



Celebrating 50 years  
of people caring for people

**Ramsay Health Care Limited**  
**Annual General Meeting**  
**13 November 2014**

Christopher Rex, Managing Director

1. FY2014 Year in Review
2. Segment Operational and Financial Highlights
3. Growth Strategy Update
4. Acquisitions
5. Outlook

# FY2014 Year in Review

- In 2014 Ramsay celebrated 50 years in the private hospital industry
- 212 hospitals across 5 countries
- 25,000 beds and places
- Employs over 50,000 people
- Admits almost 2.5 million patients per annum
- In the top 5 private hospital operators in the world



- Paul Ramsay, founder & Chairman passed away in May 2014
- The bulk of his estate will be of enduring benefit to the Australian community through the Paul Ramsay Foundation
- It is intended that the Foundation will remain a significant long term shareholder of Ramsay and remain our largest shareholder

# FY14 FINANCIAL HIGHLIGHTS

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- Group Revenue – \$4.9 billion ↑ 17.6%
- Group EBIT – \$580.4 million ↑ 19.6%
- Core NPAT – \$346.2 million ↑ 19.0%
- Core EPS – 163.9 cents/share ↑ 20.6%
- Final Dividend (fully franked) – 51.0 cents/share ↑ 22.9%
- Full Year Dividend (fully franked) – 85.0 cents/share ↑ 20.6%



- Excellent operating performance across global portfolio
- Acquired hospitals in France (Medipsy psychiatric group - December 2013) and Asia (JV with Sime Darby - July 2013)
- Acquired the largest private hospital group in France, Générale de Santé in October 2014
- New acquisitions contributed to growth in earnings for FY14
- Approved \$172 million in brownfield capacity expansions at Australian hospitals
- Opened Sunshine Coast University Private Hospital (December 2013)
- Successfully completed first year of operation of Peel Health Campus WA
- Launched free employee share plan

# EMPLOYEE SHARE PLAN

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- New share plan recognises the key role employees play in our company
- 13,800 employees are now participating in this share plan and have received \$1,000 worth of free shares after 3 years with Company
- 12,500 employees received a discretionary top-up of \$500 worth of shares in year two





- Strong focus on safety and risk management for staff and patients
- Transparent disclosure of clinical performance against industry benchmarks published on our website
- We continue to achieve record breaking lows in long term injury frequency rates (LTIFRs) for staff

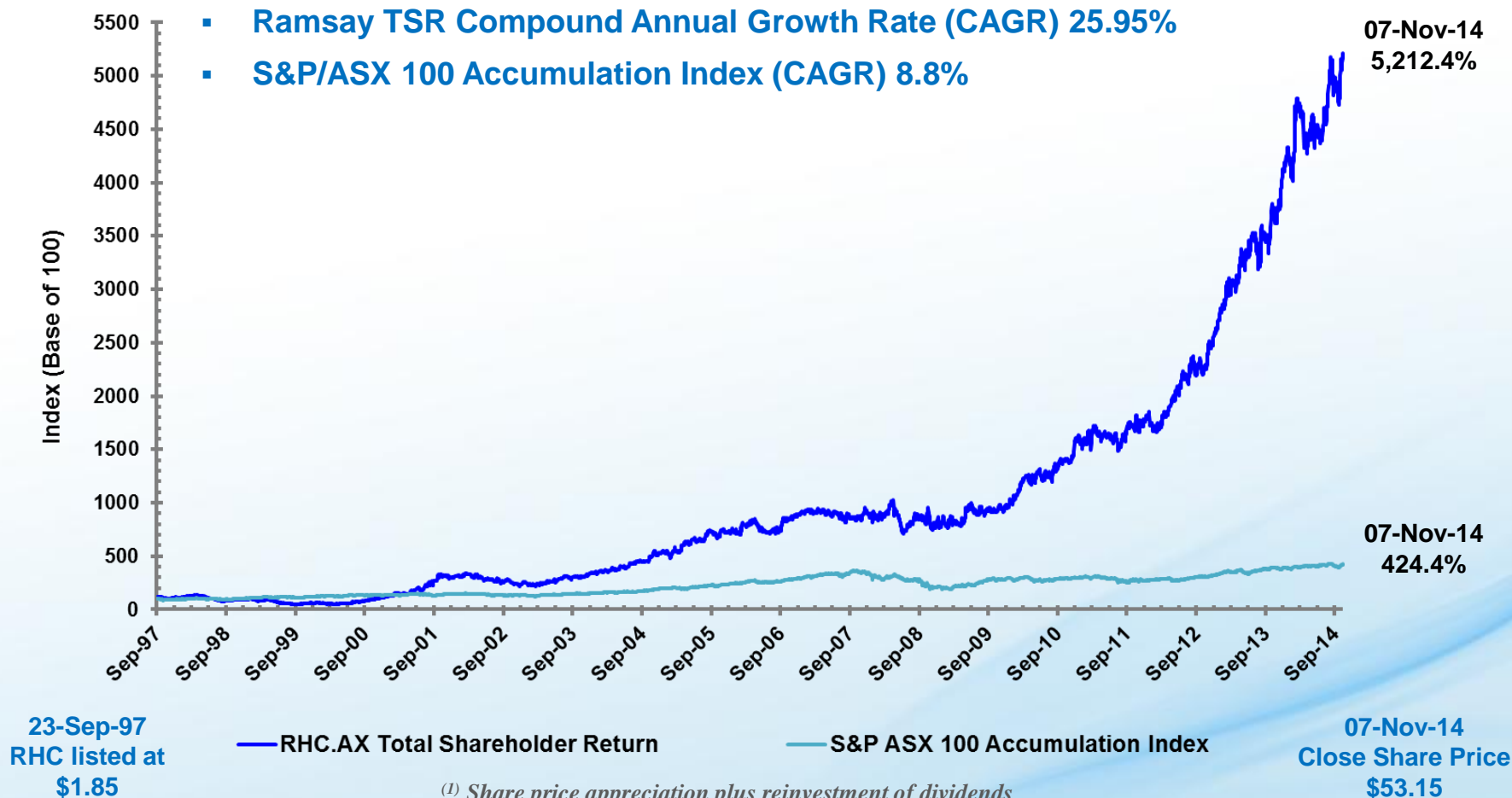


# DELIVERING STRONG SHAREHOLDER RETURNS

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## Ramsay Total Shareholder Return<sup>(1)</sup> versus S&P/ASX 100 Accumulation Index



# Segment Operational and Financial Highlights

# OPERATIONAL HIGHLIGHTS

## – AUSTRALIA AND ASIA

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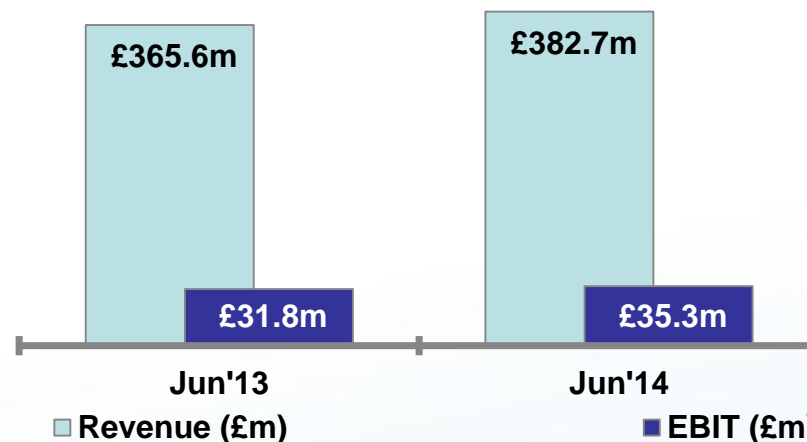


- Strong revenue and admissions growth in Australia
- New \$133m Joondalup Private Hospital and the \$47m expansion of Greenslopes Private expansion made positive contributions to earnings in FY 2014
- Positive demographics and ageing population driving continued investment in capacity expansions
- Approved \$172m brownfields in the year. Quality and strategically well placed portfolio continues to produce good brownfield opportunities
- Asian joint venture successfully integrated

# OPERATIONAL/FINANCIAL HIGHLIGHTS

## – UNITED KINGDOM

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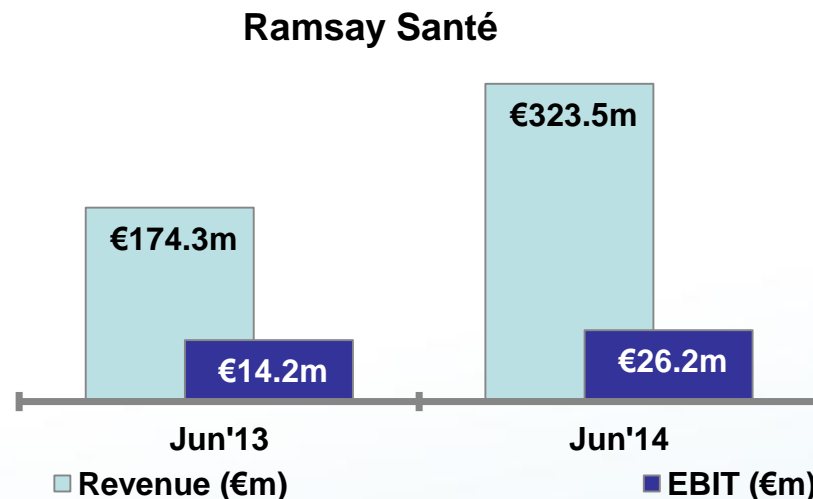
Ramsay UK performed strongly during the year with EBIT rising 11.1% to £35.3 million:

- Substantial increase in NHS admissions in the year
- EBITDAR margin increased from 25.5% to 25.7% demonstrating a continued focus on improving efficiency

# OPERATIONAL/FINANCIAL HIGHLIGHTS

## – FRANCE

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Ramsay Santé performed well with EBIT increasing by 85% to €26.2 million:

- Continued improvement of existing operations
- Contributions from Clinique de l'Union (a 514-bed hospital, acquired in June 2013) and the 30 Medipsy psychiatric facilities (acquired in December 2013)
- EBITDAR margins increased from 18.0% to 18.1%



# Growth Strategy Update

- Strong Culture
  - ‘The Ramsay Way’
  - 50 years of uninterrupted focus on clinical quality and safety
  - Long term stable and experienced Board, management and ownership
- Strong and Sustainable Growth Strategy
  - Focus only on hospitals
  - Developed an exportable operational model
  - Undertaken successful international expansion
  - Growth in both public and private pay markets
- Financially disciplined
  - Growth only pursued if financial & strategic criteria & investment hurdles are satisfied

- Continued strong commitment to brownfield capacity expansion in FY14 with a further \$172m brownfield developments approved in the year:
  - NSW**
    - St George Private Hospital: 3 operating theatres and additional beds
    - Lake Macquarie Private Hospital: emergency department and operating theatres
    - Port Macquarie Private Hospital: operating theatres
    - Northside West Clinic: 27 beds and consulting suites
    - Dudley Private Hospital: operating theatres
  - Victoria**
    - Beleura Private Hospital: 30 bed rehabilitation ward
    - Peninsula Private Hospital: emergency department
    - Masada Private Hospital: 30-bed rehabilitation unit
    - Mitcham Private Hospital: 21-bed mental health unit extension
  - Queensland**
    - Caboolture Private Hospital: day surgery
    - Hillcrest Private Hospital: new mental health unit
    - Pindara Private Hospital: rehabilitation unit and operating theatres
- Strong pipeline of further brownfield opportunities, due to the need to satisfy growing demand from ageing demographics

## Strong admissions growth at Ramsay's newest facilities:

- Sunshine Coast University Private Hospital (Qld): opened December 2013
- Joondalup Private Hospital (WA): opened March 2013
- New wing at Greenslopes Private Hospital (Qld): opened March 2013
- Peel Health Campus (WA): acquired May 2013
- Northside Macarthur Clinic (NSW): opened October 2013



Sunshine Coast University  
Private Hospital



Joondalup Private Hospital



Peel Health Campus



Northside Macarthur  
Clinic





# Acquisitions

## Medipsy:

- Acquired from Générale de Santé in December 2013
- Leading provider of mental health care in France with 30 hospitals
- Clustered in a number of core regions giving them a strong local position
- Ramsay now a leader in France (as well as Australia) in mental health





## Générale de Santé:

- Acquired a controlling interest on 1 October 2014
- Unique actionable opportunity to acquire a leader – largest in France with significant market share
- Co-investment with our partner major French institution Crédit Agricole Assurances
- Respected operator – large and diverse facilities: medical, surgical, obstetrics & rehabilitation
- French market is highly fragmented, ongoing bolt-on acquisition opportunities to grow market share



Hôpital Privé de l'Estuaire

# KEY FEATURES OF GENERALE DE SANTE

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## Market leader of the French private for-profit hospital sector

### REVENUES 2013

€1.7bn



**#1 PRIVATE HOSPITAL OPERATOR**  
13% market share



### EBITDA CY2013

€204m (12% margin)



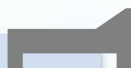
### ADMISSIONS

c.1m admissions in 2013



### BEDS

c.9,100 (11,200 beds & places)



### BABY DELIVERIES

c.28,200 p.a. in 2013 in 18 obstetric clinics



### EMERGENCIES

c.400,000 p.a. in 20 hospitals



### EMPLOYEES

c.19,000 (including 11,000 caregivers)



### FACILITIES

75 facilities (including 61 hospitals)



### INDEPENDENT PRACTITIONERS

c.4,500 (#1 French community)



# CREATING THE CLEAR MARKET LEADER IN FRANCE

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Following merger of Ramsay Santé into Générale de Santé



- New joint venture with Sime Darby, commenced on 1 July 2013
- JV combines Sime Darby's three hospitals (and health care college) in K. L. Malaysia with Ramsay's three hospitals in Indonesia
- Successfully integrated and operating to expectations
- Solid performance for the year
- Actively investigating further opportunities in the region



Subang Jaya Medical Centre



Ara Damansara Medical Centre



Park City Medical Centre



- Favourable demographics
  - 1.3 billion population
  - Growing middle class
  - Aging population
- Largest economy in Asia
  - Growing at 7-9% pa
- Positive outlook on Governments Healthcare Reform
  - Liberalising policies for foreign investors
  - Doctors able to practice in multiple hospitals
- Hospital management expertise key to system improvement
- Universal medical insurance



- Chengdu is a city of over 14 million people and is the capital of Sichuan Province, which has a population over 85 million
- Chengdu economy growing around 13% pa
  - Higher than national average
- 50/50 JV between Jinxin and Ramsay Sime Darby
  - 5 hospitals (4 existing and 1 new)
  - Over 2,300 beds
  - General, obstetrics, psychiatric and traditional Chinese medicine hospitals
- Non-binding term sheet signed
- Transaction subject to final due diligence and documentation
- First major international hospital operator to invest in this range of hospital services in the Chinese patients market

**Sichuan Province, China**



**Chengdu**



future  
now

# Outlook

- The ageing population will continue to present capacity expansion opportunities from which we expect ongoing benefits to flow
- Utilising our global experience in acquiring and integrating hospitals, we will canvas further opportunities in new and existing markets
- We will maintain our focus on improving performance at existing hospitals
- Integration of Générale de Santé, growing this business, and achieving synergies and efficiencies, will be a major priority
- Given strong industry fundamentals, continuing implementation of our successful growth strategy; and barring unforeseen circumstances, Ramsay reaffirms its guidance of Core NPAT and Core EPS growth of 14% to 16% for FY 2015 (including 9 months of Générale de Santé)



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# Questions