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ALTIUM LIMITED

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Altium Announces Reviewed Financial Results for the Half-Year to December 2015

## Altium Delivers a Strong Performance, Declares Interim Dividend and Furthers Momentum for Market Leadership

**Sydney, Australia - 17 February 2016** - Electronics design software company Altium Limited (ASX:ALU) has released its 4D statement for the half year ending 31 December 2015.

### Half year summary

Altium achieved a strong first half performance in fiscal 2016 by delivering an increase in sales of 22% worldwide and an increase in revenue of 13%, compared with the previous corresponding period. Altium's solid operating leverage combined with the effect of the relocation of its business to the United States, resulted in the company's net profit after tax (NPAT) growing by 35% to US\$9.1 million. EBITDA margin increased to 27.5% for Altium's existing business (revenue and costs associated with acquisitions not included).

Altium's strong first half result was supported by another outstanding performance by the Americas region which delivered revenue growth of 25% and sales growth of 40%, compared with the previous corresponding period. EMEA returned to form and delivered an 18% increase in revenue and 24% increase in sales for the first half (in local currency), compared with the previous corresponding period.

Altium increased the quantity of new licences sold for its flagship product Altium Designer by 23% during the first half of fiscal 2016 and increased subscription renewal rates in the growth pool by 3% to 87%. The subscriber pool increased to 29,300 subscribed users (with recurring revenue representing 42% of Altium's revenue).

Based on the strong profit result, anticipated cash flow over the second half of fiscal 2016 and the capital needs of the business, Altium's Board of Directors has declared an interim unfranked dividend of AUD 10.0 cents per share for the half year ended 31 December 2015. The dividend will be paid on 6 April 2016 based on a record date of 16 March 2016.

Altium's financial performance over the first half positions the company well to achieve its full year fiscal objectives of double-digit revenue and sales growth and to reach an EBITDA margin that enters into the 30s. The first half results also confirm that the company is on track to achieve its goal of \$100 million revenue by fiscal 2017 (from organic growth alone) and is on course to realise market leadership in PCB software design by 2020.

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**Details are as follows:**

	6 months ending 31 December 2015 (US\$ '000s)	6 months ending 31 December 2014 (US\$ '000s)	Change
Sales to customers	41,092	33,746	22%
Revenue (excl. interest)	42,594	37,599	13%
Reported expenses	(31,940)	(27,543)	16%
- Existing business expenses	(29,805)	(27,543)	8%
- Acquisition expenses	(2,135)	-	N/A
EBITDA	10,654	10,056	6%
EBITDA margin	25.0%	26.7%	
- EBITDA margin (existing business)	27.5%	26.7%	
Depreciation and amortization	(925)	(426)	
EBIT	9,729	9,630	1%
Net interest received	11	158	
Profit before income tax	9,740	9,788	-
Income tax expense	(593)	(3,011)	
Profit after income tax	9,147	6,777	35%
EPS			
- Basic	7.12	5.63	26%
- Diluted	7.12	5.54	29%
Operating cash flow	5,729	7,353	(22%)
Cash and cash equivalents	46,353	61,906	(25%)

**Revenue breakdown**

Consistent with Altium's multi-product, multi-channel strategy, the company has expanded the reporting of its financial results from a geographical based model to also include a product and function focus. Both regional and divisional presentations of revenue are provided in the tables below.

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## Revenue breakdown - Regional

	6 months ending 31 December 2015 (US'000s)	6 months ending 31 December 2014 (US'000s)	Change
Worldwide revenue	42,594	37,599	13%
Americas revenue (US\$)	18,454	14,768	25%
EMEA revenue (€)	13,991	11,850	18%
Greater China (US\$)	4,358	4,799	(9%)
APAC excluding Greater China (US\$)	2,867	2,803	2%
Global - Octopart (US\$)	1,487	-	N/A

EMEA means Europe, the Middle East, Africa and Russia. Greater China means the PRC, Hong Kong and Taiwan.

## Revenue breakdown - Divisional

	6 months ending 31 December 2015 (US'000s)	6 months ending 31 December 2014 (US'000s)	Change
Worldwide revenue	42,594	37,599	13%
Boards and Systems	35,682	33,546	6%
- Americas (US\$)	17,178	14,252	21%
- EMEA <sup>1</sup> (€)	9,878	8,665	14%
- Rest of World (US\$)	7,630	8,135	(6%)
Microcontrollers and Embedded Systems	5,425	3,921	38%
Makers and Content <sup>2</sup>	1,487	-	N/A

### Comments from Aram Mirkazemi, CEO

Altium's first half performance demonstrates the building of further momentum in our pursuit of market leadership in PCB software design. Altium's first half results are a direct reflection of the disciplined execution of the company's strategy. This includes a sharp focus on furthering Altium's leadership position in the mainstream PCB market, while expanding our market reach into the upper and lower segments of the market through new products, strategic partnerships and acquisitions.

The Americas continue to demonstrate strength, delivering record revenue and sales growth of 25% and 40%, respectively. Since moving to a direct sales model twelve months ago, the Americas has not looked back and continues to build momentum with a strong opportunity pipeline. We are confident that our sales strategy for the Americas is gaining traction for the long-term.

EMEA is back on track, achieving revenue growth of 18% and sales growth of 24%, in local currency over the first half. This was a pleasing result given the challenging macroeconomic conditions in the region.

<sup>1</sup> Board and Systems Division - EMEA, includes Europe, the Middle East and Africa, but excludes Russia.

<sup>2</sup> Makers and Content Division includes Octopart.

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This result reflects the focus, discipline and strength of Altium's EMEA team, supported by a stronger corporate presence in the region.

During the first half of fiscal 2016, Altium completed the acquisitions of Octopart and Ciiva and has integrated these two entities well. Octopart and Ciiva are providing a competitive advantage to Altium and are a key part of our content and design data management strategy.

Altium's recently announced technology partnership with Dassault Systemes Solidworks provides a strong endorsement that industry leaders view Altium as the future of PCB software design. This partnership is strategic in nature and focused on delivering an innovative engineering tool for the design of intelligent products. This will take some time to fully ramp but builds a foundation for taking Altium beyond its short term revenue goals. It is also consistent with our multi-product, multi-channel strategy to support our bid for market leadership in PCB software design.

## Investor Presentation and Call

Altium management will host a conference call on 17 February 2016 at 9.30am AEDT 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: 17 February at 9.30am AEDT

Dial in Numbers:

Australia (toll free)	1800 801 825
Australia (Sydney)	+61 (0)2 8524 5042
New Zealand	0800 452 905
Hong Kong	800 905 927
USA	1855 298 3404

Attendee Passcode 2167226

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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 Karlsruhe, Amersfoort, Kiev and Zug and Asia Pacific locations in Shanghai, Tokyo and Sydney. For more information, visit [www.altium.com](http://www.altium.com). You can also follow and engage with Altium via Facebook, Twitter and YouTube.