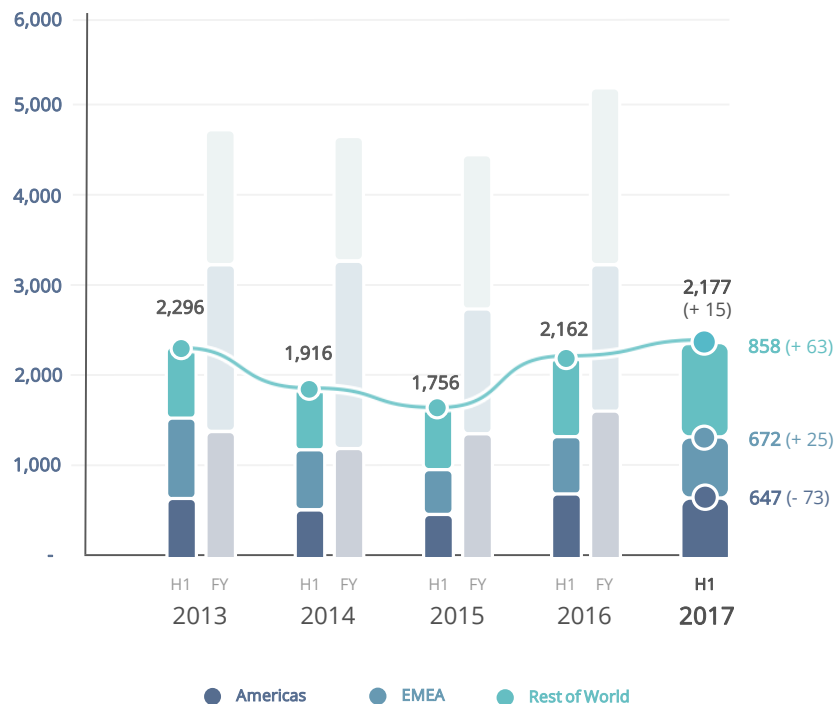
● Recurring

● Revenue

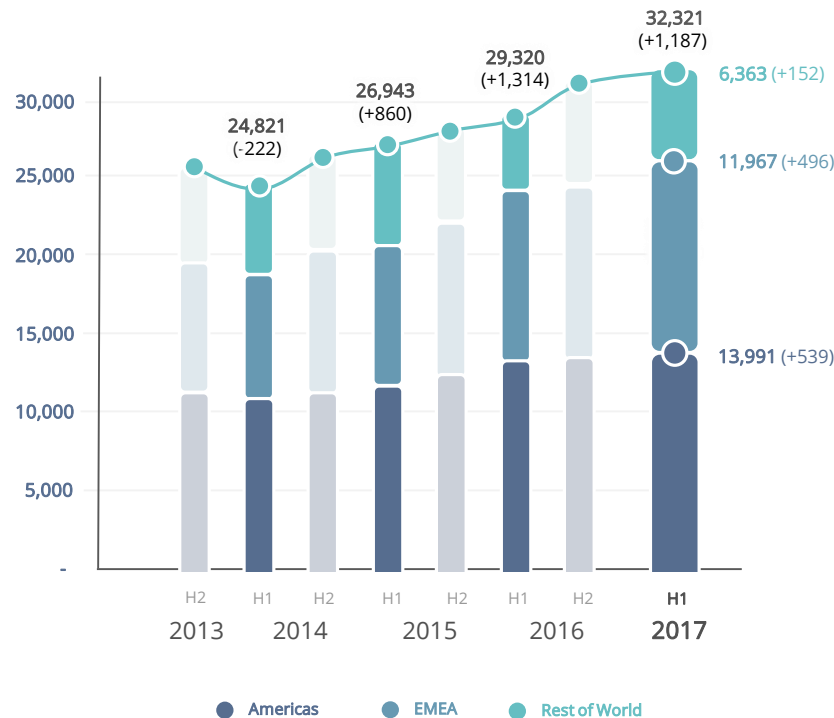
Board and Systems – Underlying Metrics

Altium

Altium Designer Seat Count

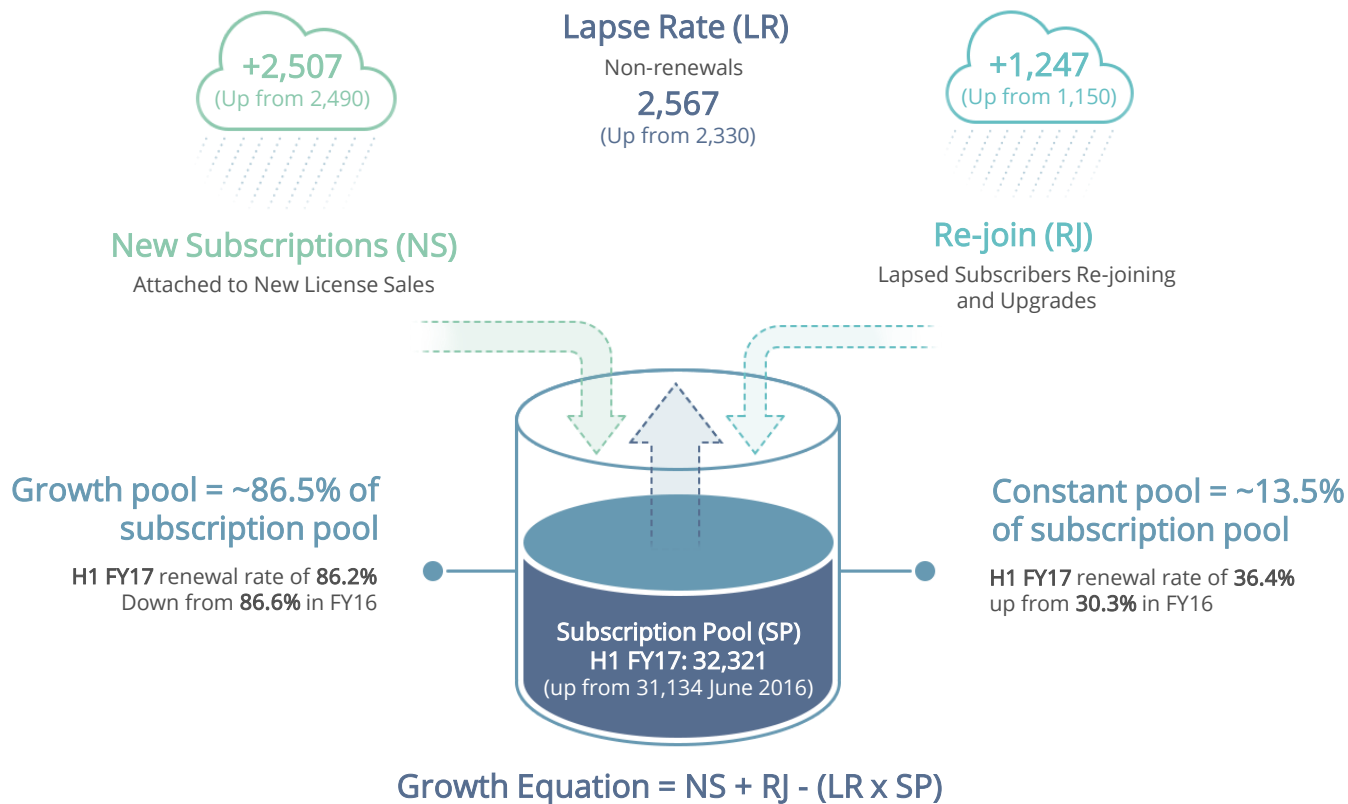


Subscription Pool

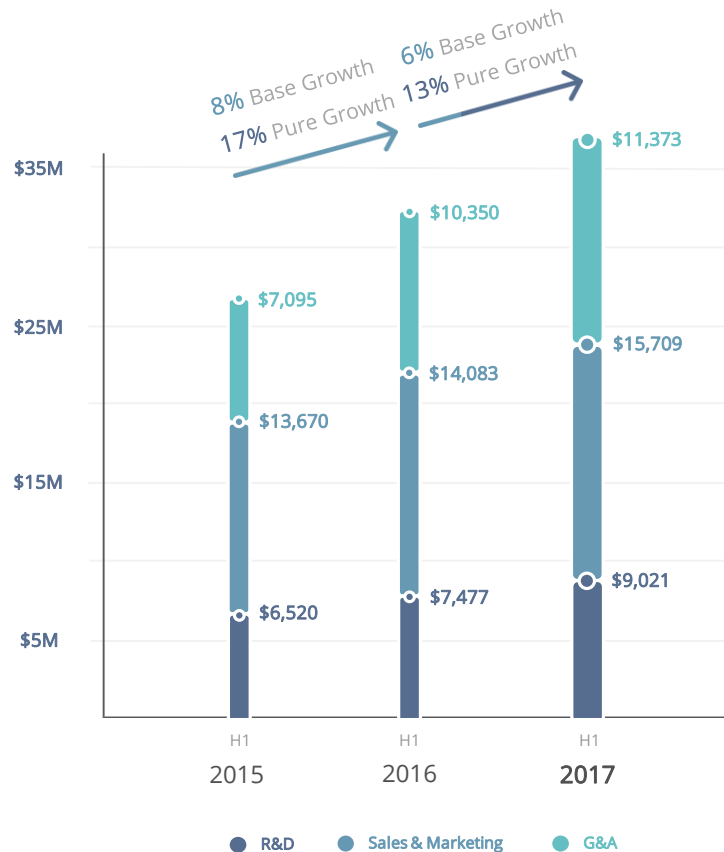


Subscription Pool

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Operating expenses

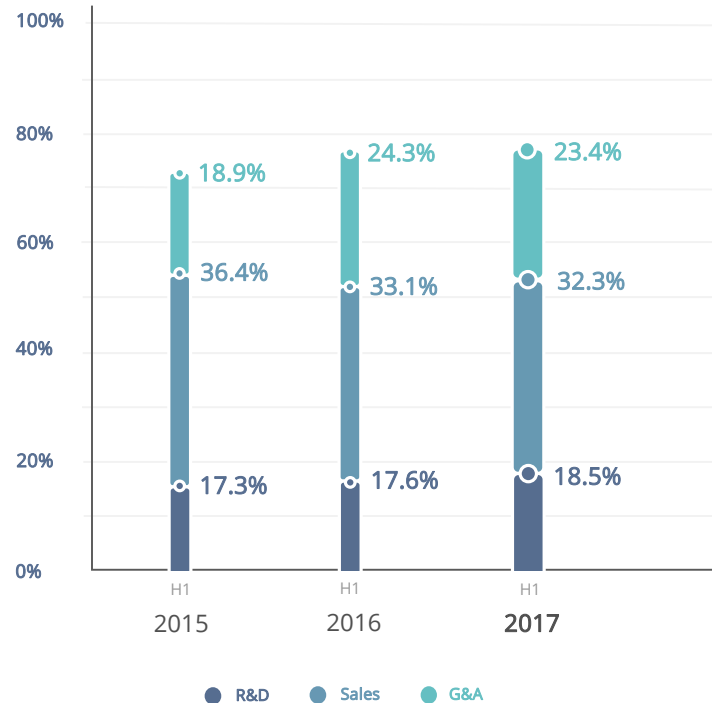


- R&D spend driven by capability acquisitions and product investment.
- Sales and Marketing gaining efficiency as we implement our “go-direct” strategy
- G&A increases due to One-Time Charges and Key Hiring

Operating expenses



Operating Expenses as a % of Revenue

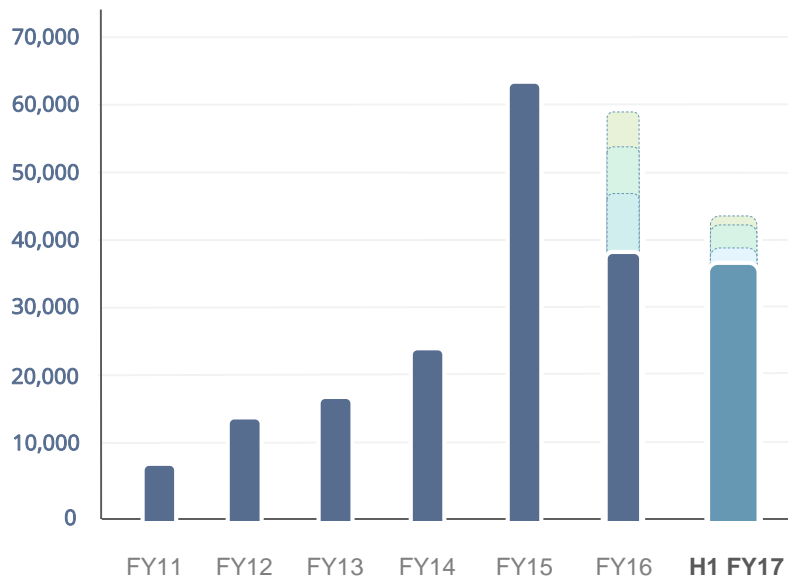


What Drives Altium's Unique Operating Leverage?

- No Waste Culture – Every Dollar Counts
- We support a Value-Based Market but, we service this market with a commodity selling model
- R&D is driven by a high product release rate

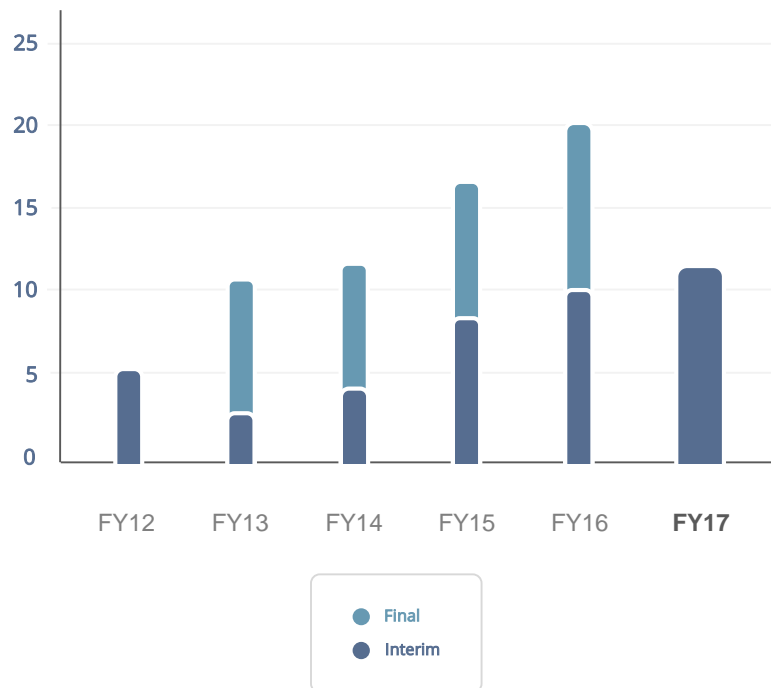
Cash Balance

Altium



	Dec-16 \$ '000	Jun-16 \$ '000	Var \$ '000	%
Cash and cash equivalents	36,348	38,139	(1,791)	-5%
Trade and other receivables	25,852	30,406	(4,554)	-15%
Other current assets	2,083	1,548	535	35%
Total current assets	64,283	70,093	(5,810)	-8%
Trade and other receivables	3,669	5,379	(1,710)	-32%
Property, plant and equipment	6,512	5,091	1,421	28%
Intangible assets	34,699	33,508	1,191	4%
Other non-current assets	81,871	82,301	(430)	-1%
Total non-current assets	126,751	126,279	472	0%
Total assets	191,034	196,372	(5,338)	-3%
Trade and other payables	6,362	7,188	(826)	-11%
Tax liabilities	1,461	2,713	(1,252)	-46%
Provisions	6,071	3,568	2,503	70%
Deferred revenue	31,269	32,234	(965)	3%
Total current liabilities	45,163	45,703	(540)	-1%
Deferred Tax	4,687	4,793	(106)	-2%
Provisions	1,474	4,230	(2,756)	-65%
Deferred revenue	7,390	9,038	(1,648)	-18%
Other liabilities	768	1,793	(1,025)	-57%
Total non-current liabilities	14,319	19,874	(5,555)	-28%
Total liabilities	59,482	65,577	(6,095)	-9%
Net assets	131,552	130,795	757	1%
Contributed equity and reserves	136,296	135,571	725	1%
Accumulated losses	(4,744)	(4,776)	32	-1%
Total equity	131,552	130,795	757	1%

Dividends paid/declared



	H1 FY17 \$ '000	H1 FY16 \$ '000	Var \$ '000	%
Cash flows from operating activities				
Receipts from customers	54,397	43,919	10,478	24%
Payments to suppliers and employees	(39,268)	(37,366)	(1,902)	5%
Payments for expenses relating to acquisitions	(72)	(839)	767	-91%
Net Interest (paid)/received	(21)	38	(59)	119%
Net income taxes paid	(1,320)	(862)	(458)	53%
Operating Cash Flow	13,716	4,890	8,826	180%
Capital Expenditure				
Payments for property, plant and equipment	(2,548)	(1,779)	(769)	43%
Free Cash Flow	11,168	3,111	7,059	-56%
Cash flows from investing activities				
Payments for purchase of subsidiary, net of cash acquired	(2,939)	(10,767)	7,828	-73%
Cash flows from financing activities				
Dividends paid	(9,830)	(7,644)	(2,184)	29%
Repayment of borrowings	(28)	(30)	2	-7%
Subtotal	(1,629)	(15,330)	13,701	-89%
Effects of exchange rate changes	(162)	(223)	61	-27%
(Decrease)/increase in cash and cash equivalents	(1,791)	(15,553)	13,762	-88%

Half Year Results Key Metrics



USD millions	H1 FY17	H1 FY16	Change %
Revenue (excl. interest)	48.7	42.6	14%
Reported expenses	36.2	31.9	13%
EBITDA	12.5	10.7	18%
Depreciation and amortization	1.7	1.3	
EBIT	10.8	9.7	11%
Net interest	-	-	
Profit before income tax	10.8	9.7	11%
Income tax expense	0.9	0.6	
Profit after income tax	9.9	9.1	8%

	H1 FY17	H1 FY16	Change %
EPS	7.64	7.12	7%
Dividends (AU cents)	11	10	10%
Key Margin Analysis EBITDA Margin Net profit before tax margin Net profit after tax margin Return on equity Effective tax rate	25.8% 22% 20% 7.5% 8.6%	25.0% 23% 21% 7.3% 6.1%	
Balance Sheet (USD millions) Cash and equivalents Net assets	36.3 131.6	46.4 125.8	
Operating cash flows	13.7	4.9	180%

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Altium®

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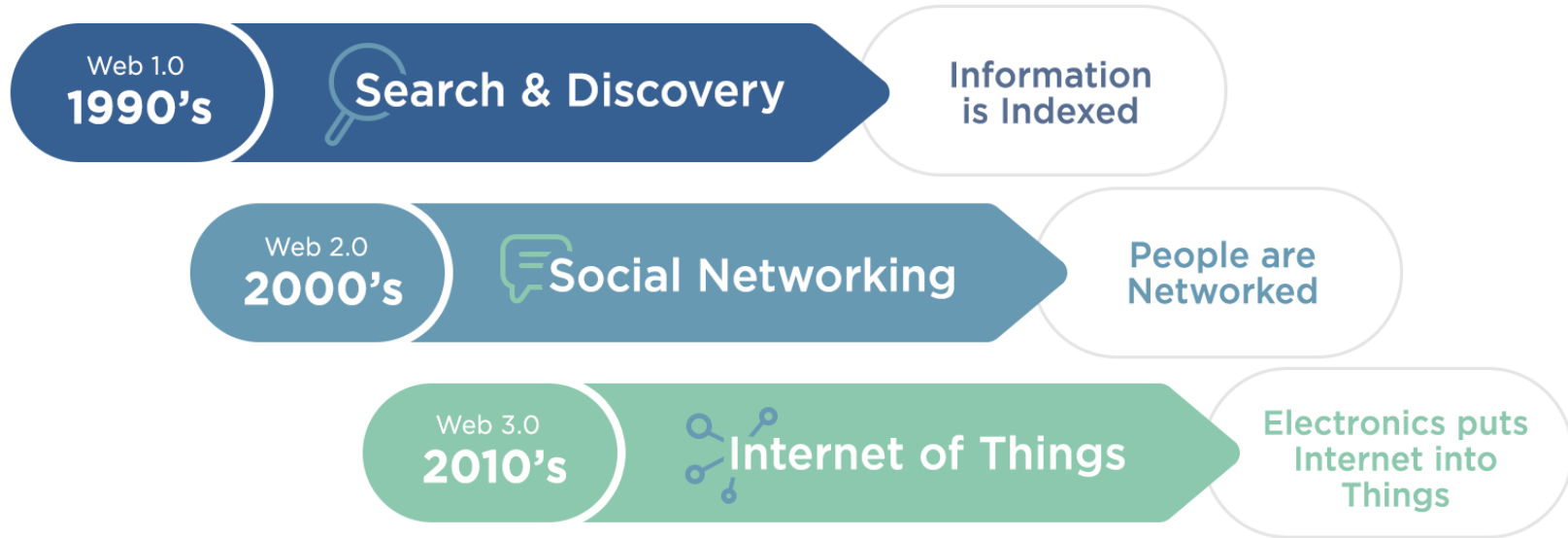
Pursuing PCB Market Leadership & EDA Transformation

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Appendix: Company Overview

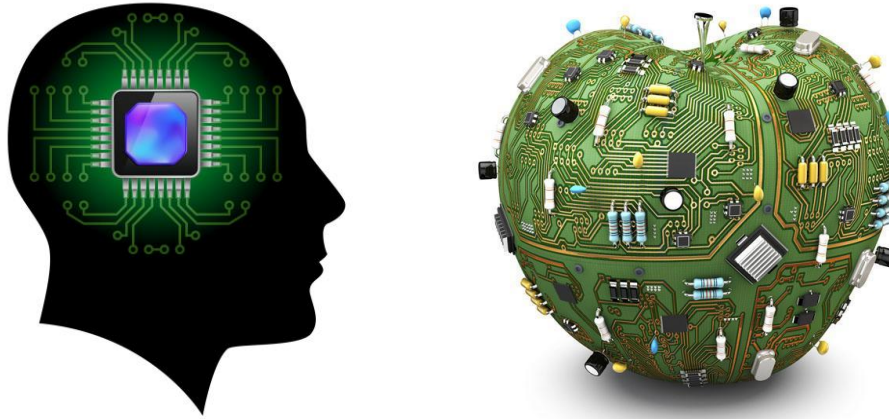
Rise of Smart Connected Devices

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At the Heart of All Intelligent Systems is Electronics

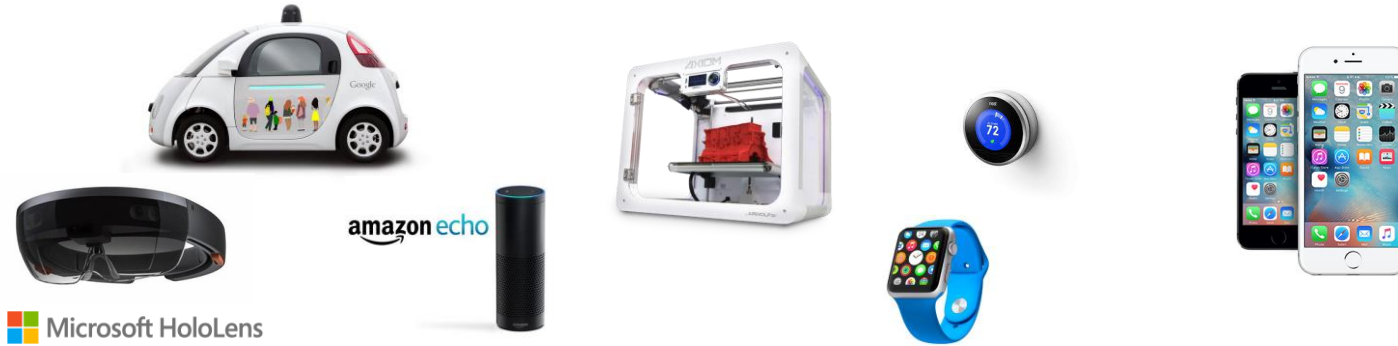
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Printed Circuit Boards Central to Electronics

Innovation in the Age of Internet of Things

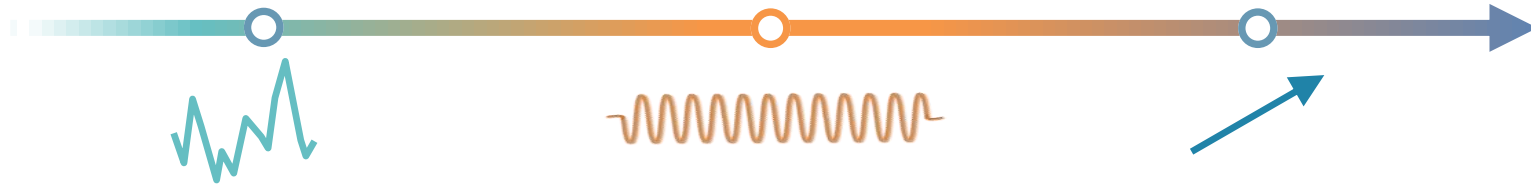
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Exploration
(Discovery & Invention)

Innovation
(Pioneering & Development)

Adoption
(Accessibility & Refinement)



Modelling, digitalizing and integrating all objects and processes associated with the creation, adoption & evolution of smart products is critical for **increasing the speed of innovation**

The Future is Multi-disciplinary...

Altium®



ECAD



Cloud System Engineering
Cloud application development and
Infrastructure management



Embedded System Engineering
Development of Control Systems in
Electromechanical devices



Electronics Engineering

Creation of high-performance electronic
hardware with complex form factor



Mechanical Engineering

Designing complex objects with sophisticated
electromechanical behaviour

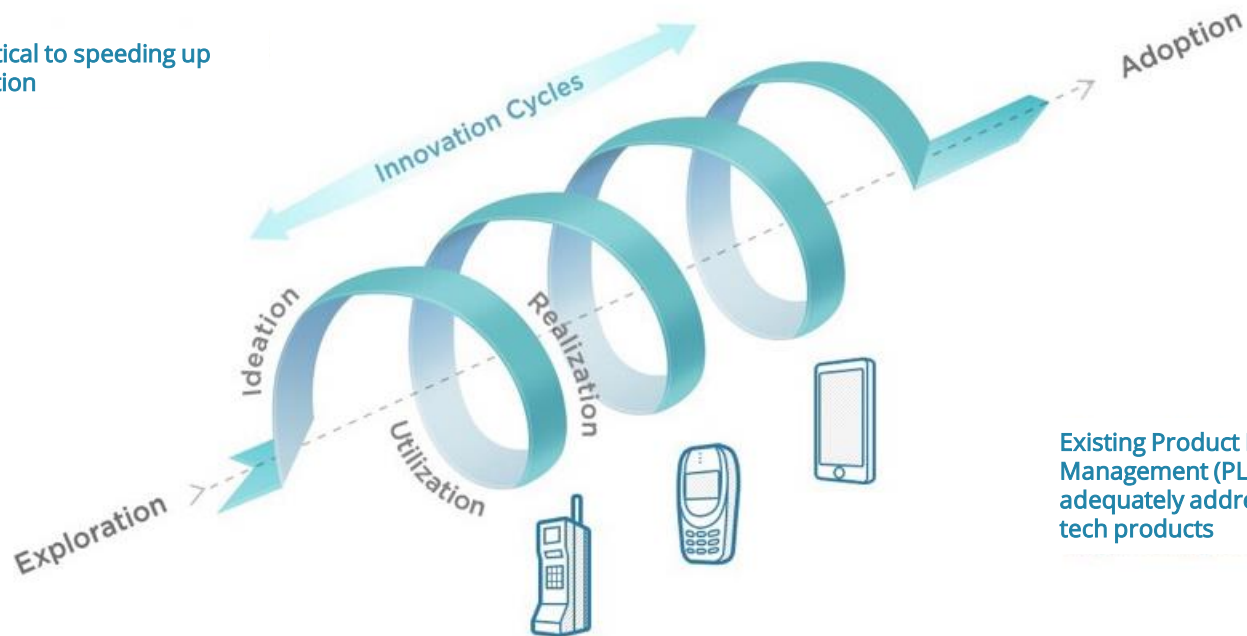
MCAD



Electrical Engineering
Development of wire harness and electrical
systems in Electromechanical devices

Speeding up the Pace of Innovation

Electronics is critical to speeding up cycles of innovation

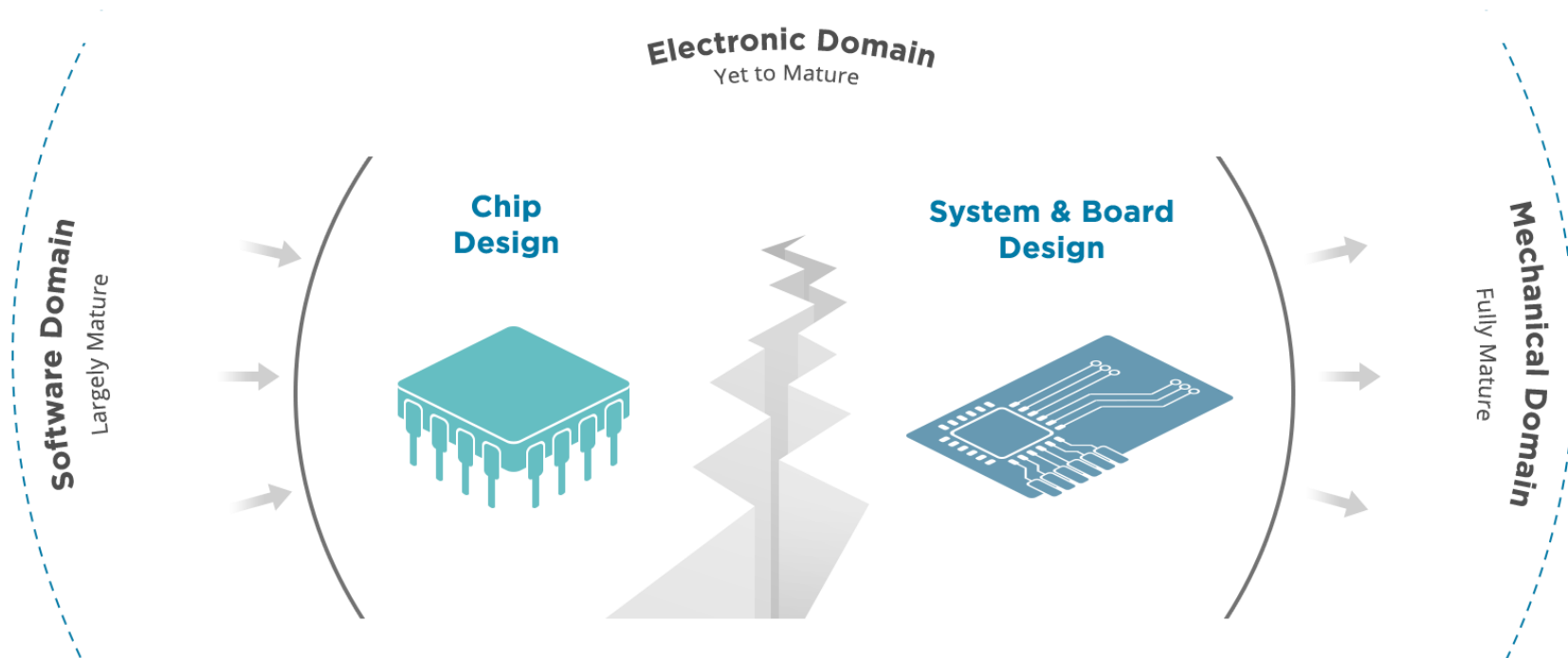


Existing Product Lifecycle Management (PLM) tools do not adequately address the needs of high-tech products

Success depends on the ability of the enterprise to move through innovation cycles faster than its competitors

IoT Will Transform the EDA Industry...

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The rise of smart connected devices is driving Board Design mainstream while Chip Design is becoming highly specialized

PCB Design Software Market Current Trends, Segmentation & Size

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High-End Tools

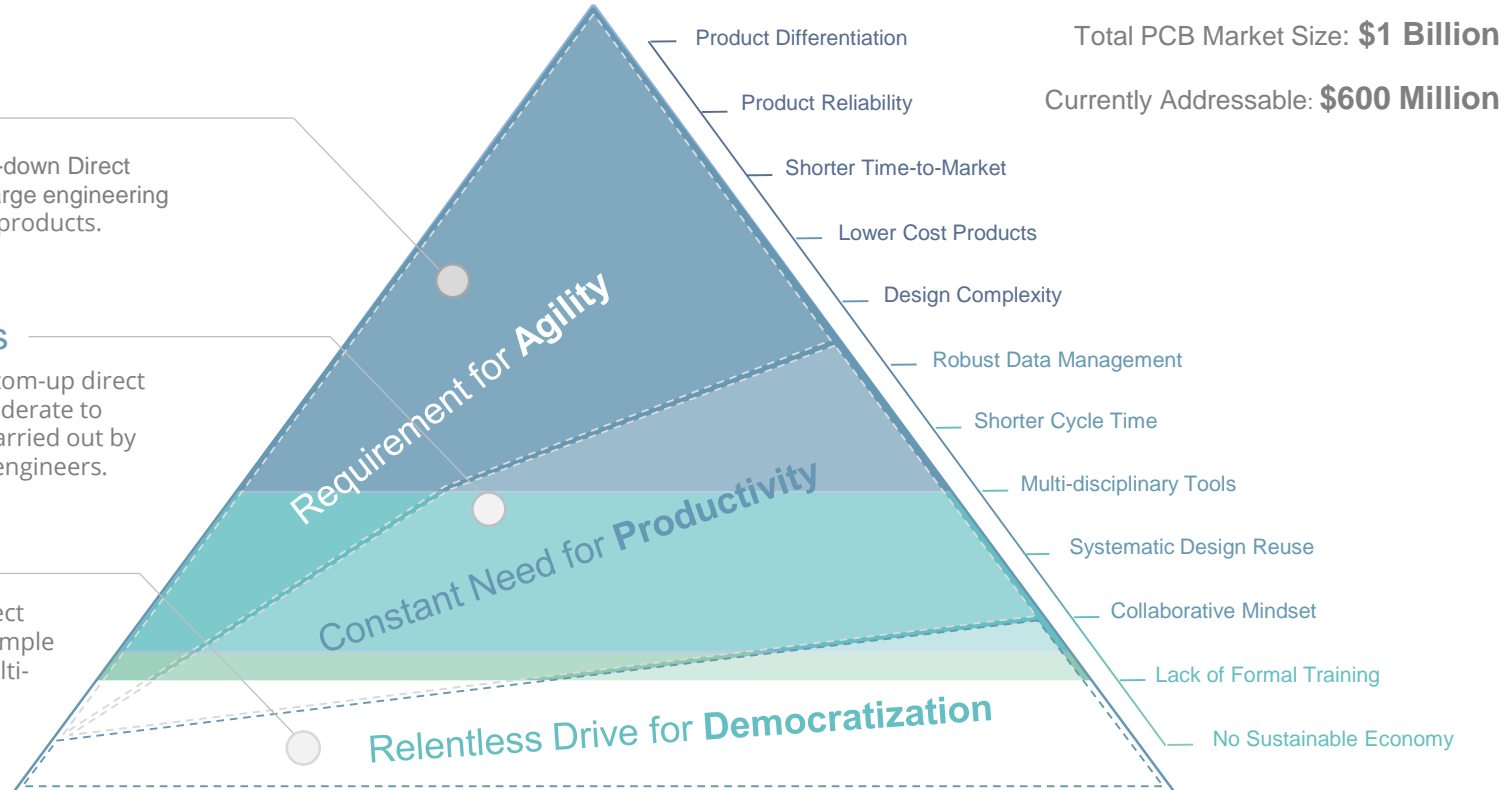
57% of market value - Top-down Direct Enterprise Sales Model. Large engineering teams designing complex products.

Mainstream Tools

36% of market value - Bottom-up direct / indirect sales model. Moderate to high design complexity, carried out by small teams of specialist engineers.

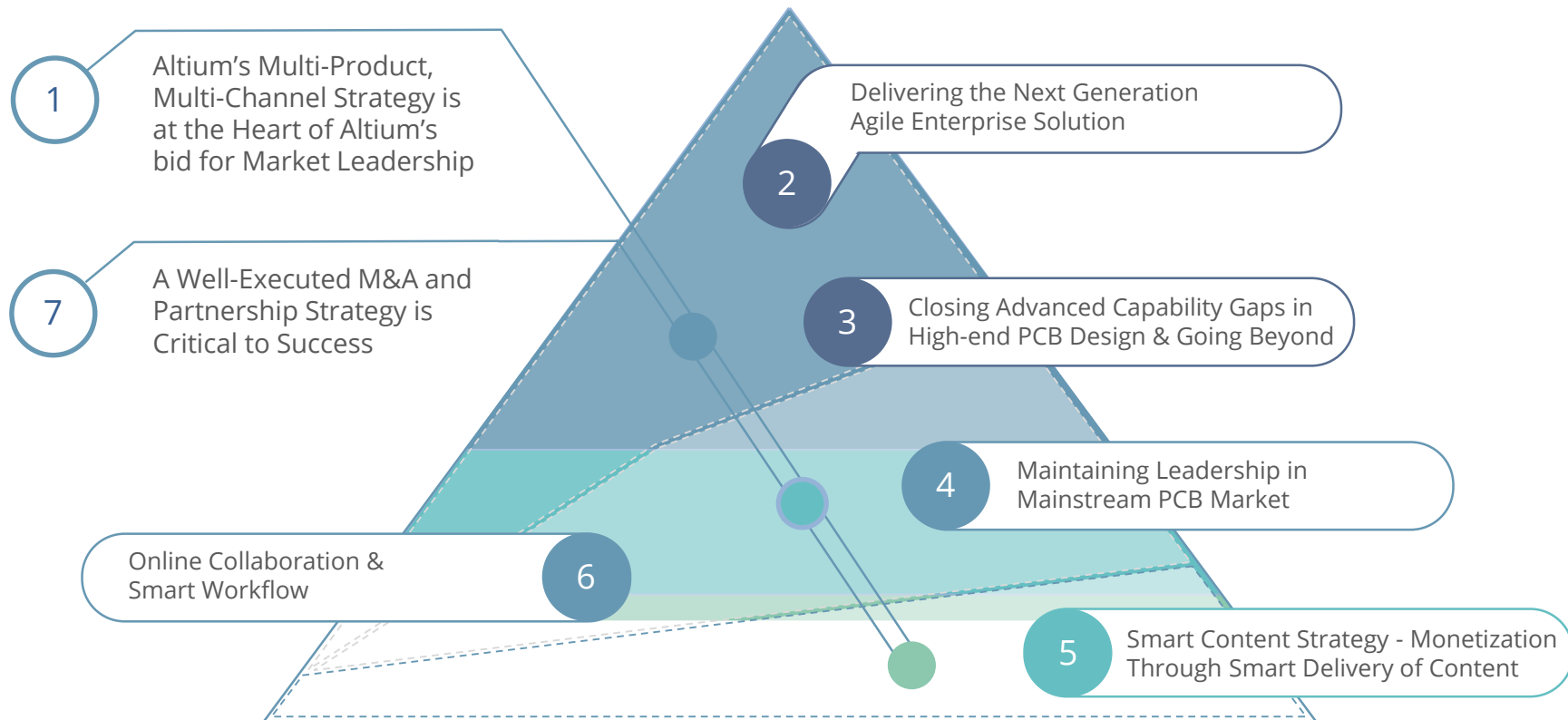
Low-End Tools

7% of market value - Indirect Sales through partners. Simple designs carried out by multi-skilled engineers.



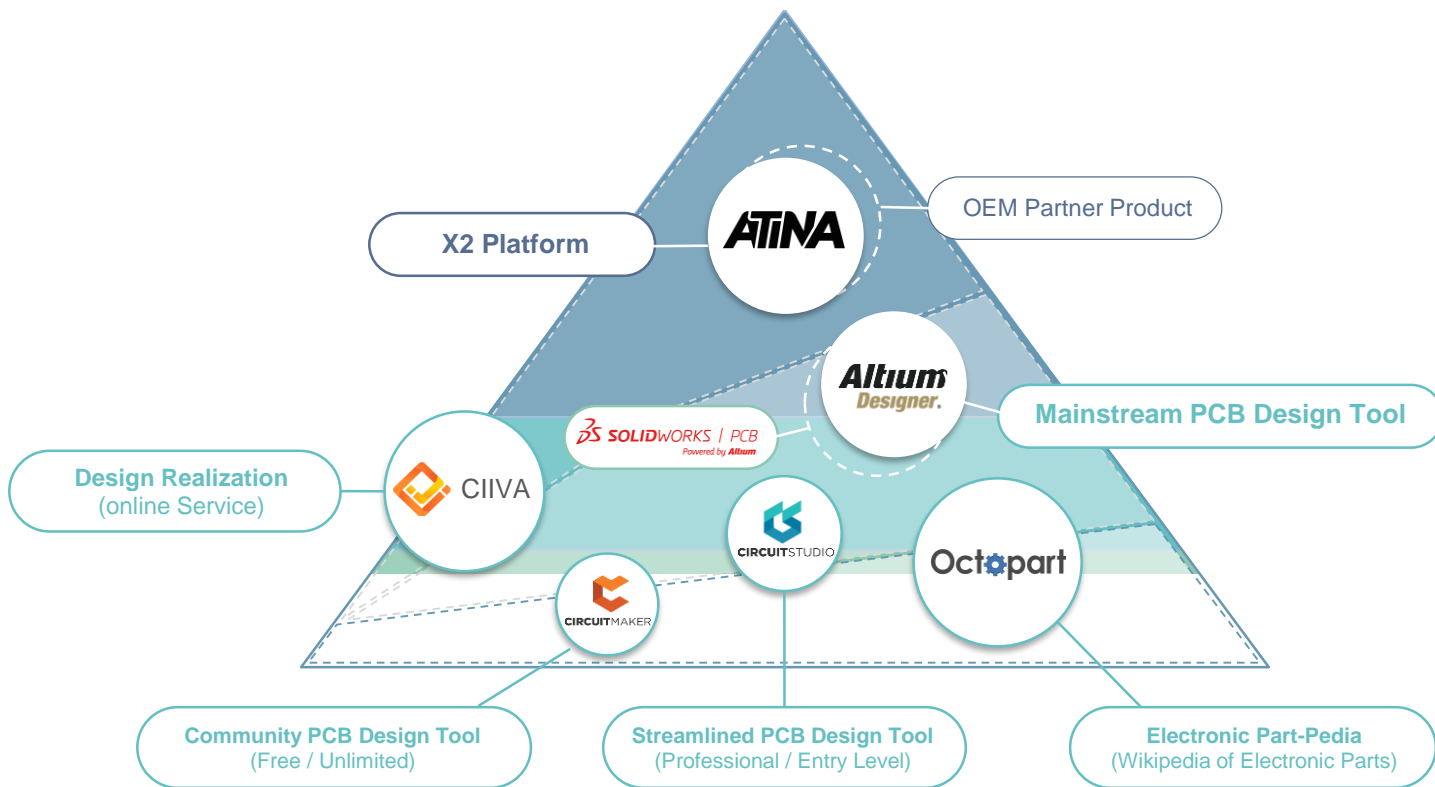
Altium's Strategy for PCB Market Leadership

Altium®



A Unique PCB Design Solution for Every Market Segment

Altium



ATINA - Altium's High-End PCB Design Tool

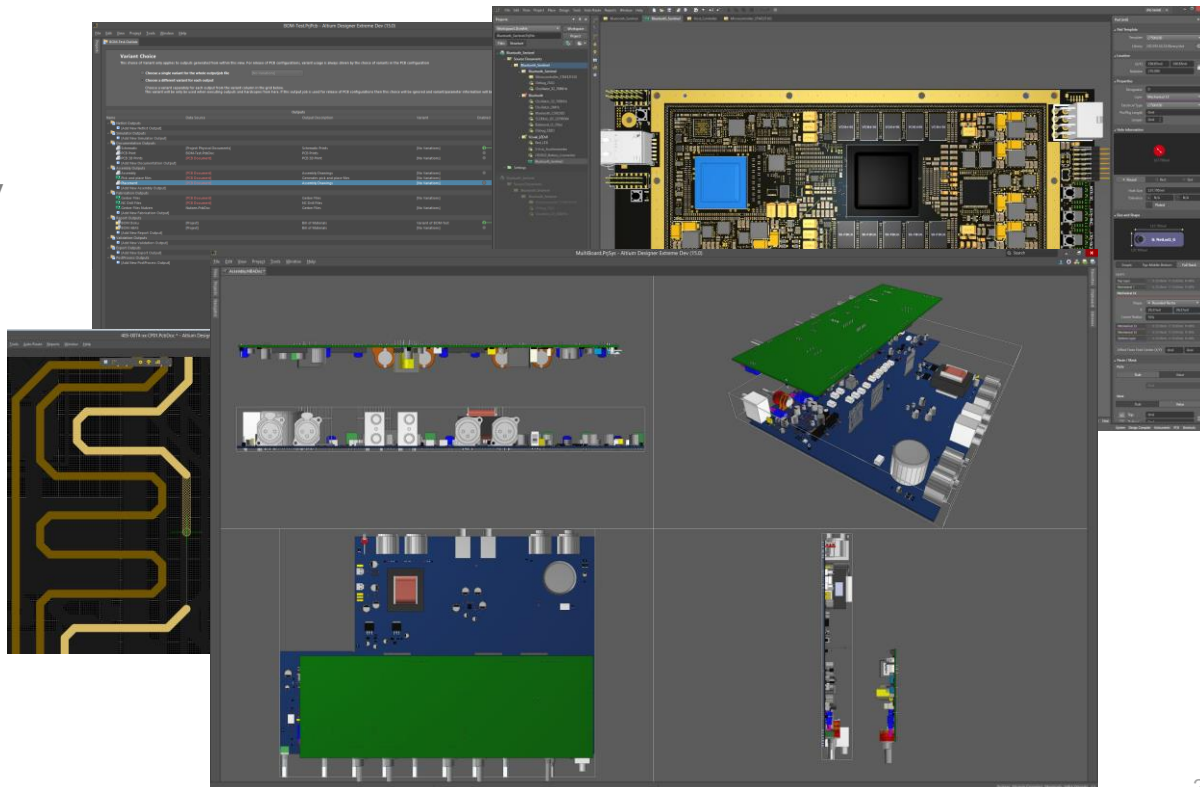
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ATINA

- Multi-board System Design Capability
- Advanced Routing Capability
- Constraint-Driven Design
- Handling Large Boards with Ease

X2 Platform

- Next Generation - 3D Graphics Engine
- State-of-the-art User Interface/Experience
- 64-bit Computing Architecture



Altium's Long-Term Outlook



- ✓ The proliferation of electronics through the rise of smart connected devices is driver of growth for our business for the foreseeable future
- ✓ Altium will continue to drive top line growth while expanding operating margin to enter and maintain 30% plus
- ✓ Altium expects to see continuing growth in revenue
- ✓ Altium is confident that achieving market leadership in PCB design software by 2020 is well within its reach

Altium's goal is to achieve \$200 million in revenue by 2020

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



Altium partners with **Dassault Systemes SOLIDWORKS** to Deliver a specialized version of its PCB Design Software for SolidWorks users

Altium acquires **Octopart**, the #1 electronic parts search engine in the world

Altium acquires **Ciiva** a cloud based electronic components management system



Capital Raising of 44M on ASX
Altium relocated its HQ to California USA Successfully



Altium launches Altium Designer 6, the world's first Native 3D PCB design software



The company was founded by creating the first version of Altium Designer, **Protel PCB**



Altium Launches Protel for Windows - **World's first Microsoft Windows-based PCB design system**

1985

1991

1999

2006



Altium Successfully completes an IPO on Australian Stock Exchange

2010

Altium launches **Altium Designer 13** introducing DXP 2.0, its next generation integration platform opening up Altium Designer to third-party developers

2014

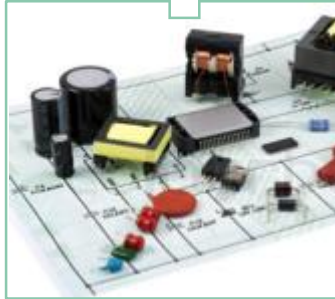
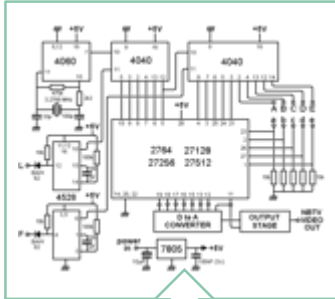
2015

Now

Printed Circuit Board Design and Manufacturing Process

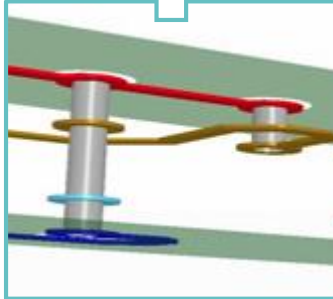
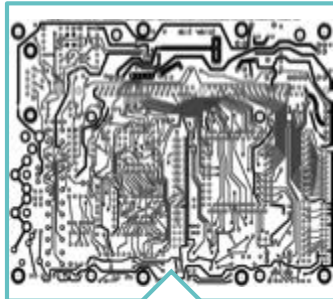
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Circuit Diagram



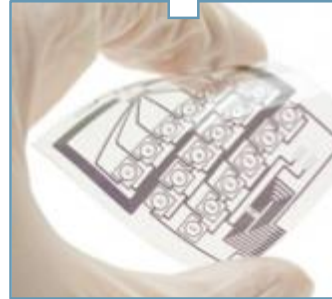
Design Capture

Layout Film



Layout

Bare Board



Fabrication

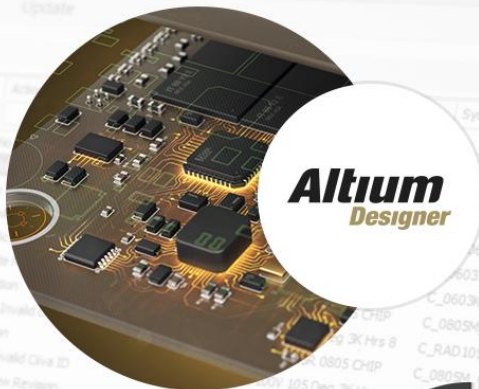
Assembled Board



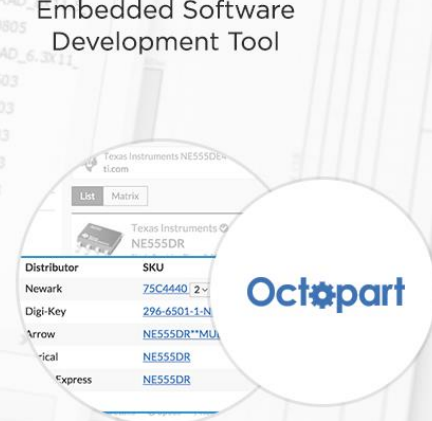
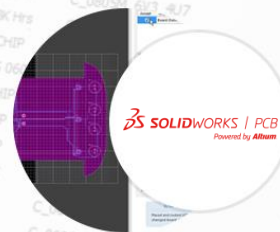
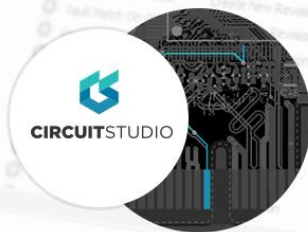
Assembly



Design Data Management & Collaboration Software



Embedded Software Development Tool



Diversity of Application

Altium®



Automotive



Aerospace &
Defence



Life Sciences



Mobile Devices &
Communications



Consumer -
Electronics



Electronics &
High-Tech



Research &
Education



Industrial Controls
Automation



Computers



Semiconductors

High Profile Customers

Altium



Automotive



Aerospace & Defence



Life Sciences



Mobile Devices



Consumer- Electronics



Electronics & High-Tech



Research & Education



Industrial Controls



Computers



Semiconductors



Global Reach

Altium

Sales and Support Centres

San Diego, Boston, Karlsruhe, Munich, Shanghai, Sydney

Research & Development Centres

San Diego, Ukraine, Netherlands, Shanghai

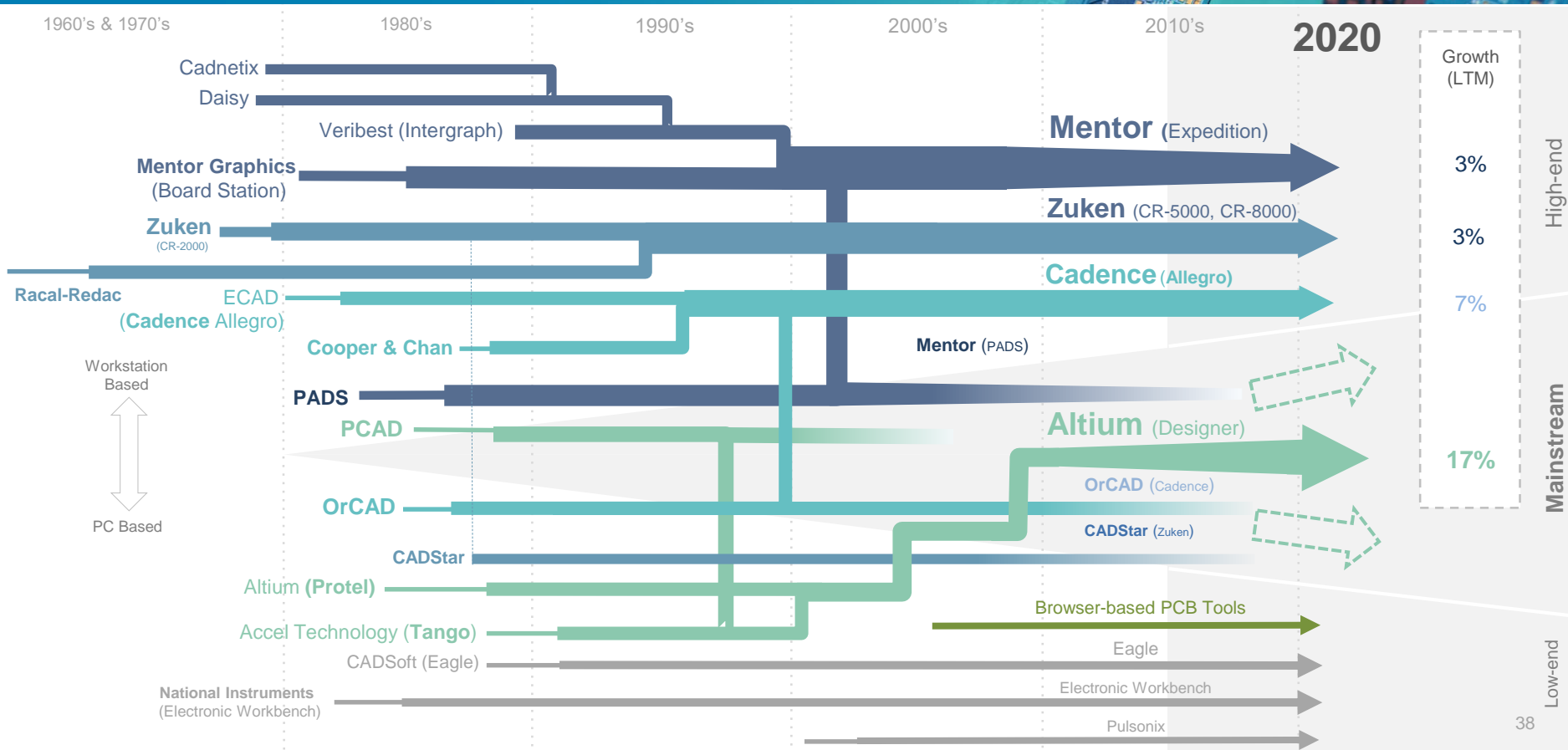
Main Operating Centres

San Diego, Munich, Shanghai



Competition and Industry Landscape

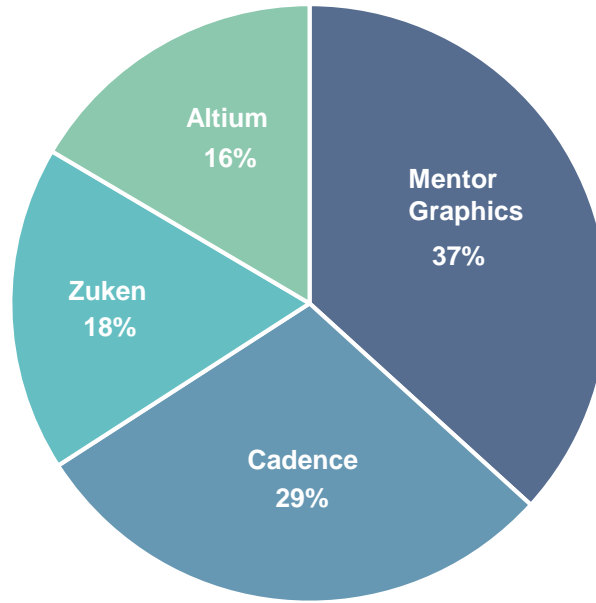
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Current Market Share for the 'Big Four' PCB Software Companies

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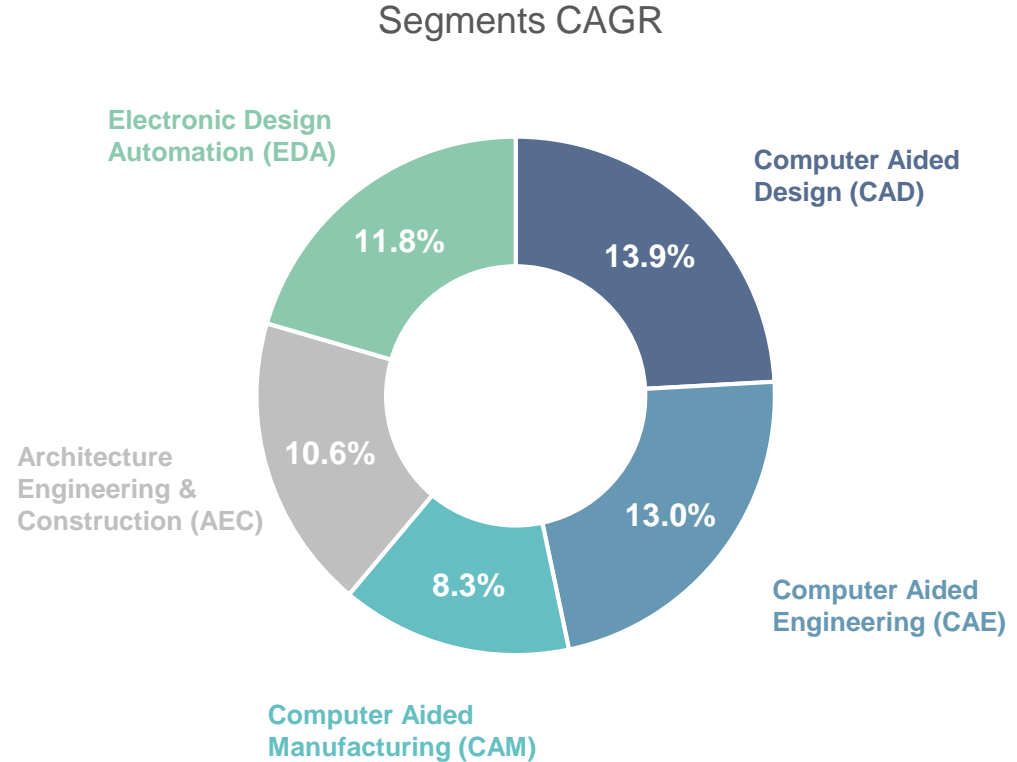
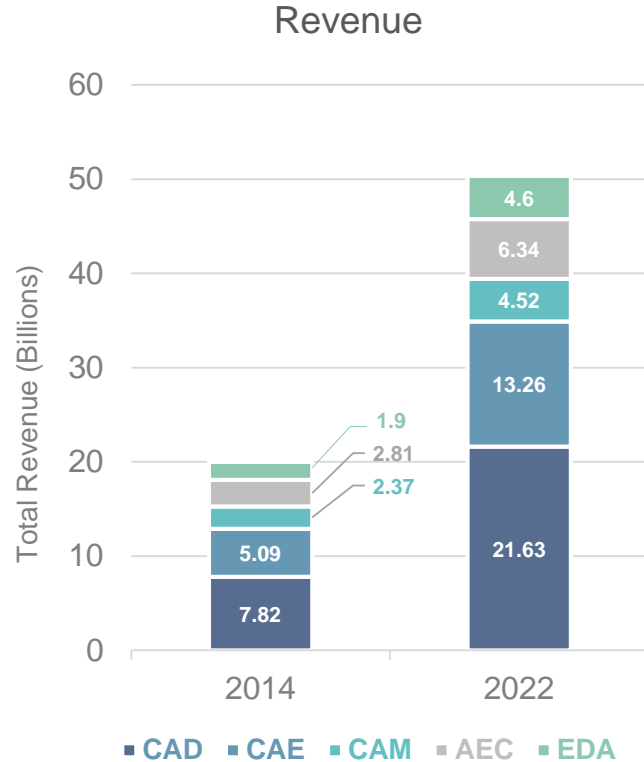
Revenue Share - Pure PCB
Excluding Wire Harness, IC Packing and Services



This chart depicts market share based on the most recent financial reports for the 'Big Four' PCB software companies (Mentor Graphics, Cadence Design Systems, Zuken and Altium) and the breakdown of the addressable market based on Gary Smith's PCB Market Trends Report.

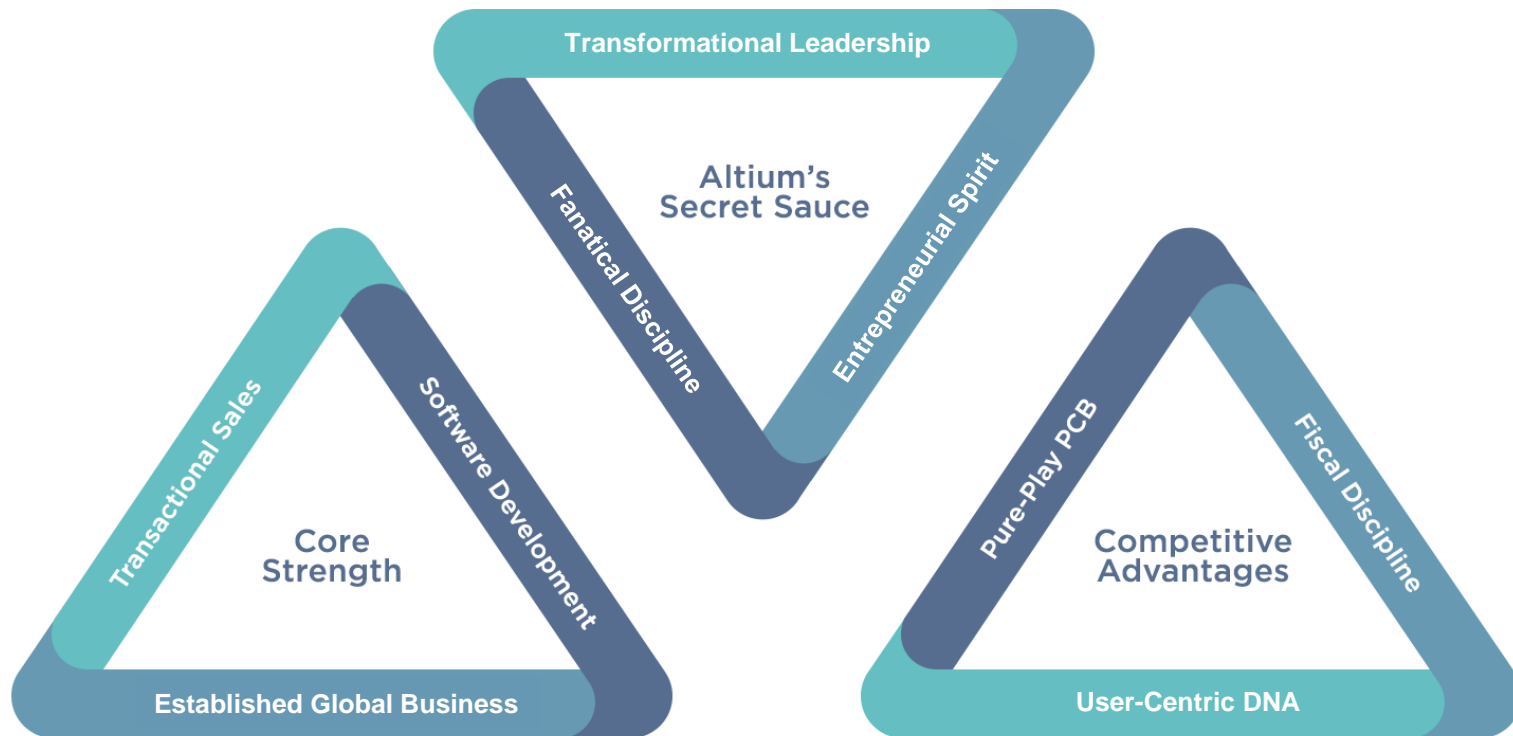
Global Engineering Software Market revenue, 2014 and 2022

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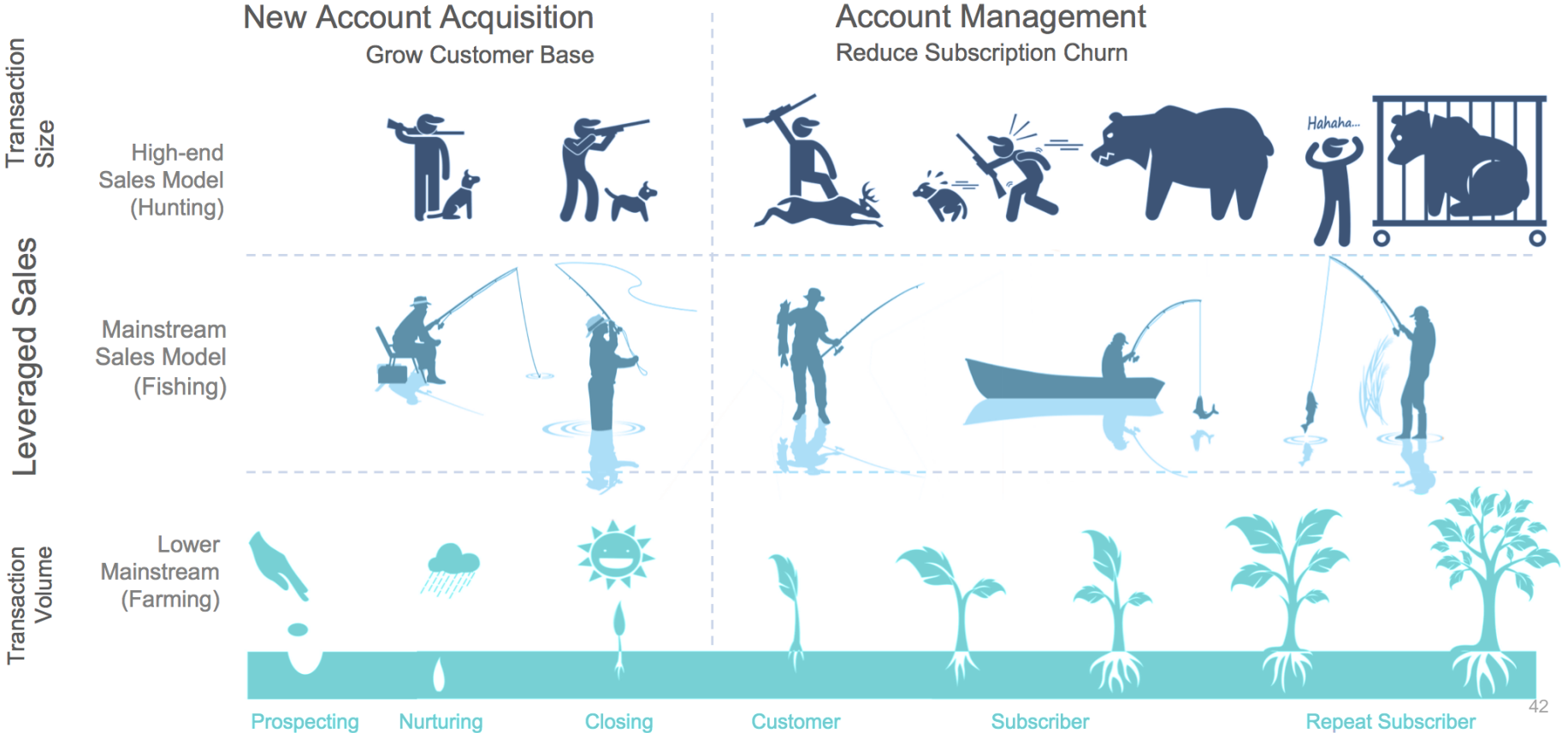


The Altium Advantage

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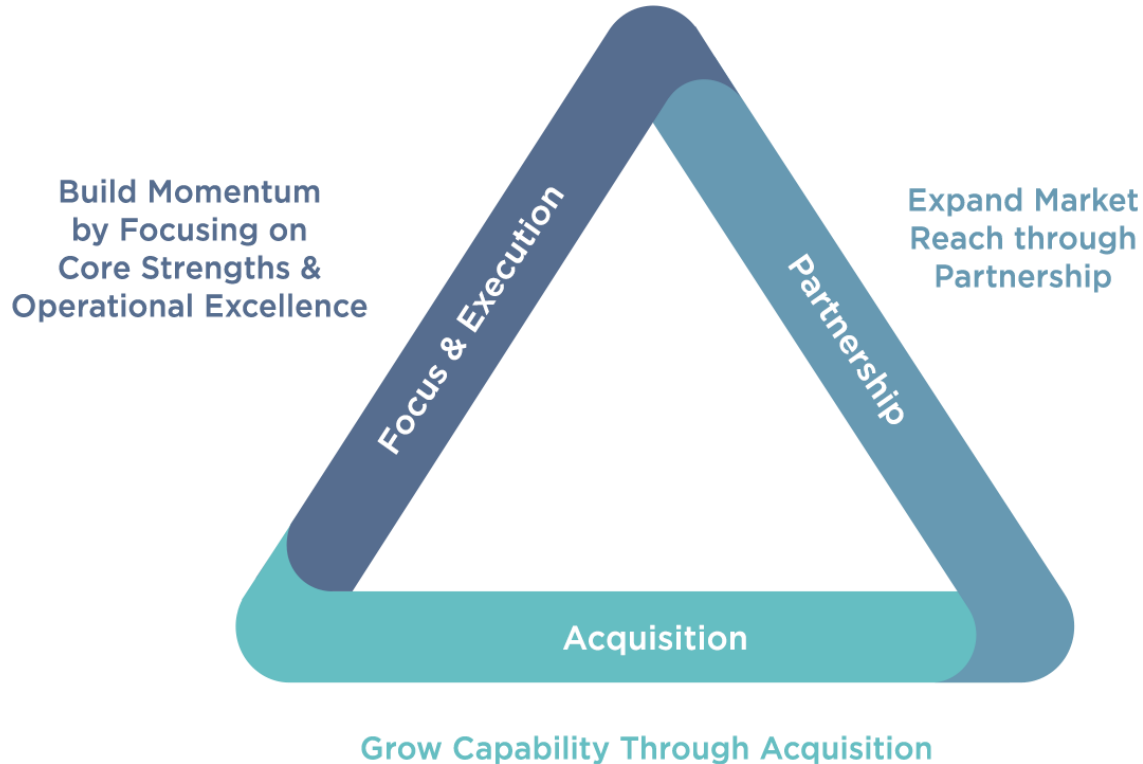


Altium's Leveraged Sales Strategy



Altium's High-Level Strategy

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Altium's Long-Term Outlook



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