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Performance Highlights

Major Development

New network Hospital

Since 1 June 2017, Bangkok Hospital Surat has become our 45th network hospital. It is a secondary care hospital targeting middle income patients in Surat Thani and neighboring provinces. Bangkok Hospital has total of 150 structured beds with total area of approximately 16 Rai, of which 31 beds are opened during the first phase. This hospital will strengthen our referral network in the South of Thailand.

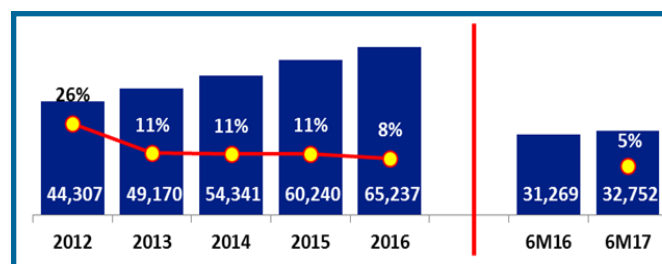
6M17 Performance

Bangkok Dusit Medical Services Public Company Limited (“Company”) reported consolidated net profit of Baht 5,764 million, increased by 41% yoy. The summarized 6M17 consolidated performance is as follows:-

1. Operating income

Total operating income were Baht 34,539 million, an increase of 5% from 6M16, primarily due to:

- ◆ Revenues from hospital operations were Baht 32,752 million, an increase of Baht 1,483 million or 5% from 6M16. The growth was contributable to an increase in



Revenue from hospital operations

price intensity and complexity cases together with the opening of Paolo Kaset Hospital and Bangkok Hospital Surat since January and June 2017, respectively.

Revenue of network hospitals in Bangkok and vicinity slightly

grew 1% yoy while revenue of network hospitals in the upcountry grew 8% yoy.

Revenue from Thai patients grew approximately 4% yoy while revenue from international patient grew approximately 7% yoy in 6M17, driven mainly from US, Chinese and UK patients. The revenue proportion between Thai and international patients

Thailand



Overseas



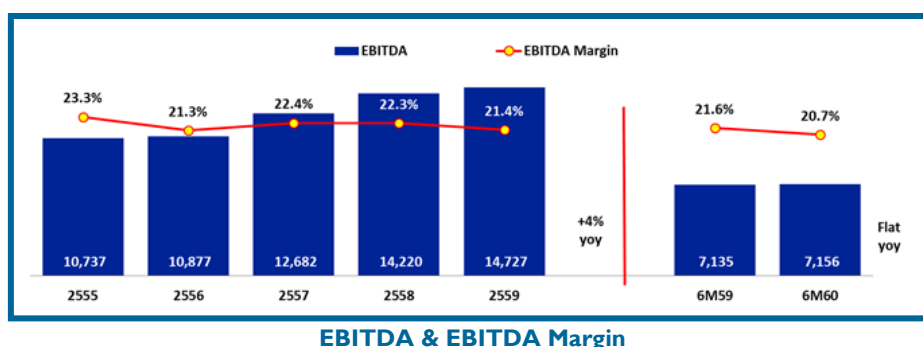
changed from 70%:30% in 6M16 to 69%:31% in 6M17.

- ◆ Revenues from sales of goods and food were Baht 1,366 million, an increase of 3% yoy, mainly from an increase in sales of Save Drug.
- ◆ Other income were Baht 422 million, increased by 10% yoy.

2. Operating expenses

The Company and its subsidiaries reported total operating expenses & depreciation of Baht 29,920 million, an increase of 6% yoy.

- ◆ Cost of hospital operations and others (including depreciation and amortization) were Baht 22,934 million, increased by 6% yoy. An increase was due mainly to rising in doctor fees and clinical staffs expenses as a result of an increase in newly recruited specialist doctors in key specific areas in preparation for upgrading 9 hub hospitals to be Centers of Excellence and expanding hospital network.
- ◆ The administrative expenses (including depreciation and amortization) were Baht 6,985 million, increased by 8% yoy, due mainly to an increase in non-clinical personnel expenses and repair and maintenance expenses.
- ◆ The depreciation and amortization expenses were Baht 2,537 million in 6M17, increased by 10% yoy due mainly to hospital renovation and opening of new factory of Medicpharma.



EBITDA increased from 7,135 million in 6M16 to Baht 7,156 million in 6M17. However, EBITDA margin decreased from 21.6% in 6M16 to 20.7% in 6M17.

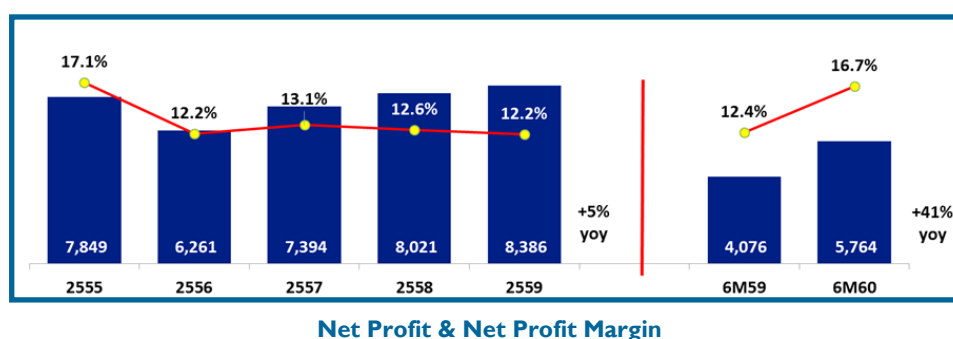
3. Others majors items

- ◆ Share of income from investments in associated companies were Baht 692 million in 6M17, increase of Baht 25 million or 4% yoy. Share of income from investments in associated companies were mainly from investment in Bumrungrad Hospital Public Co., Ltd. ("BH") of Baht 438 million and investment in Ramkhamhaeng Hospital Public Co., Ltd. of Baht 231 million.
- ◆ Finance expenses increased to Baht 772 million in 6M17 or increased by 96% yoy due mainly to the adjustment in calculating the expected convertible bonds redemption together with an issuance of debenture of Baht 7,000 million in February 2017.
- ◆ Tax expenses in 6M17 were Baht 1,553 million, increased from Baht 956 million in 6M16, due mainly to taxes from partially disposition of investment in BH.

4. Non-recurring items

During 6M17, the Company and its subsidiaries recorded non-recurring items as the Company partially disposed an investment in BH totaling 25.2 million shares for Baht 4,509 million. A pre-tax gain on sales of investment was Baht 2,880 million. Taxes incurred on the sale were Baht 685 million resulting in the net gain on sale of Baht 2,195 million. During 6M16, the Company and its subsidiaries recorded non-recurring items as the Company disposed the equity investment in Bangkok Chain Hospital Public Co., Ltd. of 11.4 million shares for Baht 143 million. A pre-tax gain on sales of investment was Baht 62 million. Taxes incurred on the sale were Baht 12 million resulting in the net gain on sale of Baht 49 million.

As a results, Core profit was Baht 3,569 million in 6M17, decreased by 11% yoy. As a result, core profit margin decreased from 12.2% in 6M16 to 10.3% in 6M17. If including the non-recurring items, net profit was Baht 5,764 million, increased by 41% yoy resulting in an increase of net profit margin from 12.4% in 6M16 to 16.7% in 6M17. EPS was Baht 0.37 per share or increased by 41% yoy.



Summary of Balance Sheets

(Unit : THB mm)	<u>Jun-17</u>	<u>Dec-16</u>	<u>Chg %</u>
Total Assets	118,088	106,939	10%
Total Liabilities	57,045	48,635	17%
Total shareholders' equity	61,043	58,305	5%

The consolidated financial position of the Company and its subsidiaries as of June 30, 2017: The Company and its subsidiaries reported total assets of Baht 118,088 million increased by 10% from December 31, 2016, due mainly to net increase in property, premises and equipment of Baht 11,825 million mainly from land and building of BDMS Wellness Clinic located on Wireless Road (Park Nai Lert project), focusing on Preventive Medicine together with an expansion of new network hospitals namely Paolo Kaset Hospital, Bangkok Hospital Surat and Bangkok Hospital Chiangrai and upgrading of 9 hub hospitals to be Centers of Excellence. Total assets also increased from an increase in cash and cash equivalents of Baht 1,286 million.

Total consolidated liabilities as of June 30, 2017 were Baht 57,045 million, which was increased from December 31, 2016, due mainly to an issuance of debentures of Baht 7,000 million together with an increase in short-term loans from financial institutions.

Total consolidated shareholders' equity as of June 30, 2017 was Baht 61,043 million, increased by 5% from December 31, 2016, due mainly from net income during 6M17.

Financial Analysis	6M17	6M16
Returns (%)		
Return on Asset	10.2	7.9
Return on Equity	20.2	15.1
Liquidity (x)		
Current Ratio	0.7	1.0
Quick Ratio	0.6	0.9
Asset & Liabilities Management (Days)		
Average Collection Period	33.8	37.8
Average Inventory Period	11.7	10.7
Average Accounts Payable	35.3	37.5
Leverage & Coverage Ratio (x)		
Interest Coverage	9.3	18.1
	Jun-17	Dec-16
Total Debt to Equity	0.7	0.5
Net Debt to Equity	0.6	0.5
Net Debt to EBITDA	2.5	1.9

Return on assets and return on equity increased from 6M16 as a result of an increase in profit from operation and gain from partial disposal of investment in BH.

Current ratio and quick ratio in 6M17 also decreased from 6M16 as a result of an increase in short-term from financial institutions.

Average collection period and average payable period decreased slightly from 37.8 days and 37.5 days in 6M16 to 33.8 days and 35.3 days in 6M17 respectively while average inventory period increased from 10.7 days in 6M16 to 11.7 days in 6M17.

Interest coverage ratio decreased from 18.1x in 6M16 to 9.3x in 6M17 due mainly to an increase in finance expenses as a results of the adjustment in calculating the expected convertible bonds redemption and an issuance of debenture.

Total interest bearing debt to equity increased from 0.5x as of December 31, 2016 to 0.7x as of June 30, 2017. Net interest bearing debt to equity also increased from 0.5x as of December 31, 2016 to 0.6x as of June 30, 2017. Net interest bearing debt to EBITDA increased from 1.9x as of December 31, 2016 to 2.5x as of June 30, 2017. Such increase in leverage ratios were mainly from an issuance of debentures to fund an expansion of Bangkok Hospital Headquarter (Phoenix project) and Paolo Kaset Hospital together with an investment in BDMS Wellness Clinic.

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

Remark

- Assets & Liabilities Management is calculated based on 360 days
- Interest coverage = EBITDA/Interest Expenses
- Debt refers to interest bearing debt

IR Activities

Hospital Tour at Royal Phnom Penh



On 8 June 2017, SCB Securities organized a country visit to Phnom Penh, The Kingdom of Cambodia for 10-15 senior fund managers from Thailand's leading asset management companies. The purpose of this trip is to explore investment opportunities in the light of Cambodia's remarkable economic development.

During the trip, Dr Som-arch Wongkhomthong, CEO group 4 together with Mr. Thammarat Torhiphat, CFO group 4 and team welcomed the group to visit Royal Phnom Penh Hospital, our tertiary care hospital with 100 structured beds, targeting Cambodian patients, expatriate and patients from neighboring countries.

Meeting with Stakeholders



BDMS Investor Relations welcomed professor and students from Political Science and Economics of Meiji University, Japan. The purpose of the meeting is to share the knowledge on Thai healthcare and to build relationship between the two institutions.

IR Activities

Analyst Meeting 2017 Results



BDMS hosted the 3/2017 Analyst meeting for 2Q17 results on August 23, 2017. The meeting was led by Dr. Prasert Prasarttong-Osoth, Group CEO and President, Dr. Chatree Duangnet, Executive Vice President and COO-Medical Affairs, Dr. Poramaporn Prasarttong-Osoth, CEO Group I, Khun Narumol Noi-Am, CFO, and Khun Ajaya Intaraprasong, AVP, 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.

Presentation material also posted on our website at www.bangkokhospital.com under investor relations.



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 118,088 million in assets as of June 2017. Bangkok Dusit Medical Services Public Company Limited ("BDMS") currently has 43 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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