Altium Announces Final, Audited Results for the Year to 30 June 2019

Outstanding Financial Results
Investing to Accelerate Future Growth

Sydney, Australia - 19 August 2019 - Electronic design software company Altium Limited (ASX:ALU) has announced its final, audited results for the financial year ended 30 June 2019. Altium achieved outstanding revenue growth across all business units and all key regions of 23% to US$171.8 million for the financial year ended 30 June 2019. Altium expanded profit margins to record levels with a 41% increase in net profit after tax to US$52.9 million and EPS growth of 41%. Other highlights include:

- Record growth in new Altium Designer seats of 27%.
- Record growth of 13% subscription base to more than 43,600 subscribers.
- China led the outstanding growth in revenue up by 37%.
- US and EMEA delivered great performances with 14% and 20% revenue growth.
- Board and Systems revenue grew by 17% to US$126.8 million.
- Octopart continued its leading performance delivering 49% growth in revenue.
- TASKING delivered strong revenue growth of 37%.
- EBITDA margin of 36.5% up from 32.0%.
- EPS of 40.57 cents (up 41%).
- Operating cash flow up 42% to US$69.1 million.
- A final dividend of AUD 18 cents with full year dividends up 26%.
Key full year financial measures compared with the prior corresponding period:

<table>
<thead>
<tr>
<th>Key Financial Measures</th>
<th>FY19 (US$'000s)</th>
<th>FY18 (US$'000s)</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales to customers</td>
<td>177,216</td>
<td>144,541</td>
<td>23%</td>
</tr>
<tr>
<td>Revenue (excluding interest)</td>
<td>171,819</td>
<td>140,176</td>
<td>23%</td>
</tr>
<tr>
<td>Reported expenses</td>
<td>109,098</td>
<td>95,307</td>
<td>15%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>62,721</td>
<td>44,869</td>
<td>40%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>36.5%</td>
<td>32.0%</td>
<td></td>
</tr>
<tr>
<td>EBITDA margin (underlying)*</td>
<td>36.6%</td>
<td>35.5%</td>
<td></td>
</tr>
<tr>
<td>Profit before income tax</td>
<td>57,612</td>
<td>39,703</td>
<td>45%</td>
</tr>
<tr>
<td>Profit after income tax</td>
<td>52,893</td>
<td>37,489</td>
<td>41%</td>
</tr>
<tr>
<td>EPS (cents)</td>
<td>40.57</td>
<td>28.86</td>
<td>41%</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>69,066</td>
<td>48,482</td>
<td>42%</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>80,531</td>
<td>52,459</td>
<td>54%</td>
</tr>
<tr>
<td>Dividend per share (AU cents)</td>
<td>34</td>
<td>27</td>
<td>26%</td>
</tr>
</tbody>
</table>

* The underlying EBITDA margin excludes the re-measurement of contingent consideration and acquisition costs.
## Revenue Breakdown

<table>
<thead>
<tr>
<th></th>
<th>FY19 (US$’000s)</th>
<th>FY18 (US$’000s)</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worldwide revenue</td>
<td>171,819</td>
<td>140,176</td>
<td>23%</td>
</tr>
<tr>
<td>Board and Systems (Altium Designer, Circuit Studio, SolidWorks PCB)</td>
<td>126,782</td>
<td>108,806</td>
<td>17%</td>
</tr>
<tr>
<td>- Americas (US$)</td>
<td>50,856</td>
<td>44,760</td>
<td>14%</td>
</tr>
<tr>
<td>- EMEA (€)</td>
<td>39,199</td>
<td>32,785</td>
<td>20%</td>
</tr>
<tr>
<td>- China (US$)</td>
<td>19,805</td>
<td>14,406</td>
<td>37%</td>
</tr>
<tr>
<td>- Rest of World (US$)</td>
<td>11,508</td>
<td>10,882</td>
<td>6%</td>
</tr>
<tr>
<td>NEXUS (US$)</td>
<td>6,637</td>
<td>4,809</td>
<td>38%</td>
</tr>
<tr>
<td>TASKING (US$)</td>
<td>19,857</td>
<td>14,525</td>
<td>37%</td>
</tr>
<tr>
<td>Octopart (US$)</td>
<td>17,948</td>
<td>12,012</td>
<td>49%</td>
</tr>
<tr>
<td>Other (US$)</td>
<td>595</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

Comments from Altium’s CEO Mr Aram Mirkazemi:

Altium CEO, Mr Aram Mirkazemi commented: “Altium has delivered an outstanding performance. Revenue growth of 23% and an EBITDA margin of 36.5% demonstrate the momentum in our business across all key regions and all business segments”.

“Moreover, Altium delivered record growth in new Altium Designer seats of 27% and record growth of 13% in our subscription base to more than 43,600 subscribers. This is definitely an early sign that Altium is successfully picking up a gear on its climb towards 100,000 subscribers for market dominance” commented Mr Mirkazemi.

“What makes this performance most outstanding is that it has been achieved while Altium has been focused intensely on investing to accelerate future growth. We are increasing the efficiency and reach of our transactional sales model and rolling out our new cloud platform Altium 365. These initiatives will power Altium’s drive to market dominance and the achievement of our 2025 targets of 100,000 subscribers and US$500 million in revenue” commented Mr Mirkazemi.

“With these results and the growing momentum, I am fully confident that we should not only be able to achieve but surpass our 2020 target of US$200 million in revenue”, said Mr Mirkazemi.
Comments from Altium’s CFO Mr Joe Bedewi:

Altium CFO, Mr Joe Bedewi commented: “Altium has delivered a stellar result across all key financial metrics. This includes EPS of 40.57 cents (up 41%) and operating cash flow that is up 42% to US$69.1 million “.

“China built further momentum over the fiscal year with 37% revenue growth, which is an endorsement that our investment in additional China based resources has paid off and will allow us to scale up our operations and revenues in the region. The US and EMEA both performed well delivering 14% and 20% revenue growth respectively, as we implement our next generation transactional sales that leverages further systematization and greater account-based intelligence” commented Mr Bedewi.

“Both Octopart and TASKING delivered strong performances with 49% and 37% revenue growth, respectively. Octopart is moving towards dominance in electronic parts search, while TASKING consolidates its position as a key provider of safety critical compiler technology for the automotive industry” said Mr Bedewi.

Mr Bedewi commented: “We continue to demonstrate our strong operating leverage and ability to increase profit margins while aggressively growing revenue and investing to bring transformation to the electronics industry”.

Dividend:

The Board has declared an unfranked final dividend of AU 18 cents per share, with full year dividends up 26% over the prior year. Key dates for the final dividend are:

- Announcement date: 19 August 2019
- Record date: 4 September 2019
- Payment date: 25 September 2019

Investor Presentation and Call:

Altium management will host a conference call on 19 August at 5pm 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: 19 August 2019 at 5pm AEST

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

Attendee Passcode: 5045209
Investor Relations contact details:

Kim Besharati - VP Investor Relations & Corporate Affairs (US based)
Ph:+1 858 864 1513
Mobile: +1 760 828 3567

Alison Raffin - Company Secretary (Australia based)
Ph:+61 2 9474 7890
Mobile: 0413 528120

ENDS

About Altium

Altium (ASX:ALU) is a multinational software corporation headquartered in San Diego, California, 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 organizations and design communities to innovate, collaborate and create connected products while remaining on time and on budget. Products provided are ACTIVEBOM®, ActiveRoute®, Altium 365®, Altium Concord Pro™, Altium Designer®, Altium NEXUS®, Altium Vault®, Autotrax®, Camtastic®, Ciiva™, Ciiva SMARTPARTS®, CircuitMaker®, CircuitStudio®, Common Parts Library™, Draftsman®, DXP™, Easytrax®, EE Concierge®, NanoBoard®, NATIVE 3D™, OCTOMYZE®, Octopart®, P-CAD®, PCBWORKS®, PDN Analyzer™, Protei®, Situs®, SmartParts™, the TASKING® range of embedded software compilers, Upverter® and X2®, XSignals®.

Founded in 1985, Altium has offices worldwide, with US locations in San Diego, Boston, Dallas and New York City, European locations in Karlsruhe, Amersfoort, Kiev, Munich, Markelo 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, LinkedIn and YouTube.

www.altium.com