IPH Limited
Value in the Vines Investor Conference

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Presented by:

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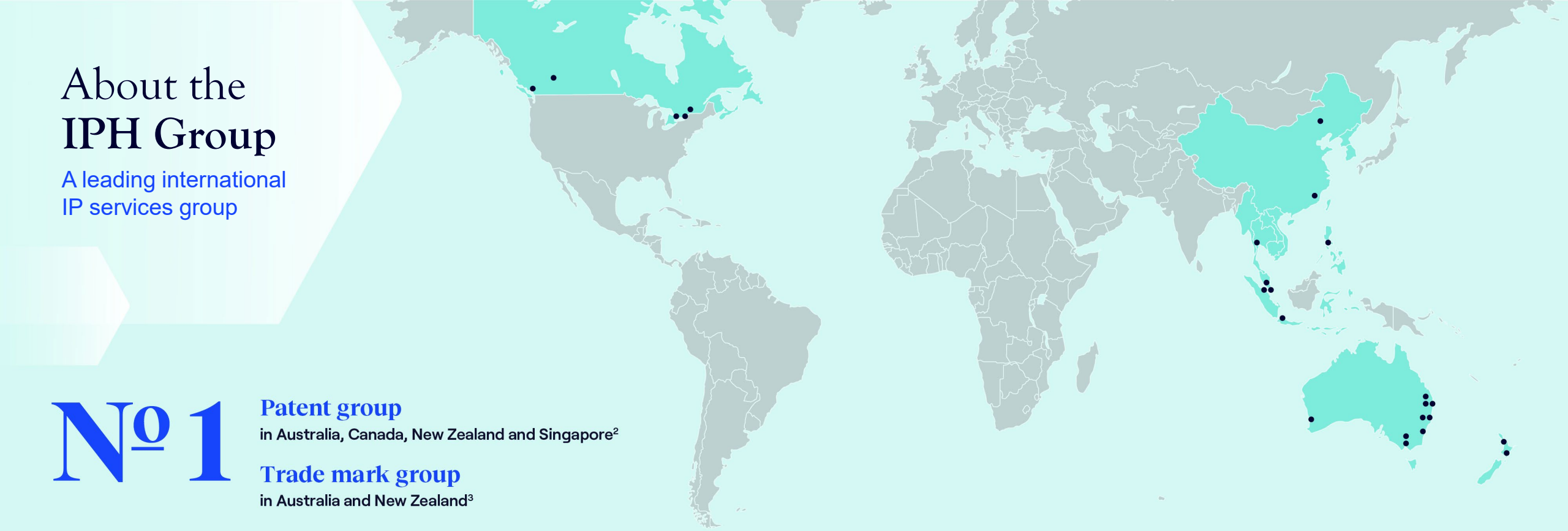
Contents

About the IPH Group

A leading international IP services group



№1

Patent group
in Australia, Canada, New Zealand and Singapore[2]

Trade mark group
in Australia and New Zealand[3]

10
IP jurisdictions

1,300+
Employees[1]

31k+
Annual patent filings[4]

12k+
Annual trade mark filings[4]

1) Approximate employee numbers across the Group.
2) Management estimated market share based on local IP office filing data: Australia (FY23 as at 16/7/23), Singapore (CY23 YTD April as at 20/7/23), New Zealand (FY23 as at 6/7/23), Canada (CY21 and CY22 YTD May as at 27/6/23).
3) Management estimated market share based on local IP office filing data: Australia (FY23 as at 17/7/23, share of top 50 agents), New Zealand (FY23 as at 21/7/23).
4) Cases filed or instructed to be filed worldwide based on IPH internal data for FY23, including Smart & Biggar.

6 brands | AJPark | applied marks | GRIFFITH HACK | PIZZEYS | SMART & BIGGAR | SPRUSON & FERGUSON INTELLECTUAL PROPERTY

01

FY23 year in review

Strong underlying result

Building on growth step-outs

Underlying EBITDA[1]
$170.0m

28%

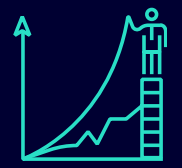
Underlying NPAT[1]
$99.0m

20%

Final year dividend
(17.5 cents per share)[2]

9%

Consolidating our acquisitions
Smart & Biggar exceeding expectations



Delivering on growth step-outs
Continued to assess complementary acquisition opportunities in Canada and in other core secondary IP markets

Progressing on sustainability
New sustainability strategic priorities and GHG emissions reporting

1) Underlying EBITDA and NPAT excludes costs incurred in pursuit of acquisitions, restructuring, costs associated with the cyber incident, IT SaaS implementation costs and amortisation of acquired intangibles
2) Represents 85% of cash NPAT

02

Delivering on our strategy

Expanding in Asia, pursuing growth in ANZ

Key business development initiatives targeting organic growth

Organic growth

Expanding in Asia:

- In May, IPH announced the establishment of a new team and office in Manila, Philippines, expanding IPH's presence to 10 IP jurisdictions.
- The new Manila office is the 10th office for Spruson & Ferguson across the Asia Pacific region, and the 7th in Asia.

Business Development initiatives in AU & NZ, specifically:

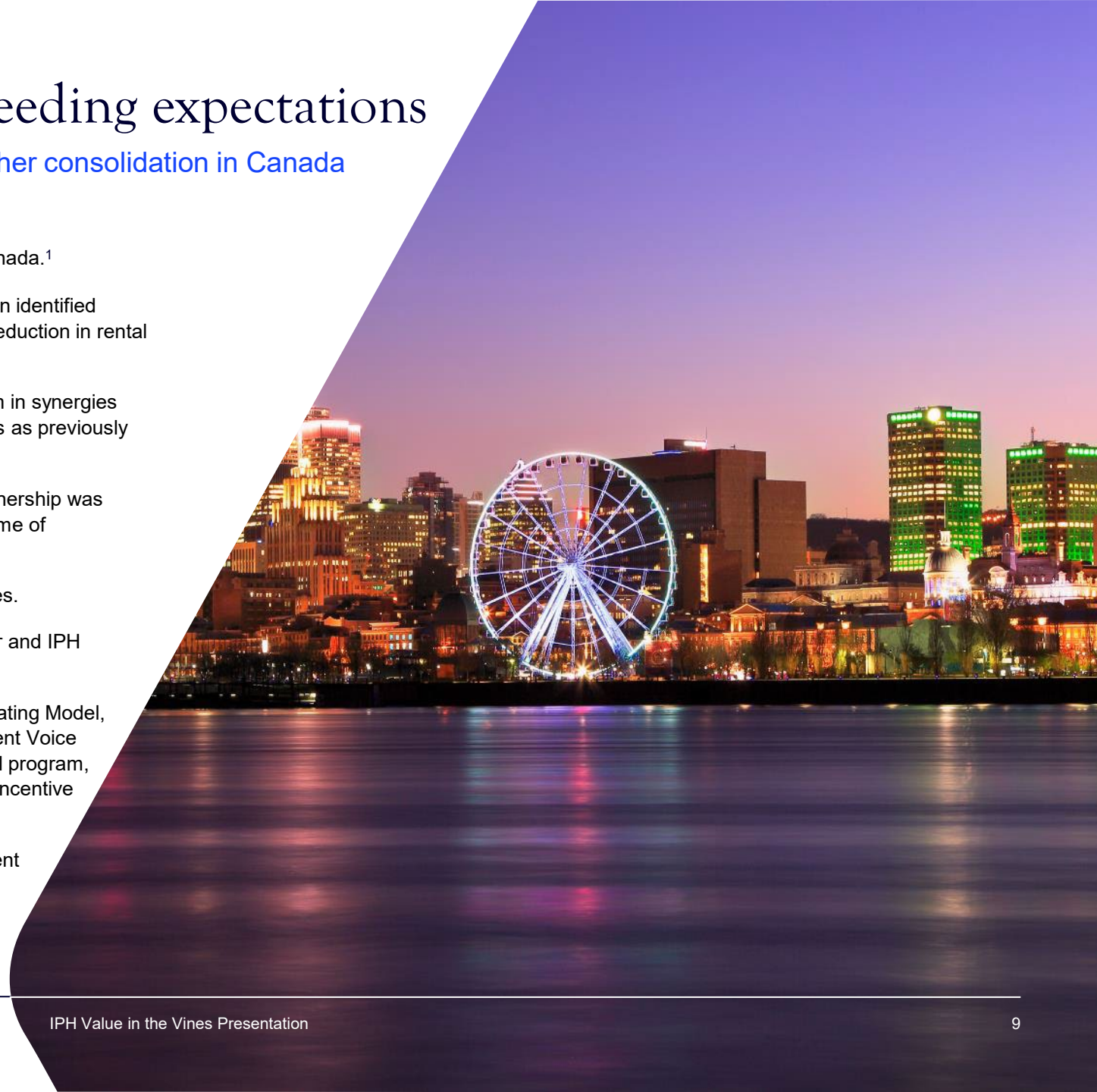
- Tailored BD plans for Practice Groups and individual fee earners
- Client plans for top 30-50 clients
- Kick-off FY24 BD focus program with incentive plans rewarding fee-earner BD activity
- Roll out of Client Relationship Management to enhance client interactions
- Sales playbooks for member firms

Smart & Biggar performance exceeding expectations

Enhances IPH's international network with opportunity for further consolidation in Canada

Consolidate acquisitions

- Smart & Biggar is the number one patent filer in Canada.[1]
- Initial synergies of in excess of CAD 3.0m have been identified since acquisition (of which c. CAD 1.0m relates to reduction in rental charges below the EBITDA line).
- Clear pathway has been developed to realise $4-6m in synergies (inclusive of rental savings) over the first three years as previously advised to the market.
- Revenue for FY23 of CAD 87m for the period of ownership was ahead of the annualised pro forma revenue at the time of acquisition.
- Legal services represented 29.8% of service charges.
- Generating c. 220 referrals between Smart & Biggar and IPH offices in Asia Pacific in FY23. [2]
- IPH operational capabilities now in place: IPH Operating Model, new Smart & Biggar executive leadership team, Client Voice Survey, high-level IT roadmap, member firm referral program, Group Employee Incentive Plan (EIP), Short-Term Incentive Payment (STIP) and learning program.
- FY23-25 strategy focused on creating an environment where our people flourish; with profitable client growth and strong national alignment, as part of the IPH group.



1) IPH Management estimate of patent filing market share for CY19-CY22 YTD June, based on CIPO bulk dataset as at approximately June 2023.
2) Case referrals to/from Smart & Biggar and IPH offices in Asia, Australia and New Zealand in FY23, based on internal data.

Canadian IP firm Ridout & Maybee to join Smart & Biggar and IPH

Further consolidates IPH presence in Canadian IP market and consistent with growth strategy

Growth step-outs

SMART & BIGGAR + Ridout & Maybee LLP

CANADA'S INTELLECTUAL PROPERTY AND TECHNOLOGY LAW FIRM

Highlights:

- Total purchase consideration for the transaction is approximately CAD 65m (c. AUD 74m).
- The transaction is consistent with IPH's strategy to pursue growth opportunities in secondary IP markets.
- Following the successful acquisition of Smart & Biggar in October 2022, this transaction further consolidates IPH's presence in the Canadian IP market.
- The agreement brings together two leading Canadian IP firms and their highly qualified and experienced IP teams into one combined firm, which will operate under the Smart & Biggar brand.
- Ridout & Maybee is a well-known Canadian IP firm, with more than 30 high quality IP professional staff working from Toronto, Ottawa and Burlington offices.
- In 2022, Ridout & Maybee filed more than 2,800 patents and 1,000 trademarks for its clients which include large multi-national corporations, universities, government agencies, start-ups and individual inventors.
- The transaction is expected to be underlying EPS accretive in the first full year of ownership.
- The transaction structure and consideration achieves ongoing alignment between vendor partners and the group including via share issuance and minimum term employment agreements (generally for four years).

Our strengthened **commitment to sustainability**

Refreshed sustainability strategic priorities and stronger environmental impact measurement

Governance, Privacy & Data Security

Manage risk effectively, maintain transparency and drive successful outcomes.

- **Comprehensive corporate governance framework of policies and practices**
- **IPH Board and Board Committees: Audit Committee; People, Remuneration and Nominations Committee; and Risk Committee; and establishment of new Projects Committee**
- **Robust risk management framework, including ongoing staff training**
- **Data security 24/7 monitoring system enhanced**

Client Experience

Deliver exceptional client service through the expertise of our people and strength of our network.

- **Leverage Client Relationship Management to enhance client interactions**
- **Continue Global Client Feedback Program and Net Promoter Score (NPS) measurement**
- **Deliver new initiatives to foster client centric culture**

Impact & Innovation

Elevate sustainable innovators and minimise our own footprint.

- **Deliver scope 1-3 GHG emissions reporting**
- **Carbon reduction roadmap by 2025**
- **Develop impact program supporting climate innovators.**

Diversity, Equity & Inclusion

Close opportunity gaps to ensure equitable access.

- **Women represent 50% of the IPH Board, 30% of Senior Executive and Principal roles and 55% of other fee earners**
- **76 promotions across the group, with 67% of fee earners promoted in FY23 being women**
- **New partnership commenced with DeadlyScience as part of our commitment to reconciliation**

Education & Training

Build a culture of continuous and holistic learning and development.

- **3,200+ hours of staff development training across the group in FY23**
- **1,200+ hours of content delivered through our IPH Professional Development Workshops in FY23**
- **AUD$570k+ to support 64 trainees to complete their Masters of IP**

Wellbeing & Flexibility

Create healthy, flexible and engaged teams, built on autonomy and trust.

- **Hybrid working policy remains in place since FY22, with the vast majority of our workforce currently working flexibly**
- **Partnership with Assure (AU, NZ) and HumanaCare (Canada) providing comprehensive range of resources, including free professional and confidential counselling services**

03

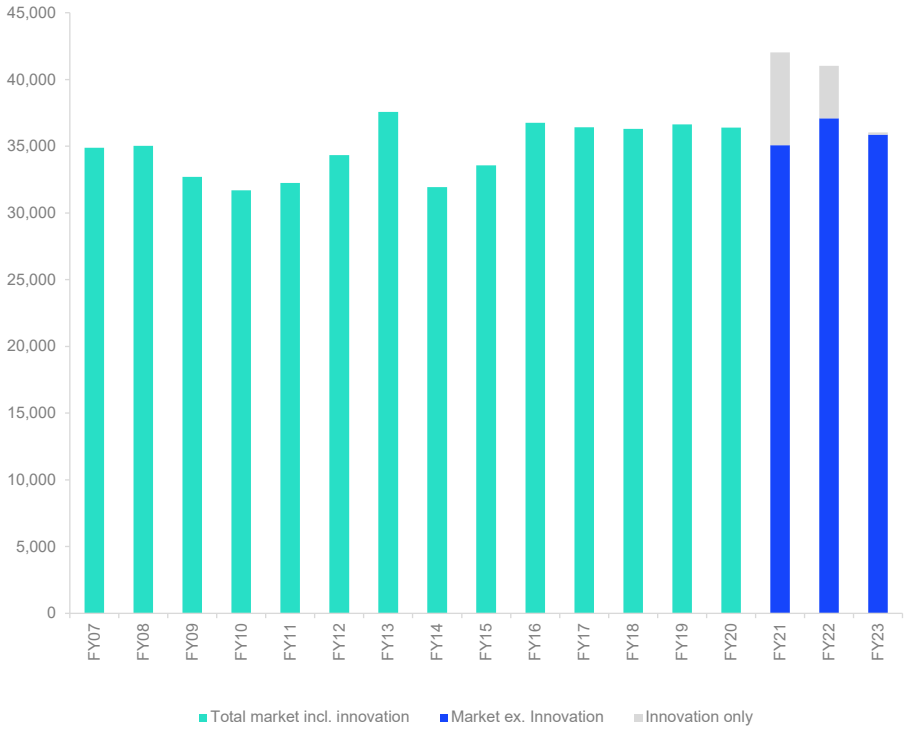
Patent market trends

Patent market **trends**

Long-term trends stable

Australian Patent Filings[1]

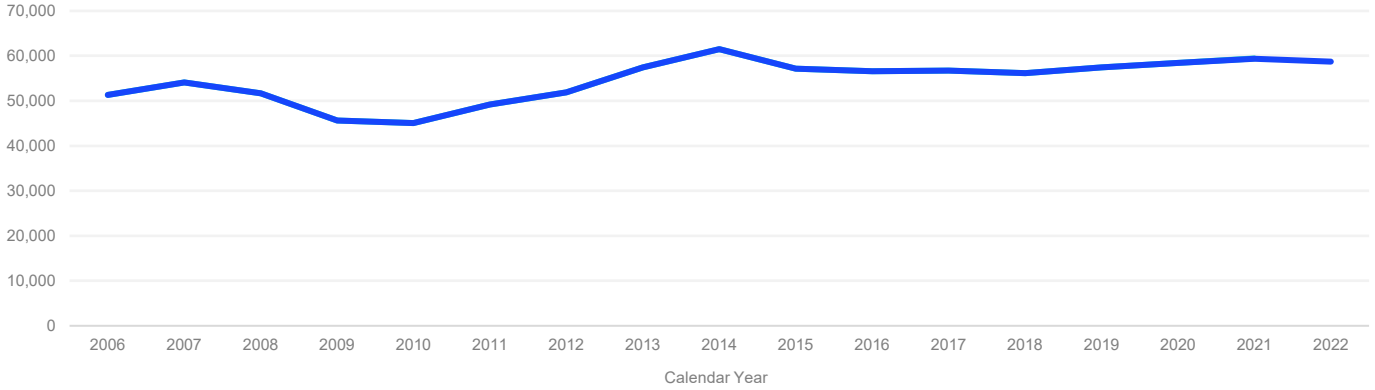
CAGR 15 Year (FY08 to FY23) = **0.2%**
CAGR Post-GFC (FY10 to FY23) = **1.0%**



1) Management estimate based on IP Australia filing data as at 16/7/23 (FY23), 1/8/22 (FY22), 13/7/21 (FY21), 14/7/20 (FY20), 1/8/19 (FY19) and 3/8/2018 (FY18). Filings for all years include innovations which ceased in August 21.

US PCT Applications[2]

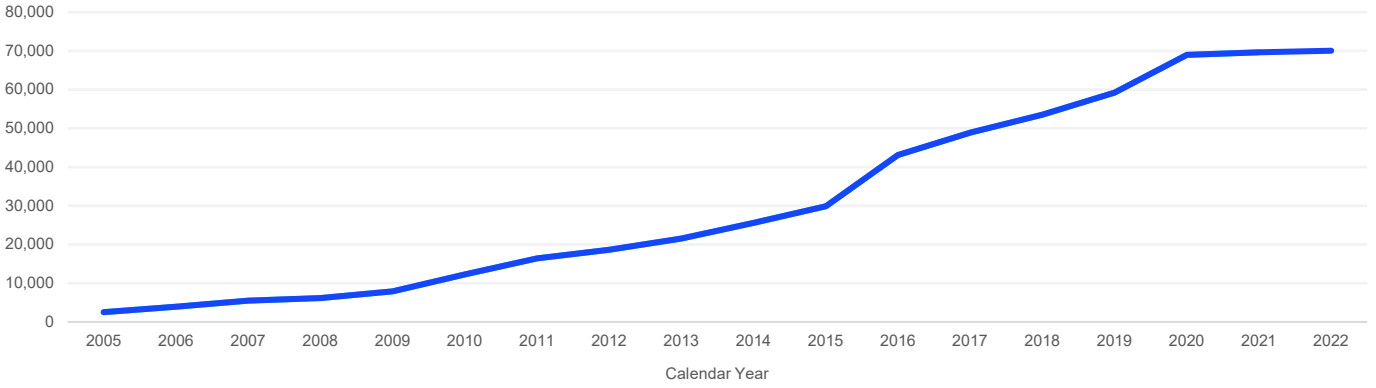
CAGR 15 Year (CY07 to CY22) = **0.6%**
CAGR Post-GFC (CY10 to CY22) = **2.2%**



2) PCT applications originating from US filed at any receiving office by filing date from WIPO IP Statistics Data Center as at 21/7/23.

China PCT Applications[3]

CAGR 15 Year (CY07 to CY22) = **18.5%**
CAGR Post-GFC (CY10 to CY22) = **15.6%**



3) PCT applications originating from China filed at any receiving office by filing date from WIPO IP Statistics Data Center as at 21/7/23.

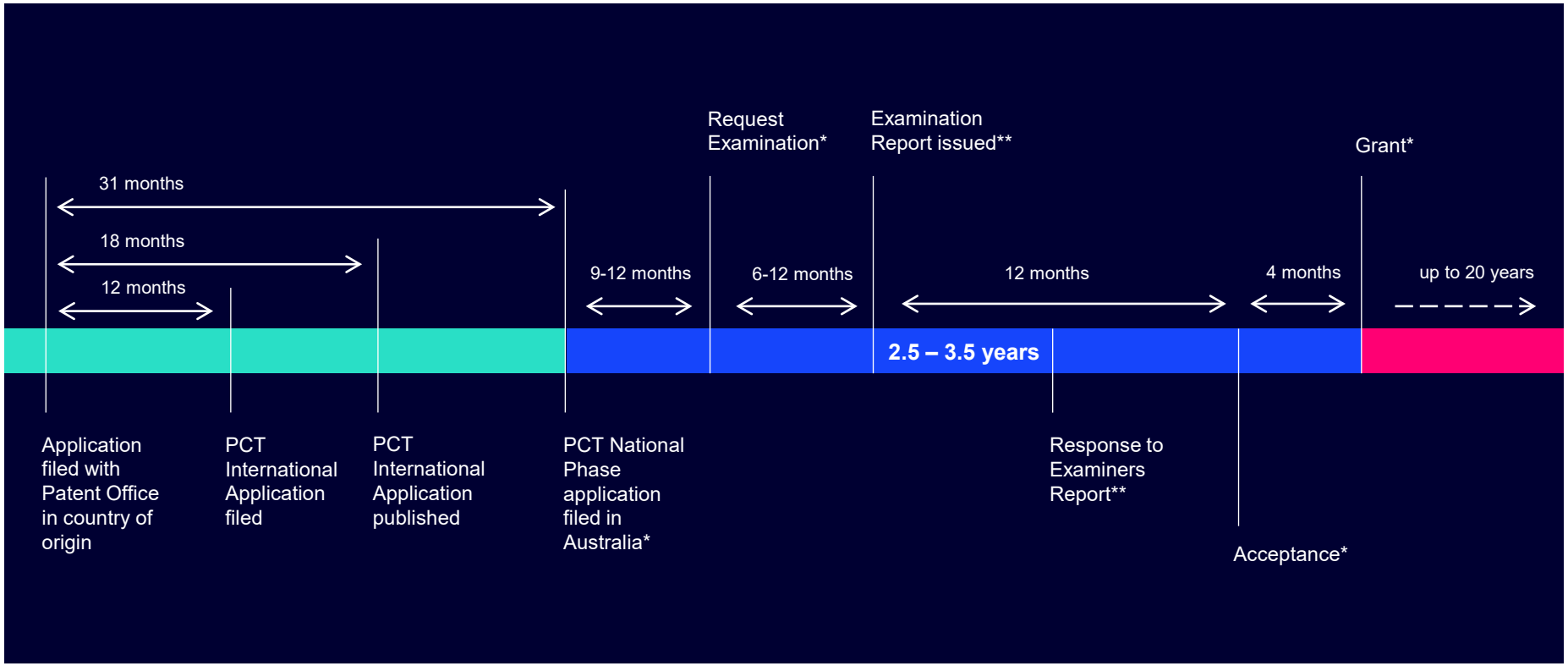
Patent lifecycle

Long-life cycle supports consistent revenues and earnings

Each year more than half+ of the total patent applications filed in Australia come through the PCT system in the form of PCT National Phase patent applications.

- The process from filing the Australian application (or entering the Australian national phase) to grant of a patent typically takes 2.5-3.5 years.
- Patents can be renewed by paying official renewal fee annually up until the expiry of the patent 20 years from the filing date of PCT International Application.

Typical (indicative) foreign patent route in Australia



+ Management estimate based on PCT National Phase entries from IP Australia filing data FY19 to FY23.

* Revenue event – typically flag fall.

** Revenue event – typically combination of flag fall and hourly charges

04

Looking ahead to FY24

Summary and Priorities for FY24

Leveraging our enhanced platform for further growth

- Maintain stability and drive organic revenue growth in Australian / NZ business
- Continue to assess complementary acquisition opportunities in Canada and other core secondary IP markets:
  - In Canada, a number of further consolidation opportunities exist to expand patent market share, each in the region of c. 4-7% of the Canadian patent market.
  - In discussions with parties regarding potential opportunities, with one announced (Ridout & Maybee), and another being actively pursued.
  - Continuing to pursue other acquisition opportunities and involved in discussions in relation to such opportunities.
- Focus on restoring growth in Asia
- Leverage Smart & Biggar presence across the international network and drive referrals
- Review operating model to ensure future state capability of the expanding IPH group

Thank you

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