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ALTIUM LIMITED

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Altium Announces an Outstanding Result for the Half Year to 31 December 2018

Altium Delivers an Exceptional Performance

Sydney, Australia - 18 February 2019 - Electronic design software company Altium Limited (ASX:ALU) has announced its financial results for the half year ended 31 December 2018. Altium achieved strong revenue growth of 24% for the first half of fiscal year 2019 of US\$78.1 million and expanded profits to record levels with an EBITDA margin of 36.3% and a 58% increase in net profit after tax to US\$23.4 million.

Key highlights for the first half include:

- China led the strong growth with revenue up 49%.
- Board and Systems revenue grew 17% to US\$58.4 million with all regions making positive contributions.
- Altium Designer new seats grew by 34%.
- The subscription pool grew by 9% to reach 39,179.
- Octopart continued its strong performance delivering 80% growth in revenue.
- TASKING delivered record revenue growth of 35%.
- EBITDA margin of 36.3% up from 30.0%.
- EPS of 18.0 cents (up 57%).
- Operating cash flow up 80% to US\$26.8 million.
- Interim dividend of AUD 16 cents (up 23%).

Key first half financial measures compared to the prior corresponding period:

Key Financial Measures	FY19 1st Half (US\$ '000s)	FY18 1st Half (US\$ '000s)	Change %
Sales to customers	75,854	60,304	26%
Revenue (excluding interest income)	78,118	63,236	24%
Reported expenses	49,758	44,251	12%
EBITDA	28,360	18,985	49%
EBITDA margin	36.3%	30.0%	
EBITDA margin (underlying)	36.7%	33.1%	
Profit before income tax	25,759	16,476	56%
Profit after income tax	23,441	14,873	58%
EPS (cents)	18.00	11.48	57%
Operating cash flow	26,815	14,873	80%
Cash and cash equivalents	58,025	52,459	11%
Interim dividend per share (AU cents)	16	13	23%

Revenue Breakdown	FY19 1st Half (US'000s)	FY18 1st Half (US'000s)	Change %
Worldwide revenue	78,118	63,236	24%
Board and Systems (Altium Designer, Circuit Studio, SolidWorks PCB)	58,426	50,061	17%
- Americas (US\$)	23,295	21,059	11%
- EMEA (Euro)	17,289	14,550	19%
- China (US\$)	9,865	6,632	49%
- Rest of World (US\$)	5,413	5,218	4%
NEXUS (US\$)	2,363	1,968	20%
TASKING (US\$)	8,443	6,259	35%
Octopart (US\$)	8,886	4,948	80%

Comments from Altium CEO Mr Aram Mirkazemi:

Altium CEO, Mr Aram Mirkazemi commented: “Revenue growth of 24% and an EBITDA margin of 36.3% demonstrate the power of momentum in our business and our commitment to consistent and sustainable growth over the long term. From China to EMEA to Octopart and to TASKING, we can see the effect of momentum driving sustained growth. I have no doubt that this momentum will take us to our \$200 million revenue target in 2020”.

“Altium is focused on achieving PCB market leadership by 2020 and market dominance by 2025. We are picking up a gear with our transactional sales organisation to enable us to scale to 100,000 subscribers through a number of initiatives, including further systematization and greater account-based intelligence”.

“We expect our subscriber growth to accelerate post 2020 once the impact of these initiatives comes into effect. We are excited about the introduction of our next generation products, including our new cloud platform Altium 365. These measures are expected to support our drive to market dominance and subsequently to transform electronic design and its realization”.

Comments from Altium CFO Mr Joe Bedewi:

Altium CFO, Mr Joe Bedewi commented: “Altium has delivered an exceptional performance across all key metrics. This includes EPS of 18.0 cents (up 57%) and operating cash flow that is up 80% to US\$26.8 million. Our free cash flow increased by 86% to US\$24.3 million”.

“China has been a stand-out for Altium over the first half with 49% revenue growth, as we increase the scale of our operations in the region. EMEA has also delivered strong revenue growth of 19% for the half (in Euros), as we continue to go direct in all key European markets and implement our transactional sales model” commented Mr Bedewi.

“Both TASKING and our Octopart businesses delivered outstanding performances over the first half with 35% and 80% revenue growth respectively. TASKING is benefiting from its relationship with European semiconductor manufacturer Infineon, while Octopart is consolidating its leadership position in electronic parts search”, said Mr Bedewi.

Mr Bedewi commented: “Altium is firmly on track to achieve its \$200 million revenue target by 2020. Moreover, our strong margin result confirms our ability to increase our profit margins and achieve revenue growth, whilst investing for the future to bring transformation to electronic design and its realization”.

Dividend

The Board has declared an unfranked interim dividend for the half year of AU 16 cents per share, a 23% increase over the interim dividend for the prior year. Key dates for the interim dividend are:

Ex-dividend date	1 March 2019
Record date	4 March 2019
Payment date	27 March 2019

Investor Presentation and Call

Altium management will host a conference call this evening (18 February 2019 at 5pm AEDT) to provide an update of the company's business strategy, financial performance and investor presentation (to be released separately to the market).

Dial in details for the call are provided below.

Date: 18 February 2019 at 5pm AEDT

Dial in Numbers:

Australia (toll free)	1800 148 258
Australia (mobile)	1300 157 230
New Zealand	0800 667 018
Hong Kong	800 965 808
USA	1866 586 2813
Canada	1866 837 4489
United Kingdom	0800 569 662
Germany	0800 181 4827
China	1080 0611 0127
International Dial in:	+61 2803 85271

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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.