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ASX ANNOUNCEMENT

22 April 2020

**RAMSAY HEALTH CARE ANNOUNCES EQUITY RAISING AND CAPITAL
MANAGEMENT INITIATIVES TO ENHANCE FINANCIAL FLEXIBILITY**

Key Points

- **The COVID-19 pandemic has resulted in the suspension of most elective surgery in each of Ramsay Health Care’s major operating geographies and led to an uncertain operating environment**
- **Ramsay Health Care is undertaking an equity raising and announcing capital management initiatives to enhance financial flexibility during the COVID-19 pandemic**
- **Ramsay Health Care is raising A\$1,200 million in new equity via an underwritten institutional placement and up to an additional \$200 million via a non-underwritten share purchase plan**
- **Ramsay Health Care has received consents to amend or waive key banking covenants from lenders to the Ramsay Funding Group¹ up to and including the December 2020 testing date and will temporarily suspend the ordinary share dividend**
- **Ramsay Health Care expects that these initiatives will enable it to strengthen its balance sheet and increase financial flexibility in an uncertain operating environment and position Ramsay for future growth opportunities**

Ramsay Health Care Limited (ASX:RHC) (“**Ramsay**”) today announced that it is taking decisive action to enhance its financial flexibility during the current uncertain operating environment.

Ramsay is undertaking a fully underwritten institutional placement of new ordinary shares to raise approximately A\$1,200 million (“**Placement**”) and a non-underwritten Share Purchase Plan (“**SPP**”) to raise up to an additional A\$200 million² (together, the “**Offer**”). The proceeds of the Offer will initially be used to partially repay Ramsay Funding Group’s revolving debt facilities which will remain available for redraw.

Ramsay’s Managing Director Craig McNally said, “the equity raising will strengthen Ramsay’s balance sheet and liquidity position, as well as increase financial flexibility during the unprecedented operating environment. More importantly, it will ensure that we can continue to pursue our growth initiatives and position us to take advantage of other growth opportunities that may arise”

¹ Ramsay Funding Group comprises wholly owned subsidiaries and excludes Ramsay Santé and its covenant-lite debt, which is non-recourse to Ramsay Funding Group

² Ramsay may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount, in its absolute discretion

“Private hospital operators, including Ramsay, are making an important contribution in terms of supplementing the broader public health system in fighting the COVID-19 pandemic,” Mr McNally said.

With more than 500 locations across 11 countries globally, Ramsay plays a critical role in the healthcare systems of each of its major markets. Ramsay is pleased to be partnering with Governments to supplement the public health response to COVID-19 and making a positive contribution to patients within all of its communities during the pandemic. The health and safety of Ramsay’s people is also paramount and it is taking proactive steps to monitor the impacts of COVID-19 and support them.

Commitment from Existing Lenders and Covenant Waivers

As part of the capital management initiatives, Ramsay has also today announced that lenders to the Ramsay Funding Group³ have provided consent to amend or waive key banking covenants tests for the next two semi-annual covenant testing points up to and including the 31 December 2020 testing date. The combination of the equity raising, covenant waivers and amendments, and the dividend suspension is expected to provide Ramsay with a stronger balance sheet, with lower leverage and increased liquidity. Further, Ramsay’s first debt facility maturity is not until October 2022.

“The support Ramsay’s lending group has provided by agreeing to these covenant test waivers and modifications will further strengthen our financial flexibility during the challenging operating environment. We believe this demonstrates our lending group’s confidence in the longer term outlook for Ramsay,” Mr McNally said.

COVID-19 Arrangements with Governments and Health Authorities

The COVID-19 pandemic has resulted in the suspension of non-urgent elective surgery in each of Ramsay’s major operating regions, although Ramsay acknowledges yesterday’s announcement by the National Cabinet regarding an easing of restrictions on elective surgery in public and private hospitals in Australia from 27 April 2020.

Ramsay’s 72 hospitals across Australia are prepared for the reintroduction of some surgeries and will now work closely with our doctors on a staged and controlled reintroduction taking into consideration the safety of patients and healthcare workers, as well as the capacity constraints imposed by the government. Discussions with several State Governments regarding the capacity and support that Ramsay is able to provide as part of the Government’s COVID-19 response are progressing.

As part of the suspension arrangements, contractual or legislative support has been or is proposed to be provided by governments and health authorities to reserve capacity to treat COVID-19 patients.

In return for reserving this capacity, governments and health authorities have agreed to a core principle of meeting private hospital operators’ agreed operating costs or, in the case of France, providing approximately 85% of revenue from the previous corresponding period in calendar

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year 2019 (for acute services). The terms and duration of these arrangements is expected to vary by region. Any easing of restrictions on elective surgery is expected to be gradual and may also vary by region. Further details of these arrangements are contained in the Investor Presentation separately provided to ASX today.

“While the effect of these arrangements is that profits cannot be generated during the period of their operation, the fact that governments and health authorities are contributing to the ongoing viability of private hospital operators demonstrates the important role private hospitals can play in conjunction with public health systems.”

“This government support and the capital management initiatives will ensure Ramsay’s ability to maintain its extensive hospital platform intact and will position the company to support previously deferred elective surgeries as the operating environment normalises,” Mr McNally said.

Dividends

Ramsay has determined to temporarily suspend ordinary share dividend payments.

Dividend payments on Ramsay CARES will not be suspended.

Details of the Placement

Ramsay is undertaking a fully underwritten Placement of new fully paid ordinary shares in Ramsay (“**New Shares**”) to eligible institutional investors to raise approximately A\$1,200 million.

The Placement will be conducted at a price of A\$56.00 per New Share (“**Placement Price**”) which represents a 12.9% discount to the last closing price of A\$64.29 on 21 April 2020.

The Placement will result in approximately 21.4 million New Shares being issued, representing approximately 10.6% of Ramsay’s existing issued ordinary shares.

New Shares issued under the Placement will rank equally with existing Ramsay ordinary shares and are expected to settle on 27 April 2020 and be issued, and commence trading on the following business day, 28 April 2020.

The Placement is fully underwritten by J.P. Morgan Securities Australia Limited.

Due to the nature of the Foundation, it will not be participating in the equity raising. However, the equity raising has the Foundation’s support.

Details of the Share Purchase Plan

Following completion of the Placement, Ramsay will offer existing eligible shareholders the opportunity to participate in a non-underwritten SPP, to raise up to A\$200 million⁴.

⁴ Ramsay may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount, in its absolute discretion

Under the SPP, eligible Ramsay shareholders, being shareholders with a registered address in Australia or New Zealand on Ramsay's register as at 7:00pm (Sydney time) on 21 April 2020, will have the opportunity to apply for up to A\$30,000 of New Shares without incurring brokerage or transaction costs.

The Issue Price of the New Shares under the SPP will be the lesser of:

- the Placement Price; and
- a 2% discount to the volume weight average price of Ramsay shares traded during the five ASX trading days up to, and including, the closing date of the SPP (20 May 2020).

New Shares issued under the SPP will rank equally with existing Ramsay ordinary shares from the date of issue.

Ramsay may decide to accept applications (in whole or in part) that result in the amount raised under the SPP being greater than or less than A\$200 million in its absolute discretion.

Full details of the SPP will be set out in the SPP Offer Booklet which is expected to be released to the ASX and dispatched to eligible shareholders on 29 April 2020.

Key Dates⁵

EVENT	DATE
Record date for SPP	7:00pm (Sydney time), Tuesday 21 April
Trading halt and announcement of Placement and SPP	Wednesday 22 April
Placement bookbuild	Wednesday 22 April
Announcement of outcome of Placement	Thursday 23 April
Trading halt lifted – trading resumes on ASX	Thursday 23 April
Settlement of New Shares issued under the Placement	Monday 27 April
Allotment and normal trading of New Shares issued under the Placement	Tuesday 28 April
SPP offer opens and SPP offer booklet is dispatched	Wednesday 29 April
SPP offer closes	Wednesday 20 May
SPP issue and allotment date	Wednesday 27 May
Normal trading of New Shares issued under the SPP	Thursday 28 May
Dispatch of holding statement	Friday 29 May

⁵ The above timetable is indicative only and subject to change. The commencement and quotation of New Shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, Ramsay reserves the right to amend this timetable at any time, including extending the period for the SPP or accepting late applications, either generally or in particular cases, without notice.

Additional Information

Further details of the Offer are set out in the Investor Presentation also provided to the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Placement.

Ramsay will conduct a conference call in relation to the announcement today at 10.30am (Sydney time). We recommend participants pre-register 5 to 10 minutes prior to the conference call via the following link:

<https://s1.c-conf.com/diamondpass/10005995-invite.html>

Following pre-registration, participants will receive the teleconference details and a unique access passcode.

Ramsay has been advised by Reunion Capital Partners in connection with the equity raising.

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The release of this announcement has been authorised by the Ramsay Health Care Board of Directors.

Important Notice

FORWARD-LOOKING STATEMENTS

This announcement contains certain “forward-looking statements”. The words “expect”, “anticipate”, “estimate”, “intend”, “believe”, “guidance”, “should”, “could”, “may”, “will”, “predict”, “plan” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Ramsay, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of Ramsay’s business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of Ramsay, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to Ramsay as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of Ramsay, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

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This announcement is not financial product advice and has not taken into account your objectives, financial situation or needs. This announcement has been prepared for release in Australia. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any jurisdiction in which such an offer would be illegal. The New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares to be offered and sold in the Placement may not be offered or sold, directly or indirectly, to any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The New Shares to be offered and sold in the SPP may not be offered and sold to any person in the United States or to any person that is acting for the account or benefit of a person in the United States.