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ALT IUM L I M I T E D

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Altium Announces Results for the Half Year to 31 December 2016

Altium Delivers 14% Revenue Growth and Increases Dividend

Sydney, Australia - 21 February 2017 - Electronics design software company Altium Limited (ASX:ALU) has announced its results for the half year ended 31 December 2016.

Half Year Summary

Altium achieved a record result for the first half of fiscal 2017. Worldwide revenue grew by 14% to US\$48.7m and sales increased by 14% to US\$47.0m. This top-line growth combined with Altium's disciplined fiscal management resulted in EBITDA of US\$12.5m (up 18%) and an EBITDA margin of 25.8% in the first half of fiscal 2017 (up from 25.0% in the first half of fiscal 2016).

During the first half of fiscal 2017, Board and Systems revenue increased to US\$39.4m (up 10%) and sales to US\$38.3m (up 14%), compared with the previous corresponding period. This result was underpinned by strong performances in EMEA, China and APAC.

Octopart delivered a record performance over the first half of fiscal 2017 of US\$3.5m revenue (up 65% on the same period one year earlier.) Altium's TASKING business also had an exceptional performance over the first half with revenue of US\$5.2m (almost to the same level achieved in the first half of fiscal 2016 when TASKING closed its largest ever transaction of US\$2.7m).

Based on the strong profit result, anticipated cash flow and the capital needs of the business, Altium's Board of Directors has declared an interim unfranked dividend of AUD 11.0 cents per share for the half year ended 31 December 2016. The dividend will be paid on 4 April 2017 based on a record date of 14 March 2017.

Comments from Altium's CEO Mr Aram Mirkazemi

Altium CEO, Mr Aram Mirkazemi commented, "In the first half, Altium's 'line and length strategy' which is designed to create consistent revenue growth and profitability again delivered an industry-leading performance. We increased revenue by 14% and achieved an EBITDA margin of 25.8% for the first half. What is remarkable is that we have achieved these results while building further capacity in the America's to keep up with market demand after explosive growth in fiscal

2016 and considering US\$1.9m in one-off costs related to restructuring, and acquisition expenses incurred in going direct in EMEA.”

“China’s performance delivered exceptional growth in the first half with a 27% increase in revenue achieved through volume growth. This could be an early sign of Altium finally breaking through to realise Altium’s immense opportunity in China”, further commented Mr Mirkazemi.

Among key business drivers is Altium’s partnership with Dassault Systemes SolidWorks. Mr Mirkazemi noted that “it is early days, but already SolidWorks is making significant investments in its global channel to sell this new product. This will take some time to achieve results that flow through to the Altium income statement. We remain confident that our stated 5-10% of our US\$200m revenue goal by 2020 will come from this OEM product”.

“We are set to exceed our revenue target of US\$100m in full year fiscal 2017, which was set some time ago in 2014 and we remain confident of realising our goals of US\$150m in PCB revenue and US\$200m in total revenue in 2020” commented Mr Mirkazemi.

Comments from CFO Mr. Joe Bedewi

“Altium’s performance in the first half of fiscal 2017 reflects the growing momentum in the business, with strong growth in revenue and sales. Additionally, our operating leverage has enabled us to improve our EBITDA margin in the first half”, commented Altium’s CFO, Mr Joe Bedewi.

“EMEA is beginning to build momentum by producing a solid performance in the first half. This is while restructuring our EMEA operations to build capacity and to sell direct in key markets in EMEA”, commented Mr Bedewi. In September 2016, Altium acquired its long-time reseller in the Netherlands and in January 2017 we acquired our long-time reseller in the United Kingdom. Altium will continue to expand its direct presence in EMEA in support of our bid for PCB market leadership by 2020.

“The Americas delivered Board and Systems revenue growth of 5% and sales growth of 6% over the first half of fiscal 2017. Renewals, upgrades/rejoins and add-on business were all strong during the first half. New logo sales in the Americas did not quite replicate the result achieved over the same period one year earlier partly due to an increase in our effective price. Market demand in the Americas remains strong”, commented Mr Bedewi.

In looking ahead to the full year fiscal 2017, Mr Bedewi commented “Altium remains committed to delivering double digit sales and revenue growth, is well placed to exceed its revenue goal of US\$100m and is on track to attain its goal of an EBITDA margin of 30% in full year fiscal 2017”.

	6 months ending 31 December 2016 (US\$'000s)	6 months ending 31 December 2015 (US\$'000s)	Change %
Sales to customers	47,003	41,092	14%
Revenue (excluding interest)	48,650	42,594	14%
Reported expenses	(36,105)	(31,940)	13%
EBITDA	12,545	10,654	18%
<i>EBITDA margin</i>	25.8%	25.0%	
Depreciation and amortization	(1,739)	(1,301)	
EBIT	10,806	9,729	11%
Net interest	(21)	11	
Profit before income tax	10,785	9,740	11%
Income tax expense	(923)	(593)	
Profit after income tax	9,862	9,147	8%
EPS - Basic	7.64	7.12	7%
Operating cash flow	13,716	4,890	180%
Cash and cash equivalents	36,348	38,139	(5%)
Dividend per share (AU cents)			
- Interim (AU cents)	11	10	10%

Revenue Breakdown - Divisional	6 months ending 31 December 2016 (US'000s)	6 months ending 31 December 2015 (US'000s)	Change
Worldwide revenue			
Board and Systems (US\$) ¹	39,388	35,682	10%
- Americas (US\$)	17,973	17,178	5%
- EMEA ¹ (€)	11,297	9,878	14%
- Rest of World (US\$)	8,950	7,630	17%
Microcontrollers and Embedded Systems	5,158	5,425	(5%)
Makers and Content ²	3,485	1,487	134%

¹ Board and Systems Division - EMEA, includes Europe, the Middle East and Africa, but excludes Russia.

² Makers and Content revenue includes Octopart revenue from 1 September 2015.

Investor Presentation and Call

Altium management will host a conference call on 21 February 2017 at 10.00am AEDT 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: 21 February 2017 at 10.00am AEDT

Dial in Numbers:

Australia (toll free)	1800 148 258
Australia (mobile)	1300 157 230
New Zealand	0800 667018
Hong Kong	8009 65808
USA	1866 5862813
United Kingdom	0800 0569662

International Dial In: +61 2 8038 5271

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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 and Octopart® the search engine for electronic components and industrial products. 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. You can also follow and engage with Altium via Facebook, Twitter and YouTube.