



Bangkok Dusit Medical Services (BGH)

Investor Presentation

3Q14&9M14 Results

November 2014

Important Notice

- The information contained in this presentation is for information purposes only and does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for share in Bangkok Dusit Medical Services Public Company Limited (“BGH” and shares in BGH, “shares”) in any jurisdiction nor should it or any part of it from the basis of , or be relied upon in any connection with, any contract or commitment whatsoever.
- This presentation may include information which is forward-looking in nature. Forward-looking information involve known and unknown risks, uncertainties and other factors which may impact on the actual outcomes, including economic conditions in the markets in which BGH operates and general achievement of BGH business forecasts, which will cause the actual results, performance or achievements of BGH to differ, perhaps materially, from the results, performance or achievements expressed or implied in this presentation.
- This presentation has been prepared by the BGH. The information in this presentation has not been independently verified. No representation, warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information and opinions in this presentation. None of the BGH or any of its agents or advisors or any of their respective affiliates, advisors or representatives, shall have any liability (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.
- This presentation is made, furnished and distributed for information purposes only. No part of this presentation shall be relied upon directly or indirectly for any investment decision-making or for any other purposes.
- This presentation and all other information, materials or documents provided in connection therewith, shall not, either in whole or in part, be reproduced, redistributed or made available to any other person, save in strict compliance with all applicable laws.


Contents

- Overview
- Healthcare Industry
- Operational Statistics
- Financial Highlights

Overview

Overview

- Established on February 26, 1972
- Largest private hospital operator in Thailand in terms of revenues from patient services and market capitalization
- Owns and manages 37 hospitals (with total beds* of 6,521) under 6 hospital brands:

 BDMS Bangkok Dusit Medical Services	Brand	No. of Hospitals	No. of Beds*
	Bangkok Hospital	19	3,036
	Phyathai Hospital	5	1,237
	Samitivej Hospital	4	975
	Paolo Memorial Hospital	3	557
	Local Hospital	3	451
	Royal International Hospital	2	121
	BNH Hospital	1	144

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

Shareholding Structure

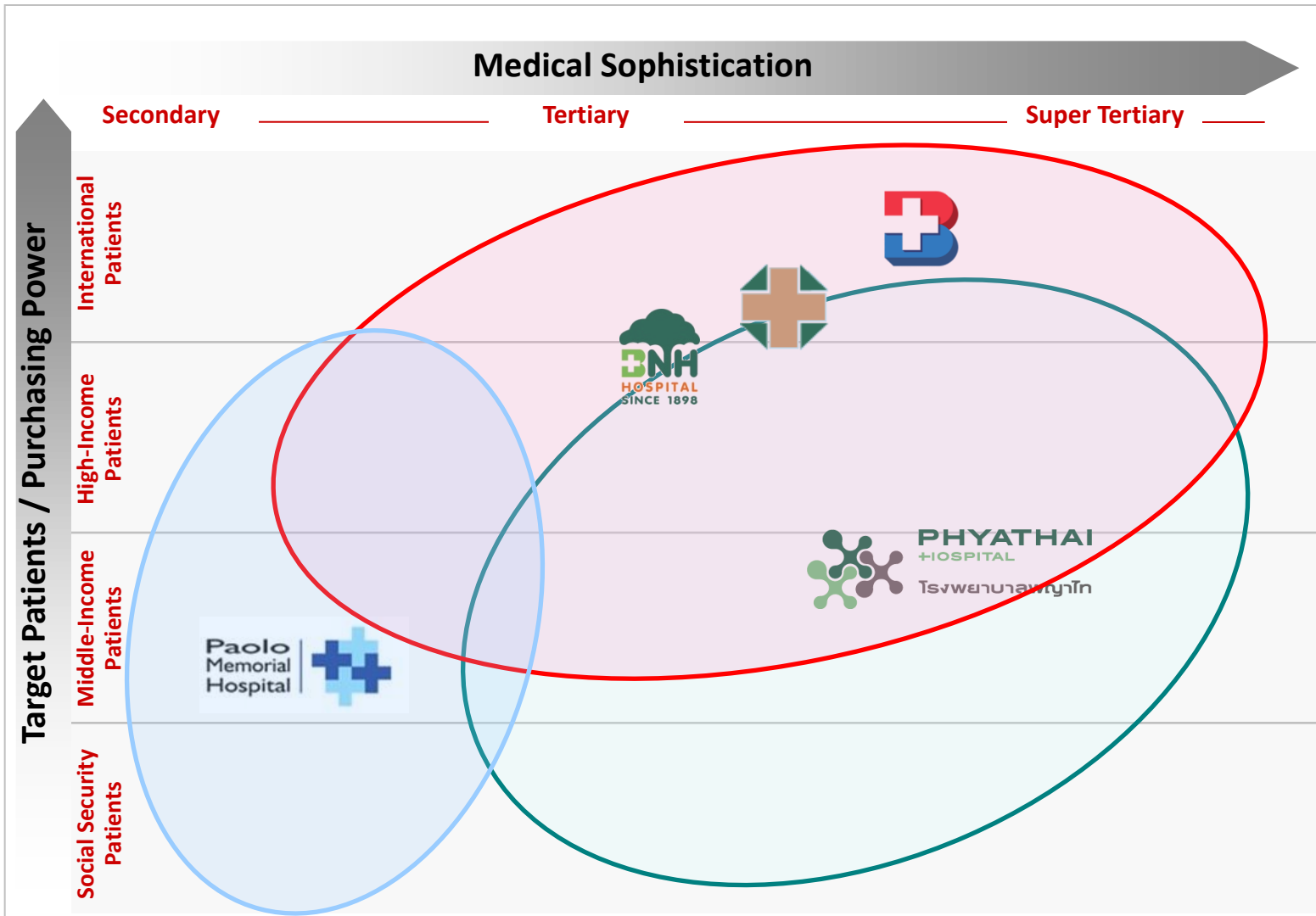
As of 3 July 2014

		% of Shareholding
1	Mr. Prasert Prasarttong-Osoth, M.D. and family	23.2%
2	Mr. Wichai Thongtang and family	15.1%
3	Bangkok Airways*	7.8%
4	The Viriyah Insurance Co., Ltd.	6.2%
5	Mr. Chirothana Suchato, M.D. and family	2.7%
6	Ladpli family	2.5%
7	Thai NVDR Co., Ltd.	2.5%
8	HSBC (SINGAPORE) NOMINEES PTE LTD	2.4%
9	Bangkok Bank Public Co., Ltd.	2.2%
10	Mr. Chuladej Yossundharakul, M.D. and family	1.9%
	Total	66.5%

Source: Summary of the information from Thailand Securities Depository Company Limited (TSD)

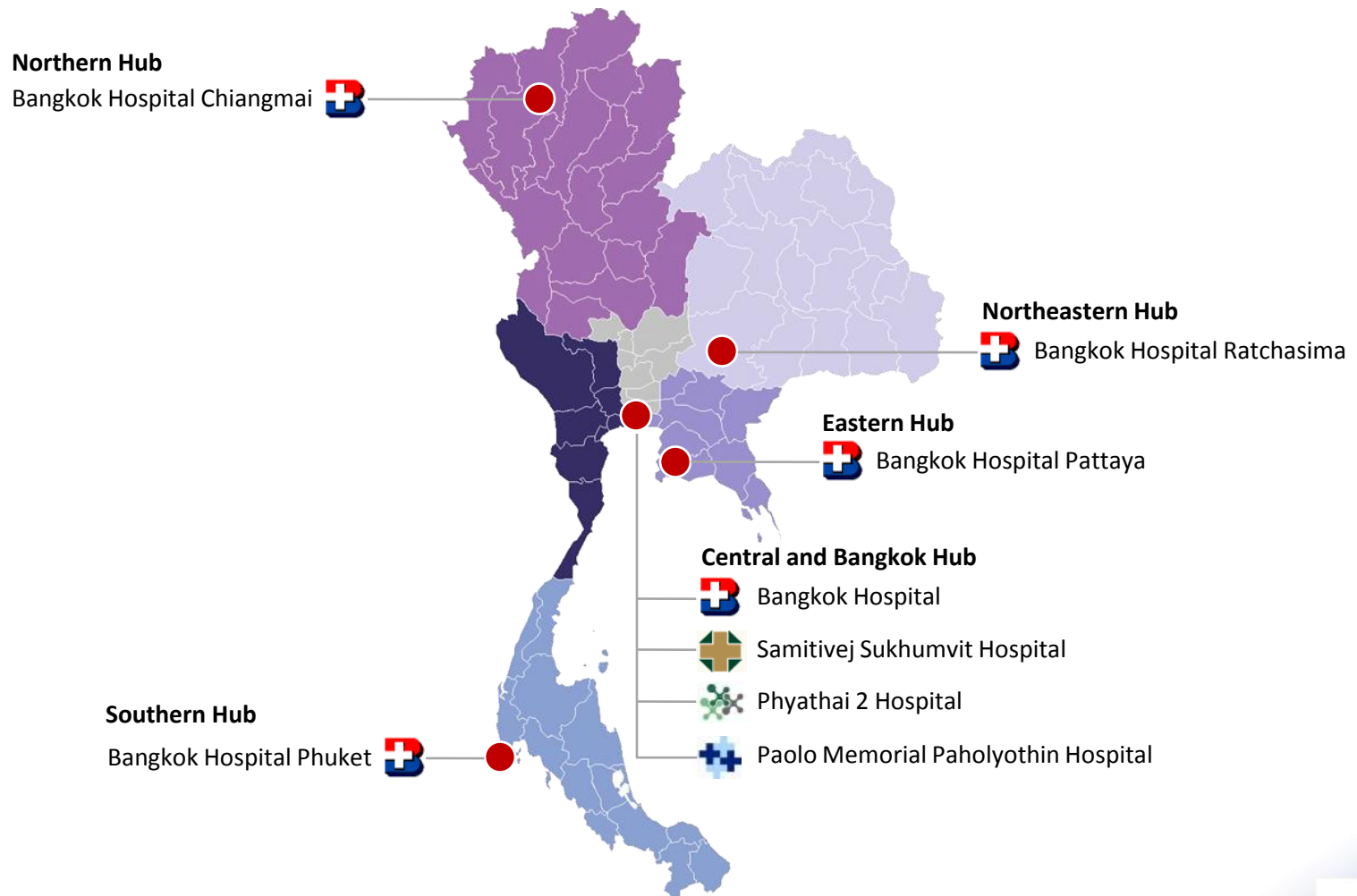
* Consisted of Bangkok Airways Co., Ltd., Bangkok Airways Holding Co., Ltd, and Bangkok Air Catering Co., Ltd

Diversification of Patient Mix



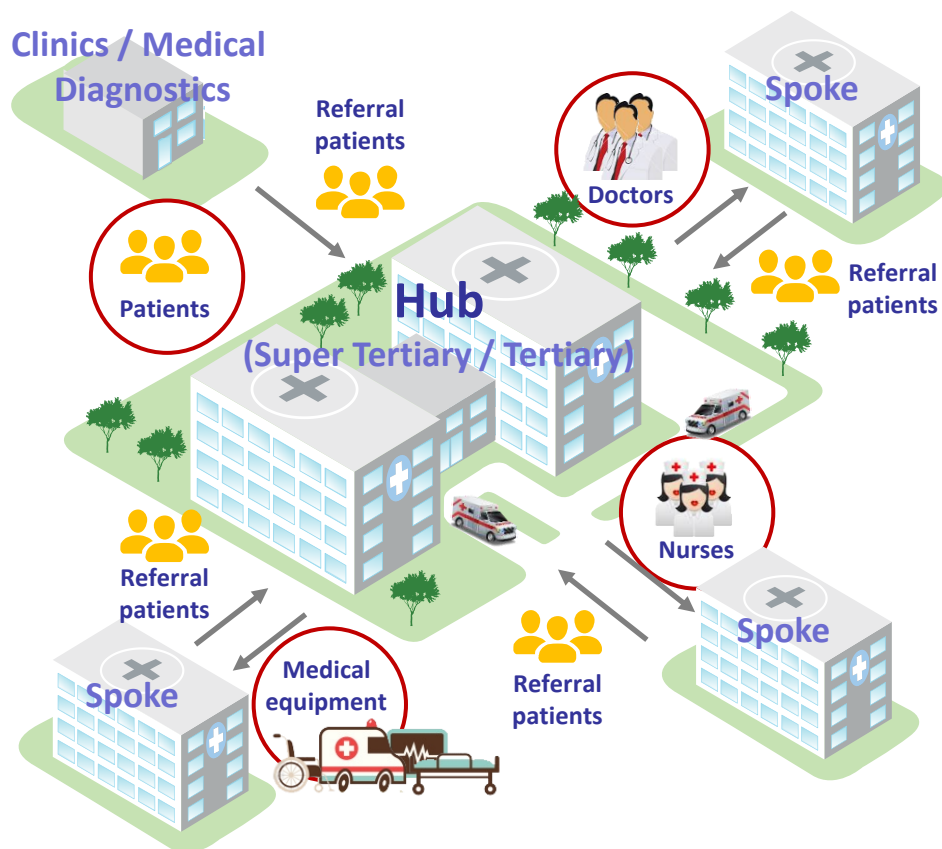
'Hub-and-Spoke' Model

Providing a Proven Patient Referral System and Creating Efficiency Through Scale



'Hub-and-Spoke' Model

Effective hub and spoke model within each hospital group or region



1

Strong patient referral system within and across each hub and spoke

2

Enhances synergies and benefits of scale among hospitals within the group

3

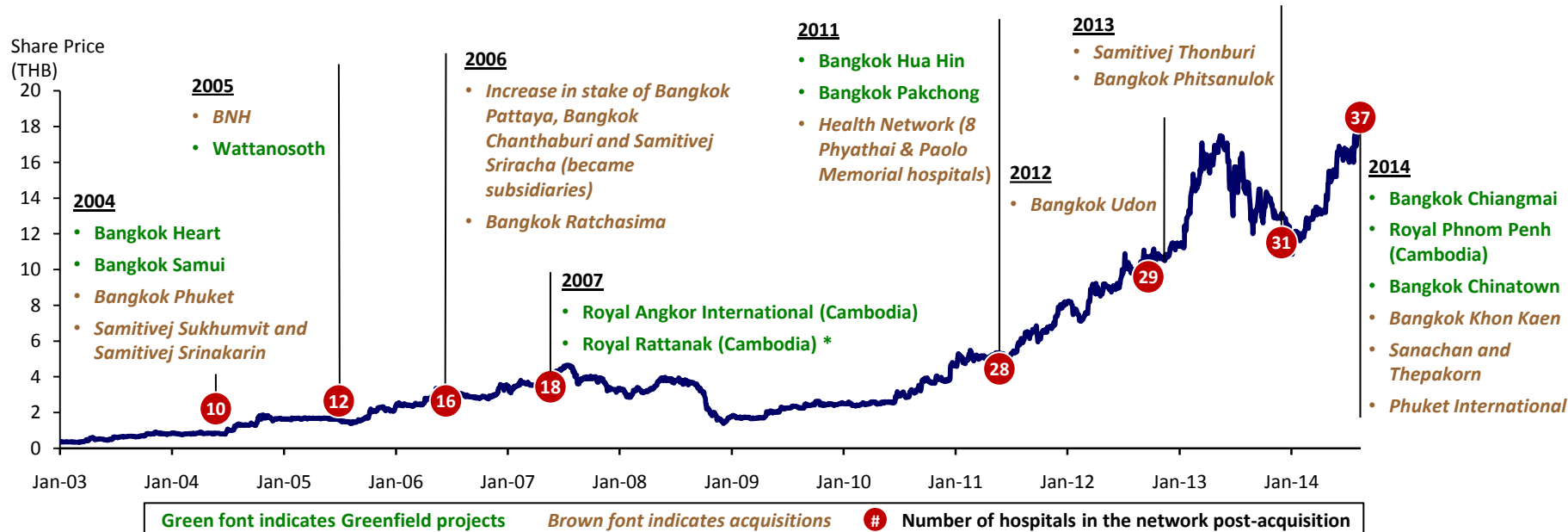
Shared supporting services among multiple hubs which enhance efficiency and competitiveness of BDMS

4

Established system provides a platform for future expansion

Successful Track Record of Expansion Through M&A and Greenfield Projects

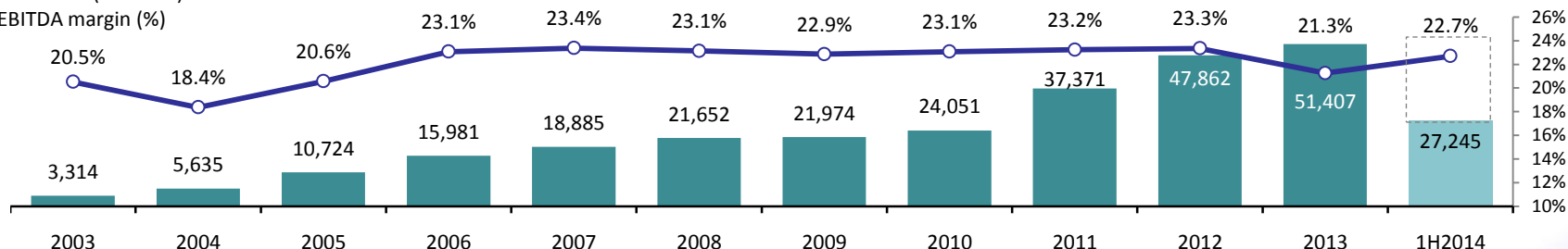
Strong Share Price Performance Backed by a Successful Expansion Track Record



* Transfer of business to our new facility, Royal Phnom Penh

Solid Revenue Growth Over the Past Decade (2003-2013 CAGR of 31.5%) with Resilient EBITDA margin

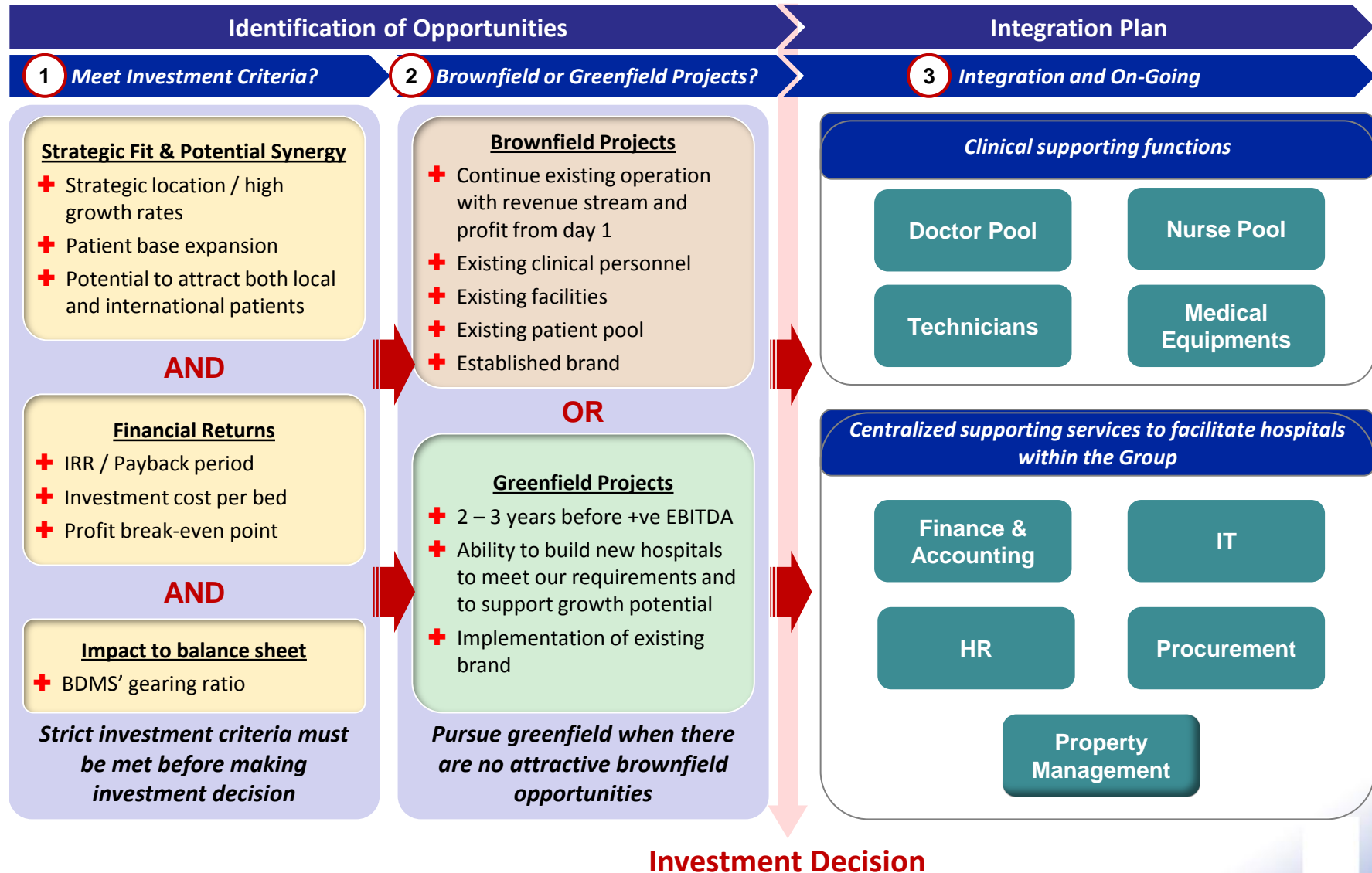
Total Revenue (THB mm)
and EBITDA margin (%)



Source: Derived from BDMS' financial statements

BDMS has developed 10 new hospitals and acquired a total of 26 hospitals to date



Proven Growth Strategy Through Hospital Network Expansion



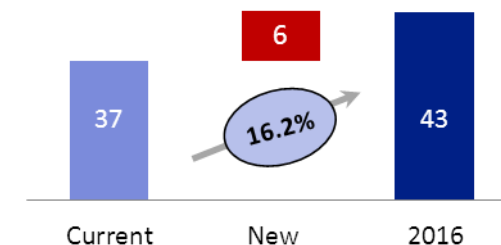
Investment Updates

New Hospitals in Pipeline

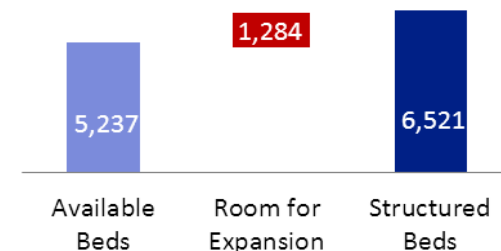
As of 21 November 2014

	Hospitals	Location	Total Beds	1 st Phase	Opening
1	Sri-Rayong Hospital	Rayong	195	25	By 1Q15
2	Dibuk Hospital	Phuket	100	29	By 1Q15
3	Muang Petch Hospital	Petchburi	255	57	2015
4	 Samitivej Chonburi Hospital	Chonburi	220	59	2015
5	 Paolo Rangsit Hospital	Bangkok	150	59	2016
6	Jomtien Hospital	Pattaya	250	100	2016

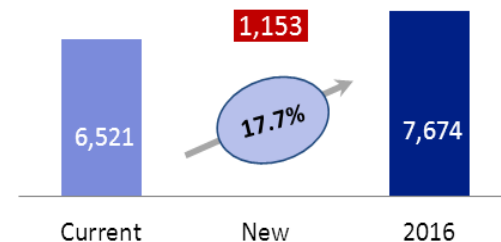
Number of Hospitals



Ramp-Up Capacity of Existing Hospitals



Number of Structured Beds



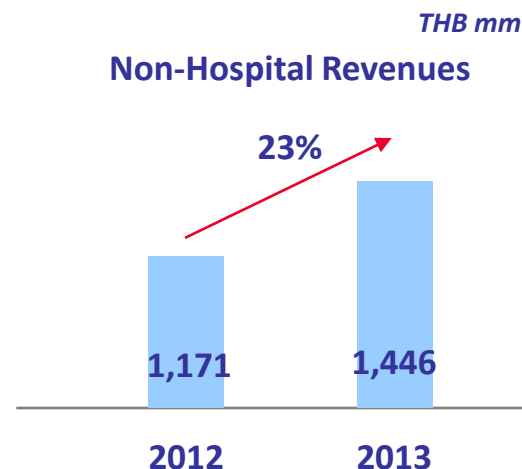
Investments

Investments in Other Hospitals : - Listed Companies

- Ramkhamhaeng Hospital PCL 38.24%
- Bumrungrad Hospital PCL 23.95%

Non- Hospital Strategic Investments⁽¹⁾

- National Healthcare Systems 100% central lab, central supply chain & other shared services
- Greenline Synergy 100% shared IT services
- A.N.B. Laboratories 100% medicine & pharmaceutical product manufacturer & distributor
- Bangkok Premier Life Insurance Broker 100% health & life insurance broker
- Save Drug Center 100% Drugstore
- Bio Molecular Laboratories 95% central lab for bio molecular study & examination
- Medic Pharma 87% pharmaceutical product manufacturer
- Sodexo 74% support services
- Bangkok Helicopter Services 49% transportation of patients via helicopter services



Extensive Market Coverage in Bangkok and Vicinity Area

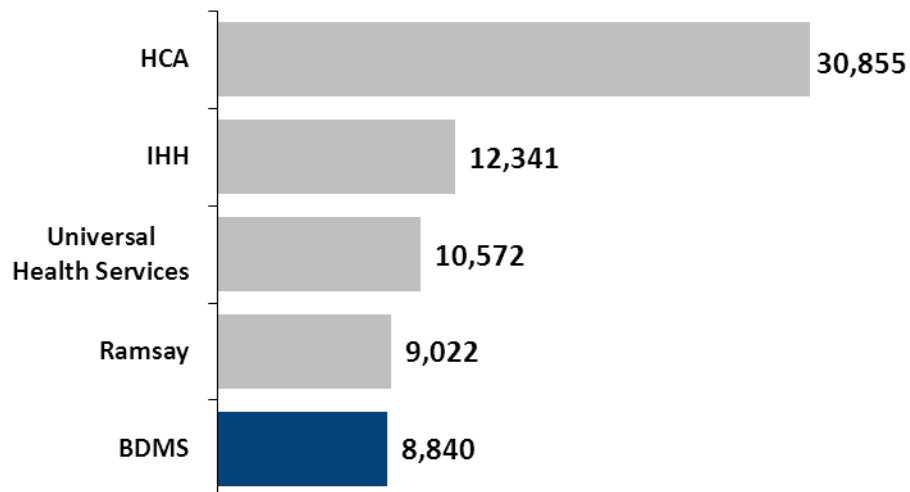


Region	Total Private Hospital Beds	BGH Registered Beds	Market Share
Bangkok	14,042	2,540	18%
Central	10,688	1,765	17%
South	2,376	601	25%
Northeast	2,889	281	10%
North	4,036	158	4%
Total	34,031	5,345	16%

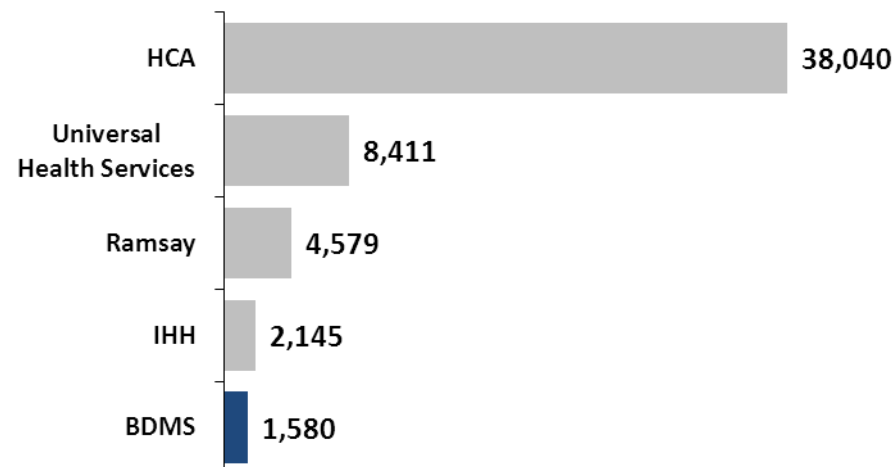
Source: Department of Health Service Support as of Sep 2013

Global Hospital Rankings

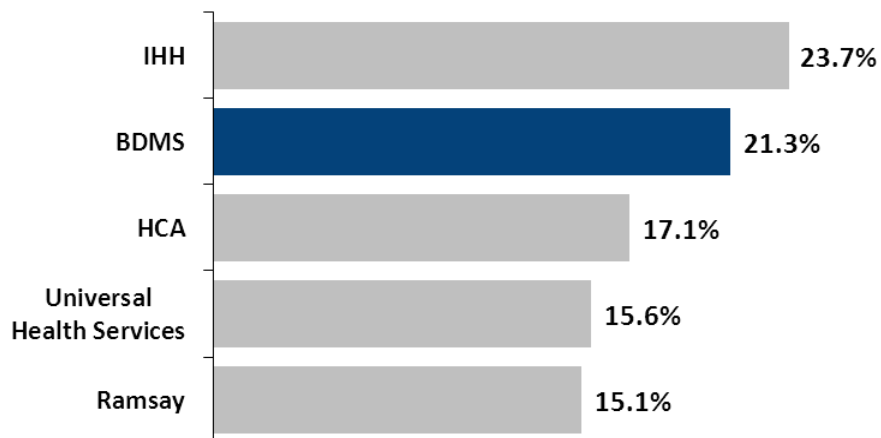
Market Capitalization (USD mm)



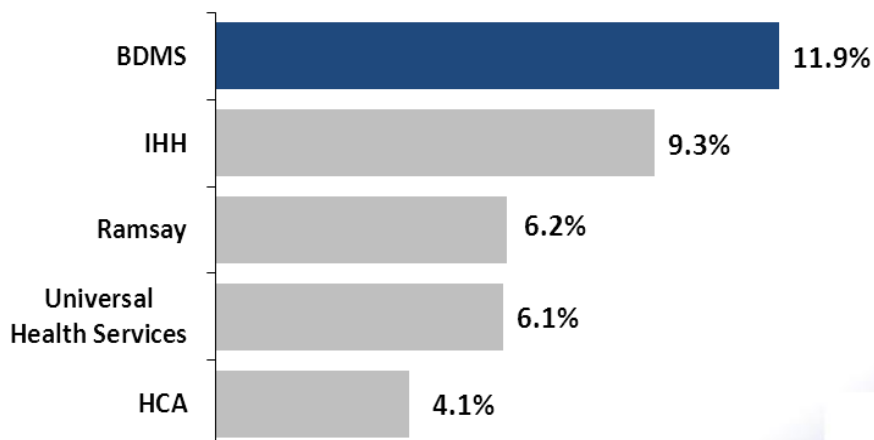
Revenue (USD mm)



EBITDA Margin



Net Profit Margin



Remark: - Market capitalization as of 24 October 2014

- Financial performance (excluding non-recurring items) for year ended December 2013 except Ramsay for year ended June 2014

Medical Cooperation and Awards for Excellence

Medical Cooperation



- Partnership with MD Anderson on cancer and stem-cells related cancer treatment



- Partnership with Stanford University for knowledge sharing on orthopedics



- Partnership with Oregon Health and Science University on occupational health and informatics



- Partnership between BDMS hospitals and local hospitals



Accreditations and Awards for Medical Excellence



JCI Accreditation

- 13 hospitals and 1 clinic under the Group have been accredited



Hospital Accreditation of Thailand

- 26 hospitals have been accredited



Asian Hospital Management Award

- A number of hospitals under the group have been awarded



Reader's Digest Trusted Brand Award

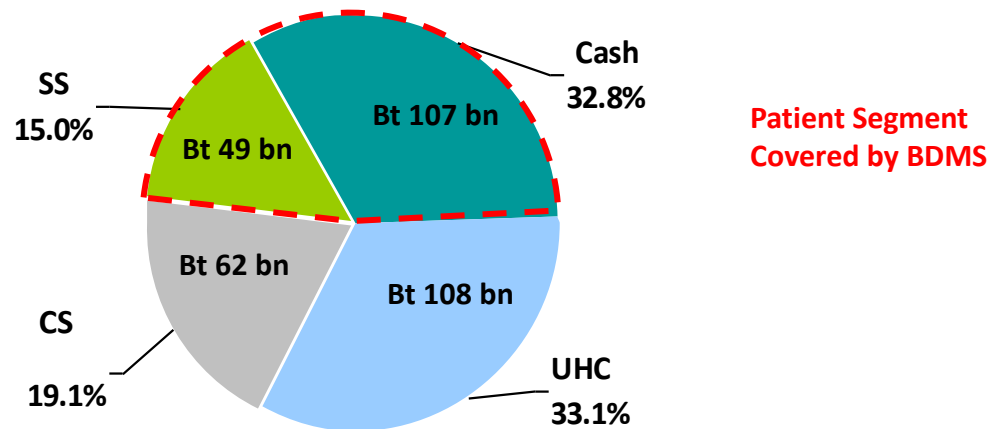
- Bangkok Hospital Brand was awarded the "Trusted Brand, Gold" for 3 consecutive years from 2010 – 2012

Healthcare Industry

Thailand Healthcare Coverage

Healthcare Segments in Thailand

Total Expenditure for 2012: THB 326 bn



Source: NHSO, SSO, IHPP, BDMS Estimates

Universal Healthcare Coverage (UHC)	A welfare program for Thai people to receive medical coverage for IPD and OPD care at registered facilities for payment of Baht 30 (US\$ 1.00) per visit
Civil Servant (CS)	A welfare program provided to employees of governments and state-owned enterprises
Social Security Scheme (SS)	Minimum requirement of healthcare provided to employees of private companies
Private Healthcare (Cash)	Proportion of Thai population not covered or choose not to use public healthcare schemes (UHC, CS and SS), though may have private insurance coverage

Increasing Healthcare Demand

Thai Population / Bed

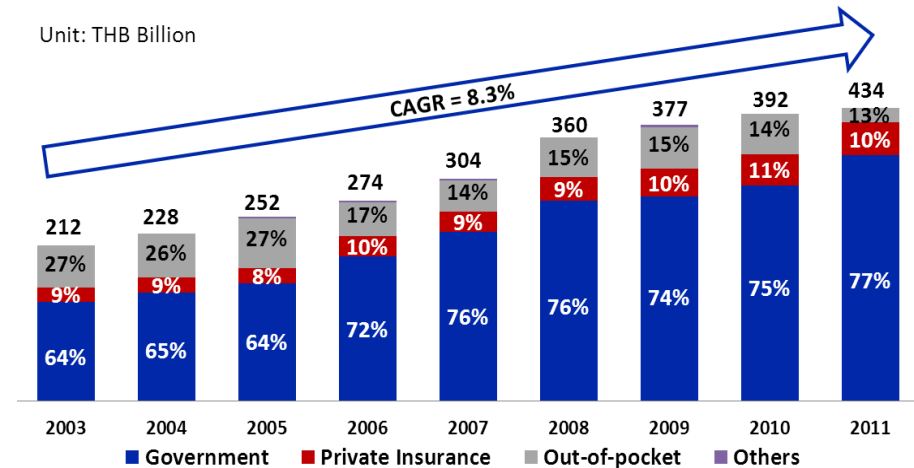
Population growth higher than supply

	2008	2009	2010
Bangkok	312	379	266
Central	402	414	409
Northeast	779	724	714
North	500	679	460
South	492	500	498
Total	502	540	477
Global Average (Y2006-2012)	← 385 →		

Source: Ministry of Public Health and World Health Organization

Increasing Healthcare Expenditures in Thailand (2003 – 2011)

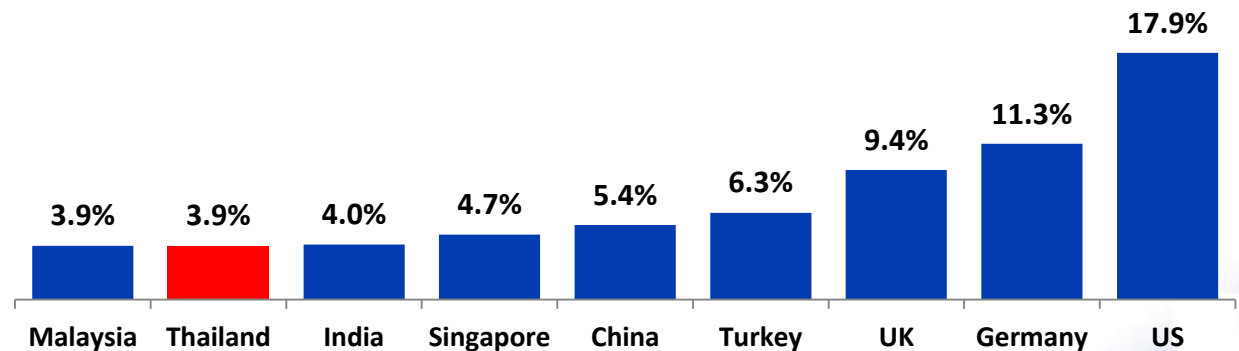
Unit: THB Billion



Source: National Health Account of Thailand and Health Systems Research Institute

Low Healthcare Penetration

- Healthcare expenditure as % of GDP in Thailand is still low compared to other developing and developed countries

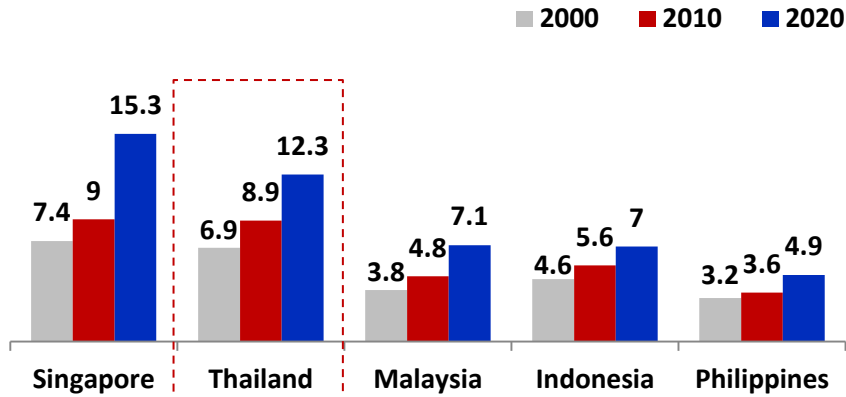


Source: World Health Organization for 2012

Increasing Healthcare Demand

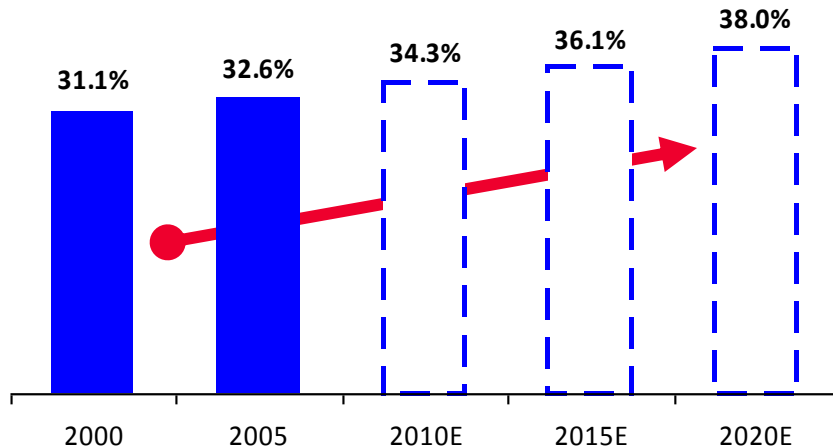
Population Growth and Aging Profile

Percentage of population above 65 years (%)



Source: UN Population Database

Urbanization



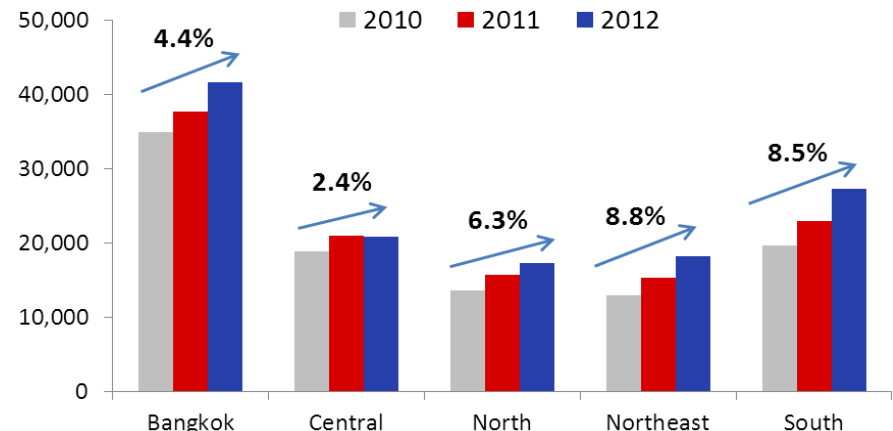
Sources: NESDB, Health & Welfare Surveys, National Statistics Office (Data related to Thailand)

Commentary

- Aging population will have great implications on both healthcare costs as well as its capacity to serve demand. In addition, aging population also means a strain on healthcare capacity if it fails to catch up well with increasing demand
- Increasing degree of urbanization is expected over time from 31.1% in 2008 to 38.0% in 2020
- The trend has also been the same for overall South East Asia countries where rapid urbanization is expected from 36.7% in 2000 to 50.6% in 2025

Rising Income per Capita

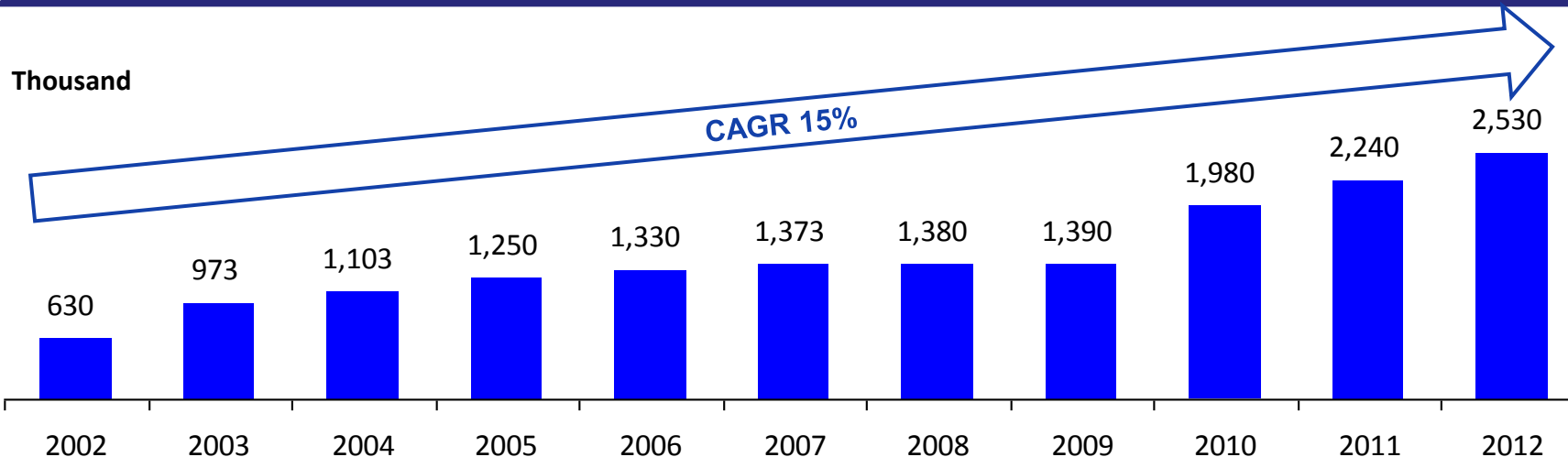
THB



Sources: NESDB

Medical Tourism

Increasing trend of international patient visits



Source: Department of Export Promotion, Ministry of Commerce.

Medical Tourism as a Rising Phenomenon

Procedures (In USD)	USA	Singapore*	Thailand	Malaysia*	India
Heart Bypass	130,000	18,500	11,000	9,000	10,000
Heart Valve Replacement	160,000	12,500	10,000	9,000	9,000
Angioplasty	57,000	13,000	13,000	11,000	11,000
Hip Replacement	43,000	12,000	12,000	10,000	9,000
Hysterectomy	20,000	6,000	4,500	3,000	3,000
Knee Replacement	40,000	13,000	10,000	8,000	8,500
Spinal Fusion	62,000	9,000	7,000	6,000	5,500

* Excluding doctor's fee

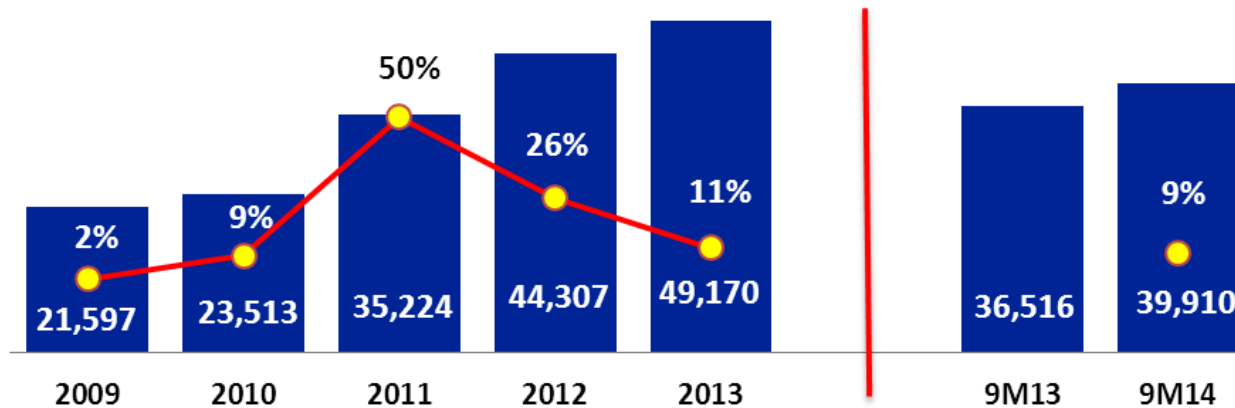
Source: "Patient Beyond Border" by Josef Woodman

Operational Statistics

Continued Double Digit Revenue Growth

Patient Revenue Trend

(THB mm)

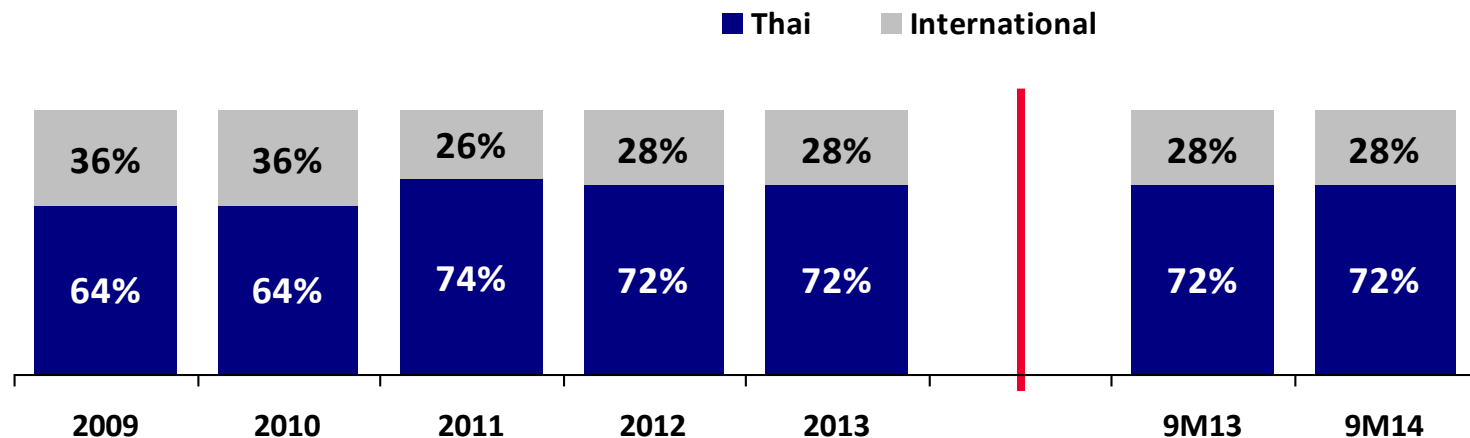


Commentary

- 9M14 Patient revenue increased by **9%** yoy mainly from
 - Growth in number of outpatients and inpatients across our network hospitals
 - Consolidation of new network hospitals
 - Bangkok Hospital Phitsanulok since October 2013
 - Bangkok Hospital Chiangmai since July 2014
 - Sanamchan Hospital and Thepakorn Hospital since August 2014
 - Patient ward renovation and rising in patient referral

Expanding Both Thai and International Patients

Revenue Contribution by Nationality



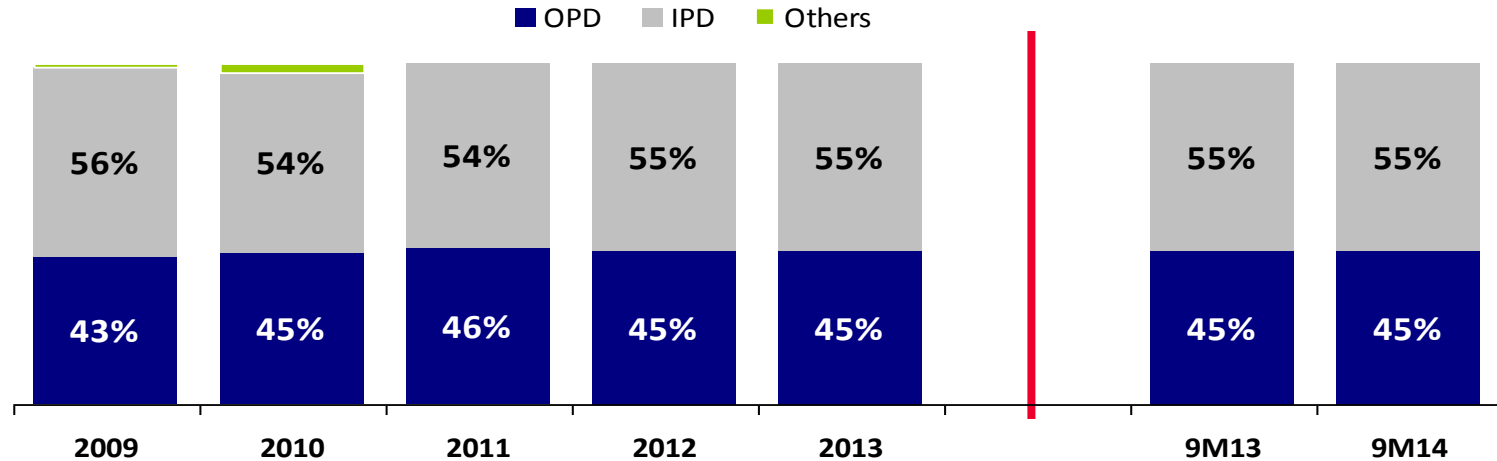
Commentary

- **9M14** revenue from Thai patients grew 11% while international patients grew 7% yoy
- Top 5 international patient revenues are from Japan, Myanmar, UK, Australia and UAE which contribute 2.6%, 2.0%, 1.7%, 1.6% and 1.5% of total patient revenues respectively
- International patient revenues grew significantly for China (+69%), Myanmar (+17%) and Oman (+16%)

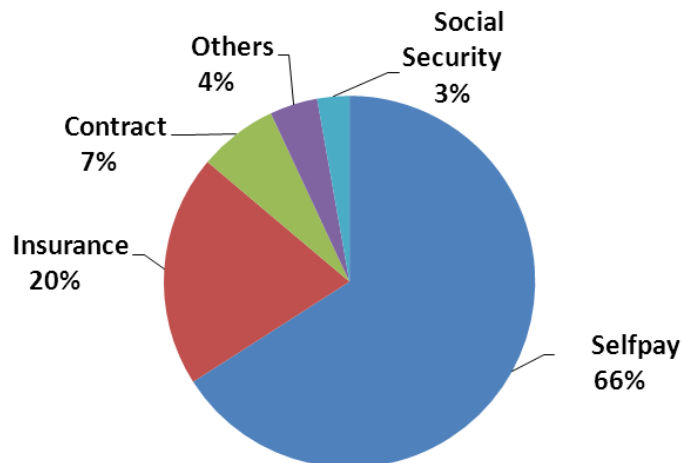
Remarks:- Operational statistics data in 2011 are including PYT & Paolo since Jan 2011

Patient Mix

Revenue Breakdown by Patient Types



9M14 Patient Revenue by Payor

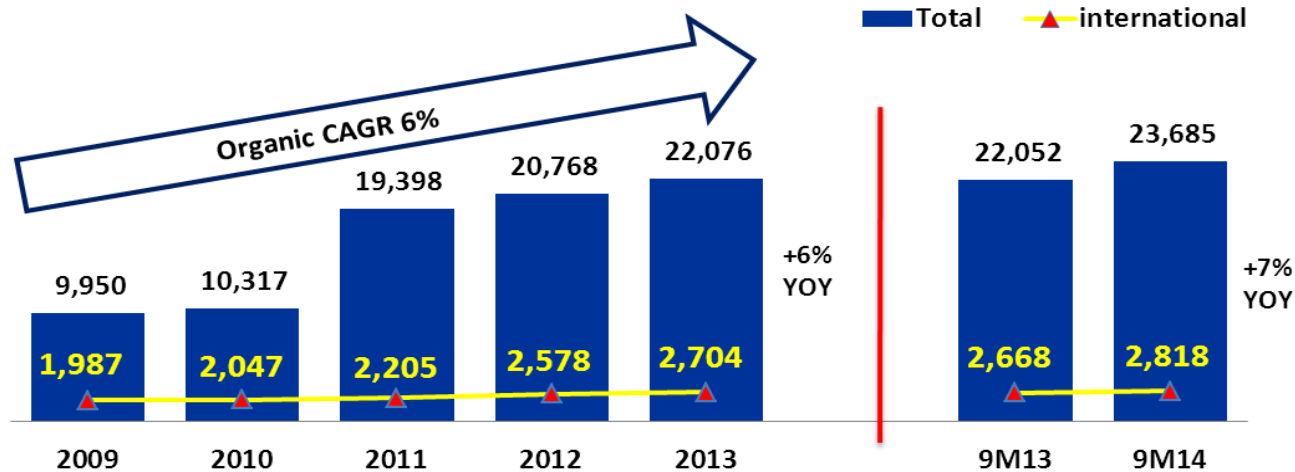


Commentary

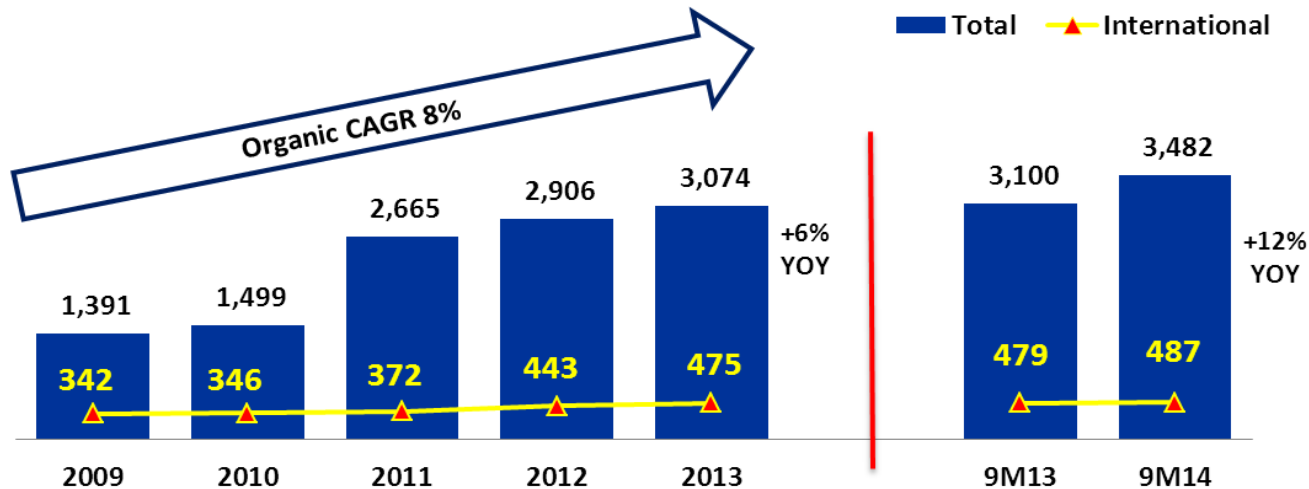
- **9M14** OPD revenues increased 10% yoy while IPD revenues increased 10% yoy

Patient Base Expansion From Both Organic Growth & Acquisitions

Number of OPD Visits per Day



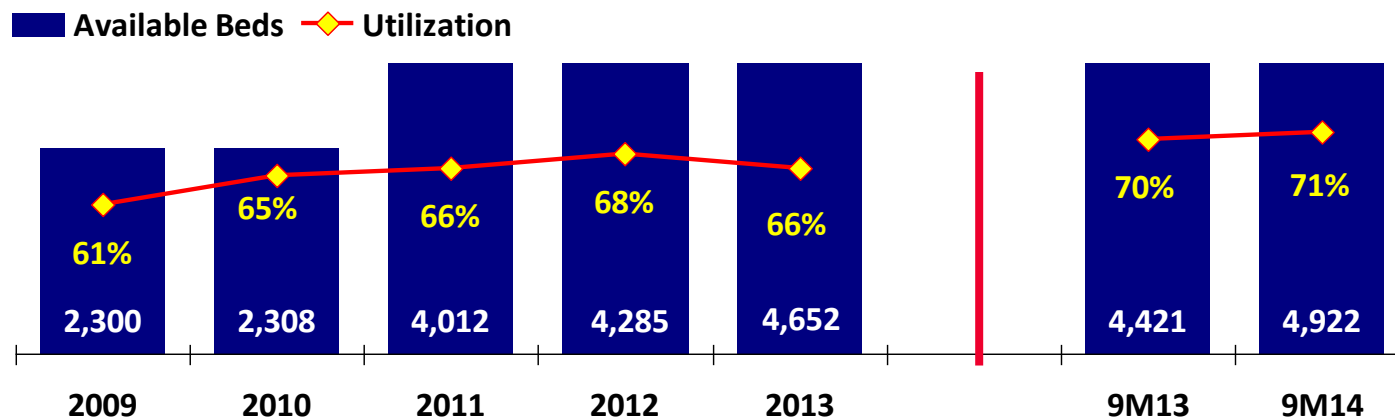
Average Daily Census (ADC)



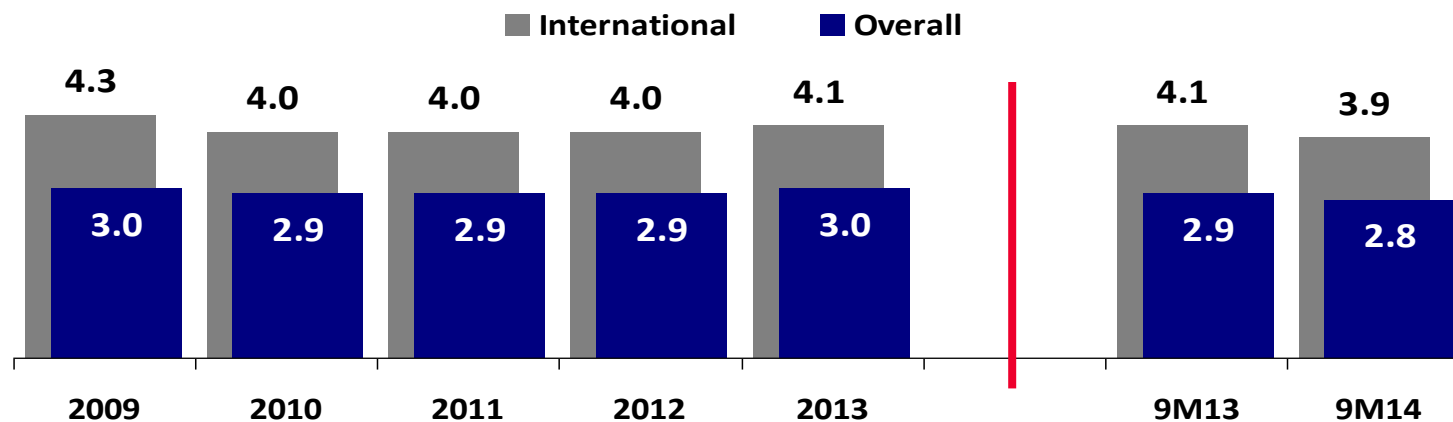
Remarks:- Including social security

Utilization of Beds

Utilization Based on Available Beds



Average Length of Stay (days)

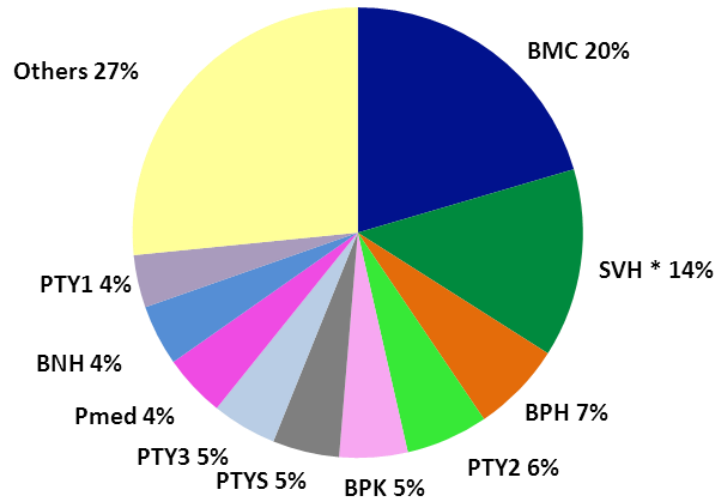


Remarks:- Including social security patients

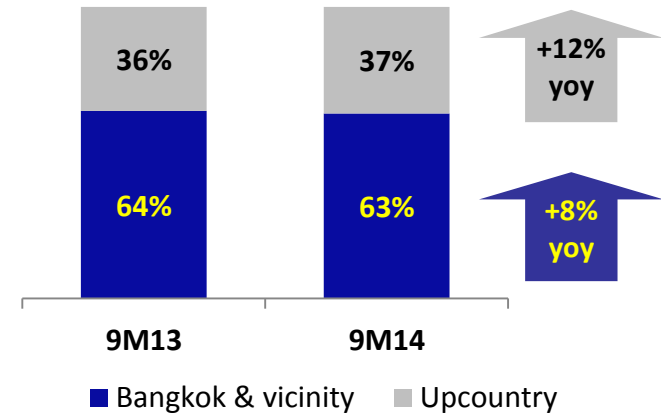
Financial Highlights

Diversified Sources of Revenues

Revenue Contribution in 9M14



Revenue Contribution & Growth by Locations



Commentary

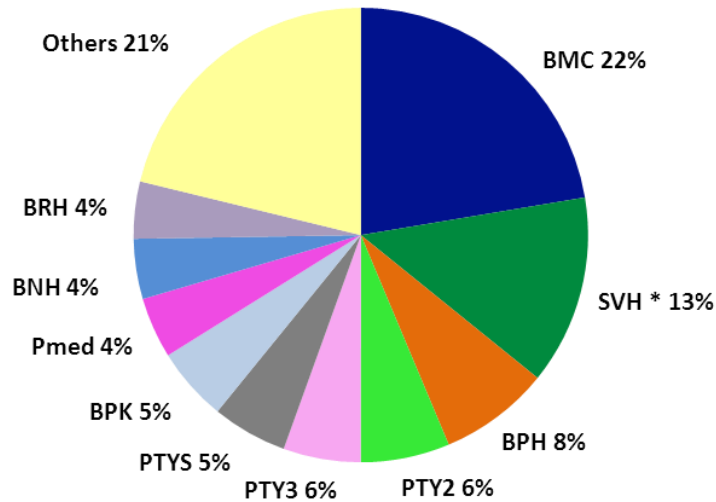
- During **9M14**, top 5 hospitals (by location) contributed 52% of total revenue
- Bangkok & vicinity hospitals that grew more than 8% yoy : - STH(+59%), PYT N(23%), PYT3(+11%), BNH(+11%), Pmed(+9%), and SVH(+9%)
- Upcountry hospitals that grew more than 13% yoy :- BUD(+27%), BHN(+25%), RAH(+22%), SSH(+13%) and RRH(+13%)

Remark:- Hospital abbreviation shown on page 36

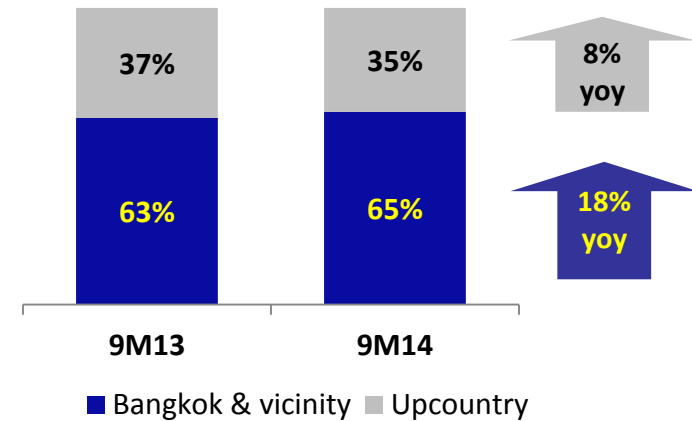
* SVH also included SNH performance

EBITDA Contribution

EBITDA Contribution in 9M14



EBITDA Contribution & Growth by Locations



Commentary

- During **9M14**, top 5 hospitals (by location) contributed 55% of total EBITDA

Remark:- Hospital abbreviation shown on page 36

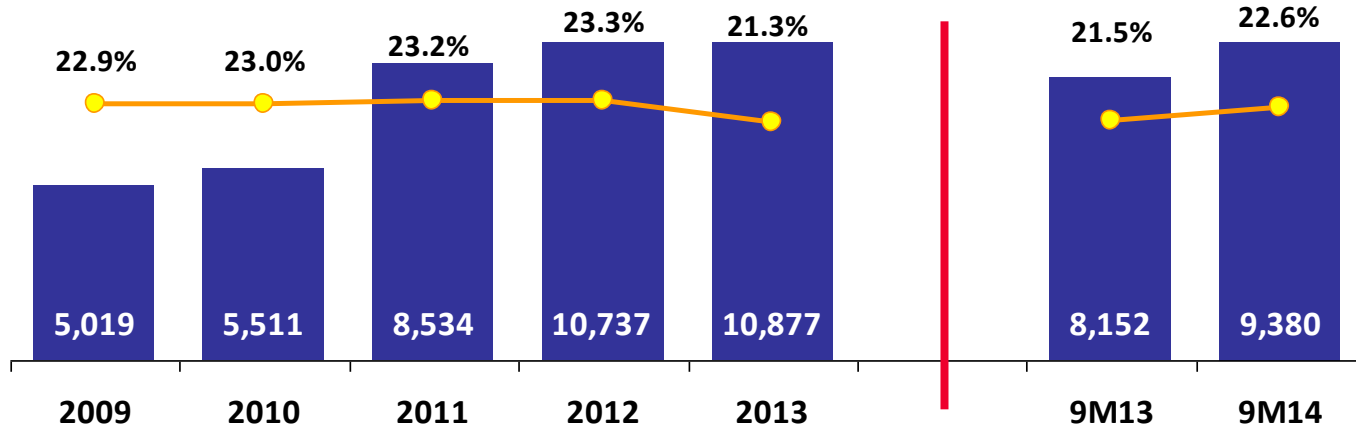
* SVH also included SNH performance

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

Profitability Trend

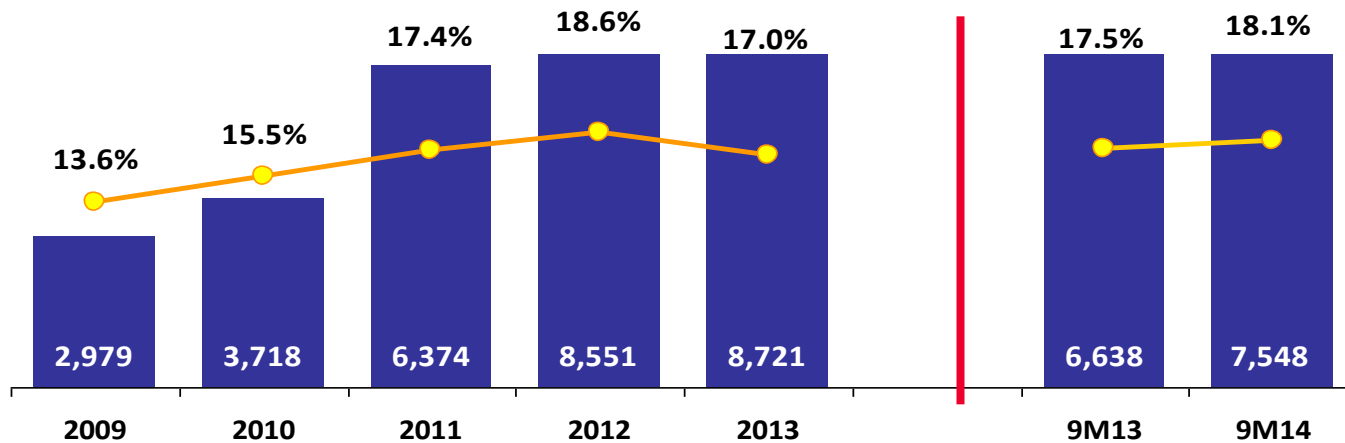
EBITDA & EBITDA Margin*

(THB mm)



EBIT & EBIT Margin*

(THB mm)

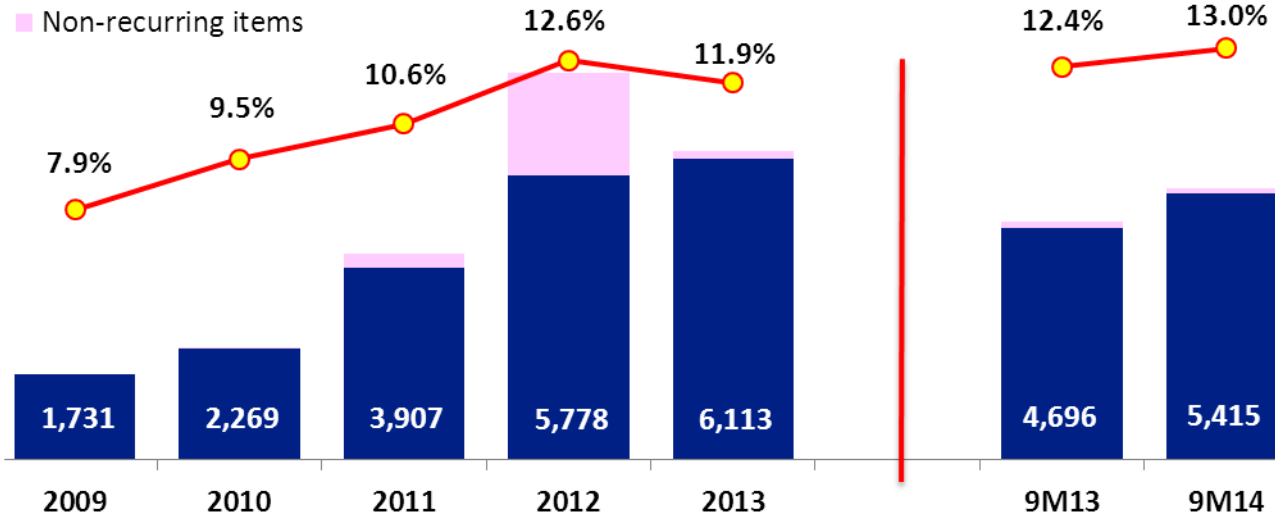


* Excluding non-recurring items

Profitability Trend

Net Profit & Net Profit Margin*

(THB mm)



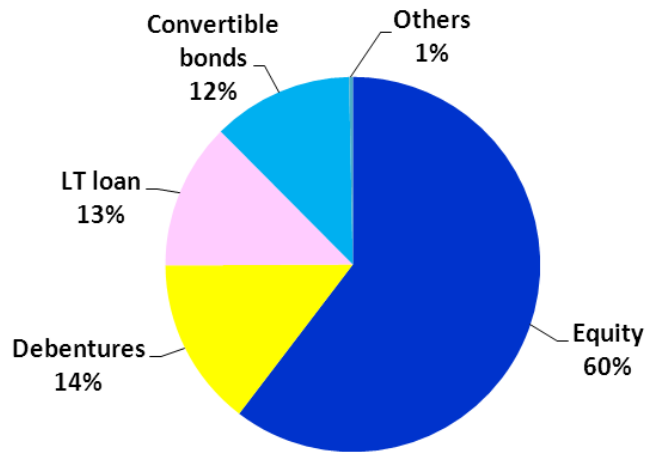
Commentary

- **9M14** Net profit increased 15% yoy from growth in number of outpatients and inpatients across our network hospitals together with hospital network expansion, patient ward expansion and renovation and an increase in patient referral

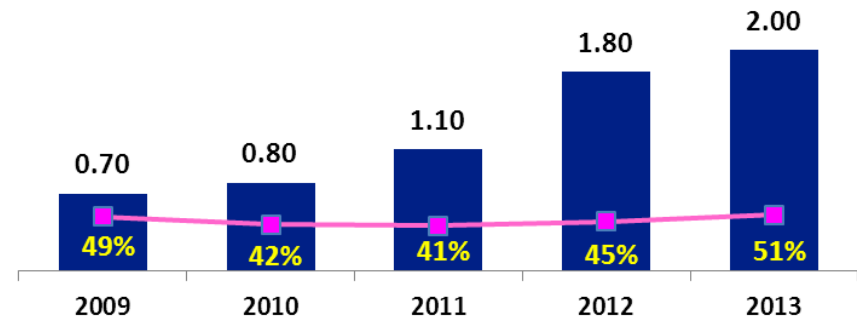
* Excluding non-recurring items

Capital Management

Capital Structure as of Sep 2014



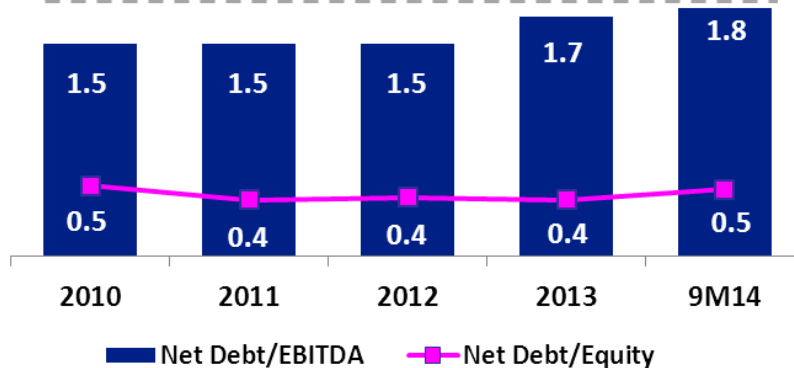
Dividend Payment & Payout Ratio



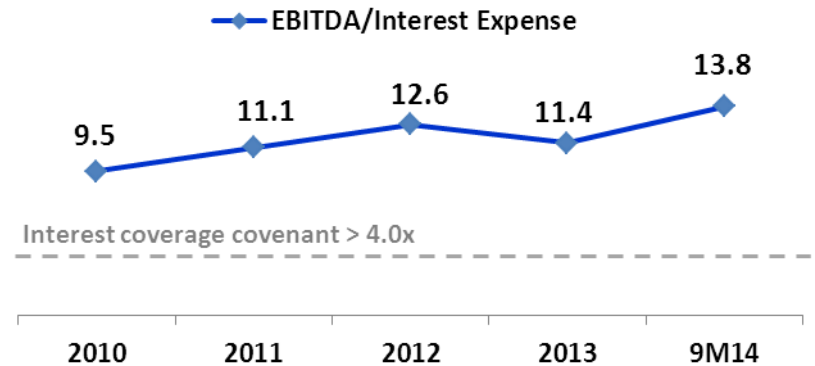
Gearing Ratios: Well Within Covenants

Net debt / EBITDA covenant < 3.25x

Net debt / equity covenant < 1.75x



Interest Coverage



Financial Management Policies

Leverage

- Maintain conservative leverage ratios
 - Debt / EBITDA not more than 2.5x
 - Debt / Equity not more than 1.0x

Dividend Policy

- 50% of Company only net profit, subject to operational results and the ability to pay dividend each year

Funding and Liquidity

- Manage liquidity as a group by using cash pooling system in order to minimize cost of fund and level of Group borrowing
- BGH has strong financial flexibility
 - Has uncommitted short – term bank facilities of THB 10,000 mm

Interest Rate Risk

- Maintain appropriated proportion of fixed / floating interest rate debt
- Current proportion: Fixed 73% : Float 27%.

Currency Risk

- Minimize currency risk by borrowing in THB or using hedging instruments

Appendix 1

The First Ever Thai Baht-Denominated Zero-Coupon Convertible Bonds

Issuance Date	18 September 2014
Currency	THB-Denominated, USD-Settled
Issue Size	THB 10.0 billion
Status	Unsecured and unsubordinated convertible bonds
Tenor	5 years
Put Option	At end of year 3 equal to 106.152% of the principal amount (yield 2% p.a.)
Call Option	At any time after end of year 2.5, if the closing price of the Company's shares is at least 130% of the applicable Early Redemption Amount, divided by the effective Conversion Ratio
Coupon	Zero
Redemption Price	110.462% of the principal amount (yield 2% p.a.)
Conversion Price	Baht 21.045 per one newly issued ordinary share. The initial conversion price may be adjusted upon the occurrence of the adjustment events specified in the terms and conditions of the Bonds
Dividend Protection	If the dividend payment is more than 55% of consolidated net profit

Zero Coupon THB-Denominated USD-Settled Convertible Bonds due 2019



THB 10 billion

Joint Bookrunner
Joint Lead Manager



Appendix 2

Hospital Network in Key Strategic Locations

 Group 1	Ownership	No. of Beds ⁽¹⁾
1. Bangkok Hospital	100%	 343
2. Bangkok Heart Hospital	(BMC) 100%	 97
3. Wattanosoth Hospital		 48
4. Bangkok Huahin (BHN)		 60
5. Bangkok Chiangmai (BCM)	100%	185
6. Bangkok Chinatown (BCT)	100%	59
7. Sanamchan	100%	200
8. Thepakorn	44.5%	100

 Group 2	Ownership	No. of Beds ⁽¹⁾
9. Samitivej Sukhumvit (SVH)	95.8%	 275
10. Samitivej Srinakarin (SNH)	95.8%	 400
11. Samitivej Sriracha (SSH)	69.8%	 150
12. Samitivej Thonburi (STH)	55.7%	150
13. BNH Hospital (BNH)	91.5%	 144

 Group 3	Ownership	No. of Beds ⁽¹⁾
14. Bangkok Pattaya (BPH)	97.3%	 400
15. Bangkok Rayong (BRH)	100%	220
16. Bangkok Chanthaburi (BCH)	99.7%	170
17. Bangkok Trat (BTH)	99.8%	 114
18. Bangkok Phuket (BPK)	99.7%	 317
19. Bangkok Hat Yai (BHH)	98.8%	165
20. Bangkok Samui (BSH)	100%	 50
21. Bangkok Phrapradaeng (BPD)	84.0%	 60
22. Phuket International	100%	151 ⁽²⁾

 Group 4	Ownership	No. of Beds ⁽¹⁾
23. Bangkok Ratchasima (BKH)	90.9%	300
24. Bangkok Pakchong	90.9%	30
25. Bangkok Udon (BUD)	100%	120
26. Bangkok Phitsanulok (BPL)	100%	100
Children Ratanavej Hospital at Phitsanulok	100%	58
27. Bangkok Khon Kaen (BKN)	100%	140
28. Royal Angkor International	80.0%	21
29. Royal Phnom Penh	100%	100

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

Remark (1) Structured beds
 (2) Having the capability to accommodate an expansion to become 281 beds
 (3) Registered beds
 (4) Percentage of shareholding by subsidiaries