

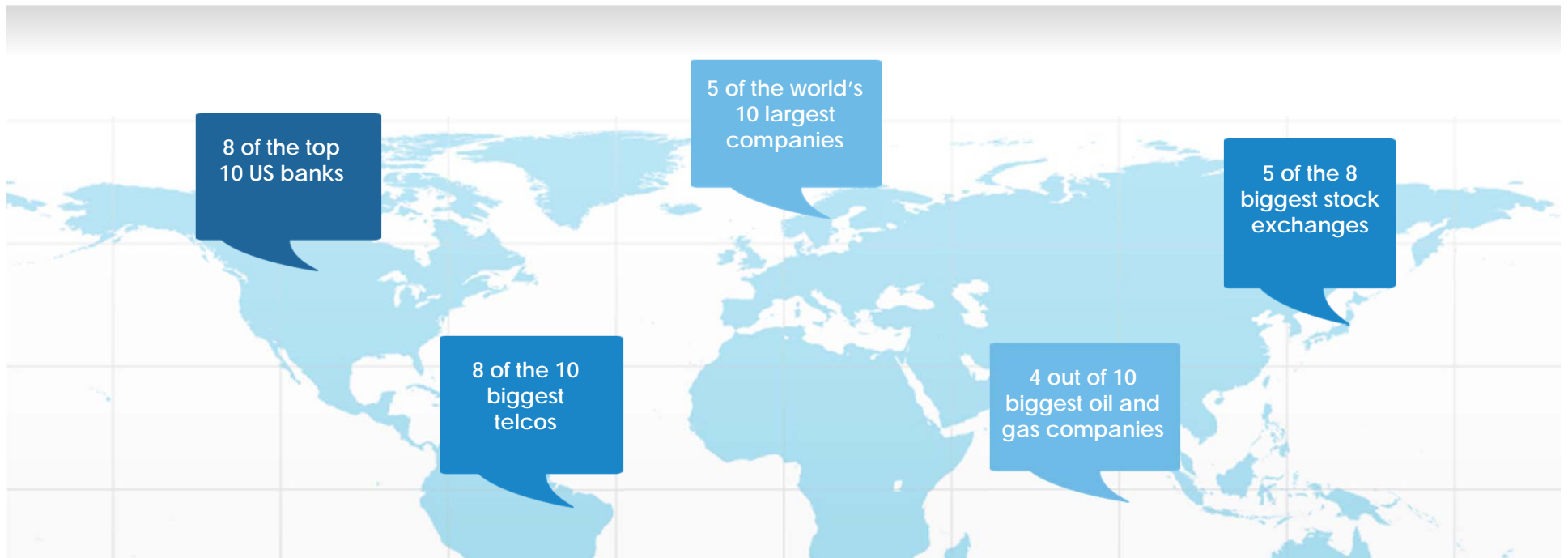


# Integrated Research Limited (IRI)

## FY2015 First Half Financial Results

February, 2015

ABN: 76 003 588 449





## Financial Results

- New Licence Sales up 43% to \$19.7m
- Total Revenue up 28% to \$33.5m
- Net Profit After Tax up 67% to \$7.5m
- No debt

## Currency Impact

- New Licence Sales up 39%
- Total Revenue up 25%
- YTD Effective US\$ Exchange Rate to \$A0.88

# Key Highlights

## UC Growth

- Revenue up 41%
- Enterprise & Cloud Provider growth
- Maintenance retention at 96%

## Payments Growth

- Revenue up 15%
- Fraud Management Adoption Growing

## Infrastructure

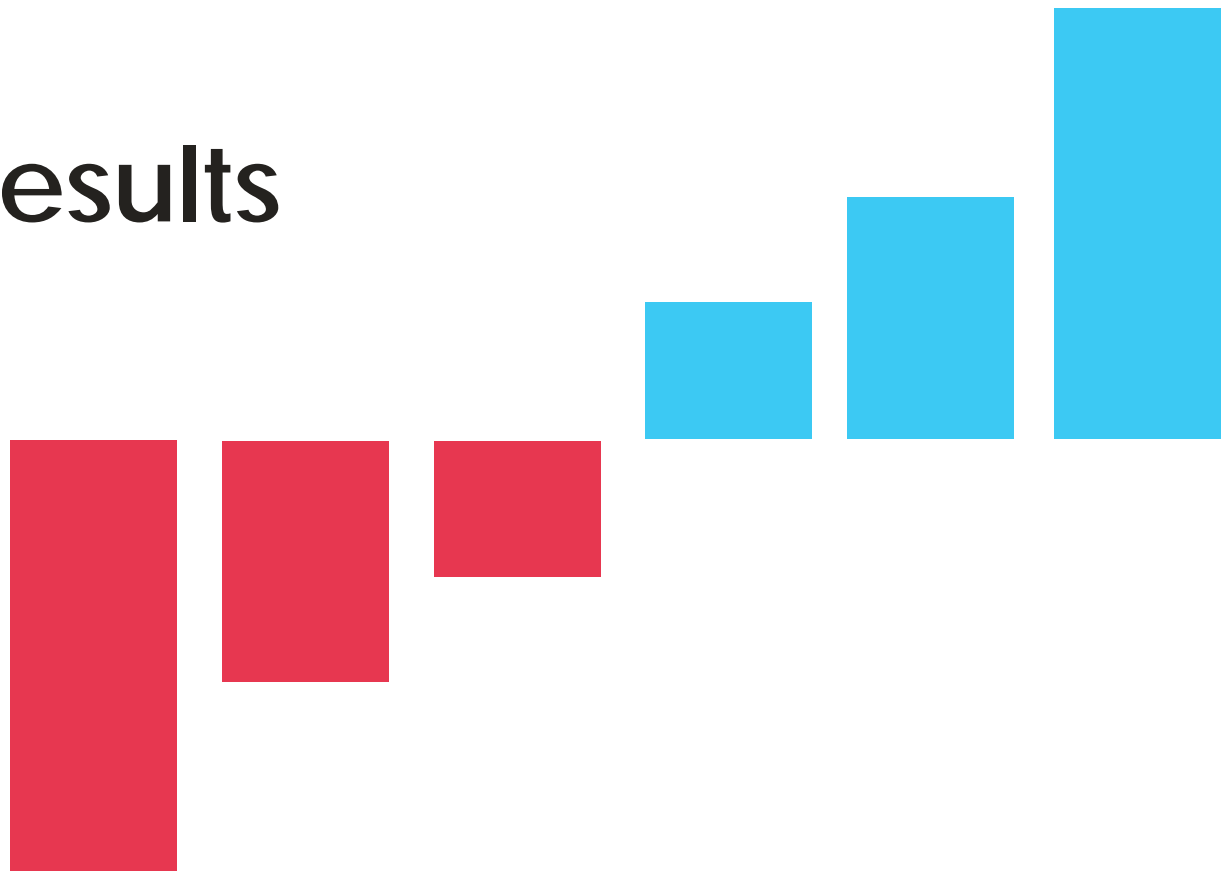
- Revenue up 21%
- Consistent Revenue performer
- High Profit margins

## Product Development

- Microsoft Lync Inflight Voice Quality
- Voice Quality 360<sup>©</sup> & Avaya IP Office
- Call Recording Assurance
- Service Provider Enhancements



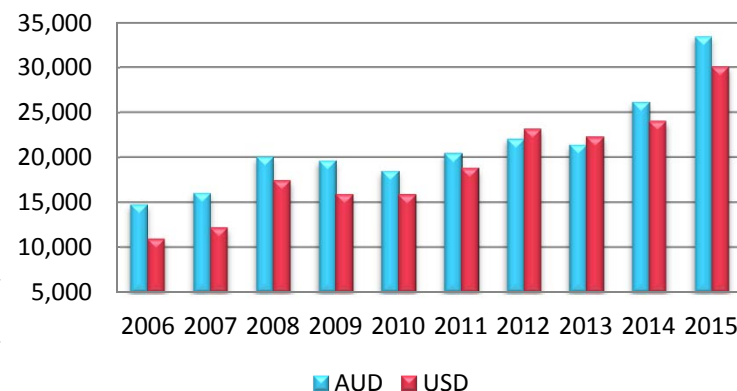
# Financial Results





# Financial Results

First Half Revenue \$'000



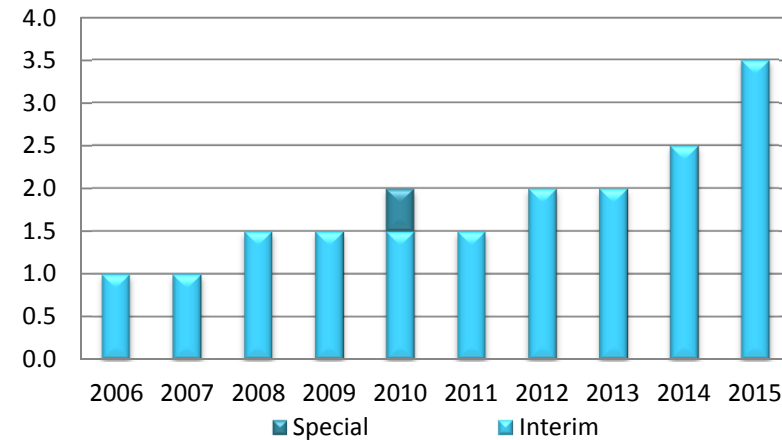
	December 2014 A\$000's	December 2013 A\$000's	% change	% change in constant currency
Licence fees	19,724	13,810	43%	
Maintenance fees	11,277	9,920	14%	
Consulting fees	2,491	2,474	1%	
<b>Total revenue</b>	<b>33,492</b>	<b>26,204</b>	<b>28%</b>	<b>25%</b>
R&D expenses - net	6,206	5,582	11%	
Sales, consulting & marketing expenses	15,771	12,812	23%	
General & Administrative expenses	2,533	2,309	10%	
<b>Total expenses</b>	<b>24,510</b>	<b>20,703</b>	<b>18%</b>	<b>16%</b>
Profit before tax	10,071	5,757	75%	
<b>Profit after tax</b>	<b>7,548</b>	<b>4,519</b>	<b>67%</b>	<b>48%</b>

- All product lines growing
- Currency tailwind benefiting IR
- Margin increased from 17% to 23%



# Balance Sheet

**Dividends (cents)**



	December 2014 A\$000's	December 2013 A\$000's
Cash at bank	14,328	16,026
Current Receivables	23,850	17,694
Capitalised Development	16,653	15,853
Deferred Revenue	19,307	15,193
Net assets	34,200	30,184

**Half Year Shareholder Returns**

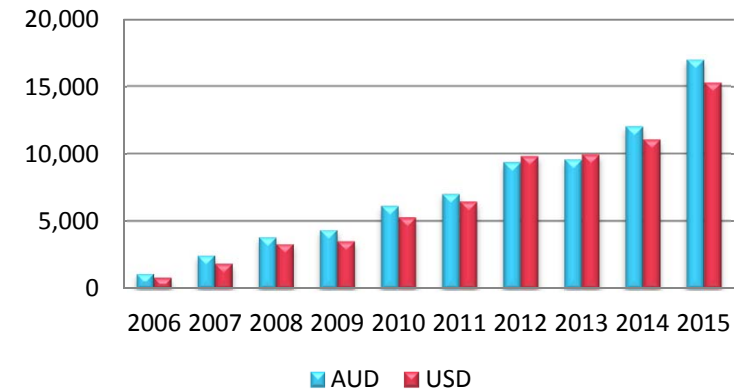
	2015	2014	2013
Basic earnings per share	4.46¢	2.68¢	1.64¢
Dividends per share	3.5¢	2.5¢	2.0¢
Franking percentage	35%	30%	30%
Return on equity	22%	15%	10%



# Product Line Performance

Revenue by Product Line (\$A)	Dec 2014 A\$000's	Dec 2013 A\$000's	% change	% change in constant currency
Unified Communications	17,009	12,060	41%	36%
Infrastructure	11,488	9,499	21%	17%
Payments	2,504	2,171	15%	12%
Consulting Services	2,491	2,474	1%	(2%)
<b>Total Revenue</b>	<b>33,492</b>	<b>26,204</b>	<b>28%</b>	<b>25%</b>

First Half Unified Communications Revenue \$'000



- Growth across all major product lines

- 3 significant UC deals closed in December



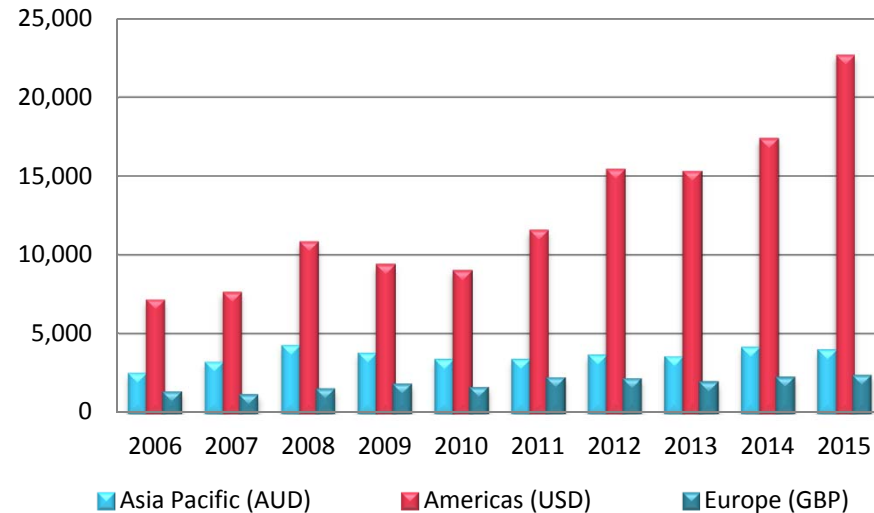
# Regional Performance

Strong and diversified Americas growth

Americas represents 77% of Company revenue

Europe and APAC momentum building

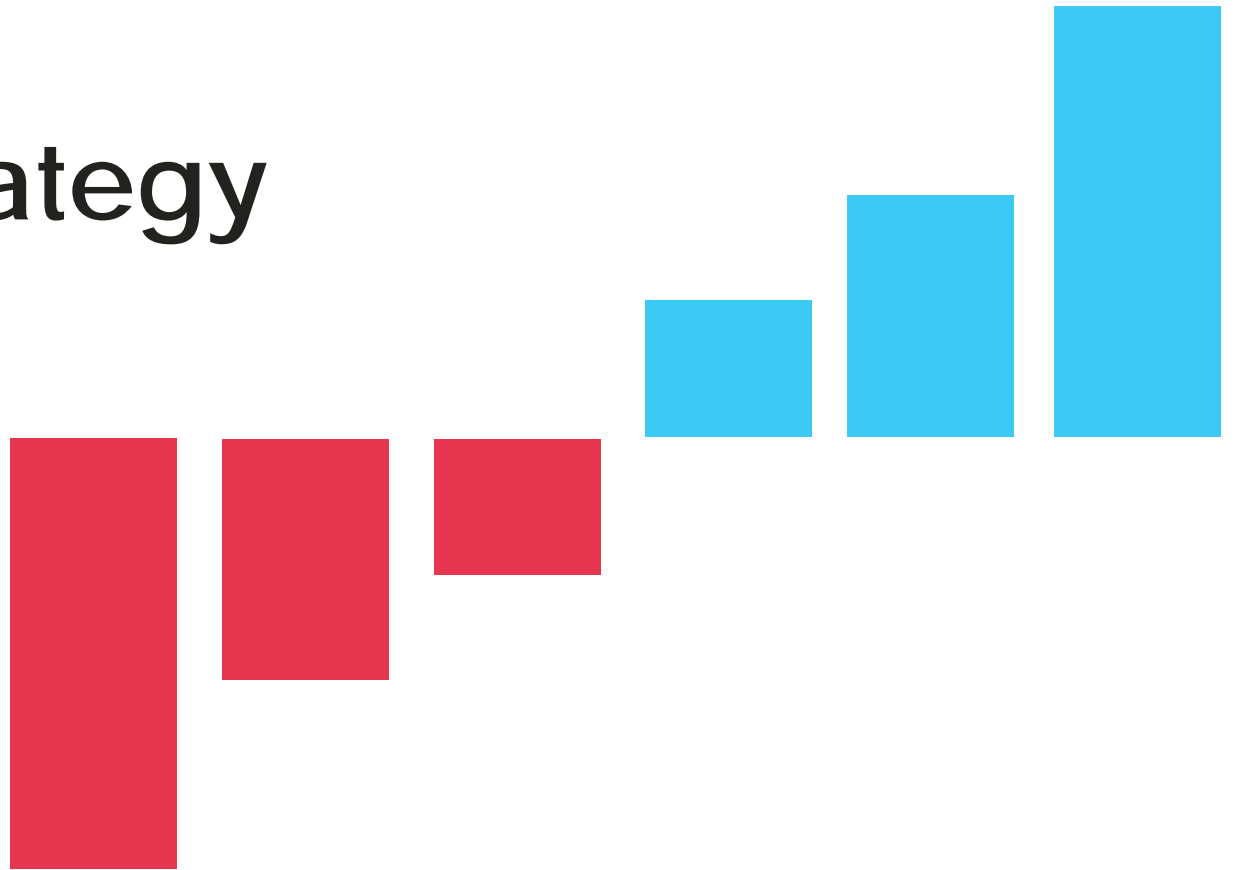
Revenue by region



Revenue by Geographic region (In local currency)	Dec 2014 \$000's	Dec 2013 \$000's	% change
Asia Pacific (\$A)	3,935	4,105	(4%)
Americas (\$US)	22,650	17,352	31%
Europe (£GBP)	2,331	2,203	6%



# Growth Strategy Update







## IR



IR is the leading global provider for performance management solutions for Unified Communications, Payments and IT Infrastructure.



## Capabilities

Prognosis provides availability and performance management, diagnostics and actionable business insight for mission critical systems



WHY WE SUCCEED

WHY CUSTOMERS BUY

## Competitive Advantage

- ✓ **Prognosis is** real-time, scalable, extensible and flexible
- ✓ **Prognosis supports** multiple platforms, vendors and applications
- ✓ **IR has** 1,000+ enterprise customers globally
- ✓ **IR has** a world-class R&D capability
- ✓ **IR is** profitable and debt-free

## Value Proposition

**Prognosis increases** technology performance, minimizes outages, reduces cost, delivers business critical insight and ensures user satisfaction



# Strategic Initiatives

Solution Strategy



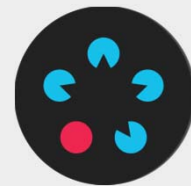
Regional Growth  
Europe & Asia Pacific



Partnering



Strategic Marketing





# H1 Major Drivers for Growth

## Innovation (Prognosis 10)

- Contact Center
- Call Recording Assurance
- Microsoft Lync
- Voice Quality 360<sup>®</sup>
- Service Provider Solution

## Strategic Marketing

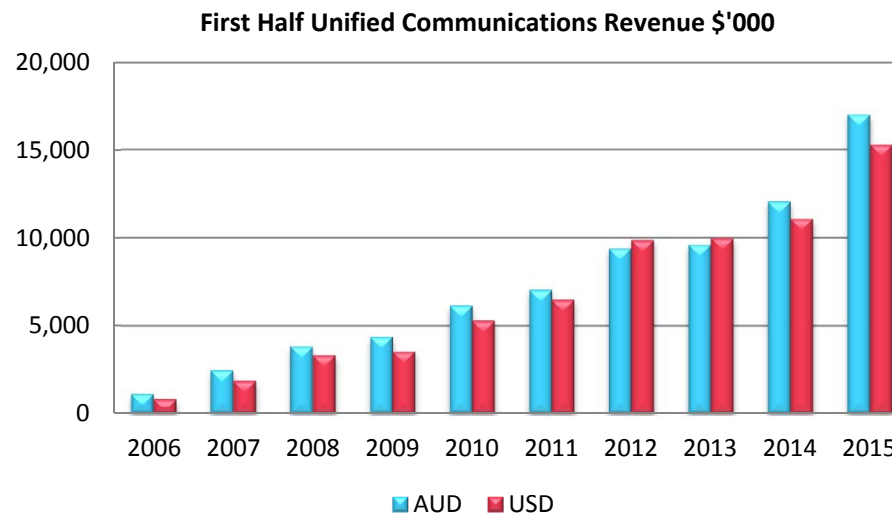
- Pipeline Build
- Thought Leadership
- Building Momentum
- Broader Market Reach

## Strategic Partner Engagement

- Leveraged Pipeline
- Access to Power & Budget Owner
- Leveraged Marketing

## New Subscription Pricing

- Lower Approval Levels
- Easier Access to Budget





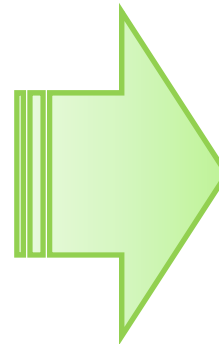
# IR grows with UC Cloud Providers

Service Providers are aggressively building cloud-based Unified Communications as a Service (UCaaS) offering

*"In the North American UC market over the next five years, Gartner estimates that: UCaaS will experience compound annual growth rate (CAGR) of 20% to 25%"<sup>1</sup>*

**Gartner.**

Communications Outsourcing & Professional Services  
2014 Magic Quadrant



5 out of 6 'Leaders' rely on

**ii prognosis**

to power their  
Communications Outsourcing  
Services

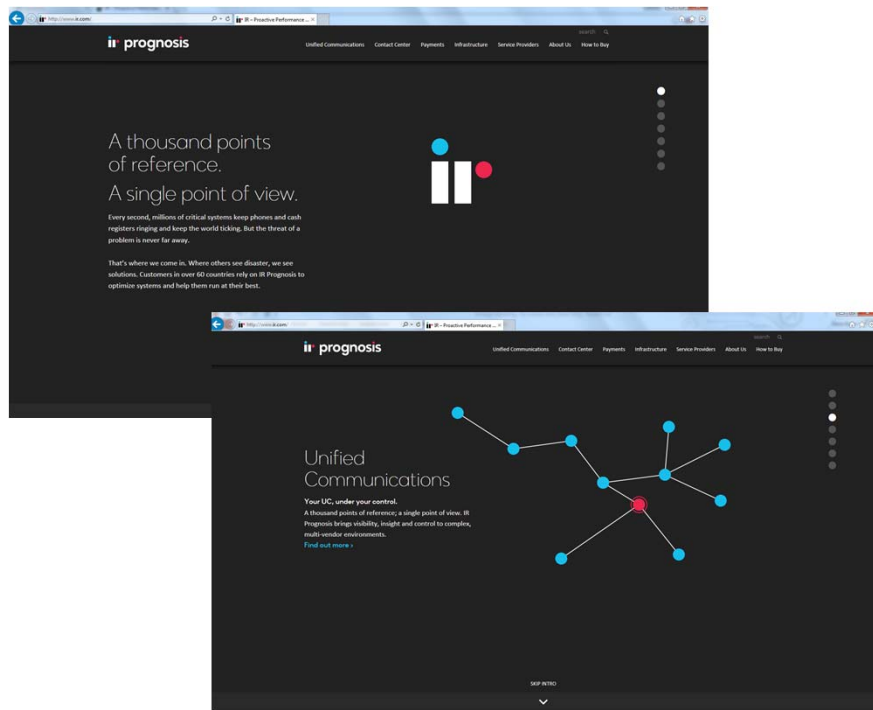


1. Source: Gartner, Tech Go-to-Market: Selling Unified Communications in a Highly Disrupted Market, June 2014



# Strategic Marketing

## Launched New IR Brand





## Effective Demand Generation

Marketing Generated Revenue increased 210% YoY

## Leading with the Customer

CASE STUDY

 **Prognosis for Unified Communications**

**PRUDENTIAL** 

### Insight between the lines.

Prognosis delivers pinpoint accuracy when and where it's needed.



# Increasing Market Exposure

## Increased recognition and momentum through Key Influencer Outreach Program

### NETWORKWORLD

#### New products of the week 12.01.2014

By Brandon Butler, Network World | Dec 1, 2014 3:00 AM PT

Our roundup of intriguing new products from companies such as WTI and Opengear.

**PRODUCT NAME** IR Prognosis 10.2  
**MANUFACTURER** IR  
**PRICES** Starts at \$3,125  
**AVAILABILITY** Now

5 of 13

IR Prognosis 10.2



NEWSLETTERS	COMPANY PROFILES	RANKINGS	STATISTICS
DEBIT	EMERGING PAYMENTS	COMPLIANCE	RISK MANAGEMENT
			MERCHANT ACQUIRING
			OPINION

### Advances in Real-Time Data Tech Can Improve the Payment Process

BY BAILEY REUTZEL  
JAN 20, 2015 12:01am ET

PRINT  
EMAIL

While real-time payment technology is a hot topic among banks in the U.S., real-time data analysis is likely to come much faster.



Darc Rasmussen, CEO of Integrated Research

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Contact Center Solutions Featured Article

#### Avaya Includes Prognosis Trial with Every Avaya Aura Communication Manager Order

November 07, 2014  
By Peter Bernstein, Senior Editor

0 1 0

Word from down under is that Australian provider of proactive performance management software Integrated Research is now going to give customers a free trial for Prognosis (News - Alert) performance management software which is promoted as helping customers drive stronger returns from their investment in Avaya Aura Communication Manager.

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ROUNDUP

### Call Recording Roundup

By Paula Bernier, Executive Editor, TMC | January 26, 2015

Whether used for coaching, productivity enhancement, regulatory compliance, or other purposes, call recording is garnering a lot of interest lately for its ability to make organizations more efficient and effective. Here's a rundown of some of the leading players in the call recording market place.

0 2 0

**IR Prognosis**

Many organizations currently risk heavy compliance fines due to failed or inaudible call recordings in contact centers and other regulated environments. **IR Prognosis** offers patented Call Recording Assurance technology, which is constantly checking the system health. Users receive immediate notifications of failed recordings coupled with real-time visibility to ensure optimal performance. Call Recording Assurance also removes the need for time-consuming manual checking to confirm call recording is working. For businesses in financial services and health care in particular, this minimizes the risk of being fined, which can be more than \$2,000 for each call that fails to be recorded and archived, or losing their license to operate.





# New Customers

Increasing number of New Customers using multiple solutions





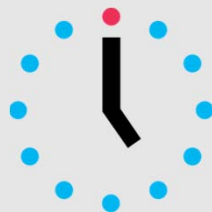

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Thank you.  
Questions?



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