

# ASX Announcement

12 October 2022

## Presentation to Morgans Queensland Conference 2022

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

The presentation includes an update on the next phase of the Company's margin accretion strategy through a programme called The IPH Way, which will deliver further operational and process efficiencies. The cost of this programme will be approximately \$3m in both FY23 and FY24, (which will be treated as a non-underlying expense) with expected annual ongoing net benefits between \$5m and \$6m from FY25.

For more information, please contact:

**Martin Cole**

Managing Director

Capital Markets Communications

T. +61 403 332 977

**Authorised for release to ASX by:** Dr Andrew Blattman, Managing Director & CEO

**About IPH Limited**

IPH is the Asia Pacific's leading intellectual property services group, comprising a network of member firms working in nine IP jurisdictions and servicing more than 25 countries. The group includes leading IP firms AJ Park, Griffith Hack, Pizzey's, Smart & Biggar, Spruson & Ferguson and online IP services provider Applied Marks. IPH employs more than 1,200 people working in Australia, Canada, China, Hong Kong SAR, Indonesia, Malaysia, New Zealand, Singapore and Thailand.



# Morgans Queensland Conference 2022

12 October 2022

Presented by:

**Dr. Andrew Blattman**  
Managing Director & CEO, IPH Limited

[iphltd.com.au](http://iphltd.com.au)

# 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.

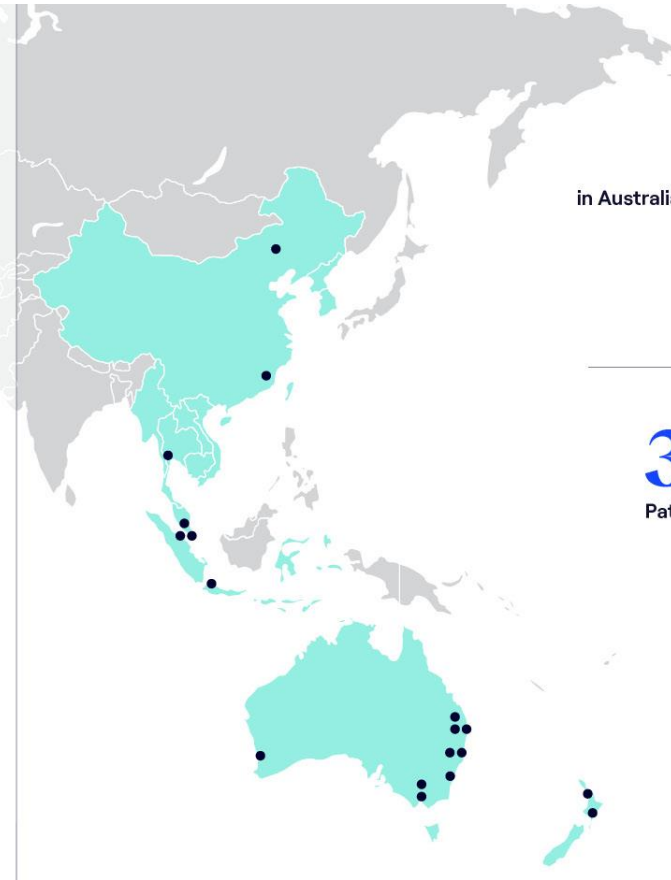
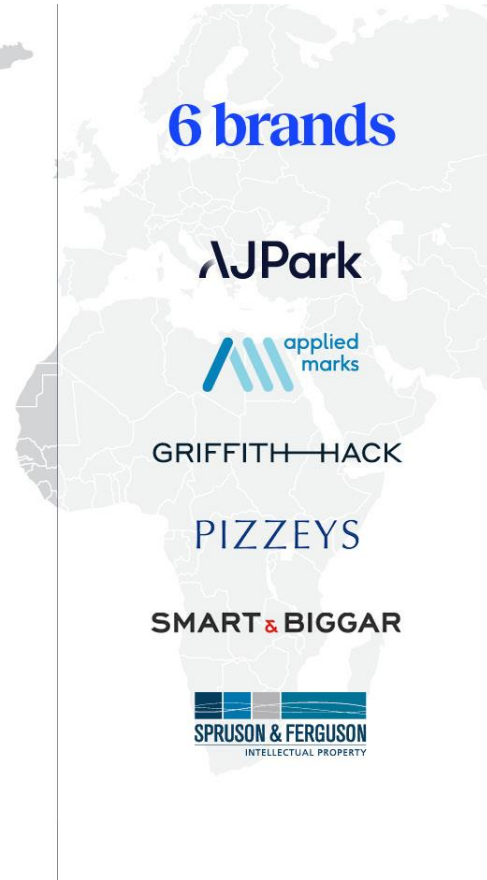
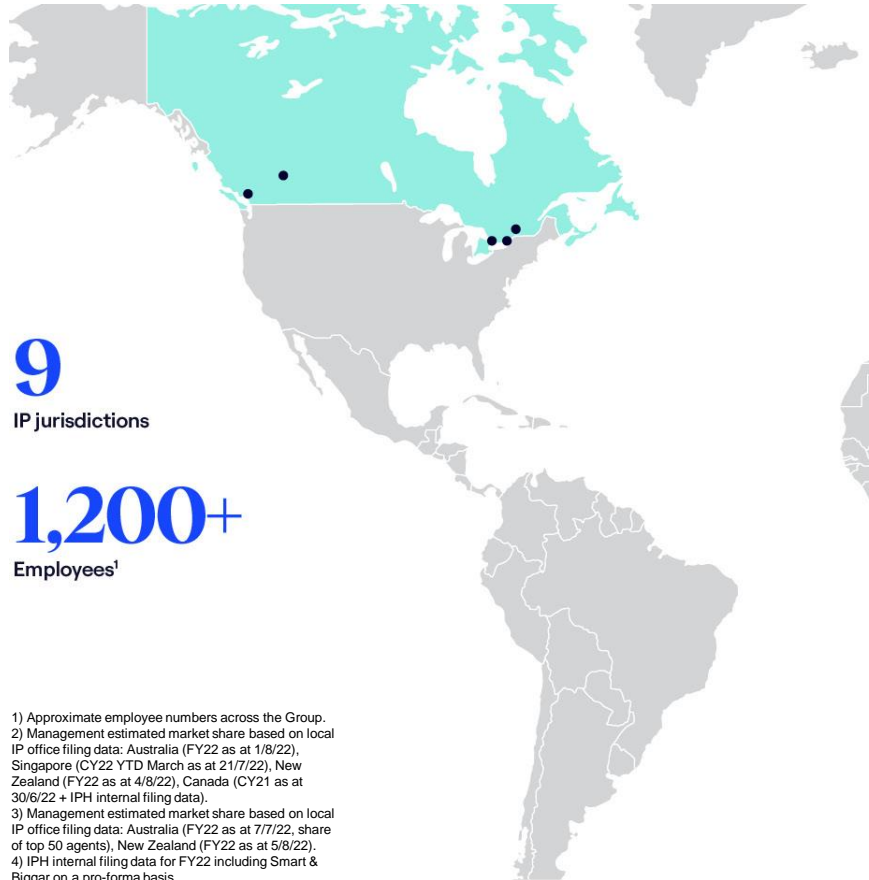
No representation, warranty or assurance (express or implied) is given or made by IPH that the forward looking statements contained in this presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct. Except for any statutory liability which cannot be 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.



# About the IPH Group

A leading international IP services group



**Nº 1**

**Patent group**  
in Australia, Canada, New Zealand and Singapore<sup>2</sup>

**Trade mark group**  
in Australia and New Zealand<sup>3</sup>

**33k+**  
Patent filings<sup>4</sup>

**11k+**  
Trade mark filings<sup>4</sup>



# Smart & Biggar joins IPH

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

## SMART & BIGGAR

---

- Smart & Biggar, Canada's leading Intellectual Property (IP) agency firm has joined the IPH group for consideration of CAD 348m (AUD 387m<sup>1</sup>)
- 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 underlying<sup>2</sup> 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 completed on 6 October 2022 (Canadian time)

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



# AJ Park case study

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

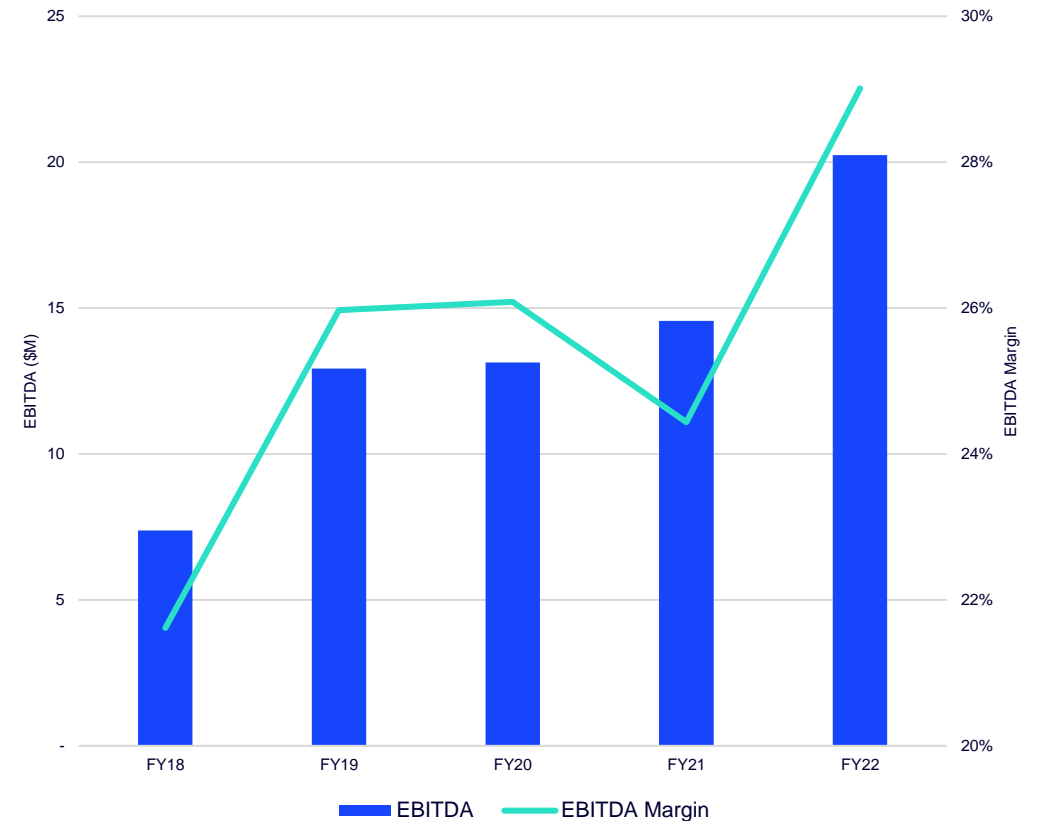


Consolidate  
acquisitions

## 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





# Introducing the IPH Way

The next phase in our strategy to deliver ongoing margin improvements

## Situation and objectives

- The IPH Way is a business process re-engineering programme, designed to standardise case management processes across the IPH group's AU/NZ member firms.
- Currently, each member firm conducts case management processes differently and leverages unique operating models. As a result, when comparing the handling time for the same process, there is a considerable range observed.
- Recognising the significant variation across the group, there is a verified opportunity to standardise and optimise processes to establish one way of working – the IPH Way – effectively improving processes and releasing capacity.
- This will support the IPH growth strategy, both in terms of consolidating acquisition and growth step-outs as well as aligning to the brand strategy of combined power, smarter working and enabling growth.
- The cost of the programme will be approximately \$3m in both FY23 and FY24, which will be treated as a **non-underlying expense**.

---

The annual ongoing net benefit is expected to be between \$5m and \$6m from FY25

### Key objectives:

Standardise and improve processes across the group

Increase case management process efficiency

Increase the productivity of administrative teams

Enhance the client experience



---

# Q&A







---

Thank you

[iphltd.com.au](http://iphltd.com.au)

---