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ALTIUM LIMITED

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Altium Announces Final, Audited Results for the Year to 30 June 2017

Altium Delivers Best Performance Ever: 18% Revenue Growth & 22% Growth in Net Profit After Tax

Sydney, Australia - 28 August 2017 - Electronic design software company Altium Limited (ASX:ALU) has announced its final, audited results for the financial year ended 30 June 2017. Altium achieved record revenue growth (18%) to exceed its US\$100 million revenue target (set in 2014) with US\$110.9 million in revenue as of 2017. Altium expanded profit margins to record levels with a 22% increase in Net Profit After Tax to US\$28.1 million. Key highlights include:

- Board and Systems revenue grew 15% to US\$91.4 million.
 - The America's grew 12% for the year, with 15% second half growth.
 - EMEA achieved 20% revenue growth.
- Altium Designer seats grew strongly in the second half (up by 11%) resulting in over 5,500 seat licences sold during the full year (up 7%).
- The subscription pool for recurring revenue grew by 11% to reach over 34,500.
- The successful integration of Octopart delivered the strongest business unit momentum achieving 50% revenue growth on a full year basis in Makers and Content revenue.
- China continued its impressive run, with the strongest regional performance and 26% revenue growth.
- Net profit after tax grew 22% to US\$28.1 million.
- EPS of 21.7 cents (up 21%).
- Operating cash flow up 155% to US\$35.9 million.
- Final dividend of AUD 12 cents with full year dividends up 15%.

The following tables summarise the key financial measures and revenue breakdown for fiscal 2017.

Key Financial Measures	FY17 (US\$'000s)	FY16 (US\$'000s)	Change %
Sales to customers	113,443	100,360	13%
Revenue (excluding interest)	110,865	93,597	18%
Reported expenses	(77,611)	(66,167)	17%
EBITDA	33,254	27,430	21%
<i>EBITDA margin</i>	30.0%	29.3%	
<i>EBITDA margin (underlying)</i>	32.3% ¹	30.9%	
Profit before income tax	29,472	24,610	20%
Profit after income tax	28,077	23,020	22%
EPS	21.70	17.89	21%
Operating cash flow	35,861	14,082	155%
Cash and cash equivalents	44,273	38,139	16%
Dividend per share (AU cents)	23	20	15%

Revenue Breakdown	12 months ending 30 June 2017 (US'000s)	12 months ending 30 June 2016 (US'000s)	Change
Worldwide revenue	110,866	93,597	18%
Board and Systems	91,396	79,208	15%
- Americas (US\$)	42,385	37,806	12%
- EMEA (€)	26,523	22,172	20%
- Rest of World (US\$)	20,011	16,765	19%
Microcontrollers and Embedded Systems	11,768	9,922	19%
Makers and Content (Octopart)	7,701	4,467	72% ²

¹ One-off expenses include restructuring costs and contingent consideration for Octopart.

² The full year comparative growth rate for Octopart is 50% (72% represents the post acquisition period only).

Comments from Altium's CEO Mr Aram Mirkazemi:

"Altium has delivered its strongest performance ever with 18% revenue growth and 22% growth in profit after income tax. This performance reaffirms Altium's commitment to delivering both strong revenue growth and margin expansion. I am particularly pleased that Altium has delivered on its promise of exceeding US\$100 million revenue, which we set in 2014."

"Altium has delivered its strong performance across all regions in our core PCB business. America's impressive 15% second half growth was the best way that our America's sales team could respond to the slow first half performance in that region. Our China team has continued to perform well in the second half, delivering the company's strongest regional performance of 26% for the full year."

"Makers and Content (Octopart) performance of 50% growth in revenue (on a full year basis) is a powerful indicator of business momentum and growing market opportunity. Our Microcontroller and Embedded Systems (TASKING) business also performed well, exceeding our expectations, with growth of 19%. This is particularly impressive given that there was no single large transaction during the year."

Comments from Altium's CFO Mr Joe Bedewi:

"Altium has delivered a strong performance across all key financial metrics, reflecting the disciplined execution of our strategy. This includes EPS of 21.7 cents (up 22%) and operating cash flow that is up an impressive 155% to US\$35.9 million."

"Altium's Board & Systems Division (our core PCB business) grew revenue by 15% in fiscal 2017 compared to fiscal 2016. Altium Designer licence seats increased strongly in the second half (up by 11%) to reach over 5,500 seat licences sold for the full year (up 7%) and Altium's subscription pool for recurring revenue grew by a record 11% to reach over 34,500 subscribers."

"Altium has expanded its direct transactional sales model beyond the Americas to all key markets in EMEA. This has created competitive advantage for Altium in the mainstream segment of the PCB market through systematization of our direct sales methodology, which will drive further margin expansion and underpin our pursuit of global PCB market leadership", commented Mr Joe Bedewi.

Positive Outlook

The IoT will drive the proliferation of electronics and the need for more engineers to use PCB design tools. Altium is committed to the delivery of its "line and length strategy" to create consistent double-digit revenue growth and continued margin expansion, which will result in the achievement of its goal of definitive PCB market leadership by 2020, with US\$200 million in total revenue (US\$150 million PCB revenue). Strong growth in Altium's core PCB business, further enhanced by the roll-out of our next generation PCB design products, together with growing momentum in Altium's TASKING and Octopart businesses will underpin the achievement of Altium's 2020 revenue target.

Investor Presentation and Call

Altium management will host a conference call on 28 August 2017 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: 28 August 2017 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
United Kingdom	08 000 569 662
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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.