



People caring for people

Ramsay Health Care Limited  
**Annual General Meeting**  
12 November 2015

Christopher Rex, Managing Director

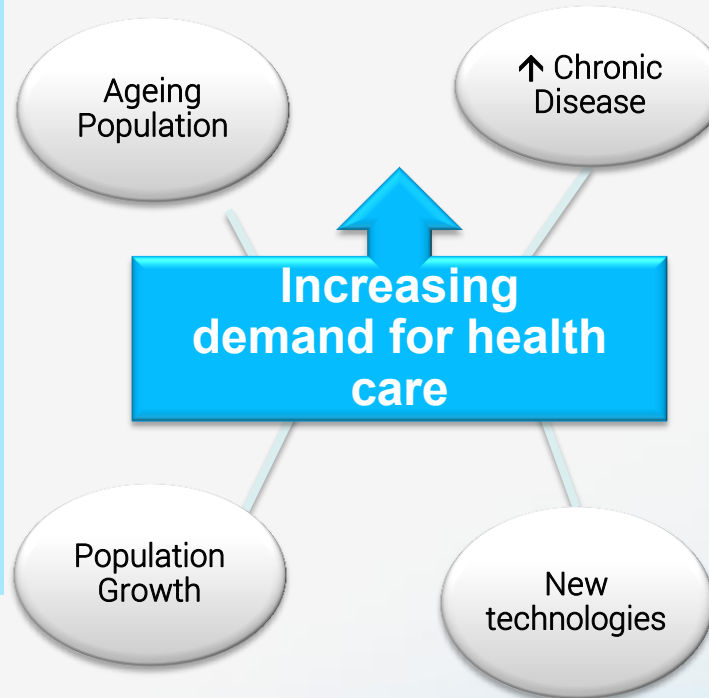
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- Over 50 year's experience in operating hospitals
  - 212 hospitals across 5 countries
  - 25,000 beds and places
  - Employs circa 60,000 people
  - Admits circa 3 million patients per annum
  - Ranked in the top 5 private hospital operators in the world
  - Market Capitalisation approx. \$12 billion

Demand for healthcare globally continues to increase with an ageing population, longer life expectancy; increased chronic disease burden, population growth and improvement in treatments & diagnostic methods.

## Ageing population

- More than 10% of the global population is now over 65 years (580 million)
- The global population aged 60 or above is expected to **more than triple by 2050**.



## Chronic disease

- Chronic diseases are, by far, the **leading cause of mortality** in the world, representing 63 percent of all deaths.
- China has **98 million diabetics** overtaking India as world leader in diabetes

## Population growth

- Population growth will drive health care spending and the need for improved access

## 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.

# OPERATIONAL HIGHLIGHTS

Financial year ended 30 June 2015

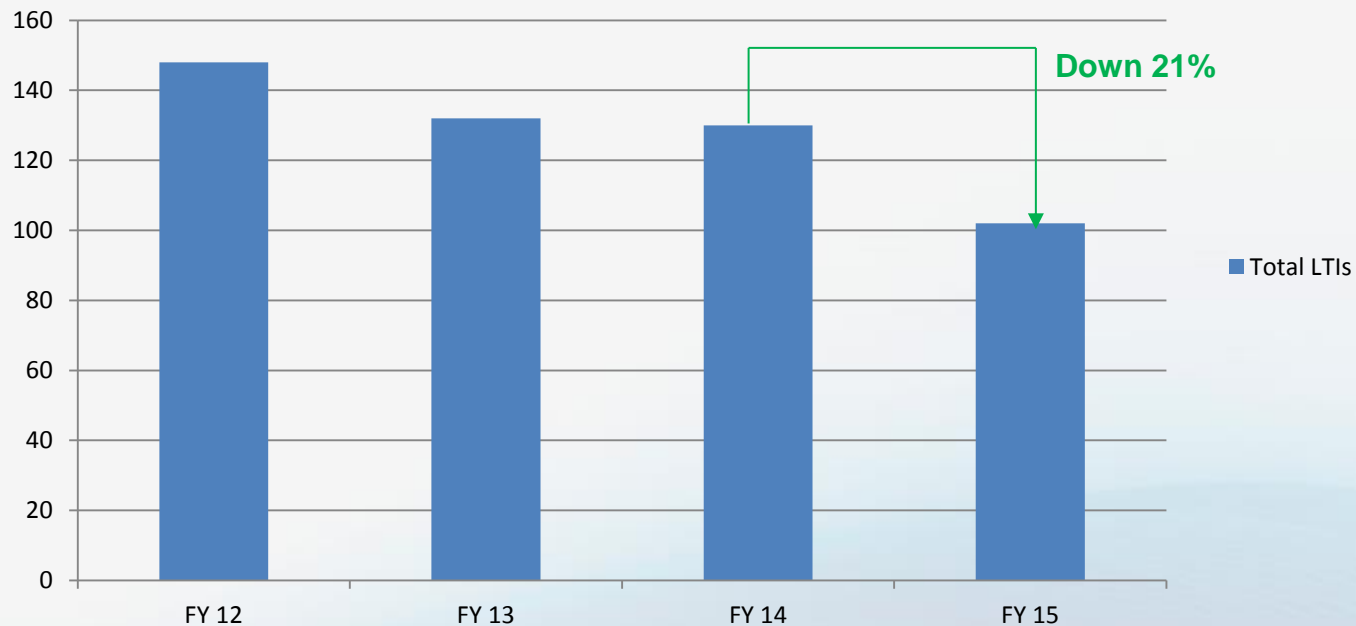


- Strong growth across global portfolio
- Became the leading hospital operator in France after finalising the acquisition of Générale de Santé (completed Oct 2014). Merger with Ramsay Santé completed 1 July 2015
- In the process of acquiring a further nine hospitals in Lille, a city in the north of France
- 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

- Ramsay has announced strategic alliance with the International Consortium for Health Outcomes Measurement (ICHOM)
- First multi-national hospital group to partner with ICHOM
- Focusing on outcomes that matter most to patients and deliver value
- Continuous review of patient outcomes and global benchmarking will drive improvement

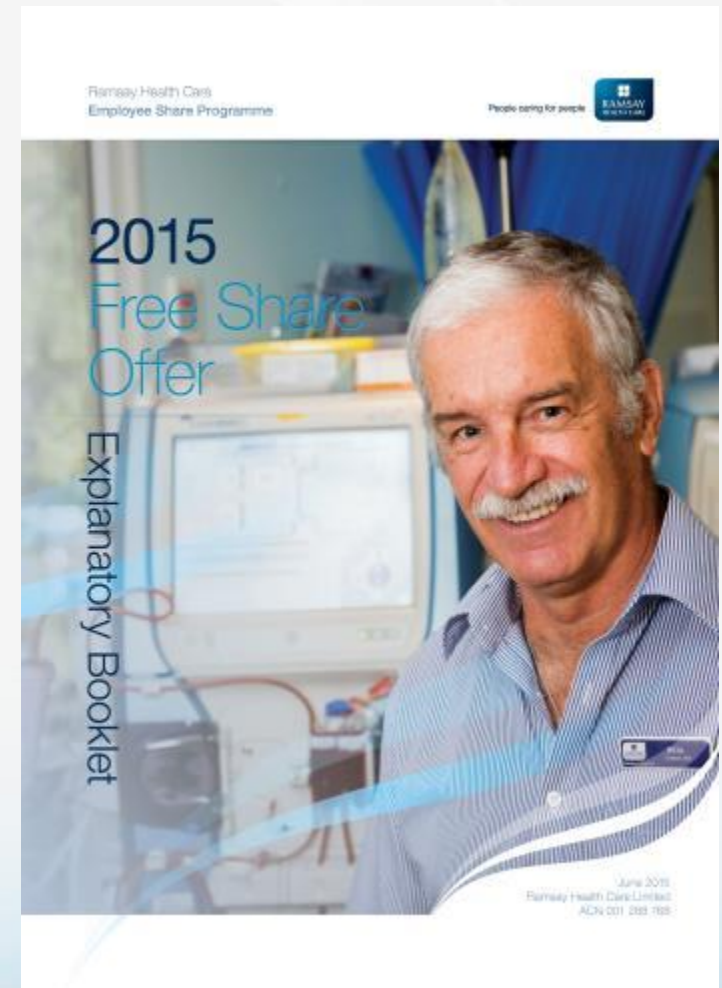
- Employee safety remains our major priority globally
- For example in FY15, Ramsay Australia achieved a 21% reduction in total number of LTIs compared to previous year

## TOTAL LOST TIME INJURIES (LTIs)



# EMPLOYEE SHARE PLAN

- >14,000 employees now participating in the Ramsay Health Care Free Share Offer
- The share plan recognises the key role employees play in our company



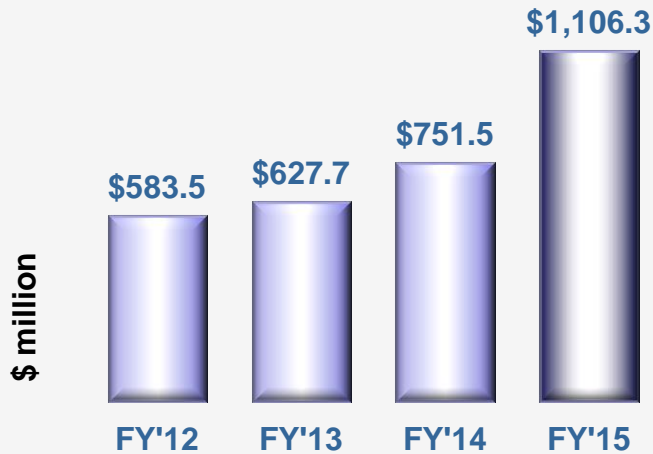


# FY2015 FINANCIAL HIGHLIGHTS

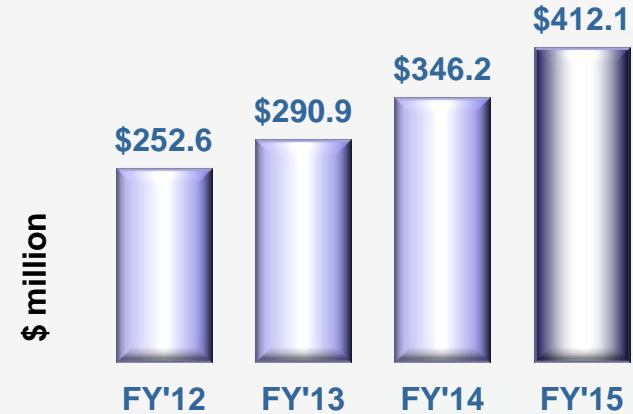
➤ Group Revenue	– \$7.4 billion	↑ 49.8%
➤ Group EBIT	– \$803.9 million	↑ 37.4%
➤ Core NPAT	– \$412.1 million	↑ 19.0%
➤ Core EPS	– 196.6 ¢ per share	↑ 20.0%
➤ Final Dividend (fully franked)	– 60.5 ¢ per share	↑ 18.6%
➤ Full Year Dividend (fully franked)	– 101.0 ¢ per share	↑ 18.8%

# COMPOUND ANNUAL GROWTH RATE (CAGR) - FY2012 TO FY2015

**Group EBITDA CAGR 23.8%**



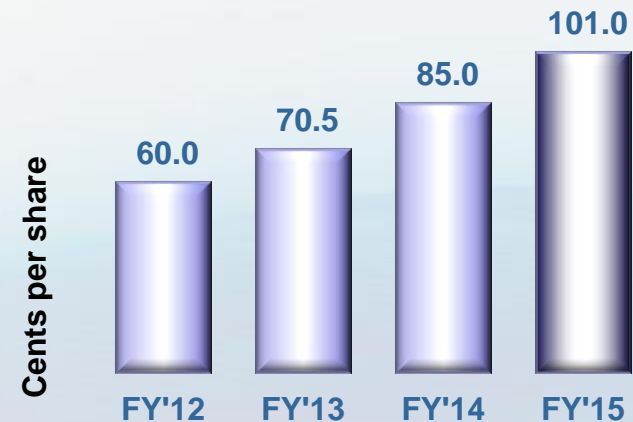
**Group Core NPAT CAGR 17.7%**



**Group Core EPS CAGR 19.2%**

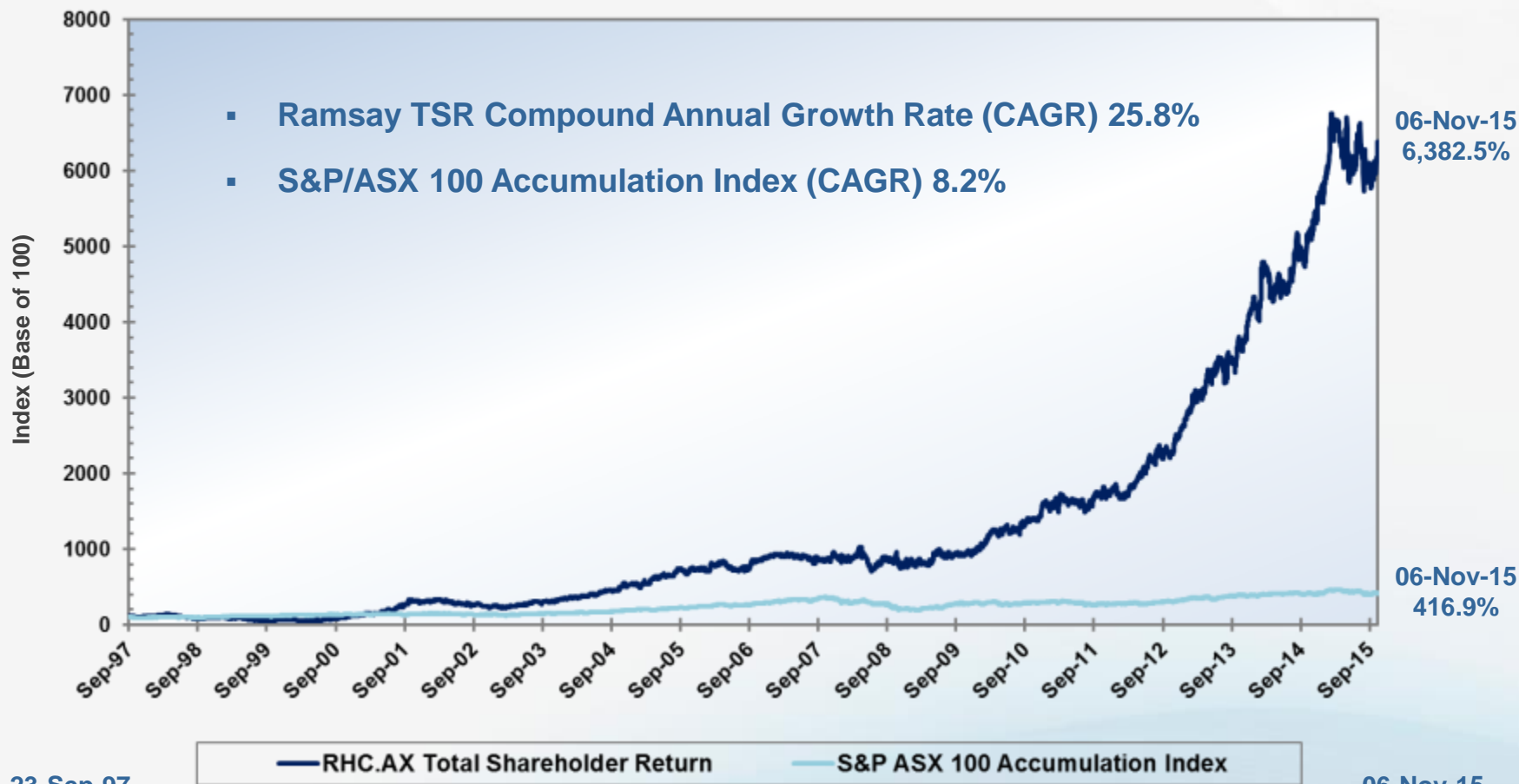


**Total Dividend CAGR 19.0%**



# STRONG SHAREHOLDER RETURNS

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



23-Sep-97  
RHC listed at  
\$1.85

06-Nov-15  
Closing Share Price  
\$64.06

<sup>(1)</sup> Share price appreciation plus reinvestment of dividends

Source: Orient Capital Pty Limited

# Group Operations

# OUR OPERATING ENVIRONMENT



## FRANCE

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

## UK

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

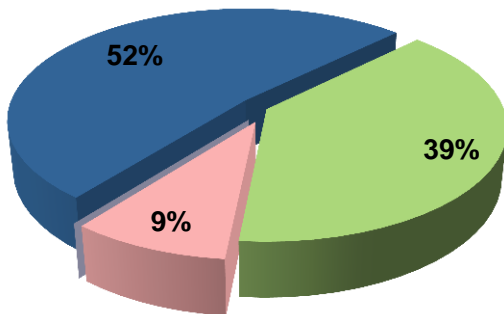
## ASIA

- 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

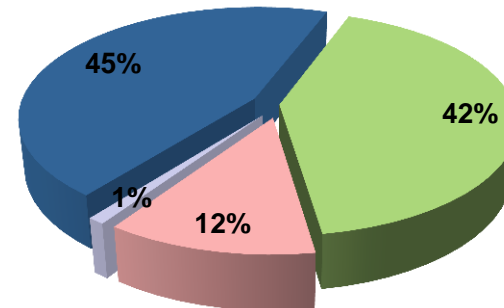
## AUSTRALIA

- Continuing rising demand for health care
- Stable political environment
- Health insurance participation remains strong at >47%
- Emerging debate on funding framework
- Health Department reviews underway: *MBS & Compliance; Primary Health Care; Private Health Insurance; Federation White Paper*

## Revenue



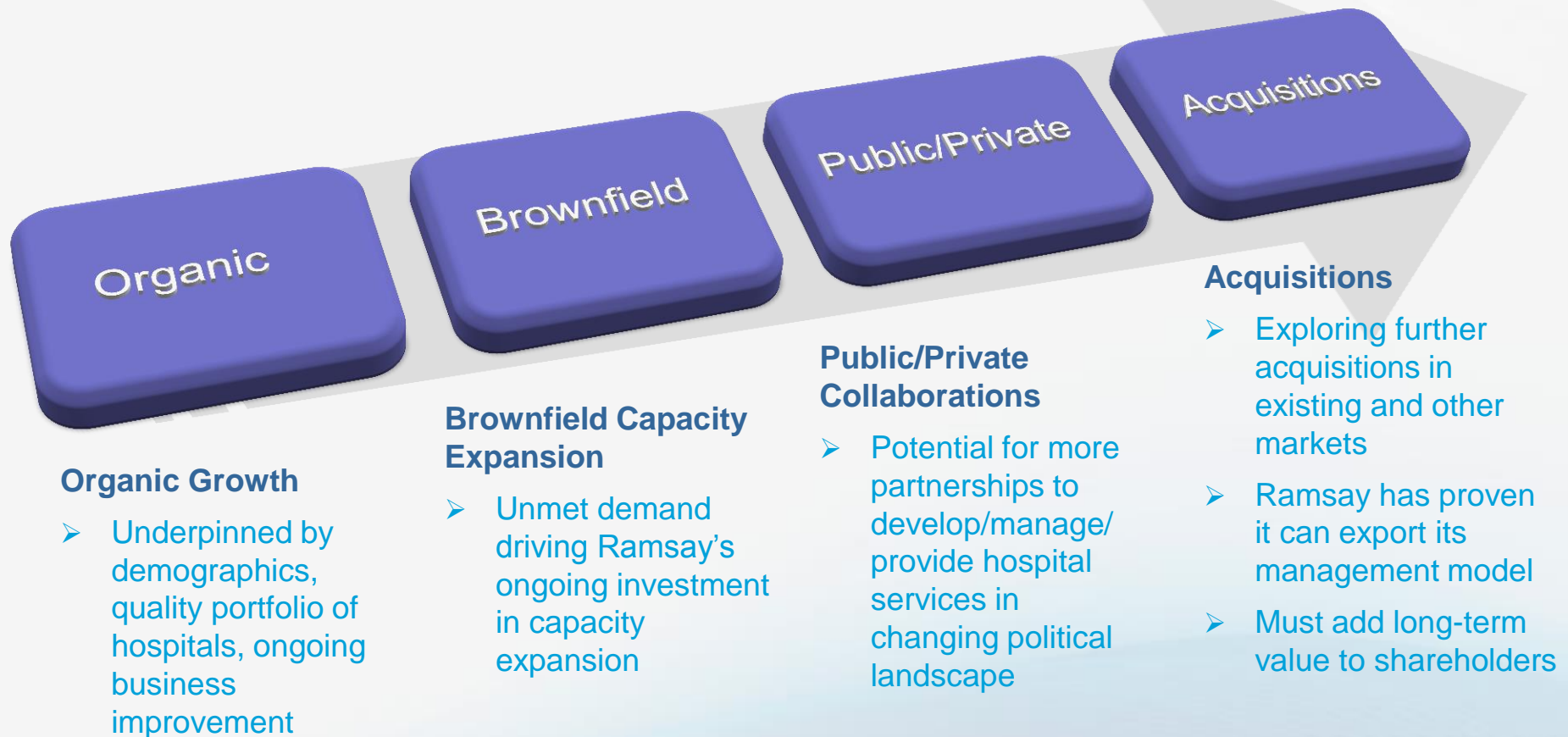
## EBITDAR (operating profit before rent)



■ Australia ■ France ■ UK ■ Asia

# Growth Strategy Update

# SUCCESSFUL & SUSTAINABLE GROWTH STRATEGY





Demographics continue to drive the strong pipeline of 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

- Acquisition of Générale de Santé in October 2014
- Merger of Ramsay Santé (Ramsay's existing business) and the newly acquired 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
- Acquisition of Hôpital Privé Métropole (HPM) in Lille – 9 hospitals

## Guangzhou

- Framework Joint Venture Agreement recently signed between Ramsay Sime Darby and Jinan University Affiliated Hospital.
- Jinan University Hospital is an exclusive Chinese state-owned medical institution
- Intention to establish a number of high quality international hospitals in China's Pearl River Delta.



## Chengdu

- Through its JV with Sime Darby, Ramsay has previously announced it has signed an agreement, with Chinese healthcare company Jinxin, to jointly operate five hospitals in the city of Chengdu, China.

Guangzhou is a city of over 13 million people and is the capital and largest city of Guangdong province in South China which has a population of over 104 million

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



# Outlook

- We will continue our track record of success in international expansion through our exportable operational model. Ramsay is now a market leader across the globe
- 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 on track to deliver Core NPAT and Core EPS growth of 12% to 14% for FY 2016



# Questions