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## Performance Highlights

### Major Development

#### 1. TRIS Rating upgraded the company rating on BDMS to “AA+” with a “stable” outlook

TRIS Rating upgraded BDMS and its senior unsecured debentures rating to “AA+” from “AA”, with a “stable” outlook. The upgrades reflect BDMS’s better-than-expected operating performance, supported by strong recovery of international patients, its improving efficiency, and enhanced asset utilization. In addition, the ratings reflect BDMS very strong balance sheet and abundant liquidity profile.

#### 2. BDMS Silver Wellness & Residence Project

On 25 May 2022, the Board of Directors approved the Company entering into the transaction to lease the land (13-0-60.18 rais) located on the corner of Sarasin Road and Lang Suan Road, Lumpini, Bangkok from Crown Property Bureau in order to develop the BDMS Silver Wellness & Residence. This project comprised of Silver Residence (property development) and Silver Wellness (wellness center) and the construction period is expected to be 6.5 years. Total investment cost of the land leasehold and construction is around Baht 23,545 million with land leasehold period of 30 years and renewable of another 30 years. The sources of funds would be from the Company’s cash flow, borrowing from financial institutions, and/or the issuance of debentures.

#### 3. Tender Offer and delisting the securities of Samitivej Public Company Limited (“SVH”) from the Stock Exchange of Thailand (“SET”)

BDMS made a tender offer for the remaining shares of SVH at the offering price of Baht 480 per share in order to delist SVH from the SET. After the transaction, the Company acquired 3,088,337 tendered shares, totaling Baht 1,482 million. As a result, the Company’s shareholding in SVH increased from 95.76% to 98.85% of total number of outstanding shares. SVH was delisted from SET from 8 December 2022 onwards.

Thailand



Overseas



#### 4. Joint venture with subsidiary of COM7 Public Company Limited (“COM7”)

Subsidiary of BDMS together with subsidiary of COM7 had set up a new company, namely DrPharma Health Technology Co., Ltd. with registered capital of Baht 200 million and investment portion of 60:40. This joint venture will operate drugstores under the brand of “DR. PHARMA”, which 2 branches already opened in December 2022.

#### 5. Grand opening of N Health Novogene Genomic (“NNG”)

NNG, the private leading next generation sequencing center in Thailand, had been opened since 2 September 2022. It offers comprehensive genetic services including prevention, diagnostic and personalized treatment, aiming to enhance the capability of genomic medicine for all customers with lower turnaround times and less expenses. NNG is a JV company between National Healthcare System, a BDMS subsidiary and Novogene AIT Genomics Singapore Pte. Ltd with investment portion of 74:26

### 2022 Performance

#### 1. Operating income

In 2022, total operating income were Baht 92,968 million, an increase of Baht 17,254 million or increased by 23% YoY, primarily due to

(THB mm)	2022	2021	%YoY
Revenue from hospital operations	88,535	71,541	24%
Revenue from sales of goods	3,399	2,910	17%
Other income	1,034	1,263	(18)%
<b>Total Operating Income</b>	<b>92,968</b>	<b>75,714</b>	<b>23%</b>

- ◆ Revenues from hospital operations were Baht 88,535 million, an increase of Baht 16,993 million or increased by 24% YoY. Key drivers were from good revenues growth of 14% YoY from Thai patients and 69% YoY from international patients. Consequently, revenue proportion between Thai and international patients changed from 82%:18% in 2021 to 76%:24% in 2022.

Thai patient revenue growth of 14% YoY was driven from returning of Thai non COVID-19 revenues, offsetting the decline of COVID-19 related revenues since 2Q22. The portion of COVID-19 related revenues to revenues from hospital operations decreased from 14% in 2021 to 10% in 2022, in line with improving COVID-19 situation in Thailand.

On the other hand, international patient revenues showed strong growth of 69% YoY in 2022 given patients returning for medical treatment after many countries easing travel restriction related to COVID-19. Fly-in patients grew mainly from Middle East and CLMV (Cambodia, Laos, Myanmar and Vietnam) while expatriate patients grew mainly from UK, Germany and Japan.

Both hospitals in Bangkok & vicinity and hospitals outside Bangkok & vicinity increased 24% and 23% YoY, respectively. In addition, outpatient revenues increased 28% YoY while inpatient revenues increased 18% YoY resulting in an increase in occupancy rate from 60% in 2021 to 73% in 2022.

- ◆ Revenues from sales of goods were Baht 3,399 million, increased by 17% YoY due mainly to an increase in local and export sales of the A.N.B. Laboratories Co., Ltd. together with an increase in sales in drugstores and new products of Medicpharma Co., Ltd.
- ◆ Other income was Baht 1,034 million, decreased by 18% YoY as, in 2021, there was one-time compensation that our network hospital received for damages incurred at the amount of Baht 200 million.

## 2. Operating expenses

(THB mm)	2022	2021	%YoY
Cost of hospital operations and others	58,329	49,497	18%
Administrative expenses	17,655	14,994	18%
<b>Total Operating Expenses (Including depreciation)</b>	<b>75,984</b>	<b>64,491</b>	<b>18%</b>

In 2022, the Company and its subsidiaries reported total operating expenses & depreciation of Baht 75,984 million, an increase of Baht 11,493 million or increased by 18% YoY which increase at the lower pace that the increase in total operating income. Such increase was mainly due to higher doctor fees, drug and medical supply as a result of the growth of revenue from hospital operations together with an increase in staff expenses.

## 3. Other major items

- ♦ **Finance expenses** decreased to Baht 632 million in 2022 or decreased by 13% YoY as a result of financial management to decrease finance expenses during the year.
- ♦ **Corporate income tax** in 2022 were Baht 3,227 million, increased from Baht 2,103 million in 2021, due mainly to increase in pre-tax profit in 2022.

## 4. Profitability analysis

(THB mm)	2022	2021	YoY
EBITDA	22,933	17,545	31%
EBITDA margin	24.7%	23.2%	
EBIT	17,113	11,322	51%
EBIT margin	18.7%	14.2%	
Net profit	9,493	5,300	79%
Net profit margin	13.7%	9.8%	
EPS (Baht)	0.60	0.33	79%

### Remark

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

Profitability margin calculated based on operating income

The Company and its subsidiaries recorded EBITDA of Baht 22,933 million in 2022, increased by 31% YoY resulting in an increase in EBITDA margin from 23.2% in 2021 to 24.7% in 2022.

Net profit was Baht 12,606 million, increased by 59% YoY resulting in an increase in net profit margin to 13.6% in 2022. EPS was Baht 0.79 per share in 2022.

# Summary of Balance Sheets

(Unit : THB mm)	Dec-22	Dec-21	Chg %
Total Assets	141,543	128,454	10%
Total Liabilities	47,830	40,689	18%
Total equity attributable to company's shareholders	89,879	83,845	7%
Total shareholders' equity	93,713	87,765	7%

As of 31 December 2022, the Company and its subsidiaries reported total assets of Baht 141,543 million, increased by 10% from 31 December 2021 due mainly to an increase in right-of-use assets of Baht 6,806 million particularly from long-term land lease of the BDMS Silver Wellness & Residence project. Moreover, there were an increase in property, premises and equipment of Baht 2,171 million for investment in hospital network expansion together with an increase in cash & cash equivalents of Baht 1,734 million and trade & other receivables of Baht 1,354 million.

The Company carried goodwill of Baht 17,539 million, which remain unchanged from 31 December 2021. 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 7,112 million mainly consisted of (1) other current financial assets which were investment in fixed deposits and mutual funds of Baht 2,320 million, (2) intangible assets which mainly were computer software of Baht 1,621 million and (3) other non-current financial assets which were investment in equity and debt instruments of Baht 1,034 million.

Total consolidated liabilities as of 31 December 2022 were Baht 47,830 million, increased by 18% from 31 December 2021 due mainly to an increase in liabilities under lease agreements of Baht 4,407 million from long-term land lease of the BDMS Silver Wellness & Residence project together with an increase of long-term loans from financial institutions of Baht 3,000 million and trade & other payables of Baht 1,141 million netted with decrease in debenture of Baht 3,098 million.

Total consolidated shareholders' equity as of 31 December 2022 was Baht 93,713 million, increased by 7% from 31 December 2021 due mainly from net profit during the year.

Financial Analysis	2022	2021
<b>Returns (%)</b>		
Return on Asset	9.3	6.0
Return on Equity	14.5	9.2
<b>Liquidity (x)</b>		
Current Ratio	1.3	1.5
Quick Ratio	1.1	1.3
<b>Asset &amp; Liabilities Management (Days)</b>		
Average Collection Period	39.5	40.7
Average Inventory Period	13.0	14.0
Average Accounts Payable	34.6	34.5
<b>Leverage Ratio (x)</b>		
Interest Coverage	36.3	24.1
Debt service coverage ratio	3.6	5.1
Current portion of IBD to IBD (%)	27.2	18.3
Loan from financial institution to IBD (%)	19.1	5.3
Total IBD to EBITDA	1.0	1.1
Net IBD to EBITDA	0.5	0.5
<b>Debt to Equity Ratio (x)</b>		
Total liabilities to equity	0.5	0.5
Total IBD to equity	0.3	0.2
Net IBD to equity	0.1	0.1

**Remark**

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

ROA and ROE in 2022 increased from 2021 as a result of an increase in profit from operations in 2022.

Current ratio and quick ratio slightly decreased from 2021 as current liabilities increased at the higher pace than current assets. An increase in current liabilities was mainly from an increase in current portion of debentures and trade and other payables.

Average collection period decreased from 40.7 days in 2021 to 39.5 days in 2022. 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 decreased from 14.0 days in 2021 to 13.0 days in 2022. 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 slightly increased from 34.5 days in 2021 to 34.6 days in 2022.

**For leverage ratios analysis,** interest coverage ratio increased from 24.1x in 2021 to 36.3x in 2022 mainly from good performance in 2022. However,

debt service coverage ratio (DSCR) decreased from 5.1x in 2021 to 3.6x in 2022 due to higher current portion of interest bearing debt.

Net interest bearing debt to EBITDA remained unchanged at 0.5x in 2021 and in 2022.

**For debt to equity ratio analysis,** total interest bearing debt to equity slightly increased from 0.2x as of 31 December 2021 to 0.3x as of 31 December 2022 while net interest bearing debt to equity as of 31 December 2022 and 31 December 2021 remained unchanged at 0.1x.

The Company and its subsidiaries strongly believe 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

In 2023, the Company and its subsidiaries expects healthcare business to grow mainly from strong recovery of international patients given the termination of travel restrictions in many countries as a result of improving COVID-19 situation globally.

Thailand remains one of the world's most attractive medical tourism destinations for our quality of care, international accredited hospitals, Thai hospitality and value for money.

In the long-term, we are confident that positive healthcare sector prospect 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

BDMS'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. In 2023, we would focus on the following strategic priorities:

### 1.) *Expansion of customer's base*

BDMS continues to put efforts to enhance revenue in all segments. Our key focuses, this year, are to (1) increase number of fly-in patients particularly from Middle East, CLMV and China (2) strengthen relationship with third party payors including private health insurance and corporates partners (3) increase number of social security's members while expanding services to accommodate more social security patients and (4) expand and engage more of the silver age group by developing services around the need of aging population. These initiatives would help broaden our customer base and increase our hospital network asset utilization.

### 2.) *Product & services development*

BDMS determine to strengthen and broaden our services at Center of Excellence (CoE) offering comprehensive treatment for complex medical conditions to achieve the best possible outcomes. Beyond curative care, we would promote wellness and preventive care aiming to prevent or detect disease beforehand coupled with rehabilitative services to help patients to return to daily lives.

For sustainable growth going forward, BDMS would deploy value-based care to deliver the most effective, efficient and sustainable outcomes to our patients. We also develop pricing strategy that is suitable for segmented customers and market condition to enhance our competitiveness. On the other hand, we continue to transform our network procurement to increase operational efficiency as one of the cost saving initiatives.

### **3.) Digital Healthcare and Innovation**

With the advancement of technology and innovation, BDMS has adopted the concept of smart healthcare to provide a valuable service to achieve better customer experience. We continue to develop customer-centric health ecosystem using telehealth and our BeDee mobile application offering teleconsultation, tele-pharmacy and healthmall serving the need of the customers while making healthcare services more accessible. We also plan to scale up all these platforms to be more convenient for insurance, corporate and patients. Alongside our development, we also support and invest in healthtech and startups to improve patient care and promote sustainable quality of life.

### **4.) Healthcare sustainability**

#### **People strategy**

Doctors, clinical and non-clinical staffs are valuable assets of BDMS to drive our corporate strategy. We have realized the importance of talent management starting from talent acquisition, engagement, development and retention.

#### **Collaboration with healthcare partners**

We continue to collaborate with world leading institutions for training, research and innovation to uplift our standard of care.

#### **BDMS Green healthcare**

To recognize the importance of climate change, we promote green hospital that aims to, for example, utilize renewable resources, reduce waste. These environmental friendly practices will lead to sustainable healthcare.



# IR Activities

## Virtual and Physical Conference

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



- ◆ On 12 January 2023, BDMS joined DBS Vickers Pulse of Asia Conference 2023 (WebEx) and met with 59 local and international institutional investors.



- ◆ On 17 January 2023, BDMS joined J.P. Morgan Thailand Conference 2023 at The St. Regis Bangkok and met with 9 international institutional investors.



- ◆ On 23 January 2023, BDMS joined Krungsri Healthcare Day 2023 at The Okura Prestige Bangkok and met with 18 local institutional investors.

## Virtual Analyst Meeting 4Q22 Results (WebEx)



BDMS hosted a virtual analyst meeting for 3Q22 results on 18 November 2022. The meeting was led by **Dr. Poramaporn Prasarttong-Osoth**, President, **Khun Narumol Noi-am**, SEVP and CFO, **Dr. Chairat Panthuraamphorn**, COO, **Mr. Narongrid Galaputh**, CEO Group 7.I, **Dr. Matinee Maipang**, Deputy CEO - Group I and BHQ Hospital Director, **Mr. Buranut Limjitti**, SVP - International Marketing, Advertising and PR and **Khun Ajaya Intaraprasong**, Head 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

In addition, BDMS Investor Relations hosted Virtual Results Call in the afternoon for more than 24 foreign analysts and fund managers.

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





**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 141,543 million in assets as of December 2022. Bangkok Dusit Medical Services Public Company Limited ("BDMS") currently has 55 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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