

Date: 16 November 2023

**Announcement authorised by:**

Samuel Weiss  
Chairman  
Altium Limited

ALT I U M L I M I T E D

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Australia

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Chief of Staff (US based)  
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## Altium Investor Day and Annual General Meeting - Presentations

**Sydney, Australia – 16 November 2023** – Altium Limited (ASX:ALU) will today be holding its Investor Day from 9.30am and Annual General Meeting (AGM) from 1.30pm at Pier One Sydney Harbour (Water Room), 11 Hickson Road, Walsh Bay, Sydney.

Altium Limited attaches a copy of the management investor presentation and AGM presentation to be made today. A video recording of the event will be made available on the Altium website.

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**ENDS**

## 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](http://www.altium.com). You can also follow and engage with Altium via [Facebook](#), [Twitter](#), [LinkedIn](#) and [YouTube](#).  
[www.altium.com](http://www.altium.com)



**Altium**®

Investor Day

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# Driving Growth and TAM Expansion

Sydney, 16 November 2023



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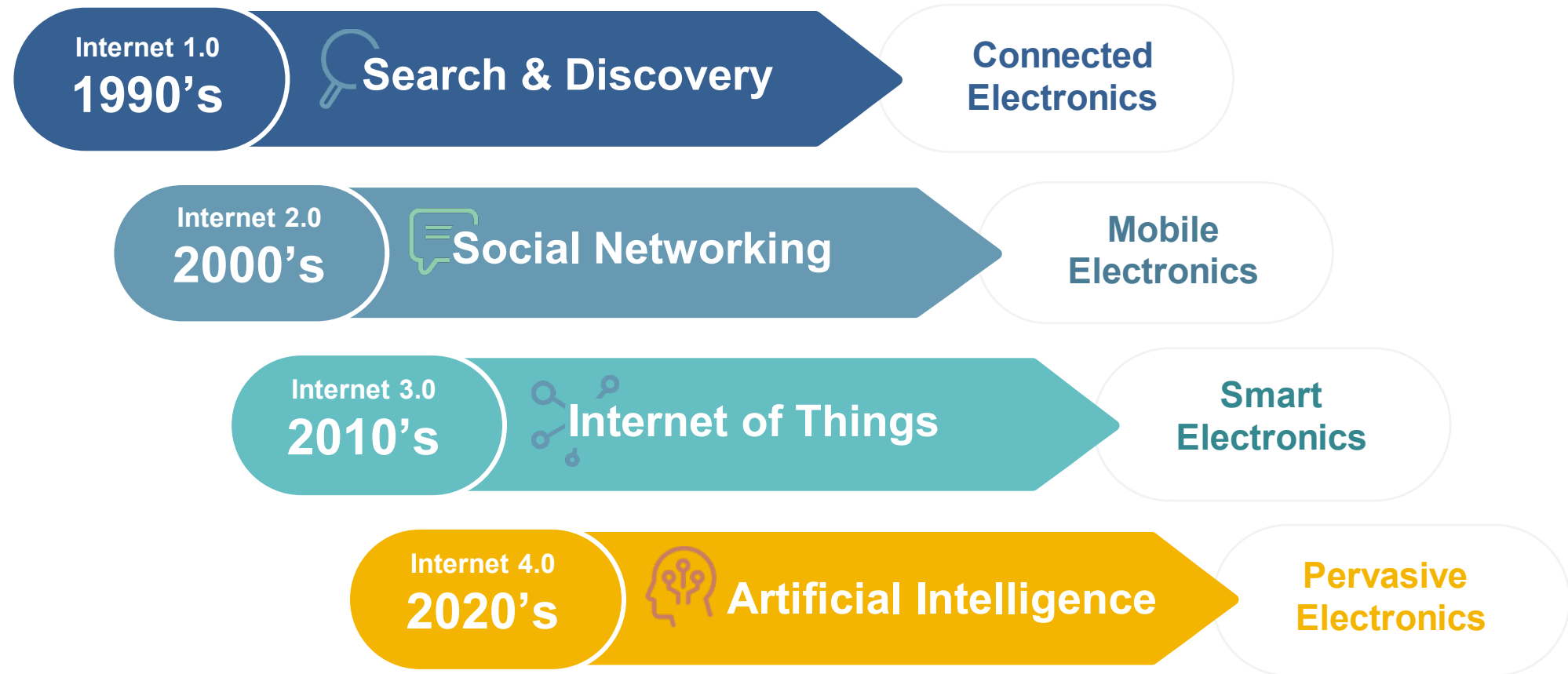
Driving Growth  
and TAM Expansion

# Transformational Opportunity

Aram Mirkazemi  
Sydney, 16 November 2023

# Technology Megatrends and Proliferation of Electronics

**Altium**



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





*“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 development  
of electronics hardware

Owns No  
**Fab or Factory**





## Transformation through Dominance and Dominance through Transformation

### Design Software

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



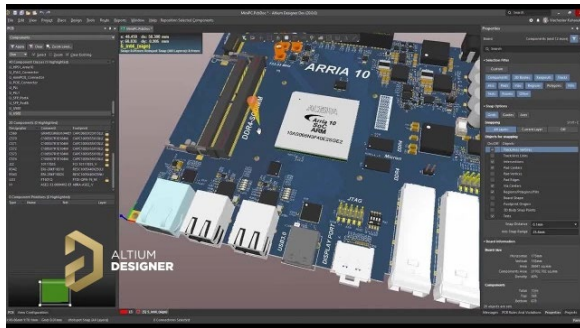
### Cloud Platform

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

# Three Category Leading Products in the Electronics Industry

Altium

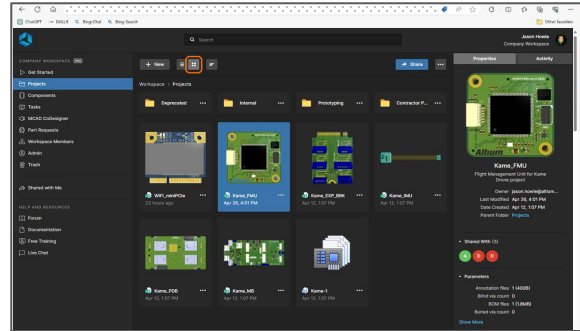
## Number One **Design Software for Printed Circuit Board**



### Altium Designer

- Largest Professional Userbase
- Most Popular Design Tool
- Over 100,000 Active Seats
- Over 60,000 Commercial Subscribers

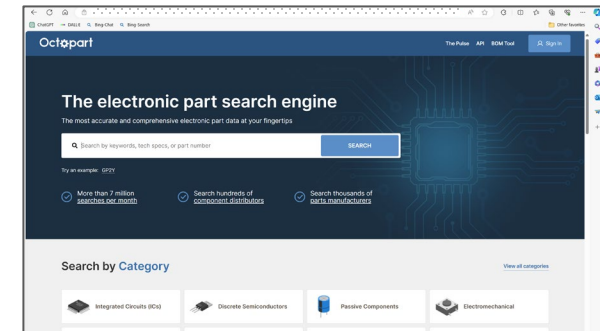
## Number One **Cloud Platform for Electronics Hardware Development**



### Altium 365

- The First Cloud Platform for the Electronics Industry
- Over 43K Monthly Active Users
- Over 14K Monthly Active Accounts

## Number One **Search Website for Sourcing Electronics Parts**

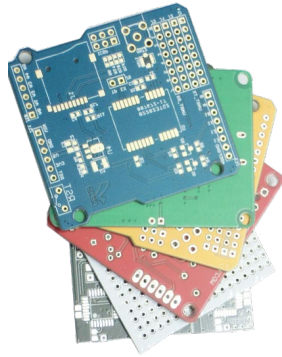


### Octopart

- The Most Popular Search Platform for Electronics Parts
- Over 7 million searches each month
- Over 55 million electronic components stored



**Altium** has the **Opportunity to Disrupt the Electronics Industry** in the Same Way that **Amazon** Disrupted the **E-Commerce Industry**



**Altium**



**amazon.com®**

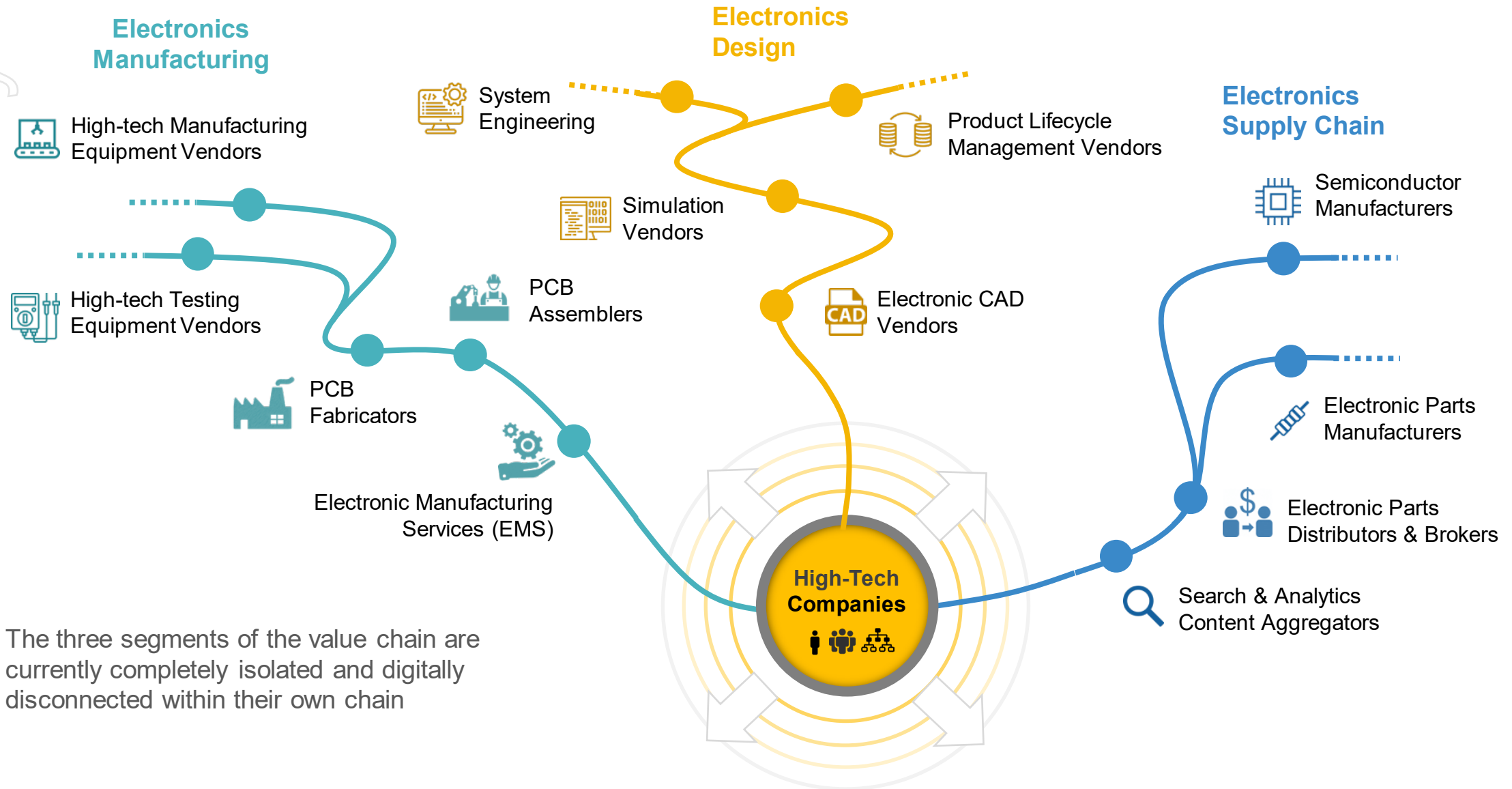




- AI/ML
- Security
- Scalability
- Cloud Computing
- 5G

# Electronics Industry Value Chain

Altium



# Altium Cloud Platform and US Route 66 Strategy

Altium



ALTIUM 365



## Systems Technology

### Consumer Electronics



### Automotive



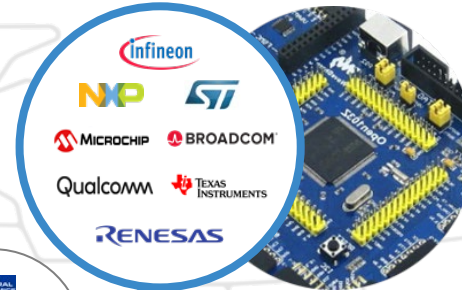
### Medical Technology



### Aerospace & Defense



### Semiconductors



### Electronics & High-Tech



## Semiconductor Technology

### Computing and IT



### Industrial Automation and Robotics



### High Tech Manufacturing



# Three Fronts of Transformation Within Altium



## Driving Volume and Value for Dominance

End-Users



Driving User Adoption through Altium Designer Pro Subscription

## Monetizing Beyond PCB Designers

SMB Customers



Driving Adoption through Altium 365 Industry Apps

## Delivering Industry Solutions for Transformation

Large Enterprises



Driving Adoption through Industry Solutions







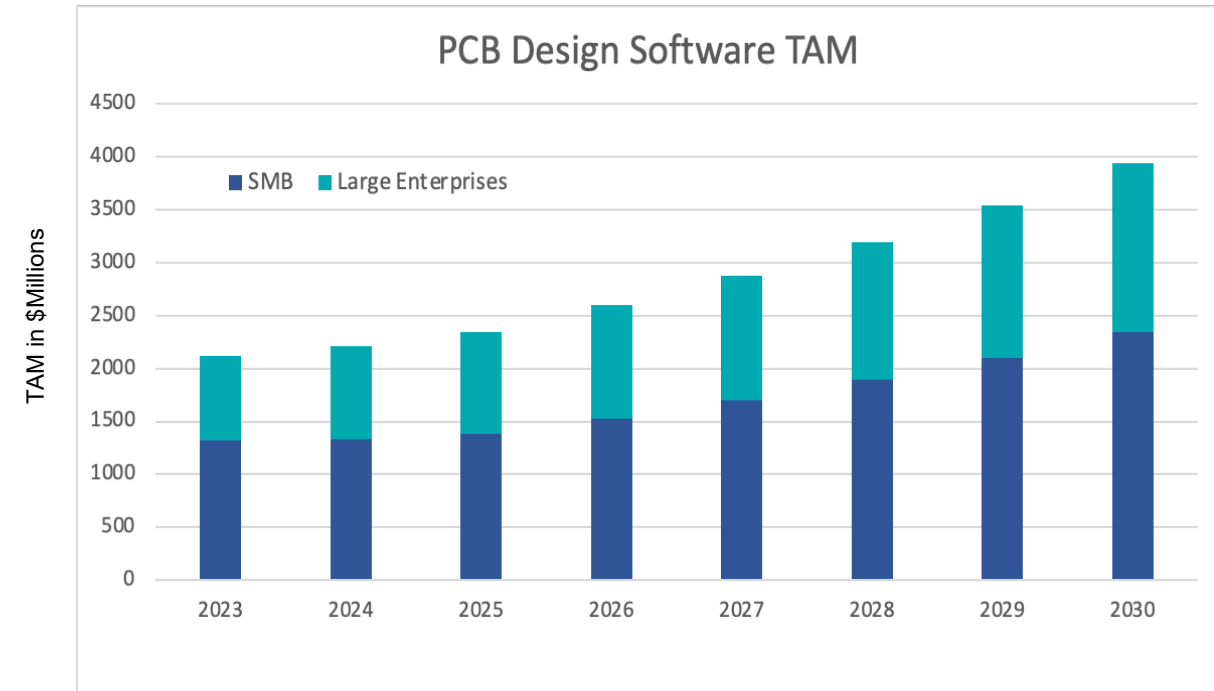
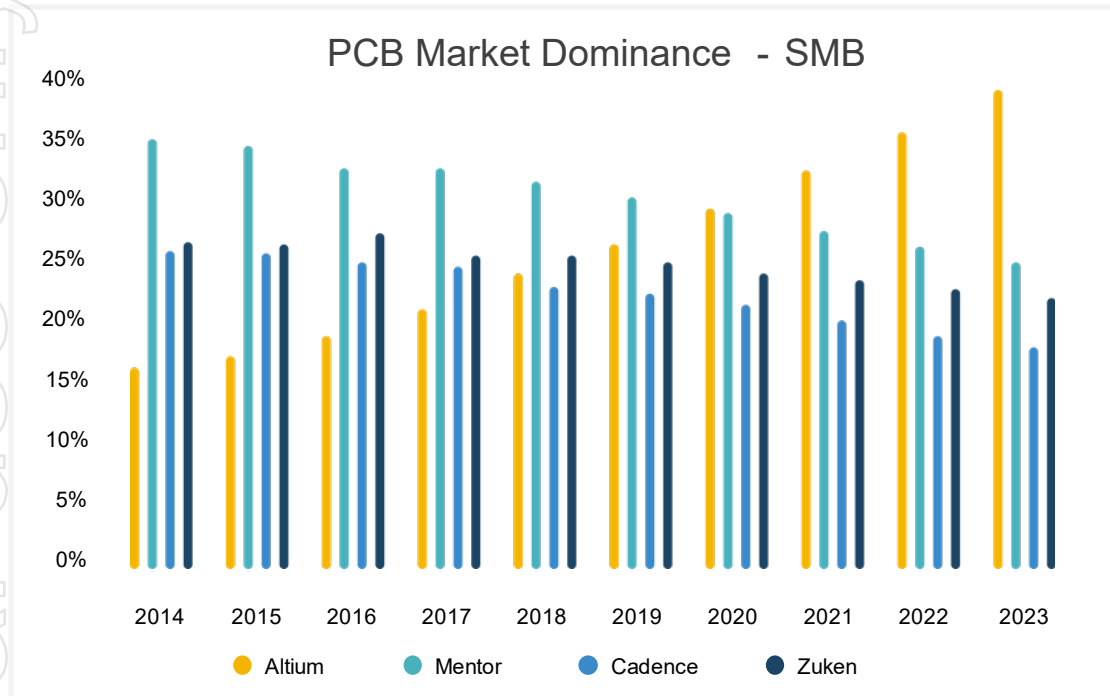
**Altium**®

Converting Opportunity  
to Outcome

## Enterprise Market

Ted Pawela, Marc Boonen, Henry Potts  
Sydney, 16 November 2023

# Huge Enterprise Opportunity

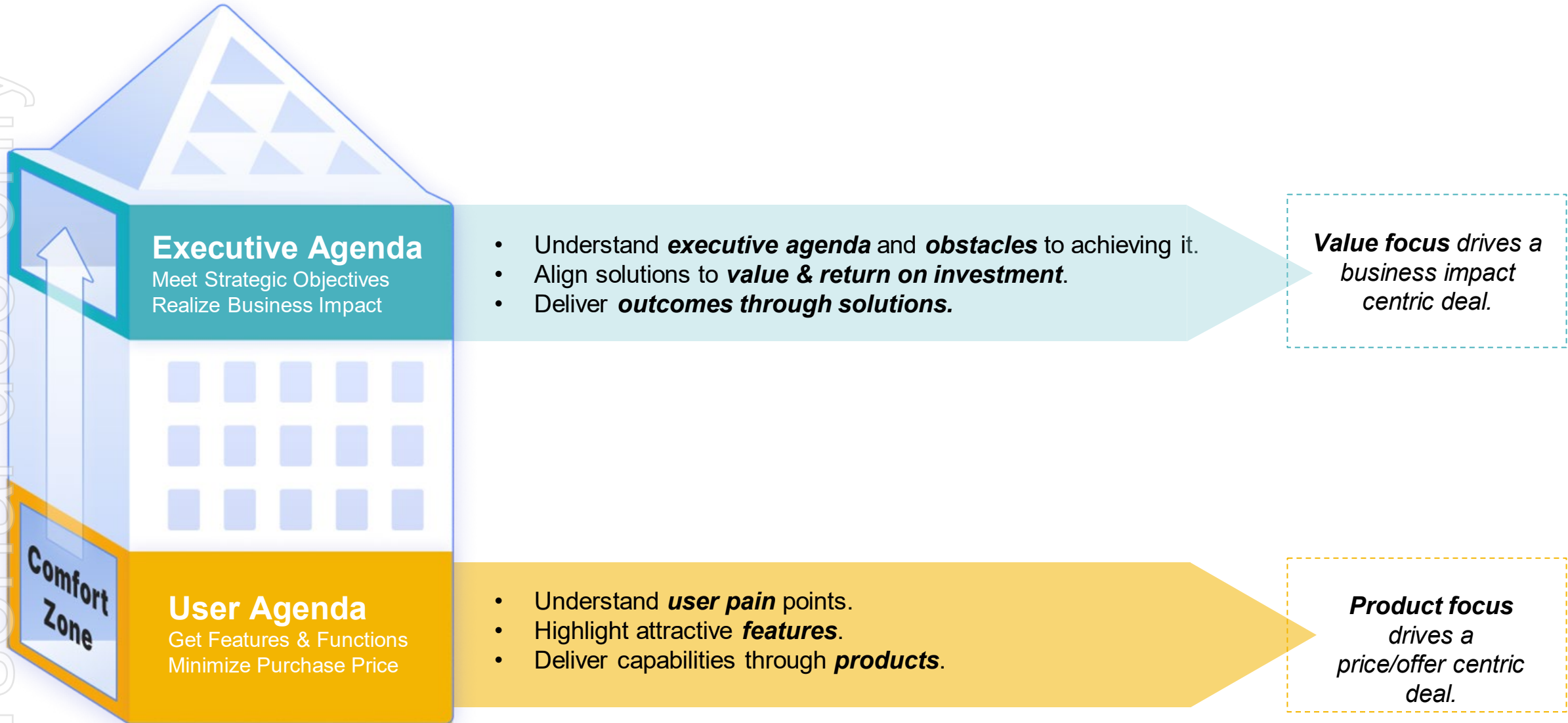


Enterprise opportunity represents an additional ~\$800M in 2023 and growing to \$1.6B by 2030

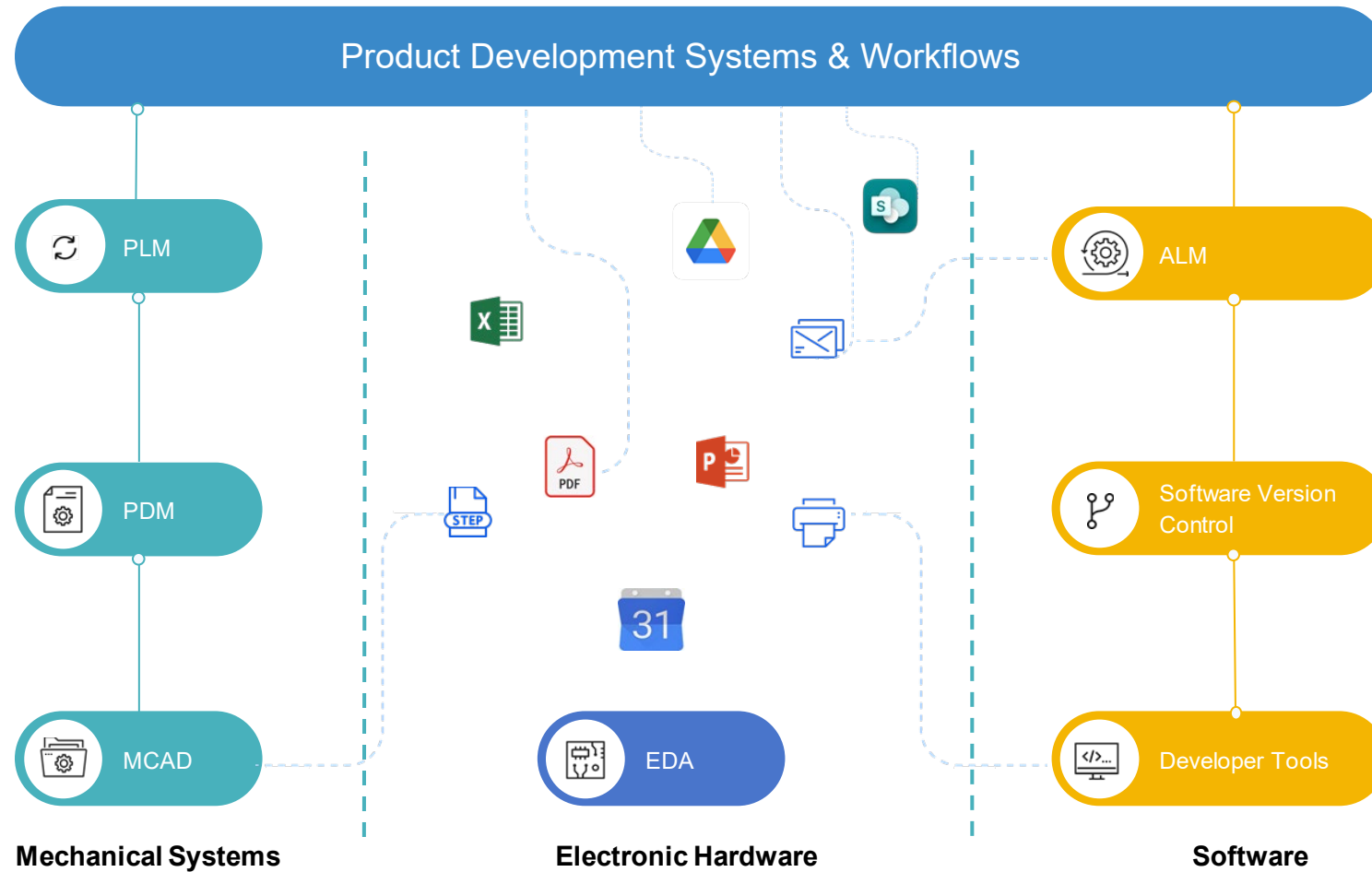


# Requiring A New Selling Motion

Altium.



# Common Obstacle to Achieving Business Goals



Disconnected and Siloed Electronic Hardware Development Process

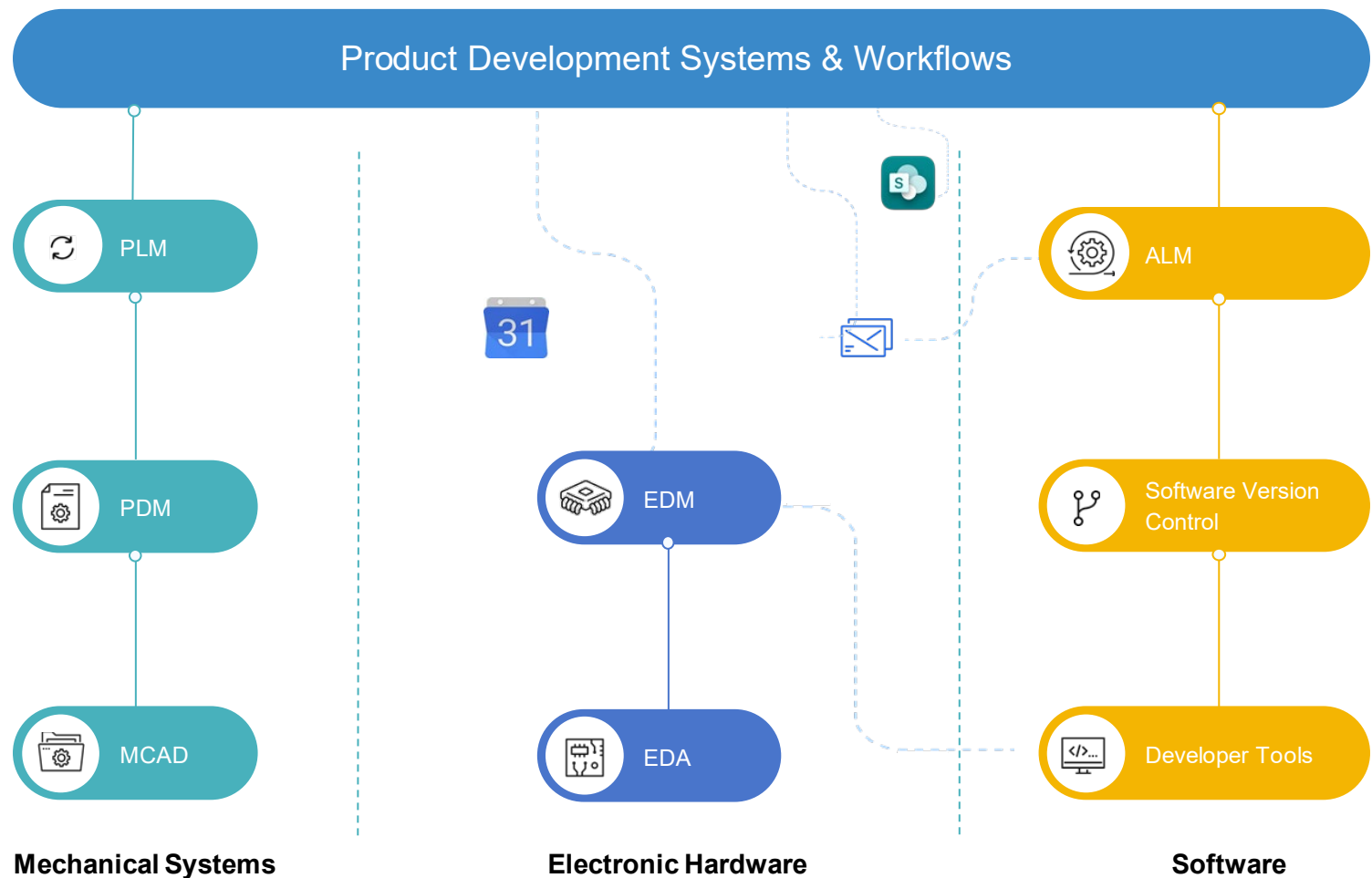
# Altium 365 Connects Electronic Hardware Development

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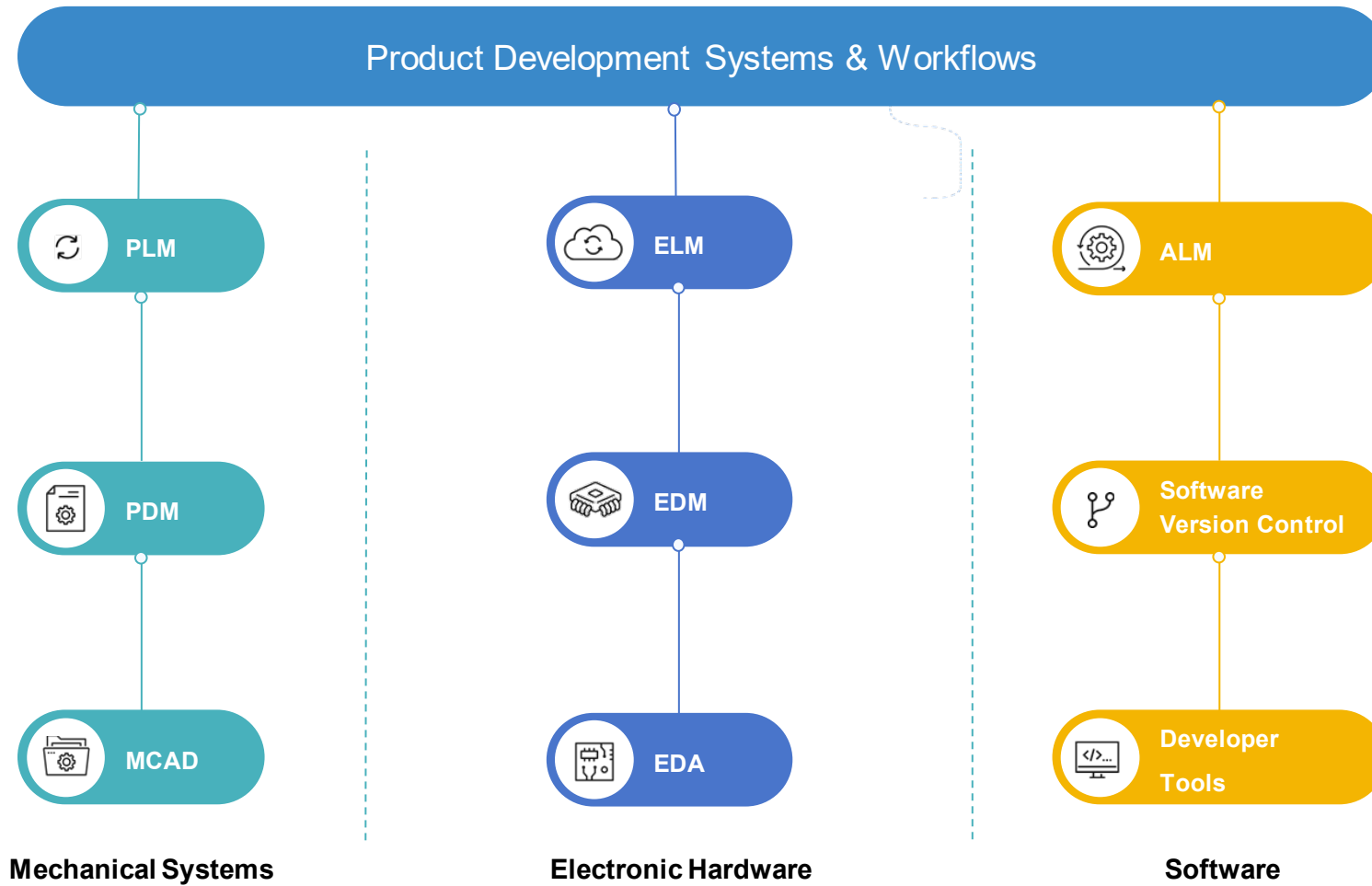
Altium 365 – Foundation for EDM & ELM





# Coordinating Workflows - Electronics Lifecycle Management

Altium



Federated, Connected Systems For Mechanical Systems, Electronic Hardware, and Software

# Altium 365 Platform Enables Industry Solutions

Altium

Industry Solutions

Industry Solutions

Industry Process Applications

App

App

App

App

App

App

Altium Cloud Platform



ECAD Services

MCAD Services

PLM Services

CAE Services

ERP Services

MES Services

...

Digital Bridges



Digital Bridge

Digital Bridge

Digital Bridge

Digital Bridge

Digital Bridge

Digital Bridge

...

Infrastructure Software



ECAD

MCAD

PLM

CAE

ERP

MES

...





# Scalable, Repeatable Approach to Enterprise Selling



Correct By Construction

Accelerate Development Process by Reducing # of Design-Build-Test Cycles

Design to Win

More Design Wins through Discoverability & Demonstrability

Intelligent by Design

Leverage AI/ML Technology in Design

Compliant by Design

Ensure Compliance with Export Control & Other Regulatory

Advantage Through Analytics

Improve Decision Making to Reduce Risk

Collaborative & Connected Electronic Hardware Design

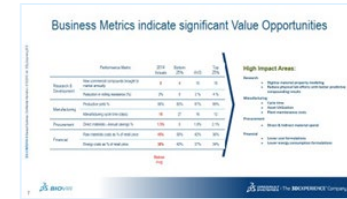
Improve Engineering Efficiency by Removing Silos & Connecting Stakeholders

# Backed by A Value Engineering Methodology

Altium

Where can we improve?

Performance  
& Impact Analysis



What is the business value?

Benefits  
Monetization & Prioritization



How do we make the change?

Roadmap & Justification



How do we attain  
& sustain value?

Value Management  
Practices



# Building a “Point of View” to Reach Key Executives



## A Value Perspective

### Kick -start executive discussion

- High-level document
- Introduce strategic & business enablement
- Position associated business value
- Outside-in driven or follow-on executive level response

## B Innovation Partnership

### Accelerate the deal

- Deeper-dive document
- Positions our solutions
- Solve customer's business needs / potentially change business model
- Collaborative result and validation

## C Collaborative Value Assessment

### Present the business case

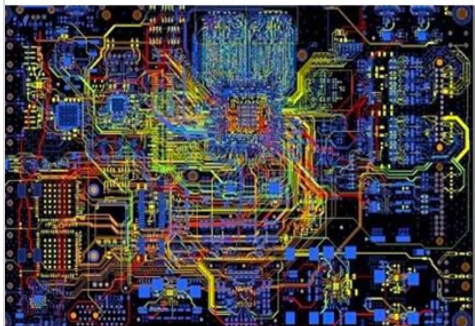
- Very clear, executive story on “Why Altium?”
- Comprehensive yet succinct explanation of offer and value
- Results of collaboration in quantitative terms – board ready proposal



# Board Ready Executive Investment Pitch

## ENABLING RENESAS'S SALES GROWTH THROUGH GLOBAL SCALE

APRIL 2023



Value Perspective for RENESAS



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## Renesas' Priorities

Demand generation from Sales & Marketing must accelerate to meet 2030 revenue goals. The transition to Winning Combinations sales is targeted to address customer demand for solutions for quicker design cycles, greater share of wallet, higher win rates and improved margins. Broadening and deepening the sales execution playbook requires design tools for sales that enable easy incorporation of Renesas solutions into customer requirements. Altium has the integrated PCB design platform allows Renesas teams to engage with customers earlier to understand what they need and how they design their products for every industry, applications and region.

### Strategic Priorities

#### 2030 Growth & Shareholder Goals

- Achieve 6X Mkt Cap
- Achieve \$20B+

- Reduce design barriers for customers
- Accelerate design cycles with integrated tools
- Enhance digital channel & QC studio
- Enable customers to seamlessly use solutions

- Increase Winning Combo solutions wins
- Leverage FAE specialization across sales teams
- Penetrate deeper into existing customers
- Cross Sell solutions across industries & regions

- Organize to sell broader & deeper
- Scale sales & marketing organization globally for depth
- Grow at existing customers
- Sell digitally to reach more customers

If we can integrate our tools, our customer interactions can flourish! User experience enhancement is a very important aspect that we have to tackle to go forward.... We are still at the capture phase versus our peers. The competitors already take this for granted but we are making all efforts to catch up with them.

Hidetoshi Shibata  
CEO & Chairman  
May 2023 Capital Market Day



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## Customer Business Objectives

## Altium's Proposed Solutions

Our Understanding

### Renesas's Challenges

As Renesas invests to drive UX enhancement, sales tools for design efforts are fragmented and don't provide full customer deliverables to enable faster time to market. Win rates are impacted by the sales investment required in customer evaluation and design costs to consider new Renesas solutions. Redundant efforts in building customer solutions is a result of lack of visibility to the breadth of developed solutions across Renesas' industries, regions, and customers.

#### Sales cycles are long with a limited Share of wallet

- Sales cycles are time & resource constrained by design efforts to address customer requirements
- Winning Combs are ramping up slowly based on incumbent solutions
- Sales deliverables lack customer PCB simulation and testing, prototyping speed and MCAD integration
- Share of wallet scope is sub-optimal based on lack of knowledge of Renesas new solutions & capabilities
- Limited scope solutions drive larger discounts and miss the full value of Renesas's solutions
- Sales deliverables for customers have no digital format for rapid move to production scale

#### Limited direct customer reach & Time to Market

- Sales bandwidth cannot support smaller customer sales cycles
- The breadth of customer needs require many more off-the-shelf solutions
- Customers get Renesas specifications in pdfs and then require great effort to convert them into working PCB designs
- Distributors and retail channels deliver SME designs & solutions without preference for Renesas solutions
- Component share of wallet is driven by competing product competitors
- Customers don't have self-service tools for adapting Renesas solutions to meet product dependent PCB requirements.

#### No existing industry design leverage

- No common platform to develop & share customer specific solutions
- Difficult & laborious to publish solution applications
- Customer best practices are not leveraged in Renesas solution libraries
- Specialized skills are not leveraged across sales/support teams
- Scope of current local library content is limited in addressing the breadth of customer needs

We have a compelling product suite and technology offerings that can help our customers increase their business.... But, candidly, what has been challenging at Renesas is the organizational capability required to get those products and solutions to those who desire them most, in the timeline and most price-competitive manner.

Hidetoshi Shibata  
CEO & Chairman  
McKinsey Interview  
Feb 2022



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How Altium Can Help

### How Altium Can Help

Altium has a track record of enabling PCB designers to engineer solutions that work efficiently in any environment and deliver outstanding performance. Our suite of tools and digital footprint will drive deeper customer engagement earlier and provide your customers with solutions they can use to build their products. We can help Renesas deliver better designs that meet customer requirements, while reducing the cost of sales and your customer's time to market.

#### Accelerate sales cycles & increase Wins

- Increase sales efficiency with digital tools for design & collaboration
- Reduce efforts to address customer requirements
- Provide digital platform for regional collaboration & expertise
- Build workflows to speed handoffs with design specification continuity
- Win with best-fit, high-performance winning combos at core
- Extend share of wallet with more design coverage

#### Speed customer time to market

- Provide solutions to cover full customer requirements (including logical design, physical design, simulation, ECAD/MCAD collaboration, testing & mfg. instructions)
- Provide rapid prototyping capabilities to reduce pre-production analysis
- Deliver production ready specification to speed product ramp-up
- Provide manufacturing instructions for seamless handoffs

#### Expand sales coverage with global scope

- Lower cost of sales to provide greater customer reach
- Leverage specialized skills across globe on a common platform
- Enable customer self-service & support digitally
- Standardize component designs on Altium to enable sharing across Renesas teams & customers



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Why Altium

### Building a Business Case for Transformation

Our opportunity assessment workshop delivers benefit quantification jointly with Renesas to determine the range of savings from conservative to likely. Any initiative to transform the business requires a solid business case to determine investment and execution plans. Below is an example of a customers potential benefits results. Actual benefits will be calculated using Renesas current and future targets.

Potential Annual Benefits: **\$127 M** **\$215 M**

Conservative  
Likely

Sales and Service	\$97.0 M	\$163.7 M
Reduce FAE cost/lead (increase sales capacity)	\$2.5 M	\$4.0M
Enable customer self-service to reduce sales costs	\$15.0 M	\$30.0 M
Increase share of wallet with more Winning Combo wins	\$22.4M	\$44.7M
Increase full solutions available for sales enablement	\$10.0 M	\$15.0 M
Increase direct sales coverage (decrease channel costs)	\$45.0 M	\$55.0 M
Reduce prototyping iterations	\$3.0 M	\$5.0 M
Support	\$7.7 M	\$12.0 M
Reduce support costs	\$5.0 M	\$8.0 M
Increase customer diagnostics to reduce support efforts	\$1.2M	\$2.0M
Increase Winning Combo applications to ensure high quality solutions	\$1.5M	\$2.5M
Manufacturing	\$21.2M	\$46.9 M
Direct sales of customer mix to improve component capacity	\$15.0 M	\$25.0 M
Deliver more megatrend solutions	\$10.0 M	\$14.0 M
Faster customer ramp-up to full production	\$6.2M	\$9.5M



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## Obstacles to Achievement

## Quantitative Return on Investment

# Converting Opportunity to Outcome – Enterprise Market

## Trends for Enterprise Electronics Hardware Development

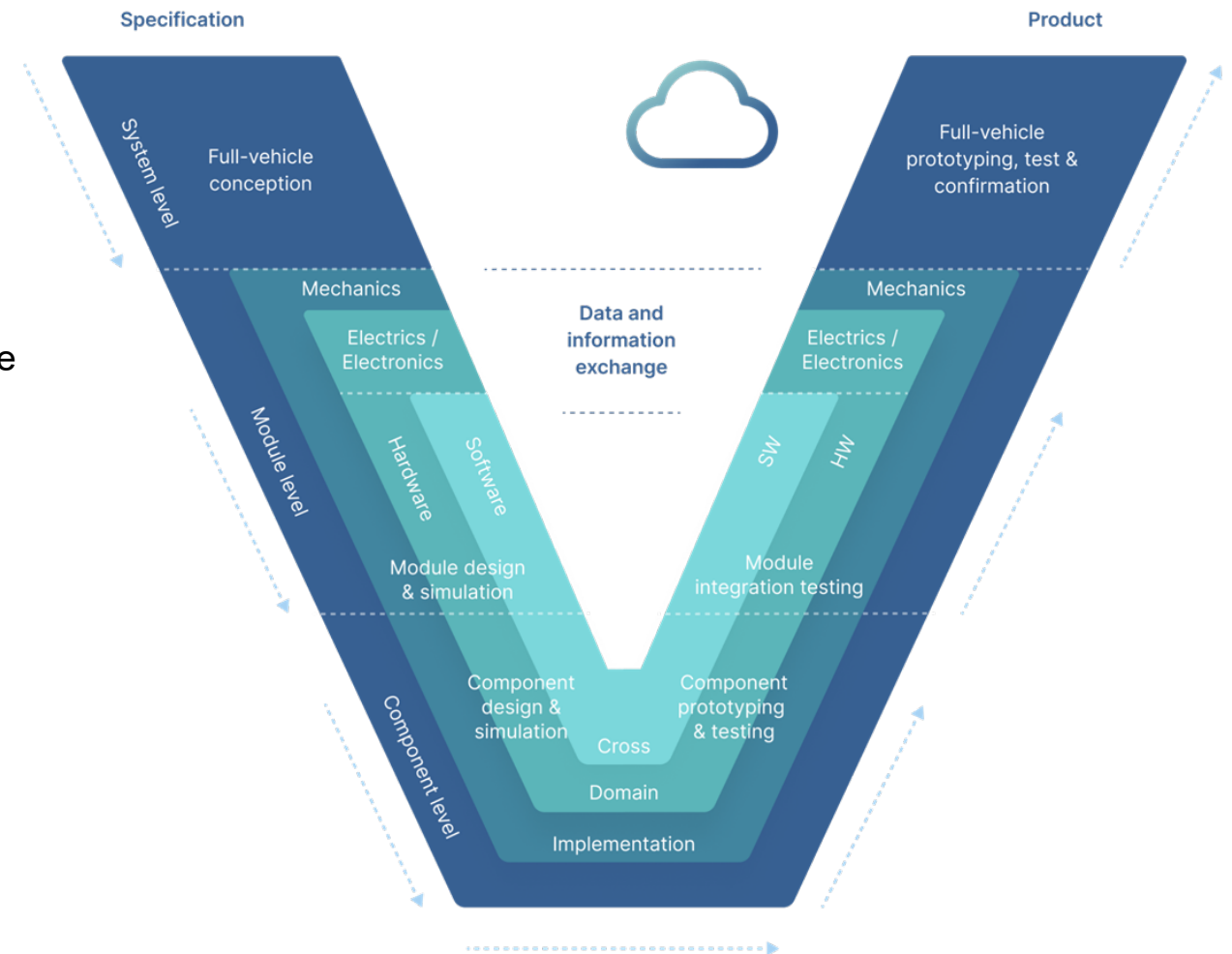
Products are increasingly becoming *electronics* **Dependent** and **Defined**.

- ✓ Electronic hardware developments will be **core competence** and **competitive drivers**.
- ✓ As result many enterprise customers are **in-sourcing** the hardware development

Hardware development must be part of the **full** product development process

Enterprises have need for:

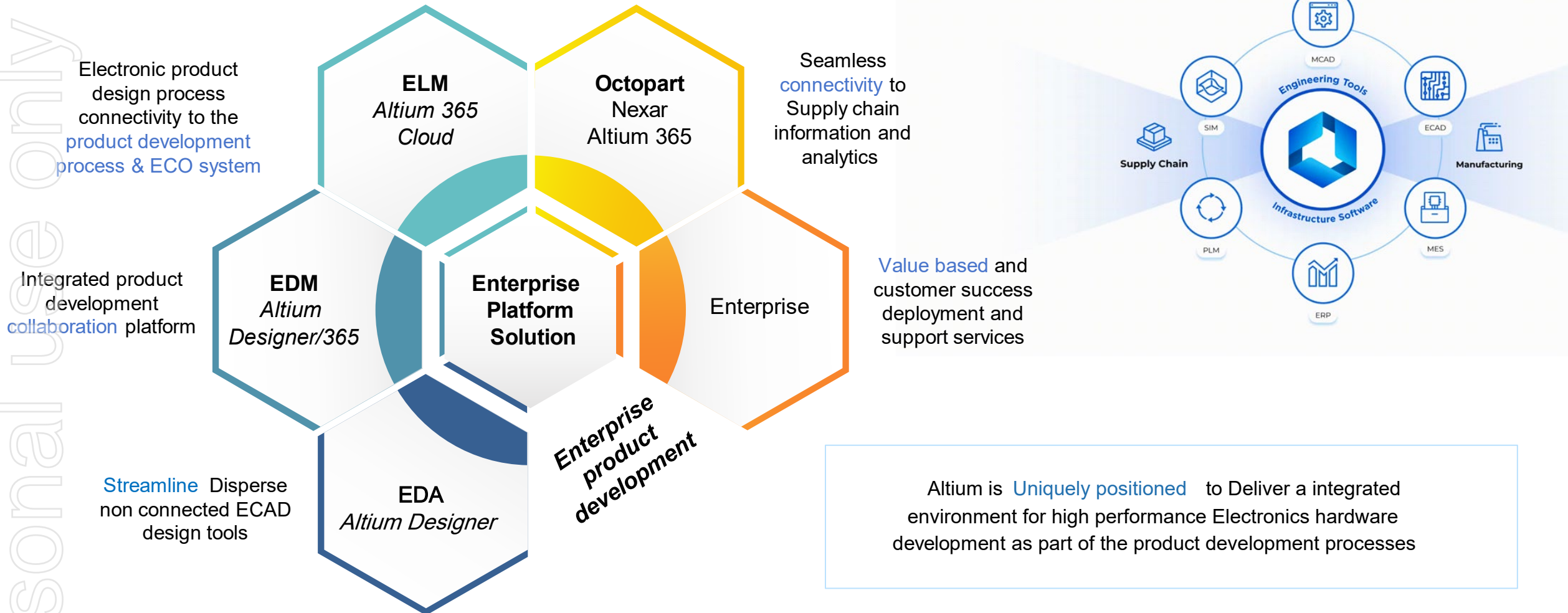
- Integration into product development process
- Collaboration between teams, partners and suppliers
- Integration with supply chain analytics
- Integration into production
- Need for widely compatible, open and future ready toolset



# Converting Opportunity to Outcome – Enterprise Market

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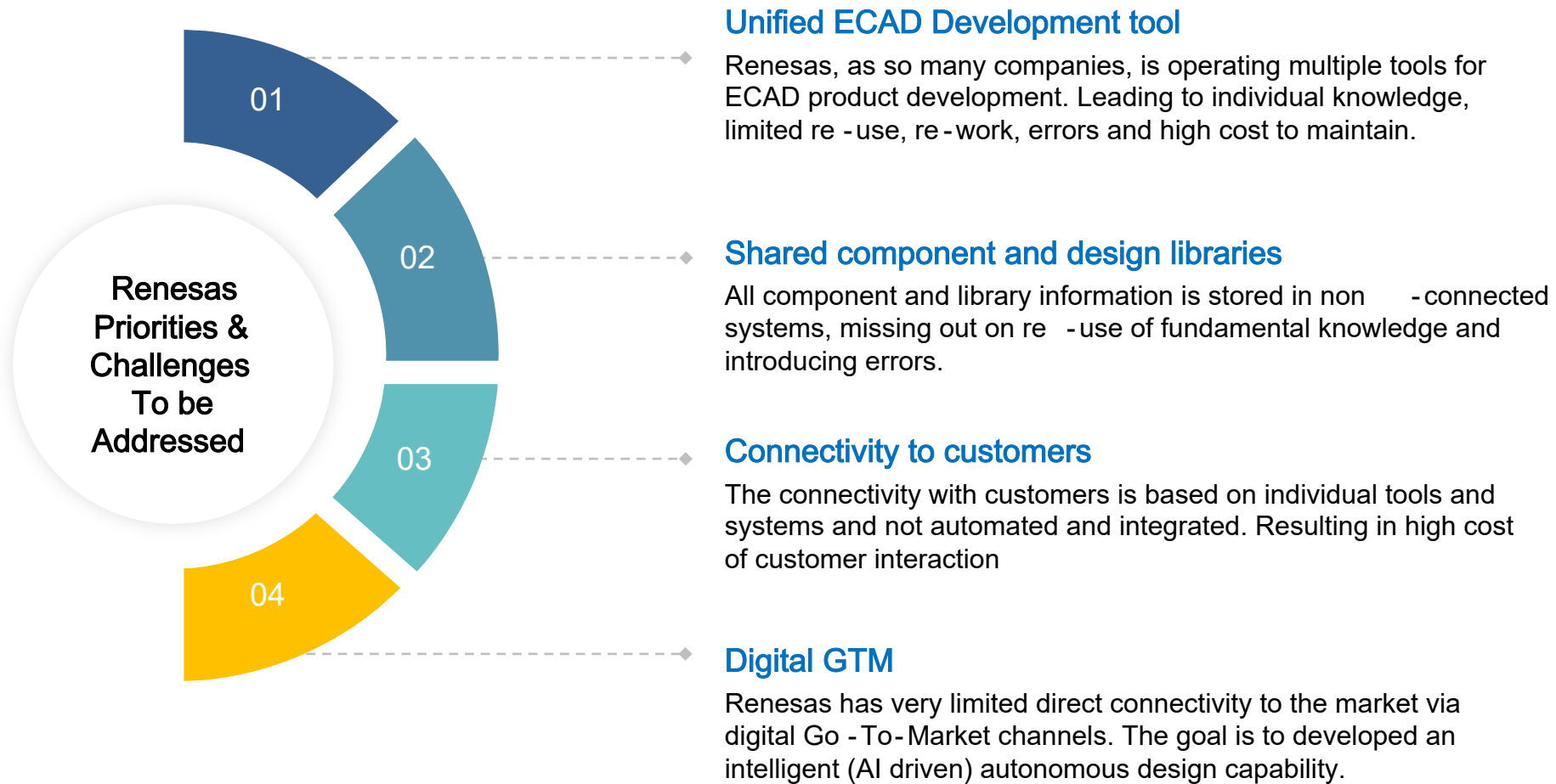
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# Converting Opportunity to Outcome – Renesas Case

Altium.



# Strategic Engagement Framework: Renesas Case

Altium

Track 1  
Short Term

E-CAD  
Streamlining

- Unified E-CAD Design Platform
  - Electronics Design Authoring - EDA
  - Electronics Data Management - EDM
  - Electronics Lifecycle Management - ELM
- Cloud Enablement of E-CAD Design Processes

Track 2  
Medium Term

Value  
Assessment

Go-to-Market  
Streamlining

- Digital Marketplace with Strong Web Presence
- Leverage Digital Assets to Drive Web Traffic
  - Electronic Parts Libraries with Complete Digital Models
  - Reference Designs, Out-of-the-Box, Ready-to-Go
  - Analytics and Market Demand Insights

Track 3  
Long Term

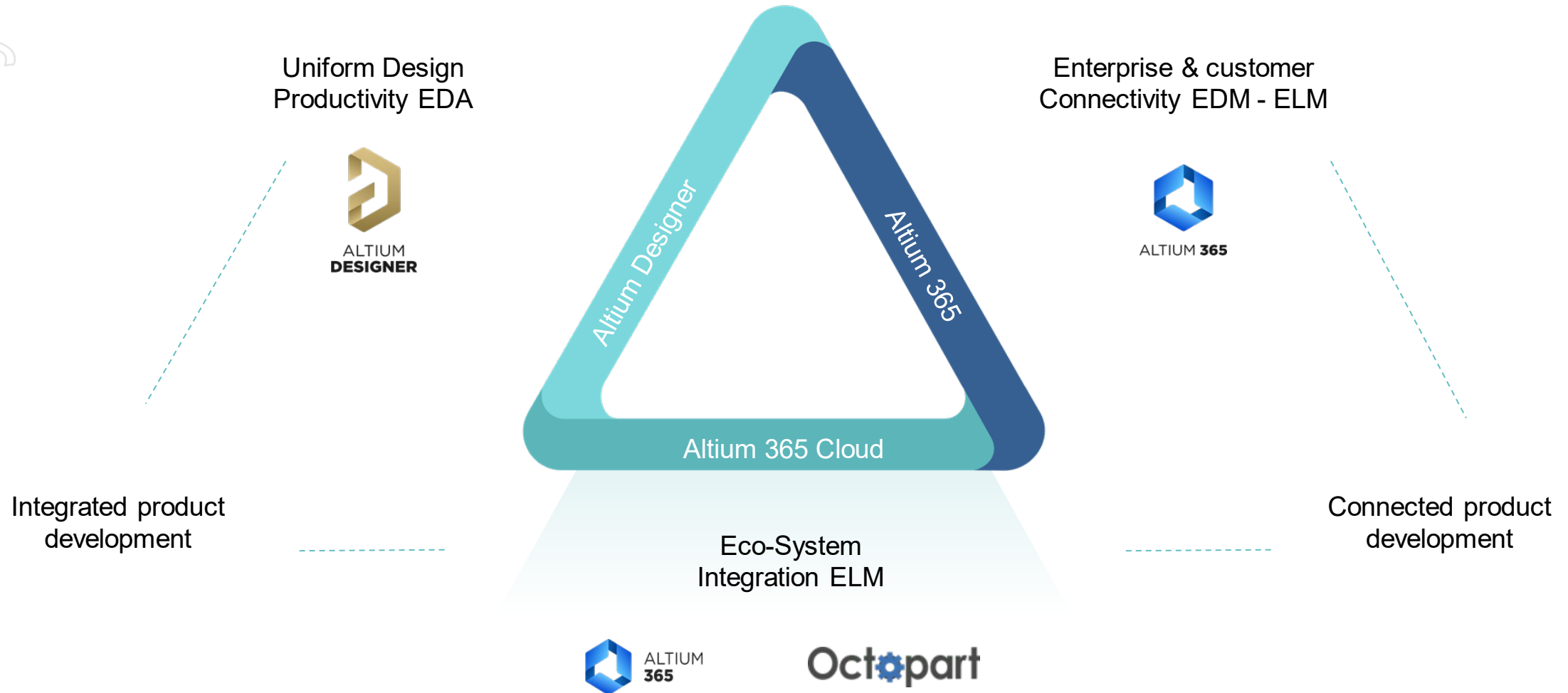
Value Assessment

Customer  
Engagement  
Streamlining

- Intelligent by Design – Digital Twins
- Intelligent Modular Hardware Design
- Design Sense with Recommendation System
- AI-Assisted Customer Engagement
- Autonomous Customer Engagement

# Converting Opportunity to Outcome – Renesas Case

**Altium**





# Converting Opportunity to Outcome – Renesas Case

Altium

## Renesas Chooses Altium to Unify Company-Wide PCB Development and Accelerate Solution Design for Partners and Customers

*Move will Enhance Collaboration and Cost Synergy between Product Groups; Renesas will Continue to Support Customers Using Other PCB Design Tools.*

June 27, 2023



*Renesas Chooses Altium365 for Company-Wide PCB Development to Accelerate Solution Design*



*Renesas CEO Hidetoshi Shibata and*

**TOKYO, Japan** — Renesas Electronics Corporation (TSE: 6723), a premier supplier of advanced semiconductor solutions, today announced that it has standardized development of all printed-circuit board (PCB) design on the Altium 365 cloud-based platform from Altium, LLC, a global software company based in San Diego, Calif.

Renesas currently employs multiple PCB design tools across the company, in part because different companies that Renesas has acquired over the past several years have brought their own legacy software into the company. As Renesas integrates components from these different groups into system solutions as Winning Combinations, a uniform PCB design tool will streamline board designs used for demonstrating and evaluating these Winning Combinations and all other product kits, resulting in reduced complexity, improved cost structure and faster time to market.

Renesas' Winning Combinations are engineering-vetted designs integrating embedded processing, analog, power, and connectivity. They allow customers to take advantage of an elevated platform for their design ideas, accelerating product development cycles and lowering overall risk in bringing designs to market. Renesas now offers more than 400 Winning Combinations for a wide range of customers and markets.

Altium 365 is the leading cloud-based PCB design platform. With Altium 365, users can collaborate with stakeholders and other participants while maintaining IP security and keeping

### Single PCB design Tool: Altium Designer

- Streamline board design
- Reduced complexity
- Improved cost
- Faster time to market

### Altium 365 Cloud:

- Collaboration with stakeholders
- Securing IP
- Revision control
- Single place to manage data
- Real time collaboration
- Library and part share

Delivering the foundation for further improvements on customer connection and integration to delivering:

***"Design to Win" Industry Solution***

# Converting Opportunity to Outcome – Renesas Case

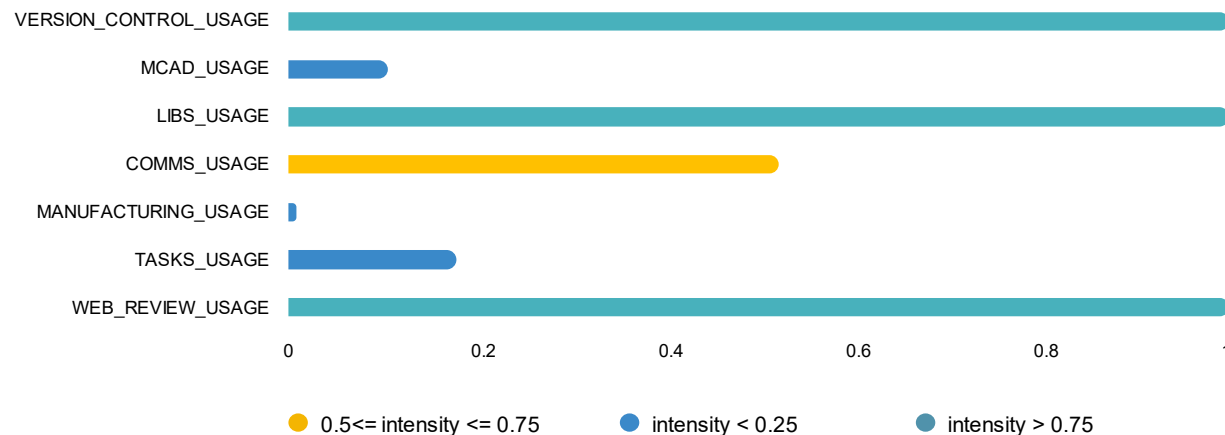
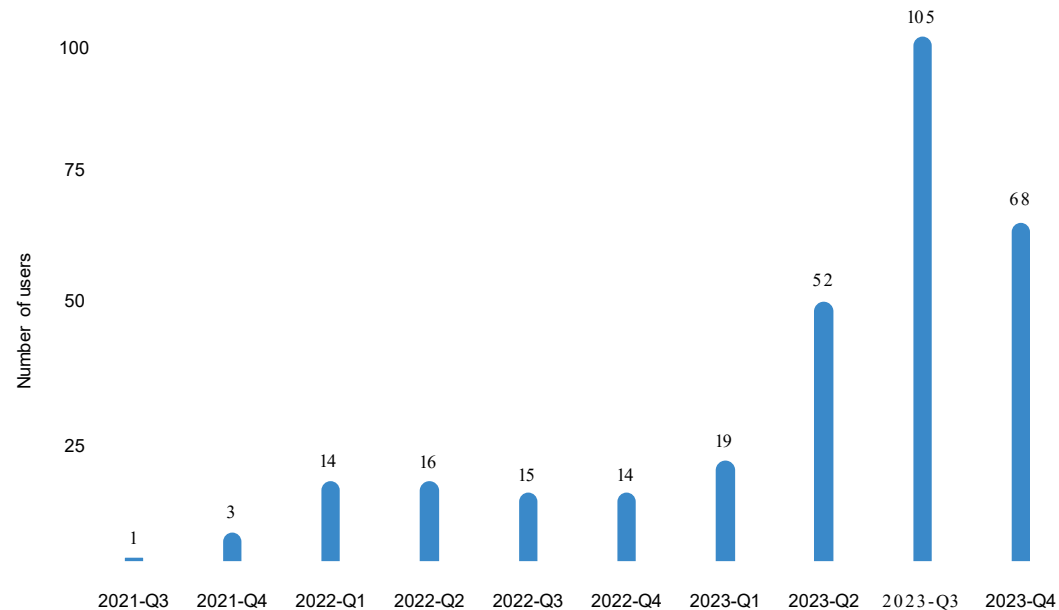
Altium

## On Target Deployment success after 6 months:

1. Deployed Renesas global Single Workspace and library
2. Transition of users to Altium Designer and Altium 365
3. Go-to-Market digital store deployed on Octopart

✓ Full solution architecture and multiple global trainer-led and online trainings performed

- Over 300 Ecad and Altium 365 users deployed
- Over 15.000 components integrated
- Use driven by version control, library management and web review

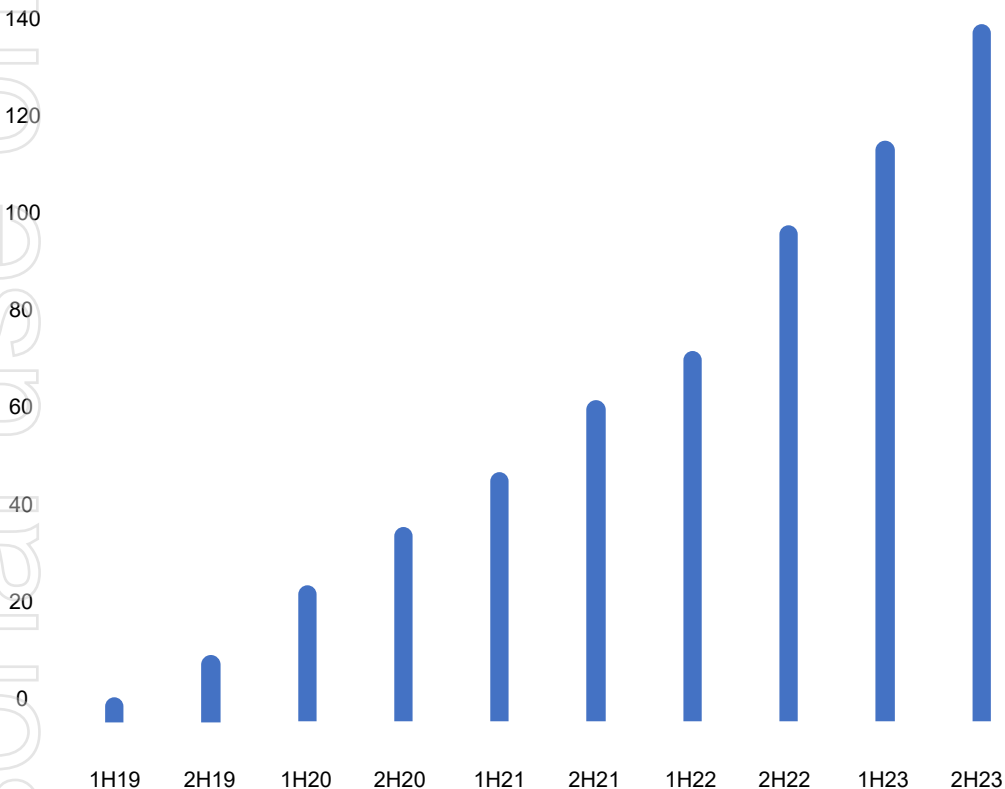


# Enterprise – Rapidly Growing Customer Footprint



Enterprise Customer Count

● Total customers



Over the last few years, Altium has **rapidly grown** its customer footprint in the enterprise market.

We are winning and retaining high-quality customers at an accelerating rate.

Revenue Quality: gross ARR churn since FY20 between 1 and 2%

Strong adoption on Altium 365 ELM will lead to further growth in wallet share



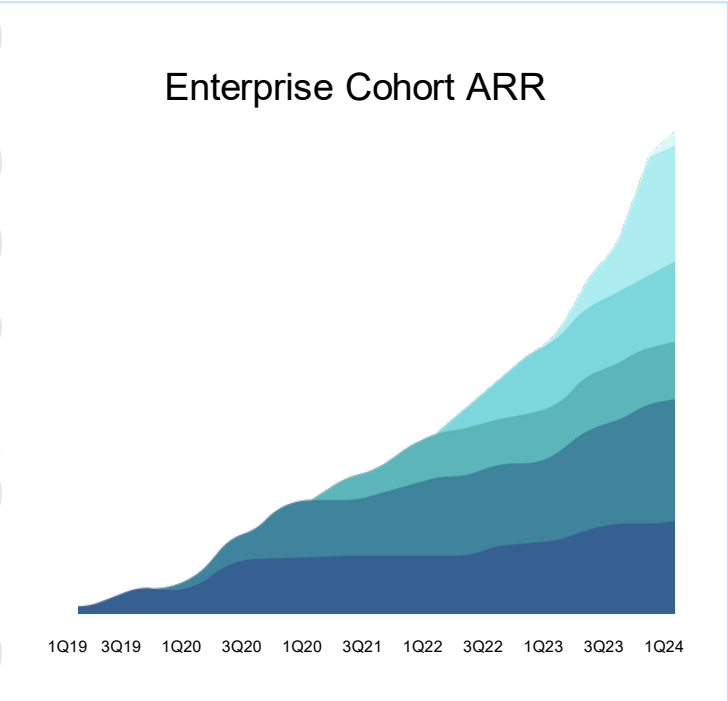


# Enterprise – Expanding Deep and Wide

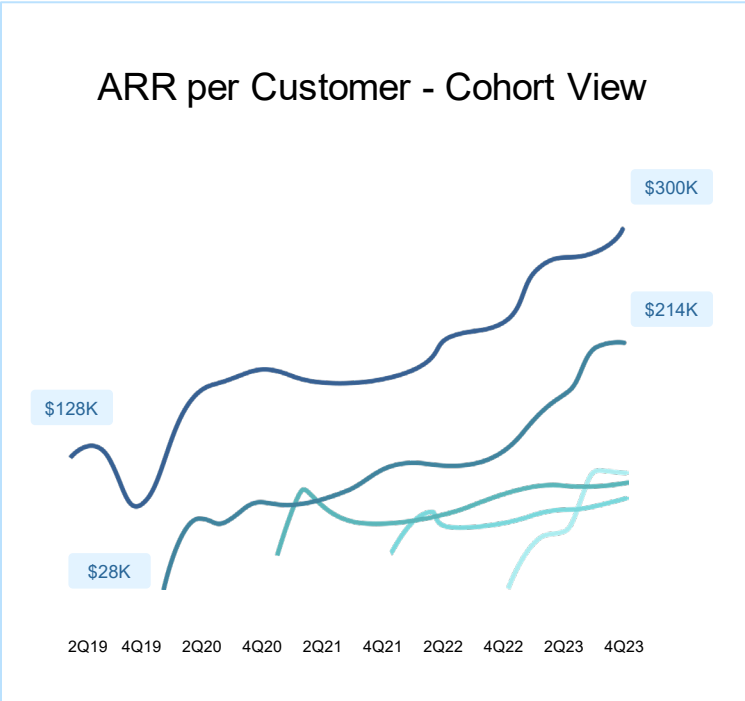


- Existing customers are consistently growing their spend year on year.
- Every enterprise cohort has grown ARR every quarter since inception.
- The FY19 and FY20 cohorts have delivered an ARR CAGR of 35% and 27% respectively.
- The number of 'scaled' customers is also increasing quickly, with 23 customers >\$200k ARR, and 3 customers >\$1m ARR.
- As you can see in the cohort view below, we typically establish a beachhead within the customer organization, and grow customer spend over time.

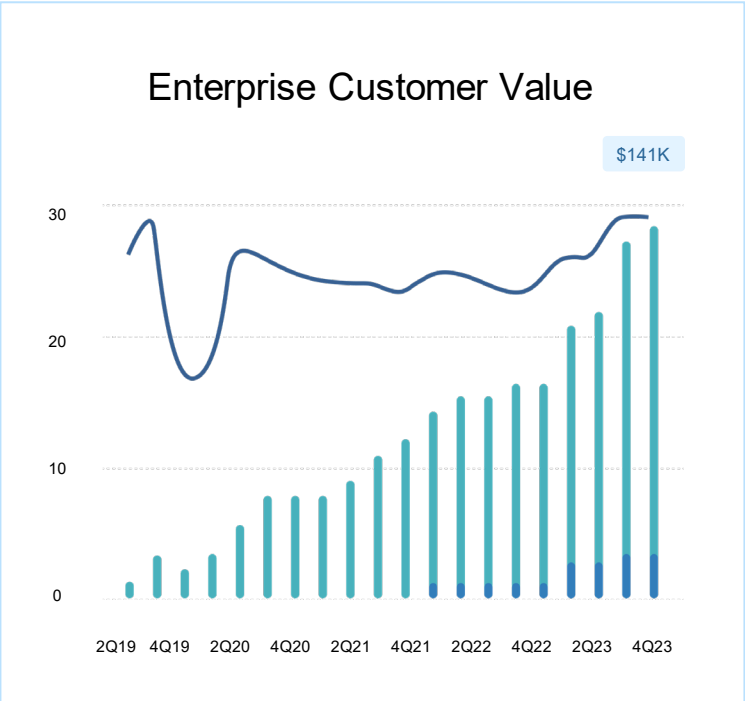
Note that these figures only account for customers that have purchased the Enterprise product.



● 2019 Cohort    ● 2020 Cohort    ● 2021 Cohort  
● 2022 Cohort    ● 2023 Cohort    ● 2024 Cohort



— 2019 Cohort    — 2020 Cohort    — 2021 Cohort  
— 2022 Cohort    — 2023 Cohort



● Customer > \$200K ARR (LHS)    — ARR per Customer (RHS)  
● Customer > \$1m ARR (LHS)



Converting Opportunity to  
Outcome – Mid Market

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# Driving Volume and Average Subscription Seat Value (ASSV) Leveraging the Platform

Gérard Métrailler  
Sydney, 16 November 2023



# Trusted By Global Brands Worldwide



Robot

MICROCHIP

SIEMENS

SUNSWIFT  
RACING

ST  
life.augmented

K'ARCHER

Qualcomm

veoneer

infineon

BROADCOM.

NASA

ROLI

B&O  
BANG & OLUFSEN

JOHN DEERE

KNIGHTSCOPE

RENESAS

TEXAS INSTRUMENTS

BOSCH

Mercedes-Benz

PROJECT  
MARCH

NXP

Luxonis

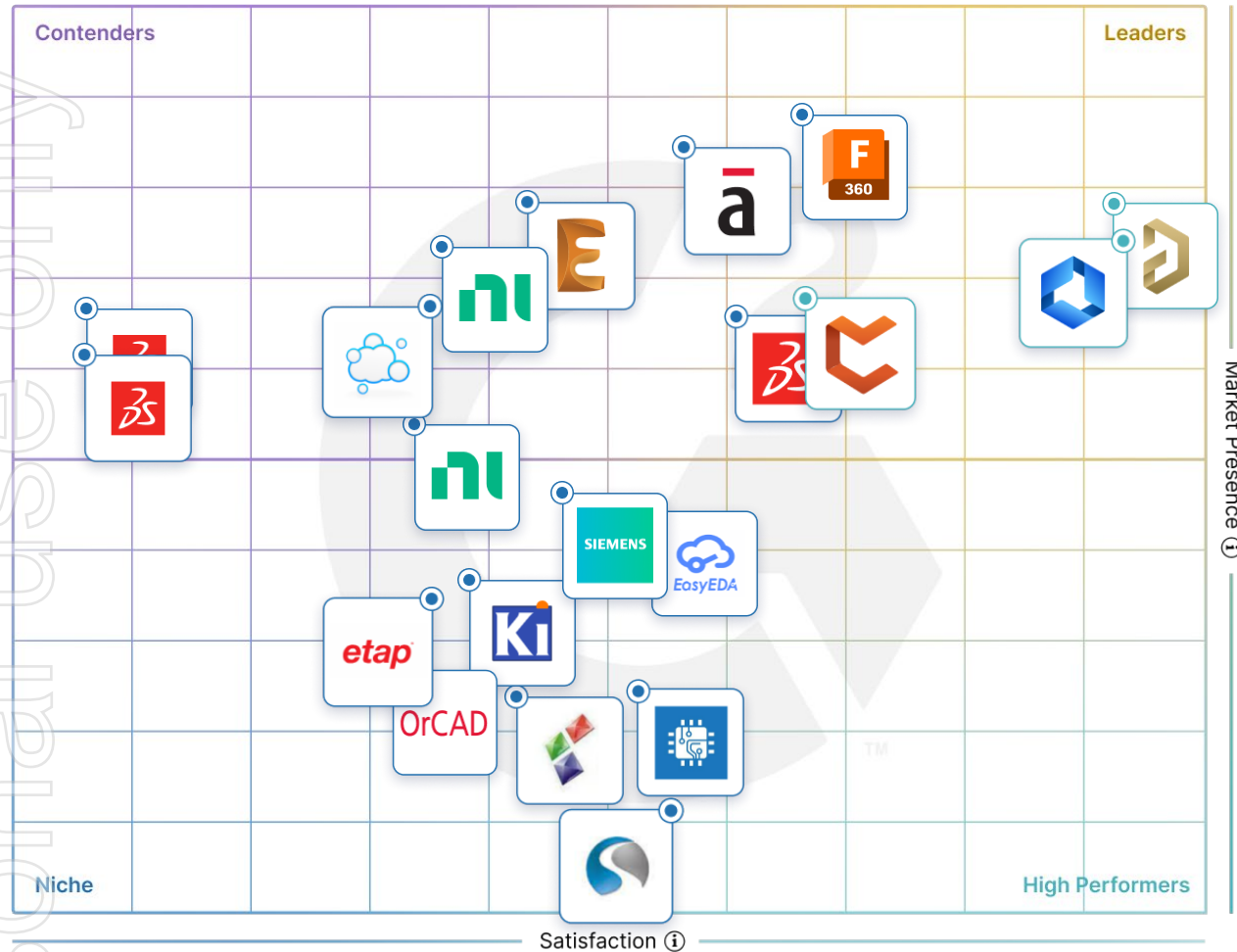
Breville

morgansolar



# Altium Is Recognized As The Leader In PCB Design

Altium



G2 Grid® for PCB Design, November 13, 2023

[https://www.g2.com/categories/pcb-design?utf8=%E2%9C%93&selected\\_view=grid#grid](https://www.g2.com/categories/pcb-design?utf8=%E2%9C%93&selected_view=grid#grid)



## Altium Designer

★★★★★ 369 reviews | 8 discussions

Save to My Lists | Claimed

<https://www.g2.com/products/altium-altium-designer/reviews>



## Altium Designer

★★★★★ Score 8.5 out of 10

14 Reviews and Ratings • PCB Design

<https://www.trustradius.com/products/altium-designer/reviews>



“We’ll be using Altium Designer. It’s proprietary software, but it has free educational licenses and it’s the pretty much the **de-facto standard** in industry.”

<https://pcb.mit.edu/syllabus/>

# Altium Platforms Deliver Winning Combination in Mid-market

Altium

Altium Designer continues push the industry forward with leading technology and a fully integrated package for PCB Design

Leading the PCB Design Software Innovation

Altium Designer & Altium 365 are designed from the ground up to work best together, delivering best-of-class Co-Design capabilities, workflow integration, and more

Dominance

Transformation



Go-To-Market Platform for Mid-Market & SMBs

Scale

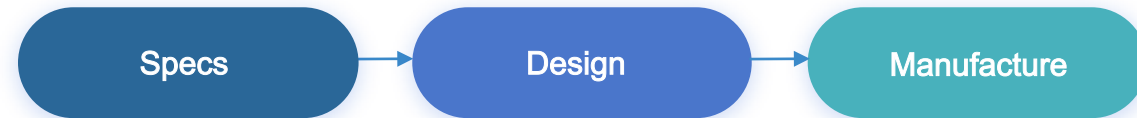
Deep Integration with the Altium 365 Cloud Platform

Altium's GTM Platform delivers consistent predictability and growth through best-of-class processes and capabilities, with a track record of selling more than PCB Design software

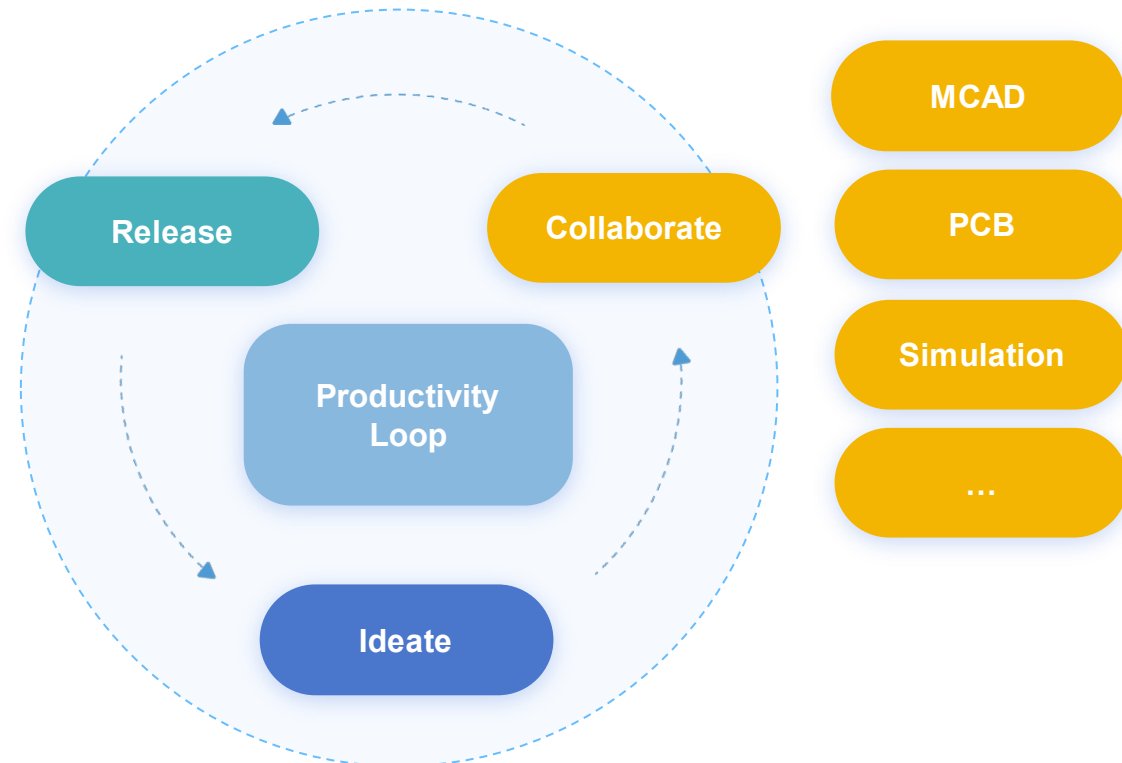
# Leading the Innovation in PCB Design Software

Altium

## Traditional “Waterfall” process



## Modern “Iterative” process

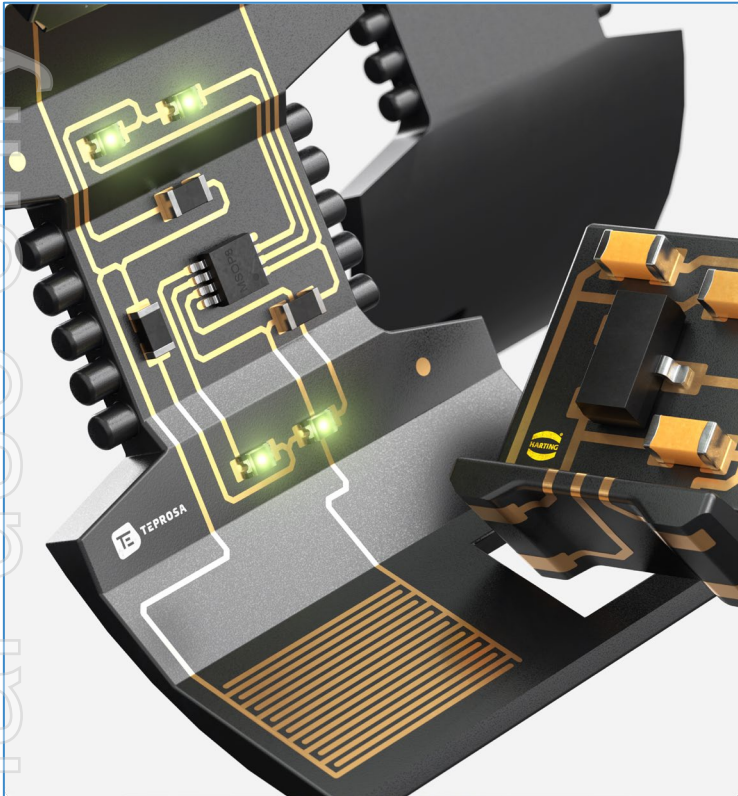


- Altium is focused on PCB Design Software for growth
- We continually push productivity, capability, quality, collaboration, and interoperability forward
- We have embarked on a “Cloud-first” AI Strategy
- We are at the forefront of the industry transformation from waterfall processes to continuous iteration and collaboration

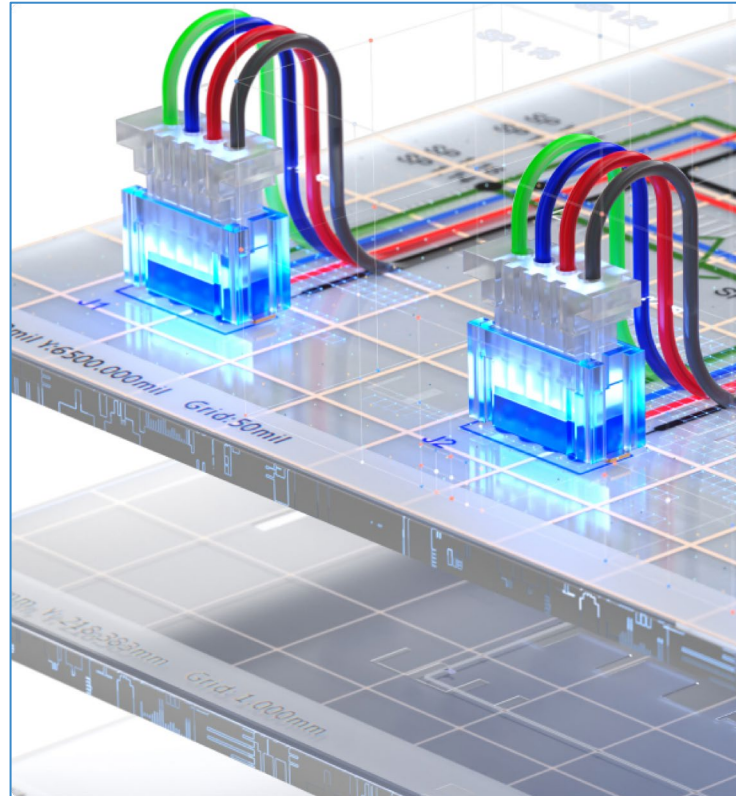


# Leading the Innovation in PCB Design Software

Altium



Structural Electronics



Multi-Board & Harnesses

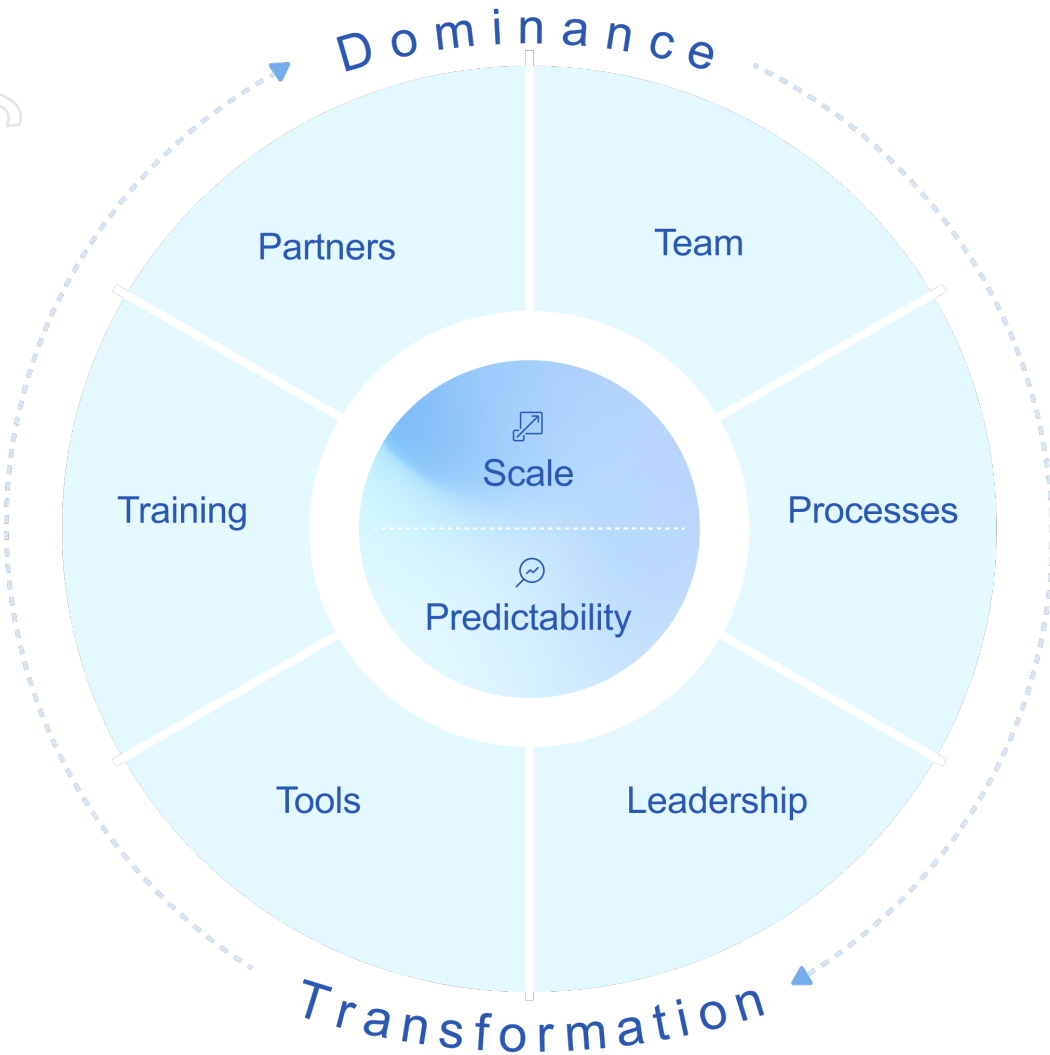


PCB/MCAD/Simulation Co-Design

# Go-To-Market Platform for Mid-Market & Beyond

Altium.

ersonal use only

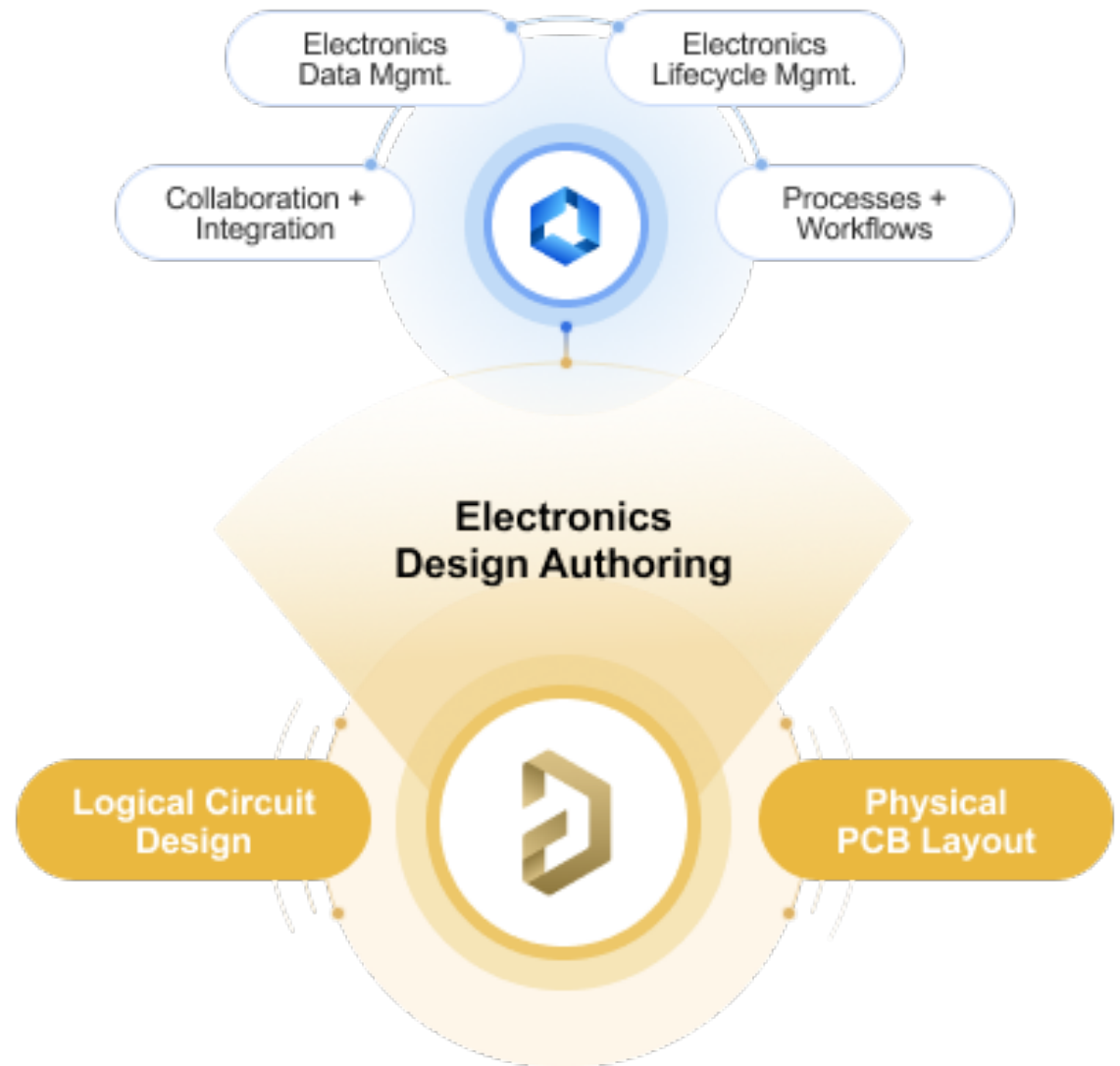


- Track record of high-volume, mid-market GTM
- Next-level execution of a predictable and scalable GTM mid-market platform underway
  - Delivering accelerate organic growth through data-centric, best-of-class organization
- “Easy To” underlines the success in the lower and mid-markets, including product offering
- GTM platform ready to expand the product offering and the reach (cross-sell, up-sell, ...)
- Self-service eCommerce transactions targeted at the lower end of the market

# Deep Integration with the Altium 365 Platform



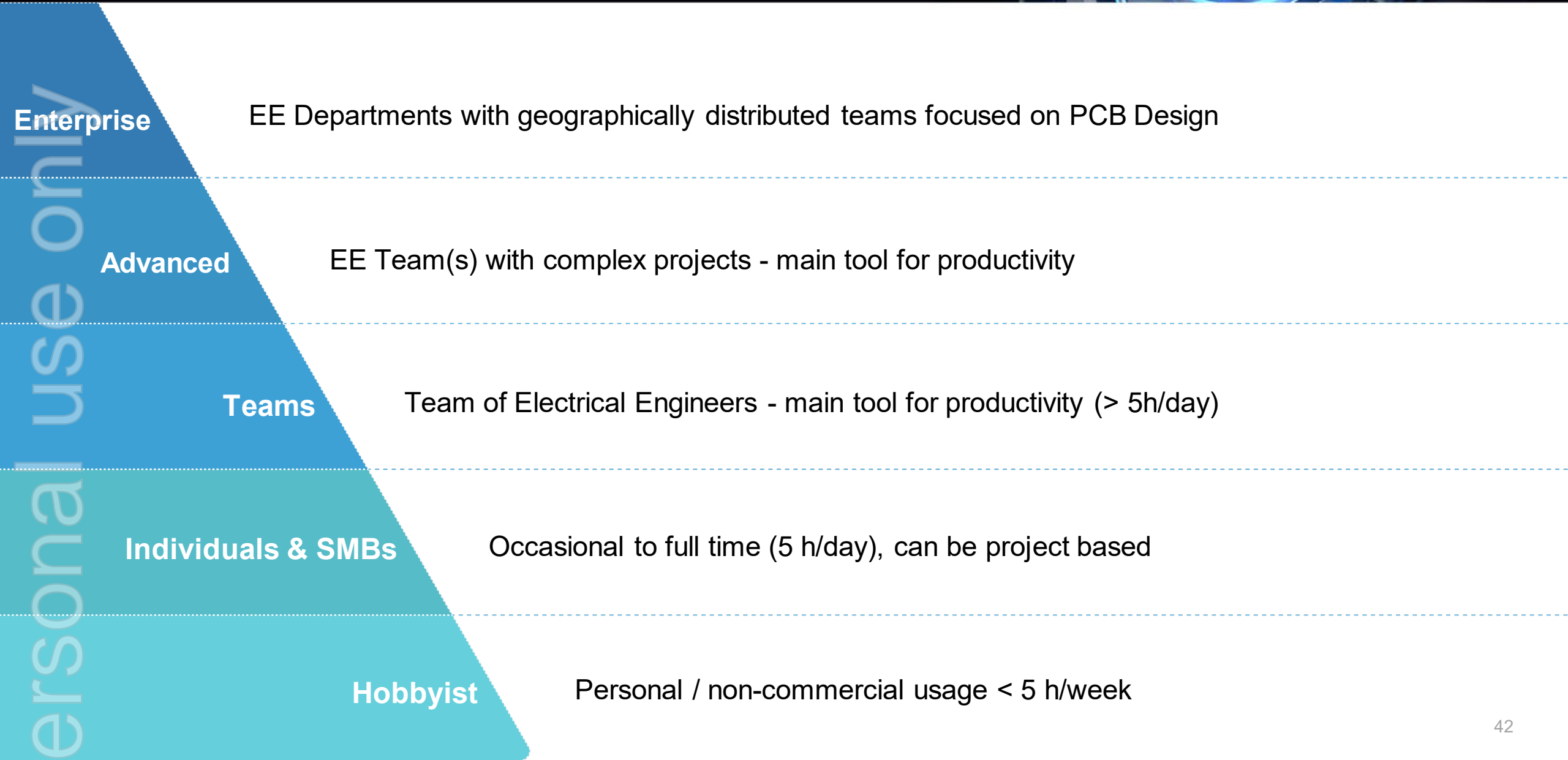
- Deep integration with the Altium 365 cloud platform is a crucial differentiator of Altium Designer
- Altium Designer is driving the adoption of Altium 365 within existing accounts
- Altium 365 works best with Altium Designer for PCB Design
- In-product purchasing (add-ons) to accelerate the adoption of the whole Altium offering, driving increased ASSV and deeper integration within organizations beyond PCB Design





# Different Audiences Have Different Product Needs

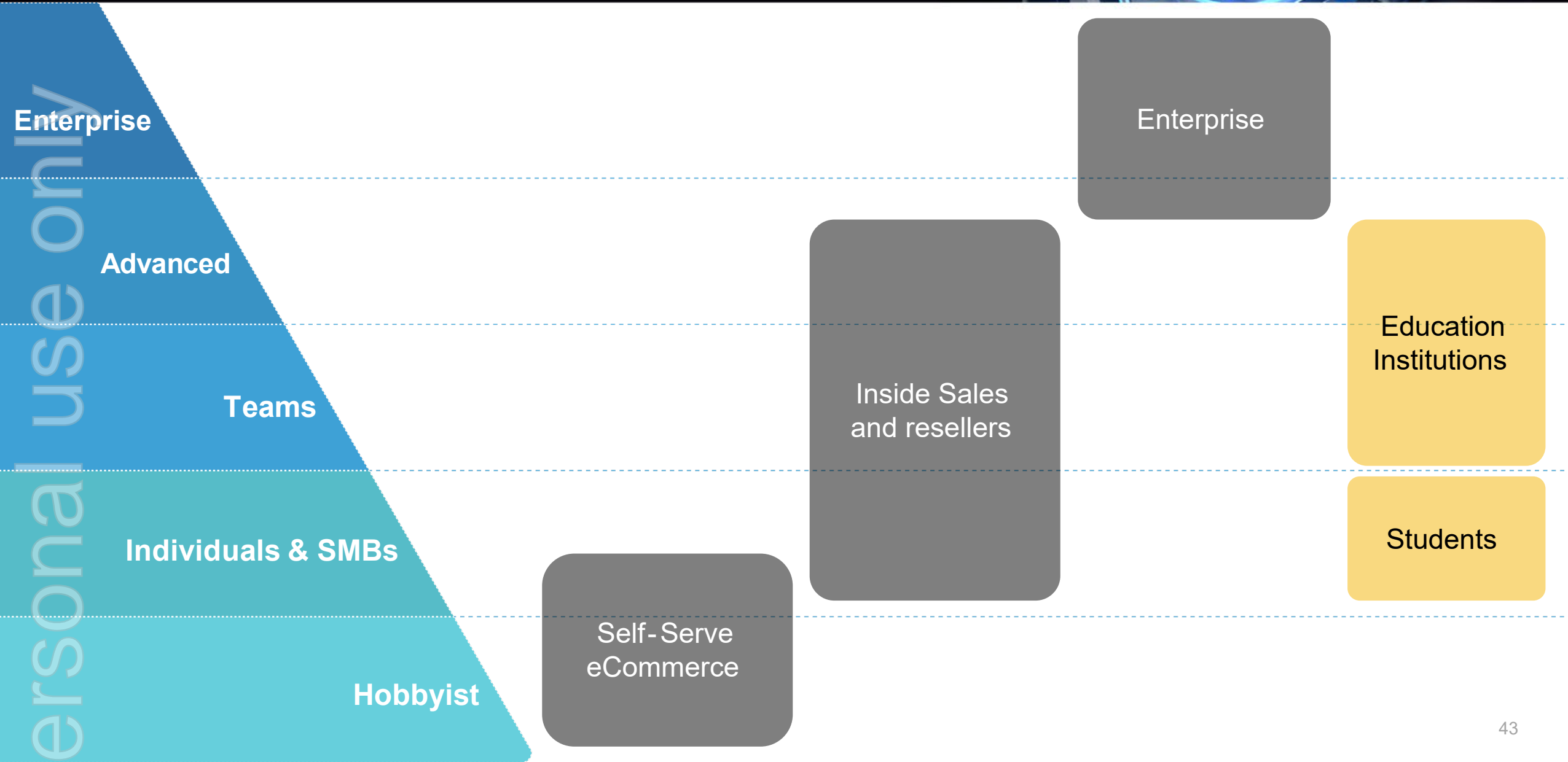
**Altium**





# Different Audiences Have Different GTM Motions

**Altium**





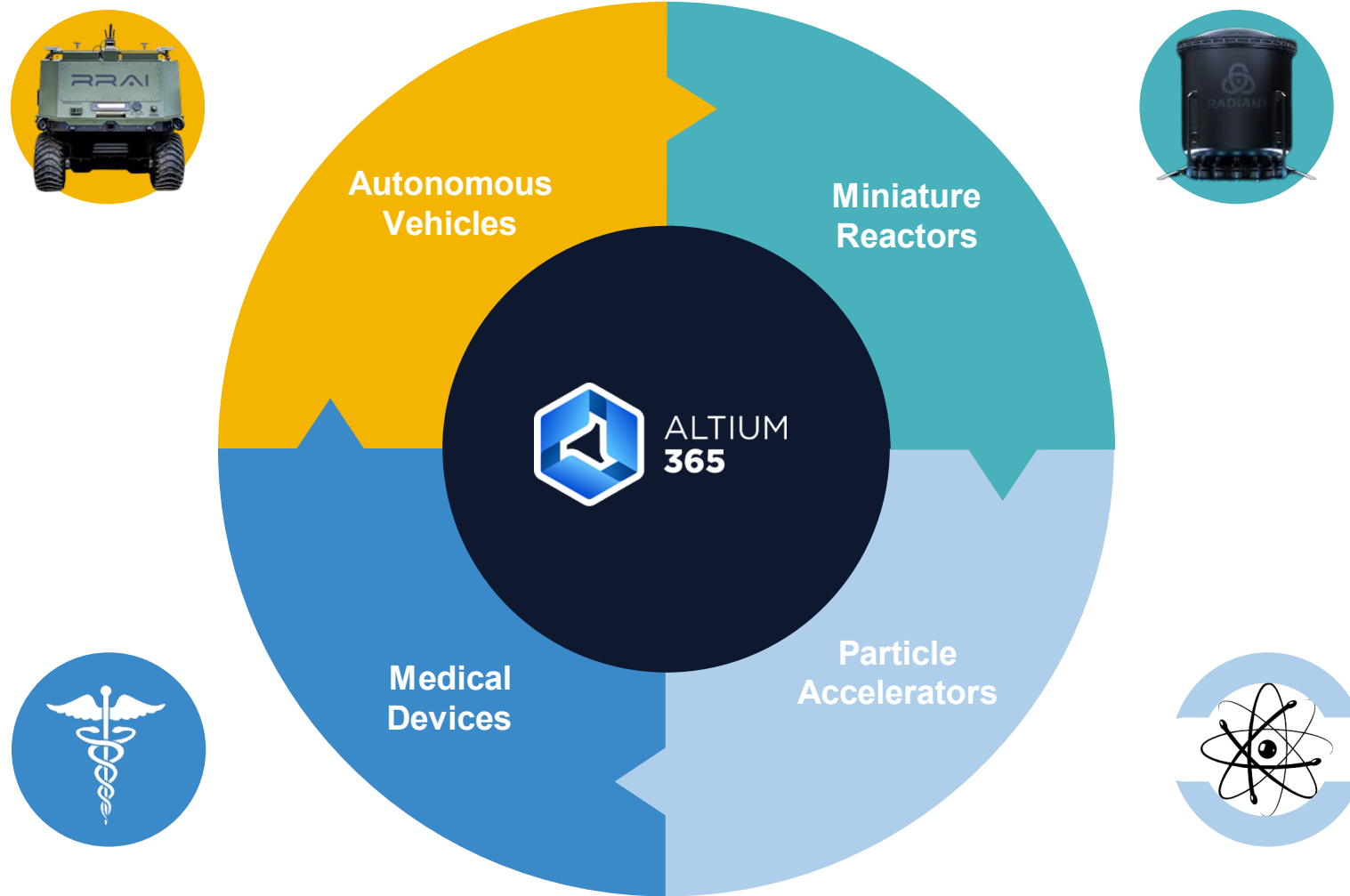
Converting Opportunity  
to Outcome – Mid-Market

## Cloud-First Monetization

Ananth Avva  
Sydney, 16 November 2023

# Connecting the World Beyond PCB; Leveraging the Power of Cloud to Drive the Future

**Altium**





# Democratizing Enterprise-Grade Capabilities with Altium 365

Altium





# Living the Transformation From our Users

Altium

*"We think  
obsolete.  
pay for its*

"

*"Wal  
sma  
mon  
our  
wide  
mec*

The design of highly complex PCBs is now faster and more efficient with Altium Designex. The Altium environment provides multi-user design capabilities that enable individual designers to work concurrently on a single layout.

*"I'll be able to make a decent case that this will save us a lot of time rather than looking through 1,000 components on Digikey. If we could avoid having to redesign any one component, it becomes mission critical and could save us months of time, maybe \$100K."*

**Georg Fisher Signet**

With the rise of high-speed digital and analog circuits, signal integrity and thermal analysis are required steps of successful product designs. To facilitate design continuity, introduces a revolutionary digital bridge that replaces time-consuming and error-prone manual data

# Transformation at Scale



Altium.

If you can bring everyone in the product design and development process to the same Altium 365 for communication and work it will bring a lot of value. Right now all of the stakeholders sit at different desks and communicate through email and spreadsheets. This requires a lot of time and effort. If you can bring everyone in the product design and development process to the same Altium 365 for communication and work it will bring a lot of value. This is a revolutionary digital bridge that is

Which is required to help meet scheduling milestones, significantly reduce layout time, and

Always pulling the right project revision and stakeholders have access to full activity traceability with the history of design changes and comment

*"We've migrated all our production in house which is why I am here. We've been able to migrate a typical 3 year design to production lifecycle down to 1 year with A365." DeLonghi*

Guarantee that engineers are always pulling the right project revision and stakeholders have access to full activity traceability with the history of design changes and comment

*"The impact is dramatic...our past use of SiliconExpert are small and not a big impact, as we have." Kaero*

capabilities that enable individual designers to work concurrently on a single layout and share updates regardless of proximity.

*"Oh my gosh; I cannot believe how fast Altium 365 is on GovCloud. This is going to change everything for me as we build out a standard workflow for how we build electronics going forward, much better than the spreadsheets and ticket system we have now." Eaglepicher*

PCB Thanks for the entire design team for putting this together! CoDesign enables teams to dramatically compress design cycles and accelerate the overall design process, which is

Communication methods with a seamless, digital connection, provides multi-user design capabilities that enable individual designers to work concurrently on a single layout and share updates regardless of proximity.

*"The fact that I can now have everyone in Altium, the entire lifecycle of design and parts, is going to help our organization immensely. Today everyone up to the CTO is in A365 for our design reviews, it is critical to the way we design. I would like the ability to look at groups of BoMs for our systems because what matters to me is the ability to look at overlap, components, and risk across an entire system project. Today I have to export everything into a spreadsheet and it still doesn't give me the insights I need." Emerson*

Guarantee that engineers are always pulling the right project revision and stakeholders have access to full activity traceability with the history of design changes and comment

*"We're not looking to design something that will be EOL within 3-5 years. We're trying to design for product and life cycles of 20 years.*

*visibility on part selection so it won't go to head off any surprises when we get the SiliconExpert today, but the full power Altium." Subzerogroup*

milestones, significantly reduce layout time, and

*still have some errors, leading to more consistency in designing." Dana*

*"We need to move to the cloud. We are going to go obsolete components are going to go obsolete revisions." Dorman Products*

It is also the harnesses connecting, enabling engineers to properly and completely convey the

pulling the right project revision and stakeholders have access to full activity traceability

# Altium 365 Metrics at a Glance...



1.5x yoy growth in MAUs



~\$1M+ monetized on cloud applications for early-adoption customers on features such as GovCloud, and Electronic Supply Chain Management and migrating to user-based pricing; prosecuting 100+ opportunities in military, aero, medical, space tech, healthcare and complex/high-tech sectors



~38% of MAUs are estimated to be non-PCB designer designations

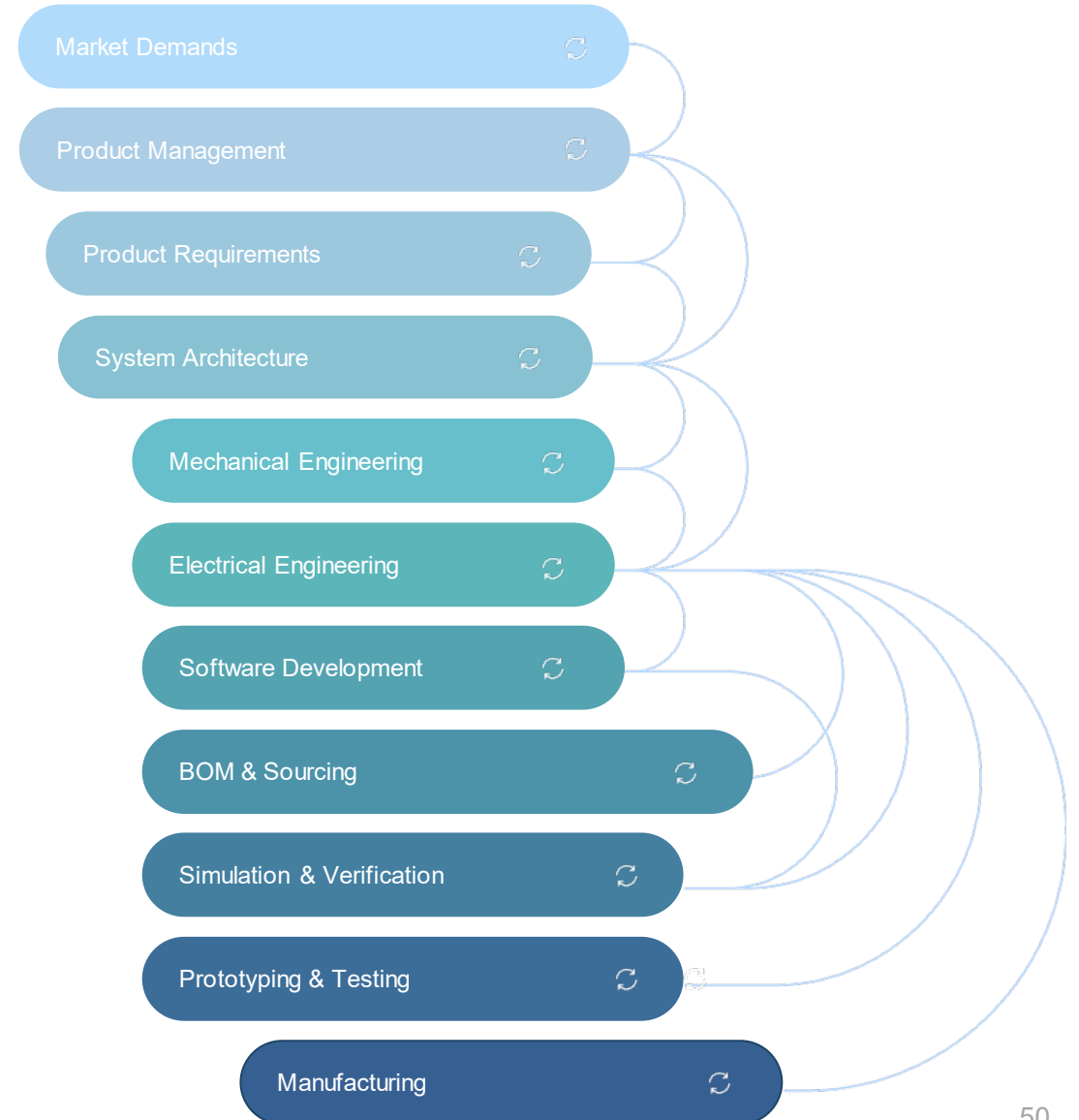
# Hardware Development is Becoming 'Agile'

Altium



## Agile development practices

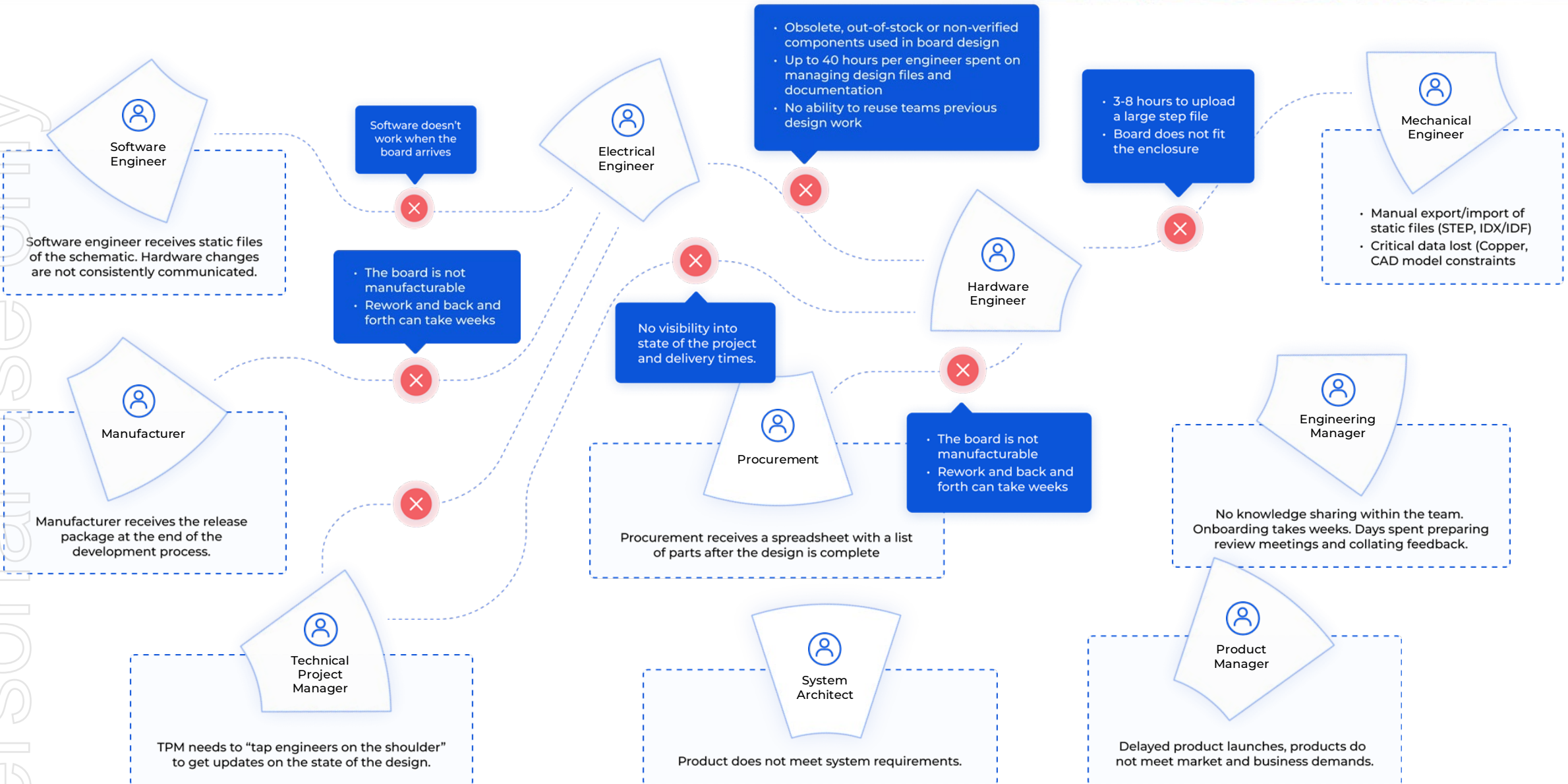
- Fast iterations
- Co-design and co-engineering across multiple disciplines
- Pervasive simulation and rapid prototyping





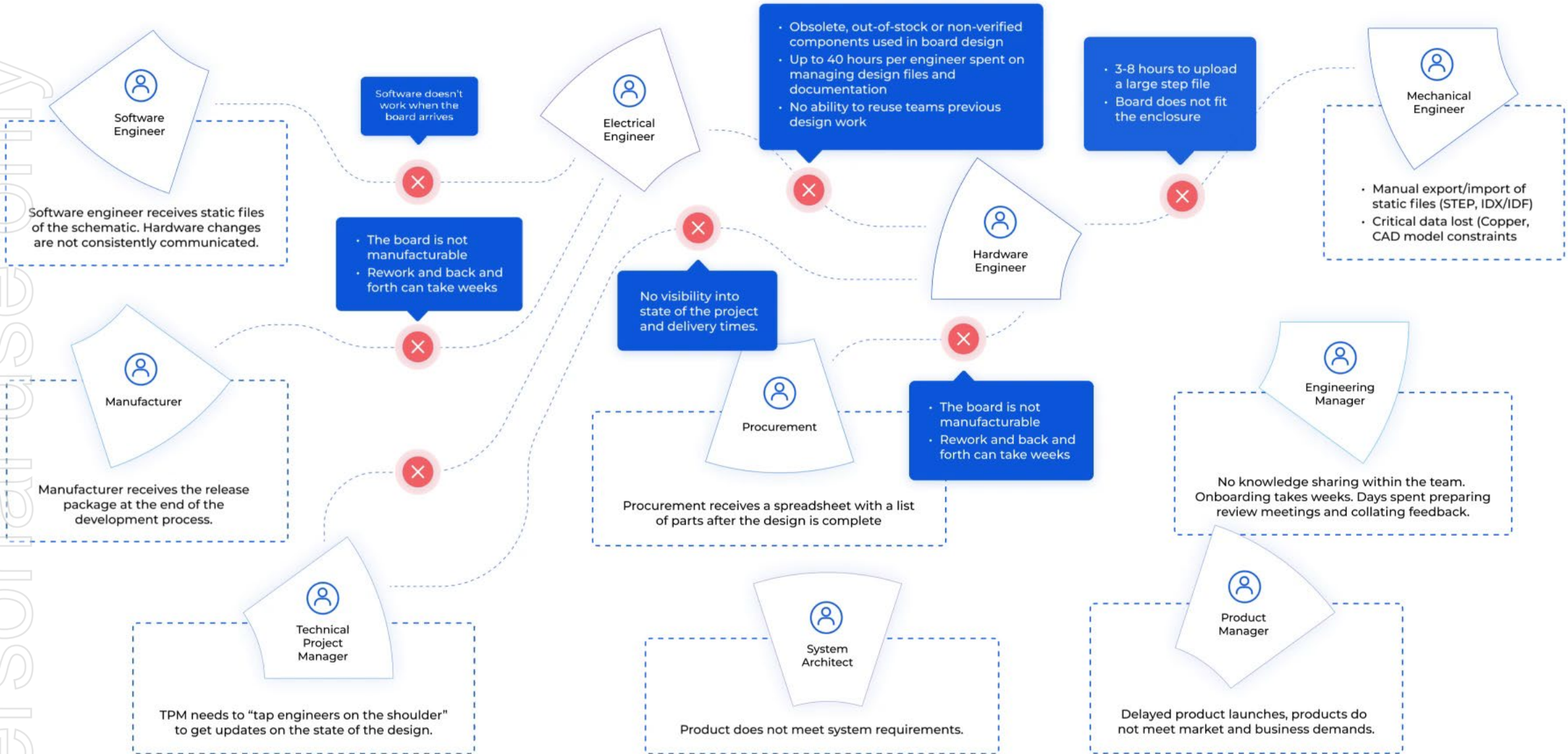
# Electronic Development Processes in Electronics Remain Siloed with Tangible 'Costs'

Altium



# The Goal of Altium 365 is to Build the Digital Bridges

Altium



# Customer Story: RRAI & Radiant

## Democratizing 'Enterprise Capabilities' for Users



### Early-Access Customer on GovCloud



Robotic Research's (RRAI) AutoDrive delivers autonomous vehicle capabilities across diverse and complex driving domains.



- 'Leveled up' engagement to Eric Houchell, SVP of Operations
- Migrated from perpetual-to-cloud and from "seats"-to-licensed users
- Added GovCloud; Evaluating 10 Mechanical and Supply Chain users as alternative flow vs. Arena PLM
- \$47k to a \$291k TCV deal
- Similar customers: Quantel, Specter

### Native-Cloud Account



Radiant is a compact *helium* nuclear reactor to generate electricity in a mass producible and portable way



- 'Leveled up' engagement to Bob Uberger, CTO
- Evaluating Supply Chain, SE integration, and System Engineering
- ~20-25% of MQLs on Cloud applications from 'new users'

\*Hypothetical purchase value at 2 AD licenses



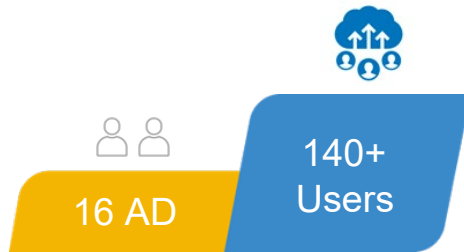
# Prospect Story: Medical OEM Building User Appeal in 'Mixed CAD' Ecosystems

Altium

## Mixed - CAD Environments



Medical Device Manufacturer that is \$105b publicly -traded medical device manufacturing company. The Instruments Division is ~25% of the total business.



- 'Leveled up' engagement to Sr. Manager of digital transformation in R&D
- 16 AD users → 60-70 eCAD users → 140 total users
- Require to stay in a mixed CAD environment (OrCAD, KiCAD...)
- Need centralized Supply Chain & risk/compliance management
- eCAD <> MCAD + PLM Cloud-to-Cloud integration preferred

"Software engineers love A365. Today, without Altium, they can't collaborate with the team at all unless they're sitting side by side. Which, in today's world, isn't tenable or scalable. **We've had the Software team ask to make A365 permanent;** they love the interface because they are familiar with GIT and that structure and they appreciate that the cloud platform is accessible across platforms and devices. There used to be a real problem with getting the right software to work on the boards we made; collaborating on A365 has helped us fix that issue! **Altium will continue to get adoption as you bring in the additional disciplines into the platform; no other company is focused on this right now.**"

"We just demonstrated the OrCAD integration in A365 with our OrCAD users. One word, **game changer!**"

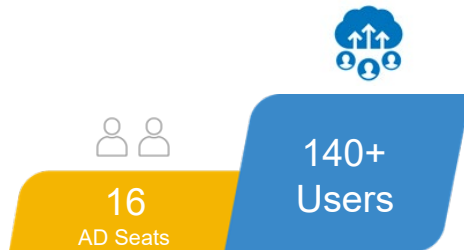




## Mixed-CAD Environments

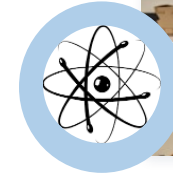


Medical Device Manufacturer that is \$105b publicly-traded medical device manufacturing company. The Instruments Division is ~25% of the total business.

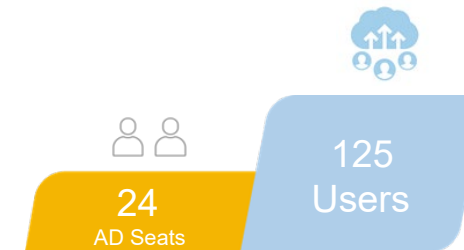


- 'Leveled up' engagement to Sr. Manager of Digital R&D digital transformation
- 16 AD seats. Estimate 60-70 eCAD users. Estimate 140+ total users
- Require to stay in a mixed CAD environment (OrCAD, KiCAD...)
- Need centralized Supply Chain & risk/compliance management
- eCAD <> MCAD + PLM Cloud-to-Cloud integration preferred

## End-to-End ELM application



Government-sponsored Particle-accelerator lab; 99.99995% speed of light



- 'Leveled up' engagement to Chief Deputy Engineer
- 20-50 experiments per annum; each requiring its own 'design' of boards
- End-to-end process for System Engineering, ECAD, software, assembly/manufacturing, procurement, mechanical casing, recycling and reuse on-site; "miniaturized" version of an ELM deployment

# Altium 365 Journey Is Modular.

Leverage a SaaS GTM approach to meet the customer in their digital context

Altium

01

## Design Data Management

Create new PCB project on Altium 365

Outcome:  
40 hours saved per engineer annually

02

## Global Sharing & Access

Invite project stakeholders to Altium 365 Workspace and share designs.

Outcome:  
19 hours saved per engineer annually

03

## Asynchronous Design Review

Run a digital design review with Altium 365 web viewer and contextual comments.

Outcome:  
50% less time spent in review meetings

04

## Library Management

Migrate your parts library to Altium 365

Outcome:  
60 hours saved per engineer annually

05

## Procurement CoDesign

Procurement team runs BOM checks on live designs and participate in design decisions.

Outcome:  
65% less designs require parts replacement.

06

## Mechanical CoDesign

Connect Altium 365 to your mechanical CAD.

Outcome:  
16 hours saved per design

07

## Manual Board Assembly

Assemble prototype board using Assembly Assistant

Outcome:  
10 hours per board saved

08

## Manufacturing Collaboration

Send manufacturing package to manufacturing via Altium 365

Outcome:  
30 engineering hours saved per year

09

## PLM Integration

Complete your digital transformation in engineering.

# Connecting the World Beyond PCB Leveraging Altium 365



## CAD <> A365

Continue to build the 'better together' thesis with AD and bring in other CAD tools.

## MAUs > AD

Drive GTM, adoption and product roadmap activities in Cloud to non-PCB designers

## Ecosystem

A365 is the technology hub for electronics development  
(several technology partners including Silicon Expert, PTC Onshape, Cady, Z2Data, and more...)

## Foundation for AI

A365 provides the common identity, workflow, and data layer to deliver a System of Intelligence

## "Cloud-first"

Uniquely leverage user-first (i.e. product led growth) and augment with 'leveling-up' of conversation with executive sponsors (GTM led) to drive dominance





Targeting the Complexity of the  
Electronic Parts Value Chain

## Altium Cloud-First AI Strategy

Sergey Kostinsky & Leigh Gawne  
Sydney, 16 November 2023



# The Complex Value Chain in Hi-Tech

Altium

## Industry productivity growth

- Value chain for hi-tech products is complex – many stakeholders and participants. Significantly increasing productivity requires impacting end-to-end processes throughout, not at just user level.

## Sustainability and environmental

- Electronics industry is fundamental to a green, sustainable future. Most players, even if willing, are unable to change alone.

## Decision making

- Limited line of sight through the value chain results in many critical decisions being taken without being fully aware of their consequences. This is a systemic problem that holds back industry progress.

Up to  
**80%**

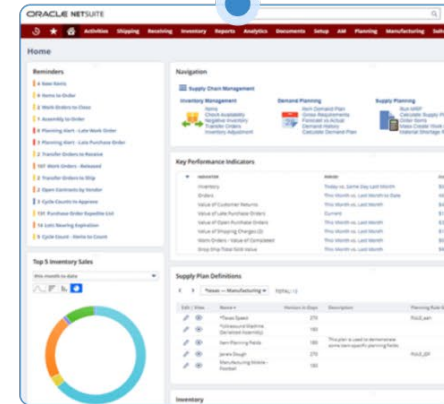
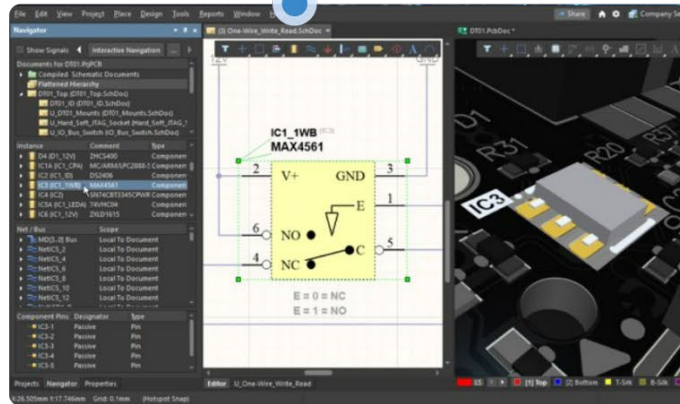
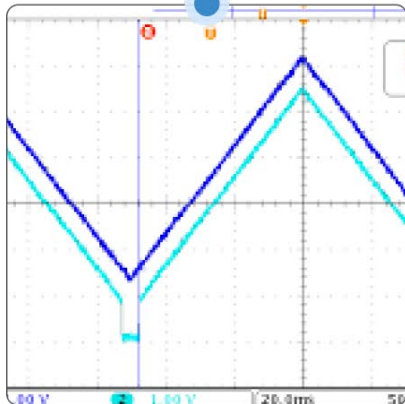
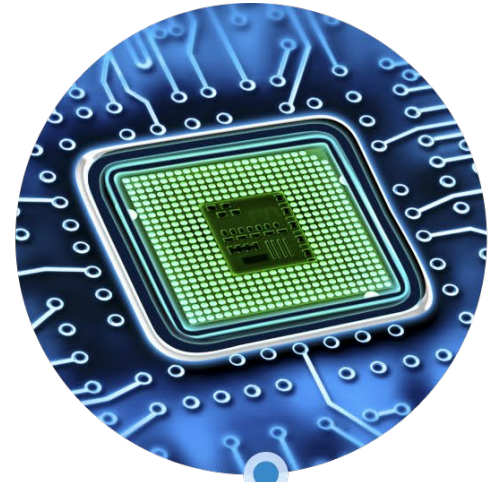
of a product's  
environmental impact is  
determined in the  
design phase\*

\*European Commission

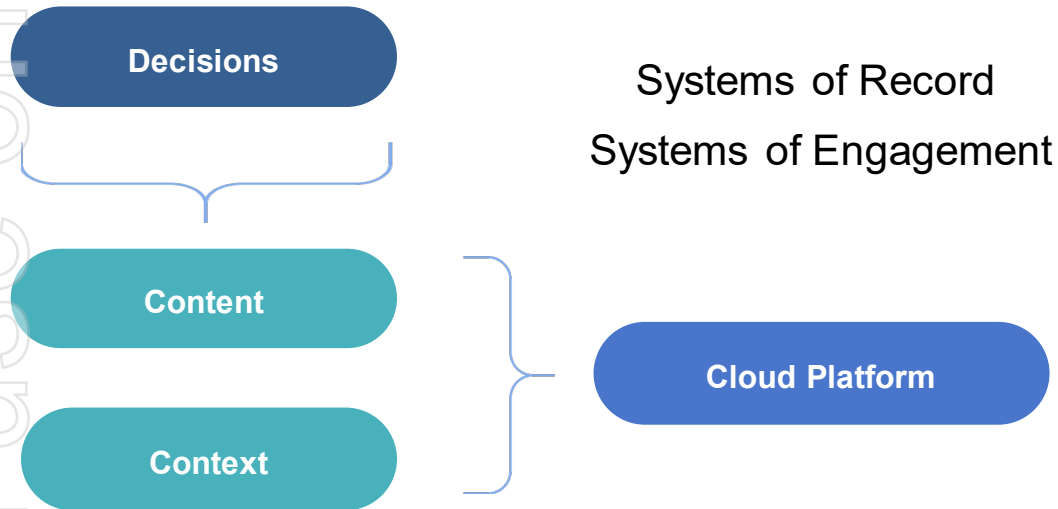
# The Complex Value Chain of Electronic Parts

Altium

- Electronic parts is the thread connecting the industry together.
- Business processes related to parts are the essence of the electronics industry.
- Procurement is a key area in System and Manufacturing companies. A product is designed once, sourcing of parts is an ongoing need.



# Systems of Engagement – Cloud Platform



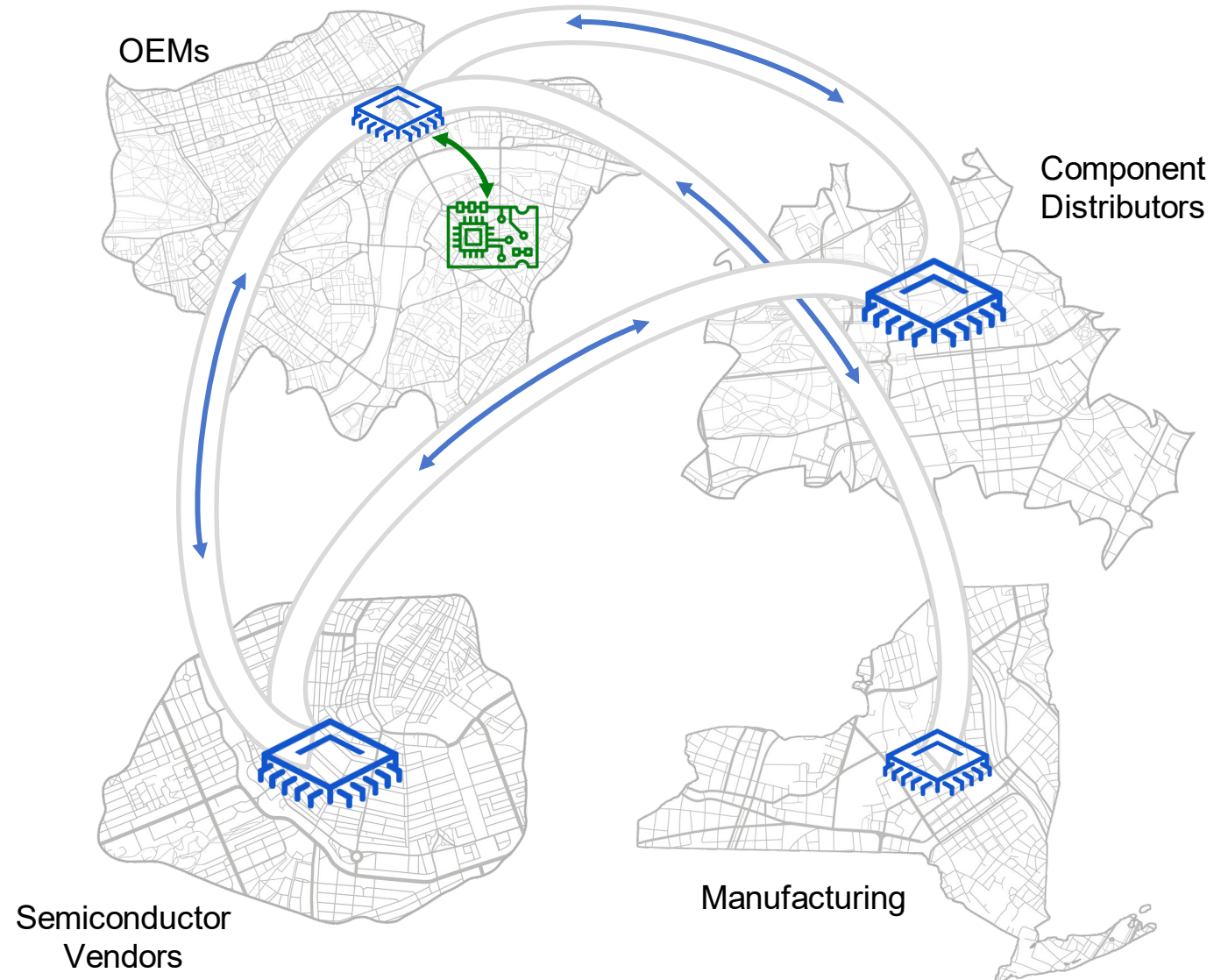
- Transformation can be achieved if we focus on systematic improvement of decision-making ability.
- Making a good decision requires having both content and context.
- Two distinct contexts exist, one for the product being created and one describing the industry.
- To establish a product context (the product digital twin) we need intra-company digital continuity.
  - Altium 365 liberates data from silos.
  - Digital bridges connect multiple engineering domains and stakeholders in the value chain.
- To establish an industry context (the industry digital twin) we need inter-company business continuity.
  - Altium 365 will digitize and streamline information flow between key industry players – Semiconductor Vendors, Component Distributors, Manufacturing, and OEMs.



# Procurement and Beyond

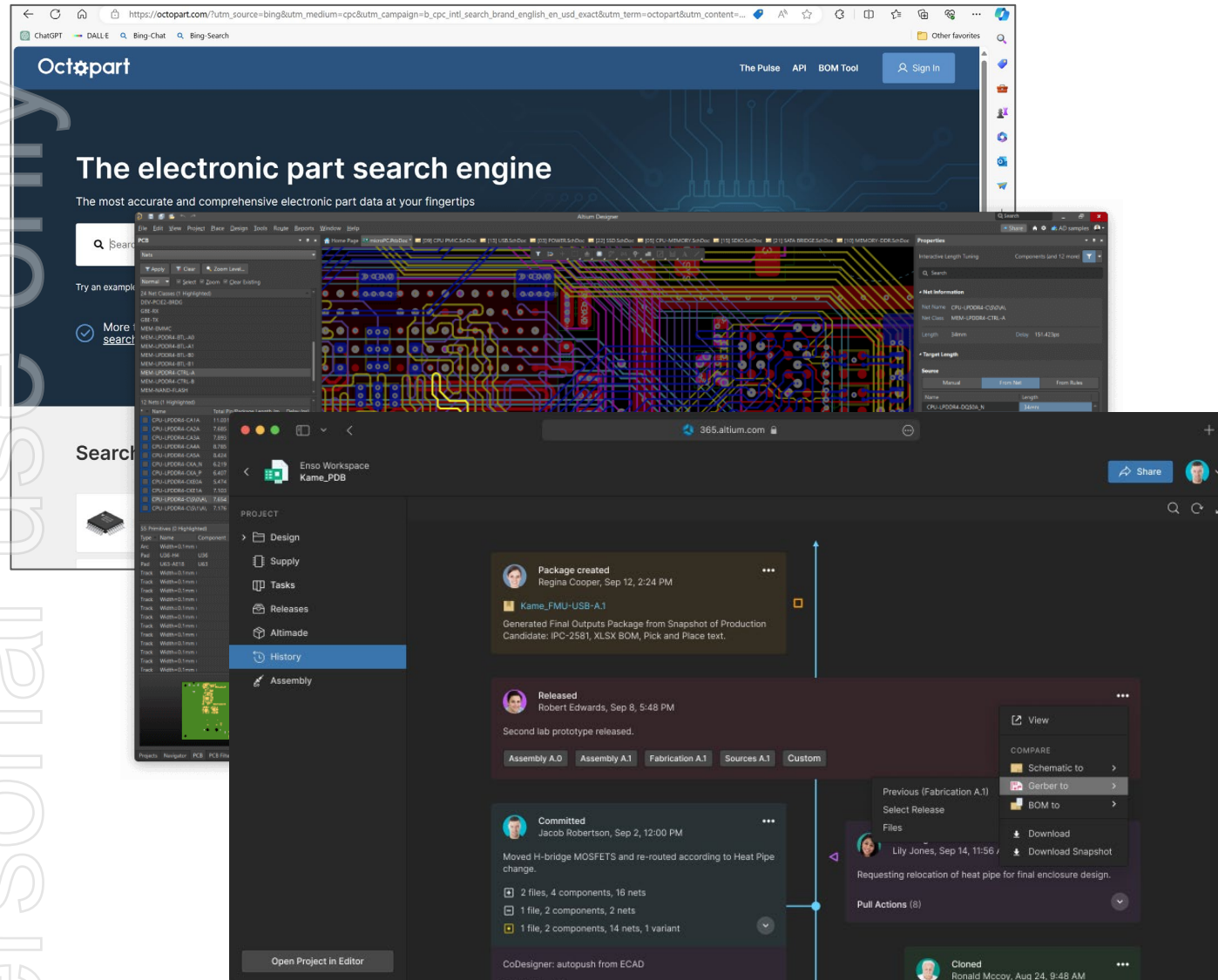
Altium

- We have very strong presence in PCB design.
- Digital bridges are linking us to other key areas of engineering.
- A significant investment in connecting PCB design to supply chain has been made over years.
- Now we will not just connect, we will provide solutions for professionals dealing with Parts in all areas of the industry.
- This is a critical step on the road to industry transformation, representing a major commercial opportunity.



# Product Design – Altium's Way

Altium



- Altium Designer - Most popular PCB design tool.
- Octopart - Most popular part search engine.
- Altium 365 - The only electronics development cloud platform.

*Users want our solutions, and customers need our solutions*

# Systems of Intelligence - Automation

**Altium**

## Systems of Engagement

Cloud Platform

Frequency

## Systems of Intelligence

Automation

- Professional labour force does not scale with demand.
- Environment is dynamic and fast changing, constant recalculation and re-evaluation required.
- This necessitates automation to ensure decisions can be taken at point where there can be impact, and time isn't wasted.
- Automation needs to consider product and industry contexts.
- Nexar is the programmatic platform against which machine automation in both contexts can be built against – one API for the industry.





# Systems of Intelligence - AI

**Altium**

## Systems of Engagement

Cloud Platform

Frequency

Difficulty

## Systems of Intelligence

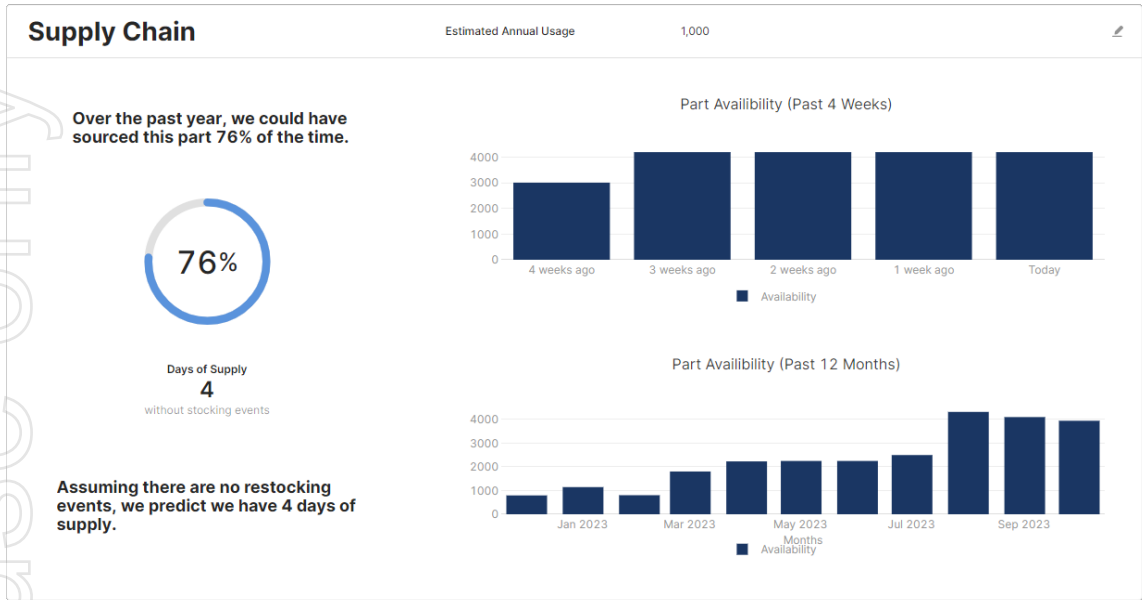
Automation

AI

- Nature of high frequency, difficult decisions lends itself well to the application of AI based solutions
- Targeted AI - domain specialised models trained to solve specific problems very effectively
- Application of such models can be deeply connected to the context through our platform, creating greater leverage and a value multiplier
- Actively engaging with companies in this space – from partnerships to potential acquisitions
- Model development, deployment and refinement – AI lab for creation, AI factory for customer deployment

# Supply Chain Resilience

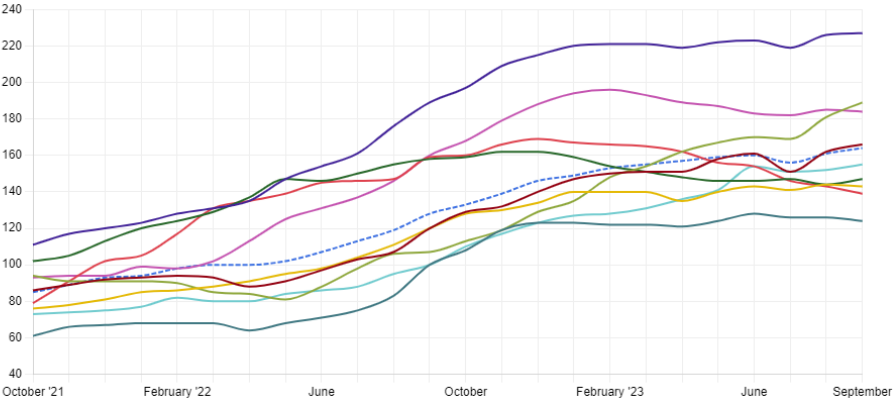
Altium



- Our predictive AI capability for part availability is built on 15 years of historical Octopart supply chain data
- Using a proprietary ML model, we are providing forward looking insights into part availability at scale, helping businesses better manage risk by focusing on what matters

- 300+ billion data points enable an unprecedented, high-resolution view into supply chain trends
- Supply and demand indexes across different part categories help companies focus on what is important

<input checked="" type="checkbox"/> CATEGORY	INDEX	CHANGE MONTH OVER MONTH
<input checked="" type="checkbox"/> Industry Index	164	▲ 3
<input checked="" type="checkbox"/> Circuit Protection	227	▲ 1
<input checked="" type="checkbox"/> Connectors	166	▲ 4
<input checked="" type="checkbox"/> Discrete Semiconductors	124	▼ 2
<input checked="" type="checkbox"/> Electromechanical	143	▼ 1
<input checked="" type="checkbox"/> Integrated Circuits (ICs)	189	▲ 8
<input checked="" type="checkbox"/> Optoelectronics	147	▲ 3
<input checked="" type="checkbox"/> Passive Components	139	▼ 4
<input checked="" type="checkbox"/> Power Products	184	▼ 1
<input checked="" type="checkbox"/> Sensors	155	▲ 3



## Systems of Engagement

Automation

AI

Complexity

## Autonomous AI

Autonomy

- Narrow AI is good at tackling difficult problems. The challenge is in dealing with the complexity.
- A mesh of smart agents designed to solve specific problems can be effective at complex decision making and reaction at speed.
- Such a solution will be able to operate without consistent human intervention.
- Achieve the effects of vertical integration.



# The Path to Autonomous AI

Altium.

Cloud Platform

Most popular PCB design tool and design platform. Present in most companies involved in hardware design. Many years of aggregated parts data.



ALTIUM  
DESIGNER



ALTIUM  
365

Octopart

Automation

Unified API bringing the electronics industry and the product design in the same context.



NEXAR™

AI

Narrow AI models designed to solve specific problems very effectively.



SPECTRA

Autonomous AI

A mesh of smart agents working collectively.



**Altium**®

Market Update

# Financial Strength is the Underpinning of every Successful Pursuit

Richard Leon  
Sydney, 16 November 2023



# Validation of Our Vision and Strategy

Altium

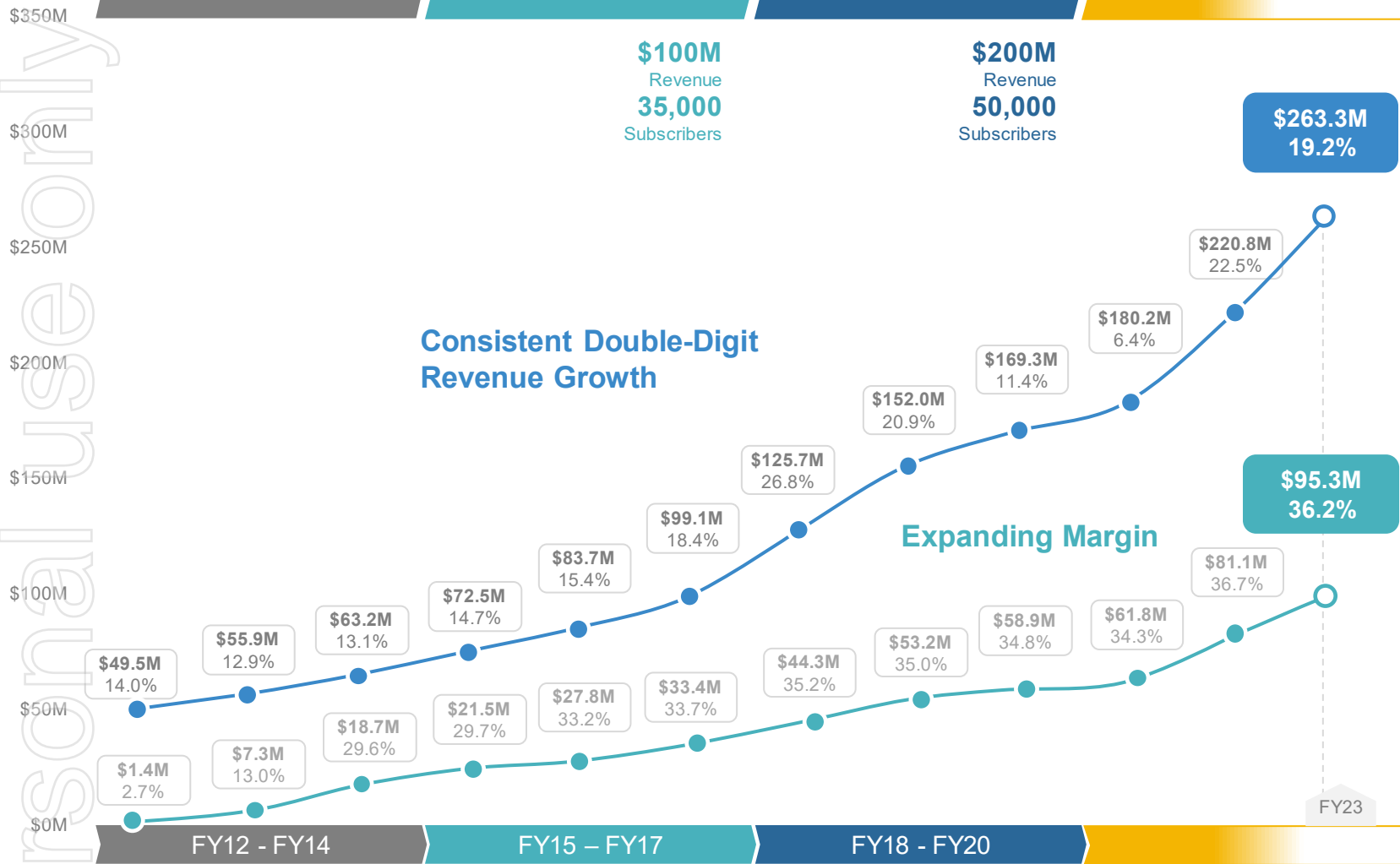
Rebuilding

Performing

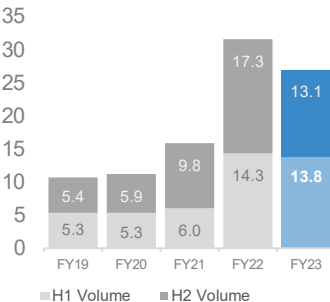
Leading

Dominating & Transforming

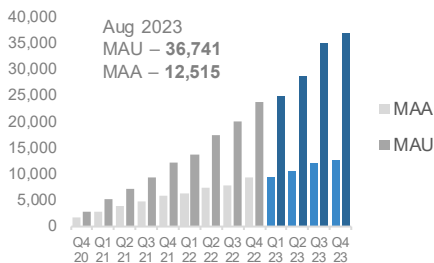
**\$500M\***  
Revenue  
**100,000**  
Subscribers



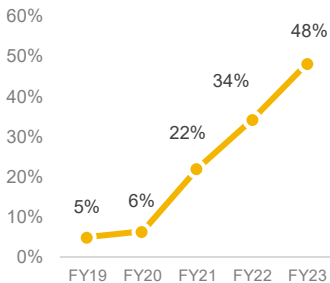
Octopart Search Offer Clicks (Mil)



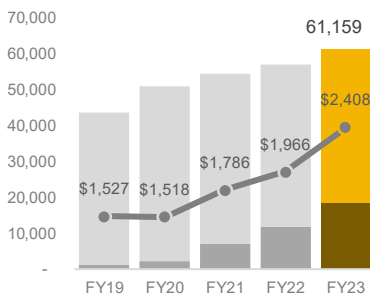
Altium 365 Monthly Active Users (MAU) / Accounts (MAA)



Term-Based Licenses as % of Total New AD Sales



Average Subscription Seat Value (ASSV)



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





## Reaffirm 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.*

**Altium AGM**  
**Sydney, Australia, 16 November 2023**  
**Chairman's Address**  
**Mr Sam Weiss**

**Welcome and Introduction**

Good afternoon, everyone, it is a great pleasure to be with you today for the 2023 Altium AGM. It is my pleasure to present the Chairman's address for the 2023 Annual General Meeting. This afternoon, I'll provide an overview of the results of our strong business and financial performance for Financial Year 2023 and an update on several initiatives contributing to our positive outlook for the current financial year.

I'll also review our own internal transformation of Altium and how we expect it to improve our capability to have a transformative impact on the electronics industry across three fronts:

- mid-market to enterprise
- beyond PCB design software
- and then the broader electronics industry.

We will then conclude this section of the afternoon with a brief market update and outlook.

**Altium Vision and Strategy**

Earlier today, several members of Altium's executive team spoke in detail about our business strategy to:

- accelerate growth, including with M & A
- drive TAM expansion through Industry Solutions for electronics,
- grow our cloud platform Altium 365 with the monetization of business applications.

Altium is one of the fastest growing engineering software companies in the world. We are deeply technology centric; our software tools and cloud platform are among the most innovative in the world, and our customers use them to design smart, connected products.

The global electronics industry is ripe for disruption. Society today wants everything to be smarter and more connected than ever before and there is a growing demand for pervasive intelligence. The Internet of Things (IoT) and the rapid development and breakthroughs in Artificial Intelligence (AI) will accelerate the proliferation of electronics in an unprecedented way enabling electronics to be omnipresent on a global scale.

Altium is well positioned to initiate and lead the disruption of how electronics hardware is designed and manufactured. In doing so, we also can consider how to make electronics more sustainable and help precipitate a smarter world and a more efficient one.

Our vision is to transform the electronics industry through the cloud-enablement of all industry processes involved in the creation of electronics hardware.

Cloud enablement of industry processes is the foundation for any sector transformation. Consider that Uber, the world's largest taxi company, owns no taxis; Airbnb, the world's largest accommodation provider, operates no hotels; Netflix, the world's largest movie house, owns no cinema. Similarly, some earlier transformation examples such as Skype once the world's largest phone company, owned no telco infrastructure; Alibaba the world's most valuable retailer owns no inventory. In all these cases, it is the cloud enablement of relevant processes that initiated the total disruption of the old way of doing things.

The intention of the Altium strategy of "Transformation through Dominance and Dominance through Transformation" is to initiate a similar phenomenon in the electronic industry so that Altium potentially could be the world's largest platform for creation of electronics hardware and yet own neither fab nor factory.

### **Altium Strategy for Industry Transformation**

To achieve this, we need to reach a level of dominance where Altium Designer is synonymous with PCB design, in a similar fashion to the way Microsoft Word is synonymous with document creation. Similarly, our Altium 365 cloud platform should form a network effect with strong data-gravity amongst engineers and other professionals within their respective organizations to collaborate efficiently by connecting all engineering and business processes in the cloud making it challenging for alternative platforms to develop a similar network effect.

We are distinguished by our strong engineering culture and robust go-to-market strategy. Over the past decade we have expanded our user base and increased our market share, revenue, and earnings. This significant growth, combined with our growing prestige in our industry due to the recent success of Altium365, provides us with a unique opportunity to accelerate growth and expand our addressable market while also pursuing a vision to transform the electronics industry.

The power of our potential if we continue to execute well, will bring both the practice and the business of engineering onto our cloud platform, and enable electronics manufacturers to manage production risk as well as time to market in an unprecedented way by creating a complete ecosystem with an unmatched product proposition.

Further detail regarding our strategic initiatives is captured in the recording of the Investor Day Presentation and slide pack from earlier today which will be available on Altium's website.

### **FY23 Financial Highlights**

I'll now turn to the FY23 financial highlights. Altium delivered a strong result for the year with over 19% growth in revenue to US\$263.3 million and over 20% growth in EBITDA.

Our Design Software Annual Recurring Revenue (ARR) grew by 32% to \$147.2 million in Financial Year 2023 and our Average Subscription Seat Value (ASSV) grew by 22% to reach \$2,408.

Americas led the way with 32.3% growth in revenue, 17% growth in new software licenses, 10% growth in total subscriptions, and 22% growth in Average Subscription Seat Value.



EMEA also delivered a strong performance with Design Software revenue growing by 19.8% (23.6% in Euros) to US\$74.5 million with 10.5% growth in subscriptions and 21% growth in ASSV.

During recent years, our historical seat volume growth in EMEA and the Americas has been paired with a substantial improvement in product mix with rising levels of adoption of Pro and Enterprise licenses.

In addition, we increased the capacity of our enterprise sales organization under the leadership of our Chief Commercial Officer Marc Boonen, an ex-Siemens executive with over 30 years of experience in enterprise sales. Our unique electronic data and lifecycle management tools combined with our cloud platform increasingly is viewed as the platform of choice for the future of electronics by large modern enterprises.

In 2023, our enterprise sales grew by 143% from \$13.7 million to \$33.3 million in revenue. We closed large multi-million-dollar contracts with customers such as Texas Instruments, Bosch, Acuity and Xylem and made significant sales to leading companies such as Mercedes, Lockheed, Volvo, and Hitachi. These enterprise accounts, and many more, provide us with ample opportunity to grow our enterprise business in years to come.

Success in the enterprise market is critical for our pursuit of market dominance. We have invested in building “Industry Solutions” on our cloud platform that are unique and specific to the electronics industry. “Design to Win” for the semiconductor industry, “Intelligent by Design”, for the automotive industry and “Compliant by Design”, for the electronics industry will be the foundation for success in the high-end enterprise market.

The adoption of our Altium 365 cloud platform is growing and benefits from a viral effect caused by the users already on it. I am pleased to report that Altium 365 adoption grew by 54% to over 36,700 monthly active users and by 42% to more than 12,500 monthly active accounts in August year-on-year. The network effect of Altium 365 adds non-traditional users of Altium software to this platform.

Other financial highlights for fiscal 2023 included:

- Subscribers grew to 61,159, up 7.5% from 56,912 one year earlier.
- Net profit grew by 19.6% to US\$66.3 million.
- Earnings Per Share (EPS) grew by 19.4% to USD 50.4 cents.
- Final dividend of AUD 29 cents (AUD 54 cents for the full year up 14.9%).

### **FY23 Significant Achievements**

The Altium vision to transform the global electronics industry relies on strong execution and product development. This enduring commitment resulted in a number of significant commercial achievements during the Financial Year 2023:

- Expanded leadership capability with appointments of Ananth Avva, General Manager of Cloud, Gérard Métrailler, General Manager of Software, Sanjay Gupta, Head of M&A and Marc Boonen, Chief Commercial Officer

- Mainstream engineering customers are continuing to embrace enterprise capabilities and term-based licenses.
  - Pro and Enterprise subscriptions grew to 14,437 during financial year 2023, an increase of 76%; Pro and Enterprise mix increased by 9.2 points from 14.4% to 23.6%.
  - Combined with the increase of new time-based licenses, Altium's Average Subscription Seat Value (ASSV) for Design Software increased from \$1,966 in financial year 2022 to \$2,408 in financial year 2023 – a clear sign that we are delivering value to our customers.
- New capabilities introduced for Altium Designer - 24 – just released this morning.
  - Significant efficiency improvements,
  - Easier collaboration to address challenges in complex PCB design,
  - New constraint management,
  - multi-user collaboration,
  - improved co-design for harness and simulation and
  - automatic circuitry capabilities.
- SOC2 Type 2 certification achieved with enhanced data security in Altium 365; the culmination of a collective commitment to adhere to strict security processes and controls.
- Launch of GovCloud, a critical capability needed to assure US customers that their most sensitive data is managed with strict physical and logical access restrictions.
- Expanded capability and capacity with appointment of experienced, independent non-executive directors Mike Hawker, Sylvia Wiggins and Lauren Williams.

## **Business Drivers – FY24 and Beyond**

### **Design Software**

Our pursuit of market dominance is being carefully executed with an optimal balance between increasing the value available to customers and pursuing volume. We invested significantly in the last two years to build capabilities on the value side resulting in strong growth in Average Subscription Seat Value (ASSV) and demonstrating our pricing power.

### **Cloud Platform**

As we look to the future, our cloud platform, Altium 365 is the foundation for the transformation of our business and for a dramatic expansion of our market opportunity. Our cloud platform is changing the nature of our product portfolio from stand-alone desktop software to a connected cloud-based platform tightly integrated with design tools for the broader industry.

The cloud platform is also important for the enterprise market. Altium 365 is a game-changer for our prospects to succeed with large enterprise customers in the high end of the market. This year we will invest in the value proposition and reach of Octopart to connect with more engineers and other users including through localization efforts in non-English speaking regions and improved data quality for power-users.

We delivered a strong financial result in FY23, we remain confident about the outlook for FY24 and are making great progress toward the 2026 goals of \$500 million in revenue and 100,000 subscribers.

## Board Renewal

I would like to provide a warm welcome to the new directors of our Board, Ms Sylvia Wiggins, Ms Lauren Williams, and Mr Michael Hawker. We have got to know Lauren, Mike, and Sylvia as individuals, as participants in our Company journey and as people who share our passion. It is a privilege to have them on the Board.

They will introduce themselves to you later this afternoon.

As shareholders will appreciate, I first mentioned Board renewal at our 2021 AGM at the height of the Covid pandemic. Since then, we have worked very hard to attract Directors in whom you can place your trust. We believe that to achieve *Transformation through Dominance and Dominance through Transformation* we need to expand both the *capability* and the *capacity* of our Board. Mike, Sylvia, and Lauren provide energy and enthusiasm that matches our own, as well as invaluable experience, insight and expertise that allow them to not only support what we are working so hard to accomplish, but also to challenge our vision and strategy in ways that will make it stronger and make us more likely to achieve it.

In June we announced the appointment of Russell Reynolds to find a candidate for the Board with significant industry experience and with the skills to become Chair. The search has been more challenging than we anticipated and to give shareholders immediate confidence in our absolute commitment to strong corporate governance we appointed Mike Hawker as Lead Independent Director. Just as we apply the *genius of and* to our business operations, we also use it to ensure that your Board has all of the necessary skills to oversee a leading global technology company including deep industry knowledge **and** ASX public company governance experience. We are taking a measured approach in our consideration of the **role** of the Chair at Altium, and who is the **right** Chair to lead this great company. In the meantime, Aram, Sergey and I are excited to have our new colleagues on the Board and impressed with the speed and thoroughness with which they have applied themselves to work with us, learn about us and engage with our executive team.

As I expressed in June, I intend to remain on the Board and to work with all the Directors to ensure that the Company has the leadership that it and you deserve.

## Market Update and Outlook

Earlier this morning, our CFO, Richard Leon reconfirmed market guidance for the 2024 Financial Year of:

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



## Conclusion

As we look ahead, our confidence to transform the global electronics industry is rising.

At Altium, we play for purpose. We play for money; we play to win **and** we want the success that comes from that to be a force of good. Financial strength is at the heart of our pursuit of industry transformation, and it enables us to not only dream big dreams, but to achieve them. If financial strength is our heart, people are our soul and provide the power for our success. All of our stakeholders are people, individuals who are part of our Altium family.

To our shareholders, thank you for your continued support and for placing your confidence in us as stewards of your investment in Altium.

To our people, in every corner of the globe, thank you for your commitment and your spirit. It is palpable and encouraging and every day it inspires me and the Board.

To our customers around the world, thank you. We are grateful to you for using Altium in your work and we are impressed with the remarkable products that you make with Altium Designer, Octopart and Altium365.

To our Executive Leadership Team, thank you. The things that you do, every day, both large and small, are what makes Altium work and what makes Altium the successful Company that it has become.

To our Board, the standard that you set for our Company is impressive. Thank you for your leadership, your honesty, and your determination to get the best for all of our stakeholders.

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# 2023 Annual General Meeting

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1:30pm 16 November 2023

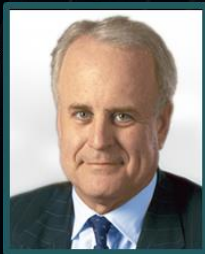
Sydney, Australia

## Agenda

- 1 Introduction: Altium Board and Executive Management Team
- 2 Chairman Address
- 3 General Business
- 4 Procedural Matters
- 5 Questions
- 6 Voting Closed



# ALTIUM BOARD



SAMUEL WEISS  
Non-Executive  
Chairman



ARAM MIRKAZEMI  
Chief Executive Officer  
Executive Director



SERGIY KOSTYNSKY  
President  
Executive Director



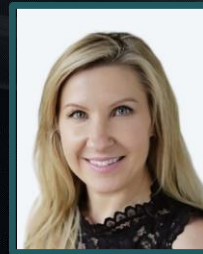
MICHAEL HAWKER  
Lead Independent  
Director



LAUREN WILLIAMS  
Independent  
Non-Executive Director



SYLVIA WIGGINS  
Independent  
Non-Executive Director



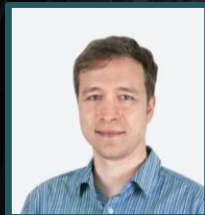
NATASHA DAVIDSON  
Company Secretary  
and General Counsel



# ALTIUM EXECUTIVE MANAGEMENT TEAM



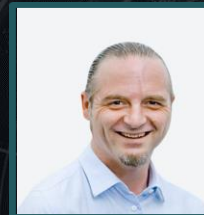
ARAM MIRKAZEMI  
Chief Executive  
Officer



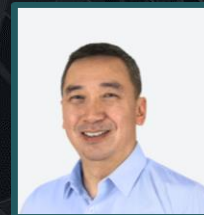
SERGEIY KOSTYNSKY  
President



KIM BESHARATI  
Chief of Staff and  
Head of Investor  
Relations



DAVID READ  
Chief Operating  
Officer



RICHARD LEON  
Interim Chief Financial  
Officer



MARC BOONEN  
Chief Technology  
Officer



LEIGH GAWNE  
Chief Commercial  
Officer



ANANTH AVVA  
Senior Vice President  
and General Manager  
of Cloud Platform



GÉRARD MÉTRAILLER  
Senior Vice President  
and General Manager of  
Digital Software

**Altium**®



**SAMUEL WEISS**  
Non-Executive Chairman

Chairman Presentation – Annual Company Meeting, 16 November 2023  
"Performing While Transforming"



*“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

Owens No  
**Telco  
Infrastructure**




World's most  
Valuable retailer

Owens No  
**Inventory**



Most popular  
Media owner

Owens No  
**Content**




World's largest  
Software vendors

Owens No  
**Apps**




World's largest  
movie house

Owens No  
**Cinema**



World's largest  
taxi company

Owens No  
**Taxis**



World's largest  
Accommodation provider

Owens No  
**Real Estate**



World's largest  
platform for the  
production of  
electronics  
hardware

Owens No  
**Fab or Factory**





## Design Software

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



## Cloud Platform

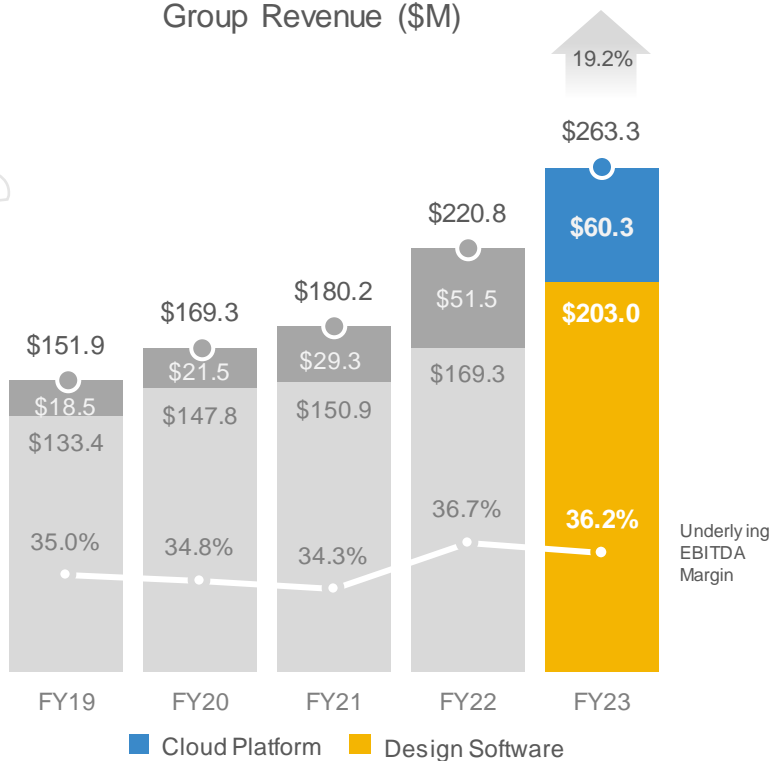
Grow “network effect” with strong “data gravity” among professionals and organizations that are involved with the creation of electronic hardware

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



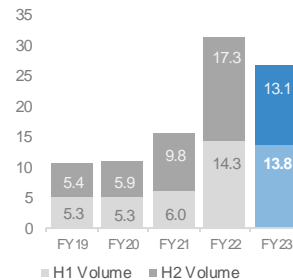
# FY23 Performance Highlights

## Group Revenue (\$M)

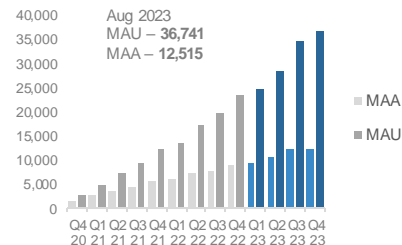


Strong revenue growth of 19.2%  
Underlying EBITDA Margin of 36.2%

## Octopart Search Offer Clicks (Mil)

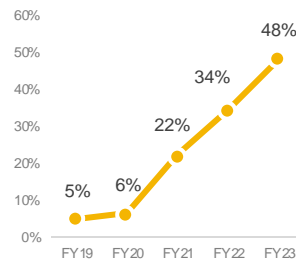


## Altium 365 Monthly Active Users (MAU) / Accounts (MAA)

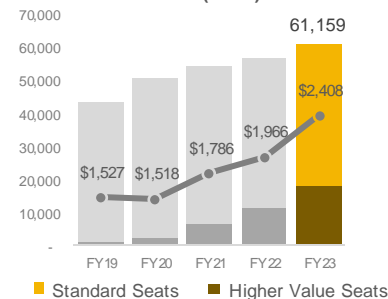


Strong cloud platform adoption

## 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)

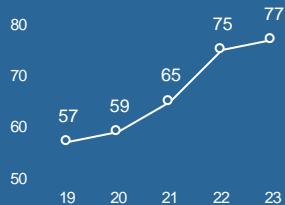
# Unrivalled Financial Performance in FY23



## \$263.3M Revenue (Up 19.2%)



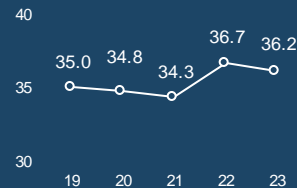
## 77% Recurring Revenue (Up from 75%)



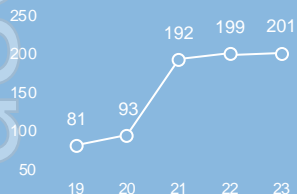
## \$55.7M Operating Cash Flow \*



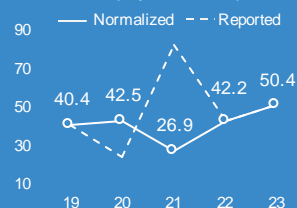
## 36.2% Underlying EBITDA Margin



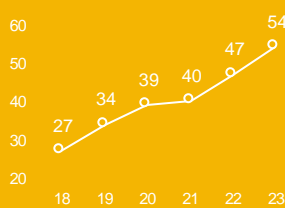
## \$201.0M Cash \*



## 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.

# 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 for Design Software increased from \$2,170 in FY22 to \$2,473 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.



New capabilities introduced for Altium Designer - AD24 (released today)

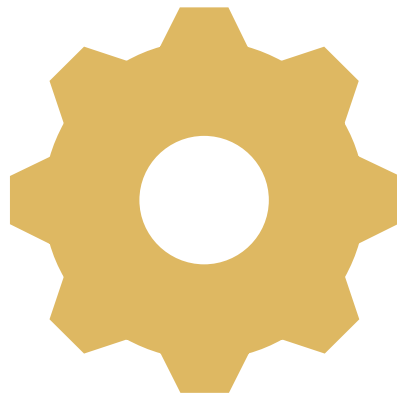
- Significant efficiency improvements,
- Easier collaboration to address challenges in complex PCB design,
- New constraint management,
- Multi-user collaboration,
- Improved co-design for harness and simulation and
- Automatic circuitry capabilities.





## Altium 365 – Transforming the Mid-Market

- Higher levels of subscriptions
- Business Apps
- Beyond PCB Designers

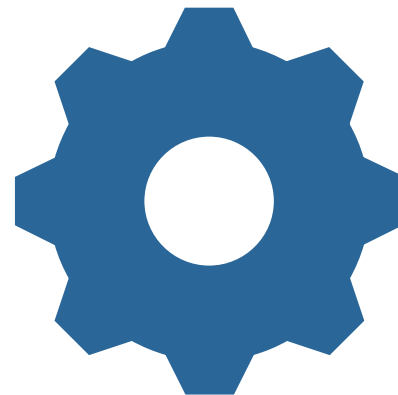
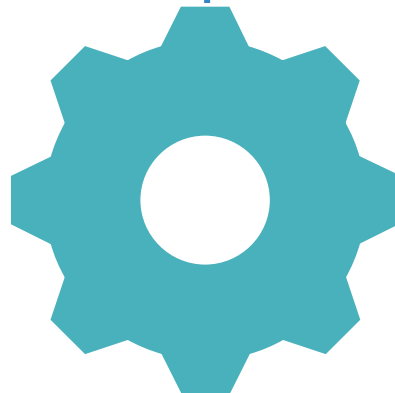


## Altium 365 – Transforming the Enterprise Market

- Industry Solutions (Renesas)

## Octopart – Entering Transformation Zone

- Broadening reach - supply chain intelligence
- Localization and deeper integration with Altium 365



## Expanded Leadership

- GM Cloud, GM Software, Chief Commercial Officer, Head of M&A

# BOARD RENEWAL



SYLVIA WIGGINS  
Independent  
Non-Executive Director



LAUREN WILLIAMS  
Independent  
Non-Executive Director



MICHAEL HAWKER  
Lead Independent  
Director



## **Reconfirms 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%

## **Reaffirms 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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**THANK YOU**

**Altium**



## 2023 AGM proxy summary as at proxy close

Resolution	For		Against		Open		Abstain*
2. Adoption of Remuneration Report	77,008,801	94.30%	4,527,774	5.55%	119,603	0.15%	18,434
3. Election of Michael Hawker	81,459,271	99.76%	71,236	0.09%	124,850	0.15%	19,255
4. Election of Sylvia Wiggins	79,389,034	99.78%	57,954	0.07%	123,038	0.15%	2,104,586
5. Election of Lauren Williams	81,489,217	99.80%	41,428	0.05%	125,248	0.15%	18,719

*\*Votes by a person who abstains on an item are not counted in calculating the required majority on a poll*