



Bangkok Dusit Medical Services (BDMS)
Analyst Presentation 4Q16 & 2016 Results

8 March 2017

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BDMS Summary & Updates

Consolidated Financial Summary

4Q16 Results

- Operating income of THB 17,666 mm increased by 5% from 4Q15 mainly from an increase of patient revenue of 5% yoy
 - Driven mainly by OPD volume together with healthcare inflation, intensity and complexity cases
- Total EBITDA of THB 3,666 mm (EBITDA margin of 20.8%) decreased by 6% yoy
- Net profit of THB 1,977 mm (NPAT margin of 11.2%) decreased by 8% yoy

2016 Results

- Operating income of THB 68,844 mm increased by 8% from 2015 mainly from an increase of patient revenue of 8% yoy
- Total EBITDA of THB 14,727 mm (EBITDA margin of 21.4%) increased by 4% yoy
- Net Profit of THB 8,386 mm (NPAT margin of 12.2%) increased by 5% yoy

Asiamoney Award 2016

The Best Managed Company Award for Thailand 2016 – Large Capitalization



- On February 22, 2017, BDMS has received “The Best Managed Company Award for Thailand 2016-Large Capitalization” from Asiamoney voting from fund managers and analysts on the basis of rising market share, leadership in industry, financial performance, executive leadership and corporate governance

TRIS Rating Update & Debentures Issuance



Affirmed Rating at AA- with Stable Outlook

- On January 25, 2017, 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 and company’s experienced management team and capable physicians
- During 2017-2019, TRIS Rating forecasts that BDMS will deliver a sound operating performance driven by growth in patients volume and the new hospitals added to the network

Issuance of Senior Unsecured Debentures

- On February 8, 2017, BDMS issued THB 7,000 million senior unsecured debentures for the investment, general purposes and debt repayment with an average interest rate of 2.84% p.a. and the issue rating of AA- by TRIS
- The debentures was successfully oversubscribed by investors

BDMS Complete Continuum of Healthcare



Centers of Excellence



Super Tertiary Care

Tertiary Care

Secondary Care



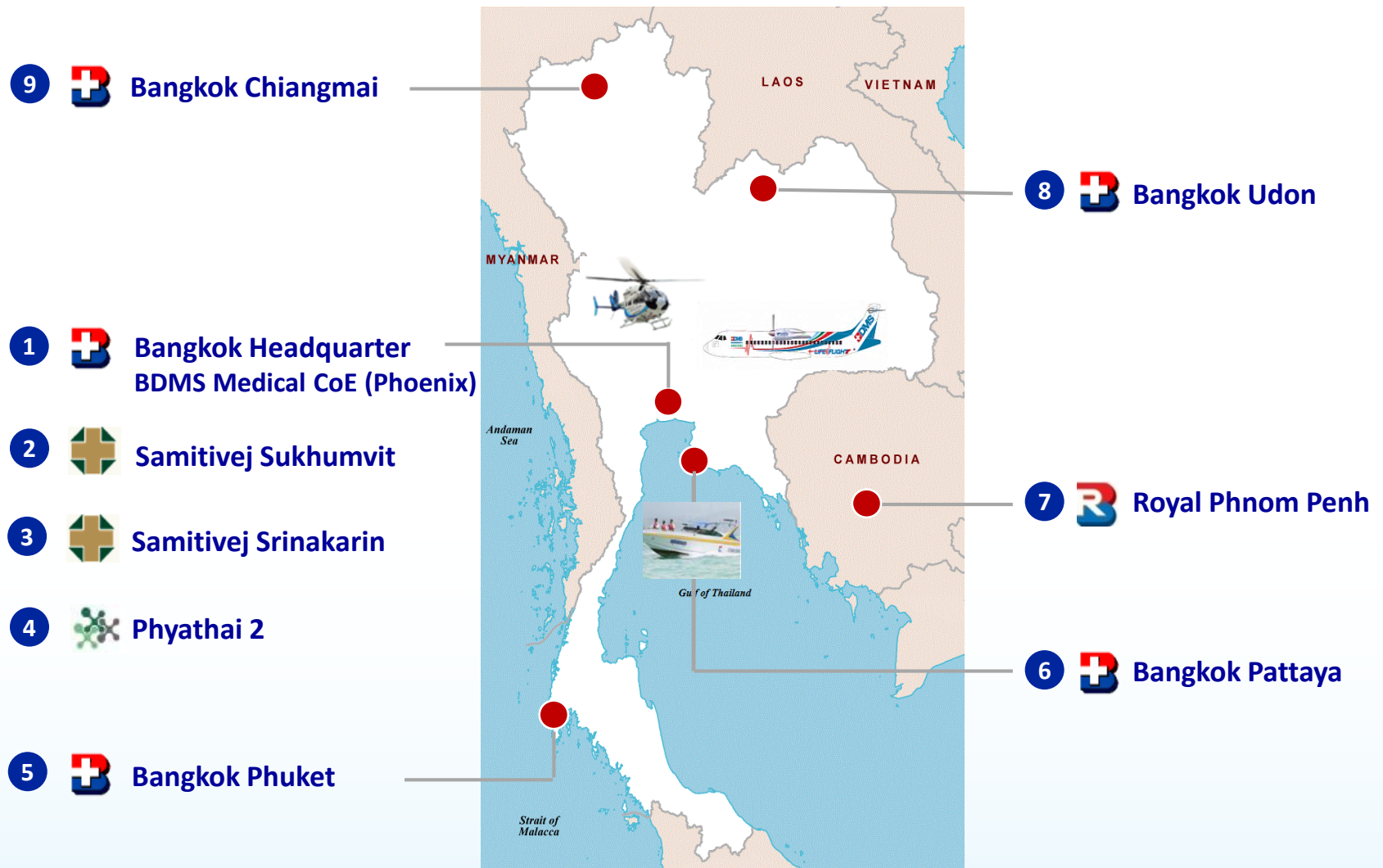
BDMS Wellness Clinic



Chiva Transitional Care Hospital

BDMS Centers of Excellence Network

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



Medical Cooperation

International and Local Partnership

Cancer



- Sister Institute with MD Anderson on cancer

Occupational health, Pediatrics, Rehabilitation and Informatics



- Collaboration with Oregon Health and Science University on occupational health, pediatrics, rehabilitation, clinical simulation and informatics

Trauma and Orthopedics



- Collaboration with Missouri Orthopaedic Institute, University of Missouri Health Care in education, training and research



- Collaboration with Hannover Medical School for education and research on trauma and orthopedics



- Collaboration with Stanford University for knowledge sharing on orthopedics

Medical Cooperation

International and Local Partnership

Neuroscience



- Research collaboration with Department of Neurosurgery, Cedars-Sinai on the TRFS laser device for brain tumor surgery

- Collaboration with Black Brain Health Center of Dr. Keith L. Black, one of the world leading neurosurgeons

Gastrointestinal



- Collaboration with Sano Hospital on Gastrointestinal Medicine

Others



- Collaboration with Nagoya University for education, medical treatment assistance and patient referral



- Collaboration with local institutions

New Helicopter – H145

Enhancing BDMS Competitive Edge in Developing Centers of Excellence Network



New Helicopter – H145

Enhancing BDMS Competitive Edge in Developing Centers of Excellence Network



- BDMS bought new helicopter H145 proving sky ICU services to BDMS network
- Benefits of having this new helicopter – H145 – including
 - Quiet aircraft during taking-off, cruise flight and approach
 - Compact to land in confined areas
 - Can share pilots, mechanics, spare parts and special equipment with the old model – EC 145 resulting in operating cost saving



International Hospital

Serving Patients from Different Countries and Cultures with International Standard

- 7- storey building consisted of 2 buildings with over 21,000 square meters and 100 structured beds, dedicated to international patients
- Offering 5 international clinics including:-
 - Japan
 - Arabic
 - Myanmar
 - Cambodia, Laos, Vietnam and China
 - English and Bangladesh



1/ Chiva Residence

2/ Chiva Transitional Care

- Relocating international departments which is currently at Wattanosoth Hospital (Cancer Hospital) to this new building to increase usage space at Wattanosoth Hospital to serve higher demand of cancer patients
- Expected to be opened by 2019

Chiva Transitional Care Hospital

Elderly Care and Rehabilitation Hospital



- Greenfield 52 beds focusing on elderly care and rehabilitation for patients who require extended hospitalization
- Expected to be opened by 2017

New Radiation Machine: Varian EDGE

4D Images:- Precise, Accurate, Effective and Fast



- Providing a turn-key solution for delivering full-body radiosurgery treatments
- Offering surgeons and clinicians the ability to pinpoint the target and deliver highly focused treatments, in fewer sessions and at a noticeably fast rate while minimizing the dose received by surrounding healthy tissues
- Reducing the overall time and resources required for surgery

BDMS Wellness Clinic Update

Premium Comprehensive Wellness & Preventive Healthcare Services



- On September 28, 2016, BDMS paid deposit for land and building of THB 1,080 million
- On February 20, 2017, BDMS paid THB 2,000 million and accepted the transfer of ownership of the land and building from the sellers which is sooner than originally planned by 2Q17
- The rest of THB 7,720 million will pay by May 27, 2017

BDMS Wellness Clinic Update

Premium Comprehensive Wellness & Preventive Healthcare Services

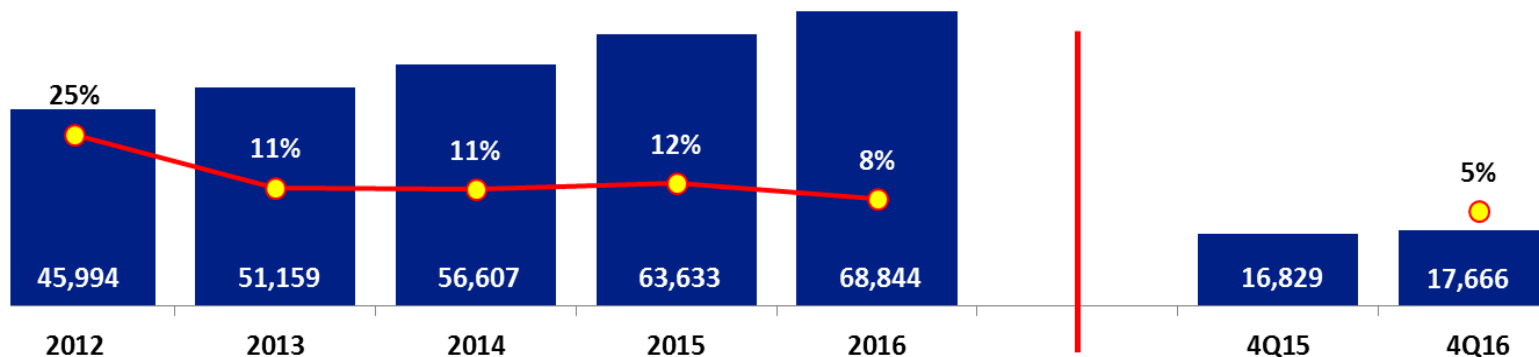


Operational Statistics

Operating Income Growth

Operating Income Trend

(THB mm)



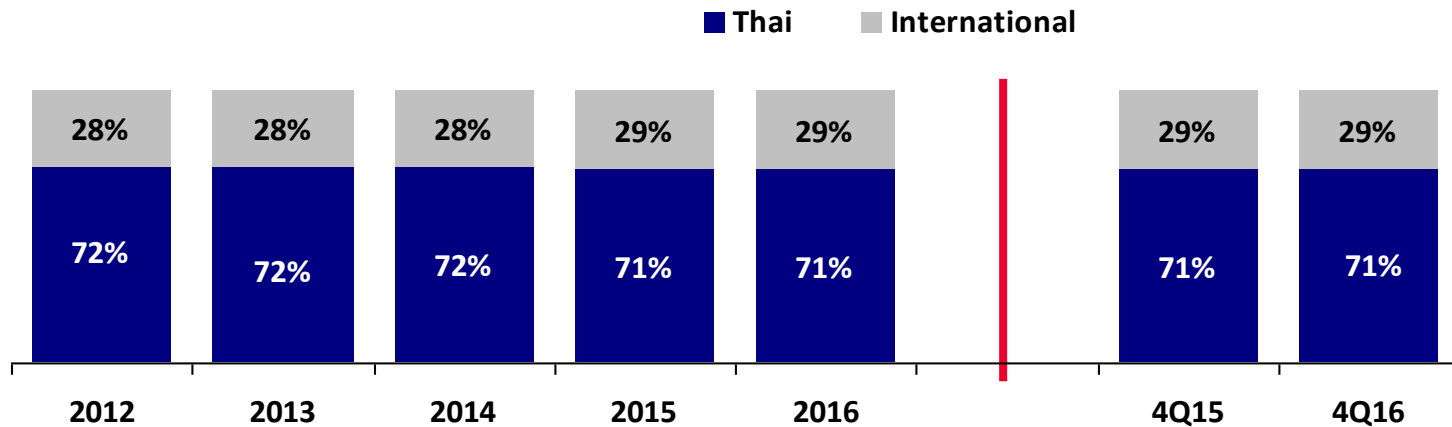
Commentary

- **2016** Operating income increased by **8%** yoy, primarily from
 - Revenue from hospital operations grew **8%** yoy mainly from
 - Increase in number of patients
 - Increase in healthcare inflation, intensity and complexity cases
 - Consolidation of new network hospitals and patient ward renovation

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

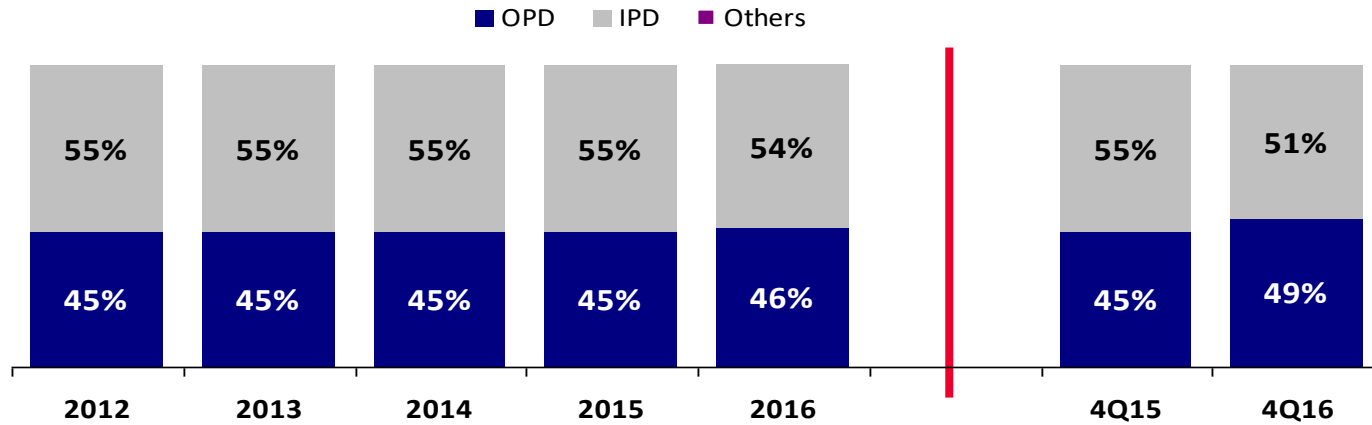


Commentary

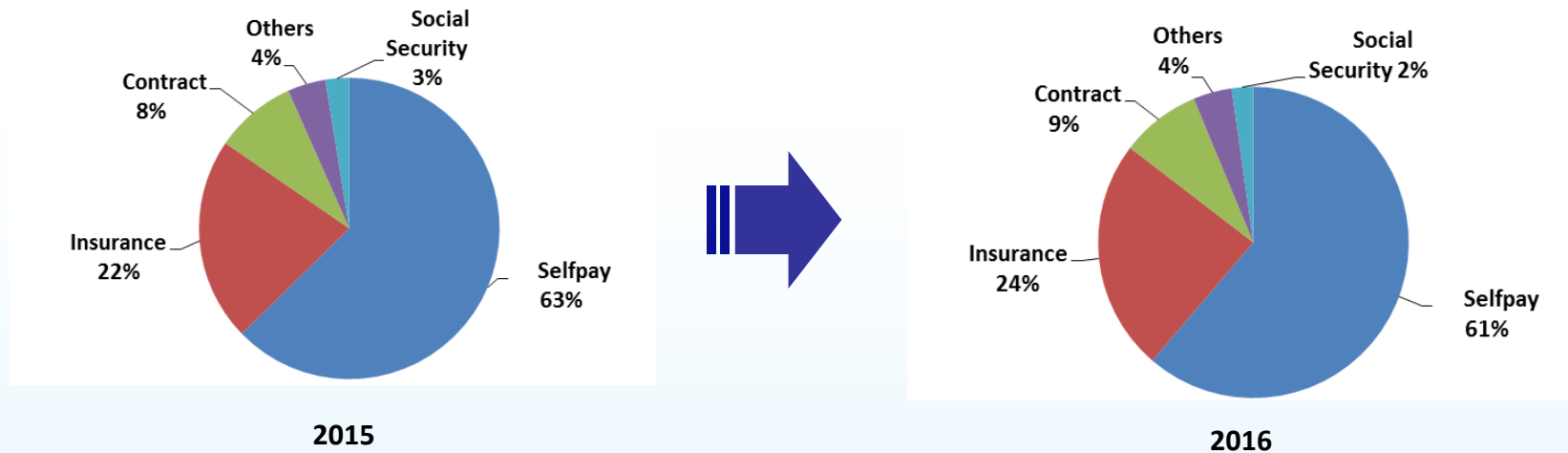
- **2016** revenue from Thai patients grew 9% while international patients grew 5% yoy
 - Top 5 international patient revenues are from Japan, Myanmar, UAE, UK and USA which contribute 2.4%, 1.9%, 1.8%, 1.6% and 1.4% of total patient revenues respectively
 - International patient revenues grew significantly for Cambodia (+31%), Australia (+27%) and China (+26%)

Patient Mix

Revenue Breakdown by Patient Types

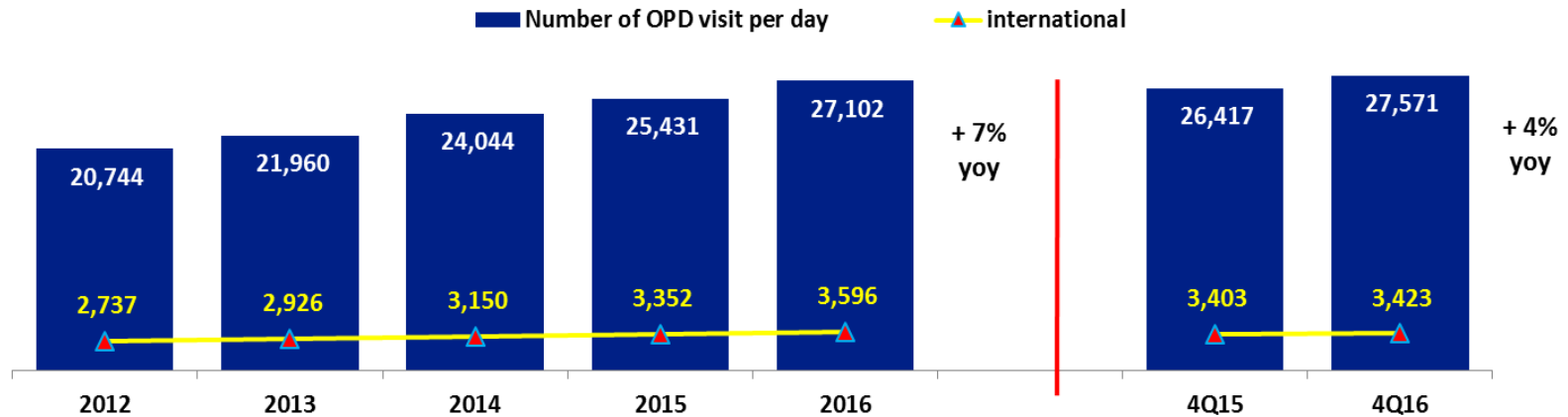


Patient Revenue by Payor: Increasing Insurance Portion

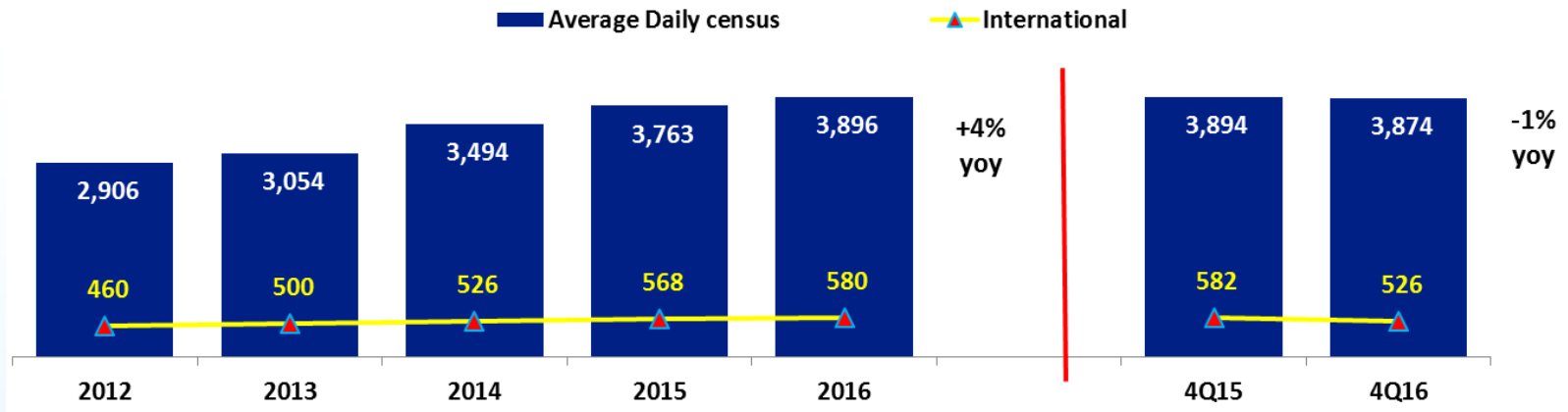


Patient Base Expansion From Both Organic Growth & Acquisitions

Number of OPD Visits per Day



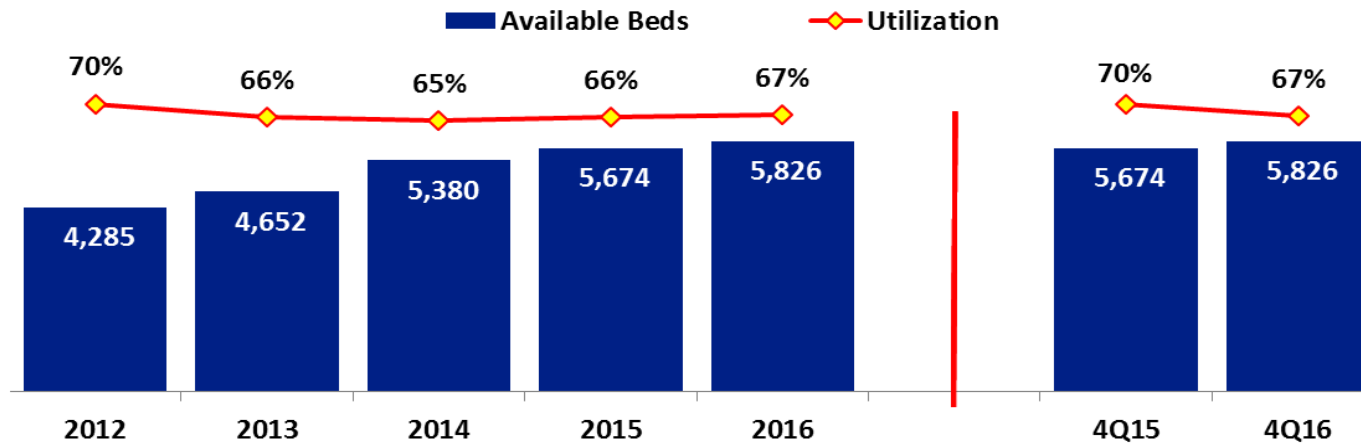
Average Daily Census (ADC)



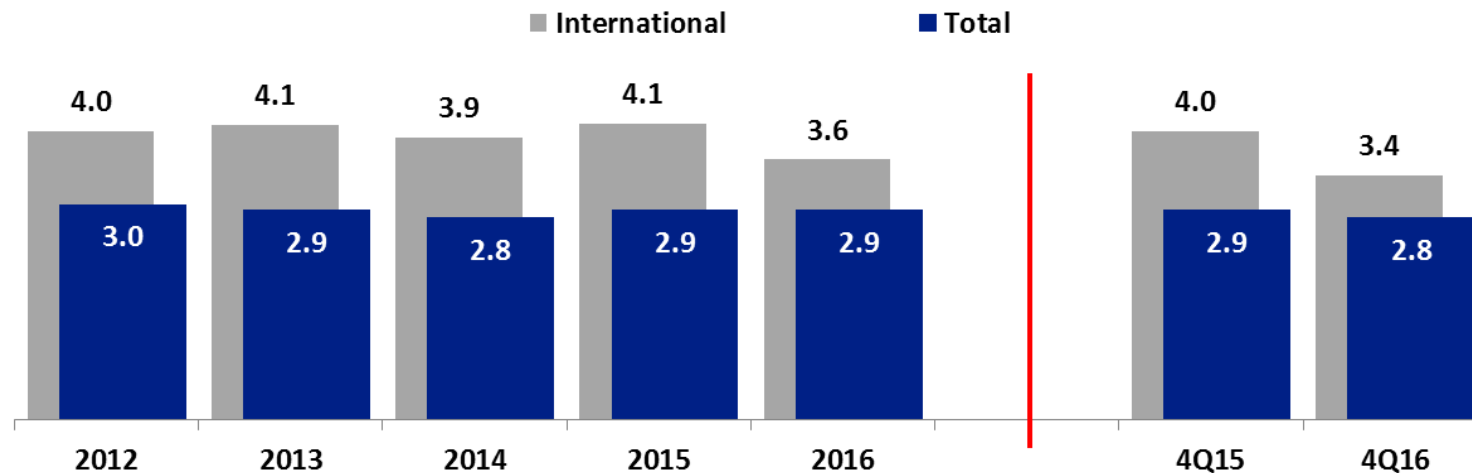
Remarks: - Including social security

Utilization of Beds

Utilization Based on Available Beds



Average Length of Stay (days)

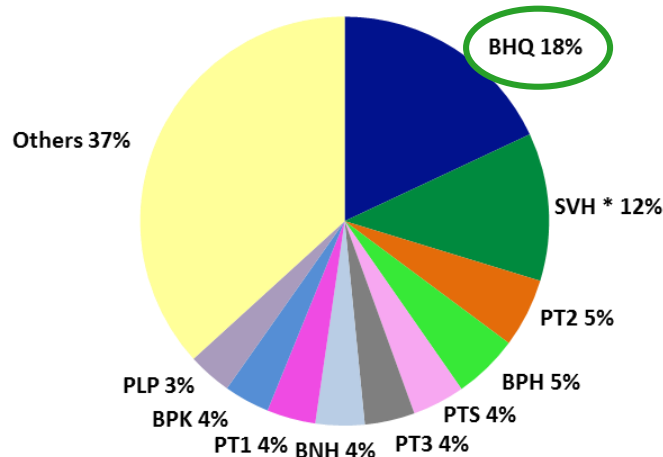


Remarks:- Including social security patients

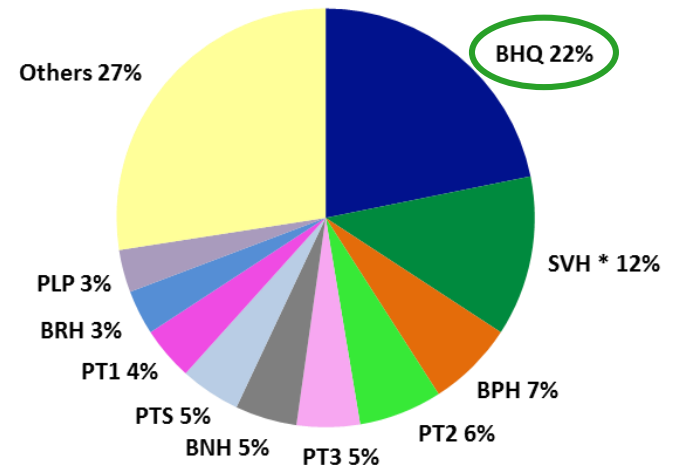
Financial Highlights

Diversified Sources of Revenues and Profitability

Operating Income Contribution in 2016



Total EBITDA Contribution in 2016



Commentary

- During **2016**, top 5 hospitals contributed 45% of total revenue and 52% of total EBITDA
- Revenue of Bangkok&vicinity hospitals grew 6% yoy
 - Key hospitals that grew more than 6% yoy are STH (+28%), BNH (+11%), PT2 (+11%) and PT1 (+10%)
- Revenue of Upcountry hospitals grew 12% yoy
 - Key hospital that grew more than 12% yoy is BUD (+31%), BPL (+19%), BHP (+18%), BTH (+17%) and BHN (+16%)

* SVH also included SNH performance

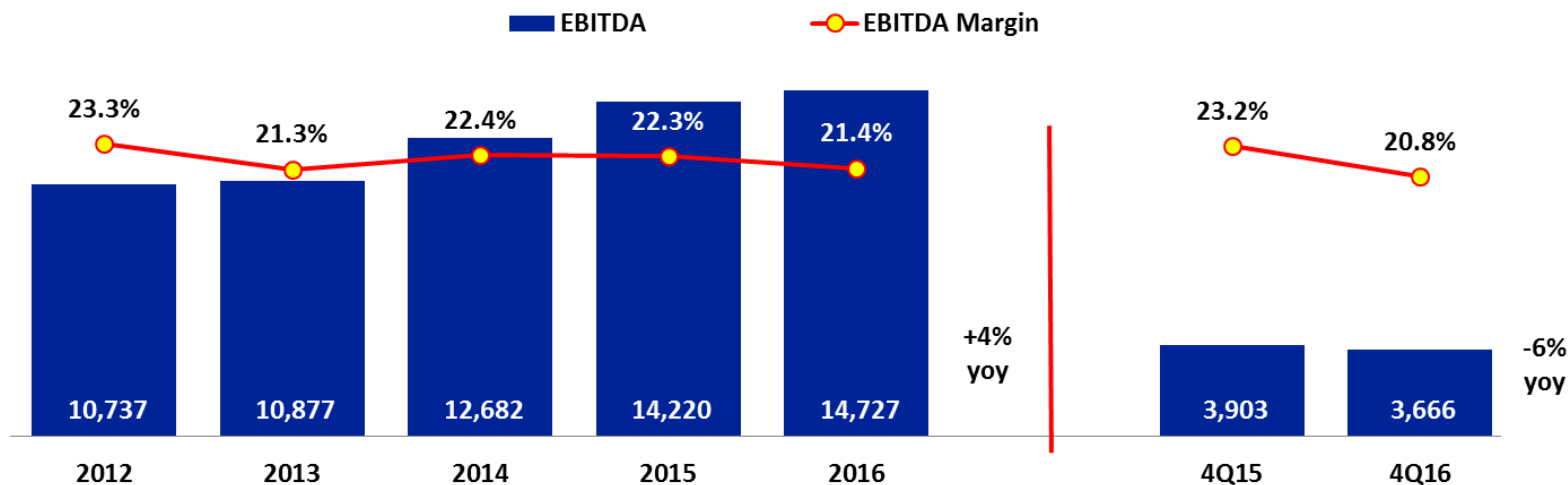
Remark: - Operating income is calculated from hospital revenue + revenue from sales of goods and food + other income

- 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)



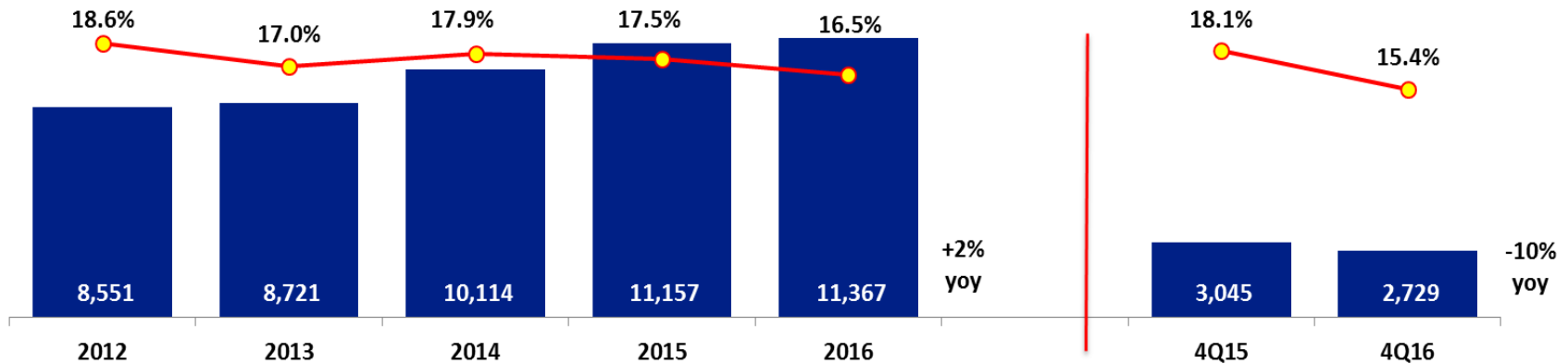
Commentary

- 2016 EBITDA margin decreased yoy due mainly to
 - Slower growth of international patients' revenue due to decline of Middle East patients' revenue and change in mix of international patients
 - However, Thai patients' revenue and other regions continued to grow

Profitability Trend

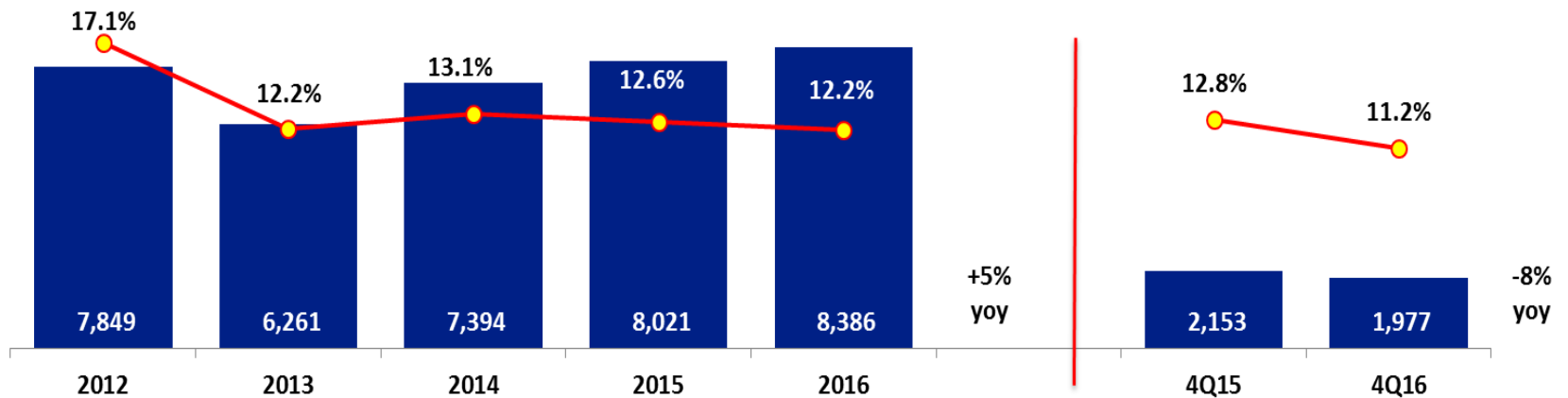
EBIT & EBIT Margin

(THB mm)



Net Profit & Net Profit Margin

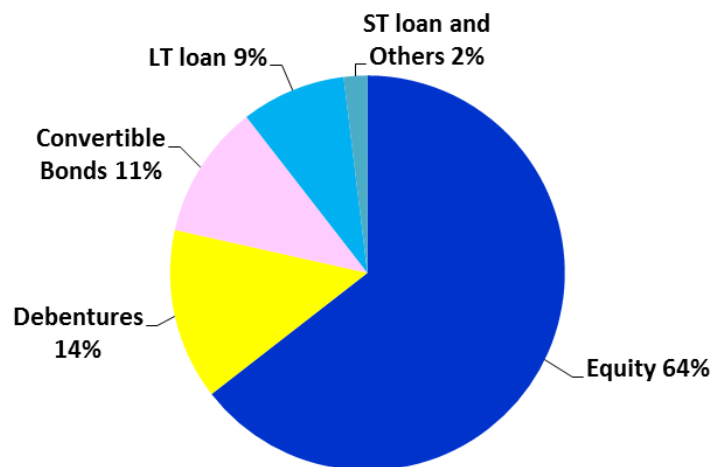
(THB mm)



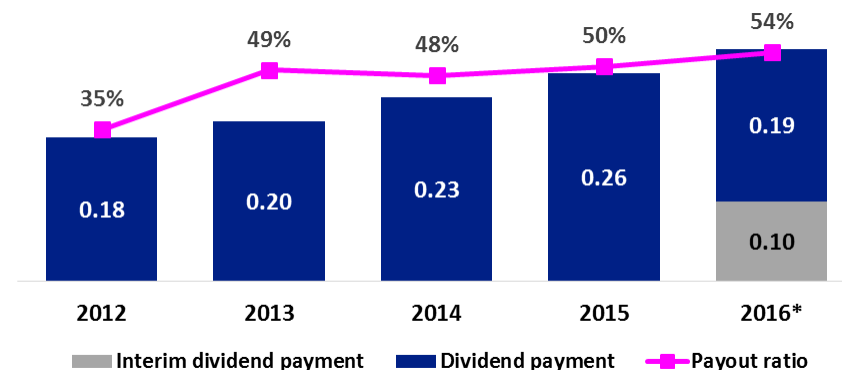
Remark: If excluding non-recurring item, recurring profit margin in 4Q16 and 2016 would be 11.2% and 11.9% respectively

Capital Management

Capital Structure as of December 2016



Dividend Payment & Payout Ratio



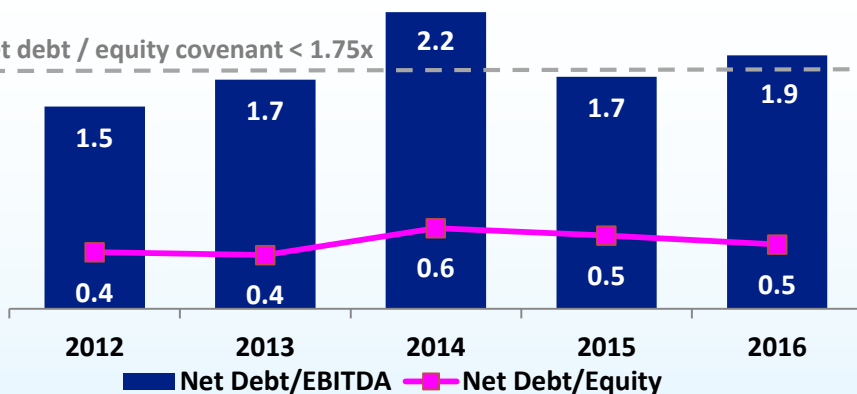
* Board of Directors had resolution on 28 February 2017 to propose for dividend payment of Baht 0.29 per share.

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

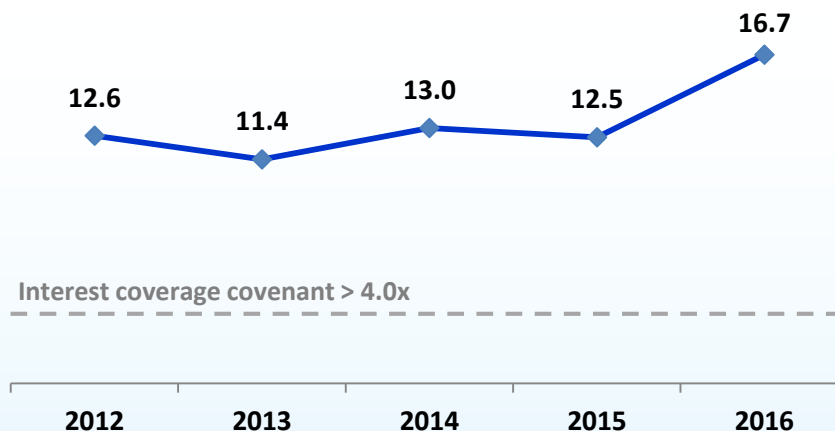
Gearing Ratios: Well Within Covenants

Net debt / EBITDA covenant < 3.25x

Net debt / equity covenant < 1.75x






Interest Coverage




Appendix

Your Trusted Healthcare Network



Group 1 (Bangkok and West)

	Ownership	No. of Beds
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. Bangkok Sanamchan (BSN)	100%	200
7. Thepakorn (TPK)	44.5%	100
8. Muang Petch (MPH)	100%	255
9. Muangraj (BMR)	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
39. Paolo Kaset	100%	162

Group 6 (South)

40. Bangkok Phuket (BPK)	99.7% 	266
41. Phuket International (PIH)	100% 	151
42. Dibuk (DBK)	99.7%	100
43. Bangkok Hat Yai (BHH)	98.8%	200
44. 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