

ASX ANNOUNCEMENT

14 November 2018

ANNUAL GENERAL MEETING – CHAIRMAN’S ADDRESS

Welcome everyone, I’ll declare the meeting open and I thank you all for coming along, it’s good to see familiar faces. I’ll give a short overview of the past year after which Craig will give you a more detailed presentation. You’ll then have a chance to ask questions regarding the company’s operations.

As usual your Board of Directors is here, and this year there are two new Directors’ both of whom are up for election later in the meeting.

Firstly David Thodey, whose appointment you’ll recall I announced last year. Since David joined the Board, he has already made a significant contribution. We’ll hear from David later, when he’s proposed for election.

Secondly let me introduce Claudia Süßmuth Dyckerhoff, who joins us for the first time. Again, I’ll say more about Claudia later on, but I think we’re extremely lucky to have her given her international healthcare experience.

Sadly, this year we farewelled two Directors. Margie Seale has reviewed her director portfolio and decided to restructure her commitments which means she isn’t standing for re-election. As you know, Patty Akopiantz is on the Board of the AMP and as a consequence she also has decided not to seek re-election as she felt it had the potential to create a distraction for the company at this stage. I would have liked to have seen her re-elected.

We are sad to see both of them leave and we want to thank them for their contribution to the Board over the past three years and wish them well for the future.

I am delighted to announce that another Director has agreed to join our Board. Alison Deans is a much experienced Australian Public Company Director. She is currently on the Board of Westpac Banking Corporation and Cochlear Limited, and has been a Director and Chief Executive of a number of other companies beforehand. She has considerable experience in healthcare, retailing and digital technology all of which are important factors for our company going forward. Alison will be a great appointment and we look forward to her joining our Board.

Now to our results. In fiscal year 2018, Ramsay recorded a Core Net Profit After Tax (NPAT) of \$579.3 million, which was a 6.8% increase on the previous corresponding period. Core NPAT delivered Core EPS of 279.8 cents for the year, an increase of 7.0% on the 261.4 cents recorded in the previous corresponding period and in line with the revised guidance provided in June 2018.

Directors announced a fully-franked final dividend of 86.5 cents, up 6.1% on the previous corresponding period, taking the full year dividend to 144.0 cents fully-franked, up 7.1% on the prior year. I am very pleased that Ramsay Health Care is one of only two companies on the ASX to have raised its dividend every year for the past 18 years and we want to continue to do that.

As you know, Ramsay's growth has been consistent and sustained over many years and while we experienced some challenges in fiscal year 2018, the company delivered solid results demonstrating both the efforts of our management teams and the company's long term resilience. Whilst a 7% increase would normally be construed as a good result, it was below expectations and, combined with our subdued outlook for fiscal year 2019 as a result of ongoing challenging operating conditions across all of our key regions, the market has responded accordingly.

Consequently, our share price has dropped in recent times, deviating from what the market has come to expect and this is, of course, disappointing for all shareholders. Craig will elaborate on these challenging operating conditions shortly, especially the UK where we have faced a difficult year in terms of NHS budgetary constraints and demand management strategies. As waiting lists grow in the UK we expect to see a turn around on these issues in the near future.

In Australia, the significant focus on private health insurance and affordability concerns is creating some instability for the sector and, with a federal election looming this is not likely to resolve itself quickly. We are working actively with government and the industry on this but it is important to note that healthcare has always faced challenges and reforms, yet despite this, with an ageing and growing population, the underlying growth fundamentals for the sector remain strong.

While we expect challenging conditions to continue this year, and we have forecast lower than normal earnings growth, there are some positive signs for future growth particularly in the UK. The company has commenced a restructuring programme to further improve efficiencies across our business in all our markets, which will create more value in the long term for our shareholders. We will also continue with our strategy of organic growth, brownfield developments and growth through acquisition as well as looking at new strategies leveraging on our core competencies.

This year, we saw a continued focus on healthcare affordability and sustainability in all the markets in which we operate, yet against this backdrop, Ramsay Health Care focused on what has made it successful – an unwavering focus on delivering the highest quality care to over 3.5 million patients, achieving high engagement with our employees, maintaining strong relationships with doctors, and the application of our cultural values, The Ramsay Way.

We have committed to spending more on brownfields to meet the growing and ageing populations we serve, and last year was no different. The Board approved a record \$325 million in capacity expansions and redevelopments at our hospitals in Australia which will not only expand our facilities to meet growing demand but also enhance the environment of care delivery for our patients. As an example, the new stand-alone, purpose-built psychiatric clinic in Sydney's north – St Leonards Clinic – is a premier facility which will improve the patient experience and replaces our long standing Northside Clinic, which had outgrown its existing site.

The focus on quality and using our vast clinical capabilities to improve care for patients by our teams around the globe has been a major success this year. The Speaking Up for Patient Safety initiative, adopted from Vanderbilt University, is being rolled out across three of our global regions with thousands of staff and doctors participating. We have increased our focus on collecting information about the patient experience and benchmarking this across our countries, and we are investing heavily in medical and health outcomes research to drive best practice.

I would like to congratulate Craig McNally in his first year as Chief Executive Officer in a challenging environment. Craig has brought a new and fresh approach to the position and has made some excellent appointments enhancing the Ramsay global executive team including the appointments of a new Chief Strategy Officer, a new Chief People Officer and Chief Executive Appointments in our UK and Asian businesses. This year Craig celebrates 30 years with the Company and his capabilities and experience is a great asset to us.

Looking towards 2019 and beyond, Ramsay Health Care expects the growing and ageing populations to continue to drive demand for healthcare. Our growth initiatives including the brownfield programme and those developments we have invested in this year, which are aimed at strengthening our business, will continue to contribute strongly to earnings.

Of course, we have recently finalised the Ramsay Generale de Sante takeover of Capiro AB – a pan European healthcare operator. With this acquisition we have created market leading positions in several markets including France and the Nordics. This is a milestone acquisition for Ramsay giving us a diversified and strategically located portfolio across 11 countries with 77,000 staff and 480 facilities. This acquisition met our strict financial hurdles and will add value to the company. Craig will talk more on this acquisition in a short moment.

I would like to thank the Ramsay leadership team, our staff, the doctors who work with us, and my fellow directors, for their contribution to this company and its operations around the globe during the year. I would also like to thank you, our shareholders, for your continuing support of Ramsay Health Care.

I now hand over to CEO and Managing Director Craig McNally to present you with a detailed summary of the past year.

Michael Siddle
Chairman