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## Performance Highlights

### Major Development

#### 1. Upgrade the Company rating and senior unsecured debenture rating to AA- by Tris Rating

On October 27, 2014, Tris Rating upgrades the Company rating and senior unsecured debenture ratings to AA- from A+ with “stable” outlook. The upgrades reflect Company’s stronger business profile, supported by the ongoing growth of the healthcare industry, Company’s more extensive referral network of hospitals, plus ability to manage the Group’s overall operating performance and maintain an appropriate level of leverage.

#### 2. Issuance of convertible debentures

On September 18, 2014, Company has issued the zero-coupon convertible debentures (“Bonds”) in the amount of Baht 10,000 million with maturity in 2019 to investors outside Thailand. The initial conversion price is fixed at Baht 21.045 per one newly issued ordinary share and yield to maturity is 2% per annum. The Bonds listed on the Singapore Exchange Securities Trading Limited.

#### 3. An expansion of new network hospitals

During 2014, Company added 7 hospitals to network as follow:-

Hospital	Number of Structured beds	Opening Month
Bangkok Chiangmai	185	July 14
Sanamchan	200	Aug 14
Thepakorn	100	Aug 14
Phuket International	151	Oct 14
Bangkok Khon Kaen	140	Oct 14
Royal Phnom Penh	100	Oct 14
Bangkok Chinatown	59	Nov 14

Thailand



Overseas



#### 4. Acquisition of Save Drug Center Co., Ltd.

On October 30, 2014, Bangkok Save Drug Co., Ltd. has completed its acquisition of the total issued shares of Save Drug Center Co., Ltd., a retail sales of medicine, supplementary food, and medical supplies and equipments businesses under the brand Save Drug as well as other trade names through 107 stores nationwide, and made full payment of Baht 231 million.

#### 5. The change in the par value of the Company's shares and the increase of the Company's registered capital

Approved the change in the par value of the Company's shares from Baht 1 per share to Baht 0.10 per share.

Approved the increase in registered capital of the Company to Baht 1,649.8 million to support the conversion of the convertible debentures in the amount of not exceeding 542.2 million shares and newly issued ordinary shares under the general mandate in the amount of not exceeding 464.7 million shares in which 1) up to 232.4 million newly issued ordinary shares is to be offered on a public offering basis and 2) up to 232.4 million newly issued ordinary shares is to be offered on a private placement basis. The allocation of the newly issued ordinary shares pursuant to item 1) or 2) or both shall not, in aggregate, exceed 1.5% of the Company's paid-up capital or totaling not exceeding 232.4 million shares.

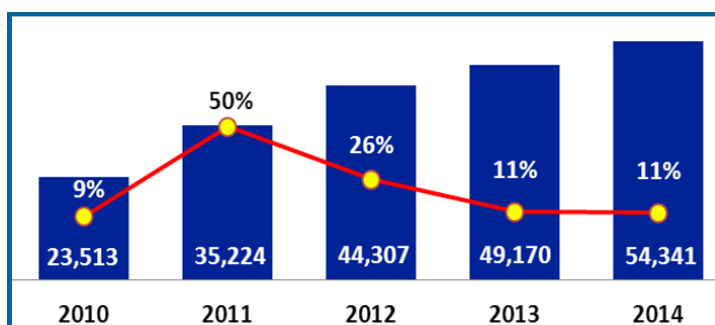
### 2014 Performance

Bangkok Dusit Medical Services Public Company Limited ("Company") reported consolidated net profit of Baht 7,109 million, increased by 16% yoy. If including non-recurring items totaling Baht 285 million in 2014 and gain on fair value adjustment of investments totaling Baht 148 million in 2013, net profit of Baht 7,394 million, increased 18% yoy. The summarized 2014 consolidated performance is as follows:-

#### 1. Operating income

Total operating income were Baht 56,588 million, an increase of Baht 5,429 million or 11% from 2013, primarily due to:

- ◆ Revenues from hospital operations were Baht 54,341 million, an increase of Baht 5,171 million or 11% from 2013. The growth was contributable to an increase in number of outpatients and inpatients across our network hospitals, hospital network expansion namely Samitivej Thonburi Hospital, Bangkok Hospital Phitsanulok in 2013 and Bangkok Hospital Chiangmai, Sanamchan Hospital, Thepakorn Hospital, Phuket International Hospital, Bangkok Hospital Khon Kaen, Royal Phnom Penh Hospital and Bangkok Hospital Chinatown in 2014 together with patient ward expansion and renovation, an increase in patient referral and qualified clinical staffs and specialist doctors.



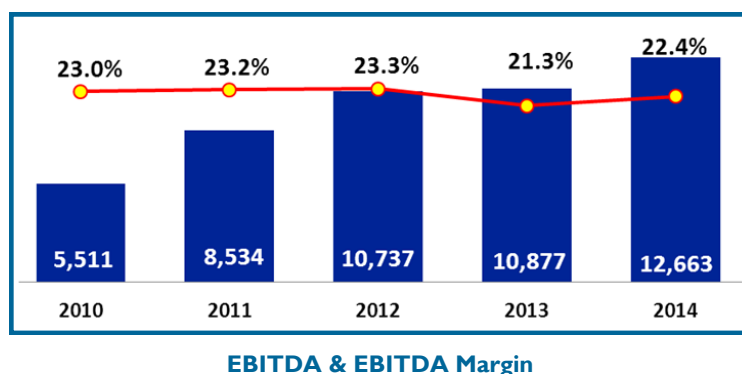
Revenue from hospital operations

During 2014, Thai and international patients grew 11% and 9% yoy respectively resulting in the revenue proportion between Thai and international patients remain unchanged at 72%:28% in 2013 and 2014. From type of patient perspectives, outpatient and inpatient revenues grew by 11% yoy.

- ◆ Revenues from sales of goods and food were Baht 1,712 million, an increase by 18% yoy, mainly from an increase in sales of The Medic Pharma Co., Ltd. which was consolidated into the Company since June 2013.
- ◆ Other incomes (excluding non-recurring items) were Baht 534 million, a decreased by 2% yoy.

## 2. Operating expenses

- ◆ The Company and its subsidiaries reported total operating expenses & depreciation of Baht 47,630 million, an increase of Baht 4,104 million or 9% yoy.
- ◆ Cost of hospital operations and others (including depreciation and amortization) were Baht 36,473 million, an increased by 11% yoy. Cost of hospital operations and others are mainly consisted of rising in clinical staffs expenses as a result of increasing in number of clinical staffs and newly recruited specialist doctors both full-time and part-time together with an increase in medical supplies and lab expenses which are in line with an increase in total operating income.
- ◆ The administrative expenses (including depreciation and amortization but excluding non-recurring items) were Baht 11,157 million, an increased by 6% yoy, due mainly to an increase in non-clinical staffs expenses. However, administrative expenses grew at the slower pace than total operating income as a result of Company's cost containment measures.



EBITDA, consequently, increased from 10,877 in 2013 to Baht 12,663 million in 2014 or increased by 16% yoy. EBITDA margin changed from 21.3% in 2013 to 22.4% in 2014.

## 3. Depreciation and amortization expenses

The depreciation and amortization expenses were Baht 3,705 million in 2014, an increase by 14% yoy due mainly to the building renovation and expansion of new network hospitals.

## 4. Others majors items

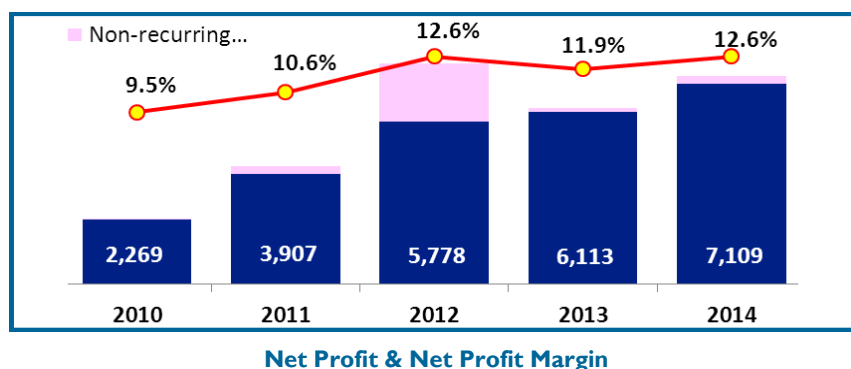
- ◆ Share of income (excluding non-recurring items) from investments in associated companies were Baht 983 million in 2014, a decrease of Baht 6 million or 1% yoy. Share of income from investments in associated companies in 2014 were mainly from investment in Bumrungrad Hospital Public Co., Ltd of Baht 654 million together with investment in RAM of Baht 301 million.
- ◆ Finance expenses increased to Baht 972 million increased by 2% yoy.
- ◆ Taxes in 2014 were Baht 1,671 million, an increase from Baht 1,392 million in 2013, due mainly to an increase in pre-tax profit.

## 5. Non-Recurring Items

During 2014, the Company and its subsidiaries recorded non-recurring items of totaling Baht 285 million from the following items

- 1) Other income:- Gain on disposal of land not used in operation Baht 95 million.
- 2) Administrative expenses:- The impairment of investment in Royal Rattanak Medical Services Co., Ltd. ("RRH") of Baht 100 million as the Company decided to cease the operation of RRH and transferred the business to our new network hospital namely Royal Phnom Penh Hospital.

- 3) Dividend Income:- dividend income of PYTI received from PKI as in relation to the Entire Business Transfer of PKI of Baht 205 million.
  - 4) Share of income from investments in associated companies:- share of income from investment in RAM which RAM recorded dividend income received from Sanamchan Hospital Co., Ltd ("SNC") of Baht 85 million as SNC paid to its shareholders in relation to the Entire Business Transfer.
- ♦ During 2013, the Company and its subsidiaries recorded non-recurring items of totaling Baht 148 million from gain on fair value adjustment of investments in Thonburi Medical Center Public Co., Ltd of Baht 61 million and in The Medic Pharma Co., Ltd of Baht 87 million.



As a result, If excluding the non-recurring items, Net profit was Baht 7,109 million in 2014, an increase of Baht 995 million, or increased by 16% yoy. Net profit margin increased from 11.9% in 2013 to 12.6% in 2014. Basic earnings per share were 0.46 Baht per share or increased by 16% yoy.

If including the non-recurring items, net profit was Baht 7,394 million, an increase of Baht 1,132 million or increased by 18% yoy. Net

profit margin increased from 12.2% in 2013 to 13.1 % in 2014. Basic earnings per share were 0.48 Baht per share or increased by 18% yoy.

## Summary of Balance Sheets

(Unit : THB mm)	Dec-14	Dec-13	Chg %
Total Assets	93,228	76,399	22%
Total Liabilities	44,274	33,755	31%
Total shareholders' equity	48,954	42,644	15%

The consolidated financial position of the Company and its subsidiaries as of December 31, 2014: The Company and its subsidiaries reported total assets of Baht 93,228 million, an increase of Baht 16,829 million or increased by 22% from December 31, 2013. Significant changes are summarized as follows:-

- ♦ Short-term investments increased about Baht 1,757 million mainly from investment in mutual fund to get higher return than saving account.
- ♦ Inventories increased about Baht 192 million mainly from new network hospitals expansion.
- ♦ Property, premises and equipment increased about Baht 7,627 million mainly from the purchase of new medical equipment for both existing and new network hospitals, building and building improvement and building under construction and medical equipment under installation for new network hospitals of Baht 7,685 million together with land, building and medical equipment from the acquisitions netted with depreciation during the period.
- ♦ Goodwill also increased by Baht 5,055 million mainly from the acquisition of SNC of Baht 2,353 million and PKI of Baht 2,702 million.

Financial Analysis	2014	2013
<b>Returns (%)</b>		
Return on Asset	8.4	8.4
Return on Equity	16.3	15.8
<b>Liquidity (x)</b>		
Current Ratio	1.0	0.9
Quick Ratio	0.9	0.8
<b>Asset &amp; Liabilities Management (Days)</b>		
Average Collection Period	37.3	35.4
Average Inventory Period	10.0	9.3
Average Accounts Payable	41.6	41.7
<b>Leverage &amp; Coverage Ratio (x)</b>		
Total Debt to Equity	0.6	0.5
Net Debt to Equity	0.6	0.4
Net Debt to EBITDA	2.2	1.7
Interest Coverage	13.0	11.4

*Excluding non-recurring items*

Remark

- Assets & Liabilities Management is calculated based on 360 days
- Interest coverage = EBITDA/Interest Expenses

Return on assets during 2014 remains unchanged from 2013 while return on equity during 2014 increased from 2013 due mainly to an increase in profit for the period. Current ratio and quick ratio slightly increased from 2013 as a result of an increase in current assets.

Total debt to equity increased from 0.5x as of December 31, 2013 to 0.6x as of December 31, 2014. Net debt to equity also increased from 0.4x as of December 31, 2013 to 0.6x as of December 31, 2014. Net debt to EBITDA increased from 1.7x as of December 31, 2013 to 2.2x as of December 31, 2014. Such increases were as a result of issuance of convertible debentures. However, Interest coverage ratio increased from 11.4x as of December 31, 2013 to 13.0x as of December 31, 2014.

The leverage and coverage ratios are well within the financial covenant of the long-term loans and debentures.

# IR Activities

## Analyst Meeting 4Q14&2014 Results



BDMS hosted the 1/2015 Analyst meeting for 4Q14 and 2014 results on March 3, 2015. The meeting was led by Dr. Prasert Prasarttong-Osoth, Group CEO and President, Dr. Chatree Duangnet, Executive Vice President and COO-Medical Affairs, CEO-Bangkok Medical Center and Senior CEO-Group 4, Khun Narumol Noi-Am, CFO, and Khun Ajaya Intaraprasong, Finance Director, Investor Relations. The meeting provided the investment community an opportunity to update on the Company's performance and strategic direction together with addressing any questions or comment to the management.

## Meeting with Investors and Stakeholders



Investor Relations welcomed group of investors from Capital Asset Management and Murashi Securities from Japan to update company's strategy and performance as well as tour Bangkok Hospital Head Quarter facilities.

Investor Relations welcomed Dean and senior faculty member of School of Business Administration & School of Economics of Bangkok University. The purpose of the meeting is to develop Wealth Management curriculum for the business students to be ready to work in the securities, financial advisors and investments businesses.





# Awards & Recognition

## BDMS Receives Best CFO and Best IR Awards



BDMS received 2 awards from the “IAA Awards for Listed Companies 2014” hosted by the Investment Analysts Association (IAA). Mrs. Narumol Noi-am, CFO, received the Best CFO award along with Ms. Ajaya Intaraprasong, Finance Director, received the Best IR award in the service sector. The awards are presented by Dr. Vorapol Socratyanurak, Secretary-General, Securities and Exchange Commission and Mr. Paiboon Nalinthangkurn, IAA President.

The IAA Awards are presented to the management of listed companies in 8 sectors using results of votes from analysts and fund managers who nominate candidates based on demonstration of management excellence, consistent, timely, insightful, accurate and concise communication and good corporate governance.



Bangkok Dusit Medical Services

Thailand



Overseas



**Bangkok Dusit Medical Services Public Company Limited** ( SET Symbol : BDMS ) is the largest private hospital operator in Thailand in terms of patient services revenue and market capitalization with approximately THB 93,228 million in assets as of December 2014. Bangkok Dusit Medical Services Public Company Limited ("BDMS") currently has 38 hospitals in Thailand and 2 hospitals in Cambodia. BDMS is focused on Bangkok and various high-growth markets in Thailand and overseas. The Company is committed to be the leading network healthcare provider by meeting the needs of Thai and foreign patients with high quality, internationally-accepted standards, and value for money services together with the state-of-the art medical technology.

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