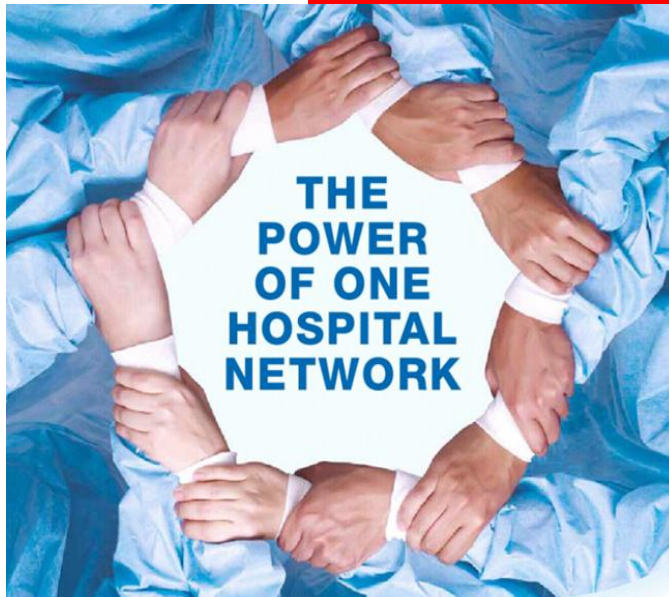




Your Trusted Healthcare Network



**Bangkok Dusit Medical Services (BDMS)**

**Analyst Presentation**

**4Q15 & 2015 Results**

**March 1, 2016**

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- **2016 Key Focus and Business Plan**

- **Operational Statistics**

- **Financial Performance**

## BDMS Updates & Highlights

# Consolidated Financial Summary

## 4Q15 Results

- Operating income of THB 16,852 mm increased by 12% from 4Q14 mainly from
  - Patient revenue increased 11% mainly from existing hospitals growth of 7% yoy while 4% from 14 new network hospitals\*
- Total EBITDA of THB 3,768 mm (EBITDA margin of 22.4%) increased by 14% yoy
- Net profit (excluding non-recurring items) of THB 2,050 mm (NPAT margin of 12.2%) increased by 21% yoy

## 2015 Results








- Operating income of THB 63,655 mm increased by 12% from 2014 mainly from
  - Patient revenue increased 11% mainly from existing hospitals growth of 6% yoy while 5% from 14 new network hospitals\*
- Total EBITDA of THB 14,085 mm (EBITDA margin of 22.1%) increased by 11% yoy
- Net profit (excluding non-recurring items) of THB 7,709 mm (NPAT margin of 12.1%) increased by 8% yoy

\* 14 new network hospitals (less than 2 full calendar years) are consisted of STH, BPL, BCM, BSN, TPK, PIH, RPH, BKN, BCT, MPH, SRH, DBK, SCH and Muangraj

Remark:- Hospital abbreviations shown in Appendix 1

# BDMS

**Owns and manages 43 hospitals (with total beds\* of 7,669) under 6 hospital brands**

|  <b>Brand</b>                         | <b>No. of Hospitals</b> | <b>No. of Beds*</b> |
|--|-------------------------|---------------------|
|  <b>Bangkok Hospital</b>              | <b>19</b>               | <b>2,936</b>        |
|  <b>Phyathai Hospital</b>             | <b>5</b>                | <b>1,340</b>        |
|  <b>Samitivej Hospital</b>            | <b>5</b>                | <b>1,195</b>        |
|  <b>Paolo Hospital</b>                | <b>4</b>                | <b>798</b>          |
|  <b>BNH Hospital</b>                  | <b>1</b>                | <b>144</b>          |
|  <b>Royal International Hospital</b> | <b>2</b>                | <b>130</b>          |
| <b>Local Hospital</b>  | <b>7</b>                | <b>1,126</b>        |

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

# Paolo Rangsit Hospital: 43<sup>rd</sup> Hospital in BDMS Network

## Enhancing Patient Referral



- Greenfield 150-bed secondary care hospital conveniently located next to Future Park Rangsit
- Opening 59 beds for the first phase since 27 January 2016
- Targeting middle income patients in Rangsit area



# Paolo Rangsit Hospital: 43<sup>th</sup> Hospital in BDMS Network

## Enhancing Patient Referral



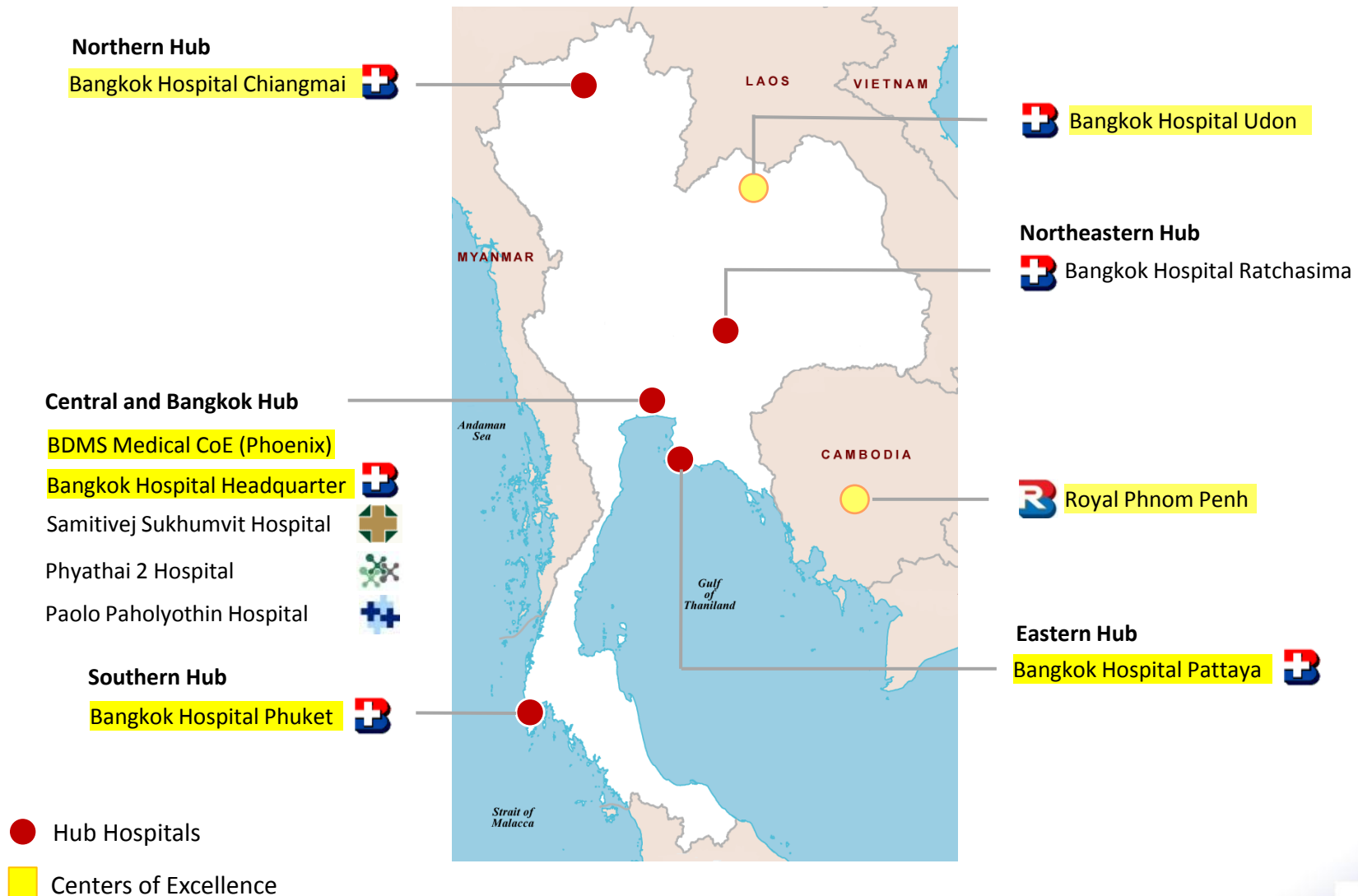
- Committed to provide the communities with exceptional healthcare services including
  - Department of Pediatrics
  - Department of Obstetrics and Gynecology
  - Orthopedic Center





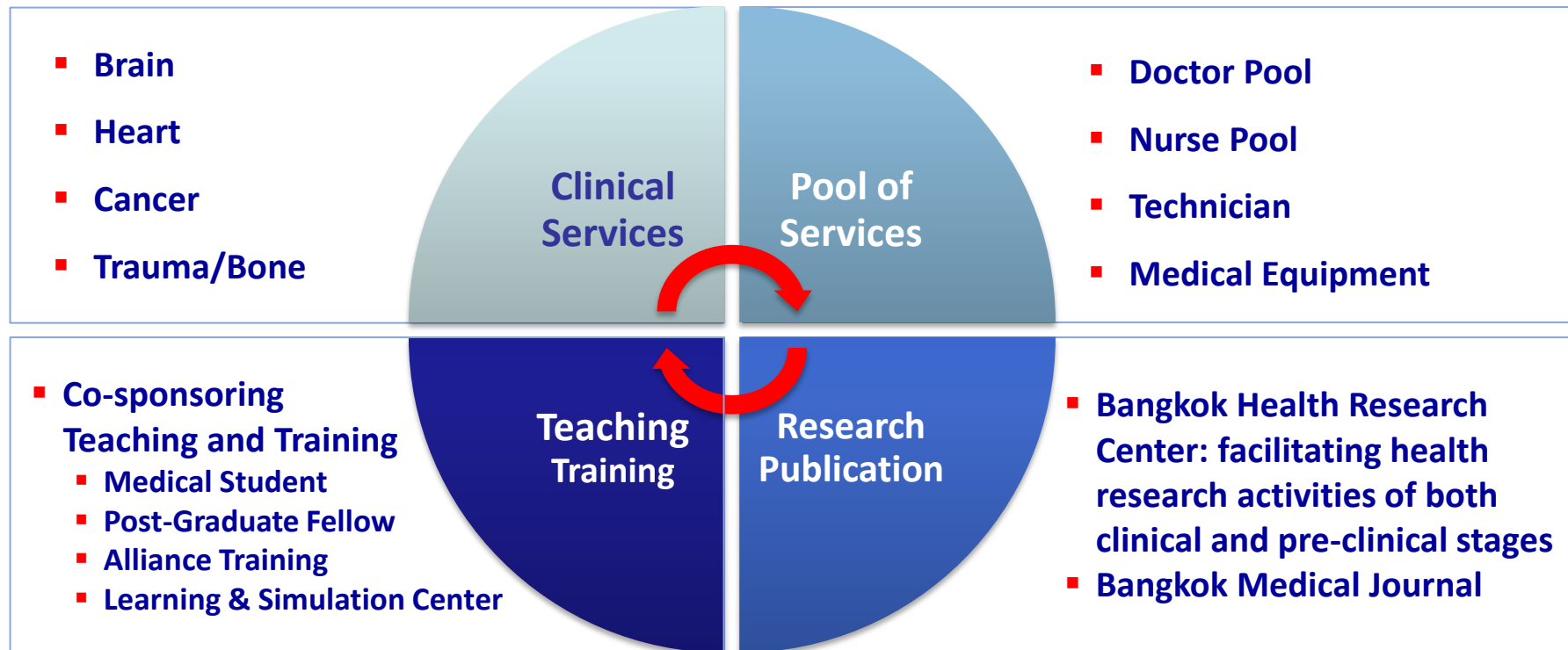
# 'Hub-and-Spoke' Model with Centers of Excellence Network

Providing a Proven Patient Referral System and Creating Efficiency Through Scale



# BDMS Centers of Excellence Network

Providing a Proven Patient Referral System and Creating Efficiency Through Scale

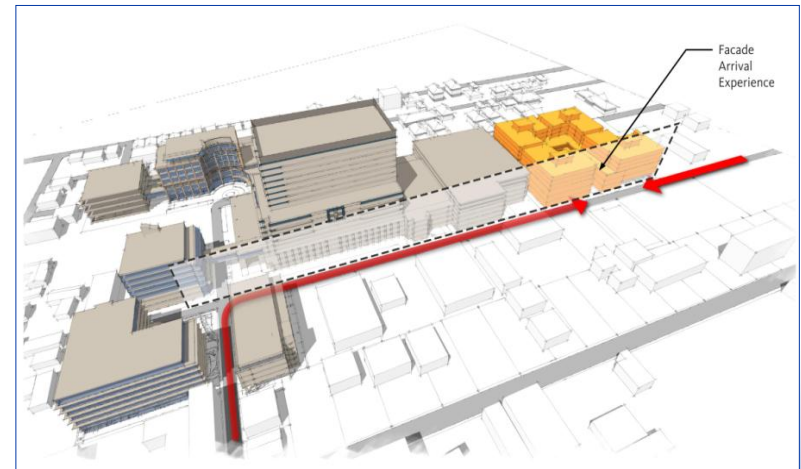


# Phoenix Project: Bangkok Hospital Headquarter Expansion

## Centers of Excellence



- Aiming to be top three referral hospitals in Asia-Pacific region
- Conveniently located next to Bangkok Hospital Headquarter
- Construction started since December 2015 and expected to be completed by 2018



# Phoenix Project: Bangkok Hospital Headquarter Expansion

## Centers of Excellence



BRAIN



BONE



GERIATRIC  
& REHAB



GOOD  
HEALTH

- Relocating Neurology Center, Orthopedics Center, Spine Center, Longevity Care Center and Rehabilitation Center to Phoenix Project
- Adding a total of 220 new inpatient wards





# PET/CT Scan with Flow Motion at Bangkok Hospital Headquarter

## Advancements in Cancer Diagnosis Technology



- Wattanosoth Hospital has installed 2 PET/CT scans with flow motion technology, the world's first PET/CT system to eliminate the demand for stop-and-go imaging
- The PET/CT scans provide
  - Finest Detail in Every Organ
  - Accurate Quantification in All Dimensions
  - Maximum Speed of Scan
  - Open Comfort for All Patients

## 2016 Key Focus and Business Plan



# 2016 Key Focus and Business Plan

- Completion the process of Quantitative networking (43) with continuation of Network EBITDA Management
- Starting the process of Qualitative networking "BDMS Centers of Excellence (COE) Network" to be preferred Asia Pacific medical tourist destinations
- Strengthening of BDMS Non-Hospital Group for network efficiency, effectiveness & access to Thai populations

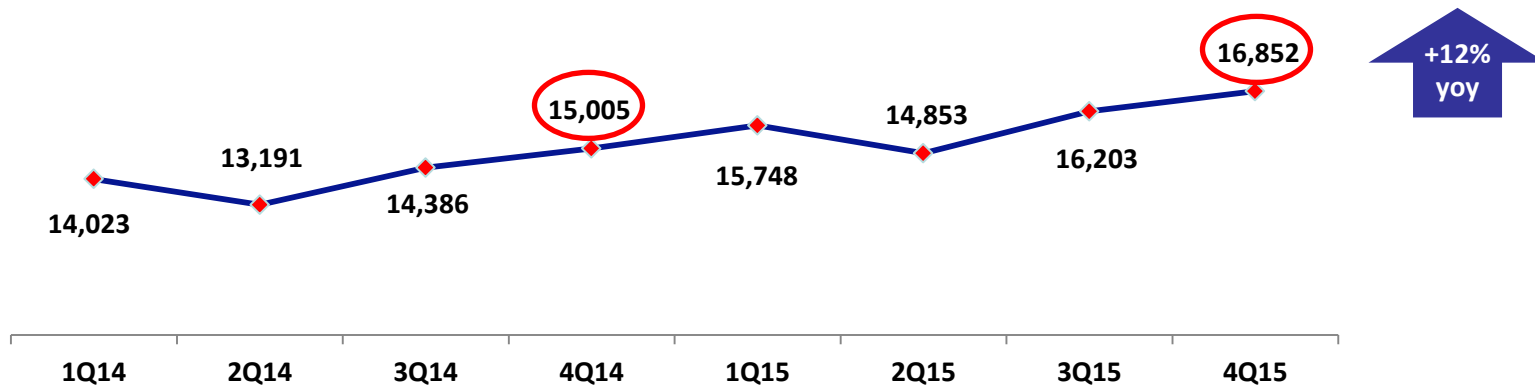


# Operational Statistics

# 4Q15 Operating Income Growth

## Quarterly Operating Income Trend

(THB mm)



## Commentary

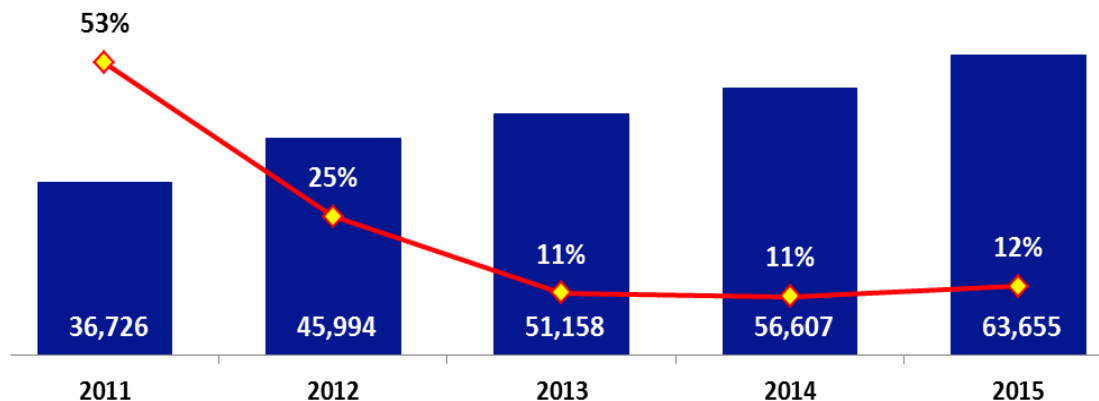
- **4Q15** Operating income increased by **12%** yoy, primarily from
  - Revenue from hospital operations grew 11% yoy mainly from
    - Growth in number of outpatients and inpatients across our network hospitals, patient ward renovation and patient referral
    - Bangkok and vicinity hospitals grew 7% yoy while upcountry hospitals grew 15% yoy.
    - Thai patients grew 9% while international patients grew 12% yoy
    - Existing hospitals grew 7% yoy while 4% from 14 new network hospitals
  - Revenue from sales of goods and food grew 49% yoy from consolidation of Save Drug Center

Remark:- Operating income is calculated from hospital revenue + revenue from sales of goods and food + other income

# 2015 Operating Income Growth

## Operating Income Trend

(THB mm)



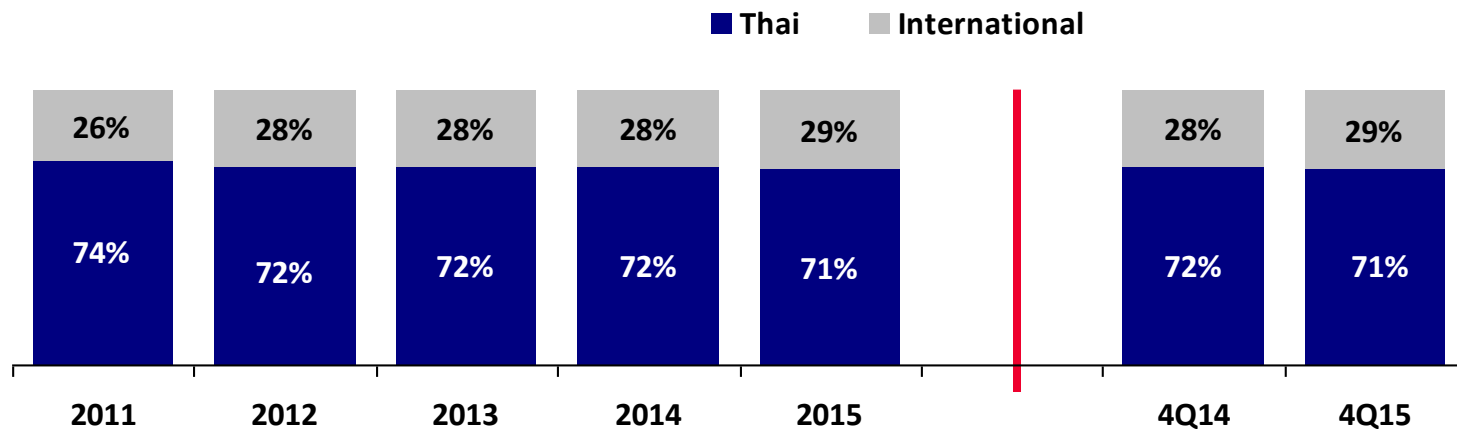
## Commentary

- **2015** Operating income increased by **12%** yoy, primarily from
  - Revenue from hospital operations grew 11% yoy mainly from
    - Growth in number of outpatients and inpatients across our network hospitals, patient ward renovation and patient referral
    - Increase in qualified clinical staffs, specialist doctors together with healthcare inflation and increasing intensity and complexity
    - Existing hospitals grew 6% yoy while 5% from 14 new network hospitals
  - Revenue from sales of goods and food grew 52% yoy from consolidation of Save Drug Center

Remark:- Operating income is calculated from hospital revenue + revenue from sales of goods and food + other income

# Expanding Both Thai and International Patients

## Revenue Contribution by Nationality

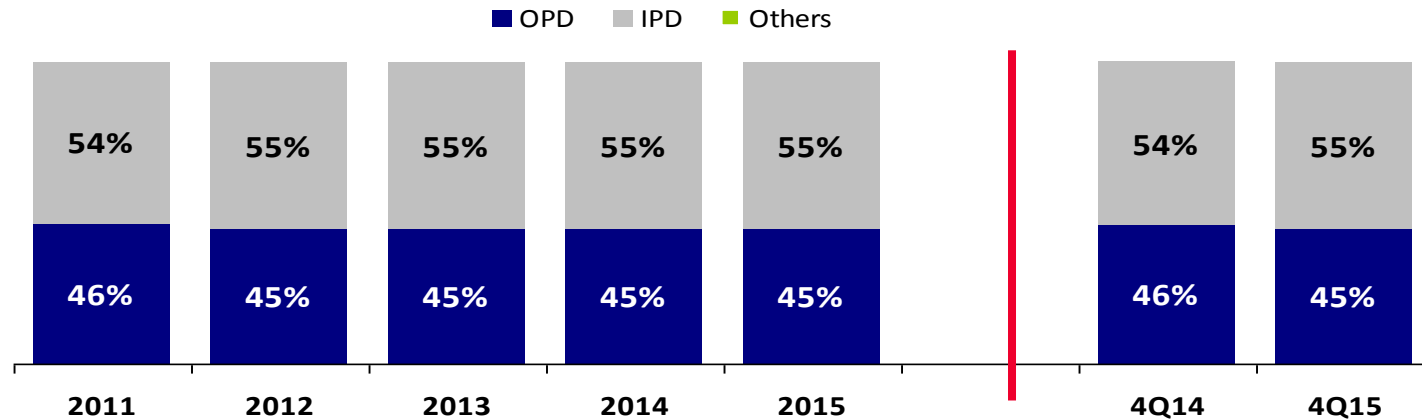


## Commentary

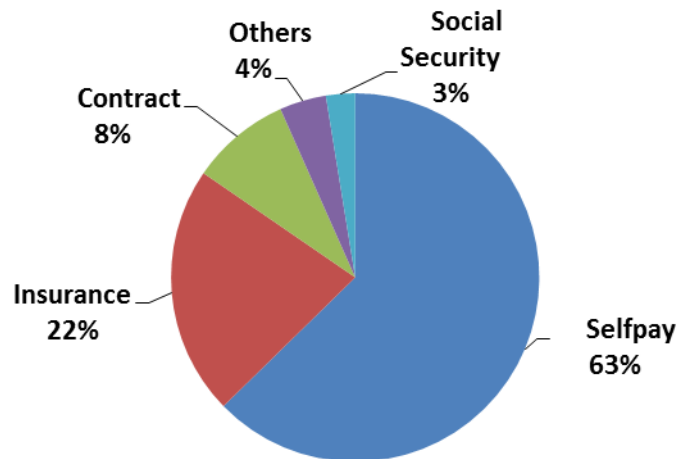
- **2015** revenue from Thai patients grew 9% while international patients grew 14% yoy
- Top 5 international patient revenues are from Japan, UAE, Myanmar, UK and USA which contribute 2.5%, 2.2%, 1.9%, 1.6% and 1.4% of total patient revenues respectively
- International patient revenues grew significantly for Cambodia (+88%), UAE (+48%) and China (+33%)

# Patient Mix

## Revenue Breakdown by Patient Types



## 2015 Patient Revenue by Payor



## Commentary

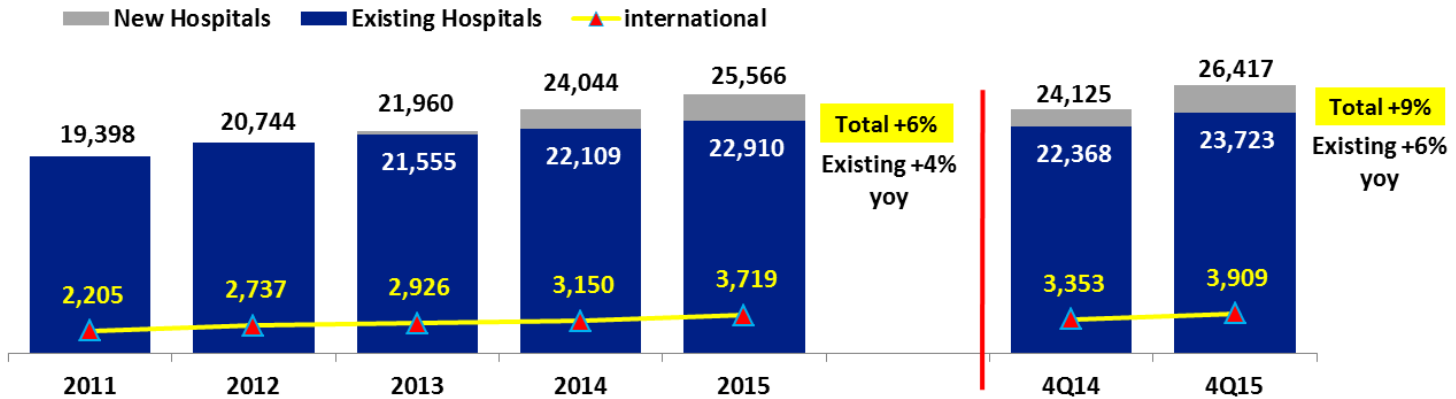
- **4Q15 & 2015** OPD revenues increased 10% yoy while IPD revenues increased 11% yoy

Source:- BDMS management report

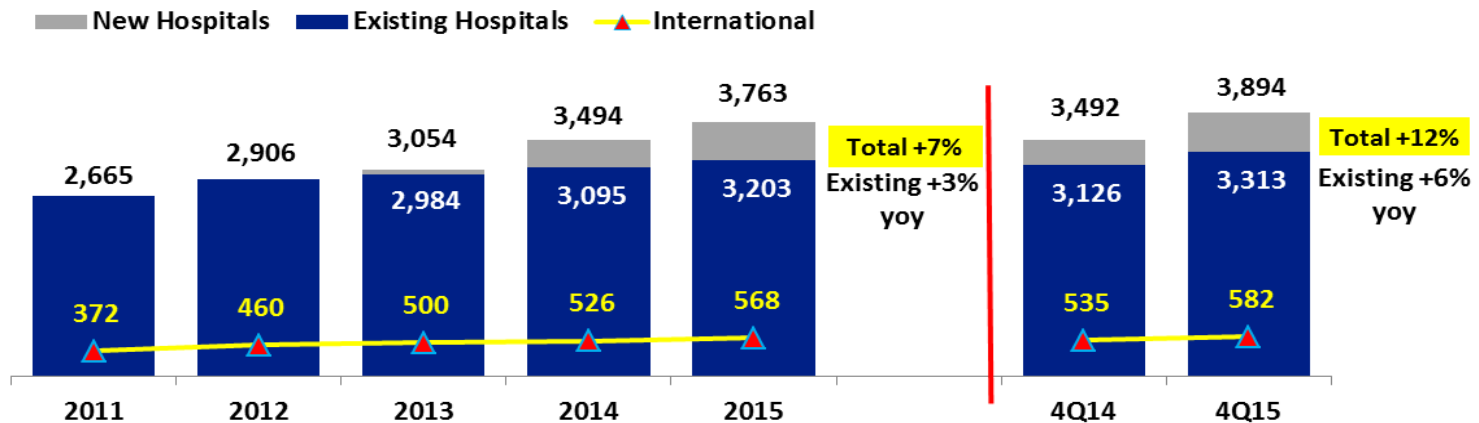


# Patient Base Expansion From Both Organic Growth & Acquisitions

## Number of OPD Visits per Day



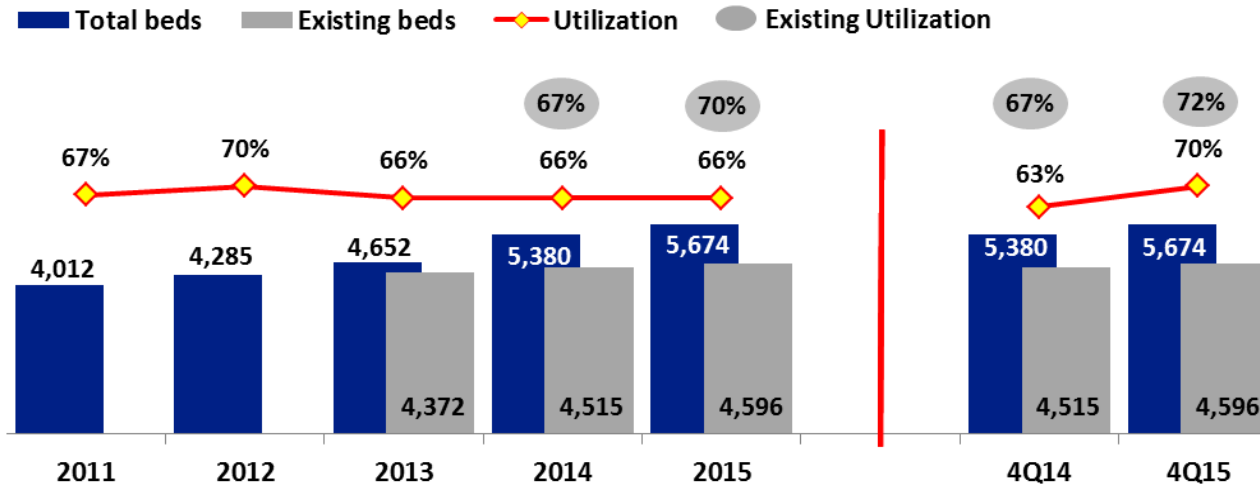
## Average Daily Census ( ADC )



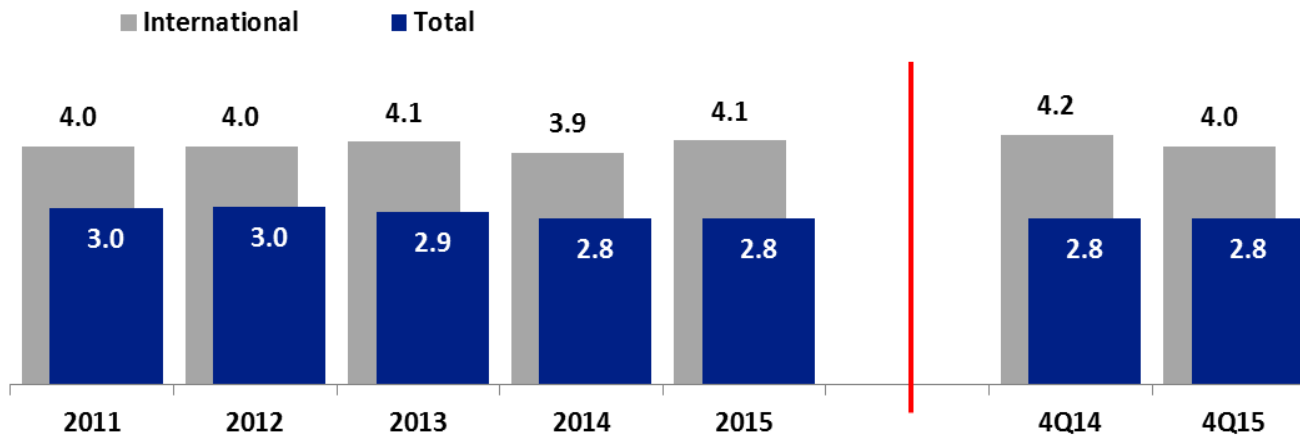
Remarks: - Including social security  
Source:- BDMS Management Report

# Utilization of Beds

## Utilization Based on Available Beds



## Average Length of Stay (days)

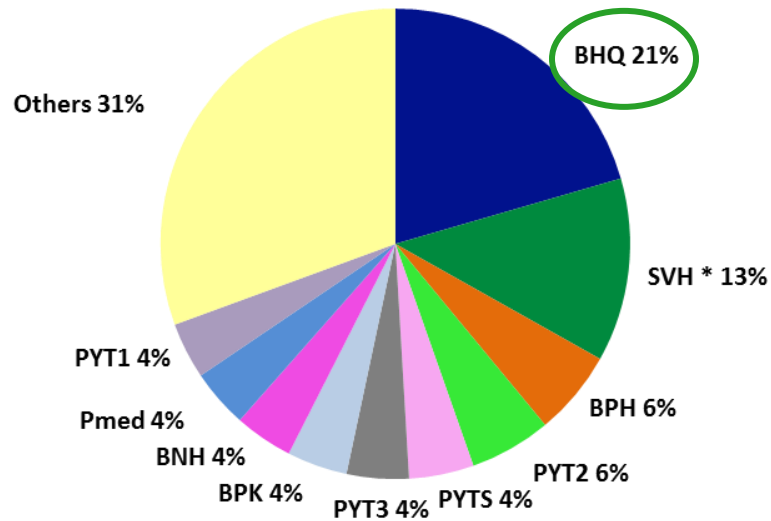


Remarks:- Including social security patients

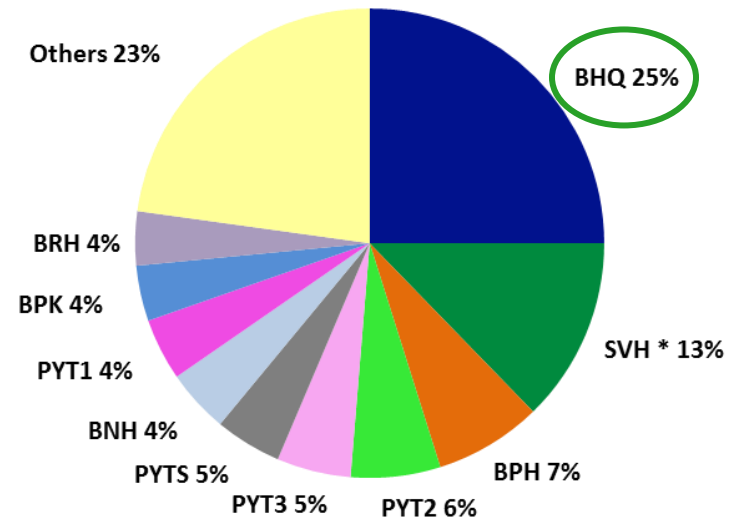
# Financial Performance

# Diversified Sources of Revenues and Profitability

## Operating Income Contribution in 2015



## Total EBITDA Contribution in 2015



## Commentary

- During **2015**, top 5 hospitals contributed 50% of total revenue and 56% of total EBITDA
- Revenue of Bangkok&vicinity hospitals grew 7% yoy
  - Hospitals that grew more than 7% yoy are STH (+22%), PYT1 (+14%), PYTN (+14%) and BHQ (+11%)
- Revenue of Upcountry hospitals grew 17% yoy
  - Hospital that grew more than 17% yoy is BUD (+38%)

\* SVH also included SNH performance

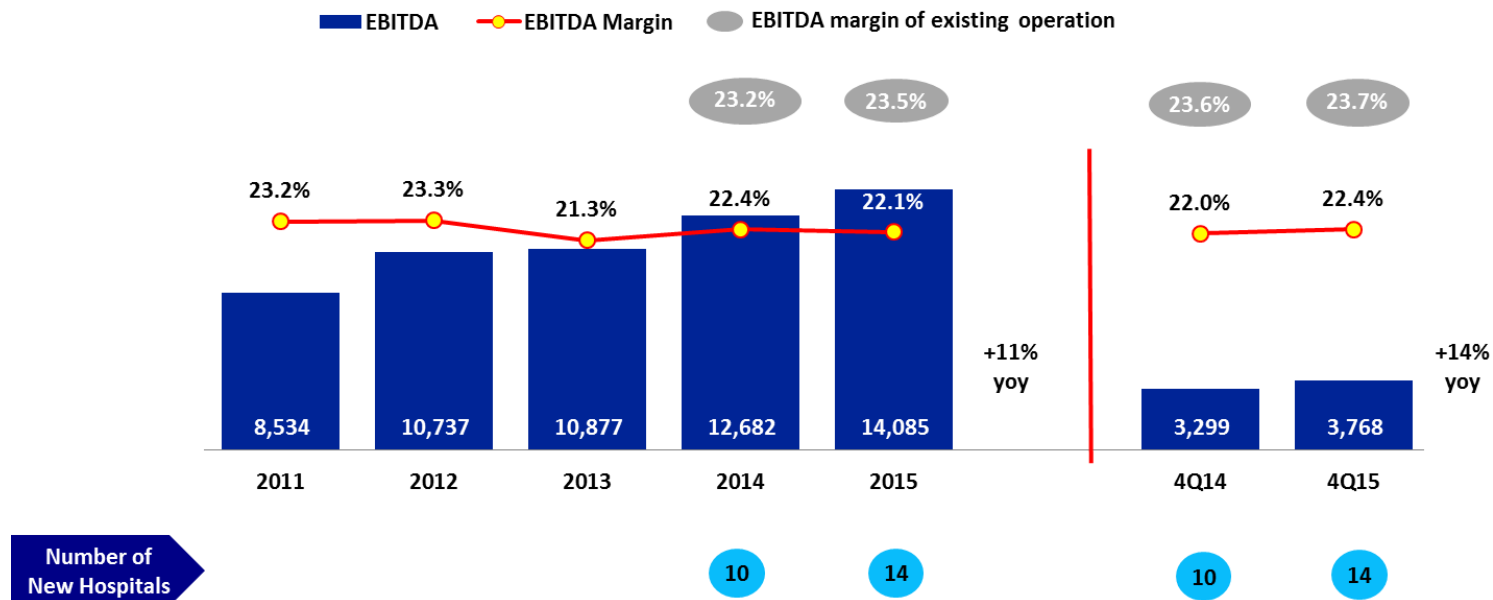
Remark: - Operating income is calculated from hospital revenue + revenue from sales of goods and food + other income

- 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)



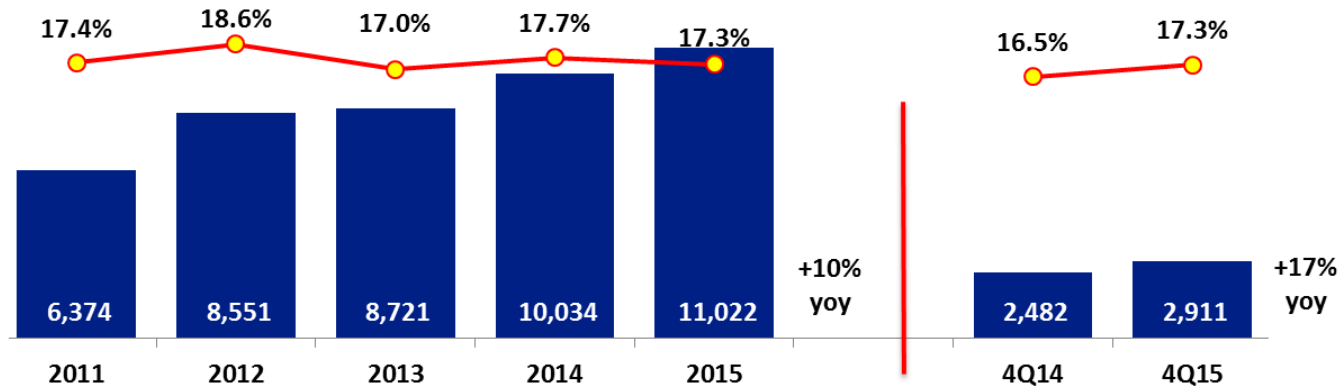
## Commentary

- **2015** EBITDA increased 11% yoy mainly from
  - EBITDA margin improvement of the existing operations
  - Partially offset by the ramp up of new hospitals and consolidation of Save Drug Center

# Profitability Trend

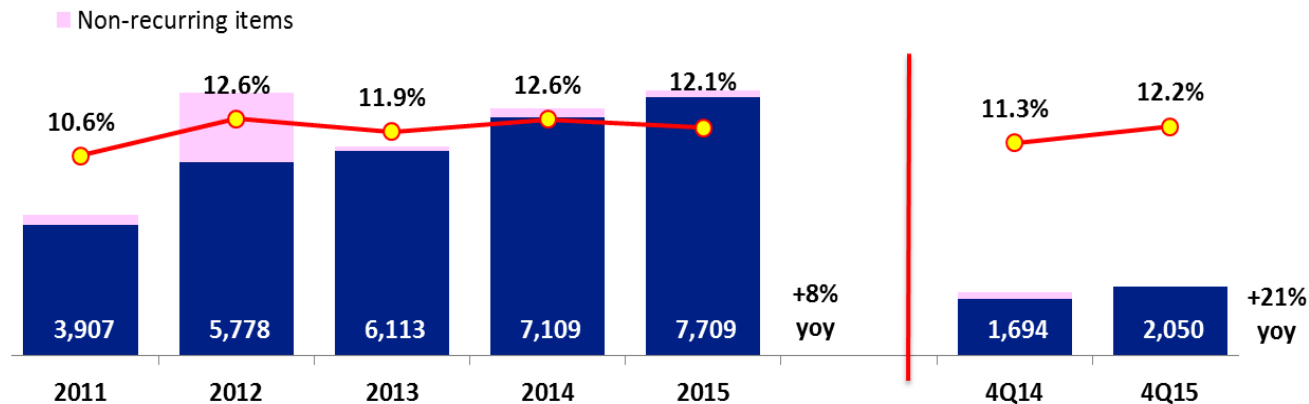
EBIT & EBIT Margin\*

(THB mm)



Net Profit & Net Profit Margin\*

(THB mm)

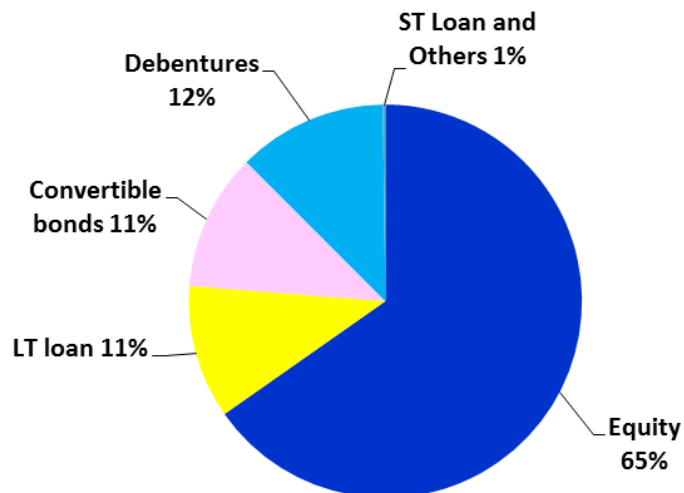


\* Excluding non-recurring items

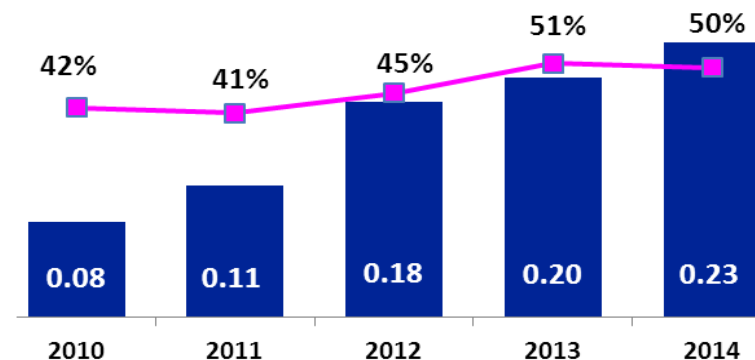


# Capital Management

## Capital Structure as of Dec 2015

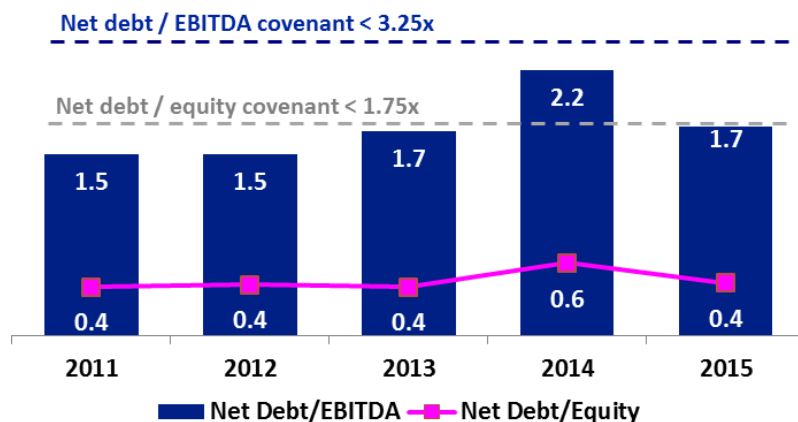


## Dividend Payment & Payout Ratio

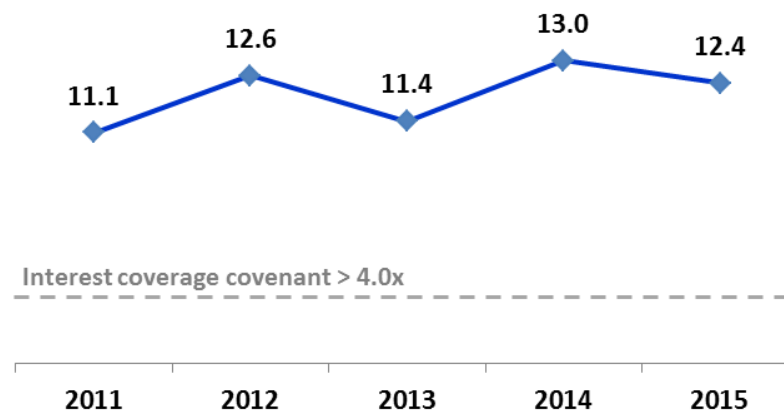


Remark:- Dividend payment has been adjusted to reflect the change in par value from THB 1.00/share to THB 0.10/share since April 2014

## Gearing Ratios: Well Within Covenants

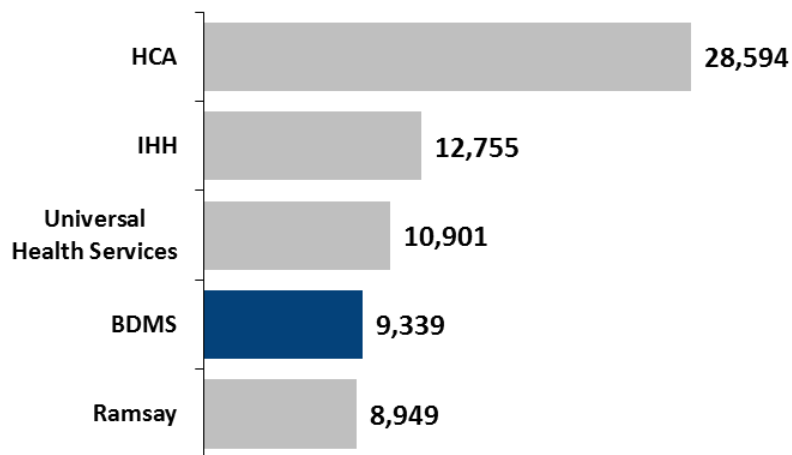


## Interest Coverage

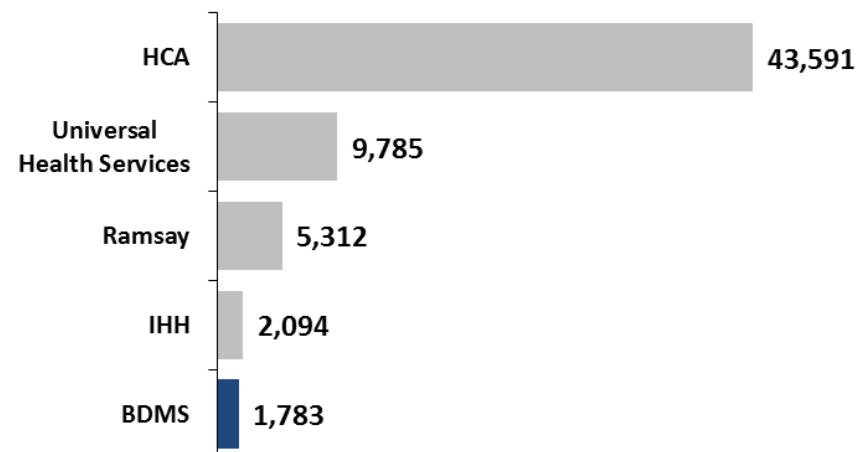


# Global Hospital Rankings

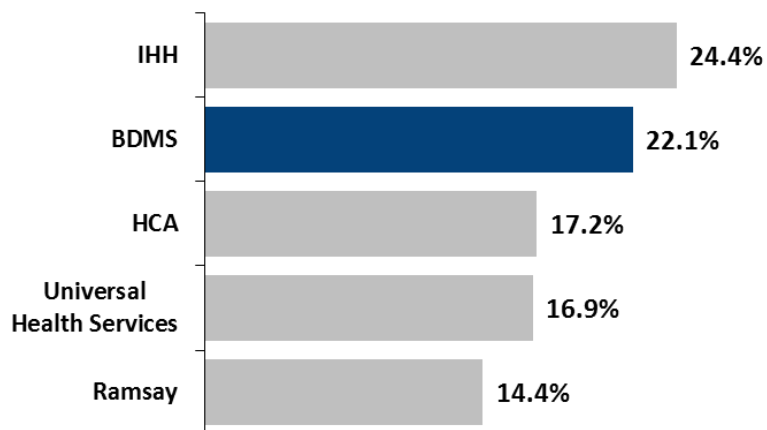
## Market Capitalization (USD mm)



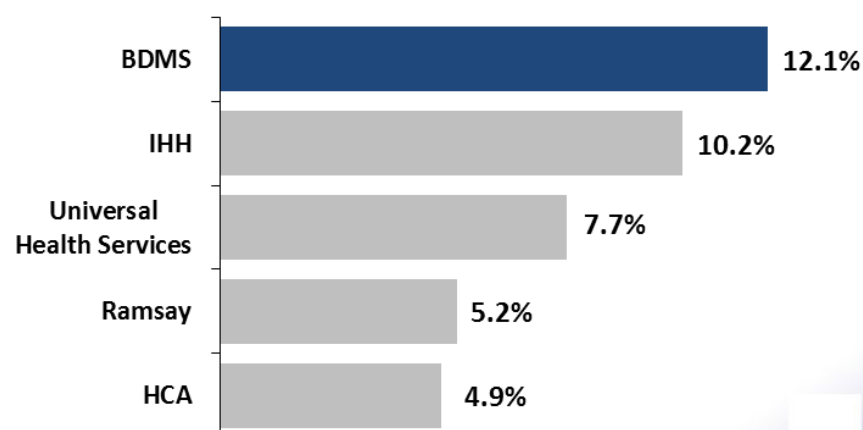
## Revenue (USD mm)



## EBITDA Margin



## Net Profit Margin



Remark: - Market capitalization as of 25 February 2016

- Financial performance (excluding non-recurring items) for year ended December 2015 except Ramsay for the year ended June 2015

# Appendix 1

## Your Trusted Healthcare Network

| <u>Group 1</u>                 | <u>Ownership</u> | <u>No. of Beds</u> <sup>(1)</sup> |         | <u>Group 4</u>                       | <u>Ownership</u> | <u>No. of Beds</u> <sup>(1)</sup> |
|--------------------------------|------------------|-----------------------------------|---------|--------------------------------------|------------------|-----------------------------------|
| 1. Bangkok Hospital            | 100%             | 343                               | } (BHQ) | 26. Bangkok Khon Kaen (BKN)          | 100%             | 140                               |
| 2. Bangkok Heart Hospital      | 100%             | 97                                |         | 27. Bangkok Phrapradaeng (BPD)       | 84.0%            | 60                                |
| 3. Wattanosoth Hospital        | 100%             | 48                                |         | 28. Royal Phnom Penh (RPH)           | 100%             | 100                               |
| 4. Bangkok Huahin (BHN)        | 100%             | 60                                |         | 29. Royal Angkor International (RAH) | 80.0%            | 30                                |
| 5. Bangkok Chinatown (BCT)     | 100%             | 59                                |         |                                      |                  |                                   |
| 6. Sanamchan (BSN)             | 100%             | 200                               |         | <u>Group 5</u>                       |                  |                                   |
| 7. Thepakorn (TPK)             | 44.5%            | 100                               |         | 30. Phyathai 1 (PYT1)                | 100%             | 350                               |
| 8. Muang Petch (MPH)           | 100%             | 255                               |         | 31. Phyathai 2 (PYT2)                | 99.2%            | 260                               |
| 9. Muangraj                    | 100%             | 125                               |         | 32. Phyathai 3 (PYT3)                | 98.2%            | 240                               |
|                                |                  |                                   |         | 33. Phyathai Sriracha (PYTS)         | 74.4%            | 350                               |
| <u>Group 2</u>                 |                  |                                   |         | 34. Phyathai Nawamin (Pnwm)          | 99.8%            | 140                               |
| 10. Samitivej Sukhumvit (SVH)  | 95.8%            | 275                               |         | 35. Paolo Paholyothin (Pmed)         | 100%             | 300                               |
| 11. Samitivej Srinakarin (SNH) | 95.8%            | 400                               |         | 36. Paolo Samutprakarn (Psamut)      | 93.6%            | 200                               |
| 12. Samitivej Sriracha (SSH)   | 69.8%            | 150                               |         | 37. Paolo Chokchai 4 (Pchok)         | 85.7%            | 148                               |
| 13. Samitivej Thonburi (STH)   | 58.0%            | 150                               |         | 38. Paolo Rangsit                    | 100%             | 150                               |
| 14. Samitivej Chonburi (SCH)   | 100%             | 220                               |         |                                      |                  |                                   |
| 15. BNH Hospital (BNH)         | 91.5%            | 144                               |         | <u>Group 6</u>                       |                  |                                   |
|                                |                  |                                   |         | 39. Bangkok Phuket (BPK)             | 99.7%            | 266                               |
| <u>Group 3</u>                 |                  |                                   |         | 40. Phuket International (PIH)       | 100%             | 151 <sup>(2)</sup>                |
| 16. Bangkok Pattaya (BPH)      | 97.3%            | 400                               |         | 41. Dibuk (DBK)                      | 100%             | 100                               |
| 17. Bangkok Rayong (BRH)       | 100%             | 220                               |         | 42. Bangkok Hat Yai (BHH)            | 98.8%            | 200                               |
| 18. Bangkok Chanthaburi (BCH)  | 99.7%            | 170                               |         | 43. Bangkok Samui (BSH)              | 100%             | 52                                |
| 19. Bangkok Trat (BTH)         | 99.8%            | 114                               |         |                                      |                  |                                   |
| 20. Sri Rayong (SRH)           | 100%             | 195                               |         | <u>Group 7: Non-Hospital</u>         |                  |                                   |
|                                |                  |                                   |         | 1. National Healthcare System        | 100%             |                                   |
| <u>Group 4</u>                 |                  |                                   |         | 2. Bio Molecular Laboratories        | 95.0%            |                                   |
| 21. Bangkok Chiangmai (BCM)    | 100%             | 181                               |         | 3. The Medicpharma                   | 86.9%            |                                   |
| 22. Bangkok Ratchasima (BKH)   | 91.4%            | 180                               |         | 4. A.N.B Laboratories                | 100%             |                                   |
| 23. Bangkok Pakchong           | 91.4%            | 31                                |         | 5. Save Drug Center                  | 100%             |                                   |
| 24. Bangkok Udon (BUD)         | 100%             | 120                               |         | 6. General Hospital Products         | 44.7%            |                                   |
| 25. Bangkok Phitsanulok (BPL)  | 100%             | 195                               |         |                                      |                  |                                   |

Remarks (1) Structured beds

(2) Having the capability to accommodate an expansion to become 281 beds