



Delivering Strong Performance & Building Momentum for Future Growth

Altium

Altium Full Year Investor Presentation

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Sydney & Melbourne

Aram Mirkazemi CEO
Richard Leon CFO
Kim Besharati VP IR

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- 1 Company Highlights & Significant Achievements
- 2 2015 Financial Performance & Metrics
- 3 Pursuing Market Leadership in PCB Design Software
- 4 Successful Execution & Progress Update
- 5 Appendix: Company Overview & Long –Term Outlook

Altium's FY15 Financial Highlights

\$90M —

Altium

Sales metrics removed



Maintain top line growth and expand margins.

13% revenue growth and EBIT margin increased from 24% to 27%.



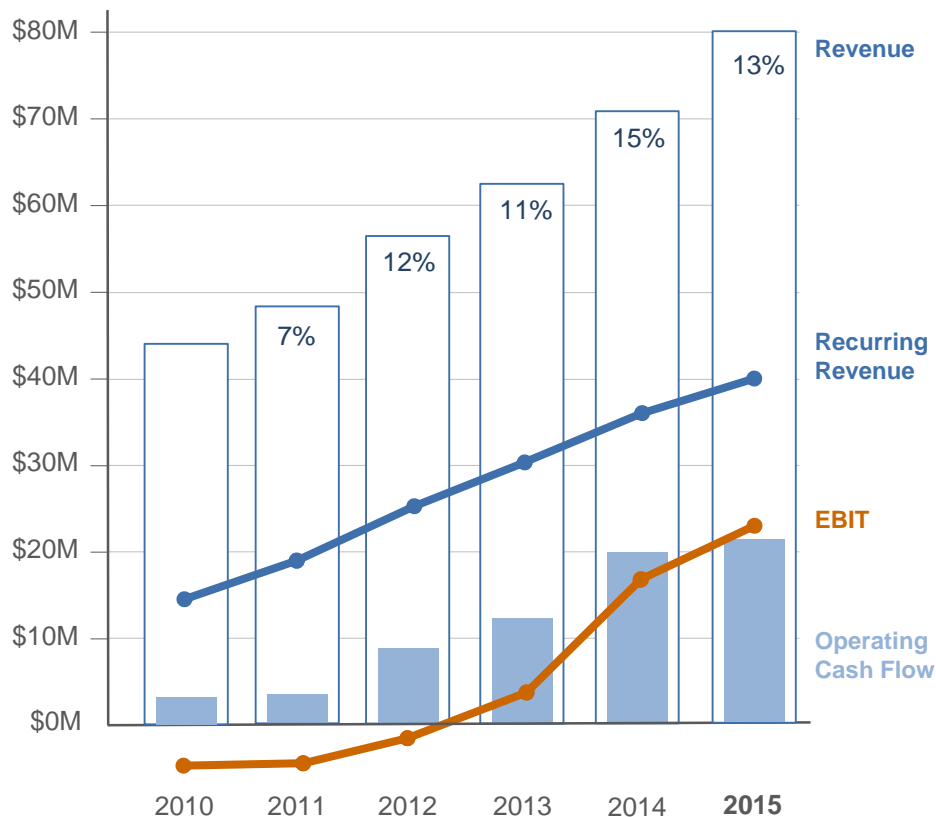
Acquire New Logo's.

Acquired in excess 1,680 new accounts at average of 1.46 seats per account.

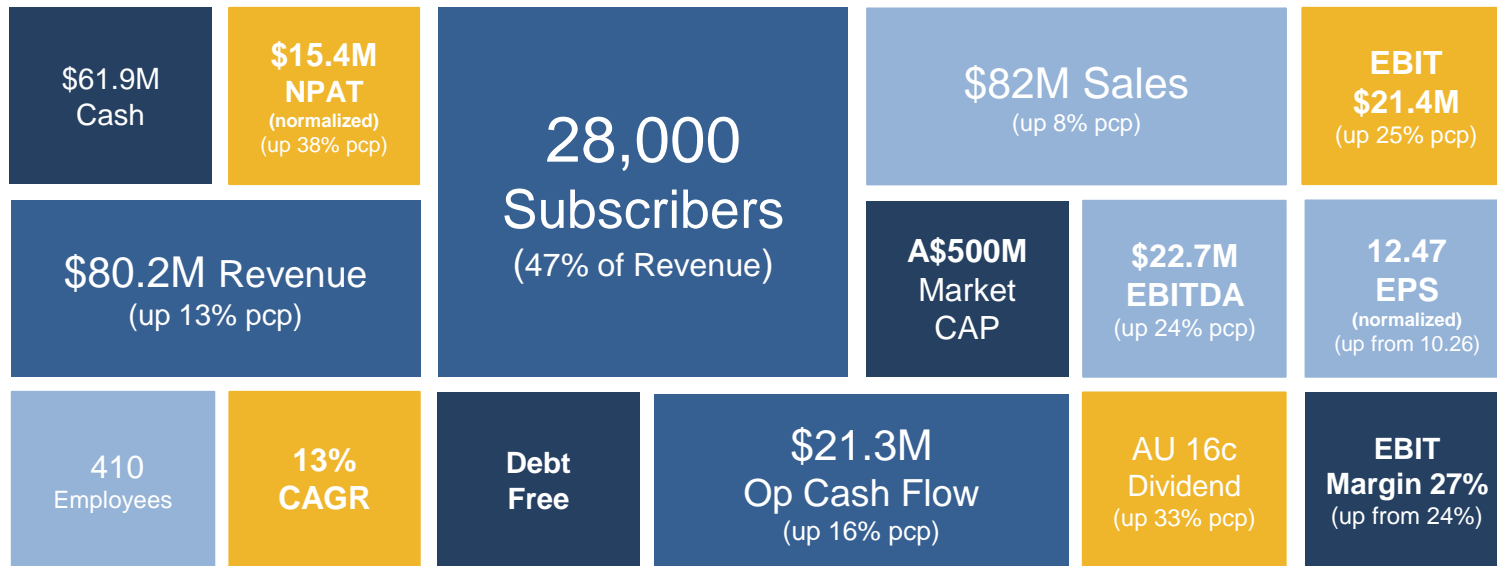


Increase subscription renewals rates.

Renewal rates in key regions improved 3% to 84% compared to FY14.



Altium's FY15 Financial Metrics



Progress Update – Significant Milestones



- ✓ Completed preparation for the launch of our enterprise go-to-market strategy
- ✓ Laid the foundation for a strong partnership in ECAD & MCAD through the launch of PCBWorks
- ✓ Achieved a significant step forward in Altium's content & data management strategy through acquisitions of Octopart & Ciiva
- ✓ Developed a strategic partnership with CST (a supplier of Electromagnetic Simulation Technology)
- ✓ Relocated the heart of our business to the USA
- ✓ Furthered momentum in Americas sales
- ✓ Prepared the foundation for scaling up our operations in EMEA

Completed transformation of US sales

- ✓ The new team structure delivering strong performance for direct sales
- ✓ Focused marketing efforts building a strong opportunity pipeline
- ✓ Early signs of our sales strategy gaining traction for the long-term play

Underlying metrics growing in strength

- ✓ Increasing new licences
- ✓ Growing subscriptions

Increasing focus and intensity in FY16

- ✓ Establish a stronger direct corporate presence in EMEA
- ✓ Strengthen and increase the capacity of our reseller channel
- ✓ Further strengthen EMEA leadership

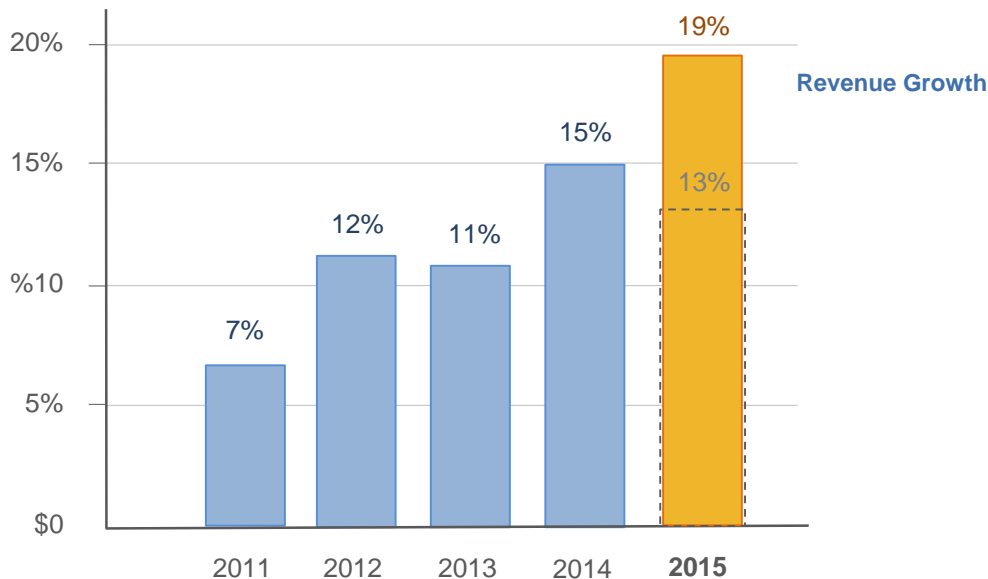
Challenging macroeconomic conditions

- ✓ Impact from a weakening Euro currency not fully overcome
- ✓ Business fundamentals remain solid

A Constant Currency View of Sales and Revenue

Revenue for FY15 would have been reported as \$84 million (19% growth, instead of 13%)

Sales for FY15 would have been reported as \$87 million (15% growth, instead of 8%)



Results in constant currency demonstrate the underlying momentum in our growth

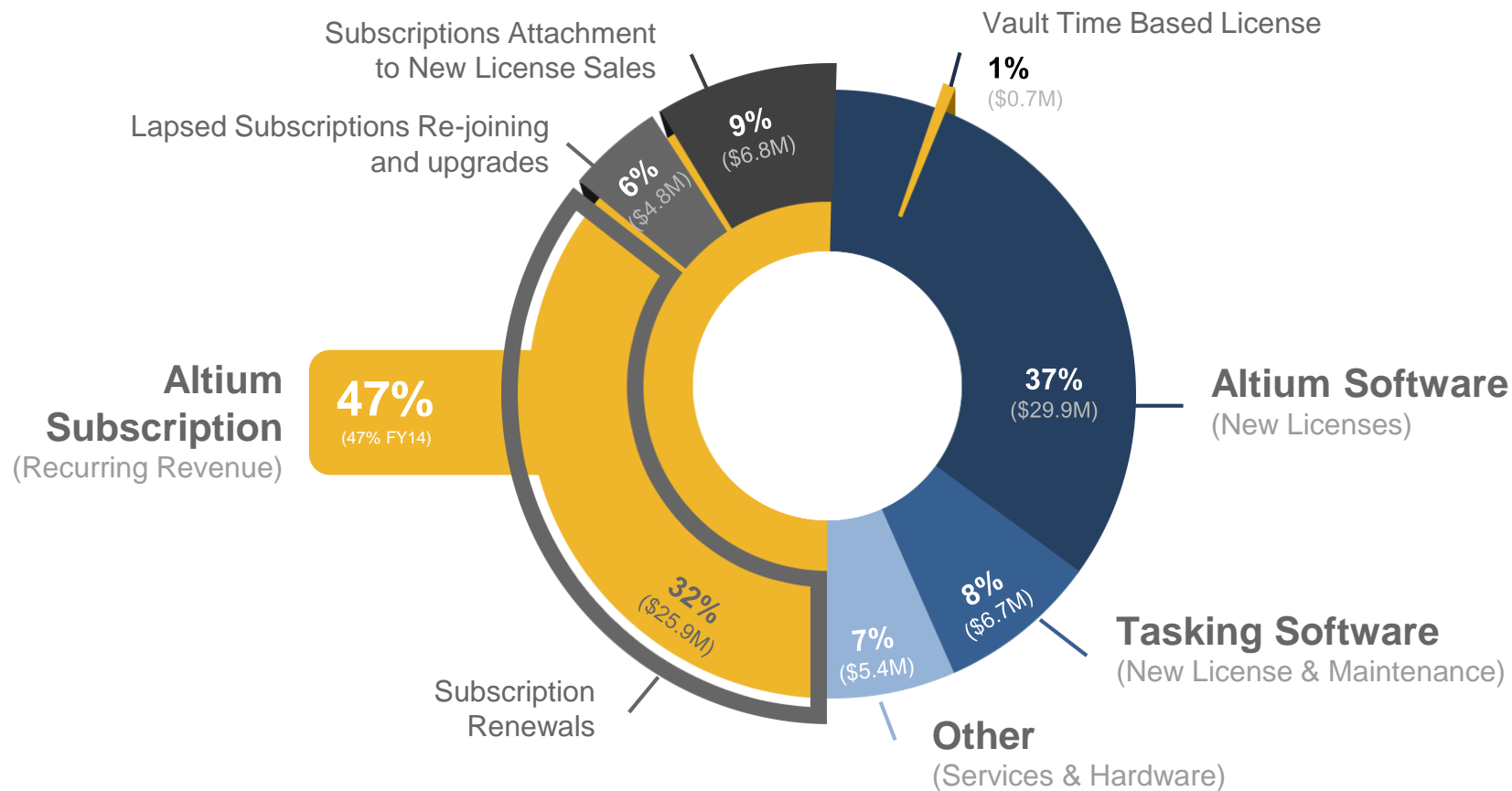
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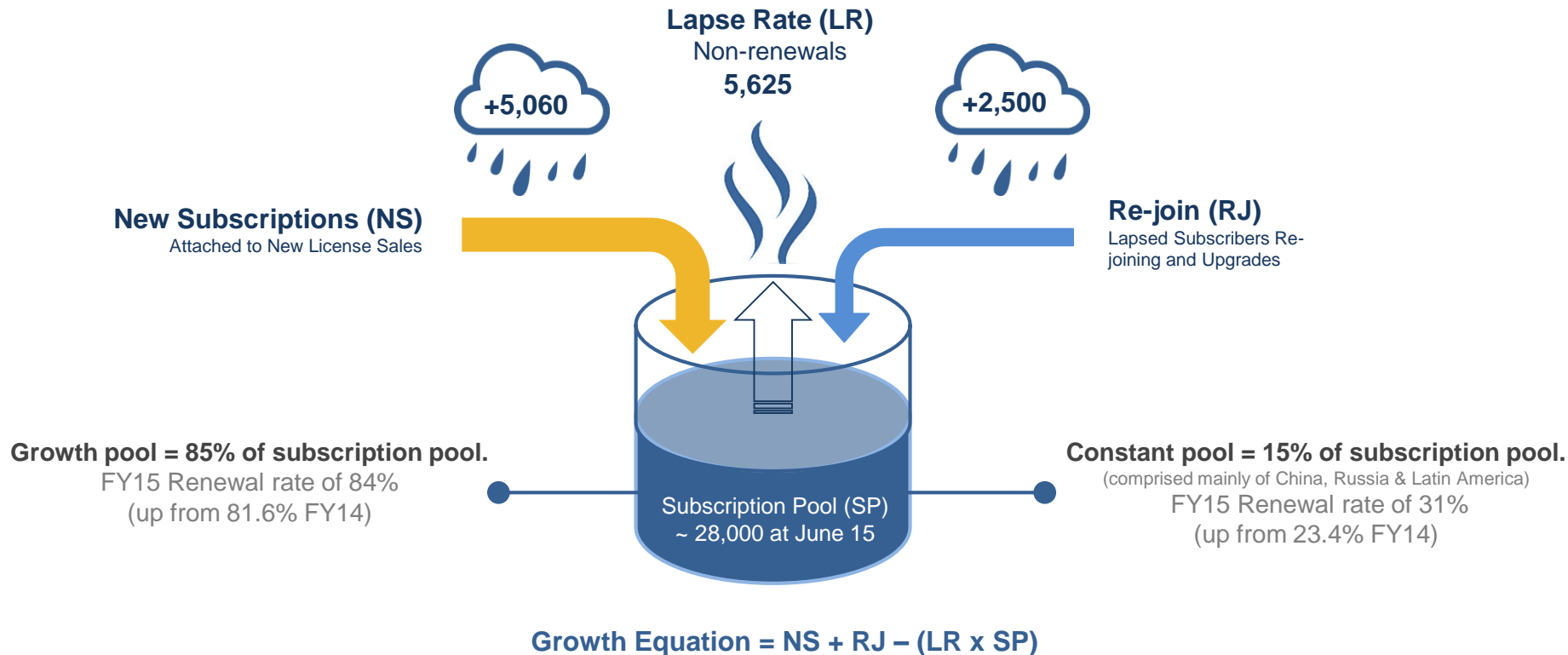
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Altium's Revenue Sources

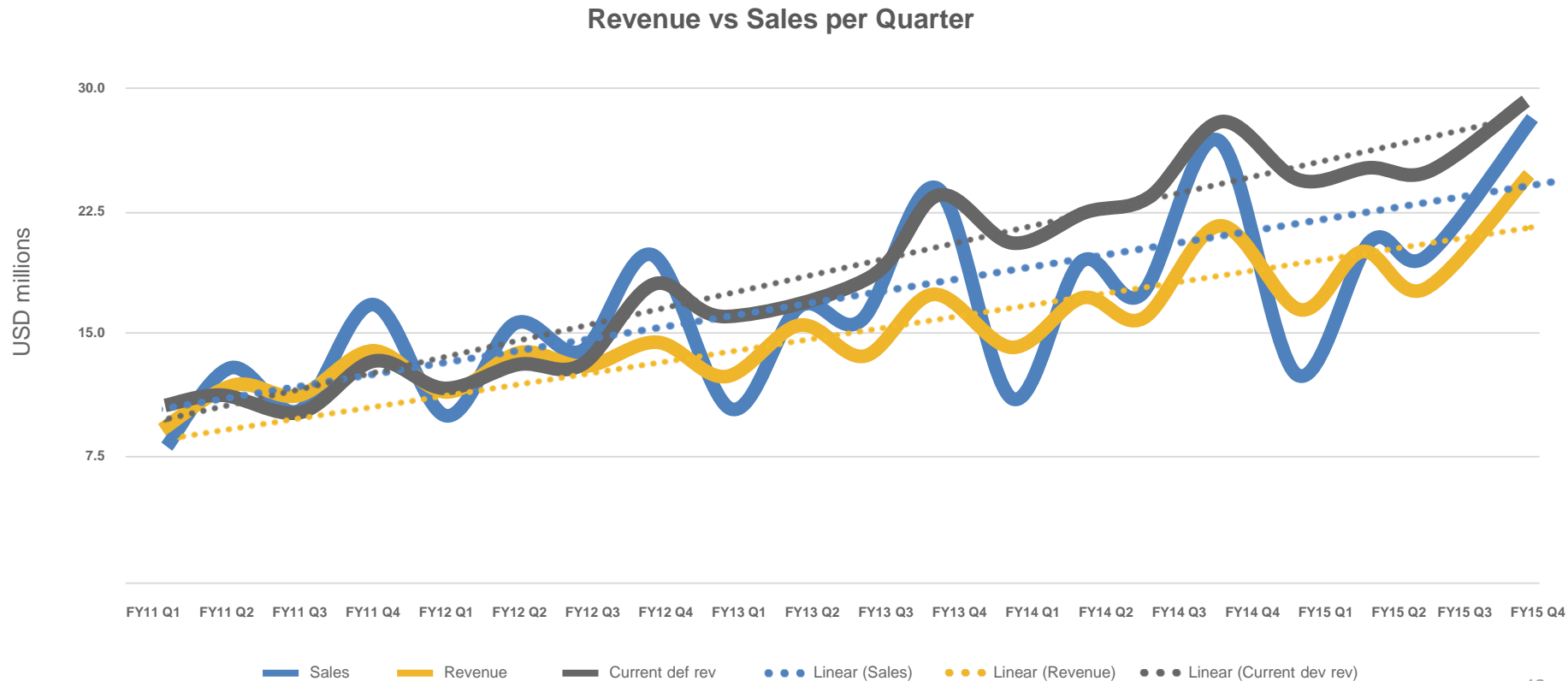
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Altium's Subscription Pool



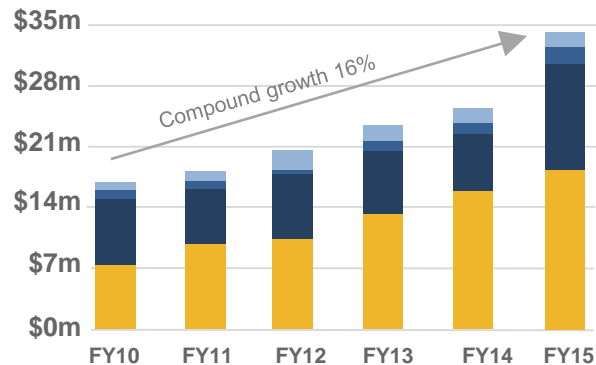
Seasonality Curves - Revenue: Sales: Deferred Revenue



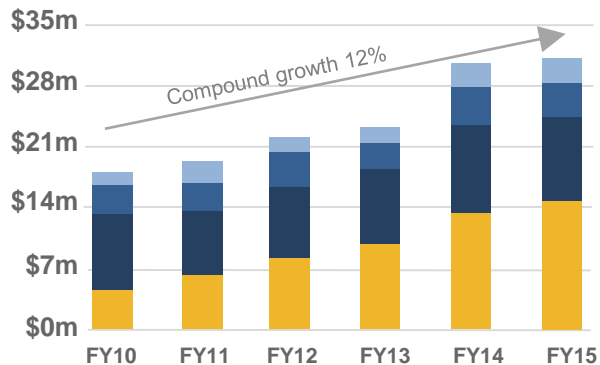
Revenue by Region



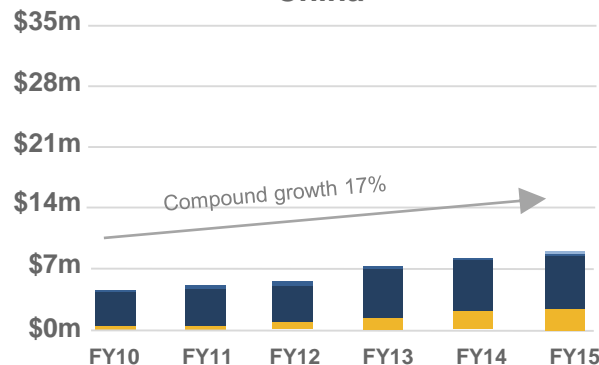
Americas



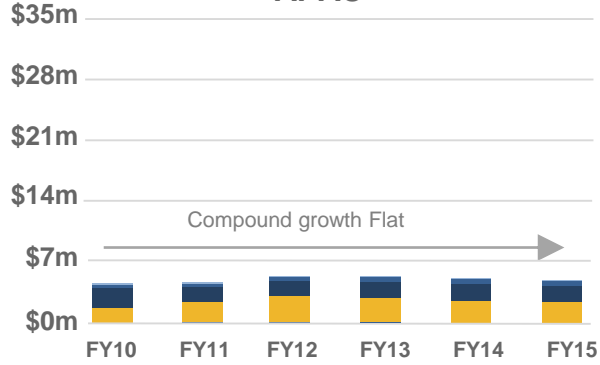
EMEA



China



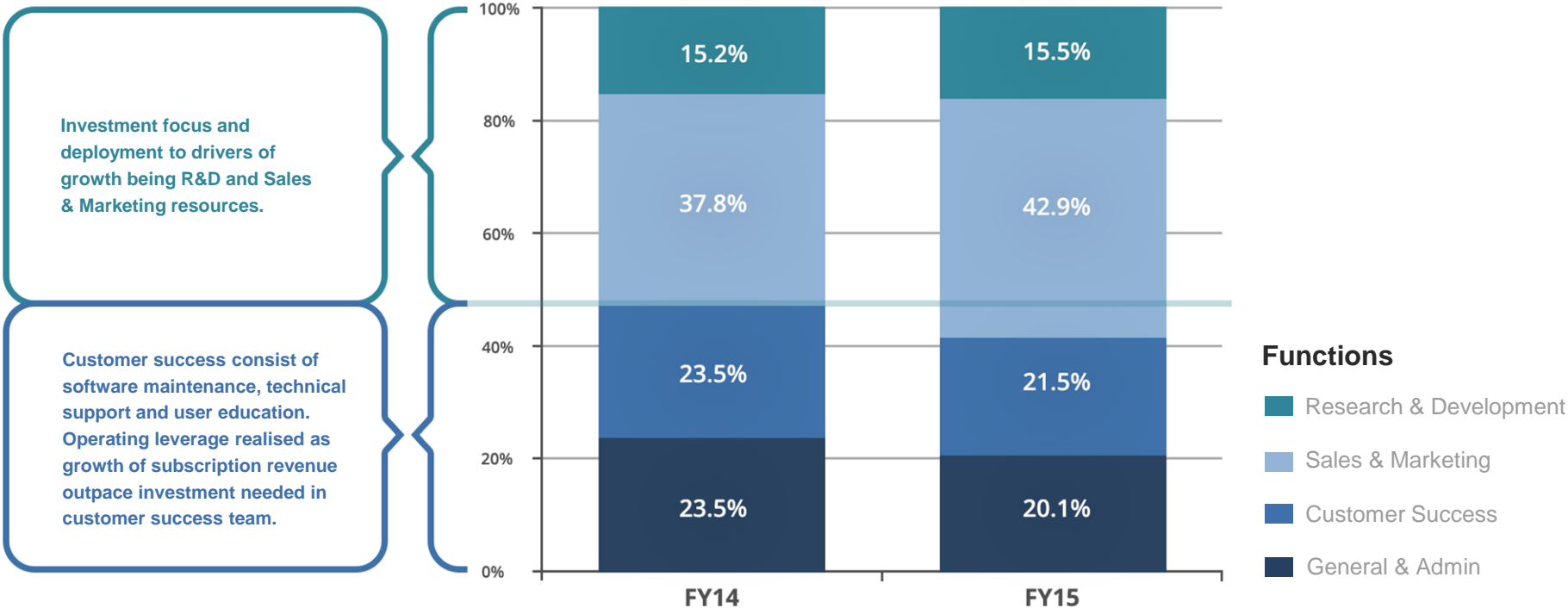
APAC



5 YEAR
CAGR 13%
Across All Regions

- Other
- Tasking (Licenses & Maintenance)
- Altium Licenses
- Altium Subscription

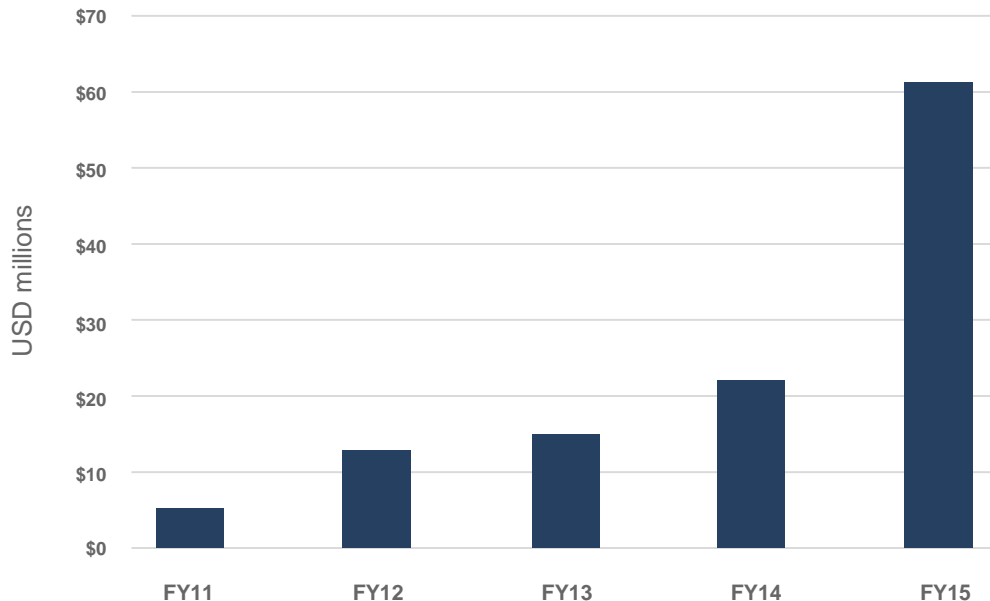
Workforce investment



Altium's Balance Sheet



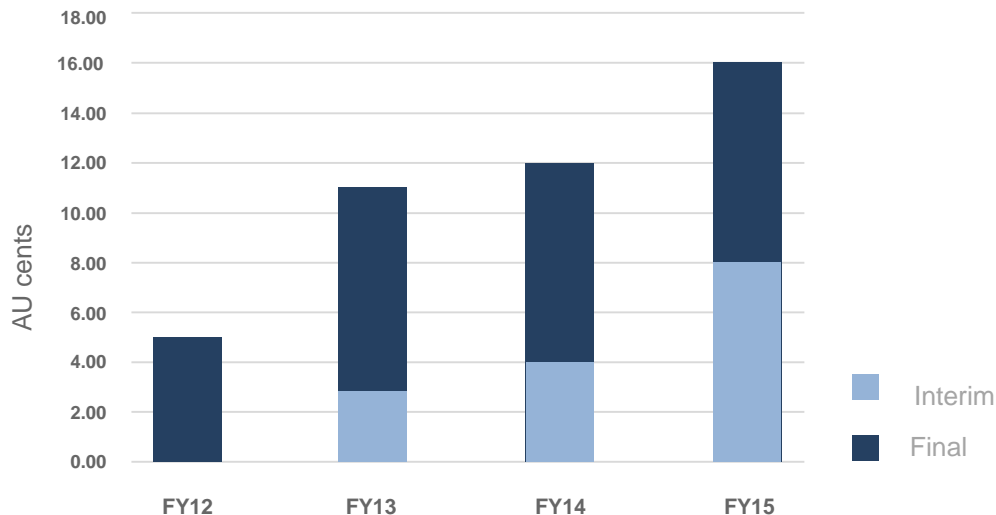
Cash and Cash equivalents



Minimal borrowings - Debt/Equity less than 1%

	FY 15 \$ '000	FY 14 \$ '000	Var \$ '000	%
Cash and cash equivalents	61,906	22,049	39,857	181%
Trade and other receivables	20,459	22,429	(1,970)	-9%
Other assets	2,200	1,582	618	39%
Total current assets	84,565	46,060	38,505	84%
Non-current assets				
Trade and other receivables	1,499	1,136	363	32%
Property, plant and equipment	3,886	1,908	1,978	104%
Deferred tax assets	81,622	4,879	76,743	1573%
Other assets		19		
Total non-current assets	87,007	7,942	79,065	996%
Total assets	171,572	54,002	117,570	218%
Current liabilities				
Trade and other payables	5,988	5,499	489	9%
Borrowings	60	60	-	0%
Tax liabilities	4,989	338	4,651	1376%
Provisions	1,908	1,773	135	8%
Deferred revenue	28,773	29,727	(954)	-3%
Total current liabilities	41,718	37,397	4,321	12%
Non-current liabilities				
Borrowings	53	88	(35)	-40%
Provisions	1,202	2,829	(1,627)	-58%
Deferred revenue	6,091	5,981	110	2%
Other liabilities	906	116	790	681%
Total non-current liabilities	8,252	9,014	(762)	-8%
Total liabilities	49,970	46,411	3,559	8%
Net assets	121,602	7,591	114,011	1502%
Equity				
Contributed equity and reserves	131,767	94,268	37,499	40%
Accumulated losses	(10,165)	(86,677)	76,512	-88%
Total equity	121,602	7,591	114,011	1502%

Dividends paid/declared



Successful Capital raising
Operating Cash Flow up 16% to \$21.3m
Continue to return dividend to shareholders.

	FY 15 \$ '000	FY 14 \$ '000	Var \$ '000	%
Cash flows from operating activities				
Receipts from customers	82,464	75,689	6,775	9%
Payments to suppliers and employees	(60,692)	(55,708)	(4,984)	9%
Net Interest	305	138	167	121%
Net income taxes paid	(732)	(1,667)	935	-56%
Operating Cash Flow	21,345	18,452	2,893	16%
Capital Expenditure				
Payments for property, plant and equipment	(2,338)	(1,296)	(1,042)	80%
Payments for acquisition	(947)	-	(947)	
Free Cash Flow	18,060	17,156	904	5%
Cash flows from financing activities				
Proceeds from issue of shares and exercise of options	39,966	2,943	37,023	1258%
Dividends paid	(15,886)	(12,808)	(3,078)	24%
Repayment of borrowings	(66)	(157)	91	-58%
Subtotal	42,074	7,134	34,940	490%
Effects of exchange rate changes	(2,217)	159	(2,376)	
Increase in cash and cash equivalents	39,857	7,293	32,564	447%

Full Year Results Key Metrics



US\$ millions	Jun-15	Jun-14	% Change
Revenue	80.2	71.0	13%
Expenses	57.5	52.6	9%
EBITDA	22.7	18.3	24%
Depreciation	1.3	1.0	30%
Amortisation	-	0.3	
EBIT	21.4	17.1	25%
Net interest	-0.2	-	
Income tax (normalized)	6.2	6.0	3%
NPAT (normalized)	15.4	11.2	38%

	Jun-15	Jun-14	% Change
EPS (US cents)	12.47	10.26	22%
Dividends (AU cents)	16	12	33%
Key margin analysis			
EBIT margin	27%	24%	
EBITDA margin	28%	26%	
Net profit before tax margin	27%	24%	
Net profit after tax margin (n)	19%	16%	
Return on equity	30%	27%	
Balance Sheet (USD millions)			
Cash and cash equivalents	61.9	22.0	181%
Operating cashflows	21.3	18.5	16%

Acquisitions of Octopart and Ciiva – Financial Impact

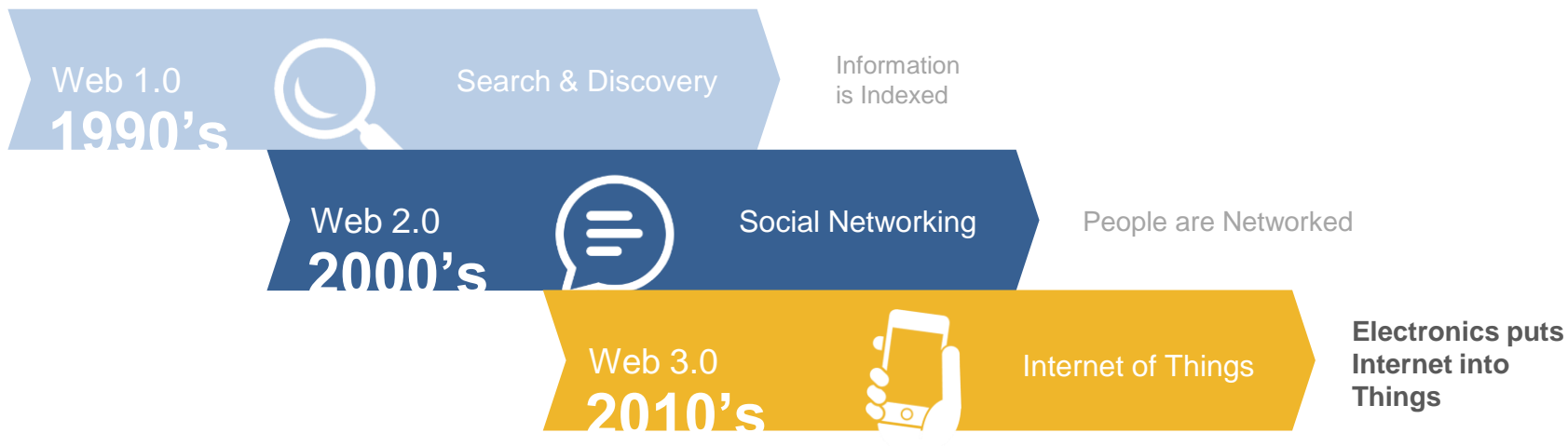


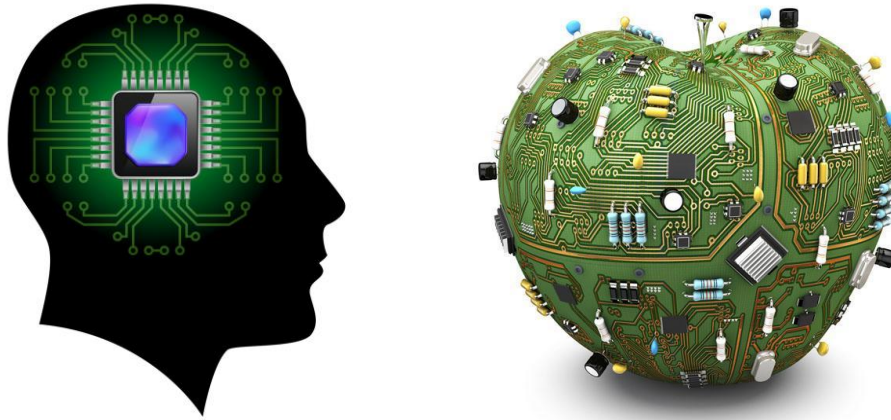
- ✓ These acquisitions are of strategic significance in pursuit of PCB Market leadership
- ✓ The combined acquisitions are expected to be EPS accretive at low single digits for FY16 and projected to continue to be self-funding
- ✓ These acquisitions will for the most part be funded through the free cash-flow and reserves generated from Altium's organic business
- ✓ Octopart - Altium will pay US\$12 million for the business on completion subject to customary closing conditions. There will also be additional performance based earn-out payments over the next three financial years contingent on meeting aggressive revenue targets and margin milestones
- ✓ Ciiva - Altium paid a purchase price of US\$4 million of which US\$2 million was paid in cash at the date of purchase with the remaining US\$2 million to be paid in equal installments on the first and second anniversaries of the share purchase agreement date
- ✓ Addition of key management and engineering skills augment Altium's existing Content team realizing cost synergies
- ✓ The combined group revenue for Altium, Octopart & Ciiva for the last 12 months is \$84M

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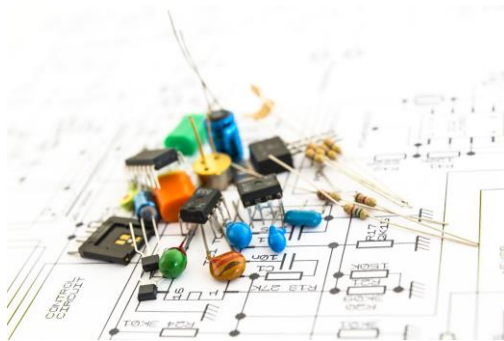
Printed Circuit Boards Central to Electronics

Electronics is Constructed by Combining Electronic Parts



Selecting the right electronic parts is critical to the success of electronic products

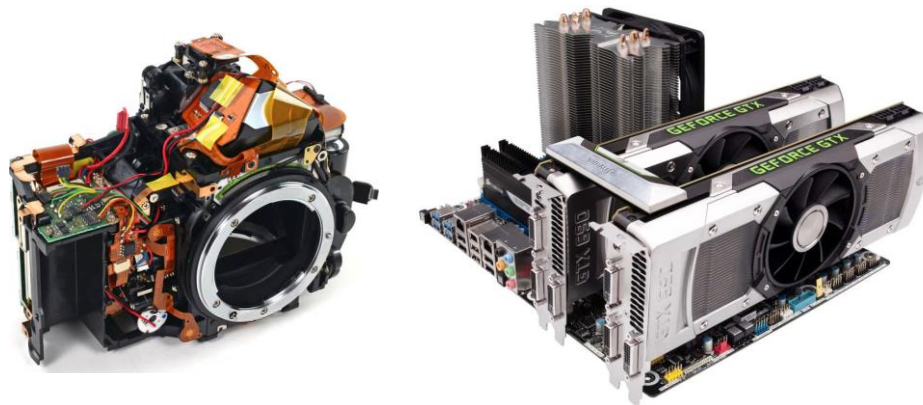
Design



Fabrication



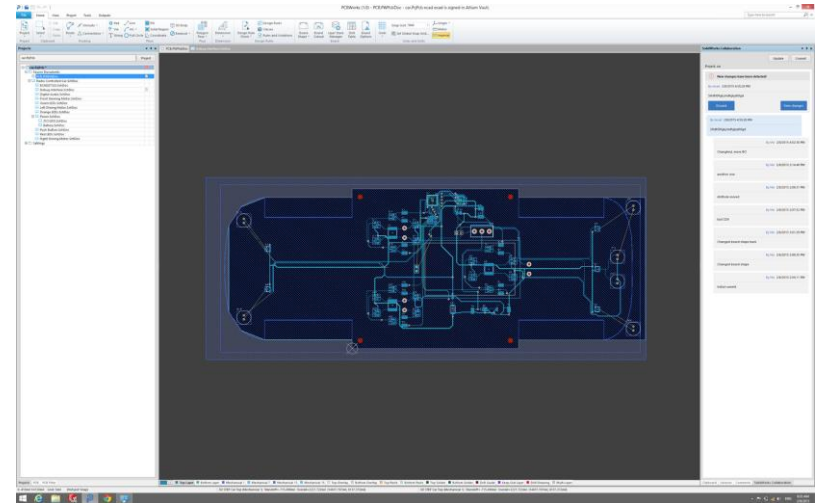
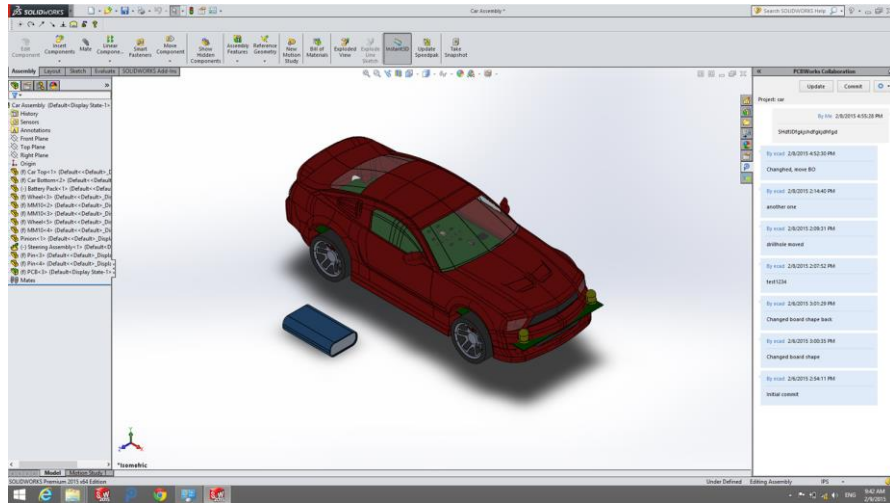
Managing bill of materials over the product lifecycle is essential for avoiding problems in manufacturing



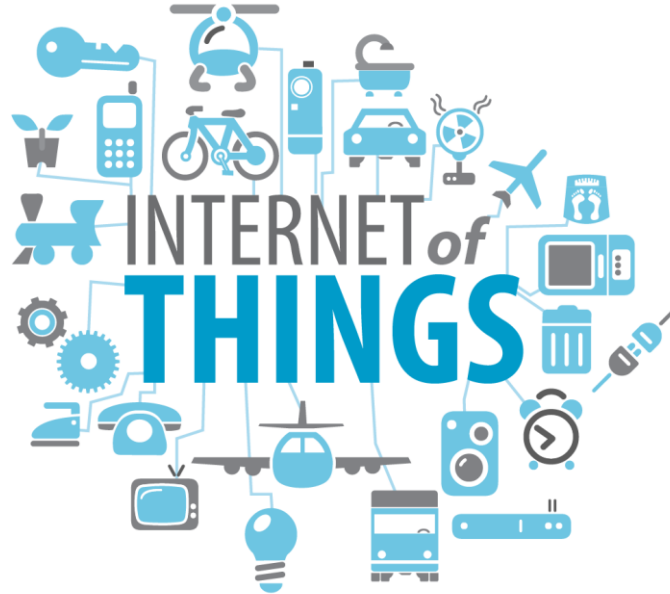
Advanced design capabilities are important for high-end design

The Future of Design is Multidisciplinary

Altium



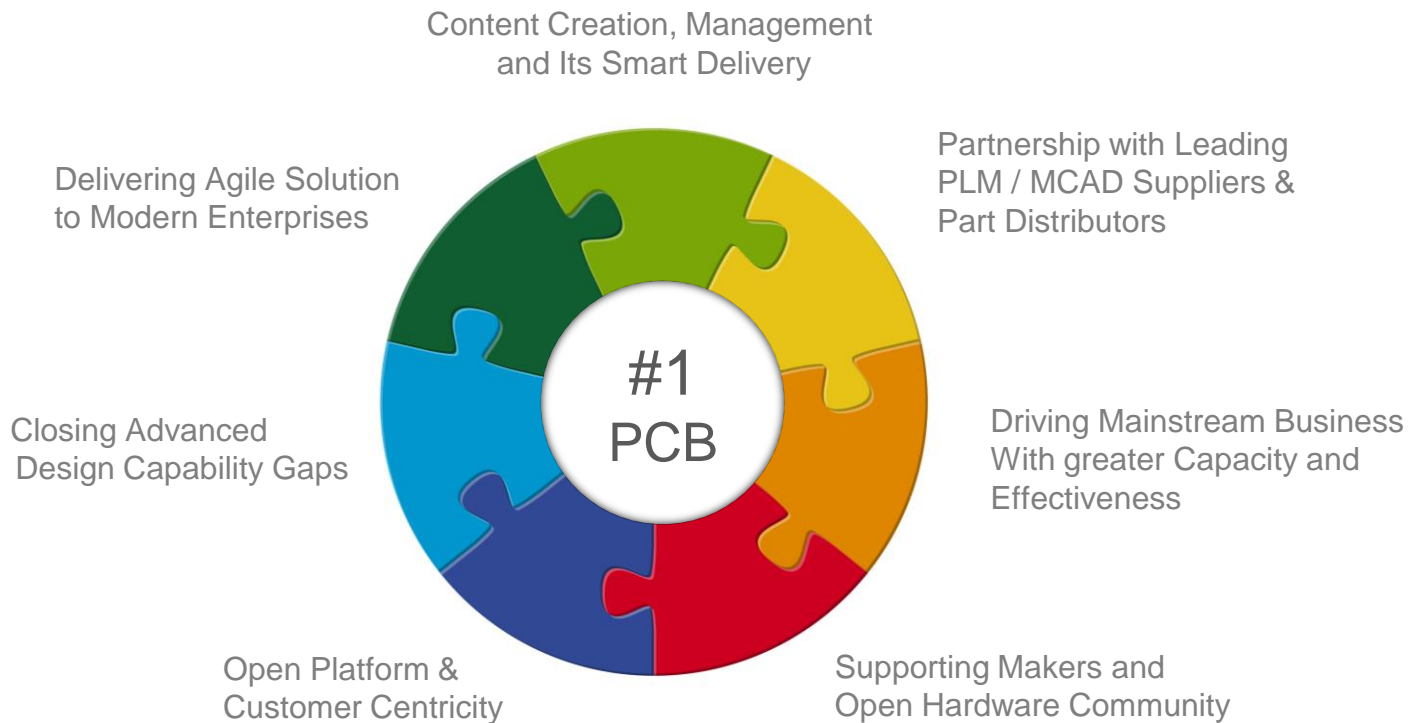
MCAD & ECAD can no longer stay as two separate worlds



A new generation of electronic designers is emerging



Traditional solutions from leading EDA companies are not suitable for the needs of large enterprises new to electronics



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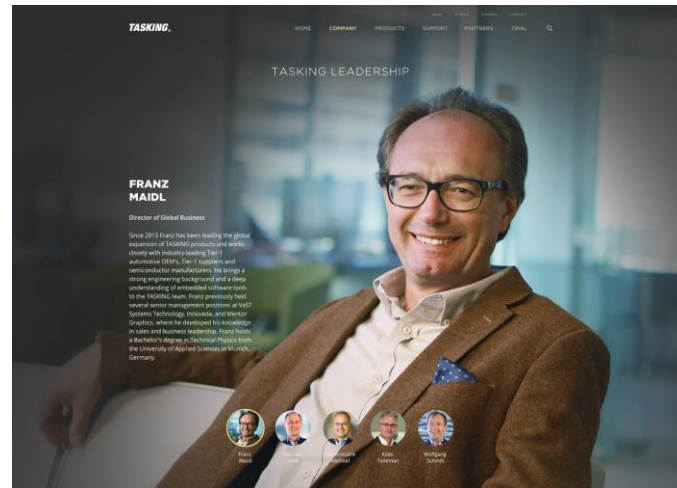
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Altium®



+

TASKING®



The “agility” from Altium & the “enterprise know-how” from TASKING are the underpinnings of our enterprise go-to-market strategy

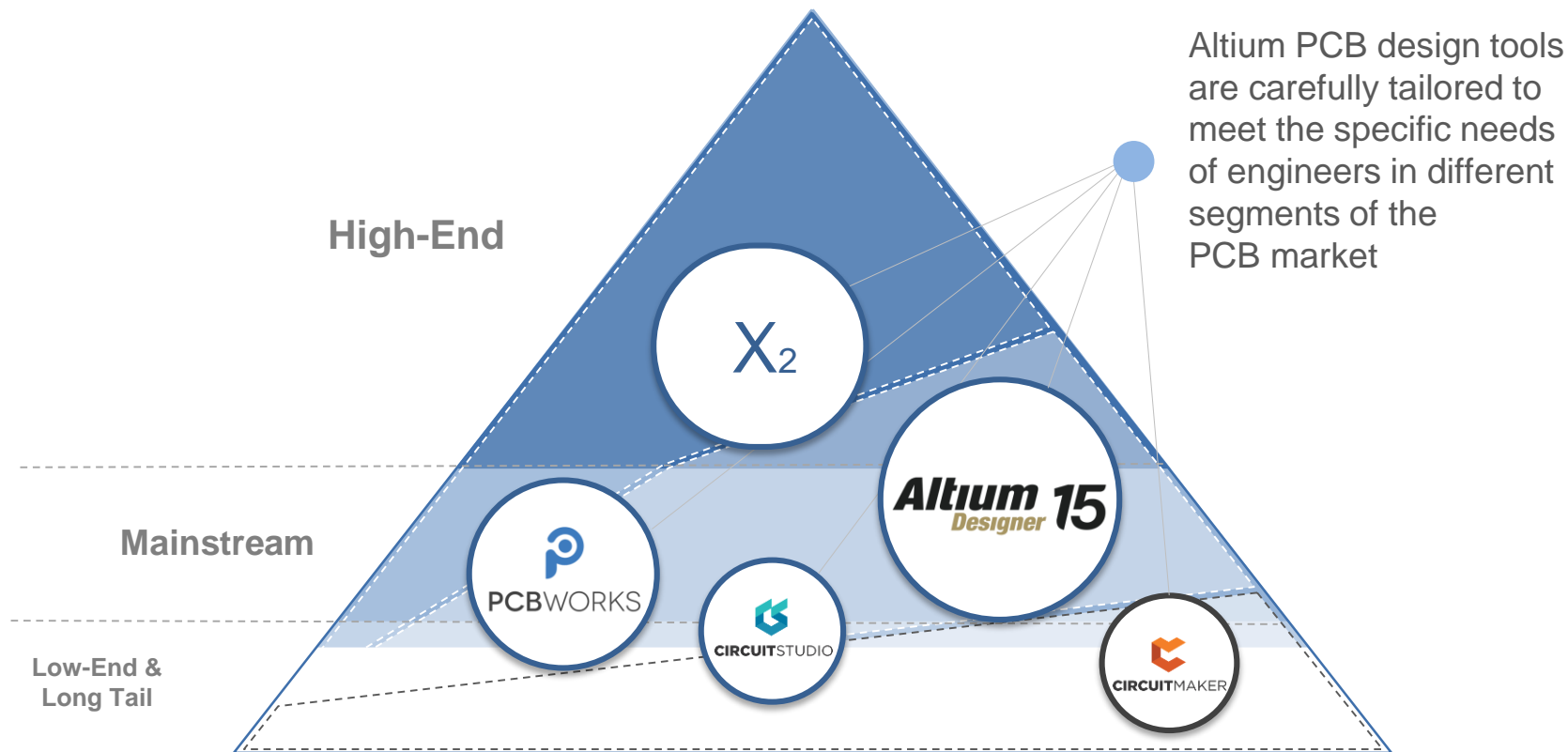
High End Strategy - Reporting Progress



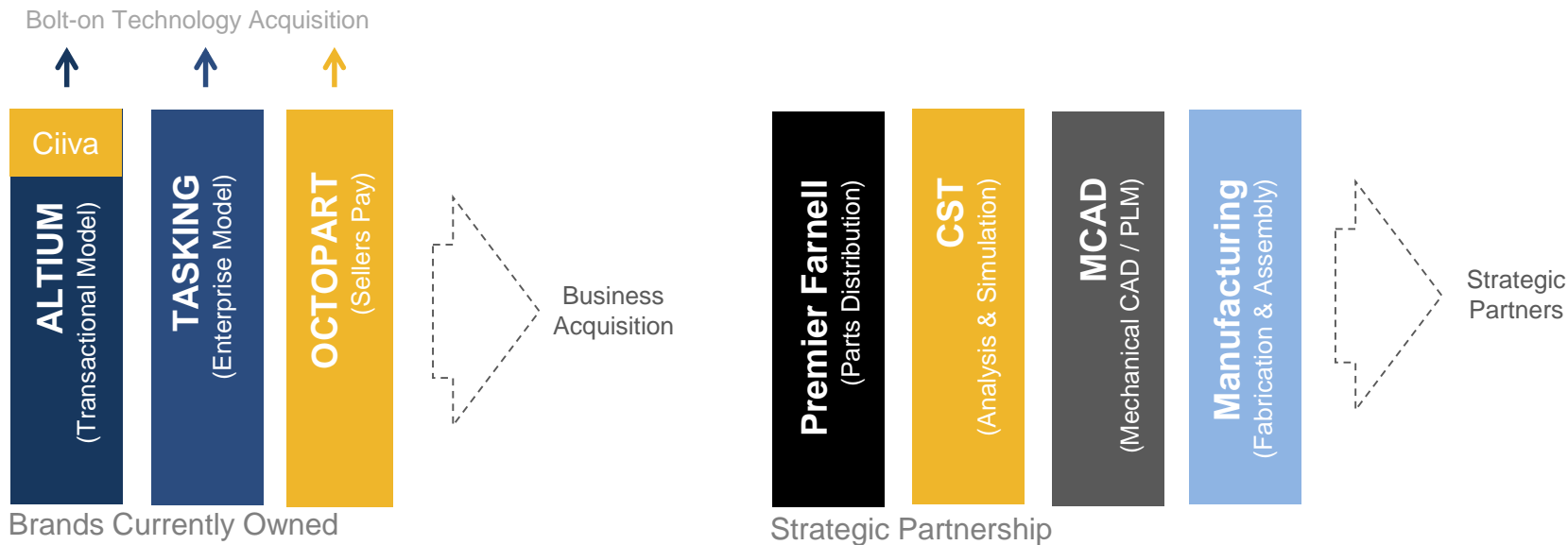
- ✓ Through TASKING's help, Altium has achieved its most significant multi-million, multi-year contract with a large enterprise customer within the automotive industry
- ✓ Altium recruited Henry Potts (former Head of Mentor's PCB Division) to further bolster our go-to-market strategy and our enterprise solutions
- ✓ TASKING has just signed its largest single deal in its history (US\$2.6 million) with one of the major tier 1 suppliers of automotive technology
- ✓ The reorganization of TASKING's sales force to bolster its capacity to support Altium's enterprise-go-to market strategy
- ✓ We are actively engaged with some of the newer enterprises and we will be sharing internal milestones that track the progress on the execution of our Agile Enterprise Strategy in February

A Unique PCB Design Solution For Every Market Segment

Altium



Growing Capability Through Acquisition & Partnership



Altium will grow by acquiring & partnering with brands that are associated with the design of PCB and smart devices

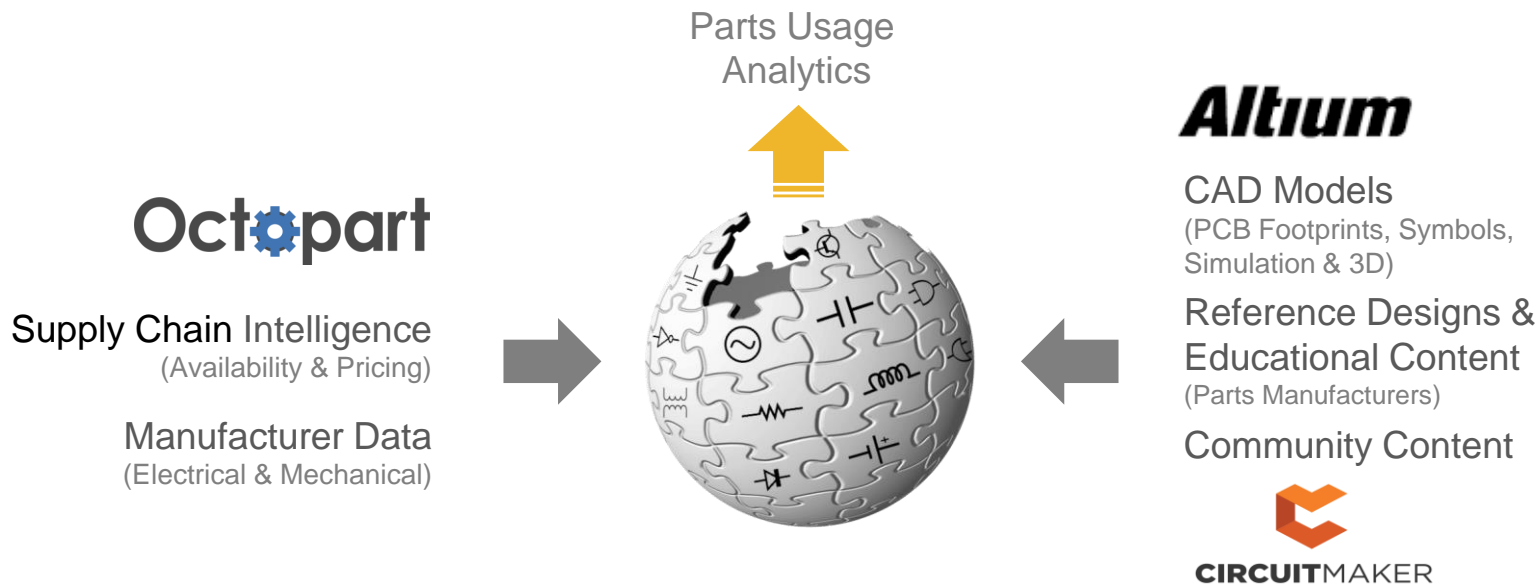


Connecting Design Space to Supply Chain

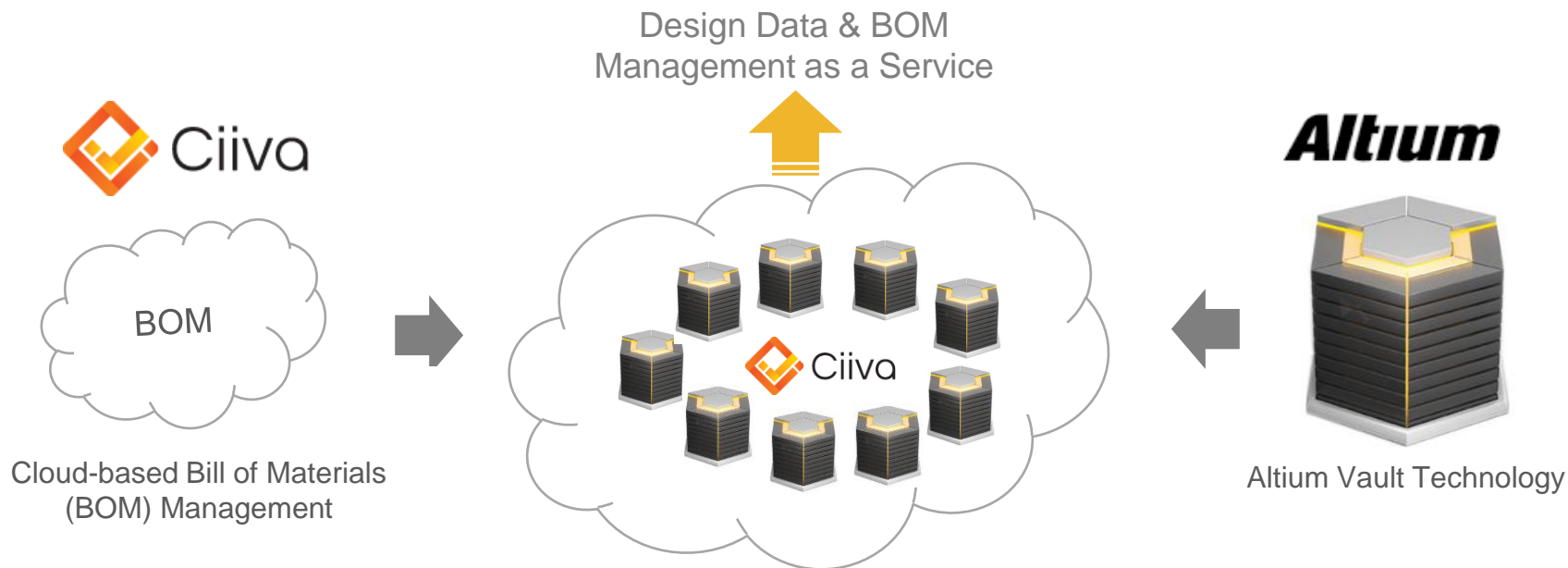


Design Data Management & BOM as a Service

Successful standardization, aggregation & unification of CAD content & supply chain data will decide the future of market leadership in PCB design

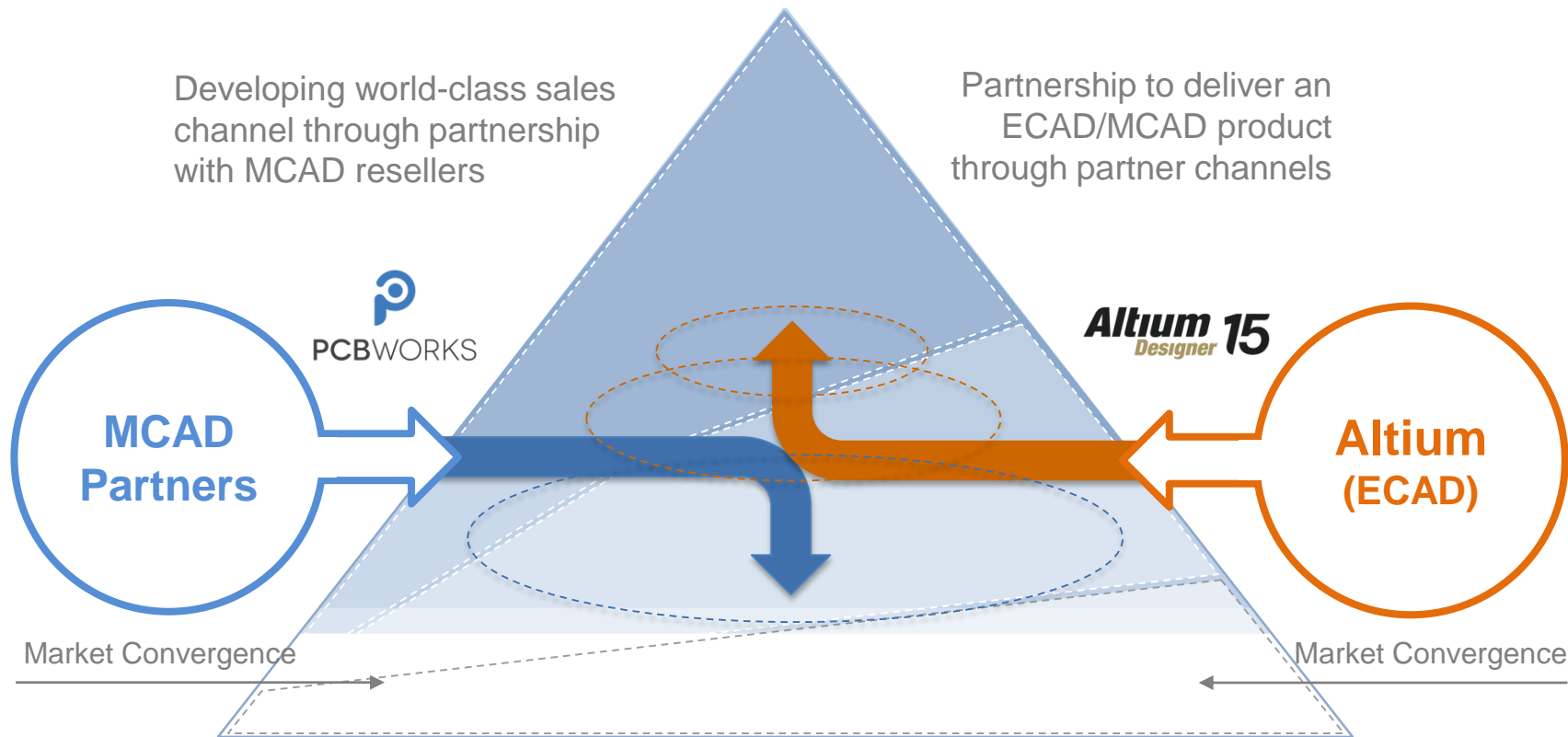


The combined content from Altium & Octopart bring the required ingredients to lay the foundation for a Wikipedia for Electronic Design



Design data management & BOM as a Service will drive adoption and accelerate the commercialization of Altium's Vault Technology

Executing on ECAD / MCAD Strategy



Questions and Answers

Altium



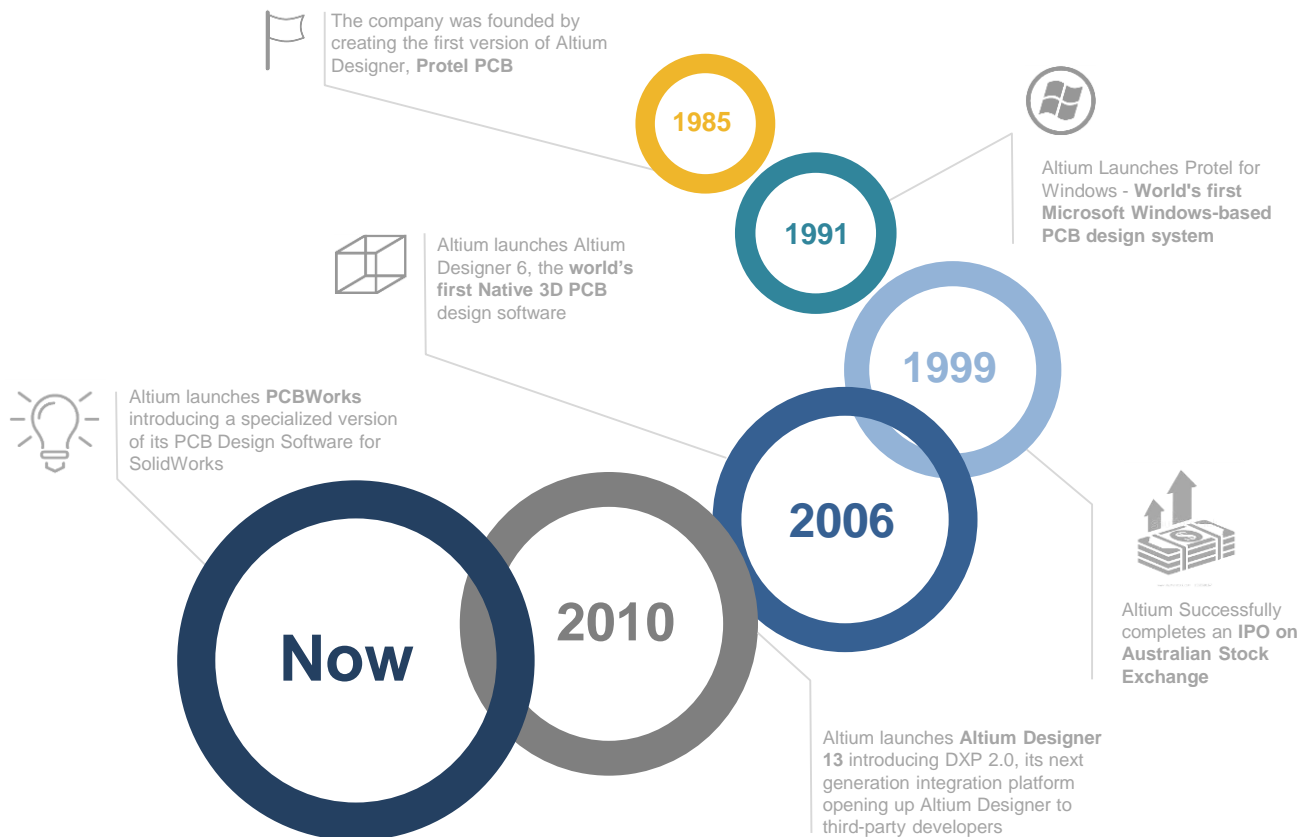
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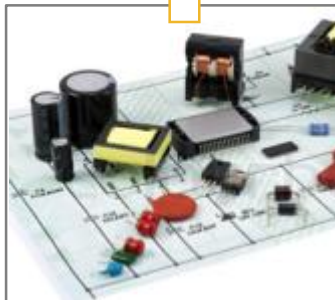
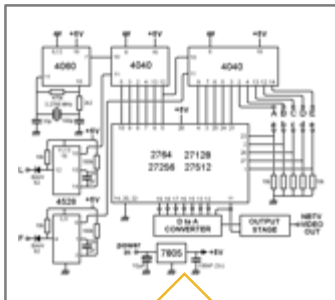
30 Years of Continuous R&D in PCB Design Software

Altium

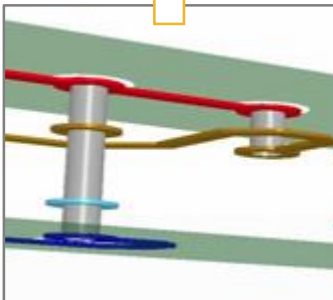
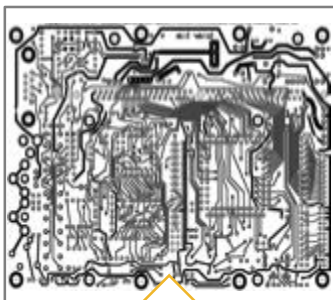


Printed Circuit Board Design and Manufacturing Process

Circuit Diagram



Layout Film



Bare Board



Assembled Board

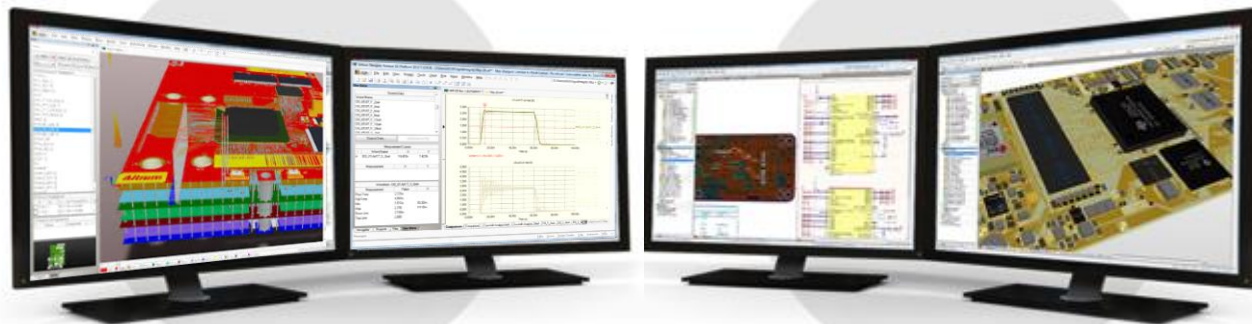


Design Capture

Layout

Fabrication

Assembly



Altium Vault

Design Data Management &
Collaboration Software

**Altium
Designer**

TASKING®

Embedded Software
Development Tools



CIRCUITSTUDIO



PCBWORKS



CIRCUITMAKER

Octopart

3D Printed Circuit Board Design Software Solution

Diversity of Applications

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



Sales and Support Centres

San Diego, Boston, Karlsruhe, Shanghai, Sydney

Research & Development Centres

San Diego, Ukraine, Netherlands, Shanghai

Main Operations Centres

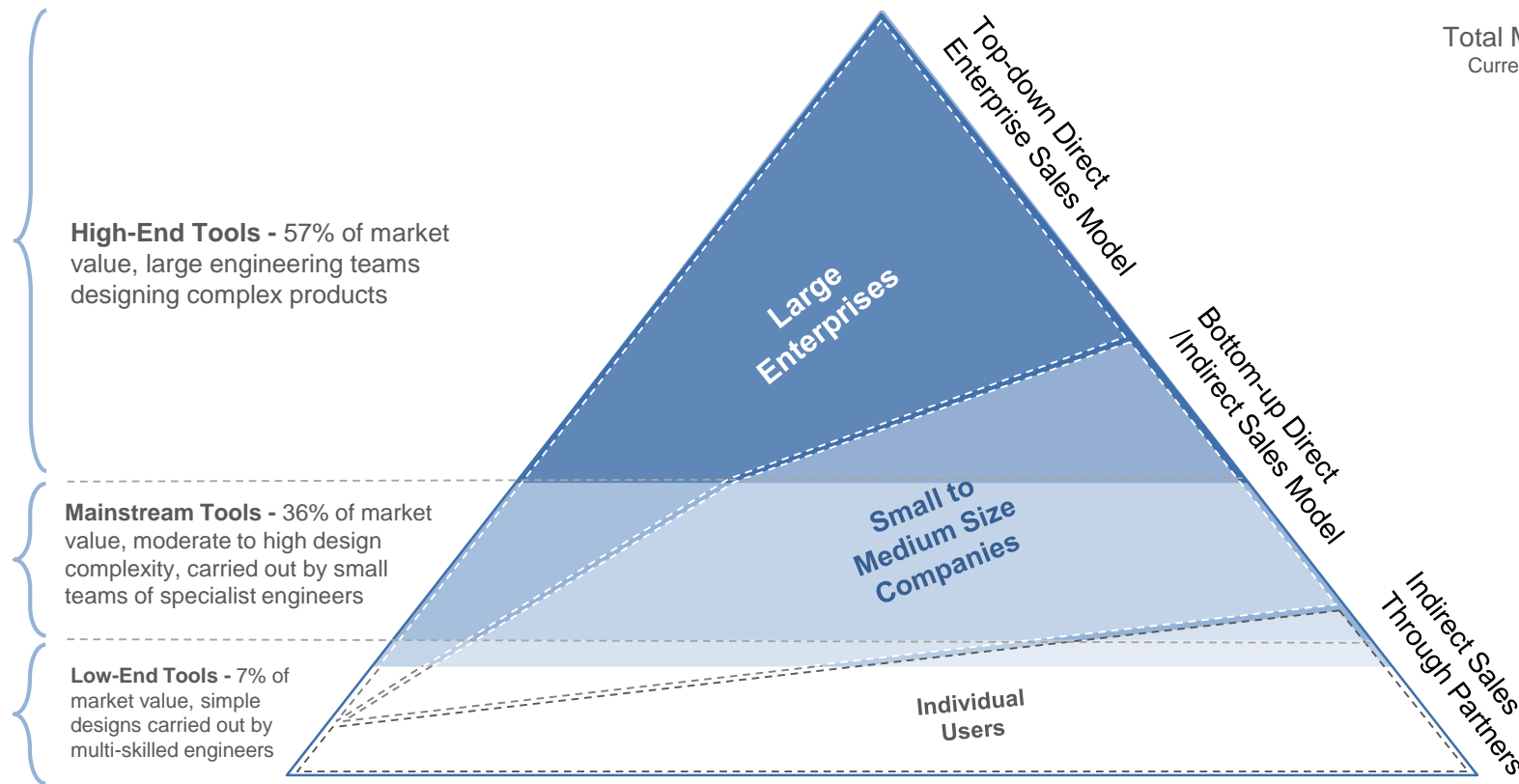
San Diego, Karlsruhe, Shanghai



PCB Design Software Market Segmentation & Size

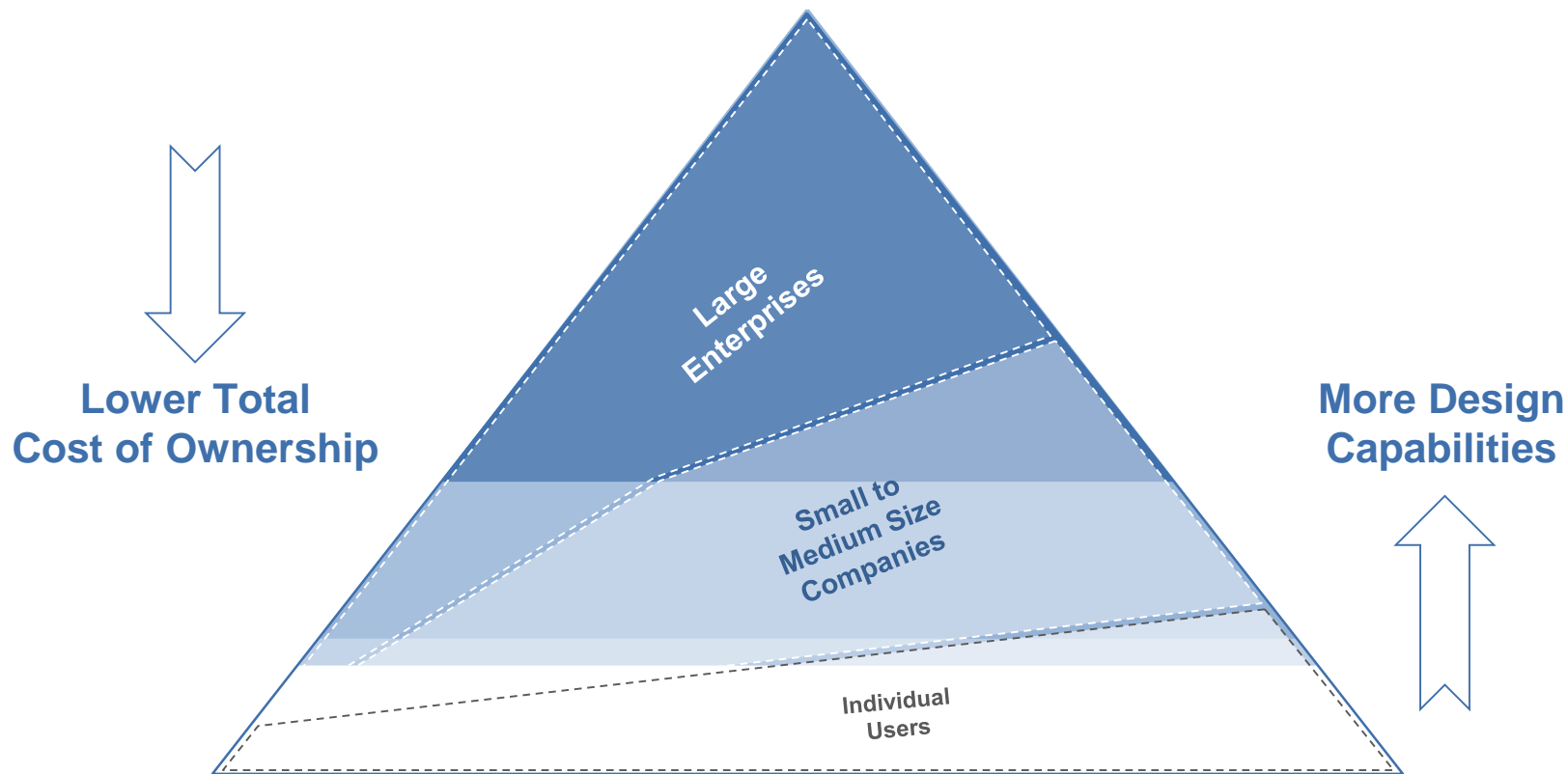
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Total Market size: **\$800M**
Currently Addressable: **\$500M**



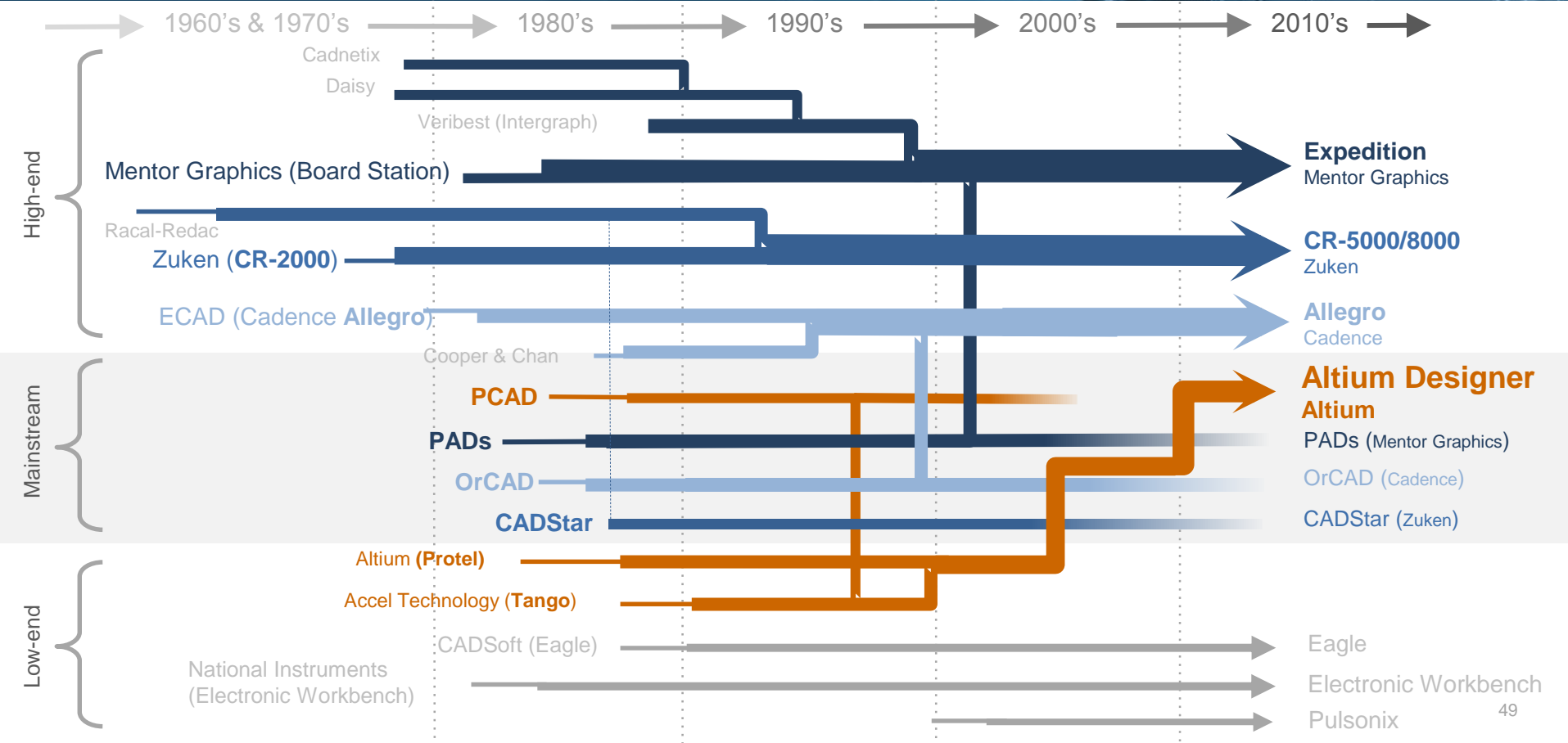
Growth Drivers Within PCB Design Software Market

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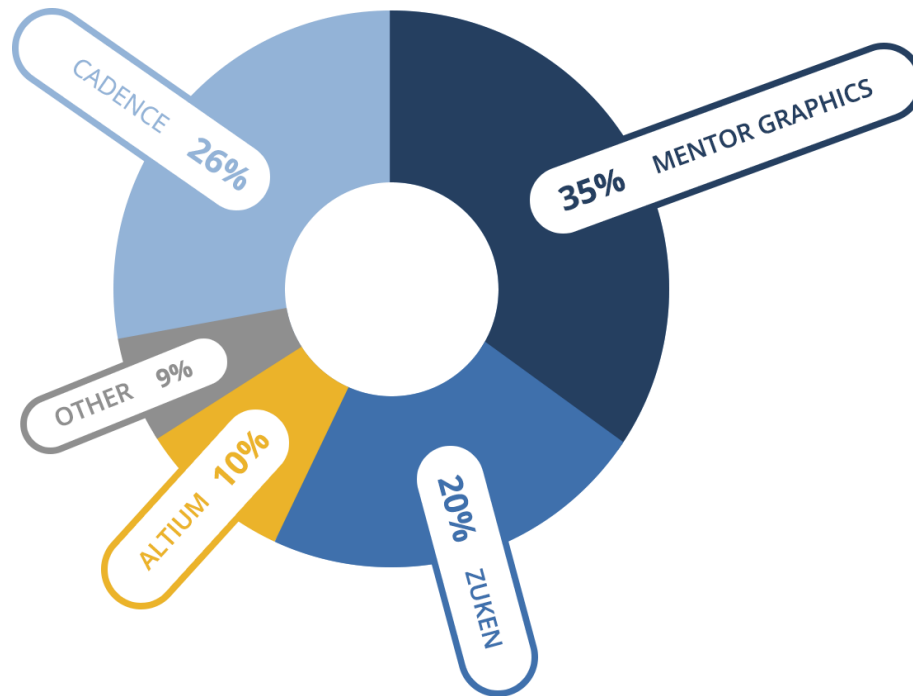


Industry Consolidation & Competitive Landscape

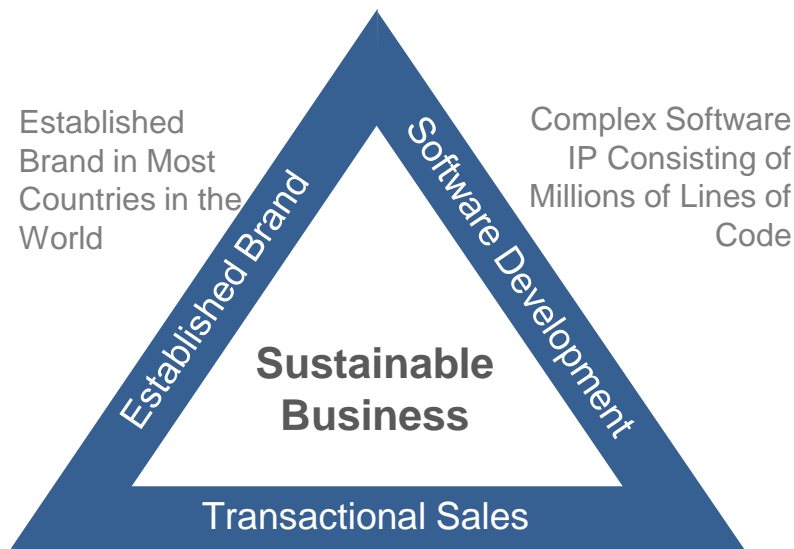
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Printed Circuit Board Estimated Market Share
(by Revenue)

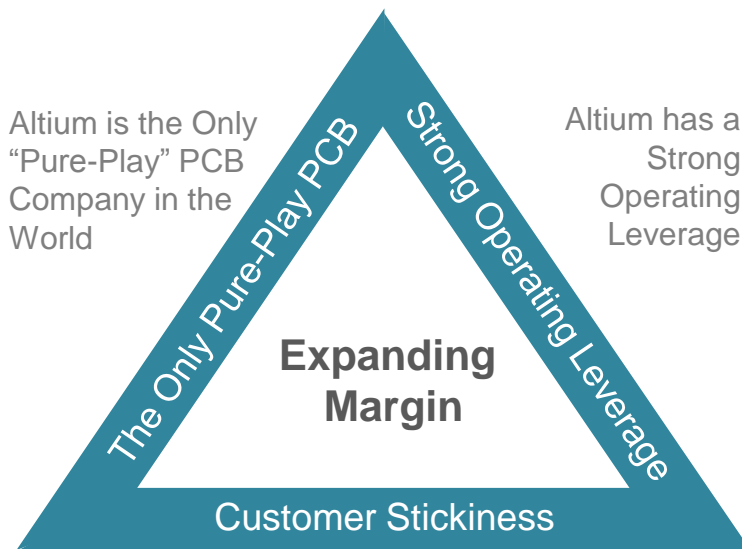


Core Strengths

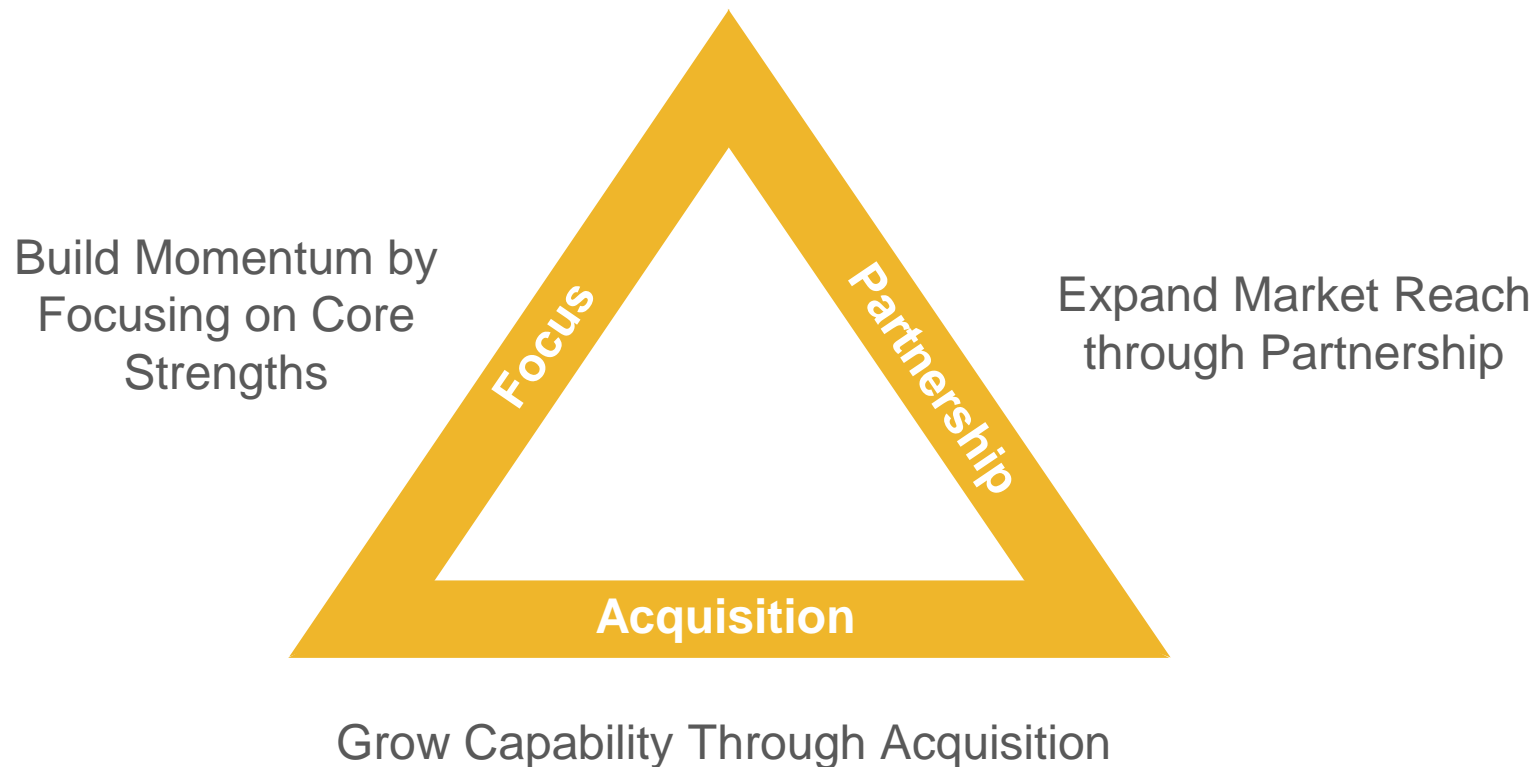


Value-based Sales with Strong Operating Leverage

Competitive Advantages



Altium Enjoys a High Level of Customer Loyalty



Altium's Leveraged Sales Strategy

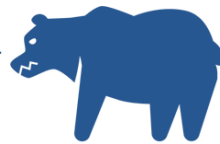
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New Account Acquisition
Grow Customer Base

Account Management
Reduce Subscription Churn

Transaction
Size

High-end
Sales Model
(Hunting)



Leveraged Sales

Mainstream
Sales Model
(Fishing)



Transaction
Volume

Lower
Mainstream
Sales Model
(Farming)



Prospecting

Nurturing

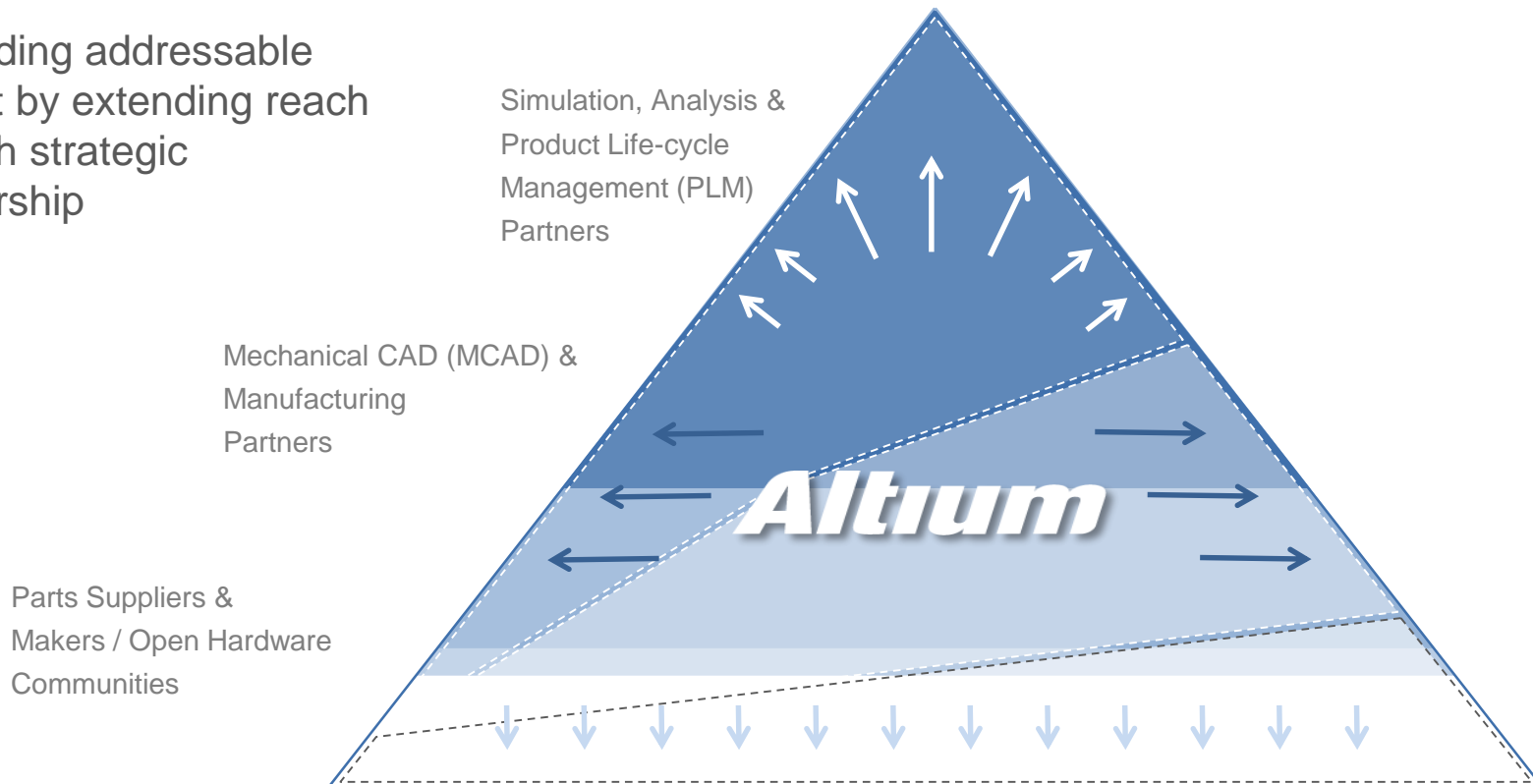
Closing

Customer

Subscriber

Repeat Subscriber

Expanding addressable market by extending reach through strategic partnership



Long – Term Outlook

Altium

- ✓ 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 (licences & subscription)
- ✓ Altium is confident that achieving market leadership in PCB design software by 2020 is well within its reach

Altium's aspirational goal is to achieve
\$100 million in revenue by FY17