



 Monash IVF Group

# What it takes, together

**FY24 Results Presentation**

22 August 2024

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# FY24 Financial Highlights

Monash IVF reported strong underlying revenue and earnings growth, which was offset by the agreed settlement of NIPGT Class Action

- **Reported Net loss after tax of \$5.9m following parties agreeing to settle the NIPGT Proceeding (“the Class Action”), resulting in an estimated \$32.6 loss after tax impact**
- **17.4% growth in Underlying NPAT<sup>(1)(2)(3)</sup> to \$29.9m (in line with guidance)**
- **13.7% growth in Underlying EBIT<sup>(1)(2)</sup> to \$43.3m**
- **17.5% growth in Underlying EBITDA<sup>(1)(2)</sup> to \$62.8m**
- **19.4% growth in Revenue to \$255.0m**
- **EBITDA margin of 25% in line with PCP**
- **Operating cash flow conversion<sup>(4)</sup> of 104% (up from 100% in FY23)**
- **Final FY24 fully franked dividend declared of 2.5 cents per share**



1) Underlying EBIT and NPAT are non-IFRS measures  
2) Refer to page 28 for reconciliation

3) NPAT including minority interest  
4) EBITDA conversion to pre-tax operating cashflows excludes working capital impact from NIPGT Class Action balances

# Settlement of NIPGT Class Action

- On 23 December 2020, Monash IVF Group was named as defendants in proceedings filed in Supreme Court of Victoria in relation to, or in connection with, the Group's non-invasive pre-implementation genetic screening technology ("the Class Action")
- Following mediation on 20-21 August 2024, the parties have agreed to settle the Class Action subject to execution of a Deed of Settlement and Court approval. The agreed settlement amount is \$56 million (pre-tax) inclusive of interest, costs and plaintiff legal fees ("Settlement Amount")
- Based on the Settlement Amount of \$56 million, approximately \$19.9 million is advised to be funded by the Company's insurer and the remaining sum of \$36.1 million will be paid from the Company's cash reserves and its debt facilities
- The agreed Settlement Amount of \$56 million is payable on payment terms of \$8 million within 30 days of signing a Deed of Settlement, \$12 million within 90 days, \$15 million within 180 days and \$21 million within 270 days
- The settlement was reached without any admission of liability from the Company
- The expected financial exposure to Monash IVF included in the FY24 Financial Report is as follows:
  - \$64.4 million (pre-tax) settlement payable consisting of the Settlement Amount plus defendant legal fees and other related costs;
  - \$19.9 million (pre-tax) insurance receivable for amounts advised to be available under the Company's existing insurance policy for the Class Action;
  - \$32.6 million (post-tax) FY24 net loss impact.
- Monash IVF has also commenced proceedings in the Federal Court of Australia against its insurer, Insurance Australia Limited (trading as CGU Insurance) ("Insurer"), to seek a declaration on the construction of the terms of the policy to confirm the total insurance proceeds available under its insurance policy with the Insurer, over and above the advised cover. The Company and the Insurer are currently under mediation to resolve the matter.



# FY24 Operational Highlights

All of Monash IVF’s businesses (Domestic ARS, Ultrasound and International) delivered robust growth in FY24, with the 2H24 rebound in International providing a strong tailwind heading into FY25

	Australia	International
FY24 Results	<ul style="list-style-type: none"> <li>• FY24 Monash IVF Australian Stimulated Cycles<sup>(1)</sup> increased by 10.4% v pcp</li> <li>• FY24 Australian Industry growth<sup>(1)</sup> of 2.4% on pcp</li> <li>• Australian Stimulated Cycle market share growth of 1.5% to 21.7%<sup>(1)</sup></li> <li>• Excluding acquisitions, MVF Domestic ARS revenue increased \$14.5m or 6.8% driven by volume and price increases</li> <li>• 1.5% increase in clinical pregnancy rate per embryo transferred (women aged &lt;43 years) to 40.5% in Jan-April 2024; Up from 39.0% in CY23</li> <li>• Sustainable growth in Ultrasound with FY24 scan growth of 3.9%<sup>(2)</sup>, similar to growth achieved in FY23</li> <li>• FY24 Australian Segment Underlying EBIT<sup>(3)</sup> increased by 11.1%</li> </ul>	<ul style="list-style-type: none"> <li>• FY24 International Stimulated Cycles increased by 19.9% v pcp</li> <li>• KL Fertility recovered well in 2H24, recording Stimulated Cycles growth of 13.8%</li> <li>• Singapore growth accelerated, and Johor Bahu continued its positive growth momentum</li> <li>• FY24 International Segment Underlying EBIT<sup>(3)</sup> increased by 62.1%</li> </ul>
Invest in future growth	<ul style="list-style-type: none"> <li>• Domestic New Patient Registrations increased by 6.1% in FY24 vs pcp</li> <li>• 12 fertility specialists joined in FY24 through organic recruitment, and a further eight specialists joined as part of Fertility North acquisition</li> <li>• Fertility North acquisition (completed in March 2024) is performing in line with expectations</li> <li>• Presence in every Australian mainland state and territory means we are less exposed as a Group to variations in industry growth between states</li> <li>• Investing in Carrier Screen testing and Genetic testing following MBS funding</li> <li>• Recently completed day hospitals in Melbourne, Gold Coast and Sydney to provide additional growth and diversification of revenue</li> </ul>	<ul style="list-style-type: none"> <li>• New patient consults in 2H24 signal robust growth for FY25</li> <li>• Outlook for SE Asia IVF markets is positive, following the extended recovery post COVID-19</li> <li>• Relocation to new, expanded Singapore clinic in 2H24 to accommodate future growth</li> </ul>

1) MBS items 13200/1

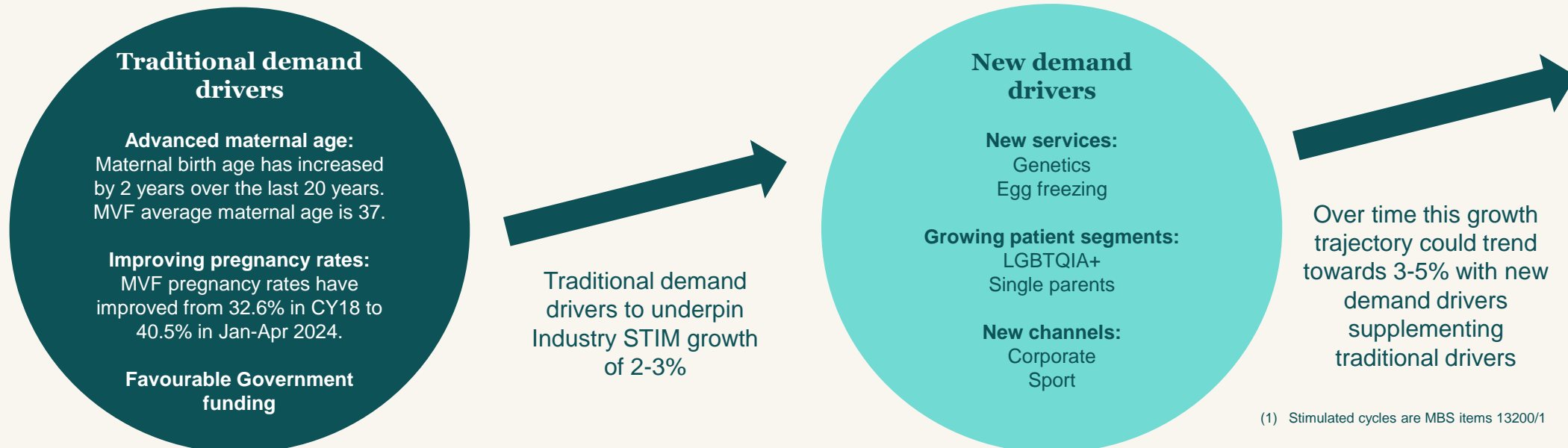
3) Underlying EBIT and NPAT are non-IFRS measures

2) Excluding closed Gold Coast Ultrasound clinic in 2H23

# Traditional and new demand drivers to underpin long-term industry growth

Attractive and resilient industry fundamentals, combined with new demand creation from emerging services, segments and channels, provide a positive industry growth backdrop

- FY24 Australian stimulated cycle industry growth<sup>(1)</sup> of 2.4%; 5-year Australian Industry CAGR for stimulated cycles is 4.4%<sup>(1)</sup> to FY24
- Increased penetration of genetic carrier screening will be an important driver of incremental IVF cycles (with PGT-M) into the future - not yet reflected in industry numbers as the lead time from having an abnormal carrier screening result to commencing IVF is at least 12 months
- Short term volatility in industry volumes occurs from time to time; in the past this has not reflected any underlying shift in future demand for IVF services
- Demand for traditional IVF services remains strong; however, prolonged cost of living pressures could slow demand for elective egg freezing which is more discretionary in nature



(1) Stimulated cycles are MBS items 13200/1



Advanced maternal age



Innovation/technology



Awareness and support



New services

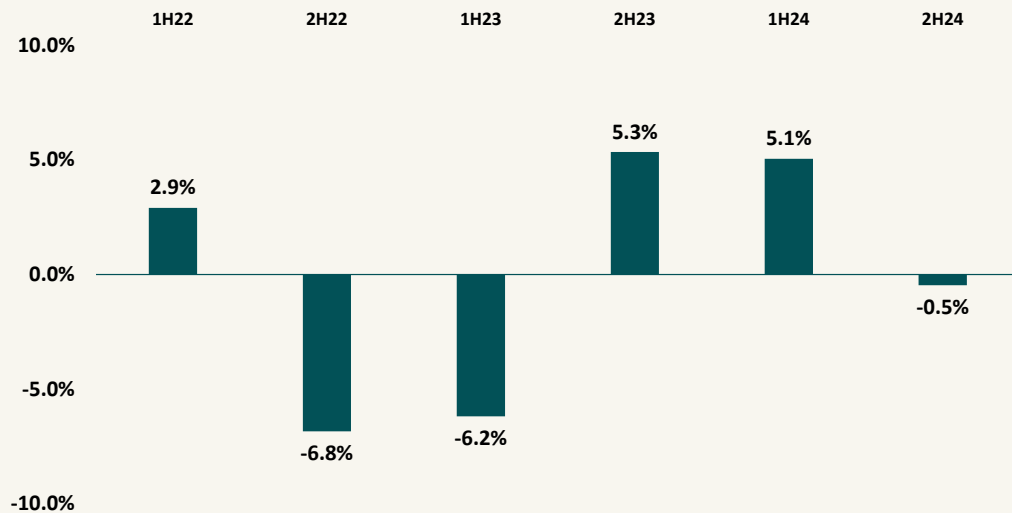


Patient segments

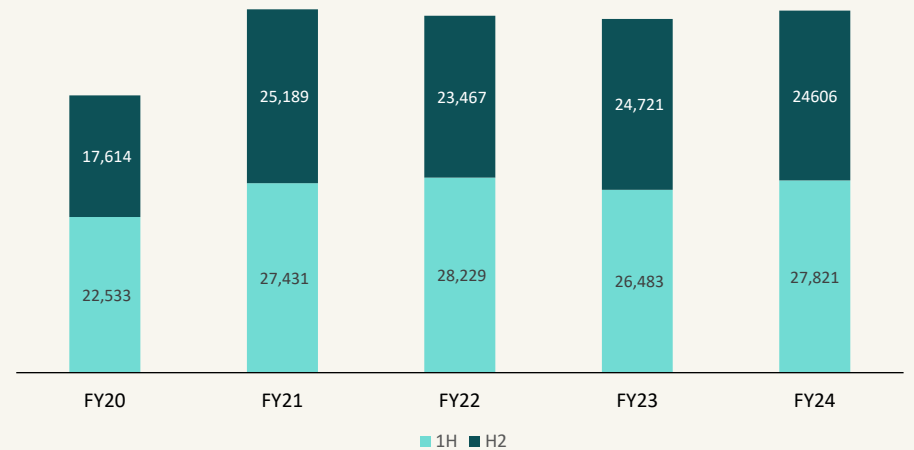
# Industry Volumes – ARS Australia

Industry growth of 2.4% reflects strong growth in 1H24, partially offset by soft industry volumes in 2H24

Australian Stimulated Cycles<sup>(1)</sup> bi-annual growth vs pcp



Number of Australian Stimulated Cycles<sup>(1)</sup> half on half



- FY24 Australian Industry stimulated cycles<sup>(1)</sup> growth of 2.4%
- Following solid industry growth in stimulated cycles of 5.1% in 1H24, the market declined marginally in 2H24 (compared to a very strong pcp)
- Short term volatility in market growth is not uncommon, and often varies by state
- MVF’s diversification of revenue across Domestic ARS (in all mainland capital cities), Ultrasound and SE Asia limits any Group impact from short-term volatility in particular markets

(1) Stimulated cycles are MBS items 13200/1

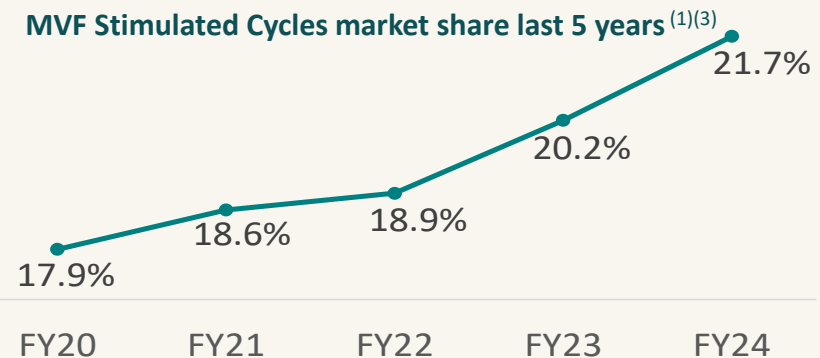
(2) Consumer Confidence Index has been below the neutral mark of 100 since February 2022, marking the longest streak since the early 1990s recession

# MVF Market Share – ARS Australia

MVF upward trend in market share continues, with Australian Stimulated Cycles market share increasing by 1.5% to 21.7% in FY24

FY24 Volumes	FY24 Market Share
<p>Stimulated cycles<sup>(1)</sup></p> <p><b>11,401</b></p> <p>FY23 10,323 Up 10.4%</p>	<p>Australia Market Share Stimulated Cycles<sup>(1)(3)</sup></p> <p><b>21.7%</b></p> <p>FY23 20.2% Up 1.5%</p>
<p>Frozen Embryos<sup>(2)</sup></p> <p><b>8,752</b></p> <p>FY23 7,404 Up 18.2%</p>	<p>Australia Market Share Frozen Embryos<sup>(2)(3)</sup></p> <p><b>20.7%</b></p> <p>FY23 18.1% Up 2.6%</p>

- MVF stimulated cycles increased by 10.4% driven by VIC, NSW, QLD and WA
- MVF Stimulated Cycles<sup>(1)</sup> Australian market share grew by 1.5% to 21.7% during FY24 on pcp
  - VIC: Solid volume and market share growth in STIMs and FETS
  - QLD: Strong volume and market share growth in STIMs and FETS
  - NSW: Volume and market share growth in STIMs and FETS
  - SA: Volume and market share declined; however market share grew in 2H24
  - WA: Strong volume and market share growth in STIMs and FETS, with both PIVET and Fertility North acquisitions performing well
- Market share increases are expected to continue into FY25 from new fertility specialists joining the group and the Fertility North acquisition



(1) Stimulated Cycles comprise MBS items 13200 and 13201  
 (2) Frozen Embryo Transfers comprise MBS item 13218  
 (3) Market share now reported on Australia wide basis following our entry into the WA market with PIVET Medical Centre and Fertility North acquisitions





# Financial Results

# FY24 Revenue Analysis

19.4% or \$41.4m revenue growth driven by growth across Australia and International, primarily through domestic IVF acquisitions, patient price growth, diversification of revenue streams through growth in genetics and day hospitals and organic market share gains

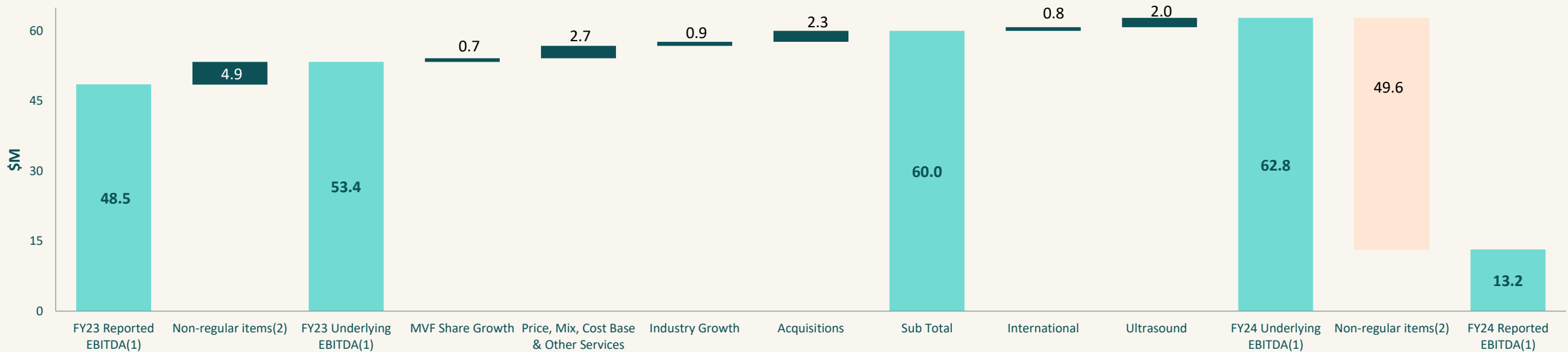


- FY24 Domestic ARS revenue increase of \$26.0m driven by:
  - \$2.2m ARS revenue growth following 2.4% IVF Industry growth <sup>(1)(2)</sup>
  - \$11.5m contribution from both PIVET Medical Centre and Fertility North acquisitions which are performing in line with expectations
  - \$10.9m revenue growth from patient price increases following average 6% patient price increases across all domestic markets to mitigate high inflation
  - \$1.3m organic market share growth following gains achieved in VIC and QLD, partly offset by declines in SA and NT
- FY24 International Revenue increased by \$3.6m due to 20% stimulated cycle growth driven by growth across all clinics primarily in 2H24 (increase of 39% vs pcp). Strong stimulated cycle growth experienced in Singapore, growing volumes by 107% in FY24 vs FY23 (81% up in 2H24 vs 1H24);
- FY24 Ultrasound revenue increased by \$3.2m due to 3.9% growth in scan volumes and price increases; scan activity grew by 2.9% in Sydney and 6.2% in Melbourne, partly offset by Gold Coast closure during 2H23;
- \$8.6m Day Surgery & Other revenue growth including commencement of Gold Coast Day Surgery Unit (October 2023) and Cremorne Day Surgery Unit (January 2024) and genetics revenue growth.

1. MVF key markets – Victoria, New South Wales, Queensland, South Australia and Northern Territory  
 2. MBS items 13200/1

# FY24 EBITDA<sup>(1)</sup> Analysis

EBITDA growth across all Business Services in domestic and international businesses, notwithstanding some cost base inflation pressures which stabilised during 2H24. Both recent acquisitions in Western Australia are meeting expectations



- \$6.6m EBITDA<sup>(1)</sup> growth in domestic IVF business in FY24 compared to FY23 driven by IVF industry and market share growth including contribution from the PIVET and Fertility North acquisitions;
- Patient price growth was partly offset by 4-6% average wage and entitlement increases following enterprise bargaining agreements (EBA), 0.5% superannuation increases, CPI related increases across supplier pricing, property costs and higher fixed and ramp up costs for new clinic infrastructure in VIC and QLD. Other cost base increases include \$1.9m increase in short and long-term incentive provisional expenditure, higher marketing and cyber security infrastructure;
- \$2.0m EBITDA<sup>(1)</sup> growth in Ultrasound business due to 2.9% and 6.2% scan growth in Sydney and Melbourne accordingly, as a result of a more stable workforce in Melbourne and increased scan capacity to facilitate patient demand following the relocation to two new clinics in Sydney;
- \$0.8m International EBITDA growth in FY24 due to EBITDA growth contribution across all clinics, primarily in Singapore (FY24 EBITDA increased by \$0.6m on pcp).

1. Underlying EBITDA and Reported EBITDA are a non-IFRS measures  
 2. Refer to page 28 for reconciliation of Non-regular items from Reported to Underlying  
 3. Victoria, New South Wales, Queensland, South Australia and Northern Territory

# FY24 Profit & Loss Overview

Underlying (\$m)	FY24	FY23	% change
<b>Group revenue</b>	<b>255.0</b>	<b>213.6</b>	<b>19.4%</b>
Underlying EBITDA <sup>(1)(2)</sup>	62.8	53.4	17.5%
<b>Underlying EBIT<sup>(1)(2)</sup></b>	<b>43.3</b>	<b>38.1</b>	<b>13.7%</b>
Underlying NPAT <sup>(1)(2)(3)</sup>	29.9	25.5	17.4%
Reported (\$m)			
<b>Reported EBITDA<sup>(1)</sup></b>	<b>13.2</b>	<b>48.5</b>	<b>(72.7%)</b>
Depreciation & amortization	(18.6)	(15.4)	21.1%
<b>Reported EBIT</b>	<b>(5.3)</b>	<b>33.1</b>	<b>(116.1%)</b>
Net finance costs	(5.3)	(3.3)	62.1%
<b>Reported Profit before tax</b>	<b>(10.7)</b>	<b>29.8</b>	<b>(135.7%)</b>
Income tax expense	4.7	(7.8)	(159.8%)
<b>Reported NPAT<sup>(3)</sup></b>	<b>(5.9)</b>	<b>22.0</b>	<b>(127.1%)</b>

(1) Non-IFRS measure

(2) Refer to page 28 for reconciliation of Reported EBITDA, EBIT and NPAT to Underlying EBITDA, EBIT and NPAT

(3) NPAT including minority interest

- **FY24 Underlying NPAT<sup>(1)(2)(3)</sup> increased by 17.4% to \$29.9m;**
- **FY24 Underlying NPAT excl. the Fertility North acquisition was \$29.4m** which was within guidance range provided in February 2024;
- **Revenue increased by 19.4% to \$255.0m** due to price and industry growth, market share gains and the PIVET and Fertility North acquisitions;
- **Underlying EBITDA increased by 17.5% to \$62.8m, predominantly due to:**
  - Domestic IVF Growth 45.0% contribution
  - Acquisition 25.1% contribution
  - Ultrasound 21.5% contribution
  - Asia 8.4% contribution
  - Patient price increases largely offset cost base inflationary pressures
- **FY24 Underlying EBITDA Margin of 25%, in line with FY23;**
- Cost base partly impacted by initial new Day Hospitals ramp up in Gold Coast and Cremorne, and \$1.2m increase in provisional short and long term Management incentives, \$0.7m increase in marketing and \$0.3m increase in cyber security management costs;
- Net Finance Costs of \$5.3m (increase of \$2.0m) primarily due to higher average borrowing costs (\$60m at 30 June), increase in BBSY by 4.2%, and higher non-cash interest expense due to AASB 16 Lease Accounting;
- FY24 Reported EBITDA<sup>(1)(2)</sup> and Reported NPAT<sup>(2)(3)</sup> includes \$49.6m (pre-tax) non-regular cost items. Refer to page 28 for further detail.

# FY24 Cashflow Overview

\$m	FY24	FY23	% change
Reported EBITDA	13.2	48.5	(72.7%)
Movement in working capital	49.1	0.0	60543.2%
Income taxes paid	(9.8)	(9.4)	4.4%
Net operating cash flow (post-tax)	52.5	39.1	34.2%
Capital expenditure	(21.7)	(27.8)	22.0%
Payments for businesses/minority interest	(17.1)	(12.7)	(34.7%)
Cash flow from investing activities	(38.8)	(40.5)	(4.2%)
Free Cash flow <sup>(1)</sup>	13.7	(1.4)	1,090%
Dividends paid	(18.3)	(17.1)	(6.9%)
Interest on borrowings	(2.6)	(1.2)	(118.5%)
Payments of lease liabilities	(10.5)	(9.2)	(14.5%)
Net proceeds of borrowings	21.0	29.0	27.6%
Cash flow from financing activities	(10.4)	1.5	(789.1%)
Net cash flow movement	3.3	0.1	2627.9%
Closing cash balance	11.3	8.0	41.6%

1. Free cash flow is a non-IFRS measure used by the Group as a key indicator of cash generated from operating and investing activities and is not subject to audit or review. Calculated as Net cash flow generated from operating activities less Net cash flows used in investing activities.

- **Pre-tax conversion of EBITDA to operating cash flow was strong at 104%** (excluding working capital impact from NiPGT Class Action balances), compared to 100% in FY23 and 97% in FY22;
- \$21.7m capital expenditure including:
  - Completed new day hospitals in Cremorne (VIC) and Gold Coast, commencement of construction of new fertility clinic and day hospital in Brisbane and new ultrasound practices in St Leonards and Northern Beaches NSW;
  - IT infrastructure including cyber security and commencement and design of a new patient management system; and
  - On-going laboratory asset replacement and upgrades, including new embryoscopes across all large domestic IVF clinics;
  - \$1.6m acquired capital equipment from the Fertility North acquisition
- The significant investment program in clinic infrastructure that has delivered major upgrades across our network is nearing completion, with a new Brisbane fertility clinic and day hospital and new Singapore fertility clinic remaining. FY26 capital investment likely to reflect to return to BAU capital expenditure plan;
- \$17.1m payments for business acquisitions includes \$11.6m (initial payment net of cash acquired) for Fertility North acquisition, \$2.5m Pivot earn-out payment, \$1.7m payments for ART Associates Qld related earn-out payments, \$0.6m final Fertility Solution earn-out payment and \$0.7m payments for non-recurring acquisition costs (Fertility North acquisition);
- Interest on borrowings increased by \$1.4m due to higher average borrowings compared to pcp due to higher variable BBSY impact;
- \$21m net debt drawdown primarily for committed infrastructure projects and acquisition payments;
- \$18.3m dividend payments for the 2.2 cps FY23 final dividend paid in October 23 and 2.5cps FY24 interim dividend paid in April 24.

# Balance Sheet Overview

Balance Sheet (\$m)	30 June 2024	30 June 23	% change
<b>Cash and cash equivalents</b>	<b>11.3</b>	<b>8.0</b>	<b>41.6%</b>
Other current assets	44.4	21.9	102.7%
Current lease liabilities	(8.0)	(6.3)	26.2%
Contingent consideration	(2.5)	(5.7)	(56.1%)
Other current liabilities	(108.3)	(34.5)	213.6%
<b>Net working capital</b>	<b>(63.0)</b>	<b>(16.6)</b>	<b>280.6%</b>
Non current borrowings	(59.6)	(38.9)	53.3%
Goodwill & Intangibles	297.3	280.4	6.0%
Right of use assets	72.1	59.0	22.2%
Lease liabilities	(67.8)	(54.8)	23.8%
Plant & Equipment	66.0	50.4	31.0%
Contingent consideration	(9.4)	(5.2)	80.8%
Other assets/(liabilities)	11.1	0.8	1287.5%
<b>Net assets</b>	<b>246.7</b>	<b>275.1</b>	<b>(10.3%)</b>
Capital Metrics	30 June 2024	30 June 2023	+/-
Net Debt <sup>1</sup> (\$m)	\$48.7	\$31.0	\$17.7
Leverage Ratio (Net Debt / EBITDA <sup>2</sup> )	0.90x	0.70x	0.20x
Interest Cover (EBITDA <sup>2</sup> / Interest)	22.0x	42.6x	(20.6x)
Net Debt to Equity Ratio <sup>3</sup>	19.7%	11.3%	8.4%
<b>Return on Equity<sup>4</sup></b>	<b>10.7%</b>	<b>9.3%</b>	<b>1.4%</b>
<b>Return on Assets<sup>5</sup></b>	<b>6.3%</b>	<b>6.0%</b>	<b>0.3%</b>

- Net Debt increased by \$17.7m to \$48.7m as at 30 June 2024. Syndicated Debt Facility was extended to February 2027 with a limit of \$90m;
- Key covenant, Net leverage ratio remains below 1.0x as at 30 June 2024; Significant headroom remains available in key banking covenants to fund Class Action Settlement and for future organic and non-organic growth.
- Goodwill increased by \$18m following the Fertility North acquisition;
- Contingent consideration increased by \$1m reflecting estimated earn-out payments for Fertility North (\$5.5m) partly offset by \$4.5m earn-out payments related to ART Associates, PIVET Medical Centre and Fertility Solutions;
- Plant and equipment increased reflecting Fertility North PPE acquired (\$1.6m), \$20.8m capital expenditure offset by \$6.8m depreciation expense;
- 2.5 cents per share final FY24 full franked dividend declared

1. Net Debt is cash less borrowings and excludes capitalised bank fees

2. EBITDA is based on normalised EBITDA excluding AASB16 Lease impact for covenant purposes as defined in the Syndicated Debt Facility Agreement. EBITDA is not an IFRS measure

3. Net debt divided by equity at the balance date

4. NPAT for the previous 12 month period divided by closing equity at the balance date

5. NPAT for the previous 12 month period divided by closing assets at the balance date

6. Including capitalised bank fees



# Operational Overview





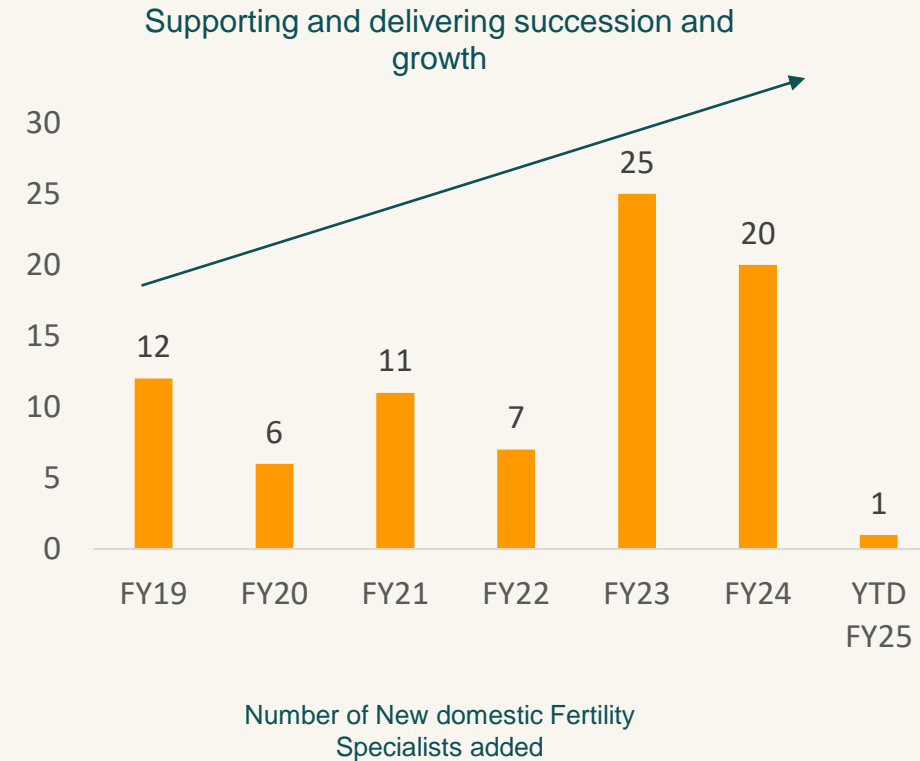
Doctor Partnerships

# Compelling, flexible Doctor Value Proposition attracting clinicians across all stages of career lifecycle

Monash IVF works with existing and prospective clinicians to tailor our Doctor Value Proposition to meet their individual needs and promote long-term career progression

- Net increase in fertility specialists of 15 in FY24 (net of retirements)
  - 12 fertility specialists joined existing clinics through organic recruitment; and
  - Fertility North added a further 8 fertility specialists – acquisition completed in March FY24 and is performing well
  - 5 retirements / departures
- Clinicians joining Monash IVF over the last two years have ranged from trainees through to established clinicians (including one sitting on MVF Group Medical Advisory Committee)
- Monash IVF is very agile in designing innovative doctor value partnerships to ensure clinicians are attracted to Monash IVF on a long-term, collaborative basis
- Continued focused on recruiting fertility specialists in areas where we are under-represented or where opportunities exist to complement our diverse geographic footprint

42% increase in net Fertility Specialists since FY18





# Leading science and technology driving pregnancy rates to >40%



Scientific Leadership

## 40.5% Clinical pregnancy rate per embryo transferred

(women aged <43 years) in CY24 (Jan-April);

- Up from 39.0% in CY23
- Up from 36.4% in CY20
- Up from 32.6% in CY18

## Examples of current investments in innovative technology to drive success rates

### Mitochondrial donation grant

- Successful partnership with Monash University has resulted in the awarding of a \$15 million mitochondrial donation MRFF grant to launch this technology in Australia through Monash IVF as part of a clinical trial.

### Wearable fertility tracker

- Principal investor in Symex Labs working in partnership to develop a **novel wearable hormone fertility tracker** which could have the potential to revolutionise reproductive treatment for our patients.

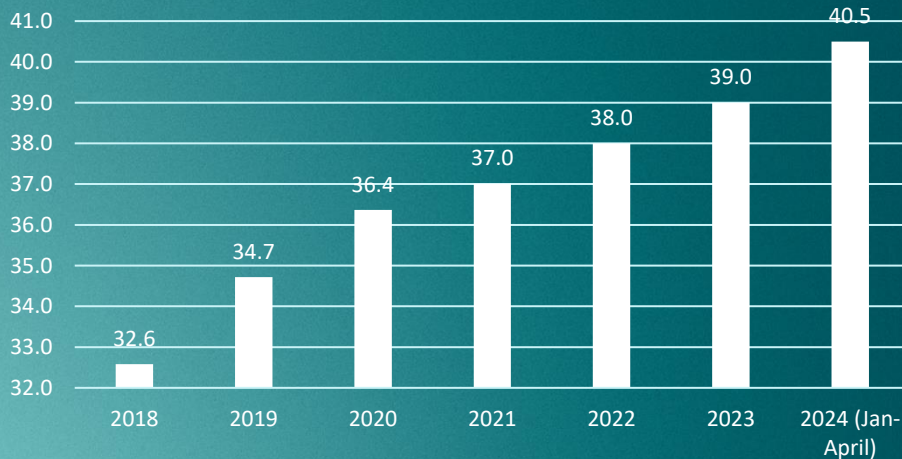
### sperm selection device

- Multi centre clinical trial for **sperm selection device (Felix)** in partnership with Memphasys (ASX:MEM) is nearing conclusion.

### Single step embryo culture

- Rollout of single **step embryo culture media** across out laboratory network to facilitate streamlined laboratory practice, minimize embryo handling and further improve success rates.

Monash IVF Group – Clinical pregnancy rate for women aged <43 years (per embryo transferred)





# Major clinic upgrades nearing completion, with infrastructure investment reverting to more normalised levels

Completion of new Brisbane flagship site in FY25 will be the culmination of our major infrastructure transformation, creating four flagship sites (including day surgeries) in major cities

## **New Melbourne flagship site (Cremorne) - COMPLETE**

- Day hospital has been operational for 6+ months with theatre use increasing over this period
- In talks with other specialties to further increase theatre list coverage

## **New Gold Coast flagship site – COMPLETE**

- Day hospital volumes increasing with introduction of new specialties

## **Sydney CBD – COMPLETE**

- Fit-out of new space incorporating six doctor consulting suites complete, facilitating further expansion
- Update / expansion of laboratory enabling consolidation of lab locations

## **Perth – COMPLETE**

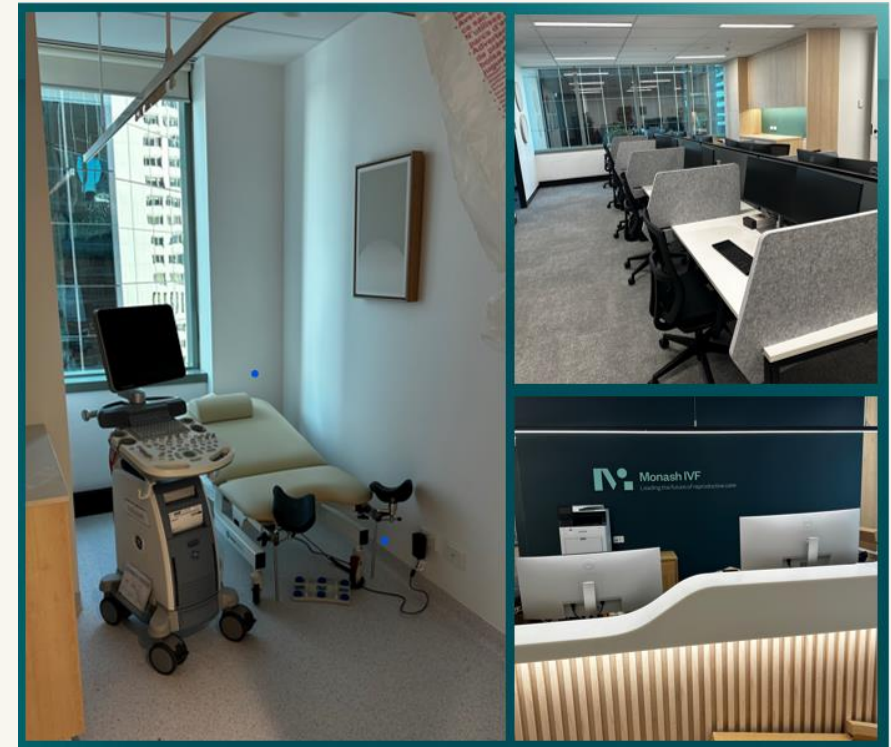
- Refresh of current West Leederville clinic almost complete including update of laboratory and scan facilities

## **Sydney Ultrasound for Women - COMPLETE**

- New, refurbished sites providing increased capacity: Chatswood relocated to St Leonard's; Dee Why relocated to Northern Beaches

## **New Brisbane flagship site – Design and Construction phase**

- Scope extended to include single theatre Day Hospital
- Staged construction to occur throughout FY25



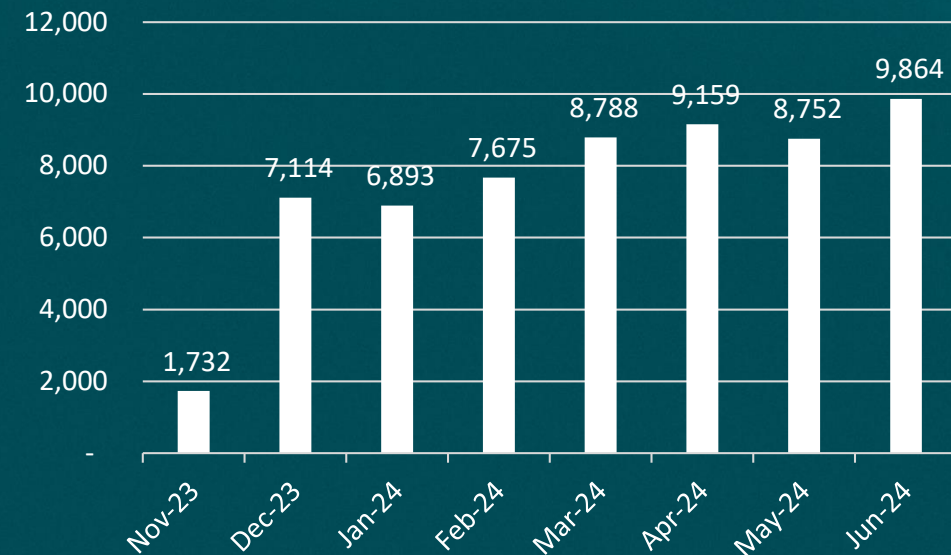
**Significant recent investment in infrastructure will drive market share gains and provide a premium, best in class experiences for patients and clinicians**

# Genetics Strategy Update

Industry growth in Genetic carrier screening testing has been robust since the introduction of the Medicare rebate in November 2023, which will be an important driver of future market growth for IVF. Monash IVF has strengthened its genetic testing offering by partnering with a global leader in genetic testing

- MVF launched our new Genetic Carrier Screening test on 1 November following the introduction of the Medicare rebate for three gene test (Cystic Fibrosis, Spinal Muscular Atrophy and Fragile X)
- Monash IVF’s carrier screening volumes are up more than 200% since November compared to pcp – uptake gaining momentum faster than expected
- The proportion of patients choosing to upgrade to expanded carrier screening (where over 400 genes are tested) is also well ahead of expectations
- High risk result rate tracking around 0.25% for three gene test, increasing to 2-3% for expanded test
- Increased penetration of carrier screening will translate to incremental IVF growth, albeit with a time lag
  - If a couple are both carriers of the same high-risk genetic disease, the only way to guarantee their baby is not born with that disease is to conceive through IVF (with PGT-M to screen embryos)
  - On average around 1-2 years between high-risk carrier screening result and commencing IVF cycle.

**Industry three gene genetic carrier screening testing volume since introduction of Medicare rebate**



*Cumulative industry three gene carrier screening volumes for 8 months to June 2024 of ~60,000*

# Day Surgery Strategy Update

Monash IVF now operates four day surgeries in Melbourne, Sydney, Adelaide and Gold Coast; a fifth day surgery in Brisbane will open by end of CY25.

## Objective 1: Provide a seamless, high quality day surgery experience for patients and clinicians to support our premium IVF offering

- MVF day surgeries provide state of the art facilities, latest equipment and warm and welcoming environments for patients and clinicians
- Benefits of operating co-located day surgeries for our IVF business
  - Convenience for patients and doctors with all services provided at the one location
  - Control over clinical and regulatory practices
  - Unrestricted theatre access providing enhanced flexibility to accommodate doctors preferred operating times
  - Guaranteed theatre access that ensures IVF services cannot be disrupted

## Objective 2: Attract new specialities to day surgeries to increase theatre utilisation

- Gold Coast and Cremorne have two theatres, with capacity for specialties outside of IVF
- New Regional Manager for Day Surgeries commenced in July to optimise day surgery performance and drive earnings growth
- Additional specialities currently working well at Gold Coast (dental, ophthalmology, plastics)
- Benefits of attracting related / new specialties to day surgeries
  - Increase utilisation of theatres enhancing profitability
  - Diversification of revenue streams
  - Build relationships and brand recognition more broadly across the healthcare sector



# Investing in Brand & Marketing and our People

Marketing campaigns are driving market share gains, and targeted campaigns are driving growth in emerging patient segments



Brand & Marketing

- Integrated marketing activities driving demand creation, with FY24 market share increasing by 1.5% to 21.7%
- Innovative and specialised campaigns launched to target specific patient cohorts
- Growing community engagement through our Australian Athletes Alliance partnership with 2 ambassadors now officially helping normalise the fertility conversation in sport

Employee engagement at all time high reflecting the culture of success built over the last four years



People Engagement

- Employee engagement score at all time high of 67% (up 3% on prior year and 4<sup>th</sup> consecutive YOY increase) reflecting the positive culture journey across the organisation
- Moved from Bronze to Silver Status in the Pride in Diversity Australian Workplace Equality Index, reflecting the passion of our Diversity & Inclusion council and progression in creating a safe workplace and inclusive environment for all
- Commitment to developing our people through a long-term, sustainable training strategy aimed at supporting our people to achieve their career and personal goals



# Positive growth trajectory in Women's Imaging with scan growth of 3.9%<sup>(1)</sup> in FY24

Continued momentum with supply issues resolved and capacity expanded to capture greater demand

- Both the Monash Ultrasound for Women (MUFW) and Sydney Ultrasound for Women (SUFW) businesses have delivered three consecutive halves of positive scan growth on pcp, reflecting positive growth trends across the Women's Imaging business
- Sonographer supply issues solved through targeted recruitment initiatives and a new training program with universities
- A key focus for FY25 is continued recruitment of sonographers and nurses to keep up with growing demand
- Increased investment in Marketing Activities to grow referrers
- Improvement in culture and working as a team across both SUFW and MUFW has resulted in excellent employee engagement scores

## SUFW

- FY24 scan volumes increased by 2.9% compared to pcp
- Two recently relocated sites (Chatswood to St Leonards; Dee Why to Northern Beaches) are performing well and attracting new, high quality referrers

## MUFW

- FY24 scan volumes increased by 6.2% compared to pcp

<sup>(1)</sup> Excludes closed Gold Coast clinic in prior year



# ARS International

Strong 2H24 growth across KL Fertility, Johor Bahru, Singapore and Bali, providing positive momentum into FY25

- International Stimulated Cycles increased by 19.9% in FY24 vs pcp, with 38.6% growth delivered in 2H24
- All clinics showed solid volume growth, except for Jakarta (minority interest)
- FY24 International Segment Underlying EBIT<sup>(3)</sup> increased by 62.1% - grew by \$1.4m in 2H24 vs pcp (\$0.3m decrease in 1H24)

## KL Fertility

- FY24 stimulated cycles growth of 3.0%, with 13.8% growth in 2H24, more than offsetting the 6.9% decline in 1H24
- Greater focus on business development and marketing driving volume growth
- New patient consults growth in 2H24 of 21% compared to 2H23 - further increasing on the 15% growth achieved in 1H24.

## Johor Bahru

- Strong volume and profit growth across FY24
- Singapore and Johor Bahru are increasingly integrating, with passport free travel in and new modes of transport to open in 2026.

## Singapore

- Stimulated cycles increased by more than 100% in FY24 on pcp
- Significant growth driven by the onboarding of a high volume doctor and increased commitment from existing doctor bench
- After a slower than planned ramp-up, Singapore's monthly stimulated cycles run-rate is tracking above expectations
- Relocation to new clinic in November 2024 to accommodate future growth
- Focused on attracting additional doctors to the new state-of-the-art new clinic.

## Bali

- Continues to grow consistently on a low base.
- Marketing and business development driving significant increase in inbound enquiries and new patient registrations. Conversion to stimulated cycles expected in FY25.





# Strategy and Outlook







Vision 2026

The most admired reproductive care provider in the world

Best in class fertility solutions, diagnostics, genetics and pathology.

### Our Pillars

<p>Doctor Partnerships</p>	<p>Patient Experience</p>	<p>Scientific Leadership</p>	<p>International Expansion</p>
<p>People Engagement</p>	<p>Digital Transformation</p>	<p>Brand &amp; Marketing</p>	<p>Clinical Infrastructure</p>

### Our Outcomes

<p>Engagement Patients, Doctors, People, Regulators</p>	<p>Local &amp; International Market Share</p>	<p>Market Leading Success Rates</p>	<p>Value Creation</p>
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### Our Principles

Care	Commitment	Communicate	Collaborate	Create
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# Outlook

The Group is anticipating revenue and underlying NPAT growth in FY25 compared to FY24 notwithstanding flat new patient registrations (excluding acquisitions) in 2H24 v 2H23. Growth can be achieved noting the following:

- Full year contribution from Fertility North acquisition which completed in March 2024;
- Contribution from new fertility specialists that joined Monash IVF during previous two years; we will continue to focus on attracting new fertility specialists to join the Group in FY25;
- Increased contribution from recently opened day surgeries as theatre utilisation ramps up;
- Contributions from recent investment in emerging growth drivers, including genetics and increased donor activity;
- Continued growth in Women's Imaging business through recent capacity expansion;
- On-going growth in International business including Singapore and Kuala Lumpur momentum; and,
- On-going focus on margin improvement through an Optimisation and Efficiency program as well as progressing enhancements to patient management systems.

Update on 1H25 financial performance will be provided at the Annual General Meeting in November 2024.





# Appendices



# FY24 Earnings Reconciliation

Statutory earnings adjusted for certain non-regular items

\$m	EBITDA <sup>(1)</sup>	EBIT	Non-cash Interest	FY24 NPAT	FY23 NPAT
<b>Reported Statutory</b>	<b>13.2</b>	<b>(5.3)</b>	-	<b>(5.9)</b>	<b>22.0</b>
Acquisition transaction costs	0.8	0.8	-	0.5	1.3
Commissioning costs	2.3	2.3	-	1.6	2.2
Class Action	46.5	46.5	-	32.6	-
<b>Adjusted</b>	<b>62.8</b>	<b>44.2</b>	-	<b>28.8</b>	<b>25.5</b>
AASB 16 Lease Accounting	-	(0.9)	2.5	1.1	-
<b>Underlying <sup>(1)</sup></b>	<b>62.8</b>	<b>43.3</b>	<b>2.5</b>	<b>29.9</b>	<b>25.5</b>

(1) Non-IFRS measure

A total of \$35.8m in pre-tax items are included in the reconciliation of Profit after Income Tax (Reported NPAT) to Underlying NPAT. Key items include:

- \$0.5m acquisition costs related to the Fertility North acquisition;
- \$1.6m commissioning costs related to pre-opening expenditure for new fertility clinics and day hospitals including Melbourne, Gold Coast, Brisbane and sunshine. In addition, new relocated ultrasound clinics in St Leonards and Northern Beaches supporting greater capacity. Brisbane and Sunshine projects remain work in progress as at 30 June 2024;
- \$32.6m NiPGT Class Action net settlement and related costs;
- \$1.1m relating to non-cash lease expenditure and right-of-use asset depreciation under AASB 16 lease accounting which includes new day hospitals in Melbourne and Gold Coast and new Ultrasound practices in Sydney. Net non-cash AASB16 lease expenditure has been disclosed as a non-regular item due to the length of term of the new leases and the associated unwinding of the fair value of future lease payments.

FY23 included non-regular items that increased Underlying EBITDA, EBIT and NPAT by \$5m pre-tax and \$3.5m post-tax.

# Treatment Mix

IVF Treatment numbers	FY24	FY23	% change
<b>Monash IVF Group – Australia</b>			
Stimulated cycles <sup>(1)</sup>	11,401	10,323	10.4%
Cancelled cycles	1,165	1,167	(0.2%)
Frozen embryo transfers	8,752	7,404	18.2%
<b>Total Australian Patient Treatments</b>	<b>21,318</b>	<b>18,894</b>	<b>12.8%</b>
<b>Monash IVF Group – International</b>			
Stimulated cycles <sup>(1)</sup>	1,378	1,149	19.9%
Cancelled cycles	49	46	6.5%
Frozen embryo transfers	1,151	1,074	7.2%
<b>Total International Patient Treatments</b>	<b>2,578</b>	<b>2,269</b>	<b>13.6%</b>
<b>Total Group Patient Treatments</b>	<b>23,897</b>	<b>21,163</b>	<b>12.9%</b>
Stimulated cycles as a % of Total Patient Treatments	53.5%	54.2%	
<b>Other Treatment numbers</b>	<b>FY24</b>	<b>FY23</b>	<b>% change</b>
Ultrasound Scans <sup>(2)</sup>	84,001	80,843	3.9%
Non-Invasive Prenatal Testing (NIPT)	15,238	14,770	3.2%

(1) Stimulated cycles exclude activity performed in Jakarta and Canberra as they are minority interests

(2) Excludes closed Gold Coast clinic in 2H23

# Overview of Monash IVF Group

Monash IVF Group is a market leader in reproductive care

## ARS Australia

23 clinics & 4 services centres

129 Fertility Specialists  
(13 trainees)

6 Australian States / Territories

4 Day hospitals  
(SA, NSW, QLD, VIC)



**167** Medical Specialists

## ARS International

5 clinics

19 Fertility Specialists  
(1 trainee)

5 international cities

2 Day hospitals  
(Malaysia & Singapore)



**173**<sup>1</sup> Scientists

## Diagnostics

1 Genetics laboratory  
(SA)



**562**<sup>1</sup> Nursing and Support Staff

## Women's Ultrasound

16 clinics

19 Sonologists

3 Australian states



**41**<sup>1</sup> Sonographers

1. Employee numbers represents the full time equivalents as at August 2024 and includes recent acquisitions



# Questions

