

Date: 29 August, 2013

ALTIUM LIMITED

ACN 009 568 772

3 Minna Close
Belrose NSW 2085
Australia

Investor Relations
Contact Details:

Alison Raffin
Company Secretary

t +61 2 9410 1005

f +61 2 9410 0509

Altium Limited – August 2013 Investor Presentation

Sydney, Australia – 29 August 2013 – The executive management of electronics design software company Altium Limited (ASX:ALU) will today hold an investor presentation at the Amora Hotel, Sydney providing an update of the company's corporate and business strategy.

The attached presentation will be given. A copy can also be found on the company's website: www.altium.com.

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Ph: +61 2 9410 1005

ENDS

About Altium

Altium Limited (ASX: ALU) creates electronics design software. Altium's unified electronics design environment links all aspects of electronics product design in a single application that is priced as affordable as possible. This enables electronics designers to innovate, harness the latest devices and technologies, manage their projects across broad design 'ecosystems', and create connected, intelligent designs.

Founded in 1985, Altium operates worldwide. For more information, visit www.altium.com.

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Investor Presentation

Altium

Delivering Sustainable Growth

29 August 2013

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Financial data

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

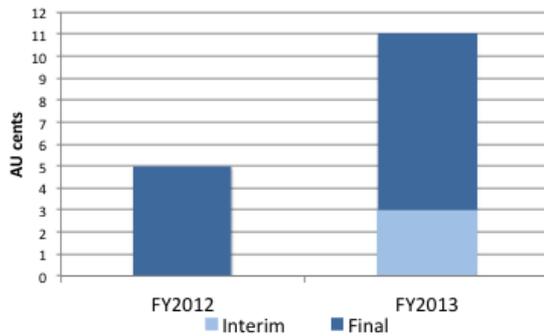
Future performance

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.

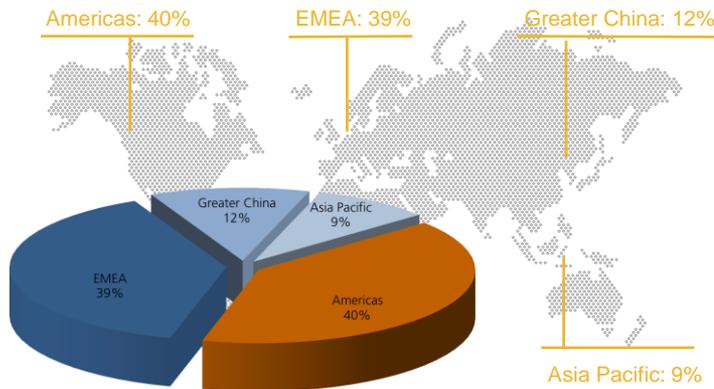
Past performance

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Dividends (AU cents)

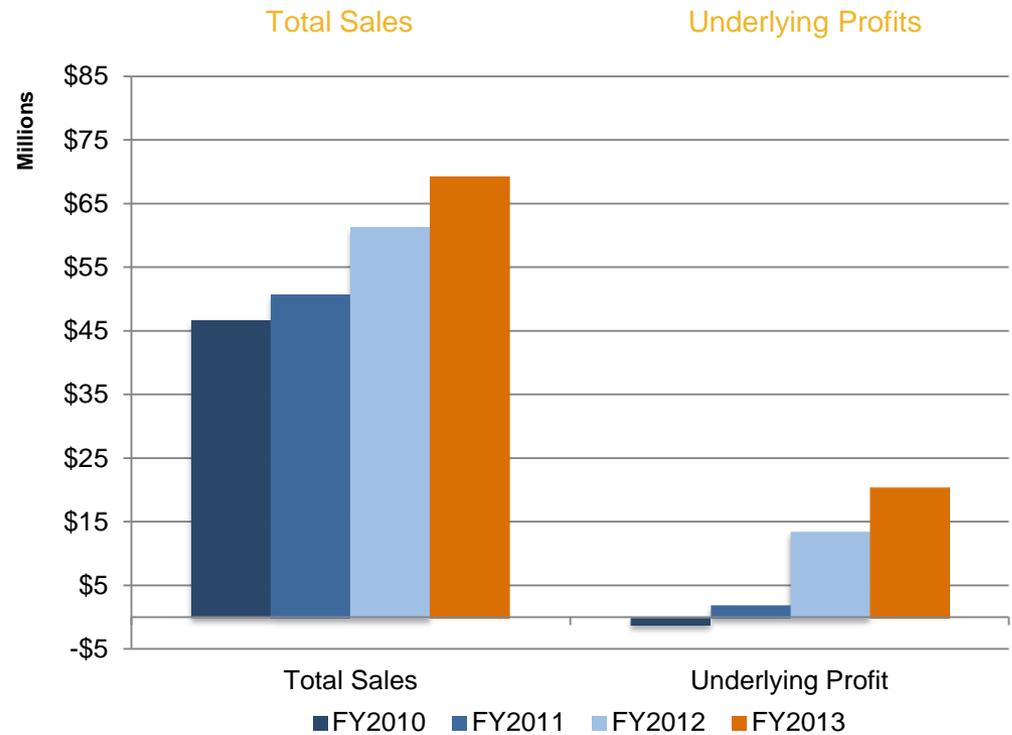


85 + partners globally



Regional contribution

Maintain strong performance



Vision: Altium enables engineers to design and build intelligent products to make for a better world



PCB
DESIGN

EMBEDDED
DESIGN

FPGA
DESIGN

MCAD
Integration

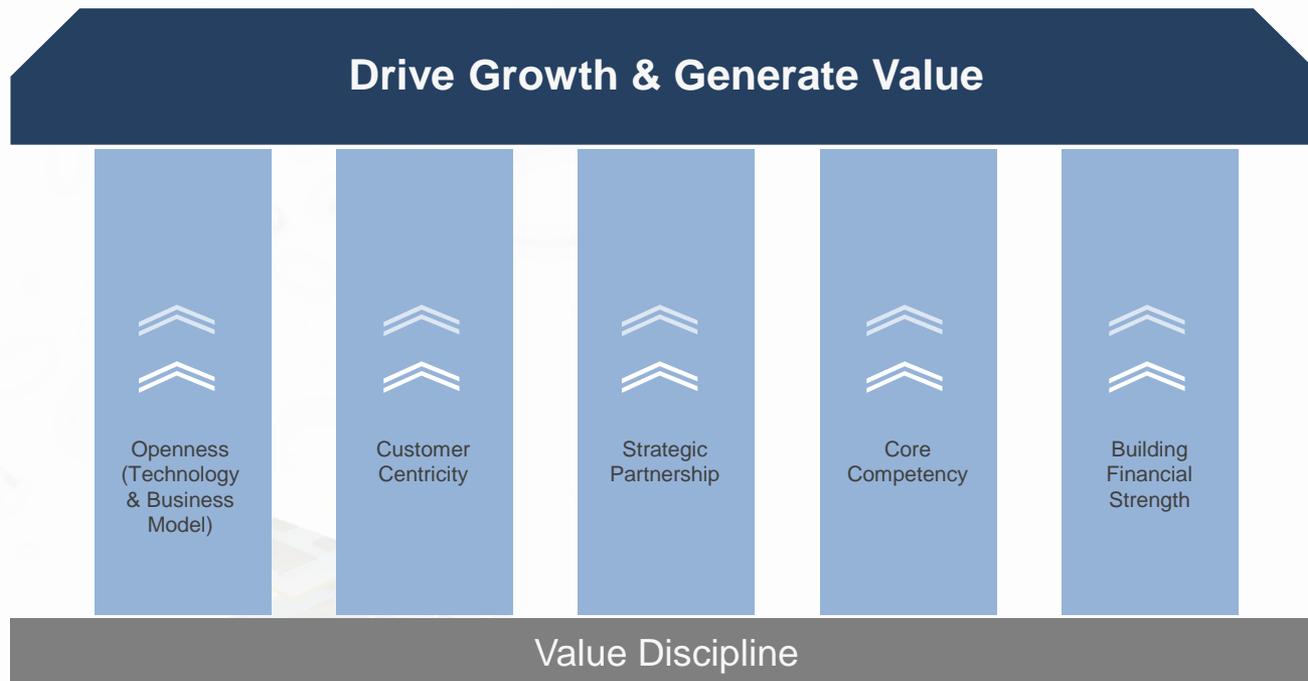
Design
Configuration

Library
Management

Eng. Change
Order

Integrated
IP Cores

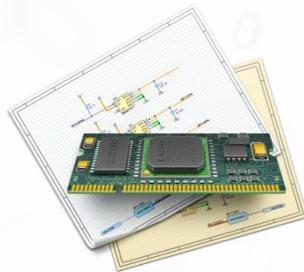
- Rolling 3 year strategic plan to drive growth & generate value
- Focus remains on 5 key areas (as highlighted in our March Investor presentation)



Altium tools are widely used in a variety of industries worldwide



Aerospace & Defense



Electronics & High-Tech



Life Sciences



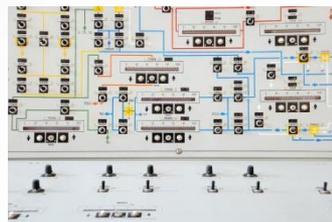
Automotive



Consumer Electronics



Semiconductors



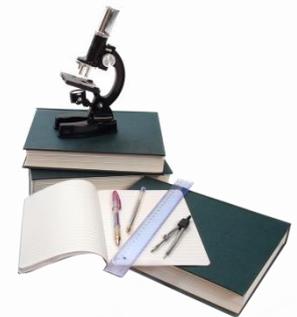
Industrial Controls & Automation



Computers



Mobile Devices & Communications



Research & Education

Delivery Report

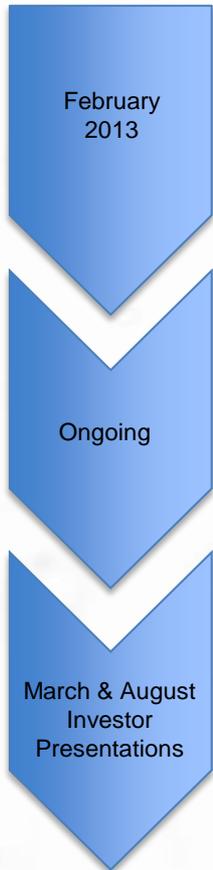
Delivering on Our “Openness” Strategy

Delivering on Our “Customer Centricity” Strategy

Building “Strategic Partnerships”

Delivering on Our “Core Competency” Strategy

Building “Financial Strength”



Opened Up Altium’s Design Platform to its Key Partners (Phase 1)

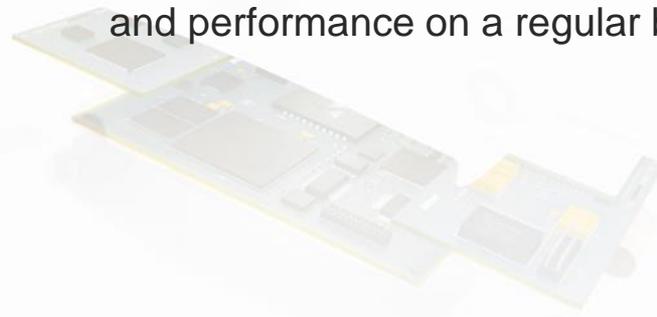
- Capability to extend Altium’s reach beyond its user community
- Laid the foundation to enable the formation of strategic partnerships with key industry players

Communicating Altium’s Commitment to Timely Product Delivery to its Stakeholders

- Publishing annual product roadmap & deliverables

Regular Investor Engagement

- Communicating Altium’s business strategy, progress and performance on a regular basis



April 2013

Formation of a Dedicated Product Management Team within R&D to Meet Customer Demand

- Started the development of a new PCB Design product targeting the entry-level market
- High-speed design capabilities in upcoming major product release targeting the high-end market

July 2013

Solutions for Integrated Electronic Design and Mechanical CAD

- Expansion of our sales channels into mechanical CAD channels

Ongoing

Dedicated Team to Deliver Solutions and Services

- Leverage R&D support to close strategic sales
- Strategic sales team to pursue solution marketing

Providing Support to System Integrators

- Increasing the number of third-party developers providing customisation services to Altium customers

January
2013
onwards

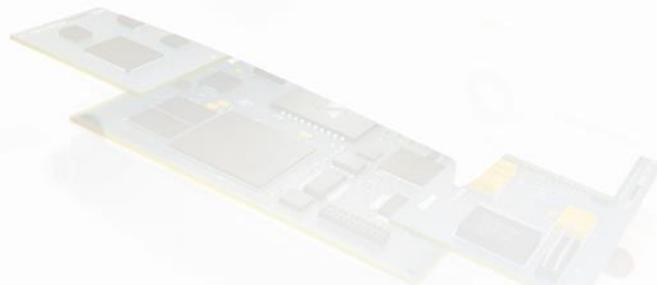
Growing Our Core Business Through Technology Partnerships

- Discussions with:
 - Chip vendors and component distributors
 - Global system integrators and engineering service providers
- Joint development of projects in China
 - Internet of Things prototypes with Chinese partners

March
2013
onwards

Deeper Partnership with Our Resellers

- New Global Head of Channel Management
- Focus on enabling the business success of our resellers
- Expanding the reach of our reseller network
- Building the capacity of our resellers (e.g. training & support)





February
2013
onwards

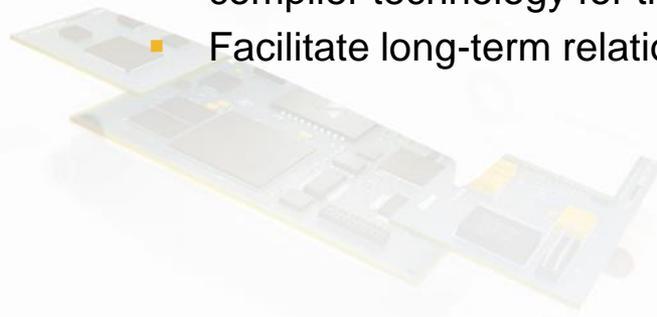
Ongoing

PCB Design

- Closing the capability gap with high-end tools
 - High-speed design
 - Complex PCB design
- Differential product & pricing
 - Restructure Altium Designer into a suite of software with different pricing

Embedded Software

- Leverage our TASKING business' brand leadership
 - Focus on continued development and enhancement of our compiler technology for the automotive industry
 - Facilitate long-term relationships with silicon vendors



FY14 - Focus Areas

Altium

Maintaining Momentum



PLM (Product Life-cycle Management)



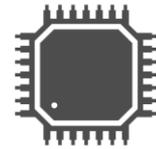
Mechanical CAD



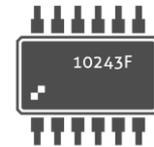
Test & Measurement



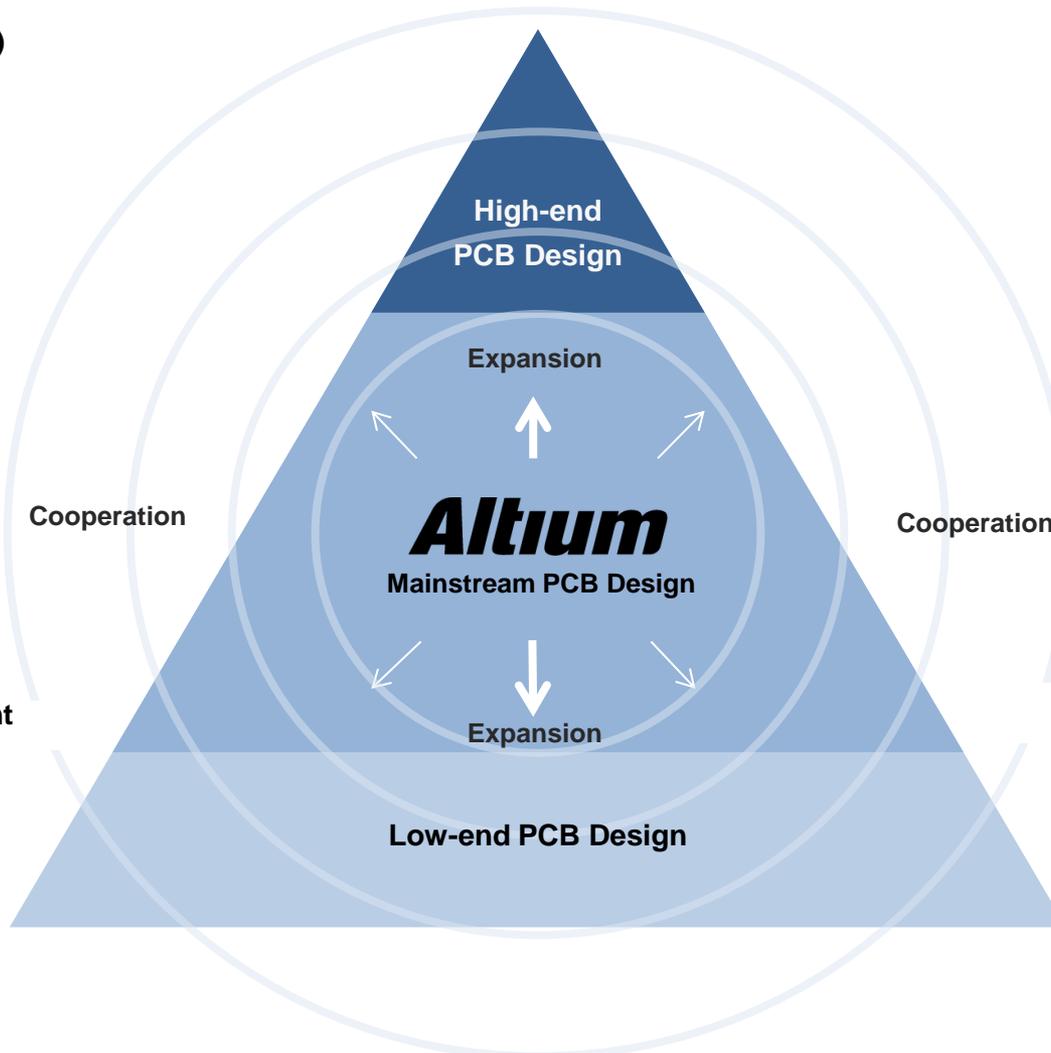
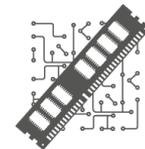
CHIP Design



Silicon Vendors



Part Manufacturers Suppliers



- **Expanding Our Channel Capacity**
 - Leverage Altium's business momentum, product offering and expanding reseller network to increase market share within the strongly growing "lower mainstream" segment
 - Optimise regional opportunities in emerging economies

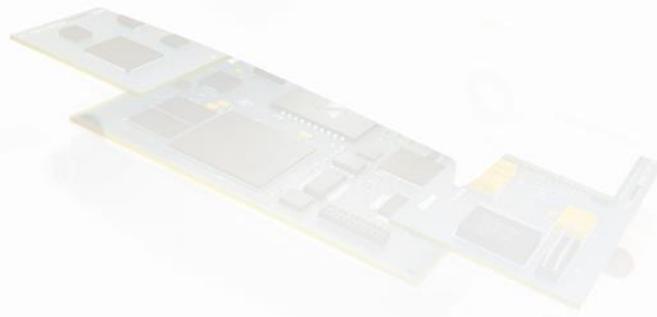
- **Leveraging Our Leadership Position in Embedded Software**
 - Appointed a new Managing Director of our TASKING business (Netherlands)
 - Leverage our TASKING brand to drive strategic sales

- **Building the Foundation to Drive Strategic Sales**
 - Dedicated global key account sales team
 - Product customisation services delivered by R&D

- **Introducing a More Sophisticated Pricing Structure**
 - Breaking Altium Designer into a suite of software products



- **Robust FY14 Business Plan aligned to our corporate strategy**
 - Sharp focus on the top & bottom line (sales & costs) to maintain margin expansion
- **Disciplined cost management**
- **Product delivery & marketing roadmaps**
 - Synchronisation and alignment of R&D, sales & marketing teams
- **Improve our Business Intelligence**
 - Enhancement of our business support systems

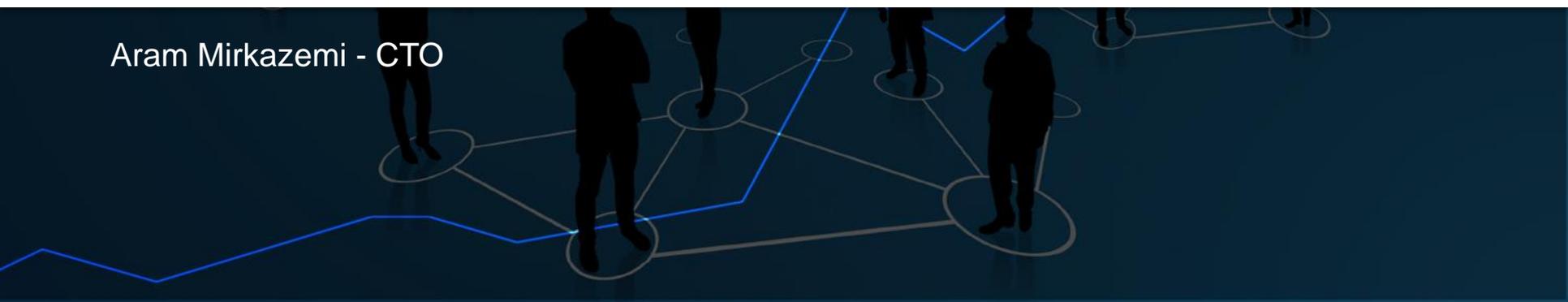


Altium

The background of the top half of the image features a dark blue, starry space-like environment. In the center, there is a large, semi-transparent 3D grid structure. A bright blue line graph starts from the bottom left and trends upwards to the right, ending in a glowing blue dot. The word "Altium" is written in a white, italicized, sans-serif font at the top right of the image. Silhouettes of people are scattered across the bottom, some connected by white lines forming a network.

Taking the Lead

Aram Mirkazemi - CTO

The bottom half of the image shows a network of silhouettes of people connected by white lines. A blue line graph is overlaid on this network, starting from the bottom left and moving through several nodes before ending at a glowing blue dot. The text "Aram Mirkazemi - CTO" is positioned in the upper left corner of this section.

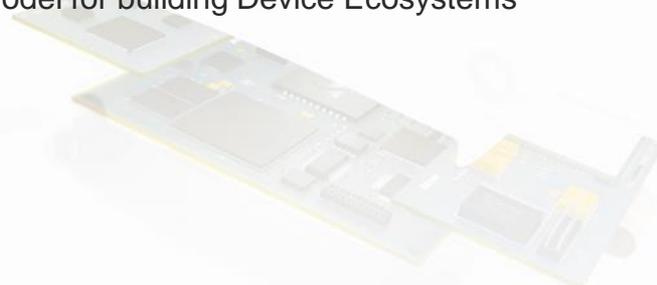
To Become the World Leader in PCB Design Software through Alignment of our Technology with Customer Needs



Why Altium Qualifies to Contend for the Position of Being the World Leader in PCB Design?



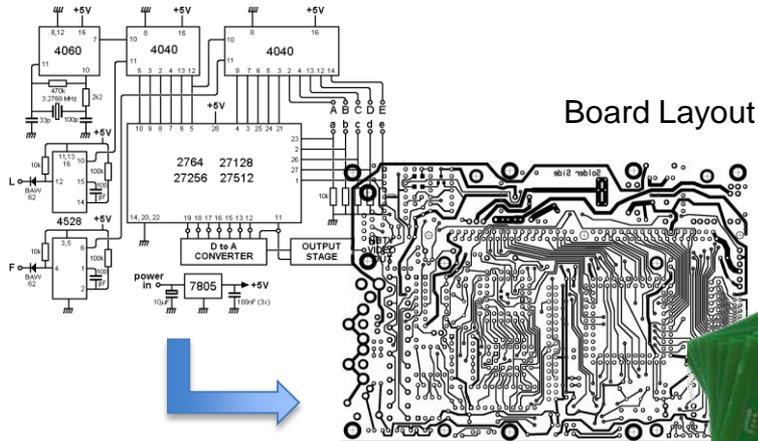
- Altium has over 25 years of continuous research and development in PCB design
- Altium brand as a maker of PCB design tools is recognized globally
- Altium's core competency is around PCB design
- Over 90% of Altium's revenue comes from PCB business
- Since its IPO Altium invested heavily in developing technologies related to PCB and Electronic design
 - A series of complementary Technology Acquisitions
 - Developed Unified Design Data Model for PCB design
 - Developed the first native 3D PCB design system
 - Developed Soft Design methodology for the design of FPGA and embedded systems
 - Developed Next Generation Electronic Design Data Management
 - Developed a model for building Device Ecosystems



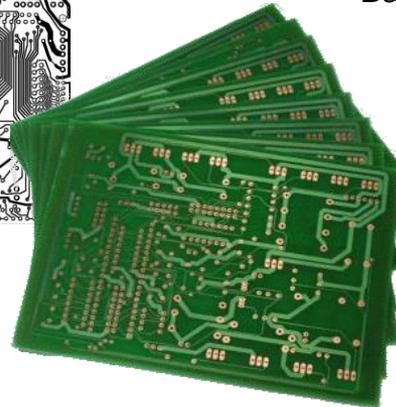
What is PCB Design Software?



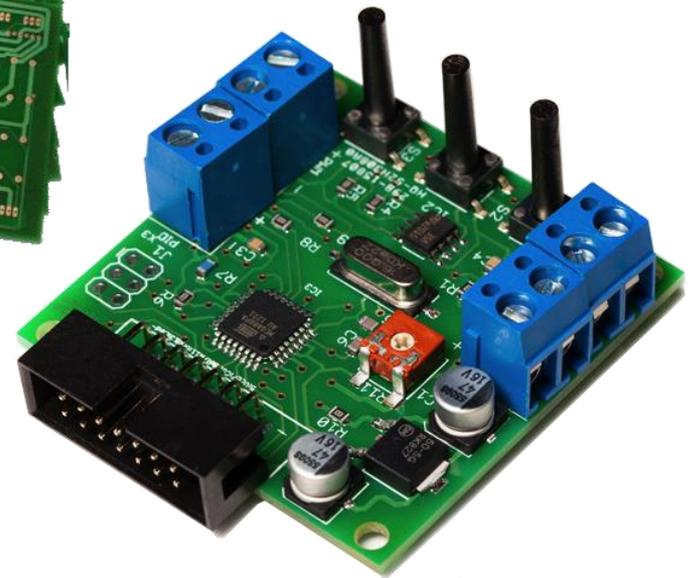
Schematic Capture



Bare Board



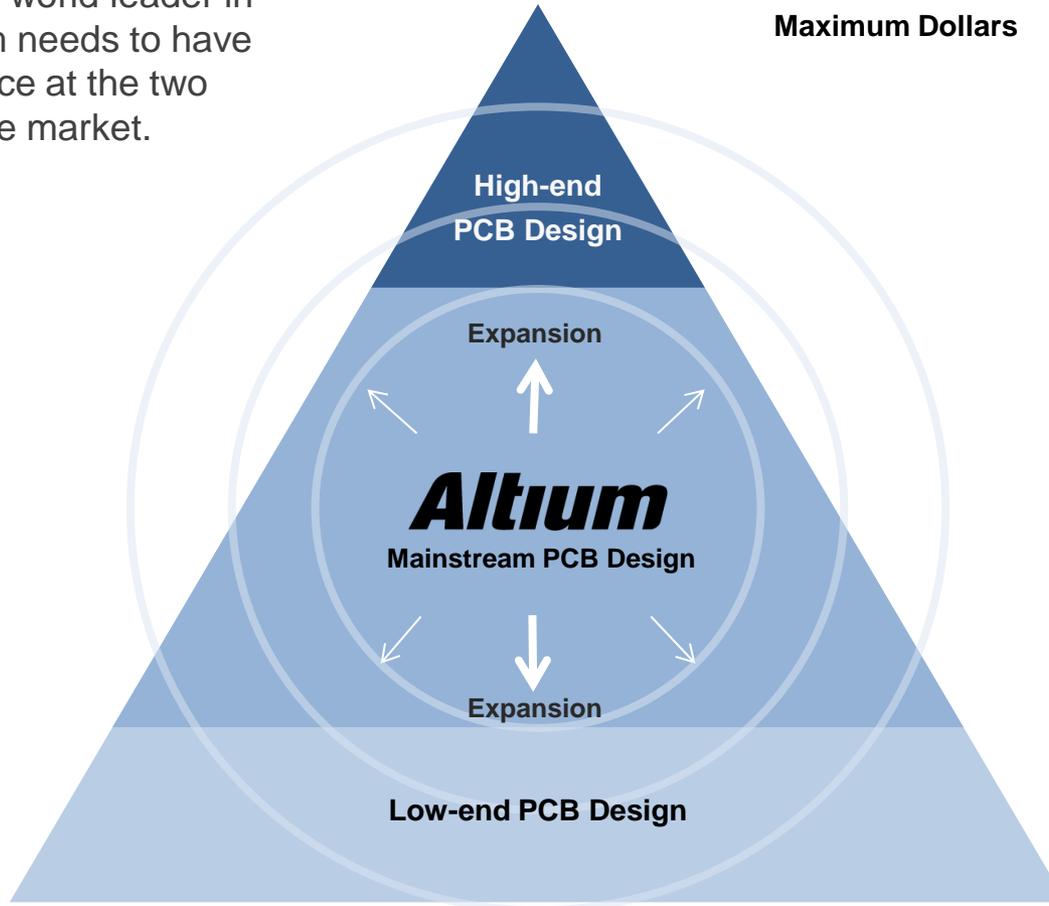
Assembled Board



What Does it Take to Become the World Leader in PCB Design?



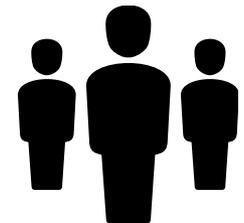
In order to become world leader in PCB design, Altium needs to have a dominant presence at the two extreme ends of the market.



Maximum Dollars



Maximum Seat Count



How is Altium Planning to Become the World Leader in PCB Design?

Paradigm Shift in Product Development

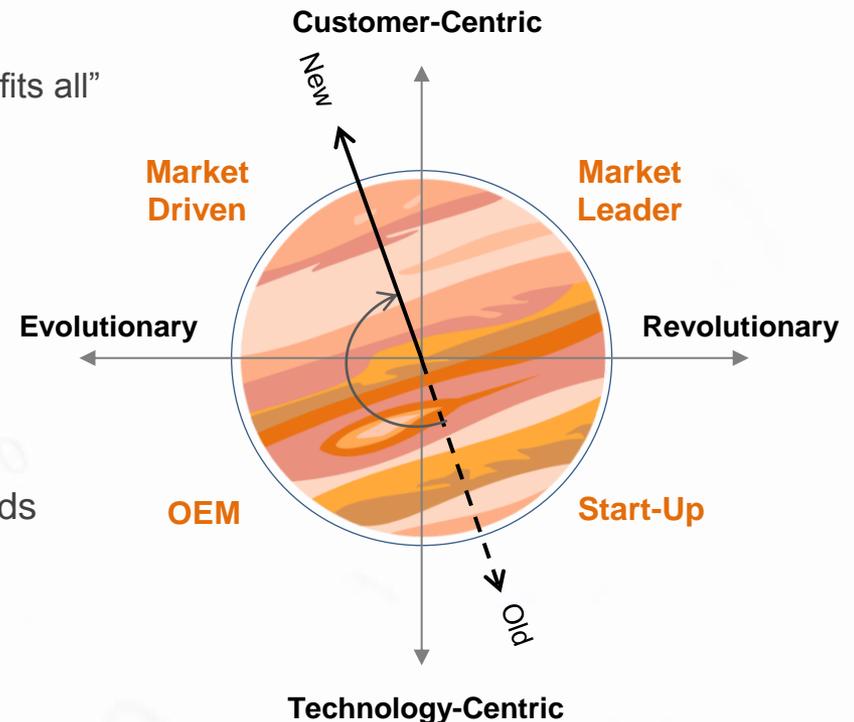
The Old Paradigm

- Simple value proposition: “all you can eat”, “one size fits all”
- “Closed” strategy having to “do it all ourselves”
- Research-orientated, focus on new technologies
- Thirst for innovation drives technology development

The New Paradigm

- Sophisticated value proposition: cater for the needs of different market segments
- Openness and cooperative development
- Outcome-oriented commercially focused
- Customers’ needs drive technology development & innovation

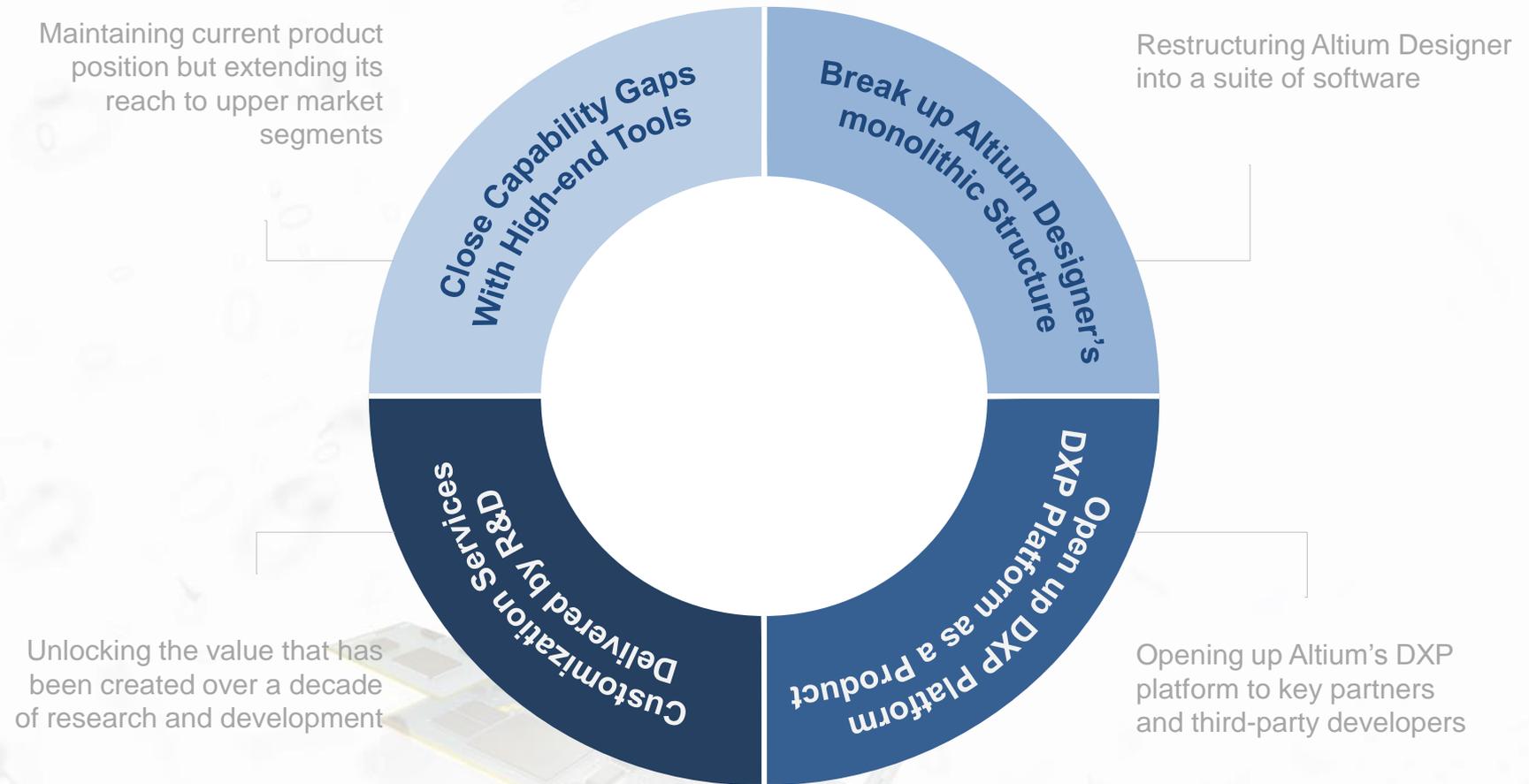
Product Development Styles



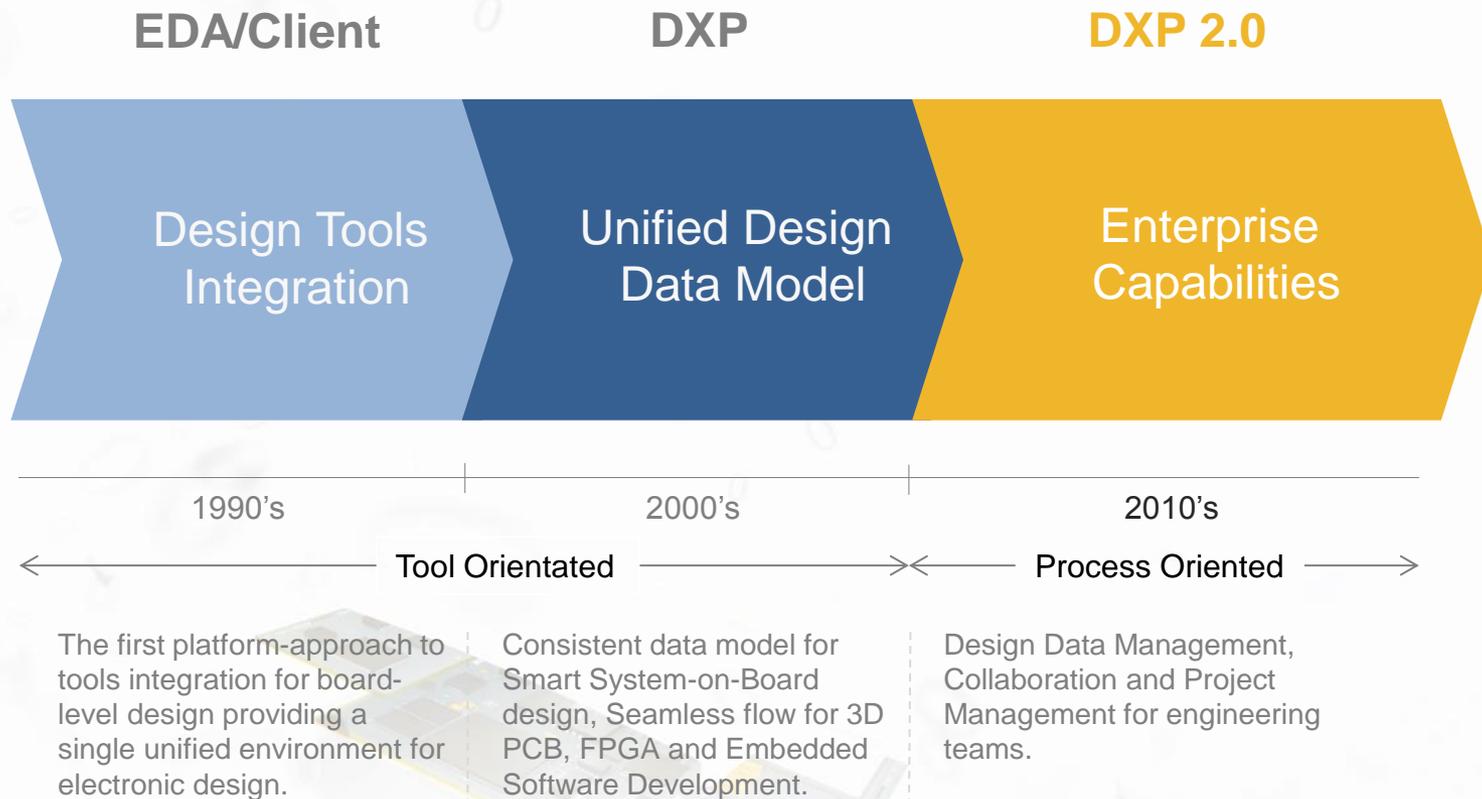
How is Altium Planning to Become the World Leader in PCB Design?



Product Development Strategy



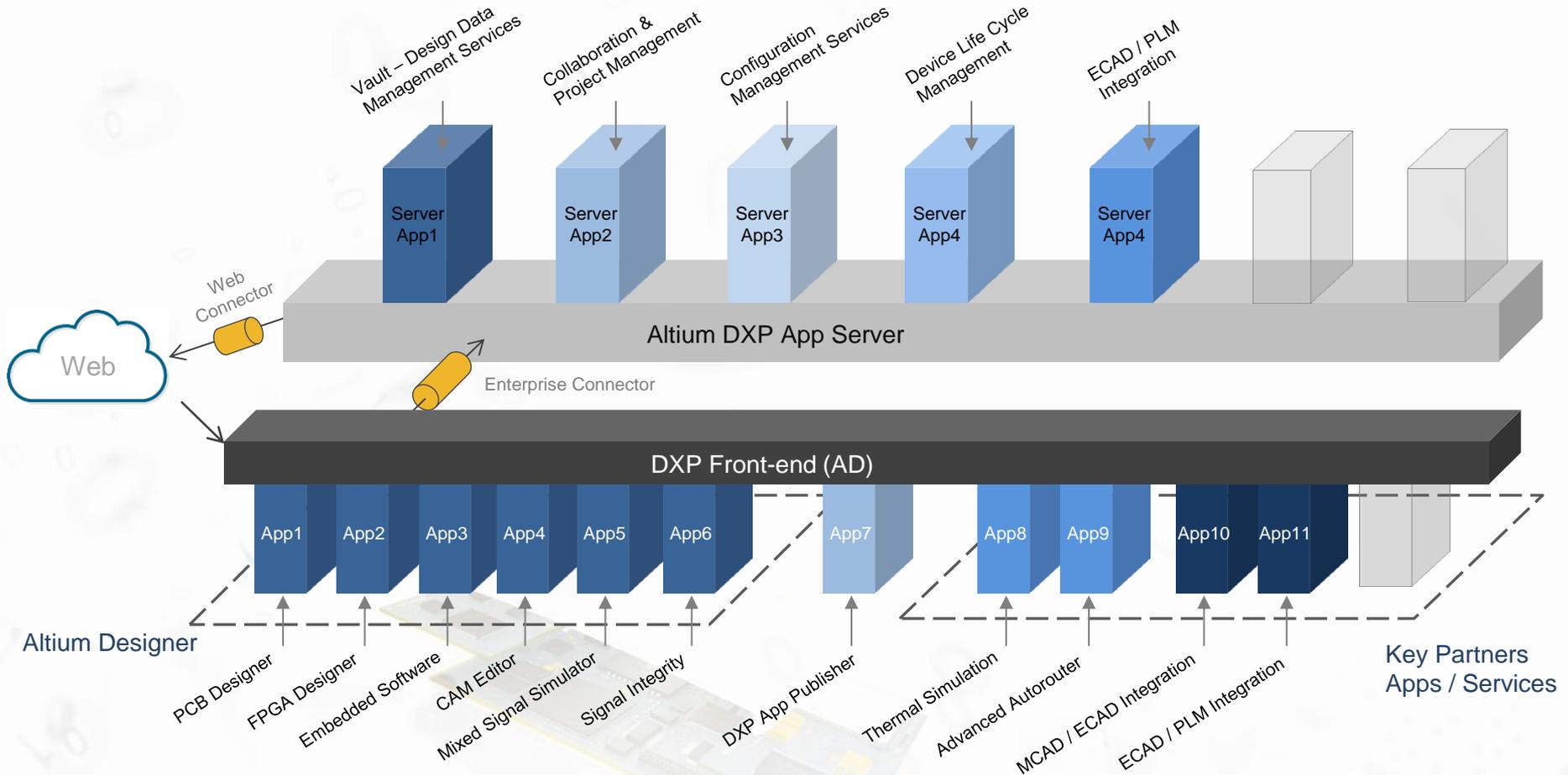
- Three generations of development in building a Unified Electronic Design platform



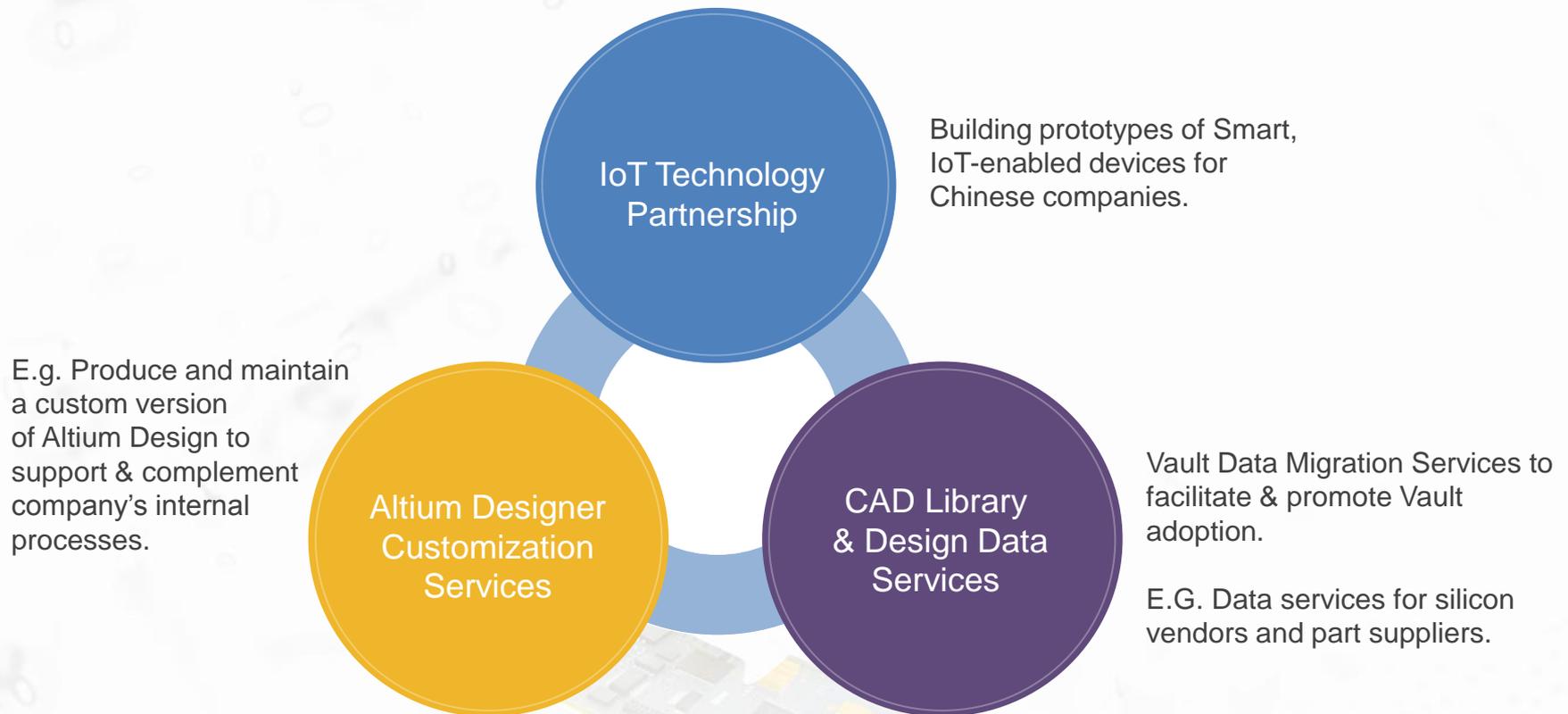
Opening up Altium's Designer DXP Platform



- DXP 2.0 Platform Introduces Enterprise-level Server Infrastructure

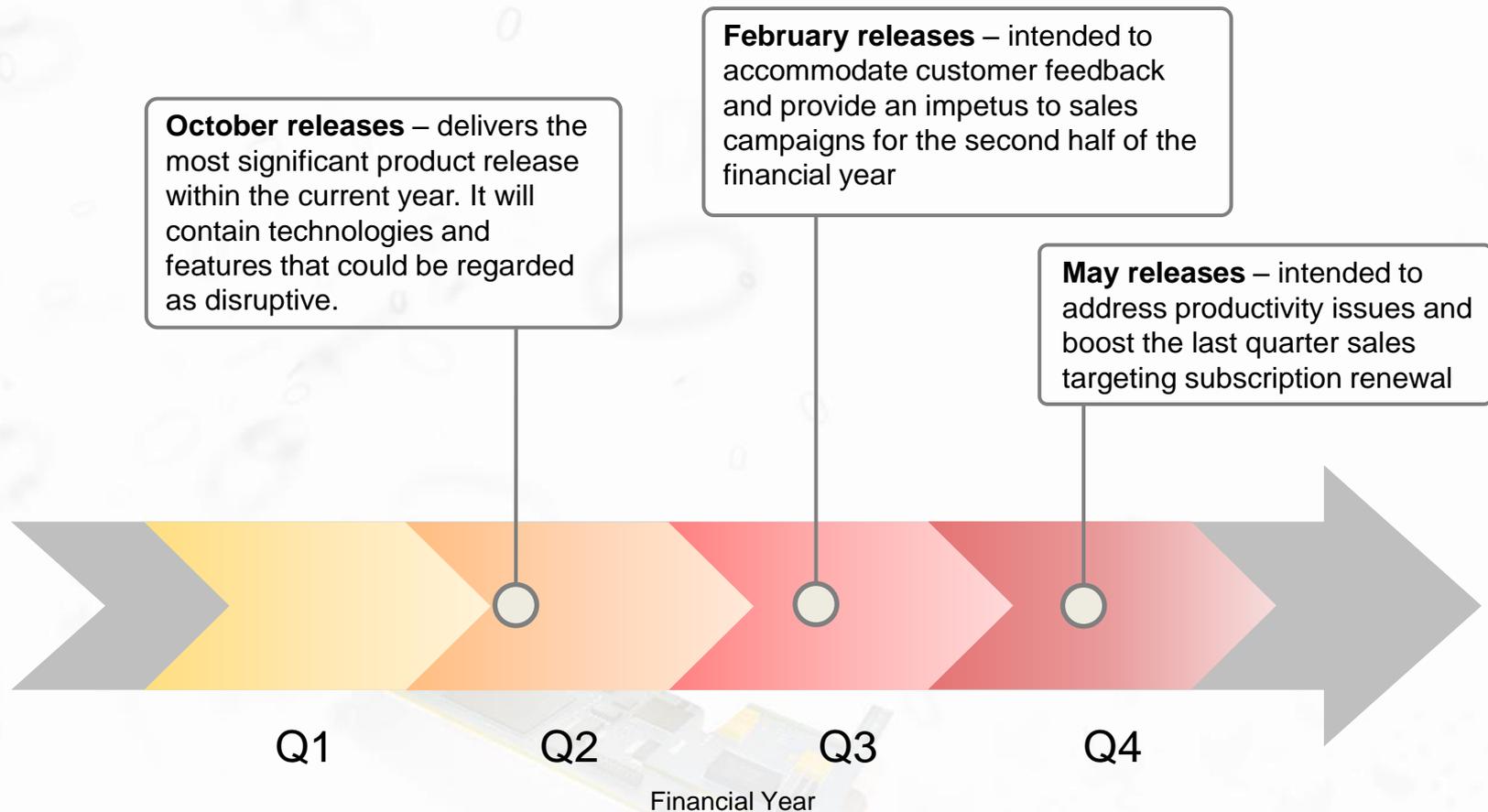


Going beyond Altium's traditional boundary of being a tool provider to becoming a technology partner



Predictability – Fixed Release Dates

R&D has committed to three fixed, annually-recurring product releases in order to provide a consistent timeline to meet customer needs





Altium

Financial Overview

Richard Leon - CFO

Maintain strong sales

- Sales up 13% to \$69m
- Revenue up 12% to \$62m

Maintain discipline in cost management

- Operating Expenses* held flat to previous years

Maintain margin expansion

- Underlying profit* up 48% from \$13m to \$20m
- EBITDA up 100+% to \$5.9m

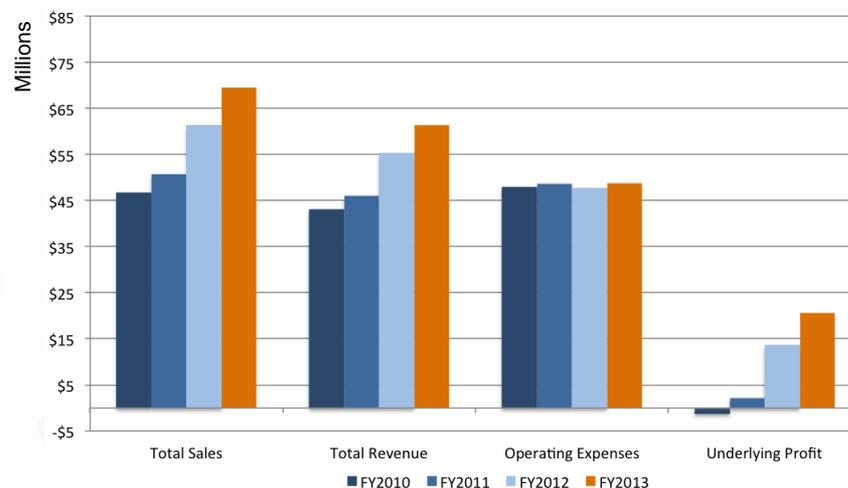
Maintain strong balance sheet

- \$14m cash and no debt
- Operating cash flow up 44% to \$12m

Maintain focus on Corporate Strategy to build financial strength

- Unfranked final FY13 dividend of AU 8 cents/share
- Interim FY13 dividend of AU 3 cents/share

Maintain strong performance

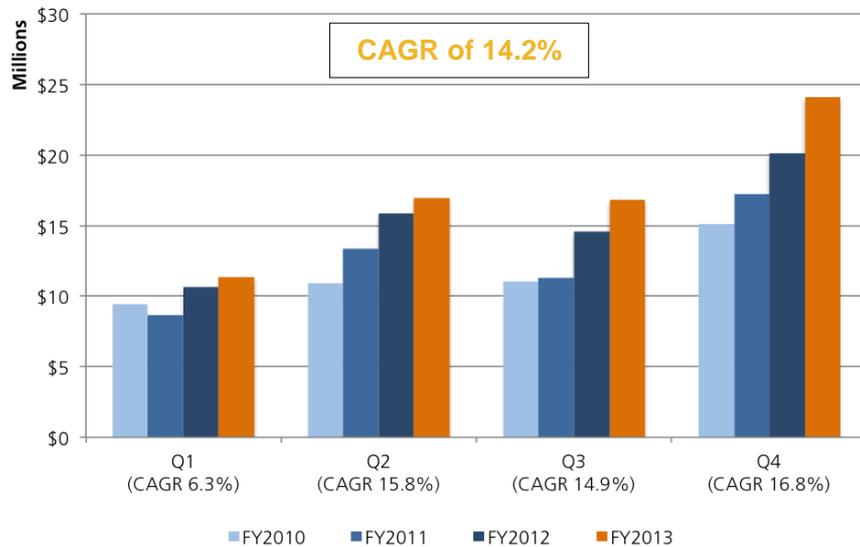


* Operating expenses & underlying profit excludes one-off costs and non-cash expenses as reported

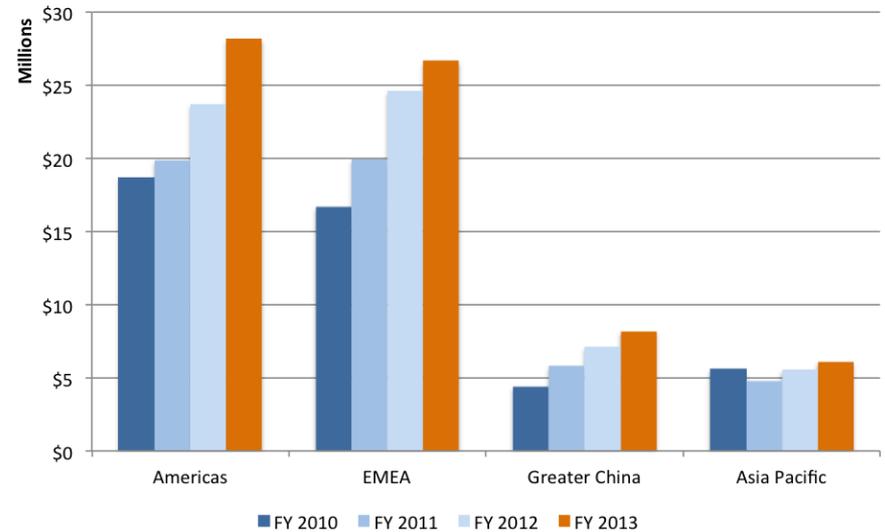
FY 2013 Financial Highlights



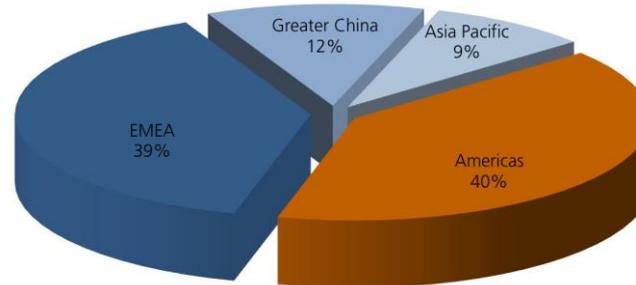
Maintaining sales growth
10 consecutive quarters



Growth in all regions



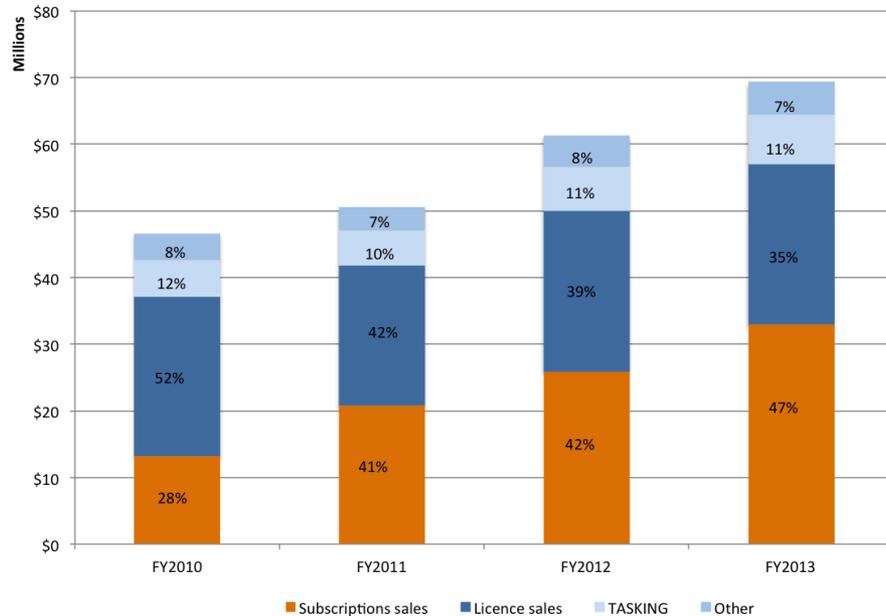
Regional
contribution



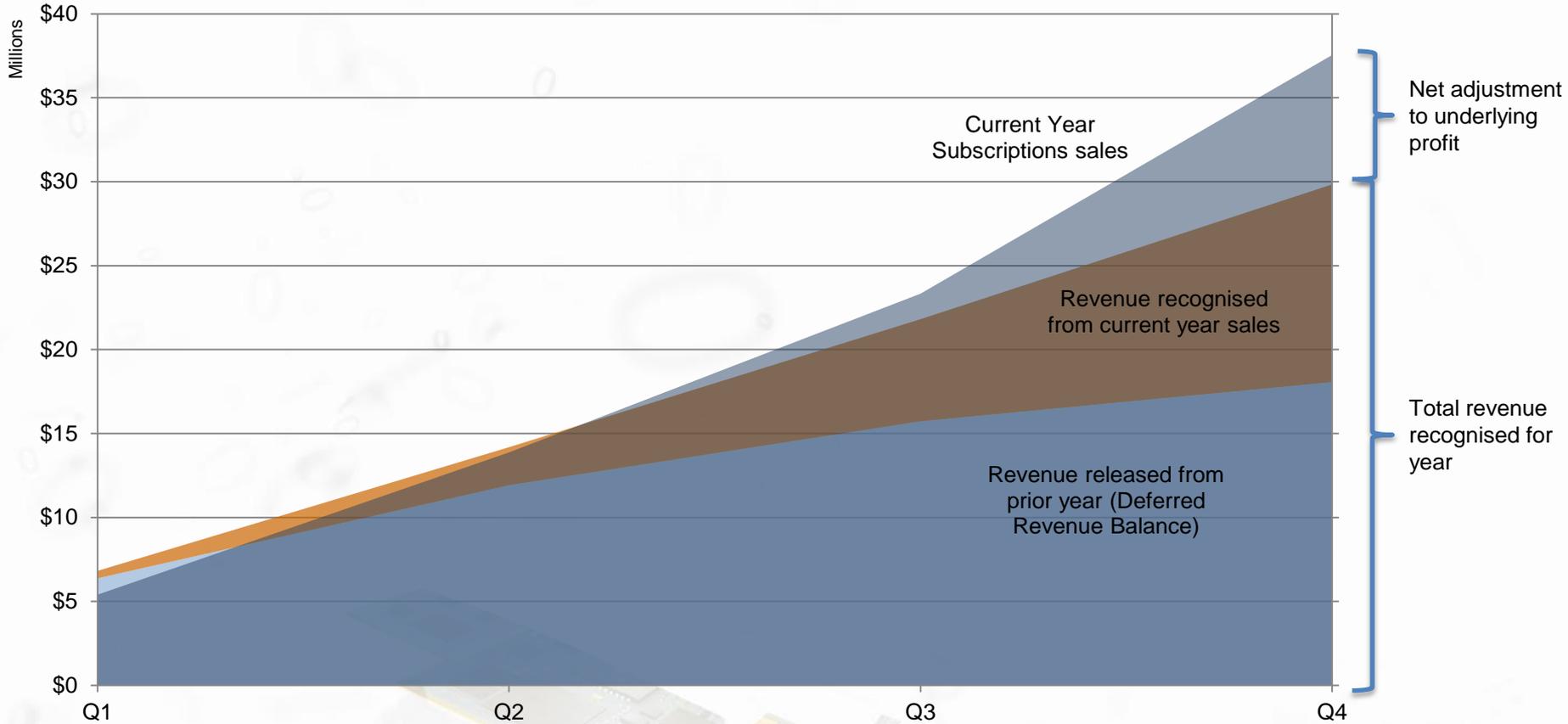
Product Sales Review

- Subscription sales continue to grow representing 47% of total sales for FY13. Underpins solid revenue base
- Maintaining a high level of Subscription attachment and renewal rates
- Other revenue streams steady – TASKING and Training services

Maintaining growth to Subscription base



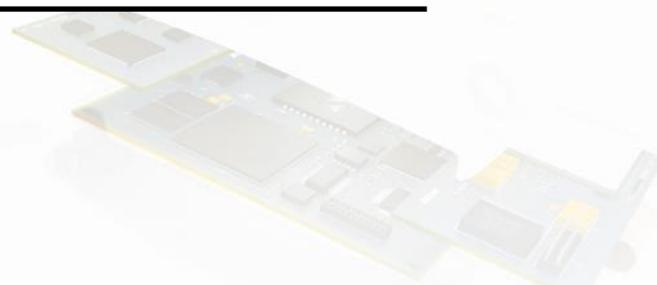
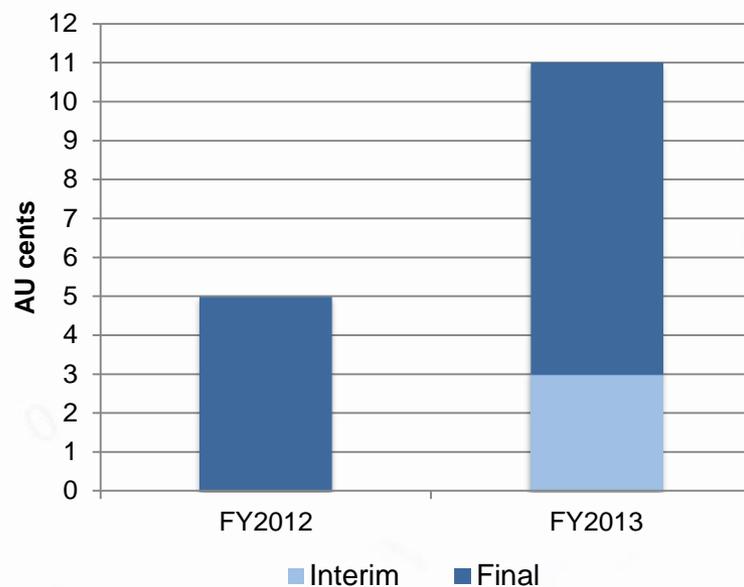
Subscription: Sales, Revenue & Deferred Revenue



Balance Sheet

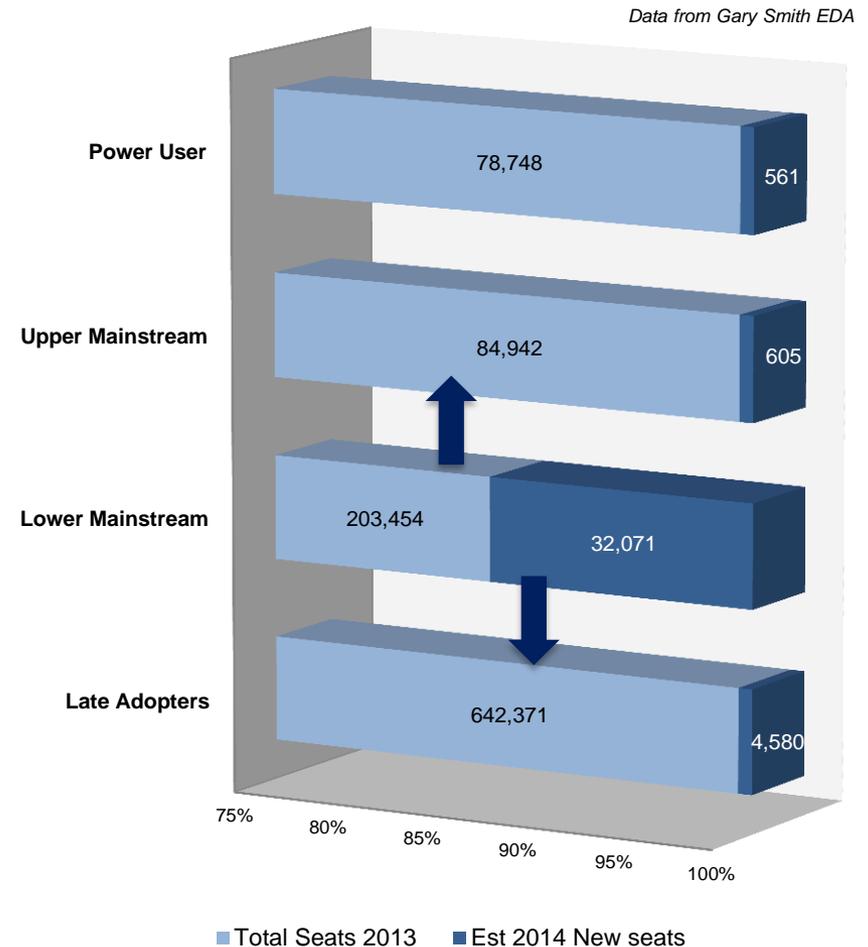
	June 2013 \$ million	June 2012 \$ million
Cash at Bank	14.7m	13.2m
Current Receivables	15.5m	12.5m
Current Payables	4.6m	4.9m
Current Deferred Revenue	24.2m	19.2m

Dividends (AU cents)



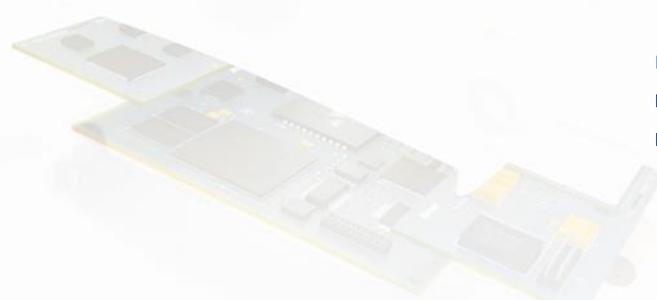
Addressable Market

- Growing segment - 2014 estimated 15% seat growth in lower mainstream segment that could provide in excess of 30 thousand addressable new seats in Altium's dominant segment (less than 1% seat growth in other segments)
- Building wider market presence through focused marketing and lead generation activities
- Building sales capacity through expanding global partner network and dedicated key account sales team
- Maintain momentum for expansion to upper and lower market segments

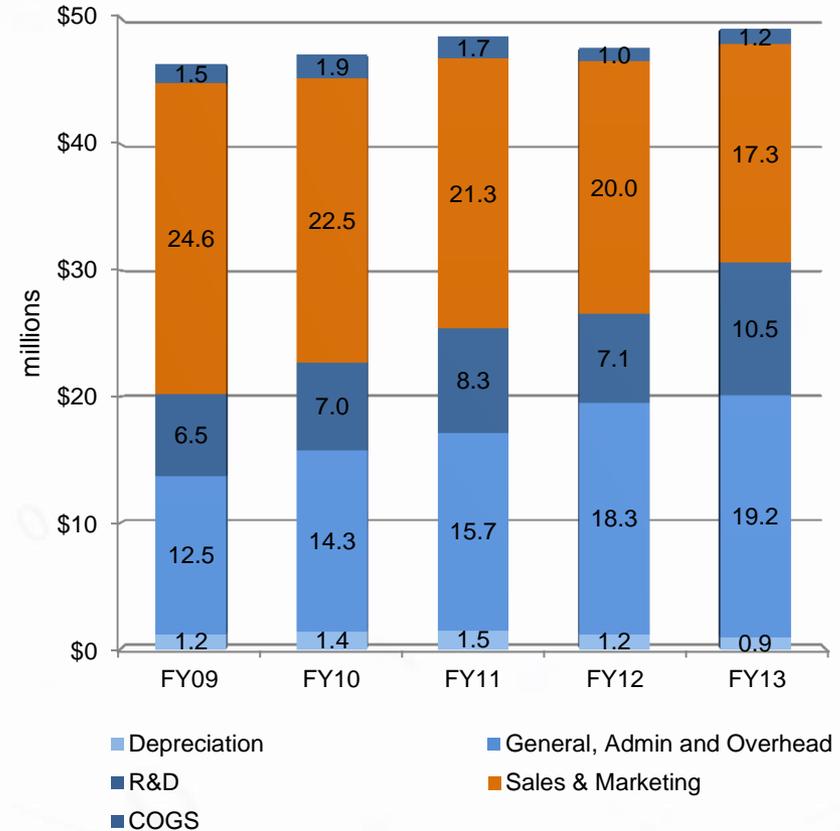


Maintain fiscal discipline

- Continue rigorous cost management process via value-based cost management
- Outlook continues to support low requirements for capital expenditure
- One-off costs completed and other non-cash items minimised – providing for greater transparency



Normalised Cost Breakdown



Summary - Disciplined Margin Expansion



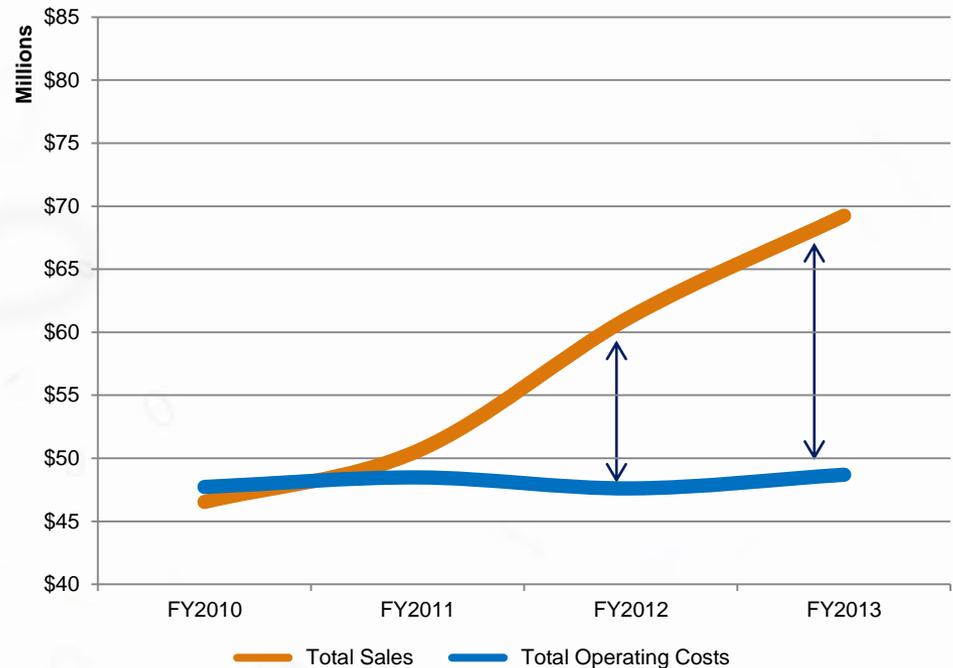
- Sales discipline

- Increasing sales capacity to extend growth into addressable market
- Discipline in product development

Maintain Margin Expansion Discipline

- Financial discipline

- Altium's growth strategy remains clear and consistent
- Focus on core competency
- Value discipline – growth only pursued if financial and strategic principles as well as return criteria are satisfied



The background of the top half of the slide is a dark blue field filled with numerous 3D question marks of varying heights and orientations. A thin, light blue line graph is overlaid on the right side, starting from the bottom and trending upwards towards the top right corner. The word "Altium" is written in a white, italicized sans-serif font in the upper right area.

Altium

Questions and Answers