



**Bangkok Dusit Medical Services (BGH)**  
**Analyst Presentation**  
**3Q11 Results**  
**November 24, 2011**

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# BDMS Updates & Highlights



# BDMS Updates

## The Opening of Bangkok Hospital Pakchong in October 2011

- Upgrading the existing polyclinic facilities to be 30 beds secondary care hospital and being part of Bangkok Hospital Ratchasima network
- Conveniently located on Mittraparp Road



## BDMS Now Owns And Manages 28 Hospitals With Total Beds of 5,017

 Brand	No. of Hospitals	No. of Beds*
 Bangkok Hospital	14	2,203
 Phyathai hospital	4	1,097
 Samitivej Hospital	3	825
 Paolo Memorial Hospital	4	697
 BNH Hospital	1	144
 Royal International Hospital	2	51

\* Maximum number of beds according to the structure of the hospitals

## TRIS Ratings Upgrades Company and Issue Ratings of BGH to A+



- The upgrade reflects BGH's enhanced capacity of its facilities and larger franchise network after completing merger with Phyathai Hospital Group (PYT) and Paolo Memorial Hospital Group in 2Q11
- The ratings also take into consideration BGH's leading position as the largest private hospital operator in Thailand, its experienced management team and capable physicians, high quality services, and good equipments

## Flooding Protection and Mitigation Plan

- Preparations include sandbag & concrete barriers constructions to protect all buildings' water penetration
- Having stockpile of foods, water, drug & medical supplies, medical gas, fuel for power generation, alternative communication systems and medical and supporting personnel
- Established the 24 hour War-Room Center to effectively monitor and respond to the situation in collaboration and due courses with the community, private and government agencies
- All network hospitals are covered by insurances for property damages and business interruption in case of flood

# BDMS Highlights

## 3Q11 Consolidated Financial Summary

- Revenue from hospital operations of THB **10,087** mm increased by THB **3,793** mm or 60% from 3Q10, primarily due to:
  - Revenue of organic BDMS hospital operations of Baht **6,952** mm or increased 10% yoy
  - Consolidation of revenues from PYT and Paolo Memorial Hospital Group of Baht **3,135** mm
- A record net profit of THB **1,273** mm increased 74% yoy from
  - BDMS organic profit of THB **853** mm increased 16% yoy
  - Profit from PYT & Paolo Memorial Hospital Group of THB **420** mm

# Synergy Creation

## from Integration of Phyathai & Paolo Hospitals





# Synergies Creation from Integration of Phyathai & Paolo Hospitals

## ✓ Clinical

- Increasing referral of patients among network hospitals
- Upgrading the Heart Care Services (General Cardiology, Interventional Cardiology, Arrhythmia clinic and Heart Surgery) for PYT by BMC team



- Cooperation with BMC to build the Cancer Care (Radiation Therapy) at PNWM

- Setting up the largest Emergency Medical Service (EMS) team in Southeast Asia by incorporating Emergency Medicine Doctors, Emergency Med Tech, competent nurses and Emergency Care Process including centralization of ambulance services for network hospitals in Bangkok
- Setting up standardization of quality, patient safety and risk management process for all network hospitals
- Pool of doctors and clinical staffs

# Synergies Creation from Integration of Phyathai & Paolo Hospitals

## Nursing

- Sharing resource through Pool of nurses
- Setting up standardization of nursing practice for good quality of services and patient safety
- Co-training among network hospitals

## Finance

- Refinanced ~THB 6,000 mm secured loans of PYT and Paolo Group in April 2011
- Changing from secured to unsecured borrowing structure and lowering borrowing cost by 2.25% p.a.
- Implementing cash pooling to PYT and Paolo Group resulting in reduction of short-term loan

## Cost Control

- Centralized purchasing of key medical equipments at Nhealth, BDMS subsidiary
- Sharing data of item and unit price of drugs and medical supply. On process for IT integration as a single source of procurement information

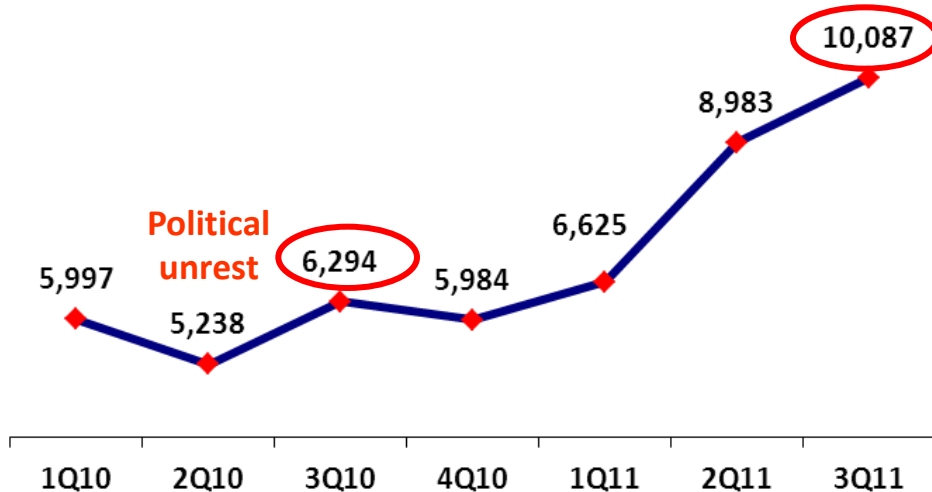


# Operational Statistics

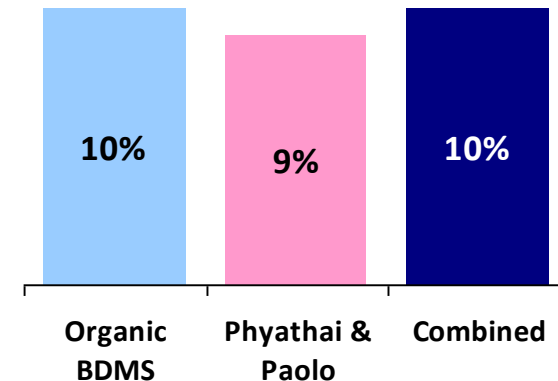


# Strong Patient Revenue Growth

Patient Revenue (THB mm)



3Q11 Organic Patient Revenue Growth (yoy)

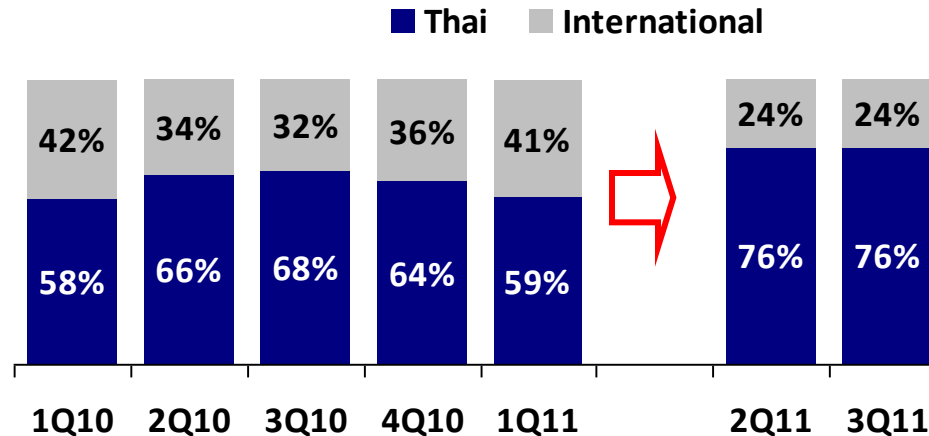


## Commentary

- During 3Q11, total patient revenue grew 60% yoy due mainly to
  - Organic patient revenue growth from increasing number of outpatients & inpatients
  - Acquisition of Phyathai & Paolo Memorial Hospitals

# Gearing More Towards Thai Patients

## Revenue Contribution by Nationality

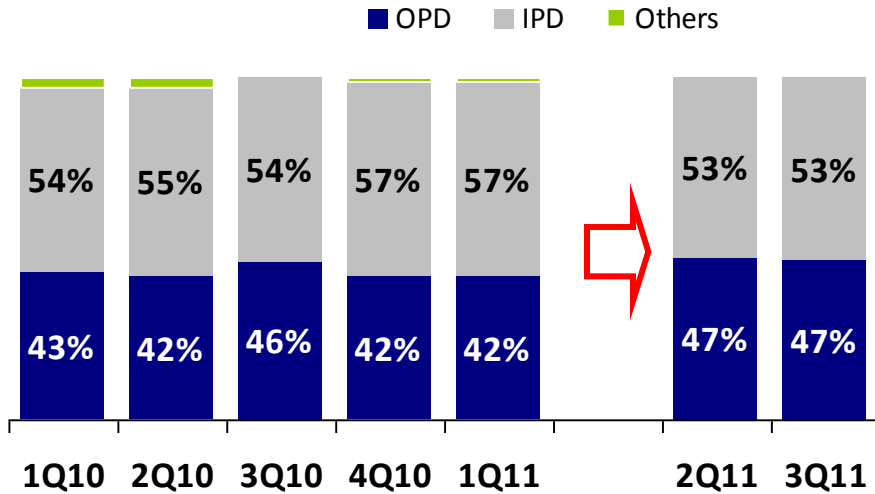


## Commentary

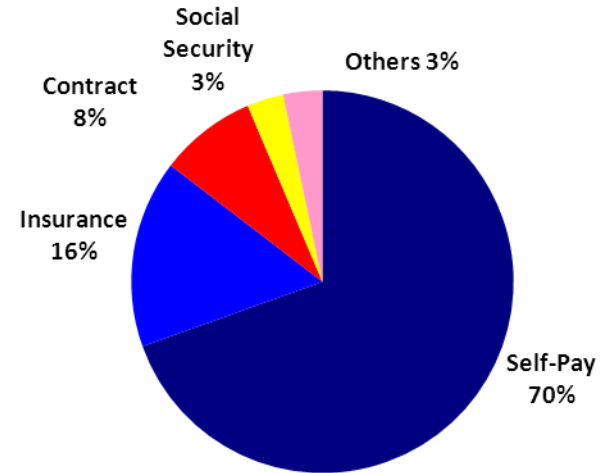
- International revenues portion dropped to 24% in 3Q11 as most of patients from Phyathai & Paolo Memorial Hospitals are Thai patients
- In 3Q11, **organic** BDMS revenue from Thai patients grew 8% yoy while international patients grew 15% yoy
  - Top 5 international patient revenues are from Japan, UK, Australia, UAE and USA which contribute 3.1%, 1.8%, 1.8%, 1.7% and 1.6% of total patient revenues respectively
  - International patient revenues also grew significantly for Myanmar (+63%) and Australia (+46%)

# Changing Patient Mix

## Revenue Breakdown by Patient Types



## 3Q11 Revenue Breakdown by Type of Payment

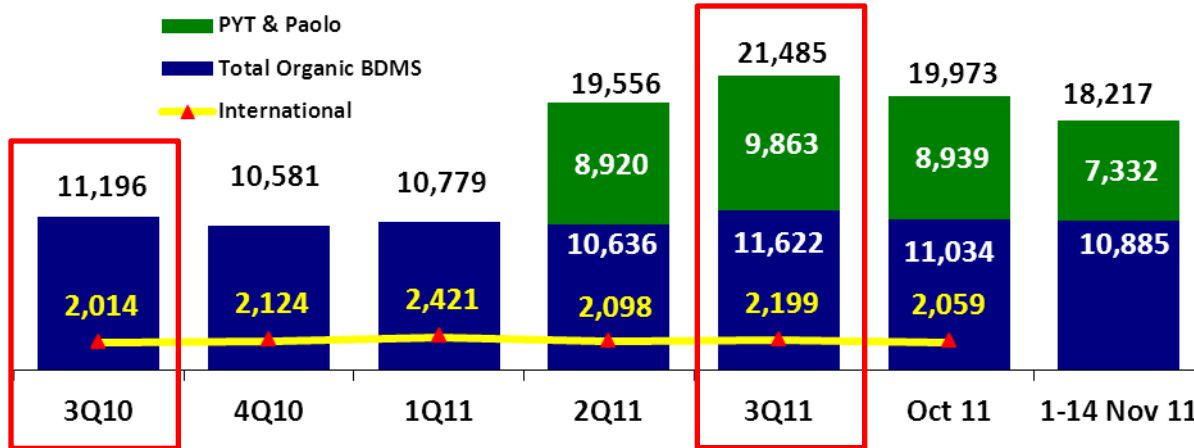


## Commentary

- In 3Q11, Combined **organic** OPD revenues increased 11% yoy while IPD revenues increased 8% yoy
  - Organic BDMS patient revenue growth: - OPD + 12% yoy & IPD +8% yoy
  - Organic PPCL& Paolo Memorial Hospitals patient revenue growth :- OPD + 9% yoy & IPD +7% yoy

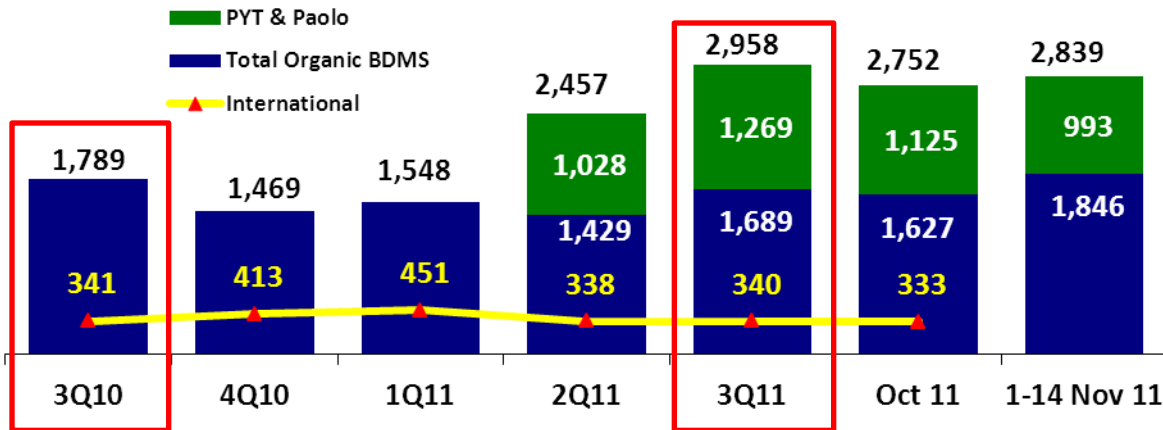
# Continued Patient Base Expansion

## Number of OPD Visits per Day



**3Q11 yoy**  
**Organic BDMS+4%**  
**Inter +9%**

## Average Daily Census ( ADC )

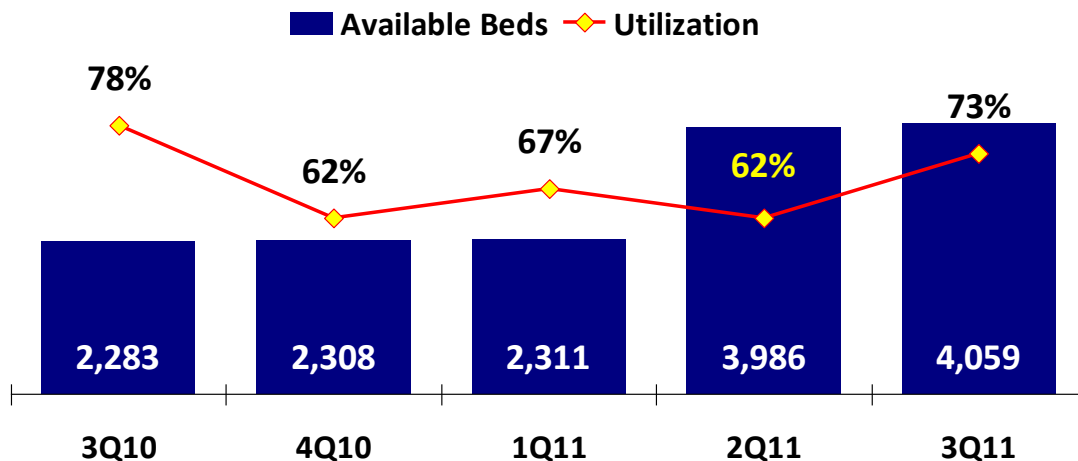


**3Q11 yoy**  
**Organic BDMS -5%**  
**Inter 0%**

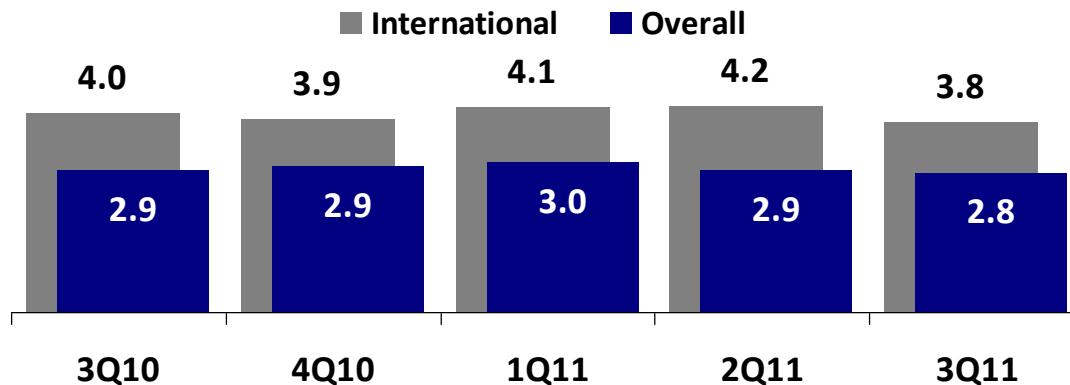
Remarks:- Including social security patients

# Utilization of Beds

## Utilization Based on Available Beds



## Average Length of Stay (days)



Remarks:- Including social security patients

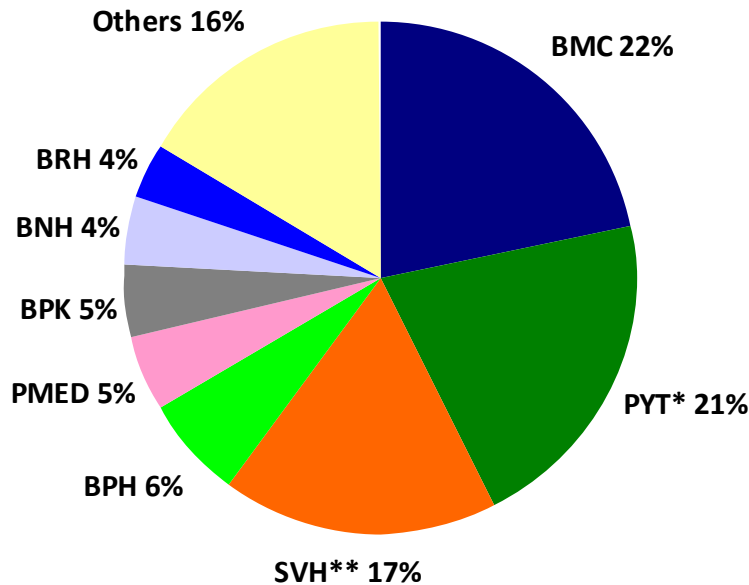


# Financial Highlights

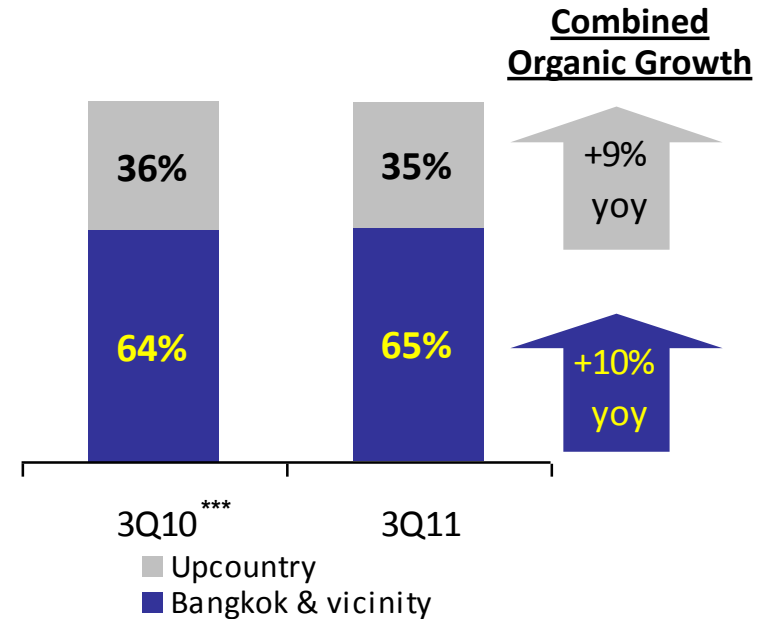


# Diversified Sources of Revenues

## Revenue Contribution by Hospitals in 3Q11



## Revenue Contribution & Growth by Locations



## Commentary

- During 3Q11, top 5 hospitals contributed 71% of total revenue
- Bangkok & vicinity hospitals that grew more than 10% yoy : - BMC (+16%) PNWM (+14%) and Pchok(+14%) yoy
- Upcountry hospitals that grew more than 9% :-BHH(+21%) and Psamut(+11%)

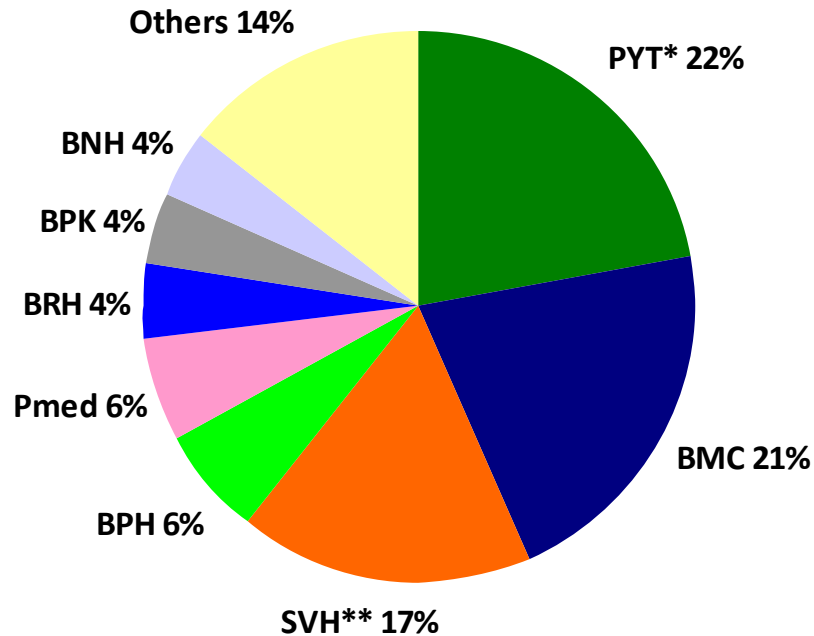
\* PYT included Phyathai 1, Phyathai 2, Phyathai 3 and Phyathai Sriracha

\*\* SVH included Samitivej Sukhumvit, Srinakarin and Sriracha

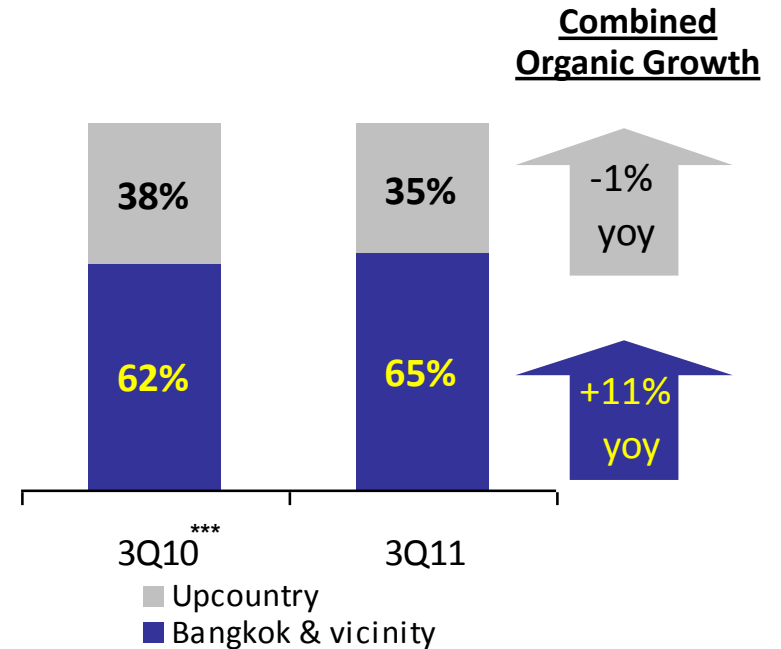
\*\*\* Including PPCL & Paolo

# EBITDA Contribution

## EBITDA Contribution in 3Q11



## EBITDA Contribution & Growth by Locations



## Commentary

- During 3Q11, top 5 hospitals contributed 72% of total EBITDA

\* PYT included Phyathai 1, Phyathai 2, Phyathai 3 and Phyathai Sriracha

\*\* SVH included Samitivej Sukhumvit, Srinakarin and Sriracha

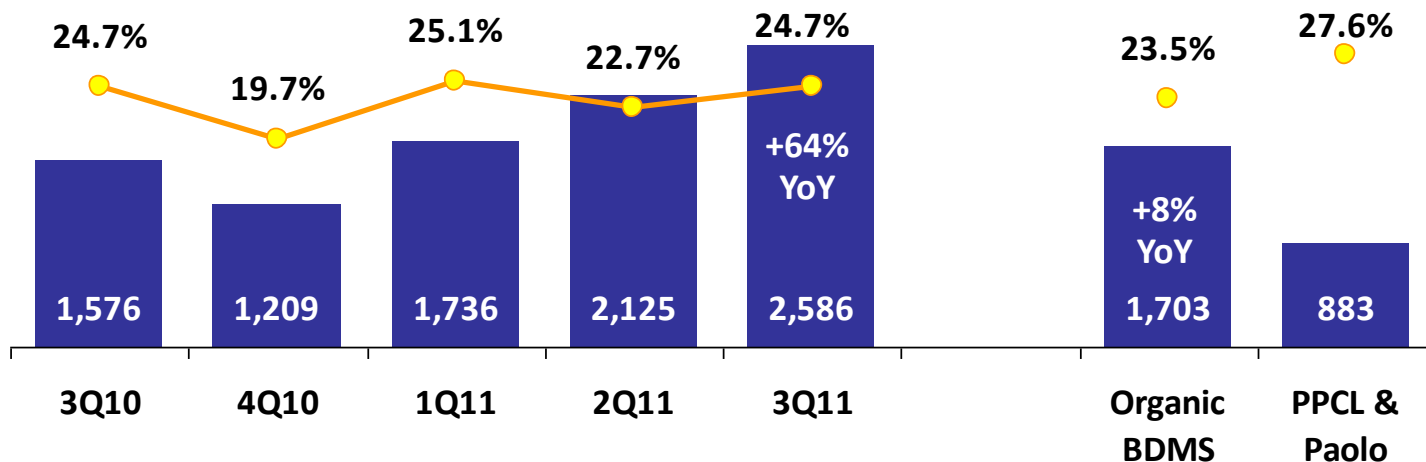
\*\*\* Including PPCL & Paolo

EBITDA is calculated from revenue from hospital operations + revenue from F&B + other income – cost from hospital operations – SG&A expenses

# Quarterly Profitability Trend

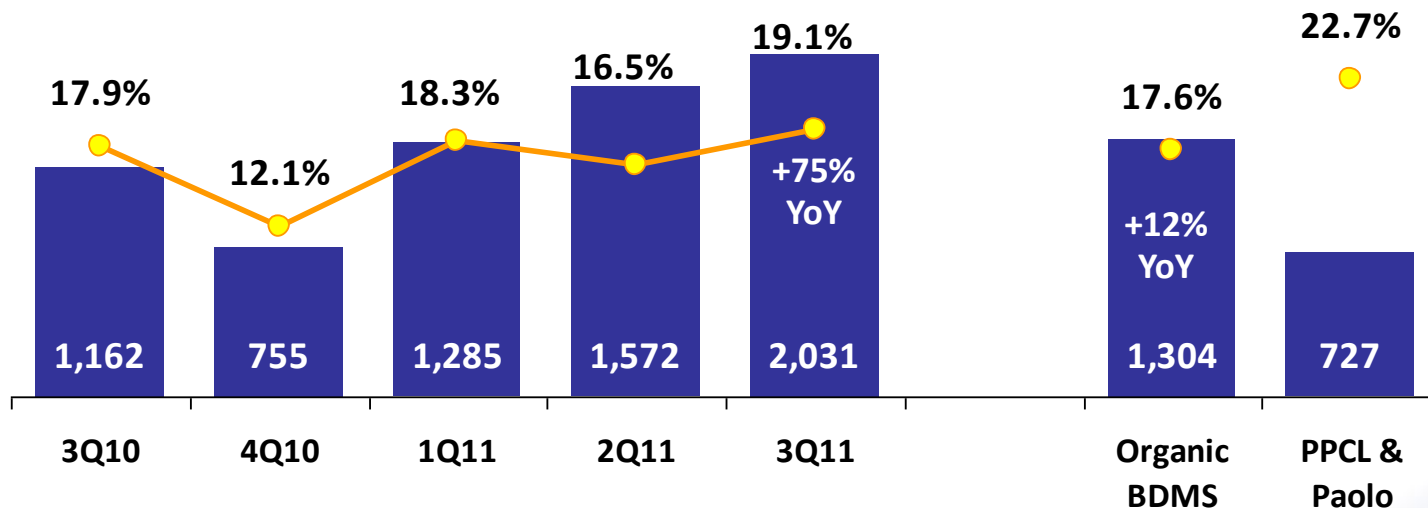
## EBITDA & EBITDA Margin

(THB mm)



## EBIT & EBIT Margin

(THB mm)



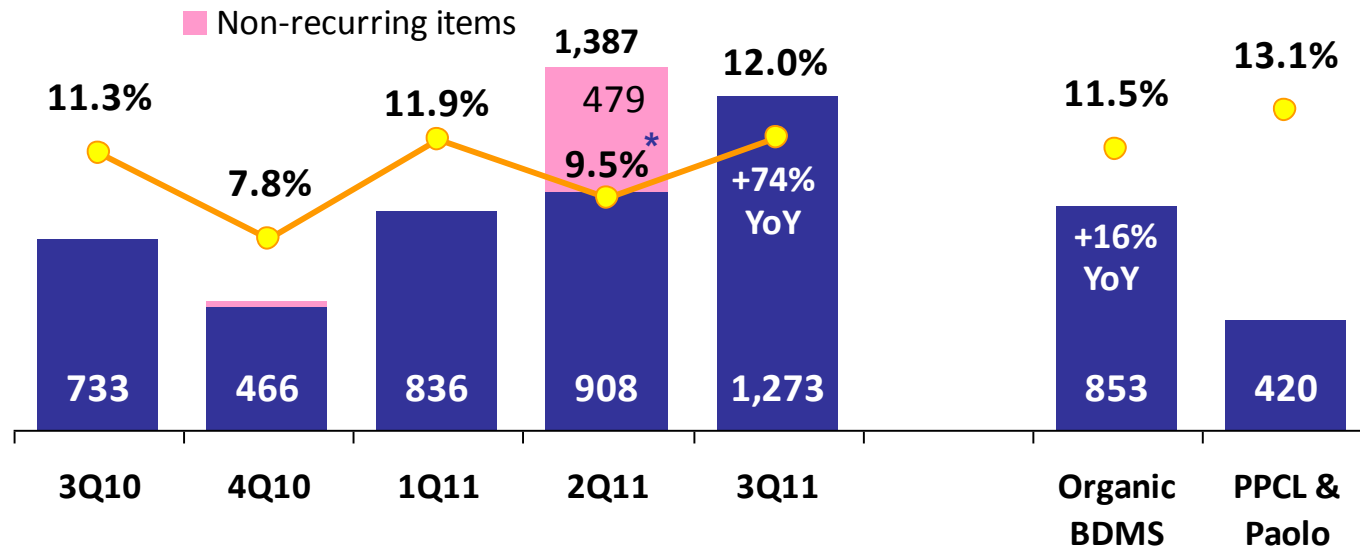
Excluding non-recurring items



# Quarterly Profitability Trend

Net Profit & Net Profit Margin

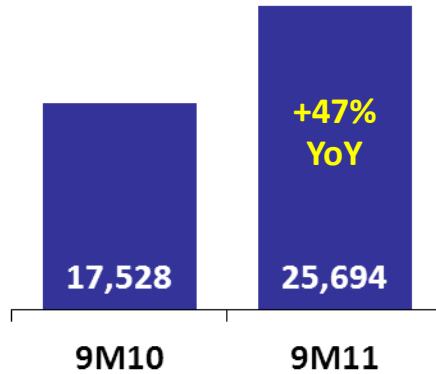
(THB mm)



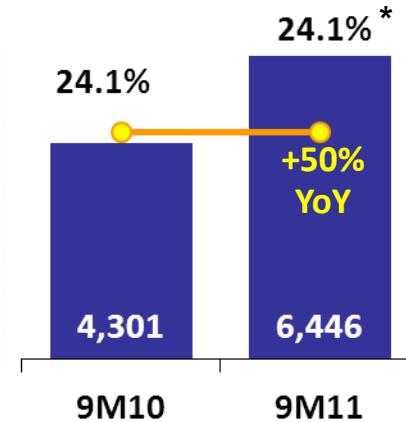
\* Excluding non-recurring items

# YTD Performance

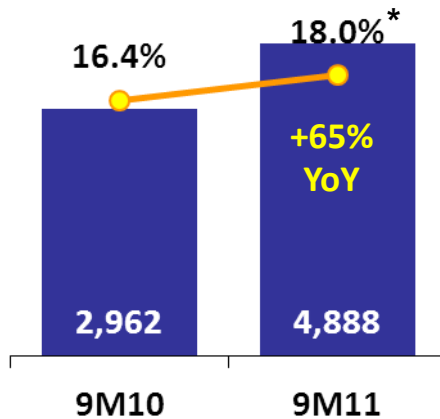
Patient Revenue (THB mm)



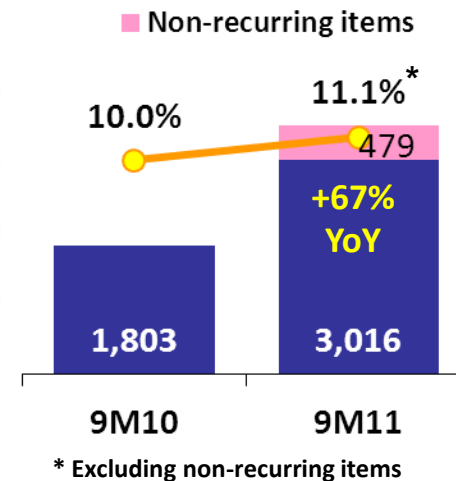
EBITDA & EBITDA margin (THB mm)



EBIT & EBIT margin (THB mm)

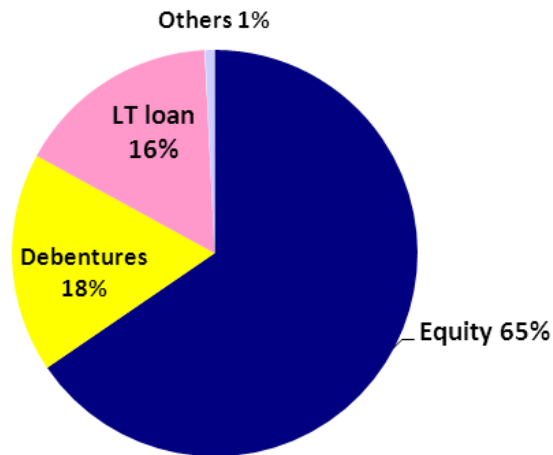


Net Profit & Net Profit Margin (THB mm)



# Capital Management

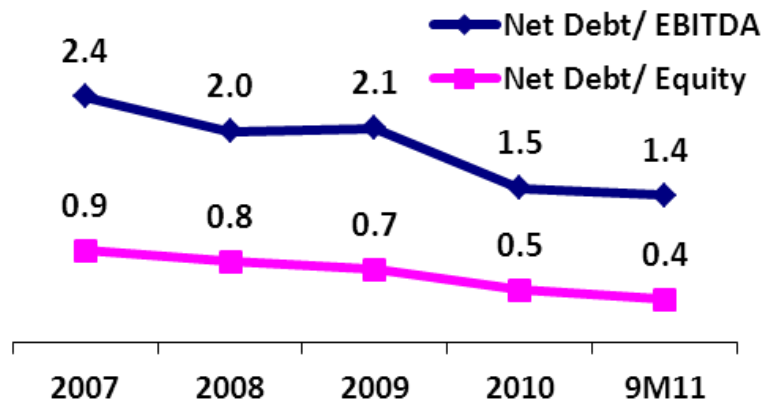
## Capital Structure as of Sep 11



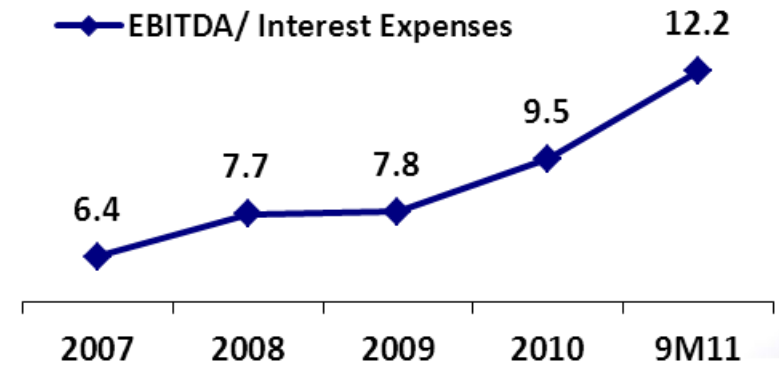
## Commentary

- Leverage ratios (net debt/EBITDA and net debt/equity) are well within covenants

## Gearing Ratios



## Interest Coverage



## Appendix:- Hospital Network in Key Strategic Locations

	<b>Ownership</b>	<b>No. of Beds <sup>(1)</sup></b>
<b>Group 1</b>		
1. Bangkok Hospital	100%	263
2. Bangkok Heart Hospital	100%	56
3. Wattanosoth Hospital	100%	48
4. Bangkok Huahin (BHN)	100%	60
<b>Group 2</b>		
5. Samitivej Sukhumvit (SVH)	95.8%	275
6. Samitivej Srinakarin (SNH)	95.8%	400
7. Samitivej Sriracha <sup>(2)</sup> (SSH)	67.5%	150
8. BNH Hospital (BNH)	91.4%	144
<b>Group 3</b>		
9. Bangkok Pattaya (BPH)	97.2%	400
10. Bangkok Rayong (BRH)	100%	170
11. Bangkok Chantaburi (BCH)	99.7%	170
12. Bangkok Trat (BTH)	99.8%	114
13. Bangkok Samui (BSH)	100%	50
14. Bangkok Phuket (BPK)	99.7%	317
15. Bangkok Hat Yai (BHH)	98.8%	165
<b>Group 4</b>		
16. Bangkok Ratchasima (BKH)	89.5%	300
17. Bangkok Pakchong	89.5%	30
18. Bangkok Prapradaeng (BPD)	79.0%	60
19. Royal Angkor International	80.0%	21
20. Royal Rattanak International	70.0%	30



	<b>Ownership</b>	<b>No. of Beds <sup>(3)</sup></b>
<b>Group 5</b>		
21. Phyathai 1 (PYT1)	100% <sup>(4)</sup>	350
22. Phyathai 2 (PYT2)	99.0% <sup>(4)</sup>	260
23. Phyathai 3 (PYT3)	97.6% <sup>(4)</sup>	230
24. Phyathai Sriracha (PYTS)	63.4% <sup>(4)</sup>	257
25. Paolo Paholyothin (PMED)	100%	237
26. Paolo Samutprakarn (Psamut)	88.7%	200
27. Paolo Chokchai 4 (Pchok)	80.7%	120
28. Paolo Nawamin (PNWM)	99.8%	140

(1) Structured beds  
 (2) Indirect shareholding through Samitivej PCL

(3) Registered beds  
 (4) Indirect shareholding through Prasit Patana PCL which BGH hold 97.1%

