



Monash IVF Group  
Annual General Meeting 2015

Invest in

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## Chairman's address Richard Davis

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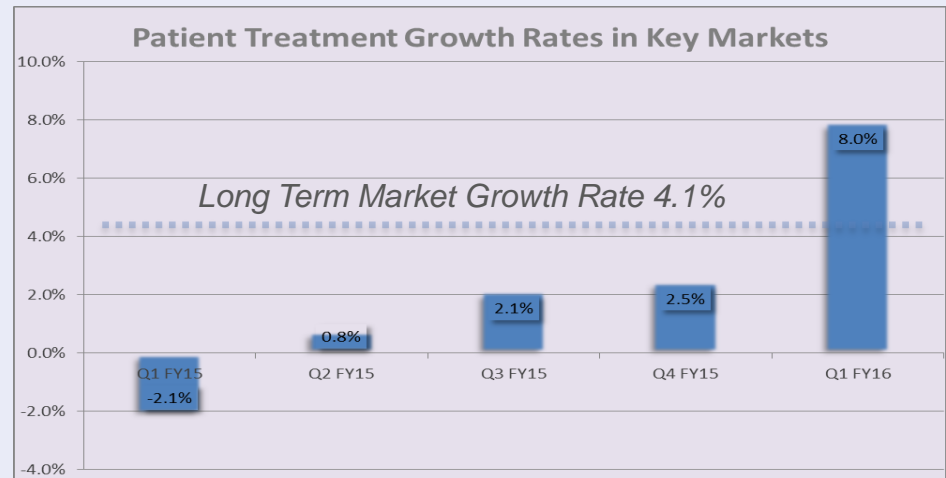
## Key Achievements

- ✓ Organic growth
- ✓ Expanded domestic footprint
- ✓ Increased market share
- ✓ Successfully acquired additional womens health businesses
- ✓ Continued to increase doctor network
- ✓ Expanded low-intervention offering
- ✓ Continued focus on science and innovation



## Financial Performance

- Revenue and normalised earnings increased in FY2015 vs FY2014
- However, financial performance was below Prospectus forecasts
  - ARS volumes in Key Markets were lower than expected (+1.1% vs +4.1%) resulting in lower revenue and associated earnings
  - Delays to the opening of Bump IVF resulted in lower revenue and associated earnings
  - Slower than anticipated recovery of South Australia market share



FY2016 is seeing a reversion to long term market trend growth rates



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## CEO Presentation James Thiedeman

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# Overview of Monash IVF Group

## Core Assisted Reproductive Services

- 22 clinics
- 5 service centres
- 84 Fertility Specialists



## Diagnostic and Ancillary Services

- 2 specialised laboratories in Victoria and South Australia
- 2 day hospitals in South Australia and NSW



## Ultrasound

- 17 clinics
- 15 Sonologists



Monash IVF Group is a market leader in womens health



# FY2015 Full Year Highlights

**\$125.0m**

**Revenue**

FY14 \$114.0m

FY15 prospectus \$130.3m

**\$23.3m**

**Normalised NPAT**

FY14 \$22.6m

FY15 prospectus \$26.0m

**\$41.3m**

**Normalised EBITDA**

FY14 \$39.7m

FY15 prospectus \$45.1m

**\$37.9m**

**Normalised EBIT**

FY14 \$36.8m

FY15 prospectus \$41.6m

**6.95cps**

**Dividend per share**

**\$0.10**

**Normalised EPS**

FY14 \$0.098



# Revenue Analysis

Revenue \$m Actual FY2015 vs Prospectus



- ↓ **Market growth:** \$5.2m impact against Prospectus due to lower than anticipated ARS Key Market growth
- ↓ **Market share:** increased as compared to FY2014 but lower than anticipated due to slower recovery of South Australia market share and delay in BUMP IVF commencement
- ↑ **Acquisitions:** out-performed due to Monash IVF Bondi Junction and Sydney Ultrasound for Women acquisitions
- ↑ **International:** segment grew faster than anticipated

## Expanding Domestic Footprint

### Acquisitions and New Locations

- SUFW network (11 practices across Sydney, acquired June 2015) integration commenced
- Monash IVF Bondi Junction, Sydney (acquired December 2014)
- New Wagga Wagga (regional NSW) clinic (commissioned November 2014)
- Additional Service Centres (consulting and monitoring) established in the Melbourne CBD and Adelaide
- All locations performed to plan in period

### Lower Intervention



- Total low intervention treatments for the period represented 2.7% of Group Patient Treatments
- Margins are lower for this category of service
- No evidence of cannibalisation of full service business occurring
- Our low intervention clinics continue to gain momentum and are making a positive contribution to the Group

## International – KL Fertility

- Continued growth in volumes achieved by new Fertility Specialists
- Margin compression as these specialists gain traction
- Further international opportunities are being reviewed

	FY2015	FY2014	% change
Revenue	\$5.6m	\$4.6m	↑ 21.7%
EBITDA <sup>(1)</sup>	\$2.3m	\$2.1m	↑ 9.5%
EBITDA margin	41.1%	45.7%	
Patient Treatments	1,024	899	↑ 13.9%

(1) EBITDA is a non IFRS measure

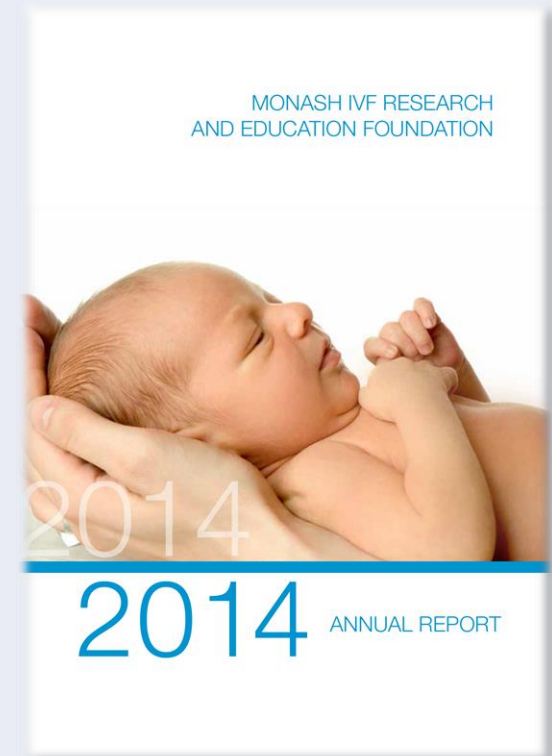


**KL FERTILITY CENTRE**  
towards parenthood



## Science and Innovation

- **The Group continues to invest in research and innovation across the clinic network including through the Monash IVF Research and Education Foundation (MREF)**
  - During FY2015, 15 projects were funded aimed at advancing fertility diagnosis and care
  - Over 40 scientific papers/presentations were published by our doctors, staff and collaborators
- **We continue to maintain collaborative relationships with:**



# Our Brands and Marketing

**Repromed**  
Written by Chaz McGregor [?] · 16 October at 13:36 · 🌐

Repromed are part of the Monash IVF Group who achieved the 1st IVF pregnancy in the world.



**Pioneers of IVF since 1973**

Start your journey today  
Book a free nurse chat with a Repromed fertility nurse today.

[HTTP://REPROMED.COM.AU](http://repromed.com.au) [Learn More](#)



**Monash IVF**  
Health/Medical/Pharmaceuticals

Timeline About Photos Likes More ·

100% response rate, 2-hour response time  
Respond faster to turn on the icon

6,966 likes +139 this week

PHOTOS

Monash IVF shared Nine Gold Coast News's video.  
Published by Miranda Smith [?] · 20 October at 18:56 · 🌐

Dr Kee Ong one of our leading Fertility Specialists on the Gold Coast talks about Endometriosis and the surgery that's transforming patient's lives.

16,462 Views

**Nine Gold Coast News**  
16 October at 17:46 · 🌐

Amazing time delay footage of an embryo developing to blastocyst

**MyIVF Clinic**  
Written by Chaz McGregor [?] · 30 September · 🌐

Considering starting a family but worried that fertility treatment is out of your reach?



**MyIVF** YOU MIGHT BE SURPRISED

Talk to MyIVF today  
MyIVF Brisbane allows you to access affordable fertility treatment without compromising your care.

[HTTP://MYIVFCLINIC.COM.AU](http://myivfclinic.com.au) [Learn More](#)



**repromed** PART OF THE MONASH IVF GROUP

**But sometimes that miracle needs a little help.**

**SYDNEY ULTRASOUND FOR WOMEN** MONASH IVF GROUP

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**Sydney's premier provider of diagnostic, obstetric and gynaecological ultrasound**

<p><b>Why Sydney Ultrasound?</b></p> <p>Sydney Ultrasound for Women is Sydney's premier provider of specialist diagnostic, obstetric and gynaecological ultrasound</p> <p><a href="#">Read More</a></p>	<p><b>Patients</b></p> <p>We offer a full range of services in diagnostic ultrasound and prenatal screening to women of all ages.</p> <p><a href="#">Read More</a></p>	<p><b>Doctors</b></p> <p>Key publications, educational resources and symposiums.</p> <p><a href="#">Read More</a></p>
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# Strategy FY2016 and Beyond

**Our strategy remains consistent and focused; to profitably grow our business through leveraging our scientific capabilities across the clinic network**

1

## Science, technology and patient success

- Continue to develop industry leading science and technology
- Deliver patients clinically superior services and increase market penetration
- Promote Monash IVF Group's scientific and clinical excellence with referrers and potential patients

2

## Lower intervention

- MyIVF (Brisbane) and BUMP IVF (Sydney) now ramped up and making positive contribution
- Monash IVF Group continued to refine its low intervention model and consider expansion where appropriate

3

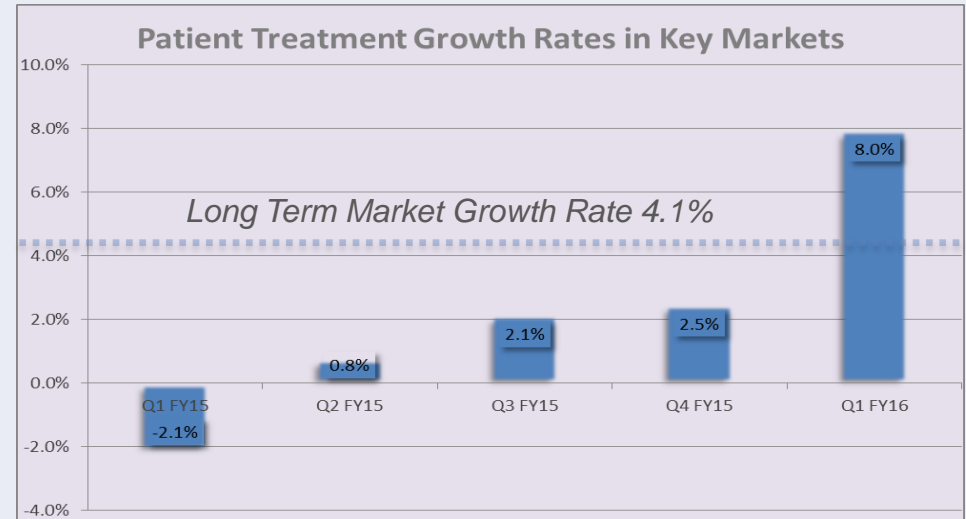
## Clinic expansion and acquisitions

- Review opportunities to increase Monash IVF Group's scale and market position in women's health, including ARS and imaging services in Australia
- Consider adjacent business opportunities in womens health
- Continue to look at international growth opportunities particularly building on our Asian hub

## FY2016 Trading Update

**We are experiencing a reversion to long term market trend growth rates in the 4 months to Oct 15**

- Total Key Market<sup>1</sup> Patient Treatments increased by 5.6% in the 4 months to Oct 15 vs pcp (declined by -0.5% in the 4 months to Oct 14 vs pcp)
- Monash IVF Group delivered a growth in total Patient Treatments of 18.5% in the 4 months to Oct 15 vs pcp (including acquisitions)
  - On a like for like basis growth in Patient Treatments for the 4 months to Oct 15 was 12.3% vs pcp



### Growth in market share (Oct 15 YTD)

- Monash IVF Group overall market share in its Key Markets increased to 41.3% from 39.8% in the pcp
- Total Australian market share increased to 24.0% from 21.9% in the pcp
- Strong growth in Patient Treatments above industry growth rates across our key states of Victoria, South Australia and Queensland

*Note<sup>1</sup>: Based on the combined number of Patient Treatments in Victoria, South Australia, Queensland, Northern Territory and regional market of Albury (New South Wales). Patient Treatments are the sum of fresh and cancelled cycles plus frozen embryo transfers.*



## FY2016 Trading Update (continued)

### Acquisitions update

- Monash IVF (Bondi Junction Sydney) (acquired December 2014) rebranding to Monash IVF complete and integrated into our existing NSW footprint
- SUFW network (11 practices across Sydney, acquired June 2015) integration with Monash Ultrasound for Women progressing
- Bump IVF (Sydney) is continuing to build momentum

### International - KL Fertility Malaysia

- Continues to grow strongly in the face of a challenging local economic climate
- We continue to build clinic capacity to accommodate further organic growth (new Fertility Specialists gaining traction and clinic relocation planned in H2FY2016 to cater for growth in demand)

## H1FY2016 Outlook



**As a result of the underlying growth in the overall market, improvement in market share and the impact of the acquisitions into the Monash IVF Group in FY2015, and subject to trading in the remaining months, we anticipate the reported NPAT for H1FY2016 will be approximately 25% up on the previous corresponding period.**



## Summary

- Monash IVF delivered a solid performance in an ARS market that grew slower than expected in Australia in FY15
- Fundamental drivers for the industry remain unchanged, despite lower overall market growth in FY15
- In first quarter of FY16, we are seeing a return to more normalised long-run ARS growth rates which is being reflected in a strong performance by the Group over this period
- We continue to grow share in the markets in which we operate
- We've established a broader footprint, especially in NSW, with acquisitions and new low-intervention clinics launched
- We continue to assess domestic and international acquisition opportunities



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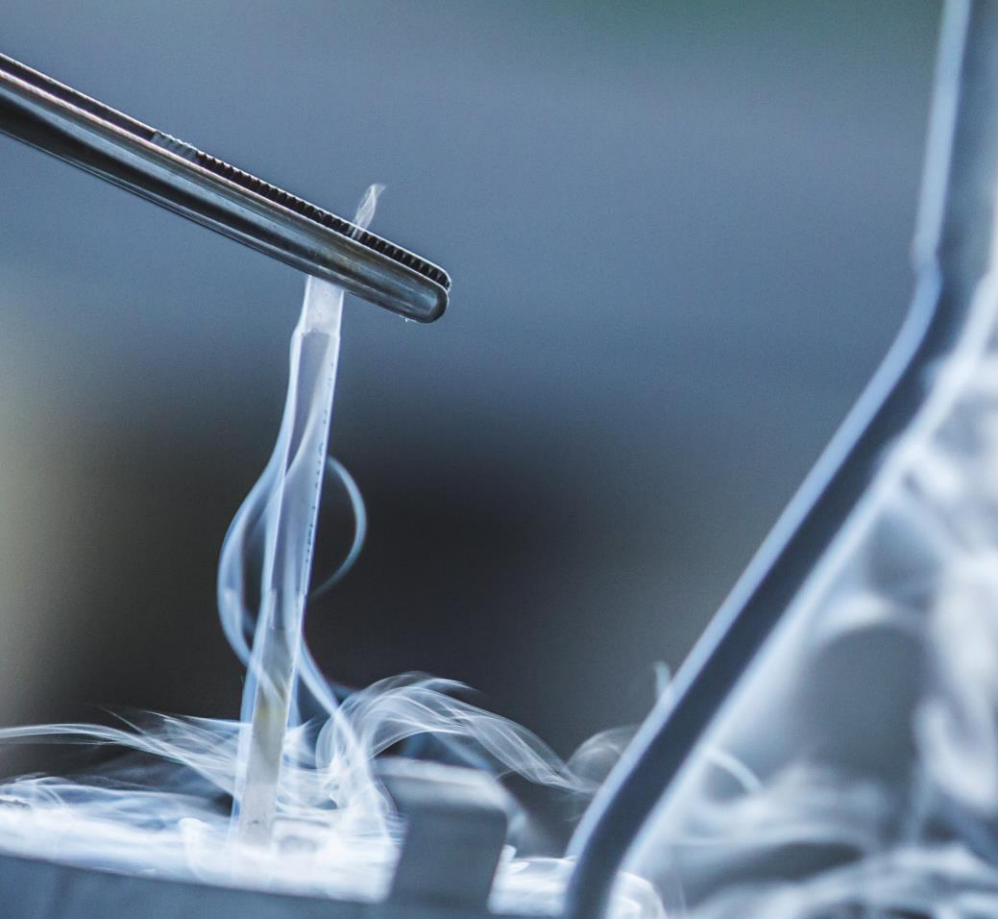
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## Business of the AGM

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## Resolution One

**To receive and consider the Financial Report, Director's Report and Auditor's Report for the year ended 30 June 2015 .**

There is no requirement for a formal resolution on this item.

Shareholders can ask questions of the Board or comment on the management of the company.

Shareholders can ask questions of the Auditor with regards to the Auditor's Report or the conduct of the audit.



## Resolution Two

**That the Remuneration Report, which forms part of the Director's Report for the year ended 30 June 2015, be adopted.**

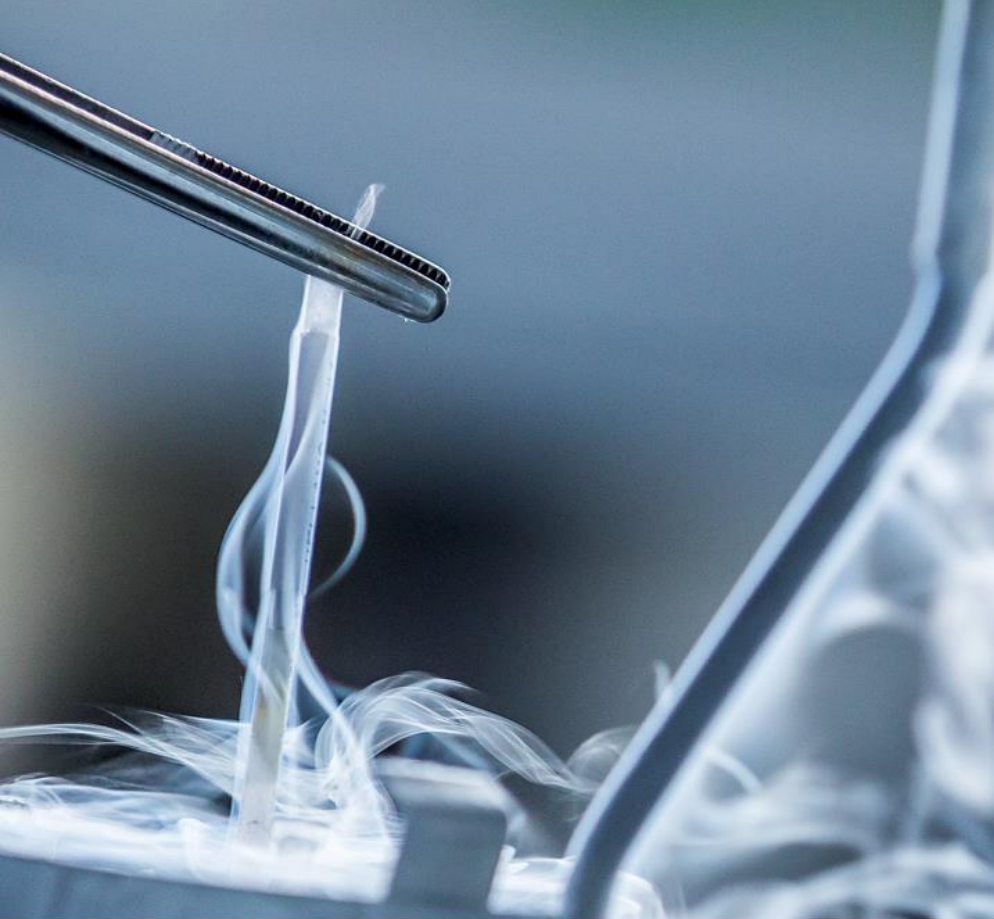
### **Proxy voting:**

Votes in favour of the resolution – 106,860,205 (88.6%)

Votes against the resolution – 13,424,781 (11.1%)

Open votes – 322,198 (0.3%)

Abstentions – 1,295,774



## Resolution Three A



**That Mr Josef Czyzewski, who retires in accordance with the Company's Constitution, be re-elected as a director of the Company.**

### **Proxy voting:**

Votes in favour of the resolution – 121,292,557 (99.5%)

Votes against the resolution – 331,805 (0.3%)

Open votes – 309,401 (0.2%)

Abstentions – 215,507





## Resolution Three B



**That Ms Christina Boyce, who retires in accordance with the Company's Constitution, be re-elected as a director of the Company.**

### **Proxy voting:**

Votes in favour of the resolution – 121,304,901 (99.5%)

Votes against the resolution – 315,721 (0.3%)

Open votes – 313,141 (0.2%)

Abstentions – 215,507



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Thank you for attending

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