



Virtus Health (ASX. VRT)

# ANNUAL GENERAL MEETING

Wednesday 21<sup>st</sup> November 2018 2.00pm AEDT



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# Agenda

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# CHAIRMAN'S ADDRESS

## Peter Macourt





# CEO PRESENTATION

## Sue Channon



# VIRTUS HEALTH #1 FOR FERTILITY

Creating more chubby cheeks than anyone else

# Virtus Health

## World Leader in Fertility

Market leader for fertility services in Australia and Ireland with a growing presence internationally

### **One of the largest fertility practices globally**

- First publically listed fertility business
- Continued growth via international acquisition and greenfield development;
- FY18 18,496 cycles globally (does not include Trianglen Fertility Clinic, Denmark & Complete Fertility Centre UK)
- Total treatments 35,286 (incl IVF, FET, IUI and cancelled)

### **Reputation for clinical and scientific excellence**

- 126 fertility specialists and over 1300 professional staff
- Significant Investment in clinical and scientific research, and new technologies to deliver improved patient outcomes and growth

### **Distinctive, diversified and vertically integrated model with multiple sources of revenue**

- Fertility, Day Hospitals and Specialised Diagnostics

# Leading Minds, Leading Science

One of the most successful medical collaborations internationally

- Evolution through clinical, scientific and business collaborations
- Attract & retain leading minds to drive scientific and clinical leadership
- Utilise the network size and scale





# FY18 Financial Results: Highlights

Revenue **↑2.2%**  
**\$262.1m**

EBITDA **↑0.3%**  
**\$65.0m**

NPAT attributable to ordinary equity holders

**↑9.4%**  
**\$30.8m**

EPS **↑9.3%**  
**38.26 cents**

Underlying EBITDA  
**↑5.0%**

Final Dividend  
**12 cps**  
fully franked

Headline earnings growth driven by:

- Consistent Australian ARS performance despite softening of domestic market in H2;
- Continued growth in Diagnostics;
- International EBITDA growth of 29.5%; and
- Effective cost management

# Virtus Australia: Achievements

Australian segment EBITDA up 1.6% to \$66.8m

## Australian Fertility Business

- **Segment EBITDA margin improvement of 0.7%** despite a soft second half market through successful implementation of cost out and operational efficiency initiatives
- **Market share gains** NSW out performed the market for second year in a row and VIC recorded market share gains in a declining market
- **Virtus Victoria delivered strong profit growth** from scientific and operational improvements

## Diagnostics

- **Ongoing investment** in Diagnostics platforms delivers continued profit growth

## Day Hospitals

- **Facility development:** Alexandria Specialist Day Hospital NSW and Hobart Specialist Day Hospital, TAS

# Facility Investment for Patient Service



# Virtus International: Achievements

Revenue from international operations grows by 17.6% to \$44m

## UK

- Acquisition of Complete Fertility Clinic, Southampton establishes Virtus presence in the UK

## DENMARK

- Acquisition of Trianglen in Copenhagen enhances our Danish presence

## IRELAND

- Sims Group (including Rotunda IVF) ownership extended to 85%

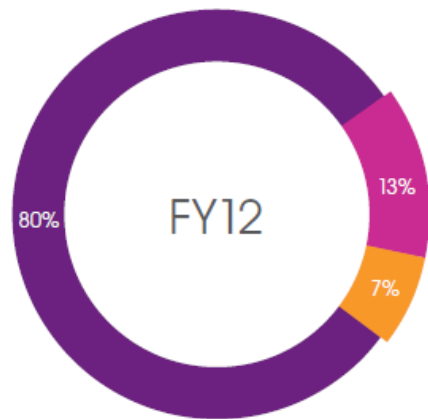
## SINGAPORE

- Singapore continues to consolidate market reputation and improve financial performance

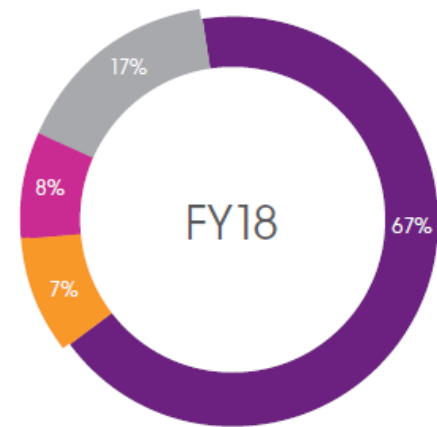


# Diversified Revenue Mix

## Multiple Sources of Revenue



VRT's revenue mix has continued to diversify



■ Australian ARS ■ Australian Diagnostic ■ Day Hospitals ■ International ARS



# STRATEGY & GROWTH INITIATIVES

## **VIRTUS HEALTH #1 FOR FERTILITY**

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# Virtus Health Growth Initiatives

Purpose: To help women and men achieve their aspirations to create a family

## Patient Centric: Leading minds, leading science

### Assisted Reproductive Services

- Utilise the Australian network size and scale to deliver the most comprehensive and complete fertility services to all demographics
- Targeted International acquisitions
- Adoption of Virtus developed AI 'Ivy' to improve patient outcomes

### Diagnostics (Domestic)

- Expand technology and network platform achieving market penetration in all service areas
- Genetic screening key growth area

### Day Hospitals (Domestic)

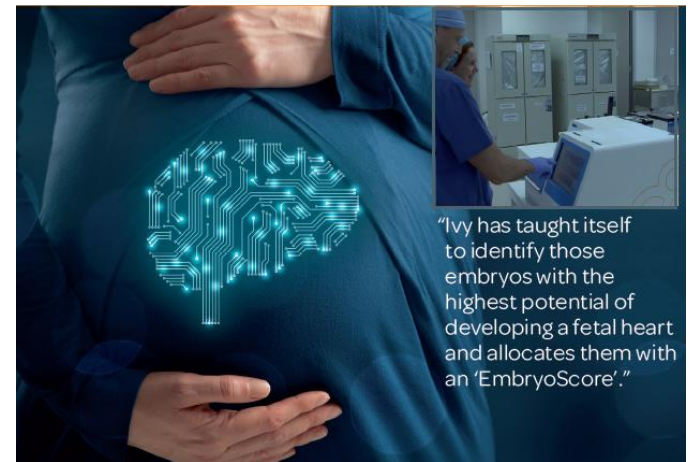
- Capacity expansion to drive patient services & revenue



# Virtus Scientific Innovation

## Advanced technology, digital platforms and collaboration

- Pioneering “**Ivy**” **Artificial Intelligence** to select an embryo with the best chance of achieving a successful pregnancy as quickly as possible.
- **One Lab Strategy** to deliver best in scientific methods, research, facilities, equipment and most importantly professionals
- Continued investment in **digital transformation** for improved patient experience **Virtus App**



“Ivy has taught itself to identify those embryos with the highest potential of developing a fetal heart and allocates them with an ‘EmbryoScore’.”



# Summary

Virtus is well positioned for continued growth

- Virtus' diversified model, scale & geographical reach provides an unrivalled platform for participation in all key fertility and related segments
- Investment in clinical and scientific research, early adoption of advanced technologies drives improved patient outcomes and growth
- Culture of innovation the foundation of Virtus' digital transformation to enhance patient experience.
- Targeted International acquisitions positions Virtus for further growth in selected geographies and supports our strategy for revenue diversification.



THANK YOU