

ASX Announcement

6 May 2021

Presentation by Dr Andrew Blattman to the Macquarie Australia Conference 2021

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

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Dr Andrew Blattman, Managing Director & CEO

About IPH Limited

IPH has the largest portfolio of Intellectual Property (IP) services firms in the Asia-Pacific region.

The IPH group employs more than 900 people, working from offices in Australia, China, Hong Kong SAR, Indonesia, Malaysia, New Zealand, Singapore and Thailand and providing IP professional services across 25 countries in Asia-Pacific.

Our group network comprises leading IP firms AJ Park, Griffith Hack, Pizeys, Shelston IP and Spruson & Ferguson and WiseTime autonomous time-keeping software.



IPH Limited Macquarie Australia Conference

Thursday, 6 May 2021

Presented by:
Dr. Andrew Blattman
Managing Director & CEO, IPH Limited

iphltd.com.au

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01

About IPH



About the IPH Group

Asia-Pacific's leading IP professional services group

6 brands



1) Approximate employee numbers across the Group.
2) IPH Management estimate based on IP office patent filing information: Australia (IP Australia) – 1H FY21 as at 3/02/21; Singapore (IPOS) – CY20 as at approx. 31/01/21; New Zealand (IPONZ) – 1H FY21 as at 6/01/21.
3) IPH Management estimate based on IP office trade mark filing information: Australia (IP Australia) – 1H FY21 as at 28/01/21 based on market share of filings from the top 50 agents; New Zealand (IPONZ) – 1H FY21 as at 6/01/21.

8

IP jurisdictions

900+

Employees¹

25+

Countries serviced



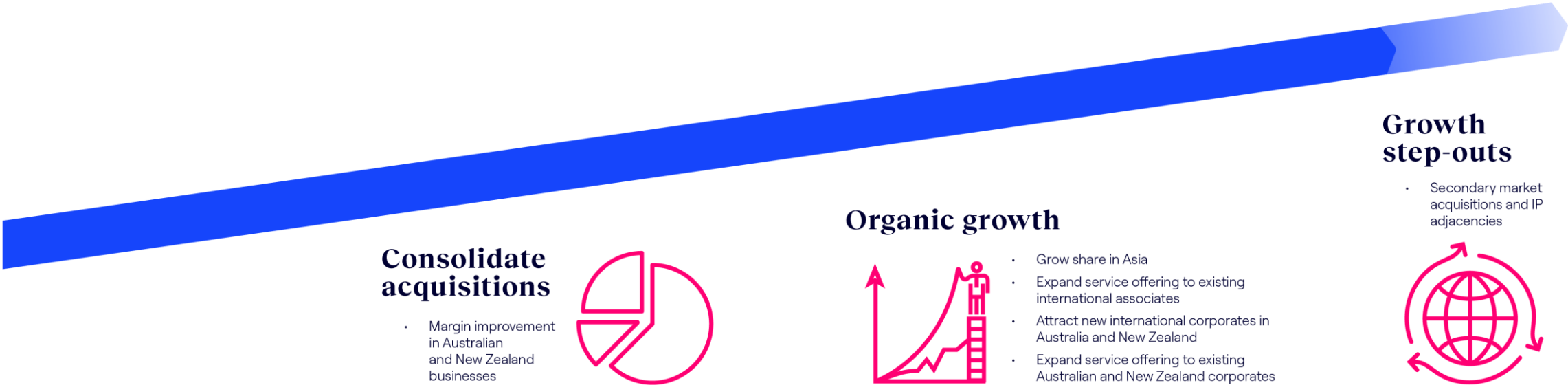
Nº 1
Patent group
in Australia,
New Zealand
and Singapore²

Nº 1
Trade mark group
in Australia and
New Zealand³



Strategic direction

Focus on IPH's growth strategy



Enablers

Robust client management programs focused on delivering the highest levels of client service



Targeted service expansion across Asia Pacific



Focus on our people – attract, motivate and retain

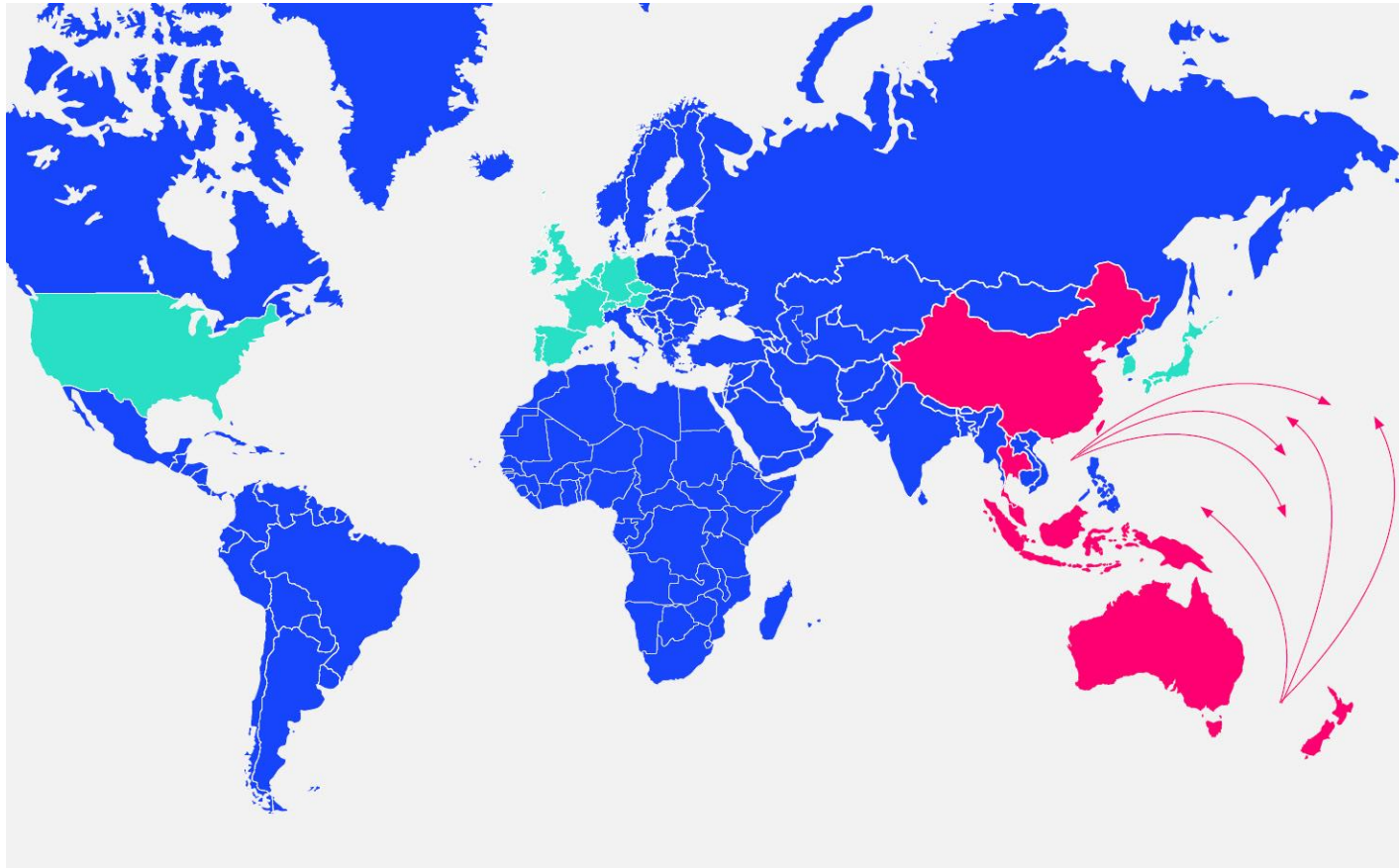


IT growth strategy, including digital platform development



Realising our vision

To be the leading IP services group in **secondary** IP markets and adjacent areas of IP



- The IPH Group operates in eight secondary IP jurisdictions: Australia, New Zealand, Singapore, Thailand, Malaysia, Indonesia, China and Hong Kong and services more than 25 countries across the Asia-Pacific region
- IPH has a strong track record of successfully completing and integrating acquisitions
- Our acquisition strategy is supporting growth in client cross referrals
- Growth step-outs in secondary IP markets are a key part of our growth strategy
- The scale of the IPH Group provides the opportunity for IPH to look further at IP adjacencies

Key:

- IPH offices
- Primary IP markets



New IPH brand is a **cornerstone** of the group's ambitions

FROM _____
IPH as a **group**

Perceived as an owner
primarily focused on financials

TO _____
IPH group as a **network**

An enabler that creates value for shareholders by enhancing the capabilities of its people & businesses.

A network that offers:

- An operating infrastructure
- Shared standards of quality
- Client value-add
- Career opportunities
- Enhanced returns



What is the network effect?

Leveraging the combined power of the network to realise our vision

IPH group provides a...

Network effect



Combined power

IPH brings together a portfolio of member firms supported by a leading infrastructure that makes accessing international markets more streamlined for clients.



Smarter working

IPH is at the forefront of the future of work and continuously finding smarter ways to operate its firms.



Enabling growth

IPH enables people and member firms to build greater capability and enhance performance.





02

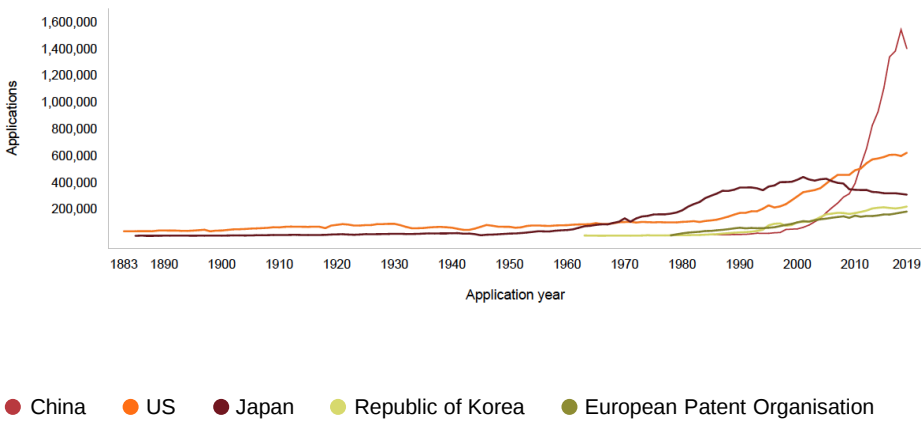
IP market trends



Market trends in IP

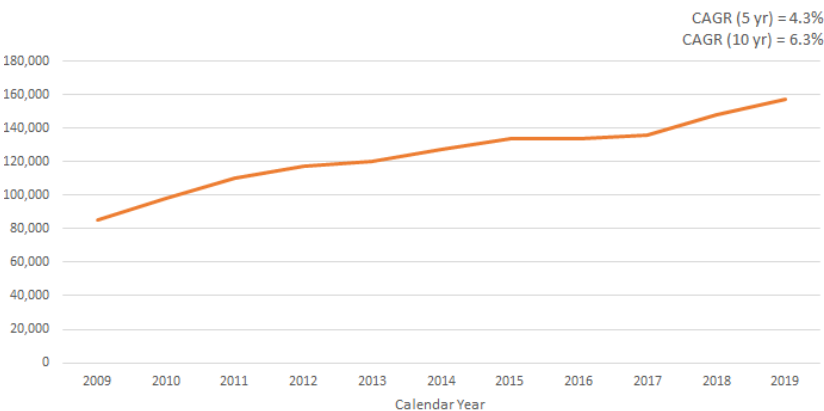
1. Demand

Trend in patent applications for the top five offices, 1883-2019¹



1) Source: WIPO, World Intellectual Property Indicators 2020

Non-resident patent filings in China (direct and PCT national phase entries)²



2) Non-resident patent filings in China (direct and PCT national phase entries) from WIPO IP Statistics Data Center as at 29/04/21.

What this means for IPH

- This growth underpins the recurring revenue stream for IPH
- Growth in primary IP markets feeds into secondary IP markets, where IPH is strongly established in Asia, and ideally positioned for further growth
- IPH is well placed to capitalise on growth of filings both into China from non-residents as well as China out-bound filings into jurisdictions where IPH has a presence



Market trends in IP

2. Geographical Shift

Patent applications by region, 2009 and 2019

Region	Number of applications		Resident share (%)		Share of world total (%)		Average growth (%)
	2009	2019	2009	2019	2009	2019	2009–2019
Africa	12,600	16,100	16.7	18.6	0.7	0.5	2.5
Asia	944,000	2,094,800	73.2	81.8	50.9	65.0	8.3
Europe	323,400	363,900	65.9	58.5	17.4	11.3	1.2
Latin America and the Caribbean	52,200	55,700	12.5	15.3	2.8	1.7	0.7
North America	493,600	657,900	46.6	44.0	26.6	20.4	2.9
Oceania	30,100	35,800	13.6	8.4	1.6	1.1	1.7
World	1,855,900	3,224,200	61.8	69.2	100.0	100.0	5.7

Note: Totals by geographical region are WIPO estimates using data covering 162 offices. Each region includes the following number of offices: Africa (33), Asia (46), Europe (45), Latin America and the Caribbean (32), North America (2) and Oceania (4).

Source: WIPO Statistics Database, September 2020.

What this means for IPH

- Asia has emerged as the growth engine for patent applications
- IPH is well placed to harness this growth as Asia Pacific's leading IP services group with more than 20 years of experience in Asia



Market trends in IP

3. China-US rivalry

- China-US competition focussed on technology
- Biden administration – reset of science and technology
 - “Managing our relationship with China, the biggest geopolitical test of the 21st century” (Secretary Blinken, Opening Remarks to House Committee on Foreign Affairs, 10 March 2021)
 - US Strategic Competition Bill - designed to strengthen American competitiveness with investments in science and technology, global infrastructure development, digital connectivity and cybersecurity partnerships.

What this means for IPH

- Investment in technology, leads to investment in IP protection in primary IP markets, which flows through to secondary IP markets
- The Biden administration's focus on technology is a positive for the IP industry, particularly in the US
- US customers are the largest market for IPH in terms of global patent filings¹

1) Total patent cases filed or instructed to be filed by IPH entities into any jurisdiction in the world. Data based on internal filing statistics including acquired companies on a pro-forma basis.





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IPH financial position

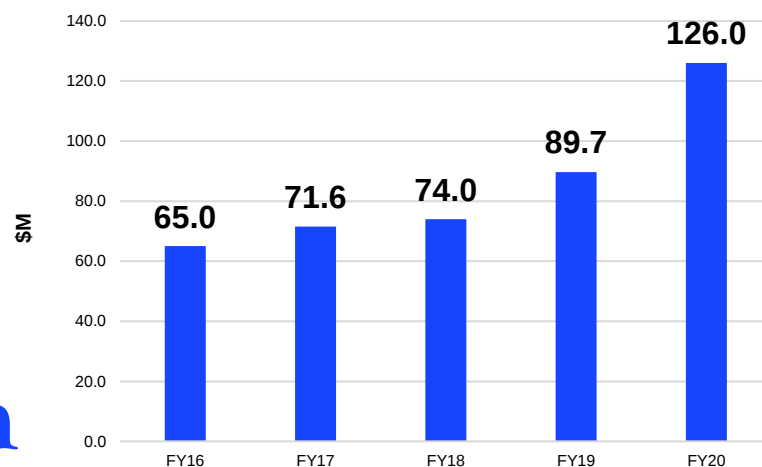


Geared for growth

IPH has demonstrated consistent earnings growth and cash flow conversion

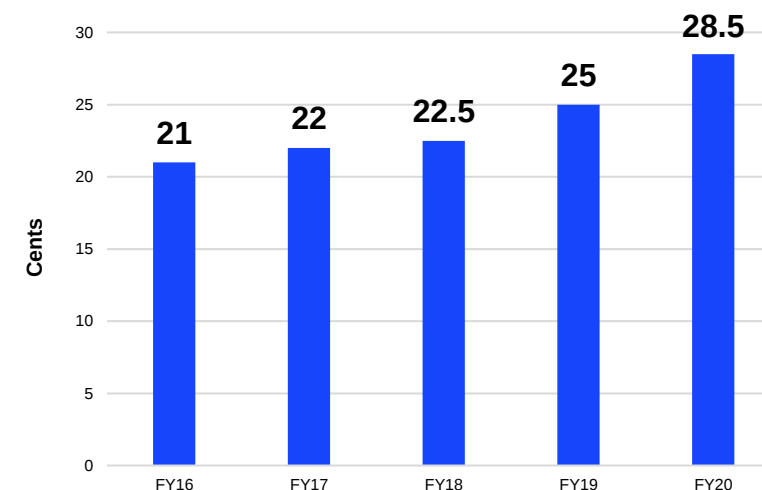
Underlying EBITDA

Underlying
FY20 EBITDA^{1,2}
A\$126.0m



FY dividend per share

FY20 total
dividend
28.5
(cents per share)



1) Underlying EBITDA for FY20 excludes costs incurred in pursuit of acquisitions, new business establishment costs, accounting charges for share-based payments, business acquisition costs, restructuring expenses, impairment of Watermark brand and onerous lease provisions and asset write-offs
2) Underlying FY20 EBITDA includes AASB16, prior periods do not include adoption of the standard
3) (Net debt / 12 month EBITDA)



Strong balance sheet – HY21

Low debt levels
(Leverage ratio of 0.6 times³)
Total equity – **A\$421.6m**



Resilient cash flows – HY21

Operating cashflow – **A\$52m**
Cash conversion in excess of 100%





04

Looking ahead



Looking ahead

Continued focus on our growth strategy

- Longer term trends remain supportive for IP protection
 - > Investments in technology will continue to drive IP
 - > China and Asia are becoming an increasing focus for IP protection
- IPH is well placed to capitalise on these trends as the market leader in the Asia Pacific region and through the group's well established relationships in each of the primary markets
- IPH has demonstrated consistent earnings and cashflow generation to underpin returns to shareholders
- IPH retains a strong balance sheet and capacity for further acquisitive growth in secondary IP markets and IP adjacencies



Q&A





Thank you

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