

ALTIUM LIMITED

ACN 009 568 772

3 Minna Close
Belrose NSW 2085
Australia

Investor Relations
Contact Details:

Alison Raffin
Company Secretary

t +61 2 9410 1005

f +61 2 9410 0509

Altium Limited - February 2014 Investor Presentation

Sydney, Australia - 28 February 2014 - The executive management of electronics design software company Altium Limited (ASX:ALU) will today hold an investor presentation at the Amora Hotel, Sydney providing an update of the company's business strategy and financial performance.

The attached presentation will be given. A copy can also be found on the company's website: www.altium.com.

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Ph: +61 2 9410 1005

ENDS

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 to be as affordable as possible. This helps electronics designers 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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Delivering Sustainable Return While Positioning for Future Growth

Altium

2014 Mid Year Presentation

28 February 2014
Sydney

Aram Mirkazemi CEO
Richard Leon CFO

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Financial data

All dollar values are in US dollars (US\$) unless as otherwise presented.

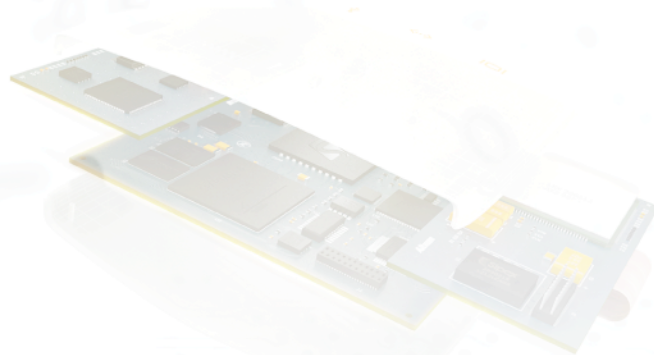
Future performance

Forward looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. An investment in Altium shares is subject to investment and other known and unknown risks, some of which are beyond the control of Altium Limited. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Altium employees, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this Presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies. Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.

Past performance

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

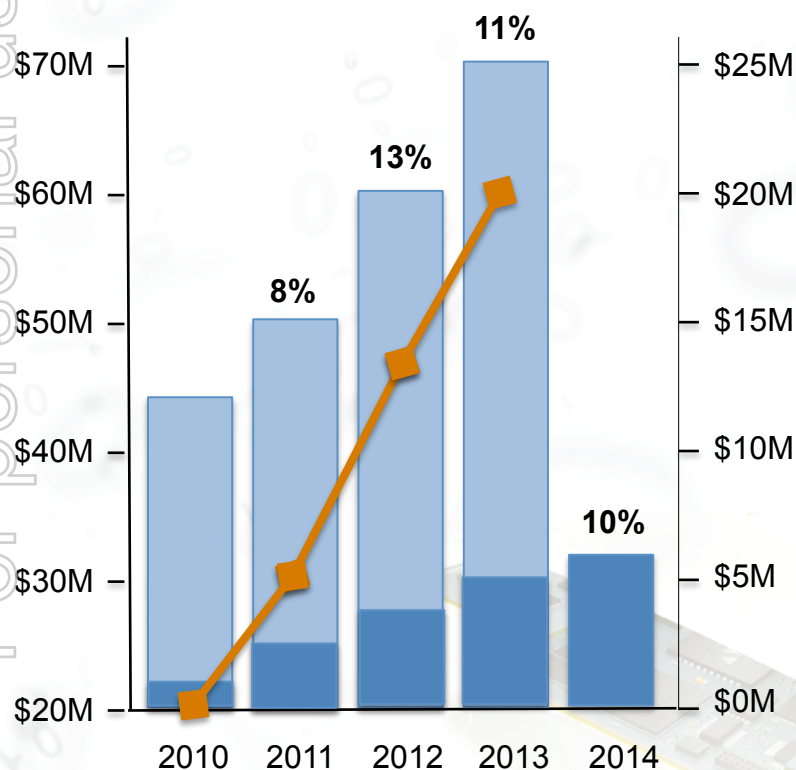
- **Company & Industry Overview**
 - Market Opportunity & Strategy for Growth
 - 2014 Half Year Results Highlights



Solid Business Results

Altium

■ Total Sales
■ Half Yearly Sales
◆ Underlying Profit



\$6.3
Op Cash

4.9%
Div Yield

25,000
Subscribers
(47% Revenue)

Debt Free

\$14.5M
Net Cash

\$5.9M
EBITDA

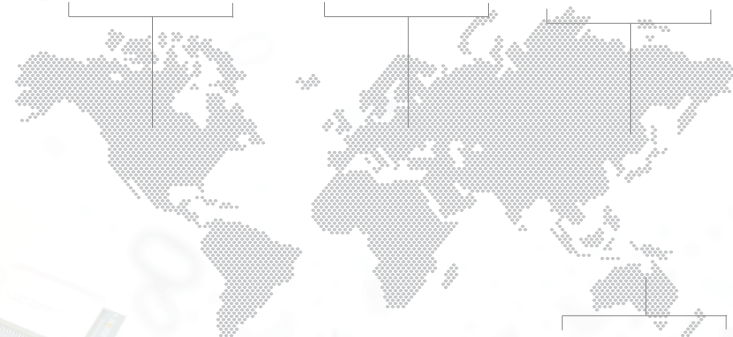
~ 350
Employees

**11%
CAGR**

\$280M
Market
CAP

\$31M
Sales (10%)

Americas: **34%** EMEA: **43%** China: **15%**



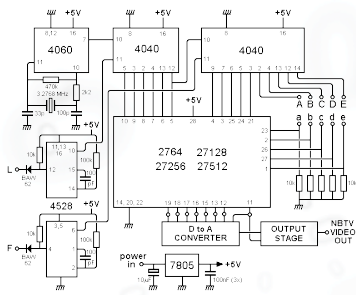
1H FY14 Sales By Region

APAC: **9%**

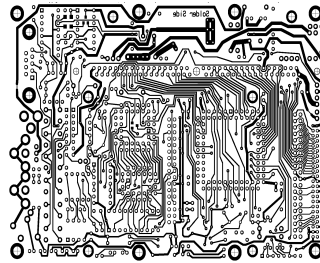
Printed Circuit Board Design Process

Altium

Circuit Diagram



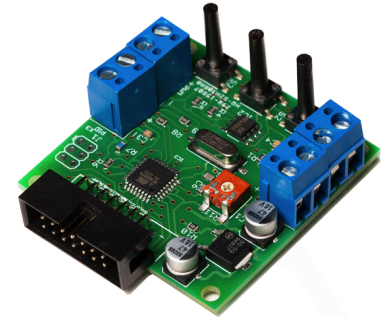
Layout Film



Bare Board



Assembled Board

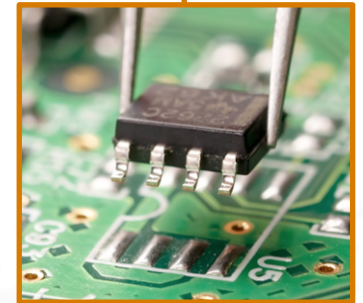
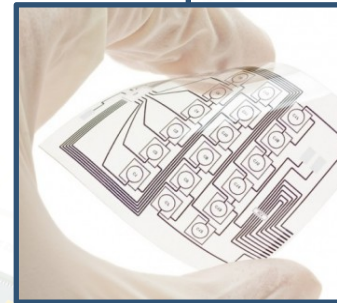
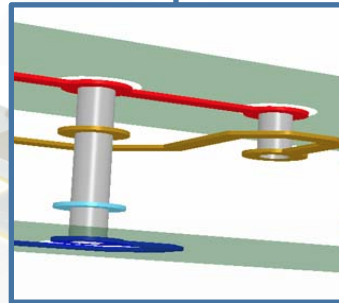
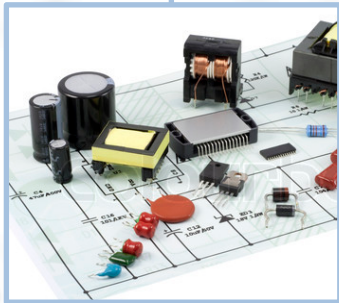


Design Capture

Layout

Fabrication

Assembly



What We Do!

Altium

- ✓ 3D Printed Circuit Board Design Software

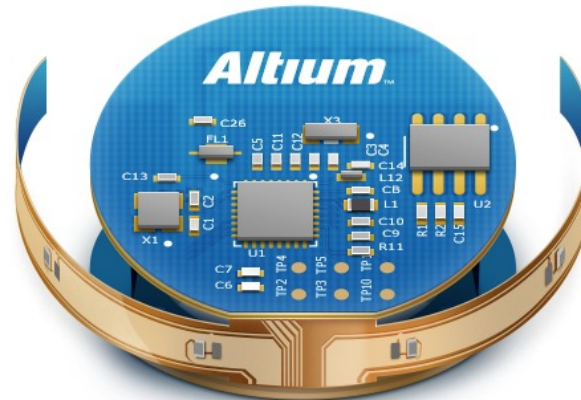
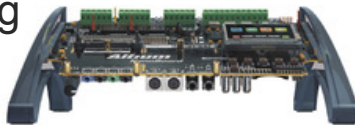
Altium
Designer

- ✓ Embedded System Development Software

TASKING
Embedded software development from Altium.

- ✓ Electronic Design & FPGA Prototyping

NanoBoard



Concept

Design
Capture &
Verification

Embedded
Software
Development

FPGA
Prototype

Printed Circuit
Board Layout

Manufacturing

Diversity of Applications

Altium

Altium tools are widely used in a variety of industries



Aerospace &
Defence



Electronics &
High-Tech



Life Sciences



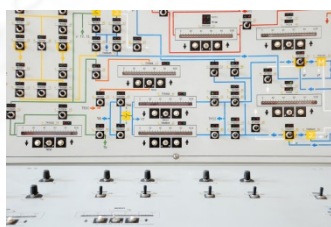
Automotive



Consumer-
Electronics



Semiconductors



Industrial Controls
Automation



Computers



Mobile Devices &
Communications



Research &
Education

High Profile Customers

Altium

Engineers worldwide in multiple industries of all sizes design with Altium



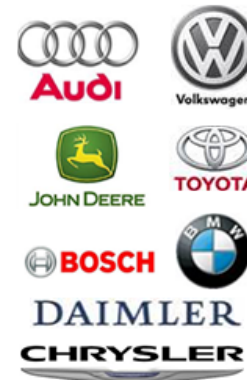
Aerospace & Defence



Electronics & High-Tech



Life Sciences



Automotive



Consumer- Electronics



Semiconductors



Industrial Controls Automation



Computers



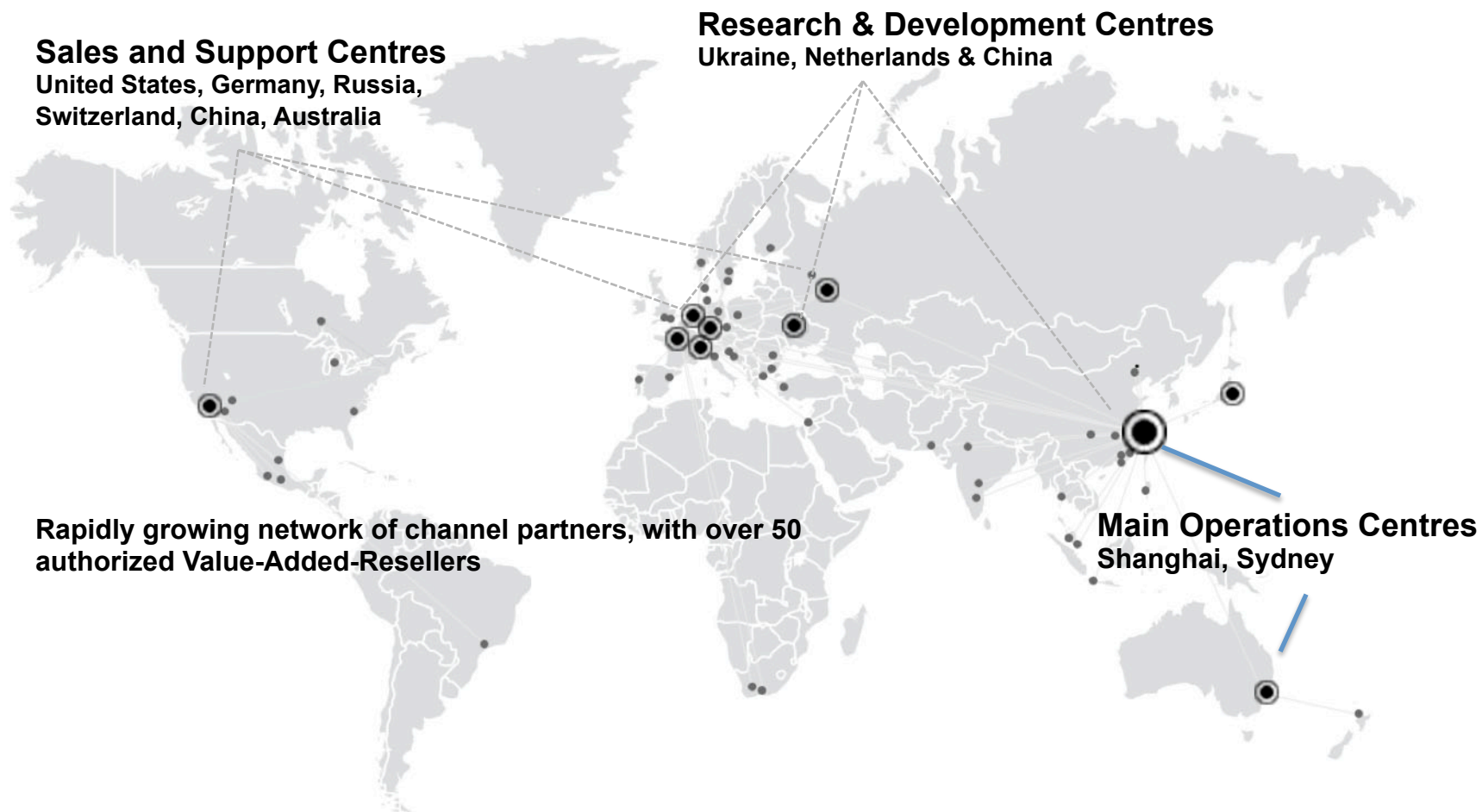
Mobile Devices & Communications



Research & Education

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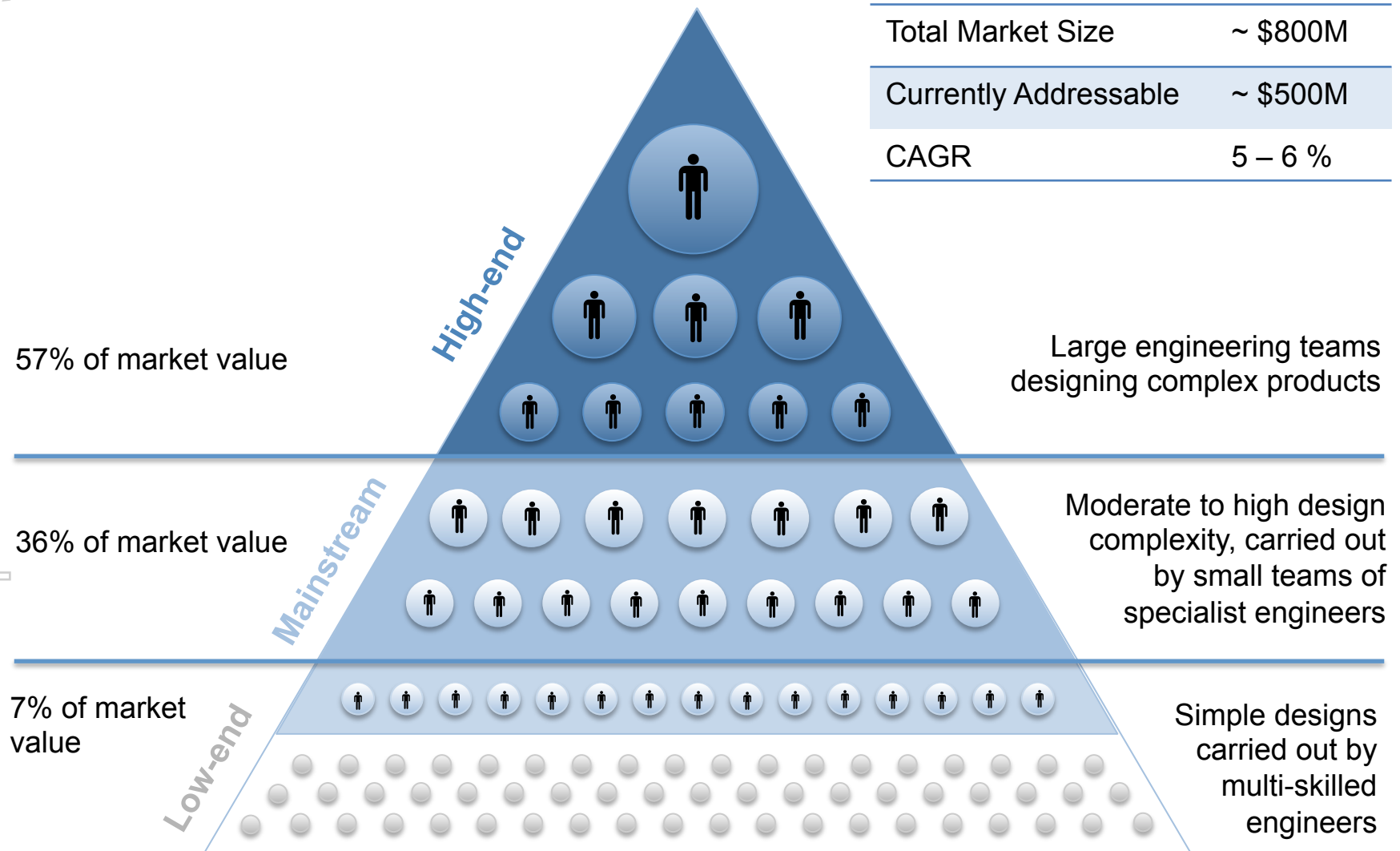
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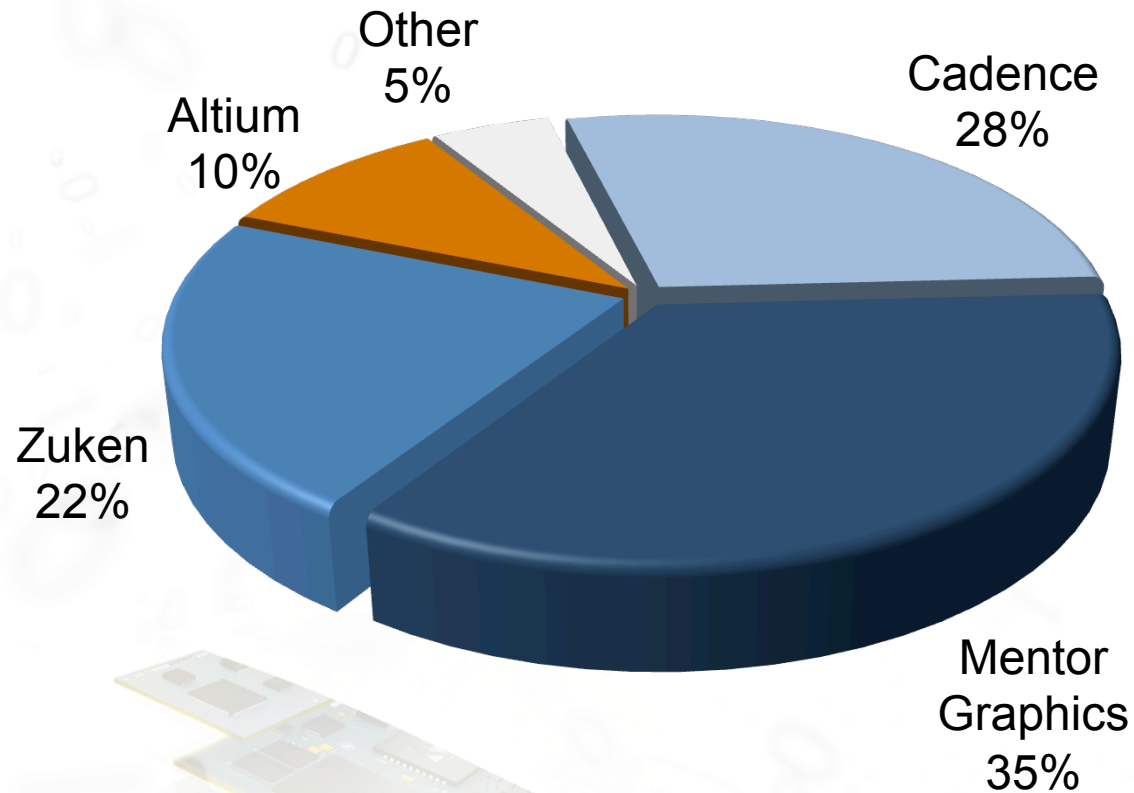
Market Segmentation & Size

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Printed Circuit Board Estimated Market Share

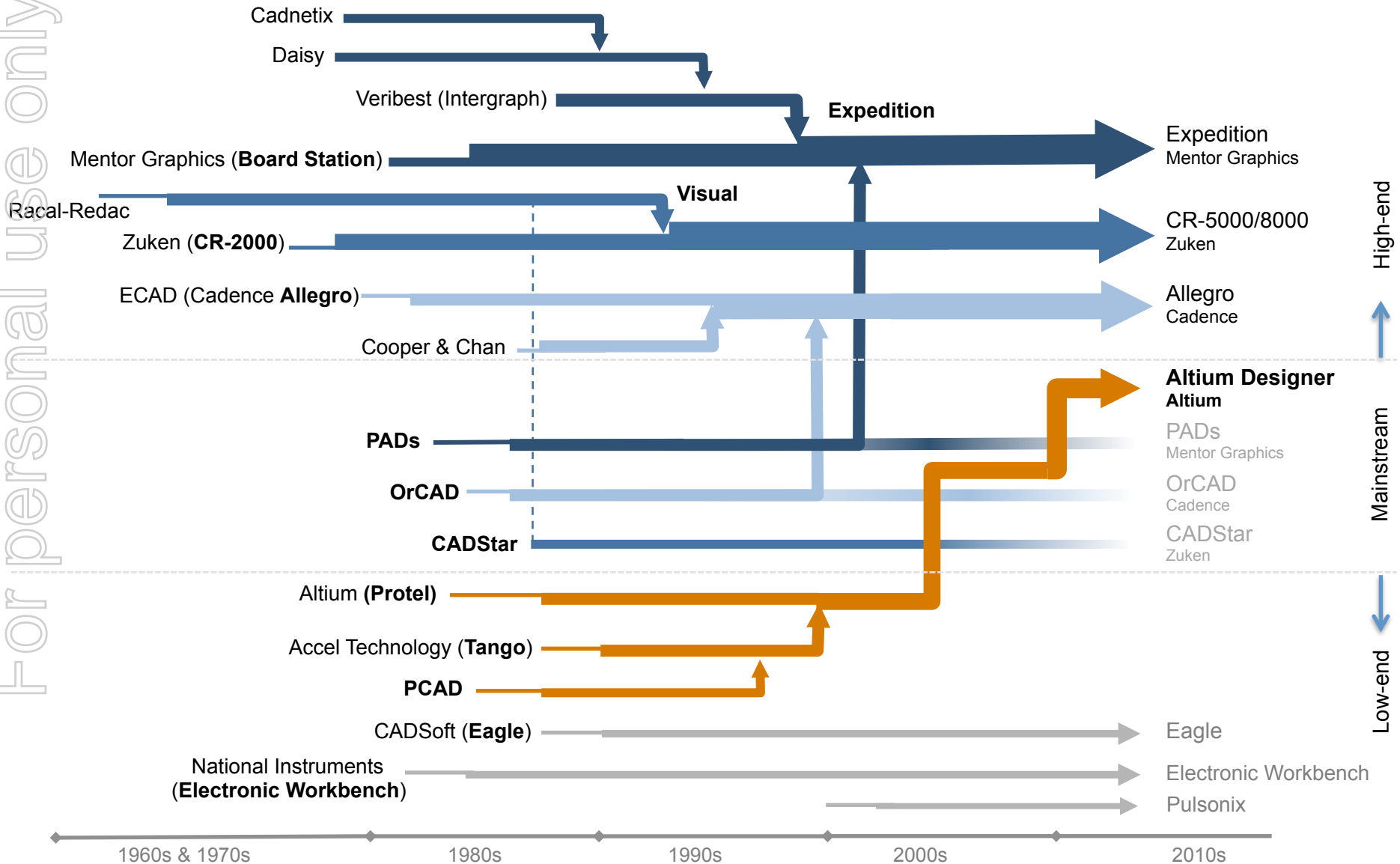


Source: PCB Market Trends 2013 – Gary Smith EDA

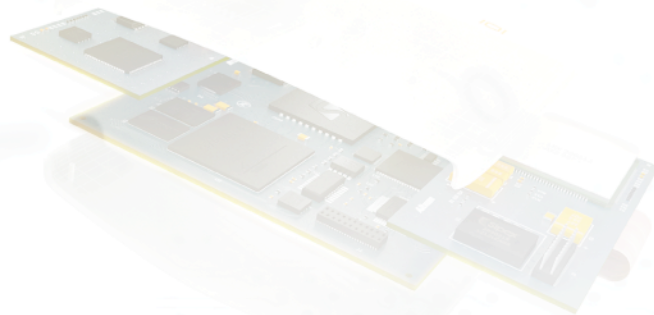
Consolidation & Current Industry Landscape

Altium

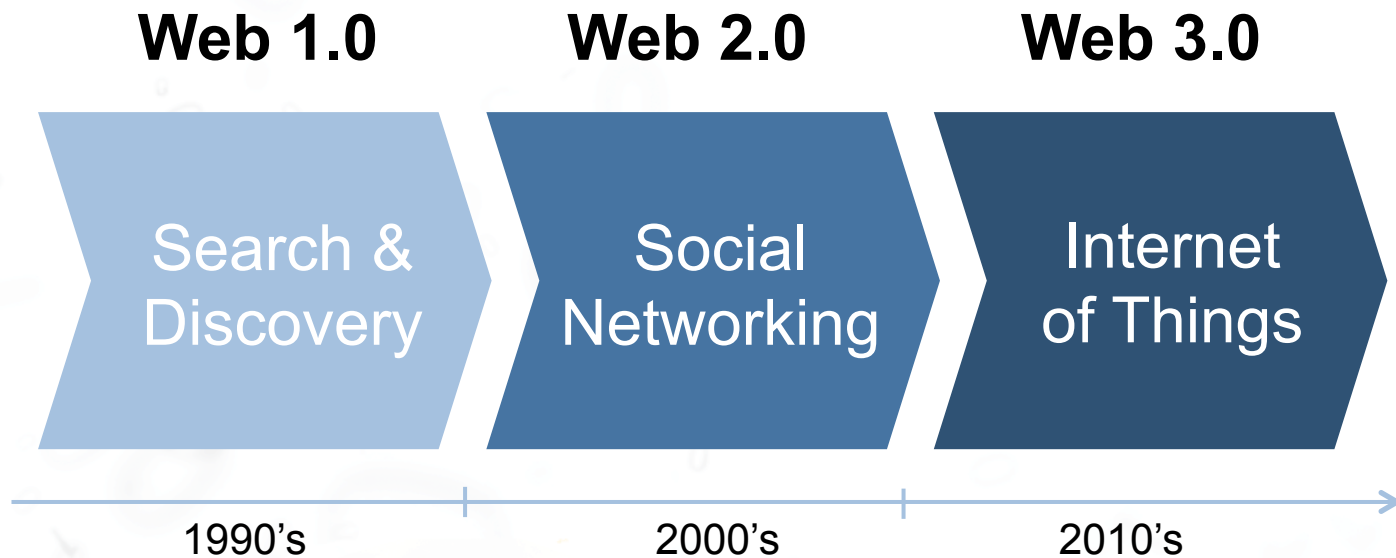
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- ✓ Company & Industry Overview
- **Market Opportunity & Strategy for Growth**
 - 2014 Half Year Results Highlights

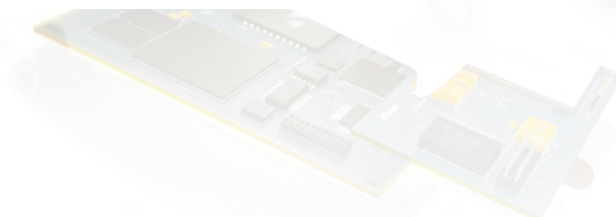
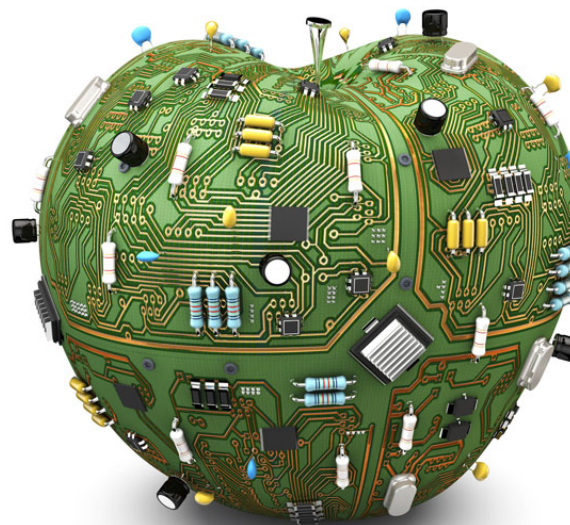
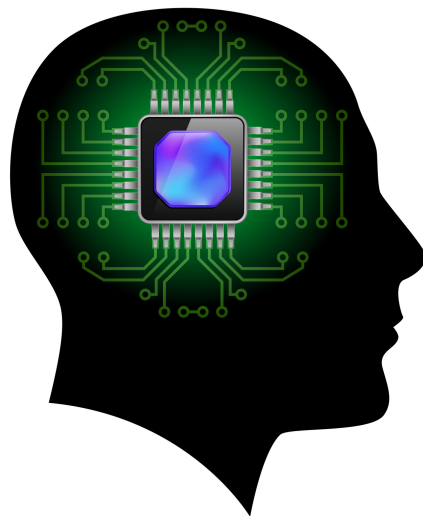


Increasing Demand in Electronics Industry
is the Main Driver for growth



Electronics puts Internet into Things!

At the heart of all intelligent systems are
Electronics and Printed Circuit Boards



Market Growth Drivers

Altium

Parking aid - operates warning signal to let driver know how close they are to object behind them

Airbag - triggers front and side airbags in event of crash or impact

GPS - acquires position data from satellite and using road database provides direction to driver

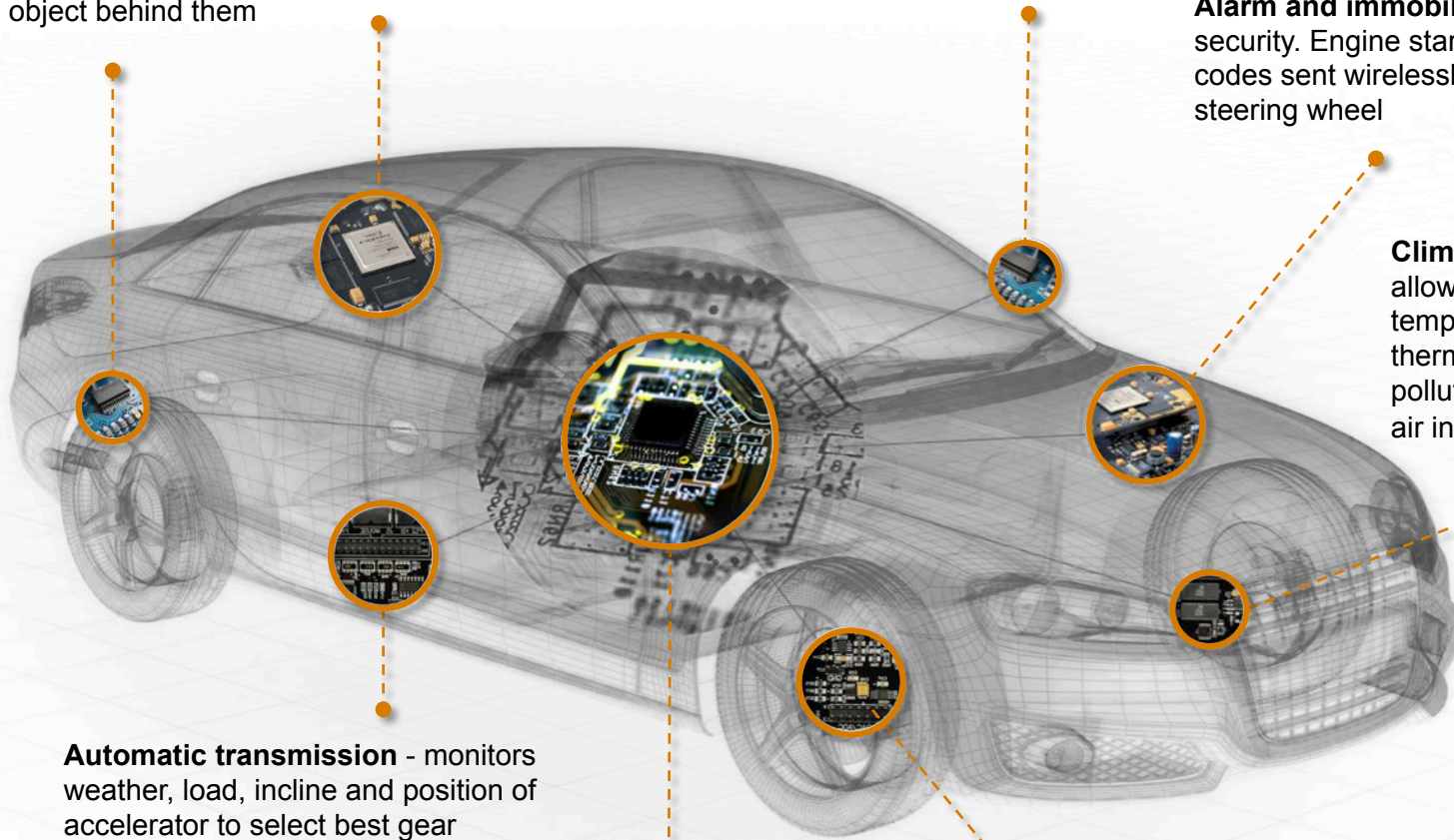
Alarm and immobilizer - controls security. Engine starts when two codes sent wirelessly via aerial in steering wheel

Climate control unit - allows driver to control temperature with thermostat. Also detects pollutants and shuts off air intake accordingly

Automatic transmission - monitors weather, load, incline and position of accelerator to select best gear

Engine management - controls fuel injection, engine temperature, ignition

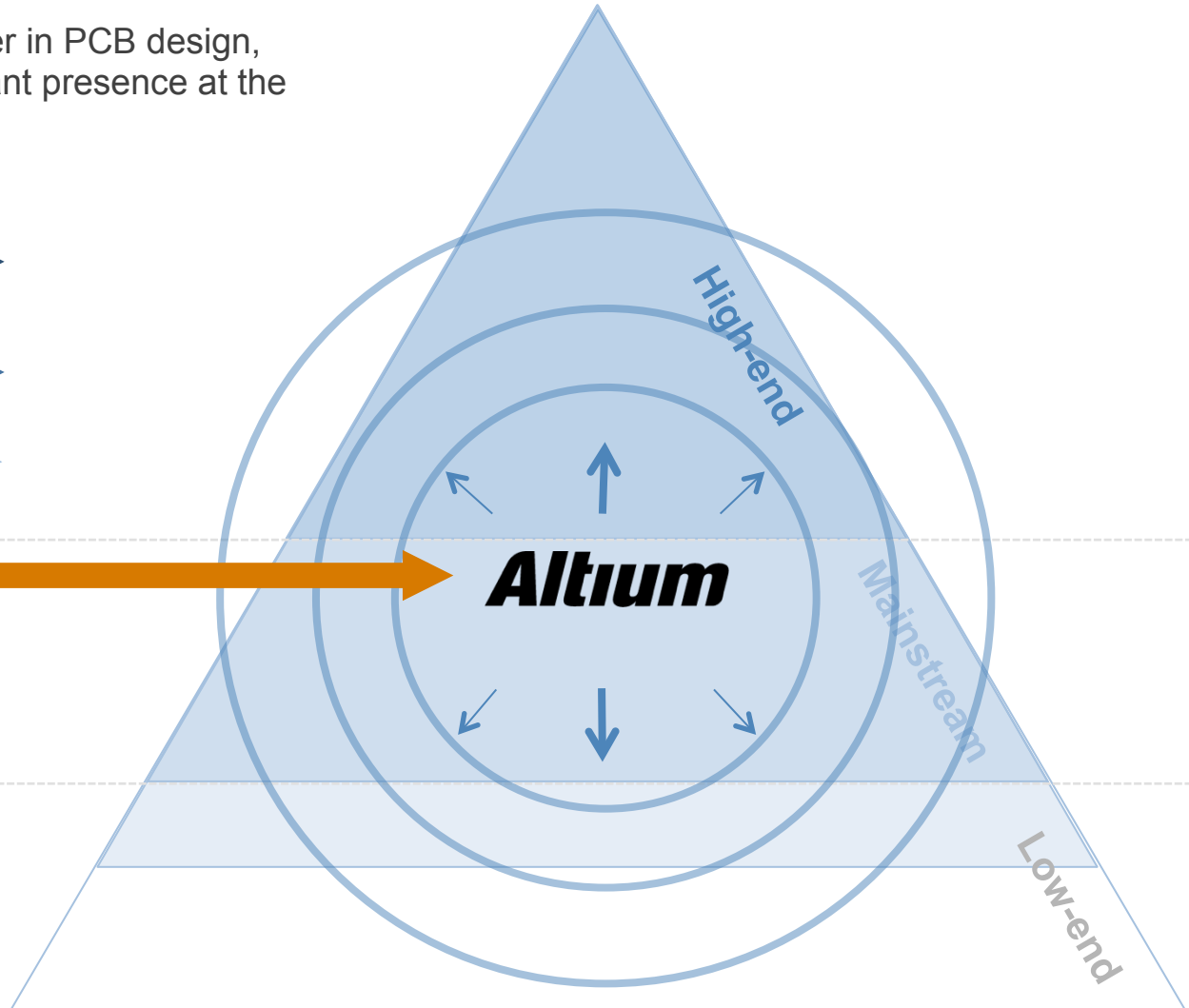
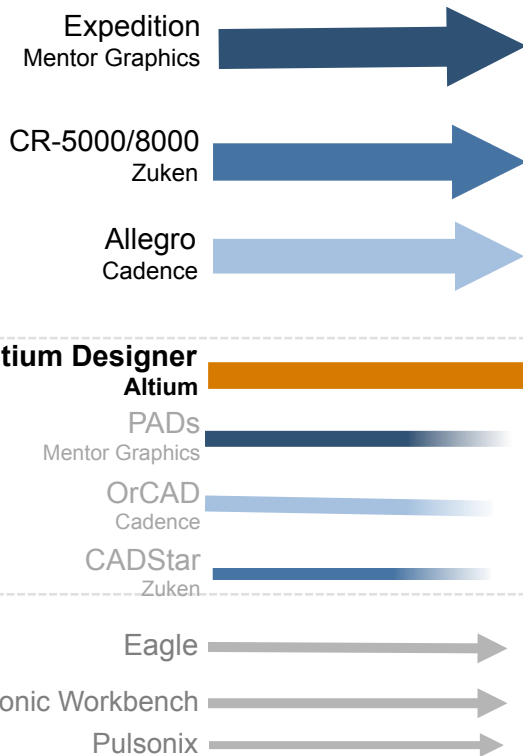
ABS - controls brakes in emergency and can brake any of four wheels to correct a potential skid



Altium's Growth Strategy

Altium

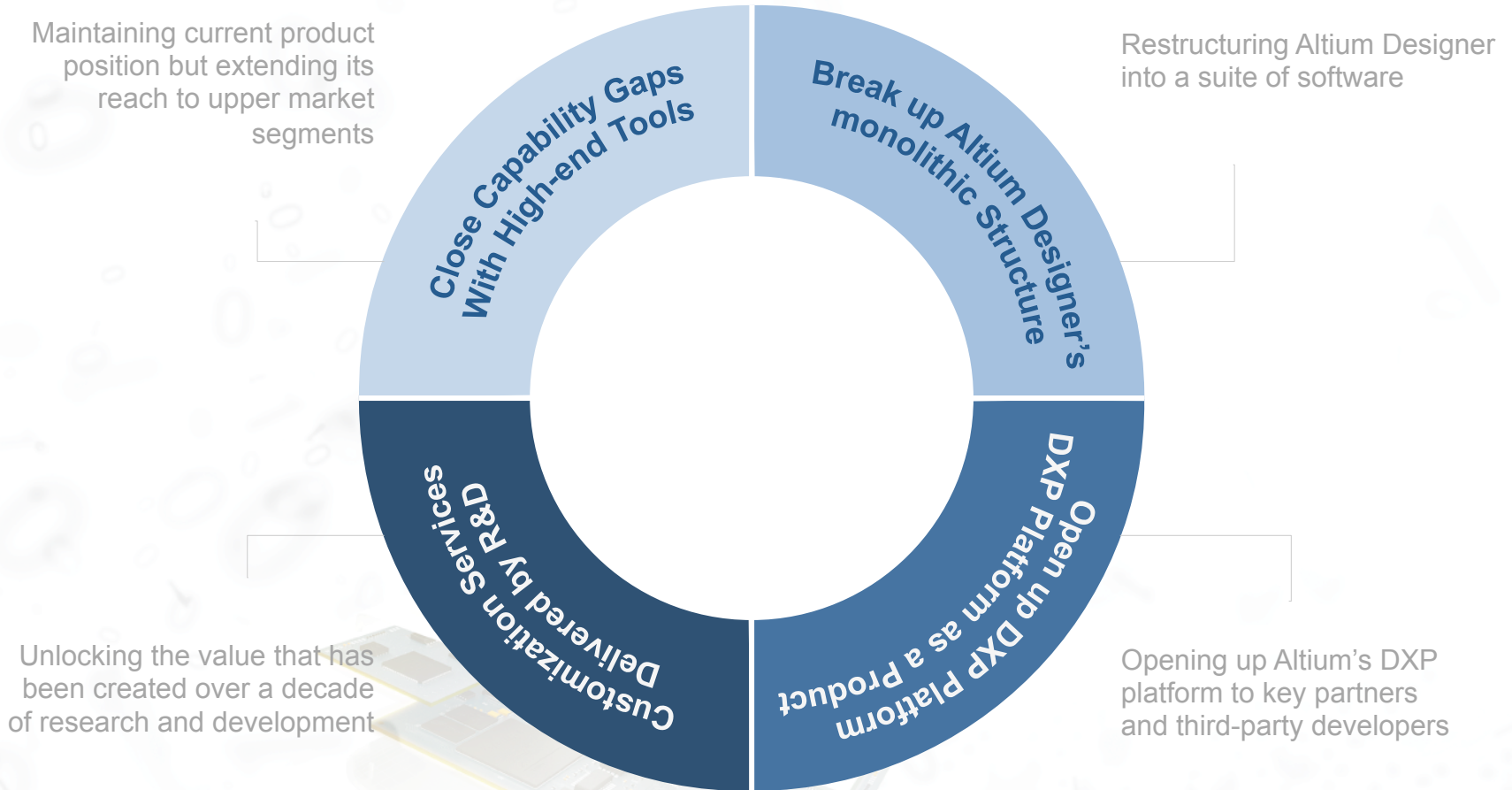
In order to become world leader in PCB design, Altium needs to have a dominant presence at the two ends of the market.



Growth Strategy – Product Development

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Growth Strategy – Strategic Partnerships

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PLM (Product Life-cycle Management)



Engineering Consultancy Services



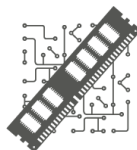
Mechanical CAD Software Vendors



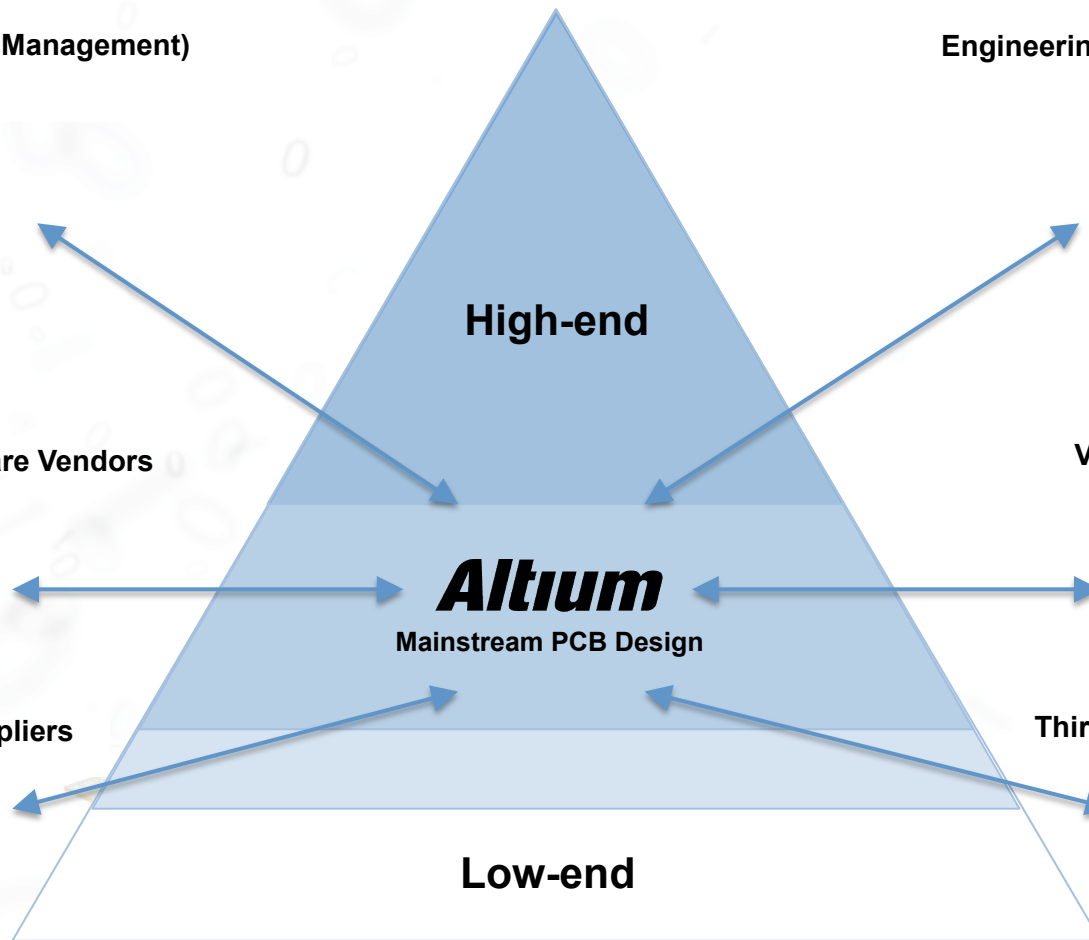
Value-Added Resellers



Electronic Parts Suppliers

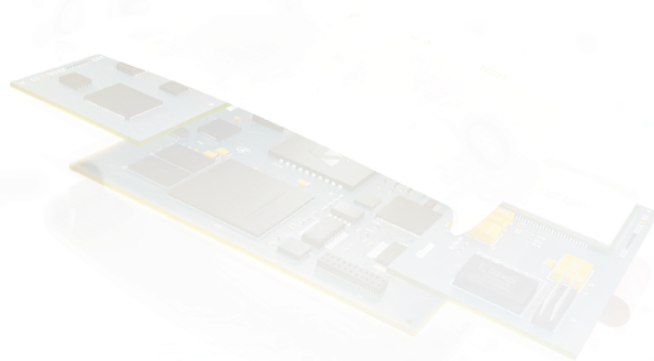


Third-party Add-on Developers



Key Focus Areas - Challenges

- Ensuring scalability and adaptability of Altium's sales organisation
 - **One size model does not fit all**
 - **Elevation to higher sales levels requires evolutionary change**
- Building organisational capacity as the company grows
- Maintaining margin expansion while investing in sales organisation capacity

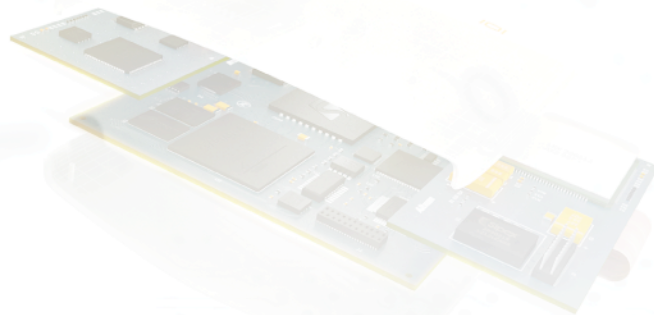




Financial Overview

Richard Leon - CFO

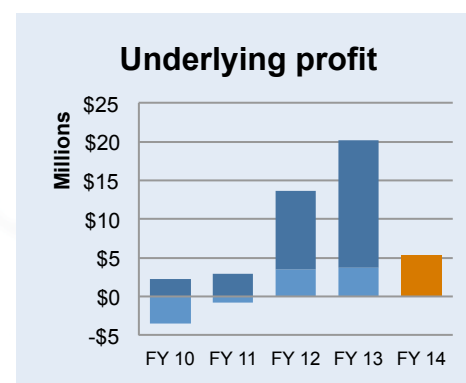
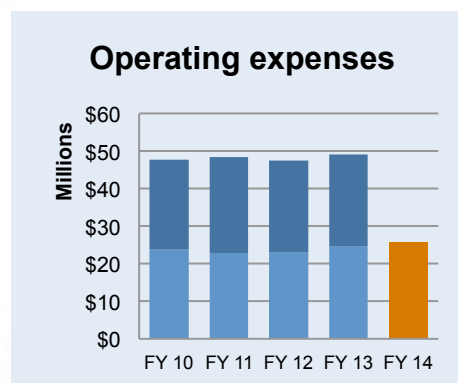
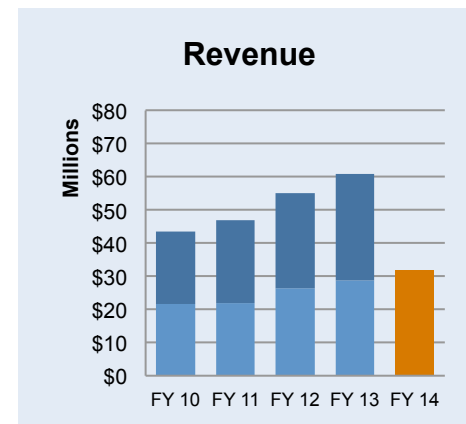
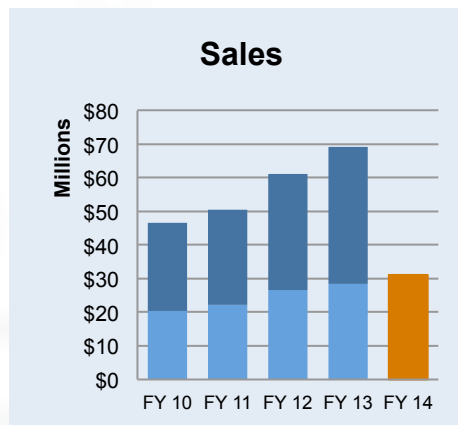
- ✓ Company & Industry Overview
- ✓ Market Opportunity & Strategy for Growth
- **2014 Half Year Results Highlights**



1H FY2014 Financial Highlights

Altium

- ✓ Sales up 10% to \$31m
- ✓ Revenue up 11% to \$32m
- ✓ Operating Expenses* held to 4% increase
- ✓ Underlying profit* up 45% from \$3.7m to \$5.4m

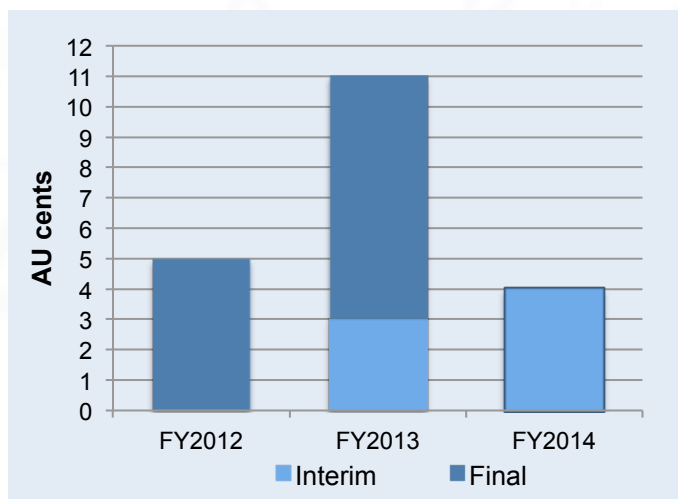


* Operating expenses & underlying profit excludes one-off costs and non-cash expenses as reported

1H FY2014 Financial Highlights

Altium

- ✓ \$14.5m cash and no debt
- ✓ Operating cash flow up from \$2.1m to \$6.3m
- ✓ Interim FY14 dividend of AU 4 cents/share

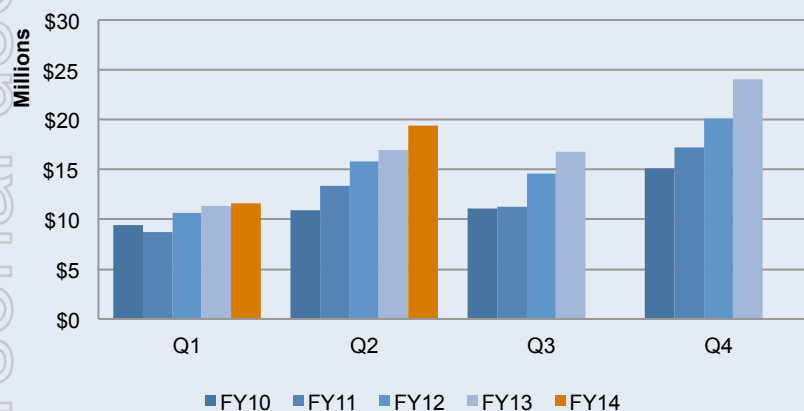


Balance Sheet	Dec 2013	Jun 2013
	\$ million	\$ million
Cash at Bank	14.5	14.7
Current Receivables	14.7	16.2
Current Payables	3.7	4.6
Current Deferred Revenue	24.1	24.2

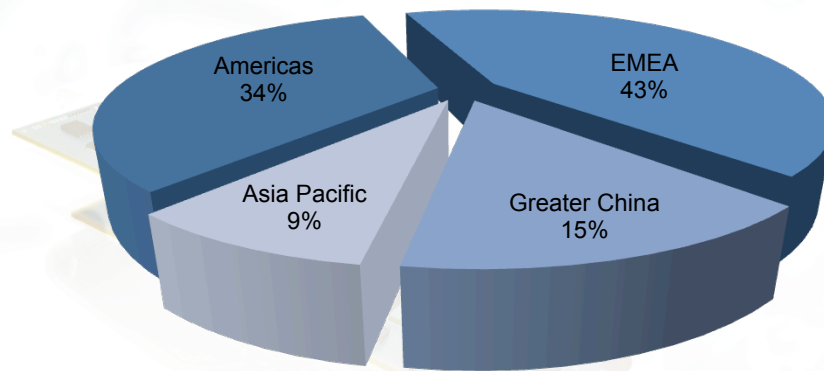
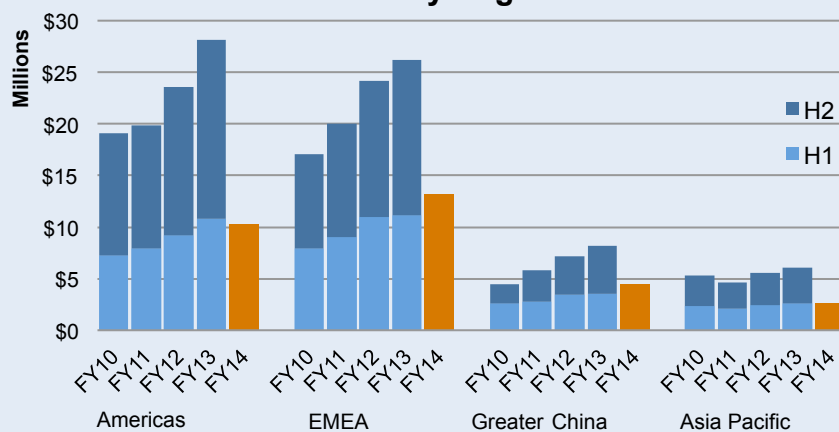
1H FY2014 Financial Highlights

Altium

Sales by quarters



Sales by Region



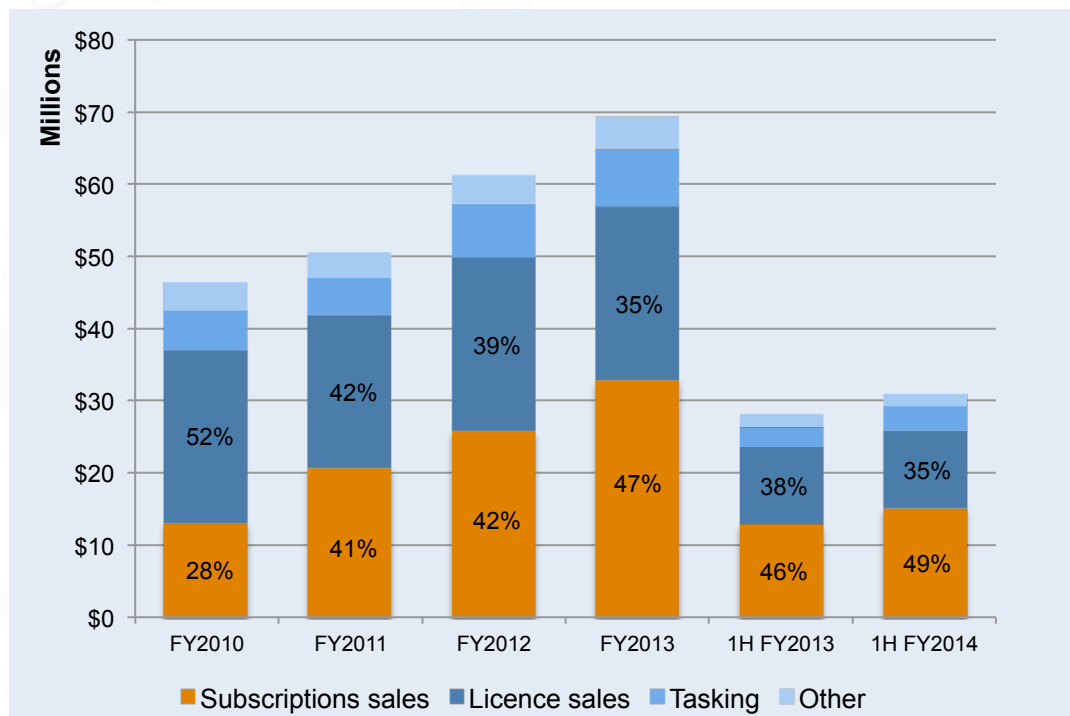
Regional sales contribution

1H FY2014 Financial Highlights

Altium

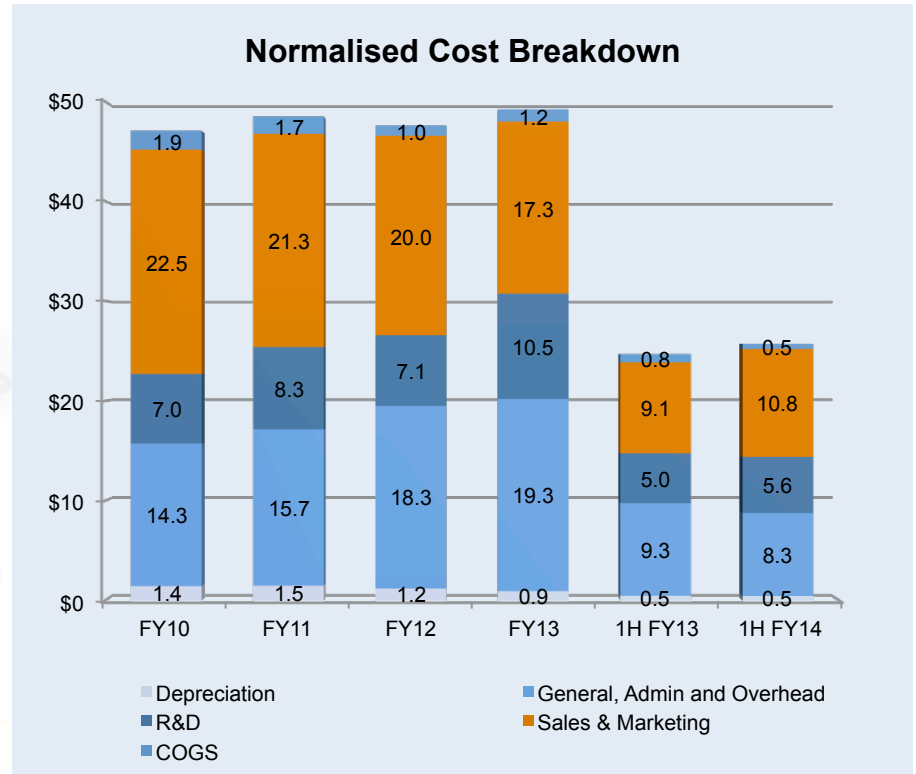
Product Sales Review

- ✓ Subscription sales continue to grow representing 49% of total sales for 1HFY14.
- ✓ High level of Subscription attachment and renewal rates
- ✓ Focus on TASKING sales 25% growth in 1H compared to previous corresponding period



Maintain fiscal discipline

- ✓ Continue investment in product development in closing capability gap.
- ✓ Building capacity to execute to sales and development strategies.
- ✓ Business challenge to balance investment for sales growth together with expanding margins



Questions and Answers