



Bangkok Dusit Medical Services (BDMS)

Analyst Presentation 2Q17 Results

23 Aug 2017

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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



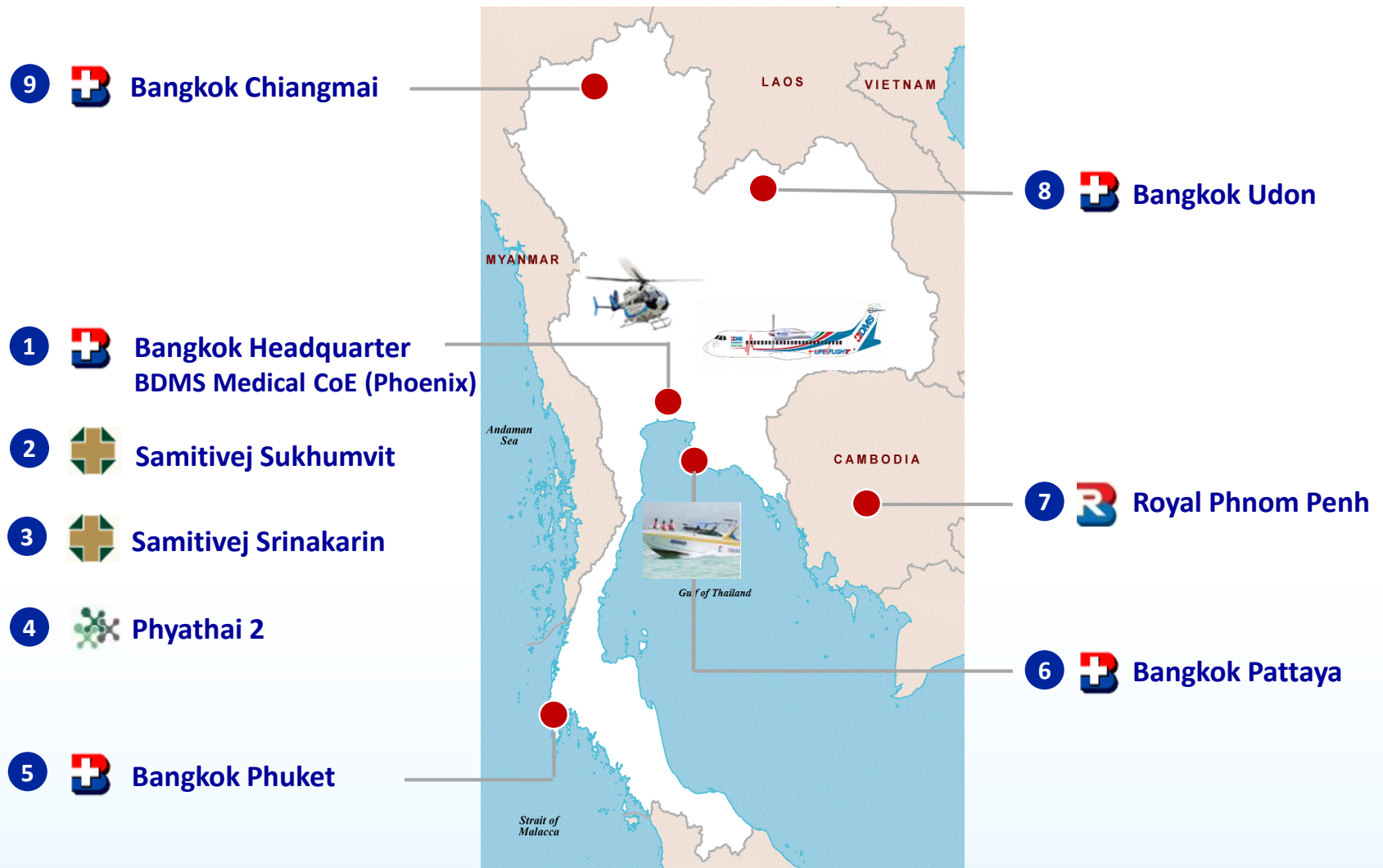
Phoenix Project



Chiva Transitional Care Hospital

BDMS Centers of Excellence Network

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



Contents

- **BDMS Summary & Updates**

- **Operational Statistics**

- **Financial Performance**

BDMS Summary & Updates



New Radiation Machine: Varian EDGE

Consolidated Financial Summary

2Q17 Results

- Operating income of THB 17,144 mm increased 9% yoy due to increase in number of patients and price intensity together with strong growth in the upcountry
- EBITDA of THB 3,366 mm increased 10% yoy. EBITDA margin slightly increased from 19.5% in 2Q16 to 19.6% in 2Q17
- Net profit* of THB 3,791mm (NPAT margin of 22.1%) increased 127% yoy

6M17 Results

- Operating income of THB 34,539 mm increased by 5% yoy due to higher price intensity
- EBITDA of THB 7,156 mm was flat yoy. EBITDA margin declined from 21.6% in 6M16 to 20.7% in 6M17
- Net profit* of THB 5,764 mm (NPAT margin of 16.7%) increased by 41% yoy

* Including net gain on partial sale investment in BH of THB 2,195 mm

Exercise of Put Option of the Convertible Bonds

The First Ever Thai Baht-Denominated Zero-Coupon Convertible Bonds

- In 2014, BDMS issued zero-coupon Convertible Bonds (CB) in the amount of THB 10 billion to foreign investors
- Regarding the terms and conditions of CB, bondholders have a one-time put option with the notice period ended on 18 August 2017
- On 18 August 2017, put instructions of THB 1,560 million (accounted for 15.6% of the principal amount) have been received and redemption will be made on 18 September 2017
- Therefore, CB outstanding would be THB 8,440 million. Bondholders have right to exercise CB at THB 21.045 per BDMS newly issued ordinary share. Otherwise, CB will be redeemed at maturity date on 18 September 2019

Expanding our footprint in the upcountry

Bangkok Hospital Surat



- On 1 June 2017, BDMS opened greenfield 150-bed secondary care hospital with total area of approx. 16 Rai, of which 31 beds are opened during first phase.
- Conveniently located in Siam Square district in Surat Thani on Highway 417
- Targeting middle income patients in Surat Thani and neighboring provinces
- Bangkok Hospital Surat will strengthen referral network in the South of Thailand

Expanding our footprint in the upcountry

Bangkok Hospital Surat



JCI Accreditation

Accreditation of Royal Phnom Penh Hospital by Joint Commission International (JCI)



- On 1 June 2017, Royal Phnom Penh Hospital was accredited by JCI, a US-based organization, for patient safety and quality
- Royal Phnom Penh Hospital is our 17th hospital in our network that received JCI accreditation

BDMS Wellness Clinic



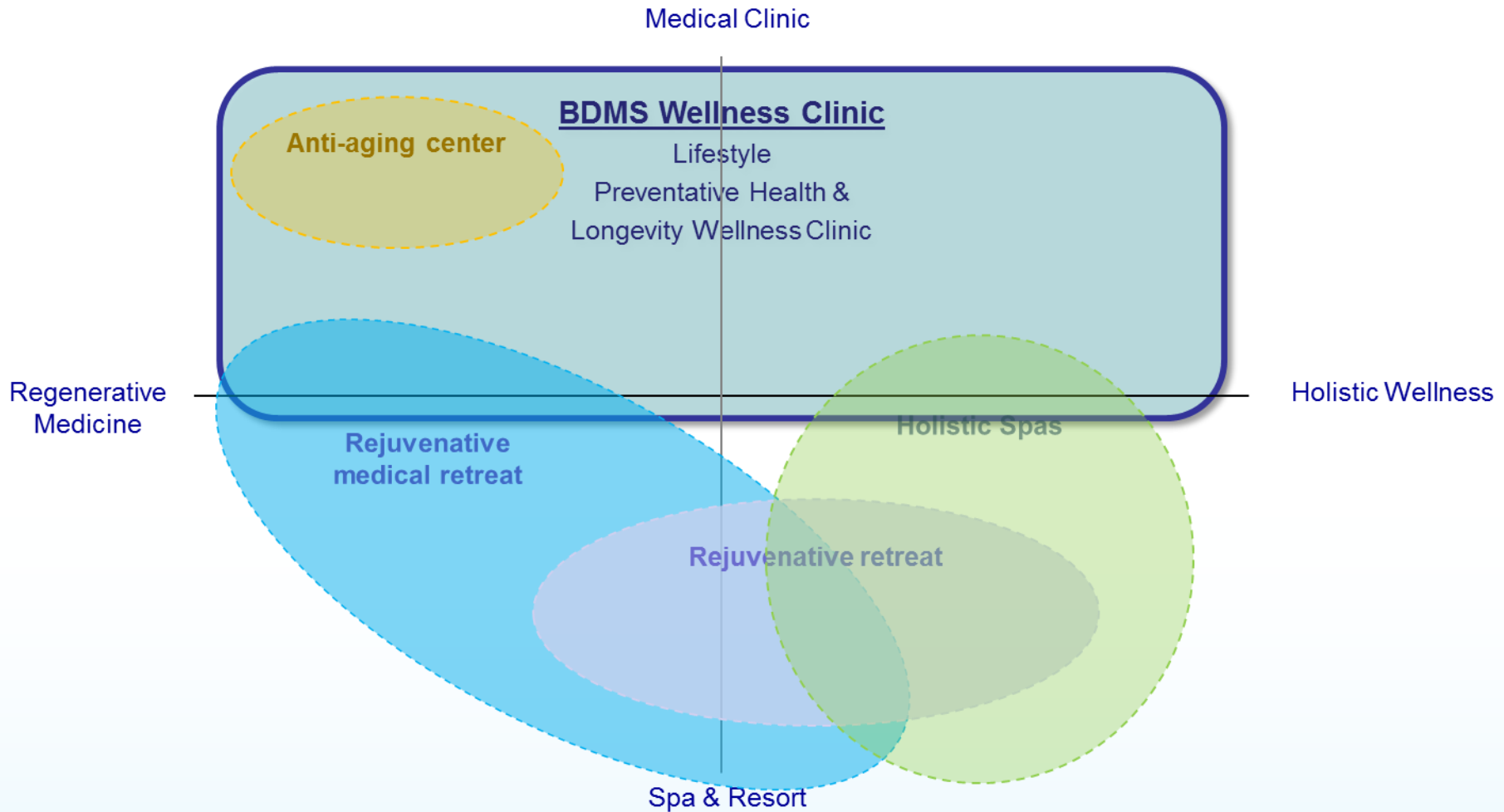
- 1 and 2 will be opened by 4Q17
- The rest will be opened by 1H18

8 Centers of Preventive Excellence

- 1 Royal Life Regenerative medicine Clinic
- 2 Musculoskeletal and Sports medicine clinic
- 3 Cardiology & Cardiometabolic Clinic
- 4 Neuroscience Clinic
- 5 Gastrointestinal Clinic
- 6 Breast screening Clinic
- 7 Fertility Clinic
- 8 International Dental Clinic

BDMS Wellness Clinic

Our BDMS Wellness Clinic Positioning



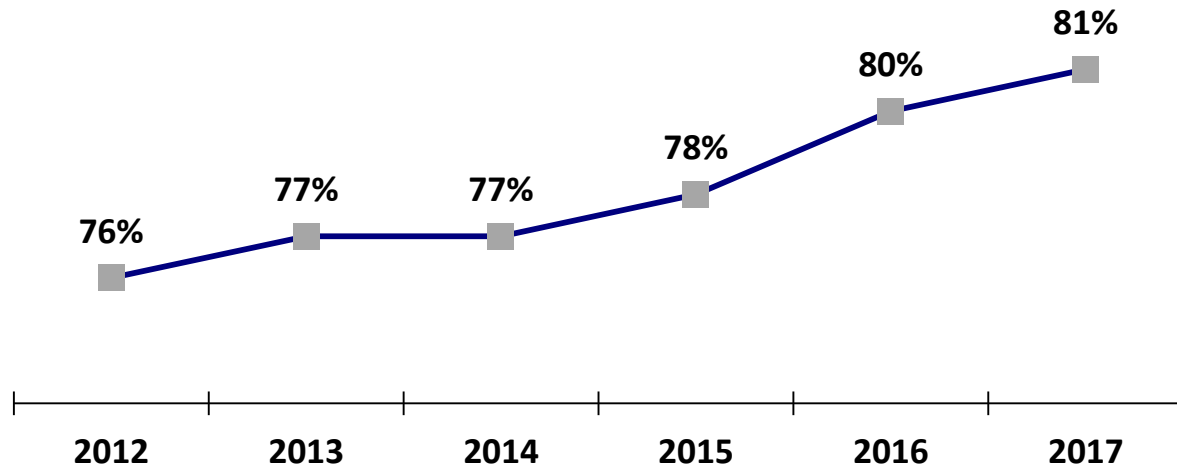
New Cath Lab Bi-Plane at Bangkok Hospital Headquarter

A Diagnostic Imaging Equipment to Visualize of Heart and the Chambers of Heart



Overall BDMS Physician Engagement

Engagement Score: Survey by BDMS' Doctor Network



> 11,000 Pool of Doctors
> 2,500 Full-time Doctors
45 Hospitals
> 8,000 Structured Beds

- BDMS has the largest pool of doctors in Thailand
- Physician engagement score improved from 76% in 2012 to 81% in 2017
- An increase of BDMS doctors' happiness to organization; strengthening doctor relationship

Operational Statistics

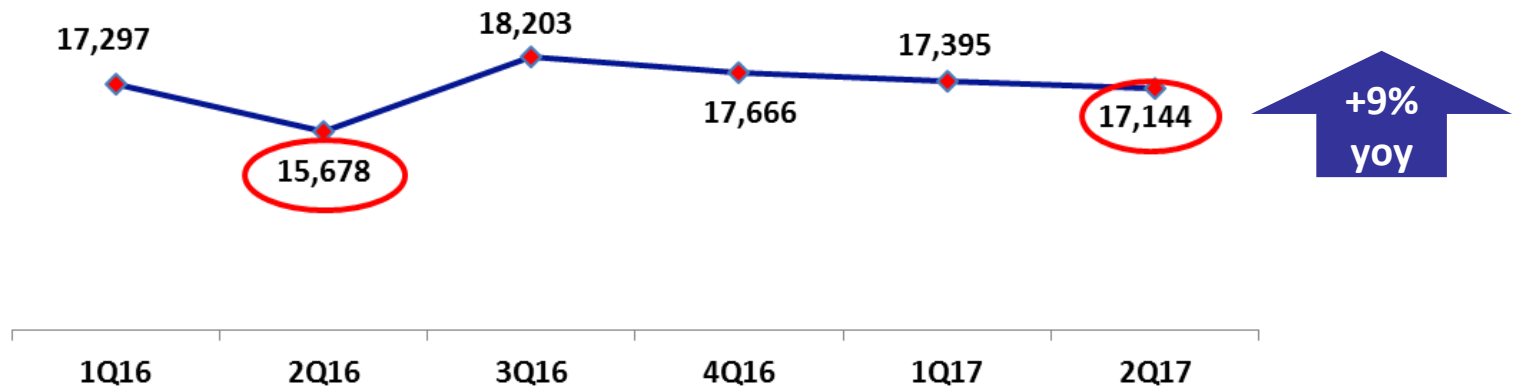


Helicopter (H145) – Enhancing BDMS Competitive Edge

Operating Income Growth

Operating Income Trend

(THB mm)



Commentary

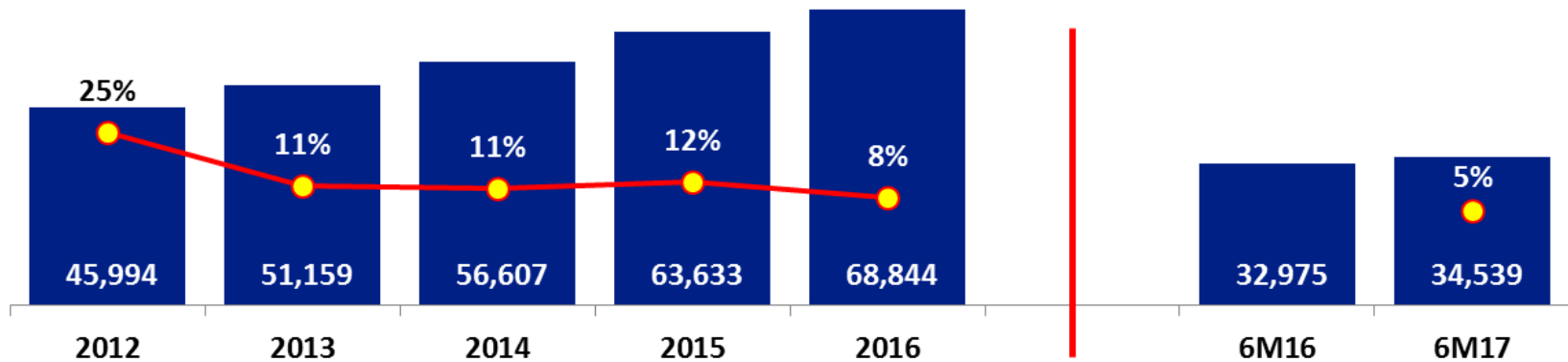
- 2Q17 Operating income increased by 9% yoy. This was attributed to
 - Revenue from hospital operation grew 9% yoy due mainly to
 - Revenue growth from hospitals in upcountry +14% vs BKK +4% yoy
 - Revenue growth from Thai +8% vs International patients +10% yoy
 - Increase in price intensity and consolidation of new network hospitals
 - Revenue from sales of goods and food grew 16% yoy from an increase in sales of A.N.B Laboratories (pharmaceutical manufacturer & distributor) and Save Drug (drug store)

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

Operating Income Growth

Operating Income Trend

(THB mm)

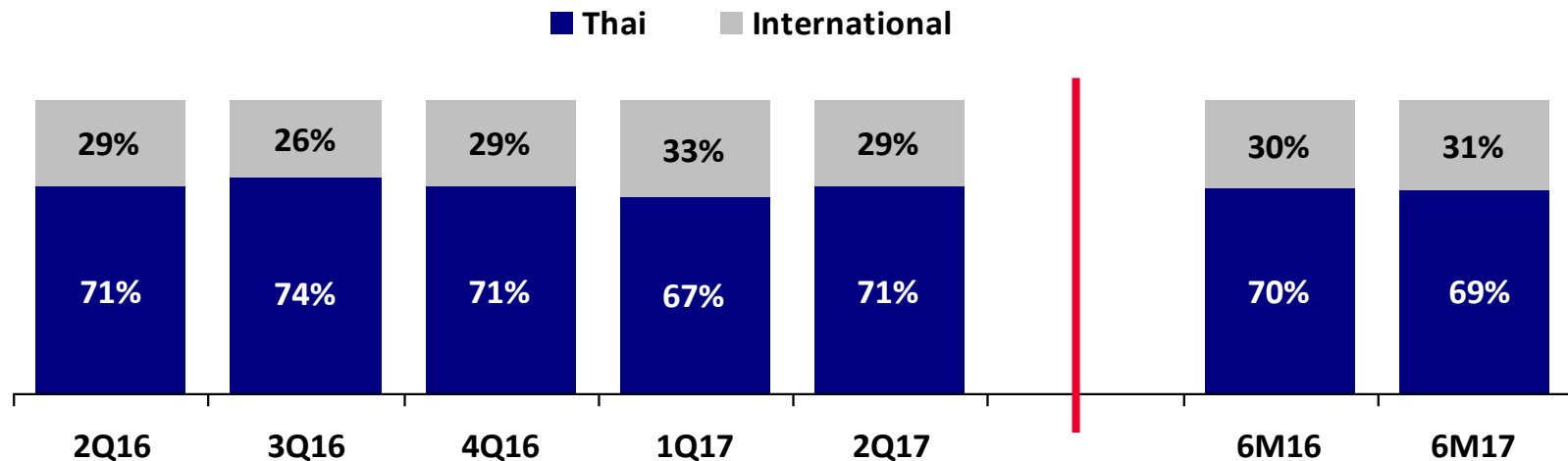


Commentary

- 6M17 Operating income increased by 5% yoy. This was attributed to
 - Increase in price intensity and complexity cases
 - However, volume growth was impacted by significant declining in influenza and dengue fever cases in Thailand during 1Q17
- Revenue growth from hospitals in upcountry +8% vs BKK +1% yoy

Thai and International Patients

Revenue Contribution by Nationality

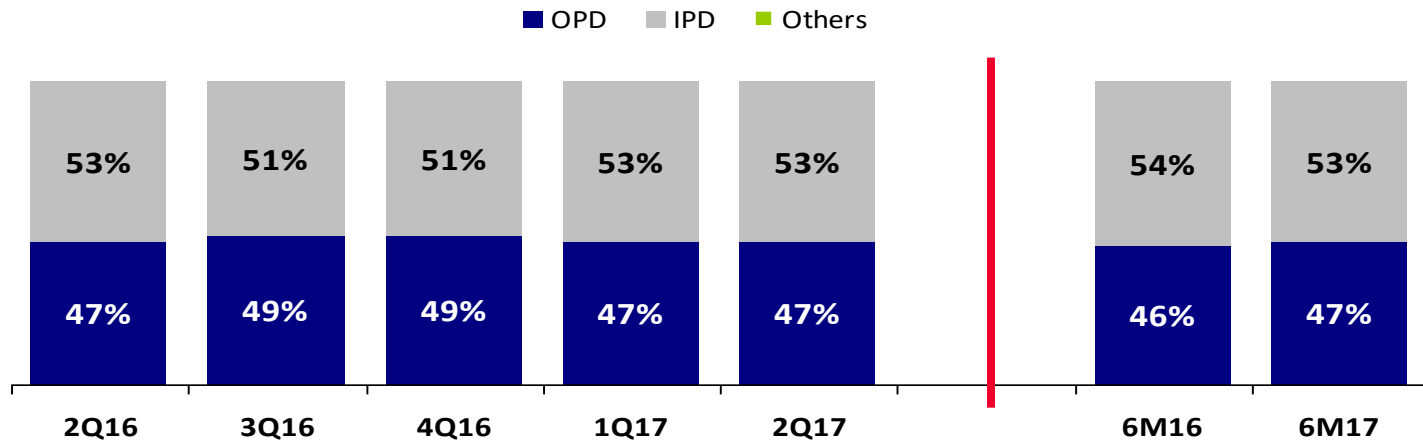


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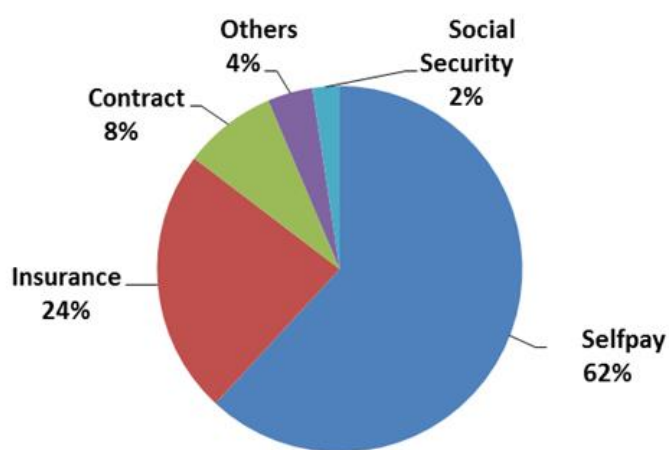
- 2Q17 revenues from Thai patients grew 8% yoy while international patients grew 10% yoy
- Top 5 international patient revenues are from Japan, Myanmar, UK, UAE and USA which contribute 2.4%, 1.9%, 1.7%, 1.6% and 1.6% of total patient revenues respectively
- Key growth for International patient revenues are China (+21%), USA (+21%) and Japan (+14% yoy)

Patient Mix

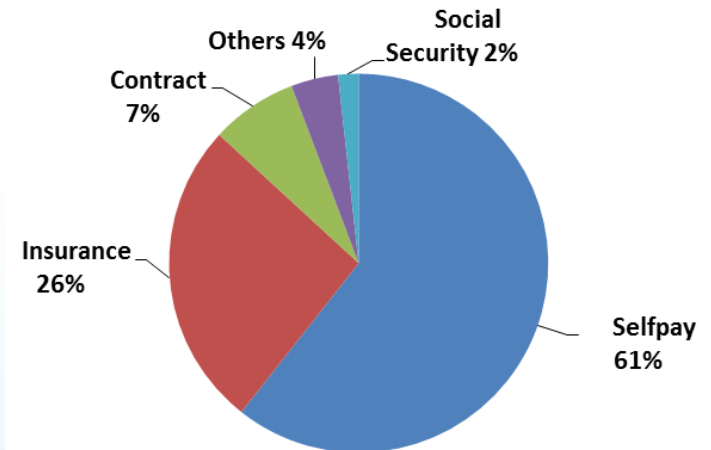
Revenue Breakdown by Patient Types



Patient Revenue by Payor: Increasing Insurance Portion



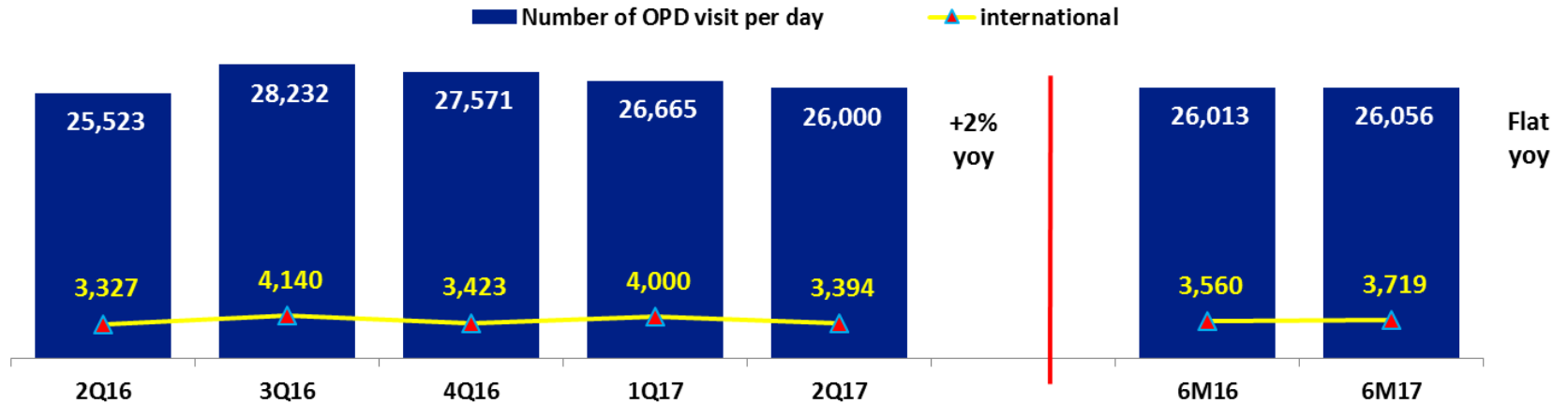
2Q16



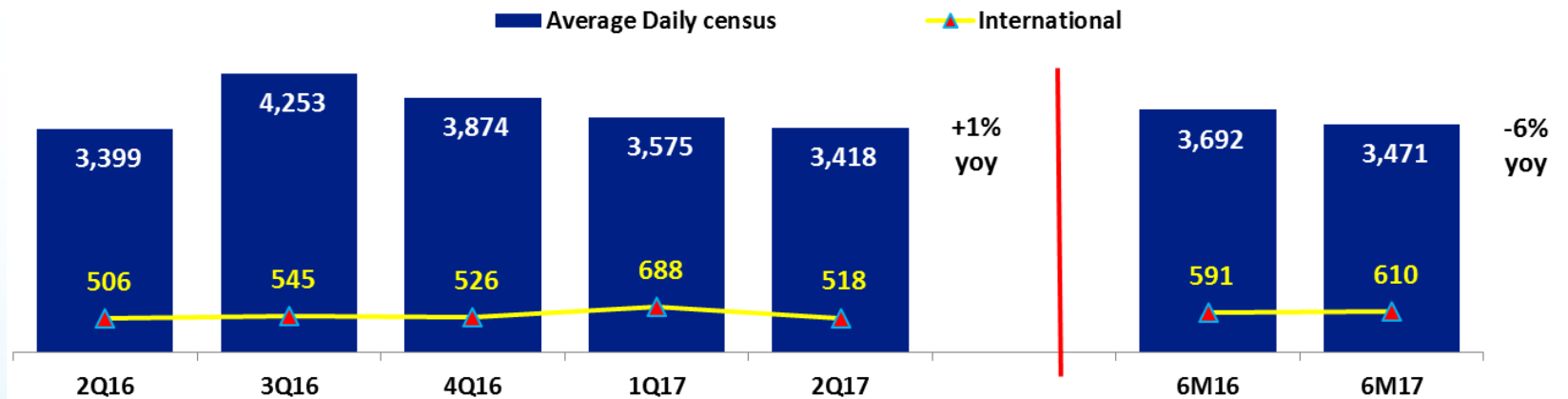
2Q17

Patient Volume

Number of OPD Visits per Day



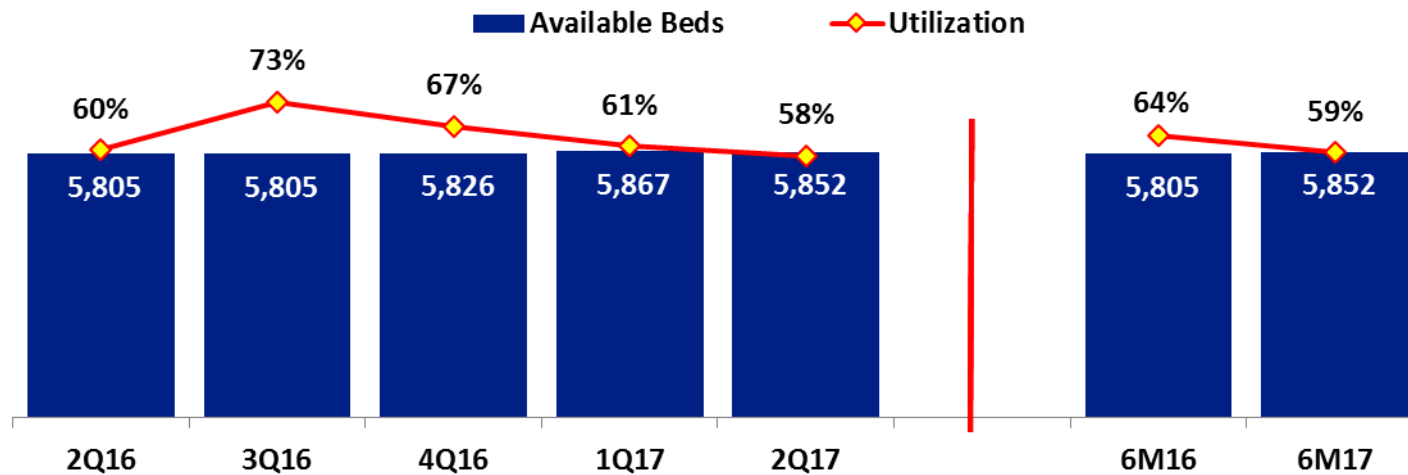
Average Daily Census (ADC)



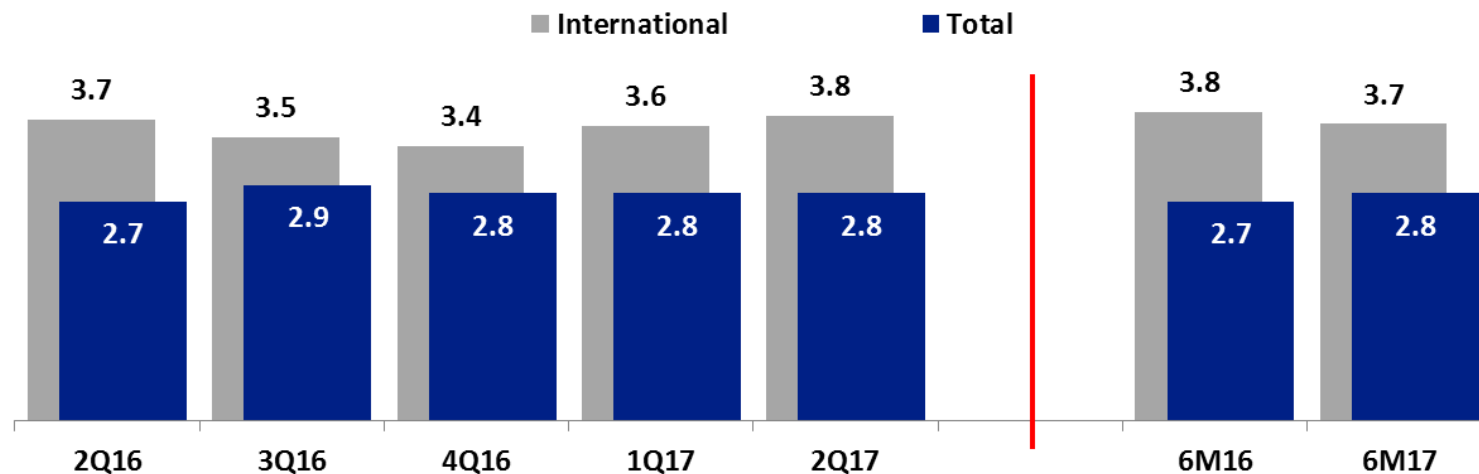
Remarks: - Including social security

Utilization of Beds

Utilization Based on Available Beds



Average Length of Stay (days)



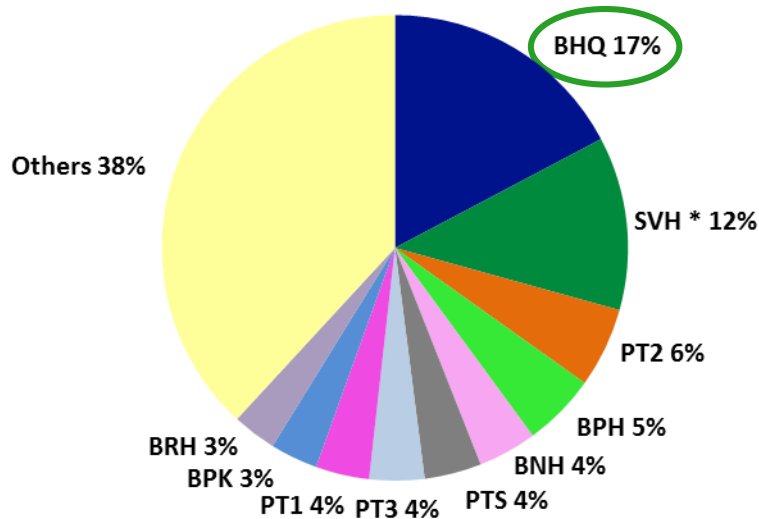
Remarks:- Including social security patients

Financial Highlights

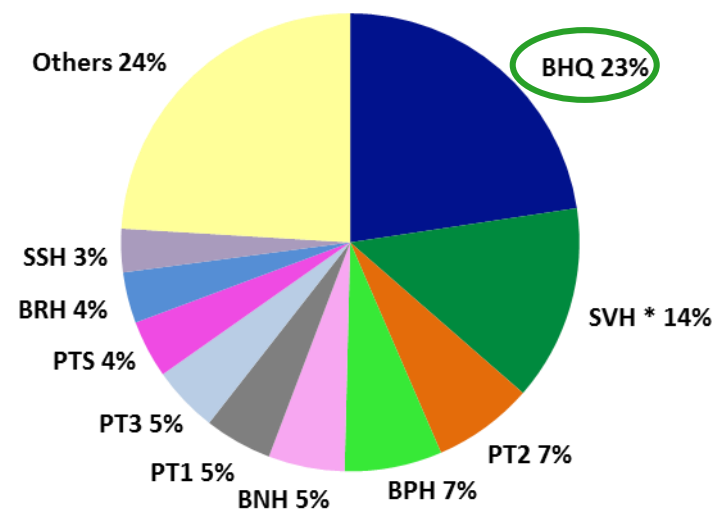


Diversified Sources of Revenues and Profitability

Operating Income Contribution in 2Q17



Total EBITDA Contribution in 2Q17



Commentary

- In 2Q17, top 5 hospitals contributed 44% of total revenues and 56% of total EBITDA
- Key hospitals that drive revenue growth were PLR (+73%), SCH (+48%), BCM (+39%), BKN (+36%), BUD (+21%), PLC (+17%), BHH (+16%) and BNH (+14% yoy)

* SVH also included SNH performance

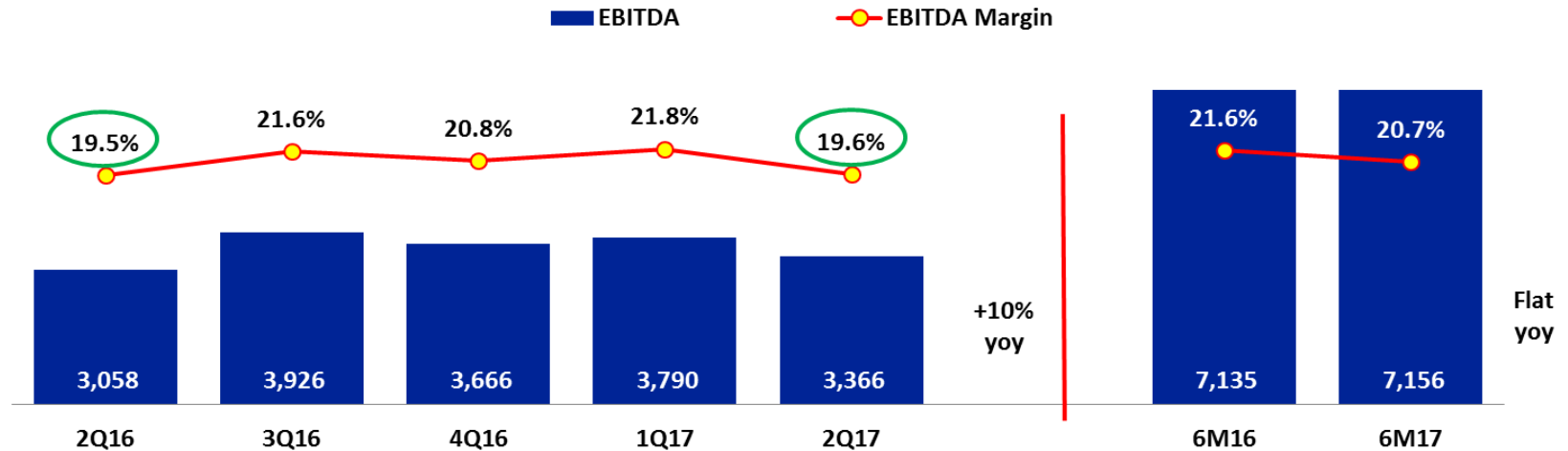
Remark: - Operating income is calculated from hospital revenue + revenue from sales of goods and food + other income

- EBITDA is calculated from revenue from hospital operations + revenue from F&B + other income – cost from hospital operations – SG&A expenses

Profitability Trend

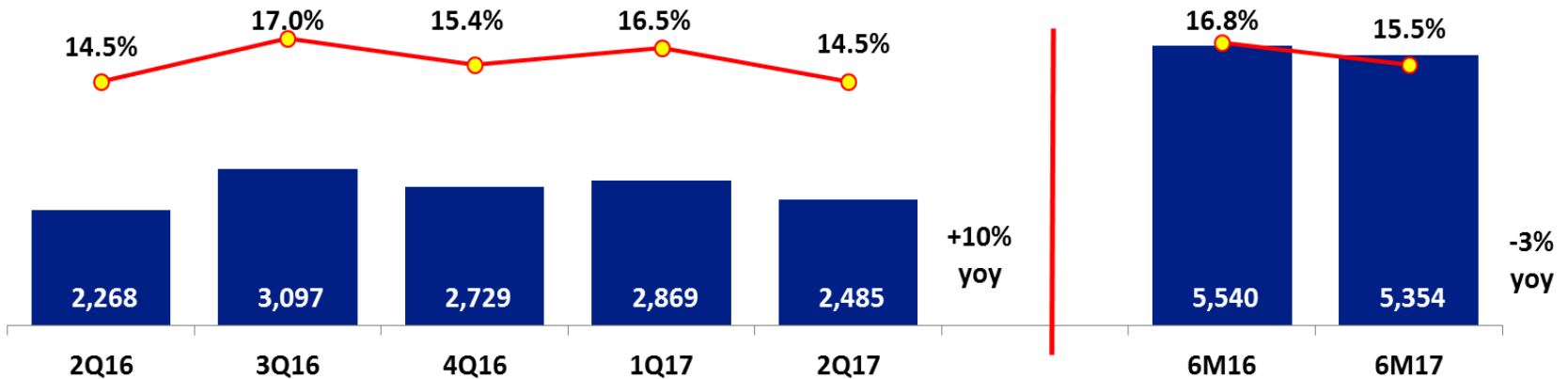
EBITDA & EBITDA Margin

(THB mm)



EBIT & EBIT Margin

(THB mm)

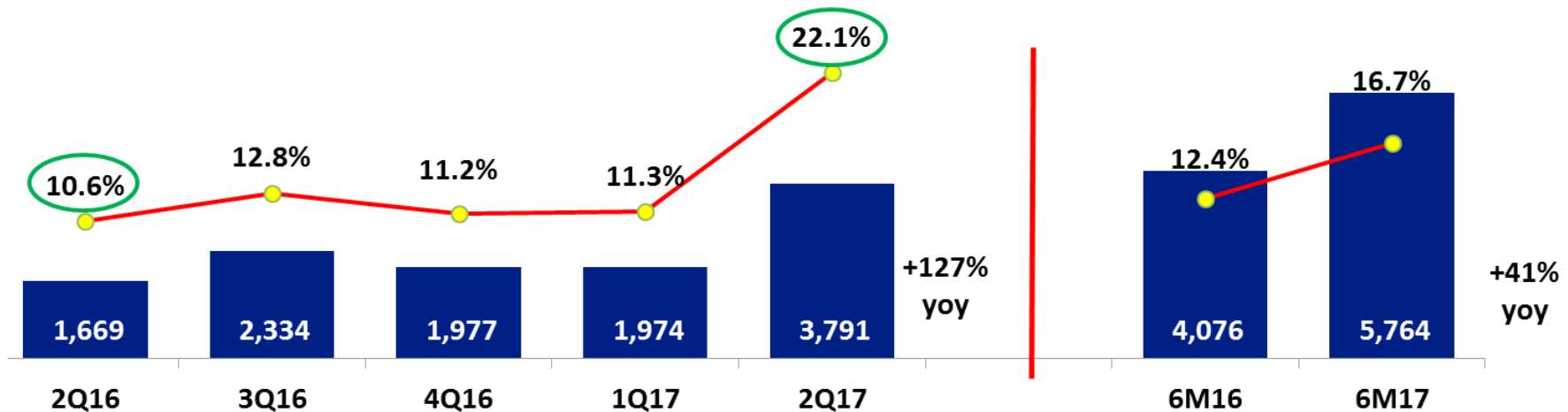


Remarks: - Excluding non-recurring items

Profitability Trend

Net Profit & Net Profit Margin

(THB mm)

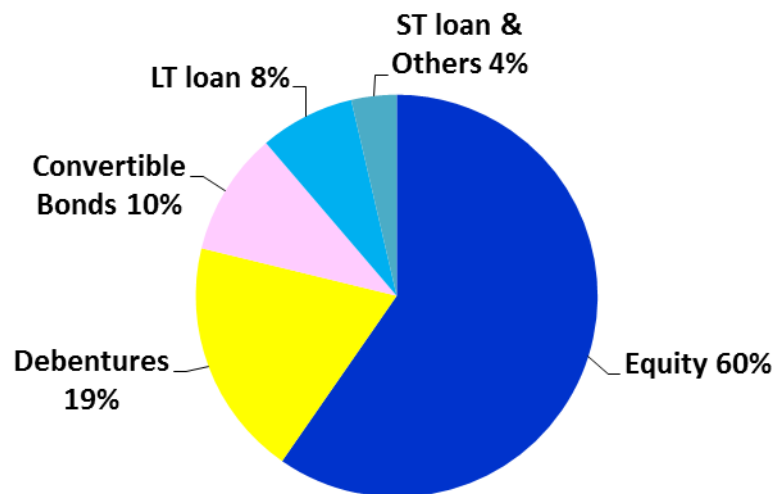


Commentary

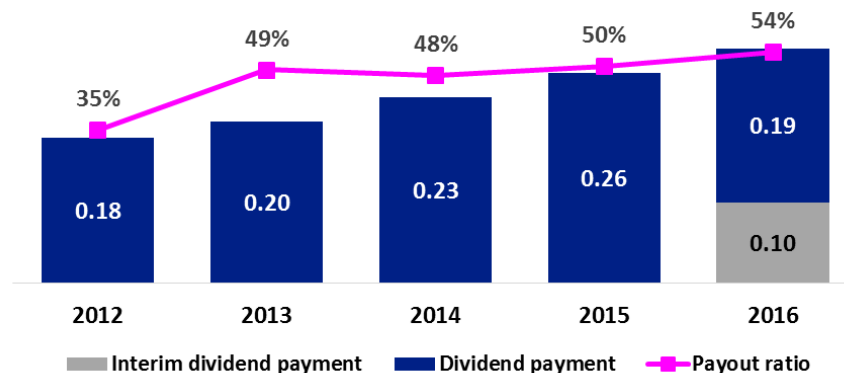
- 2Q17 Net profit increased +127% yoy due mainly to gain on partial sale of investment in Bumrungrad Hospital Public Co., Ltd. (“BH”) totaling Baht 2,195 million (net of income tax)
- If excluded gain on sales of investment in BH, core profit decreased 2% yoy mainly from
 - Increase in finance expenses of 127% yoy from an adjustment in calculating the expected convertible bonds redemption together with an issuance of debentures during the period

Capital Management

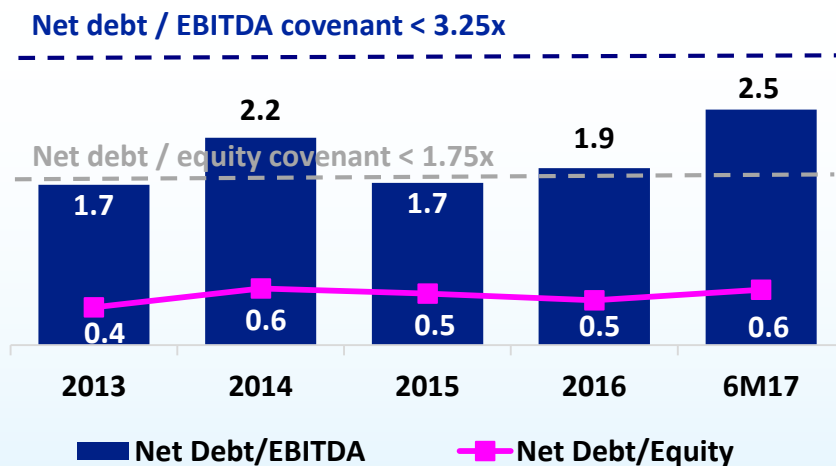
Capital Structure as of June 2017



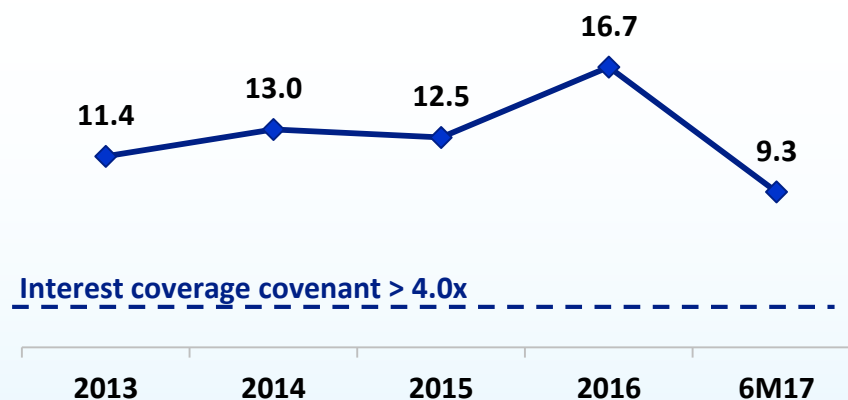
Dividend Payment & Payout Ratio



Gearing Ratios: Well Within Covenants








Interest Coverage








Appendix: Your Trusted Healthcare Network

For More Information:- www.bangkokhospital.com



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

1. Bangkok Hospital	100%		343
2. Bangkok Heart Hospital	100%		97
3. Wattanosoth Hospital	100%		48
4. Bangkok Huahin (BHN)	100%		60
5. Bangkok Sanamchan (BSN)	100%		200
6. Thepakorn (TPK)	44.5%		100
7. Muang Petch (MPH)	100%		255
8. Bangkok Muangraj (BMR)	100%		125
9. Royal Phnom Penh (RPH)	100%		100
10. Royal Angkor International (RAH)	80.0%		30

Group 2

11. Samitivej Sukhumvit (SVH)	95.8%		275
12. Samitivej Srinakarin (SNH)	95.8%		400
13. Samitivej Sriracha (SSH)	69.8%		184
14. Samitivej Thonburi (STH)	63.5%		150
15. Samitivej Chonburi (SCH)	100%		220
16. BNH Hospital (BNH)	91.5%		144
17. Bangkok Chinatown (BCT)	100%		59

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)

	<u>Ownership</u>	<u>No. of Beds</u>
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. Sirioj 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	45.8%