



Virtus Health (ASX. VRT)
**ANNUAL GENERAL
MEETING**

Wednesday 21st November 2018 2.00pm AEDT



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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

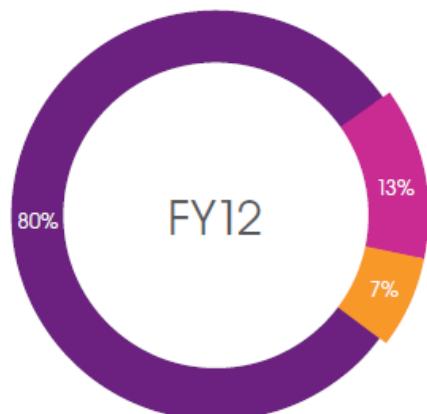
- Sims Group (including Rotunda IVF) ownership extended to 85%

SINGAPORE

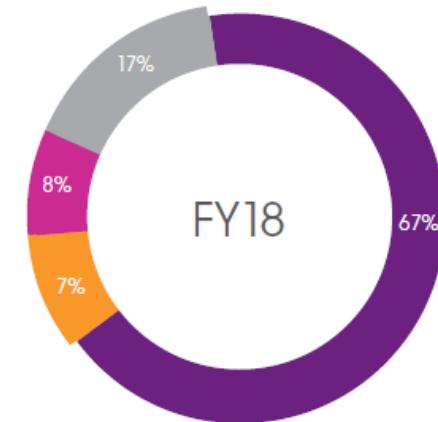
- Singapore continues to consolidate market reputation and improve financial performance

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

Creating more chubby cheeks than anyone else

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)

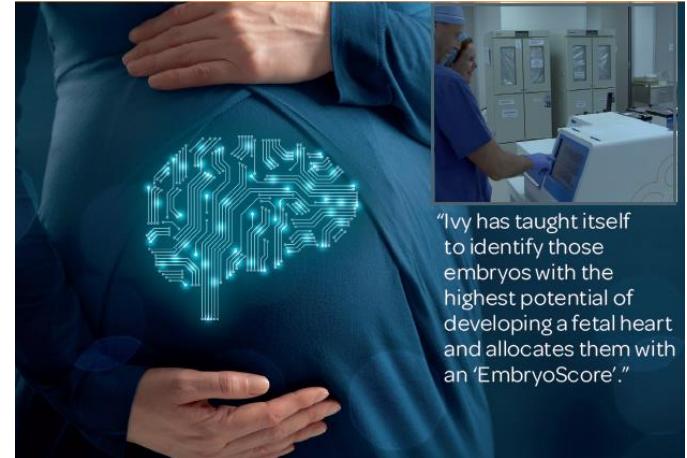
- Capacity expansion to drive patient services & revenue



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