

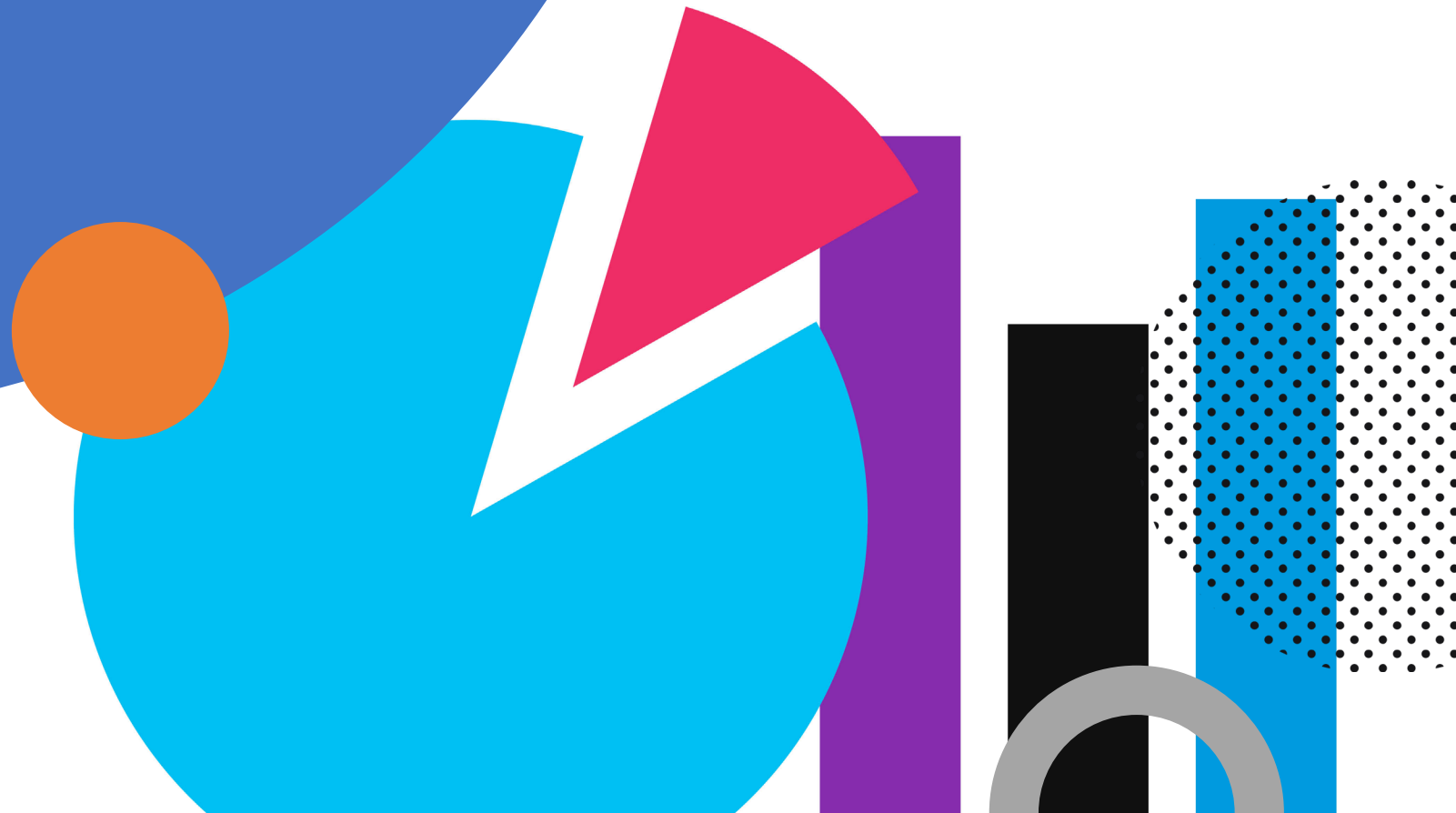


Integrated Research Limited Annual General Meeting

24 November 2021

Peter Lloyd

Chairman



ONLINE ATTENDEES – TEXT QUESTION PROCESS



When the question function is available, the messaging tab will appear at the top of the screen



To submit a question, type your question in the “Ask a question” box and press the send arrow



Your question will be sent immediately for review



334-906-770

HOME

MESSAGING

VOTING

Messaging

Ask a question



Moderator

Type your question in the box above and then press the send arrow. Please include the number of the resolution at the beginning of your question. Questions may be moderated or amalgamated if there are multiple questions on the same topic

ONLINE ATTENDEES – AUDIO QUESTION PROCESS



When the audio questions line is available, a link will appear on the home tab titled **Asking Audio Questions**

If you would like to ask an audio question, **pause the meeting broadcast** and click on the link

You will be prompted to enter your name and the topic of your question before being placed in the audio questions queue

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HOME

MESSAGING

VOTING

Instructions

Watching the Webcast

Press **play** to begin the broadcast. Ensure your device isn't muted and the volume is turned up. On mobile devices, the broadcast can be minimised and audio will continue to play.

Asking Text Questions

Select the **MESSAGING** tab at the top of this page, then type your question in the box provided and press the send arrow.

Asking Audio Questions

If you would like to ask a question verbally, **pause the broadcast** and then click **HERE**. You will be connected to the audio questions line where you can listen to the meeting while waiting to ask your question. Please return to this page if you have any issues.

Voting

When voting opens, a **VOTING** tab will appear at the top of the screen. Selecting this tab will open a list of resolutions, select **For**, **Against** or **Abstain** to cast your vote. There is no enter or send button. You may however cancel your vote and enter a new selection while voting is open.

ONLINE ATTENDEES – VOTING



When open, the vote will be accessible by selecting the voting tab at the top of the screen



To vote simply select the direction in which you would like to cast your vote. The selected option will change colour

For



Against



Abstain



There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed

334-906-770

HOME

MESSAGING

VOTING

Poll Open

You have voted on 0 of 2 items

Resolution 1

Select a choice.

For



Against



Abstain



CANCEL

Question 2

Select a choice.

Yes



No

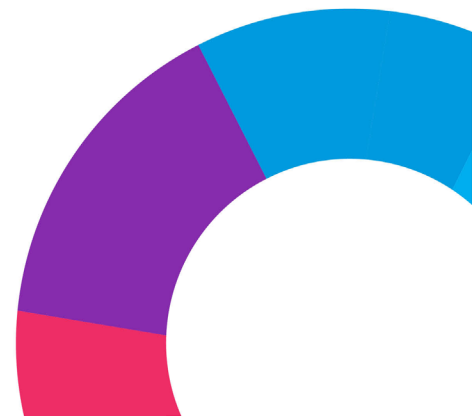
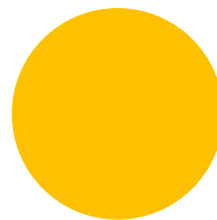


Unsure





Peter Lloyd
Chairman





Peter Adams

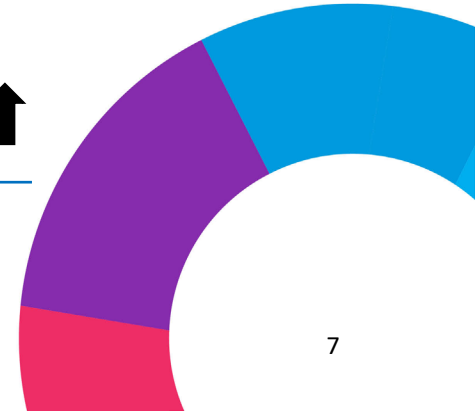
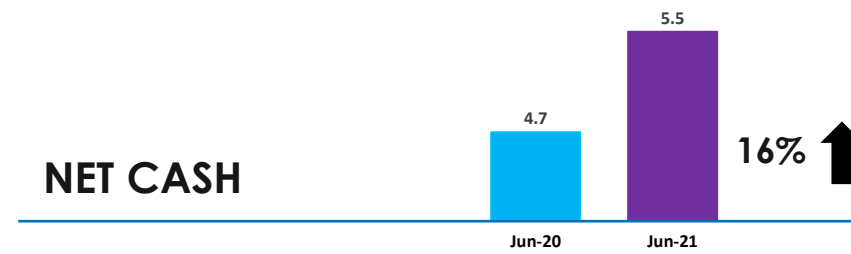
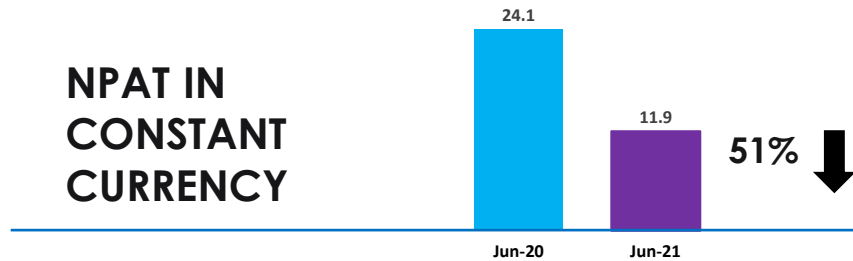
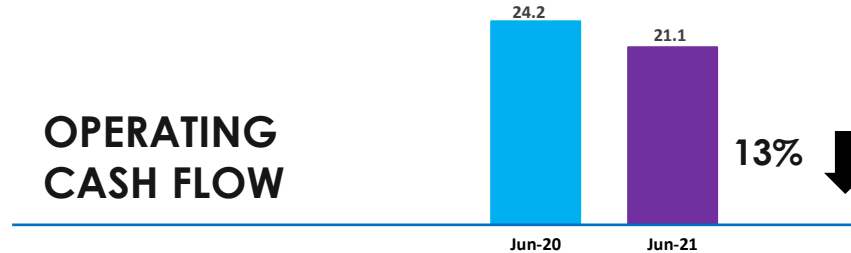
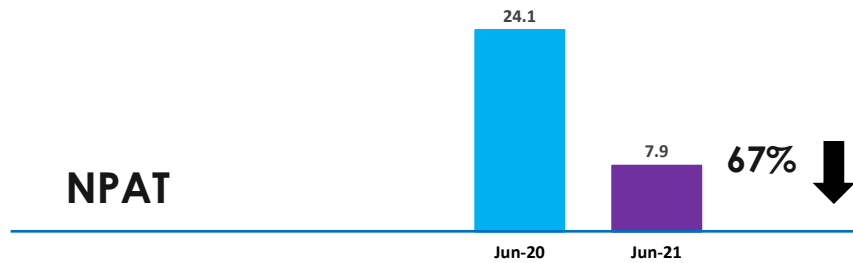
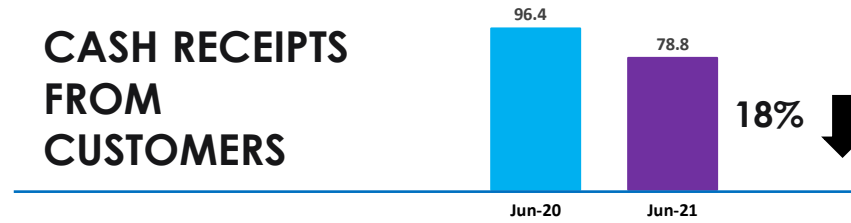
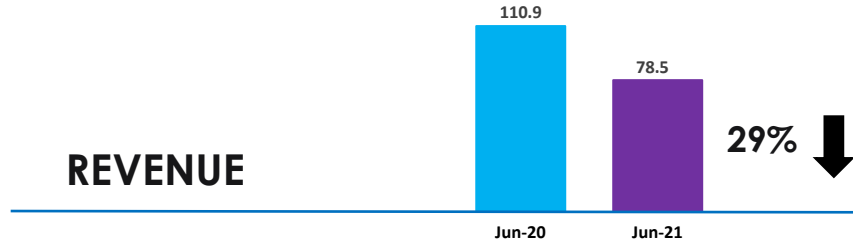
CHIEF FINANCIAL OFFICER





FY21 Annual results review (A\$M)

New product launches and sales execution drive 2H recovery following weak 1H

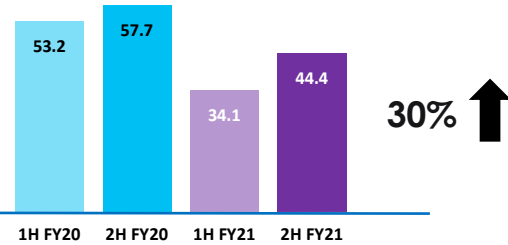




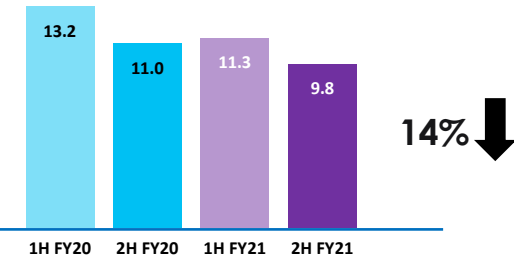
2H FY21 Results (A\$M)

Improved 2H performance - revenue and profit recovery

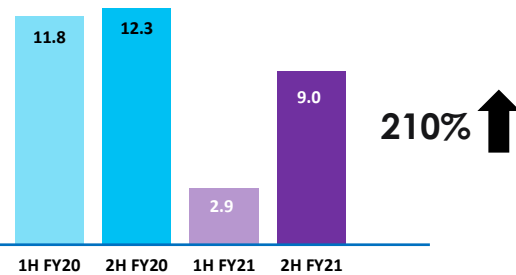
REVENUE



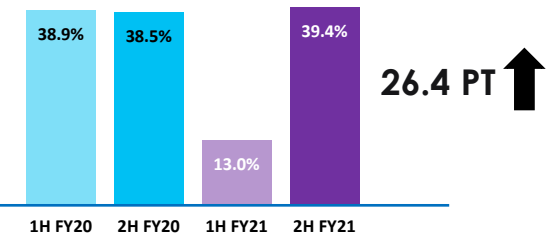
OPERATING CASH FLOW



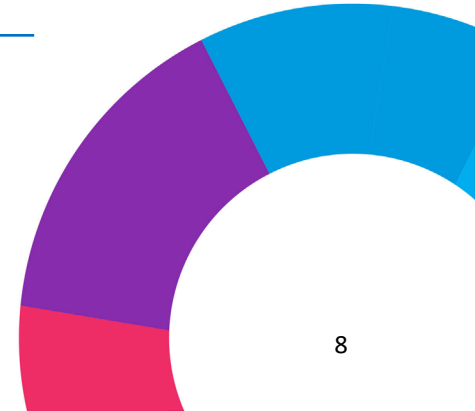
NPAT IN CONSTANT CURRENCY



EBITDA MARGIN



Note: growth metrics represent FY21 2H vs FY21 1H



Business model evolution



Summary:

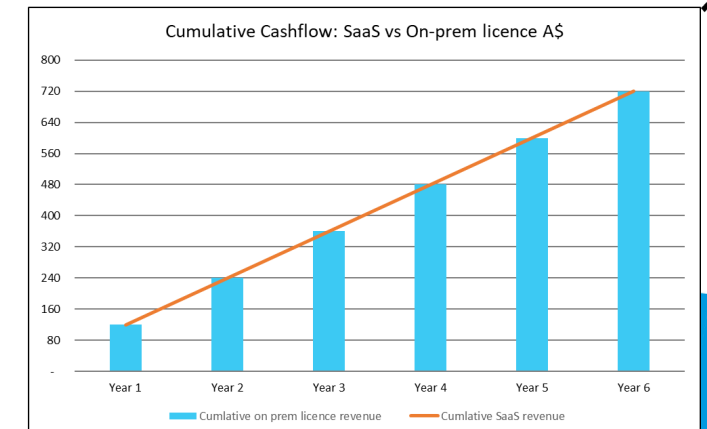
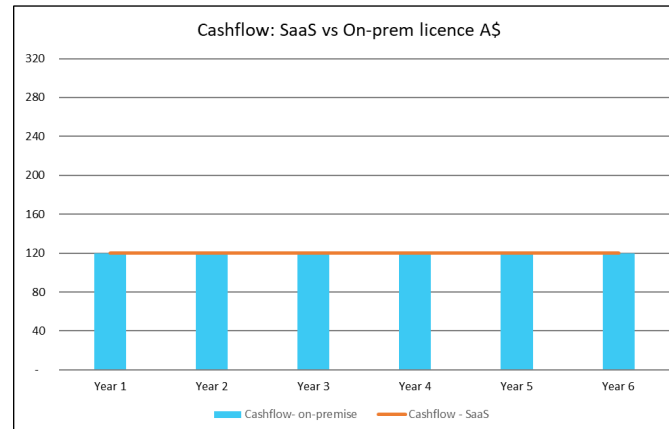
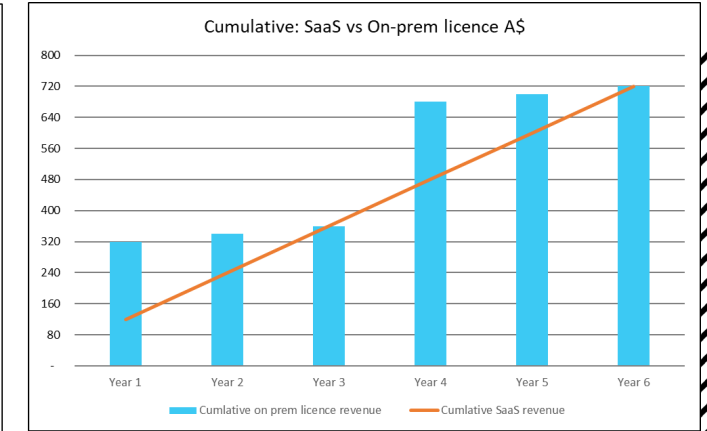
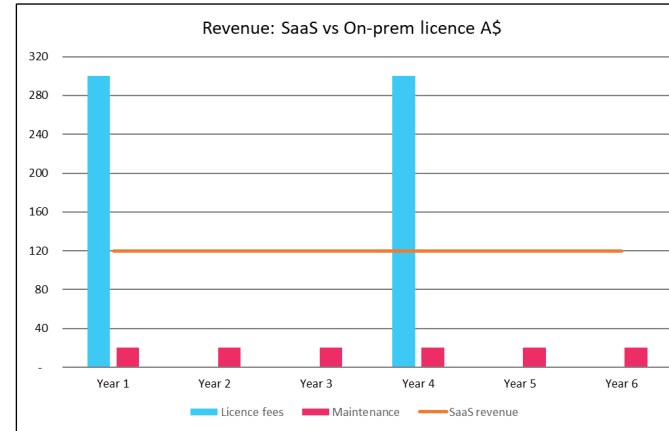
- No changes to accounting policies
- Compliance with International Financial Reporting Standards (IFRS)
- New cloud solutions recently released
- Cloud revenues expect to grow faster than on-prem revenue
- Introduce new SaaS metrics as business becomes more material

Established model (refer bars on charts):

- Licence revenue recognised upfront
- Maintenance revenue over time

Emerging model (refer lines on charts):

- SaaS revenue recognised over time
- Timing of cashflows expected to be similar to established model



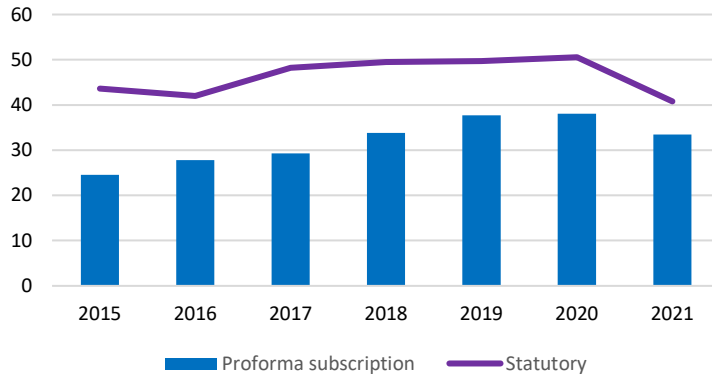


Geographic and Product revenue analysis

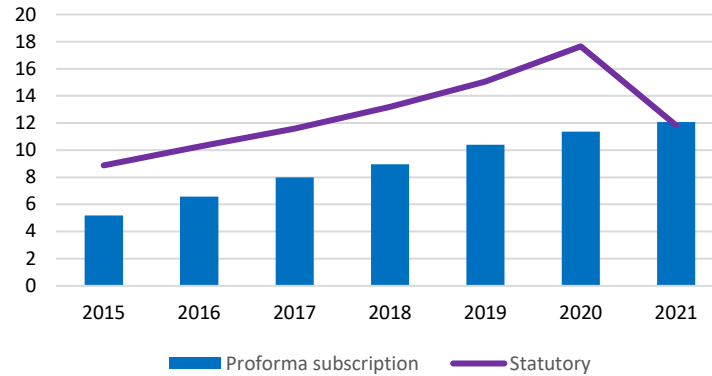
Group proforma subscription revenue was US\$52.1 million (down 3% on prior year)

Geographic

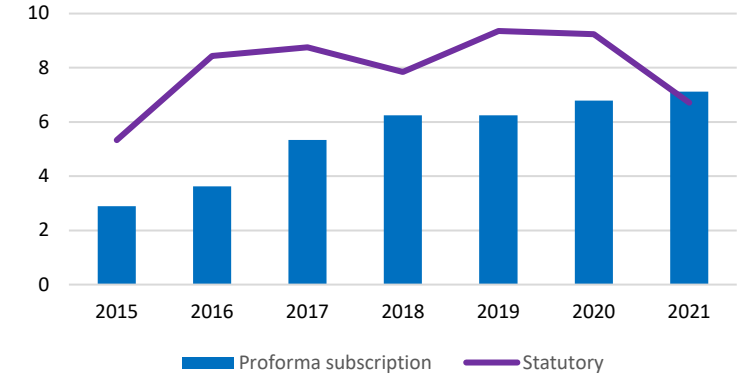
Americas - US\$M



Asia Pacific - A\$M

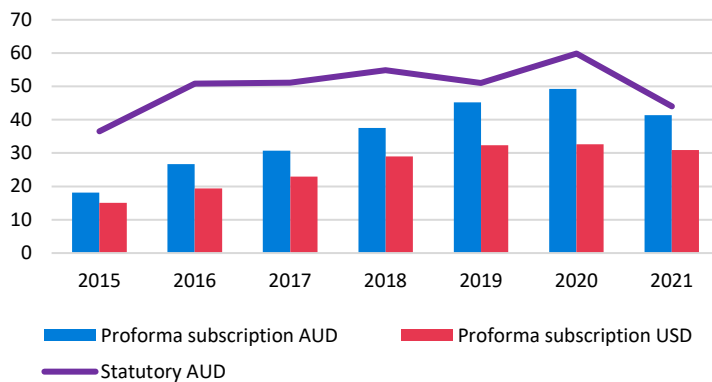


Europe - £M

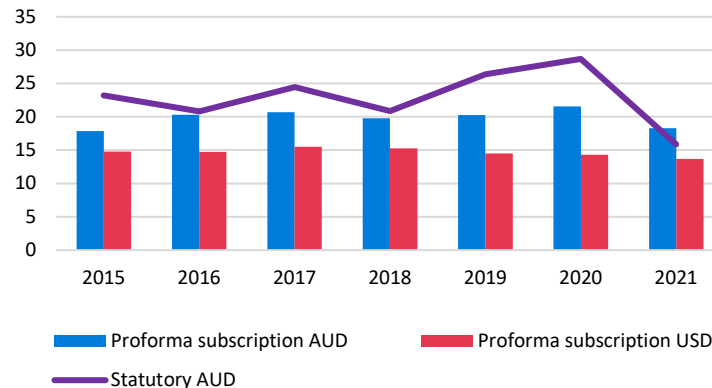


Product

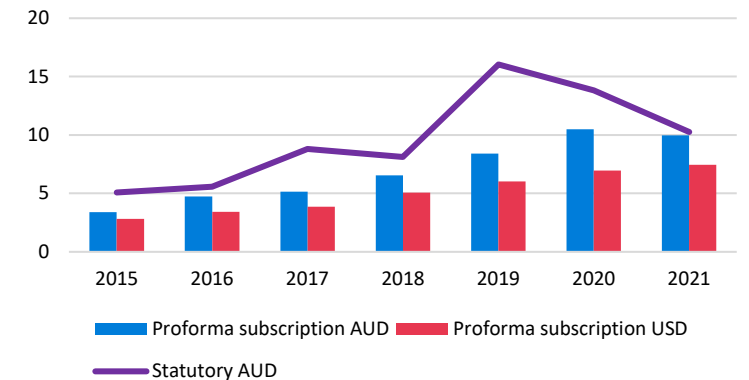
Collaborate \$M



Infrastructure \$M



Transact \$M



Note: Proforma subscription revenue is a non-statutory alternate view of term licence and maintenance revenue (unaudited); refer appendix for calculations

TCV and Cash Operating Expenses (A\$M)

Key measures of underlying performance going forward

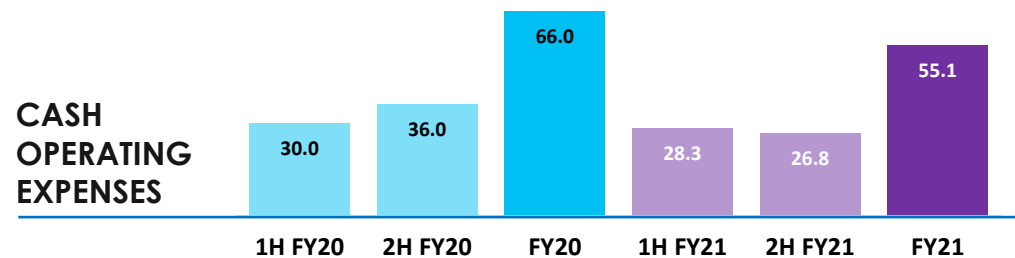
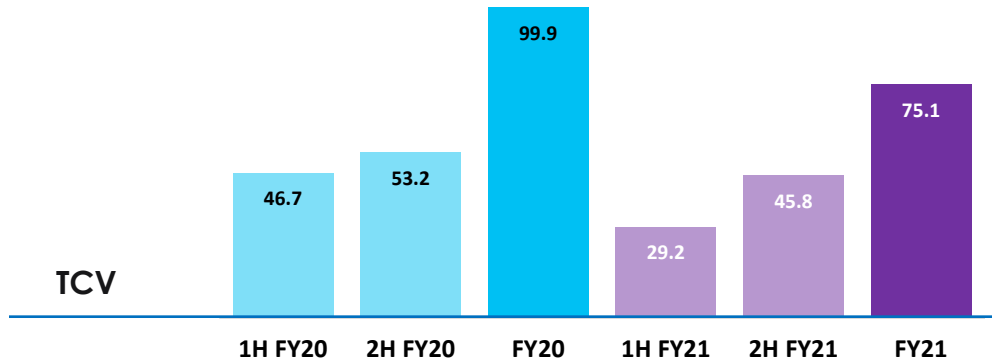


Total Contract Value (TCV)

- a key driver of underlying momentum
- is not an accounting measure
- represents “in year” contract signings for new and renewal business (excluding residual values)
- will be reported semi annually with results release
- 2H is strongest half for both FY21 and FY20

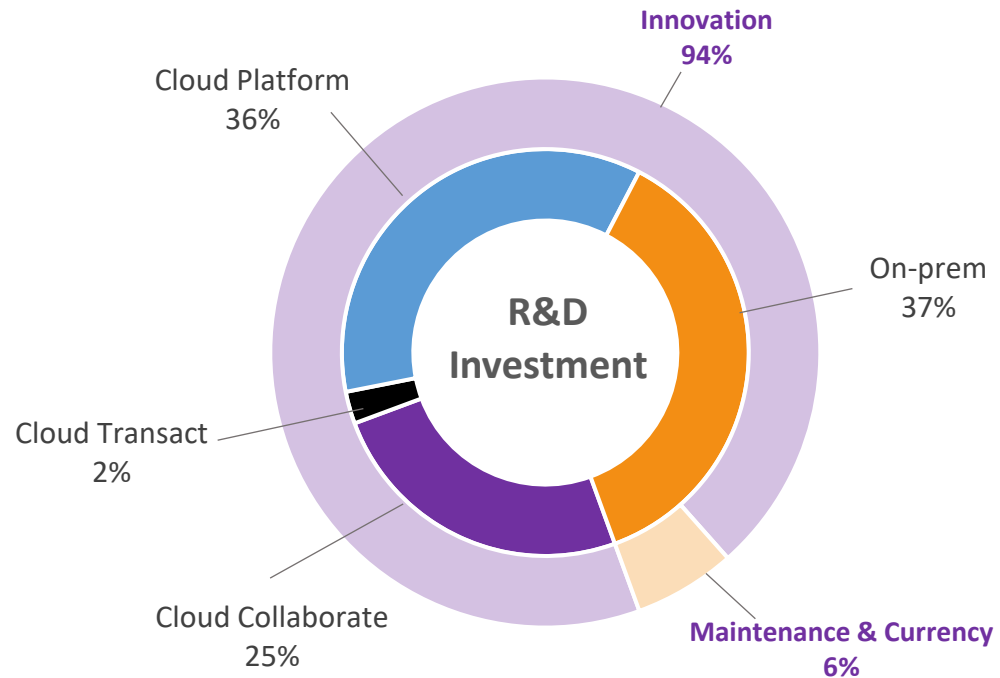
Cash operating expenses

- a key operating metric
- represents total expenditure (excluding D&A)
- monitored relative to TCV performance
- Ratio of TCV to cash operating expenses for 2H FY21 was 1.7 (FY20 2H ratio was 1.5)



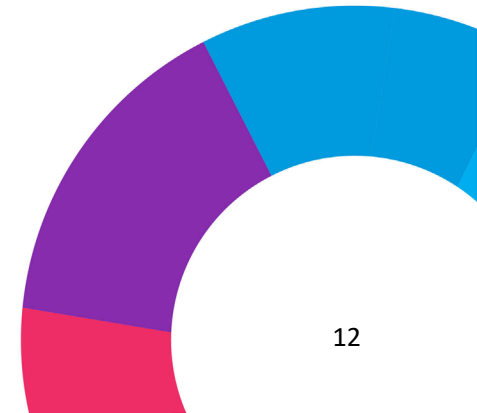
Investment in innovation

...the key to future growth



Key takeaways:

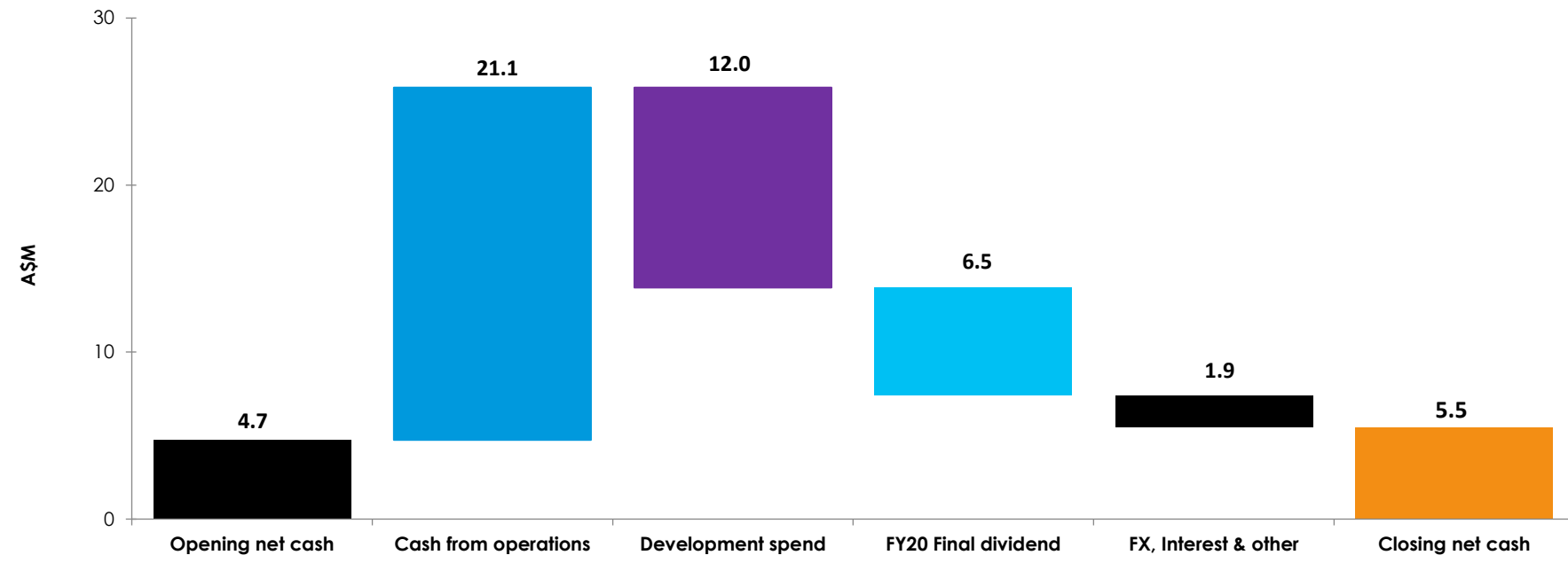
- IR remains firm to innovation agenda
- FY21 development spend was \$12 million
- High investment initiative to cloud (~63%)
- Four new products released during the year
- Cloud platform supports multiple markets
- Cloud platform to facilitate new market segments
- Continued investment is key to growth





Net cash flow analysis

Positive operating cash flow funds growth investments



Free cashflow¹ (ex growth investments)
\$18.5 million

100% cash collection conversion rate

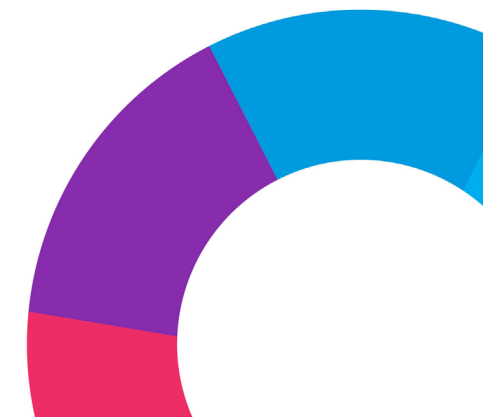
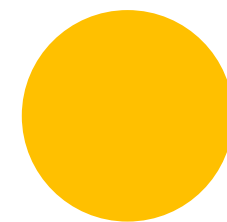
Development spend includes SaaS platform

Note 1: Free cashflow (ex growth investments) means cashflow from operations, less tax, interest and maintenance capex



John Ruthven

CHIEF EXECUTIVE OFFICER

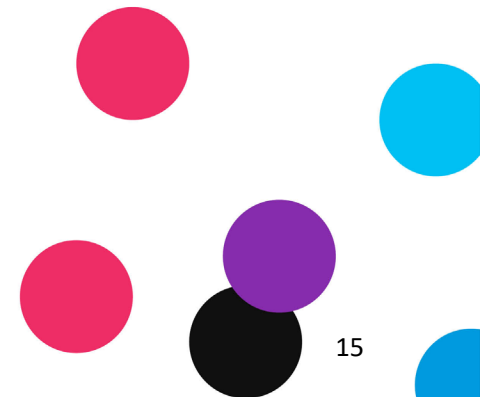




Self-funding a new SaaS product suite to complement established on-prem business

What is driving the change in business model;

1. Enhance our leverage to structural market changes – hybrid working and cashless payments
2. Expand our market opportunity
3. Enhance competitive strengths and increase customer relevancy
4. Deliver new products to market faster
5. Build for scale to accelerate growth and profitability



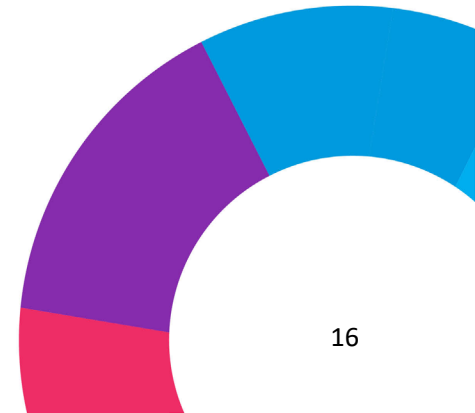


Transition underway

Executing clear plan to transition to higher quality growing SaaS based subscription revenues



Product	New SaaS products	Extend and Enhance	Expand into new segments
Revenue	Upfront revenue recognition	Growing share of subscription revenues	Higher level of ARR
Key metric	Proforma subscription revenue	TCV & free cash flow	SaaS metrics



Increasing leverage to structural market changes - hybrid working

What we do





Trends driving the market change

- a) Flexible work is here to stay
- b) Majority of employers are re-designing workspaces for hybrid work
- c) Hybrid work has extended the workplace boundary

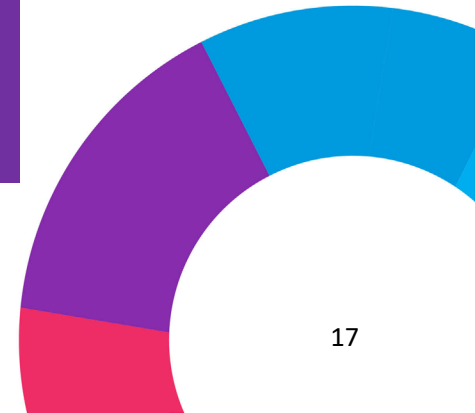
Use cases



 Products >2 years old

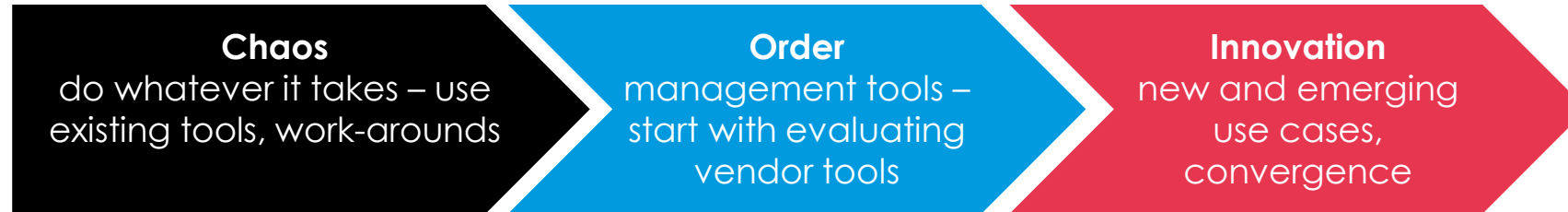
 Products <2 years old

 Future roadmap



Enabling enterprises to deliver hybrid working

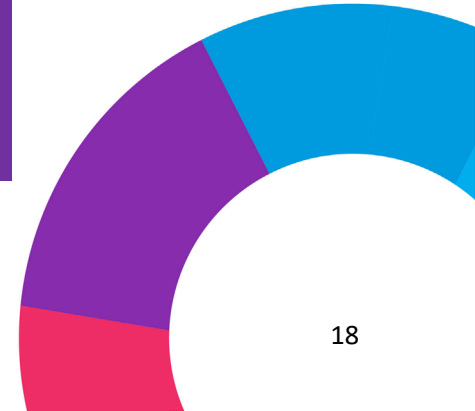
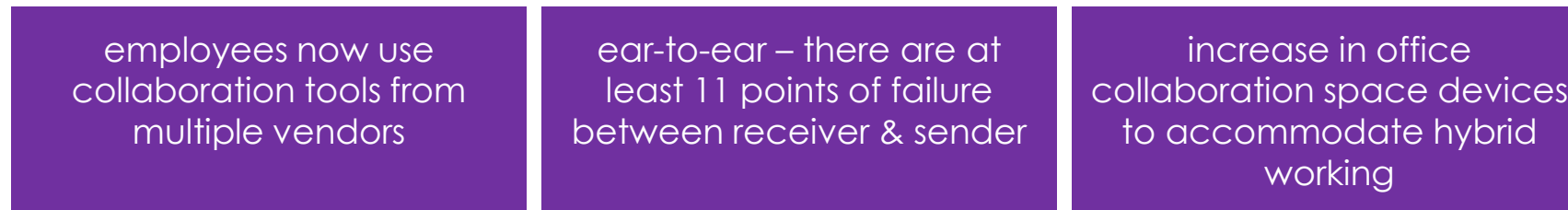
Phased take-up



‘Although these [vendor] tools are helpful, they offer less breadth and detail than specialised UC monitoring tools, such as those offered by IR (Prognosis) ...’

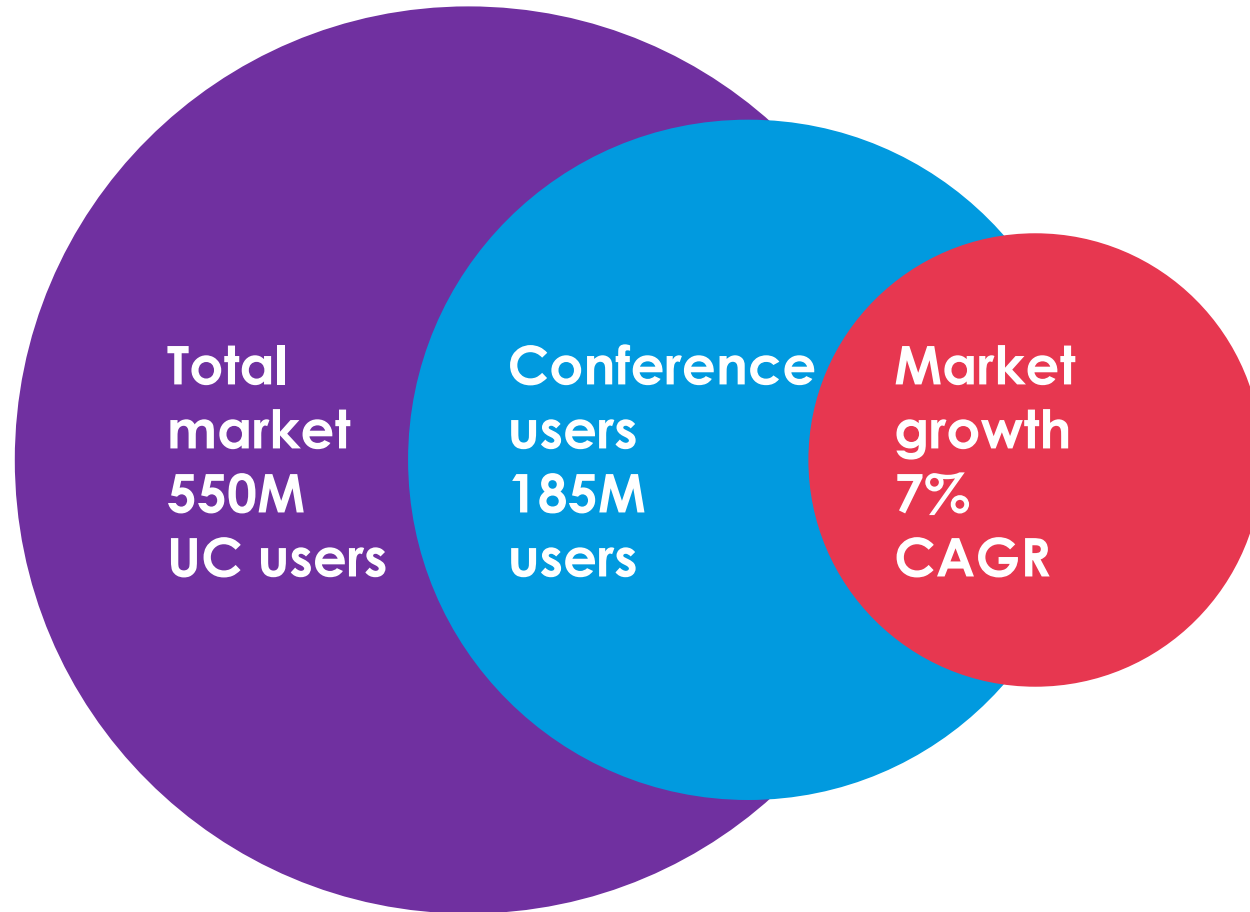
Source : Guidance for Migrating to UCaaS Solutions – Gartner, 5-JAN-21

Proof points



Collaborate market and opportunity

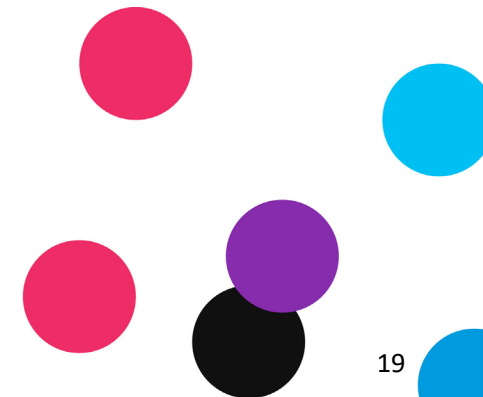
IR well placed to leverage move to 'hybrid work'



Source: Gartner UC Market Forecast 4Q20 – Jan 2021

opportunity

1. Long-tail with existing on-premise customers as well as new prospects
2. MS Teams, Zoom and Webex up-sell and cross-sell to existing, as well as new prospects
3. Expand our TAM – collaboration spaces, emerging new and sophisticated use cases



Increasing leverage to structural market changes – cashless payments

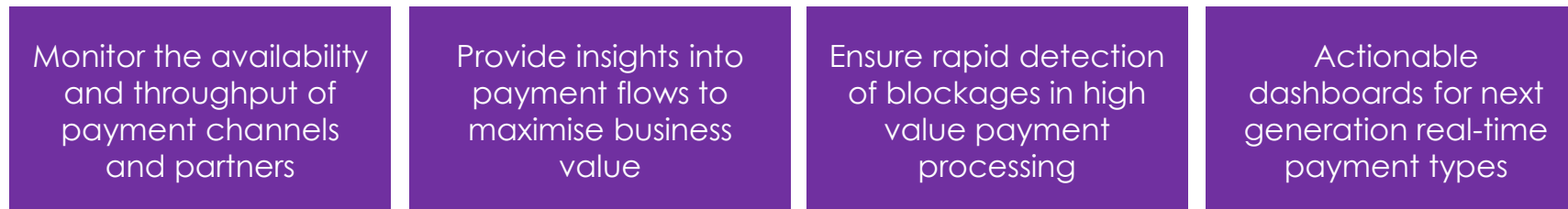
What we do





Trends driving the market change

- a) Massive shift in consumer buying behaviour
- b) Major advances in technology and connected devices
- c) Government policies and regulations

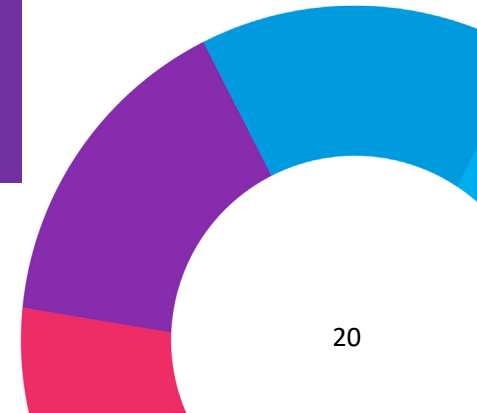
Use cases



 Products >2 years old

 Products <2 years old

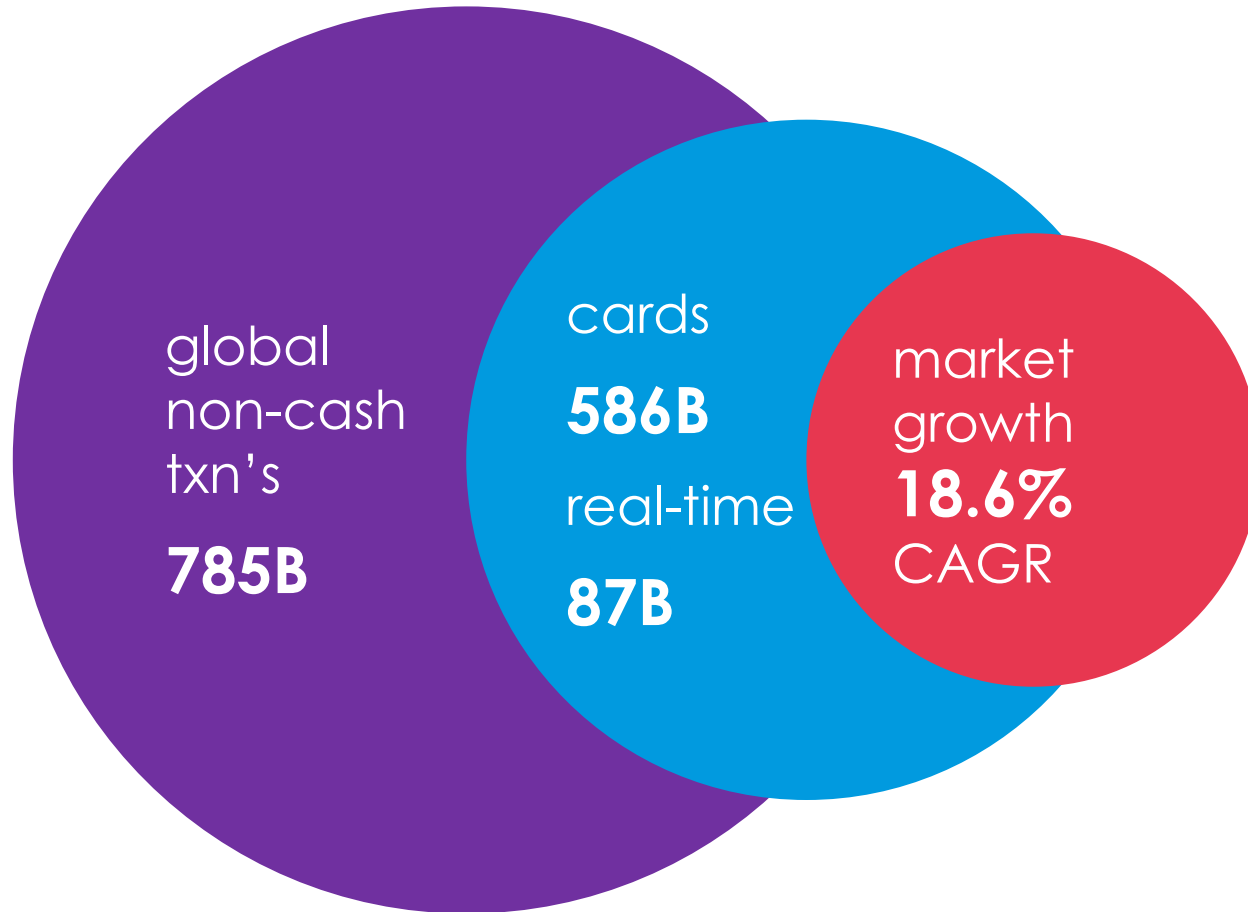
 Future roadmap





Transact market and opportunity

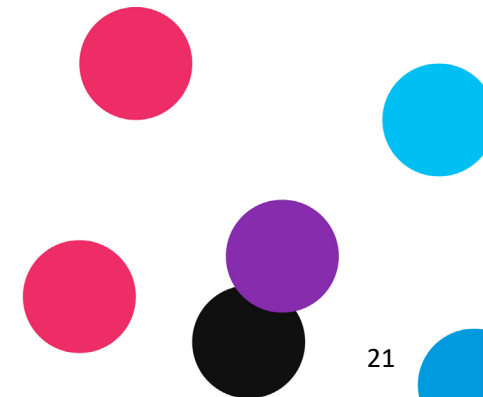
IR is well placed to benefit from cards growth and new payment types



Note: Data is for 2020, source "World Payments Report 2021", Capgemini and "Prime Time for Real-Time Report 2021", ACI Worldwide

opportunity

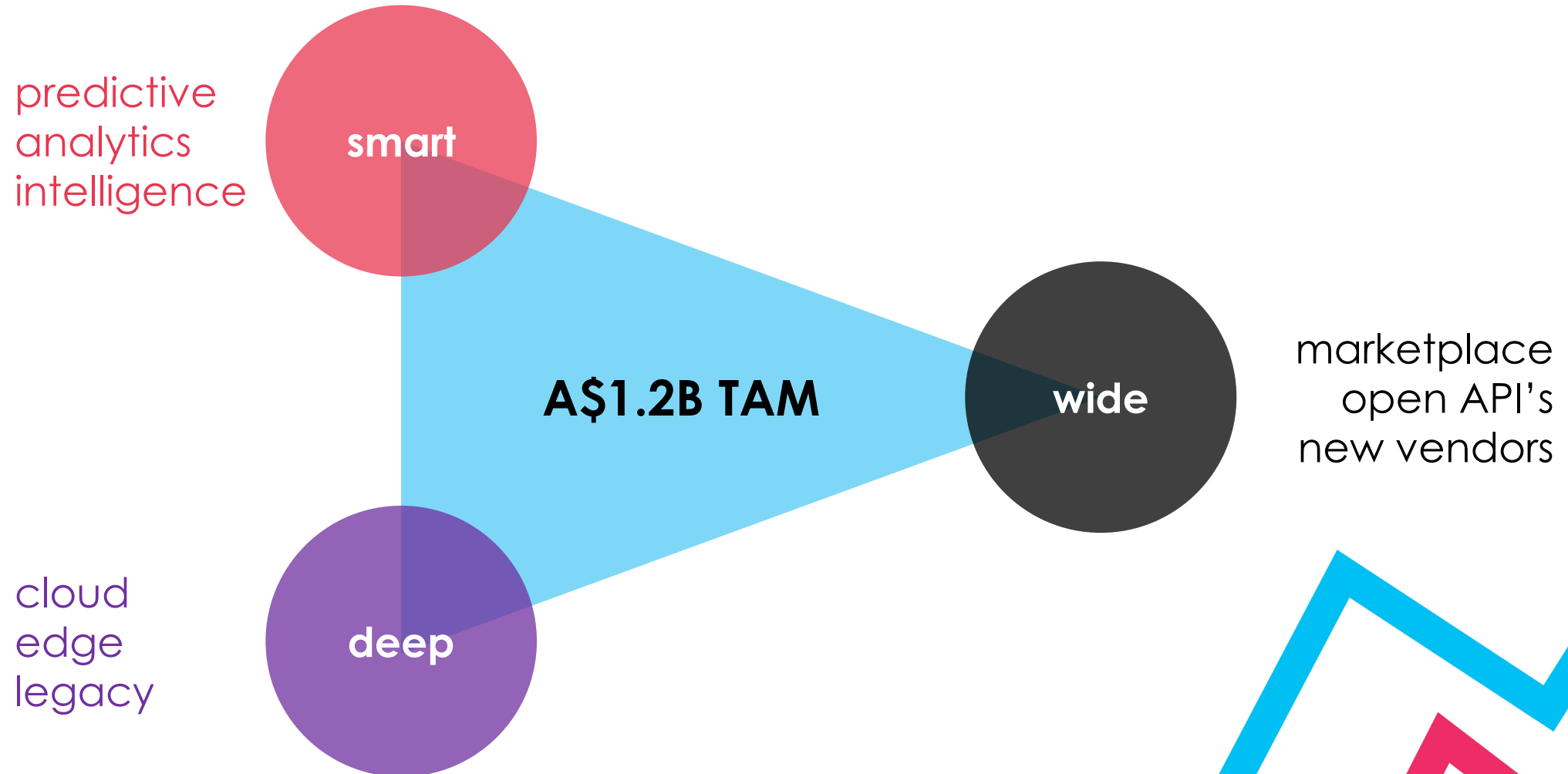
1. Grow with our customers – payment volumes are increasing
2. Expand our base – new payment types (RTP & High-Value)
3. Increase our value – Insight and Data use cases





Product strategy

New product launches expand addressable market and leverage to long term growth trends



Quality customer base

Long-term, high value relationships based on mission critical solutions



Customer Tenure 15+ years	Contract Length 3+ years	Service Providers	New Logos



FY22 customer wins validate enhanced value proposition

Supporting large enterprise on their journey – on-prem, hybrid & cloud



new customer through service provider

>\$1.0M

hybrid

Collaborate

Collaborate Premium + MS Teams

145,000 users

new to existing

<\$500K

hybrid

Collaborate

added MS Teams Collector to existing contract

on-premise Avaya environment

new customer

>\$500K

on-premise

Collaborate

PCA replacement; mission-critical environment

20,000 Cisco endpoints

expansion

<\$500K

on-premise

Transact & Infrastructure

expansion of existing foot-print

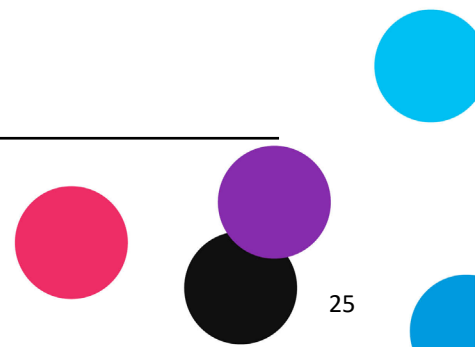
Non-stop & Base24





FY22 key performance indicators update

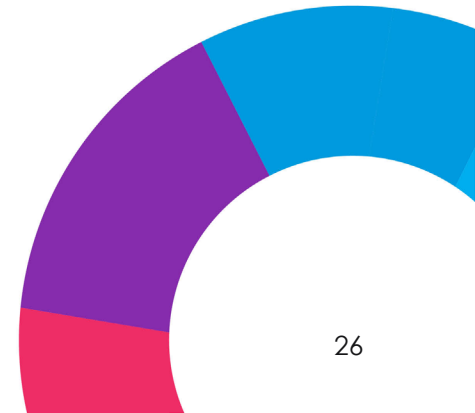
Customer growth & retention	KPI	New customer acquisition	KPI	Product innovation	KPI	Business Model Transition	KPI
TCV from new products & capacity to existing customers	20%	New customers	75	Percent of TCV from products released in the last 5 years	15%	Growth in cloud deferred revenue backlog	100%
A little behind plan		Tracking to plan		Behind plan		A little behind plan	
Proforma subscription Revenue retention	92%	TCV from new customers	30%	Extend 3 rd party strategic relationships		Systems & process readiness to report SaaS metrics	
Ahead of plan		Ahead of plan		Good progress		Good progress	
Customer retention	95%			Development spend to TCV	14%		
Right on plan				Ahead of plan			





Trading update & summary

1. FY22 YTD TCV up on pcp - new products, 'hybrid' traction
2. Reported revenue and NPAT broadly in line with pcp – impact of change in revenue mix as SaaS contracts are recognised over time
3. Positive FCF, solid balance sheet supports on-going product roadmap
4. Strategy to enhance leverage to structural market changes – hybrid working and cashless payments
5. Transition underway: self-funding a new, SaaS offering to complement established on-prem solutions
 - increases relevancy
 - expands addressable market
 - increases speed to market
 - accelerates revenue growth and profitability





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Integrated Research Limited Annual General Meeting

24 November 2021

