

19 February 2018

ALT IUM L I M I T E D

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## **Altium Announces Record Result for the Half Year to 31 December 2017**

### **Altium Delivers Record Revenue Growth of 30% and Record Growth in Net Profit After Tax of 51%**

**Sydney, Australia - 19 February 2018** - Electronic design software company Altium Limited (ASX:ALU) has announced its financial results for the half year ended 31 December 2017. Continuing its growing momentum, Altium achieved record revenue growth of 30% for the first half at US\$63.2 million and expanded profit margins to record levels with EBITDA over 30% and a 51% increase in net profit after tax to US\$14.9 million.

Key highlights for the first half include:

- Board & Systems achieved record revenue growth of 27% with all regions contributing.
- Altium Designer new seats grew by 22% compared with the same period last year.
- Octopart continued its strong performance delivering 42% growth in revenue.
- TASKING revenue grew by 21% reflecting its growing market opportunity.
- EBITDA margin of 30.0% (underlying 33.1%) up from 25.8% (underlying 29.7%) compared with the same period last year.
- Net profit after tax grew by 51% to US\$14.9 million.
- EPS grew by 50% from US 7.64 cents to US 11.48 cents.
- Interim dividend of AU 13 cents (up 18%).

**Key financial measures compared to prior corresponding period:**

<b>Key Financial Measures</b>	<b>FY18 1st Half (US\$'000s)</b>	<b>FY17 1st Half (US\$'000s)</b>	<b>Change %</b>
Sales to customers	60,304	47,003	28%
Revenue (excluding interest)	63,236	48,650	30%
Operating expenses	(44,250)	(36,105)	23%
EBITDA	18,985	12,545	51%
<i>EBITDA margin</i>	30.0%	25.8%	
<i>EBITDA margin (underlying)</i>	33.1%	29.7%	
Profit before income tax	16,476	10,785	53%
Profit after income tax	14,873	9,862	51%
EPS (cents)	11.48	7.64	50%
Operating cash flow	14,873	13,716	8%
Cash and cash equivalents	36,025	36,348	(1%)
Dividend per share (AU cents)			
- Interim (AU cents)	13	11	18%

**Revenue analysis compared to prior corresponding period:**

<b>Revenue Breakdown</b>	<b>FY18 1st Half (US'000s)</b>	<b>FY17 1st Half (US'000s)</b>	<b>Change %</b>
Worldwide revenue (US\$)	63,236	48,650	30%
Board and Systems (US\$)	50,063	39,388	27%
- Americas (US\$)	21,063	17,973	17%
- EMEA (€)	14,550	11,297	29%
- China (US\$)	6,632	5,111	30%
- Rest of World (US\$)	5,237	3,839	36%
Altium NEXUS* (US\$)	1,966	619	218%
Microcontrollers and Embedded Systems (TASKING) (US\$)	6,259	5,158	21%
Makers and Content (Octopart) (US\$)	4,948	3,485	42%

\*Data management revenue.

## **Comments from Altium CEO Mr Aram Mirkazemi:**

Altium CEO, Mr Aram Mirkazemi commented: “Altium’s strong first half performance across all regions and all businesses reflects disciplined execution to capitalize on a growing market opportunity. The first half results are in line with expectations and build momentum toward the achievement of our 2020 revenue target of US\$200 million and a margin of 35% or better”.

“Strong growth in Altium’s core PCB business, enhanced by the recent roll-out of our next generation PCB design products (Altium Designer 18 and NEXUS), together with greater systematization of our transactional sales model will underpin the achievement of Altium’s 2020 revenue target and beyond. Our Octopart and TASKING businesses are also performing strongly, with growing market opportunities”, Mr Mirkazemi said.

## **Comments from Altium CFO Mr Joe Bedewi:**

“Altium did well in all key financial metrics for the first half of fiscal 2018. Profit after income tax is up 51% resulting in a record earnings per share of 11.5 cents, commented Altium’s CFO, Mr Joe Bedewi. “Our strong operating cash flow enabled Altium to end the half year with a cash balance of US\$36 million, after completing the Upverter acquisition for US\$2.8 million in August 2017, an increased dividend payment (US\$12.5 million versus prior period US\$9.8 million) and payment of contingent consideration of US\$6.2 million”, further noted Mr Bedewi.

“The Americas delivered Board and Systems revenue growth of 17% over the first half of fiscal 2018. Renewals, upgrades/rejoins and add-on business contributed to the result”, commented Mr Bedewi.

“EMEA had 29% revenue growth over the first half of fiscal 2018, in local currency. Altium expanded its direct sales model to a number of key markets in the region, generating a positive revenue growth impact of 8%”, commented Mr Bedewi. “The acquisitions of Altium’s United Kingdom and Netherlands resellers in fiscal 2017 have been well integrated and are performing strongly”, noted Mr Bedewi.

“China also continued its strong run for the first half of fiscal 2018, achieving 30% revenue growth. We are continuing to scale our China business and recently opened an office in Shenzhen, southern China”, commented Mr Bedewi.

“Altium achieved an EBITDA margin of 30% for the first half, (or 33% on an underlying basis taking into account earn-out adjustments related to Octopart and acquisition costs related to Upverter). These results are in line with meeting our EBITDA projections for 2020”, further commented Mr Bedewi.

In looking ahead to the full year fiscal 2018, Mr Bedewi commented “Altium will continue to drive its new licenses and subscription pool aggressively in its core PCB business, supported by the company’s next generation products and further systematization of our direct sales methodology. Altium will continue its focus on strong fiscal discipline to expand margins, while pursuing investment in partnerships and M&A”.

**Dividend**

The Board has declared an interim unfranked dividend for the half year of AU 13.0 cents per share, an 18% increase over the interim dividend for the prior year. Key dates for the interim dividend are:

Ex-dividend date	Friday March 2, 2018
Record date	Monday March 5, 2018
Payment date	Wednesday March 28, 2018

**Investor Presentation and Call**

Altium management will host a conference call on 19 February 2018 at 5pm Sydney time 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:** 19 February 2018 at 5pm Sydney time

**Dial in Numbers:**

Australia (toll free)	1800 148 258
Australia (mobile)	1300 157 230
New Zealand	0800 667 018
Hong Kong	800 965 808
Canada	866 8374 489
United Kingdom	0800 0569 662
United States	1866 5862 813
International Dial in:	+61 280 385 271

**Attendee Passcode:** 4596228

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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, Octopart® the search engine for electronic components and industrial products and Upverter®. Founded in 1985, Altium has offices worldwide, with US locations in San Diego , New York and Boston, European locations in Munich, 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.