



Integrated Research Limited (IRI)

Annual General Meeting FY18

November 15 2018

ABN: 76 003 588 449

9 of the Top
10
US banks

125+ of the
Fortune 500

6 of the
Top 10
Automotive
Companies

7 of the 10
biggest
Telcos

6 of the
Top 10
Fin Services
Companies
Globally

Creating clarity and insight in a world of connected devices



FY18 Key Highlights

Financial Results

- Licence Sales down 2% to \$52.6m
- Total Revenue flat at \$91.2m
- Net Profit After Tax up 4% to \$19.2m

Recurring Revenue

- Diversified portfolio
- Less nonrecurring perpetual business
- Strong UC renewals pipeline

Results in Constant Currency

- Licence Sales down 1%
- Total Revenue up 1%
- Net Profit After Tax up 4%

Financial Performance

- UC continues to grow
- Cyclical downturn in infrastructure
- Europe underperformance
- Testing and Consulting growth

Unified Communication

- Cisco licence growth >60%
- Avaya licence decline of 20%
- Strong growth from service providers
- Reseller agreement signed with Cisco & Avaya

Product Development

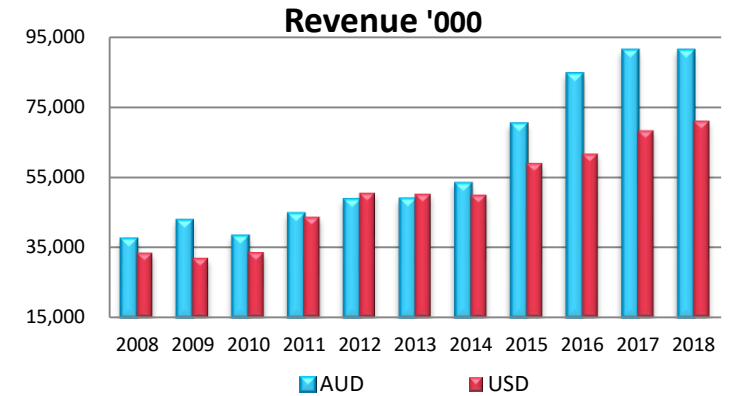
- Major upgrades to all product lines
- AI driven speech analytics
- New Cloud Analytics platform in H2





FY18 Financial Results

	30 June 2018 A\$000's	30 June 2017 A\$000's	% change
Licence fees	52,591	53,441	(2%)
Maintenance fees	26,010	26,871	(3%)
Testing solutions revenue	5,207	4,073	28%
Consulting fees	7,367	6,784	9%
Total revenue	91,175	91,169	0%
R&D expenses net	15,335	14,862	3%
Sales, consulting & marketing expenses	45,703	43,605	5%
General & Administrative expenses	5,849	6,086	(4%)
Total expenses	66,887	64,553	4%
Profit before tax	26,271	25,881	2%
Profit after tax	19,180	18,520	4%



- Revenue flat in A\$
- Testing & Consulting positive contributions
- Continuing investment in development
- Expenses up 4% (staff numbers up 16% to 260)
- Foreign currency gain
- PAT up 4%



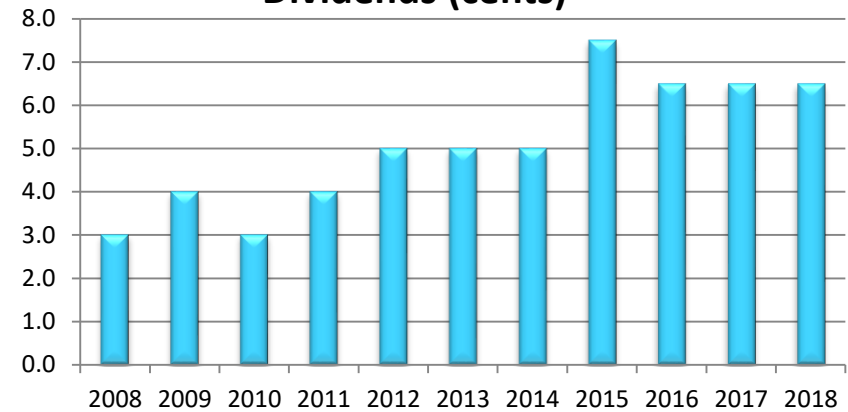
Financial Position & Performance

June 2018
A\$000's

June 2017
A\$000's

Cash at bank	11,238	14,113
Current receivables	44,186	35,998
Noncurrent receivables	26,892	23,299
Intangible assets	21,938	19,934
Current deferred revenue	22,643	20,077
Deferred consideration for acquisition (non current)	-	1,476
Net assets	57,838	48,520

Dividends (cents)



Shareholder Returns

	2018	2017	2016
Basic earnings per share	11.19¢	10.86¢	9.42¢
Dividends per share	6.5¢	6.5¢	6.5¢
Franking percentage	100%	100%	58%
Return on equity	33%	38%	39%





Company Summary

Business Highlights

Founded: 1988
 Headquarters: Sydney
 Employees: ~260
 FY2018 Revenue: \$91M (95% offshore)
 FY2018 NPAT: \$19.2M (up 4%)

Key Differentiators

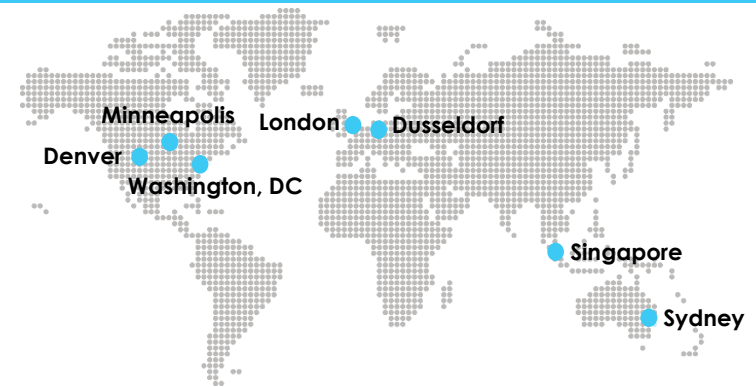
- 1 #1 Vendor in User Experience & Performance Management for UC, Payments & Infrastructure
- 2 Provide real-time clarity & insight into critical systems performance
- 3 Maximise global market access through direct sales & partner channels
- 4 Differentiated, scalable technology based on single code base
- 5 Diversified product portfolio backed by deep R&D

Tier One Global Customers

- 1200+ service providers and enterprise customers worldwide
- 17M endpoints under management
- High retention rates for all products
- 125+ of Global Fortune 500
- 4/5 Top Global Card Schemes
- 9/10 Top US Banks



Global Footprint



Global customer base in 60+ countries



Our Leadership Team

We have invested in our leadership capability to execute our strategy and deliver growth for shareholders over the short and long term



John Merakovsky
MD & CEO



Peter Adams
CFO



Andre Cuenin
*President,
Americas and Global
Alliances*



Kevin Ryder
*Chief Marketing &
Customer Officer*



Greg Clancy
Chief Product Officer



Michael Tomkins
Head of Development



Jason Barker
SVP APAC & MEA



Vanessa Walker
GM People & Culture



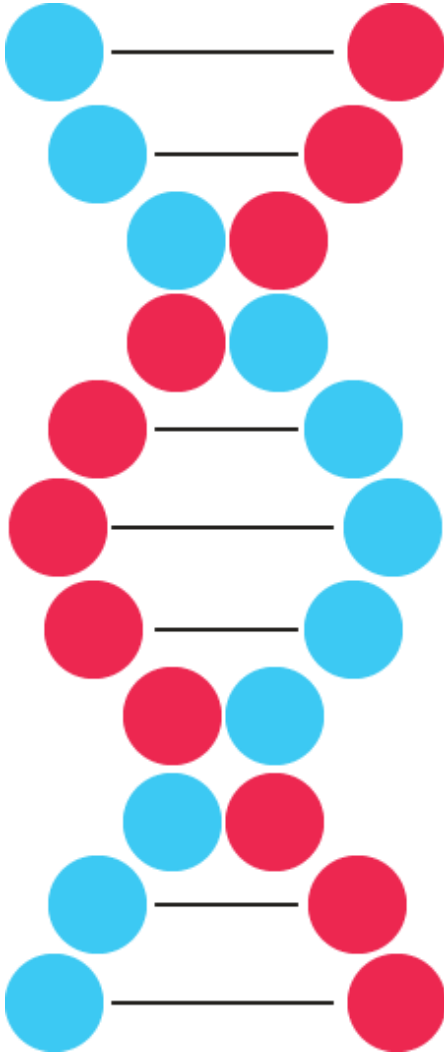


Our Customers





Strong Foundation for Growth



Our business fundamentals are **strong**:

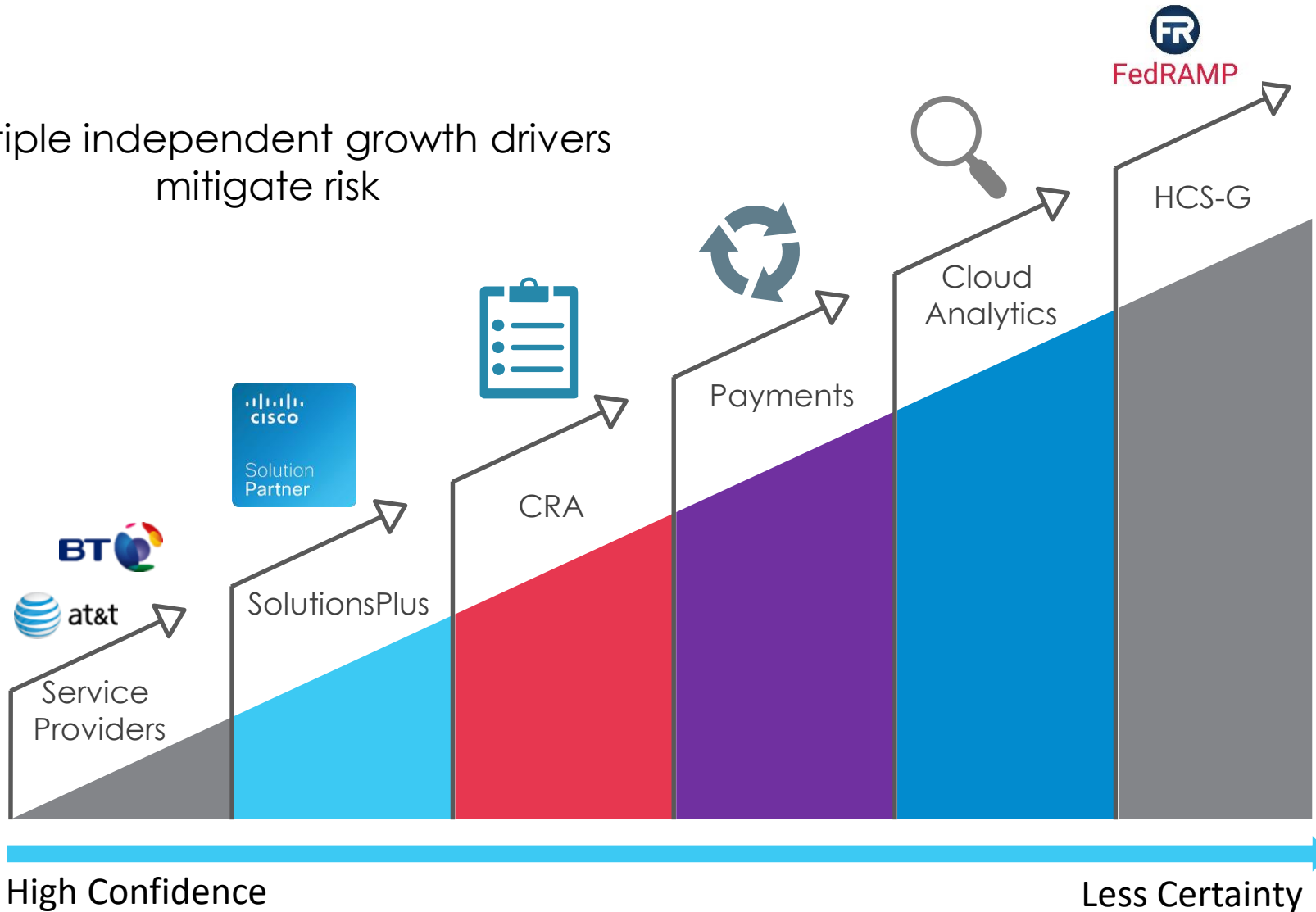
- **Sound** business model
- **Diverse** sources of income
- **Global customer base** across many verticals/geographies
- **High retention rates** and 88% recurring revenue
- **R&D investment** driving innovation, new products and future growth





FY19 Growth Drivers

Multiple independent growth drivers mitigate risk



High Confidence

Less Certainty





Analyst View – UC and Collaboration Market

“Hybrid-cloud solutions with single pane of glass will succeed”



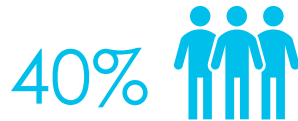
44M UCaaS users
23% CAGR



Highly fragmented market,
no-one >5%



Cloud Conferencing
+15%



Voice traffic is a
conference call



16M Collaboration Users
38% CAGR



90%

Workforce rated QoS as
highest requirement

Source: Frost & Sullivan, Wainhouse & Nilson Research 2017





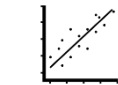
Cloud Analytics Direction



Aggregation



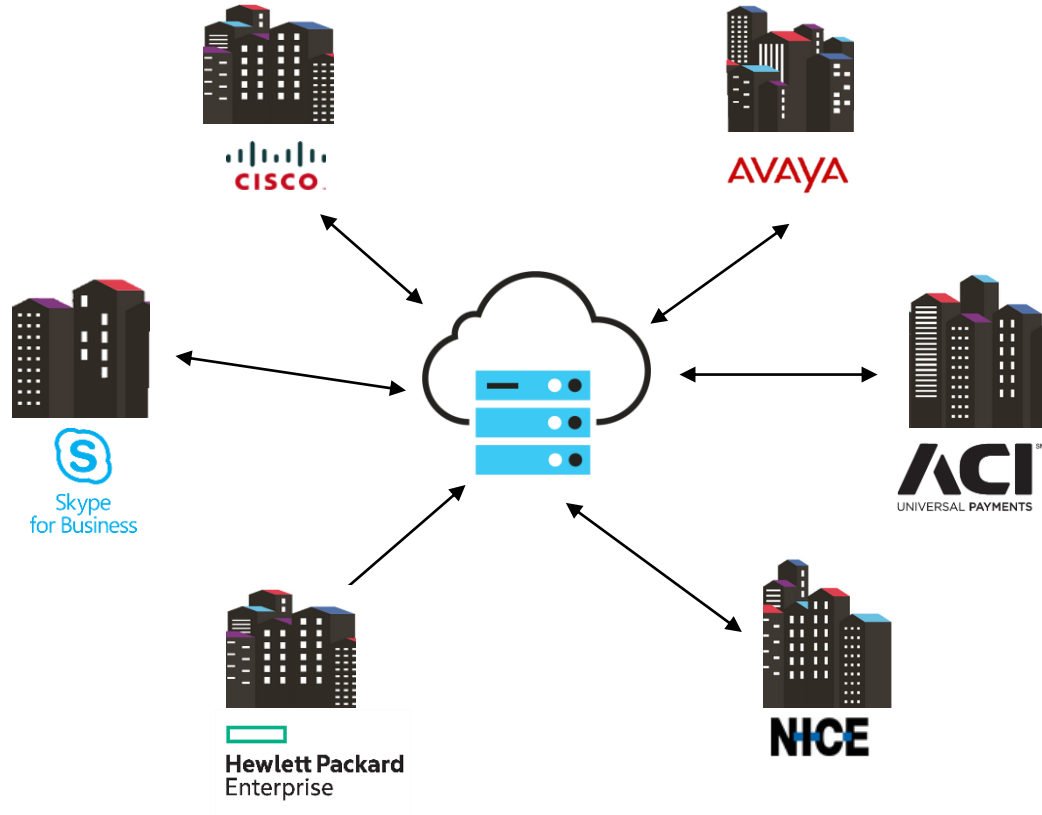
Benchmarking



Correlation



Predictive Analytics





Thank you.

