Reaching $200 Million by 2020 and Transforming Electronic Design & Its Realization

Aram Mirkazemi – Chief Executive Officer
Henry Potts – Chief Operating Officer
Transforming Electronic Design & Its Realization...

2010-2017
Multi-channel, Multi-disciplinary E-CAD Design & Data Management Software
4th Gen

2001-2009
3D PCB & Unicon Design Data Model
3rd Gen

1991-2000
PCB Software on Windows
2nd Gen

1985-1990
PCB Software on Apple
1st Gen

2018-2025
Cloud-based Platform for Product Design & Realization
5th Gen

$200M Revenue Target
35% EBITDA Margin

$100M Revenue Target
30% EBITDA Margin

GET IN THE ZONE
Transformation

GET REAL
Redemption

GET SMART
Domination

GET FIT
Qualification

GET IN the ZONE
Transformation

Successful IPO

2012 to 2014
2015 to 2020
2021 to 2025

18

$200M
Revenue
Target

35%
EBITDA
Margin

$100M
Revenue
Target

30%
EBITDA
Margin

GET REAL
Redemption

GET SMART
Domination

GET IN the ZONE
Transformation
Altium’s Strategy for Success...

- Maintaining Disciplined Execution and Remaining Single-Minded About PCB Market Leadership
- Building Strong Strategic Partnership
- Disciplined Execution to Achieve Market Leadership
- Transforming Electronic Design & Its Realization
- Being True to Our Deep Conviction that Altium’s Journey Will Bring About Transformation of the Electronics Industry

Building a Strong Partnership with Leading Engineering Software Companies to Connect ECAD with MCAD & PLM
Altium’s Secret Sauce…

Diversity in Thoughts

Product
“Regular Product Releases” and “Delivering Next Generation Products”

Finance
“Growing Revenue Strongly” and “Expanding Profit Margin”

Sales
“High Volume Selling” and “Sophisticated Value Proposition”

People
“Diversity in Thinking” and “Aligned in Action and Purpose”

“the Genius of AND”

Transparency

Perseverance

Adaptability

Ingenuity

Agility

Diversity in Thoughts

“the Genius of AND”

Transparency

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Agility
Altium’s Engines of Growth...

**2020 Target Revenue Breakdown**

- **$200M** Revenue
- **35% + EBITDA Margin**

**Transaction Selling** (Jet Engine)
- Unqualified Leads (Air)
- Marketing (Compression)
- Product Releases (Fuel)
- Sales (Combustion)

**Solution Selling** (Combustion Engine)
- Qualified Leads (Fuel Mixture)
- Sales Pitch (Compression)
- Closing Deals (Combustion)

**Indirect Monetization** (Water Turbine)
- Web Traffic (Water)
- Indirect Monetization (Generator)

- **TASKING**
  - 7.5-10%
- **NEXUS**
  - 7.5-10%
- **BSD - Americas**
  - 30-35%
- **BSD - EMEA**
  - 20-25%
- **BSD - Rest of World**
  - 15-20%

*Includes 5-10% from future acquisitions
BSD – Board and System Division (Accounts for all PCB Products Excluding NEXUS)
Drivers for Altium’s Next Generation Products

1- Multidisciplinary & System-level complexities in Electronic design are key factors in slowing down the pace of innovation during the ideation phase.

Key Enabler: Software

2- Collaboration inefficiencies in electronic parts Supply-chain and PCB Manufacturing are key factors in slowing down the pace of innovation during the realization phase.

Key Enabler: Cloud

3- Lack of direct access to performance data during the utilization phase is a key factor in slowing down the pace of innovation.

Key Enabler: Data Analytics
INDIVIDUALLY DEFINED & DRIVEN APPROACHES

• Ad-hoc tool use and design processes
• Design-reviews as “point in time” collaboration events
• Multiple design spins
• Delays, quality issues, cost over-runs

GROUPS WORKING AS A TEAM

ENTERPRISE DEFINED & DRIVEN APPROACHES

• Legislative, top-down tool selection and design processes
• Constrains designer/engineer creativity
• Expensive
• Limited accessibility

nexus /ˈnɛksəs/ 1. a connection or series of connections linking two or more things, “the nexus between industry and political power”
2. a central or focal point, “the nexus of any government in this country is No. 10”
Altium NEXUS Roadmap...

1.0  Multi-Person Based PCB Design

2.0  Configurable Data
     Configurable Processes
     PCB design teams working on multi-board systems

3.0  Federated Autonomous Collaboration
     PCB design teams working on multi-board systems. Broad market of PCB design teams - distributed geography

4.0  Model-Based Electronic Systems Design
     Distributed PCB design teams working on electro-mechanical systems

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Cloud and Democratization of Electronics Design Bringing About Disruption

Sam Wurzel – Octopart Co-founder
Zak Homuth- Upverter Co-founder
New Trends Shaping the Electronic Industry...

**Shift to the Cloud**
- Supply Chain Management in the Cloud
- PCB Design in the Cloud
- Manufacturing management in the Cloud
- Design Content in the Cloud

**From Engineers to Product Designers**
- 4 Year Bachelors Degree in Electrical Engineering
- Design centered product development, Kids getting involved earlier

**From Shipping Boxes to Value-add Services**
- Component manufacturers selling direct in small quantities

**From Email and Spreadsheets to Protocols**
- Upload your design
- Automated factory spins up
- Receive board in 3 days
Distinct product design platforms covering all angles of product development are emerging centered around **PLM, Mechanical, Electronics** and **Software flows**, each with varying degrees of support for:

- Product Lifecycle Management
- Mechanical Design
- Electronic Design
- Embedded Software Development
- Data & Analytics

Altium is well positioned to lead the Electronics 360 platform.
Transforming Electronic Industry...

Electronic Design Automation Tools
Estimated size: $2 - $5Bn

Global Printed Circuit Board Market
Estimated size: $80 - $100Bn

Electronic Design & Manufacturing Services
Estimated size: $1,000 - $1,500Bn

Electronic Components

Global Semiconductor and Electronic Parts Manufacturing & Distribution
Estimated size: $600 - $800Bn

$2 Trillion
Estimated Industry Size
Inspiration
2008: Designing hardware is harder than it should be...

YC
We move to San Francisco and wrote code...

Launch
2011: We launch the first cloud-based schematic design tool...

U Waterloo
2004: Zak, Steve and Mike meet at university...

Founding
2010: Zak, Steve and Mike start Upverter...

Toronto
We move to Toronto and hire a team...

PCB
2012: We launch the first cloud-based PCB design tool...
Upverter’s Story – Building Strength...

**Funding**
We raise our seed round and hire a bigger team...

**New Breed**
The IOT starts, we focus on makers, hackers, and hobbyists...

**Boards**
We teach them debugging and iteration...

**Parts**
2013: We add part library management & 1.3 million parts...

**SAAS**
We start experimenting with paid subscriptions...

**Manufacturing**
We teach them hardware design & production...

**Community**
2014: We are the largest HW design community with over 32K public designs...
Upverter’s Story – Getting Traction...

Density
We add high-density-design and constraints checking...

System Design
Our first discovery: we need system design...

Verified
We begin approving and verifying parts...

Concierge
We begin making parts for users on demand...

Real
We begin to see our first business users and real products...

Activation
2015: We start refining our users’ journey...

Parts
Our second discovery: we need better parts & more of them...
Altium Raising the Bar in Electronic Design Automation Industry with its Next Generation Products

Ted Pawela– Chief Marketing Officer
Lawrence Romine- Global Head of Field Marketing
Altium the “Easy to” Company...

Uncomplicated Value Proposition  
Direct Sales Force  
Free Technical Support

Easy to Get Up and Running  
Easy to Learn, Easy to Use  
Easy to Maintain with No Hidden Costs

“Easy to” is in Altium’s DNA
The Engineer/User is the Buyer

Buying power returning to engineer

Altium’s selling strength

Solution-based Selling

1980’s

Other EDA companies’ selling strength

Selling moving to higher levels of management

Relationship-based Selling

Project Engineer

C-level Management

2008

Transaction-based Selling

Engineer
A Unique Solution For Every Usage Profile

Optimal Productivity
Optimal Design Flow
Optimal Efficiency
Optimal Accessibility

Large & Complex
Designing Solo
Small & Simple
Designing Together

MAKERS & STUDENTS
Student Video
Collaborative Community For PCB Design

The most feature rich free PCB design product

Supports concurrent multi-user schematic and PCB design

30,182 Library parts released by the community

244,249 Library parts

2,491 Designs have been forked

80,032 Designs created

Unlimited Power For Open Hardware Projects and Education
A Unique Solution For Every Usage Profile

- Optimal Productivity
- Optimal Design Flow
- Optimal Efficiency
- Optimal Accessibility

Designing Solo: PRODUCT DESIGNERS
Designing Together: MAKERS & STUDENTS

Large & Complex
Small & Simple
Product Designer Video
AFFORDABLE, PROFESSIONAL, INTUITIVE

CircuitStudio 1.4 OUT NOW!

CircuitStudio the PCB Design Tool ready to pick up and go. With the 1.4 release now making it easier than ever to transition your historical Eagle™ data into a modern tool, with the peace of mind that you will be able to continue editing your design files today, tomorrow and into the future.

Give it a try ➤

Learn More ➤
Unique PCB Solution For Every Usage Profile

PCB SPECIALISTS

Optimal Productivity

Large & Complex

Optimal Design Flow

Designing Together

CIRCUIT STUDIO

Optimal Accessibility

MAKERS & STUDENTS

CIRCUIT MAKER

Optimal Efficiency

Small & Simple

PRODUCT DESIGNERS

Designing Solo
PCB Specialist Video
High Performance
Made Simple

Easy
Experience the most cohesive, user-friendly interface for you to achieve productivity right “out of the box”

Powerful
Attain the power you need to complete large, complex designs - quickly and accurately.

Modern
Get the latest design tools today with the guarantee of continuous innovation in the future - year after year.
Altium Designer 18 Demonstration Video
A Unique Solution For Every Usage Profile

Optimal Productivity  | Optimal Design Flow
PCB SPECIALISTS      | TEAMS

Optimal Efficiency  | Optimal Accessibility
PRODUCT DESIGNERS   | MAKERS & STUDENTS

Designing Solo  | Designing Together

Small & Simple     | Large & Complex
PCB Team Design Video
Working Together is Hard.

Of new products are late getting to market

More than 33%

Of these are late due to insufficient collaboration

Over 28%

Of revenue potential lost when late to market

Up to 50%

NEXUS Makes It Easy.
Altium NEXUS
Demonstration Video
A Unique Solution For Every Market Segment

- High-End
- Mainstream
- Long-tail

PCB Teams
PCB Specialists
Product Engineers
Makers & Students
Order of Magnitude Increase in Updates and Upgrades Since 2012
Consistent “Easy To” Customer Experience

Products
Next Generation Technology for PCB

Marketing
Customer & Prospect Analytics

Sales
Systemization of Transactional Selling

Customer Experience
Altium’s “Line & Length” Strategy Delivering Margin Expansion While Aggressively Growing the Business

Joe Bedewi – Chief Financial Officer
Why use Cricket Terms to describe a corporate value?

- Easy to Understand – Engages the participants
- Achieving a good result requires balancing objectives and reading the field
- Line and Length requires a keen understanding of conditions, competition and timing

What does Line and Length mean to Altium?

- Simply put - double digit revenue growth and expanding EBITDA
- Meaning we endeavor to drive growth but not at the cost of EBITDA

Why Talk Line and Length at Technology Day?

- Technology is about the Future, changing the World, Improvement
- It takes Discipline to actually design the Future, build innovation that changes the world and drive improvement
- Line and Length instills discipline into all we do – we understand the need to be financially strong in order to deliver a new future
Investor Returns

Ability to Execute our Vision

Enables resources to be aligned with Future Products while delivering excellent returns with existing products
Requires discipline in all aspects of Altium’s Execution
Acknowledges the Ingenuity of “And”
Altium Industry-Leading Performance

Revenue Growth Rate

Last Twelve Months (LTM) Revenue Growth Rate

EBITDA Margin

Last Twelve Months (LTM) EBITDA Margin

- Altium
- Synopsys
- Mentor Graphics
- Dassault Systemes
- Cadence
- Ansys
- Autodesk
Driving Performance from a Position of Financial Strength

- $44.3m Cash
- NPAT $28.1m (Up 22%)
- 600 Employees
- $110.9m Revenue (Up 18%)
- 5 Year Revenue CAGR (Up 15%)
- Debt Free
- 53% Recurring Revenue
- 34,522 Subscribers (Up 11%)
- $113.4m Sales (Up 13%)
- $29.5m EBIT (Up 19%)
- $35.9m Op Cash Flow (Up 155%)
- A$1.1bn Market Cap
- 5,520 Altium Designer Seats (Up 7%)
- $33.3m EBITDA (Up 21%)
- AU 23c Dividend (Up 15%)
- 30% EBITDA Margin (Up 29.3%)
Achieving Market Leadership by 2020

2020 Target Revenue Breakdown

Octopart

TASKING

NEXUS

BSD - Americas

BSD - Rest of World

BSD - EMEA

*$200M* Revenue

35% + EBITDA Margin

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Altium’s Performance - Line and Length Consistency

- **2012:** $0.3m (0.5%)
- **2013:** $5.9m (9.5%)
- **2014:** $18.3m (25.9%)
- **2015:** $22.7m (28.3%)
- **2016:** $27.4m (30.3%)
- **2017:** $33.3m (30.0%)

- **Final Dividend:**
  - FY12: 5
  - FY13: 8
  - FY14: 8
  - FY15: 8
  - FY16: 10
  - FY17: 11

- **Interim Dividend:**
  - FY12: 0
  - FY13: 0
  - FY14: 0
  - FY15: 0
  - FY16: 0
  - FY17: 0

- **Share Price:**
  - FY12: $2
  - FY13: $4
  - FY14: $6
  - FY15: $8
  - FY16: $10
  - FY17: $12

- **Volume:**
  - FY12: 44
Thank You