

ASX ANNOUNCEMENT

15 September 2023

FITCH DOWNGRADES RATING, MAINTAINS INVESTMENT GRADE STATUS

UPDATE ON SALE OF RAMSAY SIME DARBY

Ramsay Health Care (ASX: RHC) announces that credit rating agency Fitch has downgraded the investment grade credit rating it ascribes to Ramsay's Funding Group¹ from BBB/Negative to BBB-/Stable.

The change in rating is not expected to impact Ramsay's ability to access funding and liquidity in the future. The financial impact of this change in rating on the Company's \$1.5bn Sustainability Linked Loan is a 10bp increase in interest costs. Ramsay reconfirms that it expects its FY24 net interest expense (including AASB 16 lease costs) to be in the range of \$570-600m².

At 30th June 2023 the Funding Group's leverage calculation under its banking covenants was 3.2x³ - below the covenant threshold of 4.0x. The Funding Group's interest coverage ratio at 30th June 2023 was 7.35x well in excess of the banking covenant of greater than 3.0x. As previously disclosed, Ramsay is focused on reducing its Funding Group leverage to below 2.5x³.

As announced on 28th June 2023, together with Ramsay's joint venture partner, Sime Darby Berhad (Sime Darby), a decision had been made to explore the sale of its Asian based joint venture Ramsay Sime Darby (RSD).

Subsequent to the announcement in June, a sale process was commenced which has resulted in the receipt of a number of non-binding indicative offers. A select number of parties are now in a phase 2 due diligence process expected to conclude towards the end of October.

If a sale proceeds, the funds received will be used to pay down drawn debt. Ramsay aims to lower the Funding Group's leverage ratio to below 2.5x³ at June 2024 from the proceeds of the potential sale of Ramsay Sime Darby and increased earnings⁴.

Ramsay expects to announce the outcome of the RSD sale process before its Annual General Meeting, noting that there is no certainty that a sale process will result in a completed transaction.

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The release of this announcement has been authorised by the Ramsay Health Care Disclosure Committee.

¹ Funding Group is defined as Ramsay Health Care Limited and all its subsidiaries excluding Ramsay Santé

² Does not assume the sale of Ramsay Sime Darby

³ Banking covenant leverage calculation - Net Debt (pre AASB 16 basis) /Funding Group EBITDA (excluding non-recurring items)

⁴ See Ramsay's ASX Announcement of 24 August 2023 - Investor Presentation and Speech FY2023 Results Briefing