

INSIDE THIS ISSUE:

Major Development	1
2021 Performance	2
Summary of Balance Sheets	3
Management's Outlook	5
IR Activities	7

Performance Highlights

Major Development

During 2021, Thailand was hit by new wave of COVID-19 pandemic resulting in a sharp rise in daily COVID-19 cases. BDMS, as a leading private hospital group in Thailand, has continued to fully cooperate and support the government measures in order to prevent, control and treat COVID-19 patients. We would like to update on our increasing effort in providing COVID-19 related services as follow: -

- 1) COVID-19 vaccination: BDMS, in collaboration with several parties, has dedicated clinical staffs and resources to help roll out COVID-19 vaccination for the public of more than 4 million doses at our network hospitals and alternative venues such as shopping mall and office buildings.
- 2) COVID-19 testing: BDMS offers COVID-19 testing from our certified laboratories which we increased capacity to more than 10,000 RT-PCR tests per day.
- 3) Hospitel: BDMS cooperated with hotels to set up Hospitels by transforming hotel rooms to be quarantine facilities for COVID-19 patients with mild symptoms. Our maximum Hospitel capacity had reached around 6,000 beds.
- 4) Field hospital: BDMS teamed up with the Royal Thai Air Force to set up 100-bed field hospital for COVID-19 patients with moderate symptoms at Thupatemi Stadium in July 2021. However, due to decreasing new cases of COVID-19, BDMS handed over this field hospital including medical system and equipment to Royal Thai Air Force for future uses.
- 5) Cohort wards: BDMS set up cohort wards for COVID-19 patients at our network hospitals with maximum capacity of more than 3,000 beds.

Thailand



Overseas

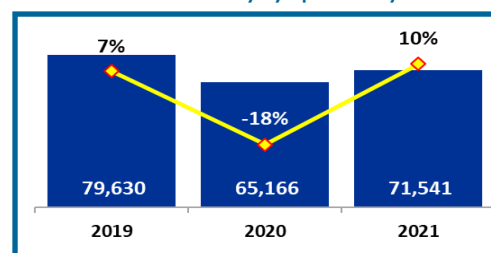


2021 Performance

1. Operating income

In 2021, total operating income were Baht 75,714 million, increase of Baht 6,657 million or 10% yoy, primarily due to

- ◆ Revenues from hospital operations were Baht 71,541 million, increase of Baht 6,375 million or 10% yoy. This was mainly from COVID-19 related revenue (accounted for 14% of total revenue from hospital operations in 2021). If excluding this item, revenue from non COVID-19 would decrease 6% yoy due to lower fly-in patients.



Revenue from hospital operations

In 2021, Thai patient revenues increased 14% yoy as a result of higher COVID-19 patient volume since 2Q21. However, international patient revenues declined 6% yoy due to lower fly-in patients mainly from Middle East of 30% yoy. Meanwhile, expatriate patients from Japan and USA grew by 7% and 4% yoy respectively resulting in the revenue proportion between Thai and international patients to change from 79%:21% in 2020 to 82%:18% in 2021. Inpatients grew significantly at 17% yoy resulting in an increase in occupancy rate from 52% in 2020 to 60% in 2021 (excluding hospital and field hospital). Occupancy rate of COVID-19 patients was 86% and occupancy rate of non COVID-19 patients was 49%.

- ◆ Revenues from sales of goods were Baht 2,910 million similar to 2020.
- ◆ Other income were Baht 1,263 million, increased by 28% yoy mainly from one-time compensation that our network hospital received for damages incurred at the amount of Baht 200 million.

2. Operating expenses

In 2021, the Company and its subsidiaries reported total operating expenses & depreciation of Baht 64,491 million, increase of Baht 3,959 million or 7% yoy which increased at the slower pace than total operating income due to continued cost containment program.

3. Other major items

- ◆ Share of profit from investments in associates were Baht 21 million in 2021, decreased by 92% yoy due mainly to no share of profit from divestment of all investment in Bumrungrad Hospital Public Co., Ltd. ("BH") during 4Q20.
- ◆ Finance expenses decreased to Baht 728 million or decreased by 16% yoy due to decrease of long-term loans from financial institutions.
- ◆ Corporate income tax in 2021 were Baht 2,103 million, decreased by 24% from 2020, as the Company recorded corporate income tax from non-recurring item in 2020 totaling of Baht 1,260 million.

4. Non-recurring item

In 2021, the Company and its subsidiaries recorded gain on divestment of all investment in BH of Baht 1,169 million.

(Baht mm)	2021	2020	YoY
EBITDA	17,545	14,938	17%
EBITDA margin	23.2%	21.6%	
EBIT	11,322	8,843	28%
EBIT margin	15.0%	12.8%	
Core profit	7,936	6,045	31%
Core profit margin	10.5%	8.8%	
Non-recurring item	-	1,169	n.a.
Net profit	7,936	7,214	10%
Net profit margin	10.5%	10.4%	
EPS (Baht)	0.50	0.45	10%

Remark

EBITDA = Total operating income – Total operating expenses
(Excluding depreciation and amortization)

Profitability margin calculated based on operating income

5. Profitability analysis

The Company and its subsidiaries recorded EBITDA was Baht 17,545 million in 2021 or increased by 17% yoy resulting in an increase in EBITDA margin from 21.6% in 2020 to 23.2% in 2021.

Core profit was Baht 7,936 million in 2021, increased by 31% yoy due to higher operating income and continued cost saving program and lower finance costs.

In 2020, the Company and its subsidiaries had gain on divestment of all investment in BH of Baht 1,169 million (net of income tax). Therefore, net profit increased by 10% yoy in 2021. Net profit margin was 10.5% and EPS was Baht 0.50 per share in 2021

Summary of Balance Sheets

(Unit : THB mm)	Dec-21	Dec-20	Chg %
Total Assets	128,454	136,050	(6)%
Total Liabilities	40,689	44,588	(9)%
Total shareholders' equity	87,765	91,463	(4)%

As of 31 December 2021, the Company and its subsidiaries reported total assets of Baht 128,454 million, decreased by 6% from 31 December 2020, due mainly to a decrease in cash & cash equivalents of Baht 8,733 million from dividend payment and repayment of long-term loans from financial institutions.

The Company carried goodwill of Baht 17,539 million, which remain unchanged from 31 December 2020. Goodwill were mainly from acquisitions of (1) Phyathai and Paolo Hospital Group of Baht 9,310 million (2) Bangkok Sanamchan Hospital, Thephakorn Hospital, Bangkok Muangraj Hospital and Bangkok Phetchaburi Hospital of Baht 3,285 million and (3) Bangkok Siriroj 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 6,294 million mainly consisted of other current financial assets which are investment in mutual funds, fixed deposit and treasury bill of Baht 1,708 million together with intangible assets which are computer software of Baht 1,289 million.

Total consolidated liabilities as of 31 December 2021 were Baht 40,689 million, decreased by 9% from 31 December 2020 due mainly decrease long-term loans from financial institutions.

Total consolidated shareholders' equity as of 31 December 2021 was Baht 87,765 million, decreased by 4% from 31 December 2020.

Financial Analysis	2021	2020
Returns (%)		
Return on Asset	6.0	5.3
Return on Equity	9.2	8.4
Liquidity (x)		
Current Ratio	1.5	2.7
Quick Ratio	2.4	0.8
Asset & Liabilities Management (Days)		
Average Collection Period	40.7	43.8
Average Inventory Period	14.0	14.4
Average Accounts Payable	34.5	40.5
Leverage Ratio (x)		
Interest Coverage	24.1	17.2
Debt service coverage ratio	5.1	29.3
Current portion of IBD to IBD (%)	18.3	2.1
Loan from financial institution to IBD (%)	5.3	25.2
Total IBD to EBITDA	1.1	1.6
Net IBD to EBITDA	0.5	0.3
Debt to Equity Ratio (x)		
Total liabilities to equity	0.5	0.5
Total IBD to equity	0.2	0.3
Net IBD to equity	0.1	0.1

ROA and ROE increased from 2020 as a result of an increase in profit from operations in 2021.

Current ratio and quick ratio decreased from 2020 due to a decrease in cash & cash equivalents from dividend payment and repayment of long-term loans from financial institutions during 2021.

Average collection period decreased from 43.8 days in 2020 to 40.7 days in 2021. The Company and subsidiaries have credit policies and assess credit limit base on customer creditworthiness. 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 slightly decreased from 14.4 days in 2020 to 14.0 days in 2021. 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 decreased from 40.5 days in 2020 to 34.5 days in 2021 as a result of debt management.

Remark

- Assets & Liabilities Management based on 360 days
- IBD means interest bearing debt

For leverage ratios analysis, interest coverage ratio increased from 17.2x in 2020 to 24.1x in 2021 mainly from good performance in 2021. However, debt service coverage ratio (DSCR) significantly decreased from 29.3x in 2020 to 5.1x in 2021 due to higher current portion of interest bearing debt.

Net interest bearing debt to EBITDA slightly increased from 0.3x in 2020 to 0.5x in 2021 due to increase in net interest bearing debt.

For debt to equity ratio analysis, total interest bearing debt to equity slightly decreased from 0.3x as of 31 December 2020 to 0.2x as of 31 December 2021 while net interest bearing debt to equity remained unchanged at 0.1x as of 31 December 2020 and as of 31 December 2021.

The Company and its subsidiaries strongly believes that it has sufficient liquidity to repay its debt within the covenants and will continue to be able to successfully adapt as the situation evolves.

Management's Outlook

Looking ahead into 2022, the Company expect healthcare business to be an uptrend given returning of non COVID-19 and fly-in patients. Given higher portion of people vaccinated in Thailand and around the world, we hope that this would lead to more travelling activities nearly back to normal level.

We are confident that the long-term prospect of healthcare sector is still intact from the aging population, rising income per capita, especially those in the rural area, rising health and wellness trend where people pay more attention to their health wishing to live longer with a better quality of life together with growth of digital health and private health insurance in Thailand.

Key strategic priorities

The Company's diverse portfolio of network hospitals with diversified market segments, capable physicians and nurses and strong franchise of our hospital brands together with customer service experience enhancement through innovation would play a crucial role in continuous growth in healthcare business serving rising healthcare demand in the future. The company would focus on the following strategic priorities:

Expansion of patient base through value-based pricing

For revenue enhancement and sustainable growth going forward, the Company would focus on a value-based pricing approach to healthcare to deliver the most effective, efficient and sustainable outcomes to our patients and enhance our patient's referral.

Leading into Smart healthcare

With the advancement of technology and innovation, the Company has been adopting the concept of smart healthcare to provide a valuable service to achieve better patient care, experience and operational efficiency. The Company started using Artificial Intelligent(AI) assisted diagnosis to help revolutionize healthcare by providing more precise diagnoses. In addition, we are developing Thailand's first digitally enabled health ecosystem with patient at the center offering not only the tele-consultations but also tele-pharmacy, health mall, health content, patient's health records and health-related products. This digitally health ecosystem would help expand new patient base from mid-high end market to mass market; from big cities to small cities; from traditional patients to digital generation.

Strengthening relationship with third party payors to increase assets utilization

The Company would continue to strengthen our relationship with third party payors including private health insurance, Social Security Office, Universal Coverage for Emergency Patients (UCEP) and corporates partners.

With rising healthcare inflations and health insurance awareness, we expect higher penetration for private health insurance in Thailand. We are working closely insurance companies to develop exclusive insurance policies and also e-claims and e-billing system that will be more convenient for both insurance companies and patients. In addition, we plan to apply more of our network hospitals to service the Social Security's patients. These initiatives would help diversify our payor base by growing third parties payors and increase our bed utilization unlocking the true potential of our hospital network growth prospects.

Other strategic healthcare services and products

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

Health and Wellness: The Company would focus on preventive healthcare services helping to prevent or detect disease beforehand. Services also include comprehensive checkup with personalized program.

Genomics Center: The Company, through our subsidiary, had invested into genomics center business. We believe that the genomic information would help advanced personalized medicine capability and elevate people's quality of life.

Procurement transformation: In order to increase operational efficiency and returns, the company plans to improve the procurement of medicine, medical supply, medical equipment as well as other non-clinical procurement. We would find alternative suppliers and improve usage of generic drugs while consolidating specification for medical supply, medical equipment and other indirect spending across the network. Consequently, we aim to build a sustainable procurement to support sustainable growth in healthcare.

IR Activities

Virtual Conference

Investor Relations team has joined virtual conference to update on our development and strategic direction to both local and international institutional investors as follow:-



- ◆ On 6 January 2022, BDMS joined **DBS Vickers Pulse of Asia Conference 2022** and met with 49 local and international institutional investors.



- ◆ On 18 January 2022, BDMS joined **Citi Thailand C-Suite Corporate Day 2022** and met with 14 local and international institutional investors.



- ◆ On 21 January 2022, BDMS joined **UBS ASEAN Healthcare Day 2022** and met with 14 local and international institutional investors.



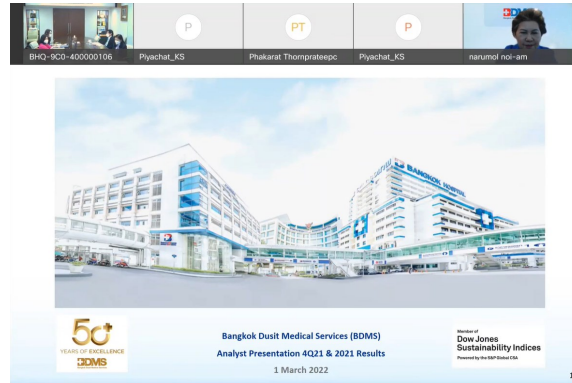
- ◆ On 24 January 2022, BDMS joined **J.P. Morgan's Thailand Conference 2022** and met with 16 international institutional investors.



- ◆ On 27 January 2022, BDMS joined **Maybank Kim Eng's Thailand Corporate Day 2022** and met with 18 local and international institutional investors.

IR Activities

Virtual Analyst Meeting 4Q21 Results (WebEx)



BDMS hosted a virtual analyst meeting for 4Q21&2021 results on 1 March 2022. The meeting was led by Dr. Poramaporn Prasarttong-Osoth, President, Khun Narumol Noi-Am, SEVP and CFO, Dr. Thiravud Khuhaprema, Hospital Director—Wattanosoth Hospital, Khun Ajaya Intaraprasong, Head of IR and Khun Jitima Ratanatam, Assistant Director, IR. 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



In addition, BDMS Investor Relations together with CLSA hosted Virtual Results Call in the afternoon for 40 international analysts and fund managers.



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 128,454 million in assets as of December 2021. Bangkok Dusit Medical Services Public Company Limited ("BDMS") currently has 51 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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