



MONASH IVF GROUP

ANNUAL GENERAL MEETING





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CHAIRMAN' S ADDRESS – RICHARD DAVIS
28 OCTOBER 2014



CHAIRMAN'S ADDRESS



Historic year. Strong performance.

Monash IVF Group (ASX: MVF) listed on the Australian Securities Exchange June 2014

Delivered strong financial results for FY2014

- Exceeded all pro-forma Prospectus forecasts
- Full year pro-forma Net Profit after Tax of \$22.6 million (up 18% on prior year)
- Total Patient Treatments of 14,287 (up 14% on prior year)

Industry-leading pregnancy success rate of 32%

Successful acquisitions and expansion

- KL Fertility, Malaysia
- Next Generation Fertility, Sydney
- Low intervention clinic, Brisbane ("MyIVF")
- New ultrasound practice, Melbourne

Strong commitment to best-practice corporate governance

CHAIRMAN'S ADDRESS



Historic year. Strong performance.

Heritage of scientific excellence drives our commitment to enhancing and expanding technological capabilities and research into patient focused services

Monash IVF Research and Education Foundation

- Our research and postgraduate medical education arm
- At the forefront of research and technological advances in the field of assisted reproductive services

Monash IVF Group well positioned for growth

- Clear strategy
- Strong investment case
- Experienced Board
- Motivated and talented Senior Executive Team



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CEO PRESENTATION - JAMES THIEDEMAN
28 OCTOBER 2014



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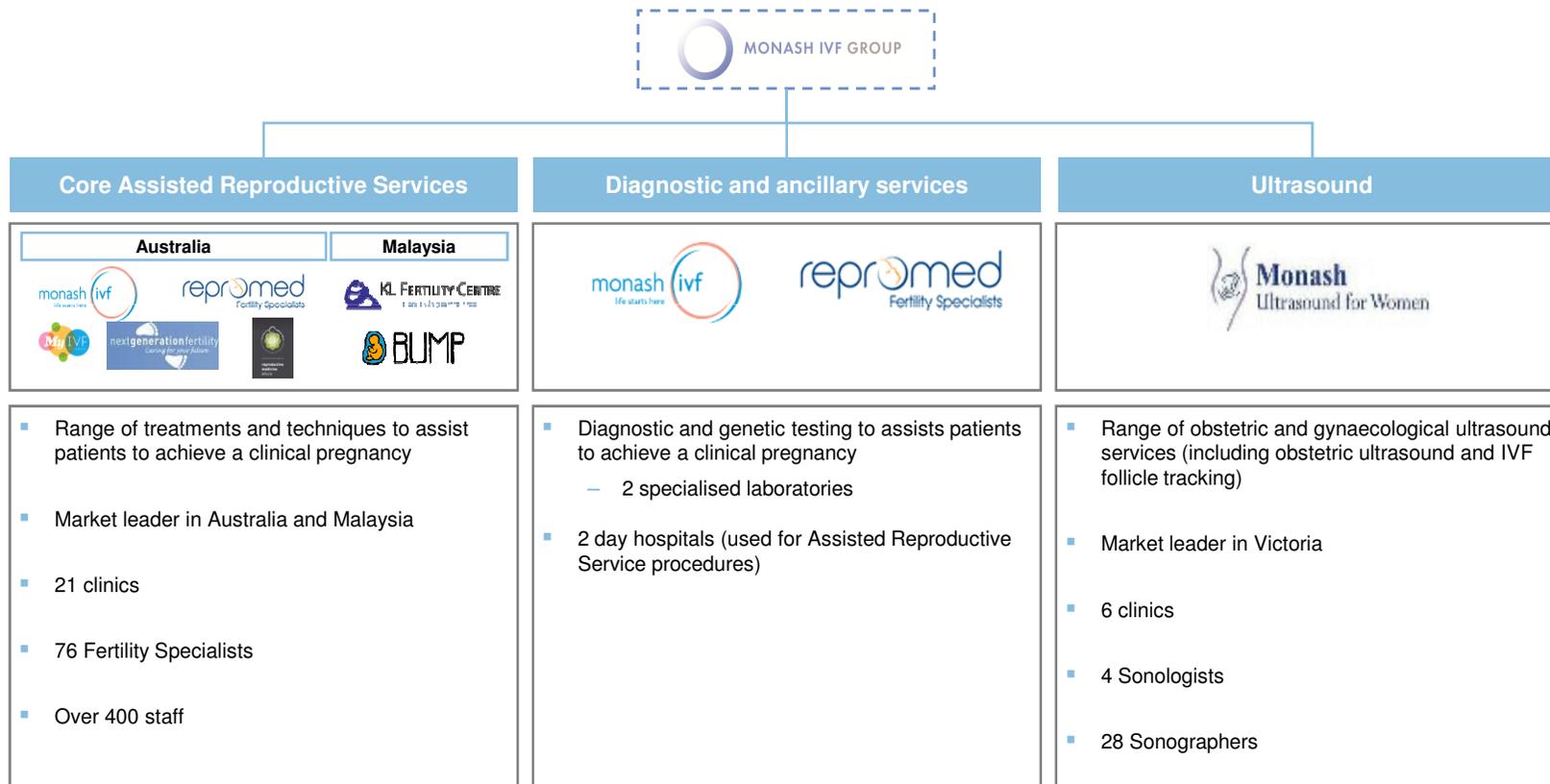
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OVERVIEW OF MONASH IVF GROUP



Monash Group is a market leader in the growing field of fertility services...



MONASH GROUP'S KEY PILLARS



1

Leader in science and innovation

- Provide patients with the highest success rates and effective treatment
- Continue to invest in advances in Pre Implantation Screening (PGS) technology

2

Industry leader in Australia with significant scale advantages

- 14,287 Patient Treatments delivered in FY2014 – 37.2%⁽²⁾ share in Monash IVF Group's key markets vs 35% (FY2013)
- Operate with necessary scale to develop superior science, attract and retain best Fertility Specialists, strong brand and sales & marketing platform

3

Growing low intervention service offering

- Expanding the market by focusing on a new patient demographic
- Established infrastructure enables Monash to offer industry leading services in profitable manner

4

Established Asian platform delivering strong growth

- Market leader in growing Malaysian market
- Continue to explore investment opportunities in Malaysia and surrounding countries

Notes:

1. Industry success rate based on latest available information (ie. all age groups VARTA data)
2. Based on the combined number of Patient Treatments in Victoria, South Australia, Queensland, Northern Territory and regional market of Albury, New South Wales

FY2014 OPERATIONAL HIGHLIGHTS



Delivering on key pillars

Leader in science and innovation

- ✓ **Patient success** – FY2014 success rate of 32% vs industry average of 25%⁽¹⁾
- ✓ **Diagnostic and ancillary services** – continued strong patient demand for PGS and NIPT offering

Industry leader in Australia with significant scale advantages

- ✓ **Acquisitions** – Next Generation Fertility in Sydney (May 2014) and Reproductive Medicine Albury (July 2013)
- ✓ **New clinic openings** – additional ultrasound practice in Melbourne
- ✓ **Patient management systems** – progressing roll out of proprietary clinical information system across the Group

Growing low intervention service offering

- ✓ **New clinic openings** – low intervention clinic in Brisbane (February 2014)

Established Asian platform delivering strong growth

- ✓ **KL Fertility Clinic** - increased number of doctors in Malaysia clinic with significant growth in patient treatments and commenced diagnostics

Notes:

1. Industry success rate based on latest available information (ie. all age groups VARTA data)

FY2014 FINANCIAL HIGHLIGHTS



Record revenue and earnings growth in FY2014 and ahead of prospectus forecasts

\$ million	<i>Pro Forma Actual</i>	<i>Pro Forma Actual</i>	<i>Pro Forma Forecast (Prospectus)</i>	<i>Vs. FY2013 Pro Forma Actual</i>	<i>Vs. FY2014 Pro Forma Forecast (Prospectus)</i>
	FY2014	FY2013	FY2014		
	\$'M	\$'M	\$'M	\$'M	\$'M
Revenue	114.0	96.3	112.1	+18.4%	+1.7%
EBITDA	39.7	34.9	38.8	+13.8%	+2.3%
EBIT	36.8	31.3	36.0	+17.6%	+2.2%
NPAT	22.6	18.3	22.0	+23.5%	+2.7%
EPS ⁽¹⁾ (cents)	9.8	7.9	9.5	+24.1%	+3.2%

Notes:

1. Assumes 231.1 million shares on issue for the full year.

FY2014 FINANCIAL HIGHLIGHTS



Record revenue growth in FY2014 and ahead of prospectus forecast

	<i>Statutory Actual</i>	<i>Statutory Prospectus</i>	<i>Statutory Actual</i>
<i>\$ million</i>	FY2014	FY2014	FY2013
	<i>\$'M</i>	<i>\$'M</i>	<i>\$'M</i>
Revenue	114.0	112.1	96.6
EBITDA	24.5	25.2	36.7
EBIT	21.6	22.4	32.1
NPAT	4.9	4.9	(12.7)

FY2014 RESULT DETAIL



PATIENT TREATMENT GROWTH



Strong Patient Treatment growth reflecting continued steady organic growth and initial contribution of acquisitions

Year-on-Year Analysis

- Australian business up 9.5%
 - Organic growth of 4.2% (ex acquisitions)
 - Strong result against market growth of 1%⁽¹⁾
 - Monash clinics in Vic and Qld performing strongly whilst SA experienced increased competition in a market that contracted and was exposed adverse local economic conditions
 - Focused on attracting patients and growing patient treatments – mix shift towards frozen embryo transfers expected to continue
 - FY2014 included 11 month initial contribution from Albury acquisition (completed July 2013), initial contribution from Next Generation Fertility acquisition (completed May 2014), and initial contribution from lower intervention clinic
- International business up 156.1%
 - Reflects first full year contribution and strong organic growth
- Pro forma Actual to Prospectus FY2014
 - Continued strong growth in patient treatments underpinned by FETs domestically and international contribution

Patient Treatments

	FY2014	FY2013	Change	Prospectus FY2014
Monash IVF Group - Australia				
IVF Cycles	8,436	8,092	4.3%	8,565
Frozen embryo transfers	4,952	4,139	19.6%	4,805
Total Patient Treatments	13,388	12,231	9.5%	13,370
Monash Group – International				
IVF Cycles	526	227	131.7%	498
Frozen embryo transfers	373	124	200.8%	376
Total Patient Treatments	899	351	156.1%	874
Total Monash Group				
IVF Cycles	8,962	8,319	7.7%	9,063
Frozen embryo transfers	5,325	4,263	24.9%	5,181
Total Patient Treatments	14,287	12,582	13.6%	14,244

Notes:

1. Based on the combined number of Patient Treatments in Victoria, South Australia, Queensland, Northern Territory and regional market of Albury, New South Wales

SUMMARY INCOME STATEMENT



Strong revenue and earnings growth

Year-on-Year Analysis

- Revenue up 18.4% driven by:
 - 13.6% growth in Patient Treatments (combination of organic growth, acquisitions and new clinics)
 - >40% growth in diagnostics
 - Increase in price of services (average ~3%)
- Expenses up 20.8% driven by:
 - Strong demand for diagnostics and donor services (with higher external provider costs)
 - Impact of acquired clinics
 - Clinic openings and lower intervention service start-up (~\$1.3M)
- Depreciation and amortisation reduced following upgrade of proprietary patient management system extending the useful life
- NPAT up 23.5%

Pro forma Actual to Prospectus FY2014

- Revenue increases due to higher patient treatments including acquisitions
- Fixed costs increases due to re-allocation of variable costs for start-up clinics and the impact of acquisitions

Pro Forma Income Statement

\$ million	FY2014	FY2013	Change	Prospectus FY2014
Total Revenue	114.0	96.3	18.4%	112.1
Salaries and wages	(29.7)	(26.7)	11.1%	(29.9)
Clinicians' fees	(17.5)	(15.1)	16.2%	(17.4)
Variable costs	(11.4)	(7.1)	61.1%	(11.5)
Fixed costs	(15.7)	(12.6)	24.2%	(14.5)
EBITDA	39.7	34.9	13.8%	38.8
<i>margin</i>	<i>34.8%</i>	<i>36.2%</i>	<i>(-3.9%)</i>	<i>34.6%</i>
Depreciation and amortisation	(2.9)	(3.7)	21.9%	(2.8)
EBIT	36.8	31.3	17.6%	36.0
Net interest expense	(4.5)	(5.1)	(-11.8%)	(4.5)
Profit before tax	32.3	26.1	23.8%	31.5
Income tax expense	(9.7)	(7.8)	24.3%	(9.4)
NPAT	22.6	18.3	23.5%	22.0

**STRATEGY, TRADING UPDATE
AND OUTLOOK**



STRATEGY



Focused strategy consistent with Monash Group's key pillars

Science, technology & patient success

- Continue to develop industry leading science and technology
- Deliver patients with clinically superior services and increase market penetration
- Promote Monash Group's scientific and clinical excellence to potential patients

Lower intervention

- MyIVF clinic in Brisbane opened in February 2014 continues to build volume
- New clinic in Sydney opened in September 2014
- Monash Group considering other suitable locations

Clinic expansion & acquisitions

- Review opportunities to increase Monash's scale and market position in IVF and ultrasound services in Australia and overseas (both organic and acquisitive)

Q1 FY2015 TRADING UPDATE



Monash has increased share in its key markets⁽¹⁾ in July & August FY2015

- Share in key Monash markets⁽¹⁾ increased to 39.8% from 39.1% (pcp)⁽²⁾
- Strong growth in overall Monash New Patient Registrations/Conversions up 11% on pcp

Monash lower intervention clinic in Sydney opened in September 2014

- Deferral in opening of clinic due to delays in securing required approvals/licensing
- Since opening, clinic has attracted strong interest and New Patient Registrations are building albeit still in ramp up phase

No evidence to date of low intervention cannibalising market share of our existing full service business

New Wagga Wagga satellite clinic opened in September 2014

- Additional capacity added to our regional NSW footprint

KL Fertility performing strongly

- Malaysia benefiting from additional capacity to treat patients as a result of ramp up of new Fertility Specialist recruited to the clinic
- Pre-implantation Genetic Screening (PGS) services now being offered from KL Fertility

Notes:

1. Based on the combined number of Patient Treatments in Victoria, South Australia, Queensland, Northern Territory and regional market of Albury, New South Wales

2. Based on July – August 2014 vs July – August 2013 Medicare data

Q1 FY2015 TRADING UPDATE



Next Generation Fertility performing above expectations

Strong growth in uptake of PGS/PGD across Monash clinic network

- PGS volume growth up 12% on pcp
- Further momentum expected over the balance of FY2015

Two (2) additional Specialists added to the Monash clinic network in Q1 FY2015

Domestic acquisition opportunities continue to be investigated

International expansion opportunities are also being examined

Q1 FY2015 TRADING UPDATE



Q1 FY2015 result impacted by

Contraction in total ARS market in Australia in July & August FY2015 with total Patient Treatments in key Monash markets⁽¹⁾ falling 3.7%

- Prospectus forecast assumed Patient Treatment market growth in Australia of ~4%⁽²⁾
- As identified in Prospectus, growth rates can vary over short term periods

Modest market share contraction in July & August FY2015 in South Australia

- Largely attributable to the carry over impact of a temporary aggressive pricing stance by a competitor in Adelaide
- This has now been discontinued
- The South Australian market has returned to a more normalised dynamic
- Monash South Australia business ("Repromed") New Patient Registrations/Conversions in Q1 FY2015 up >40% on pcp
- This is expected to flow through to increased Patient Treatments from Q3 FY2015

Notes:

1. Based on the combined number of Patient Treatments in Victoria, South Australia, Queensland, Northern Territory and regional market of Albury, New South Wales
2. Refer to Monash IVF Group Limited Prospectus, Section 4.7.3.3

Q1 FY2015 TRADING UPDATE



Q1 FY2015 result impacted by

Patient Treatment mix shift

- Continued shift in Patient Treatment mix from fresh to frozen cycles due to improved Frozen Embryo Transfer (FET) pregnancy success rates has impacted revenue in Q1 FY2015
- Fresh cycle mix in Q1 FY2015 represents 53% of total Patient Treatments versus 57% in pcp

Q1 FY2015 volumes from low intervention clinic in Sydney impacted by delayed commissioning and localised competition

- Potential impact of new, additional low intervention competitor entering Sydney market in August 2014

FY2015 OUTLOOK



Q1 FY2015 trading conditions impacted Revenue and EBITDA by \$3.1 million and \$2.6 million respectively

Notwithstanding challenging conditions, the current outlook for Monash in FY2015 remains strong

- Strength in Q1 New Patient Registrations/Conversions (up on pcp and in line with Prospectus forecast) expected to translate to growth in total Patient Treatments for the balance of the year
- South Australian New Patient Registrations/Conversions are well up (>40%) on pcp

Earnings forecast for the balance of the year remains in line with Prospectus forecast

- Overall activity levels expected to be on track in key Monash markets

Downturn in Q1 FY2015 Revenues and EBITDA to be mitigated by taxation savings attributable to IPO costs, resulting in FY2015 NPAT to be in line with Prospectus forecast

- Subject to overall market returning to normalised conditions, South Australian recovery continuing and ongoing ramp up of Sydney low intervention clinic



MONASH IVF GROUP - LIFE STARTS HERE

BUSINESS OF THE AGM





Resolution One:

To receive and consider the Financial Report, Director's Report and Auditor's Report for the year ended 30 June 2014.

There is no requirement for a formal resolution on this item. Shareholders can ask questions of the Board and Auditor with regards to the Reports.



Resolution Two:

That the Remuneration Report, which forms part of the Director's Report for the year ended 30 June 2014, be adopted.

Proxy voting:

Votes in favour of the resolution - 86,160,015

Votes against the resolution – 18,072,515

Open votes – 3,833,930

Abstentions – 196,626



Resolution Three:

That KPMG, having been nominated by a member of the Company, in accordance with Section 328B of the Corporations Act and having given its consent to act as Auditor, in accordance with the Corporations Act, be appointed as the Auditor of the Company.

Proxy voting:

Votes in favour of the resolution – 109,449,626

Votes against the resolution – 138,696

Open votes – 182,221

Abstentions – 39,840



Resolution Four A:

That Mr Richard Davis, who retires in accordance with the Company's Constitution, be re-elected as a director of the Company.

Proxy voting:

Votes in favour of the resolution – 109,570,222

Votes against the resolution – 14,181

Open votes – 182,221

Abstentions – 43,759



Resolution Four B:

That Dr Richard Henshaw, who retires in accordance with the Company's Constitution, be re-elected as a director of the Company.

Proxy voting:

Votes in favour of the resolution – 106,775,443

Votes against the resolution – 2,795,460

Open votes – 195,721

Abstentions – 43,759



MONASH IVF GROUP

THANK YOU FOR ATTENDING

