



ASX Announcement

20 November 2017

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.

For more information, please contact:

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About IPH Limited

IPH Limited ("IPH", ASX:IPH), the holding company of Spruson & Ferguson, Practice Insight, Fisher Adams Kelly Callinans, Pizzeys, Cullens and AJ Park, 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, Auckland, Wellington, Singapore, Kuala Lumpur, Jakarta, Shanghai, Beijing, Hong Kong and Bangkok. The group comprises a multidisciplinary team of approximately 600 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

In FY2017, IPH Limited delivered solid earnings and dividend growth. This was particularly pleasing given the very strong comparative year caused by increased patent filing activity in our markets due to the America Invents Act. At the same time, we have continued to deliver on our strategic objectives and further expanded our platform for future organic growth.

Solid financial performance and strong cash flows have enabled the Directors to declare a final dividend of 10.5c per share (fully franked) bringing total dividends paid during the year to 22c (an increase of 5% on FY16).

Operationally, in the past year we focused on the expansion and strengthening of the Company's presence in the high growth Asian region, with the first international acquisition in China and Hong Kong and continuous development of the new Thailand and Indonesian offices. As a vote of confidence in our model, we saw an increase in the number of cases and portfolios transferred to our businesses in Asia and Australia by both existing and new clients.

Most recently, of course, we have completed the acquisition of leading New Zealand IP firm, AJ Park. The acquisition of AJ Park represents a further step to expand in secondary markets and supports IPH's growth in Asia through extension of our Asian service offering to AJ Park's local and international clients.

As previously announced, David Griffith will step down as Managing Director and CEO at the end of this Meeting after 43 years in the IP profession with Spruson & Ferguson and IPH Limited.

David has made an enormous contribution to the Spruson & Ferguson business and was a catalyst for the transformation of the entire IP industry in Australia. David has also developed excellent professional and executive talent within the company that has enabled the Board to manage an orderly transition upon his retirement.

Dr Andrew Blattman, current CEO of Spruson & Ferguson, will succeed David as the CEO and Managing Director of IPH. Andrew has more than 20 years of experience in IP and a deep understanding of the IPH business. The Board is confident that Dr Blattman has the knowledge, skills and business acumen to drive the Company into the future.

In addition to David, Dr Sally Pitkin will also retire from the Board after more than three years with effect upon conclusion of this meeting, and as such is not standing for re-election. On behalf of the Board and shareholders I express my appreciation for the contribution that Sally has made since her appointment as non-executive director in September 2014.

IPH group businesses currently employ over 80 Principals and the new corporate structure has enabled us to appoint 27 new Principals across the IPH group since listing.

In November 2016, IPH managed the sell-down of approximately 30m escrowed shares by certain vendor principals of Spruson & Ferguson. Management and a number of these Principals continue to hold a significant number of shares.

Looking forward, we remain committed to providing our investors with quality earnings and return on investment through a combination of organic growth and strategic acquisitions.

I would like to thank our shareholders for their support of the Company, and our people for their hard work in driving performance, servicing our clients and growing the company into the future.

Finally, on behalf of the Board, I would like to take this opportunity to congratulate David on his career and the legacy he has left through the creation of the IPH group, and wish him well on his retirement.

Richard Grellman
Chairman

MANAGING DIRECTOR'S ADDRESS

This will be my last report as CEO and Managing Director of IPH Limited as I will be retiring at the end of this meeting. I am immensely proud of what has been achieved over the years, as the company grew from a traditional patent and trade mark attorney practice to a market-leading S&P/ASX 200 Asia-Pacific IP group employing approximately 600 people in seven countries.

Strong earnings and financial performance

In FY17, the Company's Statutory Net Profit after Tax ("NPAT") for the year was \$42.9m, which equates to diluted earnings of 22.3c/share and compares to \$38.8m in the previous year. The underlying NPAT for the year was \$51.2m, being a 9% increase over the previous corresponding period. Underlying EBITDA was \$71.6m (an increase of 10% on the corresponding period). The Company's underlying EPS is 26.7c (2% increase on FY16, or 6% increase if eliminating the impact of further investment in Practice Insight).

FY17 results must be viewed against the very strong FY16 year due to the America Invents Act (AIA). In that respect, the Australian and Asian businesses have done very well to "fill the gap" created by the pull-forward effect of AIA.

Market Overview

The Australian and Asian patent markets remain strong post-AIA with the normalisation of patent filing growth patterns. The Australian patent market was down by 1% on previous year, however up by 8% on FY15. In CY16, the total number of applications filed in Singapore from US applicants was down by 6% on the previous corresponding period due to the AIA pull-forward effect.

The combined market opportunity in Asia (excluding China and, primary Asian IP markets, Japan and South Korea) is greater than the Australian and Singapore markets combined. The latest patent filing data demonstrates continued growth of the Asian market with over 56,000 patent applications filed in key Asian jurisdictions in CY15.

China continues to be a high growth jurisdiction with over 1 million patent applications filed in CY15 including over 130,000 patent application from our addressable market, non-residents.

These markets remain very attractive and we continue to see Asia as the growth centre of IPH.

IP services business

The IPH Group continues to hold the leading patent market position in key markets in Australia and Singapore with 22% and 24% market share respectively.

In the past 18 months we have been working on growing our presence in Asia through the opening of the offices in Thailand and Indonesia and new offices in Beijing and Hong Kong through acquisition. Our new and existing clients have responded well to our expanded Asian offering as seen by the significant number of cases transferred in the past 12 months.

In FY17 patent applications by IPH's Asian operations were up by 5% on FY16 supported by the addition of filings from the recently acquired China/Hong Kong businesses, driving overall patent filings by IPH companies up by 1%.

IPH's trademark filings have grown by 38% on the previous year as a result of the acquisition of a predominantly trademark business in China and Hong Kong, along with the opening of the Spruson & Ferguson Melbourne office. In addition, the Spruson & Ferguson (Asia) trademark business is gaining momentum with an increase of 50% in trademark filings in 2H17 compared to 2H16.

IPH continues to hold the number 1 trademark market position with a combined 13% "qualified" market share.

The new corporate structure has allowed IPH to renew and ensure continuation of the IP professional leadership team with 27 new Principals promoted throughout the business since listing, laying a strong foundation for future growth.

Data & Analytics software business

We continue to invest in our Data & Analytics software business, Practice Insight. All four products, Filing Analytics, Citation Eagle, Wisetime and Document Management System

(DMS) have now been released and are being promoted for sale. The products released to date have a high client retention rate (98%), which serves as validation of product concept and testament to Practice Insight's customer support team.

Acquisitions

IPH's first international acquisition in October 2016 has performed well against expectations since acquisition and created an excellent platform for Spruson & Ferguson to expand the provision of its services in Greater China.

The Company's acquisition strategy continues primarily to be aimed at increasing filings into the high growth Asian regions either through direct investment in Asia and/or through acquisition in other secondary markets with the aim to leverage filings into Asia.

As mentioned by Richard, our most recent acquisition of the AJ Park business in New Zealand supports this strategy, and I take this opportunity to welcome publicly the principals and staff of AJ Park.

IPH has adopted a strategic and disciplined approach to the assessment and due diligence of potential acquisitions, finalising only those acquisitions which align with the Company's strategic vision, add value to the business, and have potential to generate a solid financial return for our shareholders.

Outlook

The Group's Australian and Asian IP businesses are expected to revert to growth rates in line with the underlying market trends experienced in previous years.

We continue to focus on margin improvement across all businesses through IT initiatives and business process improvements.

In Asia, we expect to maintain market share in Singapore and organically grow market share in other jurisdictions in Asia through leverage of our existing network of offices/agents and filings in Asia by IPH Australian businesses.

In China and Hong Kong we will be focusing on strengthening our patent capability and capturing a greater share of the addressable market.

The Practice Insight business will be focusing on sales and marketing activities with a view to increasing revenue and achieving its financial objectives.

In conclusion, I would like to thank our dedicated employees for their role in delivering our very solid result and their commitment to servicing our clients.

It's been a great privilege to work with such a talented and dedicated team over the years.

I would like to thank the Chairman and the Board for the leadership opportunity and for your support of IPH's vision, business strategy and growth.

Finally, to our shareholders - we appreciate and value your continued support of our business. With Dr Andrew Blattman as the new CEO of IPH, supported by highly capable management and professional teams, I believe IPH is well positioned for future growth and achieving its vision of becoming the leading IP group in secondary markets and adjacent areas of IP.

David Griffith
CEO and Managing Director