RAMSAY HEALTH CARE

1HFY23 Result Presentation

6 months ended 31st December 2022

Managing Director & CEO - Craig McNally

Group Chief Financial Officer - Martyn Roberts

People caring for people

Important Information

The information in this presentation is general background information about Ramsay Health Care Limited and its subsidiaries (Ramsay Group) and their activities and is current as at 23rd of February 2023. It is in summary form and is not necessarily complete. It should be read together with the Company's unaudited consolidated financial statements lodged with the ASX on 23rd February 2023

The information in this presentation is general information only and is not intended to be relied upon as advice to investors or potential investors and does not take into account your objectives, financial situation or needs. Investors should consult with their own legal, tax, business and/or financial advisers in connection with any investment decision.

The information in this presentation is believed to be accurate at the time of compilation. Any views expressed in this presentation are opinions of the author at the time of presenting and do not constitute a recommendation to act. No person, including any member of the Ramsay Group, has any responsibility to update any of the information provided in this presentation.

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The Ramsay Group undertakes no obligation to update any forward looking statement to reflect events or circumstances after the date of this presentation, subject to disclosure obligations under the applicable law and ASX listing rules.

Ramsay Health Care

Agenda

Ramsay Health Care

KEY THEMES - Business trends improve as COVID impact abates

Operating results improved progressively over the six-month period to December 2022, driven by an **improvement in surgical activity levels** across all regions reflecting the decline in COVID cases, **the reduction in surgical restrictions** and **better management of the disruption caused by COVID** as teams adjust to living with the virus

Results improved Q2 over Q1 despite a temporary slowing in December as a result of another wave of COVID cases. **February has seen a return to positive momentum in activity levels**

The healthcare industry globally continues to be **impacted by staff shortages and rising labour costs**. Ramsay has implemented a range of initiatives which are gradually **driving down vacancies across the regions**. Recruitment and retention of employees remains a key focus

The Company finalised satisfactory **new agreements with key private payors in Australia and the UK that more reflect the recent higher cost environment.** Ramsay remains focused on improving productivity, efficiencies and procurement benefits to mitigate cost pressures

The business **is partnering with public health sectors under commercial contracts** in each region to assist with reducing backlogs and returning the system to the timely provision of quality healthcare. Activity levels will depend on the timing and quantum of funding available

Ramsay **continued to invest in its world class hospital network and new & adjacent services.** A further $179m was invested in brownfield, greenfield and growth projects and $41.2m in digital and data initiatives, driving growth in capacity to meet future demand and improve operating efficiency

The **outlook for the Group remains strong**. The business remains well placed to take advantage of the long-term dynamics impacting the healthcare sector, leveraging the benefits of global collaboration and insight to establish communities of best practice to adapt to local markets

OUR PEOPLE – Programs underway; recruitment and retention remain biggest business challenge

RECRUITMENT

Boosted recruitment campaigns

- Ramsay Australia made 4,000+ permanent appointments in 2022
- 490 new hires via Ramsay Australia's Employee Referral Program
- 28% increase in clinical placement offers by Ramsay UK
- 38 new starters via university partnerships in Malaysia
- Piloting an overseas nursing placement program in Australia

Targeting areas of clinical need:

- 600 undergraduate enrolled nurses and registered nurse cadets enrolled in Australian Cadetship Program
- 69 sponsored Malaysian students undergoing University of Wollongong nursing program
- 38% increase in apprenticeships at Ramsay Santé.

TRAINING & CAREERS

- Landmark new partnership with TAFE NSW guarantees nursing students a Ramsay internship and an interview after graduating.
- 590 Australian employees enrolled in Leadership Masterclass Series
- 160 leaders of the future attended Ramsay Executive Leadership Summit in September
- 110 Ramsay Santé managers trained at ESCP business school
- 84 student nurses, midwives and radiographers provided with study grants by Ramsay Santé

tied to working at Ramsay upon graduation

- Second cohort of 14 Global Corporate Graduates commenced two year program.

CULTURE

- Ramsay Santé is the first listed healthcare group to sign a Quality of Life at Work agreement. Initiatives include:
  - 2,200 managers trained on harassment
  - 20% increase in nursery places for employees' children
- Launched global Employee Value Proposition and framework for regional Alumni Programs
- 71% of employees in Denmark say the company is supporting a good work-life balance
- Launched The Ramsay Way Awards program in Australia to recognise employees promoting our values
- 490 UK employees participating in new flex leave scheme.

GROUP – 1HFY23 Result Overview

The result benefited from growth in surgical activity across all regions; activity was skewed more heavily to day surgery. Recovery in non-surgical activity has been inconsistent. **Mix changes impacted margins**

The direct impact of COVID declined from $66.8m to immaterial levels in Q2 with residual impacts expected to continue for the foreseeable future

Acquisitions in FY22 including Elysium and GHP **contributed $38.8m in EBITDA**

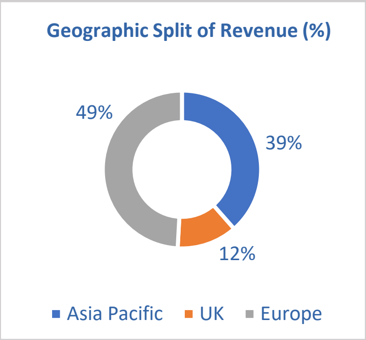
Clinical and non-clinical labour shortages and higher staffing costs **restricted capacity utilisation and slowed the recovery in earnings**

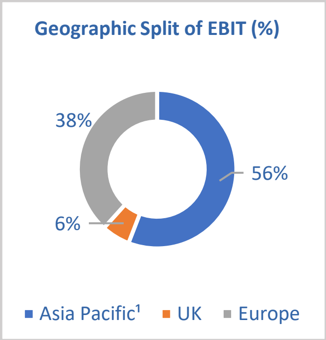
Profit after tax and minority interests includes a **positive contribution from non-recurring items of $34.4m** compared to a negative contribution $33.1m in the pcp

Fully franked dividend of 50 cps was determined, up 3% on the pcp

6 months ended 31 December A$'m	$'m	% chg on pcp	chg (%) cc[1]
Total revenue and other income (less interest income)	**7,380.8**	**10.4**	**13.6**
EBITDAR	**1,093.4**	**8.3**	**10.8**
EBITDA	**1,026.5**	**7.8**	**10.1**
EBIT	**549.6**	**12.3**	**13.2**
PBT	**338.5**	**11.5**	**9.6**
Minority interests attributable to non-controlling interests	(42.1)	15.6	17.8
Statutory Net Profit to owners	**194.4**	**22.3**	**19.8**
Interim dividend per share (DPS) (cps)	**50.0**	**3.1**	**-**
Fully diluted earnings per share (EPS) (cps)	**82.9**	**22.5**	**-**

1. Cc – constant currency





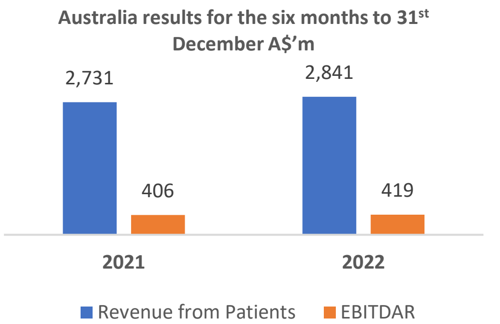
AUSTRALIA – Highlights & Outlook

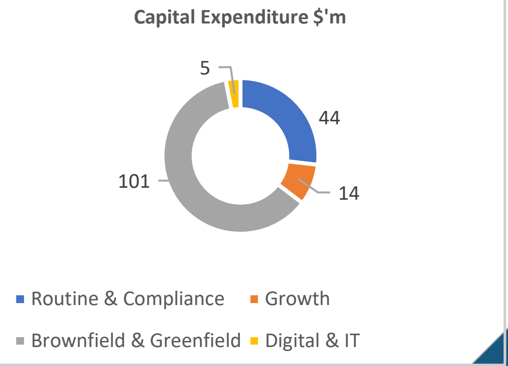
RESULT HIGHLIGHTS

- The operating environment across the six-month period improved as community COVID cases declined from the peak in July. A wave of cases in late November/December temporarily slowed the momentum in activity levels, however **Q2 was stronger than Q1**
- The estimated direct impact of COVID declined from $56.8m in Q1 to an immaterial impact in Q2. **The residual costs are expected to continue for the foreseeable future**
- **Growth in activity levels was driven by elective day surgery**. The recovery in non-surgical admissions, particularly mental health, remains patchy with ongoing COVID restrictions such as testing and mask wearing impacting the return of day admissions
- **Successful negotiations with a number of private payors were completed**, with rates that are more reflective of the current environment
- **Staff shortages in key areas continue to limit capacity** in some hospitals

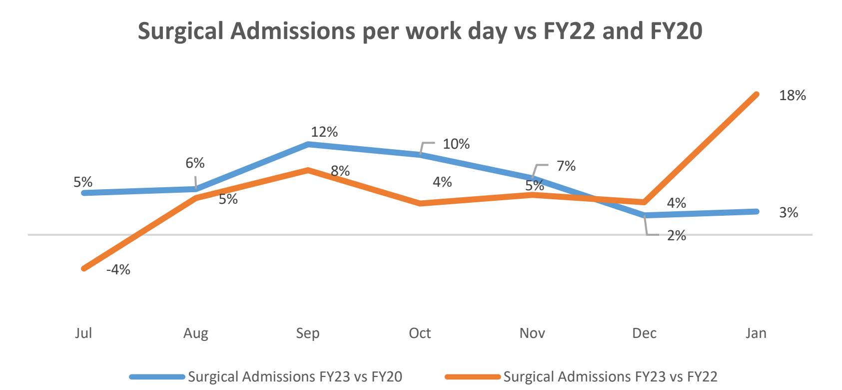
OUTLOOK

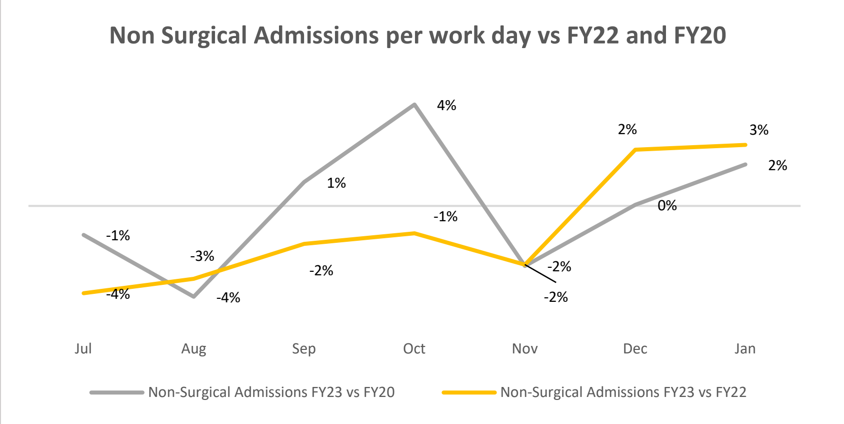
- COVID cases in the recent wave peaked in late December and the business has seen a decline in staff absenteeism and **an increase in activity in February, consistent with patterns in 1HFY23**
- Further investment is being made to address short and long-term workforce issues, with **nursing vacancies declining by approximately 20% since March 2022**
- Ramsay has **agreed new contracts with state governments** on commercial terms for public work moving forward to assist the public sector in reducing waiting lists
- The business continues to **focus on negotiations with health funds to ensure that rates of indexation and contract terms are more reflective of the inflationary environment.**
- Business growth focused on **hospital developments** including new private emergency centres under construction at Warringal and Wollongong, **building digital and data capabilities** and **extending out of hospital presence** in a broad range of preventative, post-operative and home care services

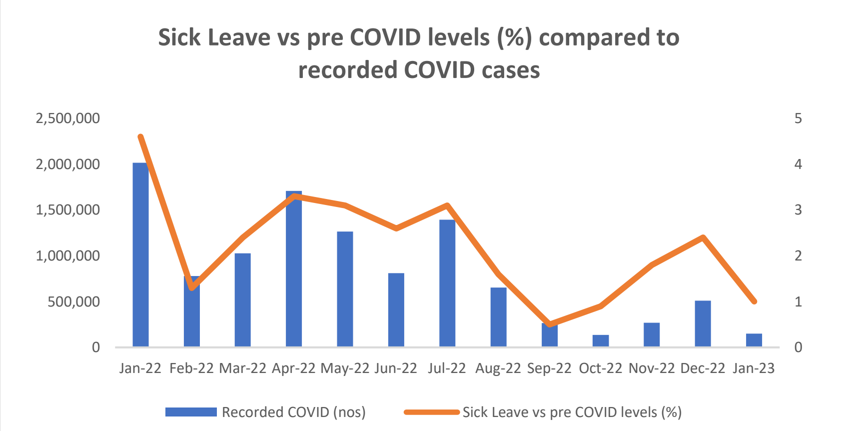


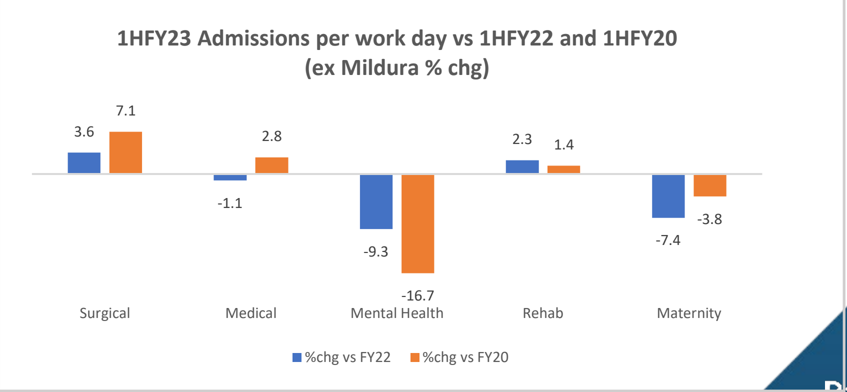


Trends in Admissions & COVID-related absenteeism









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AUSTRALIA – Investment Pipeline

1HFY23 INVESTMENT

- 1HFY23 brownfield/greenfield capex $101m
- Digital & data capex $5m
- Digital & data project operating expenses $4.6m

1HFY23 PROJECTS

Projects completed during the period at a net investment of $54.3m delivered:

- 22 net beds & 1 cath lab

Hospital projects completed include:

- Stage 1 redevelopment of Peninsula Hospital
- Expansion of Wollongong hospital

Digital & Data:

- Commenced electronic health records project
- Development of centralised patient data hub
- Investment focused on efficiencies and productivity

Out of Hospital:

- One Ramsay Health Plus[2]
- One pharmacy
- 3 psychology clinics

INVESTMENT PIPELINE - OUTLOOK

- 2HFY23 capex on greenfield and brownfield development pipeline expected to be ~$100m-130m
- FY24-FY25 investment in greenfield and brownfield development pipeline expected to be in the range $250m – $400m pa
- 2HFY23 digital and data project spend expected to be $16-18m
- Digital and data project spend is expected to be $70-80m in FY24 and $110-130m pa in FY25

Northern Private Hospital in Epping, Victoria. Stage 1 & 2 to open in 3QFY24 with 126 beds, six operating theatres and one cath lab.

1. Costs net of benefits that are expected to start to flow in FY24
2. Allied health clinic

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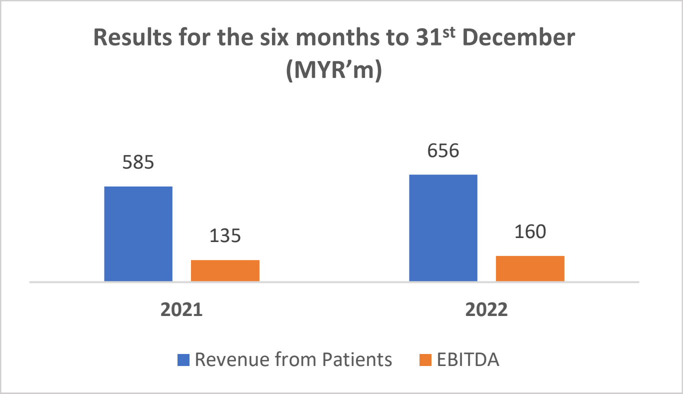
RAMSAY SIME DARBY – Highlights & Outlook

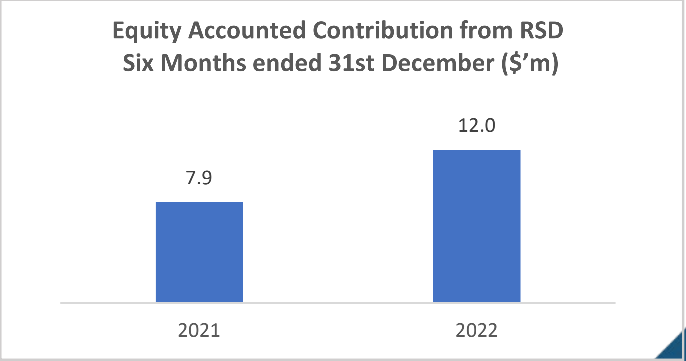
RESULT HIGHLIGHTS

- Ramsay's 50:50 Asian joint venture Ramsay Sime Darby (RSD) reported a 12% increase in revenue over the pcp (in local currency) for the six-month period reflecting increased inpatient activity in Malaysia offset to an extent by lower COVID related revenue streams in Indonesia
- EBITDA benefited from higher volumes combined with lower COVID related expenses including staff absenteeism
- The equity accounted contribution from the joint venture **increased 51.9%** on the pcp to $12m

OUTLOOK

- The 2H23 contribution is expected to be lower than 1H23 due to seasonality factors
- RSD is experiencing the impact of labour shortages across the healthcare industry





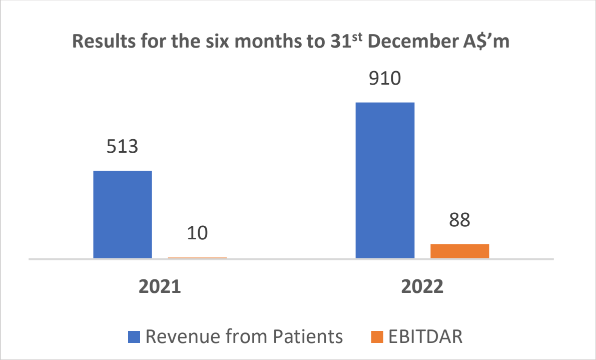
UNITED KINGDOM – Highlights & Outlook

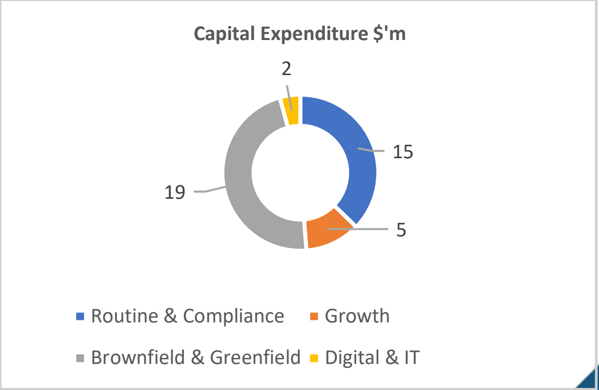
RESULT HIGHLIGHTS

- The acute hospital business reported a **turnaround in underlying results** driven by the improving operating environment combined with better management of COVID disruption, supply costs and recruitment efforts
- The impact of non-recurring items on EBIT was +$5.6m compared to -$24.9m in the pcp
- The estimated direct impact of COVID declined from $10m in Q1 to an immaterial impact in Q2. **The residual costs are expected to continue for the foreseeable future**
- Elysium's earnings were impacted by staffing shortages which hampered the ramp up of new facilities and resulted in the higher use of agency staff increasing labour costs.**The impact of industry wide staffing issues became more acute in Q2**
- Elysium acquired two CAMHS[1] facilities during the period for $68m
- Both **businesses were impacted by inflation** which is at a 40 year high in the UK

OUTLOOK

- **Demand for mental health services remains high**, Elysium continues to work on partnership opportunities with the NHS
- Elysium has launched a number of programs **to address staffing issues and costs across all sites.** Applications and appointments have increased significantly from January and as a result occupancy has started to improve
- Ramsay UK expects to benefit from the Government's commitment to reduce surgery waiting lists and improve access to medical services **utilising the private sector as a key partner**
- The business expects to continue to **benefit from the growth in private patients** and has been successful in open market tenders with a number of the private insurers over the last twelve months. The private pay business is being supported by investment in a campaign aimed at consumers through enhanced digital access





1. CAMHS – child and adolescent mental health facilities

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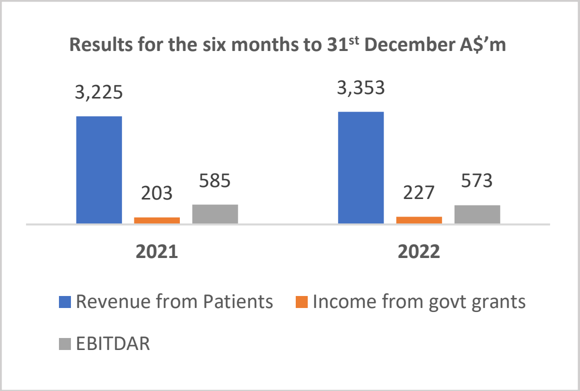
EUROPE – Highlights & Outlook

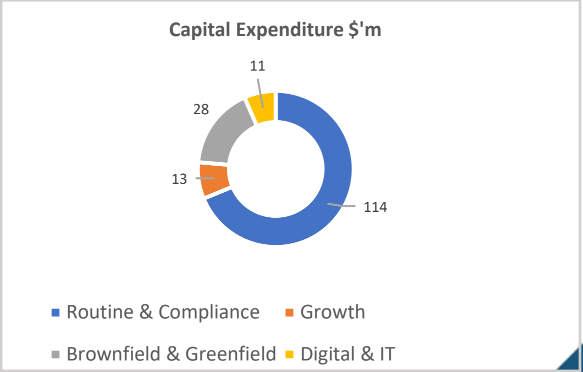
RESULT HIGHLIGHTS

- After a slow start, **activity in the region increased with surgical activity skewed to day surgery.** Non-surgical activity, in particular rehab, also increased on the pcp
- Support from governments in the region including to cover the increased costs of operating in the current inflationary environment was A$227m compared to A$203m in the pcp
- High inflation rates in Europe combined with increases in staff expenses increased costs beyond payor compensation
- EBIT included **non-recurring items of +$45.3m** compared to +$12.6m in the pcp
- A range of initiatives have been introduced in response to the industry wide critical staff shortages. **Vacancy rates have declined 69% since January 2022** however higher labour costs and staff shortages continued to impact the result
- The result included a six-month contribution from GHP and recent acquisitions in the Nordics of **revenue $177.9m and EBITDA $18.8m**
- The contribution from Ramsay Santé to Ramsay's NPAT after minority interests declined 22.9% (in local currency) to €24.3m

OUTLOOK

- Ramsay Santé will continue to implement strategies to meet the **dual challenges facing the sector created by the significant inflationary pressures and critical labour shortages**
- The business is focused on a range of efficiency measures to partially offset the inflationary pressures
- The French Government has indicated that it will **extend the revenue guarantee from 1st January to 31st December 2023.** This is yet to be confirmed by decree. The structure may not be the same as in prior periods
- Activity levels have started to increase as the recent wave of COVID cases has declined
- The Nordics will be focused on the integration of recent acquisitions and the development of an integrated digital platform





Ramsay cares

Ramsay is driving sustainability action through 3 pillars:
Healthier People, Stronger Communities and a Thriving Planet

caring for our people

- **The Ramsay Way Awards** launched to recognise Australian employees sharing and advocating our values.
- **People & Culture Forum** established for Ramsay UK employees to develop inclusion and diversity initiatives
- **Gold standard accreditation awarded to four Ramsay Sime Darby Health Care hospitals** from the Joint Commission International (JCI)

caring for our planet

- **50 million single-use plastic items removed/replaced in Australia**, with a new target to swap out 75 million pieces by Dec 2023
- **Achieved over 50% of target to install 6.3MW renewable energy projects by 2026**. The systems have generated more than two-million kWh of electricity (as at Jan 23)
- **Ramsay UK ceased using anaesthetic gas desflurane in Sep 2022**; all regions have reduced desflurane use in 'greener theatres' campaign to switch to more environmentally friendly options

caring for our community

- **Launched Global Responsible Sourcing Policy**
- **Sustainability assessments (EcoVadis) achieved for over 40% of global spend** (target 80% by 2026)
- **Ramsay Santé is the first listed healthcare group to become a *Mission Company*** under French (PACTE) law. Ramsay Santé's mission purpose is to "Improve health through constant innovation"
- **Introduced a 'Giving Back Day'** to facilitate Ramsay UK employees volunteering at local charities
- **Provided support for Cianjur earthquake victims at** Premier Jatinegara Hospital and Premier Bintaro Hospital, the two health facilities closest to the incident

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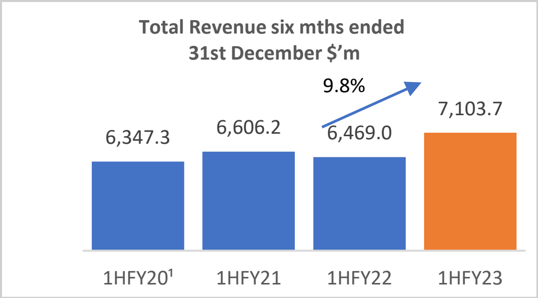
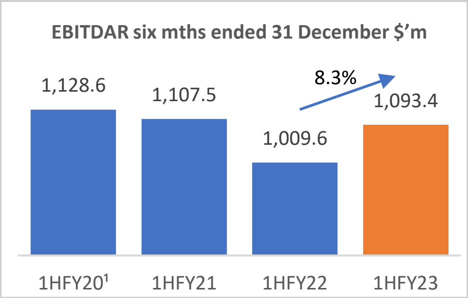
Ramsay
Health Care

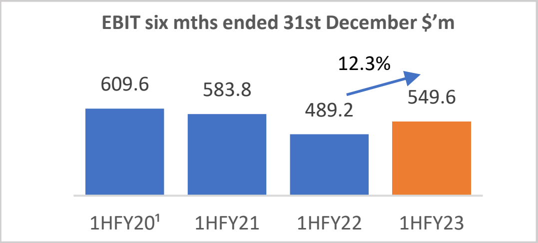
Group Financials
Martyn Roberts
Group CFO

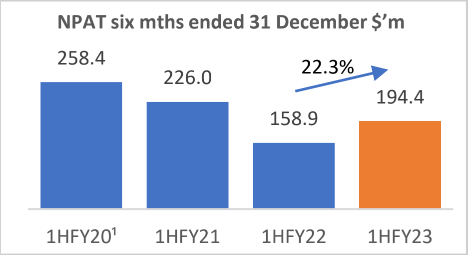
1HFFY23 – Group Performance

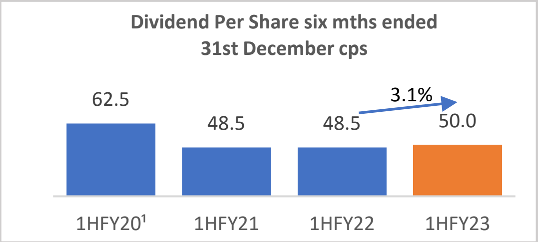
- Total revenue from patients and other revenue increased 9.8% reflecting improved elective surgery activity across all regions and the inclusion of Elysium, GHP and smaller Nordics acquisitions ($560m)
- Income from government grants in Europe increased 11.8% over the pcp and included compensation for salary increases and recognition of the inflationary environment
- Acquisitions contributed $38.8m in EBITDA
- Q2FY23 Group EBIT ex non-recurring items was 85% higher than Q1FY23 EBIT reflecting the momentum in activity levels across the six-month period and the timing and quantum of payments under government grants in Europe
- Non-recurring items after tax and minority interests were +$34.4m vs -$33.1m in the pcp. Includes profit on the sale of property in Europe of $19.3m after tax

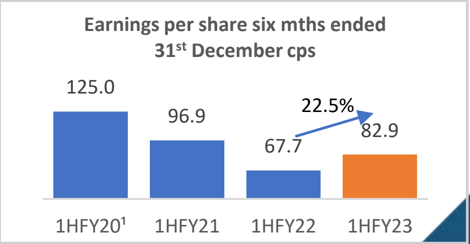












1. Pre Covid

Ramsay Health Care

Balance Sheet & Cashflow

Cashflow

Half Year ended 31 December A$'m	2022	2021	Chg (%)
EBITDA	1,026.5	952.6	7.8
Changes in working capital	(175.8)	(426.3)	58.8
Finance costs	(216.2)	(190.6)	(13.4)
Income tax paid	(126.5)	(133.5)	5.2
Movement in other items	(66.4)	(22.8)	(191.2)
Operating cash flow	**441.6**	**179.4**	**146.2**
Capital expenditure	(371.2)	(388.0)	(4.3)
Free cash flow	**70.4**	**(208.6)**	**(133.7)**
Net divestments/(acquisitions)	(20.9)	1,914.6	101.1
Interest & dividends received	6.6	1.6	312.5
Cash flow after investing activities	**56.1**	**1,707.6**	**(96.7)**
Dividends	(122.2)	(243.7)	49.9
Other financing cash flows	178.9	(1,771.9)	(110.1)
Net increase/(decrease) in cash	**112.8**	**(308.0)**	**136.6**
Interest cover (x) (EBITDA/finance charges)	4.7	5.3	(11.3)

Balance Sheet

A$'m	31/12/2022	30/06/2022	31/12/2021
Working capital	(169.4)	(345.2)	(368.5)
Property plant & equip	5,035.7	4,806.5	4,537.1
Intangible assets	5,961.9	5,822.7	4,320.6
Current & deferred tax assets	106.2	111.7	177.5
Other assets/(liabilities)	(68.6)	(169.7)	(305.0)
Capital employed (before right of use assets)	**10,865.8**	**10,226.0**	**8,361.7**
Right of use assets	4,735.4	4,627.7	4,315.8
Capital employed	**15,601.2**	**14,853.7**	**12,677.5**
Capitalised Leases (AASB16)	**5,645.6**	**5,482.4**	**5,182.0**
Net Debt (excl. lease liability debt & incl. derivatives)	5,241.0	4,845.1	2,985.9
Total shareholders funds (excl. minority interest)	4,070.1	3,933.5	3,958.3
Invested Capital	**9,311.1**	**8,778.6**	**6,944.2**
Funding Group Net Debt (excl. lease liability debt and incl derivatives) A$'m	2,601.8	2,416.8	840.7
Return on Capital Employed (ROCE) (%)	6.7	6.6[1]	8.5
Return on invested capital (ROIC) (%)	3.8	3.6[1]	5.5
Funding Group Leverage (Old Lease Standard AASB 117) (x)	3.5	3.3	1.0
Consolidated Group Leverage (New Lease Standard AASB 16) (x)	5.7	5.7	4.2

1. Proforma excluding funds in escrow for the Spire Transaction

- Key movements in the balance sheet and cashflow relate to the acquisition of two new facilities in Elysium ($68.1m) and the sale of property in Europe ($55.7m)
- The movement in working capital primarily relates to the increase in receivables due from governments for subsidies, paid to Ramsay Santé

- Net financing costs (ex IFRS 16) increased 31% over the pcp. Excluding the impact of swap mark to market movements in Ramsay Santé's financing in this year and last year, net financing costs increased 39% reflecting higher base rates and higher average drawn debt across the period compared to the pcp
- There is a deferred payment associated with the sale of the European property of $30.5m classified as a non-current asset

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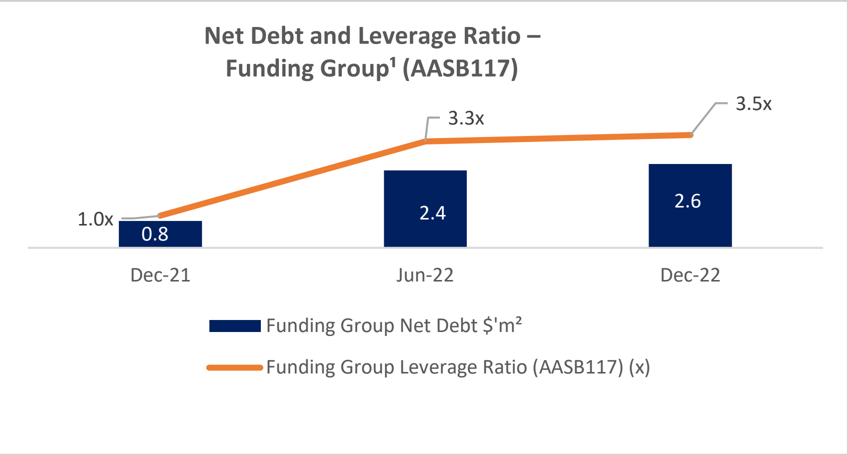
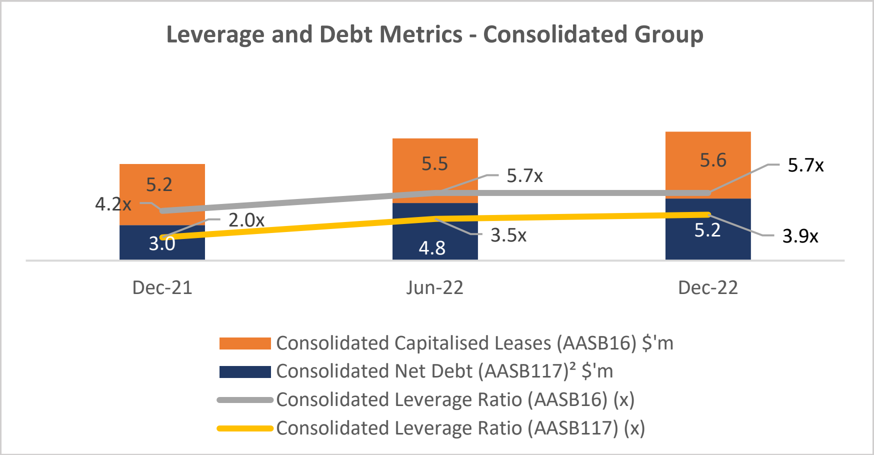
Leverage





- Ramsay's lending group agreed to increase the maximum allowable leverage ratio within the Funding Group banking covenants from 3.5x to 4x to take into account the short-term impact of COVID. Leverage is expected to reduce as trading improves
- The weighted average cost of debt for the Consolidated Group at the current time is 4.30% (excluding CARES). Approximately 68% of the Consolidated Group debt is hedged at an average base rate (excluding lending margin) of 2.44% until the end of FY23.
- Interest rate hedging steps down over the next 4.5 years. The Funding Group weighted average cost of debt inclusive of margin at the current time is 4.26% (excluding CARES)

1. Funding Group – excludes Ramsay Santé (funded by standalone debt facilities). Banking covenants and Fitch rating based on the Funding Group earnings profile and net debt
2. Net debt (excl lease liability debt and incl derivatives)

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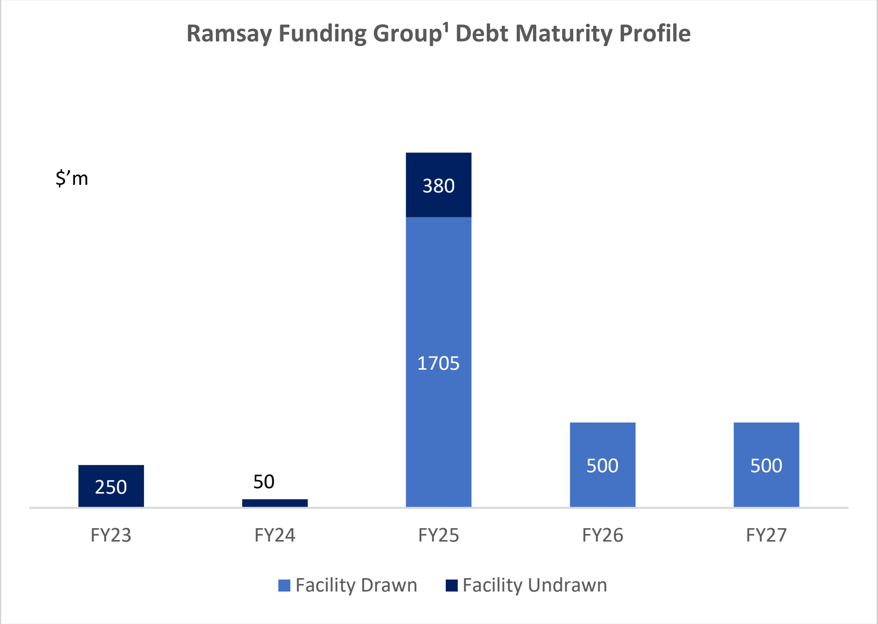
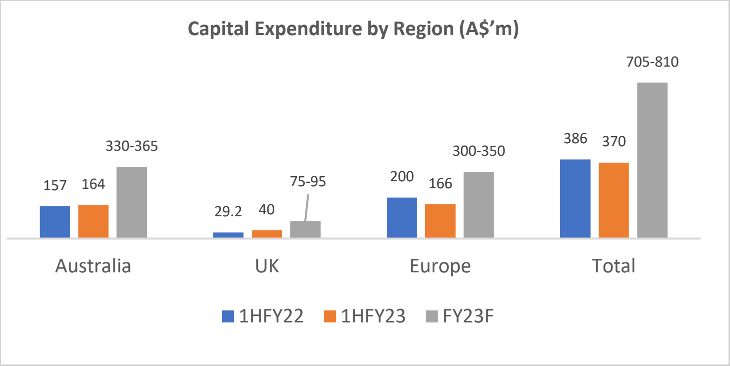
Funding

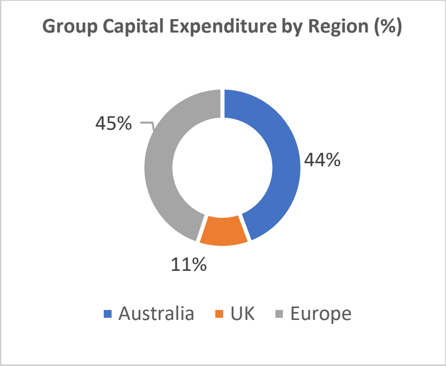
- As at 31 December 2022 the weighted average debt maturity (excl. CARES) was 2 years
- Ramsay continues to explore opportunities to diversify the Funding Group's sources of funding and extend the duration of its debt

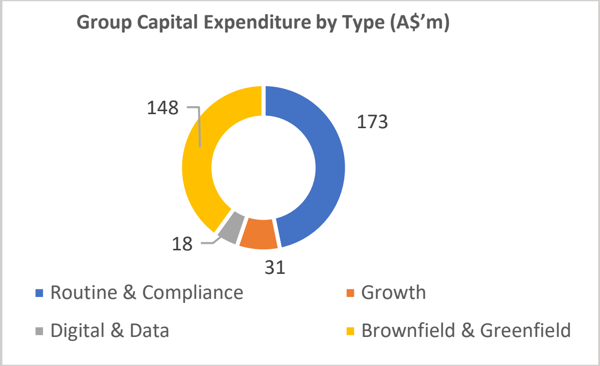


1. Funding Group – excludes Ramsay Santé and Ramsay Sime Darby (both funded by standalone debt facilities) . Banking covenants and Fitch rating based on the Funding Group earnings profile (EBITDA -AASB16 excluding non core items, proforma 12 month contribution from acquisitions) and net debt

Capital Expenditure







- Total Group capital expenditure of $370m was 4.2% lower than the pcp following the completion of a number of projects in the UK, a slow down in spend in Europe and delays in the approval and building tender processes in Australia
- Full year spend is expected to be lower than forecast at the beginning of the year due to the delays associated with the current operating environment including bottlenecks in the Australian building industry
- Total capital expenditure is expected to remain higher than pre COVID levels for the FY24-FY26 period
- Investment in the business will also include digital and data spend that will largely be treated as opex

Ramsay Health Care

STRATEGY & OUTLOOK

Craig McNally
Managing Director
& Group CEO

Ramsay Health Care

Ramsay will continue to invest in its strategy to be a leading, integrated healthcare provider of the future

OUR VISION: To leverage our global platform and be a leading healthcare provider of the future

By growing, modernising and leveraging our **World Class Hospital Network**

- Organic growth
- Strategic expansion
- Strategic growth in key therapeutic areas

Integrated patient-centred care

And moving purposefully into **New & Adjacent Services**

- Extended patient pathway
- Broader digi-physical care delivery
- New services, existing regions
- Diagnostic and imaging services
- New payers and funding models

OUR MISSION: Creating a best-in-class, digitally enabled healthcare ecosystem - to change what is possible for your health

Operational Excellence *will deliver value for all stakeholders*

- Procurement
- Operational efficiencies
- Excellence in service delivery

Strong Organisational Foundations *will underpin our achievements*

- Digital and data transformation
- Clinical excellence
- Industry leading talent
- Ramsay Cares sustainability strategy
- Strategic partnerships and M&A capability

OUR PURPOSE: People caring for people

Group Outlook

Ramsay expects a gradual recovery through FY23 and more normalised conditions in FY24

- **Ramsay has invested approximately $3 billion since the start of CY2020 to expand and upgrade its facilities and broaden its service base.** This investment is underpinned by:
  - ✓ demographic trends driving strong demand for healthcare services in western countries;
  - ✓ advances in clinical practice improving patient outcomes and extending life expectancy;
  - ✓ the elective surgery backlog created by the pandemic combined with an increase in demand for some non-surgical services; and
  - ✓ increased Government focus on the importance of investment in maintaining strong, efficient healthcare systems
- Ramsay is **accelerating investment in its digital and data strategy** aimed at delivering a more integrated patient experience, improved clinical outcomes and productivity improvements
- Underlying earnings growth for the remainder of FY23 will benefit from the additional capacity created over the last few years combined with full year contributions from Elysium and recent acquisitions in Europe. Capacity utilisation is subject to our ability to cover labour force shortages in critical areas. The focus remains on **driving synergies, realising the growth opportunities and improving returns**
- Ramsay's relationships with governments in each market have developed over the last few years. The Company believes there are meaningful opportunities for the private sector to partner with governments. Given our global health care capabilities and proven reliability as a private sector operator **Ramsay is uniquely qualified to be a core healthcare partner**
- Ramsay continues to **focus on negotiating improved terms with payors** to reflect the inflationary environment and COVID related costs, leveraging the Group's global scale in procurement and driving efficiency and productivity improvements where the operating environment allows
- The French Government has indicated that it will extend the revenue guarantee from 1st January to 31st December 2023. This is yet to be confirmed by decree. The structure may be different to prior periods
- **Ramsay believes the outlook for the Group remains strong**. The Company's world class hospital network combined with its outstanding people and clinicians give it confidence that the business is well placed to take advantage of the positive long-term dynamics driving the healthcare industry.
- **The path out of COVID is not expected to be smooth** as the industry continues to be impacted by COVID combined with restrictive guidelines around the patient pathway, which together with the resultant impact on workforce availability, may slow the pace of recovery in volumes and productivity
- As the operating environment normalises, Ramsay will **target a dividend payout ratio in the range of 60-70% of Statutory Net Profit**

QUESTIONS

Ramsay Health Care