



## Bangkok Dusit Medical Services (BGH)

### Analyst Presentation

### 2Q14&6M14 Results

Aug 20, 2014

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## BDMS Updates & Highlights

# Consolidated Financial Summary

## 2Q14 Results

- Revenue from hospital operations of THB 12,638 mm increased by 9% from 2Q13 mainly from increasing in healthcare inflation and patient acuity, consolidation of new network hospitals, patient ward renovation and rising in patient referral
- EBITDA of THB 2,708 mm increased by 19% yoy as a result of several cost containment measures
- Net profit (excluding non-recurring items) of THB 1,501 mm, increased by 25% yoy

## 6M14 Results

- Revenue from hospital operations of THB 26,078 mm increased by 11% from 6M13 mainly from growing number of outpatients and inpatients across network hospitals together with rising healthcare inflation, an increase in patient acuity, patient ward renovation, an increase in patient referral and consolidation of new network hospitals
- EBITDA of THB 6,171 mm increased by 15% yoy
- Net profit (excluding non-recurring items) of THB 3,576 mm, increased by 14% yoy

# Resolution of the EGM

## Approved the issuance and offering of convertible bonds

Offering Size	Not exceeding Baht 10,000 mm or its equivalent amount in other currencies
Term	Not more than 5 years
Conversion Price	Fixed priced, calculated by reference to the market price of the Company's shares traded on the SET during the period before the price determination date, plus premium.

## Approved the increase in the foreign shareholding limit

Increase the foreign shareholding limit from 20% to be as follow

- General case – 25% of the total issued shares
- To support the conversion rights of the convertible bonds – 30% of the total issued shares, 5% of which is reserved for the exercise of the conversion rights as well as every subsequent transferee of such shares

# Resolution of the EGM

## Approved capital reduction and capital increase

	Shares (mm)	Amount (THB mm)
Current registered capital	17,040.0	1,704.0
Capital reduction	(1,549.1)	(154.9)
After capital reduction	15,491.0	1,549.1
▪ For conversion of the convertible bonds	542.2	54.2
▪ For General mandate	464.7	46.5
New registered Capital	16,497.9	1,649.8

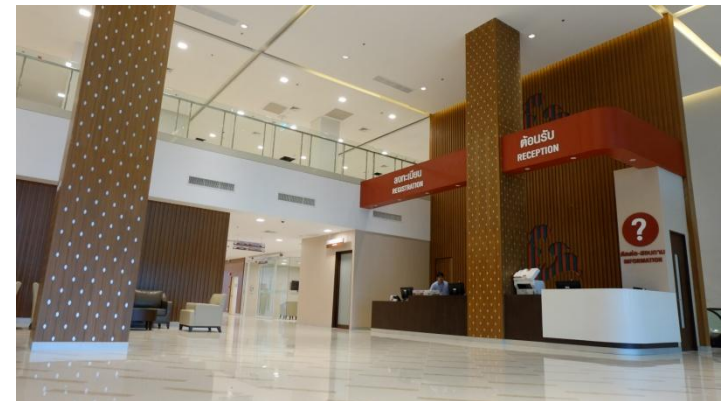


- (1) Public offering: Up to 232.4 mm shares (1.5% of the Company's paid-up capital)
- (2) Private placement: Up to 232.4 mm shares (1.5% of the Company's paid-up capital)
- (1) and/or (2) not exceeding 1.5% of the Company's paid-up capital



# Bangkok Hospital Chiangmai

## New Network Hospital



- BDMS 32<sup>nd</sup> network hospital
- Greenfield 185 beds hub tertiary care hospital
- Opening 36 beds for the first phase since 11 July 2014
- Conveniently located in central of Chiangmai on Chiangmai-Lampang road (Highway #11)



# Bangkok Hospital Chiangmai

## New Network Hospital

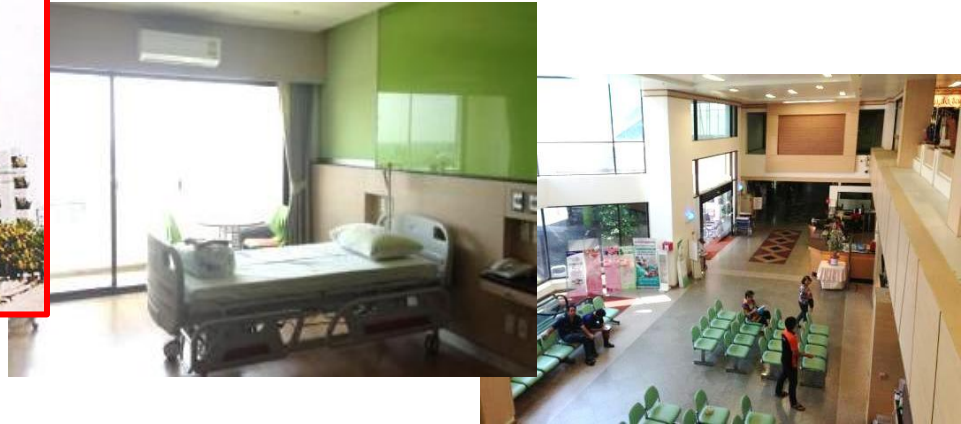


- Targeting Thai and International patients in Chiangmai, Northern region and neighboring countries
- Patients services center including Orthopedic Center, Heart Center, Medical Rehabilitation Center, etc.



# Sanamchan Hospital

## New Network Hospital



- **BDMS 33<sup>rd</sup> network hospital**
- **Acquired a well recognized 200 beds basic tertiary care hospital in Nakhonpathom province since 15 August 2014**
- **Immediately increase BDMS patient base in Western region**
- **Targeting middle income patients in Nakhonpathom and Western region of Thailand**
- **Located on Petchkasem Road, Amphoe Muang, Nakhonpathom**

# Thepakorn Hospital

## New Network Hospital



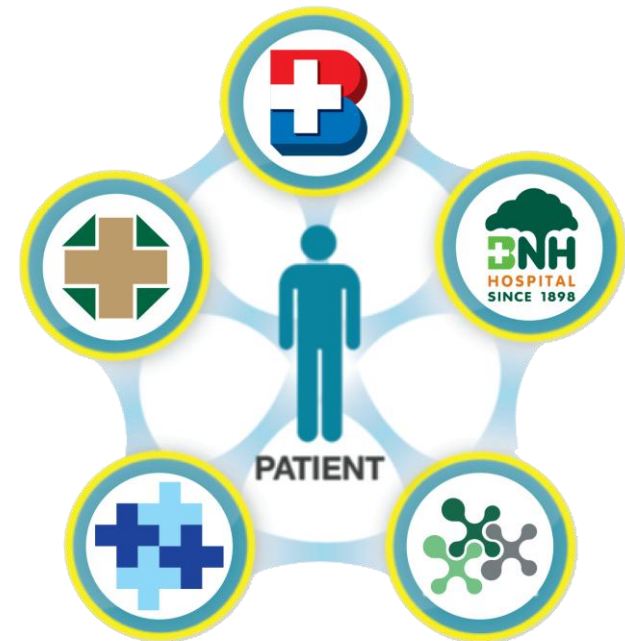
- BDMS 34<sup>th</sup> network hospital
- Acquired 100 beds secondary care hospital since 15 August 2014
- Targeting middle income patients in Nakhonpathom
- Conveniently located near Phra Pathom Chedi, Nakhonpathom



# B-Exchange

## Transforming BDMS into an integrated health system

- Sharing of patients medical records within our network hospitals
- Providing a foundation for connecting regional and international partners, including hospitals and payors
- Providing comparative outcome analytics and other quality improvement capabilities
- The system will connect with Phyathai and Paolo Memorial Hospital group by end of 2014



# Investment Updates

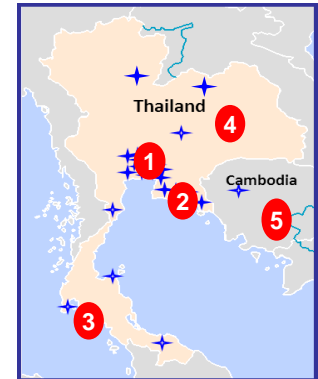
## New Hospitals in Pipeline



Sri-Rayong Hospital



Royal Phnom Penh Hospital



Hospitals	Total Beds	1 <sup>st</sup> Phase	Project Details	Commission Date
1 Bangkok Hospital Chinatown	58	24	<ul style="list-style-type: none"> <li>Basic Tertiary care hospital aiming to tap into affluent ethnic Thai- Chinese residents</li> </ul>	2014
2 Sri-Rayong Hospital	195	25	<ul style="list-style-type: none"> <li>Secondary care hospital targeting middle income patients</li> <li>Initial opening as clinic &amp; ER (Dec 2013)</li> </ul>	2014
3 Dibuk Hospital, Phuket	100	29	<ul style="list-style-type: none"> <li>Secondary care hospital targeting middle income patients</li> <li>Opening as polyclinic &amp; ER (Mid 2014)</li> </ul>	2014
4 Bangkok Hospital Khon Kaen	120	56	<ul style="list-style-type: none"> <li>Acquired Vachprasit Hospital during 2Q13 and upgrading to become Basic Tertiary care hospital</li> </ul>	2014
5 Royal Phnom Penh Hospital, Cambodia	104	53	<ul style="list-style-type: none"> <li>Basic Tertiary care hospital targeting Cambodian and expatriates</li> </ul>	2014

# Investment Updates

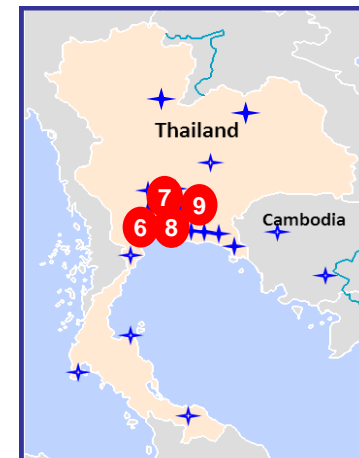
## New Hospitals in Pipeline



Samitivej Chonburi Hospital



Jomtien Hospital



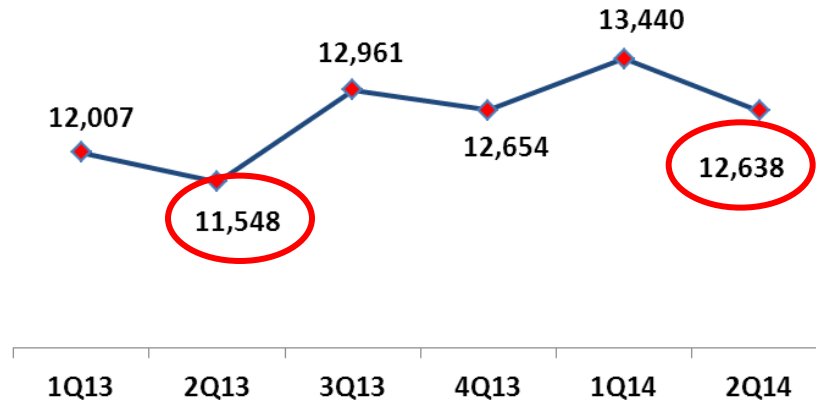
Hospitals	Total Beds	1 <sup>st</sup> Phase	Project Details	Commission Date
6 Muang Petch Hospital	255	57	■ Secondary care hospital targeting middle income patients	2015
7 Samitivej Chonburi Hospital	220	59	■ Basic Tertiary care hospital targeting patients living in Chonburi	2015
8 Paolo Rangsit Hospital	155	59	■ Secondary care hospital targeting middle income patients	2015
9 Jomtien Hospital, Pattaya	250	100	■ Secondary care hospital targeting middle income patients ■ Opening as polyclinic & ER (Mid 2014)	2016

# Operational Statistics

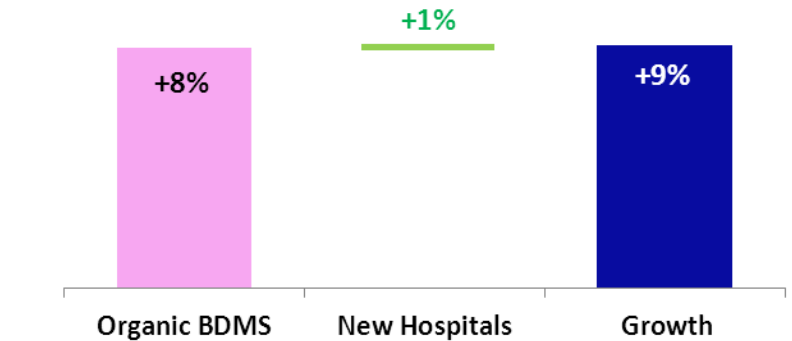


# Quarterly Patient Revenue Growth

## Quarterly Patient Revenue Trend (THB mm)



## 2Q14 Patient Revenue Growth



Remark:- New hospitals included Bangkok Hospital Udon, Samitivej Thonburi and Bangkok Hospital Phitsanulok

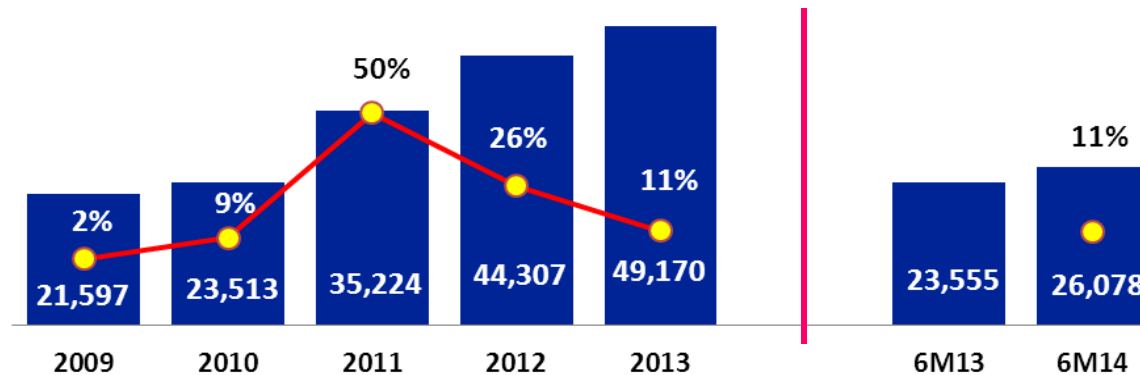
## Commentary

- 2Q14 Patient revenue increased by **9% yoy**, primarily from
  - Rising in healthcare inflation and increasing in intensity
  - Consolidation of Bangkok Hospital Phitsanulok (BPL) since October 2013
  - Patient ward renovation and rising in patient referral

# Growing Patient Revenue

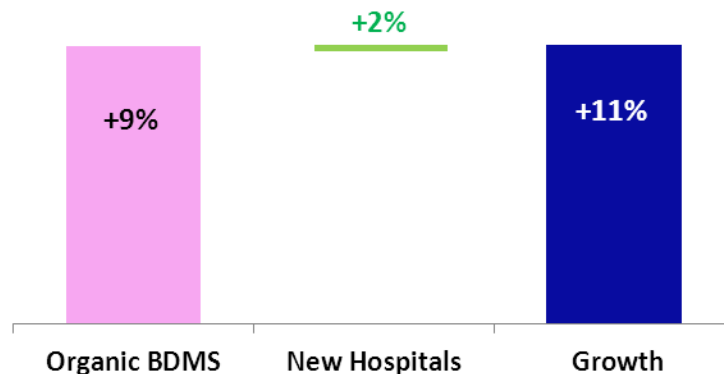
## Patient Revenue Trend

(THB mm)



## 6M14 Patient Revenue Growth

## Commentary

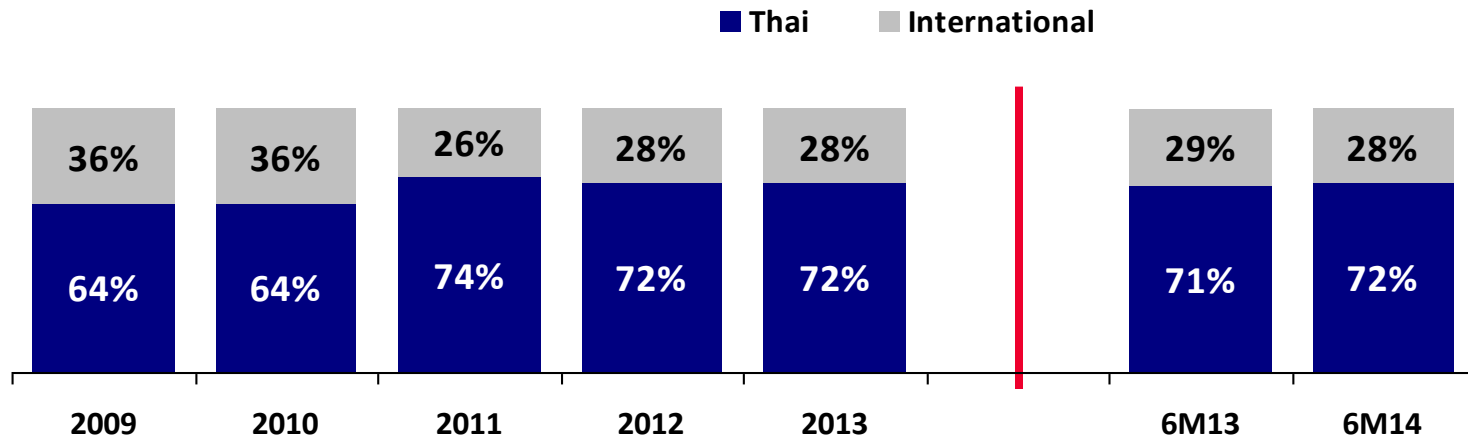


Remark:- New hospitals included Bangkok Hospital Udon, Samitivej Thonburi and Bangkok Hospital Phitsanulok

- 6M14 Patient revenue increased by **11%** yoy mainly from
  - Growth in number of outpatients and inpatients across our network hospitals
  - Rising healthcare inflation and increasing intensity
  - Patient ward renovation and rising in patient referral
  - Consolidation of new network hospitals

# Expanding Both Thai and International Patients

## Revenue Contribution by Nationality



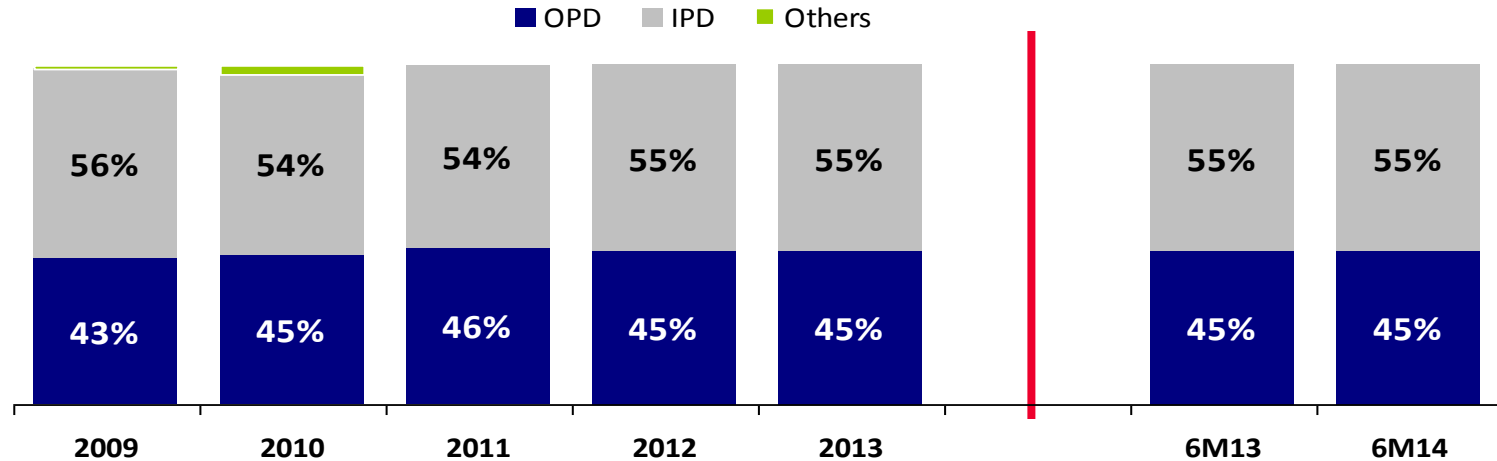
## Commentary

- **6M14** revenue from Thai patients grew 13% while international patients grew 6% yoy
- Top 5 international patient revenues are from Japan, UK, Myanmar, Australia and USA which contribute 2.6%, 1.9%, 1.9%, 1.6% and 1.6% of total patient revenues respectively
- International patient revenues grew significantly for China (+87%), Myanmar (+16%) and Russia (+11%)

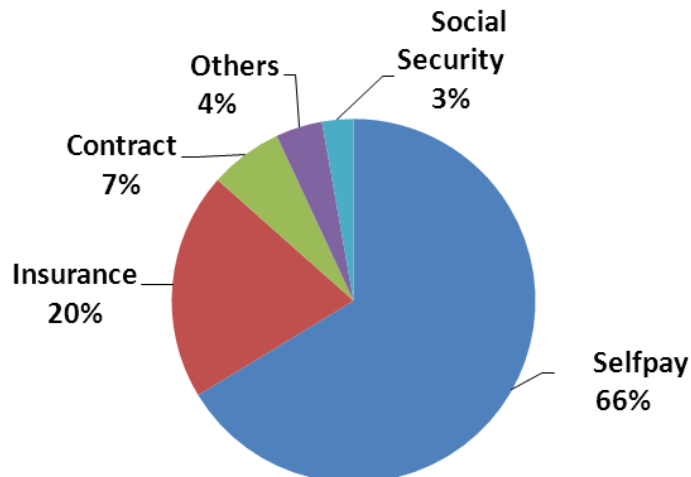
Remarks:- Operational statistics data in 2011 are including PYT & Paolo since Jan 2011

# Patient Mix

## Revenue Breakdown by Patient Types



## 6M14 Patient Revenue by Payor

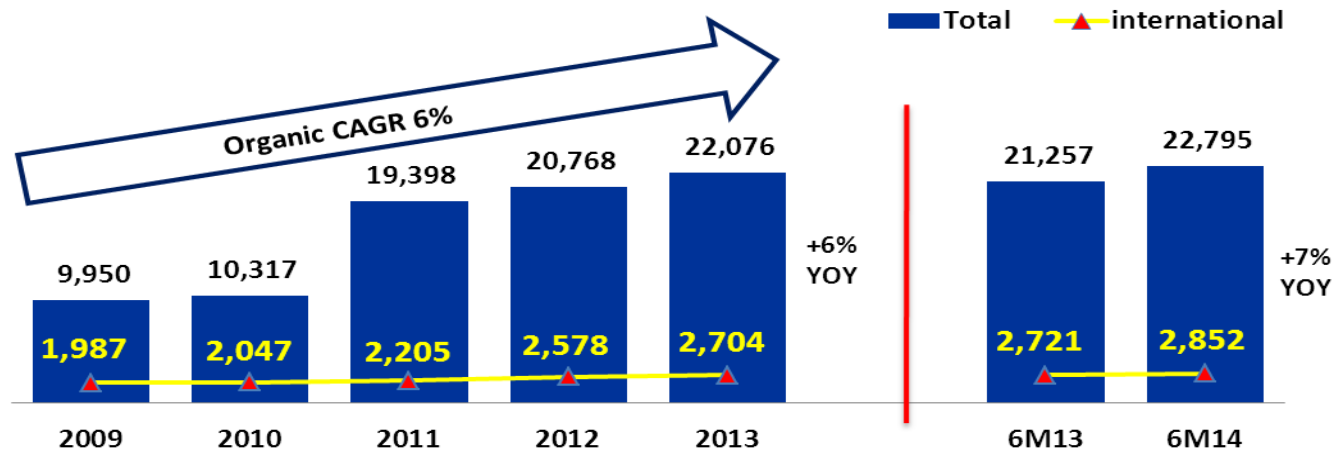


## Commentary

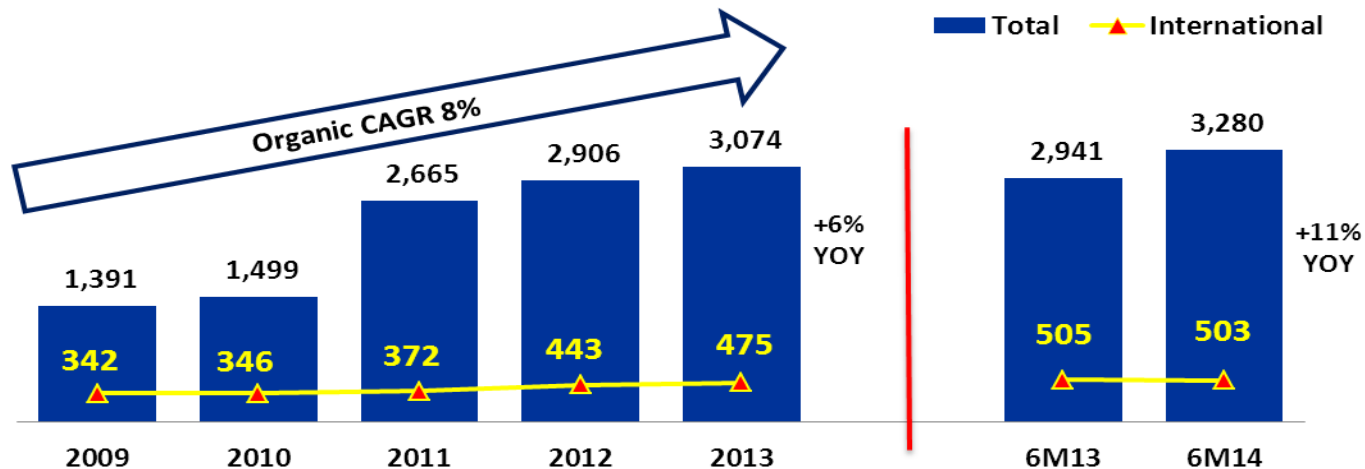
- **6M14** OPD revenues increased 10% yoy while IPD revenues increased 13% yoy

# Patient Base Expansion From Both Organic Growth & Acquisitions

## Number of OPD Visits per Day



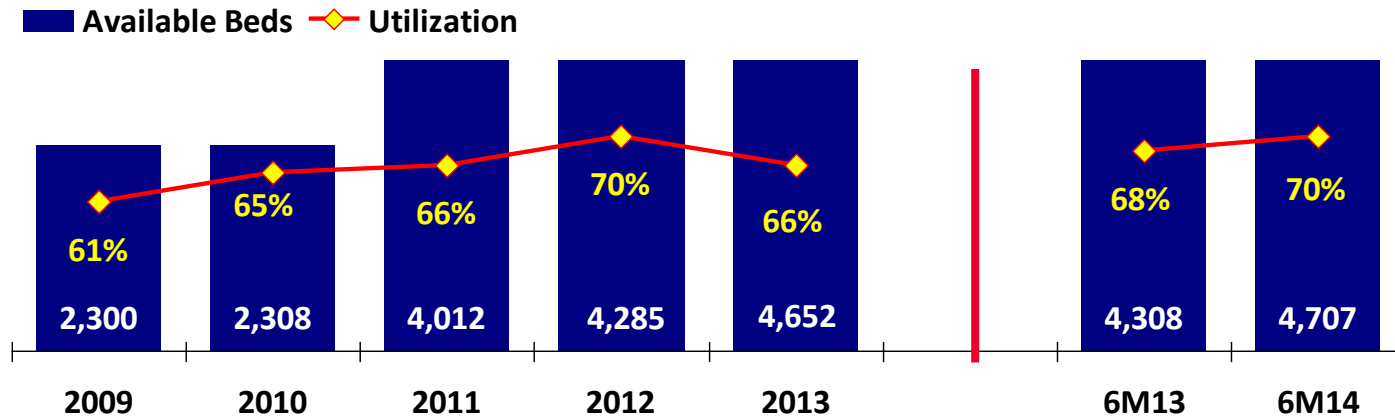
## Average Daily Census ( ADC )



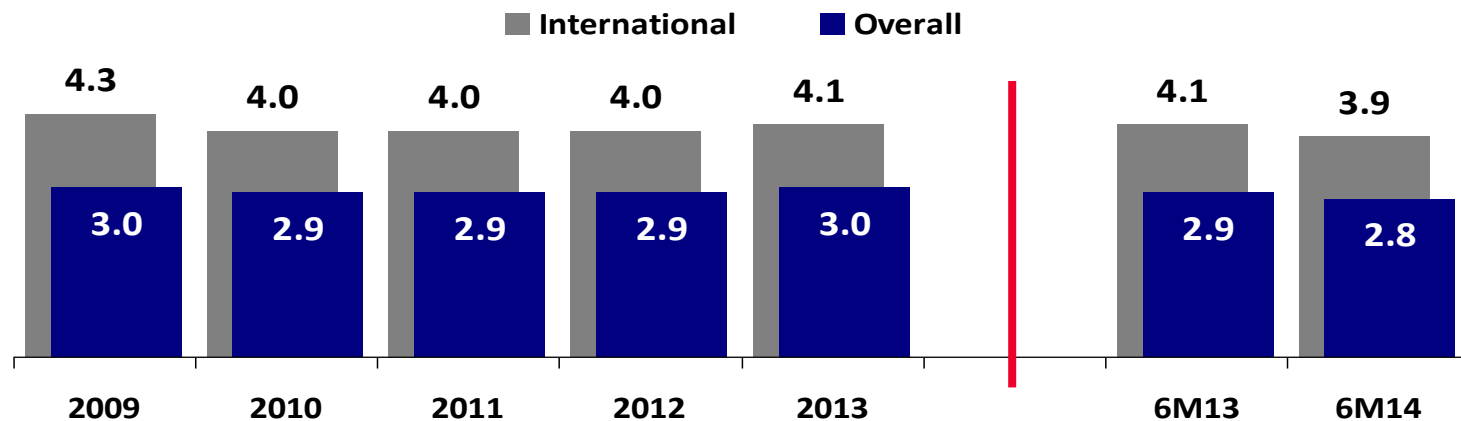
Remarks:- Including social security

# Utilization of Beds

## Utilization Based on Available Beds



## Average Length of Stay (days)



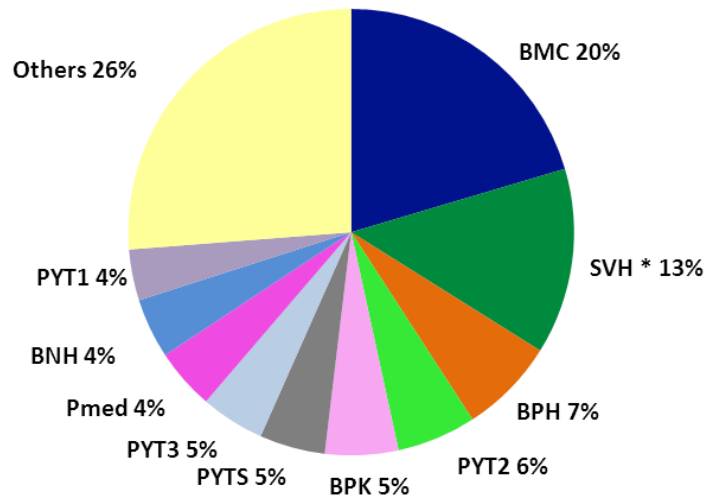
Remarks:- Including social security patients

# Financial Performance

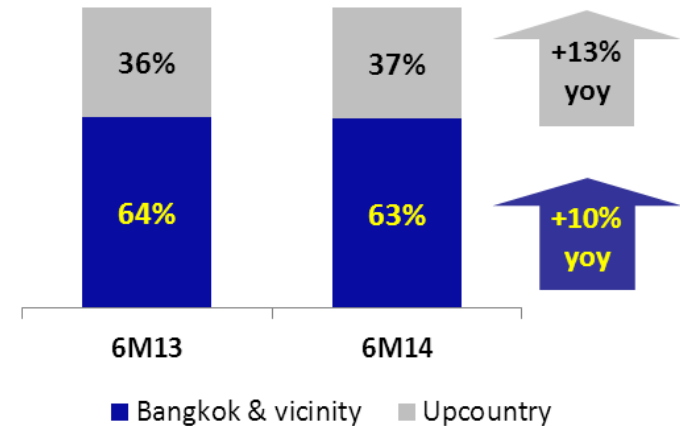


# Diversified Sources of Revenues

## Revenue Contribution in 6M14



## Revenue Contribution & Growth by Locations



## Commentary

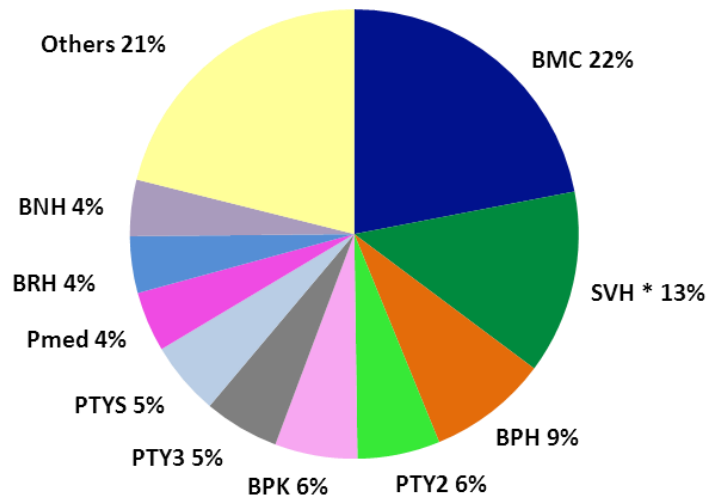
- During **6M14**, top 5 hospitals (by location) contributed 51% of total revenue
- Bangkok & vicinity hospitals that grew more than 10% yoy : - PNWM(+28%), Pmed(+16%), PYT3(+15%), Pchok(+13%), BNH(+12%) and Psamut(+11%)
- Upcountry hospitals that grew more than 13% yoy :- BUD(+38%), BHN(+31%), RAH(+28%), RRH(+20%), BHP(+15%), BCH(+14%), BTH(+14%) and SSH(+14%)

Remark:- Hospital abbreviation shown on page 28

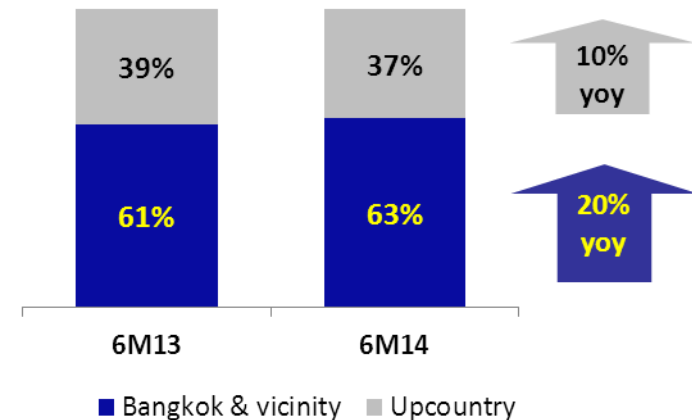
\* SVH also included SNH performance

# EBITDA Contribution

## EBITDA Contribution in 6M14



## EBITDA Contribution & Growth by Locations



## Commentary

- During **6M14**, top 5 hospitals (by location) contributed 57% of total EBITDA

Remark:- Hospital abbreviation shown on page 28

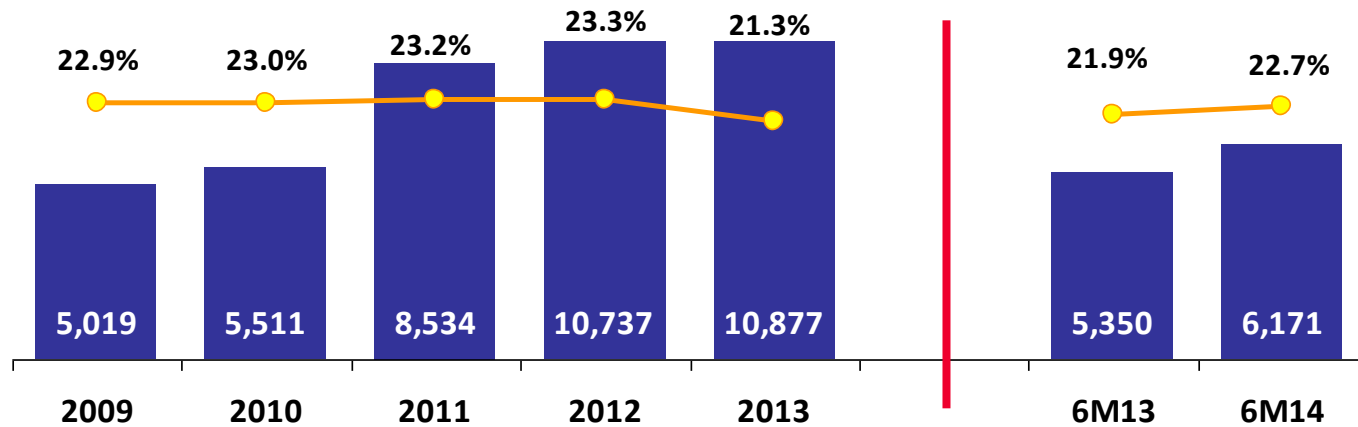
\* SVH also included SNH performance

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

# Profitability Trend

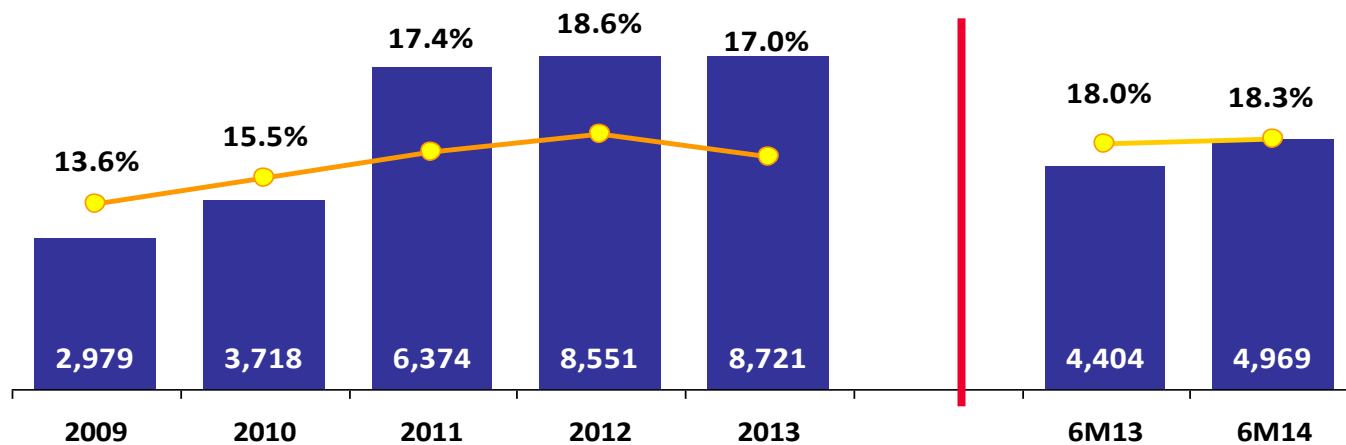
## EBITDA & EBITDA Margin\*

(THB mm)



## EBIT & EBIT Margin\*

(THB mm)

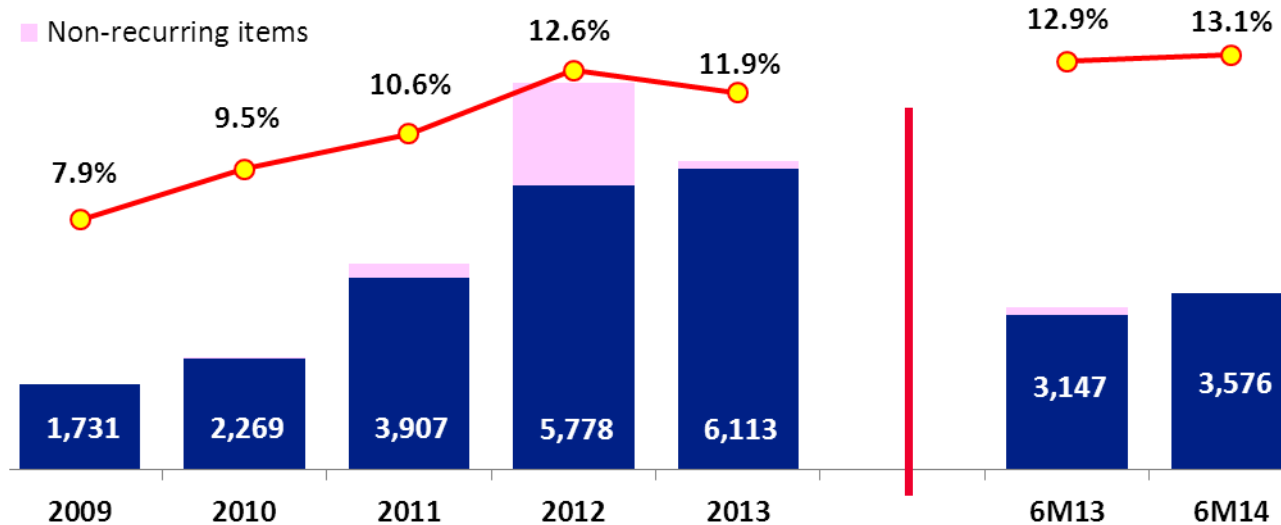


\* Excluding non-recurring items

# Profitability Trend

## Net Profit & Net Profit Margin\*

(THB mm)



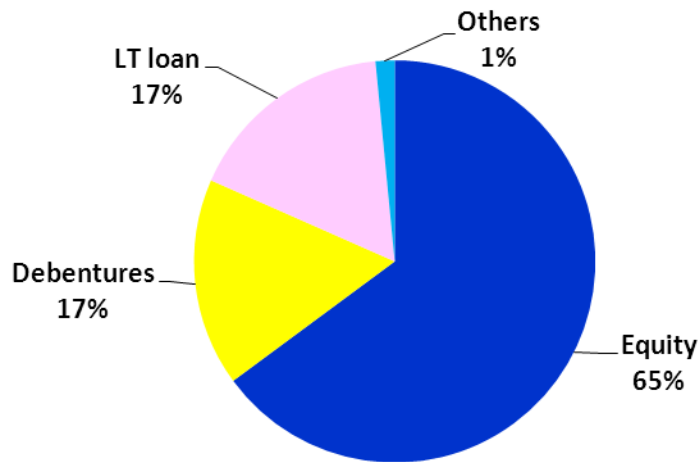
## Commentary

- **6M14** Net profit increased 14% yoy from growth in number of outpatients and inpatients across our network hospitals, rising in healthcare inflation and increasing in intensity together with hospital network expansion, patient ward expansion and renovation and an increase in patient referral

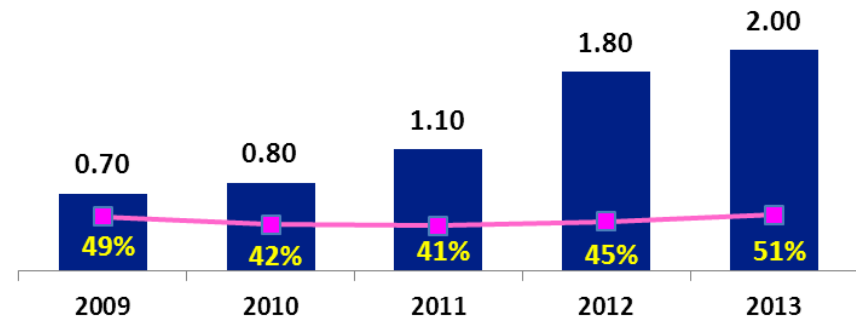
\* Excluding non-recurring items

# Capital Management

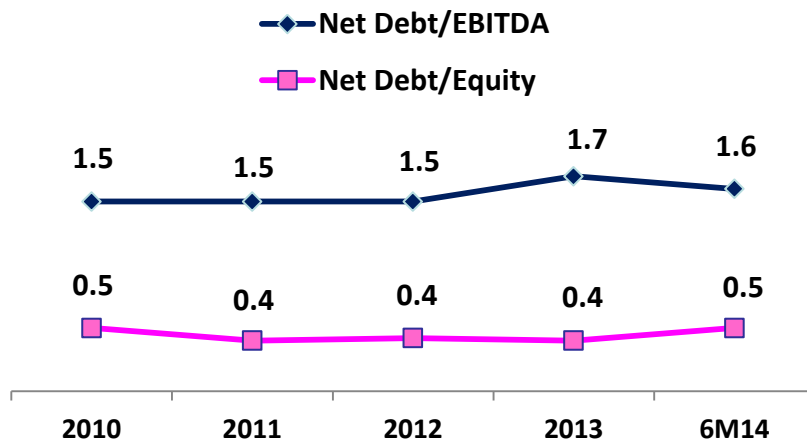
## Capital Structure as of Jun 2014



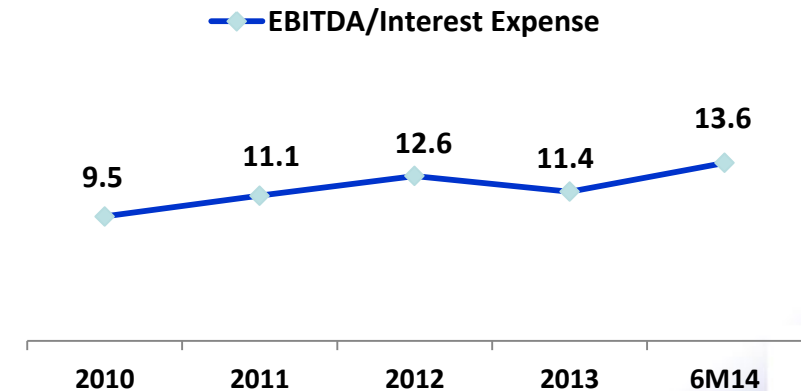
## Dividend Payment & Payout Ratio



## Gearing Ratios: Well Within Covenants



## Interest Coverage



# Appendix : Hospital Network in Key Strategic Locations

## Hospitals under Management



### Group 1

	Ownership	No. of Beds <sup>(1)</sup>
1. Bangkok Hospital	100%	343
2. Bangkok Heart Hospital (BMC)	100%	97
3. Wattanosoth Hospital	100%	48
4. Bangkok Huahin (BHN)	100%	60
5. Bangkok Chiangmai (BCM)	100%	185
6. Sanamchan Hospital (SNC)	100%	200
7. Thepakorn Hospital (TPK)	44.5%	100



### Group 2

8. Samitivej Sukhumvit (SVH)	95.8%	275
9. Samitivej Srinakarin (SNH)	95.8%	400
10. Samitivej Sriracha (SSH)	69.8%	150
11. Samitivej Thonburi <sup>(2)</sup> (STH)	55.7%	150
12. BNH Hospital (BNH)	91.5%	144

- Remark (1) Structured beds  
 (2) Formerly known as Krungdhon hospital (KDH)  
 (3) Registered beds  
 (4) Percentage of shareholding by subsidiaries  
 (5) Formerly known as Paolo Nawamin Hospital



### Group 3

	Ownership	No. of Beds <sup>(1)</sup>
13. Bangkok Pattaya (BPH)	97.3%	400
14. Bangkok Rayong (BRH)	100%	220
15. Bangkok Chanthaburi (BCH)	99.7%	170
16. Bangkok Trat (BTH)	99.8%	114
17. Bangkok Phuket (BPK)	99.7%	317
18. Bangkok Hat Yai (BHH)	98.8%	165
19. Bangkok Samui (BSH)	100%	50
20. Bangkok Phrapradaeng (BPD)	84.0%	60



### Group 4

21. Bangkok Ratchasima (BKH)	90.9%	300
22. Bangkok Pakchong	90.9%	30
23. Bangkok Udon (BUD)	100%	120
24. Bangkok Phitsanulok (BPL)	100%	100
Children Ratanavej Hospital at Phitsanulok	100%	58
25. Royal Angkor International	80.0%	21
26. Royal Rattanak International	70.0%	30



### Group 5

	Ownership	No. of Beds <sup>(3)</sup>
27. Phyathai 1 (PYT1)	100% <sup>(4)</sup>	350
28. Phyathai 2 (PYT2)	99.2% <sup>(4)</sup>	260
29. Phyathai 3 (PYT3)	98.2% <sup>(4)</sup>	230
30. Phyathai Sriracha (PYTS)	74.1% <sup>(4)</sup>	257
31. Phyathai Nawamin (Pnwm) <sup>(5)</sup>	99.8%	140
32. Paolo Paholyothin (Pmed)	100%	237
33. Paolo Samutprakarn (Psamut)	93.5%	200
34. Paolo Chokchai 4 (Pchok)	85.7%	120

