

Ramsay Health Care Limited

Annual General Meeting

Craig McNally, Managing Director & CEO

14 November 2019



Agenda

01

Group Performance Overview

02

Our Operating Environments

03

Growth Strategy Update

04

Group Initiatives

05

Outlook

RAMSAY'S OPERATIONS IN FY'19

77,000

Employees

c500

Locations

8,500,000

Patient visits/admissions

11

Countries

Global Health Operator

- ✓ Economies of scale
- ✓ Best practice
- ✓ Cost leadership
- ✓ Speed to market
- ✓ Innovation

Market Leading Positions

- #1 Australia 
- #1 France 
- #1 Scandinavia 

Differentiated Business



Scale



Diversified portfolio



Industry leading quality



Deep and experienced leadership

Our Diverse Mix of Facilities & Services



Acute care

General
Hospitals &
Specialist
Clinics



Emergency

Emergency
Centres



Rehabilitation

Inpatient &
Outpatient
Rehabilitation
facilities

Neuro-
rehabilitation



Mental Health

Inpatient &
Day Patient
facilities



Pharmacies

In-hospital
pharmacies

Retail
pharmacies



Primary & Ambulatory Care

General
practice &
Allied Health
Centres

FY2019 Highlights

REVENUE

\$11.4 billion*



Up 24.4% on previous year

EBITDA

\$1.6 billion



Group earnings before interest, tax, depreciation & amortisation **up** 14.1% on previous year

CORE NPAT

\$590.9 million



Core net profit after tax up 2.0% on previous year. Excluding Capio acquisition, Core NPAT **up** 2.5% to \$593.9 million. Statutory reported net profit after tax of \$545.5 million, **up** 40.5%

CORE EPS

285.8 cents



Core earnings per share up 2.1% on previous year. Excluding Capio acquisition, Core EPS **up** 2.7% to 287.3 cents

FULL YEAR DIVIDEND, FULLY FRANKED

151.5 cents

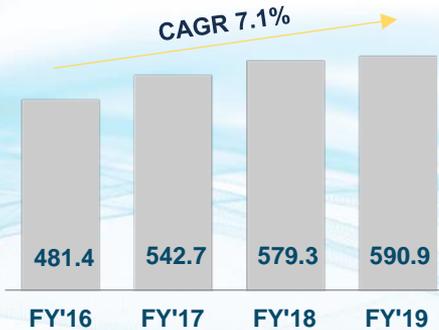


Full year dividend (fully franked) **up** 5.2% on previous year

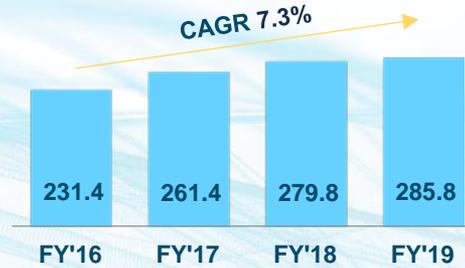
* Revenue stated on a like-for-like basis with prior year excluding AASB15 uplift adjustment of £75.9 million/\$137.6 million
All numbers are in Australian dollars unless otherwise stated

Consistent history of earnings growth...

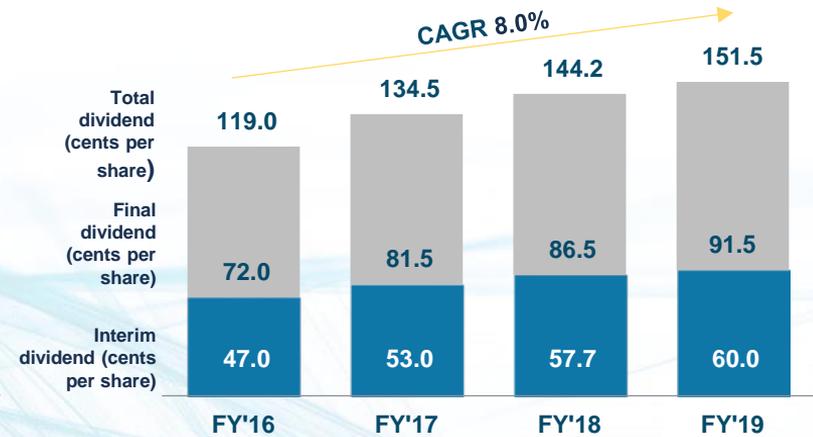
Core Net Profit after Tax (NPAT)
(A\$m)



Core Earnings per Share (EPS)
(Cents per share)



Total Dividend CAGR = 8.0%





Our Operating Environments

Australia

Australian operations delivered solid earnings growth. Ramsay Australia maintains a market leadership position with high quality, strategically located hospitals and our ongoing investment strategy

- Private admissions growth above industry growth rate
- Strong growth in certain specialty areas like cardiology, cancer and mental health
- Instability during the period driven by Federal election and new healthcare reforms
- Focused on operating model, process improvement strategies and standardization, digitalizing our hospitals and building our care coordination capabilities
- Positive long term fundamentals
- Public ED & waiting list pressures will drive more private demand
- Strong pipeline of brownfield opportunities



Continental Europe

Acquisition of Capio completed during the period. We are in the advanced stages of integration

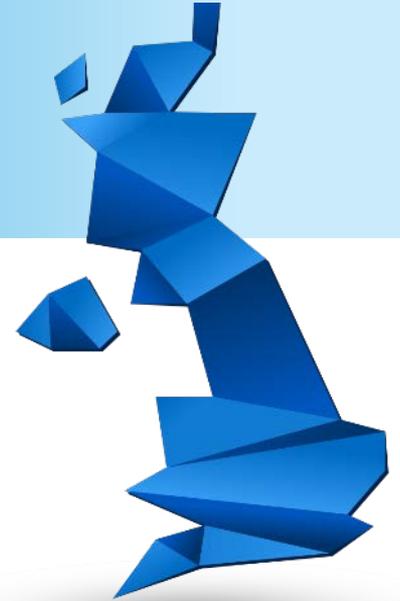
- Tariff increase in France took effect from 1 March 2019
- Overall admissions growth across all areas
- Advanced stages of integration of Capio
- Identified synergies will be realized
- In process of harmonizing operations in France and divesting non-strategic assets
- Capio is expected to be Core EPS accretive in the next two years



United Kingdom

Return to NHS volume growth in the second half of FY'19. Tariff increase effective April 2019

- Performance strengthened after poor start to the year
- Strong revenue, EBITDAR and EBIT growth in 2H
- Return to volume growth for NHS patients
- Tariff increase effective 1 April 2019
- Ramsay UK remains market leader in GP referrals
- Expect strong volume growth to continue into FY'20
- Focused on recruitment and reducing utilisation of agency staff



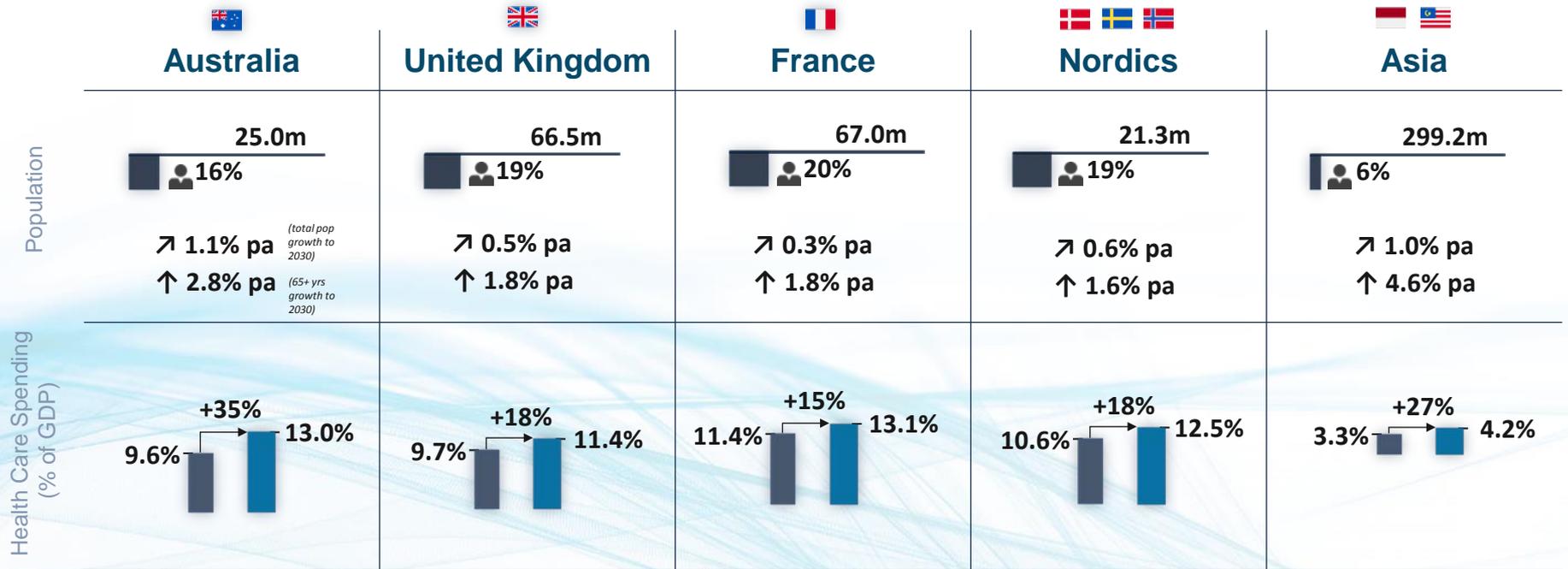
Strong operating performance for the year

- Strong operating performance in both Malaysia & Indonesia
- 10% growth in admissions
- New developments targeting universal healthcare patients (BPJS) opened at two of our Indonesian facilities
- Ramsay Sime Darby opened a day surgery in Hong Kong
- Brownfield pipeline
- Exploring acquisitions, partnerships and bolt-on opportunities

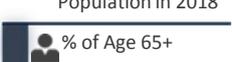


Growth Strategy

Our Global Market Fundamentals



Legend

Population in 2018  ↗ Growth fcst to 2030
 Total Population vs Age 65+
 % of Age 65+

2016  2030
 Health care spending as a percentage of GDP

- The over 65 yrs population will rise at more than double the rate the overall population
- OECD average health spending is projected to increase 2.7% pa to 2030
- Global health care spending is expected to increase at 5.4% pa in the next 5 years, a considerable rise from 2.9% over the last 5 years

Delivering on our Strategy

Continuing to create shareholder value through our focused strategy

Growth 		Efficiency 	Sustainability 
Driving stronger growth from the core	Developing new growth platforms	Strengthening the core	Building a more sustainable organisation
Organic Growth 	Acquisitions 	Operational Excellence 	Patient & Doctor Experience 
Brownfield Capacity 	Integrated Care 	Digitalisation 	Clinical Excellence 
Public/Private Collaboration 	New Models of Care 	Global Procurement 	Innovation 
			Global Talent 

...while behaving in accordance with the Ramsay Way 'People caring for People'

Consistent Investment in Brownfields*

Completed in FY'19

- \$242m
- 333 gross beds (216 net)
- 15 theatres
- 30 consulting suites

Completing in FY'20

- \$170m
- 254 gross beds (97 net)
- 3 theatres
- 85 consulting suites

Approved Pipeline

- \$244m
- 306 gross beds (196 net)
- 10 theatres
- 51 consulting suites



Committed to ensuring capacity and access



c\$2B invested over last decade

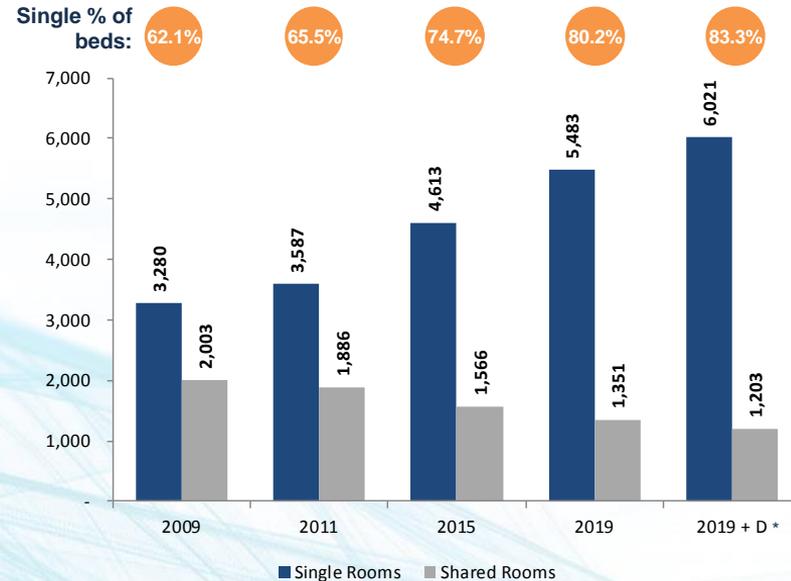


...and Upgrading our Facilities*

83.3%
of all our ward
accommodation
is private

*(includes developments
already approved and
underway)*

Ward Accommodation: Single vs. Shared Beds



* Excludes Joondalup, Mildura, BCC, Peel and Noosa, and includes the impact of developments already approved and underway.

* Relates to Australian hospitals only

FY'19 Major Completed Brownfield Projects

Major Completed Projects - Australia

St Andrews

- New ED, net 81 beds, 2 operating theatres

Warners Bay

- Net 31 beds, MHU, single room strategy

Greenslopes Private Hospital

- New consulting suite complex
- Day Surgery including 2 operating theatres

Westmead

- Maternity and Surgical Expansion (net 30 beds), incl. SCN, Birthing Suites and single room conversion

Albert Road

- Mental Health redevelopment (net 48 beds)

Hollywood

- 4 operating theatres

Wollongong

- Separate Day Surgery – 2 operating theatres and 1 cath lab



St Andrew's Private Hospital Ipswich, Queensland



Albert Road Clinic, Victoria



Westmead Private Hospital, New South Wales



Greenslopes Private Hospital, Queensland

Major Brownfields Forecast for Completion in FY'20



Peninsula Private Hospital, Victoria



St George Private Hospital, New South Wales



North West Private Hospital, Queensland

Group Initiatives

Learning & Improving at Scale

Achieve quality leadership

- ✓ Benchmarking
- ✓ Sharing best practice
- ✓ Investment in research



Improve value proposition for our patients

- ✓ Convenient
- ✓ Safe
- ✓ Coordination across the continuum
- ✓ Cost effective



Leverage our patient base

- ✓ New and innovative healthcare systems & technology – AI, digital, clinical trials, research



Talent Development

- ✓ Identification of talent
- ✓ Training & Development
- ✓ Expand career horizons for our staff



Delivering excellent care to our patients

Speaking Up for Patient Safety Programme

Rollout of Speaking Up for Patient Safety Program based on Vanderbilt University Program is underway in Australia, UK and Asia



Ramsay Hospitals Feature in Top 50 best hospitals in France

14 Ramsay Santé hospitals were named in Le Point's 2019 Top 50 best hospitals - out of 1400 hospitals and clinics across France

Net Promoter Score Launched

Global rollout of Net Promoter Score commenced:

- Ramsay Australia achieves **73** in first year; 75,000 patients responded
- Ramsay UK achieved **79** in first quarter (FY'20) of survey rollout



Research & Innovation

Research and innovation hubs in Sweden, France and Australia are driving a culture of medical research and innovation across the business



Developing our People – Global Leadership Academy



Executive Leadership *The Ramsay Way*



- ✓ Academy launched in 2019
- ✓ 75 leaders have participated in first year

Outlook

Outlook

- FY'19 consolidated Ramsay's position as a leading international healthcare service provider with a diversified business portfolio
- Scale and size provides opportunity to drive greater efficiencies and establish stronger global partnerships
- Industry fundamentals are continuing to drive increased demand
- Anticipate stronger volume growth in FY'20
- Changes to operating model will contribute positively to earnings in coming years
- In FY'20, Ramsay continues to target Core EPS growth on a like-for-like basis of 2% to 4%. This corresponds to negative Core EPS growth of -6% to -4% under the new lease accounting standard AASB16. This guidance is based on Core EBITDAR growth of 8% to 10%, which is unaffected by the new lease standard.