



## ASX Announcement

12 October 2016

### **Presentation by David Griffith and Andrew Blattman to Morgans Conference**

Attached is a presentation to be given later today by IPH's Managing Director, David Griffith and Spruson & Ferguson's CEO, Dr Andrew Blattman to the Morgans Annual Queensland Conference 2016.

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#### **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, Singapore, Kuala Lumpur, Jakarta, Shanghai and Bangkok. The group comprises a multidisciplinary team of approximately 400 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 Stock Exchange.

# IPH Limited Presentation

## Morgans Queensland Conference 2016

12 October 2016

David Griffith – CEO and Managing Director, IPH Limited  
Dr Andrew Blattman – CEO, Spruson & Ferguson



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# Business Snapshot



## EMPLOYEES

440+



60 Principals

91 Professional Staff (excluding Principals)

291 Management and Support Staff

## BRANDS



PRACTICE INSIGHT  
we provide transparency



PATENT & TRADE MARK ATTORNEYS  
AUSTRALIA & ASIA-PACIFIC



## OFFICES



## CLIENTS

6,000 +



## PATENT MARKET SHARE

22%

No.1 in Australia  
(FY16)

25%

No.1 in Singapore  
(CY15)

## FILINGS

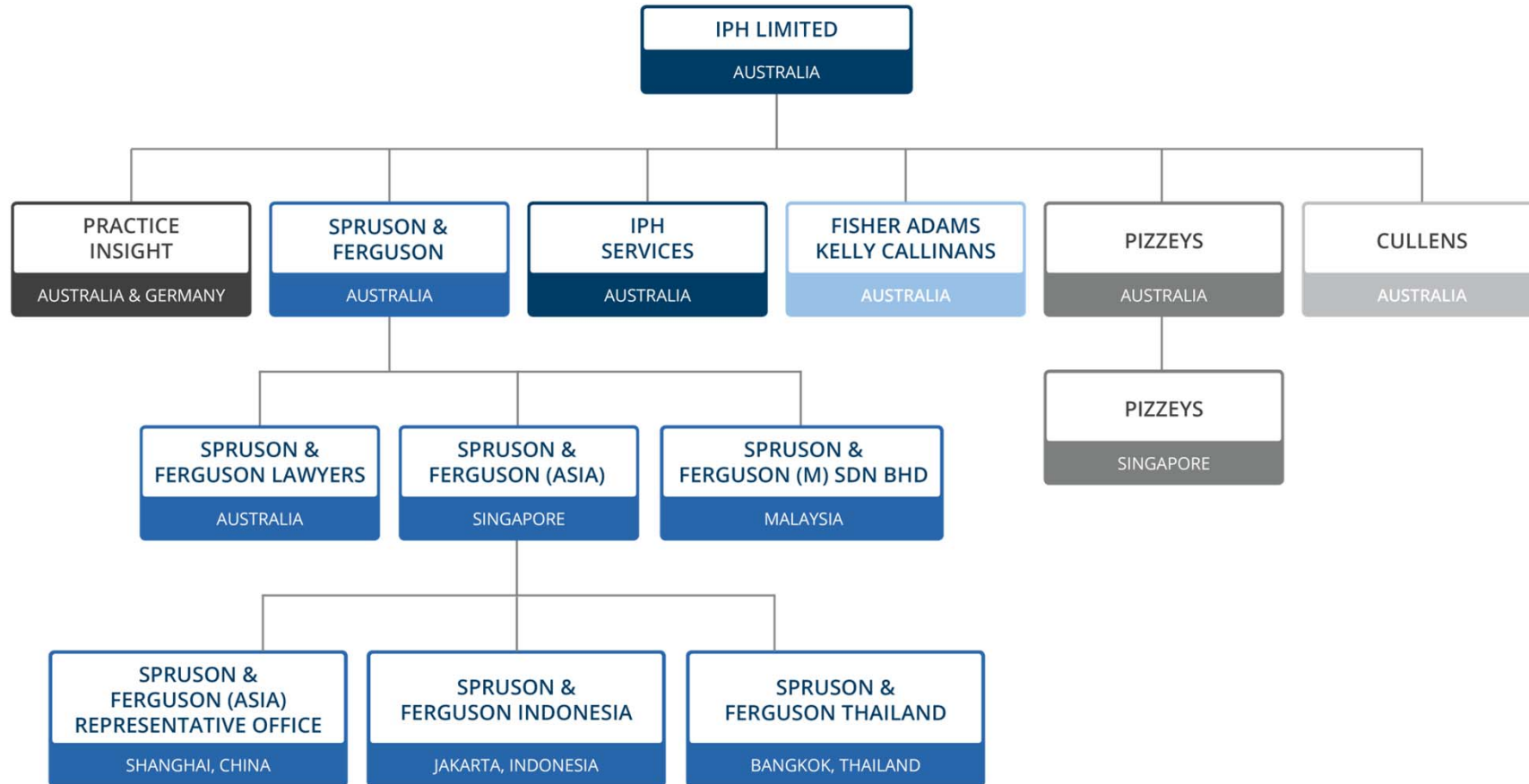
16,000 +

Patent applications

4,000 +

Trademark applications

# IPH Organisational Structure (simplified)



# FY16 Financial Highlights

FY16 NPAT has increased by 50%



- Underlying NPAT of \$46.9m (EPS 26.2c), 50% ahead of FY15.
- Like vs like (ie constant currency, excl. acquisitions) earnings growth in line with market trends over recent years.
- Revenue / earnings were biased towards the 1<sup>st</sup> HY (particularly in Asia) due to a pull forward of filings caused by the America Invents Act.
- Year on year net benefits derived from foreign exchange movements
- Incremental \$12.4m EBITDA from new acquisitions
- Increased development expenditure on Practice Insight business.
- Free cash flow<sup>1</sup> of \$39.1m, compared to \$30.4m in FY15
- Cash of \$58.5m, no debt and \$95m undrawn bank facilities
- Final Dividend of 10.0c/share (50% franked) declared; No DRP

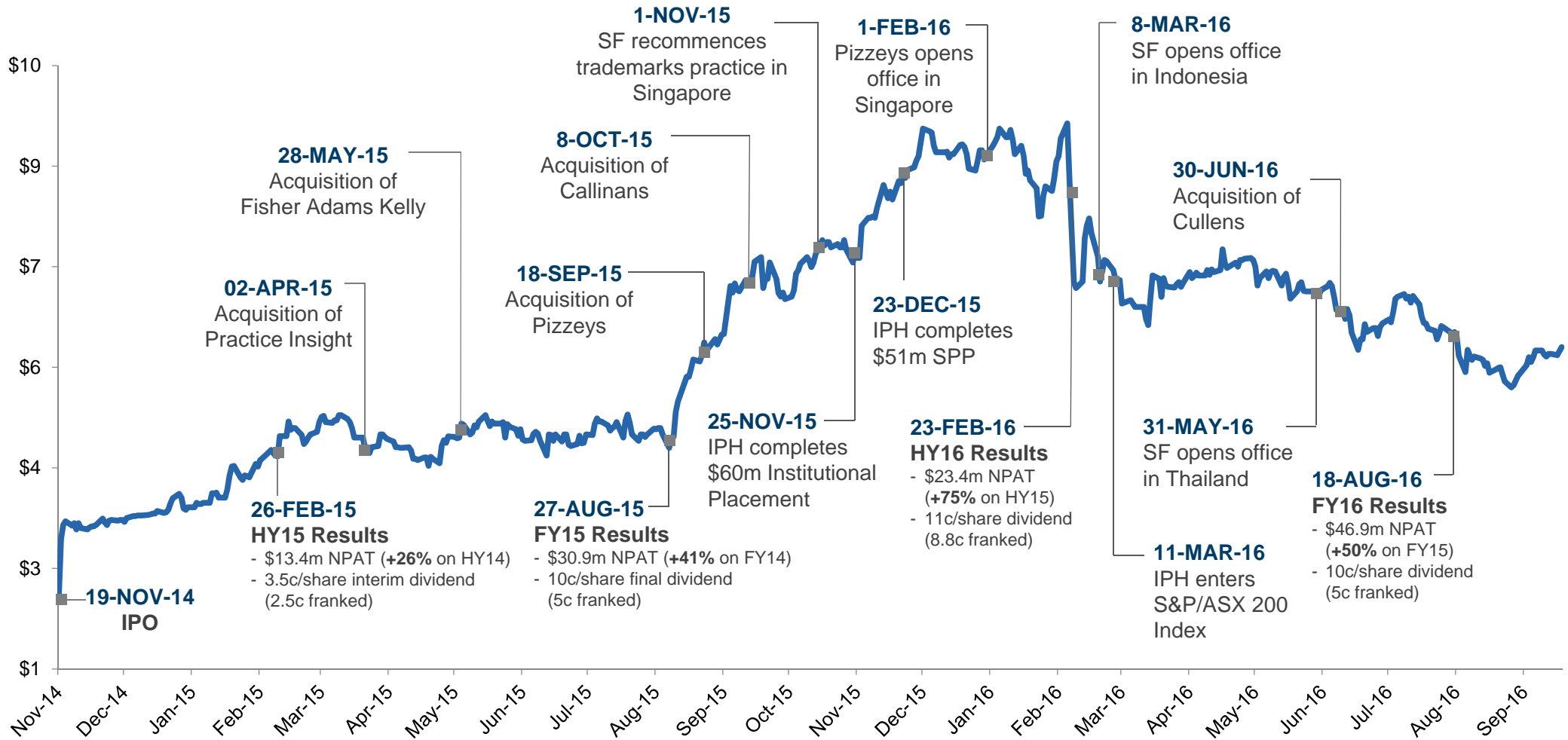
| Underlying Results (\$'m) | FY16    | FY15   | Chg % |
|---------------------------|---------|--------|-------|
| Revenue                   | \$143.1 | \$94.5 | 51%   |
| EBITDA                    | \$65.0  | \$42.5 | 53%   |
| NPAT                      | \$46.9  | \$31.2 | 50%   |
| EPS (Diluted)             | 26.2c   | 19.9c  | 32%   |
| Total Dividends           | 21.0c   | 13.5c  | 56%   |

| Statutory Results (\$'m) | FY16    | FY15   | Chg % |
|--------------------------|---------|--------|-------|
| Revenue                  | \$143.1 | \$93.8 | 53%   |
| EBITDA                   | \$59.5  | \$38.5 | 55%   |
| NPAT                     | \$38.8  | \$30.6 | 27%   |
| EPS (Diluted)            | 21.7c   | 19.5c  | 11%   |



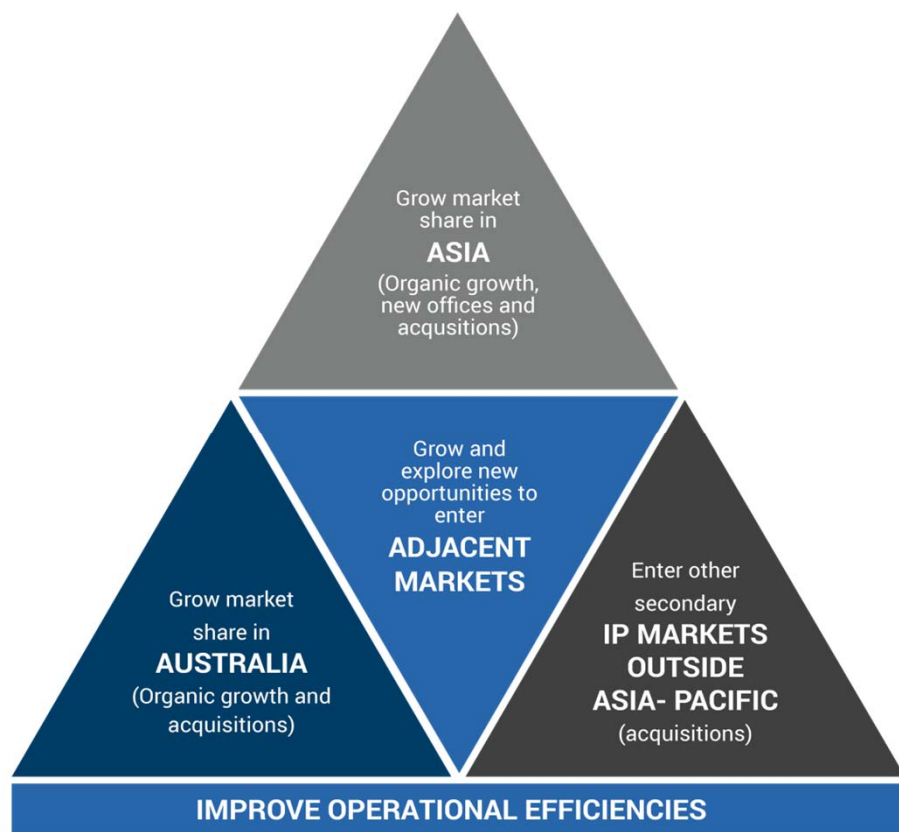
# IPH Performance

Share Price and IPH activities



# FY17 Outlook

To continue to deliver sustainable growth



## IPH will continue to execute on its strategic growth initiatives:

- Expansion into new secondary IP markets where IPH currently has little or no exposure through accretive acquisitions and/or establishment of new offices.
- Entering adjacent areas of IP by acquisition and/or organic growth.

## Organic growth and development of existing businesses:

- The group's Australian & Asian businesses are expected to continue growing in line with the underlying market trends experienced in recent years.
- Incremental earnings contributions from the new businesses acquired in the last year.
- Incremental Asian growth as new offices ramp up through the year.
- Practice Insight development expenses to increase to \$3-4m in FY17.
- Continued improvement in operational efficiencies, quality control and governance.



# Practice Insight

IPH's first step into adjacent IP markets



PRACTICE INSIGHT

**Revenue Model:** revenue is generated from the sale of products directly or through third party under an annual subscription licence model.

**Key assets:** access to “big IP data”, world-class technical and business development teams.

## Products (SaaS model):

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

## Past 12 months:

- Strengthened company's management and business development teams.
- Opened sales and support office in Munich.

## Next 12 months:

- Accelerate company growth and capitalise on significant market opportunities through further investment in product development, go-to-market strategic initiatives and sales and marketing teams in Europe and North America.

Thank You



Questions?