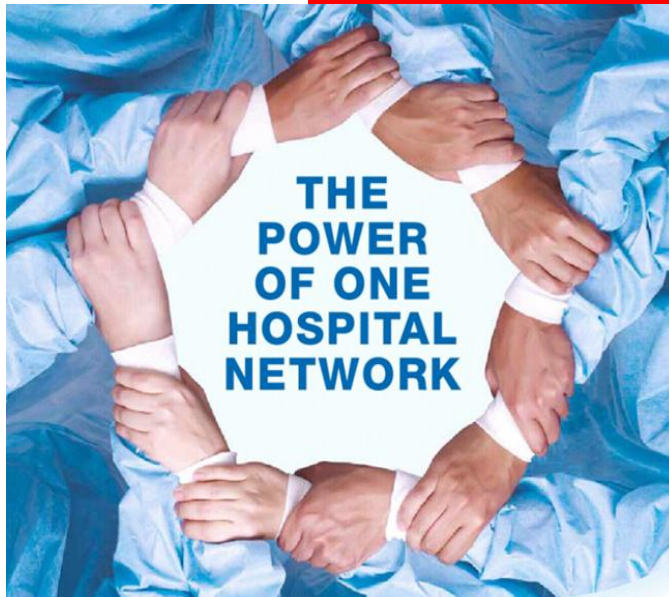




Your Trusted Healthcare Network



Bangkok Dusit Medical Services (BDMS)

Analyst Presentation

3Q16&9M16 Results

Nov 18, 2016

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BDMS Summary & Updates

Consolidated Financial Summary

3Q16 Results

- Operating income of THB 18,203 mm increased by 12% from 3Q15 mainly from an increase of patient revenue of 13% yoy
- Total EBITDA* of THB 3,926 mm (EBITDA margin of 21.6%) increased by 12% yoy
- Recurring profit* of THB 2,187 mm (NPAT margin of 12.0%) increased by 16% yoy

9M16 Results

- Operating income of THB 51,177 mm increased by 9% from 9M15 mainly from an increase of patient revenue of 10% yoy
- Total EBITDA* of THB 11,061 mm (EBITDA margin of 21.6%) increased by 7% yoy
- Recurring profit* of THB 6,409 mm (NPAT margin of 12.1%) increased by 10% yoy

* Excluding non-recurring items

TRIS Rating Update

Affirmed Rating at AA- with Stable Outlook



- TRIS Rating affirmed the Company and senior unsecured debenture rating of Company at “AA-” with stable outlook
- The ratings reflect Company’s leading market position as
 - The largest private hospital operator in Thailand
 - Extensive hospital network
 - Solid reputations of hospital brands
 - Sound operating performance and a moderate financial risk profile
 - Company’s experienced management team and capable physicians

Corporate Governance

BDMS received “Very Good” Corporate Governance scoring



- BDMS received “Very Good” CG scoring in 2016 from Thai Institute of Directors Association (IOD) in collaboration with the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC)
- BDMS also received 100% on AGM assessment of listed companies from Thai Investor Association

The Acquisition of Mayo Hospital

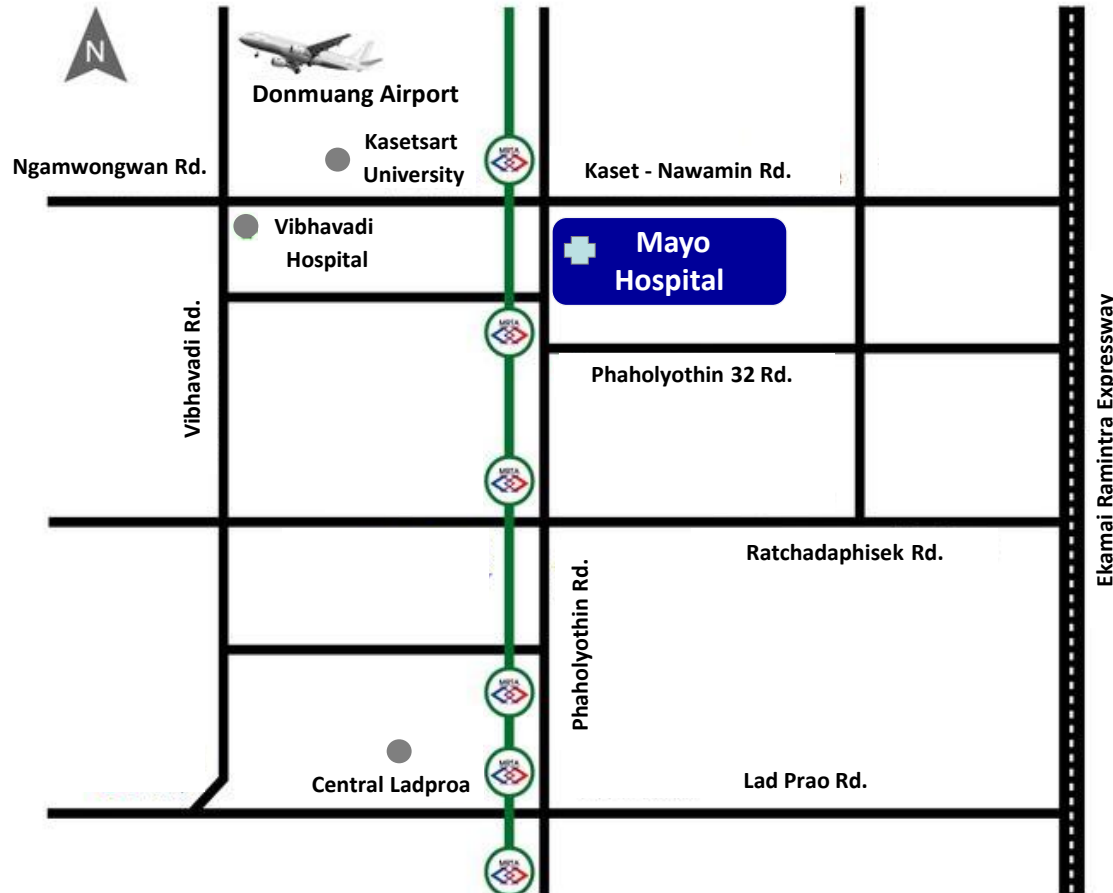
Patients Base Expansion in Middle-Class Segment in Bangkok



- Mayo Hospital is a well-recognized secondary care private hospital in Bangkok with 162 registered beds (currently operates 123 available beds) on 7.25 rai of freehold land
- Paolo Medic Co., Ltd, a subsidiary wholly own by BDMS, will acquire and receive the transfer of the entire business of Mayo Hospital by January 2017
- Paolo will pay not more than THB 1,395 million
- Mayo Hospital will rebrand to Paolo Kaset Hospital

The Acquisition of Mayo Hospital

Conveniently Located Next to Sky train



- Conveniently located next to skytrain, which will complete in 2019
- The skytrain line covered main 6 residential district areas i.e. Chatuchak, Lad Prao, Bang Khen, Sai Mai, Lak Si and Don Mueng
- Targeting middle income patients and social security patients

The Acquisition of Mayo Hospital

Benefits from Transaction

- Immediately increase BDMS middle-income patients base in Bangkok and vicinity area
- Paolo, as one of the most well-known and trusted brands among middle-class segment, can support strong patient growth in the future
- Enhancing management efficiency from shared services among network in both clinical and supporting functions
- Providing additional channel for patients referral to the network hospitals

Opening New Plant of Medicpharma

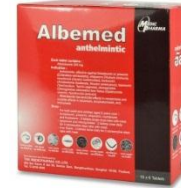
Increasing Manufacturing Capacity



- On 2 November 2016, Medicpharma opened new plant located in Sinsakhon Industrial Estate covering 15 rai of land
- This new plant will produce generic drug in the form of solid, liquid, semi-solid dosage and penicillin by qualified pharmacists
- The old factory will shift to produce food supplement, medical food and cosmetic products

Opening New Manufacturing of Medicpharma

Increasing Manufacturing Capacity



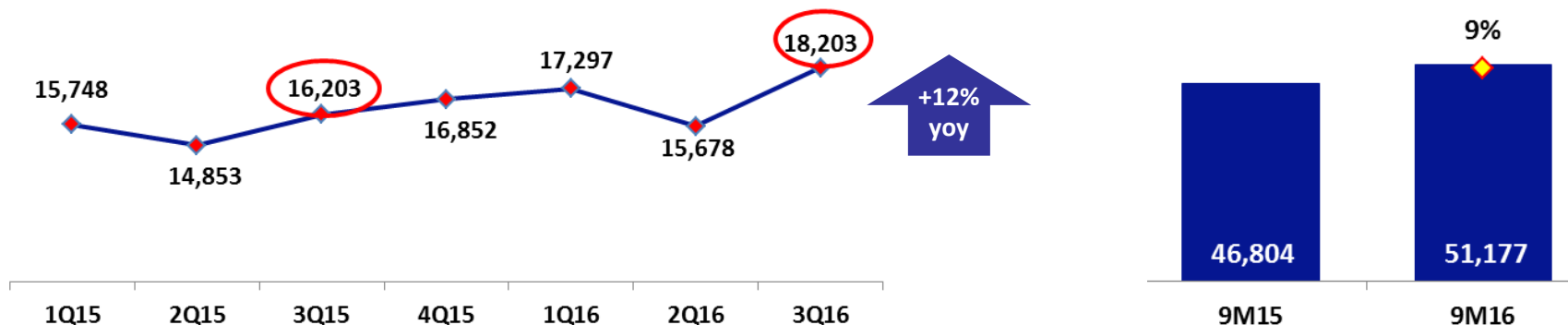
- New plant uses solar cells pad to generate electricity to provide green energy to help protect environment
- Medicpharma was certified Good Manufacturing Practice: GMP PIC/s and received FDA Quality Award in 2016

Operational Statistics

3Q16 & 9M16 Operating Income Growth

Operating Income Trend

(THB mm)



Commentary

- **9M16** Operating income increased by **9%** yoy, primarily from
 - Revenue from hospital operations grew **10%** yoy mainly from
 - Increase in number of patients
 - Consolidation of Paolo Rangsit since January 2016
 - Increase in healthcare inflation, intensity and complexity cases

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

3Q16 & 9M16 Revenue from Hospital Operations

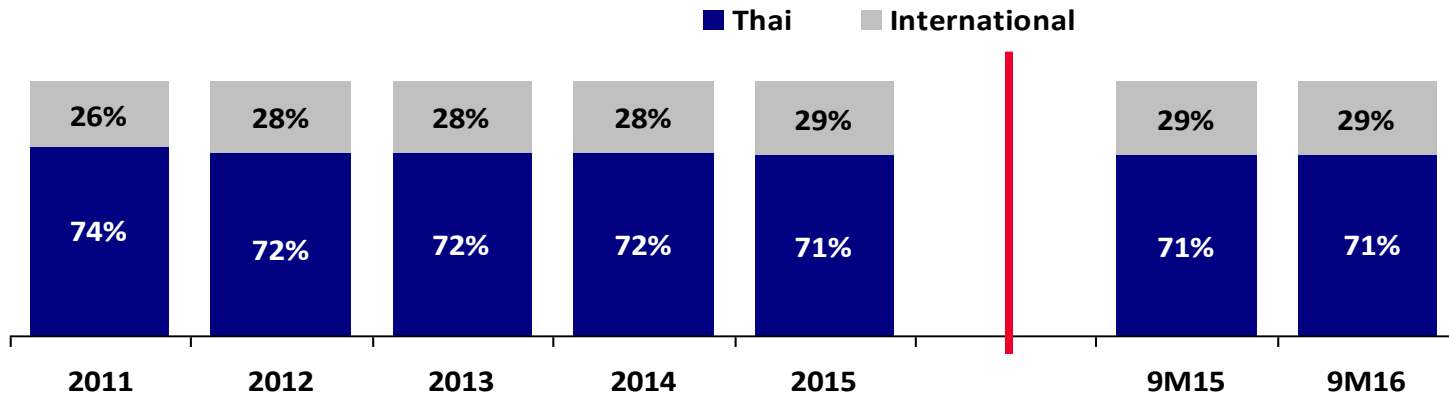
Revenue growth and revenue breakdown

	3Q16		9M16	
	Chg. (yoy)	% to revenue from hospital operations	Chg. (yoy)	% to revenue from hospital operations
Revenues growth from hospital operations	13%	100%	9%	100%
Breakdown by existing and new hospitals				
Existing Hospitals	8%	93%	7%	92%
New Hospitals	91%	7%	65%	8%
Breakdown by location				
Bangkok & Vicinity	8%	59%	7%	60%
Upcountry	18%	41%	14%	40%
Breakdown by nationality				
Thai	14%	74%	8%	71%
International	10%	26%	11%	29%

Remark:- 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
 - Hospital abbreviations shown in appendix 1

Expanding Both Thai and International Patients

Revenue Contribution by Nationality

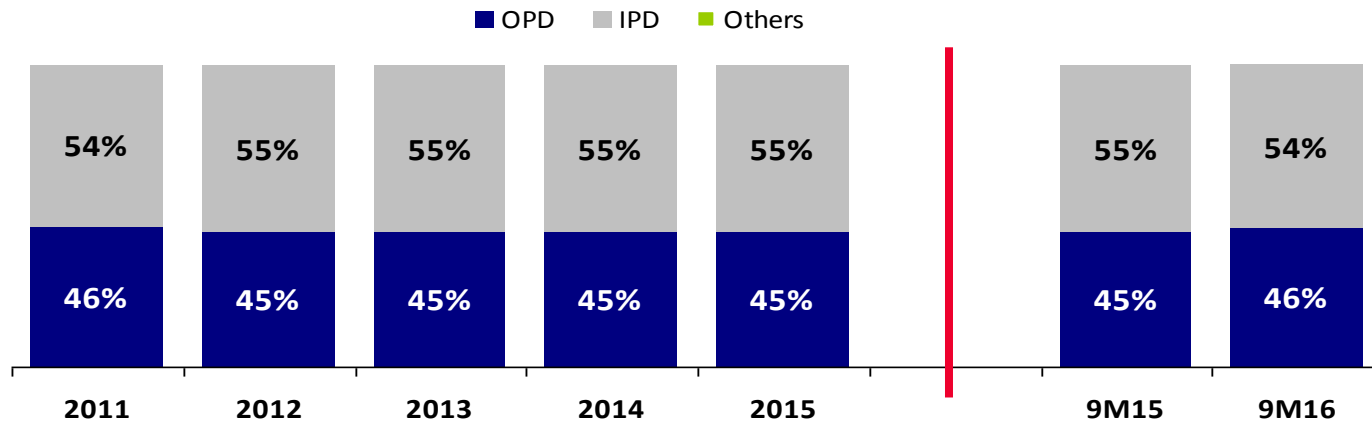


Commentary

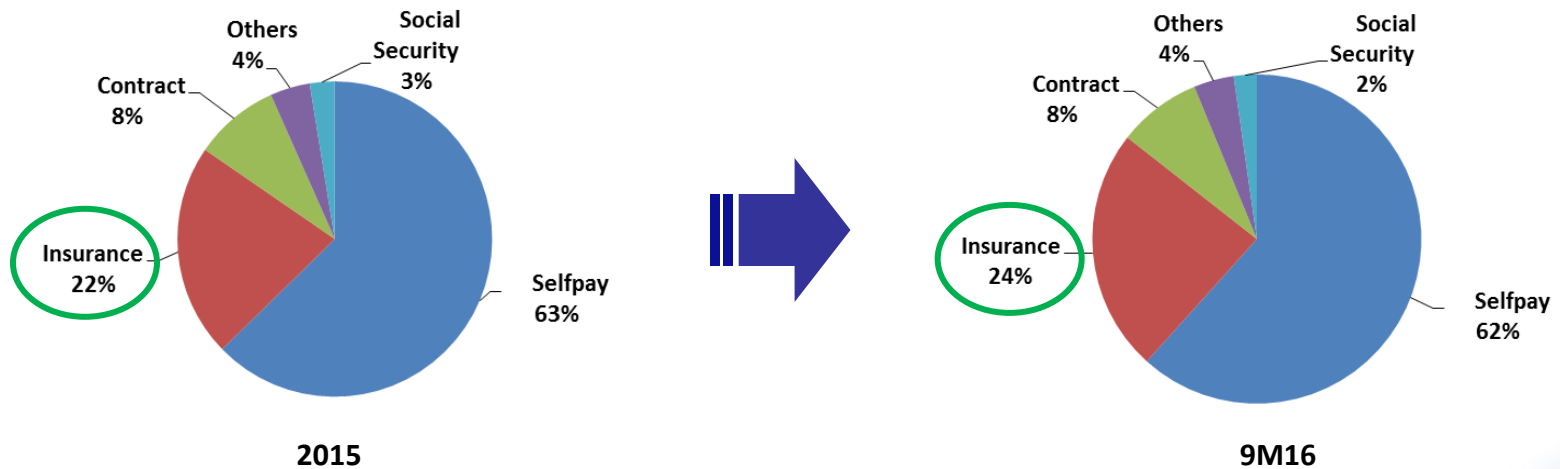
- **9M16** revenue from Thai patients grew 8% while international patients grew 11% yoy
- Top 5 international patient revenues are from Japan, Myanmar, UAE, UK and Australia which contribute 2.4%, 2.0%, 1.8%, 1.6% and 1.4% of total patient revenues respectively
- International patient revenues grew significantly for Cambodia (+34%), Qatar (+29%) and Australia (+25%)

Patient Mix

Revenue Breakdown by Patient Types



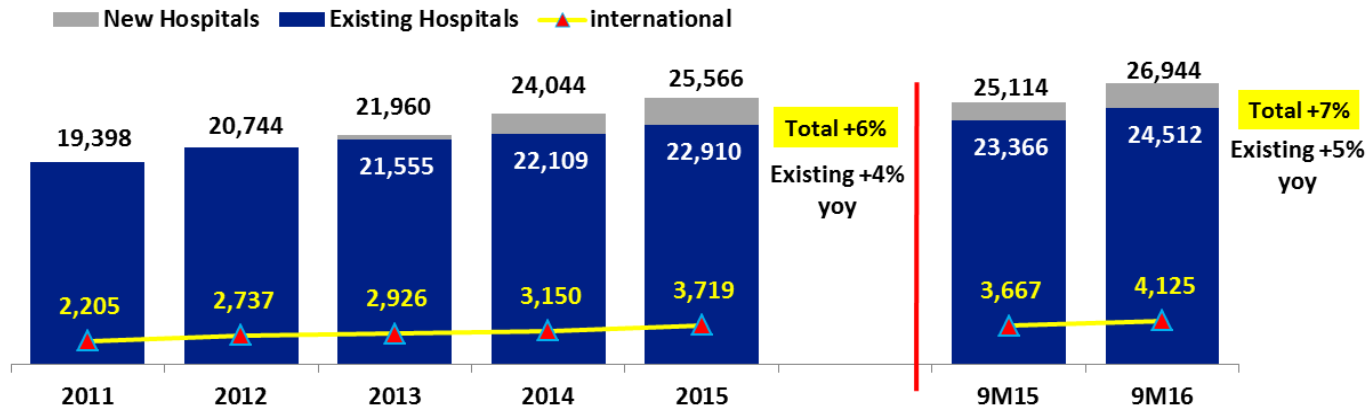
Patient Revenue by Payor: Increasing Insurance Portion



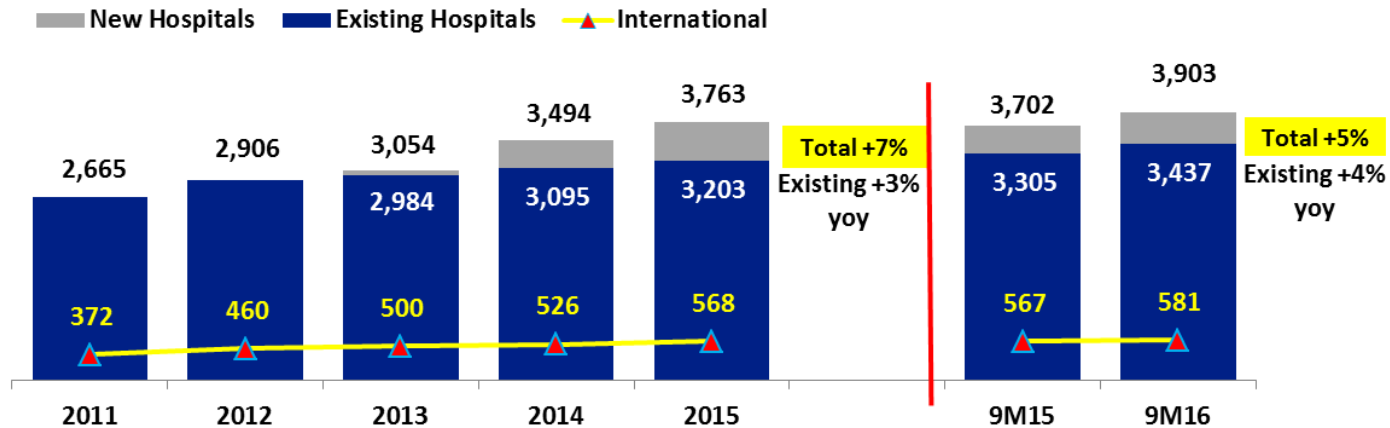
Source:- BDMS management report

Patient Base Expansion From Both Organic Growth & Acquisitions

Number of OPD Visits per Day



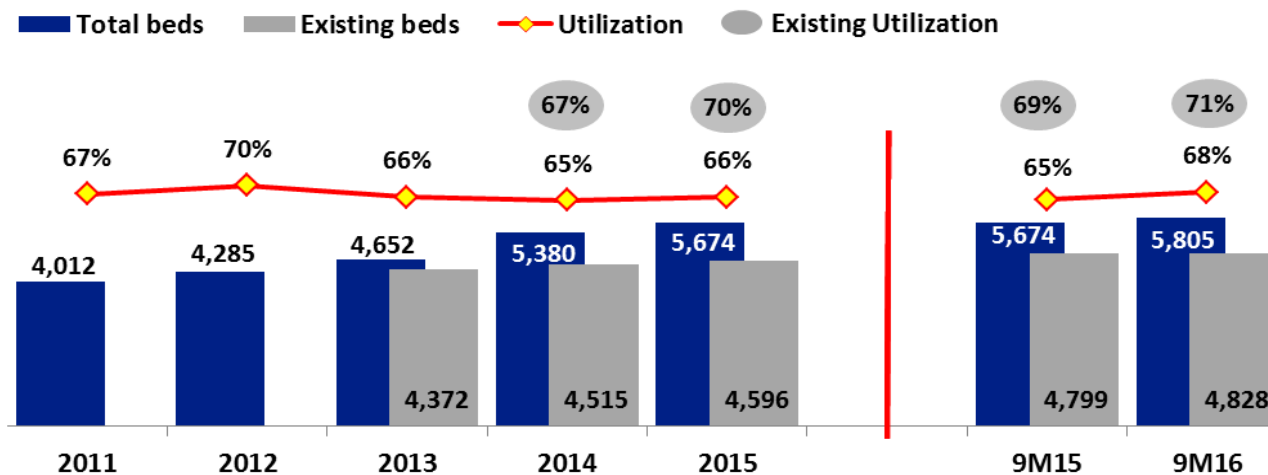
Average Daily Census (ADC)



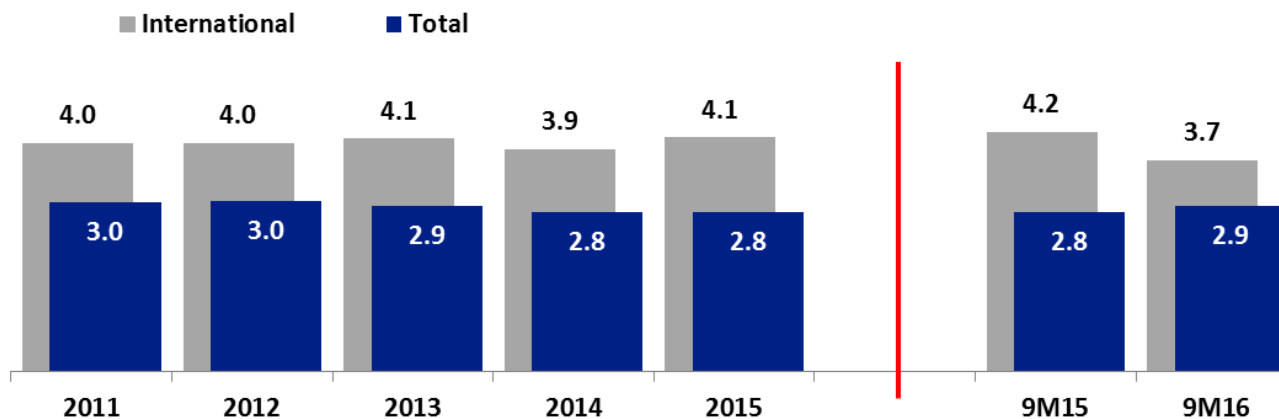
Remarks: - Including social security
Source:- BDMS Management Report

Utilization of Beds

Utilization Based on Available Beds



Average Length of Stay (days)

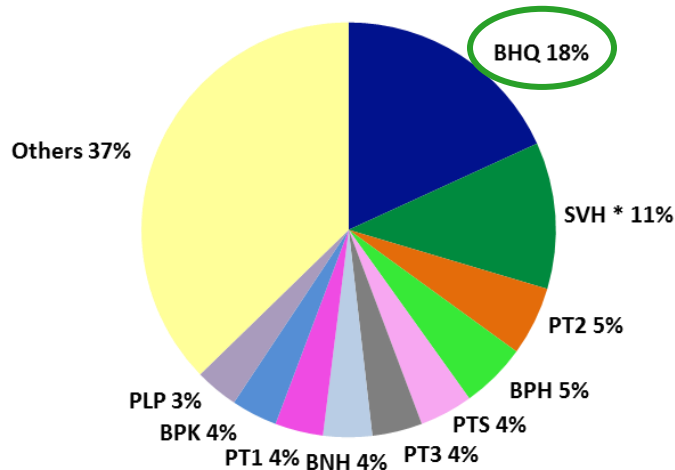


Remarks:- Including social security patients

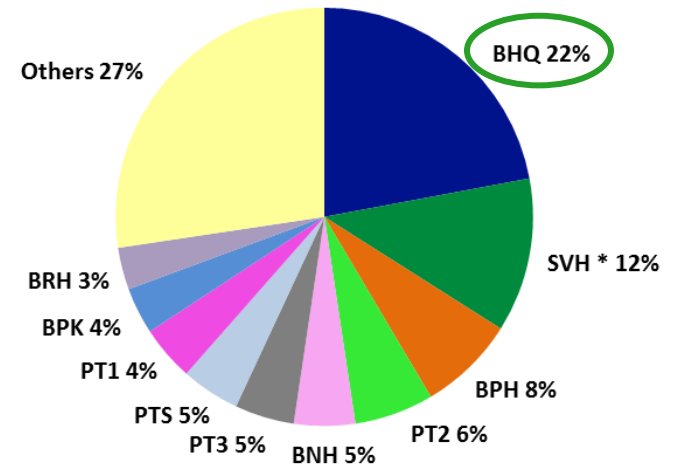
Financial Performance

Diversified Sources of Revenues and Profitability

Operating Income Contribution in 9M16



Total EBITDA Contribution in 9M16



Commentary

- During **9M16**, top 5 hospitals contributed 43% of total revenue and 53% of total EBITDA
- Revenue of Bangkok&vicinity hospitals grew 7% yoy
 - Existing Hospitals that grew more than 7% yoy are STH (+22%), PT1 (+18%), PT2 (+15%), BNH (+13%), PLS (+10%), PLC (+8%) and SVH (+8%)
- Revenue of Upcountry hospitals grew 14% yoy
 - Existing Hospital that grew more than 14% yoy is BUD (+29%), BPL (+27%), BKH (+18%) and BHN (+18%)

* SVH also included SNH performance

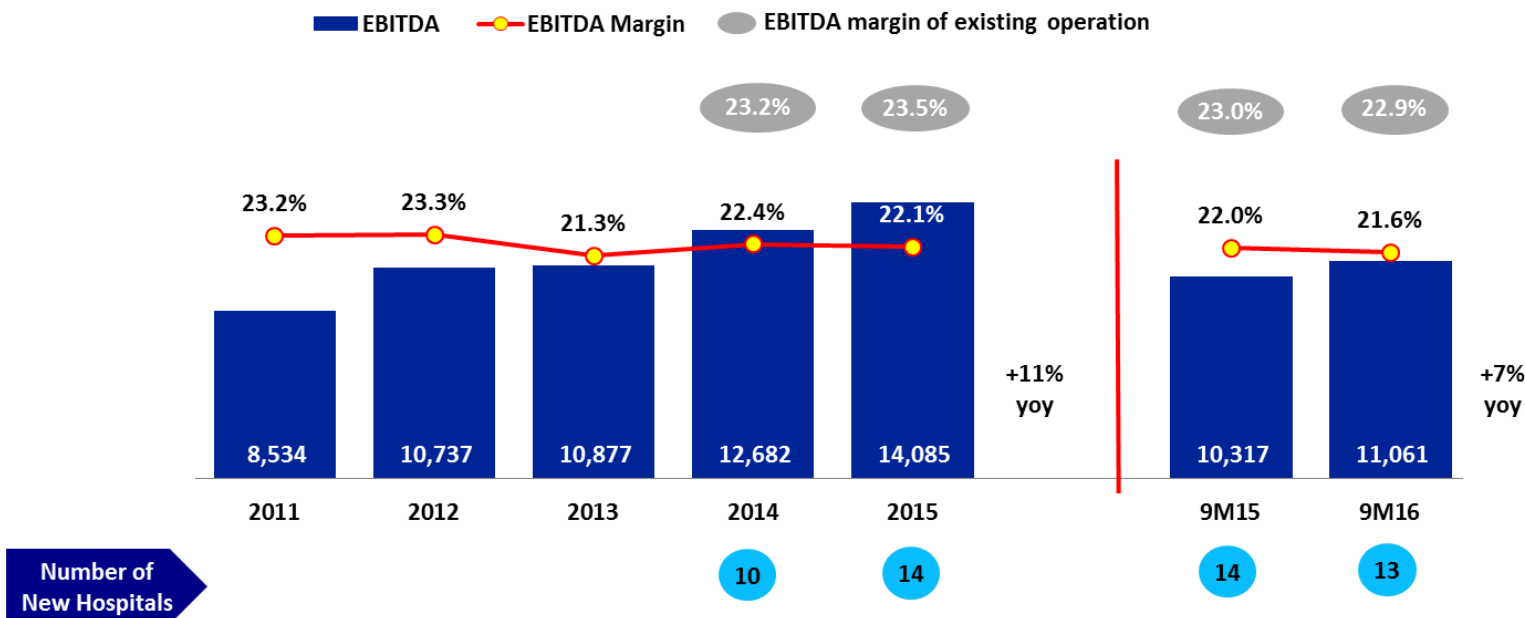
Remark: - Operating income is calculated from hospital revenue + revenue from sales of goods and food + other income

- 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)



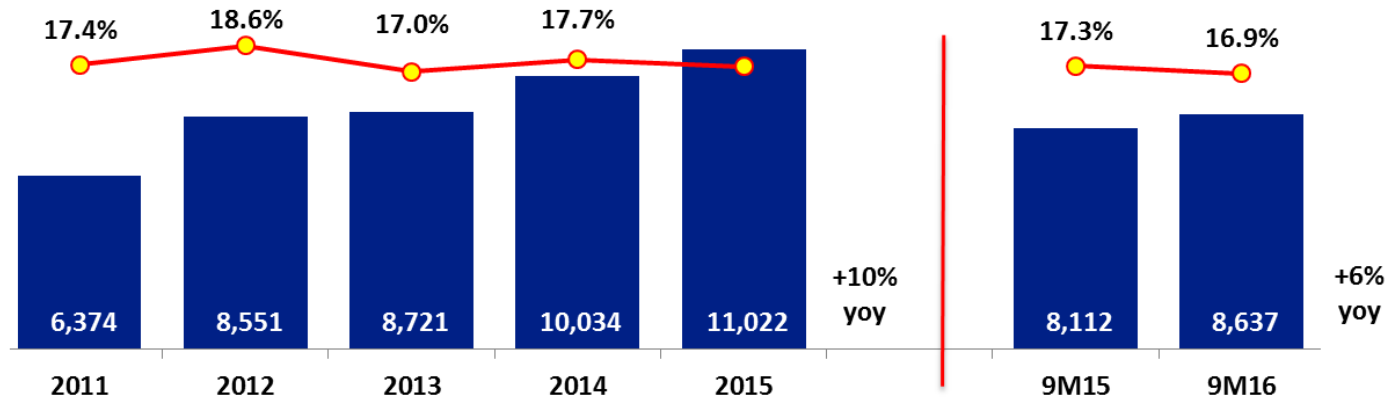
Commentary

- **9M16** EBITDA margin decreased yoy due mainly to
 - Slower growth in the tourist destination hospitals due to changing in mix of international patients
- However, EBITDA margin of existing operations in 9M16 is similar to 9M15

Profitability Trend

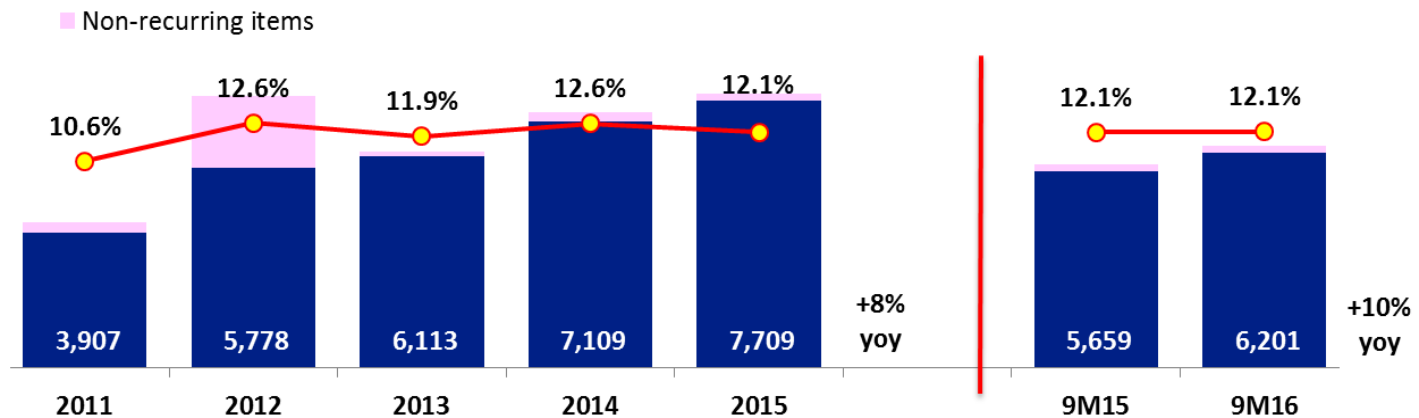
EBIT & EBIT Margin*

(THB mm)



Recurring Profit & Recurring Profit Margin*

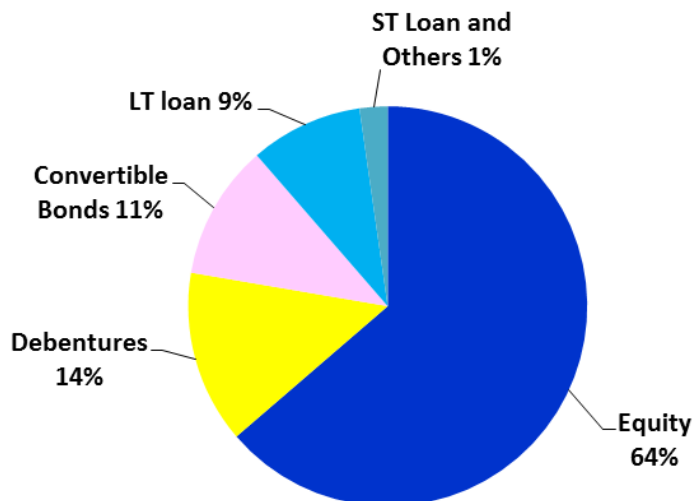
(THB mm)



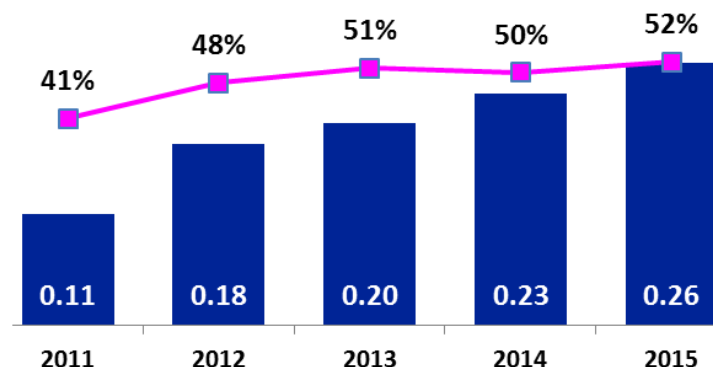
* Excluding non-recurring items

Capital Management

Capital Structure as of September 2016



Dividend Payment & Payout Ratio

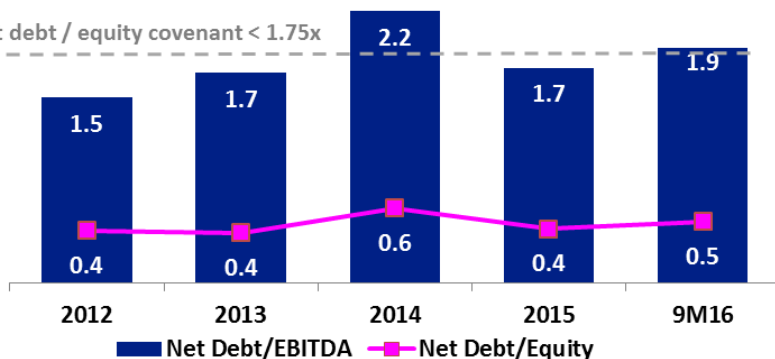


Remark:- Dividend payment has been adjusted to reflect the change in par value from THB 1.00/share to THB 0.10/share since April 2014

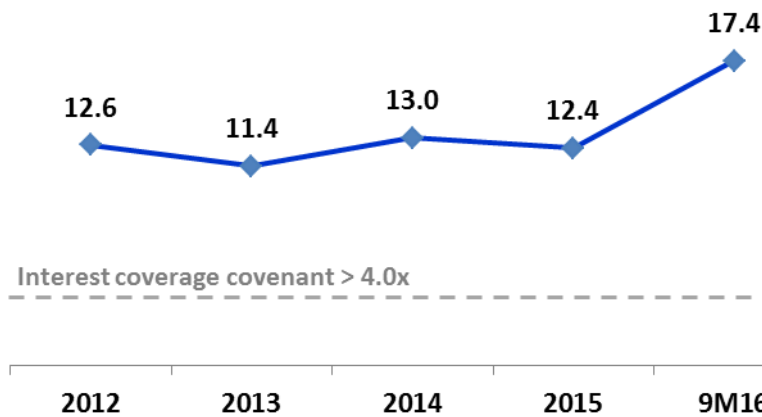
Gearing Ratios: Well Within Covenants

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