Ramsay Générale de Santé announces a public offer to the shareholders of Capio

Press release, 13 July 2018 – Ramsay Générale de Santé S.A. (“RGdS”) announces a public offer to acquire all shares in the Nasdaq Stockholm listed Capio AB (publ) (“Capio”) for SEK 48.5 in cash per share (the “Offer”).

The Offer in brief

• RGdS offers SEK 48.5 in cash for each share in Capio.

• The Offer values Capio’s equity at approximately SEK 6,846 million in the aggregate (i.e. 661 million euros\(^1\), based on a total of 141,159,661 shares) and represents a premium of approximately 22 per cent compared to the closing price of Capio’s share on Nasdaq Stockholm on 21 June 2018 (the last trading day prior to Capio’s announcement regarding possible structural changes) and approximately 27 per cent of the volume weighted average price per share during a period of 30 days preceding the same date.

• The combined group of RGdS and Capio would become a leading pan European private healthcare services operator, spanning six countries, with a strong focus on operational excellence. The combined group will deliver high quality, innovative care to patients and be an attractive workplace for doctors and employees.

• RGdS anticipates pre-tax synergies of approximately 20 million euros, the majority of which are expected to be realised within two to three years.

---

\(^1\) Based on a EURSEK FX rate of 10.35 as at 12 July 2018.
• The Offer is not subject to any financing conditions. The financing of the Offer is secured with leading financial institutions and with the support of RGdS’s two controlling shareholders who have irrevocably committed to subscribe a minimum of 450 million euros in a planned equity issuance of approximately 510 million euros. The equity issuance will initially be partly bridged by issuance of a minimum of 450 million euros of subordinated bonds which will be subscribed for by the two controlling shareholders.

• The completion of the Offer is conditional upon, inter alia, the Offer being accepted by shareholders to such an extent that RGdS becomes the owner of more than 90 per cent of the shares (on a fully diluted basis) in Capio (see “Conditions to completion of the Offer” below).

• An offer document regarding the Offer is expected to be published on or about 5 September 2018. The acceptance period of the Offer is expected to commence on or about 6 September 2018 and expire on or about 7 December 2018.

Comments from RGdS

RGdS’ Chairman, Craig McNally, said, “Capio has a strong portfolio of healthcare operations in Europe and is a good strategic fit for RGdS. The combined group would be uniquely positioned in the private European healthcare sector with a geographic footprint spanning six countries with strong underlying growth fundamentals. Capio has a number of high performing businesses and maintains a strong position particularly in its Nordic markets where it operates hospitals, specialist clinics and primary care units. The company has been a leader in driving value-based healthcare and has also been at the forefront in the delivery of elective care in specialised clinic settings, which is something we could leverage on in France and in other markets.”

RGdS’ Chief Executive Officer, Pascal Roché, commented “Our vision is to create a leading private health care operator in Europe with more than 20 million patients in six countries. Capio is a unique and strategic asset, with its high quality doctor cohort and workforce, which will add to our diversified and sustainable platform and provide exciting new opportunities for RGdS, its shareholders and employees. This transaction is financially compelling for RGdS, providing substantial synergies and further acceleration of our growth trajectory, and represents an attractive offer to the shareholders of Capio. I look forward to working together with Capio’s talented workforce on this exciting journey.”

Background and reasons for the Offer

RGdS in brief

RGdS is the largest operator of private hospitals in France with 120 hospitals (including 30 psychiatric clinics). RGdS employs over 23,000 staff, cares for close to 2 million patients and sees over 550,000 emergency department presentations each year. For the twelve month period ended 30 June 2017 (fiscal year), it recorded sales and EBITDA of approximately 2.2 billion euros and approximately 266 million euros respectively.
RGdS has its registered office in Paris, France and the shares in RGdS are listed on Euronext Paris. RGdS is today controlled by two strong shareholders: Ramsay Health Care ("Ramsay"), an Australian-based world-leading hospital operator, holding approximately 50.9 per cent of the shares, and Prévoyance Dialogue du Crédit Agricole ("Predica"), part of Crédit Agricole (one of the largest banking and insurance groups in France), holding approximately 38.4 per cent of the shares.

The rationale for the Offer

RGdS’s strategic plan includes positioning the company as a leading provider of healthcare services by the year 2020. The strategic plan is based on four key objectives: (i) the digitalisation of the relationship between patients and physicians, (ii) the optimisation of the group’s structure and services, (iii) the implementation of an innovative care offering towards both patients and doctors, and (iv) acquisition and retention of new talents, including physicians, through innovative skills development and engagement programs. The proposed Offer is aligned with this strategy and the combined group would present a number of distinctive strengths and attractive features:

- **Leadership in selected markets and a focus on delivering quality healthcare services:** The combined group of RGdS and Capio would become a leading pan-European private healthcare services operator spanning six countries, with a market-leading position in France and Sweden. Both RGdS and Capio are known for providing quality healthcare services.

- **Presence in sizeable markets with strong underlying growth levers:** With the private healthcare sector driving innovation and delivering value-based healthcare, there will be a continued trend towards governments outsourcing the delivery of healthcare services to the private sector. Further, the new combined group would form a unique platform for further consolidation of the industry. Additional economies of scale, attractiveness to doctors and regulatory bodies, local optimisation and creation of specialised healthcare entities would create value and enable improved quality of hospital care services over time.

- **Unique expertise in driving value-based healthcare and healthcare specialisation:** Capio has been a leader in driving the shift from inpatient to outpatient care and lowering length of stays through a focus on productivity and incorporating both the volume and quality aspects of service delivery. Capio has driven the transfer of elective care to independent speciality clinic settings. This knowledge and experience can be more widely leveraged in France and other markets as reimbursement models catch up and where value-based healthcare initiatives are gaining traction with payers.

- **High knowledge and expertise in digitalisation:** By leveraging on Capio’s recent implementation of “Capio Go” and “Better Visits”, RGdS would accelerate its digitalisation and innovation strategy, including digital consultations on its new service portal “Ramsay Services”.
• **Enlarged patient reach**: The enlarged patient base and strong brand recognition of both RGdS and Capio would enable the combined group to gain market shares.

To summarise, the combined group (including RGdS and Capio) would become a leading provider of healthcare services in Europe, with a well-balanced geographic footprint across six countries and with the ability to offer patients an attractive value proposition through a combination of deep domain expertise and an innovative delivery model.

One of RGdS’s focus areas is to enhance quality of life for patients through methods helping patients to recover faster and by reducing length of stay. Capio shares the same values and RGdS is confident that it will be able to build a very strong group together with Capio’s management team. RGdS recognises the value of Capio’s senior management and other employees and appreciates that their talent and dedication are integral to Capio’s historical and future success and intends to rely on the support and expertise of the employees of the Capio group. RGdS does not currently foresee any material impact on Capio’s employees, including the terms of employment and the locations where Capio conducts its operations as a result of the acquisition. Following completion of the Offer, a careful review of the combined business will be carried out in order to evaluate how the combined group can be best developed and organized.

**The Offer**

*Offer consideration and value of the Offer*

RGdS offers SEK 48.5 in cash per share in Capio. The total value of the Offer is SEK 6,846 million (i.e. 661 million euros\(^2\), based on a total of 141,159,661 shares).

*Premium*

The Offer represents a premium of approximately 16 per cent to the closing price of SEK 41.80 per share on Nasdaq Stockholm on 12 July 2018 (i.e., the last trading day prior to the announcement of the Offer) and a premium of approximately 17 per cent of the volume weighted average price per share on Nasdaq Stockholm during a period of 30 days preceding the same date. The Offer also represents a premium of approximately 22 per cent of the closing price of Capio’s share on Nasdaq Stockholm on 21 June 2018 (the last trading day prior to Capio’s announcement regarding possible structural changes) and approximately 27 per cent of the volume weighted average price per share during a period of 30 days preceding the same date.

*Potential adjustment of Offer consideration etc.*

The Offer consideration will be reduced accordingly should Capio make any dividend or other value transfer prior to the settlement of the Offer.

No commission will be charged in connection with the Offer.

*Rights under Capio’s incentive program*

The Offer does not include any rights granted by Capio to its employees under any incentive programs. Accordingly, the Offer does not include Capio’s convertible bonds of

---

\(^2\) Based on a EURSEK FX rate of 10.35 as at 12 July 2018.
series 2016/2021 held by certain employees in Capio under the long-term incentive program established at the annual general meeting 2016. RGdS intends to procure fair treatment in connection with the Offer for the holders of such convertible bonds.

**Conditions to completion of the Offer**

The completion of the Offer is conditional upon:

1. the Offer being accepted by shareholders to such an extent that RGdS becomes the owner of more than 90 per cent of the shares in Capio (on a fully diluted basis);

2. with respect to the Offer and completion of the acquisition of Capio, the receipt of all necessary regulatory, governmental or similar clearances, approvals and decisions and the resolution of any investigations or proceedings challenging the transaction, including from competition authorities, in each case on terms which, in RGdS’ opinion, are acceptable, and that no proceedings challenging or seeking to restrain, limit, or prohibit the transaction are pending or are threatened;

3. no other party announcing an offer to acquire shares in Capio on terms that are more favourable to the shareholders of Capio than the Offer;

4. neither the Offer nor the acquisition of Capio being wholly or partly prevented or materially adversely affected by any legislation or other regulation, any decision of court or public authority, or similar circumstance, which is actually or can reasonably be anticipated to be, outside the control of RGdS and which RGdS could not reasonably have foreseen at the time of announcement of the Offer;

5. no circumstances, other than such circumstances that RGdS had knowledge of or could have reasonably anticipated at the time the Offer was announced, having occurred that have or could be reasonably expected to have a material adverse effect upon Capio’s sales, results, liquidity, solidity, equity or assets;

6. no information made public by Capio, or disclosed by Capio to RGdS, being materially inaccurate, incomplete or misleading, and Capio having made public all information which should have been made public by it; and

7. Capio not taking any measure that typically is intended to impair the prerequisites for the implementation of the Offer, including without limitation entering into an agreement regarding a divestment of Capio’s non-Nordic operations.

RGdS reserves the right to withdraw the Offer in the event that it is clear that any of the above conditions is not satisfied or cannot be satisfied. However, with regard to conditions included in items 2–7 above, the Offer may only be withdrawn provided that the non-satisfaction of such condition is of material importance to RGdS’ acquisition of Capio or if otherwise approved by the Swedish Securities Council (Sw. Aktiemarknadsnämnden).

RGdS reserves the right to waive, in whole or in part, one or more of the conditions set out above, including, with respect to condition included in item 1 above, to complete the Offer with a lower level of acceptance. The failure by RGdS at any time to assert any of the foregoing rights will not constitute a waiver of such right.
Financing of the Offer

The Offer is not subject to any financing conditions. RGdS has on a “certain funds” basis secured (i) a fully underwritten term loan facility with leading financial institutions and (ii) the subscription of subordinated bonds by its two controlling shareholders, Ramsay Health Care (UK) and Predica, which will cover 100 per cent of the shares to be acquired in the Offer and potential refinancing of Capio’s indebtedness and all related transaction costs.

Post-closing of the Offer, RGdS intends to entirely refinance the subordinated bonds with a capital increase with preferential subscription rights for the shareholders in RGdS (Fr. “augmentation de capital avec maintien du droit préférentiel de souscription des actionnaires”) for a planned amount of approximately 510 million euros. RGdS has received irrevocable commitments from its two controlling shareholders, Ramsay Health Care (UK) and Predica, to guarantee and subscribe for shares in the capital increase for a minimum amount of 450 million euros.

Financial impact on RGdS

RGdS’ acquisition of Capio represents a significant value for the shareholders of both RGdS and Capio.

RGdS anticipates pre-tax synergies of approximately 20 million euros, the majority of which are expected to be realised within two to three years with the balance expected to be realised following the completion of the integration of Capio in the RGdS group. RGdS’ implementation costs of synergies are estimated at 7 million euros.

The combined group would have revenues of approximately 3.8 billion euros and EBITDA (excluding synergies) of approximately 368 million euros on a combined basis as of 31 December 2017 (based on a 2017 average EUR SEK FX rate of 9.63).

RGdS’ ownership in Capio

Neither RGdS nor any party closely related to RGdS hold or control any shares in Capio or financial instruments which give a financial exposure equivalent to a shareholding in Capio. Neither RGdS nor any closely related party to RGdS have acquired any shares in Capio on more favourable terms than the terms of the Offer during the last six months prior to this announcement.

RGdS reserves the right to acquire or make arrangements to acquire shares in Capio, including acquisitions on the market at prevailing prices or acquisitions in private transactions at negotiated prices. Any such acquisitions will be made in accordance with applicable laws, rules and regulations.

Approvals from competition authorities

RGdS’ acquisition of Capio requires clearance from relevant competition authorities in Europe. RGdS will submit the required notifications of the transaction to the relevant competition authorities as soon as practicably possible. In case the relevant competition authorities need more time for their analyses than expected when RGdS determined the initial acceptance period, the acceptance period may be extended (see “Indicative timetable” below).
Statement from the Swedish Securities Council

The Swedish Securities Council has in its ruling AMN 2018:29 granted RGdS an exemption from Rule II.7 of Nasdaq Stockholm’s Takeover Rules and allowed RGdS to set the initial acceptance period in the Offer to up to 16 weeks (see “Indicative timetable” below).

Statement by the board of directors of Capio

Pursuant to Nasdaq Stockholm’s Takeover Rules, the board of directors of Capio is to announce its opinion of the Offer no later than two weeks prior to the expiry of the acceptance period.

Indicative timetable

Estimated date for publication of the offer document: 5 September 2018
Estimated acceptance period: 6 September – 7 December 2018
Estimated settlement date: 13 December 2018

RGdS reserves the right to extend the acceptance period as well as to postpone the settlement date. Any extensions of the acceptance period or postponements of the settlement date will be announced by a press release in accordance with applicable laws and regulations (including Nasdaq Stockholm’s Takeover Rules).

Compulsory buy-out and delisting of Capio

In the event RGdS, whether in connection with the Offer or otherwise, obtains more than 90 per cent of the shares of Capio, RGdS intends to initiate a compulsory buy-out procedure with respect to the remaining shares in accordance with the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)). In connection with such compulsory buy-out procedure, RGdS intends to promote a delisting of Capio’s shares on Nasdaq Stockholm.

Applicable law and disputes

The Offer is governed by and construed in accordance with the substantive laws of Sweden. Any dispute, controversy or claim arising out of or in connection with the Offer shall be finally settled by Swedish courts and the City Court of Stockholm (Sw. Stockholms tingsrätt) shall be the court of first instance.

RGdS has, in accordance with the Swedish Act on Public Takeovers on the Stock Market (Sw. lagen (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden), undertaken towards Nasdaq Stockholm to comply with Nasdaq Stockholm’s Takeover Rules and the Swedish Securities Council’s rulings regarding interpretation and application of Nasdaq Stockholm’s Takeover Rules and, where applicable, the Swedish Securities Council’s former interpretations of the Swedish Industry and Commerce Stock Exchange Committee’s rules on public offers, as well as to submit to the sanctions that Nasdaq Stockholm may decide upon in the event of a breach of Nasdaq Stockholm’s Takeover Rules.

RGdS informed the Swedish Financial Supervisory Authority about the Offer and the
undertaking towards Nasdaq Stockholm on 13 July 2018.

Advisors

RGdS has engaged Crédit Agricole Corporate and Investment Bank and Rothschild & Co as financial advisors and Bredin Prat and Gernandt & Danielsson Advokatbyrå as legal advisors in relation to the Offer.

* * *

13 July 2018 in Paris
Ramsay Générale de Santé S.A.
The Board of Directors

Further information

This press release was submitted for publication on 13 July 2018 at 8:15 a.m. CET.
For more information about the Offer, please visit: www.ramsaygds.se
For further information, please contact:
Caroline DESAEGHER | Directrice Communication & Marque
Mobile : +33 (0)6 03 79 07 78
Landline: +33 (0)1 87 86 22 11
C.DESAEGHER@ramsaygds.fr
or visit www.ramsaygds.fr

Important information

An offer document will be approved and registered by the Swedish Financial Supervisory Authority, and made public by RGdS, prior to the commencement of the acceptance period of the Offer. The Offer, pursuant to the terms and conditions presented in this press release, is not being made to, and acceptances will not be approved from, persons whose participation in the Offer requires that an additional offer document is prepared or registration effected or that any other measures are taken in addition to those required under Swedish law (including Nasdaq Stockholm’s Takeover Rules), except where there is an applicable exemption.

This press release and any related offer documentation (including copies thereof) must not be mailed or otherwise distributed, forwarded or sent in or into any jurisdiction (including without limitation Australia, Canada, Hong Kong, Japan, New Zealand or South Africa) in which the distribution of this press release or the Offer would require any additional measures to be taken or would be in conflict with any law or regulation in any such jurisdiction. Persons who receive this press release (including without limitation banks, brokers, dealers, nominees, trustees and custodians) and are subject to the laws or regulations of any such jurisdiction will need to inform themselves about, and observe, any applicable restrictions or requirements. Any failure to do so may constitute a violation of the securities laws or regulations of any such jurisdiction. To the extent permitted by applicable law, RGdS disclaims any responsibility or liability for any violations of any such restrictions by any person and RGdS reserves the right to disregard any purported acceptance of the Offer resulting directly or indirectly from a violation of any of these restrictions.

Statements in this press release relating to future status or circumstances, including
statements regarding future performance, growth and other trend projections and the other benefits of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as “anticipate”, “believe”, “expect”, “intend”, “plan”, “seek”, “will”, “would” or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that could occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside RGdS’ control. Any such forward-looking statements speak only as of the date on which they are made and RGdS has no obligation (and undertakes no such obligation) to update or revise any of them, whether as a result of new information, future events or otherwise.

This press release has been published in French, English and Swedish. In the event of any discrepancy between the three language versions, the English version shall prevail.

Information for U.S. securityholders

The Offer described in this press release is made for the securities of Capio and is subject to the laws of Sweden. It is important that U.S. holders understand that the Offer and this press release are subject to disclosure and takeover laws and regulations in Sweden that may be different from those in the United States. To the extent applicable, RGdS will comply with Regulation 14E under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”).

RGdS intends to treat the Offer as one to which the “Tier II” exemption mentioned in Rule 14d-1(d) under the Exchange Act applies. Pursuant to an exemption from Rule 14e-5 under the Exchange Act, RGdS may, from time to time, purchase or make arrangements to purchase shares outside the Offer from the time the Offer was announced until the expiration of the acceptance period of the Offer, including purchases in the open market at prevailing prices or in private transactions at negotiated prices, to the extent permitted under the applicable Swedish laws and regulations and provided certain other conditions are met.

Neither the U.S. Securities and Exchange Commission nor any securities commission of any state of the United States has (a) approved or disapproved the Offer; (b) passed upon the merits of fairness of the Offer; or (c) passed upon the adequacy or accuracy of the disclosure in this press release. Any representation to the contrary is a criminal offense in the United States.

Inside information

Pursuant to the commission implementing regulation (EU) 2016/1055 of 29 June 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council, this press release may contain inside information and has been sent to the authorized broadcaster of RGdS on 13 July 2018 at 8:15 a.m. CET.
A propos de Ramsay Générale de Santé

Ramsay Générale de Santé SA is listed on the regulated market of Euronext in Paris and is included in the Midcac index. Ramsay Générale de Santé is a leading Group in the private healthcare sector in France with 23,000 employees in 120 private clinics. The Group works with 6,000 practitioners, forming a leading independent medical community in France. A major player in hospitalisation, Ramsay Générale de Santé provides a comprehensive range of patient care services in three business segments: Medicine-Surgery-Obstetrics, sub-acute care and rehabilitation, and mental health. Ramsay Générale de Santé has developed a unique healthcare service, built around the quality and security of patient care and organisational efficiency. The Group takes a comprehensive approach to patient care, including personalised assistance and support before, during and after hospitalisation. Générale de Santé also participates in public service missions in its sector and helps to strengthen France’s mainland healthcare network.

Site Internet: www.ramsaygds.fr  
Facebook: https://www.facebook.com/RamsayGDS  
Twitter: https://twitter.com/RamsayGDS  
LinkedIn: https://www.linkedin.com/company/ramsaygds  
YouTube: https://www.youtube.com/channel/UCpSNsGhH-xc84K6Fv7XxKpw

Press Contact

Ramsay Générale de Santé : Caroline Desaegher -06 03 79 07 78- c.desaegher@ramsaygds.fr