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## Performance Highlights

### Major Development

#### 1. Opening of Jomtien Hospital

On 15 May 2020, Jomtien Hospital, a secondary care hospital with total of 232 structured beds, opened as our 49<sup>th</sup> network hospital and currently operated 30 beds. Jomtien hospital would not only targeting middle income and local patients but also expanding Bangkok Hospital Pattaya patient base. The service offering includes internal medicine, surgical, orthopedic and gynecological services, pediatrics, emergency medicine and intensive care unit.

#### 2. Partnership with Ping An Health Insurance Company of China Limited (PAH)

On 29 June 2020, the Company has entered into a joint agreement with PAH, the largest insurance company in China in term of market capitalization, making a significant milestone in providing Chinese patients with world-class medical access. With this collaboration, BDMS will offer PAH member a wide spectrum of medical care including basic health check-up packages, exclusive elective packages led by a team of qualified doctors, cancer screening & treatment programs, orthopedic services, hip replacement surgery & knee replacement surgery, cardiovascular procedures and neurological services. In addition, this partnership will be part of our plan to expand Chinese patient base from our 4<sup>th</sup> largest international patients in 2019 to become one of the top three international patients in next three years.

#### 3. Partnership with Viriyah Insurance Public Company Limited launching “Viriyah Healthcare by BDMS”

On 16 July 2020, the Company has collaborated with Viriyah Insurance Public Company Limited in promoting world-class medical services for Thai people by launching a new BDMS exclusive health insurance policy, namely “Viriyah Healthcare by BDMS”.

This policy offered a low premium with lump sum benefits and unlimited number of services. The benefits continue every year with the protection covering the age range between 16 and 60 years old and continuing to the age of 80 years old. This partnership will help support our plan to expand insurance patient base from 31% in 2019 to reach 40% of revenue from hospital operations over the next 3 years.

Thailand



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## 6M20 Performance

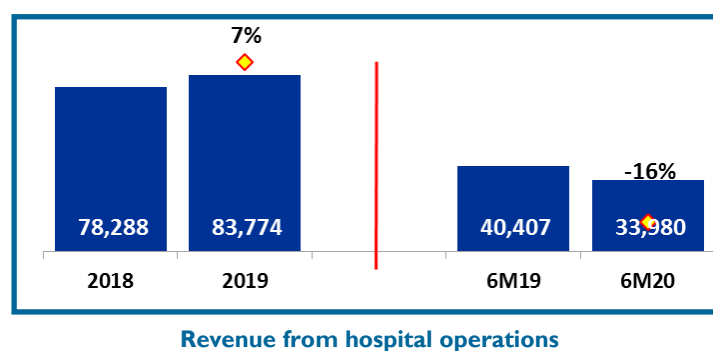
### 1. Operating income

In 6M20, total operating income were Baht 33,980 million, decrease of Baht 6,427 million or 16% yoy, primarily due to

- ◆ Revenues from hospital operations were Baht 31,962 million, decrease of Baht 6,523 million or 17% yoy. Such decrease was mainly from decrease in patient volume which affected by COVID-19 outbreak. Hence, revenue from international patients decreased 35% yoy mainly from a decrease in Middle East patients 63% yoy, Chinese patients 45% yoy and Australia patients 41% yoy. Revenue from Thai patients also decreased 11% yoy. The revenue proportion between Thai and international patients changed from 68%:32% in 6M19 to 76%:24% in 6M20.

Hospital in Bangkok & vicinity decreased 19% yoy while outside Bangkok & vicinity hospitals decreased 13% yoy.

The occupancy rate decreased from 66% in 6M19 to 51% in 6M20.



- ◆ Revenues from sales of goods and food were Baht 1,565 million in 6M20, increased by 6% yoy due mainly to an increase in sales of A.N.B. Laboratories Co., Ltd. and The Medicpharma Co., Ltd. Such increase were mainly from sales of COVID-19 prevention products such as hand sanitizers and face masks.
- ◆ Other income was Baht 453 million, slightly increased by 1% yoy.

### 2. Operating expenses

In 6M20, the Company and its subsidiaries reported total operating expenses & depreciation of Baht 29,792 million, decrease of Baht 5,146 million or 15% yoy

The depreciation and amortization expenses were Baht 3,188 million in 6M19, increased by 15% yoy due mainly to TFRS 16 leases resulting in additional depreciation of Baht 197 million in 6M20.

If excluding impact from TFRS 16, depreciation and amortization expenses would increase 8% yoy mainly from an opening of Mövenpick BDMS Wellness Resort Bangkok and Jomtien hospital.

### 3. Others majors items

- ◆ Share of profit from investments in associated companies were Baht 181 million in 6M20, decreased by 63% yoy. Share of profit from investments in associated companies were mainly from Bumrungrad Hospital Public Co., Ltd. ("BH") of Baht 201 million or decreased by 55% yoy netted with the result of dilution of Company's interest in BH to 22.94% of issued and paid-up shares from the exercise of the CB of BH resulting in recognition in proportionate decrease of such diluted interest in the share of profit in BH.

- ◆ Finance expenses decreased to Baht 446 million in 6M20 or decreased by 19% yoy due mainly no outstanding liability of CB since September 2019.
- ◆ Taxes in 6M20 were Baht 733 million, decreased from Baht 2,570 million in 6M19, due mainly to decrease in pre-tax profit in 6M20 and high tax expenses in 6M19, given non-recurring items of Baht 1,379 million mainly from divestment of all investment in Ramkhamhaeng Hospital Public Co., Ltd. ("RAM"). (Details are shown in non-recurring items).

#### 4. Non-recurring items

During 6M19, the Company recorded non-recurring items (net of income tax) of Baht 5,514 million. Details as follows:-

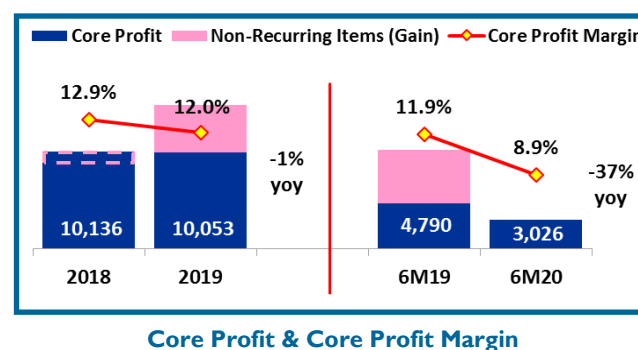
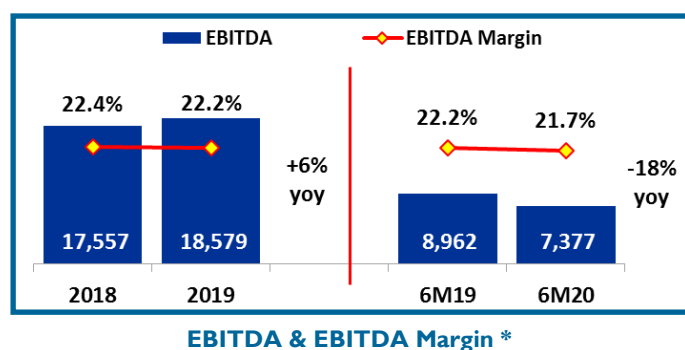
(THB mm)	Amount	Tax	Net of tax
(1) Gain on sales in RAM	7,617	(1,523)	6,094
(2) Provisions for employee benefits	(616)	123	(493)
(3) One-time expenses in finding the land to locate electricity sub-station for Bangkok International Hospital	(110)	22	(88)
(4) Gain on sales in other long-term investment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

#### 5. Profitability analysis

If excluding non-recurring items in 6M19, core EBITDA decreased from Baht 8,962 million in 6M19 to Baht 7,377 million in 6M20 or decreased by 18% yoy. Core EBITDA margin also decreased from 22.2% in 6M19 to 21.7% in 6M20.

Core profit was Baht 3,026 million, decreased by 37% yoy. As a results, core profit margin decreased from 11.9% in 6M19 to 8.9% in 6M20. Core EPS was Baht 0.19 per share in 6M20 or decreased by 71% yoy.

If including non-recurring items, EBITDA was decreased by 10% yoy while net profit was decreased by 71% yoy.



\* Excluding non-recurring items

# Summary of Balance Sheets

(Unit : THB mm)	<u>Jun-20</u>	<u>Dec-19</u>	<u>Chg %</u>
Total Assets	132,852	133,662	(1)%
Total Liabilities	48,443	46,480	4%
Total shareholders' equity	84,409	87,182	(3)%

As of 30 June 2020, the Company and its subsidiaries reported total assets of Baht 132,852 million, slightly decreased from 31 December 2019, due mainly to a decrease in trade and other receivables of Baht 1,971 million and decrease in cash and cash equivalents of Baht 1,268 million netted with an increase of right-of-use assets of Baht 3,477 million from a new financial reporting standards, TFRS 16 leases.

Total consolidated liabilities as of 30 June 2020 were Baht 48,443 million, increased by 4% from 31 December 2019 due mainly to increase in net long-term loans from financial institutions of Baht 4,914 million and net liabilities under lease agreements of Baht 3,561 million from TFRS 16 leases together with an increase in bank overdrafts and short-term loans of Baht 3,194 million for liquidity reserve in response to impact of COVID-19, netted with repayment of debenture of baht 5,000 million, decrease in accrued expenses of Baht 2,859 million and Trade and other payables of Baht 2,298 million.

Total consolidated shareholders' equity as of 30 June 2020 was Baht 84,409 million, decreased by 3% from 31 December 2019, due mainly to cumulative effect of changes in accounting policies from the adoption of new financial reporting standards of Baht 1,008 million and interim dividend of Baht 4,768 million netted with net profit during period.

Financial Analysis	6M20	6M19
<b>Returns (%)</b>		
Return on Asset	4.5	7.2
Return on Equity	7.3	13.0
<b>Liquidity (x)</b>		
Current Ratio	1.0	0.7
Quick Ratio	0.8	0.7
<b>Asset &amp; Liabilities Management (Days)</b>		
Average Collection Period	43.9	36.6
Average Inventory Period	14.7	11.8
Average Accounts Payable	38.2	34.1
<b>Leverage &amp; Coverage Ratio (x)</b>		
Interest Coverage	16.5	16.3
	<b>Jun-20</b>	<b>Dec-19</b>
Total Debt to Equity	0.4	0.3
Net Debt to Equity	0.3	0.2
Net Debt to EBITDA	1.9	1.1

**Remark**

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

If excluding non-recurring items, return on assets ("ROA") and return on equity ("ROE") in 6M20 decreased from 6M19 as a results of decrease in profit from operations in 6M20.

Current ratio and quick ratio increased from 6M19 due to a decrease in current portion of long-term loans from financial institutions and current portion of convertible bonds.

Average collection period increased from 36.6 days in 6M19 to 43.9 days in 6M20 due to COVID-19 resulting in declining operating income and some inconvenience for domestic and international account receivable collection. The Company and its subsidiaries recognizes an allowance for expected credit losses on its financial assets measured at amortized cost without requiring a credit-impaired event to have occurred prior to the recognition.

Average inventory period increased from 11.8 days in 6M19 to 14.7 days in 6M20. 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 payable period also increased from 34.1 days in 6M19 to 38.2 days in 6M20 as a result of debt management.

Interest coverage ratio increased from 16.3 in 6M19 to 16.5 in 6M20 due to lower finance expenses.

Total interest bearing debt to equity increased from 0.3x as of 31 December 2019 to 0.4x as of 30 June 2020. Net interest bearing debt to equity also increased from 0.2x as of 31 December 2019 to 0.3x as of 30 June 2020.

Net interest bearing debt to EBITDA increased from 1.1x as of 31 December 2019 to 1.9 as of 30 June 2020.

The impact of COVID-19 remains a great deal of uncertainty surrounding the trends and duration of the impact, requiring the company to plan for a wide range of scenarios for full year 2020. As a result of the operating and financial strategies the company has implemented, the company strongly believes that it has sufficient liquidity and will continue to be able to successfully adapt as the situation evolves.

## IR Activities

### Pandemic Pandemonium— Resuming from the Lockdown



On 22 July 2020, Khun Narumol Noi-Am, Acting President and CFO together with senior management from Central Pattana, Dusit Thani and Asia Aviation were speakers on the topic of “Resuming from the Lockdown” at Pandemic Pandemonium, Phatra Investment Webinar Week.

Purposes are to share the insight view on current situation after the lockdown, key business strategy and new normal trend for business operation.

### Virtual Analyst Meeting 2Q20 Results (WebEx)



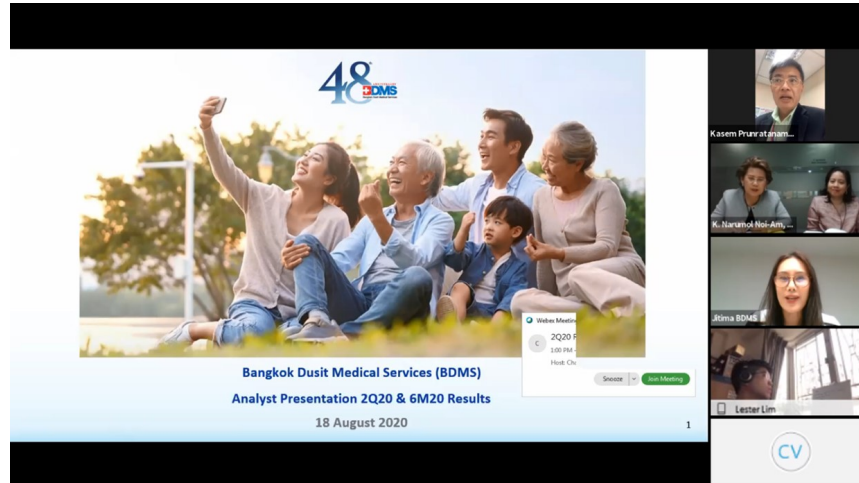
BDMS hosted a virtual analyst meeting for 2Q20 results on 18 August 2020. The meeting was led by Khun Narumol Noi-Am, Acting President and CFO, Dr. Poramaporn Prasarttong-Osoth, CEO Group I, Khun Buranut Limjitti, SVP - International Marketing, Advertising and PR, Khun Ajaya Intaraprasong, AVP and Khun Jitima Ratanatam, Assistant Director of 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. There are more than 60 investors and analysts joining the session.

Presentation material and webcast also posted on our website at [www.bangkokhospital.com](http://www.bangkokhospital.com) under investor relations.



# IR Activities

## Virtual Results Call Hosted by CGS-CIMB for Inter Analyst and Fund Managers



On 18 August 2020, Khun Narumol Noi-Am, Acting President and CFO and IR team joined Virtual Results Call hosted by CGS-CIMB Securities (Thailand) to update latest performance and business strategy to 30 foreign analysts and fund managers.



Thailand



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**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 132,852 million in assets as of June 2020. Bangkok Dusit Medical Services Public Company Limited ("BDMS") currently has 47 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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