Ramsay Health Care

FY21 Result Presentation

12 months ended 30th June 2021

World Health Organization

2021 International Year of Health & Care Workers

Managing Director & CEO, Craig McNally

Group Chief Financial Officer, Martyn Roberts

Ramsay Health Care

Important information

The information in this presentation is general background information about Ramsay Health Care Limited and its subsidiaries (Ramsay Group) and their activities and is current as at 26 August 2021. It is in summary form and is not necessarily complete. It should be read together with the company's unaudited consolidated financial statements lodged with the ASX on 26 August 2021. The information in this presentation is general information only and is not intended to be relied upon as advice to investors or potential investors and does not take into account your objectives, financial situation or needs. Investors should consult with their own legal, tax, business and/or financial advisers in connection with any investment decision.

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

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Agenda

For further information please contact:
Kelly Hibbins
Group Head of Investor Relations
Phn: +61 414 609192
Email: HibbinsK@ramsayhealth.com

Ramsay Health Care

Key Themes

- Ramsay employees, doctors and facilities continued to support the public sector and community response to the rapidly changing demands of the COVID environment
- Operational and financial metrics reflect pandemic disruption; results improving as the business adapts to the unpredictable operating environment
- Balance sheet and cashflow remain strong supporting ongoing investment in the business to drive growth
- Continued to develop a strong pipeline of organic growth opportunities and focused on operational excellence through strategic sourcing and optimisation of business processes
- Growth and strategic direction focused on leveraging Ramsay's global platform to be a pre-eminent patient centric integrated healthcare provider
- Well positioned to continue to benefit from pent up demand for both private and public healthcare services - vaccination rates and government funding are key

Group FY21 Financial Highlights

- Revenue from patients increased 3.9% and reflects the impact of operational restrictions across the regions due to COVID and lower demand for non surgical services
- Strong EPS growth reflects the recovery in admissions from the first wave of the pandemic and includes the impact of the $1.5bn capital raising launched in April 2020
- Earnings include the impact of:
  - Government payments for the use of Ramsay’s facilities and services
  - Increased costs associated with operating in a COVID environment
  - A negative impact from case mix reflecting lower demand for non surgical services
- The balance sheet and cashflow reflect the Spire Healthcare plc (Spire) scheme of arrangement underway at 30th June. Proforma[5] balance sheet strong, WOFG[6] leverage below 1x. Net financing costs declined 9.2% and includes swap break costs of $12.5m[7]
- Fully franked final dividend of 103cps taking the full year dividend to 151.5cps flat on FY19 level. Represents a payout ratio of 79%

Result	$'m	% chg on pcp
Revenue from patients and other revenue	12,435.5	3.9
Total Revenue including govt. support	13,332.3	7.3
EBITDAR[1]	2,208.3	11.9
EBITDA[2]	2,053.5	13.6
EBIT[3]	1,132.6	29.1
Statutory Net Profit to owners	449.0	58.1
Final dividend per share (DPS) (cps)	103.0	n/a
Full year dividend per share (DPS) (cps)	151.5	142.4
Fully diluted earnings per share (EPS)[4] (cps)	192.6	47.6

1. Earnings before interest, tax, depreciation, amortisation, and rent
2. Earnings before interest, tax, depreciation and amortisation
3. Earnings before interest and tax
4. The denominator for the purpose of calculating earnings per share has been adjusted to reflect the $1.5bn equity raise in the second half of FY20, at less than market value
5. Proforma assuming that the Spire transaction was not in process at 30th June 2021 refer Slide 17 for further details
6. Wholly owned funding group (WOFG) excludes Ramsay Santé and Ramsay Sime Darby. Banking covenants calculated on this basis
7. Swap break costs associated with the refinancing of Ramsay Santé syndicated debt in April 2021

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Australia – Highlights and Outlook

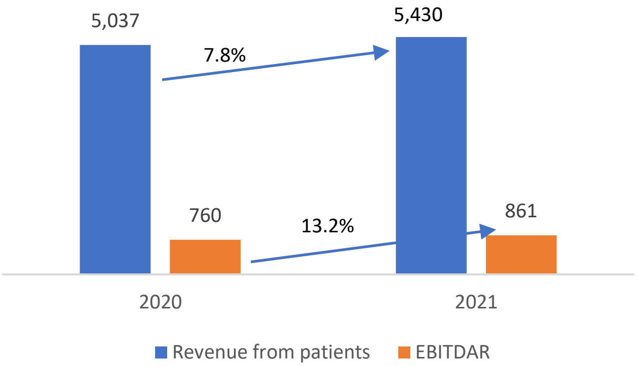
Result Overview

- Lock-downs and the increased costs of doing business due to COVID impacted FY21 results:
  - The extended lock-down in Victoria (Vic.) in 1HFY21 and multiple snap lock-downs in 2HFY21 – estimated EBIT impact $83m
  - Increased costs associated with the COVID environment avg. $8-9m per month (ex Vic,) in 1HFY21, avg. $4-5m per month in 2HFY21
- Negative double-digit admissions growth in Vic. in FY21 compared to pre COVID FY19
- Despite the impact of Vic. and snap lock-downs throughout FY21, admissions growth was positive (compared to pcp[2] & FY19) driven by strong double-digit growth in surgical admissions, while non-surgical admissions growth was more subdued:
  - Surgical admissions pwd[3] up 15.2% on pcp and up 6.6% on FY19 (ex- Mildura)
  - Non-surgical admissions pwd up 3.1% on pcp and down 0.5% on FY19 (ex-Mildura)
- Strong public admissions growth in Ramsay's non-public hospitals -revenue up 100% and admissions up 40% on pcp

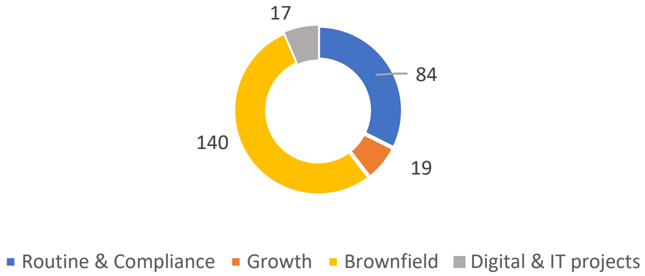
Outlook

- Surgical and non-surgical admissions have been impacted by the availability of workforce, patient hesitancy and limitations on doctor movement between facilities. The EBIT impact of lock-downs in July ~$13m (inclusive of higher costs). Surgical restrictions introduced on seven hospitals in Sydney on 23rd of August will have a significantly more material impact on FY22 earnings
- Ex-lock-downs we expect strong growth in surgical will continue and there will be a recovery in demand for non-surgical services
- Costs of COVID environment will continue in 1HFY22 est. avg. $4-5m per month
- Increased investment in major projects completing in FY22-FY25 will deliver growth
- Management restructure completed to drive hospital and out-of-hospital growth strategies

Results for 12 months to 30th June 2021 ($'m)



FY21 Capital Expenditure ($'m)



Total Capital Expenditure $260m

1. The operation of the Mildura public hospital transferred back to the State in September 2020
2. Pcp- prior corresponding period
3. PWD - per work day

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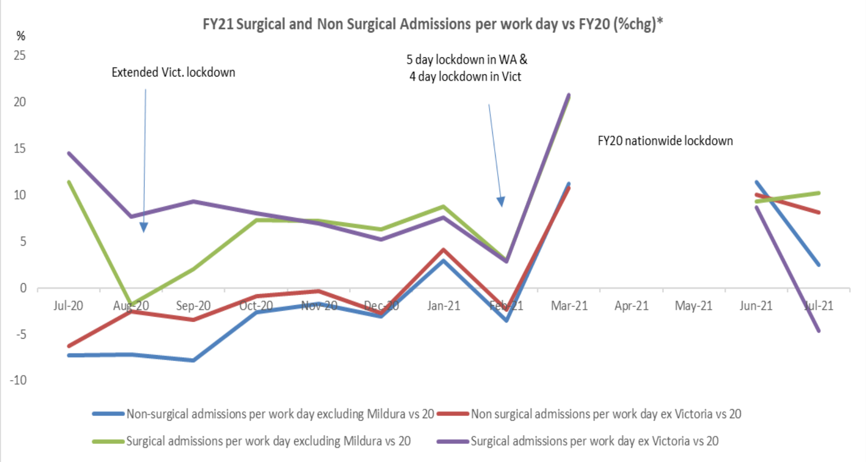
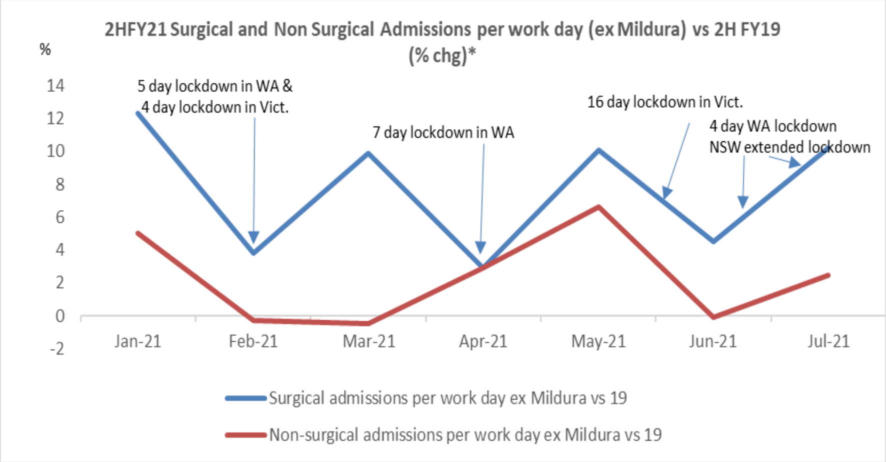
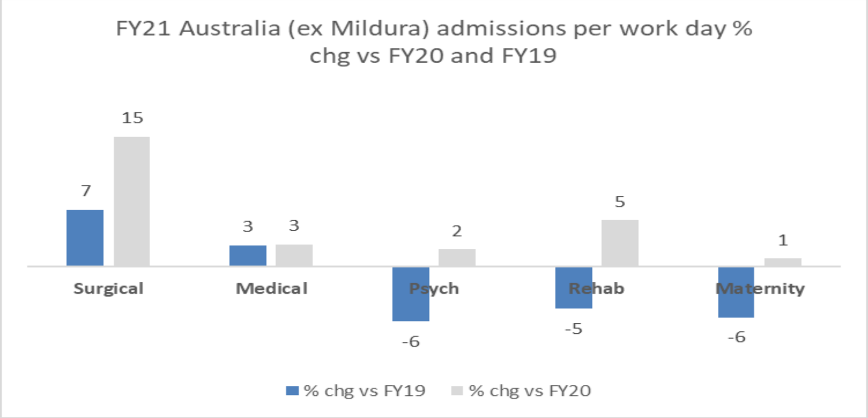
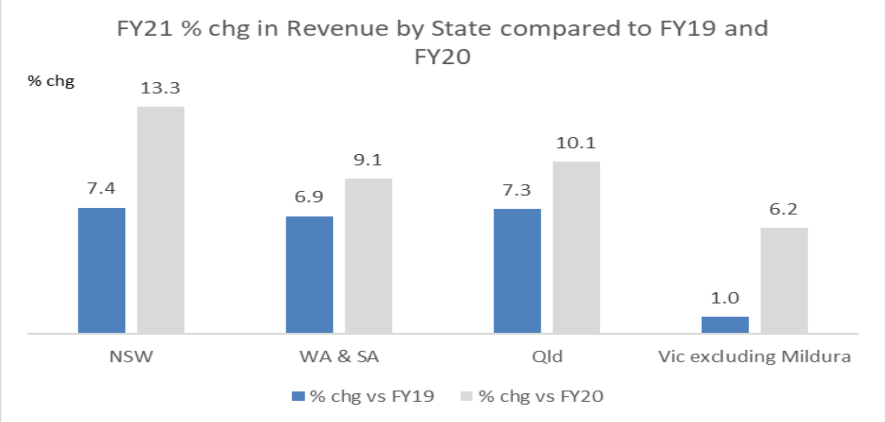
Trends in Australian Hospital Admissions









*July 2021 is vs July 2020

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Australia – Significant pipeline of new developments

FY21

Brownfields/greenfield capital expenditure $140m.

Projects completed during the year at a cost of $59m delivered:

- 93 gross beds (net 25 beds)
- 3 theatres (net 1)
- 17 renal chairs (net 7)

Projects completed include:

- Northside St Leonards Expansion
- Nowra Redevelopment
- Dudley Orange Private
- St George Day Oncology
- Northshore Private - day surgery

FY22

- Brownfield/greenfield capital expenditure spend in FY22 - $260 - 340m.
- Brownfield projects completing during the year at a cost of $256m will deliver:
  - 290 beds (net 240)
  - 11 theatres
  - 18 consulting suites

Projects completing include:

- Greenslopes Surgical Expansion
- Beleura Development including new consulting suites and rehab gym
- Westmead Stage 3 expansion
- Hollywood emergency department
- Pindara redevelopment
- Epping greenfield development

FY23 - FY25

- Strong brownfield/greenfield pipeline identified will drive $250 - $400m investment per annum
- Focus on day surgery growth within existing facilities and select greenfield sites
- Out-of-hospital focus on mental health

Pipeline of developments designed to increase capacity, modernise the network to deliver future models of care for patients whilst delivering strong returns for shareholders

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UK – Highlights and Outlook

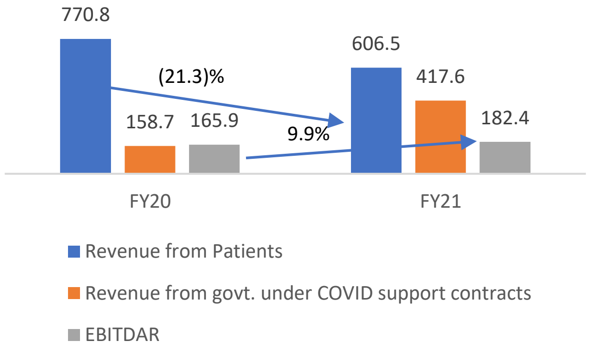
Result Overview

- Supported the NHS with facilities and services under net cost recovery arrangements
- The decline in net patient revenue reflects capacity restrictions in place during the period and the impact of extended stay at home orders
- Private admissions returned strongly post the lock down easing in April, and the increased weighting to these admissions during the 4QFY21 improved payor and complexity mix
- EBIT includes $8.7m of M&A and transaction costs

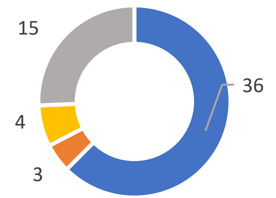
Outlook

- The operating environment will be dictated by the ongoing success of vaccines in reducing hospitalisations
- Some disruption to operating schedules in 1QFY22 due to snap isolation orders flowing from the Government's COVID tracing app causing surgery cancellations
- The business has reverted to a pre-COVID working relationship with the NHS and will continue to support the NHS priorities flowing from the impacts of the pandemic and working to assist with addressing the backlog in elective procedures and treatments and waiting list reduction
- The business will have the full year benefit of capacity in three new facilities completed in the last twelve months. It will continue to look for opportunities to expand the hospital foot-print with new greenfield sites
- Focus is also on the significant opportunity associated with the backlog of private patients in the UK to increase market share of the segment over time

Result for 12 months to 30th June ($'m)



Capital Expenditure ($'m)



Total capital expenditure $58m

Europe – Ramsay Santé Highlights and Outlook

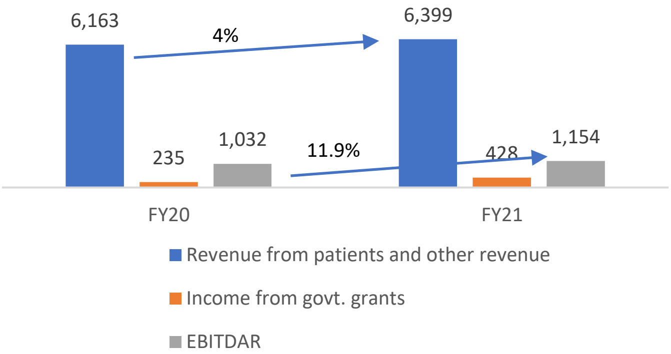
Result Overview

- Santé continued to assist Governments across the regions treating COVID patients. The result includes revenue and cost compensation for the use of Ramsay's facilities and services and for the mandated increase in salaries
- Admissions in France increased over the pcp however inpatient admissions were impacted by social distancing requirements and the reluctance of patients to enter the hospital setting due to COVID
- The Nordic region reported a good result reflecting the capitation reimbursement model in Sweden, the focus on primary care business and a less severe impact on activity from COVID
- EBITDAR was positively impacted by realised synergies from the Capio acquisition being well above initial estimates of €20m and includes net profit on disposal of assets of $12.3m

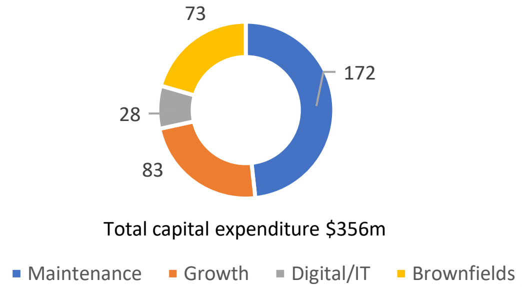
Outlook

- The French Government is expected to extend the revenue guarantee until 31st December 2021
- Vaccination rates will be critical to driving lower COVID hospitalisations
- France is focused on addressing the backlog in demand for surgical and non-surgical services. The ability to retain nursing staff will be critical given significant fatigue levels
- In the Nordic region COVID cases initially declined rapidly and activity levels returned to pre-COVID levels. The business remains focused on capturing additional volumes from the long wait lists for elective care
- The European business will be impacted by any further COVID lock-downs

Result for 12 months to 30th June ($'m)



Capital Expenditure ($'m)



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Asian Joint Venture – Ramsay Sime Darby (RSD)

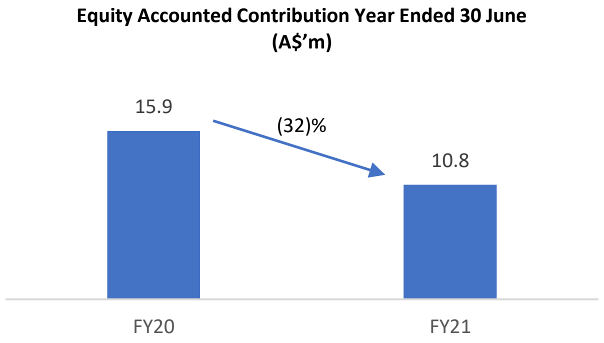
Result Overview

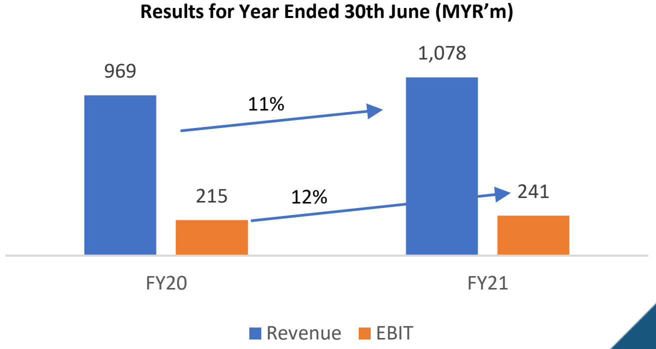
- The equity accounted contribution from RSD declined 32% on the pcp to $10.8m impacted by an impairment taken against the Hong Kong operation and a significantly higher tax rate due to a lower investment tax allowance
- Higher reported revenue reflects lower elective surgical admissions offset by higher diagnostic pathology services in Indonesia and Malaysia driven by an increase in COVID PCR testing and treatment of COVID patients in Indonesia
- In both Indonesia and Malaysia RSD has worked closely with the Government to relieve pressure on the public system
- During the 12-month period RSD acquired one hospital in Malaysia and entered into an agreement for the sale of the nursing college in Malaysia[1]

Outlook

- RSD will continue to offer assistance to the public sector in its regions. The joint venture expects to continue to participate in PCR testing supporting earnings in some areas
- A return to pre-pandemic elective surgery and medical admissions will be dictated by the ability of Malaysia and Indonesia to reduce the spread and the impact of COVID
- As COVID cases decline the business should benefit from a new hospital in Malaysia acquired in 2HFY21

1. Pending approval targeted to be obtained before the end of 2021





Group Financials

Group CFO Martyn Roberts

FY21 Group Performance

- "Revenue from governments under COVID-19 support contracts" reflects payments made under arrangements with state governments in Australia and the NHSE[1] in the UK to make Ramsay's facilities and services available to support public health systems during the year
- Income from government grants reflects the French Government's revenue guarantee payments combined with cost compensation from some governments in Europe for providing facilities and services to support the public health system during COVID
- The result includes a net $24.2m benefit from the disposal of assets (net $6.5m in pcp), impairment/write off charges of $34.6m ($37.5m in pcp) and transaction and development costs of $23.7m ($10.4m pcp) [2]
- The effective tax rate of 31% was below Ramsay's forecast of 33% due to a one-off tax credit of $12.8m associated with the impact of the change in the UK company tax rate during the year on deferred tax assets
- Currently expect the FY22 Group effective tax rate to be ~33%
- The increase in minority interests reflects the higher contribution from Ramsay Santé

Twelve months Ended 30 June $'m	2021	2020
Revenue from patients and other revenue	12,435.5	11,970.7
Revenue from governments under COVID 19 support contracts	428.7	189.6
Income from government grants	428.3	235.2
Interest income	7.1	12.7
Other income - net profit on disposal of non-current assets and sale of development assets	32.7	13.3
Total revenue and other income	**13,332.3**	**12,421.5**
Share of profit from Ramsay Sime Darby joint venture	10.8	15.9
EBITDAR	**2,208.3**	**1,974.0**
EBITDA	**2,053.5**	**1,808.2**
EBIT	**1,132.6**	**877.5**
Net Profit before tax	741.6	466.2
Net Profit after tax	**511.5**	**309.2**
Minority interests attributable to non-controlling interests	(62.5)	(25.2)
Net Profit after tax attributable to owners of the parent	**449.0**	**284.0**
Interim dividend per share (¢)	48.5	62.5
Final dividend per share (¢)	103.0	0.0
Basic Earnings per share (after CARES dividend)(¢)	193.2	130.5
Fully diluted earnings per share (after CARES dividend) (¢)	192.6	130.5

1 National Health Service England
2. Refer page the Operating and Financial Review for further detail

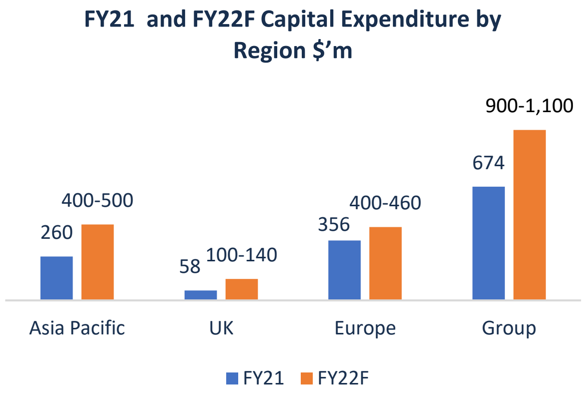
Cashflow

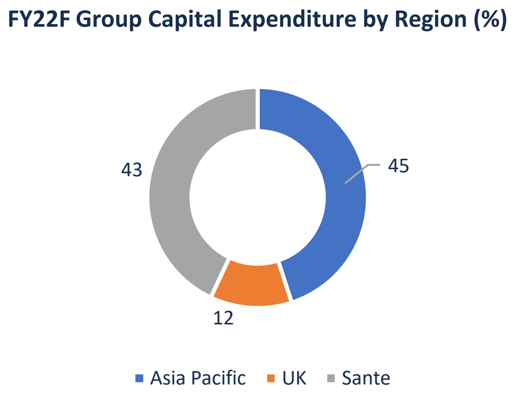
- The 2020 change in working capital reflected the impact of cash advances received from the French government in relation to the revenue guarantee scheme. So far the payments have not been settled to the extent anticipated, resulting in only a small change in working capital in 2021
- Financing costs benefitted from lower base rates and lower net debt levels following the $1.5bn capital raising launched in April 2020
- Net acquisitions reflects the funds placed in escrow at 30th June for the purposes of the proposed Spire transaction (A$1.96m). These amounts were returned and the debt repaid following the Spire shareholder vote in July[1]
- Dividends paid declined as the Board did not determine an FY20 final dividend

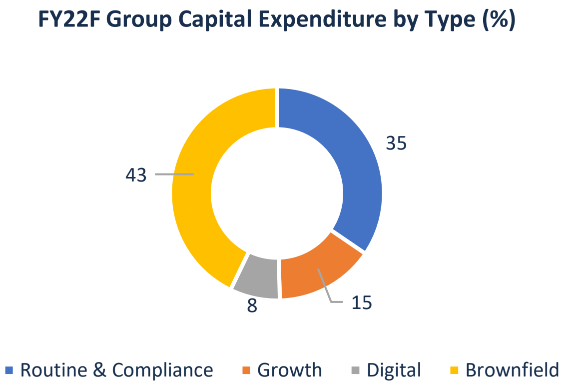
Twelve months ended 30 June A$'m	2021	2020	Chg (%)
EBITDA	2,053.5	1,808.2	13.6
Changes in working capital	(72.7)	435.0	(116.7)
Finance costs	(367.5)	(418.8)	12.2
Income tax paid	(228.2)	(203.4)	(12.2)
Movement in other items	96.1	59.7	61.0
Operating cash flow	**1,481.2**	**1,680.7**	(11.9)
Capital expenditure	(628.9)	(680.6)	7.6
Free cash flow	**852.3**	**1,000.1**	(14.8)
Net (acquisitions)/divestments	(1,910.2)	(22.7)	(8,315.0)
Interest & dividends received	34.9	47.3	(26.2)
Cash flow after investing activities	**(1,023.0)**	**1,024.7**	(199.8)
Dividends	(125.1)	(335.1)	62.7
Other financing cash flows	709.1	103.2	587.1
Net increase/(decrease) in cash	**(439.0)**	**792.8**	(155.4)
Interest cover (x) (EBITDA/finance charges)	5.6	4.3	n/a

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

Capital Expenditure







- Total Group capital expenditure in FY21 - $674m
- FY22 forecast Group capital expenditure range - $900-1,100m
- The increase in FY22 is primarily driven by the Australian brownfield pipeline combined with higher investment in digital foundations in the UK and an increase in growth capital expenditure in Europe and the UK
- Capital expenditure is expected to remain at elevated levels FY23-FY25 reflecting investment in growing, modernising and leveraging Ramsay's global network of facilities and investing in the foundations of the Group including its digital capabilities

Capital Employed and Balance Sheet

- The movement in "Other assets" and "Net debt" primarily relates to the funding drawn down and held in escrow for the Spire[4] transaction at 30th June 2021 ($1.96bn)
- The working capital movement relates primarily to the structure of the French Government guarantee payments. Expect the working capital build up to unwind as payments are settled with the French Government
- In June 2021 Ramsay refinanced the WOFG[5] debt facilities maturing in October 2022 with a $1.5bn sustainability linked loan (SLL) facility; three $500m tranches maturing in three, four and five years
- In April 2021, the Ramsay Santé refinanced its entire €1.65bn syndicated debt facility with a SSL. The refinancing was at a materially reduced margin with maturities in 2026 and 2027. Expected to deliver interest cost savings in the order of €10m in FY22

A$'m	30/06/2021	31/12/2020	30/06/2020
Working capital	(802.9)	(1,225.0)	(875.6)
Property plant & equip	4,488.6	4,466.6	4,447.2
Intangible assets	4,233.6	4,203.3	4,246.1
Current & deferred tax assets	150.7	211.6	143.6
Other assets/(liabilities)	1,654.3	(267.0)	(138.7)
Capital employed (before right of use assets)	**9,724.3**	**7,389.4**	**7,822.6**
Right of use assets	4,411.5	4,328.8	4,477.9
Capital employed	**14,135.8**	**11,718.2**	**12,300.5**
Capitalised Leases (AASB16)	**5,271.0**	**5,142.7**	**5,289.2**
Net Debt	4,314.0	2,149.4	2,775.4
Total shareholders funds (excl minority interest)	4,032.7	3,925.5	3,752.5
Invested Capital	**8,346.7**	**6,074.9**	**6,527.9**
Return on Capital Employed (ROCE) (%)	8.6	7.0	8.7
Return on invested capital (ROIC) (%)	5.4	4.1	4.4
Wholly Owned Funding Group Leverage (Old Lease Standard AASB 117) (x)	2.9	0.9	1.0
Consolidated Group Leverage (New Lease Standard AASB 16) (x)	4.7	3.4	4.4
FFO adjusted leverage (x)	2.3	-	4.5

1. Net Debt includes derivatives but excludes lease liabilities
2. ROIC calculated as: rolling 12 month NPAT/Shareholders funds plus net debt minus liabilities
3. FFO adjusted leverage – Ramsay calculation on a proforma basis assuming Spire transaction was not in process at 30 June 2021
4. Ramsay announced a scheme of arrangement with Spire Healthcare in the UK on 26th May 2021. Shareholders of Spire voted against the arrangement on 19th July 2021 refer relevant ASX announcements for further details
5. Wholly owned funding group (WOFG) excludes Ramsay Santé and Ramsay Sime Darby. Banking covenants calculated on this basis

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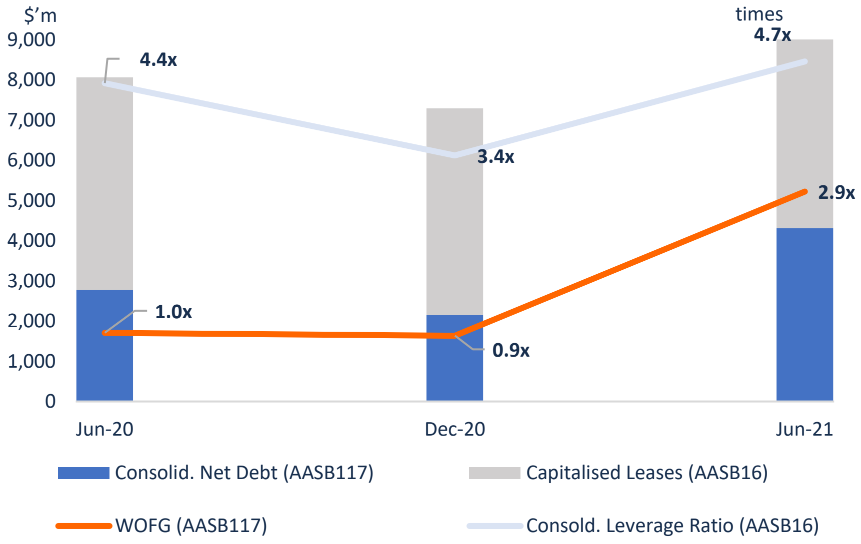
Leverage and Capital Management

- Ascribed investment grade rating of BBB (Stable) by Fitch in May 2021
- The funds drawn down and held in escrow for the Spire transaction ($1.96bn) were treated as current assets, impacting leverage metrics at 30th June. Proforma debt, leverage and return metrics (assuming the Spire transaction was not in process at 30th June) are in the table below
- Available WOFG un-drawn debt capacity and cash headroom at 30th June 2021 was $1.147bn (proforma basis $2.355bn)
- Ramsay's estimate of the Fitch FFO adjusted leverage on a proforma basis at 30th June 2021 is 2.0x[3]

Reported Leverage and Debt Metrics as at 30th June 2021



Proforma debt, returns and leverage metrics as at 30th June 2021[1]

	30/06/2021	30/06/2020
Net debt (excl. lease liability debt and incl. derivatives) A$'m	2,355.7	2,775.4
Return on Capital Employed (ROCE) (%)	9.3	8.7
Return on invested capital (ROIC) (%)	7.0	4.4
Wholly Owned Funding Group Leverage (Old Lease Standard AASB 117) (x)	0.7	1.0
Consolidated Group Leverage (New Lease Standard AASB 16) (x)	3.7	4.4

1. Assumes the Spire transaction was not in process at 30th June
2. ROIC calculated as: rolling 12 month NPAT/Shareholders funds plus net debt minus liabilities
3. Expect Fitch to look through the escrow deposit in calculating FFO adjusted leverage

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Strategy and Outlook

Managing Director and CEO Craig McNally

Group Strategy

Create the leading ecosystem for patient-centric, integrated care

Growth

By growing, modernising and leveraging our World Class Hospital Network

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

Strategic expansion
Through brownfield and greenfield developments expanding our footprint and creating hospitals of the future

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

Moving purposefully into New and Adjacent Services

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

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

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

Efficiency

Strengthening the core through strategic sourcing and operational optimisation

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

Strategic Sourcing
Further levering size and scale to offset rising costs through strategic supply chains

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

Sustainability

Ramsay cares

Investing in strong organisational foundations

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

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

Innovation
Invest in digital technology and research into new forms of cares

Global Talent
Attraction and retention of industry leading talent will drive cross pollination of ideas around patient care and clinical excellence

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Group Outlook

- The FY22 results will be impacted by the effectiveness of the world's ongoing response to the COVID pandemic including the success of global vaccinations programs in reducing the number and severity of COVID cases
- Ramsay's response to the imposts of the COVID environment continue to evolve and adapt; underlying volume and margins are improving however FY22 earnings will be impacted by further lock-downs and stay-at-home orders
- Ramsay will continue to look for opportunities to invest and modernise its facilities and footprint in all regions to leverage its scale. The Company will seek to move into new and adjacent services in all existing markets to create an integrated patient centric business platform
- A growing pipeline of brownfield projects and increased investment in new services and facilities across the regions is expected to deliver good top line growth and support margins and market share
- Ramsay's strong balance sheet and cashflow positions the business well to deliver on its long-term strategy and will remain disciplined in its approach to investment opportunities
- The business is well positioned for strong growth in admissions addressing the backlog in demand for healthcare services in both the public and private systems, in addition to benefiting from the underlying growth drivers that exist in the system

Questions

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FY21 Final Results - Presentation Speech

26th August 2021

Slide 1 Front Cover

Good morning everyone and thank you for joining us for our FY21 results presentation webcast. My name is Craig McNally, and I am the Managing Director & CEO of Ramsay Health Care, and I am joined by Martyn Roberts our Group Chief Financial Officer.

Slide 2 - Disclaimer for noting

Slide 3 Agenda

Today we will provide an overview of our Group performance for the twelve-month period, a breakdown of our performance by region, an update on our group financials and an overview of our strategy, before covering off on the outlook for the Group.

Slide 4 Key Themes

This time last year, despite Victoria being in lock-down, we were hoping that the worst effects of the pandemic were behind us, however as the year progressed and we moved into the northern hemisphere winter, with new variants of the virus emerging, it was clear that this was not to be the case. Our people and doctors have again been working in incredibly demanding environments to support the public health system and the community. Even as recently as this month 300 or so Ramsay employees have been assisting NSW Health with various activities across Greater Sydney and the regions. The efforts of our people and doctor partners have been well recognised and our working relationships with our key stakeholders have been strengthened as a result.

I would like to take this opportunity to thank our teams around the world for again living the values of the Ramsay Way and embodying Paul Ramsay's original vision of "people caring for people" always putting patients first, delivering the best of care to people often facing the worst of circumstances.

The results we have reported today reflect the disruption caused by the pandemic, however Ramsay's response has adapted over the last 18 months as we have worked through the issues thrown up by the challenging environment. We remain focused on further optimisation of business processes to mitigate the impact to margins of the pandemic.

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

Our balance sheet and cashflow remain strong and will support ongoing investment in the business. We have a significant pipeline of growth opportunities and we continue to explore strategic options to invest to build scale or move into new or adjacent healthcare services all the while remaining focused on maintaining our financial discipline as we look to improve returns across the business.

We remain well positioned to continue to benefit from the pent-up demand for both private and publicly funded healthcare services as restrictions on the operating environment ease. Improving vaccination rates in each of our regions and government funding to address case backlogs will remain key to our performance in FY22.

Slide 5 Group FY21 Financial Highlights

Turning to the result in more detail. The solid growth in earnings reflects the strong growth in surgical admissions across our regions when lock-down restrictions were not in place across the year. However, our results continued to be impacted by surgical operating restrictions and the flow on impact of social distancing and lock-downs on demand for non-surgical services.

Earnings include revenue and cost support from governments in Europe and the UK for the use of our facilities and services. The result also includes the impact of higher costs associated with operating in a COVID environment, although these did decline over the year, and margins reflect both the drop in non-surgical admissions and the higher proportion of lower acuity surgical services in the catch-up volume.

Our strong balance sheet has been maintained with leverage at the wholly owned funding group level on a proforma basis declining to 0.7 times driving lower financing costs over the year. The balance sheet places us in a strong position to deliver on our strategy to be a patient centric integrated healthcare provider.

We have developed an expanded pipeline of development opportunities across all our regions but most particularly in Australia, and this will drive growth over the medium term as we leverage the underlying strength in demand for healthcare services.

The Board has determined a fully franked final dividend of 103 cents per share taking the full year dividend to 151.5 cents per share, a material increase on the COVID impacted FY20 result and flat on the pre COVID FY19 full year dividend. The higher-than-normal payout ratio of 79% reflects the Board’s confidence in the strength of the business and in recognition of those shareholders who have supported the Company through the pandemic.

Slide 6 Australia Highlights and Outlook

Turning to the result from Australia. It was a tail of two halves with the first half benefitting from strong surgical volumes as the country emerged out of the first wave of COVID, offset to an extent by the extended lock-down in Victoria. In the second half of the year, we saw a good recovery in volumes in both surgical and non-surgical services in between the disruption of snap lock-downs across all states.

The EBIT impact of the Victorian lock-down in the first half was estimated to be $70m and the impact of multiple lock-downs in the second half of the fiscal year is estimated at $13m.

Margins were impacted by the costs of operating in a COVID environment including higher PPE and personnel costs. These costs came down materially in the second half of the year however given the likelihood of ongoing lock-downs in Australia, until we reach higher levels of vaccination, these costs are expected to remain around the $4-5m per month on average for the first half of FY22.

Moving onto the outlook for FY22. The impact of lock-downs on Ramsay depends on the state, the duration and whether there are elective surgical restrictions imposed on private hospitals. While lock-downs in recent months have not necessarily imposed surgical restrictions, they have driven cancellations and disruption to schedules, in particular where staff have been sent into isolation due to contact with COVID cases. This has created significant difficulties managing staffing levels. Consistent with the “Ramsay Way” culture of people caring for people, we have continued to elect to prioritise the welfare of our people and patients.

The EBIT impact of lock-downs in July is estimated at $13m inclusive of COVID related costs. However due to the introduction of surgical restrictions on 23rd August 2021 at seven of Ramsay's hospitals in Greater Sydney the EBIT impact in FY22 is forecast to be significantly more material and will depend on the duration of the restrictions. By way of reference, the EBIT impact of an approximately 90-day restriction on elective surgeries in Victoria in 2020 was estimated to be $70m. Our business in NSW is approximately twice the size of Victoria.

If vaccination rates rise to a level where lock-downs are not necessary, we expect to continue to experience good growth in admissions as the backlog of surgeries caused by the pandemic is gradually addressed and non-surgical admissions return as the environment normalises. We have a strong pipeline of maternity bookings across a number of states in the first half of FY22, whether this is a medium-term trend it is difficult to predict.

Carmel Monaghan has now been in the role as CEO of Australia for almost 12 months and has completed a restructure of her management team with all positions now filled. The new team is structured to ensure the focus on expanding and modernising our hospital footprint continues while allowing for greater attention to be placed on growing our out of hospital presence and moving into adjacent services. The business will also further develop its digital strategy to support both the hospital and out of hospital strategies.

Slide 7 Trends in Australian Hospital Admissions

Moving to look at trends in admissions in more detail. Given the impact of snap lock-downs in 2HFY21 and the first wave of the pandemic in the fourth quarter of FY20, comparisons with prior years are difficult however here we have shown both comparisons with FY20 and with the second half of FY19 for both surgical and non-surgical admissions per workday. We have excluded Mildura public hospital from the metrics given the operation of the facility was handed back to the Victorian Government in September 2020. You can see that when states are not in lock-down activity levels pick up, with non-surgical admissions in particular impacted by the lock-downs.

The chart in the bottom left highlights the effect of the pandemic on non-surgical admissions, in particular those impacted by social distancing being rehab and day psych services. Admission trends for inpatient psych, day rehab and maternity recovered strongly in the fourth quarter compared to FY19 and day medical also performed reasonably well versus FY19 for most of the year. However generally non-surgical admissions continue to be impacted by COVID outbreaks.

The bottom right chart shows revenue by state compared to FY20 and FY19. Revenue numbers are impacted by case mix and payor mix but it demonstrates that the absence of lock-downs in NSW for the most of the second half drove a stronger recovery in admissions.

Slide 8 Significant Pipeline of New Developments

Following a deep dive into the Group's long term strategic direction with the Board at the end of last year the Australian business has accelerated its pipeline of opportunities to ensure we are well placed to leverage our existing position in the market to the demographic changes in the next decade and position ourselves for the evolution in the delivery of healthcare services.

Australia's investment pipeline is focused on:

- Firstly, fast-tracking brownfield developments, including the development of day surgery capacity, the development of select greenfield sites in strategic growth corridors and acquisitions and joint ventures in adjacent services that support our existing campuses;

- Secondly, building out our mental health offering as well as expanding into new adjacencies that support the broader patient journey and strengthens the integrated care model; and lastly

- Continuing to focus on cancer care, building on our position as one of the largest deliverers of cancer care services in Australia. We have significantly expanded our cancer care services over the last 5 years with the development of integrated cancer centres across our network. We have 14 clinical trial sites and have introduced cancer care navigators across our network. The demographics support ongoing investment in this area including new ways to deliver care

Having increased our investment in the development pipeline it is expected to continue to be at elevated levels over the next few years. Returns from this investment over the medium term are expected to be in line with what Ramsay has achieved previously.

In addition to our development pipeline, the Western Australian and Federal governments have committed to a $256.7m expansion of the Joondalup public hospital expected to be fully completed in mid-2025. The expansion includes 90 inpatient beds, six new critical care beds, 30 new mental health beds, 12 additional emergency department patient bays, an additional operating theatre, and a Behavioural Assessment Urgent Care Clinic. We are looking at augmenting the development of the public hospital with an expansion of our co-located private hospital on the Joondalup campus.

Slide 9 - UK Highlights and Outlook

Moving to the UK result. Revenue was impacted heavily by capacity restrictions and peak COVID surge arrangements with the NHS that saw capacity at 14 of our hospitals utilised by the NHS in January and February this year.

As stay at home restrictions were eased in the fourth quarter both private health insurance and self-funded admissions came back strongly. Unfortunately, July and August have been impacted by snap 10-day isolation orders notified by the UK Governments COVID tracing app. This has resulted in employees, doctors and patients being forced to isolate at short notice driving the cancellation of surgeries. We are confident that as the rules stipulating isolation upon receipt of an app notification are rolled back the recovery in admissions will continue.

In April we moved back to operating under normal arrangements with the NHS, however public sector volume has recovered more slowly than the private sector.

The business continued to invest in building out its footprint with two new facilities opened in the 12-month period and another new facility opening recently. The business has also increased its investment in capabilities and in clinical excellence as it seeks to attract a higher share of private sector patients and doctors.

The result includes $8.7m of transactions costs associated with the proposed Spire Healthcare plc (Spire) scheme of arrangement which was disappointingly voted down by some Spire shareholders in July.

We will continue to look for both organic growth options and acquisitions to leverage our existing footprint and strong clinical and government relationships.

We are working closely with the Government and the NHS to assist in establishing a framework to address the backlog in elective surgeries over the next few years.

Slide 10 Europe Ramsay Santé Highlights and Outlook

Moving to our European business, Ramsay Santé continued to assist governments across its regions, in particular in France, to treat COVID patients. The business continued to operate under revenue guarantee arrangements with the French Government and was also provided with financial compensation in relation to the costs associated with operating in a COVID environment. Across the Nordic regions we were also provided with financial payments in return for our services.

The Nordics strong result reflects the different nature of services provided being more focused on primary care and the capitation model of payment in Sweden, combined with the lesser impact of COVID in some parts of the region.

During the 12-month period the business continued to focus on its portfolio of facilities and disposed of a number of assets as well as investing in its existing footprint.

In France, as lock-downs have gradually eased, admissions have started to improve as doctors have been looking to address backlogs, however staffing remains a significant issue as fatigued nurses and other clinical employees take extended leave following the stressful experiences at the peak of the COVID cases earlier this year.

In France, after a slow start, vaccination rates are starting to climb. After falling significantly, COVID cases in July and August have started to rise again, vaccination rates will be the key to keeping down COVID hospitalisations as we move back into the northern hemisphere winter.

Most of the countries in our Nordic region business managed to reduce COVID case numbers and increase vaccination rates. We will continue to look for bolt on acquisitions in in the region to grow the footprint.

Slide 11 Asian Joint Venture

Moving to our Asian joint venture. Our hospitals in Indonesia and Malaysia have had an extremely difficult time in the last few months, in particular in Indonesia, as case numbers have spiralled out of control and our hospitals have been over-whelmed by COVID patients.

The lower elective surgery volumes have been offset by higher diagnostic pathology services in both Malaysia and Indonesia as they conduct PCR testing for both private and public patients.

The equity accounted contribution was impacted by an impairment taken against the Hong Kong business and a significantly higher tax rate due to a lower investment tax allowance.

The outlook for the region in the short term will be dictated by vaccination rates which at the moment are low. Both the Malaysian and Indonesian business will continue to assist the Government with capacity and PCR testing services. Note that we did acquire a new hospital during the year in Malaysia.

I will now hand over to Martyn to take us through the financials.

Slide 12 - Group Financials

Slide 13 FY21 Group Performance

Thanks Craig and good morning everyone. Can I also extend my sincere thanks to our team around the world who have worked in extremely difficult circumstances to deliver this result today.

As Craig has highlighted the operating environment over the last eighteen months, including the government agreements we operated under during the period, has made interpreting our result extremely challenging and true comparisons with prior periods are difficult.

The payments made by governments in the UK and Europe for access to our facilities and services to support the public health system has assisted in offsetting the impact of capacity restrictions and higher costs associated with operating safely in a COVID environment. We expect at this stage the revenue guarantee support in France will continue through to 31st December this year.

The EBIT contribution includes a $24.2m benefit from the disposal of assets in Australia and Europe, including the German portfolio of hospitals in the first half of the year. The contribution from the sale of the German assets of $26m reported in the first half result has been offset in the second half by provisions for warranties and indemnities of $24m in total.

The result also includes impairment and asset write downs of $34.6m, transaction and development costs of $23.7m and a one-off tax credit of $12.8m associated with the impact of the change in the UK company tax rate, enacted this year, on the value of deferred tax assets.

Slide 14 Cashflow

Moving to cashflow. The 2020 change in working capital reflected the impact of cash advances received from the French government in relation to the revenue guarantee scheme. So far, the payments have not been settled to the extent anticipated, resulting in only a small change in working capital in 2021.

Financing costs benefitted from lower base rates and lower net debt levels following the $1.5bn capital raising last year.

Investing cashflow movements reflect the $1.96bn in funds drawn down and held in escrow at 30 June in relation to the proposed acquisition of Spire in the UK. Funds were repaid following some Spire shareholders voting against the transaction in July.

Slide 15 Capital Expenditure

As Craig has indicated, capital expenditure in FY22 will be significantly above the $674m spent in FY21 across the regions. The majority of the increase is being driven by the Australian development pipeline along with higher investment in digital and growth strategies in the UK and Europe. We will continue to apply a disciplined return lens to this investment.

Slide 16 Capital Employed and Balance Sheet

Moving on to our balance sheet, as I mentioned, at 30th June we were in the middle of the proposed scheme of arrangement with Spire with funds for the transaction drawn down and held in escrow, these funds were not able to be treated as liquid assets at year end.

In June 2021 Ramsay announced the refinancing of the wholly owned funding group bank debt due in October 2022 with a $1.5 billion multi-currency syndicated sustainability linked loan facility. The new facility comprises three $500m tranches maturing in three, four and five years respectively.

In April 2021, Ramsay Santé refinanced its entire €1.7bn syndicated debt facility which was due in October 2022 and October 2024. The new facility comprises two tranches, €900m which matures in April 2026 and €750m in April 2027. The refinancing was done at materially improved margins and is expected to drive interest cost savings in the order of €10m euros in FY22.

Slide 17 Leverage and Capital Management

Moving onto Slide 17 and we have provided leverage, net debt and return metrics on a proforma basis assuming that the Spire transaction was not in process at 30th June. On that basis under our wholly owned funding group our undrawn debt capacity and cash headroom was $2.4bn and leverage was below 1 times.

During the year we were ascribed an investment grade rating of BBB (Stable) by Fitch.

I will now hand you back to Craig to talk about strategy and the outlook

Slide 18 - Strategy and Outlook

Slide 19 - Group Strategy

Thanks Martyn.

As I mentioned earlier, while the last eighteen months has presented many challenges it has also been one of the catalysts to do a deeper dive into our strategic direction looking at where Ramsay wants to be in 2030 and therefore what we need to do now to get there.

Our overarching vision is to leverage our global platform to be a patient centric integrated healthcare provider of the future. The strategy balances the needs of all our stakeholders taking into account the rapidly changing environment and the pressures that this places on global healthcare systems. We are focused on delivering shareholder value and improving returns by:

- Growing, modernising, and leveraging our world-class hospital network through both organic growth opportunities and strategic acquisitions where the financial metrics make sense for the business longer term;

- Continuing to move into new and adjacent services that enhance the existing business and create a more integrated experience for the patient. Once again this could potentially be through acquisitions but also leveraging the current business platform;

- We will continue to focus on operational excellence using our scale and global network; and

- Continuing to strengthen the organisational foundations of the business, including increased investment in our digital capabilities, creating a more sustainable business platform that can respond to the changing healthcare environment.

Turning to the outlook for the Group

Slide 20 Group Outlook

Our FY22 results will be impacted by the ongoing global response to the COVID pandemic, including the effectiveness of global vaccination programs in reducing the number and severity of COVID cases.

As I have said lock-downs and the general disruption caused by the COVID environment will continue to have an impact on FY22 earnings. However, as regions emerge from lock-downs, we are well positioned for growth addressing the backlog in demand for healthcare services in both the public and private systems in all our regions and benefitting from the underlying growth drivers in the system.

Our strong balance sheet and cashflows, position us well to deliver on our long-term strategy and we will continue to remain discipled in our approach to investment.

I would like to close by once again thanking our team, not just for the vital work they have been carrying out over the last 18 months, but for their ongoing support of both the private and public health systems and the community more broadly in the regions in which we operate, continuing to embody the Ramsay Way of “people caring for people”.

We will now move to questions.

For Further Information Contact:

Kelly Hibbins
Group Head of Investor Relations
Ramsay Health Care
+61 414 609 192
HibbinsK@ramsayhealth.com