

## ASX Announcement

### Monash IVF Group Limited (ASX:MVF)

28 November 2023

#### Chairman Address by Mr. Richard Davis

#### Monash IVF Group 2023 Annual General Meeting

Prior to handing over to Mr Michael Knaap, CEO, I would like to reflect on the very positive progress made by Monash IVF Group in the 2023 financial year and provide an update on year-to-date performance in FY2024.

In financial year 2023 we moved closer to achieving our Vision 2026 to be the most admired reproductive provider in the world. We delivered strong financial results, our key doctor and patient engagement measures are at record highs, and we continued to invest in future growth. Most importantly however, we continued to increase our market leading success rates to ensure that every patient has the best opportunity to create or grow their family.

Monash IVF Group delivered a solid financial result in FY2023, with revenue growth of 11.1% and Underlying NPAT<sup>(1)(2)</sup> growth of 14.7% to \$25.5m. We are very proud of these results, especially considering economic conditions and financial pressures in parts of our community, reaffirming that IVF is an essential service.

Whilst the Australian IVF industry<sup>(3)(4)</sup> declined by 1.1% in financial year 2023, it was certainly a tale of two halves. The industry rebounded strongly in the second half, with Key Markets<sup>(4)</sup> industry stimulated cycles<sup>(3)</sup> increasing by 5.6%. Our Australian IVF business was strong across most of the year, with stimulated cycles<sup>(3)</sup> up by 15.3% in the second half compared to pcp following a 3.8% decline in the first half compared to pcp. This resulted in market share growth in our Key Markets<sup>(4)</sup> of 1.4% to 22.7%, validating our strategy to grow profitable market share without compromising on our key non-financial metrics including People engagement and patient satisfaction.

Organic growth was supplemented by contributions from the ART Associates acquisition which completed in October 2022 and PIVET acquisition that completed in May, making us the only IVF provider with a presence in every Australian mainland city. An additional 25 fertility specialists joined Monash IVF Group during the year, confirming we are the destination of choice for clinicians and this has continued into 2024.

(1) Non-IFRS measure  
(2) Including minority interests  
(3) MBS items 13200 and 13201 (stimulated cycles)  
(4) Victoria, New South Wales, Queensland, South Australia and Northern Territory

Our Australian Women's Imaging business turned the corner during financial year 2023, with Sydney performing well during the year whilst Melbourne's improvement commenced in the last quarter. Our Women's Imaging business delivered scan volume growth of 12.7% in the second half of financial year 2023 compared to pcp, providing positive momentum heading into FY24.

Our International IVF business, which comprises of five clinics in South-East Asia, delivered robust growth in stimulated cycles of 19.9%. However, earnings were impacted by a gradual ramp up in volumes at the new Singapore clinic. Our recent investment in nursing, science, marketing and doctor attraction will help drive growth and provide some consistency in branding and operations across the Southeast Asian region.

Financial year 2023 has positioned Monash IVF Group on a positive trajectory heading into FY24 and beyond.

We believe the Australian IVF market is entering a period of sustained growth, driven by traditional and new demand drivers. These new demand drivers such as rising awareness of egg freezing, increasing referrals to IVF from growth in genetic carrier screening, and growing patient segments (such as LGBTQIA+) will supplement the compelling traditional growth drivers for fertility services.

The benefits of our significant recent investment in infrastructure, services and people across all our businesses started to become evident in the second half of financial year 2023, and this investment should continue to underpin above market growth into the future.

This investment in future growth is a continuous and constant focus for Monash IVF Group, reflecting our confidence in the outlook for our Australian and Southeast Asia businesses, as well as our commitment to always improve outcomes and experiences for our Patients, Doctors and People.

As well as delivering on our financial and operational objectives, the Board is committed to enhancing our already robust corporate governance processes. Over the past 12 months we have established an ESG Committee, which provides the oversight to ensure our businesses are run as environmentally friendly and sustainable operations.

Financial year 2023 was a very successful year for Monash IVF Group, despite the challenging macro environment. The resilience of our businesses over the last three years provides confidence that Monash IVF is well placed to maintain its strong financial position, and deliver sustained shareholder value creation, as we enter the next exciting growth phase.

### **Trading update**

I will now provide a brief update on trading to October YTD in FY24. Michael Knaap will provide further detail on the trading update later in his address.

The first four months of trading for financial year 2024 has been very pleasing. The positive momentum that built across our Domestic IVF and Women's Ultrasound business during the second half of financial year 2023 is continuing in the current financial year, and activity is building in the Singapore business.

In Australia, the IVF industry<sup>(3)</sup> has continued its positive growth from 2H23, with FY24 October YTD Australian industry stimulated cycles<sup>(3)</sup> increasing by 2.8%. Monash IVF's recent investment in growth, including acquisitions, has underpinned above market growth with stimulated cycles<sup>(3)</sup> growing by 16.8%, driving a 2.8% increase in Monash IVF's Australian market share<sup>(3)</sup> to 23.1% to October YTD

compared to pcp. Note that as we now have a presence in every mainland city following the PIVET acquisition, we are reporting market share on an Australia wide basis going forward. Monash IVF's new patient registrations (NPR) in the period from July to October 2023 has increased by 12.3% compared to pcp (including acquisitions).

Monash IVF's Singapore clinic stimulated cycles increased by 35.4% compared to pcp whilst the Kuala Lumpur clinics' stimulated cycles declined by 14.7% due to challenging macroeconomic conditions in Malaysia.

Our Women's ultrasound businesses in Sydney and Melbourne got off to a very strong start during the first four months of FY24.

## Outlook

The Australian IVF Industry and Monash IVF will continue to be a beneficiary of underlying structural demand drivers whilst supplemented by emerging services such as genetics and egg freezing, growing patient segments, in particularly the LGBTQIA+ segment, and new patient acquisition channels.

Whilst macroeconomic conditions in Australia including cost of living and monetary policy is impacting affordability of certain services and goods, it is not currently impacting Monash IVF's NPRs to date.

**In regard to 1H24, Underlying Group NPAT<sup>(1)(2)</sup> for the six-month period ending 31 December 2023 is expected to be between \$14.5m and \$15.0m, as compared to \$12.6m in the prior comparative period. Non-regular items in 1H24 will include commissioning of new premises including day hospital operations and acquisition related costs.**

The Group is confident revenue and earnings can continue to grow in 2H24 compared to 2H23 noting the following:

- Full Year contribution from PIVET Medical Centre acquisition which occurred in May 2023;
- Contribution from new fertility specialists attracted during 2H23 and 1H24 which will drive growth in activity in 2H24. The Group will continue to focus on attraction of suitable fertility specialists;
- On-going and sustainable conversion of IVF new patient registrations growth experienced during 2H23 and FY2024 October YTD;
- Growth in reproductive genetic carrier screening which will lead to onward referrals to IVF;
- Commencement and contribution from new day hospital operations;
- Continued improvement in Ultrasound businesses, particularly in Melbourne;
- Further progress in South-East Asia growth strategy.

A further update will be provided in February 2024.

The Board and I wish to thank our shareholders for their continued support of Monash IVF.

I would also like to thank our People and Clinicians for their outstanding commitment during the year, including their unrelenting patient first mindset.

Thank you to our CEO - Michael Knaap, CFO - Malik Jainudeen, COO – Hamish Hamilton and the rest of the Team for their collaborative and inclusive leadership style, which encourages everyone to work together to deliver life changing outcomes for our patients.

It is the commitment of our People and Clinicians, combined with the support of our Shareholders, which gives us optimism for the future as we move towards our Vision to be the most admired reproductive care provider in the world.

I will now invite Mr Knaap to address the meeting to give us an overview of the FY23 operations and a further update on current trading and outlook.

Authorised by the Board of Directors.

For further information please contact:

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