

INSIDE THIS ISSUE:

Major Development	1
2020 Performance	2
Summary of Balance Sheets	4
Management Outlook	6
IR Activities	8

Performance Highlights

Major Development

1. Tris Rating affirmed the Company rating and senior unsecured debentures rating at “AA”

On 26 October 2020, TRIS Rating affirmed the Company and senior unsecured debenture ratings at “AA” with stable outlook. The ratings reflect Company’s leading market position as the largest private hospital operator in Thailand, with extensive network and strong franchise of hospital brands. The rating also take into consideration the Company’s satisfactory operating performance, moderate financial risk profile and adequate liquidity.

2. Partnership on health insurance

♦ Partnership with Ping An Health Insurance Company of China Limited (PAH)

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 medical access accommodating our plan to increase Chinese patients to BDMS network hospitals.

♦ Partnership with Viriyah Insurance Public Company Limited launching “Viriyah Healthcare by BDMS”

The Company has collaborated with Viriyah Insurance Public Company Limited in promoting our 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.

Thailand



Overseas



3. Opening of Jomtien Hospital

On 15 May 2020, Jomtien Hospital, a secondary care hospital with total of 232 structured beds, opened as our 49th network hospital and currently operates 30 beds. Jomtien hospital would not only targeting middle income and local patients but also expanding Bangkok Hospital Pattaya patient base.

4. Innovative approaches against COVID-19

The Company has developed a number of key initiatives to help our doctors, staff and patients deal more effectively with the pandemic and develop communication tools and guidelines for patients including identifying separation areas in hospitals, using telemedicine and health application together with offering in-home healthcare services for blood test, vaccination and medication delivery. The Company also offered medical innovation such as Healthy Bot and Tytocare to facilitate patients.

Moreover, Bangkok Hospital Headquarter together with Mövenpick BDMS Wellness Resort Bangkok were qualified as Alternative State Quarantine (ASQ) from government to offer 15 days self-quarantine for both Thai citizens and expatriates who returning from abroad.

5. Divestment in BH

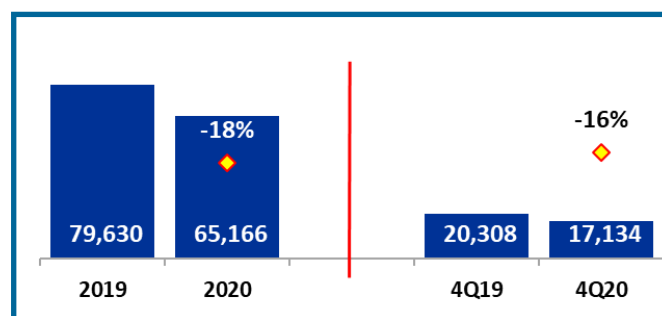
In 2020, the Company and its subsidiaries disposed all investment in BH totaling 182,513,006 shares and recognized gain on disposal of investment in BH under equity method in the consolidated financial statements amounting to Baht 1,169 million.

2020 Performance

1. Operating income

In 2020, total operating income were Baht 69,057 million, a decrease of Baht 14,717 million or 18% yoy, primarily due to

- ◆ Revenues from hospital operations were Baht 65,166 million, a decrease of Baht 14,464 million or 18% yoy. Such decrease was mainly from decrease in patient volume which affected by COVID-19 outbreak. Hence, revenue from international patients decreased 43% yoy mainly from a decrease in Middle East patients 78% yoy, Myanmar patients 70% and Australian patients 57% yoy. Revenue from Thai patients also decreased 8% yoy. The revenue proportion between Thai and international patients changed from 70%:30% in 2019 to 79%:21% in 2020.



Revenue from hospital operations

Hospital in Bangkok & vicinity decreased 21% yoy while outside Bangkok & vicinity hospitals decreased 13% yoy.

The occupancy rate decreased from 67% in 2019 to 52% in 2020.

- ◆ Revenues from sales of goods were Baht 2,908 million, decreased by 6% yoy due mainly to a decrease in export sales of A.N.B.
- ◆ Other income were Baht 983 million, decreased by 6% yoy.

2. Operating expenses

In 2020, the Company and its subsidiaries reported total operating expenses & depreciation of Baht 60,532 million, a decrease of Baht 11,191 million or 16% yoy.

The depreciation and amortization were Baht 6,413 million in 2020, increased by 11% yoy due mainly to TFRS 16 leases resulting in additional depreciation of Baht 391 million in 2020. If excluding impact from TFRS 16, depreciation and amortization would increase 5% yoy.

3. Others majors items

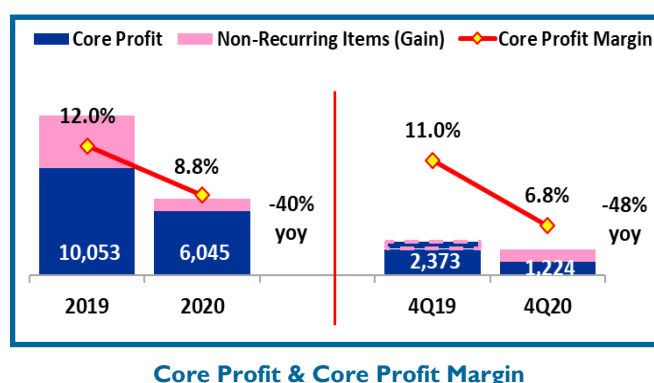
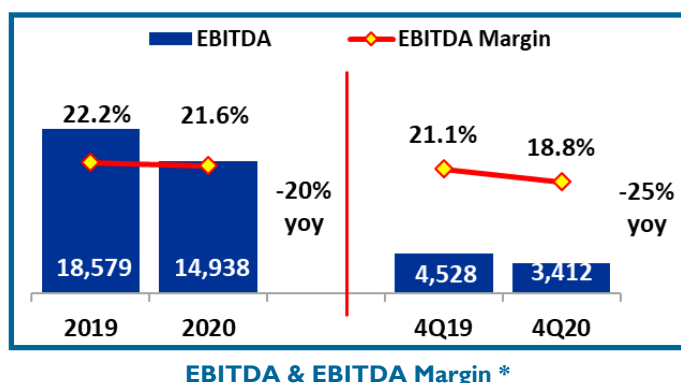
- ◆ Share of profit from investments in associates were Baht 273 million in 2020, decreased by 73% yoy due mainly to decrease in share of profit in BH and the divestment of all investment in BH during 4Q20.
- ◆ Finance expenses decreased to Baht 871 million or decreased by 6% yoy due mainly to decrease in liabilities from redemption of convertible bonds ("CB") in September 2019 together with repayment of loans from financial institutions during 2020.
- ◆ Tax expenses in 2020 were Baht 2,751 million, decreased by 29% from 2019, due mainly to decrease in pre-tax profit in 2020. The Company and its subsidiaries recorded tax expenses from non-recurring items in 2020 and 2019 totaling of Baht 1,260 million and Baht 1,379 million, respectively.

4. Non-recurring items

During 2020 and 2019, the Company and its subsidiaries recorded non-recurring items (net of income tax) of Baht 1,169 million and Baht 5,464 million, respectively. Details as follows:-

(THB mm)	Amount	Tax	Net of tax
<u>2020</u>			
Gain on sales in BH	2,429	(1,260)	1,169
<u>2019</u>			
(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) Impairment loss on commercial rights of Save Drug	(50)	-	(50)
(5) Gain on sales in other long-term investment	2	(1)	1
Total	6,843	(1,379)	5,464

5. Profitability analysis



* Excluding non-recurring items

If excluding non-recurring items, core EBITDA decreased from Baht 18,579 million in 2019 to Baht 14,938 million in 2020 or decreased by 20% yoy. Core EBITDA margin also decreased from 22.2% in 2019 to 21.6% in 2020.

Core profit was Baht 6,045 million, decreased by 40% yoy resulting a decrease in core profit margin from 12.0% in 2019 to 8.8% in 2020.

If including non-recurring items, net profit were Baht 7,214 million, decreased by 54% yoy with net profit margin of 10.4%. EPS was Baht 0.45 per share or decreased by 54% yoy.

Summary of Balance Sheets

(Unit : THB mm)	Dec-20	Dec-19	Chg %
Total Assets	136,050	133,662	2%
Total Liabilities	44,588	46,480	(4)%
Total shareholders' equity	91,463	87,182	5%

As of 31 December 2020, the Company and its subsidiaries reported total assets of Baht 136,050 million, slightly increased by 2% from 31 December 2019, due mainly to an increase in cash & cash equivalents of Baht 14,970 million from divestment in all investment in BH together with an increase in right-of-use assets of Baht 3,315 million from a new financial reporting standards, TFRS 16 leases and increase in property, premises & equipment of Baht 2,873 million, netted with decrease in investment in associates of Baht 16,600 million and decrease in trade & other receivables of Baht 1,658 million.

The Company carried goodwill of Baht 17,539 million, which remain unchanged from 31 December 2019. Goodwill were mainly from acquisition of (1) Phyathai and Paolo group of Baht 9,310 million, (2) Bangkok Hospital Sanamchan, Tepakorn Hospital, Bangkok Hospital Muangraj and Bangkok Hospital Petchaburi of Baht 3,285 million and (3) Bangkok Siriroj Hospital of Baht 2,702 million. 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.

Other assets of Baht 4,231 million mainly consisted of intangible assets which are computer software of Baht 1,356 million together with current financial assets which are investment in mutual funds, fixed deposit and treasury bill of Baht 1,273 million.

Total consolidated liabilities as of 31 December 2020 were Baht 44,588 million, decreased by 4% from 31 December 2019 due mainly to repayment of debentures of baht 5,000 million, decrease in accrued expenses of Baht 2,469 and trade and other payables of Baht 1,540 million, netted with increase in long-term loans from financial institutions of Baht 1,407 million and liabilities under lease agreements of Baht 3,462 million from TFRS 16 leases.

Total consolidated shareholders' equity as of 31 December 2020 was Baht 91,463 million, increased by 5% from 31 December 2019.

Financial Analysis	2020	2019	
Returns (%)			
Return on Asset	4.5	7.5	If excluding non-recurring items, ROA and ROE in 2020 decreased from 2019 as a result of decrease in profit from operations in 2020.
Return on Equity	7.0	13.0	
Liquidity (x)			Current ratio and quick ratio increased from 2019 due to increase in cash & cash equivalents from divestment in all investment in BH together with no CB outstanding and decrease in current portion of debentures.
Current Ratio	2.7	0.8	
Quick Ratio	2.4	0.7	Average collection period increased from 36.8 days in 2019 to 43.8 days in 2020 due to COVID-19 resulting in declining operating income and some inconvenience from domestic and international account receivables collection. The Company and subsidiaries have credit policies and assess credit limit base on hospital's customer creditworthiness.
Asset & Liabilities Management (Days)			
Average Collection Period	43.8	36.8	
Average Inventory Period	14.4	12.0	
Average Accounts Payable	40.5	37.1	
Leverage & Coverage Ratio (x)			
Interest Coverage	17.2	19.2	
Total Debt to Equity	0.3	0.3	
Net Debt to Equity	0.1	0.2	
Net Debt to EBITDA	0.3	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

Average credit term for domestic payers are approximately 30-60 days while international payers are approximately 30-90 days. The credit terms are reviewed annually to monitor and control credit risk.

Average inventory period increased from 12.0 days in 2019 to 14.4 days in 2020 to ensure that inventory is adequate for the current situation. The inventories were mostly medicines and medical supplies. The Company and its subsidiaries have appropriate inventory management plan with internal control. The Company and its subsidiaries perform physical inventory count at least once a year and record allowance for the expired, slow-moving and deteriorated inventories to reduce its cost to net realizable value.

Average payable period also increased from 37.1 days in 2019 to 40.5 days in 2020 as a result of debt management.

Interest coverage ratio decreased from 19.2 in 2019 to 17.2 in 2020.

Total interest bearing debt to equity remained unchanged at 0.3x as of 31 December 2019 and as of 31 December 2020. Net interest bearing debt to equity decreased from 0.2x as of 31 December 2019 to 0.1x as of 31 December 2020.

Net interest bearing debt to EBITDA also decreased from 1.1x as of 31 December 2019 to 0.3x as of 31 December 2020 due mainly to increase in cash & cash equivalents.

The impact of COVID-19 remains a great deal of uncertainty surrounding the trends and duration of the impact. However, the Company strongly believes that it has sufficient liquidity and will continue to be able to successfully adapt as the situation evolves.

Management Outlook

Looking ahead into 2021, overall business trend is expected to be gradually improved following the likelihood of the arrival of the vaccine. If outbreak is under control, we believe that our business would be positive turnaround from both Thai and International patients.

Key strategic priorities

The Company's diverse portfolio of network hospitals with multiple brands and diversified market segments play a crucial role in the growth in healthcare business and serving rising healthcare demand in the future. The company would focus on the following strategic priorities:

♦ Customer base expansion

Since COVID-19 pandemic has negative impact on patient volume especially on international patients from travel restriction, the Company would focus more on growing domestic customer base for preventive care, check-up and curative care to increase outpatient and inpatient volume by offering high quality care at affordable price and launching more of the promotional campaigns including check-up packages, comprehensive treatment and surgery packages.

♦ ***Increasing private health insurance***

The Company is currently working closely with both domestic and international insurance companies. We also promote our exclusive insurance policies that would help expand our patient base. In addition, the development of e-claims and e-billing system will provide convenience for both insurance companies and patients. These initiatives would help diversify our payer base by growing private health insurance portion and increase our bed utilization unlocking the true potential of our hospital network growth prospects.

♦ ***Promoting health innovation and technology***

The COVID-19 was a catalyst to help accelerate the healthcare innovation and technology allowing BDMS to improve patient experience by offering online consultation (Telemedicine), in-home health services for blood sample, vaccination and medication delivery. BDMS also has health applications for patients to conveniently access health information, make appointment and update on other privileges. In addition, BDMS partnered with leading on-line shopping platform (e-commerce) making healthcare products and related services more accessible.

BDMS moves toward Smart Hospital that relies on optimized and digitized healthcare process to achieve better patient care and experience.

♦ ***Improving operational efficiencies and standard of care***

BDMS continues to improve operational efficiencies, profitability and asset utilization by improving their standard of care and encouraging cooperation among our network hospitals to utilize shared services functions and enhance efficiency of our operations.

With the determination for continuous development of Center of Excellence to be in accordance with the Joint Commission International (JCI), we also would continue to collaborate with world leading institutions to uplift our Thai standard of care effectively to be equivalent to the international standard.

IR Activities

Virtual Conference



- ◆ On 3 February 2021, BDMS joined Finansia Online Investment Conference 2021 to update on our development and strategic direction to 14 local institutional investors.



- ◆ On 4 February 2021, BDMS joined Maybank Kim Eng Thailand Corporate Day 2021 to update our recent development, strategy and outlook to 41 local and International institutional investors

Virtual Analyst Meeting 4Q20 Results



BDMS hosted a virtual analyst meeting for 4Q20 results in the morning of 3 March 2021. The meeting was led by Dr. Poramaporn Prasarttong-Osoth, President, Khun Narumol Noi-Am, SEVP and CFO, Dr. Trin Charumilind, CMO and Khun Ajaya Intaraprasong, AVP 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 around 40 investors and analysts joining the session.

In addition, BDMS Investor Relations together with Citi Research hosted Virtual Results Call in the afternoon for 30 international analysts and fund managers.

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

IR Activities



Bangkok Dusit Medical Services

Thailand



โรงพยาบาลกรุงเทพ
BANGKOK HOSPITAL



สมิติเวช
SAMITIVEJ



BNH HOSPITAL
โรงพยาบาลบีเอ็นเอช
SINCE 1898 (Sothorn - Convent)



PHYATHAI
HOSPITAL
โรงพยาบาลพญาไท



Paolo
Hospital
โรงพยาบาลเปาโล



Overseas



Royal Bangkok
Hospital

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 136,050 million in assets as of December 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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