



Company	Altium Limited
Code	ALU
Meeting	AGM
Date	Thursday 19 th November, 2020
Venue	Online Lumi https://www.altium.com/resources/altium_agm_2020.mp4
Monitor	Mary Curran assisted by Tina Wu

Number attendees at meeting	60 shareholders, 1 x 3 rd party proxy + 81 visitors
Number of holdings represented by ASA	94
Value of proxies	\$4.9 million (@\$35.70)
Number of shares represented by ASA	130,965
Market capitalisation	\$4.73B
Were proxies voted	Yes, on a poll
Pre AGM Meeting	Yes, with chair Sam Weiss

On Track with Market Dominance

This year Altium was unable to hold its technology morning event before the AGM, however the virtual AGM was well delivered with employees based globally online and shareholder friendly. The company posted all the prior questions from retail, institutional shareholders and ASA on the Lumi platform and also on the ASX website. The chair and CEO gave very detailed presentations on past and future performance and goals. Despite not meeting its revenue goal for 2020, due to COVID-19, the company still achieved excellent results, has no debt and is well on its way to achieving market dominance by 2025. It was a milestone year, a year of transition after many years of rapid growth and industry transformation and Altium has become a leader in the industry.

With the strong adoption of its cloud based Altium 365, it is confident of achieving a target of 100,000 subscribers and US\$500 million in revenue by 2025. The company states it is reducing churn, driving sales and that its revenue stream is positive. Product adoption is achieving the network effect and word of mouth is further building market dominance.

China – the company is building Altium 365 platform from the ground up and using local infrastructure AliCloud and will be integrated with WeChat and Alipay. It is now in the late stages of preparation for launch.

Challenges remain with COVID-19, however there is confidence in reporting for the second half and guidance of revenue US\$200 - \$212 million and EBITDA of US\$76 - \$89 million for FY 21.

As well as the pre-posted questions, questions from online shareholders included: asking about possibility of 'dividend reinvestment plan', and that shareholders have interest in this. The chair stated the board continually reviews and will discuss at an upcoming meeting.

Does the company have plans to have virtual meetings (as well as the technology day) in the future and the chair asked for shareholders to send in their comments. He noted costs for both methods (physical and virtual). There was a complex question re the FDII deduction 'foreign derived' which can drive down the tax rate and also how Altium values its deferred tax asset (note 5 Financial Statements). ASA asked why the 10% precast vote against the remuneration. The chair noted this was from some institutional opposition to the retesting of the LTI (ASA had discussed this at the pre-AGM). The chair noted he would write to them personally.

ASA asked Lynn Michelburgh to speak to her re-election which she did and gained a 96% for vote. A question was asked about the fees for PwC re tax advice as it also did audit work and is PwC compromised? The chair stated no and said they valued the advice and that the current PwC partner was rotating.

Martin Ive gave a detailed explanation of how Altium gains seats (as distinct from customers) to meet the 100,000 goal stating that the growth comes from new customers, expansion of existing customers and incremental capacity increases within existing customers. Cost of acquisition of new customers is more than existing. Aram explained the rationale about putting Altium designer into the cloud, Altium designer will stay on the desktop forever, noting that the cloud is for collaboration.