2024 Half Year Results Investor Presentation

Half year ended 31 December 2023

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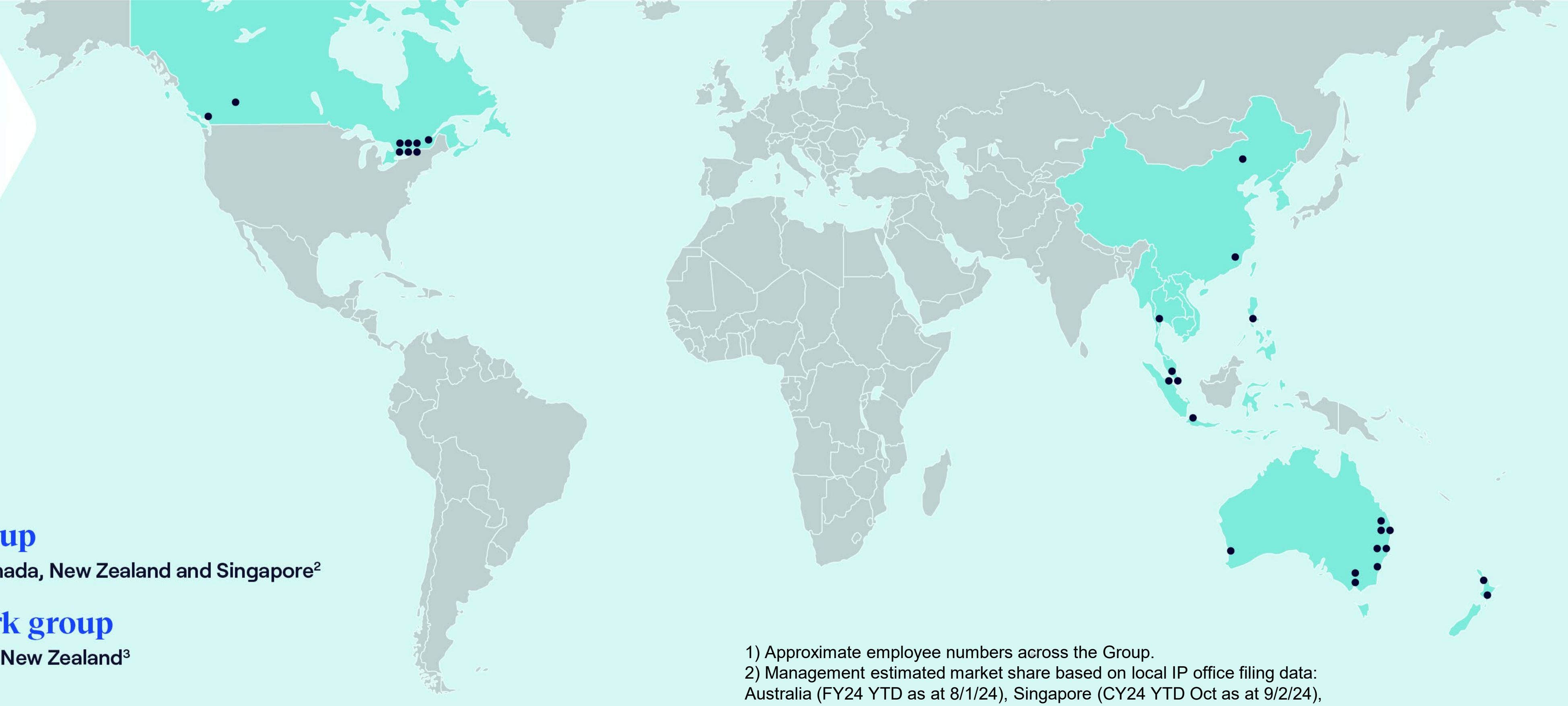
Contents

About the IPH Group

A leading international IP services group



№ 1

Patent group
in Australia, Canada, New Zealand and Singapore[2]

Trade mark group
in Australia and New Zealand[3]

10
IP jurisdictions

1,600+
Employees[1]

36k+
Annual patent filings[4]

14k+
Annual trade mark filings[4]

1) Approximate employee numbers across the Group.
2) Management estimated market share based on local IP office filing data: Australia (FY24 YTD as at 8/1/24), Singapore (CY24 YTD Oct as at 9/2/24), New Zealand (FY24 YTD as at 22/12/23), Canada (CY22 and CY23 YTD Mar, latest data as at 16/1/24).
3) Management estimated market share based on local IP office filing data: Australia (FY24 YTD as at 6/2/24), New Zealand (FY24 YTD as at 23/12/23).
4) Cases filed or instructed to be filed worldwide based on IPH proforma internal data including Canadian entities.

7 brands

AJPark | applied marks | GRIFFITH HACK | PIZZEYS | ROBIC | SMART & BIGGAR | SPRUSON & FERGUSON

01

HY24 highlights

Solid underlying result

Strong turnaround in Australia and successful acquisitions in Canada

Underlying EBITDA[1]
$90.4m

13%

Underlying NPAT[1]
$50.8m

5%

Interim dividend
(16 cents per share)[2]

3%

Return to growth in Australia
Recovery in revenue / earnings with improved patent filing performance

Canadian acquisitions drive earnings diversity
Addition of Ridout & Maybee and ROBIC creates market leading platform in Canada which further enhances IPH earnings resilience and diversity

Cash Conversion
Improvement to 128% reflecting a reduction in working capital

1) Underlying EBITDA and NPAT excludes costs incurred in pursuit of acquisitions, restructuring, impairment and amortisation of acquired intangibles
2) Represents 90% of cash NPAT

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HY24 results

Financial overview

Solid underlying performance; statutory result includes impact of one-off costs related to two acquisitions made during the period

Revenue[1]	$274.4m	21%
Interim Dividend[2]	16 cents per share (35% franked)	3%
EBITDA	$74.8m	5%
Underlying EBITDA[3]	$90.4m	13%
Statutory NPAT	$21.0m	-26%
Underlying NPAT[3]	$50.8m	5%

1) Revenue and other income, excluding interest
2) Interim Dividend represents 90% of cash NPAT
3) Underlying EBITDA and NPAT excludes costs incurred in pursuit of acquisitions, restructuring, impairment and amortisation of acquired intangibles

Like-for-Like earnings

Strong turnaround in Australia, solid growth in Canada while Asia impacted by lower overall market filings in the region

	Australia – New Zealand	Asia	Canada	Group
Revenue	4%	-3%	-1%	2%
Underlying EBITDA	6%	-9%	5%	-2%
EBITDA margin	1%	-7%	7%	-4%

1) Like for Like Revenue and Underlying EBITDA calculated by removing: impact of acquisitions; foreign currency gains/losses; and impact of movements in foreign currency exchange rates on reported revenue (current period revenue restated at prior period exchange rate).

Underlying Results

Underlying EBITDA up 13%

$'m	HY24 Statutory Income Statement	Adjustments	Underlying Earnings HY24[3,4]
Total revenue[1]	**274.4**		**274.4**
Total expenses	**(199.6)**	**15.7**	**(183.9)**
EBITDA	**74.8**		**90.4**
EBITDA %	**27.3%**		**33.0%**
Depreciation & Amortisation	(30.4)	22.3	(8.1)
EBIT	**44.4**		**82.3**
Net Finance Costs	(13.4)		(13.4)
NPBT	**31.0**		**68.9**
Tax (expense)/benefit	(10.0)	(8.2)	(18.2)
NPAT	**21.0**		**50.8**
Diluted EPS (cents)[2]	**8.8**		**21.2**

1) Total Revenue and other income excluding interest.
2) Diluted EPS includes performance rights that are yet to vest.
3) Underlying EBITDA and NPAT excludes costs incurred in pursuit of acquisitions, restructuring, impairment and amortisation of acquired intangibles.
4) Balances may not total due to rounding.

Share based payments

Share based payments expense is included in underlying earnings unless specifically identified as relating to an acquisition in which case it is disclosed as a non-underlying expense. HY24 includes $4.2m share based payments expense (HY23: $2.1m) including $1.1m of non-underlying expense relating to the acquisition of Smart & Biggar (HY23: Nil).

Adjustments	$'m
Business acquisition costs	10.7
Restructuring Expenses	3.8
Impairment of Right of Use assets	1.1
Adjustments to expenses*	**15.7**

* Balances may not total due to rounding.

- Business acquisition costs relate primarily to the completion of Ridout & Maybee ($2.9m), ROBIC ($5.1m), additional Smart & Biggar expenses ($2.3m) and other opportunities.
- Restructure expenses include $1.7m associated with the post-acquisition restructuring of Smart & Biggar and Ridout & Maybee, $1.3m for onerous provisions relating to the exit of Ridout & Maybee offices, and $0.7m for the IPH Way project.
- Impairment of Right of Use assets relates to the write down of the RoU asset on the planned exit of the existing Ridout & Maybee premises.
- Amortisation adjustment of $22.3m relates to acquired intangibles.

Cash flow statement

Cash conversion 128%

- Cash conversion rate of 128% includes the benefit of the reversal of the prior period working capital outflow related to the cyber incident in March 2023.
- HY24 Non-operating adjustments include a non-cash loss of $1.1 million relating to impairment of ROU assets of Ridout and Maybee and $2.3 million in FX losses.
- HY23 Non-operating adjustments include $0.1 million gain on sale of Practice Insight, a $0.8 million gain on revaluation of lease liabilities, and $0.5 million in FX losses.
- Operating non-cash items in both periods includes share based payments expense.
- Factors impacting the improved working capital in HY24 include:
  - Acquisition cost accruals; and
  - Reversal of the prior period working capital outflow related to the cyber incident (increased WIP and receivables while system restored).
- Increase in income taxes paid due to impact of acquisitions in Canada.

The methodology used to calculate the cash conversion ratio was amended in the FY23 reporting period and has been consistently applied in HY24 period.
The prior comparative period has been restated to align with this methodology.

$'m	HY24	HY23
Statutory EBITDA	**74.8**	**71.3**
Non-operating adjustments	3.4	(0.4)
Operating EBITDA	**78.2**	**70.9**
Operating non-cash movements	4.5	5.1
Change in working capital	17.1	(12.5)
Operating cashflows excluding financing activities and tax	**99.8**	**63.5**
Cash conversion ratio	***127.7%***	***89.6%***
Income taxes paid	(14.5)	(8.7)
Net interest paid	(12.6)	(6.7)
Capital expenditure	(7.3)	(2.9)
Free cash flow	**65.4**	**45.2**
Dividend paid (net of DRP)	(29.0)	(30.1)
Undistributed free cash flow	**36.4**	**15.1**
Acquisitions, disposals, investments & intangibles	(130.0)	(272.1)
Lease payments	(4.7)	(6.6)
Net borrowing proceeds/(repayments)	127.9	268.2
Net cash flow	**29.6**	**4.6**

Balance sheet

Growth in balance sheet following further acquisitions

As a result of the acquisitions of Ridout & Maybee and ROBIC, the following intangible assets have been identified and provisionally valued:

- $92m customer relationships (these will be amortised over 10 years)
- $6m ROBIC brand
- $94m goodwill

The brand and goodwill will not be amortised but subject to impairment testing.

Acquisition accounting for Ridout & Maybee and ROBIC is provisional at 31 Dec 2023.

- Borrowings increased by $118.9m and include CAD$113m to fund acquisitions.
- Increase in deferred tax liabilities predominantly relates to new customer relationships and lease assets upon acquisition.
- Net debt is $380.2m with balance sheet leverage[1] at 2.2 times (HY23: 1.8 times) following the acquisitions of Ridout & Maybee and ROBIC.
- Trade and other receivables includes an additional $24.6m (net of provisions) from acquired businesses offset by strong improvement in working capital (Debtors/WIP) as reflected in cashflow statement.

$'m	Balance Sheet as at 31 Dec 2023	Balance Sheet as at 30 Jun 2023
Cash and cash equivalents	126.4	103.3
Trade and other receivables	139.2	136.7
Other current assets	41.5	32.8
Total current assets	**307.1**	**272.8**
Property, plant and equipment	18.8	12.8
Right-of-use assets	52.0	45.7
Intangibles	999.2	842.1
Deferred tax	2.8	11.6
Other non-current assets	0.5	6.4
Total assets	**1,380.4**	**1,191.4**
Trade and other payables	43.6	33.6
Lease liabilities	61.2	53.5
Deferred tax	104.4	95.9
Borrowings	506.6	387.7
Other liabilities	40.7	43.6
Total liabilities	**756.5**	**614.3**
Net assets	**623.9**	**577.1**
Equity		
Issued capital	631.8	558.1
Reserves	19.4	26.1
Retained profits	(27.3)	(7.1)
Total equity	**623.9**	**577.1**

1) Leverage ratio calculated as Net Debt: EBITDA (LTM) in accordance with the Bank Facility Agreement (BFA), including a proforma adjustment to EBITDA (LTM) to include full year earnings for businesses acquired during the Last 12 months (LTM), in addition to other adjustments permitted under the BFA. PY calculation has been revised for consistency.

Foreign currency sensitivity

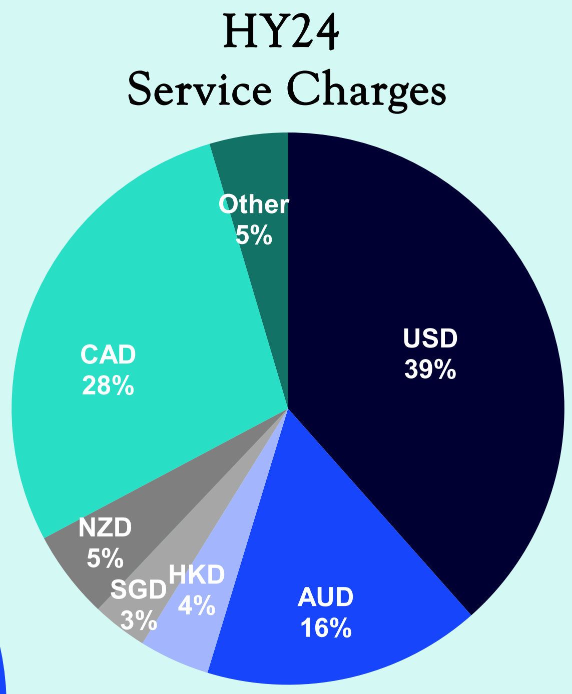
Earnings currency sensitivity

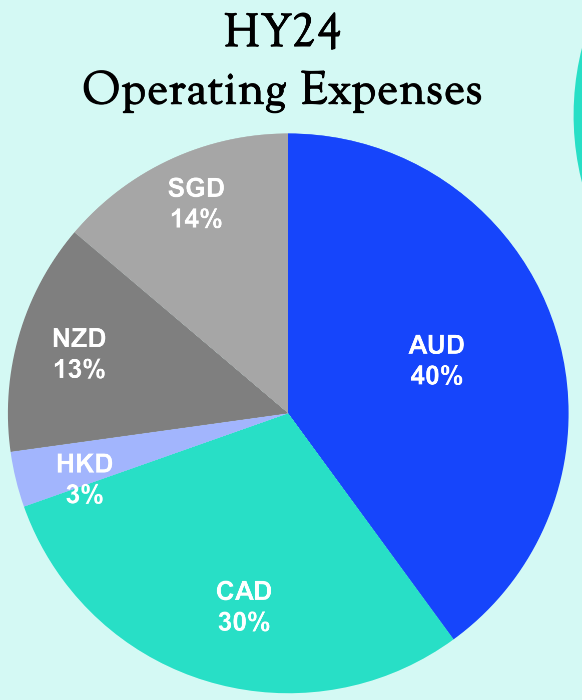
- Based on USD profile in HY24 in IPH Group, a 1c movement in AUD/USD exchange rate equates to approximately $2 million change in revenue (services charges) on an annualised basis. The acquisition of the Canadian businesses did not materially impact this calculation as the acquired businesses invoice the vast majority of their clients in CAD.
- This sensitivity fluctuates on the basis of acquisitions, their timing, and their mix of currencies.
- 39% of the Group's invoicing is denominated in USD[1]. The Group currently does not undertake foreign currency hedging on its operating transaction exposure. The Group continues to monitor this position.

Balance sheet sensitivity

- The Group is also exposed to FX on its foreign currency denominated net cash and receivables balances, the largest of which is USD. These balances are subject to fluctuation.
- Average USD net monetary assets (including cash and a USD denominated loan of US$19.5M)[2] US$47m.
- The Group will seek to further "naturally hedge" this exposure by increasing the proportion of existing debt denominated in USD in the 2H.

FX Rates (average)	USD	SGD
HY24	0.6530	0.8812
HY23	0.6706	0.9332
Variance	2.6%	5.6%





1) Excludes USD billing in SF Hong Kong where HKD is pegged to USD. IPH exposure is to HKD.
2) Average of opening and closing USD denominated assets.

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Market update

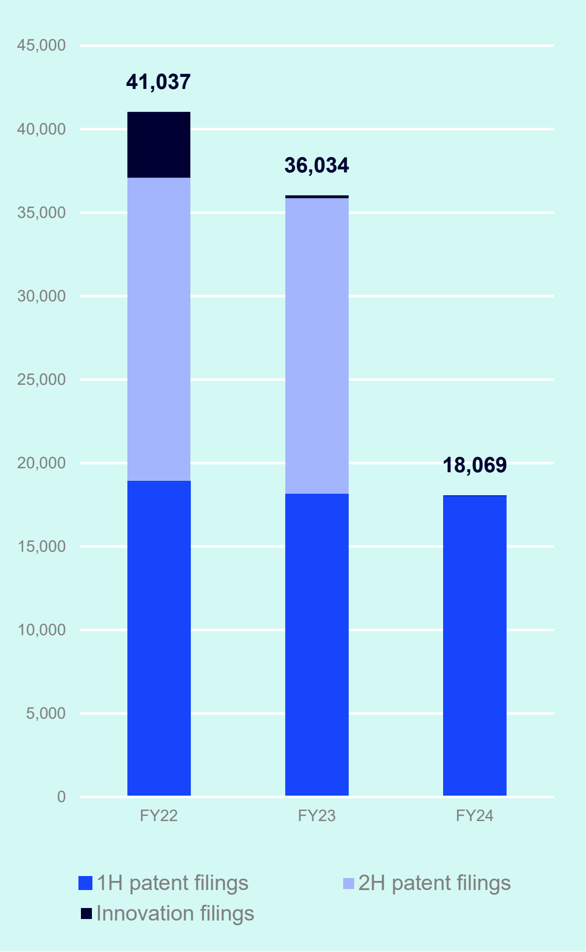
Patent market – **Australia**

IPH continuing to close gap to market growth

Australian patent filings – market[1]

- Australian patent market decreased 0.8% in 1H FY24 (excl. innovations) compared with the 1H FY23.
- Market decrease due to US applicants decreasing filings by 4.1% while remaining market applicants increased filings.
- 73% of the market decline attributable to one significant US applicant, which solely files with IPH.

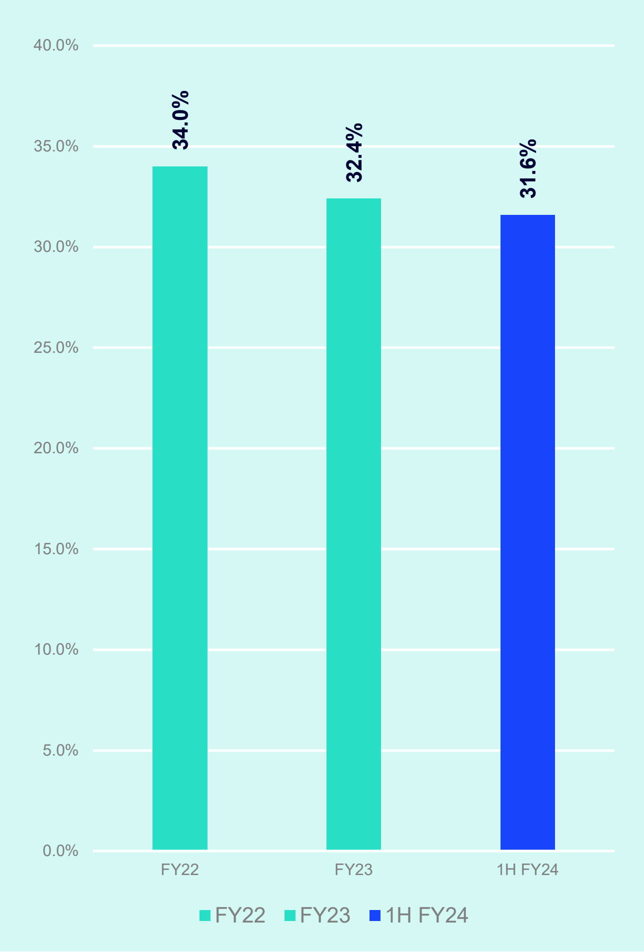
1) Management estimate based on IP Australia filing data as at 8/1/24 for FY24 YTD as at 8/1/24, and earlier periods captured at the end of each financial year. Chart includes all types of patent applications.



IPH Group market share[2]

- IPH filings in 1H FY24 decreased 2.8% compared with 1H FY23.[3]
- IPH impacted by the decline in filings from US, including decline in one significant filer in market.
- Excluding the one significant filer, the market decreased 0.2% and IPH decreased 1.1%.
- IPH is narrowing the gap to market, from an 8pp spread in 1H FY22 (market growth 9.2%, IPH 0.8%) to 2pp spread in 1H FY24 (market -0.8%, IPH -2.8%).
- Excluding the one significant filer these spreads were 9pp in 1H FY22 (market growth 9.1%, IPH 0.3%) down to 1pp in 1H FY24 (market -0.2%, IPH -1.1%).

2) Management estimates of Group market share based on IP Australia filing data excl. innovation patents (which ceased Aug 21). Data captured at end of each financial period and may not reflect subsequent changes of agent. Chart includes IPH acquired entities from 1 Jul of the acquisition year.
3) Any IPH acquired entities are included in both periods on a full year pro-forma basis for filings comparison.



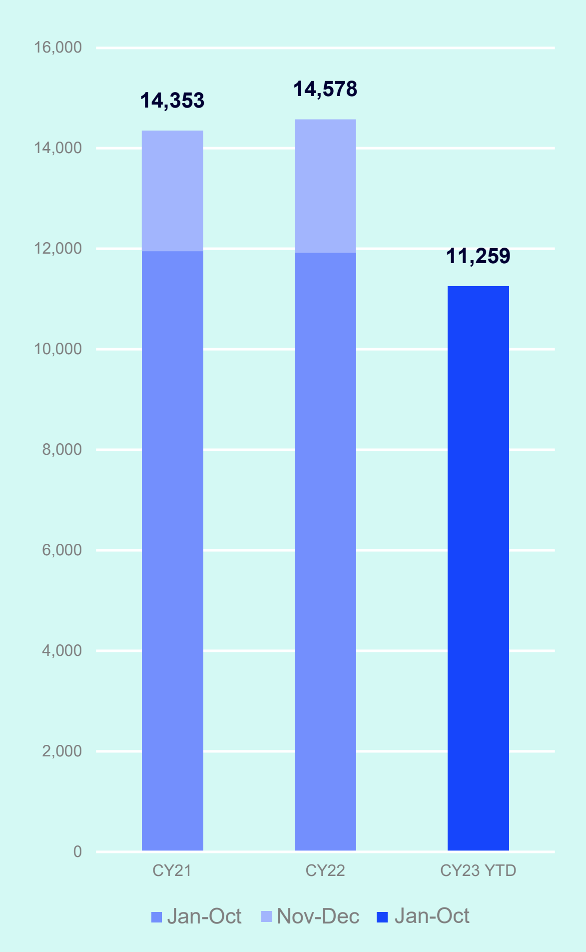
Patent market – Singapore

Decline in market filings but IPH performing ahead of market this FY

Singapore patent filings – market[1]

- Preliminary market data for CY23 YTD Oct indicates a decline in Singapore patent market of 5.5% compared with the same period last year.
- US applicants down 10.2% and made up two-thirds of total decline in market.
- One significant US client decreased filings notably in Singapore and Australia, impacting IPH. This client filed exclusively with IPH in these jurisdictions.

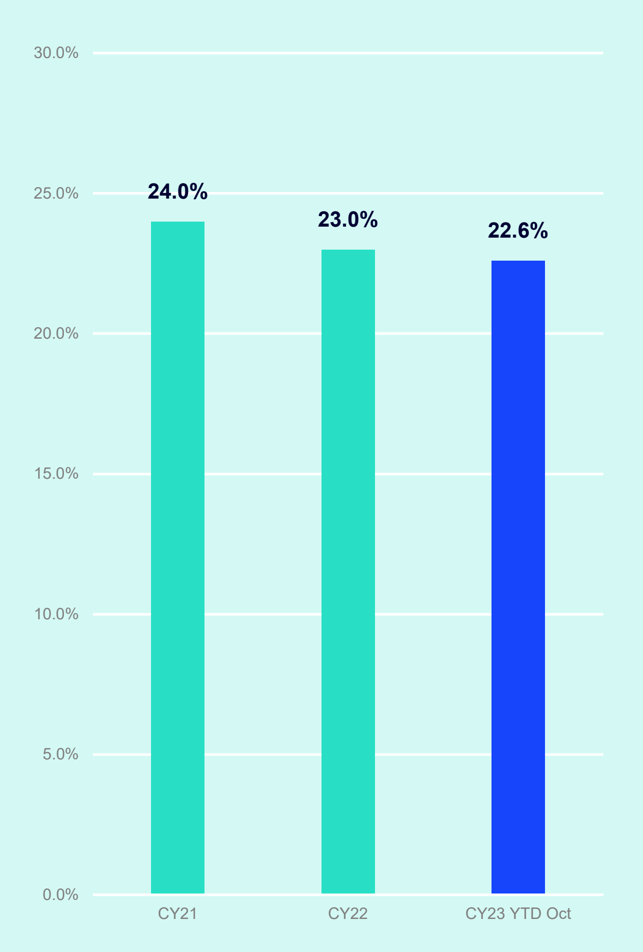
1) IPH Management estimates based on IPOS searches on 12/1/24 for CY23 YTD and CY22, and earlier years based on IPOS data captured at the end of each year. Please note, CY22 may differ slightly to previous reports due to timing of data capture. CY23 data is preliminary due to IPOS data release timings and may change.



IPH Group market share[2]

- IPH maintains number one market share position in CY23 YTD Oct.
- IPH filings decreased by 6.6% in CY23 YTD Oct compared with same period last year.
- If the one significant US client is excluded, IPH performs ahead of market, with market decreasing 5.1% and IPH decreasing 4.7%.
- In addition to the calendar year perspective, the market decrease is considerably greater in the current financial year.
- Latest IPOS data for FY24 YTD Oct indicates a market decline of 11.3%, with IPH down 9.4%, performing ahead of market.

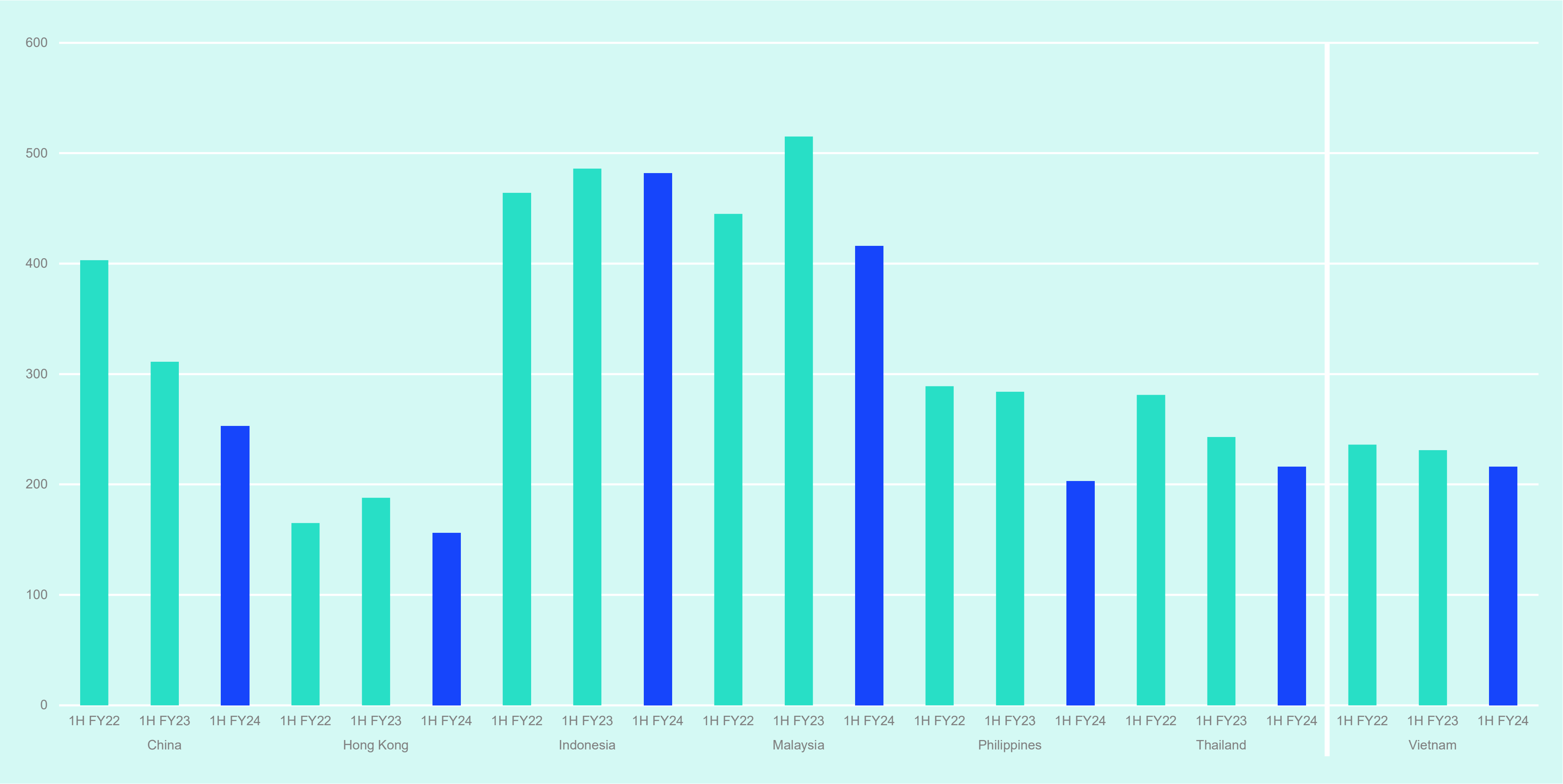
2) IPH Management estimates of Group market share based on IPOS filing data. Please see note 1 re: CY22. Data for earlier years captured at end of each period and may not reflect subsequent changes of agent. IPH share includes Singapore offices of Spruson & Ferguson and Pizzeys.



IPH patent filings – **Asia**[1]

Lower filings across Asia consistent with Singapore market decline

- IPH patent filings in Asia (outside of Singapore) decreased by 14.0% in 1H FY24 compared with 1H FY23.
- IPH filings across most of these jurisdictions were affected by the decline from US clients.
- Network continues to be attractive to large clients with multiple large clients increasing filings across a number of jurisdictions in 1H FY24.



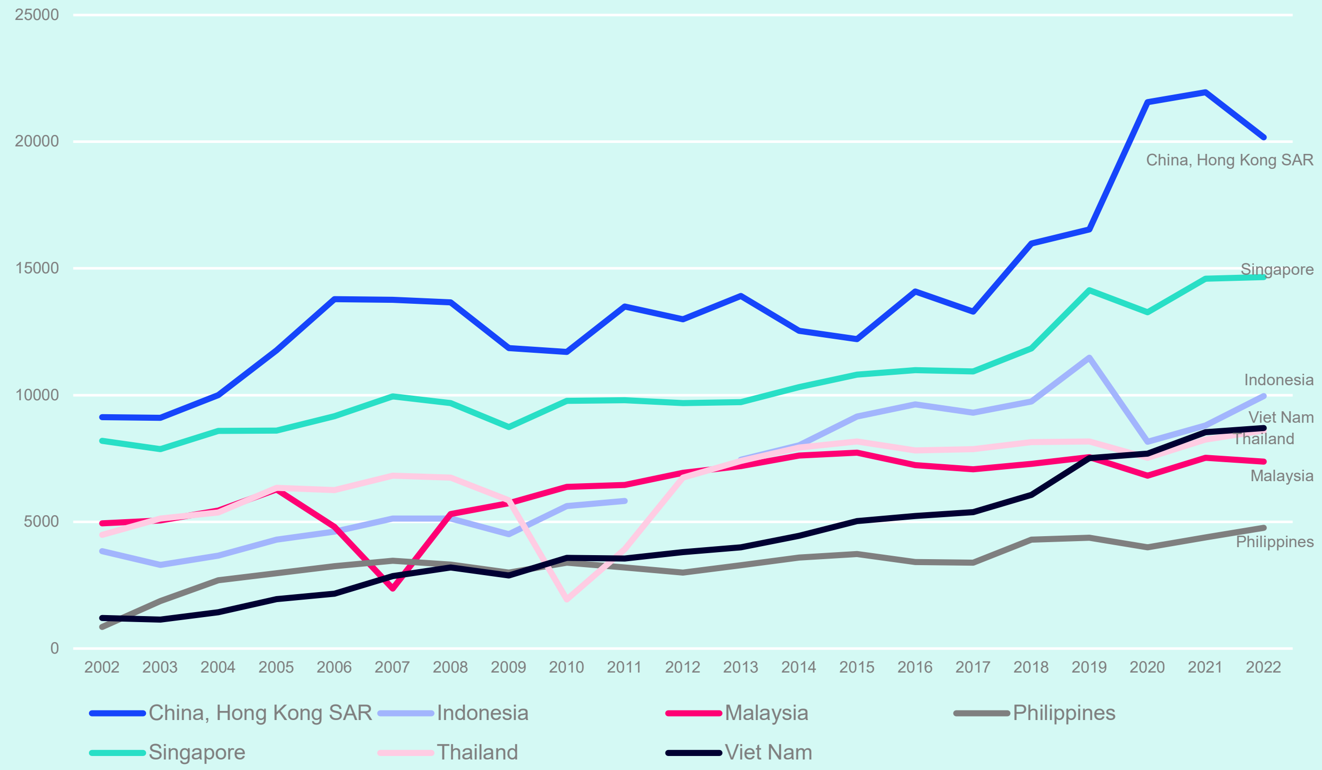
1) Total patent cases lodged in key jurisdictions in Asia (excl. Singapore) by IPH entities (or external agents in the case of Vietnam). Data based on internal filing statistics.

Focus on Asia

Market drivers remain attractive

Historical Trends

Patent filings in key Asian jurisdictions (excl. China):



Innovation Ecosystems: Long term investment in R&D by Singapore and Hong Kong Governments.

Economic Growth and Integration: Increasingly affluent Asian economies generate the need for intellectual property rights protection and encourage research.

Emerging Technology Hubs: Asia is the hotspot for many cutting-edge tech sectors (AI, biotech, clean energy, fintech).

Pivot to South East Asia: Movement of manufacturing out of China or diversification out means opportunities for other low cost countries like Vietnam and Thailand.

While a current slowdown, including supply-chain disruptions or temporary investment hesitancy due to broader economic slowdown and COVID affect on research, these are short-term disruptions rather than a fundamental change.

04

Delivering on our strategy

Creating a **platform for growth** in Canada

Delivering further resilience and diversity of earnings for the IPH Group consistent with the IPH growth strategy

- Acquisitions deliver immediate scale - IPH is now the market-leading IP services group in Canada:
  - Proforma annualised EBITDA ~A$65m
  - Proforma annualised Canadian patent filings ~11k
- Initial focus in Canada is to consolidate recent acquisitions into the IPH group: Ridout & Maybee into Smart & Biggar, while ROBIC remains as a standalone brand.

	Date of Completion	Consideration A$m*	Patent share Canada[1]
SMART & BIGGAR	6 Oct 2022	$387m	~16%
Ridout & Maybee LLP	29 Sep 2023	$74m	~5%
ROBIC	15 Dec 2023	$124m	~7%

Market share: ~28%

1) IPH management estimate of patent market share for CY22 based on latest CIPO bulk data.

*As per ASX announcement at the time of acquisition.

Canadian acquisitions – **integration update**

Remain on track to deliver committed cost synergies

- Significant progress made on integrating Canadian acquisitions into IPH group.
- Key projects include the identification and delivery of Smart & Biggar cost synergies and synergies related to the integration of Ridout & Maybee into Smart & Biggar.
- ROBIC to remain as stand-alone brand in Canadian market.

	How we will create value	Targeted synergies	Update on progress
SMART & BIGGAR	• Leveraging the IPH network effect – client referrals • Maximise combined power of the group • Remove duplicate roles with IPH Group functions • Property lease savings • Optimise opportunities to enhance client service offering	~$4-6m over 3 years	• ~$5.3m cost synergies identified to date which are recognised above and below the EBITDA line • Remain on track to deliver target synergies over 3 years primarily through right-sizing of back office • While no offices closed, re-configurations and progressive reductions of office footprint to meet "office of the future" requirements delivering rental cost synergies below EBITDA • Further rental cost reductions to emerge in coming 2 financial years • 336 client referrals between Smart & Biggar and IPH Asia Pacific offices since acquisition[1]
Ridout & Maybee LLP – Canada's Intellectual Property and Technology Law Firm	• Seamless integration into Smart & Biggar to operate as one firm. System cutover date was 4 December. • Maximise synergy opportunities through: - Removal of IT duplication (systems/licenses) - HR – duplicate resources, talent mapping - Property lease savings - Net revenue and pricing uplift	~CAD $3m with $1-1.5m reinvestment into implementing a refreshed IPH operating model.	• Annualised cost synergies in excess of target identified to date through role redundancies, office closures and back office consolidation • 3 offices closed – rental cost savings captured below EBITDA and rental outgoings above the EBITDA line

Across the two entities there has been a reduction of 77 FTE's through natural attrition or redundancy

1) Case referrals FY22 to 1H FY24 from internal data.

05

Summary and priorities

Summary and Priorities for FY24

Diverse and resilient earnings with strengthening balance sheet

- Turnaround in Australian financial performance and continuing to close the gap relative to market patent filings creating momentum for the second half
- Focus on integrating recent Canadian acquisitions (including synergies, client referrals) consolidating significant business in key secondary IP market
- Continued focus on capital management; expect to return to target gearing range during CY24
- Focus on restoring growth in Asia
- Implementing a refreshed operating model with a regional focus and a new operating rhythm that reflects IPH Group’s expanding global footprint and ensures our future state capability
- Anticipated roll-out of IPH Way commencing in Q4 FY24 with net benefits commencing FY25
- Continuing to assess acquisition opportunities

Q&A

Thank you

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06

Appendix

Like-for-like revenue and EBITDA

	Underlying Revenue Dec 23	New Businesses & Disposals	Accounting FX Movements	Currency Adjustment	Adjusted Revenue Dec 23	Underlying Revenue Dec 22	Chg%
Australia & NZ IP	148.6		2.0	(1.6)	149.0	142.8	4%
Asian IP	60.4		(0.4)	(2.2)	57.8	59.6	(3%)
Canada IP	71.3	(41.2)	(0.0)	(0.2)	29.9	30.3	(1%)
Corporate	8.4		1.9		10.3	8.8	
Eliminations[1]	(14.3)		(2.1)		(16.4)	(14.9)	
	274.4	**(41.2)**	**1.5**	**(4.0)**	**230.6**	**226.6**	**2%**

	Underlying EBITDA Dec 23	New Businesses & Disposals	Accounting FX Movements	Currency Adjustment	Adjusted EBITDA Dec 23	Underlying EBITDA Dec 22[2]	Chg%
Australia & NZ IP	53.0		2.0	(1.3)	53.7	50.8	6%
Asian IP	26.4		(0.4)	(0.9)	25.2	27.8	(9%)
Canada IP	22.4	(10.9)	(0.0)	(0.3)	11.2	10.6	5%
Corporate	(10.3)		1.9		(8.4)	(5.7)	
Eliminations[1]	(1.1)		(2.1)		(3.2)	(3.1)	
	90.4	**(10.9)**	**1.5**	**(2.5)**	**78.5**	**80.4**	**(2%)**

1) Eliminations include Wisetime 1H FY23 result in the comparative figure. Wisetime was divested in Jul 22.
2) Underlying EBITDA for Dec 22 period has been restated to include share-based payments in each of the segments consistent with the current period.
3) Balances may not total due to rounding.

Supplementary information

Items below EBITDA

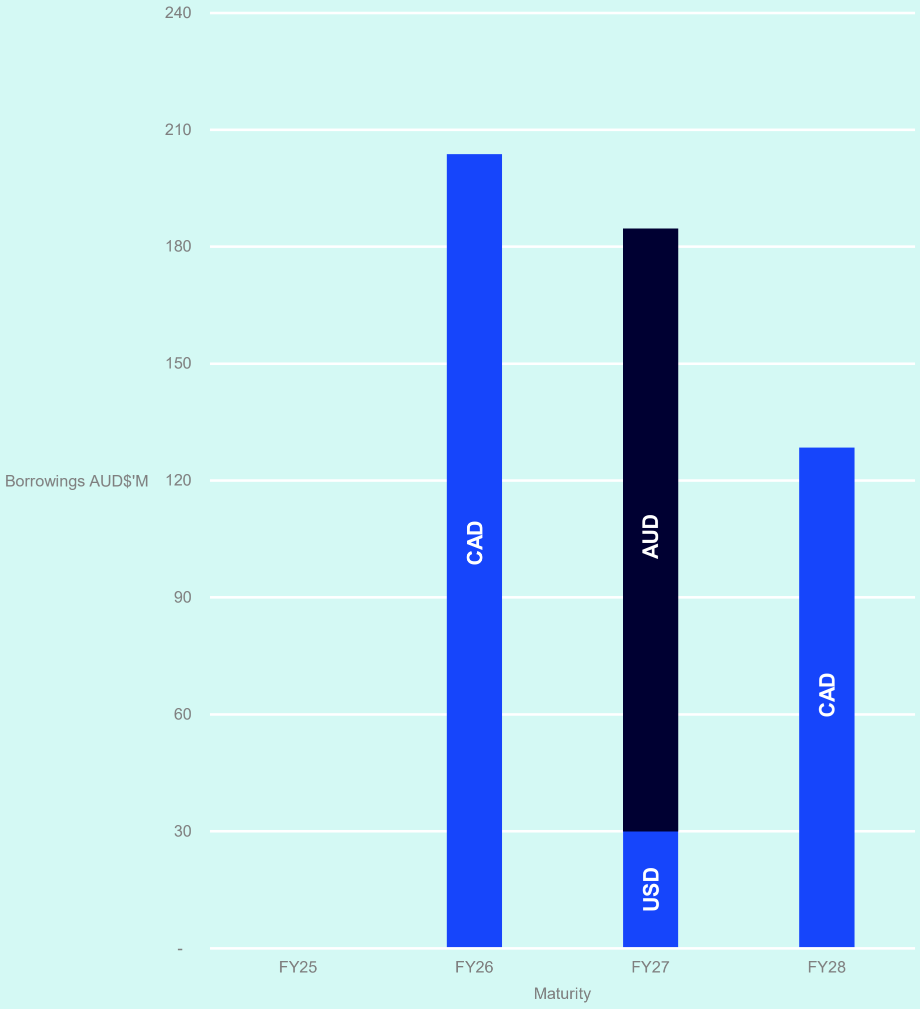
The table below details components included in Profit before Tax not included in EBITDA.

FY24 and FY25 assumptions[1] are estimated and movements from HY23 are predominately due to the additional Canadian acquisitions Ridout & Maybee and ROBIC.

Items below EBITDA	HY23	HY24	FY24 (est.)	FY25 (est.)	Comments
Depreciation & Amortisation	3.2	3.0	6.5	7.5	Depreciation of PPE & Capitalised Software
Depreciation ROU Assets	4.9	5.1	10.0	10.2	Formerly treated as lease expense in the calculation of EBITDA prior to the introduction of AASB16
Interest – Leases	0.7	1.0	2.0	2.0	
Amortisation – Acquired Intangibles	16.0	22.3	46.1	49.2	Amortisation of Intangible assets created through acquisitions[2] (subject to movement of foreign denominated balances)
Net Finance Cost[3]	6.2	12.4	27.0	30.0	Interest on Debt facility based on debt profile, interest rates and hedging in place as at 31 Dec 2023

1) Refer Disclaimer on slide 2.
2) Based on completed acquisitions at 31 Dec 2023 at FY23 average exchange rates.
3) Net Finance Cost includes the impact of interest rate swaps.

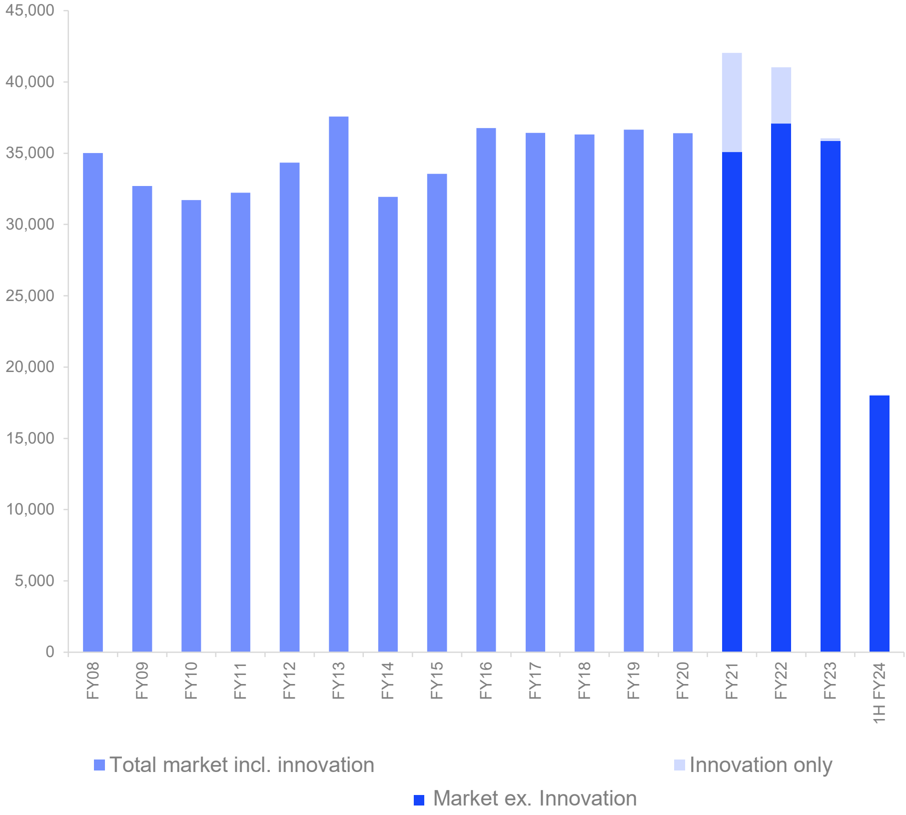
Borrowings Maturity Profile



Patent market trends

Australian Patent Filings[1]

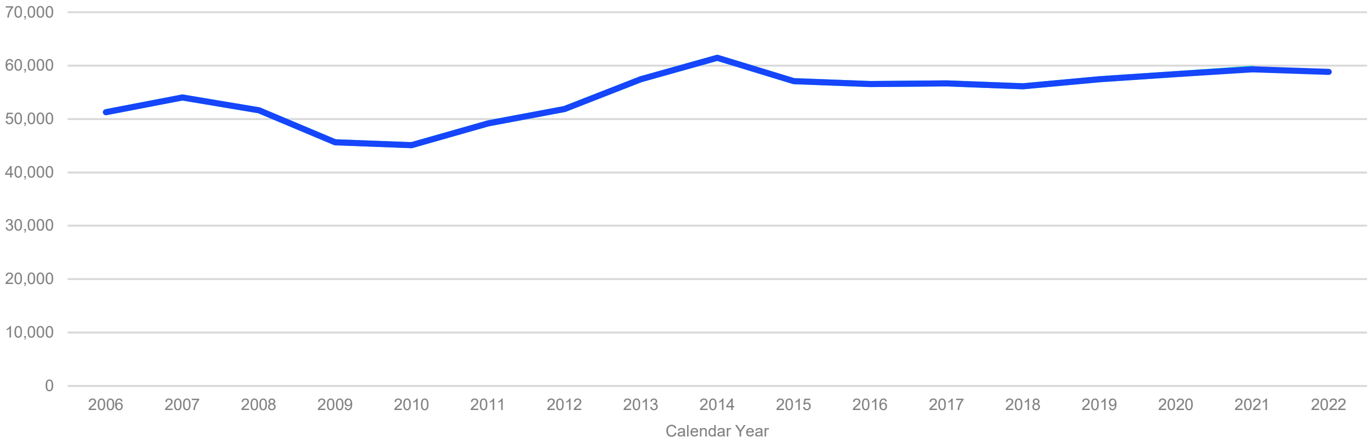
CAGR 15 Yr (FY08 to FY23) = **0.2%**
CAGR Post-GFC (FY10 to FY23) = **1.0%**



1) Management estimate based on IP Australia filing data as at 8/1/24 (FY24), and at the end of each financial period for previous years. Filings for all years include innovations which ceased in August 21.

United States PCT Applications[2]

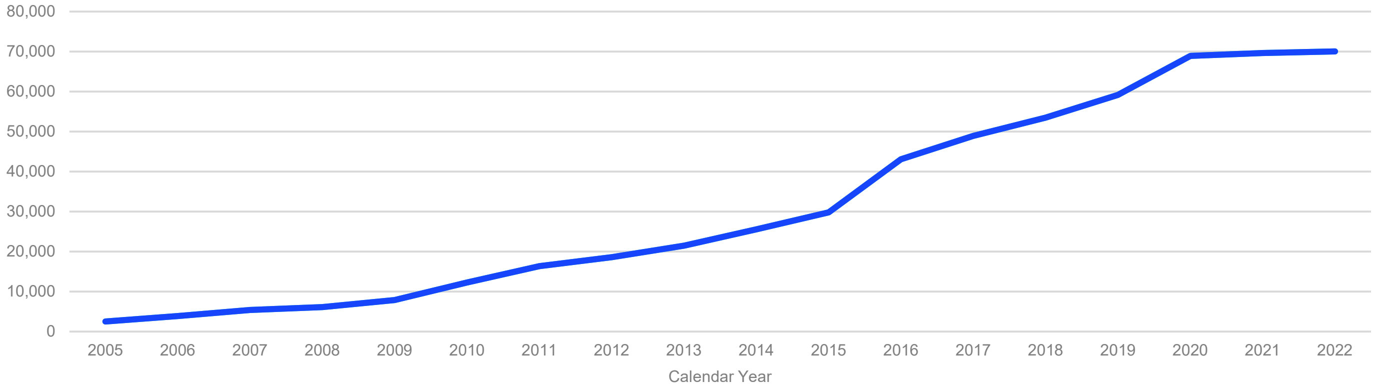
CAGR 15 Yr (CY07 to CY22) = **0.6%**
CAGR Post-GFC (CY10 to CY22) = **2.2%**



2) PCT applications originating from US filed at any receiving office by filing date from WIPO IP Statistics Data Center as at 11/1/24.

China PCT Applications[3]

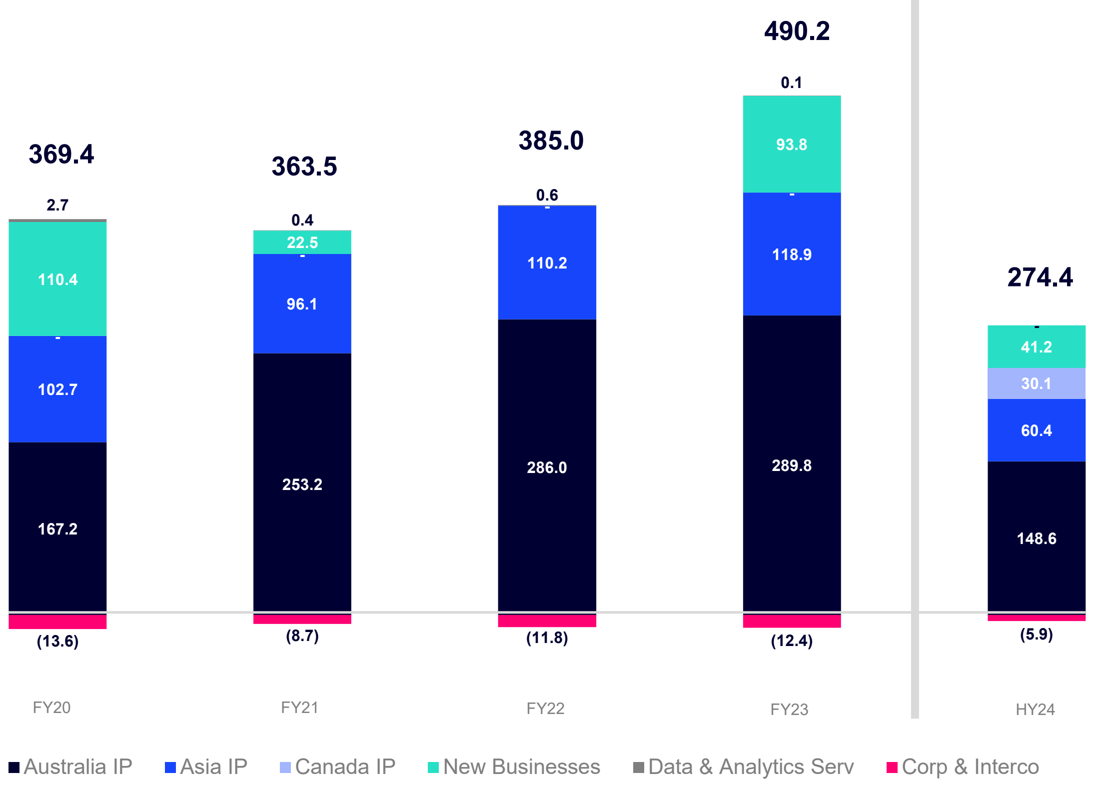
CAGR 15 Yr (CY07 to CY22) = **18.5%**
CAGR Post-GFC (CY10 to CY22) = **15.6%**



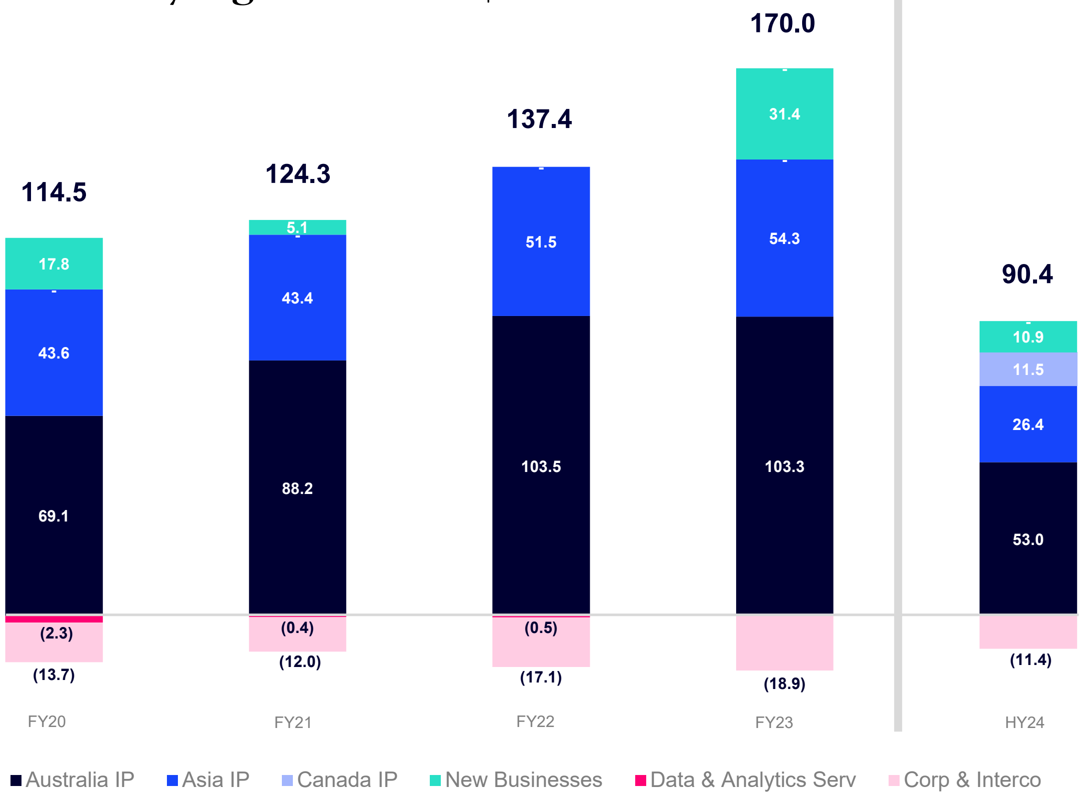
3) PCT applications originating from China filed at any receiving office by filing date from WIPO IP Statistics Data Center as at 11/1/24.

Revenue and EBITDA

Underlying Revenue $'m



Underlying EBITDA $'m



1) Underlying EBITDA in FY21-HY24 is post-AASB16. FY19-FY20 are pre-AASB16.
2) Underlying EBITDA excludes costs incurred in pursuit of acquisitions, revaluations of deferred settlements & earn outs, new business establishment costs, accounting charges for share-based payments (until and including FY22) and restructuring expenses.

3) New Businesses HY24 represents 3 months of Smart & Biggar, 3 months of R&M's contribution to Smart & Biggar, and half a month of ROBIC.

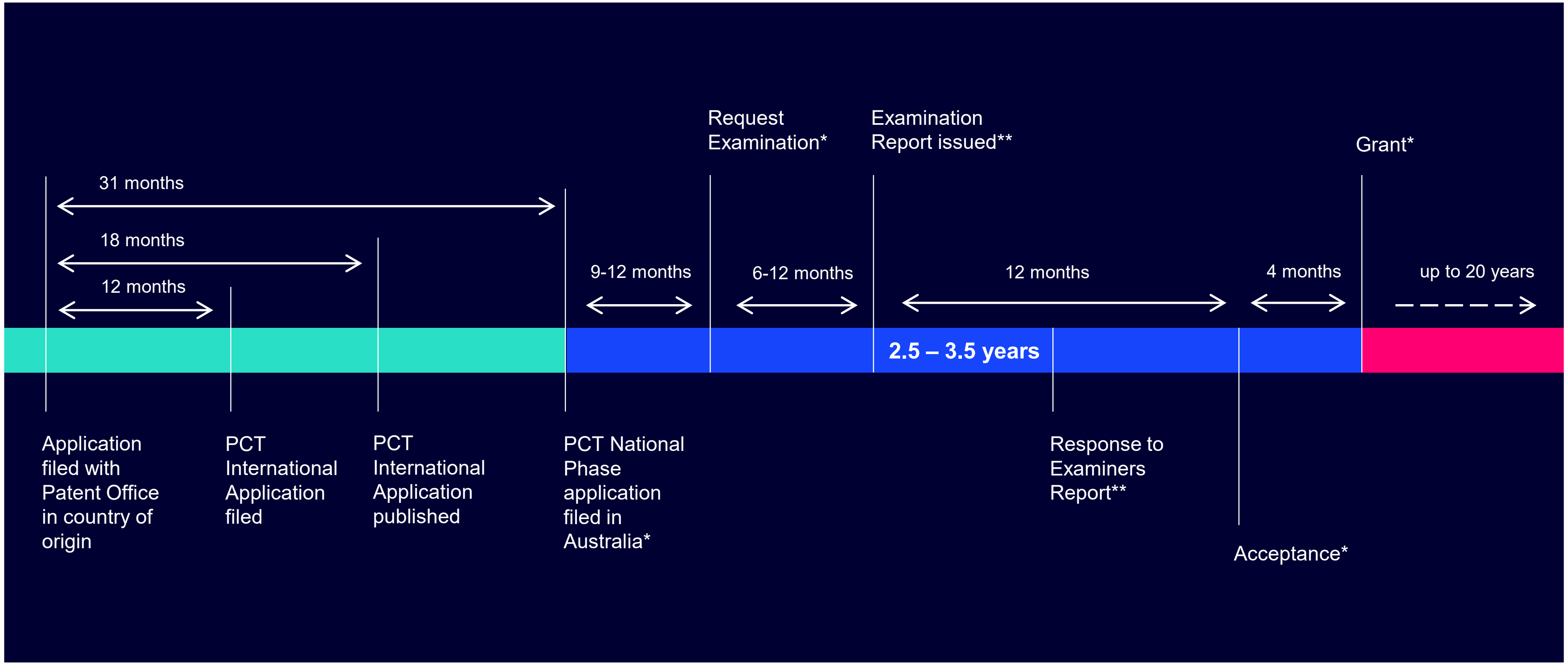
Patent lifecycle

Long-life cycle supports consistent revenues and earnings

Each year more than half+ of the total patent applications filed in Australia come through the PCT system in the form of PCT National Phase patent applications.

- The process from filing the Australian application (or entering the Australian national phase) to grant of a patent typically takes 2.5-3.5 years.
- Patents can be renewed by paying official renewal fee annually up until the expiry of the patent 20 years from the filing date of PCT International Application.

Typical (indicative) foreign patent route in Australia



+ Management estimate based on PCT National Phase entries from IP Australia filing data FY19 to 1H FY24.

* Revenue event – typically flag fall.

** Revenue event – typically combination of flag fall and hourly charges