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Altium announces final, audited results for year to 30 June 2014

Altium delivers double digit growth and declares final dividend

Sydney, Australia - 26 August 2014 - Electronics design software company Altium Limited (ASX:ALU) has announced its final, audited financial results for the financial year ending 30 June 2014.

Financial year summary

Altium achieved another record full year result building on the performance from the 2013 financial year. Key drivers were strong Altium Designer license and subscription sales and effective operating cost management leading to a solid growth in revenue up 15% to US\$71.1m and net profit after tax up 717% to US\$11.2m.

Cash flows were also strong with operating cash flows up 50% to US\$18.5m. The cash balance as at 30 June 2014 was US\$22.0 m after returning dividends of US\$12.8 m during the year

Dividend

An unfranked final dividend of 8.0 AU cents per ordinary share was declared. The dividend will be paid on 23 October 2014 based on a record date of 2 October 2014. There is no conduit foreign income component. With an interim dividend of 4.0 AU cents this brings total dividends declared for the year to 12.0 AU cents or 9% increase from previous year.

The ability of Altium to pay dividends is limited by its net asset position which is constrained by the high level of deferred revenue. Altium will review the size of the interim dividends in future periods to ensure a more even distribution of dividends across the year.

Details are as follows:

	12 months ending 30 June 2014 (US\$'000s)	12 months ending 30 June 2013 (US\$'000s)	Change
Revenue	71,112	62,054	15%
<i>Sales to customers</i>	<i>76,091</i>	<i>69,244</i>	<i>10%</i>
Operating cash expenses and depreciation ~	(53,154)	(49,107)	8%
<i>Underlying profit</i>	<i>22,937</i>	<i>20,137</i>	<i>14%</i>
Movement in provision for leasehold facility	1,029	1,733	
Net adjustment for deferred revenue	(5,421)	(8,313)	
Share based payments	(520)	(5,224)	
Restructuring costs	(152)	(2,554)	
Other non-cash items ^	(739)	(2,285)	
Profit before income tax	17,134	3,494	390%
Income tax expense	(5,968)	(2,128)	
Profit after income tax	11,166	1,366	717%
EBIT	17,120	3,774	354%
	12 months ending 30 June 2014 (US\$'000s)	12 months ending 30 June 2013 (US\$'000s)	Change
Operating cash flow	18,452	12,318	50%
Cash and cash equivalents	22,049	14,756	49%
Dividend per share (AU cents)	12.0	11.0	9%
Interim (AU cents)	4.0	3.0	
Final (AU cents)	8.0	8.0	

~ Depreciation charge is considered part of normal operating expenses and accordingly factored into underlying profit.

^ Non-cash items include amortisation, legal settlements and associated fees and foreign exchange differences.

Comments from Aram Mirkazemi, CEO

Altium achieved strong worldwide revenue and sales growth during fiscal 2014 as the company continued to successfully execute its corporate strategy. This strategy is focused on furthering Altium's leadership position in the mainstream Printed Circuit Board (PCB) market, while expanding market reach to the lower and upper segments.

All regions experienced revenue growth over the financial year. In particular, the improvement in Americas in the second half was a significant achievement given the disruption to the America's region as Altium continues to transform its sales model to leverage reach from our channel partners who also offer mechanical CAD software to our customer base. EMEA continued to deliver strong momentum.

Encouraging revenue and sales growth and our focus on exercising fiscal discipline has enabled Altium to deliver a return to shareholders in the form of an 8.0 AU cent dividend.

Comments from Richard Leon, CFO

The growth in reported earnings is a positive reinforcement of Altium's business model with growing recurring revenues and high operating leverage. Previous years' one-off, non-operating costs have declined contributing to higher earnings. The expected reduction of one-off costs will simplify financial reports allowing traditional measures of revenue, net profit after tax and EBIT to provide a more readily recognisable and reliable measure of the Group's performance. In future, these measures will replace sales and underlying profit as the headline results reported by Altium.

Detailed financial summaries are below.

Sales and Revenue Breakdown

12 months ending 30 June	Sales			Revenue ²		
	2014 (US\$'000s)	2013 (US\$'000s)	Change	2014 (US\$'000s)	2013 (US\$'000s)	Change
Worldwide result	76,091	69,244	10%	71,112	62,054	15%
Regional (local currencies, '000s)						
America (US\$)	27,151	28,177	(4%)	25,747	23,890	8%
EMEA (Euro) ^{1, 3}	24,923	21,086	18%	22,400	18,174	23%
Greater China (US\$) ¹	9,731	8,197	19%	8,801	7,971	10%
APAC excluding Greater China (US\$) ^{2, 3}	5,547	5,568	0%	5,670	5,371	6%

¹ EMEA means Europe, the Middle East and Africa. Greater China means the PRC, Hong Kong and Taiwan.

² Revenue by regions excludes other income and interest income.

³ Performance for the year ended 30 June 2013 has been adjusted to reflect changes to territories made in the year ended 30 June 2014.

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About Altium

Altium Limited (ASX:ALU) creates electronics design software. Altium's unified electronics design environment links all aspects of electronics product design in a single application that is priced as affordable as possible. This enables electronics designers to innovate, harness the latest devices and technologies, manage their projects across broad design 'ecosystems', and create connected, intelligent designs.

Founded in 1985, Altium operates worldwide. For more information, visit www.altium.com.

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