



## Bangkok Dusit Medical Services (BDMS)

### Analyst Presentation

### 4Q14&2014 Results

March 3, 2015

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## BDMS Updates & Highlights

# Consolidated Financial Summary

## 4Q14 Results

- Revenue from hospital operations of THB 14,431 mm increased by 14% from 4Q13 mainly from increasing in number of outpatients and inpatients across network hospitals together with consolidation of new network hospitals
- EBITDA\* of THB 3,283 mm increased by 20% yoy
- Net profit\* of THB 1,693 mm, increased by 20% yoy




## 2014 Results

- Revenue from hospital operations of THB 54,341 mm increased by 11% from 2013 mainly from increasing in number of outpatients and inpatients across network hospitals together with consolidation of new network hospitals, patient ward renovation and an increase in patient referral
- EBITDA\* of THB 12,663 mm increased by 16% yoy
- Net profit\* of THB 7,109 mm, increased by 16% yoy

\* Excluding non-recurring items

Currently owns and manages 40 hospitals with total beds of 7,071 under 6 hospital brands

As of March 2015

 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
	BNH Hospital	1	144
	Royal International Hospital	2	121
	Local Hospital	6	1,001

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

# Investment in General Hospital Products PCL



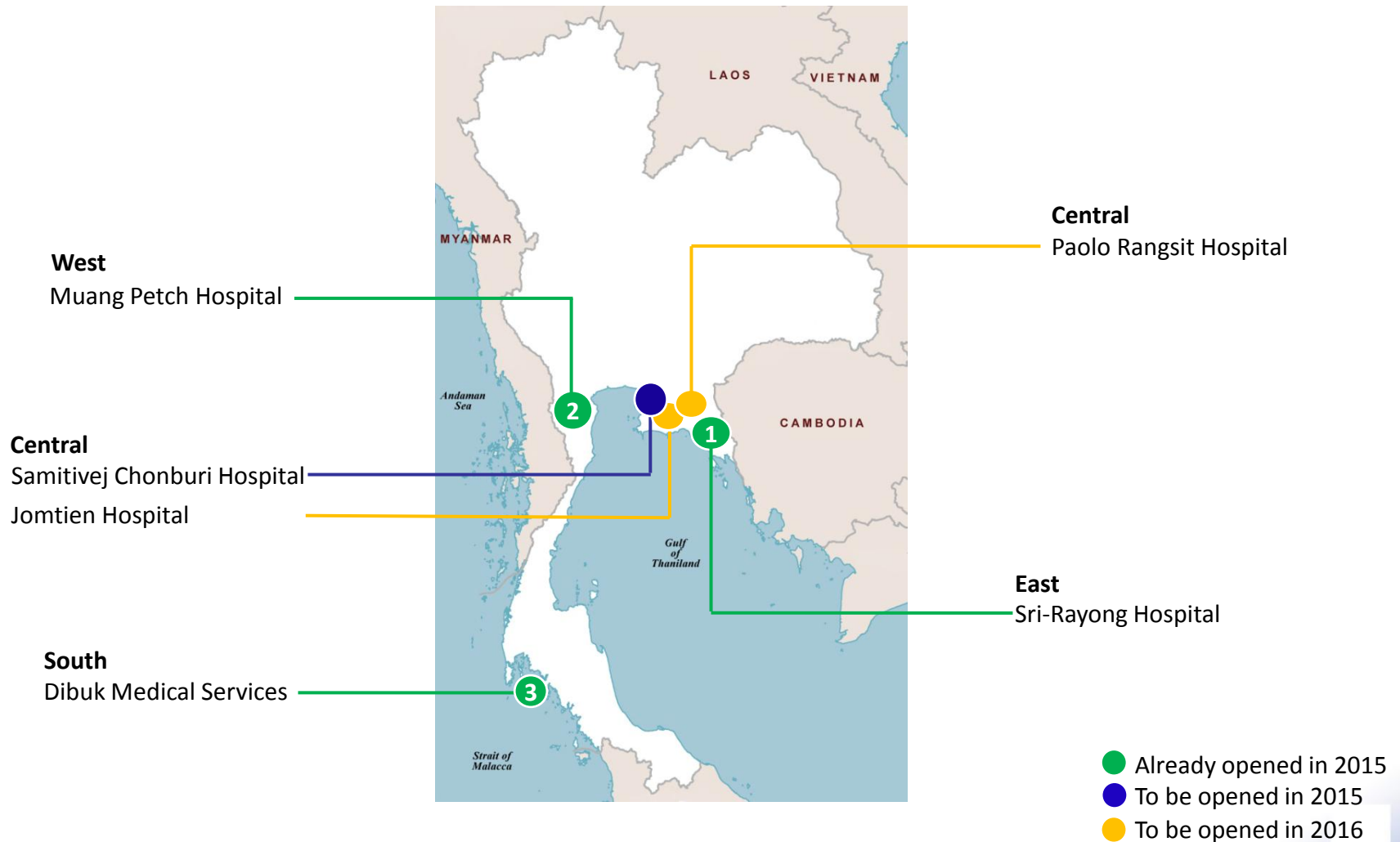
## Enhancing Revenue from Non-Hospital Business



- GHP is a manufacturer of injection solutions for intravenous infusion such as saline solution and other medical supplies
- BDMS currently holds 20.47% since February 2015
- Plan to increase the stake up to 40% by 2Q15 with an investment not exceeding THB 350 mm
- Create synergy with A.N.B. Laboratories, BDMS subsidiary, to develop healthcare related products

# New Network Hospitals

## Enhancing the Patient Referral System





# 1 Sri Rayong Hospital

## Enhancing the Patient Referral System



โรงพยาบาลศรีธัญญา  
SRI RAYONG HOSPITAL



- Greenfield 195-bed secondary care hospital, located in Amphoe Muang, Rayong
- Opening 55 beds for the first phase since January 2015
- Targeting middle income patients in Rayong



## 2 Muang Petch Hospital

### Enhancing the Patient Referral System



- Acquired Muang Petch Hospital, as part of Sanamchan Hospital acquisition, a secondary care private hospital in Petchburi with 255 structured beds
- Conveniently located on Petchkasem Road
- Opening 20 beds for first phase since January 2015
- Targeting middle income patients in Petchburi

### 3 Dibuk Medical Services

#### Enhancing the Patient Referral System



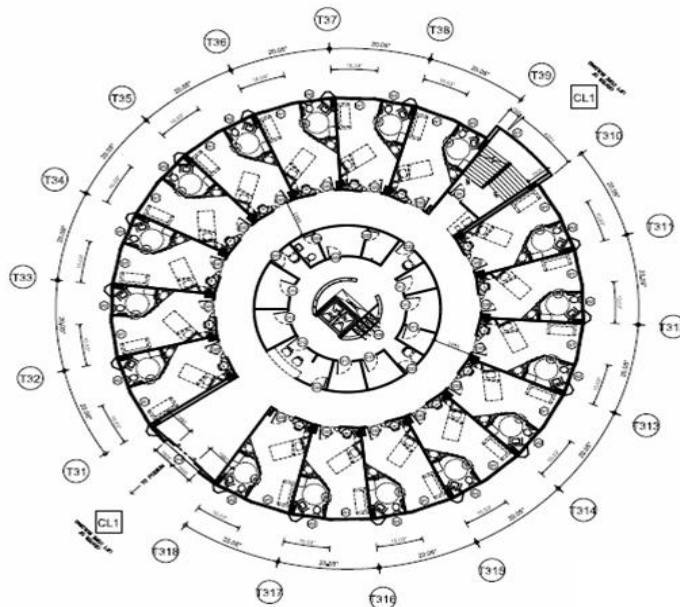
- Currently a medical services facility with 29 beds opening during the first phase since January 2015
- Conveniently located on West Chaofa Road
- Targeting middle income patients in Phuket





### 3 Dibuk Medical Services



#### Enhancing the Patient Referral System



- Circular building design – patient care areas are on the outer ring while the staff areas are in the center core – aims to reduce the distance between the staff and patients and create more operating efficiency

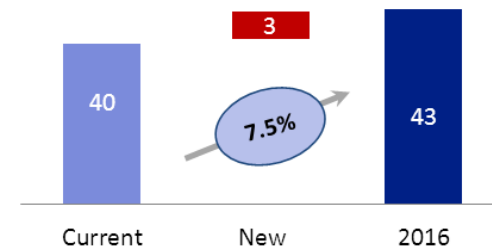
# Investment Updates

## New Hospitals in Pipeline

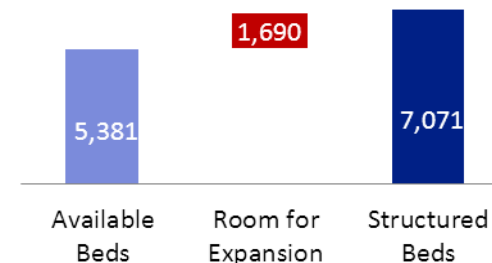
Hospitals	Location	Total Beds	1 <sup>st</sup> Phase	Opening
1  Samitivej Chonburi Hospital	Chonburi	220	59	2015
2  Paolo Rangsit Hospital	Bangkok	150	59	2016
3 Jomtien Hospital	Pattaya	250	100	2016

As of March 2015

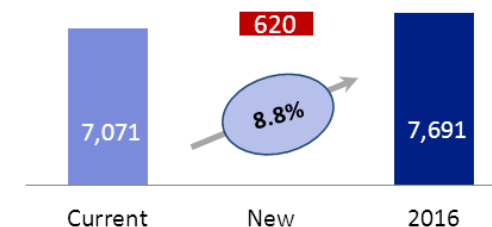
### Number of Hospitals



### Ramp-Up Capacity of Existing Hospitals

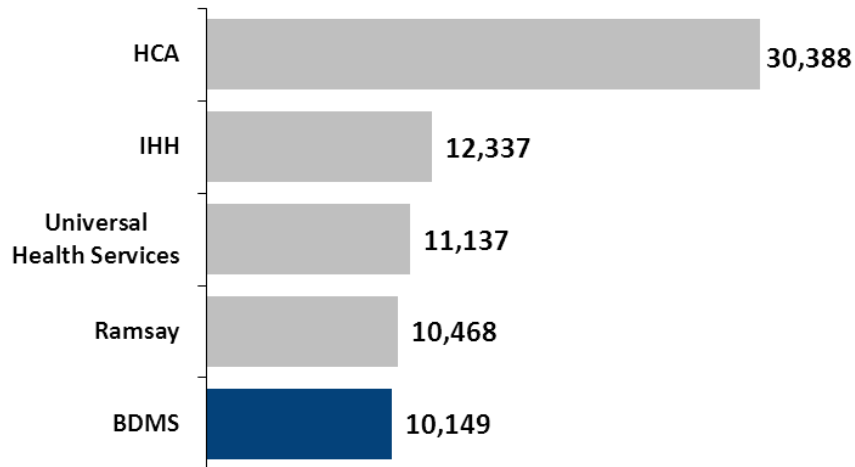


### Number of Structured Beds

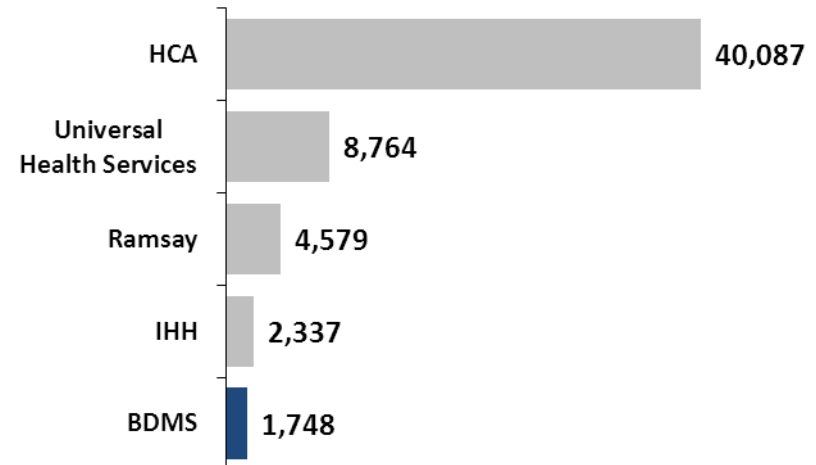


# Global Hospital Rankings

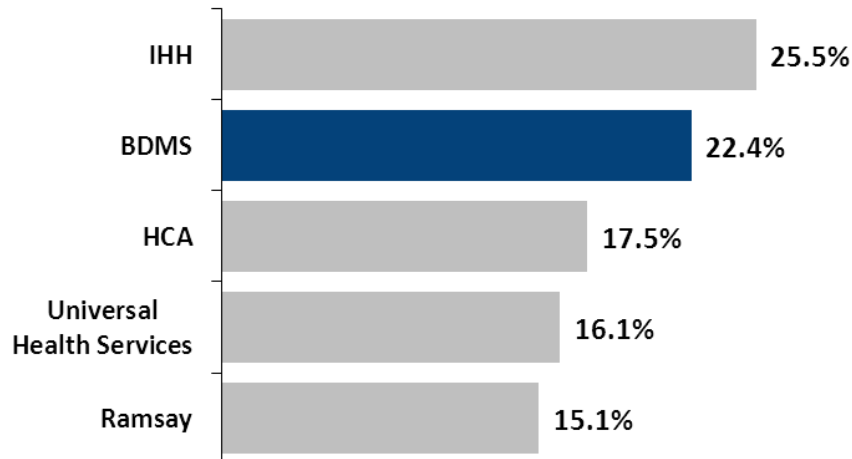
## Market Capitalization (USD mm)



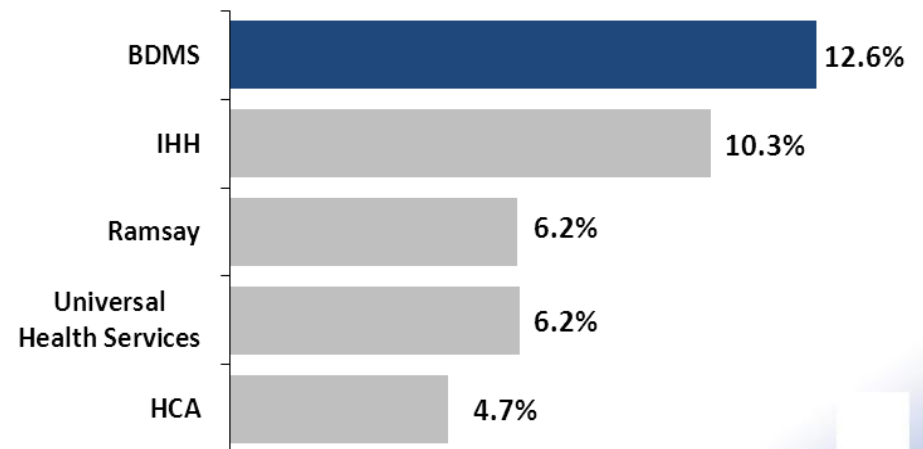
## Revenue (USD mm)



## EBITDA Margin



## Net Profit Margin



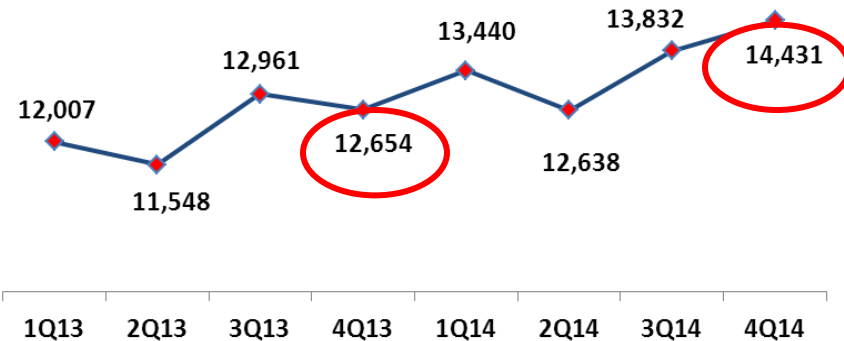
Remark: - Market capitalization as of 2 March 2015

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

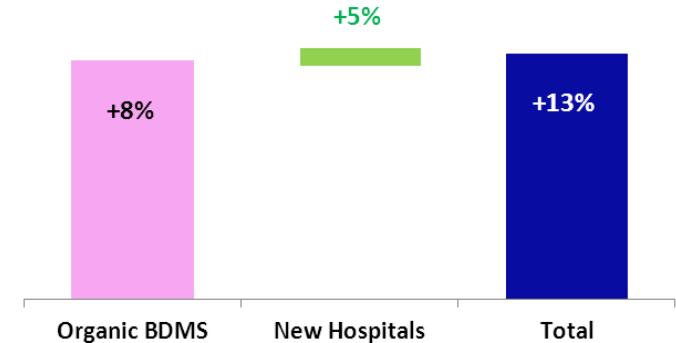
# Operational Statistics

# Quarterly Patient Revenue Growth

## Quarterly Patient Revenue Trend (THB mm)



## 4Q14 Patient Revenue Growth



\* New hospitals included BUD, STH, BPL, BCM, Sanamchan, Thepakorn, BPI, RPH, BKN and BCT

## Commentary

- 4Q14 Patient revenue increased by **14%** yoy, primarily from
  - Growth in number of outpatients and inpatients across our network hospitals
  - Consolidation of new hospitals in 2014 which are Bangkok Hospital Chiangmai, Sanamchan Hospital, Thepakorn Hospital, Phuket International Hospital, Bangkok Hospital Khon Kaen, Royal Phnom Penh and Bangkok Hospital Chinatown
  - Patient ward renovation and rising in patient referral

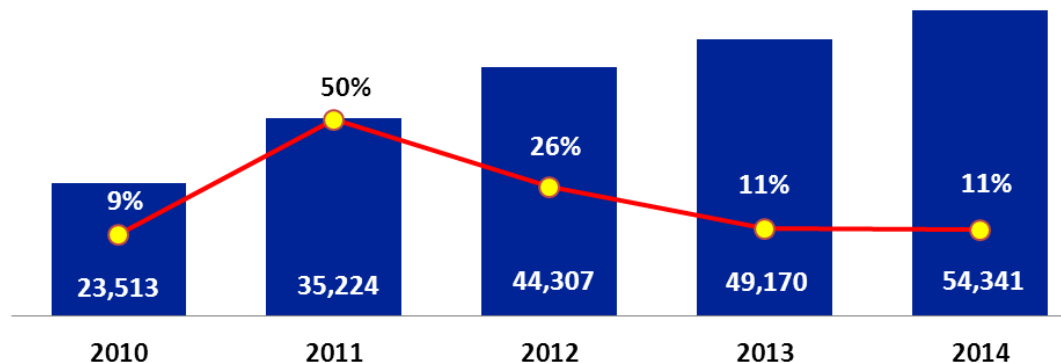
\* Hospital abbreviation shown on page 31



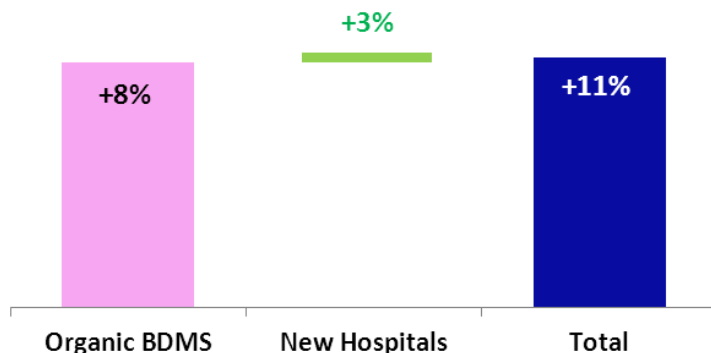
# Growing Patient Revenue

## Patient Revenue Trend

(THB mm)



## 2014 Patient Revenue Growth



Remark:- New hospitals included BUD, STH, BPL, BCM, Sanamchan, Thepakorn, BPI, RPH, BKN and BCT

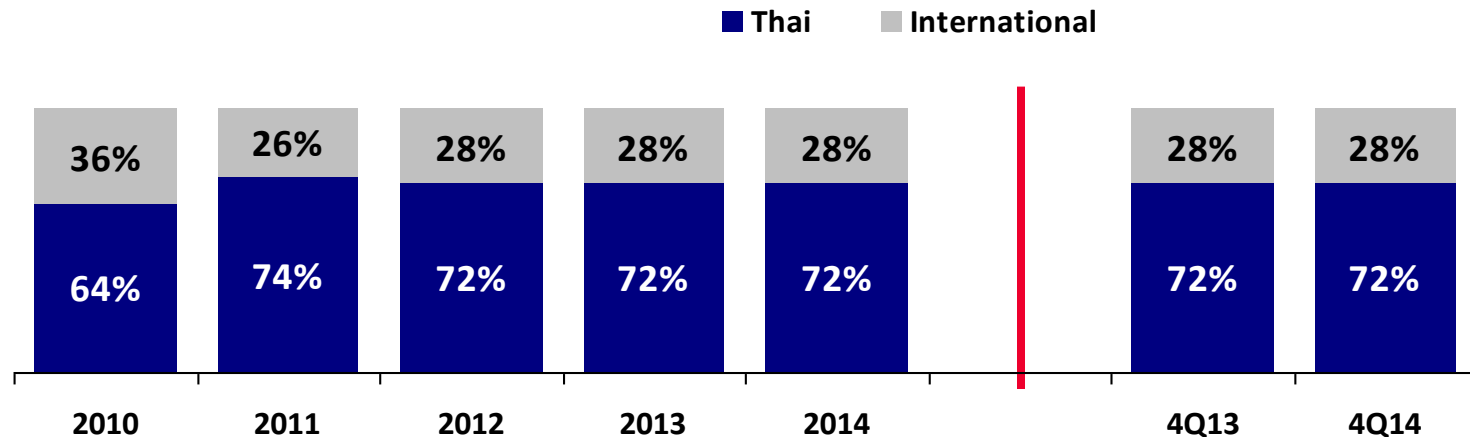
- Hospital abbreviation shown on page 31

## Commentary

- 2014 Patient revenue increased by **11%** yoy mainly from
  - Growth in number of outpatients and inpatients across our network hospitals
  - Consolidation of new network hospitals
  - Patient ward renovation and rising in patient referral

# Expanding Both Thai and International Patients

## Revenue Contribution by Nationality

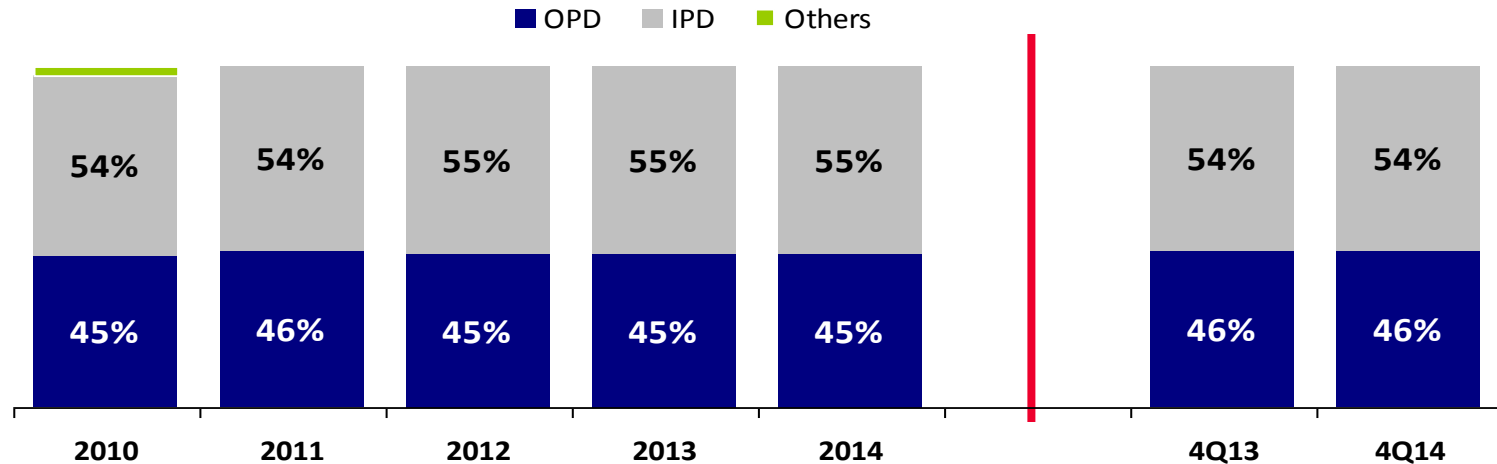


## Commentary

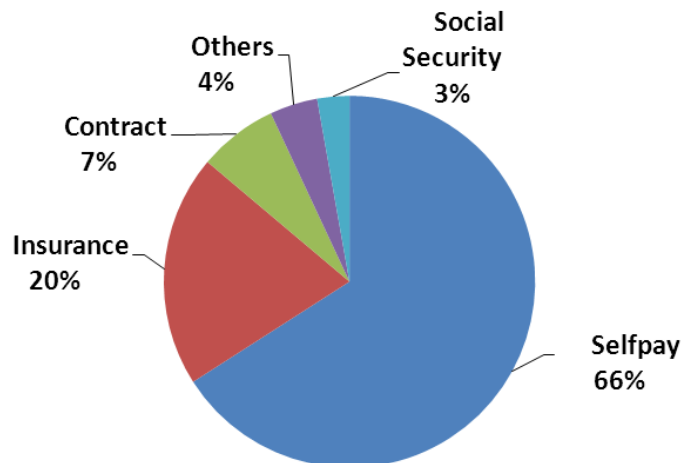
- **2014** revenue from Thai patients grew 11% while international patients grew 9% yoy
  - Top 5 international patient revenues are from Japan, Myanmar, UK, UAE and Australia which contribute 2.6%, 2.0%, 1.7%, 1.7% and 1.6% of total patient revenues respectively
  - International patient revenues grew significantly for China (+62%), Oman (+43%) and Myanmar (+18%)

# Patient Mix

## Revenue Breakdown by Patient Types



## 2014 Patient Revenue by Payor

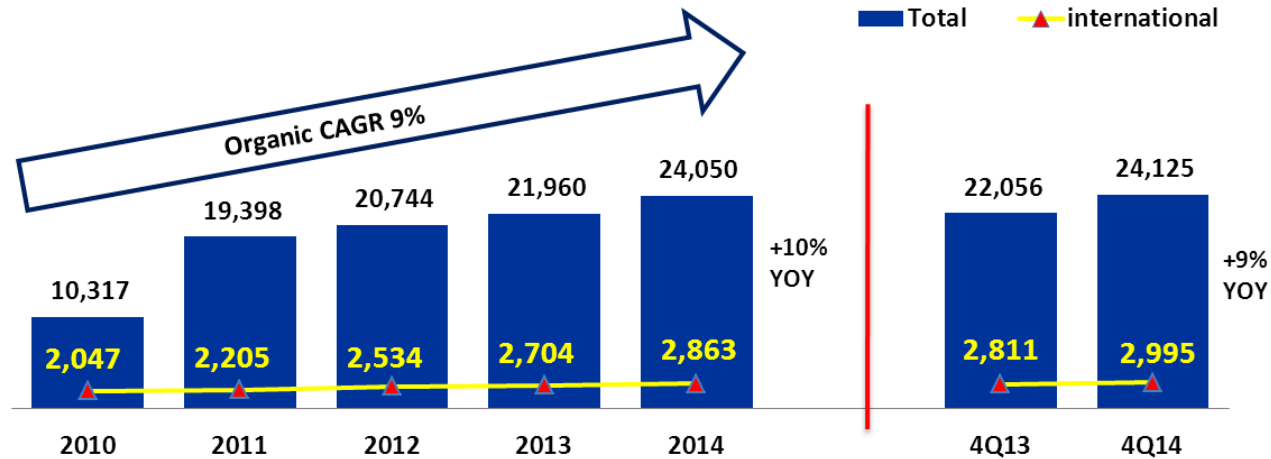


## Commentary

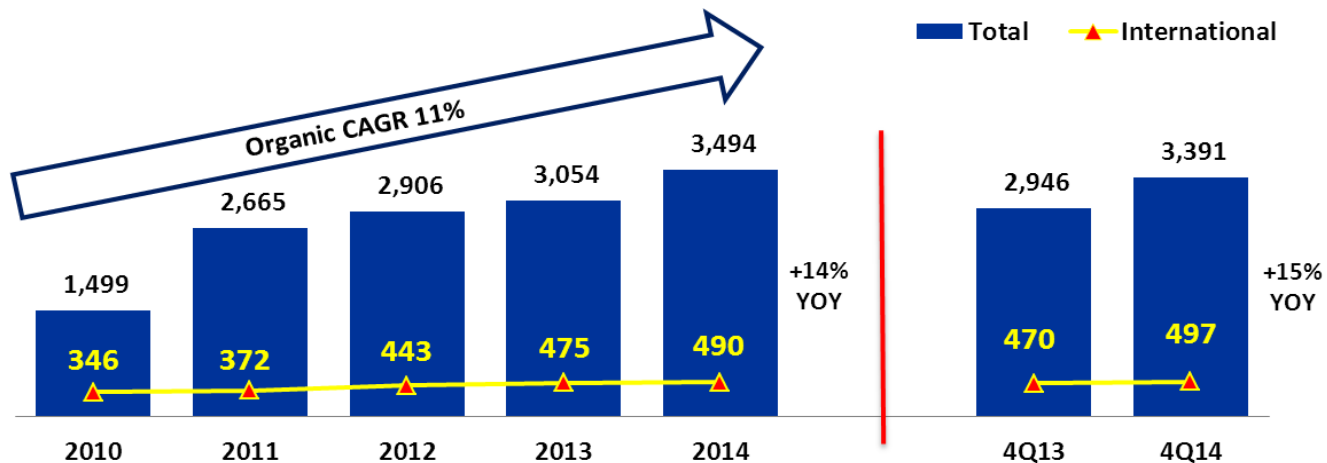
- **4Q14** OPD revenues increased 12% yoy while IPD revenues increased 13% yoy
- **2014** OPD revenues increased 11% yoy while IPD revenues increased 11% yoy

# Patient Base Expansion From Both Organic Growth & Acquisitions

## Number of OPD Visits per Day



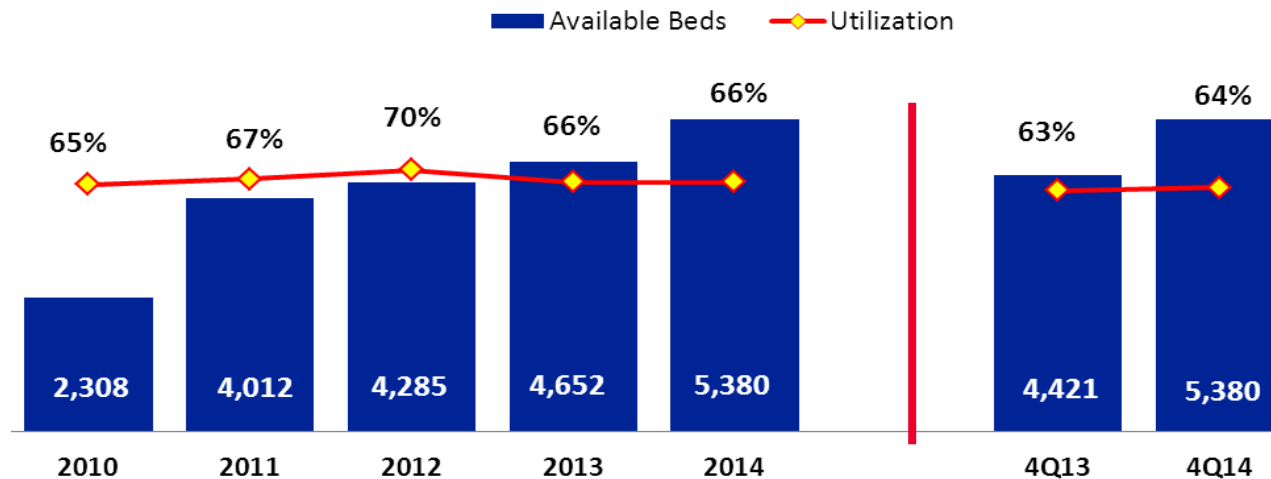
## Average Daily Census ( ADC )



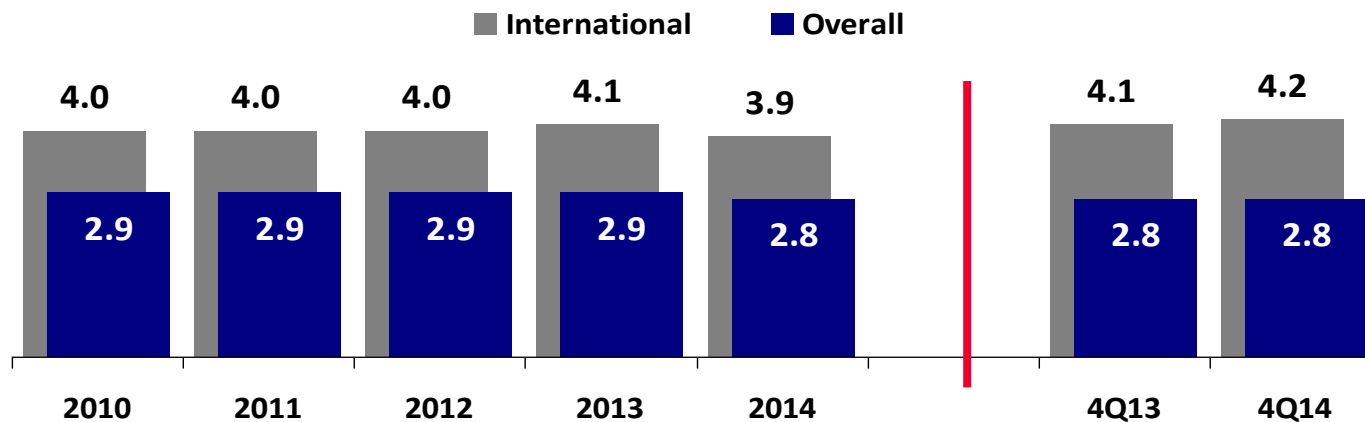
Remarks:- Including social security

# Utilization of Beds

## Utilization Based on Available Beds



## Average Length of Stay (days)

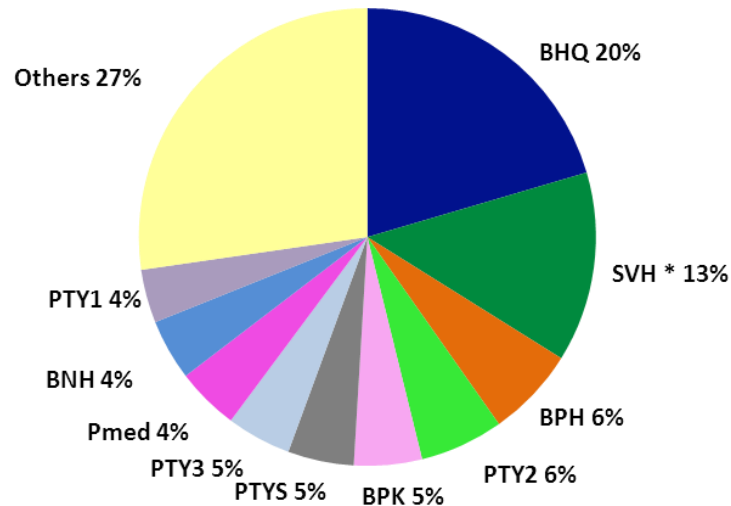


Remarks:- Including social security patients

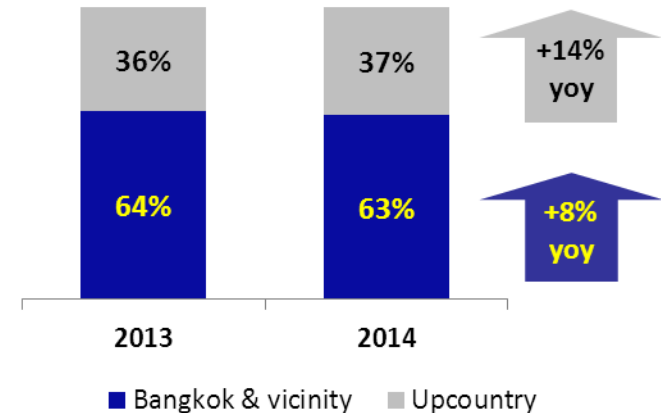
# Financial Performance

# Diversified Sources of Revenues

## Revenue Contribution in 2014



## Revenue Contribution & Growth by Locations



## Commentary

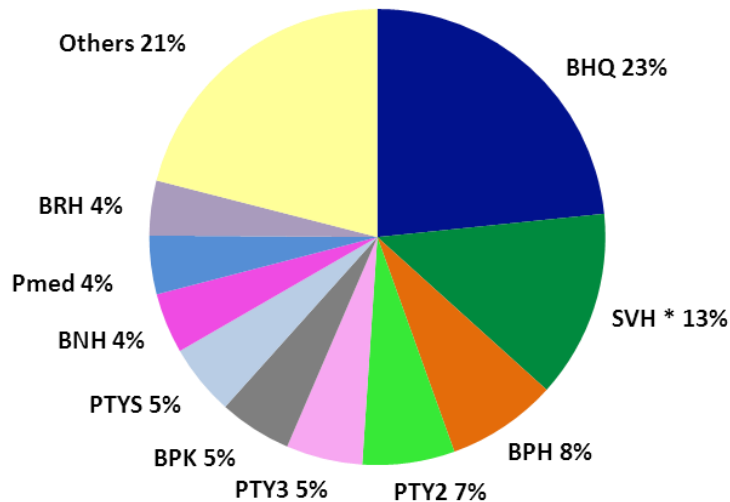
- During **2014**, top 5 hospitals (by location) contributed 50% of total revenue
- Bangkok & vicinity hospitals that grew more than 8% yoy : - PYTN (+23%), PYT3 (+10%), SVH (+9%) and PYT2 (+9%)
- Upcountry hospitals that grew more than 14% yoy :- BHN (+27%), BUD(+27%) and RAH (+18%)

Remark:- Hospital abbreviation shown on page 31

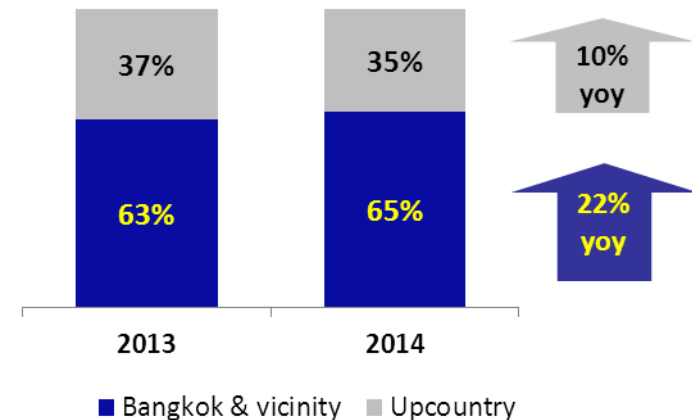
\* SVH also included SNH performance

# EBITDA Contribution

## EBITDA Contribution in 2014



## EBITDA Contribution & Growth by Locations



## Commentary

- During **2014**, top 5 hospitals (by location) contributed 56% of total EBITDA

Remark:- Hospital abbreviation shown on page 31

\* SVH also included SNH performance

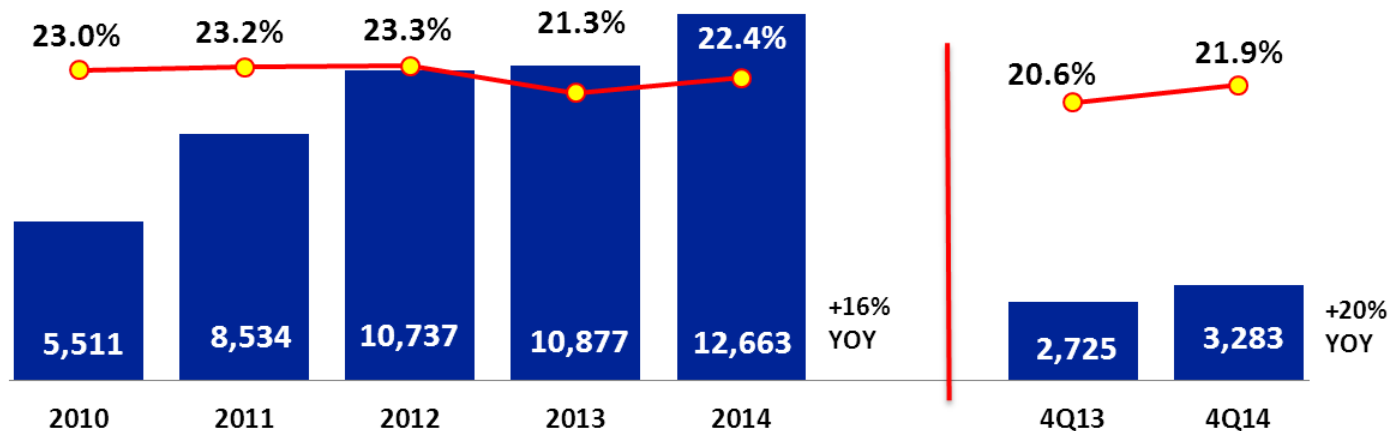
EBITDA is calculated from revenue from hospital operations + revenue from F&B + other income – cost from hospital operations – SG&A expenses



# Profitability Trend

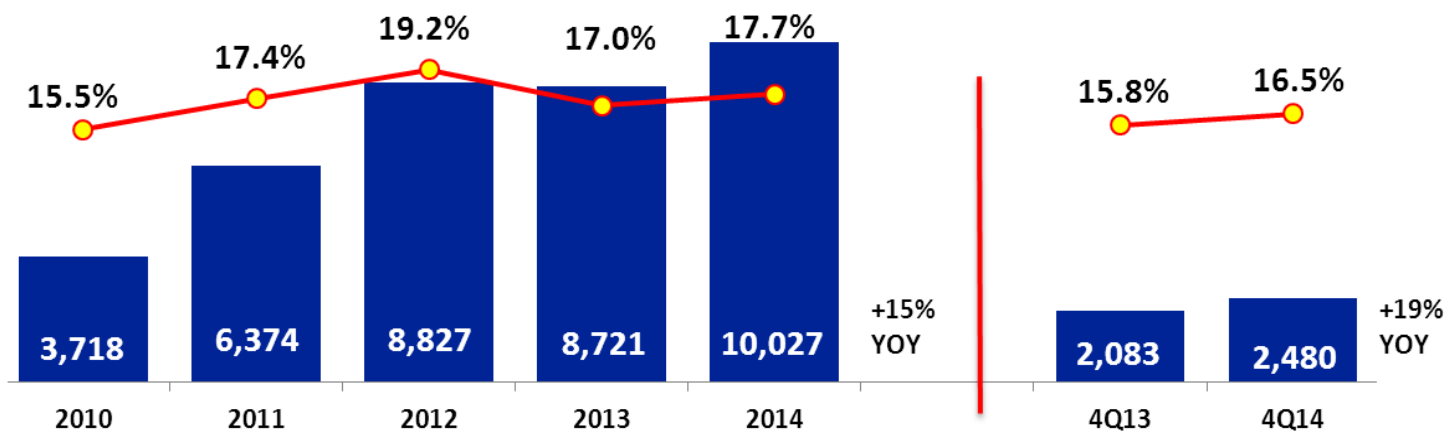
## EBITDA & EBITDA Margin\*

(THB mm)



## EBIT & EBIT Margin\*

(THB mm)

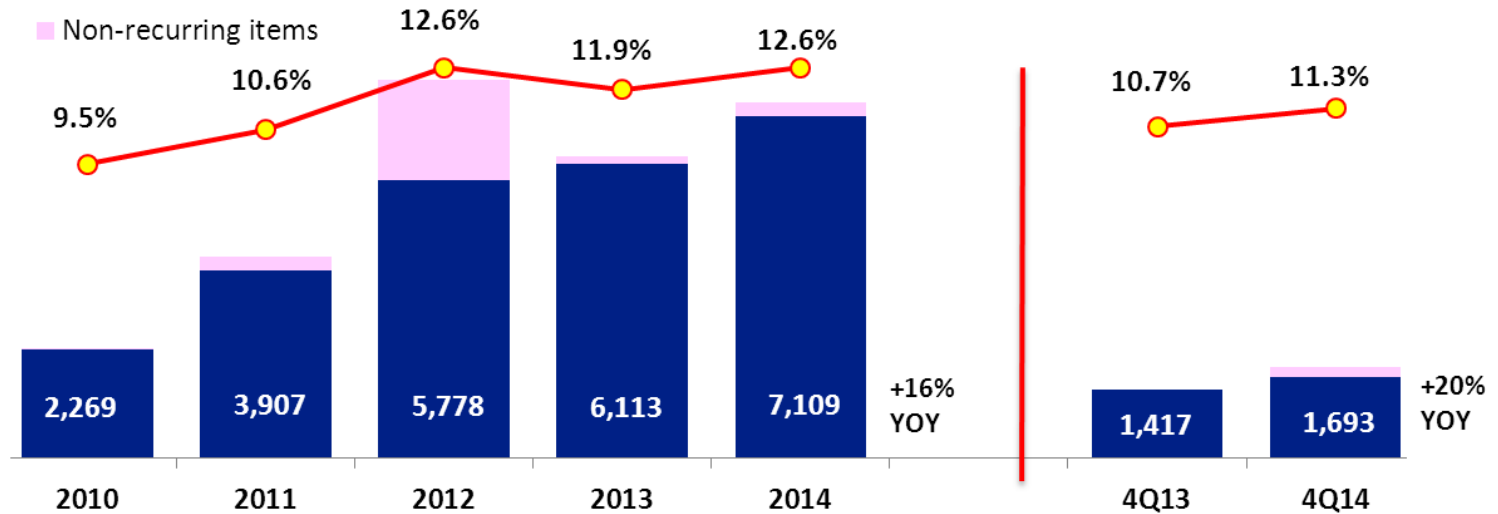


\* Excluding non-recurring items

# Profitability Trend

## Net Profit & Net Profit Margin\*

(THB mm)



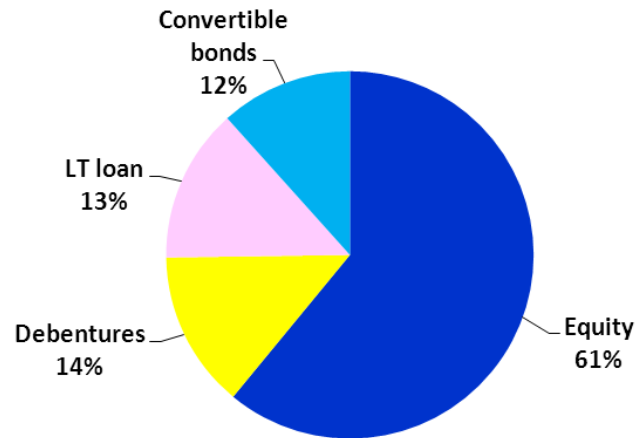
## Commentary

- **2014** Net profit increased 16% yoy from growth in number of outpatients and inpatients across our network hospitals, hospital network expansion, patient ward expansion and renovation and an increase in patient referral together with cost containment measures

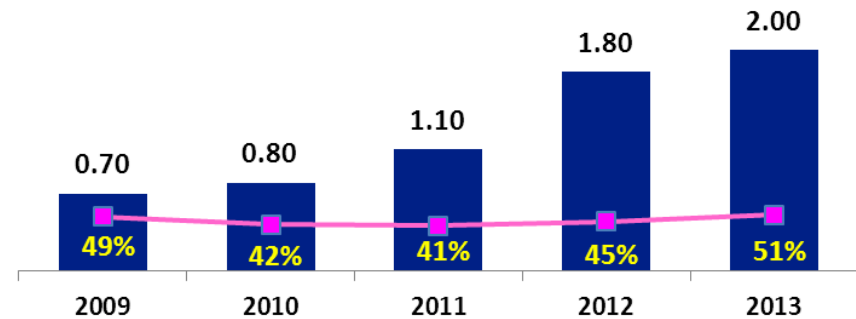
\* Excluding non-recurring items

# Capital Management

## Capital Structure as of Dec 2014



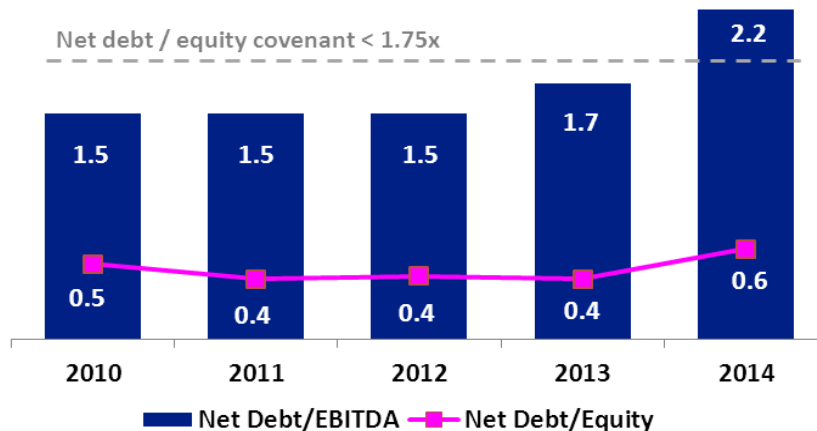
## Dividend Payment & Payout Ratio



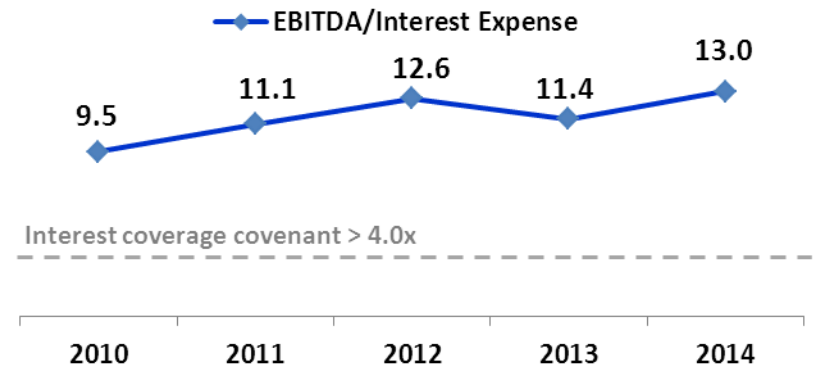
## Gearing Ratios: Well Within Covenants

Net debt / EBITDA covenant < 3.25x

Net debt / equity covenant < 1.75x



## Interest Coverage



Interest coverage covenant > 4.0x

# BDMS Action Plan 2015

A. Defensive

B. Offensive

# BDMS Action Plan 2015

## A. Defensive Actions 2015

### International Patient Safety Goals (Quality & Safety Management)

- Identification
- Communication
- Medication Usage Safety
- Safe Surgery
- Control of Nosocomial Infection
- Prevention of Patient Falls

### Cost Efficiency Goals (Margin Management)

- FTE & Benefits Management
- FMS & Environment & Energy Management
- 5S & Inventory Management
- Medical Equipment Utilization and Management
- Bad Debt & AR Management
- MSO & DF Management
- Clinical Risk Management

# BDMS Action Plan 2015

## B. Offensive Actions 2015

### Health Insurance & Major Corporate & Self Employ Management

- BDMS Networking (50)
- BDMS Occupational Health
- BDMS PPO & Group Insurance
- BDMS Information Exchange

### Fly-Ins & Medical Referrals Management

- Affiliations -Quaternary Institutes
- Standardization Development
  - Clinical
  - Thai Hospitality
  - Efficiency
  - Environmental & CSR
- Transformation of personnel

# Appendix

## Hospital Network in Key Strategic Locations



### Group 1

	Ownership	No. of Beds <sup>(1)</sup>
1. Bangkok Hospital	100%	343
2. Bangkok Heart Hospital	(BHQ) 100%	97
3. Wattanosoth Hospital		48
4. Bangkok Huahin (BHN)		60
5. Bangkok Chinatown (BCT)	100%	59
6. Sanamchan	100%	200
7. Thepakorn	44.5%	100
8. Muang Petch	100%	255

### Group 2



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

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. Sri Rayong	100%	195
19. Bangkok Phuket (BPK)	99.7%	317
20. Phuket International	100%	151 <sup>(2)</sup>
21. Dibuk	100%	100
22. Bangkok Hat Yai (BHH)	98.8%	165
23. Bangkok Samui (BSH)	100%	50



### Group 4

	Ownership	No. of Beds <sup>(1)</sup>
24. Bangkok Chiangmai (BCM)	100%	185
25. Bangkok Ratchasima (BKH)	90.9%	300
26. Bangkok Pakchong	90.9%	30
27. Bangkok Udon (BUD)	100%	120
28. Bangkok Phitsanulok (BPL)	100%	100
Children Ratanavej Hospital at Phitsanulok	100%	58
29. Bangkok Khon Kaen (BKN)	100%	140
30. Bangkok Phrapradaeng (BPD)	84.0%	60
31. Royal Phnom Penh	100%	100
32. Royal Angkor International	80.0%	21

### Group 5



	Ownership	No. of Beds
33. Phyathai 1 (PYT1)	100% <sup>(4)</sup>	350
34. Phyathai 2 (PYT2)	99.2% <sup>(4)</sup>	260
35. Phyathai 3 (PYT3)	98.2% <sup>(4)</sup>	230
36. Phyathai Sriracha (PYTS)	74.1% <sup>(4)</sup>	257
37. Phyathai Nawamin (Pnwm)	99.8%	140
38. Paolo Paholyothin (Pmed)	100%	237
39. Paolo Samutprakarn (Psamut)	93.5%	200
40. Paolo Chokchai 4 (Pchok)	85.7%	120



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