



People caring for people

Ramsay Health Care Limited
Results Briefing
Year ended 30 June 2015

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27 August 2015

1. Group Operational and Financial Highlights
2. Segment Operational and Financial Highlights
3. Growth Strategy Update
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- 212 hospitals across 5 countries
 - 25,000 beds and places
 - Employs circa 60,000 people
 - Admits circa 3 million patients per annum
 - Ranked in the top 5 private hospital operators in the world

Strong Culture

- The Ramsay Way
- Over 50 years of uninterrupted focus on clinical quality and safety
- Long term stable and experienced Board and management

Strong and Sustainable Growth Strategy

- Focus on hospitals
- Developed an exportable operational model
- Undertaken successful international expansion
- Growth in both public and private pay markets

Financially disciplined

- Growth only pursued if financial & strategic criteria & investment hurdles are satisfied

Group Operational and Financial Highlights

- Core NPAT up 19.0% to \$412.1 million

- Core EPS up 20.0% to 196.6 cents

- Group:
 - Revenue up 49.8% to \$7.4 billion
 - Group EBIT up 37.4% to \$803.9 million

- Australia/Asia:
 - Revenue up 8.2% to \$4.1 billion
 - EBIT up 8.6% to \$521.4 million

- United Kingdom:
 - Revenue up 8.0% to £413.2 million
 - EBIT up 14.6% to £40.5 million

- France:
 - Revenue up 440.8% to €1,749.5 million
 - EBIT up 391.5% to €144.0 million

- Final Dividend 60.5 cents fully franked, up 18.6%, bringing the full-year dividend to 101.0 cents fully franked, up 18.8%

- Strong growth across global portfolio
- Became the leading hospital operator in France after finalising the acquisition of Générale de Santé (completed Oct 2014). Merger with Ramsay Santé completed 1 July 2015
- In the process of acquiring a further nine hospitals in France – in Lille
- Completed \$190 million in brownfield capacity expansions and approved a further \$197 million in redevelopments across the Group
- Group EBITDAR margin increased from 18.2% to 19.2%
- Pursuing opportunity in China to operate five hospitals in the city of Chengdu with Chinese health care operator, Jinxin
- Announced Strategic Alliance with the International Consortium for Health Outcomes Measurement (ICHOM) - first multinational hospital group to partner with the US-based organisation representing our commitment to continuous improvement in patient outcomes

GROUP FINANCIAL PERFORMANCE

YEAR ENDED 30 JUNE	2015 \$m	2014 \$m	Increase
Revenue	7,355.5	4,909.3	49.8%
EBITDAR	1,412.0	893.5	58.0%
EBITDA	1,106.3	751.5	47.2%
EBIT	803.9	584.9	37.4%
Core NPAT ⁽¹⁾	412.1	346.2	19.0%
Core EPS ⁽²⁾ (cents per share)	196.6¢	163.9¢	20.0%
Final Dividend – fully franked (cents per share)	60.5¢	51.0¢	18.6%
Full-year Dividend – fully franked (cents per share)	101.0¢	85.0¢	18.8%

Strong growth across global portfolio

Notes:

All numbers are in Australian dollars unless otherwise stated

⁽¹⁾ Core NPAT attributable to members of the parent is before non-core items. In accordance with the accounting standards Générale de Santé has been consolidated from 1 October 2014. The minority interests share of Générale de Santé Core NPAT has been removed in arriving at Core NPAT attributable to members of the parent

⁽²⁾ Core EPS is derived from core net profit after CARES dividends

RECONCILIATION TO STATUTORY REPORTED PROFIT

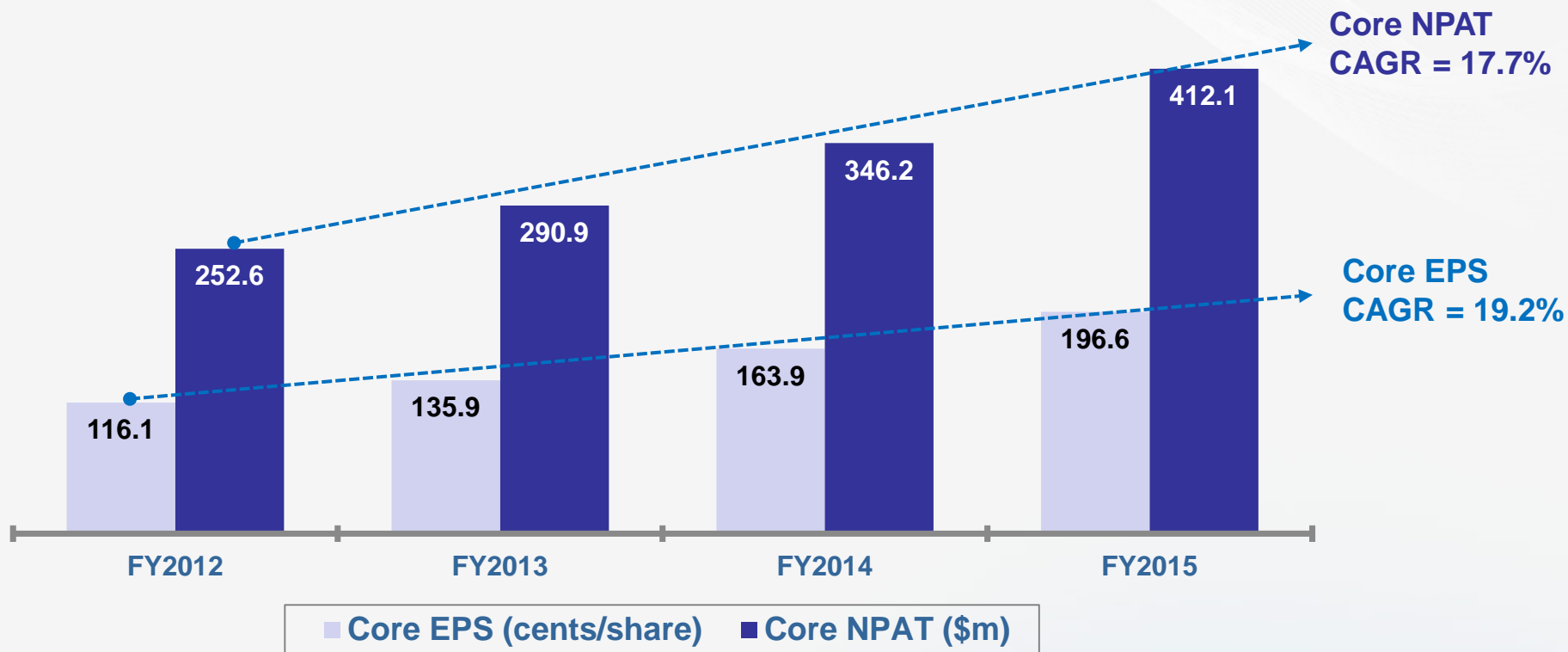
YEAR ENDED 30 JUNE	2015 \$m	2014 \$m	Increase
Core NPAT	412.1	346.2	19.0%
Non-core Items, net of tax ⁽¹⁾	(26.6)	(42.4)	
Statutory Reported Net Profit after tax attributable to members of the Parent	385.5	303.8	26.9%

⁽¹⁾ Net non-core items (net of tax)	2015 \$m	2014 \$m
Deferred annual rent expense relating to UK hospitals	(16.6)	(17.3)
Profit on sale of non-current assets and impairment charges	3.0	12.2
Launch of Ramsay employee free share plan	-	(9.9)
Acquisition and development costs written off ⁽²⁾	(14.8)	(26.6)
Amortisation of intangibles	(2.9)	(2.8)
	(31.3)	(44.4)
Non controlling interest in non-core items	4.7	2.0
Net non-core items (net of tax)	(26.6)	(42.4)

⁽²⁾ Predominantly transaction costs in relation to the restructure and merger of Ramsay Santé and Générale de Santé

CORE NPAT & CORE EPS

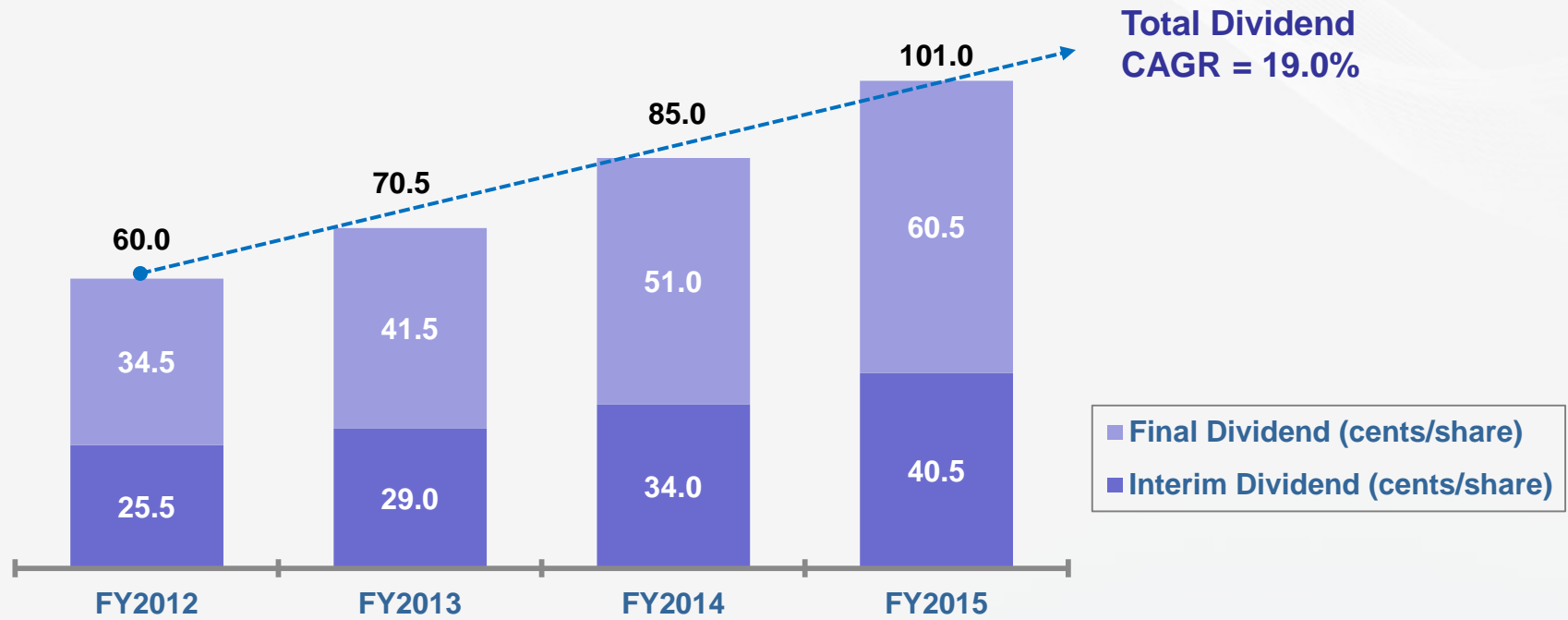
Compound Annual Growth Rate (CAGR)



- Core NPAT and Core EPS in line with upgraded (Feb'15) guidance
- Core NPAT up 19.0% to \$412.1 million
- Core EPS up 20.0% to 196.6 cents

DIVIDEND GROWTH

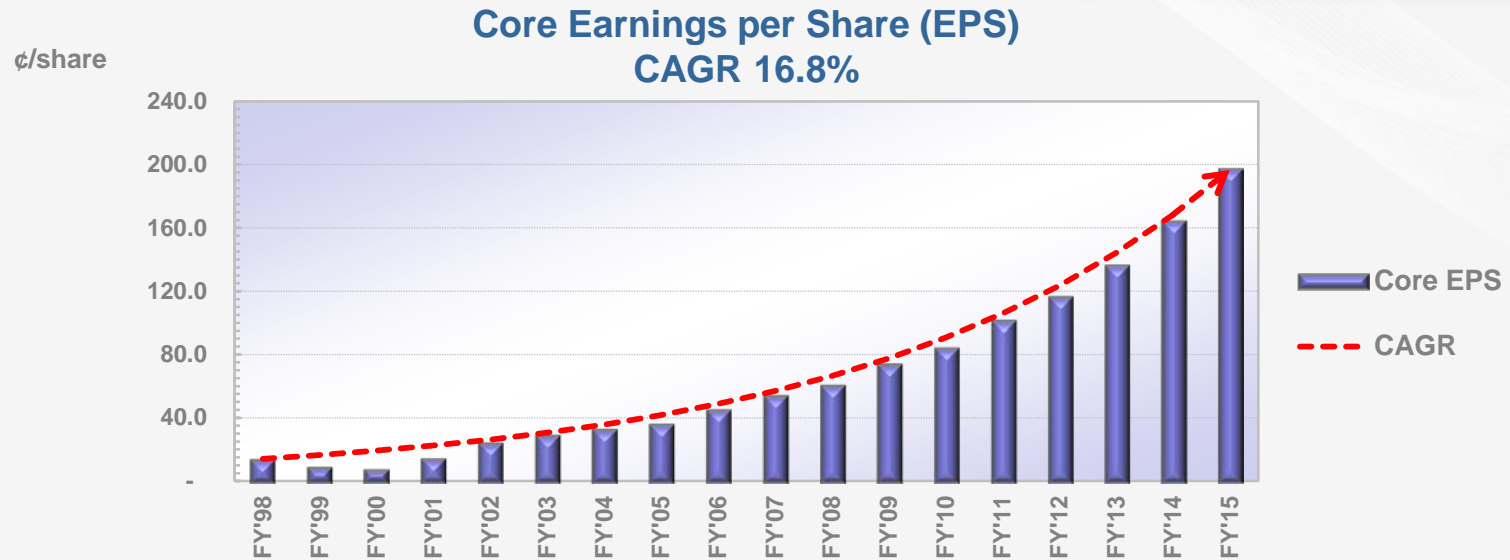
Compound Annual Growth Rate (CAGR)



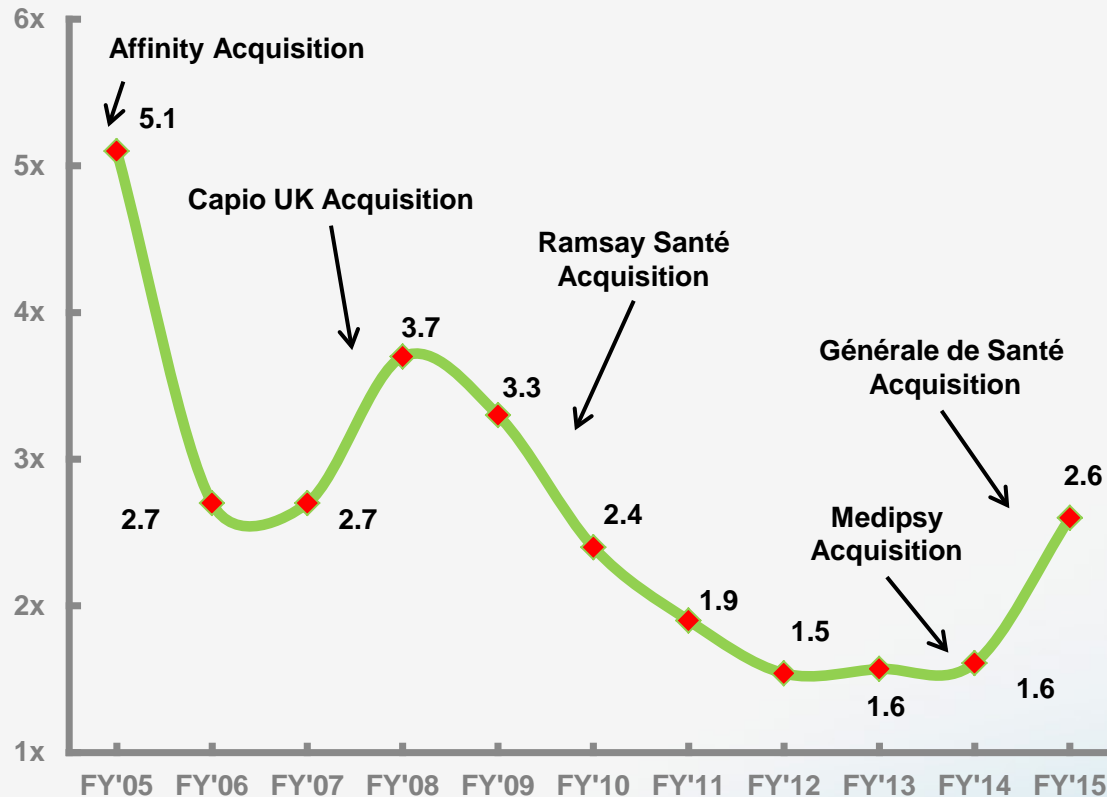
- Final dividend fully franked, up 18.6% on previous corresponding period
- Dividends for the full year up 18.8%, in line with growth in Core EPS of 20.0%
- Dividend payout ratio of approximately 50% of Core EPS maintained, balance reinvested back into the business

CORE EPS AND DIVIDEND GROWTH

Over the 17 years from listing to 30 June 2015



Consolidated Balance Sheet Leverage Ratio*



* $Leverage = \text{Net Debt} \div \text{EBITDA}$

- Strong operating cash flow with high cash conversion rate
- Strong balance sheet with financial flexibility to continue to fund:
 - the pipeline of brownfield capacity expansion; and,
 - future acquisitions

Segment Operational and Financial Highlights

OUR OPERATING ENVIRONMENT



Australia

- Continuing rising demand for health care
- Stable political environment
- Health insurance participation remains strong at >47%
- Emerging debate on funding framework



Asia

- Increasing consumer wealth, and government programmes to expand access to health care
- New government-led universal health system in Indonesia
- Acquisition opportunities continue to arise
- Market characteristics call for moderated approach
- Emergence of China is a significant opportunity



UK

- Continuing strong NHS growth
- Favourable political environment
- Substantial growth opportunities

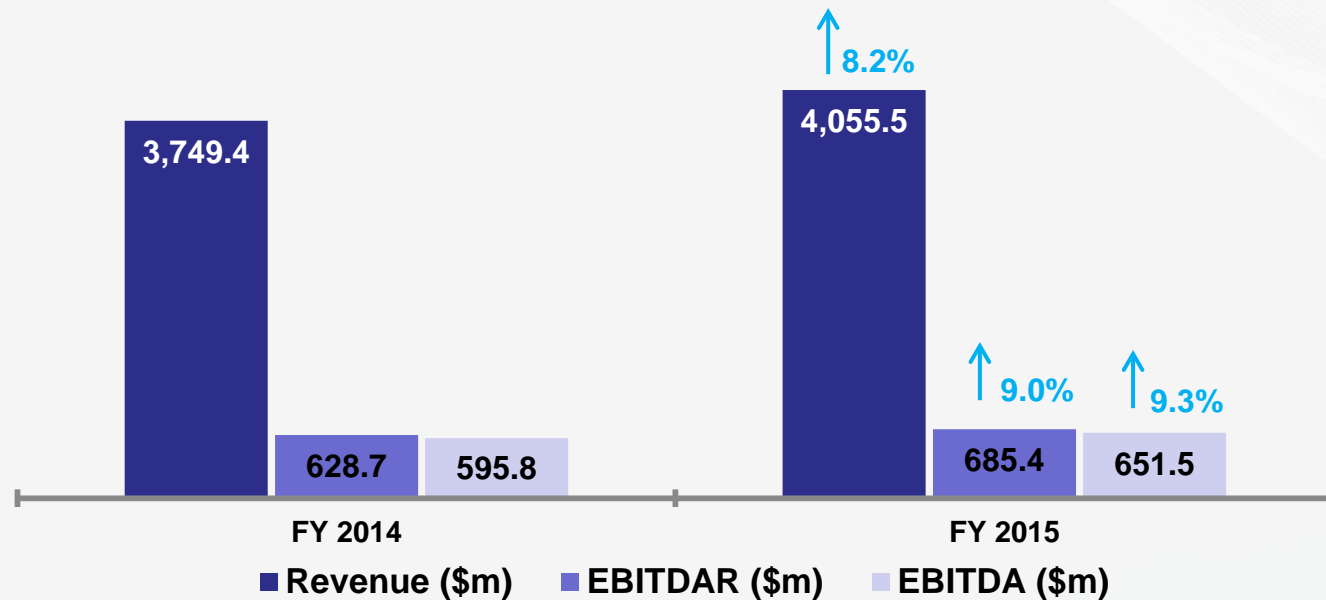


France

- Tariff challenges
- Further consolidation likely to take place
- Challenging political environment
- Medium term operating environment positive

FINANCIAL PERFORMANCE

Australia and Asia



Note: The above figures include Head Office

Australian Hospital Operations

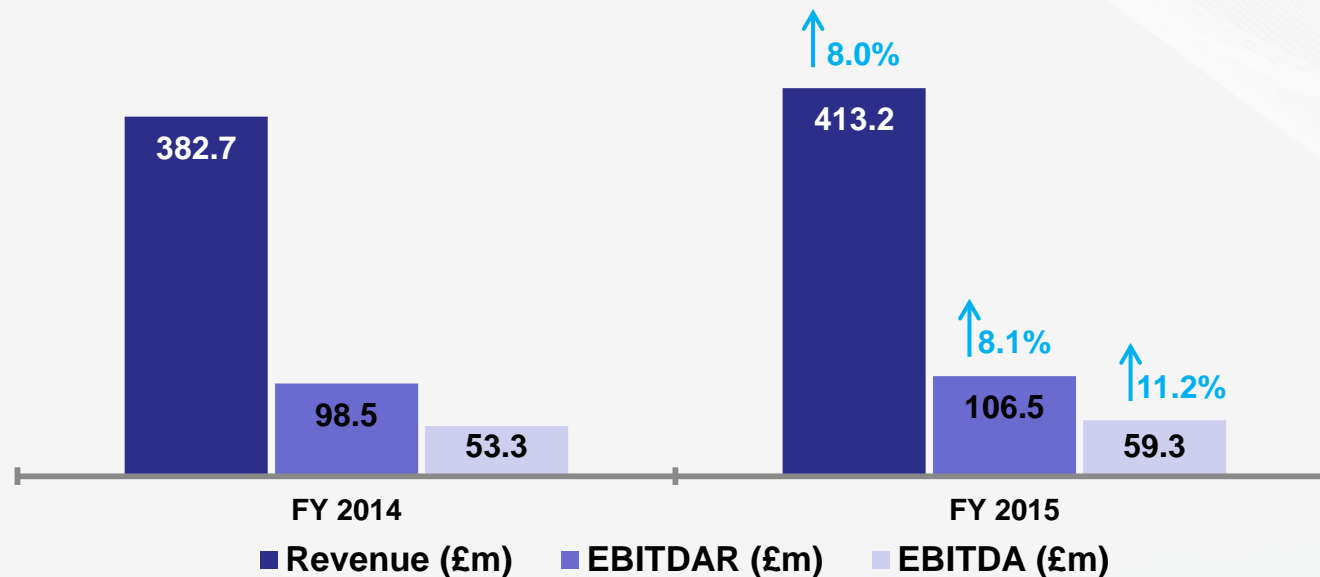
- Solid organic growth on the back of strong admissions growth
- EBIT growth of 11.6% and margin uplift of 50 basis points
- Quality and strategically well-placed portfolio continues to produce good brownfield opportunities.

Asian Hospital Operations

- Strong operational performance in Malaysia and Indonesia

FINANCIAL PERFORMANCE

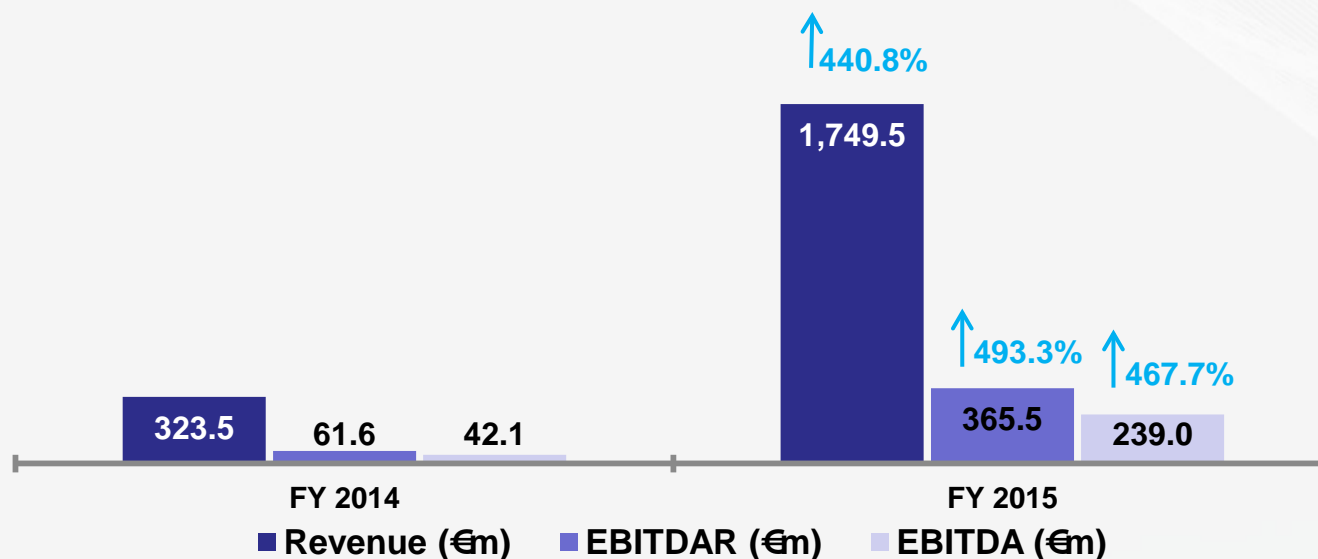
United Kingdom



- Ramsay's UK business continues to perform well with EBIT rising 14.6% to £40.5 million
- Maintenance of 25.8% EBITDAR margin
- NHS admissions increased by 11%, now 75% of UK admissions

FINANCIAL PERFORMANCE

France (Ramsay Santé and Générale de Santé Combined)



- Both Ramsay Santé and Générale de Santé performed at or above expectations during the period
- Our first nine months of ownership of Générale de Santé has confirmed that the business is operating in line with due diligence
- Integration of the two hospital portfolios is now underway with synergies expected to be realised over the next twelve months
- Ramsay Générale de Santé is well positioned in each of its regional market places to attract volume growth

Note: The 30 June 2015 results include a 9 month contribution from Générale de Santé (acquired 1 October 2014) and a 12 month contribution from Medipsy (acquired 17 December 2013)

Growth Strategy Update

Demographics continue to drive the need for capacity expansion:

- 33 projects delivering a total of 1041 beds (net 754) and 41 theatres, will be completed during the FY15 and FY16 period
- Focused on patient accommodation; facility and medical equipment improvements



BROWNFIELD DEVELOPMENTS (Continued)

- In FY 2015, Ramsay completed \$190m worth of expansions at existing facilities including:
 - Warringal Private (64 beds; 5 theatres; day surgery unit) – \$58.2m
 - Pindara Private (113 beds; 3 theatres) – \$53.3m
 - Kareena Private (36 beds; 1 theatre) – \$18.1m



Warringal Private



Pindara Private



Kareena Private

- Other projects completed during FY 2015:
 - John Flynn (Day Surgery) – \$2.8m
 - Peninsula Private (Theatre, Beds) – \$4.8m
 - Lake Macquarie Private (Theatre, CCU) – \$7.6m
 - Kingsway Day Surgery (new hospital in Miranda) – \$6.8m
 - Hillcrest Private (expanded mental health unit) – \$5.2m
 - Mitcham Private (21 bed mental health unit expansion) – \$6.5m
 - Caboolture Private (Theatre, Day Surgery) – \$5.1m
 - Port Macquarie Private (Rehab development) – \$4.4m
 - Mitcham Private (operating theatre expansion) – \$3.2m
 - Dudley Private (Theatre, Day Surgery, hydrotherapy pool) – \$7.3m



Port Macquarie Private



Hillcrest Private



Kingsway Day Surgery

Main projects due to complete in FY16:

- Wollongong – 151 beds; 8 theatres
- Hollywood – 90 beds; 6 theatres
- Peninsula – 71 beds; 1 theatre
- Cairns – 56 beds
- New Farm Clinic – 56 beds
- North Shore – 45 beds; 1 theatre
- St George – 35 beds; 3 theatres
- Lake Macquarie – 30 beds



Cairns Private



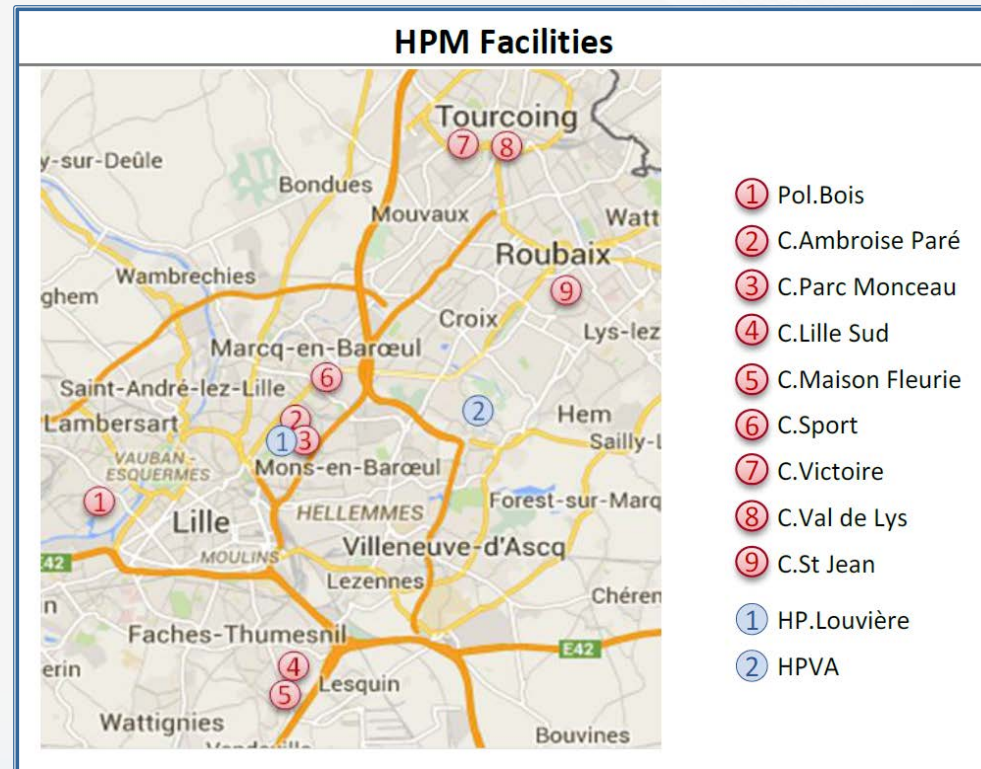
Wollongong Private

- Merger of Ramsay Santé and Générale de Santé (GdS) finalised on 1 July 2015, integration now underway
- The merger brings Ramsay's total portfolio to 115 facilities (101 hospitals) and employing over 20,000 staff
- Ramsay Générale de Santé - leading private hospital operator in France



Nous prenons soin de vous

- In the process of acquiring nine hospitals in Lille owned by HPM Group
- Together with existing facilities, will create market leadership in the Lille region
- Acquisition subject to regulatory approvals and completion expected later this calendar year



Red – HPM facilities
Blue – existing GdS facilities

ACQUISITIONS - CHINA

- Through its JV with Sime Darby, Ramsay has recently announced it has signed an agreement, with Chinese healthcare company Jinxin, to jointly operate five hospitals in the city of Chengdu, China.
- The JV will include five hospitals with 2300 beds in total:
 - four existing hospitals; and
 - a further 500 bed women's health hospital due to officially open later this year



Chengdu is a city of over 14 million people and is the capital of Sichuan Province, which has a population over 85 million

Chengdu economy growing at a rate higher than the national average

Outlook

- We will continue our track record of success in international expansion through our exportable operational model - now a market leader in two developed market places: Australia and France
- Utilising our global experience in acquiring and integrating hospitals, we will continue to canvas opportunities in new and existing markets
- Demographics will continue to drive the need for capacity expansion and we expect ongoing benefits to flow from our brownfield investment strategy
- Given strong industry fundamentals, continuing implementation of our successful growth strategy and barring unforeseen circumstances, Ramsay is targeting Core NPAT and Core EPS growth of 12% to 14% for FY 2016

Questions