Ramsay Health Care

FY22 Result Presentation

12 months ended 30th June 2022

Managing Director & CEO, Craig McNally

Group Chief Financial Officer, Martyn Roberts




People caring for people

Important Information

This presentation is in summary form and is not necessarily complete. It should be read together with the Ramsay Group's unaudited consolidated financial statements lodged with the ASX on 26th August 2022.

This presentation contains information that is based on projected and/or estimated expectations, assumptions or outcomes. Forward looking statements are subject to a range of risk factors. Ramsay cautions against reliance on any forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by COVID-19.

While Ramsay has prepared this information based on its current knowledge and understanding and in good faith, there are risks and uncertainties involved which could cause results to differ from projections. Ramsay will not be liable for the correctness and/or accuracy of the information, nor any differences between the information provided and actual outcomes, and reserves the right to change its projections from time to time. The Ramsay Group undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation, subject to disclosure obligations under the applicable law and ASX listing rules.

Agenda

Ramsay Health Care

Key Themes

Ramsay's employees, clinicians and facilities **continued to provide support to the public health sector through further waves of COVID** and have **supported communities through localised crises with healthcare services and supplies**

Ramsay has taken the decision to **retain its core hospital operations and staff levels through out the pandemic.** While this approach has impacted profitability in the short term it does mean that the business is **well placed to ramp up our activities and service patients and communities** as demand recovers

Ramsay has absolute confidence in the future growth in demand and so has continued to invest in both organic and inorganic growth strategies to expand and upgrade facilities and broaden its services delivering an improved healthcare experience for patients and doctors, drive underlying EPS growth and to achieve its vision to be a leading healthcare provider of the future

- The Elysium Healthcare (Elysium) acquisition completed January 31st, builds on Ramsay's strong position in mental health and acute care and delivers a pipeline of growth opportunities. The business is performing in-line with expectations to be EPS accretive in FY23
- The acquisition of Swedish specialty healthcare provider GHP Specialty Care (GHP) completed in early May compliments the Nordics healthcare services platform. GHP is expected to be EPS accretive in FY23. €6m of synergies p.a. expected by year three
- Investment in brownfield expansion and reconfiguration of existing facilities and selected greenfield sites remains a focus. Invested $370m[1] in FY22
- The business continues to build its digital and data foundations, a 5 year roadmap for Australia has been established

Ramsay is well positioned to benefit from the additional volume created by the **backlog of elective surgery and a building pipeline of non surgical cases across all regions.** The challenge is managing through further waves of COVID and the impact on the availability of staff, clinicians and patients

The financial impact of COVID in FY22 was the most severe of the pandemic due to **the high prevalence of COVID in the community across all regions and elective surgery restrictions imposed in Australia**.

- Focus is on productivity and efficiencies to mitigate inflationary and COVID related cost pressures to an extent
- Underlying demand for Ramsay's facilities and services remains strong

The management of **employee availability in the short term** combined with **recruitment and retention of our people in the medium term** are significant challenges continuing to effect the business. A range of programs have been launched to address the issues

Ramsay - announced its commitment to a **near-term science based target of a 42% reduction in Scope 1+2 emissions by 2030** and **long term science based target of net zero carbon emissions across the value chain (Scope 1+2+3) by 2040[2]**

1. Greenfield, brownfield and growth projects
2. Refer ASX announcement 29th June 2022 "Ramsay Commits to Science Based Decarbonisation" targets for further details

Investment in Our People

CAPABILITY DEVELOPMENT

Priorities
- Strategic partnerships
- Robust data and digitisation
- Industry leading talent
- Disciplined transformation

CULTURAL CHANGE

Headline measures
- Engagement
- Enablement

INDUSTRY LEADING TALENT

Focus areas
- Leadership
- Development and learning
- Diversity and inclusion
- Recognition and reward
- Succession planning

Global Employee Value Proposition

Leader of the Future framework

Global Corporate Graduate Program

Alumni Program framework

International recruitment campaigns

Group FY22 Financial Results

- Earnings were impacted by the ongoing disruption caused by the high numbers of COVID cases in the community on **activity levels, case mix and costs.** Estimated impact on **Australia A$276m ($264m net of viability payments)**
- All regions are being impacted by **inflationary pressures on operating expenses** ex-COVID related costs
- The result includes initial contributions from Elysium and GHP, A$328m revenue and A$26m EBIT
- **Non-recurring items had a negative $60.5m impact at the EBIT level** ($34.2m in the pcp) offset to an extent by the net positive impact of non recurring items in financing costs of $25.8m
- **Fully franked final dividend of 48.5cps** was determined, taking the full year dividend to 97cps compared to 151.5cps in the pcp

12 months ended June A$'m	$'m	% chg on pcp
Total revenue and other income (less interest income)	13,740.0	3.1
EBITDAR[1]	1,967.6	(10.7)
EBITDA[2]	1,830.2	(10.9)
EBIT[3]	891.3	(21.3)
PBT[4]	538.5	(27.4)
Minority interests attributable to non-controlling interests	(105.2)	(68.3)
Statutory Net Profit to owners	274.0	(39.0)
Final dividend per share (DPS) (cps)	48.5	(52.9)
Full year dividend per share (cps)	97.0	(36.0)
Fully diluted earnings per share (EPS) (cps)	116.1	(39.7)

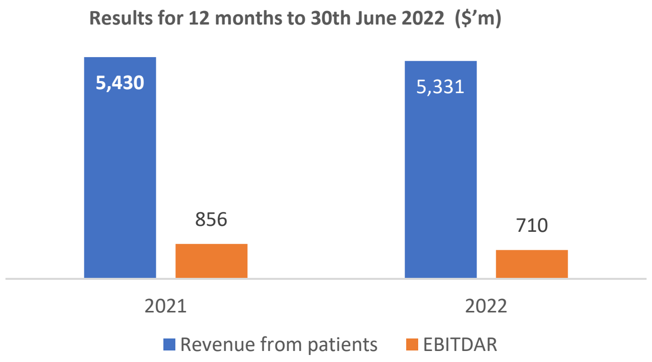
1. Earnings before interest, tax, depreciation, amortisation, and rent
2. Earnings before interest, tax, depreciation and amortisation
3. Earnings before interest and tax
4. Profit before tax

Ramsay Health Care

Australia – Highlights

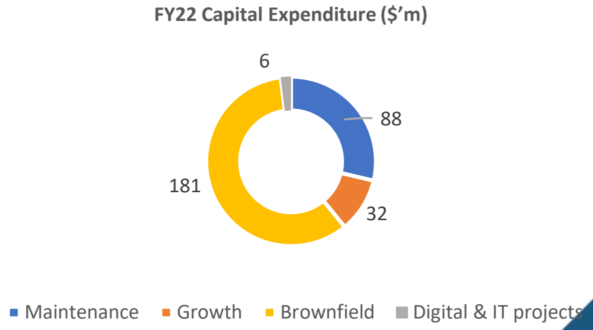
Result Overview

- The business continued to support the national response to COVID providing staff and capacity to state governments
- The first nine months of FY22 were impacted by lock-downs and isolation orders combined with state government mandated surgical restrictions
- Over the final three months of FY22 the business was impacted by the disruption caused by high COVID case numbers in the community leading to high rates of sick leave and workforce disruption as well as high numbers of doctor and patient cancellations
- The estimated impact of the disruption caused by COVID was $264m net of the $12m in viability payments received
- Non-recurring items had a negative $40.2m impact on EBIT (negative $0.9m in the pcp)
- Investment in greenfield and brownfield continued with total spend $181m up 29% on the pcp



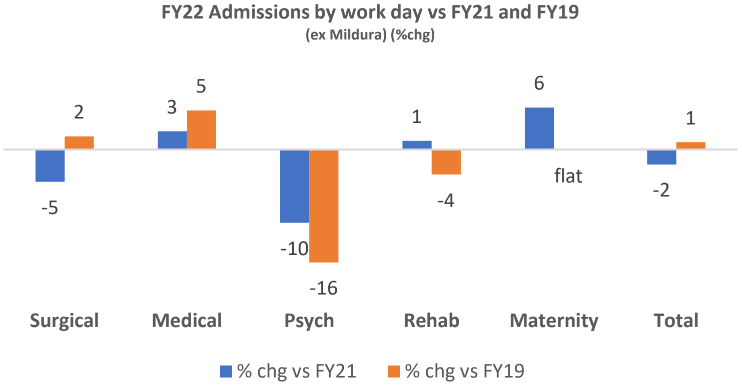
Outlook

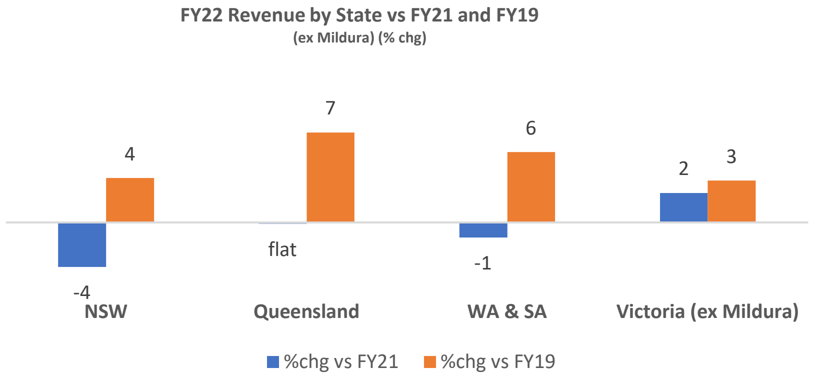
- Underlying organic growth is expected to be driven by the backlog in surgical and non-surgical activity combined with the benefit of new capacity and services that have been developed over the last 18 months. FY23 activity levels and operational efficiency will continue to be impacted while COVID cases remain high in the community. The impact in July is estimated to have been $38.7m
- Public contracting will be a key area of growth underpinned by commercially sustainable rates instead of the viability guarantee's cost recovery principle
- The business is focused on driving growth in volumes, addressing cost inflation by achieving improved commercial terms with payors, building on our strong global procurement advantage and driving productivity back to pre pandemic levels
- Increased investment in staff training and development as well as recruitment and retention strategies to meet short term workforce challenges

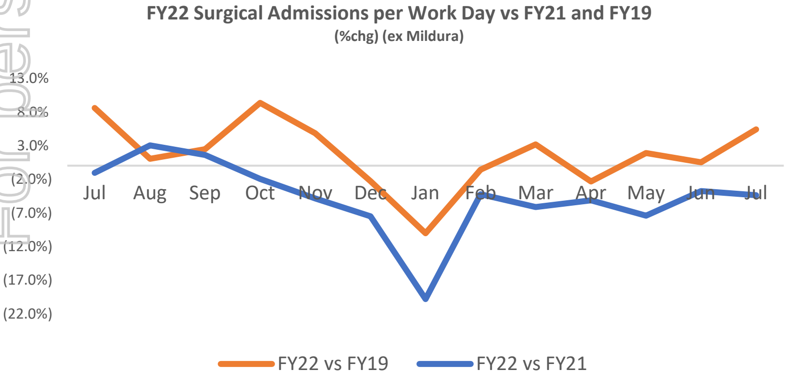


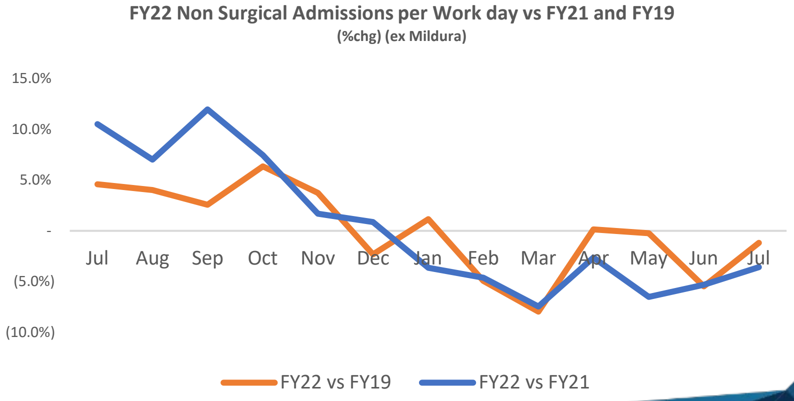
Ramsay Health Care

Trends in Admissions









Ramsay Health Care

Australia – Investment Highlights

Creating a best in class, digitally enabled healthcare ecosystem

Hospitals

- FY22 Brownfield/greenfield capital expenditure - $181m
- Projects completed during the period at a net investment of $232.5m delivered
  - 240 net beds
  - 9 theatres, 3 procedure rooms
  - 18 consulting suites
  - New emergency department
- Projects completed include
  - Greenslopes Surgical Expansion
  - Hollywood emergency department
  - Beleura redevelopment
  - Stage 3 of Westmead expansion
  - New Australian first women's trauma mental health clinic opened in August 2022 in Thirroul

Day Surgery

In Hospital

- Expansion and redevelopment of hospital-based day surgery with ~62% of all Ramsay procedures being day only

Stand-Alone Day Surgeries

- 3 (out of 7 existing sites) rebranded to Ramsay Surgical Centre
- 3 new day surgery sites approved during FY22 (1 acquisition/2 under development)
- 2 other sites have proceeded to DA stage
- Low cost/digital op model

Out of Hospital / Community

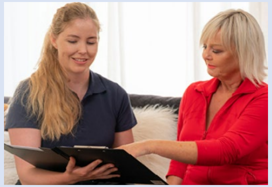
- Growth to 11 psychology sites in FY22. Further 10 sites to be opened in FY23 across 4 states. Return to Work contract with Sonder executed
- 5.2m scripts delivered in FY22 in Ramsay Pharmacy. 76% increase in professional services. Creation of 'professional services pharmacist' roles
- 32 allied health sites; offering new models of care for Cancer, Parkinsons, Arthritis, Pain relief
- Ramsay Connect JV delivering HITH & RITH supporting the equivalent of a 104 bed virtual hospital

FY23: Total spend on the development pipeline is now expected to be $250-300m

FY24 - FY25: Development spend in FY24 to FY25 is expected to be above the $250-400m pa







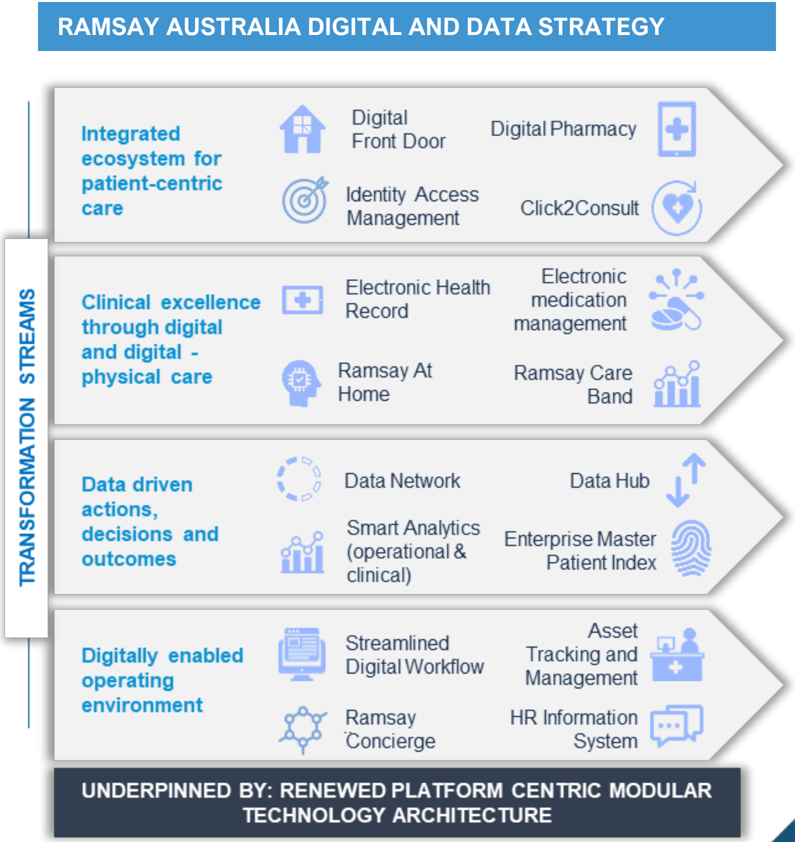
Digital Investment

Commencement of 5 year digital investment journey, with ~$30-35m opex and ~$3m CAPEX in FY23, including cyber security.

↑ Integrated and connected care ↑ Operational efficiency ↑ Improved quality and satisfaction ↑ Digital health opportunities

Australia – Digital and Data Strategy

- To achieve Ramsay's vision to be a digitally enabled patient centric integrated health care provider **the business has embarked on a digital transformation in Australia**
- The strategy has been developed to deliver **a better patient experience, improved clinical outcomes and productivity improvements**
- A sequenced five-year strategic digital road map has been developed to guide **future investment around four transformation themes**
- The roadmap has been **structured across three-time horizons**:
  - Build foundations and enhance the existing business - 1-2 years
  - Scale, transform and add new services - 2-3 years
  - Disruption innovation 3-5 years
- This work will also guide the development of **Ramsay's underpinning enterprise architecture**
- Investment in the digital and data strategy[1] in FY23 is expected to be ~$30- 35m (opex)[2] and $3m (capex)
- Investment over the next five years is expected to increase significantly with commensurate benefits expected to flow over subsequent years



1. Includes Cyber Security
2. Includes the development costs associated with SaaS platforms

Ramsay Health Care

UK – Highlights and Outlook

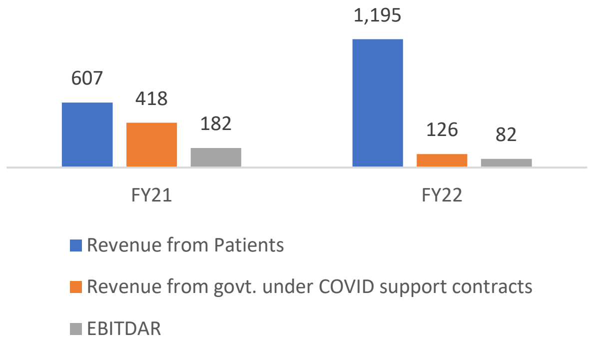
Result Overview

- Ramsay UK reverted to pre COVID commercial arrangements with NHS for most of the year however it continued to assist during the Omicron surge in cases
- Admissions increased 6.5% reflecting the contribution from newly opened facilities and an increase in underlying activity, in particular private patients, combined with a challenging year in the pcp
- The business opened a new day surgery in Chorley in October, the third new facility opened during the pandemic
- Ramsay UK was impacted by challenges stemming from COVID circulating in the community. Over 30,000 episodes of care were cancelled at short notice driving higher costs. The estimated impact of the costs of operating in a COVID environment was £30.6m (~A$56m)
- The result includes the negative impact of non-recurring items of $44.4m including transaction costs
- The Elysium acquisition contributed $284.3m in revenue and $23.1m in EBIT the result does not reflect the full benefits of growth in capacity in the last twelve months
- Both businesses were impacted by significant inflationary pressures of 5%+ in particular labor costs

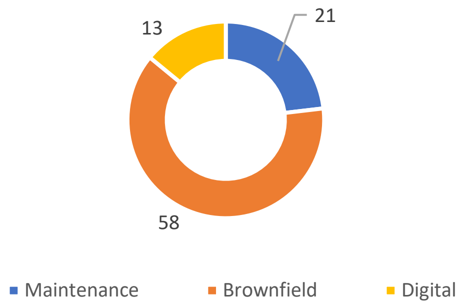
Outlook

- In FY23 Ramsay UK activity levels will be subject to the impact of further waves of COVID including the ongoing potential for short term cancellations and NHS imposed restrictions on capacity utilisation
- The business is expected to benefit from its strong partnership with the NHS combined with private patient growth, to drive an increase in activity levels over the medium term
- New capacity built over the last two years combined with a new two theatre day surgery facility expected to be commissioned in 2HFY23 at Kettering and a new theatre being developed at New Hall will contribute to volume growth in FY23
- The FY23 UK result will benefit from a 12-month contribution from Elysium. The result is expected to benefit from higher average paid beds and higher occupancy rates. Elysium has a pipeline of brownfield developments and acquisition opportunities which will deliver additional capacity and drive growth
- In FY23 both businesses will continue to be impacted by inflationary pressures on most operating expenses and labor shortages

UK result for 12 months to 30th June ($'m)
(includes 5 months of Elysium ownership in FY22)



Capital Expenditure ($'m)



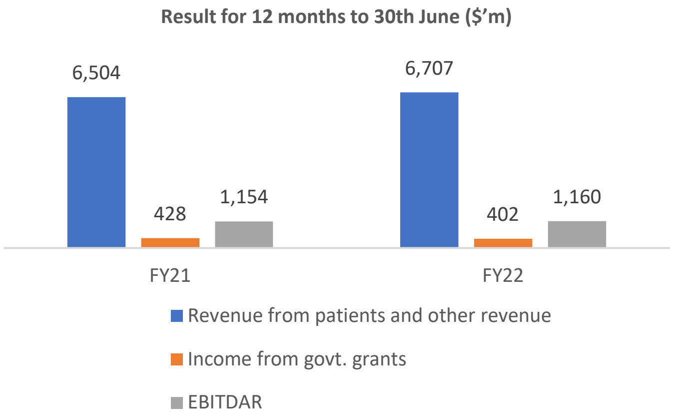
Europe – Ramsay Santé Highlights and Outlook

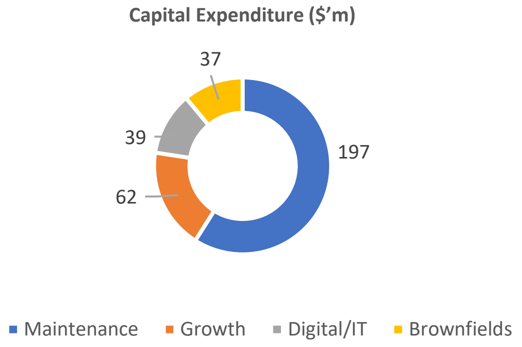
Result Overview

- Ramsay Santé continued to support governments to manage the pandemic
- The business reported growth in activity levels over the 12-month period heavily weighted to day procedures and out of hospital activity in its primary and specialty care businesses
- PBT increased 68.1% to A$285.3m. Adjusting for non-recurring items PBT increased 17.0% on the pcp reflecting the skew of the Nordics business to out of hospital and primary healthcare services, offsetting the difficult trading conditions in the French acute hospitals business
- Margins were negatively impacted by the additional costs associated with managing the pandemic and the significant inflationary cost pressures including the increased use of agency staff to manage higher absenteeism levels. Costs have been mitigated by the positive impact of the COVID related subsidies received both in France and the Nordics countries
- Consistent with it's strategy to enter adjacent healthcare services markets, Ramsay Santé made a number of acquisitions in the Nordics region, the most significant being the acquisition of Swedish specialty health care provider GHP completed in May 2022

Outlook

- The French Government has indicated that it will extend the revenue guarantee from 1st July 2022 to 31st December 2022. This is yet to be confirmed by decree
- In FY23 the ramp up in activity levels in France will depend on the level of COVID cases in the community
- The business has invested in a number of programs to develop, retain and attract staff and clinicians to meet the forecast increase in demand levels as COVID cases decline
- The business will continue to be impacted by inflationary cost pressures
- The Nordics business will benefit from a full year contribution from recent acquisitions; organic volume growth driven by new contracts; and expanded patient lists. The focus will be on integrating the acquisitions made by the business over the last eighteen months both physically and digitally to leverage the specialty care platform that has been created





Asian Joint Venture – Ramsay Sime Darby (RSD)

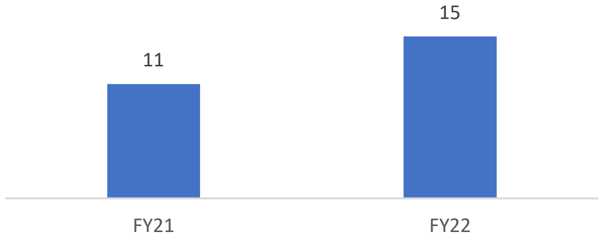
Result Overview

- RSD reported a 9.3% increase in revenue over the pcp over the twelve month period, driven primarily by the inclusion of a full year of the Bukit Tinggi Medical Centre in Malaysia, which was acquired in May 2021 and the contribution from COVID related activities including testing and vaccination.
- EBIT for the period increased 19.1% over the pcp, reflecting the expanded asset base and the contribution from the provision of COVID-related services in both Malaysia and Indonesia.
- The day surgery in Hong Kong was closed on 30th June 2022 given the facility was making losses and the nursing college in Malaysia has been sold
- The equity accounted contribution from the joint venture, included in the Asia Pacific earnings, for the twelve month period increased 41.7% compared to the pcp to $15.3m

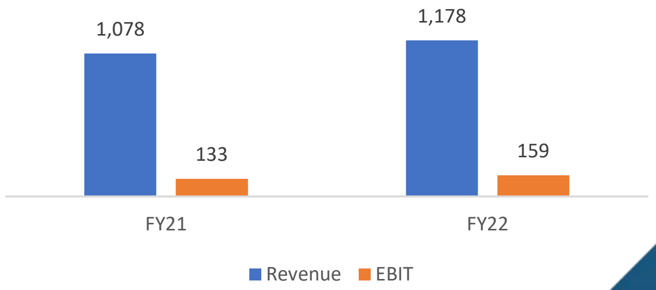
Outlook

- The operating environment has started to normalise, Governments in the region have started to relax operating procedures boosting patient visits
- The region will continue to be impacted by further waves of COVID cases
- The region is focused on implementing strategies to address critical nursing shortages
- The business will continue to invest in its digital strategy including several digital front door projects including the digitisation of admission, discharge and billing
- As announced on 22nd March 2022, Ramsay and Sime Darby Berhad are currently exploring a potential sale of their joint venture, Ramsay Sime Darby Health Care Sdn Bhd. Ramsay and its partner continue to pursue this transaction[1]

Equity Accounted Contribution Year Ended 30 June (A$'m)



Results for Year Ended 30th June (MYR'm)



1. Refer ASX announcement 22nd March 2022 "Response to Speculation – Receipt of Non-binding Indicative Proposal for Ramsay's joint venture in Asia, Ramsay Sime Darby"

Ramsay is driving action through three pillars: healthier people, stronger communities and a thriving planet.

caring for our people

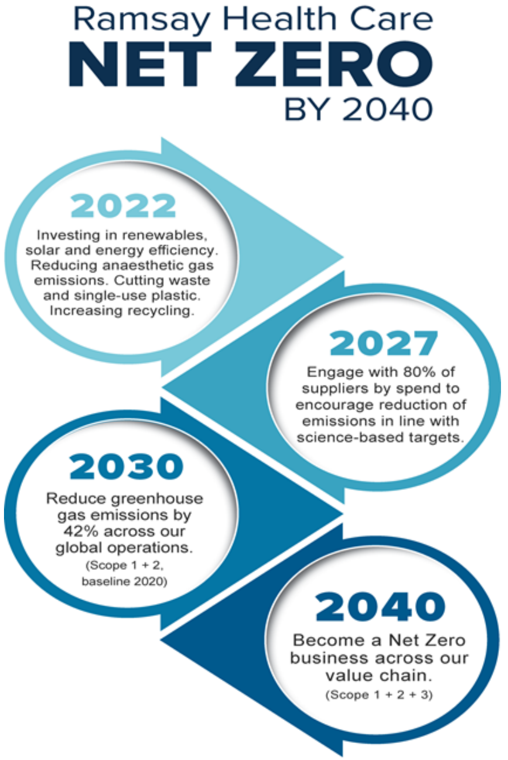
- First 'Quality of Life & Working Conditions' agreement in Europe
- Enterprise-wide HR and Electronic Patient Record systems in UK
- New nursing advancement programs
- Global and regional leadership training
- Approximately 300 people in total trained to-date in Mental Health First Aid

caring for our planet

- Ramsay UK and Elysium switched to 100% renewable electricity
- Avoided or replaced more than 38 million single-use plastics
- 94% of Ramsay Santé facilities completed CSR self-assessment
- Theatres switching to more environmentally-friendly anaesthetic gases
- Climate vulnerability assessment across more than 300 assets
- Ramsay Australia solar panel rollout and LED installation program including retrofitting more than 16,000 lights

caring for our community

- Ramsay Hospital Research Foundation program supports >1,000 clinical research projects
- Ramsay Santé Foundation expanded backing for start-ups working in preventative healthcare to 23 start-ups and 7 associations
- Help for communities in need, including medical supplies and healthcare for Ukraine and victims of flooding in Australia
- More than 25% of suppliers (by share of spend) engaged in responsible sourcing program



At least 95% coverage of Scope 1 & 2 emissions and 90% coverage of Scope 3 emissions. Baseline for targets 2020

Group Financials

Group CFO Martyn Roberts

ramsayhealth.com

People caring for people.

Ramsay
Health Care

FY22 Group Performance

- ❑ Revenue from "Governments under COVID support contracts" reflects payments received under agreements with governments in both the UK and Australia
- ❑ “Income from government grants" reflects payments received under the French Government decree and cost compensation from governments in the Nordics
- ❑ EBIT includes a number of non-recurring items totalling ($60.5m) (($34.2m) in the pcp)
  - Transaction costs of $56.4m ($23.8m in the pcp)
  - The expensing of IT and other assets $12.8m
  - Impairments of $11.3m ($34.6m in the pcp)
  - The benefit of the refund of prior year rent in France of $8.3m
  - A profit on sale of assets in Europe and Asia Pacific of $19.2m ($24.2m in the pcp)
  - The write down of obsolete inventory in the UK and Australia of $22.3m
  - The write back of a provision for indemnities and warranties $24.8m
  - Non-recurring employee costs $10m
- ❑ Profit before tax includes the positive impact of non-recurring items in the net interest line:
  - An $7.4m net upfront break fee cost associated with the early repayment of two debt facilities offset by a $34.1m positive mark to market movement on Ramsay Santé’s interest rate swaps
- ❑ The effective tax rate was slightly lower than pcp at 29.6%.
- ❑ The increase in minority interests reflects the increase in the contribution from Ramsay Santé

12 months Ended 30th June A$'m	2022	2021	(%)chg	(%)chg cc*
Revenue from patients and other revenue	13,174.0	12,435.5	5.9	7.4
Revenue from governments under COVID 19 support contracts	138.4	428.7	(67.7)	(68.1)
Income from government grants	402.0	428.3	(6.1)	(3.3)
Interest income	36.2	7.1	410	423
Other income - net profit on disposal of non-current assets and income from the sale of development assets	25.6	32.7	(21.7)	(17.6)
Total revenue and other income	**13,776.2**	**13,332.3**	**3.3**	**4.6**
Share of profit from Ramsay Sime Darby joint venture	15.3	10.8	41.7	43.2
EBITDAR	**1,967.6**	**2,203.2**	**(10.7)**	**(9.3)**
EBITDA	**1,830.2**	**2,053.5**	**(10.9)**	**(9.3)**
EBIT	**891.3**	**1,132.6**	**(21.3)**	**(19.7)**
Net Profit before tax	538.5	741.6	(27.4)	(25.1)
Net Profit after tax	**379.2**	**511.5**	**(25.9)**	**(23.5)**
Minority interests attributable to non-controlling interests	(105.2)	(62.5)	(68.3)	(77.2)
Net Profit after tax attributable to owners of the parent	**274.0**	**449.0**	**(39.0)**	**(37.6)**
Interim dividend per share (¢)	48.5	48.5	-	-
Final dividend per share (¢)	48.5	103.0	(52.9)	-
Basic Earnings per share (after CARES dividend)(¢)	116.3	193.2	(39.8)	-
Fully diluted earnings per share (after CARES dividend) (¢)	116.1	192.6	(39.7)	-

* Constant currency

Ramsay Health Care

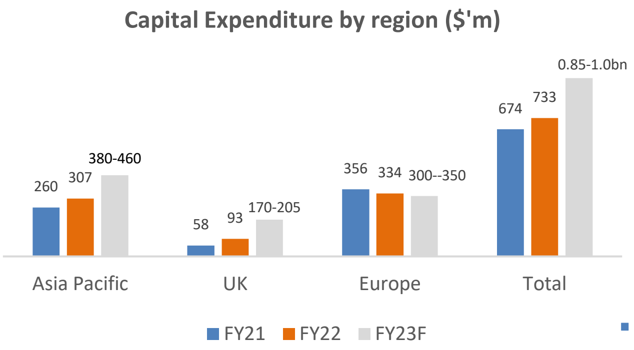
Cashflow

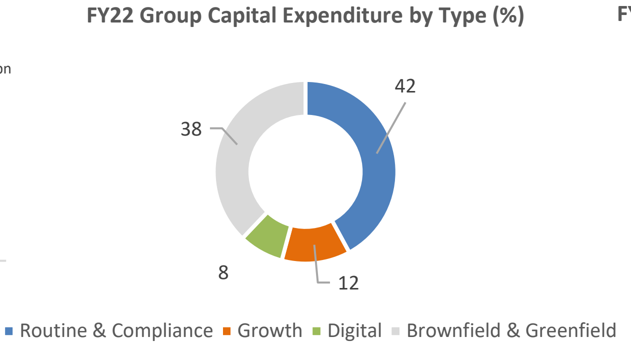
- The movement in working capital is primarily the result of an increase in the trade and other receivables amounts as funding from the government grants provided under the French Government revenue guarantee decree reduced
- Cash capital expenditure increased reflecting brownfield programs primarily in Australia and Europe
- The large movements in divestments and financing cashflows reflects the repayment of the amount held in escrow at 30th June 2021 for the Spire transaction ($A1.96bn) combined with the acquisition of Elysium on 31st January (A$1.5bn)
- Dividends paid increased over the pcp reflecting the fact that Ramsay did not pay an FY20 final dividend due to the uncertainty created by the first wave of COVID

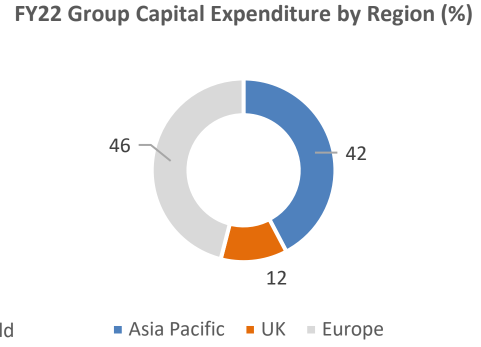
Year ended 30 June A$'m	2022	2021	Chg (%)
EBITDA	1,830.2	2,053.5	(10.9)
Changes in working capital	(457.1)	(72.7)	(528.7)
Finance costs	(375.4)	(367.5)	(2.1)
Income tax paid	(229.3)	(228.2)	(0.5)
Movement in other items	(52.9)	96.1	(155.0)
Operating cash flow	**715.5**	**1,481.2**	**(51.7)**
Capital expenditure	(708.5)	(628.9)	12.7
Free cash flow	**7.0**	**852.3**	**(99.2)**
Net divestments/(acquisitions)	734.1	(1,910.2)	138.4
Interest & dividends received	4.4	34.9	(87.4)
Cash flow after investing activities	**745.5**	**(1,023.0)**	**172.9**
Dividends	(371.0)	(125.1)	(196.6)
Other financing cash flows	(1,039.9)	709.1	(246.7)
Net increase/(decrease) in cash	**(665.4)**	**(439.0)**	**(51.6)**
Interest cover (x) (EBITDA/finance charges)	4.9	5.6	-

Ramsay Health Care

Capital Expenditure







- Group capital expenditure for the period was $733m. Some delays were experienced in projects in Australia due to the impact of COVID on the building industry and supply chains
- Forecast FY23 capital expenditure is expected to be in the range $0.85bn-$1bn
- Capital expenditure is expected to remain at elevated levels for FY24-FY26

Capital Employed and Balance Sheet

A$'m	30/06/2022	31/12/2021	30/06/2021
Working capital	(337.7)	(368.5)	(794.8)
Property plant & equip	4,806.9	4,537.1	4,488.6
Intangible assets	5,799.0	4,320.6	4,233.6
Current & deferred tax assets	111.7	177.5	150.7
Other assets/(liabilities)	(153.9)	(305.0)	1,646.2
Capital employed (before right of use assets)	**10,226.0**	**8,361.7**	**9,724.3**
Right of use assets	4,627.7	4,315.8	4,411.5
Capital employed	**14,853.7**	**12,677.5**	**14,135.8**
Capitalised Leases (AASB16)	**5,482.4**	**5,182.0**	**5,271.0**
Net Debt (excl. lease liability debt & incl. derivatives)[1]	4,845.1	2,985.9	4,314.0
Total shareholders funds (excl minority interest)	3,933.5	3,958.3	4,032.7
Invested Capital	**8,778.6**	**6,944.2**	**8,346.7**
Funding Group Net debt (excl. lease liability debt and incl derivatives) A$'m	2,416.8	840.7	2,565.1
Return on Capital Employed (ROCE) (%)[2]	6.6[3]	8.5	9.3[3]
Return on invested capital (ROIC) (%)[4]	3.6[3]	5.5	7.0[3]
Funding Group Leverage (Old Lease Standard AASB 117) (x)	3.3	1.0	2.9
Consolidated Group Leverage (New Lease Standard AASB 16) (x)	5.7	4.2	4.7

1. Net debt includes derivatives and excludes lease liabilities
2. ROCE - 12 month rolling EBIT / average of opening & closing capital employed
3. Proforma excluding funds in escrow for the Spire transaction
4. ROIC – defined as 12 month rolling NPAT (based on AASB16)/shareholder equity and net debt (pre AASB16 EBIT). Consistent with LTIP calculation

- Key movements in the balance sheet since 30th June 2021 primarily relate to the repayment of the funding drawn down and held in escrow at 30th June for the Spire transaction ($1.96bn) and the acquisition of both Elysium completed on 31st January 2022 for an enterprise value of £775m (~A$1.5bn) and GHP in Sweden for an enterprise value of €240m (~A$370m)
- Taking advantage of the current low interest rate environment during the period, Ramsay terminated two fixed rate loan facilities totaling $200m which were due to expire in FY25. The net upfront cost of the early repayment of the facilities was $11.3m and the future net reduction in finance costs are estimated at approximately $3.6m in both FY23 and FY24 and $1.2m in FY25

Ramsay Health Care

Leverage

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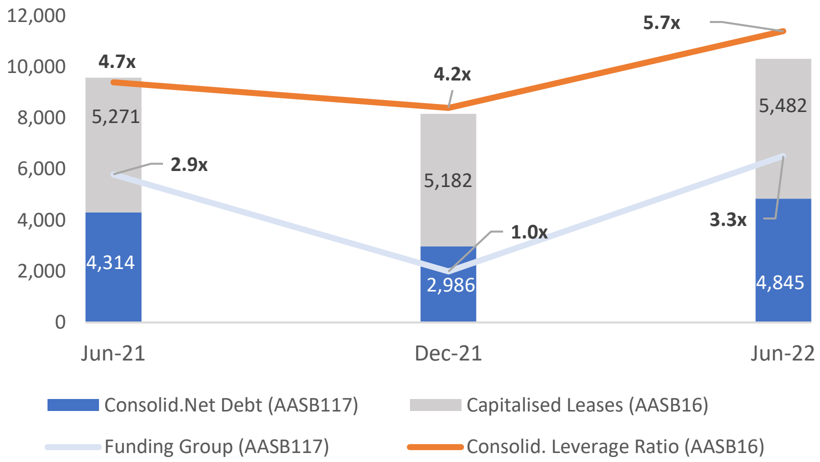
- Funding group leverage[1] reflects the significant investment in the business over the twelve month period combined with the impact of COVID on activity levels and margins
- Leverage metrics do not reflect the benefit of a full 12 month contribution from completed brownfield developments
- Ramsay's estimate of Fitch leverage using its revised methodology[2] is 4.88x

Reported Leverage and Debt Metrics as at 30th June $'m



1. Funding Group excludes Ramsay Santé and Ramsay Sime Darby
2. Fitch revised methodology - total adjusted gross debt (including lease debt) /operating EBITDAR (Funding Group metrics). Investment grade rating target 3.3x

Ramsay Health Care

Strategy and Outlook

Managing Director and CEO Craig McNally

ramsayhealth.com

People caring for people.

Ramsay Health Care

Ramsay will continue to invest in its strategy to be a leading integrated healthcare provider of the future

OUR VISION: To leverage our global platform and be a leading healthcare provider of the future

By growing, modernising and leveraging our **World Class Hospital Network**

- Organic growth
- Strategic expansion
- Strategic growth in key therapeutic areas

Integrated patient-centred care

And moving purposefully into **New & Adjacent Services**

- Extended patient pathway
- Broader digi-physical care delivery
- New services, existing regions
- Diagnostic and imaging services
- New payers and funding models

OUR MISSION: Creating a best-in-class, digitally enabled healthcare ecosystem - to change what is possible for your health

Operational Excellence *will deliver value for all stakeholders*

- Procurement
- Operational efficiencies
- Excellence in service delivery

Strong Organisational Foundations *will underpin our achievements*

- Digital and data transformation
- Clinical excellence
- Industry leading talent
- Ramsay Cares sustainability strategy
- Strategic partnerships and M&A capability

OUR PURPOSE: People caring for people

Group Outlook

- **Ramsay has invested approximately $2.7 billion over the past two financial years to expand and upgrade its facilities and broaden its service base**. This investment is underpinned by: **demographic trends** driving strong demand for healthcare services in western countries; **advances in clinical practice** improving patient outcomes and extending life expectancy; the **elective surgery backlog** created by the pandemic combined with an increase in demand for some non-surgical services ; and increased Government focus on the importance of **investment in maintaining strong, efficient healthcare systems**

- Underlying earnings growth in FY23 **will benefit from the additional capacity created over the last few years combined with full year contributions from Elysium and recent acquisitions in Europe**. The focus will remain on driving the synergies, realising the growth opportunities and improving returns

- In the near term, the industry **continues to be under pressure from a high level of COVID cases in the community** combined with the **highly restrictive guidelines around the patient pathway together with the resultant impact on the availability of the workforce,** impeding a recovery in volumes and productivity

- The French Government has indicated that it will **extend the revenue guarantee from 1st July 2022 to 31st December 2022**[1], providing stability to earnings in the French acute hospital business while the operating environment remains unpredictable

- Our partnership and relationships with Governments in each of our markets have developed over the last few years. We believe there will be **meaningful opportunities for the private sector to partner with Governments in the future**. Given our global health care capabilities and proven reliability as a private sector operator Ramsay is uniquely qualified to be a core healthcare partner

- Given inflationary and COVID related pressures on costs, Ramsay will focus on **negotiating improved terms with payors to reflect this,** (both health funds and governments) **leveraging the Groups global scale in procurements and driving efficiency and productivity improvements** where the operating environment allows

- Ramsay believes the outlook for the Group remains strong. Our world class hospital network combined with our outstanding people and clinicians give us confidence that the business is well placed to take advantage of the positive long-term dynamics driving the healthcare industry. **We expect a gradual recovery through FY23 and more normalised conditions from FY24 onwards**

1. This is yet to be confirmed by decree

Ramsay Health Care

Questions

Appendix - Partnerships with Government

During the twelve months to 30 June 2022, Ramsay continued to make its facilities and services available to support public health systems in Australia, France and the United Kingdom. The status of the arrangements are detailed below.

	Australia	United Kingdom	France
Overview	• From either 31 March 2020 or 1 April 2020, agreements commenced with the state governments of New South Wales, Victoria, Queensland and Western Australia.	• An initial agreement was entered into with the NHS England (NHSE) from 23 March 2020 to 31 December 2020, which operated on a cost recovery basis. • Ramsay UK reverted to pre COVID commercial arrangements with the NHS for the period 1st July 2021 to 31st December 2021. • On 10th January 2022 a new volume-based agreement with the NHSE came into effect and expired on 31st March 2022.	• The French government issued its initial decree on 7 May 2020, which provided a guarantee of revenue from 1 March 2020 to 31 December 2020. • A new decree was issued and subsequently extended covering the 12 month period ending 31 December 2021. • The French Government introduced a new decree for the period 1 January 2022 – 30 June 2022, and has indicated that it will extend the revenue guarantee from 1 July 2022 to 31 December 2022, however the details including applicable mechanism are yet to be confirmed by decree
Terms	• In return for the commitment to maintain full workforce capacity at the facilities, Ramsay received, and recognised as revenue, net recoverable costs (being recoverable costs less any revenue generated from operations, calculated on an accruals basis). • Recoverable costs and revenue amounts are aggregated quarterly, with each quarter considered separately. Where the revenue amounts exceed recoverable costs, the payment for that quarter is deemed to be zero.		• The guarantee compensates the business for the use of its facilities and services when required during the pandemic. • For the period 1 July 2021 to 31 December 2021, the decree provided a guarantee of revenue equal to the equivalent period of 2020 billed revenue, inclusive of the 2020 revenue guarantee. • The estimates, payments and final square up that form part of the revenue guarantee period are completed on a site-by-site basis. A final square-up of the revenue and cash advances will be performed following the end of the period • Social Security pays Ramsay Santé a monthly cash advance
Duration & Status	• The New South Wales agreement remains on foot. • The Victorian agreement was paused from 31 March 2021, but recommenced for the months of October and November and then recommenced again from 1 January 2022 until 27 February 2022. • The Queensland agreement was paused from 30 June 2020, but recommenced from 20 December 2021. • The original WA agreement expired and was replaced with a new agreement on essentially the same terms from 1 April 2022 with an Initial Term of 12 months, plus a Further Term of 6 months at the discretion of the Department.	• The initial agreement with the NHS commenced from 23 March 2020 and ended on 31 December 2020. • The new, volume-based agreement came into effect on 10 January 2022 and expired 31 March 2022.	• The French government issued decrees covering the period from 1 March 2020 through to 30 June 2022. • The French government has indicated that it will extend the revenue guarantee from 1 July 2022 to 31 December 2022, however the details including applicable mechanism are yet to be confirmed by decree.

Ramsay Health Care

ASX ANNOUNCEMENT

26th August 2022

Ramsay Health Care FY22 Final Results - Presentation Speech

Slide 1 Front Cover

Good morning, everyone and thank you for joining us for our FY22 full year results presentation webcast. My name is Craig McNally, and I am the Managing Director & CEO of Ramsay Health Care, and I am joined by Martyn Roberts our Group Chief Financial Officer.

Slide 2 - Disclaimer for noting

Slide 3 Agenda

Today we will provide an overview of our performance for the twelve-month period, an update on our strategic direction, before covering off on the outlook for the Group.

Slide 4 Key Themes

Moving to the key themes of the year.

Ramsay's people and doctors have continued to assist governments across all our regions in dealing with the pandemic through the treatment of COVID cases, the treatment of critical non COVID patients and running activities such as vaccination and testing clinics. And as they have always done, our people have supported our local communities with healthcare services and supplies through crisises such as the floods in Australia and the conflict in Ukraine. I would like to take this opportunity to thank our people for continuing to support our patients and the communities in which we operate, embodying Ramsay's purpose, of people caring for people. I am really proud of what our people have achieved over the last few years and the role the organisation has played in supporting the response to the pandemic.

Throughout the pandemic, consistent with Ramsay's values, we have taken the decision to retain our core hospital operations and staffing levels. While this approach has impacted profitability in the short term it does mean that we are well placed to ramp up our activities and service our patients and communities as volume starts to improve.

We have absolute confidence in the future growth in demand for healthcare services and so, despite the challenges created by further waves of COVID, we have continued to invest significantly in both organic and inorganic growth strategies to upgrade and expand our facilities and broaden our service platform. This has included investment in our brownfield and greenfield development pipeline with a number of new projects completed during the year.

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We have made two acquisitions of note this year, the mental health services business Elysium Healthcare (Elysium) in the UK and Swedish specialty health care business, GHP Specialty Care (GHP). Both businesses build on our existing capabilities and are expected to be EPS accretive in FY23. The focus is now on extracting synergies and integrating the businesses.

We have continued to build on our digital and data foundations with the aim of leveraging our existing business base and supporting our entry into adjacent health services. And we have invested in our Ramsay Cares strategy which is focused on driving action through healthier people, stronger communities, and a thriving planet.

Importantly underlying demand for healthcare services remains strong in all our regions and the pipeline of elective surgery cases has grown, driving private pay admissions and private health insurance membership. The business remains extremely well positioned to benefit from this demand.

As you would have seen we have released an update on the negotiations with the KKR led consortium regarding a potential scheme of arrangement to acquire all the shares in Ramsay. There is nothing further I can say in relation to the proposal at the current time and I won't be taking any questions on it. Suffice to say that our Board is very focused on delivering the best outcome for shareholders.

Slide 5 Investment in Our People

Workforce retention and wellbeing, combined with recruitment, remain critical challenges in all our markets and are expected to remain the number one focus of the senior management team in the foreseeable future.

Our group-wide people strategy revolves around developing capability, culture, and the best people in healthcare. We have lifted our investment in a range of activities to grow our workforce through graduate programs, cadetships, and reskilling programs.

Priority areas include:

- providing flexible working conditions;
- more accessible learning and training opportunities;
- expanding our leadership programs; and
- investing in technology to simplify processes and allow our people to spend more time with our patients.

Slide 6 Group FY22 Financial Highlights

Moving to the Group performance. The financial impact of COVID on Ramsay over the last twelve months has been the most significant of the pandemic, reflecting the increase in cases in all our markets. Government mandated surgical restrictions and movement and isolation orders resulted in lower activity, higher costs and a change in case mix. As the world has moved to "living with COVID" our facilities have continued to juggle the impact on activity levels and costs of last-minute cancellations by doctors and patients combined with higher labour costs as a result of staff sick leave.

The result includes initial contributions from Elysium for five months and GHP for two months which combined contributed $26m to EBIT. There were a number of non-recurring items in the result primarily related to transaction costs, inventory write downs and profit on disposal of assets.

The Board determined a fully franked final dividend of 48.5 cents per share, which was flat on the interim dividend, taking the full year dividend to 97cps.

Slide 7 Australia- Highlights & Outlook

Moving to the result in Australia.

The Australian business continued to support state governments with both staff and capacity as COVID cases escalated through the year.

The impact of COVID on the business accelerated in the second half of FY22 as the Omicron variant spread, resulting in a significant increase in COVID cases in the community driving:

- higher labour costs due to increasing rates of employee absenteeism; and
- a significant decline in activity levels due to the disruption caused by cancellations at short notice by doctors and patients also making it difficult to flex costs.

The estimated impact of the disruption across the twelve-month period was $264m net of the $12m in viability payments made by various state governments for the use of our services and capacity at various times during the year.

Turning to the outlook.

Underlying organic growth in activity is expected to be enhanced by the backlog in surgical activity and to a certain extent non-surgical activity such as delayed cancer treatment. Our significant investment in new capacity and services over the last two years combined with new clinician recruitment will drive further growth.

Earnings in FY23 will continue to be impacted by elevated labour and PPE costs while COVID cases in the community remain high. In July the estimated impact of operating in the COVID environment, including higher labour costs is estimated to have been $38.7m.

The business is focused on driving growth in volumes, addressing cost inflation by achieving improved commercial terms with payors, building on our strong global procurement advantage and driving productivity back to pre-pandemic levels

Slide 8 Australia - Trends in Admissions

Moving to look at some of the trends in admissions in Australia.

All states except Victoria reported lower revenue and total admissions per workday versus FY21. The result in Victoria highlights the more severe restrictions in that state in FY21. While surgical restrictions in Queensland and Western Australia were not as severe as NSW and Victoria those states were not immune to the disruption, in particular the impact of cancellations at short notice by doctors and patients.

Overnight admissions per workday across all categories continued to be weaker against FY21 and pre COVID activity levels in FY19. Surgical and psych day admissions were lower than the pcp reflecting surgical restrictions and isolation orders and in the case of psych, concerns about returning to the hospital environment. Medical and Rehab started to see improvements versus the prior period in day admissions, medical admissions benefitting from the lifting of movement restrictions and isolation orders on the community.

Slide 9- Australia - Investment Pipeline

Turning to the investment pipeline. The business continued to invest in its development pipeline and while some projects scheduled to commence in FY22 have been delayed due to the impact of COVID on the building industry and external approval processes, the pipeline remains strong, and a number of large projects were successfully completed during the period.

The business invested $181m in its development pipeline and completed projects with a total investment value of $232.5m delivering 240 net beds, 9 operating theatres, 18 consulting suites and three new procedure rooms. This included the completion of the new Hollywood Emergency Department in Perth, a surgical expansion at Greenslopes in Brisbane, the completion of the Stage 3 development at Westmead in Western Sydney, an expansion of the Pindara hospital on the Gold Coast and the redevelopment of Beleura hospital on the Mornington Peninsula in Victoria.

Key delays include the expansions of Joondalup private hospital in Perth and our hospital at Lake Macquarie both large complex developments and approvals have taken longer than originally anticipated.

Spend in FY23 is expected to be in the range of $250m-$300m with FY24 and FY25 investment likely to be in the range of $250-$400m per annum with investment focused on hospitals in large regional centres including Wollongong and Port Macquarie.

As we highlighted last year, we are focused on growing our day surgery capacity both within hospitals and through standalone facilities with several new sites approved this year and others under consideration. We have opened 11 new Ramsay Psychology clinics in Australia over the past 12 months and we have plans to establish 20 more of these clinics in the next two years. Our hospital in the home business is expanding and we are now delivering care to the equivalent of a 104-bed virtual hospital through Ramsay Connect.

Slide 10 Australia Digital and Data Strategy

Following the appointment of our new Global Chief Digital and Data Officer, the Australian business has developed a five-year strategic digital road map to guide investment around four transformation themes;

- The creation of an integrated ecosystem for patient centric care including the development of our digital front door;
- Clinical excellence through digital and digi physical care including the rollout of electronic patient health records and investment in AI and analytics to support clinical outcomes;
- Leveraging our data to drive our actions, decisions and improve clinical outcomes; and
- The creation of a digitally enabled operating environment, streamlining activities, and giving our nursing and clinical staff time back with the patient.

Investment in the Australian digital and data strategy and cyber security in FY23 will be in the order of $30m to $35m which we expect to largely be expensed given the nature of most of the spend is software as a service. We expect investment in future years will be significant as the plan is implemented.

Slide 11 - United Kingdom - Highlights & Outlook

Turning to the UK. Ramsay UK, the acute hospital business, reverted to its traditional pre COVID operating arrangements with NHS England for the first half of the year where we get paid for activity we undertake.

Following the Omicron driven rise in hospitalisations prior to Christmas, the NHS England approached Ramsay to enter into a new volume-based agreement to cover the period 10th January to 31st March 2022. The business was also able to treat private patients during that time.

The UK was impacted by the same COVID related factors as the Australian business resulting in approximately 30,000 episodes of care cancelled at short notice across the year. The estimated impact of costs related to operating in the COVID environment was £30.6m. These costs did decline over the year but remain above pre COVID levels.

Demand from private patients continued to grow representing over 28% of total admissions in FY22. Within this self-pay admissions was the fastest growing segment albeit from a low base.

The result includes $26.2m of transaction costs and an $18m write down of inventory.

Capital expenditure in brownfield and new developments for the period was $46m with projects including the completion of Buckshaw hospital in Chorley, the third hospital the business has opened during the pandemic.

We were very pleased to complete the acquisition of Elysium on 31st January, we believe the business has a strong strategic fit with Ramsay's existing mental health care businesses. The business contributed $284m in revenue and $23m in EBIT for the five months of ownership.

Turning to the outlook

Subject to the impact of further waves of COVID, Ramsay UK is expected to benefit from its strong partnership with the NHS, combined with private patient growth, to drive an increase in activity levels. Ramsay is actively working with the UK Government and the NHS around the model for the delivery of additional capacity over the medium to long term to address the expanding public wait list for elective surgery and non-surgical services.

The business will benefit from new facilities opened over the last 18 months combined with a new two theatre day surgery facility expected to be commissioned in 2HFY23 at Kettering and a new theatre being developed at New Hall.

The FY23 UK result will benefit from a full 12-month contribution from Elysium. The Elysium result is expected to benefit from an increase in average paid beds driven by brownfield developments and higher average occupancy levels.

We expect both businesses will continue to be impacted by inflationary pressures and significant labour shortages impacting some parts of the workforce, making it difficult to operate at full capacity. The business is investing in new recruitment programs to support the business as demand returns.

Slide 12 – Europe - Highlights & Outlook

Ramsay Santé maintained its commitment to taking care of COVID patients in Europe and has also continued to support governments to manage the pandemic through both COVID testing and vaccinations.

The business continued to be impacted by the additional costs associated with operating in the COVID environment. Costs were mitigated to an extent by the COVID related subsidies received both in France and the Nordics countries.

The Nordics business reported strong growth in earnings, a combination of underlying organic growth and the benefit of acquisitions. Excluding the impact of a number of non-core items, EBIT from the Nordics region grew 14% on the pcp.

Consistent with its strategy to enter adjacent healthcare service markets, Ramsay Santé made a number of acquisitions in the Nordics region the most significant being the acquisition of GHP based in Sweden.

Turning to the outlook

While COVID is expected to continue to impact the operating environment while cases are high in the community, Ramsay Santé remains focused on:

- Supporting governments in its region to address the COVID pandemic;
- Pursuing the strategy of moving further along the patient pathway through investment in adjacent services;
- Optimising the hospital and clinic network in France through brownfield investment;
- Extracting the synergies from recent acquisitions in the Nordics and selectively seeking further bolt on acquisitions to optimise its primary care and speciality healthcare platforms;
- Developing and supporting new policies to attract and retain its people;
- Improving the efficiency of its back-office support systems to support the growth in the business; and
- Investing in its digital platform to support and grow demand for its services.

Following the recent rise in Omicron cases, the French Government has indicated that a new revenue decree providing support for private hospital operators will be issued for the period covering 1st July to 31st December 2022.

Slide 13 – Ramsay Sime Darby - Highlights & Outlook

Moving to Asia and the equity accounted contribution from our joint venture, Ramsay Sime Darby, increased 41.7% to $15.3m primarily reflecting the contribution from the Bukit Tinggi Medical Centre in Malaysia acquired in May 2021.

As we announced on 22nd March this year, we are, together with our partner Sime Darby Berhad, currently exploring a potential sale of the joint venture, and those discussions continue.

Slide 14 – Ramsay Cares

We are proud of the progress we have made on our Ramsay Cares Sustainability Strategy. Programs implemented this year have focused on investing in our people, upskilling in key areas including leadership and mental health support training.

A major milestone for the business has been establishing a Group-wide commitment to science-based targets to achieve net zero greenhouse gas emissions by 2040. We have already established a number of programs to support achieving this target.

I will now hand you over to Martyn to run through the financials in more detail

Slide 15 – Group Financials

Slide 16 – Group Performance

Thanks Craig and good morning, everyone.

Turning to the P&L. The components of total revenue are slightly distorted primarily due to the UK business moving back to its pre COVID commercial arrangements with the NHS, which saw its revenue contribution move from revenue from governments under support contracts back to revenue from patients. The growth in total revenue was 3.3% but as you can see the strength of the Australian dollar, in particular against the euro, means that in constant currency terms total revenue increased 4.6%. This primarily reflects good growth in the Nordics region and initial contributions from Elysium and GHP

While we don't report core and non-core profit anymore there were a number of items that impacted the EBIT result totalling $60.5m compared to $34.1m in the prior period, the most significant being transaction costs, profit on assets sales and inventory write downs.

Profit before tax includes a $26.7m benefit from two items in the net interest line. The net upfront costs of the early repayment of two fixed rate loan facilities of $7.4m offset by a mark to market on a swap arrangement in Ramsay Santé's debt facility of $34.1m.

The effective tax rate for the period was 29.6% compared to 31% in the pcp primarily reflecting the lower corporate tax rate in France flowing through Ramsay Santé. We currently expect our effective tax rate to be around 30% in FY23.

Slide 17 – Cashflow

Moving to cashflow, and the significant move in working capital is the result of an increase in trade and other receivables as funding from the French government provided under the revenue guarantee reduced and more usual invoicing and payment patterns with customers resumed.

Cash capital expenditure increased significantly reflecting the strong development pipeline.

The large movements in divestments and financing cashflows reflects the repayment of the amount held in escrow at 30th June 2021 for the Spire transaction combined with the acquisitions of Elysium and GHP.

Slide 18 – Capital Expenditure

Moving to capital expenditure in more detail. Total spend across the regions increased 8.7% on the pcp to $733m, driven by the increase in the development pipeline in Australia. This is lower than original expectations reflecting delays in external approvals and general building activity in Australia. This does not reflect cancellations of projects.

Spend in FY23 is expected to be in the range of $0.85-1bn. Spend in FY24 and FY25 is expected to remain high due to additional projects combined with delayed projects.

Slide 19 – Capital Employed and Balance Sheet

I have already covered off the main movements on the balance sheet for the period being the movement in working capital associated with the return of funds to the French Government and the repayment of funding associated with the Spire transaction and recent acquisitions.

Slide 20 – Leverage

Leverage at the funding group level increased reflecting recent acquisitions combined with lower earnings due to COVID related issues. Obviously leverage metrics do not reflect the benefit of a full 12-month contribution from recently completed brownfield developments.

During the period Fitch revised its methodology for assessing leverage to total gross debt, including lease debt to operating EBITDA. Remembering that Fitch is only rating the Funding Group position. Our estimate of this metric at 30th June is 4.88x.

I will now hand you back to Craig for some comments on strategy and the outlook.

Slide 21 – Strategy and Outlook

Thanks Martyn

Slide 22 – Group Strategy

We have continued to invest in and make progress against our strategy that we outlined at the investor briefings in December last year.

Our strategy is divided into four pillars and is guided by our vision to be a leading integrated healthcare provider.

The first pillar is growing, modernising, and leveraging our world class hospital network to strategically grow our existing market share through organic growth, brownfield and greenfield expansion, and strategic acquisitions.

The second pillar is to move purposefully into new and adjacent services focused on moving along the patient pathway, retaining that patient relationship by providing coordinated care using our data and digital capabilities to improve the experience for our patients and clinicians.

The third pillar is about extracting the highest potential value from the business through operational excellence. Building on our strong global advantage in strategic sourcing will continue to be one of the key areas of focus.

And finally, the fourth pillar is about reinforcing Ramsay's strong organisational foundations to underpin the strategy and ensure we leverage our scale.

Slide 23 – Group Outlook

And now turning to the trading outlook.

Over the past two fiscal years we have invested approximately $2.7bn to expand and upgrade our well positioned world class hospital network and move strategically into adjacent services. We are confident that this investment is underpinned by the long-term trends driving the health care industry.

In the near term the industry continues to be under pressure from a high level of COVID cases resulting in highly restrictive guidelines around the patient pathway together with the flow on impact on the workforce, impeding a recovery in volumes and productivity. It is promising to see the recent decline in cases and hospitalisations in all our markets.

In common with most industries, we are also experiencing inflationary cost pressure across our businesses. We will be negotiating improved terms with our payors to reflect this so that we are able to achieve satisfactory levels of profitability and maintain and support our staff and suppliers. To this end it was pleasing to reach agreement with BUPA for a new 3-year contract and we look forward to working constructively with our health funds and governments to effectively manage through the current inflationary pressures.

Ramsay believes the outlook for the Group remains strong. Our world class hospital network combined with our outstanding people and clinicians give us confidence that the business is well placed to take advantage of the positive long-term dynamics driving the healthcare industry. We expect a gradual recovery through FY23 and more normalised conditions from FY24 onwards.

We will now open for questions.

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