

ASX Announcement

21 November 2023

Robic to join IPH Investor Presentation

Attached is a copy of a Presentation providing details of Robic joining the IPH Group.

IPH is hosting a conference call covering this topic at **10:00 am (AEDT) today (Tuesday, 21 November 2023)**. To access the conference call, please use the following link: <https://s1.c-conf.com/diamondpass/10035253-vyp78r.html>.

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Authorised for release to ASX by:
The Board of Directors of IPH

About IPH Limited

IPH is an international intellectual property services group, comprising a network of member firms working in ten IP jurisdictions and servicing more than 25 countries. The group includes leading IP firms AJ Park, Griffith Hack, Pizzeys, Smart & Biggar, Spruson & Ferguson and online IP services provider Applied Marks. IPH employs more than 1,400 people working in Australia, Canada, China, Hong Kong SAR, Indonesia, Malaysia, New Zealand, Philippines, Singapore and Thailand.



ROBIC to join IPH

Further expands IPH presence in Canadian IP market

21 November 2023

Dr. Andrew Blattman
Managing Director & CEO, IPH Limited

iphltd.com.au

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

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ROBIC – Canadian IP firm to join the IPH group

IPH has reached agreement to acquire Canadian IP services firm ROBIC

Highlights:

Total purchase consideration for the transaction is approximately CAD 110.6m (approximately AUD 124m)

The transaction is IPH's third acquisition in Canada, further expanding the group's presence in the North American region and as a leading international IP services group

ROBIC will operate as IPH's 7th IP services brand

ROBIC is one of Canada's leading IP firms and the largest in Quebec

ROBIC is a well-known Canadian IP firm, with a team of approximately 220 high quality staff located in Quebec

In 2022, ROBIC filed in excess of 3,000 patents and 1,500 trade marks 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)

The transaction is expected to be completed in mid December



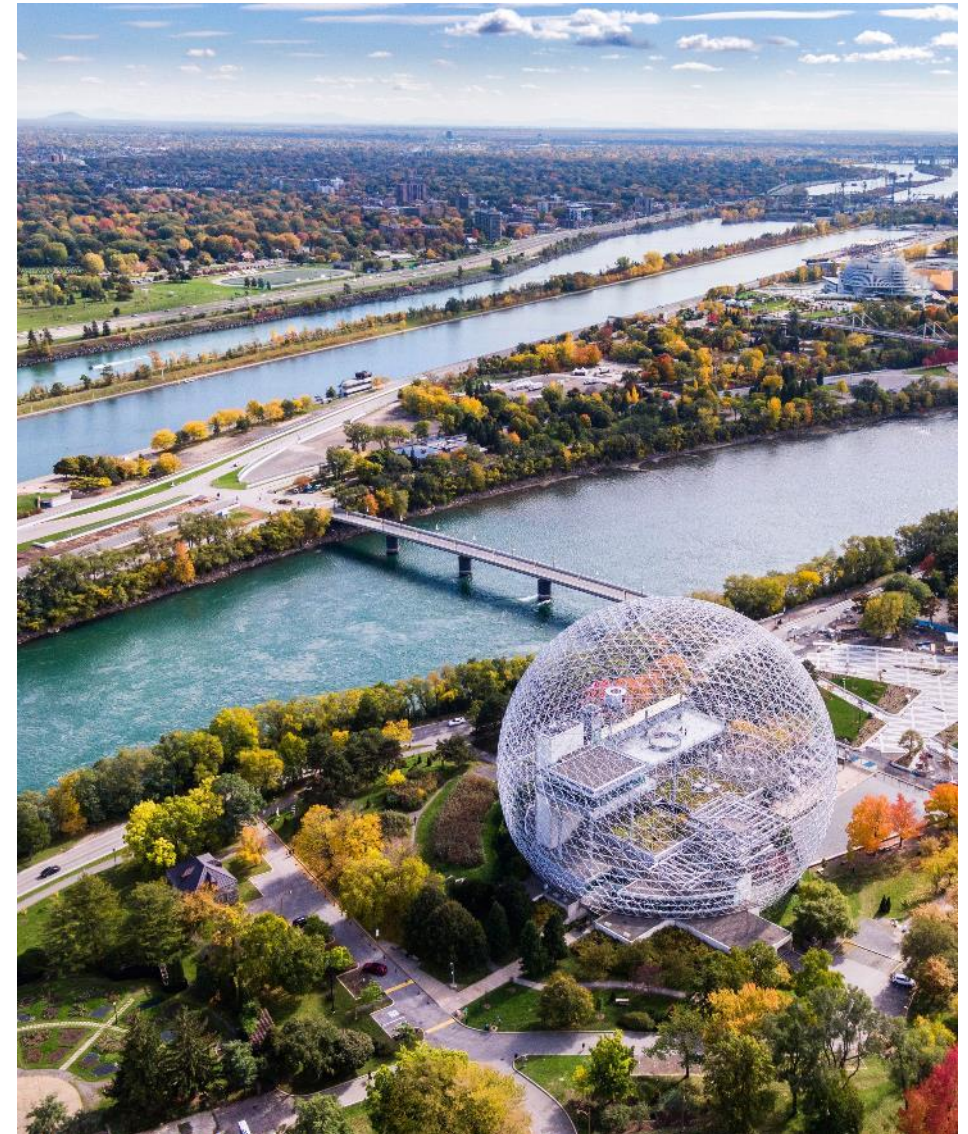
Transaction summary

One of Canada's leading IP firms, ROBIC further expands IPH's presence in the Canadian IP market

ROBIC

- ROBIC is one of Canada's leading IP firms and the largest in Quebec
- In 2022, ROBIC filed in excess of 3,000 patents and 1,500 trade marks for its clients, which include large multi-national corporations, universities, government agencies, start-ups and individual inventors
- IPH will undertake the transaction by acquiring a new Quebec limited partnership that will conduct the IP agency practice of ROBIC and will own an interest in a new Quebec limited liability partnership formed by former ROBIC partners that will acquire the legal practice of ROBIC, in compliance with Quebec regulation

Year founded	• 1892
Core services	• Patent • Trademark • Industrial design • IP legal services
Patent filings (CY2022)	• >3,000
Patent filing market share (local market)	• 6%



Transaction summary (continued)

Consideration

- The consideration for the acquisition is approximately CAD 110.6m (approximately AUD 124m)
- Represents a multiple of approximately 9x pro forma adjusted EBITDA of ROBIC for the 12 months to August 2023^{1,2}

Cash consideration	<ul style="list-style-type: none"> • Upfront cash consideration of approximately CAD 68.3m (65% of upfront consideration)
IPH share issuance	<ul style="list-style-type: none"> • Initial issue of 6m new IPH shares with a value of approximately CAD 36.8m (35% of upfront consideration) escrowed for two years³
Deferred earn-out consideration	<ul style="list-style-type: none"> • Deferred, earn-out consideration of up to CAD 5.6m (approx. AUD 6m), mix of cash and IPH shares dependent on ROBIC outperforming threshold broadly in-line with earnings level in the 12 months to March 2023

Financial impact

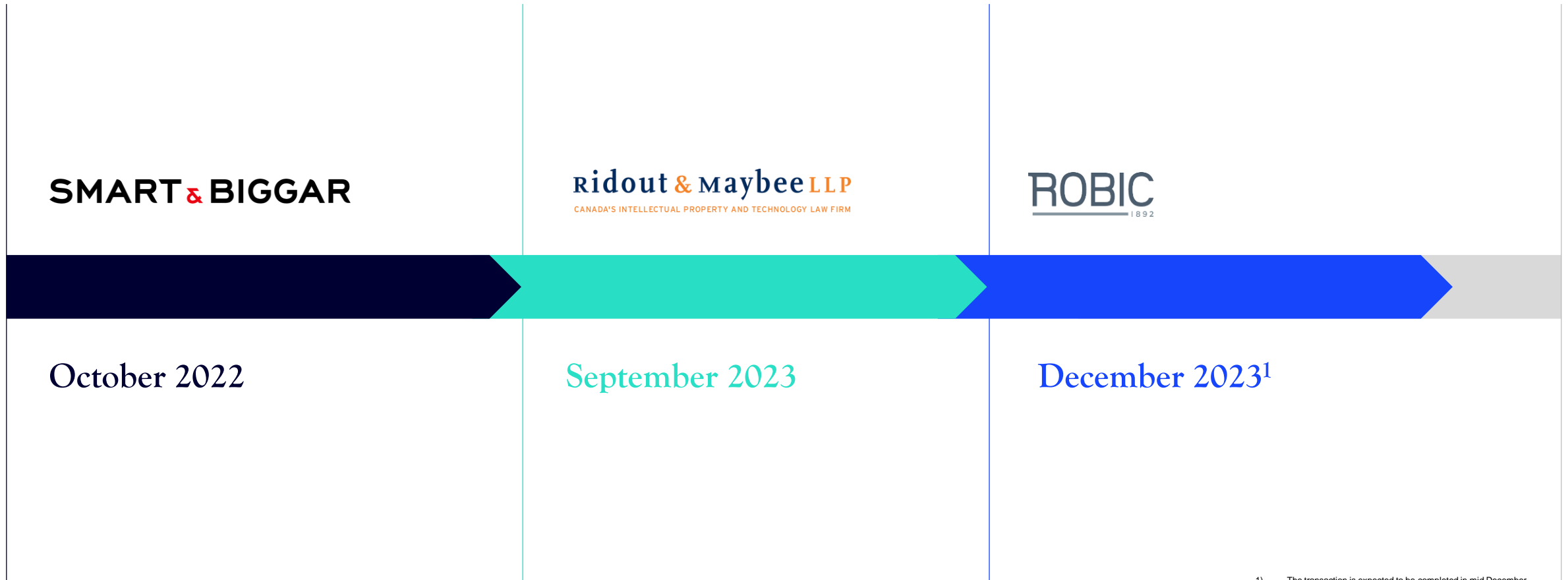
- The transaction is expected to be underlying EPS accretive in the first full year of ownership
- ROBIC's unaudited revenue for the 12 months to August 2023 was CAD 56.5m (approximately AUD 63m) and pro forma adjusted EBITDA was CAD 12.5m (approximately AUD 14m)²
- The transaction consideration will be funded from debt facilities, existing cash reserves and the issuance of IPH shares to the vendors
- Following the transaction, IPH's pro forma leverage ratio will be approximately 2.2 times⁴. IPH targets a leverage ratio of 1.5 – 2.0 times through the cycle, and may exceed 2x for strategic acquisitions such as ROBIC with the Group's strong cash flow generation to support deleveraging to the target range in due course, expected by approximately December 2024
- At completion of the transaction IPH intends to enter into additional interest rate hedges (consistent with our approach on Smart & Biggar) and will be substantially hedged in the near term which will provide greater certainty for the Group's interest rate expense

1) Calculated as the purchase price plus estimated lease liabilities divided by pro forma adjusted EBITDA for ROBIC for the 12 months to August 2023.
 2) Pro forma adjusted EBITDA is calculated as ROBIC's unaudited earnings before depreciation and amortisation and before partner draws (on a pre-IFRS-16 basis), adjusted for estimated pro forma partner salaries (excluding any incentive payments), the estimated impact of IFRS-16 and non-recurring items.
 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 6.91 per share, being the 20 day VWAP to 17 November 2023.
 4) Pro forma leverage is calculated as IPH drawn debt net of cash at June 2023 plus additional debt drawn in relation to acquisitions, divided by underlying EBITDA for IPH for the 12 months to June 2023 adjusted to reflect a full year contribution from Smart & Biggar and unaudited pro forma adjusted EBITDA for Ridout & Maybee and ROBIC, on a pre AASB-16 basis, consistent with IPH's debt facilities.



IPH acquisitions in Canada

Strengthening IPH's presence in key secondary IP market

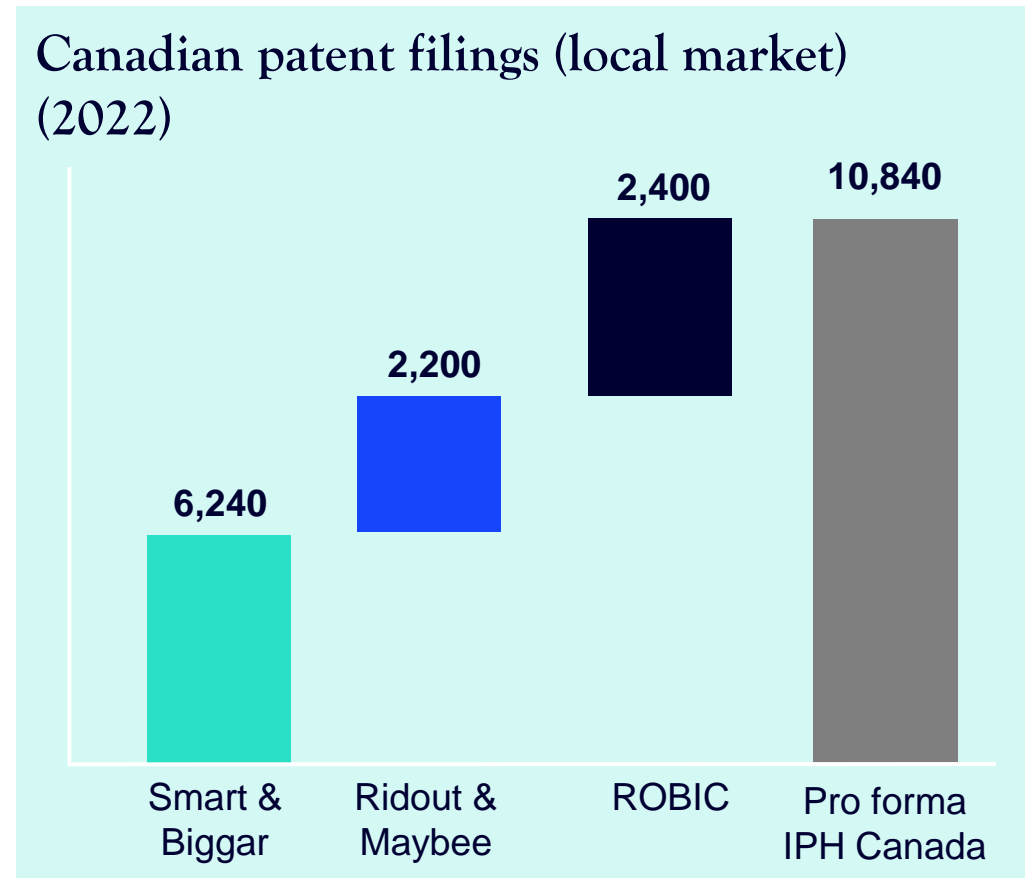
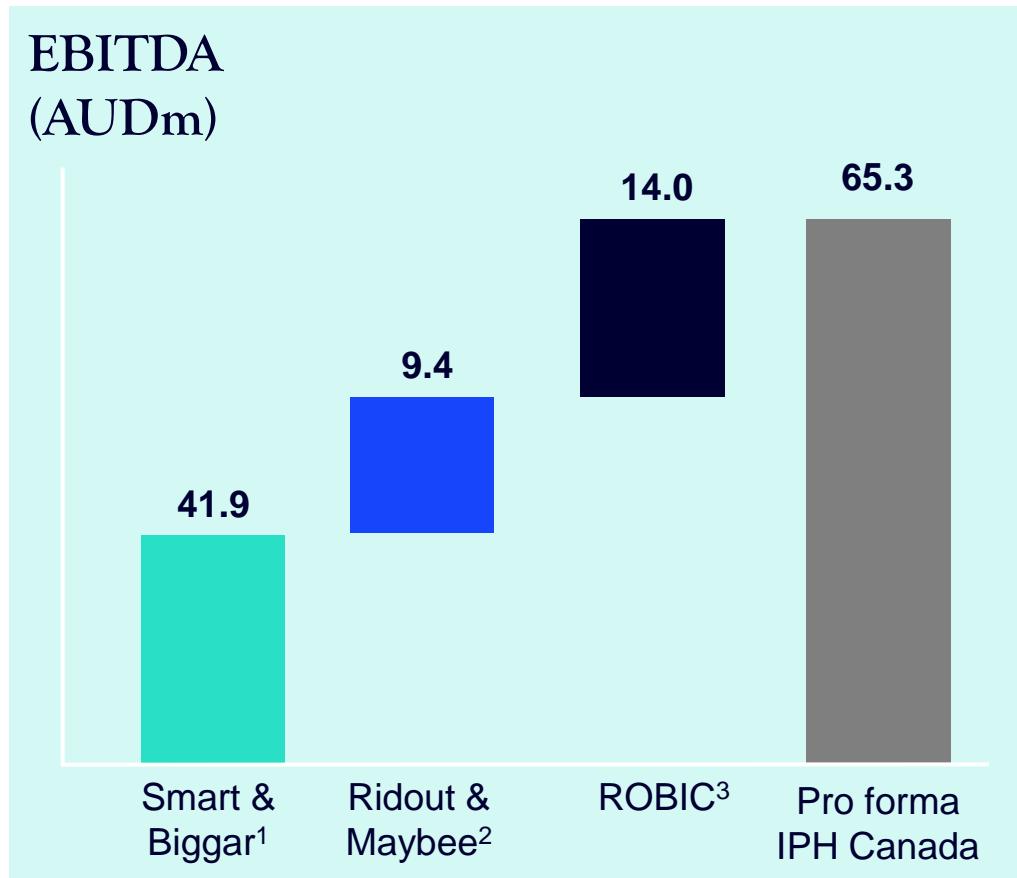


1) The transaction is expected to be completed in mid December.



IPH's growing presence in Canada

ROBIC will add to IPH's strong and growing presence in the Canadian market and provides further diversification to our business as expansion into global secondary markets continues in line with our strategic direction



1) Smart & Biggar's underlying EBITDA for FY2023, adjusted to approximate a full year contribution.
2) Ridout & Maybee's unaudited, pro forma adjusted EBITDA for the 12 months to December 2022.
3) ROBIC's unaudited, pro forma adjusted EBITDA for the 12 months to August 2023.



About the IPH Group

A leading international IP services group

Nº 1

Patent group
in Australia, Canada, New Zealand and Singapore²

Trade mark group
in Australia and New Zealand³

10
IP jurisdictions

1,600+
Employees¹

36k+
Annual patent filings⁴

14k+
Annual trade mark filings⁴

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 (1HCY22 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, Ridout & Maybee (CY22) and Robic (CY22) (annualised).

7 brands

AJPark

applied marks

GRIFFITH—HACK

PIZZEYS

ROBIC
1892

SMART & BIGGAR

SPRUSON & FERGUSON
INTELLECTUAL PROPERTY



Q&A





Thank you

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