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Performance Highlights

Major Development

1. TRIS Rating affirmed the Company rating and senior unsecured debentures rating at AA-

On October 24, 2018, TRIS Rating affirmed the company and senior unsecured debenture ratings at AA- with stable outlook. The ratings reflect BDMS's leading market position as the largest operator of private hospitals in Thailand with an extensive network of hospitals and strong franchise of its hospital brands, supported by its high quality of services and medical staff. The ratings also take into consideration the company's sound operating performance, moderate financial risk profile and exposure to intense competition from local and international healthcare services providers. Over the next 12-24 months, Company's liquidity is adequate considering the sources and used of funds.

2. Conversion of Convertible Bonds

On 18 September 2014, Company issued zero coupon convertible bonds ("CB") to investors outside Thailand for Baht 10,000 million due in 2019. On 18 September 2017, the CB holders has exercised the put option totaling Baht 1,560 million, resulting the outstanding principle amount of the CB reduced to Baht 8,440 million.

During 9M18, the CB holders exercised their conversion rights at Baht 21.045 per share of Baht 2,129 million. As the result, the Company's paid up capital increased from Baht 1,549 million at the end of 2017 to Baht 1,567 million at the end of 3Q18 while the outstanding principle amount of the CB reduced to Baht 4,764 million.

The summarize of CB conversion is shown as below table.

Thailand



Overseas



Convertible Bonds (CB)	Value (THB mm)	Newly issued (Share mm)
CB outstanding before conversion	8,440	
CB holders exercised		
- In 2Q18	1,547	73.5
- In 3Q18	2,129	101.2
Total	3,676	174.7
CB outstanding after conversion	4,764	

3. Payment of interim dividend

On August 29, 2018, Board of Directors approved the payment of interim dividend for the first half of 2018 performance at the rate of Baht 0.13 per share, totaling Baht 2,029.51 million. The payment of interim dividend was paid on September 28, 2018.

4. Opening of Chiva Transitional Care Hospital

On 1 October 2018, Company opened new 52-bed hospital, Chiva Transitional Care Hospital, providing intensive rehabilitation programs for postoperative patients by multidisciplinary team including Geriatrics Medicine and Rehabilitation Medicine, Physical therapists, Nurses, Pharmacists and Nutritionists with the room designed especially for rehabilitative patients. The Hospital also provides recreational activities for physical and mental rehabilitation to fasten patient recovery.

5. BDMS Wellness Clinic

On August 22, 2018, BDMS Wellness Clinic, BDMS wholly own subsidiary, signed hotel management contract with Mövenpick Hotels & Resorts in managing “Mövenpick BDMS Wellness Resort Bangkok” which is expected to open in 2019.

Mövenpick BDMS Wellness Resort Bangkok is an international wellness resort located in the heart of Bangkok in coordination with BDMS Wellness Clinic which is located nearby to provide in-house personalized wellness program and promote prevention and lifestyle improvement. The resort consists of around 290 guest rooms with the restaurants serving with healthy selection of organic food and health-conscious menu.

Mövenpick Hotels & Resorts is a modern, international upscale hotel management firm across regions. Headquartered in Switzerland, Mövenpick Hotels & Resorts reflect its Swiss roots and rich culinary heritage and intuitive service. This matches with BDMS Wellness Clinic's style in developing wellness resort.

BDMS Wellness Clinic consists of 7 clinics including:-

- (1) Regenerative Clinic
- (2) Musculoskeletal and Sports Clinic
- (3) Neuroscience Clinic
- (4) Cardioscience Clinic
- (5) Digestive Wellness Clinic
- (6) Dental Clinic
- (7) Fertility Clinic

Subsequent Event

Investment in associate

On 31 October 2018, the Company's Board of Directors had approved for an additional investment in Bumrungrad Hospital Public Co., Ltd. ("BH"). On 12 November 2018, the Company acquired 32 million shares of BH or approximately 4.38% of issued and paid-up shares of BH totaling approximately Baht 5,941 million financed by our internal cash and borrowing from financial institutions.

The Company's holding stake in BH has changed as follow:

- ◆ Prior to the transaction, 20.50% of issued and paid-up shares or 17.25% on fully-diluted basis (assuming the conversion of CB).
- ◆ After the transaction, 24.88% of issued and paid-up shares or 20.94% on fully-diluted basis (assuming the conversion of CB).

BH will remain our associated company.

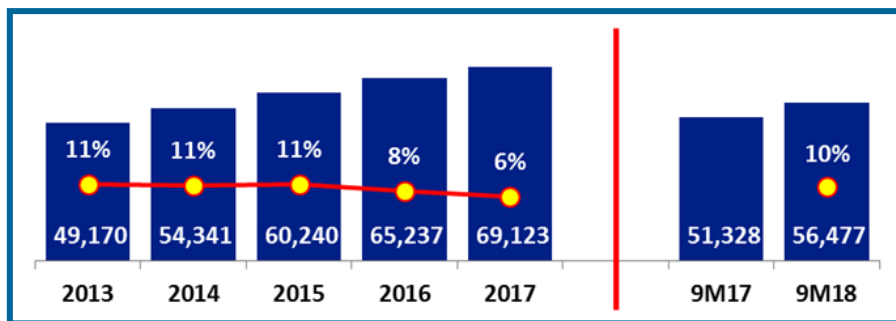
9M18 Performance

If excluding non-recurring item in 9M17, Bangkok Dusit Medical Services Public Company Limited ("Company") reported consolidated net profit of Baht 7,841 million, increased by 31% yoy. The summarized 9M18 consolidated performance is as follows:-

1. Operating income

In 9M18, total operating income were Baht 59,371 million, an increase of Baht 5,333 million or 10% yoy, primarily due to

- ◆ Revenues from hospital operations were Baht 56,477 million, an increase of Baht 5,149 million or 10% yoy in 9M18. Key growth drivers were higher patient volume and price intensity from 10 Centers of Excellence and expanding new patients base especially from insurance patients together with an increase in influenza and outbreaks during IQ18. In addition, the Company has the Bangkok Emergency Services to timely and efficiently coordinate patients referral in case of accident or patients in critical conditions.



Revenue from hospital operations

Revenue of network hospitals in Bangkok and vicinity grew 8% yoy while revenue of network hospitals in the upcountry grew 13% yoy in 9M18.

Revenue from Thai patients grew 10% yoy while revenue from international patient grew 9% yoy in 9M18, driven mainly from increase in Kuwaitis 48% yoy, Cambodian 22% yoy and Chinese patients 22% yoy. The revenue proportion between Thai and international patients changed from 70%:30% in 9M17 to 72%:28% in 9M18. The occupancy rate increased from 63% in 9M17 to 68% in 9M18.

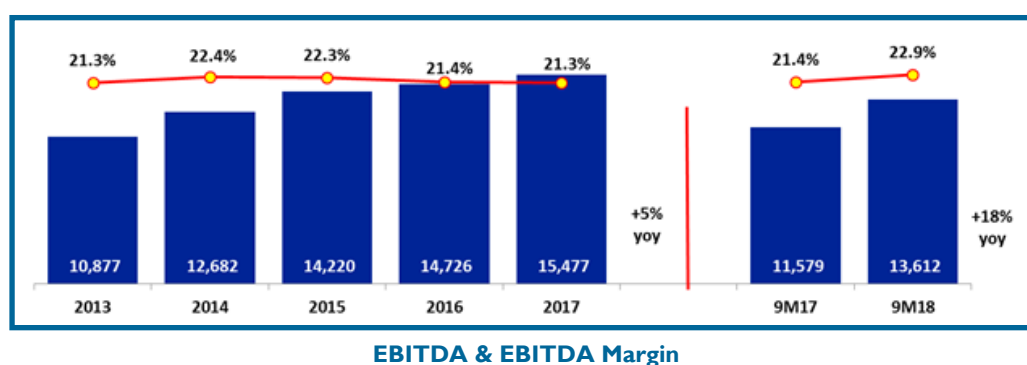
- ◆ Revenues from sales of goods and food were Baht 2,280 million, an increase of 10% yoy, mainly from an increase in sales of Medicpharma Co., Ltd. and A.N.B. Laboratories Co., Ltd.

2. Operating expenses

In 9M18, the Company and its subsidiaries reported total operating expenses & depreciation of Baht 49,764 million, an increase of Baht 3,460 million or 7% yoy which grew at the slower pace than total operating income.

- ♦ Cost of hospital operations and others (including depreciation and amortization) were Baht 38,370 million, increased by 8% yoy. An increase was due mainly to higher expenses from doctors & clinical staffs, medicine and medical supplies given the growth in number of outpatients and inpatients.
- ♦ The administrative expenses (including depreciation and amortization) were Baht 11,393 million, increased by 6% yoy, due mainly to an increase in non-clinical personnel expenses and repair and maintenance expenses.
- ♦ The depreciation and amortization expenses were Baht 4,005 million in 9M18, increased by 4% yoy due mainly to depreciation and amortization of new network hospitals and opening of BDMS Wellness Clinic.

EBITDA increased from Baht 11,579 million in 9M17 to Baht 13,612 million in 9M18 or increased by 18% yoy resulting in an EBITDA margin increase from 21.4 % in 9M17 to 22.9% in 9M18.



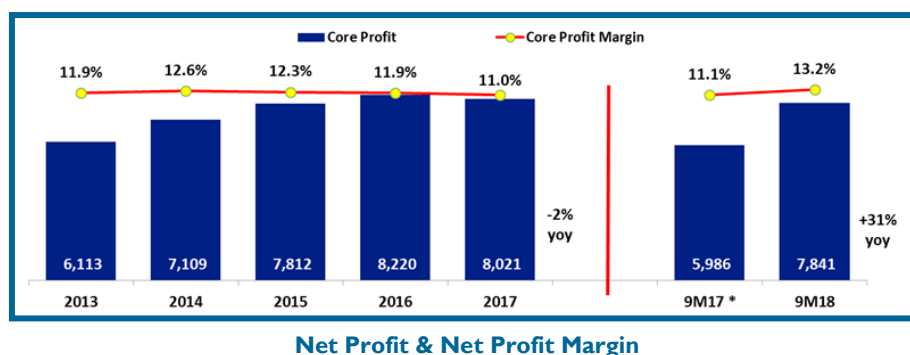
3. Others majors items

- ♦ Share of income from investments in associated companies were Baht 1,137 million in 9M18, increase of 3% yoy driven mainly from investment in BH of Baht 652 million, slightly decreased yoy, and investment in RAM of Baht 429 million, increased 4% yoy.
- ♦ Finance expenses decreased to Baht 872 million in 9M18 or decreased by 28% yoy because of a decrease in outstanding of CB after exercising conversion rights. While, in 9M17, there was an adjustment in calculating value of expected exercise of the put option.
- ♦ Tax expenses in 9M18 were Baht 1,724 million, decreased from Baht 2,116 million in 9M17 as taxes in 9M17 including partially disposition of investment in BH.

4. Non-recurring items

During 9M17, the Company 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 sales were Baht 685 million resulting in the net gain on sales of Baht 2,195 million.

As a results, Core profit was Baht 7,841 million in 9M18, increased by 31% yoy. As a result, core profit margin increased from 11.1% in 9M17 to 13.2% in 9M18. Core EPS was Baht 0.50 per share or increased by 31% yoy. If including the non-recurring items in 9M17, net profit decreased by 4% yoy resulting in a decrease of net profit margin from 15.1% in 9M17 to 13.2% in 9M18. EPS also decreased by 4% yoy.



Summary of Balance Sheets

(Unit : THB mm)	Sep18	Dec-17	Chg %
Total Assets	125,805	122,627	3%
Total Liabilities	53,776	56,756	(5)%
Total shareholders' equity	72,029	65,871	9%

As of September 30, 2018, The Company and its subsidiaries reported total assets of Baht 125,805 million increased by 3% from December 31, 2017, due mainly to net increase in property, premises and equipment of Baht 1,060 million from investment in hospital network expansion.

Total consolidated liabilities as of September 30, 2018 were Baht 53,776 million, which was decreased from December 31, 2017, due mainly to decreases in CB and in long-term loans from financial institutions netted with increases in bank overdrafts and short-term loans.

Total consolidated shareholders' equity as of September 30, 2018 was Baht 72,029 million, increased by 9% from December 31, 2017, due mainly from net profit during 9M18.

Financial Analysis	9M18	9M17
Returns (%)		
Return on Asset	8.4	9.7*
Return on Equity	15.8	19.0*
Liquidity (x)		
Current Ratio	0.7	0.9
Quick Ratio	0.6	0.8
Asset & Liabilities Management (Days)		
Average Collection Period	35.0	33.9
Average Inventory Period	12.1	11.5
Average Accounts Payable	33.4	35.1
Leverage & Coverage Ratio (x)		
Interest Coverage	15.6	9.6
	Sep-18	Dec-17
Total Debt to Equity	0.5	0.6
Net Debt to Equity	0.4	0.5
Net Debt to EBITDA	1.7	2.2

* If excluded non-recurring item, ROA and ROE would be 6.3% and 12.3%, respectively.

Remark

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

Return on assets ("ROA") and return on equity ("ROE") decreased from 9M17 as there was gain from partial disposal of investment in BH in 9M17. If excluding such non-recurring item, ROA and ROE increased from a strong performance in 9M18.

Average collection period increased from 33.9 days in 9M17 to 35.0 days in 9M18. Company and its subsidiaries reported the aging of the outstanding trade accounts receivable which most of them aged not over than 3 months. Company and its subsidiaries report allowance for doubtful accounts for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

Average inventory period also increased from 11.5 days in 9M17 to 12.1 days in 9M18. Company's inventories were mostly medicines and medical supplies which the Company and its subsidiaries already recorded allowance for the expired medicine and medical supplies to reduce its cost to net realizable value.

Average payable period decreased from 35.1 days in 9M17 to 33.4 days in 9M18.

Interest coverage ratio increased from 9.6x in 9M17 to 15.6x in 9M18 due mainly to a decrease in finance expenses.

Total interest bearing debt to equity decreased from 0.6x as of December 31, 2017 to 0.5x as of September 30, 2018.

Net interest bearing debt to equity also decrease from 0.5x as of December 31, 2017 to 0.4x as of September 30, 2018.

Net interest bearing debt to EBITDA decreased from 2.2x as of December 31, 2017 to 1.7x as of September 30, 2018.

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

IR Activities

UBS Healthcare Forum 2018



On 31 October 2018, Mr. Raymond Chong Chin Wah, CEO of BDMS Wellness Clinic was invited to be a speaker for UBS Healthcare Forum 2018: Future Trends-Enabling Innovations at the panel session “Living Better and Longer with Technology Advancement and Access to Information.” The event is held at The Okura Prestige, Bangkok. Participants are UBS Wealth Management Clients.

Analyst Meeting 3Q18 & 9M18 Results



BDMS hosted the 4/2018 Analyst meeting for 3Q18 & 9M18 results on Nov 19, 2018. The meeting was led by Dr. Poramaporn Prasarttong-Osoth, COO and CEO Group I, Khun Narumol Noi-Am, CFO, Mr. Raymond Chong Chin Wah, CEO BDMS Wellness Clinic, Khun Ajaya Intaraprasong, AVP, Investor Relations and Khun Thippaporn Limsuksrikul, Planning and Budgeting Director. 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.

IR Activities

CFA Research Challenge



On 21 November 2018, BDMS Investor Relations welcomed Professors and students who participate in CFA Institute Research Challenge program organized by CFA Society Thailand to address Company's strategy and outlook for BDMS as a subject company. The purpose is to train students in researching and reporting on a public company and to compete the local, regional and global competition for CFA Institute Research Challenge.



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 125,805 million in assets as of September 2018. Bangkok Dusit Medical Services Public Company Limited ("BDMS") currently has 44 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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