

ASX Announcement

10 October 2018

Presentation by Dr Andrew Blattman to the Morgans Queensland Conference 2018

Attached is a presentation to be given today by IPH's CEO & Managing Director, Dr Andrew Blattman, to the Morgans Queensland Conference 2018.

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About IPH Limited

IPH Limited ("IPH", ASX:IPH), the holding company of Spruson & Ferguson, Practice Insight, Pizzeys and AJ Park, is the leading intellectual property ("IP") services group in the Asia-Pacific region offering a wide range of IP services and products. These services are provided across Australia, New Zealand, Papua New Guinea, the Pacific Islands and Asia from offices in Sydney, Brisbane, Melbourne, Canberra, Auckland, Wellington, Singapore, Kuala Lumpur, Jakarta, Beijing, Hong Kong and Bangkok. The group comprises a multidisciplinary team of approximately 650 people, including some of the most highly regarded IP professionals in the Asia-Pacific region. The team services a diverse client base of Fortune Global 500 companies and other multinationals, public sector research organisations, foreign associates and local clients. IPH is the first IP services group to list on the Australian Securities Exchange.



IPH Limited

Morgans Queensland Conference 2018

10th October 2018

Presented by:

Dr. Andrew Blattman Managing Director / CEO, IPH Limited

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Introduction

What we'll be covering today



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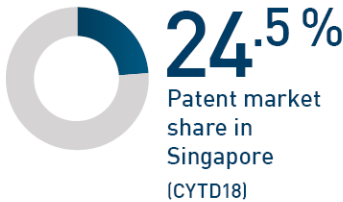
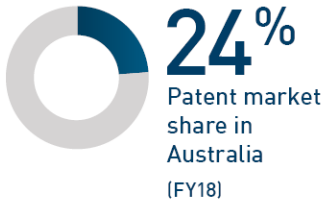
Strong platform for growth

Business snapshot

Leading intellectual property group in Asia-Pacific



80 Principals
167 Professional Staff
383 Support Staff



FY18 H2 highlights

Delivering results in key areas of focus in the second half



Key focus areas for 2nd half FY18

01 Australian market and IPH patent filings

02 Asian revenue and earnings growth

03 Strategic clarity on Data and Analytics Software

04 AJ Park contribution

05 Merger of FAKC / Cullens and Spruson & Ferguson

06 Retention of Vendor Principals

Results for FY18

✓ IPH companies out-perform patent filing market

✓ Strong second half performance of Asian business

✓ Successful divestment of IP data products and re-focus on WiseTime business

✓ AJ Park outperformance due to margin expansion

✓ Businesses successfully integrated with expected synergies of \$1m in FY19

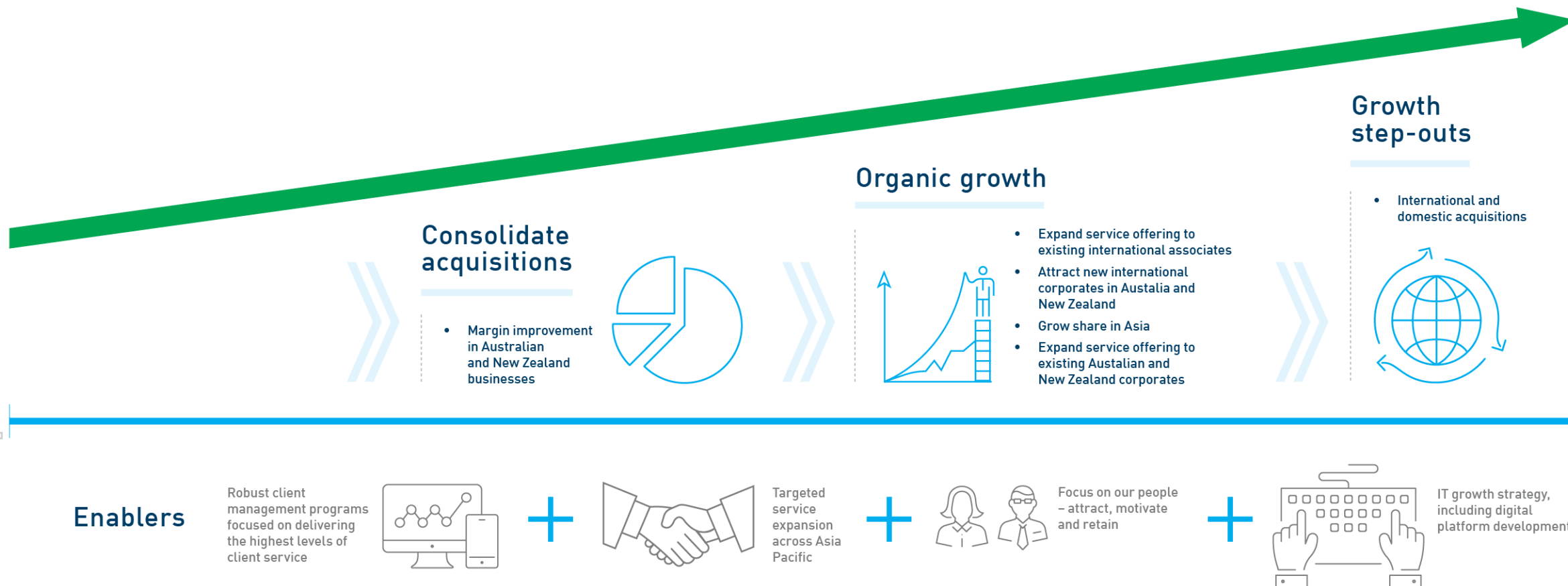
✓ Overwhelming majority of Pizzseys and FAKC Vendor Principals coming off employment periods re-commit for further periods with IPH

Strategic direction

IPH growth strategy



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Strong record of acquisitions and integration

Disciplined approach to acquisitions



AJ Park

Acquired in October 2017

Earnings ahead of expectation (FY18) through margin expansion

Further margin improvement initiatives being implemented

Revenue synergies through referral across Spruson & Ferguson Asia network

Ongoing focus on processes/operational improvements

Spruson & Ferguson integration (FAKC and Cullens)

Acquired Fisher Adams Kelly and Callinans in 2015 and Cullens in 2016

Callinans integrated into Fisher Adams Kelly in 2016 to create FAKC

FAKC and Cullens fully integrated into Spruson & Ferguson from 30 June 2018:

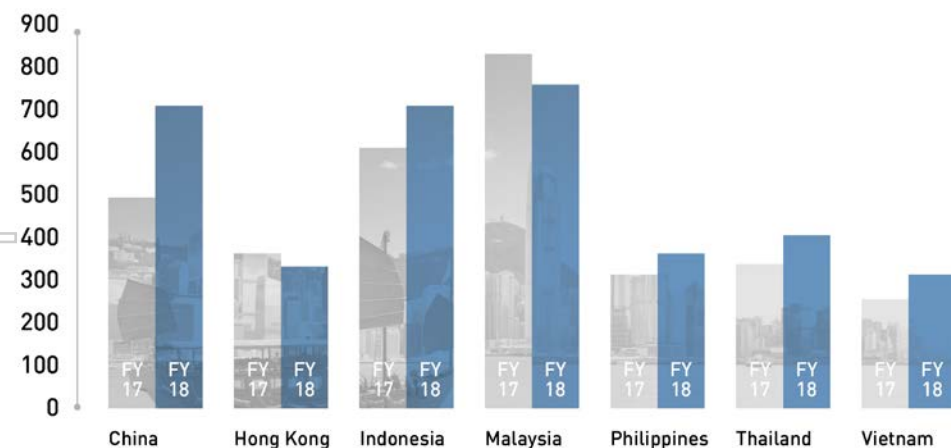
- High ex-vendor principal and staff retention rates
- Strong client retention
- \$1m in cost savings expected in FY19
- Enhanced client servicing offering through Spruson & Ferguson's network across the region
- Combined marketing power under the one Spruson & Ferguson brand

Capitalising on the IPH network

Our competitive advantage

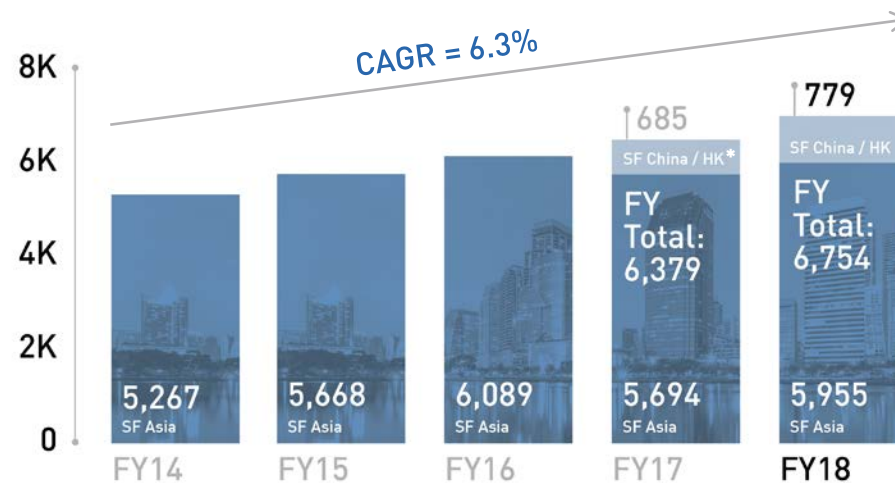
IPH Group filings in key jurisdictions in Asia¹

- Strong growth exhibited in China (44%) and Indonesia (16%) in FY18
- Total growth in these jurisdictions in FY18 was 12.5%



Total patent filings by IPH Asian entities (all countries)²

- Filings by IPH Asian entities have grown by 5.6% in FY18 (all locations)
- Solid long term historical growth profile for the region



- IPH's APAC office footprint creates competitive advantage
- Able to offer clients a trusted and quality service in a number of secondary markets across the region
- Merger of FAKC and Cullens with Spruson & Ferguson strengthens the network effect under one brand
- Creates a significant organic growth opportunity, particularly in Asia

1. IPH management analysis based on total incoming/outgoing patent applications filed by IPH Group entities in key jurisdictions in Asia.

2. IPH management analysis based on total incoming/outgoing patent applications filed by SF (Asia) in FY14-FY18; excludes applications referred by IPH's Australian entities and applications filed by SF Thailand and Indonesian offices.

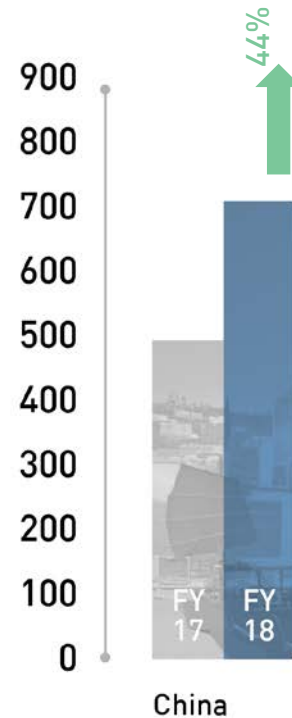
*In FY17-18 total incoming/outgoing patent filings by SF (China/HK) exclude applications referred by IPH's Australian entities. Applications filed by SF (China/HK) are those filed by the firm across the entire financial year.

Significant opportunity for growth in China

IPH is well placed to harness the opportunity



IPH Group filings in key jurisdictions in China¹



1. IPH management analysis based on total incoming/outgoing patent applications filed by IPH Group entities in key jurisdictions in Asia.

Growth strategy

- Exclusive arrangement with independent Chinese Patent Agency, Beijing Pat SF provides clients with streamlined offering in China with Spruson & Ferguson standards
- Strengthen patent capability to increase market share
- Continue to leverage 'network effect' increase flow of cases referred from Australia/NZ and South East Asia into China

Market opportunity

- China's addressable market is approximately 130,000 incoming Chinese patent applications filed annually
- Significantly larger than Australia/NZ (~42k) and Singapore (~11k) annual patent applications filed
- Regulatory commitment to strengthening IP protection supports IP market growth opportunity for China

Focus on our people

Corporate model a competitive advantage



Attract

Talent + Diversity
= Opportunity



Motivate

Talent + Promotion
= Growth



Retain

Talent + Retention
= Sustainability



5

Female

Promotions
to Principals
(FY18)

5

Australia

8

Male

8

Overseas

28



Promotions
to Principals
(since listing)

138



Incentive plan
engagement
(FY19)

80%

Pizzeys*

Ex-vendor Principals
recommitted to IPH
(post initial employment agreement)

Fisher Adams Kelly Callinans*

Ex-vendor Principals
recommitted to IPH
(post initial employment agreement)

86%

10%

Voluntary attrition
amongst professional staff
(to within the IP industry) FY18

* Excludes retirements

WiseTime launch

An opportunity for growth



About WiseTime

A new privacy-first autonomous timekeeping platform that produces accurate records of an employee's time throughout their day, without needing their input.



Competitive advantage

- Fully automated activity capture - no start/stop required.
- WiseTime autonomously collects time spent on activities, resulting in greater accuracy, granularity and efficiency.
- It also provides (i) uncompromising user privacy (ii) connections to targeted existing case-management/billing systems and (iii) is proven in the professional services environment.

Target market

Reshaped Practice Insight sales team focused solely on promoting WiseTime into the IP law firm market and progressing partnerships with broader legal services software providers (channel partners).

Early results positive

- A 1-year pilot of WiseTime with a group of ~10 attorneys completed July 2018.
- The most recent iteration produced observable time efficiency gains of 10-15%.
- Since market launch in August:
 - The first interface for a very large European law firm has been connected
 - The sales team met with an initial 60 law firms in September, of which 23 trials were requested/confirmed
 - The first Channel Partner Agreement for the French speaking territory (France, Switzerland and Belgium) is being finalised.

Foreign currency sensitivity

Current conditions providing a tailwind

Earnings currency sensitivity

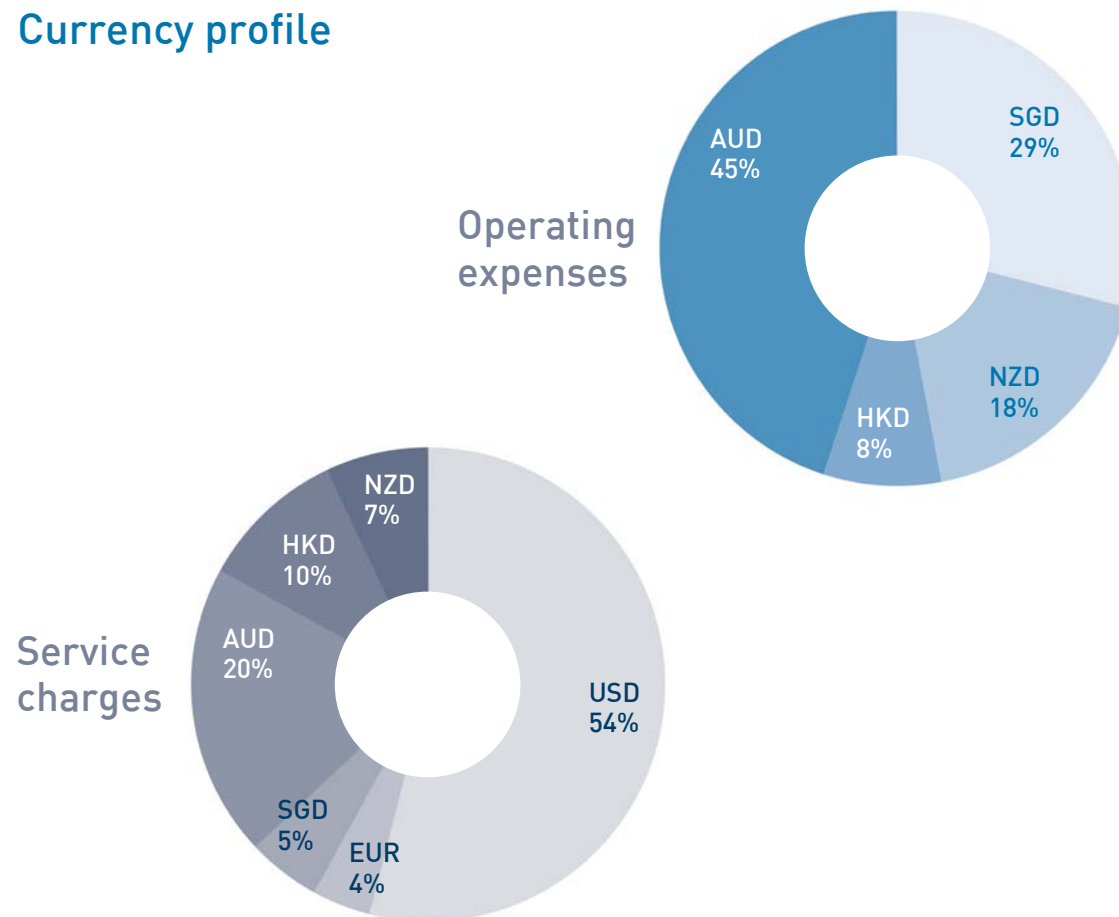
- 54% of the Group's invoicing is denominated in USD.¹
- Based on the USD profile in FY18, a 1c movement in the AUD/USD exchange rate equates to approximately \$1.3m of revenue on services charges on an annualised basis.

- This sensitivity fluctuates on the basis of acquisitions, their timing and their mix of currencies.
- The USD/AUD sale in the first quarter of FY19 was 73.11c compared to 78.96c in the first quarter of FY18

Balance sheet sensitivity

- The Group is also exposed to FX on the level of its USD denominated cash and receivables in the balance sheet, balances of which fluctuate.

Currency profile



1. Excludes USD billing in SF Hong Kong where HKD is pegged to USD. IPH exposure is to HKD.

In summary

Sustainable revenue and earnings with strong platform for further growth



Positive industry and market fundamentals

IP long life cycle supports sustainable, long term revenue and earnings and strong cash generation

IPH has number one positions in core markets (Australia/NZ, Singapore) with scaleable platform to drive further growth

Strong presence across the high growth Asian region provides significant opportunity to leverage network

Strategy for growth

Leverage market leading positions in Australia/NZ and Singapore to increase market share

Further organic growth options through:

- Continuing to leverage existing network for growth in Asia/China
- Other market share initiatives
- Margin improvement

Potential inorganic growth through domestic and international acquisition opportunities

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Thank you

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