



Altium[®]

Performing While Transforming

Altium Full Year 2023 Investor Presentation

21 August 2023



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Agenda

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2023 Full Year Highlights

2

2023 Full Year Financial Performance

3

Growth Metrics and Business Drivers

4

Altium's Unique Position in the Engineering Ecosystem

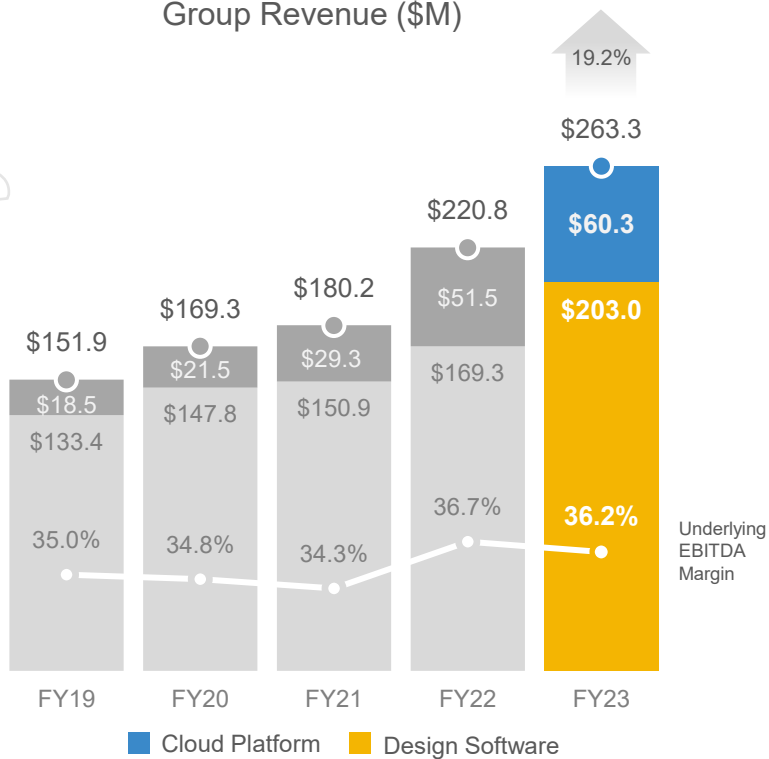
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Appendix

FY23 Performance Highlights

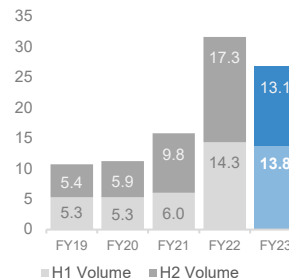


Group Revenue (\$M)

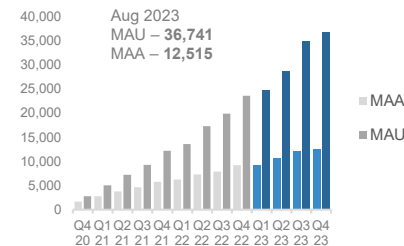


Strong revenue growth of 19.2%
Underlying EBITDA Margin of 36.2%

Octopart Search Offer Clicks (Mil)

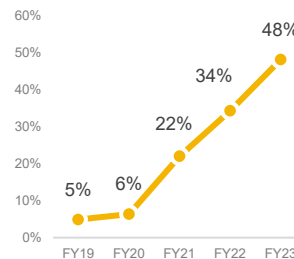


Altium 365 Monthly Active Users (MAU) / Accounts (MAA)

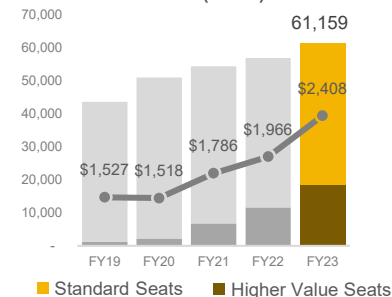


Strong cloud platform adoption

Term-Based Licenses as % of Total New AD Sales



Average Subscription Seat Value (ASSV)



Business model transition and strong Altium 365 adoption drive increase in Recurring Revenue and in Average Subscription Seat Value (ASSV)

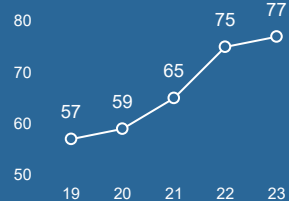
Unrivalled Financial Performance



\$263.3M Revenue
(Up 19.2%)



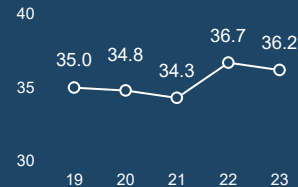
77% Recurring Revenue
(Up from 75%)



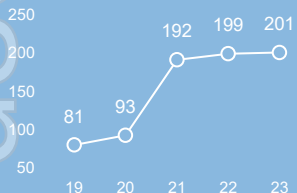
\$55.7M Operating Cash Flow *



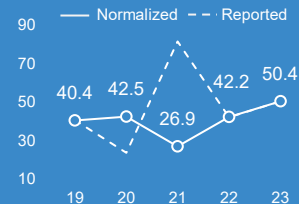
36.2% Underlying EBITDA Margin



\$201.0M Cash *



USD 50.4c EPS
(Up 19.4%)



AU 54c Dividend
(Up 14.9%)



\$66.3M PAT
(Up 19.6%)



*Operating Cash Flow and Cash are after a payment was made to the Australian Tax Office (ATO) of AU\$40.0 million (US\$27.2 million) in relation to Altium's ongoing dispute with the ATO.

FY24 Market Guidance and FY26 Aspirational Targets

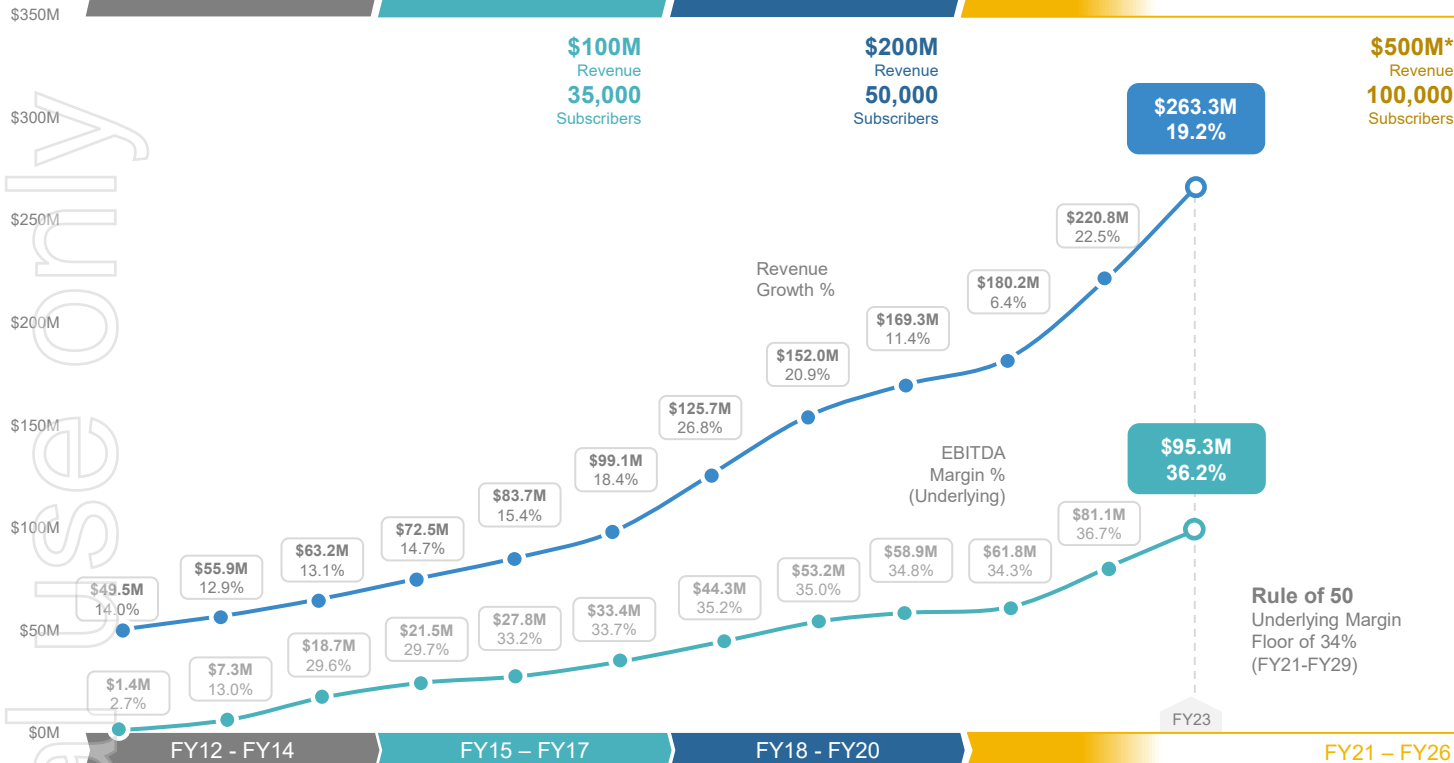


Rebuilding

Performing

Leading

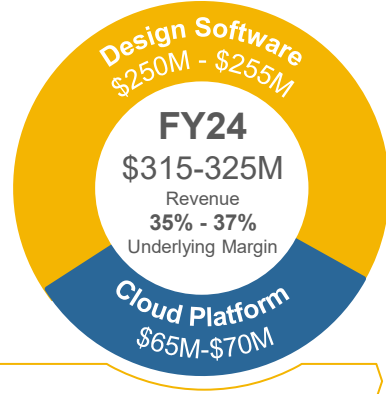
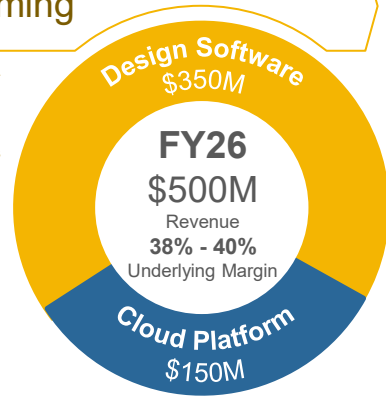
Dominating & Transforming



\$100M
Revenue
35,000
Subscribers

\$200M
Revenue
50,000
Subscribers

\$500M*
Revenue
100,000
Subscribers



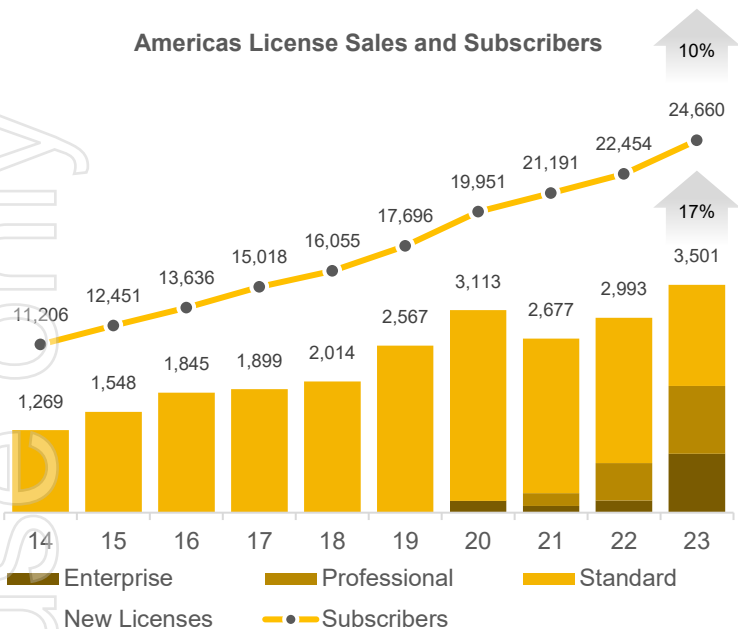
Rule of 50
Underlying Margin
Floor of 34%
(FY21-FY29)

* With stronger uptake of higher-value subscription seats the \$500M target will be reached with only 75,000 to 90,000 seats on subscription.

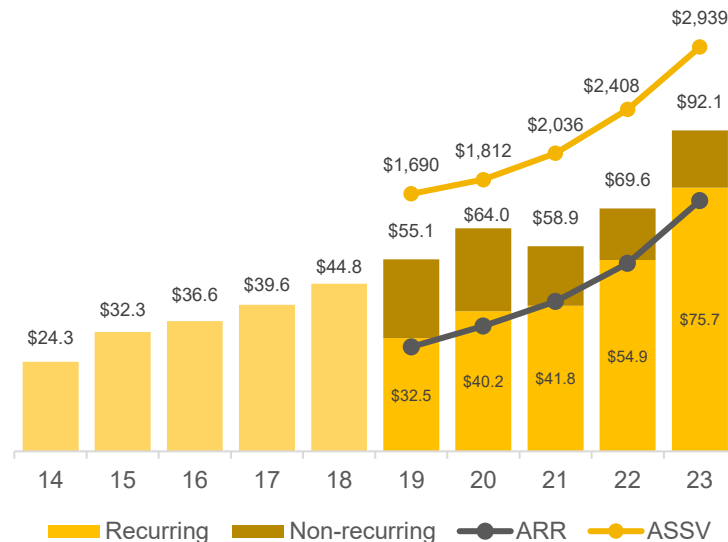
Americas: A Lead Indicator for Consistent Long-Term Growth



Americas License Sales and Subscribers



Americas Design Software Revenue and ARR (\$M)



The Americas have delivered consistent growth in new license sales over the decade, with license volumes growing at a **12% CAGR** over this time period. During the last 4 years, this seat volume growth has been paired with a substantial improvement in mix, with the strong adoption of Pro and Enterprise products accelerating revenue growth.

Significant Achievements in FY23



Design Software

Mainstream Embracing Enterprise Capabilities & Term-Based Licenses

- Pro and Enterprise subscriptions grew to 14,437, an increase of 76%, and the mix increased 9.2 points from 14.4% to 23.6%.
- When combined with an increasing share of new licenses being time-based, Average Subscription Seat Value (ASSV) for Design Software increased from \$1,966 in FY22 to \$2,408 in FY23.

Significant New Capabilities for Altium Designer

- Altium Designer 23 expanded into electronics *product design* with enhancements in multi-board design, new harness design, and collaborative authoring and more advanced simulation proficiency.
- Enhanced Co-Simulation and Co-Design based on “file-less” data exchange were achieved through integrations with Ansys (simulation) and Siemens NX (MCAD).

Cloud Platform

Octopart Delivers Value to Sellers

- Average Revenue Per Click grew by 32% and Digital Advertising grew 35% in FY23 reflecting Octopart’s increasing pricing power derived from outsized value delivered to component manufacturers and distributors.

Enhanced Security Posture

- Altium received SOC2 Type 2 certification, the culmination of a collective commitment to adhering to strict security processes and controls.
- Altium launched GovCloud, a critical capability needed to assure U.S. customers that their most sensitive data is managed with strict physical and logical access restrictions.



Guidance for FY24

- Total Revenue between \$315 million to \$325 million (20%-23% growth)
 - \$250 million to \$255 million for Design Software Business (23%-26% growth)
 - \$65 million to \$70 million for Cloud Platform (Octopart and Smart Manufacturing) (8%-16% growth)
- Underlying EBITDA margin of 35%-37%

Reaffirm Aspirational targets for FY26

- Total Revenue of \$500* million
- Underlying EBITDA margin 38%-40%
- 100,000 software seats on subscription

With stronger uptake of higher-value subscription seats the \$500M target will 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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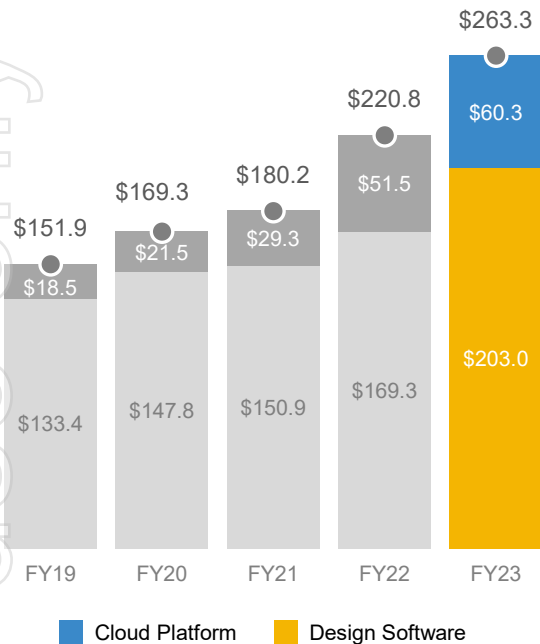
Appendix

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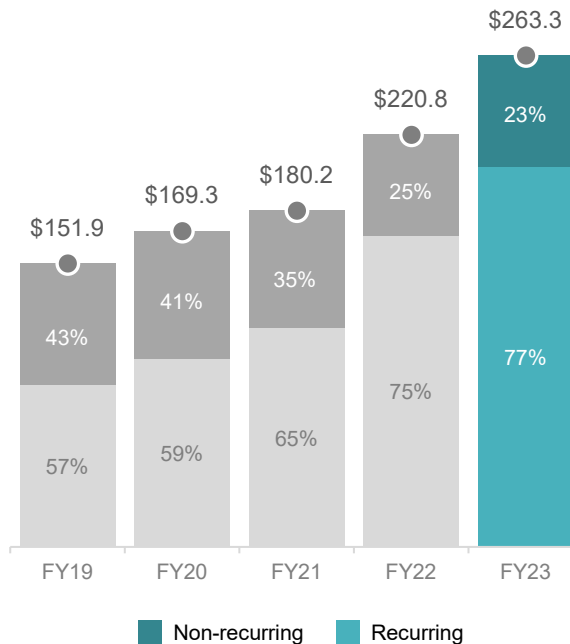
Group Revenue



Design Software and Cloud Platform (\$M)



% Recurring vs. Non-Recurring

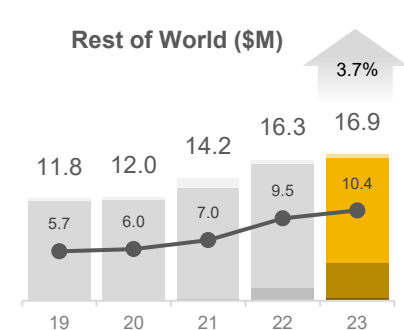
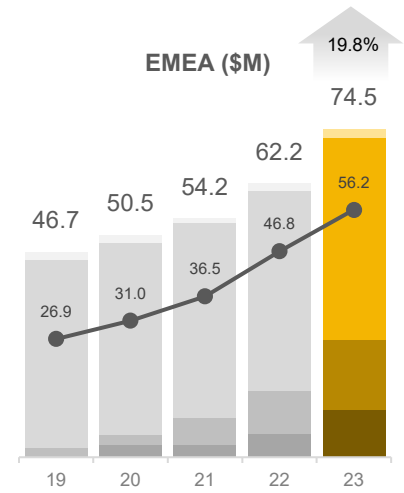
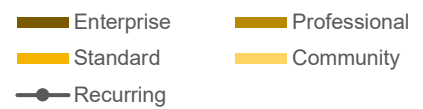
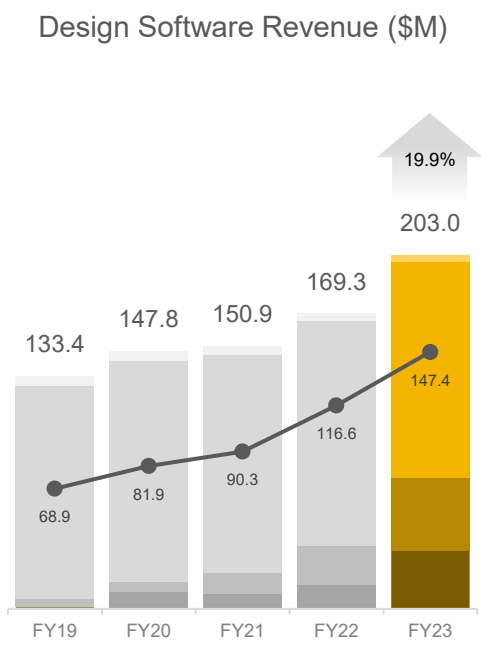
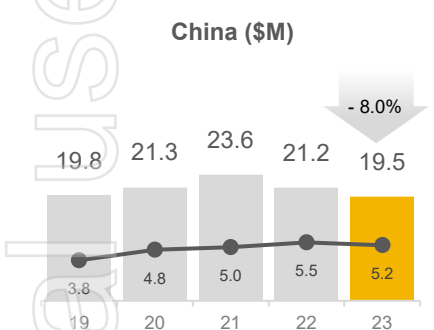
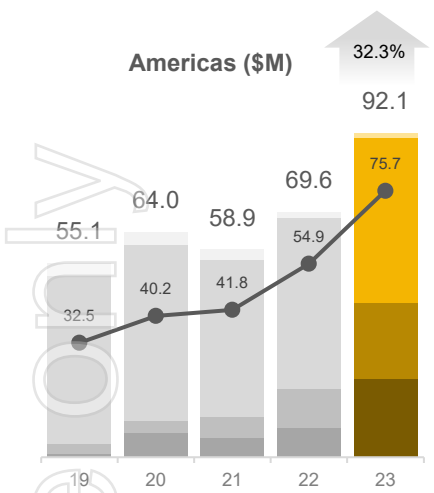


Design Software revenue grew by 19.9% supported by:

- Strong enterprise revenue growth of 143%.
- Americas Design Software revenue growth of 32.3%.
- EMEA Design Software revenue growth of 19.8% (23.6% in Euros).

Strong revenue growth was achieved in both Software and Cloud while increasing the mix of recurring revenue

Design Software – Revenue



Americas Design Software revenue grew by 32.3% with 17% growth in new software licenses and 10% growth in subscriptions.

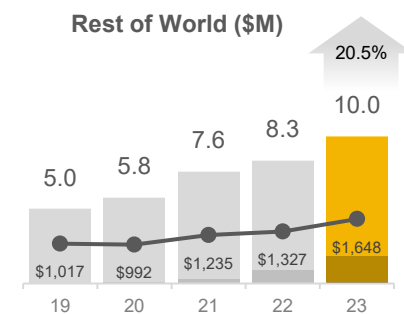
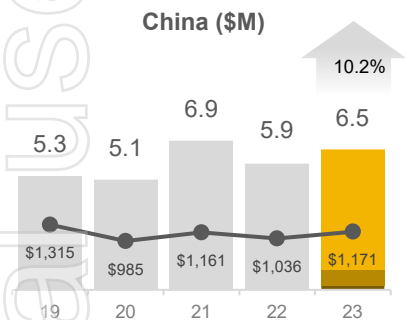
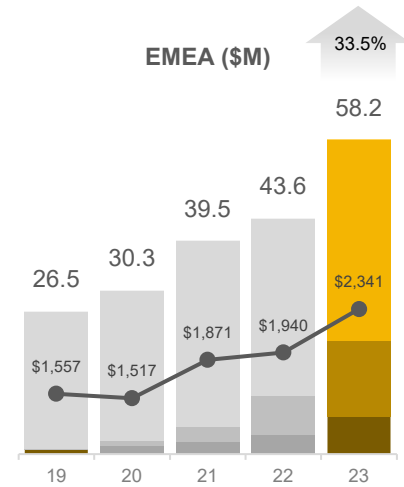
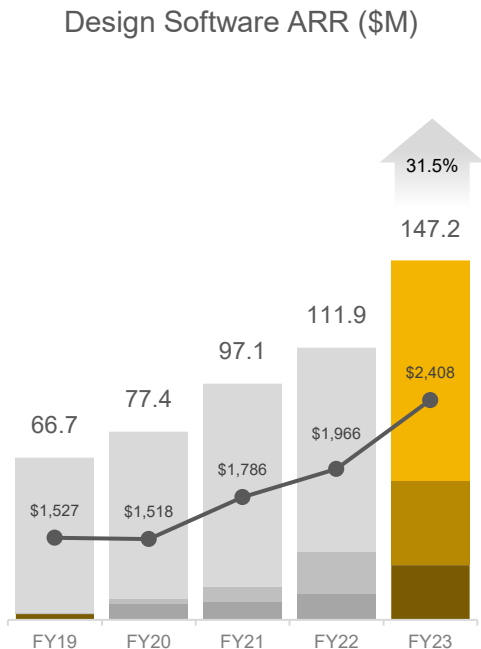
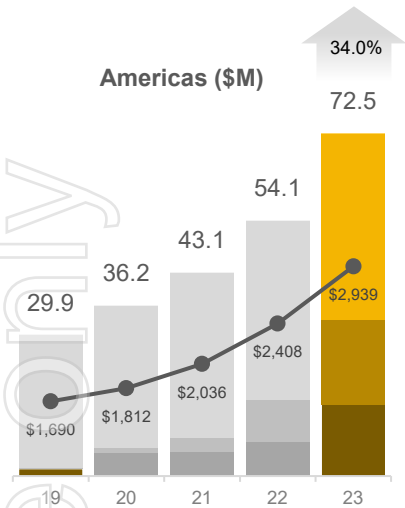
EMEA Design Software revenue grew by 19.8% (23.6% in Euros) with 10.5% growth in subscriptions.

China revenue declined due to a slow recovery post pandemic and geopolitical restrictions.

Rest of World revenue grew marginally due to Russia being excluded for FY23.

Refer to Appendix C for Regional Data on Revenue Product Mix.

Design Software – Annual Recurring Revenue



■ Enterprise ■ Professional
■ Standard ■ Community
● ASSV

Strong ARR and Average Subscription Seat Value (ASSV) growth in Americas and EMEA due to substantial improvement in product mix.

Significant improvement in Rest of World ARR as they begin to adopt the new product mix and term-based licensing.

ARR calculation was refined in FY23 to utilise more granular regional and customer level data. Historical data has been presented on a basis consistent with the FY23 methodology. Refer to Appendix B for ARR and ASSV based on previous methodology.

Refer to Appendix C for Regional Data on Annual Recurring Revenue Product Mix. *Average Subscription Seat Value (ASSV) is the annualized average recurring contract value for seat licenses sold in each region.

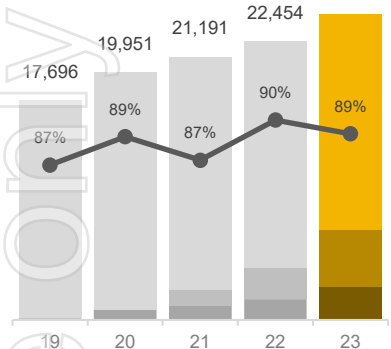
Design Software – Seats on Subscription



Americas

9.8%

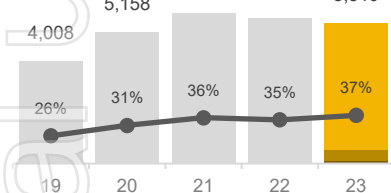
24,660



China

- 3.2%

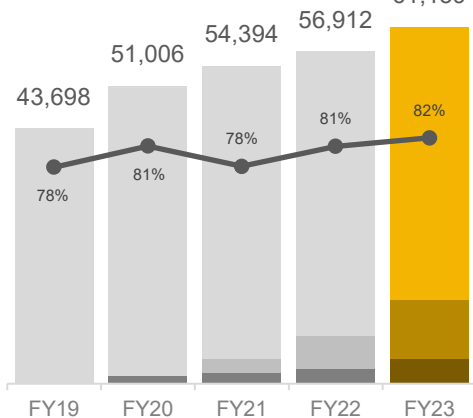
5,510



Total Seats-on-Subscription

7.5%

61,159



Standard

Professional

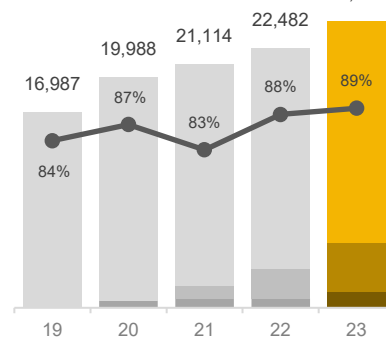
Enterprise

Renewal Rate

EMEA

10.5%

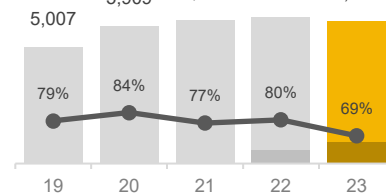
24,853



Rest of World

- 2.3%

6,136



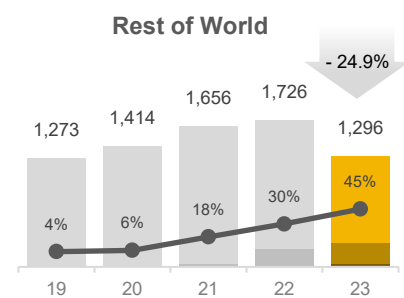
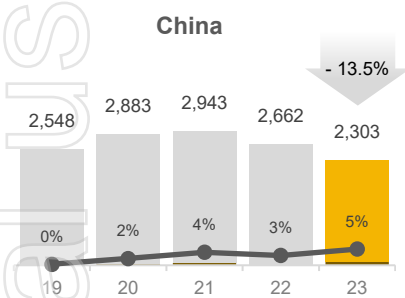
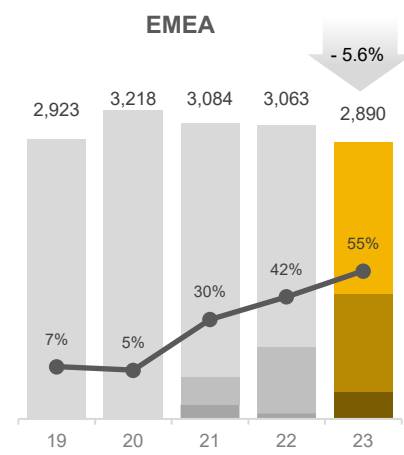
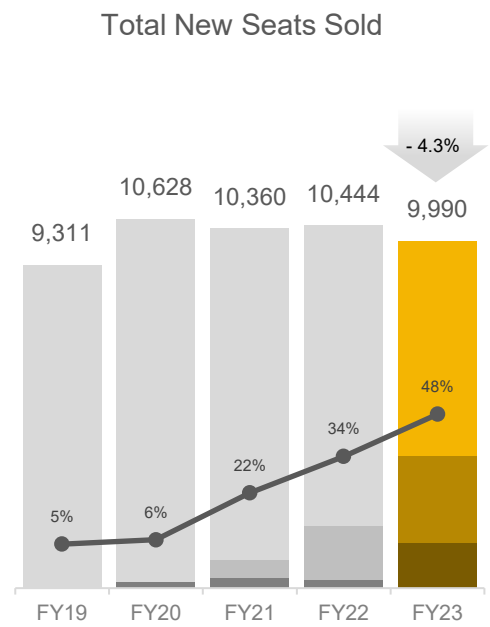
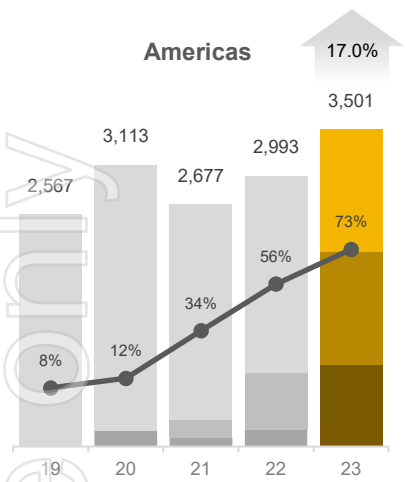
Total seats-on-subscription grew at approximately 10% in both the Americas and EMEA in FY23.

Strong growth in renewal rates in the Americas and EMEA, supported by growing cloud adoption and stronger execution.

Rest of World subscription seats totals fell due to the loss of Russia's entire subscription pool.

Subscriptions seats in China underperformed due to lower new license sales and challenging macroeconomic conditions.

Design Software – New Licenses



Customers are choosing Professional and Enterprise level subscriptions in growing numbers when purchasing new seats. Time-based licenses are rapidly becoming the subscription of choice in most of the world.

New seat sales in the Americas were up 17% supported by strong enterprise sales.

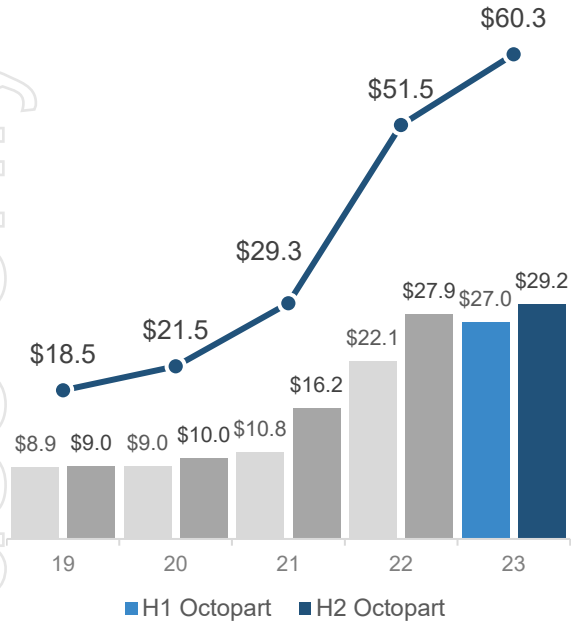
Softness in EMEA caused by a focus on rejoins rather than new licenses combined with a difficult environment in China and the exit of business in Russia contributed to a slight decline in the overall number of new licenses.

Refer to Appendix C for Regional Data on New Licenses Product Mix.

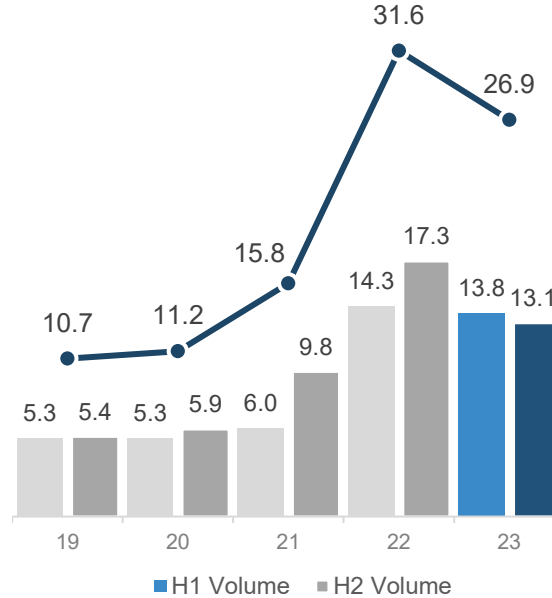
Cloud Platform – Revenue and Octopart Offer Clicks



Cloud Platform Revenue (\$M)



Octopart Offer Clicks (Mil)



Octopart Offer Clicks decreased 15% YoY but still finished 70% higher than the FY21 level. Recovery of stock levels for certain key electronics parts resulted in fewer clicks, particularly for zero-stock items for which suppliers pay Octopart lower amounts.

Despite fewer clicks, an increase in Average Revenue Per Click of 32% drove a 12% increase in Octopart Revenue.

FY23 Cloud Platform Revenue includes \$56.2M from Octopart and \$4.1 from Smart Manufacturing.

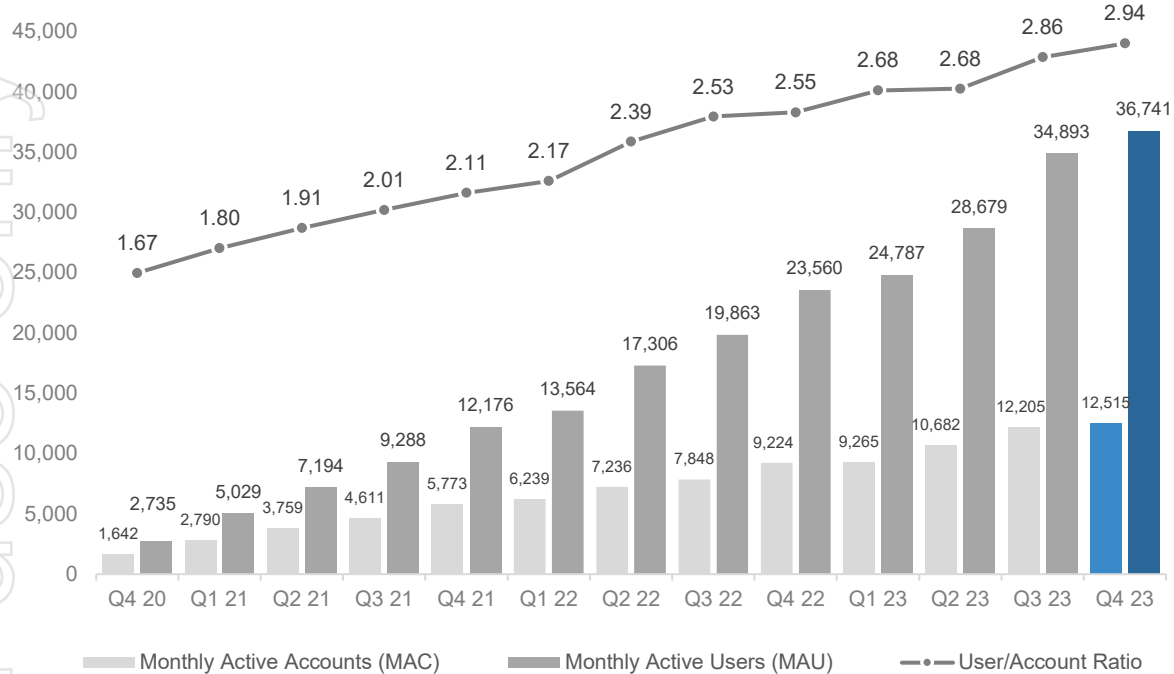
Suppliers are willing to pay more to rank high in the offer tables presented with search results to leverage Octopart's growing dominance in parts search

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Cloud Platform – Altium 365 Strong Adoption



Altium 365 Monthly Active Users and Monthly Active Accounts



Monthly Active Users reached a high of 36,741 and Monthly Active Accounts reached a high of 12,515 in August 2023.

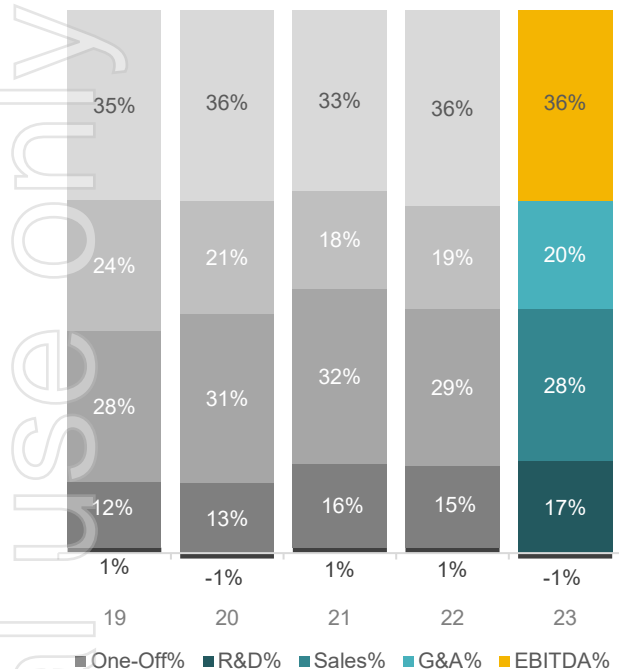
The growth of User to Account Ratio from 1.67 to 2.94 reflects the growing “*network effect*” of Altium 365 drawing users from outside our traditional Altium Designer userbase (such as mechanical engineers, procurement managers, etc.)

Strong adoption of Altium 365 with a growing “*Network Effect*” is supporting transformation

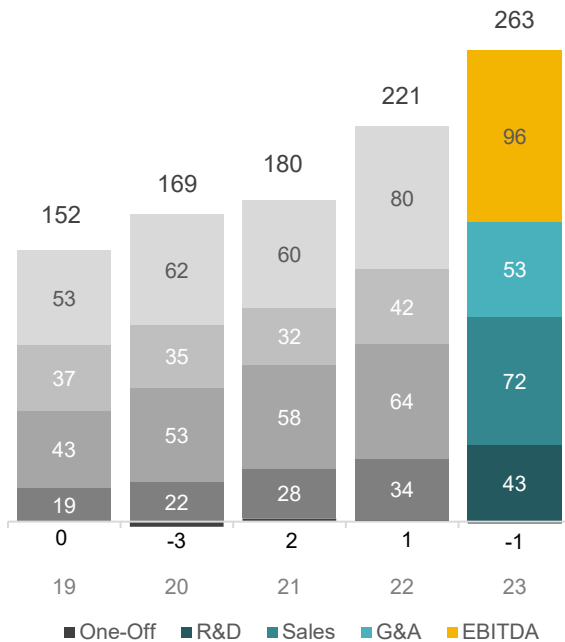
Operating Expenses



Operating Expenses as Percentage of Revenue



Operating Expenses as Breakdown of Revenue (\$M)



Reported EBITDA grew 20.3%, driven by strong revenue growth.

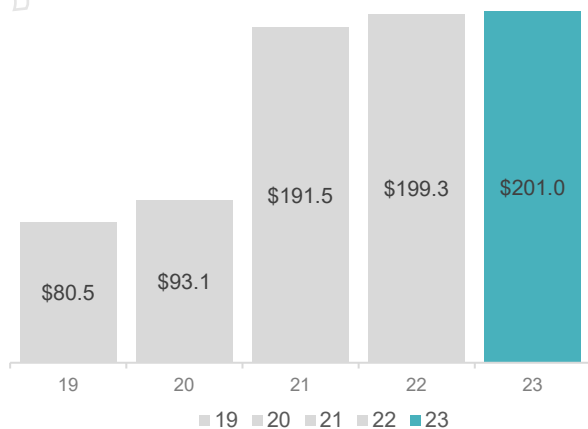
During the year, Altium invested materially in Enterprise and Digital sales and continued to acquire expertise for its Cloud Platform. These investments span R&D capabilities, front-line sales and executive talent. Altium is also building out a dedicated M&A team.

To maintain historical consistency, much of the new executive talent resides in the G&A OpEx category, but the vast majority of this expertise accrues to the Sales and R&D functions.

Balance Sheet

Strong balance sheet position with \$201M net cash provides flexibility for continued growth

Cash and Cash Equivalents (\$M)



Balance Sheet strength

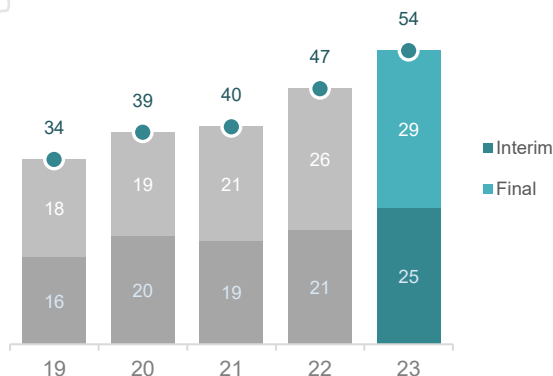
- Continued strengthening of the balance sheet with cash increasing to \$201.0M.
- The \$26.7M ATO amount payment is recognised in Non-current Other Receivables.

Full Year Balance Sheet

	Jun-23 \$ '000	Jun-22 \$ '000	Jun-21 \$ '000	Jun-20 \$ '000	Jun-19 \$ '000	Jun-18 \$ '000
Cash and cash equivalents	200,975	199,287	191,541	93,083	80,531	52,459
Trade and other receivables	61,180	63,486	66,117	57,499	45,833	38,799
Other current assets	26,685	11,108	8,127	7,550	5,108	4,171
Total current assets	288,840	273,881	265,785	158,132	131,472	95,429
Other receivables	30,604	1,629	1,512	1,842	2,285	1,952
Investments	3,373	3,274	3,034	-	-	-
Property, plant and equipment	4,530	12,012	16,185	21,113	7,762	5,712
Intangible assets	40,751	43,926	47,179	49,690	51,534	49,068
Other non-current assets	59,149	46,728	49,457	58,058	84,873	82,120
Total non-current assets	138,407	107,569	117,367	130,703	146,454	138,852
Total assets	427,247	381,450	383,152	288,835	277,926	234,281
Trade and other payables	22,949	20,058	20,804	16,629	16,278	12,147
Tax liabilities	5,498	3,672	27,493	6,587	5,705	772
Provisions	3,862	3,837	3,061	2,887	2,109	6,784
Lease liabilities	3,603	5,364	5,559	5,480	-	-
Customer contract liabilities	66,940	56,449	52,431	48,037	48,277	43,989
Total current liabilities	102,852	89,380	109,348	79,620	72,369	63,692
Deferred tax liabilities	3,146	3,804	4,547	5,155	5,833	5,566
Provisions	505	476	373	2,755	6,407	3,974
Customer contract liabilities	8,690	8,835	7,487	8,512	6,875	6,035
Lease liabilities	7,413	4,088	5,493	8,453	-	-
Other liabilities	416	13	4	7	1,884	2,098
Total non-current liabilities	20,170	17,216	17,904	24,882	20,999	17,673
Total liabilities	123,022	106,596	127,252	104,502	93,368	81,365
Net assets	304,225	274,854	255,900	184,333	184,558	152,916
Contributed equity and reserves	161,915	153,568	149,841	147,702	145,137	138,260
Retained profits	142,310	121,286	106,059	36,631	39,421	14,656
Total equity	304,225	274,854	255,900	184,333	184,558	152,916

Positive cash flow

Dividends Paid/Declared (AUD¢)



Positive cash flow

- Operating cash flow was very strong in FY23 but offset by a one-time tax payment that Altium is contesting and expects to recover in future periods.

Statement of Cash Flows - Full Year

	2023 \$ '000	2022 \$ '000	2021 \$ '000	2020 \$ '000	2019 \$ '000	2018 \$ '000
Receipts from customers	267,083	229,502	193,850	189,638	178,215	147,685
Payments to suppliers and employees	(163,479)	(147,698)	(117,733)	(126,200)	(106,819)	(96,578)
Payments for expenses relating to acquisitions	-	-	(536)	-	(244)	(572)
Net interest received	2,231	369	226	855	933	192
Interest and other finance costs paid	(869)	(489)	(657)	(582)	(1)	(2)
Net income taxes paid	(49,239)	(9,193)	(13,414)	(7,180)	(3,018)	(2,243)
Operating cash flow	55,727	72,491	61,736	56,531	69,066	48,482
Capital expenditure						
Payments for property, plant and equipment	(3,677)	(1,040)	(1,662)	(3,871)	(5,095)	(2,824)
Payments for intangibles	-	(425)	(839)	(1,253)	(17)	(748)
Free cash flow	52,050	71,026	59,235	51,407	63,954	44,910
Cash flows from investing activities						
Payments for purchase of subsidiary, net of cash acquired	-	-	-	-	(2,421)	(3,681)
Payments on contingent and deferred consideration	-	-	(50)	-	(5,471)	(7,455)
Payment for investment	-	-	(3,000)	-	-	-
Sale of business	-	(15,841)	85,813	-	-	-
Cash flows from financing activities						
Dividends paid	(45,324)	(40,118)	(37,557)	(33,634)	(28,128)	(25,633)
Repayment of lease liabilities	(4,314)	(5,707)	(5,524)	(5,050)	(7)	(9)
Increase in cash and cash equivalents	2,412	9,360	98,917	12,723	27,927	8,132
Effect of exchange rate changes	(724)	(1,614)	(459)	(171)	145	54
Total increase in cash and cash equivalents	1,688	7,746	98,458	12,552	28,072	8,186

Full Year FY23 Results Key Metrics

Strong performance for all key financial metrics at the Group level – Revenue, EBITDA and PAT

Group

- Strong growth in revenue, EBITDA and PAT in FY23 accompanied by increased margins.

Revenue – Strong top line growth of 19.2%

- Reported revenue increased to \$263.3 million in FY23, driven by improvements in Software revenue and continued strength in Cloud.

EBITDA – EBITDA margin increased by +0.3 percentage points to 36.5%

- EBITDA increased by 20.3% to \$96.0 million in FY23, driven by both higher top line revenue and higher component of recurring revenue and the positive benefits from operating leverage.

PAT – strong bottom-line profitability: +19.6%

- PAT for continuing operations, increased by 19.6% to \$66.3 million reflecting strong revenue growth and reported margin expansion.

	FY23	FY22	+/- %	FY21	FY20	FY19
	Million	Million		Million	Million	Million
Revenue (incl. TASKING)	263.3	220.8	19%	191.1	189.1	171.8
Revenue	263.3	220.8	19%	180.2	169.3	152
Reported expenses	167.3	141.0	19%	120.2	107.6	98.9
EBITDA	96.0	79.8	20%	60.0	61.7	53.1
Depreciation and amortization	9.6	12.0	-20%	11.9	10.9	9.8
EBIT	86.4	67.9	27%	48.1	50.8	43.3
Net interest	1.4	0.01	9593%	(0.4)	0.1	0.7
Profit before income tax	87.8	67.9	29%	47.7	50.9	44
Income tax expense	21.4	12.4	73%	12.4	31.2	3.6
Profit after income tax	66.3	55.5	20%	35.3	19.7	40.4
Profit after tax from discontinued operations	-	(0.1)	-100%	71.1	11.2	12.5
Dividends (AU cents)	54	47	15%	40	39	34
Key Margin Analysis (continuing)						
EBITDA margin	36.5%	36.2%	0.3 pts	33.3%	36.5%	34.9%
EBITDA margin (Underlying)	36.2%	36.7%	-0.5 pts	34.3%	34.8%	35.0%
Net profit before tax margin	33.3%	30.7%	2.6 pts	26.0%	30.0%	29.0%
Net profit after tax margin	25.2%	25.1%	0.1 pts	20.0%	12.0%	27.0%
Effective tax rate	24.4%	18.3%	6.1 pts	26.0%	61.3%	8.2%
Balance Sheet (USD millions)						
Cash and equivalents	201.0	199.3	1%	191.5	93.1	80.5
Net assets	304.2	274.9	11%	255.9	184.3	184.6
Operating cash flow	55.7	72.5	-23%	61.7	56.5	69.1

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Appendix



- Electronics are at the heart of a smart and connected world.
- 5G Communications, Electrification of Cars, Autonomous Driving, Industrial IoT, AI and Data Science, Mobile Devices, and the general demand for smart connected products are driving demand for electronics and continue to overburden supply chain.
- The decoupling of China and the US economies is slowly giving rise to the formation of two independent and competing ecosystems for electronics. This is resulting in on-going supply chain challenges and disruption that will potentially deepen.
- Electronics is playing a key role in driving competitive edge and speed to market in manufacturing modern products. This is resulting in many companies bringing electronics in-house.
- Altium's software and cloud platform enable the proliferation of electronics as the design of printed circuit boards and the sourcing of electronic parts are the two fundamental processes in the creation of electronics hardware.

Tail Winds...

- Altium Cloud First Strategy is transforming our product portfolio from stand-alone desktop design software to a connected cloud-based design platform providing access to enterprise capabilities for mid-market customers, resulting in higher revenue per subscription seat.
- Altium is gaining traction in the enterprise market, where Altium's unique electronic data and lifecycle management combined with its cloud platform is increasingly being viewed as the platform of choice for electronics by modern enterprises.
- Digitization of Altium's transactional sales combined with an omnichannel approach for go-to-market is highly efficient and effective and is driving a strong overall performance.

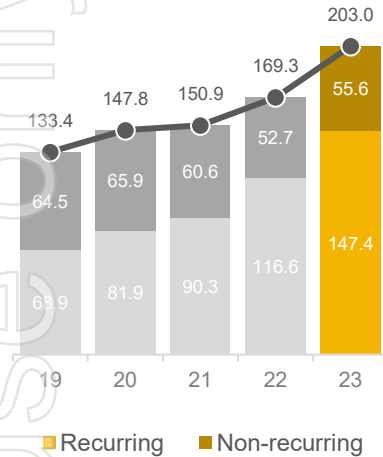
Head Winds...

- Altium's traditional license compliance business in China post pandemic is going through a slow recovery compounded by a business model transition from perpetual to term-based and ultimately SaaS.
- The normalization of the supply chain post-pandemic has lowered traffic volume to Octopart, compensated in part by a stronger value proposition and higher average revenue per click.

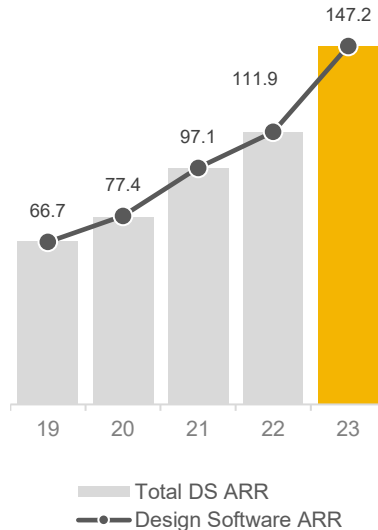
Design Software – Growth Metrics



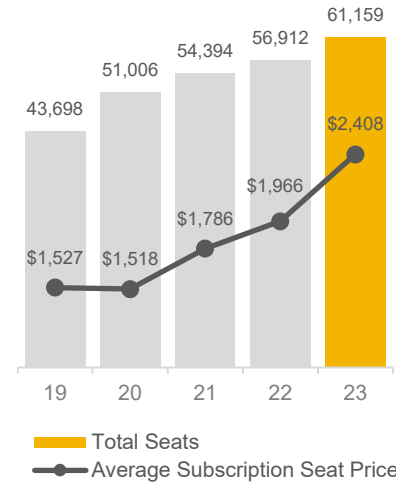
Recurring vs Non-recurring (\$M)



Annual Recurring Revenue (ARR) (\$M)



Average Subscription Seat Price vs Volume



The improvement in product mix and the shift of the installed base to Term-Based licensing continues to enhance the size and quality of Altium's recurring revenue.

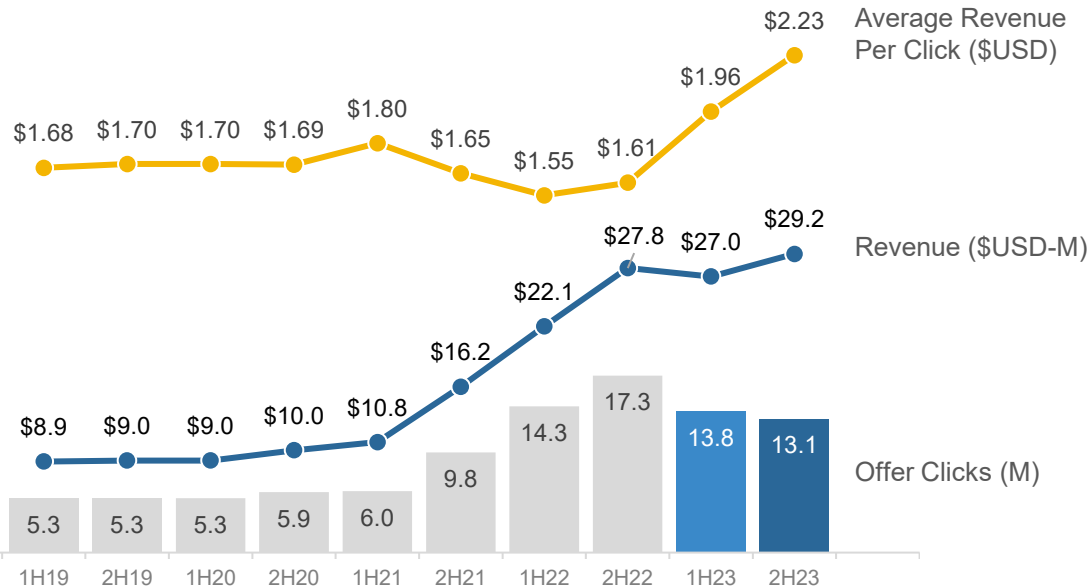
TBLs, along with a growing uptake of Pro and Enterprise level seats has resulted in three straight years of expanding the average annualized price of seats on subscription. This, in turn, pushed ARR higher.

Growing seat volume and the increasing value of seats on subscription

Octopart – Growth Metrics and Business Drivers



Octopart Revenue, Offer Clicks (Mil) and Average Revenue Per Click



Octopart Average Revenue per Click continues to grow as customers routinely increase their contractual payment rates (in-stock, zero-stock and boost) to secure competitive placement in search results.

The “boost” program, introduced in the second half, allows distributors to selectively enhance search result placement for specific part categories or brand names for an additional fee.

Octopart market leadership in parts search supported strong growth in average revenue per click and is offsetting lower offer clicks as supply chain disruption normalizes



Operating Leverage...

- Higher price and margin for design software seats on subscription as the mid-market adopts enterprise-level capabilities.
- Digitization of transactional sales processes is delivering greater efficiencies.

Investments...

- Further investment in Altium 365 cloud platform capabilities.
- Scaling enterprise sales capacity to deliver industry solutions for enterprise verticals.
- Deepening the value proposition and reach of Octopart beyond electronic parts search to supply chain intelligence.
- Expanding the Altium leadership team in the US.

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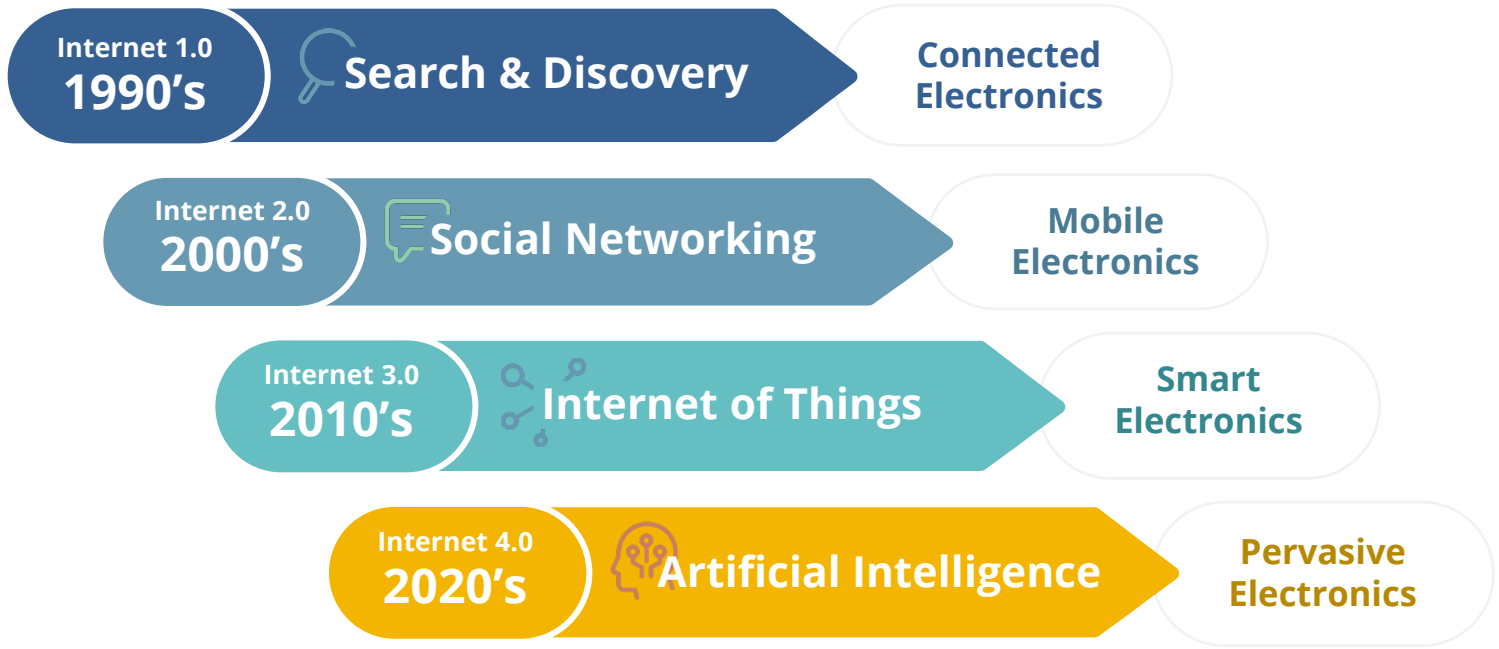
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Appendix

Internal use only

Internal use only



Internet of Things & Artificial Intelligence are driving the proliferation of electronics



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

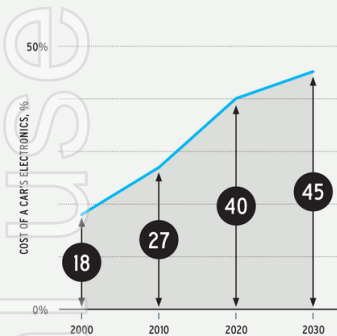
Printed Circuit Boards are central to the design & realization of electronics and smart connected products

mal use only

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

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

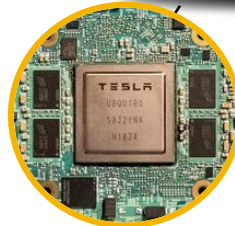


Deloitte (2019) - Semiconductors – the Next Wave

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

iRobot
Smart Vacuum Cleaner

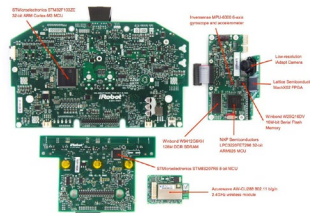


- Safety
- Performance
- Compliance
- Engineering Expertise



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



*“To transform the electronics industry through the **cloud-enablement** of all **industry processes** involved in the **creation of electronics hardware**”*


World's largest
Phone companies

Owns No
**Telco
Infrastructure**


World's most
Valuable retailer

Owns No
Inventory


Most popular
Media owner

Owns No
Content


World's largest
Software vendors


Owns No
Apps


World's largest
movie house

Owns No
Cinema


World's largest
taxi company

Owns No
Taxis


World's largest
Accommodation provider

Owns No
Real Estate



Altium
World's largest
platform for the
production of
electronics
hardware
Owns No
Fab or Factory



Design Software

Make Altium synonymous with PCB design within the electronic industry to the point of “virtual monopoly”.



Cloud Platform

Grow “network effect” with strong “data gravity” among professionals and organizations that are involved with the creation of electronic hardware.

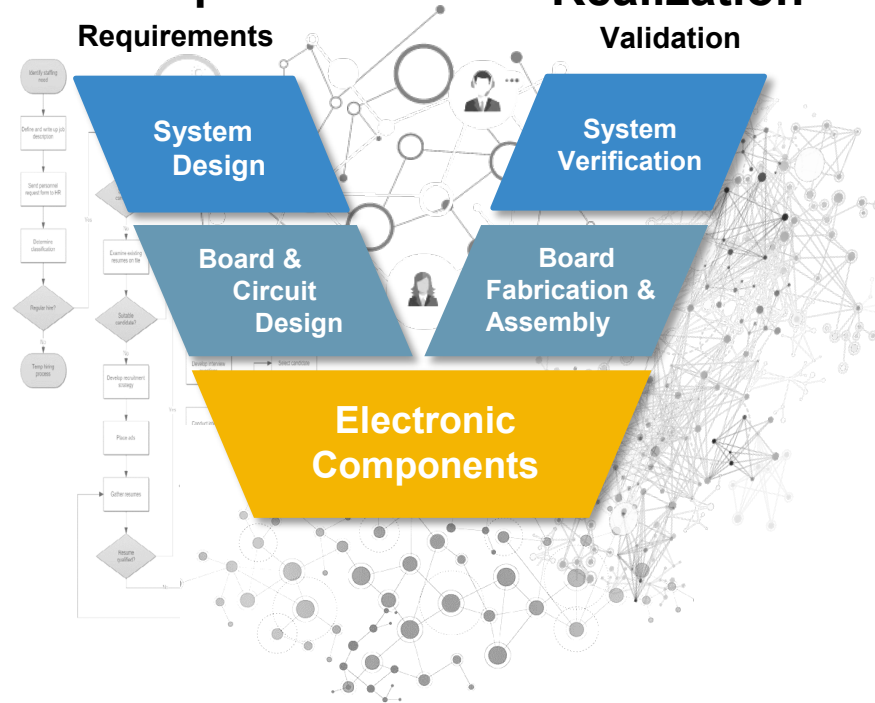
Altium Cloud First strategy is resulting in **Transformation through Dominance** fast becoming **Dominance through Transformation**

Industrial Software Digital Model Continuity

- BOM** - Bill of Material
- EDA** - Electronic Design Automation
- CAD** - Computer Aided Design
- PLM** - Product Lifecycle Management
- CAE** - Computer Aided Engineering

Continuity refers to the seamless and **consistent transfer, integration, and use of digital models throughout a product's life cycle** ensuring that everyone has access to accurate, up-to-date, and consistent digital models, reducing discrepancies and inefficiencies.

Concept Requirements Realization Validation



Industrial Internet Business Model Continuity

- Design Services**
- Simulation & Analysis Services**
- Component Sourcing Services**
- Fabrication & Assembly Services**
- Testing & Verification Services**

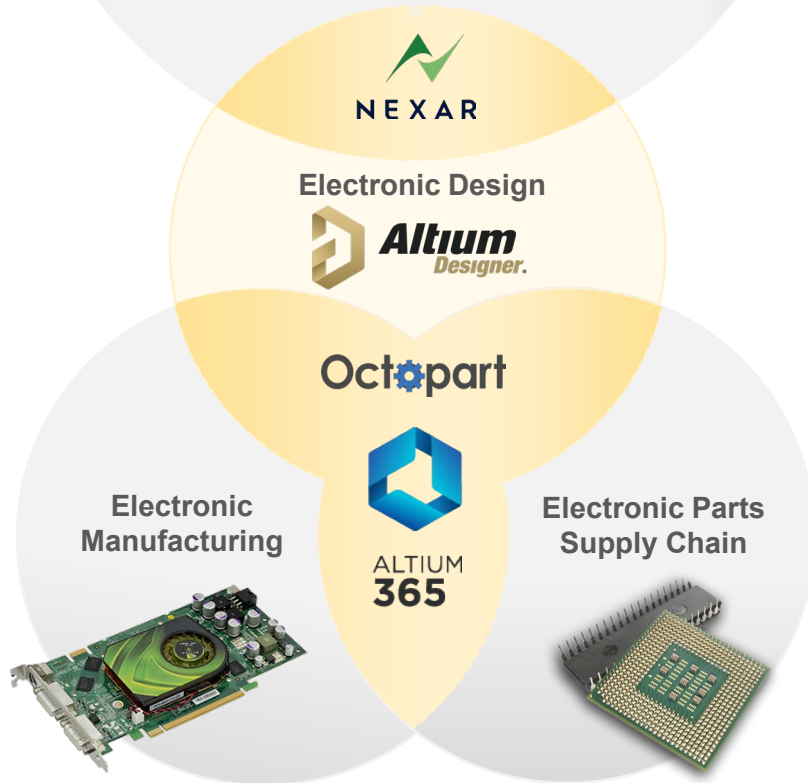
Business Model Continuity involves maintaining a degree of consistency and adaptability across different organizations' business models within the industry. This continuity and adaptability allow businesses to remain competitive and facilitates collaboration, standardization.

Altium 365 and Nexar Connect Electronic to the Wider Industrial Software Ecosystem

Altium



- **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.



- **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
- **Altitude** – provides cloud based smart manufacturing that will improve productivity and manufacturability of electronics hardware and manage production risk and supply chain

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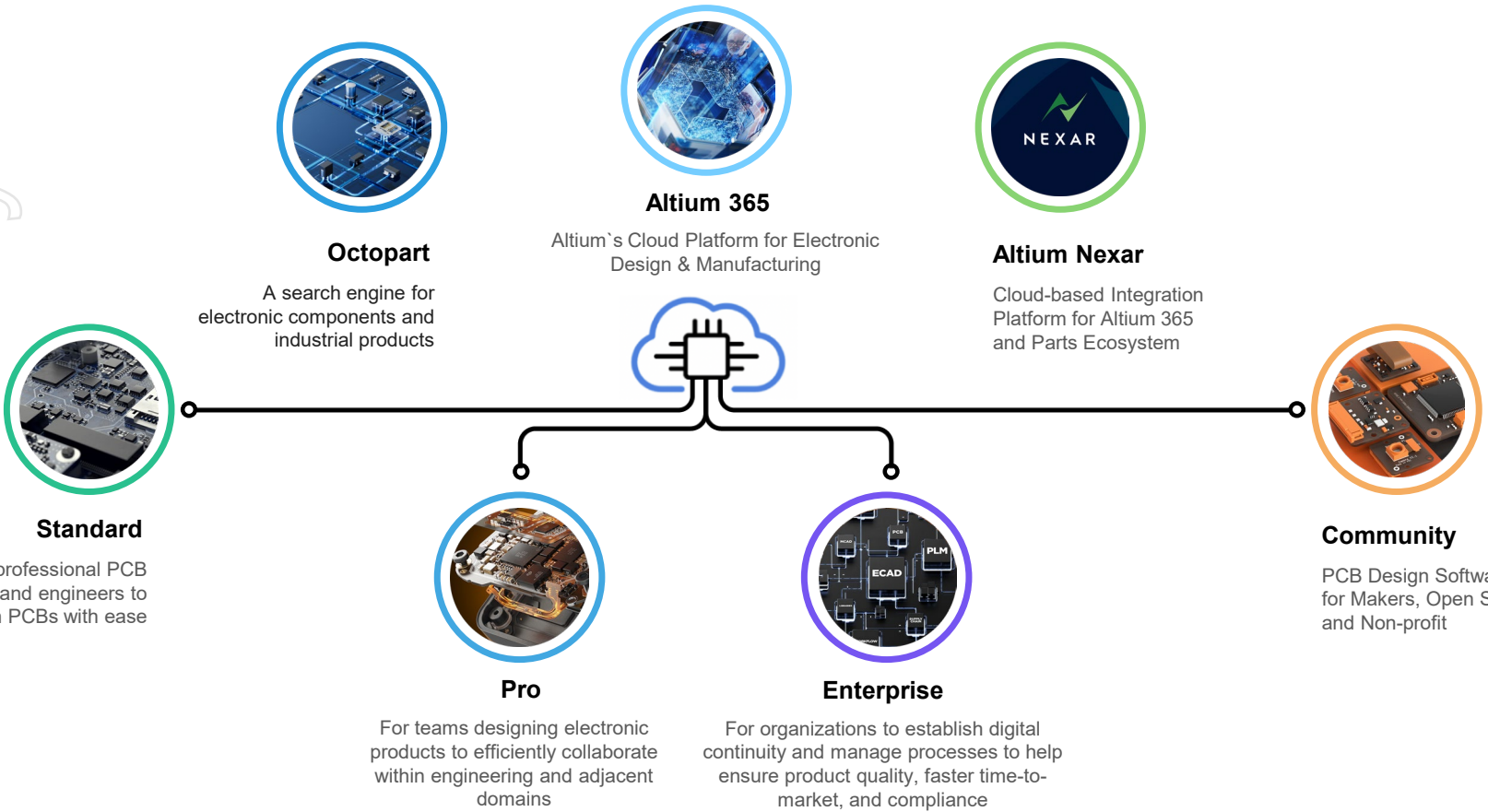
D

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Mainstream Dominance with Diversity of Applications and High-Profile Customers



Automotive



Aerospace & Defense



Life Sciences



Mobile Devices



Consumer- Electronics



Electronics & High-Tech



Research & Education



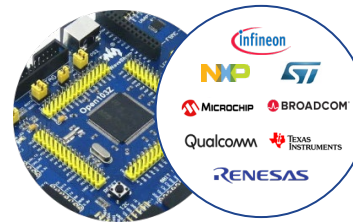
Industrial Controls



Computers



Semiconductors



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



Main Operating Centers

San Diego, Munich, Shanghai

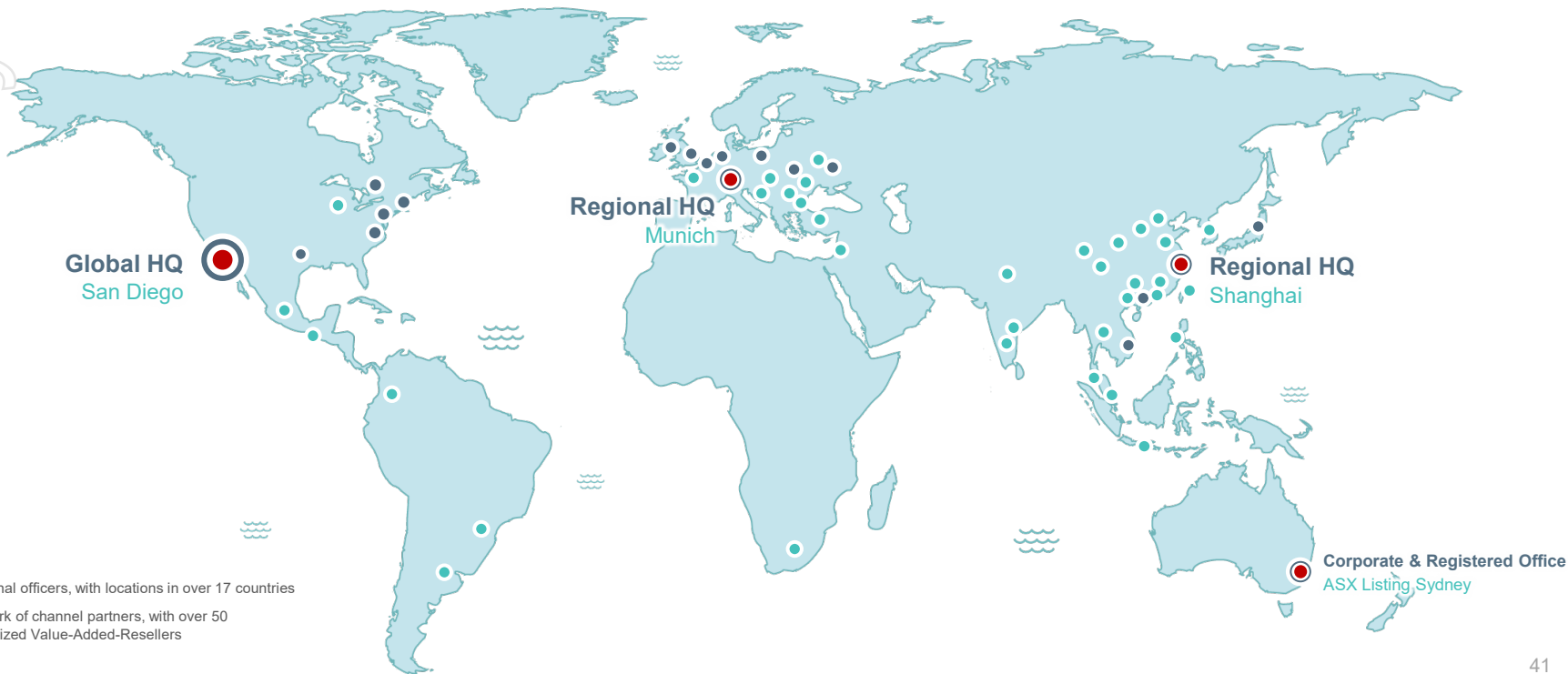
Sales and Support Centers

San Diego, Boston, Karlsruhe, Munich, Shanghai, Sydney

Research & Development Centers

San Diego, Kyiv, Katowice, Cambridge, Shanghai

is use only



- Regional offices, with locations in over 17 countries
- Network of channel partners, with over 50 authorized Value-Added-Resellers



Big Thinking (in pursuit of purpose)

Setting ambitious long-term goals that stakeholders at all levels can appreciate and get behind

Ingenuity (of AND)

Shows an ability to work with complexity and polarities. Demonstrating resourcefulness and creative thinking to generate options or solutions. Balancing risks, rewards and conflicting priorities in solving problems.

Diversity (of thought)

Demonstrates an ability to think "out of the box" and listens to new ideas.

Agility (of action)

Showing an ability to shift quickly to be more effective based on the situation. Demonstrating an ability to fail fast or win quickly.

Courage (of conviction)

Living and dying by the sword, a fearless mindset to express one's conviction borne out of relentless desire to succeed.

Adaptability (of approach)

Thriving on change and flexibility. Demonstrating a global view and understanding not just how, but why.

Transparency (of intent)

Demonstrating open and honest two-way communication with others in relation to the why, the what and the how.

Grit (in pursuit of mission)

Load bearing and demonstrating resolve to move through adversity or obstacles. Remains objective and positive through periods of change.

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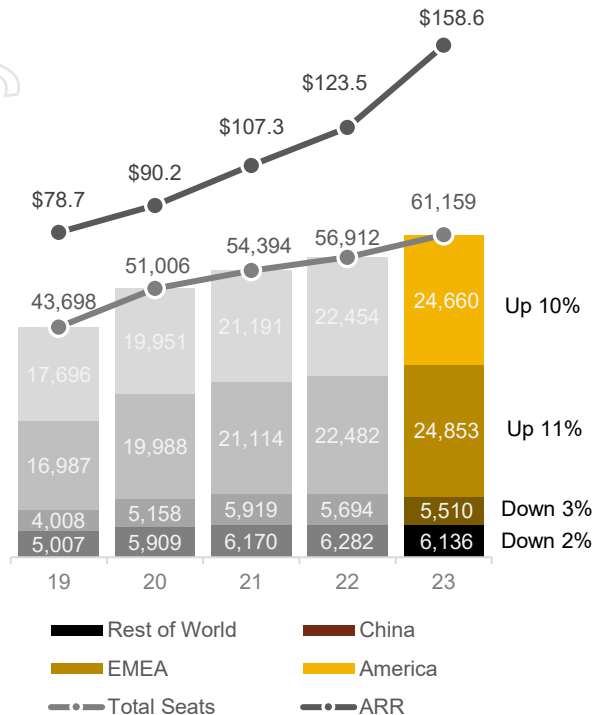
E

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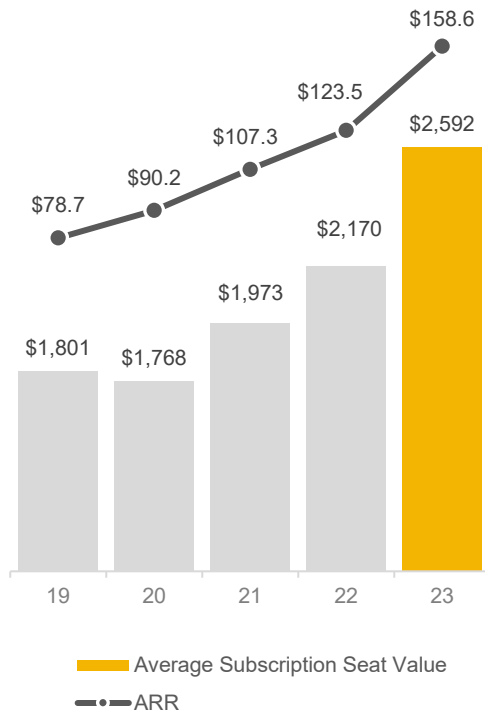
ARR and ASSV on FY22 Measurement Basis



Annualised Recurring Revenue* (\$M) and Number of Subscription Seats



Annualised Recurring Revenue (\$M) and Average Subscription Seat Value



The total Altium subscription pool grew by 4,247 seats in FY23 to reach 61,159.

Higher-value subscription seats, including term-based licenses and seats with Pro and Enterprise level capabilities command higher prices, resulting in a 19% increase in average subscription seat value, based on FY22 measurement basis.

The uptake of higher-value subscription seats has accelerated Annualised Recurring Revenue (ARR) growth for the subscription pool well beyond the pace of seat growth.

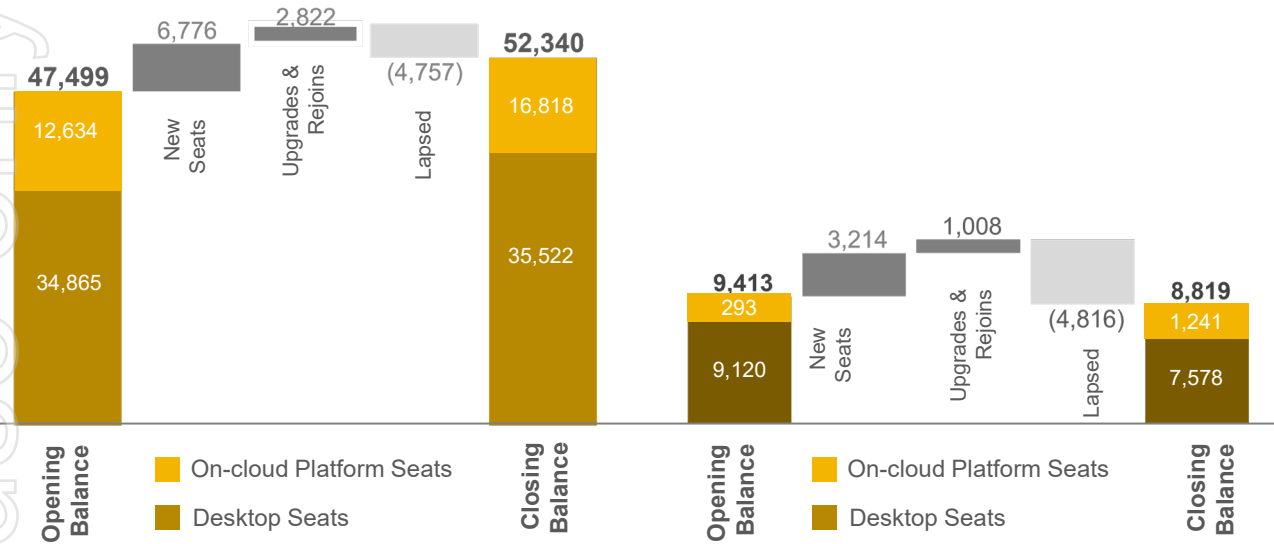
*ARR Calculation refined in FY23 to utilise more granular regional and customer level data rather than weighted averages in FY22. Refer to Slide 13 for the FY23 methodology presented.

Subscription Pool Based on the Old Developed/Developing Countries Segmentation



Developed Countries Subscription Pool

Developing Countries Subscription Pool



The seat count in developed countries grew at a healthy rate with a strong second half assisted by a significant rejoin campaign.

Lapses in developing countries were exaggerated by the loss of subscriptions in Russia and impacted by a challenging business and political environment in China.

89.1% Renewal Rate in Developed Countries (FY22 88.9%)

47.6% Renewal Rate in Undeveloped Countries (FY22 44.7%)

Net subscription seat growth rebounded in the second half of FY23

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DESIGN SOFTWARE - REVENUE BY PRODUCT

	GROUP (\$M)					Americas (\$M)					EMEA (\$M)					China (\$M)					ROW (\$M)				
	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23
Total Revenue By Product	133.4	147.8	150.9	169.3	203.0	55.1	64	58.9	69.6	92.1	46.7	50.5	54.2	62.2	74.5	19.8	21.3	23.6	21.2	19.5	11.8	12.0	14.2	16.3	16.9
Standard	121.6	126.6	125.0	129.5	124.1	47.8	50.1	44.5	48.7	46.9	42.7	43.7	44.3	45.5	45.7	19.8	21.3	23.5	21.1	19.3	11.3	11.5	12.7	14.2	12.2
Professional	5.1	5.7	12.2	22.2	41.7	2.7	3.3	5.8	10.9	21.7	2.2	2.3	6.0	9.7	16.1	-	-	-	0.1	-	0.2	0.1	0.4	1.5	3.9
Enterprise	1.0	9.8	8.6	13.7	33.3	1.0	7.0	5.7	8.4	22.2	-	2.8	2.9	5.2	10.7	-	-	-	-	-	-	-	-	0.1	0.4
Community	5.7	5.7	5.1	3.9	3.9	3.6	3.6	2.9	1.6	1.3	1.8	1.7	1.0	1.8	2.0	-	-	0.1	-	0.2	0.3	0.4	1.1	0.5	0.4

DESIGN SOFTWARE - ARR BY PRODUCT

	GROUP (\$M)					Americas (\$M)					EMEA (\$M)					China (\$M)					ROW (\$M)				
	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23
Total ARR By Product	66.7	77.4	97.1	111.9	147.2	29.9	36.2	43.1	54.1	72.5	26.5	30.3	39.5	43.6	58.2	5.3	5.1	6.9	5.9	6.5	5.0	5.8	7.6	8.3	10.0
Standard	63.6	68.5	83.4	83.5	90.0	28.0	30.0	34.9	37.7	39.3	25.3	27.7	34.3	32.7	37.0	5.3	5.1	6.9	5.7	5.6	5.0	5.7	7.3	7.4	8.1
Professional	0.6	2.2	6.0	17.2	34.3	0.4	1.2	2.9	8.9	17.8	0.2	0.9	2.8	7.2	14.1	-	-	-	0.2	0.7	-	0.1	0.3	0.9	1.7
Enterprise	2.2	6.3	7.5	10.9	22.4	1.4	4.8	5.2	7.3	15.1	0.8	1.5	2.3	3.6	6.9	-	-	-	-	0.2	-	-	-	-	0.2
Community	0.3	0.4	0.2	0.3	0.5	0.1	0.2	0.1	0.2	0.3	0.2	0.2	0.1	0.1	0.2	-	-	-	-	-	-	-	-	-	-

SEATS ON SUBSCRIPTION BY PRODUCT

	GROUP (\$M)					Americas (\$M)					EMEA (\$M)					China (\$M)					ROW (\$M)				
	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23
Total Subscriptions by Product	43,698	51,006	54,394	56,912	61,159	17,696	19,951	21,191	22,454	24,660	16,987	19,988	21,114	22,482	24,853	4,008	5,158	5,919	5,694	5,510	5,007	5,909	6,170	6,282	6,136
Standard	43,554	49,576	50,035	48,765	46,722	17,552	19,126	18,732	18,247	17,354	16,987	19,383	19,214	19,131	19,198	4,008	5,158	5,919	5,676	4,969	5,007	5,909	6,170	5,711	5,201
Professional	-	-	2,442	5,636	10,287	-	-	1,322	2,521	4,637	-	-	1,120	2,558	4,324	-	-	-	18	427	-	-	-	539	899
Enterprise	144	1,430	1,917	2,511	4,150	144	825	1,137	1,686	2,669	-	605	780	793	1,331	-	-	-	-	114	-	-	-	32	36

NEW LICENSES BY PRODUCT

	GROUP (\$M)					Americas (\$M)					EMEA (\$M)					China (\$M)					ROW (\$M)				
	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23
Total New Licenses By Product	9,311	10,628	10,360	10,444	9,990	2,567	3,113	2,677	2,993	3,501	2,923	3,218	3,084	3,063	2,890	2,548	2,883	2,943	2,662	2,303	1,273	1,414	1,656	1,726	1,296
Standard	9,311	10,428	9,546	8,646	6,167	2,567	2,933	2,381	2,173	1,350	2,923	3,218	2,649	2,307	1,576	2,548	2,863	2,894	2,657	2,224	1,273	1,414	1,622	1,509	1,017
Professional	-	-	512	1,553	2,522	-	-	194	634	1,249	-	-	288	697	1,032	-	-	-	5	-	-	-	30	217	241
Enterprise	-	200	302	245	1,301	-	180	102	186	902	-	-	147	59	282	-	20	49	-	79	-	-	4	-	38

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Metric	Definition
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EBITDA Margin	EBITDA divided by Revenue
Underlying EBITDA	EBITDA adjusted for one-off items not expected to reoccur in the normal operating cycle and/or items identified by management and reported to the CODM bodies as not representing the underlying performance of the business.
Underlying EBITDA Margin	Underlying EBITDA divided by Revenue
Recurring Revenue	<p>Recurring Revenue is used by Altium to assess the estimated amount of Altium's revenue which is recurring in nature to project future revenue. The calculation of Recurring Revenue at the end of the relevant financial period adjusts Total Statutory Revenue to remove amounts for:</p> <ul style="list-style-type: none"> ○ Revenue recognised upfront from Perpetual Licenses ○ Training and deployment services ○ Hardware revenue; and ○ License upgrades
Annual Recurring Revenue (ARR)	<p>Annual Recurring Revenue (ARR): the total annualised contracted value of all licenses that are term-based and subscription services (excluding perpetual licenses) that are recurring in nature. The total annualised contract value is calculated as total value of open active contracts at the relevant financial period end divided by the length of the contract in days and multiplied by 365. Calculation refined in FY23 to utilise more granular regional and customer level data rather than weighted averages. Historical data has been presented on a basis consistent with the FY23 methodology. Refer to Appendix B for ARR based on previous methodology.</p>
Average Subscription Seat Value (ASSV)	<p>ARR divided by total number of active seats on subscription. Replaced ARRPU in FY23 to utilise more granular data at the individual contract level. Historical data has been presented on a basis consistent with the FY23 methodology. Refer to Appendix B for ASSV based on previous methodology.</p>

Appendix

A

Company Overview

B

ARR and ASSV on FY22 Measurement Basis

C

Regional Data Summary

D

Glossary

E

Company Guidance



Guidance for FY24

- Total Revenue between \$315 million to \$325 million (20%-23% growth)
 - \$250 million to \$255 million for Design Software Business (23%-26% growth)
 - \$65 million to \$70 million for Cloud Platform (Octopart and Smart Manufacturing) (8%-16% growth)
- Underlying EBITDA margin of 35%-37%

Reaffirm Aspirational targets for FY26

- Total Revenue of \$500* million
- Underlying EBITDA margin 38%-40%
- 100,000 software seats on subscription

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