

Altium®

A Winning Strategy for Value-Creation

ALTIUM'S JOURNEY AND ITS VISION OF INDUSTRY TRANSFORMATION

18 June 2021



Agenda

1

Altium's Journey of Transformation

2

Uniqueness of Altium in the Engineering Software Ecosystem

3

Altium's Confidence in its Ability to Execute

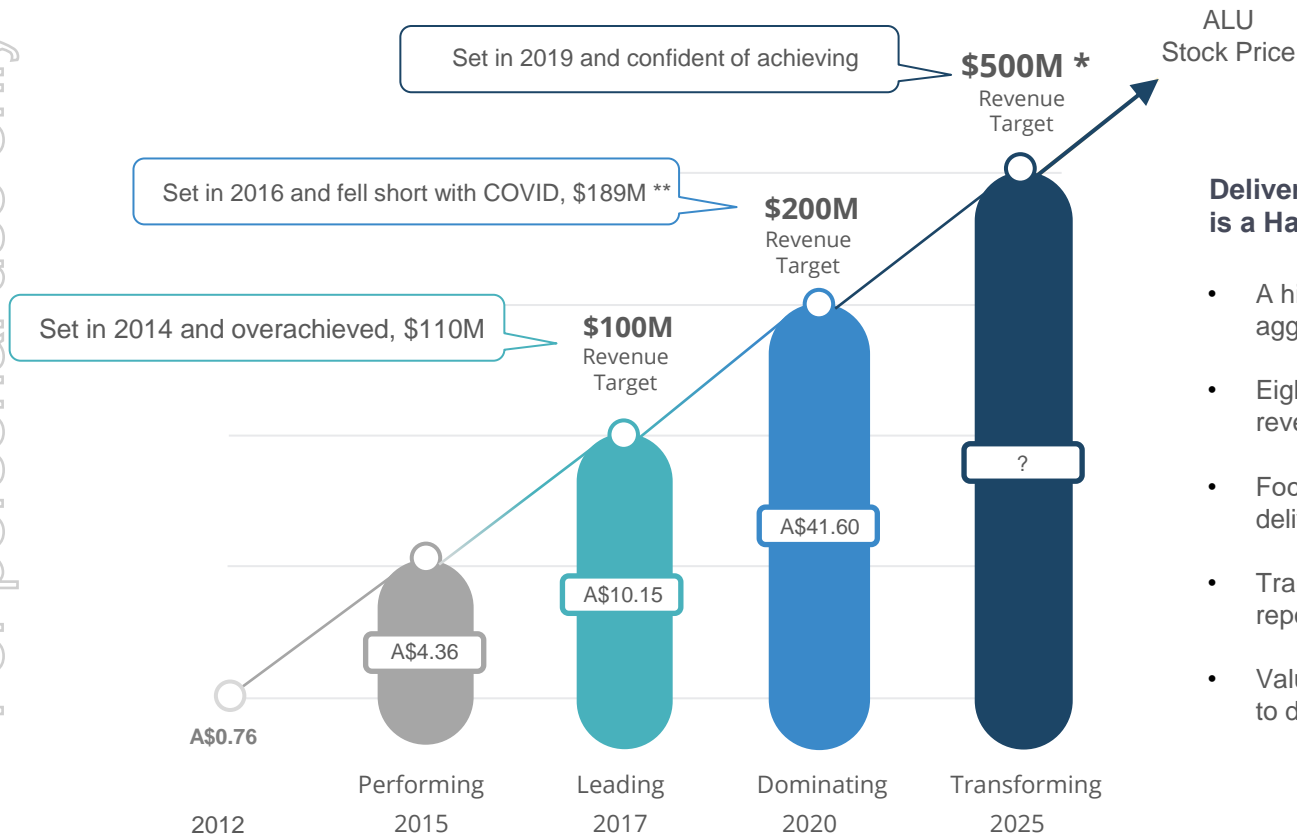
4

Our Flight Path to Dominance

Outstanding Value-Creation Track-Record Over Time



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Delivering Value for our Shareholders is a Hallmark of Altium...

- A history of setting and over-achieving aggressive long-term financial targets
- Eight consecutive years of double-digit revenue growth & expanding margin
- Focused execution with the “ingenuity of and” delivering strong operating leverage
- Transparency for stakeholders and all-in reporting (no capitalization of R&D expenses)
- Value creation at every stage from leadership to dominance to industry transformation

* The target revenue of \$500M may include 10-20% from future acquisitions.

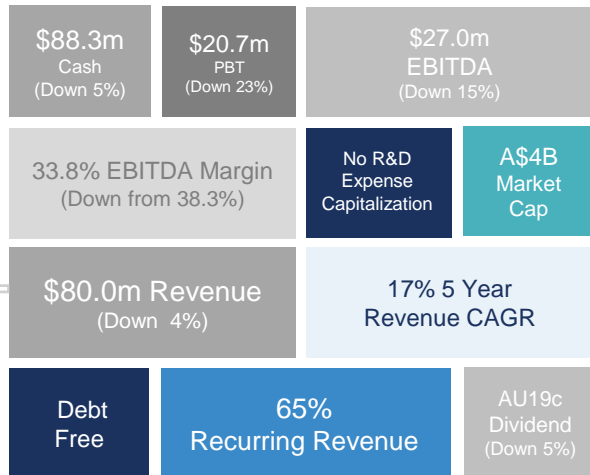
** Three months out analysts' consensus pointed to a revenue target of \$208M for FY2020

Pursuing Dominance and Transformation from a Position of Strength



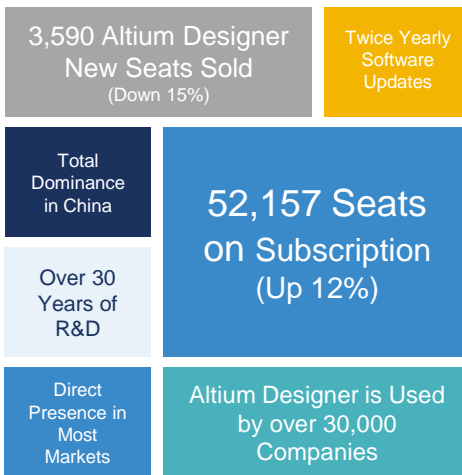
Financial Performance

Altium is the fastest growing EDA company with 8 consecutive years of double-digit growth (prior to COVID) and expanding margin



Altium Designer Dominance

Altium Designer is the most widespread professional PCB design tool used by over 100,000 engineers worldwide



Altium 365 Adoption

The world's first digital platform for design and realization of electronics hardware gaining strong early adoption



All figures relate to first half results presentation, Feb 2021

* As of June 2021, and compared to Feb 2021 data

Altium's Market-Leading Products and Cloud Platform

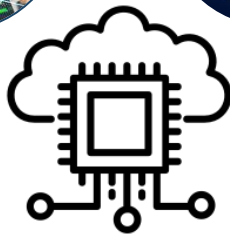


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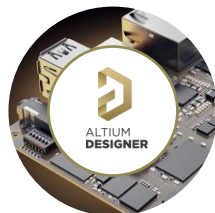
Altium 365
Altium's Cloud Platform for Electronic
Design & Manufacturing



Altium Nexar
Cloud-based Integration Platform for
Altium 365 and Parts Ecosystem



Altium NEXUS
PCB Design Software for the Last
Mile of Digital Transformation



Altium Designer
Most Widely Used PCB Design Software



Altium CircuitMaker
PCB Design Software for Makers,
Open Source and Non-profit

Altium has the best PCB design tools and cloud platform for the electronics industry with a deep user-centricity and a proven ability to “Out-Innovate” the competition

Mainstream Dominance with Diversity of Applications & High-Profile Customers



Automotive



Aerospace & Defence



Life Sciences



Mobile Devices



Consumer- Electronics



Electronics & High-Tech



Research & Education



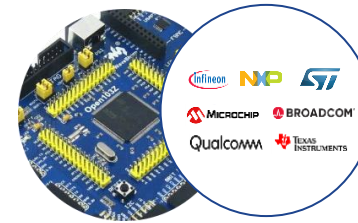
Industrial Controls



Computers



Semiconductors



Altium is the differentiated category leader of PCB design and empowers innovation for a diverse array of leading customers

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Nasa's Mars Ingenuity Copter's electronics were designed using Altium software

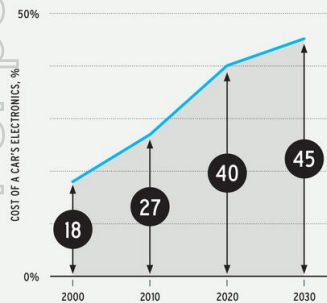
Printed Circuit Boards are central to the design & realization of electronics and smart connected products

Electronics are Responsible for 40% of a New Car's Total Cost

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Where the PCBs go in Automobiles

- Engine Control System
- Battery Control System
- ECU/ECU control modules
- Antilock brake systems
- Digital displays
- Dashboard
- Transmission sensors
- Radar
- Audio systems
- DC/AC power converters
- Engine timing systems
- Electronic mirror controls
- Power relays
- Airbag
- LED lighting systems
- Steering
- Air Conditioner System

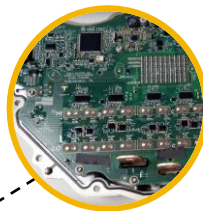


Deloitte (2019) - Semiconductors – the Next Wave

Central Information Display



Inverter Board



Self-driving computer and its AI brain



Visual Compute Module



Motor Controller

The Economic Forces Shaping the Future of Smart Products

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iRobot
Smart Vacuum Cleaner

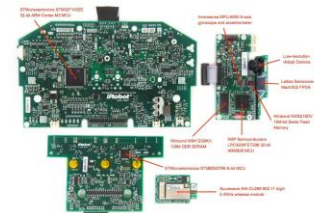


- Safety
- Performance
- Compliance
- Engineering Expertise



System Modelling & Engineering Analytics

- Need for Intelligence
- Need for Connectivity
- Electronic Components
- PCB Fab & Assembly



Electronic Design & Manufacturing

- Form, Fit & Function
- Experience
- Time to Market
- Material
- Manufacturing



Product Design & Manufacturing

- AI/ML
- Security
- Scalability
- Cloud Computing
- 5G



Software, Silicon & Computing

The Emergence of Cloud-Based Digital Ecosystems around Smart Products...



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Electronic Design & Manufacturing



Altium has the only digital platform connecting electronic design to realization in the mainstream engineering market

The emerging platforms in Product Design and Manufacturing while competing they target different market segments

Product Design & Manufacturing

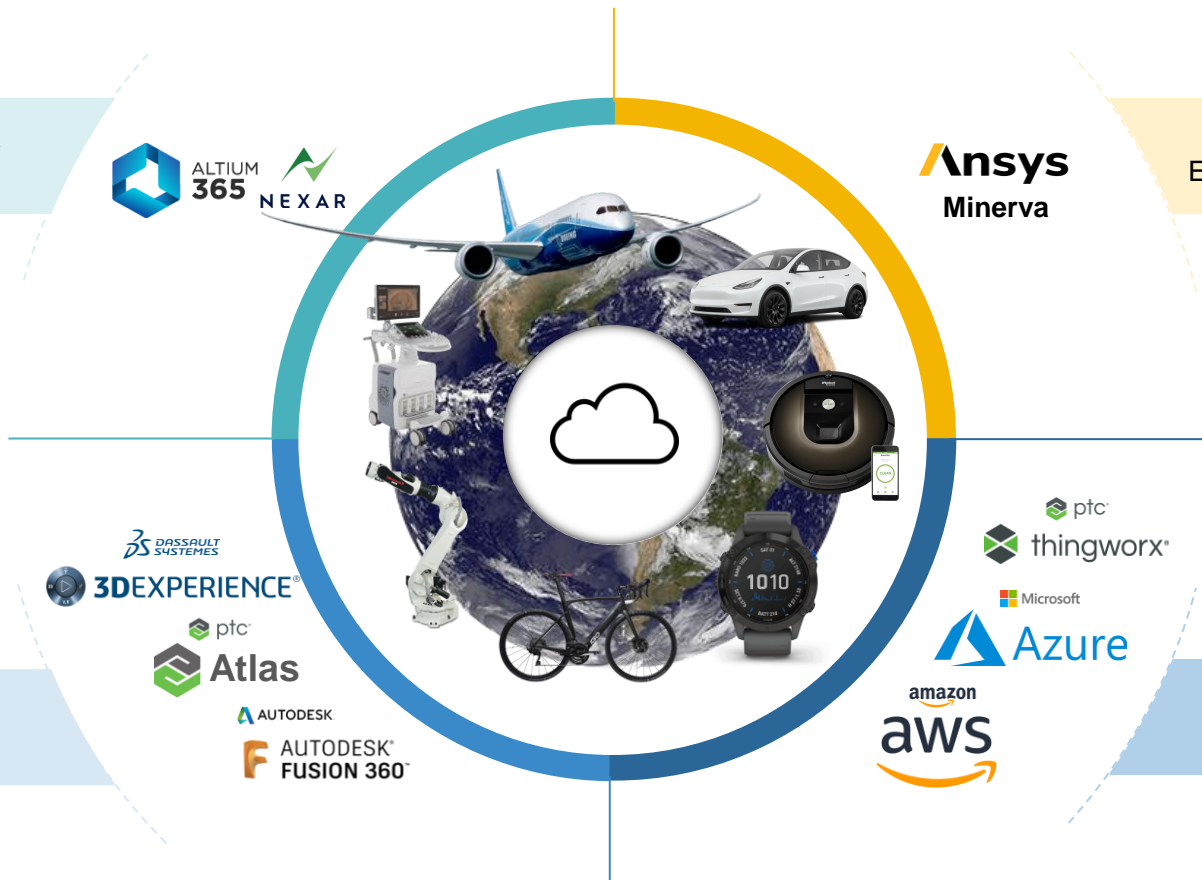


System Modelling & Engineering Analytics

- Ansys' pervasive simulation platform aims to make simulation relevant at all stages of a product lifecycle – from ideation to utilization
- AWS and Azure are most likely to be the two dominant infrastructure layers for managing the data and processes for smart products



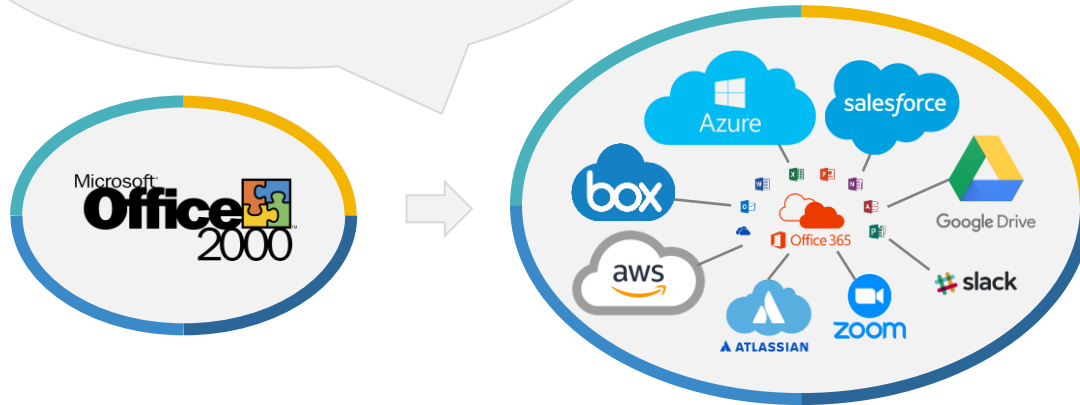
Software, Silicon & Computing



Industry Solutions are Moving to the Cloud and Giving Rise to a System of Ecosystems



It is expected that the engineering software industry will follow the same trends as business productivity and enterprise software in the way that the tool/system integration has moved onto the cloud



Best-of-breed wins in the cloud and requires unbundling on the desktop and rebundling on the cloud

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Altium 365 and Nexar Connect Electronic Design to Manufacturing and the Wider Engineering Software Ecosystem

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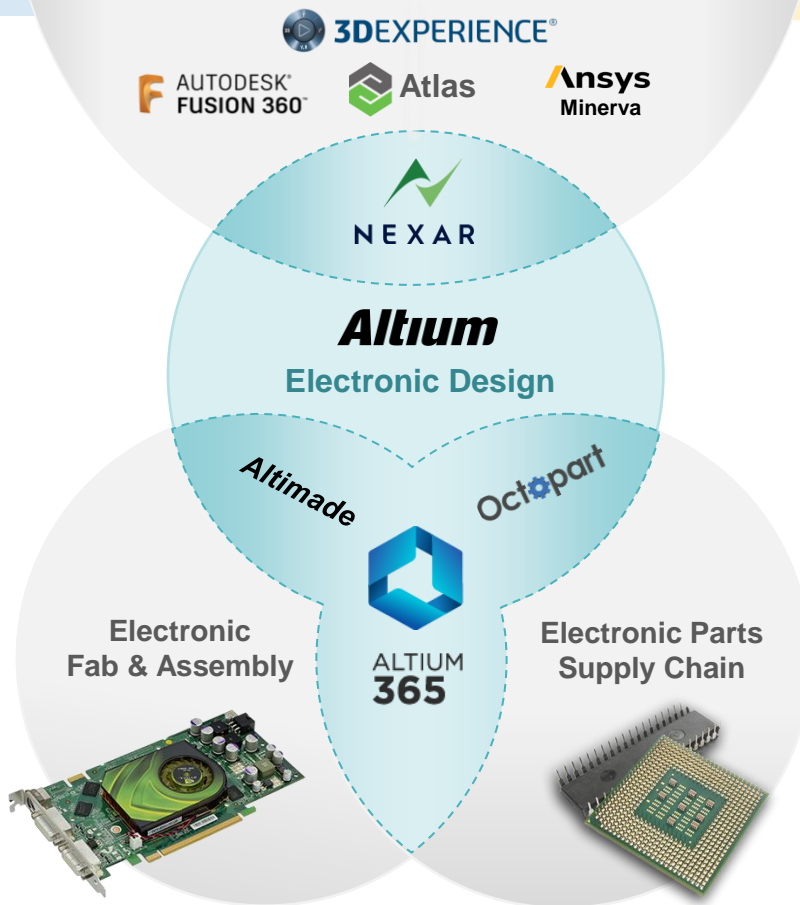
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Product Design & Manufacturing

- **Nexar** - is a cloud-based integration platform to connect the growing community of Altium 365 PCB design users with the software, suppliers, and manufacturers needed to transform ideas into smart & connected products
- **Platform Adoption** - Over 6,000 companies have already adopted the Altium 365/Nexar cloud platform for electronics design.

\$2 Trillion

Estimated Size of the Electronic Industry



System Modelling & Engineering Analytics

- **Altium 365** - connects the Electronics Industry fragmented value chains to drive productivity and manage production risk
- **Octopart** - allows electronic designers to research parts availability and pricing while providing opportunity for component manufacturers to influence early design decisions
- **Altimade** - provides cloud based smart manufacturing that will improve productivity and manufacturability of electronics hardware and manage production risk and supply chain

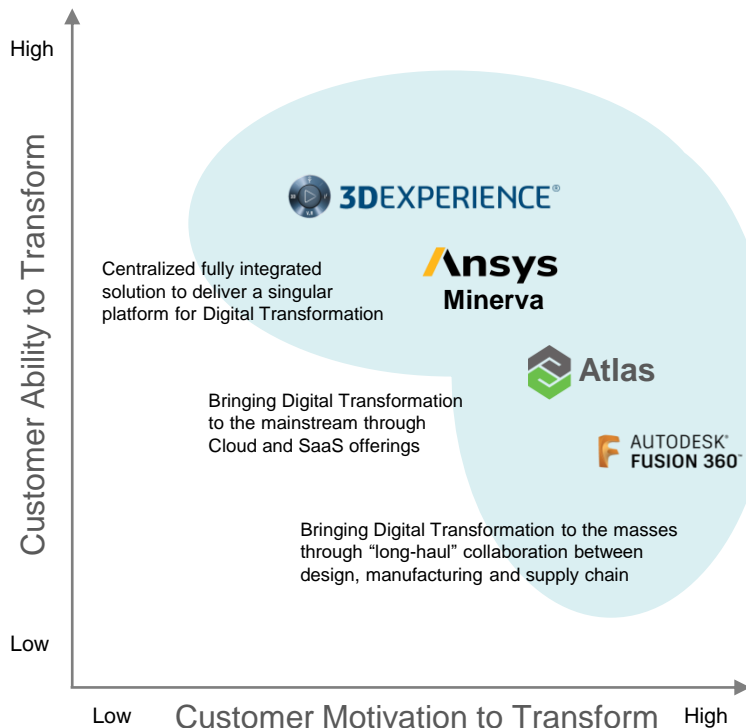
Customer Focus Areas for Strategic Alliance



Altium will build strategic partnerships to focus on customers who are highly motivated to pursue digital transformation but with low organizational capability to implement enterprise software for electronics

Highly motivated but low organizational capability to implement digital transformation for electronics

- The rise of smart connected devices has brought electronics into many organizations where previously they would outsource the design and manufacturing of electronics hardware
- The last mile of digital transformation is difficult for most companies with low organizational capability to manage an enterprise-wide design and realization platform
- A cloud-based approach is ideal to facilitate and help the implementation of digital transformation for this class of organizations



Highly capable but economically constrained to implement digital transformation for electronics

- The implementation of an enterprise-wide platform for the design and realization for electronics hardware is economically unviable for most companies where electronics is required but not central to their core activities
- A SaaS based business model makes digital transformation a viable proposition for large companies where electronics is required but secondary to their core competency



Altium is Well Positioned to Disrupt the Way Electronic Products are Designed and Manufactured



What they all have in common is their ability to simultaneously bring **data, processes and commercial transactions** together on a **singular cloud-based digital platform** at a large scale

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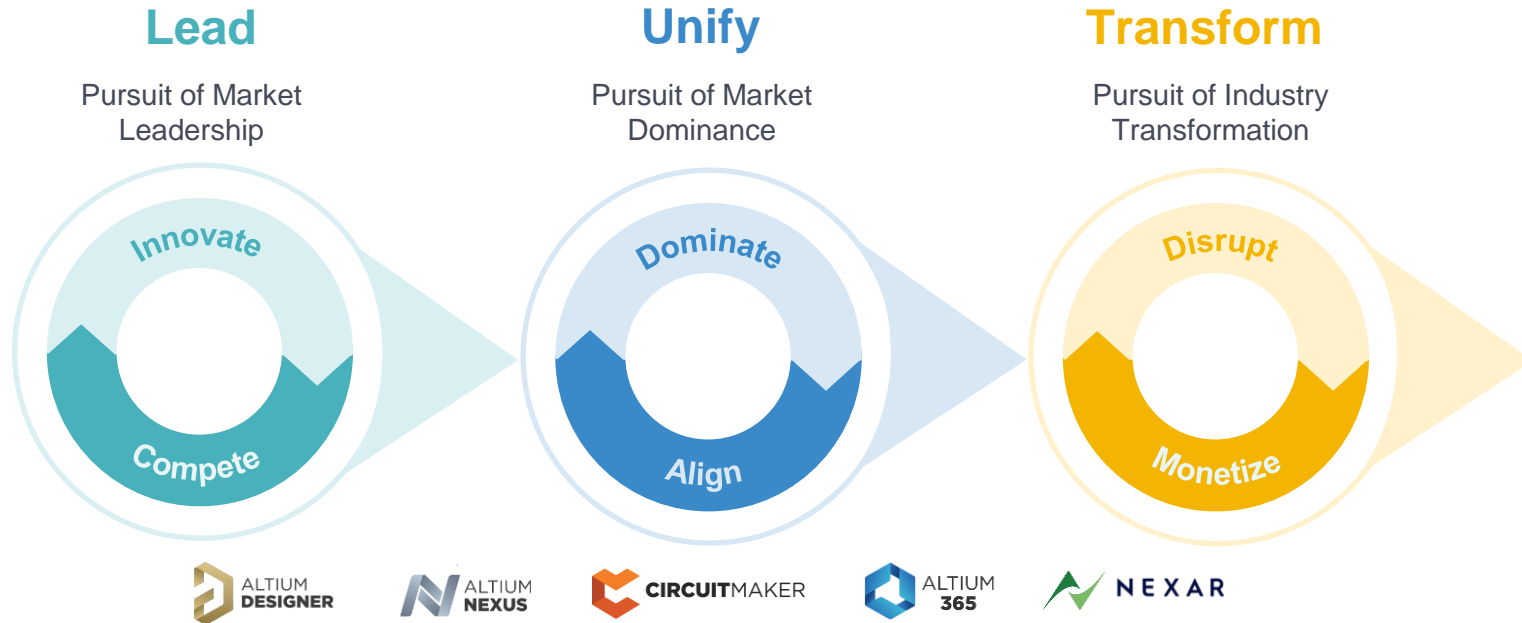
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Our Flight Path to Dominance

From Market Leadership to Dominance and Transformation

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Altium must target 100,000 active subscribers by 2025 to compel key industry stakeholders to support its agenda to transform electronic design and its realization

Altium's Hard Pivot to the Cloud



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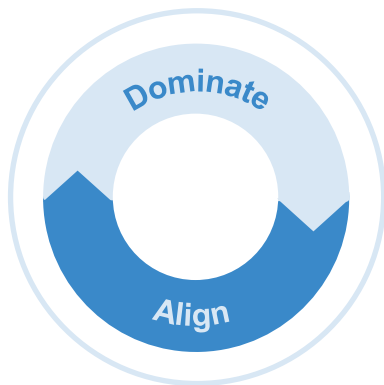


Altium's Pivot to the Cloud Sets Up Two Engines of Growth

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Software Business (Dominance Engine)



- Software Tools for **Design of Electronics**
- Traditional Software Licensing Model



On-premises

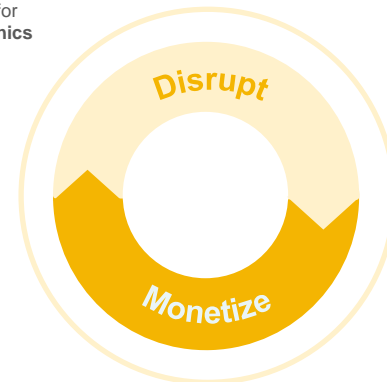


Hybrid



Cloud

Cloud Business (Transformation Engine)



- Collaboration Platform for **Realization of Electronics**
- Premium Services and Direct Monetization



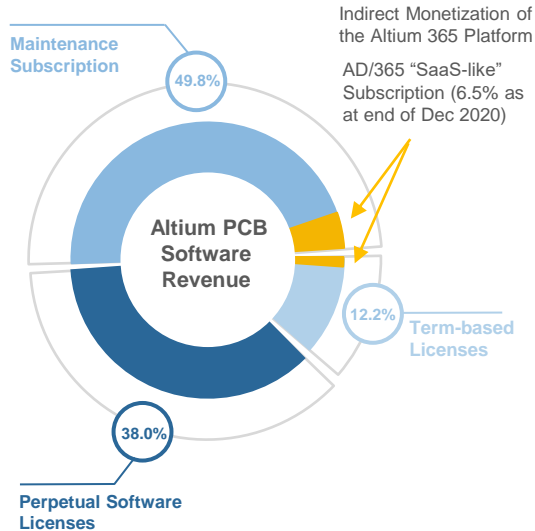
Altium's strong software business is our dominance engine, and our new cloud platform Altium 365 / Nexar is our transformation engine

The Impact of the Move to Cloud on Altium's Revenue



Software Business (Dominance Engine)

Indirect Monetization



Altium's move to the Cloud will bring "SaaS-like" revenue without changing its software licensing model

Cloud Business (Transformation Engine)

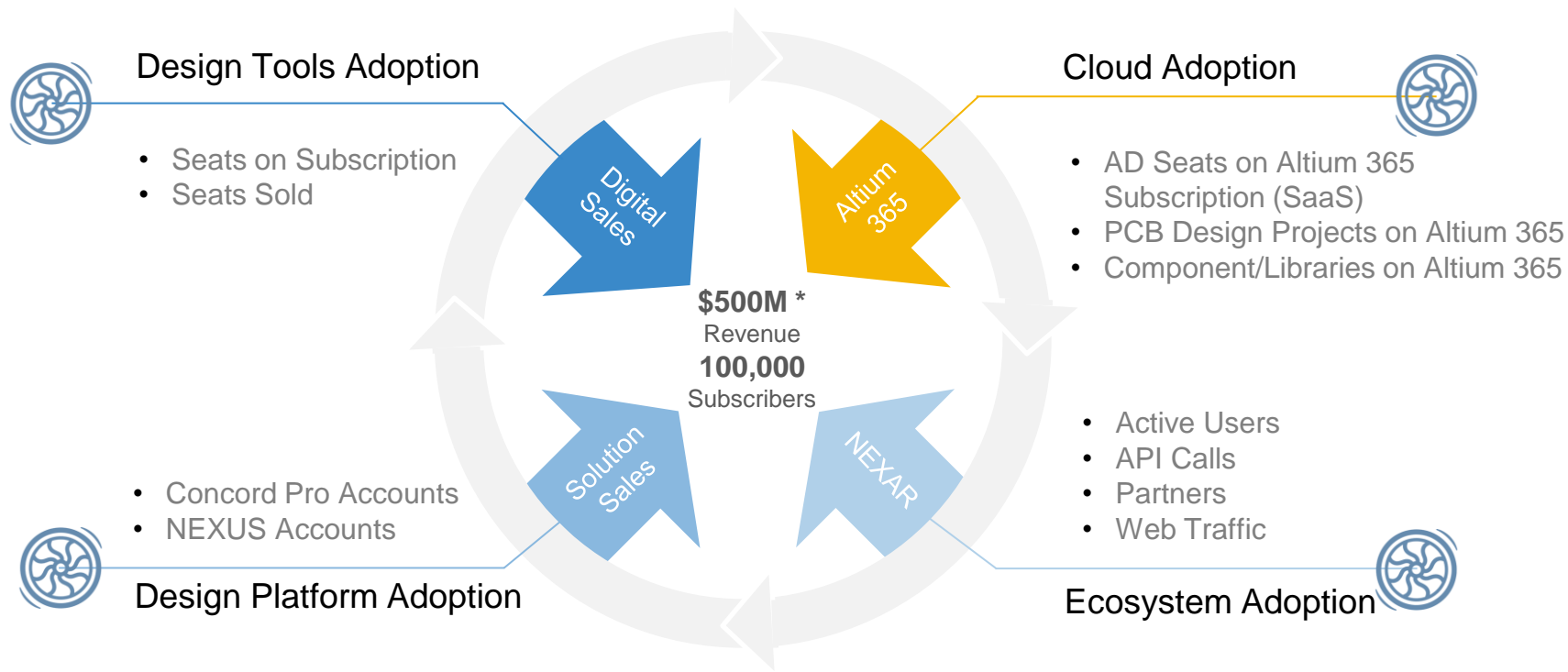
Direct Monetization

Path to direct monetization:

- Premium Services (e.g. Amazon Prime)
- Transaction Fees on Manufacturing (e.g. Airbnb)

Altium 365 and Nexar provide unique opportunities for direct monetization

Four Flywheels for Dominance and Transformation



* The target revenue of \$500M may include 10-20% from future acquisitions.

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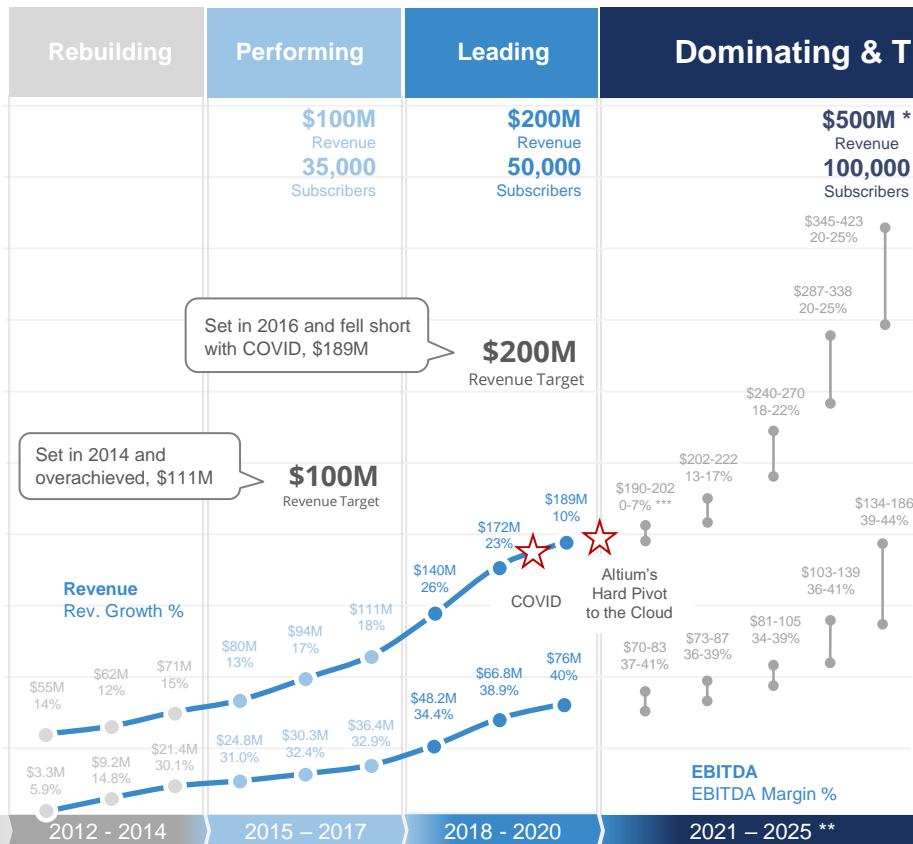
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Our Flight Path to Dominance

Reconfirming Flight Path to 2025



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- \$500M revenue target was set in 2019 as an aspirational goal and is fully committed to by the company in the same way as its previous aspirational targets
- Altium sets long term aspirational targets as key results that will ensure that its strategic objectives are met. These are Altium's highest level OKRs (objectives and key results).
- \$500M in revenue and 100,000 subscribers are purely set as a measure of dominance and a pre-requisite for transformation.
- Due to COVID and Altium's pivot to the cloud, the trajectory to \$500M is not linear.
- This trajectory is in phases – FY21 “pre-vaccine”, FY22 “transition” and FY23 to FY25 “acceleration to dominance”

* The target revenue of \$500M may include 10-20% from future acquisitions.

** The target revenue ranges (2021-2025) exclude revenue from future acquisitions.

*** Reduced from 6-12% down to 0-7% as the revenue from TASKING is not removed from FY2020 and prior periods.



- Altium anticipates that for fiscal 2021:
 - **Revenue** is expected to be at the low end of guidance of US\$190 million to US\$195 million.
 - **EBITDA margin** is expected to be at the low end of the guided range of 37% to 39% on an underlying basis (excluding M&A costs and write-back of Solidworks minimum contractual amount due to termination)
- China is delivering a solid performance after coming back from COVID earlier than the rest of the world.
- Renewals are strong and Octopart is on track for a record performance.
- A continued increase for Term Based Licenses is also being observed.