



20 November 2019

Manager Companies
Company Announcement Office
Australian Stock Exchange
Level 4, Stock Exchange Centre
20 Bridge Street
Sydney NSW 2000

2019 Annual General Meeting Address to Shareholders

Integrated Research Limited (IRL) will address shareholders today at its Annual General Meeting commencing from 10:00am at The Museum of Sydney, corner of Phillip and Bridge Streets, Sydney NSW.

A copy of the Chairman's address to shareholders is attached to this release.

By authority of the Board

David Purdue
Company Secretary
Integrated Research Limited
ABN 76 003 588 449



20 November 2019

Integrated Research Limited

Chairman's Address 2019

Good Morning ladies and gentlemen and welcome to the 2019 Annual General Meeting of Integrated Research.

I would like start by acknowledging all of our shareholders and thanking you for your continued support.

2019 was a year in which your Company achieved record results amidst an industry that is constantly changing and evolving.

These results were achieved during a year of transformation for IR. We recognise that top quality people are fundamental in making a good company a great company and during the year we have made some key appointments.

The Board was delighted to appoint and welcome John Ruthven as our new CEO following an extensive and comprehensive search process. John is an internationally experienced software executive with a proven track record over more than 20 years of delivering strong profitable growth.

In addition, the Company's overall leadership bench strength has been significantly enhanced with new senior executive hires. A new Chief Commercial Officer (CCO) role has been created to optimise overall sales and field operational performance including through a globally consistent focus on engagement with customers, and consistent operational processes. Field sales and operational capability has been bolstered with new leaders appointed in Europe and the Americas. New senior executive hires to drive product strategy and delivery were made late last year and this refreshed leadership team provides IR with the capability and capacity to drive the next phase of the Company's growth.

IR enjoys a world class international customer base built up over 30 years and these investments are part of a wider programme to enhance our customer focus and ongoing long term customer satisfaction.

There has been much commentary in this last year on corporate culture. Predominantly this has been in the financial services sector but we believe there are always lessons in how we approach our roles as Directors and Executive leaders in the business. We are committed to ensuring the

right values are clearly set, communicated and reinforced by 'walking the talk' plus both customer satisfaction and employee engagement measures are embedded in our reward frameworks.

As I noted earlier, IR achieved record results in FY19. The Company surpassed milestones of \$100 million revenue and \$20 million profit for the first time in its corporate history. Profit after tax increased 14% over the previous financial year to \$21.9 million. Total revenue was up 11% to \$100.8 million. Underpinning this growth was a strong performance in new licence sales which grew 19% to \$62.8 million.

The Company's margins remain strong. EBITDA margin (measured as EBITDA/revenue) has been at 40% for the last three years. NPAT margin (measured as NPAT/revenue) was 22% compared to 21% for the previous year.

IR's balance sheet remains strong with total cash at 30 June 2019 of \$9.3 million and no debt.

Peter Adams will cover the detailed drill down of the financial results in his presentation following me.

The Board declared a final dividend of 3.75 cents per share franked to 100%. This takes the total dividend for the year to 7.25 cents compared to the prior year of 6.5 cents per share.

A key attribute of IR's performance and business model resilience is the diversified geographic and product portfolio. Over 95% of the Company's revenue was derived outside of Australia and split across three primary product lines.

IR continues to serve top tier organisations across the world and some of the more significant sales during the year came from major brands such as Airbus, Barclaycard, Centurylink, DXC Technology, IAG, Target, Walgreens, Mastercard, Visa and Westpac.

IR's customer base really is a gold plated asset and our software solutions are typically very 'sticky' resulting in long term customers and retention rates of 95% (measured by maintenance retention).

Key to sustained success for technology companies is the ability to deliver innovation that benefits customers. IR is investing for the future. In FY19 overall expenses were up 9%, with a strong focus on containing or reducing business as usual operating costs helping to enable strong ongoing investment in research and development. General and administrative expenses were reduced by 5% whereas research and development net expenses (gross expenditure plus capitalisation and amortisation) were up 17% with gross R&D spending representing 19% of overall revenue.

IR has a proud history of technical excellence with software solutions that are broadly deployed and have momentum and relevance in the marketplace as we have seen from the growth in FY19. The Company continues to invest in these core solutions delivering regular updates and new functionality thus providing expansion opportunities with existing customers in addition to new logo wins.

Additionally, the Company is investing in a new cloud-based platform which will enable complementary expansion of IR's solutions to enterprise customers as they typically embrace an environment of on-premise, hybrid and cloud solutions. The first of these cloud-based solutions are expected to be delivered in 2H FY20.

In concluding today, I am confident that we are building a stronger Integrated Research that will continue to deliver compelling solutions for our customers and returns for our shareholders, as well as being a great place to work for our employees.

The Board remains confident in the future for IR and our growth strategy. Company policy is not to provide outlook guidance due to the lumpy nature of contracts, particularly towards end of reporting periods. The CFO will comment on a trading update in his presentation today.

I thank our customers for their continued support of IR. We are committed to providing software solutions that enhance the performance of our customers and the experiences of their customers.

The Board would like to acknowledge the contribution made by our dedicated team at IR and in particular Peter Adams, who was interim CEO for 2H FY19. Peter's support has been invaluable and we are delighted to retain him as CFO.

Thanks also to my fellow Directors Nick Abrahams, Garry Dinnie, Peter Lloyd and Anne Myers for their commitment, expertise and valuable counsel plus collegiate support as we strive to build an even better IR.

Once again, I would like to thank our shareholders for your ongoing support.

Thankyou