



ASX/Media Release | AGM Announcement

24 November 2016

Monash IVF Group anticipate reported NPAT growth of 7% in H1FY17, against a softening of ARS Australian industry growth rates in Q1FY17

Monash IVF Group (ASX: MVF), a leading provider and driving force in fertility care, women's imaging and diagnostics in Australia and Malaysia, today provided a market update at its Annual General Meeting of shareholders.

As announced in August this year and detailed at its AGM today, Monash IVF Group reported a 25.3% lift in Group revenues to \$156.6m and a net profit after tax (NPAT) of \$28.8 million representing 34.6% growth in NPAT for the year ended 30 June 2016.

In the first quarter of FY17 (Q1FY17), MVF saw a softening in Assisted Reproductive Services (ARS) growth rates and a slight decline in the Group's revenues and total Patient Treatments¹ for the quarter.

At its AGM today MVF provided the following outlook statement stating that *subject to trading in the remaining months, we anticipate reported NPAT for H1FY17 will be approximately 7% up on the previous corresponding period as a result of cost control and improved capital management, notwithstanding the Australian industry decline in Fresh IVF cycles of 3.5% in Q1FY17.*

Furthermore MVF detailed the following:

- Total market Patient Treatments¹ for Q1FY17 in the Key Markets² in which MVF operates are up 1.0% on previous corresponding period (pcp) against very strong comparative volume growth in the pcp of 8%. Monash IVF Group decline was 2.6% vs pcp;
- Fresh IVF cycles declined by 5.1% vs the total market decline of 3.5% in Q1FY17;
- Frozen embryo transfer cycles increased by 0.6% vs the total market increase of 5.3% in Q1FY17 reflecting our early move to "freeze all" cycles and PGS;
- Total Australian Patient Treatment¹ ARS market share for Q1FY17 reduced to 23.8% from 24.5% in pcp;
- ARS market share for Q1FY17 in the Key Markets² in which MVF operates are at 39.7% vs 41.1% in the pcp. In particular, MVF experienced market share growth in Queensland, stable market share in New South Wales and a decline in Victoria and South Australia due to some competitive pressure including a new entrant into the Victorian market, and the overall increase in FETs where we were the first mover;
- Complementing MVF's women's imaging services, our investment to in-house Non Invasive Prenatal Testing (NIPT) was commissioned in November 2016, ensuring we maintain leading edge science and capture the full margin;
- Group Medical Advisory Committee and Group Medical Executive Committee continue to work effectively;

¹ Note: Patient Treatments are the sum of fresh and cancelled cycles plus frozen embryo transfers

² Note: Based on the combined number of Patient Treatments in Victoria, South Australia, Queensland, Northern Territory and regional market of Albury (New South Wales).

- KL Fertility in Malaysia is delivering growth whilst building clinic capacity to accommodate further organic growth through the relocation to a new state of the art clinic in December 2016; and
- MVF continued reviewing international opportunities with plans to drive non organic strategic growth.

Chief Executive Officer James Thiedeman said: *“Monash IVF anticipate earnings growth in H1FY17 despite a decline in patient treatments and associated revenues in Q1FY17 against strong comparative volume growth in the pcp.*

Our strategy of building on our heritage of scientific excellence and clinical innovation underpins everything we do. Coupled with the most experienced and talented doctor network in the ARS field in Australia and Malaysia, this enables us to provide our patients with the highest chance of pregnancy success and appropriate treatment.

In FY17, Monash IVF continues to focus on two key areas for growth and performance; to continue to leverage its heritage of scientific and technological excellence to maintain leading pregnancy success rates in the industry; and continue to capture growth through further acquisition opportunities in Australia and abroad.”

...Ends...

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About Monash IVF Group

Monash IVF Group is a leading provider of assisted reproductive services and specialist women's imaging and diagnostic services in Australia and Malaysia. The Group is a driving force in the development of assisted reproductive technologies and has many Australian and world firsts since the work of our pioneers who achieved the first IVF pregnancy in the world in 1973.