



# Ramsay Health Care Investor Briefings

December 2021

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# Ramsay Santé

CEO Pascal Roché



# INTRODUCTION - RAMSAY SANTÉ OWNERSHIP STRUCTURE

## Ramsay Santé has 2 main shareholders:

- **Ramsay Health Care** (52.5%)
- **Prédica** (39.6%), a subsidiary of Crédit Agricole specialising in insurance

**Ramsay Santé is listed** on the Euronext Paris  
Eurolist



**€4.023 billion**

Annual turnover as at 30.06.2021



**€643.8 million**

EBITDA as at 30.06.2021 (IFRS16)

# RAMSAY SANTÉ IN 2021: A LEADER IN INTEGRATED CARE IN EUROPE



## Leading position in our markets



## People

- 36,000 employees
- 8,600 doctors



## A strong healthcare footprint in Europe



- 230 hospitals
- 160 primary care centres
- 900 operating rooms
- 9m patients visits (6m of these are out of hospital)
- 33,500 deliveries



- 1 out of 9 surgeries in our facilities in France
- 1st player in dialysis in France
- 10% of the Swedish population listed within our primary care centers



## A modern, quality focused provider

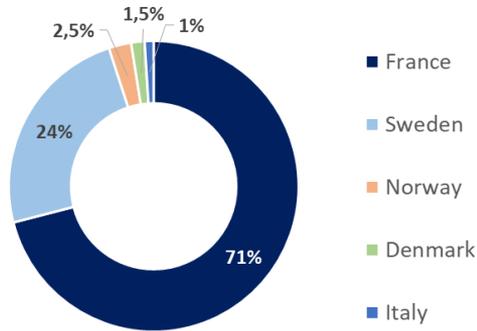
- €900m CAPEX FY17 – FY21
- 13 robots
- 100% of our facilities in France certified best in class level
- Medical excellence in Sweden

## Trusted partners to the institutionals and our payors

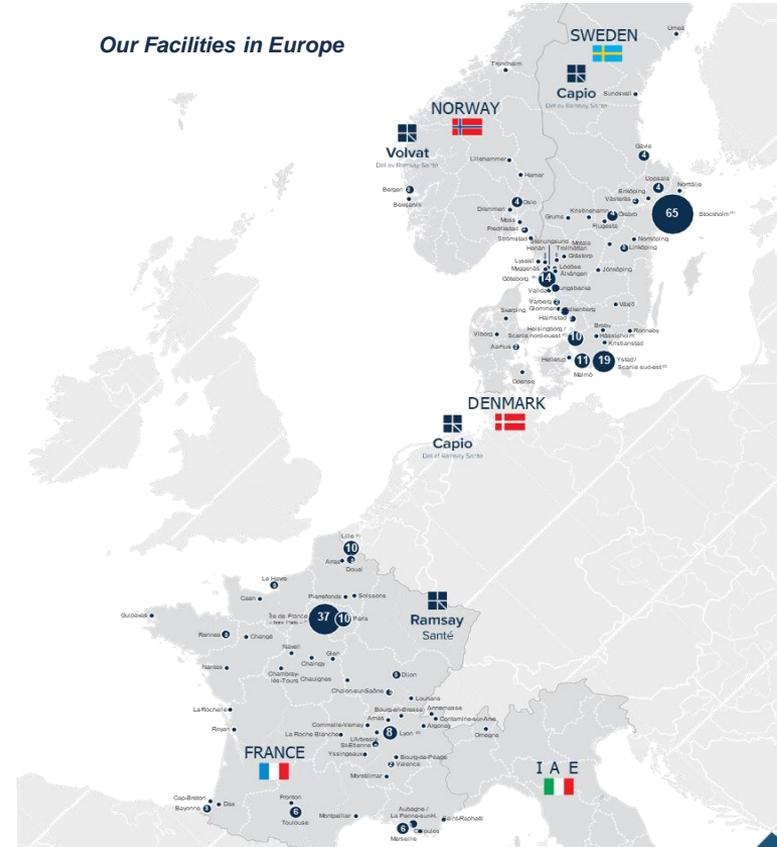


# ...WITH AN UNDISPUTED LEADING POSITION IN KEY STRATEGIC MARKETS

Revenue split per geography<sup>1</sup>



Our Facilities in Europe

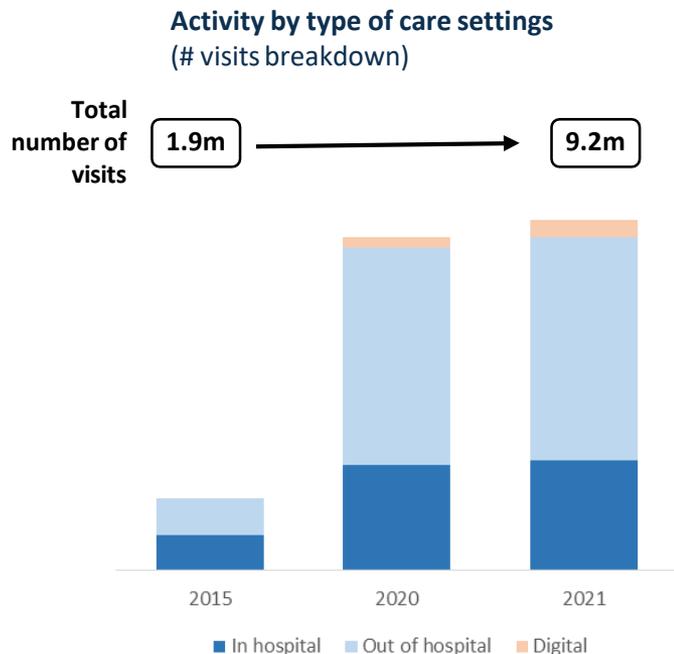


1. FY21; Germany is excluded as the facilities acquired as part of the Capio acquisition were sold in 1HFY21

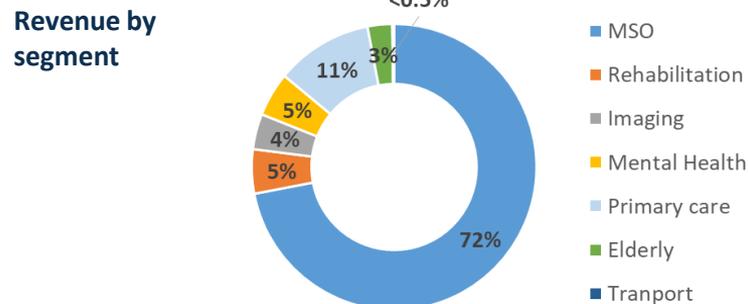
# of clinics as of September 2020

# OUR DEVELOPMENT STRATEGY HAS BEEN INSTRUMENTAL IN BALANCING AND DIVERSIFYING OUR PROFILE IN TERMS OF ACTIVITIES, CARE SETTINGS AND PAYOR MIX

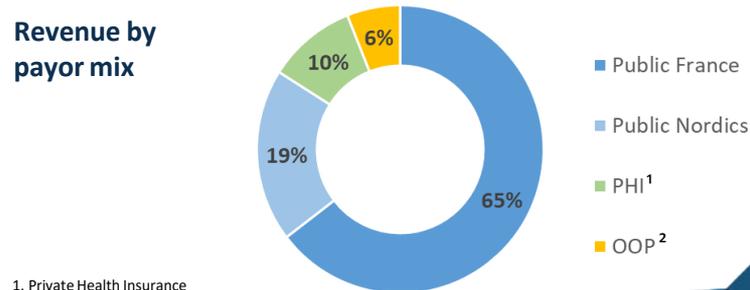
## A progressive diversification of our care settings



## An extended footprint across care value chain



## A diversification of our payor mix



1. Private Health Insurance  
2. Out-of-pocket

# COVID CRISIS HAS LARGELY CONTRIBUTED TO THE ACCELERATION OF TRENDS THAT ALREADY EXISTED

## Macroeconomic

- Inflation rates increasing
- **State debt increase** to GDP 35-40% in the Nordics; up to 120% in France, putting **pressure on Healthcare expenditure**.
- **Economic recovery in all countries** with GDP growth and unemployment back to pre-COVID levels.

## Funding / Payors

- Nordics:
  - **Increased healthcare funding** as share of total spend
  - **PHI** development
  - **Insurance companies** driving towards **value based payment and prevention**.
- France:
  - Trend towards less DRG and **increased quality and 'population-based' funding**

## Case mix

- **Important and accelerated shift towards ambulatory care** post COVID and lower inpatients volumes overall
- **Increasing waiting times** due to deferred care during COVID

## Consumer

- Digital healthcare supply drives consumer interest, willing to try new services/vendors regardless governance.
- **Digital acceptance increasing and spreading across all segments**.
- **Reimbursement for digital health offering and services remains a key issue** for development

## Workforce

- Hospital healthcare staff tired post COVID. **Staff shortage has become a long term structural issue**
- Regarding clinicians, the main issue is the geographical distribution across countries and medical deserts.
- Overall change in expectations towards salaried positions and work/life balance

## Technology

- **Digital** more and more **encouraged by authorities**
- **Bubbling e-Health ecosystem**
- Increased **competition** from **digital players**

# WE OPERATE IN DYNAMIC HEALTHCARE MARKETS WITH STRONG FUNDAMENTALS

## France

## Sweden

## Norway

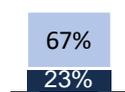
## Denmark

### Market size

Healthcare spend as % of GDP and growth vs 2018

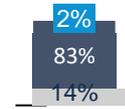
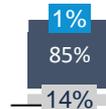


### Private sector market share for healthcare provision



### Market structure

Funding by type of payors, %



### Market and regulatory drivers:

#### Favorable fundamentals for private players

- Improved image of private players from authorities due to contribution during COVID
- Willingness to grant authorisations to private sector

- Privatisation, particularly in specialist care to reduce waiting times and costs
- Cost pressure and new technology leads to more treatments done in an outpatient setting

- The longest waiting times in Europe, private providers are seen as key to cut waiting times while containing cost
- Share of Norwegians with private health insurance has more than doubled since 2009

- High costs in the public healthcare
- Long waiting lists in the public sector are exp. to drive demand for private care
- Strong growth of private health insurance in past five years driving private referrals

PHI 
 Public 
 OOP 
 | 
 Public sector 
 Private sector

Source: OECD Health reports, DREES, OECD Health expenditure and financing

# STATE-OF-THE-ART FACILITIES THANKS TO A SUSTAINED INVESTMENT AND INNOVATION POLICY

## Construction of new facilities



Clinique La Croix du Sud in Toulouse (31), opened in late 2018

## Modernisation of existing buildings



Extension of Saint Görän's Hospital (Stockholm, Sweden);

- After reinforcing emergency department capacity (100,000/year), new operating rooms were opened in 2019
- The next phase will see the construction of 2 new buildings (an additional 30,000 m<sup>2</sup> to the 1,000 m<sup>2</sup> renovated)
- Opening a new maternity ward, the completion of works is scheduled for 2022.

## Creating new units



New adolescent unit at the Clinique des Trois Cyprès (13)



Extending and renovating the Clinique Atlantique (La Rochelle-17) to combine activities with those of Clinique Mail



In Copenhagen (Denmark): merger of our two largest facilities, transferred from Lyngby to Hellerup

# WE HAVE SUCCESSFULLY REFINANCED OUR DEBT AND ALIGNED OUR FINANCING STRATEGY WITH OUR MISSION AND VALUES BY INCLUDING SUSTAINABILITY TARGETS

our new debt, with much improved terms and conditions

	Term Loan1	Term Loan 2	Capex/ Acquisition & RCF
<b>Maturity</b>	April 2026	April 2027	April 2026
<b>Amounts</b>	€700m outstanding	€750m, fully drawn	Capex: €100m, undrawn RCF: €100m, undrawn
<b>Pricing</b>	E+225 bps (0% floor)	E+275 bps (0% floor)	E+225 bps (0% floor)



Oversubscribed twice



Maturity extension



Improved flexibility of bank documentation



Annual interest savings of ~€8-10m pa expected

While embracing ESG through a Sustainability-linked Financing Framework

Ramsay Santé intends to:

- **Align its financing strategy** with its **mission** and **sustainability** targets
- Provide **transparency** and disclosure to investors and stakeholders
- Contribute to the **development of the sustainability-linked format in the debt market**, underlining the importance of the healthcare sector in the implementation and achievement of the UN's SDGs



As such, Ramsay Santé selected four **KPIs** which are **core, relevant and material to Ramsay's business and sustainability improvement**:

- KPI 1:** Increase in patients' satisfaction
- KPI 2:** Medical care for underserved population and preventive healthcare
- KPI 3:** Preventive health program
- KPI 4:** Minimise environmental impact

# WE HAVE BEEN ACKNOWLEDGED AS A UNIQUE TRUSTED PARTNER TO OUR INSTITUTIONAL PARTIES AND COMMUNITY THANKS TO OUR CONTRIBUTION TO COVID CARE

## Ramsay Santé has been a key contributor in managing COVID within the private hospital sector

-  More than **17,000 patients<sup>(1)</sup>** treated in RS facilities in France, of which **9,000** in **critical care**
-  ~1 million people vaccinated in our settings
-  **St Göran** treated more than **700 patients** in critical care
-  **20% of all Covid testing** performed within Ramsay's facilities in Norway

(1) Not including Emergency Departments patients and geriatric

...Allowing the Group to be **recognised as a critical player**

-   **23%** of total market share in the private sector...
-   Taking into account **COVID patients Ramsay's share was closer to 50%**
-   Treated **20% of Covid patients** in Stockholm area

## Ramsay Santé's status as valued partner displayed in all official statements



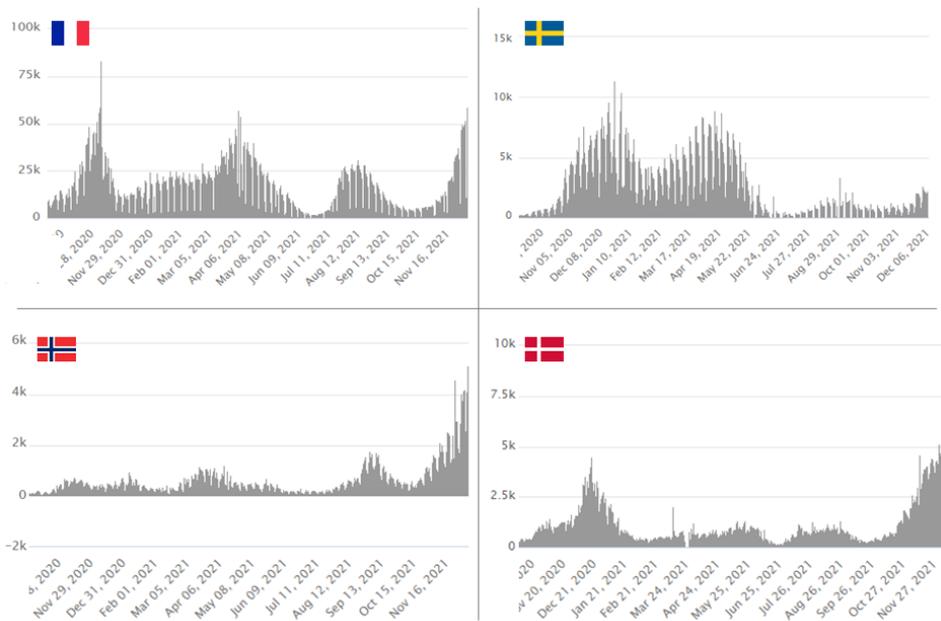
**Prime Minister and Minister of Health** have visited our facilities, acknowledging Ramsay Santé's huge efforts in the COVID crisis



# COVID CRISIS IS NOT OVER AND OUR OPERATING COUNTRIES ARE CURRENTLY FACING A FIFTH WAVE

## A huge increase of daily new cases over the past weeks

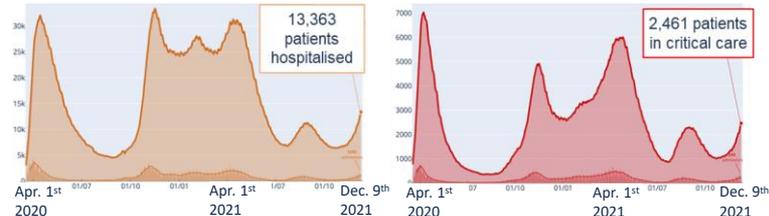
# daily new cases as at December 9<sup>th</sup>



## Worrying perspectives for healthcare systems

- We are already facing increasing pressure on healthcare: cancelled elective care in Norway, emergency plans in France that should lead to cancellations in the coming days. Perspectives for the coming weeks remain worrying although ~75% of the population is vaccinated in our operating countries

## # COVID patients hospitalised / in ICU since outbreak until Dec. 9<sup>th</sup>



- Restrictions have been slightly reinforced but so far, the governments are holding off on imposing strong restrictions such as lockdowns or wide activity closdowns

# POSITIVE REGULATORY DEVELOPMENTS FOR PRIVATE PROVIDERS IN FRANCE...



## Multi-year visibility on tariffs

- **Minimum tariffs at +0.2%** per year for 2020, 2021, 2022
- Enables **mid-term planning**
- Strong involvement of all players (public and private) to **advocate for a new 5-year agreement on tariffs**



## Quality-based funding: a key opportunity

- From €200m in 2019 to €450m in 2021 ... and up to **€750m in 2022**
- Rebalance of activity – based funding by **rewarding best in class quality**: good for us!
- **Innovation** driver
- **Forfeits** for chronic kidney diseases
- **Capitation models** fostering quality



## Positive tariffs expected for 2022

- Annual growth in national hospital spending target increased at 2.4% p.a. for 2020 - 2022
- **2021 ONDAM above +6%** covering additional staff costs linked to 'Ségur' measures and **2022 ONDAM at +2.7%** for Hospital expenditure (excluding COVID extra-costs and 'Ségur' measures)



## Transparent regulation

- If volume assumptions are exceeded by 0.2%, there is a possibility for the Government to reconsider the 0.2% for next year;
- On the other side, in case of under-execution of the hospitals' ONDAM, the **delta will be given back to the hospitals**

# ... TOGETHER WITH OUR “TRUSTED PARTNER” STATUS ALLOWED US TO OBTAIN POSITIVE OUTCOMES ON FUNDING AND BUSINESS ASPECTS

## Extra-funding relating to COVID

### 1. REVENUE GUARANTEE SCHEME<sup>1</sup>

Securing a minimum top line for all care operators to a level that should correspond to the calendar year 2019 revenue generated with the Social Security bodies + a 0.2% indexation rate

 At June 2021 (FY 20/21): **€103m**

### 2. COMPENSATION OF ALL COVID 19 RELATED COSTS<sup>1</sup>

 At June 2021 (FY20/21): **€72.9m**

 At June 2021 (FY20/21): **€61.5m<sup>2</sup>**

1. These amounts were included in 'Income from government grants' reported in FY21 of A\$428.3m (€267.7m). Also included in this amount was the salary increase subvention (Segur) of A\$54.8m (€34.2m)

2. Included €3.7m of grants related to our activity in Germany for the first 4 months of FY21

## Favorable decisions for business development

### 1. NEW AUTHORISATIONS OBTAINED



Mental Health

**6 Day Hospital authorisations** obtained + 2 favourable opinions + 14 applications still under review



Imaging

**26 new authorisations** obtained in addition to the 88 existing heavy equipment units

### 2. ADDITIONAL FUNDING FOR INVESTMENTS



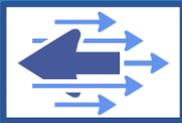
Operational investments

**€19m** obtained



Restructuring investments

**~ €5m** already obtained, with applications still under review, contributing to brownfield projects financing: a **first for private sector**



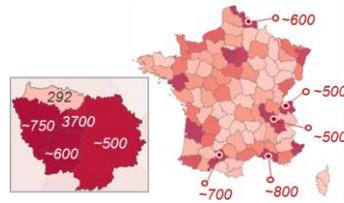
# ...HELPING COMPENSATE FOR THE HEADWINDS WE ARE CURRENTLY FACING

## Nurses shortage



## Volumes catch-up

## Supply costs



A national issue in the post-COVID context: as of Sept. 2021, **~30k nurses positions are vacant** in French hospitals (~6% of global headcounts), especially in regions we operate.

Staffing is an issue in the Nordics, however less critical an issue than France

In France, **staff shortage has become a limiting factor** hampering us from capturing potential volumes (especially inpatients) in a context of solid underlying demand

Overall in the Nordics, the level of activity is solid

Government plan with key measure being an historical salary increase (e.g + ~€225 net/month for a nurse in private sector)

Comprehensive retention and recruitment Ramsay Santé plan including salary, recruitment, training and quality of life at work measures

Inflationary trends on supply >5%. We are impacted by increases in: energy, raw materials and transport costs

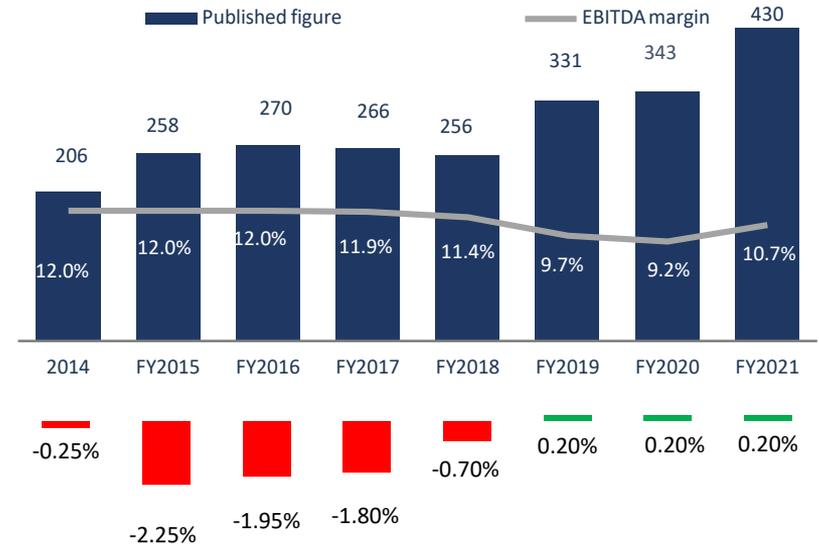
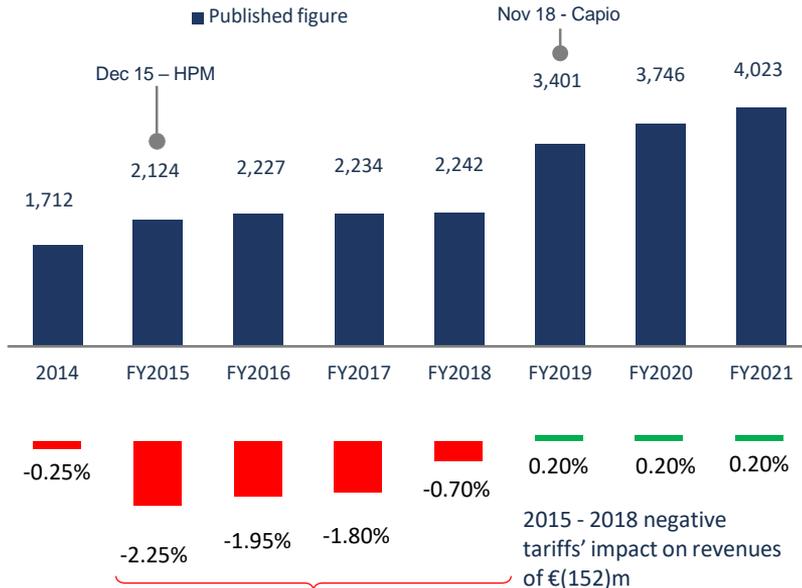
Action plan set-up and ongoing with **contracts negotiations, energy savings plan**

## THE NURSE SHORTAGE IS AMONG OUR TOP PRIORITIES WITH A COMPREHENSIVE PLAN IN PLACE

# ACQUISITIONS HAVE DRIVEN REVENUE AND EBITDA GROWTH, AND WE PROVED OUR RESILIENCE AND CAPACITY TO MAINTAIN PROFITABILITY DESPITE THE HEADWINDS IN RECENT YEARS

Revenues multiplied by 2.3 since 2014 (m€)

And EBITDA is multiplied by 2.1 (m€) <sup>(1)</sup>



(1) Pre-IFRS 16

More recently, EBITDA and margin development were positively impacted by realised synergies from the now fully integrated acquisition of Capio, which were well above our initial objective of €20 millions

# IN FRANCE, WE IMPROVED EFFICIENCY WITHIN OUR CORE HOSPITAL BUSINESS AND WILL PURSUE OUR CONTINUOUS IMPROVEMENT JOURNEY

## The clustering of our assets to drive efficiency and innovation

M&O & REHAB	2015 - 2019	2019 - 2022
Optimize	8	16
Sell	10	4
Close	4	6
Brownfield	22	31
Acquire	2 + Capio	-
Restructure	13	21



### Medical consistency

- Medical specialisation of our facilities
- Active doctor recruitment

### Operational Efficiency

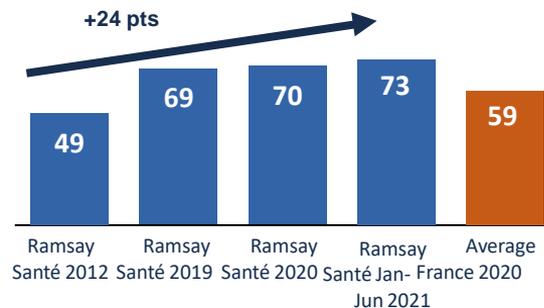
- A common management team
- Mutualisation of support functions
- New multidisciplinary functions
- CAPEX optimisation

### Active portfolio management

- Restructuration / Optimisation projects
- Bolt on acquisitions & Divestment of non-strategic assets

## Active development of outpatient care in France

### Ambulatory rate



### Outpatient dedicated facilities



Clinique Monticelli – Vélodrome (Marseille)



Private Hospital Dijon - Burgundy



Clinique Domont (Paris region)

### Set up of care pathways (12 oncology Institutes ; 13 Nutrition / Obesity Reference centers)



Comprehensive, coordinated, personalised and digitalised care pathway



Multidisciplinary team incl. dedicated out of hospital coordination



Comprehensive support functions (IT & medical research) to collect data and innovate

# RAMSAY SANTÉ DEVELOPED STRONG ASSETS THAT HAVE BEEN KEY TO ATTRACTING DOCTORS AND PATIENTS

## Research and teaching



**3,100 scientific publications** between 2016 and 2021



**1,300 authors** of scientific articles



**4,300 patients** included in **679 studies** in 2020



**>1,000 interns** welcomed over the past 6 years

## Strong digital footprint



Strong digital development in 2021:

- **> 60k digital consultations** / month
- **> 3,500 video consultations** / month



**Helsetelefonen** : new **digital and remote platform** as an **entry point** to Healthcare  
Ditt legekontor på nett



Digital front door **Ramsay Services**:

- **> 1 million patients** used it
- **45% penetration rate**

## And strong assets aimed at fostering innovation

**Personalised Health & Care**



**Digi-physical pathways**

**Out of hospital**

**Data supported**



**Start'up incubator** dedicated to innovative **prevention solutions**  
(25 start'ups incubated each year)



# OUR **YES WE CARE!** 2025 PLAN , FULLY ALIGNED WITH RAMSAY HEALTH CARE VISION, IS BASED ON FOUR STRATEGIC PILLARS SUPPORTED BY SEVEN ENABLERS

Integrated digi-physical care to attract and retain patients in our system by designing coherent pathways



Deliver advanced care in our hospitals focusing on medical excellence, diversity and proximity of care



Become the preferred primary entry point to the health system with a strong digi-physical footprint



Drive touchpoints & loyalty by supporting people in staying healthy with integrated prevention services



Expand our outpatient services to address the needs of new patient segments



**One ambition**



**4 strategic pillars**



**7 Enablers**

Consumer experience & reputation  
People and organisation for today and tomorrow  
Medical quality in the center of our services  
Doctors of the future

Data and advanced analytics capability  
Now, New, Next Innovation strategy  
ESG to make a difference in society  
+ M&A & partnerships

# AND LEVERAGE OUR LOCAL CORE COMPETENCIES TO SUPPORT DEVELOPMENT ACROSS GEOGRAPHIES



**... And we still have many other advantages to leverage across countries**

<sup>1</sup>CPI = Clinical and Process Input; QPI = Quality Performance Indicator  
<sup>2</sup>. rTMS = Repetitive Transcranial Magnetic Stimulation

# AS AN EXAMPLE, THE RECENT ACQUISITION (OCTOBER 2021) OF ALLES LÆGEHUS, THE PRIMARY CARE LEADER IN DENMARK IS A DECISIVE STEP TOWARDS OUR AMBITION



**32 primary care clinics**  
+3 to be signed in the coming months



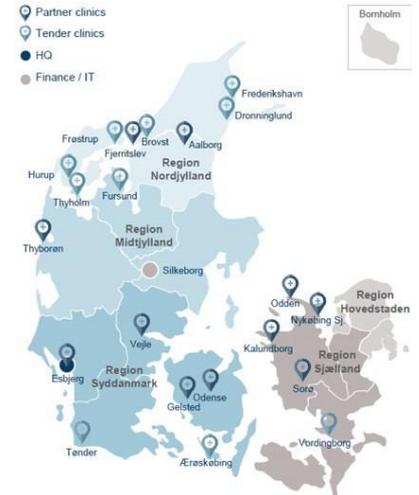
**#1 primary care player in Denmark**  
**Opportunity to develop in Norway**



**114 000 listed patients** (~2% of Danish population)



**~167 employees (FTE)**, whereof **~42 doctors (FTE)**

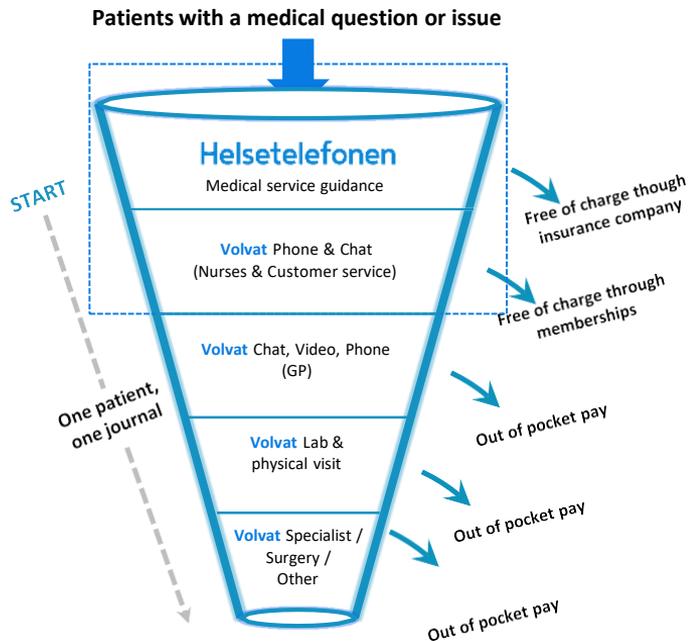


It is a unique opportunity to :

- Be the **first private player entering the primary care market** in Denmark and capitalise on the know-how of the team who successfully developed the business in order to **pursue the ambitious growth strategy**
- **Become the leader** in the primary care market and **stay one step ahead of our competitors** both digitally and physically
- Drive **profitable growth**

# THE ACQUISITION OF HELSETELEFONEN, A LEADING NORWEGIAN PROVIDER OF TELEHEALTH SERVICES HAS STRONGLY REINFORCED OUR DIGITAL FRONT DOOR OFFERING

## Helsetelefonen: the entry point into a seamless digi-physical integrated pathway



**Service available 24/7, 365 days per year**



**A broad range of services:** general medical advice, prescriptions, vaccines, midwife services and online based training & treatment programmes



**Multi-channel medical services:** chat, video, phone, self-help



**Very high level of customer satisfaction: 5.8/6**



**Innovative, attractive and efficient organisation:**

- 80% of contacts are handled by nurses
- All nurses and doctors work remotely



**Opportunity to drive referrals** to existing specialist care and **develop B2B** with PHI companies

# FROM DIGITALISATION OF HOSPITAL STAYS TO A DIGITAL FRONT DOOR ADDRESSING A WIDE RANGE OF CONSUMERS WITH POTENTIAL FOR ADDITIONAL REVENUES

Over 1 million patients already experienced Ramsay Services



## Consumer / Patient journey experience

- My Ramsay / My stays
- Personalised notifications
- Geopositioning (ER/hospitals)
- EDs waiting time
- Practitioner online booking
- Maternity Program "Mynea"

## Prevention & Primary Care

- Symptom Checker
- Health & pathologies expert content
- Treatment expert content
- Well-being expert content
- Primary care "Primaccess"

## Hospital care

- Online pre-admission
- Maternity Registration
- Accommodation offering
- Satisfaction survey fully integrated
- € ■ Hospitalisation prolongation insurance
- Mental healthcare pre-admission

## Home care services

- € ■ Médecine home delivery
- € ■ Medical Assistance 24/7
- € ■ Senior service Pack
- € ■ Maternity service pack
- Nurses online booking

# WE WILL KEEP ON INVESTING IN ORDER TO STRENGTHEN OUR BUSINESS AS USUAL AND IMPLEMENT OUR 2025 STRATEGIC PLAN

EXAMPLES OF KEY PROJECTS IN THE PORTFOLIO. A SIGNIFICANT INVESTMENT IS BEING ALLOCATED TO THE CREATION OF CLUSTERS OFFERING FURTHER DEVELOPMENT, ENHANCING THE ATTRACTION OF THE FACILITIES AND OPTIMISING THE FOOTPRINT:

## 'Grand Galien' project (MSO)



External extension to enable the growth potential (e.g. new authorisations)

€ 19 m€ - 2022 to 2025

## 'Declik' project (MSO)



Extension and restructuring of 'Vert Galant' to enable further growth and practitioner recruitment

€ 19 m€ - 2021 to 2024

## Robot acquisition



Acquisition of 5 robots in addition to the 13 existing aimed at providing one in each of the French Clusters

€ 10 m€ - 2022 to 2024

## 'Ange Gardien / Perreuse' project (Mental Health)



Optimisation through the merger of 2 facilities and the restructuring and extension of the 'Ange Gardien' clinic

€ 25 m€ - 2020 to 2022

## 'St Martin clinic' project (Mental Health)



Closing of an existing facility and the relocation into a new optimised building

€ 16 m€ - 2021 to 2024

## Innovation projects



Symptom checkers, IoT<sup>1</sup> and sensors, AI<sup>2</sup> and RPA<sup>3</sup> use cases...

€ >10m€ - 2021 to 2026

# FINALLY, WE ARE A UNIQUE INTEGRATED AND DIFFERENTIATED HEALTH CARE OPERATOR IN EUROPE WITH PROFITABLE GROWTH AVENUES



## MARKET

- Strong **underlying organic growth** in the Nordics
- **Volumes to capture** due to increased waiting lists
- Favorable conditions to obtain **new authorisations**
- Proven track-record of **M&A** and still many **bolt-on acquisitions opportunities**



## PATIENT

- **New patient segments to enter into / strongly develop** (eg. Primary care in France and Denmark, public in Norway, PHI in the Nordics)
- **Leverage our existing digital front door** to orchestrate health pathways and generate new revenue streams (CRM & campaigns, new services and offerings...)
- Very good **brand asset**



## QUALITY

- **Best-in-class** in the Nordics and in France for quality valued by patients, physicians and payors
- Favorable trends towards **increased share of quality-based funding**
- Most advanced **doctors' recruitment** model for France (internship, clinical research)



## EFFICIENCY

- Continuous **medical plans** updates and **clusters** development and optimisation
- **Brownfield** roadmap
- Shared service centers in France and in the Nordics
- **Proven track record of operational excellence** (benchmarking / best practice sharing)
- **Worldwide procurement** approach