

ASX ANNOUNCEMENT

15 September 2023

FITCH DOWNGRADES RATING, MAINTAINS INVESTMENT GRADE STATUS

UPDATE ON SALE OF RAMSAY SIME DARBY

Ramsay Health Care (ASX: RHC) announces that credit rating agency Fitch has downgraded the investment grade credit rating it ascribes to Ramsay's Funding Group¹ from BBB/Negative to BBB-/Stable.

The change in rating is not expected to impact Ramsay's ability to access funding and liquidity in the future. The financial impact of this change in rating on the Company's \$1.5bn Sustainability Linked Loan is a 10bp increase in interest costs. Ramsay reconfirms that it expects its FY24 net interest expense (including AASB 16 lease costs) to be in the range of \$570-600m².

At 30^{th} June 2023 the Funding Group's leverage calculation under its banking covenants was $3.2x^3$ below the covenant threshold of 4.0x. The Funding Group's interest coverage ratio at 30^{th} June 2023 was 7.35x well in excess of the banking covenant of greater than 3.0x. As previously disclosed, Ramsay is focused on reducing its Funding Group leverage to below $2.5x^3$.

As announced on 28th June 2023, together with Ramsay's joint venture partner, Sime Darby Berhad (Sime Darby), a decision had been made to explore the sale of its Asian based joint venture Ramsay Sime Darby (RSD).

Subsequent to the announcement in June, a sale process was commenced which has resulted in the receipt of a number of non-binding indicative offers. A select number of parties are now in a phase 2 due diligence process expected to conclude towards the end of October.

If a sale proceeds, the funds received will be used to pay down drawn debt. Ramsay aims to lower the Funding Group's leverage ratio to below 2.5x³ at June 2024 from the proceeds of the potential sale of Ramsay Sime Darby and increased earnings⁴.

Ramsay expects to announce the outcome of the RSD sale process before its Annual General Meeting, noting that there is no certainty that a sale process will result in a completed transaction.

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

¹ Funding Group is defined as Ramsay Health Care Limited and all its subsidiaries excluding Ramsay Santé

² Does not assume the sale of Ramsay Sime Darby

³ Banking covenant leverage calculation - Net Debt (pre AASB 16 basis) /Funding Group EBITDA (excluding non-recurring items)

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See Ramsay's ASX Announcement of 24 August 2023 - Investor Presentation and Speech FY2023 Results Briefing Phillip Street

Note: 18, 126 Phillip Street