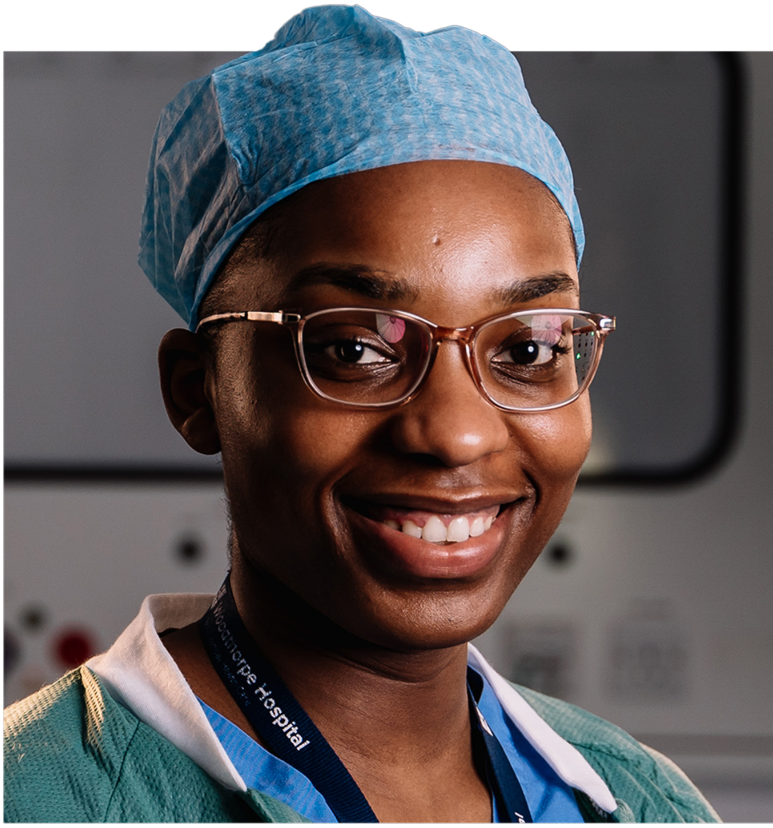
Ramsay
Health Care

People caring for people

Annual Report 2023

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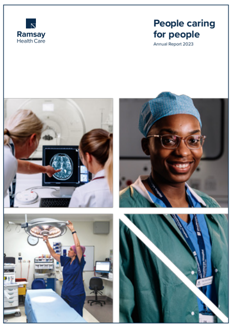
2023 Ramsay Annual Reporting Suite



Annual Report

Impact Report

Corporate Governance Statement

FY23 Results Presentation

For more information about our reporting suite, visit our website

→ ramsayhealth.com/en/investors/results-and-reports/

About this report

This report has been designed to be read in its entirety. Key aspects of the Directors Report are found throughout the document, including Section 2 which includes Key Risks, Section 3 Operating and Financial Review, Section 4 Remuneration Report, and Section 5 Corporate Governance. This information should be read in conjunction with the Financial Statements in Section 6.

This is the second year that the Annual Report has been prepared with reference to the Value Reporting Foundation's Integrated Reporting Framework. We have used this framework to outline the key value drivers of the business performance, the Company's strategy and the key trends driving it and the risks and opportunities around achieving the strategy.

Ramsay is committed to progressing the United Nations Sustainable Development Goals (SDGs) and we have mapped our priority goals to our material sustainability issues (page 12).

Further information on our sustainability performance will be contained in our FY23 Impact Report, which is published in October.

Sustainable Development Goals

We are committed to driving action toward the Sustainable Development Goals (SDGs), as adopted in 2015 by the United Nations and member countries.

Who we are

Our Purpose

"People caring for people"

Our Vision

"To be a leading healthcare provider of the future"

Our Mission

"To change what is possible for your health"

The Ramsay Way

People are at the heart of our success. As 'people caring for people' there are three key ways we approach our work every day.

We value strong relationships

Healthy working relationships lead to positive outcomes for all. We look out for the people we work with and we respect and recognise them. Strong healthy relationships are the foundation of our stakeholder loyalty.

We aim to constantly improve

We do things the right way. We enjoy our work and take pride in our achievements. We are not afraid to challenge the status quo to find better ways.

We seek to grow sustainably

Maintaining sustainable levels of profitability are only part of our success. We prioritise long term success over short term financial gains because we care about our people, our community and our planet.

Ramsay Cares

The Ramsay Cares Sustainability Strategy unites our global businesses in a shared vision for sustainability. Ramsay Cares focuses on fostering healthier people, stronger communities and a thriving planet. It reaffirms that we are here to have a positive impact for current and future generations. Find out more at ramsayhealth.com/ramsaycares.

People

Without people, healthcare doesn't work.
Our patients, doctors and clinicians, and our team all contribute to the Ramsay community. The Ramsay Way refers to 'people caring for people' and this is a fundamental part of delivering our world-class services to millions of people every year.

Planet

We know that a thriving planet is important to our health and wellbeing. Our services rely on a significant amount of resources, such as energy, surgical equipment and consumables. Without thoughtful practices, these resources can cost our planet.
We are focused on climate action and environmental performance across our value chain.

Community

In order to benefit our patients and the broader community, we are focused on medical research and clinical teaching and training. Our hospitals and clinics also play an important role in their local communities, from providing important social infrastructure to creating employment opportunities.

1 Year in Review

Annual Highlights

FY23 was another challenging year for the healthcare sector, however the business environment is recovering from the disruption of the past few years and this was reflected in an increase in activity levels across all our regions. We are accelerating our digital and operational transformation programs, with a focus on performance improvement in the Australian business and returning our mental healthcare business Elysium to a profitable base from which to grow.

Financial

Ramsay's FY23 operating result reflects a gradual recovery in Australia, a strong improvement in Ramsay UK and another good result from Ramsay Sime Darby partially offset by lower results from Ramsay Santé and Elysium.

$1.0bn

Earnings before interest and tax^ increased 14.6% on FY22

^ EBIT including discontinued operations

124.8cps

Fully diluted earnings per share increased 7.5% on FY22

75cps

Fully franked full year dividend declined 22.7% on FY22

Caring for People

- Ramsay Australia recognised as a **Top 10 most attractive employer**
- Ramsay Santé awarded the **Parenthood Trophy** by the **Observatoire de la Qualité de Vie au Travail**
- **70+ NPS** in Australia, Europe and UK (acute)
- **500+** people trained in **Mental Health First Aid**
- The **Ramsay Way Awards** launched

Caring for Planet

- **Net zero ambition** on track to reduce scope one and two emissions by **42% by 2030**
- All regions switching to **anaesthetic gas options with lower global warming potential**
- **Achieved >60%** of target to install **6.3MW renewable energy projects by 2026**

Caring for Community

- **1,750 projects supported** by Ramsay Hospital Research Foundation
- Ramsay Santé commits to being a **Mission Company**
- **40%** of global suppliers by spend **completed sustainability assessments**

Chairman and Managing Director's Review

Dear Fellow Shareholder,

On behalf of the Board and senior management team, we thank our people and clinicians who have continued to deliver our patients the highest quality of care as well as supporting colleagues, public authorities and hospital communities impacted by local and regional issues including the pandemic, natural disasters and conflict. We recognise their efforts through what has been another challenging, albeit improving period for the healthcare services sector.

Financial Results

It has been an extremely difficult year for the healthcare sector but particularly so for the private hospital sector. The challenges emerging from the pandemic around workforce, inflation, additional costs and the rate of recovery in activity have seen many in the industry struggle to stay profitable. In this context, the performance of the business has been very good with short- and medium-term initiatives delivering results that are better than the industry but still not at the level we expect.

The operating environment is now recovering and, while the rate of growth has been slower than anticipated, we are returning to more normal patterns of activity. We experienced good growth in surgical activity across all our regions over the year and a gradual recovery in non-surgical admissions driving an 11.6% increase in revenue. The 14.6% increase in EBIT for the year was driven by improved earnings in Australia, strong results from Asia and Ramsay UK partially offset by lower earnings from Ramsay Santé and Elysium. The 8.8% increase in NPAT includes the impact of materially higher financing costs and a higher effective tax rate. Higher financing costs reflect rising interest rates and our elevated gearing levels at the current time. We are committed to reducing our gearing over the course of FY24.

After operating in line with budget for the first five months of ownership, Elysium had a disappointing year, with acute labour shortages in non-clinical staff in particular resulting in materially higher labour costs and lower occupancy due to the difficulty in staffing facilities. The business has invested in centralising recruitment and training facilities to fast-track onboarding and training and improve retention rates which is proving to be successful. We are confident of returning the business to a stable platform from which it can take advantage of the growth opportunities in the mental health services market.

We declared a fully franked final dividend of 25 cents per share (cps) taking the full year dividend to a full franked 75cps representing a payout ratio of 60% at the bottom end of our target payout ratio range of 60-70%. Understandably, shareholders may be disappointed with the decline in the dividend compared to last year. We would like to point out that dividends in FY22 and FY21 were paid at levels above our target payout ratio range. The higher payout ratio in those years recognised that shareholders did not receive a final dividend in FY20 due to the uncertainty created by the first wave of COVID. Paying a dividend above our target range was not sustainable in the long term and, in light of our elevated gearing levels at the current time the Board felt that it was prudent to pay at the bottom of our target range.

Digital and Operational Business Transformation

We are taking action to position our business for the changes the healthcare sector will face in the future. We are accelerating our digital and operational transformation programs across all our regions, with the priority being improving performance in Australia. These programs are designed to drive top line growth, improved operational and financial performance, a more streamlined patient experience and better clinical outcomes.

We are pleased to announce that Dr Rachna Gandhi, who started with us in December 2021, is expanding her role to include driving all the business transformation programs in the Australian business. Dr Gandhi is highly respected for her exceptional track record of building and leading business transformation strategy and capability. Her new remit and broader team will bring together all the change programs happening across Ramsay Australia to develop a single 'roadmap' for our business and digital transformation. We look forward to providing you with more detail on these programs at the AGM in November.

Investing for Growth

In FY23 we continued to invest in the business to drive growth with a particular focus on the brownfield and greenfield pipeline in Australia. Total investment in brownfield, greenfield and growth projects across the Group was $426m up from $350m in FY22. One of our key projects in Australia has been a greenfield site in the under-serviced northern corridor of Melbourne. The Northern Hospital in Epping will open early in 2024 with 126 beds and 7 theatres and treatment rooms. We have also recently opened new facilities in the UK and France.

Given the escalation in building material costs and the other issues facing the building industry in Australia, we have modified our project pipeline with the emphasis shifting to investment in our digital and data programs. Our digital and data strategy has multiple streams of work at the current time and as mentioned above, will accelerate over the next few years focused on building our foundations, improving efficiency and productivity and driving better outcomes for our people, patients and clinicians.

Board Changes and Corporate Governance

As a Board, we continually review our governance policies and practices to ensure they remain appropriate in light of changes in corporate governance expectations and developments. In February, we approved our new Global Code of Conduct which sets out clear expectations to ensure we all know the right way to behave, respond, take action and do our work. We do the right thing, in the right way. We also approved updates to our Global Diversity & Inclusion Policy and other key governance policies and adopted a new Global Responsible Sourcing Policy which sets out the behaviour and standards that we expect all our suppliers to uphold.

As you may have seen, in June this year we announced that Lead Independent Director David Thodey AO will become Chair of the Board following the 2023 Annual General Meeting. David joined the Board in November 2017 and is a business leader with more than 40 years of experience focused on innovation, technology, digital transformation and telecommunications. After nine years leading Ramsay as Chair, I am pleased to see David take on the role as Ramsay continues to pursue its strategy of becoming an integrated, digitally-enabled healthcare provider of the future. I intend to stand for re-election at the 2023 AGM and look forward to continuing to work with David and the Board.

Ramsay Cares

Our Ramsay Cares sustainability strategy focuses on action to support healthier people, a thriving planet and stronger communities. The program is showing progress across the board, as you will see later in the report, and our net zero ambition is on track to reduce scope one and two greenhouse gas emissions by 42% by 2030.

Our efforts to reduce emissions include a ‘greener theatres’ campaign and most of our hospitals have either cut out or greatly reduced use of the anaesthetic gas desflurane in favour of more planet-friendly options.

We know we can’t reach our targets alone and this year we have achieved our goal of getting at least 40% of our suppliers to complete sustainability assessments and we are on track to reach our 2026 target of 80% of suppliers.

We are proud to say we have more than 1,700 health and medical research projects underway at our Australian hospitals and, as a Mission Company, Ramsay Sante has committed to building societal goals into its corporate plan.

Investment in Our People

The skill shortages we have experienced over the past few years have eased globally, however challenges remain across the healthcare workforce – notably in training and recruiting the next generation of workers, while retaining and engaging our people.

The key priorities of Ramsay’s workforce strategy include:

- providing flexible working conditions
- more accessible learning and training opportunities
- expanding our leadership programs
- investing in technology to simplify processes and allow our people to focus on providing high quality care.

Through the year we built on our successful programs, with new and expanded initiatives for local and international recruitment and we are pleased to say that it is starting to show results.

Priorities and Outlook

We are making sure that Ramsay remains well positioned to benefit from the strong industry tailwinds expected to drive long term growth in the healthcare industry. These include technological and clinical developments; rising healthcare expenditure as a proportion of GDP; a growing and ageing population; and the associated rising incidence of chronic conditions, which is also resulting in increasing health care costs for Governments creating commercial opportunities to partner for private healthcare providers.

We remain committed to our strategy of creating an integrated digitally-enabled healthcare services platform, with the emphasis of our investment program evolving with changes in the market. We are aware that shareholders are concerned with the recent underperformance of Ramsay’s share price. We will continue to look at ways to translate the value we believe we have created in our portfolio into improved returns for shareholders.

In FY24, the priority is to continue to strengthen our core hospital business through a series of transformation programs and by investing in a wider range of services that feed into and support the core, driving an improved outcome for patients. This will propel top line growth and an improvement in margins over time. Given the ongoing pressure from inflation, in particular labour costs, we will be continuing discussions with private and public payors to ensure that higher costs are reflected in reimbursement rates. We will remain disciplined about mergers and acquisitions and understand that shareholders want to see us focused on improving returns from our existing portfolio of businesses.

Our key priorities will be improving the performance of the Australian business and returning our mental health business in the UK, Elysium, to a stable platform from which it can take advantage of the growth opportunities in the mental health services market.

In FY24, we expect Group earnings will reflect mid-single digit top line growth driven by low to mid-single digit growth in activity levels combined with higher reimbursement rates which are more reflective of the inflationary environment. As we saw in FY23, margin recovery will be slowed by ongoing cost pressures that are not fully reflected in reimbursement structures, combined with an increase in digital and data investment which is an important plank for our future growth.

As you may have seen, together with our joint venture partner Sime Darby Berhad, we announced a sale process for Ramsay Sime Darby (RSD). Subsequent to the announcement in June, the process was commenced and resulted in the receipt of a number of non-binding indicative offers. A select number of parties are now in a phase 2 due diligence, the process is expected to conclude towards the end of October. We are aiming to lower our current elevated gearing levels from the proceeds of the potential sale combined with increased earnings.

We look forward to updating you on the progress of our transformation programs and the sale of RSD at our AGM in November. Once again, we would like to thank our people and clinicians who live and breathe The Ramsay Way every day to deliver outstanding outcomes for our patients.

Michael Siddle
Chairman

Craig McNally
Managing Director & Global CEO

2 Our Business

About Ramsay Health Care

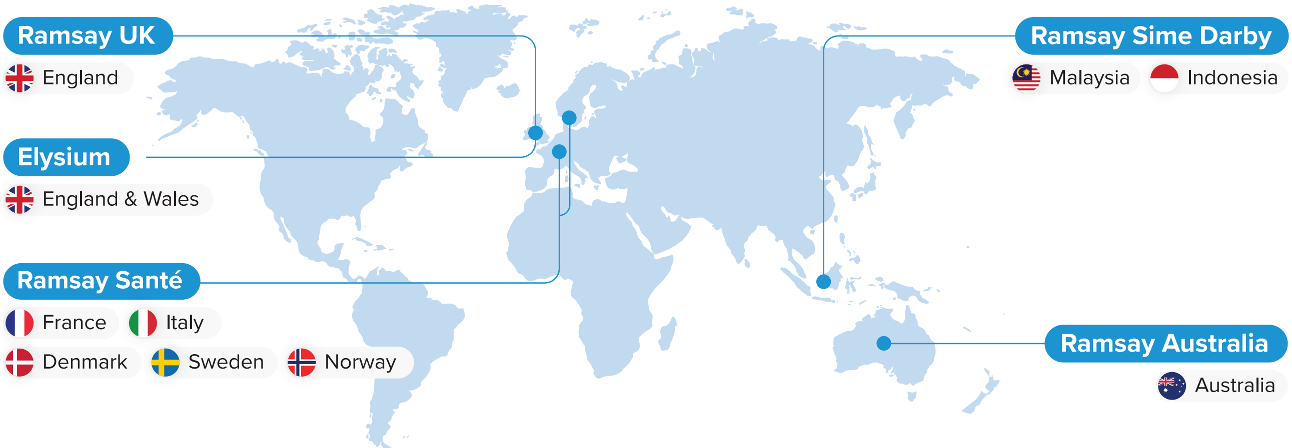
Ramsay was founded in 1964 by Paul Ramsay AO (1936-2014) and has always focused on maintaining the highest standards of quality and safety, being an employer of choice and operating the business based on a culture known as The Ramsay Way and our purpose of 'people caring for people'. Ramsay listed on the Australian Stock Exchange in 1997 and has a market capitalisation of A$12.3bn[1] and an enterprise value (EV) of A$17.4bn[1] (EV of A$23.4bn inclusive of lease liabilities). The Ramsay Group employs over 90,000 people globally.

The Ramsay Group

10 Countries

530+ Locations

11 million Admissions & patient visits p.a.



Australia

Ramsay is Australia's largest private hospital operator, with 74 hospitals and day surgery units across the country. Ramsay's services include mental health clinics, in-community care and the operation of three public hospital facilities. Ramsay also supports 60 community pharmacies and 40 in-hospital dispensaries. Ramsay Australia admits more than one million patients p.a. and employs ~33,000 people.

UK

Ramsay UK

Ramsay UK has a network of 34 acute hospitals and day procedure centres across England providing clinical specialties and diagnostic imaging services to patients referred by the NHS and private and self-insured patients. Ramsay UK cares for over 200,000 patients p.a. and employs ~7,000 people.

Elysium

Ramsay acquired Elysium Healthcare in January 2022. Elysium is a leading independent operator of long-term medium and low secure hospitals and complex care homes for people with mental health conditions. Elysium employs ~9,000 people across 84 sites.

Europe

Ramsay is the second largest private care provider in Europe with leading positions in France, Sweden, Norway and Denmark. Ramsay Santé operates 411 multidisciplinary hospitals, clinics and primary care centres as well as a 93-bed hospital in Italy. Ramsay Santé employs ~36,000 staff and treated ~10 million patients in FY22. Ramsay Health Care owns 52.79% of Ramsay Santé, which is listed on the European financial markets' platform Euronext.

Asia

Ramsay Sime Darby Health Care operates three hospitals in Indonesia and four hospitals in Malaysia, employing ~4,000 people. It is a 50:50 joint venture arrangement with Sime Darby Berhad.

[1] Closing price as at 22nd August 2023

Global Leadership Team

Craig McNally
Managing Director & CEO

Carmel Monaghan
Ramsay Australia CEO

Pascal Roché
Ramsay Santé CEO

Nick Costa
Ramsay UK CEO

Joy Chamberlain
Elysium Healthcare CEO

Peter Hong
Ramsay Sime Darby CEO

Martyn Roberts
Group Chief Financial Officer

Colleen Harris
Group Chief People Officer

Prof Sir Ed Byrne
Group Chief Medical Officer

Dr Rachna Gandhi
Chief Transformation, Digital and Data Officer

Andrew Wearne
Group Chief Risk Officer

Henrietta Rowe
Group General Counsel & Company Secretary

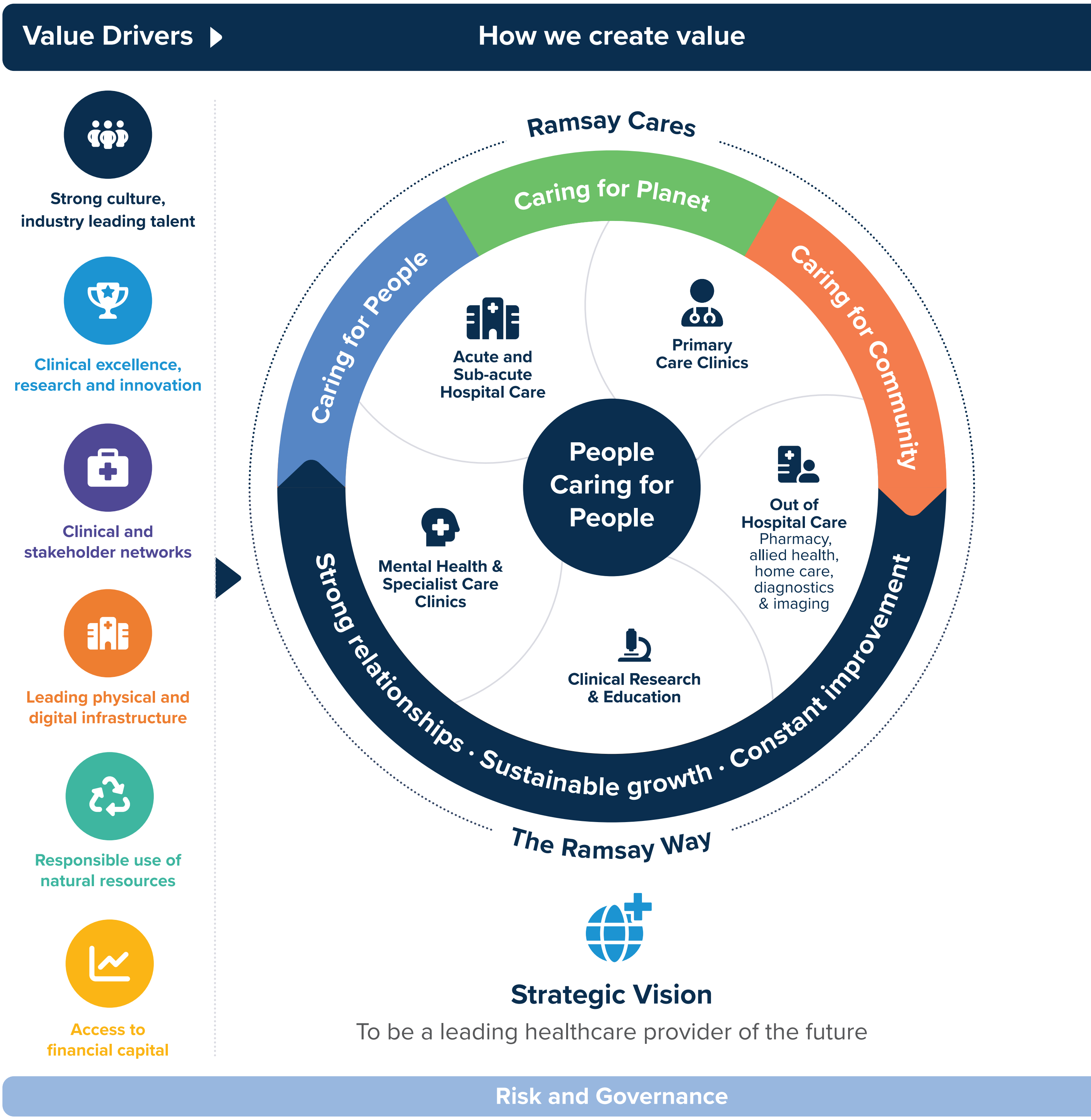
Portfolio of Services

	Primary Care	Imaging & Diagnostics	Out of hospital		Acute Care/Sub-acute[4]			Mental Health Care				Pharmacy
	Clinics	Adjacent services in hospital and out of hospital[2]	Home care/ residential care	Allied Health[3]	Hospitals	Day Surgery Centre	Emergency Centres	Rehab Recovery	MH[5] Facility	LD[6] / Complex Care	Neuro	Pharmacy
Australia			●	●	●	●	●	●	●		●	●
United Kingdom		●	●		●	●		●	●	●	●	
France	●	●	●	●	●	●	●	●	●			
Italy					●							
Sweden	●	●	●	●	●	●	●	●	●			
Norway	●	●		●	●	●	●	●	●			
Denmark	●			●	●	●	●					
RSD[1]			●		●	●	●	●			●	●

1 RSD: Ramsay Sime Darby
2 Includes Pathology
3 Allied Health includes HealthPlus, Psych Clinics
4 Sub-acute care includes Cancer, Gastrointestinal, Rehab
5 MH: Mental Health
6 LD: Learning Disabilities

How we create value

Ramsay creates value by investing in and leveraging our value drivers to create a convenient, integrated, efficient and sustainable healthcare services platform delivering quality healthcare experiences and outcomes for patients; an attractive, industry leading environment for our employees and clinicians and a supportive and effective service for our payors. At the centre of everything we do is our purpose of people caring for people.



Material issues	Outcomes	Measuring our value
People and culture Clinical quality and excellence	• Employing over 90,000 people globally • Deep and experienced global leadership team and continued development of Ramsay leaders • Strong embedded culture	• Gender balance – 47% of senior leadership and 43% of non-executive directors are women • Hundreds of participants in new leadership, nursing and allied health advancement programs • 170 participants in global Ramsay Leadership Academy to date • Recruited hundreds of new clinical and corporate graduates • Renewed focus on diversity and inclusion
Clinical quality and excellence Robust and resilient business model	• Innovative care models, quality clinical outcomes, attracting best in class clinical specialists and partners	• Maintained strong NPS results (70+ in Europe, Australia and UK) • 5 global Communities of Practice supporting clinical capability and learning • Inaugural Clinical Excellence Summit • Continued investment in over 1,000 clinical and research projects
People and culture Clinical quality and excellence Caring for community	• Integrated patient centred care, delivering more services along the patient pathway • Supporting public health system	• Strategic growth in four key therapeutic areas of cardiology, oncology, orthopaedics and mental health • Network growth with the acquisition of Elysium and GHP Speciality Care
Integrated quality assets and infrastructure Data & digital	• Scale to invest • Diversified portfolio by geography, payor & service mix • Expanding, upgrading and investing in our physical and digital footprint	• Total investment in brownfield, greenfield and growth projects $380m • Total investment in digital and data projects $108m
Climate action and environment Responsible sourcing	• Recycling and reducing emissions, and single use plastics	• Ontrack for Net Zero near term 2030 target • Significantly reduced the use of desflurane in theatres • Avoided or replaced more than 60 million single-use plastics • Maintained 100% renewable electricity in the UK • Installed over 3,900 kW of solar panels in Australia
Robust and resilient business model Good governance	• Competitive cost of capital, consistent dividend payments and full rate of taxes paid	• $236.8m in dividends determined in FY23 • $234m in taxes paid in FY23 • Supportive banking relationships

Operating Environment and Key Risks

Material Issues

Our material issues are those that matter most to our stakeholders and impact our business drivers, competitive position and long-term value creation. Understanding the needs and interests of our stakeholders helps us to prioritise our material issues. As well as engaging our stakeholders to gauge their shared and emerging issues, Ramsay's materiality assessment is informed by the Sustainability Accounting Standards Board Materiality Map and reviewed annually by our Global Sustainability Committee.

Clinical Quality and Excellence

- Quality, safety and patient experience
- Clinical outcomes
- Doctor and clinician wellbeing
- Research and development

3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 17 PARTNERSHIPS FOR THE GOALS

People and culture

- Culture and engagement
- Global workforce challenges
- Safety, mental and physical wellbeing
- Diversity and inclusion
- Labour relations

3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH

Data and digital

- Digital transformation
- Cyber security
- Protecting data and privacy
- Transform/adapt systems and processes to support workforce and patient outcomes

3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH; 17 PARTNERSHIPS FOR THE GOALS

Robust and resilient business model

Being able to deliver growth, clinical excellence and shareholder returns and effectively respond to disruption and changing models of care.

3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH; 17 PARTNERSHIPS FOR THE GOALS

Integrated quality assets and infrastructure

- Growth and development pipelines and renewal
- Strategic investments
- Physical and digital infrastructure

8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION

Good governance

Governance, transparency, risk management, business ethics, diversity, independence and tax transparency.

5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 17 PARTNERSHIPS FOR THE GOALS

Climate action and environment

- Net zero emissions and climate risk
- Energy, water and resource use (including single-use)
- Waste and biodiversity

3 GOOD HEALTH AND WELL-BEING; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION

Caring for communities

Delivering for the local and global community through R&D, teaching hospitals, partnerships and the work of the foundations.

3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 10 REDUCED INEQUALITIES; 17 PARTNERSHIPS FOR THE GOALS

Responsible sourcing

Responsible sourcing to improve social and environmental outcomes and supply chain transparency and traceability.

8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 17 PARTNERSHIPS FOR THE GOALS

External trends

External trends play a critical role in our ability to create long term value for all stakeholders. These factors are key inputs into the development of Ramsay's vision and strategy and will shape our long-term legacy.

TREND	DESCRIPTION
Societal & demographic changes	• As Baby Boomers age in the western world, the population will have a higher proportion of people in the 65-80 age demographic. This may result in an increasing prevalence of co-morbidities impacting patient care and length of stay • Governments investing in high profile public campaigns to improve lifestyle behaviours such as smoking and drug abuse • Growth in demand for mental health care services creating an increasing burden on the healthcare sector
Changing patient and doctor expectations	• Patients seeking greater convenience and a consumer-centric experience • Doctors seek to broaden pathway participation and enable 'top of role' opportunities
Technology Change	• Digitisation of healthcare enabling convenient and continuous care. Lower cost care options enabled by digitisation • Digitisation driving the growth in wellness and prevention tools and businesses creating increased competition • Data enabling enhanced care coordination and clinical management
Emergence of new competitors	• Entry of new digitally-enabled lower cost competitors
Clinical innovation	• Earlier diagnosis as a result of improved screening / diagnostic techniques • Lower cost interventional activity • Clinical innovation enabling migration of care to lower acuity settings
Increased payor sophistication and pressure on government funding	• Reimbursement increasingly focused on value – cost and clinical outcomes • Increasing sophistication in negotiations and leveraging of data in contract design • Increasing demand for healthcare services due to the ageing demographic combined with the long lasting impact of COVID-19 on the system will place pressure on government funding sources
Climate change	• Climate change and extreme weather events have the potential to increase demand for services e.g. respiratory problem, certain cancers • May demand significant changes and investment in our facilities to adapt to local climate issues and lower our environmental footprint
Workforce	• A shortage of talent in the healthcare sector has been made more acute by the COVID-19 crisis • Shortages across nursing and clinicians difficult to change in the short term and will have a significant impact on capacity utilisation

Risk management

We are committed to meeting high standards of risk management. Effective risk management is the result of the collaborative endeavours of all key stakeholders and is engrained in our Ramsay culture. Ramsay faces a number of business risks that could affect our operations, business strategies and financial prospects. The key risks[1] are described below, together with relevant mitigation strategies.

RISK	ISSUES POTENTIAL IMPACT	HOW RAMSAY IS RESPONDING
People / workforce		
People are Ramsay's most important asset and are key to the organisation's ongoing success. It is important that Ramsay continues to attract and retain world class talent and provides a safe working environment.	• Inability to develop and implement strategy • Increased costs to the business associated with employee turnover and/or shortages • Reputational damage and/or financial penalties due to serious injury to a person as a consequence of failure to maintain a safe workplace • Operational disruption due to strikes or other forms of industrial action • Inability to compete for resources, particularly in markets with workforce shortages	Ramsay strives to continue to be an employer of choice to attract and retain employees, by: • Ensuring an attractive employee value proposition (e.g. remuneration, flexible working, career progression, succession planning, training and development) and tracking staff engagement • Maintaining an effective workplace health and safety framework. This framework includes policies, training, incident management, monitoring and reporting of safety performance • Investment in projects, technology and infrastructure • Focusing on The Ramsay Way culture - *People caring for people*

[1] This report does not identify every risk that could affect Ramsay's business and the actions taken to mitigate these risks cannot provide absolute assurance that a risk will not materialise. Risks presented in this section are in no particular order.

Clinical Quality & Safety		
The safety of our patients and the delivery of high quality clinical care is fundamental to Ramsay's success.	• Reputational damage as a consequence of poor clinical outcomes • Financial loss resulting from potential significant medical malpractice incidents or claims • Potential impact on ability to recruit and retain clinicians and employees	Ramsay has in place a comprehensive Clinical Governance Framework, which includes: • Clinical effectiveness to ensure a high standard of quality and continuous improvement • Clinical risk management ensuring our services are safe and minimise risk of error and tracking our quality through measures such as clinical incidents and patient experience • Credentialing, licensing and training frameworks • Consumer participation which involves patients and carers in quality improvement activities and business planning through feedback.
Relationships with doctors		
The recommendation of a patient's doctor is often the most significant factor in a patient's choice of hospital in many of Ramsay's regions. Most doctors operating or working at Ramsay hospitals are not employees (except in Scandinavia) and have a choice of where to practice.	• Loss of doctors and associated patient referrals • Inability to provide leading clinical services • Additional costs associated with doctors' decisions e.g. theatre times, use of supplies and timing of patient discharge	Ramsay continually invests in its facilities (e.g. theatres, equipment, nurses, beds and suites) and ensures it has strong relationships with its doctors through regular support and engagement, including providing education forums and opportunities for innovative research. Customer feedback (e.g. Net Promoter Score, complaints etc.) is closely monitored as this also impacts on doctor recommendations to patients.
Government Policy and Regulation		
Ramsay operates in the healthcare industry which is subject to extensive laws, regulations, policies and ethical standards (which may vary by jurisdiction). Government policy may materially impact the role of Ramsay in provision of healthcare and/or the affordability of private health insurance.	• Policies may effectively reduce the role of the private sector in a country's health system, including the involvement of the private sector in the provision of healthcare to public patients • Economic factors or regulations may impact the affordability of private health insurance (particularly in Australia) and result in a reduction in the level of private health insurance coverage • Government intervention in response to public health needs (e.g. COVID-19 response and restrictions on the nature and scale of elective surgery)	Ramsay closely monitors current and proposed government policy and regulation in each country in which it operates, including through: • Maintaining and developing relationships with government in all regions in which it operates. This takes place at all levels of government and at various levels within the business (e.g. at a national and local level) • Membership and/or leadership in various industry representative bodies to ensure input into government healthcare policies and initiatives
Supply Chain		
Ramsay's global operations rely on international supply chains. Geopolitical tensions and global or regional economic conditions may impact cost, availability and sustainability of supply which may impact the ability of Ramsay in its provision of healthcare.	• Cost increases caused by geopolitical tensions and / or inflation • International sanctions may impact the availability of supply • Modern slavery risk in Ramsay's supply chain • Severe weather in key regions may temporarily disrupt supply chains	Ramsay closely monitors its supply chain risks and seeks to mitigate its risk through a number of actions including: • Good supplier relationship management • Alternate supply arrangements • Monitoring of international sanctions • Global procurement strategy that leverages diverse supply chains • Responsible sourcing procurement strategy
Funders - Health Insurance funds and government sources		
Ramsay relies on funding provided by private health insurers and governments in the provision of its services. Changes in government or health insurance funding (including costs of health insurance) could have a material impact on Ramsay's operations.	• Failure to reach satisfactory commercial terms with major insurers or changes to government funding arrangements • Reduction in earnings from health insurance funding due to a decline in the profitability of health funds, a decline in health fund membership or an inability of health funds to obtain premium increases (because of government regulation or other restrictions) • Declines in private health insurance membership due to broader economic issues including increasing levels of unemployment or inflation	Ramsay plays an important role in supporting the health systems in the regions in which it operates and works to foster strong working relationships with both private health insurers and government funders and seeks to have proactive dialogue with stakeholders including around reimbursement models. Our commitment to clinical quality as well as provision of cost effective, outcome focused care demonstrates to third party funders the value in contracting with Ramsay.

Cyber security		
Ramsay handles and stores personal information, including health information, digitally and in paper form for its customers and employees. A cybersecurity incident may result in damage or interruption to Ramsay's information or operational systems, or those provided by third party vendors.	• Suboptimal patient experience or patient harm due to delays or disruption to service delivery • Potential consequences for individuals (including patients and employees) of a privacy breach • Increased costs as a result of recovery strategies and/or financial penalties • Reputational damage as a consequence of a cyber breach	Cybersecurity risk is addressed through a Global Cybersecurity Framework which includes controls associated with prevention, detection and recovery. In addition, the Framework is externally validated, routinely tested and subject to ongoing review and continuous improvement. Ramsay closely tracks any notifiable breaches of patient privacy.
Competition, innovation, developments and acquisitions		
Ramsay's growth strategy may be impacted by industry disruption, innovation, the actions of our competitors, or the ability to identify future acquisitions or generate returns on developments.	• Limited growth or inability to maintain earnings • Limited improvement in service delivery when compared to competitors • Difficulty in attracting and retaining employees • Inability to fully respond to industry changes • Redundancy of services and assets • Cost increases and / or delay to developments as a consequence of third party insolvency in the construction industry	Innovation is a key component of Ramsay's strategy. This involves exploring out of hospital opportunities and digital strategies, as well as investing in facilities (new and existing) and new technologies to ensure that Ramsay is meeting consumer needs now and in the future. Prior to undertaking any acquisition or development, Ramsay undertakes comprehensive due diligence to identify key risks and ensure appropriate valuation, uses external advisors and all acquisitions and developments are considered by the appropriate executive committee or the Board.
Macroeconomic / financial risk		
Ramsay's cost base is subject to various different levels of wage, supply cost and energy price inflation as well as changes to interest rates on its debt. Material changes in the levels of inflation and/or interest rates could have a material impact on Ramsay's financial performance.	• Increased costs as a result of high levels of inflation. • Increased interest costs as a result of high levels of interest rates.	Ramsay enters into Enterprise Bargaining Agreements and other arrangements with unions and employee groups of up to 3 years to provide certainty of future wage increases. Ramsay has global and regional procurement functions who contract with preferred suppliers, leveraging volume and market competition to get preferred pricing to limit the impact of inflation. Ramsay negotiations with health funds and governments seek to gain increases in prices and tariffs to offset the impact of wage and cost inflation. Ramsay's Treasury functions take out interest rate hedges under an approved policy to reduce volatility in earnings resulting from changes in interest rates.
Capital structure		
Ramsay's capital structure is designed to support its strategy and to be resilient to changes in equity and debt markets.	• Constrained capacity to execute strategy • Increased costs of funding • Reduced availability of funding • A lower credit rating likely leading to an increase in funding costs and/or less funding sources	Ramsay's capital management plan is designed to ensure a strong balance sheet to support its strategy over the medium to long term. This includes a plan for maintaining diverse sources of capital, ongoing monitoring and compliance, with limits and other thresholds as set out in the Treasury Policy. A robust capital structure is maintained to provide capacity within Ramsay's lender base at efficient pricing. The balance sheet can be flexed in the short term to accommodate strategic investments such as acquisitions and capital expenditure. The Treasury policy provides a framework for the management and regular reporting to the Board of financial risks including liquidity and refinancing risk, interest rate risk, foreign exchange risk and counterparty credit risk.

Pandemics		
Pandemics can have a significant impact to Ramsay's business.	• Government intervention in relation to the nature and scale of surgeries • Illness, quarantine, fatigue and mental health impacts to our people • Workforce shortages, including due to health care as a profession being perceived as less desirable • Supply chain disruptions • Higher inflation resulting in increased costs • Detrimental economic impacts increasing levels of unemployment that could result in declines in private health insurance membership • Negative public perception of the safety of hospitals impacting volume of elective surgery	Ramsay has developed strong relationships with relevant government agencies and representatives in the regions in which it operates. This helps to ensure that the impacts to Ramsay (as part of the broader health care sector) are understood by government in considering the industry-wide response. Ramsay provides support to employees, including through additional training, its Employee Assistance Programs and other wellness initiatives. Ramsay has business continuity plans in place to ensure response and recovery strategies can be implemented.
Sustainability and climate change		
Ramsay is committed to sustainability and being resilient to a changing climate through our Ramsay Cares Sustainability Strategy.	• Loss of reputation leading to inability to attract employees and capital investment • Increased operating costs from being inefficient and exposure to more extreme weather events • Missed opportunities in responding to a transition to a low carbon economy	The Ramsay Cares Sustainability Strategy outlines a shared vision for sustainability across the global businesses. Ramsay Cares sets measurable targets and is supported by an investment plan. Key focus areas include the mental health and the wellbeing of our people, setting the foundations to reduce our energy and emissions intensity and an emphasis on responsible sourcing within our medical supply chains. Last year, Ramsay committed to both near-term and long-term science-based decarbonisation targets to achieve net zero greenhouse gas emissions consistent with a 1.5-degree pathway and is developing its transition planning. Ramsay is also continuing to build on risk assessments in each region to identify local climate related risks and how they may impact its business in the medium to longer term - these may include physical climate risks (e.g. severe weather) or transition risks (e.g. energy pricing) or a combination. Disclosures informed by the Task Force on Climate-related Financial Disclosures (TCFD) recommendations are included on page 23 of this report.
Legal and regulatory		
Ramsay operates in a highly regulated industry. Facilities are required to be licensed under various legislation in the jurisdictions within which they operate. Ramsay may also be involved in disputes or litigation, for example, with patients, suppliers, funders, regulatory bodies, or employees.	• Inability to operate a facility if it is not accredited • Reputational damage due to lack of compliance or disputes • Costs associated with litigation (e.g. legal costs and damages) or lack of compliance (e.g. penalties)	Ramsay has a framework to manage and monitor its legal and regulatory obligations. This includes compliance with local laws, employee training and effective management of licensing and accreditation.

Strategic Direction

Ramsay is uniquely positioned to take advantage of the megatrends facing the healthcare sector globally, building on our global platform, enviable culture and strategic relationships to become a leading healthcare provider of the future.

Our strategy for growth and transformation is built on four important pillars:

1. Growing modernising and leveraging our world class hospital network
2. Moving purposefully into new and adjacent services
3. Operational excellence to deliver value for all stakeholders
4. Strong organisational foundations

Together the pillars support our Vision, Mission and Purpose.

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

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

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

Integrated patient-centred care

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

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

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

Operational Excellence *will deliver value for all stakeholders*

- Procurement
- Operational efficiencies
- Excellence in service delivery

Strong Organisational Foundations *will underpin our achievements*

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

OUR PURPOSE: People caring for people

Ramsay Cares

Ramsay Cares is our shared strategy for being a sustainable, resilient, responsible global business.

We know sustainability is important to our people, our patients, our doctors and our success. We are committed to making a meaningful, positive difference in the world.

The Ramsay Cares sustainability strategy focuses on three important pillars:

1. **Healthier people** - our employees, patients and doctors are our priority
2. **A thriving planet** - reducing the impact from our operations and supply chain
3. **Stronger communities** - supporting preventative healthcare and local communities.

Along with strong, transparent corporate governance practices, our sustainability goals support delivery of our broader 2030 business strategy.

Find out more at ramsayhealth.com/ramsaycares

A healthcare provider of the future

Ramsay's long-term investment in a major digital and data transformation strategy is focused on benefiting our people, doctors and patients.

The strategy is aimed at creating a best-in-class, digitally-enabled healthcare ecosystem and to cement Ramsay's position as a world leading healthcare provider.

In its first year, the digital and data transformation program in Australia has focused on:

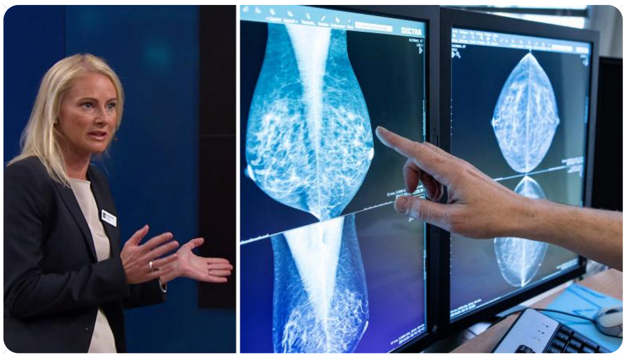
- rapidly establishing key cultural and foundational capabilities and disciplines
- delivering quick wins aligned to our business priorities
- initiating several strategic projects that underpin the transformation
- accelerating value creation and scalability through a rapid prototyping and test and learn iterative approach.

Group Chief Digital & Data Officer, Dr Rachna Gandhi, said the transformation aims to deliver patient-centred care that enhances the experience of our patients, doctors and teams.

"The goal is to modernise and grow our world-class healthcare network and create a platform for growth," Dr Gandhi explained. "Providing safe and secure experiences and the best treatment options is our priority. This transformation is also about evolving Ramsay's culture to a digital mindset and helping our people understand and take advantage of the digital world."

Group Data & Digital Highlights

- The Ramsay Australia Health Hub is a multi-year project to establish a single digital front door and interaction platform for our patients. The first iteration released this year makes it easier and faster for patients to complete their admissions.
- A national mental health digital intake system is being rolled out across 20+ Ramsay clinics in Australia.
- Dozens of digital automations have been installed at Ramsay Australia facilities to replace manual and administrative processes.
- The Ramsay Australia Data Hub is being built to allow us to harmonise and harness data across our sites. The Data Hub will enable us to use Artificial Intelligence (AI) and Machine Learning (ML) tools, which have a crucial role in streamlining workflows.
- A fit-for-purpose Electronic Health Record is being developed to start rolling out in 2024.
- Our investment in cyber security includes introducing a digital identity for all our doctors, so they can access Ramsay Australia's digital ecosystem while still protecting the privacy of patient information.
- Ramsay Sime Darby Health Care (RSDH) is collaborating with Annalise.ai and Amazon Web Services to deploy AI tools for clinicians to enhance patient care. More than 1,000 RSDH employees have been trained in privacy and personal data protection.
- Ramsay Santé launched an online health and wellbeing marketplace as part of its growing digiphysical offering. The e-commerce store is a one-stop shop for more than 50,000 healthcare products.
- The new Ramsay Australia Pharmacy ecommerce site offers a shoppable catalogue of medicines and other products.
- Ramsay UK and Elysium achieved the Government-backed Cyber Essentials Assurance Standard.



As part of efforts to manage a shortage of radiologists across Sweden, Capio Sankt Göran's Hospital, part of Ramsay Santé, is using an Artificial Intelligence (AI) algorithm to review mammography images in breast cancer screening. AI working alongside a radiologist has been found to detect more cancer, more quickly. "We are proud to be among the first hospitals in the world to have implemented AI for mammography screening in a structured and validated way," said Karin Dembrower, chief physician and radiologist.

New ways for better care

Ramsay Santé's Living Labs launched in 2023 to boost our approach to innovation.

Based at Ramsay Santé facilities, the Living Labs act as incubators, where the local team works with the Ramsay Santé Innovation & Partnership Hub to prioritise clever, scalable innovations and fast-track real-life testing.

The centres share improvements and best practice through local and global collaborations.

The network of nine Living Labs in France and the Nordic countries includes primary care, mental health and oncology teams.

In France, a Living Lab at Pôle Aquitaine focuses on finding better pathways for surgery and at Artro Clinic in Stockholm, the focus is on developing more efficient ways to document consultations.

Saint Barnabé, a Ramsay Santé addictology clinic outside Marseille, has been designated a Living Lab to support the development of innovations such as a mobile app to help patients dealing with cravings.

Focus on patient experience

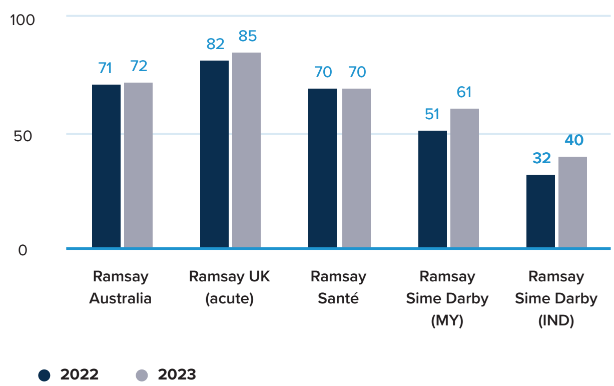
Caring for our patients not only means delivering high quality care but also optimising each patient's experience along their healthcare pathway.

We measure this experience through a Net Promoter Score (NPS)[1] and, this year, each region maintained or increased their positive experience scores.

We also measure NPS in other areas and our Ramsay Clinical Trials Network in Australia achieved an NPS of +89 in its first year.

At Elysium, 81% of Friends and Family Survey respondents rated their experience as 'good' or 'very good'.

Net Promoter Scores



Advancing clinical excellence

Ramsay's commitment to our purpose of 'people caring for people' is the cornerstone of our patient-centred approach to clinical excellence.

Following last year's global Clinical Excellence Summit, we clearly defined our clinical excellence agenda to focus on

- clinical leadership and engagement
- exceptional patient experience
- ongoing research
- innovation and education
- a commitment to quality and safety.

To achieve this, Ramsay is developing a formal framework designed to nurture our culture of continuous learning and improvement.

We have established five global Communities of Practice to support the exchange of clinical capability, learnings and best practice in the key therapeutic areas of cancer, orthopaedics, cardiology, mental health and research.

Over the year, our medical experts from all regions participated in international medical workshops where they could share state-of-the-art treatments, innovative techniques and research findings.

Workshop topics included advanced hip and knee arthroplasty procedures, robotic-assisted interventions, home-based chemotherapy treatments, patient suicide prevention strategies and interventional cardiology advancements.

We also continue to identify opportunities for collaborative research and joint clinical trials across the Ramsay Group.

"At Ramsay, we pride ourselves on being a trusted partner for the many specialists who work with us. Our overriding aim is to work them to ensure the best possible health outcomes for our patients.

Professor Sir Ed Byrne
Group Chief Medical Officer

Ramsay Australia's Nurse Leaders of Tomorrow leadership program is going from strength to strength. Launched in 2021, the career-boosting course, designed by Chief Nurse Dr Bernadette Eather, provides formal upskilling for emerging leaders who are currently nurse/midwifery unit managers.

[1] The Net Promoter Scope (NPS) is an in ranging from -100 to +100 that measures the willingness of customers to recommend a company's products or services to others.

Our group-wide People Strategy is focused on developing capability, fostering a positive culture and supporting the best people in healthcare

Developing the capability of our leaders, as articulated in our Ramsay Leadership Framework, is a global focus for Ramsay. To date, 170 leaders have completed the Ramsay Global Executive Leadership Program, which is designed to enhance global collaboration and accelerate the key leadership attributes needed to deliver our strategy. The practical, experiential and collaborative learning sessions help to:

1. Develop enterprise thinking
2. Build financial capability and business acumen
3. Foster engagement with key stakeholders
4. Encourage an open mindset for new ideas and opportunities.

Importantly, the program embeds Ramsay's enduring purpose of 'people caring for people' at the centre of everything we do.

At a regional level, our various leadership programs are aimed at developing current and emerging Ramsay Leaders in clinical and non-clinical roles. Highlights this year included:

- **Ramsay Australia** - The Ramsay Australia Leadership Academy launched. A new cohort of the Nursing Leaders of Tomorrow program was welcomed and over 400 Nursing Unit Managers were supported with face to face and online masterclasses.
- **Ramsay Santé** - 900+ managers completed a nine-month managerial program co-designed by Ramsay Santé and ESCP Business School. Capio Sweden launched a leadership framework based on the four cornerstones of *Set direction, Build Trust, Be Courageous* and *Collaborate*.
- **Ramsay UK** - 200+ current and emerging leaders attended the new Ramsay UK Academy as part of our approach to "growing our own" skilled employees.
- **Ramsay Sime Darby** - 32 nurses completed the inaugural Future Nurse Leaders Programme, which includes practical training, classroom teaching and clinical attachments to observe operations at different hospitals in Malaysia and Indonesia.

"

We are committed to developing world-class leaders at every stage of their career to courageously lead and achieve our organisational strategy.

Colleen Harris
Group Chief People Officer

Industry leading talent

Continuous, lifelong learning opportunities are critical to attracting and retaining the best people in healthcare. Which is why Ramsay invests in a wide range of supported professional development pathways and training opportunities for our people.

Our growing range of development opportunities for our people includes novice or preceptor programs which provide extra support and training for new graduates. We also offer support to upskill our people to help transition into specialty practice, such as theatre or mental health.

For example, Ramsay Australia provided 33 tertiary scholarships to our people this year and partnered with La Trobe University to help 40 nurses become nurse practitioners.

Cadetship and apprenticeships are an important first step for new nursing graduates and a First Nations undergraduate cadetship was introduced in Western Australia this year.

Streamlining and accelerating our recruitment processes has been an important focus across Ramsay.

This year, Elysium opened a centralised People Centre, which onboarded more than 400 new hires in its first six months and manages Elysium's successful Overseas Nurses Programme.

Elysium Healthcare CEO Joy Chamberlain welcomes Vida, a psychiatric nurse. "Being the 500th nurse recruited through Elysium's Overseas Nurse Programme was one of the greatest days of my professional life," Vida said. "I am grateful to be part of the team."

Celebrating the first Australian graduates to complete our Global Graduate Programme. The two-year opportunity provides corporate and operational experience across our business. As well as structured learning, the graduates work on cross-functional projects and have an international placement. Pictured: Group Chief People Officer, Colleen Harris, with graduates Jacinta Stevens, Brigitte Sierak and Robin Buenaventura and Ramsay Managing Director and global CEO, Craig McNally.

Positive culture and balance

We are focused on engaging and enabling our people and supporting them to have fulfilling careers, with opportunities for learning and advancement throughout their working life.

Our priority areas reflect the needs of our people, including:

- strengthening our workforce
- providing flexible working conditions
- offering more accessible learning and training opportunities
- leveraging technology
- supporting our teams through excellent leadership.

Last year, Ramsay Santé was the first European healthcare provider to sign a landmark Quality of Life & Working Conditions Agreement. As part of this commitment, Ramsay Santé creates and deploys training courses for all key stakeholders, managers, unions and employees to increase awareness about quality of life at work.

This year, more than 2,500 managers have been trained to promote and implement a range of tools and measures that support our people, improve the work environment and boost employee engagement. Training has also been provided to help prevent harassment and discriminatory behaviour.

Group People Highlights

- Ramsay recognised as one of Australia's Top 10 most attractive employers in 2023, in a survey of more than 6,000 people.
- Ramsay Santé awarded the Parenthood Trophy by the Observatory of Quality of Life at Work.
- Capio ranked an 'ideal employer' by nurses in Sweden.
- 500+ people trained in Mental Health First Aid.
- 300 UK apprentices trained in The Ramsay Way.
- 25% increase in childcare places for Ramsay Santé employees.
- Elysium preceptorship program supported 87 newly qualified nurses.

Celebrating our people

Ramsay Health Care is synonymous with the phrase 'people caring for people' and we take pride in our purpose and values.

This year, *The Ramsay Way Awards* were launched in Australia to recognise and celebrate the way our people show and share our values at work. Employee awards have also been instigated across Capio to recognise quality, innovation, empowerment and social responsibility.

RSDH Malaysia hospitals celebrated the winners of the Quality Improvement Reward & Recognition Program, which is delivering significant benefits to quality of care and patient experience.

Empowering inclusion

It is important that we provide a safe, open, diverse and inclusive workplace where our people are energised by what we can achieve together.

To support inclusion at work, Ramsay UK this year established five employee-led People Resource Groups (PRG) to unite employees from similar backgrounds and give them a coordinated voice within the business.

- **Disability** - acknowledging and empowering our people with disability.
- **Ethnicity** - celebrating our ethnically diverse colleagues.
- **Generations** - acknowledging our multigenerational workforce, seeking to understand and evolve all our colleagues' capabilities.
- **Pride** - supporting an environment where our LGBTQIA+ colleagues are able to be their true selves at work.
- **Wellbeing** - actively seeking to create a healthy workplace.

Led by volunteers, the groups focus on building social support and a sense of community for employees who share a common identity. The groups help to engage and develop diverse talent within Ramsay and offer a safe place to learn from each other and share experiences.

> **"I'm really proud we are creating communities that welcome and open up people to difference in our organisation.**
>
> **Nick Costa**
> Ramsay UK CEO

Mental health first aid

Taking care of our employees enables them to take better care of our patients, colleagues and communities. That is why we promote better physical and mental wellbeing for all our people.

In Australia and the UK, we have trained more than 500 people in Mental Health First Aid.

The skills-based, early intervention training program equips participants with the knowledge and confidence to recognise, connect and respond to someone experiencing a mental health problem or mental health crisis.

Group gender diversity

Ramsay is a significant employer of women and has long recognised the social and business importance of achieving gender diversity.

38%	43%	47%	58%
Board members	Non-executive directors	Senior leadership	Facility CEOs

Progress to net zero

In June 2022, we set our commitment to achieve net zero emissions by 2040.

2027	2030	2040
Engage with 80% of suppliers by spend to encourage reduction of emissions in line with science-based targets.	Reduce greenhouse gas emisions by 42% across our global operations. Scope 1 + 2, baseline 2020*	Become a net zero business across our value chain. Scope 1 + 2 + 3*

*95% coverage for Scope 1 and 2 emissons, 90% for Scope 3

Since then we have made good progress and the Group is on track with the near-term target to reduce Scope 1 and 2 greenhouse gas emissions by 42% by 2030 (from 2020 baseline). In addition to rolling out energy efficiency and emission reduction projects, we are focused on embedding net zero roadmaps into Ramsay's 2030 Corporate Plan.

Part of a 318-kilowatt solar panel system at Shepparton Private Hospital.

We are also developing regional transition plans that outline how we will deliver on the net zero targets.

"We started with simple changes, like swapping out plastic straws and cutlery, and now have removed tens of millions of single-use plastics from our operations. Great companies like Ramsay really can help make the world a better place.

Carmel Monaghan
Ramsay Australia CEO

Net Zero Highlights

- 60% achieved of target to install 6.3MW of renewable energy projects by 2026.
- Generated three-million kWh of renewable electricity and installed over 34,000 LED lights in Australia.
- Sweden committed to 100% fossil free energy.
- Procuring 7% renewable electricity in Indonesia.
- France switching to less carbon intensive energy sources.
- Rolling out electric vehicle charging at Elysium.
- More than 60 million single use plastic items avoided in Australia.

Greener theatres

Our efforts to reduce emissions include a 'greener theatres' campaign and most of our hospitals are in the process of greatly reducing the use of the anaesthetic gas desflurane in favour of gases with lower global warming potential.

The first Ramsay Sime Darby Health Care (RSDH) hospital to go desflurane-free was Ara Damansara Medical Centre, when it opened, and others are now following suit.

Clinicians at Ara Damansara Medical Centre are dedicated to keeping the hospital desflurane-free.

RSDH Group CEO Peter Hong said the business was committed to planet-friendly operations.

"That is why responsible consumption is one of our focus areas in reducing emissions. We believe we can make a better choice by reducing desflurane usage, while ensuring high healthcare quality," he said.

Greener Theatre Highlights

- Ramsay UK committed to phase out desflurane in September 2022 and reduced usage to 7%.
- France sites reduced desflurane by 55% since 2021.
- 52% of Australian sites achieved using <5% target.
- 57% of Ramsay Sime Darby Health Care sites are desflurane-free, with Indonesia being completely desflurane-free.

Responding to climate change

Our approach is guided by the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Each year, we build on our disclosures as we progress our action and grow our understanding of how climate risks and opportunities may impact our business.

GOVERNANCE

The Board and Management's role in overseeing Ramsay's approach to understanding and managing climate-related risks and opportunities is outlined on page 24.

STRATEGY

Ramsay's vision is to leverage our global platform to be a patient-centred healthcare provider of the future. The strategy balances the needs of all our stakeholders, taking into account the rapidly changing environment and the pressures this places on global healthcare systems.

- The Ramsay Cares Sustainability Strategy was incorporated into the Corporate Strategy as one of the organisational foundations (see page 17).
- A high-level risk assessment conducted in FY21 in relation to climate-related risks and opportunities identified key common risk areas and the potential implications for strategic and operational areas, such as buildings and supply chain (short- to medium-term focus), and the need grow our understanding and identify actions the longer-term across implications for our people and patients (see page 25).
- We prioritised understanding the physical risks as we operate a large number of sites. We undertook a climate vulnerability assessment to explore how the physical risk exposure to different perils may change over time across more than 300 facilities (buildings) in Australia, Asia, the UK, France and the Nordic region (see page 25).

Our current focus is on developing our Climate Action Transition Plans and including the capital and operational expenses for key decarbonisation measures in our budget and 2030 Corporate Plan. Each region has outlined key strategies, and these will be incorporated into regional transition plans.

RISK MANAGEMENT

Climate change risks are managed within the Group's risk management framework.

- **Risk and opportunity identification** - A high-level risk and opportunity assessment identified a range of physical and transition climate-related risks and opportunities which may impact the health industry globally under the globally recognised scenarios: 1.5-degree, Paris Aligned Scenario (aligned to IPCC RCP-2.6 and SSP1) and 4-degree, business as usual scenario (IPCC RCP-8.5 and SSP5)1 and other relevant modelling.
- **A Physical Climate Analytics Dashboard** has been created, so we can continue to explore a range of different climate scenarios, hazards and how they may affect our operations in each region project focused on how risk exposure to different perils may change over time (2050 and 2100) under different Physical Climate Change Scenarios under the latest IPCC Climate Scenarios (SSP1-2.6, SSP 2-4.5, SSP5-8.5).
- **Ramsay Australia has focused on a transition plan** that outlines how the business will deliver on the Net Zero targets. The plan has been structured using the draft Transition Plan Taskforce (TPT) Disclosure Framework (UK), considered a leading framework for organisations to develop their transition plans. A key part of the work was assessing the underlying assumptions of the emission reduction initiatives and evaluating effectiveness of actions taken to date.

METRICS AND TARGETS

Metrics

- Key metrics, including Scope 1 and Scope 2 greenhouse gas emissions from use of electricity, anaesthetic gases, fuel and Scope 3 emissions (major waste streams) are externally assured and disclosed in Ramsay's Impact Report.
- Scope 3 emissions were estimated based on spend as part of developing our Net Zero emission goals and we will focus on engaging our suppliers to improve the data over time.

Targets

- Ramsay Cares Sustainability Strategy targets include 12% reduction in GHG emissions intensity per patient day and 10% reduction in energy intensity and drive a roll out of renewable energy installs on-site at key hospitals by 2026.
- GHG emission reductions targets are embedded in sustainability linked loans for the Wholly-Owned Funding Group and Ramsay Santé.
- Net Zero near-term target of 42% reduction in Scope 1 & 2 emissions by 2030 (2020 baseline) and become Net Zero emissions across the value chain by 2040 (90% coverage).
- GHG emission reduction targets are included in short-term incentive scorecards for our Executives since FY22.

Our progress

2021

- High-level assessment of climate-related risks and opportunities.
- Established Ramsay Cares targets, including greenhouse gas intensity and energy intensity reduction targets.
- Established a sustainability-linked loan, including greenhouse gas intensity reduction and other Ramsay Cares targets.

2022

- Ramsay Cares Sustainability Strategy incorporated into Corporate Strategy.
- Announced group-wide commitment to net zero greenhouse gas emissions by 2040.
- Greenhouse gas emissions reduction targets included in Executives' STI scorecards.
- Developed Climate Risk Dashboard to assess physical risks across our locations.

2023

- Decarbonation capex/opex included in corporate planning processes out to 2030.
- Climate and SBTi expectations included in new Global Responsible Sourcing Policy.
- Commenced mapping main supplier SBTi commitments.
- Participation in *Australian Climate Leaders Coalition* and *Accounting for Sustainability* (A4S).

2024 Focus

- Developing global and regional climate action transition plans.
- Training finance, risk and development teams on climate risk and financial impacts.
- Validation of the SBTi.

Governance

ROLE OF THE BOARD AND BOARD COMMITTEES		2023 HIGHLIGHTS[1]
Ramsay Health Care Board	Oversees our approach, including considering the social and environmental impact of Ramsay's activities, endorsing the Ramsay Cares sustainability strategy and approving key policies and disclosures.	• Continued to embed climate risk considerations into global strategy and key business decision-making processes • Received updates on progress against our sustainability linked loan targets • Approved our new Global Responsible Sourcing Policy (described below) • Approved our new Code of Conduct, with 'Sustainability, Society and the Environment' as a core principle, highlighting the importance of a focus on climate action and environmental performance across our value chain.
Global Risk Management Committee (GRMC)	Oversees sustainability and any material social and environmental risks, including climate risks and opportunities.	• Considered key business risks and related disclosures, including in relation to sustainability and climate change • Endorsed for Board approval updates to the Global Sustainability Policy • Endorsed for Board approval a new Global Responsible Sourcing Policy which sets out expectations of suppliers in relation to environmental and resource sustainability, including encouraging suppliers to: – measure their greenhouse gas emissions and establish a baseline and – adopt science-based emissions targets using Science Based Target Initiative (SBTi) guidance and tools and submit them to the SBTi for validation.
People and Remuneration Committee	Oversees non-financial performance (including patient, people, customer and environmental) in-so-far as it relates to the Committee's people and remuneration responsibilities.	• Received updates on the Group's environmental performance, including in relation to the greenhouse intensity reduction target • Approved executive remuneration outcomes, in light of financial and non-financial performance • Endorsed for Board approval our new Code of Conduct, with 'Sustainability, Society and the Environment' as a core principle.
Audit Committee	Oversees sustainability issues as they relate to financial matters e.g. financial reporting and financing activities, opportunities and risks.	• Reviewed updates on progress against our sustainability linked loan targets • Reviewed approach to sustainability reporting having regard to evolving requirements, including hearing from external subject matter experts • Approved an Internal Audit Plan that includes assurance activities related to the net zero plan – Scope 1 and Scope 2.
Nomination & Governance Committee	Oversees Committee roles and responsibilities including as they relate to environmental, social and governance matters, reviews Board and Committee composition and Director skills and experience and monitors processes in place in relation to ongoing education.	• Considered the skills and experience represented on the Board, including ability to assess governance, environmental and social issues and the effectiveness of organisational policies and procedures • Monitored processes in place in relation to ongoing education, including considering sustainability and evolving sustainability reporting requirements.
ROLE OF MANAGEMENT		**2023 FOCUS AREAS**
Global Executive	Oversees rollout of Ramsay Cares globally and in each region, integration with strategy and corporate plan; advises Board on material sustainability risks and opportunities including social, environmental and climate risk.	• Overseeing progress on Net Zero Emissions Targets, performance against sustainability-linked loan targets and Ramsay Cares Strategy • CAPEX and OPEX to support key programs and initiatives (e.g. solar and energy efficiency upgrades • Embedding Net Zero Roadmap approach into Corporate Plan out to 2030.
Global Sustainability Committee, Group Sustainability Officer, Regional Sustainability Leads	Supports the Group Executive, focusing on delivery of the Ramsay Cares strategy. The Committee consists of the Group Chief People Officer, Group Sustainability Officer, Regional Sustainability Leads and Group Finance, Risk and Procurement representatives. Subject matter experts, legal, strategy-level leads are invited as required.	• Ongoing implementation of global priorities at a regional level, including through the development of regional initiatives that are tailored to each of Ramsay's businesses • Rollout of Ramsay Cares and Net Zero Emissions Roadmap in each region through regional Ramsay Cares commitments/teams • Identifying and delivering on key emission reduction initiatives such as energy efficiency and greener theatre approaches • Working with suppliers to understand their Net Zero commitments • Undertaking a readiness assessment across new sustainability reporting standards (including ISSB and European requirements).

1 See page 72 for number of meetings held in FY23

Executive remuneration

As outlined in our Remuneration Report (Section 4), the Chief Executive Officer & Managing Director's short-term incentive (STI) scorecard includes a greenhouse gas emission target of 4.2% reduction from prior year. This measure is also included in the scorecards of other members of the Executive team.

We recognise that safeguarding our environment is a key responsibility of the business community and the Board is of the view that executives should be accountable for the Group's environmental performance.

Climate vulnerability assessment of our buildings

In FY22, we undertook a climate vulnerability assessment to explore how the physical risk exposure to different perils may change over time across more than 300 facilities (buildings) in Australia, Asia, the UK, France and the Nordic region.

The project focused on how risk exposure may change over time (2050 and 2100) for different perils under the latest IPCC Climate Scenarios (SSP1-2.6, SSP 2-4.5, SSP5-8.5).

To stress-test resilience, the focus was on a climate scenario (SSP5-8.5) where global temperatures increase by greater than 4 degrees.

The outcomes of the assessment are only directional in nature and will help us prioritise where we need to focus further work.

The preliminary analysis suggests that inherent exposure to damage across the portfolio (i.e. before considering mitigants such as building design) does not appear to change substantially between now and 2050, with much of the increased exposure being felt in the latter half of the century. The analysis also suggests that inherent exposure to forgone revenue is more significant between 2050 and 2100.

In FY23, a workshop was held with Ramsay's insurance broker to better understand the historical claims history made on Ramsay's insurance policy which may relate to the climate impacts. Ramsay then reviewed historic insurance claims across all regions to assess any trends or potential material financial impacts.

In July and August 2022, the UK experienced a heatwave which disrupted theatre operations at a number of sites. Whilst this did not result in any serious delay or impact on patients nor a material financial impact, it does act as a reminder of how a changing climate can impact on hospital operations.

In the next phase, we will focus on:

- Sites that are currently low risk and expected to see the biggest increase in exposure by 2050 under a greater than 4-degree scenario. These include flooding in the UK and storms in Australia and France.
- Sites currently exposed to high levels of physical climate risk that are expected to see the biggest increase in a greater than 4-degree scenario. These include flooding in Sweden and heat in Australia and Asia.

Emerging risk areas		Signals

Short to medium term horizon

- Energy disruption
- Energy cost increases
- Business disruption
- Regulatory disclosure & compliance
- Supply chain disruption

Long term horizon

- People & access to skilled labour
- Capacity constraints
- Patient / customer implications

Existing facilities and future developments

- Energy disruption increasingly a concern and associated volatility in energy pricing
- Business disruptions due to extreme weather (e.g. heat waves, storms and flooding) being seen more readily
- More frequent extreme weather (e.g. heat waves) will require building upgrades (e.g. heating and cooling)
- Regulation on energy efficiency and development controls impacting both existing (retrofit) and future buildings.

Opportunities - Transition to renewable or zero carbon energy sources and build more climate resilience into new developments.

Supply chain

- Disruption to supply chain due to climate is happening and will be exacerbated under warming scenarios.
- Increasing expectations on voluntary disclosure of climate risk and emissions across the value chain.

Opportunities - To engage suppliers to reduce carbon emissions and build resilience into the value chain.

People and health care

- Patient quality and people outcomes already key focus for the business.
- Climate impacts on healthcare are expected to be significant; we need to monitor this for Ramsay and our patient mix.
- Impacts on staff from extreme weather such as heatwaves likely to result in lower productivity, high absenteeism and increased mental health issues for employees and patients.

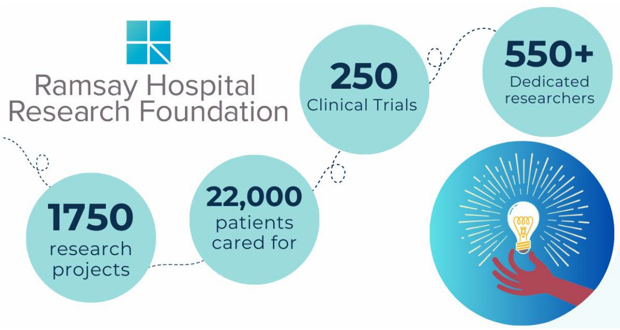
Opportunities - To collaborate with doctors and clinicians across the health care sector.

Investing in health and wellbeing

The Ramsay Way values motivate us to constantly improve and find new and better ways of caring. That is why we support a wide range of health and medical research aimed at elevating the health and wellbeing of our patients and society as a whole.

The Ramsay Hospital Research Foundation (RHRF), supported by an annual $5 million grant from the Paul Ramsay Foundation, funded six new research grants this year with 50+ expressions of interest demonstrating Ramsay's capability to support a broad range of investigations.

RHRF also increased clinical trials within the Ramsay Clinical Trials Network by 11%, with five new sites (20 in total) and over 250 trials across Australia.



Numerous significant studies are underway within the Ramsay Clinical Trials Network, including a ground-breaking trial led by Professor Adnan Khattak to develop a personalised cancer vaccine therapy, targeting melanoma patients. The vaccine, mRNA-4157, harnesses a patient's tumour DNA to specifically target their individual tumour.

Since inception in 2017, RHRF has allocated over $22.1 million in support of more than 40 research grants.

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Ramsay has a strong commitment to providing direct benefits and improved outcomes for patients, and research is driving a transformative shift in the healthcare landscape.

Nicola Ware
Ramsay Hospital Research Foundation CEO

Ramsay Santé on a mission

Ramsay Santé, has become the first listed healthcare group to become a Mission-driven Company under the French PACTE law.

The law allows companies to adopt a purpose (raison d'etre) with social and environmental objectives written into the company bylaws and monitored by a Mission Committee that reports to the Board of Directors. The mission is a pact between the business, its employees, the medical profession, shareholders and patients. It serves as a compass in pursuit of environmentally and socially sustainable growth.

Ramsay Santé's mission was developed in consultation with thousands of doctors and nursing staff, patient and health authority representatives, administrative staff and management.

The four mission objectives are in line with the broader objectives of the United Nations Global Compact:

1. **Promote access to care for all** - we welcome all patients and all pathologies, we guarantee quality of life at work for our teams, we provide increasingly accessible care.
2. **Develop medical innovation to deliver the best care** - we actively support clinical research, we foster the professional development of our employees, we boost our innovation strategy through Living Labs.
3. **Systematise the dialogue with our stakeholders** - we promote a harmonious dialogue with our stakeholders as a key condition of progress.
4. **Protect the planet to improve health** - we reduce our impact on climate change, we improve waste management and combat waste, we involve our suppliers in our environmental approach.

A mission committee, made up of respected independent experts, oversees Ramsay Santé's progress towards achieving its 21 commitments. The first mission audit is due in 2025.

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This mission seals our commitment to orchestrating safer and simpler care pathways, from prevention to follow-up.

Pascal Roché
Ramsay Santé CEO

Partnerships for good

Ramsay UK has partnered with the independent Purpose Coalition to tackle some of the biggest challenges facing people across the country.

The Purpose Coalition maps and measures organisational action across 14 goals targeting social and health inequality.

In a comprehensive report released in June 2023, Ramsay UK was found to have demonstrated significant positive social impact across several key goals, including promoting good health and wellbeing, sustainable communities, harnessing the energy transition and fair career progression.

Read the report at ramsayhealth.com/en/about/our-businesses/ramsay-UK/

People caring for people

Our responsibility goes beyond connecting patients to skilled practitioners.

At our hundreds of sites and with the support of our people, Ramsay has a valuable role in serving society-at-large.

Ramsay supports local and global communities in a wide range of ways, including:

- Making high quality healthcare more accessible through facilities in a growing number of regional cities and towns
- Providing local job opportunities, promoting economic growth and regional stability
- Contributing to scientific and medical research capacity, building knowledge and partnerships
- Supporting important community causes, charities, awareness and education campaigns.

This year, our community support has ranged from donating tonnes of surplus medical equipment to emergency relief in developing nations and providing free health checks to vulnerable communities, to supporting local charities and sports teams, as well as raising public awareness of important health issues such as mental health and cancer.

Ramsay UK's customer care team used their annual 'Giving Back' day to volunteer for a greening project clearing weeds to support local biodiversity.

Each year, Ramsay Santé people rally in support of Breast Cancer Awareness Month, known as Octobre Rose. Throughout the month, Ramsay Santé teams organise cancer screening and fundraising events to support cancer research and education. Nearly 300 employees took part in the annual Odysséa race in Paris to support the fight against breast cancer.

Responsible sourcing

Ramsay's supply partners play a crucial role in the success of our hospitals, clinics and pharmacies. They are instrumental in providing the medical equipment, devices, supplies and pharmaceuticals required for high quality patient care and treatment.

Ramsay has a large and complex global supply chain and it is important that our commitment to responsible sourcing practices is clear and aligned with our sustainability goals.

Key achievements

As part of our Responsible Sourcing Program, in FY23 we achieved our milestone of having 40% of our suppliers (by share of spend) assessed by the sustainability ratings service EcoVadis. We are on track to achieve our target of 80% supplier assessed by FY26.

In FY23, we launched our Global Responsible Sourcing Policy which sets out our expectations and guidelines for all suppliers in the key areas of

- legal compliance
- human and labour rights
- business ethics
- environmental impact.

Our Global Responsible Sourcing Policy is aligned with the United Nations' Guiding Principles on Business and Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the United Nations' Global Compact.

The policy is being incorporated into all our new supplier agreements and has become part of our standard conditions of supply to Ramsay.

In FY23 we also implemented the FairSupply platform, which has enhanced Ramsay's capability to map our global supply chains and identify any risks of modern slavery.

Ramsay expects its suppliers to share our commitment to responsible sourcing practices and values a collaborative approach to achieving its sustainability objectives.

Our annual Impact Report is made available at ramsayhealth.com/ramsaycares

3 Operating and Financial Review

Martyn Roberts
GROUP CHIEF FINANCIAL OFFICER

3.1 Group Performance

Key Highlights

Total revenue grew 11.6% on the previous corresponding period (pcp) reflecting an increase in activity across all regions led by growth in surgical admissions and a gradual recovery in non-surgical admissions. Total revenue includes full year contributions from businesses acquired in FY22 including Elysium Healthcare (Elysium) and GHP Specialty Care (GHP) ($777m increase compared to the pcp).

EBIT includes a positive contribution from non-recurring items of $42.1m ($60.5m negative contribution in the pcp). The primary contributors being asset sales in Ramsay Santé of $55.3m partially offset by a $20.5m impairment taken on 3 properties in the 84 site Elysium portfolio.

Group EBIT (inclusive of discontinued operations) increased 14.6% on the pcp reflecting the improving operating environment in Australia and strong growth in the UK acute hospital business and Ramsay Sime Darby (RSD). The positive results were offset to an extent by lower earnings from Ramsay Santé and Elysium. Underlying Group EBIT (ex non-recurring items) increased 2.9% on the pcp.

Whilst 2HFY23 statutory NPAT was significantly below 1HFY23 due to higher interest and tax costs and a negative contribution from non-recurring items, EBIT before non-recurring items for 2HFY23 was only 1.5% below 1HFY23 due to acute seasonality factors in Australia and a lower performance from Elysium.

The rate of recovery in earnings across the Group was slowed by staffing shortages and inflationary cost pressures in particular labour costs. The estimated direct impact of operating in a COVID environment in Australia and the UK combined in 1QFY23 was $66.8m. The direct impact has declined to an immaterial level with residual costs expected to continue in the business for the foreseeable future.

The business accelerated digital and operational transformation programs to improve performance, patient experience and clinical outcomes in particular in Australia.

Net financing costs increased 34.4% to $474.3m. Net financing costs (excl. AASB 16 lease costs) increased 100.1% on the pcp reflecting the impact of rapidly rising base rates and higher drawn debt over the period. Net financing costs includes net positive swap mark to market movements of $26.8m ($34.1m in the pcp). Removing the impact of mark to market movements costs increased 71.5%.

The effective tax rate increased from 29.6% to 33.2% primarily due to a higher tax expense in the UK.

The business continued to invest in expanding its services footprint and building its digital and data capability to improve the patient, employee and doctor experience and drive productivity. Investment in brownfield, greenfield and growth projects across the Group was $380m and investment in digital and data was $108m ($83.7m was expensed). Total capex for the year was $772m.

A final dividend of 25.0cps was determined down 48.5% on the pcp taking the full year dividend to 75.0cps representing a payout ratio of 60% of full year Statutory Net Profit.

In FY24 we expect mid-single digit top line growth. Transformation initiatives in place will drive margin improvement over time, albeit in FY24 margin recovery will be slowed by inflationary cost pressures, increased investment in digital and data programs and higher funding costs.

3.1.1 Overview of Results

Year Ended June A$'m	2023	2022	Chg (%)	Chg(%) cc[1]
Asia Pacific	5,711.0	5,361.2	6.5	6.5
UK	1,941.2	1,321.5	46.9	49.4
Europe	7,686.9	7,064.4	8.8	8.1
Total segment revenue & other income	**15,339.1**	**13,747.1**	11.6	11.4
Asia Pacific	816.9	725.5	12.6	13.6
UK	208.9	82.0	154.8	156.8
Europe	1,143.7	1,160.1	(1.4)	(2.5)
EBITDAR including discontinued operations	**2,169.5**	**1,967.6**	10.3	10.1
Rent on short term or low value leases	(147.4)	(137.4)	(7.3)	(7.6)
Asia Pacific	806.2	713.6	13.0	14.0
UK	206.3	80.1	157.6	159.7
Europe	1,009.6	1,036.5	(2.6)	(3.9)
EBITDA including discontinued operations	**2,022.1**	**1,830.2**	10.5	10.2
Depreciation	(940.3)	(881.8)	(6.6)	(5.2)
Amortisation & impairment	(60.5)	(57.1)	(6.0)	(6.4)
Asia Pacific	576.4	467.3	23.3	23.5
UK	63.8	(26.2)	-	-
Europe	381.1	450.2	(15.3)	(17.8)
EBIT including discontinued operations	**1,021.3**	**891.3**	14.6	13.2
Financing costs (AASB16 Leases)	(253.0)	(242.2)	(4.5)	(4.8)
Net other financing costs	(221.3)	(110.6)	(100.1)	(101.7)
Profit before Tax including discontinued operations	**547.0**	**538.5**	1.6	1.1
Income Tax Expense	(181.5)	(159.3)	(13.9)	(13.3)
Net Profit after tax including discontinued operations	**365.5**	**379.2**	(3.6)	(7.2)
Attributable to non-controlling interests	(67.4)	(105.2)	35.9	39.2
Net Profit after tax attributable to owners of the parent	**298.1**	**274.0**	8.8	5.1
Final dividend per share (¢)	25.0	48.5	(48.5)	-
Full year dividend per share (¢)	75.0	97.0	(22.7)	-
Basic Earnings per share (after CARES dividend) (¢)	125.1	116.3	7.6	-
Fully diluted earnings per share (after CARES dividend) (¢)	124.8	116.1	7.5	-
Weighted average number of ordinary shares (m)	227.9	227.8	-	-
Fully diluted weighted average number of shares (m)	228.4	228.3	-	-

1 *Constant currency*

3.1.1.1 Revenue Breakdown by type

Year Ended June A$'m	2023	2022	Chg (%)	Chg (%) cc[1]
Revenue from patients and other revenue	14,962.2	13,174.0	13.6	12.4
Revenue from governments under COVID support contracts	1.7	138.4	-	-
Revenue from contracts with customers	**14,963.9**	**13,312.4**	12.4	12.3
Interest income	39.9	36.2	10.2	6.9
Other income - income from government grants	290.2	402.0	(27.8)	(27.9)
Other income - income from the sale of development assets	14.9	1.8	-	-
Other income - net profit on disposal of non-current assets	60.3	23.8	153.4	152.3
Total revenue and other income before intersegment revenue	**15,369.2**	**13,776.2**	11.6	11.4

1 *Constant currency*

The increase in revenue from patients and other revenue reflects the increase in activity levels in each region lead by growth in surgical admissions with non-surgical activity recovering in 2HFY23. Growth in surgical admissions in Australia and Europe was skewed towards day or short stay surgeries, reflecting a large proportion of deferred surgery from the prior period being lower acuity surgery, combined with a trend in France in some elective specialities to day surgery.

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

Activity is now at a level in France where the reliance on the guarantee has declined significantly with $137.5m (€88.7m) revenue booked for the 12 month period under the guarantee representing 2.6% of total revenue reported in France for the period. The remaining $152.7m represents cost compensation.

The revenue contribution from businesses acquired in FY22 including Elysium and GHP was $776.8m higher than the pcp.

Net profit on the disposal of non-current assets reflects net profit on the sale of assets in Europe of $56.9m combined with profit on the sale of the Murray Valley hospital site in Australia of $3.4m.

Income from the sale of development assets represents the sale of medical suites in Australia ($7.6m in profit included in non-recurring items).

3.1.2 EBIT

Non-Recurring Items in the FY23 Result

A$'m	Asia Pacific	UK	Europe	RHC Group
Net profit on disposal of non-current assets and businesses	11.0	-	55.3	66.3
Net Impairment of fixed assets + right of use assets	-	(14.3)[1]	-	(14.3)
Partial reversal of non-recurring employee costs	5.5	-	-	5.5
Transaction costs/ Acquisition, disposal, and development costs	(2.6)	(0.6)	(12.2)	(15.4)
Total EBIT Impact	**13.9**	**(14.9)**	**43.1**	**42.1**
Net swap mark to market movements	8.8	-	18.0	26.8
Total PBT Impact	**22.7**	**(14.9)**	**61.1**	**68.9**
Income tax impact of non-recurring items	(6.8)	3.0	(16.8)	(20.6)
Non-controlling interests in non-recurring items net of tax	-	-	(20.8)	(20.8)
NPAT impact	**15.9**	**(11.9)**	**23.5**	**27.5**

1 Includes a $20.5m site impairment in Elysium partially offset by a write back of a prior year impairment in Ramsay UK $6.2m

Non-Recurring Items in the FY22 Result

A$'m	Asia Pacific	UK	Europe	RHC Group
Net profit on disposal of non-current assets and businesses	8.6	-	10.6	19.2
Expensing of IT and other assets	(12.6)	(0.2)	-	(12.8)
Impairment of fixed assets	(10.1)	-	(1.2)	(11.3)
Refund of prior year rent	-	-	8.3	8.3
Inventory write off	(4.3)	(18.0)	-	(22.3)
Write back of a provision for indemnities and warranties	-	-	24.8	24.8
Non-recurring employee costs	(10.0)	-	-	(10.0)
Transaction costs/ Acquisition, disposal, and development costs	(11.8)	(26.2)	(18.4)	(56.4)
Total EBIT impact	**(40.2)**	**(44.4)**	**24.1**	**(60.5)**
Bank loan facility break costs netted against interest savings	(7.4)	-	-	(7.4)
Net swap mark to market movements	-	-	34.1	34.1
Total PBT Impact	**(47.6)**	**(44.4)**	**58.2**	**(33.8)**
Income tax impact of non-recurring items	14.3	8.4	(11.3)	11.4
Non-controlling interests in non-recurring items net of tax	-	-	(22.5)	(22.5)
NPAT impact	**(33.3)**	**(36.0)**	**24.4**	**(44.9)**

The contribution to Group EBITDA from businesses acquired in FY22 including GHP and Elysium and smaller businesses in the Nordics was $34.3m higher than the pcp.

Underlying Group EBIT (ex non-recurring items) increased 2.9% on the pcp reflecting the improving operating environment in Australia, the UK acute hospital business and Ramsay Sime Darby. The result was offset to an extent by lower earnings from Ramsay Santé and Elysium.

Whilst 2HFY23 statutory NPAT was significantly below 1HFY23 due to increased interest and tax costs and a negative contribution from non-recurring items, EBIT before non-recurring items for 2HFY23 was only 1.5% below 1HFY23 due to acute seasonality factors in Australia and a lower performance from Elysium.

Ramsay Santé's performance reflects the impact of inflation on costs over the last few years not fully reflected in government tariffs combined with restrictions on capacity utilisation in the first part of the year due to labour shortages.

The short term performance of the Elysium business has been impacted by critical labour shortages restricting capacity utilisation and resulting in higher labour costs. Elysium's performance started to improve in 4QFY23 as the recruitment pipeline reduced staff vacancies and agency costs.

The Group result includes the estimated direct impact of operating in a COVID environment in Australia and the UK combined in 1QFY23 of $66.8m. The estimated direct impact thereafter declined to an immaterial level. The residual costs associated with COVID are expected to continue for the foreseeable future.

The positive contribution from non- recurring items in FY23 was weighted to the 1HFY23 result. At the EBIT level the contribution in 1HFY23 was $56.3m, in 2HFY23 non-recurring items made a negative contribution of $14.2m. Non-recurring items for the 12 month period included:

- Net profit of $55.3m on the sale of assets in Europe (profit netted against a small loss on sale) including $46m on a property adjacent to a Ramsay Santé hospital in the Nordics portfolio
- Net profit of $11m on the sale of consulting suites in Australia and profit on the sale of the Murray Valley hospital site
- The movement in amortisation and impairments reflects the reversal of an impairment taken against an underperforming hospital in the UK in FY18, the performance of which has subsequently been improved ($6.2m), offset by the impairment of 3 sites in the Elysium portfolio of ($20.5m)
- Non-recurring employee costs in Asia Pacific represents the partial reversal of a provision taken in the FY22 result.

Refer to Divisional Performance for further detail.

3.1.3 Financing Costs and Tax

Net financing costs (incl. of AASB 16 costs) increased 34.4 % to $474.3m slightly above the range forecast for the year of $430-460m and includes a lower positive impact of the swap mark to market in Ramsay Santé's financing facilities ($26.8m compared to $34.1m in the pcp). Net financing costs (ex AASB 16) increased 100.1% over the pcp. Excluding the impact of swap mark to market movements, net financing costs increased 71.5% reflecting higher base rates and higher average drawn debt across the period compared to the pcp.

The weighted average cost of debt for the Funding Group[1] at 30 June was 4.74% (excluding CARES). Approximately 73% of the Funding Group debt at 30 June was hedged at an average base rate (excluding lending margin) of 3.04%.

The weighted average cost of debt for the Consolidated Group at 30th June was 4.73% (excluding CARES). Approximately 73% of the Consolidated Group debt at 30 June was hedged at an average base rate (excluding lending margin) of 2.57%.

Ramsay Santé continues to be supported by its own funding arrangements underpinned by secured loan facilities.

The effective tax rate for the period (inclusive of discontinued operations) was 33.2% compared to 29.6% in the pcp primarily reflecting the non-deductibility of interest in the UK.

3.1.4 Balance Sheet

A$'m	30-6-2023	31-12-2022	30-6-2022
Working capital	(498.4)	(169.4)	(345.1)
Property plant & equip	5,238.1	5,035.7	4,806.5
Intangible assets	6,163.7	5,961.9	5,820.8
Current & deferred tax assets	89.8	106.2	111.7
Other assets/(liabilities)	(17.0)	(68.6)	(169.7)
Capital employed (before right of use assets)	**10,976.2**	**10,865.8**	**10,224.2**
Right of use assets	4,949.1	4,735.4	4,629.5
Capital employed	**15,925.3**	**15,601.2**	**14,853.7**
Capitalised Leases (AASB16)	**5,954.9**	**5,645.6**	**5,482.4**
Net Debt (excl. lease liability debt & incl. derivatives)	5,147.2	5,241.0	4,845.1
Total shareholders funds (excl. minority interest)	4,154.8	4,070.1	3,933.5
Invested Capital	**9,302.0**	**9,311.1**	**8,778.6**
Funding Group Net Debt (excl. lease liability debt and incl derivatives)[1]	2,664.4	2,601.8	2,416.8
Return on invested capital (ROIC) (%) AASB16 accounting methodology[2]	4.4	4.6	4.3[3]
Return on invested capital (ROIC) (%) cash methodology[4]	11.2	12.1	11.5
Funding Group Leverage (Old Lease Standard AASB 117) (x)[1 '5]	3.2	3.5	3.3
Consolidated Group Leverage (AASB 117) (x)[6]	3.6	3.9	3.5

1 The Funding Group excludes Ramsay Santé. Banking covenants and Fitch rating are calculated on the Funding Group rolling 12 month earnings profile and net debt
*2 Accounting ROIC = 12 mth rolling EBIT *(1-tax)/average of opening and closing invested capital*
3 Proforma excluding funds in escrow for the Spire transaction
4 Cash ROIC = 12 month rolling NOPAT (based on AASB117)/average opening and closing invested capital (AASB117)
5 Net debt (pre AASB16 basis) /EBITDA excluding non-recurring items
6 Prepared on a pre AASB16 basis Net debt/rolling 12 month EBITDA

[1] Funding Group – excludes Ramsay Santé (funded by stand alone debt facilities). Banking covenants and Fitch rating based on the Funding Group earnings profile and net debt. Ramsay Santé continues to be supported by its own funding arrangements underpinned by secured loan facilities against assets on its balance sheet

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Key changes in the balance sheet since 30th June 2022 relate to:

- The acquisition by Elysium of two UK child and adolescent mental health services facilities from Regis Healthcare Ltd (Regis) for $68.1m (£40m); combined with the opening of brownfield and greenfield developments across the Group
- The completion of purchase price accounting for the acquisition of GHP in 2HFY22. Exchange rate translation on both Ramsay Santé and UK goodwill also contributed to the increase in intangible assets since 31st December 2022
- The increase in “Right of Use Assets” is due to FX changes and additional leases being capitalised in Ramsay Santé following the lowering of its lease value threshold
- The reclassification of the investment in Ramsay Sime Darby as "held for sale"
- The sale of a hospital and associated land in Norway owned by Ramsay Santé. There is a deferred payment associated with the sale of the property of $30.5m (€20.2m) classified as a non-current asset
- The movement in working capital over the 12 month period is primarily related to the reimbursement of receivables under the French Government revenue guarantee.

During the twelve month period lenders to Ramsay’s Funding Group agreed to increase the maximum allowable leverage ratio within its banking covenants from 3.5x to 4x to take into account the short-term impact of COVID on earnings. The Funding Group finished the period at 3.2x.

3.1.5 Cashflow

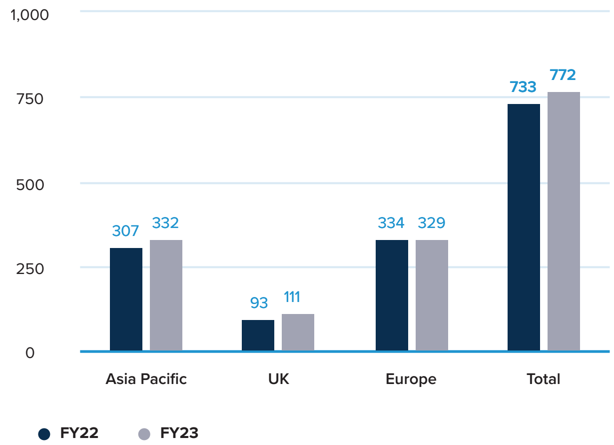
Year ended June A$'m	2023	2022	Chg (%)
EBITDA including discontinued operations	2,022.1	1,830.2	10.5
Changes in working capital	153.3	(457.1)	-
Finance costs	(465.8)	(375.4)	(24.1)
Income tax paid	(234.2)	(229.3)	(2.1)
Movement in other items	(195.8)	(52.9)	(270.1)
Operating cash flow	**1,279.6**	**715.5**	**78.8**
Capital expenditure	(720.9)	(708.5)	1.8
Free cash flow	**558.7**	**7.0**	**7,881**
Net divestments/(acquisitions)	(12.8)	734.1	101.7
Interest & dividends received	19.9	4.4	352.3
Cash flow after investing activities	**565.8**	**745.5**	**(24.1)**
Dividends	(236.8)	(371.0)	36.2
Other financing cash flows	(5.6)	(1,039.9)	(99.5)
Net increase/(decrease) in cash	**323.4**	**(665.4)**	**148.6**
Cash interest cover (x) (EBITDA/finance charges)	4.3	4.9	(11.3)

Operating cashflow increased 79% driven by higher earnings and a material improvement in working capital reflecting the reimbursement of receivables in Ramsay Santé.

Net divestments/(acquisitions) includes receipts from the sale of assets in Europe, receipts from the sale of development assets in Australia and the sale of the Murray Valley hospital in Australia netted against the acquisition by Elysium of two UK based child and adolescent mental health services facilities.

Ramsay continued to invest in the business over the period. Total Group cash capital expenditure for the period was $715m. The difference between total Group capex of $771.5m and cash capex being primarily finance leases subsequently taken out against assets in Ramsay Santé.

Capital Expenditure by Region ($'m)



Group Capital Expenditure by Region (%)

Group Capital Expenditure by Type (%)

3.1.6 Outlook

Group

Ramsay is uniquely positioned to win share and benefit from the growing demand for healthcare services underpinned by changes in demographics, clinical and technological advancements and high demand for healthcare services requiring governments and the private sector to work more closely together. **The current environment dictates some change in the emphasis and focus of the long term strategy.**

In light of higher development costs and disruption in the building industry combined with some of the trends that have emerged through COVID, **investment in the pipeline of opportunities will be modified to ensure disciplined capital allocation and focused execution of the strategy with Australia being the key priority for investment**.

The emphasis of the Australian growth strategy will shift towards investment in digital and data platforms to drive and support growth and improve the efficiency of the business. Investment in the physical footprint will be focused towards treatment and diagnostics capacity in addition to investment in out of hospital activities to create a more integrated healthcare experience for patients.

Australian earnings in FY24 are expected to reflect mid single digit volume growth as the market continues to recover. **A range of initiatives have been introduced to improve near term performance** focused on driving top line growth, improving revenue management and operational excellence and cost efficiencies, designed to offset the ongoing pressure on costs, in particular labour costs.

In FY24 **Ramsay UK is forecasting volume growth in the mid to high single digits driven from both the public and private sector** while continuing to target higher acuity activity. The business will continue to focus on functional excellence and operational efficiencies to offset ongoing cost pressures.

The performance of Elysium is expected to improve in FY24 off a stronger 4QFY23 performance (pre-impairment of PPE right of use asset) driven by a reduction in staff vacancy rates resulting in lower labour costs combined with a focus on other costs and higher reimbursement rates. A failure to improve profitability would result in the deterioration of Elysium's financial outlook in the near-term and may adversely impact its valuation.

Ramsay Santé is currently forecasting top line volume growth of low single digit in France and better in the Nordics supported by the acquisitions made over the last years. The business will continue to focus on integrating recently acquired businesses and licences and self-funding the build out of its regional out of hospital services to support its strong core hospital business. Margins will continue to be impacted by the cumulative impact of the higher cost environment that is currently not fully reflected in the annual tariff set for the year from 1st March 2023. Reflecting rising base rates and higher drawn debt, net interest expense is expected to be materially higher than FY23.

In June 2023 Ramsay announced, in conjunction with its 50:50 joint venture partner Sime Darby Berhad, that it was exploring the sale of the RSD.[1] **A sale process was commenced which has resulted in the receipt of a number of non-binding indicative offers. Ramsay and Sime Darby are in the process of narrowing the number of parties we will take through to the next stage of the process.** We expect to announce the outcome of the process before the AGM, noting that there is no certainty that a sale process will result in a completed transaction.

Ramsay expects growth in earnings in FY24 to be driven by:

- Mid-single digit top line growth driven by higher volumes and higher reimbursement levels
- Margin recovery will be slowed by ongoing inflationary pressures across most costs which are not fully reflected in reimbursement structures
- An increase in digital and data opex investment in Australia of $34-44m over FY23 (total opex $60-70m)
- Depreciation and amortisation is expected in the range of $1.0bn - $1.1bn
- Net interest expense (incl. of AASB16 lease costs) is expected to be in the range $570-600m reflecting higher average base rates[2]
- The effective tax rate is expected to be ~30%
- The balance sheet is expected to de-lever through a combination of organic growth and proceeds from the potential sale of RSD
- Investment in brownfield and greenfield projects in Australia is expected to be $250-300m focused on expanding hospital treatment capacity and its out of hospital services footprint
- Group capex is expected to be $0.89-$1.02bn
- The dividend payout ratio is expected to be in the range of 60-70% of Statutory Net Profit.

For further information on the **Outlook** refer to Divisional Performance for further details

[1] Refer ASX announcement dated 28th June 2023
[2] Does not assume the sale of RSD

3.2 Divisional Performance

3.2.1 Asia Pacific

3.2.1.1 Results Summary

Australia

Year Ended June A$'m	2023	2022	Chg (%)
Revenue from patients and other revenue	5,682.9	5,331.4	6.6
Revenue from governments under COVID support contracts	-	12.3	-
Other income - income from the sale of development assets	14.9	1.8	-
Other income - net profit on disposal of non-current assets	3.4	8.6	(60.5)
Intersegment revenue	9.8	7.1	38.0
Total segment revenue and other income (less interest income)	**5,711.0**	**5,361.2**	6.5
EBITDAR	**797.0**	**710.2**	12.2
Rent	(10.7)	(11.9)	10.1
EBITDA	**786.3**	**698.3**	12.6
Depreciation	(219.8)	(222.4)	1.2
Amortisation and impairment	(10.0)	(23.9)	58.2
EBIT	**556.5**	**452.0**	23.1
Financing costs associated with leases (AASB16 leases)	(44.9)	(42.2)	(6.4)
EBIT after financing costs associated with leases	**511.6**	**409.8**	24.8
Capital Expenditure	332.0	307.0	-

Contribution from Asian Joint Venture (within discontinued businesses)

Year Ended June A$'m	2023	2022	Chg (%)
Share of profit from Joint Venture	19.9	15.3	30.1

Year Ended June MYR'm[1]	2023	2022	Chg (%)
Revenue	1,320.4	1,178.2	12.1
EBITDA	301.1	259.6	16.0
EBIT	**187.9**	**158.7**	18.4

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

3.2.1.2 Review of Results

3.2.1.2.1 Australia

The result in Australia benefited from growth in volumes compared to the pcp and FY19 (pre COVID) levels across all categories except psychiatry (psych) and maternity with the rate of volume growth in the 2HFY23 stronger than the rate of growth in 1HFY23. The operating environment gradually improved over the 12 month period, albeit the rate of growth has been slower than expected, as disruptions caused by COVID and workforce shortages started to normalise.

Total admissions per work day increased 4.7% compared to the pcp and 5.8% vs FY19 (pre COVID). Key trends in admissions across the 12 month period included:

- Surgical admissions per work day increased 7% over the pcp (9% versus FY19) with day surgery increasing at a faster rate of 7.6% than overnight surgery at 5.9% compared to the pcp. Growth in 2HFY23 was higher than 1H at 10.1% vs pcp (10% compared to 2HFY19) compared to 1H at 3.9% (7.8% increase vs 1HFY19).
- Non-surgical admissions per workday increased 2.3% compared to the pcp (2.4% compared to FY19). Growth in 2HFY23 was higher at 6.5% led by increases in rehabilitation (10.3 % on pcp) and medical admissions. Psych volumes have been slower to recover remaining below FY19 levels. Maternity volumes are also currently below last year and FY19 by 9%.

Revenue from the Pharmacy business increased 6.8% on the pcp to $511.3m driven by increased volumes combined with the expansion of aged care and professional services. During the year, an additional community pharmacy franchise was opened in Queensland. Other opportunities are being pursued to expand the portfolio in line with strategic objectives including the launch of an e-commerce platform, continued focus on services to aged care and expanded funded professional pharmacist services.

The State government viability agreements to recover losses stemming from the operating restrictions around COVID, ceased on 30th September 2022. Ramsay has subsequently entered into agreements with state government health authorities to undertake public work on a more commercial basis moving forward.

Amortisation and impairment declined over the period due to a $10.1m impairment charge taken in the pcp.

EBIT grew 23.1% on the pcp benefiting from volume growth, the reduced impact of COVID cases in the community and the easing in the impact of labour shortages on capacity utilisation and labour costs in the business. Margins are gradually benefiting from improved activity and operational leverage, as well as programs introduced to better manage labour costs.

Negotiations with a number of health funds have been completed over the last twelve months. Negotiated rates of indexation and contract terms have been more reflective of the inflationary environment at the time of contracting. Given the ongoing escalation in costs, in particular wage increases and government charges and levies, the business will continue to have a proactive dialogue with key stakeholders around reimbursement models.

The result includes digital and data opex of $27m an increase of $20m on the pcp. The result also includes cyber security related opex of $10m.

There is a positive EBIT contribution from non-recurring items of $13.9m which includes the $5.5m partial reversal of a provision in the FY22 result for non-recurring employee costs, a $7.6m profit on the sale of development assets and a $3.4m profit on the sale of the Murray Valley hospital site. The FY22 EBIT result included a negative contribution from non-recurring items of $40.2m. (Refer tables in Section 2.2.2 for further details).

The result also reflects higher global overheads, compared to the pcp (increased $8.9m on the pcp). Removing the impact of non-recurring items and the increase in global overheads the Australian EBIT result increased 12.0% on the pcp and includes an improvement in EBITDAR margins in 4QFY23 compared to 3Q.

3.2.1.2.2 Ramsay Sime Darby

The Ramsay Sime Darby (RSD) joint venture reported a 30.1% increase in its equity accounted contribution driven by a 18.4% increase in EBIT (in local currency) over the pcp reflecting growth in Malaysia offset by lower earnings in Indonesia due to the benefits of COVID related activities in the prior year.

3.2.1.3 Capital Expenditure

Total capital expenditure in Australia was $332m split across:

- $208m in brownfield and greenfield projects
- $18m in other growth projects
- $11m in digital and data projects. This spend is in addition to the digital and data opex of $27m mentioned above
- $95m in routine and compliance projects

Brownfield and greenfield investment was at the lower end of original forecasts due to delays caused by external approval processes and issues in the building industry at the current time. Spend in FY23 included the Northern Private Hospital in Melbourne (scheduled to be completed by the end of CY2023) greenfield project and the redevelopment of Warringal Hospital in Melbourne. Activity in FY23 also included investment in out of hospital activities including expanding Ramsay Psychology from 11 clinics to 18 at the end of June.

Brownfield projects completed during the period with a net investment of $73.8m delivered 22 net beds, one theatre and one cath lab. Projects completed during the year included the expansion of Wollongong hospital and the expansion of treatment capacity at Peninsula hospital.

Ramsay Australia CEO Carmel Monaghan (right) with Lead Independent Director David Thodey (left) and allied health manager Ryan Park (centre) at St Andrew's Private Hospital Ipswich.

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3.2.1.4 Outlook

Australia

In the medium term the Australian business's strategy will focus on:

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

FY24 Outlook

Australian earnings in FY24 are expected to improve on the back of mid-single digit volume growth, productivity improvements coming from improved labour management and cost saving initiatives.

The business has launched a range of operational and transformation programs in 3 areas:

- Activity growth;
- Improved revenue management; and
- Operational excellence and cost efficiencies.

Earnings will reflect the upfront costs of opening the new Northern Hospital in Melbourne combined with additional state levies and taxes and an increase in cyber security related costs ($10m higher than in FY23).

The business will continue to ensure health insurers pay indexation that better reflects the cumulative impact of inflation on costs over the last few years and the ongoing upward pressure on wages in the market including the increase in the superannuation guarantee.

The Out of Hospital operations will continue to focus on underlying organic growth combined with the rollout of new sites in 2024.

The Australian business will continue to invest for growth in its greenfield and brownfield program together with an increased emphasis on growing the digital and data platform to supporting future growth and productivity improvements:

- Net investment in digital and data projects is expected to be $76-86m in total ($40-50m increase on FY23) split into $60-70m in net opex ($34-44m increase on FY23) combined with $16-18m in capex
- Investment in digital and data projects is expected to increase in FY25 to $140-160m. It is expected that this will be treated $70-80m as net opex and $70-80m as capex
- Based on current plans net opex is expected to peak in FY25 and become a net benefit in FY28[1]. Benefits of the digital and data investment programs are expected to be a mix of productivity, growth in revenue and cost reduction/avoidance
- The brownfield and greenfield project pipeline has been reviewed given high construction costs, problems in the building industry at the current time and a slowdown in approval processes. The range is now expected to be $250-300m. Projects will continue to be focused on expansion of treatment capacity as opposed to material increases in bed capacity

Ramsay Sime Darby

In FY24 RSD expects to report further growth in earnings driven by an ongoing recovery in activity in demand for surgical services and an increase in demand for out of hospital services including in home care and allied services such as health screenings, eye health and dental care.

On 28th June 2023 Ramsay announced that together with its partner Sime Darby Berhad (Sime Darby), a decision had been made to explore the possibility of realising a sale of its 50:50 joint venture in Asia, RSD.[2] The decision was reached following the receipt of significant inbound interest in RSD at values that are in shareholders' interests to explore.

Subsequent to the announcement in June, a sale process was commenced which has resulted in the receipt of a number of non-binding indicative offers. Ramsay and Sime Darby are in the process of narrowing the number of parties we will take through to the next stage of the process. We expect to announce the outcome of the process before the AGM, noting that there is no certainty that a sale process will result in a completed transaction.

[1] The benefits of programs delivered outweigh the investment in new programs
[2] Refer ASX announcement dated 28th June 2023

3.2.2 United Kingdom

3.2.2.1 Results Summary

Year Ended June A$'m	2023	2022[1]	Chg (%)
Ramsay UK - acute hospital business			
Revenue from patients and other revenue	1,147.0	911.1	25.9
Revenue from governments under COVID support contracts	1.7	126.1	(98.7)
Total revenue and other income	**1,148.7**	**1,037.2**	10.8
EBITDAR	**172.3**	**46.8**	268.2
Rent	(1.2)	(1.4)	14.3
EBITDA	**171.1**	**45.4**	276.9
Depreciation	(94.0)	(92.8)	(1.3)
Amortisation and impairment	6.4	(1.8)	-
EBIT	**83.5**	**(49.2)**	-
Financing costs associated leases (AASB16 Leases)	(77.3)	(82.6)	6.4
EBIT less financing costs associated with leases	**6.2**	**(131.8)**	-
Capital Expenditure	44.3	71.8	-
Elysium - Mental Healthcare			
Revenue from patients and other revenue	788.5	284.3	177.3
Total revenue and other income	**792.5**	**284.3**	178.8
EBITDAR	**36.6**	**35.2**	4.0
Rent	(1.4)	(0.5)	180.0
EBITDA	**35.2**	**34.7**	1.4
Depreciation	(34.4)	(11.7)	194.0
Amortisation and impairment	(20.5)	-	-
EBIT	**(19.7)**	**23.1**	(185.3)
Financing costs associated leases (AASB16 Leases)	(12.8)	(5.0)	156.0
EBIT less financing costs associated with leases	**(32.5)**	**18.1**	(279.6)
Capital Expenditure	66.5	20.8	-
UK Segment			
Total segment revenue and other income	**1,941.2**	1,321.5	46.9
Total EBITDAR	**208.9**	82.0	154.8
Total EBITDA	**206.3**	80.1	157.6
Total EBIT	**63.8**	(26.1)	**-**
Total Capital Expenditure - UK	**110.9**	92.6	**-**

1 *Elysium was acquired on 31st January 2022. The FY22 earnings only have a five month contribution from the business*

Overview of UK result in Local Currency

Year Ended June £'m	2023	2022[1]	Chg (%)
Total Revenue and other income	**1,083.0**	725.1	49.4
EBITDAR	**116.4**	48.5	139.8
EBITDA	**114.9**	44.3	159.4
EBIT	**35.8**	(15.3)	333.5

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

Proforma Result Comparison for Elysium Healthcare

Year Ended June £'m	2023	2022[1]	Chg (%)
Total revenue and other income	**442.2**	375.0	17.9
EBITDAR	**20.6**	43.2	(52.3)
EBITDA	**19.8**	40.8	(51.4)
EBIT	**(10.3)**	21.4	(148.1)

1 *Assumes ownership for the full 12 months ended June 2022*

3.2.2.2 Review of Results

The UK region result benefited from good volume growth and mix improvement in the acute hospital business from both the public and private sector combined with an improvement in the hospital operating environment as COVID cases in the community declined driving a significant turnaround in its EBITDA contribution. Both Ramsay UK and Elysium were impacted by inflationary cost pressures and labour shortages prevalent across the UK market. Non-recurring items in the current year were a negative EBIT contribution of $14.9m compared to a negative contribution of $44.4m in the pcp. Removing the impact of non-recurring items, the UK EBIT result increased 318.5% to $78.7m.

Ramsay UK

Ramsay UK reported a 10.8% increase in revenue driven by a 14.4% increase in admissions over the pcp with growth in both private and public channels. Private volumes represented 28% of total volumes across the period. NHS volumes increased 16% over the pcp and private volumes increased by 10.4% driven by a 17.7% increase in PMI admissions reflecting success in a number of national insurer tenders, including the finalising of a 4 year contract with BUPA. Self pay admissions growth has slowed following a sharp increase post COVID, however inquiry levels remain high. The business has also benefited from a higher level of case complexity and the contribution from the three new facilities opened through COVID.

Labour shortages are starting to ease but remain an issue in some areas and resulted in higher agency costs over the period. The business has invested in its in-house recruitment capability and supplemented it with an offshore recruitment partner. Nurse and junior doctor strike action has had little impact on the business to-date however may result in further inflationary wage pressure across the sector.

EBITDAR margins improved materially over the year as the impact of COVID including patient cancellations declined to an immaterial level. Margins continued to improve over the course of the year despite the headwinds caused by ongoing inflationary pressures.

The result includes non-recurring items of $6.2m related to the reversal of an impairment provision taken in a prior period due to the sustained improvement in the performance of the hospital over the past few years. The result in the prior period included a negative contribution from non-recurring transaction costs of $26.2m (£16m) and a $18m write down in inventory (£10.1m). Excluding the impact of non-recurring items the business reported a significant turnaround in EBIT from negative $4.8m to $77.3m.

Elysium Healthcare

Ramsay acquired Elysium Healthcare in January 2022. References to performance versus the prior period assume the business was owned for the full twelve month period i.e. proforma (unless otherwise stated), are for interest only and are based on results in local currency.

Total revenue for the twelve month period increased 17.9% on the pcp reflecting a 10.3% increase in average occupied beds across the twelve month period compared to the pcp (reflecting new developments that have come online), a 3.9% increase in the average daily fee and a 48.9% increase in specialing revenue. The business took over the management of Ramsay UK's three neuro sites during the period.

In accordance with AASB136 Impairment of assets, the carrying value of the physical sites within the Elysium portfolio has been assessed. This review has resulted in 3 sites out of its 84 operational sites being impaired at a total non-cash cost of $20.5m (£10.9m).

On a like for like basis EBITDAR declined 52.3% on the pcp. The result was significantly impacted by lower than expected occupancy rates, as the ramp up of new facilities has been hampered by staffing shortages impacting the ability to admit new patients across rehab and neuro in particular; inflationary pressures across all inputs in particular staffing costs; and a higher use of agency staff increasing labour costs over the period.

The business has invested in new recruitment and training services and facilities and this has seen an increase in the pipeline of candidates as the labour market in the UK eases. Labour cost ratios improved over 4QFY23 as the use of agency staff started to decline with labour costs as a percentage of revenue declining from 72.5% for the full year to 68.8% in June. The business has added 447 net FTE since January including 197 international healthcare workers (a further 212 offers have been made).

The underlying result (ex non-cash site impairment) for the 4QFY23 was a significant improvement on the second and third quarter reflecting the early benefits of the various initiatives introduced over the last twelve months. The focus remains on improving occupancy which was higher in 4QFY23 than the full year but remains below the targeted level, and further reducing the use of agency workers.

In September 2022 Elysium acquired two freehold properties for £39.8m for the provision of services for child and adolescent mental health services (CAMHS). The first site is an existing fully operational site in Ebbw Vale in Wales (21 beds) and the second site is a new facility in Redditch, England (18 beds including 6 beds for young adult with eating disorders) which is expected to open 2QFY24. The facilities have established relationships with NHS Wales and England and are consistent with the UK government's strategic objective to deliver care closer to home and reduce the length of stay for young people and young adults.

3.2.2.3 Capital Expenditure

Capital expenditure in the UK over the twelve month period was $66.5m (£37.2m) for Elysium and $44.3m (£24.8m) for Ramsay UK of which:

- $43.3m was brownfield and greenfield capex;
- $5.2m was digital and data capex
- $8.7m was growth capex; and
- $53.7m was routine capex.

Total UK digital and data spend was $40.4m of which $35.2m was treated as opex rather than capex. Investment in RHCUK digital capability & capacity continued, building on investment in an EHR and Workforce system as well as spend on three day hospitals projects, the development of a two theatre day hospital with full diagnostics capability at Kettering which opened in mid-August 2023, investment in diagnostic equipment, upgrading Ramsay UK's digital front door. Spend in Elysium was primarily on the upgrade and development and extension of a number of sites across the portfolio.

3.2.2.4 Outlook

NHS tariffs for the year commencing 1 April 2023 were finalised in mid August and the uplift is expected to flow by the end of September. The final tariffs for both businesses are in line with expectations and will be back dated to 1st April.

Ramsay UK

In FY24 Ramsay UK is expected to continue to benefit from growth in volumes from the NHS, as waiting lists lengthen and higher volumes from the growing private pay market. The business is forecasting volume growth in the mid to high single digits in percentage terms while continuing to target higher acuity levels.

Operating margins are expected to improve due to an ongoing focus on functional excellence and operational efficiencies combined with the benefit of additional volume. The business expects to continue to be impacted by inflationary pressures and a tight labour market for clinical workers in the UK. Increased investment in its workforce strategy will be focused on attracting and retaining talent.

The business expects to invest $61m (£34.1m) in capex of which A$31.5m (£17.6m) will be spent on enhancing capacity including building out imaging and diagnostic capability.

Investment in its digital infrastructure and its health platform will be ongoing and is expected to be $12.7m (£7.1m in total) comprising $2m (£1.1m) in SaaS operational costs plus $10.7m (£6m) in capex. The key focus of the digital and data program in FY24 is investing in its digital front door to create a better patient experience for the private and self pay market.

Elysium Healthcare

In FY24 Elysium expects strong top line growth driven by improved occupancy levels, a high single digit increase in new bed capacity coming online and tariff uplift mitigating the impact of the inflationary environment.

The performance of Elysium is expected to improve in FY24 from a stronger 4QFY23 performance (pre-impairment) driven by a reduction in vacancy rates resulting in lower labour costs combined with a focus on other costs, higher occupancy levels and higher reimbursement rates. A failure to improve profitability would result in the deterioration of Elysium’s financial outlook in the near-term and may adversely impact its valuation.

Capital expenditure in FY24 is expected to be $104m (£58.2m) focused on maintaining, upgrading and converting existing facilities combined with selected investment in greenfield opportunities.

Ramsay UK CEO Nick Costa opening Tees Valley hospital in June 2023.

Elysium Healthcare CEO Joy Chamberlain, Koestler Arts CEO Sally Taylor and Elysium Executive Medical Director Dr Quazi Haque at the 60th anniversary exhibition of the Koestler Awards, which recognise art created by people living in secure settings including numerous people supported by Elysium.

3.2.3 Ramsay Santé

3.2.3.1 Results Summary

Year Ended June A$'m	2023	2022	Chg (%)
France			
Revenue from patients and other revenue	5,007.6	4,646.3	7.8
Other income - net profit on disposal of non-current assets	6.2	13.7	-
Income from government grants	277.4	357.1	(22.3)
Total segment revenue and other income	**5,291.2**	**5,017.1**	5.5
EBITDAR	**862.9**	**927.4**	(7.0)
Rent	(111.6)	(101.0)	(10.5)
EBITDA	**751.3**	**826.4**	(9.1)
Depreciation	(442.3)	(421.5)	(4.9)
Amortisation & impairment	(15.3)	(26.7)	42.7
EBIT	**293.7**	**378.2**	(22.3)
Financing costs associated with leases (AASB16 Leases)	(105.5)	(101.0)	(4.5)
EBIT less financing costs associated with leases	**188.2**	**277.2**	(32.1)
Nordics			
Revenue from patients and other revenue	2,332.2	2,000.9	16.6
Income from government grants	12.8	44.9	(71.5)
Other income - net profit on disposal of non-current assets	50.7	1.5	-
Total segment revenue and other income	**2,395.7**	**2,047.3**	17.0
EBITDAR	**280.8**	**232.7**	20.7
Rent	(22.5)	(22.6)	0.4
EBITDA	**258.3**	**210.1**	22.9
Depreciation	(149.8)	(133.4)	(12.3)
Amortisation & impairment	(21.1)	(4.7)	(348.9)
EBIT	**87.4**	**72.0**	21.4
Financing costs associated with leases (AASB16 Leases)	(12.5)	(11.4)	(9.7)
EBIT less financing costs associated with leases	**74.9**	**60.6**	23.6
Total segment revenue and other income - Europe	**7,686.9**	7,064.4	8.8
Total EBITDAR - Europe	**1,143.7**	1,160.1	(1.4)
Total EBITDA - Europe	**1,009.6**	1,036.5	(2.6)
Total EBIT - Europe	**381.1**	450.2	(15.3)
Total Capital Expenditure - Europe	**328.5**	333.8	(1.6)

Ramsay Santé – Result in local currency

Year Ended June €'m	2023	2022	Chg (%)
Total Revenue and other income	4,924.3	4,555.5	8.1
EBITDAR	**729.8**	748.6	(2.5)
EBITDA	**643.6**	669.3	(3.8)
EBIT	**240.2**	291.7	(17.7)
Net interest	**(150.5)**	(105.6)	(42.5)
PBT	**89.6**	186.1	(51.9)
Minority interests	(38.5)	(66.8)	(42.4)
NPAT after minority interests	**26.3**	**63.7**	(58.7)

3.2.3.2 Review of Results

During FY23 Ramsay Santé continued to support public health systems in treating patients, with the level of COVID hospitalisations lower than in the prior period. Payments received under the French Government's revenue guarantee structure combined with support from governments in all its regions to cover the increased costs of the operating environment, including the impact of inflationary cost pressures was $290.2m (€186.6m) compared to $401.9m (€258.9m) in the pcp. Payments declined as hospitals returned to more normal activity patterns.

Total revenue increased 8.8% reflecting a 4.4% increase in patient admissions and 1.6m additional patient consultations in the Nordic primary care centres combined with the contribution from acquisitions made in FY22, in particular GHP, of $314m (€202m) to revenue ($268m higher than the pcp).

The Ramsay Santé EBIT result included a contribution from non-recurring items of A$43.1m compared to $24.1m in the pcp including profit on the sale of assets of $56.9m ($55.3m net of a loss on sale)

The result reflects the impact of inflationary pressure on costs in particular labour costs over the last few years that have not been fully reflected in annual tariffs, the impact of labour shortages on capacity utilisation, a change in the mix of activity and the decline in COVID related activity such as testing. Staffing shortages improved over the 12 month period and are now limited to specific geographies and skill sets.

France

Ramsay Santé's hospitals in France continued to operate under the French Government's revenue guarantee arrangements for the 12 month period with the structure of the arrangements modified and extended from the 1st January 2023 through to 31st December 2023. Mental health services were excluded from the revenue guarantee over the period and are now reimbursed under a bundled structure.

Revenue in France increased across all categories driven by a 3% increase in MSO (medical, surgical and obstetrics) admissions on the pcp with day patients continuing to grow at a faster rate (6.6%) than inpatients (-0.5%). FCR (follow up and rehab care) admissions grew 11.4% over the pcp with inpatients increasing 5.4% and day patients increasing 11.8%. Mental health admissions increased 5.3% over the pcp with inpatients increasing 4.1% and day patients increasing 5.5%.

Total revenue includes payments under the revenue guarantee of $137.5m (€88.7m) down 10.5% on the pcp and government funded cost support of $140.3m (€89.7m) down 31.7% on the pcp. As of 1st March 2023, cost support transitioned back to the annual tariff structure in place pre COVID. The annual MSO tariff for the year commencing 1st March 2023 is 5.4% and the FCR tariff is 1.9%. Ramsay Santé believes the tariff does not adequately compensate the sector for the cumulative impact of inflation on costs through the COVID years and the business continues to have an active dialogue with the Government on the potential for additional compensation.

Nordics

Revenue in the Nordics region increased 17.0% on the pcp and includes revenue from acquisitions made in FY22 including GHP of $314m (€202m). The business received $12.4m (€8.2m) of government related cost support compared to $44.9m in the pcp reflected in "Income from government grants". Activity levels in the Nordics region (ex COVID related activities in the pcp) continued to improve with MSO admissions increasing 9.8% on the pcp driven by long waiting lists in most countries and higher volumes in allied and primary health activities.

The integration of the GHP business is progressing according to plan and synergies have been realised as expected to date. The business started to operate two new geriatric care contracts in Stockholm on 1st May 2023 representing an annual turnover of approximately $71m (€50m), and Capio Saint Göran's Hospital opened a new maternity ward in Stockholm on 1st April 2023.

The result includes net profit on disposal of assets of $50.7m including a profit of $46m (€31m) at the EBIT level ($19.3m after tax and minority interests) from the sale of a property attached to a Ramsay Santé hospital in Norway.

3.2.3.3 Capital Expenditure

Total capital expenditure over the 12 month period was $328.6m (€211.6m) split between France A$274.1m (€176.3m) and the Nordics $54.9m (€35.3m). Capital expenditure was split between

- Greenfield and brownfield developments $73.5m
- Growth $28.4m
- Maintenance $197m
- Digital and data spend $29.7m

Projects this year included:

- On 1st March 2023, the Ange Gardien mental health clinic re-opened its doors following an extensive redevelopment of the facility and merger with the neighbouring Perreuse clinic into a single expanded modern site. The 232 beds and 15 day places will significantly enhance the mental health services proposed to the greater eastern Ile-de-France region
- Two primary care centres opened their doors in late 2022 in France and the Haussmann medical centre in central Paris was opened in January 2023

The brownfield and growth capex has been netted off to an extent by new finance leases of $66m and asset disposals $6m.

Digital and data opex during the year totalled $21.5m and included further development of the digital front door for patients in both the Nordics and France.

3.2.3.4 Outlook

In the medium term Ramsay Santé's strategy will focus on building on its aim to be an integrated digi-physical healthcare operator in Europe :

- Work with local stakeholders and authorities in each region to drive improvements and innovation in the provision of health services to the population;
- Continue to pursue the strategy of moving further along the patient pathway through investment in adjacent services. This will include entering new patient segments including primary care in France and Denmark and PHI in the Nordics region;
- Continued investment in digital customer interface to become the preferred primary entry point into an integrated healthcare system and grow demand for new services;
- Extract the synergies from recent acquisitions and selectively pursue growth opportunities in imaging, mental health, primary care and speciality care;
- Focus on ensuring the high quality of services to drive growth in demand for services and increase share of quality based funding
- Continue to optimise its hospital and clinic network in France; and
- Improve the the efficiency of its back office systems to support the growth of the business.

FY24 Outlook

Ramsay Santé is currently forecasting top line volume growth of low single digit in France and better in the Nordics supported by the acquisitions made over the last years.

Inflationary cost pressures and staff shortage difficulties will continue to place pressure on margins in FY24.

Reflecting rising base rates over the course of FY23 and higher average drawn debt, net interest expense (inclusive of AASB 16 lease interest) is expected to be materially higher than in FY23.

Ramsay Sante's FY23 result had the benefit of non-recurring items that contributed ~$23.5m after tax and minority interests to the Ramsay FY23 result, this not expected to be repeated in FY24.

Capital expenditure for the FY24 year is expected to be around the same level as FY23.

Ramsay Santé CEO Pascal Roche (centre) with Ramsay's Managing Director and Global CEO Craig McNally (left), Capio Sweden CEO Britta Wallgren (right) and Ramsay Sime Darby CEO Peter Hong (back left) visiting a primary care clinic in Gothenburg, Sweden.

4 Remuneration Report – Audited

Letter to Shareholders

Dear Shareholders

On behalf of the Board of Ramsay Health Care (Ramsay or the Group), I am pleased to present our FY23 Remuneration Report (Report).

As always, we have sought to ensure that Ramsay's remuneration framework and outcomes align with our strategic objectives and support The Ramsay Way values (People caring for people), while remaining consistent with our remuneration principles of:

- attracting, retaining and motivating the best global talent;
- fairly rewarding performance;
- transparency and simplicity; and
- promoting sustainable, long-term value for shareholders and other stakeholders.

Ramsay Performance Outcomes in FY23

FY23 was another demanding period for healthcare globally. There was a gradual, albeit inconsistent, recovery in the business environment with improved patterns of activity in surgical and non-surgical activity in all regions. At the same time, the industry also experienced ongoing staffing shortages and inflationary pressures, particularly in labour costs.

Against this industry background, Ramsay did not meet its financial expectations in FY23 although the team did make significant progress on many non-financial objectives.

Financial objectives (not met):

FY23 financials demonstrated gradual recovery from COVID-19 impacted years with revenue, EBIT and NPAT up by 11.6%, 14.6% and 8.8% respectively compared to FY22. To mitigate staff shortages and inflationary pressures, a range of programs were launched to drive top line growth, improve operational excellence and productivity and, where appropriate, re-engineer business processes with the support of digital technology. As a result, the Group achieved its revenue and operating cashflow targets but did not achieve its NPAT target. As such, the Board determined that the financial objectives of the FY23 STI scorecard were not met.

Strategy objectives (partially met):

During 2023, we recalibrated our strategy to reflect changes in the environment, and to drive business performance in the short term, while ensuring we are well-positioned to take advantage of the long-term growth in the healthcare sector. Significant progress was made in advancing our Ramsay 2030 strategic priorities. Not all milestones were met, however there was significant progress and several notable highlights which include:

- **Accelerating our operational transformation through our digital and data program, including:**
  - the launch of an online patient hub that connects our doctors, patients and facilities to streamline the hospital pre-admission process;
  - a predictive insights project to improve our capability in data analytics - focusing initially on better clinical coding and theatre utilisation); and
  - numerous automations to reduce administrative burden on our care teams and improve productivity.
- **Disciplined investment in brownfield and greenfield opportunities.** Our 2030 strategy aims to evolve Ramsay's world class network through a program of hospital and out-of-hospital developments. In Australia, investment continued in 2023 but was moderated to reflect higher development costs and disruption in the building industry, combined with post-Covid changes in healthcare demand. Going forward, the emphasis of investment in the Australian business will shift towards digital and data capabilities to improve performance and efficiency of our existing hospital and out-of-hospital network.
- **Good progress in achieving our ESG targets.** Greenhouse gas emission target of 4.2% reduction from prior year was achieved.

People objectives (partially met)

Ramsay responded to ongoing workforce shortages with a program of initiatives that has seen improvements in vacancy rates, turnover rates and time-to-fill. Investment in new training programs and professional development for clinical and operational employees is building internal capability, our graduate intake continues to grow, and this year we launched new leadership academies in Australia, Europe and the UK. Despite these initiatives, employee engagement objectives were met in some but not all geographies, and therefore overall, the People Objectives were determined to be partially met.

Customer metrics (fully met)

Notwithstanding the demanding environment in terms of labour shortages, inflationary pressure and significant strategic change, importantly our people continued to deliver for our customers, with NPS objectives being met in all geographies.

Quality metrics (fully met)

Similarly, in all geographies Ramsay continued to deliver on the quality objectives which define the quality of care expected by our patients and are fundamental to the long-term success of Ramsay.

Linking remuneration outcomes with Group performance

Applying our remuneration principles and frameworks to Ramsay's performance outcomes for FY23 resulted in the following remuneration outcomes for FY23:

- No changes were made to the executive remuneration framework for FY23.
- In light of the Group's performance over FY23 (as outlined above), the FY23 STI vested at 30% of maximum (37.5% of target) for the MD & CEO and 31.25% of maximum (37.5% of target) for the Group Chief Financial Officer (Group CFO).
- The FY21 long-term incentive (LTI) did not vest. This was the result of not achieving threshold targets for relative TSR, and not meeting the ROIC gateway over the LTI performance period.
- No increases were made to fixed annual remuneration (FAR) for Executive Key Management Personnel (KMP) for FY23 and there are no planned changes to FAR for KMP in FY24.
- No increases were made to director base fees during FY23 and there are no planned changes to director fees for FY24.

Refer to section 4.3 for further detail on FY23 remuneration outcomes.

We look forward to feedback from shareholders on this FY23 Remuneration Report.

ALISON DEANS
Chair, People and Remuneration Committee

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4.1 Key Management Personnel (KMP)

This Report for the year ended 30 June 2023 has been prepared in accordance with section 300A of the *Corporations Act 2001* (Cth) and the Australian Accounting Standards.

The Report discloses the FY23 remuneration arrangements and outcomes for the people listed below, who are the individuals within the Group who have been determined to be key management personnel (**KMP**) in the financial year to 30 June 2023. KMP are those people who have the authority and responsibility for planning, directing and controlling the Group's activities, either directly or indirectly. No changes were made to KMP for FY23.

Name	Position	Term
Executive KMP		
Mr Craig McNally	MD & CEO	Full year
Mr Martyn Roberts	Group CFO	Full year
Non-Executive Directors		
Mr Michael Siddle	Chairman	Full year
Ms Alison Deans	Non-Executive Director	Full year
Mr James McMurdo	Non-Executive Director	Full year
Ms Karen Penrose	Non-Executive Director	Full year
Dr Claudia Süssmuth Dyckerhoff	Non-Executive Director	Full year
Mr David Thodey	Non-Executive Director	Full year
Mr Steven Sargent	Non-Executive Director	Full year

4.2 Executive Remuneration Framework

4.2.1 Alignment of Ramsay’s strategy & remuneration framework

Ramsay's executive remuneration framework is designed to attract, motivate and retain a highly qualified and experienced group of executives. It is intentionally structured to align our executives to the creation of long-term shareholder value by successfully executing our strategy and delivering on quality consumer outcomes, in accordance with The Ramsay Way.

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

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

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

Integrated patient-centred care

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

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

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

Operational Excellence *will deliver value for all stakeholders*

- Procurement
- Operational efficiencies
- Excellence in service delivery

Strong Organisational Foundations *will underpin our achievements*

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

OUR PURPOSE: People caring for people

Our remuneration principles

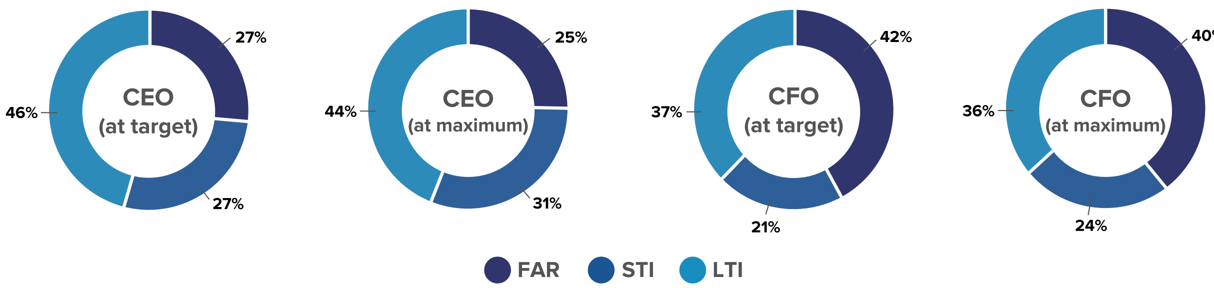
Attract, retain and motivate	Performance based	Simple and transparent	Strategic alignment	Shareholder alignment	The Ramsay Way
Enabling Ramsay to attract, motivate and retain the best talent globally	Provides reward where individuals have demonstrated strong performance	Can be easily explained and understood by all stakeholders	Drives performance against strategy	Drives long term value for shareholders	Encourages the right behaviours aligned to “People Caring for People”

Our remuneration framework

FAR	STI	LTI	Minimum shareholding requirement
Provides competitive base pay to attract and retain the capability required to manage and lead a global business (see section 4.2.3)	Rewards performance in executing Ramsay’s strategic priorities during the year, and behaviour aligned to the Ramsay Way (see section 4.2.4)	Drives long-term value creation for shareholders and encourages an owner’s mindset and long-term decision making (see section 4.2.5)	Further supports alignment between the interests of executives and our shareholders (see section 4.2.7)

4.2.2 Remuneration mix: the composition of our pay

The proportions of reward for current Executive KMP (i.e. the MD & CEO and Group CFO) that are delivered by each of the framework elements when "target" and "maximum" performance is achieved is set out below. The remuneration mix is weighted towards at-risk, performance-based remuneration to ensure a focus on both short-term and long-term performance, and alignment with shareholder interests.



4.2.3 Fixed Annual Remuneration (FAR) overview

FAR is set taking into account market benchmarks referenced to ASX-listed companies with similar market capitalisation, revenue and international operations. As a global organisation and recognising that there are no direct Australian listed competitors, consideration is also given to international healthcare organisations and other private healthcare operators in Australia.

To remain market competitive, FAR is reviewed annually against appropriate market benchmarks considering individual performance for the year and the executive's expertise brought to the role (see section 4.3.1 for FY23 FAR levels for Executive KMP).

4.2.4 FY23 Short-Term Incentives (STI)

The Group's STI plan is designed such that a proportion of Executives' remuneration is at-risk – to be delivered based on the achievement of performance measures linked to annual business objectives aligned to the delivery of strategy.

The table below outlines the key terms and conditions applying to the STI arrangements for the Executive KMP during FY23. Refer to section 4.3.2 for detail in respect of FY23 STI outcomes.

Component	Detail		
Opportunity levels	**Executives**	**Target Opportunity (% of FAR)**	**Maximum Opportunity (% of FAR)**
	MD & CEO	100	125
	Group CFO	50	60
Performance period	STI awards are assessed over the 12-month financial year. Any STI award payments are made after performance is tested at the end of the performance period.		
How STI awards are assessed	As shown in the diagram below, performance outcomes for all Executive KMP are determined based on both Group and individual performance, using a scorecard, and moderated by performance aligned with "The Ramsay Way" (see below for further detail on the STI scorecard measures and the performance modifier respectively). The Board, in conjunction with the People & Remuneration Committee may exercise judgement and apply discretion as is required to ensure that STI outcomes appropriately reflect the performance of the individual and the Group, as well as aligning to the expectations of Ramsay's stakeholders. The minimum STI opportunity is 0% of FAR.		

STI Opportunity				**Unadjusted Outcome**		**Ramsay Way Modifier**		**Performance Outcome**
FAR ($)	x	STI Target Opportunity (%)	x	Scorecard Result (%)	x	The Ramsay Way (%)	=	Value of STI Award ($)

<table>
<tr><th>Component</th><th colspan="4">Detail</th></tr>
<tr><td rowspan="7">Performance measures (i.e. STI scorecard)</td><td colspan="4">The STI scorecard measures are aligned to five key strategic priorities – each one fundamental to delivering on the Group’s strategy.

These measures were chosen as all of these priorities are all measurable on an annual cycle and are fundamental to the delivery of our long-term strategy as they measure the financial outcomes and strategic foundations delivered during the year whilst also ensuring we are continually improving our culture, consumer engagement and high standards of quality.

A copy of the MD & CEO’s scorecard for FY23 can be found in section 4.3.2.b of this report. For other executives, the scorecard cascades from the MD & CEO.

For non-financial metrics, quantitative metrics are used wherever possible and complemented with qualitative metrics, assessed in performance appraisals undertaken by the People & Remuneration Committee and the Board, drawing on multiple sources of feedback.</td></tr>
<tr><td></td><td>Rationale</td><td>Operational Executive (i.e. MD & CEO)</td><td>Non-Operational Executive (i.e. Group CFO)</td></tr>
<tr><td>Financial</td><td>Financial results are critical to delivering for our key stakeholders including patients, staff and shareholders, as well as positioning Ramsay to deliver long-term value.

Financial results are measured against targets set at the beginning of the year.</td><td>50%</td><td>40%</td></tr>
<tr><td>Strategic</td><td>Delivery of annual strategic objectives that are key to delivering the long-term strategy.</td><td>15%</td><td>20%</td></tr>
<tr><td>People</td><td>Our people are our most important asset and our culture, The Ramsay Way is fundamental to our ongoing success.</td><td>15%</td><td>20%</td></tr>
<tr><td>Consumer</td><td>Listening and responding to the needs of our patients allows us to continually evaluate and improve on all aspects of our performance ensuring ongoing competitive advantage.</td><td>10%</td><td>10%</td></tr>
<tr><td>Quality</td><td>Delivering superior clinical outcomes is critical to our ongoing success, so we focus on maintaining the highest stands of clinical quality and safety.</td><td>10%</td><td>10%</td></tr>
<tr><td>‘The Ramsay Way’ Performance Modifier</td><td colspan="4">The Ramsay Way 'People Caring for People' is the Group’s cultural backbone which assists in guiding decision making that is both people and outcome focused, while also balancing risk behaviours in both a financial and non-financial sense.

The Ramsay Way performance modifier allows for adjustments to outcomes for each individual, based on their demonstration of The Ramsay Way values and behaviours.

The application of this modifier can only reduce the quantum of awards, with the modifier being a multiplier between 0–100%.</td></tr>
<tr><td>Delivery</td><td colspan="4">After performance is assessed, the STI award is delivered 50% in cash and 50% in deferred equity in the form of restricted shares.

• For the MD & CEO, restricted shares are granted and deferred for 3 years (subject to continued employment at the relevant vesting date).
• For other Executive KMP, the deferral period is 2 years with 50% of the deferred equity being released after the first year and the second 50% released at the end of the subsequent year (subject to continued employment at the vesting date).

Restricted shares are allocated on a face value basis by dividing the deferred STI amount by the 5-day volume weighted average price (VWAP) of Group shares to the STI payment date (rounded to the nearest whole number of shares).</td></tr>
</table>

Deferred STI Amount ($)		Share Price ($)		Allocation of Restricted Shares
(50% of STI Award)	/	Face value allocation using 5 Day VWAP to STI payment date	=	(Rounded to the nearest whole number)

4.2.5 FY23 Long Term Incentives (LTI) – granted

a) Overview

The LTI plan is designed to reward sustainable long-term performance and align executives to shareholder outcomes, while supporting Ramsay to attract and retain the best talent globally.

b) Key terms

The table below outlines the key terms attaching to the LTI awards granted to Executive KMP during FY23.

Component	Detail
Opportunity levels	LTI opportunities have been set based on the ability of the executive to influence sustainable long-term value creation. **Executive KMP** / **Maximum LTI Opportunity (% of FAR)** / **Maximum LTI Opportunity ($)** C.R. McNally / 175% of FAR / 3,650,325 M.J. Roberts / 90% of FAR / 1,080,000
Instrument	The Group's LTI awards are delivered in performance rights. Performance rights are granted for no consideration as they form part of the remuneration package for Executive KMP. Each performance right is an entitlement to receive a fully paid ordinary share in Ramsay Health Care Limited at no cost (or an equivalent cash payment at the discretion of the Board).
Allocation methodology	Performance rights are granted using a face value methodology. Each individual's dollar value LTI opportunity (as a percentage of FAR) is divided by the five-day VWAP up to and including the first trading day of the performance period. **Executive FAR Amount ($)** x **LTI Opportunity (%)** / **Share Price ($)** (Face value allocation using 5 Day VWAP to first day of performance period) = **Allocation of Performance Rights** (Rounded to the nearest whole number)
Performance Period	3 years (i.e. 1 July 2022 – 30 June 2025) for the FY23 grant.
Calculation of Awards	**Overview** FY23 LTI awards are subject to two performance conditions: • **Relative Total Shareholder Return 'Relative TSR' (50%)** against the S&P / ASX100 index (excluding real estate, finance and resources industries, as they have different drivers of operating performance); and • **Compounded Annual Growth Rate in Earnings per Share 'CAGR in EPS' (50%)** subject to the achievement of the ROIC gateway noted below. **Relative TSR (50%)** A relative TSR performance condition is used, as the Board is of the view that use of a TSR hurdle provides a strong link between executive remuneration and shareholder return, relative to Ramsay's ASX peers. The Board also considers that it is appropriate to use a broader index-based comparator group (as outlined above) rather than a sector specific peer group as there are too few Australian healthcare companies of a similar size and scope of operations to Ramsay for benchmarking purposes. The following table sets out the vesting schedule in respect of the relative TSR performance metric. **Group's relative TSR** / **Vesting** Below 50th Percentile / Nil 50th Percentile / 50% vesting 50th and 75th Percentile / Vesting on a straight-line basis between 50% and 100% vesting Above 75th Percentile / 100% vesting **CAGR EPS (50%)** EPS has been chosen as it is linked to long-term growth targets and provides evidence of Ramsay's growth in profitability and is linked to shareholder returns. The measurement of EPS will be based on a 3-year growth range against threshold and stretch performance hurdles. Subject to the achievement of the ROIC gateway noted below, the following table sets out the vesting schedule in respect of the EPS performance metric.

Component	Detail
	CAGR EPS / **Vesting**: Less than 3% – Nil; 3% (threshold) – 30% vesting; Between 3% and 9% – Vesting on a straight-line basis between 30% and 100% vesting; 9% (stretch) – 100% vesting
ROIC gateway	As noted above, the EPS component of FY23 LTI awards will be subject to a Return on Invested Capital 'ROIC' gateway, reflecting the capital intensive nature of the Group's business. That is, both the EPS hurdle and ROIC gateway will need to be met in order for any vesting to occur. The ROIC outcome for the Group over the 3-year performance period is tested relative to the weighted average cost of capital (WACC) for the Group over the 3-year performance period. The actual ROIC outcomes will need to be above WACC for vesting to occur. The Board will consider the impact of acquisitions (which are made in line with a Board approved acquisition plan) in the assessment of ROIC, including exclusion of capital spent and the returns from that acquisition for the period of the approved build and ramp-up, to ensure that participants are not penalized for undertaking an investment which is expected to deliver long-term profitable growth. The Board assesses achievement of the performance conditions having regard to external data and the Company's audited financial statements.
Board discretion and adjustment principles	The Board, in conjunction with the People & Remuneration Committee, may exercise judgement and apply its overarching discretion as is required to ensure that LTI outcomes appropriately reflect the performance of the individual and the Group, as well as aligning to the expectations of Ramsay's stakeholders. In particular, the Board has discretion to make adjustments to the EPS outcomes used for the purposes of the FY23 LTI award and, as noted above under "ROIC Gateway", the Board will consider the impact of acquisitions (which are made in line with a Board approved acquisition plan) in the assessment of the ROIC gateway. To ensure any adjustments are consistently applied, five guiding principles will be applied as follows: • **Plan integrity and management accountability** - adjustments will be made to align with the purpose of the plan and reflect management accountability for past decisions; • **Nature and timing of adjustments** - adjustments, both positive and negative, will only be made at the time of vesting; • **Transparency** - the Group will provide a clear rationale and disclosure, for any adjustments made, especially in case where performance has not been achieved; • **Material or significant events** - adjustments will only be made for events or items over the vesting period that have a material impact positively or negatively on the performance outcome, and consequently reward outcome; • **Balance of interests** - adjustments will be balanced to ensure outcomes are not unfairly biased towards either shareholders or management. The Board will provide clear and transparent disclosure in respect of any exercise of Board discretion or adjustments to EPS in the relevant Remuneration Report.

CAGR EPS	Vesting
Less than 3%	Nil
3% (threshold)	30% vesting
Between 3% and 9%	Vesting on a straight-line basis between 30% and 100% vesting
9% (stretch)	100% vesting

4.2.6 Other terms

The following components apply to both the STI and LTI.

Component	Detail
Board discretion	As noted above, the Board, in conjunction with the People & Remuneration Committee, may exercise judgement and apply discretion as is required to ensure that incentive outcomes appropriately reflect the performance of the individual and the Group, as well as aligning to the expectations of Ramsay's stakeholders.
Treatment on cessation of employment	The Board retains absolute discretion in determining STI payments for a leaving executive. However, if an executive ceases employment with Ramsay before key performance indicator (KPI) targets are achieved, then they will generally not be entitled to receive any STI. However, if cessation of employment is due to retirement, illness, disability or death or is a Group-initiated termination other than for cause, the Executive may receive a pro-rata STI payment for the portion of the performance period they were employed. Restricted shares granted as the deferred equity component of any STI payment will lapse if employment is terminated for cause or if the Executive resigns (or gives notice of resignation) prior to the relevant vesting date. If the Executive ceases employment for any other reason, the Restricted Shares will remain on foot and vest in the ordinary course. LTI performance rights will lapse if employment is terminated for cause or if the Executive resigns (or gives notice of resignation) prior to the relevant vesting date. If cessation of employment is due to any other reason including retirement, illness, disability or death or is a Group-initiated termination other than for cause a pro rata portion will remain on foot and be tested in the ordinary cause of business. In all cases, the Board has discretion to determine a different treatment on cessation of employment.
Malus and clawback	The Board may take action to reduce, recoup or otherwise adjust "at-risk" remuneration including in-year incentives, unvested incentives and previously awarded incentives (cash or equity) where, in the opinion of the Board: • the employee has acted fraudulently or dishonestly, engaged in gross misconduct and/or breached his or her duties or obligations to the Group (including acting in breach of the terms and conditions of their employment and/or Ramsay's Code of Conduct for Employees); • has engaged in an act which has brought the Group into disrepute or has acted or failed to act in a way that has contributed to, or is likely to contribute to, material reputational damage to the Group; • is convicted of an offence or has a judgement entered against them in connection with the affairs of the Group; • "at-risk" remuneration vests as a result of a financial misstatement circumstance or the fraud, dishonesty, negligence or breach of duties or obligations of any other person and, in the opinion of the Board, the remuneration would not have otherwise vested; • adverse outcomes have arisen after vesting of "at-risk" remuneration (including during the deferral period) that cause a re-evaluation of the original assessment of performance generating the award; and/or • any other circumstances exist or have occurred which the Board determines in good faith to have resulted in the employee receiving an unfair benefit. The ability of the Board to apply the policy is broad and includes (but is not limited to) lapsing or requiring repayment of awards, and for unvested equity re-setting performance conditions or amending the terms on which they are disposed.

4.2.7 Minimum shareholding requirements

Ramsay maintains a minimum shareholding policy (**Policy**) for Executive KMP and NEDs. This Policy is intended to support alignment between KMP and the Group's shareholders and requires all Executive KMP and NEDs to obtain and hold Ramsay shares in line with the detail below:

Position	Minimum Shareholder Requirement	Timeframe to Acquire
MD & CEO	200% of FAR	Five years from time of appointment (or implementation of policy for individuals in role at 1 July 2019).
Other Executive KMP	100% of FAR	
Non-Executive Directors	100% of base annual fees	

4.3 FY23 Performance and Remuneration Outcomes

This section provides a summary of Ramsay's performance in FY23, and the actual remuneration outcomes that this delivered for our executives.

4.3.1 FAR levels

For FY23, there were no adjustments to fixed remuneration for Executive KMP. The table below sets out FAR level for Executive KMP for FY23.

Executive KMP	FAR (FY22)	FAR (FY23)
C.R. McNally[1]	$2,085,900	$2,085,900
M.J. Roberts[2]	$1,200,000	$1,200,000

1. *The balance of FAR presented for C.R. McNally is disclosed exclusive of superannuation and non-monetary benefits, such as private health insurance cover and other fringe benefits.*
2. *The balance of FAR presented for M.J. Roberts is presented inclusive of superannuation and non-monetary benefits.*

4.3.2 Actual STI outcomes

4.3.2.a Overview

Actual STI outcomes delivered to Executive KMP in FY23 are set out in the table below. An overview of performance against the FY23 scorecard for MD & CEO (including key financial measures) is outlined in section 4.3.2.b below.

Executive KMP	Target STI opportunity ($)	Target STI opportunity (% of FAR)	Maximum STI opportunity ($)	Maximum STI opportunity (% of FAR)	% of target FY23 STI target awarded	% of maximum FY23 STI awarded	% of maximum FY23 STI award forfeited
C.R. McNally	$2,085,900	100% of FAR	$2,607,375	125% of FAR	37.5%	30%	70%
M.J. Roberts	$600,000	50% of FAR	$720,000	60% of FAR	37.5%	31.25%	68.75%

4.3.2.b Performance against FY23 STI scorecard

The table on the following page provides an overview of performance achieved against the MD & CEO's FY23 STI scorecard.

FY23 financial outcomes demonstrated gradual recovery from Covid-19 impacted years with revenue, EBIT and NPAT up by 11.6%, 14.6% and 8.8% respectively compared to FY22. The Group's results benefitted from growth in surgical activity across all regions during the period, and a gradual recovery of non-surgical admissions. Despite a topline growth in line with targets, the rate of recovery in earnings across the Group was slowed by staffing shortages and inflationary cost pressures, particularly in labor costs.

The Group achieved its revenue and operating cashflow targets but did not achieve its NPAT targets. As such, the Board determined that the outcome of the financial measures under the FY23 STI scorecard was not achieved. Ramsay performed strongly against the quality and consumer metrics under the STI scorecard which attests to the consistent high quality of care we extend to our patients despite a challenging operating environment.

Measure	Weight	Achievement	Commentary on performance
Financial			
• NPAT adjusted on case-by-case basis to ensure accountability • Revenue • Operating cashflow	50%	●	• Revenue and operating cash flow targets were met, but NPAT target was not achieved. As a result, the Board determined the outcome under the financial measure component was not met.
Strategic			
• Strategy development and implementation Growth investment • Greenhouse gas emission reduction of 4.2% from prior year.	15%	●	• Strategic milestones on Ramsay2030 were partially achieved – Strong progress on Digital and Data Strategy implementation. – Progress on out-of-hospital-strategy with Ramsay Psychology Clinics across four states in Australia, expansion into diagnostics and imaging service lines in the UK, and establishment of Primary Care Clinics in France. • Planned expenditure for growth investment was not achieved during the year with full year CAPEX spend of $771.5 million. – $379.9 million of capacity expansion projects, brownfields and growth projects were completed in 2023. This was lower than planned due to higher building costs and industry challenges. – $108.1 million of Digital and Data spend ($83.7 million was expensed) to improve clinical outcomes, support topline growth, boost productivity and deliver a best-in-class integrated patient care. • Greenhouse gas emission targets were achieved.
People			
• Workforce initiatives implemented and tracked through a reduction in turnover and time to fill vacancies • Workplace fatalities = 0 • Workplace safety as measured by top quartile long time injury frequency rate **(LTIFR)** • Gender diversity in senior management • Employee engagement and culture	15%	●	• Four pulse surveys conducted with two regions improving engagement and two regions outcomes slightly lower than the prior survey • Turnover and time-to-fill vacancies were reduced across all regions through implementation of workforce initiatives such as work on adapting models of care, and new recruitment and retention strategies (including international and local recruitment campaigns across Canada, ANZ and the UK). • No workplace fatalities. • Workplace Safety measures LTIFR achieved. • Senior Management composed of 53% males and 47% females, which exceeds Ramsay's gender composition target.
Consumer			
• Net Promotor Score (NPS)	10%	●	• The Group met target NPS for all regions in FY23 with no regression.
Quality			
• Hospital accreditation • Infection rates • Unplanned readmissions • Unplanned return to theatre • Never events	10%	●	• 100% accreditation across all regions. • All regions achieved KPIs on infection control for hospital acquired staphylococcus aureus bacteraemia (per 10,000 bed days), rate of unplanned readmissions within 28 days (per separation) and rate of unplanned return to theatre (per procedure) and never events with definitional changes in France & Nordics.

Application of “The Ramsay Way” performance modifier (0 – 100%) – no adjustments applied
Final FY23 CEO / MD STI outcome – 30% of maximum (37.5% of target)

● **Met** ● **Partially met** ● **Not met**

4.3.3 LTI outcomes

FY21 LTI

Overview

The FY21 grant for the MD & CEO (with a performance period from 1 July 2020 to 30 June 2023) was tested at the end of FY23. This award was tested against relative TSR against the S&P / ASX100 (excluding real estate, finance and resources) (50%) and CAGR in EPS (50%) (with the EPS component subject to a ROIC gateway).

As detailed below, there was no vesting of the FY21 long term incentives.

Refer to the FY21 Remuneration Report for full detail of the terms attaching to the FY21 LTI awards, which can be accessed on the Group's website at <https://www.ramsayhealth.com/Investors/Annual-and-Financial-Reports>.

Performance measure	Weighting	Actual level of performance	Vesting outcomes under FY21 LTI
Relative TSR	50%	17.02 percentile	0% of relative TSR component
Aggregate EPS	50%	ROIC gateway - not achieved CAGR EPS - not applicable as ROIC gateway not met	0% of aggregate EPS component
			0% overall vesting

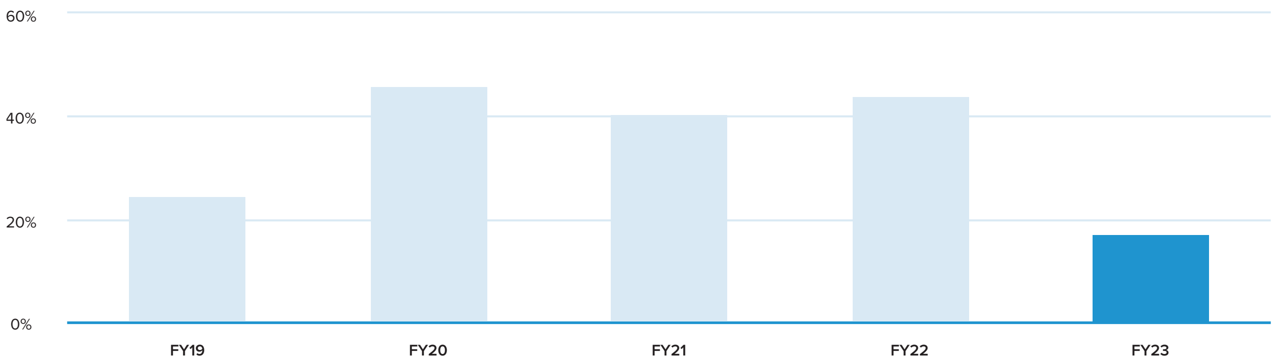
Relative TSR performance condition

The vesting schedule in respect of the relative TSR component of the FY21 LTI performance rights is set out below. Relative TSR performance is assessed against the S&P/ASX100 index (excluding companies in real estate, financial and resources industries). The Group achieved a relative TSR ranking of 17.02 percentile, resulting into nil vesting of this portion of the award.

Level of performance	Vesting outcomes
Below 50th percentile	Nil
50th percentile	50% vesting
50th and 75th percentile	Vesting on a straight-line basis between 50% and 100% vesting
Above 75th percentile	100% percentile vesting
Actual relative TSR achieved: 17.02 percentile	**Level of vesting: 0%**

The 3-year relative TSR performance over the last five years is detailed below:

TSR Percentile Ranking[1]



1 *TSR percentile ranking is calculated with reference to the S&P/ ASX100 index excluding companies in real estate, finance and resources.*

EPS performance condition (with ROIC gateway)

The EPS component of the FY21 LTI is subject to a ROIC gateway. That is, the ROIC outcome for the Group over the 3-year performance period must be higher than Ramsay's WACC for vesting to occur. The Group achieved a ROIC outcome less than the WACC over the 3-year performance period, resulting in the gateway not being achieved and therefore this performance condition not being met.

The measurement of EPS under the FY21 LTI was based on a 3-year CAGR against threshold and stretch performance hurdles to align closely with market practice.

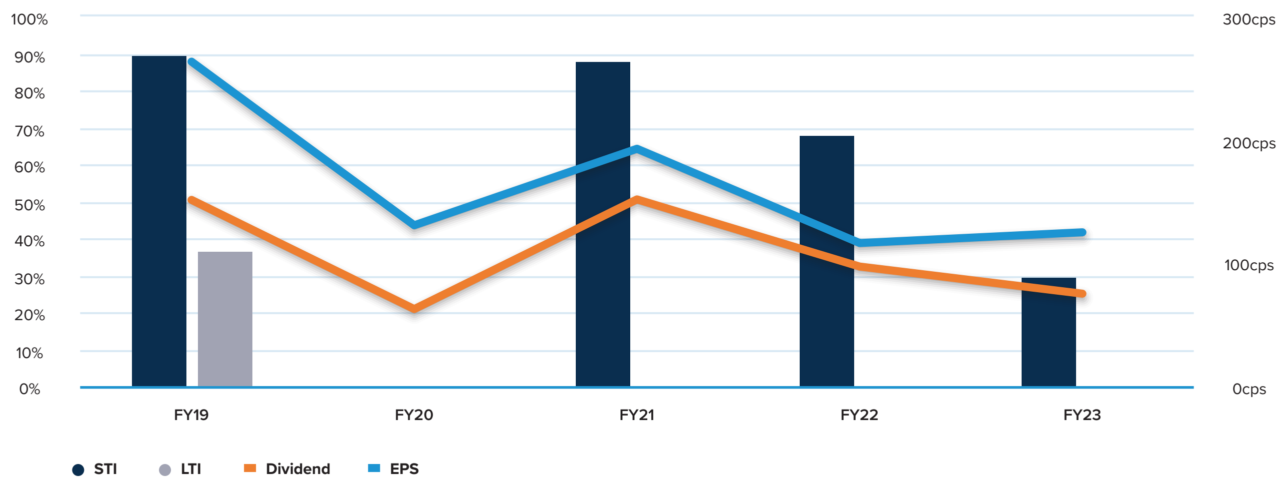
Level of performance	Vesting outcomes
Less than 3%	0%
3% (threshold)	30% vesting
Between 3% and 9%	Vesting on a straightline basis between 30% and 100% vesting
9% (stretch)	100% percentile vesting
Actual CAGR EPS: not applicable as ROIC gateway not met	**Level of vesting: 0%**

One-off awards

In joining Ramsay, the Group CFO Martyn Roberts forfeited significant unvested equity from his prior role. In recognition of this, the Group CFO was provided with performance rights in FY20 equivalent to $1M that vested subject to meeting individual performance requirements and service conditions over the 3 years from his employment anniversary. The vesting of the performance rights was weighted to the longer-term with vesting in tranches of 20%, 30% and 50% over 3 years. The third tranche vested in full in FY23.

4.3.4 Five year Group performance correlated to variable reward outcomes

The graph and table below summarises STI and LTI outcomes over the past 5 years together with share price, dividend and NPAT performance demonstrating the alignment of at-risk reward outcomes and shareholder outcomes.



	FY19	FY20	FY21	FY22	FY23
CEO STI outcomes (% of maximum)[1]	90	-	88	68	30
CEO LTI outcomes (% of maximum)[2]	37	-	-	-	-
Closing share price at end of period ($)[3]	$72.24	$66.52	$62.95	$73.24	$56.29
Dividends per Ordinary Shares (cents)	$1.5150	$0.6250	1.5150	$0.9700	$0.7500
NPAT ($M)	$545.50	$284.00	$449.00	$274.00	$298.1

1. *CEO STI outcomes are presented on an award basis. Commencing FY21, CEO STI awards are paid 50% in cash and the remaining 50% deferred via restricted shares.*
2. *CEO LTI outcomes are presented on a vested basis. For example, nil CEO LTI outcomes in FY20, FY21, FY22 and FY23 mean there is no vesting of LTI performance rights for these years.*
3. *The opening share price at the start of FY19 was $53.98.*

4.3.5 Actual remuneration table (Executive KMP)

The table below provides a summary of the actual take-home pay received by Executive KMP during FY23. Unlike the statutory remuneration tables in section 4.3.6 below, the below table has not been prepared in accordance with the requirements of the Australian Accounting Standards and is unaudited. It is included on a voluntary basis to show what Executive KMP actually received in FY23, and amounts that are paid or vested to executives in FY23 (with FY22 for comparison).

Name	Financial Year	FAR[1]	Other payments	STI Awarded[2]	LTI Vested	Total Actual Remuneration
C.R. McNally	**FY23**	$ 2,142,683	-	$ 782,213	-	$ 2,924,896
	FY22	$ 2,150,170	-	$ 1,773,015	-	$ 3,923,185
M.J. Roberts[3]	**FY23**	$ 1,200,000	$ 512,530	$ 225,000	-	$ 1,937,530
	FY22	$ 1,200,000	$ 299,995	$ 510,000	-	$ 2,009,995

1. *FAR includes cash salary, superannuation and non-monetary benefits such as private health insurance cover and motor vehicle running costs.*
2. *STI represents the amount awarded for FY23 and FY22 noting that 50% is deferred into equity for 3 years for the CEO, and 1 and 2 years for the Group CFO.*
3. *As noted above in section 4.3.3 One-off awards, in joining Ramsay, the Group CFO M.J. Roberts forfeited unvested equity from his prior role. In recognition of this, the Group CFO was provided with performance rights equivalent to $1M that vest subject to meeting individual performance requirements and service conditions over the 3 years from his employment anniversary. On 20 April 2021, 20% or 3,074 of the Rights vested, with a vesting date value of $207,403. On 20 April 2022, 30% of the Rights or 4,611 of the Rights vested with a vesting date value of $299,955. On 20 April 2023, 50% of the Rights or 7,687 of the Rights vested with a vesting value of $512,530 which is shown in the "Other payments" column.*

4.3.6 Statutory remuneration table (Executive KMP)

Details of each of the Executive KMP's remuneration for FY23 (calculated in accordance with the applicable Australian Accounting Standards) are set out below. All values are in Australian Dollars ($) unless otherwise stated.

		Fixed remuneration		Short-term benefits		Long-term Benefits						
Name	Financial Year	Cash Salary & Fees ($)	Superannuation ($)	Non-Monetary Benefits ($)[1]	Accrued STI ($)	Long Service Leave Entitlements ($)	Deferred STI ($)[2]	LTI Share Based Rights ($)[3]	Accrued Termination / Retirement Benefits ($)	Total Remuneration $	Share Based Payments as % of Total Remuneration	Total Performance Related Remuneration
C.R. McNally	FY'23	2,085,900	25,292	31,491	391,107	31,887	606,222	2,564,244	-	5,736,142	55%	62%
	FY'22	2,085,900	23,568	40,702	886,508	35,145	508,437	2,107,511	-	5,687,771	46%	62%
M.J. Roberts[4]	FY'23	1,174,708	25,292	-	112,500	17,894	206,634	892,833	-	2,429,860	45%	50%
	FY'22	1,176,432	23,568	-	255,000	19,559	239,989	827,897	-	2,542,445	42%	52%
Total	**FY'23**	**3,260,608**	**50,584**	**31,491**	**503,607**	**49,781**	**812,855**	**3,457,077**	**-**	**8,166,003**	**52%**	**58%**
Total	FY'22	3,262,332	47,136	40,702	1,141,508	54,704	748,425	2,935,408	-	8,230,216	45%	59%

1. *This figure represents non-monetary benefits such as health insurance cover and motor vehicle running costs that do not form part of the Executive KMP's cash salary.*
2. *The fair value is determined at the grant date as the number of restricted shares granted by 5-day VWAP to STI payment date. In accordance with the requirements of the Australian Accounting Standards, the accounting expense of the Deferred STI is progressively allocated over the service period that it relates to, including the vesting period that is subject to a continued employment condition. If there was no service condition, the amortisation period will be the one year STI performance period only.*
3. *In accordance with the requirements of the Australian Accounting Standards, the remuneration includes a proportion of the fair value of the performance rights awarded under the LTI program granted or outstanding during the year. The fair value is determined as at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that Executives may ultimately realise should the equity instruments vest. The fair value of the performance rights at the date of their grant has been determined in accordance with AASB 2 applying the Black-Scholes and Monte Carlo Simulation models. The assumption underpinning these valuations are set out in note 18 to the financial statements.*
4. *In joining Ramsay on 20 April 2020, the Group CFO M.J. Roberts forfeited unvested equity from his prior role. In recognition of this, the Group CFO was provided with performance rights equivalent to $1M that vest subject to meeting individual performance requirements and service conditions over the 3 years from his employment anniversary. Subject to satisfaction of continuing employment and performance conditions, vesting was staggered over the 3 years as follows: 20% of the Rights or 3,074 vested on 20-Apr-21, 30% of the Rights or 4,611 vested on 20-Apr-22, and 50% of the rights or 7,687 vested on 20-Apr-23. The FY23 and FY22 costs attributable to these rights is included within LTI Share Based Rights in the line with the Australian Accounting Standards.*

4.4 Non-Executive Director Remuneration

4.4.1 Remuneration policy & arrangements

The Board sets the fees for its NEDs in line with the key objectives of the Group's NED remuneration policy set out below. NEDs fees are reviewed annually and are set at a level that the Board considers is sufficient to attract and retain high calibre NEDs with skills and experience required to oversee a business of Ramsay's size and complexity.

Market competitive to secure and retain talented, qualified NEDs	Preserving and safeguarding independence and impartiality	Aligning NEDs and shareholder interests
The Board's policy is to remunerate NEDs at market-competitive rates to attract and retain NEDs of the highest calibre and requisite expertise having regard to: • market data, • the size, complexity and international spread of the Group's operations and • the workload and time commitment of NEDs.	NED remuneration consists of base fees, and additional fees for the Chair and members of any Board Committee (with the exception of the Nomination Committee). No element of NED remuneration is "at-risk" (i.e. NEDs are not entitled to any performance-related remuneration) to preserve their independence and impartiality.	NEDs are encouraged to hold securities in the Group to create alignment between the interests of NEDs and shareholders. To create alignment between the interests of NEDs and shareholders, all NEDs are subject to a minimum shareholding requirement equal to 100% of their annual base fee. This requirement must be satisfied within 5 years of appointment as a NED. Refer section 4.2.7.

4.4.2 Fees & other benefits

a) Aggregate fee pool

The current annual aggregate fee pool for NEDs is capped at $3,500,000 (including statutory superannuation contributions), as approved by shareholders at the AGM held on 12 November 2015. No change is proposed to the fee pool.

b) FY23 fee structure

The table below outlines the revised FY23 fee schedule for NEDs. During FY23, the People & Remuneration Committee engaged remuneration consultants to undertake a benchmarking exercise in respect to NED fees.

No changes were made to Board base member fees in FY23, which marks the sixth consecutive year that these fees have not been increased. In addition, no changes were made to Committee fees with the exception of fees payable to the People & Remuneration Committee, which have been increased to be equivalent to the Risk Management Committee to reflect the workload of this Committee and market benchmarks.

Other than for the Chair of the Board whose fee of $659,900 is inclusive of superannuation, all fees shown in the table below are exclusive of superannuation. The Chair of the Board does not receive additional fees for his Committee roles.

Position	Chair	Member fee
Board	Chair: $659,900	$220,375
Audit Committee	$56,000	$28,000
Risk Management Committee	$50,000	$25,000
People & Remuneration Committee	$50,000	$25,000
Nomination & Governance Committee	No fee provided for this committee	

As a global company with Australian headquarters, Ramsay recognises that for some overseas-based NEDs substantial additional travel may be required to attend meetings or other Board-related matters in Australia. In line with market practice of other global organisations, currently overseas NEDs are eligible to receive a travel allowance of $10,000 for travel to and from Australia for Board-related matters (where travel exceeds 9 hours).

At present, the only NED eligible for this allowance is Claudia Süssmuth Dyckerhoff. Travel allowances of $20,000 were paid to Claudia in FY23.

c) Prescribed benefits

NEDs appointed prior to October 2003 (being, Michael S. Siddle) remain entitled to retirement benefits under the, now frozen, Directors' Retirement Benefits Plan. Under the plan, retirement benefits previously accrued on a pro-rata basis over a period of nine years, commence after a minimum service period of three years.

Entitlements are indexed in line with the one-year Commonwealth Government Bond Rate and are adjusted twice a year. No adjustments are made based on increases in NED fees or years of service. The indexation of retirement benefits occurs simply to preserve the real value of existing entitlements and not to enhance any NED's remuneration, and as such, is not counted towards the aggregate fee pool.

The value of the frozen benefits as at 30 June 2023, to which participating NEDs are entitled upon retirement are set out below:

Total Frozen Benefit 31 Dec 09 ($)	Total Provision 30 June 2022 ($)	Benefits paid in FY23 ($)	Total Bond Rate Adjustment ($)	Total Provision 30 June 2023 ($)
2,879,813	551,526	-	15,332	566,858

4.4.3 Statutory remuneration table (NEDs)

The fees paid or payable to the NEDs of the Group in respect of FY23 are set out in the table below. All values are in Australian dollars ($) unless otherwise stated.

		Fixed remuneration			Short-term benefits		Long-term Benefits						
Name	Financial Year	Cash Salary & Fees ($)[1]	Superannuation ($)	Travel Allowance ($)	Non-Monetary Benefits ($)	Accrued STI ($)	Long Service Leave Entitlements ($)	Deferred STI ($)	LTI Share Based Rights ($)	Accrued Termination / Retirement Benefits ($)[2]	Total Remuneration $	Share Based Payments as % of Total Remuneration	Total Performance Related Remuneration
M.S. Siddle (Chairman)	**FY23**	659,900	25,292	-	-	-	-	-	-	15,332	700,524	-	-
	FY22	638,206	23,568	-	-	-	-	-	-	1,094	662,868	-	-
C.A. Deans (NED)	**FY23**	277,200	25,292	-	-	-	-	-	-	-	302,492	-	-
	FY22	261,375	23,568	-	-	-	-	-	-	-	284,943	-	-
J.M. McMurdo (NED)	**FY23**	248,408	25,292	-	-	-	-	-	-	-	273,700	-	-
	FY22	248,408	23,568	-	-	-	-	-	-	-	271,976	-	-
K.L.C. Penrose (NED)	**FY23**	311,823	25,292	-	-	-	-	-	-	-	337,115	-	-
	FY22	320,415	23,568	-	-	-	-	-	-	-	343,983	-	-
C.R. Süssmuth Dyckerhoff (NED)[5]	**FY23**	245,294	25,292	20,000	-	-	-	-	-	-	290,586	-	-
	FY22	245,294	23,568	-	-	-	-	-	-	-	268,862	-	-
D.I. Thodey (NED)	**FY23**	280,200	25,292	-	-	-	-	-	-	-	305,492	-	-
	FY22	268,124	23,568	-	-	-	-	-	-	-	291,692	-	-
S.A. Sargent[3] (NED)	**FY23**	273,577	25,292	-	-	-	-	-	-	-	298,869	-	-
	FY22	141,388	14,322	-	-	-	-	-	-	-	155,710	-	-
P.J. Evans (Former Deputy Chair)[4]	**FY23**	-	-	-	-	-	-	-	-	-	-		
	FY22	141,211	14,121	-	-	-	-	-	-	-	155,332	-	-
Total	**FY23**	**2,296,402**	**177,044**	**20,000**	**-**	**-**	**-**	**-**	**-**	**15,332**	**2,508,778**	-	-
Total	FY22	2,264,421	169,851	-	-	-	-	-	-	1,094	2,435,366	-	-

1. *Following the end of FY23, Ramsay identified that the following overpayments had been made to certain directors in FY22 & FY23: M.S. Siddle (FY23: $25,292; FY22: $1,874), C.A. Deans (FY23: $6,825; FY22: nil), K.L.C Penrose (FY23: $6,825; FY22: $4,078), D.I. Thodey (FY23: $6,825; FY22: $3,780) and S.A. Sargent (FY23: $6,825; FY22: $889). These amounts are reflected in the table above. Ramsay has now recovered all overpayments from the relevant directors and this will be reflected in the FY24 Remuneration Report.*
2. *With respect to NEDs, this constitutes amounts provided for by Ramsay during the financial year in relation to the contractual retirement benefits which the NED will be entitled to upon retirement from office. These amounts represent the bond rate adjustment for the year as set out in section 4.4.2.c above.*
3. *S.A. Sargent was appointed as a NED with effect from 25 November 2021. His FY22 remuneration details included within the table above reflect amounts paid to Mr Sargent during his service period as a NED.*
4. *P.J. Evans retired as a NED with effect from 24 November 2021. His FY22 remuneration details included within the table above reflect amounts paid to P.J. Evans during his service period as a NED only.*
5. *Travel allowances of $20,000 were paid to C.R. Süssmuth Dyckerhoff in FY23. Overseas NEDs are eligible to receive a travel allowance equivalent to $10,000 for travel to and from Australia for Board-related matters (where travel exceeds nine hours), in accordance with section 4.4.2.b.*

4.5 Remuneration Governance

4.5.1 Remuneration governance framework

Overview

As summarised below, the Board oversees the Ramsay people strategy, both directly and through the People & Remuneration Committee. The People & Remuneration Committee seeks input from the MD & CEO and the Group Chief People Officer, who attend Committee meetings, except where matters relating to their own remuneration are considered.

Board

The remuneration related responsibilities of the Board include:

- Satisfying itself that the Group's remuneration framework is aligned with the Group's purpose, values, strategic objectives and risk appetite;
- Setting performance targets for the MD & CEO and members of the senior executive team, considering performance against those targets and determining remuneration outcomes;
- Determining the remuneration of the MD & CEO and Group CFO.

People & Remuneration Committee

Primarily responsible for the consideration and recommendation of alternative remuneration practices to the Board. Consideration is given to the many stakeholders in which the committee regularly interacts with, including management, shareholders and external advisors.
Responsibilities Include:

- Reviewing and making recommendations to the Board on the remuneration arrangements of the MD & CEO and Group CFO, and equity-based incentives across the Group;
- Reviewing and approving remuneration arrangements for the senior executive team, and remuneration policies and people practices for the Group including monitoring the Group's remuneration framework for alignment to values, strategic objectives, long-term financial soundness and risk appetite;
- Review of remuneration by gender, effectiveness of people policies, engagement survey results and succession planning;
- Reviewing and recommending to the Board in relation to Director fees, travel and other benefits.

Management

Provides information relevant to the remuneration decisions and makes recommendations to the People & Remuneration Committee. The MD & CEO recommends the remuneration arrangements and performance assessment of his direct reports.

Consultation with shareholders & other external stakeholders

Continued regular consultation with shareholders and proxy advisors to ensure remuneration practices are aligned to market expectations.

Remuneration consultants & other external advisors

Support the People & Remuneration Committee by providing independent advice on matters including:

- Objective benchmarking data;
- Market practices of other listed companies;
- Legal, tax and accounting advice;
- Alternatives for incentives plans.

Interaction between risk & remuneration

Our remuneration framework has been structured to encourage long-term sustainable decision making from all of our leaders, ensuring that the interests of the Group's shareholders and broader stakeholder groups (i.e. customers, employees, community etc.) are at the heart of all decisions. It is important that the Group's remuneration framework encourages the sound management of both financial and non-financial risks and mitigates against excessive risk taking or short-term oriented behaviours by executives.

This is achieved under the executive remuneration framework in a number of ways:

- **Performance measures:** under the executive remuneration framework, a portion of the STI for the Executive KMP is assessed against people measures, consumer measures and climate measures (i.e. greenhouse gas emission reduction) to focus executives on ensuring strong outcomes for these broader stakeholder groups;
- **Structure:** under the executive remuneration framework, a portion of the STI is deferred into equity (vesting over 1 to 2 years, or 3 years depending on role) and the LTI is delivered in performance rights which are performance-tested over 3 years. Both of these mechanisms were chosen as they encourage alignment between executives and the Group's shareholders, as the value of these awards to participants fluctuates with the Group's share price;
- **Board discretion:** the Board, in conjunction with the People & Remuneration Committee, has the ability to exercise discretion to ensure the quantum of executive remuneration is appropriate considering individual and Group performance (which extends to reductions in STI and LTI vesting outcomes, including to zero, for adverse risk outcomes). STI awards are also subject to The Ramsay Way "People Caring for People" performance modifier;
- **Minimum shareholding requirements:** as noted in section 4.2.7 above, a minimum shareholding requirement was introduced in FY20 for executives and NEDs which requires the accumulation of Group shares over 5 years. This requirement encourages alignment between the interests of the Group's shareholders, and executives and NEDs;
- **Malus & clawback provisions:** incentives are subject to malus and clawback provisions which provide the Board with the ability to reduce and/or withhold any variable remuneration awards that have been awarded but remain unvested or unpaid, as well as recoup amounts that have previously been paid. These provisions are described in section 4.2.6; and
- **Remuneration governance:** in determining final variable remuneration outcomes each year, the People & Remuneration Committee will consult with the Risk Management Committee and Group Chief Risk Officer to ensure that the financial and non-financial risk considerations are taken into account.

4.5.2 Use of remuneration consultants

In accordance with its Charter, the People & Remuneration Committee can engage with remuneration consultants, according to specific guidelines.

Ramsay did not receive any "remuneration recommendations" as defined under the *Corporations Act 2001* (Cth) in FY23.

4.5.3 Details of Executive Service Agreements

The MD & CEO and Group CFO have written service contracts. The below details the key terms of these agreements.

Term	Further detail
Duration	• Ongoing
Termination by employee	• 6 months' notice. The Group may elect to make a payment in lieu of notice. • Employee may terminate the employment agreement without notice if a fundamental change occurs in his role or responsibilities.
Termination by Group	• 12 months' notice (MD & CEO) or 6 months' (Group CFO) or payment in lieu of notice. • Ramsay may summarily terminate employment without notice in certain circumstances.
Restraint Period	• 12 month restraint provision applies.

4.5.4 Security Trading Policy

All Ramsay NEDs and employees are subject to the Group's Securities Trading Policy, a copy of which is available on our website at ramsayhealth.com/Sustainability/Governance.

This policy prohibits:

- the dealing (or procurement of another person to deal) with Ramsay's securities or the securities of another company where they are in possession of inside information;
- dealing with Ramsay securities during blackout periods;
- short-term dealing (e.g. buying and selling securities within a 12-month period or entering into forward contracts); and
- hedging Ramsay securities.

4.6 Further information

4.6.1 Executive KMP and NED share ownership

The table below outlines the holdings and movements during FY23 in the equity of Ramsay by each KMP, including their closely related parties. No shares were held nominally by any KMP or their related parties.

	Held at 1 July 2022		Received as Deferred STI		Received on Vesting of LTI		Received as Other Remuneration		Other Net Change Purchase / Sale		Held at 30 June 2023	
	Ord. Shares	CARES	Ord. Shares	CARES	Ord. Shares	CARES	Ord. Shares	CARES	Ord. Shares	CARES	Ord. Shares	CARES
Non-Executive Directors												
M.S. Siddle	3,905,919	-	-	-	-	-	-	-	-	-	3,905,919	-
C. A. Deans	5,705	1,402	-	-	-	-	-	-	-	-	5,705	1,402
J. M. McMurdo	4,964	-	-	-	-	-	-	-	-	-	4,964	-
K.L.C. Penrose	1,537	-	-	-	-	-	-	-	1,708	-	3,245	-
C.R. Süssmuth Dyckerhoff	3,705	-	-	-	-	-	-	-	-	-	3,705	-
D.I. Thodey	11,071	700	-	-	-	-	-	-	-	-	11,071	700
S.A. Sargent	-	-	-	-	-	-	-	-	5,325	-	5,325	-
Executive KMP												
C.R. McNally[1]	368,995	-	15,567	-	-	-	-	-	-	-	384,562	-
M.J. Roberts[2&3]	12,713	-	4,478	-	-	-	7,687	-	-	-	24,878	-

1. *Mr. C.R. McNally received 15,567 of ordinary shares on Nov'22 as part of his FY22 deferred STI restricted for 3 years, subject to continued employment.*
2. *Mr. M.J. Roberts received 4,478 of ordinary shares on 'Nov'22 in respect to his FY22 deferred STI. The deferral period is 2 years with 50% of the deferred equity being released after the first year and the second 50% released at the end of the subsequent year, subject to continued employment at the vesting date.*
3. *In joining Ramsay on 20 April 2020, the Group CFO M.J. Roberts forfeited unvested equity from his prior role. In recognition of this, the Group CFO was provided with performance rights equivalent to $1M that vested in three tranches, subject to meeting individual performance requirements and service conditions over the 3 years from his employment anniversary. Following the satisfaction of continuing employment and performance conditions, the final tranche of performance rights (7,687) vested on 20-Apr-23. See section 4.3.3 One-off awards and prior Remuneration Reports for further detail about this award.*

4.6.2 Movement in securities

The below table shows the movements (during FY23 and up to the date of this Report) in equity settled performance rights granted as remuneration to Executive KMP.

	Instrument	Date of Grant	Number of Rights Granted[1]	Vesting Date[2]	Number of Rights Vested/ Exercised[3]	Value of Rights Vested / Exercised ($)[4]	Number of Rights Forfeited / Lapsed	Value of Rights Forfeited / Lapsed ($)[7]
Executive KMP								
C.R. McNally	Equity settled performance rights	17-Nov-19	50,483	31-Aug-22	-	-	50,483 [5]	3,540,368
		15-Dec-20	55,563	31-Aug-23	-	-	55,563 [6]	2,773,538
		15-Dec-21	57,690	31-Aug-24	-	-	-	-
		15-Dec-22	49,814	31-Aug-25	-	-	-	-
M.J. Roberts	Equity settled performance rights	20-Apr-20	15,372	Staggered[8]	7,687	512,664	-	-
		15-Dec-20	16,439	31-Aug-23	-	-	16,439 [6]	820,586
		15-Dec-21	17,068	31-Aug-24	-	-	-	-
		15-Dec-22	14,738	31-Aug-25	-	-	-	-

1. *The implied maximum possible total value of the equity awards allocated during FY'23 and yet to vest can be determined by multiplying the number of Performance Rights granted by the current share price of Ramsay shares. The minimum possible total value of LTI awards is nil. The weighted average fair value per FY'23 Performance Right at the grant date was $27.60 for the TSR performance hurdle and $61.22 for the EPS performance hurdle. The terms applicable to prior year grants are disclosed in prior Remuneration Reports.*
2. *For future vesting dates (as at the date of this Report), the stated vesting date is indicative date only. Vesting of Performance Rights will occur once the Board has determined the extent to which the applicable performance hurdles have been met. Vesting will only occur after the announcement of the release of Ramsay's Full Year results for the previous financial year.*
3. *On the vesting of each Performance Right, the holder receives one fully-paid ordinary share in Ramsay, subject to disposal and other dealing restrictions, if held in the trust, or, at the Board's discretion, an equivalent cash payment.*
4. *The value of vested Performance Rights is based on Ramsay's 5-day VWAP on the date of vesting (as there is no exercise price payable in respect of Performance Rights).*
5. *The FY20 LTIs subject to the TSR and EPS performance conditions did not achieve the relevant thresholds' required for vesting and therefore lapsed on 31 August 2022.*
6. *The FY21 LTIs subject to the TSR and EPS performance conditions did not achieve the relevant thresholds' required for vesting and therefore lapsed on 31 August 2023.*
7. *The value of unvested Performance Rights is calculated using the relevant Ramsay 5-day VWAP at the date of lapsing.*
8. *In joining Ramsay, the Group CFO M.J. Roberts forfeited unvested equity from his prior role. In recognition of this, the Group CFO was provided with performance rights equivalent to $1M that vest subject to meeting individual performance requirements and service conditions over the 3 years from his employment anniversary. Subject to satisfaction of continuing employment and performance conditions, vesting was staggered over the 3 years as follows: 20% of the Rights or 3,074 vested on 20-Apr-21, 30% of the Rights or 4,611 vested on 20-Apr-22, and 50% of the rights or 7,687 vested on 20-Apr-23. See section 4.3.3 One-off awards and prior Remuneration Reports for further detail about this award.*

The movement during FY23 in the number of rights over ordinary shares in Ramsay held, directly or indirectly or beneficially, by each KMP, including their closely related parties is as follows. During FY23, no NEDs or their closely related parties had rights over shares in Ramsay.

	Equity Settled Performance Rights / Share Rights	Rights held at 1 July 2022	Number of Rights Granted as remuneration	Number of Rights Vested / Exercised	Number of Rights Forfeited / Lapsed	Rights held at 30 June 2023	Number of Rights Vested / Exercised Post 30 June 2023
Executive KMP							
C.R. McNally[1]	Performance Rights	163,736	49,814	-	50,483	163,067	-
M.J. Roberts	Performance Rights	41,194	14,738	7,687	-	48,245	-

1. *Shareholder approval for the grant of 49,814 Performance Rights to the MD & CEO was obtained under ASX Listing Rule 10.14 at the 2022 Annual General Meeting.*

4.6.3 Other transactions and balances with Executive KMP

Loans to Executive KMP

No Executive KMP or their closely related parties held any loans with the Group during the Reporting Period.

Other Executive KMP transactions

The Group did not engage in any transactions with Executive KMP or their closely related parties during the Reporting Period.

5 Directors' Report

The Directors present the Directors' Report for the year ended 30 June 2023 for the consolidated entity consisting of Ramsay Health Care Limited (Ramsay or the Company) and its controlled entities (together, the Group).

Governance

Our governance framework is designed to ensure that we are effectively managed, that legal and regulatory obligations are met and that the culture of personal and corporate integrity – *The Ramsay Way* – is reinforced. **The Ramsay Way philosophy is 'People Caring for People'.** We remain committed to maintaining these principles across all aspects of our business.

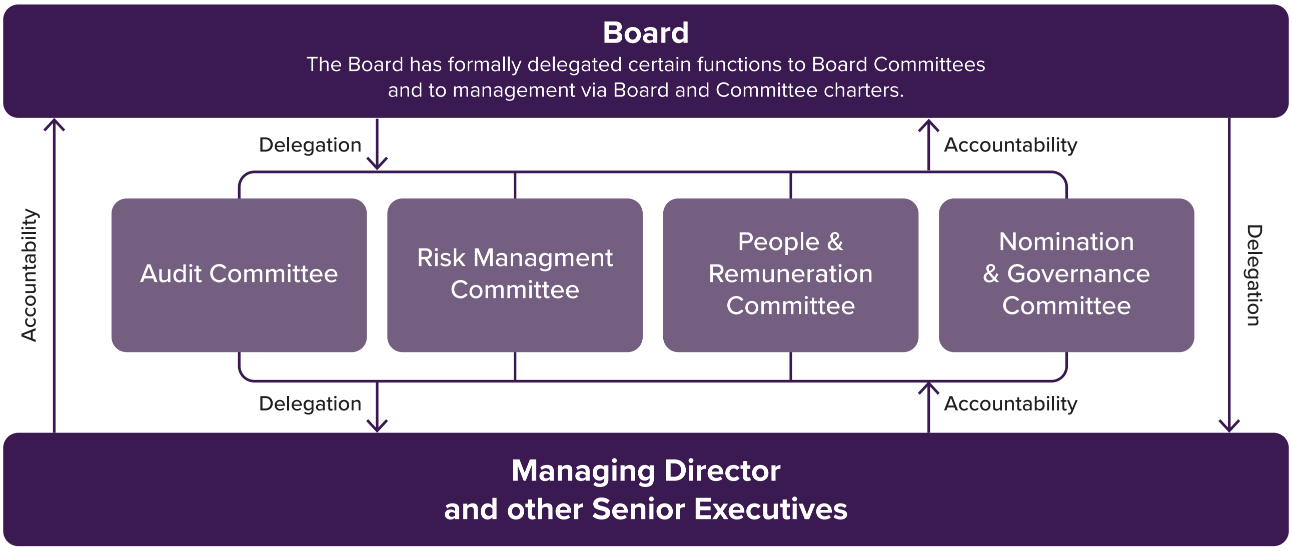
Our Board regularly reviews its corporate governance policies and processes to ensure they are appropriate to meet governance standards and regulatory requirements. The roles of the Board and the Committees are set out in the Charters, available on the Ramsay website at ramsayhealth.com/en/about/corporate-governance/.

Corporate Governance Statement

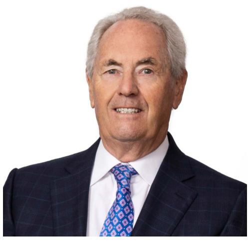
Further details are set out in the Corporate Governance Statement for the financial year ended 30 June 2023, which outlines the key aspects of our corporate governance framework and practices and is available at ramsayhealth.com/en/about/corporate-governance/.

The Ramsay Health Care Board (L-R) Non-Executive Director, Alison Deans | Non-Executive Director, David Thodey AO | Managing Director & CEO, Craig McNally | Chairman, Michael Siddle | Non-Executive Director, Claudia Süssmuth Dyckerhoff | Non-Executive Director, Steven Sargent | Non-Executive Director, James McMurdo | Non-Executive Director, Karen Penrose | Group General Counsel & Company Secretary, Henrietta Rowe.

Our Governance Framework



Biographical details of Directors and Company Secretary



Michael Siddle

Chairman

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

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

Mr Siddle serves as a member of the Company's People & Remuneration Committee and Nomination & Governance Committee. Mr Siddle is also a Trustee and director of the Paul Ramsay Foundation.

During the last three years, Mr Siddle has not served as a director of any listed companies other than Ramsay Health Care Limited.

Committee memberships:

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

Independence status:

- Non-independent

Craig McNally

CEO & Managing Director

Appointed 03/07/17

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

Mr McNally joined Ramsay in 1988 and is one of the Company's longest serving executives. During his tenure, he has worked across operational, strategic and financial roles.

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

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

Alison Deans
MA MBA GAICD

Non-Executive Director

Appointed 15/11/18

Ms Alison Deans has 25 years' experience building technology-enabled businesses involved in media, ecommerce, financial services and health, and across leadership roles as an executive, a director and in venture capital. Ms Deans joined the Board of Ramsay Health Care in November 2018. She is also Chair of Cochlear Limited and a Non-Executive Director of Calix Limited and Deputy Pty Ltd. She is also a Venture Partner of Main Sequence Ventures.

In her executive career, Ms Deans was previously the CEO of eBay Australia and New Zealand, CEO of eCorp Limited, (a publicly listed portfolio of digital businesses), CEO of Hoyts Cinemas and most recently CEO of Netus Pty Ltd (a technology investment company acquired by Fairfax). Ms Deans also spent seven years as a consultant with McKinsey & Company. She holds a Master of Business Administration from the Stanford Graduate School of Business and a Master of Arts (Physics) from Cambridge University.

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

- Cochlear Limited (appointed February 2015)
- Calix Limited (appointed March 2023)
- Westpac Banking Corporation (resigned December 2020)

Committee memberships:

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

Independence status:

- Independent

James McMurdo
BSc (Econ)

Non-Executive Director

Appointed 10/09/19

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

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

Mr McMurdo holds a degree in economics from the University of Newcastle upon Tyne and is a qualified accountant.

Committee memberships:

- Audit Committee (Member)

Independence status:

- Independent

Karen Penrose B.Com (UNSW) CPA FAICD

Non-Executive Director

Appointed 1/3/20

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

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

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

- Bank of Queensland (appointed November 2015)
- Cochlear Limited (appointed July 2022)
- Estia Health Limited (appointed October 2018)
- Ramsay Santé (appointed February 2021)
- Vicinity Centres (resigned September 2022)

Committee memberships:

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

Independence status:

- Independent

Steven Sargent BBUS FAICD FTSE

Non-Executive Director

Appointed 25/11/21

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

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

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

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

- Origin Energy Limited (appointed May 2015)
- Nanosonics Limited (appointed July 2016)
- OFX Group Limited (resigned August 2022)

Committee memberships:

- Risk Management Committee (Chair)

Independence status:

- Independent

Claudia Süssmuth Dyckerhoff PhD

Non-Executive Director

Appointed 30/10/18

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

Dr Süssmuth Dyckerhoff has extensive global experience in hospitals and health care across Europe, Asia, and the USA. She joined McKinsey & Company in Switzerland in 1995 and transferred to the USA focusing on supporting health care companies, including pharmaceutical/medical device companies, payor, provider and health systems in Europe and the USA.

In 2006, Dr Süssmuth Dyckerhoff transferred to China, was elected Senior Partner in 2010 and supported health care companies as well as governments across Asia. She also led McKinsey's Asia-wide Health Systems and Services Sector. In 2016, when she was nominated to the Board of Hoffmann-La Roche, she stepped down from her role as Senior Partner and took on an external advisor role. Dr Süssmuth Dyckerhoff also supports start-ups in the health care area; she joined the board of the Health Tech company HUMA in April 2021 and the board of QuEST Global in November 2020.

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

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

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

Committee memberships:

- Risk Management Committee (Member)

Independence status:

- Independent

David Thodey AO

Non-Executive Director

(Appointed 28/11/17) and

Lead
Independent Director

(Appointed 1/03/20)

Mr David Thodey AO is a business leader focused on innovation, technology, digital transformation and telecommunications, with more than 40 years of experience.

In addition to being a Non-Executive Director and Lead Independent Director of Ramsay, Mr Thodey is currently Chair of Xero Limited (a global cloud-based accounting solution for small and medium businesses). He is also a member of the Finance Committee at the University of Sydney, Chair of the Great Barrier Reef Foundation (an Australian non-profit organisation) and co-chair of the Climate Leaders Coalition.

Mr Thodey was previously CEO of Telstra (Australia's leading telecommunications and information services company), Chair of CSIRO (Australia's national scientific research agency) and, prior to that, he was CEO of IBM Australia and New Zealand. Mr Thodey is active in public policy and has led an Independent Review of the Australian Public Service (APS) in 2019, chaired a Panel appointed by the NSW Government to lead an independent review of Federal Financial Relations between the Commonwealth and the States in 2020, and led a user audit of the myGov government services digital portal in 2023. From March to December 2020, Mr Thodey was also Deputy Chair of the Federal Government's National COVID-19 Coordination Commission (NCC) Advisory Board.

Mr Thodey holds a Bachelor of Arts in Anthropology and English from Victoria University, Wellington, New Zealand and attended the Kellogg School of Management postgraduate General Management Program at Northwestern University in Chicago, USA. He was awarded an Honorary Doctorate in Science and Technology from Deakin University in 2016, an Honorary Doctorate of Business from University of Technology Sydney in 2018 and an Honorary Doctor of Business from the University of Sydney in 2023. Mr Thodey is a Fellow of the Australian Academy of Technological Sciences and Engineering (ATSE) and the Australian Institute of Company Directors (AICD). In 2017, he was awarded an Order of Australia for his service to business and the promotion of ethical leadership and workplace diversity.

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

- Xero Limited (appointed June 2019)
- Vodafone Group Plc (resigned July 2020)
- Tyro Payments Limited (resigned March 2023)

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

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

Independence Status:

- Independent

Henrietta Rowe B.Econ (Soc Sci) (Hons), LLB (Hons), FGIA, MAICD

Group General Counsel & Company Secretary

Appointed 25/06/19

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

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

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

Board of Directors - skills and experience

Our Board comprises eight directors, a majority of whom are independent Non-Executive Directors. Ramsay aims to maintain a Board that comprises Directors who are able to understand effectively and manage the issues arising in the Company's business, review and challenge the performance of management and optimise the Company's performance.

The following table sets out the various skills/experience that comprise our Board Skills Matrix:

Skill / Experience	Explanation
Sectors/Activities	
Health Care	Operational or technical experience in the health care industry and international health systems.
Global Experience	Ability to manage and oversee an organisation's business and strategic objectives from an international perspective.
Specific Skills and Experience	
Strategy	Ability to identify and critically assess strategic opportunities and threats and to develop and implement successful strategies.
Public Policy and Regulatory Affairs	Ability to influence public policy development and manage the implications of public and regulatory policy.
Capital Management and Finance	Ability to assess financial performance, analyse financial statements and implement effective internal financial and risk controls.
Technology and Disruption	Ability to leverage technological developments to support growth and drive competitive advantage, including driving transformation and responding to digital disruption.
People and Culture	Ability to set & communicate corporate culture, motivate key talent, oversee management and evaluate the suitability of CEOs and other key executives.
Workplace Health and Safety	Ability to oversee the proactive management of workplace health and safety practices.
Consumer Focus	Ability to oversee a strong consumer-focused culture committed to achieving consumer outcomes.
Operational Experience in Major Business	Ability to manage and oversee business operations and deliver sustained business success.
Governance	Ability to assess governance, environmental and social issues and the effectiveness of organisational policies and procedures.
Risk Management	Ability to identify and manage key risks, including regulatory, financial and non-financial risks, to an organisation.
Mergers & Acquisitions	Ability to assess strategic M&A opportunities and oversee execution/completion.

The Ramsay Board and Board Committee membership

As at 30 June 2023

Name	Board	Audit Committee	Risk Management Committee	People & Remuneration Committee	Nomination & Governance Committee
Michael Siddle	●			○	○
Craig McNally	○				
Alison Deans	○			●	○
James McMurdo	○	○			
Karen Penrose	○	●	○		
Steven Sargent	○		●		
Claudia Süssmuth Dyckerhoff	○		○		
David Thodey	○	○		○	●

● Chair and member ○ Member

Directors' meetings

The number of scheduled Board and committee meetings held during the financial year ending 30 June 2023 and the number of meetings attended by each of the Directors in office during this period is set out in the table below.

Please note the number of meetings that each Director was eligible to attend is included in brackets.

Name	Board	Audit Committee	Risk Management Committee	People & Remuneration Committee	Nomination & Governance Committee
Michael Siddle	12 (12)	-	-	5 (5)	2 (2)
Craig McNally	12 (12)	-	-	-	-
Alison Deans	12 (12)	-	-	5 (5)	2 (2)
James McMurdo	12 (12)	8 (8)	-	-	-
Karen Penrose	12 (12)	8 (8)	4 (4)	-	-
Steven Sargent	12 (12)	-	4 (4)	-	-
Claudia Süssmuth Dyckerhoff	12 (12)	-	4 (4)	-	-
David Thodey	12 (12)	8 (8)	-	5 (5)	2 (2)

Directors' relevant interests

Details of Director's holdings in the share capital of the Company as at the date of this Report are as follows:

Name	Ordinary shares	Convertible Adjustable Rate Equity Securities (CARES)	Rights over Ordinary Shares
Alison Deans	5,705	1,402	-
James McMurdo	4,964	-	-
Craig McNally	384,562	-	107,504
Karen Penrose	3,245	-	-
Michael Siddle	3,905,919	-	-
Claudia Süssmuth Dyckerhoff	3,705	-	-
Steven Sargent	5,325	-	-
David Thodey	11,071	700	-

Remuneration report

The Remuneration Report in Section 4 on pages 43 to 65 of this Annual Report is incorporated into, and forms part of, this Directors' Report.

Operating and financial review

Information on the operations of the Group during the financial year, the results of those operations, the Group's financial position and its business strategies and prospects is set out in the Operating and Financial Review (**OFR**) in Section 3 on pages to of this Annual Report and is incorporated into, and forms part of, this Directors' Report.

Operating environment and key risks

Information on the key risks of the Group, together with relevant mitigation strategies, are set out in Operating Environment and Key Risks in Section 2 on pages 12-16 of this Annual Report and are incorporated into, and form part of, this Directors' Report.

Principal activities

During the year, the principal activity of the Group was to own and operate hospitals and health care services in over 530 locations across Australia and globally. There were no significant changes in the nature of the Company's activities during the year.

State of affairs

Other than as referred to in the OFR, there have been no significant changes in the Group's state of affairs during the year.

Likely developments and expected results

Likely developments in the operations of the Group and the expected results of those operations are set out in the OFR in Section 3 on pages to of this Annual Report and is incorporated into, and forms part of, this Directors' Report.

Matters subsequent to the end of the financial year

There have been no significant events after the reporting date that may significantly affect the Group's operations in future years, the results of these operations in future years or the Group's state of affairs in future years.

Dividends

Dividends paid or recommended for payment on ordinary shares are as follows:

- Final dividend recommended @ 25.0 cents per share (2022: 48.5 cents). Total of $57.1 million (2022: $110.5 million).
- Interim dividend paid during the year @ 50.0 cents per share (2022: 48.5 cents). Total of $114.0 million (2022: $111.0 million).

Dividends paid or recommended for payment on CARES are as follows:

- October dividend recommended @ $ 3.0614 per security (2022: $2.06). Total of $8.0 million (2022: $5.3 million).
- April dividend paid during the year @ $2.9337 per security (2022: $1.73). Total of $7.7 million (2022: $4.5 million).

The tax rate at which dividends have been franked and recommended dividends will be franked is 30% (2022: 30%).

Environmental regulation

The Group has general environmental obligations that are regulated under both state and federal laws, and holds licences from the Environment Protection Regulatory Bodies applicable to hospitals for the maintenance of a safe environment. The Directors are not aware of any breaches of these licences.

Non-audit services

Ernst & Young received or are due to receive $874,327 for the provision of non-audit services. Refer to Note 22 for further information. The Board is satisfied that the provision of non-audit services during the year by Ernst & Young is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 (Cth) for the following reasons:

1. all non-audit services provided by Ernst & Young were reviewed and approved to ensure they do not impact the integrity and objectivity of the auditor; and
2. the nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Indemnification and insurance of directors and officers

The Company's Constitution requires the Company to indemnify any person who is, or has been, an officer of the Company, including the Directors and other executive officers, against the liabilities incurred while acting as such officers to the extent permitted by law. In accordance with the Company's Constitution, the Company has entered into a Deed of Indemnity, Insurance and Access with each of the Company's Directors and certain executives. No Ramsay Director or officer of the Company has received benefits under an indemnity from the Company during or since the end of the financial year.

The Company agrees to pay a premium in respect of a contract insuring current and former directors and executives of the Company and its subsidiaries against liability that they may incur as an officer of the Company or any of its subsidiaries, including liability for costs and expenses incurred by them in defending civil or criminal proceedings involving them as such officers, with certain exceptions. It is a condition of the insurance contract that no details of the premiums payable or the nature of the liabilities insured are disclosed.

Indemnification of auditor

As part of the Company's terms of engagement with Ernst & Young, the Company has agreed to indemnify Ernst & Young to the extent permitted by law and professional regulations, against any losses, liabilities, costs or expenses incurred by Ernst & Young where they arise out of or occur in relation to any negligent, wrongful or wilful act or omission by Ramsay. No payment has been made to Ernst & Young by Ramsay pursuant to this indemnity, either during or since the end of the financial year.

Proceedings on behalf of the Company

No application has been made under section 237 of the Corporations Act 2001 (Cth) in respect of the Company, and there are no proceedings that a person has brought or intervened in on behalf of the Company under that section.

Rounding

The amounts contained in this report and in the financial report have been rounded off to the nearest hundred thousand unless otherwise specified under the option available to the Company under ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191. The Company is an entity to which the Instrument applies.

Approval

Signed in accordance with a resolution of the Directors.

M.S. SIDDLE
Chairman
Sydney, 28 September 2023

C.R. McNALLY
Managing Director and Chief Executive Officer

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Auditor's independence declaration to the Directors of Ramsay Health Care Limited

As lead auditor for the audit of the financial report of Ramsay Health Care Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Ramsay Health Care Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Ryan Fisk

Ryan Fisk
Partner
28 September 2023

Directors' declaration

In accordance with a resolution of the Directors of Ramsay Health Care Limited, we declare that:

In the opinion of the Directors:

a. the consolidated financial statements and notes of Ramsay Health Care Limited for the year ended 30 June 2023 are in accordance with the *Corporations Act 2001*, including:
   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
   ii. complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

b. the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in the Overview Note;

c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

d. this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2023;

e. as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 23 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board

M.S. SIDDLE
Chairman
Sydney, 28 September 2023

C.R. McNALLY
Managing Director and Chief Executive Officer

6 Financial Results

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Consolidated Income Statement

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $m	2022 $m
CONTINUING OPERATIONS			
Revenue from contracts with customers	2.a	14,963.9	13,312.4
Interest income	2.c	39.9	36.2
Other income – income from government grants	2.b	290.2	402.0
Other income – income from sale of development assets	2.c	14.9	1.8
Other income – net profit on disposal of non-current assets	2.c	60.3	23.8
Total revenue and other income		**15,369.2**	**13,776.2**
Employee benefit and contractor costs	3	(8,820.3)	(7,731.8)
Occupancy costs		(610.7)	(577.7)
Service costs		(541.0)	(506.6)
Medical consumables and supplies		(3,347.7)	(3,107.8)
Depreciation, amortisation and impairment	3	(1,000.8)	(938.9)
Cost of development assets sold		(7.3)	(1.4)
Total expenses, excluding finance costs		**(14,327.8)**	**(12,864.2)**
Share of (loss)/profit of joint venture		(0.1)	0.2
Profit before tax and finance costs		**1,041.3**	**912.2**
Finance costs	3	(514.2)	(389.0)
Profit before income tax		**527.1**	**523.2**
Income tax	15	(181.5)	(159.3)
Profit after tax from continuing operations		**345.6**	**363.9**
DISCONTINUED OPERATIONS			
Profit after tax from discontinued operations	16.b	19.9	15.3
Net profit after tax for the year		**365.5**	**379.2**
Attributable to non-controlling interests		67.4	105.2
Attributable to owners of the parent		**298.1**	**274.0**
		365.5	**379.2**

		Cents per Share	Cents per Share
Earnings per share (EPS) attributable to equity holders of the parent			
Basic earnings per share (after CARES dividend)	6	125.1	116.3
Diluted earnings per share (after CARES dividend)	6	124.8	116.1
Earnings per share (EPS) attributable to equity holders of the parent from continuing operations			
Basic earnings per share (after CARES dividend)	6	116.4	109.6
Diluted earnings per share (after CARES dividend)	6	116.1	109.4

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2023

	2023 $m	2022 $m
Net profit after tax for the year	**365.5**	**379.2**
Items that will not be reclassified to net profit		
Actuarial gain on defined employee benefit obligation	42.9	85.6
Items that may be subsequently reclassified to net profit		
Cash flow hedges		
Taken to equity	(41.3)	15.8
Transferred to Income Statement	5.3	18.2
Foreign currency translation	209.2	(115.5)
Income tax expense relating to these items	(50.9)	(35.2)
Other comprehensive income/(loss), net of tax	**165.2**	**(31.1)**
Total comprehensive income	**530.7**	**348.1**
Attributable to non-controlling interests	93.8	103.3
Attributable to owners of the parent	**436.9**	**244.8**
	530.7	**348.1**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2023

	Note	2023 $m	2022 $m
ASSETS			
Current assets			
Cash and cash equivalents	8.a	656.1	314.2
Trade and other receivables	9.a	2,266.9	2,330.1
Inventories	9.b	388.6	376.8
Derivative financial instruments	8.d	64.5	11.3
Income tax receivables	15	48.7	42.2
Prepayments		191.7	186.4
Other current assets		28.3	24.5
		3,644.8	3,285.5
Assets held for sale	16.b	251.0	-
Total current assets		**3,895.8**	**3,285.5**
Non-current assets			
Other financial assets		82.7	100.8
Investment in joint ventures	16.a	0.9	238.1
Property, plant and equipment	11	5,238.1	4,806.5
Right of use assets	12	4,949.1	4,629.5
Intangible assets	13	6,163.7	5,820.8
Deferred tax assets	15	443.7	478.7
Prepayments		10.6	10.7
Derivative financial instruments	8.d	63.6	45.7
Defined employee benefit assets	16.e	55.1	19.2
Other receivables	9.a	126.9	79.0
Total non-current assets		**17,134.4**	**16,229.0**
TOTAL ASSETS		**21,030.2**	**19,514.5**
LIABILITIES			
Current liabilities			
Trade and other creditors	9.c	3,153.9	3,052.0
Loans and borrowings	8.b	69.9	42.8
Lease liabilities	8.c	416.9	354.8
Provisions	16.c	125.8	196.0
Income tax payables	15	43.9	102.0
Total current liabilities		**3,810.4**	**3,747.6**
Non-current liabilities			
Loans and borrowings	8.b	5,861.5	5,173.5
Lease liabilities	8.c	5,538.0	5,127.6
Provisions	16.c	367.5	356.8
Defined employee benefit liabilities	16.e	172.6	177.0
Other creditors		98.3	98.6
Deferred tax liabilities	15	358.7	307.2
Total non-current liabilities		**12,396.6**	**11,240.7**
TOTAL LIABILITIES		**16,207.0**	**14,988.3**
NET ASSETS		**4,823.2**	**4,526.2**
EQUITY			
Issued capital	7.a	2,216.4	2,197.6
Treasury shares	7.b	(67.8)	(72.4)
Convertible Adjustable Rate Equity Securities (CARES)	7.c	252.2	252.2
Other reserves		(32.7)	(152.6)
Retained earnings		1,786.7	1,708.7
Parent interests		**4,154.8**	**3,933.5**
Non-controlling interests		**668.4**	**592.7**
TOTAL EQUITY		**4,823.2**	**4,526.2**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2023

	Attributable to Equity Holders of the Parent						
	Issued Capital (Note 7.a)	Treasury Shares (Note 7.b)	CARES (Note 7.c)	Other Reserves	Retained Earnings	Non-controlling Interests	Total
	$m	$m	$m	$m	$m	$m	$m
As at 1 July 2022	**2,197.6**	**(72.4)**	**252.2**	**(152.6)**	**1,708.7**	**592.7**	**4,526.2**
Total Comprehensive Income	-	-	-	121.4	315.5	93.8	530.7
Dividends paid	-	-	-	-	(237.5)	(18.1)	(255.6)
Shares issued – Dividend Reinvestment Plan	18.8	-	-	-	-	-	18.8
Treasury shares vesting to employees	-	4.6	-	(4.6)	-	-	-
Share based payment expense for employees	-	-	-	3.1	-	-	3.1
As at 30 June 2023	**2,216.4**	**(67.8)**	**252.2**	**(32.7)**	**1,786.7**	**668.4**	**4,823.2**
As at 1 July 2021	**2,197.6**	**(76.7)**	**252.2**	**(91.3)**	**1,750.9**	**518.1**	**4,550.8**
Total Comprehensive Income	-	-	-	(64.9)	309.7	103.3	348.1
Dividends paid	-	-	-	-	(351.9)	(19.1)	(371.0)
Acquisition of subsidiary/non-controlling interest	-	-	-	-	-	(9.6)	(9.6)
Treasury shares vesting to employees	-	4.3	-	(4.3)	-	-	-
Share based payment expense for employees	-	-	-	7.9	-	-	7.9
As at 30 June 2022	**2,197.6**	**(72.4)**	**252.2**	**(152.6)**	**1,708.7**	**592.7**	**4,526.2**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $m	2022 $m
Cash flows from operating activities			
Receipts from customers		14,990.4	13,044.0
Receipts of government grants		390.3	4.2
Payments to suppliers and employees		(13,401.1)	(11,728.0)
Income tax paid	15	(234.2)	(229.3)
Lease finance costs	3	(253.0)	(242.2)
Other finance costs		(212.8)	(133.2)
Net cash flows from operating activities	8.a	**1,279.6**	**715.5**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(720.9)	(708.5)
Proceeds from sale of businesses and other non-current assets		73.8	43.0
Interest and dividends received		19.9	4.4
Business combinations, net of cash received	10	(86.6)	(1,228.5)
Business combination consideration returned from escrow		-	1,967.8[1]
Acquisition of investments and purchase of non-controlling interests		-	(48.2)
Net cash flows (used in)/from investing activities		**(713.8)**	**30.0**
Cash flows from financing activities			
Dividends paid to equity holders of the parent	4	(218.7)	(351.9)
Dividends paid to non-controlling interests		(18.1)	(19.1)
Repayment of lease principal		(403.2)	(387.8)
Payment of refinancing costs		(2.0)	(2.1)
Proceeds from borrowings		2,868.8	5,123.4
Repayment of borrowings		(2,469.2)	(5,773.4)
Net cash flows used in financing activities		**(242.4)**	**(1,410.9)**
Net increase/(decrease) in cash and cash equivalents		323.4	(665.4)
Net foreign exchange differences on cash held		18.5	(25.2)
Cash and cash equivalents at the beginning of year		314.2	1,004.8
Cash and cash equivalents at the end of year	8.a	**656.1**	**314.2**

1 *$2 billion relates to the business combination amounts held in escrow for the Spire acquisition at 30 June 2021. The proposed Spire acquisition did not proceed and as a result the amounts released during the year ended 30 June 2022 were used to pay down bank loans of the Group.*

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Overview

This section sets out the basis on which the Ramsay Group's financial report is prepared as a whole. Where a significant accounting policy is specific to a note, the policy is described within that note.

The consolidated financial report of Ramsay Health Care Limited (**the Group**) for the year ended 30 June 2023 was authorised for issue on 28 September 2023 in accordance with a resolution of the Directors. Ramsay Health Care Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Directors' Report.

a Basis of preparation

This general purpose financial report:

- has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standard Board (**AASB**) and the Corporations Act 2001;
- has been prepared on the basis of historical cost, except for derivative financial instruments;
- complies with International Financial Reporting Standards as issued by the International Accounting Standards Board;
- is presented in Australian Dollars;
- presents reclassified comparative information where necessary to conform to changes in presentation in the current year; In addition, on 28 June 2023, the Group classified an investment in joint venture as discontinued operation. In accordance with *AASB 5 Non-current Assets Held for Sale and Discontinued Operations*, the Group has:
  - presented the profit or loss from the discontinued operation separately in the Income Statement in the current year and restated the prior year;
  - presented the assets of the discontinued operation as held for sale, separately from other assets in the Statement of Financial Position, with no re-presentation of amounts in the prior year;
- presents all values as rounded to the nearest hundred thousand dollars, unless otherwise stated under the option available under ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191.

b New and amended accounting standards and interpretations, effective 1 July 2022

The Group has adopted all new and amended Australian Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for reporting periods beginning on or after 1 July 2022, all of which did not have a material impact on the financial statements:

- *AASB 2020-3 Amendment to AASB 1 First-time Adoption of Australian Accounting Standards – Subsidiary as a First-time Adopter*
- *AASB 2020-3 Amendments to AASB 3 Business Combinations – Reference to the Conceptual Framework*
- *AASB 2020-3 Amendment to AASB 9 Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*
- *AASB 2020-3 Amendments to AASB 116 Property, Plant and Equipment – Proceeds before Intended Use*
- *AASB 2020-3 Amendments to AASB 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- *AASB 2023-2 Amendments to AASs – International Tax Reform Pillar Two Model Rules*

c Accounting standards and interpretations issued or amended but not yet effective

New and amended standards and interpretations issued by the AASB that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies. The Group does not early adopt any Australian Accounting Standards and Interpretations issued or amended but are not yet effective.

d Basis of consolidation

The consolidated financial statements comprise the financial statements of Ramsay Health Care Limited (**the Company,** or **the Parent Entity**) and its subsidiaries (together, **the Group,** or **the consolidated entity**) as at and for the period ended 30 June each year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

d Basis of consolidation (Continued)

Profit or loss and each component of Other Comprehensive Income (**OCI**) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

e Significant accounting judgements, estimates and assumptions

In applying the Group's accounting policies, management has made a number of judgements, estimates and assumptions concerning the future. The key judgements, estimates and assumptions that are material to the financial statements relate to the following areas:

Note 2.b	Other income – income from government grants	Page 88
Note 8.c	Lease liabilities	Page 100
Note 10	Business combinations	Page 108
Note 11	Property, plant and equipment	Page 112
Note 13	Intangible assets	Page 115
Note 14	Impairment testing of goodwill	Page 118
Note 15	Taxes	Page 119
Note 16.b	Assets held for sale	Page 123
Note 16.c	Provisions	Page 125
Note 16.e	Defined employee benefit obligation	Page 127
Note 18	Share based payment plans	Page 132

f Current versus non-current classification

The Group presents assets and liabilities in the Consolidated Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Expected to be realised within twelve months after the reporting period
- Held primarily for trading, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is due to be settled within twelve months after the reporting period
- Held primarily for trading, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

g Foreign currency translation

Both the functional and presentation currency of Ramsay Health Care Limited and its Australian subsidiaries is Australian dollars (A$). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of the overseas subsidiaries are: British pounds for the UK entities and Euro for the French entities. As at the reporting date the assets and liabilities of the overseas subsidiaries are translated into the presentation currency of Ramsay Health Care Limited at the rate of exchange ruling at the reporting date and the Income Statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the Income Statement.

I Results for the Year

This section provides additional information on the Group results for the year, including further detail on results by segment, revenue, expenses, earnings per share and dividends.

1 Segment information

The Managing Director examines the Group's performance and allocates resources from a geographic perspective and has identified four different business units. The segment information discloses the financial performance and total assets and liabilities of each operating business.

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based primarily on the country in which the service is provided, as this is the Group's major risk and has the most effect on the rate of return, due to differing currencies and differing health care systems in the respective countries. The Group has four reportable operating segments being Asia Pacific, UK, France and Nordics.

On 28 June 2023, the Group classified an investment in joint ventures as a discontinued operation, which was included in the Asia Pacific Segment. Consequently, the profit or loss from the investment classified as a discontinued operation is no longer presented in the segment disclosures from continuing operations for both the current and prior year. Refer to Note 16.b for further details.

Discrete financial information about each of these operating businesses is reported to the Managing Director on at least a monthly basis.

Types of services

The reportable operating segments derive their revenue primarily from providing health care services to both public and private patients in the community.

Accounting policies and inter-segment transactions

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment results include transfers between the segments. These transfers are eliminated on consolidation.

The accounting policies used by the Group in reporting segments are the same as those contained throughout the accounts and in prior periods.

Segment revenue reconciliation to Income Statement

	2023 $m	2022 $m
Total segment revenue and other income	15,339.1	13,747.1
Intersegment revenue elimination	(9.8)	(7.1)
Interest income	39.9	36.2
Total revenue and other income	**15,369.2**	**13,776.2**

Year in Review
Our Business
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1 Segment information (Continued)

	Asia Pacific $m	UK $m	France $m	Nordics $m	Total $m
Year ended 30 June 2023					
Revenue from contracts with customers	5,682.9	1,941.2	5,007.6	2,332.2	14,963.9
Other income – income from government grants	-	-	277.4	12.8	290.2
Other income – income from sale of development assets	14.9	-	-	-	14.9
Other income – net profit on disposal of non-current assets	3.4	-	6.2	50.7	60.3
Total revenue and other income before intersegment revenue	5,701.2	1,941.2	5,291.2	2,395.7	15,329.3
Intersegment revenue	9.8	-	-	-	9.8
Total segment revenue and other income	**5,711.0**	**1,941.2**	**5,291.2**	**2,395.7**	**15,339.1**
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)[1]	**797.0**	**208.9**	**862.9**	**280.8**	**2,149.6**
Rent[2]	(10.7)	(2.6)	(111.6)	(22.5)	(147.4)
Earnings before interest, tax, depreciation and amortisation (EBITDA)[3]	**786.3**	**206.3**	**751.3**	**258.3**	**2,002.2**
Depreciation, amortisation and impairment	(229.8)	(142.5)	(457.6)	(170.9)	(1,000.8)
Earnings before interest and tax (EBIT)[4]	**556.5**	**63.8**	**293.7**	**87.4**	**1,001.4**
Net finance costs					(474.3)
Income tax expense					(181.5)
Profit after tax from continuing operations					**345.6**
Attributable to non-controlling interests					(67.4)
Net profit from continuing operations attributable to owners of the parent					**278.2**
Year ended 30 June 2022					
Revenue from contracts with customers	5,343.7	1,321.5	4,646.3	2,000.9	13,312.4
Other income – income from government grants	-	-	357.1	44.9	402.0
Other income – income from sale of development assets	1.8	-	-	-	1.8
Other income – net profit on disposal of non-current assets	8.6	-	13.7	1.5	23.8
Total revenue and other income before intersegment revenue	5,354.1	1,321.5	5,017.1	2,047.3	13,740.0
Intersegment revenue	7.1	-	-	-	7.1
Total segment revenue and other income	**5,361.2**	**1,321.5**	**5,017.1**	**2,047.3**	**13,747.1**
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)[1]	**710.2**	**82.0**	**927.4**	**232.7**	**1,952.3**
Rent[2]	(11.9)	(1.9)	(101.0)	(22.6)	(137.4)
Earnings before interest, tax, depreciation and amortisation (EBITDA)[3]	**698.3**	**80.1**	**826.4**	**210.1**	**1,814.9**
Depreciation, amortisation and impairment	(246.3)	(106.3)	(448.2)	(138.1)	(938.9)
Earnings before interest and tax (EBIT)[4]	**452.0**	**(26.2)**	**378.2**	**72.0**	**876.0**
Net finance costs					(352.8)
Income tax expense					(159.3)
Profit after tax from continuing operations					**363.9**
Attributable to non-controlling interests					(105.2)
Net profit from continuing operations attributable to owners of the parent					**258.7**

1 *"EBITDAR" is a non-statutory profit measure and represents profit before interest, tax, depreciation, amortisation, impairment and rent.*
2 *Rent includes rental costs of short term or low value assets together with any related rent costs, including rent related taxes that could not be capitalised as part of lease liabilities.*
3 *"EBITDA" is a non-statutory profit measure and represents profit before interest, tax, depreciation, amortisation and impairment.*
4 *"EBIT" is a non-statutory profit measure and represents profit before interest and tax.*

	Asia Pacific $m	UK $m	France $m	Nordics $m	Adjustments & Eliminations $m[1]	Total $m
As at 30 June 2023						
Assets & liabilities						
Segment assets	8,903.5	5,199.3	10,179.3	2,800.7	(6,052.6)	21,030.2
Segment liabilities	(4,042.7)	(5,047.6)	(7,829.8)	(1,623.6)	2,336.7	(16,207.0)
As at 30 June 2022						
Assets & liabilities						
Segment assets	8,387.2	4,827.5	9,242.9	2,644.6	(5,587.7)	19,514.5
Segment liabilities	(3,847.6)	(4,467.7)	(6,981.1)	(1,603.7)	1,911.8	(14,988.3)

1 *Adjustments and eliminations consist of investments in subsidiaries and intercompany balances, which are eliminated on consolidation.*

2 Revenue and other income

The Group primarily derives revenue from providing health care and related services to both public and private patients in the community.

2.a Revenue from contracts with customers

	2023 $m	2022 $m
Revenue from patients	14,379.6	12,666.1
Revenue from governments under COVID support contracts	1.7	138.4
Rental revenue	99.2	91.9
Revenue from ancillary services	483.4	416.0
Revenue from contracts with customers	**14,963.9**	**13,312.4**

Accounting Policies

Revenue is recognised and measured at the amount of the consideration received or receivable to the extent that the performance obligations under contracts have been satisfied and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from patients

Revenue from patients is recognised on the date on which the services are provided to the patient.

Revenue from governments under COVID support contracts

Since 2020, specific contracts have been entered into with various government bodies under which Ramsay made available its facilities and services, including equipment and staff, to assist with the respective government's response to the COVID pandemic. Each of the revenue agreements are specific to each government body as follows:

Australia

Agreements with the state governments of NSW, WA, QLD and VIC (each a State) commenced from either 31 March or 1 April 2020, with various expiry dates and, in some cases, "Pause and Restart" mechanisms, depending on State requirements. In return for the commitment to maintain full workforce capacity at the facilities, Ramsay has received, and recognised as revenue, net recoverable costs (being recoverable costs less any revenue generated from operations, calculated on an accruals basis). Recoverable costs include direct operating costs, service costs, corporate overhead costs (to the extent related to the provision of service), depreciation associated with pre-existing capital, which is owned, and depreciation associated with lease assets. Interest and debt servicing costs are excluded.

Recoverable costs and revenue amounts were aggregated quarterly with each quarter considered separately. Where the revenue amounts exceed recoverable costs the payment for that quarter was deemed to be zero.

Details have been disclosed in prior reporting periods.

These agreements all terminated on or about 30 September 2022 other than Victoria which terminated on or about 2 November 2022.

UK

Volume based agreements with NHS England were in place in prior years from 1 January 2021 to 31 March 2021 and 10 January 2022 to 31 March 2022 respectively. Ramsay was able to continue providing private patient activity during the relevant periods.

Rental revenue

Rental income is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. Lease incentives granted are recognised in the Income Statement as an integral part of the total rental income.

Revenue from ancillary services

Income from ancillary services is recognised on the date the services are provided to the customer.

2 Revenue and other income (Continued)

2.b Other income – income from government grants

	2023 $m	2022 $m
Other income – income from government grants	290.2	402.0

Accounting Policies

Income from Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. Grants are accounted for on a gross basis in revenue and expenses, by the Group. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is recognised as other income.

Key Accounting Judgements, Estimates and Assumptions

Ramsay Santé was a beneficiary of the French government decree issued on 6 May 2020 which provided a guarantee of revenue from 1 March 2020 to 31 December 2020, equal to 10/12th of the 2019 calendar year revenue from the government, with some small indexation factor. The French government issued a new decree on 13 April 2021 covering the period 1 January 2021 to 30 June 2021 which subsequently was extended until 31 December 2021. For the period 1 July 2021 to 31 December 2021, the decree provided a guarantee of revenue equal to the equivalent period of 2020 billed revenue, inclusive of the 2020 revenue guarantee, if any. The law enacted on 22 January 2022 extended the revenue guarantee until 30 June 2022, and a decree gazetted on 24 August 2022 extended the revenue guarantee to 31 December 2022.

The decree covering the calendar year 2022 provided a guarantee of revenue equal to the 2021 revenue billed to the Social Security agency, inclusive of the 2021 revenue guarantee and of an indexation for the increase in tariffs for the relevant periods on a prorata basis. The structure of the arrangements up until 31 December 2022 was similar to prior periods, however the decree covering the calendar year 2022 excluded mental health services now reimbursed under a bundled payment structure. The French Government has extended its support to the industry through a modified revenue guarantee scheme for the calendar year up to 31 December 2023. This new guarantee amounts to 70% of the 2022 guarantee (tariff adjusted) plus 30% of the period billings. If the total actual billings over the period were below the guaranteed revenue, then Ramsay Santé is entitled to the shortfall.

The guarantee is assessed on a facility by facility basis and is calculated based on activity for the entire period covered by the decree.

As the final square up of the revenue guarantee for the year ended 30 June 2023 will not be performed until FY24 and FY25, the grant income recognised for Ramsay Santé is based on the amount we are reasonably assured will be received, at the time of issuing the Ramsay Group financial statements. This may result in a different amount being received. Any resulting difference will be recognised in the Ramsay Group results in the period the final square up is performed.

2 Revenue and other income (Continued)

2.c Other income - miscellaneous

	2023 $m	2022 $m
Interest income	39.9	36.2
Other income – income from sale of development assets	14.9	1.8
Other income – net profit on disposal of non-current assets	60.3	23.8
	115.1	**61.8**

Accounting Policies

Interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate (EIR), which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income from sale of development assets

Income from sale of development assets is recognised when the control of the development asset is transferred to the purchaser.

Net profit on disposal of non-current assets

Non-current assets include Property, plant and equipment and Intangible assets. Refer to Note 11 and Note 13 for details on the accounting policies.

3 Expenses

A breakdown of specific expenses helps users understand the financial performance of the Group.

	Note	2023 $m	2022 $m
(i) Depreciation			
Depreciation – Plant and equipment	11	322.5	309.9
Depreciation – Buildings	11	169.8	154.8
Depreciation – Right of use assets – Leased property	12	366.8	343.2
Depreciation – Right of use assets – Leased plant and equipment	12	81.2	73.9
Total		**940.3**	**881.8**
(ii) Amortisation			
Amortisation – Service concession assets	13	22.0	25.1
Amortisation – Other	13	26.8	20.7
Total		**48.8**	**45.8**
(iii) Impairment			
Net reversal of impairment – Plant and equipment	11	(1.9)	-
(Net reversal of impairment)/Impairment – Land and buildings	11	(0.9)	5.3
Impairment – Right of use asset – Property	12	14.5	-
Impairment – Intangible assets	13	-	6.0
Total		**11.7**	**11.3**
Total depreciation, amortisation and impairment		**1,000.8**	**938.9**
(iv) Property rental costs (included in occupancy costs)			
Expenses relating to short term leases	8.c	14.8	15.2
Expenses relating to leases of low value assets	8.c	5.3	5.8
Variable lease payments	8.c	0.8	0.9
(v) Employee benefit and contractor costs			
Wages and salaries		7,281.4	6,293.1
Workers' compensation		13.7	8.7
Superannuation		237.0	211.5
Termination benefits		17.5	17.9
Social charges and contributions on wages and salaries		969.0	881.7
Other employment		293.7	305.9
Share-based payments (expenses arising from transactions accounted for as equity-settled share-based payment transactions)		8.0	13.0
Total		**8,820.3**	**7,731.8**
(vi) Finance costs			
Interest expenses		265.4	148.0
Finance charges – Lease liability	8.c	253.0	242.2
		518.4	390.2
Finance costs capitalised		(4.2)	(1.2)
Total		**514.2**	**389.0**

Accounting Policies

Finance Costs

Finance costs include interest, amortisation of discounts or premiums related to borrowings and other costs incurred in connection with the arrangement of borrowings. Financing costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the financing costs are capitalised to the cost of the asset. Where funds are borrowed by the Group for the acquisition or construction of a qualifying asset, the amount of financing costs capitalised are those incurred in relation to that borrowing.

4 Dividends

Dividends are a portion of Ramsay Group's profit that are paid out to its shareholders, in return for their investment.

	Parent Entity 2023 $m	Parent Entity 2022 $m
(i) Dividends determined and paid during the year on ordinary shares:		
Current year interim dividend paid		
Franked dividends – ordinary		
(50.0 cents per share) (2022: 48.5 cents per share)	114.0	111.0
Previous year final dividend paid		
Franked dividends – ordinary		
(48.5 cents per share) (2022: 103.0 cents per share)	110.5	231.9
	224.5	342.9
(ii) Dividends proposed and not recognised as a liability on ordinary shares:		
Current year final dividend proposed		
Franked dividends – ordinary		
(25.0 cents per share) (2022: 48.5 cents per share)	57.1	110.5
(iii) Dividends determined and paid during the year on CARES:		
Current year interim and previous year final dividend paid		
Franked dividends – CARES	13.0	9.0
(iv) Dividends proposed and not recognised as a liability on CARES:		
Current year final dividend proposed		
Franked dividends – CARES	8.0	5.3
(v) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
franking account balance as at the end of the financial year at 30% (2022: 30%)	890.7	851.9
franking credits that will arise from the payment of income tax payable as at the end of the financial year[1]	13.6	16.1
	904.3	868.0
The amount of franking credits available for future reporting periods:		
impact on the franking account of dividends proposed or determined before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period	(27.9)	(49.9)
	876.4	818.1

1 *As Ramsay Health Care Ltd and its 100% owned Australian subsidiaries have formed a tax consolidated group, effective 1 July 2003, this represents the current tax payable for the Australian group.*

The tax rate at which paid dividends have been franked is 30% (2022: 30%). $65.1 million (2022: $116.3 million) of the proposed dividends will be franked at the rate of 30% (2022: 30%).

5 Net tangible assets/(liabilities)

Net Tangible Assets/(Liabilities) (**NTA**) are the total assets minus intangible assets and total liabilities, divided by the number of ordinary shares of the Company currently on issue at the reporting date. Net tangible assets/(liabilities) include right of use assets as the underlying leases are for physical assets.

	2023 $ per Share	2022 $ per Share
Net tangible (liabilities) per ordinary share	(6.22)	(6.41)

6 Earnings per share

Earnings per share is the portion of post-tax profit allocated to each Ramsay ordinary share.

	2023			2022		
	Continuing operations $m	Discontinued operations $m	Total $m	Continuing operations $m	Discontinued operations $m	Total $m
Net profit for the year attributable to owners of the parent	278.2	19.9	298.1	258.7	15.3	274.0
Less: dividend paid on Convertible Adjustable Rate Equity Securities (CARES)	(13.0)	-	(13.0)	(9.0)	-	(9.0)
Profit used in calculating basic and diluted (after CARES dividend) earnings per share	265.2	19.9	285.1	249.7	15.3	265.0

	2023 Number of Shares (m)	2022 Number of Shares (m)
Weighted average number of ordinary shares used in calculating basic earnings per share	227.9	227.8
Effect of dilution – share rights not yet vested	0.5	0.5
Weighted average number of ordinary shares adjusted for the effect of dilution	228.4	228.3

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

The denominator for the purpose of calculating both basic and diluted earnings per share in 2022 has been adjusted to reflect the shares issued under the Dividend Reinvestment Plan in 2023, at less than market value.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

	2023			2022		
	Continuing operations Cents per Share	Discontinued operations Cents per Share	Total Cents per Share	Continuing operations Cents per Share	Discontinued operations Cents per Share	Total Cents per Share
Earnings per share (EPS) attributable to equity holders of the parent						
Basic earnings per share (after CARES dividend)	116.4	8.7	125.1	109.6	6.7	116.3
Diluted earnings per share (after CARES dividend)	116.1	8.7	124.8	109.4	6.7	116.1

Calculation of earnings per share

Basic earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent (after deducting the CARES dividend) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after deducting the CARES dividend) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

II Capital – Financing

This section discusses how the Ramsay Group manages funds and maintains capital structure, including bank borrowings, related finance costs and access to capital markets.

How the Group manages its capital – Financing

The Group manages its capital structure with the objective of ensuring it will be able to continue as a going concern as well as maintaining optimal returns to shareholders and benefits for its stakeholders. The Group also aims to maintain a capital structure that is consistent with its targeted credit ratings, ensuring sufficient headroom is available within such ratings to support its growth strategies at an optimised weighted average cost of capital. Prudent liquidity reserves in the form of committed undrawn bank debt facilities or cash are maintained in order to accommodate its expenditures and potential market disruption.

The Group may raise or retire debt, adjust its dividend policy, return capital to shareholders, issue new shares or financial instruments containing characteristics of equity, or sell assets to reduce debt in order to achieve the optimal capital structure.

The Group's capital is comprised of equity plus net debt. Net debt is calculated as interest bearing liabilities plus derivatives relating to debt, less cash assets.

During 2023, dividends of $237.5 million (2022: $351.9 million) were paid. For the year ended 30 June 2023, fully franked ordinary dividends of 75.0c (2022: 97.0c) per share were determined.

The Group monitors its capital structure primarily by reference to its debt financial covenants and credit rating gearing metrics. Debt levels under the Group's financial covenants are assessed relative to the cash operating profits (EBITDA[1]) of the Group that are used to service debt. This ratio is calculated as Net Debt/EBITDA[1] and is 5.5x for the year ended 30 June 2023 (2022: 5.7x), however lending facilities within the Group contain calculations and thresholds specific to each facility and borrowing groups having access to such facilities.

The Group has committed senior debt funding with various maturities starting in April 2024 and ending in May 2032. As such, certain subsidiaries must comply with various financial and other undertakings in particular, the following customary financial undertakings:

- Total Net Leverage Ratio (Net Debt/EBITDA[1])
- Interest Cover Ratio (EBITDA[1]/ Net Interest)
- Minimum Shareholders Funds

The facilities maturing in April 2024 have a tenure of one year and are expected to be extended every six months.

Details of Capital – Financing are as follows:	Note	2023 $m	2022 $m
Equity	7	4,823.2	4,526.2
Net Debt	8	11,102.1	10,327.5
		15,925.3	14,853.7

[1] EBITDA is Earnings before Interest, Tax, Depreciation and Amortisation.

7 Equity

	Note	2023 $m	2022 $m
Issued capital	7.a	2,216.4	2,197.6
Treasury shares	7.b	(67.8)	(72.4)
Convertible Adjustable Rate Equity Securities (CARES)	7.c	252.2	252.2
Other reserves		(32.7)	(152.6)
Retained earnings		1,786.7	1,708.7
Non-controlling interests		668.4	592.7
		4,823.2	4,526.2

7.a Issued capital

Issued capital represents the amount of consideration received for the ordinary shares issued by Ramsay Health Care Limited (**the Company**).

Issued and paid up capital

	2023 Number (m)	2023 $m	2022 Number (m)	2022 $m
As at 1 July	228.9	2,197.6	228.9	2,197.6
Shares issued – Dividend Reinvestment Plan	0.3	18.8	-	-
As at 30 June	229.2	2,216.4	228.9	2,197.6

Terms and conditions of issued capital

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Accounting Policies

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

7.b Treasury shares

Treasury shares are the shares repurchased on the open market, for the share rights issued to employees under the Employee Share Plan.

	2023 $m	2022 $m
1.0 million ordinary shares (30 June 2022: 1.1 million ordinary shares)	67.8	72.4

Nature & Purpose

Treasury shares are shares in the Company held by the Employee Share Plan and are deducted from equity.

7 Equity (Continued)

7.c Convertible Adjustable Rate Equity Securities (CARES)

Convertible Adjustable Rate Equity Securities (CARES) are non-cumulative, redeemable and convertible preference shares in Ramsay Health Care Limited.

Issued and paid up capital

	2023 $m	2022 $m
2.6 million CARES shares fully paid (30 June 2022: 2.6 million CARES shares fully paid)	252.2	252.2

Terms and conditions of CARES

Issuer	**Ramsay Health Care Limited**
Security	Convertible Adjustable Rate Equity Securities (CARES) which are a non-cumulative, redeemable and convertible preference share in Ramsay.
Face Value	$100 Per CARES.
Dividends	The holder of each CARES is entitled to a preferred, non-cumulative, floating rate dividend equal to: Dividend Entitlement = (Dividend Rate x Face Value x N) / 365 *where*: N is the number of days in the Dividend Period The payment of Dividends is at the Directors' discretion and is subject to there being funds legally available for the payment of Dividends and the restrictions which apply in certain circumstances under the financing arrangements. If declared, the first Dividend will be payable on each CARES in arrears on 20 October 2005 and thereafter on each 20 April and 20 October until CARES are converted or exchanged.
Dividend Rate	The Dividend Rate for each Dividend Period is calculated as: Dividend Rate = (Market Rate + Margin) x (1-T) *where*: The Market Rate is the 180 day Bank Bill Swap Rate applying on the first day of the Dividend Period expressed as a percentage per annum. The Margin for the period to 20 October 2010 was 2.85% per annum. It was determined by the Bookbuild held on 26 April 2005. T is the prevailing Australian corporate tax rate applicable on the Allotment Date. As Ramsay did not convert or exchange by 20 October 2010, the Margin was increased by a one-time step up of 2.00% (200 basis points) per annum.
Step-up	One-time 2.00% (200 basis points) step-up in the Margin at 20 October 2010
Franking	Ramsay expects the Dividends paid on CARES to be fully franked. If a Dividend is not fully franked, the Dividend will be grossed up to compensate for the unfranked component. If, on a Dividend Payment Date, the Australian corporate tax rate differs from the Australian corporate tax rate on the Allotment Date, the Dividend will be adjusted downwards or upwards accordingly.
Conversion or exchange by Ramsay	CARES have no maturity. Ramsay may convert or exchange some or all CARES at its election for shares or $100 in cash for each CARES on 20 October 2010 and each Dividend Payment Date thereafter. Ramsay also has the right to: • convert or exchange CARES after the occurrence of a Regulatory Event; and • convert CARES on the occurrence of a Change in Control Event. Ramsay cannot elect to convert or exchange only some CARES if such conversion or exchange would result in there being less than $50 million in aggregate Face Value of CARES on issue.
Conversion Ratio	The rate at which CARES will convert into Shares will be calculated by reference to the market price of Shares during 20 business days immediately preceding, but not including, the conversion date, less a conversion discount of 2.5%. An adjustment is made to the market price calculation in the case of a Change in Control Event. The Conversion Ratio for each CARES will not be greater than 400 shares.
Ranking	CARES rank equally amongst themselves in all respects and are subordinated to all creditors but rank in priority to Shares.
Participation	Unless CARES are converted into Shares, CARES confer no rights to subscribe for new shares in any fundraisings by Ramsay or to participate in any bonus or rights issues by Ramsay.
Voting Rights	CARES do not carry a right to vote at general meeting of Ramsay except in limited circumstances.

8 Net debt

	Note	2023 $m	2022 $m
Cash and cash equivalents	8.a	656.1	314.2
Loans and borrowings – current	8.b	(69.9)	(42.8)
Lease liabilities – current	8.c	(416.9)	(354.8)
Loans and borrowings – non-current	8.b	(5,861.5)	(5,173.5)
Lease liabilities – non-current	8.c	(5,538.0)	(5,127.6)
Net derivative assets / (liabilities) – debt related	8.d	128.1	57.0
		(11,102.1)	**(10,327.5)**

8.a Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank, cash on hand and short-term deposits with a maturity of less than three months. This note presents the amount of cash on hand at year end, together with further reconciliations in relation to the Statement of Cash Flows.

	2023 $m	2022 $m
Cash at bank and on hand	656.1	314.2

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Accounting Policies

Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts and restricted cash.

Reconciliation to Statement of Cash Flows

	2023 $m	2022 $m
For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at 30 June		
Cash at bank and on hand	656.1	314.2

8 Net debt (Continued)

Reconciliation of net profit after tax to net cash flows from operations

	2023 $m	2022 $m
Net profit after tax for the year	**365.5**	**379.2**
Adjustments for:		
Share of profit of joint venture	(19.8)	(15.5)
Depreciation, amortisation and impairment	1,000.8	938.9
Interest received	(39.9)	(36.2)
Share-based payments	8.0	13.0
Net profit on disposal of non-current assets	(60.3)	(23.8)
Other	0.7	18.7
Changes in assets & liabilities:		
Deferred tax	44.2	(55.0)
Receivables	118.2	(664.8)
Other assets	(2.5)	(8.9)
Creditors, accruals and other liabilities	58.6	179.7
Provisions	(86.7)	(22.9)
Inventories	(14.2)	28.2
Current tax	(93.0)	(15.1)
Net cash flows from operating activities	**1,279.6**	**715.5**

Reconciliation of liabilities arising from financing activities

	As at 1 July 2022 $m	Cash Flows $m	Foreign Exchange Movement $m	New Leases $m	Business Combinations $m	Disposal/ Termination or Reassessment of Leases $m	Other $m	As at 30 June 2023 $m
Loans and borrowings – current	**42.8**	19.5	3.9	-	-	-	3.7	**69.9**
Loans and borrowings – non-current	**5,173.5**	380.1	207.4	-	2.5	-	98.0	**5,861.5**
Lease Liabilities	**5,482.4**	(403.2)	345.9	486.8	-	43.0	-	**5,954.9**
Total	**10,698.7**	(3.6)	557.2	486.8	2.5	43.0	101.7	**11,886.3**

	As at 1 July 2021 $m	Cash Flows $m	Foreign Exchange Movement $m	New Leases $m	Business Combinations $m	Disposal/ Termination or Reassessment of Leases $m	Other $m	As at 30 June 2022 $m
Loans and borrowings – current	**51.7**	(658.9)	(8.7)	-	658.9	-	(0.2)	**42.8**
Loans and borrowings – non-current	**5,229.0**	8.9	(122.0)	-	24.1	-	33.5	**5,173.5**
Lease Liabilities	**5,271.0**	(387.8)	(226.8)	310.3	514.1	1.6	-	**5,482.4**
Total	**10,551.7**	(1,037.8)	(357.5)	310.3	1,197.1	1.6	33.3	**10,698.7**

Disclosure of financing facilities

Refer to Note 8.b.

8 Net debt (Continued)

8.b Loans and borrowings

This note outlines the Group's loans and borrowings, which are predominantly from banks and other financial institutions, with varying maturities.

	Maturity	2023 $m	2022 $m
Current			
Secured bank loans:			
€ Bi-lateral Facilities[1]	Up to Jun 2024	69.9	42.8
Total current loans and borrowings		**69.9**	**42.8**
Non-current			
Unsecured bank and other financial institution loans:			
A$ 1,500,000,000 Syndicated Facility Loan[2]	Up to Jul 2026	1,496.9	1,443.2
A$ 513,750,000 Syndicated Facility Loan[3]	Dec 2024	513.4	599.5
A$ Bi-lateral Facilities[4]	Up to Jul 2025	164.0	-
A$ 100,000,000 Bi-lateral Term Loan[5]	Nov 2024	99.9	-
€ 300,000,000 Syndicated Facility Loan[6]	Oct 2024	491.0	455.6
		2,765.2	2,498.3
Secured bank loans:			
€ 1,650,000,000 Syndicated Term Loan[7]	Up to Apr 2027	2,361.7	2,188.2
€ Bi-lateral Facilities[1]	Up to May 2032	571.0	335.1
		2,932.7	2,523.3
Secured/Unsecured corporate notes:			
€ 100,000,000 Sustainability Linked Euro Private Placement Notes[8]	Up to Dec 2029	163.6	151.9
Total non-current loans and borrowings		**5,861.5**	**5,173.5**
Total loans and borrowings		**5,931.4**	**5,216.3**

1 *Euro bi-lateral facilities are secured by a first charge over certain Ramsay Santé and controlled entities' land, buildings and the shares of real estate subsidiaries. These loans are repayable in instalments over the term of the facilities.*
2 *Sustainability linked syndicated revolving bank debt facility with equal tranches which mature over 3 years, 4 years and 5 years.*
3 *Syndicated revolving bank debt facility. Facility was reduced in December 2022 from A$600 million to A$513.8 million. This facility was subsequently repaid and terminated on 5 July 2023 via the new bilateral facilities established in June 2023.*
4 *Bilateral revolving bank debt facility.*
5 *Bi-lateral term loan facility and repayable in full on maturity.*
6 *Syndicated revolving bank debt facility. This facility was repaid and terminated on 5 July 2023 via the new bilateral facilities established in June 2023.*
7 *Sustainability linked syndicated term loan facilities repayable in full on maturity. The lenders only have recourse to Ramsay Santé and certain Ramsay Santé controlled entities.*
8 *Euro Private Placement Notes, maturing in December 2028 and December 2029.*

Ramsay and its wholly owned subsidiaries

A$500 million, A$305 million and A$1,500 million in new bi-lateral facilities was established during November 2022, April 2023 and June 2023 respectively. These facilities are for general corporate purposes and to reduce refinancing risk in relation to maturities in FY25. The covenant package, group guarantees and other terms and conditions in respect of the debt facilities are governed under a Common Terms Deed Poll (CTDP).

Ramsay Santé and controlled entities

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

8 Net debt (Continued)

Fair values

The fair values of the Group's interest bearing loans and borrowings are determined by using the discounted cash flow method with discount rates that reflect market interest rates, specific country risk factors, individual creditworthiness of the counterparties and the other risk characteristics associated with the underlying debts.

Unless disclosed below, the carrying amount of the Group's current and non-current borrowings approximate their fair value. The fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates depending on the type of borrowings. For the financial year, the variable market-based interest rates vary from 1.10% to 4.12% (2022: 1.104% to 1.793%) for Australia and 0.125% to 3.21% (2022: -0.553% to -0.475%) for France respectively.

The fair value of the interest bearing loans and borrowings was estimated using the level 2 method valuation technique in which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable. Set out in the table below is a comparison by carrying amounts and fair value of the Group's Interest bearing loans and borrowings.

	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	$m	$m	$m	$m
Bank loans	5,767.8	5,895.8	5,064.4	5,286.3
Corporate notes	163.6	166.8	151.9	165.0
	5,931.4	6,062.6	5,216.3	5,451.3

Interest rate, foreign exchange & liquidity risk

Details regarding interest rate, foreign exchange and liquidity risk is disclosed in Note 17.

Assets pledged as security

The carrying amounts of assets pledged as security for loans and borrowings are set out in the following table:

	2023	2022
	$m	$m
Fixed and floating charge		
Fixed assets	-	3.0
Investment holdings in subsidiaries	4,304.0	3,599.8
Total non-current assets pledged as security	4,304.0	3,602.8

Accounting Policies

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Losses are recognised in profit or loss when the liabilities are derecognised.

8 Net debt (Continued)

8.c Lease liabilities

The Group has lease contracts for the use of hospitals, office space and various items of equipment and vehicles which it uses in its operations. Leases of hospitals and office space can have lease terms between 5 and 120 years, while vehicles and equipment generally have lease terms between 5 and 10 years.

Generally, the Group is restricted from assigning and subleasing the leased assets. A number of the lease contracts include extensions, termination options and variable lease payments, which are discussed below.

The Group also has certain leases of equipment with lease terms of 12 months or less and leases of office equipment with a low value. The Group applies the 'short term lease' and 'lease of low value assets' recognition exemptions for these leases.

	2023 $m	2022 $m
As at 1 July	**5,482.4**	**5,271.0**
Additions	486.8	310.3
Business combinations	-	514.1
Disposals or terminations	-	(9.7)
Payments	(656.2)	(630.0)
Accretion of interest	253.0	242.2
Reassessment of lease terms	43.0	11.3
Exchange differences	345.9	(226.8)
As at 30 June	**5,954.9**	**5,482.4**

	2023 $m	2022 $m
Current lease liabilities	416.9	354.8
Non-current lease liabilities	5,538.0	5,127.6
Total lease liabilities	**5,954.9**	**5,482.4**

Assets pledged as security

The carrying amounts of assets pledged as security for lease liabilities are set out in the following table:

	2023 $m	2022 $m
Leased assets pledged as security	900.2	788.7

Cash outflows

The Group had total cash outflows for leases of approximately $677.1 million in 2023 (2022: $651.9 million) - the principal portion of lease payments totalled $403.2 million (2022: $387.8 million), interest payments totalled $253.0 million (2022: $242.2 million) and other payments relating to low-value assets, short term and variable lease payments totalled approximately $20.9 million (included in payments to suppliers and employees) (2022: $21.9 million).

8 Net debt (Continued)

Accounting Policies

All leases are accounted for by recognising a right of use asset and a lease liability except for:

- Leases of low value assets, being those with a cost of $50,000 or less; and
- Leases with a term of 12 months or less.

Lease liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to exercise that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Lease assets

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right of use assets are amortised on a straight line basis over the shorter of the useful life of the asset or the term of the lease. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate or when there is a change in the assessment of the term of the lease.

The Group applies the short term lease recognition exemption to its short term lease of equipment, being those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group also applies the low-value assets recognition exemption to leases of equipment that are considered to be of low value. Lease payments on short term leases and leases of low value assets are recognised as an expense on a straight line basis over the lease term.

Key Accounting Judgements, Estimates and Assumptions

Lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the options to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not exercise) the option to renew.

Discount rates

The lease payments are discounted using the interest rate implicit in the lease or the lessee's incremental borrowing rate (**IBR**). The IBR is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The IBR therefore requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease.

8 Net debt (Continued)

8.d Derivative financial instruments

A derivative is a financial instrument typically used to manage an underlying risk, using futures, swaps and options. The value change of a derivative is related to changes in a variable, such as interest rate or foreign exchange rate. The Group uses derivatives to manage exposure to foreign exchange and interest rate risk.

	2023 $m	2022 $m
Current assets		
Interest rate and foreign exchange derivative contracts – cash flow hedges	33.4	8.9
Interest rate and foreign exchange derivative contracts – economic hedges	31.1	2.4
Non-current assets		
Interest rate and foreign exchange derivative contracts – cash flow hedges	41.2	29.6
Interest rate and foreign exchange derivative contracts – economic hedges	22.4	16.1
	128.1	57.0
Current liabilities		
Interest rate and foreign exchange derivative contracts – cash flow hedges	-	-
Non-current liabilities		
Interest rate and foreign exchange derivative contracts – cash flow hedges	-	-
	-	-
Net derivative assets/(liabilities)	**128.1**	**57.0**

Instruments used by the Group

Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates.

Interest rate swaps and forward foreign exchange contracts – cash flow hedges

Interest bearing loans in Australian Dollar of the Group currently bear an average variable base interest rate excluding margin of 3.98% (2022: 1.477%). Interest bearing loans in Euro of the Group currently bear a variable base interest rate excluding margin of 3.21% (2022: 0%) pursuant to an interest rate floor within the facility agreements whereby base interest rate (EURIBOR) is deemed to be zero when it is negative.

In order to reduce the variability of the future cash flows in relation to the interest bearing loans, the Group has entered into Australian Dollar and Euro interest rate swap contracts under which it has a right to receive interest at variable rates and to pay interest at fixed rates. Swaps in place cover approximately 75% (2022: 39%) of the principal outstanding.

To reduce the foreign exchange risk of expected purchases, the Group enters into foreign exchange forward contracts which are designated in a cash flow hedge relationship. The Group also enters into other foreign exchange contracts with the intention to reduce the foreign exchange risk of interest bearing loan in Euro which are not designated in hedge relationships and are measured at fair value through profit or loss.

Interest rate risk

Information regarding interest rate risk exposure is set out in Note 17.

Credit risk

Credit risk arises from the potential failure of counterparties to meet their obligations at maturity of contracts. This arises on derivative financial instruments with unrealised gains. Management constantly monitor the fair value of favourable contracts outstanding with any individual counterparty. Management only deal with prime financial institutions with appropriate credit ratings in order to manage this credit risk.

8 Net debt (Continued)

Fair value of derivative financial instruments

The fair value of the derivative financial instruments was estimated using the level 2 method valuation technique and is summarised in the table above.

The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the relevant notes.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between Level 1 and Level 2 or between Level 2 and Level 3 during the year.

The notional principal amounts and period of expiry of the interest rate derivatives contracts are as follows:

	2023 $m	2022 $m
0-1 years	210.0	1,102.4
1-2 years	1,268.3	210.0
2-3 years	1,350.2	1,059.4
3-5 years	2,197.4	450.0
Over 5 years	-	-
	5,025.9	2,821.8

The interest rate derivatives require settlement of net interest receivable or payable each 90 or 180 days. They are settled on a net basis. The swaps are measured at fair value and all gains and losses attributed to the hedged risk are taken directly to equity and re-classified to the Income Statement when the interest expense is recognised.

Accounting Policies

The Group uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Derivatives are carried as assets when the fair value is positive and as a liability when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in Other Comprehensive Income, and later classified to profit and loss when the hedge item affects profit or loss.

For the purposes of hedge accounting, hedges are classified as:

- fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability;
- cash flow hedges when they hedge exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

8 Net debt (Continued)

Accounting Policies

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in Other Comprehensive Income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Income Statement as other operating expenses.

The Group uses predominantly interest rate swap contracts as hedges of its exposure to fluctuations in interest rates. There is an economic relationship between the hedged item and the hedging instrument as the term of the interest rate swap matches the terms of the variable rate loan (that is, notional amount, maturity, base rate, payment and reset dates).

The Group only designates the intrinsic value of the interest rate option contracts as hedging instruments. The time value of the interest rate option contracts are recognised in Other Comprehensive Income and accumulated in a separate component of equity under the cost of Hedging Reserve. These deferred costs of hedging are recognised in the profit or loss on a systematic basis over the tenor of the interest rate option contracts.

Amounts recognised as Other Comprehensive Income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as Other Comprehensive Income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in Other Comprehensive Income is transferred to the Income Statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in Other Comprehensive Income remains in Other Comprehensive Income until the forecast transaction or firm commitment affects profit or loss.

Subsequent measurement

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transaction;
- Reference to the current fair value of another instrument that is substantially the same; or
- A discounted cash flow analysis or other valuation models.

Fair value of derivative financial instruments

The Group measures financial instruments, such as, derivatives, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

III Assets and Liabilities – Operating and Investing

This section outlines how the Ramsay Group manages its assets and liabilities to generate profit.

How the Group manages its overall financial position

The Group manages its overall financial position by segregating its Statement of Financial Position into two categories; Assets and Liabilities – Operating and Investing and Capital – Financing. Assets and Liabilities – Operating and Investing is managed at both the site and group level while Capital – Financing (refer to section II) is managed centrally.

Details of Assets and Liabilities – Operating and Investing are as follows:

	Note	2023 $m	2022 $m
Working capital	9	(498.4)	(345.1)
Property, plant and equipment	11	5,238.1	4,806.5
Right of use assets	12	4,949.1	4,629.5
Intangible assets	13	6,163.7	5,820.8
Current and deferred tax assets	15	89.8	111.7
Other assets/(liabilities)	16	(17.0)	(169.7)
		15,925.3	14,853.7

9 Working capital

		2023 $m	2022 $m
Trade and other receivables (current)	9.a	2,266.9	2,330.1
Inventories	9.b	388.6	376.8
Trade and other creditors (current)	9.c	(3,153.9)	(3,052.0)
		(498.4)	(345.1)

Consistent with prior periods, the Group actively manages the collection of debtor receipts and creditor and employee payments. This often results in a negative working capital metric and net current liability position. Any surplus or deficit in the working capital is managed through efficient use of the revolving debt facilities and cash balances. The Group had an undrawn facility limit of $2.2 billion as at 30 June 2023.

The change in working capital during the year is a result of a decrease in the trade and other receivables amounts due to an increase in the impairment provision during the period, together with an increase in trade and other creditors as a result of additional procedures and activity being undertaken and therefore additional costs being incurred.

9.a Trade and other receivables

Trade and other receivables primarily consists of amounts outstanding from Governments, Health Funds and Self Insured patients for delivering health care and related services.

	2023 $m	2022 $m
Current		
Trade and other receivables	2,397.6	2,400.7
Allowances for impairment loss	(130.7)	(70.6)
	2,266.9	**2,330.1**
Non-current		
Rental property bonds and guarantees receivable	38.8	32.5
Other	88.1	46.5
	126.9	**79.0**
Total	**2,393.8**	**2,409.1**

9 Working capital (Continued)

Allowances for impairment loss

An allowance for expected credit loss (**ECL**) is recognised based on the difference between the contractual cash flows and the expected cash flows. The Group has applied a simplified approach in calculating ECLs by establishing a provision matrix for forward-looking factors specific to the debtors and the economic environment.

Movements in the allowances for impairment loss were as follows:

	2023 $m	2022 $m
As at 1 July	**(70.6)**	**(62.0)**
Charge for the year	(103.3)	(40.3)
Exchange differences	(5.9)	2.1
Amounts written off	49.1	29.6
As at 30 June	**(130.7)**	**(70.6)**

Ageing analysis

At 30 June, the ageing analysis of trade and other receivables is as follows:

	Total $m	Neither past due nor impaired $m	0-30 Days PDNI[1] $m	31-60 Days PDNI[1] $m	61-90 Days PDNI[1] $m	91+ Days PDNI[1] $m	Considered impaired $m
2023	2,524.5	1,745.0	197.4	105.9	61.1	284.4	130.7
2022	2,479.7	1,776.5	294.6	122.7	37.7	177.6	70.6

1 PDNI – Past due not impaired

Receivables past due but not considered impaired are: $648.8 million (2022: $632.6 million). Payment terms on these amounts have not been re-negotiated as based on the credit history of receivables past due not considered impaired, management believes that these amounts will be fully recovered. This is due to the fact that the Group mainly deals with Government Authorities and creditworthy Health Funds.

Fair value

Due to the short term nature of the current receivables, the carrying value approximates fair value. The carrying values of the discounted non-current receivables approximates their fair values.

Credit risk

The maximum exposure to credit risk for current receivables is their carrying value. Collateral is not held as security. The Group's credit risk is low in relation to trade debtors because the majority of transactions are with the Government and Health Funds. The maximum exposure to credit risk for non-current receivables at the reporting date is the carrying value of these receivables. The majority of the non-current receivables are assessed as low risk.

Foreign exchange & interest rate risk

Details regarding foreign exchange and interest rate risk exposure are disclosed in Note 17.

9 Working capital (Continued)

9.b Inventories

Inventories include medical supplies to be consumed in providing future patient services, and development assets, including medical suites to be sold, that are currently under construction.

	2023 $m	2022 $m
Amount of medical supplies to be consumed in providing future patient services – at cost	356.4	328.4
Development assets to be sold that are currently under construction – at cost	32.2	48.4
Total	**388.6**	**376.8**

Inventory expense

Medical supplies recognised as an expense for the year ended 30 June 2023 totalled $3,347.7 million (2022: $3,107.8 million) for the Group. This expense has been included in the expense category 'medical consumables and supplies' in the Income Statement. The cost of development assets sold which has been recognised as an expense for the year ended 30 June 2023 totalled $7.3 million (2022: $1.4 million) for the Group. This expense has been included in the expense category 'cost of development assets sold' in the Income Statement.

Accounting Policies

Inventories are recorded using the FIFO method and are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

9.c Trade and other creditors

Trade and other creditors consists of amounts owing to employees and suppliers for goods and/or services delivered and customer amounts paid in advance of provision of services.

	2023 $m	2022 $m
Trade creditors	1,484.3	1,483.5
Accrued expenses	507.5	475.7
Employee and Director entitlements	1,138.7	1,053.8
Other creditors	23.4	39.0
Total	**3,153.9**	**3,052.0**

Fair value

Trade and other creditors amounts are non-interest bearing and are normally settled on 30-60 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

Interest rate, foreign exchange & liquidity risk

Details regarding interest rate, foreign exchange and liquidity risk exposure are set out in Note 17.

10 Business combinations

Ramsay's growth has been driven, in part, by acquisitions of businesses within the healthcare sector.

Information on current year acquisitions

Regis - 2023

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

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

	$m
Cash and cash equivalents	2.1
Trade and other receivables (current)	2.5
Property, plant and equipment	4.4
Deferred tax asset	1.1
Trade and other creditors	(1.7)
Current income tax payable	(2.0)
Fair value of identifiable net assets	6.4
Goodwill arising	61.7
Fair value of consideration transferred	68.1
The cash outflow as a result of the business combination is as follows:	
Cash paid in the year to 30 June 2023	(68.1)
Net cash acquired with the subsidiary	2.1
Net consolidated cash outflow	(66.0)
Direct costs relating to the business combination – included within service costs	0.5

The goodwill of $61.7 million comprises the value of intangible assets that do not qualify for separate recognition as well as synergies expected to be achieved as a result of combining Regis with the rest of the Group. The acquisition provides a number of strategic benefits consistent with Ramsay's growth strategy. None of the goodwill recognised is expected to be deductible for income tax purposes. Goodwill is allocated entirely to the UK reporting segment in Note 1 and Note 14.

The consolidated financial statements include the results of the Regis facilities for the nine and a half months from the acquisition date. The results of Regis from acquisition to 30 June 2023 are not material to the Group and have therefore not been disclosed separately. If the combination had taken place at the beginning of the year, 1 July 2022, revenue from continuing operations and profit before interest and tax from continuing operations for the Group would not have been significantly different to the Group results as reported.

10 Business combinations (Continued)

Other Business Combinations - 2023

Other than the acquisition above, Ramsay also acquired certain businesses in Europe and Australia in the year to 30 June 2023. The summarised amounts for these other business combinations for the year ended 30 June 2023 are shown below and have been determined on a provisional basis only. These businesses are all within the healthcare sector.

	$m
Assets	9.4
Liabilities	(9.4)
Fair value of identifiable net assets/(liabilities)	-
Goodwill arising	16.3
Fair value of consideration transferred	16.3
The cash outflow as a result of the business combinations is as follows:	
Cash paid in the year to 30 June 2023	(15.2)
Net cash acquired with the subsidiaries	2.1
Net consolidated cash outflow	(13.1)
Cash paid	(15.2)
Deferred consideration	(1.1)
Total consideration	(16.3)
Direct costs relating to the business combinations – included within service costs	2.1

Information on prior year acquisitions

Elysium - 2022

On 31 January 2022, Ramsay acquired 100% of the voting shares of the leading UK based mental healthcare provider Elysium Healthcare. Ramsay has recognised amounts for this business combination as outlined below. The acquisition accounting has now been finalised. Adjustments to trade and other receivables, right of use assets and trade and other payables have decreased the goodwill arising on acquisition by $1.9 million from 30 June 2022. These adjustments have been reflected in the 30 June 2022 Statement of Financial Position. Goodwill is allocated entirely to the UK reporting segment in Note 1 and Note 14.

	$m
Cash and cash equivalents	5.8
Trade and other receivables (current)	81.2
Inventories	0.3
Other current assets	18.0
Property, plant and equipment	254.6
Right of use assets	473.0
Trade and other creditors (current)	(83.1)
Loans and borrowings (current)	(657.7)
Lease liabilities (current and non-current)	(472.8)
Deferred tax liabilities	(111.5)
Other liabilities (current and non-current)	(6.7)
Fair value of identifiable net liabilities	(498.9)
Goodwill arising	1,311.5
Fair value of consideration transferred	812.6
The cash outflow as a result of the business combination is as follows:	
Cash paid in the year to 30 June 2022	(812.6)
Net cash acquired with the subsidiary	5.8
Net consolidated cash outflow	(806.8)

10 Business combinations (Continued)

GHP - 2022

On 2 May 2022, Ramsay Santé acquired 98% of the voting shares of the GHP Speciality Care AB (**GHP**). Ramsay has recognised the fair values of the identifiable assets and liabilities of GHP as outlined in the table below. The acquisition accounting has now been finalised. Adjustments to property, plant and equipment and provisions and other liabilities have increased the goodwill arising on acquisition by $23.4 million from 30 June 2022. These adjustments have been reflected in the 30 June 2022 Statement of Financial Position. Goodwill is allocated entirely to the Nordics reporting segment in Note 1 and Note 14.

	$m
Cash and cash equivalents	27.0
Trade and other receivables (current)	31.2
Inventories	1.5
Other current assets	14.3
Property, plant and equipment	11.5
Intangible assets	7.4
Trade and other creditors	(17.7)
Loans and borrowings	(22.3)
Deferred tax liabilities	(1.0)
Provisions and other liabilities	(48.7)
Fair value of identifiable net assets	3.2
Non controlling interest	(0.4)
Goodwill arising	359.9
Fair value of consideration transferred	362.7
The cash outflow as a result of the business combination is as follows:	
Cash paid in the year to 30 June 2022	(355.2)
Cash paid in the year to 30 June 2023	(7.5)
Net cash acquired with the subsidiary	27.0
Net consolidated cash outflow	(335.7)
Net consolidated cash outflow in the year to 30 June 2022	(328.2)
Net consolidated cash outflow in the year to 30 June 2023	(7.5)
Total net consolidated cash outflow	(335.7)

Other Business Combinations – 2022

Other than the two major acquisitions above, Ramsay also acquired certain businesses in Europe in the year to 30 June 2022. The summarised amounts for these other business combinations for the year ended 30 June 2022 are shown below. The purchase price accounting has now been finalised. There was not a material difference in the provisional fair values initially recognised. These businesses are all within the healthcare sector.

	$m
Assets	77.5
Liabilities	(48.8)
Fair value of identifiable net assets	28.7
Goodwill arising	146.9
Fair value of consideration transferred	175.6
The cash outflow as a result of the business combinations is as follows:	
Cash paid in the year to 30 June 2022	(106.3)
Net cash acquired with the subsidiary	12.8
Net consolidated cash outflow	(93.5)
Cash paid in the year to 30 June 2022	(106.3)
Deferred consideration	(69.3)
Total consideration	(175.6)

10 Business combinations (Continued)

Accounting Policies

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value and is calculated as the sum of the business combination date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Business combination related costs are expensed as incurred.

In accounting for a business combination, the Group assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the business combination date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the business combination date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of *AASB 9 Financial Instruments*, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of AASB 9, it is measured in accordance with the appropriate standard. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Key Accounting Judgements, Estimates and Assumptions

The Group recognises the identifiable assets and liabilities of businesses at their business combination date fair values, except for lease liabilities and right of use assets, which are measured at the present value of the remaining lease payments as if the acquired lease were a new lease at the acquisition date and where the right of use asset is further adjusted for favourable and unfavourable terms. Where a significant amount of freehold land and buildings are recognised in the business combination, the fair value is determined by an external valuer using an approach relevant to the market in that country.

11 Property, plant and equipment

Property, plant and equipment represents the investment by the Group in tangible assets such as land, buildings, hospital fit-outs and medical equipment.

	Land & Buildings $m	Plant & Equipment $m	Assets Under Construction $m	Total $m
30 June 2023				
Cost	4,538.0	3,319.1	625.3	8,482.4
Accumulated depreciation and impairment	(1,091.5)	(2,152.8)	-	(3,244.3)
	3,446.5	**1,166.3**	**625.3**	**5,238.1**
Movement:				
As at 1 July 2022	**3,226.3**	**1,052.6**	**527.6**	**4,806.5**
Additions	83.5	302.4	344.8	730.7
Transferred from assets under construction	173.7	88.6	(262.3)	-
Business combinations	3.2	7.1	-	10.3
Reclassification (Note 12, Note 13)	32.3	-	-	32.3
Depreciation	(169.8)	(322.5)	-	(492.3)
Impairment	0.9	1.9	-	2.8
Disposals	(11.0)	(1.0)	(1.9)	(13.9)
Exchange differences	107.4	37.2	17.1	161.7
As at 30 June 2023	**3,446.5**	**1,166.3**	**625.3**	**5,238.1**
30 June 2022				
Cost	4,132.5	2,937.4	527.6	7,597.5
Accumulated depreciation and impairment	(906.2)	(1,884.8)	-	(2,791.0)
	3,226.3	**1,052.6**	**527.6**	**4,806.5**
Movement:				
As at 1 July 2021	**3,035.6**	**953.3**	**499.7**	**4,488.6**
Additions	119.9	317.4	240.7	678.0
Transferred from assets under construction	132.6	97.8	(230.4)	-
Business combinations	184.8	50.0	37.7	272.5
Reclassification (Note 12, Note 13)	1.8	(9.4)	(4.1)	(11.7)
Depreciation	(154.8)	(309.9)	-	(464.7)
Impairment	(5.3)	-	-	(5.3)
Disposals	(23.1)	(16.0)	(8.1)	(47.2)
Exchange differences	(65.2)	(30.6)	(7.9)	(103.7)
As at 30 June 2022	**3,226.3**	**1,052.6**	**527.6**	**4,806.5**
30 June 2021				
Cost	3,854.2	2,744.8	499.7	7,098.7
Accumulated depreciation and impairment	(818.6)	(1,791.5)	-	(2,610.1)
	3,035.6	**953.3**	**499.7**	**4,488.6**

11 Property, plant and equipment (Continued)

Accounting Policies

Assets Under Construction is stated at cost, net of accumulated impairment losses, if any. Land and Buildings and Plant and Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated, consistent with the prior year, on a straight-line basis over the estimated useful life of the assets as follows:

- Buildings and integral plant – 40 to 60 years
- Plant and equipment, other than plant integral to buildings – various periods not exceeding 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Impairment losses are recognised in the Income Statement in the expense category 'depreciation, amortisation and impairment'.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Derecognition & disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Income Statement in the year the asset is derecognised.

Key Accounting Judgements, Estimates and Assumptions

Useful lives of assets are estimated based on historical experience. The useful life of assets are assessed annually and adjusted where deemed necessary.

12 Right of use assets

A right of use asset represents the Group's, as a lessee, right to use an asset over the life of a lease. See note 8.c for the Group's lease arrangements and related lease liabilities recognised.

	Leased Property $m	Leased Plant & Equipment $m	Total $m
30 June 2023			
Cost	6,860.4	500.3	7,360.7
Accumulated depreciation and impairment	(2,181.0)	(230.6)	(2,411.6)
	4,679.4	**269.7**	**4,949.1**
Movement:			
As at 1 July 2022	**4,393.1**	**236.4**	**4,629.5**
Additions	387.0	99.8	486.8
Reclassification (Note 11)	(31.1)	-	(31.1)
Depreciation	(366.8)	(81.2)	(448.0)
Impairment	(14.5)	-	(14.5)
Reassessment of lease terms	43.3	-	43.3
Disposals or terminations	-	(0.2)	(0.2)
Exchange differences	268.4	14.9	283.3
As at 30 June 2023	**4,679.4**	**269.7**	**4,949.1**
30 June 2022			
Cost	6,119.4	426.8	6,546.2
Accumulated depreciation and impairment	(1,726.3)	(190.4)	(1,916.7)
	4,393.1	**236.4**	**4,629.5**
Movement:			
As at 1 July 2021	**4,189.5**	**222.0**	**4,411.5**
Additions	218.8	91.5	310.3
Business combinations	514.1	-	514.1
Reclassification (Note 11)	0.7	7.3	8.0
Depreciation	(343.2)	(73.9)	(417.1)
Reassessment of lease terms	11.3	-	11.3
Disposals or terminations	(8.4)	(0.4)	(8.8)
Exchange differences	(189.7)	(10.1)	(199.8)
As at 30 June 2022	**4,393.1**	**236.4**	**4,629.5**
30 June 2021			
Cost	5,690.5	378.5	6,069.0
Accumulated depreciation and impairment	(1,501.0)	(156.5)	(1,657.5)
	4,189.5	**222.0**	**4,411.5**

Leased assets, where pledged, are used as security for the related lease liabilities. Refer note 8.c.

13 Intangible assets

The Group's investment in intangible assets includes goodwill, service concession assets, brand names and on-premise software.

	Goodwill $m	Service Concession Assets $m	Other[1] $m	Total $m
30 June 2023				
Cost	5,756.4	239.8	511.4	6,507.6
Accumulated amortisation and impairment	-	(159.3)	(184.6)	(343.9)
	5,756.4	**80.5**	**326.8**	**6,163.7**
Movement:				
As at 1 July 2022	**5,385.6**	**105.8**	**329.4**	**5,820.8**
Additions	-	-	34.5	34.5
Business combinations	78.0	1.2	-	79.2
Reclassification (Note 11)	-	(1.2)	-	(1.2)
Amortisation	-	(22.0)	(26.8)	(48.8)
Disposals	-	-	(12.4)	(12.4)
Exchange differences	292.8	(3.3)	2.1	291.6
As at 30 June 2023	**5,756.4**	**80.5**	**326.8**	**6,163.7**
30 June 2022				
Cost	5,385.6	241.3	496.0	6,122.9
Accumulated amortisation and impairment	-	(135.5)	(166.6)	(302.1)
	5,385.6	**105.8**	**329.4**	**5,820.8**
Movement:				
As at 1 July 2021	**3,766.3**	**99.7**	**367.6**	**4,233.6**
Additions	-	0.8	31.0	31.8
Business combinations	1,818.6	35.3	1.1	1,855.0
Reclassification (Note 11)	-	4.9	(1.2)	3.7
Amortisation	-	(25.1)	(20.7)	(45.8)
Disposals	(4.2)	(0.2)	(13.4)	(17.8)
Impairment	-	-	(6.0)	(6.0)
Exchange differences	(195.1)	(9.6)	(29.0)	(233.7)
As at 30 June 2022	**5,385.6**	**105.8**	**329.4**	**5,820.8**
30 June 2021				
Cost	3,766.3	220.9	513.6	4,500.8
Accumulated amortisation and impairment	**-**	(121.2)	(146.0)	(267.2)
	3,766.3	**99.7**	**367.6**	**4,233.6**

1 *Mainly brands and on-premise software costs, including both purchased and internally generated software.*

13 Intangible assets (Continued)

Accounting Policies

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The key factor contributing to the goodwill relates to the synergies existing within the acquired businesses and also expected to be achieved as a result of combining these facilities with the rest of the Group.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is determined to have an indefinite life.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated such that:

- It represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- Is not larger than an operating segment determined in accordance with *AASB 8 Operating Segments.*

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained. Impairment losses recognised for goodwill are not subsequently reversed.

Service concession assets

Service concession assets represent the Group's right to operate hospitals under Service Concession Arrangements. Service concession assets constructed by the Group are recorded at the fair value of consideration received or receivable for the construction services delivered. Service concession assets acquired by the Group are recorded at the fair value of the assets at the date of acquisition. All service concession assets are classified as intangible assets.

To the extent that the Group has an unconditional right to receive cash or other financial assets under the Service Concession Arrangements a financial asset has been recognised. The financial asset is measured at fair value on initial recognition and thereafter at amortised cost using the effective interest rate method. The financial asset will be reflected on initial recognition and thereafter as a 'loan or receivable'.

Other Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised software development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortisation is calculated, consistent with the prior year, on a straight-line basis over the estimated useful life of the assets as follows:

- Service Concession Asset – over the term of the arrangement
- Software - 2 to 10 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the Income Statement.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level consistent with the methodology outlined for goodwill impairment testing. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

13 Intangible assets (Continued)

Accounting Policies

	Service Concession Assets	Brands	Software costs
Useful lives	Finite	Indefinite	Finite
Amortisation method used	Amortised over the period of the arrangement	Not applicable	Amortised over the period of expected future benefit from the related project on a straight line basis
Internally generated or acquired	Acquired	Acquired	Internally generated/Acquired
Impairment testing	When an indication of impairment exists. The amortisation method is reviewed at each financial year end.	Annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.	When an indication of impairment exists. The amortisation method is reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Income Statement when the asset is derecognised.

Key Accounting Judgements, Estimates and Assumptions

Useful lives of assets are estimated based on historical experience and the expected period of future consumption of embodied economic benefits. Useful lives are reviewed annually and adjustments made where deemed necessary.

14 Impairment testing of goodwill

Goodwill arises when the Group acquires a business. It is the portion of the purchase price that is higher than the sum of the fair value of net assets acquired, which represents the synergies expected to arise from the acquisition. Goodwill is impaired when its historical cost exceeds its current recoverable amount.

Description of the cash generating units and other relevant information

Goodwill acquired through business combinations has been allocated in part to individual cash generating units and part to segments as synergies are achieved from the larger Group. Management assess goodwill by aggregating cash generating units to the level of the operating segment for purposes of impairment testing because the goodwill relates to synergies existing within the acquired business and synergies achieved from combining acquired facilities with the rest of the Group. Goodwill is tested for impairment on an annual basis, as a minimum.

Goodwill has been allocated to the Asia Pacific operating segment, the UK operating segment, the French operating segment and the Nordics operating segment as shown in the table below. The provisional goodwill acquired through acquisition of Elysium Healthcare and GHP Specialty Care were not allocated to operating segments at 30 June 2022.

	Asia Pacific $m	UK $m	France $m	Nordics $m	Unallocated $m	Total $m
2023	1,182.2	1,696.9	1,297.0	1,580.3	-	**5,756.4**
2022	1,181.7	267.4	1,200.8	1,130.1	1,605.6	**5,385.6**

Key Accounting Judgements, Estimates and Assumptions

The recoverable amount of the Asia Pacific operating segment, the UK operating segment, the French operating segment and the Nordics operating segment has been determined based on a value in use calculation using cash flow projections as at 30 June 2023 based on financial estimates approved by senior management and the Board of Directors covering the following financial year. In determining the 2024 (year 1) cash flow projections, management has factored in the performance of the Group in the current year. A growth factor is then applied to the following 4 years through to the end of the value in use models. Key assumptions used in the value in use calculations are outlined in the table below. Significant assumptions used in the impairment testing are inherently subjective and in times of economic uncertainty, such as that, caused by the COVID pandemic, the degree of subjectivity is higher than it might otherwise be.

	Asia Pacific %	UK %	France %	Nordics %
Terminal growth rate (Year 5+)				
2023	3.0	2.5	1.8	2.8
2022	3.0	1.9	1.3	2.0
Pre-tax discount rate				
2023	10.8	9.7	6.2	7.5
2022	9.9	10.3	7.0	7.2

Key inputs in value in use calculations are:

- Tax rates have been estimated at 30% for Australian operations, and 21% - 26% for overseas operations consistent with the current local tax legislation.
- Discount rates – discount rates reflect management's estimate of the time value and the risks specific to each of the cash generating units that are not already reflected in the cash flows. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rates for each unit, regard has been given to the weighted average cost of capital of the entity as a whole and adjusted for country and business risk specific to the unit.
- Growth rate estimates – they are based on management's internal estimates of long term growth rates for each of the cash generating units.

Management has performed sensitivity testing by CGU and on the aggregated CGUs based on assessing the effect of changes in hospital occupancy rates, health fund rates, wage increases, revenue growth rates and discount rates.

Detailed sensitivity testing was performed on the UK segment by decreasing the terminal growth rate from 2.5% to 1.7% which results in the carrying value equalling the recoverable amount, similarly increasing the pre-tax discount rate from 9.7% to 10.4% results in the carrying value equalling the recoverable amount and reducing the earnings before interest, tax, depreciation, amortisation and rent, in the first year by 19.0% results in the carrying value equalling the recoverable amount.

For Asia Pacific, UK, France and the Nordics, management do not consider that any reasonably likely changes in hospital occupancy rates, health fund rates, wage increases, revenue growth rates and discount rates would result in the carrying value of goodwill exceeding the recoverable amount.

15 Taxes

This note provides an analysis of the income tax expense and deferred tax balances, including a reconciliation of the tax expense recognised, reconciled to the Group's net profit before tax at the Group's applicable tax rate. A deferred tax asset or liability is created when there are temporary differences between the accounting profit and taxable profit, representing a future income tax receivable or payable.

(i) Income tax expense

	2023 $m	2022 $m
The major components of income tax expense are:		
Current income tax		
Current income tax charge	171.1	220.1
Deferred income tax		
Relating to origination and reversal of temporary differences	12.6	(58.7)
Adjustments in respect of deferred income tax of previous years	(2.2)	(2.1)
Income tax expense reported in the Consolidated Income Statement	**181.5**	**159.3**
Income tax from continuing operations	181.5	159.3
Income tax from discontinued operations	-	-
	181.5	**159.3**

(ii) Numerical reconciliation between aggregate tax expense recognised in the Consolidated Income Statement and tax expense calculated per the statutory income tax rate

	2023 $m	2022 $m
A reconciliation between tax expense and the product of the accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Profit before tax from continuing operations	527.1	523.2
Profit before tax from discontinued operations	19.9	15.3
Accounting profit before tax	547.0	538.5
At the Parent Entity's statutory income tax rate of 30% (2022: 30%)	164.1	161.5
Expenditure not allowable for income tax purposes	28.9	14.7
Amounts not assessable for income tax purposes	(10.8)	(29.6)
Impact of changes in foreign tax rates on deferred tax balances	(5.0)	(8.1)
Other French income tax expense	10.7	18.4
Foreign tax rate adjustment due to differences in rates between Australia and Other Countries	5.3	2.8
Other	(11.7)	(0.4)
Income tax expense reported in the Consolidated Income Statement	**181.5**	**159.3**

15 Taxes (Continued)

(iii) Recognised tax assets and liabilities

	2023 Current income tax $m	2023 Deferred income tax $m	2022 Current income tax $m	2022 Deferred income tax $m
As at 1 July	**(59.8)**	**171.5**	**(71.4)**	**222.1**
(Charged)/credited to income	(171.1)	(10.4)	(220.1)	60.8
(Charged)/credited to equity	-	(72.7)	-	(0.8)
Payments	234.2	-	229.3	-
Exchange differences	2.9	(6.0)	4.8	(4.3)
Acquisitions and disposals of subsidiary	(1.4)	2.6	(2.4)	(106.3)
As at 30 June	**4.8**	**85.0**	**(59.8)**	**171.5**

	Statement of Financial Position	
	2023 $m	2022 $m
Amounts recognised in the Statement of Financial Position for Deferred Income Tax at 30 June:		
Deferred tax liabilities		
Inventory	(21.6)	(28.6)
Deferred revenue	(31.0)	(17.4)
Depreciable assets	(215.2)	(178.6)
Derivatives	(22.6)	-
Other provisions and lease liabilities	(163.5)	(150.0)
Gross deferred tax liabilities	(453.9)	(374.6)
Set-off of deferred tax assets	95.2	67.4
Net deferred tax liabilities	**(358.7)**	**(307.2)**
Deferred tax assets		
Employee provisions	179.8	182.6
Other provisions and lease liabilities	284.2	299.2
Unearned income	8.5	23.7
Losses	66.4	35.1
Derivatives	-	5.5
Gross deferred tax assets	538.9	546.1
Set-off of deferred tax liabilities	(95.2)	(67.4)
Net deferred tax assets	**443.7**	**478.7**

(iv) Tax consolidation

Ramsay Health Care Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group effective 1 July 2003. Ramsay Health Care Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax funding and sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries using a group allocation method on a modified standalone basis. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current and deferred taxes using a group allocation method, on a modified standalone basis in accordance with the principles of *AASB 112 Income Taxes*. Allocations under the tax funding agreement are made every six months.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' inter-company accounts with the tax consolidated group head company. There is no difference between the current and deferred tax amounts allocated under the tax funding agreement and the amount subsequently charged to the subsidiary. Therefore, there is no contribution/distribution of the subsidiaries' equity accounts.

As a result of tax consolidation, intercompany assets of Ramsay Health Care Limited have decreased by $33.3 million (2022: decreased by $20.0 million). This is included in the summarised information relating to Ramsay Health Care Limited. Refer to Note 25.

Tax losses

At 30 June 2023, there were nil (2022: nil) losses carried forward in the Ramsay Health Care Ltd tax consolidated group and therefore no resulting deferred tax asset has been recognised. $66.4 million (2022: $35.1 million) has been recognised in relation to tax losses in other tax jurisdictions.

15 Taxes (Continued)

Accounting Policies

Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Income Statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Key Accounting Judgements, Estimates and Assumptions

In determining the Group's deferred tax assets and liabilities, management is required to make an estimate about the availability of future taxable profits and cash flows. Changes in circumstances will alter expectations, which may impact the amount of tax losses and temporary differences recognised.

16 Other assets/liabilities (net)

	Note	2023 $m	2022 $m
Prepayments – current and non-current		202.3	197.1
Other assets – current		28.3	24.5
Assets held for sale	16.b	251.0	-
Defined employee benefit assets	16.e	55.1	19.2
Other financial assets – non-current		82.7	100.8
Investment in joint ventures	16.a	0.9	238.1
Other receivables – non-current	9.a	126.9	79.0
Provisions – current and non-current	16.c	(493.3)	(552.8)
Defined employee benefit obligation	16.e	(172.6)	(177.0)
Other creditors – non-current		(98.3)	(98.6)
		(17.0)	(169.7)

16.a Investment in joint ventures

A joint venture (**JV**) is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. The Group has a 50% interest in Ramsay Sime Darby Health Care Sdn Bhd (**RSDH**) (Malaysia registered company) and a 50% interest in Ascension Ramsay Global Sourcing Limited (UK registered company).

The Group has a 50% interest in RSDH, a joint venture involved in operating hospitals and day surgery facilities across Malaysia and Indonesia, and a 50% interest in Ascension Ramsay Global Sourcing Limited. The Group's interest in joint venture is accounted for using the equity method in the consolidated financial statements.

On 28 June 2023, investment in RSDH was reclassified as held for sale and the equity accounting of the investment was suspended from this date. The investment held for sale was presented at the carrying amount of investment in RSDH at 28 June 2023. Refer to Note 16.b for further detail.

	2023 $m	2022 $m
As at 1 July	**238.1**	**217.5**
Share of profit of joint venture[1]	19.8	15.5
Reclassified as held for sale (Note 16.b)	(251.0)	-
Foreign currency translation and other equity movements	(6.0)	5.1
As at 30 June	**0.9**	**238.1**

1 Share of profit of joint venture is from both continuing operations and discontinued operations (refer to Note 16.b).

16 Other assets/liabilities (net) (Continued)

Accounting Policies

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in a joint venture is accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Income Statement reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the Income Statement and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in the joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the loss as 'Share of profit of joint venture' in the Income Statement.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

16.b Assets held for sale/Discontinued operations

Assets held for sales/Discontinued operations is a component of Ramsay Group that represents a separate major line of business or geographical area of operation that is held for sale. This section presents the profit or loss, cash flows and assets and liabilities from the components of the Group that are subject to a committed plan for sale.

Sale of Ramsay Sime Darby Health Care Sdn Bhd (RSDH)

On 28 June 2023, the Group publicly announced the decision, together with the joint venture partner Sime Darby Berhad, to sell the 50:50 joint venture company RSDH. The sale of RSDH is expected to be completed within a year from the reporting date. At 28 June 2023, the Group classified the investment in RSDH JV as a discontinued operation and as an investment held for sale. The investment held for sale was measured at the carrying amount of the equity accounted investment in RSDH JV at 28 June 2023.

The share of profit of RSDH JV was included in the Asia Pacific Segment. With the investment being classified as a discontinued operation, during the period, the profit from this investment is no longer included in the segment note (Note 1) in the current year. The prior year comparative in the segment note has also been restated.

16 Other assets/liabilities (net) (Continued)

	2023 $m	2022 $m
Assets of the discontinued operations		
Investment in joint ventures	251.0	-
Total assets held for sale	251.0	-
Results of the discontinued operations		
Share of profit of joint venture	19.9	15.3
Profit before income tax and finance costs	19.9	15.3
Net finance costs	-	-
Profit before income tax	19.9	15.3
Income tax	-	-
Profit after tax from discontinued operations	19.9	15.3
Cash flows of the discontinued operations		
Operating	-	-
Investing	-	-
Financing	-	-
Net increase/(decrease) in cash and cash equivalents	-	-

	2023 Cents per Share	2022 Cents per Share
Contribution to earnings per share by the discontinued operations		
Basic earnings per share (after CARES dividend)	8.7	6.7
Diluted earnings per share (after CARES dividend)	8.7	6.7

Accounting Policies

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification.

The carrying amount of investment in joint venture is not adjusted to recognise changes in the Group's share of net assets of the joint venture once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the Statement of Financial Position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Income Statement.

Key Accounting Judgements, Estimates and Assumptions

The Group considered the investment in RSDH JV to meet the criteria to be classified as held for sale at 28 June 2023 for the following reasons:

- RSDH is available for immediate sale and can be sold in its current condition.
- The actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification.
- Ramsay annouced that, together with its JV partner Sime Darby Berhad, a decision was made to explore the possibility of realising a sale of RSDH JV on 28 June 2023.

16 Other assets/liabilities (net) (Continued)

16.c Provisions

A provision is a liability with uncertain timing and amount, but the expected settlement amount can be reliably estimated by the Group. The main provisions held are in relation to insurance, restructuring, legal obligations, unfavourable contracts and employee benefits.

	2023 $m	2022 $m
Current		
Restructuring provision	18.4	19.8
Unfavourable contracts	3.5	3.4
Insurance provision	12.8	18.3
Legal and compliance provision	42.2	83.8
Self-insured workers compensation	7.5	5.3
Other provisions	41.4	65.4
	125.8	**196.0**
Non-current		
Employee and Director entitlements	40.3	39.7
Unfavourable contracts	40.4	40.6
Insurance provision	68.2	67.7
Restructuring provision	36.4	32.7
Legal and compliance provision	162.9	162.4
Self-insured workers compensation	14.4	11.5
Other provisions	4.9	2.2
	367.5	**356.8**
Total	**493.3**	**552.8**

Movements in provisions

	Restructuring $m	Insurance $m	Unfavourable contracts $m	Legal and compliance $m	Self-insured workers compensation	Other provisions $m	Total $m
As at 1 July 2022	**52.5**	**86.0**	**44.0**	**246.2**	**16.8**	**67.6**	**513.1**
Arising during the year	-	10.4	-	16.5	16.9	10.2	54.0
Utilised during the year	(4.2)	(9.7)	(3.3)	(16.7)	(11.8)	(10.0)	(55.7)
Unused amounts reversed	(6.0)	(6.3)	-	(44.5)	-	(22.9)	(79.7)
Exchange differences	12.5	0.6	3.2	3.6	-	1.4	21.3
As at 30 June 2023	**54.8**	**81.0**	**43.9**	**205.1**	**21.9**	**46.3**	**453.0**
Current 2023	18.4	12.8	3.5	42.2	7.5	41.4	125.8
Non-current 2023	36.4	68.2	40.4	162.9	14.4	4.9	327.2
	54.8	**81.0**	**43.9**	**205.1**	**21.9**	**46.3**	**453.0**
Current 2022	19.8	18.3	3.4	83.8	5.3	65.4	196.0
Non-current 2022	32.7	67.7	40.6	162.4	11.5	2.2	317.1
	52.5	**86.0**	**44.0**	**246.2**	**16.8**	**67.6**	**513.1**

16 Other assets/liabilities (net) (Continued)

Nature and timing of provisions

Restructuring provision

The restructuring provision primarily relates to:

- the restructuring of the Group subsequent to acquisitions. Provisions are made in the year the restructuring plans are drawn up and announced to employees; and
- restructuring of entities with the Group.

Insurance provision

Insurance policies are entered into to cover the various insurable risks. These policies have varying levels of deductibles. The medical malpractice provision is made to cover deductibles arising under the Medical Malpractice Insurance policy, including potential uninsured and 'Incurred but not Reported' claims.

Employee leave benefits

Wages, salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in 'Trade and other creditors' in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in the provision for employee entitlements and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Unfavourable contracts

This provision consists of VAT and other taxes payable on impaired right of use assets for certain leases.

Legal and compliance provision

The legal and compliance provision primarily relates to amounts provided for litigation that is currently in the court process or a matter under review by a relevant authority.

Self-insured workers compensation

The Australian Group is self-insured for workers compensation claims. Provisions are recognised based on claims reported and an estimate of claims incurred but not reported. These provisions are determined on a discounted basis, using an actuarial valuation performed at each reporting date. The Australian Group has entered into bank guarantees in relation to its self-insured workers compensation obligations, refer to Note 19.

Accounting Policies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Key Accounting Judgements, Estimates and Assumptions

The insurance provision is actuarially assessed at each reporting period using a probability of sufficiency between 80% - 95% based on differing exposures to risk. The greatest uncertainty in estimating the provision is the costs that will ultimately be incurred which is estimated using historical claims, market information and other actuarial assessments. Included in the insurance provision is an amount for claiming handling expenses at between 5%-10% of the estimated Ramsay claim cost.

16 Other assets/liabilities (net) (Continued)

16.d Superannuation commitments

The Group contributes to industry and individual superannuation funds established for the provision of benefits to employees of entities within the economic entity on retirement, death or disability. Benefits provided under these plans are based on contributions for each employee and for retirement are equivalent to accumulated contributions and earnings. All death and disability benefits are insured with various life insurance companies. The entity contributes to the funds at various agreed contribution levels, which are not less than the statutory minimum.

16.e Defined employee benefit obligation

A defined benefit plan is an employer-based program that pays retirement benefits based on a predetermined formula such as the employee's length of employment, age and salary history. The Group has a defined employee benefit obligation in France as required to be paid under local legislation. There is also a defined benefit obligation in the Nordics.

In contrast to a defined contribution plan, the employer, not the employee, is responsible for all of the planning and investment risk of a defined benefit plan. The Group has a defined contribution obligation in other jurisdictions. Refer Note 16.d.

The following tables summarise the funded status and amounts recognised in the consolidated Statement of Financial Position for the plans:

	2023 $m	2022 $m	2021 $m	2020 $m	2019 $m
Net (liability) included in the Statement of Financial Position					
Present value of defined benefit obligation	(384.4)	(386.6)	(473.5)	(418.4)	(389.9)
Fair value of plans assets	266.9	228.8	224.4	195.5	174.6
Net (liability) – non-current	**(117.5)**	**(157.8)**	**(249.1)**	**(222.9)**	**(215.3)**

	2023 $m	2022 $m
As presented on the Statement of Financial Position		
Defined benefit obligation asset	55.1	19.2
Defined benefit obligation liability	(172.6)	(177.0)
	(117.5)	(157.8)

	2023 $m	2022 $m
Net expense for the defined employee benefit obligation (Note 3) (recognised in superannuation expenses)	15.3	28.8

	2023 $m	2022 $m
Changes in the present value of the defined benefit obligation are as follows:		
As at 1 July	**(386.6)**	**(473.5)**
Current service cost	(10.4)	(24.0)
Finance cost	(4.9)	(5.7)
Benefits paid	13.9	11.4
Actuarial gains/(losses)	17.5	71.4
Exchange differences on foreign plans	(13.9)	33.8
As at 30 June	**(384.4)**	**(386.6)**
Changes in the fair value of plan assets are as follows:		
As at 1 July	**228.8**	**224.4**
Expected return	-	3.4
Contributions by employer	19.8	16.8
Benefits paid	(4.0)	(3.7)
Actuarial gains	26.2	9.1
Exchange differences on foreign plans	(3.9)	(21.2)
As at 30 June	**266.9**	**228.8**
Actuarial return on plan assets	-	3.4

16 Other assets/liabilities (net) (Continued)

Plan assets are invested as follows:

	2023 %	2022 %
Equities	28.9	28.9
Bonds	40.3	40.3
Property	10.4	10.4
Other	20.4	20.4

The Group expects to contribute nil to its defined benefit obligations in 2024.

	2023 $m	2022 $m
Actuarial (gains)/losses recognised in the Statement of Comprehensive Income	(43.7)	(80.5)
Cumulative actuarial losses recognised in the Statement of Comprehensive Income	18.1	61.8

The principal actuarial assumptions used in determining obligations for the liabilities are shown below (expressed as weighted averages):

	2023 %	2022 %
Discount rate	2.0 to 3.6	3.1 to 3.4
Future salary increases	1.8 to 3.2	1.8 to 3.4
Future pension increases	2.0 to 3.3	1.0 to 2.0

Accounting Policies

The Group has defined employee benefit obligations in the Nordics and in France, arising from local legislative requirements.

The cost of providing benefits under these obligations are determined using the projected unit credit method using actuarial valuations. Actuarial gains and losses for the defined obligation are recognised in full in the period in which they occur in Other Comprehensive Income. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods.

Unvested past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested. Past service costs are recognised immediately if the benefits have already vested, immediately following the introduction of, or changes to, the obligation.

The defined benefit liability comprises the present value of the defined benefit obligation (using a discount rate based on corporate bonds) less unrecognised past service costs.

Key Accounting Judgements, Estimates and Assumptions

The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. All assumptions are reviewed at each reporting date. In determining the appropriate discount rates, the interest rates of corporate bonds in France and the Nordics is considered. The mortality rate is based on publicly available mortality rates for France and the Nordics. Future salary increases are based on expected future inflation rates in France and the Nordics.

IV Risk Management

This section discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

17 Financial risk management

This note provides a summary of the Group's exposure to key financial risks, including interest rate, foreign currency, credit and liquidity risks, along with the Group's policies and strategies to mitigate these risks. There have been no material changes to the Group's risk management policies since 1 July 2022.

Primary responsibility for identification and control of financial risks rests with the Audit Committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in derivatives, hedging cover of foreign currency and interest rate risk, credit allowances, and future cash flow forecast projections.

The Group's principal financial instruments comprise receivables, payables, bank loans and overdrafts, cash and short-term deposits, derivatives, and other financial assets.

The Group manages its exposure to key financial risks, including market risk (interest rate and foreign currency risk), credit risk and liquidity risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The Group enters into derivative transactions, principally interest rate swap contracts and foreign exchange forward contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk and liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Group has entered into Syndicated Facility Agreements with its Banks. The Syndicated Facility Agreements are with prime financial institutions. By entering into Syndicated Facility Agreements with a number of financial institutions in addition to Bilateral Facility Agreements, the Group has reduced its counterparty risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The level of debt is disclosed in Note 8.b.

At reporting date, the Group had the following mix of financial assets and liabilities exposed to variable interest rates:

	2023 $m	2022 $m
Financial Assets		
Cash and cash equivalents	656.2	314.2
Financial Liabilities		
Bank Loans	(1,542.5)	(4,146.7)
Net exposure	(886.3)	(3,832.5)

Interest rate derivatives contracts are outlined in Note 8.d, with a net positive fair value of $119.4 million (2022: net positive $54.3 million) which are exposed to fair value movements if interest rates change.

Interest rate sensitivity

The following sensitivity analysis has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

17 Financial risk management (Continued)

At the end of the reporting period, as specified in the following table, if the interest rates had been higher or lower than the year end rates and all other variables were held constant, the consolidated entity's post tax profit and Other Comprehensive Income would have been affected as follows:

Judgements of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Other Comprehensive Income Higher/(Lower)	
	2023 $m	2022 $m	2023 $m	2022 $m
AUD				
+100 basis points (2022: +100 basis points)	0.3	(8.7)	41.2	11.8
-100 basis points (2022: -100 basis points)	(0.4)	8.7	(43.1)	(12.2)
GBP				
+100 basis points (2022: +100 basis points)	0.2	0.5	-	-
-100 basis points (2022: -100 basis points)	(0.2)	(0.5)	-	-
EUR				
+100 basis points (2022: +20 basis points)	(4.1)	(1.2)	30.2	-
-100 basis points (2022: -20 basis points)	4.0	1.2	(31.6)	-

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the functional currency).

The Group manages its foreign exchange rate exposure within approved policy parameters by utilising foreign currency swaps and forwards.

When a derivative is entered into for the purpose of being a hedging instrument, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in foreign currency.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible changes in Euro exchange rates, with all other variables held constant. The impact on the Group's equity is in relation to the loan and cash balances of the Group's subsidiary. The Group's exposure to foreign currency changes for all other currencies is not material.

	Post Tax Profit Higher/(Lower)		Other Comprehensive Income Higher/(Lower)	
	2023 $m	2022 $m	2023 $m	2022 $m
Euro (EUR)				
+10% (2022: +10%)	-	-	164.8	173.1
-10% (2022: -10%)	-	-	(201.4)	(211.2)

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables, derivative instruments and other financial instruments. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at reporting date is addressed in each applicable note.

Trade receivables

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. The majority of transactions are with the Governments and Health Funds.

The Group's credit policy requires all debtors to pay in accordance with agreed terms. The payment terms for the major debtors range from 15 days to 30 days.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognised based on expected credit loss where the Group measures the impairment using a lifetime expected loss allowance for all trade receivables. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered in default. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

The Group's credit risk is spread across a number of Health Funds and Governments. Whilst the Group does have significant credit risk exposure to a single debtor or group of related debtors, the credit quality of these debtors is considered high, as they are either Health Funds, governed by the prudential requirements of APRA, or Governments.

The credit quality of financial assets that are neither past due nor impaired is considered to be high, due to the absence of defaults, and the fact that the Group deals with creditworthy Health Funds and the Governments. Management has also put in place procedures to constantly monitor the exposures in order to manage its credit risk.

17 Financial risk management (Continued)

Financial instruments and cash deposits

Credit risks related to balances with banks and financial institutions are managed by Ramsay Group Treasury in accordance with Board approved policies. Such policies only allow financial derivative instruments to be entered into with high credit quality financial institutions with a minimum long-term credit rating of A- or better by Standard & Poor's. In addition, the Board has approved the use of these financial institutions, and specific internal guidelines have been established with regard to limits, dealing and settlement procedures. Limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure. The investment of surplus funds is made only with approved counterparties and within credit risk in relation to derivatives undertaken in accordance with the consolidated entity's hedging and risk management activities.

The Group does not hold any credit derivatives to off-set its credit risk exposure. The Group's maximum exposure for financial derivative instruments is noted in the liquidity table below.

Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, bonds and leases.

To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, Ramsay has established management reporting covering its worldwide business units that reflects expectations of management's expected settlement of financial assets and liabilities.

The Group continually reviews its liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	> 5 years $m	Total $m
As at 30 June 2023					
Trade and other liabilities	(3,108.7)	-	-	-	(3,108.7)
Loans and borrowings	(73.2)	(316.1)	(5,980.1)	(398.2)	(6,767.5)
Lease liabilities	(171.6)	(514.7)	(1,950.7)	(6,809.5)	(9,446.4)
Financial derivatives[1]	-	-	-	-	-
	(3,353.4)	(830.7)	(7,930.9)	(7,207.7)	(19,322.6)
As at 30 June 2022					
Trade and other liabilities	(3,027.3)	-	-	-	(3,027.3)
Loans and borrowings	(26.5)	(170.9)	(5,024.3)	(264.7)	(5,486.4)
Lease liabilities	(149.2)	(447.7)	(1,504.3)	(6,549.5)	(8,650.7)
Financial derivatives[1]	-	-	-	-	-
	(3,203.0)	(618.6)	(6,528.6)	(6,814.2)	(17,164.4)

1 Derivatives in the current financial year are a financial asset based on current market rates. Hence they are not included in the liquidity risk table above.

The disclosed financial derivative instruments in the above table are the net undiscounted cash flows. However, those amounts may be settled gross or net.

V Other Information

This section includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

18 Share based payment plans

A share based payment is a transaction in which the Group receives goods or services in exchange for rights to its own shares. Ramsay operates a performance rights scheme, where share rights may be issued to eligible employees.

An executive performance rights scheme was established in January 2004 where Ramsay Health Care Limited may, at the discretion of the Board, grant rights over the ordinary shares of Ramsay Health Care Limited to executives of the consolidated entity. The rights are issued for nil consideration and are granted in accordance with the plan's guidelines established by the Directors of Ramsay Health Care Limited. The rights cannot be transferred and will not be quoted on the ASX. Non-executive directors are not eligible for this plan.

Information with respect to the number of rights granted under the Executive Performance Rights Plan is as follows:

	2023		2022	
	Number of Rights	**Weighted Average Fair Value**	**Number of Rights**	**Weighted Average Fair Value**
Balance at beginning of year	633,164		1,044,337	
granted	188,949	$44.41	220,614	$53.30
vested	(9,902)	$66.25	(29,042)	$66.22
forfeited	(224,343)	$50.73	(602,745)	$40.30
Balance at end of year	587,868		633,164	
Exercisable at end of year	-		-	

The following table summarises information about rights held by participants in the Executive Performance Rights Plan as at 30 June 2023:

Number of Rights	Grant Date	Vesting Date[1]	Weighted Average Fair Value[2]
102,146	15-Dec-20	31-Aug-23	$27.14
102,161	15-Dec-20	31-Aug-23	$59.45
92,329	15-Dec-21	31-Aug-24	$42.05
92,334	15-Dec-21	31-Aug-24	$64.55
9,130	25-Feb-22	31-Aug-24	$42.05
9,127	25-Feb-22	31-Aug-25	$64.55
89,337	15-Dec-22	31-Aug-25	$27.60
89,313	15-Dec-22	31-Aug-25	$61.22
996	20-Feb-23	31-Aug-25	$27.60
995	20-Feb-23	31-Aug-25	$61.22
587,868			

1 The vesting date shown is the most likely vesting date subject to full satisfaction of the respective performance conditions.
2 Fair value at grant date

18 Share based payment plans (Continued)

Accounting Policies

The Group provides benefits to employees (including Executive Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (**equity-settled transactions**).

There is currently one plan in place to provide these benefits, being the Executive Performance Rights Plan (Equity-settled transactions), which provides benefits to senior executives and Directors.

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they were granted. The fair value is determined by an external valuer using the Monte Carlo or the Black Scholes models.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Ramsay Health Care Limited (**market conditions**).

Equity-settled transactions

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity (Share Based Payment Reserve), over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (**vesting date**).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- The extent to which the vesting period has expired and
- The number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at reporting date.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Treasury Shares

Shares in the Group held by the Executive Performance Rights Plan are classified and disclosed as Treasury shares and deducted from equity.

Key Accounting Judgements, Estimates and Assumptions

Performance rights are issued for nil consideration and are granted in accordance with the plan's guidelines established by the Directors of Ramsay Health Care Limited.

The fair value of share rights with TSR performance conditions (market based conditions) are estimated on the date of grant using a Monte Carlo model. The fair value of share rights with non-market performance conditions are estimated at the date of grant using the Black Scholes Option Pricing model. The following weighted average assumptions were used for grants made on 15 December 2020, 15 December 2021 and 15 December 2022:

	Granted 15-Dec-22	Granted 15-Dec-21	Granted 15-Dec-20
Dividend yield	2.33%	2.21%	2.40%
Expected volatility	32.82%	29.56%	30.32%
Risk-free interest rate	3.14%	0.86%	0.10%
Effective life of incentive right	3 years	3 years	3 years

The expected volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The dividend yield reflects the assumption that the current dividend payout will continue with no anticipated increases. The expected life of the rights is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

19 Capital commitments and contingent liabilities

Capital commitments are the Group's contractual obligation to make future payments in relation to purchases of assets.

Contingent liabilities are possible future cash payments arising from past events that are not recognised in the financial statements, as the likelihood of payment is not considered probable or cannot be reliably measured.

19.a Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2023 $m	2022 $m
Property, plant and equipment	208.5	298.8

19.b Contingent liabilities

The Group has a number of bank guarantees to third parties for various operational and legal purposes, none of which are individually material to the Group. No provision has been made in the financial statements in respect of these bank guarantees, as the probability of having to make a payment under these guarantees is considered remote.

The only material guarantee is for workers compensation self-insurance liabilities as required by State WorkCover authorities for $48.2 million as at 30 June 2023 (2022: $40.6 million). A provision for self-insured risks relating to workers compensation claims has been provided for (Refer Note 16.c).

20 Subsequent events

This note outlines events which have occurred between the reporting date, being 30 June 2023, and the date this financial report is authorised.

There have been no significant events after the reporting date that may significantly affect the Group’s operations in future years, the results of these operations in future years or the Group’s state of affairs in future years.

21 Related party transactions

This note discloses the Group's transactions with its related parties, including their relatives or related businesses.

Transactions with Related Party Entities

As at 30 June 2023 there were no outstanding transactions (2022: $nil) to be billed to or billed from related party entities.

Compensation of Key Management Personnel

	2023 $	2022 $
Non-Executive Directors		
Short term benefits	2,316,402	2,264,421
Post-employment benefits	192,376	170,945
	2,508,778	2,435,366
Executive Directors		
Short term benefits	2,508,497	3,013,110
Post-employment benefits	25,292	23,568
Other long term benefits	638,109	543,582
Performance/Incentive rights	2,564,244	2,107,511
	5,736,142	5,687,771
Executives		
Short term benefits	1,287,208	1,431,432
Post-employment benefits	25,292	23,568
Other long term benefits	224,528	259,548
Performance/Incentive rights	892,833	827,897
	2,429,861	2,542,445
Total		
Short term benefits	6,112,107	6,708,963
Post-employment benefits	242,960	218,081
Other long term benefits	862,637	803,130
Performance/Incentive rights	3,457,077	2,935,408
	10,674,781	10,665,582

22 Auditors' remuneration

This note summarises the total remuneration received or receivable by the Group's external auditors for their audit, assurance and other services.

	2023 $	2022 $
Amounts received or due and receivable by Ernst & Young (Australia) for:		
An audit or review of the financial report of the entity and any other entity in the consolidated group	2,692,414	2,461,495
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	177,000	120,000
Other services in relation to the entity and any other entity in the consolidated group		
Tax compliance	249,496	210,978
Assurance related	7,800	10,000
Advisory services	134,500	-
	3,261,210	2,802,473
Amounts received or due and receivable by overseas member firms of Ernst & Young (Australia) for:		
An audit or review of the financial report of the entity and any other entity in the consolidated group	5,183,049	4,302,839
Other services in relation to the entity and any other entity in the consolidated group		
Tax compliance	213,150	142,831
Assurance related	92,381	-
	5,488,580	4,445,670
Total	8,749,790	7,248,143
The total fees paid to Ernst & Young member firms by service type are:		
Audit Services	7,875,463	6,764,334
Non-audit Services	874,327	483,809
Total	8,749,790	7,248,143
Amounts received or due and receivable by non-Ernst & Young audit firms for:		
Audit or review of the financial report	2,693,223	2,459,569

23 Information relating to subsidiaries

This note provides a list of all the significant entities controlled by the Group as at the reporting date, including those included in the Closed Group.

Name	Country of Incorporation	% Equity Interest 2023	% Equity Interest 2022
RHC Nominees Pty Limited[1]	Australia	100%	100%
RHC Developments Pty Limited[1]	Australia	100%	100%
Ramsay Health Care Investments Pty Limited[1]	Australia	100%	100%
Ramsay Hospital Holdings Pty Limited[1]	Australia	100%	100%
Ramsay Hospital Holdings (Queensland) Pty Limited[1]	Australia	100%	100%
Ramsay Finance Pty Limited[1]	Australia	100%	100%
Ramsay Aged Care Holdings Pty Limited[1]	Australia	100%	100%
Ramsay Aged Care Properties Pty Limited[1]	Australia	100%	100%
RHC Ancillary Services Pty Limited[1]	Australia	100%	100%
Linear Medical Pty Limited[1]	Australia	100%	100%
Newco Enterprises Pty Limited[1]	Australia	100%	100%
Sydney & Central Coast Linen Services Pty Limited[1]	Australia	100%	100%
Benchmark Healthcare Holdings Pty Limited[1]	Australia	100%	100%
Benchmark Healthcare Pty Limited[1]	Australia	100%	100%
AHH Holdings Health Care Pty Limited[1]	Australia	100%	100%
AH Holdings Health Care Pty Limited[1]	Australia	100%	100%
Ramsay Centauri Pty Limited[1]	Australia	100%	100%
Alpha Healthcare Pty Limited[1]	Australia	100%	100%
Ramsay Health Care Australia Pty Limited[1]	Australia	100%	100%
Donvale Private Hospital Pty Limited[1]	Australia	100%	100%
The Benchmark Hospital Group Pty Limited[1]	Australia	100%	100%
Dandenong Valley Private Hospital Pty Limited[1]	Australia	100%	100%
Benchmark – Surrey Pty Limited[1]	Australia	100%	100%
Benchmark – Peninsula Pty Limited[1]	Australia	100%	100%
Benchmark – Donvale Pty Limited[1]	Australia	100%	100%
Benchmark – Windermere Pty Limited[1]	Australia	100%	100%
Benchmark – Beleura Pty Limited[1]	Australia	100%	100%
Beleura Properties Pty Limited[1]	Australia	100%	100%
Affinity Health Holdings Australia Pty Limited[1]	Australia	100%	100%
Affinity Health Finance Australia Pty Limited[1]	Australia	100%	100%
Affinity Health Pty Limited[1]	Australia	100%	100%
Affinity Health Foundation Pty Limited[1]	Australia	100%	100%
Affinity Health Holdings Indonesia Pty Limited[1]	Australia	100%	100%
Hospitals of Australia Pty Limited[1]	Australia	100%	100%
Glenferrie Private Hospital Pty Limited[1]	Australia	100%	100%
Relkban Pty Limited[1]	Australia	100%	100%
Relkmet Pty Limited[1]	Australia	100%	100%
Votraint No. 664 Pty Limited[1]	Australia	100%	100%
Votraint No. 665 Pty Limited[1]	Australia	100%	100%
Australian Medical Enterprises Pty Limited[1]	Australia	100%	100%
AME Hospitals Pty Limited[1]	Australia	100%	100%
Victoria House Holdings Pty Limited[1]	Australia	100%	100%
C&P Hospitals Holdings Pty Limited[1]	Australia	100%	100%
HCoA Hospital Holdings (Australia) Pty Limited[1]	Australia	100%	100%
AME Properties Pty Limited[1]	Australia	100%	100%
AME Superannuation Pty Limited[1]	Australia	100%	100%

1 Entities included in the deed of cross guarantee as required for the instrument

23 Information relating to subsidiaries (Continued)

Name	Country of Incorporation	% Equity Interest 2023	2022
Attadale Hospital Property Pty Limited[1]	Australia	100%	100%
Glengarry Hospital Property Pty Limited[1]	Australia	100%	100%
Hadassah Pty Limited[1]	Australia	100%	100%
Rannes Pty Limited[1]	Australia	100%	100%
Hallcraft Pty Limited[1]	Australia	100%	100%
Jamison Private Hospital Property Pty Limited[1]	Australia	100%	100%
Affinity Health (FP) Pty Limited[1]	Australia	100%	100%
Armidale Hospital Pty Limited[1]	Australia	100%	100%
Caboolture Hospital Pty Limited[1]	Australia	100%	100%
Joondalup Hospital Pty Limited[1]	Australia	100%	100%
Joondalup Health Campus Finance Limited[1]	Australia	100%	100%
Logan Hospital Pty Limited[1]	Australia	100%	100%
Noosa Privatised Hospital Pty Limited[1]	Australia	100%	100%
AMNL Pty Limited[1]	Australia	100%	100%
Mayne Properties Pty Limited[1]	Australia	100%	100%
Port Macquarie Hospital Pty Limited[1]	Australia	100%	100%
HCoA Operations (Australia) Pty Limited[1]	Australia	100%	100%
Hospital Corporation Australia Pty Limited[1]	Australia	100%	100%
Dabuvu Pty Limited[1]	Australia	100%	100%
HOAIF Pty Limited[1]	Australia	100%	100%
HCA Management Pty Limited[1]	Australia	100%	100%
Malahini Pty Limited[1]	Australia	100%	100%
Tilemo Pty Limited[1]	Australia	100%	100%
Hospital Affiliates of Australia Pty Limited[1]	Australia	100%	100%
C.R.P.H Pty Limited[1]	Australia	100%	100%
Hospital Developments Pty Limited[1]	Australia	100%	100%
P.M.P.H Pty Limited[1]	Australia	100%	100%
Pruinosa Pty Limited[1]	Australia	100%	100%
Australian Hospital Care Pty Limited[1]	Australia	100%	100%
Australian Hospital Care (Allamanda) Pty Limited[1]	Australia	100%	100%
Australian Hospital Care (Latrobe) Pty Limited[1]	Australia	100%	100%
Australian Hospital Care 1988 Pty Limited[1]	Australia	100%	100%
AHC Foundation Pty Limited[1]	Australia	100%	100%
AHC Tilbox Pty Limited[1]	Australia	100%	100%
Australian Hospital Care (Masada) Pty Limited[1]	Australia	100%	100%
Australian Hospital Care Investments Pty Limited[1]	Australia	100%	100%
Australian Hospital Care (MPH) Pty Limited[1]	Australia	100%	100%
Australian Hospital Care (MSH) Pty Limited[1]	Australia	100%	100%
Australian Hospital Care (Pindara) Pty Limited[1]	Australia	100%	100%
Australian Hospital Care (The Avenue) Pty Limited[1]	Australia	100%	100%
Australian Hospital Care Retirement Plan Pty Limited[1]	Australia	100%	100%
eHealth Technologies Pty Limited[1]	Australia	100%	100%
Health Technologies Pty Limited[1]	Australia	100%	100%
Rehabilitation Holdings Pty Limited[1]	Australia	100%	100%
Bowral Management Company Pty Limited[1]	Australia	100%	100%

1 *Entities included in the deed of cross guarantee as required for the instrument*

23 Information relating to subsidiaries (Continued)

Name	Country of Incorporation	% Equity Interest 2023	% Equity Interest 2022
Simpak Services Pty Limited[1]	Australia	100%	100%
APL Hospital Holdings Pty Limited[1]	Australia	100%	100%
Alpha Pacific Hospitals Pty Limited[1]	Australia	100%	100%
Health Care Corporation Pty Limited[1]	Australia	100%	100%
Alpha Westmead Private Hospital Pty Limited[1]	Australia	100%	100%
Illawarra Private Hospital Holdings Pty Limited[1]	Australia	100%	100%
Northern Private Hospital Pty Limited[1]	Australia	100%	100%
Westmead Medical Supplies Pty Limited[1]	Australia	100%	100%
Herglen Pty Limited[1]	Australia	100%	100%
Mt Wilga Pty Limited[1]	Australia	100%	100%
Sibdeal Pty Limited[1]	Australia	100%	100%
Workright Pty Limited[1]	Australia	100%	100%
Adelaide Clinic Holdings Pty Limited[1]	Australia	100%	100%
eHospital Pty Limited[1]	Australia	100%	100%
New Farm Hospitals Pty Limited[1]	Australia	100%	100%
North Shore Private Hospital Pty Limited[1]	Australia	100%	100%
Phiroan Pty Limited[1]	Australia	100%	100%
Ramsay Health Care (Asia Pacific) Pty Limited[1]	Australia	100%	100%
Ramsay Health Care (South Australia) Pty Limited[1]	Australia	100%	100%
Ramsay Health Care (Victoria) Pty Limited[1]	Australia	100%	100%
Ramsay Health Care Services (QLD) Pty Limited[1]	Australia	100%	100%
Ramsay Health Care Services (VIC) Pty Limited[1]	Australia	100%	100%
Ramsay Health Care Services (WA) Pty Limited[1]	Australia	100%	100%
Ramsay Pharmacy Retail Services Pty Limited[1]	Australia	100%	100%
Ramsay Professional Services Pty Limited[1]	Australia	100%	100%
Ramsay Diagnostics (No. 1) Pty Limited[1]	Australia	100%	100%
Ramsay Diagnostics (No. 2) Pty Limited[1]	Australia	100%	100%
Ramsay Health Care (UK) Limited	UK	100%	100%
Ramsay Health Care Holdings UK Limited	UK	100%	100%
Ramsay Health Care UK Operations Limited[2]	UK	100%	100%
Ramsay Santé SA[2]	France	52.8%	52.8%
Capio AB[2]	Sweden	52.8%	52.8%
Ramsay Elysium Holding Limited[2]	UK	100%	100%

1 Entities included in the deed of cross guarantee as required for the instrument
2 This entity owns a number of subsidiaries, none of which are individually material to the Group

24 Closed group

This note presents the consolidated financial performance and position of the Australian wholly owned subsidiaries, which together with the Parent Entity, Ramsay Health Care Limited, are referred to as the Closed Group.

Entities subject to instrument

Pursuant to Instrument 2016/785, relief has been granted to the entities in the table of subsidiaries in Note 23, (identified by footnote 1) from the *Corporations Act 2001* requirements for preparation, audit and lodgement of their financial reports.

As a condition of the Instrument, these entities entered into a Deed of Cross Guarantee on 22 June 2006 or have subsequently been added as parties to the Deed of Gross Guarantee by way of Assumption Deeds dated 24 April 2008, 27 May 2010, 24 June 2011, 20 October 2015, 17 December 2015 and 14 May 2019. The effect of the deed is that Ramsay Health Care Limited has guaranteed to pay any deficiency in the event of winding up of a wholly owned Australian entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entities have also given a similar guarantee in the event that Ramsay Health Care Limited is wound up or if it does not meet its obligation under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

The consolidated Income Statement and Statement of Financial Position of the entities that are members of the Closed Group are as follows:

	Closed Group	
	2023	**2022**
Consolidated Income Statement	**$m**	**$m**
Profit before tax from continuing operations	385.0	381.4
Income tax expense	(157.2)	(100.7)
Profit after tax from continuing operations	227.8	280.7
Profit after tax from discontinued operations	19.9	15.3
Net profit for the year	**247.7**	**296.0**
Retained earnings at the beginning of the year	1,681.7	1,737.6
Dividends paid	(237.5)	(351.9)
Retained earnings at the end of the year	**1,691.9**	**1,681.7**

24 Closed group (Continued)

Consolidated Statement of Financial Position	Closed Group 2023 $m	Closed Group 2022 $m
ASSETS		
Current assets		
Cash and cash equivalents	30.4	34.6
Trade and other receivables	3,025.7	2,581.0
Inventories	149.6	164.5
Derivative financial instruments	35.0	11.3
Income tax receivables	28.9	15.6
Prepayments	32.8	33.6
Other current assets	4.7	3.9
	3,307.1	2,844.5
Assets held for sale	251.0	-
Total current assets	**3,558.1**	**2,844.5**
Non-current assets		
Other financial assets	663.8	663.7
Investment in joint ventures	0.9	238.1
Property, plant and equipment	2,676.7	2,529.1
Right of use assets	476.0	448.0
Intangible assets	1,048.2	1,052.8
Deferred tax assets	161.8	254.8
Prepayments	10.5	10.7
Derivative financial instruments	40.8	29.6
Other receivables	70.5	206.4
Total non-current assets	**5,149.2**	**5,433.2**
TOTAL ASSETS	**8,707.3**	**8,277.7**
LIABILITIES		
Current liabilities		
Trade and other creditors	971.2	964.0
Lease liabilities	22.2	20.4
Provisions	36.0	77.7
Total current liabilities	**1,029.4**	**1,062.1**
Non-current liabilities		
Loans and borrowings	2,274.2	2,042.6
Lease liabilities	613.4	571.4
Provisions	133.0	129.0
Total non-current liabilities	**3,020.6**	**2,743.0**
TOTAL LIABILITIES	**4,050.0**	**3,805.1**
NET ASSETS	**4,657.3**	**4,472.6**
EQUITY		
Issued capital	2,216.4	2,197.6
Treasury shares	(67.8)	(72.4)
Convertible Adjustable Rate Equity Securities (CARES)	252.2	252.2
Other reserves	564.6	413.5
Retained earnings	1,691.9	1,681.7
TOTAL EQUITY	**4,657.3**	**4,472.6**

25 Parent entity information

This note presents the stand-alone summarised financial information of the parent entity Ramsay Health Care Limited.

	2023 $m	2022 $m
Information relating to Ramsay Health Care Limited		
Current assets	2,610.5	2,837.2
Total assets	2,752.5	2,980.2
Current liabilities	0.6	0.6
Total liabilities	0.6	0.6
Issued capital	2,216.4	2,197.6
Other equity	535.4	782.0
Total shareholders' equity	2,751.8	2,979.6
Net (loss)/profit for the year after tax	(11.2)	353.4

As a condition of the Instrument (set out in Note 24), Ramsay Health Care Limited has guaranteed to pay any deficiency in the event of winding up of a controlled entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to guarantee.

26 Material partly–owned subsidiaries

This note provides information of the significant subsidiaries that the Group owns less than 100% shareholding in.

Ramsay Santé (formerly Ramsay Générale de Santé) has a material non-controlling interest (**NCI**): This entity represents the French and Nordic segments for management and segment reporting.

Financial information in relation to the NCI is provided below:

Proportion of equity interest and voting rights held by non-controlling interests

Refer to Note 23 which discloses the equity interest held by the Ramsay Group. The remaining equity interest is held by the non-controlling interest.

Voting rights for Ramsay Santé at 30 June 2023 are 53.0% (2022: 53.0%). The remaining interest is held by the non-controlling interest.

Accumulated balances of non-controlling interests

Refer to the Consolidated Statement of Changes in Equity.

Profit allocated to non-controlling interests

Refer to the Consolidated Income Statement.

Summarised Statement of Profit or Loss and Statement of Financial Position for 2023 and 2022

Refer to Note 1. The French and Nordic segments consist only of this subsidiary that has a material non-controlling interest.

Summarised cash flow information

	2023 $m	2022 $m
Operating	744.5	237.7
Investing	(220.5)	(730.7)
Financing	(172.0)	(239.2)
Net increase/(decrease) in cash and cash equivalents	352.0	(732.2)

7 Independent auditors' report

Ernst & Young
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Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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Fax: +61 2 9248 5959
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Independent auditor's report to the members of Ramsay Health Care Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Ramsay Health Care Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Why significant	How our audit addressed the key audit matter
1. Carrying value of goodwill As at 30 June 2023 the Group's goodwill amounts to $5.8 billion as disclosed in Note 14 of the financial report. In accordance with the requirements of the Australian Accounting Standards, the Group performed an annual impairment test of the Asia Pacific, UK, France and Nordics cash generating units ("CGUs") to determine whether the recoverable value of these assets exceeded their carrying amount at 30 June 2023. A value in use model was used to calculate the recoverable amount of each cash generating unit ("CGU"). As disclosed in Note 10 and Note 14 of the financial report, the Group has also finalised the Purchase Price Allocation relating to the January 2022 and May 2022 acquisition of Elysium Healthcare and GHP Speciality Care AB respectively, including the allocation of goodwill to the UK and Nordics CGUs. This was considered a Key Audit Matter due to the extent of audit effort and judgement required to assess the reasonableness of the forecast cash flows, growth rates, discount rates and terminal growth rates used by the Group in undertaking the impairment review.	Our audit procedures included the following: ▶ Assessed whether the methodology used by the Group met the requirements of Australian Accounting Standards. ▶ For the value in use models, we: ▶ Tested the mathematical accuracy of the value in use models; ▶ Assessed the basis of preparing cash flow forecasts, considering the accuracy of previous forecasts and budgets; ▶ Assessed the appropriateness of other key assumptions such as the discount and terminal growth rates applied with reference to publicly available information on comparable companies in the industry and markets in which the Group operates; and ▶ Performed sensitivity analysis on the key assumptions including discount rates, terminal growth rates and EBIT forecasts for each of the Group's CGUs and evaluated whether a reasonably possible change in these assumptions could cause the carrying amount of the CGU to exceed its recoverable amount. We involved our valuation specialists in performing these procedures over the value in use models where appropriate. ▶ For the finalisation of the Elysium Healthcare and GHP Speciality Care AB Purchase Price Allocation we: ▶ Reviewed the allocation of goodwill to the Group CGUs in accordance with the requirements of Australian Accounting Standards; ▶ Reviewed Management's assessment of, and accounting for, the fair value adjustments required to be applied to acquired assets and liabilities; ▶ Assessed the suitability of the methodologies used in third-party valuations utilised by Management in their determination of the fair value of acquired assets and liabilities; and ▶ Assessed the qualifications, competence, and objectivity of the third-party valuers. We evaluated the adequacy of the related disclosures included in the Notes of the financial report including those made with respect to judgements and estimates.

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Why significant	How our audit addressed the key audit matter
2. Provision for insurance As at 30 June 2023 the Group's provision for insurance amounts to $81 million as disclosed in Note 16(c) of the financial report. The provision for insurance covers deductibles arising under insurance policies, including potential uninsured claims. Significant judgement is required in its determination due to the uncertainty in predicting future claims arising from past events. The Group engages a third-party actuary to assess the carrying value at each reporting date. This assessment involves evaluating assumptions in relation to ultimate outcomes on individual claims, claims handling costs and discount rates. This was considered a Key Audit Matter due to the level of judgement required to estimate the value of the liability.	Our audit procedures included the following: ▶ Assessed the key assumptions adopted by the actuary and used by the Group to determine the value of the provision. Specifically, we have reviewed the assumptions and compared them to industry practice, potential known claims and actual historical claims. ▶ Assessed the competence, qualifications and objectivity of the independent actuary used by the Group. ▶ As the appropriateness of these provisions relies on specific claims information, we have reviewed and tested controls over the operating effectiveness of the Group's processes for capturing and recording the data. ▶ Evaluated the adequacy of the disclosures relating to the provision included in the Notes of the financial report, including those made with respect to judgements and estimates. Given the specialist nature of the calculation performed to value the provision, our actuarial specialists were involved in the assessment of the valuation model and key assumptions where appropriate.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 43 to 65 of the annual report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Ramsay Health Care Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Ryan Fisk

Ryan Fisk
Partner
Sydney
28 September 2023

8 Additional information

Additional information required under ASX Listing Rule 4.10 and not shown elsewhere in this Annual Report is contained below. This information is current as at 5th September 2023

a. Distribution of Shareholders – Ordinary Shareholders

Size of Holding	Number of Shareholders	Ordinary Shares	% of Issued Capital
1-1,000	73,995	19,442,875	8.480
1,001-5,000	9,801	19,402,668	8.470
5,001-10,000	679	4,634,070	2.020
10,001-100,000	258	5,595,985	2.440
100,001-999,999,999	46	180,096,247	78.590
Totals	**84,779**	**229,171,845**	**100.000**

b. Less than marketable parcels of ordinary shares

The number of shareholdings held in less than marketable parcels is 1,418 holders, for a total of 8,240 ordinary shares.

c. 20 Largest Shareholders – Ordinary Shareholders

	Name	Number of fully paid Ordinary Shares	% of Issued Capital
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	50,937,056	22.227%
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	30,982,831	13.519%
3	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	23,759,975	10.368%
4	PAUL RAMSAY HOLDINGS PTY LIMITED	20,713,455	9.038%
5	CITICORP NOMINEES PTY LIMITED	17,563,256	7.664%
6	NATIONAL NOMINEES LIMITED	6,130,398	2.675%
7	BNP PARIBAS NOMS PTY LTD <DRP>	3,771,448	1.646%
8	WOOLWICH INVESTMENTS PTY LTD <THE SIDDLE FAMILY TRUST>	3,750,000	1.636%
9	CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	2,948,847	1.287%
10	ARGO INVESTMENTS LIMITED	2,023,131	0.883%
11	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,604,263	0.700%
12	WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	1,304,499	0.569%
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	1,257,589	0.549%
14	AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	1,226,000	0.535%
15	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	1,208,579	0.527%
16	MUTUAL TRUST PTY LTD	935,998	0.408%
17	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	883,942	0.386%
18	CERTANE CT PTY LTD <RAMSAY UNALLOCATED AC>	880,466	0.384%
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	682,900	0.298%
20	UBS NOMINEES PTY LTD	661,134	0.288%
	Total of Securities	173,225,767	75.588%

d. Substantial Shareholders

The names of the Substantial Shareholders listed in the Company's Register as at 5th September 2023:

Shareholders	Number of fully paid Ordinary Shares	% of Issued Capital
Paul Ramsay Foundation Limited/Paul Ramsay Holdings Pty Limited	42,999,269	18.79
FIL Limited	11,548,516	5.04

e. Voting Rights

In accordance with the Constitution each member present at a meeting whether in person, or by proxy, or by power of attorney, or by a duly authorised representative in the case of a corporate member, shall have one vote on a show of hands, and one vote for each fully paid ordinary share, on a poll.

f. On-market purchases

During the year ended 30th June 2023 the Company purchased NIL ordinary shares on-market for the purposes of its employee and Non-Executive Director share plans (including to satisfy the entitlements of holders of vested performance rights to acquire shares under the Executive Performance Rights Plan).

g. Distribution of Convertible Adjustable Rate Equity Securities (CARES) Holders

Size of Holding	Number of CARES holders	CARES	% of Issued Securities
1-1,000	3,780	1,185,333	45.590
1,001-5,000	282	561,310	21.590
5,001-10,000	19	128,004	4.920
10,001-100,000	14	309,782	11.910
100,001-999,999,999	2	415,571	15.980
Totals	**4,097**	**2,600,000**	**100.000**

h. Less than marketable parcels of CARES

The number of CARES held in less than marketable parcels is 2 holders, for a total of 6 CARES.

i. 20 Largest CARES Holders

	Name	Number of fully paid CARES	% of Issued Capital
1	CITICORP NOMINEES PTY LIMITED	239,768	9.222%
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	175,803	6.762%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	95,276	3.664%
4	NATIONAL NOMINEES LIMITED	35,113	1.351%
5	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	23,353	0.898%
6	MUTUAL TRUST PTY LTD	18,493	0.711%
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	16,335	0.628%
8	A&G MCCONVILLE PTY LTD <A & G MCCONVILLE SUPER A/C>	15,581	0.599%
9	MR CURTIS JOHN SMITH	15,244	0.586%
10	UBS NOMINEES PTY LTD	14,469	0.557%
11	PERODA NOMINEES PTY LIMITED <BERMAN SUPER FUND A/C>	14,374	0.553%
12	NORA GOODRIDGE INVESTMENTS PTY LTD	14,000	0.538%
13	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	13,388	0.515%
14	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	11,712	0.450%
15	NULIS NOMINEES (AUSTRALIA) LIMITED <NAVIGATOR MAST PLAN SETT A/C>	11,247	0.433%
16	IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	11,197	0.431%
17	MR JIMMY WAI HUNG PONG	9,527	0.366%
18	ADJO INVESTMENTS PTY LTD	9,350	0.360%
19	MRS ROSEMARY SMITH	8,743	0.336%
20	REGION HALL PTY LTD	7,676	0.295%
	Total Securities of Top 20 Holdings	760,649	29.256%

j. On-Market Buy-Backs

There is no current on-market buy-back in relation to the Company's securities.

9 Corporate Directory and Key Dates

Directory

As at 28th September 2023

Directors

Non-Executive Directors

Michael Siddle (Chairman)
David Thodey AO
Alison Deans
James McMurdo
Karen Penrose
Claudia Süssmuth Dyckerhoff
Steven Sargent

Executive Director

Craig McNally (Managing Director & CEO)

Group General Counsel & Company Secretary

Henrietta Rowe

Registered Office

Suite 18.03, Level 18
126 Phillip Street
Sydney NSW 2000 Australia

Email: enquiry@ramsayhealth.com
Website: ramsayhealth.com
Telephone: +61 2 9220 1000
Facsimile: + 61 2 9220 1001

Share Registry

Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000 Australia

Email: enquiries@boardroomlimited.com.au
Website: www.boardroomlimited.com.au
Telephone Enquiries (from within Australia):
1300 737 760
Telephone Enquiries (from outside Australia):
+61 2 9290 9600
Facsimile: +61 2 9279 0664

Auditor

Ernst & Young
200 George Street
Sydney NSW 2000 Australia

Key Dates

As at 28th September 2023

AGM 2023

The 2023 Annual General Meeting will be held on Tuesday 28th November at 10:30am at the Sofitel Sydney Wentworth Hotel. Full details will be available in Ramsay's Notice of Meeting.

Indicative Key Dates for 2024

Results Release Dates

Interim Results - Thursday, 29th February 2024

Preliminary Final Results - Thursday, 29th August 2024

Dividend Payment Dates - Ordinary Shares

Interim Dividend - Thursday 28th March 2024 (record date 12th March 2024)

Final Dividend - Thursday 26th September 2024 (record date 5th September 2024)

Dividend Payment Dates - CARES

Thursday, 22th April 2024 (record date 27th March 2024)
Friday 21st October 2024 (record date 27th September 2024)

Annual General Meeting 2024

The 2024 Annual General Meeting of Ramsay Health Care Limited is scheduled to be held on 26th November 2024. Full details will be provided closer to the date.

Important Information

Important information

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

Forward-looking statements

This report contains forward-looking statements in relation to Ramsay Health Care Limited (**Ramsay**) and its subsidiaries (together the **Group**), including with respect to the Group's business and operations, financial position and strategies. This report also includes forward-looking statements regarding climate change and other sustainability issues for Ramsay.

While these forward-looking statements reflect Ramsay's expectations at the date of this Report, they are not guarantees or predictions of future performance or statements of fact. These statements involve known and unknown risks and uncertainties. Many factors could cause outcomes to differ, possibly materially, from those expressed in the forward-looking statements. These factors include general economic conditions; changes in government and policy; actions of regulatory bodies and other governmental authorities such as changes in taxation or regulation; technological changes; the extent, nature and location of physical impacts of climate change; and geopolitical developments. Ramsay makes no representation, assurance or guarantee as to the accuracy, completeness or likelihood of fulfilment of any forward-looking statement, any outcomes expressed or implied in any forward-looking statement or any assumptions on which a forward-looking statement is based.

Except as required by applicable laws or regulations, the Group does not undertake to publicly update, review or revise any forward-looking statements or to advise of any change in assumptions on which any such statement is based. Readers are cautioned not to place undue reliance on forward-looking statements.

Non-IFRS financial information

In this report, references to AASB are to the Australian Accounting Standards Board and IFRS to the International Financial Reporting Standards. There are references to IFRS and non-IFRS financial information in this report. Non-IFRS financial measures are financial measures other than those defined or specified under any relevant accounting standard and may not be directly comparable with other companies' information, although Ramsay considers these measures provide useful information in relation to the Group's performance. Non-IFRS information is unaudited, however the numbers have been derived from the underlying financial information used in the preparation of the audited financial statements.

ramsayhealth.com