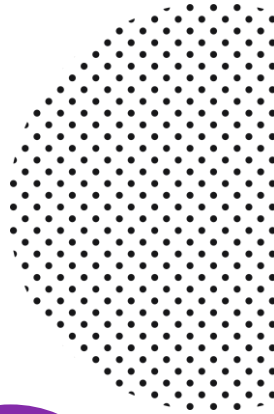


# Integrated Research Limited (ASX: IRI) FY2024 Annual General Meeting

25 November 2024





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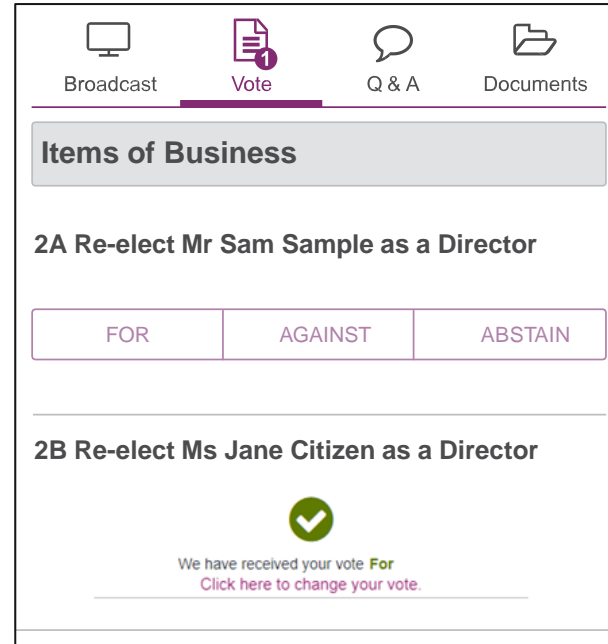
# How to ask a Question?

- To ask a written question select the Q & A icon
- Select the topic your question relates to from the drop-down list
- Type your question in the text box and press the send button
- To ask a verbal question, follow the instructions below the broadcast window

The screenshot shows a user interface for asking a question. At the top, there are four navigation tabs: 'Broadcast' (with a monitor icon), 'Vote' (with a document icon), 'Q & A' (with a speech bubble icon and a purple underline), and 'Documents' (with a folder icon). Below the tabs is a large text input area with the placeholder text 'Your question(s)'. Underneath this area is the instruction 'You may enter a question using the field below.' followed by a dropdown menu labeled 'Select Topic'. Below the dropdown is a smaller text input field with the placeholder 'Questions are limited to 2000 characters.' and a character count '0 character(s)'. To the right of this field is a 'Send' button.

# How to Vote?

- When the poll is open, select the vote icon at the top of the screen
- To vote, select either For, Against or Abstain
- You will see a vote confirmation
- To change or cancel your vote “click here to change your vote” at any time until the poll is closed



The screenshot shows a web interface for voting. At the top, there are four navigation icons: Broadcast (TV icon), Vote (document with checkmark and '1'), Q & A (speech bubble), and Documents (folder). The 'Vote' icon is highlighted with a purple underline. Below the navigation is a grey header bar with the text 'Items of Business'. The first item is '2A Re-elect Mr Sam Sample as a Director'. Below this item are three buttons: 'FOR', 'AGAINST', and 'ABSTAIN'. The 'FOR' button is highlighted with a purple border. Below the buttons is a horizontal line. The second item is '2B Re-elect Ms Jane Citizen as a Director'. Below this item is a green checkmark icon. Below the checkmark is the text 'We have received your vote For' and a link 'Click here to change your vote.'.



# Chair's Address

Peter Lloyd

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# CEO Address

Ian Lowe

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# FY24 Key Highlights

A year of strong financial performance and people / strategy reset, designed to drive growth

## Strong Financials

TCV up 22%  
Revenue up 19%  
NPAT up 963%\*

## Robust Growth in Americas and Europe

Americas TCV up ~50%  
Europe TCV up ~30%

## Reset For Product Led Growth Strategy

Focus on customer led innovation and M&A initiatives

## Board Refresh

Growth oriented Board appointed

## Balance Sheet Flexibility

Net cash of \$31.9m to assist in driving growth strategy

## Re-instated Dividend

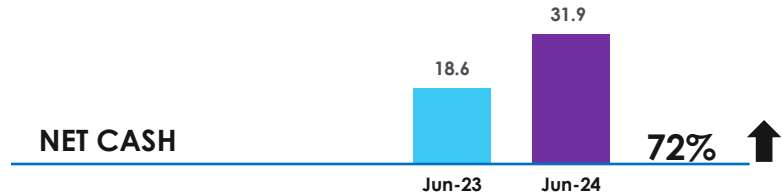
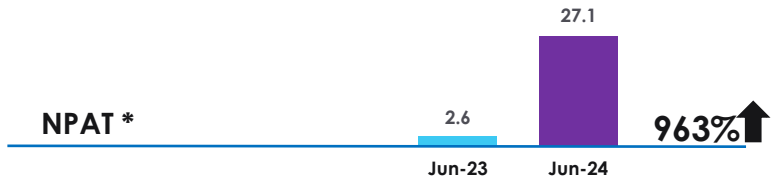
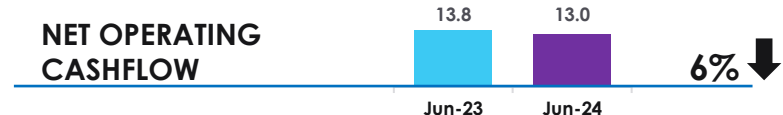
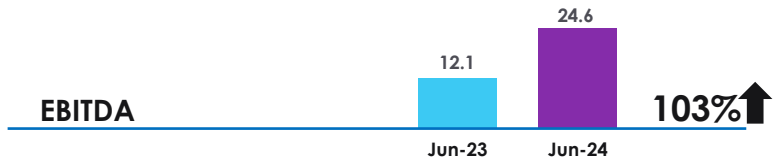
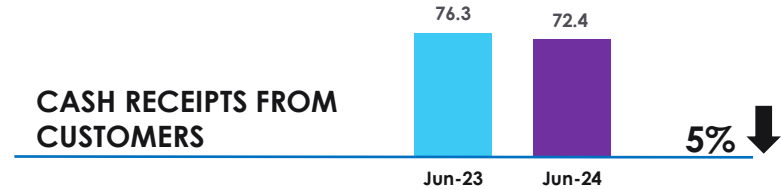
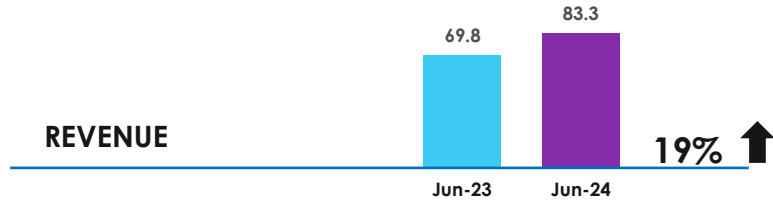
Declared 2.0 cents per share, fully franked, dividend

\*Jun-23 NPAT excludes \$31.8M impairment of goodwill and intangible assets



# Full-Year Performance Review: Statutory (A\$M)

Improving market dynamics and prudent cost management drives profits



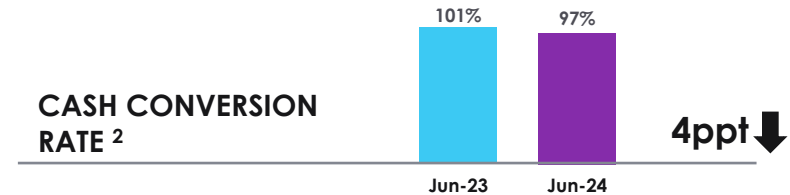
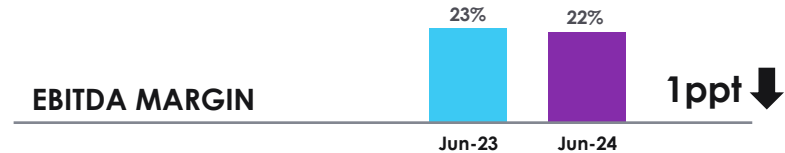
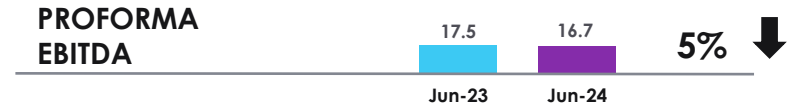
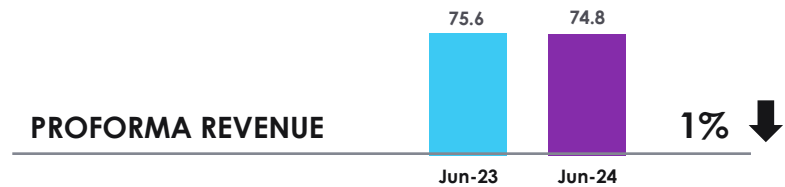
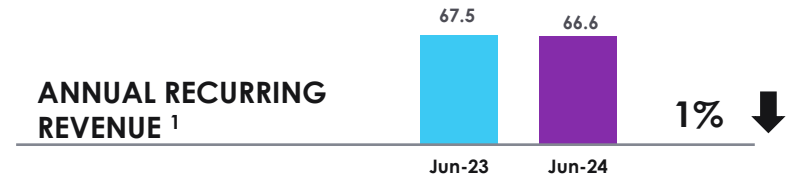
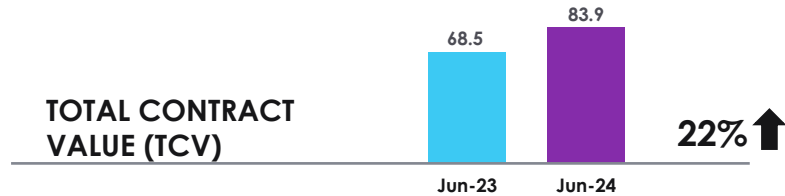
\*Jun-23 NPAT excludes \$31.8M impairment of goodwill and intangible assets





# Full-Year Performance Review: Proforma (A\$M)

Strong year for renewals



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

1. ARR (Annual Recurring Revenue) means monthly recurring revenue as of 30<sup>th</sup> of June multiplied by 12

2. Cash conversion rate equals cash receipts divided by proforma revenue

# Capital Management and Dividend



IR's Capital Allocation Priorities:

## 1. Invest in innovation:

- Allocate up to an additional 10% of TCV annually to product innovation for new revenue streams
- M&A considered if right-sized, synergistic, in growth markets and supportive of product strategy
- Targeting 3 – 5-year payback

## 2. Contingency Reserves:

- Maintain adequate working capital to support day-to-day operations and manage cash needs

## 3. Shareholder returns:

- Board declared a \$0.02 dividend, fully franked
- Dividend policy as a minimum 25% of Free Cash Flow (with Board discretion), to provide flexibility & sustainability

# IR operates in the Observability market



## What is 'Observability'?

Real time observation of critical technology & infrastructure performance, including:

- Log management
- Application performance monitoring
- Infrastructure monitoring

Use cases include:

- Performance management/optimisation
- Security
- Compliance

The market is moving:

- Data driven technology such as Machine Learning & AI is opening up a new wave of innovation
- Enterprise clients are looking for new products that create new value

# IR's Observability Offering



powered by **Prognosis**

## Collaborate



Enterprise UC  
Contact Center  
Service Provider

## Transact



Cards  
High Value Payments  
Real-Time Payments

## Infrastructure



NonStop

# Global, blue chip client base

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



## Tech | Telco



5/10 top telcos

## BFSI



6/10 top USA banks

## Health | Gov | Edu



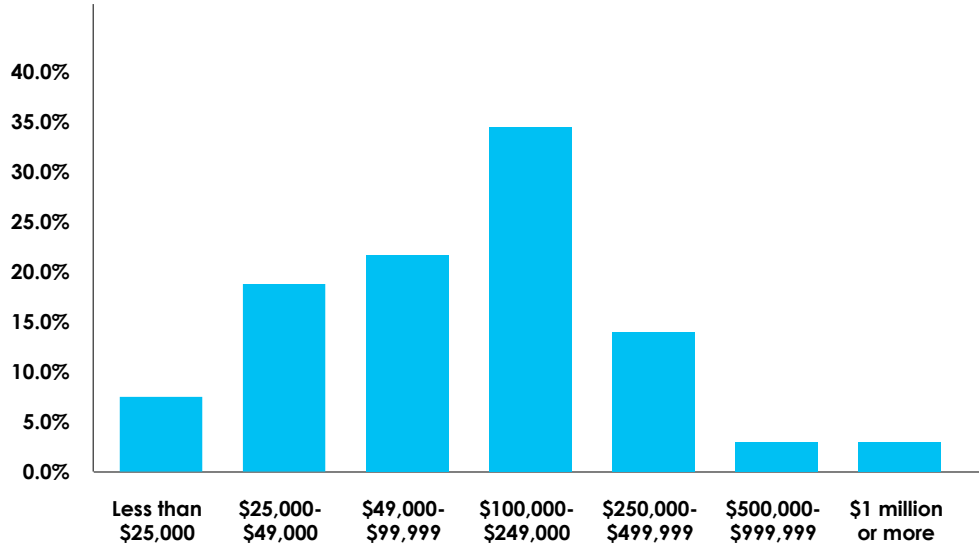
5/25 Fortune 500 top companies

## Retail | Industrial | Other



5/20 largest Australian companies (market cap)

# Observability is a non-discretionary item

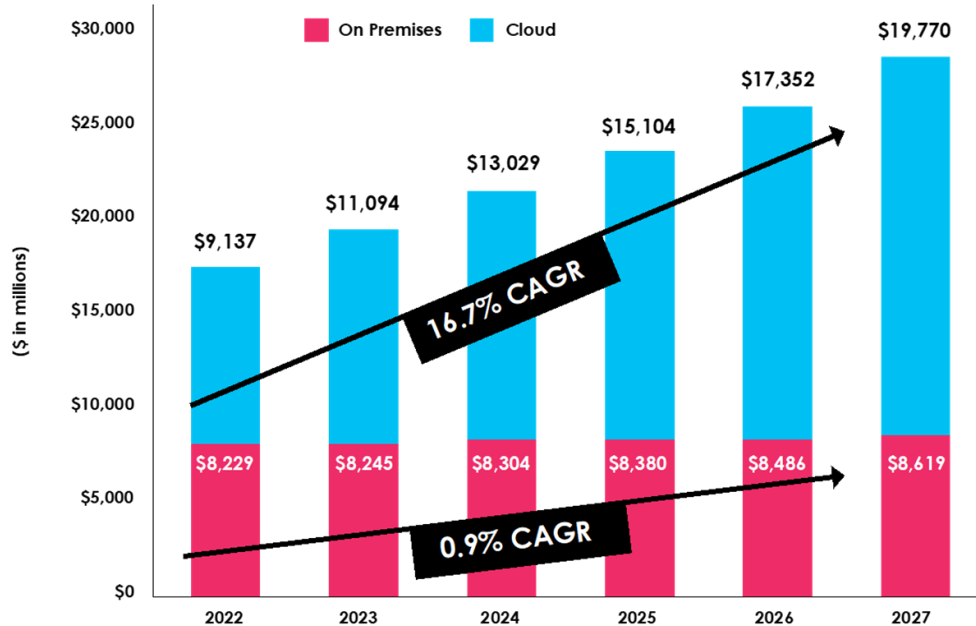


- For approximately 53% of revenue generating services, the cost for 1 hour of critical infrastructure downtime is greater than USD \$100k

Source: IDC and William Blair Equity Research

# Observability is a large and growing market...

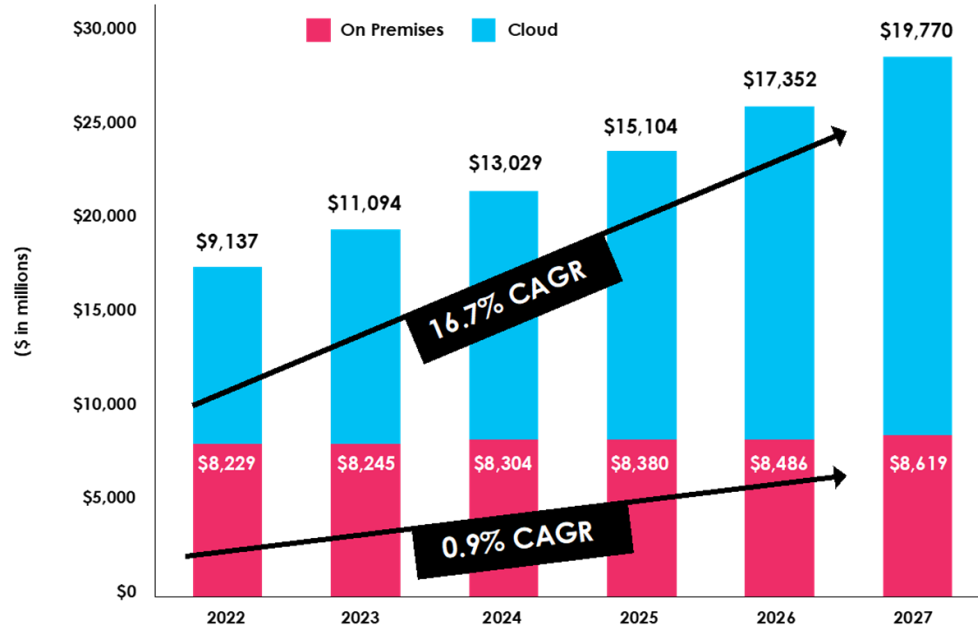
(USD investment in Observability solutions)



Source: IDC and William Blair Equity Research

- Adoption of cloud based solutions is driving market growth
- On-Premises remains a large market and holding ground
- **Enterprise clients are moving to a hybrid model: combination of on-premises + cloud**
- IR provides both on-premises and cloud solutions

# IR provides solutions for both the on-premises and cloud segments...

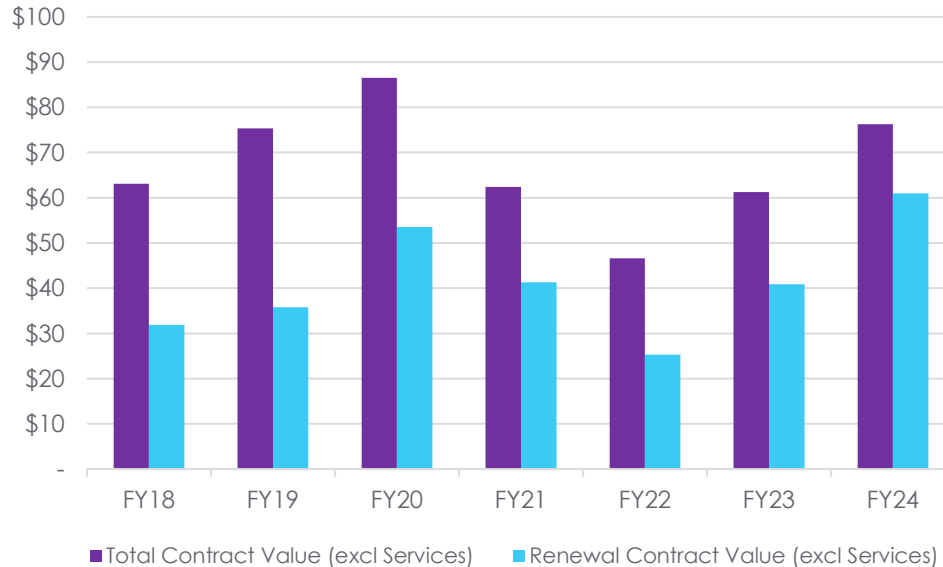


Source: IDC and William Blair Equity Research

- IR offering is well differentiated in the low growth 'on-premises' segment, but not well differentiated in the high growth 'cloud' segment
- Clear product differentiation aligned to the high growth cloud segment best positions the company for growth
- The market is evolving: enterprise clients are looking for new products to extract new value from their Observability data



# Growth in non-renewal revenue is central to sustained growth



- YOY revenue contribution from contract renewals is variable, and was significant in FY24.
- New products aligned with the high growth cloud segment:
  - Maximises our growth opportunity
  - Differentiates our cloud offering

# What does it mean..?



## We need to evolve for growth.

- Generate new revenue by creating the new products we know enterprise clients need:
  - New revenue from existing clients
  - New revenue from new clients
  - Clearly differentiate our cloud based offering
- Focus the sales approach:
  - Target **enterprise** clients that meet our ideal client profile (ICP): enterprises of 10,000+ seats managing a hybrid technology ecosystem (on-prem + cloud)

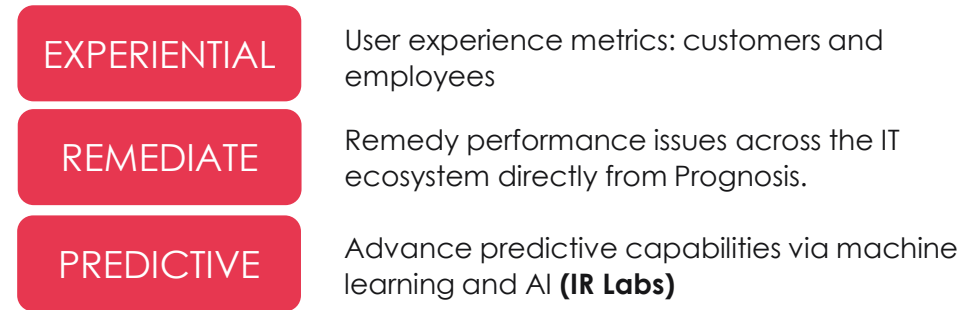
# Evolve our value proposition with new products & capabilities



## Current State → Future State

- What is going wrong in my technology ecosystem?

- What does it mean for my customers and my employees?
- What can I anticipate might go wrong in the future and how do I avoid it?
- I've identified the problem, how do I fix it?



# Leveraging existing assets

- Utilise the data, IP and expertise we already have
- IR Labs capability (Machine Learning & AI)
- Global, blue chip client base
- Global sales organisation

powered by **Prognosis**

**IR Labs**

## Collaborate



Enterprise UC  
Contact Center  
Service Provider

## Transact



Cards  
High Value Payments  
Real-Time Payments

## Infrastructure



NonStop



Big Data, Real Time  
Machine Learning  
AI

## In Summary...



- Observability is a large and growing market opportunity (\$28B by 2027)
- IR has a proven, established offering and a global blue chip client base
- Generate more new client revenue by creating new capabilities
- Continue to focus the sales approach (ICP)
- Modernise & simplify
- Management discipline: execute within the existing budget framework

# FY25 Priorities & Observations



- New product capabilities to launch in 2H FY25 and ongoing
- Innovation via IR Labs to accelerate
- Value of FY25 contract renewals softer than FY24 and weighted to 2H
- Targeting improving renewal rate for Collaborate, to wash through off the back of focus on ICP
- Value of sales pipeline attributable to new clients/revenue expected to continue to lift
- Revenue contribution from new clients/revenue to improve in line with the current sales cycle
- The effective tax rate is expected to normalise in FY25 given brought forward R&D tax credits utilised in FY24

# Our strengths are considerable...



- Foundational elements of IR's business remain critically valuable:
  - **Independence:** IR is a specialist monitoring technology provider, not a vendor
  - **Aggregation:** the Enterprise technology supply chain is becoming more fragmented and more complicated - IR aggregates multiple vendors into a single view encompassing on-premises and cloud based solutions
  - **Vendor agnostic:** IR remains vendor agnostic, compatible with dozens of global technology vendors including those with the largest market share
- IR has market leading knowledge and expertise (we can execute)
- IR has a superior client register (we are trusted)

## Vision...



To become the world's leading independent provider of business critical technology & infrastructure intelligence.