

## ASX ANNOUNCEMENT

4<sup>th</sup> May 2021

### PRESENTATION TO MACQUARIE AUSTRALIA CONFERENCE

Ramsay Health Care (ASX:RHC) (Ramsay) is attending the Macquarie Australia Investment Conference this week. Ramsay's Managing Director and CEO Craig McNally will deliver the enclosed presentation with accompanying speaker notes at the conference. The key new information and updates provided in the presentation include:

- Slide 6 - credit rating agency Fitch has ascribed Ramsay's Wholly Owned Funding Group an investment grade credit rating of BBB (Stable).
- Slides 15 and 16 include a 3QFY21 trading update for Ramsay Australia including trends in admissions for the period
- Slide 19 includes a 3QFY21 trading update for Ramsay UK
- Slide 23 includes a 3QFY21 trading update for Ramsay Santé

*The release of this announcement has been authorised by the Ramsay Health Care Disclosure Committee.*

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# Ramsay Health Care



**2021 International Year of Health & Care Workers**

## Macquarie Australia Conference Presentation

Managing Director & CEO, Craig McNally

Group Chief Financial Officer, Martyn Roberts



# Important information

The information in this presentation is general background information about Ramsay Health Care Limited and its subsidiaries (Ramsay Group) and their activities and is current as at 4<sup>th</sup> May 2021. It is in summary form and is not necessarily complete. The information in this presentation is general information only and is not intended to be relied upon as advice to investors or potential investors and does not take into account your objectives, financial situation or needs. Investors should consult with their own legal, tax, business and/or financial advisers in connection with any investment decision.

The information in this presentation is believed to be accurate at the time of compilation. Any views expressed in this presentation are opinions of the author at the time of presenting and do not constitute a recommendation to act. No person, including any member of the Ramsay Group, has any responsibility to update any of the information provided in this presentation.

This presentation contains forward looking statements. These forward looking statements should not be relied upon as a representation or warranty, express or implied, as to future matters. Prospective financial information has been based on current expectations about future events and is, however, subject to risks, uncertainties, contingencies and assumptions that could cause actual results to differ materially from the expectations described in such prospective financial information. The Ramsay Group undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation, subject to disclosure obligations under the applicable law and ASX listing rules.

# Global Health Care Services Provider

Ramsay Health Care was founded by Paul Ramsay in 1964 and delivers a wide range of acute and primary healthcare services to private and public patients from over 500 locations across 10 countries. The Group's 77,000+ employees together with its clinical partners care for 8.5 million+ patient visits & admissions per annum

## Operational Footprint



## Strengths of the Global Business Model

- ✓ Market leading positions in private health care services
  - **Ramsay Australia** - #1 Australia private hospital operator
  - **Ramsay Santé<sup>1</sup>** - second largest private health care provider in Europe
    - ✓ #1 France
    - ✓ #1 Sweden
    - ✓ #2 Norway & Denmark
    - ✓ Italy 1 hospital in the Lombardy region
  - **Ramsay UK** - largest independent supplier of services to the NHS
  - **Ramsay Sime Darby<sup>2</sup>** - Indonesia, Malaysia and Hong Kong 8 facilities leveraged to the growing middle class
- ✓ Strong and constructive relationships with public sector stakeholders
- ✓ Economies of scale
- ✓ Diversified Portfolio – geography, payors, services mix
- ✓ Clinical best practise – sharing of ideas
- ✓ Scale to invest in innovation, education and research
- ✓ Deep and experienced leadership team

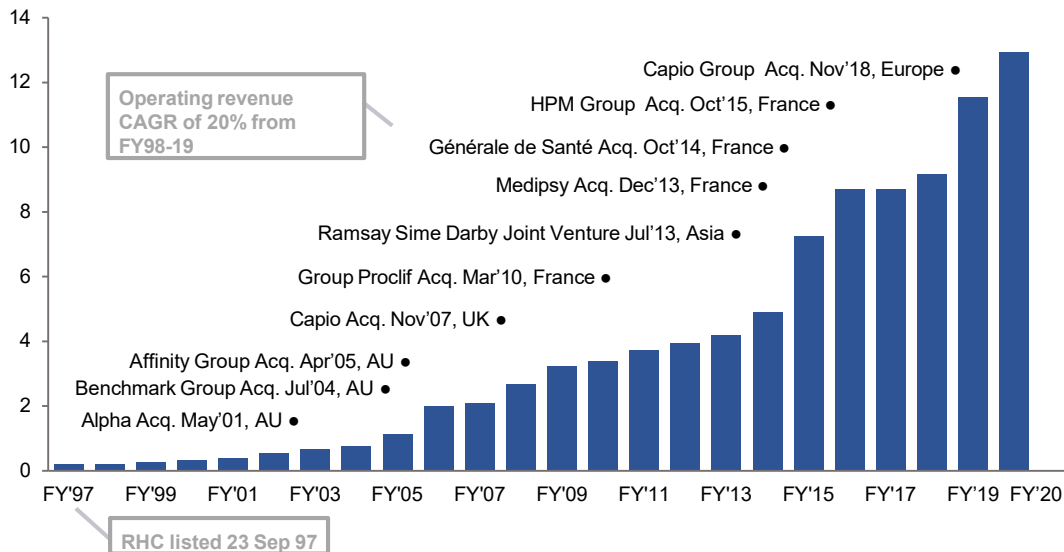
1. Ramsay Santé is a listed company on Euronext. Ramsay Health Care owns 52.5% of Ramsay Santé  
2. Ramsay Sime Darby Health Care SDN Bhd is a 50:50 JV with Sime Darby Berhad

# Growth Driven by Acquisitions and Organic Growth

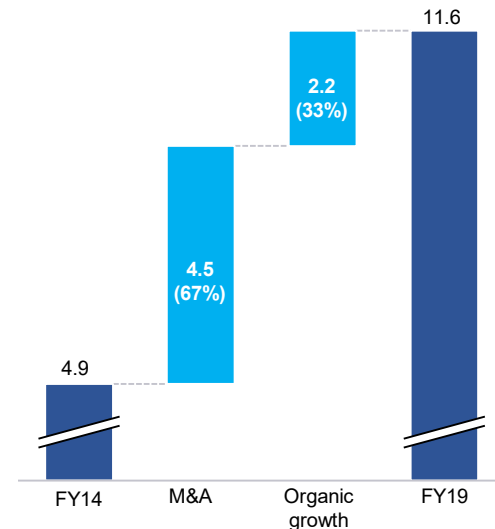
Revenue growth has been driven by an ongoing pipeline of acquisitions

... as well as strong organic growth

Ramsay revenue growth and acquisition history, FY98-20 A\$bn



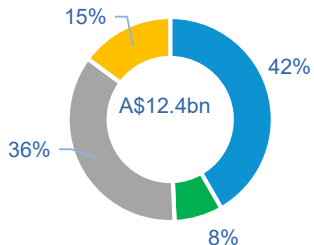
Ramsay revenue, FY14-FY19 A\$bn



# Ramsay Health Care At a Glance

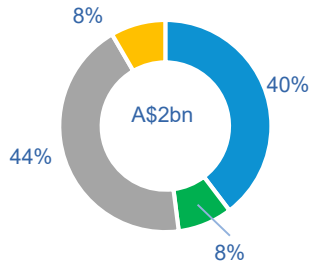
Ramsay listed on the Australian Stock Exchange in 1997 and has a market capitalisation of A\$15.4bn<sup>7</sup> and an enterprise value of \$17.6bn (\$22.6bn inclusive of lease liabilities). The business is diversified across geographic regions, payor sources and activity

**FY20 Geographic Revenue Split**

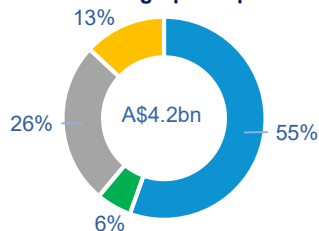


■ Asia Pacific<sup>2</sup> ■ UK ■ France ■ Nordics

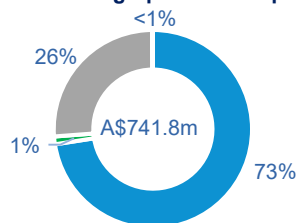
**FY20 Geographic EBITDAR<sup>1</sup> Split**



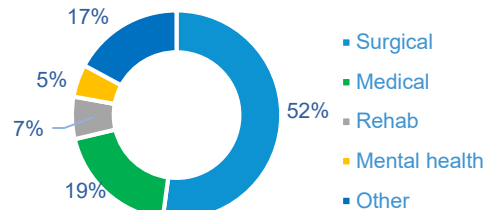
**FY20 Geographic Split of Net Assets<sup>4</sup>**



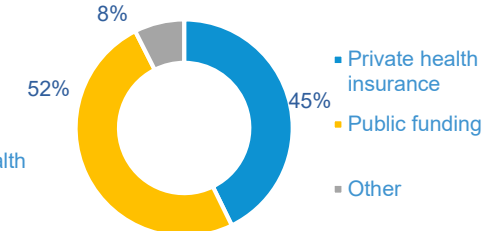
**FY20 Geographic EBIT<sup>3</sup> Split**



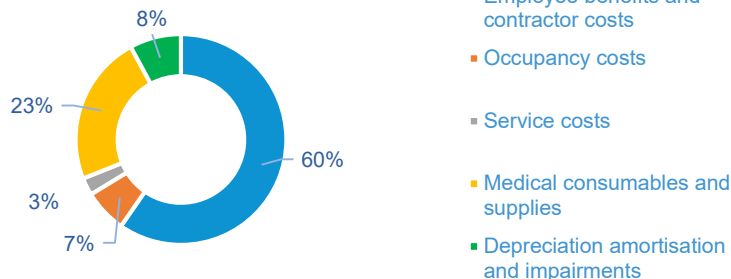
**Admissions by Activity<sup>6</sup>**



**Payor Sources<sup>5</sup>**



**FY20 Cost base**

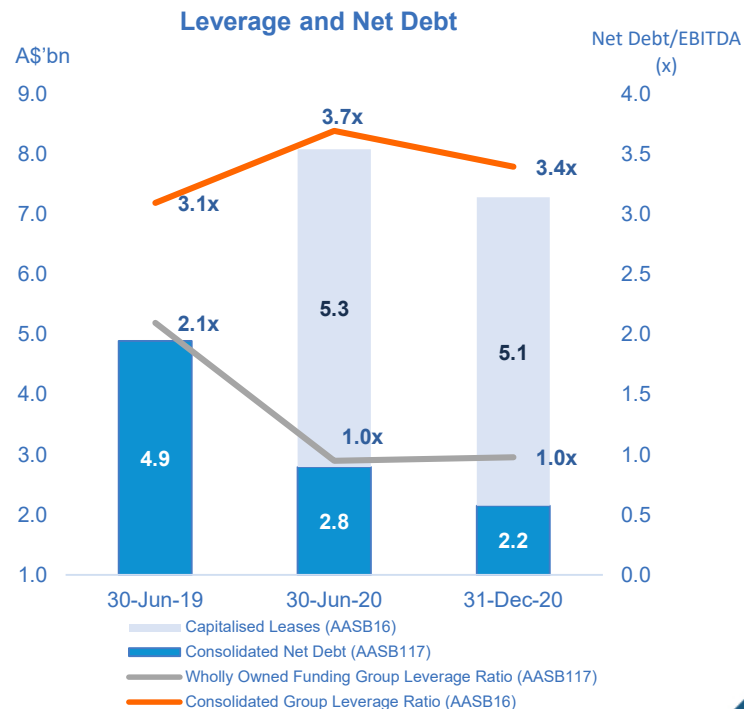


1. EBITDAR – Earnings before interest, tax depreciation and amortisation and rent
2. Ramsay's Asian presence is a 50/50 joint venture with Sime Darby Berhad which is equity accounted
3. Earnings before interest and tax after finance costs associated with capitalised leases (AASB16)
4. As at 30 June 2020 pre adjustments and eliminations including investments in subsidiaries, intercompany and receivables/payables.
5. Based on FY19 revenue given distortions caused by COVID-19. Public funding includes Department of Veteran Affairs. "Other" includes self funding/out of pocket
6. Does not include Primary Care Services in Europe. Other includes obstetrics, oncology, imaging and pathology. Based on FY19 earnings due to the impact of COVID on FY20
7. As at 30/04/21

# Financial Flexibility

## Significant capacity to fund growth opportunities

- Balance sheet remains in a strong position with financial flexibility to fund development pipeline and expansion opportunities
- WOFG<sup>1</sup> available undrawn debt capacity and cash headroom is A\$2.3 billion
- Balance sheet leverage:
  - WOFG<sup>1</sup> (AASB117) = 1.0x
  - Consolidated Group (AASB16) = 3.4x
- Credit rating agency Fitch has ascribed Ramsay's Wholly Owned Funding Group<sup>1</sup> (WOFG) an investment grade credit rating of BBB (Stable)
- Currently working on refinancing the bank debt due in October 2022



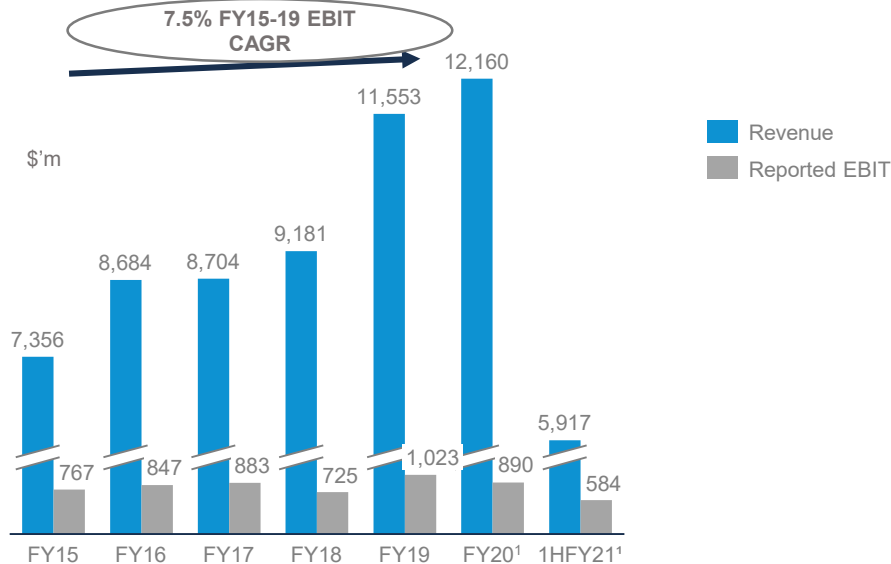
1. Wholly owned funding group (WOFG) excludes Ramsay Santé and Ramsay Sime Darby. Banking Covenants calculated on this basis



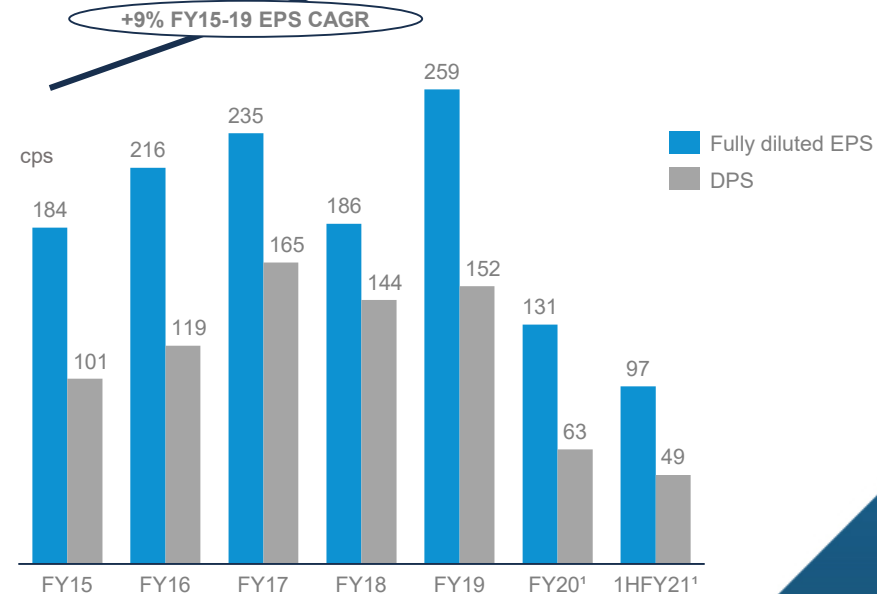
# Focused on Shareholder Returns

Since listing in 1997 Ramsay Health Care has generated strong shareholder returns through acquisition, brownfield and greenfield development and organic growth

## Growth in Revenue and Reported EBIT<sup>1</sup>



## Growth in Shareholder Returns<sup>1</sup>
















1. Revenue from contract with customers. FY20 and 1HFY21 earnings impacted by COVID-19 restrictions on surgical activity and the application of lease accounting standard changes



# Group Strategy

Create the leading ecosystem for patient-centric, integrated care

Growth		Efficiency	Sustainability
Driving stronger growth from the core	Developing new growth platforms	Strengthening the core	
 <b>Organic Growth</b> Leverage strong market share, underpinned by demographics and public sector backlog opportunities	 <b>Acquisitions</b> Disciplined strategy focused on acquisitions that deliver additional capabilities, integrated services and scale	 <b>Operational Excellence</b> Rapid innovation driven by COVID-19 driving pathway modernisation delivering better outcomes for patients	 <b>Patient &amp; Doctor Experience</b> Changing patient and doctor expectations will drive changes to the model and improve outcomes
 <b>Brownfield Capacity</b> Investing globally to improve the operational footprint across all regions in FY21, FY22 and beyond	 <b>Integrated Care</b> Strategy to expand beyond an episodic care model to delivering integrated care across pathway stages, care settings and services	 <b>Digitisation</b> Sector evolution is being driven by technology enabled digitisation of healthcare system interactions and clinical delivery models	 <b>Clinical Excellence</b> Focused on integrated disease management in key therapeutic areas; cardiovascular, cancer, orthopaedics and mental health
 <b>Public/Private Collaboration</b> COVID crisis has reinforced Public/Private collaboration creating opportunities across all regions to work with the public sector to reduce wait lists, improve health outcomes and drive productivity	 <b>New Models of Care</b> Manage disease in fit for purpose care settings and integrate key clinical and ancillary services	 <b>Global Procurement</b> Further leveraging size and scale to offset rising costs	 <b>Innovation</b> Invest in technology and research into new forms of cares
			 <b>Global Talent</b> Cross pollination of ideas around patient care and clinical excellence

# Sustainability Agenda

In 2020, Ramsay refreshed its sustainability strategy under the banner of 'Ramsay Cares'<sup>1</sup>. The strategy was developed through the prism of Ramsay's guiding philosophy 'people caring for people.' Three global focus areas were identified that aim to deliver stronger communities, healthier people and a thriving planet

## Caring for our People



- Core philosophy of 'people caring for people' remains at the centre of Ramsay's business
- Committed to a caring and inclusive culture, supporting mental health and wellbeing and empowering and developing people
- Focused on delivering high quality, safe and effective clinical care, striving for excellent patient outcomes and customer satisfaction and being a trusted partner for doctors and clinicians

## Caring for our Planet



- Focused on minimising greenhouse gas emissions, cutting energy and water use, slashing use of unnecessary plastic and increasing recycling and sustainability initiatives
- Actively seeking opportunities to engage with ethical and responsible suppliers
- Supporting the United Nations Sustainable Development Goals (SDGs), which aim to promote peace and prosperity, while protecting the planet into the future

## Caring for our Community



- Ramsay plays an important role in the local communities it serves and society at large
- Focus on health care provides an opportunity to commit significant resources to medical research, clinical teaching and training that not only helps to improve the health of patients, but also advances health care outcomes for the broader community
- Focused on a global approach towards preventative health care and supporting local communities

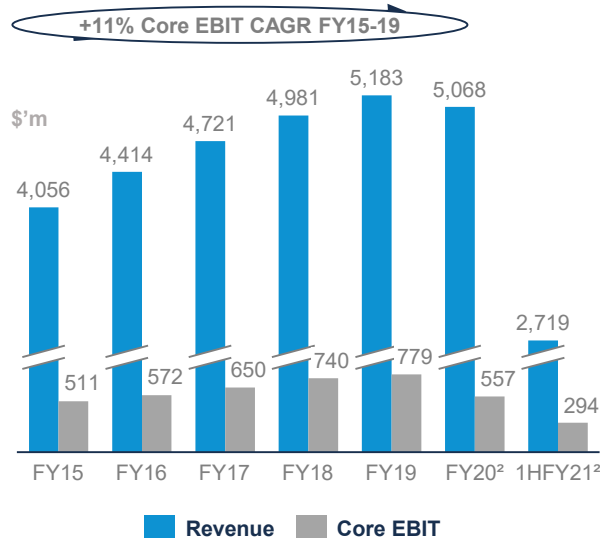
1. Further information on Ramsay's sustainability strategy can be found in Ramsay's 2020 Impact Report available at: [www.ramsayhealth.com/Sustainability/Sustainability-Reports](http://www.ramsayhealth.com/Sustainability/Sustainability-Reports)

Asia Pacific

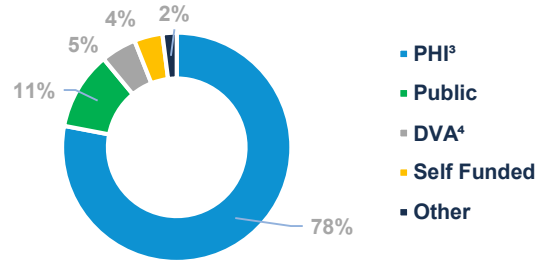
# Ramsay Australia at a Glance

## Financial & Operational Snapshot

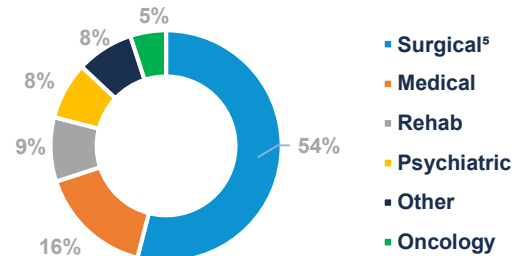
### Australian Region Growth in Revenue and Core EBIT<sup>1</sup>



### Admissions by payer type



### Admissions by key service



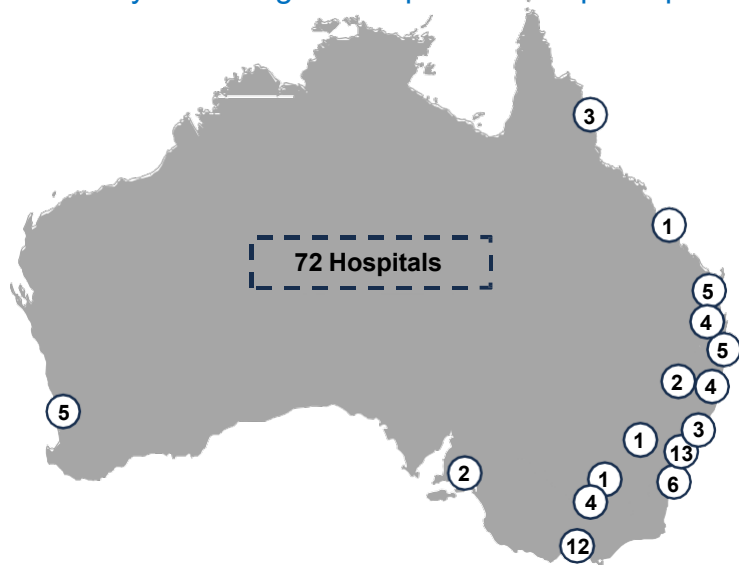
## Ramsay Australia Overview

- Ramsay Australia is the largest private hospital operator in Australia with 72 hospitals and day surgery units reflecting an estimated market share of 27%<sup>6</sup>. Included in this is the operation of 3 public facilities, two in Western Australia, Joondalup and Peel and Noosa Hospital in Queensland
- The business admits more than 1.1m patients p.a. and delivers more than 22,000 babies p.a.
- The business has over 31,000 employees
- Established a community pharmacy brand which operates more than 35 in-house pharmacy departments and dispensaries, as well as a retail franchise operation which supports more than 59 community franchise pharmacies

1. Core EBIT is pre one-off items fiscal year ended 30th June. 1HFY21 is reported EBIT  
 2. FY20 and 1HFY21 impacted by COVID-19 operational restrictions and reflect lease accounting standard changes  
 3. PHI - private health insurance  
 4. DVA - Department of Veteran Affairs  
 5. ~65% of surgical admissions are day patients  
 6. Based on the share of private health benefits paid does not include self-pay or public hospitals

# Ramsay Australian Hospital Footprint

Ramsay is the largest independent hospital operator in Australia



Hospitals – Owned Vs. Leased			
State	Owned	Leased	Other <sup>1</sup>
NSW	16	6	3
VIC	12	4	2
QLD	12	4	3
SA	3	-	-
WA	3	-	2
<b>Total</b>	<b>48</b>	<b>14</b>	<b>10</b>

Hospitals – Metropolitan Vs. Regional		
State	Metropolitan	Regional
NSW	12	15
VIC	12	6
QLD	7	12
SA	3	-
WA	5	-
<b>Total</b>	<b>39</b>	<b>33</b>

Beds (#)	Overnight	Day	Rehab	Psychiatric	ICU
NSW	2,686	47	447	481	62
VIC	1,825	-	201	203	11
QLD	2,561	30	240	308	55
SA	119	-	-	119	-
WA	1,818	-	208	117	-
<b>Total</b>	<b>9,009</b>	<b>77</b>	<b>1,096</b>	<b>1,228</b>	<b>128</b>

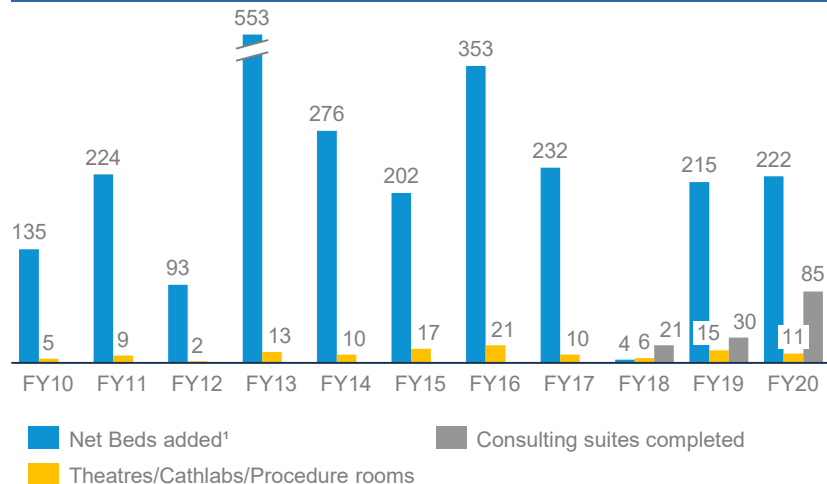
1. Other includes public hospitals and hospitals subject to a ground lease arrangement

# Total licensed beds 9,050+. Available beds may differ from licensed beds due to room configurations at any point in time. Includes beds in public hospitals managed by Ramsay

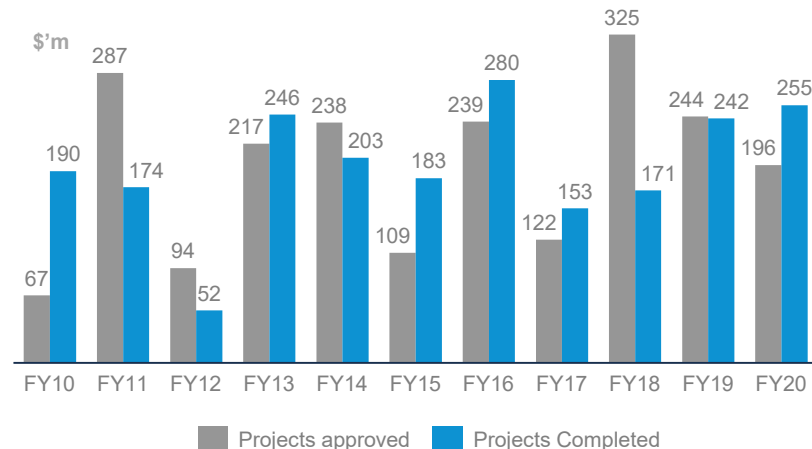
# Brownfield expansion

A key tenet of the Australian business strategy has been growth through brownfield expansion including the ongoing optimisation of the facilities footprint

FY10-FY20 total facilities expanded from 65 to 72, net bed numbers increased by 2,510 and there were 120 new theatres, and cath labs developed



FY10 - FY20 the value of approved development projects was \$2.1bn and the value of completed projects was \$2.1bn



- Ramsay Australia expects to complete projects worth \$129m in FY21 delivering 91 net new beds, 7 additional theatres and net 7 new oncology chairs
- In December 2020 Ramsay announced a \$133m investment in a private hospital greenfield site in Melbourne, Northern Private Hospital<sup>2</sup>, the first stage is expected to be completed in 2024

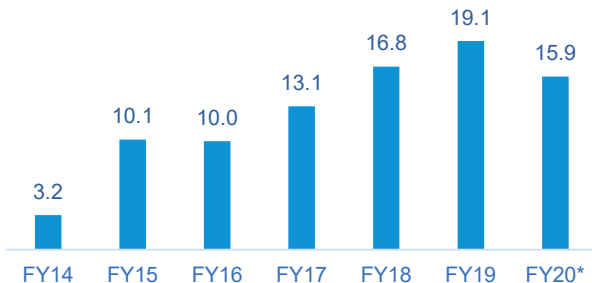
1. Gross beds added 3,526, net beds added 2,510. Represents licensed beds  
 2. Refer announcement dated 15 December 2020. The hospital is to be co-located with the 500 bed public hospital in Epping

# Ramsay Sime Darby Health Care – Asia at a glance

## Overview

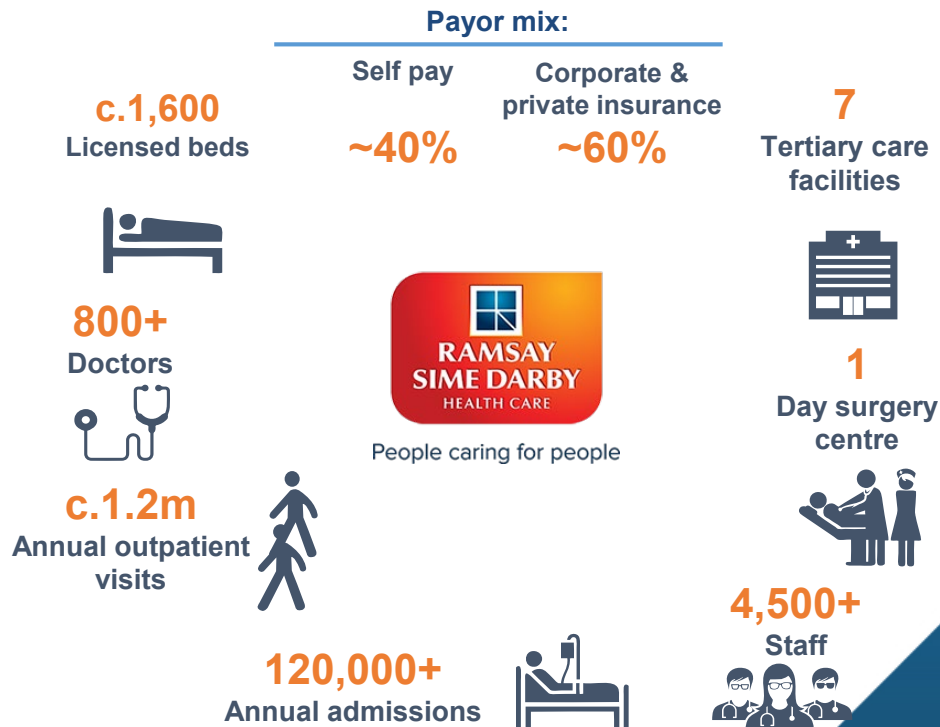
- In July 2013 Ramsay Health Care entered a joint venture arrangement with Malaysian conglomerate Sime Darby Berhad forming Ramsay Sime Darby Health Care SDN BHD
- The joint venture now operates three hospitals in Indonesia, four hospitals in Malaysia and one day surgery in Hong Kong.
- Ramsay owns 50% of the joint venture and equity accounts earnings. The contribution from the joint venture is reflected in the Asia Pacific region within Ramsay's segment reporting

## Equity Accounted Contribution (A\$m)



\* FY20 impacted by COVID-19 pandemic

## Operational Overview





# Ramsay Australia – Update on Trading

## Volume recovery in the Australian market continues but impacted by snap lockdowns

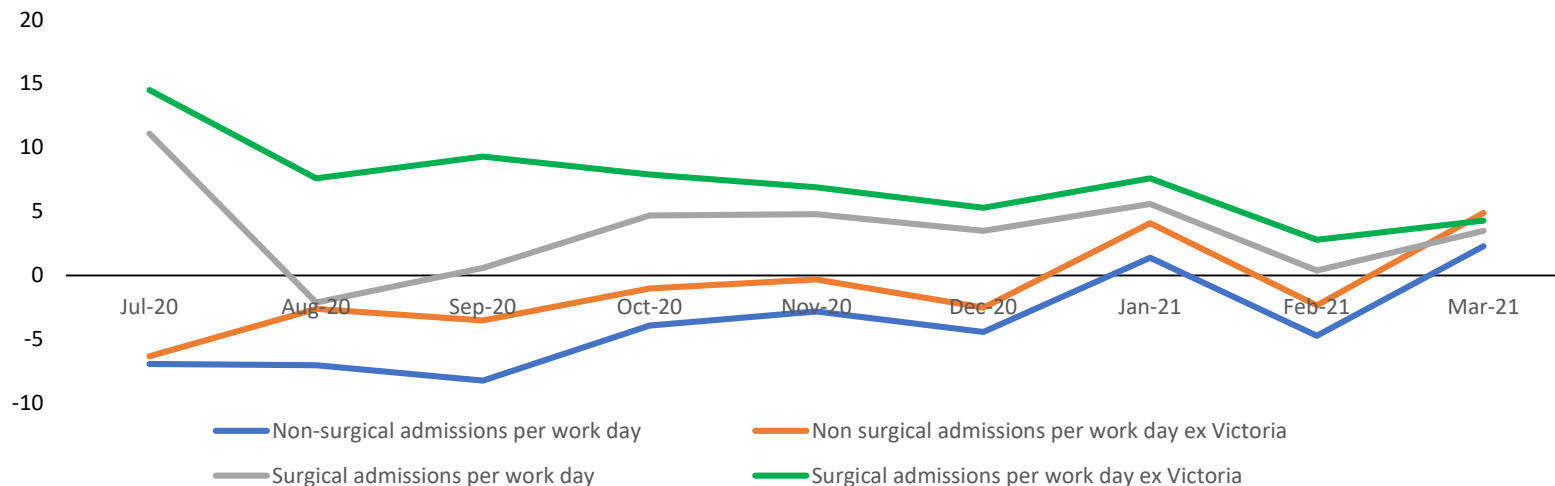
- Ramsay Australia reported a 4.6% increase in total patient revenue for the 3QFY21 (8.2% increase ex impact of Mildura<sup>1</sup>) driven by:
  - 3QFY21 surgical admissions per work-day up 8.5% on pcp (ex-Mildura<sup>1</sup> up 11.4%). The recovery in day admissions continues to be stronger than overnight admissions
  - 3QFY21 non-surgical admissions per work-day up 4.4% on pcp (ex-Mildura<sup>1</sup> up 6.5%)
  - Activity levels were impacted by snap lockdowns in all States during the quarter
  - Activity levels in Victoria (ex Mildura) are gradually returning but continue to lag other states
  - Strong maternity volumes, 3QFY21 admissions per work-day increased 11.1% versus pcp
  - Psych and rehab admissions were higher for 3Q FY21 versus pcp however psych continues to be slow to recover in some states
  - A case mix skewed to surgical volume has continued to impact financial results
- March 2021 cycled a COVID impacted period in the pcp<sup>2</sup>. Total admissions per work-day in March 2021 were 3.2% higher than **non**-COVID impacted March 2019 (4.9% higher ex- Mildura)
- Average costs per month associated with operating in a COVID environment are gradually reducing. The additional costs per month on average for 3QFY21 were approximately \$4.2m inclusive of Victoria ex the impact of reduced procurement benefits. These costs are tied to volume and will continue to be impacted by inflated costs for some items in the current environment and the higher cost of inventory acquired at the height of COVID
- Ramsay frontline staff are in the process of vaccination with the majority of Phase 1A front line staff and doctors receiving their first COVID vaccine and a large number having also received their second dose
- The business is on track to deliver a number of brownfield projects in 2021 including a surgical expansion at Greenslopes, the Stage 3 expansion at Westmead and a new ward at Northside St Leonards
- Ramsay Australia is working with the NSW Government on the operation of the mass vaccination site at Homebush

1. Ramsay handed back the operation of the Mildura public hospital in September 2020

2. Surgical admissions per work day were 17.7% higher than COVID impacted March 2020 and total admissions were 13.9% higher than pcp

# Update on Australia - Volume Trends<sup>1</sup>

Trends in Surgical and Non Surgical Admissions per Work Day  
monthly % chg on pcp<sup>1</sup>

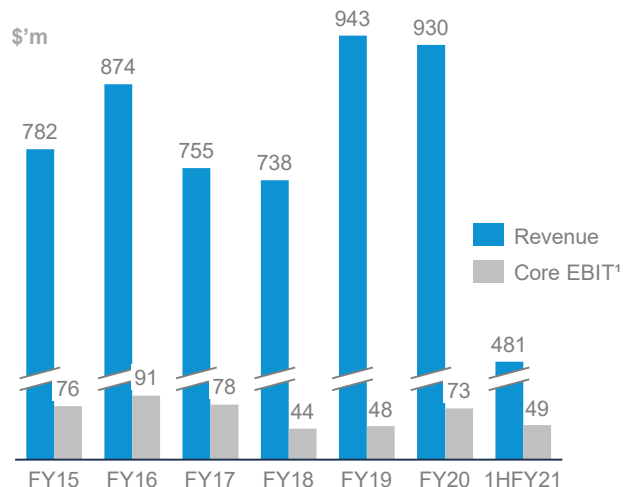


1. The month of March is the monthly % change versus March FY19 due to the COVID impact on admissions in March FY20. Victorian admissions have been impacted by the transfer of the operation of the Mildura public hospital back to the State in September 2020

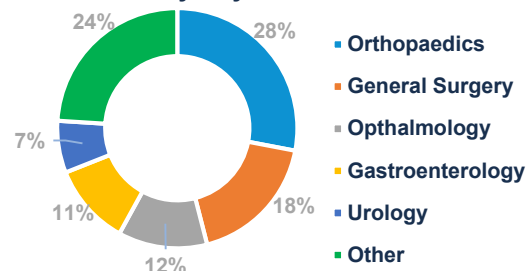
Ramsay UK

# Ramsay UK at a Glance

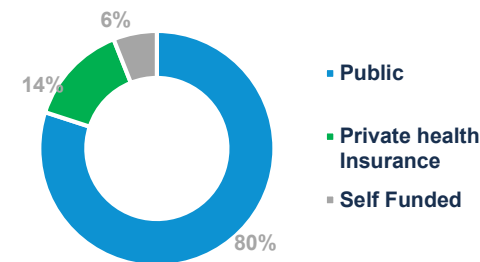
## Financial & Operational Snapshot



### Admissions by Key Services



### Admissions by Payer Type



## Ramsay UK Overview

- Ramsay Health Care UK is one of the leading providers of independent hospital services in the United Kingdom, with a network of 34 acute hospitals and day procedure centres providing a comprehensive range of clinical specialties to private and self-insured patients as well as to patients referred by the National Health Service (NHS)
- Ramsay is the leading supplier of independent services to the NHS
- Operations also include diagnostic imaging services and the provision of neurological services through its three neuro-rehabilitation facilities
- Ramsay UK cares for over 200,000 patients per year and employs more than 5,000 staff

1. Earnings from FY15-FY20 Core EBIT before non core items. 1HFY21 reported EBIT after non core items. FY20 and 1HFY21 reflect accounting standard changes around the treatment of leases

# Ramsay UK – Update on Trading

Ramsay UK has been the leading provider of independent healthcare services to the NHS since the start of the pandemic

- Ramsay operated under a revised volume-based transition agreement with the NHS England (NHS)<sup>1</sup> from 1 January 2021 through 31st March 2021
  - As a result of the jump in COVID cases the NHS triggered peak surge arrangements resulting in Ramsay capacity at 14 hospitals being utilised for periods during the 3QFY21. In these circumstances Ramsay was paid on a cost recovery basis
- Ramsay continued to treat non COVID NHS priority cases and to provide private patient services during 3QFY21. Reflecting the strict lockdown conditions in the UK admissions were 6.2% below the pcg
- The mix of private patients to public patients remained higher than the pcg at 22.8% of total admissions over 3QFY21
- Admissions for the nine months to 31 March 2021 are currently tracking at approximately 83% of the pcg. Out-patient admissions are stronger than inpatient admissions
- Since 1st April 2021, Ramsay has principally provided activity to the NHS under a framework agreement established by the NHS for an initial term of 2 years. The NHS draws down contracts under the framework agreement and those contracts are principally the same as those entered into with the NHS prior to COVID
- The relaxation of the lockdown restrictions in recent weeks has seen the pipeline of private and self funded patients increase back to historic levels, NHS primary care referrals are increasing but remain below pcg
- 98% of Ramsay staff have received at least one vaccine dose, all staff over 50 are now fully vaccinated



650,000

NHS patients treated since the start of the pandemic



Performed 16,000+ cancer treatments for NHS patients both critical surgery and chemotherapy



Hosted 20+ NHS services including 50,000+ MRI and CT scans delivered to the NHS



Made available 500+ items of equipment, ventilators and PPE to NHS Trusts



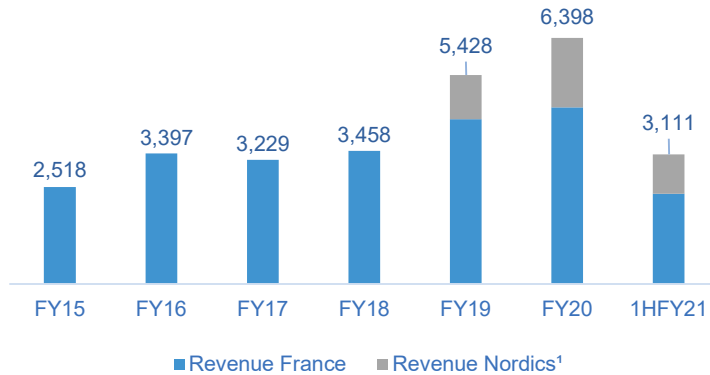
900+ doctors have worked with Ramsay to deliver services under emergency practising privileges

Ramsay Santé

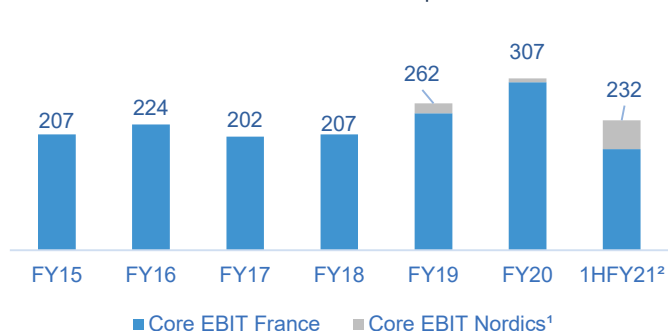
# Ramsay Santé - Europe at a Glance

## Financial & Operational Snapshot

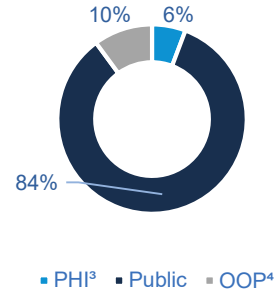
Revenue Growth A\$m



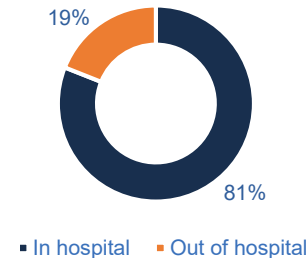
Core EBIT Growth A\$m



European Revenue by payer



Care Settings as a % of FY20 revenue



## Ramsay Santé Overview

- Ramsay Health Care owns 52.5% of Ramsay Santé which is listed on the European financial markets platform Euronext. Predica a subsidiary of Crédit Agricole owns 39.6%
- Ramsay Santé is the second largest private care provider in Europe operating specialist clinics and primary care units in approximately 350 locations across five countries in Europe
- In France it has market leading position with 132 acute care and mental health facilities. In Denmark, Norway and Sweden Ramsay Santé operates 210 facilities including primary care units, specialist clinics and hospitals. In Italy Ramsay Santé operates a 93 bed hospital
- Ramsay Santé employs 36,000 people and treats ~7m patients a year

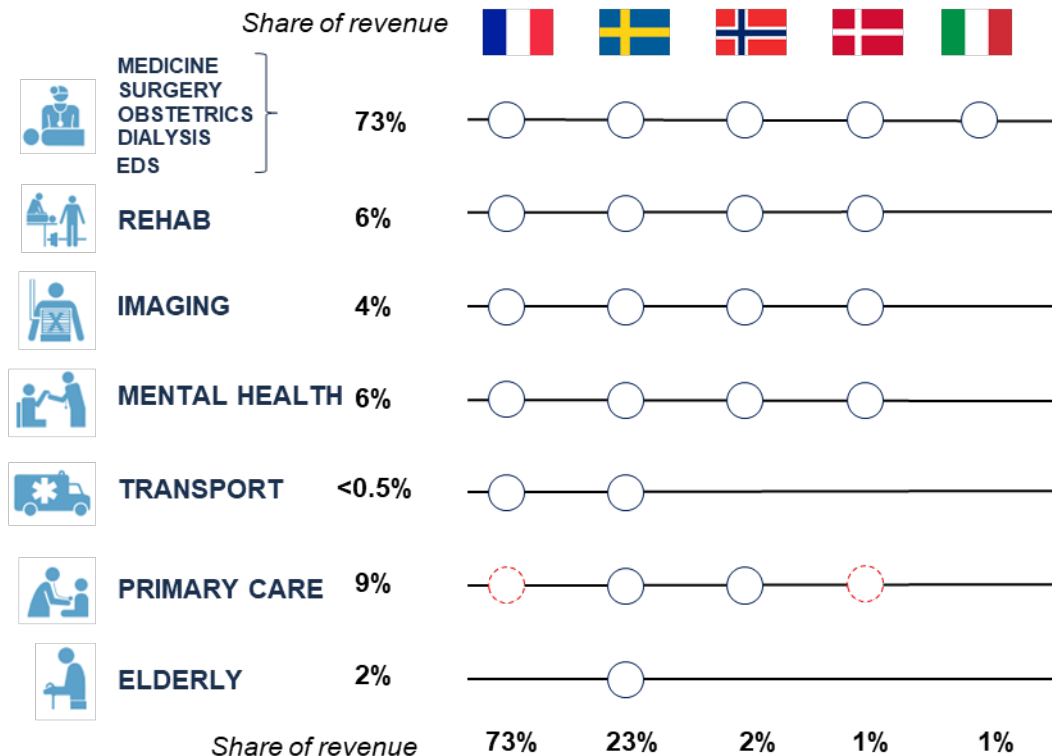
1. Nordic region results impacted by the sale of German facilities in October 2020  
 2. 1H FY21 EBIT is reported EBIT after non-core items  
 3. Private health insurance  
 4. Out of pocket



# Ramsay Santé - Europe at a Glance

Between 2015 and 2020, Ramsay Santé has shifted from being the leader of private hospitalisation in France to a leader in Integrated Care in Europe

## RAMSAY SANTÉ'S FOOTPRINT \*



**7 million** patients



**20 million** consultations



**99%** facilities certified  
best-in class level



**230** hospitals



**130** primary care centers



Current



Project

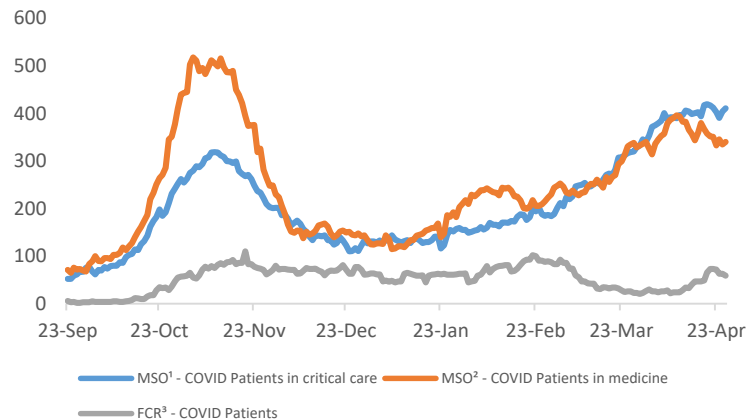
\* Figures as at end June 2019 (including 12 months for Capio; Germany removed )

# Ramsay Santé – Update on Trading

## Ramsay Santé continues to take a leadership role in treating critical COVID patients

- On 16 April 2021 the French Government issued a new decree providing support for Ramsay Santé's operations from 1 January 2021 to 30 June 2021<sup>1</sup>
- Ramsay Santé continues to play a critical role in assisting the French Government treating COVID patient numbers well above its market share of the private sector
- In mid March the French Government started to restrict elective surgery capacity in the Paris area with restrictions increasing to 50% of capacity in late March. Other regions of France have also had restrictions placed on elective surgery during March/April the recent average across all facilities was 40%
- As a result of elective surgery restrictions and COVID lock downs admissions for 3QFY21 were materially below the pcp. Rehab and mental health occupancy continue to be below the pcp
- Activity across the Nordic region has been impacted by ongoing COVID cases to a varying degree. The financial performance has been supported by the capitation reimbursement model in Sweden, the primary care business, the ophthalmology business in Norway and higher volumes in Denmark. Elective surgery restrictions in Sweden have been introduced in April
- Ramsay Santé completed the refinancing of €1.55bn of syndicated bank loans in April extending the maturity of the primary facilities out 5-6 years and simplifying the debt structure. The refinancing closed oversubscribed at a materially improved margin above Euribor
- Ramsay Santé is assisting with the rollout of the vaccine. In France it has administered more than 125,000 doses of the vaccine across vulnerable patients and out of 6 mass vaccination centres opened by Ramsay Santé

COVID patients in Ramsay Santé facilities



1. Ramsay Santé has treated in excess of 110,000 COVID patients since the start of the second wave of the pandemic in September 2020
2. MSO- (medical, surgical, obstetrics) patients in critical care
3. MSO – (medical, surgical, obstetrics) patients in medical care
4. FCR – COVID patients in follow-up and rehabilitation care

# Summary

Ramsay remains well placed to benefit as regions emerge from COVID restrictions



3QFY21 earnings have continued to be impacted by the pandemic in all regions



Ramsay Australia has experienced an ongoing recovery in surgical admissions and a slow but improving rate of increase in non-surgical admissions. Results have been impacted by snap lockdowns in recent months



Ramsay Santé and Ramsay UK have continued to support the public sector response to COVID outbreaks with capacity and expertise



Governments in Europe and the UK have recognised Ramsay's contribution; financial support has been provided for the ongoing utilisation of Ramsay's facilities



Further penetration of vaccination programs and the easing of lockdown restrictions will dictate the recovery in both surgical and non surgical activity globally



Ramsay remains well placed to handle public and private surgical backlogs and latent demand in non-surgical services as the severity of the pandemic impact reduces



Ramsay's strong balance sheet and cashflow provides the support to pursue the Company's long term strategy

# Questions



## **RAMSAY HEALTH CARE**

### **Macquarie Australia Conference – Presentation Speech**

**4<sup>th</sup> May 2021**

#### **Slide 1**

Good morning everyone and thank you for joining us. The presentation today has been structured to give those of you who don't know us well a brief overview of the Company as well as providing a broad update on third quarter FY21 trading conditions in each of our regions. Our CFO Martyn Roberts and I will then be happy to take questions

#### **Slide 2 - Disclaimer for noting**

#### **Slide 3**

Ramsay has grown rapidly since listing in 1997 to deliver a wide range of acute and primary healthcare services to private and public patients from over 500 locations across 10 countries. We now have over 77,000 plus employees and work with our doctors and other clinicians to care for more than 8.5 million patient visits and admissions per annum.

We aim to have leading positions in the markets we operate in to deliver economies of scale. Our global reach has resulted in driving clinical best practise through the sharing of ideas across regions and this has been a strong advantage since the outbreak of COVID. Our reach also delivers us the scale to invest in innovation, education and research which makes us an attractive partner for our doctors and a great place to work for our employees

#### **Slide 4**

As you can see, we have grown revenue through a pipeline of acquisitions since listing but have also focused on organic growth opportunities. We will continue to focus on improving returns from our existing portfolio of assets as evidenced in the first half of FY21 with the sale of 9 facilities in Germany and the ongoing restructure of the portfolio of assets in France.

## Slide 5

One of the other key benefits of our growth over the years has been the diversification benefits which you can see on slide 3. While COVID has distorted some of these numbers you can see that our earnings are differentiated by geography, payor source and activity. The benefits of this to shareholders is reflected in the resilience of our earnings despite the significant impact on various parts of the business since the start of the pandemic.

## Slide 6

We have significant financial flexibility to fund development and expansion opportunities that may arise, with \$2.3 billion of liquidity available in our wholly owned funding group at 31 December 2020.

We are pleased to advise today that Fitch has ascribed an investment grade credit rating of triple B stable to our wholly owned fund group debt, this is a positive first step in our program to diversify Ramsay's sources of debt and extend and stagger the tenure. We are currently working on refinancing our bank debt due in October 2022.

## Slide 7

Ramsay has always sought to balance managing and investing in the business for the long term with delivering shareholder returns. The Board was pleased to resume paying dividends at the interim result following a decision not to pay an FY20 final dividend due to the impact of the pandemic. As always, the Board will review our dividend policy at the time of the full year result.

## Slide 8

Turning to the Group's strategic direction. We continue to evolve our business platform consistent with becoming a broader integrated health care services provider.

We will look to deliver shareholder value through both organic growth and the development of new growth platforms through acquisitions and expansion into new areas. Efficiency programs and building the sustainability of our business will continue to be key measures to improving shareholder returns.

## Slide 9

We continue to develop our global sustainability strategy under the 'Ramsay Cares' banner and integrate it into our business practices. As part of this push, the Board has recently committed to commencing to align our reporting with the recommendations of the Task Force on Climate Related Disclosures (TCFD) in our FY21 corporate reporting.

Our commitment is further evidenced by the recent refinancing announcement by Ramsay Santé which seeks to combine our convictions in this area with the optimisation of our financing costs. For the first time, Ramsay Santé's new syndicated debt includes social and environmental criteria. The applicable margins will be adjusted, upwards or downwards, depending on the degree of satisfaction of these targets.

## **Slide 10**

Moving to the Asia Pacific Region

## **Slide 11**

Ramsay Australia is the largest private hospital operator in Australia with a market share of approximately 27%. We operate 72 hospitals and day surgery units which includes the operation of three public hospitals two in Western Australia, at Joondalup and Peel and the Noosa public hospital in Queensland.

We are diversified across both types of service and payor although weighted to surgical admissions. 65% of our surgical admissions are day surgery conducted at day surgery units within our hospital campuses and in some cases standalone day surgery facilities

## **Slide 12**

This next slide shows you the spread of our assets in Australia the majority of which are owned unlike in Europe and the UK where the majority of our sites are leased. Our available bed numbers do change with the reconfiguration of our hospital facilities which are designed to optimise investment and attract doctors and patients.

## **Slide 13**

A key tenant of the Australian business strategy has been growth through brownfield expansion and the ongoing optimisation of the facilities footprint. In FY21, we expect to complete projects worth \$129m delivering 91 net new beds, 7 additional theatres and 7 new oncology chairs. This year we have also commenced a new greenfield hospital development in Melbourne, the Northern Private Hospital, which is to be co-located with the 500-bed public hospital in Epping, in a strong growth corridor in Melbourne. The first stage of this development is expected to be completed in 2024.

## **Slide 14**

Moving to our joint venture in Asia, Ramsay Sime Darby Health Care. While a small contributor to the overall Group, it gives Ramsay exposure to the rapidly growing demand for high quality health care services in the Asian region. The joint venture has recently acquired another hospital in Malaysia taking the total to 4 in that country and 8 facilities in total. Restrictions on movement across the region have impacted



admissions in FY21 however PCR testing in most of our facilities, combined with assistance with the rollout of vaccination programs has supported earnings during the pandemic.

### Slide 15

Moving now to a third quarter trading update in Australia. The trends we spoke about at the interim result have continued through the third quarter of FY21 with surgical volumes continuing to be relatively strong and non-surgical volumes starting to improve. The recovery has been impacted by the snap lockdowns in most states during the period.

Total admissions in March 2021 were 3.2% higher than **non**-COVID impacted March 2019 and 4.9% higher if you exclude the impact of the Mildura hospital, a public hospital managed by Ramsay until September 2020 when it was handed back to the Victorian State Government.

The recovery in Victoria post the long lock down in the first half of FY21 has commenced but activity levels generally are still lagging other states.

The additional costs associated with operating in a COVID environment are gradually reducing. The additional costs per month on average for the third quarter of FY21 were approximately \$4.2m inclusive of Victoria but excluding the impact of procurement benefits which should start to return as we move through 2021. These additional costs are tied to volume and will continue for some time to be impacted by inflated costs for some items in the current environment and the higher cost of inventory acquired at the height of the pandemic.

We have continued to progress the vaccination of our front-line staff and are working with the NSW Government on assisting with operating the mass vaccination site at Homebush.

### Slide 16

On Slide 16 we have just extended the chart we showed at the interim result out to the end of March showing trends in surgical and non-surgical admissions per workday. You can see in the chart that non-surgical admissions were impacted by snap lockdowns across most States in February which harmed the confidence of patients and doctors to come back to the hospital environment in particular in rehab and psych services. Volume trends are consistent with what I have been saying for some time that we expect the recovery in volumes, in particular surgical, as a result of COVID locks downs, to be lower for longer rather than experienced over a few months.

### Slide 17

Turning now to Ramsay UK

## Slide 18

A quick overview of the business which is one of the leading providers of independent hospital services in the United Kingdom and **the** leading supplier of independent services to the NHS which has seen us provide critical support to the public sector throughout the pandemic. The UK market has a different structure to Australia with the take-up of private health insurance being much lower than in Australia. Reflecting the types of facilities, we own in the UK, day patients make up 82% of our admissions in total.

## Slide 19

Trading in the third quarter of FY21 continued to be impacted by the pandemic in the UK and the lock down conditions that existed through the period. Ramsay operated under revised volume-based transition arrangements with the NHS England (NHS) over the period. As a result of the jump in COVID cases in January, the NHS triggered peak surge arrangements resulting in capacity at 14 of Ramsay's hospitals being utilised for periods during the third quarter of FY21. In these circumstances Ramsay was paid on a cost recovery basis.

Ramsay continued to treat non COVID NHS priority cases and to provide private patient services during the third quarter of FY21. Reflecting the strict lockdown conditions in the UK, admissions for the third quarter were 6.2% below the pcp.

Since the 1st April 2021, Ramsay has principally provided activity to the NHS under a framework agreement established by the NHS for an initial term of 2 years. The NHS draws down contracts under the framework agreement and these contracts are principally the same as those entered into with the NHS prior to the COVID-19 pandemic, including in relation to the provision of services and payment.

The relaxation of the lockdown restrictions in the UK in recent weeks has seen the pipeline of private and self-funded patients increase back to historic levels, NHS primary care referrals are increasing but remain below pcp. Ramsay remains well placed to benefit from the backlog in surgical admissions on both the public and private side of the market.

## Slide 20

Turning to Europe

## Slide 21

Ramsay owns 52.5% of Ramsay Santé which is listed on the European financial markets' platform Euronext. Predica, a subsidiary of Crédit Agricole, owns 39.6% of the business.

Ramsay Santé is the second largest private care provider in Europe operating specialist clinics and primary care units in approximately 350 locations across five countries in Europe.

Once again, the markets we operate in are a different structure to the market in Australia being primarily funded by the public sector. In the Nordic region we have strong positions in the primary care market and have become a leader in the provision of integrated care in Europe, including out of hospital care, a trend that has accelerated since the outbreak of COVID.

## Slide 22

You can see on this slide the wider range of health care services we offer in the region. The European business has grown significantly through acquisition over the last five years, however in the last 12 months has been focused on optimising the portfolio of hospitals including divesting a portfolio of nine clinical facilities in Germany and rationalising our hospital footprint in France.

## Slide 23

The trading environment, in particular in France and to a lesser extent Sweden, remains extremely difficult and the pressure on the business created by the dramatic increase in COVID patients has been as great as during the first wave of the pandemic. Ramsay Santé has continued to play a critical role in assisting the French Government, treating COVID patient numbers well above its market share of the private sector, in particular in the heavily impacted Paris region.

In mid-March the French Government started to restrict elective surgery capacity in the Paris area with restrictions increasing to 50% of capacity in late March. Other regions of France have also had restrictions placed on elective surgery during March/April with the recent average across all facilities at 40% of capacity.

In April, the French Government issued a new decree providing support for Ramsay Santé's operations from 1 January through to 30 June 2021, based on a similar calculation used for the support provided for the ten months to 31 December 2020, in return for our assistance when required with COVID outbreaks.

Activity across the Nordic region has been impacted by ongoing COVID cases to varying degrees. The financial performance has been supported by the capitation reimbursement model in Sweden, the primary care business, the ophthalmology

business in Norway and higher volumes in Denmark. Elective surgery restrictions in Sweden have for the first time been introduced in April.

Ramsay Santé is assisting with the rollout of the vaccine where possible. A return to a more normal trading environment we believe relies on an acceleration of the vaccine program across the countries we operate.

#### **Slide 24**

So, in summary Ramsay's earnings have continued to be impacted by the pandemic to varying degrees in all our regions through the third quarter of FY21.

In Australia, we have experienced an ongoing recovery in surgical admissions and a slow but improving rate of increase in non-surgical admissions. The financial results have however been impacted by snap lockdowns in recent months and the impact of the additional costs we are incurring as a result of the COVID environment.

Ramsay Santé and Ramsay UK have continued to support the public sector response to COVID outbreaks with capacity and expertise. Governments in Europe and the UK have recognised Ramsay's contribution and financial support has been provided for the utilisation of Ramsay's facilities.

The penetration of vaccination programs across the regions in which we operate, and the subsequent easing of lockdown restrictions will dictate the recovery in both surgical and non-surgical activity globally. We remain well placed to handle public and private surgical backlogs and latent demand in non-surgical services as the severity of the pandemic impact reduces.

Our strong balance sheet and cashflow provides the support to pursue the Company's long-term strategy and we do expect that opportunities to augment our strategy to create an integrated healthcare provider model will arise over time.

I will now open it up for questions