

ASX ANNOUNCEMENT

26 May 2021

PRESENTATION AND SPEECH – RECOMMENDED CASH OFFER FOR SPIRE HEALTHCARE GROUP

Ramsay Health Care (ASX: RHC) (“Ramsay”) today announced that it has reached agreement with the Spire Healthcare Group plc (LSE: SPI) (“Spire”) board on the terms of a recommended all cash offer of 240 pence per share, to acquire the entire issued and to be issued share capital of Spire, by way of a scheme of arrangement under part 26 of the UK Companies Act 2006.

Ramsay Managing Director and CEO Craig McNally, Ramsay Group CFO Martyn Roberts and Ramsay UK CEO Andy Jones will host a webcast and conference call at 5.30pm Australian Eastern Standard Time this afternoon in relation to the recommended offer. Attached is the presentation and accompanying speaker notes to be delivered via the webcast. The presentation and speech should be read in conjunction with the ASX release lodged today “Recommended Cash Offer for Spire Health Care Group plc” which includes the 2.7 Announcement lodged today with the London Stock Exchange at approximately 7.30am London time.

To register to access the webcast and conference call please click on the link to the Ramsay Healthcare Group website <https://www.ramsayhealth.com/investors/ramsay-announcement>. Please note you will need to pre-register for the event.

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

For Further Information Contact:

Kelly Hibbins
Group Head of Investor Relations
Ramsay Health Care
+61 414 609 192
HibbinsK@ramsayhealth.com



World Health
Organization

**2021 International Year of Health & Care
Workers**

Ramsay Health Care

Proposed acquisition of Spire Healthcare plc

Creating a best in class private healthcare provider in the UK

26th May 2021



Ramsay
Health Care

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Agenda

1.	Transaction Overview
2.	Strategic Rationale
3.	Group Benefits & Financing
4.	Next Steps
5.	Q&A

For further information please contact:
Kelly Hibbins
Group Head of Investor Relations
Phn: +61 414 609192
Email: HibbinsK@ramsayhealth.com

Transaction Overview

Managing Director and CEO Craig McNally

Proposed Transaction Overview

Transaction Details

- Offer price of 240 pence sterling per share in cash
 - Represents a premium of 24.4% to the closing share price on 25th May
 - Represents a premium of 47.6% to the volume weighted average Spire share price over the 180-day period ending 25th May
- The transaction values Spire's entire issued and to be issued share capital at approximately £1,000 million (A\$1,822 million) on a fully diluted basis and approximately £2,064 million (A\$3,707 million) on an enterprise value basis (including IFRS 16 lease liability of £750 million / A\$1,328 million)
- Represents a valuation multiple of 10.9x Spire's Post IFRS 16 EBITDA for the year ended 31 December 2019 (pre-COVID)

Acquisition Funding

- Acquisition to be funded through Ramsay's existing debt facilities
- Following completion of the transaction Ramsay will look to manage its WOFG¹ leverage within its targets² through capital management initiatives and/or a strategic portfolio review of the Ramsay Group portfolio of assets
- Expect to retain FY21 dividend payout ratio in line with historical levels






Next Steps

- Scheme of arrangement subject to a Spire shareholder vote requiring not less than 75% of votes cast to be in favour of the transaction (scheme meeting expected July 2021)
- Scheme requires court approval (expected court date July 2021)
- Ramsay UK intends to engage with the UK Competition Markets Authority (CMA) in relation to this transaction
- The CMA will likely require the two businesses to be held separate during its review process
- As part of that engagement Ramsay may agree to or may be required to make divestments of certain hospitals and/or clinics
- If the proposed transaction proceeds the ultimate configuration of the combined UK portfolio would depend on the outcome of CMA engagement

1. WOFG – wholly owned funding group excludes Ramsay Santé and Ramsay Sime Darby. Banking covenants calculated on this basis
2. Targets consistent with it's current investment grade credit rating

Benefits of the Transaction

Transforms UK platform to deliver growth and enhanced shareholder returns

Creates a leading independent healthcare platform		Combines two complementary private healthcare providers to create a leading independent platform across the UK which will better serve both public and private healthcare needs and will benefit patient experience, communities and key stakeholders, including both public and private patients
Transforms Ramsay UK's business		Improves capacity utilisation, extends geographic reach and diversifies payor sources and case mix through Spire's expertise in private pay and higher acuity patient care
Value-enhancing for Ramsay shareholders		Annual benefits of at least £26 million p.a. across procurement savings, capacity utilisation and pathway enhancements and the reduction of administrative costs following the proposed de-listing of Spire, are expected to assist in delivering high single digit EPS accretion in FY24 and ROIC above WACC in FY24 ¹
Accelerates our strategy to deliver a patient-centric integrated care model		Extends Ramsay UK's core capabilities and improves patient access throughout the longitudinal care pathway, improving capacity for diagnostic imaging, whole pathway propositions and enhanced recovery programmes
Base for further growth opportunities		Provides the foundation for further growth opportunities in the UK, including from private demand and the backlog of elective procedures

1. The synergies are expected to be earned regardless of the CMA process. EPS accretion and ROIC may ultimately be impacted by the outcome of the CMA process and review. Post acquisition and be fully available in FY24

Delivering for the UK Healthcare Sector

Enhanced partnerships with our clinicians, the NHS & private health insurers to better serve UK patients

- ✓ Creating an **enhanced offering** for private patients
- ✓ Reinforcing **valuable partnership with** the National Health Service (NHS)
- ✓ Working with our doctors and clinicians to ensure further investment in **clinical excellence**
- ✓ Delivering **improved patient outcomes** and experiences through bolstered partnerships with private insurers, the NHS and associated clinical networks
- ✓ Answering **growing patient demand for more convenient healthcare** such as remote/digitised healthcare services
- ✓ Improving **workforce planning**, training and career development



Strategic Rationale

Ramsay Health Care UK CEO Andy Jones

Key Statistics on the UK Market

£1.1bn

Annual value of private healthcare **self-pay market** (inc. cosmetic surgery)

PLUS

£636m

Annual value of private healthcare **self-pay sector** into NHS private patient units

As of March 2021 there were

5m
PATIENTS

Waiting for planned NHS surgery²

Highest demand for self-pay is in the **55-64 age group**

1.5m

PATIENTS (32%)

have waited **beyond** the 18-week referral to treatment target



Trauma and orthopedics has the **highest numbers** waiting at circa 500,000

£4.8bn

Spending on **PMI¹** schemes

3,990,000

Policies covering 6.8m people

10.3%

of UK population (2018)

£16.5bn

Value of NHS elective care from April 2019 to March 2020

£9.4bn

Value of admitted care (day case/inpatient)

69%

Drop in number of new NHS referrals to treatment
(1.6 million in February 2020 to 500,000 in April)

58%

Fall in cancer referrals to acute trusts
(April '20 vs April '19)

¹ LaingBuisson Private Healthcare Self-Pay UK Market report April 2021

² Private medical insurance Referral to Treatment (RTT) waiting times. Source: NHS England March 2021

Long-term demand underpinning investment thesis

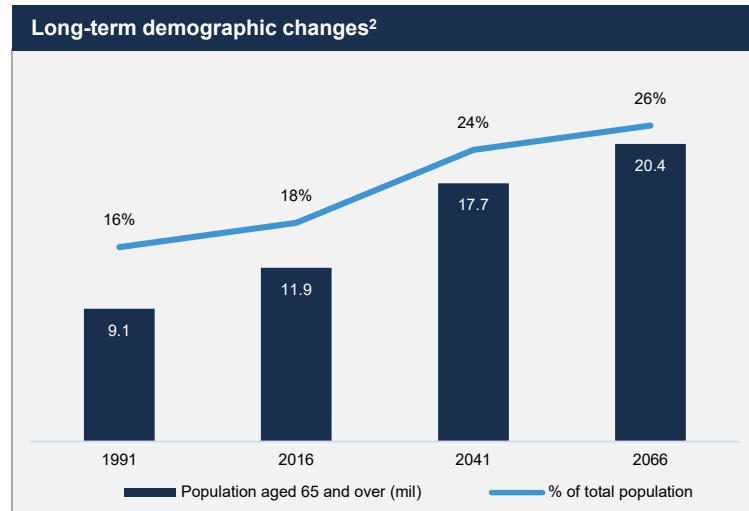
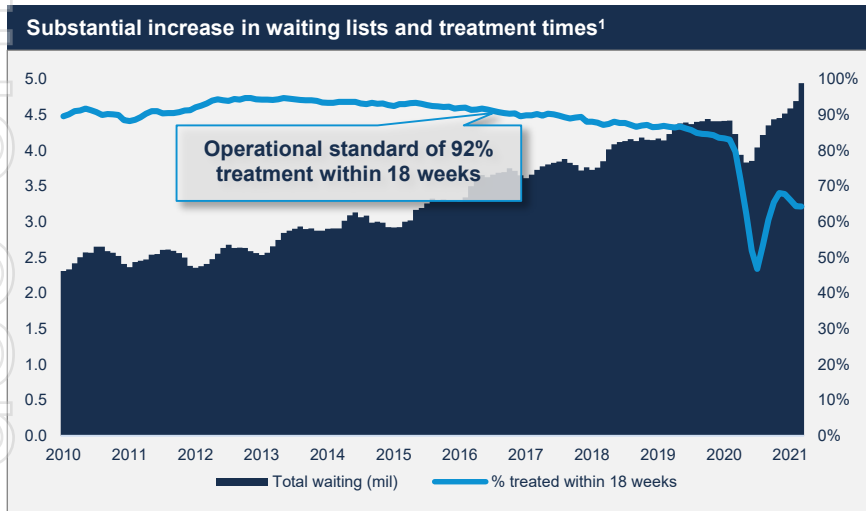
Growth fundamentals underpinned by continued private demand and NHS waiting lists

The £5.8 billion³ private acute care sector is driven by:

Increased demand from both publicly and privately funded patients due to the COVID-19 pandemic

NHS outsourcing

Private demand



1. Referral to Treatment (RTT) waiting times. Source: NHS England January 2010-March 2021

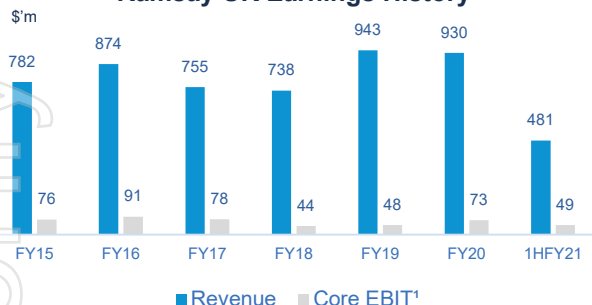
2. Source: Office of National Statistics

3. Laing Buisson data 2018

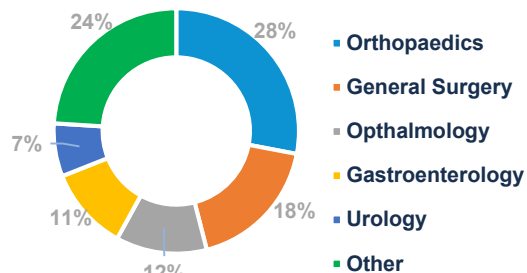
Ramsay UK today

The leading provider of independent hospital services to the NHS

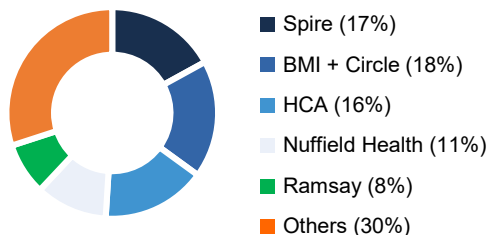
Ramsay UK Earnings History



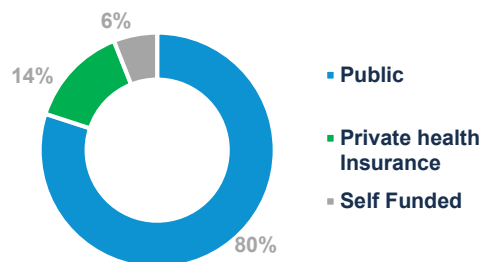
Admissions by Key Services



UK Private Hospital Sector – Market Share²



Admissions by Payer Type



- Ramsay UK operates 37 facilities including 3 neurological rehabilitation centres and a mobile diagnostic scanning fleet
- Employs over 7,000 staff and works in partnership with over 3,000 clinicians
- Leading independent provider to the NHS, and the market leader for electronic GP referrals.
- Cares for over 200,000 patients each year
- Quality leader in the Independent Sector and Patient Safety Advocates
- Enhanced monitoring of Consumer experience through Net Promoter Scores and Digital Engagement

1. Earnings from FY15-FY20 Core EBIT before non core items. 1HFY21 reported EBIT after non core items. FY20 and 1HFY21 reflect accounting standard changes around the treatment of leases
 2. Laing & Buisson UK market share 2018


1/ Ramsay Health Care recommended offer for Spire Healthcare – 26th May 2021

Creating a leading private healthcare services provider in the UK¹


A stronger platform with a wider-reaching footprint of services in the UK

Operational metrics²

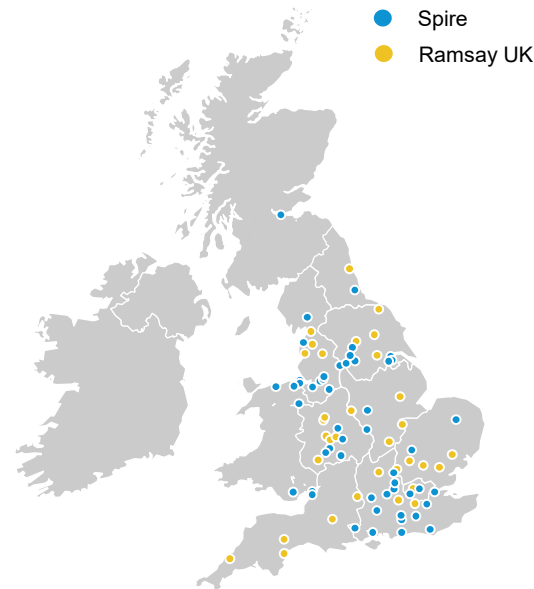
	Hospitals
	Clinics
	Patients ⁴
	Doctors & Clinicians
	Inpatient beds
	Operating theatres
	Hospitals rated "Good" or "Outstanding" ⁵

	Spire Healthcare
39	
8	
261k	
7,500	
1,841	
127	
90%	



	Ramsay Health Care UK
34	
3	
207k	
3,500	
892	
90	
94%	

Combined network of hospitals and clinics across the UK³



1. The final outcome is subject to CMA review and outcome. The CMA process is may require the divestment of some facilities
2. Metrics based on position as at 31 December 2020 unless stated otherwise.
3. Shows current networks for both Ramsay and Spire per latest available information
4. Patient numbers based on 12 months to 31 December 2019 pre-the impact of COVID-19 & NHS national contract (inpatient and day case only)
5. Ramsay numbers based on the most recent Care Quality Commission ratings, Spire ratings FY20 Result, p. 5

Sources: Company Information, LaingBuisson Private Acute Healthcare UK Market Report, LaingBuisson Healthcare Markets Report (Oct 2020), NHS Performance and Waiting Times, Health Foundation (Nov. 2019)

Combining the strengths of two highly complementary independent healthcare operators¹

Improving capacity utilisation and diversifying payer sources and case mix

Financial metrics

Revenue
NHS Revenue
Private Revenue (PMI & Self-Pay) ⁴
Day patient (% of revenues) ⁵
Inpatient (% of revenues) ⁶
EBIT ⁷



Spire Healthcare

Spire is an acute care provider in the UK, with significant exposure to Private Medical Insurance (PMI) and self-pay patients.

	2019 ²	2020 ³
Revenue	£980.8m	£919.9m
NHS Revenue	29% (£286m)	47% (£430m)
Private Revenue (PMI & Self-Pay) ⁴	71% (£695m)	53% (£490m)
Day patient (% of revenues) ⁵	62% ⁵	40% ⁵
Inpatient (% of revenues) ⁶	38%	60% ⁶
EBIT ⁷	£97.6m ⁷	£67.1m ⁷



Ramsay

Health Care UK

Ramsay is an independent healthcare provider to the NHS, undertaking a third of all NHS elective activity in the sector.

	2019 ²	2020 ³
Revenue	£541.5m	£493.2m
NHS Revenue	68% (£368.3m)	73% (£360.8m)
Private Revenue (PMI & Self-Pay) ⁴	26% (£140.8m)	21% (£101.9m)
Day patient (% of revenues) ⁵	84% ⁵	83% ⁵
Inpatient (% of revenues) ⁶	16%	17%
EBIT ⁷	£41.8m	£42.2m

1. The final outcome is subject to CMA review and outcome. The CMA process may require the divestment of some facilities
2. Metrics based on results for 12 months to 31 December 2019 unless stated otherwise. Metrics for Ramsay are pre exceptional items.
3. Metrics based on results for 12 months to 31 December 2020 unless stated otherwise. 2020 Spire revenue included NHS COVID 19 contract representing 39.4% of revenue. Metrics for Ramsay are pre exceptional items

4. Includes "Other" revenues as reported by Spire
5. Day patient includes daycase, outpatient, and other revenue as reported by Spire. Ramsay figures reflect split of admissions
6. Inpatient for the 12 months to 31 December 2020 also includes NHS covid-19 contract revenues reported for Spire
7. Spire's Adjusted EBIT for 12 months to 31 December 2019 and 2020

Improved patient-centric integrated care

Better patient outcomes through further investment in digital innovation & clinical excellence

Ramsay's Objectives



What Spire brings



Best-in-class UK independent healthcare provider



Improved patient access & navigation

- Broader referral reach by growing outreach centres in outpatient and diagnostics
- Scale to drive digital innovation, delivering a consumer-facing digital platform & remote/digitised health services



Extended multidisciplinary care & patient pathways

- Diagnostic imaging
- Allied health (physiotherapy)
- Wellness assessments
- Enhanced recovery programs



Further investment in clinical excellence

- Capacity for further investment across specialties
- Delivery of higher clinical complexity care with High-Dependency Unit Support



Cohesive disease management programs

- Better coordinated clinical care along the pathway and across critical disciplines
- Improving digital capabilities for patient navigation and safety, by expanding Electronic Patient Register and iCare programs

Supporting the NHS during the COVID-19 Pandemic

Ramsay and Spire have supported the NHS during the COVID-19 pandemic and the combined Group will remain a committed partner in the future



Over **800,000** NHS patients received care



Almost **200,000** NHS patients were admitted for treatment



Over **40,000** patients received cancer related treatment



Provided specialist **equipment, ventilators** and **PPE** to the NHS



Built strong local and central **relationships** with the NHS



Accelerated Technologies:
Virtual consultations, eMDT,
e-prescribing and remote
radiology reporting

Combining talent, learning & best practices

Enhancing the employee value proposition to attract and retain talent

- ✓ Harnessing the best of both business and creating a caring, empowered and productive culture where both our people and patients are our top priority
- ✓ Key Opinion Leader contribution to global centres of excellence and best practice sharing
- ✓ Drive talent acquisition and retention through “The Ramsay Way” culture and teamwork
- ✓ Focused on being a trusted partner to our clinicians



Group Benefits & Financing

Group CFO Martyn Roberts



Ramsay
Health Care

Significant synergy benefit potential

Synergy benefits of at least £26m per annum generated in year 3 onwards



procurement savings
from network scale and
across Ramsay global
purchasing benefits



**increased
capacity utilisation**
driving volumes across
the expanded network



**benefits from pathway
enhancement,**
leveraging the digital
front door and integrated
bookings



**reduction of
administrative costs**
following delisting of
Spire

At least £26m in synergy benefits p.a. are expected to assist in delivering:

- High single digit EPS accretion in FY24¹
- ROIC above WACC in FY24¹

1. The synergies are expected to be earned independently of the CMA process. EPS accretion and ROIC will ultimately be impacted by the outcome of the CMA process and review

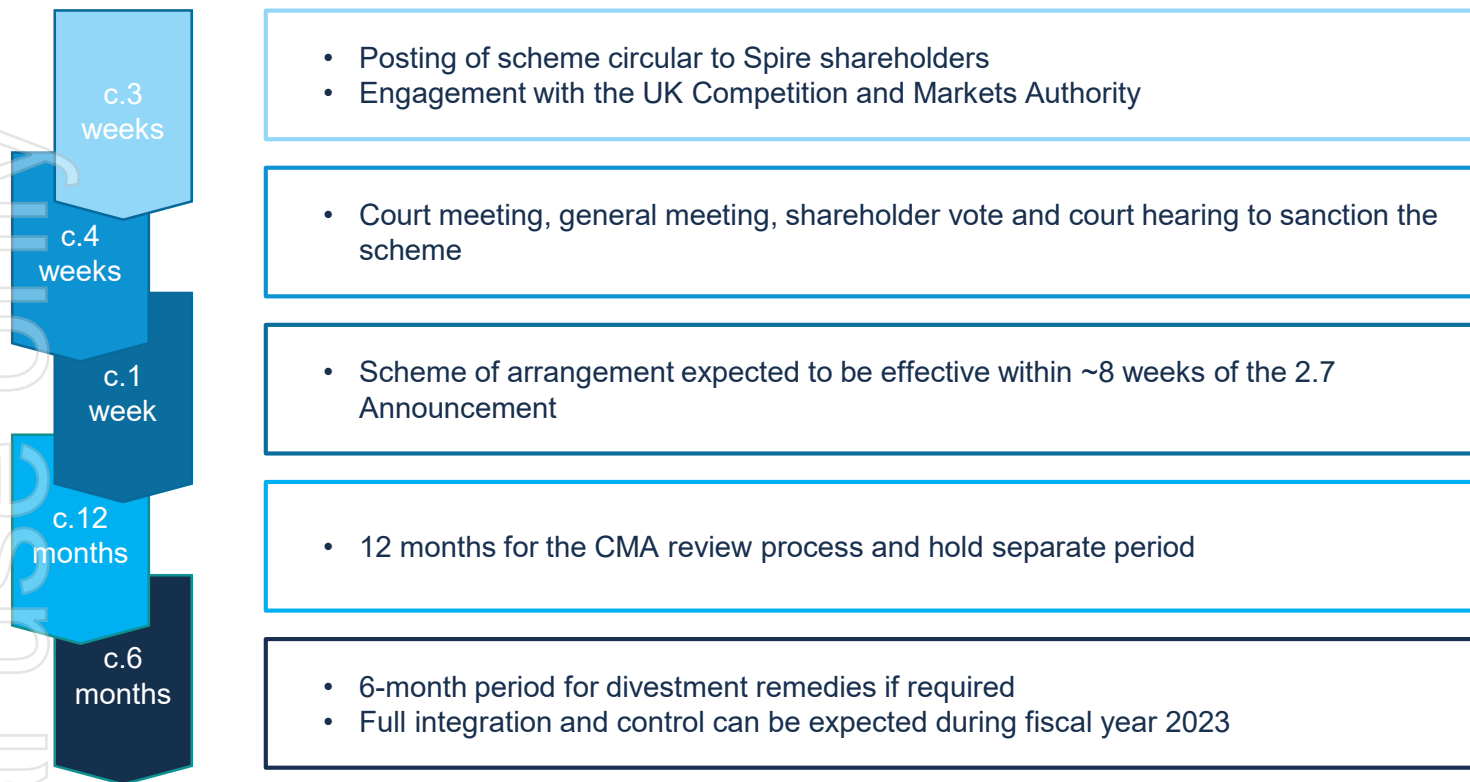
Financing Structure

Financing

- Total enterprise value £2,064 million / A\$3,707million (includes IFRS 16 lease liability of £750 million/A\$1,328)¹
- To be funded from existing debt facilities, net of acquired gross debt (A\$745m¹)
- Following completion of the transaction Ramsay will look to manage its WOFG² leverage within its targets³ via capital management initiatives and/or a strategic portfolio review of the Ramsay Group asset portfolio
- Day 1 combined proforma net debt⁴ equates to:
 - A\$4,669m at the Ramsay consolidated level (excludes combined lease liability IFRS16 of A\$6,470bn⁵)
 - A\$3,145m at the WOFG² level (excludes combined lease liability IFRS16 of A\$3,086bn⁵)

1. Spire gross financial debt as at 31 December 2020 £420.8m, converted at £1:A\$0.5645
2. WOFG – wholly owned funding group excludes Ramsay Santé and Ramsay Sime Darby. Banking covenants calculated on this basis
3. Targets consistent with its current investment grade credit rating
4. On a proforma basis using Ramsay and Spire net debt as at 31st December 2020
5. Spire lease liabilities as at 31 December 2020 £750m

Next steps: from announcement to integration¹



1. All dates are indicative only and subject to change

Conclusion

Managing Director and CEO Craig McNally

Transforms Ramsay's UK platform

Positions the business to take advantage of future growth opportunities



Creates a leading independent healthcare platform in the UK, extending our capabilities, reach and diversifying payer sources & case mix



Creates expanded capacity to address the prevailing backlog of elective procedures in the UK in both the private patient and public patient sectors



Significant annual benefits (at least £26m p.a.) expected to deliver high single digit EPS accretion in FY24 and deliver a ROIC above WACC in the UK¹



In conjunction with our doctors and clinicians it facilitates further investment in clinical excellence & digital innovation



Provides the foundation for sustained growth in £5.8bn UK health sector through the creation of a more valuable partner to the NHS & the go-to provider in private pay



Bringing together a shared culture of clinical excellence, high quality care and patient safety

1. The synergies are expected to be earned regardless of the CMA process. EPS accretion and ROIC will ultimately be impacted by the outcome of the CMA process and review

Questions



26 May 2021

RECOMMENDED CASH OFFER FOR SPIRE HEALTHCARE GROUP PLC – INVESTOR PRESENTATION ACCOMPANYING SPEECH

Slide 1 – Cover Slide

Good afternoon everyone and thank you for joining our conference call and webcast at such short notice.

On the call today we have our Managing Director & CEO Craig McNally, our Group CFO Martyn Roberts and our UK CEO, Andy Jones.

Slide 2 – Disclaimer

Slide 2 shows our disclaimer

Slide 3 – Agenda

Slide 3 sets out the Agenda for this afternoon.

As always, following the presentation there will be an opportunity to ask questions at the end.

I'll now hand the call over to Craig.

Craig McNally Group Managing Director & CEO

Slide 4 – divider – Transaction overview

Good afternoon everyone and thank you for joining us today.

Slide 5 – Proposed transaction overview

As you will have seen, we announced today that we have reached an agreement with the Board of Spire Healthcare plc (Spire) on the terms of a recommended all cash offer of 240 pence per share, to acquire 100% of the issued share capital of Spire, by way of a scheme of arrangement.

As you may know, Spire is a leading, independent hospital group in the UK, providing best in-class healthcare, through 39 hospitals and eight clinics across England, Wales and Scotland. It has a strong track record in the private patient market amongst both self-pay and insured patients and is a leader in the provision of high-acuity care.

The transaction announced today is transformational for our UK business. It allows us to combine two complementary private healthcare providers to create a leading independent private healthcare services platform across the UK, which will better serve both public and private healthcare needs and will benefit patients, communities and key stakeholders, including both public and private payors.

The total consideration payable under our offer is £1.0 billion which equates to \$1.8 billion Australian dollars, representing a premium of approximately 24.4% to the closing price of Spire shares of on 25th May and a premium of 47.6% to the VWAP of Spire shares over the 180 day period ending 25th May.

We will fund the acquisition from existing debt facilities and expect to retain our FY21 dividend payout ratio in line with historical levels. Martyn will talk shortly about how we propose to manage our wholly owned funding group leverage post the transaction.

The Spire Board consider the terms of our offer to be fair and reasonable and have unanimously recommended that Spire shareholders vote in favour of the scheme.

Spire directors who own Spire shares have irrevocably undertaken to vote in favour of the scheme. In addition, Mediclinic International (Mediclinic) and the former Chairman of Spire have provided irrevocable undertakings to vote in favour of the Scheme. Mediclinic's irrevocable undertaking is subject, amongst other things, to no competing higher offer emerging at 10% or more than the offer consideration. Combined the irrevocable undertakings represent approximately 30.4% of Spire's issued share capital on 25th May 2021.

Full details of our offer will be set out in a Scheme Document to be sent to Spire shareholders, who will be given the opportunity to vote on the Scheme at a shareholder meeting expected to be scheduled in July.

Ramsay also intends to engage with the UK Competition and Markets Authority (CMA) in relation to the transaction. As part of this process, the CMA may require that Ramsay make divestments of certain hospitals and/or clinics, after the transaction becomes effective. The CMA is likely to require the two businesses to be held separately until its review is complete

Slide 6 – Benefits of the transaction

I'd like to take a moment now to talk at a high level about the benefits of the proposed acquisition before handing over to Andy who will talk in more detail about the opportunities that will flow from this transaction.

As I mentioned earlier the proposed transaction will be transformational for our UK business. It will diversify our payor sources and case mix through Spire's expertise in private pay and higher acuity procedures and it provides us with access to new geographies.

It will also extend our core capabilities and improve patient access throughout the longitudinal care pathway, improving capacity for diagnostic imaging, whole pathway propositions and enhanced recovery programs.

Importantly it will provide the foundation from which we can pursue further growth opportunities in the UK and will accelerate our strategy to create a leading ecosystem for patient centric, integrated care.

From a financial perspective the proposed acquisition is expected to deliver significant benefits for Ramsay with expectations of synergies of at least £26 million per annum, which will assist in delivering:

- i. High single digit earnings-per-share (EPS) accretion in FY24; and
- ii. Return on invested capital (ROIC) above weighted average cost of capital (WACC) in FY24

The annual benefits of at least £26 million are expected to be earned regardless of the CMA process and we expect to achieve a full year run rate of these synergies in FY24. EPS accretion and ROIC however may ultimately be impacted by the outcome of the CMA review.

Slide 7 – Delivering for the UK Healthcare Sector

The acquisition will also enable us to enhance our partnerships with doctors, clinicians, private health insurers and the NHS, to better serve UK patients. It will reinforce our valuable partnership with the NHS and establish an enhanced offering for private patients.

It will augment our ability to work with doctors and clinicians to ensure further investment in clinical excellence in our recognised specialities and deliver improved

patient outcomes and experiences through bolstered partnerships with private insurers, the NHS and associated clinical networks.

Importantly it will accelerate our strategies to meet the growing patient demand for more convenient healthcare such as remote or digitised healthcare services through greater investment in digital innovation and transformation.

From an employee perspective the acquisition enables us to create an enhanced employee proposition through the combination of talent, learning and best practices across both Spire and Ramsay.

Slide 8 – divider – Strategic Rationale

I'll now hand over to Andy, who will explain why we are keen to grow in the UK market and talk in greater detail about the strategic rationale for the acquisition.

Andy Jones Ramsay UK CEO

Slide 9 – Key Statistics on the UK market

Thank you Craig and good afternoon everyone.

Let's start by looking at the UK market.

In terms of size, approximately 10.3% of the UK population has private medical insurance with £4.8bn pounds spent per annum.

Furthermore, the annual value of the private healthcare self-pay segment in the UK (including cosmetic surgery) is £1.1 billion pounds with an additional £636 million pounds p.a. generated by private healthcare self-pay into NHS private patient units.

The highest demand for self-pay being in the 55-64 age group an expanding demographic.

As at March 2021 there were around 5 million patients waiting for planned NHS surgery and this is expected to continue to rise further.

Approximately 1.5 million patients have waited more than the referral to treatment target of 18 weeks with trauma and orthopaedics having the highest number of patients waiting.

So, as you can see, there is likely to be an opportunity for the combined business to assist in addressing the backlog in demand in both the private and public sector over the next few years.

Slide 10 – Long-term demand underpinning investment thesis

According to the Office of National Statistics the UK acute sector is valued at approximately £5.8 billion pounds with strong growth projected, driven by privately funded demand, NHS waiting lists for outsourced health services and increased demand amongst both privately and public funded patients due to the COVID pandemic.

It is this long-term demand which is expected to continue that underpins our investment thesis.

On this slide you can see two graphs. The left-hand side graph shows the year on year growth in waiting lists and treatment times since 2014 and the right-hand side graph shows the population growth trajectory since 1991 projected out to 2066.

These graphs paint a compelling picture of ongoing growth in demand for health services in the UK.

Slide 11 –Ramsay UK today

If you look at Ramsay's positioning in the UK market today it has a market share of approximately 8% compared to Spire's 17%.

We are however a leading provider of independent hospital services to the NHS - operating 37 facilities, including three neurological rehabilitation centres and a mobile diagnostic fleet. We are a market leader for electronic GP referrals, caring for over 200,000 patients each year and a strong advocate for patient safety with enhanced monitoring of the patient experience through net promoter scores and digital engagement.

We employ over 7,000 staff and work in partnership with over 3,000 doctors and clinicians.

Slide 12 – Creating a leading private healthcare services provider in the UK

The complementary nature and strategic benefits of combining Spire and Ramsay's UK business is clearly illustrated if you look at the operational metrics set out on this slide.

By combining both businesses we will create a good balance of patients between private medical insurance, self-pay and public sector patients through the NHS and a more balanced mix of day patients and higher acuity admissions across a broader geographic footprint. Both businesses have strong quality care ratings and extensive, close relationships with doctors and clinicians.

Slide 13 – Combining the strengths of two highly complementary independent healthcare operators

As Craig mentioned earlier, the acquisition of Spire will transform our UK business.

From a financial perspective you can see on this slide that the combination of Spire with Ramsay's UK business delivers a powerful foundation for further growth by diversifying our payer sources and case mix, through Spire's expertise in acute care and significant exposure to the self-pay and insured patient market.

We have set out the key financial metrics for both Spire and Ramsay UK for the 2020 year and the 2019 financial year which reflects the financial performance of each business before the impact of the COVID-19 pandemic.

Whilst the acquisition will, as Craig explained, be subject to CMA review and may result in the need to divest certain hospitals and/or clinics, the combination of both businesses will deliver a significant step up in UK generated revenue with a more balanced contribution across NHS and private patient revenue. Importantly it creates the opportunity to further enhance EBIT contribution through procurement savings and better capacity utilisation.

Slide 14 – Improved patient-centric integrated care

The acquisition will also deliver enhanced patient outcomes through further investment in digital innovation and clinical excellence, in line with Ramsay's strategic vision focused on patient-centric integrated care.

We will not only broaden our geographic footprint but also grow our referral reach in both outpatient and diagnostics, thereby enhancing Ramsay's position in its core specialities.

The combination will provide us with the economics to invest in platforms that meet the growing demand for more convenient healthcare, including remote and digitised health services.

In addition, the clinical expertise in both businesses will extend the reach of our capabilities throughout the longitudinal care pathway, adding wellness assessments together with higher clinical complexity and deliver additional capacity for diagnostic imaging as well as furthering whole pathway propositions and enhancing recovery programs.

Our ability to provide multi-disciplinary care including ancillary services such as imaging and allied health such as physiotherapy will also be enhanced and we will be able to work with our clinicians to further invest in clinical excellence and provide 'hub and spoke' models supporting delivery of higher complexity care with high dependency unit support.

Notably the combination of the two businesses will facilitate investment in digital innovation and transformation, thereby allowing improved patient navigation and co-ordinated clinical care along the pathway and across clinical disciplines, including by broadening our Electronic Patient Register and iCare programmes.

Slide 15 – Supporting the NHS during the COVID-19 pandemic

Both Ramsay UK and Spire have been strong supporters of the NHS during the COVID-19 pandemic and have built strong local and central relationships with the NHS.

Both businesses provided specialist equipment, ventilators and PPE to the NHS and accelerated medical technology offering through the provision of virtual consultations, e-prescribing and remote radiology reporting.

We are committed to continuing to provide this high level of support for the NHS post this transaction.

Slide 16 – Combining talent, learning & best practices

We are also focused on bringing together the brightest talent and best practices of Ramsay and Spire.

We will be able to harness the deep expertise of both teams to create a caring, empowered and productive culture where both our people and patients are our top priority.

We are confident that we can create an enhanced employee proposition to attract talent and retain skilled employees and to be a trusted partner to our doctors and clinicians through “The Ramsay Way”.

I'll now hand over to Martyn who will take you through the proposed financing of the acquisition and the expected synergy benefits.

Martyn Roberts Group CFO

Slide 17 – divider – Group benefits & financing

Thank you Andy and good afternoon everyone.

Slide 18 – Significant synergy benefit potential

From a financial perspective the acquisition delivers greater scale and diversification of Ramsay's global portfolio.

We expect that bringing together the Spire and Ramsay UK businesses will deliver significant benefits of at least £26 million per annum from procurement, improved capacity utilisation and cessation of UK listing costs which will assist in delivering:

- High single digit EPS accretion in FY24; and
- ROIC above WACC in FY24.

As Craig explained at the start of this presentation, whilst we expect that we will generate these synergies regardless of the CMA review process, the combined UK portfolio will depend on the outcome of this review and the CMA may require Ramsay to make divestments of certain hospitals and/or clinics. Thus, the EPS accretion and ROIC may ultimately be impacted by the outcome of the CMA review.

Importantly the CMA is likely to require the two businesses to be held separately until its review is complete, so the synergies are unlikely to start to be realised until FY23 with a full run rate expected to be realised in FY24.

Slide 19 – Financing structure

In terms of financing - as Craig mentioned the acquisition will be funded from existing debt facilities.

This equates to day one proforma combined net debt, of approximately A\$4.7bn at a consolidated Group level and approximately A\$3.1bn at the wholly owned funding group, both figures exclude lease liabilities.

Following completion of the transaction our FFO¹ Adjusted leverage is expected to be elevated beyond threshold levels. We will look to manage our wholly owned

¹ FFO- funds from operations

funding group leverage within our current investment grade credit rating target through capital management initiatives and/or a strategic review of the Ramsay Group portfolio of assets.

We expect to retain our FY21 dividend payout ratio in line with historical levels.

Slide 20 – Next steps – From announcement to integration

Looking now at next steps and timing.

We anticipate approximately 3 weeks until the scheme circular is posted to Spire shareholders.

We then envisage a further four to five weeks until the general meeting of Spire shareholders to vote on the proposal and the court hearing to sanction the scheme – subject to Spire shareholders voting in favour of it proceeding.

If all these steps are satisfied, then we expect the Scheme to be effective within approximately 8 weeks of today's announcement.

As I mentioned earlier it is important to remember that the CMA is likely to require Ramsay UK and Spire to be held separately during its review period which is anticipated to take 12 months. Subject to the outcome of this review and any remedies associated with this process, integration of both UK businesses will then take place.

I'll now hand back to Craig who will cover the key take away's from today's announcement.

Slide 21 – divider - Conclusion

Thank you Martyn.

Slide 22 – Transforms Ramsay's UK platform

Before opening up to questions I would like to close by again emphasising the strong strategic and financial rationale for this transaction.

We have been operating in the UK market for 15 years and for the majority of that time we have been looking for growth opportunities. We have been interested in Spire for the last ten years and the planets have finally aligned at a time when there has never been a greater need for quality healthcare operators that can deliver outstanding patient outcomes in the UK market.

We are confident that this transaction will not only deliver value for our shareholders but will also benefit our clinicians, doctors, patients, the NHS and our private patients.

We look forward to welcoming the highly regarded and valued Spire team into the Ramsay global fold and to working together to leverage future growth opportunities that arise.

Let's now open to questions you may have for Martyn, Andy or myself noting that the proposed transaction is subject to the requirements of the UK Takeover Panel and as such we are limited in what we can tell you beyond what you have read in our announcement today.

Slide 24 – Questions