Ramsay Health Care

FY21 Interim Result Presentation

6 months ended 31st December 2020

World Health Organization

2021 International Year of Health & Care Workers

Managing Director & CEO, Craig McNally

Group Chief Financial Officer, Martyn Roberts

Ramsay Health Care

Important information

The information in this presentation is general background information about Ramsay Health Care Limited and its subsidiaries (Ramsay Group) and their activities and is current as at 25 February 2021. It is in summary form and is not necessarily complete. It should be read together with the company's unaudited consolidated financial statements lodged with the ASX on 25 February 2021. The information in this presentation is general information only and is not intended to be relied upon as advice to investors or potential investors and does not take into account your objectives, financial situation or needs. Investors should consult with their own legal, tax, business and/or financial advisers in connection with any investment decision.

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Ramsay Health Care Limited
Level 18, 126 Phillip Street, Sydney NSW 2000
The release of this announcement has been authorised by the Ramsay Health Care Board of Directors.

Agenda

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Ramsay Health Care

Key Themes

- Continued to support the public sector response to the pandemic across all regions, strong relationships with government stakeholders developed
- Result reflects operational and financial resilience despite ongoing disruption
- Strong balance sheet supports continued investment in the business and optimisation of the portfolio of facilities
- Growth and strategic direction focused on creating the leading ecosystem for patient-focused, integrated care
- Well positioned to leverage demand from surgical backlogs and latent demand for non-surgical services

Response to COVID-19 – People Caring for People

Ramsay continues to work with the public sector supporting the response to COVID-19

Caring for our patients	Caring for our employees	Caring for our communities	Leveraging our scale

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Group 1HFY21 Financial Highlights

Operational and Financial Resilience Despite Pandemic Disruption

- Revenue from patients and other revenue, declined reflecting operational restrictions across the regions and lower demand for non-surgical services
- The operating result includes the impact of:
  - Government payments for the use of Ramsay facilities and services
  - Increased costs associated with operating in a COVID-19 environment
  - A negative impact from case mix changes
  - A net gain on the disposal of assets and investments of $44m compared to the pcp
- Strong balance sheet maintained. Financing costs declined 19.5% reflecting lower funding costs and lower average debt levels
- Lower EPS includes the impact of the $1.5bn capital raising in April 2020
- Fully franked dividend per share of 48.5c representing a 50% payout ratio. Resumption of dividend payments reflects the Board's confidence in the strong cashflows of the business

Result	$'m	% chg
Revenue from patients and other revenue	**5,916.6**	(6.6)
Total Revenue including govt. support	**6,608.8**	4.1
EBITDAR[1]	**1,110.0**	(1.7)
EBITDA[2]	**1,039.0**	(0.9)
EBIT[3]	**583.8**	(4.2)
Statutory Net Profit to owners	**226.0**	(12.5)
Dividend per share (cps)	**48.5**	**(22.4)**
Fully diluted earnings per share (EPS)[4] (cps)	**96.9**	**(21.1)**

1. Earnings before interest, tax, depreciation, amortisation, and rent
2. Earnings before interest, tax, depreciation and amortisation
3. Earnings before interest and tax
4. The denominator for the purpose of calculating earnings per share in December 2019 has been adjusted to reflect the $1.5bn equity raise in the second half of FY20, at less than market value

Australia- Highlights and Outlook

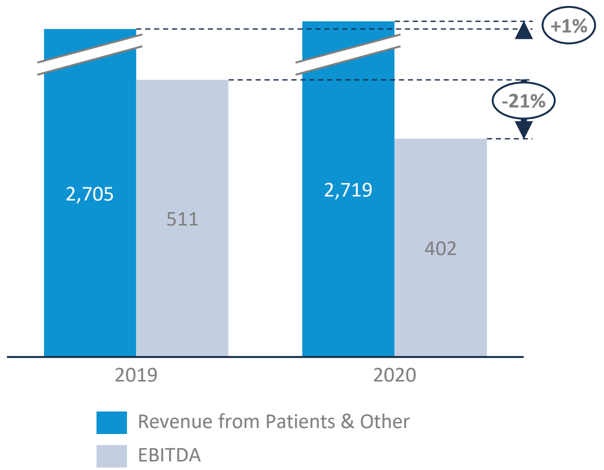
Result Overview

- Restrictions on activity over the period as Victoria operated under a viability agreement with the Government from 23rd July. All restrictions lifted in late November. Impact of restrictions $70m
- Revenue from patients increased 0.5% on pcp (ex-Victoria ↑ 4.9%)
- Surgical admissions ↑ 3.7% on pcp, (ex-Victoria ↑ 8.5%)
- Non surgical volumes ↓ 5.6% on pcp (ex-Victoria ↓ 2.7%)
- Result includes profit on sale of development assets of $15.6m on the pcp
- EBITDA declined 20.9% reflecting restrictions on capacity and increased costs associated with the COVID environment ($8.2m per month ex-Victoria) combined with the impact of case mix changes

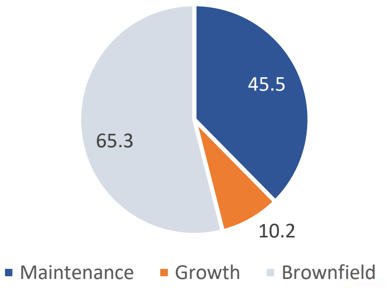
Outlook

- The pace at which patient volumes recover remains uncertain
- Trends have continued to improve. Surgical admissions per work-day have continued to be higher than the pcp with admissions in December and January increasing 3.5% and 5.7% respectively. (ex-Victoria 5.3% and 7.6%)
- Non-surgical admissions per work-day versus the pcp in Australia was positive in January for the first time in FY21 growing at 1.4% (4.1% ex-Victoria)
- Snap lockdowns result in short term restrictions that impact momentum in admissions
- Higher costs associated with the COVID-19 environment to continue, although are expected to reduce over time

Result for the 6 months to 31st December ($'m)

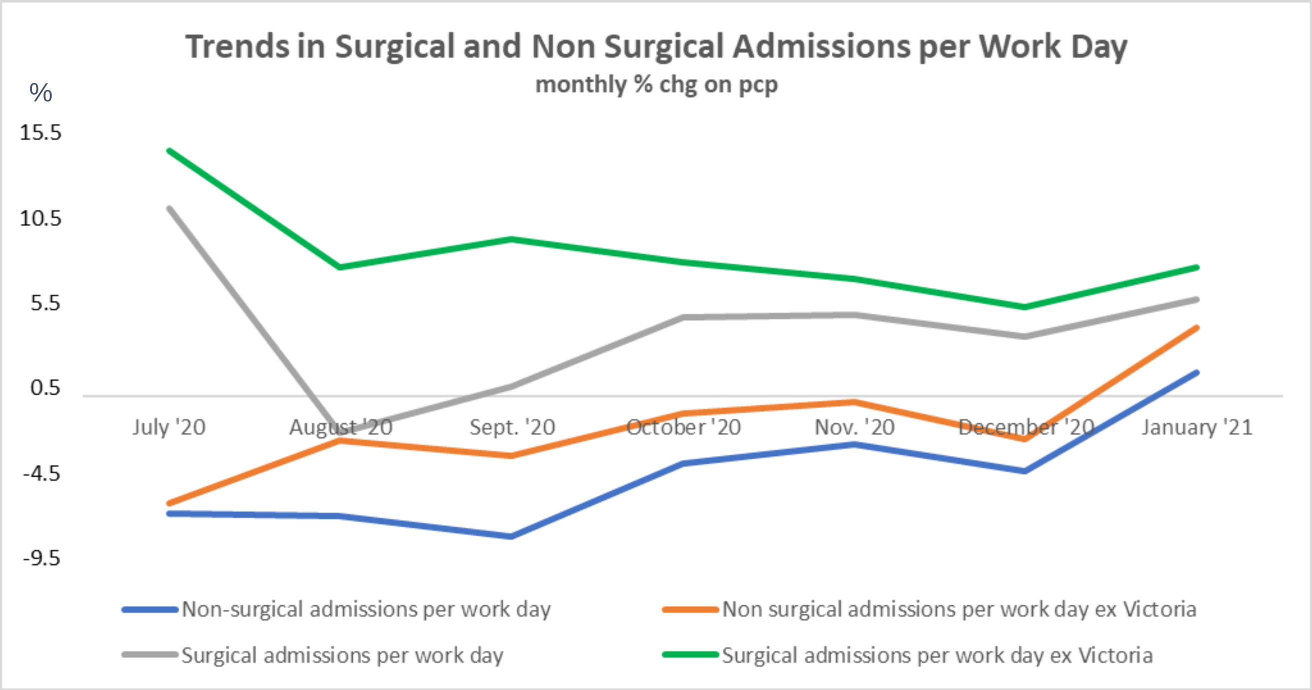


Capital Expenditure ($'m)



Trends in Australian Hospital Admissions

Admissions per work day benefiting from lifting of restrictions in Victoria and latent demand for non-surgical services



Australia - Continued Investment in Brownfield and Greenfield Developments

Completed in H1FY21*
- $16.3m
- 34 gross beds (net - 6)
- 2 theatres (net 0)
- 17 oncology chairs (net 7)

Approved in H1FY21
- $68m
- 56 beds (net 17)
- 2 theatres
- 18 Consulting Suites

Completion forecast FY21
- $129m
- 159 beds (net 91)
- 9 theatres (net 7)
- 17 oncology chairs (net 7)

NB: Australian brownfield and greenfield investment only
**Spend impacted by $101m of projects completed early in FY20, rather than as forecast in FY21.*

Image: Northside Group St Leonards Clinic Expansion
Due for Completion H2 FY21

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Europe – Highlights and Outlook

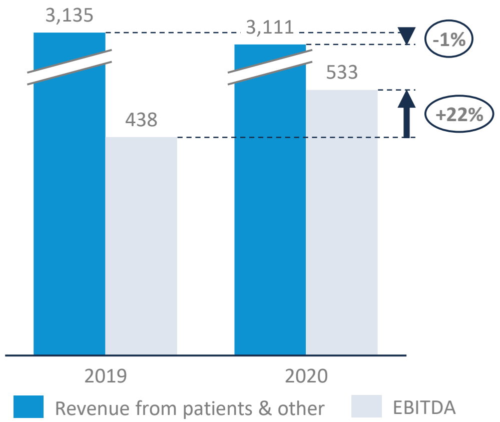
Result Overview

- Received payments from the Government in France for revenue and cost support and cost support in some parts of the Nordics for the use of Ramsay facilities and capabilities
- The result includes the impact of timing associated with cost compensation combined with the absence of 1H seasonality. Expect some offset in 2HFY21
- The result includes the positive impact from the disposal of assets of $33.8m compared to the pcp
- The Nordic region result reflects the different structure of the payment system in some parts of the region combined with the generally lower impact of the pandemic

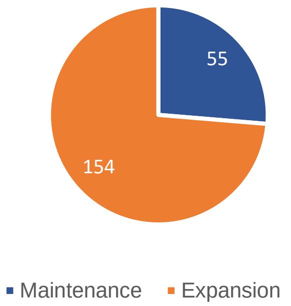
Outlook

- The French Government has advised it will issue a new decree providing support from 1st January 2021 for a period to be determined
- Significant uncertainty remains with the outlook for the pandemic
- Continue to assist governments in the region with COVID-19 cases in conjunction with addressing the backlog in surgical and non-surgical services from both the private and public sector
- Assisting with the rollout of the vaccine in France with a number of vaccination centres created within hospital facilities

Result for the 6 months to 31st December ($'m)



Capital Expenditure ($'m)



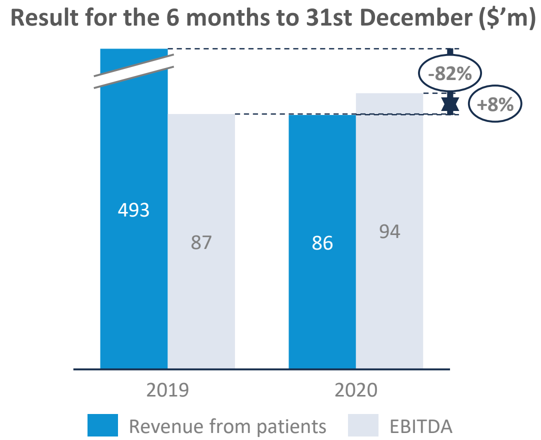
United Kingdom – Highlights and Outlook

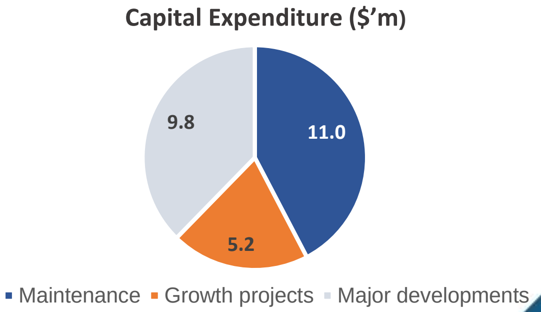
Result Overview

- Ramsay operated under a revised agreement with the NHSE[1] for the six month period that allowed for the return of some capacity
- Revenue from patients declined 82% on the pcp reflecting the capacity restrictions
- Total revenue declined 2.4% and includes a net cost recovery payment of $394.5m from the NHSE for Ramsay services and facilities over the period
- EBITDA increased 8% over the pcp reflecting increasing volume and mix of private patients and NHS routine elective surgery in 2Q FY21 combined with tight cost control
- Continued to invest in the business, capital expenditure was A$26m over the period, two new facilities opened, Stourside and Beacon Park

Outlook

- Ramsay will operate under a new volume based agreement with the NHSE from 1 January to 31 March 2021
- Business will be impacted in the short term by the headwinds associated with the uncertain COVID-19 environments
- Ramsay should start to benefit in the medium term with 90% of staff having been vaccinated by mid-February, and future activity from NHS waiting lists and growth in private demand
- Capital expenditure for the full year expected to be in the range £40-60m





1. National Health Service England

Ramsay Sime Darby (RSD) – Highlights and Outlook

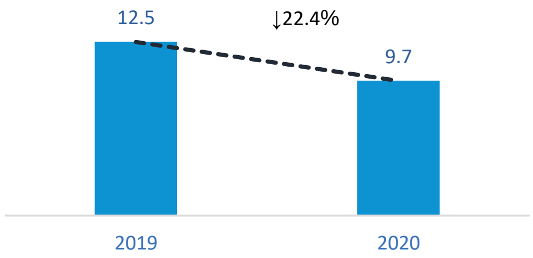
Result Overview

- No restrictions on elective surgery in Malaysia or Indonesia over the period. However movement controls impacted patient volumes
- Government directive in Hong Kong in November to postpone all elective surgery
- In Malaysia RSD has contracts to take non COVID-19 patients for certain procedures from the public system. It has also been treating self-funded COVID-19 cases
- Indonesia and Malaysia have benefitted from an increase in COVID-19 PCR (polymerise chain reaction) testing
- In Indonesia, RSD is treating Government, insured and self funded COVID-19 patients

Outlook

- RSD will continue to participate in PCR testing across the region
- RSD Indonesian hospitals have been appointed to assist in rolling out the vaccination program. Vaccination of all staff completed in the last few weeks
- Restrictions on non urgent surgery introduced in Malaysia in February
- A return to normalcy in elective surgery and medical admissions will be dictated by the ability of countries in the region to reduce the spread and the impact of COVID-19

Contribution from Asian JV ($'m)
Six months ended 31 December



In Asia, Ramsay Sime Darby operates three hospitals in Indonesia, three hospitals and a nursing college in Malaysia and one day surgery in Hong Kong. The business employs more than 4,000 staff.

Ramsay Sime Darby is a joint venture arrangement with Malaysian multinational conglomerate Sime Darby.

Group Financials

Group CFO Martyn Roberts

Group Performance 1HFY21

- Revenue from governments under COVID-19 support contracts reflects payments made under arrangements with the Victorian Government in Australia and the NHSE[1] in the UK[2] to make Ramsay's facilities and capabilities available to support public health systems
- Income from government grants reflects the French government revenue and cost support combined with cost support from some governments in the Nordics region for providing facilities[2] and capabilities to support the public health system
- The EBIT contribution includes $44m benefit related to asset and investment disposals in Australia and Europe compared to the pcp
- The increase in minority interests reflects the increased contribution from Ramsay Santé
- Effective tax rate lower than pcp, expected to remain at ~33% for the full year

Six months Ended 31 December A$'m	2020	2019	(%)chg
Revenue from patients and other revenue	5,916.6	6,332.5	(6.6)
Revenue from governments under COVID 19 support contracts	412.7	-	n/a
Income from government grants	222.8	-	n/a
Interest income	2.6	5.3	(50.9)
Other income - net profit on disposal of non-current assets and development assets	54.1	9.5	469.5
Total revenue and other income	**6,608.8**	**6,347.3**	**4.1**
Share of profit of joint venture	9.7	12.5	(22.4)
EBITDAR	**1,110.0**	**1,128.6**	(1.7)
EBITDA	**1,039.0**	**1,048.2**	(0.9)
EBIT	**583.8**	**609.5**	(4.2)
Net Profit before tax	398.4	412.3	(3.4)
Net Profit after tax	**265.6**	**263.4**	0.8
Minority interests attributable to non-controlling interests	(39.6)	(5.0)	(692.0)
Net Profit after tax attributable to owners of the parent	**226.0**	**258.4**	(12.5)
Interim dividend per share (¢)	48.5	62.5	(22.4)
Basic Earnings per share (after CARES dividend)(¢)[1]	97.2	123.4	(21.2)
Fully diluted earnings per share (after CARES dividend) (¢)[1]	96.9	122.8	(21.1)

1. The denominator for the purpose of calculating earnings per share in December 2019 has been adjusted to reflect the $1.5bn equity raise in the second half of FY20, at less than market value

1. National Health Service England
2. Further details on these arrangements are in Appendix 1.

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Cash Flow

- Working capital reflects the timing of payments under the agreement with the French Government
- Financing costs benefited from lower average interest rates and lower average net debt levels
- Strong cashflow cover of interest
- Net acquisitions includes the sale of nine facilities in Germany, two in France and development projects in Australia
- Lower capital expenditure over the period reflects the early completion of projects in Australia in FY20
- The decline in dividends paid reflects the Board's decision not to declare a FY20 final dividend

Six months ended 31 December A$'m	2020	2019	Chg (%)
EBITDA	1,039.0	1,048.2	(0.9)
Changes in working capital	349.4	187.5	86.3
Finance costs	(182.1)	(198.8)	8.4
Income tax paid	(130.8)	(148.2)	11.7
Movement in other items	(42.1)	(238.1)	82.4
Operating cash flow	**1,033.4**	**650.6**	**58.8**
Capital expenditure	(304.3)	(369.4)	17.6
Free cash flow	**729.1**	**281.2**	**159.3**
Net (acquisitions)/divestments	27.2	(21.0)	229.5
Interest & dividends received	29.6	36.1	(18.0)
Cash flow after investing activities	**785.9**	**296.3**	**165.2**
Dividends	(6.5)	(194.1)	96.7
Other financing cash flows	(868.7)	(413.4)	(110.2)
Net increase/(decrease) in cash	**(89.3)**	**(311.2)**	**71.3**
Interest cover (x) (EBITDA/finance charges)	5.7	5.3	n/a

Ramsay Health Care

Capital Employed

- The timing of payments under government support arrangements in France inflated working capital at the end of the period
- The impact on working capital is expected to reverse in 2HFY21 following the harmonisation of payments with the French Government
- The threshold and stretch performance levels for Ramsay's FY21 LTI grant have now been set. Includes a ROIC outcome above WACC gateway and a three year EPS CAGR target range of 3-9%*

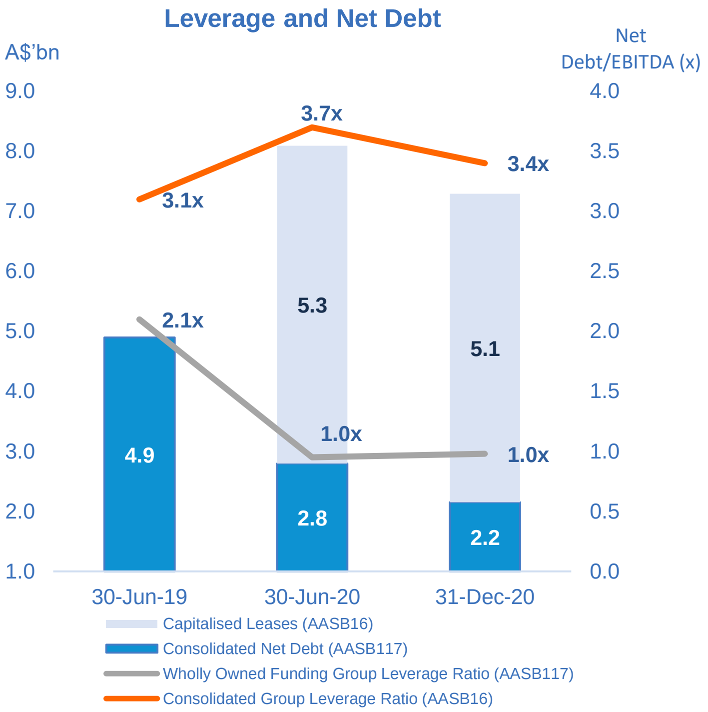
A$'m	31/12/2020	30/06/2020	Chg (%)
Working capital	(1,225.0)	(875.6)	(39.9)
Property plant & equip	4,466.6	4,447.2	0.4
Intangible assets	4,203.3	4,246.1	(1.0)
Current & deferred tax assets	211.6	143.6	47.4
Other assets/(liabilities)	(267.0)	(138.7)	(92.5)
Capital employed (before right to use assets)	**7,389.4**	**7,822.6**	(5.5)
Right of use assets	4,328.8	4,477.9	(3.3)
Capital employed	**11,718.2**	**12,300.5**	(4.7)
Capitalised Leases (AASB16)	**(5,142.7)**	**(5,289.2)**	**(2.8)**
Net Debt [1]	(2,149.4)	(2,775.4)	22.6
Total shareholders funds (excl minority interest)	3,925.5	3,752.5	4.6
Invested Capital	**6,074.9**	**6,527.9**	**(6.9)**
Return on Capital Employed (ROCE) (%)	7.0	11.0	
Return on invested capital (ROIC)[2] (%)	4.1	4.4	
Wholly Owned Funding Group Leverage (Old Lease Standard AASB 117) (x)	1.0	1.0	
Consolidated Group Leverage (New Lease Standard AASB 16) (x)	3.4	3.7	

1. Net debt includes derivatives
2. ROIC calculated as: rolling 12 mth NPAT/Shareholders funds plus net debt minus lease liabilities

* Further details of targets can be found in the Operating and Financial Review in the Group Performance section 3.6

Leverage and Capital Management

- Balance sheet remains in a strong position with financial flexibility to fund development pipeline and expansion opportunities
- WOFG[1] available undrawn debt capacity and cash headroom is A$2.3 billion
- Balance sheet leverage:
  - WOFG[1] (AASB117) = 1.0x
  - Consolidated Group (AASB16) = 3.4x
- Currently working on refinancing the bank debt due in October 2022



1. Wholly owned funding group (WOFG) excludes Ramsay Santé and Ramsay Sime Darby. Banking Covenants calculated on this basis

Ramsay Health Care

Strategy and Outlook

Managing Director and CEO Craig McNally

Group Strategy

Create the leading ecosystem for patient-centric, integrated care

Growth

Driving stronger growth from the core

Organic Growth
Leverage strong market share, underpinned by demographics and public sector backlog opportunities

Brownfield Capacity
Investing globally to improve our footprint across all regions in FY21, FY22 and beyond

Public/Private Collaboration
COVID crisis has reinforced Public/Private collaboration creating opportunities across all regions to work with the public sector to reduce wait lists, improve health outcomes and drive productivity

Developing new growth platforms

Acquisitions
Disciplined strategy focused on acquisitions that deliver additional capabilities, integrated services and scale

Integrated Care
Strategy to expand beyond an episodic care model to delivering integrated care across pathway stages, care settings and services

New Models of Care
Manage disease in fit for purpose care settings and integrate key clinical and ancillary services

Efficiency

Strengthening the core

Operational Excellence
Rapid innovation driven by COVID-19 driving pathway modernisation delivering better outcomes for patients

Digitisation
Sector evolution is being driven by technology enabled digitisation of healthcare system interactions and clinical delivery models

Global Procurement
Further levering size and scale to offset rising costs

Sustainability

Ramsay cares

Patient & Doctor Experience
Changing patient and doctor expectations will drive changes to the model and improve outcomes

Clinical Excellence
Focused on integrated disease management in key therapeutic areas; cardiovascular, cancer, orthopaedics and mental health

Innovation
Invest in technology and research into new forms of cares

Global Talent
Cross pollination of ideas around patient care and clinical excellence

Group Outlook

- 2HFY21 results will be dictated by the shape of the pandemic curve in each region
- Early data suggests vaccine rollouts are reducing the number and severity of cases but uncertainties remain
- Costs associated with operating in a COVID environment will continue but are gradually reducing through better management and where there is a lower prevalence of the virus
- Continue to invest in the business and optimise the facilities and foot print to strengthen Ramsay's competitive advantage and leverage the scale of the business
- Surgical backlogs and latent demand for non-surgical services are expected to drive volumes as the public's comfort with the hospital environment improves. Ramsay expects to assist with relieving pressure on public wait lists
- Ramsay's strong balance sheet and cashflow provides the support to pursue the Company's long term strategy
- Given ongoing uncertainties, Ramsay is unable to provide guidance for FY21

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Appendix

Partnerships with Government

During the year ended 30 June 2020, Ramsay entered specific contracts with various government bodies to make its facilities and services available to assist with the government responses to COVID-19. In the six months to 31 December 2020, Ramsay continued to provide support to public health systems in the state of Victoria, Australia, France and the United Kingdom. The status of the arrangements are detailed below.

	Australia	United Kingdom	France
Overview	• From either 31 March 2020 or 1 April 2020, agreements commenced with the state governments of New South Wales, Victoria, Queensland and Western Australia. • The Victorian, Queensland and Western Australian agreements have been paused or terminated (see below). • The New South Wales agreement remains on foot.	• An initial agreement was entered into with the NHS England (NHS) commencing from 23 March 2020, which operated on a cost recovery basis. This agreement has been replaced by a new, volume-based agreement from 1 January 2021. The new agreement is in place until 31 March 2021 (unless terminated earlier).	• The French government issued its initial decree on 7 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 • Ramsay has been notified by the French government that a new decree will be issued from 1 January 2021 however as at the date of this presentation the decree has not been issued and the period has not been determined.
Terms	• In return for the commitment to maintain full workforce capacity, Ramsay received, and recognised as revenue, net recoverable costs (being recoverable costs less any revenue generated from operations, calculated on an accruals basis). • Recoverable costs and revenue amounts are aggregated quarterly. Where the revenue amounts exceed recoverable costs, the payment for that quarter is deemed to be zero. • The principle of cost recovery implies that no profit will be made for the period the agreements are on foot, even if elective surgery resumes during this period.	• Under the initial agreement (which expired 31 December 2020), Ramsay received, and recognised as revenue, cost recovery for its services, including operating costs, overheads, use of assets, rent and interest less a deduction for any private urgent elective care provided. • Under the new agreement in effect from 1 January 2021 Ramsay provides, and is paid for, contracted services (including NHS inpatient and outpatient services and urgent and routine elective care and cancer treatment). The NHS may trigger a Peak Surge Period on 7 days' notice should Ramsay's capacity be required to enable the NHS to respond to COVID-19 cases. In these circumstances the affected hospitals will be paid on a cost recovery basis.	• Should the actual billings over the March-December 2020 period fall below the guaranteed revenue, then Ramsay Santé is entitled to the shortfall. • The estimates, payments and final square ups that form part of the revenue guarantee for the March-December 2020 period are completed on a site-by-site basis. • Social Security pays Ramsay Santé a monthly cash advance. • A final square-up of the revenue and cash advances will be performed in March 2021 on a site-by-site basis.
Duration & Status	• The New South Wales agreement remains on foot. • The Victorian agreement was paused from 30 June 2020, but recommenced from 23 July 2020 and is in place until 31 March 2021. • From 30 June 2020, the Queensland agreement was paused and the Western Australia agreement was terminated. However, the WA Department of Health may until 30 June 2021 direct Ramsay to sign a new agreement on the same terms in certain circumstances.	• The initial agreement with the NHS commenced from 23 March 2020 and ended on 31 December 2020. • The new, volume-based agreement came into effect on 1 January 2021 and is in place until 31 March 2021 (unless terminated earlier).	• Under the initial decree the arrangement was legislated to remain in place until 31 December 2020. • Ramsay has been notified by the French government that a new decree will be issued from 1 January 2021 however as at the date of this presentation the decree has not been issued and the period has not been determined.

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