

Virtus Health (ASX:VRT)
Annual General Meeting
29th October 2014 – 2.00pm ADST

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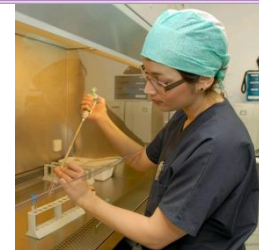
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2. CEO's Presentation – Sue Channon



Australia's market leader in ARS – Year in Review

In its first year as an ASX listed company Virtus has enhanced its position as a leader in the global market for “Assisted Reproductive Services” (ARS)

- Maintained our market leading position amidst a changing domestic market
- Delivered on our corporate growth strategy with international and domestic expansion
- Demonstrated the strength of our integrated business model with growth in revenue from multiple sources
- Effectively leveraged our **leading minds, leading science** position to attract and retain specialists and deliver improved patient outcomes
- Total Shareholder Returns (TSR) since IPO 33%



FY2014 Year in Review – Operational Highlights

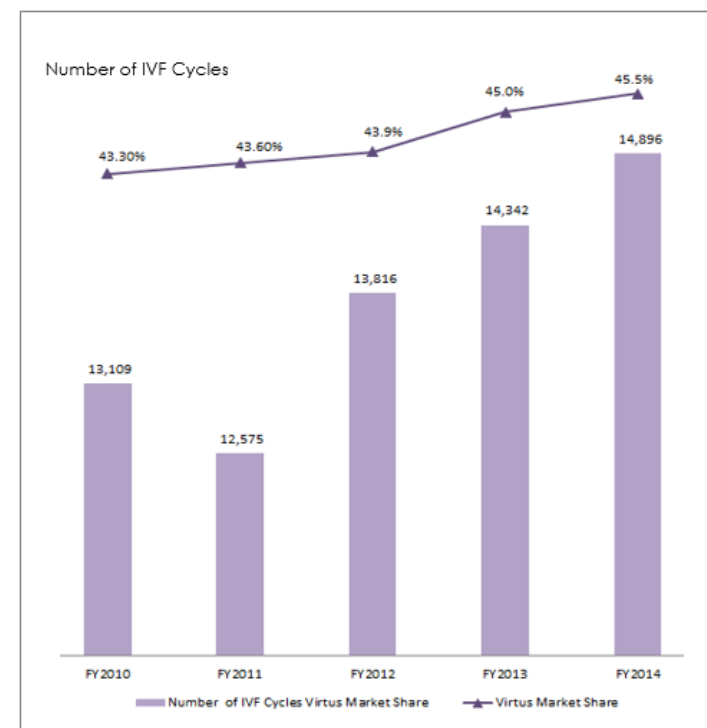
Increased market share in Australian market

- Overall cycle growth up 3.9%, outpacing overall market growth of 2.9%; market growth below prospectus forecast
- Market share growth in Eastern States (NSW, VIC and QLD) up to 45.5% vs 45.0% pcp

Investment in marketing driving organic growth and brand recognition

- Investment in digital marketing, direct to patients, has contributed in increased enquiry rate
- New appointments include National Sales Manager and Corporate PR / Communications

Virtus IVF cycles – Australia only



FY2014 Year in Review – Operational Highlights

Expanded geographic footprint supports further business growth

- Acquired 70% of Sims Clinic, Ireland – integration underway
- Commenced development of first “Virtus” branded, purpose-built facility in Singapore – on track to open in December 2014
- Added two new locations in Australia - Burwood, NSW (consult and monitoring) and full service clinic in Werribee, VIC

Continued focus on operations to deliver efficiencies and cost savings

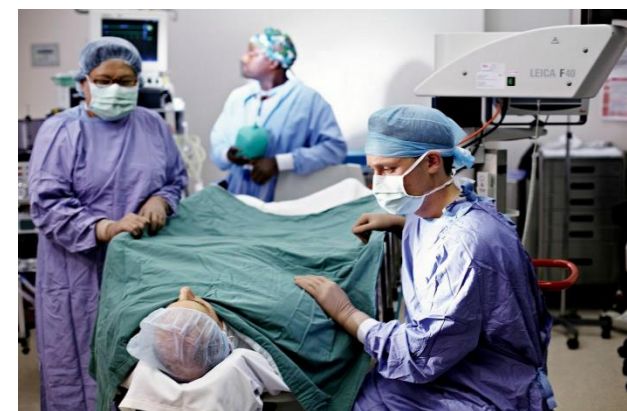
- Supplier contract re-negotiation resulted in ~\$150K savings including global procurement review
- Separated Audit and Risk committee into two committees
- New risk management initiatives include electronic platform for incident reporting



FY2014 Year in Review – Financial Highlights

Growing revenue from multiple sources points to a strong, underlying business

- Pro-forma revenue up 6.7%, slightly below prospectus forecast
- Pro-forma EBITDA up 7.7%, pro-forma NPATA up 16.8%
- Small decline in full service volumes of 2%, offset by a growth in low cost volumes, up 130%
- Low cost clinic (The Fertility Centre) volumes account for 10% of total cycle volume
- Revenue from specialised diagnostics up 17.5% in FY2014
 - Additional endocrinology tests introduced in FY2014
 - In-house genetic testing capability expanding
- Day hospital revenue up 9.4% in FY2014
 - Increased utilisation means non-IVF procedures now account for 47% of total procedures vs 41% pcp



FY2014 Financial Highlights

Actual FY2014 financial results

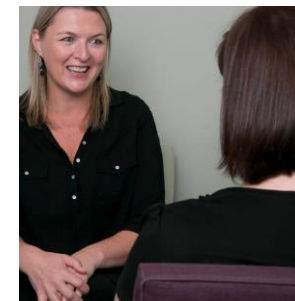
A\$ million	FY14	FY13	Variance
Revenue	201.2	186.6	7.9%
PBT	43.8	14.4	204.2%
NPAT ⁽¹⁾	30.9	10.1	205.9%
NPATA ⁽¹⁾	31.6	10.8	192.5%
EPS (cps) ⁽²⁾	38.80	17.78	118.2%
Fully Diluted EPS (cps) ⁽³⁾	38.48	16.78	129.3%

Notes:

1) NPAT & NPATA FY14 is stated after deduction of amounts due to non-controlling interest.

2) EPS assumes 79,593,751 ordinary shares for FY14 and 56,829,522 ordinary shares for FY13.

3) Fully diluted EPS assumes 80,680,860 ordinary shares for FY14 and 63,358,539 ordinary shares for FY13.



FY2014 Financial Highlights

Pro forma FY2014 financial results ⁽¹⁾

A\$ million	Pro-forma FY14	Pro-forma FY13	Variance	Prospectus
Revenue	199.9	187.3	6.7%	206.3
EBITDA	60.4	56.1	7.7%	63.0
NPAT	32.0	27.3	17.2%	31.4
NPATA ⁽²⁾	32.7	28.0	16.8%	32.1
EPS (cps) ⁽³⁾	40.2	34.3	17.2%	39.5

Notes:

1) NPATA excludes the amortisation of acquired brand names of \$0.7million after tax

2) Pro-forma EPS assumes 79,536,601 shares on issue for full year for FY13 and 79,593,751 for FY14



Business Outlook – Positioned for growth in FY2015

Demand for ARS and associated diagnostic testing and day hospital procedures will continue

- Underlying market fundamentals are strong – delivery of care, and sales and marketing activities continue to drive referrals to Virtus specialists
- Expansion of Virtus network through acquisition; domestic and international
- New clinic launches in FY2015
 - Full service centre – Singapore – December
 - Consult monitoring centre – SAH NSW – November
 - Full service centre – Cork, Ireland – January
- Sims Clinic Ireland and Virtus Clinic Singapore to contribute revenue in FY2015
- Further international opportunities being assessed
- Assessing opportunities to expand The Fertility Centre footprint
- Management focused on revenue growth and operational efficiencies



Business Outlook – Positioned for growth in FY15

Improved utilisation of day hospitals

- Continued focus on improving utilisation rates by partnering with non IVF specialists and public sector

Continued investment in diagnostics – a key differentiator and source of new revenue streams

- Expansion of in-house testing to include;
 - Karyomapping technologies
 - Next Generation Sequencing
 - In-house NIPT testing

Leveraging our Leading Minds, Leading Science position

- Leading clinical and scientific position attracts the highest quality fertility specialists, scientific and other staff
- Collective experience contributes to a high level of patient care and outcomes
- Virtus will continue to offer a full range of leading class IVF and diagnostic services – an important differentiator





Thank you