



ASX Announcement

27th February 2025

Underlying performance driven by Australian and UK hospitals

- Activity growth in all regions, cost pressure continues to impact margin recovery
- Australia focused on payor negotiations & accelerating operational transformation, underlying EBIT +6.2%
- Positive momentum in UK hospitals continues, underlying EBIT +31.4%
- Elysium and Ramsay Santé facing significant challenges
- Funding Group² leverage 2.07x within target range of < 2.5x
- Fully franked dividend maintained at 40 cents per share

Group Financial Highlights

Six Mths Ended 31st December A\$m	2024	2023	Chg	Chg cc ¹
Revenue from contracts with customers	8,542.8	8,085.1	5.7%	6.0%
Net (Loss)/Profit after tax from continuing operations (after non-controlling interests)²	(104.9)	140.4	(174.7%)	(161.4%)
Underlying EBIT from continuing operations excluding non recurring items	500.1	505.4	(1.0%)	(1.4%)
Underlying Profit/(loss) after tax from continuing operations (after non-controlling interests) excluding non recurring items	158.9	143.5	10.7%	13.8%
Fully Franked Interim Dividend per share (cps)	40.0	40.0	-	-
Fully diluted earnings per share from continuing operations (EPS) (cps)	(49.5)	58.0	(185.5%)	(171.4%)
Fully diluted underlying earnings per share from continuing operations (EPS) (cps)	65.4	59.2	10.4%	13.9%

¹ Constant currency

² On 13th November 2023 Ramsay announced together with its partner Sime Darby Berhad (Sime Darby), that it had reached agreement to sell its joint venture Ramsay Sime Darby. The transaction was completed on 28th December 2023. The investment in RSD was re-classified as a discontinued operation in the FY24 accounts.

Taking action to improve performance, accelerate transformation & improve returns

CEO observations

- Significant value and growth opportunity in Australian hospitals business, but multi-year transformation required
- Low returns on capital in Elysium and Ramsay Santé. Limited global synergies have been realised
- Ramsay UK hospitals business performance and momentum is improving, we are well positioned to partner with the NHS to reduce elective wait lists

CEO priorities

- Focus on transformation of market-leading Australian hospital business
- Strengthen capital discipline and improve capital returns across the portfolio
- Evolve our culture of 'People caring for people' to innovate and drive performance

Decisive action taken

- Announced leadership changes and strategic realignment of Group operating model to focus on Australia, streamline the business and build capability
- Elysium: Ceased all capex related to site expansion to focus on improving operational performance. New COO appointed, CEO Joy Chamberlain has stepped down with Ramsay UK CEO Nick Costa appointed interim Elysium CEO with responsibility for both UK businesses. Rapid strategic and performance review underway
- Following an internal review, Ramsay today announces that Goldman Sachs has been appointed to further explore and advise on strategic options associated with Ramsay's 52.8% shareholding in Ramsay Santé

Priority actions

- Reset Australian transformation focus to accelerate benefits delivery, including by leveraging digital, data and AI
- Complete current year PHI negotiations, and explore strategic opportunities to innovate healthcare with PHIs and key stakeholders
- Focus Australian development capital expenditure on procedural capacity in major hospitals in growth catchments
- Refresh Ramsay 2030 Group strategy, together with our leaders
- Focus on key business metrics (e.g. admissions growth, theatre utilisation) across the Group

CEO and Managing Director Natalie Davis

"Since joining Ramsay in October, I have met with patients, team members, doctors and other key stakeholders in all of our businesses. The pride, care and purpose within Ramsay is a powerful foundation upon which we must more decisively adapt to the changing realities in our industry.

"Pleasingly, we saw activity and revenue growth in all our regions in the first half of FY25, with solid performance in Australian hospitals and continuing performance momentum in our UK hospitals. However, profitability continues to be impacted by industry-wide challenges and weak results in Elysium and Ramsay Santé.

"Having recently announced a new Group operating structure and strategic focus on the transformation of our core Australian hospitals business, we are building our capabilities to improve performance, accelerate transformation and improve capital returns across the portfolio. There is clear alignment between the Board and leadership, and a commitment to do what is necessary to position Ramsay for success.

"Australian market fundamentals are supportive and Ramsay is the market leader in the provision of healthcare services in Australia, caring for 1.2m Australians every year in our hospitals. We have strategically located and owned facilities, a dedicated team who live our purpose of 'People caring for People' every day, a commitment to clinical excellence and strong partnerships with 9,000 doctors. These key differentiators provide a strong foundation for future growth in our Australian business and improved returns for shareholders."

Review of Results

Underlying EBIT Result

Six months ended 31st December \$'m	2024	2023	Chg	Chg cc ¹
Australia	309.0	291.0	6.2%	-
Ramsay UK	74.0	56.3	31.4%	28.9%
Elysium	14.9	25.4	(41.3%)	(41.7%)
Ramsay Santé	102.2	132.7	(23.0%)	(22.3%)
Group Underlying EBIT from continuing operations²	500.1	505.4	(1.0%)	(1.4%)

¹ constant currency

² Underlying EBIT is pre-non-recurring items

Ramsay reported a net loss after tax and minority interests of \$104.9m which includes a negative contribution from non-recurring items of \$263.8m. NPAT from continuing operations excluding non-recurring items increased 10.7% to \$158.9m driven by continued momentum in the UK hospitals business, a solid result in Australia and lower Group interest costs following the sale of Ramsay Sime Darby in December 2023. This was partially offset by weaker results from Ramsay Santé and Elysium.

The Funding Group's balance sheet is strong, with debt leverage ratio of 2.07x, within our target range of less than 2.5x and below debt covenants at 4.0x. The Board determined a fully franked dividend of 40¢ per share representing a payout ratio of 61.2% of Net profit after tax and minority interests from continuing operations excluding non-recurring items.

Drivers of performance include:

- Growth in revenue from patient activity of 5.7% driven by low to mid single digit activity growth across the regions combined with increases in revenue indexation
- Excluding non-recurring items, EBIT declined 1.0% to \$500.1m driven by weak results from Elysium and Ramsay Santé
- A negative contribution from non-recurring items to EBIT of \$308.5m (\$263.8m negative contribution to Net loss after tax and minority interests). Non-recurring items primarily reflect:
 - A non-cash after tax impairment of \$291m (£144m) taken against the value of the UK region reflecting the ongoing underperformance of the Elysium Healthcare business compared to the original business plan at the time of the acquisition¹;
 - The release of a non-cash, tax provision taken up by Ramsay when it acquired an interest in Ramsay Santé. The tax provision of \$64.5m (\$34m after minority interests & tax) has been released as the time period required to hold the provision has lapsed; and
 - A negative non-cash mark to market on a swap in Ramsay Santé's funding of \$11.8m pre tax and minority interests.
- Net financing costs (excl. AASB16 lease costs) declined 8.9% to \$155.8m. Net financing costs (excl. AASB16 lease costs) excluding swap mark to market movements declined 4.9% to \$144m reflecting the benefits of average lower net debt levels in 1H in the Funding Group² following the sale of Ramsay Sime Darby in December 2023
- The effective tax rate on earnings from continuing operations excluding non-recurring items was 35.5% compared to 34.8% in the pcp
- NPAT from continuing operations excluding non recurring items increased 10.7% to \$158.9m.

Operating earnings growth driven by the core UK and Australian hospital businesses

Ramsay Australia - reported a 3.8% increase in EBIT driven by a 5.3% increase in revenue from customers. Admissions growth excluding Peel Health Campus in WA (which was handed back to the government in August 2024) was 2.8% driven by 3%+ growth in core private surgical and medical admissions. Day admissions grew strongly and are now 68.6% of all admissions. Revenue growth in the half was

¹ Refer to ASX announcement 11th February 2025 for further details on impairment

² Funding Group - Ramsay Health Care Limited and all its subsidiaries excluding Ramsay Santé. Funding Group leverage used for banking covenant calculation calculated as Net Debt (pre-AASB16 basis)/Rolling 12 month Funding Group EBITDA (excluding non recurring items)

supported by the recent completion of 4 major payor negotiations. Net transformation opex was \$29.4m (\$26.9m in pcp). Excluding non-recurring items EBIT increased 6.2% to \$309.0m.

UK region - excluding the impact of non-recurring items, the region reported an 9.3% increase in EBIT reflecting another good performance from the UK acute hospital business driven by 4.4% growth in admissions combined with higher levels of case acuity and tariff indexation. The result from Ramsay UK was partially offset by a 41.3% decline in EBIT reported by Elysium reflecting the impact of start up costs associated with new and recently opened facilities, lower than anticipated occupancy and ongoing margin pressure from wage and general cost inflation above fee indexation.

Ramsay Santé - Excluding the impact of non-recurring items Ramsay Santé reported a loss of €19.8m after tax and minority interests. The result reflects a decline in government funding support for the private health system in France combined with the impact of cost inflation in prior years not being built into tariff indexation for the sector. Government grants were reduced by over €19m in the half compared to last year, and the prudential coefficient was not paid to the sector in December (€15m prior year in the half). Excluding the impact of non recurring items the Nordics region reported a 15.2% increase in EBIT on a 1.4% increase in revenue reflecting improved results in Sweden partially offset by weaker results in Denmark and Norway.

Outlook

FY25 Results are expected to reflect:

- Activity growth in each region¹, albeit at a lower rate than in FY24
- Net interest expense (inclusive of AASB 16 lease costs) is forecast to be \$580-610m
- The dividend payout ratio is expected to be 60-70% of Net Profit after tax and minority interests, pre non-recurring items

Ramsay Santé strategic options

Following an internal review, Ramsay today announces that Goldman Sachs has been appointed to further explore and advise on strategic options associated with Ramsay's 52.8% shareholding in Ramsay Santé.

- Ramsay Santé is the European leader in private hospitalisation and primary care in Europe with 38,000 employees and 9,300 practitioners serving 12 million patients in 465 establishments spread across 5 countries: France, Sweden, Norway, Denmark and Italy.
- Ramsay Santé offers almost all medical and surgical specialities in three domains: Medicine, Surgery, Obstetrics (MSO), Follow-up Care and Rehabilitation (FCR) and Mental Health

The decision is in line with the refocus of strategy. Ramsay is committed to optimising shareholder returns, and will consider a range of options.

There are multiple factors that may influence timing and outcomes of this process. All strategic options need to take into account Ramsay Santé's shareholding structure and French listing rules as Ramsay Santé is listed on the Euronext stock exchange.

Ramsay remains committed to supporting Ramsay Santé in providing the highest quality healthcare to its patients.

Ramsay will remain disciplined and give consideration to the current operating performance of Ramsay Santé, market conditions and execution certainty, which will influence the decision to undertake, and timing of, any strategic activity.

There is no certainty that a transaction will eventuate from the exploration of strategic options for Ramsay Santé. Ramsay will provide more detail on the outcomes of the review as appropriate.

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

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Disclaimer

This announcement contains information that is based on projected and/or estimated expectations, assumptions or outcomes. Forward looking statements are subject to a range of risk factors and should not be relied upon as a representation or warranty, express or implied, as to future matters. Ramsay cautions against reliance on any forward-looking statements, particularly in light of the current economic climate.

While Ramsay currently believes the forward looking statements have a reasonable basis, these forward looking statements have been based on current expectations about future events, are not certain and are subject to risks, uncertainties, contingencies and assumptions that could cause actual results to differ materially from the expectations described in such expressed or implied statements. Ramsay will not be liable for the correctness and/or accuracy of the information, nor any differences between the information provided and actual outcomes, and reserves the right to change its projections from time to time. The Ramsay Group undertakes no obligation to update any forward-looking statement, subject to applicable disclosure requirements.

¹ Australian activity ex Peel Health Campus

Appendix: Financial Results

Six Mths Ended 31st December A\$m	2024	2023	Chg	Chg cc ¹
CONTINUING OPERATIONS				
Australia	3,168.0	3,023.6	4.8%	-
UK	1,275.4	1,148.3	11.1%	9.2%
Europe	4,141.1	3,992.6	3.7%	5.0%
Total segment revenue & other income (less interest income)	8,584.5	8,164.5	5.1%	5.5%
Australia	433.0	415.3	4.3%	-
UK	165.1	152.9	8.0%	6.1%
Europe	527.1	551.8	(4.5%)	(3.5%)
EBITDAR	1,125.2	1,120.0	0.5%	0.5%
Rent on short term or low value leases	(73.6)	(76.5)	3.8%	3.8%
Australia	427.3	409.8	4.3%	-
UK	162.8	150.8	8.0%	6.1%
Europe	461.5	482.9	(4.4%)	(3.5%)
EBITDA	1,051.6	1,043.5	0.8%	0.7%
Depreciation	(536.6)	(506.4)	(6.0%)	(6.5%)
Amortisation & impairment ²	(323.4)	(24.8)	-	-
Australia	307.4	296.1	3.8%	-
UK	(216.7)	75.7	-	-
Europe	101.3	140.5	(27.9%)	(27.6%)
EBIT	191.6	512.3	(62.6%)	(59.8%)
Financing costs (AASB16 Leases)	(141.5)	(138.5)	(2.2%)	(2.0%)
Net other financing costs (net of interest income)	(155.8)	(171.0)	8.9%	8.4%
(Loss)/profit before Tax	(105.7)	202.8	(152.1%)	(145.2%)
Income Tax (Expense)/Benefit	6.4	(67.3)	109.5%	116.6%
Net (loss)/profit after tax from continuing operations	(99.3)	135.5	(173.3%)	(159.4%)
Net (loss)/profit after tax from continuing operations (after non-controlling interests)	(104.9)	140.4	(174.7%)	(161.4%)
Non-recurring items included in EBIT from continuing operations	(308.5)	6.9	-	-
Underlying EBIT from continuing operations excluding non-recurring items	500.1	505.4	(1.0%)	(1.4%)
Non-recurring items in NPAT	(263.8)	(3.1)	-	-
Underlying Profit after tax from continuing operations (after non-controlling interests) excluding non-recurring items	158.9	143.5	10.7%	13.8%
DISCONTINUED OPERATIONS				
Profit after tax from discontinued operations ³	-	618.1	-	-
Net (loss)/profit after tax for the period	(99.3)	753.6	(113.2%)	(161.4%)
Attributable to non-controlling interests	(5.6)	4.9	(214.3%)	(218.0%)
Net (loss)/profit after tax attributable to owners of the parent	(104.9)	758.5	(113.8%)	(161.4%)
Interim dividend per share (¢)	40.0	40.0	-	-
Basic Earnings per share (after CARES dividend) (¢)	(49.5)	328.7	(115.1%)	(112.6%)
Fully diluted earnings per share (after CARES dividend) (¢)	(49.5)	328.0	(115.1%)	(112.6%)
Basic Earnings per share (after CARES dividend) (¢) from continuing operations ²	(49.5)	58.0	(185.4%)	(171.4%)
Fully diluted earnings per share (after CARES dividend) (¢) from continuing operations ²	(49.5)	57.9	(185.5%)	(171.4%)
Weighted average number of ordinary shares (m)	229.1	228.3	0.4%	-
Fully diluted weighted average number of shares (m)	229.7	228.8	0.4%	-

¹ Constant currency

² Includes impairment of \$305m against the UK cash generating unit

³ On 13th November 2023 Ramsay announced together with its partner Sime Darby Berhad (Sime Darby), that it had reached agreement to sell its joint venture Ramsay Sime Darby (RSD). The transaction was completed on 28th December 2023. The investment in RSD was re-classified as a discontinued operation in the FY24 accounts.

For further details please refer to the Appendix 4D and Review of Results of Operations