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Performance Highlights

Major Development

1. Tris Rating upgraded the Company rating and senior unsecured debenture rating at “AA”

On 24 October 2019, TRIS Rating upgraded the Company and senior unsecured debenture ratings to “AA” from “AA-”, with stable outlook. The upgrades reflect following factors:-

- ◆ Company’s faster-than-expected debt reduction efforts and larger equity base, while maintaining sound operating performance and strong cash flow.
- ◆ The Company has the largest hospital referral network nationwide which helps reduce reliance on its flagship hospitals and diversify the source of income; providing a comprehensive array of healthcare services spanning all levels of care from preventive care to curative care. The Company should be able to maintain its very strong market position and solid competitive edge over peers.
- ◆ Strong brand franchises with various customer segments help support revenue growth.
- ◆ The Company has adequate liquidity.

2. Convertible Bonds

On 18 September 2014, Company issued zero coupon convertible bonds (“CB”) to investors outside Thailand for Baht 10,000 million due in September 2019.

On 8 September 2019, the last day to exercise the CB, the holders has converted the CB accounting for Baht 4,221 million into 200.57 million ordinary shares of the Company resulting in an increase of the Company’s paid up capital to Baht 1,589.20 million.

In summary, the holders converted all the remaining CB into ordinary shares. At present, the Company has no outstanding liability of the CB.

Thailand



Overseas



Details are summarized as follows:-

Status	CB Outstanding (THB mm)	Number of Shares (mm)
Issued CB	10,000	15,491.0
Early Redemption in 2017	(1,560)	-
CB holders exercised		
– In 2018	(3,746)	178.0
– In 2019	(4,694)	223.0
Outstanding as of 29 July 19	-	15,892.0

3. Payment of interim dividend

On 28 August 2019, Board of Directors approved the payment of interim dividend for the first half of 2019 performance at the rate of Baht 0.25 per share, totaling Baht 3,922.86 million. The payment of interim dividend was paid on 27 September 2019.

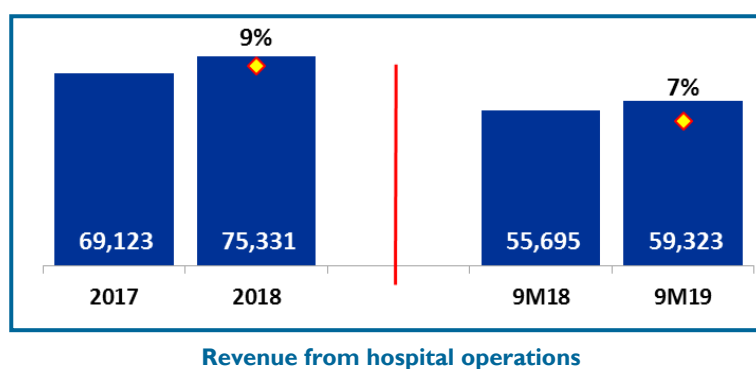
9M19 Performance

If excluding non-recurring item in 9M19, Bangkok Dusit Medical Services Public Company Limited (“Company”) reported consolidated net profit of Baht 7,680 million, decreased by 2% yoy. The summarized 9M19 consolidated performance is as follows:-

1. Operating income

In 9M19, total operating income were Baht 62,293 million, an increase of Baht 3,705 million or 6% yoy, primarily due to

- ◆ Revenues from hospital operations were Baht 59,323 million, an increase of Baht 3,628 million or 7% yoy, in 9M19. Key growth drivers were a higher volume and price intensity along with an expansion of insurance patients’ base. In addition, the Company has the Bangkok Emergency Services to coordinate timely patients’ referral in case of accident or patients in critical conditions



Revenue of Bangkok and vicinity hospitals grew 5% yoy while outside Bangkok hospitals grew 8% yoy in 9M19.

Revenue from Thai patients grew 6% yoy while revenue from international patient grew 7% yoy in 9M19. Key drivers were mainly from increase in Emiratis patients 78% yoy, Omanis patients 67% yoy and Cambodian patients 17% yoy. The revenue proportion between Thai and international patients changed from 70%:30% in 9M18 to 69%:31% in 9M19.

- ◆ Revenues from sales of goods were Baht 2,261 million, slightly decreased from 9M18 due mainly to a decrease in sales of Save Drug Center Co., Ltd and export sales of A.N.B. Laboratories Co., Ltd.
- ◆ Other income were Baht 710 million, increased by 16% yoy.

2. Operating expenses

In 9M19, the Company and its subsidiaries reported total operating expenses & depreciation of Baht 53,222 million, an increase of Baht 4,241 million or 9% yoy due mainly to non-recurring items (before income tax) as follow:-

- (1.) Provisions for employee benefits of Baht 616 million (before income tax). According to legal retirement benefit rates for employees who have worked for an uninterrupted period of 20 years or more, such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate.
- (2.) One-time expenses of Baht 110 million (before income tax) for MEA in finding the land to locate electricity sub-station to accommodate electricity usage at Bangkok International Hospital as current electricity usage at Bangkok Hospital Headquarter (all of our buildings in Soi Soonvijai area) exceeding 15,000 KVA according to rules and regulations of MEA. This transaction is recorded as administrative expenses.

If excluding these non-recurring items, total operating expenses and depreciation would grow 7% yoy. In addition, the growth in administrative expenses.

The depreciation and amortization expenses were Baht 4,253 million in 9M19, increased by 6% yoy due mainly to depreciation and amortization of new network hospital, and opening of BDMS Wellness Clinic and Mövenpick BDMS Wellness Resort Bangkok.

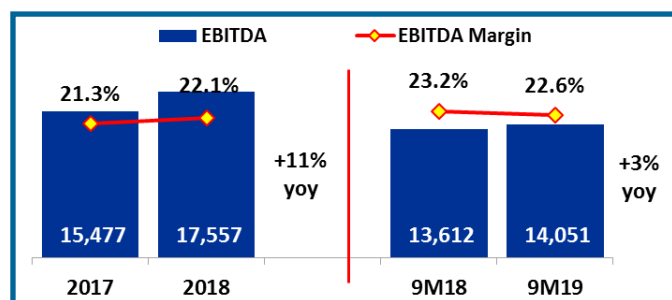
3. Others majors items

- ◆ Share of income from investments in associates were Baht 775 million in 9M19, decrease of 32% yoy due mainly to divestment of all investment in Ramkhamhaeng Hospital Public Co., Ltd. ("RAM") in 1Q19. Share of income from investments in associates in 9M19 were mainly from investment in Bumrungrad Hospital Public Co., Ltd. of Baht 712 million.
- ◆ Finance cost decreased to Baht 723 million in 9M19 or decreased by 17% yoy mainly because of exercising of CB during the year resulting in the reversal of CB withholding taxes amounting to Baht 84 million together with the repayment of loans from financial institutions during 1Q19.
- ◆ Tax expenses in 9M19 were Baht 3,280 million, increased from Baht 1,724 million in 9M18, due mainly to tax expenses from non-recurring items totaling of Baht 1,379 million. (Details are shown in non-recurring items)

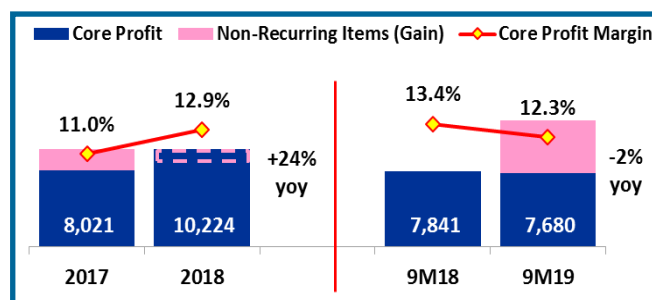
4. Non-recurring items

During 9M19, the Company recorded non-recurring items (net of income tax) of Baht 5,514 million. Details as follows:-

(THB mm)	Amount	Tax	Net of tax
(1) Gain on sales in RAM	7,617	(1,523)	6,094
(2) Provisions for employee benefits	(616)	123	(493)
(3) One-time expenses in finding the land to locate electricity sub-station for Bangkok International Hospital	(110)	22	(88)
(4) Gain on sales in other long-term investment	2	(1)	1
Total	6,893	(1,379)	5,514



EBITDA & EBITDA Margin *



Net Profit & Net Profit Margin *

* Excluding non-recurring items

If excluding non-recurring items, core EBITDA increased from Baht 13,612 million in 9M18 to Baht 14,051 million in 9M19 or increased by 3% yoy. However, core EBITDA margin decreased from 23.2% in 9M18 to 22.6% in 9M19.

Core profit was Baht 7,680 million, slightly decreased by 2% yoy. As a results, core profit margin decreased from 13.4% in 9M18 to 12.3% in 9M19. Core EPS was Baht 0.49 per share in 9M19.

If including non-recurring items, EBITDA was Baht 13,324 million or decreased by 2% yoy resulting in EBITDA margin of 21.4%.

Net profit were Baht 13,195 million, increased by 68% yoy with net profit margin of 21.2%. Such increase was mainly from gain from divestment of all investment in RAM in 1Q19. EPS was Baht 0.84 per share or increased by 67% yoy.

Summary of Balance Sheets

(Unit : THB mm)	Sep-19	Dec-18	Chg %
Total Assets	132,558	133,499	(1)%
Total Liabilities	48,201	60,061	(20)%
Total shareholders' equity	84,357	73,438	15%

As of 30 September 2019, the Company and its subsidiaries reported total assets of Baht 132,558 million, slightly decreased from 31 December 2018, due mainly to an increase in cash and cash equivalents of Baht 1,915 million together with an increase in property, premises and equipment of Baht 1,306 million and increase in trade and other receivables of Baht 1,050 million netted with a decrease in investment in associates of Baht 5,470 million mainly from divestment of all investment in RAM.

The Company carried goodwill of Baht 17,539 million, which remain unchanged from 31 December 2018. Such goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. However, the Company has considered that this goodwill is not impaired.

Total consolidated liabilities as of 30 September 2019 were Baht 48,201 million, decreased by 20% from 31 December 2018 due mainly to a conversion of all CB in 3Q19. The decrease in liabilities also came from a decrease in long-term loans from financial institutions of Baht 4,626 and decrease in bank overdrafts and short-term loans of Baht 1,843 million.

Total consolidated shareholders' equity as of 30 September 2019 was Baht 84,357 million, increased by 15% from 31 December 2018, due mainly from increase in the Company's ordinary shares from conversion of CB and net profit during the period.

Financial Analysis	9M19	9M18	
Returns (%)			
Return on Asset	13.2	8.4	Return on assets ("ROA") and return on equity ("ROE") in 9M19 increased significantly from 9M18 as a results of net gain from divestment of all investment in RAM.
Return on Equity	23.2	15.8	Current ratio and quick ratio slightly increased from 9M18 due to a decrease in CB.
Liquidity (x)			
Current Ratio	0.8	0.7	Average collection period increased from 35.5 days in 9M18 to 36.8 days in 9M19. The Company and its subsidiaries reported the aging of the outstanding trade accounts receivables which most of them aged not over than 3 months. The 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.
Quick Ratio	0.7	0.6	
Asset & Liabilities Management (Days)			
Average Collection Period	36.8	25.5	Average inventory period decreased from 12.3 days in 9M18 to 11.6 days in 9M19. The 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 Inventory Period	11.6	12.3	
Average Accounts Payable	34.0	34.1	
Leverage & Coverage Ratio (x)			
Interest Coverage	18.4	15.6	Average payable period was 34.0 day similar to 9M18.
	Sep-19	Dec-18	
Total Debt to Equity	0.3	0.5	
Net Debt to Equity	0.3	0.5	
Net Debt to EBITDA	1.2	2.0	

Remark

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

Interest coverage ratio increased from 15.6 in 9M18 to 18.4 in 9M19 due to lower finance cost.

From the conversion of the remaining CB and the repayment of loans from financial institutions during the period, total interest bearing debt to equity and net interest bearing debt to equity decreased from 0.5x as of 31 December 2018 to 0.3 as of 30 September 2019.

Net interest bearing debt to EBITDA decreased from 2.0x as of 31 December 2018 to 1.2 as of 30 September 2019.

Awards & Recognition

Asiamoney Awards



On 28 June 2019, BDMS ranked first in Thailand for Asia's Outstanding Companies Poll for the decade beginning 2010 from Asiamoney. The poll were compiled from Best Managed Companies Awards, Corporate Governance Poll and Asia's Outstanding Companies Poll over the decade.

On 25 September 2019, BDMS also won Asiamoney Asia's Outstanding Companies Poll for (1) Overall Most Outstanding Company in Thailand and (2) Most Outstanding Company in Thailand - Healthcare Sector. The poll is designed to acknowledge listed companies that have excelled in area such as financial performance, management team excellence, IR activities and CSR initiatives.

2019 All-Asia Executive Team Most Honored Companies



On 24 September 2019, BDMS won 3 awards of All-Asia Executive Team 2019 - Healthcare & Pharmaceuticals Industry from Institutional Investor Magazine (II), the industry's most trusted source for research and rankings among top analysts and portfolio managers. The Awards ceremony was held in Shenzhen, China

BDMS won the following awards:-

1. Most Honored Companies
2. Special Achievement Awards: Best CEO Dr. Prasert Prasarttong-Osoth
3. Special Achievement Awards: Best CFO Narumol Noi-am

Based on 2018 performance, voters evaluated several attributes of Senior management and Investor Relations including company's execution on strategy, accessibility of senior management, IR is well informed and empowered to speak and timely and appropriate disclosure.

IR Activities

2nd China-Thailand Capital Market Corporation Seminar



On 31 October 2019, BDMS joined 2nd Thailand-China Capital Market Corporation Seminar organized by SET and Shenzhen Stock Exchange (SZSE) at SZSE to provide information to participants and Chinese institutional investors. Interested in person can also view the information via V-next Platform of SZSE covering more than 35 countries. In this seminar, we also met with 14 local securities and institutional investors.

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

20-20 Investment Association Annual Trip



On 7 November 2019, Dr. Trin Charumilind, CMO and Khun Ajaya Intaraprasong, AVP, Investor Relations were invited to be a speaker on Thai Healthcare industry at 20-20 Investment Association Annual Trip in Thailand. 20-20 Investment Association is a group of the world's most prestigious and economically powerful institutional investors who together represent nearly US\$ 9 trillion in investment capital.

IR Activities

Analyst Meeting 3Q19 Results



BDMS hosted the 4/2019 Analyst meeting for 2Q19 results on 15 August 2019. The meeting was led by Khun Narumol Noi-Am, Acting President and CFO, Dr. Trin Charumilind, CMO 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 and webcast also posted on our website at www.bangkokhospital.com under investor relations.

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 132,558 million in assets as of September 2019. Bangkok Dusit Medical Services Public Company Limited ("BDMS") currently has 46 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.

Contact: Investor Relations

Bangkok Dusit Medical Services Public Company Limited

2 Soi Soonvijai 7, New Petchburi Road, Bangkok 10310 Thailand

Tel +66(0)2755-1793