

ASX Announcement

5 May 2022

Presentation by Dr Andrew Blattman to the Macquarie Australia Conference 2022

Attached is a presentation to be given today by IPH's Managing Director & CEO, Dr Andrew Blattman, to the Macquarie Australia Conference.

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Dr Andrew Blattman, Managing Director & CEO

IPH Limited

About IPH Limited

IPH is the Asia Pacific's leading intellectual property services group, comprising a network of member firms working in eight IP jurisdictions and servicing more than 25 countries. The group includes leading IP firms AJ Park, Applied Marks, Griffith Hack, Pizzeys and Spruson & Ferguson, and the autonomous timekeeping business, WiseTime, and employs more than 900 people working in Australia, China, Hong Kong SAR, Indonesia, Malaysia, New Zealand, Singapore and Thailand.



Macquarie Australia Conference

Thursday, 5 May 2022

Presented by:

Dr. Andrew Blattman
Managing Director & CEO
IPH Limited

iphltd.com.au

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01

About IPH



About the IPH Group

Asia-Pacific's leading IP professional services group

6 brands

JPark

applied marks

GRIFFITH—HACK

PIZZEYS
Patent and Trade Mark Attorneys

SPRUSON & FERGUSON
INTELLECTUAL PROPERTY

WiseTime
TIME FOR MORE



Nº 1
Patent group
in Australia,
New Zealand
and Singapore²

Nº 1
Trade mark group
in Australia and
New Zealand³

8

IP jurisdictions

900+

Employees¹

25+

Countries serviced

1) Approximate employee numbers across the Group.

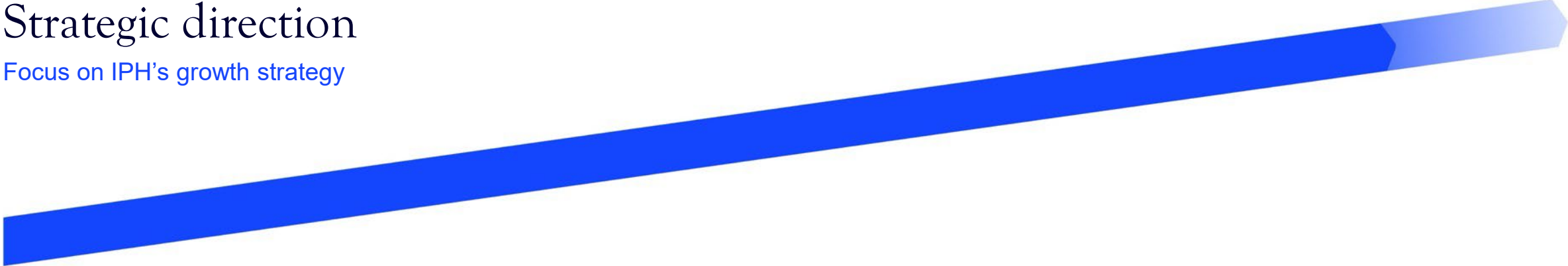
2) Management estimated market share based on patent filing data: Australia (IP Australia) – 1H FY22 as at 18/1/22; Singapore (IPOS) – CY21 (preliminary) as at 2/2/22; New Zealand (IPONZ) – 1H FY22 as at 8/2/22.

3) Management estimated market share based on trade mark filing data: Australia (IP Australia) share of top 50 agents – 1H FY22 as at 13/01/22; New Zealand (IPONZ) – 1H FY22 as at 8/2/22.



Strategic direction

Focus on IPH's growth strategy



Organic growth



Consolidate acquisitions



Growth step-outs

Enablers



Robust client management programs focused on delivering the highest levels of client service



Targeted expansion across Asia-Pacific



Focus on our people – attract, motivate and retain



Expand service offering to existing Australian and New Zealand corporates



02

Global IP trends



Technological self-reliance

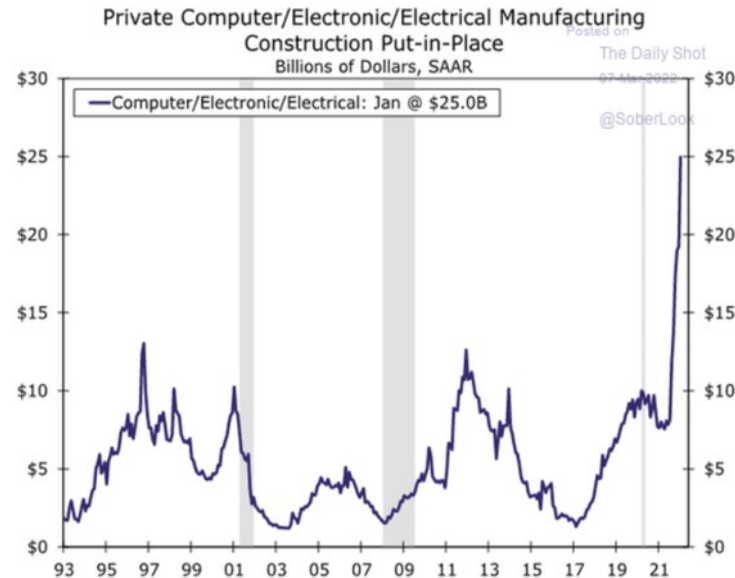
Countries' domestic focus on industry and technology drives IP protection

Drivers:

- US-China strategic competition, in particular competition over technology
- Supply chain disruptions caused by COVID-19
- Rapid technological change
- A return of industrial policy, particularly in Europe and China:
 - > Europe: A New Industrial Strategy for Europe, 2020 (twin pillars of digital and green)
 - > China: Five-year plans and Made in China 2025
 - > US: Biden's vision for a twenty-first century American industrial strategy

"A strategy to strengthen our supply chains and rebuild our industrial base, across sectors, technologies, and regions."

Brian Deese, National Economic Council Director



Source: US Department of Commerce and Wells Fargo Economics
Via Exponential View

What this means for IPH

- Return to industrial policy will heighten the competitive landscape and need for IP protection.
- Change in regulatory framework will lead to investment in technology, which leads to investment in IP protection
- Clients may start to file in locations based on their country's strategic alliances with other economies.



Semiconductors

A recent example of technological self-reliance with IP implications

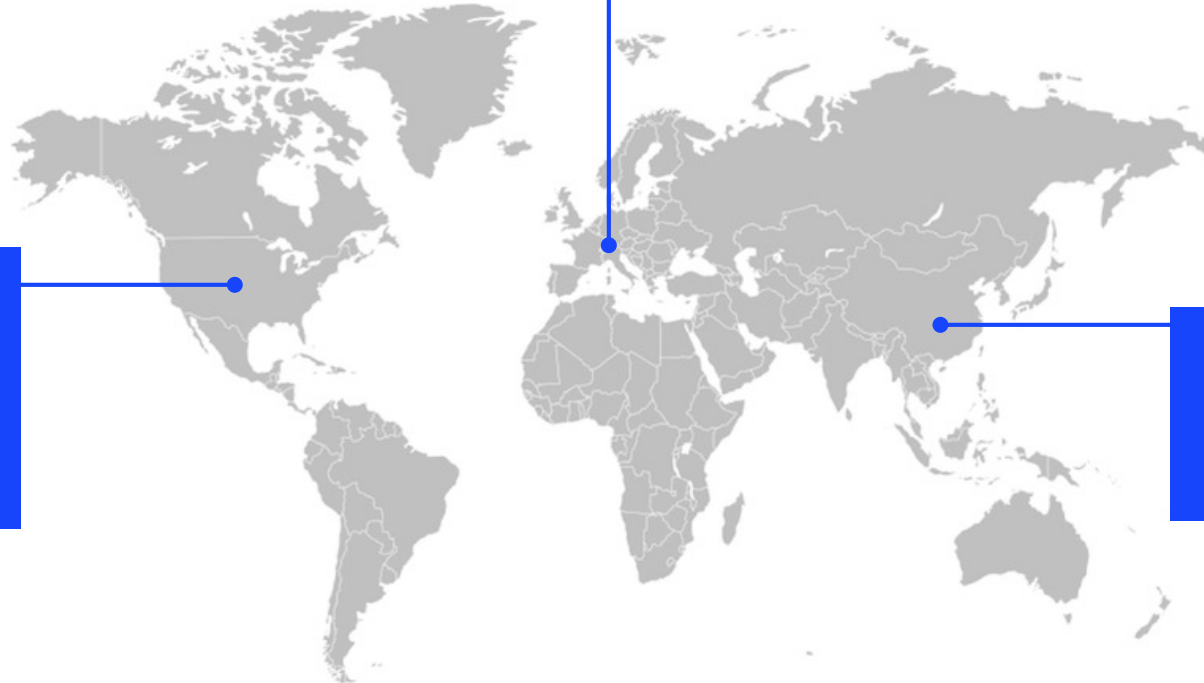
- In 2020, more than **1 trillion microchips** were manufactured around the world, about **130 chips for every person on earth**; global sales near USD 500 billion
- Global shortage since 2020

EU Chips Act: “Our aim is to jointly create a state-of-the-art European chip ecosystem, including production. We need to link together our world-class research, design and testing capacities. We need to coordinate EU and national investment along the value chain. This is not just a matter of our competitiveness. This is also a matter of tech sovereignty.”

– Ursula von der Leyen, 2021 State of the Union address

USA: Innovation and Competition Bill: USD 52 billion for domestic semiconductor manufacturing (also part of Biden’s infrastructure proposal); private sector initiatives (Intel USD 20 billion (→100 Billion) for plant in Ohio)

China: 2014 State Council, IC Plan, Made in China 2025, US bans on high- and sensitive-tech, disruption of global value chains



Data and AI governance

Increased investment in data and further regulation drives need for IP protection

- Evolving regulatory framework, particularly in the areas of data (for example personal data protection) and algorithms (for example transparency and anti-competitive use)
 - > Privacy/personal data: Europe and China Personal Information Protection Act
 - > China algorithm regulation
 - > European AI Act
 - > the US watching carefully and focussing mainly on competition/anti-trust law
- Questions around issues like free data flow vs data localisation, ownership of data, autonomous invention and creation and use of data to train algorithms
- Some of these issues directly related to IP

What this means for IPH

- Companies will need help navigating the evolving issues and regulatory changes surrounding data and AI.
- The investment in data and AI, will likely lead to an increase in the need for protection.



Synthetic biology

Synthetic biology is a field of science that involves redesigning organisms for useful purposes by engineering them to have new abilities.

“By the end of the decade, syn-bio could be used extensively in manufacturing industries that account for more than a third of global output—a shade under \$30 trillion in terms of value.”
BCG Henderson Institute
Synthetic Biology is about to Disrupt your Industry

Is Ginkgo’s synthetic-biology story worth \$15 billion?

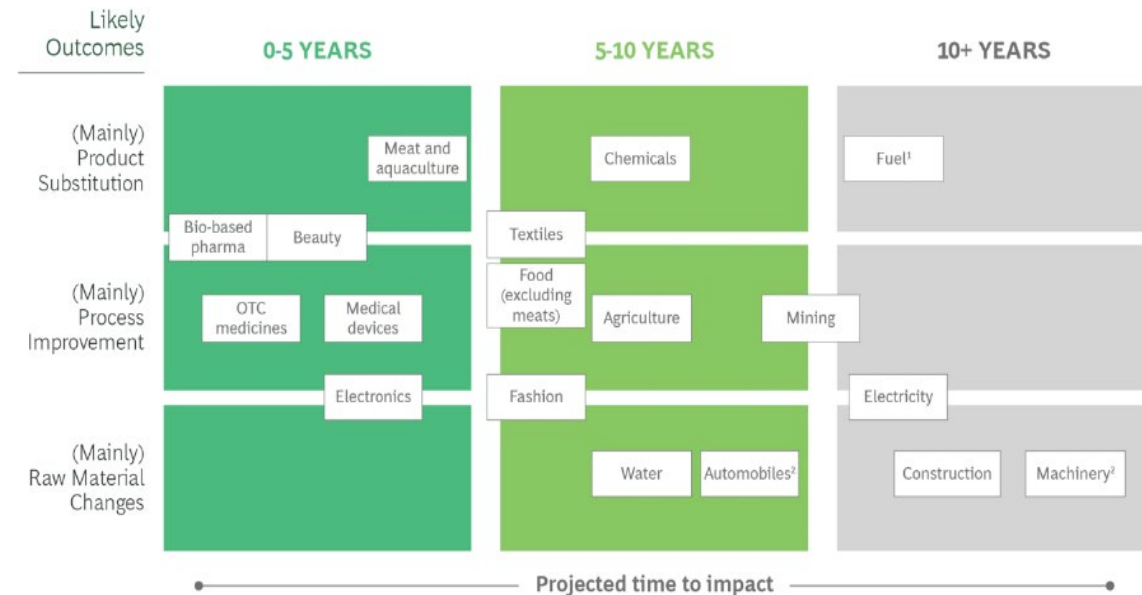
Jason Kelly has promised a manufacturing revolution with DNA. Just don’t ask him to make any products.

By Antonio Regalado

August 24, 2021

Exhibit 1: The disruptive impact of Synthetic Biology

When, and how, the technology will affect your industry



Source: BCG interviews and research.

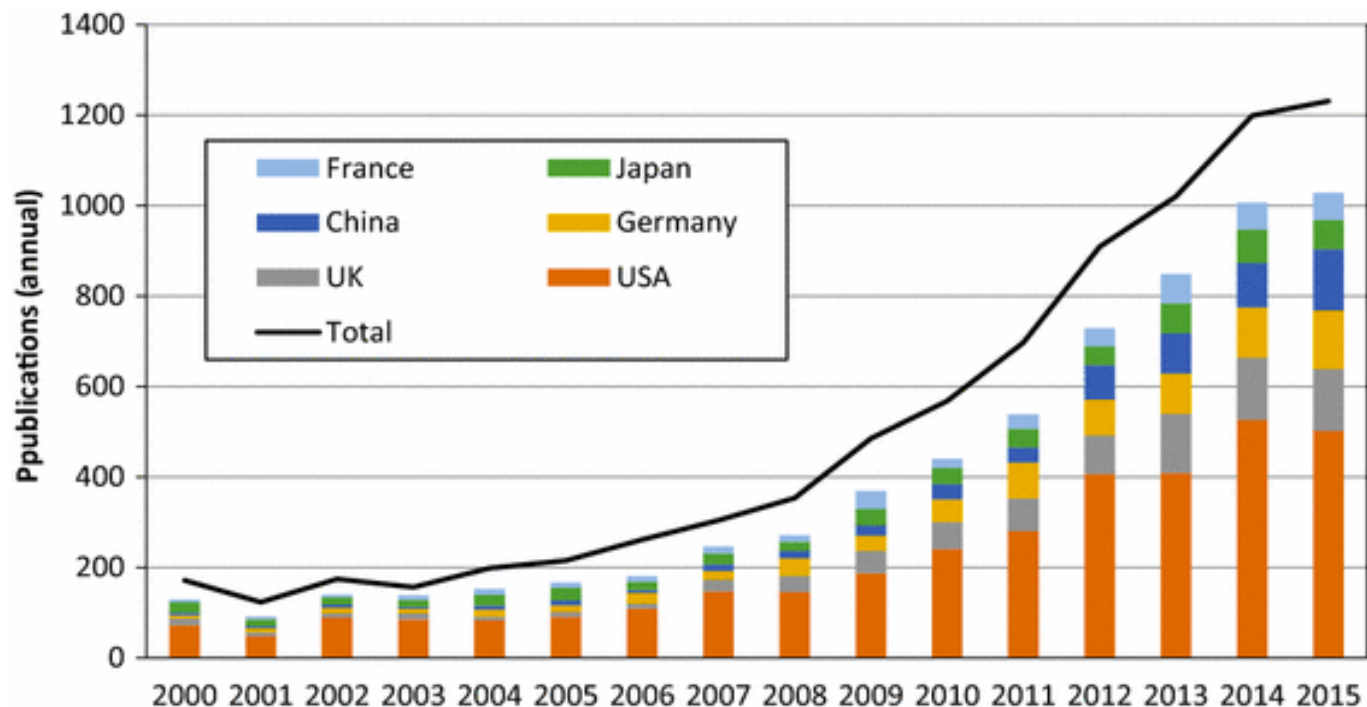
¹Without considering the development of electric machinery and automobiles.

²Abstracting from the manufacture and use of electric machinery and automobiles.



Surge in synthetic biology academic publications

Synthetic biology publications: leading countries



Source: *Scientometrics*, 2017

What this means for IPH

- Patent filings can increase for new technologies 10-12 years after a significant increase in academic attention and published papers (e.g. AI)
- Based on this trend and current insights and publishing on synthetic biology, we expect to see an increase in patent applications in this area.



03

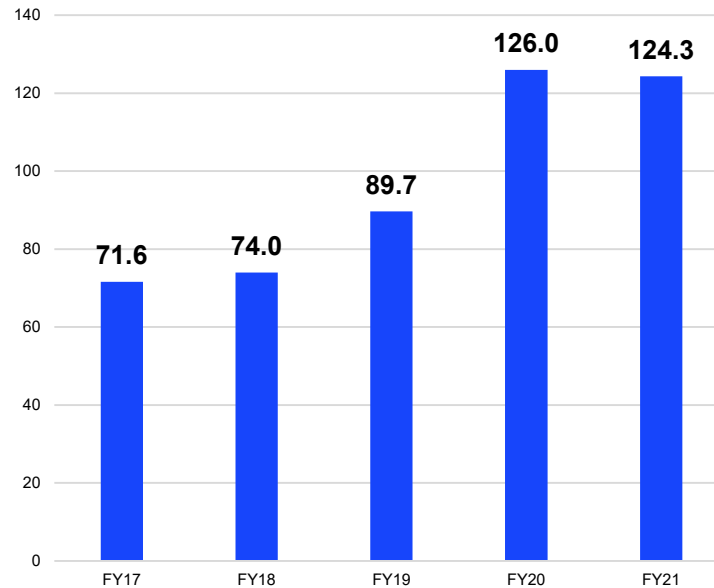
IPH strong financial position



Geared for growth

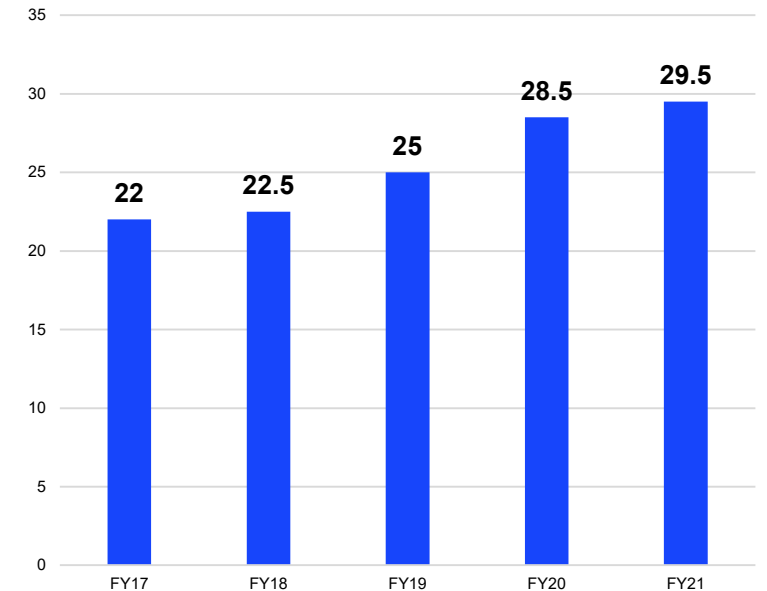
IPH retains strong balance sheet to fund growth initiatives

Underlying
EBITDA \$'m



Underlying
FY21 EBITDA^{1,2}
A\$124.3m

FY dividend
per share



FY21 total
dividend

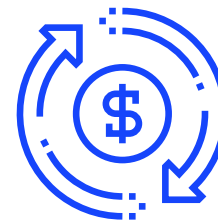
29.5
(cents per share)



Strong balance sheet – HY22

Low debt levels
(Leverage ratio of 0.4 times³)
Total equity – **A\$429.1m**

1) Underlying EBITDA for FY21 excludes costs incurred in pursuit of acquisitions, accounting charges for share-based payments, impairment and IT SaaS implementation costs² Underlying FY20 EBITDA includes AASB16, prior periods do not include adoption of the standard
3) (Net debt / 12 month EBITDA)



Resilient cash flows – HY22

Operating cashflow – **A\$47.3m**
Cash conversion in excess of 100%



04

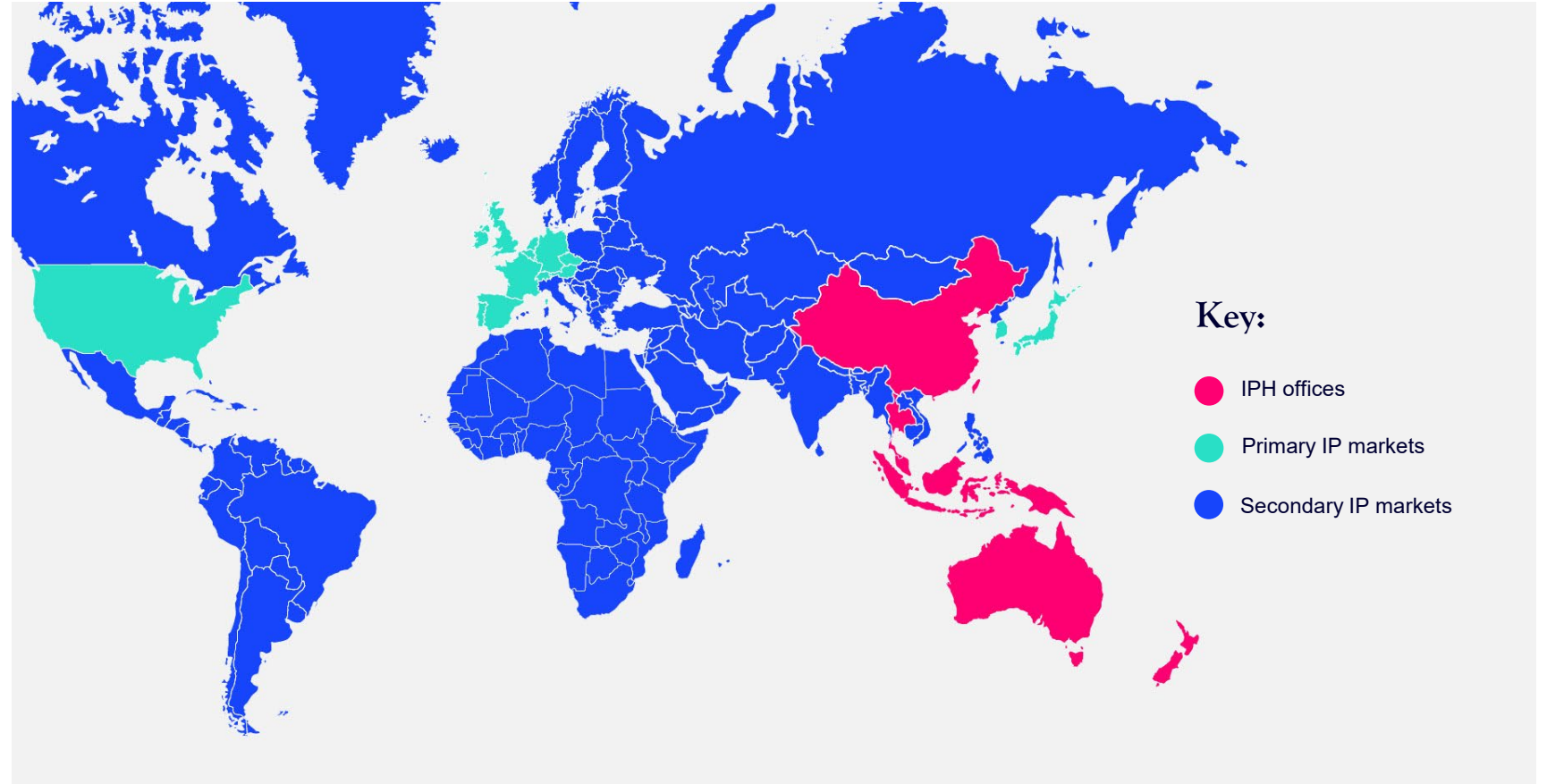
Looking ahead



Realising our vision

To be the leading IP services group in **secondary** IP markets and adjacent areas of IP

- The IPH Group operates in eight secondary IP jurisdictions: Australia, New Zealand, Singapore, Thailand, Malaysia, Indonesia, China and Hong Kong and services more than 25 countries across the Asia-Pacific region
- IPH has a strong track record of successfully completing and integrating acquisitions
- Our acquisition strategy is supporting growth in client cross referrals
- Growth step-outs in secondary IP markets are a key part of our growth strategy
- The scale of the IPH Group provides the opportunity for IPH to look further at IP adjacencies



Looking ahead

IPH well placed to capitalise on fundamentals driving IP protection

- Global IP trends remain supportive for IP protection
- IPH continues to be well placed to capitalise on these trends as the market leader in the Asia Pacific region and through the group's well established relationships in each of the primary markets
- IPH has demonstrated consistent earnings and cashflow generation to underpin returns to shareholders
- IPH retains a strong balance sheet and capacity for further acquisitive growth in secondary IP markets and IP adjacencies



Q&A





Thank you

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