Ramsay Health Care

FY22 Interim Result Presentation

6 months ended 31st December 2021

Managing Director & CEO, Craig McNally

Group Chief Financial Officer, Martyn Roberts

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Important Information

This presentation is in summary form and is not necessarily complete. It should be read together with the Ramsay Group's unaudited consolidated financial statements lodged with the ASX on 24th February 2022.

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Agenda

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02 Group Financial Highlights

03 Regional Highlights & Outlooks

04 Group Financials

05 Strategic Direction & Group Outlook

06 Questions

Ramsay Health Care

Key Themes

- Ramsay's employees, clinicians and facilities continued to **support the public sector and the community response** to the pandemic
- Result **severely impacted by new waves of COVID**. When operating conditions allowed, activity levels improved
- The management of **employee availability in the short term** combined with **recruitment and retention of our people in the medium term** are significant challenges facing the business
- **Investment in brownfield expansion** and reconfiguration of existing facilities remains a focus
- The business continues to **build its digital and data foundations** to leverage the existing business base and support entry into adjacent health services
- Elysium acquisition builds on Ramsay's strong position in mental health and acute care and **delivers opportunities for organic and inorganic growth in the UK**
- **Balance sheet remains strong**, capacity for further investment
- "Ramsay Cares" strategy **focused on driving action** through healthier people, stronger communities and a thriving planet
- The business is well positioned to benefit from the additional volume created by the **backlog of elective surgery and a building pipeline of non surgical cases**

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Group 1HFY22 Financial Highlights

- Earnings were materially impacted by the ongoing disruption caused by high COVID cases on **activity levels, case mix and costs**
- Removing the impact of non-recurring items[5], **profit before tax declined 1.3% on the pcp**
- **Balance sheet remains strong**, post Elysium acquisition proforma[6] funding group[7] leverage, 2.4 x
- **Fully franked interim dividend of 48.5cps** was determined, flat on the pcp

Half year Ended 31 December A$'m	$'m	% chg on pcp
Total revenue and other income (less interest income)	6,687.4	1.2
EBITDAR[1]	1,009.6	(8.8)
EBITDA[2]	952.6	(8.3)
EBIT[3]	489.2	(16.2)
PBT[4]	303.7	(23.8)
Minority interests attributable to non-controlling interests	(49.9)	(26.0)
Statutory Net Profit to owners	158.9	(29.7)
Interim dividend per share (DPS) (cps)	48.5	-
Fully diluted earnings per share (EPS) (cps)	67.7	(30.1)

1. Earnings before interest, tax, depreciation, amortisation, and rent
2. Earnings before interest, tax, depreciation and amortisation
3. Earnings before interest and tax
4. Profit before tax
5. Non-recurring items -$34.7m in FY22 vs $43.4m in pcp refer Review of Results from Operations
6. Proforma assumes the Elysium Healthcare transaction completed on 31st January 2022 was complete on 31st December 2021
7. Funding group excludes Ramsay Santé and Ramsay Sime Darby. Banking covenants calculated on this basis

Ramsay Health Care

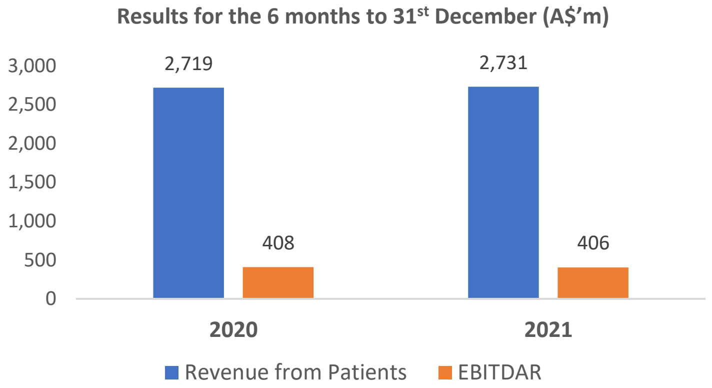
Australia Highlights & Outlook

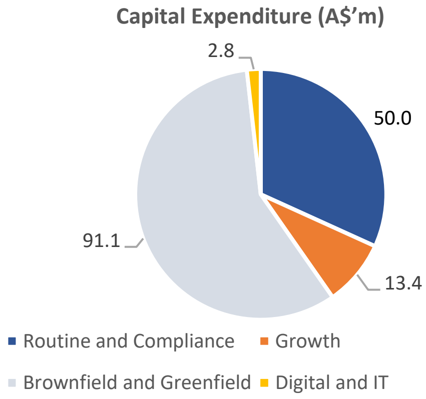
Result Overview

- Materially impacted by lockdowns and isolation orders driven by the increase in COVID cases combined with state government mandated surgical restrictions
- The estimated total impact of the disruption related to COVID in 1HFY22 was $107m
- Total admissions increased 2.1% on the pcp (2.4% on 1HFY20) with day patient admissions increasing and inpatient admissions declining reflecting restrictions in NSW allowing day surgery but limiting elective overnight surgery
- Case mix issues, visitor restrictions, higher personnel costs due to the impact of surgical restrictions and viability agreement requirements, as well as the impact of isolation orders and higher supply costs including PPE impacted margins over the period
- Australia continued to invest in the expansion and modernisation of its facilities footprint. Capital expenditure for the period was $157.3m
- Group overhead costs declined $19.1m at the EBIT level on the pcp due to the release of provisions which are no longer required

Outlook

- The impact of COVID related issues in the month of January, including surgical restrictions and isolation orders, is estimated to have been $48m. Ramsay currently does not expect the extent of this impact to extend for the six months of 2HFY22, on the basis that surgical restrictions are being eased in each state (except Western Australia) and COVID case numbers appear to have peaked in January 2022 which will reduce the costs resulting from disruptions relating to isolation orders
- The total EBIT impact of surgical restrictions, isolation orders and the reluctance of clinicians and patients to enter hospital settings is expected to be material in 2HFY22. The impact will depend on the duration of the current restrictions, any further restrictions that may be imposed and the profile of the pandemic in Australia moving forward. Staff availability will remain an issue in the short term
- Over the medium-term Ramsay remains well placed to handle the backlog in surgical cases and the recovery in non-surgical admissions
- The business continues to invest in its facilities footprint to attract new doctors and clinical staff to drive improved market share in the recovery
- Total capital expenditure for the full year is revised to a range of $340-390m vs $400-500m previously





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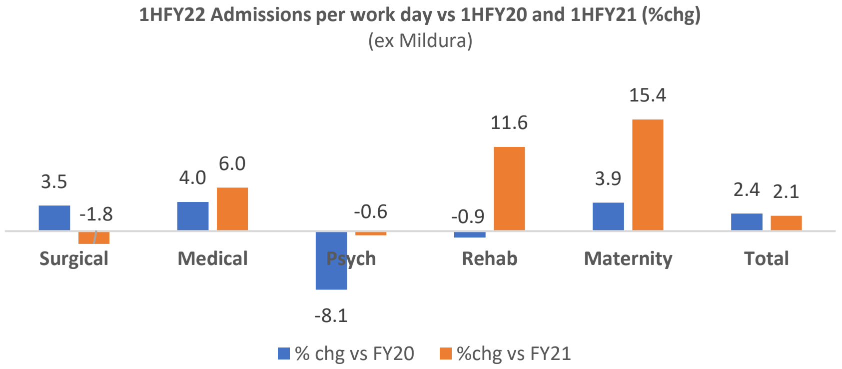
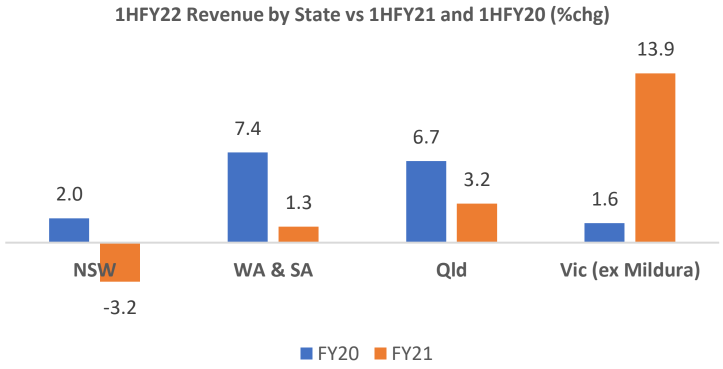
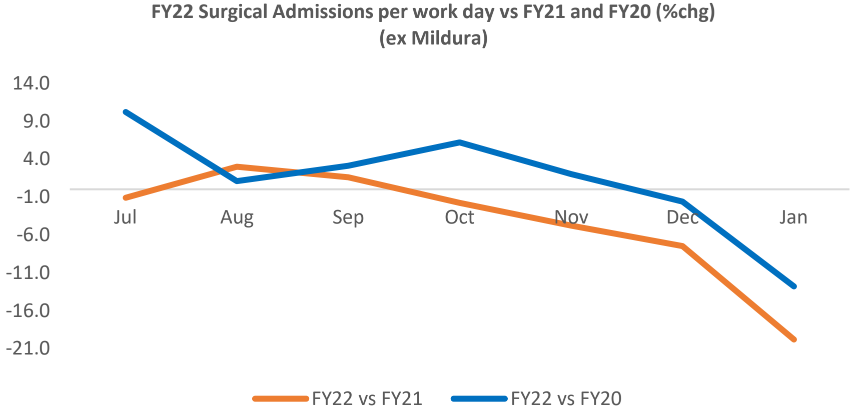
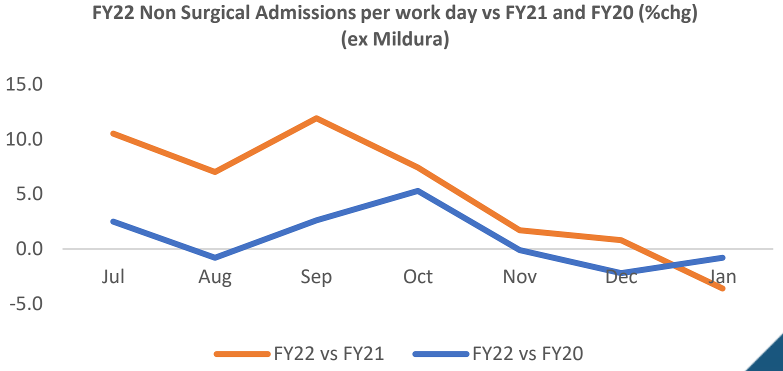
Australia – Trends in Admissions









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Australia – Investment Pipeline

1HFY22

- Brownfield/greenfield capital expenditure $91.1m
- Projects completed during the period at a net investment of $164.3m delivered
  - 136 net beds
  - 3 theatres
  - 5 consulting suites

Projects completed include

- Greenslopes Surgical Expansion
- Hollywood emergency department
- Beleura redevelopment

FY22

- Total spend on the development pipeline is now expected to be $190-230m
- No overall change to the development pipeline

FY23 - FY25

- Brownfield/greenfield development spend in FY23 to FY25 is expected to be above the $250-400m pa previously forecast due to projects delayed from FY22

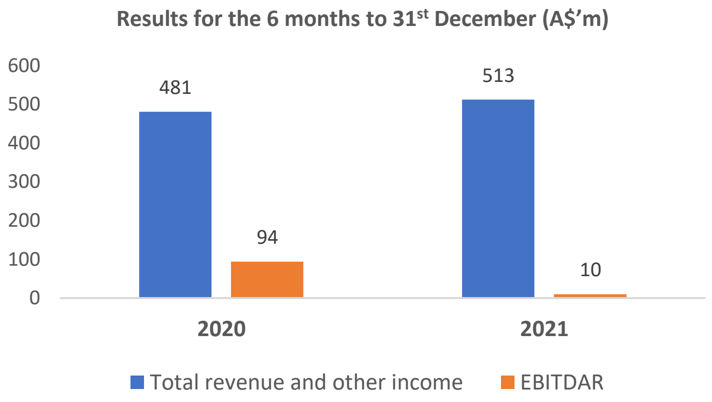
United Kingdom Highlights & Outlook

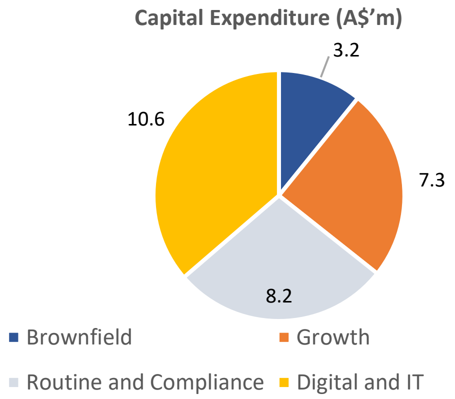
Result Overview

- The business was severely impacted by COVID. Isolation orders impacted the availability of patients, doctors and employees at short notice resulting in material procedure cancellations and significantly higher personnel costs
- Ramsay reverted to its traditional operating arrangements with the National Health Services England (NHSE) over the period as well as providing services to private patients
- Admissions increased 12.7% reflecting the more severe impact of the pandemic on activity in the pcp.
- Demand from private patients continued to grow over the period
- The result was impacted by the higher costs associated with operating in a COVID environment including testing staff and higher PPE costs. Estimated impact **£3m per month**
- EBIT includes net transaction costs of A$24.7m associated with the proposed scheme of arrangement for Spire Healthcare plc and the acquisition of mental health care provider Elysium which completed on 31st January 2022.
- The business benefited from the opening of a new day hospital in Buckshaw Village, Chorley
- Capital expenditure for the period was A$29.2m
- Nick Costa, formerly COO of Ramsay UK, appointed CEO following appointment of Dr Andy Jones as Group Chief Growth Officer

Outlook

- Ramsay entered into a new volume-based agreement with the NHSE covering 10 January 2022 to 31st March 2022 unless terminated earlier by mutual agreement
- Business activity in 2HFY21 will depend on the ongoing impact of COVID on cancellations due to the availability of staff, doctors and patients. Management will continue to focus on strategies to mitigate the impact of cancellations and manage staffing costs
- Ramsay will continue to work with the UK Government and the NHS around the model for the delivery of additional capacity over the medium to long term to address the expanding public wait list for elective surgery and non-surgical services
- The business will continue to target private patient admissions as the self pay market continues to grow
- Capital expenditure over 2HFY22 will be in the range of £33m-50m (A$62-93m)





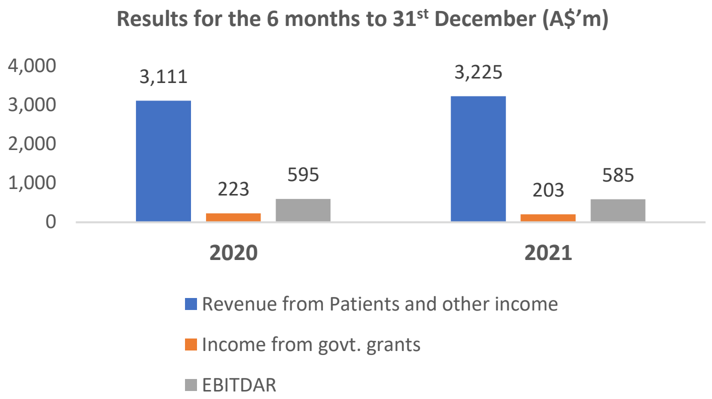
Europe Highlights & Outlook

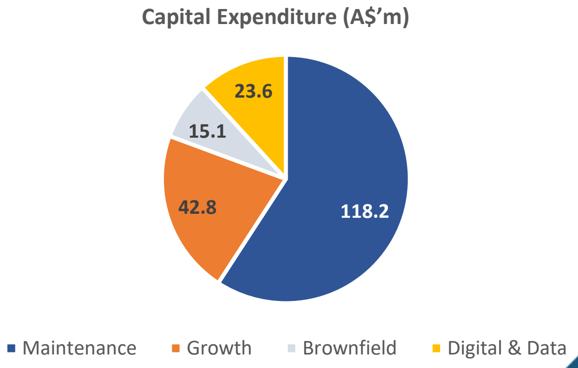
Result Overview

- Activity levels continued to be impacted by further waves of COVID. The business treated more than 4,000 COVID patients in France and more than 500 in Sweden during the period
- France continued to operate under the Government's revenue guarantee arrangements which were extended from 1 July 2021 to 31 December 2021
- Both the French and Nordic businesses received government funded compensation for the higher costs associated with operating in a COVID environment during the period
- The European business booked a gain on disposal of assets in France of $11.5m compared to the profit on sale of assets in France and Germany of $35.7m in the pcp
- Stripping out the impact of non-recurring items and the contribution of the German hospitals in the pcp, European revenue increased 4.6% and EBIT increased 14.8%, reflecting organic growth and the benefit of recent acquisitions
    - Adjusted Nordics result revenue increased 11.5% and EBITDAR increased 24.1%
- Consistent with its strategy to enter adjacent healthcare services, during the period Ramsay Santé acquired three businesses in the Nordics region for a total investment €38m with a further potential deferred consideration of €48m
- Capital expenditure over the period was $199.7m

Outlook

- The French Government has indicated that a new revenue decree providing support for private hospital operators will be issued for the period covering 1st January - 30th June 2022
- Earnings in 2HFY22 will be dictated by the shape of the current and any future waves of COVID cases and the level of hospitalisations, combined with the availability of staff heavily impacted by absenteeism caused by COVID and general fatigue due to nature of the work over the pandemic
- The Nordics will continue to benefit from its skew of activities to primary care and the bolt on acquisitions it has completed over the last twelve months
- The elective surgery waiting lists in both France and the Nordics region continue to grow and Ramsay is well positioned to benefit from activity when the operating environment improves. The most significant issue will be the availability of staff to meet the demand
- The business will continue to invest in the clustering of its facilities in France to drive efficiency and innovation; and invest in its outpatient care strategy including primary care in the Nordics region





Ramsay Sime Darby Highlights & Outlook

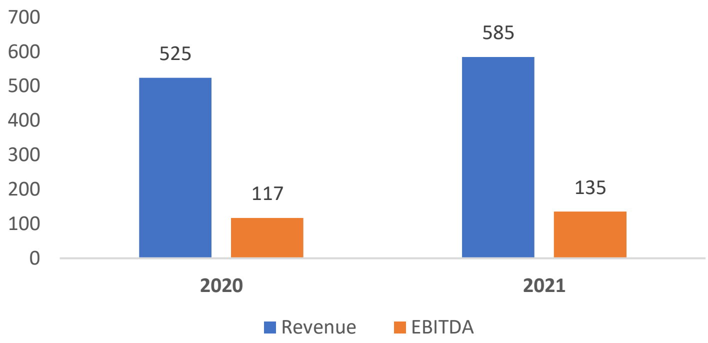
Result Overview

- Ramsay's 50:50 Asian joint venture Ramsay Sime Darby (RSD) reported higher results for the six-month period assisted by the inclusion of the Bukit Tinggi Medical Centre acquired in May 2021. Excluding the contribution from the new centre, revenue grew 3.9% over the pcp driven by growth in the provision of COVID related services including testing, vaccination and treatment of public patients and a higher number of private patients and following the lifting of movement restrictions in Malaysia
- The result benefited from an improvement in case mix to higher acuity cases and reduced use of PPE as staff adjust to operating in a COVID environment
- The 18.6% decline in Ramsay's share of profit compared to the pcp to $7.9m reflects a materially higher effective tax rate (34.2% compared to 18.8% in the pcp)

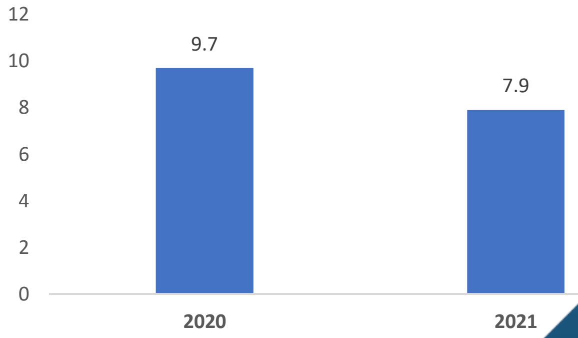
Outlook

- In 2HFY22 Ramsay Sime Darby is expected to continue to benefit from the recovery in patients in Malaysia following the easing of restrictions and the inclusion of the Bukit Tinggi Medical Centre. Indonesia is expected to see a more gradual improvement in patient volumes given the more material impact from COVID cases
- The completion of the sale of the teaching college in Malaysia is expected to occur in 2HFY22

Results for the 6 months to 31st December (MYR'm)



RSD equity accounted contribution
Six months ended 31 December (A$'m)



Ramsay cares

Ramsay is driving action through three pillars: healthier people, stronger communities and a thriving planet.

caring for our people

Half Year Highlights

- Continuing to support our people and national efforts as part of Ramsay's COVID response
- Global employee engagement survey conducted with a 36% increase in participation from last survey conducted in 2019
- Ramsay UK rolled out new enterprise wide HR and electronic patient record systems
- Global and regional leadership training programs and next global graduate intake underway
- Ramsay Australia has launched a variety of nursing leadership programs
- 1st Innovation award to develop an Innovation culture in Ramsay Santé. 113 files submitted 5 nominees to prepare the future of health
- 190 Mental Health First Aiders trained

Focus

- Focus on a range of workforce initiatives including global employee value proposition

caring for our planet

Half Year Highlights

- Ramsay UK has switched to 100% renewable electricity
- Ramsay Australia set a new target to replace 50 million single-use plastics by Dec 2022 - 25 million items have been avoided or replaced to date
- 850 kW onsite solar installed
- Ramsay Sime Darby focused on reducing single use plastics and repurposing linen into pillows or baby blanket
- Participating in the UN Global Compact's SDG Ambition Accelerator

Focus

- Climate vulnerability assessment at asset-level in each region and understanding Scope 3 carbon emissions
- Rolling out energy efficiency programs (inc. LED & solar)

caring for our community

Half Year Highlights

- Ramsay Santé Foundation's Prevent2Care Lab expanded with the first cohort of Nordic applicants for the 'Accelerator for Preventative Healthcare Startups' program addressing 5 key challenges in preventative healthcare
- Ramsay Hospital Research Foundation has launched a new grant, the Translational Challenge Grant, with $2.5 million of funding available in the first round to fund translational research that will break the cycle of disadvantage and improve patient outcomes in four clinical areas: cancer, mental health, cardiovascular health, orthopaedic surgery or musculoskeletal injury

Focus

- Working with suppliers making up 20% of global spend on independent sustainability assessments

Group Financials

Group CFO Martyn Roberts

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1HFY22 Group Performance

- Revenue from "Governments under COVID support contracts" reflects payments received under agreements with governments in both the UK[1] (in the pcp) and Australia (Victoria and NSW in 1HFY22 and Victoria in the pcp)
- "Income from government grants" reflects payments received under the French Government decree and cost compensation from governments in the Nordics
- Profit before tax includes a number of non-recurring items:
  - transaction costs of $36.1m ($3.2m in the pcp)
  - the expensing of IT and other assets $12.8m
  - impairments of $5.6m
  - the benefit of the refund of prior year rent in France of $8.3m
  - a profit on sale of assets in Europe of $11.5m ($46.6m in the pcp)
  - an $11.3m upfront break fee cost associated with the early repayment of two debt facilities
- The effective tax rate was lower than pcp at 31.2%. Expect the full year rate to be 34-35%
- The increase in minority interests reflects the increase in the contribution from Ramsay Santé

Half year Ended 31st December A$'m	2021	2020	(%)chg
Revenue from patients and other revenue	6,469.0	5,916.6	9.3
Revenue from governments under COVID 19 support contracts	3.8	412.7	(99.1)
Income from government grants	203.1	222.8	(8.8)
Interest income	0.9	2.6	(65.4)
Other income - net profit on disposal of non-current assets and income from the sale of development assets	11.5	54.1	(78.7)
Total revenue and other income	**6,688.3**	**6,608.8**	**1.2**
Share of profit from Ramsay Sime Darby joint venture	7.9	9.7	(18.6)
EBITDAR	**1,009.6**	**1,107.5**	**(8.8)**
EBITDA	**952.6**	**1,039.0**	**(8.3)**
EBIT	**489.2**	**583.8**	**(16.2)**
Net Profit before tax	303.7	398.4	(23.8)
Net Profit after tax	**208.8**	**265.6**	**(21.4)**
Minority interests attributable to non-controlling interests	(49.9)	(39.6)	(26.0)
Net Profit after tax attributable to owners of the parent	**158.9**	**226.0**	**(29.7)**
Interim dividend per share (¢)	48.5	48.5	-
Basic Earnings per share (after CARES dividend)(¢)	67.8	97.2	(30.2)
Fully diluted earnings per share (after CARES dividend) (¢)	67.7	96.9	(30.1)

1. the UK operated under a net cost recovery agreement with the NHSE in the pcp reflected in revenue from government contracts

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Cashflow

Half year ended 31 December A$'m	2021	2020	Chg (%)
EBITDA	952.6	1,039.0	(8.3)
Changes in working capital	(426.3)	349.4	(222.0)
Finance costs	(190.6)	(182.1)	(4.7)
Income tax paid	(133.5)	(130.8)	(2.1)
Movement in other items	(22.8)	(42.1)	45.8
Operating cash flow	**179.4**	**1,033.4**	(82.6)
Capital expenditure	(388.0)	(304.3)	(27.5)
Free cash flow	**(208.6)**	**729.1**	(128.6)
Net (acquisitions)/divestments	1,914.6	27.2	6,939.0
Interest & dividends received	1.6	29.6	(94.6)
Cash flow after investing activities	**1,707.6**	**785.9**	117.3
Dividends	(243.7)	(6.5)	(3,649.2)
Other financing cash flows	(1,771.9)	(868.7)	(104.0)
Net increase/(decrease) in cash	**(308.0)**	**(89.3)**	(244.9)
Interest cover (x) (EBITDA/finance charges)	5.3	5.7	-

- The movement in working capital is mostly the result of the return of amounts in relation to the government grants provided under the French Government revenue guarantee decree.
- Cash capital expenditure increased reflecting brownfield programs primarily in Australia and Europe
- The large movements in divestments and financing cashflows reflects the repayment of the amount held in escrow at 30th June 2021 for the Spire transaction ($A1.96m)[1]
- Dividends paid increased over the pcp as Ramsay did not pay an FY20 final dividend due to the uncertainty created by the first wave of COVID

1. Ramsay announced a scheme of arrangement with Spire Healthcare in the UK on 26th May 2021. Shareholders of Spire voted against the arrangement on 19th July 2021. refer ASX announcement for further detail

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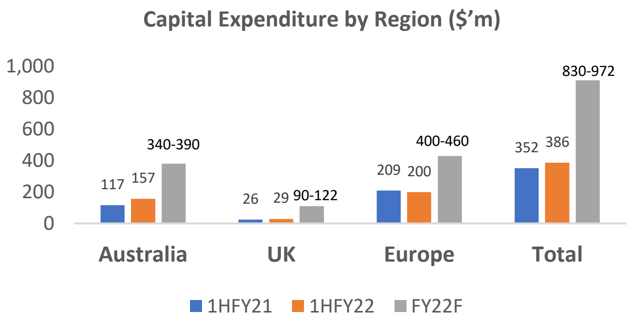
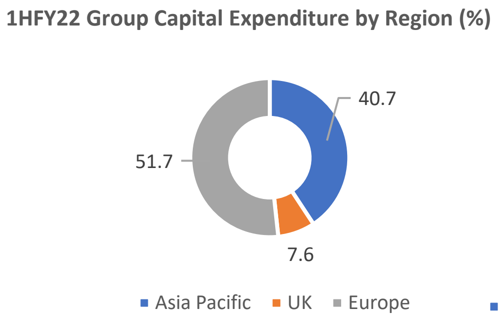
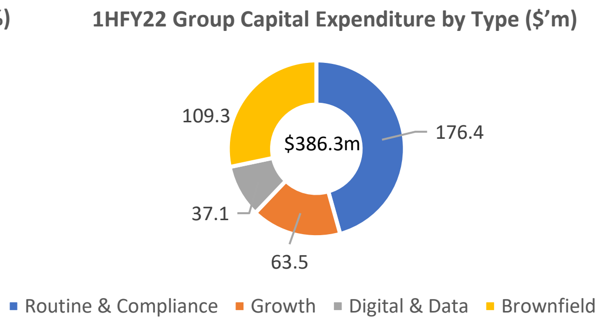
Capital Expenditure







- ❑ Group capital expenditure for the period was $386.3m
- ❑ Forecast FY22 capital expenditure is now expected to be in the range $830-980m, lower than forecast due to COVID related delays in Australia. The range does not include Elysium's capital expenditure
- ❑ Capital expenditure is expected to remain at elevated levels for FY23-FY25

Capital Employed and Balance Sheet

A$'m	31/12/2021	30/06/2021	31/12/2020
Working capital	(368.5)	(794.8)	(1,215.7)
Property plant & equip	4,537.1	4,488.6	4,466.6
Intangible assets	4,320.6	4,233.6	4,203.3
Current & deferred tax assets	177.5	150.7	211.6
Other assets/(liabilities)	(305.0)	1,646.2	(276.4)
Capital employed (before right of use assets)	**8,361.7**	**9,724.3**	**7,389.4**
Right of use assets	4,315.8	4,411.5	4,328.8
Capital employed	**12,677.5**	**14,135.8**	**11,718.2**
Capitalised Leases (AASB16)	**5,182.0**	**5,271.0**	**5,142.7**
Net Debt (excl. lease liability debt & incl. derivatives)	2,985.9	4,314.0	2,149.4
Total shareholders funds (excl minority interest)	3,958.3	4,032.7	3,925.5
Invested Capital	**6,944.2**	**8,346.7**	**6,074.9**
Funding Group Net debt (excl. lease liability debt and incl derivatives) A$'m	840.7	2,565.1	625.6
Return on Capital Employed (ROCE) (%)	8.5	8.6	7.0
Return on invested capital (ROIC) (%)	5.5	5.4	4.1
Funding Group Leverage (Old Lease Standard AASB 117) (x)	1.0	2.9	0.9
Consolidated Group Leverage (New Lease Standard AASB 16) (x)	4.2	4.7	3.4
FFO adjusted leverage (x)	2.94	2.0	-

- The movement in "Other assets" and "Net debt" since 30th June 2021 primarily relates to the repayment of the funding drawn down and held in escrow at 30th June for the Spire transaction ($1.96bn)[3]
- Taking advantage of the current low interest rate environment during the period, Ramsay terminated two fixed rate loan facilities totaling $200m which were due to expire in FY25. The net upfront costs of the early repayment of the facilities was $11.3m and the future net reduction in finance costs is estimated at approximately $2.7m in 2HFY22, $7m in both FY23 and FY24 and $3.5m in FY25

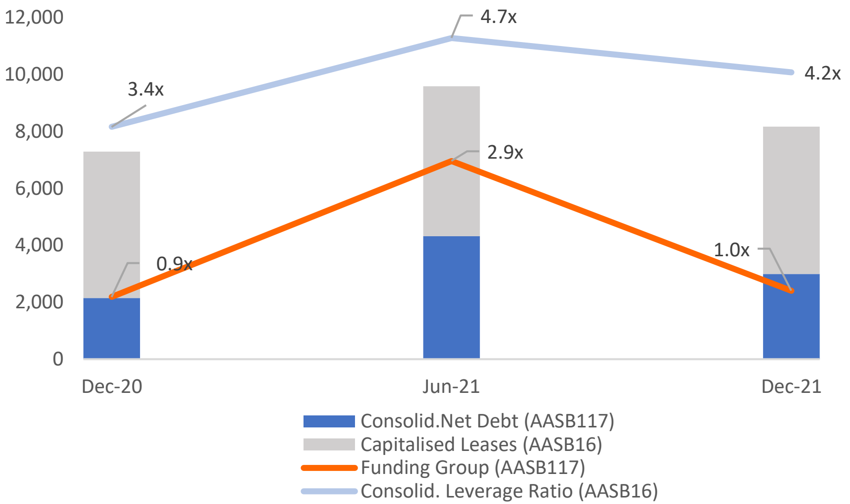
1. ROCE - 12 month rolling EBIT / average of opening & closing capital employed
2. ROIC – defined as 12 month rolling NPAT (based on AASB16)/shareholder equity and net debt (pre AASB16 EBIT). Consistent with LTIP calculation
3. Ramsay announced a scheme of arrangement with Spire Healthcare in the UK on 26h May 2021. Shareholders of Spire voted against the arrangement on 19th July 2021. refer ASX announcement for further detail

Ramsay Health Care

Leverage

- The Elysium Healthcare transaction closed on 31st January 2022[1]. The acquisition values the business on a pre-IFRS 16 enterprise value of £775m (A$1.4bn).
- On a proforma basis assuming the transaction was completed on 31st December 2021 the available Funding Group un-drawn debt capacity and cash headroom at 31 December 2021 would have been $424.5m and funding group leverage 2.4x
- Ramsay's estimate of FFO adjusted leverage using the Fitch methodology at 31st December 2021 on a proforma basis[2] was 4.2x
- Ramsay will continue to extend its debt maturity profile and diversify its sources

Reported Leverage and Debt Metrics as at 31st December 2021



Proforma Balance sheet Metrics as at 31st December 2021[2]

	31/12/2021
Net debt (excl. lease liability debt and incl derivatives) A$'m	4,457.1
Funding Group Net debt (excl. lease liability debt and incl derivatives) A$'m	2,311.9
Funding Group Leverage (Old Lease Standard AASB 117) (x)	2.4
Consolidated Group Leverage (New Lease Standard AASB 16) (x)	4.8
FFO adjusted leverage (x)	4.2

1. Refer ASX announcements December 13th 2021 and January 31st 2022 for further details on the transaction
2. Assumes Elysium transaction completed at 31st December 2021

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Strategy & Outlook

Managing Director & CEO Craig McNally

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Group Strategy

RAMSAY'S Strategic Vision: To be a leading health care provider of the future

Growing, modernising and leveraging our **World Class Hospital Network**

- Organic growth
- Strategic expansion

Providing integrated patient-centric care

Moving purposefully into **New & Adjacent Services**

- Along the extended patient pathway
- In broader digi-physical care delivery
- Offering new services in key therapeutic areas
- Including new payers & funding models

Creating a best-in-class, digitally enabled, leading health care ecosystem to change what is possible for your health

Operational Optimisation

Operational Excellence will deliver value for all stakeholders

Strategic Sourcing

Our achievements will be underpinned by strong organisational foundations

- Transformational digital and data investment
- Gold standards of clinical care
- Industry leading talent
- Strategic relationship & M&A capability
- Disciplined transformation
- *Ramsay Cares* sustainability strategy

To deliver on our purpose of 'people caring for people'

Ramsay Health Care

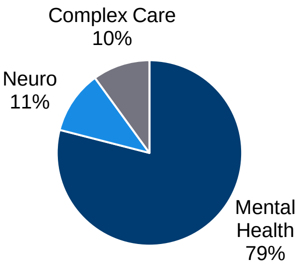
Elysium Healthcare - Overview

A leading independent UK mental health care operator with expertise in integrated, high acuity care

- Leading independent UK operator within the mental health hospital and complex care sector
- Established in 2016 with 22 sites, Elysium has grown rapidly to 72 sites with c.2,000 beds through organic expansion and M&A delivering strong revenue growth. Elysium is expected to have added ~190 additional beds, representing a ~9.5% increase in capacity, in the 12 months to Dec-21 and retains a pipeline of development opportunities
- 61% of the estate is freehold at Aug-21 with the remaining 28 sites being leased under 125-year ground rent agreements
- Integrated service offering across the mental health pathway including Mental Health, Complex Care and Neurological rehab ("Neuro")
- Track record of close collaboration with the NHS, CCGs[1], and Local Authorities, assisted by Elysium delivering high quality patient outcomes
- Strong, experienced management team with a proven track record
- CEO Joy Chamberlain, who has led the business since its formation, has continued as CEO reporting into Ramsay CEO Craig McNally and has joined the Ramsay Global Executive Committee

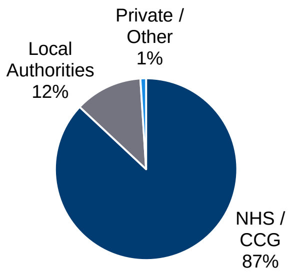
Care services

Revenue by care service



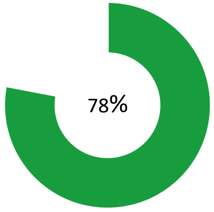
Funding

Funding source



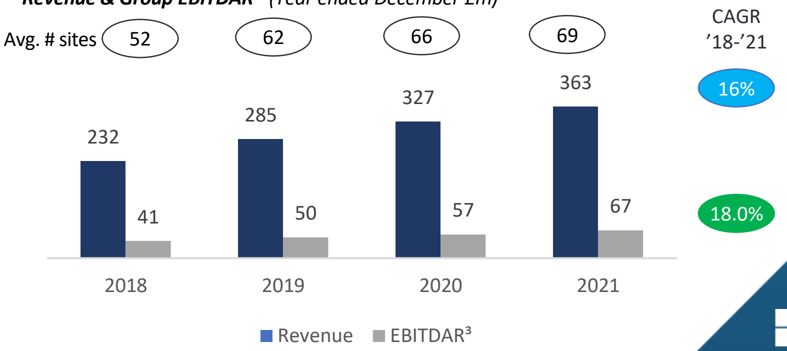
Quality[2]

Sites rated good or outstanding



Strong growth trajectory

Revenue & Group EBITDAR³ *(Year ended December £m)*

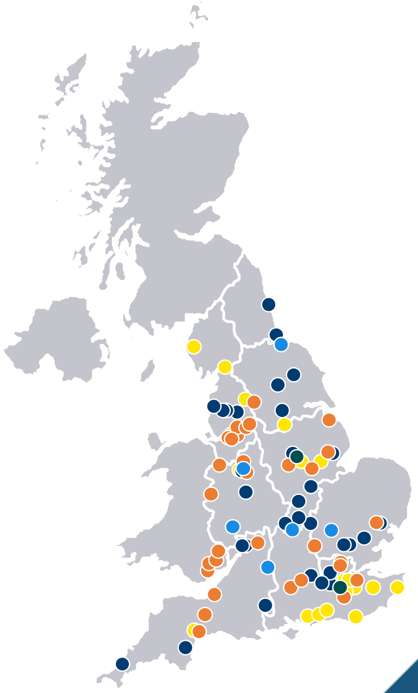


1. CCG – Clinical Commissioning Groups
2. CQC – Care Quality Commission
3. Excludes one-off items. Unaudited

Creates a stronger network with an expanding reach of services across the UK

Operational metrics[1]	Elysium Healthcare	Ramsay Health Care
# Employee's	~6,000	~ 5,800
# Hospitals/ sites	72	35 Hospitals 3 Neuro rehab centres
NHS / Public admissions	99%	76%
% sites rated "Good" or Outstanding"	78%[1]	94%
Financial metrics (£m)	**2021[2]**	**2021[3]**
Revenue	349	568
EBITDAR	65	101
EBITDAR Margins	18.6%	17.8%

Network across the UK



- Ramsay UK

Elysium

- Mental Health (37)
- Complex Care (29)
- Neuro (6)

1. As of Aug-21. In line with Industry average overall ratings for NHS and independent mental health core services per CQC State of Care Report, 2021
2. Unaudited 12 months to Jun-21. Excludes c.£11.7m (A$21.8m) of one-off items including corporate activity costs of £6.7m (A$12.5m)
3. Year to 30th Jun-21

Ramsay Health Care

Ramsay's Global Portfolio

	Primary Care		Out of hospital	Acute Care			Mental Health Care				Pharmacy
	Clinics	Imaging & Diagnostic	Home care	Hospitals	Day Surgery Centre	Emergency Centres	Rehab Recovery	MH[2] Hospital	LD[3] / Complex Care	Neuro	Pharmacy
Australia	●	●	●	●	●	●	●	●		●	●
UK		●		●	●		○	○	○	◐	
France	●	●		●	●	●	●	●			
Italy				●							
Sweden	●	●	●	●	●	●	●				
Norway	●			●	●			●			
Denmark	●	●		●	●						
RSD[1]	●	●	●	●	●	●	●			●	●

● Existing Ramsay services

○ New services through Elysium

1. RSD: Ramsay Sime Darby
2. MH: Mental Health
3. LD: Learning Disabilities

Group Outlook

Volume is expected to increase as restrictions start to ease in most jurisdictions, however business activity in 2HFY22 is expected to continue to be volatile and costs will remain elevated:

- COVID isolation orders/illness and staff vacancies will continue to impact activity levels
- The impact of surgical restrictions and the increase in costs due to the apparent peak in COVID cases in Australia in January, is estimated to have been $48m. The financial impact on the business is expected to decrease as COVID cases decline and restrictions ease (except in Western Australia) over the coming months
- Vaccination rates remain critical to keeping COVID hospitalisation rates low

The business is expected to benefit from the additional volume created by the backlog of elective surgery and non surgical services both in the public and private sector as COVID cases in the community decline

- Higher costs associated with staffing and increased PPE use and price are expected to gradually decline as the environment normalises, however they are likely to remain higher than pre COVID levels in FY23

Ramsay is working closely with governments, clinicians and other stakeholders to develop strategies to operate more efficiently and effectively in an endemic COVID environment. All regions are focused on strategies to:

- Manage the impact on activity levels and costs of medical staff and patients forced into isolation at short notice
- Improve the efficiency of hospital pathways following the operational disruption of COVID, and invest in digital strategies to recover productivity and improve patient experience and outcomes
- Invest in enhanced recruitment, training and retention programs to attract and retain our people

Ramsay is focused on welcoming the Elysium team into the wider Ramsay Group and realising the growth opportunities and driving synergies

The business continues to invest in brownfield and greenfield development activities which will deliver growth and support margins and market share in the future

Ramsay Health Care

Questions

People caring for people.

Ramsay Health Care

Partnerships with Government

In the six months to 31 December 2021, Ramsay continued to provide support to public health systems in 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 Western Australian agreement has been terminated (see below). • The New South Wales, Victorian and Queensland agreements remain on foot.	• An initial agreement was entered into with the NHS England (NHSE) from 23 March 2020 to 31 December 2020, which operated on a cost recovery basis. • Ramsay UK reverted to pre COVID commercial arrangements with the NHS for the period 1st July 2021 to 31st December 2021. • On 10th January 2022 a new volume-based agreement with the NHSE came into effect and is currently expected to expire on 31st March 2022 (unless terminated earlier by mutual agreement).	• 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 . • During the six-month period ending 31 December 2021 Ramsay Santé's hospitals in France continued to operate under the French Government's revenue guarantee arrangements, which were extended to cover this period. • The French Government has indicated that it will introduce a new decree for the period 1st January 2022 – 30th June 2022
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 and are all calculated at a site level from 1 January 2022. Where the revenue amounts exceed recoverable costs, the payment for that quarter is deemed to be zero. • Ramsay also receives activity-based funding, including payment for the secondment of staff and the reservation or provision of bed capacity on a cost recovery basis. • The principle of cost recovery implies that no profit will be made by the operator for providing the covid support for the period the agreements are on foot.	• Under the new agreement Ramsay will make its services and facilities available to the NHSE and its patients when it is required and will continue to be able to treat private patients where it has capacity. In non-peak surge periods Ramsay will receive a monthly aggregate minimum income guarantee (MIG) based on 90% of the best 4 week's activity between October-December 2021. Activity delivered within the MIG will be paid at tariff. • The NHSE 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.	• The guarantee compensates the business for the use of its facilities and services when required during the pandemic. The revenue guarantee is based on the average monthly revenue in CY2019 indexed and multiplied by the months in the period. The guarantee is assessed on a facility-by-facility basis and is calculated for the decree period. If the actual billings over the period fall below the guaranteed revenue, then Ramsay is entitled to the shortfall. • The estimates, payments and final square up that form part of the revenue guarantee period are completed on a site-by-site basis. A final square-up of the revenue and cash advances will be performed following the end of the period. • Social Security pays Ramsay Santé a monthly cash advance.
Duration & Status	• The New South Wales agreement remains on foot. • The Victorian agreement was paused from 31 March 2021, but recommenced for months of June, October and November and has also recommenced from 1 January 2022 and is in place until 28 February 2022. • The Queensland agreement was paused from 30 June 2020, but recommenced from 20 December 2021. • The Western Australia agreement is expired	• 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 10 January 2022 and is in place until 31 March 2022 (unless terminated earlier by mutual agreement).	• Under the initial decree the arrangement was legislated to remain in place until 31 December 2020. • The French government has indicated that a new decree will be issued from 1 January 2022, however as at the date of this presentation the decree has not been issued and the period has not been determined.

Ramsay Health Care

Ramsay Health Care

ASX ANNOUNCEMENT

24th February 2022

FY22 Interim Results - Presentation Speech

24th February 2022

Slide 1 Front Cover

Good morning, everyone and thank you for joining us for our FY22 half year results presentation webcast. My name is Craig McNally, and I am the Managing Director & CEO of Ramsay Health Care, and I am joined by Martyn Roberts our Group Chief Financial Officer.

Slide 2 - Disclaimer for noting

Slide 3 Agenda

Today we will provide an overview of our performance for the six-month period, and a brief update on our strategy, including the recently completed acquisition of Elysium Healthcare, before covering off on the outlook for the Group.

Slide 4 Key Themes

Moving to an overview of the six-month period. As we highlighted in our November update, the COVID environment has continued to impact our activities with further waves of the virus resulting in, government mandated restrictions on capacity utilisation and a material impact on the availability of our people, doctors and patients driving significant disruption in our operating environment and higher costs.

Importantly underlying demand for healthcare services remains strong in all our regions and when the operating environment permits, we have seen strong growth in demand.

Ramsay's people and doctors have continued to assist governments, in France, the Nordics, Malaysia, Indonesia and Australia in dealing with the pandemic through the treatment of COVID cases, the treatment of critical non COVID patients and running activities such as vaccination and testing clinics. I would like to take this opportunity to thank our teams for continuing to support our patients and the communities in which we operate, embodying Ramsay's purpose, of people caring for people.

The management of employee availability in the short term due to fatigue, illness and isolation orders has had a significant impact on costs and activity levels over the period and is expected to be a key issue facing the business while COVID lingers in the community.

The recruitment and retention of our people in the medium term are significant challenges facing us and the global healthcare industry more broadly. Ramsay is investing to attract, develop and retain industry leading talent to support our growth and culture.

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The investment in brownfield and greenfield expansion and the upgrade of our facilities footprint has remained a key focus during the period with new facilities opened in Australia, the UK and Europe and the investment in a significant pipeline of developments continues.

We have continued to build on our digital and data foundations with the aim of leveraging our existing business base and supporting entry into adjacent health services. Our recently appointed Global Chief Digital & Data Officer Dr Rachna Gandhi is working with our teams to build out our global digital and data road map as well as leading the development of the strategy in Australia.

As we recently announced, we successfully completed the acquisition of leading UK based mental healthcare provider Elysium Healthcare, a business that we believe will deliver opportunities for organic and inorganic growth in the UK as well as collaborating with our mental healthcare businesses in Australia and Europe to ensure Ramsay continues to deliver leading patient outcomes in this critical area.

Martyn will go through the balance sheet in more detail, but it remains strong, and we continue to have capacity to support further investment in our growth plans.

Our Ramsay Cares strategy continues to develop and is focused on driving action through healthier people, stronger communities, and a thriving planet.

Importantly the business remains well positioned to benefit from the additional volume that has been created by the backlog of elective surgery and a building pipeline of non-surgical cases.

Slide 5 Group Performance

Moving to the Group performance. The financial impact of COVID on Ramsay over the last six-month period has been severe, primarily reflecting the significant increase in COVID cases in the community in all markets compared to prior periods. The increase in cases drove surgical capacity restrictions and movement and isolation orders which resulted in lower activity, skewed case mix and significantly higher costs. These impacts resulted in a decline in profit before tax of 23.8%.

There were a number of non-recurring items in this year and last years results primarily around profit on the sale of assets and transaction costs. Stripping these items out, Group profit before tax declined 1.3% over the previous period, a credible result given the stressful external environment the business has been operating under.

The Board determined a fully franked dividend of 48.5 cents per share which was flat on the prior period.

Slide 6 Australia- Highlights & Outlook

Moving to the result in Australia. Our NSW and Victorian activities were the most severely impacted by surgical restrictions across the six-month period, however our hospitals in Queensland and Western Australia were not immune to the disruption, in particular the increased costs and decline in activity created by isolation orders on the availability of our people, doctors, and patients.

Case mix issues, higher personnel costs due to the impact of surgical restrictions and viability agreement requirements, as well as the impact of isolation orders and higher supply costs including PPE, impacted margins over the period. The estimated impact of the disruption over the six-month period on the Australian business was $107m.

Despite the difficult operating environment, the business continued to invest in its development pipeline and while some projects scheduled to commence in FY22 have been delayed due to the impact of COVID on the building industry and external approval processes, the pipeline remains strong, and a number of large projects were successfully completed during the period.

Turning to the outlook. Business activity has continued to be impacted in January and February by the reintroduction of surgical restrictions in NSW and Victoria, the allocation of capacity to the public hospital system in Queensland and the impact of isolation orders on activity levels and costs in all states. In January total admissions per workday declined 11.5% on the pcp and case mix remained unfavourable with private patient activity in NSW and Victoria restricted, it was replaced by public patient activity under state covid agreements with no margin, and overnight rehab and psych patients have also been heavily impacted.

The impact on our January results of the disruption is estimated to have been $48m reflecting the extreme severity of the impact in the month. We currently don't expect the extent of this impact to extend for the six months of 2HFY22, on the basis that surgical restrictions are being eased in all states except Western Australia and Omicron COVID case numbers appear to have peaked in January which will reduce the costs resulting from disruptions relating to isolation orders.

We expect the road out of the current environment will be volatile in the short term and the financial impact in 2HFY22 is expected to once again be material. The total impact will depend on the duration of the current restrictions, which have eased in recent weeks and the profile of the pandemic in Australia moving forward.

Over the medium term we believe the business remains well placed to benefit from the strong underlying demand for healthcare services in the community.

Slide 7 Australia - Trends in Admissions

Moving to look at some of the trends in admissions and case mix over the last six months. It is becoming increasingly difficult to look through the numbers given the impact of COVID on our activities has now run across four, six month reporting periods. However, you can see in the chart in the left-hand corner the change in admissions across the various categories against last year, where disruption from COVID was principally in Victoria, and against 1HFY20 which was pre COVID. You can see that in areas such as psych and rehab we continue to be impacted against the pre COVID environment. The decline in surgical admissions primarily reflects NSW capacity restrictions, given it is our biggest market, and as you can see in the right-hand chart, while Victoria had restrictions in place during the half they were not as severe as in the pcp.

The increase in maternity admissions since the pandemic continued during the half. Based on current forward bookings the stronger volumes experienced over the last 12 months are expected to normalise to pre COVID levels going forward.

At the bottom of the page, we have the monthly trends in admissions per workday against the same period in FY21 and FY20. The bottom left chart shows a stronger performance in surgical admissions against FY20 than FY21 reflecting the strong growth experienced in surgical admissions in 1HFY21 following the first wave of the pandemic and the end of the extended lock down in Victoria. The decline in January reflects the peak of Omicron cases in the community in NSW, Victoria and Queensland and a surge in the number of our doctors and team members unavailable to work due to isolation orders, combined with the reintroduction of restrictions in NSW and Victoria. The Victorian restrictions in January were the most onerous we have had and resulted in surgical admissions being more than 50% below the prior period.

Slide 8- Australia - Investment Pipeline

Turning to the investment pipeline, and during the period the business invested $91.1m in its development pipeline and delivered projects with a total investment value of $164.3m including the development of a 12-bay emergency department at Hollywood private hospital in Western Australia. As Carmel outlined at our investor day prior to Christmas, our investment in emergency departments over the last few years has delivered strong returns with a solid flow of inpatients delivered through our emergency departments. Since it’s opening the Hollywood ED has performed well supporting the additional investment in bed capacity and diagnostic facilities.

For FY22 total spend is expected to be marginally below the bottom end of our original forecast range due to COVID driven project delays. This spend will be pushed into the FY23 to FY25 period.

Importantly, based on the APRA data, our commitment to investing in our facilities and improving the layout of our campuses has driven an improvement in our market share over the last few years.

Slide 8 - United Kingdom - Highlights & Outlook

Turning to the UK. The business reverted to its traditional pre COVID operating arrangements with the NHS England from the 1st of April 2021. COVID cases in the UK, post the so called “freedom-day” in July, increased dramatically resulting in the introduction of isolation orders and movement restrictions which impacted the availability of patients, doctors and employees at short notice, resulting in material procedure cancellations and significantly higher personnel costs.

The result was also impacted by the significantly higher costs associated with the environment including testing staff and higher PPE costs. It is estimated the impact of these costs on the business was £3m per month.

The result includes $24.7m of transaction costs associated with the proposed Spire Healthcare scheme of arrangement and the recently completed Elysium Healthcare transaction.

Capital expenditure for the period was $29.2m with projects including the completion of Buckshaw hospital in Chorley, the third hospital the business has opened during the pandemic.

Following the appointment of Dr Andy Jones as Group Chief Growth Officer in December, we have appointed Nick Costa, formerly COO of Ramsay UK, to become CEO of the business.

Given the Omicron driven rise in hospitalisations in the public sector prior to Christmas, Ramsay has entered into a new volume-based agreement with the NHSE to cover the period 10th January to 31st March 2022 unless terminated early by mutual agreement. The agreement allows Ramsay to treat private patients which have continued to increase as a proportion of overall admissions, reflecting strong demand from the self-pay market.

Business activity in the second half of FY22 will depend on the ongoing impact of COVID on cancellations due to the availability of staff, doctors, and patients. The business continued to be significantly disrupted in January and staffing costs remain higher than pre pandemic levels.

Ramsay is actively working with the UK Government and the NHS around the model for the delivery of additional capacity over the medium to long term to address the expanding public wait list for elective surgery and non-surgical services.

Slide 9 – Europe - Highlights & Outlook

Ramsay Santé continued its commitment to take care of COVID patients in Europe with more than 4,000 patients treated in France, over the period, 1,500 in critical care, and more than 500 in Sweden. The business has continued to support governments to manage the pandemic through both COVID testing and vaccinations.

Santé reported strong activity growth overall, largely driven by the out of hospital segments. The business reported more than 5 million patient visits during the period, up 13% on the pcp with 64% of visits accessing out of hospital services, up from 60% for the same period last year.

Total European revenue increased 2.1% on the pcp. Excluding the non recuring items in this period and the prior period, revenue growth was 4.6% and EBIT increased 14.8% on the pcp primarily reflecting the benefit of organic growth and acquisitions made over the last twelve months. The growth was principally driven by the Nordics region reporting revenue growth of 11.5% and EBITDAR growth of 24.1%.

The business continued to invest in innovation, enhancing care quality and accessibility. Capital expenditure for the half year was $199.7m and included the launch of its new digital front door in France.

Consistent with its strategy to enter adjacent healthcare services, during the period, Ramsay Santé acquired an ophthalmology business in Sweden, a public primary care business in Denmark and an IVF business in Norway. The total investment was approximately €38m with a further deferred consideration of €48m subject to certain performance hurdles.

Turning to the outlook for the second half and the French Government has indicated that a new revenue decree providing support for private hospital operators will be issued for the period covering 1st January - 30th June 2022. However, the details of the new decree have not been announced.

Earnings in France in the second half will be dictated by the shape of the current and any future waves of COVID cases and the level of hospitalisations, combined with the availability of staff heavily impacted by absenteeism caused by COVID and general fatigue.

The Nordics will continue to benefit from its skew of activities to primary care and the bolt on acquisitions it has completed over the last twelve months.

The elective surgery waiting lists in both France and the Nordics continue to grow and Ramsay is well positioned to benefit from activity when the operating environment improves. Again, the most significant issue will be staffing availability to meet the demand.

Slide 11 – Ramsay Sime Darby - Highlights & Outlook

Ramsay's 50:50 Asian joint venture Ramsay Sime Darby reported higher operating results for the six-month period assisted by the inclusion of the Bukit Tinggi Medical Centre in Malaysia acquired in May 2021. Excluding the contribution from the new centre, revenue grew 3.9% over the pcp driven by growth in the provision of COVID related services including testing, vaccination and treatment of public patients and a higher number of private patients.

The 18.6% decline in Ramsay’s share of profit to $7.9m reflects a materially higher effective tax rate in this period.

In 2HFY22 Ramsay Sime Darby is expected to continue to benefit from the recovery in patients in Malaysia following the easing of restrictions and the inclusion of the new hospital. Indonesia is expected to see a more gradual improvement in patient volumes given the more material impact of COVID on business activity.

Slide 12 – Ramsay Cares

We are making good progress in delivering our Ramsay Cares Sustainability Strategy. Our goals and targets cover a wide range of social and environmental issues, a number of which are also targets under our sustainability linked loan (SLL). Our focus includes leadership and training, and the mental health and wellbeing of our people. We also have a significant program aimed at reducing our carbon footprint, waste, and single-use plastics. We are undertaking a climate vulnerability assessment of our facilities in each region at the current time and working to understand our Scope 3 carbon emissions. We continue to support innovative research and are focused on responsible sourcing across our medical supply chains. We are confident that we are tracking well against our FY22 SLL targets.

I will now hand you over to Martyn to run through the financials in more detail

Slide 13 – Group Financials

Slide 14 – Group Result

Thanks Craig and good morning, everyone.

As Craig has said COVID has had a material impact on the result in the half however we remain in a strong financial position.

Turning to the P&L. The components of total revenue are slightly distorted this half primarily due to the UK business moving back to its pre COVID commercial arrangements with the NHSE, which saw its revenue contribution move from revenue from governments under support contracts back to revenue from patients. The growth in total revenue was 1.2% and if you strip out asset sales and the contribution from the German hospitals in Europe in the pcp total revenue growth was 2.8% primarily driven by growth in Europe

As Craig mentioned while we don't report core and non-core profit anymore there were a number of items that impacted the result compared to the prior period which are worth running through briefly:

- Firstly, transaction costs in this period were $36.1m compared to $3.2m in the pcp and consisted of the forementioned fees associated with Elysium and Spire in the UK, $7.2m of fees in Europe including deferred costs associated with prior period acquisitions and $4.2m of costs in Australia;
- Profit on asset sales in Europe was $11.5m compared to $46.6m in the pcp on assets in Europe and Australia including the sale of the German assets. Important to remind everyone that in the second half of FY21 the profit on the sale of the German assets of $25.7m was offset by indemnities and warranties associated with the sale of $24m;

- The expensing of IT and other assets of $12.8m primarily relates to an internal decision to increase the threshold for capitalising assets and was principally incurred in the Australian business;
- We took impairments of $5.6m in the Australian business related to some residual IT investments;
- The French business received a refund of a prior period overpayment of rent of $8.3m and
- As previously announced, we took advantage of lower interest rates to terminate two fixed rate loan facilities totalling $200m which were due to expire in FY25. The net upfront costs of the early repayment were $11.3m which is included in net financing costs

The effective tax rate for the period was 31.2% compared to 33% in the pcp. The full year effective rate is expected to be between 34 and 35%.

Slide 15 – Cashflow

Moving to cashflow, and the significant move in working capital is mostly the result of the return of amounts to the French government provided under the revenue guarantee decree. At the current time we believe we have returned to an equilibrium state in relation to payments under the decree.

Cash capital expenditure increased significantly reflecting the strong development pipeline.

The large movements in divestments and financing cashflows reflects the repayment of the amount held in escrow at 30th June 2021 for the Spire transaction

Slide 14 – Capital Expenditure

Moving to capital expenditure in more detail. Total spend across the regions increased 8% on the pcp to $386.3m, driven by the increase in the development pipeline in Australia.

Due to COVID related delays in external approvals and general building activity in Australia Group capital expenditure for the full year is now expected to be in the range of $830-980m. This does not reflect cancellations of projects and spend in FY23 thru FY25 is expected to be higher as a result. I would note this range does not include spend for the Elysium business which we are still working through at the current time.

Slide 17 – Capital Employed and Balance Sheet

I have already covered off the main movements on the balance sheet for the period being the movement in working capital associated with the return of funds to the French Government and the repayment of funding associated with the Spire transaction.

Leverage at the funding group level on 31st December was 1x however as you can see on slide 18

Slide 18 – Leverage

We have provided you with leverage at both the funding group and on a consolidated basis assuming that the Elysium transaction had taken place on 31 December 2021. On that basis funding group leverage was 2.4x and our undrawn debt capacity and cash headroom was $424.5m.

On a proforma basis, Ramsay's FFO adjusted leverage was 4.2x which exceeds the target FFO adjusted leverage of 4.0x consistent with our investment grade rating. However, as per Fitch's report on 14 December 2021, we do not expect a negative rating action given we are expecting leverage to drop below 4.0x within 12 to 18 months of the completion of the Elysium transaction, assuming that the COVID operating environment improves over the time.

I will now hand you back to Craig for some comments on strategy and the outlook

Slide 19 – Strategy & Outlook

Slide 20 – Group Strategy

Thanks Martyn

Given we went through our strategy at the investor briefings prior to Christmas I won't go into detail now but suffice to say that despite the challenging operating environment over the last six months all regions have maintained focus and made significant progress on our medium to long term vision to be a leading integrated healthcare provider of the future. The acquisition of Elysium combined with the acquisition of three adjacent healthcare businesses in the Nordics and a material increase in the investment in our development pipeline are all consistent with placing the business in a good position to capitalise on the strong demand for healthcare services that we see continuing for the long term.

Slide 21 – Elysium Healthcare Overview

We are very pleased to have successfully closed the Elysium transaction on 31st January. Martyn, our Group Chief People Officer Colleen Harris, and I went over to the UK for the close of the transaction to welcome the team and visited a number of the Elysium sites. We were all extremely impressed with the depth of talent and quality of the facilities and services they deliver, and we are excited to have them as part of the Group. We received very positive feedback from the team on becoming part of the wider Ramsay family and work is already under way to ensure we realise the synergies and deliver the mid-single digit EPS accretion in FY23, identified at the time of the announcement. The business will operate separately from the UK hospital business, and the CEO of the business since formation, Joy Chamberlain, is now reporting directly to me and has joined the Ramsay Global Executive Committee.

We have included on this slide the unaudited results for the year to the end of December 2021 which reflect another strong year of growth for the business despite the impact of higher staffing costs due to the pandemic as the Omicron wave took hold. As you can see the business has grown quickly over the last few years through both acquisitions and organic growth and we believe there is further opportunities for growth in the market.

Slide 22 - Creates a Stronger Network

We have included the next slide just to remind you of the relative size of the business, the mix of payors and locations

Slide 23 - Complements Ramsay's Global Portfolio

And slide 23 gives a snapshot of Ramsay's global portfolio of healthcare services post Elysium and the strength we have now built-in mental healthcare services across our regions.

Slide 24 - Outlook

So, turning to the outlook for the Group. We expect to see volumes across the business start to improve as restrictions ease following the business disruption in January and February caused by the Omicron wave of cases which appear, at the moment, to have peaked in most of our jurisdictions. We do expect that over the remainder of 2HFY22 activity levels will continue to be volatile and costs will remain elevated.

Over the medium term the business will benefit from the additional volume created by the backlog of elective surgery and non-surgical services both in the public and private sector. We do expect that the higher costs associated with staffing and increased PPE usage and pricing will start to decline as the environment normalises, but they are likely to be higher than pre COVID levels in FY23.

We will be working closely with governments, clinicians, and other stakeholders to develop strategies to assist the whole industry to operate more efficiently and effectively in an endemic COVID environment.

We will now open up for questions

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