



Virtus Health (ASX. VRT)

Sue Channon CEO and Glenn Powers CFO
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virtushealth 

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One child in every Australian classroom...

CONTENTS

VIRTUS HEALTH Overview	5
Evolution & Network of Care	6
Our Patients & Services	8
Leading Minds, Leading Science	11
Factors Driving Growth	13
Near Term Priorities	16
Innovation – Advanced Technology	17
Strategic Plan	20

VIRTUS HEALTH - WORLD LEADER IN FERTILITY CARE

5

Market leader and largest provider of fertility services in Australia and Ireland with a growing presence in Singapore and Denmark

One of the largest fertility practices globally

- First publically listed fertility business
- Challenging H1FY17 primarily due to domestic conditions driving decline in revenue & earnings
- Group EBITDA down 12.3% to \$31.7m (Australian segment down 13.1%; International segment up 11.7% on pcp)

Reputation for clinical and scientific excellence

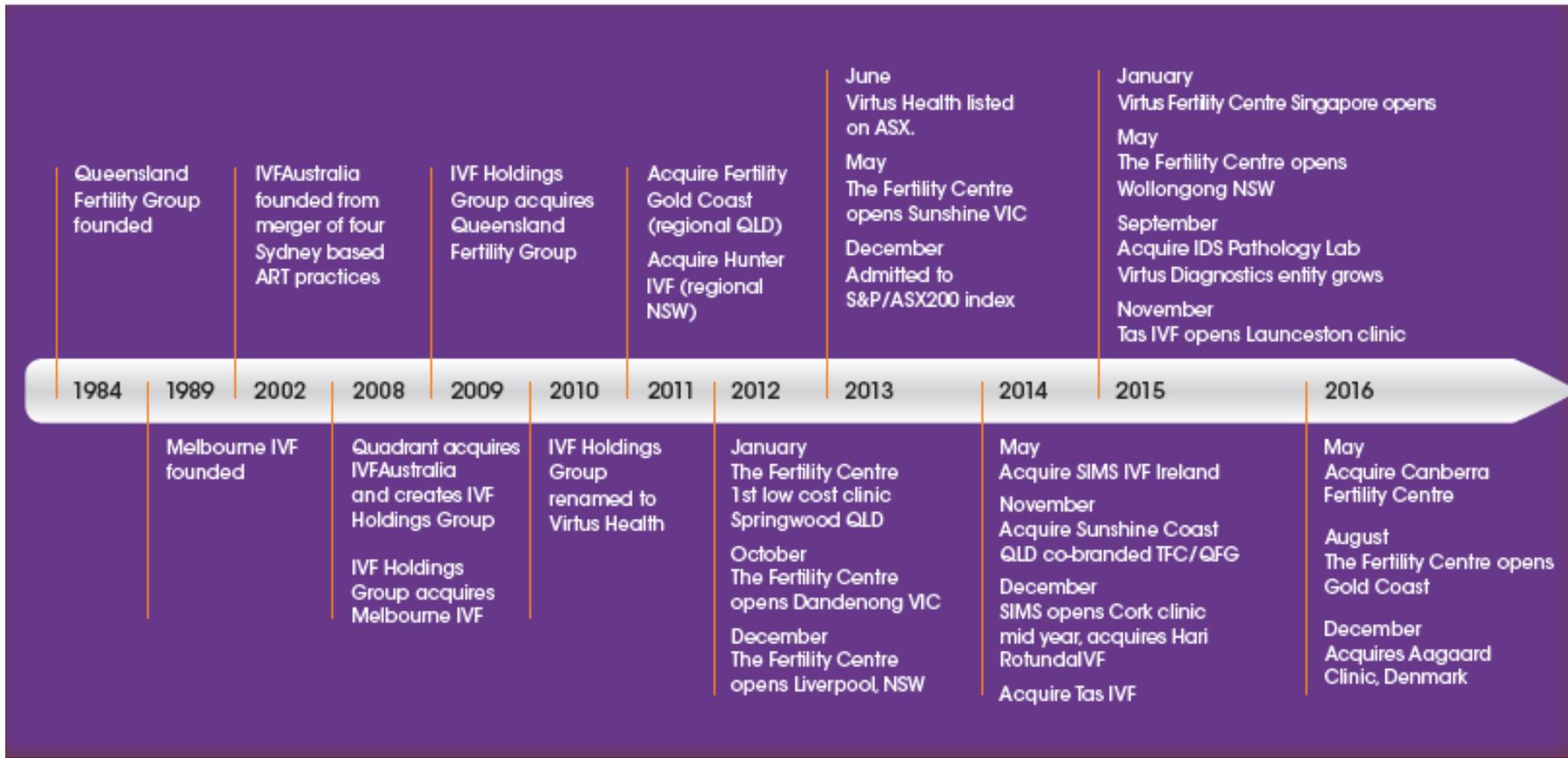
- 123 fertility specialists and over 1200 professional staff
- Investment in clinical and scientific research and new technologies delivers improved patient outcomes and growth
- Early adopter of new technologies driving growth

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

- Fertility, Day Hospitals and Specialised Diagnostics

* Total treatments include fresh cycles, frozen embryo transfers and IUIs

EVOLUTION OF VIRTUS HEALTH



VIRTUS HEALTH NETWORK OF CARE

ASSISTED REPRODUCTIVE SERVICES

46

FERTILITY CLINICS

Australia	41
Ireland	3
Singapore	1
Denmark	1



SPECIALISED DIAGNOSTICS

62

LABORATORIES

Embryology	29
Andrology	27
Endocrinology	4
PGD	2



DAY HOSPITALS

6

DAY HOSPITALS

IVF and non-IVF procedures



123

FERTILITY SPECIALISTS



1042

NURSES, COUNSELLORS,
PATIENT SUPPORT
(incl DIAGNOSTICS)



227

SCIENTISTS



WHO COMES TO ASK FOR OUR HELP?

8

40% of the patients that see fertility specialists have non IVF treatment



Assessment

Consultations, tests and advice



Elementary Fertility

Natural and less invasive treatments



Clinical Fertility

Tailored IVF and ICSI

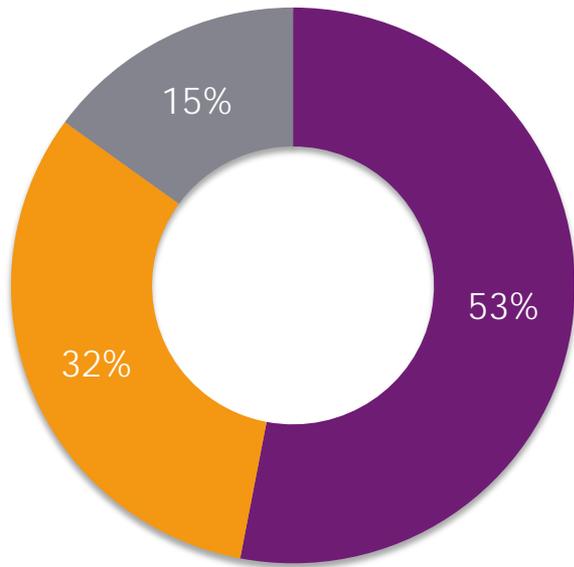


Advanced Fertility

Genetic testing, specialist procedures and donor assistance

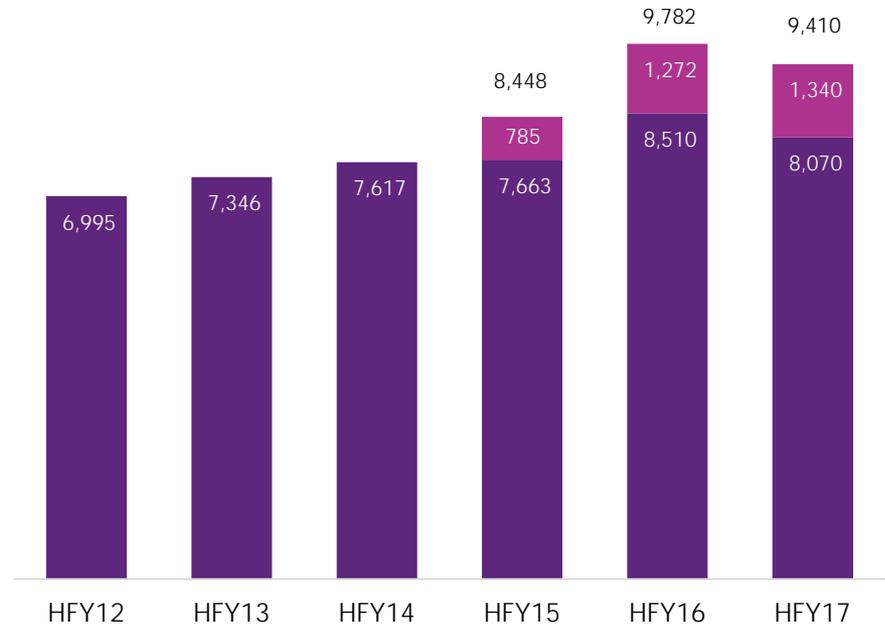
VIRTUS TREATMENT ANALYSIS

Treatment Mix



■ Cycle ■ Frozen ■ AI/OI

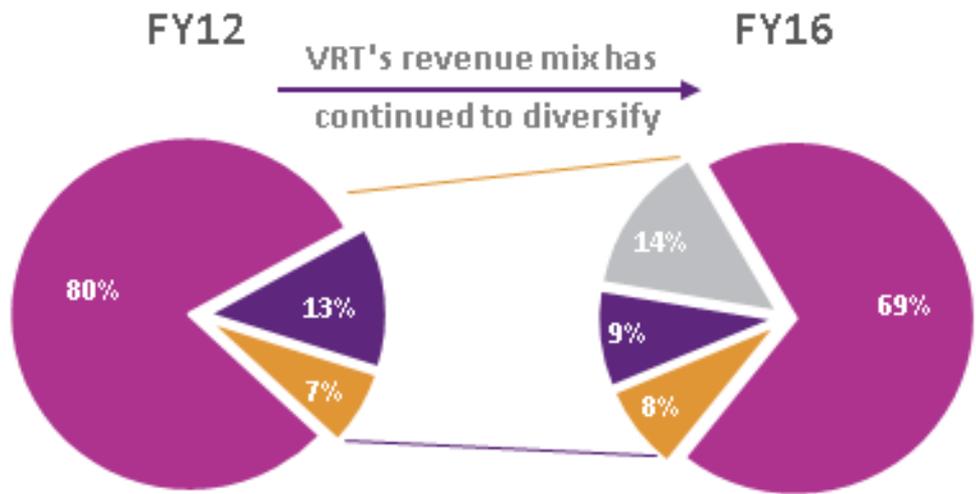
Virtus Cycles



■ Australian Cycles ■ International Cycles

DIVERSIFIED REVENUE MIX

Multiple Sources of Revenue



■ Assisted Reproductive Services ■ Specialised Diagnostics ■ Day Hospitals ■ International/Other

LEADING MINDS, LEADING SCIENCE

11

Focus on clinical and scientific-led innovation and patient outcomes drives long term growth

- Industry leader in fertility and scientific practice for over 30 years
- Recognised brands regarded for quality and service
- Track record of attracting and retaining high quality doctors, scientists & specialist staff - increasing number of patients
- Technology of advanced sciences, specialised diagnostics and innovation delivers improved patient outcomes & revenue growth
- Experienced clinical and management team with ability to drive practice growth and add value



DOCTORS OF VIRTUS HEALTH

12

One of the most successful medical collaborations internationally

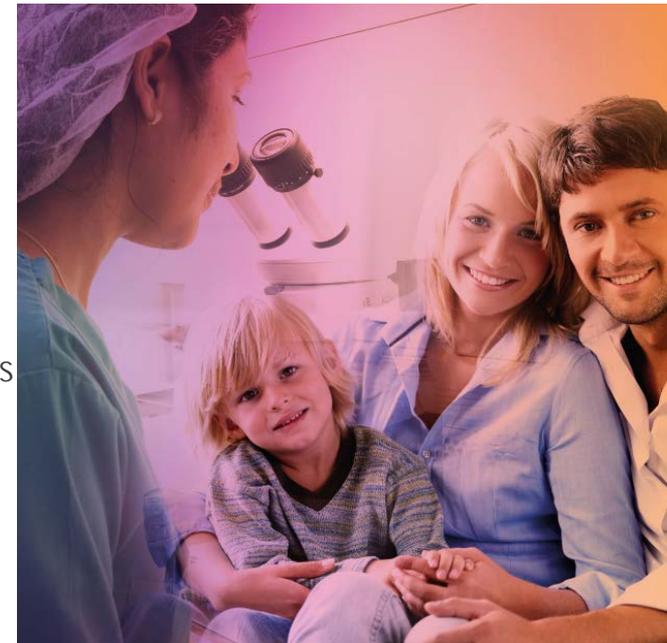


FACTORS DRIVING GROWTH

13

Demographic & Social Trends

- Infertility is a medical condition affecting 1 in 6 couples of reproductive age globally
- Growing female population, rising maternal age and global fertility rates in decline
- Rising incidence of conditions impacting fertility e.g. obesity and chlamydia
- Greater community awareness and acceptance of IVF
- Increasing number of same sex & single women starting families using our donor services
- Young adults increasingly living with parents – we meet soulmates in our late 20s/early 30s and seek relationship and financial security before starting a family



REGULATORY ENVIRONMENT



Ireland

Government considering funding for fertility services – currently privately funded

Proposed move to identified donors



Denmark

Government reducing public funding for fertility services – currently privately funded

Favorable changes to donation legislation



Singapore

Alignment with Australia's RTAC

Conservative environment growing interest in PGD/S access in Singapore



Australia

Government review of Medicare Benefits Schedule ongoing

Changes to Safety Net removed in Federal Budget

AUSTRALIAN OPERATIONS - FERTILITY

15

Virtus is the market leader in Australia

- H1FY17 general Australian market activity in eastern seaboard states where Virtus operates down 6.0% compared to pcp
- Virtus cycle activity in H1FY17 down 7.2% to 8,070 cycles on a like for like basis
- Recent market trends
 - NSW market down 5.4%
 - VIC market up 4.2%
 - QLD market up 2%



NEAR TERM PRIORITIES

16

Virtus is well placed to manage industry challenges and variability:

- Evolution of clinical practice & service delivery
- Most significant driver is our continued advancements in technology

Australian Fertility Business

Victoria

- Management and structural changes
- Strengthened scientific leadership - appointment of Prof David Gardner internationally renowned IVF pioneer to enhance scientific excellence

TFC (Service Models)

- Review of clinical and service delivery models
- Pricing & packaging development

Operating Expenses

- Targeted cost management (Victorian Operation restructure & centralised Marketing restructure)

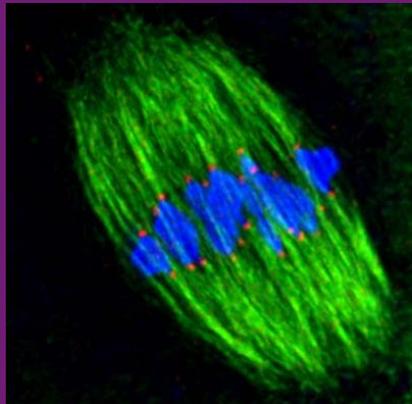
Diagnostics & Day Hospitals

- Maximise vertical integration and patient outcomes with advanced science
- Grow general fertility related pathology
- Increase business development to target non-IVF procedural growth

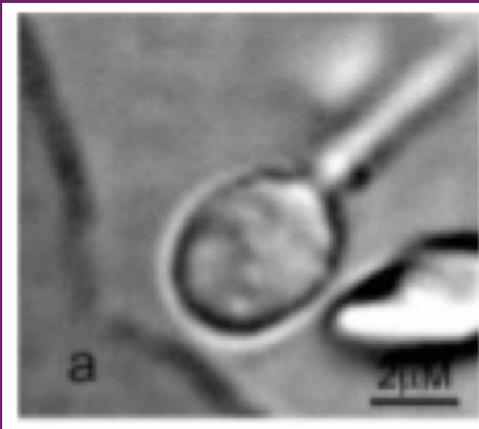
International

- Actively pursue further opportunities in Europe
- Leverage presence in Denmark for Scandinavian opportunities

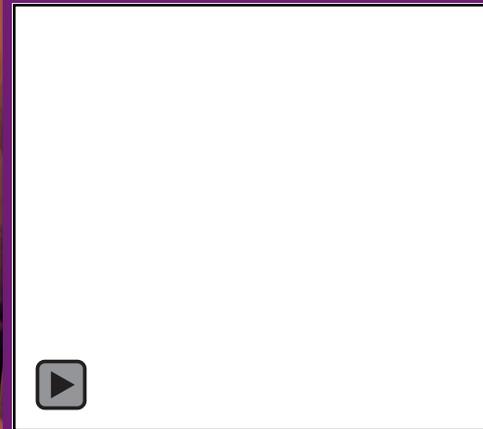
ADVANCED TECHNOLOGY



Studying the chromosomal structure of the eggs sperm

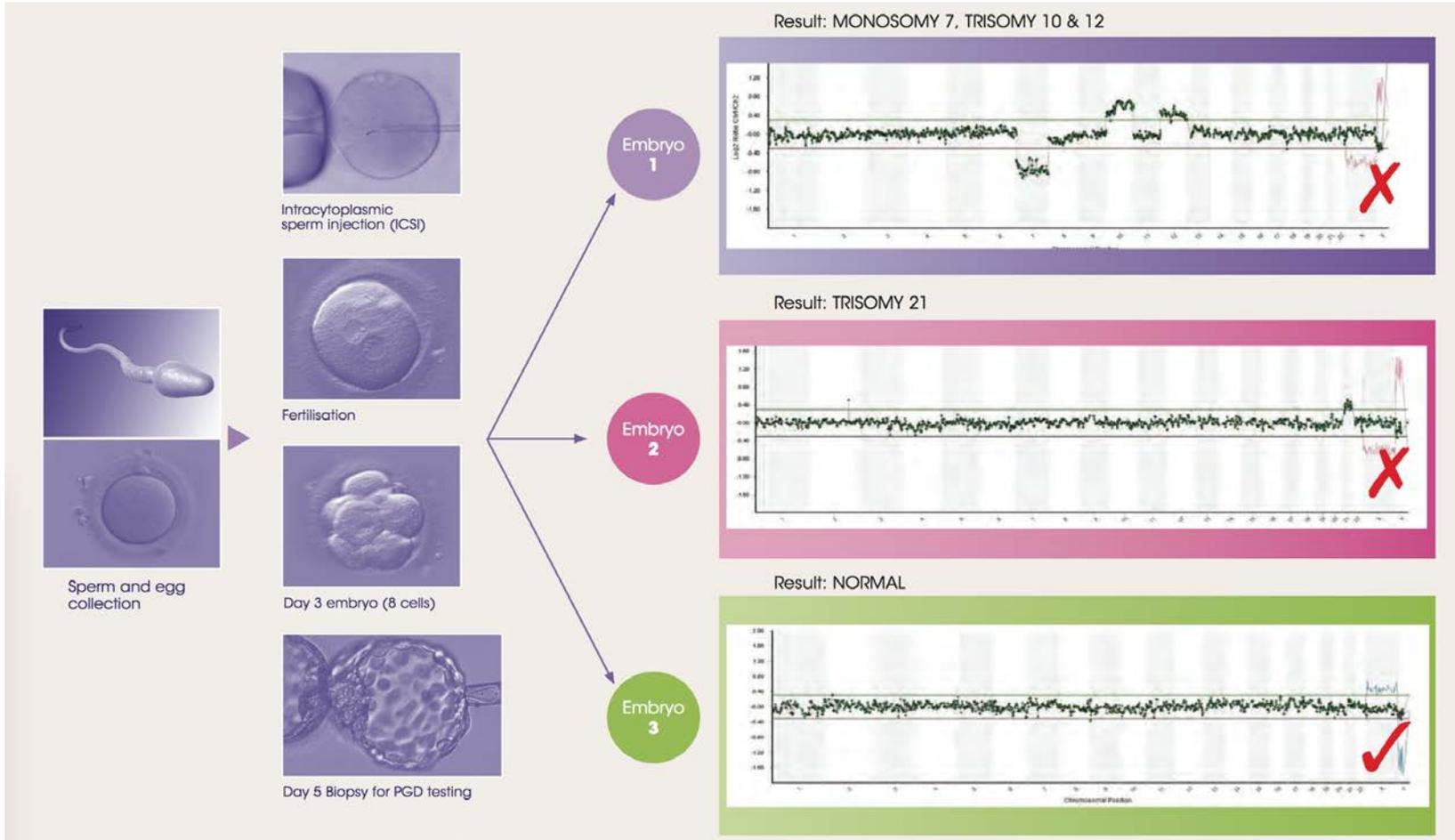


Selecting the healthiest sperm



Using timelapse imaging to study embryo growth

GENETIC SCREENING OF EMBRYOS



INNOVATION – DIGITAL TRANSFORMATION

19

Culture of scientific innovation extends to digital transformation embracing patient care and driving efficiency

- Roll out of Patient management system across Virtus Health
- Integration with Fertility Specialist private practice software for doctor, patient and entire patient care team efficiency
- Diagnostics LIMS
- Patient App

**IVF CYCLE APP
NOW AVAILABLE**

Download the Virtus Health app, and have your treatment schedule, including medication reminders and appointment details, sent straight to your phone. Take advantage of Australia's first IVF app which allows you to notify the clinic that you are ready to start a cycle, and then gets updated with your personal treatment schedule.

**DOWNLOAD
Virtus Health App**

MelbourneIVF
Leading minds. Dedicated to your success.

A member of Virtus Health.
Let your clinic know when you're ready to start using the app.

Quick calendar updates - appointments and medication

Links to videos on how to administer IVF medications

Direct notifications & icon

Ability to forward appointment details to a partner or friend

Record of key milestones

Quick access to your support team details

Download on the App Store

GET IT ON Google Play

Ask us for more information

VIRTUS HEALTH STRATEGY

20

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

Leading minds, leading science

Ambition

To be a leading global provider of ARS based on;

- Clinical & scientific effectiveness
- Breadth of capability across ARS value chain
- Market leadership in chosen geographies & market segments
- Our patients being at the centre of everything we do

Growth Strategy

ARS (Domestic & International)

Market penetration by acquisition, greenfield & organic growth

Research driven service development

Diagnostics (Domestic)

Leverage fertility, genetics & general pathology testing across the business

Other diversification opportunities

Day Hospitals (Domestic)

Optimise utilisation & efficiency

Opportunistic domestic acquisition

CONCLUSION

21

ARS is a long-term growth market

- Significant operational changes to address domestic situation
- International Operations performing strongly and diversification strategies on track
- Demographic drivers for ARS growth remain favourable globally

Virtus is well positioned to continue to create shareholder value



THANK YOU

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