ASX ANNOUNCEMENT

3rd May 2023

RAMSAY HEALTH CARE LIMITED – 3QFY23 UPDATE

[START OF TRANSCRIPT]

Craig McNally: Good morning everyone and thank you for joining us, I'm Craig McNally, Managing Director and CEO of Ramsay Health Care and I'm joined by Martyn Roberts, Group CFO. We've released our third quarter trading update today, given the commitment we made to keep the market updated while COVID was impacting our earnings. However, with the environment now normalising, we would anticipate reverting back to normal half yearly reporting schedule in FY24, so we don't intend to continue with quarterly updates. As always we would caution against looking at quarterly results in isolation, given the different influences at play in any one quarter.

In the last few months we've seen a return to the surgical admission trends we saw in September through November last year, following slower growth in the December, January period. Non-surgical admission trends in medical, rehab and mental health are improving, maternity volumes remain well below trend. Like all businesses, at the moment inflationary pressures continue to impact the rate of recovery in our margins across all regions and discussions with pay as around appropriate rates of reimbursement are ongoing. These discussions may result in one off payments in addition to tariffs, to address the current inflationary environment.

Workforce shortages are easing, reflecting the benefits of a range of programs we have implemented, combined with the softening of the global economy, increasing the pool of lower paid non-clinical staff for some parts of the business, in particular for Elysium. However, we continued to experience staff shortages in key specialties and we are investing in targeted training programs to build our internal pool of talent. Our commitments and investment in the development pipeline, in particular in Australia, continues despite delays caused by the approvals process and bottlenecks in the building industry. Our investment in digital and data initiatives continues to grow.

As we've said consistently, we expect that the operating environment will continue to improve through the 2023 year. The adaption of the business to what we now consider to be the new normal, will include the sharing of ideas across the regions on

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productivity initiatives and innovative ways of working. So, with that I'll now open for questions.

Operator: Thank you, if you wish to ask a question, please press star one on your telephone and wait for your name to be announced. If you wish to cancel your request, please press star two. If you're on a speakerphone, please pick up the handset to ask your question. Your first question comes from Lyanne Harrison from Bank of America, please go ahead.

Lyanne Harrison: Good morning, Craig. Thank you for taking my question. Can I start with the cost structure? Obviously in the results we saw revenue tracking up quite well, but in terms of margins, I expected to see more of an improvement into second half '23. You spoke about salary cost pressures, but can you speak a bit about employee costs as a percentage of revenue of what you saw in third quarter and what your expectations are for the final quarter of this year and then going into '24?

Craig McNally: Sure, I'll give you some general comments, then I'll hand across to Martyn for some more detail. I think the thing to remember about the third quarter is we had indicated in February that we'd had a poor January, and so that has a negative impact on margin. So, I think that's one of the significant things that it plays in margin recovery. But you're right, revenue, we're seeing top line growth and so the priority for us at the moment is to continue to get back to productivity levels that we had previously, and so that is a work in progress and I think we flagged that, we didn't expect that to happen certainly this quarter but running into the fourth quarter and the end of the financial year.

Martyn, do you want to pick up any of the other detail?

Martyn Roberts: Yes, well we don't want to get line-by-line on a quarterly basis, but suffice to say that obviously personnel costs are our biggest cost and therefore the margin is not back to where it was even in '21, entirely to the reasons that you've just said, Craig, it's all about productivity now, the top line's coming back quite nicely but it's coming at a cost. The biggest focus that we've been talking about for quite some time now is getting the productivity levels improving and that's one of the biggest focuses of the team right now.

Lyanne Harrison: Just with a follow up question, Craig, you mentioned that payer negotiations were ongoing and you made a comment about that might include some one-off payments in addition to tariffs. Can you please provide some colour on what that might look like?

Craig McNally: I think we've seen some of that before, particularly in Sante, where we get one-off payments, we expect to see some more of those but are unable to quantify them. Other markets there might be given the finalisation of tariffs and so using the UK as an example, there's a base tariff that will be supplemented once the wage negotiations for the NHS is concluded. That may involve some backpay as well so we need to get those finalised to get some visibility, I probably can't give you more detail than that.

Lyanne Harrison: Okay, thank you very much.

Operator: Thank you, your next question comes from Saul Hadassin from Barrenjoey, please go ahead.

Saul Hadassin: Thanks, good morning guys. Craig, are you able to comment at all about now you've obviously mentioned the improved performance that you expect to come through rest of fiscal '23. I'm just wondering phasing, and I know we shouldn't interpret a quarter, pay too much attention to it, but is it fair to assume April is similarly disrupted because of Easter globally and then ANZAC Day? I'm trying to work out by how much actually…

Craig McNally: [Crosstalk]. Sorry, you're exactly right, the Easter running into ANZAC Day will see volumes lower for April.

Saul Hadassin: So, I guess then it does suggest you need to have a pretty bumper May, June window to see any notion of significant improvement in operating performance and margin. I just wanted to get your sense of how much expectation is there for a significant improvement in those two months of fiscal '23?

Craig McNally: We certainly expect May and June to be better and we'll see volumes continue to increase. We'll have some of the, well we'll have the pricing in all regions a lot clearer and so confident about what May and June looks like. How much of an upside to compensate for the poor months in the first half, it's hard to quantify that, Saul.

Saul Hadassin: Then just my other question, going back to France and the fall off in the cost subsidies and an implementation of the tariff coming through now. It's always been problematic for us to get a sense what that margin looks like in a post-COVID environment as the subsidies drop away. The margin in the quarter was particularly weak, certainly versus PCP, and so just trying to work out, does the tariff do you think completely offset the negation of those cost subsidies? Do you think the margin performance of France will remain pressured to the last part of this fiscal year and into' 24? Just some comments there, Craig, would be great.

Craig McNally: I'll let Martyn pick up the detail, but again I think you're right, your observation's right. I'll stand correct Martyn, but I think the cost subsidies we got in France in the corresponding period were much higher last year?

Martyn Roberts: They were, yes.

Craig McNally: So, it's just getting the line of sight on when they come, and how they come. I think we've indicated previously they are pretty lumpy, it is difficult, but I agree we'll be under margin pressure because whilst the tariff increase was pretty solid, it doesn't fully compensate, and I think as we called out in France when we did the investor presentations there, there'd be further discussions with government about what was going to be provided over and above that tariff increase.

Martyn Roberts: I think I'll just add to that, we've seen from quarter-to-quarter looking at Sante's results versus the PCP on a quarter-to-quarter basis is a pretty flawed exercise because the lumpiness of all these cost subsidies. The subsidies we got, even including the Nordics in this quarter versus the same quarter last year were significantly reduced. We'll see what we get in the next few months.

Saul Hadassin: I was going to say the issue I think is more around what consensus is expecting that margin to look like into the fourth quarter to get to second half forecast and that rate of recovery is obviously quite high. But no thank you, that's great.

Operator: Thank you, your next question comes from Dan Hurron from MST Marquee, please go ahead.

Dan Hurron: Good morning everyone and thanks. I've just been following some news out there that agency nursing rates are falling in a couple of big hospital markets outside of Australia. I was wondering if you could comment on what Ramsay's seeing for that overtime and agency nursing cost there and any insight into the impact of improved integration for Australian operations?

Craig McNally: Certainly it's been one of the priorities for us to reduce agent's costs, particularly in Elysium. So, we've been actively doing that and we're seeing positive results for that. Our agency utilisation generally across the market is reducing. But it is relatively low in some markets anyway, Australia is relatively low so not a massive change for us in terms of agency costs and agency utilisation for Australia.

Dan Hurron: Okay thanks very much.

Craig McNally: You're welcome.

Operator: Thank you, your next question comes from Craig Wong-Pan from Royal Bank of Canada, please go head.

Craig Wong-Pan: Morning everyone, just on the digital and data investments, the $20 million that you've incurred so far in Asia Pac, that's running already ahead of the $16 million to $18 million guidance you've talked to previously. I just wondered, is that timing brought forward on those initiatives? Does that change the FY24 and FY25 numbers you had talked to previously?

Martyn Roberts: I'm not sure what that guidance you're referring to, we guided about $27 million for the full year and it'll end somewhere around that for this year. Maybe there's a bit of confusion there, sorry, it's in line with what we anticipate. It is increased on the prior year and that's mainly due to the commencement of our big digital and data strategy to combine with an increase in our fibre security spend as well.

Craig Wong-Pan: Okay, I'll just check that then.

Martyn Roberts: Yes, sorry about that.

Craig Wong-Pan: No, that's okay. Then Ramsay Sante noted some - it will be launching some costs control measures to mitigate some of the costs they're seeing now. Could you talk about how quickly those might come through and the overall timeframe for that to be implemented?

Martyn Roberts: It's over the course of the next 12 months, so there's a big program going on right now that they've kicked off, it's a bit early to say how much they might be and over what time but there is a big project going on at the moment across all the hospitals and the head office.

Craig Wong-Pan: Just to clarify, that's only just started today, they've just started to…

Martyn Roberts: They've been reducing costs year in, year out, so I think they're just reiterating that they're doing another cost program now. You always find new areas to cut costs every time you look.

Craig Wong-Pan: Okay thanks, that's all my questions.

Operator: Thank you, your next question comes from David Stanton from Jefferies, please go ahead.

David Stanton: Thanks team for taking my questions and good morning. For mine it looks like there was, and I know we shouldn't look at it on a quarter-by-quarter basis, but there has been quite a slowdown in EBIT in Australia. Can we talk to that? Is it a function - I'd just like to tease out a little bit why that is. Just from the top of my head you've talked about increased personnel costs, but also mental health continues to be a laggard in terms of growth and that has historically been reasonably high margin. What else am I missing here that's led to that lower EBIT?

Craig McNally: Well Martyn, you can pick up, but I'd probably point to a really poor January to start the quarter.

Martin Roberts: Yes, that's what I would have said, that's the other thing. Looking at it sequentially from Q2 to Q3 is not really the right way to look, I mean Q2 is normally a very strong quarter, Q3 - January already depletes Q3 but it was a really, really poor January that we had with all the surgeons and doctors taking extended leave in January, which we already called out, so that was the main reason.

David Stanton: Understood, and simply put for me and following up on a previous question from Saul, you won't know whether you get cost recovery in France until towards the end of the financial year and you may get it and you may not, as simple as that?

Craig McNally: Yes, I think so, absolutely. We'd tell you if we could.

Martyn Roberts: But as we said when we were all together in Paris, the tariff's been announced at 5.4%, that doesn't really compensate us for the two years of inflation that we've experienced. It was compensated in the last period by some one-off payments but obviously they're not in the base tariff. So, that's why the industry is going back again, I think we talked about this when we were with Pascal, going back again to see what else we can get. Now whether that translates into another tariff increase or whether it's one-off subsidies again, we just don't know yet.

David Stanton: Okay, and final quick one from me. I note that you've talked, and again Leanne's asked this, regarding a one-off payment, you've talked about France, you've talked about the UK, a supplement. What about Australia? Could you see yourself getting a one-off payment there?

Craig McNally: It depends, well nothing material, to be honest. I think the negotiations with their health funds and progressed and sometimes we actually got a retrospective thing, you might get it in a spreading of the indexation or you might get a lump sum payment, but nothing material, no.

David Stanton: Understood, thanks very much.

Operator: Thank you, your next question comes from David Low from JP Morgan, please go ahead.

David Low: Thanks very much. Martyn, Craig, you've commented on January being very poor, so I mean I know you're not going to want to break it down month-by-month, but how…

Craig McNally: No.

David Low: …is the [crosstalk] relative to your expectations? Did you come out of the quarter by the time you hit March it had caught up with what you'd expected, better or worse, any thoughts?

Martyn Roberts: I can take that if you like. Certainly it was better than January and yes we don't want to get into month-by-month P&L release, we're trying to get off the quarterly. It's not where we would like it to be, we've still got some improvements to go and that's what Craig and I both alluded to is the focus on productivity. Top line's going well, we've still got some capacity constraints with theatre nurses that we can't recruit, so some theatres aren't running it at full capacity so there's still some top line that we would like to get more of, if we could supply it. Then from a productivity perspective that's a real focus of the business right now and we're not where we would like to be, but there's lots of work and activity trying to get there.

David Low: Okay, thank you for that. Can I just - you said you want to get away from quarterly's, are we done? Is this the last quarterly or do you - what prompted you, what's driving that?

Martyn Roberts: That's definitely our intent, as Craig said at the start. Why we did it in the first place was due to the massive volatility of earnings due to COVID. We're now coming out the back end of COVID and as we've said in our outlook statement, we're expecting more normalised conditions in FY24. We'll still report every six months, don't worry, David. But we really don't see the need to get into a running commentary on our results as we've had. Which was appropriate during COVID, I don't think it's really appropriate if we get back to normalised environment.

David Low: Okay, just a couple of other quick ones. Mental health continues to be a laggard, what are your expectations? What are the trends we're seeing there? I think if you look at the last update, their commentary was that you had been able to recruit to some degree. Is there signs of improvement? Do you expect it's still 12 months away from getting better?

Craig McNally: There are certainly signs of improvement but I think it's as 12-month process at least, just got to build up these new psychiatrists that are coming on board, help build up their practices et cetera, so it just doesn't turn on immediately.

David Low: Okay, and then last question, going back harping onto what Dave and Saul asked about, so without subsidies, that margin in the March quarter, March is not a seasonally weak quarter in the Northern Hemisphere, I mean is that a reasonable expectation for the rest of the year?

Martyn Roberts: Oh, well…

Craig McNally: We can't be [crosstalk] - you go Martyn.

Martyn Roberts: No, I'd say look, things tend to smooth a bit more over the six month period so I wouldn't be taking any quarterly numbers results property.

David Low: Without additional subsidy payments if they don't come, clearly margins…

Martyn Roberts: Well…

David Low: …look like they're going to be weaker than the same time last year when there were subsidies.

Martyn Roberts: That is a factually correct statement, yes. Correct, yes.

David Low: Feel free to add to it if you'd like.

[Laughter]

Operator: Thank you. Your next question comes from Mathieu Chevrier from Citi. Please go ahead.

Mathieu Chevrier: Good morning Craig, good morning Martyn, thanks for taking my question. I've just got a question on could you give us a sense of the sort of volumes you're seeing from the public sector currently in Australia and how do you expect that to evolve in the next year or two?

Craig McNally: Well, I think as we have called out previously, not material for us. They certainly continue to increase, there's no question about that. They do increase off a low base, but as we move forward, I still expect them to not be material in terms of the overall volume of the business.

Mathieu Chevrier: Understood and do you think there still is a backlog or should we expect some sort of normal level of surgery activity growth from here on?

Craig McNally: No, I think there still is a backlog. We - the industry certainly hasn't done enough to address the work that wasn't done over the last couple of years. I think what we are seeing is, and I don't think this is a necessarily good or bad thing, but the doctors practicing, that work/life balance is still there, so nobody - oh, I won't - generally I won't say, you know, it sort of applies to everybody, but generally doctors aren't overworking to address backlog and operating at a comfortable level. We see that reflected in less after-hours work, less weekend work, but the better utilisation of the standard times Monday to Friday.

Mathieu Chevrier: Yes and maybe just one last one on Elysium. You flagged that you are potentially going to have to have a look at that come year end. I mean it hasn't been that long since you've made the decision to acquire the company so what's the major change there relative to what you were expecting 18 months ago?

Craig McNally: Yes, no, I think we have been pretty clear on that the last couple of releases in terms of the additional cost base, particularly around agency staff for health care workers. That has been the single most significant thing in the performance of Elysium. We are still seeing volume growth. There's still a lot of unmet demand. We have called out in February we saw recruitment numbers coming up so we are onboarding people, but it is singularly around agency costs.

Mathieu Chevrier: Yes, but that should resolve itself over time and you know…

Craig McNally: Yes, look, it's up to us to get the cost base right which we are confident we will do over time. The fact that top line is growing and there is still demand for the services certainly is a positive.

Mathieu Chevrier: Great, thanks very much.

Craig McNally: You're welcome.

Operator: Thank you. Your next question comes from Steve Wheen from Jarden. Please go ahead.

Steve Wheen: Thanks very much. Good morning. I just wanted to ask about Australia. If we look at first half the EBITDA margin was 15% and when we sort of split out what you've just done for the nine months, for the third quarter you've done 12.2%. I get it, you had a bad January, but the commentary was always that the margins are at bottom then it will improve from here. Can we expect the second half to get back to that first half margin level if not above it?

Martyn Roberts: Well, we haven't provided guidance for the full year Steve so I'm not going to answer that directly but what we have said that it has improved since January and it should continue to improve through the rest of this half.

Steve Wheen: Right, so I mean but you did say after the interim that you would be improving from the interim, so it doesn't, you know, I don't want to overstate the three months if January was so bad, but I am just curious as to how we can keep saying that it will improve when you could end up with the second half being lower than the first half.

Martyn Roberts: Well, I can only reiterate what we've said already. January was very poor and our expectation is that it continues to improve beyond their.

Steve Wheen: Okay and where does that improvement come from in the margin?

Martyn Roberts: It comes from volume.

Craig McNally: The top line is growing. The top line is…

Martyn Roberts: Yes.

Craig McNally: …growing so we're getting some leverage.

Martyn Roberts: Yes, so it comes from leverage and improved productivity.

Steve Wheen: Yes, okay. All right and so again on Elysium, that's - I mean I'm trying to reconcile the result for that with the commentary from your Investor Day. They were talking at the time back in March of very, very strong occupancy, if not full occupancy and their competitors sort of walking away from this business, walking away from this type of activity so leaving Elysium to do it all. Has the staffing issue just got so - like has that deteriorated further since March?

Craig McNally: No, no. Well, a couple of points there. I don't think all competitors are walking away and leaving it all to Elysium, I think that's an overstatement, but the staffing issue is improving. We certainly still have capacity restrictions because of unavailability of staff but it's getting better. As we called the recruitment process and onboarding process is well underway for a significant cohort of staff, so no, it's improving.

Steve Wheen: Okay, but it's actually going - in the quarter it's getting worse, like it's gone into losses at the EBIT line.

Martyn Roberts: Yes. Q3 was slightly better than Q2 but it's the other uncertainty that we've got is around tariff, so we have had significant wage inflation and the tariff that would be applicable from 1 April has not been determined yet. The NHS have been waiting to see where they land with the salaries et cetera. We may now know that number for quite some time so that's going to be quite an important factor as well. We're in pretty intense negotiations with the NHS to make sure we get something that's more reflective of the cost environment we're in.

Steve Wheen: Yes and the expectation around that tariff which obviously applies to the rest of your UK business as well is that whatever…

Craig McNally: No, no, no.

Martyn Roberts: Two different tariffs, yes.

Craig McNally: They're not the same. They're two different associations Steve.

Martyn Roberts: Yes, yes.

Steve Wheen: Okay, but…

Martyn Roberts: Two different associations, yes.

Steve Wheen: …the same component is missing from both tariffs, right, the EBA agreement…

Martyn Roberts: The salary, yes. Correct, yes.

Craig McNally: Yes.

Martyn Roberts: Neither of them will be determined until they sort all that out with the strikes and everything. Yes.

Steve Wheen: Yes, okay, but the expectation is that whatever they agree on the EBA it's going to be covered for within the tariff or is that…

Craig McNally: Yes, that's - yes. The short answer is yes. Certainly, the tariff for Ramsay UK which applies right across the acute care system, that needs to be nailed down and it will apply differently because the staffing mix on the mental health side is a bit different so it won't just be the same number.

Steve Wheen: Yes, yes, no, got that. The UK business ex Elysium obviously improving quite nicely. Is that largely just because the NHS is starting to direct much more volume or is that more around PHI or self-pay type work that you're picking up?

Craig McNally: It's all - we are picking up particularly PMI. Self-pay is reasonably flat at the moment. PMI and NHS volume. Yes, but then NHS is the biggest component of our business, so seeing that volume start to flow through over the last couple of months has certainly been encouraging.

Steve Wheen: Yes, excellent. Okay, thanks guys.

Craig McNally: Okay, you're welcome.

Operator: Thank you. Your next question comes from Dan Hurren from MST Marquee. Please go ahead.

Dan Hurren: Oh, thanks for another question. I was actually just going to ask about the Elysium tariff which you just touched on, but just more broadly on Elysium, you mentioned a 12 month timeframe for turnaround in mental health but could we talk about what needs to happen and the potential timeframes to get back to the EBIT position at the time of acquisition. A favourable tariff outcome, how far will that go to achieving it?

Craig McNally: Oh Martyn, you can answer it, but it goes a long way to achieving it. Tariff outcome and agency costs, they're the two significant levers.

Dan Hurren: Do you have an expectation of when that tariff decision will be made?

Craig McNally: Oh look, it's hard to know simply because there's a couple of different discussions. We've got the tariff outcome from NHS Wales, so that's done. Just the finalisation of nurse wage increases for the NHS is a trigger for tariff being finalised. Now, there was some encouraging news overnight in terms of nurses agreeing to the 5% increase but we've heard that before and then industrial action has continued, so nobody is really confident about where that finishes.

Dan Hurren: Right and last question. In the industry there is some expectation or perhaps hope that you might get not just more of a reset on mental health price in the UK with a recognition that it's a tough job and needs to be paid significantly more, is that - do you get that sense or is that just wishful thinking on the part of the industry?

Craig McNally: Well, it depends how you define reset but certainly I think there's a recognition of the importance of mental health in our sector at the moment and a recognition of the cost pressure that it is under, so we certainly expect tariff increases for that to be higher than they are for the acute business. Whether it's a reset or not it depends on the way you determine that I think.

Dan Hurren: Okay. All right, thanks for those questions. Thank you.

Craig McNally: You're welcome.

Operator: Thank you. Your next question comes from David Low from JP Morgan. Please go ahead.

David Low: Sorry, just a couple of follow ups. Just with the Welsh tariff, can you remind us what it was, the increase and do you expect the NHS to be in that vicinity?

Craig McNally: It was circa 9%. I just don't have the absolute - low 9%s I think was where Wales landed. We're negotiating with the NHS and we would certainly hope for it to be ballpark in that region but we will wait to see what the outcome is.

David Low: Well, would that be sufficient to get margin, I mean putting agency aside as an ongoing issue, would that be sufficient to bring you back to where margins were pre-acquisition?

Craig McNally: It would be very helpful obviously but in isolation margin won't get back unless we address the agency cost issue.

David Low: Okay. Just a couple of others. We have heard January domestically was pretty ugly. Can we confirm that that was a loss-making month?

Martyn Roberts: No, it wasn't.

David Low: Okay.

Martyn Roberts: It wasn't very much, but it wasn't loss-making.

David Low: Okay. Just going back to France. So, first quarter doesn't include a tariff, doesn't include, sorry, includes a tariff for the month of March and doesn't include any subsidies. When we think about the June quarter you will have the full benefit of the 5.4% tariff.

Martyn Roberts: Yes.

David Low: Therefore naturally we should expect an improvement sequentially and then subsidies is up in the air as might come might not. Is that the right way to think about it?

Martyn Roberts: Yes.

David Low: It should be better just because you get the tariff benefit for…

Martyn Roberts: Should be. We will see, yes.

Craig McNally: Yes. Yes, no.

David Low: All right. That's the end of my logic questions. Thanks.

Operator: Thank you. Once again, if you wish to ask a question, please press star one on your telephone. Your next question comes from Daniel Downes from Goldman Sachs. Please go ahead.

Chris Cooper: Hi, thanks. It's Chris Cooper on for Dan. Martyn, you've referenced productivity quite a few times on this call. Clearly it really is a very key focus for the team at this stage. I guess can you help contextualise that for us in some sort of quantifiable way. How much of a deficit are you dealing with in non-productive hours versus fiscal 2019 or some sort of a I guess pre-COVID sort of comp. Is it getting better or worse over the last 12 months or so and just by how much?

I'm just trying to I guess square these comments away against Craig's who was saying that you guys are having some challenges getting the doctors who are not necessarily overworking to address the backlog, fewer after-hours work, less weekend work, et cetera. Thank you.

Martyn Roberts: Yes, well certainly having doctors working through into the night helps productivity that's for sure. I mean the main metric we look at is the productive hours per in-patient day and so that has been very lumpy over COVID and you would imagine. One of the key targets we've got in sight if you like is where we were at pre-COVID in FY19. We've got close in previous months but with the deterioration in volumes in December/January, that's kind of moved away again and it's starting to head back in the right direction now but we're still not back to where we were even in FY19.

I think as we have said before everyone is very focused on margin percentages. We have had those three lost years in terms of revenue indexation being below cost inflation and so that has squeezed a margin. To offset that we would have had to have had three years of productivity improvements since FY19 and we are still not even back to where we were in FY19.

It's just one of those things in terms of three years of focus on patients and staff and doctor safety and now getting those rhythms and work processes back in place again to get ourselves back into that level of productivity. It was moving in the right direction pre-Christmas. It's then sort of gone backwards again and it is now moving in the right direction again.

Craig McNally: Yes and I think as we have called out previously it was going to take a while to get that to the level where we think it should be. It wasn't just an immediate fixing it.

Chris Cooper: In terms of your preferred metric then of productive hours per patient day, I mean are we 10% below, 15% below fiscal 2019? Can you just give us some degree of context there?

Craig McNally: It's not that…

Martyn Roberts: No, it's within 5%.

Craig McNally: Yes.

Chris Cooper: Okay, okay.

Martyn Roberts: Yes, yes, but every per cent is massive dollars.

Chris Cooper: Yes.

Martyn Roberts: So yes.

Chris Cooper: Understood. All right, thanks for the help.

Operator: Thank you. There are no further questions at this time. I will now hand back to Mr McNally for closing remarks.

Craig McNally: Okay, thank you. Thank you everyone for joining. Have a good day. Bye.

Operator: Thank you. That does conclude our conference for today. Thank you for participating. You may now disconnect.

[END OF TRANSCRIPT]

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