

ASX Announcement

16 November 2016

AGM Presentations

In accordance with the ASX Listing Rules and the Corporations Act 2001, attached are the presentations to be given at today's Annual General Meeting. The presentations include an earnings update.

For more information, please contact:

David Griffith, Managing Director

John Wadley, Chief Financial Officer

Ph: +61 2 9393 0301

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, Canberra, Singapore, Kuala Lumpur, Jakarta, Shanghai, Beijing, Hong Kong and Bangkok. The group comprises a multidisciplinary team of approximately 470 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 Securities Exchange.

Chairman's Address

The 2016 financial year has been another successful year for IPH – a year of acquisitions, expansion and growth.

We enjoyed double-digit growth in revenue, EBITDA and NPAT, with earnings per share increasing by 11% on FY15. This welcome result was due to the incremental earnings from acquisitions, foreign exchange tailwinds and organic growth from our IP services businesses.

IPH's solid financial position and strong cash flows continue to support the Company's high dividend payout ratio to our shareholders. The Directors have declared a final dividend of 10.0 cents per share (5c franked) payable on 14 September, bringing dividends paid during the year to 21 cents.

From IPH's listing on the ASX in November 2014, our vision has been to be the leading IP group in secondary IP markets and adjacent areas of IP.

To achieve this we are focusing on four key strategic priorities: organic growth within existing businesses and markets, expansion to other secondary markets where IPH has little or no exposure, entering new adjacent areas of IP and enhancing operational efficiencies, quality control and governance. We believe these strategies, underpinned by the Company's core values, will deliver sustainable growth and value to our shareholders.

During the year we strengthened IPH's leadership position in the IP markets across Asia-Pacific including: the acquisition of three well-established Australian IP firms: Callinans, Pizeys and Cullens; and opening offices of Spruson & Ferguson in Indonesia and Thailand and Pizeys in Singapore. Subsequent to the year-end we have also added the Ella Cheong business in Hong Kong and Beijing.

The Company's strong capital position will enable IPH to finance strategic growth focusing on secondary markets outside of Australia.

We continue to build a strong leadership team for the future with a number of key appointments in the senior management and professional teams across the IPH group.

On 19 November 2016 escrow restrictions for former trustees of Spruson & Ferguson will cease to apply. IPH has facilitated the setup of a share sale facility to conduct any sale of shares in a structured and orderly fashion. A bookbuild in relation to shares being sold through the share sale facility is intended to be conducted post release of escrow restrictions on Monday 21 November 2016. We expect that a trading halt will be sought while this process takes place, if available. The outcome of the share sale facility will be disclosed to the market through the ASX once the process is complete. I will shortly introduce our CEO David Griffith whom shareholders should understand is one of the former trustees who will have his escrow restrictions lifted.

At this time, I am pleased to announce that in a strong affirmation of the business, 75% of the available former Trustees of Spruson & Ferguson have agreed to extensions of their employment agreements of between one and three years commencing 1 January 2017. The remaining former Trustees are bound by the original employment agreement through to 19 November 2017. In context, we now have 62 client facing principals across the IPH Group.

Given the significant amount of stock coming off escrow the Board believe it is appropriate to provide a

greater degree of guidance on the FY17 outlook than would be provided under normal circumstances. It should be noted that it is provided on the basis of four months' actual trading and the Group's best estimates for the remainder of the year, and the normal cautions regarding the uncertainties of the economic climate and the company's risk factors apply.

The Board expects to report full year underlying earnings before interest tax depreciation & amortisation (EBITDA) of between \$72 and 74m (assuming an AUD/USD exchange rate of 76.2c).

Due to the timing of acquisitions and the impact of America Invents Act on the results on the first half of FY16, the weighting of the result between the two halves will be different to that previously observed. The weighting is currently expected to be approximately 47%/53% first half to second half.

Given the current uncertainty in financial markets post the US election, you are reminded that the Group's results are materially impacted by the AUD/USD exchange rate. All other factors being equal, a weaker AUD is of benefit to the Group's financial performance.

Finally, on behalf of the Board, I would like to thank our shareholders for their ongoing support and our staff and management for their efforts in delivering consistently outstanding results while continuing to focus on the business growth and long-term value creation.

Richard Grellman
Chairman

CEO's Address

Thank you Mr Chairman.

Ladies and gentlemen, welcome to IPH's 2016 Annual General Meeting.

In FY16 the Group underwent many exciting changes and achieved significant growth. Today, IPH companies employ over 470 staff, operating under five different brands in seven countries.

In March 2016, IPH was admitted into the S&P/ASX 200 index and at 30 June 2016 had market capitalisation of \$1.2b.

Strong financial performance and solid capital structure

I'm delighted to report that the Group's growth trend continued with the FY16 underlying net profit after tax (NPAT) of \$46.9M, an increase of 50% on FY15.

The Group's underlying earnings before interest, taxes, depreciation, and amortization (EBITDA) for the year increased by 52% on FY15 to \$65.0m. Our net operating cash flow was \$42.1m. The results were driven by a combination of strong performance by IPH's IP services business, an incremental \$12.4m EBITDA from recent acquisitions and foreign exchange tailwinds. The America Invents Act caused a pull forward of patent filings, resulting in stronger earnings in the first half of the year.

At the end of FY16, IPH maintained a robust balance sheet with \$58.8m in cash, no debt and \$95m in undrawn bank facilities. The Group continues to have minimal working capital requirements and strong cash conversion across its IP services businesses.

Market Overview

The America Invents Act (AIA) caused an increase in the number of patent applications filed in Australia and Asia in the first half of the year. Post AIA, the outlook remains strong with the normalisation of US originating PCT applications to be filed in the countries serviced by IPH group companies in the next 18 months.

Asian markets remain attractive for IPH with strong, consistent growth across the region.

The patent filings in Australia continue to grow in single-digit percentage terms in a mature market.

Singapore is a moderate growth market with over 10,000 patent applications filed in the last two consecutive years.

IP services businesses

Over the last 12 months, we have delivered on our strategic objective to consolidate the Australian market - IPH extended its leading market position in the Australian IP market by acquiring highly regarded IP firms Callinans, Pizeys and, most recently, Cullens Patent and Trade Mark Attorneys. We are proud to have such quality firms as part of the IPH family.

Together, IPH Australian IP firms hold the number one patent market position in Australia with approximately 22% market share in the FY16 year – at the time more than twice the market share of the next competitor. Spruson & Ferguson, as an individual firm maintained the leading market position in

terms of number of patent applications filed in Australia.

IPH continues to deliver strong results in Asia, primarily due to the outstanding performance of Spruson & Ferguson's Asian operations. IPH holds the number one position in the Singapore patent market with approximately 25% market share (CY15); and with the establishment of Pizzeys' Singapore office and Spruson & Ferguson's new offices in Indonesia and Thailand, we hope to further grow IPH's footprint in Asia.

This growth will be enhanced by the recently announced acquisition of Ella Cheong Hong Kong and Beijing, IPH's first international acquisition. This Hong Kong business was established in 2004 and as the demand for IP services in Greater China grew, the business expanded its presence in the region with the opening of the Beijing office in 2009. This business provides an excellent platform for Spruson and Ferguson to expand the provision of its services for existing and new clients in Greater China. I welcome the 54 staff to the IPH team.

The Group continues to pursue further acquisition opportunities in secondary markets, particularly in Asia and will keep the market informed of developments.

In FY16 IPH companies filed over 16,000 patent and 4,000 trademark applications. This includes over 300 originating PCT applications filed by IPH companies for their clients in Australia and Singapore, reflecting further diversification of the business and revenue streams.

Post-acquisitions, we have been working on increasing the Group's capabilities, efficiencies and geographical coverage. The key developments which took place:

- merging the operations of Fisher Adams Kelly and Callinans (FAKC);
- expanding FAKC's geographical reach of services to Asia;
- opening of the Pizzeys office in Singapore; and
- improving efficiencies by enhancing operational management capabilities and the utilisation of IT systems in the newly acquired businesses.

Practice Insight

In pursuing our strategy to enter adjacent IP markets, in April 2015, IPH acquired Practice Insight, an IP data and analytics software business. With the acquisition of Practice Insight, one of the few companies in the world with access to "big" IP data, IPH is well positioned to enter the adjacent Software As A Service (SAAS) market and capitalise on disruptive innovation. Products developed by Practice Insight are highly desirable for private practice firms worldwide as well as patent licensing departments of corporations and research institutions.

We conducted an analysis of Practice Insight's business, products and market; strengthened the company's management and sales capabilities; and established Practice Insight's new sales and support office in Munich to provide better reach in key markets.

In the next 12 months, in an effort to accelerate the company's growth and capitalise on significant market opportunities, we will continue to heavily invest in Practice Insight's product development and go-to-market strategic initiatives.

Management and professional appointment

Our people are a key asset and fundamental to the success of our business. We are committed to attracting, retaining and advancing the best talent to lead, grow and manage our diverse business.

In alignment with this commitment, in the past 12 months, 15 client facing IP professionals across the Group were promoted to the position of Principal. The promotions allowed IPH companies to renew, rejuvenate and ensure continuity of service of the Group's senior IP leadership team. We are extremely pleased to be able to promote our highly qualified and experienced professional staff to key leadership positions within the company under its new corporate structure.

We have also strengthened our executive management team with the appointment of a Chief Operating Officer and General Counsel, which will enhance our ability to execute on the Company's growth strategies and develop best practice corporate governance standards.

I am also pleased to welcome John Wadley as our CFO, having stepped up from the role of Deputy CFO to replace Malcolm Mitchell. Malcolm continues to assist IPH as an active advisor and consultant with regards to our ongoing acquisition strategy.

Operational efficiencies

The IPH's IT group continues to develop strategic IT facilities to streamline services of the traditional operations of IPH businesses. Some of the key developments include:

- moving to a largely paperless environment;
- leveraging the established B2G interface with IP Australia and IPONZ; and
- relocating IT operations to the offsite file servers in Sydney and Singapore.

We remain focused on maximising profitability through operational integration and business process improvements across the Group.

I am very proud of what we achieved to date and excited about the opportunities ahead of us and the direction IPH is heading. I would like to thank all employees for their contribution and dedication, our clients for entrusting us with their business and shareholders for their support in helping us to build a thriving business for the future.

David Griffith
CEO