

19 November 2021

Leading the future of reproductive care

2021 Annual General Meeting



Monash IVF Group
Leading the future of reproductive care



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This presentation includes a number of non-IFRS measures which includes EBITDA, Adjusted EBITDA, Adjusted EBIT and Adjusted NPAT. These non-IFRS measures are used by management to measure the performance of the business. These measures have not been subject to audit review.

Chairman's Address

Mr. Richard Davis

Board of Directors



Richard Davis



Neil Broekhuizen



Josef Czyzewski



Richard Henshaw



Zita Peach



Catherine West




Michael Knaap



Malik Jainudeen
Company Secretary

Voting instructions


Get a Voting Card

1. Click the Get a Voting Card box on your screen
2. Enter your Shareholder or Proxy Details and click Submit Details and Vote
3. When the Voting Card pops up, select either Full Vote or Partial Vote
4. Select your voting preference and then click Submit Vote or Submit Partial Vote
5. If you require Assistance, please call Link Market Services on 1800 990 363

Voting Card

Please complete your vote by selecting the required voting instruction (For, Against or Abstain) for each resolution. If you would like to complete a partial vote, please specify the number of votes for each resolution in the Partial Vote section. Proxy holder votes will only be applied to discretionary (undirected) votes. Directed votes will be applied as per the the shareholder's voting instructions.

Full Vote

Partial Vote

Resolution 1

☒ For

☐ Against

☐ Abstain

TO RECEIVE, CONSIDER AND ADOPT THE REPORT OF THE DIRECTORS, THE AUDITED FINANCIAL STATEMENTS AND THE AUDITORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2018.

Resolution 2

☒ For

☐ Against

☐ Abstain

TO DECLARE A FINAL DIVIDEND OF HK\$1.00 PER SHARE FOR THE YEAR ENDED 31 DECEMBER 2018.

Resolution 3

☒ For

☐ Against

☐ Abstain

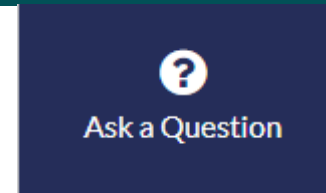
TO RE-ELECT MR. LAI KAI HUI AS AN EXECUTIVE DIRECTOR

SUBMIT VOTE

How to Ask a Question

1. Click the Ask a Question box on your screen
2. Select the Item of Business your question relates to
3. Type your question in the space provided*
4. Click Submit Question
5. If you require Assistance, please call Link Market Services on 1800 990 363

*Please note, the space provided has a limit of 512 characters



We welcome any questions that you may have and will endeavour to answer all questions during the AGM. To submit a question, please select what the question pertains to and type your question in the provided area. If you have multiple questions please submit each individually.

You can view the Virtual Meeting Online Guide [here](#)

Regarding

Question

Type your question here...

Submit Question

Chairman's Address

- FY21 Adjusted NPAT⁽¹⁾ of \$23.3m, an increase of 61.5% and ahead of profit guidance range, (\$21m to \$23m)
- FY21 Reported NPAT of \$25.5m, an increase of 116.9%
- Strong and attractive IVF industry fundamentals driving exceptional growth during the Pandemic in FY21
- MVF market share growth of 0.6% to 21.0% in MVF Key Markets⁽²⁾
- Record Doctor and Employee Engagement scores demonstrating a “culture of success”
- Momentum is continuing in 1H22 with earnings growth anticipated compared to 1H21
- September 2021 YTD domestic stimulated cycle growth of 9.0% compared to comparative period
- Short term Pandemic issues impacting Ultrasound businesses and International IVF businesses
- Group is well positioned to continue IVF volume growth experienced during FY22 September YTD following 14.2% new patient registration growth compared to prior comparative period

(1) Non IFRS measure. Refer to page 29 of 2021 Annual Report for reconciliation of Adjusted NPAT to Reported NPAT

(2) Key Markets is Victoria, New South Wales, Queensland, South Australia and Northern Territory combined

Chairman's Address

Thank you

The Board wish to thank our investor shareholders for their continued support during the Pandemic;

The Company is well positioned to grow earnings in FY22 following strong growth in FY21 notwithstanding challenges presented in certain Markets;

I would like to thank our dedicated specialists, nurses, scientists and admin staff that have worked tirelessly to service the strong demand for IVF services during FY21 and FY22 YTD;

Thank you to our CEO - Michael Knaap, CFO - Malik Jainudeen, COO – Hamish Hamilton and the rest of the Team for their leadership during this Pandemic and positioning the Business for sustainable growth into the future.



CEO Presentation

Mr. Michael Knaap

Attractive industry fundamentals

- Advanced maternal age
- Behavioural change in the community
- Growth in service offerings and advances in technology
- Stable and continued government funding support



Advanced
maternal age



Innovation/
technology



Awareness
and support



Key highlights FY2021

\$23.3m Adjusted NPAT, an increase of 61.5% and ahead of profit guidance

- *Reported NPAT⁽¹⁾ of \$25.5m*, an increase of 116.9%
- *Adjusted NPAT⁽¹⁾⁽²⁾⁽⁵⁾ of \$23.3m, an increase of 61.5% and ahead of profit guidance range, (\$21m to \$23m)*
- *26.3% Revenue growth* as result of 36.6% stimulated cycle⁽³⁾ growth and 12.9% ultrasound scan growth
- *Strong IVF industry volumes⁽³⁾ – 31.3% FY21 growth*
- *21.0% market share⁽⁴⁾ in FY2021 – 0.6% higher than pcop*
- *Record Doctor Engagement NPS scores demonstrating a “culture of success”*
- *\$32.8m Free Cash Flow⁽⁵⁾ generation* - 100% conversion of EBITDA to pre-tax operating cash flows
- *2.1 cents per share* fully franked final FY2021 dividend

(1) Including Ordinary Shareholders and Non-controlling Interest

(2) Refer to page 29 of the 2021 Annual Report for reconciliation of Adjusted NPAT to Reported NPAT

(3) MBS items 13200/1

(4) MVF Key Markets – Victoria, New South Wales, Queensland, South Australia and Northern Territory

(5) Free cash flow and Adjusted NPAT are non-IFRS measures

MVF Market Share - ARS Australia

Volume	Market Share
Stimulated Cycles ⁽¹⁾ 9,808 FY20 7,181 Up 36.6%	Key Markets ⁽³⁾ Market Share Stimulated Cycles ⁽²⁾ 21.0% FY20 20.4% Up 0.6%
Frozen Embryos ⁽²⁾ 6,769 FY20 5,294 Up 27.9%	Key Markets ⁽³⁾ Market Share Frozen Embryos ⁽²⁾ 19.0% FY20 18.7% Up 0.3%

- MVF Australian FY21 Stimulated Cycles⁽¹⁾ increased by 36.6% due to industry growth of 31.1% and market share gains in MVFs Key markets⁽³⁾;
- MVF Stimulated Cycles⁽¹⁾ market share in Key Markets⁽³⁾ grew by 0.6% to 21.0% due to:
 - Increased marketing investment;
 - New fertility specialists in NSW, QLD and Victoria;
 - Full year contribution from Fertility Solutions acquisition in QLD;
 - Contribution from new Sydney CBD flagship clinic in NSW
- MVF Australian FY21 Frozen Embryos increase by 27.9%, and is expected to grow in FY22 following strong stimulated cycle growth in FY21.
 - Market Share increased by 0.3% to 19.0% compared to pop.

Diagnostic Ultrasound driven by obstetrics growth and shift to privately owned clinics

- FY2021 ultrasound volumes up 12.9% to 92,776 on pcp and Non-invasive Prenatal testing up 17.8% to 15,877;
- Despite COVID-19 restrictions, outer suburban ultrasound clinics demonstrated significant growth with inner city locations yet to return to pre-COVID levels;
- Compliance with new NPAAC Laboratory supervision guidelines came into effect from 1 August 2021;
- Commercialisation of a Monash IVF branded Reproductive Carrier Screening test kit (RGS), allowing couples to identify potential genetic conditions in a child prior to conception;



Highly engaged Medical Specialists across Fertility and Ultrasound



Doctor
Partnerships

- Partnerships and relationships with Monash IVF fertility specialists and Women's Ultrasound sonologists with engagement scores at record levels
- Five new experienced Fertility Specialists joined Monash IVF to deliver future growth and succession planning;
- Four new Fertility Specialists credentialed following completion of the Monash IVF training program;
- Acquisition of the only domestic genomic pathologist with dual qualifications, who as Monash IVF's Medical Director of Genetics, will lead our next generation genetics services.

Clinical pregnancy rates continue to improve

Pregnancy rates 4.5% higher than CY2018

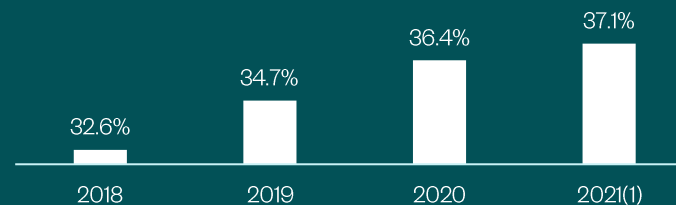
Initiatives to drive future improvements include:

- Publication of the first PIEZO clinical trial with continued recruitment of the phase 2 multi-centre clinical trial across 5 Monash IVF sites
- Sperm selection device development in partnership with Memphasys (ASX:MEM) progressing and on track for phase 1 clinical trial
- Focus on Research and Development with the submission and presentation of 21 scientific/clinical abstracts at national and international conferences
- Transition of Monash IVF Group genetic laboratories to G- Category status to enable best-in-class Preimplantation Genetic Screening



Scientific
Leadership

Monash IVF Australia –
Clinical pregnancy (per embryo
transferred)



Investment in infrastructure adding capacity and market presence



Clinical
Infrastructure

- New Sydney CBD flagship clinic opened in November 2020 representing best practice patient experience;
 - The new clinic has performed more than 200 stimulated cycles during FY21 and will improve earnings during FY22;
- Transformation of Melbourne footprint is well advanced with new fertility clinic and day hospital expected to open in Cremorne towards the end of FY22;
- New Gold Coast, Penrith and Darwin fertility clinics expected to open towards the end of FY22;
- New Gold Coast day hospital expected to open towards the end of FY22.



Key stakeholders engaged and supported by significant investments



People
Engagement

- Record Group NPS engagement score in 2021 achieving a “culture of success”, with an increase of 4% points compared to FY20 and exceeded the Vision 2022 target and industry benchmark;
- The Employer Value proposition is a priority, as we position ourselves as a dynamic industry leader in reproductive care.
- Transforming our people & culture through exceptional employee experiences and ways of working, continues to be at the heart of our people strategy.



Brand &
Marketing

- Marketing investment is a key driver of our market share growth achieved in FY21 and continued growth in new patient registration pipeline;
- Recent brand launch, targeted advertising and comprehensive events strategy and website upgrades;
- Our GP engagement strategy driving GP referrals and engagement



SE Asian expansion strategy progressing

- KL Fertility stimulated cycles increased by 21.6% compared to FY20 and 2.5% below FY19. Average revenue per stimulated cycle declined by 11% compared to pcp due to promotional and discount offerings in-light of competitive pricing pressure and weaker macroeconomic conditions;
- Movement Control Orders (MCO) continue to impact the operating environment at KL Fertility;
- International NPAT increased by 11.0% to \$3.1m;

Long-term strategic growth initiatives in SE Asia

- June 2020 - acquired The Johor Bahru, Malaysia fertility business, a strategic growth asset providing a presence in east Malaysia and Singapore;
- January 2021 – in partnership with a large Indonesian private hospital group, Mitra Keluarga, opened a greenfield fertility clinic in Jakarta;
- June 2021 - agreement to build and operate a new fertility clinic in Bali, Indonesia with a private hospital group, Kasih Ibu. The Clinic is expected to open in late FY22;
- The Group is well placed to execute on acquisition and partnership opportunities in SE Asia.

Trading Update

– Operational Performance

- Monash IVF Australia delivered 9.0% stimulated cycles⁽¹⁾ growth in Q1 FY2022 compared to prior comparative period (pcp);
- Monash IVF's Key Markets⁽²⁾ Market Share during September YTD was up 1.9% on pcp to 22.4% with gains achieved across all State based Markets highlighting pro-active growth momentum generated;
- New Australian IVF patient registrations are continuing to grow (up 14.2% October YTD compared to pcp) providing a strong platform for the remainder of FY2022;
- Kuala Lumpur clinic is recovering in Q2FY22 following temporary impact from COVID-19 restrictions with Stimulated Cycles⁽¹⁾ falling 28.1% in Q1 FY2022 on pcp;
- Sydney Ultrasound business is recovering in Q2 FY2022 following impact from COVID-19 restrictions with Sydney Ultrasound Scans down 6.0%, and a higher cost base to manage safety and health protocols.



Our Mission

We help bring
life to the world

Vision 2026

The most admired
reproductive care
provider in the world

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

Our Pillars



Doctor
Partnerships



Patient
Experience



Scientific
Leadership



People
Engagement



International
Expansion



Digital
Transformation



Brand &
Marketing



Clinical
Infrastructure

Our Outcomes



Engagement
Patients, Doctors,
People, Regulators



**Local & International
Market Share**



**Market Leading
Success Rates**



**Value
Creation**

Our Principles

Care | Commitment | Communicate | Collaborate | Create

Strategy & Outlook

The on-going Pandemic has changed the mindset of our patient cohort with greater focus on family, health and wellbeing. This shift has driven strong industry growth in FY2021 and is expected to be maintained in FY2022.

Factors that will support future growth includes:

- New fertility specialists will drive volume growth in FY 2022 and the Group is well placed to attract additional experienced fertility specialists;
- Opening of new clinical infrastructure in the latter part of FY 2022;
- Conversion of the current strong new patient and returning patient pipeline following a 35% increase in new patient registrations in 2H21 vs 2H20;
- Sustainable and innovative marketing investment to continue to maintain and build the new patient pipeline;
- Expansion of genetics capabilities and service offerings such as the newly commercialised reproductive genetic screening kits;

- Continuous improvements to pregnancy rates, patient experience and value proposition;
- Identify and execute on non-organic growth opportunities in Australia and abroad and continue expansion into SE Asia

Outlook

The Company's NPAT before certain non-regular items for the six-month period ending 31 December 2021 is expected to be approximately \$13.0m, as compared to \$12.0m in the prior comparative period.

Non-regular items for the six-month period ending 31 December 2021 is anticipated to be \$0.7m (after tax) relating to costs associated with discontinued acquisition opportunities.

The Group is confident revenue and earnings can grow in 2H22, subject to any adverse impact from the on-going Pandemic.

ersonal use only

