



Bangkok Dusit Medical Services (BGH)

Analyst Presentation

3Q13 & 9M13 Results

November 19, 2013

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BDMS Updates & Highlights



Telecare clinics by Bangkok Hospital

Enhancing Referral Network



คลินิกในเครือโรงพยาบาลกรุงเทพ

คลินิกใกล้บ้าน
ความอุ่นใจใกล้คุณ



- Opened 2 new Telecare Clinics by Bangkok Hospitals in Minburi and Charoenkrung (Asiatique)
- Our clinics have telecare consultation services with specialist doctors at the Bangkok Hospitals and referral network for further diagnostics and treatments



Bangkok Hospital Phitsanulok

New Hospital in Network



- Since 1st October 2013, Bangkok Hospital Phitsanulok become our 31st network hospital with the purchase price of THB 576 mm
- In this regard, BDMS also offered newly issued shares under a general mandate by way of a private placement, as previously approved by AGM, in the amount of 3,636,771 shares with the offering price of THB 127.22 per share, totaling THB 463 mm



Investment Updates

New Hospitals in Pipeline



Royal Phnom Penh Hospital



Bangkok Hospital Chinatown



Hospitals	Total Beds	1 st Phase	Project Details	Commission Date
1 Bangkok Hospital Chinatown	58	18	▪ Basic Tertiary care hospital aiming to tap into affluent ethnic Thai- Chinese residents	1Q14
2 Deebuk Hospital (Bangkok Hospital Phuket 2)	100	20	▪ Secondary care hospital targeting middle income patients	1Q14
3 Bangkok Hospital Khon Kaen	120	50	▪ Acquired Vachprasit Hospital during 2Q13 and upgrading to become Basic Tertiary care hospital targeting patients living in Khon Kaen and neighboring provinces	1Q14
4 Sri-Rayong Hospital ⁽¹⁾	195	25	▪ Secondary care hospital targeting middle income patients	1Q14

(1) Formerly known as Soonthornphu Hospital

Investment Updates

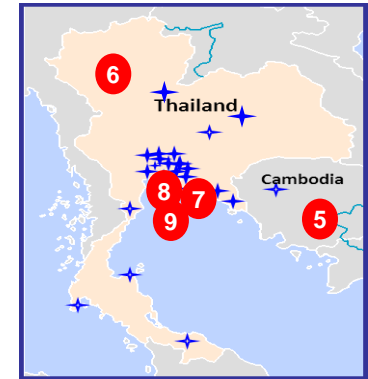
New Hospitals in Pipeline



Bangkok Hospital Chiangmai



Sri-Rayong Hospital



Hospitals	Total Beds	1 st Phase	Project Details	Commission Date
5 Royal Phnom Penh Hospital, Cambodia	104	40	Basic Tertiary care hospital targeting Cambodian and expatriates	2Q14
6 Bangkok Hospital Chiangmai	185	21	Hub Tertiary care hospital targeting Thai & international patients	2Q14
7 Jomtien Hospital (Bangkok Hospital Pattaya 2)	250	100	Secondary care hospital targeting middle income patients	2015
8 Samitivej Chonburi Hospital	220	100	Basic Tertiary care hospital targeting patients living in Chonburi	2015
9 Paolo Rangsit Hospital	150	100	Secondary care hospital targeting middle income patients living in Rangsit and Pathum Thani area	2015

Consolidated Financial Summary

3Q13 Results

- Revenue from hospital operations of THB 12,961 mm increased by 12% from 3Q12 mainly from growing number of outpatients and inpatients across network hospitals together with rising healthcare inflation and an increase in patient acuity
- EBIT of THB 2,234 mm decreased by 9% yoy as a result of an increase in both clinical and non-clinical staff expenses to accommodate rising demand of network hospitals and in preparation for new network hospitals together with rise in rental expenses, repair and maintenance expenses for JCI re-accreditation and provision for doubtful debts
- Net profit (excluding non-recurring items) of THB 1,549 mm decreased by 9% yoy

9M13 Results

- Revenue from hospital operations of THB 36,516 mm increased by 12% from 9M12 mainly from growing number of outpatients and inpatients across network hospitals, and rising healthcare inflation and an increase in patient acuity
- EBIT of THB 6,655 mm increased by 3% yoy
- Net profit (excluding non-recurring items) of 4,713 mm increased by 7% yoy

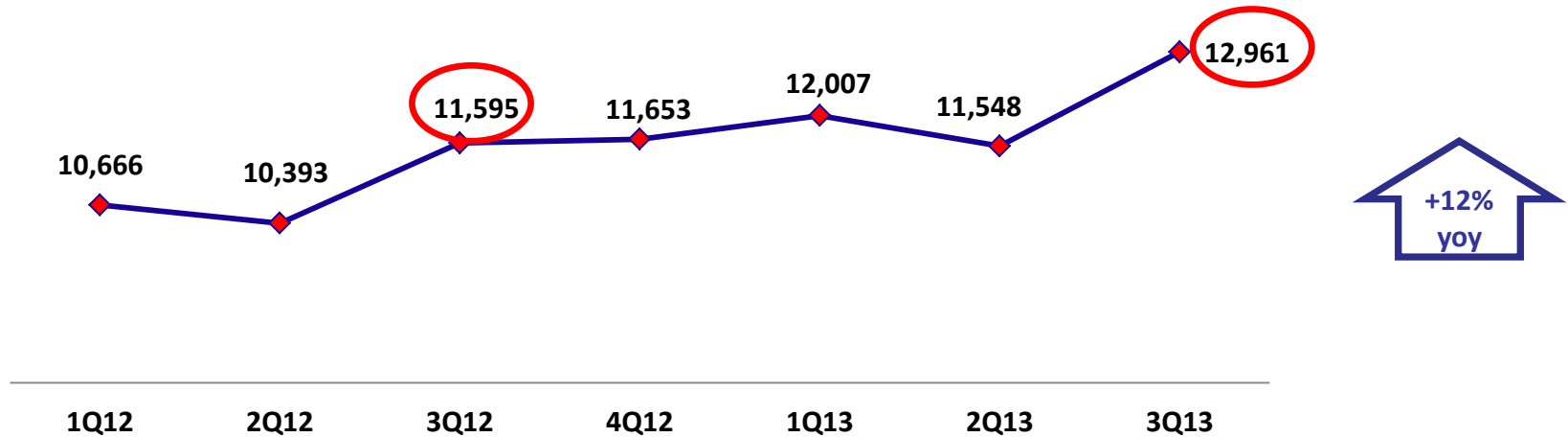
Operational Statistics



Continued Double Digit Revenue Growth

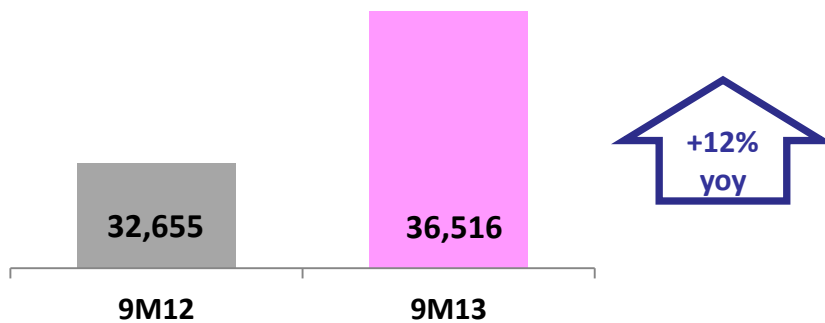
Quarterly Patient Revenue Trend

(THB mm)



Patient Revenue

(THB mm)

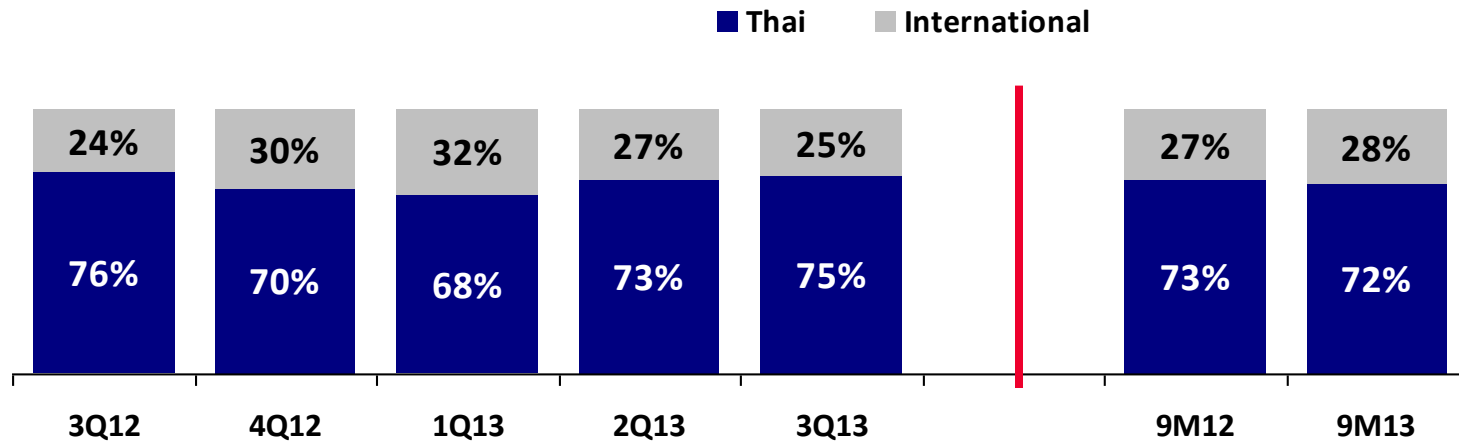


Commentary

- **9M13** Patient revenue increased by **12% yoy**, primarily from
 - Growth in number of outpatients and inpatients across our network hospitals
 - Rising healthcare inflation
 - Increasing intensity

Expanding Both Thai and International Patients

Revenue Contribution by Nationality

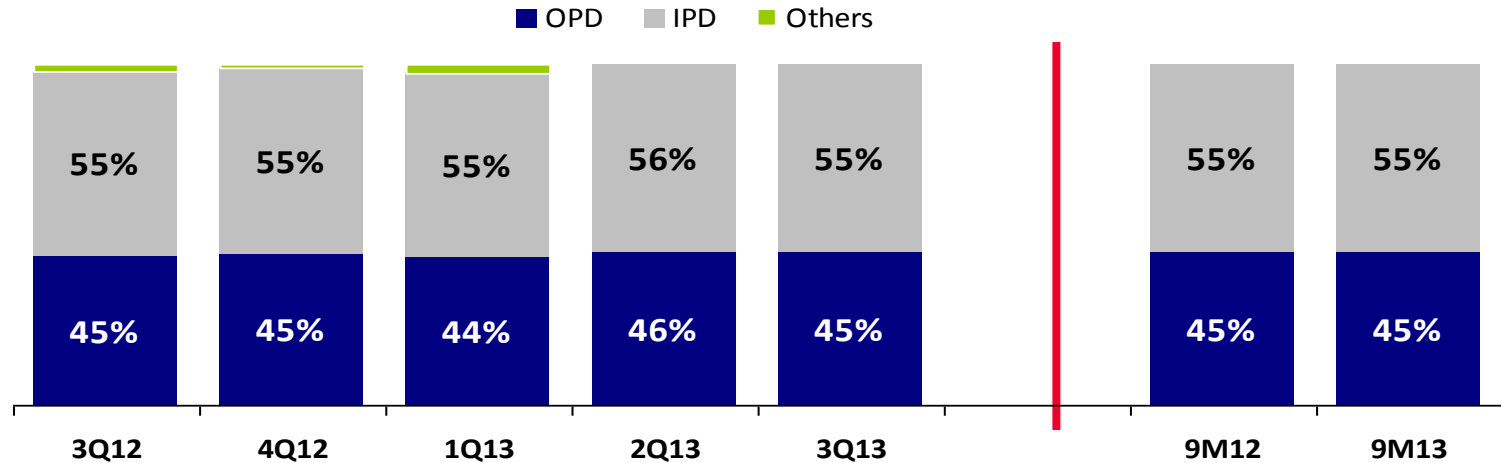


Commentary

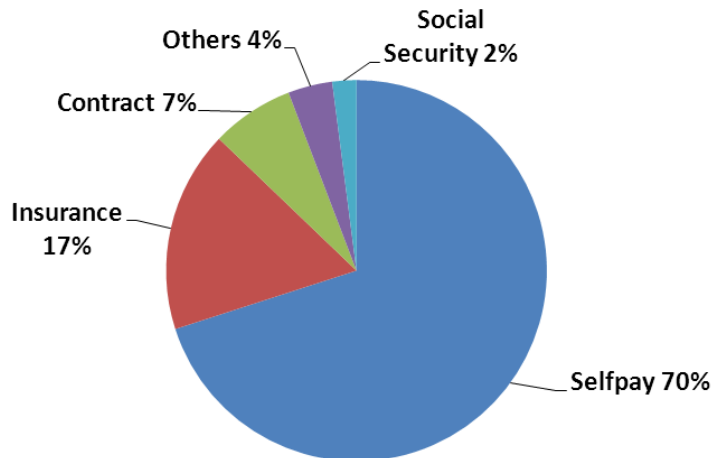
- **9M13** revenue from Thai patients grew 11% while international patients grew 13% yoy
 - Top 5 international patient revenues are from Japan, Australia, Myanmar, UK and UAE which contribute 2.7%, 2.0%, 2.0%, 1.8% and 1.7% of total patient revenues respectively
 - International patient revenues grew significantly for Myanmar(+33%), Australia(+29%) and UAE(+12%)

Patient Mix

Revenue Breakdown by Patient Types



9M13 Patient Revenue by Payor

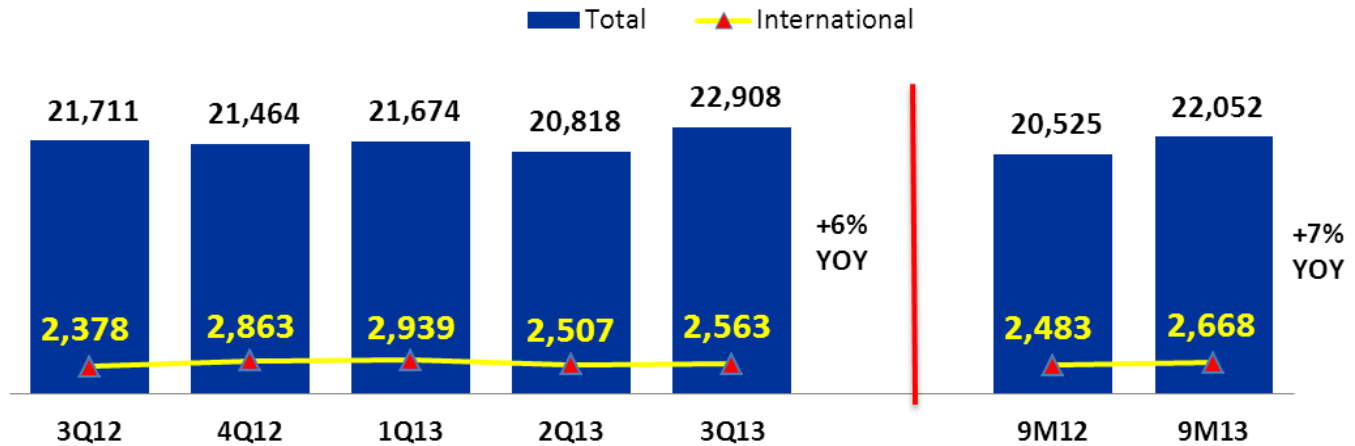


Commentary

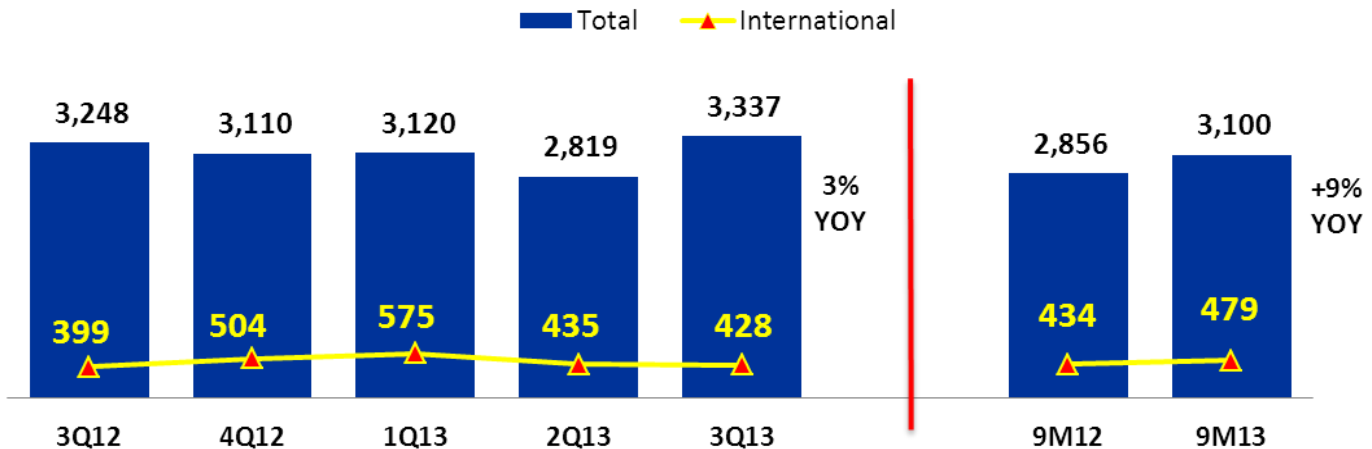
- **3Q13** OPD revenues increased 12% yoy while IPD revenues also increased 11% yoy
- **9M13** OPD revenues increased 11% yoy while IPD revenues increased 12% yoy

Patient Base Expansion From Both Organic Growth & Acquisitions

Number of OPD Visits per Day



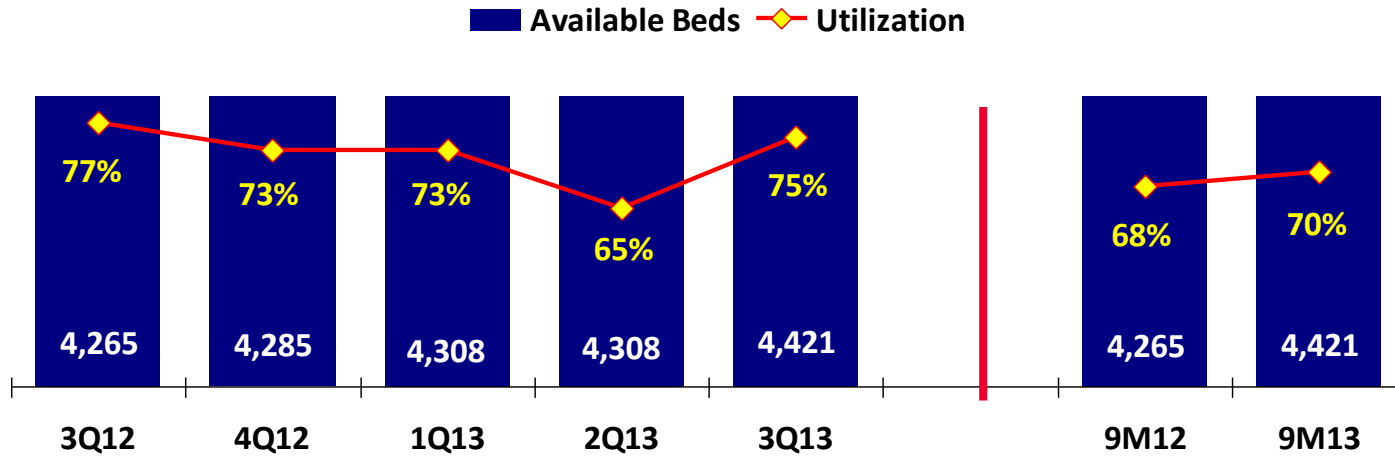
Average Daily Census (ADC)



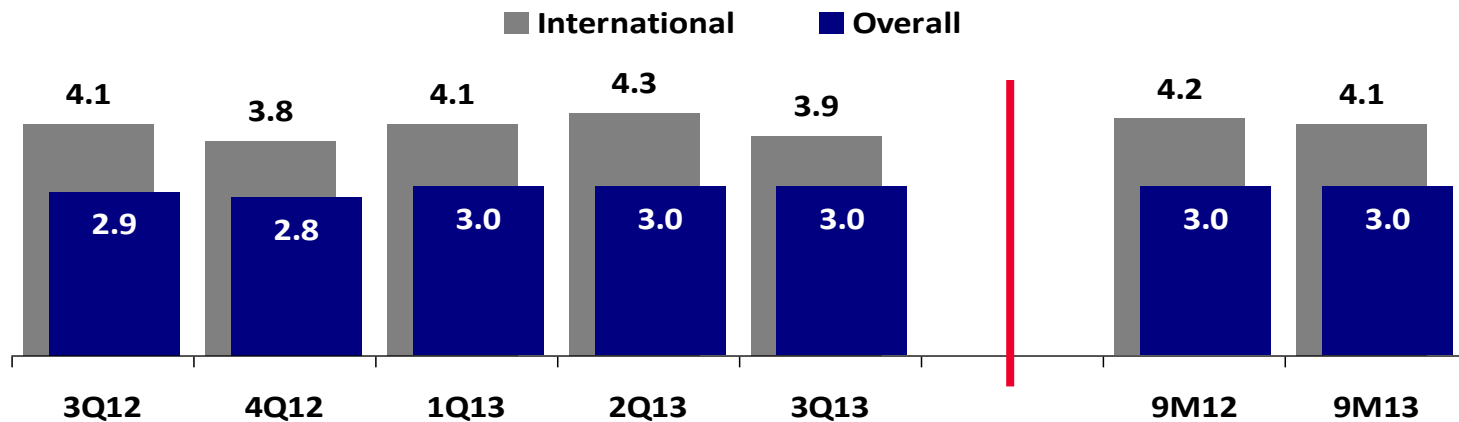
Remarks:- Including social security

Utilization of Beds

Utilization Based on Available Beds



Average Length of Stay (days)



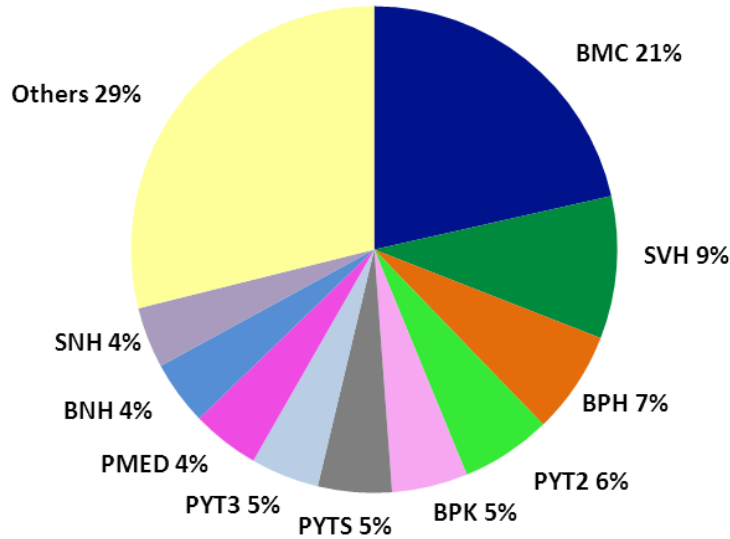
Remarks:- Including social security patients

Financial Highlights

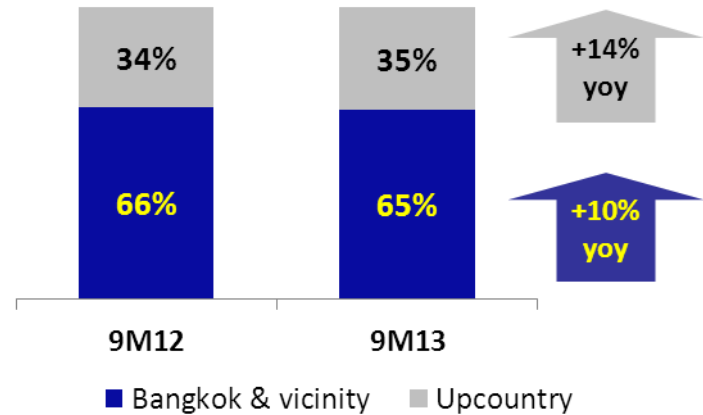


Diversified Sources of Revenues

Revenue Contribution in 9M13



Revenue Contribution & Growth by Locations



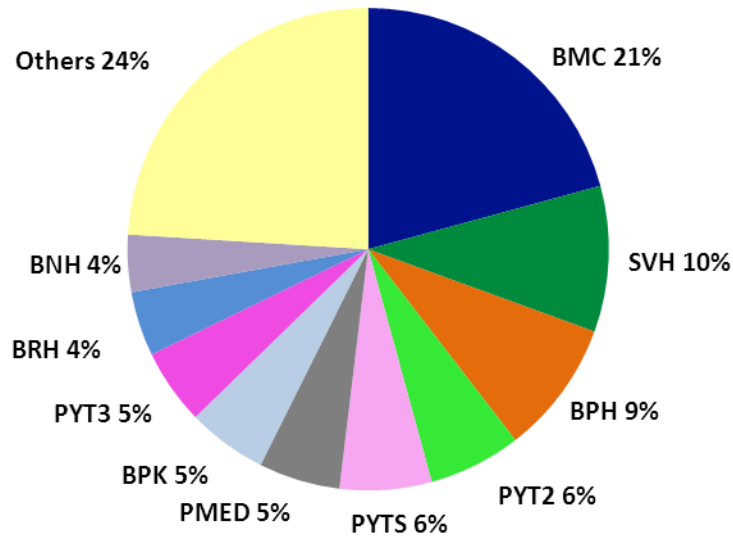
Commentary

- During **9M13**, top 5 hospitals (by location) contributed 48% of total revenue
- Bangkok & vicinity hospitals that grew more than 10% yoy : - PNWM (+19%), BNH(+15%), Pchok(+14%), BPD(+12%), PYT3(+11%) and Pmed(+11%)
- Upcountry hospitals that grew more than 14% yoy :- BHN(+42%), BSH(+20%), BHH(+18%), BKH(+17%), and BRH(+15%)

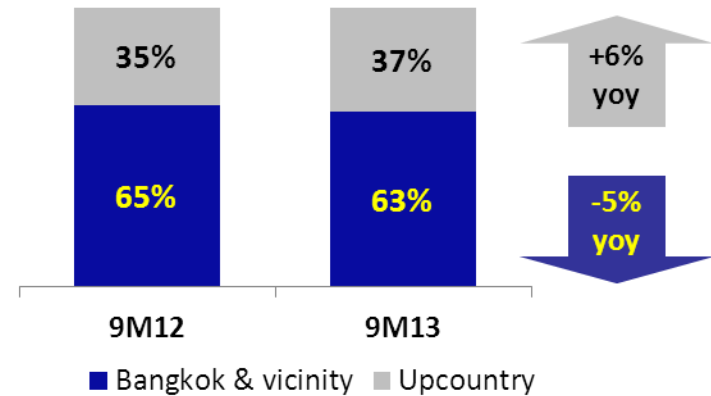
Remark:- Hospital abbreviation shown on page 22

EBITDA Contribution

EBITDA Contribution in 9M13



EBITDA Contribution & Growth by Locations



Commentary

- During **9M13**, top 5 hospitals (by location) contributed 52% of total EBITDA
- EBITDA of hospitals in BKK & vicinity decreased 5% yoy mainly from an increase in staff expenses to accommodate rising demand of existing network hospitals and in preparation for new network hospitals together with an increase in provisioning for doubtful debts

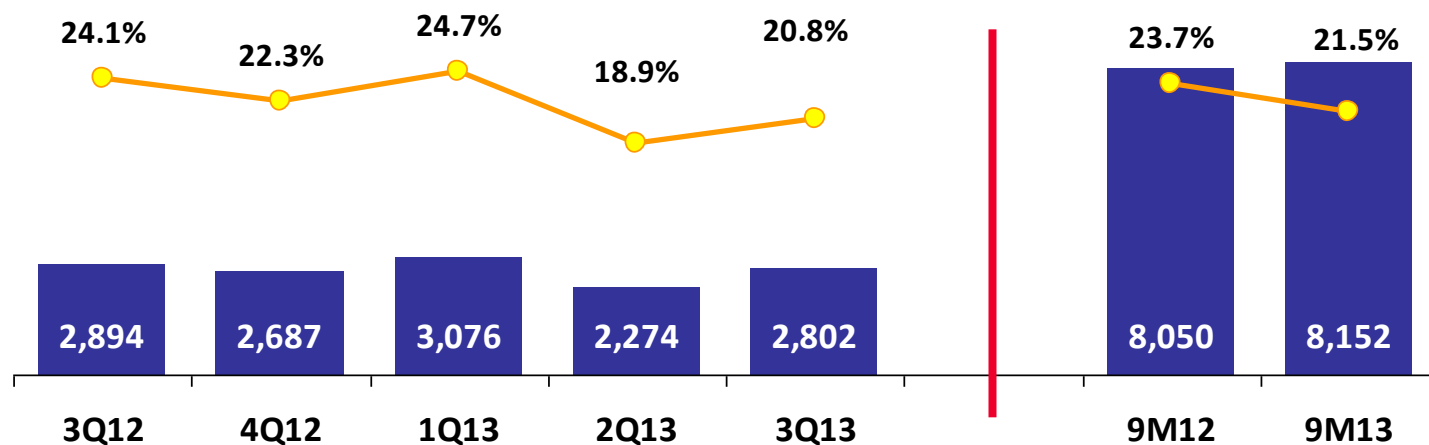
Remark:- Hospital abbreviation shown on page 22

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

Profitability Trend

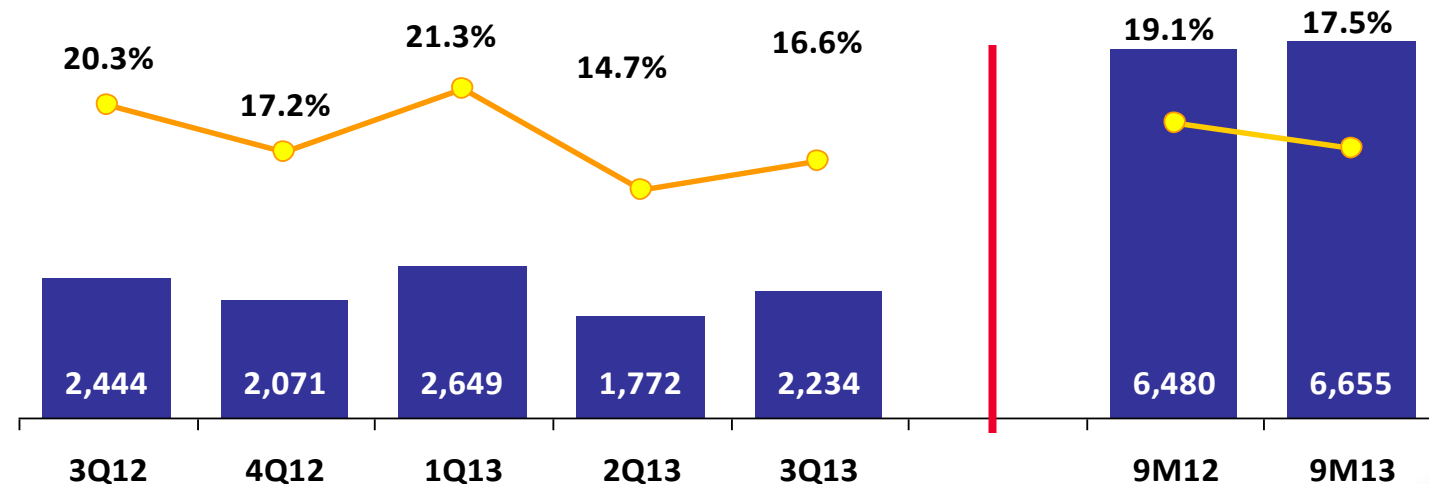
EBITDA & EBITDA Margin*

(THB mm)



EBIT & EBIT Margin*

(THB mm)



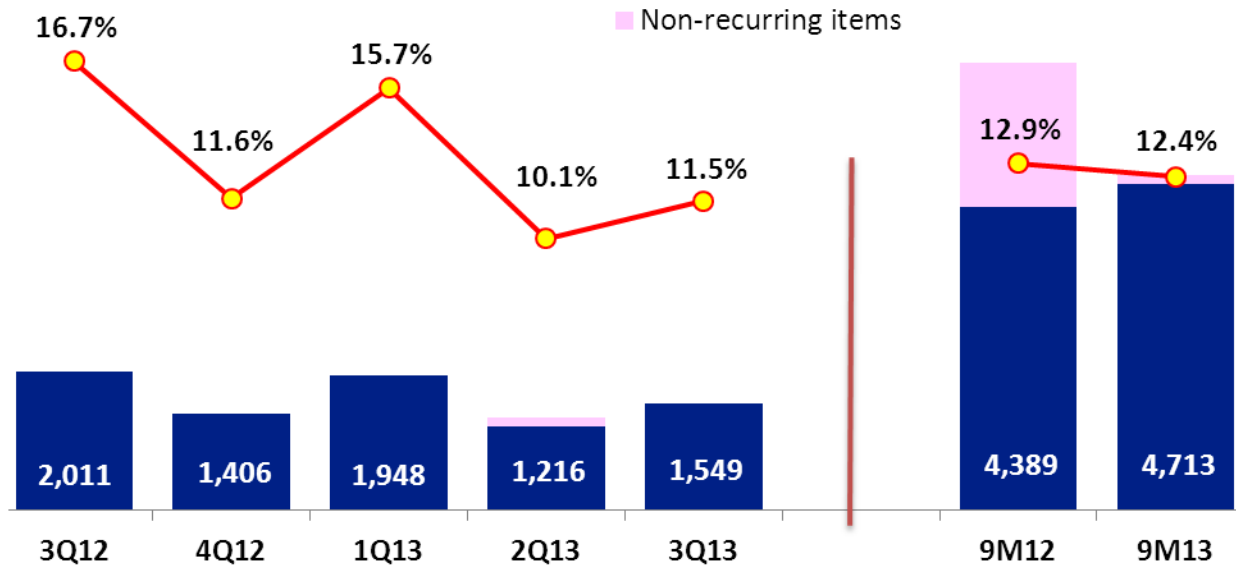
* Excluding non-recurring items



Profitability Trend

Net Profit & Net Profit Margin*

(THB mm)



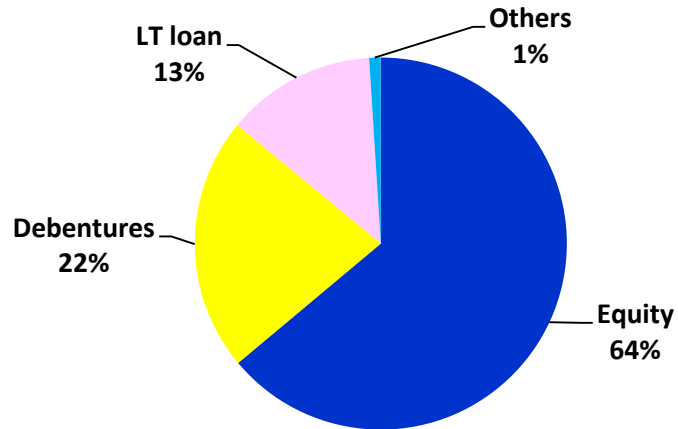
Commentary

- **9M13** Net profit (excluding non-recurring items) increased 7% yoy from growth in number of outpatients and inpatients across our network hospitals, rising in healthcare inflation, increasing in intensity and higher asset utilization

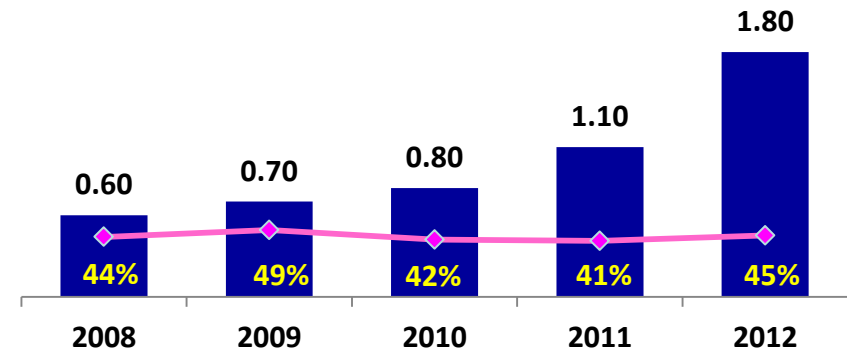
* Excluding non-recurring items

Capital Management

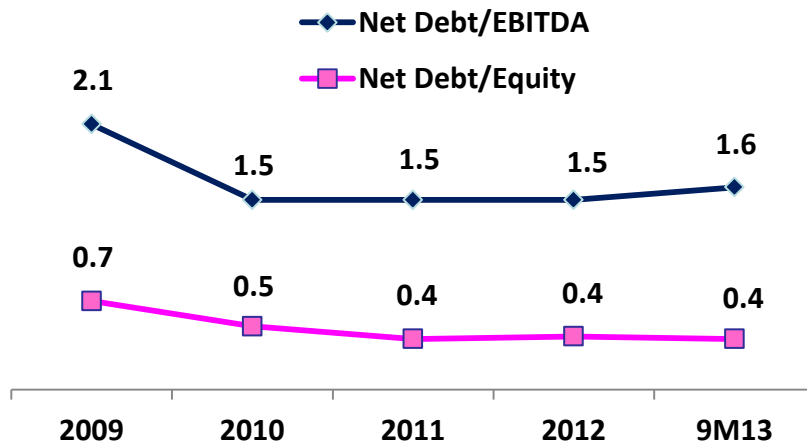
Capital Structure as of Sep 2013



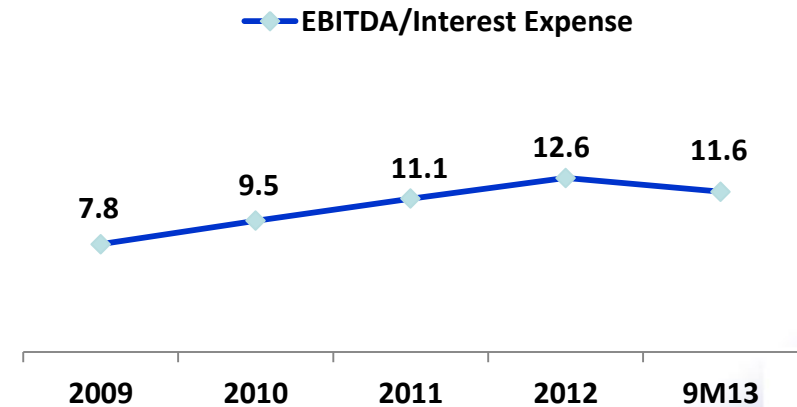
Dividend Payment & Payout Ratio



Gearing Ratios: Well Within Covenants



Interest Coverage



Appendix : Hospital Network in Key Strategic Locations

Hospitals under Management



Group 1

	Ownership	No. of Beds ⁽¹⁾
1. Bangkok Hospital	100%	343
2. Bangkok Heart Hospital	100%	97
3. Wattanosoth Hospital	100%	48
4. Bangkok Huahin (BHN)	100%	60



Group 2

5. Samitivej Sukhumvit (SVH)	95.8%	275
6. Samitivej Srinakarin (SNH)	95.8%	400
7. Samitivej Sriracha ⁽²⁾ (SSH)	69.8%	150
8. Samitivej Thonburi ⁽³⁾ (STH)	47.7%	150
9. BNH Hospital (BNH)	91.5%	144



Group 3

10. Bangkok Pattaya (BPH)	97.3%	400
11. Bangkok Rayong (BRH)	100%	220
12. Bangkok Chantaburi (BCH)	99.7%	170
13. Bangkok Trat (BTH)	99.8%	114
14. Bangkok Samui (BSH)	100%	50
15. Bangkok Phuket (BPK)	99.7%	317
16. Bangkok Hat Yai (BHH)	98.8%	165



Group 4

17. Bangkok Ratchasima (BKH)	90.9%	300
18. Bangkok Pakchong	90.4%	30
19. Bangkok Prapradaeng (BPD)	84.0%	60
20. Bangkok Udon (BUD)	100%	120
21. Royal Angkor International	80.0%	21
22. Royal Rattanak International	70.0%	30



Group 5



	Ownership	No. of Beds ⁽⁴⁾
23. Phyathai 1 (PYT1)	100% ⁽⁵⁾	350
24. Phyathai 2 (PYT2)	99.2% ⁽⁵⁾	260
25. Phyathai 3 (PYT3)	98.2% ⁽⁵⁾	230
26. Phyathai Sriracha (PYTS)	73.9% ⁽⁵⁾	257
27. Paolo Paholyothin (Pmed)	100%	237
28. Paolo Samutprakarn (Psamut)	93.4%	200
29. Paolo Chokchai 4 (Pchok)	85.7%	120
30. Paolo Nawamin (Pnwm)	99.8%	140



New Hospital

31. Bangkok Phitsanulok (BPL)	100% ⁽⁶⁾	158
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- (1) Structured beds
- (2) Indirect shareholding through Samitivej PCL
- (3) Formerly known as Krungdhon hospital (KDH)
- (4) Registered beds
- (5) Indirect shareholding through Prasit Patana PCL which BGH hold 98.4%
- (6) Formerly known as Patanavej Hospital