

## ASX Announcement

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

27 November 2024

## Chairman's Address by Mr. Richard Davis

### Monash IVF Group 2024 Annual General Meeting

Before I hand over to Mr Michael Knaap, CEO and Managing Director, I would like to take a moment to touch on Monash IVF's successful financial year in 2024, and provide an update on year to date performance in FY2025.

Monash IVF Group delivered strong underlying operating results in FY24, with revenue growth of 19.4% and Underlying NPAT <sup>(1)(2)</sup> growth of 17.4% to \$29.9m, a record underlying result for the Company since listing in 2014. Monash IVF Group operates three businesses – Australian Domestic IVF (including day hospitals), Women's Imaging and International IVF – and all three businesses contributed to the robust FY24 growth.

Monash IVF's Australian IVF business grew stimulated cycles by 10.4%<sup>(3)</sup> driven by industry growth, doctor recruitment, existing doctors increasing their activity, and the PIVET and Fertility North acquisitions in Perth. This above market growth resulted in Monash IVF's Australian market share increasing by 1.5% to 21.7%<sup>(3)</sup>. Australian industry growth in stimulated cycles was 2.4%<sup>(3)</sup> in FY24, consisting of first half growth of 5%, partially offset by a relatively flat market in the second half. Short term volatility in IVF industry volumes is not uncommon, and such volatility is usually localised and short-lived. Importantly, underlying demand drivers for Monash IVF Group's traditional IVF services remain compelling, and going forward will be supplemented by additional demand drivers such as a growing LGBTQIA+ patient segment and incremental referrals from an increased uptake of genetic carrier screening.

The Women's Imaging business recorded growth in scans of 3.9% in FY24, building on the positive trajectory of the past two years across both our Sydney and Melbourne businesses. Sonographer supply has improved and we have expanded capacity by relocating two Sydney clinics to new, larger sites in St Leonards and Northern Beaches.

The International IVF business was a strong contributor to growth in FY24, in particularly in 2H24 when the business delivered stimulated cycles growth of 38.6%. Our clinics in Kuala Lumpur, Johor Bahru, Singapore and Bali exhibited growth in stimulated cycles in FY24. Accelerated second half growth in our two largest clinics, Kuala Lumpur and Singapore, provided significant tailwinds heading into FY25.

<sup>(1)</sup> Non IFRS measure

<sup>(2)</sup> Including minority interests

<sup>(3)</sup> MBS items 13200/1

Monash IVF's Group Vision to be the most admired fertility provider in the world comes with significant social and ethical responsibilities, including advocating for diversity and inclusion, and doing what we can to ensure the environment is protected for future generations. Our Environmental, Social and Governance (ESG) framework is focused on embedding ESG activities into daily routines and long-term strategies, to benefit the environment, our people and our communities. As a provider of specialist reproductive care, Monash IVF Group blends ethics, medicine, science and the provision of personalised care to profoundly change our patients lives.

I would like to cover the recent settlement of the Class Action that was commenced against Monash IVF in 2020 which was in relation to the Company's non-invasive pre-implementation genetic screening technology. Subsequent to year end, as announced at our FY24 results, on 22 August 2024, Monash IVF Group agreed to settle the NiPGT class action with a net loss (after tax) impact on FY24 Reported Results of \$32.6m.

As announced on 5 September 2024, this negative financial impact was reduced by \$3.6m following settlement of proceedings Monash IVF Group commenced against its Insurer at the time, regarding the Class Action matter. Monash IVF Group will continue to fund the settlement amount and other related costs (net of insurance proceeds) through the Company's existing cash reserves and debt facilities, noting that settlement payments are in-place whereby the final and 4th payment is due in July 2025. The Class Action period has been a very challenging and emotional process for all parties, with the agreed settlement of this matter providing financial certainty and allowing all parties to move towards closure and continue growing the Business.

### Trading update

I will now provide an update on trading to October YTD in FY25.

Starting with our Australian ARS business, Industry stimulated cycles to October YTD grew by 2.9%<sup>(3)</sup> compared to pcp following weak Medicare industry data in July and August 2024. This supports Monash IVF's view that periods of industry weakness tend to be localised and short-lived. In the four months to October 2024, the three softest performing State markets from an Industry perspective was Victoria, Queensland and South Australia. Monash IVF grew its Australian stimulated cycles by 2.6%<sup>(3)</sup>, with Australian stimulated market share of 23.0%<sup>(3)</sup>, down 0.1% compared to pcp. Share largely remained inline with pcp due to jurisdictional mix.

Our Women's Imaging business, comprising Sydney Ultrasound for Women and Monash Ultrasound for Women, continues on its growth trajectory, with scan volumes to October YTD increasing by 1.7%.

Our International ARS business continued to deliver strong growth, with stimulated cycles increasing 19.9% October YTD, which included KL Fertility growth in stimulated cycles of 21% and Singapore growth in stimulated cycles of 42% on pcp. The construction of our new expanded clinic in Singapore commenced in early FY25 and was completed in late November 2024.

From a Group perspective, EBITDA operating margin was maintained over the four months to October compared to pcp. Cost base pressure across all parts of the Group has been carefully managed and largely offset by patient price increases during October YTD.

<sup>(1)</sup> Non IFRS measure  
<sup>(2)</sup> Including minority interests  
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## Outlook

The Australian IVF Industry and Monash IVF will continue to benefit from evolving underlying structural demand drivers, particularly from emerging services such as genetics, donor and egg freezing. Advanced maternal age, growing patient segments such as the LGBTQIA+ community will continue to drive growth in Industry activity.

In regard to 1H25, Underlying NPAT<sup>(1)(2)</sup> for the six month period ending 31 December 2024 is expected to be between \$15.5m and \$16.0m, as compared to \$15.0m in the prior comparative period. Non-regular items in 1H25 will include finalisation of the NiPGT Class Action settlement, commissioning of new premises in Brisbane, QLD and Sunshine, VIC and non-cash AASB16 Lease accounting impact.

The Group continues to anticipate revenue and underlying NPAT growth in FY25 compared to FY24 notwithstanding higher depreciation and interest expenditure. 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.

A further update will be provided in February 2025.

Authorised by the Board of Directors.

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