

Ramsay Health Care Limited 2024 AGM Report

ASX code	RHC
Meeting date	Tuesday, 26 November 2024
Type of meeting	Physical with online webcast
Monitor	Peter Gregory and Gareth Eastwood
Pre AGM-meeting	With Chair, David Thodey; Rem Chair, Alison Deans; Co Secretary, Henrietta Rowe; Chief People Officer, Colleen Harris; and Head of Investor Relations, Kelly Hibbins.

Meeting Statistics

Number of holdings represented by ASA	174
Number of shares represented by ASA	252,259
Value of shares represented by ASA	\$10.08m
Total number attending meeting	In person – 76 voting shareholders, 164 guests, 120 non-voting shareholders. Online 146 people.
Market capitalisation	\$9.18 billion
ASA open proxies voted	ASA voted in favour of all the resolutions.

Monitor Shareholding: The individual(s) (or their associates) involved in the preparation of this voting intention have a shareholding in this company.

[The Ramsay Health Care FY24 AGM](#) was recorded for shareholders to view.

In the formal, published presentations of the Chair, David Thodey, and Group CEO, Craig McNally, the focus was on disappointing results caused by the slow recovery from the pandemic with Ramsay not being fairly compensated for the services provided. The company leadership is committed to a range of transformation programs that will deliver productivity and financial performance improvements without compromising on clinical safety or the wellbeing of patients and employees. Ramsay is proactively working to restore appropriate reimbursement and has achieved some recent successes. Strong fundamentals, particularly demographics, are expected to provide long term growth opportunities for Ramsay.

The Chair introduced the Group CEO elect, Natalie Davis, to shareholders and she spoke of her focus on customers and team. After starting with Ramsay on 1 October 2024 she spent her first week at Ramsay working at Greenslopes Hospital familiarising herself with all aspects of hospital operation. She has subsequently visited other hospitals in Australia, UK, France and Sweden, and has met with clinicians, doctors, leadership teams to understand how Ramsay can innovate in healthcare and improve the business. Natalie talked about bringing her successful experience with business transformation to accelerate the journey to improve how Ramsay cares for patients, partners with doctors, enables people and delivers growth and business value. Natalie will commence as Group CEO on 2 December 2024.

As the meeting started over 100 Ramsay employee shareholders entered the room, and during questions, 3 spokespeople respectfully put their concerns to the Board. These were that current resources were putting undue pressure on staff not being able to provide the level of care that believed patients should have; that after 20 months of EA negotiations in NSW there was still no resolution to staff concerns; and that there were pay disparities with other states. The Chair responded that Ramsay knows that the people are the heart of what Ramsay does saying we need our clinical people and nurses, and the company understands some are advocating for change. Ramsay is committed to working through any concerns constructively. The goal is to find a balanced outcome that supports Ramsay people and is sustainable for the business.

ASA questions:

How is Ramsay working to introduce “contemporary funding models” to improve reimbursement outcomes?

The Australian system is built on a fee for service model. There are other possible approaches that involve working with the insurers to increase the value that private health care provides, perhaps on a bundling basis. There is a model in Adelaide that is working, but changing these arrangements more broadly is a sensitive matter that takes a long time to put in place. Ramsay is looking to pilot, with funders, different models to find a better outcome for all.

How is the changing cost and time to complete developments impacting on Ramsay’s ability to expand?

Often investments are multiyear projects with expected financial outcomes changing before completion. Projects undertaken before COVID have not hit the anticipated returns due to increased cost and deterioration of margin. This has impacted on how future projects are evaluated with the return hurdle rate being increased from 10% to 12% reflecting increased interest rates. Business cases for investment are now more challenging and management needs to be sure where the market is going in the next 5 to 10 years, as that is the timeframe for investments.

Claudia Süssmuth Dyckerhoff described her contemporary experience as a director and consultant in healthcare in Europe since returning from Asia. She explained her familiarity with specific challenges healthcare is facing in Europe and how Ramsay is changing and innovating to become a more successful company in that region. With additional information ASA determined to vote undirected proxies in support of her re-election.

Responses to other shareholders’ questions that were not previously dealt with:

Sante and UK, during the pandemic provided valuable financial diversifications and operating and clinical insights that were invaluable to Ramsay. The leadership recognises the desired return on capital has not been met and this is being actively managed as Ramsay continues to look for ways to create further value. There is more work to do.

Healthcare is a target for cyber. Ramsay has significantly increased its investment in this area with a focus on response, recovery and resilience in an increasingly hostile environment. Ramsay is aligned with the National Institute of Standards and Technology (NIST) cyber framework and has processes for outside review and validation.

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