

To	Company Announcements Office	Date	27 February 2020
Company	ASX Limited		
From	Henrietta Rowe Group Company Secretary Ramsay Health Care Limited		
Subject	Half Year Financial Results Presentation		

Please find attached the investor presentation relating to Ramsay Health Care's Results for the half year ended 31 December 2019.

Regards



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Group Company Secretary
Ramsay Health Care Limited

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Ramsay Health Care Limited

Results Briefing

Half Year ended 31 December 2019

Craig McNally, Group Managing Director &
Michael Hirner, Acting Group CFO

27 February 2020



Agenda

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Group H1 Highlights

GROUP HALF YEAR FINANCIAL HIGHLIGHTS

- Core NPAT: \$273.6 million
 - On a like for like basis, under the old Lease Accounting Standard (AASB 117 Leases), Core NPAT up 3.4% on the previous corresponding period

- Core EPS: 132.5 cents
 - On a like for like basis, under the old Lease Accounting Standard (AASB 117 Leases), Core EPS up 3.7% on the prior corresponding period

- Group:
 - Revenue up 22.5% to \$6.3 billion (excl Capio, revenue up 4.8%)
 - EBITDAR up 17.4% to \$1.1 billion (excl Capio, EBITDAR up 5.4%)

- Australia/Asia:
 - Australia Revenue up 3.9% to \$2.7 billion
 - Australia EBITDAR up 2.4% to \$530 million
 - Equity accounted share of Asia JV net profits up 13.6% to \$12.5 million

- United Kingdom:
 - Revenue up 8.7% to £267.6 million
 - EBITDAR up 6.0% to £47.7 million

- Continental Europe*
 - Revenue up 44.3% to €1.9 billion (excl Capio, revenue up 2.4%)
 - EBITDAR up 38.0% to €319.1 million (excl Capio, EBITDAR up 7.4%)

- Interim Dividend 62.5 cents fully franked, up 4.2%

**Ramsay Santé has consolidated the earnings of Capio since the acquisition on 7 Nov 2018.*

HIGHLIGHTS

- ✓ Overall, solid performance in 1H
- ✓ Australia impacted by ongoing soft activity growth
- ✓ Ramsay Santé (formerly known as Ramsay Générale de Santé) performed well and continued to make good progress on the integration of Capiro. On track to achieve synergies
- ✓ Ramsay UK recorded its best half performance in recent years assisted by an increase in overall activity
- ✓ Ramsay Sime Darby continues to experience strong growth
- ✓ Continued focus on growth strategy: \$189m approved for Australian brownfields during the half

OUR STRATEGIC POSITION

77,000

Employees

480

Locations

8,500,000

Patient visits/admissions

11

Countries

Global Health Operator

- ✓ Economies of scale
- ✓ Best practise
- ✓ 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



Emergency

Emergency Centres



Acute care

General Hospitals & Specialist Clinics
Day Hospitals



Diagnostics

Pathology
Radiology
Radiation Oncology



Mental Health

Inpatient & Day Patient facilities



Rehabilitation

Inpatient & Outpatient Rehabilitation facilities
Neuro-rehabilitation



Pharmacies

In-hospital pharmacies
Retail pharmacies



Primary & Ambulatory Care

General practice & Allied Health Centres

Group Financial Results

GROUP PERFORMANCE 1H FY'20

Six months ended 31 December	"Reported" New Lease Standard (AASB16 Leases)			"Like for like" Old Lease Standard (AASB117 Leases)			Impact
	2019 \$m (1) AASB16 Leases	2018 \$m (1) AASB117 Leases	Inc/(Dec) %	2019 \$m (2) AASB117 Leases	2018 \$m (2) AASB117 Leases	Inc/(Dec) %	2019 \$m (1) AASB16 Leases
Operating Revenue	6,332.5	5,168.8	22.5%	6,332.5	5,168.8	22.5%	
EBITDAR	1,146.7	977.1	17.4%	1,146.7	977.1	17.4%	
Operating lease expense	80.4	248.5	(67.6)%	314.3	248.5	26.5%	(233.9)
EBITDA	1,066.3	728.6	46.3%	832.4	728.6	14.2%	
Depreciation	433.1	218.7	98.0%	267.6	218.7	22.4%	165.5
EBIT	633.2	509.9	24.2%	564.8	509.9	10.8%	
Interest	197.2	74.1	166.1%	84.5	74.1	14.0%	112.7
Core NPAT attributable to members of the parent (3)	273.6	290.8	(5.9)%	300.6	290.8	3.4%	
Core EPS (4) (cents per share)	132.5	140.6	(5.8)%	145.8	140.6	3.7%	
Interim Dividend – fully franked (cents per share)	62.5	60.0	4.2%	62.5	60.0	4.2%	

Notes:

All numbers are in Australian dollars unless otherwise stated

(1) The FY20 period results include the impact of AASB16 Leases, while the FY19 period results were prepared under the previous lease accounting requirements (AASB117 Leases). Refer to the Overview section of the Appendix 4D for further information.

(2) The FY20 period results and the FY19 period results have been prepared on a like for like basis under the previous lease accounting requirements (AASB117 Leases)

(3) Core NPAT attributable to members of the parent is before non-core items. The minority interest share of Ramsay Sante' Core NPAT has been removed in arriving at Core NPAT attributable to members of the parent. Ramsay Sante' has consolidated the earnings of Capio since acquisition date of 7 November 2018.

(4) Core EPS is derived from core net profit after CARES dividends.

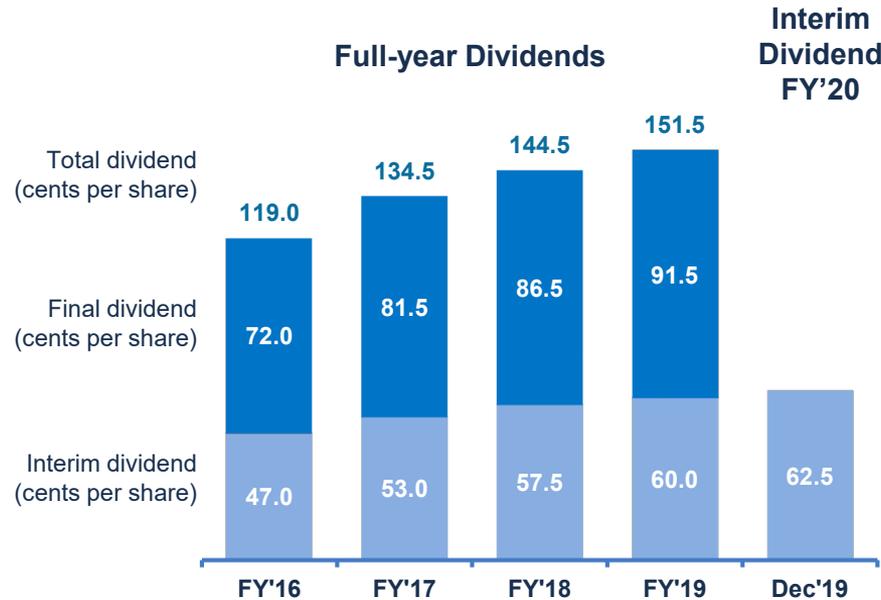
RECONCILIATION TO STATUTORY REPORTED NET PROFIT

Six month ended 31 December	2019 \$m	2018 \$m	Inc./Dec.
Core NPAT	273.6	290.8	(5.9)%
Net non-core items (net of minorities and net of tax) ⁽¹⁾	(15.2)	(20.7)	
Statutory Reported Net Profit after tax attributable to members of the Parent	258.4	270.1	(4.3)%

⁽¹⁾ Net non-core items (net of tax)	2019 \$m	2018 \$m
Non cash portion of rent expense relating to leased UK hospitals	-	(6.1)
Amortisation – service concession assets	(0.8)	(0.7)
Restructuring, acquisition, disposal, impairment, development costs, and profit on disposal of medical suites ⁽²⁾	(22.8)	(37.2)
	(23.6)	(44.0)
Income tax on non-core items	5.8	14.1
Non controlling interest in non-core items (net of tax)	2.6	9.2
Net non-core items (net of tax) attributable to members of the Parent	(15.2)	(20.7)

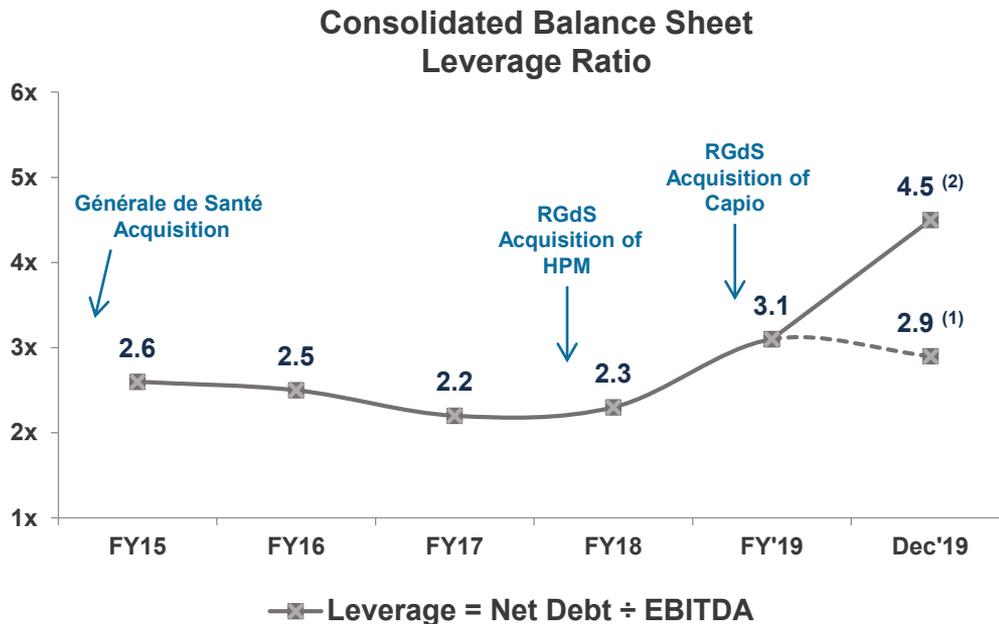
On a like for like basis under the old Lease Accounting Standard (AASB 117 Leases), Statutory Reported Net Profit after tax attributed to members of the Parent was up 4.1% to \$281.1 million

DIVIDEND GROWTH



- Strong consistent growth in dividends
- Interim Dividend fully franked, up 4.2%, on previous corresponding interim dividend, slightly higher than the 3.7% increase in like for like, Core EPS growth (under the old Lease Accounting Standard (AASB 117 Leases))
- The dividend record date is 6 March 2020 with a payment date on 27 March 2020.

LEVERAGE AND CASH MANAGEMENT



- Strong balance sheet with financial flexibility to continue to fund the pipeline of brownfield capacity expansion and future acquisitions
- Leverage:
 - Consolidated Balance Sheet leverage:
 - Old Lease Standard (AASB117) = 2.9x
 - New Lease Standard (AASB16) = 4.5x
 - Recognition of Lease Liabilities of \$4.9 Billion on adoption of AASB16
 - 'Wholly Owned Funding Group' leverage ratio = 2.0x , provides significant capacity for growth
- Strong & consistent operating cash flow
 - Cash conversion rate 95%

Notes:

(1) Leverage ratio calculated under the old Lease Accounting Standard (AASB117)

(2) Leverage ratio calculated under the new Lease Accounting Standard (AASB16)

Segment Performance Summary

AUSTRALIA

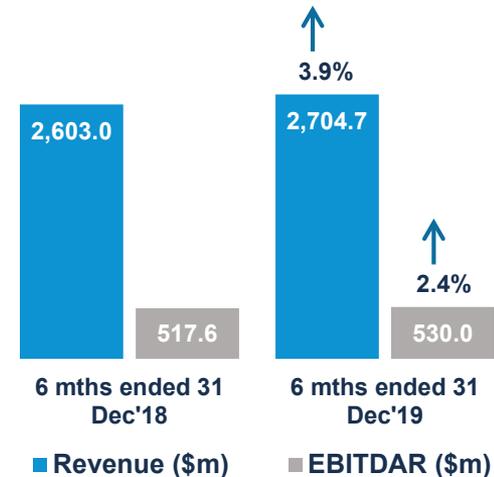
Softer operating environment impacted 1H results

Performance 1H FY'20

- Admissions growth was above prior corresponding period, however overall activity remains subdued when compared to long term average
- Continued good progress on changing our operating model in order to sustain margins
- Brownfield programme delivered \$50m in completed projects.
 - \$189m worth of future developments approved in the half.

Outlook FY'20

- Expect volumes to remain subdued
- Continue to develop our hospital in the home strategy to provide community & home-based healthcare.
- Brownfield programme on track to deliver \$168m in completed projects in FY'20



Continued investment in brownfields*

2020

Image: Hollywood Consulting Centre
Development Due for Completion Mar 20



Completion forecast FY'20

- \$168m
- 197 gross beds (144 net)
- 3 theatres
- 85 consulting suites



Completed in 1H FY'20

- \$50m
- 71 gross beds (26 net)
- 1 theatre
- 34 consulting suites



Approved in 1H FY'20

- \$189m
- 207 net beds
- 8 theatres
- 1 new ED
- 13 consulting suites



*Australian brownfield investment only



Ramsay
Health Care

CONTINENTAL EUROPE

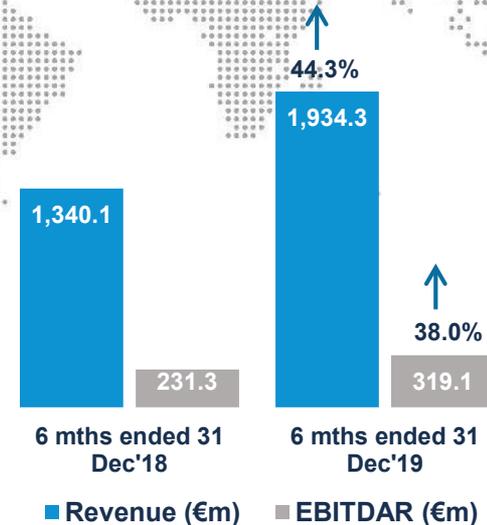
Ramsay Santé performed well in the H1

Performance
1H FY'20

- Ramsay Santé (including Capiro) delivered a solid H1 operating result - above expectations
- Excluding Capiro, Ramsay Santé delivered results above prior corresponding period:
 - Revenue up 2.4%
 - EBITDAR up 7.4%
- French government has agreed to commit to giving a multi-year visibility on tariffs, with a safety net of at least +0.2% in 2020, 2021 and 2022.
- Very good progress on Capiro integration and the business performed to expectations during H1

Outlook
FY'20

- Tariffs for 2020 will be + 0.6% for MSO and 0.5% for rehab and mental health
- Identified synergies on track to be delivered
- Several new tenders expected in 2020 creating new volume opportunities for Ramsay Santé in the Nordics



Note: Ramsay Santé has consolidated the earnings of Capiro since the acquisition on 7 Nov 2018.

UNITED KINGDOM



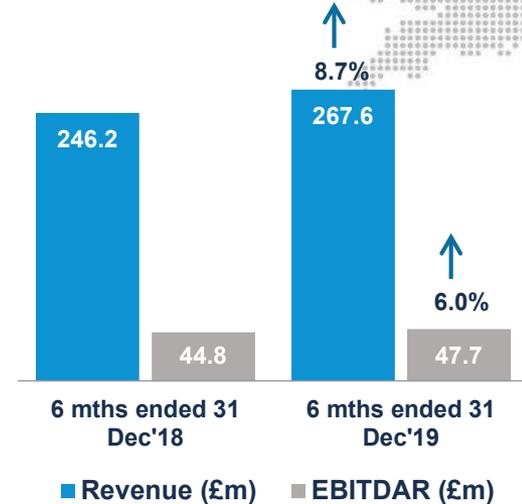
1H growth was strong making this Ramsay UK's best half performance in recent years

Performance 1H FY'20

- Ramsay UK performed well in the 1H
- Increase in overall activity and strong performances in PMI and self pay admissions
- EBITDAR performance was ahead of prior corresponding period.

Outlook FY'20

- Positive signs remain in the UK in terms of volume growth
- Anticipate improvements in margin in 2H
- UK general election majority and Brexit has brought some stability to the region
- Funding for healthcare in UK will improve with longer term funding increases and a sharper focus on waiting lists



ASIA

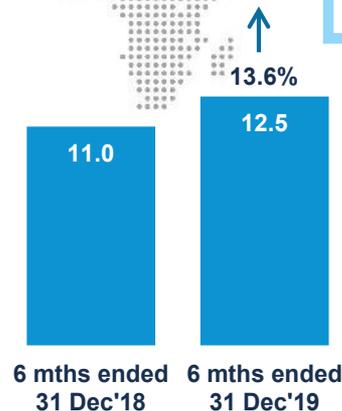
Growing market, remains competitive

Performance
1H FY'20

- Strong operating performance in Malaysia and Indonesia
- Groupwide admissions growth strong in the 1H
- New developments targeting universal healthcare patients opened in two of our Indonesian facilities with developments in the third facility due to be finalised later this year.

Outlook
FY'20

- New brownfields ramping up
- We continue to assess growth opportunities in this market



■ Equity Accounted Share of Net Profit of Joint Venture (\$m)

Outlook

OUTLOOK

- Positive signs for Ramsay's business in the UK and Europe in terms of volume and tariff growth
- Expect the softer growth environment in Australia to remain in the short term
- Monitoring the impact of coronavirus on our global business
- Continue to monitor and investigate acquisition and expansion opportunities as well as partnerships with government and other private healthcare providers
- We reaffirm our FY'20 Core EPS growth on a like-for-like basis of 2% to 4%, which corresponds to negative Core EPS 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

Questions