

ASX Announcement

20 February 2025

Appendix 4D and Half-Year Financial Report to 31 December 2024

In accordance with ASX Listing Rule 4.2A, attached is the 2025 Half-year Report (incorporating Appendix 4D).

It is recommended that the report be read in conjunction with the Annual Financial Report of IPH Limited (IPH) for the period ended 30 June 2024, together with any subsequent public announcements made by IPH in accordance with its continuous disclosure obligations under the ASX Listing Rules and the *Corporations Act 2001*.

An analyst briefing will be held at 10:30am (AEDT) on Thursday, 20 February 2025. The presentation of results will be webcast on the IPH website at <https://www.iphltd.com.au/>.

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Authorised for release to ASX by: The Board of Directors

About IPH Limited

IPH is the leading intellectual property services group, comprising a network of member firms operating out of 27 offices and servicing more than 25 IP jurisdictions. The group includes leading IP firms AJ Park, Applied Marks, Griffith Hack, Pizzeys, ROBIC, Smart & Biggar and Spruson & Ferguson. IPH employs more than 1,800 employees working in Australia, Canada, China, Hong Kong SAR, Indonesia, Malaysia, New Zealand, The Philippines, Singapore and Thailand.



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IPH Limited

Half Year Financial Report **2025**

For the Half Year ended 31 December 2024





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Appendix 4D – Half Year Report

Half year ended 31 December 2024 ("HY25")

Reporting periods

Current reporting period: Half year ended 31 December 2024 (HY25)

Previous corresponding period: Half year ended 31 December 2023 (HY24)

Results for the announcement to the market	HY25 \$m	HY24 \$m	Change \$m	%
Revenue from ordinary activities	341.6	273.5	68.1	24.9%
Profit from ordinary activities after tax attributable to members	37.3	21.0	16.3	77.6%
Profit for the period attributable to members	37.3	21.0	16.3	77.6%

Dividends

	Cents per Share	Franking %
Interim dividend 31 December 2024	17.0	20%
Interim dividend 31 December 2023	16.0	35%
Interim dividend sourced from conduit foreign income		13.6¢

Key Dates

Ex-dividend date:	25 February 2025
Record date:	26 February 2025
Payment date:	21 March 2025

Dividend re-investment plan

The Dividend Reinvestment Plan will be in operation for the interim dividend at no discount. The last date for receipt of a valid election notice by our Share Registry for participation is 27 February 2025.

Net tangible assets	31 December 2024 \$	30 June 2024 \$
Net tangible asset backing per share	(0.58)	(0.95)

A large proportion of the Company's assets are intangible in nature, relating to goodwill and identifiable intangible assets acquired through business combinations. These assets are excluded from the calculation of net tangible assets per share. Including intangible assets, right-of-use assets and lease liabilities, net assets per share are \$3.22 (30 June 2024: \$2.96).

Auditor review status

This Appendix 4D is based on the attached half-year financial report which has been reviewed by the Group's auditors, Deloitte Touche Tohmatsu. A copy of Deloitte's unqualified review report can be found on page 9.

Attachments

The remainder of the information requiring disclosure to comply with listing rule 4.2A.3 is contained in the accompanying FY25 half year report.

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Directors' report

The Directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'Group') consisting of IPH Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the half year ended 31 December 2024.

IPH Limited is a leading international intellectual property ("IP") services group offering a wide range of IP services and products to a diverse client base including some of the world's leading companies, multi-nationals, universities, public sector research organisations, foreign associates and other corporate and individual clients. The Company was the first IP services group to list on the Australian Securities Exchange.

In the Group's IP services businesses in Australia, Canada, New Zealand and Asia, revenue is derived from fees charged for the provision of IP services by each firm related to securing, enforcing and managing IP rights in the country (directly or through an agent) in which registration is sought by the client.

The business model allows the Group to generate revenue streams throughout all stages of the IP lifecycle from its long-standing and diverse client base. Due to the diversity of the Group's client base, there is no key dependency on any one client, with no client accounting for more than 2% of the Group's revenue.

Factors that affect the performance of each business include, amongst others, the performance of the global and relevant local economies, client activity levels, competitor activity and the regulatory environment in which the services are provided.

Directors

The following persons were Directors of IPH Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Peter Warne	Non-executive Chairman
Dr Andrew Blattman	Managing Director and Chief Executive Officer
Mr John Atkin	Non-executive Director
Ms Vicki Carter	Non-executive Director
Ms Jingmin Qian	Non-executive Director
Mr David Wiadrowski	Non-executive Director

Significant events during the half

i) Acquisition of Bereskin and Parr

On 28 September 2024 the Group completed the acquisition of Bereskin and Parr (B&P). The purchase consideration of \$89.8m (CAD \$83.1m) is comprised of cash consideration of \$62.1m (CAD \$57.4m), including deferred cash consideration of A\$7.8m (CAD \$7.2m), and share consideration of \$27.7m (CAD \$25.7m) representing 4,490,501 shares issued at \$6.17 per share.

ii) Capital raise

The Group partially funded the B&P acquisition by raising capital of \$125m (before capital raising costs). This comprised \$100 million received from a share placement on 27 August 2024, and \$25m from the share purchase plan received on 25 September 2024. Excess cash retained from the capital raise, after funding the B&P acquisition, was used to repay debt and reduce gearing.

iii) Dividend paid

On 22 August 2024, the Group declared a final FY24 dividend of 19.0 cents per share which amounted to \$50.6 million. This was distributed on 25 September 2024 with \$48.8m paid as cash and \$1.8m as shares issued under the Dividend Re-investment Plan (DRP) to those shareholders who elected to participate.

iv) Repayment of debt and refinance of Canadian Loan Facility

The Group repaid \$20 million of the AUD multicurrency revolving loan facility on 11 September 2024.

On 13 December 2024, the Group successfully re-financed the \$197m (CAD \$180m) loan facility under the Syndicated Facility Agreement with its banking syndicate. The facility had a maturity date of 19 August 2025. Under the terms of the refinancing, the Group repaid \$24m (CAD \$22m) and refinanced \$174m (CAD \$158m), split between a multicurrency revolving loan of \$121m (CAD \$110m), and a fixed term loan of \$53m (CAD \$48m). The new maturity date of these loans is 13 December 2028.

Following this refinance, the Group has total bank loan facilities of \$483.8m of which \$400.2m was drawn at 31 December 2024, and \$83.6m was undrawn. The maturity dates of the new facilities range from September 2026 to December 2028. Additionally, there is a further \$25m bank guarantee facility, of which \$10.2m is drawn in the form of bank guarantees with landlords, is available if the need arises.

v) Share buyback

On 12 December 2024 the Group announced the commencement of a buyback of securities on issue. Up to 31 December 2024, the Group has acquired 2,070,144 shares purchased at a share price ranging from \$4.81 to \$5.14. The shares acquired have been subsequently cancelled.

Directors' report

Operational and Financial Review

The summary financial analysis below shows the results on a statutory and underlying basis. The Directors believe it is important to include the financial information on an underlying basis as this reflects the ongoing or underlying activities of the Group and excludes items that are not expected to occur frequently and do not form part of the core activities of the Group.

	Revenue ¹			EBITDA		
	31 December 2024 \$m	31 December 2023 \$m	Change %	31 December 2024 \$m	31 December 2023 \$m	Change %
Underlying revenue / EBITDA						
Australia and New Zealand IP	158.5	148.6	6.7%	57.8	53.0	9.1%
Asian IP	60.5	60.3	0.3%	26.2	26.2	—
Canadian IP	134.8	71.3	89.1%	33.5	22.4	49.6%
	353.8	280.2	26.3%	117.5	101.6	15.6%
Corporate	6.5	8.4	(22.6%)	(17.3)	(10.1)	(71.3%)
Eliminations	(16.0)	(14.3)	(11.9%)	0.3	(1.1)	127.3%
Underlying revenue / EBITDA²	344.3	274.3	25.5%	100.5	90.4	11.2%

1. Revenue includes other income but excludes interest.

2. Underlying revenue/EBITDA comprises revenue recognised during the period after intercompany transactions that require elimination upon consolidation.

The following is the reconciliation of Underlying Earnings before interest tax depreciation and amortisation (EBITDA) to Statutory EBITDA, and Net Profit After Tax (NPAT).

	31 December 2024 \$m	31 December 2023 \$m	Change %
Underlying EBITDA	100.5	90.4	11.2%
Business acquisitions costs	(3.2)	(10.7)	70.1%
Restructuring expenses	(1.4)	(3.8)	63.2%
Impairment of right-of-use assets	—	(1.1)	(100.0%)
Cyber upgrade project	(0.5)	—	—
IT SaaS implementation costs	(0.4)	—	—
Statutory EBITDA	95.0	74.8	27.0%
Interest income	3.1	2.5	24.0%
Finance costs	(15.5)	(15.9)	2.5%
Depreciation and amortisation	(35.2)	(30.4)	(15.8%)
Net profit before tax	47.4	31.0	52.9%
Income tax expense	(10.1)	(10.0)	(1.0%)
Net profit after tax	37.3	21.0	77.6%



Directors' report

Adjustments to Statutory Results

In reconciling Underlying EBITDA to Statutory EBITDA, the following adjustments are made:

- i) Business acquisition costs in the current period of \$3.2m primarily relate to the Bereskin & Parr business acquisition. The prior period costs of \$10.7m relate to the acquisitions of ROBIC and Ridout & Maybee.
- ii) Restructuring expenses in the current period of \$1.4m include costs associated with the implementation of the new operating model of \$1m (including \$0.6m of redundancy costs) and \$0.4m associated with the "IPH Way" project to streamline and standardise the patent application process across the Group. The prior period cost of \$3.8m predominantly relates to costs associated with the post-acquisition restructure of the Smart and Biggar and Ridout & Maybee businesses including a one-off onerous contract lease provision relating to the exit of the Ridout & Maybee lease, and IPH way project spend. In addition, \$1.1m of impairment on right of use assets in relation to R&M leases was also expensed during the prior period.
- iii) Cyber upgrade project costs of \$0.5m relate to one off cost incurred as part of a 3-year cyber upgrade project. One off project spend of \$1.8m is expected over the 3 year period to FY 26.
- iv) IT SaaS implementation costs of \$0.4m in the current period (2023: nil) relate to the implementation costs of the Group HRIS and Accounts Payable automation software.

The above acquisition and restructuring expenses will allow the Group to realise synergies in line with the Bereskin & Parr acquisition business case.

On 28 September 2024, the Group acquired Bereskin and Parr (discussed further below). Consequently, the current period includes the post-acquisition earnings of Bereskin and Parr for the period from 28 September 2024 – 31 December 2024 (approximately 3 months).

During the prior comparative period, the Group acquired the Canadian businesses Ridout & Maybee on 29 September 2023 and ROBIC on 15 December 2023. The HY25 result includes a full period contribution from these acquisitions compared with approximately 3 months (Ridout & Maybee) and 0.5 months (ROBIC) earnings contribution in the prior corresponding period (pcp).

Statutory Results

Revenue and other income (excluding interest) of \$344.3m is \$70.0m or 25.5% up on the prior year, reflecting continued growth in the Australian/NZ business, up 6.7%, and revenue growth of \$63.5m or 89.1% in the Canadian segment, driven by the acquisition of Bereskin & Parr in the current period, and the full period contribution of the Ridout & Maybee and ROBIC acquisitions in the prior year. The acquisition strategy in Canada has resulted in the Canadian segment now being the second largest segment in the Group in terms of annualised revenue, representing approximately 41% of the Groups revenue when annualised for current period acquisitions.

Statutory EBITDA of \$95m is \$20.2m or 27.0% up on prior period. An increase in underlying EBITDA from the Operating Segments of \$15.9 million or 15.6%, is driven largely by the growth in the Canadian segment from the acquisitions. This has been partially offset by an increase in corporate costs of \$2.7m as foreshadowed in the FY24 Annual Report which relates largely to the implementation of the new operating model and increased IT costs. Additionally, net of eliminations, there is a \$3.2m foreign currency loss (HY24: \$0.1m loss) reported in the corporate segment and a reduction in one off costs of \$10.1m, largely associated with the acquisition strategy.

Net Profit Before Tax (NPBT) of \$47.4m is \$16.4m or 52.9% above prior year. The increase in Statutory EBITDA of \$20.2 million has been offset by an increase in non-cash depreciation and amortisation charges of \$4.8m or 15.8% relating to the acquired Intangible assets, largely customer relationships arising on the acquisitions. Net interest expense was \$1m or 7.5% lower because of lower borrowing levels during the current period.

Net Profit After Tax (NPAT) of \$37.3m is \$16.3m or 77.6% above prior year driven by a reduction in the effective tax rate from 32.3% to 21.3% in the current period. The prior period was impacted by a higher level of non deductible expenses relating to the Canadian acquisitions.

Underlying Results

Underlying EBITDA increased \$10.1m or 11.2% to \$100.5m (HY24: \$90.4m).

EBITDA from the business segments increased by \$15.9m or 15.6%, including:

- > \$11.1m (49.6%) increase in Canada driven largely by the additional contribution from entities acquired in the current and prior period.
- > \$4.8m (9.1%) increase in Australia and NZ as the Australian market continues its recovery.
- > Asian business performance was in line with the prior period, which is an improvement on prior periods which recorded a decline in EBITDA. This period's performance is despite a continuation of market decline in patent filing numbers in the Singapore market.

The business segment performance was offset by a \$7.2m increase in the current period in the Corporate Segment EBITDA loss, including a \$4.5m increase in foreign currency losses (\$3.5m loss in 1H FY25 versus \$1m gain in 1H FY24) and a \$2.7m increase in corporate costs. See Corporate Segment section below for details.

Directors' report

Segment Results

The Company has three operating segments; Australian and New Zealand IP, Canadian IP and Asian IP.

Australia & New Zealand IP

The Australian & New Zealand segment reported strong growth in revenue and Underlying EBITDA of 6.7% and 9.1% respectively, despite a 4.5% decline in Australian patent filings market in HY25 compared to HY24.

IPH Group patent filings (ex innovation patents) in Australia declined 7.6% in HY25 compared to a market decline of 4.4%, reflecting a "gap" to market movement of 3.2 percentage points. This compares to the FY24 results where IPH filings declined 3.1% compared to a market decline of 0.8%, a gap of 2.3 percentage points.

US applicants make up around 35%- 40% of IPH Group filings in the Australian market and were the largest decline by volume, down 6.9%. As IPH Group has a larger proportion of US clients than the market, this has negatively impacted IPH's market share with IPH's combined group patent market share (excluding innovation patents) of 30.4%, down from 31.5% in the prior period. IPH remains the market leader in Australia in terms of market share.

Reported EBITDA margin of 36.5% is 0.8 percentage points up on the prior period, supported by favourable currency movements.

On a like-for-like basis, removing the effects of currency movements, the Australian/NZ segment reported growth in revenue of 4% and EBITDA increased 2%.

Canadian IP

Revenue increased by \$63.5m or 89.1% to \$134.8m and underlying EBITDA increased 49.6% to \$33.5m, reflecting the execution of the Group's acquisition strategy in the Canadian market. The growth in revenue and underlying EBITDA is attributable to the following:

- > On 28 September 2024, Smart and Biggar acquired the Bereskin & Parr business for a purchase consideration of \$89.8m (CAD 83.1m). Bereskin & Parr joined the Smart & Biggar business to form one combined firm operating under the Smart & Biggar brand. The current period includes revenue and EBITDA contribution from Bereskin & Parr for the 3 month period from 28 September 2024 – 31 December 2024.
- > The current period result includes an incremental 5.5 months of revenue and earnings contribution over the prior period, from the ROBIC business, which was acquired on 15 December 2023 and an incremental 3 month revenue and earnings contribution from the Ridout & Maybee business which was acquired on 29 September 2023.
- > The Canadian Intellectual Property Office (CIPO) increased the fees they charge for lodging patent applications by 32% with effect from 1 January 2024. Whilst this increased cost is recovered from clients and therefore has no impact on the company profit, it does have an impact on reported revenue.

On a like-for-like basis, removing the effects of foreign currency movements and the impact of the acquisitions, Canadian IP revenue increased by 8% and underlying EBITDA decreased 2%.

As noted above, the CIPO fee increase accounts for a large part of this revenue increase which would not contribute to EBITDA. Additionally, there is an increase in the disbursement recovery income in the current period relative to the prior period due to a temporary delay in processing arising from the integration of the Ridout and Maybee business in the prior period. This has the effect of increasing revenue recognised in the current period with no corresponding increase in EBITDA. Whilst this is not possible to quantify, together with the CIPO fee increase, it has negatively impacted the Canada segment EBITDA margin in the current period of 25%, down from 31.4% in the prior period. Whilst this decline in reported margin can be partly attributed to the above 2 items, the below two items are also impacting the performance of the business and reported margins:

- > The Smart & Biggar litigation business tends to be variable and is dependent upon case flow. The higher litigation revenue experienced in 2H FY24 did not continue into 1H FY25 with the anticipated revenue negatively impacted by settlement of some cases.
- > Additionally, the Patent business has experienced some disruption to workflow impacting revenue streams as a result of the CIPO experiencing systems issues following the launch of its new patent filing system, MyCIPO Patents in July 2024. Whilst there has been some improvement as these issues are being addressed, the backlog of workflow linked to these systems issues has caused some delay in revenue recognition in the 1H FY25 and is expected to continue into the 2H FY25. The weakness in patent revenue is being offset to some extent by stronger Trade Mark revenues as a CIPO backlog in this area is cleared.

Asian IP

Revenue increased by 0.3% to \$60.5m and underlying EBITDA remained steady at \$26.2m with EBITDA margins retained at 43%.

The Asian IP segment performance reflects a stabilisation in the Asian market which has been challenged by a decline in filing numbers over the past 2 years.

The Singapore market accounts for a large proportion of the Asian segment filings. Latest market data for the five months to 30 November 2024 indicates the market declined 0.4% compared to the prior comparative period, with IPH group filings down 2.3% in the same period.

Internal data indicates filings across the Asia region (outside of Singapore) in the six months to 31 December 2024 increased by 15.1%. Improved Singapore market filings are expected to be consistent with improved filings across the Asian jurisdictions, and will be reflected when Patent Office Data is available to confirm internal data.

On a like-for-like basis, removing the impact of foreign currency movements, revenue was in line with pcp while EBITDA decreased 1%.



Directors' report

Corporate

The Corporate Segment EBITDA loss increased \$7.2m in the current period and includes a \$4.5m increase in foreign currency losses (\$3.5m loss in 1H FY25 versus \$1m gain in 1H FY24) and a \$2.7m increase in corporate costs.

The foreign currency loss of \$3.5m (1H FY 24: gain \$1m) arises on the retranslation of foreign currency (predominantly USD) cash and borrowings, including forward FX contracts. This loss is offset by FX gains in the group outside of the Corporate Segment.

As foreshadowed in the FY 24 Annual Report, the corporate cost increase of \$2.7m was driven primarily by the implementation of the new operating model and investment in increased corporate capability, including a Transformation Office, to better align with the increased scale and complexity of the Group operations and the company's strategy of transformation. Consequently, employee benefits expense increased by \$2.0million, including \$1.5million additional cost relating to the implementation of the new regional operating model. Additionally, IT related expenses have increased \$0.5m driven by the implementation of the Group's data analytics strategy and incremental operating cost associated with the ongoing project to enhance the company's cyber security.

Elimination entries contributed \$0.3m to EBITDA in the current period (1H FY 24: (\$1.1m)) and relate largely to foreign currency gains and losses eliminated against the foreign currency translation reserve.

As noted at the FY24 year-end, the Group has made a significant investment in its Transformation function. One of their initial projects has been to review the IPH Way programme - a business process re-engineering initiative across the Group's Australia/New Zealand member firms, which anticipated ongoing benefits of between \$5m-\$6m. That review also assessed the best way of achieving improvements in operating efficiencies across the different practices in our expanded group.

As noted at the AGM in November 2024, sustainable change is complex. The company remains optimistic regarding the financial opportunity and resultant improvement in group margin from operational efficiencies. However, as a result of this review, it has been decided not to implement the IPH Way in its current form to the remaining Australia/New Zealand member firms. Instead, the investment in Transformation is expected to provide a return in terms of its management on an ongoing basis of earnings accretive projects across the entire group (including those which were originally part of the IPH Way). Details of these will be provided as part of a three-year strategic plan at the full-year results.

Impact of Foreign Exchange Movements

The following foreign exchange (fx) rates have been applied during the period.

FX Rate	Closing FX Rate				Average FX Rates	
	2024 Dec	2024 Jun	2023 Dec	2023 Jun	2024 Jul-Dec	2023 Jul-Dec
AUD:USD	0.6204	0.6670	0.6812	0.6640	0.6612	0.6530
AUD:SGD	0.8454	0.9044	0.8990	0.8994	0.8763	0.8812
AUD:NZD	1.1050	1.0950	1.0778	1.0874	1.0997	1.0807
AUD:CAD	0.8917	0.9124	0.9027	0.8798	0.9132	0.8822

i) Foreign exchange impact on trading results

The Group operates in Australia, Canada and New Zealand, as well as multiple countries throughout Asia. Changes in the FX rates impact the Group result either through the translation of foreign subsidiary results into AUD, or where revenue is generated in a currency (predominantly USD) other than the local subsidiary currency. During the period, the Group invoiced 36% (2024: 39%) of its revenue in USD, whilst maintaining a low proportion of USD denominated expenses.

In respect to USD revenues, the average AUD/USD exchange rate for the half year period was 0.6612, which was 0.8 cents higher than the average rate of 0.6530 in the prior period, having an unfavourable impact on the Group result this period. Based on the USD revenue profile in HY25, a 1c movement in the AUD/USD exchange rate equates to approximately \$1.4m of revenue on services charges for the half year (\$2.8m on an annualised basis). Currently, the Group does not undertake foreign currency hedging on its foreign denominated revenue or expenses but continues to monitor this position.

The average AUD rate against the CAD strengthened in the current period relative to the prior period and resulted in comparably lower AUD reported results upon conversion of foreign subsidiaries.

The average AUD rate against the SGD weakened in the current period relative to the prior period and resulted in comparably higher AUD reported results upon conversion of foreign subsidiaries.

ii) Impact on Foreign exchange gains or losses

As noted above, as a proportion of the Group's revenue is denominated in foreign currency (predominately USD), the billing and collection of these foreign amounts results in the Group carrying USD receivables and cash. The translation of the foreign denominated cash and receivables balances results in foreign exchange gains and losses recognised in the income statement.

To the extent possible, the Group mitigates the risk of foreign currency movements by actively minimising cash held in foreign currencies and maintains natural hedges through foreign denominated borrowings. In addition, the Group will execute FX forward contracts to hedge any remaining material exposures. At 31 December 2024, the Group was carrying a net USD balance sheet exposure of \$7.6m (30 June 2024: \$11.5m).

The Group's net foreign currency gain of \$1.3m (31 December 2023: loss of \$1.0m) reflects the impact of the lower AUD against the USD at the period end, compared to the rates observed at the end of the previous corresponding period.

Directors' report

	31 December 2024 \$m	30 June 2024 \$m	Change \$m	Change %
Balance Sheet				
Cash	98.0	75.5	22.5	29.8%
Trade and other receivables	169.4	158.2	11.2	7.1%
Contract assets	39.6	29.7	9.9	33.3%
PPE and ROU	73.6	67.5	6.1	9.0%
Goodwill	646.9	593.5	53.4	9.0%
Other intangibles	391.5	375.2	16.3	4.3%
Other assets	16.7	13.8	2.9	21.0%
Total assets	1,435.7	1,313.4	122.3	9.3%
Trade and other payables	49.3	41.7	7.6	18.2%
Provisions	25.0	32.3	(7.3)	(22.6%)
Borrowings	398.1	434.1	(36.0)	(8.3%)
Deferred tax liabilities	96.0	91.8	4.2	4.6%
Lease liabilities	60.8	57.7	3.1	5.4%
Other liabilities	30.5	21.5	9.0	42.0%
Total liabilities	659.7	679.1	(19.4)	(2.9%)
Net assets	776.0	634.3	141.7	22.3%
Issued capital	783.7	641.5	142.2	22.2%
Reserves	32.4	19.6	12.8	65.3%
(Accumulated losses)	(40.1)	(26.8)	(13.3)	49.6%
Total equity	776.0	634.3	141.7	22.3%

i) Net assets

Net assets increased by \$141.7m or 22.3% primarily driven by the acquisition of B&P during the half year which was funded by a \$100 million capital raising and the issue of \$25 million shares under a share purchase plan. This resulted in an increase in Goodwill arising on consolidation, in addition to an increase in intangible assets from the acquired customer contracts. The capital raising, in addition to funding the acquisition, also provided the ability to pay down bank borrowings as part of the bank refinancing in the current period.

Trade and other receivables increased by \$11.2m or 7.1%. Excluding the impact of the Bereskin and Parr acquisition which contributed \$18.9m, trade and other receivables decreased \$7.7m. Contract assets increased \$9.9m or 33.3%, of which \$3.9m arose from the Bereskin and Parr acquisition.

Goodwill and other intangibles increased by \$53.4m or 9.0% and \$16.3m or 4.3%, respectively. The increase is mainly attributable to Bereskin and Parr which added \$42.3m and \$34.6m to goodwill and other intangibles. FX gain was \$11.6m for goodwill and \$7.7m for customer relationships, offset by the amortisation of intangibles of \$26.2m.

Borrowings decreased by \$36.0 million or 8.3% due to net repayments of \$44.2m made during the period, offset by \$8.2m FX losses arising from the lower AUD rate compared to the USD and CAD.

	31 December 2024 \$m	30 June 2024 \$m	31 December 2023 \$m
Debt ¹	426.6	445.3	520.6
Cash	(98.0)	(75.5)	(126.4)
Net Debt¹	328.6	369.8	394.2
Leverage Ratio¹	1.63	1.92	2.15

1. Leverage Ratio calculated as Net Debt divided by EBITDA. Calculations of EBITDA, Debt and Net Debt are in accordance with the definitions in the Bank Facility Agreement.

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Directors' report

ii) Equity

The share capital increased by \$142.2m or 22.2% from 30 June 2024, due to the capital raise and issue of shares under the share purchase plan (net of costs) of \$123.1m, the issue of shares as consideration on the acquisition of B&P (\$27.7m) and the issue of shares under the DRP (\$1.8m). The increase was offset by the cancellation of shares under the share-buyback program (\$10.4m).

The increase in reserves of \$12.8m or 65.3% is mainly driven by the share based payment reserve which increased by \$1.9m, and the increase in the foreign currency translation reserve on the translation of the net assets of foreign subsidiaries.

Accumulated losses increased by \$13.3m or 49.6%. Net profit after tax of \$37.3m was offset by the dividend declared during the period of \$50.6m resulting in an increase to the accumulated loss of the Group.

Other Performance Measures

i) Cash Conversion Ratio

Cash conversion is calculated as operating cash flows excluding Net interest expense and tax, as a percentage of operating EBITDA. In the current period, cash conversion of 100% is down from the prior period cash conversion of 128%, reflecting the normalisation of the impact of the cyber incident in March 2023 which had the effect of disrupting normal operations, including cash collection, pushing collections from Q4 FY23 into Q1 FY24.

	31 December 2024 \$m	31 December 2023 \$m
Statutory EBITDA	95.0	74.8
Non-operating adjustments	(0.4)	3.4
Operating EBITDA	94.6	78.2
Operating non-cash movements	7.1	4.5
Change in working capital	(7.2)	17.1
Operating cashflows excluding net interest and tax	94.5	99.8
Cash conversion ratio	100%	128%

Dividends

Since the end of the half year, the Directors have declared the payment of an ordinary interim dividend of 17.0 cents per share, franked at 20%. This represents 81% of cash adjusted NPAT. Due to the increase in earnings from offshore subsidiaries, the franking credits available, relative to the increase in dividends paid, continues to reduce and is expected to remain in the range of 15% to 20% going forward.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Dr Andrew Blattman
Managing Director

20 February 2025
Sydney

Auditor's independence declaration

Deloitte.

Deloitte Touche Tohmatsu
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Australia

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20 February 2025

The Board of Directors
IPH Limited
Level 22, Tower 2 Darling Park
201 Sussex Street,
Sydney NSW 2000

Dear Board Members

Auditor's Independence Declaration to IPH Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of IPH Limited.

As lead audit partner for the review of the half year financial report of IPH Limited for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Delaney

X Delaney
Partner
Chartered Accountants

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Condensed consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2024

	Note	31 December 2024 \$m	31 December 2023 \$m
Revenue	1.2	341.6	273.5
Other income	1.3	5.8	3.3
		347.4	276.8
Employee benefits expenses		(124.7)	(96.9)
Agent fee expenses		(89.7)	(67.1)
Other operating expenses	1.4	(34.9)	(35.5)
Profit before amortisation, depreciation, finance costs and income tax expense		98.1	77.3
Amortisation and depreciation		(35.2)	(30.4)
Finance costs		(15.5)	(15.9)
Profit before income tax expense		47.4	31.0
Income tax expense		(10.1)	(10.0)
Profit after income tax expense for the period		37.3	21.0
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		16.8	(6.5)
Fair value losses on hedging instruments		(5.9)	(4.3)
Other comprehensive income/(loss) for the period, net of tax		10.9	(10.8)
Total comprehensive income for the period		48.2	10.2
<i>Profit for the period is attributable to:</i>			
Owners of IPH Limited		37.3	21.0
		37.3	21.0
<i>Total comprehensive income for the period is attributable to:</i>			
Owners of IPH Limited		48.2	10.2
		48.2	10.2
Earnings per share	Note	31 December 2024	31 December 2023
Basic earnings (cents per share)	1.5	14.09	8.84
Diluted earnings (cents per share)	1.5	13.93	8.79

These statements should be read in conjunction with the following notes.

Condensed consolidated statement of financial position

As at 31 December 2024

	Note	31 December 2024 \$m	30 June 2024 \$m
Current assets			
Cash and cash equivalents		98.0	75.5
Trade and other receivables	2.1	169.4	158.2
Contract assets		39.6	29.7
Income tax receivable		5.4	1.6
Other assets		11.3	10.1
Total current assets		323.7	275.1
Non-current assets			
Intangibles	2.2	1,038.4	968.7
Plant and equipment		21.4	17.8
Right-of-use assets		52.2	49.7
Other assets		—	2.1
Total non-current assets		1,112.0	1,038.3
Total assets		1,435.7	1,313.4
Current liabilities			
Trade and other payables		69.4	47.8
Income tax payable		8.5	12.8
Provisions		18.7	26.1
Lease liabilities		11.5	9.9
Contract liabilities		1.9	2.6
Total current liabilities		110.0	99.2
Non-current liabilities			
Borrowings	3.1	398.1	434.1
Deferred tax		96.0	91.8
Lease liabilities		49.3	47.8
Provisions		6.3	6.2
Total non-current liabilities		549.7	579.9
Total liabilities		659.7	679.1
Net assets		776.0	634.3
Equity			
Issued capital	3.2	783.7	641.5
Share based payment reserve		29.7	27.8
Other reserves		2.7	(8.2)
Accumulated losses		(40.1)	(26.8)
Total equity		776.0	634.3

These statements should be read in conjunction with the following notes.



Condensed consolidated statement of changes in equity

For the half year ended 31 December 2024

	Notes	Issued Capital \$m	Share based payment reserve \$m	Other Reserves ¹ \$m	Accumulated Losses \$m	Total Equity \$m
Balance as at 1 July 2024		641.5	27.8	(8.2)	(26.8)	634.3
Profit after income tax expense for the period		—	—	—	37.3	37.3
Effect of foreign exchange differences		—	—	16.8	—	16.8
Hedge revaluation net of tax		—	—	(5.9)	—	(5.9)
Total comprehensive income for the period		—	—	10.9	37.3	48.2
<i>Transactions with owners in their capacity as owners:</i>						
Dividends declared and DRP	1.6	1.8	—	—	(50.6)	(48.8)
Share buy-back		(10.4)	—	—	—	(10.4)
Share-based payments charge		—	1.9	—	—	1.9
Capital raised net of share issuance cost		123.1	—	—	—	123.1
Issue of ordinary shares as consideration for a business combination	4.1	27.7	—	—	—	27.7
Closing balance		783.7	29.7	2.7	(40.1)	776.0
Balance as at 1 July 2023		558.1	21.2	4.9	(7.1)	577.1
Profit after income tax expense for the period		—	—	—	21.0	21.0
Effect of foreign exchange differences		—	—	(6.5)	—	(6.5)
Hedge revaluation net of tax		—	—	(4.3)	—	(4.3)
Total comprehensive income for the period		—	—	(10.8)	21.0	10.2
<i>Transactions with owners in their capacity as owners:</i>						
Dividends declared and DRP	1.6	12.2	—	—	(41.2)	(29.0)
Share-based payments charge		—	4.2	—	—	4.2
Issue of ordinary shares as consideration for a business combination		61.4	—	—	—	61.4
Closing balance		631.7	25.4	(5.9)	(27.3)	623.9

1. Other reserves comprise:

- i) Foreign currency translation reserve of \$15.7m (June 2024: \$(1.1m)) – used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise foreign currency translation changes on hedge instruments that are designated as hedges of net investments in foreign operations.
- ii) Non-controlling interest acquisition reserve of \$(14.8m) (June 2024: \$(14.8m)) – represents the difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid or received, where there is no change in control and arose on the initial listing of IPH. There were no changes in non-controlling interest in the year.
- iii) Fair value reserve of \$1.8m (June 2024: \$7.7m) – which recognises the fair value gains or losses from investments in equity instruments designated as Fair value through other comprehensive income (FVTOCI), and revaluation of hedging instruments designated as cashflow hedges.

These statements should be read in conjunction with the following notes.

Condensed consolidated statement of cash flows

For the half year ended 31 December 2024

	Note	31 December 2024 \$m	31 December 2023 \$m
Cash flows from operating activities			
Receipts from customers		382.4	316.7
Payments to suppliers and employees		(287.9)	(217.0)
Interest received		3.8	2.5
Interest and other finance costs paid		(15.2)	(15.1)
Income taxes paid		(22.3)	(14.4)
Net cash from operating activities		60.8	72.7
Cash flows from investing activities			
Cash flows from investing activities			
Payments for purchase of subsidiaries, net of cash acquired	4.1 (b)	(51.8)	(130.0)
Payments for property, plant and equipment		(3.5)	(5.8)
Payments for internally developed software		(2.6)	(1.5)
Net cash outflow from investing activities		(57.9)	(137.3)
Cash flows from financing activities			
Dividends paid	1.6	(48.8)	(29.0)
Proceeds of borrowings	3.1	174.4	127.9
Repayments of borrowings	3.1	(218.6)	—
Issue of share capital, net of share issue costs		123.1	—
Share buy-back		(10.4)	—
Payment of lease liabilities		(6.4)	(4.7)
Net cash inflow from financing activities		13.3	94.2
Net increase in cash and cash equivalents		16.2	29.6
Cash and cash equivalents at the beginning of the period		75.5	103.3
Effects of exchange rate changes on cash and cash equivalents		6.3	(6.5)
Cash and cash equivalents at the end of the period		98.0	126.4

These statements should be read in conjunction with the following notes.

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Notes to the condensed consolidated financial statements

General information

The interim financial statements cover IPH Limited as a group consisting of IPH Limited and the entities it controlled (the Group) at the end of, or during, the half year ended 31 December 2024. IPH Limited (the Company) is a listed public company limited by shares, incorporated and domiciled in Australia.

Basis of preparation

The interim financial statements have been prepared under the historical cost convention except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accompanying notes. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

The principal accounting policies adopted in the preparation of the financial statements and included within the notes have been consistently applied to all the years presented, unless otherwise stated. The presentation currency, rounding of amounts and date of authorisation is summarised below:

Presentation currency	Australian dollars
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Rounding of amounts	Nearest hundred thousand dollars, presented as \$m to one decimal place, unless otherwise indicated. The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument dated 24 March 2016.
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Date authorised for issue	20 February 2025
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Statement of Compliance

These general purpose interim financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB, AASB 134 *Interim Financial Reporting*, and the *Corporations Act 2001*, as appropriate for for-profit oriented entities.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 30 June 2024, except for the impact of the Standards and Interpretations described below.

New, revised or amended Accounting Standards and Interpretations adopted

There are no new accounting standards or interpretations that are applicable for the first time in the current financial year which have a material impact on the disclosures or amounts recognised in the consolidated financial statements of the Group.

Standards in issue but not yet effective

There are no standards in issue but not yet effective as at the reporting date that are expected to have a significant impact on the financial performance or position of the Group.

Critical accounting judgements, estimates and assumptions

There have been no changes to the accounting judgements, estimate and assumptions during the half year period.

Notes to the condensed consolidated financial statements

Section 1. Financial Results

1.1 Segment Information

Identification of reportable operating segments

The group reportable segments remain unchanged as follows:

Segment	Activity	
Intellectual property services	Australia & New Zealand (ANZ)	Related to the provision of filing, prosecution, enforcement and management of patents, designs, trademarks, and other IP in Australia & New Zealand.
	Asia	Related to the provision of filing, prosecution, enforcement and management of patents, designs, trademarks, and other IP in Asia.
	Canada	Related to the provision of filing, prosecution, enforcement and management of patents, designs, trademarks, and other IP in Canada. Includes the acquisition in this financial period of Bereskin & Parr.
Corporate	Relates to the provision of Group strategy, compliance, capital management and other groupwide ancillary services.	

These operating segments are based on the internal reports that are reviewed and used by the senior executive team and Board of Directors (who are identified as the Chief Operating Decision Makers (CODM)) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. The information reported to the CODM is on at least a monthly basis.

Reliance on major customers

Maximum revenue from any customer is less than 2% (31 December 2023: 2%) of overall revenue of the Group.

For the period ended 31 December 2024	Intellectual Property Services			Corporate \$m	Inter-segment Elimination / Unallocated \$m	Total \$m
	ANZ \$m	Asia \$m	Canada \$m			
External revenue	147.7	59.8	134.1	—	—	341.6
Intersegment revenue	2.4	0.7	0.2	—	(3.3)	—
Total revenue	150.1	60.5	134.3	—	(3.3)	341.6
Other income (excluding interest income)	8.4	—	0.5	6.5	(12.7)	2.7
Total revenue and other income	158.5	60.5	134.8	6.5	(16.0)	344.3
Operating expenses	(100.7)	(34.3)	(101.3)	(23.8)	16.3	(243.8)
Underlying EBITDA	57.8	26.2	33.5	(17.3)	0.3	100.5
Depreciation	(2.8)	(1.4)	(2.9)	(0.6)	—	(7.7)
Amortisation	(11.1)	(0.7)	(14.8)	(0.9)	—	(27.5)
Management charges	2.0	(2.8)	(0.8)	1.6	—	—
Underlying EBIT	45.9	21.3	15.0	(17.2)	0.3	65.3

Reconciliation of underlying EBIT to statutory profit before income tax

Underlying EBIT	65.3
<i>Adjustments:</i>	
Business acquisition costs	(3.2)
Restructuring expenses	(1.4)
Cyber upgrade project	(0.5)
IT SaaS implementation costs	(0.4)
Interest income	3.1
Finance costs	(15.5)
Statutory profit before income tax expense	47.4



Notes to the condensed consolidated financial statements

Section 1. Financial Results

1.1 Segment Information *continued*

	31 December 2024 \$m
Reconciliation of segment revenue and other income	
Segment total revenue and other income	344.3
Interest income	3.1
Total revenue and other income	347.4

For the period ended 31 December 2023	Intellectual Property Services			Corporate \$m	Inter-segment Elimination / Unallocated \$m	Total \$m
	ANZ \$m	Asia \$m	Canada \$m			
External revenue	141.7	60.7	71.1	–	–	273.5
Intersegment revenue	3.2	0.3	0.1	–	(3.6)	–
Total revenue	144.9	61.0	71.2	–	(3.6)	273.5
Other income (excluding interest income)	3.7	(0.7)	0.1	8.4	(10.7)	0.8
Total revenue and other income	148.6	60.3	71.3	8.4	(14.3)	274.3
Operating expenses	(95.6)	(34.1)	(48.9)	(18.5)	13.2	(183.9)
Underlying EBITDA	53.0	26.2	22.4	(10.1)	(1.1)	90.4
Depreciation	(2.8)	(1.4)	(2.0)	(0.6)	–	(6.8)
Amortisation	(11.2)	(0.7)	(10.8)	(0.9)	–	(23.6)
Management charges	(1.9)	(6.9)	–	8.8	–	–
Underlying EBIT	37.1	17.2	9.6	(2.8)	(1.1)	60.0

Reconciliation of underlying EBIT to statutory profit before income tax

Underlying EBIT	60.0
<i>Adjustments:</i>	
Business acquisition costs	(10.7)
Restructuring expenses	(3.8)
Impairment of right-of-use assets	(1.1)
Interest income	2.5
Finance costs	(15.9)
Statutory profit before income tax expense	31.0

	31 December 2023 \$m
Reconciliation of segment revenue and other income	
Segment total revenue and other income	274.3
Interest income	2.5
Total revenue and other income	276.8

Notes to the condensed consolidated financial statements

Section 1. Financial Results

1.2 Revenue from contracts with customers

Revenue is generated from the provision of intellectual property (IP services) and legal services as follows:

	Segment			Inter-segment elimination \$m	Total \$m
	ANZ \$m	Asia \$m	Canada \$m		
For the period ended 31 December 2024					
IP services (point in time)	135.2	60.5	113.8	(3.2)	306.3
Legal services (over time)	14.9	—	20.5	(0.1)	35.3
Total revenue	150.1	60.5	134.3	(3.3)	341.6
For the period ended 31 December 2023					
IP services (point in time)	133.3	60.4	58.9	(3.5)	249.1
Legal services (over time)	11.6	0.6	12.3	(0.1)	24.4
Total revenue	144.9	61.0	71.2	(3.6)	273.5

All revenue is stated net of sales taxes.

1.3 Other income

Other revenue comprises the following:

	31 December 2024 \$m	31 December 2023 \$m
For the period ended		
Interest	3.1	2.5
Net realised foreign exchange (loss)/gain	(2.0)	2.1
Net unrealised foreign exchange gain / (loss)	3.3	(3.1)
Commission	1.1	1.2
Other income	0.3	0.6
Total other income	5.8	3.3

1.4 Other operating expenses

Other operating expenses comprises the following:

	31 December 2024 \$m	31 December 2023 \$m
For the period ended		
IT Communication	8.0	4.9
Insurance	2.9	2.5
Travel	2.2	2.0
Professional and Advisory	3.2	0.6
Training and wellbeing	2.3	1.7
Occupancy	4.2	4.5
Expected credit loss provision / write-offs	2.4	0.7
Business acquisition costs	3.2	10.7
Restructuring costs	0.7	3.8
Cyber upgrade project	0.5	—
Impairment of right-of-use assets	—	1.1
IT SaaS implementation costs	0.4	—
Other	4.9	3.0
Total other operating expenses	34.9	35.5

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Notes to the condensed consolidated financial statements

Section 1. Financial Results

1.5 Earnings per share

During the period, the number of shares on issue increased by 25,802,926 as per note 3.2 resulting in an increase in the weighted average number of shares used in the calculation of the basic and diluted earnings per share as follows:

For the period ended	31 December 2024 \$m	31 December 2023 \$m
-----------------------------	-------------------------------------	-------------------------------------

Profit after income tax attributable to the owners of IPH Limited	37.3	21.0
-------------------------------------------------------------------	------	------

	No. of Shares	No. of Shares
Weighted average numbers of ordinary shares used in calculating basic earnings per share	264,968,334	238,062,091
Potential ordinary shares	2,971,783	1,307,272
Weighted average number of ordinary shares used in calculating diluted earnings per share	267,940,117	239,369,363

	Cents	Cents
Basic earnings per share	14.09	8.84
Diluted earnings per share	13.93	8.79

1.6 Dividends

a) During the period

On 20 August 2024, a dividend of 19.0 cents per share was declared as a final dividend for the year ended 30 June 2024. In the prior period, a dividend of 17.5 cents per share was declared as a final dividend for the year ended 30 June 2023. The cash paid with respect to these dividends was as follows:

For the period ended	31 December 2024 \$m	31 December 2023 \$m
Total dividend declared	50.6	41.2
Dividend re-investment plan – shares issued	(1.8)	(12.2)
Total cash paid	48.8	29.0

b) Subsequent to the period end

On 20 February 2025, the Company declared an ordinary dividend of 17.0 cents per share (franked at 20%) to be paid on 20 March 2025. The dividend value is \$46.5m. No provision for this dividend has been recognised in the Statement of Financial Position as at 31 December 2024, as it was declared after the end of the financial period.

Notes to the condensed consolidated financial statements

Section 2. Assets and liabilities

2.1 Trade and other receivables

The balance of trade receivables is as follows:

As at	31 December 2024 \$m	30 June 2024 \$m
Trade receivables from contracts with customers	174.5	163.6
Less: Expected credit loss allowance	(12.8)	(11.3)
Net receivables	161.7	152.3
Other receivables	7.7	5.9
Closing balance	169.4	158.2

The ageing of trade receivables shown below.

As at	31 December 2024 \$m	30 June 2024 \$m
Current	95.3	99.1
<i>Past due but not impaired</i>		
0 to 60 days past due	32.2	22.6
61 to 90 days past due	9.1	5.8
Over 91 days past due	25.1	24.8
Closing balance	161.7	152.3

The ageing has been calculated with reference to the trading terms of local clients (30 days) and international clients (90 days). No interest is charged on outstanding trade receivables. The Group's ageing profile reflects the international nature of the client base with a weighting towards North America where cheque payment is still common, thus lengthening the collection cycle. It also reflects the nature of the Group's relationship with other international attorney firms, whereby they will hold payment to IPH member firms until the ultimate client has paid them.

Trade and other receivables increased by \$11.2m or 7.1%. Excluding the increase of \$18.9m from the inclusion of the B&P acquired business (note 4.1(b)), trade and other receivables decreased by \$7.7m.

2.2 Intangible assets

a) Intangible assets

Intangible assets for the Group comprise goodwill arising from business combinations, brand names, customer relationships, and computer software (internally generated and acquired) as follows:

As at	31 December 2024 \$m	30 June 2024 \$m
Goodwill	646.9	593.5
Customer relationships	337.3	321.2
Brand names	48.5	47.7
Capitalised software	4.2	4.2
Acquired software	1.5	2.1
Closing balance	1,038.4	968.7

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Notes to the condensed consolidated financial statements

Section 2. Assets and liabilities

2.2 Intangible assets continued

The movements in goodwill and customer relationships were primarily due to the B&P acquisition during the period. Other movements during the period arose from FX revaluation and amortisation as summarised below.

	Goodwill \$m	Customer relationships \$m
For the period ended 31 December 2024		
Net carrying value		
Cost	646.9	535.8
Accumulated amortisation and impairment loss	—	(198.5)
As at 31 December 2024	646.9	337.3
Movement during the period		
Opening balance 30 June 2024	593.5	321.2
Additions through business combinations	41.8	34.6
Fx revaluation impact	11.6	7.7
Amortisation expense	—	(26.2)
Closing balance at 31 December 2024	646.9	337.3
For the period ended 31 December 2023		
Net carrying value		
Cost	595.8	495.5
Accumulated amortisation and impairment loss	—	(146.8)
As at 31 December 2023	595.8	348.7
Movement during the period		
Opening balance at 30 June 2023	508.4	283.9
Additions through business combinations	93.9	92.4
Fx revaluation impact	(6.5)	(5.8)
Amortisation expense	—	(21.8)
Closing balance at 31 December 2023	595.8	348.7

b) Impairment assessment

A review of all cash generating units (CGU's) as at 31 December 2024 confirmed no indicators of impairment for the current period.

Notes to the condensed consolidated financial statements

Section 3 Finance and capital structure

3.1 Borrowings

On 11 September 2024, the Group repaid \$20m on the AUD multicurrency revolving loan facility.

On 13 December 2024, the Group successfully re-financed the \$197m (CAD \$180m) loan facility under the Syndicated Facility Agreement with its banking syndicate. The facility had a maturity date of 19 August 2025. Under the terms of the refinancing, the Group repaid \$24m (CAD \$22m) and refinanced \$174m (CAD \$158m), split between a multicurrency revolving loan of \$121m (CAD \$110m), and a fixed term loan of \$53m (CAD \$48m). The new maturity date of these loans is 13 December 2028.

The loan facilities and their amounts are shown below:

As at	Expiry	Currency	Limit		Drawn	
			31 Dec 24 \$m	30 Jun 24 \$m	31 Dec 24 \$m	30 Jun 24 \$m
Multicurrency revolving loan facility	27 Sep 26	AUD 115m	115.0	115.0	31.4	49.2
Acquisition term loan facility	27 Sep 26	AUD 70m	70.0	70.0	70.0	70.0
Loan facility ¹	19 Aug 25	CAD 180.0m	—	197.3	—	197.3
Multicurrency revolving loan facility ¹	13 Dec 28	CAD 110.0m	123.4	—	123.4	—
Term loan facility	27 Sep 27	CAD 40.2m	45.1	44.1	45.1	44.1
Term loan facility	27 Sep 27	CAD 68.3m	76.5	74.8	76.5	74.8
Term loan facility ¹	13 Dec 28	CAD 48.0m	53.8	—	53.8	—
Total			483.8	501.2	400.2	435.4
Borrowing costs					(2.1)	(1.3)
Closing balance			483.8	501.2	398.1	434.1
Term loan facility – Bank guarantee	27 Sep 26	AUD 25.0m	25.0	25.0	10.2	10.3

1. The CAD \$180m loan facility was refinanced and replaced with the CAD \$110m Multicurrency revolving loan facility and the CAD \$48m loan facility as noted above.

Undrawn

	31 December 2024 \$m	30 June 2024 \$m
Total undrawn (Limit less drawn)²	98.4	80.5

2. This includes the bank guarantee term loan facility and excludes borrowing costs.

For the period ended	31 December 2024 \$m	31 December 2023 \$m
Opening balance	434.1	387.7
Drawdowns	174.4	127.9
Repayments	(218.6)	—
Fx revaluation impact	8.2	(9.0)
Closing balance	398.1	506.6



Notes to the condensed consolidated financial statements

Section 3 Finance and capital structure

3.2 Issued Capital

The Group successfully completed the capital raising announced on 22 August 2024, with net proceeds of \$98.1m received from the share placement on 27 August 2024, and \$25.0m from the share purchase plan received on 25 September 2024. A total of 22,277,510 shares were issued.

On 28 September 2024 the Group completed the acquisition of Bereskin and Parr (B&P) announced on 27 August 2024. The purchase consideration of \$89.8m (CAD \$83.1m) included equity consideration of \$27.7m met through the issue of 4,490,501 shares.

On 2 December 2024 the Group announced the commencement of a share buyback of securities on issue and has since acquired and cancelled 2,070,144 shares. The shares were purchased at a share price ranging from \$4.81 to \$5.14.

In addition, 819,483 shares were issued under the employee and executive incentive plans, and 285,576 shares were issued under the dividend re-investment plan.

The number of shares and issued share capital at 31 December 2024 and movements in the half year period are as follows:

As at	31 December 2024 Shares	30 June 2024 Shares	31 December 2024 \$m	30 June 2024 \$m
Ordinary class shares - fully paid	273,541,047	247,738,121	783.7	641.5
For the period ended	31 December 2024 Shares	31 December 2023 Shares	31 December 2024 \$m	31 December 2023 \$m
Opening balance	247,738,121	234,855,739	641.5	558.1
Issue of shares under Employee and Executive Incentive Plans	819,483	474,557	—	—
Shares issued under the Dividend Re-Investment Plan	285,576	1,632,558	1.8	12.2
Shares issued on business acquisitions	4,490,501	9,020,689	27.7	61.4
Share purchase plan	4,578,394	—	25.0	—
Capital raising	17,699,116	—	100.0	—
Share buyback	(2,070,144)	—	(10.4)	—
Share issue costs	—	—	(1.9)	—
Closing balance	273,541,047	245,983,543	783.7	631.7

Notes to the condensed consolidated financial statements

Section 4. Other disclosures

4.1 Business combinations

i) Current period – Bereskin and Parr

On 28 September 2024 Smart & Biggar (S&B) acquired the businesses of the Canadian IP services firm B&P. B&P joined the existing S&B business to form one combined firm operating under the S&B brand.

The acquisition method of accounting is used to account for the business combination as detailed below.

a) Purchase consideration

The purchase consideration of \$89.8m (CAD \$83.1m) comprised up-front cash consideration of \$54.3m (CAD \$50.2m) and share consideration of \$27.7m (CAD \$25.7m) comprising 4,490,501 shares issued at the acquisition date share price of \$6.17 per share. An additional \$7.8m (CAD \$7.2m) of deferred contingent consideration is payable as follows:

- > Payment of CAD \$1.2m is payable to a vendor in equal instalments over the 3 years from acquisition date if certain annual revenue hurdles are achieved each year. This deferred contingent consideration has a fair value of CAD \$1.1m (AUD \$1.1m).
- > An amount of CAD \$6.8m of the purchase consideration was withheld at completion and held as security for the vendors' share of lease termination costs, when they are subsequently determined and payable. The lease termination cost was determined at the lower amount of CAD \$1.5m, with the vendors' share being CAD \$0.75m. The deferred contingent consideration has a fair value of CAD \$6.1m (AUD \$6.7m) and was settled shortly after the period end.

	\$m
Cash Paid	54.3
Deferred contingent consideration	7.8
Equity instruments	27.7
Total purchase consideration	89.8

b) Net assets acquired

The purchase price accounting remains provisional due to the pending finalisation of the fair value of the assets and liabilities.

	Acquiree assets and liabilities \$m	Fair value adjustments \$m	Fair value of assets and liabilities acquired \$m
Cash	2.5	–	2.5
Trade receivables	19.8	(0.9)	18.9
Contract assets	4.3	(0.4)	3.9
Right of use assets	6.9	(0.3)	6.6
PPE	2.2	–	2.2
Other assets	4.1	–	4.1
Intangible assets – customer relationships	–	34.6	34.6
Lease liabilities	(6.9)	–	(6.9)
Other liabilities	(9.1)	(0.1)	(9.2)
Deferred tax liability	–	(9.2)	(9.2)
Identifiable asset and liabilities acquired	23.8	23.7	47.5
Goodwill recognised			42.3
Total purchase consideration			89.8



Notes to the condensed consolidated financial statements

Section 4. Other disclosures

4.1 Business combinations continued

Cash used to acquire business during the period.

	Total \$m
Acquisition-date fair value of total consideration transferred	54.3
Add overdraft assumed / (less) cash acquired	(2.5)
Net cash used	51.8

c) Contribution since acquisition date

Bereskin and Parr was integrated after the date of acquisition and the financial performance is not maintained separately from S&B as per the acquisition business case. As a result, the contribution from B&P to Group revenue and profit for the period of ownership from 28 September 2024 to 31 December 2024 is not practical to disclose.

ii) Prior acquisitions

The acquisition accounting for Ridout and Maybe acquired on 29 September 2023, and Robic acquired on 15 December 2023, have now been finalised with no material changes in the net assets acquired and liabilities assumed from those reported in the FY24 annual report. There has been a \$0.5m change in the acquired goodwill as a result of the finalisation.

4.2 Contingent liabilities

The Group has provided bank guarantees in respect of leased office premises as at 31 December 2024 of \$10.2m (30 June 2024: \$10.3m).

From time-to-time failures or defects in the lodgement or prosecution of intellectual property rights by Group businesses or their associates may occur. Whilst in most cases the failure or defect can be remedied with the relevant intellectual property offices, the Group maintains professional indemnity insurances to insure against loss arising from such events.

Any material matters which could result in a possible outflow to the Group are disclosed with appropriate provisions made for probable outflows.

4.3 Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report. As part of the annual IPH Long Term Incentive Plan, 322,363 rights were issued to the CEO and Managing Director and 100,735 rights were issued to the Chief Financial Officer in the period ended 31 December 2024.

4.4 Events after the reporting period

Other than the dividend declared per Note 1.6, there has not been any matter or circumstance occurring after 31 December 2024 that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' declaration

The Directors declare that, in the director's opinion:

- a) the attached consolidated financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its performance for the half year ended on that date; and
 - ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*; and s.303 (4)(c)
- b) there are grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Dr Andrew Blattman

Managing Director

20 February 2025

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Independent auditor's review report

Deloitte.

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Independent Auditor's Review Report to the Members of IPH Limited

Conclusion

We have reviewed the half-year financial report of IPH Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2024, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 10 to 25.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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Independent auditor's review report

Deloitte.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Delaney

X Delaney
Partner
Chartered Accountants
Sydney, 20 February 2025



Corporate directory

Directors

Mr Peter Warne | Chairman
Dr Andrew Blattman
Mr John Atkin
Ms Vicki Carter
Ms Jingmin Qian
Mr David Wiadrowski

Company Secretary

Ms Tamsyn Hoff

Registered office

Level 22, Tower 2, Darling Park
201 Sussex Street, Sydney NSW 2000
T 02 9393 0301
F 02 9261 5486

Principal place of business

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201 Sussex Street, Sydney NSW 2000

Share register

Link Market Services Limited

Level 12, 680 George Street,
Sydney NSW 2000
T 1300 554 474

Auditor

Deloitte Touche Tohmatsu

Quay Quarter Tower, 50 Bridge Street,
Sydney NSW 2000

Solicitors

Bird & Bird

Level 22, 25 Martin Place,
Sydney NSW 2000

Stock exchange listing

IPH Limited shares are listed on the
Australian Securities Exchange (ASX code: IPH)

Website

www.iphltd.com.au

Corporate Governance Statement

The Corporate Governance Statement has been approved
by the Board of Directors and can be found at www.iphltd.com.au

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