

ASX RELEASE

30 August 2024

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Appendix 4E Preliminary Final Report

Please find attached Ramsay Health Care's Appendix 4E and Results for the full-year ended 30 June 2024.

A presentation of the results hosted by Managing Director and Group CEO, Craig McNally, and Group CFO, Martyn Roberts, will commence at 9.30am this morning followed by a question and answer session.

A webcast of the event will be hosted on the Ramsay Health Care website:
<https://www.ramsayhealth.com/en/investors/presentations/>

To pre-register for the webcast, please click on the link below:

[Webcast pre-registration link](#)

A recording and transcript of the webcast will be available later in the day.

Yours sincerely



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The release of this announcement has been authorised by the Ramsay Health Care Board of Directors.

Ramsay Health Care Limited
ABN 57 001 288 768

ASX: RHC

FY24 Full Year Results

12 months to 30th June 2024

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Ramsay
Health Care

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1 Appendix 4E – Key Matters

Results for Announcement to the Market

Year Ended 30th June A\$m	2024	2023	Chg (%)	Chg (%) cc ¹
Continuing Operations				
Revenue from contracts with customers	16,660.2	14,963.9	11.3	7.3
Total revenue and other income (less interest income)	16,772.1	15,329.3	9.4	5.4
Earnings before finance costs, tax, depreciation, amortisation and rent (EBITDAR)	2,276.4	2,149.6	5.9	2.3
Earnings before finance costs, tax, depreciation, amortisation and impairment (EBITDA)	2,125.7	2,002.2	6.2	2.7
Earnings before finance costs and tax (EBIT)	997.6	1,001.4	(0.4)	(1.8)
Financing costs associated with leases (AASB16)	(280.5)	(253.0)	(10.9)	(5.7)
Net other financing costs	(332.5)	(221.3)	(50.2)	(42.7)
Income Tax Expense	(121.3)	(181.5)	33.2	32.0
Net Profit after tax from continuing operations	263.3	345.6	(23.8)	(19.7)
Attributable to non-controlling interests	7.3	(67.4)	110.8	111.0
Profit after tax from continuing operations (after non-controlling interests)	270.6	278.2	(2.7)	2.4
Discontinued Operations				
Profit after tax from discontinued operations ²	618.1	19.9	-	-
Net Profit after tax attributable to owners of the parent	888.7	298.1	198.1	203.1
Final Convertible Adjustable Rate Equity Securities (CARES) dividend per share (\$)³	3.30	3.06	7.9	-
Franking - CARES (%)	100	100	-	-
Interim ordinary dividend per share (¢)	40.0	50.0	(20.0)	-
Final ordinary dividend (¢)⁴	40.0	25.0	60.0	-
Franking ordinary dividend (%)	100	100	-	-
Basic Earnings per share (after CARES dividend) (¢)⁵	381.6	125.1	205.0	-
Fully diluted earnings per share (after CARES dividend) (¢)⁵	380.9	124.8	205.2	-
Basic Earnings per share (after CARES dividend) (¢) from continuing operations ⁵	111.1	116.4	(4.6)	-
Fully diluted earnings per share (after CARES dividend) (¢)⁵ from continuing operations	110.9	116.1	(4.5)	-
Net tangible assets/(liabilities) per ordinary share (\$)⁶	(3.3)	(6.2)	(47.2)	-
Weighted average number of ordinary shares (m)	228.5	227.9	-	-
Fully diluted weighted average number of shares (m)	228.9	228.4	-	-

¹ Constant currency

² On 13th November 2023 Ramsay announced together with its partner Sime Darby Berhad (Sime Darby), that it had reached agreement to sell its joint venture Ramsay Sime Darby.

³ Record date 27th September 2024, payment date 21st October 2024

⁴ Record date 5th September 2024, payment date 26th September 2024

⁵ EPS attributable to equity holders of the parent

⁶ Includes right of use assets

Net profit after non controlling interests attributable to owners of the parent increased 198.1% on the previous corresponding period (pcp). The result includes the net profit on the sale of Ramsay's Asian joint venture, Ramsay Sime Darby (RSD) of \$618.1m reflected in the discontinued operations line. The transaction was completed on 28th December 2023. The result was impacted by foreign currency translation given the weakness of the Australian dollar (AUD) versus the Euro (EUR) and the Pound (GBP). Movements are discussed in constant currency (cc).

Revenue from contracts with customers increased 7.3% reflecting 3.4% growth in hospital admissions across the Group, growth in primary and allied health activity in the Nordics region and a 4.1% increase in Elysium's average patient numbers and a 4.8 percentage points improvement in occupancy, combined with tariff indexation increases.

EBIT from continuing operations was flat on the pcp reflecting an improved result from Australia, strong growth from the UK region, offset by a decline in earnings from Ramsay Santé. EBIT from continuing operations includes a negative contribution from non-recurring items of \$36.4m compared to a benefit of \$42.1m in the pcp. Excluding the impact of non-recurring items EBIT increased 6.1% to \$1,034.0m.

Net financing costs (incl. AASB16 lease costs) increased 22.8% on the pcp to \$613m inclusive of a negative non-cash mark to market movement of \$34.6m in Europe. Excluding mark to market movements, net financing costs (incl. AASB16 lease costs) increased 9.6% to \$578.4m reflecting higher average base rates.

Net profit after tax and minority interests from continuing operations increased 2.4% in cc to \$270.6m. Excluding the impact of non-recurring items, net profit after tax and minority interests from continuing operations increased 24.5% to \$300.1m.

A fully franked final dividend of 40 cents per share (cps) has been determined taking the full year dividend to 80 cps an increase of 6.7%. This represents a payout ratio (based on basic earnings per share from continuing operations after CARES dividend) of 72%. The Dividend Reinvestment Plan (DRP) will continue to operate for this dividend, and shares issued under the DRP will be at a 1.5% discount to the average of the daily volume weighted average price for Ramsay shares over the 10 trading day period commencing on 9th September 2024.

2 Operating and Financial Review

2.1 Who We Are

Ramsay Health Care (Ramsay) provides quality health care through a global network of clinical practice, teaching and research. Ramsay Health Care's global network extends across 8 countries, with over twelve million admissions/patient visits to its facilities in over 530 locations. Ramsay was founded by Paul Ramsay AO (1936-2014) in 1964 and has always focused on maintaining the highest standards of quality and safety; being an employer of choice; and operating the business based on a culture known as the "Ramsay Way" with a philosophy based on "People Caring for People". Ramsay listed on the Australian Stock Exchange in 1997 and has a market capitalisation of A\$10.0bn² and an enterprise value (EV) of A\$14.4bn¹ (EV of A\$20.3bn inclusive of lease liabilities). The Ramsay Group employs over 90,000 people globally. Ramsay's operations are split across three regions:

Australia

Ramsay Australia has 74 private hospitals, clinics and day surgery units in Australia and is Australia's largest private hospital operator. Ramsay operations include mental health facilities as well as the operation of three public facilities. The business also has 14 community psychology practices, hospital in the home services, telehealth and allied health clinics. In addition, Ramsay has established the Ramsay Pharmacy retail franchise network which supports more than 60 community pharmacies and 40 in-hospital dispensaries. Ramsay Australia admits more than one million patients annually and employs more than 35,000 people.

Europe

Ramsay Santé is the second largest private care provider in Europe, operating 244 hospitals and clinics, 167 primary care centres and 32 imaging and radiotherapy centres across five countries in Europe. In France, Ramsay Santé has a market leading position in acute care and mental health facilities. In Denmark, Norway and Sweden, Ramsay Santé operates facilities including primary care units, specialist clinics and hospitals. Ramsay Santé also operates a 93-bed hospital in Italy. Ramsay Santé employs more than 38,000 employees and its facilities treat more than 12 million patients each year. Ramsay Health Care owns 52.79% of Ramsay Santé which is listed on the European financial markets' platform Euronext.

UK

Ramsay UK has a network of 34 acute hospitals and day procedure centres providing a comprehensive range of clinical specialities to private and self-insured patients as well as to patients referred by the NHS. Ramsay UK also operates a diagnostic imaging service. Ramsay UK cares for more than 184,000 patients per year and employs more than 7,500 people.

In 2021, Ramsay acquired Elysium Healthcare, a leading independent provider of specialist mental health and care services across the UK and Wales. Elysium operates more than 80 sites with about 2,000 beds. The business employs more than 9,000 people.

¹ Please refer to www.Ramsayhealth.com/About-Us/Values website

² Closing price on 28th August 2024

2.2 Group Performance

2.2.1 Overview of Results

Year Ended 30th June A\$m	2024	2023	Chg (%)	Chg(%) cc ¹
CONTINUING OPERATIONS²				
Australia	6,061.6	5,711.0	6.1	-
UK	2,360.8	1,941.2	21.6	13.5
Europe	8,357.8	7,686.9	8.7	2.9
Total segment revenue & other income	16,780.2	15,339.1	9.4	5.4
Australia	813.1	797.0	2.0	-
UK	318.4	208.9	52.4	42.4
Europe	1,144.9	1,143.7	0.1	(4.8)
EBITDAR	2,276.4	2,149.6	5.9	2.3
Rent on short term or low value leases	(150.7)	(147.4)	(2.2)	(3.6)
Australia	802.4	786.3	2.0	-
UK	314.0	206.3	52.2	42.3
Europe	1,009.3	1,009.6	-	(4.8)
EBITDA	2,125.7	2,002.2	6.2	2.7
Depreciation	(1,029.9)	(940.3)	(9.5)	(4.9)
Amortisation & impairment	(98.2)	(60.5)	(62.3)	(44.3)
Australia	572.5	556.5	2.9	-
UK	160.6	63.8	151.7	141.5
Europe	264.5	381.1	(30.6)	(32.7)
EBIT	997.6	1,001.4	(0.4)	(1.8)
Financing costs (AASB16 Leases)	(280.5)	(253.0)	(10.9)	(5.7)
Net other financing costs (net of interest income)	(332.5)	(221.3)	(50.2)	(42.7)
Profit before Tax	384.6	527.1	(27.0)	(26.6)
Income Tax Expense	(121.3)	(181.5)	33.2	32.0
Profit after tax from continuing operations	263.3	345.6	(23.8)	(19.7)
Profit after tax from continuing operations (after non-controlling interests)	270.6	278.2	(2.7)	2.4
Non-recurring items in NPAT	(29.5)	27.5	(207.3)	(197.7)
Underlying Profit after tax from continuing operations (after non-controlling interests)	300.1	250.7	19.7	24.5
DISCONTINUED OPERATIONS				
Profit after tax from discontinued operations	618.1	19.9	-	-
Net profit after tax for the period	881.4	365.5	141.1	145.2
Attributable to non-controlling interests	7.3	(67.4)	110.8	111.0
Net Profit after tax attributable to owners of the parent	888.7	298.1	198.1	203.1
Final dividend per share (¢)	40.0	25.0	60.0	-
Total dividend per share (¢)	80.0	75.0	6.7	-
Basic Earnings per share (after CARES dividend) (¢)	381.6	125.1	205.0	-
Fully diluted earnings per share (after CARES dividend) (¢)	380.9	124.8	205.2	-
Basic Earnings per share (after CARES dividend) (¢) from continuing operations ²	111.1	116.4	(4.6)	-
Fully diluted earnings per share (after CARES dividend) (¢) from continuing operations ²	110.9	116.1	(4.5)	-
Weighted average number of ordinary shares (m)	228.5	227.9	-	-
Fully diluted weighted average number of shares (m)	228.9	228.4	-	-

¹ Constant currency

² On 13th November 2023 Ramsay announced that together with its partner Sime Darby Berhad (Sime Darby), it had entered into an agreement to sell its 50:50 joint venture in Asia, Ramsay Sime Darby (RSD). The transaction was completed on 28th December 2023. The investment in RSD has been re-classified as a discontinued operation in both this year and last year's results.

2.2.2 Revenue Breakdown by Type

Year Ended 30th June A\$m	2024	2023	Chg (%)	Chg (%) cc ¹
Revenue from contracts with customers	16,660.2	14,963.9	11.3	7.3
Interest income	7.0	39.9	(82.5)	(83.0)
Other income - income from government grants	99.6	290.2	(65.7)	(68.9)
Other income - income from the sale of development assets	5.2	14.9	(65.1)	(65.4)
Other income - net profit on acquisition/disposal of non-current assets and businesses	7.1	60.3	(88.2)	(88.4)
Total revenue and other income before intersegment revenue including interest income	16,779.1	15,369.2	9.2	5.2

¹ Constant currency

Revenue growth benefited from the weakness in the AUD against both the EUR and the GBP compared to the pcp. Growth in constant currency (cc) is provided. (See regional growth in local currencies in Section 2.3 Divisional Performance).

Revenue from contracts with customers increased 7.3% in cc reflecting 3.4% growth in hospital admissions across the Group, growth in primary and allied health activity in the Nordics region and a 4.1% increase in Elysium's average patient numbers, combined with tariff indexation increases.

The decline in government grants reflects the lower reliance of the French business on the Government's revenue guarantee scheme and the decline in specific compensation from governments in France and the Nordic region associated with the impact of inflation, COVID related costs and wage increases. Payments under the revenue guarantee scheme for the 12 month period were \$68.4m (€41.3m) compared to \$137.5m (€88.7m) in the pcp. Specific French government compensation received was \$31.2m (€18.9m) compared to \$152.7m (€97.9m) support payments received in France and the Nordics in the pcp.

Income from the sale of development assets primarily represents revenue received from the sale of medical suites in the Australian business (profit on sale of \$3.7m included in non-recurring items).

Net profit on the acquisition/disposal of non-current assets and businesses reflects the value of the assets acquired by the Australian business above the price paid for the acquisition of Orange Hospital out of receivership and a small profit on the sale of property in France. The contribution in FY23 primarily reflected profit on the sale of property in the Nordics region.

2.2.3 Non-recurring Items in the results from continuing operations

Non-Recurring Items in the FY24 Result

A\$m	Australia	UK	Europe	RHC Group
Profit on disposal / acquisition of development assets, non-current assets and businesses	9.6	-	0.8	10.4
Accelerated depreciation of the carrying value of assets	-	(4.6) ¹	-	(4.6)
Impairment of carrying value of assets	-	(5.3) ²	(40.7) ³	(46.0)
Provision for Employee costs	-	-	(7.0)	(7.0)
Transaction costs/ Acquisition, disposal, revaluation and development costs/benefits	(6.4)	(4.9)	22.1 ⁴	10.8
Total EBIT Impact	3.2	(14.8)	(24.8)	(36.4)
Net swap mark to market movements	-	-	(34.6)	(34.6)
Total PBT Impact	3.2	(14.8)	(59.4)	(71.0)
Income tax impact of non-recurring items	(1.0)	3.7	20.4	23.1
Non-controlling interests in non-recurring items net of tax	-	-	18.4	18.4
NPAT impact	2.2	(11.1)	(20.6)	(29.5)

¹ The accelerated write down of data centres in the UK

² The impairment of one of Elysium's sites and a \$0.3m impairment on IT property in Ramsay UK

³ Includes the impairment of a number of French hospitals

⁴ Includes the remeasurement of options to buy back minority interests in a primary care business in Denmark

Non-Recurring Items in the FY23 Result

A\$m	Australia	UK	Europe	RHC Group
Net profit on disposal of non-current assets and businesses	11.0	-	55.3	66.3
Impairment of fixed assets	-	(14.3) ¹	-	(14.3)
Partial reversal of non-recurring employee costs	5.5	-	-	5.5
Transaction costs/ Acquisition, disposal, and development costs	(2.6)	(0.6)	(12.2)	(15.4)
Total EBIT Impact	13.9	(14.9)	43.1	42.1
Net swap mark to market movements	8.8	-	18.0	26.8
Total PBT Impact	22.7	(14.9)	61.1	68.9
Income tax impact of non-recurring items	(6.8)	3.0	(16.8)	(20.6)
Non-controlling interests in non-recurring items net of tax	-	-	(20.8)	(20.8)
NPAT impact	15.9	(11.9)	23.5	27.5

¹ Includes a \$20.5m site impairment in Elysium partially offset by a write back of a prior year impairment in Ramsay UK of \$6.2m

The contribution of non-recurring items to the results from continuing operations turned around from a positive contribution of \$42.1m in FY23 to a negative contribution of \$36.4m in FY24 at the EBIT level. This reflects the significantly lower profit made on the disposal/ acquisition of assets and businesses in FY24 compared to FY23 and the impairment and accelerated depreciation of assets in the UK and Europe in FY24.

In Europe a \$40.7m non-cash impairment was taken against the book value of financially underperforming assets. This primarily reflects the underperformance of 6 of its 244 hospitals and specialised clinics combined with the impairment of individual assets in its portfolio.

In the UK region Ramsay UK's result includes the accelerated write-down of data centres of \$4.6m (£1.7m) and a \$0.3m impairment of IT property and Elysium's result includes a site impairment of \$5m.

The provision for employee costs reflects an additional provision taken up for annual leave due to the French High Court giving a judgement on 13th September 2023 bringing French law into line with EU law regarding the rules applied for paid annual leave entitlements of employees off work on long leave of absence for illness or work-related injury.

The \$22.1m benefit in Europe primarily relates to the remeasurement of options to buy back minority interests in a primary care business in Denmark.

Excluding the impact of non-recurring items, Group EBIT from continuing operations in cc increased 6.1% to \$1,034.0m compared to the pcp and NPAT after minority interests from continuing operations in cc increased 24.5% to \$300.1m.

Refer to Divisional Performance for further detail.

2.2.4 Financing Costs and Tax

Net financing costs (including of AASB16 lease costs) in cc increased 22.8% on the pcp. This includes a negative non-cash mark to market on a swap in Ramsay Santé's funding of \$34.6m compared to a positive mark to market of \$26.8m in Ramsay Santé and Australia in the pcp. Financing costs (excluding AASB16 lease costs) excluding the market to market on the swap increased 14.0% to \$297.9m reflecting higher interest base rates.

The Ramsay Consolidated Group weighted average cost of debt (excluding CARES)³ post the Ramsay Santé refinancing is estimated to be 5.3%. Approximately 78% of the Consolidated Group's floating rate debt in FY25 is hedged at an average base rate (excluding lending margin) of 3.0%

The weighted average cost of debt for the Funding Group at 30 June 2024 was 4.8% (excluding CARES). For FY25 approximately 83% of the Funding Group debt is hedged at an average base rate (excluding lending margin) of 3.3%.

The effective tax rate on earnings from continuing operations was 31.5% compared to 34.4% in the pcp reflecting the non-assessability of some non-recurring items and lower non-deductible interest in the UK reflecting the improvement in earnings in the region.

2.2.5 Profit from discontinued operations

On 13th November 2023 Ramsay announced, together with its partner Sime Darby, that it had reached agreement to sell its joint venture RSD for MYR6,056m (~A\$2bn) representing 100% of the enterprise value of the joint venture. The sale was completed on 28th December 2023. After adjusting for costs, the net profit after tax on the sale of Ramsay's 50% share of the joint venture was \$618.1m and booked through the discontinued operations line. The contribution in the prior year from discontinued operations represents the equity accounted profit from RSD for the twelve month period of \$19.9m.

Cash receipts from the sale, net of fees were A\$926.9m and are reflected in the cashflow statement. Proceeds received have been used to pay down debt (see 2.2.6 for further detail).

2.2.6 Balance Sheet

A\$m	30-6-2024	31-12-2023	30-6-2023
Working capital	(465.5)	(147.4)	(498.4)
Property plant & equipment	5,383.6	5,343.3	5,238.1
Intangible assets	6,139.9	6,138.0	6,163.7
Current & deferred tax assets	52.8	95.3	89.8
Other assets/(liabilities)	(128.5)	(167.6)	(17.0)
Capital employed (before right of use assets)	10,982.3	11,261.6	10,976.2
Right of use assets	4,775.4	4,931.6	4,949.1
Capital employed	15,757.7	16,193.2	15,925.3
Capitalised Leases (AASB16)	5,854.1	5,955.7	5,954.9
Net Debt (excl. lease liability debt & incl. derivatives)	4,376.1	4,747.1	5,147.2
Total shareholders funds (excl. minority interest)	4,897.6	4,834.1	4,154.8
Invested Capital	9,273.7	9,581.2	9,302.0
Funding Group Net Debt (excl. lease liability debt and excl derivatives) ¹	1,833.3	1,967.3	2,664.4
Funding Group Leverage (Old Lease Standard AASB 117) (x) ²	2.00	2.28	3.22
Return on invested capital (ROIC) (%) AASB16 accounting methodology ³	8.8	8.5	4.4
Return on invested capital (ROIC) (%) cash methodology ⁴	18.8	18.1	11.2
Return on invested capital (ROIC) (%) from continuing operations (%) cash methodology ⁵	11.7	10.6	10.9
Return on invested capital (ROIC) (%) from continuing operations (%) accounting methodology	4.3	4.0	4.3

¹ The Funding Group excludes Ramsay Santé. Banking covenants and Fitch's rating are calculated on the Funding Group rolling 12 month earnings profile and net debt (AASB117)

² Prepared on a pre AASB16 basis Net debt/rolling 12 mth EBITDA

³ Accounting ROIC = 12 mth rolling EBIT*(1-tax)/average of opening and closing invested capital

⁴ Cash ROIC = 12 month rolling NOPAT (based on AASB117)/average opening and closing invested capital (AASB117)

⁵ Continuing operations excludes the profit on the sale of RSD and earnings contributions from RSD in prior periods

Key changes in the balance sheet relate to:

- The sale of RSD. The book value of the business was \$266m. Cash proceeds were used to repay debt and terminate facilities of \$925m prior to 31st December 2023;
- The impact of foreign exchange movements associated with the weakness in the AUD versus the EUR and the GBP compared to the prior period, in particular on the value of intangibles and right of use asset balances in the UK and Europe;
- The increase in property, plant and equipment associated with brownfield and greenfield capex programs; and
- The impact of site impairments.

Following the repayment of debt, Funding Group leverage¹ at 30th June 2024 was 2x in line with the Group's target of below 2.5x.

¹ Funding Group - Ramsay Health Care Limited and all its subsidiaries excluding Ramsay Santé. Funding Group leverage used for banking covenant calculation Net Debt (preAASB16 basis)/Rolling 12 month Funding Group EBITDA (excluding non recurring items)

2.2.7 Cashflow

Year Ended 30th June A\$m	2024	2023	Chg (%)
EBITDA from continuing operations	2,125.7	2,002.2	6.2
Changes in working capital	(32.9)	153.3	121.5
Finance costs	(584.7)	(465.8)	(25.5)
Income tax paid	(124.2)	(234.2)	47.0
Movement in other items	(91.1)	(175.9)	48.2
Operating cash flow	1,292.8	1,279.6	1.0
Capital expenditure	(753.8)	(720.9)	(4.6)
Free cash flow	539.0	558.7	(3.5)
Net divestments/(acquisitions)	904.3	(12.8)	-
Interest & dividends received	9.2	19.9	(53.8)
Cash flow after investing activities	1,452.5	565.8	156.7
Dividends paid	(158.3)	(236.8)	33.2
Other financing cash flows	(1,291.8)	(5.6)	-
Net increase/(decrease) in cash	2.4	323.4	(99.3)

The key movements in the cashflow statement reflect the sale of the RSD joint venture on 28th December 2023 for \$926.9m and the subsequent repayment of debt facilities, combined with the increase in interest costs over the period reflecting higher average base rates.

Ramsay continued to invest in the business over the period. Cash capital expenditure increased 4.6% on the pcp to \$753.8m, driven by increased investment in the UK region as new facilities have been opened and some sites are re-purposed, partially offset by declines in capex in Australia and Europe.

2.2.8 Outlook



Group

As a market leader Ramsay remains well positioned to benefit from the favourable dynamics underpinning the long-term outlook for the healthcare industry. In light of short-term industry challenges, the Company's immediate priorities are focused on a range of transformation programs in each region that optimise and drive greater value from the core hospital network, an improved patient experience, sustainable top line growth, productivity improvements and operating efficiencies.

Ramsay currently expects growth in NPAT from continuing operations in FY25. Factors driving earnings will include:

- Activity growth in all regions, albeit at a lower rate than in FY24;
- Margin recovery will be impacted by further investment in business enablement, particularly in digital and data programs in Australia, and the ongoing gap between wage inflation and tariff indexation;
- Each region will continue to push for tariff indexation that reflects the cumulative impact of inflation on the cost base over the last few years, as well as inflation moving forward;
- Following completion of the Ramsay Santé refinancing, FY25 net interest expense (inclusive of AASB 16 lease costs) is forecast to be \$590-620m; and
- The dividend payout ratio is expected to be 60-70% of Net Profit after tax and minority interests.

The performance of the business will continue to be reviewed in the context of optimising shareholder returns. A range of strategies are actively being assessed to unlock value and drive improved performance from the Company's portfolio of assets.

For further information on the **Outlook** refer to Divisional Performance for further details

2.3 Divisional Performance

2.3.1 Australia (including global head office costs)

2.3.1.1 Results Summary

Year Ended 30th June A\$m	2024	2023	Chg (%)
Revenue from contracts with customers	6,042.3	5,682.9	6.3
Other income - income from the sale of development assets	5.2	14.9	(65.1)
Other income - net profit on disposal of non-current assets and acquisition of businesses	6.0	3.4	76.5
Intersegment revenue	8.1	9.8	(17.3)
Total segment revenue and other income (less interest income)	6,061.6	5,711.0	6.1
EBITDAR	813.1	797.0	2.0
Rent	(10.7)	(10.7)	-
EBITDA	802.4	786.3	2.0
Depreciation	(220.6)	(219.8)	(0.4)
Amortisation and impairment	(9.3)	(10.0)	7.0
EBIT	572.5	556.5	2.9
Financing costs associated with leases (AASB16 leases)	(50.2)	(44.9)	(11.8)
EBIT after financing costs associated with leases	522.3	511.6	2.1
Non-recurring items included in EBIT ¹	3.2	13.9	(77.0)
Underlying EBIT	569.3	542.6	4.9
Capital Expenditure (inclusive of digital and data) \$'m	287.3	332.0	(13.5)

¹ Refer Section 2.2.3 for further details on non-recurring items

2.3.1.2 Review of Results

Revenue from patient activity increased 6.3% primarily driven by a 3.1% increase in total admissions and improved payor indexation.

Growth in admissions reflects:

- 3.5% growth in PHI funded admissions and a 1% decline in public admissions. Public admissions declined in 2HFY24 as public health budgets in some states were tightened;
- A 3.1% increase in surgical admissions on the pcp. Growth in 2HFY24 slowed reflecting a lower rate of growth in both day and overnight surgical admissions; and
- A 3% increase in non surgical admissions on the pcp driven by strong growth in rehab offset by further weakness in psych and maternity admissions. While psych admissions declined year on year, psych patient days increased 2.5% over the pcp.

Pharmacy revenues increased 7.3% on the pcp to \$548.6m.

The result benefited from activity growth, an improvement in productivity and higher revenue indexation flowing from negotiations with various private health funds and public payors over the period.

EBITDA includes an increase in net digital, data and cyber security related opex of \$35.8m to \$72.7m. The business also invested approximately \$3.8m in a range of non-digital transformation and performance acceleration programs during the year.

The increased spend reflects Ramsay's response to the changing healthcare landscape. The focus is on optimising and driving greater value from the core hospital network, while also investing in the transformation of the business to create digitally enabled, integrated patient centric care pathways.

EBIT includes a positive contribution from non-recurring items of \$3.2m compared to a positive contribution of \$13.9m in the pcp. Non-recurring items this year included a \$3.7m profit on the sale of medical suites and a \$5.9m gain booked on the acquisition of a short stay hospital in Orange out of administration reflecting the fair value of the assets acquired. These gains were partially offset by acquisition, disposal, development and transaction costs of \$6.4m. Excluding the impact of non-recurring items EBIT increased 4.9% on the pcp to \$569.2m.

2.3.1.3 Capital Expenditure

Total capital expenditure in Australia was \$287.3m split across:

- \$153.6m in brownfield and greenfield projects
- \$10.2m in other growth projects
- \$20.5m in IT hardware and software and digital and data projects
- \$103.0m in routine and compliance projects

Spend for the year was focused on the completion of the Northern Hospital in Melbourne, the expansion of Warringal Hospital in Melbourne and the expansion of Sunshine Coast Hospital in Queensland.

Total FY25 capital expenditure is expected to be in the range of \$400-450m.

2.3.1.4 Outlook



Australia

Ramsay Australia expects to see further growth in activity levels in FY25. The rate of growth will be impacted by cost of living challenges and the return of the management contract for the Peel Health Campus in Perth, Western Australia to the Government in August 2024 (~3% of FY24 admissions).

Higher than forecast wage inflation remains a key risk to the outlook. The business will continue to negotiate with its payors to push for indexation that reflects the cumulative impact of inflation on the cost base over the last few years as well as inflation moving forward.

Strategic investment in data, digital and transformation activities will result in improved productivity, optimised procurement, integrated patient care experiences and deliver margin improvements for the long term. Net transformation opex¹ in FY25 is expected to be in the range of \$80-90m with the majority of the spend invested in digital and data enablement. The focus for the next 18 months will be on investment in business readiness and simplification. Net transformation opex is expected to be a net positive in FY28 as digital benefits generation matures.

Forecast FY25 digital and data capex has been reduced from \$70-80m to \$13-18m primarily due to a slow down in the implementation of the EHR (electronic health records) project.

In FY25 brownfield capex is expected to be in the range \$250-280m. A disciplined approach to investment in developments is being taken focusing on:

- Brownfield & greenfield hospitals in high growth corridors (e.g. Perth, South-East Queensland, northern corridor of Melbourne)
- Expanding theatres and short stay surgical facilities in key locations
- Focusing on further increasing our market leadership position in key therapeutic areas (orthopaedics, cancer & cardiology)
- Investing in emergency centres (emergency centre's drive ~20% of overall inpatient admissions)

¹ Net of digital enabled benefits

2.3.2 United Kingdom

2.3.2.1 Results Summary

Year Ended 30th June A\$m	2024	2023	Chg (%)	Chg (%) cc ¹
Ramsay UK - Acute hospital business				
Revenue from contracts with customers	1,401.7	1,148.7	22.0	14.0
Total revenue and other income	1,401.7	1,148.7	22.0	13.9
EBITDAR	228.8	172.3	32.8	24.1
Rent	(3.4)	(1.2)	(183.3)	(157.9)
EBITDA	225.4	171.1	31.7	23.1
Depreciation	(106.1)	(94.0)	(12.9)	(7.9)
Amortisation and impairment	(2.9)	6.4	(145.3)	(113.6)
EBIT	116.4	83.5	39.4	30.0
Financing costs associated with leases (AASB16 Leases)	(82.9)	(77.3)	(7.2)	(0.7)
EBIT less financing costs associated with leases	33.5	6.2	440.3	446.7
Capital Expenditure	83.4	44.3	88.2	75.2
Elysium - Mental Health Care				
Revenue from contracts with customers	959.1	788.5	21.6	12.9
Total revenue and other income	959.1	792.5	21.0	12.9
EBITDAR	89.6	36.6	144.8	128.6
Rent	(1.0)	(1.4)	28.6	37.4
EBITDA	88.6	35.2	151.7	135.3
Depreciation	(39.4)	(34.4)	(14.5)	(7.8)
Amortisation and impairment	(5.0)	(20.5)	-	-
EBIT	44.2	(19.7)	324.4	332.9
Financing costs associated leases (AASB16 Leases)	(15.2)	(12.8)	(18.7)	(11.0)
EBIT less financing costs associated with leases	29.0	(32.5)	189.2	197.3
Capital Expenditure	92.2	66.5	38.6	29.1
UK Segment				
Total segment revenue and other income	2,360.8	1,941.2	21.6	13.5
Total EBITDAR	318.4	208.9	52.4	42.4
Total EBITDA	314.0	206.3	52.2	42.3
Total EBIT	160.6	63.8	151.7	141.5
Non-recurring items included in EBIT ²	(14.8)	(14.9)	0.7	0.9
Underlying EBIT	175.4	78.7	122.9	106.8
Total Capital Expenditure (\$'m)	175.6	110.9	58.3	47.4

¹ Constant currency

² Refer Section 2.2.3 for further details on non-recurring items

Overview of UK region result in local currency

Year Ended 30th June £'m	2024	2023	Chg (%)
Total Revenue and other income	1,229.0	1,083.0	13.5
EBITDAR	165.8	116.4	42.4
EBITDA	163.5	114.9	42.3
EBIT	86.2	35.8	140.8

2.3.2.2 Review of Results

The UK region reported a 140.8% increase in EBIT in local currency driven by a 6.6% increase in admissions in the UK acute hospital business combined with a higher level of case acuity and a significant improvement in the operating performance of Elysium reflecting a material reduction in the use of agency labour, lower staff turnover and improving occupancy. The result in AUD benefited from a weaker AUD compared to GBP than in the pcp.

Ramsay UK

The UK acute hospital business reported a strong improvement in earnings with admissions growing 6.6% on the pcp with 7.1% growth in NHS admissions and a 5.3% increase in private pay patients, with self pay patient admissions lower on the pcp offset by an increase in privately insured patient admissions. Private admissions represented 27.4% of total admissions. The business also reported a 12.8% increase in outpatient visits over the period. The rate of growth in admissions versus the pcp in 2HFY24 slowed given a stronger comparative period. New facilities opened over the last few years also contributed to the growth in admissions.

EBITDAR margins benefited from a focus on higher acuity admissions and the initial benefits of productivity improvement programs implemented over the last two years. Personnel costs as a percentage of net patient revenue improved 100 bps over FY24 reflecting productivity improvements and reduced use of agency staff.

The increase in depreciation primarily reflects the accelerated write-down of data centres taken in 1HFY24 of \$4.6m (£1.7m). The increase in the amortisation and impairment charge reflects the reversal of an impairment charge in FY23 of \$6.2m offset to an extent by a \$0.3m impairment taken against IT property in the current year.

Digital and data opex investment for the period was \$20.7m (£10.8 m) compared to \$9.8m (£5.1m) in the pcp with investment focused on the digital platform to attract and retain private pay patients, support improved employee experience and enhanced business processes.

Elysium Healthcare

Elysium reported a 12.9% increase in revenue in cc driven by a 4.1% improvement in average patient numbers for the period compared to the pcp, an 8% increase in average daily fee (due to rate uplift and increased complexity of patients) and a 18.8% increase in specialising revenue. Average occupancy for the 12 month period improved 4.8 percentage points on the pcp to 90.5% but remains below target in some services in particular neuro and rehab.

EBITDAR increased 128.6% in cc, reflecting higher occupancy and a material reduction in costs, in particular labour costs with agency costs as a percentage of total labour costs declining 8.8 percentage points compared to the pcp.

The decline in depreciation and amortisation reflects the \$20.5m site impairment taken in FY23, partially offset by a \$5.0m site impairment taken in FY24.

The business has been focused on its recruitment, retention and training pipeline with 2,451 staff (a net increase of 950) recruited over the last twelve months. Staff turnover continues to decline and is now below pre pandemic levels as recruitment programs become more targeted and are now moving towards more focus on staff retention.

2.3.2.3 Capital Expenditure

Capital expenditure in the UK over the twelve month period was \$92.2m (£48m) for Elysium and \$83.4m (£43.4m) for Ramsay UK of which:

- \$60.5m was brownfield and greenfield capex;
- \$13.4m was digital and data capex;
- \$10.9m was growth capex; and
- \$90.7m was routine capex.

Brownfield and greenfield development capex for Elysium was invested in the expansion of a range of existing sites, retooling of some capacity to meet market demand and the development of sites acquired in prior periods with a total of 262 beds added over the year (but not yet open). Investment in digital and data was made to drive efficiency within the business.

Ramsay UK opened a new facility, Glendon Wood hospital, in August 2023 to service patients in and around Northamptonshire working in a hub and spoke model with other Ramsay facilities in the area. As part of our focus on improving the efficiency of the Ramsay network a decision was made during the year to close the West Valley Day Hospital in Croydon from 1 January 2024 with services moved into nearby communities in North Downs and Ashtead.

FY25 capital expenditure in the UK region is forecast to be in the range \$130-150m.

2.3.2.4 Outlook



Ramsay UK

Ramsay UK expects volume to continue to grow in FY25, although the rate of growth may be dictated by NHS budgets in the near term and the impact of cost of living issues on demand from the private pay market.

The NHS tariff indexation was announced for the year commencing 1st April 2024 at 0.6% which is materially below inflation in particular Ramsay UK's wage inflation which is currently running at circa 4%. As a result, earnings growth will be challenging in FY25 despite the expected increase in volume.

Following the recent UK general election Ramsay UK is proactively engaging with local MP's and nationally with NHS England and the new government to encourage the ongoing use of the sector to assist in reducing the surgical backlog and advocate for improved tariff indexation that better reflects inflation.

Ramsay UK already has multi-year agreements in place with PMI (private medical insurers) for tariffs afford some protection against inflation levels and continues to be successful in retaining volume agreements won over the past couple of years.

The business will continue to focus on strategies to mitigate ongoing inflationary pressures with the particular focus of building on productivity and reduced agency spend successes. Local and strategic marketing plans will be further developed to capture a higher share of the private pay market as well as NHS volume.

During FY25 Ramsay UK will continue with planned brownfield developments to enhance capacity within existing markets where demand is growing.

Elysium Healthcare

Elysium expects top line growth in FY25 driven by a 3-4% increase in average available beds and a further improvement in occupancy.

The NHS tariff indexation was announced for the year commencing 1st April 2024 at 0.6% which is materially below inflation in particular wage inflation. Cost inflation for Elysium is currently running at ~5% reflecting the different mix within its workforce and the higher exposure to the 10% increase in the minimum wage announced in the UK in April this year. Elysium is negotiating uplifts with the NHS and its funders. While the average tariff indexation across the portfolio is expected to be higher than the NHS baseline, there will be significant pressure on margins.

The priorities for the business in FY25 remain:

- Continuing to lift occupancy at existing and newly opened services;
- Recruitment, retention and training of staff to further reduce the use of agency and lower turnover;
- Retooling and development of services to match demand; and
- Selectively investing in new facilities based on demand from key stakeholders.

The business has 4 new site openings in FY25 delivering a 3-4% increase in available beds which are expected to contribute losses in 1HFY25 moving into a positive contribution in 2HFY25 and the full year. The timing of the openings will depend on regulatory sign off and recruitment of appropriate workforce.

A failure to improve profitability would result in the deterioration of Elysium's financial outlook in the near-term and may adversely impact its valuation.

2.3.3 Ramsay Santé

2.3.3.1 Results Summary

Year Ended 30th June A\$m	2024	2023	Chg (%)	Chg (%) cc
France				
Revenue from contracts with customers	5,663.5	5,007.6	13.1	7.1
Income from government grants	99.6	277.4	(64.1)	(66.3)
Other income - net profit on disposal of non-current assets	1.1	6.2	(82.3)	(81.9)
Total segment revenue and other income	5,764.2	5,291.2	8.9	3.1
EBITDAR	852.6	862.9	(1.2)	(6.3)
Rent	(117.4)	(111.6)	(5.2)	(1.1)
EBITDA	735.2	751.3	(2.1)	(7.0)
Depreciation	(492.2)	(442.3)	(11.3)	(5.3)
Amortisation & impairment	(51.4)	(15.3)	(235.9)	(220.2)
EBIT	191.6	293.7	(34.8)	(37.7)
Financing costs associated with leases (AASB16 Leases)	(113.6)	(105.5)	(7.7)	(2.4)
EBIT less financing costs associated with leases	78.0	188.2	(58.6)	(60.5)
Nordics				
Revenue from contracts with customers	2,593.6	2,332.2	11.2	5.3
Income from government grants	-	12.8	-	-
Other income - net profit on disposal of non-current assets	-	50.7	-	-
Total segment revenue and other income	2,593.6	2,395.7	8.3	2.5
EBITDAR	292.3	280.8	4.1	(0.4)
Rent	(18.2)	(22.5)	19.1	24.0
EBITDA	274.1	258.3	6.1	1.6
Depreciation	(171.6)	(149.8)	(14.6)	(8.4)
Amortisation & impairment	(29.6)	(21.1)	(40.3)	(32.8)
EBIT	72.9	87.4	(16.6)	(18.1)
Financing costs associated with leases (AASB16 Leases)	(18.6)	(12.5)	(48.8)	(41.6)
EBIT less financing costs associated with leases	54.3	74.9	(27.5)	(28.4)
Europe - Total				
Revenue from contracts with customers	8,257.1	7,339.8	12.5	6.5
Total segment revenue and other income	8,357.8	7,686.9	8.7	2.9
Total EBITDAR	1,144.9	1,143.7	0.1	(4.8)
Total EBITDA	1,009.3	1,009.6	-	(4.8)
Total EBIT	264.5	381.1	(30.6)	(32.7)
Non-recurring items included in EBIT ¹	(24.8)	43.1	(157.5)	(156.3)
Underlying EBIT contribution	289.3	338.0	(14.4)	(17.6)
Total Capital Expenditure	276.2	258.0	7.1	0.9

¹ Refer Section 2.2.3 for further details on non-recurring items

Overview of European region result in local currency

Year Ended 30th June €'m	2024	2023	Chg (%)
Patient revenue	4,792.1	4,466.4	7.3
Total Revenue and other income	5,065.2	4,924.3	2.9
EBITDAR	694.4	729.8	(4.9)
EBITDA	612.4	643.6	(4.8)
EBIT	160.2	240.2	(33.3)
Net interest	(201.5)	(150.5)	(33.9)
PBT	(41.2)	89.6	(146.0)
Minority interests	8.5	(38.5)	122.1
NPAT after minority interests	(28.5)	26.3	(208.4)
Non-recurring items after tax and minority interests	(12.4)	14.3	(186.7)
Underlying NPAT after minority interests	(16.1)	12.0	(234.3)

2.3.3.2 Review of Results

Ramsay Santé reported a 7.3% increase in revenue from contracts with customers in local currency reflecting a 3.3% growth in total inpatient admissions, a 3.6% increase in day patient admissions and good growth in primary care and allied health admissions combined with tariff indexation increases.

Growth in total revenue included a 65.7% decline in income from government grants reflecting a decline in government support payments from €97.9m (\$152.7m) to €18.9m (~\$31.2m) (inclusive of the salary increase subvention (Segur)) and a reduced reliance on the French Government revenue guarantee declining from €88.7m (\$137.5m) to €41.3m (\$68.4m) due to increased activity at most hospitals.

EBIT declined 33.3% in local currency reflecting the impact of the gap between cost inflation and the indexation of tariff and the decline in government support payments received over the last few years. Changes in case mix continue to impact growth.

Non recurring items in the EBIT result made a negative contribution of \$24.8m (~€15m) versus a positive contribution of \$43.1m (~€26.4m) in the pcp and included:

- the non cash impairment and write downs taken against the book value of financially underperforming assets;
- the remeasurement of options to buy back minority interests in a primary care business in Denmark; and
- the negative contribution from an additional provision taken up for annual leave due to the French High Court giving a judgement on 13th September 2023 bringing French law into line with EU law regarding the rules applied for paid annual leave entitlements of employees off work on long leave of absence for illness or work-related injury.

Excluding the impact of non-recurring items, EBIT declined 17.6% in cc to \$289.3m.

The increase in depreciation, amortisation and impairments primarily reflects the impairment and asset write-downs included in non-recurring items of \$40.7m (€25.1m) combined with higher AASB16 depreciation flowing from a price indexation mechanism.

Net interest in local currency (inclusive of AASB16 interest) increased 33.9% to €201.5m. Net interest includes a negative non-cash mark to market on an interest rate swap of €21m (\$34.6m) compared to a positive contribution of €11.5m (\$18m) in the pcp. Excluding the impact of the non-cash mark to market movements, net interest in local currency increased 11.4% compared to the pcp due to an increase in interest base rates.

The weak Swedish kroner versus the EUR over the period impacted the Nordics result in EUR. The result for the region in AUD benefited from a weak AUD versus the EUR compared to the pcp.

France

Revenue from patients increased 7.1% in cc driven by a 3% growth in total admissions reflecting a 2.9% increase in MSO admissions (medical, surgical and obstetrics) and 8.6% growth in FCR (follow up and rehab) admissions with growth weighted to day patients. Mental health admissions were lower than the pcp with weakness in both inpatient and day patient activity. The strategy to expand imaging capability delivered an 11% increase in volumes on the pcp.

Income from government grants declined 66.3% in local currency and included a 53.4% decline in payments under the French Government revenue guarantee scheme to €41.3m (\$68.4m) reflecting the recovery in activity levels above pre-COVID levels at the majority of Ramsay Santé hospitals combined with the impact of the modifications made to the structure of the guarantee for the CY2023 and CY2024 periods¹.

For the year commencing 1st March 2023 tariff indexation for MSO was +5.4% and indexation for FCR was +1.9%. The business also received government payments to bridge some of the cost inflation incurred of €18.9m (\$31.2) compared to €89.7m (\$140.3m) in the pcp.

Tariff indexation for the 12 months commencing 1st March 2024 was announced at 0.3% for the private sector compared to 4.3% for the public hospital system. The private hospital sector worked together to obtain from the Government a commitment to treat the private system the same as the public system in the future. As a result of the campaign an agreement was reached which equates to an overall 3.2% tariff indexation for the private sector from 1st July 2024 including a 0.7% portion financing additional specific night and weekend shift measures. The results for the last four months of FY24 include only the 0.3% initial indexation.

The increase in depreciation and amortisation reflects new assets commissioned during the period combined with impairments and the write down of underperforming assets in the portfolio totalling \$40.7m (€25.1m).

EBIT includes the negative contribution from non-recurring items of \$38.6m (€23.8m) compared to a positive contribution of \$3m (€2m) in the pcp. Non recurring items include:

- a non cash impairment taken against the book value of financially underperforming assets. This primarily represents 6 hospitals of the ~150 hospitals in France with a further 6 hospitals booking smaller (<€0.5m) impairments; and
- the negative contribution from an additional provision taken up for annual leave due to the French High Court giving a judgement on 13th September 2023 bringing French law into line with EU law regarding the rules applied for paid annual leave entitlements of employees off work on long leave of absence for illness or work-related injury.

¹ The guarantee for the 2023 year amounts to 70% of the 2022 guarantee (tariff adjusted) plus 30% of the 2023 invoicing for activity carried out in 2023. If the total actual invoicing over the period is below the guaranteed revenue, then Ramsay Santé is entitled to the shortfall. The guarantee for the 2024 year amounts to 50% of the 2022 guarantee (tariff adjusted for 2023 and 2024 tariffs) plus 50% of the invoicing for activity carried out in 2024. If the actual invoicing for the period is below the guaranteed revenue then Ramsay Santé is entitled to the shortfall.

Nordics

Revenue from contracts with customers in cc increased 5.3% over the pcp (+8.8% in local currency) driven by improving activity levels including 10.2% growth in MSO admissions in the acute hospitals business and growth in primary and allied health admissions partially offset by lower mental health admissions.

In FY23 the Nordics received €8.3m (\$12.6m) in additional government support payments. In FY24 cost compensation was built into the annual government tariff indexation which did not fully compensate for cost inflation over the last few years. The business has implemented a range of productivity and cost remediation programs over the last twelve months to partially mitigate cost inflation.

The business commenced operating two new geriatric care contracts in Stockholm on 1st May 2023 representing an annual turnover of approximately \$83m (€50m), and the St Göran hospital has opened its new maternity ward in Stockholm on 1st April 2023, supporting further organic growth in the year.

EBIT includes the benefit of non-recurring items of \$13.8m (€8.5m) primarily related to the remeasurement of options to buy back minority interests in a primary care business in Denmark and the impairment of assets. This compares to a \$40.1m contribution from non-recurring items in the pcp primarily related to the profit on the sale of property. Excluding the impact of non-recurring items, EBIT increased 24.9% on the pcp to \$59.1m.

2.3.3.3 Capital Expenditure

Total capital expenditure over the 12 month period was \$276.2m (€166.6m) split between France A\$227.9m (€137.5m) and the Nordics \$48.2m (€29.1m). Capital expenditure included:

- Greenfield and brownfield developments - \$71.8m
- Growth -\$19.6m
- Maintenance - \$157.6m
- Digital and data spend - \$27.2m

Consistent with its strategy to operate primary care centres that feed into its core hospital business, on the 14th June 2024 Ramsay Santé announced the acquisition of 12 Cossem medical centres in Paris, Evry, Caen, Orléans, Marseille and St Etienne which care for over 1 million patients annually in general and specialised medicine, dentistry, imaging and laboratory analysis. The facilities were acquired out of an administration process and will benefit from synergies with the Group through an extended coverage of the entire patient pathway.

Capital expenditure in FY25 is expected to be in the range \$250-300m.

2.3.3.4 Outlook



Volume is expected to continue to grow in FY25, with the rate of growth in France expected to continue on the same trend as FY24 and a slowing rate of growth in the Nordics as growth in FY24 was driven by the contribution of new contracts. The French Government's revenue guarantee will remain in place however the guarantee support has declined for the 2024 year. The number of Ramsay Santé's hospitals drawing on the guarantee has declined significantly.

General inflationary cost pressures have eased however the risk of further wage inflation remains high. Discussions will continue around the setup of a multi year agreement on tariffs for the 2025-2027 period which should deliver some stability to the hospital sector in France based on a principle of equality of treatment between the public and private sectors.

Ramsay Santé has recently completed an Amend and Extend process for the refinancing of its €1.65bn senior debt facilities (including €100m RCF and €100m capex line). This has resulted in its weighted average debt duration profile being extended from approximately 2.9 years at 30th June 2024 to 6.2 years. Ramsay Santé's weighted average cost of debt following the refinancing will be approximately 5.6%. The increase reflects the longer length of the tenor and the downgrade in its Moody's rating to B1-PD/Stable following the release of the 24/25 French Government tariff indexation (S&P rating was confirmed at BB-).

3 Financial Results

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Consolidated Income Statement

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$m	2023 \$m
CONTINUING OPERATIONS			
Revenue from contracts with customers	2.a	16,660.2	14,963.9
Interest income	2.c	7.0	39.9
Other income – income from government grants	2.b	99.6	290.2
Other income – income from sale of development assets	2.c	5.2	14.9
Other Income – net profit on disposal of non-current assets and acquisition of businesses	2.c	7.1	60.3
Total revenue and other income		16,779.1	15,369.2
Employee benefit and contractor costs	3	(9,649.7)	(8,820.3)
Occupancy costs		(673.8)	(610.7)
Service costs		(608.0)	(541.1)
Medical consumables and supplies		(3,713.4)	(3,347.7)
Depreciation, amortisation and impairment	3	(1,128.1)	(1,000.8)
Cost of development assets sold		(1.5)	(7.3)
Total expenses, excluding finance costs		(15,774.5)	(14,327.9)
Profit before tax and finance costs		1,004.6	1,041.3
Finance costs	3	(620.0)	(514.2)
Profit before income tax		384.6	527.1
Income tax	14	(121.3)	(181.5)
Profit after tax from continuing operations		263.3	345.6
DISCONTINUED OPERATIONS			
Profit after tax from discontinued operations	15.a	618.1	19.9
Net profit after tax for the year		881.4	365.5
Attributable to non-controlling interests		(7.3)	67.4
Attributable to owners of the parent		888.7	298.1
		881.4	365.5
		Cents per Share	Cents per Share
Earnings per share (EPS) attributable to equity holders of the parent			
Basic earnings per share (after CARES dividend)	5	381.6	125.1
Diluted earnings per share (after CARES dividend)	5	380.9	124.8
Earnings per share (EPS) attributable to equity holders of the parent from continuing operations			
Basic earnings per share (after CARES dividend)	5	111.1	116.4
Diluted earnings per share (after CARES dividend)	5	110.9	116.1

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Appendix 4E –
Key Matters

Operating and
Financial Review

Financial Results

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$m	2023 \$m
Net profit after tax for the year	881.4	365.5
Items that will not be reclassified to net profit		
Actuarial (loss)/gain on defined employee benefit obligation	(21.5)	42.9
Items that may be subsequently reclassified to net profit		
Cash flow hedges		
Taken to equity	(7.7)	(41.3)
Transferred to Income Statement	(16.5)	5.3
Foreign currency translation	17.0	209.2
Income tax benefit/(expense) relating to these items	5.7	(50.9)
Other comprehensive (loss)/income, net of tax	(23.0)	165.2
Total comprehensive income	858.4	530.7
Attributable to non-controlling interests	(15.1)	93.8
Attributable to owners of the parent	873.5	436.9
	858.4	530.7

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2024

	Note	2024 \$m	2023 \$m
ASSETS			
Current assets			
Cash and cash equivalents	7.a	662.3	656.1
Trade and other receivables	8.a	2,516.5	2,266.9
Inventories	8.b	379.4	388.6
Derivative financial instruments	7.d	31.8	64.5
Income tax receivables	14	6.1	48.7
Prepayments		234.3	191.7
Other current assets		42.4	28.3
		3,872.8	3,644.8
Assets held for sale	15.a	-	251.0
Total current assets		3,872.8	3,895.8
Non-current assets			
Other financial assets		94.1	83.6
Property, plant and equipment	10	5,383.6	5,238.1
Right of use assets	11	4,775.4	4,949.1
Intangible assets	12	6,139.9	6,163.7
Deferred tax assets	14	417.1	443.7
Prepayments		10.3	10.6
Derivative financial instruments	7.d	17.6	63.6
Defined employee benefit assets	15.d	70.4	55.1
Other receivables	8.a	112.8	126.9
Total non-current assets		17,021.2	17,134.4
TOTAL ASSETS		20,894.0	21,030.2
LIABILITIES			
Current liabilities			
Trade and other creditors	8.c	3,361.4	3,153.9
Loans and borrowings	7.b	134.1	69.9
Lease liabilities	7.c	471.6	416.9
Derivative financial instruments	7.d	0.1	-
Provisions	15.b	117.5	125.8
Income tax payables	14	95.6	43.9
Total current liabilities		4,180.3	3,810.4
Non-current liabilities			
Loans and borrowings	7.b	4,949.9	5,861.5
Lease liabilities	7.c	5,382.5	5,538.0
Provisions	15.b	343.1	367.5
Defined employee benefit liabilities	15.d	173.5	172.6
Derivative financial instruments	7.d	3.7	-
Other creditors		58.7	98.3
Deferred tax liabilities	14	274.8	358.7
Total non-current liabilities		11,186.2	12,396.6
TOTAL LIABILITIES		15,366.5	16,207.0
NET ASSETS		5,527.5	4,823.2
EQUITY			
Issued capital	6.a	2,246.8	2,216.4
Treasury shares	6.b	(63.0)	(67.8)
Convertible Adjustable Rate Equity Securities (CARES)	6.c	252.2	252.2
Other reserves		(38.6)	(32.7)
Retained earnings		2,500.2	1,786.7
Parent interests		4,897.6	4,154.8
Non-controlling interests		629.9	668.4
TOTAL EQUITY		5,527.5	4,823.2

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Appendix 4E –
Key Matters

Operating and
Financial Review

Financial Results

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2024

	Attributable to Equity Holders of the Parent						Total
	Issued Capital (Note 6.a)	Treasury Shares (Note 6.b)	CARES (Note 6.c)	Other Reserves	Retained Earnings	Non-controlling Interests	
	\$m	\$m	\$m	\$m	\$m	\$m	
As at 1 July 2023	2,216.4	(67.8)	252.2	(32.7)	1,786.7	668.4	4,823.2
Total Comprehensive Income	-	-	-	(5.3)	878.8	(15.1)	858.4
Dividends paid	-	-	-	-	(165.3)	(23.4)	(188.7)
Shares issued – Dividend Reinvestment Plan	30.4	-	-	-	-	-	30.4
Treasury shares vesting to employees	-	4.8	-	(4.8)	-	-	-
Share based payment expense for employees	-	-	-	4.2	-	-	4.2
As at 30 June 2024	2,246.8	(63.0)	252.2	(38.6)	2,500.2	629.9	5,527.5
As at 1 July 2022	2,197.6	(72.4)	252.2	(152.6)	1,708.7	592.7	4,526.2
Total Comprehensive Income	-	-	-	121.4	315.5	93.8	530.7
Dividends paid	-	-	-	-	(237.5)	(18.1)	(255.6)
Shares issued – Dividend Reinvestment Plan	18.8	-	-	-	-	-	18.8
Treasury shares vesting to employees	-	4.6	-	(4.6)	-	-	-
Share based payment expense for employees	-	-	-	3.1	-	-	3.1
As at 30 June 2023	2,216.4	(67.8)	252.2	(32.7)	1,786.7	668.4	4,823.2

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$m	2023 \$m
Cash flows from operating activities			
Receipts from customers		16,450.3	14,990.4
Receipts of government grants		58.7	390.3
Payments to suppliers and employees		(14,507.3)	(13,401.1)
Income tax paid	14	(124.2)	(234.2)
Lease finance costs	3	(280.5)	(253.0)
Other finance costs		(304.2)	(212.8)
Net cash flows from operating activities	7.a	1,292.8	1,279.6
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(753.8)	(720.9)
Proceeds from sale of businesses and other non-current assets		6.9	73.8
Interest and dividends received		9.2	19.9
Business combinations, net of cash received	9	(12.0)	(86.6)
Proceeds from sale of interest in joint venture, net of transaction costs	15.a	926.9	-
Acquisition of investments and purchase of non-controlling interests		(17.5)	-
Net cash flows from/(used in) investing activities		159.7	(713.8)
Cash flows from financing activities			
Dividends paid to equity holders of the parent	4	(134.9)	(218.7)
Dividends paid to non-controlling interests		(23.4)	(18.1)
Repayment of lease principal		(450.5)	(403.2)
Payment of refinancing costs		(15.9)	(2.0)
Proceeds from borrowings		5,262.1	2,868.8
Repayment of borrowings		(6,087.5)	(2,469.2)
Net cash flows used in financing activities		(1,450.1)	(242.4)
Net increase in cash and cash equivalents		2.4	323.4
Net foreign exchange differences on cash held		3.8	18.5
Cash and cash equivalents at the beginning of year		656.1	314.2
Cash and cash equivalents at the end of year	7.a	662.3	656.1

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Appendix 4E –
Key Matters

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Financial Results

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Overview



This section sets out the basis on which the Ramsay Group's financial report is prepared as a whole. Where a material accounting policy is specific to a note, the policy is described within that note.

Ramsay Health Care Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

a Basis of preparation

This general purpose financial report:

- has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standard Board (AASB) and the Corporations Act 2001;
- has been prepared on the basis of historical cost, except for derivative financial instruments measured at fair value;
- complies with International Financial Reporting Standards as issued by the International Accounting Standards Board;
- is presented in Australian Dollars;
- presents reclassified comparative information where necessary to conform to changes in presentation in the current year;
- presents all values as rounded to the nearest hundred thousand dollars, unless otherwise stated under the option available under ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191.

b New and amended accounting standards and interpretations, effective 1 July 2023

The Group has adopted all new and amended Australian Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for reporting periods beginning on or after 1 July 2023, all of which did not have a material impact on the financial statements:

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]*
- *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction [AASB 1 & AASB 112]*
- *AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*

c Accounting standards and interpretations issued or amended but not yet effective

New and amended standards and interpretations issued by the AASB that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

The Group does not early adopt any Australian Accounting Standards and Interpretations issued or amended but are not yet effective.

AASB 18 *Presentation and Disclosure in Financial Statements* will apply for the annual reporting period beginning 1 July 2027. The Group is currently in the process of assessing the impact of the standard.

d Basis of consolidation

The consolidated financial statements comprise the financial statements of Ramsay Health Care Limited (**the Company, or the Parent Entity**) and its subsidiaries (together, **the Group, or the consolidated entity**) as at and for the period ended 30 June each year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (**OCI**) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

e Significant accounting judgements, estimates and assumptions

In applying the Group's accounting policies, management has made a number of judgements, estimates and assumptions concerning the future. The key judgements, estimates and assumptions that are material to the financial statements relate to the following areas:

Note 2.b	Other income – income from government grants	Page 29
Note 7.c	Lease liabilities	Page 41
Note 9	Business combinations	Page 49
Note 10	Property, plant and equipment	Page 51
Note 12	Intangible assets	Page 54
Note 13	Impairment testing of goodwill	Page 57
Note 14	Taxes	Page 58
Note 15.b	Provisions	Page 64
Note 15.d	Defined employee benefit obligation	Page 66
Note 18	Share based payment plans	Page 72

f Current versus non-current classification

The Group presents assets and liabilities in the Consolidated Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Expected to be realised within twelve months after the reporting period
- Held primarily for trading, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is due to be settled within twelve months after the reporting period
- Held primarily for trading, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

g Foreign currency translation

Both the functional and presentation currency of Ramsay Health Care Limited and its Australian subsidiaries is Australian dollars (A\$). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of material overseas subsidiaries are: British pounds for the UK entities and Euro for the French entities. As at the reporting date the assets and liabilities of the overseas subsidiaries are translated into the presentation currency of Ramsay Health Care Limited at the rate of exchange ruling at the reporting date and the Income Statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the Income Statement.

I Results for the Year



This section provides additional information on the Group results for the year, including further detail on results by segment, revenue, expenses, earnings per share and dividends.

1 Segment information



The Managing Director examines the Group's performance and allocates resources from a geographic perspective and has identified four different business units. The segment information discloses the financial performance and total assets and liabilities of each operating business.

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based primarily on the country in which the service is provided, as this is the Group's major risk and has the most effect on the rate of return, due to differing currencies and differing health care systems in the respective countries. The Group has four reportable operating segments being Australia, UK, France and Nordics.

Discrete financial information about each of these operating businesses is reported to the Managing Director on at least a monthly basis.

Types of services

The reportable operating segments derive their revenue primarily from providing health care services to both public and private patients in the community.

Accounting policies and inter-segment transactions

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment results include transfers between the segments. These transfers are eliminated on consolidation.

The accounting policies used by the Group in reporting segments are the same as those contained throughout the accounts and in prior periods.

Segment assets and liabilities

	Australia \$m	UK \$m	France \$m	Nordics \$m	Adjustments & Eliminations \$m ¹	Total \$m
As at 30 June 2024						
Segment assets	9,567.6	5,367.2	9,263.3	3,421.3	(6,725.4)	20,894.0
Segment liabilities	(3,844.2)	(5,272.1)	(7,573.0)	(1,707.6)	3,030.4	(15,366.5)
As at 30 June 2023						
Segment assets	8,903.5	5,199.3	10,179.3	2,800.7	(6,052.6)	21,030.2
Segment liabilities	(4,042.7)	(5,047.6)	(7,829.8)	(1,623.6)	2,336.7	(16,207.0)

¹ Adjustments and eliminations consist of investments in subsidiaries and intercompany balances, which are eliminated on consolidation.

Segment revenue reconciliation to Income Statement

	2024 \$m	2023 \$m
Total segment revenue and other income	16,780.2	15,339.1
Intersegment revenue elimination	(8.1)	(9.8)
Interest income	7.0	39.9
Total revenue and other income	16,779.1	15,369.2

1 Segment information (Continued)

Segment financial performance

	Australia \$m	UK \$m	France \$m	Nordics \$m	Total \$m
Year ended 30 June 2024					
Revenue from contracts with customers	6,042.3	2,360.8	5,663.5	2,593.6	16,660.2
Other income – income from government grants	-	-	99.6	-	99.6
Other income – income from sale of development assets	5.2	-	-	-	5.2
Other Income – net profit on disposal of non-current assets and acquisition of businesses	6.0	-	1.1	-	7.1
Total revenue and other income before intersegment revenue	6,053.5	2,360.8	5,764.2	2,593.6	16,772.1
Intersegment revenue	8.1	-	-	-	8.1
Total segment revenue and other income	6,061.6	2,360.8	5,764.2	2,593.6	16,780.2
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)¹					
	813.1	318.4	852.6	292.3	2,276.4
Rent ²	(10.7)	(4.4)	(117.4)	(18.2)	(150.7)
Earnings before interest, tax, depreciation and amortisation (EBITDA)³	802.4	314.0	735.2	274.1	2,125.7
Depreciation, amortisation and impairment	(229.9)	(153.4)	(543.6)	(201.2)	(1,128.1)
Earnings before interest and tax (EBIT)⁴	572.5	160.6	191.6	72.9	997.6
Net finance costs					(613.0)
Income tax expense					(121.3)
Profit after tax from continuing operations					263.3
Attributable to non-controlling interests					7.3
Net profit from continuing operations attributable to owners of the parent					270.6
Year ended 30 June 2023					
Revenue from contracts with customers	5,682.9	1,941.2	5,007.6	2,332.2	14,963.9
Other income – income from government grants	-	-	277.4	12.8	290.2
Other income – income from sale of development assets	14.9	-	-	-	14.9
Other Income – net profit on disposal of non-current assets and acquisition of businesses	3.4	-	6.2	50.7	60.3
Total revenue and other income before intersegment revenue	5,701.2	1,941.2	5,291.2	2,395.7	15,329.3
Intersegment revenue	9.8	-	-	-	9.8
Total segment revenue and other income	5,711.0	1,941.2	5,291.2	2,395.7	15,339.1
Earnings before interest, tax, depreciation, amortisation and rent (EBITDAR)¹					
	797.0	208.9	862.9	280.8	2,149.6
Rent ²	(10.7)	(2.6)	(111.6)	(22.5)	(147.4)
Earnings before interest, tax, depreciation and amortisation (EBITDA)³	786.3	206.3	751.3	258.3	2,002.2
Depreciation, amortisation and impairment	(229.8)	(142.5)	(457.6)	(170.9)	(1,000.8)
Earnings before interest and tax (EBIT)⁴	556.5	63.8	293.7	87.4	1,001.4
Net finance costs					(474.3)
Income tax expense					(181.5)
Profit after tax from continuing operations					345.6
Attributable to non-controlling interests					(67.4)
Net profit from continuing operations attributable to owners of the parent					278.2

1 "EBITDAR" is a non-statutory profit measure and represents profit before interest, tax, depreciation, amortisation, impairment and rent.

2 Rent includes rental costs of short term or low value assets together with any related rent costs, including rent related taxes that could not be capitalised as part of lease liabilities.

3 "EBITDA" is a non-statutory profit measure and represents profit before interest, tax, depreciation, amortisation and impairment.

4 "EBIT" is a non-statutory profit measure and represents profit before interest and tax.

2 Revenue and other income



The Group primarily derives revenue from providing health care and related services to both public and private patients in the community.

2.a Revenue from contracts with customers

	2024 \$m	2023 \$m
Revenue from patients	16,038.5	14,379.6
Revenue from governments under COVID support contracts	-	1.7
Rental revenue	100.0	99.2
Revenue from ancillary services	521.7	483.4
Revenue from contracts with customers	16,660.2	14,963.9



Accounting Policies

Revenue is recognised and measured at the amount of the consideration received or receivable to the extent that the performance obligations under contracts have been satisfied and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from patients

Revenue from patients is recognised on the date on which the services are provided to the patient.

Rental revenue

Rental income is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. Lease incentives granted are recognised in the Income Statement as an integral part of the total rental income.

Revenue from ancillary services

Income from ancillary services is recognised on the date the services are provided to the customer.

2 Revenue and other income (Continued)

2.b Other income – income from government grants

	2024 \$m	2023 \$m
Other income – income from government grants	99.6	290.2



Accounting Policies

Income from Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. Grants are accounted for on a gross basis in revenue and expenses, by the Group. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is recognised as other income.



Key Accounting Judgements, Estimates and Assumptions

Ramsay Santé's facilities and hospitals in France continued to operate under the French government's revenue guarantee, which supported the healthcare facilities for the use of their facilities and services during the COVID pandemic and continued to help offsetting its negative effects on activity subsequent to that period.

The French government has extended its support for the sector with the introduction of an activity-adjusted guarantee for the calendar year up to 31 December 2023, with the exception of mental health and rehabilitation activities, which are now outside its scope due to their new allocation-based funding structure. This modified guarantee amounts to 70% of the amount of the revenue guarantee notified for 2022 (adjusted for 2023 tariffs) plus 30% of the invoicing for activity carried out for 2023. The guarantee has been prolonged for the calendar year up to 31 December 2024 and amounts to 50% of the amount of the revenue guarantee notified for 2022 (adjusted for 2023 and 2024 tariffs) plus 50% of the invoicing for activity carried out for 2024. The activity-adjusted revenue guarantee has been legislated up until 31 December 2025.

The guarantee is assessed on a facility by facility basis and is calculated based on activity for the entire calendar year covered by the decree.

As the final square up of the revenue guarantee for the year ended 30 June 2024 will not be performed until FY25 and FY26, the grant income recognised for Ramsay Santé is accrued on the amount we are reasonably assured will be received at the time of issuing the Ramsay Group financial statements to the extent the attached conditions have been complied with. This may result in a different amount being received. Any resulting difference will be recognised in the Ramsay Group results in the period the square up is performed.

2 Revenue and other income (Continued)

2.c Other income - miscellaneous

	2024 \$m	2023 \$m
Interest income	7.0	39.9
Other income – income from sale of development assets	5.2	14.9
Other Income – net profit on disposal of non-current assets and acquisition of businesses	7.1	60.3
	19.3	115.1



Accounting Policies

Interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate (EIR), which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income from sale of development assets

Income from sale of development assets is recognised when the control of the development asset is transferred to the purchaser.

Net profit on disposal of non-current assets

Non-current assets include Property, plant and equipment and Intangible assets. Refer to Note 10 and Note 12 for details on the accounting policies.

Net profit on acquisition of businesses

When the amounts of:

- the consideration transferred,
- any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the Income Statement as a bargain purchase.

3 Expenses



A breakdown of specific expenses helps users understand the financial performance of the Group.

	Note	2024 \$m	2023 \$m
(i) Depreciation			
Depreciation – Plant and equipment	10	345.3	322.5
Depreciation – Buildings	10	178.0	169.8
Depreciation – Right of use assets – Leased property	11	415.3	366.8
Depreciation – Right of use assets – Leased plant and equipment	11	91.3	81.2
Total		1,029.9	940.3
(ii) Amortisation			
Amortisation – Service concession assets	12	21.0	22.0
Amortisation – Other	12	31.2	26.8
Total		52.2	48.8
(iii) Impairment			
Impairment/(Net reversal of impairment) – Plant and equipment	10	34.7	(1.9)
Impairment/(Net reversal of impairment) – Land and buildings	10	0.3	(0.9)
Impairment – Right of use assets – Leased property	11	11.0	14.5
Total		46.0	11.7
Total depreciation, amortisation and impairment		1,128.1	1,000.8
(iv) Property rental costs (included in occupancy costs)			
Expenses relating to short term leases	7.c	15.6	14.8
Expenses relating to leases of low value assets	7.c	6.7	5.3
Variable lease payments	7.c	0.9	0.8
(v) Employee benefit and contractor costs			
Wages and salaries		7,976.4	7,281.4
Superannuation		269.6	237.0
Social charges and contributions on wages and salaries		1,072.2	969.0
Other employment		325.5	324.9
Share-based payments		6.0	8.0
Total		9,649.7	8,820.3
(vi) Finance costs			
Interest expenses		346.6	265.4
Finance charges – Lease liability	7.c	280.5	253.0
		627.1	518.4
Finance costs capitalised		(7.1)	(4.2)
Total		620.0	514.2



Accounting Policies

Finance Costs

Finance costs include interest, amortisation of discounts or premiums related to borrowings and other costs incurred in connection with the arrangement of borrowings. Financing costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the financing costs are capitalised to the cost of the asset. Where funds are borrowed by the Group for the acquisition or construction of a qualifying asset, the amount of financing costs capitalised are those incurred in relation to that borrowing.

4 Dividends



Dividends are a portion of Ramsay Group's profit that are paid out to its shareholders, in return for their investment.

	Parent Entity	
	2024 \$m	2023 \$m
(i) Dividends determined and paid during the year on ordinary shares:		
<i>Current year interim dividend paid</i>		
Franked dividends – ordinary (40.0 cents per share) (2023: 50.0 cents per share)	91.5	114.0
<i>Previous year final dividend paid</i>		
Franked dividends – ordinary (25.0 cents per share) (2023: 48.5 cents per share)	57.1	110.5
Total dividends paid on ordinary shares ¹	148.6	224.5
(ii) Dividends proposed and not recognised as a liability on ordinary shares:		
<i>Current year final dividend proposed</i>		
Franked dividends – ordinary (40.0 cents per share) (2023: 25.0 cents per share)	91.6	57.1
(iii) Dividends determined and paid during the year on CARES:		
<i>Current year interim and previous year final dividend paid</i>		
Franked dividends – CARES	16.7	13.0
(iv) Dividends proposed and not recognised as a liability on CARES:		
<i>Current year final dividend proposed</i>		
Franked dividends – CARES	8.6	8.0
(v) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
franking account balance as at the end of the financial year at 30% (2023: 30%)	920.9	890.7
franking credits that will arise from the payment of income tax payable as at the end of the financial year ²	11.4	13.6
	932.3	904.3
The amount of franking credits available for future reporting periods:		
impact on the franking account of dividends proposed or determined before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period	(42.9)	(27.9)
	889.4	876.4

¹ During the year the Group continued to operate its Dividend Reinvestment Plan where \$30.4m (2023: \$18.8m) of dividend payments were reinvested into ordinary shares of the Group. Refer to Note 6.a.

² As Ramsay Health Care Ltd and its 100% owned Australian subsidiaries have formed a tax consolidated group, effective 1 July 2003, this represents the current tax payable for the Australian group.

The tax rate at which paid dividends have been franked is 30% (2023: 30%). \$100.2 million (2023: \$65.1 million) of the proposed dividends will be franked at the rate of 30% (2023: 30%).

5 Earnings per share



Earnings per share is the portion of post-tax profit allocated to each Ramsay ordinary share.

	2024			2023		
	Continuing operations \$m	Discontinued operations \$m	Total \$m	Continuing operations \$m	Discontinued operations \$m	Total \$m
Net profit for the year attributable to owners of the parent	270.6	618.1	888.7	278.2	19.9	298.1
Less: dividend paid on Convertible Adjustable Rate Equity Securities (CARES)	(16.7)	-	(16.7)	(13.0)	-	(13.0)
Profit used in calculating basic and diluted (after CARES dividend) earnings per share	253.9	618.1	872.0	265.2	19.9	285.1

	2024 Number of Shares (m)	2023 Number of Shares (m)
Weighted average number of ordinary shares used in calculating basic earnings per share	228.5	227.9
Effect of dilution – share rights not yet vested	0.4	0.5
Weighted average number of ordinary shares adjusted for the effect of dilution	228.9	228.4

The share rights granted to Executives but not yet vested, have the potential to dilute basic earnings per share.

The denominator for the purpose of calculating both basic and diluted earnings per share in 2023 has been adjusted to reflect the shares issued under the Dividend Reinvestment Plan in 2024, at less than market value.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

	2024			2023		
	Continuing operations Cents per Share	Discontinued operations Cents per Share	Total Cents per Share	Continuing operations Cents per Share	Discontinued operations Cents per Share	Total Cents per Share
Earnings per share (EPS) attributable to equity holders of the parent						
Basic earnings per share (after CARES dividend)	111.1	270.5	381.6	116.4	8.7	125.1
Diluted earnings per share (after CARES dividend)	110.9	270.0	380.9	116.1	8.7	124.8

Calculation of earnings per share

Basic earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent (after deducting the CARES dividend) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after deducting the CARES dividend) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

II Capital – Financing



This section discusses how the Ramsay Group manages funds and maintains capital structure, including bank borrowings, related finance costs and access to capital markets.

How the Group manages its capital – Financing

The Group manages its capital structure with the objective of ensuring it will be able to continue as a going concern as well as maintaining optimal returns to shareholders and benefits for its stakeholders. The Group also aims to maintain a capital structure that is consistent with its targeted credit ratings, ensuring sufficient headroom is available within such ratings to support its growth strategies at an optimised weighted average cost of capital. Prudent liquidity reserves in the form of committed undrawn bank debt facilities or cash are maintained in order to accommodate its expenditures and potential market disruption.

The Group may raise or retire debt, adjust its dividend policy (including use and terms of the dividend reinvestment plan), return capital to shareholders, issue new shares or financial instruments containing characteristics of equity, or sell assets to reduce debt in order to achieve the optimal capital structure.

The Group's capital is comprised of equity plus net debt. Net debt is calculated as interest bearing liabilities, lease liabilities, plus derivatives relating to debt, less cash assets.

Refer to Note 4 for details of dividends paid during, or determined for the year ended 30 June 2024.

The Group monitors its capital structure primarily by reference to its debt financial covenants and credit rating gearing metrics. Debt levels under the Group's financial covenants are assessed relative to the cash operating profits (EBITDA¹) of the Group that are used to service debt. This ratio is calculated as Net Debt/EBITDA¹ and is 3.7x for the year ended 30 June 2024 (2023: 5.5x), however lending facilities within the Group contain calculations and thresholds specific to each facility and borrowing groups having access to such facilities.

The Group has committed senior debt funding with various maturities up to November 2033. As such, certain subsidiaries must comply with various financial and other undertakings in particular, the following customary financial undertakings:

- Total Net Leverage Ratio (Net Debt/EBITDA¹)
- Interest Cover Ratio (EBITDA¹/ Net Interest)
- Minimum Shareholders Funds

		2024	2023
	Note	\$m	\$m
Details of Capital – Financing are as follows:			
Equity	6	5,527.5	4,823.2
Net Debt	7	10,230.2	11,102.1
		15,757.7	15,925.3

¹ EBITDA is Earnings before Interest, Tax, Depreciation and Amortisation.

6 Equity

	Note	2024 \$m	2023 \$m
Issued capital	6.a	2,246.8	2,216.4
Treasury shares	6.b	(63.0)	(67.8)
Convertible Adjustable Rate Equity Securities (CARES)	6.c	252.2	252.2
Other reserves		(38.6)	(32.7)
Retained earnings		2,500.2	1,786.7
Non-controlling interests		629.9	668.4
		5,527.5	4,823.2

6.a Issued capital



Issued capital represents the amount of consideration received for the ordinary shares issued by Ramsay Health Care Limited (the Company).

Issued and paid up capital

	2024 Number (m)	2024 \$m	2023 Number (m)	2023 \$m
As at 1 July	229.2	2,216.4	228.9	2,197.6
Shares issued – Dividend Reinvestment Plan	0.6	30.4	0.3	18.8
As at 30 June	229.8	2,246.8	229.2	2,216.4

Terms and conditions of issued capital

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.



Accounting Policies

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

6.b Treasury shares



Treasury shares are the shares repurchased on the open market, for the share rights issued to employees under the Employee Share Plan.

	2024 \$m	2023 \$m
1.0 million ordinary shares (30 June 2023: 1.0 million ordinary shares)	63.0	67.8

Nature & Purpose

Treasury shares are shares in the Company held by the Employee Share Plan and are deducted from equity.

6 Equity (Continued)

6.c Convertible Adjustable Rate Equity Securities (CARES)



Convertible Adjustable Rate Equity Securities (CARES) are non-cumulative, redeemable and convertible preference shares in Ramsay Health Care Limited.

Issued and paid up capital

	2024 \$m	2023 \$m
2.6 million CARES shares fully paid (30 June 2023: 2.6 million CARES shares fully paid)	252.2	252.2

Terms and conditions of CARES

Issuer	Ramsay Health Care Limited
Security	Convertible Adjustable Rate Equity Securities (CARES) which are a non-cumulative, redeemable and convertible preference share in Ramsay.
Face Value	\$100 Per CARES.
Dividends	<p>The holder of each CARES is entitled to a preferred, non-cumulative, floating rate dividend equal to:</p> <p>Dividend Entitlement = (Dividend Rate x Face Value x N) / 365</p> <p>where:</p> <p>N is the number of days in the Dividend Period</p> <p>The payment of Dividends is at the Directors' discretion and is subject to there being funds legally available for the payment of Dividends and the restrictions which apply in certain circumstances under the financing arrangements.</p> <p>If declared, the first Dividend will be payable on each CARES in arrears on 20 October 2005 and thereafter on each 20 April and 20 October until CARES are converted or exchanged.</p>
Dividend Rate	<p>The Dividend Rate for each Dividend Period is calculated as:</p> <p>Dividend Rate = (Market Rate + Margin) x (1-T)</p> <p>where:</p> <p>The Market Rate is the 180 day Bank Bill Swap Rate applying on the first day of the Dividend Period expressed as a percentage per annum.</p> <p>The Margin for the period to 20 October 2010 was 2.85% per annum. It was determined by the Bookbuild held on 26 April 2005.</p> <p>T is the prevailing Australian corporate tax rate applicable on the Allotment Date.</p> <p>As Ramsay did not convert or exchange by 20 October 2010, the Margin was increased by a one-time step up of 2.00% (200 basis points) per annum.</p>
Step-up	One-time 2.00% (200 basis points) step-up in the Margin at 20 October 2010
Franking	<p>Ramsay expects the Dividends paid on CARES to be fully franked. If a Dividend is not fully franked, the Dividend will be grossed up to compensate for the unfranked component.</p> <p>If, on a Dividend Payment Date, the Australian corporate tax rate differs from the Australian corporate tax rate on the Allotment Date, the Dividend will be adjusted downwards or upwards accordingly.</p>
Conversion or exchange by Ramsay	<p>CARES have no maturity. Ramsay may convert or exchange some or all CARES at its election for shares or \$100 in cash for each CARES on 20 October 2010 and each Dividend Payment Date thereafter.</p> <p>Ramsay also has the right to:</p> <ul style="list-style-type: none"> • convert or exchange CARES after the occurrence of a Regulatory Event; and • convert CARES on the occurrence of a Change in Control Event. <p>Ramsay cannot elect to convert or exchange only some CARES if such conversion or exchange would result in there being less than \$50 million in aggregate Face Value of CARES on issue.</p>
Conversion Ratio	The rate at which CARES will convert into Shares will be calculated by reference to the market price of Shares during 20 business days immediately preceding, but not including, the conversion date, less a conversion discount of 2.5%. An adjustment is made to the market price calculation in the case of a Change in Control Event. The Conversion Ratio for each CARES will not be greater than 400 shares.
Ranking	CARES rank equally amongst themselves in all respects and are subordinated to all creditors but rank in priority to Shares.
Participation	Unless CARES are converted into Shares, CARES confer no rights to subscribe for new shares in any fundraisings by Ramsay or to participate in any bonus or rights issues by Ramsay.
Voting Rights	CARES do not carry a right to vote at general meeting of Ramsay except in limited circumstances.

7 Net debt

	Note	2024 \$m	2023 \$m
Cash and cash equivalents	7.a	662.3	656.1
Loans and borrowings – current	7.b	(134.1)	(69.9)
Lease liabilities – current	7.c	(471.6)	(416.9)
Loans and borrowings – non-current	7.b	(4,949.9)	(5,861.5)
Lease liabilities – non-current	7.c	(5,382.5)	(5,538.0)
Net derivative assets – debt related	7.d	45.6	128.1
		(10,230.2)	(11,102.1)

7.a Cash and cash equivalents



Cash and cash equivalents comprise of cash at bank, cash on hand and short-term deposits with a maturity of less than three months. This note presents the amount of cash on hand at year end, together with further reconciliation in relation to the Statement of Cash Flows.

	2024 \$m	2023 \$m
Cash at bank and on hand	662.3	656.1

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.



Accounting Policies

Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts and restricted cash (nil as at 30 June 2024).

7 Net debt (Continued)

Reconciliation of net profit after tax to net cash flows from operations

	2024 \$m	2023 \$m
Net profit after tax for the year	881.4	365.5
Adjustments for:		
Share of profit of joint venture	-	(19.8)
Depreciation, amortisation and impairment	1,128.1	1,000.8
Interest income	(7.0)	(39.9)
Share-based payments	6.0	8.0
Net profit on disposal of non-current assets and acquisition of businesses	(7.1)	(60.3)
Pre-tax gain on sale of interest in joint venture, net of transaction costs	(660.9)	-
Other	1.0	0.7
Changes in assets & liabilities:		
Deferred tax	(38.7)	44.2
Receivables	(264.5)	118.2
Other assets	(66.8)	(2.5)
Creditors, accruals and other liabilities	238.9	58.6
Provisions	(29.4)	(86.7)
Inventories	17.5	(14.2)
Current tax	94.3	(93.0)
Net cash flows from operating activities	1,292.8	1,279.6

Reconciliation of liabilities arising from financing activities

	As at 1 July 2023 \$m	Cash Flows \$m	Foreign Exchange Movement \$m	New Leases \$m	Business Combinations \$m	Disposal/ Termination or Reassessment of Leases \$m	Other \$m	As at 30 June 2024 \$m
Loans and borrowings – current	69.9	64.8	(0.6)	-	-	-	-	134.1
Loans and borrowings – non-current	5,861.5	(890.2)	(13.9)	-	-	-	(7.5)	4,949.9
Lease Liabilities	5,954.9	(450.5)	(41.0)	221.0	96.1	73.6	-	5,854.1
Total	11,886.3	(1,275.9)	(55.5)	221.0	96.1	73.6	(7.5)	10,938.1

	As at 1 July 2022 \$m	Cash Flows \$m	Foreign Exchange Movement \$m	New Leases \$m	Business Combinations \$m	Disposal/ Termination or Reassessment of Leases \$m	Other \$m	As at 30 June 2023 \$m
Loans and borrowings – current	42.8	19.5	3.9	-	-	-	3.7	69.9
Loans and borrowings – non-current	5,173.5	380.1	207.4	-	2.5	-	98.0	5,861.5
Lease Liabilities	5,482.4	(403.2)	345.9	486.8	-	43.0	-	5,954.9
Total	10,698.7	(3.6)	557.2	486.8	2.5	43.0	101.7	11,886.3

7 Net debt (Continued)

7.b Loans and borrowings



This note outlines the Group's loans and borrowings, which are predominantly from banks and other financial institutions, with varying maturities.

	Maturity	2024 \$m	2023 \$m
Current			
Secured bank loans:			
€ Bi-lateral Facilities ¹	Up to Jun 2025	134.1	69.9
Total current loans and borrowings		134.1	69.9
Non-current			
Unsecured bank and other financial institution loans:			
A\$ 1,500,000,000 Syndicated Facility Loan ²	Up to Oct 2028	1,300.0	1,496.9
A\$ 513,750,000 Syndicated Facility Loan ³	Jul 2023	-	513.4
A\$ 500,000,000 Syndicated Facility Term Loan ⁴	Nov 2029	495.8	-
A\$ Bi-lateral Facilities ⁵	Up to Nov 2025	21.0	164.0
A\$ 100,000,000 Bi-lateral Term Loan ⁶	Nov 2025	100.0	99.9
€ 300,000,000 Syndicated Facility Loan ⁷	Jul 2023	-	491.0
		1,916.8	2,765.2
Secured bank loans:			
€ 1,650,000,000 Syndicated Term Loan ⁸	Up to Apr 2027	2,370.9	2,361.7
€ Bi-lateral Facilities ¹	Up to Nov 2033	500.9	571.0
		2,871.8	2,932.7
Secured/Unsecured corporate notes:			
€ 100,000,000 Sustainability Linked Euro Private Placement Notes ⁹	Up to Dec 2029	161.3	163.6
Total non-current loans and borrowings		4,949.9	5,861.5
Total loans and borrowings		5,084.0	5,931.4

¹ Euro bi-lateral facilities are secured by a first charge over certain Ramsay Santé and controlled entities' land, buildings and the shares of real estate subsidiaries. These loans are repayable in instalments over the term of the facilities.

² Sustainability linked syndicated revolving bank debt facility with equal tranches which maturing at 3 years, 4 years and 5 years.

³ Syndicated revolving bank debt facilities repaid and terminated early in July 2023 from original maturity date of December 2024.

⁴ Syndicated Term Loan Facility issued in November 2023

⁵ Bilateral revolving bank debt facilities increasing from A\$855 million at 30 June 2023 to A\$955 million at 30 June 2024.

⁶ Bi-lateral term loan facility repayable in full on maturity.

⁷ Syndicated revolving bank debt facilities repaid and terminated early in July 2023 from original maturity date of October 2024.

⁸ Sustainability linked syndicated term loan facilities repayable in full on maturity. The lenders only have recourse to Ramsay Santé and certain Ramsay Santé controlled entities.

⁹ Euro Private Placement Notes, maturing in December 2028 and December 2029.

The Group had an undrawn facility limit of \$1,415.3 million as at 30 June 2024.

Ramsay and its wholly owned subsidiaries

During the full year, net A\$1,905 million of facilities were cancelled due to the completion of refinancing tasks and redeployment of Ramsay Sime Darby Health Care Sdn Bhd joint venture sale proceeds to prepaying and cancelling facilities.

Both the €300 million and A\$514 million syndicated facilities were cancelled in July 2023 and A\$1,500 million of bilateral facilities were cancelled in December 2023. A new six year A\$500m term loan facility was entered into in November 2023 and a new two year A\$100 million bilateral facilities in February 2024.

In October 2023, the A\$1,500 million sustainability linked syndicated facility, comprising equal tranches of A\$500 million, was extended by 2.25 years with each tranche now maturing in October 2026, October 2027 and October 2028. A\$955 million of bilateral facilities were also extended by up to 12 months.

Subsequent to year end, amendments to the A\$1,705 million Sustainability Linked Loans (included A\$205 million bilateral facilities) in the form of changes to the KPIs and targets and the entry into a Sustainability Deed Poll closed on 8 August 2024.

The covenant package, group guarantees and other common terms and conditions in respect of the debt facilities are governed under a Common Terms Deed Poll.

7 Net debt (Continued)

Ramsay Santé and controlled entities

No significant change to loans and borrowings for Ramsay Santé during the period 1 July 2023 to 30 June 2024.

On 13 August 2024, Ramsay Santé closed an Amend & Extend of its €1,650 million Senior Debt facility, extending its upcoming 2026-2027 debt maturities to 2029-2031, with an increase in margin pricing reflecting market rates.

Fair values

The fair values of the Group's interest bearing loans and borrowings are determined by using the discounted cash flow method with discount rates that reflect market interest rates, specific country risk factors, individual creditworthiness of the counterparties and the other risk characteristics associated with the underlying debts.

Unless disclosed below, the carrying amount of the Group's current and non-current borrowings approximate their fair value. The fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates depending on the type of borrowings. For the financial year, the variable market-based interest rates vary from 3.69% to 4.47% (2023: 1.10% to 4.12%) for Australia and 3.70% to 4.00% (2023: 0.125% to 3.21%) for France respectively.

The fair value of the interest bearing loans and borrowings was estimated using the level 2 method valuation technique in which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable. Set out in the table below is a comparison by carrying amounts and fair value of the Group's Interest bearing loans and borrowings.

	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$m	\$m	\$m	\$m
Bank loans	4,922.7	5,096.6	5,767.8	6,003.5
Corporate notes	161.3	164.4	163.6	166.8
	5,084.0	5,261.0	5,931.4	6,170.3

Interest rate, foreign exchange & liquidity risk

Details regarding interest rate, foreign exchange and liquidity risk is disclosed in Note 17.

Assets pledged as security

The carrying amounts of assets pledged as security for loans and borrowings are set out in the following table:

	2024	2023
	\$m	\$m
<i>Fixed and floating charge</i>		
Investment holdings in subsidiaries	4,363.0	4,304.0
Total non-current assets pledged as security	4,363.0	4,304.0



Accounting Policies

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Losses are recognised in profit or loss when the liabilities are derecognised.

7 Net debt (Continued)

7.c Lease liabilities



The Group has lease contracts for the use of hospitals, office space and various items of equipment and vehicles which it uses in its operations. Leases of hospitals and office space can have lease terms between 5 and 120 years, while vehicles and equipment generally have lease terms between 5 and 10 years.

Generally, the Group is restricted from assigning and subleasing the leased assets. A number of the lease contracts include extensions, termination options and variable lease payments, which are discussed below.

The Group also has certain leases of equipment with lease terms of 12 months or less and leases of office equipment with a low value. The Group applies the 'short term lease' and 'lease of low value assets' recognition exemptions for these leases.

	2024 \$m	2023 \$m
As at 1 July	5,954.9	5,482.4
Additions	221.0	486.8
Business combinations	96.1	-
Payments	(731.0)	(656.2)
Accretion of interest	280.5	253.0
Reassessment of lease terms	73.6	43.0
Exchange differences	(41.0)	345.9
As at 30 June	5,854.1	5,954.9
	2024 \$m	2023 \$m
Current lease liabilities	471.6	416.9
Non-current lease liabilities	5,382.5	5,538.0
Total lease liabilities	5,854.1	5,954.9

Assets pledged as security

The carrying amounts of assets pledged as security for lease liabilities are set out in the following table:

	2024 \$m	2023 \$m
Leased assets pledged as security	1,137.1	900.2

Cash outflows

	2024 \$m	2023 \$m
Repayment of lease principal	(450.5)	(403.2)
Lease finance costs	(280.5)	(253.0)
Other lease payments - low value assets, short term and variable lease payments (included in payments to suppliers and employees)	(23.2)	(20.9)
Total cash outflows for leases	(754.2)	(677.1)

7 Net debt (Continued)



Accounting Policies

All leases are accounted for by recognising a right of use asset and a lease liability except for:

- Leases of low value assets, being those generally with a cost of \$50,000 or less; and
- Leases with a term of 12 months or less.

Lease liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to exercise that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Lease assets

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right of use assets are amortised on a straight line basis over the shorter of the useful life of the asset or the term of the lease. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate or when there is a change in the assessment of the term of the lease.

The Group applies the short term lease recognition exemption to its short term lease of equipment, being those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group also applies the low-value assets recognition exemption to leases of equipment that are considered to be of low value. Lease payments on short term leases and leases of low value assets are recognised as an expense on a straight line basis over the lease term.



Key Accounting Judgements, Estimates and Assumptions

Lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the options to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not exercise) the option to renew.

Discount rates

The lease payments are discounted using the interest rate implicit in the lease or the lessee's incremental borrowing rate (**IBR**). The IBR is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The IBR therefore requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease.

7 Net debt (Continued)

7.d Derivative financial instruments



A derivative is a financial instrument typically used to manage an underlying risk, using futures, swaps and options. The value change of a derivative is related to changes in a variable, such as interest rate or foreign exchange rate. The Group uses derivatives to manage exposure to foreign exchange and interest rate risk.

	2024 \$m	2023 \$m
Current assets		
Interest rate and foreign exchange derivative contracts – cash flow hedges	23.5	33.4
Interest rate and foreign exchange derivative contracts – economic hedges	8.3	31.1
Non-current assets		
Interest rate and foreign exchange derivative contracts – cash flow hedges	17.5	41.2
Interest rate and foreign exchange derivative contracts – economic hedges	0.1	22.4
	49.4	128.1
Current liabilities		
Interest rate and foreign exchange derivative contracts – cash flow hedges	(0.1)	-
Non-current liabilities		
Interest rate and foreign exchange derivative contracts – cash flow hedges	(3.7)	-
	(3.8)	-
Net derivative assets	45.6	128.1

Instruments used by the Group

Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates.

Interest rate swaps and forward foreign exchange contracts – cash flow hedges

Interest bearing loans in Australian Dollar of the Group currently bear an average variable base interest rate excluding margin of 4.42% (2023: 3.98%). Interest bearing loans in Euro of the Group currently bear a variable base interest rate excluding margin of 3.90% (2023: 3.21%).

In order to reduce the variability of the future cash flows in relation to the interest bearing loans, the Group has entered into Australian Dollar and Euro interest rate swap contracts under which it has a right to receive interest at variable rates and to pay interest at fixed rates. Swaps in place cover approximately 84% (2023: 75%) of variable base interest rate loans drawn as at 30 June 2024.

To reduce the foreign exchange risk of expected purchases, the Group enters into foreign exchange forward contracts which are designated in a cash flow hedge relationship.

Interest rate risk

Information regarding interest rate risk exposure is set out in Note 17.

Credit risk

Credit risk arises from the potential failure of counterparties to meet their obligations at maturity of contracts. This arises on derivative financial instruments with unrealised gains. Management constantly monitor the fair value of favourable contracts outstanding with any individual counterparty. Management only deal with prime financial institutions with appropriate credit ratings in order to manage this credit risk.

7 Net debt (Continued)

Fair value of derivative financial instruments

The fair value of the derivative financial instruments was estimated using the level 2 method valuation technique and is summarised in the table above.

The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the relevant notes.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between Level 1 and Level 2 or between Level 2 and Level 3 during the year.

The notional principal amounts and period of expiry of the interest rate derivatives contracts are as follows:

	2024	2023
	\$m	\$m
0-1 years	1,256.5	210.0
1-2 years	1,037.1	1,268.3
2-3 years	866.1	1,350.2
3-5 years	1,570.0	2,197.4
Over 5 years	-	-
	4,729.7	5,025.9

The interest rate derivatives require settlement of net interest receivable or payable each 90 days. They are settled on a net basis. The swaps are measured at fair value and all gains and losses attributed to the hedged risk are taken directly to equity and re-classified to the Income Statement when the interest expense is recognised.



Accounting Policies

The Group uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Derivatives are carried as assets when the fair value is positive and as a liability when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in Other Comprehensive Income, and later classified to profit and loss when the hedge item affects profit or loss.

For the purposes of hedge accounting, hedges are classified as:

- fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability;
- cash flow hedges when they hedge exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

7 Net debt (Continued)



Accounting Policies

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in Other Comprehensive Income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Income Statement as other operating expenses.

The Group uses predominantly interest rate swap contracts as hedges of its exposure to fluctuations in interest rates. There is an economic relationship between the hedged item and the hedging instrument as the term of the interest rate swap matches the terms of the variable rate loan (that is, notional amount, maturity, base rate, payment and reset dates).

Amounts recognised as Other Comprehensive Income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as Other Comprehensive Income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in Other Comprehensive Income is transferred to the Income Statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in Other Comprehensive Income remains in Other Comprehensive Income until the forecast transaction or firm commitment affects profit or loss.

Subsequent measurement

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transaction;
- Reference to the current fair value of another instrument that is substantially the same; or
- A discounted cash flow analysis or other valuation models.

Fair value of derivative financial instruments

The Group measures financial instruments, such as, derivatives, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

III Assets and Liabilities – Operating and Investing



This section outlines how the Ramsay Group manages its assets and liabilities to generate profit.

How the Group manages its overall financial position

The Group manages its overall financial position by segregating its Statement of Financial Position into two categories; Assets and Liabilities – Operating and Investing and Capital – Financing. Assets and Liabilities – Operating and Investing is managed at both the site and group level while Capital – Financing (refer to section II) is managed centrally.

Details of Assets and Liabilities – Operating and Investing are as follows:

	Note	2024 \$m	2023 \$m
Working capital	8	(465.5)	(498.4)
Property, plant and equipment	10	5,383.6	5,238.1
Right of use assets	11	4,775.4	4,949.1
Intangible assets	12	6,139.9	6,163.7
Current and deferred tax assets (net)	14	52.8	89.8
Other liabilities (net)	15	(128.5)	(17.0)
		15,757.7	15,925.3

8 Working capital

		2024 \$m	2023 \$m
Trade and other receivables (current)	8.a	2,516.5	2,266.9
Inventories	8.b	379.4	388.6
Trade and other creditors (current)	8.c	(3,361.4)	(3,153.9)
		(465.5)	(498.4)

Consistent with prior periods, the Group actively manages the collection of debtor receipts and creditor payments. Any surplus or deficit in working capital is managed through efficient use of the debt facilities and cash balances.

8.a Trade and other receivables



Trade and other receivables primarily consists of amounts outstanding from Governments, Health Funds and Self Insured patients for delivering health care and related services.

	2024 \$m	2023 \$m
Current		
Trade and other receivables	2,671.9	2,397.6
Allowances for impairment loss	(155.4)	(130.7)
	2,516.5	2,266.9
Non-current		
Rental property bonds and guarantees receivable	35.7	38.8
Other	77.1	88.1
	112.8	126.9
Total	2,629.3	2,393.8

8 Working capital (Continued)

Allowances for impairment loss

An allowance for expected credit loss (**ECL**) is recognised based on the difference between the contractual cash flows and the expected cash flows. The Group has applied a simplified approach in calculating ECLs by establishing a provision matrix for forward-looking factors specific to the debtors and the economic environment.

Movements in the allowances for impairment loss were as follows:

	2024 \$m	2023 \$m
As at 1 July	(130.7)	(70.6)
Charge for the year	(104.5)	(103.3)
Exchange differences	1.3	(5.9)
Amounts written off	78.5	49.1
As at 30 June	(155.4)	(130.7)

Ageing analysis

At 30 June, the ageing analysis of trade and other receivables is as follows:

	Total \$m	Neither past due nor impaired \$m	0-30 Days PDNI ¹ \$m	31-60 Days PDNI ¹ \$m	61-90 Days PDNI ¹ \$m	91+ Days PDNI ¹ \$m	Considered impaired \$m
2024	2,784.7	1,870.7	232.4	107.0	51.2	368.0	155.4
2023	2,524.5	1,745.0	197.4	105.9	61.1	284.4	130.7

¹ PDNI – Past due not impaired

Receivables past due but not considered impaired are: \$758.6 million (2023: \$648.8 million). Payment terms on these amounts have not been re-negotiated as based on the credit history of receivables past due not considered impaired, management believes that these amounts will be fully recovered. This is due to the fact that the Group mainly deals with Government Authorities and creditworthy Health Funds.

Fair value

Due to the short term nature of the current receivables, the carrying value approximates fair value. The carrying values of the discounted non-current receivables approximates their fair values.

Credit risk

The maximum exposure to credit risk for current receivables is their carrying value. Collateral is not held as security. The Group's credit risk is low in relation to trade debtors because the majority of transactions are with the Government and Health Funds. The maximum exposure to credit risk for non-current receivables at the reporting date is the carrying value of these receivables. The majority of the non-current receivables are assessed as low risk.

Foreign exchange & interest rate risk

Details regarding foreign exchange and interest rate risk exposure are disclosed in Note 17.

8 Working capital (Continued)

8.b Inventories



Inventories include medical supplies to be consumed in providing future patient services, and development assets, including medical suites to be sold, that are currently under construction.

	2024 \$m	2023 \$m
Amount of medical supplies to be consumed in providing future patient services – at cost	363.4	356.4
Development assets to be sold that are currently under construction – at cost	16.0	32.2
Total	379.4	388.6

Inventory expense

Medical supplies recognised as an expense for the year ended 30 June 2024 totalled \$3,713.4 million (2023: \$3,347.7 million) for the Group. This expense has been included in the expense category 'medical consumables and supplies' in the Income Statement. The cost of development assets sold which has been recognised as an expense for the year ended 30 June 2024 totalled \$1.5 million (2023: \$7.3 million) for the Group. This expense has been included in the expense category 'cost of development assets sold' in the Income Statement.



Accounting Policies

Inventories are recorded using the FIFO method and are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

8.c Trade and other creditors



Trade and other creditors consists of amounts owing to employees and suppliers for goods and/or services delivered and customer amounts paid in advance of provision of services.

	2024 \$m	2023 \$m
Trade creditors	1,651.8	1,484.3
Accrued expenses	538.9	507.5
Employee and Director entitlements	1,159.0	1,138.7
Other creditors	11.7	23.4
Total	3,361.4	3,153.9

Fair value

Trade and other creditors amounts are non-interest bearing and are normally settled on 30-60 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

Interest rate, foreign exchange & liquidity risk

Details regarding interest rate, foreign exchange and liquidity risk exposure are set out in Note 17.

9 Business combinations



Ramsay's growth has been driven, in part, by acquisitions of businesses within the healthcare sector.

Information on current year acquisitions

The Group acquired certain businesses in Australia and Europe during the year ended 30 June 2024. The summarised amounts for these business combinations for the year ended 30 June 2024 are shown below and have been determined on a provisional basis only. These businesses are all within the healthcare sector.

	\$m
Assets	112.3
Liabilities	(108.0)
Fair value of identifiable net assets	4.3
Goodwill arising	14.7
Gain from bargain purchase	(5.9)
Fair value of consideration transferred	13.1
The cash outflow as a result of the business combinations is as follows:	
Cash paid in the year to 30 June 2024	(13.1)
Net cash acquired with the subsidiaries	1.1
Net consolidated cash outflow	(12.0)
Cash paid in the year to 30 June 2024	(13.1)
Deferred consideration	-
Total consideration	(13.1)
Direct costs relating to the business combinations – included within service costs	0.9

Information on prior year acquisitions

The Group acquired certain healthcare businesses during the year ended 30 June 2023. The purchase price accounting that was determined on a provisional basis at 30 June 2023, has now been finalised with no material changes. Refer to Note 10 in the Group's annual financial statements for the year ended 30 June 2023 for detail of prior year acquisitions.

9 Business combinations (Continued)



Accounting Policies

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value and is calculated as the sum of the business combination date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Business combination related costs are expensed as incurred.

In accounting for a business combination, the Group assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the business combination date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the business combination date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of *AASB 9 Financial Instruments*, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of AASB 9, it is measured in accordance with the appropriate standard. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.



Key Accounting Judgements, Estimates and Assumptions

The Group recognises the identifiable assets and liabilities of businesses at their business combination date fair values, except for lease liabilities and right of use assets, which are measured at the present value of the remaining lease payments as if the acquired lease were a new lease at the acquisition date and where the right of use asset is further adjusted for favourable and unfavourable terms. Where a significant amount of freehold land and buildings are recognised in the business combination, the fair value is determined by an external valuer using an approach relevant to the market in that country.

10 Property, plant and equipment



Property, plant and equipment represents the investment by the Group in tangible assets such as land, buildings, hospital fit-outs and medical equipment.

	Land & Buildings \$m	Plant & Equipment \$m	Assets Under Construction \$m	Total \$m
30 June 2024				
Cost	4,929.2	3,672.9	496.9	9,099.0
Accumulated depreciation and impairment	(1,269.4)	(2,446.0)	-	(3,715.4)
	3,659.8	1,226.9	496.9	5,383.6
<i>Movement:</i>				
As at 1 July 2023	3,446.5	1,166.3	625.3	5,238.1
Additions	88.6	324.3	296.2	709.1
Transferred from assets under construction	309.9	106.7	(416.6)	-
Business combinations	3.6	7.2	-	10.8
Reclassification (Note 11)	7.7	-	2.8	10.5
Depreciation	(178.0)	(345.3)	-	(523.3)
Impairment	(0.3)	(34.7)	-	(35.0)
Disposals	(0.6)	(0.5)	-	(1.1)
Exchange differences	(17.6)	2.9	(10.8)	(25.5)
As at 30 June 2024	3,659.8	1,226.9	496.9	5,383.6
30 June 2023				
Cost	4,538.0	3,319.1	625.3	8,482.4
Accumulated depreciation and impairment	(1,091.5)	(2,152.8)	-	(3,244.3)
	3,446.5	1,166.3	625.3	5,238.1
<i>Movement:</i>				
As at 1 July 2022	3,226.3	1,052.6	527.6	4,806.5
Additions	83.5	302.4	344.8	730.7
Transferred from assets under construction	173.7	88.6	(262.3)	-
Business combinations	3.2	7.1	-	10.3
Reclassification (Note 11, Note 12)	32.3	-	-	32.3
Depreciation	(169.8)	(322.5)	-	(492.3)
Impairment	0.9	1.9	-	2.8
Disposals	(11.0)	(1.0)	(1.9)	(13.9)
Exchange differences	107.4	37.2	17.1	161.7
As at 30 June 2023	3,446.5	1,166.3	625.3	5,238.1
30 June 2022				
Cost	4,132.5	2,937.4	527.6	7,597.5
Accumulated depreciation and impairment	(906.2)	(1,884.8)	-	(2,791.0)
	3,226.3	1,052.6	527.6	4,806.5

10 Property, plant and equipment (Continued)



Accounting Policies

Assets Under Construction is stated at cost, net of accumulated impairment losses, if any. Land and Buildings and Plant and Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated, consistent with the prior year, on a straight-line basis over the estimated useful life of the assets as follows:

- Buildings and integral plant – 40 to 60 years
- Plant and equipment, other than plant integral to buildings – various periods not exceeding 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Impairment losses are recognised in the Income Statement in the expense category 'depreciation, amortisation and impairment'.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Derecognition & disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Income Statement in the year the asset is derecognised.



Key Accounting Judgements, Estimates and Assumptions

Useful lives of assets are estimated based on historical experience. The useful life of assets are assessed annually and adjusted where deemed necessary.

11 Right of use assets



A right of use asset represents the Group's, as a lessee, right to use an asset over the life of a lease. See note 7.c for the Group's lease arrangements and related lease liabilities recognised.

	Leased Property \$m	Leased Plant & Equipment \$m	Total \$m
30 June 2024			
Cost	7,076.3	540.9	7,617.2
Accumulated depreciation and impairment	(2,587.3)	(254.5)	(2,841.8)
	4,489.0	286.4	4,775.4
<i>Movement:</i>			
As at 1 July 2023	4,679.4	269.7	4,949.1
Additions	113.2	106.6	219.8
Business combinations	88.7	7.4	96.1
Reclassification (Note 10, 12)	(6.4)	(4.3)	(10.7)
Depreciation	(415.3)	(91.3)	(506.6)
Impairment	(11.0)	-	(11.0)
Reassessment of lease terms	73.9	(0.3)	73.6
Disposals or terminations	(2.0)	(0.1)	(2.1)
Exchange differences	(31.5)	(1.3)	(32.8)
As at 30 June 2024	4,489.0	286.4	4,775.4
30 June 2023			
Cost	6,860.4	500.3	7,360.7
Accumulated depreciation and impairment	(2,181.0)	(230.6)	(2,411.6)
	4,679.4	269.7	4,949.1
<i>Movement:</i>			
As at 1 July 2022	4,393.1	236.4	4,629.5
Additions	387.0	99.8	486.8
Reclassification (Note 10)	(31.1)	-	(31.1)
Depreciation	(366.8)	(81.2)	(448.0)
Impairment	(14.5)	-	(14.5)
Reassessment of lease terms	43.3	-	43.3
Disposals or terminations	-	(0.2)	(0.2)
Exchange differences	268.4	14.9	283.3
As at 30 June 2023	4,679.4	269.7	4,949.1
30 June 2022			
Cost	6,119.4	426.8	6,546.2
Accumulated depreciation and impairment	(1,726.3)	(190.4)	(1,916.7)
	4,393.1	236.4	4,629.5

Leased assets, where pledged, are used as security for the related lease liabilities. Refer note 7.c.

12 Intangible assets



The Group's investment in intangible assets includes goodwill, service concession assets, brand names and software.

	Goodwill \$m	Service Concession Assets \$m	Other ¹ \$m	Total \$m
30 June 2024				
Cost	5,744.9	243.0	546.9	6,534.8
Accumulated amortisation and impairment	-	(183.3)	(211.6)	(394.9)
	5,744.9	59.7	335.3	6,139.9
<i>Movement:</i>				
As at 1 July 2023	5,756.4	80.5	326.8	6,163.7
Additions	-	-	53.6	53.6
Business combinations	14.7	-	-	14.7
Reclassification (Note 11)	-	(1.3)	1.5	0.2
Amortisation	-	(21.0)	(31.2)	(52.2)
Disposals	-	(1.0)	-	(1.0)
Exchange differences	(26.2)	2.5	(15.4)	(39.1)
As at 30 June 2024	5,744.9	59.7	335.3	6,139.9
30 June 2023				
Cost	5,756.4	239.8	511.4	6,507.6
Accumulated amortisation and impairment	-	(159.3)	(184.6)	(343.9)
	5,756.4	80.5	326.8	6,163.7
<i>Movement:</i>				
As at 1 July 2022	5,385.6	105.8	329.4	5,820.8
Additions	-	-	34.5	34.5
Business combinations	78.0	1.2	-	79.2
Reclassification (Note 10)	-	(1.2)	-	(1.2)
Amortisation	-	(22.0)	(26.8)	(48.8)
Disposals	-	-	(12.4)	(12.4)
Exchange differences	292.8	(3.3)	2.1	291.6
As at 30 June 2023	5,756.4	80.5	326.8	6,163.7
30 June 2022				
Cost	5,385.6	241.3	496.0	6,122.9
Accumulated amortisation and impairment	-	(135.5)	(166.6)	(302.1)
	5,385.6	105.8	329.4	5,820.8

¹ Mainly brands and on-premise software costs, including both purchased and internally generated software.

12 Intangible assets (Continued)



Accounting Policies

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The key factor contributing to the goodwill relates to the synergies existing within the acquired businesses and also expected to be achieved as a result of combining these facilities with the rest of the Group.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is determined to have an indefinite life.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated such that:

- It represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- Is not larger than an operating segment determined in accordance with *AASB 8 Operating Segments*.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained. Impairment losses recognised for goodwill are not subsequently reversed.

Service concession assets

Service concession assets represent the Group's right to operate hospitals under Service Concession Arrangements. Service concession assets constructed by the Group are recorded at the fair value of consideration received or receivable for the construction services delivered. Service concession assets acquired by the Group are recorded at the fair value of the assets at the date of acquisition. All service concession assets are classified as intangible assets.

To the extent that the Group has an unconditional right to receive cash or other financial assets under the Service Concession Arrangements a financial asset has been recognised. The financial asset is measured at fair value on initial recognition and thereafter at amortised cost using the effective interest rate method. The financial asset will be reflected on initial recognition and thereafter as a 'loan or receivable'.

Other Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised software development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortisation is calculated, consistent with the prior year, on a straight-line basis over the estimated useful life of the assets as follows:

- Service Concession Asset – over the term of the arrangement
- Software - 2 to 10 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the Income Statement.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level consistent with the methodology outlined for goodwill impairment testing. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

12 Intangible assets (Continued)



Accounting Policies

	Service Concession Assets	Brands	Software costs
Useful lives	Finite	Indefinite	Finite
Amortisation method used	Amortised over the period of the arrangement	Not applicable	Amortised over the period of expected future benefit from the related project on a straight line basis
Internally generated or acquired	Acquired	Acquired	Internally generated/Acquired
Impairment testing	When an indication of impairment exists. The amortisation method is reviewed at each financial year end.	Annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.	When an indication of impairment exists. The amortisation method is reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Income Statement when the asset is derecognised.



Key Accounting Judgements, Estimates and Assumptions

Useful lives of assets are estimated based on historical experience and the expected period of future consumption of embodied economic benefits. Useful lives are reviewed annually and adjustments made where deemed necessary.

13 Impairment testing of goodwill



Goodwill arises when the Group acquires a business. It is the portion of the purchase price that is higher than the sum of the fair value of net assets acquired, which represents the synergies expected to arise from the acquisition. Goodwill is impaired when its historical cost exceeds its current recoverable amount.

Description of the cash generating units and other relevant information

Goodwill acquired through business combinations is allocated to the cash generating units expected to benefit from the synergies of the business combination.

Goodwill is tested for impairment on an annual basis, as a minimum. For goodwill impairment testing, goodwill has been allocated to the cash generating units or group of cash generating units (CGUs) shown in the table below.

	Australia \$m	Pharmacy \$m	UK \$m	France \$m	Nordics \$m	Total \$m
2024	1,016.2	165.9	1,697.5	1,287.6	1,577.7	5,744.9
2023	1,016.2	165.9	1,696.9	1,297.1	1,580.3	5,756.4



Key Accounting Judgements, Estimates and Assumptions

The recoverable amount of all CGUs have been determined based on a value in use calculation using cash flow projections as at 30 June 2024 based on financial estimates approved by senior management and the Board of Directors covering the following financial year. In determining the 2025 (year 1) cash flow projections, management has factored in the performance of the Group in the current year. A growth factor is then applied to the following 4 years through to the end of the value in use models. Key assumptions used in the value in use calculations are outlined in the table below. Significant assumptions used in the impairment testing are inherently subjective and in times of economic uncertainty, the degree of subjectivity is higher than it might otherwise be.

	Australia %	Pharmacy %	UK %	France %	Nordics %
Terminal growth rate (Year 5+)					
2024	3.0	2.0	2.5	1.8	2.8
2023	3.0	2.0	2.5	1.8	2.8
Pre-tax discount rate					
2024	11.5	13.4	10.0	6.6	7.9
2023	10.8	12.5	9.7	6.2	7.5

Key inputs in the value in use calculations are:

- Earnings before interest, tax, depreciation, amortisation and rent ('EBITDAR') estimates – reflect risk-adjusted cash flow estimates underpinned by assumptions on hospital occupancy rates, revenue rates, and wage and other cost increases.
- Terminal Growth rate estimates – based on management's internal estimates of long term growth rates for each of the CGUs.
- Discount rates – reflect management's estimate of the time value and the risks specific to each of the CGUs that are not already reflected in the cash flows. In determining appropriate discount rates for each unit, regard has been given to the weighted average cost of capital of the entity as a whole and adjusted for country and business risk specific to the CGU.

Management has performed sensitivity testing by CGU based on assessing the effect of changes in key assumptions.

Due to minimal headroom, detailed sensitivity testing was performed on the UK CGU by; decreasing the terminal growth rate from 2.5% to 2.3% which results in the carrying value equalling the recoverable amount; increasing the pre-tax discount rate from 10.0% to 10.2% results in the carrying value equalling the recoverable amount; or reducing the first year EBITDAR by 5.0% with consequential impact to later years, results in the carrying value equalling the recoverable amount. Adverse movements beyond these changes would lead to an impairment.

Due to minimal headroom, detailed sensitivity testing was performed on the Pharmacy CGU by; decreasing the terminal growth rate from 2.0% to 1.9% which results in the carrying value equalling the recoverable amount; increasing the pre-tax discount rate from 13.4% to 13.5% results in the carrying value equalling the recoverable amount; or reducing the first year EBITDAR by 2.6% with consequential impact to later years, results in the carrying value equalling the recoverable amount. Adverse movements beyond these changes would lead to an impairment.

For Australia, France and the Nordics, management do not consider that a reasonably likely change in a key assumption would result in the carrying value of goodwill exceeding the recoverable amount.

14 Taxes



This note provides an analysis of the income tax expense and deferred tax balances, including a reconciliation of the tax expense recognised, reconciled to the Group's net profit before tax at the Group's applicable tax rate. A deferred tax asset or liability is created when there are temporary differences between the accounting profit and taxable profit, representing a future income tax receivable or payable.

(i) Income tax expense

	2024 \$m	2023 \$m
The major components of income tax expense are:		
Current income tax		
Current income tax charge	214.4	170.5
Adjustment relating to prior year tax returns	1.4	0.6
Deferred income tax		
Relating to origination and reversal of temporary differences	(53.8)	12.6
Adjustments in respect of deferred income tax of previous years	2.1	(2.2)
Income tax expense reported in the Consolidated Income Statement	164.1	181.5
Income tax from continuing operations	121.3	181.5
Income tax from discontinued operations	42.8	-
	164.1	181.5

(ii) Numerical reconciliation between aggregate tax expense recognised in the Consolidated Income Statement and tax expense calculated per the statutory income tax rate

	2024 \$m	2023 \$m
A reconciliation between tax expense and the product of the accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Profit before tax from continuing operations	384.6	527.1
Profit before tax from discontinued operations	660.9	19.9
Accounting profit before tax	1,045.5	547.0
At the Parent Entity's statutory income tax rate of 30% (2023: 30%)	313.7	164.1
Expenditure not allowable for income tax purposes	9.5	28.9
Amounts not assessable for income tax purposes	(23.4)	(10.8)
Impact of changes in foreign tax rates on deferred tax balances	-	(5.0)
Other French income tax expense	8.1	10.7
Foreign tax rate adjustment due to differences in rates between Australia and Other Countries	5.1	5.3
Non-assessable accounting gain on disposal of discontinued operations on capital account	(155.5)	-
Other	6.6	(11.7)
Income tax expense reported in the Consolidated Income Statement	164.1	181.5

14 Taxes (Continued)

(iii) Recognised tax assets and liabilities

	2024 Current income tax \$m	2024 Deferred income tax \$m	2023 Current income tax \$m	2023 Deferred income tax \$m
As at 1 July	4.8	85.0	(59.8)	171.5
(Charged)/credited to income	(215.8)	51.7	(171.1)	(10.4)
Credited/(charged) to equity	-	5.6	-	(72.7)
Payments	124.2	-	234.2	-
Exchange differences	(3.2)	-	2.9	(6.0)
Acquisitions and disposals of subsidiary	0.5	-	(1.4)	2.6
As at 30 June	(89.5)	142.3	4.8	85.0

	Statement of Financial Position	
	2024 \$m	2023 \$m
Amounts recognised in the Statement of Financial Position for Deferred Income Tax at 30 June:		
Deferred tax liabilities		
Inventory	(21.7)	(21.6)
Deferred revenue	(19.1)	(31.0)
Depreciable assets	(289.4)	(215.2)
Derivatives	(13.1)	(22.6)
Right of use assets and other assets	(379.9)	(437.0)
Gross deferred tax liabilities	(723.2)	(727.4)
Set-off of deferred tax assets	448.4	368.7
Net deferred tax liabilities	(274.8)	(358.7)
Deferred tax assets		
Employee provisions	227.0	179.8
Other provisions and lease liabilities	532.4	557.7
Unearned income	12.1	8.5
Losses	74.6	66.4
Derivatives	1.0	-
Other carried forward deductions	18.4	-
Gross deferred tax assets	865.5	812.4
Set-off of deferred tax liabilities	(448.4)	(368.7)
Net deferred tax assets	417.1	443.7

(iv) Tax consolidation

Ramsay Health Care Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group effective 1 July 2003. Ramsay Health Care Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax funding and sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries using a group allocation method on a modified standalone basis. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current and deferred taxes using a group allocation method, on a modified standalone basis in accordance with the principles of *AASB 112 Income Taxes*. Allocations under the tax funding agreement are made every six months.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' inter-company accounts with the tax consolidated group head company. There is no difference between the current and deferred tax amounts allocated under the tax funding agreement and the amount subsequently charged to the subsidiary. Therefore, there is no contribution/distribution of the subsidiaries' equity accounts.

As a result of tax consolidation, intercompany assets of Ramsay Health Care Limited have increased by \$103.4 million (2023: decreased by \$33.3 million). This is included in the summarised information relating to Ramsay Health Care Limited. Refer to Note 25.

14 Taxes (Continued)

(v) Tax losses

At 30 June 2024, there were nil (2023: nil) losses carried forward in the Ramsay Health Care Ltd tax consolidated group and therefore no resulting deferred tax asset has been recognised. \$74.6 million (2023: \$66.4 million) has been recognised as deferred tax assets in relation to tax losses in other tax jurisdictions.

The Group has unrecognised deferred tax assets of \$42.9 million relating to unused tax losses and other carried forward deductions where it is not probable that they can be utilised in the foreseeable future.

(vi) International Tax Reform – Pillar Two Model Rules

The Organisation for Economic Co-operation and Development (**OECD**) Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates and will be effective for the Group's financial year beginning 1 July 2024. The Group is in scope of the enacted or substantively enacted legislation. However, the legislation is not substantively enacted in the Group's parent jurisdiction (being Australia) as at reporting date. Therefore, the Group is still in the process of assessing the potential exposure to Pillar Two income taxes. The potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimable. The Group expects to be in a position to report the potential exposure in its next interim financial statements for the period ending 31 December 2024.

The Group applies the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the Amendments to *AASB 112 Income Taxes*.

14 Taxes (Continued)



Accounting Policies

Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of;
 - goodwill;
 - an asset or liability in a transaction that:
 - i. is not a business combination;
 - ii. at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
 - iii. at the time of the transaction, does not give rise to equal taxable and deductible temporary difference; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Income Statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

14 Taxes (Continued)



Key Accounting Judgements, Estimates and Assumptions

In determining the Group's deferred tax assets and liabilities, management is required to make an estimate about the availability of future taxable profits and cash flows. Changes in circumstances will alter expectations, which may impact the amount of tax losses and temporary differences recognised.

15 Other assets/liabilities (net)

	Note	2024 \$m	2023 \$m
Prepayments – current and non-current		244.6	202.3
Other assets – current		42.4	28.3
Assets held for sale	15.a	-	251.0
Defined employee benefit assets	15.d	70.4	55.1
Other financial assets – non-current		94.1	83.6
Other receivables – non-current	8.a	112.8	126.9
Provisions – current and non-current	15.b	(460.6)	(493.3)
Defined employee benefit obligation	15.d	(173.5)	(172.6)
Other creditors – non-current		(58.7)	(98.3)
		(128.5)	(17.0)

15.a Assets held for sale/Discontinued operations



Assets held for sales/Discontinued operations is a component of Ramsay Group that represents a separate major line of business or geographical area of operation that is held for sale. This section presents the profit or loss, cash flows and assets and liabilities from the components of the Group that are subject to a committed plan for sale.

Sale of Ramsay Sime Darby Health Care Sdn Bhd (RSDH)

On 28 June 2023, the Group publicly announced the decision, together with the joint venture partner Sime Darby Berhad, to sell the 50:50 joint venture (JV) RSDH in Malaysia. On 28 December 2023 the Group and Sime Darby Berhad completed the sale of RSDH.

Financial information relating to the discontinued operations for the period is set out below. For further information about the discontinued operation, please refer to Note 16.b in the Group's annual financial statements for the year ended 30 June 2023.

15 Other assets/liabilities (net) (Continued)

	2024 \$m	2023 \$m
Assets of discontinued operations		
Investment in joint venture	-	251.0
Total assets held for sale	-	251.0
Results of discontinued operations		
Share of profit of joint venture	-	19.9
Pre-tax gain on sale of interest in joint venture, net of transaction costs	660.9	-
Profit before income tax	660.9	19.9
Income tax	(42.8)	-
Profit after tax from discontinued operations	618.1	19.9
Gain on sale of discontinued operations is calculated as follows		
Consideration received in cash	938.4	-
Carrying amount of interest in joint venture sold	(251.0)	-
Reclassification of amounts previously recognised in other comprehensive income to net profit	(15.0)	-
Disposal costs	(11.5)	-
Income tax	(42.8)	-
Total gain on sale of discontinued operations	618.1	-
Cash flows of discontinued operations		
Operating	-	-
Investing	926.9	-
Financing	-	-
Net increase in cash and cash equivalents	926.9	-
	2024 Cents per Share	2023 Cents per Share
Contribution to earnings per share by discontinued operations		
Basic earnings per share (after CARES dividend)	270.5	8.7
Diluted earnings per share (after CARES dividend)	270.0	8.7



Accounting Policies

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification.

The carrying amount of investment in joint venture is not adjusted to recognise changes in the Group's share of net assets of the joint venture once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the Statement of Financial Position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Income Statement.

15 Other assets/liabilities (net) (Continued)

15.b Provisions



A provision is a liability with uncertain timing and amount, but the expected settlement amount can be reliably estimated by the Group. The main provisions held are in relation to insurance, restructuring, legal obligations, unfavourable contracts and employee benefits.

	2024 \$m	2023 \$m
Current		
Restructuring provision	14.8	18.4
Insurance provision	11.4	12.8
Unfavourable contracts	3.3	3.5
Legal and compliance provision	45.6	42.2
Self-insured workers compensation	6.6	7.5
Other provisions	35.8	41.4
	117.5	125.8
Non-current		
Restructuring provision	23.1	36.4
Insurance provision	64.6	68.2
Unfavourable contracts	36.7	40.4
Legal and compliance provision	158.3	162.9
Self-insured workers compensation	13.3	14.4
Employee and Director entitlements	42.2	40.3
Other provisions	4.9	4.9
	343.1	367.5
Total	460.6	493.3
Total excluding Employee and Director entitlements	418.4	453.0

Movements in provisions (excluding Employee and Director entitlements)

	Restructuring \$m	Insurance \$m	Unfavourable contracts \$m	Legal and compliance \$m	Self- insured workers compensation \$m	Other provisions \$m	Total \$m
As at 1 July 2023	54.8	81.0	43.9	205.1	21.9	46.3	453.0
Arising during the year	6.9	14.9	-	26.6	11.5	13.1	73.0
Utilised during the year	(2.2)	(12.5)	(3.7)	(5.4)	(11.5)	(7.4)	(42.7)
Unused amounts reversed	(21.3)	(7.4)	-	(19.8)	(2.0)	(7.1)	(57.6)
Exchange differences	(0.3)	-	(0.2)	(2.6)	-	(4.2)	(7.3)
As at 30 June 2024	37.9	76.0	40.0	203.9	19.9	40.7	418.4
Current	14.8	11.4	3.3	45.6	6.6	35.8	117.5
Non-current	23.1	64.6	36.7	158.3	13.3	4.9	300.9
As at 30 June 2024	37.9	76.0	40.0	203.9	19.9	40.7	418.4
Current	18.4	12.8	3.5	42.2	7.5	41.4	125.8
Non-current	36.4	68.2	40.4	162.9	14.4	4.9	327.2
As at 30 June 2023	54.8	81.0	43.9	205.1	21.9	46.3	453.0

15 Other assets/liabilities (net) (Continued)

Nature and timing of provisions

Restructuring provision

The restructuring provision primarily relates to the restructuring of the Group subsequent to acquisitions. Provisions are recognised in the year a constructive obligation arises.

Insurance provision

Insurance policies are entered into to cover the various insurable risks. These policies have varying levels of deductibles. The medical malpractice provision is made to cover deductibles arising under the Medical Malpractice Insurance policy, including potential uninsured and 'Incurred but not Reported' claims.

Unfavourable contracts

This provision consists of VAT and other taxes payable on impaired right of use assets for certain leases.

Legal and compliance provision

The legal and compliance provision primarily relates to amounts provided for litigation that is currently in the court process or a matter under review by a relevant authority.

Self-insured workers compensation

The Australian Group is self-insured for workers compensation claims. Provisions are recognised based on claims reported and an estimate of claims incurred but not reported. These provisions are determined on a discounted basis, using an actuarial valuation performed at each reporting date. The Australian Group has entered into bank guarantees in relation to its self-insured workers compensation obligations, refer to Note 19.

Employee leave benefits

Wages, salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in 'Trade and other creditors' in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in the provision for employee entitlements and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.



Accounting Policies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



Key Accounting Judgements, Estimates and Assumptions

The insurance provision is actuarially assessed at each reporting period using a probability of sufficiency between 80% - 95% based on differing exposures to risk. The greatest uncertainty in estimating the provision is the costs that will ultimately be incurred which is estimated using historical claims, market information and other actuarial assessments. Included in the insurance provision is an amount for claiming handling expenses at between 5%-10% of the estimated Ramsay claim cost.

15 Other assets/liabilities (net) (Continued)

15.c Superannuation commitments

The Group contributes to industry and individual superannuation funds established for the provision of benefits to employees of entities within the economic entity on retirement, death or disability. Benefits provided under these plans are based on contributions for each employee and for retirement are equivalent to accumulated contributions and earnings. All death and disability benefits are insured with various life insurance companies. The entity contributes to the funds at various agreed contribution levels, which are not less than the statutory minimum.

15.d Defined employee benefit obligation



A defined benefit plan is an employer-based program that pays retirement benefits based on a predetermined formula such as the employee's length of employment, age and salary history. The Group has a defined employee benefit obligation in France as required to be paid under local legislation. There is also a defined benefit obligation in the Nordics.

In contrast to a defined contribution plan, the employer, not the employee, is responsible for all of the planning and investment risk of a defined benefit plan. The Group has a defined contribution obligation in other jurisdictions. Refer Note 15.c.

The following tables summarise the funded status and amounts recognised in the consolidated Statement of Financial Position for the plans:

	2024 \$m	2023 \$m
Net (liability) included in the Statement of Financial Position		
Present value of defined benefit obligation	(404.4)	(384.4)
Fair value of plans assets	301.3	266.9
Net (liability) – non-current	(103.1)	(117.5)
	2024 \$m	2023 \$m
As presented on the Statement of Financial Position		
Net defined benefit obligation asset	70.4	55.1
Net defined benefit obligation liability	(173.5)	(172.6)
	(103.1)	(117.5)
	2024 \$m	2023 \$m
Net expense for the defined employee benefit obligation (Note 3) (recognised in superannuation expenses)	21.3	15.3
	2024 \$m	2023 \$m
Changes in the present value of the defined benefit obligation are as follows:		
As at 1 July	(384.4)	(386.6)
Current service cost	(17.4)	(10.4)
Finance cost	(14.3)	(4.9)
Benefits paid	21.6	13.9
Actuarial (losses)/gains	(19.2)	17.5
Exchange differences on foreign plans	9.3	(13.9)
As at 30 June	(404.4)	(384.4)
Changes in the fair value of plan assets are as follows:		
As at 1 July	266.9	228.8
Expected return	10.4	-
Contributions by employer	26.1	19.8
Benefits paid	(3.2)	(4.0)
Actuarial (losses)/gains	(2.3)	26.2
Exchange differences on foreign plans	3.4	(3.9)
As at 30 June	301.3	266.9
Actuarial return on plan assets	10.4	-

15 Other assets/liabilities (net) (Continued)

Plan assets are invested as follows:

	2024 %	2023 %
Equities	28.9	28.9
Bonds	40.3	40.3
Property	10.4	10.4
Other	20.4	20.4

The Group expects to contribute nil to its defined benefit obligations in 2025.

	2024 \$m	2023 \$m
Actuarial losses/(gains) recognised in the Statement of Comprehensive Income	21.5	(43.7)
Cumulative actuarial losses recognised in the Statement of Comprehensive Income	39.6	18.1

The principal actuarial assumptions used in determining obligations for the liabilities are shown below (expressed as weighted averages):

	2024 %	2023 %
Discount rate	3.5 to 4.0	2.0 to 3.6
Future salary increases	1.8 to 3.6	1.8 to 3.2
Future pension increases	1.8 to 2.6	2.0 to 3.3



Accounting Policies

The Group has defined employee benefit obligations in the Nordics and in France, arising from local legislative requirements.

The cost of providing benefits under these obligations are determined using the projected unit credit method using actuarial valuations. Actuarial gains and losses for the defined obligation are recognised in full in the period in which they occur in Other Comprehensive Income. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods.

Unvested past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested. Past service costs are recognised immediately if the benefits have already vested, immediately following the introduction of, or changes to, the obligation.

The defined benefit liability comprises the present value of the defined benefit obligation (using a discount rate based on corporate bonds) less unrecognised past service costs.



Key Accounting Judgements, Estimates and Assumptions

The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. All assumptions are reviewed at each reporting date. In determining the appropriate discount rates, the interest rates of corporate bonds in France and the Nordics is considered. The mortality rate is based on publicly available mortality rates for France and the Nordics. Future salary increases are based on expected future inflation rates in France and the Nordics.

16 Net tangible assets/(liabilities)



Net Tangible Assets/(Liabilities) (NTA) are the total assets minus intangible assets and total liabilities, divided by the number of ordinary shares of the Company currently on issue at the reporting date. Net tangible assets/(liabilities) include right of use assets as the underlying leases are for physical assets.

	2024 \$ per Share	2023 \$ per Share
Net tangible (liabilities) per ordinary share	(3.28)	(6.22)

IV Risk Management



This section discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

17 Financial risk management



This note provides a summary of the Group's exposure to key financial risks, including interest rate, foreign currency, credit and liquidity risks, along with the Group's policies and strategies to mitigate these risks. There have been no material changes to the Group's risk management policies since 1 July 2023.

Primary responsibility for identification and control of financial risks rests with the Audit Committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in derivatives, hedging cover of foreign currency and interest rate risk, credit allowances, and future cash flow forecast projections.

The Group's principal financial instruments comprise receivables, payables, bank loans and overdrafts, cash and short-term deposits, derivatives, and other financial assets.

The Group manages its exposure to key financial risks, including market risk (interest rate and foreign currency risk), credit risk and liquidity risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The Group enters into derivative transactions, principally interest rate swap contracts, foreign exchange forward and swap contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk and liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Group has entered into Syndicated Facility Agreements with its Banks. The Syndicated Facility Agreements are with prime financial institutions. By entering into Syndicated Facility Agreements with a number of financial institutions in addition to Bilateral Facility Agreements, the Group has reduced its counterparty risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The level of debt is disclosed in Note 7.b.

At reporting date, the Group had the following mix of financial assets and liabilities exposed to variable interest rates:

	2024 \$m	2023 \$m
Financial Assets		
Cash and cash equivalents	662.3	656.1
Financial Liabilities		
Bank Loans	(720.6)	(1,542.5)
Net exposure	(58.3)	(886.4)

Interest rate derivatives contracts are outlined in Note 7.d, with a net positive fair value of \$45.6 million (2023: net positive \$119.4 million) which are exposed to fair value movements if interest rates change.

17 Financial risk management (Continued)

Interest rate sensitivity

The following sensitivity analysis has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

At the end of the reporting period, as specified in the following table, if the interest rates had been higher or lower than the year end rates and all other variables were held constant, the consolidated entity's post tax profit and Other Comprehensive Income would have been affected as follows:

Judgements of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Other Comprehensive Income Higher/(Lower)	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m
AUD				
+100 basis points (2023: +100 basis points)	0.2	0.3	31.2	41.2
-100 basis points (2023: -100 basis points)	(0.2)	(0.4)	(32.3)	(43.1)
GBP				
+100 basis points (2023: +100 basis points)	0.4	0.2	-	-
-100 basis points (2023: -100 basis points)	(0.4)	(0.2)	-	-
EUR				
+100 basis points (2023: +100 basis points)	(4.7)	(4.1)	24.2	30.2
-100 basis points (2023: -100 basis points)	4.7	4.0	(25.0)	(31.6)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the functional currency).

The Group manages its foreign exchange rate exposure within approved policy parameters by utilising foreign currency swaps and forwards.

When a derivative is entered into for the purpose of being a hedging instrument, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in foreign currency.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible changes in Euro exchange rates, with all other variables held constant. The impact on the Group's equity is in relation to the loan and cash balances of the Group's subsidiary. The Group's exposure to foreign currency changes for all other currencies is not material.

	Post Tax Profit Higher/(Lower)		Other Comprehensive Income Higher/(Lower)	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m
<i>Euro (EUR)</i>				
+10% (2023: +10%)	-	-	164.7	164.8
-10% (2023: -10%)	-	-	(201.3)	(201.4)

17 Financial risk management (Continued)

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables, derivative instruments and other financial instruments. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at reporting date is addressed in each applicable note.

Trade receivables

The Group trades only with recognised, creditworthy third parties, and as such collateral is generally not requested. The majority of transactions are with the Governments and Health Funds.

The Group's credit policy requires all debtors to pay in accordance with agreed terms. The payment terms for the major debtors range from 15 days to 30 days.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognised based on expected credit loss where the Group measures the impairment using a lifetime expected loss allowance for all trade receivables. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered in default. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

The Group's credit risk is spread across a number of Health Funds and Governments. Whilst the Group does have significant credit risk exposure to a single debtor or group of related debtors, the credit quality of these debtors is considered high, as they are either Health Funds, governed by the prudential requirements of APRA, or Governments.

The credit quality of financial assets that are neither past due nor impaired is considered to be high, due to the absence of defaults, and the fact that the Group deals with creditworthy Health Funds and the Governments. Management has also put in place procedures to constantly monitor the exposures in order to manage its credit risk.

Financial instruments and cash deposits

Credit risks related to balances with banks and financial institutions are managed by Ramsay Group Treasury in accordance with Board approved policies. Such policies only allow financial derivative instruments to be entered into with high credit quality financial institutions. In addition, the Board has approved the use of these financial institutions, and specific internal guidelines have been established with regard to limits, dealing and settlement procedures. Limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure. The investment of surplus funds is made only with approved counterparties and within credit risk in relation to derivatives undertaken in accordance with the consolidated entity's hedging and risk management activities.

The Group does not hold any credit derivatives to off-set its credit risk exposure. The Group's maximum exposure for financial derivative instruments is noted in the liquidity table below.

17 Financial risk management (Continued)

Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, bonds and leases.

To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, Ramsay has established management reporting covering its worldwide business units that reflects expectations of management's expected settlement of financial assets and liabilities.

The Group continually reviews its liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	Less than 3 months \$m	3 to 12 months \$m	1 to 5 years \$m	> 5 years \$m	Total \$m
As at 30 June 2024					
Trade and other liabilities	(3,313.0)	-	-	-	(3,313.0)
Loans and borrowings	(91.6)	(275.1)	(4,714.8)	(742.7)	(5,824.2)
Lease liabilities	(159.6)	(478.7)	(2,069.9)	(6,729.7)	(9,437.9)
Financial derivatives	0.2	1.7	(3.9)	-	(2.0)
	(3,564.0)	(752.1)	(6,788.6)	(7,472.4)	(18,577.1)
As at 30 June 2023					
Trade and other liabilities	(3,108.7)	-	-	-	(3,108.7)
Loans and borrowings	(73.2)	(316.1)	(5,980.1)	(398.2)	(6,767.6)
Lease liabilities	(171.6)	(514.7)	(1,950.7)	(6,809.5)	(9,446.5)
Financial derivatives ¹	-	-	-	-	-
	(3,353.5)	(830.8)	(7,930.8)	(7,207.7)	(19,322.8)

¹ Derivatives in the prior financial year are in a financial asset position. Hence they are not included in the liquidity risk table above.

The disclosed financial derivative instruments in the above table are the net undiscounted cash flows. However, those amounts may be settled gross or net.

V Other Information



This section includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

18 Share based payment plans



A share based payment is a transaction in which the Group receives goods or services in exchange for rights to its own shares. Ramsay operates a performance rights scheme, where share rights may be issued to eligible employees.

An executive performance rights scheme was established in January 2004 where Ramsay Health Care Limited may, at the discretion of the Board, grant rights over the ordinary shares of Ramsay Health Care Limited to executives of the consolidated entity. The rights are issued for nil consideration and are granted in accordance with the plan's guidelines established by the Directors of Ramsay Health Care Limited. The rights cannot be transferred and will not be quoted on the ASX. Non-executive directors are not eligible for this plan.

Information with respect to the number of rights granted under the Executive Performance Rights Plan is as follows:

	2024		2023	
	Number of Rights	Weighted Average Fair Value	Number of Rights	Weighted Average Fair Value
Balance at beginning of year	587,868		633,164	
granted	241,606	\$ 34.54	188,949	\$ 44.41
vested	-	-	(9,902)	\$ 66.25
forfeited	(222,283)	\$ 43.49	(224,343)	\$ 50.73
Balance at end of year	607,191		587,868	
Exercisable at end of year	-		-	

The following table summarises information about rights held by participants in the Executive Performance Rights Plan as at 30 June 2024:

Number of Rights	Grant Date	Vesting Date ¹	Weighted Average Fair Value ²
89,591	15-Dec-21	31-Aug-24	\$42.05
89,595	15-Dec-21	31-Aug-24	\$64.55
8,950	25-Feb-22	31-Aug-24	\$42.05
8,947	25-Feb-22	31-Aug-24	\$64.55
84,752	15-Dec-22	31-Aug-25	\$27.60
84,729	15-Dec-22	31-Aug-25	\$61.22
996	20-Feb-23	31-Aug-25	\$27.60
995	20-Feb-23	31-Aug-25	\$61.22
119,328	15-Dec-23	31-Aug-26	\$20.60
119,308	15-Dec-23	31-Aug-26	\$48.49
607,191			

¹ The vesting date shown is the most likely vesting date subject to full satisfaction of the respective performance conditions.

² Fair value at grant date.

18 Share based payment plans (Continued)



Accounting Policies

The Group provides benefits to employees (including Executive Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (**equity-settled transactions**).

There is currently one plan in place to provide these benefits, being the Executive Performance Rights Plan (Equity-settled transactions), which provides benefits to senior executives and Directors.

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they were granted. The fair value is determined by an external valuer using the Monte Carlo or the Black Scholes models.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Ramsay Health Care Limited (**market conditions**).

Equity-settled transactions

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity (Share Based Payment Reserve), over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (**vesting date**).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- The extent to which the vesting period has expired and
- The number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at reporting date.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Treasury Shares

Shares in the Group held by the Executive Performance Rights Plan are classified and disclosed as Treasury shares and deducted from equity.



Key Accounting Judgements, Estimates and Assumptions

Performance rights are issued for nil consideration and are granted in accordance with the plan's guidelines established by the Directors of Ramsay Health Care Limited.

The fair value of share rights with TSR performance conditions (market based conditions) are estimated on the date of grant using a Monte Carlo model. The fair value of share rights with non-market performance conditions are estimated at the date of grant using the Black Scholes Option Pricing model. The following weighted average assumptions were used for grants made on 15 December 2021, 15 December 2022 and 15 December 2023:

	Granted 15-Dec-23	Granted 15-Dec-22	Granted 15-Dec-21
Dividend yield	1.49%	2.33%	2.21%
Expected volatility	25.94%	32.82%	29.56%
Risk-free interest rate	3.86%	3.14%	0.86%
Effective life of incentive right	3 years	3 years	3 years

The expected volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The dividend yield reflects the assumption that the current dividend payout will continue with no anticipated increases. The expected life of the rights is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

19 Capital commitments and contingent liabilities



Capital commitments are the Group's contractual obligation to make future payments in relation to purchases of assets.

Contingent liabilities are possible future cash payments arising from past events that are not recognised in the financial statements, as the likelihood of payment is not considered probable or cannot be reliably measured.

19.a Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2024 \$m	2023 \$m
Property, plant and equipment	229.0	208.5

19.b Contingent liabilities

The Group has a number of bank guarantees to third parties for various operational and legal purposes, none of which are individually material to the Group. No provision has been made in the financial statements in respect of these bank guarantees, as the probability of having to make a payment under these guarantees is considered remote.

The only material guarantee is for workers compensation self-insurance liabilities as required by State WorkCover authorities for \$51.6 million as at 30 June 2024 (2023: \$48.2 million). No provision has been made in the financial statements in respect of these contingencies. However, a provision for self-insured risks relating to workers compensation claims has been provided for, along with provisions for legal and compliance matters (Refer Note 15.b).

20 Subsequent events



This note outlines events which have occurred between the reporting date, being 30 June 2024, and the date these financial results are released.

Other than loan refinancing activities by Ramsay Santé (refer Note 7.b), there have been no significant events after the reporting date that may significantly affect the Group's operations in future years, the results of these operations in future years or the Group's state of affairs in future years.

21 Related party transactions



This note discloses the Group's transactions with its related parties, including their relatives or related businesses.

Transactions with Related Party Entities

As at 30 June 2024 there were no outstanding transactions (2023: \$nil) to be billed to or billed from related party entities.

22 Auditors' remuneration



This note summarises the total remuneration received or receivable by the Group's external auditors for their audit, assurance and other services.

	2024 \$	2023 \$
Amounts received or due and receivable by Ernst & Young (Australia) for:		
An audit or review of the financial report of the entity and any other entity in the consolidated group	2,989,708	2,696,414
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	-	177,000
Other services in relation to the entity and any other entity in the consolidated group		
Tax compliance	48,950	249,496
Assurance related	-	7,800
Advisory services	67,080	134,500
	3,105,738	3,265,210
Amounts received or due and receivable by overseas member firms of Ernst & Young (Australia) for:		
An audit or review of the financial report of the entity and any other entity in the consolidated group	6,203,829	5,183,049
Other services in relation to the entity and any other entity in the consolidated group		
Tax compliance	171,906	213,150
Assurance related	-	92,381
	6,375,735	5,488,580
Total	9,481,473	8,753,790
The total fees paid to Ernst & Young member firms by service type are:		
Audit Services	9,193,537	7,879,463
Non-audit Services	287,936	874,327
Total	9,481,473	8,753,790
Amounts received or due and receivable by non-Ernst & Young audit firms for:		
Audit or review of the financial report	2,276,852	2,693,223

23 Information relating to subsidiaries



This note provides a list of all the significant entities controlled by the Group as at the reporting date, including those included in the Closed Group.

Name	Country of Incorporation	% Equity Interest	
		2024	2023
RHC Nominees Pty Limited ¹	Australia	100%	100%
RHC Developments Pty Limited ¹	Australia	100%	100%
Ramsay Health Care Investments Pty Limited ¹	Australia	100%	100%
Ramsay Hospital Holdings Pty. Ltd. ¹	Australia	100%	100%
Ramsay Hospital Holdings (Queensland) Pty Limited ¹	Australia	100%	100%
Ramsay Finance Pty Limited ¹	Australia	100%	100%
Ramsay Aged Care Holdings Pty Limited ¹	Australia	100%	100%
Ramsay Aged Care Properties Pty Limited ¹	Australia	100%	100%
RHC Ancillary Services Pty Limited ¹	Australia	100%	100%
Linear Medical Pty Limited ¹	Australia	100%	100%
Newco Enterprises Pty Ltd ¹	Australia	100%	100%
Sydney & Central Coast Linen Services Pty Ltd ¹	Australia	100%	100%
Benchmark Healthcare Holdings Pty Limited ¹	Australia	100%	100%
Benchmark Healthcare Pty Ltd ¹	Australia	100%	100%
AHH Holdings Health Care Pty Limited ¹	Australia	100%	100%
AH Holdings Health Care Pty Limited ¹	Australia	100%	100%
Ramsay Centauri Pty Limited ¹	Australia	100%	100%
Alpha Healthcare Pty Limited ¹	Australia	100%	100%
Ramsay Health Care Australia Pty Limited ¹	Australia	100%	100%
Donvale Private Hospital Pty. Ltd. ¹	Australia	100%	100%
The Benchmark Hospital Group Pty. Ltd. ¹	Australia	100%	100%
Dandenong Valley Private Hospital Pty. Ltd. ¹	Australia	100%	100%
Benchmark – Surrey Pty Ltd ¹	Australia	100%	100%
Benchmark – Peninsula Pty. Ltd. ¹	Australia	100%	100%
Benchmark – Donvale Pty Ltd ¹	Australia	100%	100%
Benchmark – Windermere Pty. Ltd. ¹	Australia	100%	100%
Benchmark – Beleura Pty. Ltd. ¹	Australia	100%	100%
Beleura Properties Pty. Ltd. ¹	Australia	100%	100%
Affinity Health Holdings Australia Pty Limited ¹	Australia	100%	100%
Affinity Health Finance Australia Pty Limited ¹	Australia	100%	100%
Affinity Health Pty Limited ¹	Australia	100%	100%
Affinity Health Foundation Pty Ltd ¹	Australia	100%	100%
Affinity Health Holdings Indonesia Pty Ltd ¹	Australia	100%	100%
Hospitals of Australia Pty Limited ¹	Australia	100%	100%
Glenferrie Private Hospital Pty Ltd ¹	Australia	100%	100%
Relkban Pty. Limited ¹	Australia	100%	100%
Relkmet Pty. Limited ¹	Australia	100%	100%
Votraint No. 664 Pty Limited ¹	Australia	100%	100%
Votraint No. 665 Pty Limited ¹	Australia	100%	100%
Australian Medical Enterprises Pty Limited ¹	Australia	100%	100%
AME Hospitals Pty Ltd ¹	Australia	100%	100%
Victoria House Holdings Pty Ltd ¹	Australia	100%	100%
C&P Hospitals Holdings Pty Limited ¹	Australia	100%	100%
HCoA Hospital Holdings (Australia) Pty Limited ¹	Australia	100%	100%
AME Properties Pty Ltd ¹	Australia	100%	100%
AME Superannuation Pty Ltd ¹	Australia	100%	100%

¹ Entities included in the deed of cross guarantee as required for the instrument

23 Information relating to subsidiaries (Continued)

Name	Country of Incorporation	% Equity Interest	
		2024	2023
Attadale Hospital Property Pty Ltd ¹	Australia	100%	100%
Glengarry Hospital Property Pty Ltd ¹	Australia	100%	100%
Hadassah Pty. Ltd. ¹	Australia	100%	100%
Rannes Pty. Limited ¹	Australia	100%	100%
Hallcraft Pty Limited ¹	Australia	100%	100%
Jamison Private Hospital Property Pty Ltd ¹	Australia	100%	100%
Affinity Health (FP) Pty Limited ¹	Australia	100%	100%
Armidale Hospital Pty Limited ¹	Australia	100%	100%
Caboolture Hospital Pty Limited ¹	Australia	100%	100%
Joondalup Hospital Pty Limited ¹	Australia	100%	100%
Joondalup Health Campus Finance Pty Limited ¹	Australia	100%	100%
Logan Hospital Pty Limited ¹	Australia	100%	100%
Noosa Privatised Hospital Pty Limited ¹	Australia	100%	100%
AMNL Pty Limited ¹	Australia	100%	100%
Mayne Properties Pty Ltd ¹	Australia	100%	100%
Port Macquarie Hospital Pty Limited ¹	Australia	100%	100%
HCoA Operations (Australia) Pty Limited ¹	Australia	100%	100%
Hospital Corporation Australia Pty Ltd ¹	Australia	100%	100%
Dabuvu Pty Ltd ¹	Australia	100%	100%
HOAIF Pty Limited ¹	Australia	100%	100%
HCA Management Pty. Limited ¹	Australia	100%	100%
Malahini Pty. Ltd. ¹	Australia	100%	100%
Tilemo Pty Ltd ¹	Australia	100%	100%
Hospital Affiliates of Australia Pty Ltd ¹	Australia	100%	100%
C.R.P.H Pty. Limited ¹	Australia	100%	100%
Hospital Developments Pty Ltd ¹	Australia	100%	100%
P.M.P.H. Pty. Limited ¹	Australia	100%	100%
Pruinosa Pty Ltd ¹	Australia	100%	100%
Australian Hospital Care Pty Limited ¹	Australia	100%	100%
Australian Hospital Care (Allamanda) Pty. Ltd. ¹	Australia	100%	100%
Australian Hospital Care (Latrobe) Pty. Ltd. ¹	Australia	100%	100%
Australian Hospital Care 1988 Pty. Ltd. ¹	Australia	100%	100%
AHC Foundation Pty. Ltd. ¹	Australia	100%	100%
AHC Tilbox Pty Limited ¹	Australia	100%	100%
Australian Hospital Care (Masada) Pty. Ltd. ¹	Australia	100%	100%
Australian Hospital Care Investments Pty. Ltd. ¹	Australia	100%	100%
Australian Hospital Care (MPH) Pty. Ltd. ¹	Australia	100%	100%
Australian Hospital Care (MSH) Pty. Ltd. ¹	Australia	100%	100%
Australian Hospital Care (Pindara) Pty. Ltd. ¹	Australia	100%	100%
Australian Hospital Care (The Avenue) Pty. Ltd. ¹	Australia	100%	100%
Australian Hospital Care Retirement Plan Pty Ltd ¹	Australia	100%	100%
eHealth Technologies Pty Limited ¹	Australia	100%	100%
Health Technologies Pty. Ltd. ¹	Australia	100%	100%
Rehabilitation Holdings Pty Ltd ¹	Australia	100%	100%
Bowral Management Company Pty Ltd ¹	Australia	100%	100%

¹ Entities included in the deed of cross guarantee as required for the instrument

Appendix 4E –
Key Matters

Operating and
Financial Review

Financial Results

23 Information relating to subsidiaries (Continued)

Name	Country of Incorporation	% Equity Interest	
		2024	2023
Simpak Services Pty Limited ¹	Australia	100%	100%
APL Hospital Holdings Pty. Ltd. ¹	Australia	100%	100%
Alpha Pacific Hospitals Pty Ltd ¹	Australia	100%	100%
Health Care Corporation Pty Ltd ¹	Australia	100%	100%
Alpha Westmead Private Hospital Pty Limited ¹	Australia	100%	100%
Illawarra Private Hospital Holdings Pty Ltd ¹	Australia	100%	100%
Northern Private Hospital Pty. Limited ¹	Australia	100%	100%
Westmead Medical Supplies Pty Limited ¹	Australia	100%	100%
Herglen Pty Ltd ¹	Australia	100%	100%
Mt Wilga Pty Limited ¹	Australia	100%	100%
Sibdeal Pty. Limited ¹	Australia	100%	100%
Workright Pty Limited ¹	Australia	100%	100%
Adelaide Clinic Holdings Pty. Ltd. ¹	Australia	100%	100%
eHospital Pty. Limited ¹	Australia	100%	100%
New Farm Hospitals Pty. Ltd. ¹	Australia	100%	100%
North Shore Private Hospital Pty Limited ¹	Australia	100%	100%
Phiroan Pty Ltd ¹	Australia	100%	100%
Ramsay Health Care (Asia Pacific) Pty Limited ¹	Australia	100%	100%
Ramsay Health Care (South Australia) Pty Limited ¹	Australia	100%	100%
Ramsay Health Care (Victoria) Pty. Ltd. ¹	Australia	100%	100%
Ramsay Health Care Services (QLD) Pty Limited ¹	Australia	100%	100%
Ramsay Health Care Services (VIC) Pty Limited ¹	Australia	100%	100%
Ramsay Health Care Services (WA) Pty Limited ¹	Australia	100%	100%
Ramsay Pharmacy Retail Services Pty Ltd ¹	Australia	100%	100%
Ramsay Professional Services Pty Limited ¹	Australia	100%	100%
Ramsay Diagnostics (No 1) Pty Limited ¹	Australia	100%	100%
Ramsay Diagnostics (No 2) Pty Limited ¹	Australia	100%	100%
Ramsay Health Care (UK) Limited	UK	100%	100%
Ramsay Health Care Holdings UK Limited	UK	100%	100%
Ramsay Health Care UK Operations Limited ²	UK	100%	100%
Ramsay Santé SA ²	France	52.8%	52.8%
Capio AB ²	Sweden	52.8%	52.8%
Ramsay Elysium Holdings Limited ²	UK	100%	100%

¹ Entities included in the deed of cross guarantee as required for the instrument

² This entity owns a number of subsidiaries, none of which are individually material to the Group

24 Closed group



This note presents the consolidated financial performance and position of the Australian wholly owned subsidiaries, which together with the Parent Entity, Ramsay Health Care Limited, are referred to as the Closed Group.

Entities subject to instrument

Pursuant to Instrument 2016/785, relief has been granted to the entities in the table of subsidiaries in Note 23, (identified by footnote 1) from the *Corporations Act 2001* requirements for preparation, audit and lodgement of their financial reports.

As a condition of the Instrument, these entities entered into a Deed of Cross Guarantee on 22 June 2006 or have subsequently been added as parties to the Deed of Cross Guarantee by way of Assumption Deeds dated 24 April 2008, 27 May 2010, 24 June 2011, 20 October 2015, 17 December 2015 and 14 May 2019. The effect of the deed is that Ramsay Health Care Limited has guaranteed to pay any deficiency in the event of winding up of a wholly owned Australian entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entities have also given a similar guarantee in the event that Ramsay Health Care Limited is wound up or if it does not meet its obligation under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

The consolidated Income Statement and Statement of Financial Position of the entities that are members of the Closed Group are as follows:

	Closed Group	
	2024 \$m	2023 \$m
Consolidated Income Statement		
Profit before tax from continuing operations	589.2	385.0
Income tax expense	(128.1)	(157.2)
Profit after tax from continuing operations	461.1	227.8
Profit after tax from discontinued operations	618.1	19.9
Net profit for the year	1,079.2	247.7
Retained earnings at the beginning of the year	1,691.9	1,681.7
Dividends paid	(165.3)	(237.5)
Retained earnings at the end of the year	2,605.8	1,691.9

24 Closed group (Continued)

Consolidated Statement of Financial Position	Closed Group	
	2024 \$m	2023 \$m
ASSETS		
Current assets		
Cash and cash equivalents	23.7	30.4
Trade and other receivables	3,809.4	3,025.7
Inventories	132.1	149.6
Derivative financial instruments	17.8	35.0
Income tax receivables	-	28.9
Prepayments	41.9	32.8
Other current assets	6.0	4.7
	4,030.9	3,307.1
Assets held for sale	-	251.0
Total current assets	4,030.9	3,558.1
Non-current assets		
Other financial assets	674.4	664.7
Property, plant and equipment	2,785.0	2,676.7
Right of use assets	525.9	476.0
Intangible assets	1,051.2	1,048.2
Deferred tax assets	178.7	161.8
Prepayments	10.3	10.5
Derivative financial instruments	16.8	40.8
Other receivables	154.1	70.5
Total non-current assets	5,396.4	5,149.2
TOTAL ASSETS	9,427.3	8,707.3
LIABILITIES		
Current liabilities		
Trade and other creditors	996.9	971.2
Lease liabilities	23.4	22.2
Derivative financial instruments	0.1	-
Provisions	38.4	36.0
Income tax payables	34.1	-
Total current liabilities	1,092.9	1,029.4
Non-current liabilities		
Loans and borrowings	1,916.8	2,274.2
Lease liabilities	681.3	613.4
Provisions	130.2	133.0
Derivative financial instruments	0.7	-
Total non-current liabilities	2,729.0	3,020.6
TOTAL LIABILITIES	3,821.9	4,050.0
NET ASSETS	5,605.4	4,657.3
EQUITY		
Issued capital	2,246.8	2,216.4
Treasury shares	(63.0)	(67.8)
Convertible Adjustable Rate Equity Securities (CARES)	252.2	252.2
Other reserves	563.6	564.6
Retained earnings	2,605.8	1,691.9
TOTAL EQUITY	5,605.4	4,657.3

25 Parent entity information



This note presents the stand-alone summarised financial information of the parent entity Ramsay Health Care Limited.

	2024 \$m	2023 \$m
Information relating to Ramsay Health Care Limited		
Current assets	2,710.5	2,610.5
Total assets	2,850.9	2,752.4
Current liabilities	55.9	0.6
Total liabilities	55.9	0.6
Issued capital	2,246.8	2,216.4
Other equity	548.2	535.4
Total shareholders' equity	2,795.0	2,751.8
Net profit/(loss) for the year after tax	174.3	(11.2)

As a condition of the Instrument (set out in Note 24), Ramsay Health Care Limited has guaranteed to pay any deficiency in the event of winding up of a controlled entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to guarantee.

26 Material partly-owned subsidiaries



This note provides information of the significant subsidiaries that the Group owns less than 100% shareholding in.

Ramsay Santé (formerly Ramsay Générale de Santé) has a material non-controlling interest (NCI): This entity represents the French and Nordic segments for management and segment reporting.

Financial information in relation to the NCI is provided below:

Proportion of equity interest and voting rights held by non-controlling interests

Refer to Note 23 which discloses the equity interest held by the Ramsay Group. The remaining equity interest is held by the non-controlling interest.

Voting rights for Ramsay Santé at 30 June 2024 are 53.0% (2023: 53.0%). The remaining interest is held by the non-controlling interest.

Accumulated balances of non-controlling interests

Refer to the Consolidated Statement of Changes in Equity.

Profit allocated to non-controlling interests

Refer to the Consolidated Income Statement.

Summarised Statement of Profit or Loss and Statement of Financial Position for 2024 and 2023

Refer to Note 1. The French and Nordic segments consist only of this subsidiary that has a material non-controlling interest.

Summarised cash flow information

	2024 \$m	2023 \$m
Operating	668.1	744.5
Investing	(287.9)	(220.5)
Financing	(372.5)	(172.0)
Net increase in cash and cash equivalents	7.7	352.0

27 Status of audit

This report is based on accounts which are in the process of being audited.

