ASX RELEASE

29 February 2024

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Appendix 4D Half-Year Financial Report

Please find attached Ramsay Health Care's Appendix 4D for the six months ended 31 December 2023.

A presentation of the results hosted by Managing Director and CEO, Craig McNally, and Group CFO, Martyn Roberts, will commence at 9.30am this morning followed by a question and answer session.

A webcast of the event will be hosted on the Ramsay Health Care website:

https://www.ramsayhealth.com/en/investors/presentations/

To pre-register for the webcast please click on the link below:

Ramsay Health Care HY24 Results Webcast

A recording and transcript of the webcast will be available on the website later in the day.

Yours sincerely

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

Ramsay Health Care
ABN 57 001 288 768

ASX: RHC

Half Year 24 Results

6 months to 31st December 2023

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Ramsay Health Care

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Results for Announcement to the Market

Half Year Ended 31st December A$'m	2023	2022	Chg (%)	Chg (%) cc[1]
Continuing Operations				
Revenue from contracts with customers	8,085.1	7,103.7	13.8	7.8
Total revenue and other income (less interest income)	**8,159.3**	**7,380.8**	10.5	4.7
Earnings before finance costs, tax, depreciation, amortisation and rent (EBITDAR)	**1,120.0**	**1,081.4**	3.6	(1.3)
Earnings before finance costs, tax, depreciation, amortisation and impairment (EBITDA)	**1,043.5**	**1,014.5**	2.9	(1.8)
Earnings before finance costs and tax (EBIT)	**512.3**	**537.6**	(4.7)	(6.7)
Financing costs associated with leases (AASB16)	(138.5)	(122.1)	(13.4)	(5.5)
Net other financing costs	(171.0)	(89.0)	(92.1)	(82.9)
Income Tax Expense	(67.3)	(102.0)	34.0	10.3
Net Profit after tax from continuing operations	**135.5**	**224.5**	(39.6)	(43.5)
Discontinued Operations				
Profit after tax from discontinued operations[2]	618.1	12.0	-	-
Net profit after tax for the period	**753.6**	**236.5**	218.6	214.9
Attributable to non-controlling interests	4.9	(42.1)	111.6	110.7
Net Profit after tax attributable to owners of the parent	**758.5**	**194.4**	290.2	285.5
Interim Convertible Adjustable Rate Equity Securities (CARES) dividend per share ($)[3]	3.33	2.93	13.5	-
Franking - CARES (%)	100	100	-	-
Interim ordinary dividend per share (¢)[4]	40.0	50.0	(20.0)	-
Franking interim ordinary dividend (%)	100	100	-	-
Basic Earnings per share (after CARES dividend) (¢)[5]	328.7	83.0	296.0	-
Fully diluted earnings per share (after CARES dividend) (¢)[5]	328.0	82.9	295.7	-
Basic Earnings per share (after CARES dividend) (¢) from continuing operations[5]	58.0	77.7	(25.4)	-
Fully diluted earnings per share (after CARES dividend) (¢)[5] from continuing operations	57.9	77.6	(25.4)	-
Net tangible assets/(liabilities) per ordinary share ($)[6]	(3.5)	(6.1)	42.6	-
Weighted average number of ordinary shares (m)	228.3	227.8	-	-
Fully diluted weighted average number of shares (m)	228.8	228.2	-	-

1 Constant currency
2 On 13th November 2023 Ramsay announced together with its partner Sime Darby Berhad (Sime Darby), that it had reached agreement to sell its joint venture Ramsay Sime Darby. The sale was completed on 28th December 2023
3 Record date is 27th March 2024, payment date 22nd April 2024
4 Record date is 12th March 2024 payment date 5th April 2024
5 EPS attributable to equity holders of the parent
6 Includes right of use assets

Statutory net profit after non controlling interests increased 290.2% on the previous corresponding period (pcp). The result includes the net profit on the sale of Ramsay's Asian joint venture, Ramsay Sime Darby (RSD) of $618.1m reflected in the discontinued operations line. The transaction was completed on 28th December 2023. Gross proceeds of $938.4m were used to repay debt facilities prior to 31st December 2023.

The result was improved by foreign currency translation given the weakness of the Australian dollar (AUD) versus the Euro (EUR) and the British Pound (GBP) compared to the pcp. This is reflected in the movements in constant currency.

Revenue from contracts with customers increased 13.8% reflecting mid to high single digit hospital admissions growth in each region combined with tariff and indexation increases.

EBIT from continuing operations declined 4.7% to $512.3m reflecting an improved result from Australia, strong growth from the UK region, offset by a decline in earnings from Ramsay Santé. EBIT from continuing operations includes a benefit from non recurring items of $6.9m compared to a benefit of $56.3m in the pcp. Removing the impact of non-recurring items EBIT increased 5.0% on the pcp to $505.4m.

Net financing costs (incl. AASB16 lease costs) increased 46.6% on the pcp to $309.5m inclusive of a negative non-cash mark to market movement of $19.6m in Europe. On a like for like basis (excluding mark to market movements both this year and in the prior period) net financing costs (incl. AASB16 lease costs) increased 24.4% to $289.9m reflecting higher average base rates compared to the pcp.

Net profit after tax and minority interests from continuing operations declined 23.0% to $140.4m. Removing the impact of non-recurring items, including non-cash mark to market movements, net profit after tax and minority interests from continuing operations declined 3.1% to $143.5m.

A fully franked interim dividend of 40.0 cents per share (cps) has been determined. This represents a payout ratio from net profit after tax from continuing operations of 69.0%. The Dividend Reinvestment Plan (DRP) will continue to operate for this dividend, and shares issued under the DRP will be at a 1.5% discount to the average of the daily volume weighted average price for Ramsay shares over the 10 trading day period commencing on 14th March 2024.

2 Review of results of operations

2.1 Who We Are

Ramsay Health Care (Ramsay) provides quality healthcare through a global network of clinical practice, teaching and research. Ramsay Health Care's global healthcare network extends across eight countries, with over eleven million admissions and patient visits to facilities in more than 510 locations.

Ramsay was founded in 1964 by Paul Ramsay AO (1936-2014) and has always focused on maintaining the highest standards of quality and safety, being an employer of choice and operating the business based on a culture known as 'The Ramsay Way' and our purpose of 'people caring for people'. Ramsay listed on the Australian Stock Exchange in 1997 and has a market capitalisation of A$11.7bn[1] and an enterprise value (EV) of A$16.4bn[1] (EV of A$22.4bn inclusive of lease liabilities). The Ramsay Group employs over 88,000 people globally. Ramsay's operations are split across three regions:

Australia

Ramsay Australia has 74 private hospitals and day surgery units and is Australia's largest private hospital operator. Ramsay operations include mental health facilities as well as the operation of three public facilities. In addition, Ramsay has established the Ramsay Pharmacy retail franchise network which supports 61 community pharmacies. Ramsay Australia admits more than one million patients annually and employs more than 33,000 people.

Europe

Ramsay Health Care owns 52.79% of Ramsay Santé which is listed on the European financial markets' platform Euronext. Ramsay Santé is the second largest private care provider in Europe. It operates 465 healthcare facilities across five countries. In France, Ramsay Santé has a market leading position, with 154 acute care hospitals and clinics and 37 imagining and radiotherapy centres. In Denmark, Norway and Sweden, Ramsay Santé operates 225 facilities including primary care units, specialist clinics and hospitals. Ramsay Santé also operates a 93-bed hospital in Italy. Ramsay Santé employs around 38,000 staff and its facilities treated approximately twelve million patients in FY23. In addition more than 9,300 practioners work in the companies facilities.

UK

Ramsay UK has a network of 34 acute hospitals and day procedure clinics in England providing a comprehensive range of clinical specialities to private and self-insured patients, as well as patients referred by the NHS. Ramsay UK cares for over 184,000 patients per year and employs more than 7,000 people.

Ramsay acquired Elysium Healthcare (Elysium) a leading independent operator of long-term medium and low secure hospitals and complex care homes for individuals with mental health conditions in January 2022. Elysium has 76 operational sites across England and Wales. The business employs approximately 8,000 people.

[1] Closing price as of 27th February 2024

2.2 Group Performance

2.2.1 Overview of Results

Half Year Ended 31st December A$'m	2023	2022	Chg (%)	Chg(%) cc[1]
CONTINUING OPERATIONS[2]				
Australia	3,023.6	2,846.4	6.2	6.2
UK	1,148.3	910.2	26.2	15.3
Europe	3,992.6	3,628.6	10.0	0.9
Total segment revenue & other income	**8,164.5**	**7,385.2**	10.6	4.9
Australia	415.3	419.4	(1.0)	(1.0)
UK	152.9	89.1	71.6	56.5
Europe	551.8	572.9	(3.7)	(10.6)
EBITDAR	**1,120.0**	**1,081.4**	3.6	(1.3)
Rent on short term or low value leases	(76.5)	(66.9)	(14.3)	(4.8)
Australia	409.8	413.8	(1.0)	(1.0)
UK	150.8	87.7	71.9	56.8
Europe	482.9	513.0	(5.9)	(12.4)
EBITDA	**1,043.5**	**1,014.5**	2.9	(1.8)
Depreciation	(506.4)	(468.5)	(8.1)	(2.4)
Amortisation & impairment	(24.8)	(8.4)	(195.2)	(81.1)
Australia	296.1	295.0	0.4	0.4
UK	75.7	32.1	135.8	115.0
Europe	140.5	210.5	(33.3)	(35.2)
EBIT	**512.3**	**537.6**	(4.7)	(6.7)
Financing costs (AASB16 Leases)	(138.5)	(122.1)	(13.4)	(5.5)
Net other financing costs (net of interest income)	(171.0)	(89.0)	(92.1)	(82.9)
Profit before Tax	**202.8**	**326.5**	(37.9)	(33.2)
Income Tax Expense	(67.3)	(102.0)	34.0	10.3
Profit after tax from continuing operations	**135.5**	**224.5**	(39.6)	(43.5)
Profit after tax from continuing operations (after minority interests)	**140.4**	**182.4**	(23.0)	(28.0)
DISCONTINUED OPERATIONS				
Profit after tax from discontinued operations	**618.1**	**12.0**	-	-
Net profit after tax for the period	**753.6**	**236.5**	218.6	214.9
Attributable to non-controlling interests	4.9	(42.1)	111.6	110.7
Net Profit after tax attributable to owners of the parent	**758.5**	**194.4**	290.2	285.5
Interim dividend per share (¢)	40.0	50.0	(20.0)	-
Basic Earnings per share (after CARES dividend) (¢)	328.7	83.0	296.0	-
Fully diluted earnings per share (after CARES dividend) (¢)	328.0	82.9	295.7	-
Basic Earnings per share (after CARES dividend) (¢) from continuing operations[2]	58.0	77.7	(25.4)	-
Fully diluted earnings per share (after CARES dividend) (¢) from continuing operations[2]	57.9	77.6	(25.4)	-
Weighted average number of ordinary shares (m)	228.3	227.8	-	-
Fully diluted weighted average number of shares (m)	228.8	228.2	-	-

1 *Constant currency*

2 *On 13th November 2023 Ramsay announced that together with its partner Sime Darby Berhad (Sime Darby), it had entered into an agreement to sell its 50:50 joint venture in Asia, Ramsay Sime Darby (RSD). The transaction was completed on 28th December 2023. The investment in RSD has been been re-classified as a discontinued operation in both this year and last years results.*

2.2.2 Revenue Breakdown by type

Half Year Ended 31st December A$'m	2023	2022	Chg (%)	Chg (%) cc[1]
Revenue from contracts with customers	8,085.1	7,103.7	13.8	7.8
Interest income	4.1	23.3	(82.4)	(83.8)
Other income - income from government grants	64.7	227.0	(71.5)	(73.6)
Other income - income from the sale of development assets	4.1	1.5	173.3	173.3
Other income - net profit on acquisition/disposal of non-current assets and businesses	5.4	48.6	(88.9)	(89.1)
Total revenue and other income before intersegment revenue including interest income	**8,163.4**	**7,404.1**	10.3	4.4

1 *Constant currency*

Revenue growth in constant currency reflects the weakness of the AUD against both the EUR and the GBP compared to the pcp.

Revenue from contracts with customers increased 7.8% in constant currency terms compared to the pcp reflecting a 5.4% increase in Group hospital admissions (does not include Elysium activity given the different nature of patient admissions), strong growth in primary health care admissions in the Nordics and increases in indexation in all regions compared to the prior period.

The decline in government grants reflects the lower reliance of the French business on the Government's revenue guarantee and the absence of specific compensation from governments in France and the Nordic region associated with the impact of inflation, COVID related costs and wage increases.

Income from the sale of development assets primarily represents revenue received from the sale of medical suites in the Australian business (profit on sale of $2m included in non recurring items).

Net profit on the acquisition/disposal of non-current assets and businesses reflects the value of the assets acquired by the Australian business over and above the price paid for the acquisition of Orange Hospital out of receivership and a small profit on the sale of property in France.

Refer Divisional Performance for further details

2.2.3 Non-recurring items in the results from continuing operations

Non-Recurring Items in 1HFY24 result from continuing operations

A$'m	Australia	UK	Europe	RHC Group
Net profit on disposal / acquisition of development assets, non-current assets and businesses	6.6	-	0.8	7.4
Accelerated depreciation	-	(4.6)	-	(4.6)
Provision for Employee costs	-	-	(7.0)	(7.0)
Transaction costs/ Acquisition, disposal, revaluation and development costs/benefits	(1.5)	(1.4)	14.0	11.1
Total EBIT Impact	**5.1**	**(6.0)**	**7.8**	**6.9**
Net swap mark to market movements	-	-	(19.6)	(19.6)
Total PBT Impact	**5.1**	**(6.0)**	**(11.8)**	**(12.7)**
Income tax impact of non-recurring items	(1.5)	1.6	7.5	7.6
Non-controlling interests in non-recurring items net of tax	-	-	2.0	2.0
NPAT impact	**3.6**	**(4.4)**	**(2.3)**	**(3.1)**

Non-Recurring Items in 1HFY23 result from continuing operations

A$'m	Australia	UK	Europe	RHC Group
Net profit on disposal of non-current assets and businesses	-	-	48.6	48.6
Reversal of impairment of fixed assets	-	6.2	-	6.2
Partial reversal of non-recurring employee costs	7.0	-	-	7.0
Transaction costs/ Acquisition, disposal, and development costs	(1.6)	(0.6)	(3.3)	(5.5)
Total EBIT Impact	**5.4**	**5.6**	**45.3**	**56.3**
Net swap mark to market movements	-	-	22.0	22.0
Total PBT Impact	**5.4**	**5.6**	**67.3**	**78.3**
Income tax impact of non-recurring items	(1.6)	(1.4)	(17.4)	(20.4)
Non-controlling interests in non-recurring items net of tax	-	-	(23.5)	(23.5)
NPAT impact	**3.8**	**4.2**	**26.4**	**34.4**

The contribution of non-recurring items to the results from continuing operations declined significantly compared to the pcp. This reflects the significantly lower profit made on the disposal/acquisition of assets and businesses and a turnaround in the non-cash mark to market on a swap in Ramsay Santé's debt facilities from a contribution to net interest costs of $22m in 1HFY23 to a negative contribution of $19.6m in 1HFY24.

The provision for employee costs reflects an additional provision for annual leave relating to the European region where the French High Court gave a judgement on 13 September 2023 bringing French law into line with EU law regarding the rules applied for paid annual leave entitlements of employees off work on long leave of absence for illness or work-related injury. This amount reflects an estimate of Ramsay Santé's exposure. This position will be re-assessed in future reporting periods in light of regulatory directives to apply the Court's ruling and the experience of any court cases, if any.

The $14m benefit in Europe primarily relates to the remeasurement of options to buy back minority interests in a primary care business in Denmark further to Ramsay Santé increasing its shareholding.

Removing the impact of non recurring items, Group EBIT from continuing operations increased 5.0% to $505.4m compared to the pcp and NPAT after minority interests from continuing operations declined 3.1% to $143.5m.

Refer to Divisional Performance for further detail

2.2.4 Financing Costs and Tax

Net financing costs (incl of AASB16 lease costs) increased 46.6% on the pcp to $309.5m (34.2% in constant currency terms). This includes a negative non-cash mark to market on a swap in Ramsay Santé's funding of $19.6m compared to a positive mark to market of $22m in the pcp. Net financing costs (incl. AASB16 lease costs) excluding swap mark to market movements increased 24.4% to $289.9m reflecting higher average base rates compared to the pcp. Full year net interest expense (incl. AASB16 lease costs) is currently forecast to be in the range of $590-620m this includes an estimate of the non-cash negative mark to market movement of approximately $33m for the full year.

The weighted average cost of debt for the Consolidated Group at 31 December 2023 was 4.88% (excluding CARES). Approximately 84% of the Consolidated Group debt is hedged at an average base rate (excluding lending margin) of 2.64%. Interest rate hedging steps down over the next few years.

The weighted average cost of debt for the Funding Group at 31 December 2023 was 4.86% (excluding CARES). At 31 December 2023 approximately 93% of the Funding Group debt was hedged at an average base rate (excluding lending margin) of 3.16%.

The effective tax rate on earnings from continuing operations for the period was 33.2% compared to 31.2% in the pcp reflecting the impact of CVAE taxes in France and Ramsay Santé's loss before tax result given its lower company tax rate of 25%. The rate was lower than our guidance of approximately 36% due to the non-assessability of some non-recurring items.

The effective tax rate for the full year is expected to be approximately 33% to 34%.

2.2.5 Profit from discontinued operations

On 13th November 2023 Ramsay announced, together with its partner Sime Darby, that it had reached agreement to sell its joint venture RSD for MYR6,056m (~A$2bn) representing 100% of the enterprise value of the joint venture. The sale was completed on 28th December 2023. After adjusting for costs, the net profit after tax on the sale of Ramsay's 50% share of the joint venture was $618.1m and booked through the discontinued operations line. The contribution in the prior year from discontinued operations represents the equity accounted profit from RSD for the six month period of $12m.

Cash receipts from the sale, net of fees paid prior to 31st of December 2023 of A$936.7m, are reflected in the cashflow statement. Due to the timing of completion, transaction costs in the order of $9.8m were not paid prior to 31st December 2023 but will reduce full year cash proceeds related to the transaction. Proceeds received prior to 31st December have been used to pay down debt (see 2.2.6 for further detail).

2.2.6 Balance sheet

A$'m	31-12-2023	30-6-2023	31-12-2022
Working capital	(147.4)	(498.4)	(169.4)
Property plant & equip	5,343.3	5,238.1	5,035.7
Intangible assets	6,138.0	6,163.7	5,961.9
Current & deferred tax assets	95.3	89.8	106.2
Other assets/(liabilities)	(167.6)	(17.0)	(68.6)
Capital employed (before right of use assets)	**11,261.6**	**10,976.2**	**10,865.8**
Right of use assets	4,931.6	4,949.1	4,735.4
Capital employed	**16,193.2**	**15,925.3**	**15,601.2**
Capitalised Leases (AASB16)	**5,955.7**	**5,954.9**	**5,645.6**
Net Debt (excl. lease liability debt & incl. derivatives)	4,747.1	5,147.2	5,241.0
Total shareholders funds (excl. minority interest)	4,834.1	4,154.8	4,070.1
Invested Capital	**9,581.2**	**9,302.0**	**9,311.1**
Funding Group Net Debt (excl. lease liability debt and incl derivatives)[1]	1,967.3	2,664.4	2,601.8
Funding Group Leverage (Old Lease Standard AASB 117) (x)[2]	2.28	3.22	3.54
Return on invested capital (ROIC) (%) AASB16 accounting methodology[3]	8.5	4.4	4.6
Return on invested capital (ROIC) (%) cash methodology[4]	18.1	11.2	12.1
Return on invested capital (ROIC) (%) from continuing operations (%) cash methodology	12.0	11.2	12.1
Return on invested capital (ROIC) (%) from continuing operations (%) accounting methodology	4.6	4.4	4.6

1 The Funding Group excludes Ramsay Santé. Banking covenants and Fitch's rating are calculated on the Funding Group rolling 12 month earnings profile and net debt (AASB117)
2 Prepared on a pre AASB16 basis Net debt/rolling 12 mth EBITDA
3 Accounting ROIC =12 mth rolling EBIT(1-tax)/average of opening and closing invested capital*
4 Cash ROIC = 12 month rolling NOPAT(based on AASB117)/average opening and closing invested capital (AASB117)

Key changes in the balance sheet since 30th June 2023 relate to:

- The sale of RSD. The book value of the business was $266m. Cash proceeds were used to repay debt and terminate facilities of $925m prior to 31st December 2023
- The impact of foreign exchange movements associated with the weakness in the AUD versus the EUR and the GBP over the six month period, in particular on the value of intangibles and right of use asset balances in the UK and Europe
- The increase in property, plant and equipment associated with brownfield and greenfield capex programs

Following the repayment of debt, Funding Group leverage[1] at 31st December 2023 was 2.28x in line with the Group's target of below 2.5x

2.2.7 Cashflow

Half Year Ended 31st December A$'m	2023	2022	Chg (%)
EBITDA excluding discontinued operations	1,043.5	1,014.5	2.9
Changes in working capital	(351.0)	(175.8)	(99.7)
Finance costs	(289.0)	(216.2)	(33.7)
Income tax paid	(75.6)	(126.5)	40.2
Movement in other items	(119.8)	(54.4)	(120.2)
Operating cash flow	**208.1**	**441.6**	**(52.9)**
Capital expenditure	(400.6)	(371.2)	(7.9)
Free cash flow	**(192.5)**	**70.4**	**(373.4)**
Net divestments/(acquisitions)	915.8	(20.9)	4,481.8
Interest & dividends received	5.0	6.6	(24.2)
Cash flow after investing activities	**728.3**	**56.1**	**1,198.2**
Dividends paid	(58.4)	(122.2)	52.2
Other financing cash flows	(979.8)	178.9	(647.7)
Net increase/(decrease) in cash	**(309.9)**	**112.8**	**(374.7)**
Funding Group cash interest cover (x)[1]	6.6	7.4	-

1 Based on bank covenant calculation

The key movements in the cashflow statement reflect the sale of the RSD joint venture on 28th December 2023 for $938.4m and the subsequent repayment of debt facilities, combined with the increase in interest costs over the period reflecting higher average base rates.

Ramsay continued to invest in the business over the period. Cash capital expenditure increased 7.9% on the pcp to $400.6m, primarily driven by increased investment in the UK region as new facilities have been opened and some sites are re-purposed. Capital expenditure

1 Funding Group - Ramsay Health Care Limited and all its subsidiaries excluding Ramsay Santé. Funding Group leverage used for banking covenant calculation Net Debt (preAASB16 basis)/Rolling 12 month Funding Group EBITDA (excluding non recurring items)

in AUD from the European and UK regions is higher due to currency translation with capex in the European region declining 4% in local currency.

2.2.8 Group Outlook

The healthcare industry continues to be underpinned by strong long term tailwinds and Ramsay remains well positioned to benefit from the industry dynamics. The immediate priority is on continuing to drive a range of transformation programs in each region to leverage Ramsay's strong position in each market to drive sustainable top line growth, productivity improvements and operating efficiencies.

Ramsay continues to expect further growth in Group earnings from continuing operations, reflecting mid-single digit top line growth driven by low to mid-single digit growth in activity levels combined with higher reimbursement rates. The results are expected be weighted to the second half of the year.

Margin recovery will be slowed by ongoing cost pressures that are not fully reflected in reimbursement structures, combined with an increase in digital and data opex investment which is an important plank for our future growth.

The focus is on improving the performance and returns of the Australian and French hospital businesses and continuing the turnaround in the Elysium business.

The performance of the business will continue to be reviewed in the context of optimising shareholder returns, a range of strategies are actively being assessed to unlock value and drive improved performance from the Company's portfolio of assets.

Ramsay expects FY24 earnings to reflect:

- Mid single digit top line growth driven by low to mid single digit growth in activity and higher reimbursement levels
- Margin recovery will be slowed by ongoing inflationary pressures across most costs which are not fully reflected in reimbursement structures
- An increase in digital and data opex investment in Australia of $28-38m over FY23 (total spend $55-65m). Digital and data capex $12-18m
- Depreciation and amortisation is expected to be in the range of $1.0bn - $1.1bn
- Net interest expense (including AASB16 lease costs) is now forecast to be in the range of $590-620m, this includes an estimate of the non cash negative mark to market movement of approximately $33m for the full year and transaction costs associated new facilities in the Funding Group
- The FY24 effective tax rate is expected to be approximately 33-34%
- Investment in brownfield and greenfield projects in Australia is now expected to be $210-260m reduced from $250-300m focused on expanding hospital treatment capacity and the out of hospital services footprint
- Group capex is expected to be in the range of $0.8 -1bn
- The dividend payout ratio is expected to be in the range of 60-70% of Statutory Net Profit (excluding the profit on the sale of RSD)

For further detail refer to Divisional Outlook Statements

2.3 Divisional Performance

2.3.1 Australia (including global head office costs)

2.3.1.1 Results Summary

Half Year Ended 31st December A$'m	2023	2022	Chg (%)
Revenue from contracts with customers	3,009.7	2,840.5	6.0
Other income - income from the sale of development assets	4.1	1.5	173.3
Other income - net profit on acquisition of non-current assets	4.6	-	-
Intersegment revenue	5.2	4.4	18.2
Total segment revenue and other income (less interest income)	**3,023.6**	**2,846.4**	6.2
EBITDAR	**415.3**	**419.4**	(1.0)
Rent	(5.5)	(5.6)	1.8
EBITDA	**409.8**	**413.8**	(1.0)
Depreciation	(109.6)	(113.3)	3.3
Amortisation and impairment	(4.1)	(5.5)	25.5
EBIT	**296.1**	**295.0**	0.4
Financing costs associated with leases (AASB16 leases)	(23.4)	(22.0)	(6.4)
EBIT after financing costs associated with leases	**272.7**	**273.0**	(0.1)
Non recurring items included in the above earnings[1]	**5.1**	5.4	(5.6)
Capital Expenditure	**174.6**	**164.0**	-

1 *Refer Section 2.2.3 for further details on non-recurring items*

2.3.1.2 Review of Results

Revenue from contracts with customers increased 6.0% primarily driven by a 4.7% increase in total hospital admissions per work day and improved indexation. Growth in admissions reflects:

- A 4% increase in surgical admissions per work day on the pcp
- A 5.4% increase in non-surgical admissions per work day on the pcp driven by double digit growth in rehab and 4.1% growth in medical with maternity admissions continuing to trend lower. Psych admissions were flat however psych patient days increased 4.1% on the pcp

Pharmacy revenues grew 3.2% on the pcp to $267.2m.

EBIT includes an increase in digital and data ($26.9m in total net of benefits) and cyber security related opex ($7.5m in total) of $21.8m compared to the pcp. Removing the impact of the increase in digital and data and cyber security opex, EBIT increased 7.8% on the pcp.

EBIT includes non recurring items of $5.1m compared to $5.4m in the pcp including a $2m profit on the sale of medical suites and a $4.5m gain booked on the acquisition of a short stay hospital in Orange out of administration reflecting the fair value of the assets acquired, partially offset by acquisition, disposal and transaction costs of $1.5m.

During the period there was a focus on reducing labour costs resulting in productivity improving to pre-covid levels. A performance acceleration program is underway, which together with a program to advance digital capabilities across the company is unlocking more productivity benefits. The digital and data program will enhance quality and drive further efficiencies in operational management including revenue cycle functions.

The business negotiated improved revenue indexation with several private health funds and public payors during the half.

Workforce pressures have reduced and we have experienced stable turnover trends and a reduction in the use of agency personnel.

2.3.1.3 Capital Expenditure

Total capital expenditure in Australia in 1HFY24 was $174.6m with the split

- $109.1m in brownfield and greenfield investment;
- $6.5m in other growth projects;
- $9.6m in digital and data and IT projects; and
- $49.4m in routine and compliance projects.

Investment over the half included the completion of the new Northern Hospital at Epping in Victoria opened in February 2024 with 126 beds, 6 theatres and one cath lab. Full year capital expenditure is expected to be in the range $360m to $410m, including brownfield and greenfield capex of $210-260m, (slightly below the range of $250-300m at the full year) with projects expected to be completed in FY24 delivering 17 new theatres, 12 oncology/renal chairs and 26 net new beds.

During the half the Ramsay Board approved the expansion of Joondalup Private Hospital which will meet the needs of the growing northern suburbs of Perth. Ramsay continues to investigate opportunities to expand into growth corridors where it makes sense and the Board has recently approved a new greenfield short stay unit in South West Sydney.

2.3.1.4 Outlook

Ramsay Australia has a strong portfolio of strategically located, high quality hospitals that are attractive to clinicians and patients and provide valuable services for payors. The business will continue to selectively invest in its brownfield/greenfield program to strengthen its position in the market and focus on growth in key speciality areas as well as its private emergency department strategy which drives almost a quarter of total inpatient days.

The business expects to drive operational efficiencies and productivity through its performance acceleration program aimed at delivering improvements in cost controls, revenue management and procurement programs, combined with disciplined investment in a transformation program to drive digital capabilities across the company. Throughout this, the business will remain focused on being a high quality provider of services to patients, partnering with our doctors and being an attractive employer.

Ramsay Australia continues to expect earnings in FY24 to improve on the pcp driven by mid single digit volume growth combined with productivity improvements coming from labour management and cost saving initiatives.

The business expects digital and data opex investment in FY24 to be in the range of $55-65m for the full year (slightly below the previous range of $60-70m due to timing of projects) representing a $28-38m uplift on the pcp combined with cyber security spend to be in the order of $15-20m. Digital and data capex is expected to be $12-18m for the full year.

2.3.2 United Kingdom

2.3.2.1 Results Summary

Half Year Ended 31st December A$'m	2023	2022	Chg (%)	Chg (%) cc[1]
Ramsay UK - Acute hospital business				
Revenue from contracts with customers	678.7	528.2	28.5	17.4
Total revenue and other income	**678.7**	**528.2**	28.5	17.4
EBITDAR	**109.3**	**68.3**	60.0	45.8
Rent	(1.6)	(0.6)	(166.7)	(169.3)
EBITDA	**107.7**	**67.7**	59.1	44.8
Depreciation	(53.3)	(47.6)	(12.0)	(15.3)
Amortisation and impairment	(2.7)	8.0	(133.8)	(98.3)
EBIT	**51.7**	**28.1**	84.0	66.6
Financing costs associated with leases (AASB16 Leases)	(41.7)	(38.1)	(9.4)	(0.4)
EBIT less financing costs associated with leases	**10.0**	**(10.0)**	200.0	193.3
Capital Expenditure	**41.3**	**13.8**	-	-
Elysium - Mental Health Care				
Revenue from contracts with customers	469.6	382.0	22.9	12.3
Total revenue and other income	**469.6**	**382.0**	22.9	12.3
EBITDAR	**43.6**	**20.8**	109.6	91.5
Rent	(0.5)	(0.8)	37.5	51.1
EBITDA	**43.1**	**20.0**	115.5	97.4
Depreciation	(19.1)	(16.0)	(19.4)	(8.5)
Amortisation and impairment	-	-	-	-
EBIT	**24.0**	**4.0**	500.0	472.8
Financing costs associated leases (AASB16 Leases)	(7.4)	(5.9)	(25.4)	(14.5)
EBIT less financing costs associated with leases	**16.6**	**(1.9)**	973.7	821.4
Capital Expenditure	**52.2**	**26.1**	-	-
UK Segment				
Total segment revenue and other income	**1,148.3**	**910.2**	26.2	15.3
Total EBITDAR	152.9	89.1	71.6	56.5
Total EBITDA	150.8	87.7	71.9	56.8
Total EBIT	**75.7**	**32.1**	135.8	115.0
Non recurring items included in the above earnings[2]	**(6.0)**	**5.6**	(207.1)	(198.9)
Total Capital Expenditure - UK	**93.5**	**39.9**	134.3	114.4

1 Constant currency
2 Refer Section 2.2.3 for further details on non-recurring items

Overview of UK region result in local currency

Half Year Ended 31st December £'m	2023	2022	Chg (%)
Total Revenue and other income	**598.1**	518.8	15.3
EBITDAR	**79.8**	51.0	56.4
EBITDA	**78.6**	50.2	56.6
EBIT	**39.4**	18.4	114.1

2.3.2.2 Review of Results

UK region EBIT increased 135.8% driven by a 10% growth in admissions in the UK acute hospital business combined with higher levels of case acuity and indexation and a significant turnaround in the operating performance of Elysium reflecting a material reduction in the use of agency labour, lower staff turnover and improving occupancy levels. The result benefited from a weaker AUD against the GBP compared to the pcp, EBIT growth in local currency terms was 115%

Non-recurring items in the region made a negative contribution to EBIT of $6.0m compared to a positive contribution in the pcp of $5.6m. Normalising for non-recurring items in this year and last years results EBIT increased 208.3% on the pcp.

Ramsay UK

The UK acute hospital business reported another strong result with admissions increasing 10% on the pcp with 10.5% growth in NHS admissions and 9% growth in private patients. Private patient admissions represented 27% of total admissions in the period with self-pay softening offset by growth in privately insured patients. EBITDAR margins benefited from a focus on higher acuity admissions and the initial benefits of programs put in place over the last eighteen months to improve productivity.

The majority of the 12% increase in depreciation reflects the accelerated write down of data centres during the period of $4.6m included in non recurring items. The turnaround in the amortisation and impairment charge reflects the reversal in 1HFY23 of an impairment charge taken in a prior period due to the sustained improvement in the operating performance of the hospital over the previous few years.

The business continues to implement its operational efficiency plans given inflationary pressures in the UK. There is an ongoing focus on recruitment, with success in both onshore and offshore recruitment, given competition for skilled staff in areas including theatre scrub staff and radiology. Competition for staff in the market has resulted in the use of agency staff remaining higher than target but improving.

Digital and data opex (excluding accelerated depreciation) for the period was $8.1m (£4.2m) compared to $3.5m (£1.8m) in the prior period with investment focused on its digital platform to attract and retain private pay patients.

Elysium

Elysium reported a 22.9% increase in revenue (12.3% in constant currency) driven by a 4.2% improvement in average occupied beds for the six month period compared to the pcp, a 7.2% increase in the average daily fee and a 9% increase in specialing revenue. Occupancy improved by 5 percentage points at 31 December 2023 compared to the prior year but remains below target for some services.

EBITDAR increased 109.6% (91.5% in constant currency) reflecting higher occupancy, an increase in fee rates and a material reduction in costs, in particular the use of agency staff with agency costs as a percentage of total labour costs declining 6.6 percentage points compared to the pcp.

The business has been focused on its recruitment, retention and training pipeline with 1,500 staff (a net increase of 646) recruited over the last six months. Staff turnover continues to decline as recruitment programs become more targeted and training is centralised and improved and is now below pre-pandemic levels.

2.3.2.3 Capital Expenditure

Capital expenditure in the UK over the six month period was $52.2m (£27.3m) for Elysium and $41.3m (£21.5m) for Ramsay UK made up of:

- $37.6m was brownfield and greenfield investment;
- $6.7m was growth;
- $39.9m was routine and maintenance; and
- Digital and data capex was $9.3m with a further $20.2m in opex invested during the period

Brownfield and greenfield development capex for Elysium was invested in the expansion of a range of existing sites, retooling of some capacity to meet market demand and the development of sites acquired in prior periods. A total of 262 beds were added over the six month period.

Ramsay UK opened a new facility, Glendon Wood hospital, in August 2023 to service patients in and around Northamptonshire working in a hub and spoke model with other Ramsay facilities in the area. As part of our focus on improving the efficiency of the Ramsay network a decision was made in the half to close the West Valley Hospital in Croydon from 1 January 2024 with services being moved into our nearby communities in North Downs and Ashtead.

Capital expenditure for FY24 is expected to be in the range $150-190m.

2.3.2.4 Outlook

Ramsay UK

Ramsay UK expects to report high single digit volume growth in FY24 over the pcp with ongoing growth expected in both NHS and private pay volumes with a key focus on improving the patient experience through investment in the private pay digital front door platform, its people strategy and clinical outcomes.

The business will continue to focus on strategies to mitigate ongoing inflationary pressures in particular pressure on wages growth with ongoing strikes in the public sector and a mandated ~9% increase in the UK minimum wage from April 2024.

Earnings will include a contribution from new facilities opened over the last few years.

Elysium

Elysium expects an ongoing improvement in the performance of the business over the 2HFY24. The priorities remain:

- Continuing to lift occupancy at existing and newly opened services;
- Recruitment, retention and training of staff to further reduce the use of agency and lower turnover;
- Retooling and development of services to match demand; and
- Selectively investing in new facilities based on demand from key stakeholders.

The business continues to focus on process and system improvements to drive efficiency, as well driving savings through enhanced procurement practices, to further grow profitability in the longer term. A failure to improve profitability would result in the deterioration of Elysium's financial outlook in the near-term and may adversely impact its valuation.

2.3.3 Europe

2.3.3.1 Results Summary

Half Year Ended 31st December A$'m	2023	2022	Chg (%)	Chg (%) cc
France				
Revenue from contracts with customers	2,691.2	2,258.5	19.2	9.2
Other income - net profit on disposal of non-current assets	0.8	-	-	-
Income from government grants	64.7	214.4	(69.8)	(72.0)
Total segment revenue and other income	**2,756.7**	**2,472.9**	11.5	1.5
EBITDAR	**408.5**	**413.9**	(1.3)	(8.7)
Rent	(58.1)	(47.7)	(21.8)	(10.9)
EBITDA	**350.4**	**366.2**	(4.3)	(11.3)
Depreciation	(240.4)	(220.3)	(9.1)	(0.3)
Amortisation & impairment	(7.3)	(1.8)	(305.6)	(267.0)
EBIT	**102.7**	**144.1**	(28.7)	(32.4)
Financing costs associated with leases (AASB16 Leases)	(57.1)	(49.9)	(14.4)	(4.8)
EBIT less financing costs associated with leases	**45.6**	**94.2**	(51.6)	(53.2)
Nordics				
Revenue from contracts with customers	1,235.9	1,094.5	12.9	3.4
Income from government grants	-	12.6	-	-
Other income - net profit on disposal of non-current assets	-	48.6	-	-
Total segment revenue and other income	**1,235.9**	**1,155.7**	6.9	(2.0)
EBITDAR	**143.3**	**159.0**	(9.9)	(16.0)
Rent	(10.8)	(12.2)	11.5	19.6
EBITDA	**132.5**	**146.8**	(9.7)	(15.7)
Depreciation	(84.0)	(71.3)	(17.8)	(7.7)
Amortisation & impairment	(10.7)	(9.1)	(17.6)	(8.1)
EBIT	**37.8**	**66.4**	(43.1)	(44.8)
Financing costs associated with leases (AASB16 Leases)	(8.9)	(6.2)	(43.5)	(31.8)
EBIT less financing costs associated with leases	**28.9**	**60.2**	(52.0)	(52.8)
Europe - Total				
Revenue from contracts with customers	3,927.1	3,353.0	17.1	7.4
Total segment revenue and other income - Europe	**3,992.6**	3,628.6	10.0	0.9
Total EBITDAR - Europe	**551.8**	572.9	(3.7)	(10.6)
Total EBITDA - Europe	**482.9**	513.0	(5.9)	(12.4)
Total EBIT - Europe	**140.5**	210.5	(33.3)	(35.2)
Non recurring items included in EBIT[1]	**7.8**	45.3	(82.7)	(83.2)
Total Capital Expenditure - Europe	**140.5**	138.0	1.8	(4.0)

1 *Refer Section 2.2.3 for further details on non-recurring items*

Overview of European region result in local currency

Half Year Ended 31st December €'m	2023	2022	Chg (%)
Revenue from contracts with customers	**2,256.2**	2,107.0	7.1
Total Revenue and other income	**2,409.6**	2,388.1	0.9
EBITDAR	**333.8**	373.9	(10.7)
EBITDA	**292.3**	334.2	(12.5)
EBIT	**85.7**	134.5	(36.3)
Net interest	**(101.3)**	(64.3)	(57.5)
PBT	**(15.7)**	70.2	(122.4)
Minority interests	**4.4**	(24.6)	(117.9)
NPAT after minority interests	**(9.2)**	24.3	(137.9)

2.3.3.2 Review of Results

Ramsay Santé reported 17.1% growth in revenue from customers (7.4% in constant currency terms) driven by 5.4% growth in hospital admissions and good growth in primary care admissions, combined with annual tariff and price increases. Case mix continues to impact revenue growth.

The decline in earnings reflects the absence of government support payments in the half (A$133.2m (€85.7m) in the pcp) to offset the impact of inflation, in particular increases in labour and medical consumable costs. The annual tariff increase in France for the 2023/24 year of 5.1% did not factor in the full impact of cost inflation over the last few years which have in past years been covered by one off compensation payments. The result reflects a return to the normal seasonality of Ramsay Santé earnings, with activity and earnings expected to be weighted to the second half of the fiscal year.

EBITDA in local currency declined 12.5% compared to the 73.5% decline in total government support payments in local currency, including the revenue guarantee and reflects the benefits of cost and other productivity measures the business has introduced over the last twelve months.

The EBIT result includes non-recurring items of $7.8m compared to a positive contribution of $45.3m in the pcp. Removing the impact of non-recurring items, EBIT declined 19.7% compared to the pcp.

The increase in depreciation primarily reflects higher IFRS16 depreciation primarily came from price indexation mechanism.

Net interest (inclusive of IFRS16 interest) increased 71.8% to $167.9m (57.5% increase in local currency). Net interest includes a negative non-cash mark to market on an interest rate swap of $19.6m (€11.8m) compared to a positive contribution of $22m (€14m) in the pcp. Removing the impact of the non-cash mark to market movements, net interest increased 23.9% compared to the pcp.

The weak Swedish kroner versus the EUR over the period impacted the Nordics result in EUR. The result in AUD benefited from a weak AUD versus the EUR compared to the pcp.

France

Revenue from patients increased 9.2% in constant currency driven by a 5.1% growth in total admissions reflecting a 4.7% increase in MSO admissions (medical, surgical and obstetrics) with growth still weighted to day patients. Growth in FCR (follow up and rehab care) admissions was strong increasing 12.3% over the pcp, also weighted to day patients, mental health admissions were largely flat on the pcp.

Income from government grants declined 69.8% and included a 37% decline in payments under the French Government revenue guarantee scheme to $64.7m (€39m) reflecting the recovery in activity levels above pre-COVID levels at the majority of Ramsay Santé hospitals combined with the impact of the modifications made to the structure of the guarantee for the CY2023 period[1].

In the pcp, the business received government payments to compensate for cost inflation, COVID specific related costs and salary increases of $120.6m (€77.4m). In the year from 1st March 2023 indexation reverted to the normal annual tariff structure.

The result also reflects the change in mix resulting from the stronger growth in day admissions compared to inpatient, lower maternity admissions and the impact of seasonality, with activity and earnings traditionally lower in the first half of the year.

EBIT includes a $7m (€4.2m) negative contribution from an additional provision taken up for annual leave due to the French High Court giving a judgement on 13th September 2023 bringing French law into line with EU law regarding the rules applied for paid annual leave entitlements of employees off work on long leave of absence for illness or work-related injury. This amount reflects an estimate of Ramsay Santé's potential exposure based on a number of assumptions. This position will be re-assessed in future reporting periods in light of regulatory directives to apply the Court's ruling and the experience of any generalisation of court cases, if any. This item has been included in non recurring items due to its expected one off nature.

Nordics

Revenue from patients increased 12.9% (10.5% on a like for like basis in SEK) on the pcp, and reflects improving activity levels including 10% growth in inpatient MSO admissions, reflecting an improved performance from the acute hospital business and good growth in primary health admissions.

In the pcp, the business received A$12.6m (€8.3m) in government funded COVID and inflation cost support. In 1HFY24 increases to cover cost inflation were built into the annual government tariffs and pricing which did not fully compensate for cost inflation.

The business commenced operating two new geriatric care contracts in Stockholm on 1st May 2023 representing an annual turnover of approximately $83m (€50m), and St Göran has opened its new maternity ward in Stockholm on 1st April 2023, supporting further organic growth in the half-year.

EBIT includes the benefit of non-recurring items of $14.8m primarily related to the remeasurement of options to buy back minority interests in a primary care business in Denmark further to Ramsay Santé increasing its shareholding, compared to $45.3m in the pcp primarily related to the profit on the sale of property. Removing the impact of non-recurring items EBIT increased 9% on the pcp.

2.3.3.3 Capital Expenditure

Total capital expenditure during the half was $140.5m (€84.7m, €91m in the pcp) down in local currency terms and split between:

- Brownfield and greenfield spend of $24.9m;
- Digital and data $17.4m;
- Growth capex of $16.7m; and
- Maintenance capex of $81.5m.

Capex investment has been primarily in the development of primary care centres and mental health day hospitals in France to support the existing network of hospitals. Capex for the full year is expected to be in the range $320-370m

[1] The guarantee for the 2023 year amounts to 70% of the 2022 guarantee (tariff adjusted) plus 30% of the 2023 invoicing for activity carried out in 2023. If the total actual invoicing over the period were below the guaranteed revenue, then Ramsay Santé is entitled to the shortfall

2.3.3.4 Outlook

Ramsay Santé is currently forecasting top line volume growth of low to mid single digit growth in France and higher in the Nordic region driven by increased MSO activity and contributions from recently established facilities.

The full year result is expected to be significantly weighted to the second half of the year reflecting the normal seasonality in activity and earnings including the benefit of the tariff increase for the 2024/25 year which will contribute to the final four months of the FY24 year.

Inflationary cost pressures are expected to continue. The business is having ongoing dialogue with payors regarding cost compensation for the 2023/24 year and the level of tariff increases for the 2024/25 year. The discussions are taking place against the backdrop of significant pressure on government budgets.

Reflecting higher base rates net financing costs are expected to be significantly higher than the pcp. Based on current views of future interest rates the impact of non cash swap mark to market movements for the full year is forecast to be a negative approximately $33m compared to a positive $18m impact in the pcp.

The business remains focused on activities to improve productivity and efficiency in the face of ongoing cost inflation. It continues to optimise its hospital and clinic network in France including investing in adjacent activities that strengthen its network in particular imaging, primary care and mental health day clinics.

3 Directors' Report

Ramsay Health Care Limited and Controlled Entities

The Directors present the Directors' Report for the half year ended 31 December 2023 for the consolidated entity consisting of Ramsay Health Care Limited (**Ramsay** or the **Company**) and its controlled entities (together, the **Group**).

Directors

The names of the Company's Directors in office at any time during or since the end of the half year and up to the date of this report were:

Name	Period of directorship
David Thodey	Chair since 28 November 2023 Director since 28 November 2017
Craig McNally	Managing Director and Global CEO since 3 July 2017
Alison Deans	Director since 15 November 2018
James McMurdo	Director since 11 September 2019
Karen Penrose	Director since 1 March 2020
Steven Sargent	Director since 25 November 2021
Michael Siddle	Chair until 28 November 2023 Director since 26 May 1975
Claudia Süssmuth Dyckerhoff	Director since 30 October 2018

Principal activities

During the half year, the principal activity of the Group was to own and operate hospitals and health care services in over 510 locations across Australia and globally. There were no significant changes in the nature of the Company's activities during the half year.

Review and results of operations

A review of the operations of the Group for the half year ended 31 December 2023 is set out in the Review of Results of Operations which has been included at page 4 and forms part of this report.

Auditor's Independence Declaration

The written Auditor's Independence Declaration in relation to the review of the half year financial report has been included at page 19 and forms part of this report.

Rounding

The amounts contained in this report and in the half year financial report have been rounded to the nearest hundred thousand (where rounding is applicable) under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The company is an entity to which the Instrument applies.

Approval

Signed in accordance with a resolution of the Directors.

D. THODEY
Chair

C.R. McNALLY
Managing Director and Chief Executive Officer

Sydney, 29 February 2024

Auditors Independence Declaration

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Auditor's independence declaration to the directors of Ramsay Health Care Limited

As lead auditor for the review of the half-year financial report of Ramsay Health Care Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ramsay Health Care Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Ryan Fisk

Ryan Fisk
Partner
29 February 2024

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4 Directors' declaration

In accordance with a resolution of the Directors of Ramsay Health Care Limited, we state that:

In the opinion of the Directors:

a. the consolidated financial statements and notes of Ramsay Health Care Limited are in accordance with the *Corporations Act 2001*, including:
   i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
   ii. complying with Accounting Standards *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*;

b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

D. THODEY Chair	**C.R. McNALLY** Managing Director and Chief Executive Officer

Sydney, 29 February 2024

5 Auditor's Review Report

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Independent auditor's review report to the members of Ramsay Health Care Limited

Conclusion

We have reviewed the accompanying half-year financial report of Ramsay Health Care Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated income statement as at 31 December 2023, consolidated statement of comprehensive income, the consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Ryan Fisk

Ryan Fisk
Partner
Sydney
29 February 2024

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6 Financial Results

Contents

Consolidated Income Statement

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Note	Half year ended 31 December 2023 $m	Half year ended 31 December 2022 $m
CONTINUING OPERATIONS			
Revenue from contracts with customers		8,085.1	7,103.7
Interest income		4.1	23.3
Other income – income from government grants	2	64.7	227.0
Other income – income from sale of development assets		4.1	1.5
Other Income - net profit on disposal/acquisition of non-current assets and businesses		5.4	48.6
Total revenue and other income		**8,163.4**	**7,404.1**
Employee benefit and contractor costs		(4,702.5)	(4,227.8)
Occupancy costs		(329.6)	(288.2)
Service costs		(267.1)	(266.4)
Medical consumables and supplies		(1,814.5)	(1,582.8)
Depreciation, amortisation and impairment		(531.2)	(476.9)
Cost of development assets sold		(2.1)	(0.9)
Total expenses, excluding finance costs		**(7,647.0)**	**(6,843.0)**
Share of loss of joint venture		-	(0.2)
Profit before tax and finance costs		**516.4**	**560.9**
Finance costs		(313.6)	(234.4)
Profit before income tax		**202.8**	**326.5**
Income tax		(67.3)	(102.0)
Profit after tax from continuing operations		**135.5**	**224.5**
DISCONTINUED OPERATIONS			
Profit after tax from discontinued operations	11	618.1	12.0
Net profit after tax for the period		**753.6**	**236.5**
Attributable to non-controlling interests		(4.9)	42.1
Attributable to owners of the parent		**758.5**	**194.4**
		753.6	**236.5**

		Cents per Share	Cents per Share
Earnings per share (EPS) attributable to equity holders of the parent			
Basic earnings per share (after CARES dividend)	4	328.7	83.0
Diluted earnings per share (after CARES dividend)	4	328.0	82.9
Earnings per share (EPS) attributable to equity holders of the parent from continuing operations			
Basic earnings per share (after CARES dividend)	4	58.0	77.7
Diluted earnings per share (after CARES dividend)	4	57.9	77.6

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Half year ended	
	31 December 2023 $m	31 December 2022 $m
Net profit after tax for the period	**753.6**	**236.5**
Items that will not be reclassified to net profit		
Actuarial (loss)/gain on defined employee benefit obligation	(15.4)	35.7
Items that may be subsequently reclassified to net profit		
Cash flow hedges		
Taken to equity	(52.1)	(11.5)
Transferred to Income Statement	(8.6)	5.0
Foreign currency translation	13.8	54.4
Income tax benefit/(expense) relating to these items	28.5	(11.4)
Other comprehensive (loss)/income, net of tax	**(33.8)**	**72.2**
Total comprehensive income	**719.8**	**308.7**
Attributable to non-controlling interests	(5.8)	57.7
Attributable to owners of the parent	**725.6**	**251.0**
	719.8	**308.7**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2023

	Note	31 December 2023 $m	As at 30 June 2023 $m	31 December 2022 $m
ASSETS				
Current assets				
Cash and cash equivalents	8	361.7	656.1	429.7
Trade and other receivables	9	2,434.7	2,266.9	2,452.0
Inventories	9	383.9	388.6	392.8
Derivative financial instruments	7	40.7	64.5	31.5
Income tax receivables		16.9	48.7	46.4
Prepayments		230.0	191.7	193.0
Other current assets		30.5	28.3	33.2
		3,498.4	3,644.8	3,578.6
Assets held for sale	11	-	251.0	2.3
Total current assets		**3,498.4**	**3,895.8**	**3,580.9**
Non-current assets				
Other financial assets		87.1	82.7	79.5
Investment in joint ventures		0.9	0.9	250.0
Property, plant and equipment		5,343.3	5,238.1	5,035.7
Right of use assets		4,931.6	4,949.1	4,735.4
Intangible assets		6,138.0	6,163.7	5,961.9
Deferred tax assets		439.1	443.7	474.8
Prepayments		10.4	10.6	10.7
Derivative financial instruments	7	5.2	63.6	76.0
Defined employee benefit assets		59.1	55.1	45.0
Other receivables		125.0	126.9	108.8
Total non-current assets		**17,139.7**	**17,134.4**	**16,777.8**
TOTAL ASSETS		**20,638.1**	**21,030.2**	**20,358.7**
LIABILITIES				
Current liabilities				
Trade and other creditors	9	2,966.0	3,153.9	3,014.2
Loans and borrowings	5,6	69.5	69.9	65.6
Lease liabilities		443.2	416.9	385.7
Derivative financial instruments	7	0.8	-	6.1
Provisions		115.5	125.8	173.9
Income tax payables		81.1	43.9	95.2
Total current liabilities		**3,676.1**	**3,810.4**	**3,740.7**
Non-current liabilities				
Loans and borrowings	5,6	5,058.2	5,861.5	5,705.9
Lease liabilities		5,512.5	5,538.0	5,259.9
Provisions		352.3	367.5	362.7
Defined employee benefit liabilities		179.3	172.6	155.4
Derivative financial instruments	7	26.1	-	0.6
Other creditors		63.6	98.3	99.1
Deferred tax liabilities		279.6	358.7	319.8
Total non-current liabilities		**11,471.6**	**12,396.6**	**11,903.4**
TOTAL LIABILITIES		**15,147.7**	**16,207.0**	**15,644.1**
NET ASSETS		**5,490.4**	**4,823.2**	**4,714.6**
EQUITY				
Issued capital		2,229.6	2,216.4	2,197.6
Treasury shares		(64.0)	(67.8)	(69.4)
Convertible Adjustable Rate Equity Securities (CARES)		252.2	252.2	252.2
Other reserves		(56.8)	(32.7)	(112.0)
Retained earnings		2,473.1	1,786.7	1,801.7
Parent interests		**4,834.1**	**4,154.8**	**4,070.1**
Non-controlling interests		**656.3**	**668.4**	**644.5**
TOTAL EQUITY		**5,490.4**	**4,823.2**	**4,714.6**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Attributable to Equity Holders of the Parent						
	Issued Capital	Treasury Shares	CARES	Other Reserves	Retained Earnings	Non-controlling Interests	Total
	$m	$m	$m	$m	$m	$m	$m
As at 1 July 2023	**2,216.4**	**(67.8)**	**252.2**	**(32.7)**	**1,786.7**	**668.4**	**4,823.2**
Total Comprehensive Income	-	-	-	(26.1)	751.7	(5.8)	719.8
Dividends paid	-	-	-	-	(65.3)	(6.3)	(71.6)
Shares issued – Dividend Reinvestment Plan	13.2	-	-	-	-	-	13.2
Treasury shares vesting to employees	-	3.8	-	(3.8)	-	-	-
Share based payment expense for employees	-	-	-	5.8	-	-	5.8
As at 31 December 2023	**2,229.6**	**(64.0)**	**252.2**	**(56.8)**	**2,473.1**	**656.3**	**5,490.4**
As at 1 July 2022	**2,197.6**	**(72.4)**	**252.2**	**(152.6)**	**1,708.7**	**592.7**	**4,526.2**
Total Comprehensive Income	-	-	-	42.1	208.9	57.7	308.7
Dividends paid	-	-	-	-	(115.9)	(6.3)	(122.2)
Acquisition of subsidiary/non-controlling interest	-	-	-	-	-	0.4	0.4
Treasury shares vesting to employees	-	3.0	-	(3.0)	-	-	-
Share based payment expense for employees	-	-	-	1.5	-	-	1.5
As at 31 December 2022	**2,197.6**	**(69.4)**	**252.2**	**(112.0)**	**1,801.7**	**644.5**	**4,714.6**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

		Half year ended	
		31 December 2023	31 December 2022
	Note	$m	$m
Cash flows from operating activities			
Receipts from customers		7,990.6	7,042.7
Receipts of government grants		-	166.1
Payments to suppliers and employees		(7,417.9)	(6,424.5)
Income tax paid		(75.6)	(126.5)
Lease finance costs		(138.0)	(121.6)
Other finance costs		(151.0)	(94.6)
Net cash flows from operating activities		**208.1**	**441.6**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(400.6)	(371.2)
Proceeds from sale of businesses and other non-current assets		1.8	55.8
Interest and dividends received		5.0	6.6
Business combinations, net of cash received		(9.1)	(76.7)
Proceeds from sale of interest in joint venture, net of transaction costs	11	936.7	-
Acquisition of investments and purchase of non-controlling interests		(13.6)	-
Net cash flows from/(used in) investing activities		**520.2**	**(385.5)**
Cash flows from financing activities			
Dividends paid to equity holders of the parent	3	(52.1)	(115.9)
Dividends paid to non-controlling interests		(6.3)	(6.3)
Repayment of lease principal		(181.4)	(197.6)
Payment of refinancing costs		(15.3)	(1.5)
Proceeds from borrowings		3,318.0	1,237.1
Repayment of borrowings		(4,101.1)	(859.1)
Net cash flows (used in)/from financing activities		**(1,038.2)**	**56.7**
Net (decrease)/increase in cash and cash equivalents		(309.9)	112.8
Net foreign exchange differences on cash held		15.5	2.7
Cash and cash equivalents at the beginning of period		656.1	314.2
Cash and cash equivalents at the end of period	8	**361.7**	**429.7**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Overview

This section sets out the basis on which the Group's financial report is prepared as a whole.

Ramsay Health Care Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The financial report of Ramsay Health Care Limited (**the Company**) and controlled entities (together, **the Group**) for the half year ended 31 December 2023 was authorised for issue in accordance with a resolution of the Directors on 29 February 2024.

a Basis of preparation

This general purpose financial report:

- has been prepared in accordance with Australian Accounting Standards, including *AASB134 Interim Financial Reporting*, other authoritative pronouncements of the Australian Accounting Standard Board (**AASB**) and the *Corporations Act 2001*. It does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report;
- has been prepared on the basis of historical cost, except for derivative financial instruments;
- should be read in conjunction with the annual financial report of Ramsay Health Care Limited as at 30 June 2023, together with any public announcements made by Ramsay Health Care Limited and its controlled entities during the half year ended 31 December 2023;
- presents reclassified comparative information where necessary to conform to changes in presentation in the current year; In addition, on 28 June 2023, the Group classified an investment in joint venture as discontinued operation. In accordance with *AASB 5 Non-current Assets Held for Sale and Discontinued Operations*, the Group has:
  - presented the profit or loss from the discontinued operation separately in the Income Statement in the current period and restated the prior period;
  - presented the assets of the discontinued operation as held for sale, separately from other assets in the Statement of Financial Position, with no re-presentation of amounts in the prior period before it was classifed;
- presents all values as rounded to the nearest hundred thousand dollars, unless otherwise stated under the option available under ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191.

b New and amended accounting standards and interpretations, effective 1 July 2023

The Group has adopted all new and amended Australian Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for reporting periods beginning on or after 1 July 2023, all of which did not have a material impact on the financial statements:

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]*
- *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction [AASB 1 & AASB 112]*
- *AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*

c Accounting standards and interpretations issued but not yet effective

New and amended standards and interpretations issued by the AASB that will apply for the first time in the future annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies. The Group has not early adopted any Australian Accounting Standards and Interpretations issued or amended but are not yet effective.

I Results for the Half Year

This section provides additional information on the Group results for the half year, including further detail on results by segment, revenue, earnings per share and dividends.

1 Segment information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based primarily on the country in which the service is provided, as this is the Group's major risk and has the most effect on the rate of return, due to differing currencies and differing health care systems in the respective countries. The Group has four reportable operating segments being Australia, UK, France and Nordics.

On 28 June 2023, the Group classified an investment in joint ventures as a discontinued operation. Consequently, the profit or loss from the investment classified as a discontinued operation is no longer presented in the segment disclosures from continuing operations for both the current and prior periods. Refer to Note 11 for further details.

Discrete financial information about each of these operating businesses is reported to the Managing Director on at least a monthly basis.

Types of services

The reportable operating segments derive their revenue primarily from providing health care services to both public and private patients in the community.

Accounting policies and inter-segment transactions

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment results include transfers between the segments. These transfers are eliminated on consolidation.

The accounting policies used by the Group in reporting segments are the same as those contained throughout the accounts and in prior periods.

Assets and liabilities by segment

	Australia $m	UK $m	France $m	Nordics $m	Adjustments & Eliminations $m[1]	Total $m
As at 31 December 2023						
Segment assets	9,387.4	5,196.8	9,234.7	3,438.0	(6,618.8)	20,638.1
Segment liabilities	(3,798.8)	(5,073.1)	(7,485.5)	(1,712.1)	2,921.8	(15,147.7)
As at 30 June 2023						
Segment assets	8,903.5	5,199.3	10,179.3	2,800.7	(6,052.6)	21,030.2
Segment liabilities	(4,042.7)	(5,047.6)	(7,829.8)	(1,623.6)	2,336.7	(16,207.0)
As at 31 December 2022						
Segment assets	8,670.3	4,902.5	9,745.2	2,808.0	(5,767.3)	20,358.7
Segment liabilities	(4,014.8)	(4,593.0)	(7,504.6)	(1,605.2)	2,073.5	(15,644.1)

1 Adjustments and eliminations consist of investments in subsidiaries and intercompany balances, which are eliminated on consolidation.

Segment revenue reconciliation to Income Statement

	Half year ended	
	31 December 2023 $m	31 December 2022 $m
Total segment revenue and other income	8,164.5	7,385.2
Intersegment revenue elimination	(5.2)	(4.4)
Interest income	4.1	23.3
Total revenue and other income	**8,163.4**	**7,404.1**

1 Segment information (Continued)

Profit or loss by segment

	Australia $m	UK $m	France $m	Nordics $m	Total $m
Half year ended 31 December 2023					
Revenue from contracts with customers	3,009.7	1,148.3	2,691.2	1,235.9	8,085.1
Other income – income from government grants	-	-	64.7	-	64.7
Other income – income from sale of development assets	4.1	-	-	-	4.1
Other Income - net profit on disposal/acquisition of non-current assets and businesses	4.6	-	0.8	-	5.4
Total revenue and other income before intersegment revenue	3,018.4	1,148.3	2,756.7	1,235.9	8,159.3
Intersegment revenue	5.2	-	-	-	5.2
Total segment revenue and other income	**3,023.6**	**1,148.3**	**2,756.7**	**1,235.9**	**8,164.5**
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)[1]	**415.3**	**152.9**	**408.5**	**143.3**	**1,120.0**
Rent[2]	(5.5)	(2.1)	(58.1)	(10.8)	(76.5)
Earnings before interest, tax, depreciation and amortisation (EBITDA)[3]	**409.8**	**150.8**	**350.4**	**132.5**	**1,043.5**
Depreciation, amortisation and impairment	(113.7)	(75.1)	(247.7)	(94.7)	(531.2)
Earnings before interest and tax (EBIT)[4]	**296.1**	**75.7**	**102.7**	**37.8**	**512.3**
Net finance costs					(309.5)
Income tax expense					(67.3)
Profit after tax from continuing operations					**135.5**
Attributable to non-controlling interests					4.9
Net profit from continuing operations attributable to owners of the parent					**140.4**
Half year ended 31 December 2022					
Revenue from contracts with customers	2,840.5	910.2	2,258.5	1,094.5	7,103.7
Other income – income from government grants	-	-	214.4	12.6	227.0
Other income – income from sale of development assets	1.5	-	-	-	1.5
Other Income - net profit on disposal/acquisition of non-current assets and businesses	-	-	-	48.6	48.6
Total revenue and other income before intersegment revenue	2,842.0	910.2	2,472.9	1,155.7	7,380.8
Intersegment revenue	4.4	-	-	-	4.4
Total segment revenue and other income	**2,846.4**	**910.2**	**2,472.9**	**1,155.7**	**7,385.2**
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)[1]	**419.4**	**89.1**	**413.9**	**159.0**	**1,081.4**
Rent[2]	(5.6)	(1.4)	(47.7)	(12.2)	(66.9)
Earnings before interest, tax, depreciation and amortisation (EBITDA)[3]	**413.8**	**87.7**	**366.2**	**146.8**	**1,014.5**
Depreciation, amortisation and impairment	(118.8)	(55.6)	(222.1)	(80.4)	(476.9)
Earnings before interest and tax (EBIT)[4]	**295.0**	**32.1**	**144.1**	**66.4**	**537.6**
Net finance costs					(211.1)
Income tax expense					(102.0)
Profit after tax from continuing operations					**224.5**
Attributable to non-controlling interests					(42.1)
Net profit from continuing operations attributable to owners of the parent					**182.4**

1 *"EBITDAR" is a non-statutory profit measure and represents profit before interest, tax, depreciation, amortisation, impairment and rent.*
2 *Rent includes rental costs of short term or low value assets together with any related rent costs, including rent related taxes that could not be capitalised as part of lease liabilities.*
3 *"EBITDA" is a non-statutory profit measure and represents profit before interest, tax, depreciation, amortisation and impairment.*
4 *"EBIT" is a non-statutory profit measure and represents profit before interest and tax.*

2 Other income – income from government grants

	Half year ended	
	31 December 2023	31 December 2022
	$m	$m
Other income – income from government grants	64.7	227.0

Government grants are recognised when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. Grants are accounted for on a gross basis in revenue and expenses, by the Group. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is recognised as other income.

Ramsay Santé's facilities and hospitals in France continued to operate under the French government's revenue guarantee, which supported the healthcare facilities for the use of their facilities and services during the Covid pandemic and continued to help offsetting its negative effects on activity subsequent to that period. The details of the scheme up to 31 December 2022 were similar to those of previous periods, with the exception of mental health activities, which are now outside its scope due to their new allocation-based funding structure. The French government has extended its support for the sector with the introduction of an activity-adjusted guarantee for the calendar year up to 31 December 2023. This new modified guarantee amounts to 70% of the amount of the revenue guarantee notified for 2022 (adjusted for 2023 tariffs) plus 30% of the invoicing for activity carried out for 2023.

3 Dividends

	Parent Entity Half year ended	
	31 December 2023	31 December 2022
	$m	$m
(i) Dividends determined and paid during the period on ordinary shares:		
Previous year final dividend paid		
Franked dividends – ordinary		
(25.0 cents per share) (31 December 2022: 48.5 cents per share)	57.3	110.6
(ii) Dividends proposed and not recognised as a liability on ordinary shares:		
Current year interim dividend proposed		
Franked dividends – ordinary		
(40.0 cents per share) (31 December 2022: 50.0 cents per share)	91.5	114.1
(iii) Dividends determined and paid during the period on CARES:		
Previous year final dividend paid		
Franked dividends – CARES	8.0	5.3
(iv) Dividends proposed and not recognised as a liability on CARES:		
Current year interim dividend proposed		
Franked dividends – CARES	8.7	7.6

The tax rate at which paid dividends have been franked is 30% (31 December 2022: 30%). All of the proposed dividends will be franked at the rate of 30% (31 December 2022: 30%).

4 Earnings per share

	Half year ended					
	31 December 2023			31 December 2022		
	Continuing operations $m	Discontinued operations $m	Total $m	Continuing operations $m	Discontinued operations $m	Total $m
Net profit for the period attributable to owners of the parent	140.4	618.1	758.5	182.4	12.0	194.4
Less: dividend paid on Convertible Adjustable Rate Equity Securities (CARES)	(8.0)	-	(8.0)	(5.3)	-	(5.3)
Profit used in calculating basic and diluted (after CARES dividend) earnings per share	132.4	618.1	750.5	177.1	12.0	189.1

	Half year ended	
	31 December 2023 Number of Shares (m)	31 December 2022 Number of Shares (m)
Weighted average number of ordinary shares used in calculating basic earnings per share	228.3	227.8
Effect of dilution – share rights not yet vested	0.5	0.4
Weighted average number of ordinary shares adjusted for the effect of dilution	228.8	228.2

The share rights granted to Executives but not yet vested, have the potential to dilute basic earnings per share.

The denominator for the purpose of calculating both basic and diluted earnings per share for the half year ended 31 December 2022 has been adjusted to reflect the shares issued under the Dividend Reinvestment Plan in FY23 and FY24, at less than market value.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

	Half year ended					
	31 December 2023			31 December 2022		
	Continuing operations Cents per Share	Discontinued operations Cents per Share	Total Cents per Share	Continuing operations Cents per Share	Discontinued operations Cents per Share	Total Cents per Share
Earnings per share (EPS) attributable to equity holders of the parent						
Basic earnings per share (after CARES dividend)	58.0	270.7	328.7	77.7	5.3	83.0
Diluted earnings per share (after CARES dividend)	57.9	270.1	328.0	77.6	5.3	82.9

Calculation of earnings per share

Basic earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent (after deducting the CARES dividend) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after deducting the CARES dividend) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

II Capital - Financing

This section provides further information on loans and borrowings and derivatives.

5 Loans and borrowings

RAMSAY AND ITS SUBSIDIARIES EXCLUDING RAMSAY SANTÉ AND CONTROLLED ENTITIES

During the half year, net A$2,000 million of facilities were cancelled due to the completion of refinancing tasks and redeployment of Ramsay Sime Darby sale proceeds to prepaying and cancelling facilities.

Both the EUR300 million and A$514 million syndicated facilities were cancelled in July 2023 and A$1,500 million of bilateral facilities were cancelled in December 2023. A new six year A$500m Term Loan facility was entered into in December 2023.

In October 2023, the A$1,500 million sustainability linked syndicated facility, comprising equal tranches of A$500 million, was extended by 2.25 years with each tranche now maturing in October 2026, October 2027 and October 2028. In November 2023, A$955 million of bilateral facilities were extended by up to 12 months.

The covenant package, group guarantees and other common terms and conditions in respect of the debt facilities are governed under a Common Terms Deed Poll.

RAMSAY SANTÉ AND CONTROLLED ENTITIES

No significant change to loans and borrowings for Ramsay Santé during the period 1 July 2023 to 31 December 2023.

The Group had an undrawn facility limit of $1,243.7 million as at 31 December 2023.

6 Fair value

Unless disclosed below, the carrying amount of the Group's current and non-current borrowings approximate their fair value. The fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates depending on the type of borrowings. For the financial year, the variable base interest rates vary from 3.69% to 4.47% (30 June 2023: 1.10% to 4.12%; 31 December 2022: 1.10% to 3.11%) for Australia and 3.698% to 4.002% (30 June 2023: 0.125% to 3.21%; 31 December 2022: 0.125% to 1.502%) for France respectively.

	As at					
	31 December 2023		30 June 2023		31 December 2022	
	Carrying Amount $m	Fair Value $m	Carrying Amount $m	Fair Value $m	Carrying Amount $m	Fair Value $m
Bank loans	4,965.8	5,080.1	5,767.8	5,895.8	5,614.4	5,704.8
Corporate notes	161.9	171.1	163.6	166.8	157.1	160.1
	5,127.7	5,251.2	5,931.4	6,062.6	5,771.5	5,864.9

The decrease in bank loans balance from 30 June 2023 to 31 December 2023 is mainly a result of the repayment of debt using the proceeds from the sale of the joint venture Ramsay Sime Darby Health Care Sdn Bhd (refer to note 11), partially offset by general operational requirements, including capital expenditure and acquisitions.

7 Derivative financial instruments

Instruments used by the Group

Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates.

Fair value

The Group has available to it various methods in estimating the fair value of a derivative financial instrument. The methods comprise:

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of the financial instruments was estimated using the level 2 method valuation technique and is summarised in the table below.

	As at		
	31 December 2023 $m	**30 June 2023 $m**	**31 December 2022 $m**
Current assets			
Interest rate and foreign exchange derivative contracts – cash flow hedges	20.3	33.4	14.1
Interest rate and foreign exchange derivative contracts – economic hedges	20.4	31.1	17.4
Non-current assets			
Interest rate and foreign exchange derivative contracts – cash flow hedges	5.2	41.2	52.8
Interest rate and foreign exchange derivative contracts – economic hedges	-	22.4	23.2
	45.9	128.1	107.5
Current liabilities			
Interest rate and foreign exchange derivative contracts – cash flow hedges	(0.4)	-	(0.3)
Interest rate and foreign exchange derivative contracts – economic hedges	(0.4)		(5.8)
Non-current liabilities		-	
Interest rate and foreign exchange derivative contracts – cash flow hedges	(26.1)	-	(0.6)
	(26.9)	-	(6.7)
Net derivative assets/(liabilities)	**19.0**	**128.1**	**100.8**

The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships.

Transfer between categories

There were no transfers between Level 1 and Level 2 or between Level 2 and Level 3 during the period.

8 Cash and cash equivalents

For the purpose of the half year consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	As at		
	31 December 2023 $m	**30 June 2023 $m**	**31 December 2022 $m**
Cash at bank and on hand	361.7	656.1	429.7

III Assets and Liabilities – Operating and Investing

This section provides further information on some of the assets and liabilities used to generate profit.

9 Working capital

	As at		
	31 December 2023 $m	30 June 2023 $m	31 December 2022 $m
Trade and other receivables (current)	2,434.7	2,266.9	2,452.0
Inventories	383.9	388.6	392.8
Trade and other creditors (current)	(2,966.0)	(3,153.9)	(3,014.2)
	(147.4)	(498.4)	(169.4)

Consistent with prior periods, Ramsay actively manages the collection of debtor receipts and creditor payments. Any surplus or deficit in the working capital is managed through the efficient use of the debt facilities and cash balances.

10 Net tangible assets/(liabilities)

	As at		
	31 December 2023 $ per Share	30 June 2023 $ per Share	31 December 2022 $ per Share
Net tangible (liabilities) per ordinary share	(3.52)	(6.22)	(6.13)

Net tangible assets/(liabilities) are the total assets minus intangible assets, deferred taxes and total liabilities, divided by the number of ordinary shares of the Company currently on issue at the reporting date. Net tangible assets/(liabilities) include right of use assets as the underlying leases are for physical assets.

The reduction in net tangible liabilities from 30 June 2023 is a result of the proceeds from the sale of Ramsay Sime Darby Health Care Sdn Bhd (refer to note 11).

11 Assets held for sale/Discontinued operations

Assets held for sale

	As at		
	31 December 2023 $m	30 June 2023 $m	31 December 2022 $m
Assets of continuing operations			
Property, plant and equipment	-	-	2.3
Assets of discontinued operations			
Investment in joint ventures	-	251.0	-
Total assets held for sale	-	251.0	2.3

Discontinued operations - Sale of Ramsay Sime Darby Health Care Sdn Bhd (RSDH)

On 28 June 2023, the Group publicly announced the decision, together with the joint venture partner Sime Darby Berhad, to sell the 50:50 joint venture RSDH in Malaysia. On 28 December 2023 the Group and Sime Darby Berhad completed the sale of RSDH.

Financial information relating to the discontinued operations for the period is set out below. For further information about the discontinued operation, please refer to Note 16.b in the Group's annual financial statements for the year ended 30 June 2023.

	Half year ended	
	31 December 2023 $m	31 December 2022 $m
Results of discontinued operations		
Share of profit of joint venture	-	12.0
Pre-tax gain on sale of interest in joint venture, net of transaction costs	660.9	-
Profit before income tax	660.9	12.0
Income tax	(42.8)	-
Profit after tax from discontinued operations	618.1	12.0
Gain on sale of discontinued operations is calculated as follows		
Consideration received in cash	938.4	-
Carrying amount of interest in joint venture sold	(251.0)	-
Reclassification of amounts previously recognised in other comprehensive income to net profit	(15.0)	-
Disposal costs	(11.5)	-
Income tax	(42.8)	-
Total gain on sale of discontinued operations	618.1	-
Cash flows of discontinued operations		
Operating	-	-
Investing	936.7	-
Financing	-	-
Net increase in cash and cash equivalents	936.7	-

	Half year ended	
	31 December 2023 Cents per Share	31 December 2022 Cents per Share
Contribution to earnings per share by discontinued operations		
Basic earnings per share (after CARES dividend)	270.7	5.3
Diluted earnings per share (after CARES dividend)	270.1	5.3

IV Other Information

This section includes other information that must be disclosed to comply with the accounting standards and other requirements, but that may not immediately be related to individual line items in the financial statements.

12 Contingent liabilities

Contingent liabilities are possible future cash payments arising from past events that are not recognised in the financial statements, as the likelihood of payment is not considered probable or cannot be reliably measured.

The Group has a number of bank guarantees to third parties for various operational and legal purposes, none of which are individually material to the Group. No provision has been made in the financial statements in respect of these bank guarantees, as the probability of having to make a payment under these guarantees is considered remote.

The only material guarantee is for workers compensation self-insurance liabilities as required by State WorkCover authorities for $49.3 million as at 31 December 2023 (30 June 2023: $48.2 million). No provision has been recognised in the financial statements for these contingent liabilities. However a provision for self-insured risks relating to workers compensation claims has been provided for, along with provisions for legal and compliance matters. The accounting policies for these provisions are described in Note 16.c of the Group's 30 June 2023 financial statements.

13 Subsequent events

There have been no significant events after the balance date that may significantly affect the Group’s operations in future years, the results of these operations in future years or the Group’s state of affairs in future years.