

Ramsay Health Care Limited

ACQUISITION OF CAPIO

Creating a leading provider of healthcare services in Europe

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29 October 2018



Transaction Highlights

Craig McNally

Introduction

- Ramsay Générale de Santé ('RGdS'), Ramsay Health Care Limited's ('Ramsay') 51% owned listed French subsidiary, has been successful in its public offer for Nasdaq Stockholm-listed Capio AB (publ.) ('Capio')
- Capio offer price (for 100% of the issued capital) is SEK8,187 million (€788 million (equiv) or A\$1.3 billion (equiv)¹), corresponding to an Enterprise Value of €1.2 billion (A\$1.9 billion (equiv)¹)
- The offer has been accepted by shareholders holding approximately 96% of Capio share capital. The offer's acceptance period will be extended until 7 November 2018²
- Unconditional clearance has been received from the French Competition Authority & all conditions for completion of the offer have been satisfied
- Settlement is expected on or around 7 November 2018³, upon which Capio will become a majority-owned subsidiary of RGdS

¹ Based on spot FX rates as of 26/10/2018 (EUR/AUD of 1.61 and EUR/SEK of 10.39)

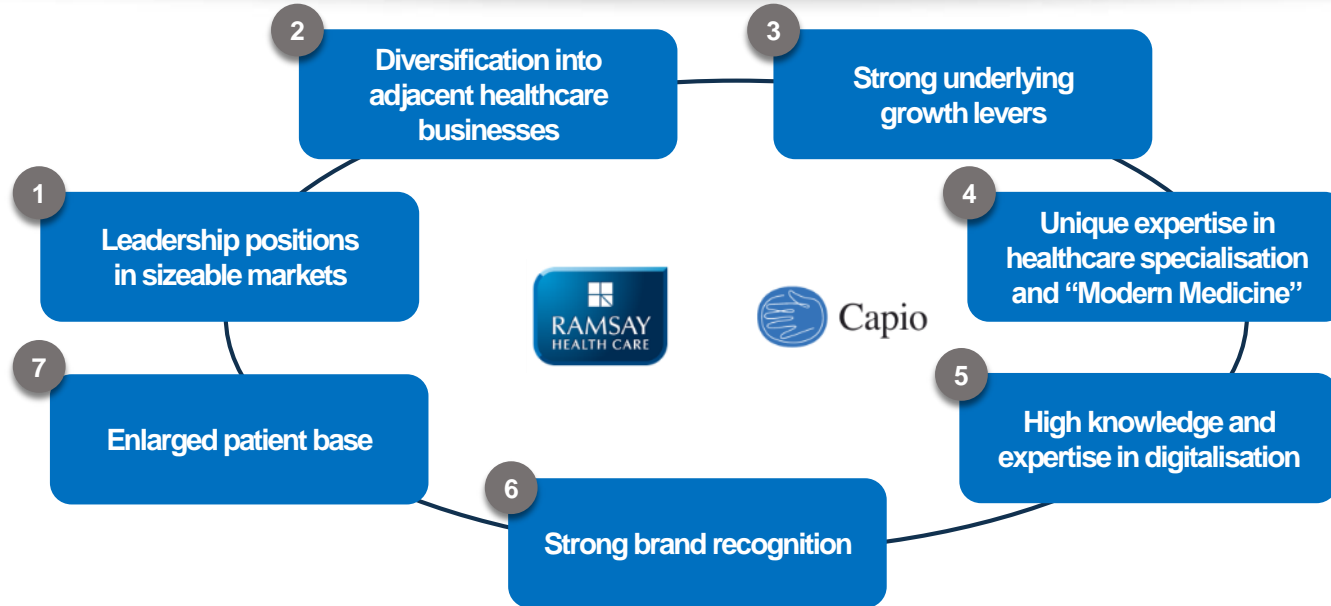
² In order to give remaining shareholders an additional possibility to accept the offer

³ For shares tendered during the initial acceptance period, i.e. up until 25 October 2018

Key benefits of the transaction

- ✓ Acquisition of Capiro's integrated healthcare network is consistent with Ramsay's strategy to grow both its hospital and out-of-hospital businesses
- ✓ Consistent with Ramsay's strategy to grow its global portfolio in new markets and where it is a strategic fit:
 - Capiro is a leading and quality provider of healthcare services in Europe with a well-balanced geographic footprint across 5 countries, operating in stable markets with strong industry fundamentals
 - Market leader in Sweden, #3 market position in the French acute care sector, and #2 position in Norway
 - Leader in driving value-based healthcare, digitalisation and specialisation
 - High performing French operations with strong presence in Toulouse & Lyon, enhancing RGdS's cluster strategy
- ✓ Provides a gateway for further bolt-on acquisitions in the Nordics
- ✓ Financially compelling transaction with significant synergies at RGdS level (c.€20m), with majority to be realised within 2-3 years
- ✓ Core EPS accretive within 2 to 3 years

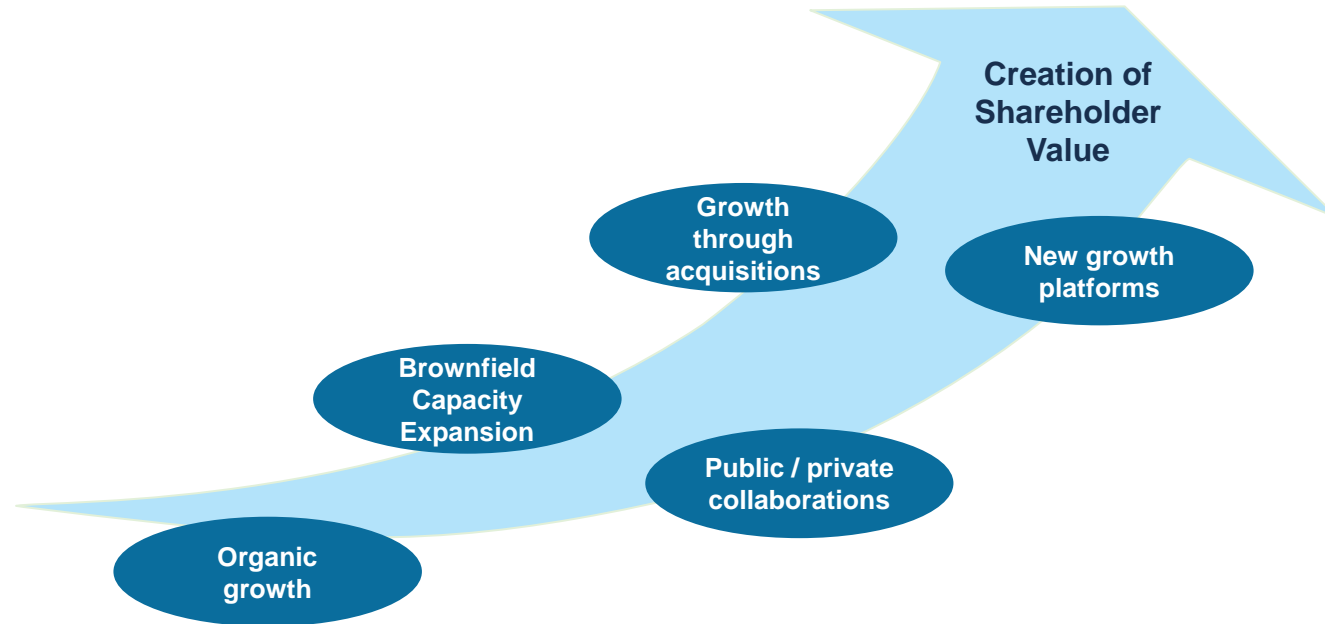
Transaction rationale



Create a leading provider of healthcare services in Europe

Combined group will leverage Capio's distinctive strengths and expertise in integrated healthcare and digitalisation combined with the deep domain experience of RGdS and the global reach of Ramsay

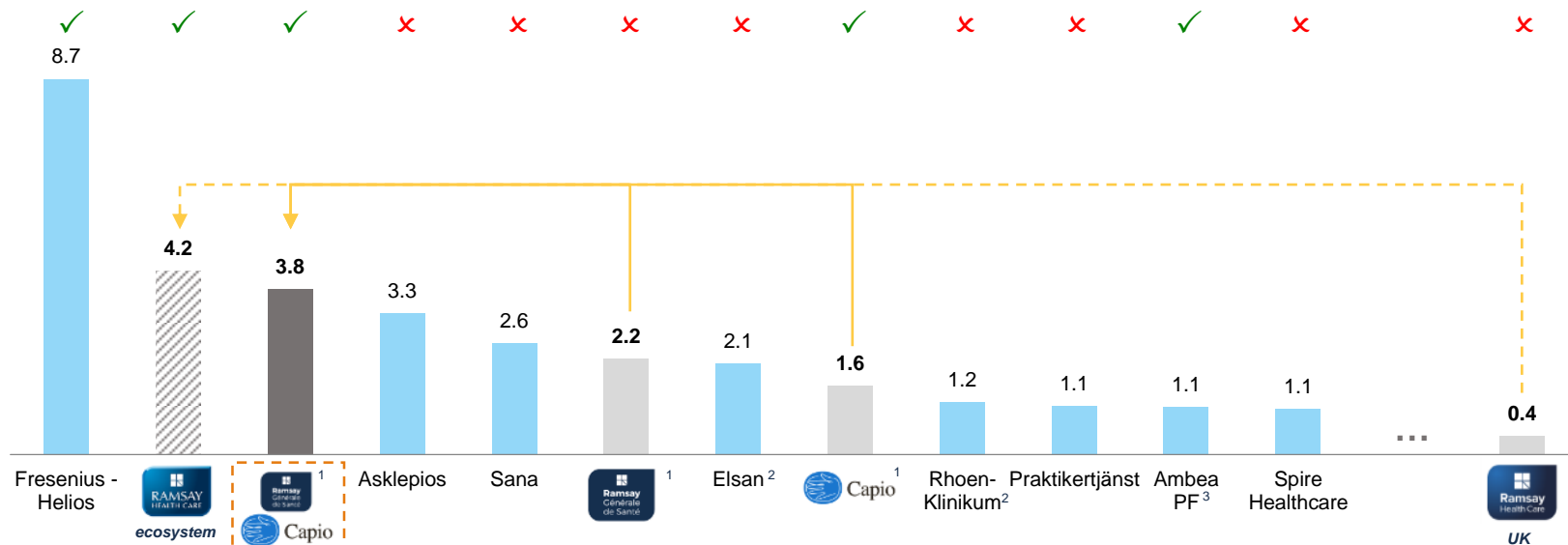
Delivering on Ramsay's growth objectives



Creating a leading European player

Leading European acute care players (2017 sales in €bn)

Multi-geography



Source Companies

Based on EUR/SEK of 9.63 (average rate over 2017)

1. Based on Dec-17 LTM figures for RGdS, Ramsay Health Care UK and Capio
2. Estimate
3. Pro forma of the acquisition of Aleris Care

Expanded European footprint

Combined geographical footprint with strong positions in key European markets



Revenue:	£424m
Patients (#, k):	240
FTEs (#):	4,324
Location (#):	32



Revenue:	€2,780m
Patients (#, k):	2,759
FTEs (#):	27,292 ¹
Location (#):	141



Revenue:	€871m
Patients (#, k):	4,077
FTEs (#):	6,556
Location (#):	151

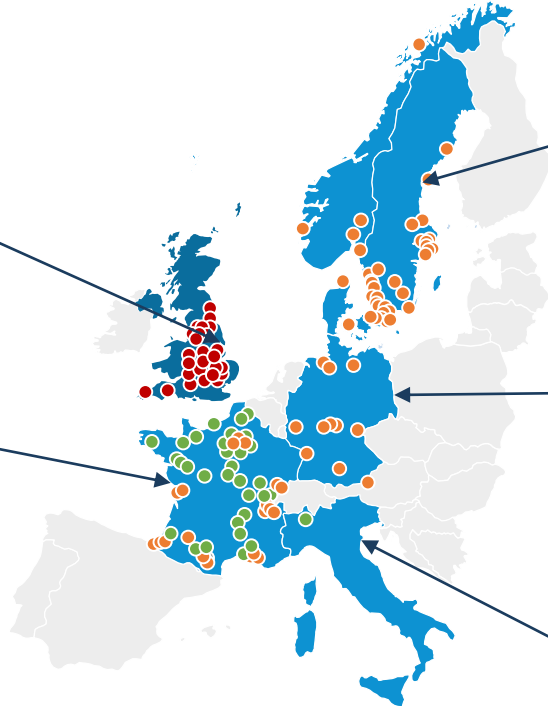


Revenue:	€117m
Patients (#, k):	247
FTEs (#):	1,224
Location (#):	16



Revenue:	€24m
Patients (#, k):	6
FTEs (#):	198
Location (#):	1

- Ramsay Générale de Santé presence
- Ramsay Générale de Santé location
- Ramsay Health Care UK location
- RHC UK presence
- Capio location



Jun-18 LTM figures for RGdS, Capio and Ramsay Health Care UK

Based on spot FX rates as of 26/10/2018 (EUR/AUD of 1.61 and EUR/SEK of 10.39)

1. Not including c.1,000 self-employed doctors at Capio and c. 6,000 self-employed doctors at RGdS

The Ramsay Health Care Global Network



Ramsay
Health Care

\$11.6B

Revenue (AUD)

470

Locations

77,000

Employees

8,500,000

Patient visits/admissions

10

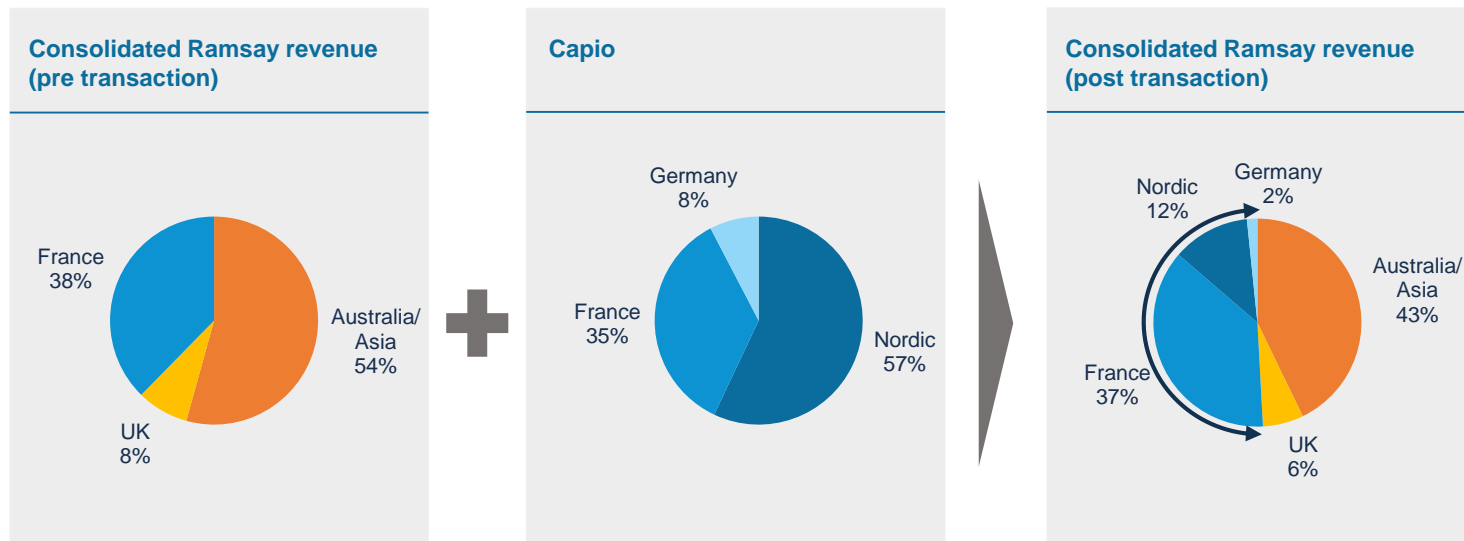
Countries

Hospitals & Facilities

With Capio, Ramsay Health Care's global network extends across 10 countries, with 8.5 million admissions/patient visits to its facilities in circa 470 locations. The combined entity employs 77,000 staff.

A more diversified geographical profile

Revenue breakdown by geography








Jun-18 LTM consolidated figures for both Ramsay and Capio
Based on spot FX rates as of 26/10/2018 (EUR/AUD of 1.61 and EUR/SEK of 10.39)

Creating a leading European health services provider

Pascal Roché

Key macro facts about Capio's markets

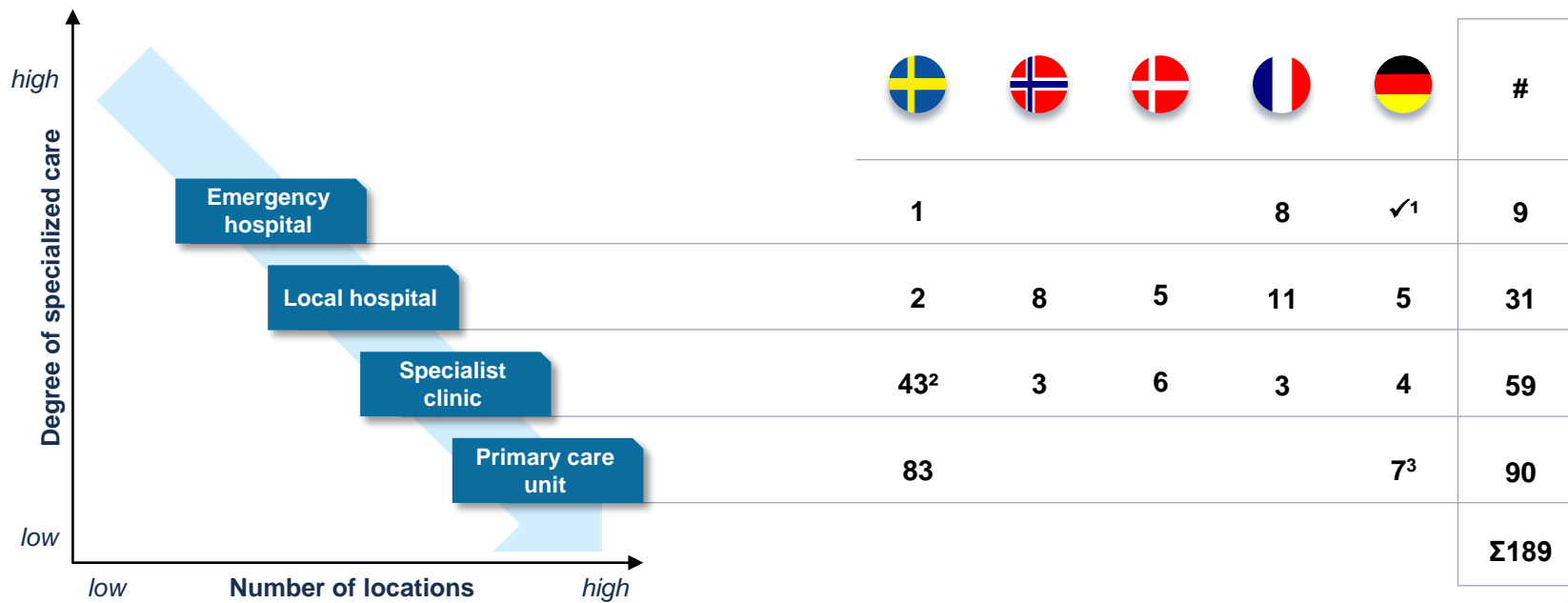
	 Sweden	 Norway	 Denmark	 France	 Germany
Population (2017)	9.9m	5.3m	5.7m	67m	83m
Population growth (average 2010-2017)	+0.8%	+1.2%	+0.5%	+0.4%	+0.2%
Share of population 60+ years (2017)	25%	22%	25%	26%	28%
Forecasted share of population 60+ years in 2050	30%	29%	30%	32%	38%
GDP growth (2016)	+3.2%	+1.1%	+2.0%	+1.2%	+1.9%
Healthcare spending as % of GDP (2016)	11.0%	10.5%	10.4%	11.0%	11.3%
Budget surplus / (deficit) (2016)	+0.9%	+4.0%	(0.9%)	(3.4%)	+0.8%

Attractive macro trends in the Nordics supported by sound level of healthcare spending relative to GDP

Source: Eurostat, WorldBank, UN

Capio integrated healthcare network

Geographic footprint (# of locations)



Source: Capio annual report

1. Hospitals can include 24/7 emergency units
2. Including clinics for psychiatric care
3. Outpatient clinics (MVZ)

Complementary operations in Continental Europe

Achieve best quality of life for every patient

		 Capio	Combined
Primary care	-	✓✓✓	✓✓
Inpatient care	✓✓✓	✓✓	✓✓✓
Outpatient care	✓✓	✓✓✓	✓✓✓
Psychiatry	✓✓✓	✓	✓✓✓
Rehabilitation	✓✓	✓	✓✓
Emergency Dpt	✓✓	✓	✓✓
Geriatric care	-	✓	✓
Digitalization e-health	✓	✓✓✓	✓✓✓

Achieve best quality of healthcare services for every patient across the value chain through talented employees and innovative solutions, notably enabling to lower recovery time and length of stay

Capio's distinctive strengths and attractive features

Leader in attractive markets

- Market leader in Sweden, #3 position in France in acute care, solid #2 position in Norway
- Continued trend towards increasing outsourcing and private involvement, particularly in Sweden
- Presence in large markets: France (67m inhabitants), Germany (83m inhabitants)

At the forefront of Modern medicine

- Modern medicine concept developed successfully in Sweden and subsequently implemented in other geographies
- Demonstrated positive impact on productivity (AVLOS average length of stay, day surgery ratio)

Expertise in digitalization

- Strategy-focused on digitalization and innovation
- Recent implementation of “Capio Go” and “Better Visits”



Strong brand recognition

- Acknowledged focus on quality and appropriateness of care (e.g., value based care approach, national quality registers)
- Well-known by patients and well-perceived by doctors and regulatory bodies

Strengthening leadership position in France

Leading position in France

- Leverage on Capiro's #3 position in France in acute care with a significant presence in surgery in complementary markets
- Solid positions, notably in Lyon and Toulouse, enhancing RGdS's cluster strategy
- Reinforced positioning to share best practice with the regulatory bodies, mainly ARS (Regional Health Agencies)

Consolidation of medical performance

- First colectomy in the world, first knee & hip replacement in France, first TAVI (Transcatheter Aortic Valve Implantation) in France
- Recognized as most advanced in Modern Medicine: already demonstrated significant potential in the French budget-constrained environment as well as positive impacts on AVLOS and day surgery ratio

Complementary geographical coverage

- New geographies for RGdS
- Strengthening of core clusters where RGdS operates
- Local synergies and best practice sharing

Creation of a new growth platform in the Nordics

Leading position in the Nordics

- Market leader in Sweden, with few sizeable players beyond top-3
- Solid #2 position in Norway
- Recently entered Denmark

Stable and growing markets

- Healthcare spend growing steadily across the Nordics, outgrowing GDP, supported by public funding and favourable fundamentals
- Organic growth reported by Capio in the Nordics broadly stable around 4% p.a. over the last years

Attractive M&A targets in Scandinavia

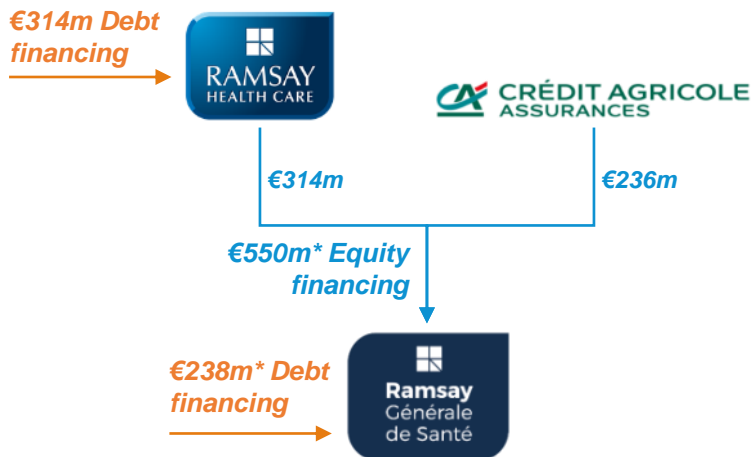
- Significant M&A pipeline for healthcare targets in Sweden, notably in primary care, from large/ international chains to smaller chains
- Additional M&A targets in Nordic countries

Impact on Ramsay

Bruce Soden

Financing of Capio offer price of €788 million

Financing structure



* Total Capio offer price €788m

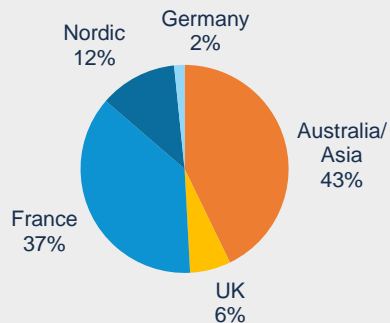
Key considerations

- Ramsay and Prévoyance Dialogue du Crédit Agricole have irrevocably committed to subscribe a minimum of €550 million in RGdS's planned equity issuance
- RGdS executed an underwritten debt package to finance the balance of the Capio offer price, refinance Capio's existing debt and fund transaction costs
- Similar to RGdS's existing debt, RGdS's new debt package is non-recourse to Ramsay
- Financing costs of the new debt are expected to be in line with RGdS's current financing package
- Ramsay Consolidated Group pro forma FY18 (pre lease adjusted) leverage ratio (including Capio) is estimated to be 2.9x
- Ramsay Wholly Owned Funding Group pro forma FY18 (pre lease adjusted) leverage ratio (including Capio) is estimated to be 2.2x

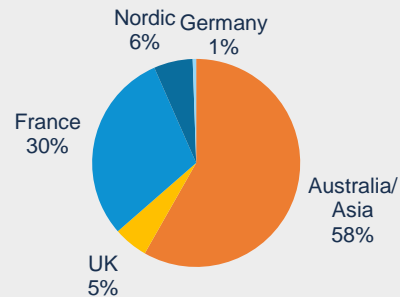
Pro forma financial impact

<i>A\$ bn</i>	Actual FY18 Ramsay Consolidated Group (Pre Transaction)	Capio ¹ (equiv) ²	Pro-forma Ramsay Consolidated Group (Post Transaction)
Revenue	9.2	2.5	11.6
EBITDA	1.4	0.2	1.6
Consolidated Group Leverage Ratio	2.3x		2.9x

Revenue (post transaction)



EBITDA (post transaction)



1 Jun-18 LTM consolidated figures for Capio

2 Based on spot FX rates as of 26/10/2018 (EUR/SEK of 10.39 and EUR/AUD of 1.61)

Next steps

Next steps

- Interactions with Capio teams
 - Meeting teams
 - Integration & best practice committees
- Settlement of shares tendered during the initial acceptance period is expected to commence on or around 7 November 2018
- Acceptance period extended to 7 November 2018 in order to give remaining shareholders an additional possibility to accept the Offer (with settlement of shares expected to commence on or around 15 November 2018)
- Delisting expected before calendar year end, followed by compulsory acquisition procedure
 - Once delisted, RGdS will become the owner of the remaining shares of Capio during H1 2019