



Bangkok Dusit Medical Services (BDMS)

Investor Presentation 1Q17 Results

July 2017

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- Healthcare Industry







- Operational Statistics

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Overview

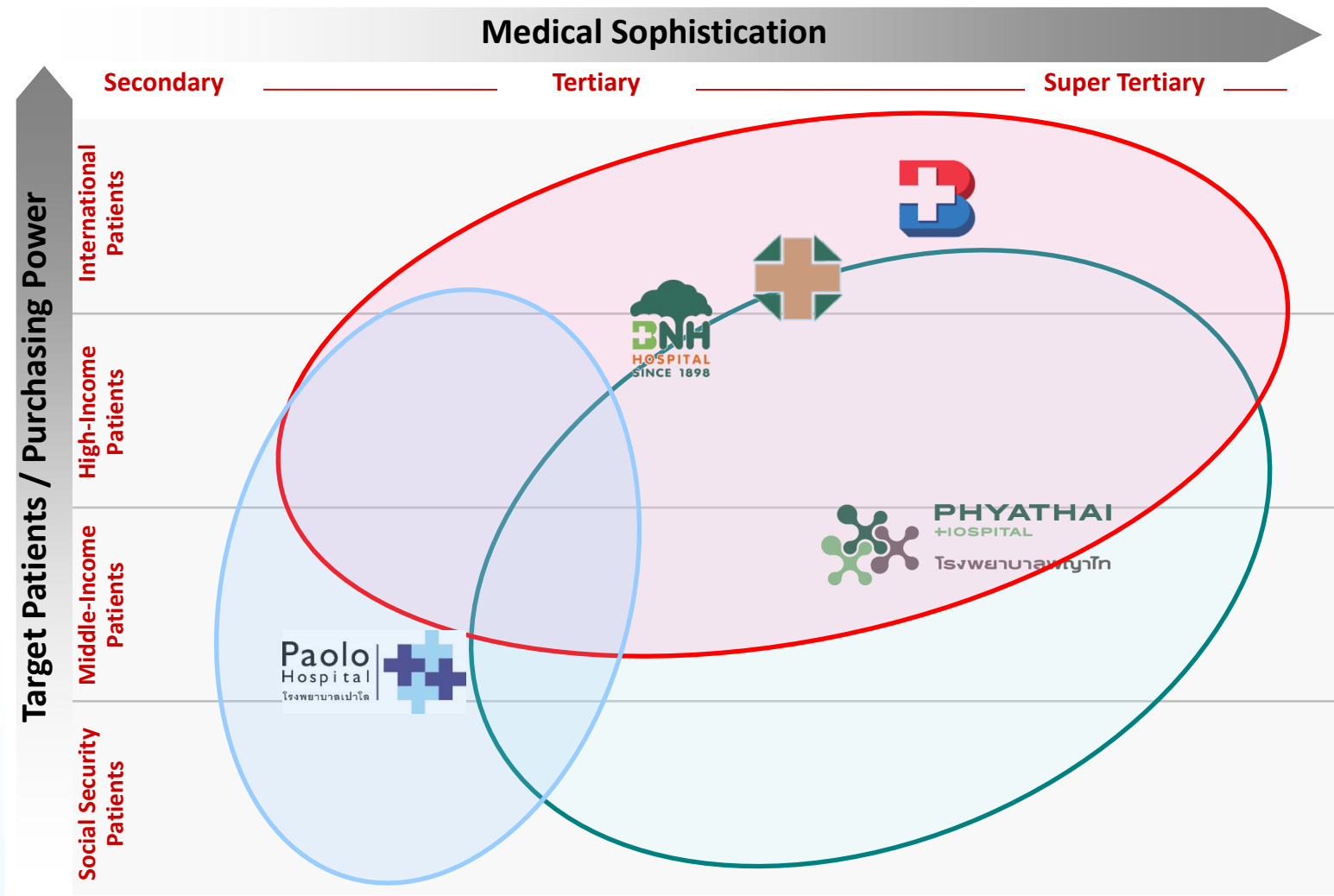
Overview

- Established on February 26, 1972
- Largest private hospital operator in Thailand in terms of revenues from patient services and market capitalization
- Owns and manages 45 hospitals (with total beds* of 8,015) under 6 hospital brands:

| Brand | No. of Hospitals | No. of Beds* |
|--|------------------|--------------|
|  Bangkok Hospital | 21 | 3,286 |
|  Phyathai Hospital | 5 | 1,340 |
|  Samitivej Hospital | 5 | 1,229 |
|  Paolo Hospital | 5 | 960 |
|  BNH Hospital | 1 | 144 |
|  Royal Hospital | 2 | 130 |
| Local Hospital | 6 | 926 |

* Maximum number of beds according to structure of the hospitals

Diversification of Patient Mix



Shareholding Structure

As of 16 March 2017

| | % of Shareholding |
|--|-------------------|
| 1 Mr. Prasert Prasarttong-Osoth, M.D. and family | 23.3% |
| 2 Mr. Wichai Thongtang and family | 8.3% |
| 3 Bangkok Airways* | 7.8% |
| 4 The Viriyah Insurance Co., Ltd. | 6.1% |
| 5 Thai NVDR Co., Ltd. | 3.8% |
| 6 Social Security Office | 3.0% |
| 7 Mr. Chirothana Suchato, M.D. and family | 2.7% |
| 8 Ladpli family** | 2.3% |
| 9 Mr. Chuladej Yossundharakul, M.D. and family | 1.9% |
| 10 The Bank of New York Mellon | 1.9% |
| Total | 61.2% |

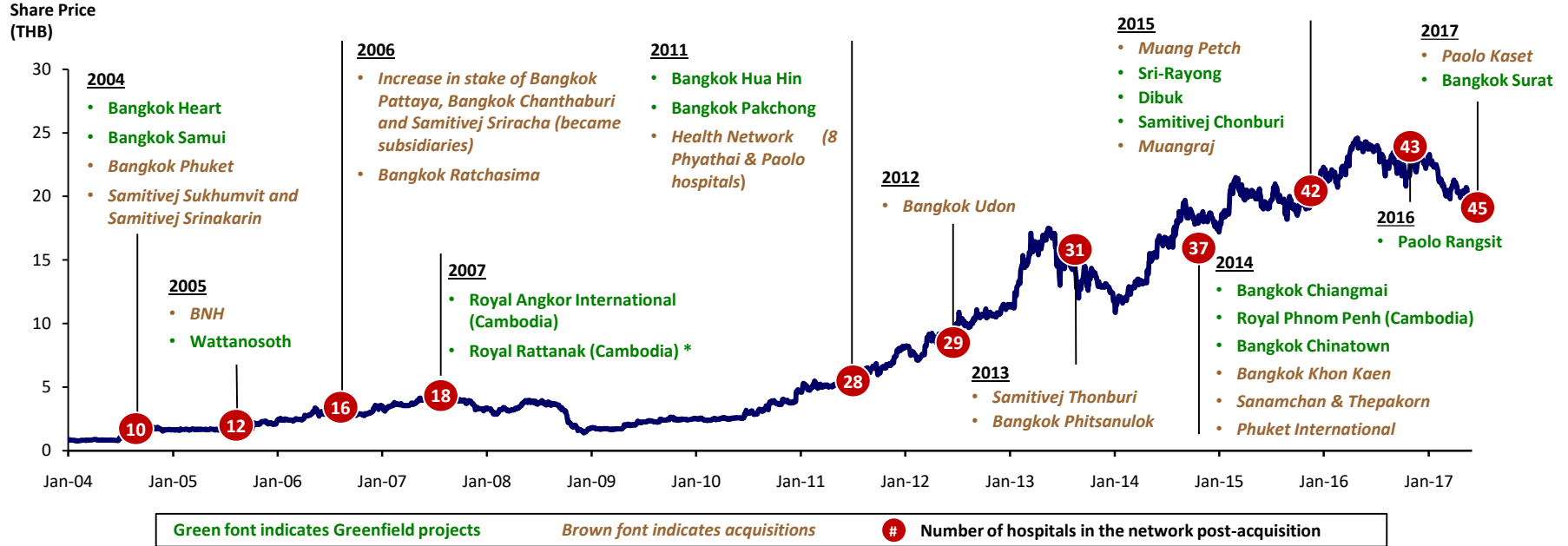
Source: Summary of the information from Thailand Securities Depository Company Limited (TSD)

* Consisted of Bangkok Airways PCL and Bangkok Airways Holding Co., Ltd

** Consisted of Miss Noppamas Ladpli, Mrs. Atinuch Malakul Na Ayudhaya and Mr. Parameth Ladpli

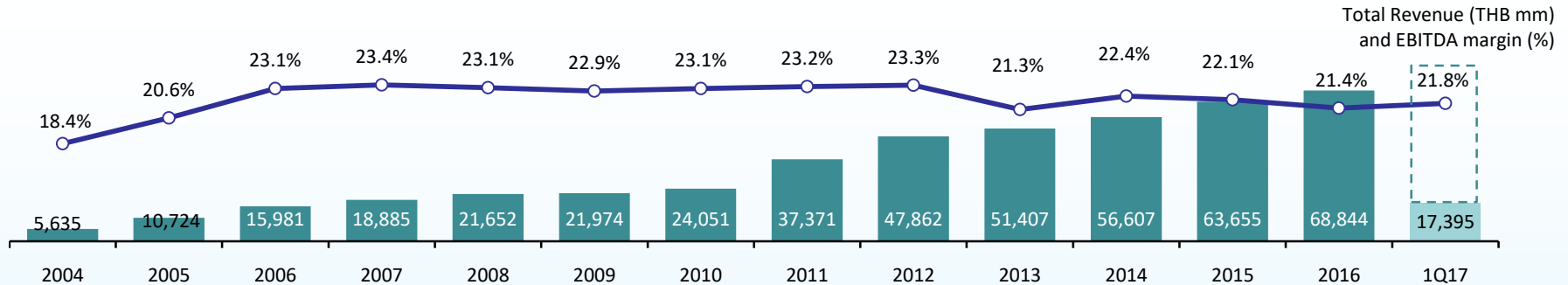
Successful Track Record of Expansion Through M&A and Greenfield Projects

Strong Share Price Performance Backed by a Successful Expansion Track Record



* Transfer of business to our new facility, Royal Phnom Penh

Solid Revenue Growth Over the Past Decade (2004-2016 CAGR of 24.7%) with Resilient EBITDA margin

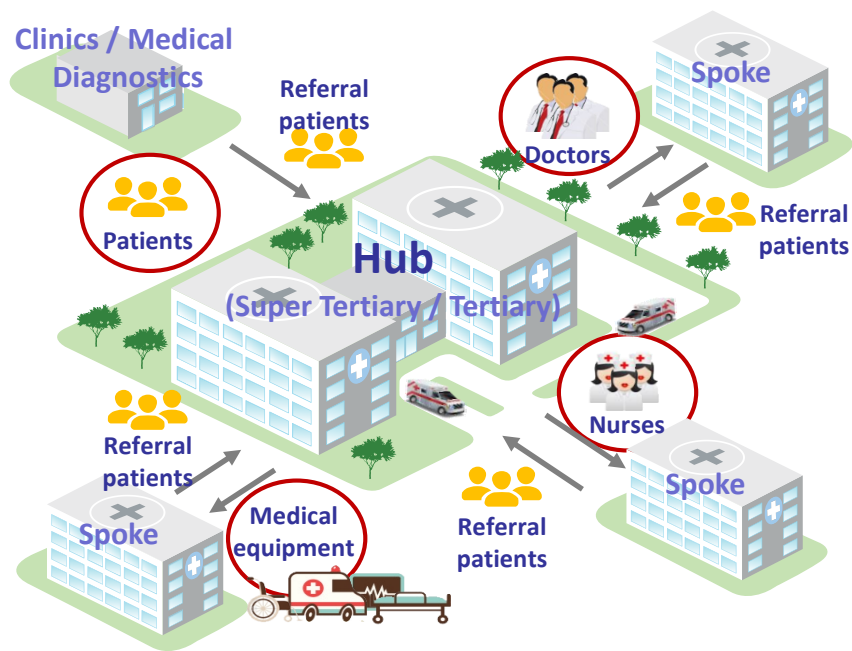


Source: Derived from BDMS' financial statements

BDMS has developed 14 new hospitals and acquired a total of 30 hospitals to date

'Hub-and-Spoke' Model

Providing a Proven Patient Referral System and Creating Efficiency Through Scale



- 1 Strong patient referral system within and across each hub and spoke
- 2 Enhances synergies and benefits of scale among hospitals within the group
- 3 Shared supporting services among multiple hubs which enhance efficiency and competitiveness
- 4 Established system provides a platform for future expansion

BDMS Complete Continuum of Healthcare



Centers of Excellence



Super Tertiary Care

Tertiary Care

Secondary Care

Promotive

Preventive

Early
Detection

Curative

Transitional

Rehabilitative



BDMS Wellness Clinic



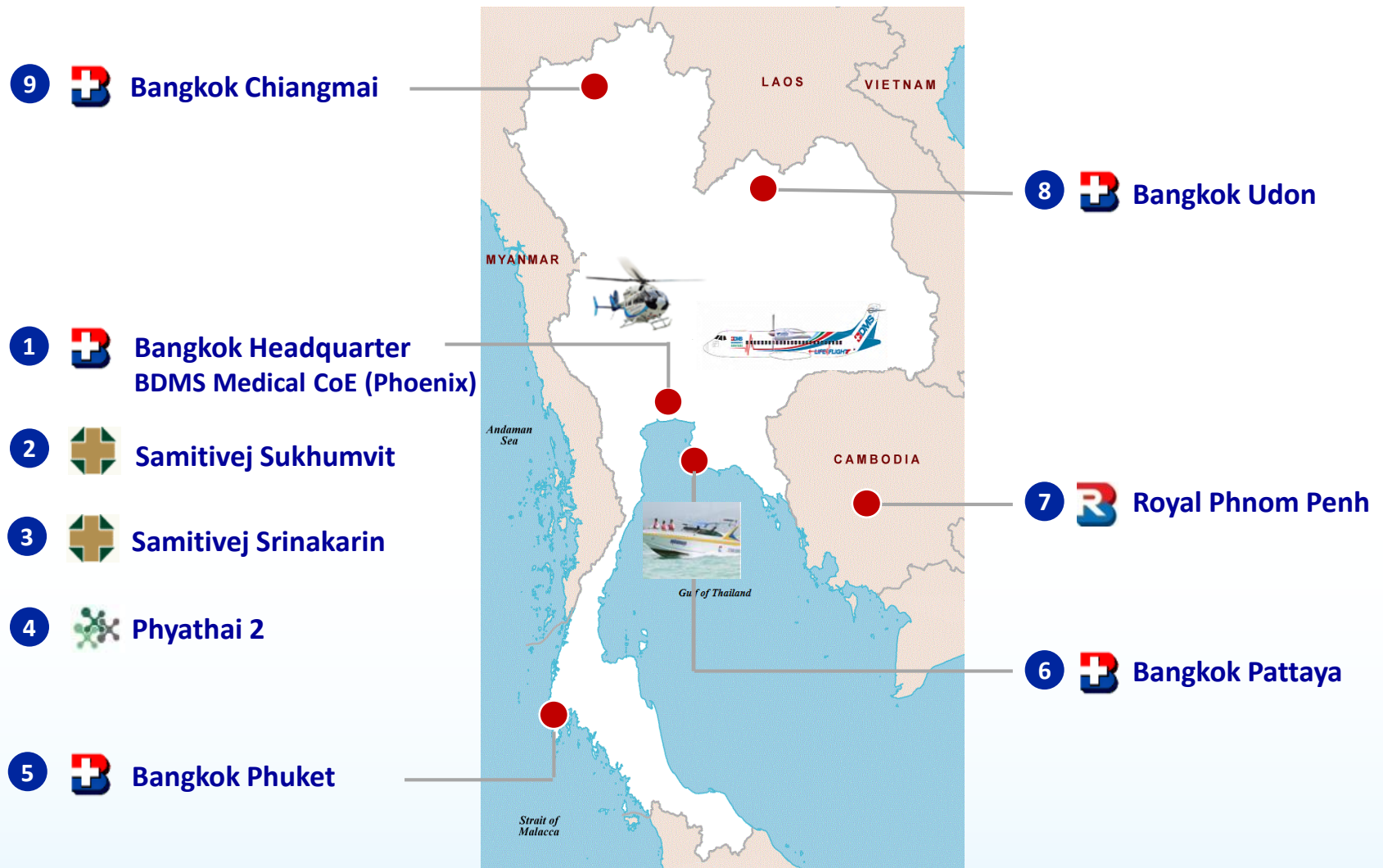
Phoenix Project



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

BDMS Wellness Clinic

A Brand New Wellness Clinic Delivering World-Class Services



- Comprehensive preventative-care center
- Unparalleled cellular/genetic level diagnostics
- State-of-the-art facilities and cutting-edge equipment
- Targeting high-end Thai and International customers

7 Centers of Preventative Excellence

Breast screening
Clinic

Fertility Clinic

International Dental
Clinic

Cardiology &
Cardiometabolic Clinic

Neuroscience Clinic

Musculoskeletal and
Sports medicine clinic

Royal Life Regenerative medicine
Clinic

Continue to Expand Our Footprint in the Upcountry

Bangkok Hospital Chiangrai



- Greenfield 80-bed basic tertiary care hospital with the first phase of 56 beds
- Targeting residents of Chiangrai, Phayao and Nan area and international patients from Southern China, Myanmar and Laos
- Expected to be opened in 2018

Expansion of Existing Hospitals

Accommodate Rising Demand in Healthcare



Phoenix Project



| Hospitals | Total Beds | Project Details | Commission Date |
|---|------------|--|-----------------|
| 1 Chiva Transitional Care Hospital | 52 | <ul style="list-style-type: none"> Focus on elderly care and rehabilitation for patients who require extended hospitalization | 2017 |
| 2 Phoenix Project at Bangkok Hospital Headquarter (BHQ) | 220 | <ul style="list-style-type: none"> Focus on Neurology Center, Orthopedics Center, Spine Center, Longevity Care Center and Rehabilitation Center Located next to BHQ on the land of 4 Rai | 2018 |

Expansion of Existing Hospitals

Upgrading Current Hub Hospitals



Expansion of Samitivej Sukhumvit Hospital



International Hospital

| Hospitals | Total Beds | Project Details | Commission Date |
|---|------------|---|-----------------|
| 3 Expansion of Samitivej Sukhumvit Hospital | 45 | <ul style="list-style-type: none"> Focus on Japanese patients, liver and Gastrointestinal Located near Samitivej Sukhumvit Hospital on the land of 1 Rai | 2019 |
| 4 International Hospital | 100 | <ul style="list-style-type: none"> 7- storey building consisted of 2 buildings, dedicated to international patients Relocated international clinics:- Japan, Arabic, CLMV, China and Bangladesh from Wattanosoth hospital | 2019 |

Investments

Investments in Other Hospitals : - Listed Companies

- Ramkhamhaeng Hospital PCL 38.24%
- Bumrungrad Hospital PCL 20.50%

Non- Hospital Strategic Investments⁽¹⁾

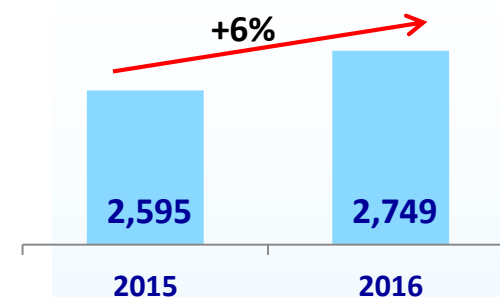
Pharmaceutical Business

- A.N.B. Laboratories 100% Sterile pharmaceutical product manufacturer & distributor
- Save Drug Center 100% Drugstore
- The Medicpharma 87% Generic pharmaceutical product manufacturer
- General Hospital Products PCL 45% Sterile pharmaceutical product manufacturer

Other Complimentary Business

- National Healthcare Systems 100% Central lab, central supply chain, procurement & other shared services
- Greenline Synergy 100% Shared IT services
- Bangkok Premier Life Insurance Broker 100% Health & life insurance broker
- Bangkok Health Insurance 100% Health Insurance
- Bangkok Helicopter Services 100% Transportation of patients via helicopter services

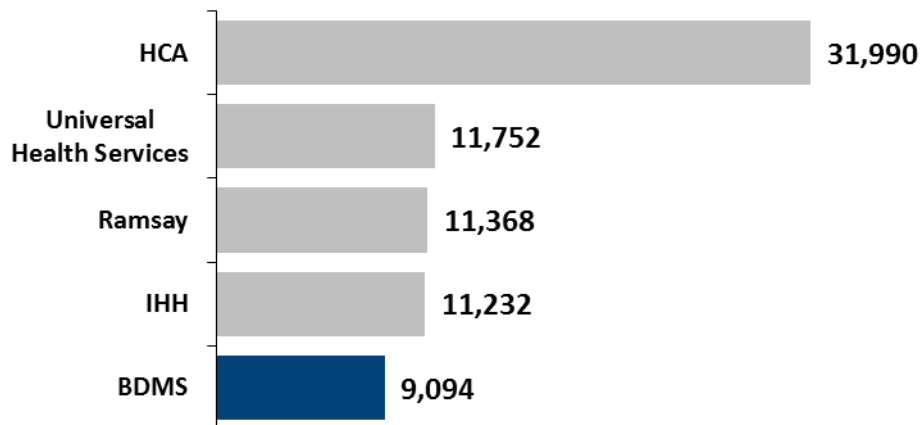
Non-Hospital Revenues THB mm



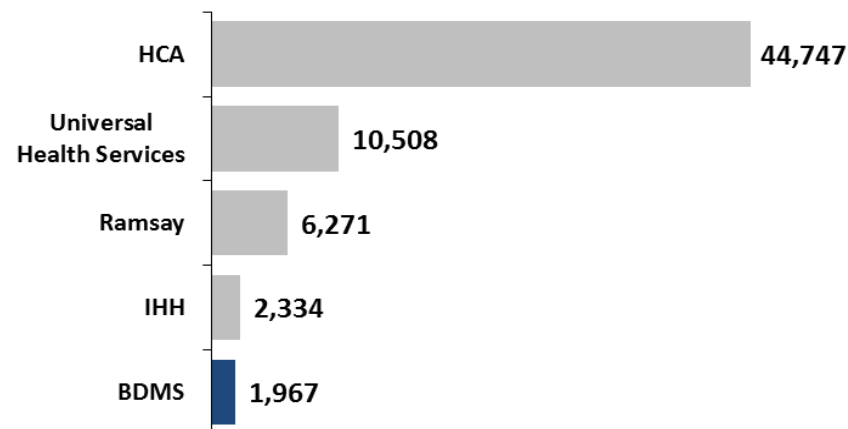
(1) Not included all BDMS' investments

Global Hospital Rankings

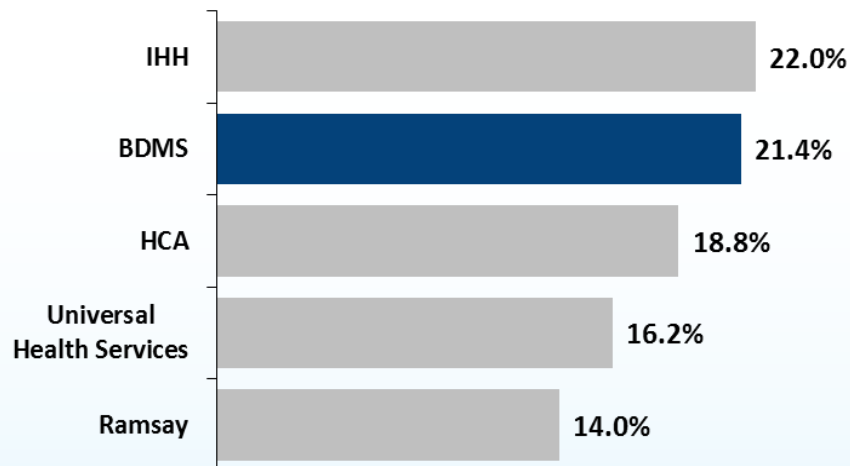
Market Capitalization (USD mm)



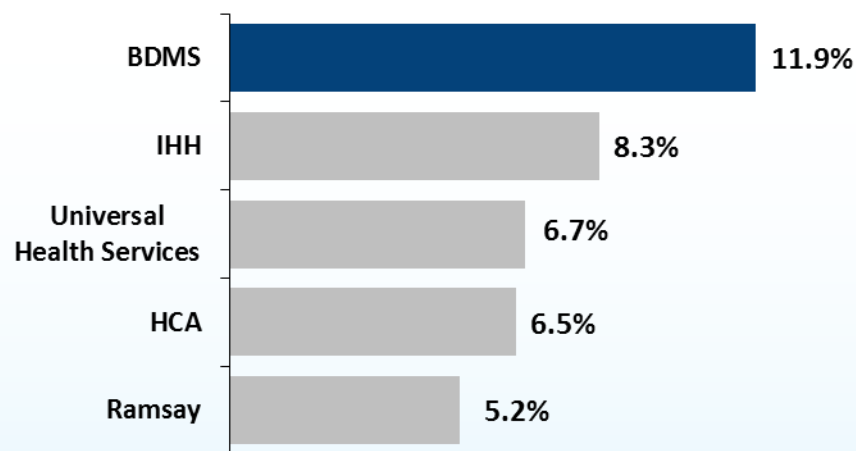
Revenue (USD mm)



EBITDA Margin



Net Profit Margin



Remark: - Market capitalization as of 3 July 2017

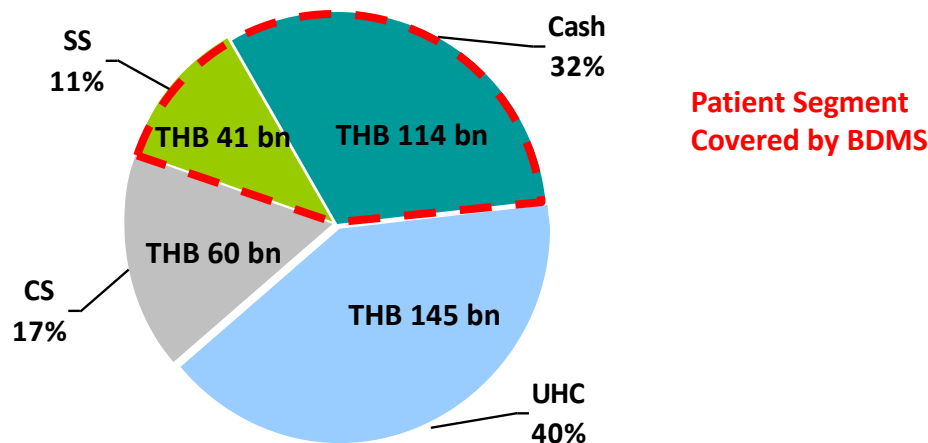
- Financial performance (excluding non-recurring items) for year ended December 2016 except Ramsay for the year ended June 2016

Healthcare Industry

Thailand Healthcare Coverage

Healthcare Segments in Thailand

Total Expenditure for 2014: THB 360 bn*



* Excluding general government expenditure on healthcare
Source: SSO, NHSO, WHO, BOT, Phatra Securities estimates

| | |
|--|---|
| Universal Healthcare Coverage (UHC) | A welfare program for Thai people to receive medical coverage for IPD and OPD care at registered facilities |
| Civil Servant (CS) | A welfare program provided to employees of governments and state-owned enterprises |
| Social Security Scheme (SS) | Minimum requirement of healthcare provided to employees of private companies |
| Private Healthcare (Cash) | Proportion of Thai population not covered or choose not to use public healthcare schemes (UHC, CS and SS), though may have private insurance coverage |

Increasing Healthcare Demand

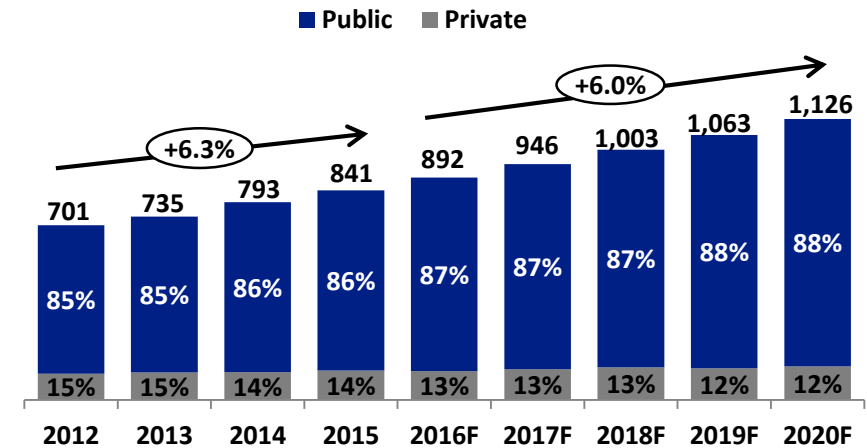
BDMS Market Coverage (2014)

| | Total Private Beds | BDMS Registered Beds | Market Share |
|---|-----------------------------------|----------------------|--------------|
| Bangkok | 14,339 | 2,571 | 18% |
| Central | 10,654 | 1,890 | 17% |
| South | 2,467 | 601 | 24% |
| Northeast | 2,904 | 337 | 12% |
| North | 4,128 | 194 | 5% |
| Total | 34,492 | 5,593 | 16% |
| Number of beds per 10,000 population | Thailand | | 21 |
| | Global Average (2006-2012) | | 26 |

Source: World Health Organization and Department of Health Service Support

Increasing Healthcare Expenditures in Thailand

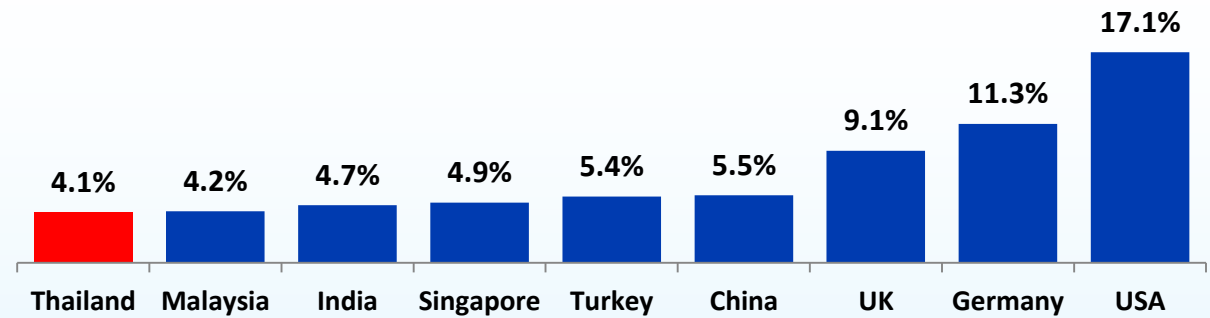
Unit : THB in Billion



Source : EIC SCB, World Health Organization, BMI

Low Healthcare Penetration

- Healthcare expenditure as % of GDP in Thailand is still low compared to other developing and developed countries

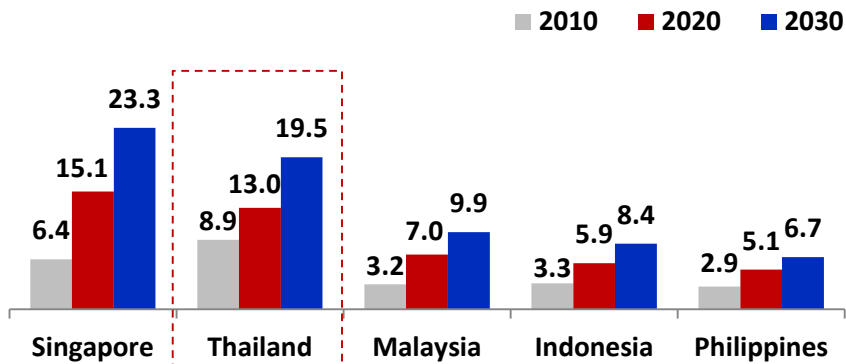


Source: World Health Organization for 2014

Increasing Healthcare Demand

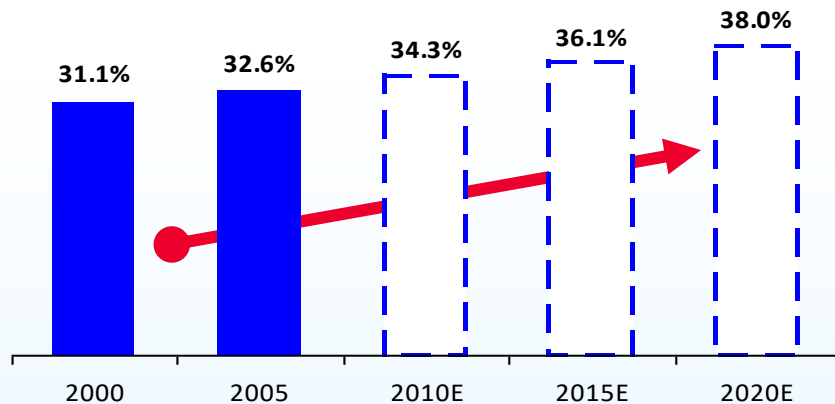
Population Growth and Aging Profile

Percentage of population above 65 years (%)



Source: UN Population Database: 2015

Urbanization



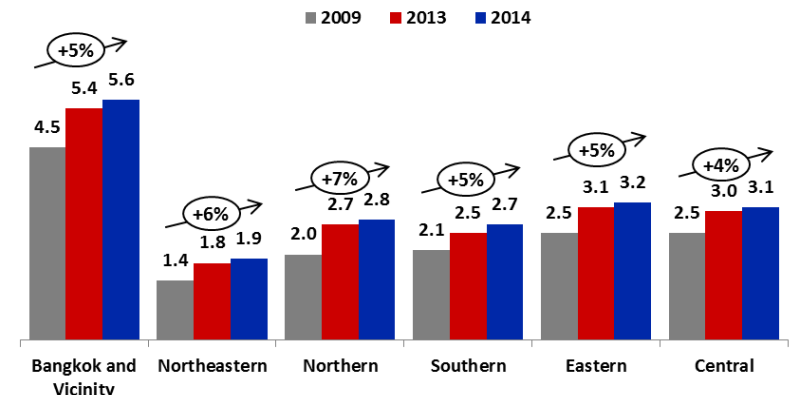
Sources: NESDB, Health & Welfare Surveys, National Statistics Office (Data related to Thailand)

Commentary

- Aging population will have great implications on both healthcare costs as well as its capacity to serve demand. In addition, aging population also means a strain on healthcare capacity if it fails to catch up well with increasing demand
- Increasing degree of urbanization is expected over time from 31.1% in 2008 to 38.0% in 2020
- The trend has also been the same for overall South East Asia countries where rapid urbanization is expected from 36.7% in 2000 to 50.6% in 2025

Rising Income per Capita

Unit : THB in Billion

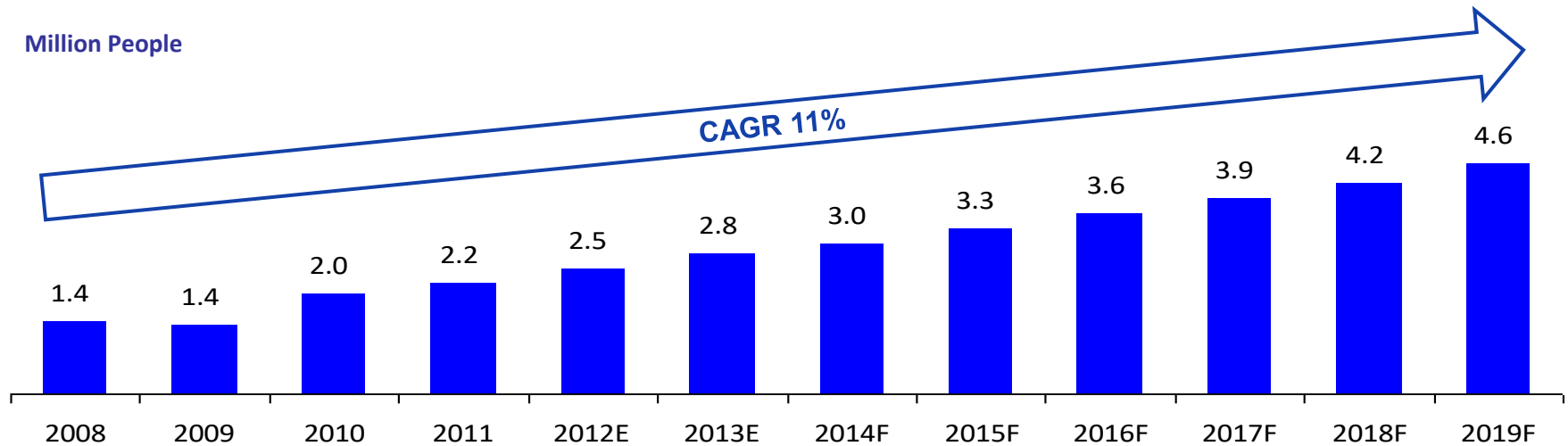


Source : EIC SCB, World Health Organization, BMI

Medical Tourism

Increasing trend of international patient visits

Million People



Source: Economic Intelligence Center, SCB and Ministry of Commerce

Medical Tourism as a Rising Phenomenon

| Procedures (In USD) | USA | Singapore | Thailand | Malaysia | India |
|-------------------------------|--------|-----------|----------|----------|--------|
| Coronary Artery Bypass Graft | 88,000 | 54,500 | 23,000 | 20,800 | 14,400 |
| Valve Replacement with Bypass | 85,000 | 49,000 | 22,000 | 18,500 | 11,900 |
| Hip Replacement | 33,000 | 21,400 | 16,500 | 12,500 | 8,000 |
| Knee Replacement | 34,000 | 19,200 | 11,500 | 12,500 | 7,500 |
| Spinal Fusion | 41,000 | 27,800 | 16,000 | 17,900 | 9,500 |
| Gastric Bypass | 18,000 | 13,500 | 12,000 | 8,200 | 6,800 |

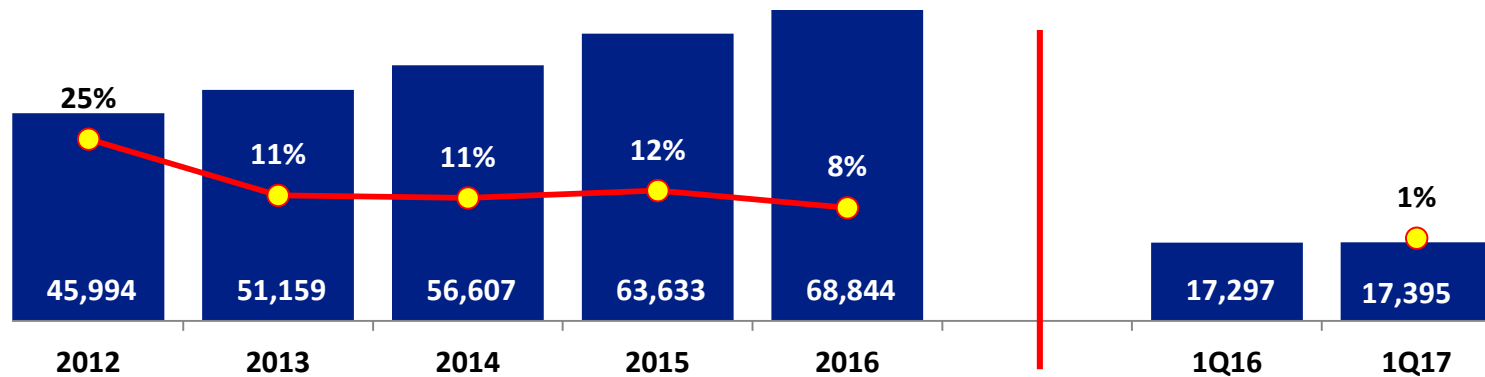
Source: "Patient Beyond Border" 3rd edition by Josef Woodman (2015)

Operational Statistics

Operating Income Growth

Operating Income Trend

(THB mm)



Commentary

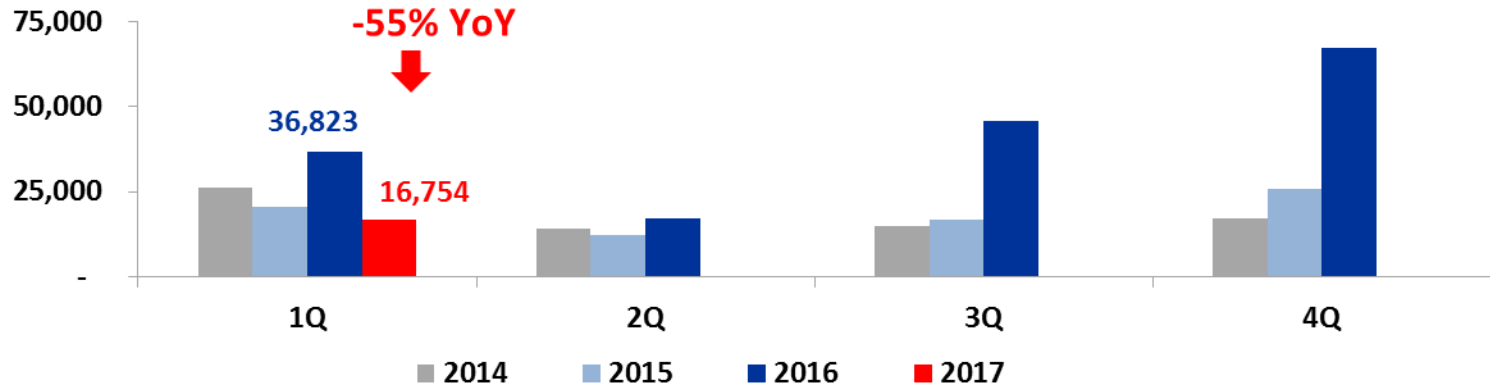
- 1Q17 Operating income slightly up 1% yoy. Such slow growth was mainly from
 - Declining in patient volume both OPD and IPD given
 - Sharp drop in the influenza and dengue fever cases in Thailand
 - Paolo Paholyothin exited from social security program since Jan 2017
 - Decline in Middle East patients since 2Q16
 - Meanwhile overall price intensity up well yoy due to increasing healthcare inflation, intensity and complexity cases

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

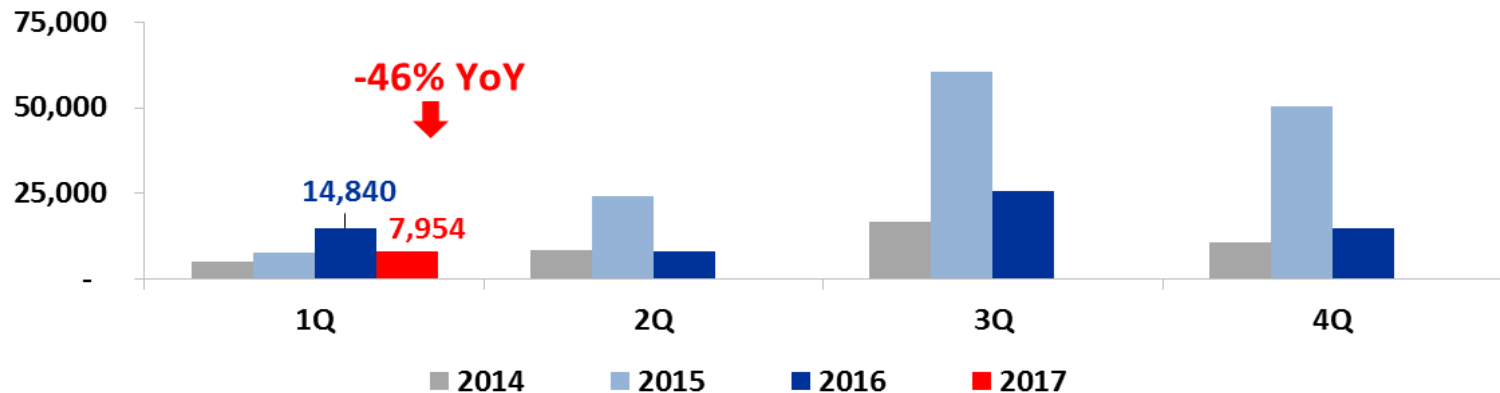
Statistics of Epidemic Widespread in Thailand

Sharp Drop yoy for Influenza and Dengue Fever Cases for Thailand during 1Q17

Number of Influenza cases in Thailand



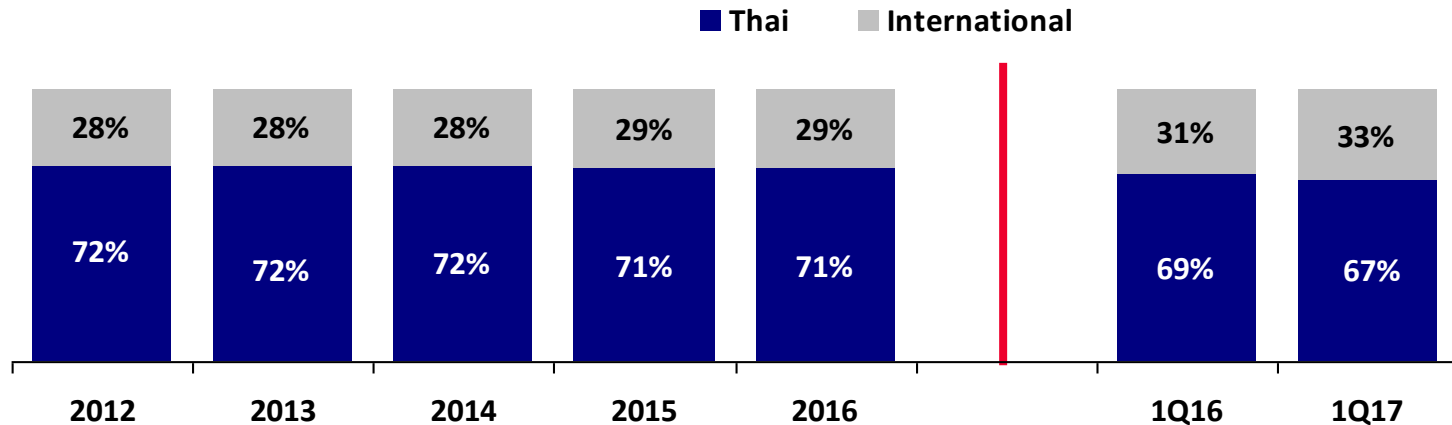
Number of Dengue Fever cases in Thailand



Source: Department of Disease Control, Ministry of Public Health

Expanding Both Thai and International Patients

Revenue Contribution by Nationality

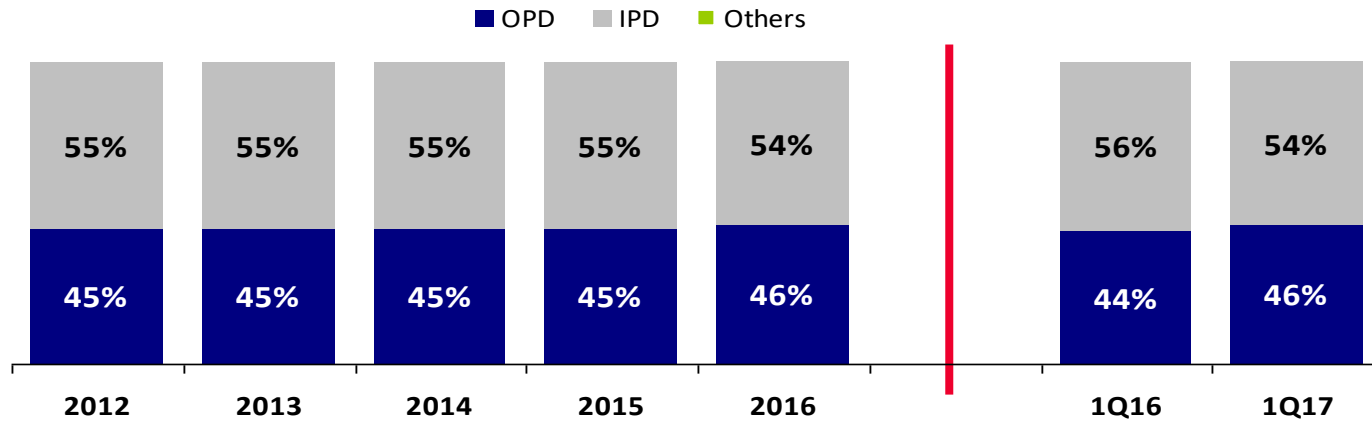


Commentary

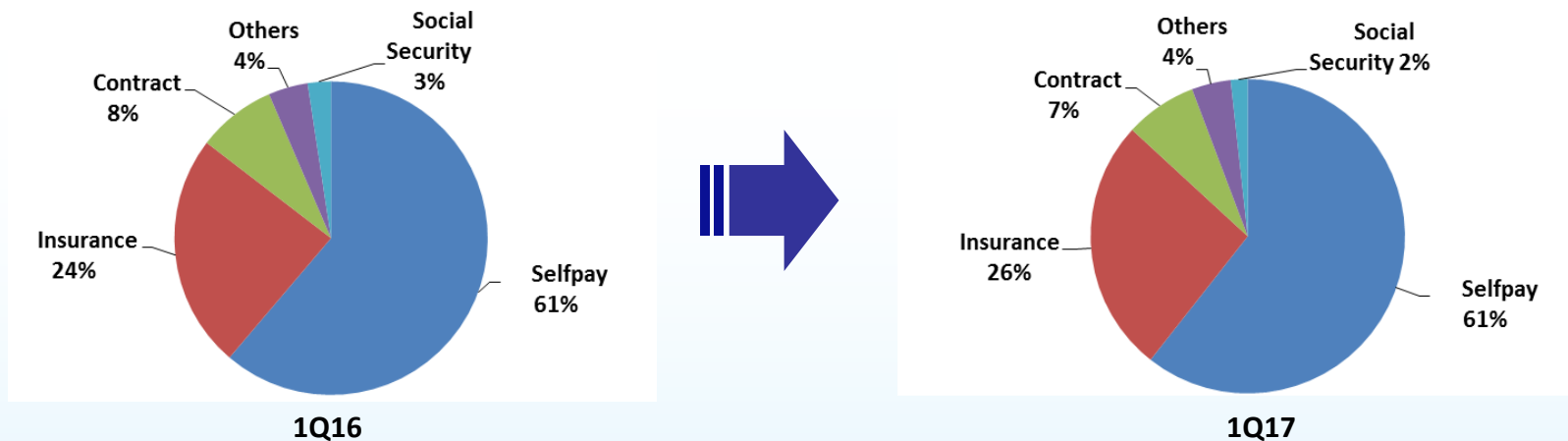
- 1Q17 revenues from Thai patients was flat yoy while international patients grew 4% yoy
- Top 5 international patient revenues are from Japan, UK, USA, Myanmar and Germany which contribute 2.4%, 2.0%, 1.8%, 1.8% and 1.8% of total patient revenues respectively
- Key growth for International patient revenues are Russia (+47%) China (+23%), USA (+19%)

Patient Mix

Revenue Breakdown by Patient Types

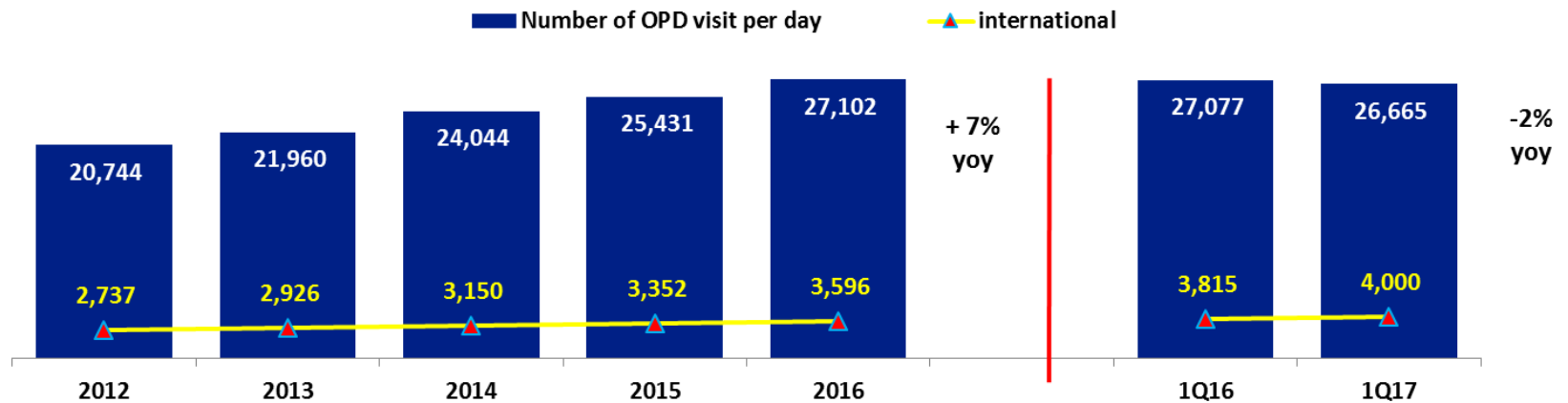


Patient Revenue by Payor: Increasing Insurance Portion

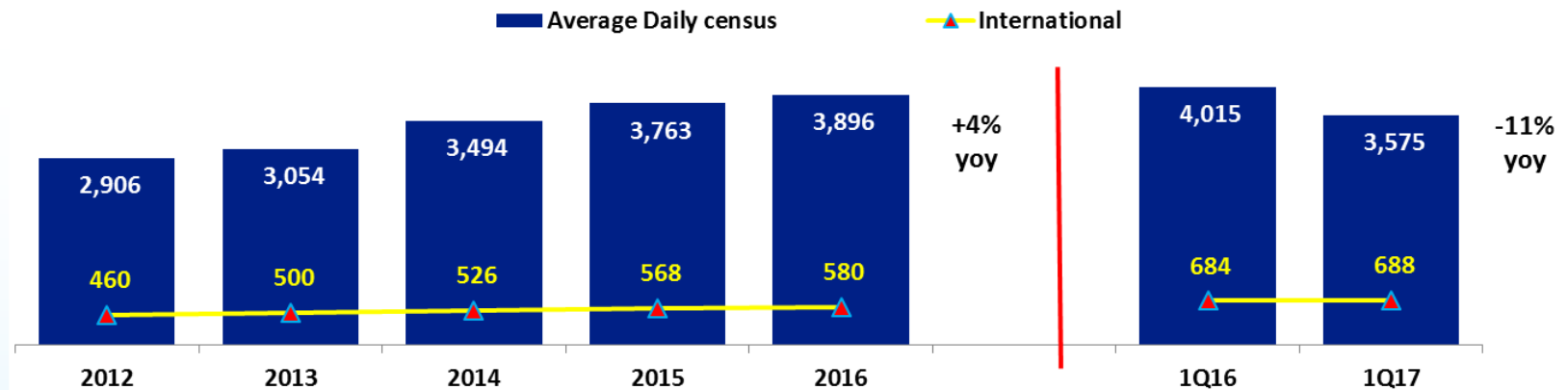


Patient Base Expansion From Both Organic Growth & Acquisitions

Number of OPD Visits per Day



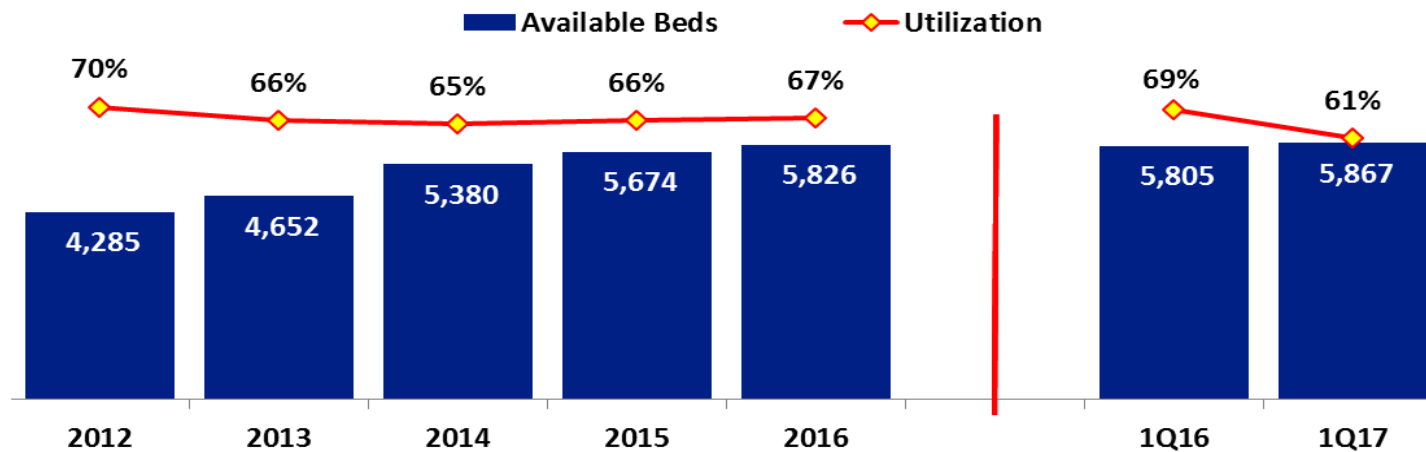
Average Daily Census (ADC)



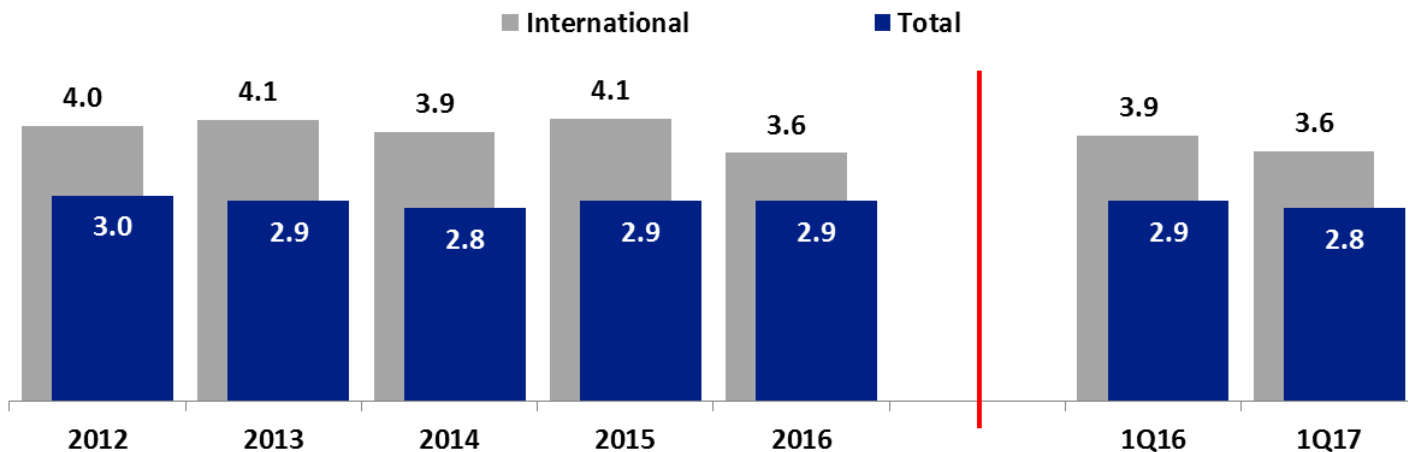
Remarks: - Including social security

Utilization of Beds

Utilization Based on Available Beds



Average Length of Stay (days)

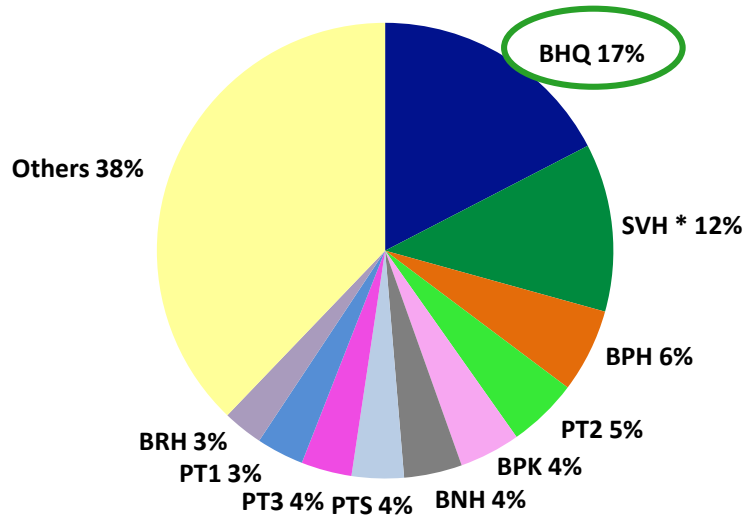


Remarks:- Including social security patients

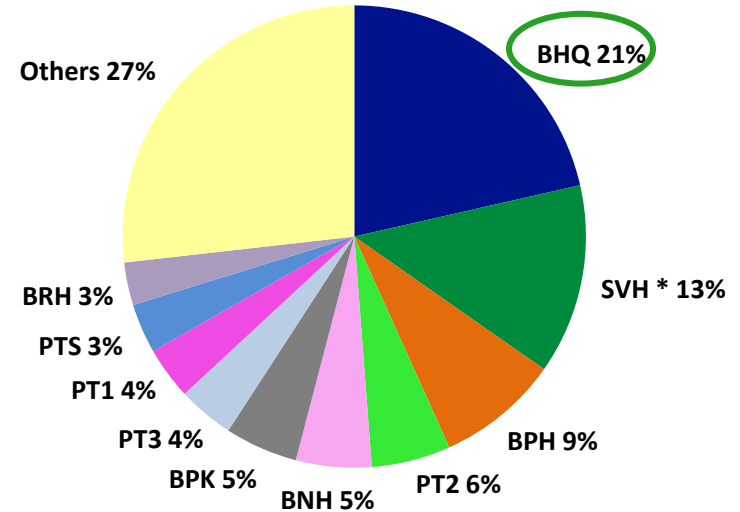
Financial Highlights

Diversified Sources of Revenues and Profitability

Operating Income Contribution in 1Q17



Total EBITDA Contribution in 1Q17



Commentary

- In 1Q17, top 5 hospitals contributed 45% of total revenues and 54% of total EBITDA
- Key hospitals that drive revenue growth in 1Q17 was PLR (+97% yoy), BKN (+42% yoy), BCM (+31% yoy), BUD (22% yoy) BPK (+7% yoy), BNH (+7% yoy)

* SVH also included SNH performance

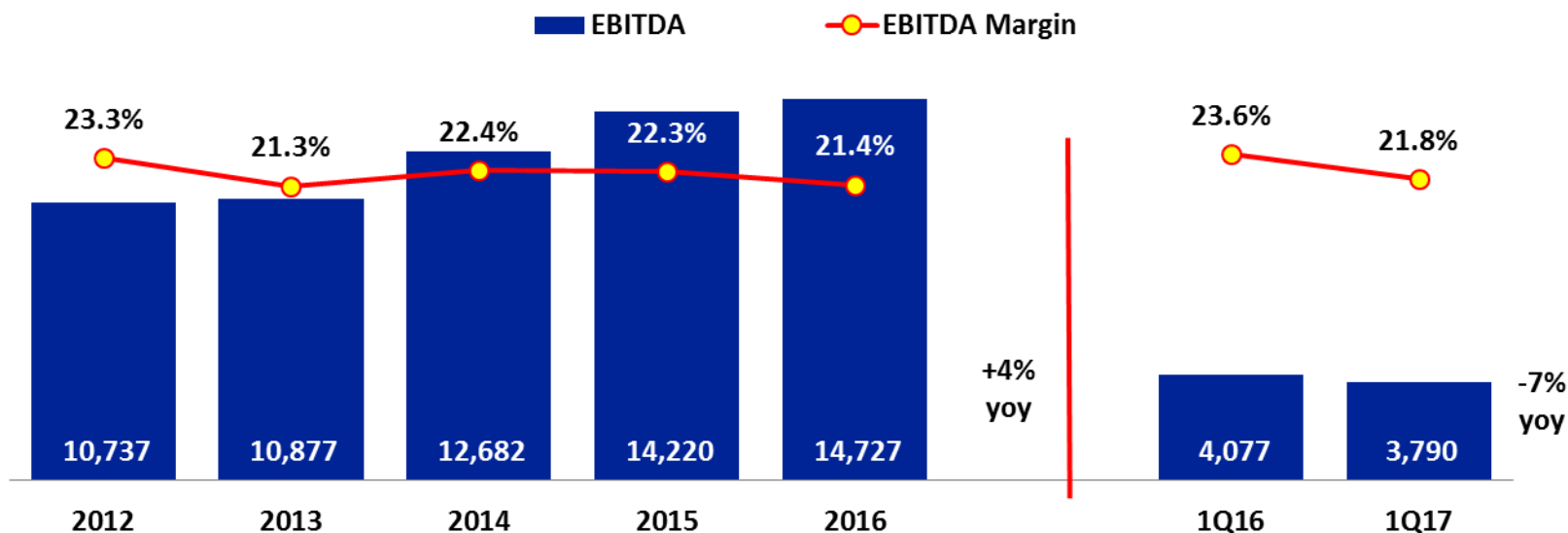
Remark: - Operating income is calculated from hospital revenue + revenue from sales of goods and food + other income

- 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)



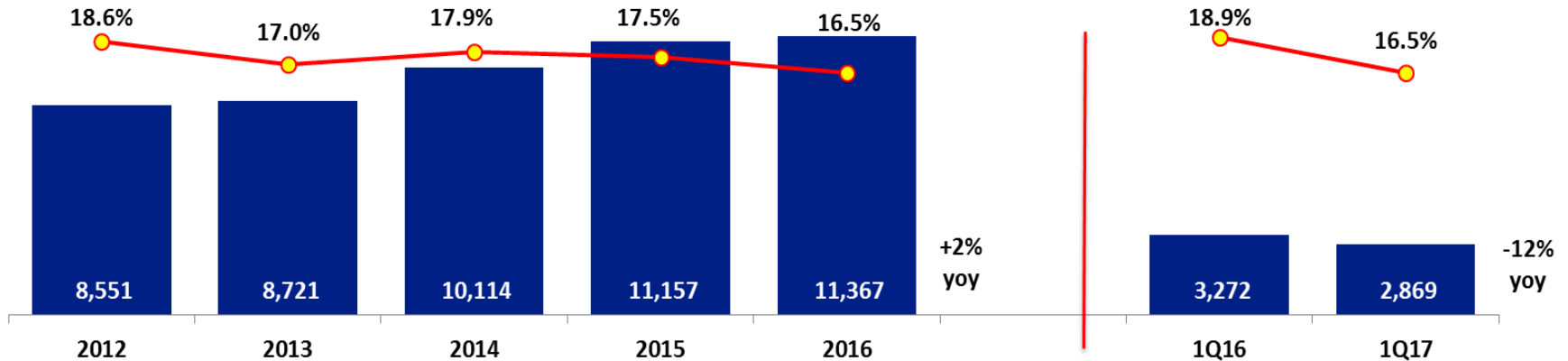
Commentary

- 1Q17 EBITDA margin decreased 7% yoy due mainly to
 - Lower Thai patient revenues given high influenza and dengue fever last year
 - Declining revenue from in Middle East patients

Profitability Trend

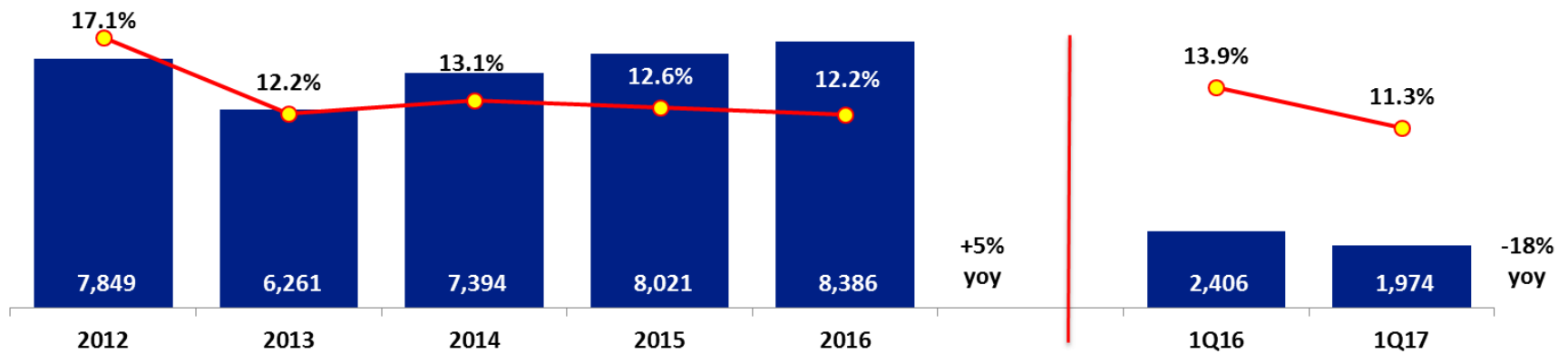
EBIT & EBIT Margin

(THB mm)



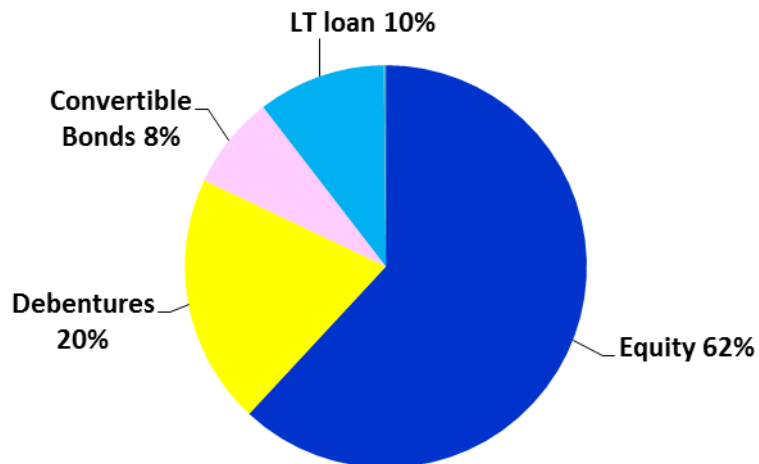
Net Profit & Net Profit Margin

(THB mm)

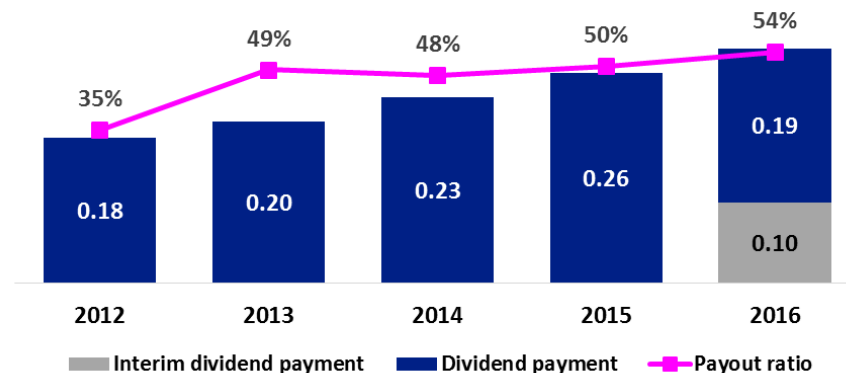


Capital Management

Capital Structure as of March 2017

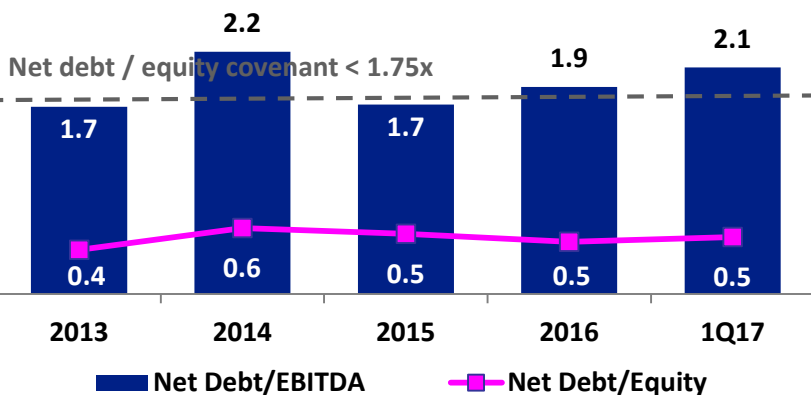


Dividend Payment & Payout Ratio

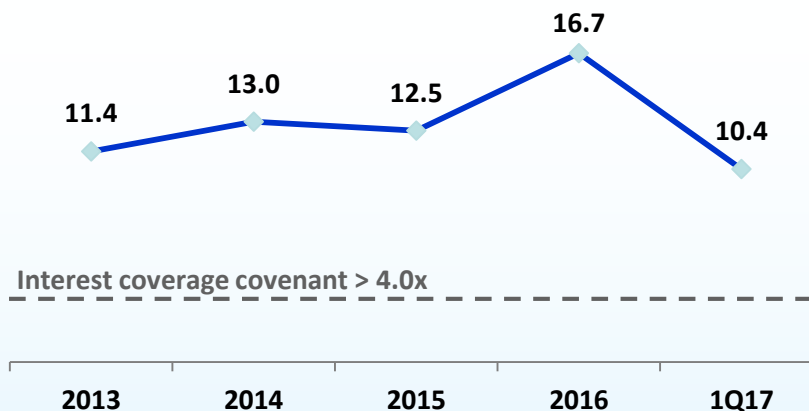


Gearing Ratios: Well Within Covenants

Net debt / EBITDA covenant < 3.25x



Interest Coverage



Financial Management Policies




| | |
|-----------------------|---|
| Leverage | <ul style="list-style-type: none"> ➤ Maintain conservative leverage ratios <ul style="list-style-type: none"> ➤ Debt / EBITDA not more than 2.5x ➤ Debt / Equity not more than 1.0x |
| Dividend Policy | <ul style="list-style-type: none"> ➤ More than 50% of Company only net profit, subject to operational results and the ability to pay dividend each year |
| Funding and Liquidity | <ul style="list-style-type: none"> ➤ Manage liquidity as a group by using cash pooling system in order to minimize cost of fund and level of Group borrowing ➤ BDMS has strong financial flexibility <ul style="list-style-type: none"> ➤ Has uncommitted short – term bank facilities of THB 10,000 mm |
| Interest Rate Risk | <ul style="list-style-type: none"> ➤ Maintain appropriated proportion of fixed / floating interest rate debt ➤ Current proportion: Fixed 83% : Float 17% * |
| Currency Risk | <ul style="list-style-type: none"> ➤ Minimize currency risk by borrowing in THB or using hedging instruments |

* As of February 2017

Appendix

Your Trusted Healthcare Network



Group 1 (Bangkok&West&Cambodia) Ownership No. of Beds

| | | | | |
|--------------------------------------|---------|-------|---|-----|
| 1. Bangkok Hospital | } (BHQ) | 100% |  | 343 |
| 2. Bangkok Heart Hospital | | 100% |  | 97 |
| 3. Wattanosoth Hospital | | 100% |  | 48 |
| 4. Bangkok Huahin (BHN) | | 100% |  | 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 |
| 10. Royal Phnom Penh (RPH) | | 100% |  | 100 |
| 11. Royal Angkor International (RAH) | | 80.0% | | 30 |


Group 2

| | | | |
|--------------------------------|-------|---|-----|
| 12. Samitivej Sukhumvit (SVH) | 95.8% |  | 275 |
| 13. Samitivej Srinakarin (SNH) | 95.8% |  | 400 |
| 14. Samitivej Sriracha (SSH) | 69.8% |  | 184 |
| 15. Samitivej Thonburi (STH) | 63.5% | | 150 |
| 16. Samitivej Chonburi (SCH) | 100% | | 220 |
| 17. BNH Hospital (BNH) | 91.5% |  | 144 |

Group 3 (East)

| | | | |
|-------------------------------|-------|---|-----|
| 18. Bangkok Pattaya (BPH) | 97.3% |  | 400 |
| 19. Bangkok Rayong (BRH) | 100% | | 220 |
| 20. Bangkok Chanthaburi (BCH) | 99.7% | | 170 |
| 21. Bangkok Trat (BTH) | 99.8% |  | 114 |
| 22. Sri Rayong (SRH) | 100% | | 195 |

Group 4 (North&Northeast)

| | | | |
|------------------------------|-------|---|-----|
| 23. Bangkok Chiangmai (BCM) | 100% |  | 181 |
| 24. Bangkok Ratchasima (BKH) | 91.4% | | 180 |
| 25. Bangkok Pakchong (BHP) | 91.4% | | 31 |

Remark:- Number of beds is structured beds




Group 4 (North&Northeast)

| | Ownership | No. of Beds |
|--------------------------------|-----------|-------------|
| 26. Bangkok Udon (BUD) | 100% | 120 |
| 27. Bangkok Phitsanulok (BPL) | 100% | 195 |
| 28. Bangkok Khon Kaen (BKN) | 100% | 140 |
| 29. Bangkok Phrapradaeng (BPD) | 84.0% | 60 |

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) | 74.8% | | 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 (PLK) | 100% | | 162 |

Group 6 (South)

| | | | |
|--------------------------------|-------|--|-----|
| 40. Bangkok Phuket (BPK) | 99.7% |  | 266 |
| 41. Phuket International (SIH) | 100% |  | 151 |
| 42. Dibuk (DBK) | 99.7% | | 100 |
| 43. Bangkok Hat Yai (BHH) | 98.8% | | 200 |
| 44. Bangkok Samui (BSH) | 100% |  | 52 |
| 45. Bangkok Surat (BSR) | 100% | | 150 |

Group 7: Non-Hospital

| | |
|-------------------------------|-------|
| 1. National Healthcare System | 100% |
| 2. Bio Molecular Laboratories | 95.0% |
| 3. The Medicpharma | 87.1% |
| 4. A.N.B Laboratories | 100% |
| 5. Save Drug Center | 100% |
| 6. General Hospital Products | 44.7% |