

ASX Announcement

Monash IVF Group Limited (ASX:MVF)

18 May 2022

Monash IVF Group to enter Perth IVF market (Western Australia) via acquisition of PIVET Medical Centre

Monash IVF Group Limited (ASX: MVF, the “Company” or “Monash IVF”) today announces entry into a binding sale agreement for the acquisition of PIVET Medical Centre (“PIVET” or “Business”), a Perth, Western Australia and Cairns, Queensland provider of fertility services.

PIVET was established in 1981 in Western Australia which was then expanded into Cairns, Queensland in 2009 where Cairns Fertility Centre was established. PIVET was founded by Professor John Yovich who is widely acknowledged for his pioneering work in IVF resulting in Western Australia’s first IVF baby born in 1982 through the PIVET IVF Program. The Business brings into the Monash IVF clinician network, 9 fertility specialists who have worked together for several years.

Monash IVF is acquiring PIVET by way of an asset sale and purchase for initial up-front cash consideration of \$9.4 million on a debt free basis, with the potential of additional earn out payments over a one to two year period from completion. PIVET generates approximately \$8m revenue per annum and is anticipated to increase NPAT by approximately 4% (based on MVF FY2022 Adjusted NPAT⁽¹⁾ expectations). Completion is expected to occur during Q1 FY2023, subject to certain conditions precedent. The acquisition (initial purchase price and any subsequent earn out payments) is expected to be funded through Monash IVF’s operating cash flows and/or debt facilities available.

The acquisition is strategically attractive as Monash IVF is entering a new domestic IVF market which it does not currently participate in and is excited to partner with PIVET to grow the Business to ensure it continues to be a market leader in the Perth IVF market. The growth of PIVET will come as a result of continued exceptional patient experience, investment in technology and infrastructure, and attraction of new fertility specialists. In addition, the Cairns Fertility Centre business compliments Monash IVF’s existing IVF clinics in Northern Queensland.

In commenting on the acquisition of PIVET, the Company’s Chief Executive Officer & Managing Director, Mr Michael Knaap said: *“PIVET is a quality organisation with a proud pioneering history, which provides an excellent geographic and cultural fit with Monash IVF. Monash IVF currently has no presence in the attractive Perth market and the acquisition provides further geographic diversification for Monash IVF as we continue to increase our clinical footprint across Australia and South East Asia.”*

The Vendors of PIVET stated *“PIVET is pleased to be joining Monash IVF Group, a pioneering fertility provider with 50 years of experience. Monash IVF Group’s founders laid the groundwork with many world-firsts and unique methodologies that were then applied by PIVET. We are excited to become part of Monash IVF Group and to enhance our service delivery to Western Australia and Queensland patients.”*

(1) Net profit before tax adjusted for certain non-regular items as announced on 12 May 2022

Authorised by the Board of Directors

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