Ramsay Investor Day | December 13, 2021

Slide 1 Ramsay Health care Investor Briefings Session 2 – Europe and UK
Good afternoon everybody, and welcome to the second session of the Ramsay Health Care investor briefing. This afternoon, we'll hear from our CEO of Ramsay Santé, Pascal Roché, followed by the CEO of Ramsay UK, Dr. Andrew Jones. We will then move to Q&A, and Pascal and Andrew will be joined by Craig McNally, Martyn Roberts, Marcus Nord and Peter Allen. I will now hand you over to Ramsay Santé's CEO, Pascal Roché.

Slide 4 Ramsay Santé
Thanks Kelly, and welcome everybody. Very pleased to be with you today. If we move with you to describe what is currently, I would say, Ramsay Santé, what we want to be and how we want to be.

Slide 5 Introduction – Ramsay Santé ownership structure
Just first, maybe as a reminder, I'm going to the page number five just to remind you that Ramsay Santé has two main shareholders, Ramsay Health Care, 52%, and the leading bank in France, Credit Agricole, through one its subsidiary, roughly 40%. And beside Ramsay Santé is listed on the Paris Stock Market. So, two key figures to share with you. Last year, so end of June 2021, $4 billion of revenue and $643 billion of EBITDA.

Slide 6 Ramsay Santé in 2021: A leader in integrated care in Europe
On this page, who are we now? We are the second largest hospital company in Europe, but certainly more importantly, we are a leader, the leader already in integrated care in Europe. Why? Because we have a leading position in the market in which we are, meaning we are the number one in France as a private operator in Sweden. Pleased to share with you that now we are too, the number one in Norway following in the last 12 months double digit organic growth and forward on acquisition. We are the number two in Denmark, and we've got one hospital in Italy. We have a strong healthcare footprint in Europe. 230 hospital, 116 primary care centre clinics, with GP, nurses, et cetera, out of hospital. 900 operating rooms, close to 100 heavy equipment in imaging mainly in France, nine million patients visit last year from which, and that's very important for us. Six million out of hospital, always pleased to share with you, 33,000 deliveries, baby in French maternity wards. A couple of key figures. Finally, in France, being public, private, non-profit hospital, one out of nine surgery in France last year were done in one of the Ramsay Santé facility. We are too now the first player in dialysis in France with close to 806, and if we go back to Sweden, 10 million inhabitants, close to one million of Swedish people are listed within our clinics or primary care centre. And we are too a modern quality focused provider thanks to, I would say, to a strong investment in the last year. Very important, of course, to attract the best clinicians, to attract patients, and we'll come back to these two later. Obtain additional subsidies as more and more financing now are moving towards quality-based subsidies. If we take France, we are the only public or private group with 133, by the way, facilities certified based in class level and medical excellent in Sweden of a footprint of Capio is known as an example. St Göran, four years out of the last five years, was elected as the best midsize hospital in Sweden.

Ramsay Health Care Limited
ABN 57 001 288 768
Level 18, 126 Phillip Street
Sydney NSW 2000 Australia
Telephone: +61 2 9220 1000
Facsimile: +61 2 9220 1001
ramsayhealth.com

And finally, and we've grown through that. Through the COVID crisis, a key trusted partner to the institutional, the payers with whom we are working.

Slide 7 With an undisputed leading position in key strategic markets

If we move to the next slide, we were saying undisputed leading position in key strategic market. As you can see, France still accounts for 71% of the revenue. Sweden is $1 billion of revenue as well as Norway and Denmark, the three of them with higher organic growth than France. By the way, this is a map, complex of course, with close to 400 hospital and primary centre. As you may remind from further discussion, in France, we have been clusterising the business since already 10 years. We'll come back to this, what it means in terms of efficiency and so forth.

Slide 8 Our development strategy has been instrumental in balancing and diversifying our profile in terms of activities, care settings and payor mix

If we move to the next slide. Beyond this diversity, I would say now of geography we have been entering to in Europe, we consider too, that's diversification of payers, patient and specialty are critical. These are critical because certainly more than in other country being paid by the French State of the Swedish County. Of course, they are decision based on price, et cetera, on which to be honest, even if we are lobbying, a bit of an [inaudible] viable. So long story short, first, it's very important to be diversified.

So, if we look at the left of this slide, looking at the patient, the acquisition and integration of Capio has been a game changer because now nine million were saying a visit of patient per year in hospital, and very proud to have of course a physical hospital, but many out of hospital visit being primary care, we consider imaging as out of hospital. And now half a million of venues last year, purely digital and first the Digi-physical approach is totally critical.

Moving on the right of this slide as you can see across a value chain, we're talking about being an integrated figure in Europe. MSO looks like a big, big part of the cake, 72%. But to some extent, MSO is a bit of a misleading word because through MSO, there is medicine. You've got obstetric. You've got dialysis. You've got ED. You've got of course surgery of all time. And as you can see, rehab accounts already for 5%. Imaging, 4%. Manly in France but a much bigger part of the revenue.

One second on imaging. That's very important for us to be the leader in France because not only imaging is very interesting from a private standpoint, but imaging is really at the crossroad of the patient pathway at two figures when the doctor is asking to have an IRM, a scan, an ECHO whatever. In 64%, they will be going back to the doctor. And another figure when somebody's entering an ED. In close to 62% of the cases, the doctor in the ED will ask to imaging, which is net within, so same location to better assess the diagnosis, and beyond imaging, mental health, growing path, primary care, Sweden, Norway. And we'll see later since a couple of day, Denmark and France and primary care is growing rapidly. Big, big pool, very interesting, different type of payor. And finally, at the end of this slide, diversification of our payer mix, the French public, of course. So Swedish counties, we are present in 13 out of the 21 Swedish counties with different rules, by the way. So, diversification to our full payer. We've got 10% by PHI in Norway, in France was the room a bit in Sweden. And out of pocket, mainly in Norway and in the rest of the country. So more diversified business, diversification of the risk, and integration of the pathway. And that will be a key driver of our strategy we are going to share with you.

Slide 9 Covid crisis has largely contributed to the acceleration of trends that already existed
We propose to skip the next slide because the next slide is, I would say, some trends that you have seen already on Friday. So, I propose to skip the slide and to move to the slide number 10.

Slide 10 We operate in dynamic healthcare markets with strong fundamentals
So, the next one, just to give rapidly a highlight of the market. So, key for market beyond Italy in which we are so playing a key role. We do think that this market on the mid and long-term have strong fundamentals driven by the fact the size, they are growing. The private health sector is playing a key role in France, just to remind that the private health sector surely represents 23% of the whole healthcare at the whole, above 50% in surgery. So beyond being too big to fail, it's a very, very important footprint versus the institutional. And when we look at the end of this slide regarding the driver, we really do believe that on the mid and long term, they are favourable from the models for private player driven either by the waiting list, mainly in Norway, Denmark, and Sweden. And the fact that PHI is growing rapidly in the three Nordic country. And in the fact that, and we are going to see that just after, in France, which is totally regulated by authorisation. We are currently gaining many new authorisations as a consequence to offer world during the COVID. So, beyond this fundamental in the market.

Slide 11 State-of-the-art facilities thanks to a sustained investments and innovation
On the next slide, the slide number 11, we have tried, and we are relentlessly looking at how to have state-of-the-art facilities. We have a sustained investment and innovation policy in the last year, respecting the financial order described by Craig and Martyn last Friday. So just a couple of examples, you can see on this slide, such as a huge facility in Toulouse that was open that close to three years ago. In St Göran, this iconic hospital in Stockholm, we are managing various modernisations of the existing building, creating a brand-new unit in the south of France, such as Trois Cyprès in mental health and some examples of extension of the Clinique de l'Atlantique in La Rochelle. Interesting one, by the way, because up to a year ago, we used to have two clinics. We have closed one clinic and bring back, we have brought back the content, the doctor, et cetera, by extending with six additional operating room. And of course, as you can imagine, cutting cost in this one out of the two facility. And finally, Copenhagen, in which currently we have been merging two large facility in the in centre of Copenhagen. So relentlessly investing in order, once again, to attract doctor and so forth in the last years.

Slide 12 We have successfully refinanced our debt and aligned our financing strategy with out mission and values by including sustainability targets
So, on the next slide to share with you, and you may already have seen that, but Ramsay Santé. So, we have been refinancing our debt six months ago and aligning our financing strategy the mission or vision by including which was one of the first on the French markets, some ESG criteria. So where are we now regarding financing? We have been refinancing two term loan base for £1.45 billion of Euro. As you can see, two trench maturity, 2026 and 2027 at the good price. One of the best prices regarding, I would say, our rates, 225 basis points, and 275 basis points on top of that. So, we've got the line of Capex and RCF, each of them for $100 million of Euro, undrawn. So, it was oversubscribed twice, maturity extension. We had more flexibility of the documentation and net.

We are around a double-digit savings in financial interest, as we're saying, just at the beginning on top of what, there will be some small or minus 25 basis point bonus of matters according to four EAG CSR criteria that of course we plan to deliver. So that was to give you a shot on the refinancing.

Slide 13 – We have been acknowledged as a unique trusted partner to our institutional parties and community thanks to our contribution to covid care

Now regarding our relationship with the institutional on the next slide, the page number 13, we have been, and we are really acknowledged as a unique, trusted partner versus what the team has done in the last 18 months, I would say through this dramatic and still ongoing, as you know, COVID crisis in Europe.

Couple of points in France, for example, since March 2020, Ramsay Santé has been taking care of more than 17,000 patients, COVID patient, not talking about those entering an emergency department, only resuscitation bed and long medicine on 9,000 in critical care. France and Sweden, the team has been creating a lot of vaccination centres over one million of people who have vaccinated in their own settings. In the case of St Goren in Sweden, the team has been taking care in critical care of 700 patients. And in Norway, even in a hospital, we did not have any resuscitation beds. Proud to share with you that 20% of all COVID testing has been performed within the Ramsay Santé facility in Norway, which for the first time, I would say, because we are working with private insurer, we are opening the gates to future tenders by delegation to do some public surgery by delegation of public hospital.

So, what does all this figure mean on the right of the slide for France? Two very easy figure to remember. Our market share of the private sector is 23%, but close to half of the COVID patient taken care in private hospitalisation has been within the Ramsay Santé facilities. If we take the Paris area, 12 million inhabitants, during all the waves, the Paris public hospital have taken care of 37 of the COVID patient, and Ramsay Santé, we have been taking care of 18% close to 20% of all the COVID patient. And as far as Sweden in the Stockholm area, 1.8 million inhabitants, 20% of the COVID patient were treated by Ramsay Santé by Capio in Stockholm. And as you can see at the end of this slide, sounds like anecdote, but having for example, the French prime minister visiting one of a facility couple of months ago to France Ramsay Santé is not an anecdote because it is the first time a prime minister is visiting in France, private hospitalisation since close to 40 years. And we have been the only private operator who has a prime minister, the minister of health came four times in the last 18 months to France. And we will see later what we have been already obtaining, I would say are the consequences to be a trusted partner for the long-term of our footprint in Europe.

Slide 14 Covid crisis is not over, and our operating countries are currently facing a fifth wave

So, moving to the next slide, of course, to be transparent, unfortunately, we are now in what is called the fifth wave of the COVID. So, we are still under trouble. We are still under a huge concern to be of course, transparent to you. You can see on the left of this slide, that in France, in the last seven days, there was an average of 50,000 new cases per day. Sweden is still a bit protected, but unfortunately, we consider that the number of new cases in Sweden is going to ramp up in the next week. Norway was the good student of Europe, I would say, with a zero COVID strategy like in Asia. But since three weeks, as you can see, the number of new cases for the very first time in Norway is skyrocketing, and as to Denmark, the situation is becoming worrying.

So, on the right of this slide, if we look at the number, if we take the pink graph, the number of French citizens, unfortunately in resuscitation bed, you can see on these graphs the first wave of March, April 2020, the second, the third, the fourth wave. Now we are over 2600, this morning, patient in critical care, knowing that the whole France capacity is 5000, but contrary to the first wave, we won't be able, all of us, public or private to go back to 5000 if it was needed, because we'll come back to this later, we are suffering from some labour shortage and of course, critical care are occupied too, with cardiac patient, [inaudible] patient, et cetera. So yes, once again, it is a difficult time, to be transparent to you, in Europe, as you know.

Slide 15 Positive regulatory developments for private providers in France

So, coming now on the next slide regarding a bit more on the mid and long term for France. So, we consider that on various topic on the mid and long-term, we are in a better context than the one we used to be some years ago first, because as you may remember, we've got a multi-year visibility of tariff. So, our tariff for France will change on March 1st, 2022. We know they will be in positive territory. And all of us, we are really advocating, to have now a five-year agreement on tariff with the French government.

Second point to share with you, the quality-based funding is a key opportunity. As you can see on this slide, a couple of years ago, there was no money or very small amount of money dedicated to quality funding by the French state. It was 200 million Euro two years ago, 450 this calendar year. Next year, it will be 700 or 750 million Euro. It is important because it is our DNA, and as we are best in class as measured by the French state in terms of quality, we will obtain a bigger amount of money than our market share, on top of what the French state funding system, it not only DRG, it is quality as we have just seen, but to moving on forfeit, for example, on chronic kidney diseases. And we will obtain a couple of millions of Euro as well. And it is the first on capitation model, fostering quality. We are the first one. We are going to share that to you in a couple of minutes to obtain capitation money in primary care.

So, on the right of the slide, we are saying, we are expecting positive tariff for France this year, even more because the overall ONDAM is the whole amount of money close to 240 billion Euro. The French state is paying to GP, physio, hospital, et cetera. Plus 2.7%. It is the higher percentage of this last seven years.

And finally, and very important first, there is a transparent regulation put in place. We have been too advocating for that, that if the volumes are below expectation, part of the money will be given us back. So, on the mid and long-term, we really consider that things are moving in the right direction.

Slide 17 Together with our 'trusted partners' status allowed us to obtain positive outcomes on funding and business aspects

Now, once again, we are in the very short term in the complex moment because of the COVID and because, as we can see on the next slide, so slide number 17. As we're saying to what we have had with our relationship with the French state, what has been the total amount of money we have been able to recover? I would say, in this once again, very specific context, and some one-off item and as Ramsay Santé has taken care of 50% of the COVID patients in the private sector. As you can imagine, we have been a key player to discuss with the French state, or the Swedish state, to obtain these various extra funding's.

On the left of the slide. You certainly have seen that in our financial reserve at the end of June. French revenue guarantee schemes that are protecting our revenue allowed us to recover 103 million Euro the last financial year. Or the extract related to COVID. We add a one-to-one Euro payback by the French and the Swedish stakes. If we stay for France, it did represent an amount of 72 million Euro, 73 if we want to have rounded figures. As to Sweden, due to the huge amount of work during COVID and the cost we have been suffering, it was an amount of 58 million Euro.
Now moving to the right and moving to the future. We have been recently obtaining very important favourable decisions for business development. For example, in mental health. In the last six to eight weeks, we have obtained six-day hospital authorisation and we expect more. We have been applying to 14 for which we will have the result in the next month.
Imaging critical. It took us 30 years to obtain and to have 88 AV equipment. In the last two months, we have obtained 26 new authorisations of heavy equipment that we are going to implement in the next quarter. We are already very pleased with this attention of all this new imaging authorisation. On top of that and beyond, the amount of money regarding operational investment and restructuring investment. That's very important, of course. The French state has been giving us 19 million Euro to invest in the hospital and 5 million to restructure. But beyond this figure, it is the first. We are the only one in the private sector as a thank you and creating long term relationship with the French state to have obtained this amount of money. As we were saying, difficult on the short term because of COVID but not only COVID. On the long term, good perspective.

Slide 17 Helping compensate for the headwinds we are currently facing
Coming back to the short-term topic on the next slide. We are suffering, also staying in France, all our competitors be it public or private. It is more critical in France than in Sweden, Norway, or Denmark. We've got some short-term headwinds we are current facing. A nurses shortage, leading to a difficulty of the volume catch up between the various phases of waves of COVID and supply cost inflation. If we stay on the nurses shortage, various overload in France. As of today, 30,000 nurses missing in public and private and non-profit hospitals. It's a lot. It's roughly 6% of the global accounts. In spite of the fact that the French states, following the first three waves of COVID, has increased the salary by 10% of health nurses. We have obtained roughly a bit less, the same amount of money. There is a huge and very complex, certainly to find the right word even more in English, to describe the fatigue, the tiredness, the purpose, et cetera. Yes, it is a short-term issue we are tackling. How do we tackle that? Honestly, there is not an easy and a single answer. We are working according to each and every facility. Do we need to increase salary versus the competition? We are working on the work organisation. We have been opening with the work and seeing a lot of negotiation on the quality of life. We are doing a lot to work on the carry path of the nurses, joining us. We have been creating, for example, in Toulouse a nurse school, et cetera. We had since the last two months 108 nursers coming from Lebanon, speaking French, et cetera. Joining nurse, et cetera. We are trying our best to tackle this issue, which is an issue on the short term and ought to be.
Supply cost. As you may know, there is an increase of supply cost on energy, mask, glove, et cetera that we are facing. We are doing our best on this to manage. Thanks to a worldwide procurement centre to manage this short-term challenge.

Slide 18 Acquisitions have driven revenue and EBITDA growth, and we proved our resilience and capacity to maintain profitability despite the headwinds in recent years

That being said, if we move to the next slide. Talking about headwinds on slide number 18. Just to remind and some of you do remember. We have been used, if I stay to France, to face headwinds in the last seven or eight years. During the period from 2014 to 2019, our tariff by the French state has decreased year after year. As you can see the red graph here, minus 225, minus 195, but net even worse in surgery where we are the leader. We have been facing a 10% decrease of tariff and volumes a bit flattening. Instead of that, as we can see on the right of that slide. And this is not IFRS 16. We are pre IFRS. We have been able to maintain on our EBITDA in the range of 12%, 11%. EBITDAR around 20% in the last year. Of course, the rapid increase in the last year was due to the Capio integration on which, pleased to share with you, the start level of synergies obtained is well beyond our expectation. We have been facing headwinds and we will find a solution. We are working hard not to underestimate the labour shortage and the labour tension.

Slide 19 In France, we improved efficiency within our core hospital business and will pursue our continuous improvement journey

Moving to the next slide. Just to remind you that versus these headwinds, efficiency has been, is, and still will be a key driver that will be relentlessly applied to find pockets of savings. On the left of this slide. Since we have been clustering our activity in France relentlessly, we have been optimising selling some assets, closing some assets, doing ground field restructuring and acquired a couple of them. Thanks to this, we have no shame to look one by one to an asset to restructure. Worth sharing, the example of La Rochelle closing one facility into the other. Last year, we have been selling two facilities in the east of France. A bit of a burning platform. So once again, we will do that.

When we look to the right of these slides, we've got an active development of outpatient care for France. As you can see, Ramsay says something 73% of all the surgery is done through outpatient care, which is good in terms of quality. We have been setting up care pathway. We have been creating 12 oncology institutes in the last eight years. Now we have been creating 13 nutrition and obesity centres. We are entering new territories for example, by creating non-planned emergency departments. Efficiency on the short term will be once again, and the long term, one of the key drivers.

Now stepping back, we'd like to share with you beyond this. What we are today. Beyond the short-term headwinds and COVID wave we are facing. What do we want to be in the next five years? Let's go to the next slide.

Slide 20 Ramsay Santé developed strong assets that have been key to attracting doctors and patients

To share with you first. The assets on which we plan to build or plan... Yes We Care 2025 plan. The first one is research and teaching versus our private competitors. Being in France, being in Sweden, we are much more advanced in research and teaching.

The second driver, which is really more a competitive, sustainable advantage, is a strong digital footprint. It is obvious in Sweden. It is obvious now in Norway. We'll come back to this later. We both recently, the leader in the remote platform and Digital 2024, as an entry care to healthcare. In France, we used to have a unique digital front door called Ramsay Service. We'll see in five minutes, what we launched last week.

Finally, we've got strong assets aimed at fostering innovation. Being fine to know innovation hub, which is critical to know where to change our organisation. To partner with start-ups. In France, we have created since four year an incubator for prevention solution. Incubating 25 start-ups every year. This is very important.
Now, to share with you with these assets what we are. Taking into account the context, what do we want to be and how we want to deliver in the next five years?

Slide 21 Our yes we care, 2025 plan, fully aligned with Ramsay health care vision, is based on four strategic pillars supported by seven enablers
Let's move to the next slide, which is consistent with the Ramsay Health Care 2030 vision. Craig, Martyn, the team has been sharing with you, last Friday.
We have defined what we want it to be. What we want to be, in a nutshell, we are already beginning to integrate the patient pathway. We want to go well beyond. We want really to be this orchestrator. We want to own the patient. We want to create loyalty. We want to create referrals between our various activities in this horizontal value chain.
How to do that? To be a Digi-physical payor with four pillars. The first pillar on this slide is more than able to defend our core business or 250 physical hospitals. By extending what we do, by connecting them to an adjacent business. Talking about adjacent businesses. The second pillar, we clearly want to become the preferred primary entry point to the health system. Being through primary care, we are already the leader in Sweden. We are expanding in Norway. We have about a month ago, The leader in the clinics in the primary care GP in Denmark. I'm pleased to share with you that last Monday, a week ago, a first in the French territory. We have opened a brand-new primary care centre paid by capitalisation. Protocolising the patient pathway with the stamped... With the agreement of the French state. It is a first of many other
The third pillar to create that loyalty and collect data. It will be more and more a data game. We are about to develop some prevention servicers.
Finally, we want to expand our outpatient services with new delivery of care. We have already moved. [inaudible] are totally consistent at the same and align with Ramsay Health Care 2030 vision. This is what we want to be in the next five years. How we want to be as a group.

Slide 22 And leverage our local core competencies to support development across geographies
On the next slide, talking about a group. The beauty of being a group, it's not just an addition of country, being it in Europe or around the world. What we would like to share with you through these slides is some core competency that we have in each and every country.
On the top of that slide. Currently leveraged are being used in order to do business development, to use their skills, to enter new territories. For example, if we go on the back of that slide. We can see in green. I was just sharing that we have been entering in France primary care. We would never have been able last week to do that without putting in place a joint team with a Swedish person of the group. In Norway, we have recently bought the leader in the telehealth platform using the skill of what we are doing already in Sweden. In France, just below in the mental health. We are currently developing a RTMS offering, thanks to what is done in Australia in mental health. Imaging centre in Denmark. We are opening an imaging centre because we've got a joint team with the French team. Very experienced in managing imaging centres.

On the right of that slide. We are going to open a maternity ward first in St Göran hospital in Sweden. Once again, versus the Stockholm county. So far in France, we've got 35 maternity wards. It has been critical in order to demonstrate our experience, our medical excellence, our organisational experience in opening a maternity ward, et cetera.
What we tried to share on that slide is that being Ramsay Health in Europe and being a group, we are leveraging what we are doing on the global level.

Slide 23 As an example, the recent acquisition (October 2021) of Alles LÆgehus, the primary care leader in Denmark is a decisive step towards our ambition
On the next slide, to give you a couple of examples of what we have already done to become this orchestrator of the patient pathway. Alles LÆgehus in the totally fragmented GP landscape in Denmark, with 2000 GPs. We bought, a month ago, the leader. We consider it to be a profitable growth engine with already 32 primary care clinics, three to be signed in the coming month. We are over 100,000 listed patients. Of course, versus a physical hospital. We are going to implement referrals from the primary care centre from the GP if a patient needs to go to a hospital and needs to do an imaging. We are working on the same territory in order to connect all different businesses.

Slide 24 The acquisition of Helsetelefonen, a leading Norwegian provider of telehealth services has strongly reinforced our digital front door offering
The next example to share with you. We have on the next slide, if I may. We have already been explaining. Norway, we've got 12 facilities, 12 hospitals. We've got 12 primary care centres. This new company, Helsetelefonen that's really a remote platform. 24/7, 365 days per year in which you can have access to a doctor, to a nurse. When you've got medical advice, prescription, vaccine, you want to explain what you have, et cetera. That's really an entry gate. Being ahead of the stream, it's really very important to capture the patient at the beginning, To reduce the delay, to give accessibility, and once again, digital front door. Primary care, physical hospital, and development of [foreign language]. Deliveries and follow up of the patient as we're doing in Sweden. This is really what we are calling, orchestrates the patient pathway for the sake of the patient and for the sake of the profitability of Ramsay Santé.

Slide 25 From digitalisation of hospital stays to a digital front door addressing a wide range of consumers with potential for additional revenues
The last example to share with you. On the next slide is Ramsay's Service for France. We have launched already, three years ago, a digital front door on which you can do your preadmission, your admission online from your home. Already 45% of our patients every year are doing everything from home in order to register, to choose their room, if we need a taxi when getting out, et cetera.
We have just launched a brand-new version of Ramsay Service in terms of patient experience. We really think this is disruptive. We cannot for example, you can have the practitioner online booking. You will find the emergency department waiting time. You will have some personalised notification. You've got a symptom checker with over 100,000 questions to become the reference on the French market. Once again, to Ramsay's Santé to become zero reference if you have an issue in this care. For the very first time, that's on the right of the slide, we are launching two new sources for revenue. Home care servicers last week. And in the next month, such as medical home delivery of

drugs. We have been partnering with a French start up. When you've got medical assistance, you can buy a senior service pack, et cetera.
Once again, we are in the work of servicers. We want to go through the patient before, during and after. We consider Ramsay Service for France and building our tool, sharing some best practice in Sweden and vice versa as a key tool to orchestrate the patient pathway.
That's where couple of examples, we wanted to share with you.

Slide 26 We will keep on investing in order to strengthen out business as usual and implement our 2025 strategic plan

Now to move to the next slide before the conclusion. No surprise I think to you, we are going to keep investing in a physical asset respecting the financial reserves. On this slide, you will find six examples of type. Either of investment to extend some clinics, either an addition of five robot acquisition. On the top right of that slide. We are up until now in the east of Paris. Two mental health facilities Ange Gardien and Perreuse. We are investing to merge two of them to extend Ange Gardien in a couple of months, Ange Gardien will encompass 232 beds. It'll be the largest mental health facility in France and we will reduce the cost. Classical but good investment in a brown field.

Slide 27 Finally, we are unique integrated and differentiated health care operator in Europe with profitable growth avenues

Now to try to recap, on the last slide, why we are confident in the midterm and long term for Ramsay's Santé We really think that on four drivers being the market, the patient, the quality, and the efficiency, we've got profitable growth avenues [inaudible]. Once again, not underestimating the COVID context.
First, if we look at the market. Really in the Nordic, we've got a strong, underlying organic growth on pricing and on volume. Second topic, as we have been sharing, varies because of COVID, because of complexity in the public hospital. Mainly in the Nordic countries, we've got waiting lists that we'll really capture. Third topic, related to France once again, these 26 new authorisations. There will be more. We have just obtained, are paving the future, of imaging for example. We've got, with no arrogance, a proven track record of M&A we have done in the last year nine important acquisitions in Sweden, Norway, Denmark. One in France. And we have been selling facilities, as we have been sharing, in France. Active management of the portfolio. And we've got all brownfield roadmaps. Regarding the patient. New patient segment to enter into primary care in France. So primary care. GP in time business in France is a 42 billion business. We have just opened the very first one. We've got strong ambition. Denmark, it's a brand-new market for us. We have just acquired the leader. In Norway, we used to be up to now only working with private insurance and out of pocket. We are about to attain the public sector by delegation of volumes. In Sweden, we are still underweight in PHI. We will develop in the PHI business. We will, from a patient standpoint, leverage our digital front door tool. Honestly, what is done in France with Ramsay Service and with capture in Sweden is really unique to some extent in Europe. Maybe it's a Finnish player add too, very good to that. We are very confident that we still have some advantages in Sweden and France with all these new tools and not to have paid our brand asset due to the COVID role is very strong. Quality, with no arrogance, we relentlessly need to improve. Best in class in quality. Good at first assay to attract patient and doctor. More and more money will be invested toward quality based funding.

Finally, efficiency. Yes, through best practices, comparing the efficiency of a hospital in Europe. We will keep on extracting efficiency. There is always management and so forth. Things to do better in all these. On top of what, and to close, once again and more than ever. We will leverage the fact to be a group, a team with Ramsay Health Care and to leverage a best practice worldwide and the procurement platform in the group.

This is in a snapshot Ramsay Santé, Now I'm handing over to Andy Jones for Ramsay UK.

Slide 28 Ramsay Health Care UK

Merci, Pascal. It was great to be with you and your team for the Ramsay Santé AGM last week in Paris. Good afternoon, everybody, or good morning from the UK. It's my pleasure to be with you and to present how we're getting on in terms of Ramsay UK and our thoughts for the future. It feels like a long time since we saw the investor community in London, but it's fantastic that we're able to do this online. I would've loved to have been in Sydney last week until I saw the cricket score and realised that I'd been spared a little bit of grief from my Australian colleagues.

Slide 30 Healthcare Markey Overview

Let me start with the healthcare market overview. Spending on health. A percentage of GDP has been increasing in most developed countries over recent years. Partly driven by the population, but also with a large impact from COVID. In the UK, it's been reasonably dramatic with funding as a share of GDP increasing from around 10.2% in 2019 to 12.8% in 2020. We know that demand for treatment is only likely to keep growing and this'll keep spending into health high, certainly for many years to come. The private acute healthcare market in the UK is now worth 6.8 billion. The independent acute hospital market in which we sit is worth around five and a half billion pounds.

Slide 31 Operating Environment

If we move on to the operating environments, the fundamental dynamics haven't changed. We are faced with an aging population and an increasing mix of comorbidities, which we know drive the need for healthcare and hospitalisation. Some of the changes that we've seen over recent times is the importance of a safe and infection free environment, which is ever more important to patients. There still remains a degree of nervousness around entering any form of hospital in the UK at the moment, particularly with COVID cases remaining in circulation.

The pent-up demand in the NHS system remains very significant, as we'll come onto the waiting list and demand for healthcare remains high. We've seen pretty consistent growth in the private aspects of our business. In self pay treatment for patients willing to pay for their own care, or as we're starting to see patients realising that paying for themselves is a way to avoid a long wait for treatment. There is a consumerisation segment, which is growing in the UK as patients start to seek faster access for their treatment.

Vaccination has been a success in the UK. We've been early adopters and that's been right across the population as people have looked to protect themselves from the worst aspects of COVID 19. It's also been important for us in terms of our workforce. I'm delighted that over 98% of our staff have been double vaccinated and indeed we're into the next wave of occupational health protections. We are currently rolling out the seasonal flu vaccine and booster vaccinations. The third jab is continuing across the UK at the moment.

The big impact we see for the future is that we are still learning to live with the long-term implications of COVID, so called endemic COVID. The impact this has had on the health of the nation and in the way that referrals are coming through to hospitals. Indeed, the way that patients are choosing not to present with early symptoms of things like cancer and cardiovascular disease. The emergence of the recent Omicron variant, which is now growing quite rapidly in the UK, shows that the virus hasn't gone away and the short-term environment to which we operate is going to be with us for a period of time.

Slide 32 NHS Funding & H2 Plan

Let me move on to NHS funding and what's been called the Half Two Plan for the NHS. As I mentioned earlier, health has been one of the only policy areas that has seen a sustained increase in funding from the government. In the last couple of months alone, two significant additional funding packages have been given to the NHS. That's in part to cope with the additional running costs that public hospitals are seeing to meet acute demand, but also an intent to help clear the elective backlog which has unfortunately grown during the pandemic period. Despite the additional money, there is still uncertainty about how and when the money will flow. There's really a lack of a clear plan from the system on how to tackle the waiting list issues. Ramsay's well positioned. We continue to work in partnership with the NHS, as we've done through the pandemic at a local and a central level to offer support capacity, and indeed some of our waiting list solutions to help clear the waiting list.

Slide 33 Elective Recovery

In terms of elective recovery, one of the indirect and unfortunate impacts of COVID has been the growth in waiting lists. At the start of the outbreak of the pandemic, the NHS had to really quickly and radically mobilise itself to treat the acute needs of patients presenting with the virus. As a result, in the UK, non-COVID related healthcare really had to be scaled back in order to release capacity, equipment and staff. The net result of this has been a huge increase in the number of people waiting for treatment. The current waiting list figures show that just under 6 million people are currently waiting for treatment. In addition, it's reported that there are around another seven and a half million patients who are on a hidden waiting list. These are patients that have not yet presented for care that we would've normally expected to during the normal run of healthcare proceedings. We believe these are patients that have yet to be referred but are likely to enter the hospital system at some point in the future.

Of particular note and concern is the growth of long waiters, those waiting for a year or more for treatment. Before the pandemic started this was only just over a thousand patients and often that was due to comorbidities. Currently there are now over 300,000 patients waiting a year or more for treatment, which is a very difficult situation as a healthcare professional to observe.

As you can see, there's a big opportunity for Ramsay in the UK to assist in addressing the backlog in demand by working in partnership with the NHS and continuing to offer our private proposition to self-pay and private, medically insured patients.

Slide 34 Response to COVID

If we move forward to the response to COVID. I'm incredibly proud of the role that Ramsay's played in the last two years to support the NHS during the pandemic. This slide shows the extent of the support we've offered to the government and the NHS. Indeed, we've delivered specialist equipment, ventilators, PPE to the NHS. We've accelerated our technology offering to patients through the provision of virtual consultations, adopting e-prescribing and enhancing our remote radiology reporting capabilities. This is really positively impacted our role as a valued local healthcare provider. We are going to continue to support the NHS both at a local level with our nearby and adjacent NHS hospital trust and indeed, as we've done all along, in dialogue with NHS England.

Slide 35 Focus of Financial Performance FY22

Addressing our financial performance. In this slide, we compare Q1 FY22 to Q1 FY19, which is the last full year of financial performance prior to the pandemic. We can see on the graph that our revenues have grown on that FY19 base line. This is encouraging for the reasons that I've already mentioned. In spite of the short-range disruption that we felt across the business, where we have seen short notice cancellations and patients having to isolate during what's been termed in the UK as the pingdemic, which. Has really impacted the ability to deliver some elective lists. Marginal conversion has been, as you can see, negatively impact, which is largely due to ongoing COVID related costs, which include testing for patients coming in for elective surgery, PPE, preventative equipment for staff and patients and the additional cleaning protocols in our hospitals, and to cover staff absence, which has unfortunately been pretty significant since the start of the pingdemic in the summer. We estimate currently that this is costing us 3 million pounds a month.

In Q1, we also include some one-off costs of just under 3 million pounds for the Spire Healthcare transaction, which as you all know didn't proceed due to the shareholder vote at the end of July.

The short-term evolution of the business and financial performance is really dependent on what happens with the pandemic over the coming months, but we remain optimistic that the medium and indeed long-term outlook remains positive. Aggregate demand in the UK is at an all-time high. We've got a strong pipeline of patients from every payer group, and we continue to see growth in our private business through demand from insurers and self-pay patients, and because of the skills that we've picked up during the pandemic, we're treating a higher complexity group of patients in our UK hospitals.

Slide 36 Organic Growth since 2019

Addressing organic growth. We've continued to develop the business, and despite the pandemic we've continued to invest in our facilities to ensure that we're offering the latest technology and the best quality of care to all our patients, as well as our rolling upgrade program. We've invested heavily in, as Pascal said, in diagnostic imaging to ensure that we meet demand much earlier in the pathway. In addition, we've invested over 20 million pounds in digital capabilities as we develop our offering to patients.

Slide 37 Strategic Expansion

In terms of strategic expansion, one of Ramsay's UK ambitions was to expand our day case offering and create a hub and spoke model around our existing acute hospitals and expand that ability to offer day surgery in what is the highest growing hospital segment that we have. In 2020, during the pandemic, we opened two new day case facilities, one in Staffordshire and the other near Birmingham in Stourside. In October this year, we opened our third unit in Chorley Preston. Of course, all of these have utilised the capabilities we have in the group in terms of designing, commissioning and fitting out hospitals. They offer state of the art facilities to the local communities in which these hospitals are based, and enhance our operating capability, particularly set for the future to treat an increasing number of patients.

Slide 38 New and Adjacent Services

Ramsay UK's diagnostic strategy includes ambitions to ensure that our capability is there to drive and support growth with referrals from general practitioners. Important areas for us are diagnostic pathology, imaging, and endoscopy, where we're a major provider of services. This is all part of, as Craig and the team mentioned in the briefing on Friday, the view that we're taking on the whole clinical pathway and the longitudinal aspects of care. Quick access to diagnostics leads to early diagnosis, timely and appropriate intervention, and ultimately better outcomes for patients, which is why we're so proud to run our hospitals.

Over the last two years we've made significant investments in hospital and mobile capabilities, new models and state of the art modalities and facilities. Much of this diagnostic investment has gone into cross sectional imaging with MRI and CT scanners.

94% of our hospitals are JAG accredited for endoscopy, which is the nationally recognised quality emblem for endoscopy. Digitisation underpins all that we do in diagnostics, whether it's processing of tests, imaging, the storage of results or sharing and reporting across the multidisciplinary team. We've invested in our diagnostic workforce, which has been recognised for some years as a critical sector for skills shortages. These investments have already resulted in increases in capacity. We've seen improved efficiency in this service line, definitely better access for GPs and their patients and improved visibility on outcomes. We believe that this sets us up for the future to enable both timely access, reduce waiting times, which is going to be important in the UK going forward, and position ourselves to address the diagnostic backlogs through some of the tenders that are being run in the UK.

The development of cancer services has been a key strategic development in the year, and I'll talk more about our gold standard approaches later in the presentation. We continue to work with insurers in respective propositions, and we're proud to be one of the only Bupa Centre of Breast Excellence pathways outside of London. We're looking to build on these concepts and accreditations in some of our other larger facilities around the UK. We've invested in the latest modalities, such as 3D mammography, surgical equipment, and chemotherapy treatment suites as part of this offer to be able to offer a one stop service for patients.

Slide 39 Integrated Patient-centric Care

In terms of our integrated patient centre care, this has certainly been a big area of focus and an absolutely massive project to deliver. I'm pleased to announce that last month in the UK we fully deployed our electronic patient record system across all of our acute hospital sites, so they're all live and running on a single electronic system. It's a huge achievement for the organisation and a project of this magnitude required very significant project and operational management, has given us so much learning and opportunity in how to scale projects, deliver multi-site integrations, and learnings into the future as we work with colleagues around the globe on digitisation type projects.

The ePR offers a foundation which we can build on and deliver future digital platforms or improve access for patients and our consultant partners. Improving the efficiency in the way that we operate. Taking out many steps and bits of paper out of the pathway. We're pleased that it's already improving the experience for our clinicians and in particular our consultant partners. We believe that this is really going to help differentiate us from our competitors, really competing by being the main private provider that can demonstrate that they're really open for business.

Slide 40 Operational Excellence

Moving on to Evolve. As part of our growth strategy, we're continuing to look for ways to make our operations better, more innovative and more efficient. We've developed a framework to make sure that we can continually challenge ourselves to grow efficiently and effectively. Within this framework, we can harness what we do really well and build on these practices as we consistently seek to improve the delivery of outstanding care. We're already applying the Evolve framework across a number of initiatives. We're using this methodology to review our care pathways, which is all part of the Ramsay 2030 strategy so that care is delivered in the safest, most effective and efficient way. It's helping us to smooth the care process, help with teams in the way that they deliver care, and we're seeing benefits in terms of patient delivery and the customer response that we get to the pathway that we're offering.

Slide 41 Strategic Sourcing

As part of efficiency, we've put out a pretty heavy focus in the UK on developing our procurement strategy to develop a best-in-class procurement and supply chain service. Really this has been part of the group wide move to category management for the spends that we have in all our hospitals. Again, that's highly aligned to the clinical pathway and what we called longitudinal care. Our procurement function and working with the global teams is continuing to contribute to the development of longer-term profitability, ensuring that growth in all service areas is sustainable in terms of profitability and making sure we're using the right products to offer the right patient care. Our procurement team is now managing all third party spend to ensure that that quality and service is there. We've also, as you'd expect during the pandemic, been working pretty hard to ensure that all of our suppliers have got the right sustainability requirements as part of the Ramsay Cares initiatives, but also to think from a business point of view about managing supply chain risk.

Slide 42 Transformational Digital and Data Investment

If we think about the digital journey, we've definitely been on a pretty significant evolution in this space over the last two years. It started with the real need and desire to modernise what we have today, removing some of the barriers that we have in operating across different hospitals with different systems, and some of the challenges that those legacy provides. Really looking to go on a journey to provide our colleagues and clinicians with the tools to support their work.

To give you some of those highlights, we fully developed SAP as our finance and procurement platform in 2020, which was a great job with our finance team working in conjunction with their Australian colleagues to ensure that we get to the same enterprise configuration. I've already touched on electronic patient record, but I'm always happy to mention it again if anybody wants to ask any questions. We're also now in process with adopting a new HR information system called Workday, which will become our people platform and we're using this to evaluate global opportunities. In the first half of 2022, we'll introduce the core Workday product with core HR and payroll solutions, and this is ultimately going to provide our people and people leaders with a modern solution to manage all of our talent related activities and give us an organisational view and be able to increasingly get hold of information from single enterprise sources across the main operating spine of the business.

Alongside this, we're now moving to take up commodity technology services in the cloud, rather than to build or install things ourselves. You can see some of the list of things on the slide. We believe, as we do with our global colleagues, that these are all enablers which form part of our journey to cement our digital future, both in terms of how patients access care, how we deliver and run the business, and then with this enterprise view on the world how we're going to be able to increasingly align and use healthcare data to improve outcomes.

Slide 43 Gold Standard Clinical Care - Orthopaedics

I mentioned earlier in the presentation gold standards, and now we've got a couple of examples to showcase the work that we've been doing. The first of which is our gold standard clinical care in orthopaedics. This is, gold standards is one of the organisational foundations that we've been increasingly using as part of the Ramsay long term strategy, with the aim to deliver best in class care with exemplary standards. Really thinking about the clinical and quality measures that we're looking to achieve for our patients. Orthopaedics, it's nearly half of the business in the UK and I think one of our largest service lines globally, is a key therapeutic priority for us. In the UK, we're recognised as one of the leading providers in orthopaedics, and in particular for the quality data that we provide to the National Joint Registry, which is a nationally run single version of the truth, if you like, in all of the orthopaedic procedures and implant registrar that we use in the UK.

We've also successfully piloted single day hip and knee arthroplasty in five of our hospitals, and that project is a fantastic example emanating from best practice that we saw in Paris and Sweden in terms of how you run the pathway, so we were really able to accelerate the implementation of that by taking the pathways that we learnt from our European colleagues.

Dr. Andrew Jones:

We've undertaken to do a lot of work on understanding where we have variations in these clinical pathways, the complexity and outcomes, and it's allowed us to look at a lot of medical and clinical measures to see how we can standardise the pathway and improve the outcomes. We know that things like single day hip and knee surgery in the UK has been very popular with patients during

COVID because they've had the right pre-care, the right after care put in place and their hospital experience has been very smooth.
We further developed our concept of centres of excellence, to design what good looks like. Again, that's really centered on patient experience, which in time will allow us to grow and improve our services. A number of our hospitals have been able to gain tertiary referrals from further away because of their standing. Again, this has initially been in the orthopaedic area. We're obviously developing our marketing strategies with our doctors in line with this plan, which is obviously essential to growth and development of these services initiatives.

Slide 44 Gold Standard Clinical Care - Cancer
If we turn to cancer, this is another key therapeutic area. It's much smaller in the UK, but we believe that we can learn from our capabilities in places like Australia and France, where we have much greater service provision. What's happened in the UK under COVID is that we've been asked to provide a lot more in terms of cancer services, so we've had to adopt the challenges of delivering these services for patients. Unfortunately, one of the trends that we've seen in the UK is far fewer patients coming forward to be referred urgently, but we suspect that this will transition through the recovery from the pandemic and the need for these treatments will become very significant as part of the recovery.
It's widely accepted that early diagnosis, intervention, and personalised treatment will lead to better outcomes and efficiency. We've taken a very similar approach to that of orthopaedics, undertaking a baseline analysis of these services in terms of the pathway. Looking for areas of good practice as well as areas for improvement. Our aim has been to support the clinicians and to develop the concierge for patients going through these pathways and looking for supporting technologies that can augment this journey. This has been so important in the UK with the Paterson Inquiry, which has highlighted the greater need for visibility of clinical practices and clinical data. We've always held in Ramsay that this is a function of leadership and good governance, but over the last few years we've been really capturing data, the work of the multidisciplinary team, adopting electronic platforms, as I've mentioned, and making sure that we share this information with all of the clinicians involved in a patient journey.

Slide 45 Industry Leading Talent
In terms of industry leading talents, we've always known at Ramsay that people are at the heart of our success, and that's why we have developed and embedded our people plan, working with the global talent proposition that you heard about on Friday, and really look to strengthen leadership in this area of the business to support the recruitment and retention of staff in all of our facilities. As Pascal mentioned, workforce shortages remain a challenge in the healthcare sector, and the UK's not alone in this. We've had to develop a strong internal recruitment team to make sure that we're able to attract top talent and particularly clinicians to the business. We have seen challenges in retention, and this we believe is largely due to the COVID pandemic. We've bolstered our pay and reward procedures, and we've been deliberately targeting areas of scarcity to ensure that we've got the right clinical base in the UK to support the waiting list recovery plan when it really starts to roll.

Slide 46 Disciplined Transformation

To deliver all of this, we've had to recognise that disciplined transformation is part of running a business. Very important in terms of the implementation of strategy, but particularly in terms of the deployment of very significant IT projects. We've built and embedded a program management office that allows us to track the progress of all our strategies, all of our initiatives and projects right through from concept to deployment and at the other end in terms of the outcomes that each project has delivered. As you can see from this slide, it's a very detailed process. Really, I would say this has been a success for how we've managed to get through SAP, EPR and next year Workday as major multi-site implementations. I've already referred to the work that we're doing in gold standards in cancer and orthopaedics. Again, this work is led by our strategic working groups and in conjunction with the operational Evolve groups to make sure that we get the implementations and the efficiencies, and we've got the right measures in place to see how these initiatives impact the business.

All of these programs report up through the executive team and what is increasingly now being held at the global transformation office and right up to the board as we adopt the strategy that was laid out on Friday.

Slide 47 Ramsay Cares

Getting close towards the end and I just wanted to touch on a very key initiative for all of us. I know there's a lot of passion in the business for Ramsay Cares, and certainly in the UK we take our commitment to sustainability very seriously. You've already heard about the three pillars, and I just wanted to bring to life three examples that we have in the UK.

In the past year we've trained over 77 mental health first aiders, and this program continues as part of our commitment to people. In terms of environment, we've continued with our low energy light replacement program across all of our hospitals, and I'm proud to say 100% of our electricity that we use is now entirely from renewable sources. We've also introduced initiatives around single use plastics, and this year alone we've already swapped out 1.5 million plastic items to a recyclable alternative through the work that I mentioned in our supply chain. We continue to adopt the sustainable procurement approach, partnering with suppliers that share our concerns and ethos to ensure that we've got sustainability in the manufacturing base that supports our hospitals.

I'm please to conclude. It's been a very proud time for us in the UK. There's been a number of challenges, but as you can see, we think we're really operationally set for the future. There's been some pretty major strategic transformations in the business over the last few years, which was one of the objectives through COVID, was to successfully support the NHS during a time of difficulty, but make sure that Ramsay UK was well positioned on the other side of the recovery to get back to the high elective volumes that we're used to seeing in our hospitals.

Question and Answer Section

I'll end my comments there, and I think we're going to open up the call to all of the participants that Kelly opened earlier so that we can take your questions. Thank you very much everybody for your time.

Craig McNally:

Thanks Andy and thanks Pascal. Happy to take questions.

Operator:
Thank you. We have the first question from the audience coming from Andrew Goodsall at MST Marquee. Andrew, please go ahead and ask your question.

Andrew Goodsall from MST Marquee:
Okay. Terrific. Just want to I guess start with a generic question. Just asking your thoughts around where the base load sort of COVID will be. I guess what I'm thinking here is, to what extent will the public be able to deal with COVID into the future? Assuming it's endemic, and to what extent do you think the private sector will still be asked to play a role in COVID in each of the jurisdictions?

Craig McNally:
Well, I think as a very generalised answer, it'll be different in different markets, obviously. It is going to put extra pressure on the public sector and where public sector provision has been under stress and under pressure pre-COVID, it'll only exacerbate that. As I've said many times, I think we in the private sector overall have an increasing role going forward where there are taxpayer funded systems, and in providing solutions for them. I think COVID just enhances that opportunity.

Andrew Goodsall from MST Marquee:
Just moving on. Obviously, we've had a chance to look at your first quarter, and we understand obviously there's a seasonal element to that. Just if you could give us any colour on sort of direction in terms of costs since that time and whether things have been on the improve. Not trying to push for a trading update of any nature, but just a more general comment on direction of travel.

Craig McNally:
Okay. I think I might let Martyn pick that one up.

Martyn Roberts:
Yeah. No trading update, Andrew. I think as we said on Friday, in Australia the costs prompt there's no reason to suspect they're not around that sort of 3 to 4 million a month that we were saying. You heard Andy talk about 3 million pounds in the UK, and they're very lumpy in France. We're still suffering from a lot of disruptions in each of our markets, whether it be the pingdemic type activities and the cancellations that we've had in the UK, whether it be the fifth wave in France, or still the border's only just opened with Queensland today, and so that's been causing us disruptions. This quarter's still going to be very patchy and lumpy I'd say.

Andrew Goodsall from MST Marquee:
Any sort of visibility on when that might turn over by jurisdiction? Is it stabilising or is the system sort of getting used to understanding just the nature, or are the disruptions becoming normal?

Martyn Roberts:
I think if we had a crystal ball, it would be fantastic. It would have predicted Omicron or a fifth wave in France when we were sitting here six months ago. I'd be loath to try. I mean, you probably have as good an idea as we would in terms of what the situation's going to be like.

Andrew Goodsall from MST Marquee:
A final one, just for Andy. NHS September quarter just didn't seem to be able to sort of get itself into gear, and I think referrals to the private sector are down about 4%. Just wondering whether that sort of engine's starting to sort of rev up a bit better or move along? Just whether you're seeing the channel of referrals improving?

Dr. Andrew Jones:
Yeah. Thanks Andrew. What we've seen in the UK is whenever you get a spike in the wave of COVID coming through to the NHS, then everything else seems to slow down because the public system has to focus on the acute needs of patients. As each wave is abated, then referrals and acceleration seems to commence again, but there's only been a very short wave from what we saw in the summer with a rise in cases to where we are now.

Craig McNally:
Well, just to add to that. In terms of referrals, I think we saw them coming back reasonably strongly, but significant cancellations. We did see the cancellations start to abate, but it'll be interesting to see how they go off the back of omicron.

Andrew Goodsall:
Thanks very much.

Operator:
Thank you. We have the next question from David Low at JP Morgan.

David Low from JP Morgan:
Thanks very much. Could we start with imaging? We heard a lot in both presentations about plans in imaging, and I saw in the French presentation that it's 4% of revenues, I think from memory, and the number of authorisations has gone up quite significantly from 88 to 100 and something. Just where do you think imaging as a revenue source is likely to go across the two, or across Europe and the UK? How much of a portion of earnings do you see this becoming in the medium term?

Craig McNally:
I don't think it'll be the major. I'll let both Pascal and Andy respond because the markets are different.

Pascal Roché:
Yeah. Thanks for your question. As of today, you're right, imaging represents 4% of the Ramsay Santé revenue, but a better proportion of the EBIT. Long story short, we plan to increase roughly by 25%, 30% in the couple of years. I would say once all this imaging platform user authorisation will be developed, on top of what we consider roughly that varies more or less the same amount of money coming from referrals, from imaging to operating theatres. This is I would say, for Ramsay Santé, not taking into account the development we are doing in Denmark.

David Low:
Thanks.

Dr. Andrew Jones:
Thanks David. There's kind of two reasons in getting to imaging in the UK. The first is it is a trading business in its own right. The margins are lower, but the reason why we've embarked in this is to build out the front door, because healthcare is changing. In the past, and particularly in the UK, GPs would refer patients with general symptoms to be assessed by a consultant. As protocols have developed, diagnostics has become much more ingrained in the pathway and there's very set protocols for what patients need depending on the symptom that they have. As soon as you get the referral, we're increasingly being able to work out with our electronic systems which tests and treatments the patients are going to need. Some of the consultants are now offering the imaging or the diagnostics up front before they see the patient, so you can get to a diagnosis quicker. That's driver one. Then the second driver that we've seen is that by having cross sectional imaging in the hospitals and a greater proportion of diagnostics, and that also includes endoscopy, which is a very important modality, you then get downstream impacts on the surgery that you're offering. That's an upside from having a diagnostic platform as a front door, if you like.

David Low from JP Morgan:
Great. Thanks. If I could ask another couple of questions. Just Pascal again, we were aware of a funding in place to cover COVID costs until the end of the calendar year. What's the expectation for 2022?

Pascal Roché:
Yes thanks, two comments on this. First, if I stick on France regarding the French Revenue Guarantee Scheme, it will end in a couple of days, end of December. Now, the French Minister of Health said, exactly four days ago, that would the COVID keep on, would the condition keep worsening, he would consider extending this Revenue Guarantee Scheme entering into 2022. And, as to the additional cost we are currently facing due to the fact that as of yesterday evening, we were close to 200 COVID patients, in a critical care in France, we will be reimbursed for this additional cost, as well would it occur in Sweden. Fingers crossed, up to now there is no way, but unfortunately, we can expect, we plan to be reimbursed for all the cost we will be faced, would it occur in Sweden.

David Low from JP Morgan:
So, to what I heard is that you expect this funding to continue on next year, it's just not yet formal.

Pascal Roché:
No. What I was trying to explain is, it will end the end of December, but the Minister appeal, so French government open a door, I would say, a couple of days ago to say, would the COVID keep on for some time the French government would consider an extension of the French Revenue Guarantee. So, nothing decided yet.

David Low from JP Morgan:
And I was trying to get you to give me a view as to whether you thought it was likely, but we can move on. All right. The quality payments, Pascal, you gave us some numbers there, and I think we've heard about the quality payments in the past, and the opportunity. Could I get you to get a little bit more detail, as to what level of payments the business saw in those previous structures? And, can we use that as a guide, perhaps as a percentage, as to what we should expect in future?

Pascal Roché:
Well, let's summarise. I would say that next year versus the amount of money we plan to be given, I would say this year up to end of December, we will increase, we should increase. I would say, our quality-based payment per double digit figure, in the rate of 10 to 15 million Euro for France.

David Low from JP Morgan:
Okay. And I assume that, that given the pool is getting bigger in the future, you would expect that to also expand at a similar rate?

Pascal Roché:
It's a fair exception. Would the pool keep on being bigger, and we are really advocating for that, we are expecting, I would say, this quality figure to keep on increasing. Once again, I would say, we recover a larger amount that will market share for the world of France.

David Low from JP Morgan:
Okay. Thank you. My last one, and Craig and I, and you and I spoke about this on Friday, but Pascal there's been a little bit of disruption between the relationship between Australia and France in recent times. Are there any implications for the way Ramsay's treated by the French system?

Pascal Roché:
No. So, short answer is no. I've stayed in the close coordination with the ambassador, and the Minister of Economy, and by the way, Craig's too. And so, short answer is no. And, as you may have seen, I would say, our two countries had certainly common interest yesterday from Nouvelle-Calédonie, New Caledonia to stay a French territory, what will be the case? So, I would say it is over, and no impact at all for our business.

David Low from JP Morgan:
Great. Thank you very much, everyone.

Pascal Roché:
You're welcome.

Operator:
Thank you. We have the next question from Chris Cooper at Goldman Sachs.

Chris Cooper from Goldman Sachs:
Yeah. Great. Thank you. Pascal, if you don't mind, I'll start with you. You mentioned in your comments there, that staffing has been the limiting factor. I think, the term used was hampering potential volumes. Could you just give us some estimation of how much volume is currently not being serviced, because of a lack of availability of staffing, and then by extension of those currently not being serviced, what proportion do you expect to ultimately return?

Pascal Roché:
Sorry, I'm going to try to rephrase, because I could not hear you very well. You were asking what is the impact of the staff shortage on volume, am I right?

Chris Cooper from Goldman Sachs:
Correct. Yeah.

Pascal Roché:
Okay. Well, it's difficult to give a precise figure, but let's try to say that if we were to miss, let's say 8% of the staff, the impact of the volume will be hard. So, net 4%, this is what we consider, but beyond the fact that, unfortunately being in the fifth wave of COVID, the French government last week in many of the regional residency, has triggered what is called the right plan. So, asking us to begin to stop some elective surgery. So, let's say, to share with you beyond this fifth wave, with the specific consequences, so staff shortage as would have this impact. That being said, versus where we were six weeks ago, we are facing less disruption. I would say beyond of course the COVID, but to be honest to you, we still are facing some complexity. If we were to be able to re-open, or 800 operating theatre informed. So, couple of percent, long story short would be the answer.

Craig McNally:
And Chris, I think a second, thank you that quickly. Sorry, just to add to that, most of the work that would be deferred would be elective, and you would expect a good proportion of that to come back.

Pascal Roché:
Just to add something, if I may. Even if you take the first wave of the COVID, that was totally stopped, incredibly dramatic, and so first. If I stay on France, beyond the COVID patient, or revenue stayed at a bit more than half, because being the leader in France, in specialties, such as cardiac, cariology, dialysis, obstetric by definition, unfortunately this dramatic, I would say, topics in spite of the COVID of course, we are running full speed. If you allow me to say that.

Chris Cooper from Goldman Sachs:
Okay, thank you. And one for Andy, you mentioned the pingdemic was a primary challenge in the first quarter, in terms of matching revenue to cost, a lot of short-term cancellations. We note recent media speculation over the weekend, suggesting that those sorts of measures are going to be re-enacted in the UK. Are you better positioned at this point to withstand those challenges going forward? Or should we expect a similar degree of disruption from the second quarter onwards as well?

Dr. Andrew Jones:
So, the reality is that the disruption under the kind of the term pingdemic, really started during the summer, and it's never really gone away through our autumn period over the last few months, we've been seeing disruption north of 10% of patients each month in terms of cancellation. And, if you think about the nature of COVID, and any government rules that are put in place, you only need for a member of staff, children with their school being impacted, the patients, the anaesthetist, or the doctor, any one of those things, if any of those get impacted, then you've got disruption to out of your list, or indeed the whole list if it's one of the consultants. So, unfortunately the pingdemic has been quite disruptive in our ability to drive volumes over the last four or five months. What we've seen is, when the government announces rules, it changes consumer behaviour and everybody becomes a lot more cautious. So, I think it suggests that we're in for some further, short run disruption into the winter as we work out the severity of Omicron, and the government tries to push fees to vaccines.

Craig McNally:
And, I'll just add to that as well. We've taken a decision in principle, that we wouldn't manage staff levels, lining up with activity, as much of, as we would pre-COVID. Taking a unit, we want to maintain the staff level, and so we're carrying some unproductive hours if you like. And so, we will continue to do that through this. And one, because it's the culture of the organisation. Two, it puts us in a good position in terms of the workforce, and the pressure on workforce that we're seeing as supporting them. So, we will carry some inefficiency as the cancellations increase again.

Chris Cooper from Goldman Sachs:
And final one for Andy, you showed us some very striking data points and charts around the backlog, and the leg demand there in the industry collectively. I believe you didn't specifically address the NHS backlog tender that had been proposed through last year, and appeared to have been progressing. What's the latest on that tender, please?

Dr. Andrew Jones:
Thanks. We're of full participants, and maybe I'll let Pete, do you want to come in, and just update on the different initiatives we've got running, in terms of conversations?

Peter Allen:
Thanks. And, hello everybody. There are quite a few initiatives going on in the business at the moment with regards to various tenders. So, we're a full participant in the framework, as Andy mentioned. We've also applied, and been successful to be part of the community diagnostics hub tender that went out recently. And, that kind of underpins our investment in our diagnostics capabilities as a business. There is an identified shortfall in NHS capacity in particular, so we have to be part of that tender process and to support. I think it's fair to say though that again, to Andy's point previously, that some of the recovery and elective backlog has been a bit lumpy, and the COVID developments have not helped with that. But again, I think we're well placed to create a point with our staffing members in particular, to respond as the Omicron variant hopefully abates, and we get into better time probably in H2.

Operator:
Thank you. We have the next question from Steve Wheen at Jarden group.

Steve Ween from Jarden:
Hi there, this is a question for Pascal. Pascal, you just with regards to the Revenue Guarantee that in the event, it doesn't get extended, what does your business look like for the back half of Fiscal 22, when you're standing on your own two feet? Is it better for you to not have that guarantee, because that allows the profitability of what you get paid, and the activity levels that you're doing at that point to shine through. Or, just curious as to what the change would be to go from one system to the way it always used to be?

Pascal Roché:
Well, thanks for your question. Well, it's very complex, because on one side, if you want the system, let's call the Revenue Guarantee versus the activity, if it was not, it depends the impact of the COVID, it depends on our ability at the same time, while stopping elective surgery, to stop some valuable, and let's say more direct cost attached to the stop of elective surgery. So, you've got two, I don't know that in English, two valuables, X and Y, so there is no easy answer to that, from a 30% standpoint, long story short. So, either I would say there is some COVID keeping on, and in such a case, they could be a Revenue Guarantee, or there is not, and it's a question of ramp up. Now, that being said, if I may, regarding the fact that what's taking care with the COVID, I don't want to bet, I would say on such a topic, as you can imagine, it's so dramatic, including for the team. We had some Ramsay Santé people dying from COVID, we had 10 of the team members in resuscitation beds, as you can imagine, I don't want to bet on this type of topic. We'll play modern role versus the French and Swedish states, to take COVID patient, would it keep on happening? And I'm convinced that in such a case, we will obtain a current amount of compensation. but, if COVID were to stop in a couple of days, let's put that way, we will do our best of course, to ensure the rampant in spite of the labour tension, but there is a lot of activity postpone, and so forth. So yeah, complex to other clearance services, the direct cost as a percentage of the stop of the elective surgery to come back to you.

Craig McNally:
I'll just add to that as, not that I will be able to clarify too easily, because it is complex, but regardless of when the Revenue Guarantee expires, whether it's the end of December, or it's the end of March, or the end of June, there will be a transition period, which will create uncertainty. Because the Revenue Guarantee is in there to deal with what the government believes it's going to be potential pressure on the system as a whole, and wanting to maintain the capacity and capability in the system. So, whenever that changes, you're going to get into, as Pascal was alluding to, what is the profile of the ramp up? And so then, what are the cost issues around that? So, regardless of the timing of it, there's going to be a period of uncertainty in that transition, I would think.

Pascal Roché:
You are right.

Steve Ween from Jarden:
Okay, great. Thanks for that. Second question was just, sorry again, Pascal. My understanding was during COVID you were getting an additional supplement to cover for things like COVID related costs, screening costs, maybe additional protocols around sterilisation. Is that something that will continue on as a separate subsidy for the industry?

Pascal Roché:
Yes. So, short answer is yes, COVID patient we're taking care of now, will be reimburses for all additional, I would say marginal cost, being the ventilator, being the [inaudible] in the operating room. And so first, for example, in no way where are enjoying, I would say a huge organic growth, and double-digit EBITDA margin. We are reimbursed for all the PCR tests we are doing in Norway. So yes, on that, if COVID is keeping on, I'm totally conveyed that being in France, being in Sweden, being in Norway, for the PCR we will be given back some money in order to cover all these costs.

Steve Ween from Jarden:
And then, last one and picking up on what David Low mentioned before, just with regards to the quality payments, is that something that you could express as a percentage? So, you're clearly as a base getting 20 or 0.2 of a percent in terms of indexation, can you express the quality payments, as to what that would take the tariff up in 22 versus 21?

Pascal Roché:
Well, honestly the best answer we can give by this stage is, the French government is moving to 700, 750 million Euro. The unknown as of today, is this all amount. What will be the rules of a location? The French public hospital can advocate as a percentage of revenue, which net-net is nonsense, is as if it were tariff, we're advocating on quality-based outcomes. So, long story short, we know there would be a huge increase next year. We don't know yet the allocation rules, but the best answer estimate at this stage, is that it'll represent 10 to 50 million Euro of additional brands, and net-net a EBITDA, because it comes, I would say with roughly no cost versus [inaudible].

Steve Ween from Jarden:
Great. Thanks very much for your time.

Operator:
We have the next question from David Bailey at Macquarie.

David Bailey at Macquarie:
Thanks to everyone, Pascal, just another one for you, thinking about volume trends in France, just wanted to understand what volume growth looked like pre-COVID? As we look further, past COVID, past potential staffing shortages, what could a backlog mean for volume growth, and what could volume growth look like in Fiscal 23 and 24?

Pascal Roché:
Thanks for your question. It's a difficult one, I would say, because we really think that according to the territory, according to culture, behaviours of non [inaudible] doctors, it falls whatever. The

concept of backlog, are we going to find 100% of the backlog, for example, in cataract and orthopaedic to be postponed? Let's see, it's difficult. And for example, we tend to think that it could be different between Denmark, Sweden, and France. Now, that being said, versus your question, I would say in France, beyond the COVID, in average between medicine and surgery, et cetera, and dialysis, we are in the range maybe of 1.5 to 2% volume growth. Now, there is a shift to outpatient volumes versus inpatient with first, the impact of changing to operating model versus the individual rooms. For example, in emergency department, in which of the last 10 years.
So, growth in the French was 3% per year. Ramsay Santé, we had enjoyed a 6% growth per year. Mainly because, whereas on the French market, the average waiting time in the needy is two hours 50 minutes, is only 17 minutes in Ramsay Santé. So, we are a bit more cautious on this 6%, because we really think that due to COVID, some French citizen that used to go to French ED department. So, ED services, in order to have a very rapid appointment versus GP for small issue, quote unquote. Maybe they will avoid going back to the hospital, because they are discovering the virus, they are cured, whatever. So, let's keep on this, I would say, versus your question, 1.5, two person obstetric in France to be transparent. The number of person has bit declining in our last year, and coming back to what we're saying during the presentation, we expect in the Nordic, a nicer volume growth versus a 1.5% to 2%, that would be above this figure for Sweden and Norway. Denmark, maybe between the two I would say.

David Bailey at Macquarie:
Okay. Understood. And then, just Andy, lots of commentary around backlogs in the UK, funding might come through. What's the actual catalyst for some of this funding to come into the system to help deal with the backlog? It feels like there's been stops and starts for a couple of years now, what's the actual catalyst for some of this money to come in the system, and then the backlog to start to be addressed?

Dr. Andrew Jones:
I think ultimately it comes down to political drive. There has to be a political imperative, to reset some waiting targets, and performance targets in the system, so that waiting lists get measured and actively monitored. That would be the first thing I think I would say. We've been in conversations with NHS, England and government, and there is the desire to construct a plan, to do the heavy lifting, to clear the waiting list. I think it's unfortunately being delayed due to Omicron, and perhaps it was delayed in the summer due to other factors. So, you're right, it has felt as though it's slightly slowing coming.

Craig McNally:
Sorry Andy, I'll just cut across that for a second. I think one of the things, and correct me if I get this incorrect, Andy, but there's a lot of politics between treasury and health. And so, just throwing money at it at the system, there was a concern, the money would just be absorbed, and the increase in activity wouldn't flow through. And so, they'd lose the benefit of what was attempted to be awaiting this reduction. So, I think that is still a live issue, and hence Sandy's comments about getting some measures in place, to be able to make sure that the money's well spent.

Dr. Andrew Jones:
thanks Craig. The public hospitals have been on block contracts, and they're coming off those block contracts at the end of March. And we're going back to payment by results once again. And again, that could be a driver underneath to get things moving once again.

David Bailey at Macquarie:
That's great. Thanks very much.

Operator:
Thank you. We have the next question from Saul Hadassin at Barrenjoey capital.

Saul Hadassin from Barrenjoey:
Hi. Thanks for taking my question. Maybe one for Andy. Andy, historically Ramsay UK, has spoken about building out the specialties that are serviced by the business, and moving up the acuity channel, and broadening out. I notice you mentioned cancer care, but I'm just wondering with COVID, has that delayed, do you think, any broadening of that service offering, it's investing in ICUs, moving to cardiac and Nero? You talked to the outlook for those services.

Dr. Andrew Jones:
So, within the context of my answer, you've got to remember these hospitals are much smaller than hospitals you'd see in Ramsay in say Australia, or France or St. Göran in Sweden. But actually, the reverses happened, we've gone up the acuity spectrum as part of COVID, because we've hosted a number of new services with the NHS and offered a greater range of treatments that we would've normally provide. It hasn't, and it won't go as far as delivering Intensive Care Units, because the facilities aren't big enough, but we're do higher acuity surgery across the spectrum. So, we're doing a lot more breast care pathway surgery, spinal surgery in particular, some of the heavier orthopaedics, and some of the general cancer specialists. So, that's been a positive from our perspective, treating patients to greater need. And the main driver for that was during COVID, some urgent elective cancer surgery couldn't take place in the public hospitals, so it came across to some of our hospitals. And the good news from our perspective is that those clinicians in enjoyed working in Ramsey facilities, and by a large of stage. So, we've been a net beneficiary of that, which is why it's catalysed investment in diagnostics and surgical kit, to make sure that we can maintain that pathway.

Saul Hadassin from Barrenjoey:
Great. Thanks. That's all I had.

Kelly Hibbins:
Sam Laaman from Morgan Stanley:
Craig, there's one written question from Sean Laaman, from Morgan Stanley, I think probably for both Pascal and Andy. Do you think there is a structural element to the nurse shortages? Quantifying this, what is the implication for margins in 22 and 23?

Pascal Roché:
I think there is a bit of that, due to undoubtedly beyond so tiredness, a decrease. I don't know, sorry, did you say vocation purpose? If it is the right word in English. So, the answer to that will be the fact that the number of the new nurses entering the school, will be very rapidly increased by the various government. That being said, it will take a while in order, I would say for this additional nurses to be trained. So yes, there could be a bit of a structural element. Now that being said, we are working with 10 of thousands of nurses, our role is to reduce the time they are spending on non-facing patient adult value time. So, we have already engaged, in order to simplify all the administrative tasks, which represent maybe 35% to 30% of the time, by keeping on digitalising the pathway. We are doing a lot of thing on that, and very pleased to give you a couple of examples, in order with same amount I would say, or FTE to be able to have more time devoted to the patient.

Dr. Andrew Jones:
Very similar in the UK, there has been a longstanding mismatch between the training of clinical colleagues, and the demand as patient growth continues. It's got worse during COVID, for the reasons that Pascal's just aligned in terms of staff fatigue. And unfortunately, some clinicians have left the workforce to go and work in other areas. So, turnover and recruitment were obviously key factors. Brexit probably hasn't helped, 7% of our workforce was a European prior to Brexit, and obviously the supplier movement of that labour, has become much more heavily restricted, so that hasn't helped the offer in the UK. In terms of your question about impacts on margin, it's probably a couple of percentage points on staff cost as a percentage of revenue, because if you net all this out, you're seeing labour wage inflation in pretty much every sector in the UK.

Craig McNally:
Any other written questions, Kelly?

Kelly Hibbins:
No Craig. Thanks Craig. I'll hand it back to you.

Craig McNally:
Okay. Well, thanks everyone for joining, not only today, but also Friday. So, hopefully you've been able to get at another level of insight into the business, and particularly the evolution of the strategy and what the regions are doing to execute on that. We've also been able to let you have more exposure to some of the senior management team. So, I hope you're seeing that the quality of executive we have in the group, is very strong. And on that, I'd like to, to thank my team, it's been a hectic few days as you can imagine. And so, the work that's gone into deliver the investor briefings is much appreciated. So, thank you all have a great festive season, and I look forward to talking to you in the new year.