

Announcement authorised by:
Board of Directors
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Altium Announces Financial Results for the Half Year to 31 December 2023

Altium Achieves Strong Growth in the Enterprise Market and Delivers a Solid Financial Performance

Sydney, Australia – 27 February 2024 - Electronics design software company Altium Limited (ASX: ALU) has announced its financial results for the half year ended 31 December 2023.

Altium delivered a strong business performance across key metrics in both its Software and Cloud businesses. The Company's search business, Octopart, experienced a temporary cyclical weakness in offer clicks in the period to the end of December 2023.

Highlights¹ for the half financial year include:

- Enterprise revenue grew by 61% to US\$20.4 million.
- Design Software revenue increased by 21% to US\$110.6 million.
- Group Revenue increased by 16% to US\$138.6 million.
- Annual Recurring Revenue (ARR) grew by 30% to US\$162.2 million.
- Americas Design Software revenue grew by 22%, with 53% growth in new licenses.
- EMEA Design Software revenue grew by 29%, with 45% growth in new licenses.
- Average Subscription Seat Value increased by 20% to US\$2,584.
- Recurring revenue grew to 81% of total revenue, up from 79%.
- Subscribers grew to 62,768, up 8% from 58,030.
- Altium 365 user adoption grew by 38% to over 46,300 monthly active users.
- Altium 365 account adoption grew by 22% to over 14,600 monthly active accounts.²
- Acquisition of leading engineering requirements management software company, Valispace.
- EPS grew by 11% to USD 25.1 cents.
- Partially franked, interim dividend of AUD 30 cents, up by 20%.

Key Half Year Financial Measures Compared with Previous Corresponding Period

Key Financial Measures	Half Year		
	1H24 (US\$ Millions)	1H23 (US\$ Millions)	% Change

¹ Financial performance is measured against the previous corresponding period (pcp) unless otherwise stated.

² February, year on year

Revenue	138.6	119.5	15.9%
Operating Expenses	93.9	76.3	23.1%
EBITDA	44.7	43.3	3.2%
EBITDA margin	32.3%	36.2%	
Underlying EBITDA margin	33.4%	36.2%	
Profit before tax	42.6	39.2	8.6%
Profit after tax	33.0	29.6	11.4%
Total EPS (cents)	25.1	22.5	11.2%
Operating cash flow	23.2	33.5	-30.8%
Free cash flow*	21.0	32.9	-36.1%
Cash and cash equivalents	180.0	205.0	-12.3%
Dividend per share (AU cents)	30.00	25.00	20.0%

* Operating cash flow and Cash and cash equivalents primarily affected by 1) Valispace acquisition (US\$15.6M) and 2) an increase in unbilled receivables driven by large enterprise deals.

Revenue Breakdown by Division & Region	Half Year		
	1H24	1H23	% Change
	(US\$ Millions)	(US\$ Millions)	
Group revenue	138.6	119.5	15.9%
Design Software	110.6	91.6	20.7%
- Americas	47.7	39.1	21.9%
- EMEA	44.6	34.6	28.8%
- China	10.2	9.7	5.1%
- Rest of World	8.1	8.2	-1.3%
Cloud Platform	28.0	27.9	0.3%
- Octopart	25.0	27.0	-7.3%
- Manufacturing	2.1	0.9	120.0%
- Cloud	0.9	-	-

Altium CEO Mr. Aram Mirkazemi commented, “Despite intense engagement by Altium with Renesas during the crucial close period leading up to the proposed acquisition announcement, our first-half performance stands as a testament to our core strength. Altium delivered a strong business performance in the enterprise market and in the adoption of our cloud platform. The announcement of Renesas’ proposed acquisition of Altium marks a significant milestone that promises to propel our enterprise business to new heights.”

Interim CFO Mr. Richard Leon commented, “Our Design Software business performed strongly. We are encouraged by our ARR growth of 30% year-on-year. Additionally, our subscriber base has grown by 8% to over 62,700. We are seeing rapid adoption of higher value products and a significant shift from perpetual to term-based licensing, which further accelerates our transition to higher quality recurring revenue”.

Mr. Leon further added, “The largest detractor to our performance in the first half was Octopart, which was hampered by weak cyclical conditions within the electronics supply chain. We have established secular growth drivers for Octopart and have seen a resumption of growth in the second half. Our

localization efforts are yielding promising results, with average daily clicks up 21% in the second half to-date versus the average seen in the first half”.

Mr. Leon concluded, “The conversion of EBITDA to operating cash flow for the first half was lower, as we had an increase in unbilled receivables driven by our large enterprise deals. Altium also acquired Valispace, a leader in engineering requirements management software based in Europe, for an upfront cash consideration of US\$15.6 million. This strategic acquisition marks a significant milestone as it will enable us to introduce our first business app on Altium 365, launching our Software-as-a-Service (SaaS) business.”

Outlook

Altium remains committed to its vision to transform the global electronics industry through the cloud-enablement of all industry processes involved in the creation of electronics hardware and to deliver its aspirational fiscal 2026 targets of US\$500 million revenue, underlying EBITDA margin of 38-40% and 100,000 software seats on subscription³.

Due to the proposed acquisition of Altium Limited by Renesas Electronics Corporation through a Scheme Implementation Agreement, Altium has suspended the practice of providing forward-looking guidance.

Dividend

The Directors have declared a partially franked, interim dividend of AUD 30 cents per share for the half year ended 31 December 2023. Key dates for the interim dividend are:

Announcement date	27 February 2024
Record date	5 March 2024
Payment date	26 March 2024

Investor Presentation and Call:

Altium management will host a conference call on 27 February 2024 at 9.30am AEDT to discuss the investor presentation and to provide an update of the Company’s business strategy and financial performance. The first half investor presentation will be released to the ASX separately and available on Altium’s website at www.altium.com.

Participants can register for the investor call using the following link to receive dial in detail:

<https://s1.c-conf.com/diamondpass/10036235-jqml9w.html>

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³ With stronger uptake of higher-value subscription seats the US\$500M target should be reached with only 75,000 to 90,000 seats on subscription. However, 100,000 seats on subscription remains an independent aspirational goal.

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About Altium

Altium ([ASX:ALU](#)) is a multinational software corporation headquartered in San Diego, California, 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 organizations and design communities to innovate, collaborate and create connected products while remaining on time and on budget. Products provided are ACTIVEBOM®, ActiveRoute®, Altium 365®, Altium Concord Pro™, Altium Designer®, Altium NEXUS®, Altium Vault®, Autotrax®, Camtastic®, Ciiva™, CIIVA SMARTPARTS®, CircuitMaker®, CircuitStudio®, Common Parts Library™, Draftsman®, DXP™, Easytrax®, EE Concierge®, NanoBoard®, NATIVE 3D™, OCTOMYZE®, Octopart®, P-CAD®, PCBWORKS®, PDN Analyzer™, Protel®, Situs®, SmartParts™, Upverter®, X2®, XSignals®.

Founded in 1985, Altium has offices worldwide, with US locations in San Diego, Boston, Dallas, New York City and New Jersey. European locations in Karlsruhe, Kiev, Cambridge, Munich, Markelo and Zug, and Asia Pacific locations in Shanghai, Beijing, Shenzhen, Tokyo and Sydney. For more information, visit www.altium.com. You can also follow and engage with Altium via [Facebook](#), [Twitter](#), [LinkedIn](#) and [YouTube](#).
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