



ASX Announcement

3 May 2017

Presentation by David Griffith to the Macquarie Australia Conference

Attached is a presentation to be given this afternoon by IPH's CEO & Managing Director, David Griffith to the Macquarie Australia Conference 2017.

For more information, please contact:

David Griffith, CEO & Managing Director
John Wadley, Chief Financial Officer
Ph: +61 2 9393 0301

About IPH Limited

IPH Limited ("IPH", ASX:IPH), the holding company of Spruson & Ferguson, Practice Insight, Fisher Adams Kelly Callinans, Pizeys and Cullens, 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, Singapore, Kuala Lumpur, Jakarta, Shanghai, Beijing, Hong Kong and Bangkok. The group comprises a multidisciplinary team of approximately 470 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 Presentation

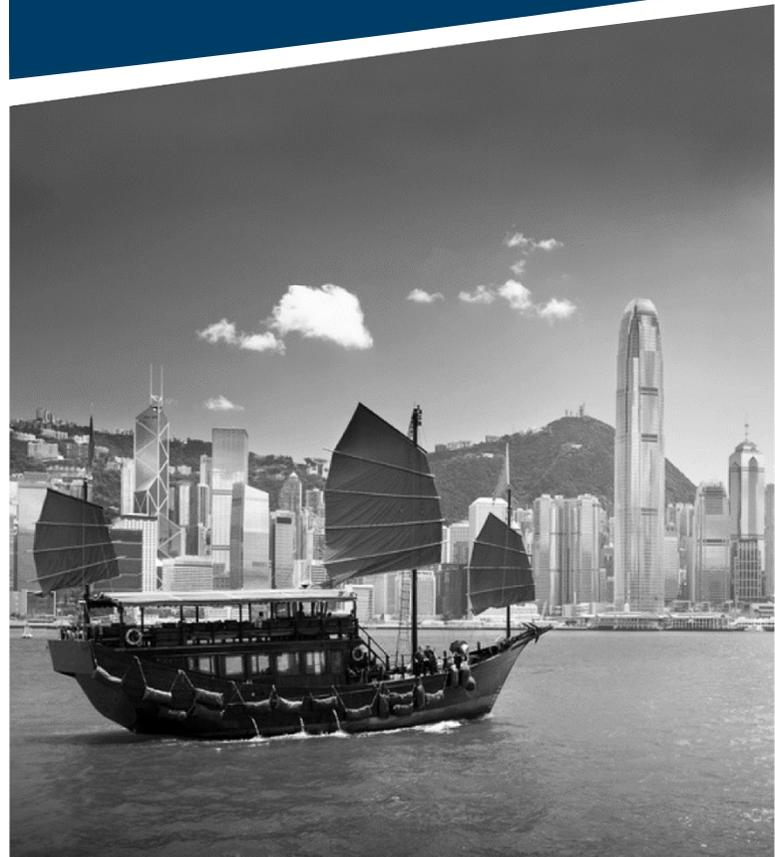
Macquarie Australia Conference

3 May 2017

David Griffith – CEO & Managing Director, IPH Limited

Dr. Andrew Blattman - CEO, Spruson & Ferguson

John Wadley - Chief Financial Officer, IPH Limited



Disclaimer



This document has been prepared by IPH Limited (IPH) and comprises written materials/slides for a presentation concerning IPH.

This presentation is for information purposes only and does not constitute or form part of any offer or invitation to acquire, sell or otherwise dispose of, or issue, or any solicitation of any offer to sell or otherwise dispose of, purchase or subscribe for, any securities, nor does it constitute investment advice, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any or contract or investment decision.

Certain statements in this presentation are forward looking statements. You can identify these statements by the fact that they use words such as “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “may”, “assume” and words of similar import.

These forward looking statements speak only as at the date of this presentation. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward looking statements.

No representation, warranty or assurance (express or implied) is given or made by IPH that the forward looking statements contained in this presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct. Except for any statutory liability which cannot be excluded, IPH and its respective officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the forward looking statements and exclude all liability whatsoever (including negligence) for any direct or indirect loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission therefrom.

Subject to any continuing obligation under applicable law or relevant listing rules of the ASX, IPH disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of IPH since the date of the presentation.

IPH Overview



- IPH Limited (“IPH”) listed on the ASX in November 2014. On 11 March 2016 IPH was included in the S&P/ASX 200 index.
- IPH is the holding company of Spruson & Ferguson, Fisher Adams Kelly Callinans, Pizzeys, Cullens and Practice Insight employing a highly skilled multidisciplinary team of over 450 people in Australia, Singapore, Malaysia, Thailand, Indonesia, China, Hong Kong and Germany.
- **Core business:** provision of intellectual property (IP) services in Asia-Pacific and other countries;
 - business of patent and trade marks attorneys (not to be confused with any other profession);
 - in Australia, registration as a patent attorney requires a degree qualification in science or engineering, IP courses at university, in practice for 2 year minimum period and statement of skills from experienced attorney;
 - IPH patent attorneys service technology clients from around the world;
 - clients are “sticky” to the business, not to the individuals; and
 - low WIP and short cash conversion cycle.

HY17 Financial Highlights

Underlying NPAT increase of 17% on HY16



- Underlying¹ NPAT of \$26.6m, 17% ahead of HY16.
- Underlying EPS³ of 13.9c, 3% increase on HY16.
- Australia IP like vs like (ie constant currency, excl. acquisitions) earnings growth of 6%.
- Asia IP revenue / earnings below HY16, spike in filings caused by the America Invents Act normalising.
- Incremental \$7.3m EBITDA from acquisitions.
- Continued development expenditure on Data and Analytics Software business with 1H sales in line with expectations.
- Free cash flow⁴ of \$23.1m.
- Cash of \$32.2m, (currently circa \$23m) no debt and \$95m undrawn bank facilities.
- Interim Dividend of 11.5c per share (100% franked) declared; The DRP was activated.

Statutory Results (\$'m)	HY17	HY16	Chg %
Revenue ²	\$93.1	\$76.2	22.3%
EBITDA	\$35.1	\$29.3	19.8%
NPAT	\$22.1	\$18.5	19.5%
EPS (Diluted)	11.5c	10.9c	5.8%

Underlying Results (\$'m) ¹	HY17	HY16	Chg %
Revenue ²	\$93.1	\$76.2	22.3%
EBITDA	\$36.4	\$32.1	13.3%
NPAT	\$26.6	\$22.8	16.6%
EPS (Diluted)	13.9c	13.4c	3.3%
Total Dividends	11.5cps	11cps	5.0%

Notes:

1. Underlying EBITDA excludes costs incurred in pursuit of acquisitions, revaluations of deferred settlements & earn outs, new business establishment costs and accounting charges for share based payments. Underlying NPAT excludes amortisation expense on intangible assets arising from acquisitions.
2. Revenue includes the gross amount of the reimbursement by clients of official filing fees paid to national bodies. Previously these fees were recorded on a net basis. HY16 revenue has been increased by \$7.2m for comparison. This change does not impact EBITDA nor NPAT.
3. Diluted EPS includes retention & performance rights issued but unvested and estimated potential shares in relation to acquisition earn out settlements.
4. Operating cash flow before acquisitions and financing activities.

Australia

Focusing on maintaining market position and improving efficiencies



- ☑ As a group IPH holds No.1 patent (22% market share) and trademark (13% “qualified” market share) market position in Australia¹.
- ☑ Spruson & Ferguson, as an individual firm, maintained No.1 patent market position in Australia¹.
- ☑ Focus on improving efficiencies across the group.
- ☑ The merger of the legacy Fisher Adams Kelly and Callinans businesses has led to margin growth.

Asia

Strategic leverage of existing IPH infrastructure in Asia



- ☑ IPH and Spruson & Ferguson (Asia) maintain No.1 patent market position in Singapore¹.
- ☑ Filing patterns continuing to normalise in Asia (and Australia) post the impact of the America Invents Act (AIA) in FY16.
- ☑ Focus on growth and development of the new Thailand, Indonesian and Hong Kong / China offices.
- ☑ Building up flow of cases from Australian businesses into Asian operations.
- ☑ Beginning to develop the pathway into China:
 - 38.1% of all patent applications filed in the world in 2015 were filed in China²
 - “the average annual growth in revenue of IP service industry will be 20%³”

Notes:

1. CY16 as at 31 Dec 2016

2. Source: WIPO, World IP Facts and Figures 2016, http://www.wipo.int/edocs/pubdocs/en/wipo_pub_943_2016.pdf, Geneva, 2016 (page 11)

3. Source: SIPO, <http://english.sipo.gov.cn/specialtopic/>, 25 January 2017

Data and Analytics Services

Continued investment, new product launch and new clients wins



Products (SaaS model):

- **Filing Analytics:** powerful market and competitor analysis tool in IP for private IP practices and IP owners.
- **Citation Eagle: (formerly Licencing Alerts)** tool for identification of possible IP infringement, opposition and licensing opportunities for private IP practices and IP owners.
- **WiseTime:** automatic time capture and authentication software for businesses offering flexible working arrangements, professional services and freelance professionals. (launch Q4 FY17)
- **Document Management System (DMS)** for IP practices.



Past 12 months:

- Achieved strong customer satisfaction with retention rates of 98% and usage statistics attesting daily engagement with the products.
- Signed new sales contracts with signature clients, including a major Top 3 Government Patent Office, with high potential for growing these accounts and cross-selling other PI products.
- Successfully launched Citation Eagle strengthening the product suite and revenue opportunity from private IP practices and IP owners.

Next 12 months:

- Accelerate company growth, specifically in Asia, and capitalize on strong growth IP activities through strategic sales partnerships (China, Japan, Korea, and Taiwan) and direct hires in Europe and North America

Corporate

Frequently Asked Questions



Escrow sell-down

- ✓ The successful sell-down of 30M escrowed shares by certain former Trustees of the Spruson & Ferguson business in November 2016 and further trading in the recent window has reduced the amount held by former S&F Trustees to c44m shares (23% of shares on issue). These shares are not escrowed, however are subject to the Group's trading policy.
- ✓ Management continue to hold significant balances which is a strong vote of confidence in IPH.
- ✓ A number of smaller escrows are due to be released over the next 12 months representing less than 8% of the shares on issue

Principals' retention

- ✓ New structure has created new financial and career development opportunities for professional staff. The Group has not seen any pressure on remuneration and retention outside of historical norms. Greater emphasis on performance based remuneration.

Acquisitions

- ✓ IPH continues to evaluate acquisition opportunities in international secondary markets, with a number of opportunities at different stages of progression.

Thank You



Questions?