

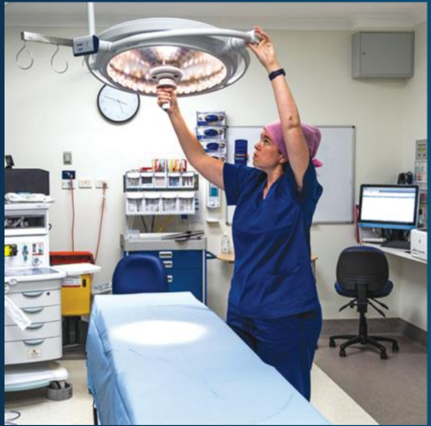

Ramsay Health Care

60 YEARS
people caring for people

# FY24 Result Presentation

## 12 months ended 30th June 2024

**Speakers**:
Managing Director and CEO - Craig McNally
Group Chief Financial Officer - Martyn Roberts

**People caring for people**

# Important Information

**The information in this presentation is general background information about Ramsay Health Care Limited and its subsidiaries (together, the Ramsay Group), with respect to the Ramsay Group's business and operations, financial position and strategies and is current as at 30th August 2024.**

**No advice**

This presentation is in summary form and is not necessarily complete. It should be read together with the Ramsay Health Care Limited's Appendix 4E and Operating and Financial Review lodged on 30th August 2024. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

**Forward looking statements**

This presentation contains forward looking statements. While these forward-looking statements reflect Ramsay's expectations at the date of this presentation, they are not guarantees or predictions of future performance or statements of fact. These statements involve known and unknown risks and uncertainties. Many factors could cause outcomes to differ, possibly materially, from those expressed in the forward-looking statements. These factors include general economic conditions; changes in government and policy; actions of regulatory bodies and other governmental authorities such as changes in taxation or regulation; technological changes; the extent, nature and location of physical impacts of climate change; and geopolitical developments.

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**Other information**

This presentation should be read in conjunction with other publicly available material. Further information including historical results and a description of the activities of the Ramsay Group is available on our website: https://www.ramsayhealth.com/en/investors/.

# Agenda





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# Key Takeaways

## Activity growth continues

7.3% revenue growth[1] driven by improving activity across all regions.

## Focus on payors

New terms agreed with private payors, wage inflation remains a risk. Tariffs from payors lagging cost inflation.

## Accelerating transformation

Investment in transformation programs to drive sustainable top line growth, productivity improvements and operating efficiencies. Disciplined investment in hospital network focused on treatment capacity.

## Disciplined portfolio management

Net profit after tax of $618m realised on the sale of Ramsay Sime Darby (RSD) reflecting the commitment to disciplined portfolio management.

## Balance sheet strengthened

Funding Group leverage 2x within target range of <2.5x.

## Growth in FY25

Growth in activity and NPAT[2] expected in FY25.

1. Revenue from patient activity in constant currency
2. Net Profit after tax and non-controlling interests from continuing operations



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# Group Highlights

## Financial [1]

**Significant value generated by the sale of RSD**

### Total Revenue ↑ 5.4%

### EBITDA[2] ↑ 2.7%
From continuing operations

### NPAT[3] ↑ 2.4%
From continuing operations

### Underlying NPAT[3] ↑ 24.5%
From continuing operations excl. non-recurring items

### NPAT[3] ↑ 203.1%
Includes net profit on the sale of RSD

### DPS[4] ↑ 6.7%

## Operational

**Activity and productivity improving**

### Admissions[5] ↑ 3.4%

### Productivity improving
Labour costs as a % of patient revenue ↓ ~100 bps despite significant wage inflation

### $286m
Invested in brownfield and greenfield projects across the regions. Focused on treatment capacity

### $94m[6] digital & data opex
Disciplined investment in digital and data projects enabling growth and efficiency

## Sustainability

**Making good progress towards targets**

### 50%
Achieved 50/50 gender diversity across our senior leadership team[7]

### >16.8%
Achieved FY24 target to reduce greenhouse gas emissions from 2020 baseline. On track for 42% by FY30

### 5.6MW
Achieved 89% of FY26 target to install 6.3MW renewable energy projects. Extended target to 10MW installed by FY29

### 60%
Of suppliers by spend independently assessed for sustainability. On track to meet 80% assessment target by FY26

1. All % movements are in constant currency
2. EBITDA – Earnings before interest, tax and depreciation, amortisation and impairments
3. NPAT – Net profit after tax & non-controlling interests. Underlying NPAT excludes non-recurring items after tax which made a negative contribution of $29.5m vs a positive contribution of $27.5m in FY23
4. Full year dividend per share represents a payout ratio of 72% based on basic earnings per share from continuing operations
5. Hospital admissions only, does not include primary healthcare in Europe or activity in Elysium
6. Across the regions
7. Global ex-co and their direct reports

# Investing in our people

## Developing Capability

**Priorities**
- Leadership
- Disciplined transformation
- Robust data and digitisation
- Strategic partnerships

**Initiatives:**
- 39% increase in participation at the Global Leadership Academy
- Rollout of Ramsay Health Hub, patient tracking, data hub and DMR
- Global partnership with Health Careers International and Arizona State University for a nursing 'education to employment' program
- Ramsay Santé established its first independent Mission Committee

## Cultural Change

**Headline measures**
- Engagement
- Enablement

**Initiatives:**
- Ranked among the top six healthcare companies for women by Forbes
- Improved employee engagement in the UK, France, Denmark, Sweden, lower in Australia and Norway
- Ramsay Australia named #1 graduate employer in healthcare by Prosple

## Industry Leading Talent

**Focus areas**
- Development and learning
- Diversity and inclusion
- Recognition and reward
- Succession planning

**Initiatives:**
- Provided >1 million placement hours for 7,500 students in Australian facilities
- 1,000 Ramsay Santé managers have completed ESCP executive business education program
- Achieved gender diversity targets across leadership and management
- Inaugural Ramsay Way Awards received >400 entries

# Our sustainability pillars: Healthier People, Thriving Planet, Stronger Communities

## caring for our people

**Achieved gender targets:**

| 44% | 50% | 50% |
|---|---|---|
| Board Members | Non-Executive Directors | Senior Leadership |

- 237 executive leaders have completed the Global Executive Leadership Program (↑39% on FY23).
- 690 employees in Australia and the UK certified in Mental Health First Aid.
- Maintaining world class Net Promoter Scores (NPS).

## caring for our planet

# >16.8%

**Achieved FY24 target to reduce greenhouse gas emissions from 2020 baseline.**

**On track for 42% by FY30.**

- Targets submitted to SBTi for validation.
- Achieved 89% of FY26 target to install 6.3MW renewable energy projects. Extended target to 10MW installed by FY29.
- Generated >8 million kWh* of electricity via rooftop solar systems (>4.7 million kWh in FY24).
- Updated global climate risk and opportunities assessment.

* Since program commenced 2021

## caring for our community

# 60%

**of suppliers by spend independently assessed for sustainability.**

**On track to meet 80% target by FY26.**

- Appointed inaugural Ramsay Santé Mission Committee.**
- Opened flagship grants scheme by Ramsay Hospital Research Foundation for projects addressing social determinants of health i.e. lifestyle, environment and education factors.

** A Mission Company under the French PACTE Law allows a company to incorporate a purpose to their articles of association. The Mission Committee's role is to guide and verify the mission has been carried out properly.

## Sustainable finance

Successful amend and extend of Funding Group's Sustainability-Linked Loan (SLL) KPIs and targets, impacting over AU $1.7b of financing facilities (56% of AU & UK funding). Key changes include incorporating Elysium and introducing a Sustainability Deed Poll. 98% of Ramsay Santé's senior loan debt is also linked to sustainability targets

# Regional Highlights and Outlook

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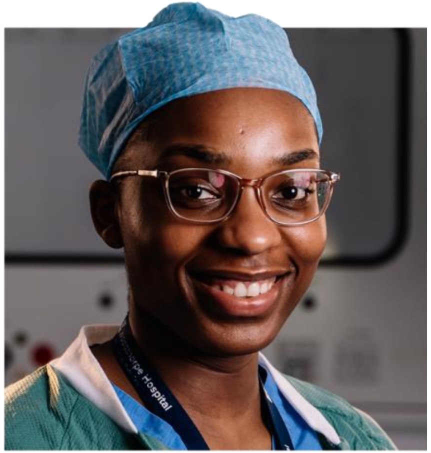

# AUSTRALIA – Activity growth and productivity improvements drive growth

## RESULT HIGHLIGHTS

- 6.3% increase in patient revenue underpinned by a 3.1% growth in admissions, with improved revenue indexation
- A focus on productivity[1] has seen it improve on average 2.4%. There is opportunity for further improvement in productivity
- The business continued to invest in digital, data and transformation programs with opex spend increasing $35.8m on the pcp
- Some progress has been made with private and public payors resulting in improved revenue indexation

**Australia – Results from Continuing Operations for the 12 months ending 30th June**

| Year Ended 30th June A$'m | 2024 | 2023 | Chg (%) |
|---|---|---|---|
| Revenue from contracts with customers | 6,042.3 | 5,682.9 | 6.3 |
| **Total segment revenue and other income (less interest income)** | **6,061.6** | **5,711.0** | **6.1** |
| EBITDA | 802.4 | 786.3 | 2.0 |
| **EBIT** | **572.5** | **556.5** | **2.9** |
| Non-recurring items included in EBIT | 3.2 | 13.9 | (77.0) |
| **Underlying EBIT** | **569.3** | **542.6** | **4.9** |
| Total capital expenditure | 287.3 | 332.0 | (13.5) |

1. Measured as labour hours per patient day

All comparisons made to prior period unless otherwise stated



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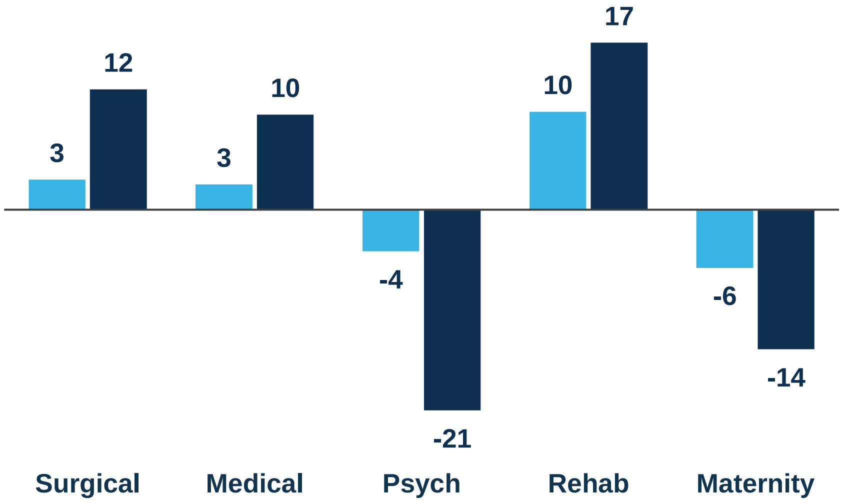
# AUSTRALIA – Activity continues to grow, mix still evolving




## Total admissions grew 3.1% reflecting:

- 3.5% growth in Private + DVA[1] funded admissions and a 1% decline in public admissions. Public admissions declined as public health budgets in some states were tightened;
- A 3.1% increase in surgical admissions. Growth in 2HFY24 slowed reflecting a lower rate of growth in both day and overnight surgical admissions;
- A 3% increase in non-surgical admissions driven by strong growth in rehab offset by further weakness in psych and maternity admissions;
- Maternity continues to be weak reflecting the decline in birth rates; and
- While psych admissions declined year on year primarily as a result of lower day patients, patient days increased 2.5%.

1. DVA – Department of veteran affairs

# AUSTRALIA – Investment focused on expanding treatment capacity in growth corridors

## FY24 INVESTMENT

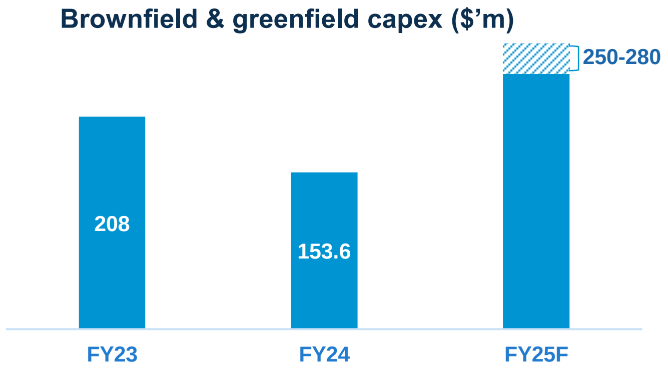
**Greenfield and brownfield projects delivered this year focused on treatment capacity and expansion of geographic footprint including:**

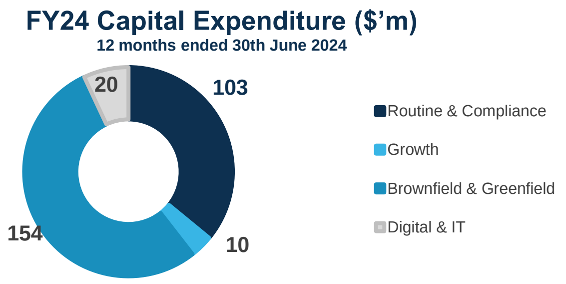
- Stages 1 & 2 of Lake Macquarie redevelopment, delivering 2 new theatres
- Sunshine Coast University Private Hospital delivering, 3 new theatres and recovery beds
- Construction of 2 new theatres and recovery beds at North Shore Hospital in Sydney
- St Andrews, Ipswich 2 theatres, 89 beds cancer centre
- Northern Hospital at Epping in Melbourne delivering, 75 beds, 4 theatres and 1 cath lab

## INVESTMENT PIPELINE

**FY25 greenfield and brownfield development pipeline is expected to be in the range $250-280m focused on expanding treatment capacity and footprint in growth corridors:**

- Pipeline has been delayed due to slow approval times, building industry issues and cost inflation
- Projects in train include:
  - Expansion of Joondalup (Perth) Private Hospital ~$187m total project includes 6 theatres and 2 procedure rooms
  - Expansion of Warringal Private Hospital in Melbourne including an emergency department and new theatres
  - Expansion of Beleura in Melbourne including 2 theatres
  - Surgical centre expansion planned at Caloundra and Cleveland in Queensland and Campbelltown in Sydney



# AUSTRALIA – Disciplined investment in transformation programs to accelerate short term growth and ensure long-term business sustainability

## FY24 INVESTMENT IN DIGITAL AND DATA ENABLEMENT

- Net[2] opex investment in projects to enable digital, data and cyber initiatives increased $35.8m to $72.7m
- Capex associated with digital and data projects was $20.5m

**Projects invested in this year included:**

- **Ramsay Health Hub & Patient tracker** - rolled out to 30 hospitals. Over 50,000 patients have used; 7.8/10 Patient Satisfaction
- **New digital 'Ramsay Referrals' platform** enabling seamless referrals from Ramsay Hospitals to Health Services facilities
- **New Data Hub** – cloud platform to provide a secure, quality controlled, single source of truth, for all our data; enabling rich insights to drive growth and operational excellence.
- **New Digitised Medical Records platform** to scan, store and easily access digital copies of our medical record

## INVESTMENT PIPELINE

- Business transformation and digital and data programs now project managed and funded centrally
- Following further assessment of EHR[1] vendor offerings and the requirements for the successful rollout and implementation, a decision has been made to defer implementation for ~18 months
- Preparation for the EHR rollout will continue including investment in organisation readiness
- Deferral of the EHR rollout will result in FY25 digital and data capex reducing from a forecast $70-80m to ~$13-18m
- Net transformation opex[2] including digital & data enablement in FY25 is expected to be in the range $80-90m
- **The accounting treatment of major projects may change with vendor selection. Based on the current planning, net investment[2] in transformation projects, including digital and data enablement, is expected to be a net positive in FY28**

1. Electronic health records
2. Opex net of benefits from digitally enabled projects

# AUSTRALIA OUTLOOK – Investing to support and drive the growth of the business

- Ramsay Australia's high quality, strategically located hospitals are well placed for future growth driven by an ageing and growing population, strong private health insurance participation and burgeoning public waiting lists
- The business expects to continue to see activity growth in FY25, it will remain impacted by ongoing cost of living challenges and the return of Peel Health Campus to WA Government (~3% of FY24 admissions)
- A disciplined approach to investment in developments is being taken focusing on:
    - Brownfield & greenfield hospitals in high growth corridors (eg Perth, South-East Queensland, northern corridor of Melbourne)
    - Expanding theatre and short stay surgical facilities in key locations
    - Focusing on further increasing our market leadership position in key therapeutic areas (orthopedics, cancer and cardiology)
    - Investing in emergency centres (drive ~20% of overall inpatient admissions)
- 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. The opex investment will continue to impact margin recovery in the short term
- Ramsay Australia will continue to negotiate improved terms from payors in the face of growing wage costs

All comparisons made to prior period unless otherwise stated



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# UNITED KINGDOM – Significant turnaround in results driven by activity growth and productivity

## Result Highlights

### Ramsay UK (acute hospital business)

**Strong volume growth, higher acuity and improved productivity**

- Reported a 30% growth in EBIT in cc[1] underpinned by 6.6% growth in admissions
- Private pay admissions represented 27.4% of total admissions
- EBIT margins increased 100bps driven by improved productivity and a focus on higher acuity work

### Elysium Healthcare (mental health services)

**Higher occupancy and lower agency costs**

- Reported a turnaround in EBIT from a loss of $19.7m to a profit of $44.2m
- The result was driven by improved occupancy, higher daily rates and specialing revenue combined with a material decline in agency labour costs
- Focus has been on the recruitment, retention and training pipeline with a net increase of 950 staff recruited over the last twelve months. Staff turnover continues to decline and is now below pre pandemic levels

All comparisons made to prior period unless otherwise stated

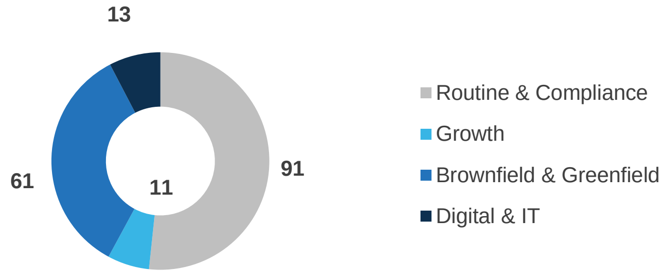
1. CC = Constant currency

### UK Region Results for the 12 months to 30th June

| Year Ended 30th June A$'m | 2024 | 2023 | Chg (%) | Chg (%) cc[1] |
|---|---|---|---|---|
| **Total segment revenue and other income** | **2,360.8** | **1,941.2** | **21.6** | **13.5** |
| 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 | (14.8) | (14.9) | 0.7 | 0.9 |
| **Underlying EBIT** | **175.4** | **78.7** | **122.9** | **106.8** |
| Capital Expenditure | 175.6 | 110.9 | 58.3 | 47.4 |

### UK Region Capital Expenditure

12mths to 30th June 2024 (A$m)



# UNITED KINGDOM - Earnings growth in FY25 will be challenging unless tariff improves

## Outlook

### Ramsay UK

**Focus on productivity, strategies to drive private pay and tariff discussions**

- Expect further volume growth in FY25, the rate of growth is expected to slow
- The NHS 2024/25 tariff of 0.6% is materially below inflation, as a result earnings growth will be challenging
- Continue to advocate for the use of the private sector to clear the NHS backlog and for improved tariff indexation
- Ongoing focus on productivity and strategies to increase share in the private pay market

### Elysium Healthcare

**Focus on improving occupancy, new site openings and tariff discussions**

- Elysium expects top line growth in FY25 driven by a 3-4% increase in average available beds and a further improvement in occupancy
- Wage inflation will have an impact on earnings due to workforce mix, with a higher exposure to 10% minimum wage increase
- Elysium will continue discussions with the NHS and its funders on tariff uplifts to reflect wage increases
- The business has a number of new site openings planned in FY25 which are expected to contribute losses in 1HFY25 moving into a positive contribution in 2HFY25

Working in partnership with the Surrey and Borders Partnership NHS Foundation Trust, Elysium opened Emerald Place Clinic in Surrey in April 2024. The facility is a child and adolescent inpatient mental health facility with 12 individual rooms

All comparisons made to prior period unless otherwise stated



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# EUROPE – Focus on cost control and growth in profitable adjacencies as gap between inflation and tariff continues to bite

## RESULT HIGHLIGHTS[1]

### Cost inflation and mix impact margins

- Revenue growth underpinned by 3.3% growth in hospital admissions and good growth in primary care and allied health admissions combined with tariff indexation increases
- Changing patterns in patient activity mix continue to impact margins
- Government cost support payments declined 81% to €18.9m as the sector transitions back to an annual tariff compensation framework
- Annual tariff indexation has not reflected the increase in the cost base through the COVID years
- The turn-around in the contribution from non-recurring items primarily reflects a cash profit on the sale of property in FY23 to non-cash site impairments in FY24
- Excluding non-recurring items EBIT in the Nordics increased 24.9%, boosted by new contracts and EBIT in France declined 21%

### European Region – Results for the 12 months to 30th June

| Year Ended 30th June A$'m | 2024 | 2023 | Chg (%) | Chg (%) cc |
|---|---|---|---|---|
| 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 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 | (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 |

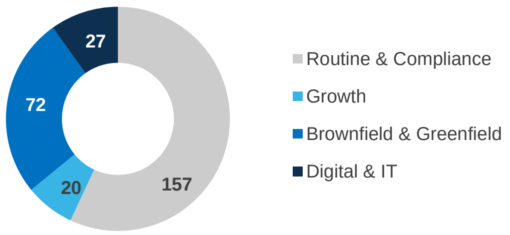
## OUTLOOK

### Focused on cost control and growth in profitable adjacencies to offset inflation

- 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
- From 1st July 2024 the French business will receive additional tariff indexation equating to 2.9%[2], secured as a result of the recent private sector campaign
- Discussions with the French Government will continue around its commitment towards the private sector including establishing a multi-year tariff agreement
- The business will continue to focus on a range of business improvement programs and the integration of recent investments in primary care and imaging

### Capital Expenditure (A$m)

12 months ended 30th June 2024




1. All comparisons made to prior period unless otherwise stated in constant currency
2. On top of the 0.3% indexation received from 1 March 2024



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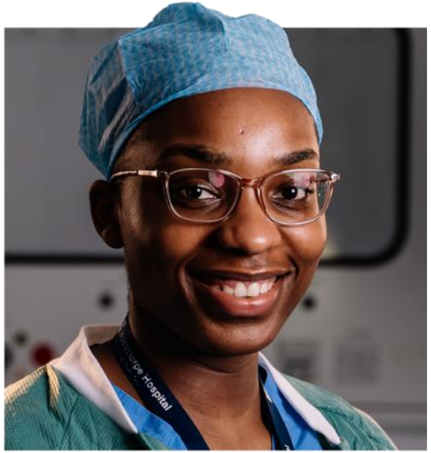
# Group Financials

**Group Chief Financial Officer – Martyn Roberts**

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# FY24 – Group Performance

- The result was impacted by the weaker AUD compared to EUR and the GBP
- Revenue growth was driven by 3.4% growth in total hospital admissions, growth in allied health and primary care admissions in Europe and an increase in available beds and occupancy levels in Elysium
- EBIT includes a negative impact from non-recurring items of $36.4m (positive impact of $42.1m in FY23) primarily impairment charges in the UK and Europe
- Net financing costs (excl. AASB16 lease costs) excluding mark to market on swaps increased 14% to $297.9m
- Effective tax rate 31.5%[1] (34.4% in FY23)
- NPAT from continuing operations after minority interests increased 2.4% to $270.6m. Excluding non-recurring items the result increased 24.5% on pcp to $300.1m
- NPAT attributable to owners of the parent includes the $618m profit after tax on the sale of RSD
- Fully franked final dividend of 40cps taking the full year to 80cps an increase of 6.7%

| Year Ended 30th June A$'m | 2024 | 2023 | Chg (%) | Chg (%) cc[2] |
|---|---|---|---|---|
| **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 |
| Depreciation, amortisation & impairments | 1,128.1 | 1,000.8 | (12.7) | (7.3) |
| **Earnings before interest 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 |
| **Net profit after tax (NPAT) from continuing operations (after non-controlling interests)** | **270.6** | **278.2** | **(2.7)** | **2.4** |
| **Discontinued Operations** | | | | |
| Profit after tax from discontinued operations | 618.1 | 19.9 | - | - |
| **Net profit after tax attributable to owners of the parent** | **888.7** | **298.1** | **198.1** | **203.1** |
| Non-recurring items in profit after tax from continuing operations (after non-controlling interests) | (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** |

1. Earnings from continuous operations
2. All percentage increases on pcp in constant currency



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# Balance Sheet and Cashflow

## Key movements reflect the sale of RSD and repayment of debt facilities

| Balance Sheet | | | |
|---|---|---|---|
| A$'m | 30/06/2024 | 31/12/2023 | 30/06/2023 |
| 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 | 11.7 | 10.6 | 10.9 |
| Return on invested capital (ROIC) (%) from continuing operations (%) accounting methodology | 4.3 | 4.0 | 4.3 |

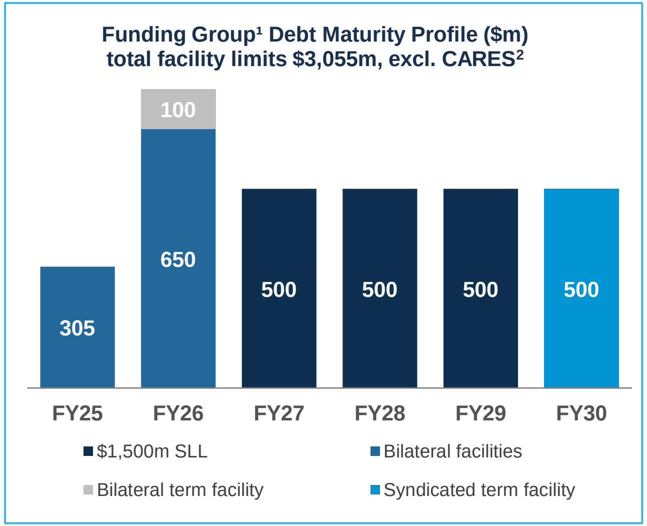
| Cashflow Statement | | | |
|---|---|---|---|
| Year Ended 30th June A$'m | **2024** | **2023** | Chg (%) |
| EBITDA from continuing operations | 2,125.7 | 2,002.2 | 6.2 |
| Changes in working capital | (32.9) | 153.3 | 121.5 |
| Finance costs | (584.7) | (465.8) | (25.5) |
| Income tax paid | (124.2) | (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)** |

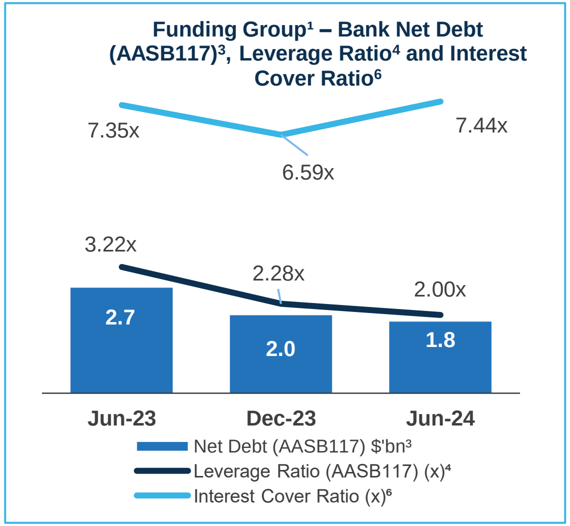
1. The Funding Group excludes Ramsay Santé. Banking covenants and Fitch's rating are calculated on the Funding Group rolling 12-month earnings profile and net debt (AASB117)
2. Prepared on a pre AASB16 basis Net debt/rolling 12 mth EBITDA, consistent with covenants
3. ROIC = 12 mth rolling EBIT*(1-tax)(based on AASB16)/average opening and closing invested capital
4. ROIC = 12mth rolling NOPAT (AASB 117)/average opening and closing invested capital

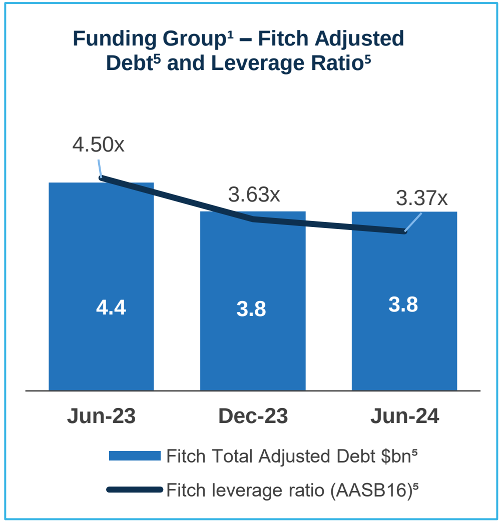


Ramsay Health Care

# Funding Group[1]- Debt maturity profile and leverage




- Following the receipt of A$926.9m RSD sale proceeds, Ramsay repaid debt and terminated facilities
- The weighted average debt duration profile of the Funding Group has been extended to 2.9 years at 30 June 2024 with a more orderly maturity profile due to new, cancelled and extended facilities

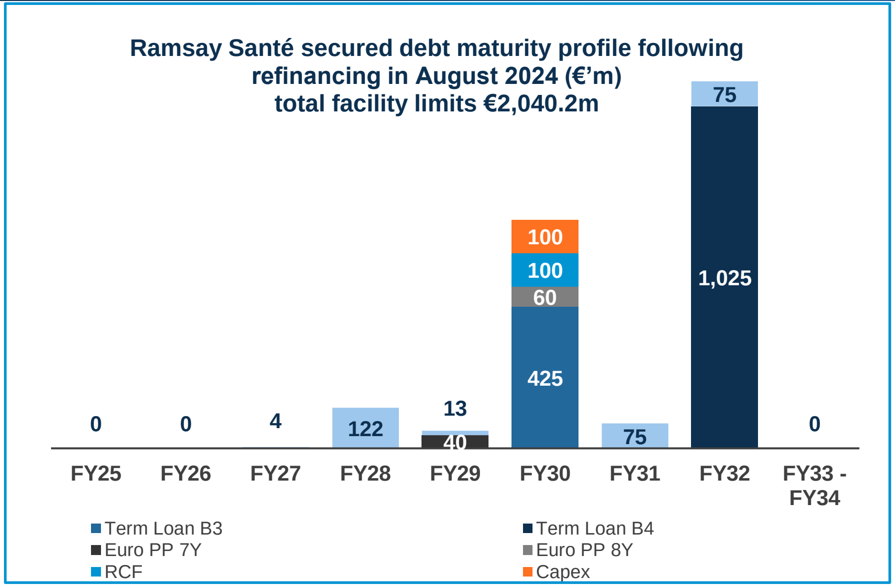
- The Funding Group leverage ratio at 30 June 2024 was 2.00x down from 3.22x at 30 June 2023 (target Funding Group leverage <2.50x)
- The weighted average cost of debt for the Funding Group at 30 June 2024 was 4.8% (excluding CARES[2])
- For FY25 approximately 83% of the Funding Group debt is hedged at an average base rate (excluding lending margin) of 3.3%

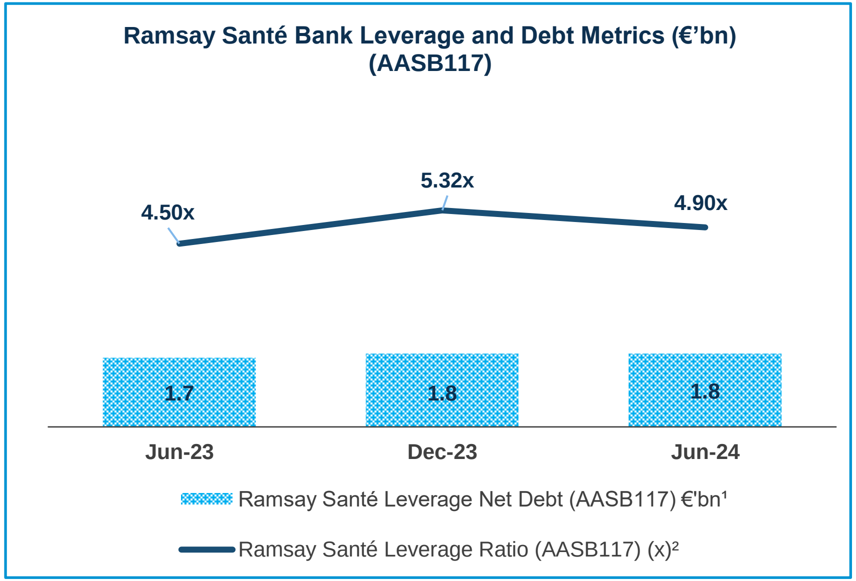
**1**. Funding Group – excludes Ramsay Santé (funded by standalone debt facilities). Banking covenants and Fitch rating based on the Funding Group earnings profile and net debt **2**. Convertible Adjustable Rate Equity Securities (CARES) are non-cumulative, redeemable and convertible preference shares **3**. Bank Net debt (excl lease liability debt and derivatives) **4**. Leverage ratio for the purposes of banking covenants calculated on a AASB117 basis i.e. Net debt (excl lease liabilities and derivatives)/Funding Group EBITDA excl. non-recurring items **5**. Fitch adjusted leverage ratio calculated as – total adjusted debt (incl lease debt based on a multiplier)/operating EBITDAR (AASB16 EBITDA excl non-recurring items) **6**. Consistent with covenant calculation



Ramsay Health Care

# Ramsay Santé – Debt maturity profile extended




- In August, Ramsay Santé completed the refinancing of its secured debt facilities pushing out the average tenor from 2.9 years to 6.2 years
- Refinancing was supported by existing lenders as well as a large number of new investors
- Pricing was in line with rating and comparable transactions in the European healthcare sector

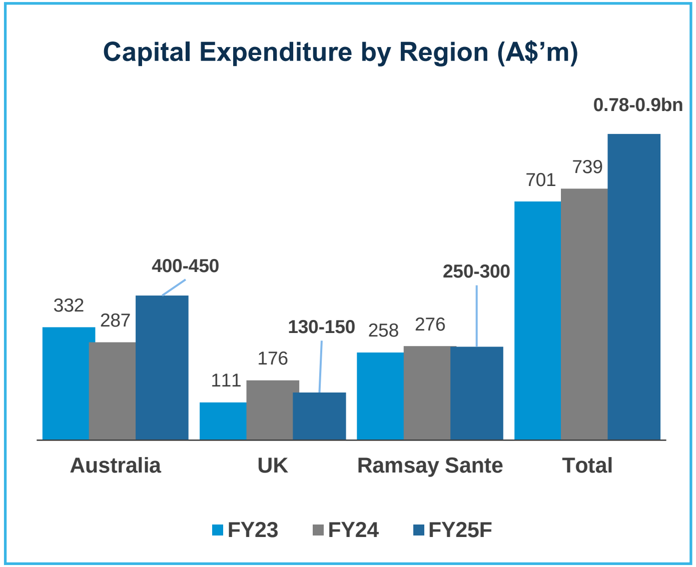
- Weighted average cost of debt for Ramsay Santé post refinancing is approximately 5.6%
- **The Ramsay Consolidated Group** weighted average cost of debt (excluding CARES)[3] post the Ramsay Santé refinancing is estimated to be 5.3%. Approximately 78% of the Consolidated Group's floating rate debt in FY25 is hedged at an average base rate (excluding lending margin) of 3.0%

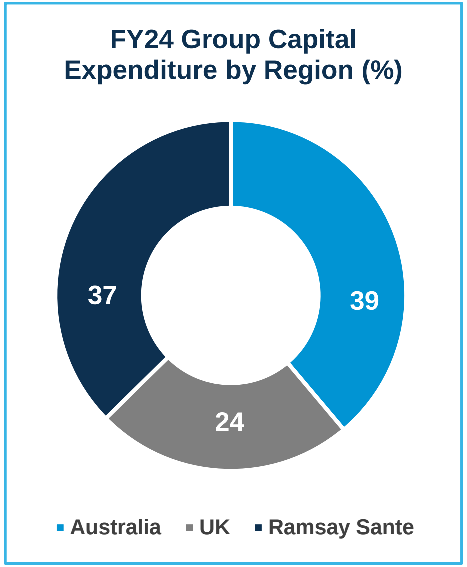
1. Leverage Net Debt (excl lease liability debt) for calculating bank leverage 2. Leverage Ratio as per Ramsay Sante banking covenants based on AASB117 calculation
3. Convertible Adjustable Rate Equity Securities (CARES) are non-cumulative, redeemable and convertible preference shares

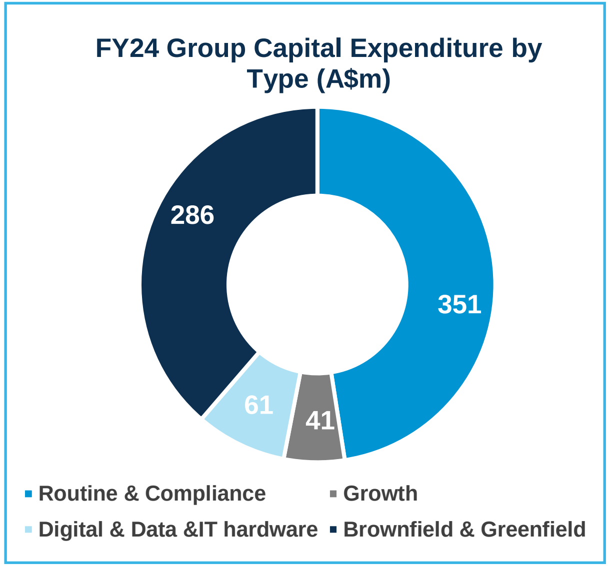


Ramsay Health Care

# Capital Expenditure – pipeline modified for environment




- Capital expenditure in constant currency was flat on the pcp at $739m reflecting an increase in the UK, a 13.5% decline in Australia and flat in Europe in local currency
- Brownfield capex focused on expanding treatment capacity in growth corridors within our core hospital network
- The increase in capex in the UK reflects the completion of Glendon Wood hospital and investment in 6 new facilities in Elysium

- All new investments assessed under revised hurdles
  - IRR% (post tax)>12%
  - Cash ROIC% (post tax) > 12% (Brownfields and other investments by the end of year 3, greenfields and acquisitions by end of year 5); and
  - EPS accretive (Brownfields and other investments by end of year 2, greenfields and acquisitions by end of year 3)

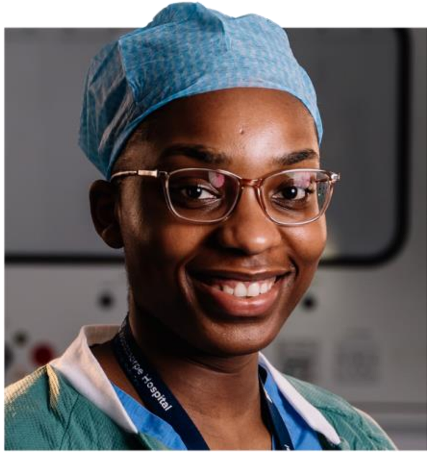


Ramsay Health Care

# Outlook & Strategic Direction

**Managing Director and CEO – Craig McNally**

People caring for people



# FY25 Outlook – Expect further growth in earnings

**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[1] 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.**

1. NPAT – net profit after tax and non-controlling interests from continuing operations

Ramsay Health Care

# Priority is to strengthen & leverage the core hospital network

**OUR VISION: To leverage our global platform and be a leading healthcare provider of the future**

*By growing, modernising and leveraging our* **World Class Hospital Network**

- Organic growth
- Strategic expansion
- Strategic growth in key therapeutic areas

Integrated patient-centred care

*And moving purposefully into* **New & Adjacent Services**

- Extended patient pathway
- Broader digi-physical care delivery
- New services, existing regions
- Diagnostic and imaging services
- New payers and funding models

**OUR MISSION: Creating a best-in-class, digitally enabled healthcare ecosystem - to change what is possible for your health**

**Operational Excellence** *will deliver value for all stakeholders*

- Procurement
- Operational efficiencies
- Excellence in service delivery

**Strong Organisational Foundations** *will underpin our achievements*

- Digital and data transformation
- Clinical excellence
- Industry leading talent
- *Ramsay Cares* sustainability strategy
- Strategic partnerships and M&A capability

**OUR PURPOSE: People caring for people**

# Key Takeaways

## Activity growth continues

7.3% revenue growth[1] driven by improving activity across all regions.

## Focus on payors

New terms agreed with private payors, wage inflation remains a risk. Tariffs from payors lagging cost inflation.

## Accelerating transformation

Investment in transformation programs to drive sustainable top line growth, productivity improvements and operating efficiencies. Disciplined investment in hospital network focused on treatment capacity.

## Disciplined portfolio management

Net profit after tax of $618m realised on the sale of Ramsay Sime Darby (RSD) reflecting the commitment to disciplined portfolio management.

## Balance sheet strengthened

Funding Group leverage 2x within target range of <2.5x.

## Growth in FY25

Growth in activity and NPAT[2] expected in FY25.

1. Revenue from patient activity in constant currency
2. Net Profit after tax and non-controlling interests from continuing operations

# Questions

Ramsay Health Care

60 YEARS
people caring for people

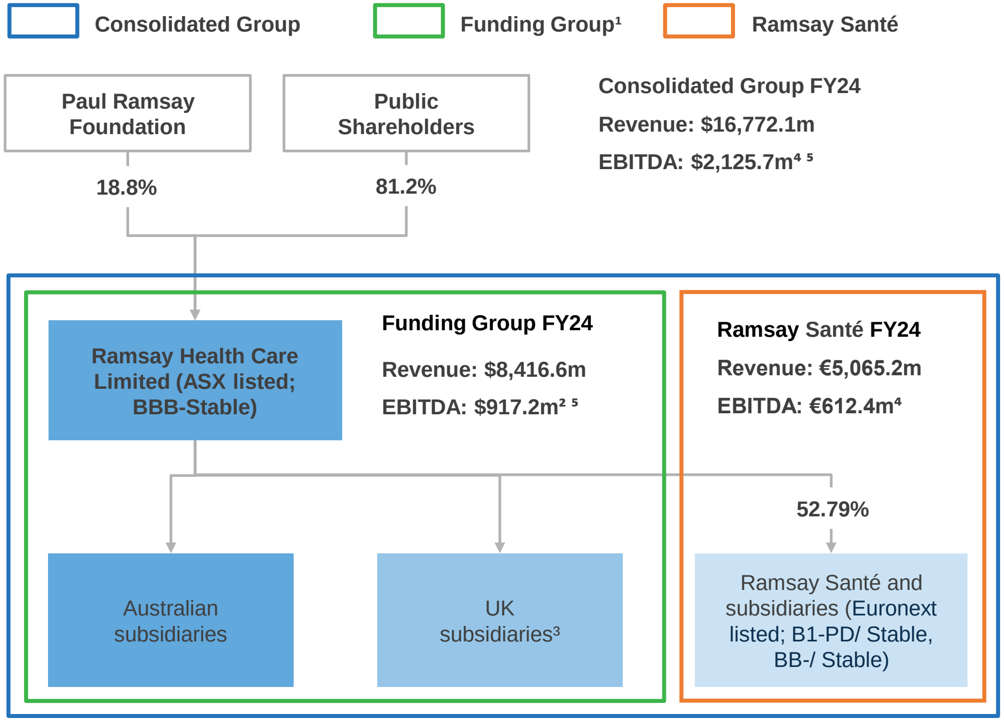

# Appendix

Ramsay Health Care

60 YEARS

people caring for people

# Funding Structure




## Consolidated Group

- Comprised of Ramsay Health Care Limited and all its subsidiaries
- Ramsay reports its financial results on a Consolidated Group basis, with financial results for Ramsay Santé being reported on a fully consolidated basis.
- **There are no debt facilities provided to the Consolidated Group as a whole**

## Funding Group

- Comprised of Ramsay Health Care Limited and all its subsidiaries[3], **excluding** Ramsay Santé earnings (the Funding Group's investment in Ramsay Santé is recorded as an investment on the balance sheet)
- The Funding Group effectively represents Ramsay's Australian and UK operations[1]

## Ramsay Santé

- Ramsay Santé is separately self-funded by covenant light, secured debt facilities with **no recourse to the Funding Group**

1. Financial covenants and the Fitch rating only apply to the Funding Group 2. Pre AASB16. Covenants calculated on this basis excludes non-recurring items 3. Either wholly owned or controlled by Ramsay Health Care Limited 4. Post AASB16 EBITDA 5. EBITDA from continuing operations

Ramsay Health Care

**ASX ANNOUNCEMENT**

30th August 2024

## Ramsay Health Care FY24 Results - Presentation Speech

### Slide 1 Front Cover

Good morning everyone and thank you for joining us today as we present our FY24 results. I am Craig McNally, and I am joined by Martyn Roberts, our Group Chief Financial Officer.

### Slide 2 - Disclaimer for noting

### Slide 3 Agenda

Today we will provide an overview of our performance for FY24, followed by an update on our Group strategic direction and outlook.

### Slide 4 Key Takeaways

As we celebrate Ramsay's 60-year anniversary I would like to start by thanking our people and clinicians for their ongoing commitment to our patients, delivering on Ramsay's purpose of "people caring for people" which has been the backbone of our success over the last 60 years.

Turning to the key takeaways from the year. We have seen activity levels continue to grow with Group hospital admissions up 3.4% and a good improvement in activity in Elysium and our primary and allied health care activities in Europe. Combined with tariff indexation we reported 7.3% growth in revenue from patient activity. The growth rate slowed in the second half reflecting stronger growth in the pcp and factors such as the cost of living, tight government budgets and government elections.

We continued to focus on discussions with our payors to improve tariff indexation to reflect inflation. We have made some progress with private payors although we remain alert to the upward pressure on wages through both public and private EBA negotiations. In all our regions public payors have granted significant wage rises to various sectors of the economy while failing to recognise the impact on private hospital operators in tariff indexation, further exacerbating the situation. We did meet with some success in the recent private hospital industry campaign in France resulting in additional tariff indexation from July 1st and the Government agreeing to treat the private system the same as the public system going forward.

Given the changing landscape we continued making disciplined investment in a range of transformation programs across the regions with a focus on driving sustainable top line growth, productivity improvements and operating efficiencies. We have slowed some programs during the year to ensure business readiness and to mitigate potential risks including our electronic health record (EHR) project in Australia.

We were incredibly pleased with the outcome of the Ramsay Sime Darby (RSD) sale, which reflects the benefits of running a considered, competitive process and our commitment to disciplined portfolio management.

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Proceeds from the sale combined with our program to extend the Funding Group's debt maturities, and establish a more orderly maturation profile, strengthened the Funding Group's balance sheet with leverage now sitting at 2x.

We expect further growth in activity in FY25 albeit we think the rate of growth will be lower than FY24. This is expected to drive growth in net profit after tax[1] (NPAT).

### Slide 5 Group Highlights

Turning to the Group result, the headline statutory profit includes the net profit after tax of $618m from the sale of RSD. Given earnings were impacted by the weaker Aussie dollar against the Euro and Pound compared to last year, the movements on this slide are shown in constant currency.

The result from continuing operations was driven by improving earnings from Australia and strong growth from the UK region, offset by lower earnings from Europe and higher net financing charges. Pleasingly productivity continued to improve towards pre COVID levels over the period assisted by reducing levels of sick leave, agency use and staff turnover. In aggregate labour costs as a percentage of revenue from patient activity declined 100 basis points over the year despite significant wage inflation. There is still room for further improvement in productivity in all regions.

The contribution from non-recurring items at the EBIT level swung from a $42.1m positive primarily related to profit on the sale of a property in Norway to a negative contribution of $36.4m predominantly reflecting asset impairments in Europe and the UK.

Non-cash mark to market movements on interest rate swaps had an impact on net financing costs moving from a positive contribution of $26.8m to a negative contribution of $34.6m.

Removing the impact of non-recurring items, in constant currency, EBIT increased 6.1% and NPAT increased 24.5%.

The Board determined to pay a fully franked dividend of 40 cents per share (cps), taking the full year dividend to 80 cps a 6.7% increase on the prior period. This represents a payout ratio of 72% and reflects the Board's confidence in the outlook.

I will cover off in more detail our progress on sustainability shortly, but we are making good progress on our targets in this area.

### Slide 5 Investing in Our People

Ramsay recognises that our greatest asset is our workforce and we are focused on attracting, developing and retaining the right people with the best skills to deliver excellent patient care and our business strategy.

We have continued to invest in our people focussing on "growing our own talent" through apprenticeships, graduate pathways programs and developing our internal leaders through our Global and Regional Leadership Academies.

[1] Net profit after tax and non-controlling interests from continuous operations

The acute global shortage of nurses and clinical staff that we experienced during COVID has eased significantly and while we do from time to time have site or skill specific shortages generally it is not impacting our operations.

### Slide 6 Ramsay Cares

Our Ramsay Cares sustainability strategy is a foundation of the business and we have made good progress towards our medium-term targets again this year.

We are on track with our net zero greenhouse gas emissions goal and have delivered reductions greater than our FY24 science-aligned target of 16.8% from a 2020 baseline.

Engaging our suppliers remains a key focus and we achieved an important milestone to have independent sustainability assessments across 60% of suppliers by spend. We continue to work towards our goal of 80% coverage in FY26.

I was pleased to see for the first time we also achieved our 50% gender target across our senior leadership teams.

### Slide 8 Regional Highlights and Outlook

### Slide 9 Australia- Highlights

Moving to the result in Australia.

Volume growth of 3.1% combined with indexation from health funds led to revenue growth of 6.3%.

A focus on productivity resulted in a 2.4% improvement but there is still opportunity to improve, with less predictable activity and slightly elevated sick leave continuing to impact results. Our investment in transformation includes programs aimed at driving productivity through digital enablement.

Net investment in digital and data programs and cyber security came in at the bottom of our range at $72.7m. Excluding the impact of the increase in investment, EBIT grew 9.3% over the pcp.

### Slide 10 - Australia – Activity continues to grow

The growth in total admissions reflected 3.6% growth in private admissions, 3.2% in DVA[2] and negative 1% in public admissions. Admission trends continued to be mixed with surgical, medical and rehab reporting positive growth albeit the rate of growth was lower in the second half.

The decline in public admissions reflects good activity increases in the three public hospitals we manage, offset by the impact of budgetary constraints in NSW and Victoria. We continue to secure contracts with local health districts in Queensland which will assist in reducing public wait lists.

After growth through Covid, maternity has returned to pre-Covid trends of declining births. Added to this it has been difficult to access clinical staff in some regions. Ramsay has closed or consolidated maternity services where it makes sense.

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[2] DVA – Department of Veteran Affairs

While Psych admissions were flat overall, psych patient days increased 2.5% reflecting higher acuity levels.

Medical inpatient growth was strong at 5.5% and rehab grew at 10% reflecting the rebound in surgical admissions.

### Slide 11 - Australia - Investment focused on expanding treatment capacity in growth corridors

Turning to our brownfield and greenfield investment pipeline.

On the back of higher construction costs, challenges in the construction sector, slow approval process times and higher interest rates, a number of projects have been delayed or slowed with spend totalling $154m for the year.

The focus continues to be on developments at our major sites that strengthen our core hospital presence and expand our treatment capacity. More than half the spend is to be invested in the expansion of Joondalup Private Hospital in Perth.

### Slide 12 – Disciplined investment in transformation programs

We have combined the management of our digital and data and business transformation programs given the majority of the programs encompass digital enablement. This will ensure that we maintain the appropriate level of rigour around the allocation of capital and project management resources to ensure that we optimise returns. In FY24 we focused on programs that will deliver some quick wins on productivity, customer satisfaction and top line growth while also investing in business readiness for a wider electronic health records (EHR) deployment. This has included our Health Hub which has now been rolled out to 30 hospitals and been used by over 50,000 patients to complete their administration process.

Procurement optimisation is one of the key streams of work, aimed at reducing waste and leveraging our scale through centralising processes and streamlining the number of suppliers. The focus in FY25 will be on optimising our approach to clinical procurement, rolling out digitally enabled processes that will enable us to identify savings opportunities.

Our EHR implementation start date has been deferred for approximately 18 months as we have taken time to assess the various vendors and to invest in organisation readiness. FY25 capex will therefore be significantly lower than previously forecast at $13-18m. We will continue to invest in business readiness which includes projects such as standardising the forms we use across our hospitals and reducing the number of equipment suppliers and equipment models. This will not only assist with the EHR project but will dramatically simplify the business.

These programs are about investing for the future to be a more effective and efficient operator. We are building our business platform to extend our strong position in the market and deliver a modern clinical environment that enhances patient experience, clinical staff experience and productivity.

### Slide 13 - Australia – Outlook

Turning to the outlook for the Australian business.

Our strategy is focused on optimising the performance of our existing portfolio of strategically located high quality hospitals. We are reinforcing our strong position in the market by expanding into integrated patient centred care through digitally enabled networks. Over the medium term the focus is on transforming the business to meet future demand.

We will maintain a rigorous disciplined approach to the investment we are making in transformation and in our brownfield and greenfield capex programs.

We expect to see activity grow in FY25. The rate of growth will primarily be impacted by cost of living issues in the market at the current time and the return of the management contract for the Peel Health Campus in Perth to the Government this month.

One of the biggest risks we see in the near term is wage inflation further escalating with governments agreeing to pay rises in the public sector that have flow on impacts for the private sector. If this continues we will be revisiting contracts with our payors to cover the escalation.

### Slide 14 - United Kingdom - Highlights

Turning to the UK and pleasingly both businesses reported a strong improvement on last year.

Ramsay UK grew EBIT by 30% in constant currency underpinned by 6.6% growth in admissions led by a 7.1% rise in NHS admissions. The growth rate in the second half was lower as we cycled a better half in the prior period combined with a slowdown in self-pay, tighter NHS budgets at the end of their fiscal year and uncertainty around the election. Our new hospital, Glyndon Wood, contributed to growth in activity levels in the second half of the year.

EBIT margins improved reflecting an increase in higher acuity work and a focus on productivity with the use of agency reducing as the labour market stabilised.

Elysium reported a significant turnaround in operating performance. This was driven by an increase in beds and occupancy which drove higher average patients combined with an increase in the average daily fee and higher specialing revenue.

EBIT increased 333% in constant currency and reflected a material reduction in costs, especially labour with agency costs as a percentage of total labour costs declining 8.8 percentage points.

Our focus during the year was on recruitment, retention and the training pipeline with a net increase of 950 people reducing the reliance on agency staff. The focus is now on retention.

### Slide 15 - United Kingdom - Outlook

Moving to the outlook in the UK. The announced NHS tariff increase for the 24/25 year commencing 1st March was 0.6%. Given general cost inflation in the UK is 3-4%, with wage inflation impacted by the Government delivering a 10% increase in the minimum wage and a recent circa 5.5% increase in NHS nursing and other clinical salaries this indexation is clearly inadequate.

Elysium has had discussions with the various NHS agencies and expects its indexation to be materially higher than the 0.6% but there will still likely be a funding gap impacting margins.

Ramsay UK is proactively engaging with local MPs in its hospital districts. At a national level, we are engaging with NHS England and the new Labor Government to promote the ongoing use of the sector to assist in reducing the surgical backlog and to advocate for improved tariff indexation. Based on these discussions we expect further growth in NHS volume in FY25.

Ramsay UK has multiyear agreements in place with its private medical insurer payors which affords it some protection against inflation and it continues to win volume agreements from insurers.

Elysium has four new site openings in FY25 which will deliver a 3-4% increase in available beds with the focus on improving occupancy across the portfolio.

Growth in earnings in FY25 in the UK will be challenging unless there is a change in tariff.

### Slide 16 – Europe Highlights & Outlook

In Europe revenue from patient activity increased 6.5% in constant currency terms. This was driven by a 3.3% increase in hospital admissions and good growth in primary care and allied health admissions combined with tariff indexation. Patient mix continues to evolve with soft mental health and maternity activity and stronger growth in day admissions.

It was a difficult year for the French business as the Government reverted from one off subsidies to compensate for cost inflation and COVID impacts back to primarily a reliance on the annual tariff indexation mechanism. As a result Government support payments declined 81% to €18.9m and while the French tariff for the 23/24 year commencing 1st March was 5.4% for medical surgical and obstetrics work, this did not fully reflect the impact of inflation over the last few years.

The tariff increase for the private sector commencing 1st March 2024 was 0.3% compared to 4.3% for the public sector. In response, for the first time, the private sector worked together to obtain from the Government a commitment to treat the private sector the same as the public sector into the future. As a result of the campaign an agreement was reached which equates to an overall 3.2% tariff increase from the 1st July this year. The results for the 4 months to 30 June 2024 only include the initial 0.3% indexation, we estimate that the delay in receiving the full tariff indexation of 3.2% cost us in the order of €17m.

The EBIT result was impacted by a negative contribution of $24.8m from non-recurring items compared to a positive contribution of $43.1m in FY23. This primarily reflects asset impairments taken at 6 of the French hospital sites.

The Nordics had a good year overall benefitting from new contracts and synergies and organic growth from recent acquisitions. In constant currency the business reported 5.3% growth in revenue and excluding the impact of non-recurring items reported a 24.9% increase in EBIT.

Turning to the outlook for the business. Given the current tariff situation, the business is focused on a range of cost control and productivity improvement programs to improve performance and the integration of recent investment and acquisitions in imaging and primary care.

We expect volume to continue to grow in FY25 with the rate of growth in France similar to FY24 and lower growth in the Nordics given it benefited from new contracts in FY24.

Discussions with the French Government continue around a multi-year agreement on tariffs for the 2025-2027 period. This would deliver some stability to the hospital sector in France based on a principle of equality of treatment between the public and private sectors.

I will now hand you over to Martyn to run through the financials.

### Slide 17 – Group Financials

Thanks Craig, and good morning, everyone.

### Slide 18 – Group Performance

As Craig outlined, total revenue from patient activity grew 7.3% in constant currency terms.

Depreciation, amortisation and impairment charges increased by 7.3%. This primarily reflects currency movements, an increase in the depreciation of right of use assets in Ramsay Sante due to price indexation and $50.6m of asset impairments and accelerated depreciation taken during the year in the UK and Europe. These charges primarily reflect hospital impairments taken in France, the impairment of one site in the Elysium portfolio and the accelerated write down of IT assets in the UK.

The impairments and accelerated depreciation are included in the non-recurring items detailed in the pack, with the impact on EBIT and NPAT from continuing operations being as Craig mentioned a turnaround from a material positive in FY23 to a material negative this year. Stripping out these impacts, Group EBIT from continuing operations increased by 6.1% in constant currency and Group NPAT increased by 24.5%.

Net financing costs increased 42.7% in constant currency terms to $332.5m. This included a negative non-cash mark to market on an interest rate swap in Ramsay Sante of $34.6m compared to a positive impact of $26.8m in the prior period. Removing the impact of mark to market movements, net financing costs increased by 14% in constant currency terms reflecting increases in base rates.

The effective tax rate on continuing operations was 31.5% compared to 34.4% in FY23. The rate was lower than last year due to the non-assessability of some positive non-recurring items this year and lower non-deductable interest in the UK than last year, reflecting the improvement in earnings in the region.

### Slide 19 – Cashflow and Balance Sheet

The key movements and changes in the balance sheet and cashflow relate to the sale of RSD and the use of those proceeds to repay and terminate some funding group debt.

Foreign currency translation has also had an impact on values in the balance sheet since 30th June, in particular on intangibles and right of use assets.

As explained at the half year results, cash generation is normally much stronger in the second half than the first. This has been the case again this year with full year operating cash flow of $1.3bn being consistent with the prior year.

### Slide 20 – Funding Group Leverage and Debt Maturity Profile

Moving to leverage. On this slide we have given you the Funding Group net debt, interest cover and leverage ratios based on the calculations used by our lending group and by Fitch.

We have extended our Funding Group debt maturities and established a more orderly maturation profile. We have demonstrated our commitment to sustainability by continuing to link our financing to our sustainability goals with KPIs and targets, now covering over 56% of funding. Key changes which were bedded down in the second half of the year, include incorporating the Elysium business and adding another 2 years of targets. We have also recently entered into a sustainability deed poll to facilitate the linking of other debt instruments back to our sustainability commitments.

Funding Group leverage reduced further over the second half of the year to finish at 2x which is within our target of <2.5x.

The Funding Group weighted average cost of debt, inclusive of margin, at 30th June 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%

### Slide 21 – Ramsay Santé – debt maturity profile extended

Turning to Ramsay Santé's balance sheet. As we announced a couple of weeks ago, Ramsay Santé has recently completed an amend and extend of its key debt facilities which has produced a great outcome extending the average tenor of their debt from 2.9 years to 6.2 years. This gives them a lot more certainty over liquidity as we move through uncertain times in Europe.

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%

Our FY25 net interest expense is currently expected to be in the range of $590-620m. This range includes an estimate of the non-cash negative mark to market to be booked on the close out of the swaps in Ramsay Santé's facilities of $8.4m and the impact of the increase in the margin in their new facilities reflecting the longer tenor and the recent downgrade of the healthcare sector by Moody's.

### Slide 22 – Capital Expenditure

Total capex spend across the regions was $739m which is similar to last year in constant currency terms. Spend in Australia was lower than the prior year, Europe was flat and the UK's spend increased, reflecting new facilities in both the acute business and Elysium, as well as investment in repurposing facilities.

[3] Convertible Adjustable Rate Equity Securities (CARES) are non-cumulative, redeemable and convertible preference shares

Currently we are forecasting capex spend in FY25 to be in the range $780m - $900m, reflecting higher spend on brownfields in Australia, marginally higher spend in Europe and lower spend in the UK. As we discussed at the half year, in light of rising interest rates, we are applying a more conservative approach to new projects with increased hurdle rates introduced this year.

Ramsay will retain a disciplined approach to capital investment ensuring it is focused on areas supporting volume and earnings growth.

I will now hand you back to Craig for some comments on the FY25 outlook and longer-term strategic direction.

**Slide 23 – Strategy and Outlook**

Thanks Martyn

**Slide 24 – Group Outlook**

Turning to the outlook for FY25

We expect activity to continue to grow and while the growth rate is a bit lower than we would have expected due to a range of issues we have confidence that the demographics continue to support targeted investment in our market-leading footprint. We expect the increase in activity to drive growth in NPAT from continuous operations.

I would reinforce that as we did in FY24, if wage inflation increases above our forecast levels we will be reigniting discussions with our payors to achieve fair compensation for our services.

**Slide 25– Group Strategy**

Turning to our long-term strategy

The healthcare industry globally continues to be tested and as a result we expect a lot of change over the next few years. As a leader in the provision of private healthcare services we need to invest in change to build on our market position and to ensure we drive greater value from our core and improve our returns.

The longer-term growth of the private healthcare industry continues to be underpinned by structural tailwinds, including technological and clinical developments; rising healthcare expenditure as a proportion of GDP; a growing and ageing population and the associated rising incidence of chronic conditions, which all contribute to increasing health care costs for governments. Private healthcare providers have a critical role to play in supporting the healthcare system and establishing commercial solutions in partnership with governments will be an important part of that.

With Ramsay's unmatched network of strategically located facilities; world class healthcare team; industry-leading investment in clinical excellence; trusted payor relationships; targeted push into new and adjacent services; and investment in technology, we feel that we are uniquely positioned to benefit from these tailwinds and deliver attractive long-term benefits to all stakeholders.

Our priority is to continue to leverage and strengthen our core hospital business through a series of transformation programs and by investing in a wider range of services that support our core, ultimately driving improved outcomes for patients.

### Slide 26- Key Takeaways

Before handing back for questions, I'll just recap: we have seen a good pick-up in activity levels across the regions and we expect further growth in activity and NPAT in FY25; we continue to work with public and private payors to improve tariff indexation to better reflect the impact of inflation on our cost base; we are investing in a disciplined way to drive sustainable top line growth and improved productivity; we have strengthened our balance sheet applying the proceeds from the sale of RSD to reduce leverage; and we will continue to review the business in the context of optimising shareholder returns and we are actively assessing a range of strategies to unlock value and drive improved performance from our portfolio of assets.

Finally, I want to say thank you again to our remarkable people, including our doctors, who demonstrate every day what it means to be people caring for people. As we mark our milestone anniversary and my last results presentation, I would like to thank all the people who have worked with us over our journey to make Ramsay what it is today.

I will now open up for questions.

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