



People caring for people

Ramsay Health Care Limited
MACQUARIE SECURITIES AUSTRALIA CONFERENCE 2015
6 May 2015

Christopher Rex, Managing Director

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- Over 50 years experience as a specialist hospital operator
- 212 hospitals across 5 countries
- 25,000 beds and places
- Employs over 50,000 people
- Admits around 3 million patients per annum
- Strong, sustainable growth achieved through the combined strategy of organic growth, brownfield capacity expansion and acquisitions
- Our strong culture, “The Ramsay Way”, which recognises the value of our people, underpins the success of the Company
- Market capitalisation approximately \$13 billion
- Targeting Core NPAT and Core EPS growth of 18% to 20% for full year FY 2015

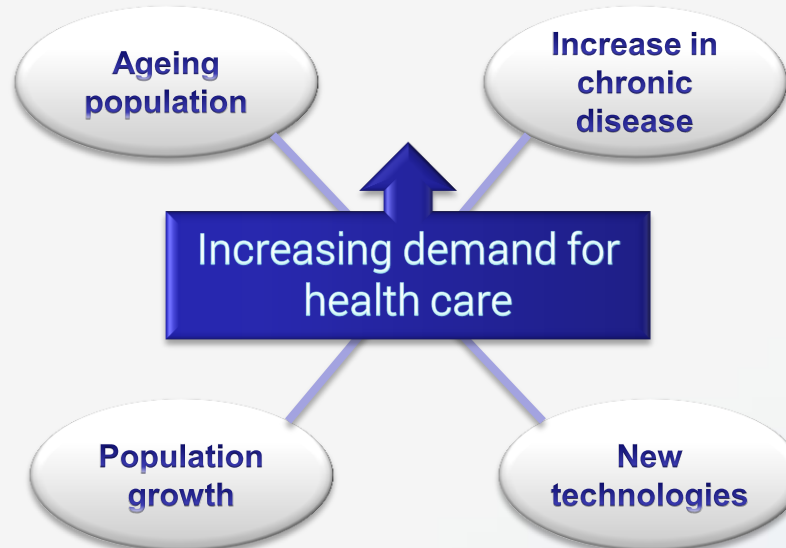
Notes:

- After completion of the Générale de Santé French acquisition in October 2014
- All numbers are in Australian dollars unless otherwise stated

Demand for health care will remain strong with an ageing population, longer life expectancy, increase chronic disease burden, population growth, and improvements in treatments and diagnostic methods.

Ageing Population

- The global population aged 60 or above is expected to **more than triple by 2050**. The current growth rate of the older population, at 1.9%, is significantly higher than that of the total population at 1.2%
- In Australia, the 65 – 84 year age group will **double from 3.1m to 7m** by 2054. By 2050, average life expectancy at birth will be **95 years**.
- In France, by 2030, **30% (or 20m)** of the population will be over 60 years.
- In the UK, more than 10 m people are now aged over 65, and an estimated **19 m** people will be over 65 years by 2050



Chronic Diseases

- Changes in disease rates, in particular increased prevalence of chronic health conditions will increase demand for treatment
- Chronic diseases are, by far, the **leading cause of mortality** in the world, representing 63% of all deaths
- China has **92 million diabetics** overtaking India as world leader in diabetes

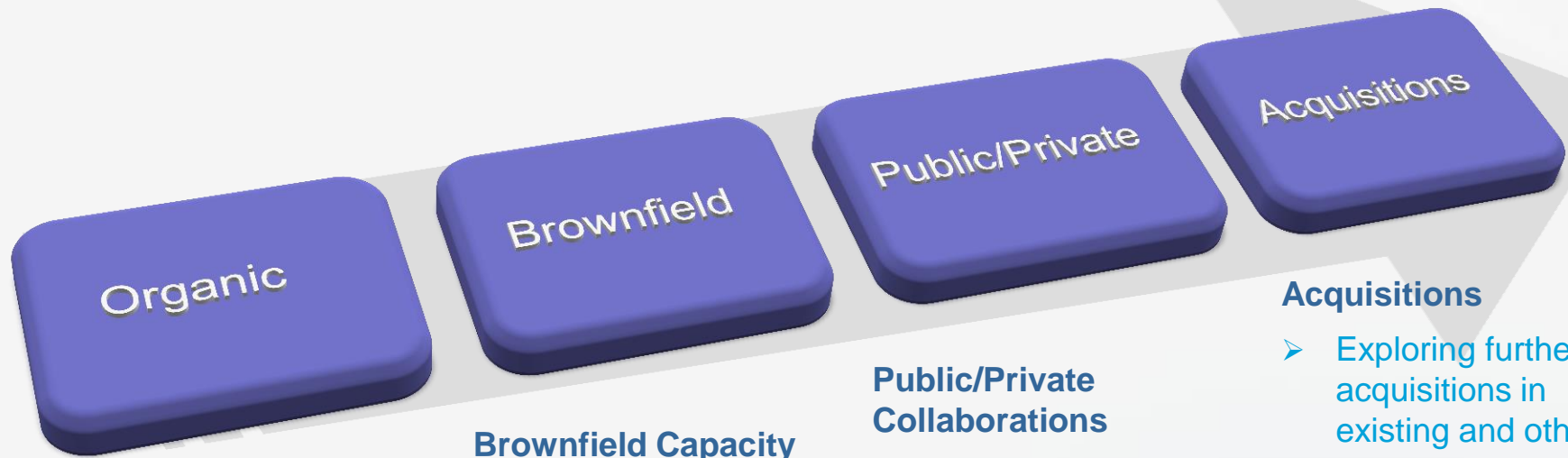
Population Growth

- The population in Australia will grow from **23.9m to 39.7m** at an average growth rate of 1.3% p.a. by 2054
- The UK population is projected to increase by 9.6 m (15%) to **73.3 m** over the 25 year period to mid-2037

New Technologies

- **Therapeutic innovations** will continue to drive healthcare demand. Non-demographic factors (new technology & more doctors) are considered amongst the **major drivers** of healthcare demand

SUCCESSFUL & SUSTAINABLE GROWTH STRATEGY



Organic Growth

- Underpinned by demographics, quality portfolio of hospitals, ongoing business improvement

Brownfield Capacity Expansion

- Unmet demand driving Ramsay's ongoing investment in capacity expansion

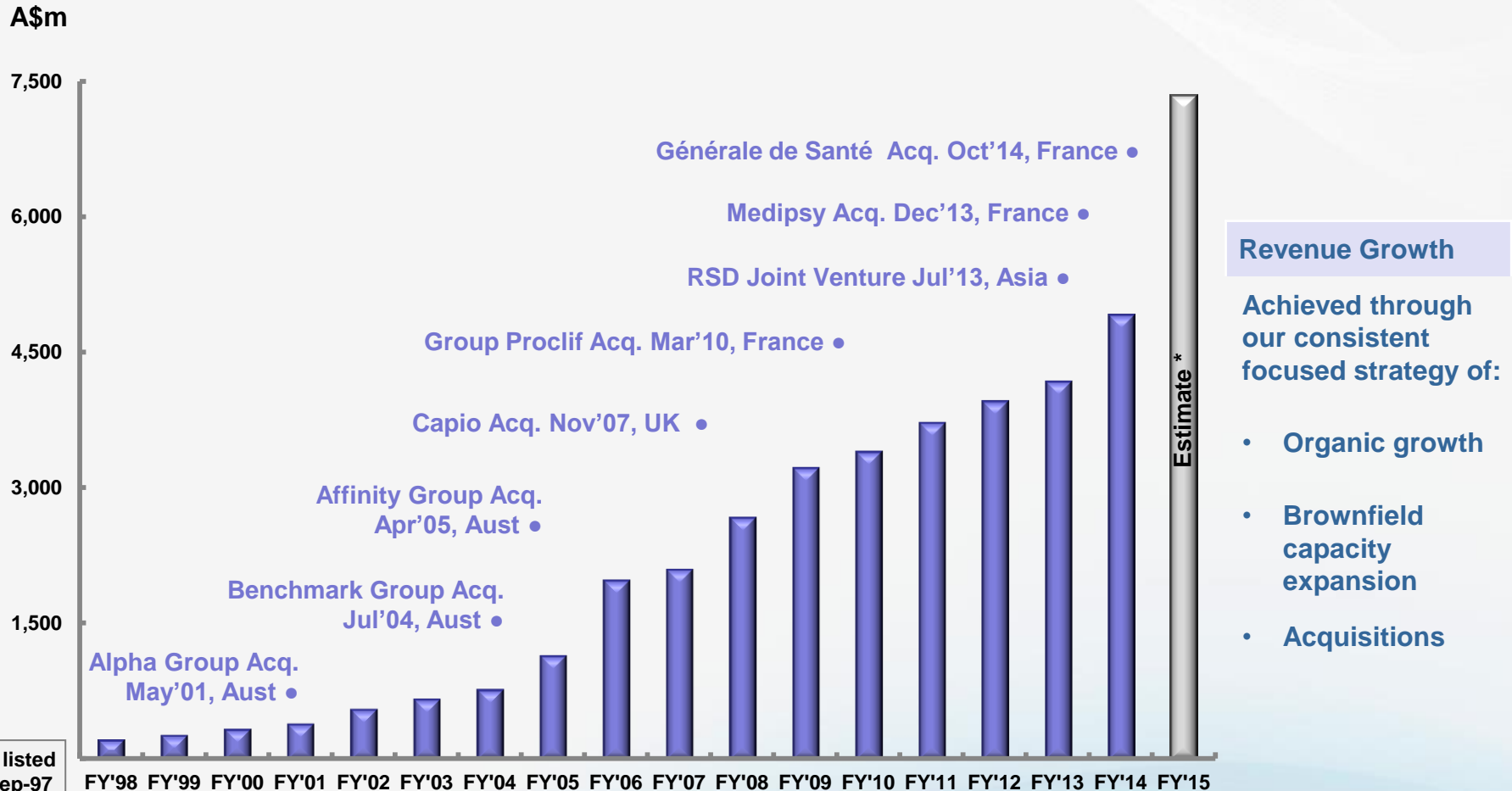
Public/Private Collaborations

- Potential for more partnerships to develop/manage/provide hospital services in changing political landscape

Acquisitions

- Exploring further acquisitions in existing and other markets
- Ramsay has proven it can export its management model
- Must add long-term value to shareholders

REVENUE GROWTH MILESTONES

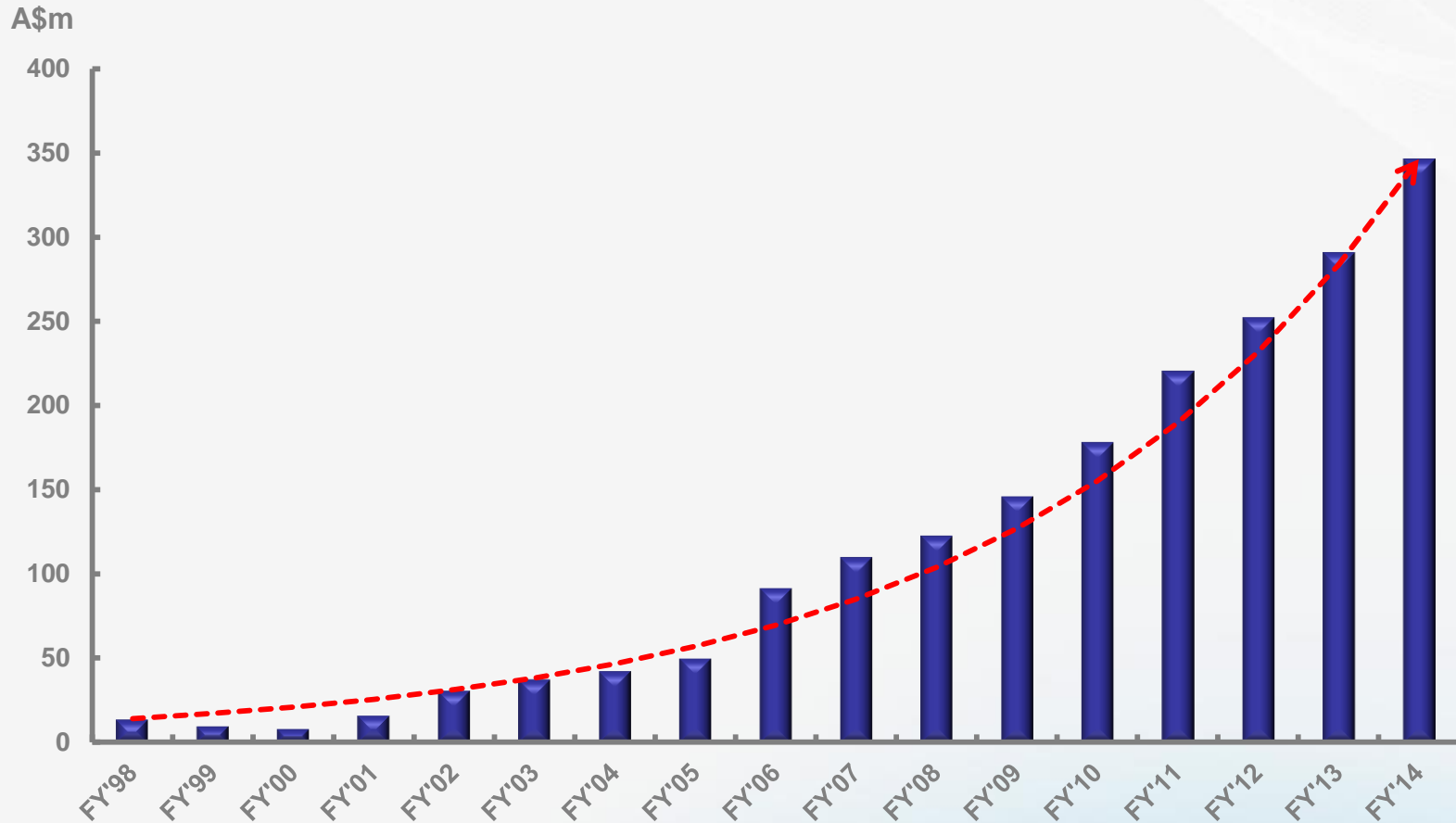


• Operating Revenue CAGR of 21.7% for the 17 years from FY1997 to FY2014

Notes:
 * Estimate for FY 2015 is based on nine months operation of Générale de Santé. On a full 12 month running rate, the estimate would be in excess of \$8 billion

CORE NET PROFIT AFTER TAX GROWTH

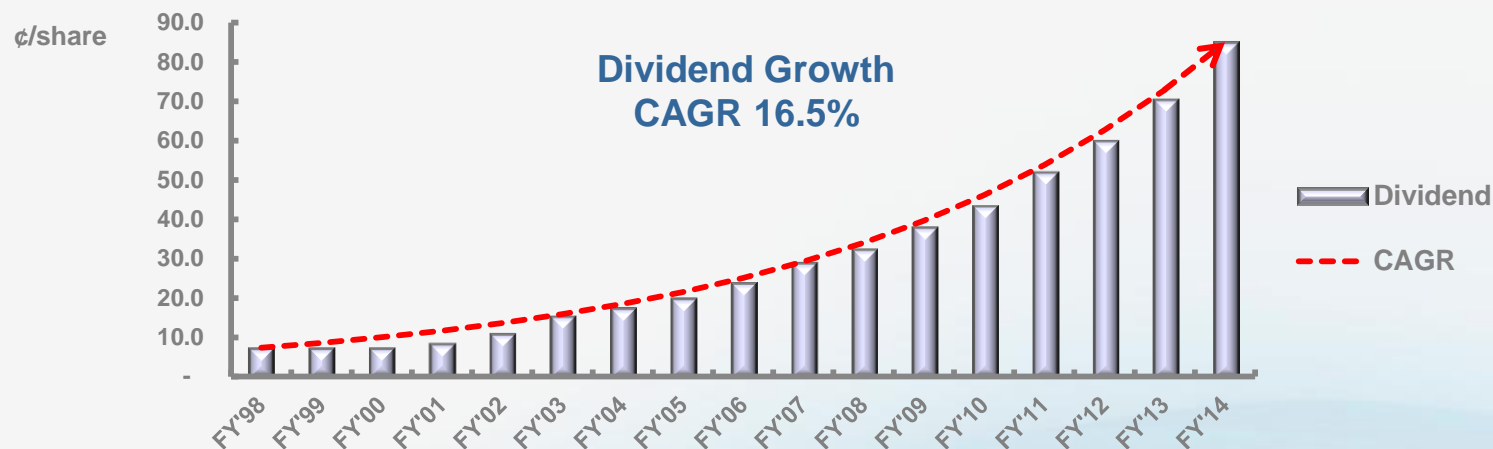
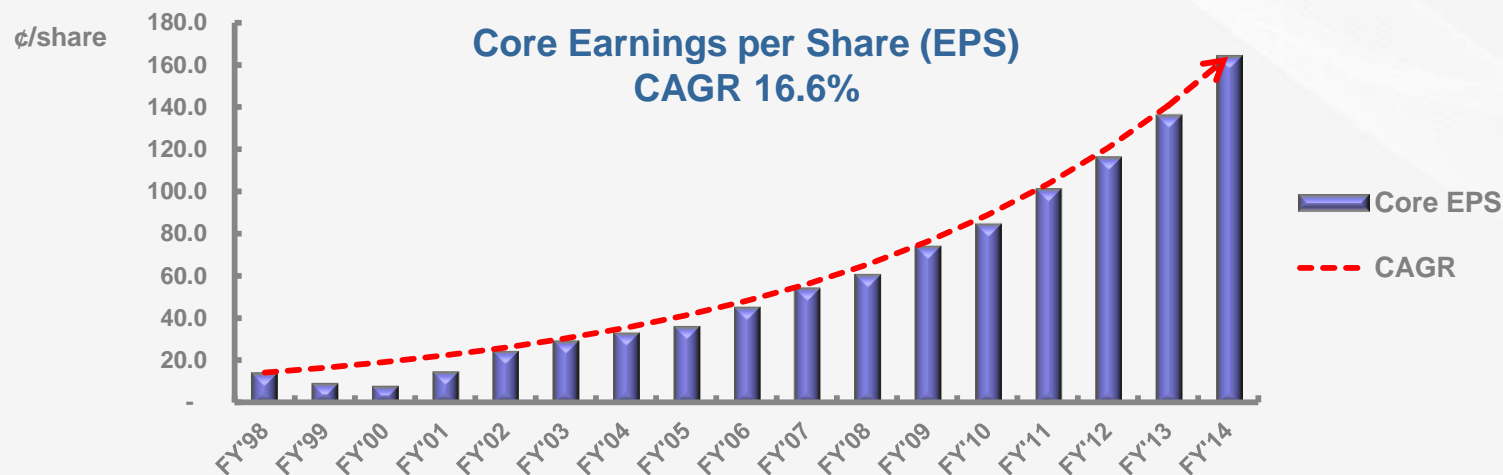
Compound Annual Growth Rate (CAGR)



- Core NPAT CAGR of 22.2% for the 17 years from FY1997 to FY2014

CORE EPS AND DIVIDEND GROWTH

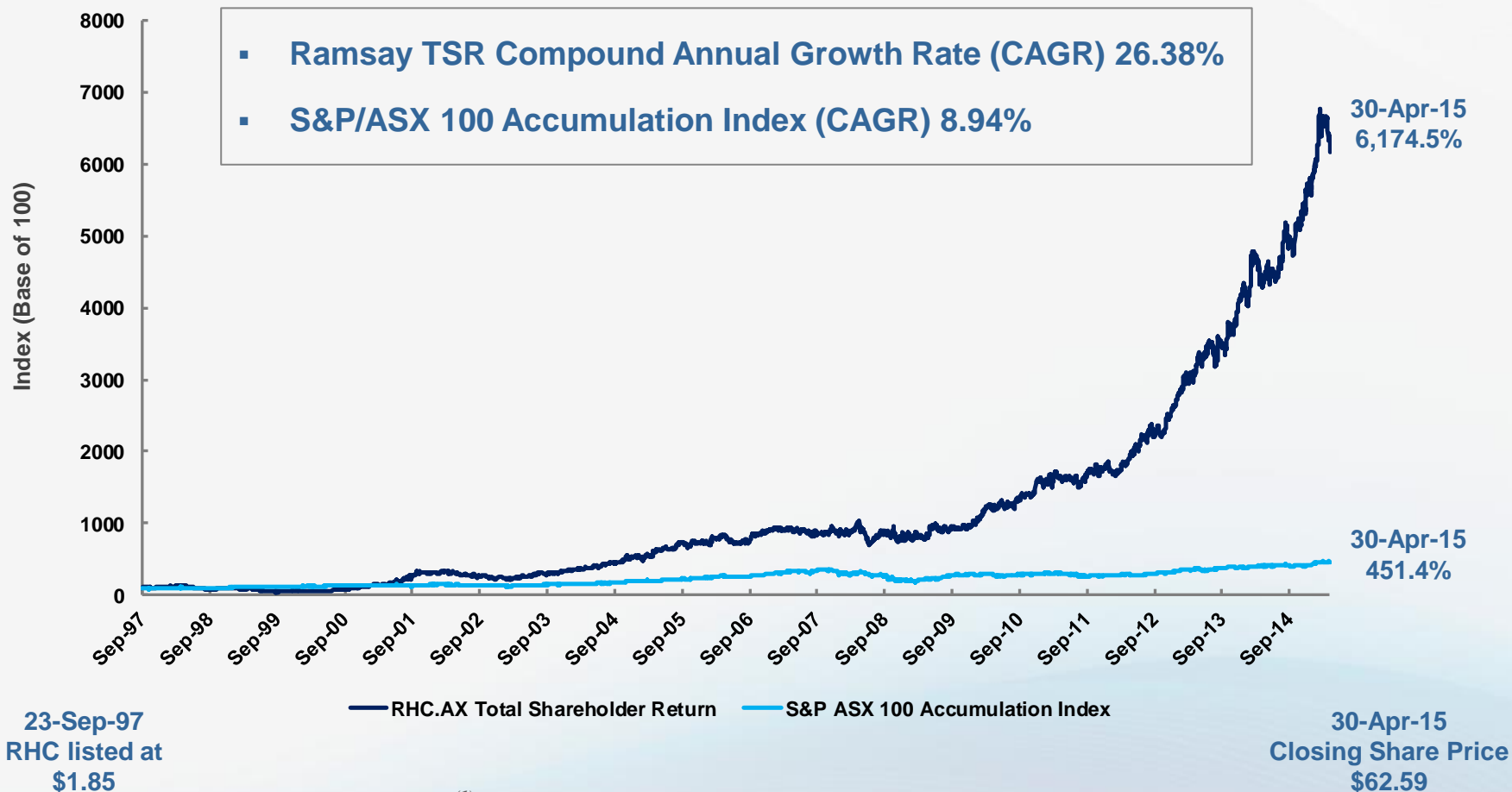
Over the 17 years from listing to 30 June 2014



- Strong consistent growth in Core EPS
- Dividends have grown in line with Core EPS growth as a result of Ramsay's maintenance of a full year dividend payout ratio of approximately 50%

STRONG SHAREHOLDER RETURNS

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



⁽¹⁾ Share price appreciation plus reinvestment of dividends

Source: Orient Capital Pty Limited

Group Financial Highlights

for the six months ended 31 December 2014

HALF YEAR FINANCIAL HIGHLIGHTS

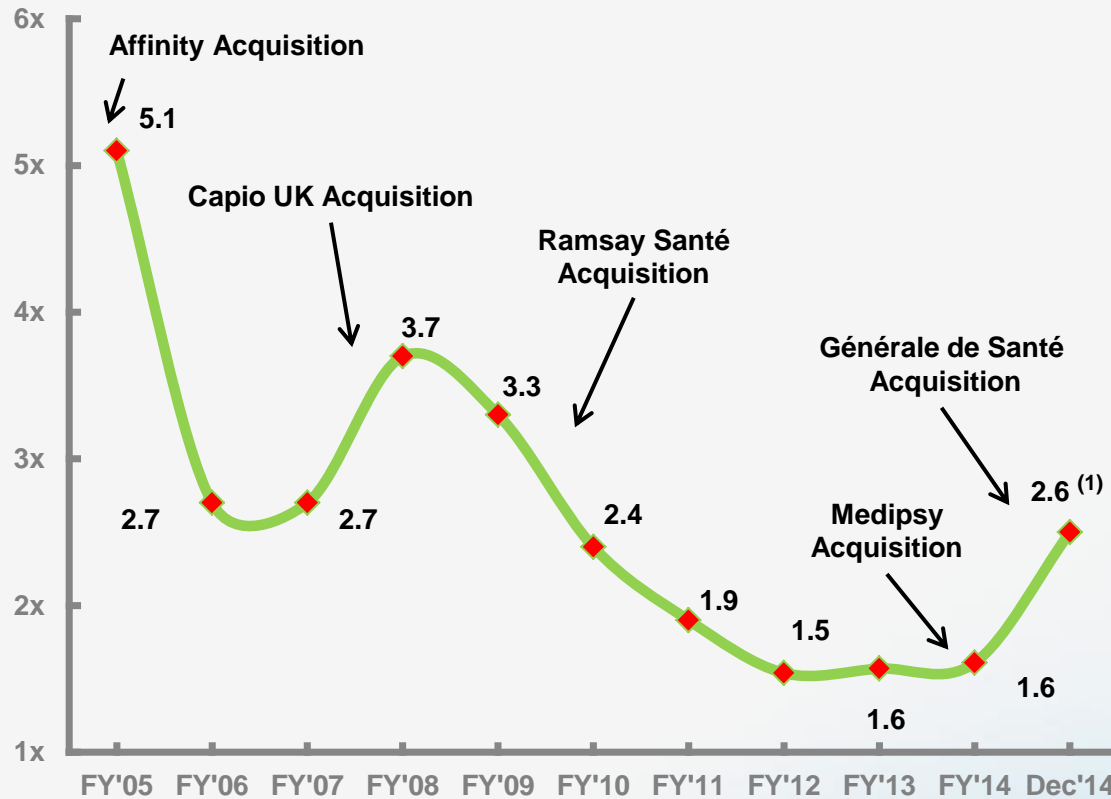
Six months ended 31 December 2014

- Core NPAT up 19.1% to \$204.4 million
- Core EPS up 20.2% to 97.6 cents
- Group:
 - Revenue up 41.6% to \$3.3 billion
 - EBIT up 32.2% to \$377.8 million
- Australia/Asia:
 - Revenue up 8.8% to \$2.0 billion
 - EBIT up 12.6% to \$282.8 million
- United Kingdom:
 - Revenue up 9.0% to £198.1 million
 - EBIT up 9.1% to £15.5 million
- France⁽¹⁾:
 - Revenue up 437.1% to €646.1 million
 - EBIT up 542.4% to €46.0 million
- Interim dividend 40.5 cents fully franked, up 19.1%

Notes:

⁽¹⁾ In accordance with the accounting standards Générale de Santé has been consolidated from 1 October 2014

Consolidated Balance Sheet Leverage Ratio*



* $Leverage = Net\ Debt \div EBITDA$

- Strong operating cash flow with high cash conversion rate
- Strong balance sheet with financial flexibility to continue to fund:
 - Pipeline of brownfield capacity expansion
 - Future acquisitions

Notes:

⁽¹⁾ Pro forma leverage ratio calculated using 12 months trailing EBITDA as Générale de Santé was acquired on 1 October 2014

Segment Financial Highlights and Operating Environment

HALF YEAR FINANCIAL HIGHLIGHTS AND OPERATING ENVIRONMENT – Australia

- Solid organic growth on the back of strong admissions growth
- Australian hospitals operating margin (EBITDA) increased from 18.8% to 19.3%
- Private health insurance remains robust with 47.2% participation
- Quality and strategically well placed portfolio continues to produce good brownfield opportunities. Completed \$175m brownfields in the half year
- Further significant Brownfield opportunities identified
- Current stable political environment

HALF YEAR FINANCIAL HIGHLIGHTS AND OPERATING ENVIRONMENT – United Kingdom



- Ramsay's UK business continued to perform well with EBITDA rising 8.3% to £24.9 million
- Strong double digit growth in NHS admissions of 12% in the first half
 - EBITDAR margins remain strong at 24.5%
 - NHS admissions now 75% of our business
- PMI showing signs of recovery
- UK General Election May 2015

HALF YEAR FINANCIAL HIGHLIGHTS AND OPERATING ENVIRONMENT – France

- Ramsay's French operations (Ramsay Santé and GdS combined) EBITDA grew by 582% to €82.6 million as a result of strong organic growth and positive contributions from Medipsy⁽¹⁾ and Générale de Santé⁽²⁾ acquisitions
- Underlying EBITDA excluding acquisitions improved substantially
- Near term challenges around price
- Further consolidation opportunities emerging
- Health system reform will generate expanded private sector opportunities over medium term
- Integration underway of GdS and Ramsay Santé - 1 July 2015

Notes:

(1) Medipsy acquired 17 December 2013

(2) Générale de Santé acquired 1 October 2014

HALF YEAR FINANCIAL HIGHLIGHTS AND OPERATING ENVIRONMENT – Asia

- Asian joint venture continued to perform well with strong growth in the half year
- The annual average growth in health spending in Asia (8.6% forecast in growth in spending each year between 2014 and 2018) will overtake Europe in 2016
- Increasing consumer wealth, and government programs to expand access to health care
- New government-led universal health system in Indonesia

Growth Strategy Update

- Positive demographics, an ageing population and quality hospital portfolio driving continued investment in capacity expansion
- Approved over \$1.5 billion worth of Brownfield capacity expansions over the last 9 years
- Brownfield capacity expansion opportunities identified, at least of \$1 billion over the next 5 years

BROWNFIELD CAPACITY EXPANSION

(Continued)

- In the half year to Dec 14, Ramsay completed \$175m worth of expansions at existing facilities including:
 - Warringal Private, VIC (64 beds; 5 theatres; day surgery unit) - \$58.2m
 - Pindara Private, QLD (113 beds; 3 theatres) – \$53.3m
 - Kareena Private, NSW (36 beds; 1 theatre) – \$18.1m



Warringal Private



Pindara Private



Kareena Private

- Other projects completed during the half year ended 31 December 2014:
 - Lake Macquarie Private, NSW (Theatre, CCU) – \$7.6m
 - Kingsway Day Surgery, NSW (new hospital in Miranda) – \$6.8m
 - Hillcrest Private, QLD (expanded mental health unit) – \$5.2m
 - Mitcham Private, VIC (21 bed mental health unit expansion) – \$6.5m
 - Caboolture Private, QLD (Theatre, Day Surgery) – \$5.1m
 - Port Macquarie Private, NSW (Rehab development) – \$4.4m
 - Mitcham Private, VIC (operating theatre expansion) – \$3.2m
 - Dudley Private, NSW (Theatre, Day Surgery, hydrotherapy pool) – \$7.3m

Acquisitions

France - Générale de Santé

- In October 2014, Ramsay finalised the acquisition of a controlling interest in Générale de Santé (GdS) and its 75 facilities (61 hospitals)
- The acquisition brings Ramsay's total portfolio in France to 115 facilities (101 hospitals)

China - Jinxin

- Through its JV with Sime Darby, Ramsay has recently announced it has signed a non-binding term sheet, with Chinese healthcare company Jinxin, to jointly operate five hospitals in the city of Chengdu, China.
- The Group consists of five hospitals with 2,300 beds in total

Future Acquisitions

- Further potential acquisition opportunities identified in new and existing markets

Outlook

- Demographics will continue to drive capacity expansion opportunities from which we expect ongoing benefits to flow
- We will maintain our focus on improving performance at existing hospitals
- Integration of Générale de Santé and growing this business will be a major focus
- Utilising our global experience in acquiring and integrating hospitals, we will canvas further opportunities in new and existing markets
- Based on strength of the first half results and the continuation of robust growth across all our operations and barring unforeseen circumstances, Ramsay is targeting Core NPAT and Core EPS growth of 18% to 20% for full FY 2015 (previously 14% to 16%), including nine months of Générale de Santé

Questions