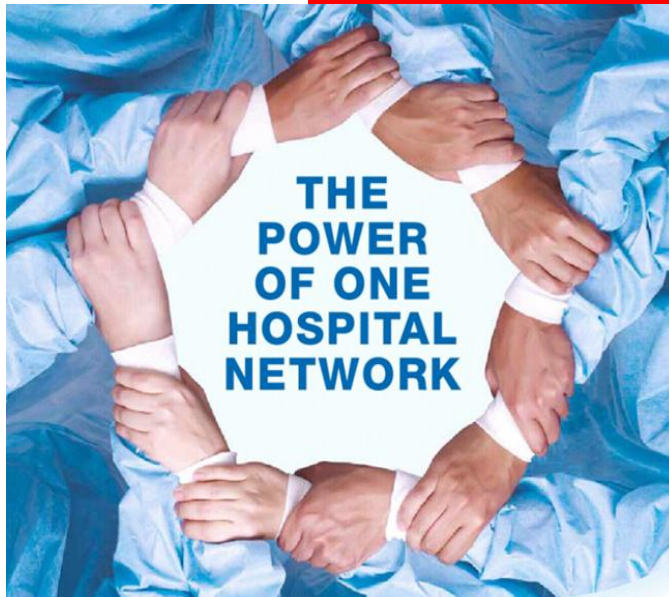




Your Trusted Healthcare Network



**Bangkok Dusit Medical Services (BDMS)**

**Analyst Presentation**

**1Q16 Results**

**May 18, 2016**

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- **Operational Statistics**

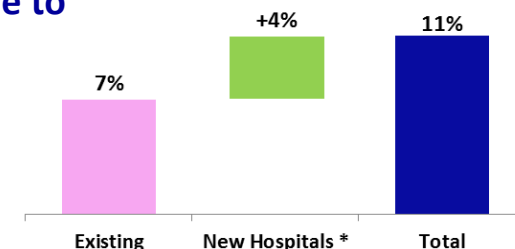
- **Financial Performance**

## BDMS Updates & Highlights

# Consolidated Financial Summary

## 1Q16 Results

- Operating income of THB 17,297 mm increased 10% yoy mainly from
  - Patient revenue increased 11% yoy. The growth was contributable to
    - Growth in number of outpatients and inpatients across our network hospitals, patient ward renovation and patient referral
    - Thai patients grew 11% yoy while international patients grew 9% yoy
    - OPD revenue grew 12% yoy while IPD revenue grew 8% yoy
    - Bangkok and vicinity hospitals grew 7% yoy while upcountry hospitals grew 15% yoy
- Total EBITDA of THB 4,077 mm (EBITDA margin of 23.6%) increased by 5% yoy
- Net profit of THB 2,406 mm (NPAT margin of 13.9%) increased by 5% yoy










\* 13 new network hospitals (less than 2 full calendar years) are consisted of BCM, BSN, TPK, PIH, RPH, BKN, BCT, MPH, SRH, DBK, SCH, Muangraj and PLR

Remark:- Hospital abbreviations shown in Appendix 1

# BDMS

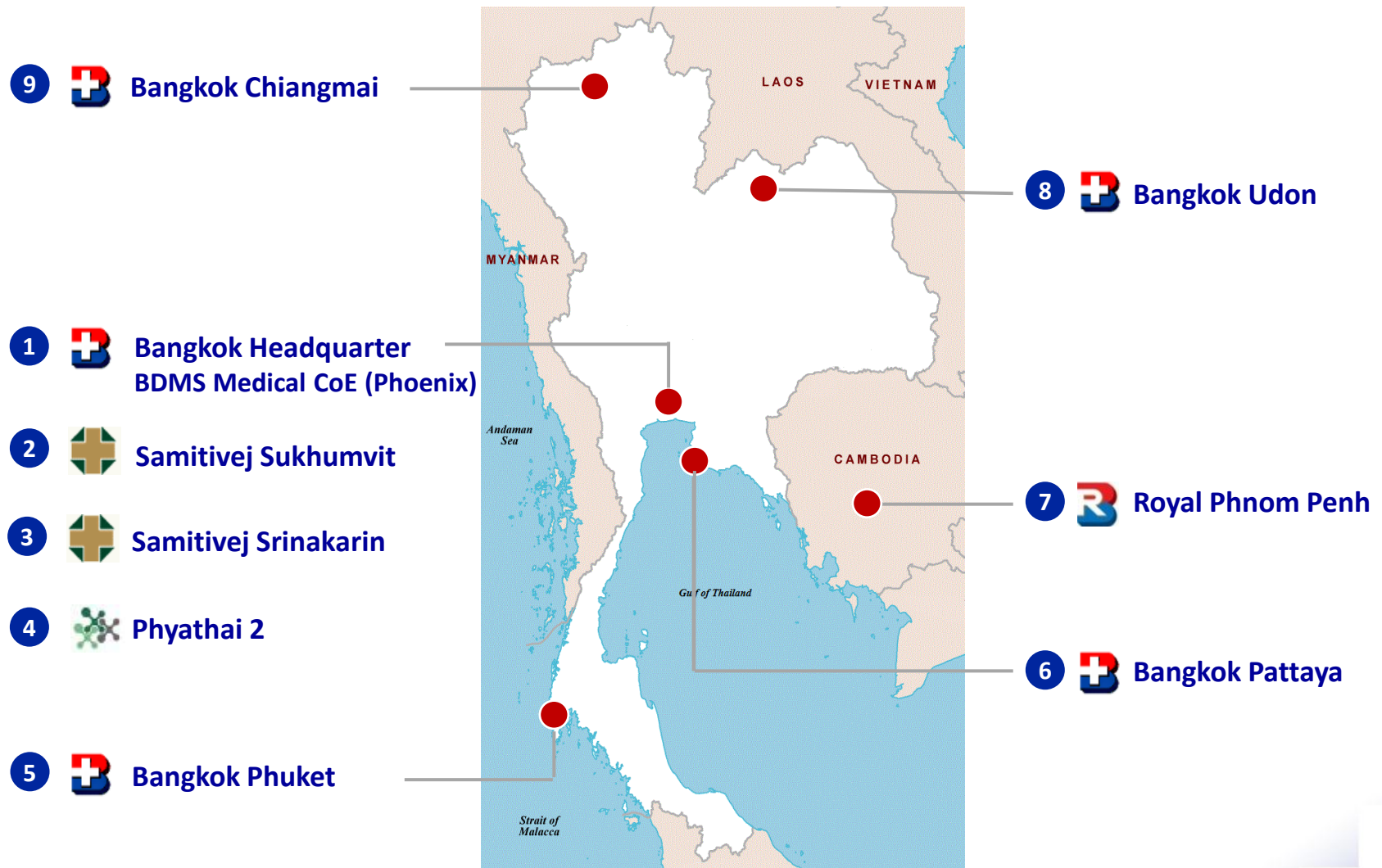
**Owns and manages 43 hospitals (with total beds\* of 7,669) under 6 hospital brands**

 <b>Brand</b>	<b>No. of Hospitals</b>	<b>No. of Beds*</b>
 <b>Bangkok Hospital</b>	<b>20</b>	<b>3,136</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>6</b>	<b>926</b>

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

# Strategic Focus

## Upgrading 9 Hospitals to Become Centers of Excellence with the Focus on International Patients





# Continue to expand our footprint in the upcountry

## New Greenfield Project: Bangkok Hospital Surat



- Greenfield 150-bed secondary care hospital with the first phase of 50 beds
- Conveniently located in Siam Square district in Surat Thani on Highway 417
- Targeting middle income patients in Surat Thani
- Expected to be opened in 2017



## Existing Capacity Expansion

### Phuket International Hospital: A Brand New Building Delivering World-Class Cosmetic Procedures



- A brand new 6- storey building complex, with over 21,000 square meters and 46 structured beds, is set to become the world's new landmark of beauty and rejuvenation with state-of-the-art facilities and technology
- The new building is opened on March 2016 to welcome a growing number of local and international patients

# Existing Capacity Expansion

## Phuket International Hospital: A Brand New Building Delivering World-Class Cosmetic Procedures

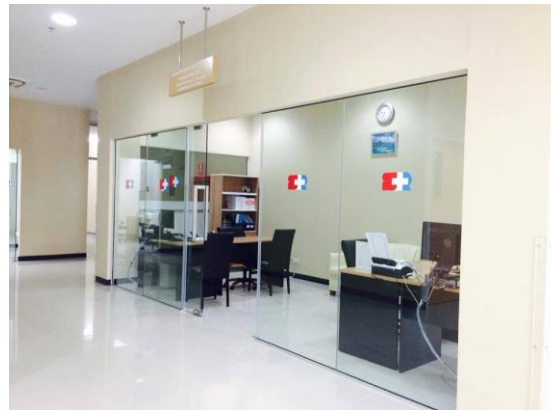


- **Phuket Plastic Surgery Institute (PPSI) is the largest provider of plastic surgery in Phuket**
- **New building will further underpin Phuket as a world-class destination for medical tourism with**
  - **Cosmetic and reconstructive surgery**
  - **Anti-aging medicine**
  - **Skin care (Dermatology)**



# Enlarging Social Security Patient Base

## Sri Rayong Hospital: the 5<sup>th</sup> Social Security Hospital in Our Network



# Non-Hospital Business Expansion

## Increasing Manufacturing Capacity of Medicpharma



- As existing factory runs at 100% capacity, Medicpharma expand a new factory locating in Sinsakhon Industrial Estate with the land size of 15 rais
- The capacity of new factory is about 4 times of the existing factory



# Non-Hospital Business Expansion

## Increasing Manufacturing Capacity of Medicpharma



- The new factory will produce generic drug in the form of solid, liquid, semi-solid dosage and penicillin in accordance with international PICS/ GMP standard while the old factory will shift to produce food supplement, medical food and cosmetic products
- Expected to start production by 3Q16



# Operational Statistics

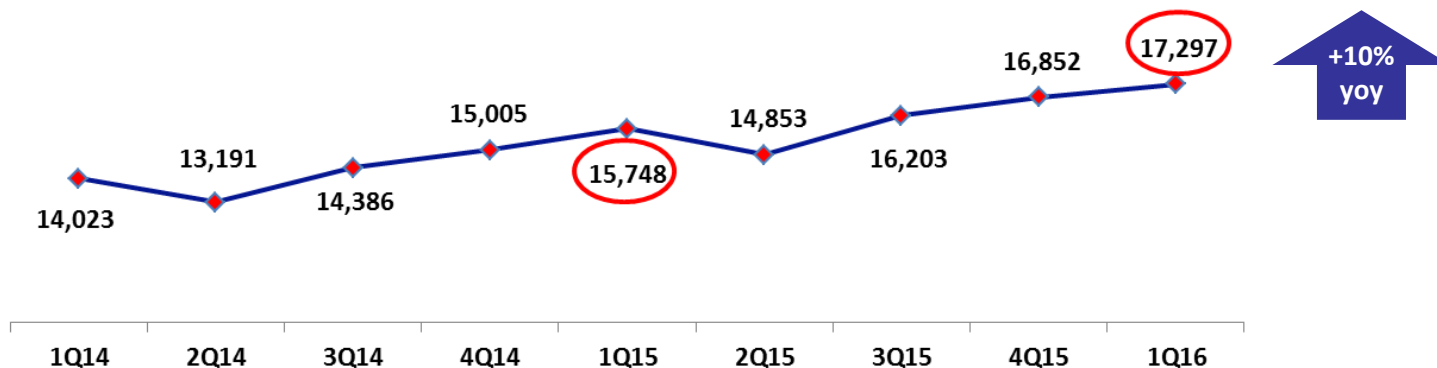




# 1Q16 Operating Income Growth

## Quarterly Operating Income Trend

(THB mm)



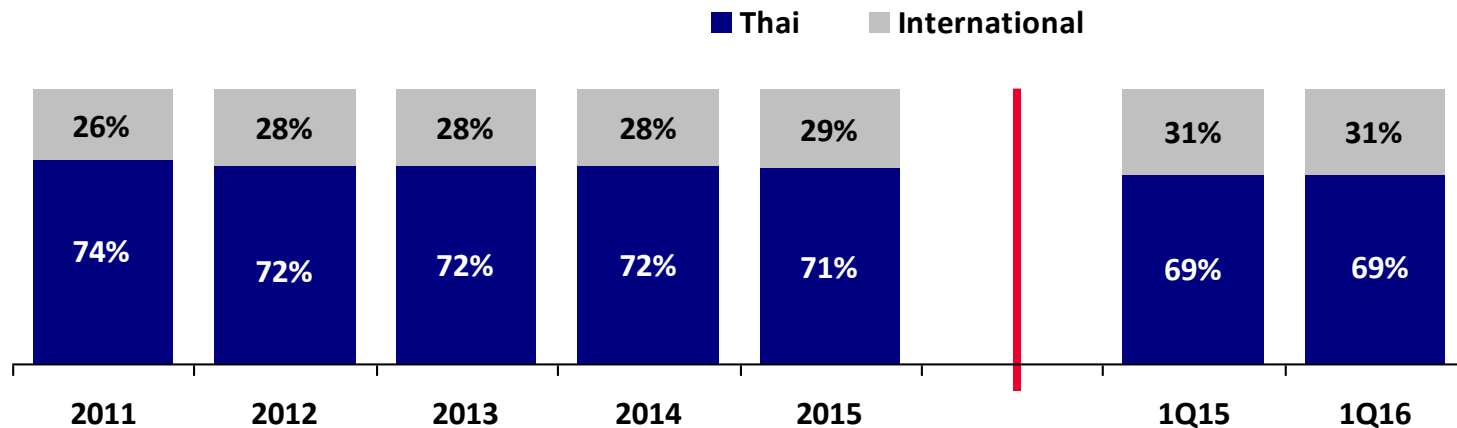
## Commentary

- **1Q16** Operating income increased by **10%** yoy, primarily from
  - Revenue from hospital operations grew 11% yoy mainly from
    - Existing hospitals growth of 7% yoy while 4% from 13 new network hospitals
  - Revenue from sales of goods and food grew 3% yoy
    - Revenue from Save Drug Center (SDC) in 1Q15 included revenue since acquired in November 2014 to March 2015 while, during 1Q16, revenue were for the period of 3 months
    - If excluded revenue from SDC, revenue from sales of goods and food increased 26% yoy

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

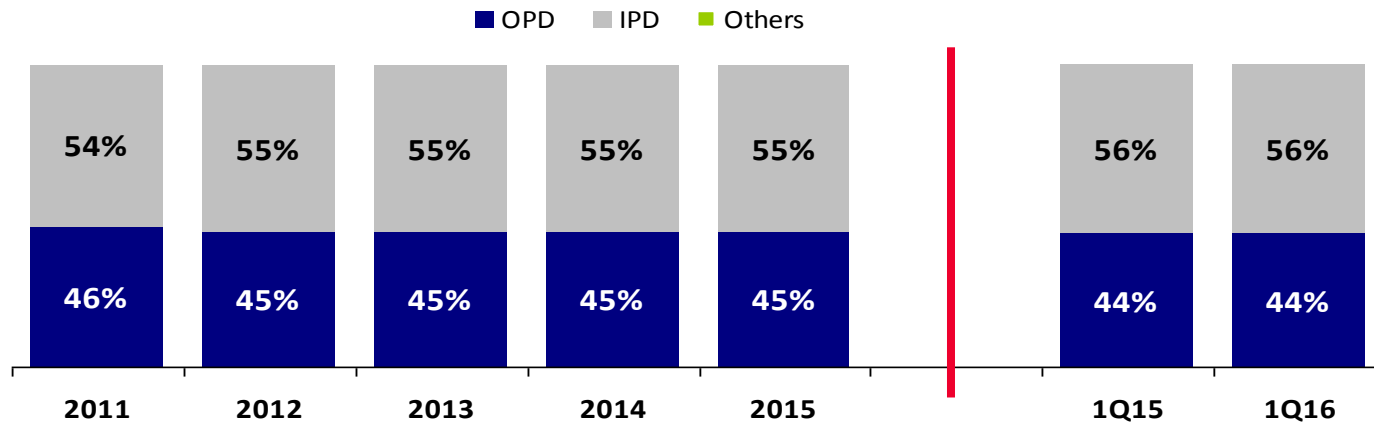


## Commentary

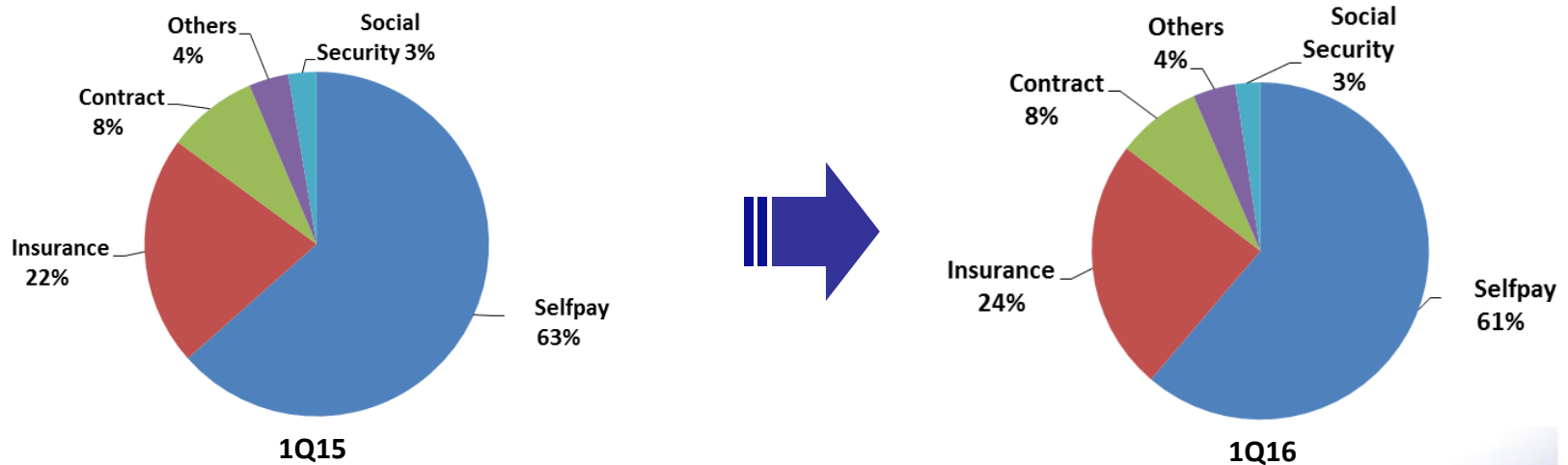
- **1Q16** revenue from Thai patients grew 11% while international patients grew 9% yoy
- Top 5 international patient revenues are from Japan, UAE, Germany, Myanmar and UK which contribute 2.5%, 1.9%, 1.8%, 1.8% and 1.7% of total patient revenues respectively
- International patient revenues grew significantly for Cambodia (+58%), China (+24%) and Germany (+18%)

# Patient Mix

## Revenue Breakdown by Patient Types



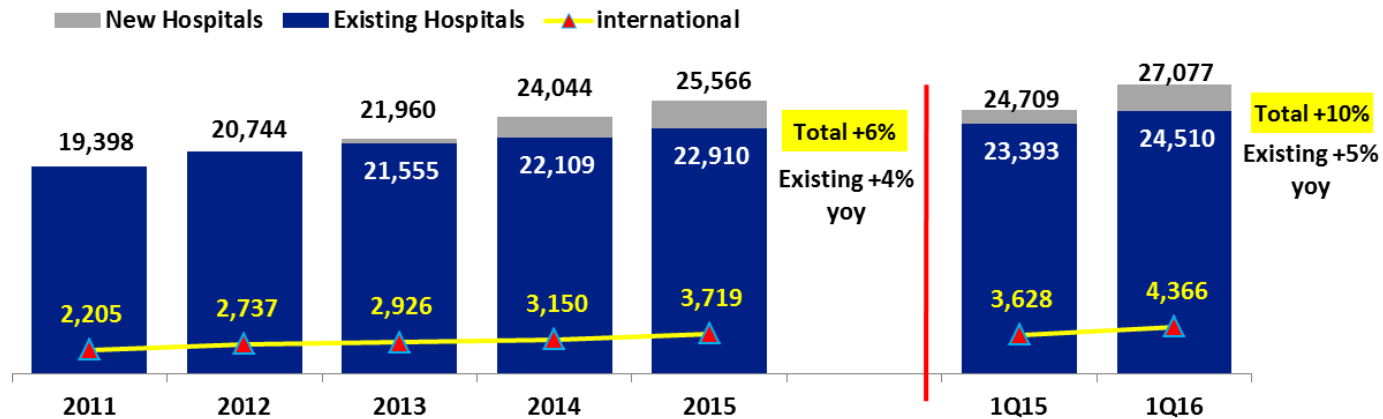
## Patient Revenue by Payor: Increasing Insurance Portion



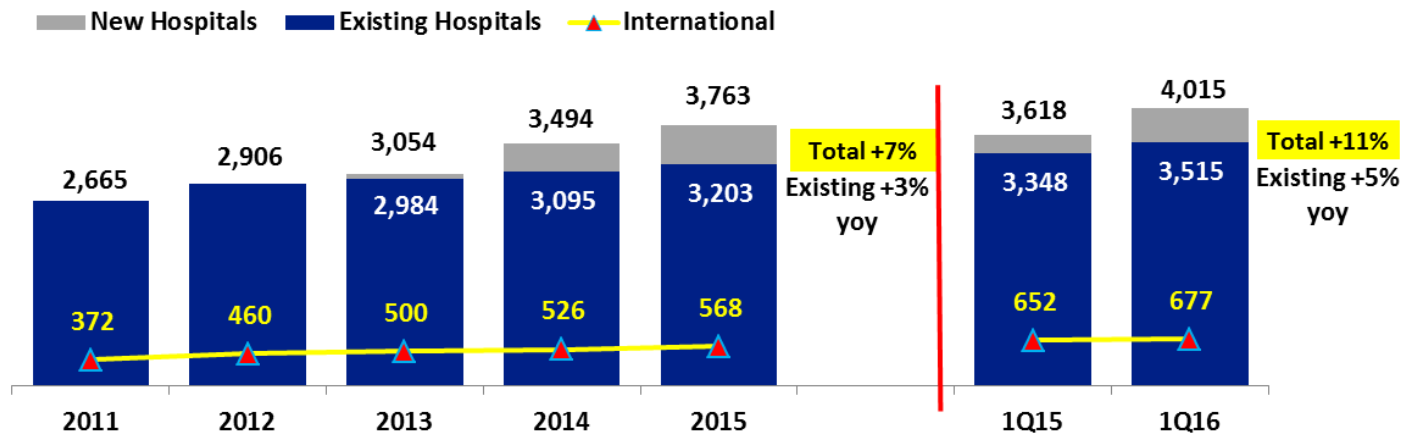
Source:- BDMS management report

# Patient Base Expansion From Both Organic Growth & Acquisitions

## Number of OPD Visits per Day



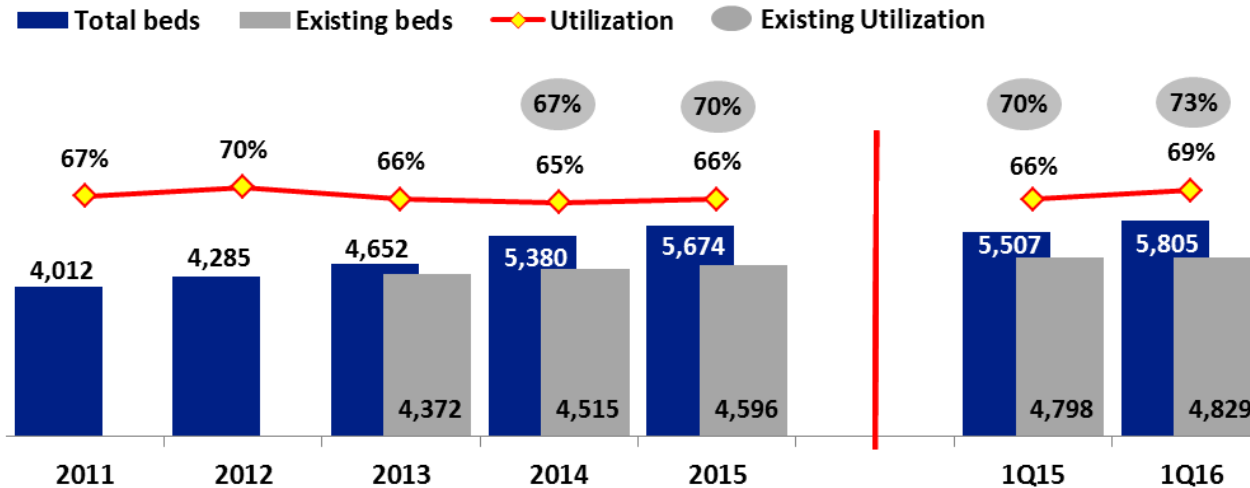
## Average Daily Census ( ADC )



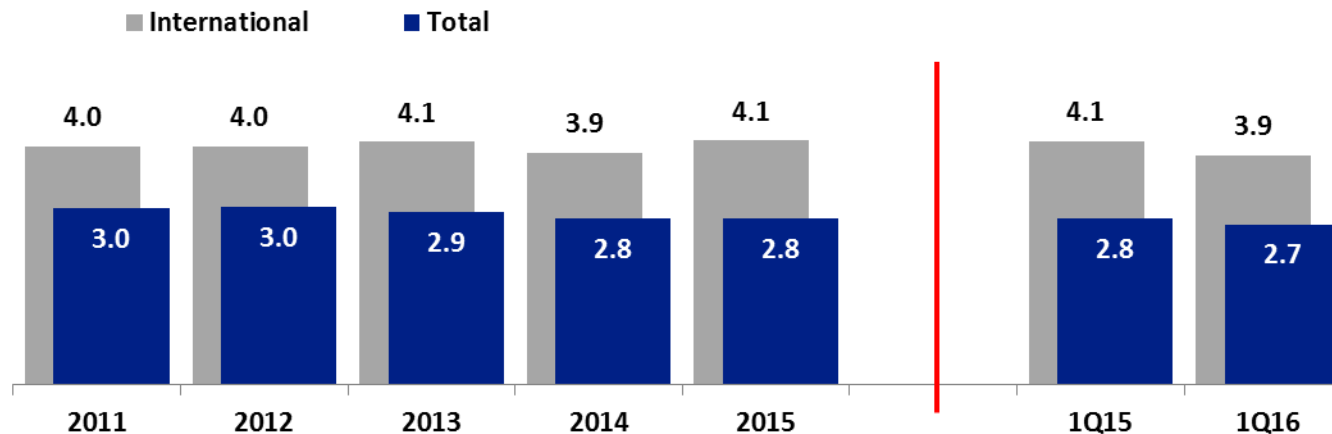
Remarks: - Including social security  
Source:- BDMS Management Report

# Utilization of Beds

## Utilization Based on Available Beds



## Average Length of Stay (days)



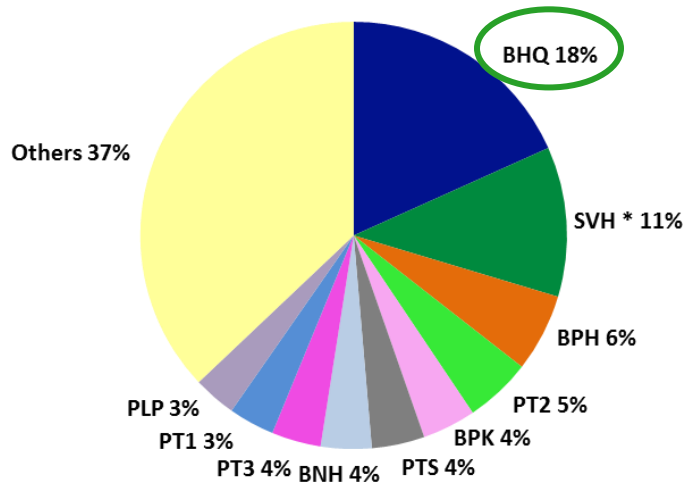
Remarks:- Including social security patients

# Financial Performance

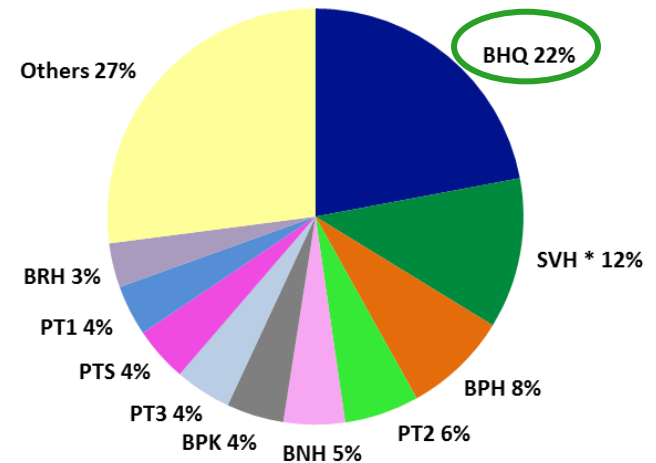


# Diversified Sources of Revenues and Profitability

## Operating Income Contribution in 1Q16



## Total EBITDA Contribution in 1Q16



## Commentary

- During 1Q16, top 5 hospitals contributed 44% of total revenue and 53% of total EBITDA
- Revenue of Bangkok&vicinity hospitals grew 7% yoy
  - Hospitals that grew more than 7% yoy are STH (+45%), PTN (+16%), PT1 (+12%), BNH (+10%), PT3 (+10%), PT2 (+9%) and PLS (+8%)
- Revenue of Upcountry hospitals grew 15% yoy
  - Hospital that grew more than 15% yoy is RAH (+47%), BUD (+40%), BPD (+30%), BTH (+26%), BNH (+19%), BCH (+17%) and BRH (+17%)

\* SVH also included SNH performance

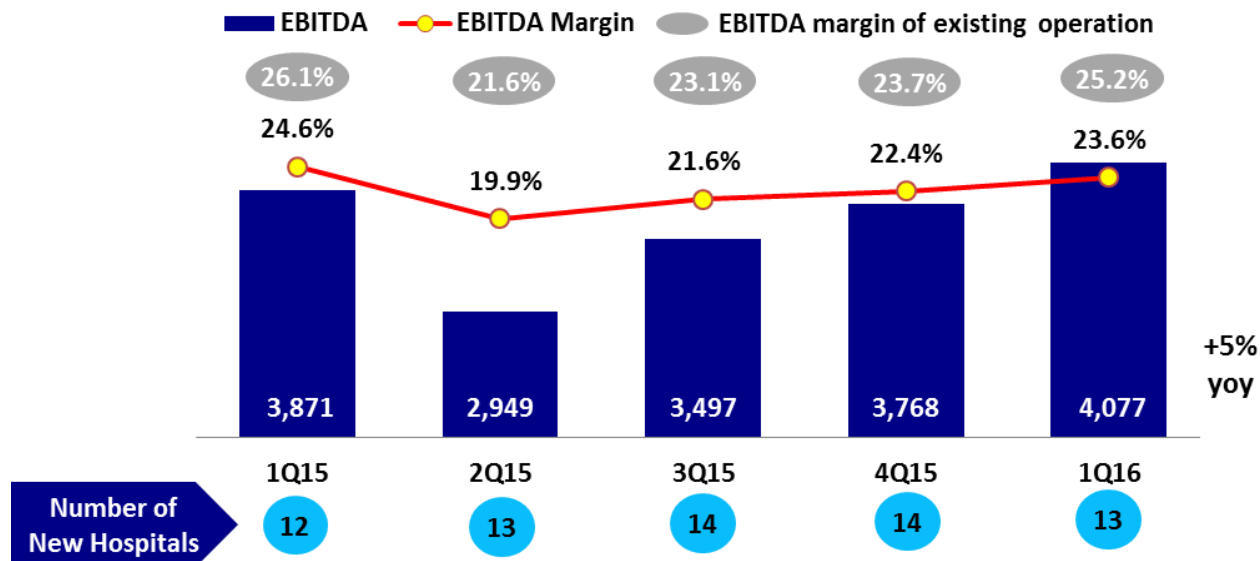
Remark: - Operating income is calculated from hospital revenue + revenue from sales of goods and food + other income

- 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)



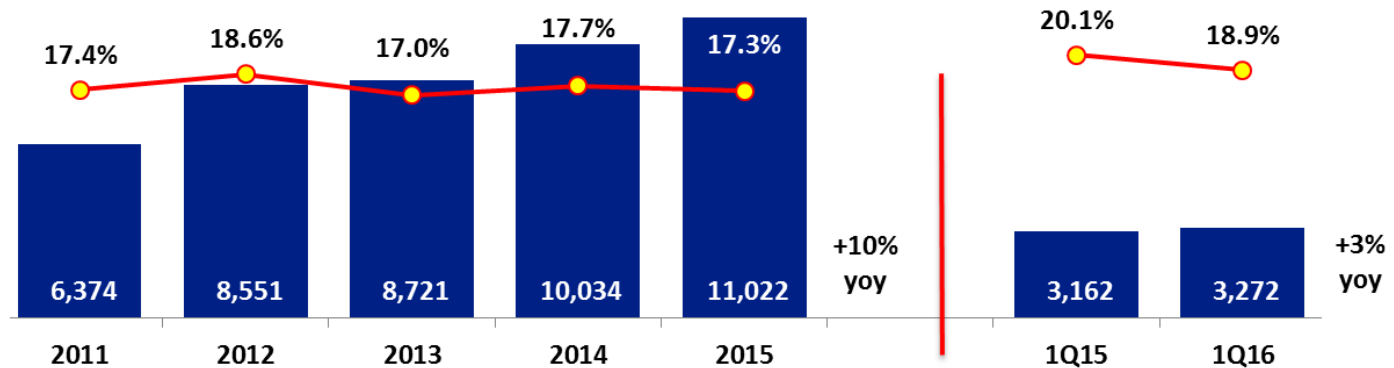
## Commentary

- **1Q16** EBITDA margin decreased slightly yoy due mainly to
  - Slower growth in the Southern group hospitals in Phuket due to shift in nationality of international patients and expansion of Phuket International Hospital
  - High base of international patients growth from 16% in 1Q15 to 9% in 1Q16

# Profitability Trend

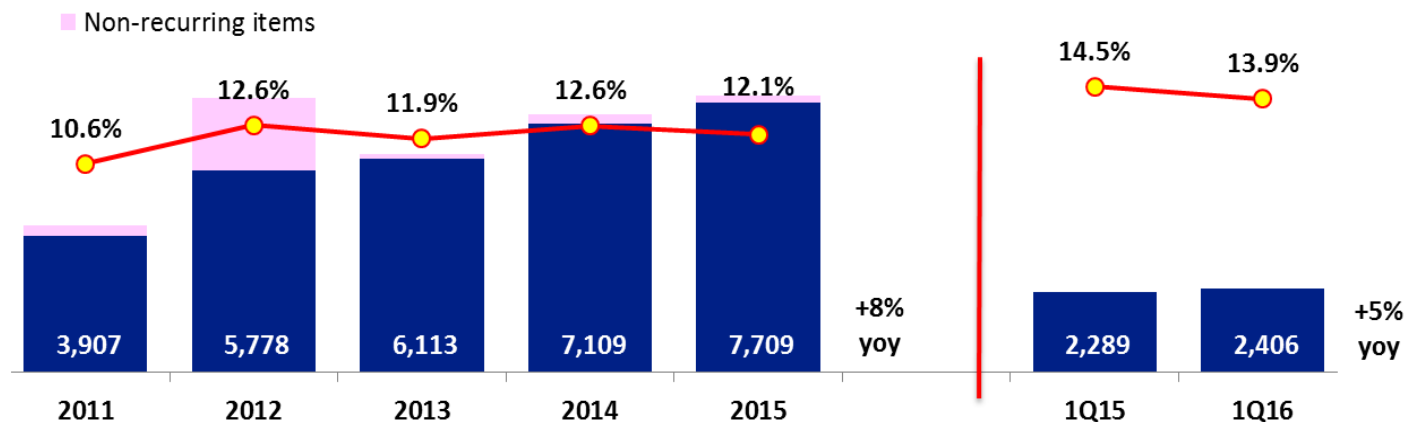
## EBIT & EBIT Margin\*

(THB mm)



## Net Profit & Net Profit Margin\*

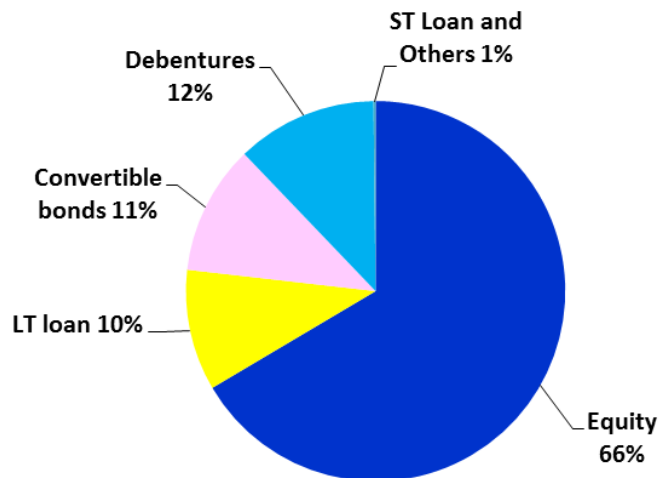
(THB mm)



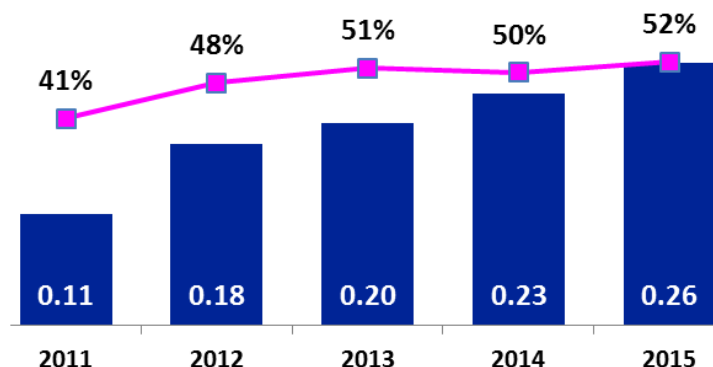
\* Excluding non-recurring items

# Capital Management

## Capital Structure as of March 2016



## Dividend Payment & Payout Ratio

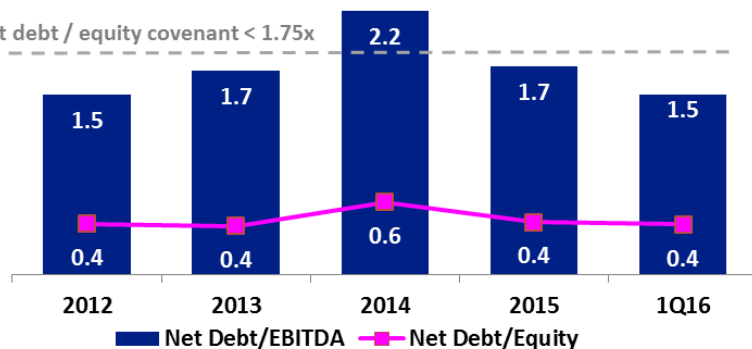


Remark:- Dividend payment has been adjusted to reflect the change in par value from THB 1.00/share to THB 0.10/share since April 2014

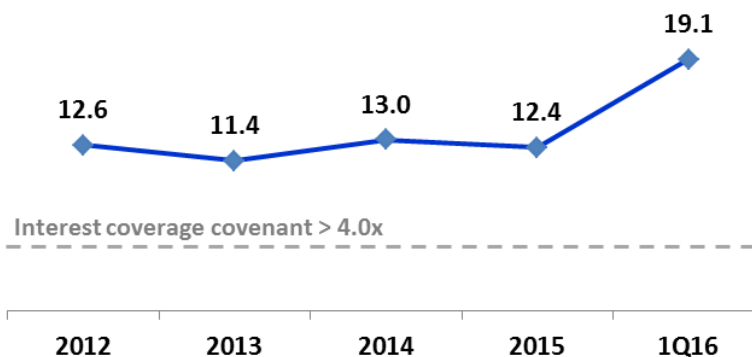
## Gearing Ratios: Well Within Covenants

Net debt / EBITDA covenant < 3.25x

Net debt / equity covenant < 1.75x



## Interest Coverage




Interest coverage covenant > 4.0x

# Appendix 1

## Your Trusted Healthcare Network

### Group 1 (Bangkok and West)

	Ownership	No. of Beds
1. Bangkok Hospital	100% 	343
2. Bangkok Heart Hospital	} (BHQ)	97
3. Wattanosoth Hospital		48
4. Bangkok Huahin (BHN)		60
5. Bangkok Chinatown (BCT)	100%	59
6. Bangkok Sanamchan (BSN)	100%	200
7. Thepakorn (TPK)	44.5%	100
8. Muang Petch (MPH)	100%	255
9. Muangraj	100%	125

### Group 2

10. Samitivej Sukhumvit (SVH)	95.8% 	275
11. Samitivej Srinakarin (SNH)	95.8% 	400
12. Samitivej Sriracha (SSH)	69.8% 	150
13. Samitivej Thonburi (STH)	63.5%	150
14. Samitivej Chonburi (SCH)	100%	220
15. BNH Hospital (BNH)	91.5% 	144

### Group 3 (East)

16. Bangkok Pattaya (BPH)	97.3% 	400
17. Bangkok Rayong (BRH)	100%	220
18. Bangkok Chanthaburi (BCH)	99.7%	170
19. Bangkok Trat (BTH)	99.8% 	114
20. Sri Rayong (SRH)	100%	195

### Group 4 (North, Northeast and Cambodia)

21. Bangkok Chiangmai (BCM)	100% 	181
22. Bangkok Ratchasima (BKH)	91.4%	180
23. Bangkok Pakchong	91.4%	31
24. Bangkok Udon (BUD)	100%	120
25. Bangkok Phitsanulok (BPL)	100%	195




### Group 4 (North, Northeast and Cambodia)

	Ownership	No. of Beds
26. Bangkok Khon Kaen (BKN)	100%	140
27. Bangkok Phrapradaeng (BPD)	84.0%	60
28. Royal Phnom Penh (RPH)	100%	100
29. Royal Angkor International (RAH)	80.0%	30

### Group 5

30. Phyathai 1 (PT1)	100%	350
31. Phyathai 2 (PT2)	99.2% 	260
32. Phyathai 3 (PT3)	98.2%	240
33. Phyathai Sriracha (PTS)	74.4%	350
34. Phyathai Nawamin (PTN)	99.8%	140
35. Paolo Paholyothin (PLP)	100%	300
36. Paolo Samutprakarn(PLS)	93.6%	200
37. Paolo Chokchai 4 (PLC)	85.7%	148
38. Paolo Rangsit (PLR)	100%	150

### Group 6 (South)

39. Bangkok Phuket (BPK)	99.7% 	266
40. Phuket International (PIH)	100% 	151
41. Dibuk (DBK)	100%	100
42. Bangkok Hat Yai (BHH)	98.8%	200
43. Bangkok Samui (BSH)	100% 	52

### Group 7: Non-Hospital

1. National Healthcare System	100%
2. Bio Molecular Laboratories	95.0%
3. The Medicpharma	86.9%
4. A.N.B Laboratories	100%
5. Save Drug Center	100%
6. General Hospital Products	44.7%

Remark:- Number of beds is structured beds