



People caring for people

ASX ANNOUNCEMENT

6 March 2017

INVESTOR PRESENTATION – UNITED KINGDOM

Attached is a copy of the Investor Presentation on Ramsay Health Care UK that was presented in London, United Kingdom on Friday 3 March 2017.

Yours sincerely

A handwritten signature in black ink, appearing to read "J. O'Grady".

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Ramsay Health Care UK

Investor Day Update

3 March 2017

Session Outline

1. RHC UK Overview
2. Operational Highlights
3. Quality Focus
4. Operating Environment
5. Growth Strategy
6. Outlook

RHC UK Overview

Ramsay Health Care UK

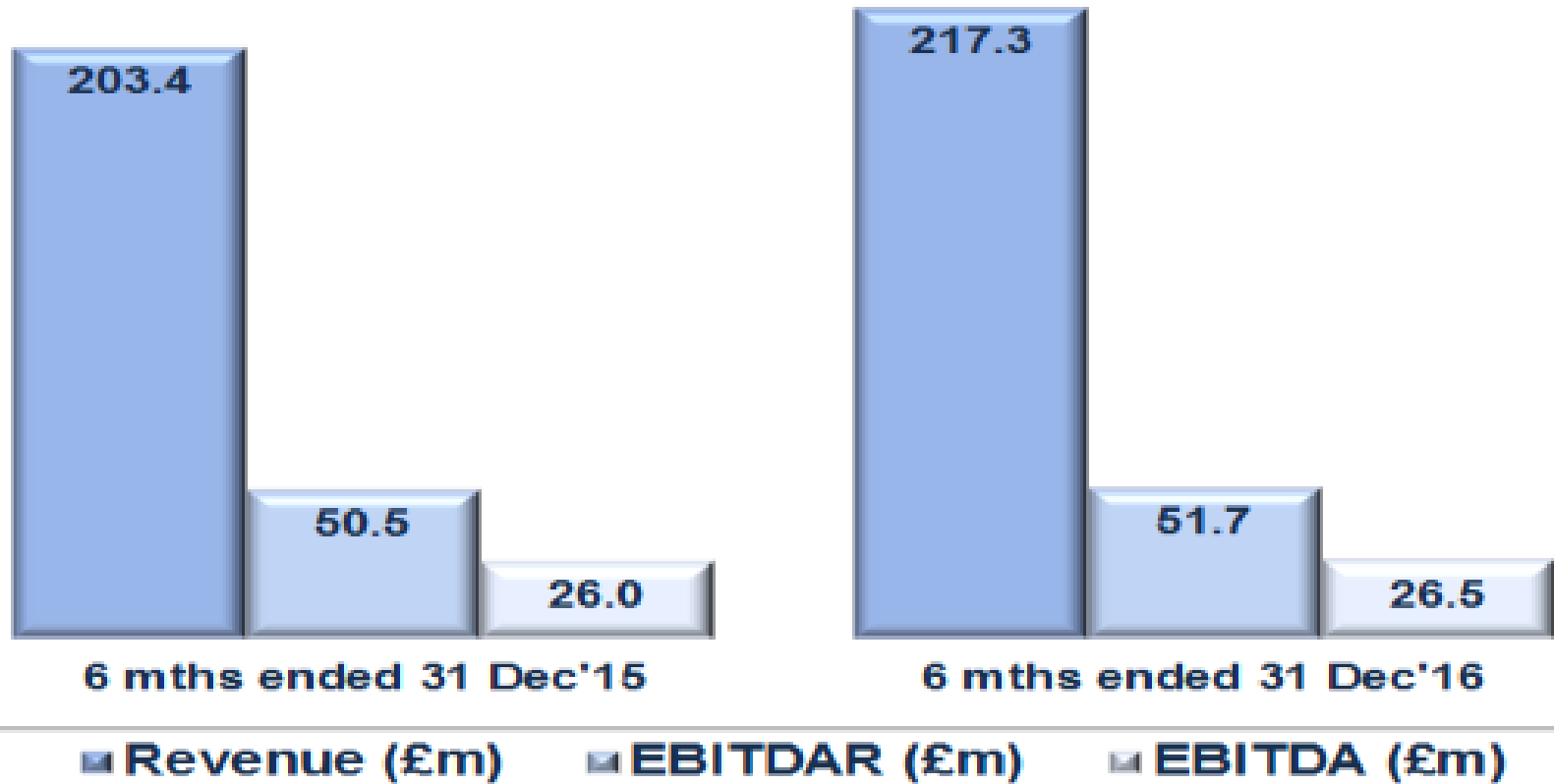
- RHC acquired Capio in November 2007
- 36 sites
 - 25 x Inpatient Facilities
 - 6 x Day Surgeries
 - 3 x Neuro Rehabilitation Units
 - 1 x Private Patient Unit
 - 1 x Retirement Village
- Low to medium acuity
- Almost entirely elective surgical activity
- 78% of admissions are NHS
- Vast majority of activity is day case



People caring for people

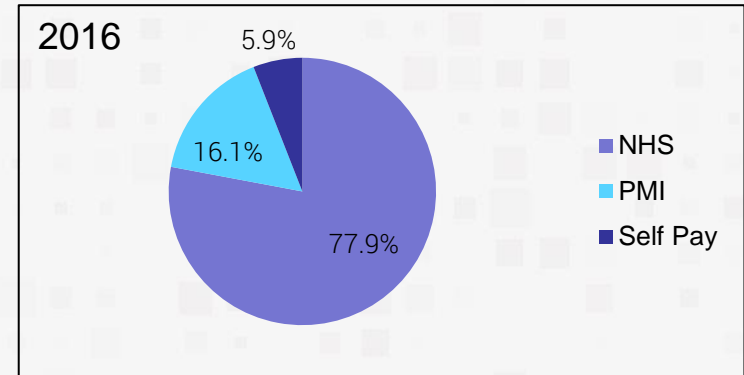
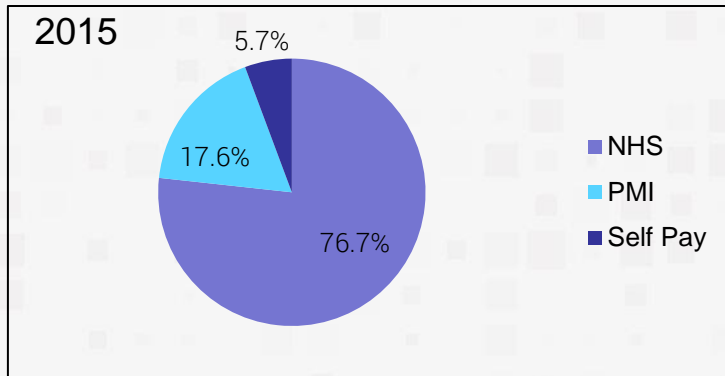
Operational Highlights

Financial Performance

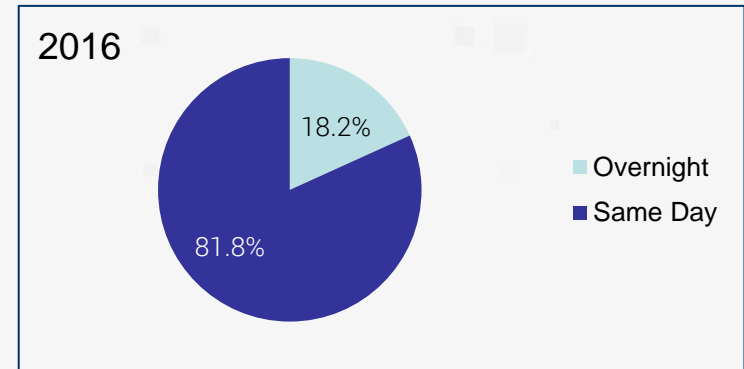
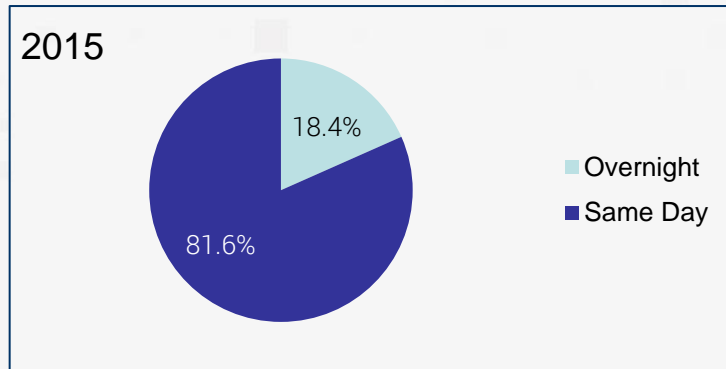


Activity Mix

Funding Stream



Day case %



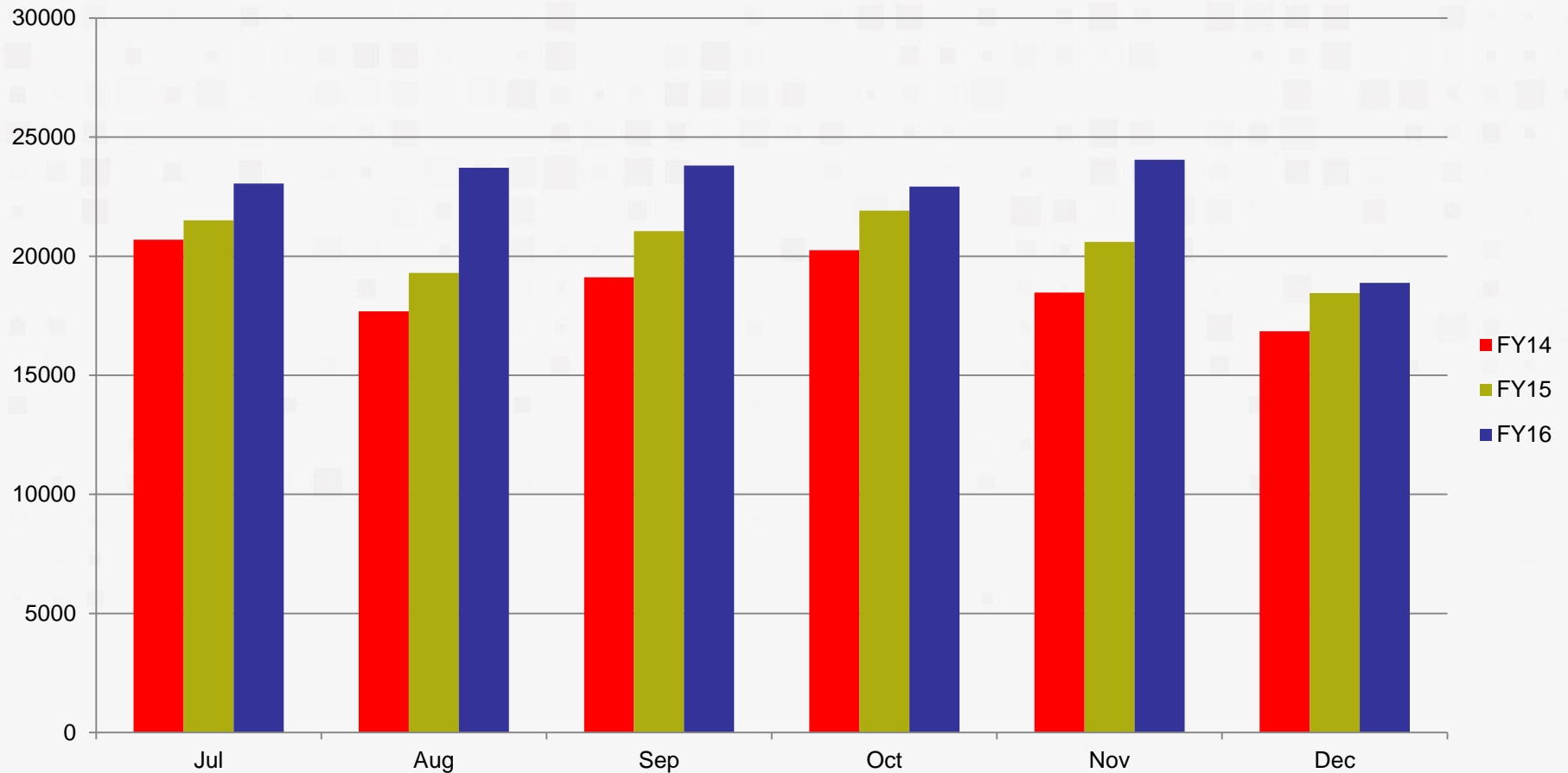
Period: Jul-Dec

NHS Referrals Growth

First half growth

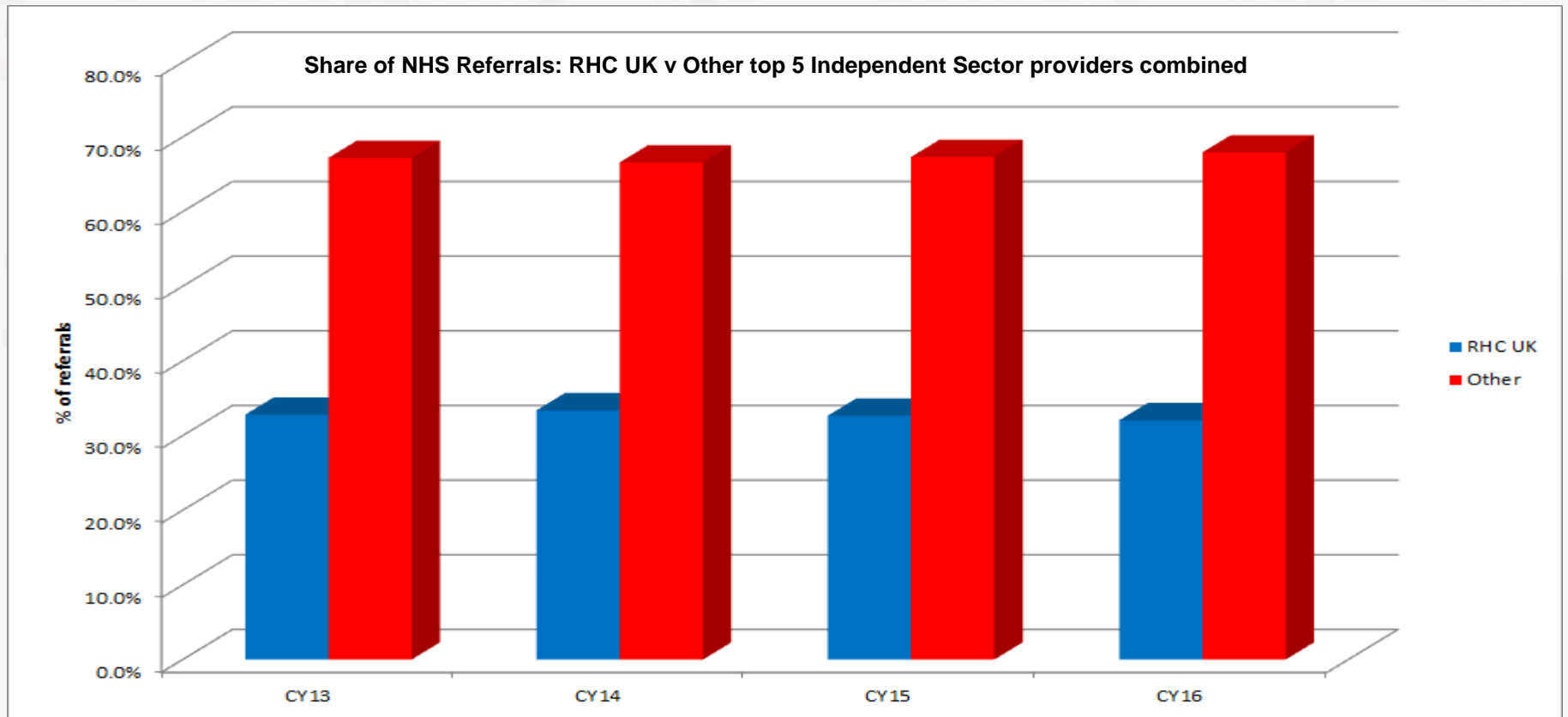
H1 FY15 – FY16: 8.6%

H1 FY16 - FY17: 11.1%



NHS Referrals Market Share

- ✓ RHC UK is still the largest Independent Sector provider of acute NHS services.
- ✓ Market share maintained in a growing market despite increased focus by competitors.



Brownfield Developments

Recently Completed

- Oaklands
 - Additional operating theatre, day case unit and minor procedures room
- Rowley Hall
 - Day case unit extension
- Mount Stuart
 - Additional operating theatre, day case unit and minor procedures room
- New Hall
 - Additional operating theatre and day case unit
- Springfield
 - Chemotherapy Unit and Radiotherapy Centre

Total spend = £16M

Quality Focus

Clinical Governance

Internal

- Bolstered clinical governance team
 - *Resource level and breadth of knowledge*
- Enhanced centralisation of policy functions
- Roll out of several key initiatives:
 - *National Safety Standards for Invasive Procedures (NatSSips)*
 - *Anti-microbial Stewardship*
 - *Updated 'evidence based' care pathways*
 - *Internal provider assessment reviews (mock CQC reviews)*
 - *Risk Management programme including health surveillance and sharps management*
 - *Updated Risk Register*
 - *Lessons learned programme*
- ICHOM – Cataract Data Set
- PROMS - Patient Reported Outcome Measures:
 - *Hips, Knees, Groin Hernia, Varicose Veins, Cataracts*

External

- JAG accreditation for 23 units (2 outstanding)
 - *Leading the Independent Sector in JAG Accreditation*
- All sites now inspected by CQC.
- PHIN participation – high compliance level.

Care Quality Commission (CQC)

34 RHC UK sites registered

- 31 hospital facilities
- 3 neurological rehabilitation units
- All RHC UK sites now inspected

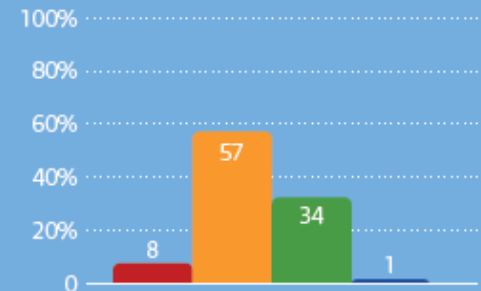
Inspection Regime

- Inspection teams of 12 to 16 inspectors for 2 to 3 days
- Inspected against 5 domains across up to 7 service streams
- Each domain receives a rating
- Each facility gets an overall rating

14 sites have had ratings published

- 9 RHC UK sites (64%) have received a rating of 'Good'
 - *Comparator: 34% NHS Trusts and 64% of Independent Sector organisations*
- 5 RHC UK (36%) sites have a rating of 'Requires Improvement'
 - *Comparator: 57% of NHS Trusts and 36% of Independent Sector organisations*

Figure 2.11 Acute hospitals overall ratings



Source: CQC ratings data

● Inadequate ● Requires improvement ● Good ● Outstanding

Source: "CQC State of Care 2015/16"

Outcomes & Patient Satisfaction



Patient Satisfaction

94.6%

of patients were
'satisfied overall'
with their most
recent visit

94.9%

of patients would
be 'extremely
likely' or 'likely' to
recommend

97.3%

of patients
expressed
satisfaction with
the doctors

95.0%

of patients
expressed
satisfaction with
the nurses

98.4%

of patients
expressed
satisfaction with
the cleanliness

3

of the top 5
hospitals nationally
in NHS 'friends and
family test' were
Ramsay Hospitals



Patient Reported Outcome Measures (PROMS)

4

of the top 25 hospitals
nationally for health gain
on the Oxford PROM for
hip replacement were
Ramsay hospitals

#1

a Ramsay hospital
achieved the highest
score nationally on the
EQ-5D PROM for hip
replacement

6

of the top 50 hospitals
nationally for health gain
on PROMS for groin
hernia were Ramsay
hospitals
(incl. 3 in top 15)

ICHOM

Patient reported
outcomes following
treatment for Cataracts

Operating Environment

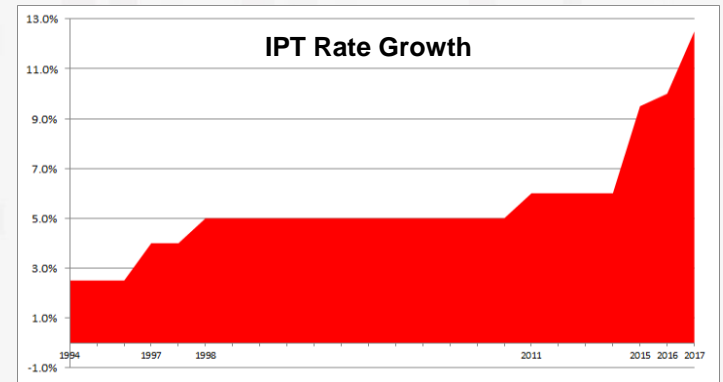
PMI & Self Pay

Private Medical Insurance

- Total coverage 10.6%
- Consolidation of the market
 - Direct and indirect
- Insurance Premium Tax
 - Further increase from June 17

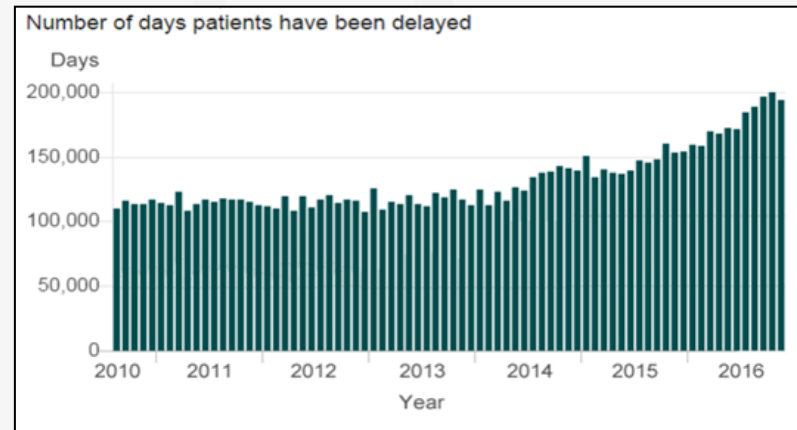
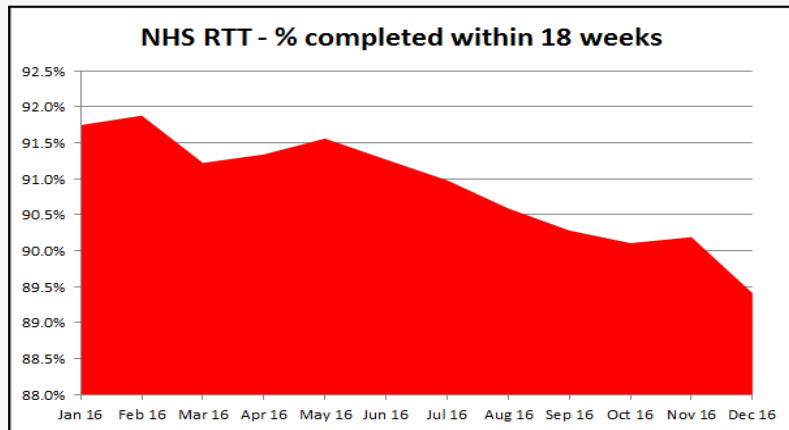
Self Pay

- Solid growth in volumes
 - NHS wait times
 - NHS service restrictions



NHS Acute Care Performance

- Projected Trust overspend 16/17: c £970M
 - 135 of 238 Trusts in deficit
- 14 Trusts in Special Measures
 - Possibly 10-15 more to come
- Declining Referral to Treatment Time (RTT) performance
- Increasing bed blockages



NHS Environment

Structure – Sustainability Transformation Plans (STPs)

- Place based plans across 44 'footprints'
- Funding ask of £10B
- Proposed service closures and consolidation
 - *Predominantly A&E and Maternity but also some bed closures, if not entire facilities*

Public Health and Community Care

- Significant demand and funding issues.

Politics

- NHS is still very much an extremely political issue
- Government not intervening
 - *BREXIT*
 - *Government leaving it to NHSE*

Growth Strategy

Growth Strategy

Sustainable growth enhanced by focusing on hospitals and taking a prudent approach to acquisitions

Organic

Brownfield Capacity
Expansion

Public/Private
Collaborations

Acquisitions

- Demographics
- Quality portfolio of hospitals spread throughout the country
- Ongoing business improvement
- Enhanced referrer engagement

- Unmet & growing demand driving Ramsay's ongoing investment in capacity expansion

- Potential for more partnerships to develop/manage/provide NHS hospital services

- Constantly exploring further acquisition opportunities
- System pressures may create opportunities
- Must add long-term value

Business Development

- **GPL Strategy**
 - Structured approach delivered with a local flavour
 - Winter pressures campaign
- **NHS Engagement**
 - NHS Regional Offices seeking to intervene/assist with NHS capacity issues
 - Seeking out willing Trusts to partner with
- **Brownfields**
 - Developments underway (c £19.8M)
 - 5 Sites
 - 4 x Operating Theatres
 - 3 x Outpatient Department Expansions
 - 1 x Ambulatory Unit
 - 1 x Static MRI
 - Developments being worked up
 - 6 Sites proposing Operating Theatre capacity expansion
- **Greenfields (c £13.3M)**
 - Acklam Hall
 - Croydon Day Surgery
- **Acquisitions**
 - Constantly looking and evaluating

Outlook

Outlook

1. Workforce
2. Demand Management Efforts
3. Regulatory Regime
4. Systemic NHS Reorganisation
5. Tariff
6. Brexit

Outlook

✓ Ageing population

2015 to 2020:

- ✓ expected total population growth 3%
- ✓ > 65 years: increase by 12% (1.1 million)
- ✓ > 85 years: increase by 8% (300K)

✓ NHS wait times will not be allowed to slip dramatically

✓ Lack of NHS capital for capacity expansion

✓ Ramsay can invest in capacity expansion

✓ We will continue to seek out new opportunities

Questions