

24 August 2016

ALTIUM LIMITED

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Altium Announces Final, Audited Results for the Year to 30 June 2016

Altium Reaches A Record US\$100 Million in Sales, Further Expands Margin and Declares Dividend

Sydney, Australia - 24 August 2016 - Electronics design software company Altium Limited (ASX:ALU) has announced its final, audited results for the financial year ended 30 June 2016.

Financial Year Highlights

Altium achieved another record full year result for fiscal 2016. Worldwide revenue grew by 17% to US\$93.6 million and sales increased by 22% to reach US\$100.4 million. This top-line growth combined with Altium's strong operating leverage resulted in the company achieving profit before tax (PBT) of US\$24.6 million (up 14%) and EBITDA of US\$27.4 million (up 21%). Altium expanded its EBITDA margin to 29.3% in fiscal 2016 from 28.3% in fiscal 2015.

Altium's Board and Systems revenue grew to US\$78.8 million with the America's region leading the way by growing 14% in this segment. Altium's Microcontrollers and Embedded Systems revenue grew by 29% worldwide to US\$9.9 million. Altium's new Makers and Content segment achieved US\$4.5 million in revenue during fiscal 2016. Makers and Content revenue was comprised primarily of revenue from Octopart, which Altium successfully integrated following its acquisition in September 2015.

Based on the strong profit result, anticipated cash flow and the capital needs of the business, Altium's Board of Directors has declared a 99% franked final dividend of 10.0 AU cents per ordinary share. The dividend will be paid on 17 October 2016 based on a record date of 23 September 2016. With an interim dividend of 10.0 AU cents, this brings total dividends declared for the year to 20.0 AU cents.

Comments from Altium's CEO Mr Aram Mirkazemi

Altium's CEO, Mr Aram Mirkazemi commented "Altium's financial performance over the last twelve months reflects our commitment to the execution of our 'line & length' strategy. Altium has delivered another year of double-digit growth and expanded its profit margin to a record high. This performance places the company well on track to achieve and to exceed its previously stated target of US\$100 million revenue in fiscal 2017. This sets us up well to confidently pursue our new goal of US\$150 million in PCB design software revenue and US\$200 million in total revenue by

2020 to claim market leadership in PCB design and early traction in the larger and emerging systems design market”.

“Among key business drivers, Altium’s partnership with Dassault Systemes SOLIDWORKS, announced in February 2016, provides strong validation and is a catalyst for Altium’s pursuit of market leadership,” further commented Mr Mirkazemi. “This partnership has the potential to be a game-changer, it expands Altium’s influence and market reach beyond PCB. Altium is actively advancing its partnership with Dassault Systemes to further leverage Altium’s electronic CAD (ECAD) expertise with Dassault’s enterprise capability. This partnership, along with our focused investments in R&D and other strategic relationships, will enable us to significantly expand our addressable market beyond PCB design and capitalise on the larger and emerging opportunity for system design tools.”

M&A Activity

During the second half of fiscal 2016, Altium completed the acquisition of Perception Software Inc, a leading integration solutions provider for ECAD and enterprise Product Lifecycle Management (PLM) systems. Perception will bring over a decade of enterprise integration expertise and technology to the Altium portfolio along with valuable customer relationships. The total purchase price was US\$7.9 million and the acquisition’s impact on fiscal 2016 revenue was minimal. It is expected that this acquisition will be earnings accretive in fiscal 2017. For further detail, please refer to the press release available at: www.altium.com/company/newsroom/press-releases.

Altium is actively pursuing further acquisition opportunities, having qualified a strong pipeline of target companies. Octopart and Ciiva (acquired during the first half of fiscal 2016) have been successfully integrated and are performing well. Octopart has accelerated and enhanced the execution of Altium’s content strategy while growing revenue and positively contributing to Altium’s profit. Ciiva is delivering value to Altium’s customers through tighter integration into Altium Designer and Vault, creating a further point of differentiation between Altium and its competitors.

As Altium builds its experience and demonstrates M&A capability, it is intent on pursuing larger transaction opportunities in its pursuit of PCB market leadership and beyond to the area of systems design.

Comments from Altium’s CFO Mr Joe Bedewi

“Altium increased the quantity of new licence sales of its flagship product Altium Designer by 20% during fiscal 2016 and increased subscription renewal rates in the growth pool by 3% to 87%. The subscriber pool increased to over 31,000 subscribed users with recurring revenue representing 53% of Altium’s revenue,” commented Altium’s CFO, Mr Joe Bedewi.

“Altium’s strong financial performance in fiscal 2016 reflects the company’s unique transactional selling expertise, high performing R&D and the disciplined execution of our company strategy,” further commented Mr Bedewi. “Altium has been actively rolling out new products to expand our market reach, making acquisitions and developing strategic partnerships. In looking ahead to fiscal 2017, Altium remains committed to delivering double digit sales and revenue growth, achieving its revenue target of US\$100 million and entering into the 30s for its EBITDA margin.”

	12 months ending 30 June 2016 (US\$'000s)	12 months ending 30 June 2015 (US\$'000s)	Change %
Sales to customers	100,360	82,050	22%
Revenue (excluding interest)	93,597	80,216	17%
Reported expenses	(66,167)	(57,519)	15%
• Existing business expenses	(61,046)	(57,519)	6%
• Expenses of acquired businesses and acquisition costs	(5,121)	-	
EBITDA	27,430	22,697	21%
<i>EBITDA margin</i>	29.3%	28.3%	
Depreciation and amortization	(2,742)	(1,301)	
EBIT	24,688	21,396	15%
Net interest received	(78)	191	
Profit before income tax	24,610	21,587	14%
Income tax expense	(1,590)	70,811	
Profit after income tax	23,020	92,398	(75%)
EPS			
- Basic	17.89	74.84	(76%)
- Normalised*	17.89	12.47	43%
Operating cash flow	14,082	20,398	(31%)
Cash and cash equivalents	38,139	61,906	(38%)
Dividend per share (AU cents)	20	16	25%
• Interim (AU cents)	10	8	25%
• Final (AU cents)	10	8	25%

Revenue Breakdown - Divisional	12 months ending 30 June 2016 (US'000s)	12 months ending 30 June 2015 (US'000s)	Change %
Worldwide revenue	93,597	80,216	17%
Board and Systems	78,781	72,510	9%
• Americas (US\$)	37,379	32,895	14%
• EMEA (€)	22,172	19,329	15%
• Rest of World (US\$)	17,013	16,845	1%
Microcontrollers and Embedded Systems	9,922	7,708	29%
Makers and Content	4,467	-	100%
Perception	427	-	100%

Investor Presentation and Call

Altium management will host a conference call on 24 August 2016 at 10.00am AEST to discuss the investor presentation (slides to be released separately to the market) and to provide an update of the company's business strategy and financial performance.

Details for the call are provided below.

Date: 24 August 2016 at 10.00am AEST

Dial in Numbers:

Australia (toll free)	1800 148 258
New Zealand	800 667 018
Hong Kong	800 965 808
USA	1866 586 2813
United Kingdom	800 056 9662

Attendee Passcode 40177362

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About Altium

Altium Limited (ASX: ALU) is an Australian multinational software corporation 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 organisations and design communities to innovate, collaborate and create connected products while remaining on-time and on-budget. Products provided are Altium Designer®, Altium Vault®, CircuitStudio®, CircuitMaker®, the TASKING® range of embedded software compilers and Octopart® the search engine for electronic components and industrial products. Founded in 1985, Altium has offices worldwide, with US locations in San Diego, New York and Boston, European locations in Munich, Karlsruhe, Amersfoort, Kiev and Zug and Asia-Pacific locations in Shanghai, Tokyo and Sydney. For more information, visit www.altium.com. You can also follow and engage with Altium via Facebook, Twitter and YouTube..