Ramsay Health Care
ABN 57 001 288 768

ASX: HY23

Half Year Results

6 months to 31st December 2022

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Ramsay
Health Care

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Appendix 4D – Key Matters

Results for Announcement to the Market

Half Year Ended 31st December A$'m	2022	2021	Chg (%)	Chg (%) CC[1]
Revenue from patients and other revenue	7,103.7	6,469.0	9.8	13.0
Total revenue and other income (less interest income)	**7,380.8**	6,687.4	10.4	13.6
Earnings before finance costs, tax, depreciation, amortisation and rent (EBITDAR)	**1,093.4**	1,009.6	8.3	10.8
Earnings before finance costs, tax, depreciation, amortisation and impairment (EBITDA)	**1,026.5**	952.6	7.8	10.1
Earnings before finance costs and tax (EBIT)	**549.6**	489.2	12.3	13.2
Financing costs associated with leases (AASB16)	(122.1)	(117.5)	(3.9)	(8.5)
Net other financing costs	(89.0)	(68.0)	(30.9)	(33.8)
Income Tax Expense	(102.0)	(94.9)	(7.5)	(6.9)
Net profit after tax	**236.5**	208.8	13.3	10.8
Attributable to non-controlling interests	(42.1)	(49.9)	15.6	17.8
Net Profit after tax attributable to owners of the parent	**194.4**	158.9	22.3	19.8
Interim Convertible Adjustable Rate Equity Securities (CARES) dividend per share ($)[2]	2.9	1.7	70.0	-
Franking - CARES (%)	100.0	100.0	-	-
Interim ordinary dividend per share (¢)[3]	50.0	48.5	3.1	-
Franking interim ordinary dividend (%)	100.0	100.0	-	-
Total Basic Earnings per share (after CARES dividend) (¢)	83.0	67.8	22.4	-
Total Fully diluted earnings per share (after CARES dividend) (¢)	82.9	67.7	22.5	-
Weighted average number of ordinary shares (m)	227.8	227.8	-	-
Fully diluted weighted average number of shares (m)	228.2	228.2	-	-

1 Constant currency
2 Record date is 30th March 2023, the payment date is 20th April 2023
3 Record date is 7th March 2023, payment date is 30th March 2023

Operating results improved progressively over the six month period driven by an increase in surgical activity levels across all regions compared to the pcp. This reflects the general decline in COVID cases in the community, the reduction in surgical restrictions in Australia that were in place in the prior period and improved management of the disruption caused by COVID as hospital teams adjust to living with the virus.

Statutory net profit after tax and minority interests improved from $57.4m in Q1FY23 to $137.0m in Q2FY23 despite a slowing in activity levels and higher costs in December as a result of a resurgence in COVID case numbers.

Statutory net profit after minority interests of $194.4m up 22.3% on the pcp, includes a positive contribution from non-recurring items of $34.4m compared to a negative contribution of $33.1m in the pcp.

The estimated direct impact of operating in a COVID environment in Australia and the UK combined in the first quarter was $66.8m. The estimated impact in Q2 declined to an immaterial level. The residual costs are expected to continue for the foreseeable future.

The NPAT after minority interests contribution from Ramsay Santé declined 22.9% over the pcp reflecting the direct impact of inflation, industry wide higher labour costs and staffing shortages, combined with a slow recovery in activity levels following the European summer break.

The result includes a six month contribution from Elysium Healthcare (Elysium) in the UK, acquired in January 2022 and GHP Speciality Care AB (GHP) in Sweden completed in May 2022. The EBITDA contribution from both these businesses combined with recent smaller acquisitions in Europe was $38.8m. The short term performance of the Elysium business has been impacted by critical labour shortages restricting capacity utilisation and resulting in higher costs.

Net financing costs (excl. AASB16 lease costs) increased 30.9% on the pcp. Net financing costs include a net positive swap mark to market movement of $22m in Ramsay Santé compared to $11.7m in the pcp. Removing the impact of these movements, interest costs (excl. AASB16 lease costs) increased 39.3% reflecting the increase in base rates and the higher levels of drawn debt compared to the pcp.

The Ramsay Sime Darby joint venture contributed an equity accounted after tax profit of $12.0m an increase of 51.9% on the pcp.

A fully franked interim dividend of 50.0 cents per share (cps) has been determined representing a 3.1% increase on the pcp.

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 network extends across ten countries, with over eleven million admissions and patient visits to facilities in more than 530 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$15.3bn[1] and an enterprise value (EV) of A$20.5bn[1] (EV of A$26.1bn inclusive of lease liabilities). The Ramsay Group employs over 88,000 people globally. Ramsay's operations are split across four regions:

Australia

Ramsay Australia has 73 private hospitals and day surgery units in Australia 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 Santé is the second largest private care provider in Europe. It operates 443 multidisciplinary hospitals and clinics and 130 primary care centres across five countries. In France, Ramsay Santé has a market leading position, with 154 acute care hospitals and clinics. 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 36,000 staff and its facilities treated approximately ten million patients in FY22. Ramsay Health Care owns 52.79% of Ramsay Santé which is listed on the European financial markets' platform Euronext.

UK

Ramsay UK has a network of 34 acute hospitals and day procedure centres 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 recently acquired Elysium Healthcare, a leading independent operator of long-term medium and low secure hospitals and complex care homes for individuals with mental health conditions. Elysium has 76 operational sites across England and Wales. The business employs approximately 8,000 people.

Asia

In Asia, Ramsay Sime Darby Health Care Sdn Bhd operates three hospitals in Indonesia and four hospitals in Malaysia, employing more than 4,000 people. Ramsay Sime Darby is a 50:50 joint venture arrangement with Malaysian multinational conglomerate Sime Darby Berhad.

[1] Closing price as of 21st February 2023

2.2 Group Performance

2.2.1 Overview of Results

Half Year Ended 31st December A$'m	2022	2021	Chg (%)	Chg(%) CC[1]
Asia Pacific	2,846.4	2,740.1	3.9	3.9
UK	910.2	512.9	77.5	88.4
Europe	3,628.6	3,439.4	5.5	10.1
Total segment revenue & other income	**7,385.2**	6,692.4	10.4	13.6
Asia Pacific	431.4	414.2	4.2	4.2
UK	89.1	10.4	756.7	818.3
Europe	572.9	585.0	(2.1)	1.2
EBITDAR	**1,093.4**	1,009.6	8.3	10.8
Rent and short term low value leases	(66.9)	(57.0)	(17.4)	(23.0)
Asia Pacific	425.8	408.0	4.4	4.4
UK	87.7	10.0	777.0	839.8
Europe	513.0	534.6	(4.0)	(1.0)
EBITDA	**1,026.5**	952.6	7.8	10.1
Depreciation	(468.5)	(441.8)	(6.0)	(9.1)
Amortisation & impairment	(8.4)	(21.6)	61.1	45.6
Asia Pacific	307.0	285.4	7.6	7.6
UK	32.1	(35.6)	190.2	196.2
Europe	210.5	239.4	(12.1)	(11.4)
EBIT	**549.6**	489.2	12.3	13.2
Financing costs (AASB16 Leases)	(122.1)	(117.5)	(3.9)	(8.5)
Net other financing costs	(89.0)	(68.0)	(30.9)	(33.8)
Profit before Tax	**338.5**	303.7	11.5	9.6
Income Tax Expense	(102.0)	(94.9)	(7.5)	(6.9)
Net Profit after tax	**236.5**	208.8	13.3	10.8
Attributable to non-controlling interests	(42.1)	(49.9)	15.6	17.8
Net Profit after tax attributable to owners of the parent	**194.4**	158.9	22.3	19.8
Interim dividend per share (¢)	50.0	48.5	3.1	-
Basic Earnings per share (after CARES dividend) (¢)	83.0	67.8	22.4	-
Fully diluted earnings per share (after CARES dividend) (¢)	82.9	67.7	22.5	-
Weighted average number of ordinary shares (m)	227.8	227.8	-	-
Fully diluted weighted average number of shares (m)	228.2	228.2	-	-

1 *Constant currency*

2.2.2 Revenue Breakdown by type

Half Year Ended 31st December A$'m	2022	2021	Chg (%)	Chg (%) CC[1]
Revenue from patients and other revenue	7,103.7	6,469.0	9.8	13.0
Revenue from governments under COVID support contracts	-	3.8	-	-
Revenue from contracts with customers	**7,103.7**	6,472.8	**9.7**	**12.9**
Interest income	23.3	0.9	-	-
Other income - income from government grants	227.0	203.1	11.8	15.5
Other income - income from the sale of development assets	1.5	-	-	-
Other income - net profit on disposal of non-current assets	48.6	11.5	322.6	325.4
Total revenue and other income before intersegment revenue	**7,404.1**	6,688.3	**10.7**	**13.6**

1 *Constant currency*

Revenue from patients and other revenue increased over the pcp reflecting the improving operating environment across the regions as COVID cases in the community declined and government imposed restrictions on operating capacity were removed. Surgical admissions in all regions grew over the pcp with day admissions growth stronger than inpatient admissions reflecting a large proportion of deferred surgery in the pcp was lower acuity day surgery and there has been an acceleration of the trend towards day surgery in some elective specialities in France post COVID.

In Europe, Ramsay continued to make its facilities and clinical capabilities available to support public health systems to assist in the response to further outbreaks of the COVID virus. "Other income from government grants" reflects payments received under the French Government decree which provides compensation for both lost revenue and the costs to Ramsay Santé of providing its facilities and services to assist with supporting COVID patients. It also includes compensation for COVID related costs from governments in the Nordic region and the French Government compensation for wage increases and the impact of inflation on the business.

The revenue contribution from recently acquired businesses including Elysium, GHP and smaller businesses in Europe was $559.9m.

Net profit on the disposal of non-current assets primarily reflects the sale and lease back of land adjacent to a Ramsay Santé hospital earmarked for development of $46m.

Refer Divisional Performance for further details

2.2.3 EBIT

Non-Recurring Items in 1HFY23 Result

A$'m	Asia Pacific	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-core items net of tax	-	-	(23.5)	(23.5)
NPAT impact	**3.8**	**4.2**	**26.4**	**34.4**

Non-Recurring Items in 1HFY22 Result

A$'m	Asia Pacific	UK	Europe	RHC Group
Net profit on disposal of non-current assets	-	-	11.5	11.5
Expensing of IT and other assets	(12.6)	(0.2)	-	(12.8)
Impairment/write off of fixed assets	(5.6)	-	-	(5.6)
Refund of prior year rent	-	-	8.3	8.3
Transaction costs/ Acquisition, disposal, and development costs	(4.2)	(24.7)	(7.2)	(36.1)
Total EBIT impact	**(22.4)**	**(24.9)**	**12.6**	**(34.7)**
Net swap mark to market movements	-	-	11.7	11.7
Total PBT Impact	**(22.4)**	**(24.9)**	**24.3**	**(23.0)**
Income tax impact of non-recurring items	6.6	3.8	(4.8)	5.6
Non-controlling interests in non-core items net of tax	-	-	(4.1)	(4.1)
NPAT impact	**(15.8)**	**(21.1)**	**3.8**	**(33.1)**

EBITDA includes contributions from recently acquired businesses including GHP, Elysium and smaller businesses in the Nordics of $38.8m.

Underlying Group EBIT (ex non-recurring items) declined 5.8% on the pcp reflecting the benefits of the gradually improving operating environment in Australia, the acute hospital business in the UK and in Ramsay Sime Darby; offset by a lower contribution from Europe impacted by higher labour costs, restricted capacity due to labour shortages and a slower recovery in activity levels; and a normalisation of global head office costs (increased $20.7m on pcp).

Reported 2QFY23 Group EBIT increased 119.7% over 1QFY23 EBIT reflecting the momentum in activity levels across the six month period, the timing and quantum of payments under the government payments in Europe, compensating for higher labour and general cost inflation, and the benefit of non-recurring items. Elysium was the only business that did not report an improvement in earnings in 2QFY23, due to significant difficulties employing both clinical and non-clinical permanent staff in the UK driving higher labour costs and restricting capacity utilisation.

The estimated direct impact of operating in a COVID environment in Australia and the UK combined in the first quarter was $66.8m. The estimated direct impact in Q2 declined to an immaterial level. The residual costs associated with COVID are expected to continue for the foreseeable future.

Non-recurring items in the period included net profit of $46m on the sale of property adjacent to a Ramsay Santé hospital in the Nordics portfolio ($19.3m after tax and minority interests). This transaction was part of a broader redevelopment of the hospital and property that is expected to undergo a significant expansion and refurbishment over the coming years.

Rental and short term low value lease costs increased on the pcp primarily reflecting the refund of prior year rent of $8.3m in France in the pcp disclosed in the non-recurring items.

The movement in amortisation and impairments reflects the reversal of an impairment taken against an underperforming hospital in the UK in FY18, the performance of which has subsequently been improved.

Non-recurring employee costs in Asia Pacific represents the partial reversal of a provision taken in the FY22 result.

Refer to Divisional Performance for further detail

2.2.4 Financing Costs and Tax

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. Full year net interest expense (including AASB16 Leases) is currently forecast to be in the range $430-460m subject to movements in base rates.

The weighted average cost of debt for the Consolidated Group at 31 January 2023 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)

The effective tax rate for the period was 30.1% compared to 31.2% in the pcp reflecting a lower corporate tax rate in France compared to the pcp. The effective tax rate for the full year is currently estimated to be ~30%.

2.2.5 Balance sheet

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

1 Net debt includes derivatives and excludes lease liabilities
2 The Funding Group excludes Ramsay Sante. Banking covenants and Fitch rating are based on the Funding Group earnings profile and net debt
3 ROCE - 12 month rolling EBIT / average of opening & closing capital employed
4 Proforma excluding funds in escrow for the Spire transaction
5 ROIC - defined as 12 month rolling NPAT (based on AASB16)/shareholder equity and net debt (pre AASB16 EBIT).
6 Calculated as Funding Group Net Debt/ Funding Group 12 month rolling EBITDA calculated on a pre-AASB16 basis excluding non recurring items and includes 12 month proforma earnings for acquisitions made during the period

Key changes in the balance sheet since 30th June 2022 relate to:
- The acquisition by Elysium of two UK child and adolescent mental health services facilities from Regis Healthcare Ltd (Regis) for $68.1m (£40m); combined with the opening of brownfield and greenfield developments over the last few years;
- The completion of purchase price accounting for the acquisition of GHP in 2HFY22 which resulted in an increase in goodwill arising on the acquisition of GHP of $23.4m. Exchange rate translation also contributed to the increase in goodwill in the period;

- The sale of a hospital and associated land in Norway owned by Ramsay Santé. There is a deferred payment associated with the sale of the property of $30.5m (€20.2m) classified as a non current asset; and
- The movement in working capital during the six months from 30 June 2022 is mostly as a result of the increase in receivables due from governments for subsidies paid to Ramsay Santé.

The rise in Funding Group leverage reflects the short term impact of COVID on earnings in the 12 months to 31st December 2022. During the six month period lenders to Ramsay's Funding Group agreed to increase the maximum allowable leverage ratio within its banking covenants from 3.5x to 4x to take into account the short-term impact of COVID on earnings. Ramsay finished the period at just over 3.5x and expects gearing levels to reduce as activity improves.

2.2.6 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)

Net divestments/(acquisitions) includes receipts from the sale of land and property in the Nordics $55.7m (€36.8m) and the acquisition by Elysium of two UK based child and adolescent mental health services facilities for $68.1m (£40m).

Ramsay continued to invest in the business over the period. Total Group cash capital expenditure for the period was $371.2m lower than the pcp reflecting lower spend in the UK and Europe following the completion of a number of projects in the prior period and a slower roll-out in Australia, the result of planning and building approval delays.

2.2.7 Group Outlook

Ramsay has invested approximately $3 billion since the beginning 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 the 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 not be the same as in 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. **Ramsay expects a gradual recovery through FY23 and more normalised conditions from FY24 onwards.**

The path out of COVID is not expected to be smooth as the industry continues to be impacted by COVID cases in the community 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.**

FY23 Group capital expenditure is now expected to be in the range of $705-810m.

For further detail refer to Divisional Outlook Statements

2.3 Divisional Performance

2.3.1 Asia Pacific

2.3.1.1 Overview of Results

Australia (including global head office costs)

Half Year Ended 31st December A$'m	2022	2021	Chg (%)
Revenue from patients and other revenue	2,840.5	2,731.3	4.0
Revenue from governments under COVID support contracts	-	3.8	-
Other income - income from the sale of development assets	1.5	-	-
Intersegment revenue	4.4	5.0	(12.0)
Total segment revenue and other income (less interest income)	**2,846.4**	2,740.1	3.9
EBITDAR	**419.4**	406.3	3.2
Rent	(5.6)	(6.2)	9.7
EBITDA	**413.8**	400.1	3.4
Depreciation	(113.3)	(110.0)	(3.0)
Amortisation and impairment	(5.5)	(12.6)	56.3
EBIT	**295.0**	277.5	6.3
Financing costs associated with leases (AASB16 leases)	(22.0)	(21.0)	(4.8)
EBIT after financing costs associated with leases	**273.0**	256.5	6.4
Capital Expenditure	164.0	157.3	4.3

Contribution from Asian Joint Venture

Half Year Ended 31st December A$'m	2022	2021	Chg (%)
Share of profit from Joint Venture	12.0	7.9	51.9

Half Year Ended 31st December MYR'm[1]	2022	2021	Chg (%)
Revenue	655.5	585.1	12.0
EBITDA	160.3	135.2	18.6
EBIT	**105.0**	83.9	25.1

1 *Represents the results for 100% of Ramsay Sime Darby*

2.3.1.2 Review of Results

Australia

The operating environment across the six month period in Australia improved as COVID cases in the community declined from the peak in July, albeit a smaller wave of cases in late November/December slowed the momentum in activity levels and increased short term operating costs.

The estimated impact of COVID (net of viability payments) in the September quarter was $56.8m, this declined to an immaterial impact in the December quarter. The improvement reflects lower COVID case numbers in the community combined with better overall management of labour and other costs. The re-emergence of COVID cases and the resulting reintroduction of some safety precautions in hospitals in December, impacted labour costs and activity levels. Doctors choosing to take extended annual leave following COVID restrictions in the last few years also impacted activity levels in December and into January.

Earnings during the six month period were adversely effected by the additional public holiday in September for the memorial of Queen Elizabeth II's passing. The estimated impact in lost activity and higher staffing costs was $7m.

Staffing shortages in key specialist areas limited theatre capacity utilisation in some hospitals over the period. The business has responded with a number of programs to address labour shortage issues in both the short and long term including targeted recruitment incentives in specialist areas, offshore recruitment programs and an increase in staff training and development. Over 4,000 permanent staff have been recruited over the last 12 months and vacancies have declined by approximately 20% since March 2022.

Given surgical restrictions and lockdown and isolation orders in 1HFY22 and the impact of further waves of COVID in 1HFY23, a comparison of activity trends across the six month period compared to the prior period is of only limited value. An assessment of the progress of recovery in the market can be made to 1HFY20 pre COVID activity levels. Total admissions per work day increased 1.2% on the pcp (3.6% vs 1HFY20) with day patients increasing 1.7% on the pcp and 6.5% compared to 1HFY20, recovering more quickly than overnight patients which were flat on the pcp and down 2.2% on 1HFY20. Surgical activity has rebounded more quickly than non-surgical activity. Key trends in admissions included:

- Surgical admissions per work day increased 3.9% compared to the pcp and 7.4% compared to 1HFY20 with the growth rate compared to 1HFY20 peaking in September and October. Day surgery growth rates were stronger than overnight with day surgery increasing 10.3% on 1HFY20 compared to overnight surgery per work day increasing 2.1%. Surgical admission increases were strongest in NSW and Victoria where surgical restrictions had a material impact on Ramsay's activity levels in the nine months to 31st March 2022
- Non-surgical admissions per work day declined 1.6% compared to the pcp and declined 0.4% compared to 1HFY20:
  - Medical admissions declined 1.0% versus the pcp and increased compared to 1HFY20 with day medical admissions growth stronger than overnight increasing 8.5% compared to 1HFY20;
  - Psych admissions remain weak. Overnight psych admissions were stronger than day psych admissions which continue to be substituted for virtual or out of hospital consultations;
  - Maternity admissions were generally weaker in 1HFY23 compared to the pcp and pre COVID levels; and
  - The growth rate in rehab admissions improved in 2QFY23 a function of the growth in surgical admissions.

Negotiations have been completed with a number of health funds over the six month period including BUPA, HBF, NIB, AHSA and HCF. Negotiated rates of indexation and contract terms are more reflective of the current inflationary environment.

Pharmacy revenue grew 7.1% over the pcp to $259m driven by increased volumes when compared to the COVID impacted prior year, along with the expansion of aged care and professional services. A new community pharmacy was recently opened in Queensland and opportunities are being pursued to expand the portfolio where they meet our strategic objectives.

The State government viability agreements to recover losses ceased on 30 September 2022. In the last few months Ramsay has entered into agreements with Victoria and NSW government health authorities to provide public patient support services on a more commercial basis.

The result includes non-recurring items of +$5.4m in total including the $7m partial reversal of a provision in the FY22 result for non-recurring employee costs. The result in 1HFY22 included non recurring items totalling negative $22.4m (refer table Non recurring items tables)

The result includes the impact of a normalisation of global overhead costs (increased $20.7m). Removing the impact of non-recurring items and movements in global overhead costs EBIT in Australia increased 3.5%.

Ramsay continued to invest in its digital and data program during the period with the majority of spend treated as operating expenses as opposed to capital expenditure as the projects are or will be utilising largely cloud based solutions. Total spend over the period was $9.6m.

Ramsay Sime Darby

Ramsay's 50:50 Asian joint venture Ramsay Sime Darby (RSD) reported a 12% increase in revenue over the pcp for the six month period reflecting increases in both outpatient and 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.

2.3.1.3 Capital Expenditure

Total capital expenditure in Australia in 1HFY23 was $164m with the split $101m in brownfield and greenfield investment, $14m in other growth projects, $5m in digital and data projects and $44m in routine and compliance projects.

Brownfield projects completed within the period with a net investment of $54.3m delivered 22 net beds and 1 cath lab. This included Stage 1 of a redevelopment at Peninsula Hospital delivering additional cath lab capacity, the conversion of Lawrence Hargrave to a specialist Womens Mental Health inpatient facility and an expansion of Wollongong hospital that delivered 19 net beds.

The out of hospital strategy included the delivery of one allied health clinic, one pharmacy and three psychology clinics with further sites planned in 2HFY23.

2.3.1.4 Outlook

In the medium term Ramsay Australia will focus on:

- Investing in its extensive hospital network to ensure that its facilities meet the future demand for healthcare services;
- Investing in new and adjacent services including its day surgery strategy, psychology clinics and out of hospital community care services;
- Focusing on operational excellence including an expanded procurement strategy to leverage our global scale to offset rising costs and lagging indexation;
- Investing in its operational foundations including its 5 year digital and data strategy and sustainability initiatives encompassing the reduction of carbon emissions and single use plastics; and
- Implementing a series of workforce initiatives to ensure the business stays highly competitive, mitigates the risks in the current tight labour market and differentiates itself as a service provider of the future.

1HFY23 Outlook

Ramsay Australia remains well positioned to take advantage of increased activity levels as the operating environment normalises, leveraging the significant investment in brownfield development over the last three to four years that has expanded the business footprint, upgraded services and improved patient and clinician convenience.

Underlying organic growth is expected to be driven by:
- The backlog in surgical activity, particularly as workforce challenges are alleviated and to a certain extent higher demand in non surgical admissions. This is expected to include a progressive recovery in mental health related admissions following recruitment of additional psychiatrists in 2022, and as COVID related restrictions on patients and visitors are eased;
- Increased utilisation of hospital capacity that has been built over the last three years and new out of hospital services designed to create an end to end patient experience and build referral channels to Ramsay's hospitals;
- Digitisation of the business driving operational efficiencies, integrated and connected care and digital health opportunities.

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.

Following the expiry of the COVID viability agreements Ramsay has agreed new contracts with state governments on more commercial terms for public work moving forward. Given the large backlog of public work we expect increasing demand from the public sector in the coming years.

Addressing both short and long term workforce challenges will remain a key focus. The business has increased its investment in staff training and development as well as recruitment and retention strategies to overcome these issues, vacancy levels have started to reduce. There will be investment in another expanded graduate intake in 2023 and active offshore recruitment programs.

The development pipeline will remain a key focus with investment in the expansion and upgrade of hospital campuses as well as the development of out of hospital services that support and provide a referral base for the hospital network. Total capital expenditure in

2HFY23 is expected to be in the range $166m-$201m. The pipeline includes investment in the out of hospital strategy with a further 6 psychology clinics and 6 allied health sites to be opened in 2HFY23.

Investment in the businesses digital and data strategy is expected to accelerate in 2HFY23 and into FY24. The commencement of the implementation of the electronic patient records platform is expected in FY24 combined with the automation of a number of activities, strengthening of our cyber and data capabilities, and the development of digital front door solutions for pharmacy and mental health services. Digital and data opex is expected to be $16-18m in 2HFY23 increasing to $70-80m in FY24 and $110-130m in FY25. The program is expected to deliver significant net benefits in the medium term.

2HFY23 activity levels will be impacted while COVID cases continue to circulate in the community. COVID cases in the most 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.

RSD expects to report a lower 2HFY23 due to seasonal factors. The business is being impacted by staffing shortages across the healthcare system.

2.3.2 United Kingdom

2.3.2.1 Overview of Results

Half Year Ended 31st December A$'m	2022	2021	Chg (%)
Ramsay UK - acute hospital business			
Revenue from patients and other revenue	528.2	512.9	3.0
Total revenue and other income	**528.2**	512.9	**3.0**
EBITDAR	**68.3**	10.4	**556.7**
Rent	(0.6)	(0.4)	(50.0)
EBITDA	**67.7**	10.0	**577.0**
Depreciation	(47.6)	(45.3)	(5.1)
Amortisation and impairment	8.0	(0.3)	-
EBIT	**28.1**	(35.6)	**(178.9)**
Financing costs associated leases (AASB16 Leases)	(38.1)	(41.3)	7.7
EBIT less financing costs associated with leases	**(10.0)**	(76.9)	**(87.0)**
Capital Expenditure	13.8	29.2	(52.7)
Elysium - Mental Healthcare[1]			
Revenue from patients and other revenue	382.0	-	-
Total revenue and other income	**382.0**	**-**	**-**
EBITDAR	**20.8**	**-**	**-**
Rent	(0.8)	-	-
EBITDA	**20.0**	**-**	**-**
Depreciation	(16.0)	-	-
Amortisation and impairment	0.0	-	-
EBIT	**4.0**	**-**	**-**
Financing costs associated leases (AASB16 Leases)	(5.9)	-	-
EBIT less financing costs associated with leases	**(1.9)**	**-**	**-**
Capital Expenditure	26.1	-	-
UK Segment			
Total segment revenue and other income	910.2	512.9	77.5
Total EBITDAR	89.1	10.4	756.7
Total EBITDA	87.7	10.0	777.0
Total EBIT	32.1	(35.6)	**-**
Total Capital Expenditure - UK	39.9	29.2	36.6

1 *Elysium Healthcare was acquired on 31st January 2022*

Overview of UK Result in Local Currency

Half Year Ended 31st December £'m	2022	2021[1]	Chg (%)
Total Revenue and other income	**518.8**	275.4	88.4
EBITDAR	**51.0**	5.6	810.7
EBITDA	**50.2**	5.4	829.6
EBIT	**18.4**	(19.1)	196.3

1 *Elysium Healthcare was acquired on 31st January 2022*

Proforma Result for Elysium Healthcare

Half Year Ended 31st December £'m	2022	2021[1]	Chg (%)
Total revenue and other income	**217.7**	185.5	17.4
EBITDAR	**12.0**	22.3	(46.2)
EBITDA	**11.5**	21.3	(46.0)
EBIT	**2.4**	11.8	(79.7)

1 *Assumes ownership for the half year ended 31st December 2021*

2.3.2.2 Review of Results

The UK result benefited from a progressive improvement in the acute hospital operating environment as COVID cases in the community declined, and better management of the issues arising from the COVID environment, combined with the inclusion of Elysium Healthcare, the mental health business acquired in January 2022. The prior period result included A$24.7m of transaction costs associated with the proposed scheme of arrangement for Spire Healthcare plc and the acquisition of mental healthcare provider Elysium Healthcare. Removing the impact of non recurring items, UK EBIT increased from a negative $10.7m to a positive contribution of $26.5m.

Ramsay UK

The operating environment for the acute hospital business improved progressively over the six month period as COVID cases in the community declined overall despite further small waves of COVID and a severe flu season; and operating rules in the hospital environment relaxed as the UK "learned to live" with COVID. The business has improved a number of processes, supported by investments in its digital capability, including a fully integrated Electronic Patient Record (EPR) platform to deal with the unpredictability of the COVID environment. The business has also continued to invest in both brownfield and greenfield developments, as well as continuing to expand its diagnostics capacity.

Ramsay continues to be confident of growing its market share with both the NHS and Private Medical Insurers (PMIs). Admissions over the six month period increased 10.3% over the pcp with growth in admissions in all payor channels (public and private). Total patient days increased 7.9% on the pcp. NHS volumes in the period increased by 11%, and private volumes in the period increased by 9% (PMIs 17%) compared to the pcp. Self-pay was slower to grow in the first part of the year, compared to prior years, however enquiries and conversion to appointments in 2QFY23 were up 13% which has accelerated into the start of 2023. Success in national PMI tenders for spinal & orthopaedics has supported the increase in complexity. Above market rate growth in both public referrals and outpatient bookings improved with an increase in market share.

Activity levels were impacted by ambulance strikes in December in discrete geographical locations. NHS nurses strikes in the UK in December and January have not directly impacted Ramsay at this stage, however, they may over time impact activity levels and labour costs.

Labour shortages remain a challenge, however recruitment rates improved over the period, the investment in an in-house recruitment team is building capability, supplemented by offshore recruitment with a new partner.

EBITDA margins improved over the pcp reflecting a progressive reduction in COVID related costs, including the impact of COVID related patient cancellations, which declined from ~1,400 in July to ~400 in December. The estimated direct impact of operating in a COVID environment in the first quarter was $10m and declined to an immaterial level in the second quarter. Residual costs associated with COVID are expected to continue for the foreseeable future.

Margins also benefited from a focus on procurement and supply cost savings with supply costs per patient day declining 9.1% on the pcp.

The result included A$3.2m (£1.8m) software as a service costs compared to $4.1m (£2.5m) in the pcp. A prior year impairment of $6m (£3.4m) related to the performance of one hospital was reversed in the period due to a sustained improvement in performance over the past few years. The result in the prior year included a negative contribution from non-recurring transaction costs associated with the proposed acquisition of Spire Healthcare and the acquisition of Elysium Healthcare of $24.7m (£13.3m). Removing the impact of non recurring items in this year and last year EBIT increased from a negative $10.7m contribution to a $22.1m contribution.

Elysium Healthcare

Ramsay acquired Elysium Healthcare in January 2022. References to performance versus the prior period are for interest only and are based on results in local currency.

Total revenue for the six month period increased 17.4% on the pcp reflecting a 10.9% increase in average occupied beds across the six month period compared to the pcp (reflecting new developments that have come online), a small increase in the average daily fee and a 48% increase in specialing revenue. The business took over the management of Ramsay UK's three neuro sites over the six month period

Earnings were significantly impacted by lower than expected occupancy rates, as the ramp of new facilities has been hampered by staffing shortages, impacting the ability to admit new patients across rehab and neuro in particular; inflationary pressures across all inputs in particular staffing costs; and a higher use of agency staff increasing labour costs over the period. Reflective of these issues labour costs were 71% of revenue versus 63% in the pcp. These issues became more acute in 2QFY23 compared to the 1QFY23 as the UK national shortage of labour led to a reduction in applicants to healthcare worker roles and a higher use of agency than in prior periods. Applications and appointments have increased significantly since January 2023.

Elysium is committed to paying above the national living wage and increased salaries for its lower paid non clinical staff again in September 2022 having previously increased the base rate in April 2022.

Elysium had a number of beds closed for re-purposing, which will be re-opening over H2FY23

In September Elysium acquired two freehold properties for £40m for the provision of services for child and adolescent mental health services (CAMHS). The first site is an existing fully operational site in Ebbw Vales in Wales (21 beds) and the second site is a new facility in Redditch, England (18 beds including 6 beds for young adult with eating disorders) the opening of which has been delayed to June 2023 given staffing shortages. The facilities have established relationships with NHS Wales and England and are consistent with the UK government's strategic objective to deliver care closer to home and reduce the length of stay for young people and young adults

2.3.2.3 Capital Expenditure

Capital expenditure in the UK over the six month period was $26.1m (£14.8m) for Elysium and $13.8m (£7.6m) for Ramsay UK of which $18.8m was brownfield and greenfield capex, $4.6m was growth capex and $14.9m was routine capex. Digital and data spend was $15.8m of which $14m was treated as opex rather than capex. Projects across the two businesses included, the development of a two theatre day surgery at Kettering, investment in diagnostic equipment, upgrading Ramsay UK's digital front door and in Elysium the development and extension of a number of sites across the portfolio.

Capital expenditure in 2HFY22 is expected to be in the range $75m-$95m.

2.3.2.4 Outlook

The UK is expected to continue to benefit from the gradual improvement in the acute hospital operating environment despite recent waves of COVID cases and a sharp jump in flu cases; and a full year contribution from Elysium.

Ramsay UK

The business expects to benefit from the UK Government's commitment to reduce surgery waiting lists and improve access to medical services utilising the private sector as a key partner. The business continues to work closely with the NHS as a trusted partner and provider as it rolls out its recovery plans.

Ramsay continues to be successful in tenders with its insurers, and is to be included in a HPA network, with spinal services being added to the previous hip and knee services, as one of only two hospital groups outside of London; agreement has been reached on a four year contract with BUPA, meaning that we have medium term agreements in place with all the major PMIs. The private pay business is being supported by investment in a campaign aimed at consumers through 'always on' channel management and enhanced digital access.

The business continues to focus on managing the business through the challenges of the COVID environment including the management and reduction of patient cancellations with programs being rolled out across all hospitals.

Inflationary pressures across the business will continue to impact performance, in particular labour costs. Training and development programs have been put in place focusing on retention and new recruitment programs are being put in place.

The business is expected to open a new two theatre day surgery in Kettering in July and will continue to invest in new diagnostic projects at existing sites.

Outbreaks of COVID are expected to continue to challenge the business, management remains focused on mitigating the issues that flow from outbreaks and introduce further efficiencies.

Elysium Healthcare

Elysium is the only major national operator in the UK investing in growing its footprint and market share in the mental health area for the long term. The business will continue to work closely with the NHS where the opportunities for partnerships are growing as capital constraints on the NHS necessitate the use of the private sector to meet the rapidly growing demand for mental health services in the community.

In light of the inflationary cost pressures on the business Elysium has implemented a cost review across all sites which will include negotiations with external agencies around staffing costs. Given the short term staffing shortages, a number of development projects have been deferred to focus attention on addressing staffing challenges which will also improve referral to admission conversion for existing sites.

As part of a program to address staffing shortages and turnover Elysium has developed a centralised recruitment facility which will focus on programmes targeting the recruitment, training and retention of overseas healthcare workers. The program is a medium to long term initiative however it is already making progress with a number of offers having been made to new employees who will be trained and integrated into the business over a six month period.

2.3.3 Ramsay Santé

2.3.3.1 Overview of Results

Half Year Ended 31st December A$'m	2022	2021	Chg (%)
France			
Revenue from patients and other revenue	2,258.5	2,264.9	(0.3)
Other income - net profit on disposal of non-current assets	-	11.5	-
Income from government grants	214.4	177.9	20.5
Total segment revenue and other income	**2,472.9**	2,454.3	**0.8**
EBITDAR	**413.9**	464.8	(11.0)
Rent	(47.7)	(38.4)	(24.2)
EBITDA	**366.2**	426.4	(14.1)
Depreciation	(220.3)	(224.5)	1.9
Amortisation & impairment	(1.8)	(2.0)	10.0
EBIT	**144.1**	199.9	(27.9)
Financing costs associated with leases (AASB16 Leases)	(49.9)	(49.7)	(0.4)
EBIT less financing costs associated with leases	**94.2**	150.2	(37.3)
Nordics			
Revenue from patients and other revenue	1,094.5	959.9	14.0
Income from government grants	12.6	25.2	(50.0)
Other income - net profit on disposal of non-current assets	48.6	-	-
Total segment revenue and other income	**1,155.7**	985.1	17.3
EBITDAR	**159.0**	120.2	32.3
Rent	(12.2)	(12.0)	(1.7)
EBITDA	**146.8**	108.2	35.7
Depreciation	(71.3)	(62.0)	(15.0)
Amortisation & impairment	(9.1)	(6.7)	(35.8)
EBIT	**66.4**	39.5	68.1
Financing costs associated with leases (AASB16 Leases)	(6.2)	(5.5)	(12.7)
EBIT less financing costs associated with leases	**60.2**	34.0	77.1
Total segment revenue and other income - Europe	3,628.6	3,439.4	5.5
Total EBITDAR - Europe	572.9	585.0	(2.1)
Total EBITDA - Europe	513.0	534.6	(4.0)
Total EBIT - Europe	210.5	239.4	(12.1)
Total Capital Expenditure - Europe	165.9	199.7	(16.9)

Europe result in local currency

Half Year Ended 31st December €'m	2022	2021	Chg (%)
Total Revenue and other income	2,388.1	2,169.6	10.1
EBITDAR	**373.9**	369.4	1.2
EBITDA	**334.2**	337.7	(1.0)
EBIT	**134.5**	151.6	(11.3)
PBT	**70.2**	94.2	(25.5)
NPAT	**48.9**	62.4	(21.6)
Minority Interest	(24.6)	(30.8)	(20.1)
NPAT after minority interests	**24.3**	31.5	(22.9)

2.3.3.2 Review of Results

Ramsay Santé continued to support public health systems in treating COVID patients during the latest waves of the virus, albeit the level of hospitalisations has not been as high as in previous waves. Compensation received from the French Government for the use of its services and facilities combined with support from governments in all its regions to cover the increased costs of operating in the current environment, including the impact of inflationary cost pressures, was ~A$227m (€147.6m) compared to ~A$203m (€127.8m) in the pcp.

The Ramsay Santé EBIT result included non-recurring items of A$45.3m compared to $12.6m in the pcp including profit on the sale of a property adjacent to a hospital in Norway that is to be redeveloped. Removing the impact of non-recurring items, EBIT declined 27.2% on the pcp reflecting the impact of inflationary pressures on costs in particular labour costs, the impact of labour shortages on capacity utilisation, a change in the mix of activity, the decline in COVID related activity such as testing and the slow recovery in activity levels post the European summer period.

Industry wide staff shortages in most countries in the region impacted the result, limiting capacity in some hospitals and clinics in particular in France. The staffing shortages improved over CY2022 following the implementation of a number of initiatives with vacancies declining from 1,294 in January 2022 to 405 in December 2022 however it remains a key issue impacting the outlook for the business.

Ramsay Santé's after tax and minority interest contribution (in local currency) to the Ramsay result declined 22.9% compared to the pcp.

France

Ramsay Santé's hospitals in France continued to operate under the French Government's revenue guarantee arrangements in 1HFY23 which were extended to 31st December 2022. The structure was similar to the terms in 1HCY2022 excluding mental health services which are now reimbursed under a bundled payment structure. The guarantee arrangements have provided some stability to earnings during the period as Ramsay Santé hospitals have again supported the public system treating COVID patients in the latest waves of hospitalisations before Christmas.
Revenue in France increased across all categories however volumes took some time to ramp up post the summer holiday period. Total MSO admissions increasing 1.2% on the pcp, day patient admissions continued to be stronger than inpatient admissions increasing 4.2% on the pcp with inpatient admissions declining 2.9% on the pcp with length of stay declining. FCR admissions increased 11.6% driven by a 12% increase in day patients reflecting an increase in rehab admissions over the period

The result includes $93.8m (€61.9m) in revenue guarantee payments flat on the pcp and $112.7m (€77.4m) in cost support, an increase of $41.9m (€27.7m) on the pcp reflecting additional salary increases for staff which Ramsay Santé passes through and partial support for the significant impact of inflation on general operating expenses.

The result in the prior period benefited from the refund of prior year over-payment of A$8.3m and the profit on the sale of assets of A$11.5m. Removing the impact of non-recurring items EBIT declined 20% on the pcp

Nordics

Revenue in the Nordics increased 14% on the pcp and includes an initial six month contribution from GHP combined with recent smaller acquisitions in the Nordics region of ~$177.9m (€117.6m)

The result includes net profit on disposal of assets of $48.6m including a profit of A$46m (€31m) at the EBIT level (~A$19.3 m after tax and minority interests) from the sale of a property attached to a Ramsay hospital in Norway which is to be redeveloped as part of the expansion of the hospital. Removing the impact of non-recurring items in this year and last years result reported EBIT declined 55% on the pcp.

The business received A$12.6m (€8.3m) of government funded COVID cost support compared to A$25.2m (€15.8m) of revenue and cost support in the pcp.

The result was impacted by a decline in the COVID related activity, such as testing, carried out by the business in the prior period reflecting lower COVID case numbers and a removal of requirements for testing (estimated EBITDA impact $6m compared to the pcp). The result was also impacted by lower volumes and average level of acuity at St Göran hospital over the period. Absenteeism due to sickness, and staff shortages impacted capacity utilisation.

GHP and other smaller acquisitions across the Nordics made in FY22 contributed $18.8m (€12.4m) in EBITDA to the result. GHP earnings are seasonal, skewed to the second half of the financial year and the business remains on track to meet its original targets for the business.

2.3.3.3 Capital Expenditure

Total capital expenditure during the half was $165.9m (€109.7m) split between brownfield and greenfield spend of $28.3m, growth capex of $12.6m and maintenance capex of $114.2m. Total spend on digital and data projects over the half was $10.9m. Growth investment included spend on diagnostic and imaging equipment in a number of hospitals, the expansion of the maternity facilities at St Göran and new equipment including surgical robots in our French clinics.

2.3.3.4 Outlook

In the medium term Ramsay Santé will continue to focus on its strategy to become an integrated digi-physical health care business attracting and retaining patients through the delivery of a contiguous health services pathway. This will encompass investment in new services including select investment in primary care, prevention services and outpatient and at home services as well as strengthening the base hospital network and exploring new payor opportunities.

1HFY23 Outlook

Ramsay Santé will continue to develop strategies to meet the dual challenges created by the significant inflationary pressures confronting all operators and the critical labour shortages impacting the industry.

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.

The business has launched a suite of new policies designed to attract and retain people including additional investment in training and development and improving the structure of roles with a range of work/life balance initiatives.

The focus of the Nordics businesses will be to fully integrate and extract the benefits from the acquisitions made over the last eighteen months. This will include investment in the digital integration to create a speciality care platform creating an end to end experience for patients.

The acute hospital activities will continue to be impacted when COVID cases in the community increase. Activity levels have started to increase as COVID cases in the recent wave have declined.

Capital expenditure over 2HFY23 is expected to be in the range of $300m to $350m, investment will include the expansion of its diagnostic capacity and primary health care strategy.

3.

Directors' Report

Ramsay Health Care Limited and Controlled Entities

The Directors present the Directors' Report for the half year ended 31 December 2022 for the consolidated entity consisting of Ramsay Health Care Limited (**Ramsay** or the **Company**) and its controlled entities (together, the **Group**).

DIRECTORS

The names and biographical details of the Company's Directors and Company Secretary in office during the half year are as set out below. Directors and the Company Secretary were in office for this entire period unless otherwise stated.

MICHAEL SIDDLE
Chairman
Appointed 27/05/14
(Appointed as a Director 26/5/75)

Mr Michael Siddle was appointed as Chairman of the Company on 27 May 2014, having formerly been Deputy Chairman for 17 years and a founding Director. He has built up significant knowledge of the business and the private hospital industry after starting with the Company in 1968. Mr Siddle has extensive experience in the management of private hospitals and has been integrally involved in Ramsay Health Care's successful expansion through construction, mergers and acquisitions.

Mr Siddle is also a Director of the Paul Ramsay Foundation.

Committee memberships:

- People & Remuneration Committee (Member)
- Nomination & Governance Committee (Member)

Independence status:

- Non-independent

CRAIG MCNALLY
CEO & Managing Director
Appointed 03/07/17

Mr Craig McNally was appointed Managing Director and Chief Executive Officer of Ramsay Health Care (Ramsay) on 3 July 2017, after serving seven years with Ramsay Health Care as Chief Operating Officer and 22 years prior to this in various roles including Head of Global Strategy and European Operations. Mr McNally is also the Chairman of Ramsay Santé.

Mr McNally is one of Ramsay's longest serving Executives having commenced with the Company in 1988. He has worked across operational, strategic and financial roles during his tenure.

For the last two decades Mr McNally has been responsible for the development and implementation of Ramsay's growth strategy including brownfield expansions, international market assessments, mergers and acquisitions and new business strategies. He has been at the forefront of all the major acquisitions and deals completed by Ramsay Health Care. His unique ability to assess the opportunities and risks associated with new business ventures and to evaluate their 'strategic fit', as well as his sound judgement and insight, has ensured the Company's successful growth both domestically and internationally.

He has been a key leader in the development of The Ramsay Way culture and in particular developing leadership capability within the global organisation.

ALISON DEANS
MA MBA GAICD
Non-Executive Director
Appointed 15/11/18

Ms Alison Deans has 25 years' experience building technology-enabled businesses involved in media, ecommerce, financial services and health, and across leadership roles as an executive, a director and in venture capital.

Ms Deans joined the Board of Ramsay Health Care in November 2018. She is also Chair of Cochlear Limited and a Non-Executive Director of Deputy Pty Ltd and the Observership Program. She is also on the Investment Committee of MainSequence Ventures.

In her executive career, Ms Deans was previously the CEO of eBay Australia and New Zealand, CEO of eCorp Limited, (a publicly listed portfolio of digital businesses), CEO of Hoyts Cinemas and, most recently, CEO of netus Pty Ltd - a technology investment company acquired by Fairfax.

Ms Deans also spent seven years as a Consultant with McKinsey & Company. She holds a Master of Business Administration from the Stanford Graduate School of Business and a Master of Arts (Physics) from Cambridge University.

In the past three years, Ms Deans has served as a Director of the following listed companies:

- Cochlear Limited (Appointed February 2015)
- Westpac Banking Corporation (Resigned December 2020)

Committee memberships:

- People & Remuneration Committee (Chair)
- Nomination & Governance Committee (Member)

Independence status:

- Independent

JAMES MCMURDO
BSC (ECONOMICS), ACA
Non-Executive Director
Appointed 10/09/19

Mr James McMurdo has over 30 years finance and banking experience. He has a background in corporate advisory spanning across mergers and acquisitions, strategic advisory and financing with experience across multiple industries including the healthcare sector. He has held senior operating management roles and worked extensively in both the Asia Pacific and European regions.

Mr McMurdo is one of the Founding Partners of Privatus Capital Partners, an advisory and merchant banking business. Prior to establishing Privatus, Mr McMurdo held senior management roles at Deutsche Bank and was based in Hong Kong. During his time at Deutsche Bank, he was Global Co-Head of Corporate Finance, Head of Corporate and Investment Bank for Asia Pacific and CEO for Australia and New Zealand. He sat on the firm's Global Executive Committee for the Corporate and Investment Bank for four years.

Prior to this, Mr McMurdo was a Partner at Goldman Sachs, where he held senior positions in the Investment Banking Division in Australia and Europe.

Mr McMurdo holds a degree in Economics from the University of Newcastle upon Tyne and is a qualified chartered accountant (England and Wales).

Committee memberships:

- Audit Committee (Member)

Independence status:

- Independent

KAREN PENROSE
B.COM (UNSW)
CPA FAICD
Non-Executive Director
Appointed 1/3/20

Ms Karen Penrose has had an extensive executive career in leadership and CFO roles, mainly in financial services. She is well-versed in financial management, customer outcomes and operating in a rapidly changing regulatory environment which stems from 20 years in banking with Commonwealth Bank and HSBC and eight years as a listed-company CFO.

Ms Penrose has been a full-time director since 2014 and is an experienced committee chair of audit and risk. In addition to being a Non-Executive Director of Ramsay Health Care, Ms Penrose also serves as a Director of Bank of Queensland, Cochlear and Estia Health. Ms Penrose is a member of Chief Executive Women and on the Board of Marshall Investments Pty Limited and Rugby Australia Limited.

In the past three years, Ms Penrose has served as a Director of the following listed companies:

- Bank of Queensland (Appointed November 2015)
- Estia Health Limited (Appointed October 2018)
- Ramsay Santé (Appointed February 2021)
- Cochlear Limited (Appointed July 2022)
- Spark Infrastructure Group (Resigned May 2020)
- Vicinity Centres (Resigned September 2022)

Committee memberships:

- Audit Committee (Chair)
- Risk Management Committee (Member)

Independence status:

- Independent

STEVEN SARGENT B.BUS FAICD FTSE
Non-Executive Director
Appointed 25/11/21

Mr Sargent's executive career included 22 years at General Electric, where he gained extensive multi-industry, international experience leading businesses in industries including healthcare, energy and financial services across the USA, Europe and Asia Pacific.

Mr Sargent is currently a Non-Executive Director of Origin Energy Limited and Chair of infection prevention company Nanosonics Limited. His unlisted board activities include Chairman of The Origin Energy Foundation Limited, Origin's philanthropic arm, and Non-Executive Director of The Great Barrier Reef Foundation.

Mr Sargent holds a Bachelor of Business from Charles Sturt University and is a Fellow with the Australian Institute of Company Directors and a Fellow with the Australian Academy of Technological Sciences and Engineering.

In the past three years, Mr Sargent has served as a Director of the following listed companies:

- Origin Energy Limited (Appointed May 2015)
- Nanosonics Limited (Appointed July 2016)
- OFX Group Limited (Resigned August 2022)

Committee memberships:

- Risk Management Committee (Chair)

Independence status:

- Independent

CLAUDIA SÜSSMUTH DYCKERHOFF PHD
Non-Executive Director
Appointed 30/10/18

Dr Claudia Süssmuth Dyckerhoff PhD joined the Ramsay Health Care Board in October 2018, bringing expertise in market growth strategies, business development and operational performance improvement in hospitals.

Dr Süssmuth Dyckerhoff has extensive global experience in hospitals and health care across Europe, Asia, and the USA. She joined McKinsey & Company in Switzerland in 1995 and was transferred to the USA focusing on supporting health care companies, including pharmaceutical/ medical device companies, payor, provider and health systems in Europe and the USA. In 2006, Dr Süssmuth Dyckerhoff transferred to China, was elected Senior Partner in 2010 and supported health care companies as well as governments across Asia. She also led McKinsey's Asia-wide Health Systems and Services Sector. In 2016, when she was nominated to the Board of Hoffmann-La Roche, she stepped down from her role as Senior Partner and took on an external advisor role. Dr Süssmuth Dyckerhoff also supports start-ups in the health care area; she joined the board of the Health Tech company HUMA in April 2021 and the board of QuEST Global in November 2020.

Dr Süssmuth Dyckerhoff studied Business Administration at the University of St Gallen, Switzerland as well as at ESADE, Barcelona where she graduated with an MBA/CEMS Master. She also holds a PhD in Business Administration from the University of St Gallen/University of Michigan Ann Arbor.

In the past three years, Dr Süssmuth Dyckerhoff has served as a Director of the following listed companies:

- Hoffmann La Roche (Appointed March 2016)
- Clariant AG (Appointed April 2016)
- Prudential plc (Appointed January 2023)

Committee memberships:

- Risk Management Committee (Member)

Independence status:

- Independent

DAVID THODEY AO
Non-Executive Director
(Appointed 28/11/17) and
Lead Independent Director
(Appointed 1/03/20)

Mr David Thodey AO is a business leader with an executive career in the technology and telecommunications industries, garnering more than 30 years' experience creating brand and shareholder value.

In addition to being a Non-Executive Director and Lead Independent Director of Ramsay Health Care, Mr Thodey is currently Chair of Tyro Payments Limited (a leading alternative payments provider) and Xero Limited (a small business accounting software company).

Mr Thodey was previously CEO of Telstra, Australia's leading telecommunications and information services company, Chair of Australia's national scientific research agency, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and, prior to that, CEO of IBM ANZ.

Mr Thodey holds a Bachelor of Arts in Anthropology and English from Victoria University, Wellington, New Zealand; he attended the Kellogg School of Management postgraduate General Management Program at Northwestern University in Chicago, USA, and was awarded an Honorary Doctorate in Science and Technology from Deakin University in 2016, as well as an Honorary Doctorate of Business from University of Technology Sydney in 2018. Mr Thodey is also a Fellow of the Australian Academy of Technological Sciences and Engineering (ATSE) and the Australian Institute of Company Directors (AICD).

Mr Thodey was awarded an Order of Australia in 2017 for his service to business and the promotion of ethical leadership and workplace diversity.

In the past three years, Mr Thodey has served as a Director of the following listed companies:

- Xero Limited (Appointed June 2019)
- Tyro Payments Limited (Appointed November 2018)
- Vodafone Group Plc (Resigned July 2020)

Mr Thodey is the Lead Independent Director and is a member of the following Committees:

- Nomination & Governance Committee (Chair)
- Audit Committee (Member)
- People & Remuneration Committee (Member)

Independence Status:

- Independent

HENRIETTA ROWE B.ECON (SOC SCI) (HONS), LLB (HONS), FGIA, MAICD
Group General Counsel & Company Secretary
Appointed 25/06/19

Ms Rowe was appointed Group General Counsel & Company Secretary on 25 June 2019 and is responsible for the Group legal, governance and secretariat functions.

Ms Rowe has more than 15 years' experience with leading global law firm, Herbert Smith Freehills, and in-house at the Commonwealth Bank of Australia, specialising in corporate governance, mergers and acquisitions and capital management.

She holds a Bachelor of Economics (Social Sciences) (Honours) and a Bachelor of Laws (Honours) from the University of Sydney, is a Fellow of the Governance Institute of Australia and a member of the Australian Institute of Company Directors Law Committee.

PRINCIPAL ACTIVITIES

During the half year, the principal activity of the Group was to own and operate hospitals and health care services in approximately 530 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 2022 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 23 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.

M.S. SIDDLE
Chairman

C.R. McNALLY
Managing Director and Chief Executive Officer

Sydney, 23 February 2023

Building a better working world

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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 2022, 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
23 February 2023

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 2022 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

M.S. SIDDLE
Chairman

C.R. McNALLY
Managing Director and Chief Executive Officer

Sydney, 23 February 2023

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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 2022, 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 2022 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 2022 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
23 February 2023

6.

Financial Results

Contents

Consolidated Income Statement

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Note	Half year ended 31 December 2022 $m	Half year ended 31 December 2021 $m
Revenue from contracts with customers		7,103.7	6,472.8
Interest income		23.3	0.9
Other income – income from government grants	2	227.0	203.1
Other income – income from sale of development assets		1.5	-
Other income – net profit on disposal of non-current assets		48.6	11.5
Total revenue and other income		**7,404.1**	**6,688.3**
Employee benefit and contractor costs		(4,227.8)	(3,678.5)
Occupancy costs		(288.2)	(276.9)
Service costs		(266.4)	(247.9)
Medical consumables and supplies		(1,582.8)	(1,539.7)
Depreciation, amortisation and impairment		(476.9)	(463.4)
Cost of development assets sold		(0.9)	-
Total expenses, excluding finance costs		**(6,843.0)**	**(6,206.4)**
Share of profit of joint venture		11.8	8.2
Profit before tax and finance costs		**572.9**	**490.1**
Finance costs		(234.4)	(186.4)
Profit before income tax		**338.5**	**303.7**
Income tax		(102.0)	(94.9)
Net profit after tax for the period		**236.5**	**208.8**
Attributable to non-controlling interests		42.1	49.9
Attributable to owners of the parent		**194.4**	**158.9**
		236.5	**208.8**

		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	83.0	67.8
Diluted earnings per share (after CARES dividend)	4	82.9	67.7

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 2022

	Half year ended	
	31 December 2022 $m	31 December 2021 $m
Net profit after tax for the period	**236.5**	**208.8**
Items that will not be reclassified to net profit		
Actuarial gain on defined employee benefit obligation	35.7	7.1
Items that may be subsequently reclassified to net profit		
Cash flow hedges		
Taken to equity	(11.5)	4.7
Transferred to Income Statement	5.0	7.4
Foreign currency translation	54.4	(11.9)
Income tax benefit/(expense) relating to these items	(11.4)	(5.8)
Other comprehensive income, net of tax	**72.2**	**1.5**
Total comprehensive income	**308.7**	**210.3**
Attributable to non-controlling interests	57.7	46.6
Attributable to owners of the parent	**251.0**	**163.7**
	308.7	**210.3**

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 2022

	Note	31 December 2022 $m	As at 30 June 2022 $m	31 December 2021 $m
ASSETS				
Current assets				
Cash and cash equivalents		429.7	314.2	696.1
Trade and other receivables	9	2,452.0	2,331.3	1,844.7
Inventories	9	392.8	376.8	410.9
Derivative financial instruments	8	31.5	11.3	4.6
Income tax receivables		46.4	42.2	10.0
Prepayments		193.0	186.4	144.4
Other current assets		33.2	24.5	27.6
		3,578.6	3,286.7	3,138.3
Assets held for sale		2.3	-	-
Total current assets		**3,580.9**	**3,286.7**	**3,138.3**
Non-current assets				
Other financial assets		79.5	100.8	99.4
Investment in joint ventures		250.0	238.1	231.8
Property, plant and equipment		5,035.7	4,806.5	4,537.1
Right of use assets		4,735.4	4,627.7	4,315.8
Intangible assets		5,961.9	5,822.7	4,320.6
Deferred tax assets		474.8	478.7	417.4
Prepayments		10.7	10.7	10.9
Derivative financial instruments	8	76.0	45.7	4.7
Other receivables		153.8	79.0	77.6
Total non-current assets		**16,777.8**	**16,209.9**	**14,015.3**
TOTAL ASSETS		**20,358.7**	**19,496.6**	**17,153.6**
LIABILITIES				
Current liabilities				
Trade and other creditors	9	3,014.2	3,053.3	2,624.1
Loans and borrowings	6, 7	65.6	42.8	50.1
Lease liabilities		385.7	354.8	371.2
Derivative financial instruments	8	6.1	-	16.6
Provisions		173.9	196.0	174.5
Income tax payables		95.2	102.0	74.1
Total current liabilities		**3,740.7**	**3,748.9**	**3,310.6**
Non-current liabilities				
Loans and borrowings	6, 7	5,705.9	5,173.5	3,615.3
Lease liabilities		5,259.9	5,127.6	4,810.8
Provisions		362.7	356.8	392.2
Defined employee benefit liabilities		155.4	157.8	234.9
Derivative financial instruments	8	0.6	-	9.3
Other creditors		99.1	98.6	95.1
Deferred tax liabilities		319.8	307.2	175.8
Total non-current liabilities		**11,903.4**	**11,221.5**	**9,333.4**
TOTAL LIABILITIES		**15,644.1**	**14,970.4**	**12,644.0**
NET ASSETS		**4,714.6**	**4,526.2**	**4,509.6**
EQUITY				
Issued capital		2,197.6	2,197.6	2,197.6
Treasury shares		(69.4)	(72.4)	(72.7)
Convertible Adjustable Rate Equity Securities (CARES)		252.2	252.2	252.2
Other reserves		(112.0)	(152.6)	(91.5)
Retained earnings		1,801.7	1,708.7	1,672.7
Parent interests		**4,070.1**	**3,933.5**	**3,958.3**
Non-controlling interests		**644.5**	**592.7**	**551.3**
TOTAL EQUITY		**4,714.6**	**4,526.2**	**4,509.6**

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 2022

	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 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**
As at 1 July 2021	**2,197.6**	**(76.7)**	**252.2**	**(91.3)**	**1,750.9**	**518.1**	**4,550.8**
Total Comprehensive Income	-	-	-	1.7	162.0	46.6	210.3
Dividends paid	-	-	-	-	(240.2)	(3.5)	(243.7)
Acquisition of subsidiary/non-controlling interest	-	-	-	-	-	(9.9)	(9.9)
Treasury shares vesting to employees	-	4.0	-	(4.0)	-	-	-
Share based payment expense for employees	-	-	-	2.1	-	-	2.1
As at 31 December 2021	**2,197.6**	**(72.7)**	**252.2**	**(91.5)**	**1,672.7**	**551.3**	**4,509.6**

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 2022

		Half year ended	
		31 December 2022	31 December 2021
	Note	$m	$m
Cash flows from operating activities			
Receipts from customers		7,042.7	6,539.1
Receipts/(Repayment) of government grants		166.1	(163.7)
Payments to suppliers and employees		(6,424.5)	(5,871.9)
Income tax paid		(126.5)	(133.5)
Lease finance costs		(121.6)	(117.5)
Other finance costs		(94.6)	(73.1)
Net cash flows from operating activities		**441.6**	**179.4**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(371.2)	(388.0)
Proceeds from sale of businesses and other non-current assets		55.8	27.3
Interest and dividends received		6.6	1.6
Business combinations, net of cash received		(76.7)	(57.8)
Business combination consideration returned from escrow		-	1,967.8[1]
Acquisition of investments and purchase of non-controlling interests		-	(22.7)
Net cash flows (used in)/from investing activities		**(385.5)**	**1,528.2**
Cash flows from financing activities			
Dividends paid to equity holders of the parent	3	(115.9)	(240.2)
Dividends paid to non-controlling interests		(6.3)	(3.5)
Repayment of lease principal		(197.6)	(172.2)
Payment of refinancing costs		(1.5)	(1.5)
Proceeds from borrowings		1,237.1	1,820.9
Repayment of borrowings		(859.1)	(3,419.1)
Net cash flows from/(used in) financing activities		**56.7**	**(2,015.6)**
Net increase/(decrease) in cash and cash equivalents		112.8	(308.0)
Net foreign exchange differences on cash held		2.7	(0.7)
Cash and cash equivalents at the beginning of period		314.2	1,004.8
Cash and cash equivalents at the end of period	11	**429.7**	**696.1**

1 *$2 billion relates to the business combination amounts held in escrow for the Spire acquisition at 30 June 2021. The proposed Spire acquisition did not proceed and as a result the amounts released were used to pay down bank loans of the Group.*

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 2022

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 2022 was authorised for issue in accordance with a resolution of the Directors on 23 February 2023.

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 2022, together with any public announcements made by Ramsay Health Care Limited and its controlled entities during the half year ended 31 December 2022;
- presents reclassified comparative information where necessary to conform to changes in presentation in the current half year;
- 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 2022

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 2022, all of which did not have a material impact on the financial statements:

- *AASB 2020-3 Amendment to AASB 1 First-time Adoption of Australian Accounting Standards – Subsidiary as a First-time Adopter*
- *AASB 2020-3 Amendments to AASB 3 Business Combinations – Reference to the Conceptual Framework*
- *AASB 2020-3 Amendment to AASB 9 Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*
- *AASB 2020-3 Amendments to AASB 116 Property, Plant and Equipment – Proceeds before Intended Use*
- *AASB 2020-3 Amendments to AASB 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*

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 next 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 does not early adopt 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 Asia Pacific, UK, France and Nordics.

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

	Asia Pacific $m	UK $m	France $m	Nordics $m	Adjustments & Eliminations $m[1]	Total $m
As at 31 December 2022						
Assets & liabilities						
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)
As at 30 June 2022						
Assets & liabilities						
Segment assets	8,387.2	4,828.8	9,242.9	2,625.4	(5,587.7)	19,496.6
Segment liabilities	(3,847.6)	(4,469.0)	(6,981.1)	(1,584.5)	1,911.8	(14,970.4)

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 2022 $m	31 December 2021 $m
Total segment revenue and other income	7,385.2	6,692.4
Intersegment revenue elimination	(4.4)	(5.0)
Interest income	23.3	0.9
Total revenue and other income	**7,404.1**	**6,688.3**

1 Segment information (Continued)

Profit or loss by segment

	Asia Pacific $m	UK $m	France $m	Nordics $m	Total $m
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 of non-current assets	-	-	-	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]	**431.4**	**89.1**	**413.9**	**159.0**	**1,093.4**
Rent[2]	(5.6)	(1.4)	(47.7)	(12.2)	(66.9)
Earnings before interest, tax, depreciation and amortisation (EBITDA)[3]	**425.8**	**87.7**	**366.2**	**146.8**	**1,026.5**
Depreciation, amortisation and impairment	(118.8)	(55.6)	(222.1)	(80.4)	(476.9)
Earnings before interest and tax (EBIT)[4]	**307.0**	**32.1**	**144.1**	**66.4**	**549.6**
Net finance costs					(211.1)
Income tax expense					(102.0)
Net profit after tax					**236.5**
Attributable to non-controlling interests					(42.1)
Net profit attributable to owners of the parent					**194.4**
Half year ended 31 December 2021					
Revenue from contracts with customers	2,735.1	512.9	2,264.9	959.9	6,472.8
Other income – income from government grants	-	-	177.9	25.2	203.1
Other income – net profit on disposal of non-current assets	-	-	11.5	-	11.5
Total revenue and other income before intersegment revenue	2,735.1	512.9	2,454.3	985.1	6,687.4
Intersegment revenue	5.0	-	-	-	5.0
Total segment revenue and other income	**2,740.1**	**512.9**	**2,454.3**	**985.1**	**6,692.4**
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)[1]	**414.2**	**10.4**	**464.8**	**120.2**	**1,009.6**
Rent[2]	(6.2)	(0.4)	(38.4)	(12.0)	(57.0)
Earnings before interest, tax, depreciation and amortisation (EBITDA)[3]	**408.0**	**10.0**	**426.4**	**108.2**	**952.6**
Depreciation, amortisation and impairment	(122.6)	(45.6)	(226.5)	(68.7)	(463.4)
Earnings before interest and tax (EBIT)[4]	**285.4**	**(35.6)**	**199.9**	**39.5**	**489.2**
Net finance costs					(185.5)
Income tax expense					(94.9)
Net profit after tax					**208.8**
Attributable to non-controlling interests					(49.9)
Net profit attributable to owners of the parent					**158.9**

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 2022 $m	31 December 2021 $m
Other income – income from government grants	227.0	203.1

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 was a beneficiary of the French government decree issued on 6 May 2020 which provided a guarantee of revenue from 1 March 2020 to 31 December 2020, equal to 10/12th of the 2019 calendar year revenue from the government, with some small indexation factor. The French government issued a new decree on 13 April 2021 covering the period 1 January 2021 to 30 June 2021 which subsequently was extended until 31 December 2021. For the period 1 July 2021 to 31 December 2021, the decree provided a guarantee of revenue equal to the equivalent period of 2020 billed revenue, inclusive of the 2020 revenue guarantee, if any. As the actual billings over the six months period were below the guaranteed revenue, Ramsay Santé was entitled to the shortfall. In line with the requirements of this guarantee, the estimates, payments and final square ups that form part of the revenue guarantee are being completed on a site-by-site basis. The law enacted on 22 January 2022 extended the revenue guarantee until 30 June 2022, and a decree gazetted on 24 August 2022 extended the revenue guarantee to 31 December 2022.

As the final square up of the revenue guarantee for the period to 31 December 2022 will not be performed until FY24 and the grant income recognised for Ramsay Santé is based on the current best estimate at hand at the time of issuing the Ramsay Group financial statements, these estimates may be updated and result in a different amount. Any resulting difference will be recognised in the Ramsay Group results in the period the final square up is performed.

3 Dividends

	Parent Entity Half year ended	
	31 December 2022 $m	31 December 2021 $m
(i) Dividends determined and paid during the period on ordinary shares:		
Previous year final dividend paid		
Franked dividends – ordinary		
(48.5 cents per share) (31 December 2021: 103.0 cents per share)	110.6	235.7
(ii) Dividends proposed and not recognised as a liability on ordinary shares:		
Current year interim dividend proposed		
Franked dividends – ordinary		
(50.0 cents per share) (31 December 2021: 48.5 cents per share)	114.1	111.0
(iii) Dividends determined and paid during the period on CARES:		
Previous year final dividend paid		
Franked dividends – CARES	5.3	4.5
(iv) Dividends proposed and not recognised as a liability on CARES:		
Current year interim dividend proposed		
Franked dividends – CARES	7.6	4.5

The tax rate at which paid dividends have been franked is 30% (31 December 2021: 30%). All of the proposed dividends will be franked at the rate of 30% (31 December 2021: 30%).

4 Earnings per share

	Half year ended	
	31 December 2022 $m	31 December 2021 $m
Net profit for the period attributable to owners of the parent	194.4	158.9
Less: dividend paid on Convertible Adjustable Rate Equity Securities (CARES)	(5.3)	(4.5)
Profit used in calculating basic and diluted (after CARES dividend) earnings per share	189.1	154.4

	Half year ended	
	31 December 2022 Number of Shares (m)	31 December 2021 Number of Shares (m)
Weighted average number of ordinary shares used in calculating basic earnings per share	227.8	227.8
Effect of dilution – share rights not yet vested	0.4	0.4
Weighted average number of ordinary shares adjusted for the effect of dilution	228.2	228.2

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

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 2022 Cents per Share	31 December 2021 Cents per Share
Earnings per share (EPS) attributable to equity holders of the parent		
Basic earnings per share (after CARES dividend)	83.0	67.8
Diluted earnings per share (after CARES dividend)	82.9	67.7

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.

5 Net tangible assets/(liabilities)

	As at		
	31 December 2022 $ per Share	30 June 2022 $ per Share	31 December 2021 $ per Share
Net tangible (liabilities) per ordinary share	(6.13)	(6.31)	(0.23)

Net tangible assets/(liabilities) are the total assets minus intangible assets 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 increase in net tangible (liabilities) from 31 December 2021 is a result of the payment of dividends together with liabilities recognised to fund the business combinations undertaken in subsequent periods (refer note 10). As the majority of the assets recognised for the business combinations are goodwill and goodwill is excluded from the calculation, it results in a reduction in net tangible assets.

II Capital - Financing

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

6 Loans and borrowings

RAMSAY AND ITS WHOLLY OWNED SUBSIDIARIES

New AUD500 million Bilateral Facility Agreements

During the half year, Ramsay Health Care Australia Pty Limited entered into new two-year bilateral revolving bank loan facilities totalling AUD500 million. 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.

Extension of Facility Agreements

In November 2022, Ramsay Health Care Australia Pty Limited extended bilateral revolving bank loan facilities totalling AUD150 million by up to twelve months.

In December 2022, Ramsay Health Care Australia Pty Limited terminated AUD86.3 million of a AUD600 million syndicated facility agreement. The remaining AUD513.7 million was extended by twelve months to December 2024.

RAMSAY SANTÉ AND CONTROLLED ENTITIES

Ramsay Santé issued a new 10-year amortising bilateral facility for EUR150 million secured by a first charge over certain Ramsay Santé and controlled entities‘ land and buildings.

7 Fair value

Unless disclosed below, the carrying amount of the Group’s financial assets and liabilities 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. At reporting date, the market interest rates vary from 1.10% to 3.11% (30 June 2022: 1.104% to 1.793%; 31 December 2021: 0.065% to 0.118%) for Australia and 0.125% to 1.502% (30 June 2022: -0.553% to -0.475%; 31 December 2021:-0.583% to -0.572%) for France respectively.

	As at					
	31 December 2022		30 June 2022		31 December 2021	
	Carrying Amount $m	Fair Value $m	Carrying Amount $m	Fair Value $m	Carrying Amount $m	Fair Value $m
Bank loans	5,614.4	5,704.8	5,064.4	5,286.3	3,508.8	3,541.7
Corporate notes	157.1	160.1	151.9	165.0	156.6	196.0
	5,771.5	5,864.9	5,216.3	5,451.3	3,665.4	3,737.7

The increase in bank loans balance from 30 June 2022 to 31 December 2022 is as a result of general operational requirements, including capital expenditure and acquisitions.

8 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 2022 $m	30 June 2022 $m	31 December 2021 $m
Current assets			
Interest rate and foreign exchange derivative contracts – cash flow hedges	14.1	8.9	4.6
Interest rate and foreign exchange derivative contracts – economic hedges	17.4	2.4	-
Non-current assets			
Interest rate and foreign exchange derivative contracts – cash flow hedges	52.8	29.6	4.7
Interest rate and foreign exchange derivative contracts – economic hedges	23.2	16.1	-
	107.5	57.0	9.3
Current liabilities			
Interest rate and foreign exchange derivative contracts – cash flow hedges	(0.3)	-	(16.6)
Interest rate and foreign exchange derivative contracts – economic hedges	(5.8)	-	
Non-current liabilities			
Interest rate and foreign exchange derivative contracts – cash flow hedges	(0.6)	-	(9.3)
	(6.7)	-	(25.9)
Net derivative assets/(liabilities)	**100.8**	**57.0**	**(16.6)**

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.

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 2022 $m	30 June 2022 $m	31 December 2021 $m
Trade and other receivables (current)	2,452.0	2,331.3	1,844.7
Inventories	392.8	376.8	410.9
Trade and other creditors (current)	(3,014.2)	(3,053.3)	(2,624.1)
	(169.4)	(345.2)	(368.5)

Consistent with prior periods, Ramsay actively manages the collection of debtor receipts and creditor and employee payments. This often results in a negative working capital metric and net current liability position. Any surplus or deficit in the working capital is managed through efficient use of the revolving debt facilities and cash balances. The Group had an undrawn facility limit of $994.2 million as at 31 December 2022.

The change in Working Capital during the six months from 30 June 2022 is mostly as a result of the increase in receivables due from governments for subsidies, in the Ramsay Sante operations.

10 Business combinations

Information on current period acquisitions

Regis – December 2022

On 13 September 2022, Ramsay Elysium Holdings Limited acquired two UK based child and adolescent mental health services facilities from Regis Healthcare Ltd (**Regis**) for $68.1 million (£40 million). The acquisition was funded through Ramsay's existing debt facilities.

Ramsay has recognised amounts for this business combination as outlined below. These amounts have been determined on a provisional basis only.

	$m
Cash and cash equivalents	2.1
Trade and other receivables (current)	2.9
Property, plant and equipment	5.2
Deferred tax asset	1.1
Trade and other creditors	(1.0)
Current income tax payable	(2.0)
Fair value of identifiable net assets	8.3
Goodwill arising	59.8
Fair value of consideration transferred	68.1
The cash outflow as a result of the business combination is as follows:	
Cash paid in the half year to 31 December 2022	(68.1)
Net cash acquired with the subsidiary	2.1
Net consolidated cash outflow	(66.0)
Direct costs relating to the business combination – included within service costs	0.5

10 Business combinations (Continued)

The goodwill of $59.8 million comprises the value of intangible assets that do not qualify for separate recognition as well as synergies expected to be achieved as a result of combining Regis with the rest of the Group. The acquisition provides a number of strategic benefits consistent with Ramsay's growth strategy. None of the goodwill recognised is expected to be deductible for income tax purposes. Goodwill is allocated entirely to the UK reporting segment in Note 1.

The interim consolidated financial statements include the results of the Regis facilities for the three and a half months from the acquisition date. The results of Regis from acquisition to 31 December 2022 are not material to the Group and have therefore not been disclosed separately. If the combination had taken place at the beginning of the year, 1 July 2022, revenue from continuing operations and profit before interest and tax from continuing operations for the Group would not have been significantly different to the Group results as reported.

Other Business Combinations - December 2022

Other than the acquisition above, Ramsay also acquired certain businesses in Europe and Australia in the half year to 31 December 2022. The summarised amounts for these other business combinations for the half year ended 31 December 2022 are shown below and have been determined on a provisional basis only. These businesses are all within the healthcare sector.

	$m
Assets	0.9
Liabilities	(1.0)
Fair value of identifiable net assets/(liabilities)	(0.1)
Goodwill arising	3.5
Fair value of consideration transferred	3.4
The cash outflow as a result of the business combinations is as follows:	
Cash paid in the half year to 31 December 2022	(3.4)
Net cash acquired with the subsidiaries	0.2
Net consolidated cash outflow	(3.2)
Direct costs relating to the business combinations – included within service costs	1.0

Information on prior year acquisitions

Elysium - FY22

On 31 January 2022, Ramsay acquired 100% of the voting shares of the leading UK based mental healthcare provider Elysium Healthcare. Ramsay has recognised amounts for this business combination as outlined below. These amounts have been determined on a provisional basis only. There have been no adjustments to goodwill arising on acquisition from that reported at 30 June 2022.

	$m
Cash and cash equivalents	5.8
Trade and other receivables (current)	82.4
Inventories	0.3
Other current assets	18.0
Property, plant and equipment	254.6
Right of use assets	471.2
Trade and other creditors (current)	(84.4)
Loans and borrowings (current)	(657.7)
Lease liabilities (current and non-current)	(472.8)
Deferred tax liabilities	(111.5)
Other liabilities (current and non-current)	(6.7)
Fair value of identifiable net assets	(500.8)
Goodwill arising	1,313.4
Fair value of consideration transferred	812.6
The cash outflow as a result of the business combination is as follows:	
Cash paid in the year ended 30 June 2022	(812.6)
Net cash acquired with the subsidiary	5.8
Net consolidated cash outflow	(806.8)

10 Business combinations (Continued)

GHP - FY22

On 2 May 2022, Ramsay Santé acquired 98% of the voting shares of the GHP Speciality Care AB (**GHP**). Ramsay has recognised the fair values of the identifiable assets and liabilities of GHP as outlined in the table below. The acquisition accounting has now been finalised. Adjustments to provisions and liabilities have increased the goodwill arising on acquisition by $23.4 million from 30 June 2022. These adjustments have been reflected in the 30 June 2022 Statement of Financial Position.

	$m
Cash and cash equivalents	27.0
Trade and other receivables (current)	31.2
Inventories	1.5
Other current assets	14.3
Property, plant and equipment	11.5
Intangible assets	7.4
Trade and other creditors	(17.7)
Loans and borrowings	(22.3)
Deferred tax liabilities	(1.0)
Provisions and other liabilities	(48.7)
Fair value of identifiable net assets	3.2
Non controlling interest	(0.4)
Goodwill arising	359.9
Fair value of consideration transferred	362.7

The cash outflow as a result of the business combination is as follows:	
Cash paid in the year to 30 June 2022	(355.2)
Cash paid in the half year to 31 December 2022	(7.5)
Net cash acquired with the subsidiary	27.0
Net consolidated cash outflow	(335.7)

Net consolidated cash outflow in the year to 30 June 2022	(328.2)
Net consolidated cash outflow in the half year to 31 December 2022	(7.5)
Total net consolidated cash outflow	(335.7)

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.

11 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 2022 $m	31 December 2021 $m
Cash at bank and on hand	429.7	696.1

12 Investment in joint ventures

The main joint venture entity which contributes to Ramsay Health Care Limited's net profit is detailed below:

	Contribution to net profit Half year ended		Percentage of ownership interest As at	
Name of entity	31 December 2022 $m	31 December 2021 $m	31 December 2022	31 December 2021
Ramsay Sime Darby Health Care Sdn Bhd	12.0	7.9	50%	50%

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.