

ASX Announcement

18 August 2022

FY22 Investor Briefing Presentation

Attached is a copy of the IPH Limited FY22 Investor Briefing Presentation.

This will be presented at an analyst/shareholder briefing at 10.30am (AEST). The briefing will be webcast and accessible on the IPH website at www.iphltd.com.au

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The Board of Directors

About IPH Limited

IPH is the Asia Pacific's leading intellectual property services group, comprising a network of member firms working in eight IP jurisdictions and servicing more than 25 countries. The group includes leading IP firms AJ Park, Griffith Hack, Pizeys and Spruson & Ferguson and online IP services provider Applied Marks. IPH employs more than 900 people working in Australia, China, Hong Kong SAR, Indonesia, Malaysia, New Zealand, Singapore and Thailand.



FY22 results Smart & Biggar to join IPH

18 August 2022

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01

FY22 highlights



Establishing a strong platform for future growth

Leveraging the power of the IPH network to deliver a strong result

Underlying EBITDA¹
\$137.4m

11% 



Delivering on our growth strategy

Canada's leading IP agency firm, Smart & Biggar to join IPH

Referrals from acquired companies into IPH Asia business²

4.5% 



Successfully integrated Shelston IP and Spruson & Ferguson Australia

Strengthening the largest IP firm in Australia

Full year dividend
(30.5 cents per share)³

3.4% 



Announced record number of Principal promotions

Including 50% increase in female Principal appointments from FY21

1) Underlying EBITDA excludes costs incurred in pursuit of acquisitions, restructuring, accounting charges for share-based payments, impairment and IT SaaS implementation costs

2) New case referrals from acquired ANZ businesses to IPH Singapore & China/Hong Kong based on internal filing data.

3) Represents 87% of cash NPAT



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FY22 results



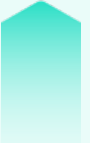
Financial overview

Strong Underlying Result assisted by currency benefit


Revenue
\$385.1m

6% 

Final Dividend¹
16.0 cents per share (50% franked)

3% 


EBITDA
\$115.9m

2% 

Underlying EBITDA²
\$137.4m

11% 


Statutory NPAT
\$52.6m

2% 

Underlying NPAT²
\$86.7m

14% 

Diluted EPS
24.0 cents per share

3% 

Underlying Diluted EPS
39.5 cents per share

12% 



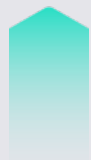




1) Total FY dividend represents 87% of cash NPAT

2) FY22 Underlying EBITDA and NPAT excludes costs incurred in pursuit of acquisitions, restructuring, accounting charges for share-based payments, impairment, IT SaaS implementation costs and amortisation of acquired intangibles



Asia delivers double digit earnings growth on like-for-like basis

Organic growth and integration synergies drive like-for-like growth

Australia – New Zealand	Asia	Group
Revenue 1% 	Revenue 10% 	Revenue 2% 
EBITDA 1% 	EBITDA 10% 	EBITDA 2% 
EBITDA margin 2% 	EBITDA margin — 	EBITDA margin — 

1) Like for like Revenue and Underlying EBITDA adjusted for the impact of acquisitions, movements in realised and unrealised foreign exchange and performance had the prior year's exchange rates applied



Underlying Results

Underlying EBITDA \$137.4m up 11% assisted by organic growth and currency benefit

	FY22 Statutory Income Statement	Adjustments	Underlying Earnings FY22 ²
Total revenue	385.1		385.1
Recoverable expenses	(103.4)		(103.4)
Compensation	(123.4)	4.9	(118.5)
Occupancy	(1.8)		(1.8)
Restructuring / acquisitions related expenses	(7.9)	7.9	0.0
Impairment of intangible assets	(6.8)	6.8	0.0
Other	(25.9)	1.9	(24.0)
Total expenses	(269.2)		(247.7)
EBITDA	115.9		137.4
EBITDA %	30.1%		35.7%
Depreciation & Amortisation	(39.5)	22.8	(16.7)
EBIT	76.4		120.7
Finance Costs	(4.7)		(4.7)
NPBT	71.7		116.0
Tax (expense)/benefit	(19.1)	(10.2)	(29.3)
NPAT	52.6	34.1	86.7
Diluted EPS (cents)¹	24.0c		39.5c

1) Diluted EPS includes performance rights that are yet to vest.

2) FY22 Underlying EBITDA and NPAT excludes costs incurred of pursuit of acquisitions, restructuring, accounting charges for share-based payments, impairment, IT SaaS implementation costs and amortisation of intangibles.

Adjustments	Millions
Share based payments expense	(4.9)
Restructuring / acquisitions related expenses	
Business acquisition costs	(3.7)
Write down of Right of Use asset and fitout	(2.4)
Restructuring costs	(1.8)
Impairment of intangible assets	
Impairment of Shelston IP Brand	(4.6)
Divestment of Practice Insight	(2.2)
IT SaaS implementation costs	(1.9)
Total	(21.5)



Cash flow statement

IPH continues to generate excellent cashflow with cash conversion of 100%

- Cash conversion of 100% reflects strong collections
- Cash flow supports high dividend payout (87% of cash NPAT for the year)
- Strong balance sheet with leverage ratio of 0.3 times
- The cash impact of adjustments to underlying EBITDA of \$21.5M, is \$7.9M

Key Metrics at 30 June 2022	
Cash on hand	\$88m
Drawn debt	\$118.5m
Net debt	\$30.5m
Leverage ratio (Net debt / 12 month EBITDA)	0.3 times
Debt maturity	July 2024
Cash conversion for year ended 30 June 2022	100%

	FY22 Cash Flow Statement	FY21 Cash Flow Statement
\$'m		
Statutory EBITDA	115.9	113.3
Non-cash movements		
Change in working capital	7.7	5.7
Operating capital expenditure	(7.2)	(6.2)
Cash flow before acquisitions, financing activities and tax	116.4	112.8
Cash conversion ratio	100%	100%
Income taxes paid	(24.0)	(20.4)
Net interest paid	(4.7)	(6.0)
Free cash flow	87.7	86.4
Dividends paid (net DRP)	(57.7)	(49.9)
Undistributed free cash flow	30.0	36.5
Acquisitions, investments & intangibles	(5.0)	(4.7)
Lease payments	(11.0)	(11.1)
Net borrowing proceeds/(repayments)		(32.4)
Net cash flow	14.0	(11.7)



Share based payments

Share based payments expense will be recognised in Underlying EBITDA from FY23

Presently share based payments expense is excluded from underlying EBITDA.

From FY23 onwards, consistent with market practice it will no longer be shown as a non-underlying expense but included in underlying EBITDA.

For reference, the table below illustrates the share based payment expense for the past 3 years.

It is split between the cost related to the IPH Executives LTIP and that paid to our fee earning staff. Half of the yearly STIP for the relevant fee earning staff is paid in equity, then escrowed for 2 years.

\$'000s	FY20	FY21	FY22
Fee Earning Staff	805	1,951	2,947
IPH Executives	1,375	1,627	1,508
SBP Expense	2,180	3,578	4,850

Based on previous vesting experience and awards to be offered in the FY23 year, the estimated expense is \$5.5m



03

Smart & Biggar to join IPH



Smart & Biggar to join IPH

IPH has reached agreement to acquire the IP agency practice of Smart & Biggar, which will hold an interest in the legal practice of Smart & Biggar, as permitted by Canadian regulation.

Highlights

Smart & Biggar, Canada's leading Intellectual Property (IP) agency firm will join the IPH group for consideration of CAD 348m (AUD 387m¹)

A significant strategic transaction for IPH, further delivering on its vision to be the leading IP services group in secondary IP markets

Highly complementary, Smart & Biggar has a leading market position in Canada, high quality professionals, exceptional reputation and rich heritage

The first IP agency firm in Canada to join a publicly listed IP group

The Canadian IP market is very similar to Australia in terms of size, governance and legal system

Expected underlying² EPS accretion of approximately 10% in the first full year of ownership

Provides a platform for IPH to participate in further growth opportunities

The transaction is expected to complete in September 2022

1) AUD:CAD as at 17 August 2022
2) Consistent with the IPH group calculation of underlying EBITDA which excludes costs incurred in pursuit of acquisitions, restructuring, accounting charges for share-based payments, impairment and IT SaaS implementation costs



Transaction summary

A compelling transaction for IPH, its clients, employees and shareholders

Smart & Biggar

- Smart & Biggar is Canada's leading IP firm by number of patent filings, filing over 6,200 patents and over 1,800 trade marks in 2021¹
- Smart & Biggar is a full service IP firm servicing large multinational corporations, universities, start-up companies and Canadian entrepreneurs
- Smart & Biggar recorded revenue of CAD 88.4m (AUD 96.3m) for the 12 months to June 2022^{2, 3}
- IPH will undertake the transaction by acquiring a new Quebec limited partnership that will conduct the business of the IP agency of Smart & Biggar and will own an interest in a new Quebec limited liability partnership formed by former Smart & Biggar partners that will acquire the legal practice of Smart & Biggar, in compliance with Quebec regulation

Year founded	1890
Core services	<ul style="list-style-type: none">• Patent• Trade mark• Industrial design• IP legal services
Patent filings (CY21)	>6,200 ¹
Patent filing market share (local market) (CY21)	>16% Canada #1 market position ⁴

1) Management estimate based on Smart & Biggar internal filing data.

2) Average AUD:CAD for the 12 months to June 2022

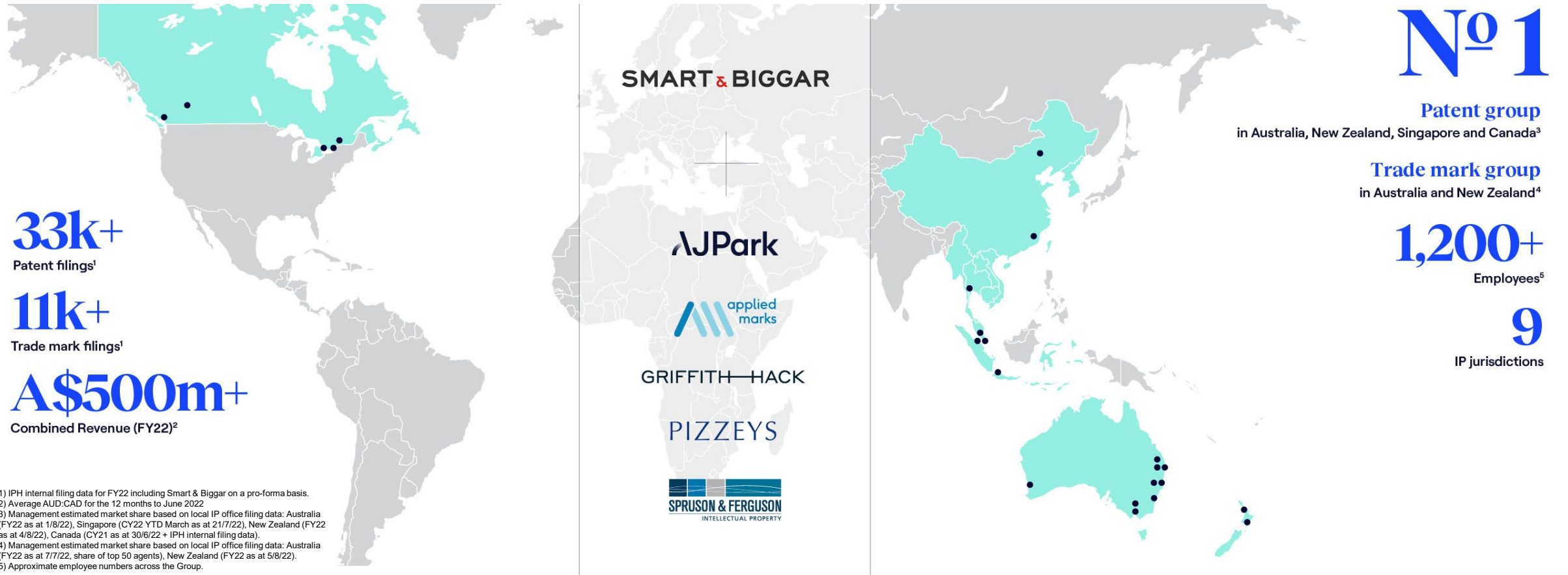
3) Smart & Biggar currently records disbursement income and expense (ie the payment of patent office fees and third party lodgement fees) on a "net" basis, whereas IPH group reporting practices presents these amounts on a "gross" basis (ie separate amounts in revenue and expenses). Post transaction Smart & Biggar will adopt the IPH group reporting practice.

4) Management estimate of market share based on Smart & Biggar internal filing data and CIPO published production statistics.



Realising our vision

A significant strategic transaction for IPH, further delivering on its vision to be the leading IP services group in secondary IP markets



Transaction consideration

Consideration

- The consideration for the acquisition is CAD 348m (AUD 387¹)
- Represents a multiple of approximately 10x pro forma adjusted Smart & Biggar EBITDA for the 12 months to June 2022²

Cash consideration	<ul style="list-style-type: none"> • Upfront cash consideration of CAD 241m;
IPH share issuance	<ul style="list-style-type: none"> • Initial issue of 5.3m new IPH shares with a value of CAD 41m (escrowed for two years) (representing 2.4% of existing shares on issue)³; and • Deferred issue of new IPH shares (earn-out consideration) up to a value of CAD 66m (escrowed for two years)⁴ • The deferred earn-out consideration, capped at CAD 66m of new IPH shares, is payable dependent on the extent that Smart & Biggar's earnings in CY2022 or CY2023 outperform agreed thresholds broadly in-line with its pre-COVID earnings levels in CY2019⁴. The earn-out could be achieved in full or part in either of those years and any deferred earn-out consideration is payable by issue of new IPH shares within 30 days following determination of the earn-out. The earn-out will be payable at an amount of 11x the excess earnings (Smart & Biggar EBITDA as it currently reports adjusted for pro forma partner salaries), up to the cap of CAD 66m • In addition to the earn-out, there is potential for a further share based payment of CAD 2.4m to certain non-vendors, contingent upon the same conditions as the earn-out and continuing employment

1. AUD:CAD as at 17 August 2022
2. Pro forma adjusted EBITDA is calculated as Smart & Biggar's reported earnings before interest, depreciation and amortisation before partner draws, (on a pre-IFRS-16 basis), adjusted for estimated pro forma partner base salaries (excluding any incentive payments) (to date partners receive profit drawings rather than salaries) and the estimated impact of IFRS-16
3. IPH shares issued as a part of the upfront consideration will be escrowed for two years from completion subject to certain exceptions. These shares will be issued at a price of AUD\$8.51 per share, being the 20 day VWAP to 17 August 2022
4. IPH shares issued as a part of the potential earn-out will be escrowed for two years from the start of the calendar year following the calendar year in which the relevant earn-out was achieved, subject to certain exceptions. Any such shares will be issued at a price equal to the 20 day VWAP of IPH shares ending on the last trading day of the year in which the relevant earn-out was achieved



Financial impact and funding

Compelling financial benefits for IPH shareholders

Financial impact

Earnings	<ul style="list-style-type: none">Expected underlying¹ EPS accretion of approximately 10% in the first full year of ownership
Synergies	<ul style="list-style-type: none">Cost savings of approximately \$4-6m expected to be achieved over the first three years post acquisitionPlatform established for future consolidation opportunities
Funding	<ul style="list-style-type: none">Acquisition consideration will be funded with debt facilities, cash reserves and the issuance of IPH sharesIPH has agreed amended debt facilities with its existing bank financiers as a part of the transaction. IPH's pro forma total drawn debt post transaction will be approximately AUD 390mFollowing the transaction IPH's pro forma group leverage ratio will be 1.8x²At completion of the transaction IPH intends to enter into interest rate hedging for the equivalent of AUD 350m. These interest rate hedges will have varying maturity profiles. The interest rate hedging will provide greater certainty for the Group's interest rate expense in the near term5.3m new IPH shares will be issued upon the transaction, representing 2.4% of existing shares on issue (escrowed for 2 years)³Additional new IPH shares are expected to be issued in the first quarter of calendar year 2023 or the first quarter of calendar year 2024 if earn-out consideration is achieved (escrowed for 2 years)⁴

1) Consistent with the IPH group calculation of underlying EBITDA which excludes costs incurred in pursuit of acquisitions, restructuring, accounting charges for share-based payments, impairment and IT SaaS implementation costs

2) Calculated as IPH drawn debt net of cash as at June 2022 plus estimated additional debt drawn at acquisition as at completion divided by underlying EBITDA for IPH for the 12 months to June 2022 and pro forma adjusted EBITDA for Smart & Biggar for the last twelve months to June 2022. Pro forma adjusted EBITDA is calculated as Smart & Biggar's reported earnings before interest, depreciation and amortisation before partner draws, (on a pre-IFRS-16 basis), adjusted for estimated pro forma partner base salaries (excluding any incentive payments) (to date partners receive profit drawings rather than salaries) and the estimated impact of IFRS-16

3) IPH shares issued as a part of the upfront consideration will be escrowed for two years from completion subject to certain exceptions. These shares will be issued at a price of AUD8.51 per share, being the 20 day VWAP to 17 August 2022

4) IPH shares issued as a part of the potential earn-out will be escrowed for two years from the start of the calendar year following the calendar year in which the relevant earn-out was achieved, subject to certain exceptions. Any such shares will be issued at a price equal to the 20 day VWAP of IPH shares ending on the last trading day of the year in which the relevant earn-out was achieved



Smart & Biggar financial performance

Significant contribution of legal revenue

Financial summary

The financial summary below is based on Smart & Biggar management's unaudited financial accounts for the 12 months to June 2022. Pro forma adjustments have been estimated by IPH for illustrative purposes and have not been audited or reviewed in accordance with Australian Accounting Standards.

CAD m	12M to June 2022
IP agency revenue	60.3
IP legal revenue	28.1
Service charge disbursements ¹	22.5
Total revenue¹	110.9
Operating expenses ¹	(67.9)
Reported EBITDA before partner draws²	43.0
Pro forma adjustments²	
Less: Partner salaries ³	(11.4)
Add: Lease costs (IFRS 16)	2.8
Pro forma adjusted EBITDA	34.4

1) Smart & Biggar currently records disbursement income and expense (ie the payment of patent office fees and third party lodgement fees) on a "net" basis, whereas IPH group reporting practices presents these amounts on a "gross" basis (ie separate amounts in revenue and expenses). Post transaction Smart & Biggar will adopt the IPH group reporting practice.

2) Pro forma adjustments to Smart & Biggar financials provided in this presentation are based on IPH estimates at the date of the presentation, are unaudited, and are provided for illustrative purposes only and is not representative of IPH's future financial performance post ownership of Smart & Biggar and do not include the detailed adjustments required to present Smart & Biggar's financial information in accordance with IPH's accounting and reporting practices. The financial information in this presentation is an abbreviated format and does not represent detailed financial statement reporting as required by the Australian Accounting Standards and the majority of professional reporting requirements applicable to special purpose financial reports prepared in accordance with the Corporations Act

3) Adjusted for estimated pro forma partner base salaries (excluding any incentive payments) Currently Smart & Biggar partners receive profit drawings rather than salaries

Basis of Smart & Biggar financial reporting

Smart & Biggar currently reports on a calendar year basis

Smart & Biggar reports EBITDA before partner draws pre IFRS 16 lease treatment (i.e. pre AASB-16 basis)

Post transaction, Smart & Biggar revenue and EBITDA will be impacted by a number of adjustments including but not limited to:

- Additional expenses including partner salaries (estimated to be approximately CAD 11.4m base salary costs, excluding any potential employee incentive plan costs)
- The accounting impact of the application of IFRS 16 (reduced operating expenses to adjust for lease costs in accordance with IFRS 16, estimated to be approximately CAD 2.8m)
- IP agency revenue represents patent filing, trade mark filing and other IP agency revenue and was approximately 68% of total revenue in the 12 months to June 2022

IP legal revenue represents IP legal advice and IP litigation revenue and was approximately 32% of total revenue in the 12 months to June 2022. This revenue is subject to greater variability based on case load

The Canadian IP services market has experienced similar growth to Australia and is a mature IP market. Accordingly, Smart & Biggar's revenue is expected to grow at similar rates to IPH's Australian revenue for the coming financial year



Management and vendor alignment

IPH has a strong track record of successfully integrating IP services firms into its network

Management

- Smart & Biggar's leadership team has an outstanding international reputation and is well known to IPH
- A Smart & Biggar representative will join the IPH Group Leadership Team
- Smart & Biggar's eligible principals and professional staff will join the IPH group incentive plan providing opportunities for IPH equity ownership and alignment with Smart & Biggar's professional staff on an ongoing basis

Integration to the IPH Group network

- IPH will leverage its existing international network to expand the offering available to Smart & Biggar clients

Vendor alignment

- The transaction structure and consideration achieves ongoing alignment between vendor partners and the group
- Vendor partners may be entitled to earn-out consideration, payable to the extent Smart & Biggar's adjusted earnings for CY2022 and CY2023 outperform agreed thresholds broadly in-line with its pre-COVID earnings levels in CY2019¹
- Partners will receive IPH shares as a part of the upfront and potential earn-out consideration
- IPH shares issued as a part of the transaction will be escrowed for two years subject to certain exceptions
- Smart & Biggar vendor equity partners will generally enter into four year minimum term employment agreements as a part of the transaction

1) IPH shares issued as a part of the potential earn-out will be escrowed for two years from the start of the calendar year following the calendar year in which the relevant earn-out was achieved, subject to certain exceptions. Any such shares will be issued at a price equal to the 20 day VWAP of IPH shares ending on the last trading day of the year in which the relevant earn-out was achieved.



04

Looking ahead for FY23



Summary and Priorities for FY23

Leveraging our enhanced platform for further growth

- IPH is now one of the largest IP services groups in secondary IP markets with an expanded international platform.
- Consolidate and grow our position in our core geographies:
 - > Australia/New Zealand
 - > Asia
 - > Canada
- Continued investment in business development to support member firms to achieve growth targets.
- Harness our digital expertise and capability generate growth and further operational efficiencies.
- Assessment of growth opportunities in IP adjacencies to complement core IP offering.
- Continued operational discipline and focus on further shareholder value creation.



Q&A





Thank you

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Appendix



Like for Like Revenue and EBITDA

10% increase in like for like EBITDA from strong organic growth in Asia and synergies in Australia/NZ

	Underlying Revenue Jun 22	New Businesses ²	Accounting FX Movements ³	Currency Adjustment ⁴	Adjusted Revenue Jun 22	Underlying Revenue Jun 21	Chg%
Australia & NZ IP	286.0	(4.2)	(5.8)	(3.0)	273.0	275.6	(1%)
Asian IP	110.2		(2.3)	(2.2)	105.7	96.1	10%
WiseTime	0.6				0.6	0.4	
Corporate	9.7		2.3		12.1	5.6	
Eliminations	(21.5)		(0.3)		(21.8)	(14.3)	
	385.1	(4.2)	(6.1)	(5.2)	369.6	363.4	2%

	Underlying EBITDA Jun 22 ¹	New Businesses	Accounting FX Movements	Currency Adjustment	Adjusted EBITDA Jun 22	Underlying EBITDA Jun 21	Chg%
Australia & NZ IP	103.5	(0.8)	(5.8)	(2.8)	94.1	93.3	1%
Asian IP	51.5		(2.3)	(1.5)	47.7	43.4	10%
WiseTime	(0.5)				(0.5)	(0.4)	
Corporate	(17.1)		2.3		(14.8)	(11.8)	
Eliminations			(0.3)		(0.3)	(0.2)	
	137.4	(0.8)	(6.1)	(4.3)	126.2	124.3	2%

1) FY22 Underlying EBITDA excludes costs incurred of pursuit of acquisitions, accounting charges for share-based payments, impairment and IT SaaS implementation costs.
2) New business represents 3.5 months of Baldwins and results of Applied Marks for the year. Excludes additional contribution generated under IPH ownership.

3) Accounting FX movements represents change in realised and unrealised FX as reported in the financial statements.
4) Currency adjustment represents the performance had the prior period exchange rates applied.



Underlying Results

Underlying EBITDA \$137.4m up 11% assisted by organic growth and currency benefit

	FY22 Statutory Income Statement	Adjustments	Underlying Earnings FY22 ²	FY21 Statutory Income Statement	Adjustments	Underlying Earnings FY21
Total revenue	385.1		385.1	363.5		363.5
Recoverable expenses	(103.4)		(103.4)	(104.5)		(104.5)
Compensation	(123.4)	4.9	(118.5)	(115.1)	3.6	(111.5)
Occupancy	(1.8)		(1.8)	(2.0)		(2.0)
Restructuring / acquisitions related expenses	(7.9)	7.9	0.0	(7.0)	7.0	0.0
Impairment of intangible assets	(6.8)	6.8	0.0	(0.5)	0.5	0.0
Other	(25.9)	1.9	(24.0)	229.1		229.1
Total expenses	(269.2)		(247.7)	(250.2)		(239.2)
EBITDA	115.9		137.4	113.3		124.3
EBITDA %	30.1%		35.7%	31.2%		34.2%
Depreciation & Amortisation	(39.5)	22.8	(16.7)	(37.5)	21.6	(15.9)
EBIT	76.4		120.7	75.8		108.4
Finance Costs	(4.7)		(4.7)	(5.9)		(5.9)
NPBT	71.7		116.0	69.9		102.5
Tax (expense)/benefit	(19.1)	(10.2)	(29.3)	(16.3)	(10.0)	(26.3)
NPAT	52.6	34.1	86.7	53.6	10.9	76.2
Diluted EPS (cents)¹	24.0c		39.5c	24.7c		35.2c

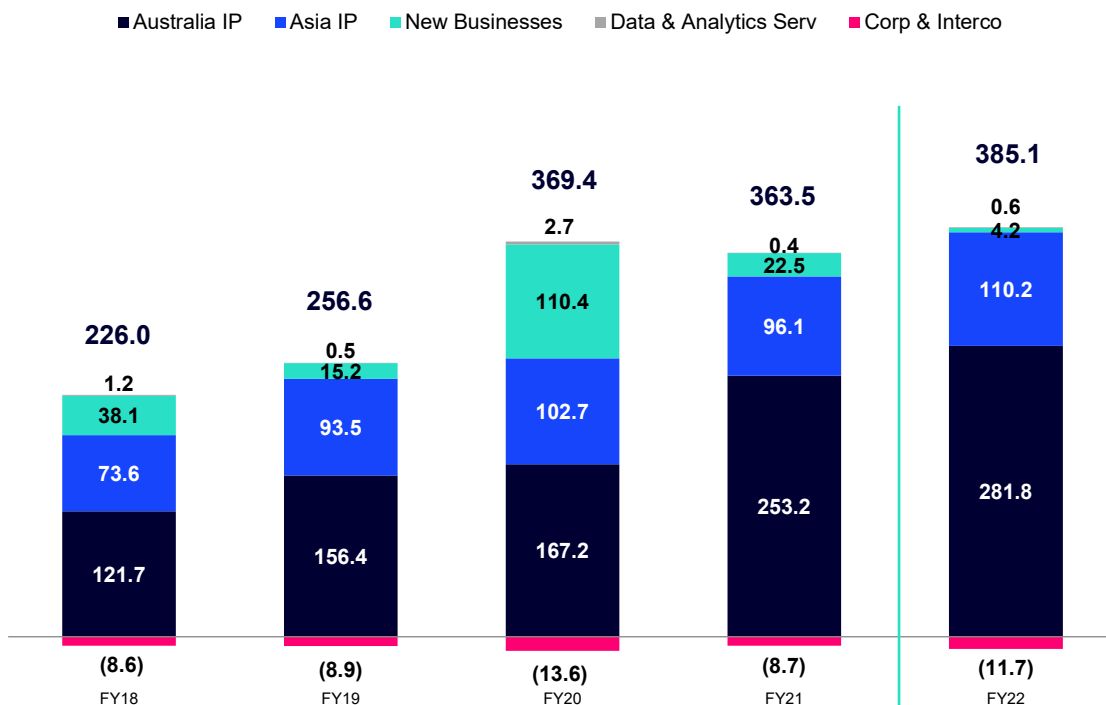
1) Diluted EPS includes performance rights that are yet to vest.

2) FY22 Underlying EBITDA and NPAT excludes costs incurred of pursuit of acquisitions, restructuring, accounting charges for share-based payments, impairment, IT SaaS implementation costs and amortisation of intangibles.



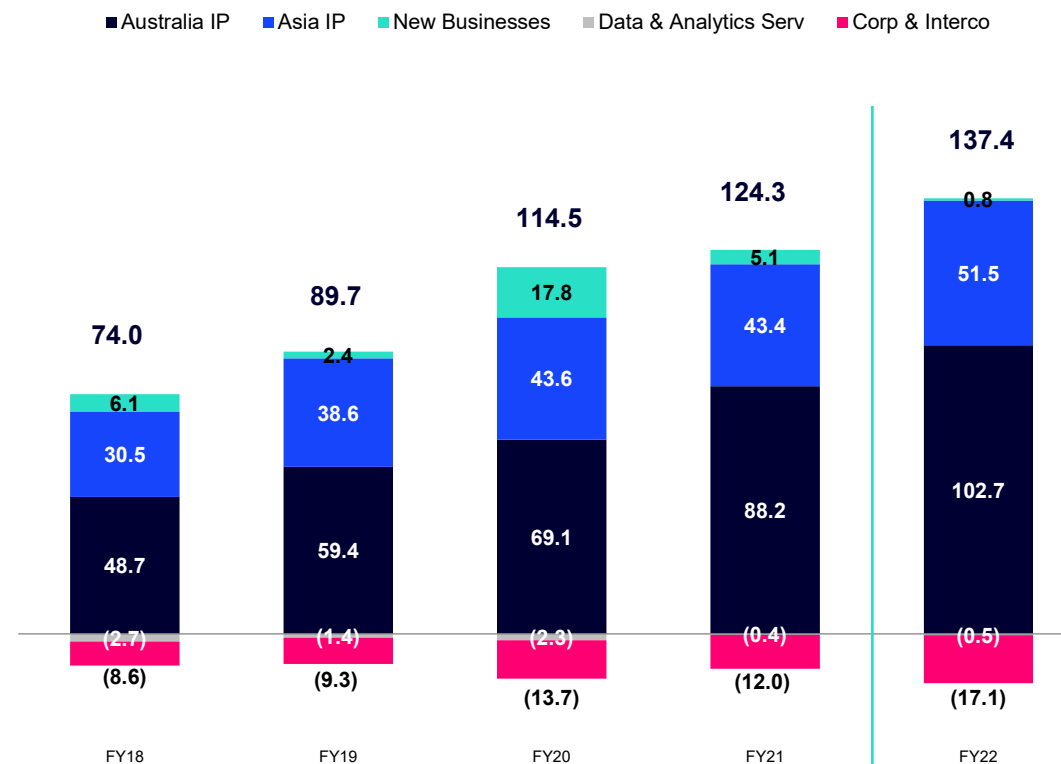
Revenue and EBITDA

Underlying Revenue \$'m



1) Underlying EBITDA in FY21 and FY22 is post-AASB16. FY17-FY20 are pre-AASB16.
 2) Underlying EBITDA excludes costs incurred in pursuit of acquisitions, revaluations of deferred settlements & earn outs, new business establishment costs, accounting charges for share-based payments and restructuring expenses.
 3) New Businesses FY22 represents 3.5 months of Baldwins and a full year of Applied Marks.

Underlying EBITDA \$'m



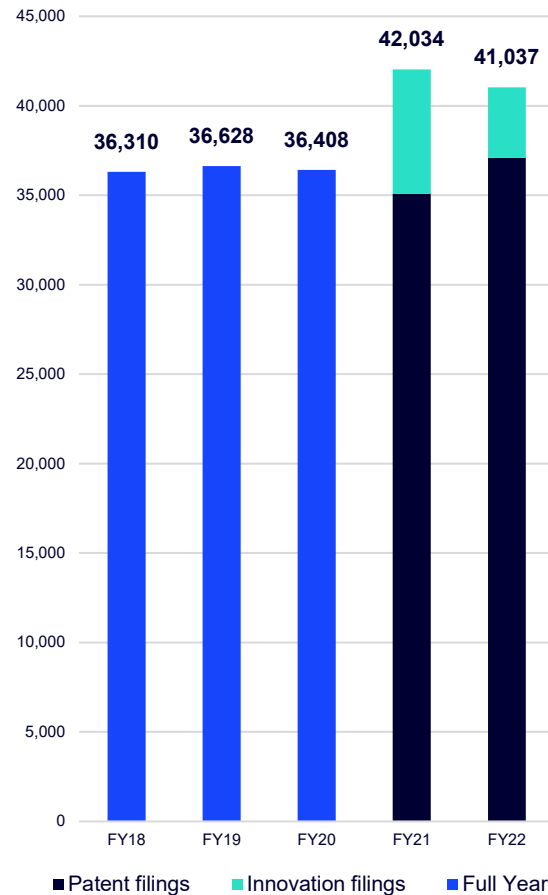
Patent market – Australia

Like-for-like EBITDA growth achieved despite IPH filing growth lower than market

Australian patent filings – market¹

- Australian patent market decreased by 2.4% in FY22 compared with the previous corresponding period.
- Market decrease comes from innovation patents (down 43.2%) following phase-out in August 21.
- Removing all innovation patent filings, the market increased by 5.7%.

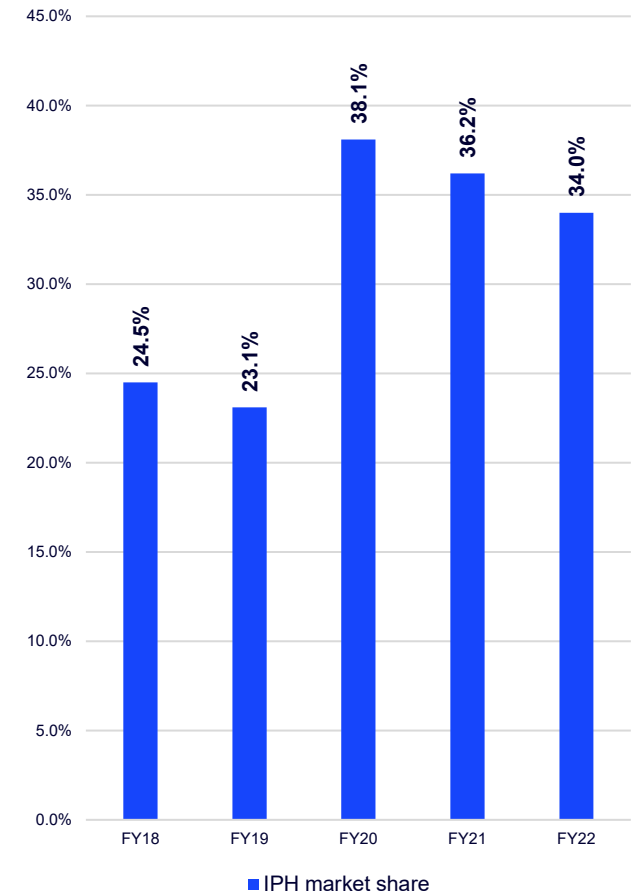
1) Management estimate based on IP Australia filing data as at 1/8/22 (FY22), 13/7/21 (FY21), 14/7/20 (FY20), 1/8/19 (FY19) and 3/8/2018 (FY18). Chart includes all types of patent applications.



IPH Group market share (excluding innovation patents)²

- IPH Group's filings decreased by 0.6% in FY22.³
- The Group was impacted by a decline in filings from the largest filer in the market. If filings from this client were removed from IPH and the market, IPH filings increased 1.7% and the market increased 7.0%.
- S&F performance also affected by the anticipated short-term disruption of the integration with Shelston IP.
- Despite decline in filings, IPH has experienced like-for-like EBITDA growth in ANZ.

2) Management estimates of Group market share based on IP Australia filing data excl. innovation patents (which ceased Aug 21). Data captured at end of each financial period and may not reflect subsequent changes of agent. Chart includes IPH acquired entities from 1 Jul of the acquisition year.
3) Any IPH acquired entities are included in both periods on a pro-forma basis for filings comparison

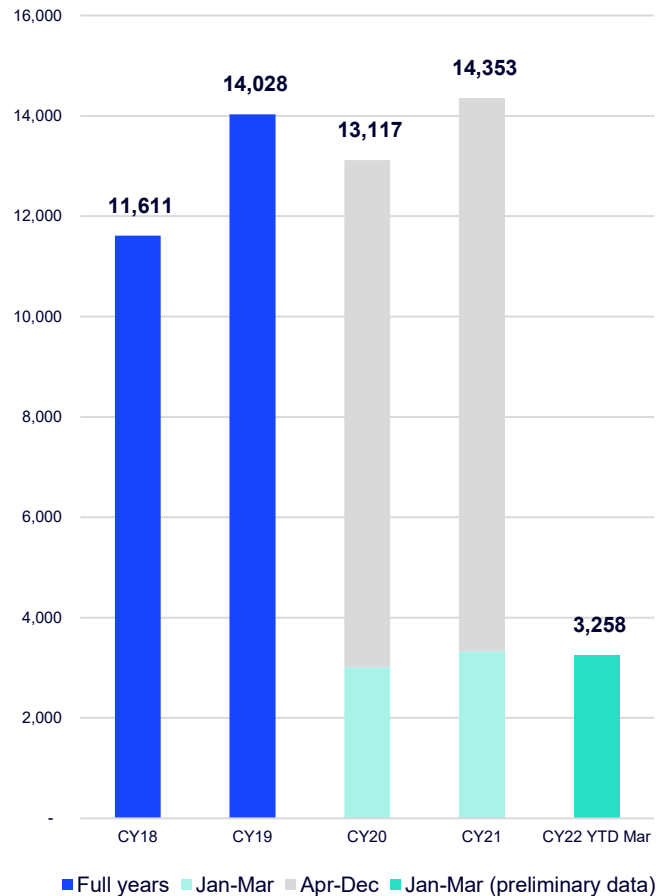


Patent market – Singapore

Maintained #1 position

Singapore patent filings – market¹

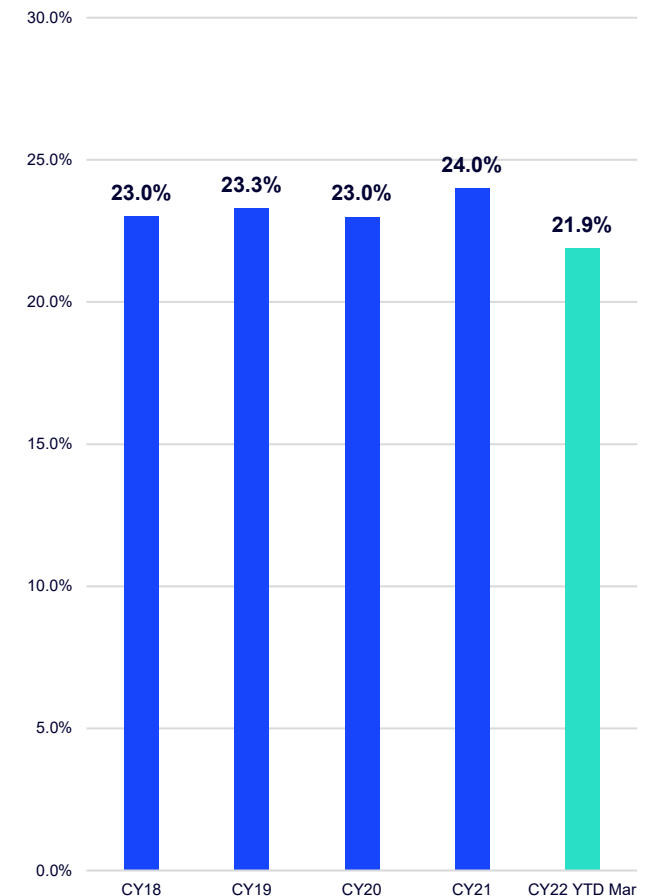
- IP Office of Singapore (IPOS) note an increased lag in filing data caused by recent system upgrades to the IPOS Digital Hub.
- Latest CY21 data shows Singapore patent market increased by 9.4% compared with CY20.
- Preliminary data for Q1 CY22 indicates a market decrease of 2.1% compared with Q1 CY21.
- Market decline in Q1 CY22 due to applicant filing patterns and a significant decline from one of the largest filers in the market (also a client of IPH).



¹) Management estimate based on IPOS filing data as at 21/7/22 (CY22 preliminary), 3/3/22 (CY21), 2/5/21 (CY20), 3/8/20 (CY19), 1/8/19 (CY18). Note, data for recent months subject to change due to data release timings.

IPH Group market share²

- IPH maintains number one market share position in CY22 YTD Mar.
- Based on preliminary data for Q1 CY22, IPH filings decreased by 16.2% compared with Q1 CY21 due to significant filings in the prior period from the market's largest filer.
- **Internal data** for the 1H CY22 indicates that excluding the significant decline from one client, IPH increase of 4.5% in 1H CY22³.



²) Management estimates of Group market share based on IPOS filing data. Data captured at end of each financial period and may not reflect subsequent changes of agent. IPH share includes Singapore offices of Spruson & Ferguson and Pizzey's.

³) Internal filing data.



IPH patent filings – Asia¹

China filings up 15.3%

- IPH increased filings across these key jurisdictions (outside of Singapore) by 9.4%.
- IPH patent filings in China increased by 15.3%
- Network continues to be attractive to large clients. In FY22 we have seen multiple large clients increasing filings across a number of jurisdictions.

Continued increase in new case referrals (up 4.5% on FY21) to IPH Asian hubs (Singapore, China/Hong Kong) from acquired IPH businesses²



1) Total patent cases lodged in key jurisdictions in Asia (excl. Singapore) by IPH entities (or external agents in the case of the Philippines and Vietnam). Data based on internal filing statistics.
 2) New case referrals based on internal filing statistics.

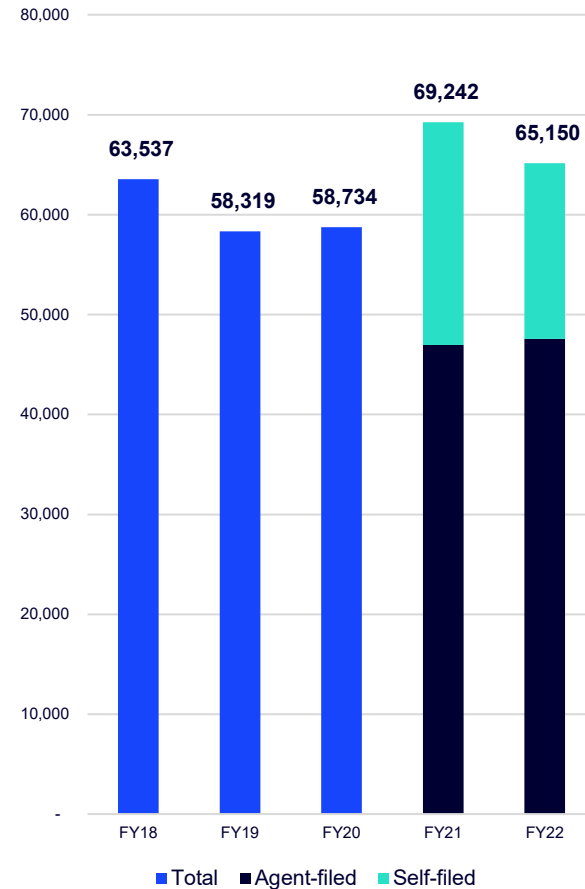


Trade mark market – Australia

Strengthened #1 position in the market

Australian trade mark filings – market (excl. Int'l Registrations)¹

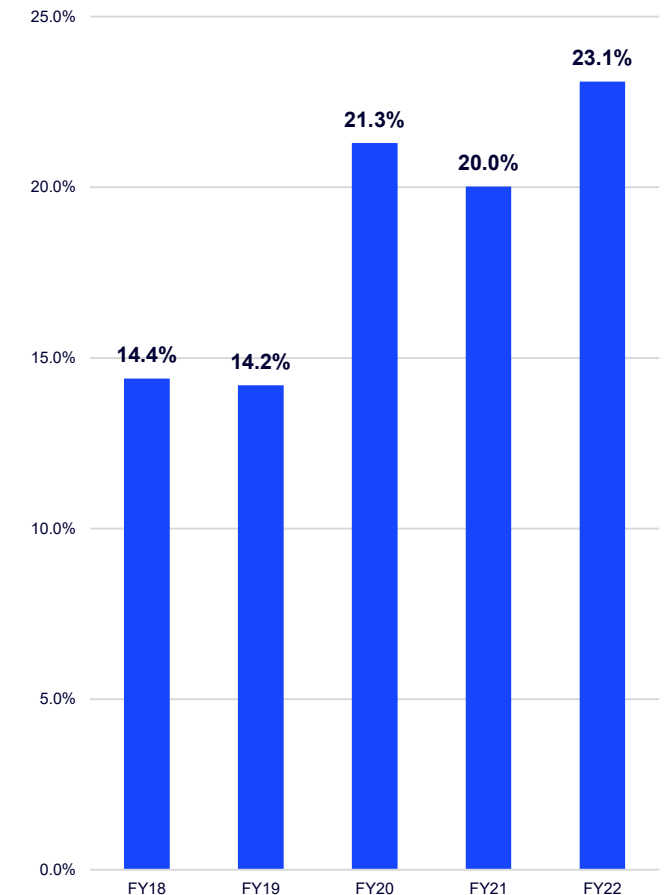
- In FY22, Australian trade mark filings decreased by 5.9% on the previous corresponding period.
- Self-filers declined approximately 21%².
- Excluding self-filers, Australian trade mark filings through agents increased by approx. 1% in FY22 compared to a stronger prior period (FY21 up 24% on FY20).
- The top 50 agents of FY22 increased 6.0% vs PCP.



1) Management estimate based on IP Australia filing data excl. Int'l Registrations, as at 7/7/22 (FY22), 15/7/21 (FY21), 9/7/20 (FY20) and 1/08/19 (FY18-FY19).
 2) Management estimate – applications deemed self-filed where IP Australia lists no agent, or agent is same as trade mark owner. All other applications deemed agent-filed..

IPH Group market share³

- IPH trade mark filings in Australia decreased by 3.8% in FY22 compared with FY21 (incl. Applied Marks in both periods)⁴.
- Applied Marks filings increased by 30.5% in FY22.
- The IPH Group continues to be the leading Australian trade mark group by market share of the top 50 agents.



3) Management estimate of Group market share of total filings from top 50 agents. Data captured at end of each financial period and may not reflect subsequent changes of agent. Chart includes IPH acquired entities from 1 Jul of the acquisition year.
 4) Applied Marks and other IPH acquired entities included in both periods on a pro-forma basis for filings comparison.



Smart & Biggar – Canada’s leading IP agency firm to join IPH

Strategic transaction extends IPH’s international network beyond the Asia Pacific



Growth
step-outs

**SMART
& BIGGAR**

- Smart & Biggar, Canada’s leading IP agency firm will join the IPH group for consideration of CAD 348m (AUD 387m¹)
- A significant strategic transaction, further delivering on our vision to be the leading IP services group in secondary IP markets.
- Highly complementary, Smart & Biggar has leading market position in Canada, high quality professionals, exceptional reputation and rich heritage.
- The first IP agency firm in Canada to join a publicly listed IP group.
- The Canadian IP market is very similar to Australia in terms of size, governance and legal system.
- Expected underlying² EPS accretion of approximately 10% in the first full year of ownership.

1) AUD:CAD as at 17 August 2022
2) Consistent with the IPH group calculation of underlying EBITDA which excludes costs incurred in pursuit of acquisitions, restructuring, accounting charges for share-based payments, impairment and IT SaaS implementation costs



Strong results in Asia demonstrate organic growth

China patent growth of 15.3 % and network referrals up 4.5%



Organic growth

- IPH patent filings in China increased by 15.3%.
- IPH maintains number one market share position in Singapore in CY22 YTD Mar.
- Growth in all key Asian jurisdictions, except Hong Kong, with patent filings (outside of Singapore) up 9.4%.
- 4.5% increase in client referrals to IPH Asian hubs (Singapore, China/Hong Kong) from acquired IPH businesses.
- The network offering continues to be attractive, with multiple large corporate clients increasing filing activity across key Asian jurisdictions (outside of Singapore).
- 7% increase in high margin translation services in Asia.
- Centralised BD and Marketing team now in place. The fully aligned team is focussed on supporting the firms to achieve growth targets, aligning key marketing and BD initiatives to revenue generating activities.



AJ Park case study

Proven track record of acquiring and integrating firms while capturing synergies and improving margins

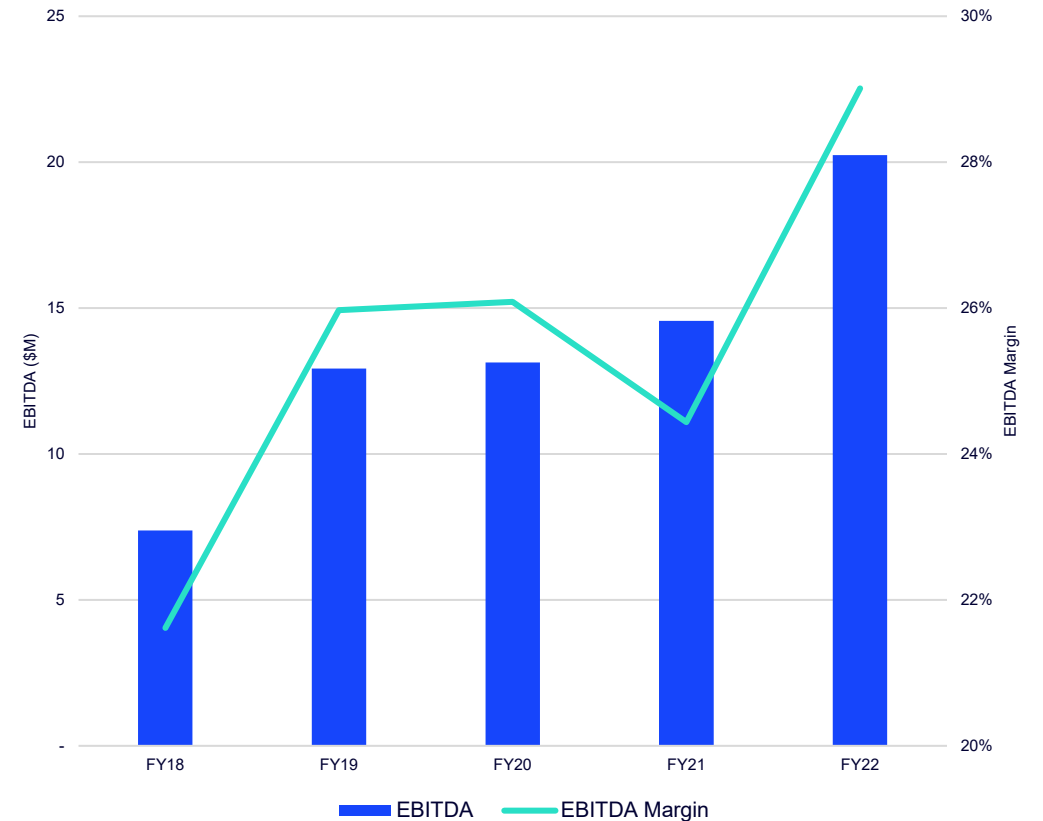


Consolidate
acquisitions

AJ Park

- At the time of acquisition, AJ Park was a successful privately held firm operating at an EBITDA margin of 21.6% (17% pre-adoption of AASB16).
- The firm now operates at a margin of 29%, an improvement of 34% from the time of acquisition. There was a drop in EBITDA margin in FY21 following the acquisition of Baldwins IP.
- This significant improvement has been achieved by:
 - Synergies captured through right-sizing the business.
 - Reduction in overheads through application of corporate lens.
 - Reduction in rental footprint.
- In addition to EBITDA and margin improvements, AJ Park is a significant referrer of work into IPH Asian hubs.
- AJ Park has retained leading patent and trade mark position in the New Zealand market and was recognised as 'IP Specialist Law Firm of the Year' and an 'Employer of Choice' at the 2021 NZ Law Awards.

AJ Park EBITDA and Margin Accretion Post Acquisition



Enablers – our people

Strengthening our people offering



Building group-wide people and leadership capability

- Record year for promotions – including 14 Principal appointments.
- Ongoing investment in professional development.
- 1,100+ hours of content delivered via our Professional Development Workshops.
- 140+ participants in our Leadership Excellence Program since launching the program in FY21.
- People Leadership Community Connect Events available to over 100 People Leaders.
- >AU\$260,000 invested across member firms to support 40+ trainees to complete their Master of IP and become registered attorneys.

Initiatives to support health & wellness

- Established a partnership with Smiling Mind to deliver a series of mindfulness workshops.
- Participated in STEPtember 2021.
- Continued partnership with our Employee Assistance Provider with resources and webinars now available via a Wellbeing Gateway app.

60+ New Principal appointments Since 2014

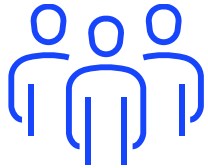
40+ Trainees supported to complete their Masters of IP

50% increase on female Principal promotions on FY21



Ongoing commitment to sustainability

IPH continues to make progress on key sustainability focus areas

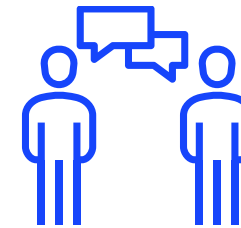


Our People

- 31 promotions across member firms (including 14 Principal promotions)
- 60+ Principal promotions since 2014
- 40+ trainees supported to complete their Masters of IP

Diversity

- Women represent 34% of Senior Executive and Principal roles (ahead of 30% target)
- Six women promoted to Principal, 50% increase on FY21



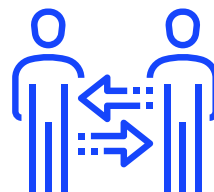
Governance & Risk management

- Updated risk management framework
- Third Modern Slavery Statement to be released in December 2022
- Continued evolution of reporting with publication of 4th annual Sustainability Report
- Security awareness training conducted



Environment

- IPH supports UN Sustainable development Goals
- 18% reduction in scope 2 CO2e emissions in Australia/NZ



IP industry support and recognition

- 95+ professional staff received IP industry awards



Community Support

- Established a \$500,000, 5-year flagship community partnership with Beacon Foundation
- Volunteering Policy launched in Australia
- Pro bono support



Expanded IPH network offering

There are strong similarities between Smart & Biggar and IPH's existing IP businesses

	Smart & Biggar	Spruson & Ferguson Australia	Spruson & Ferguson Singapore	Griffith Hack	Pizeys	AJ Park
Year founded	1890	1887	1997	1904	1981	1891
Core services	<ul style="list-style-type: none"> • Patent • Trade mark • Industrial design • IP legal services 	<ul style="list-style-type: none"> • Patent • Trade mark • Industrial design • IP legal services 	<ul style="list-style-type: none"> • Patent • Trade mark • Industrial design 	<ul style="list-style-type: none"> • Patent • Trade mark • Industrial design • IP legal services 	<ul style="list-style-type: none"> • Patent • Trade mark • Industrial design 	<ul style="list-style-type: none"> • Patent • Trade mark • Industrial design • IP legal services
Patent filings for CY21¹	>6,200	6,818	3,194	3,181 ¹	1,804	1,244
Patent filing market share (local market) CY21²	>16% Canada	19% Australia	22% Singapore	9% Australia	5% Australia	17% New Zealand

¹ based on local IP office filing data for CY21 as at: Australia (1/8/22 excl. innovation patents), Singapore (3/3/22), New Zealand (4/8/22); Smart & Biggar internal filing data for CY21 as at 30/6/22.

² Management estimated market share based on local IP office filing data for CY21 as at: Australia (1/8/22 excl. innovation patents), Singapore (3/3/22), New Zealand (4/8/22). Estimated market share in Canada based on IP office data and Smart & Biggar internal filing data for CY21.





Smart & Biggar to join IPH

18 August 2022

Presented by:

Dr. Andrew Blattman
Managing Director & CEO
IPH Limited

iphltd.com.au

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Financial information contained in this presentation relating to Smart & Biggar is unaudited and not prepared in accordance with accounting standards.

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Transaction summary

IPH has reached agreement to acquire the IP agency practice of Smart & Biggar, which will hold an interest in the legal practice of Smart & Biggar, as permitted by Canadian regulation.

Highlights

Smart & Biggar, Canada's leading Intellectual Property (IP) agency firm will join the IPH group for consideration of CAD 348m (AUD 387m¹)

A significant strategic transaction for IPH, further delivering on its vision to be the leading IP services group in secondary IP markets

Highly complementary, Smart & Biggar has a leading market position in Canada, high quality professionals, exceptional reputation and rich heritage

The first IP agency firm in Canada to join a publicly listed IP group

The Canadian IP market is very similar to Australia in terms of size, governance and legal system

Expected underlying² EPS accretion of approximately 10% in the first full year of ownership

Provides a platform for IPH to participate in further growth opportunities

The transaction is expected to complete in September 2022

1) AUD:CAD as at 17 August 2022
2) Consistent with the IPH group calculation of underlying EBITDA which excludes costs incurred in pursuit of acquisitions, restructuring, accounting charges for share-based payments, impairment and IT SaaS implementation costs



Transaction summary (continued)

A compelling transaction for IPH, its clients, employees and shareholders

Smart & Biggar

- Smart & Biggar is Canada's leading IP firm by number of patent filings, filing over 6,200 patents and over 1,800 trade marks in 2021¹
- Smart & Biggar is a full service IP firm servicing large multinational corporations, universities, start-up companies and Canadian entrepreneurs
- Smart & Biggar recorded revenue of CAD 88.4m (AUD 96.3m) for the 12 months to June 2022^{2, 3}
- IPH will undertake the transaction by acquiring a new Quebec limited partnership that will conduct the business of the IP agency of Smart & Biggar and will own an interest in a new Quebec limited liability partnership formed by former Smart & Biggar partners that will acquire the legal practice of Smart & Biggar, in compliance with Quebec regulation

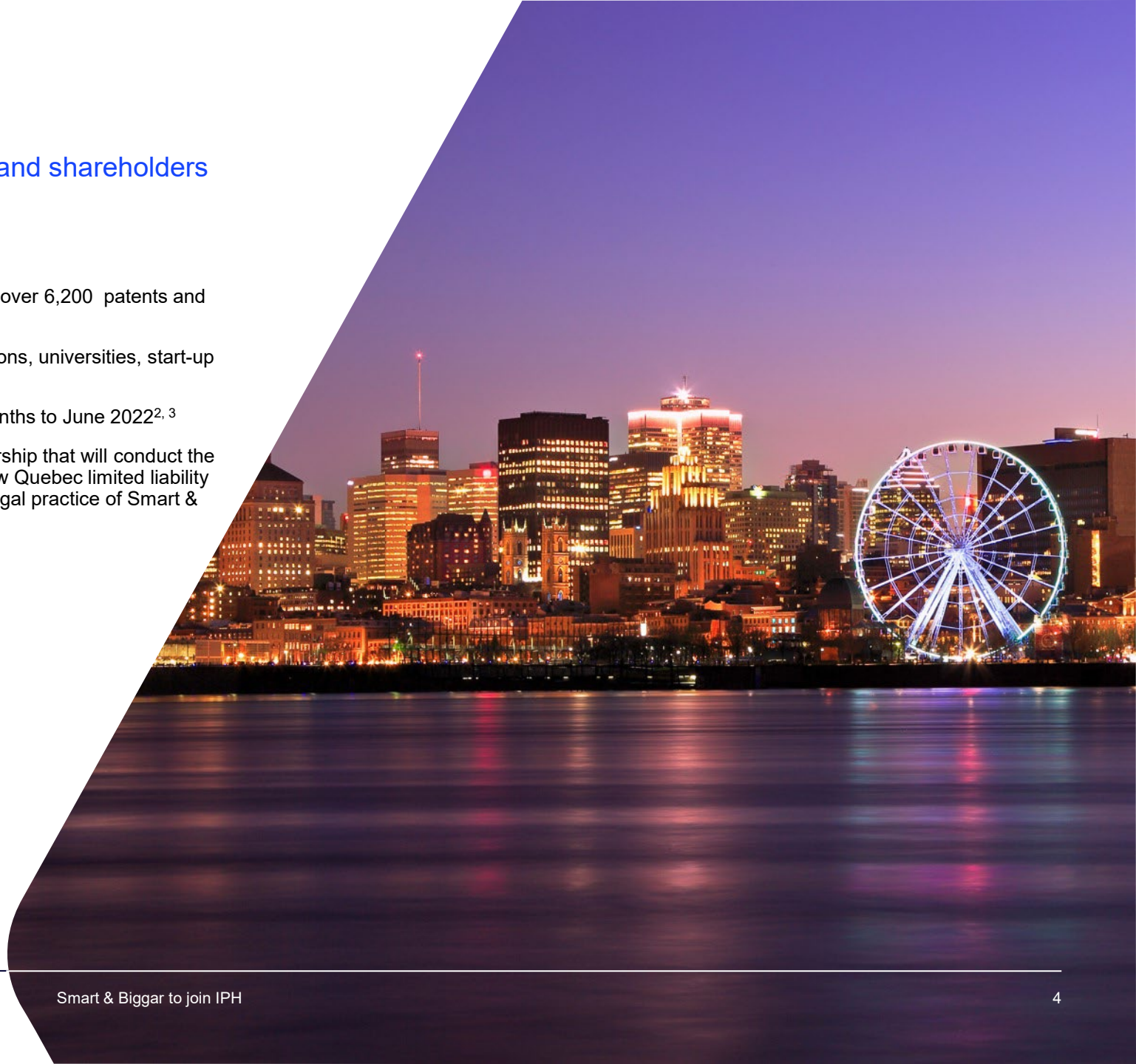
Year founded	1890
Core services	<ul style="list-style-type: none">• Patent• Trade mark• Industrial design• IP legal services
Patent filings (CY21)	>6,200 ¹
Patent filing market share (local market) (CY21)	>16% Canada #1 market position ⁴

1) Management estimate based on Smart & Biggar internal filing data.

2) Average AUD: CAD for the 12 months to June 2022

3) Smart & Biggar currently records disbursement income and expense (ie the payment of patent office fees and third party lodgement fees) on a "net" basis, whereas IPH group reporting practices presents these amounts on a "gross" basis (ie separate amounts in revenue and expenses). Post transaction Smart & Biggar will adopt the IPH group reporting practice.

4) Management estimate of market share based on Smart & Biggar internal filing data and CIPO published production statistics.



Overview of Smart & Biggar

Smart & Biggar is one of Canada's preeminent IP services firms

History

- Established in 1890, Smart & Biggar has a similar rich history to IPH's existing member firms

Offering

- Smart & Biggar is a full service IP firm
- Core services include patent, trademark, industrial design services and IP legal services, including IP litigation and legal advice
- Top tier client base servicing large multinational corporations, universities, start-up companies and Canadian entrepreneurs

Employees

- Smart & Biggar employs in excess of 300 staff including more than 100 professional staff

Awards

- Smart & Biggar has been recognised by many awards as Canada's premier IP firm
- Canadian IP Boutique Firm of the Year 2011, 2012, 2014, 2016, 2018, 2020, 2021 & 2022 (*Managing IP Americas Awards*)
- Canadian Patent Prosecution Firm of the Year 2019, 2021 & 2022 (*Managing IP Americas Awards*)
- IP Boutique Law Firm of the Year 2020-2022 (*Canadian Law Awards*)
- IP Litigation Firm of the Year 2015-2022 (*Benchmark Canada Awards*)

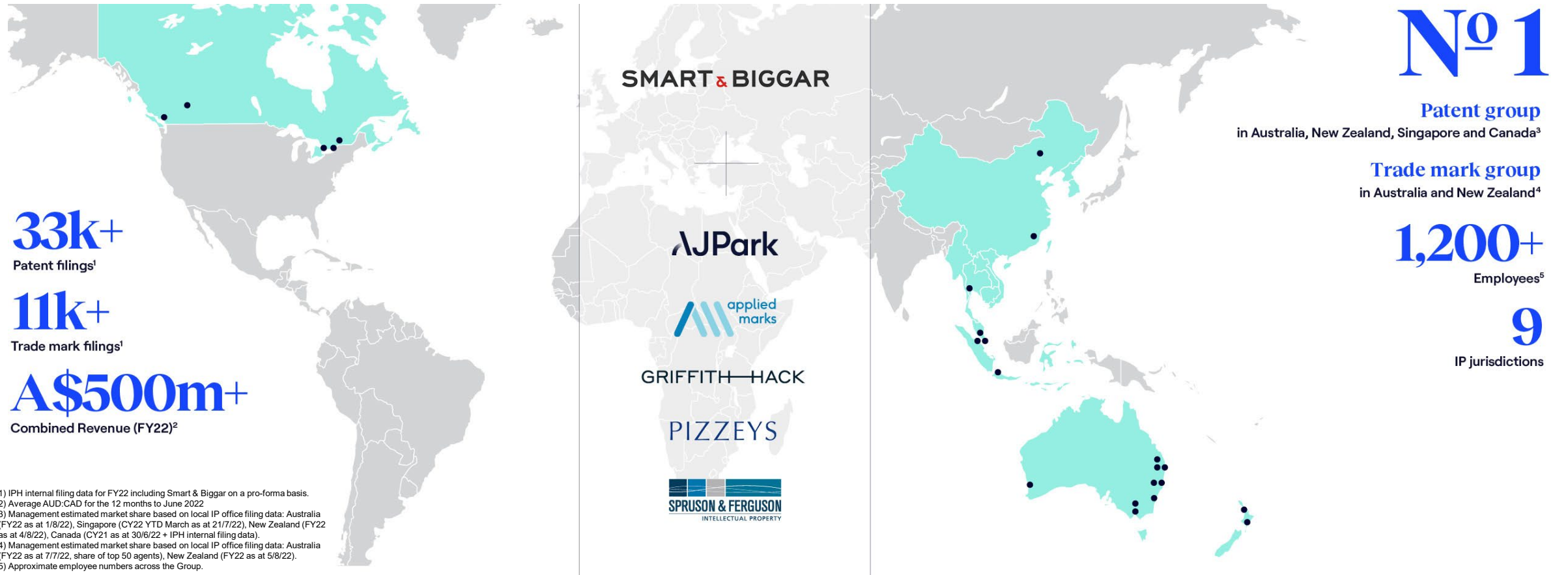
Offices

- Smart & Biggar operates from five offices across Canada including Ottawa, Montreal, Toronto, Vancouver and Calgary



Realising our vision

A significant strategic transaction for IPH, further delivering on its vision to be the leading IP services group in secondary IP markets



Transaction consideration

Consideration

- The consideration for the acquisition is CAD 348m (AUD 387¹)
- Represents a multiple of approximately 10x pro forma adjusted Smart & Biggar EBITDA for the 12 months to June 2022²

Cash consideration	<ul style="list-style-type: none">• Upfront cash consideration of CAD 241m;
IPH share issuance	<ul style="list-style-type: none">• Initial issue of 5.3m new IPH shares with a value of CAD 41m (escrowed for two years) (representing 2.4% of existing shares on issue)³; and• Deferred issue of new IPH shares (earn-out consideration) up to a value of CAD 66m (escrowed for two years)⁴• The deferred earn-out consideration, capped at CAD 66m of new IPH shares, is payable dependent on the extent that Smart & Biggar's earnings in CY2022 or CY2023 outperform agreed thresholds broadly in-line with its pre-COVID earnings levels in CY2019⁴. The earn-out could be achieved in full or part in either of those years and any deferred earn-out consideration is payable by issue of new IPH shares within 30 days following determination of the earn-out. The earn-out will be payable at an amount of 11x the excess earnings (Smart & Biggar EBITDA as it currently reports adjusted for pro forma partner salaries), up to the cap of CAD 66m• In addition to the earn-out, there is potential for a further share based payment of CAD 2.4m to certain non-vendors, contingent upon the same conditions as the earn-out and continuing employment

1. AUD:CAD as at 17 August 2022
2. Pro forma adjusted EBITDA is calculated as Smart & Biggar's reported earnings before interest, depreciation and amortisation before partner draws, (on a pre-IFRS-16 basis), adjusted for estimated pro forma partner base salaries (excluding any incentive payments) (to date partners receive profit drawings rather than salaries) and the estimated impact of IFRS-16
3. IPH shares issued as a part of the upfront consideration will be escrowed for two years from completion subject to certain exceptions. These shares will be issued at a price of AUD8.51 per share, being the 20 day VWAP to 17 August 2022
4. IPH shares issued as a part of the potential earn-out will be escrowed for two years from the start of the calendar year following the calendar year in which the relevant earn-out was achieved, subject to certain exceptions. Any such shares will be issued at a price equal to the 20 day VWAP of IPH shares ending on the last trading day of the year in which the relevant earn-out was achieved



Financial impact and funding

Compelling financial benefits for IPH shareholders

Financial impact

Earnings	<ul style="list-style-type: none">• Expected underlying¹ EPS accretion of approximately 10% in the first full year of ownership
Synergies	<ul style="list-style-type: none">• Cost savings of approximately \$4-6m expected to be achieved over the first three years post acquisition• Platform established for future consolidation opportunities
Funding	<ul style="list-style-type: none">• Acquisition consideration will be funded with debt facilities, cash reserves and the issuance of IPH shares• IPH has agreed amended debt facilities with its existing bank financiers as a part of the transaction. IPH's pro forma total drawn debt post transaction will be approximately AUD 390m• Following the transaction IPH's pro forma group leverage ratio will be 1.8x²• At completion of the transaction IPH intends to enter into interest rate hedging for the equivalent of AUD 350m. These interest rate hedges will have varying maturity profiles. The interest rate hedging will provide greater certainty for the Group's interest rate expense in the near term• 5.3m new IPH shares will be issued upon the transaction, representing 2.4% of existing shares on issue (escrowed for 2 years)³• Additional new IPH shares are expected to be issued in the first quarter of calendar year 2023 or the first quarter of calendar year 2024 if earn-out consideration is achieved (escrowed for 2 years)⁴

1) Consistent with the IPH group calculation of underlying EBITDA which excludes costs incurred in pursuit of acquisitions, restructuring, accounting charges for share-based payments, impairment and IT SaaS implementation costs

2) Calculated as IPH drawn debt net of cash as at June 2022 plus estimated additional debt drawn at acquisition as at completion divided by underlying EBITDA for IPH for the 12 months to June 2022 and pro forma adjusted EBITDA for Smart & Biggar for the last twelve months to June 2022. Pro forma adjusted EBITDA is calculated as Smart & Biggar's reported earnings before interest, depreciation and amortisation before partner draws, (on a pre-IFRS-16 basis), adjusted for estimated pro forma partner base salaries (excluding any incentive payments) (to date partners receive profit drawings rather than salaries) and the estimated impact of IFRS-16

3) IPH shares issued as a part of the upfront consideration will be escrowed for two years from completion subject to certain exceptions. These shares will be issued at a price of AUD8.51 per share, being the 20 day VWAP to 17 August 2022

4) IPH shares issued as a part of the potential earn-out will be escrowed for two years from the start of the calendar year following the calendar year in which the relevant earn-out was achieved, subject to certain exceptions. Any such shares will be issued at a price equal to the 20 day VWAP of IPH shares ending on the last trading day of the year in which the relevant earn-out was achieved



Smart & Biggar financial performance

Significant contribution of legal revenue

Financial summary

The financial summary below is based on Smart & Biggar management's unaudited financial accounts for the 12 months to June 2022. Pro forma adjustments have been estimated by IPH for illustrative purposes and have not been audited or reviewed in accordance with Australian Accounting Standards.

CAD m	12M to June 2022
IP agency revenue	60.3
IP legal revenue	28.1
Service charge disbursements ¹	22.5
Total revenue¹	110.9
Operating expenses ¹	(67.9)
Reported EBITDA before partner draws²	43.0
Pro forma adjustments²	
Less: Partner salaries ³	(11.4)
Add: Lease costs (IFRS 16)	2.8
Pro forma adjusted EBITDA	34.4

1) Smart & Biggar currently records disbursement income and expense (ie the payment of patent office fees and third party lodgement fees) on a "net" basis, whereas IPH group reporting practices presents these amounts on a "gross" basis (ie separate amounts in revenue and expenses). Post transaction Smart & Biggar will adopt the IPH group reporting practice.

2) Pro forma adjustments to Smart & Biggar financials provided in this presentation are based on IPH estimates at the date of the presentation, are unaudited, and are provided for illustrative purposes only and is not representative of IPH's future financial performance post ownership of Smart & Biggar and do not include the detailed adjustments required to present Smart & Biggar's financial information in accordance with IPH's accounting and reporting practices. The financial information in this presentation is an abbreviated format and does not represent detailed financial statement reporting as required by the Australian Accounting Standards and the majority of professional reporting requirements applicable to special purpose financial reports prepared in accordance with the Corporations Act

3) Adjusted for estimated pro forma partner base salaries (excluding any incentive payments) Currently Smart & Biggar partners receive profit drawings rather than salaries

Basis of Smart & Biggar financial reporting

Smart & Biggar currently reports on a calendar year basis

Smart & Biggar reports EBITDA before partner draws pre IFRS 16 lease treatment (i.e. pre AASB-16 basis)

Post transaction, Smart & Biggar revenue and EBITDA will be impacted by a number of adjustments including but not limited to:

- Additional expenses including partner salaries (estimated to be approximately CAD 11.4m base salary costs, excluding any potential employee incentive plan costs)
- The accounting impact of the application of IFRS 16 (reduced operating expenses to adjust for lease costs in accordance with IFRS 16, estimated to be approximately CAD 2.8m)
- IP agency revenue represents patent filing, trade mark filing and other IP agency revenue and was approximately 68% of total revenue in the 12 months to June 2022

IP legal revenue represents IP legal advice and IP litigation revenue and was approximately 32% of total revenue in the 12 months to June 2022. This revenue is subject to greater variability based on case load

The Canadian IP services market has experienced similar growth to Australia and is a mature IP market. Accordingly, Smart & Biggar's revenue is expected to grow at similar rates to IPH's Australian revenue for the coming financial year



Management and vendor alignment

IPH has a strong track record of successfully integrating IP services firms into its network

Management

- Smart & Biggar's leadership team has an outstanding international reputation and is well known to IPH
- A Smart & Biggar representative will join the IPH Group Leadership Team
- Smart & Biggar's eligible principals and professional staff will join the IPH group incentive plan providing opportunities for IPH equity ownership and alignment with Smart & Biggar's professional staff on an ongoing basis

Integration to the IPH Group network

- IPH will leverage its existing international network to expand the offering available to Smart & Biggar clients

Vendor alignment

- The transaction structure and consideration achieves ongoing alignment between vendor partners and the group
- Vendor partners may be entitled to earn-out consideration, payable to the extent Smart & Biggar's adjusted earnings for CY2022 and CY2023 outperform agreed thresholds broadly in-line with its pre-COVID earnings levels in CY2019¹
- Partners will receive IPH shares as a part of the upfront and potential earn-out consideration
- IPH shares issued as a part of the transaction will be escrowed for two years subject to certain exceptions
- Smart & Biggar vendor equity partners will generally enter into four year minimum term employment agreements as a part of the transaction

1) IPH shares issued as a part of the potential earn-out will be escrowed for two years from the start of the calendar year following the calendar year in which the relevant earn-out was achieved, subject to certain exceptions. Any such shares will be issued at a price equal to the 20 day VWAP of IPH shares ending on the last trading day of the year in which the relevant earn-out was achieved.



Expanded IPH network offering

There are strong similarities between Smart & Biggar and IPH's existing IP businesses

	Smart & Biggar	Spruson & Ferguson Australia	Spruson & Ferguson Singapore	Griffith Hack	Pizzey's	AJ Park
Year founded	1890	1887	1997	1904	1981	1891
Core services	<ul style="list-style-type: none"> • Patent • Trade mark • Industrial design • IP legal services 	<ul style="list-style-type: none"> • Patent • Trade mark • Industrial design • IP legal services 	<ul style="list-style-type: none"> • Patent • Trade mark • Industrial design 	<ul style="list-style-type: none"> • Patent • Trade mark • Industrial design • IP legal services 	<ul style="list-style-type: none"> • Patent • Trade mark • Industrial design 	<ul style="list-style-type: none"> • Patent • Trade mark • Industrial design • IP legal services
Patent filings for CY21¹	>6,200	6,818	3,194	3,181	1,804	1,244
Patent filing market share (local market) CY21²	>16% Canada	19% Australia	22% Singapore	9% Australia	5% Australia	17% New Zealand

¹ based on local IP office filing data for CY21 as at: Australia (1/8/22 excl. innovation patents), Singapore (3/3/22), New Zealand (4/8/22); Smart & Biggar internal filing data for CY21 as at 30/6/22.

² Management estimated market share based on local IP office filing data for CY21 as at: Australia (1/8/22 excl. innovation patents), Singapore (3/3/22), New Zealand (4/8/22). Estimated market share in Canada based on IP office data and Smart & Biggar internal filing data for CY21.





Thank you

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