



Bangkok Dusit Medical Services (BDMS)

Investor Presentation 2Q17 Results

October 2017

Important Notice

- The information contained in this presentation is for information purposes only and does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for share in Bangkok Dusit Medical Services Public Company Limited (“BDMS” and shares in BDMS, “shares”) in any jurisdiction nor should it or any part of it from the basis of , or be relied upon in any connection with, any contract or commitment whatsoever.
- This presentation may include information which is forward-looking in nature. Forward-looking information involve known and unknown risks, uncertainties and other factors which may impact on the actual outcomes, including economic conditions in the markets in which BDMS operates and general achievement of BDMS business forecasts, which will cause the actual results, performance or achievements of BDMS to differ, perhaps materially, from the results, performance or achievements expressed or implied in this presentation.
- This presentation has been prepared by the BDMS. The information in this presentation has not been independently verified. No representation, warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information and opinions in this presentation. None of the BDMS or any of its agents or advisors or any of their respective affiliates, advisors or representatives, shall have any liability (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.
- This presentation is made, furnished and distributed for information purposes only. No part of this presentation shall be relied upon directly or indirectly for any investment decision-making or for any other purposes.
- This presentation and all other information, materials or documents provided in connection therewith, shall not, either in whole or in part, be reproduced, redistributed or made available to any other person, save in strict compliance with all applicable laws.

Contents

- Overview

- Healthcare Industry

- Operational Statistics

- Financial Highlights

Overview

Overview



45 Hospitals



8,000+ Beds



9 Centers of Excellence



BDMS Wellness Clinic




11,000+ Doctors
7,000+ Nurses
14,000+ Staffs



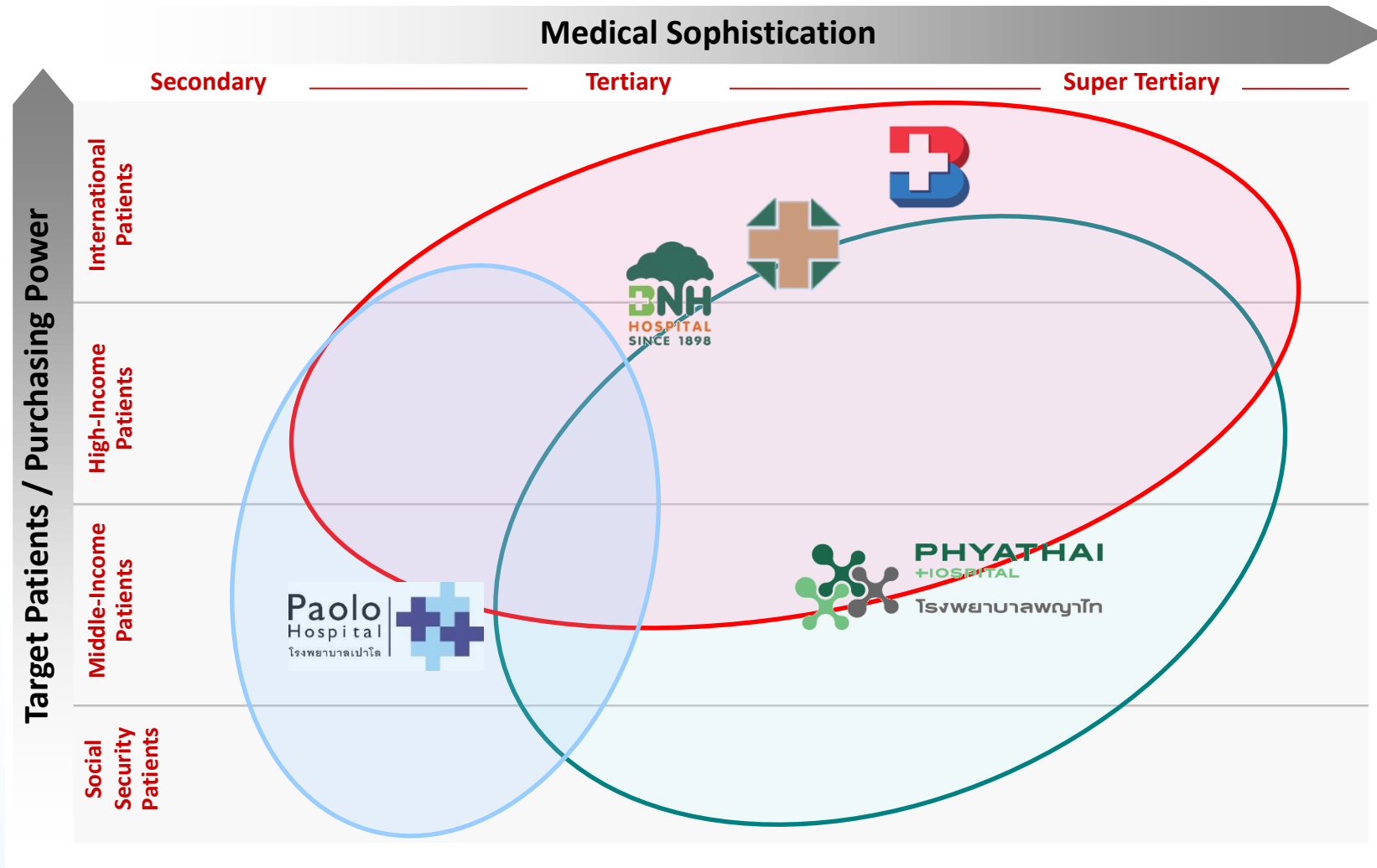
Pharmaceutical manufacturer and drug stores

- Established on February 26, 1972
- Top 5 private hospital operators in the world by market capitalization
- Hub-and-Spoke model with an established patient referral system helps create efficiency through scale

	Brand	No. of Hospitals	No. of Beds*
	Bangkok Hospital	21	3,352
	Phyathai Hospital	5	1,340
	Samitivej Hospital	6	1,288
	Paolo Hospital	5	960
	BNH Hospital	1	144
	Royal Hospital	2	130
	Local Hospital	5	801

* Maximum number of beds according to structure of the hospitals

Diversification of Patient Mix



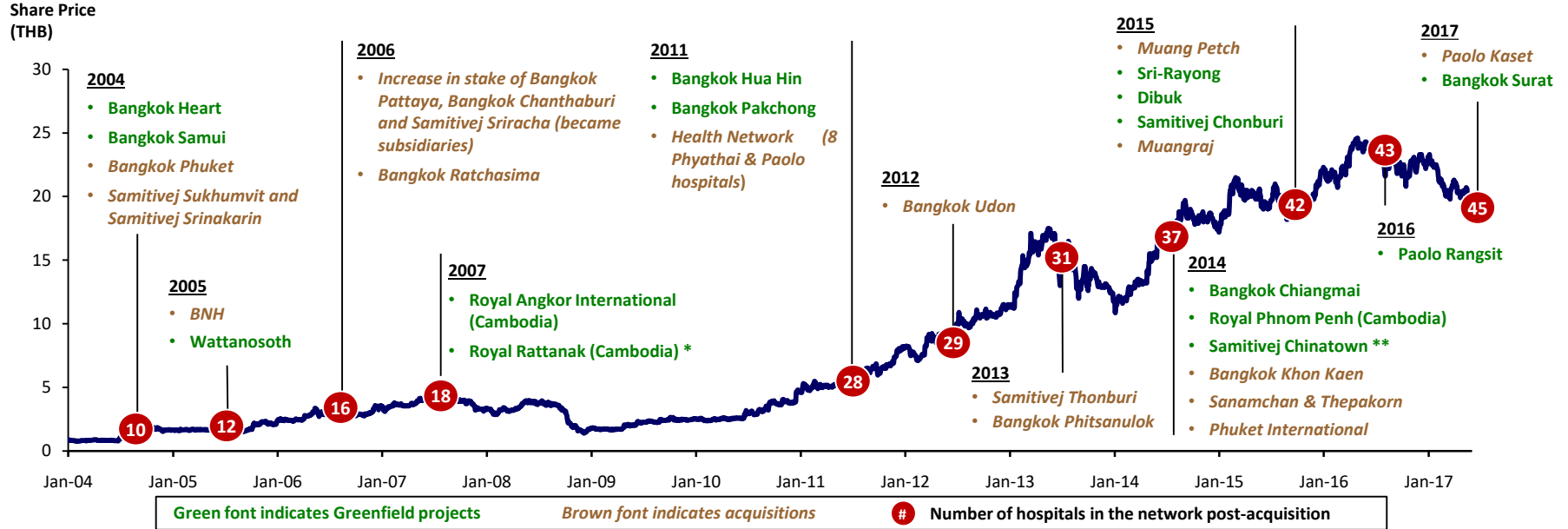
BDMS Future Plan

Key Strategies

	2017	2018	2019	2020
Hospitals in Pipeline	<ul style="list-style-type: none"> 45 Hospitals 			<ul style="list-style-type: none"> ~ 50 hospitals
	<ul style="list-style-type: none"> 8,015 beds 			<ul style="list-style-type: none"> ~ 8,500 beds
	<ul style="list-style-type: none"> ✓ Paolo Kaset (162 beds) ✓ Bangkok Surat (150 beds) ○ BDMS Wellness Clinic (4Q17) 	<ul style="list-style-type: none"> ○ Bangkok Chiangrai (80 beds) ○ Chiva Transitional Care (52 beds) 	<ul style="list-style-type: none"> ○ Phoenix Project (175 beds) ○ International Hospital (100 beds) 	
Focus on Margin Expansion	<ul style="list-style-type: none"> ■ Increase utilization of ramping-up hospitals ■ Improving operational efficiencies ■ Centers of excellence ■ International medical affiliation 			
Long-term Target	<ul style="list-style-type: none"> ■ Completed continuum of healthcare ■ Top referral hospitals in Asia Pacific 			

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

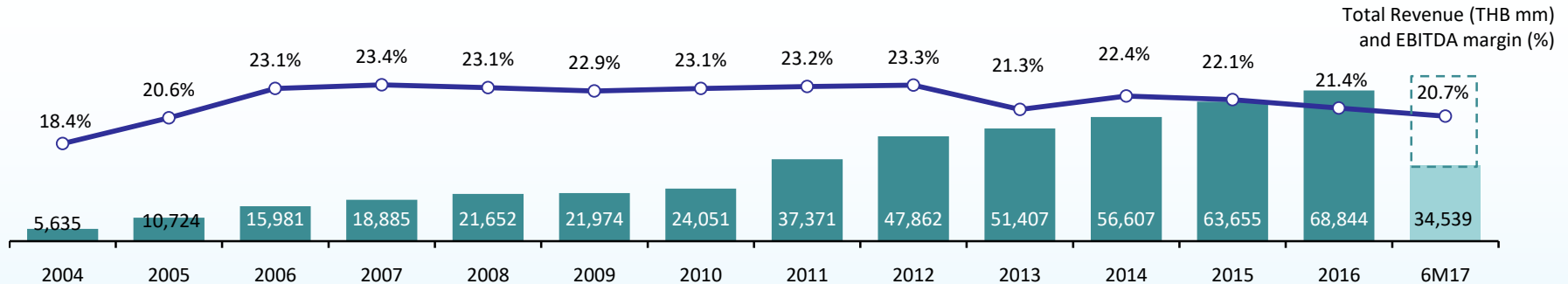
Strong Share Price Performance Backed by a Successful Expansion Track Record



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

** Rebrand from Bangkok Chinatown to Samitivej Chinatown in Oct 2017

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

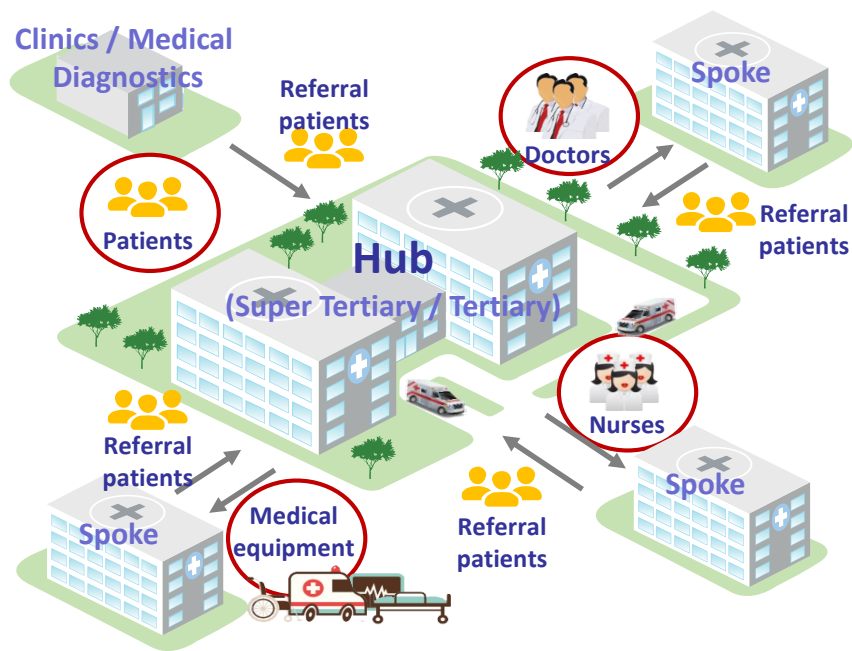


Source: Derived from BDMS' financial statements

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



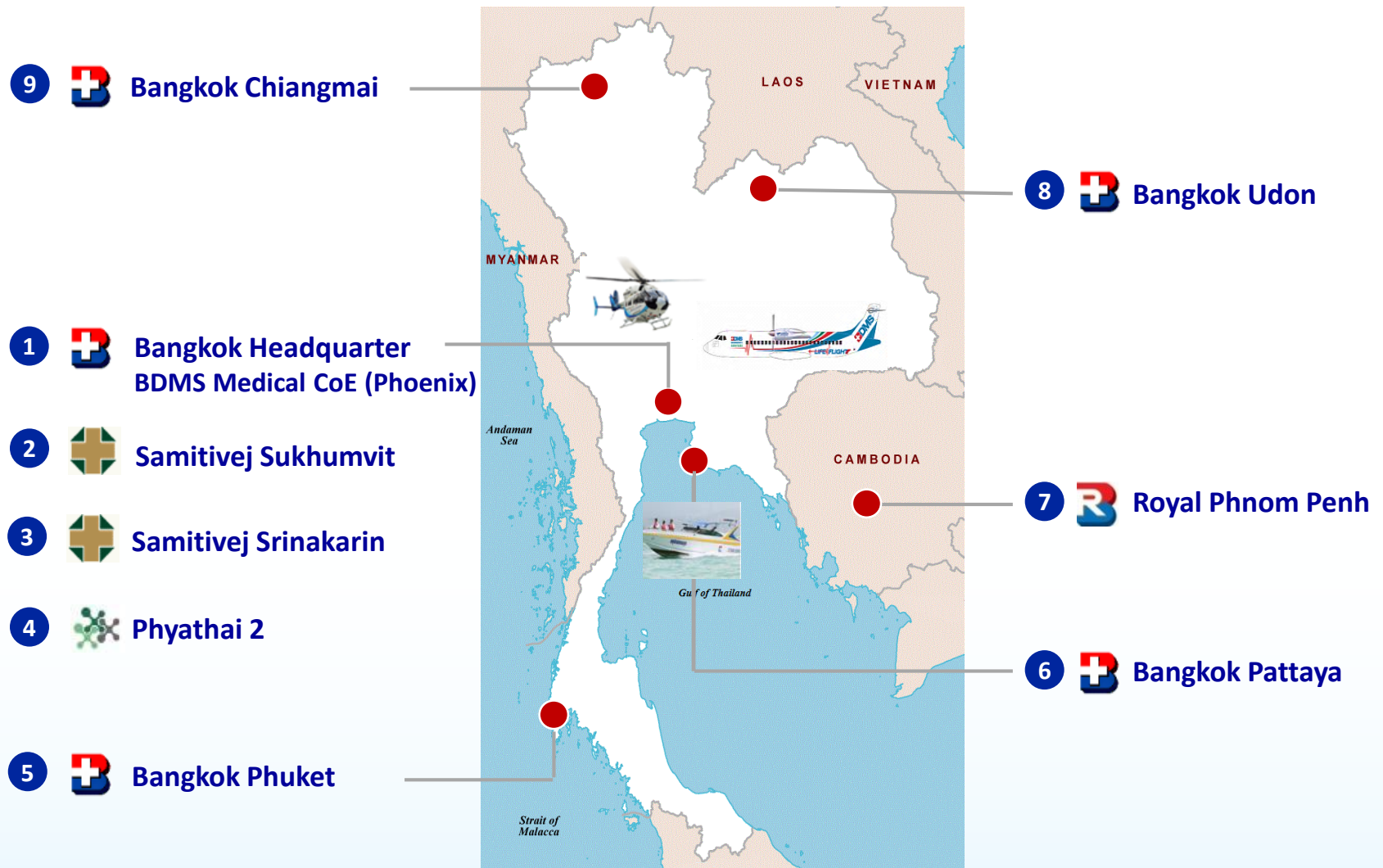
Phoenix Project



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



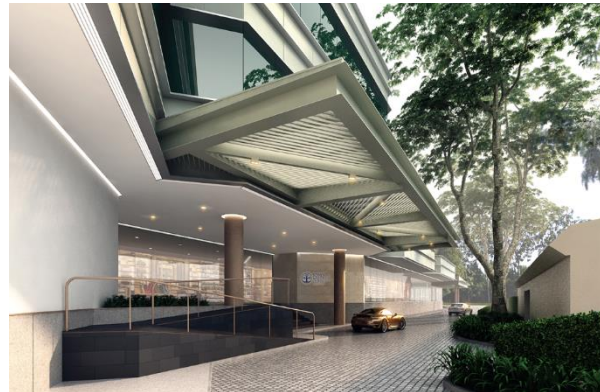
- Collaboration with Nagoya University for education, medical treatment assistance and patient referral



- Collaboration with local institutions

BDMS Wellness Clinic

A Brand New Wellness Clinic Delivering World-Class Services



- Comprehensive preventative-care center
- Targeting high-end Thai and International customers
- 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

Investment Pipeline

Accommodate Rising Demand in Healthcare



Phoenix Project



Bangkok Hospital Headquarter Area



Hospitals	Total Beds	Project Details	Commission Date
1 Bangkok Hospital Chiangrai	80	<ul style="list-style-type: none"> Targeting residents of Chiangrai, Phayao and Nan area and international patients from Southern China, Myanmar and Laos 	2018
2 Chiva Transitional Care Hospital	52	<ul style="list-style-type: none"> Focus on elderly care and rehabilitation for patients who require extended hospitalization 	2018
3 Phoenix Project at Bangkok Hospital Headquarter (BHQ)	175	<ul style="list-style-type: none"> Focus on Neurology Center, Orthopedics Center, Spine Center, Longevity Care Center and Rehabilitation Center 	2019

Investment in Pipeline

Accommodate Rising Demand in Healthcare



International Hospital



Expansion of Samitivej Sukhumvit Hospital

Hospitals	Total Beds	Project Details	Commission Date
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
5 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

Investments

Investments in Other Hospitals : - Listed Companies

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

Non- Hospital Strategic Investments *

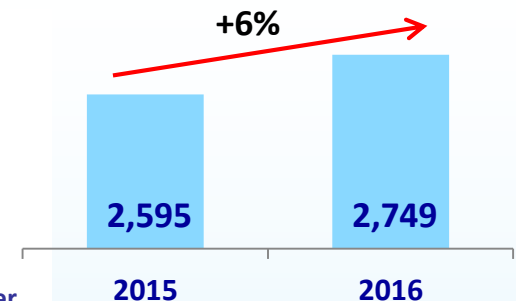
Pharmaceutical Business

- 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 46% 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 Helicopter Services 100% Transportation of patients via helicopter services

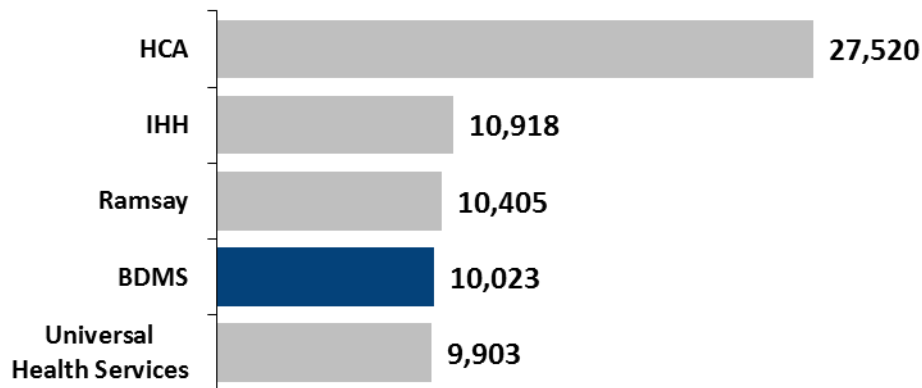
Non-Hospital Revenues *THB mm*



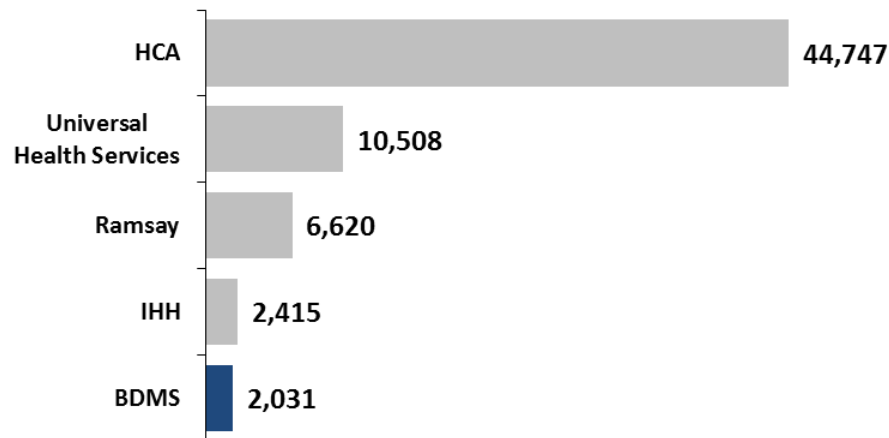
* Not included all BDMS' investments

Global Hospital Rankings

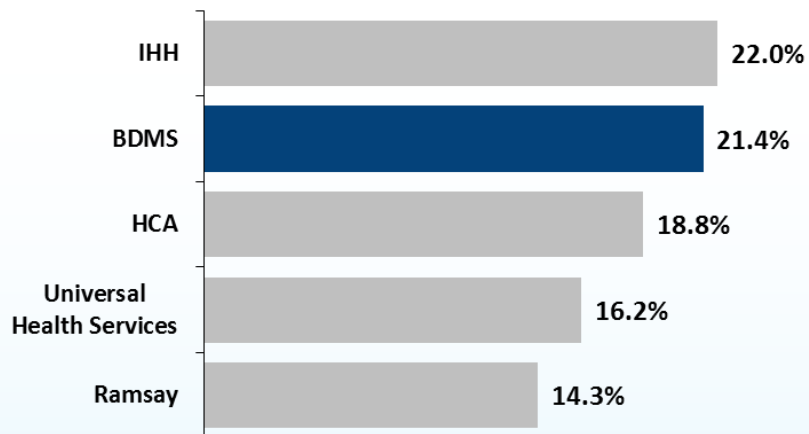
Market Capitalization (USD mm)



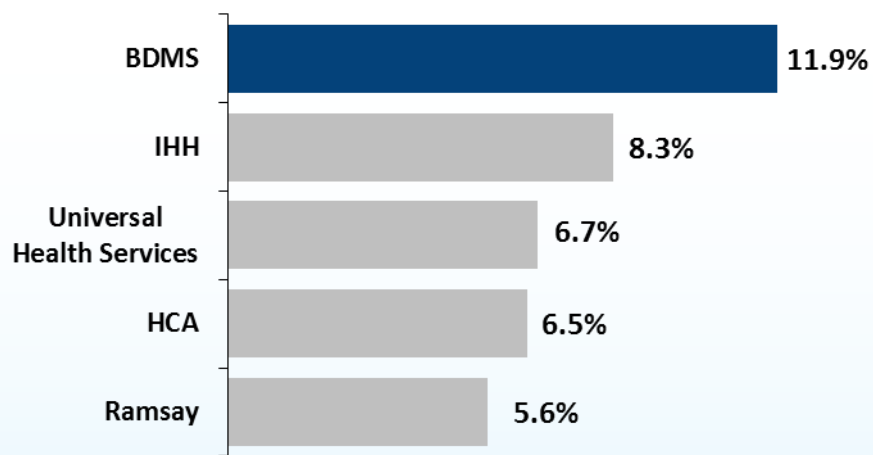
Revenue (USD mm)



EBITDA Margin



Net Profit Margin



Remark: - Market capitalization as of 30 October 2017

- Financial performance (excluding non-recurring items) for year ended December 2016 except Ramsay for the year ended June 2017

Healthcare Industry

Key Trend for Thai Healthcare Industry

Supportive Demographic and Economic Trends

- Aging demographics and rising income will drive demand for Thai healthcare
- Thai healthcare spending is expected to grow 5-6% p.a. in the next 3 years *

Favorable Government Policies

- Expanding visa for medical tourist from CLMV and China to 90 days
- Thai Government recently approved tax break on premiums paid for health insurance. This should benefit private hospitals as it could boost healthcare demand

Changing Behavior and Opportunities

- Increase health conscious and greater affordability driven a growing demand on preventive care
- Thailand's attractiveness as travel destination, convenient infrastructure & facility and value for money help support medical tourism

Health Tech

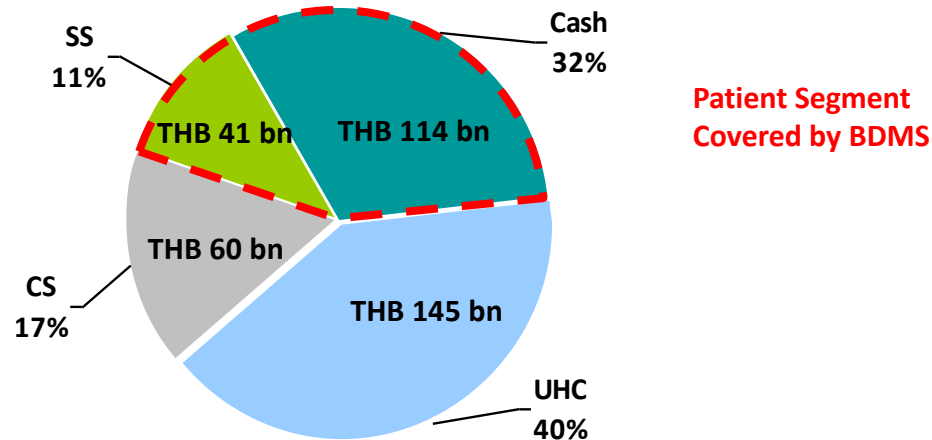
- Mobile health apps would increase health conscious and preventive care
- Support existing healthcare service rather than replacement
- Mostly in searching for doctor and personal health information

* Source: EIC SCB

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

Thailand Healthcare Demand & Supply

Healthcare supply in Thailand (2014)

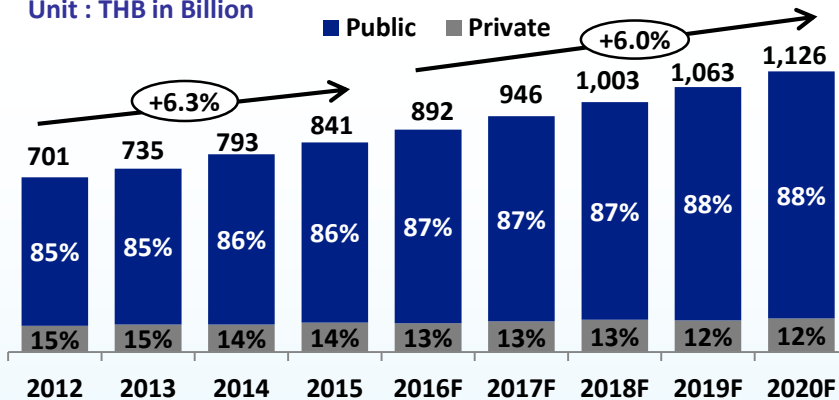
	# of Hospitals	# of Beds
Private	329	34,567
Public	1,019	120,322
Total	1,348	154,889

(Number per 10,000 population)	Thailand	Global
Doctor	4	14
Nurse	21	30
Bed	21	26

Source: WHO, Department of Health Service Support, Bureau of Policy and Strategy

Increasing Healthcare Expenditures in Thailand

Unit : THB in Billion



Source : EIC SCB and WHO

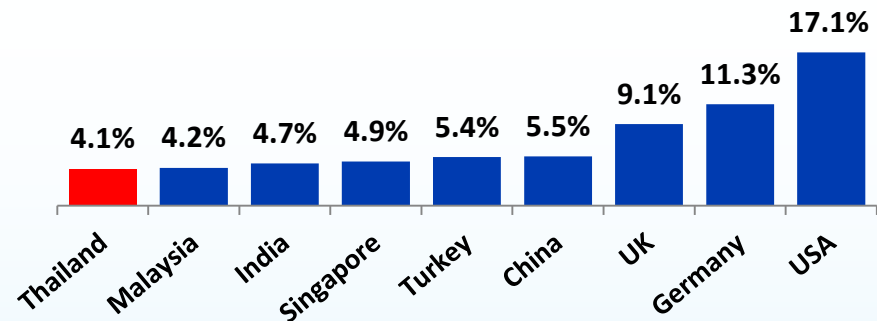
BDMS Market Coverage (2014)

	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%

Source: WHO and Department of Health Service Support

Low Healthcare Penetration

% of Healthcare expenditure to GDP

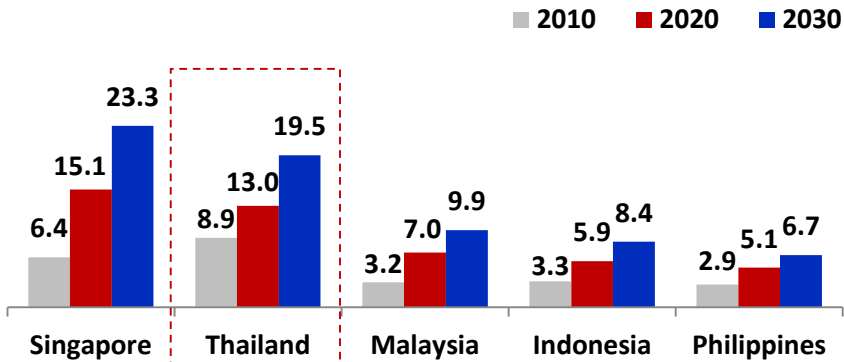


Source: WHO (2014)

Increasing Healthcare Demand

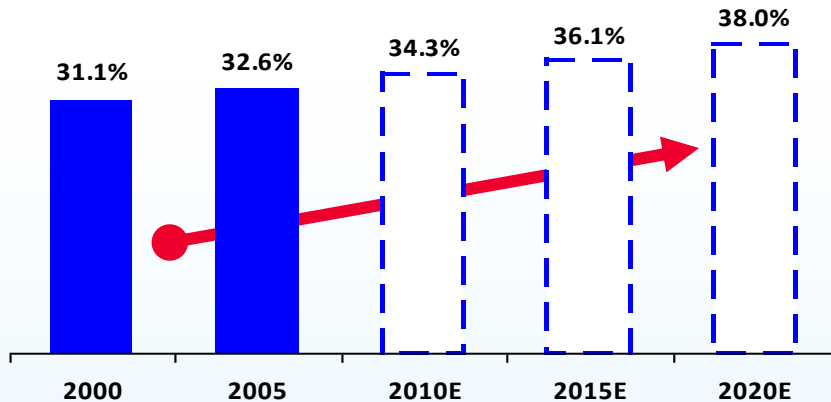
Population Growth and Aging Profile

Percentage of population above 65 years (%)



Source: UN Population Database: 2015

Urbanization



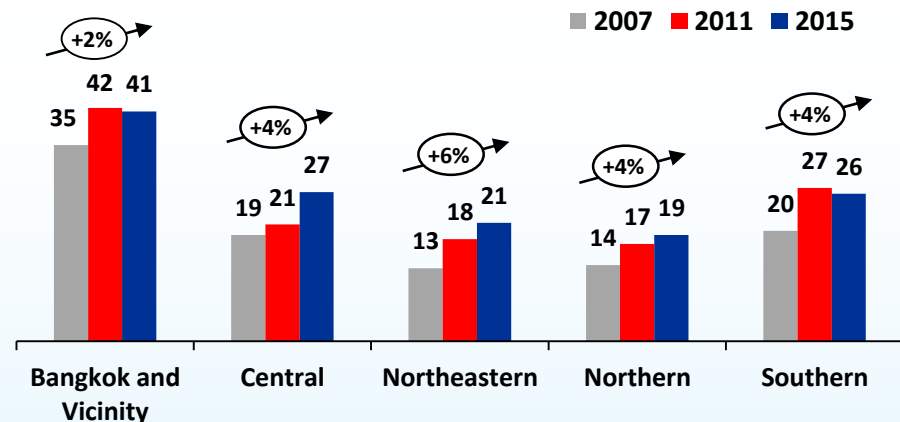
Sources: NESDB, Health & Welfare Surveys, National Statistics Office (Data related to Thailand)

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 Monthly Income per Capita

Unit : THB Thousand

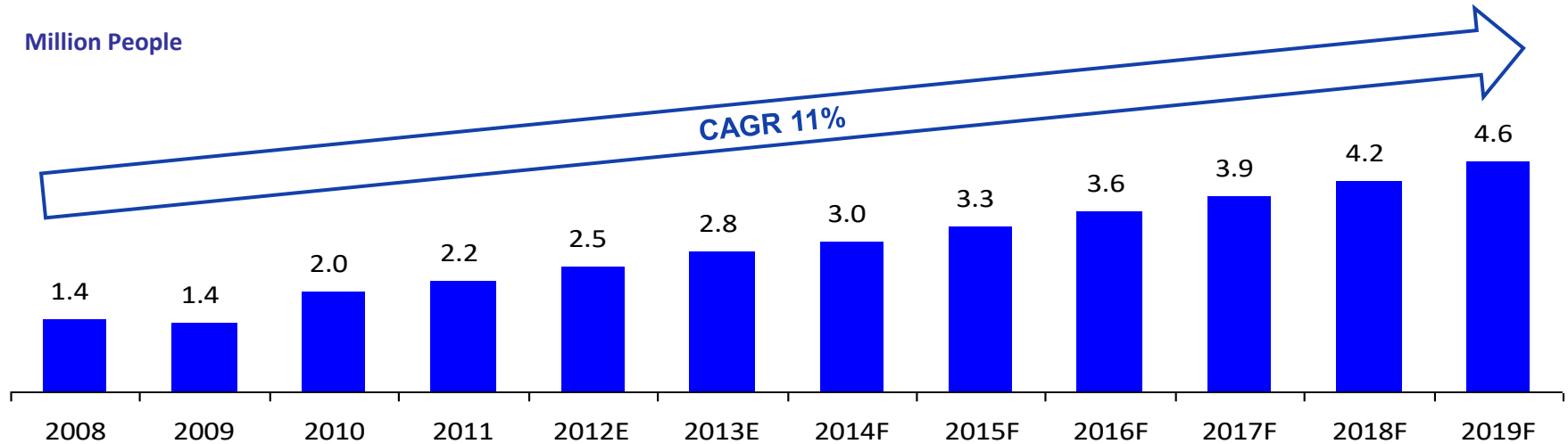


Source : NSO

Medical Tourism

Increasing trend of international patient visits

Million People



Source: EIC, 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

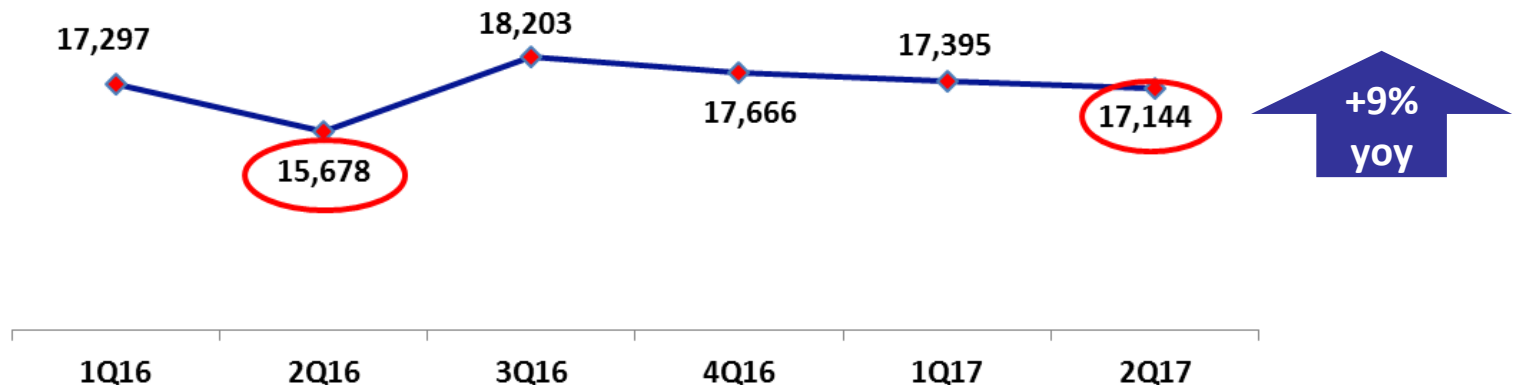
Source: "Patient Beyond Border" 3rd edition by Josef Woodman (2015)

Operational Statistics

Operating Income Growth

Operating Income Trend

(THB mm)



Commentary

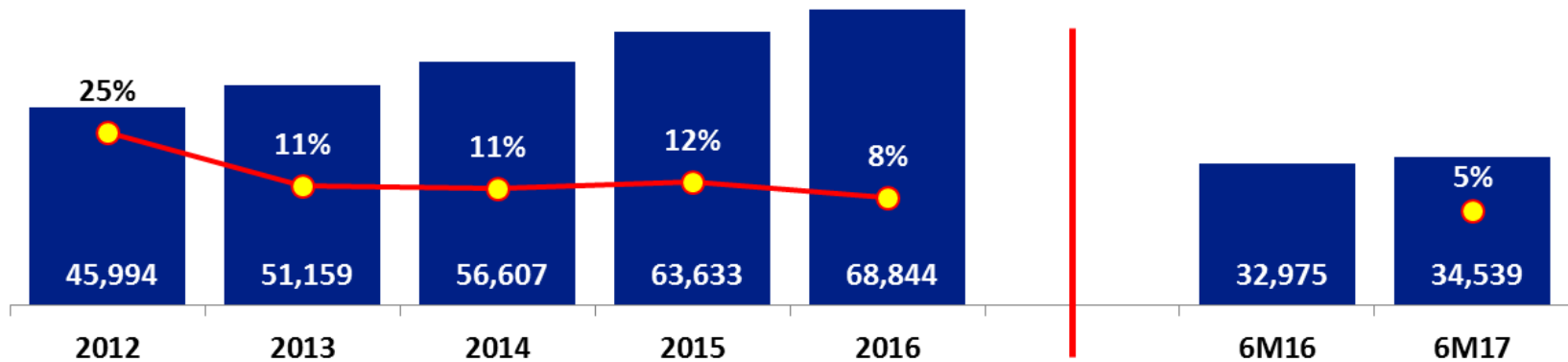
- 2Q17 Operating income increased by 9% yoy. This was attributed to
 - Revenue from hospital operation grew 9% yoy due mainly to
 - Revenue growth from hospitals in upcountry +14% vs BKK +4% yoy
 - Revenue growth from Thai +8% vs International patients +10% yoy
 - Increase in price intensity and consolidation 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)



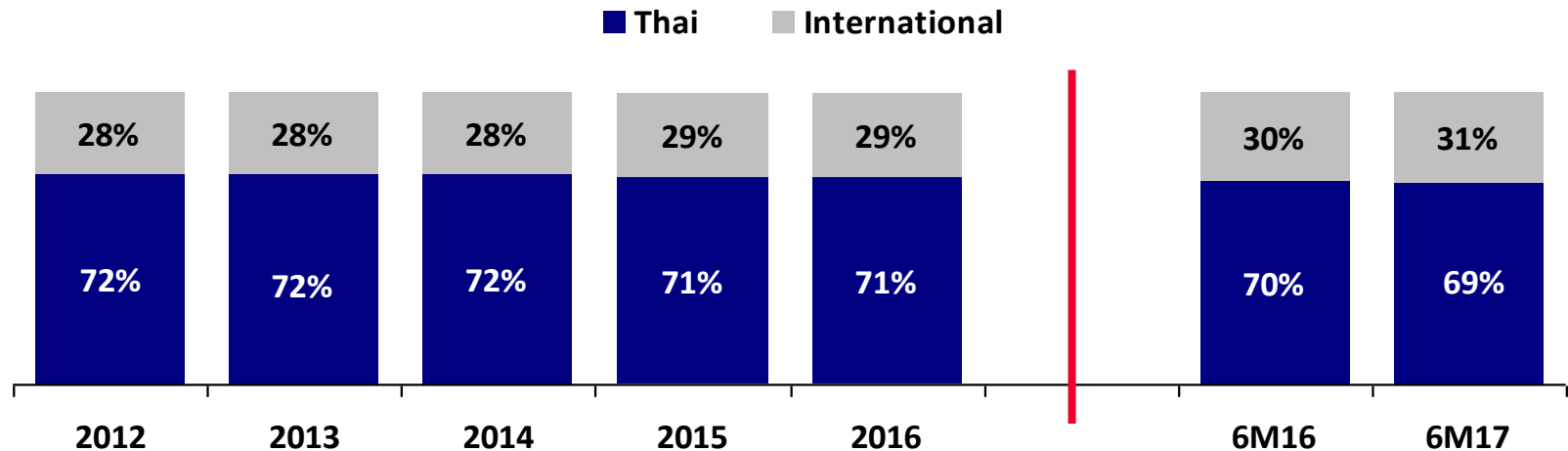
Commentary

- 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

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

Thai and International Patients

Revenue Contribution by Nationality

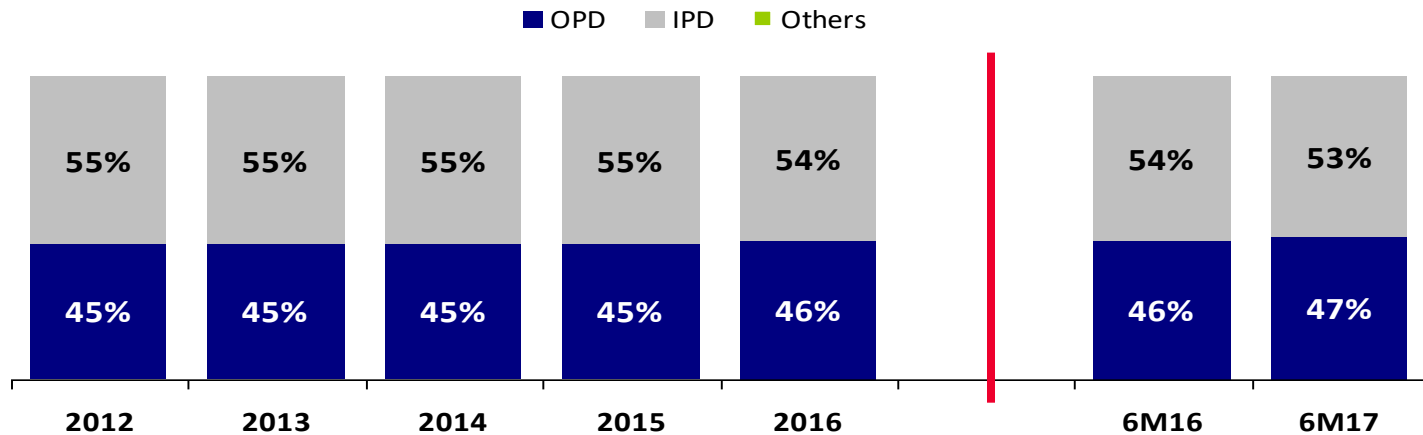


Commentary

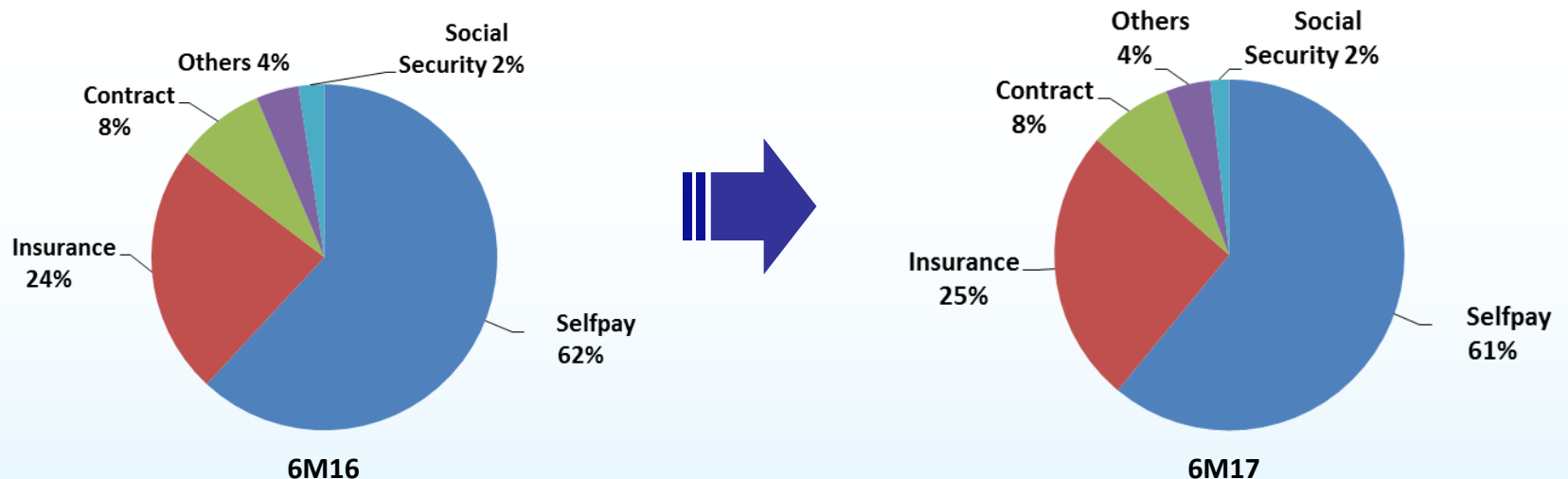
- 6M17 revenues from Thai patients grew 4% yoy while international patients grew 7% yoy
 - Top 5 international patient revenues are from Japan, UK, Myanmar, USA and UAE which contribute 2.4%, 1.9%, 1.8%, 1.7% and 1.6% of total patient revenues respectively
 - Key growth for International patient revenues are USA (+20%), China (+22%) and UK (+14% yoy)

Patient Mix

Revenue Breakdown by Patient Types

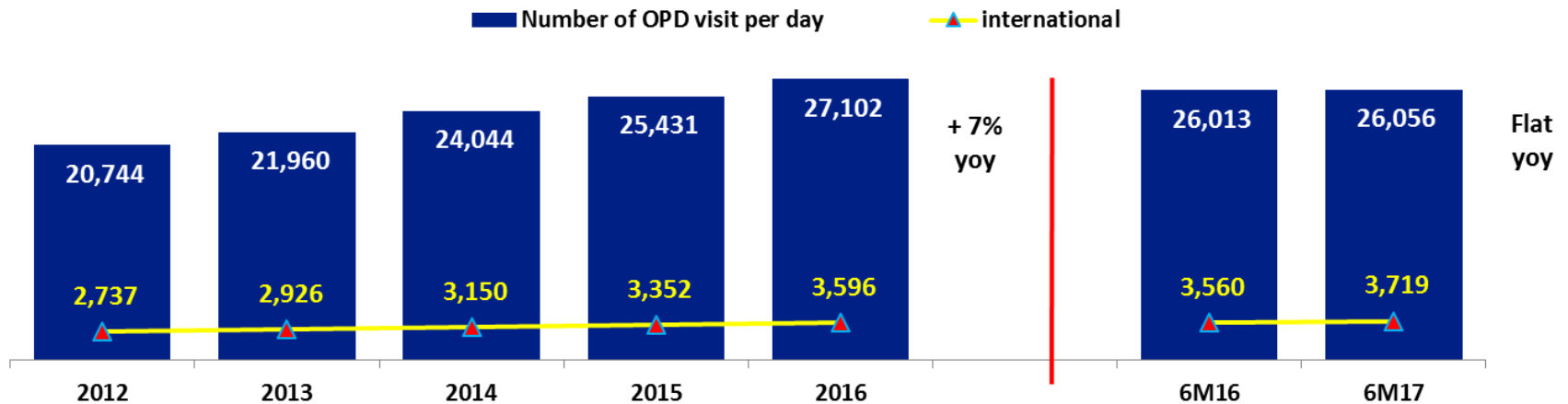


Patient Revenue by Payor: Increasing Insurance Portion

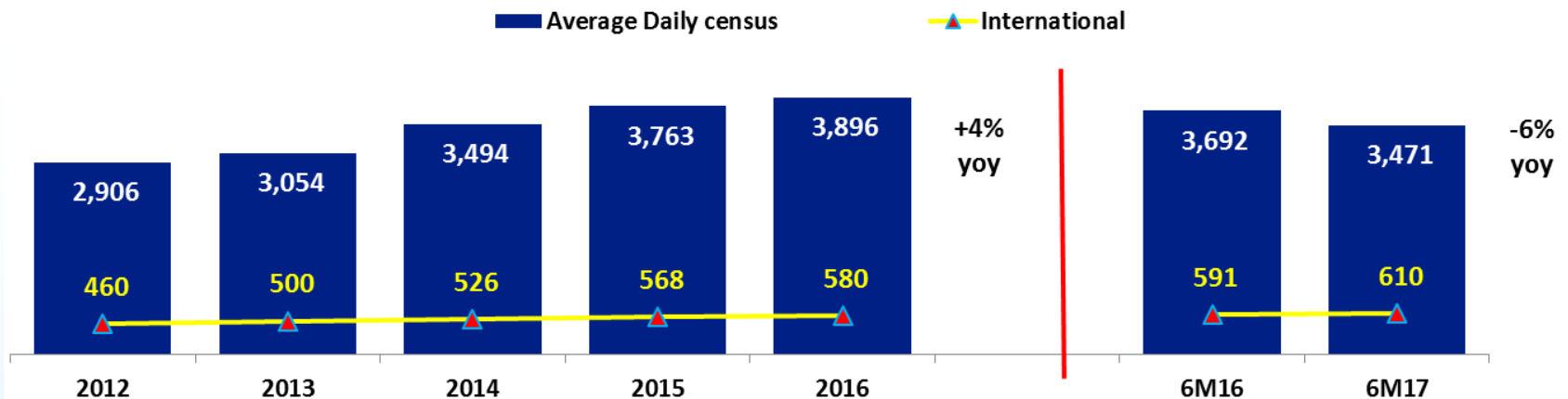


Patient Volume

Number of OPD Visits per Day



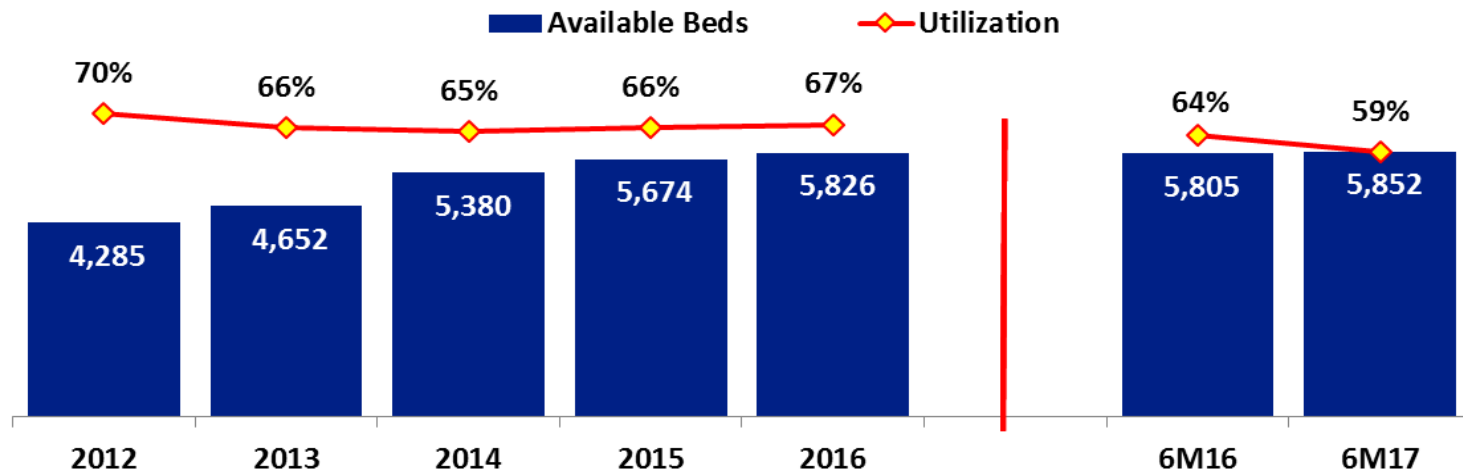
Average Daily Census (ADC)



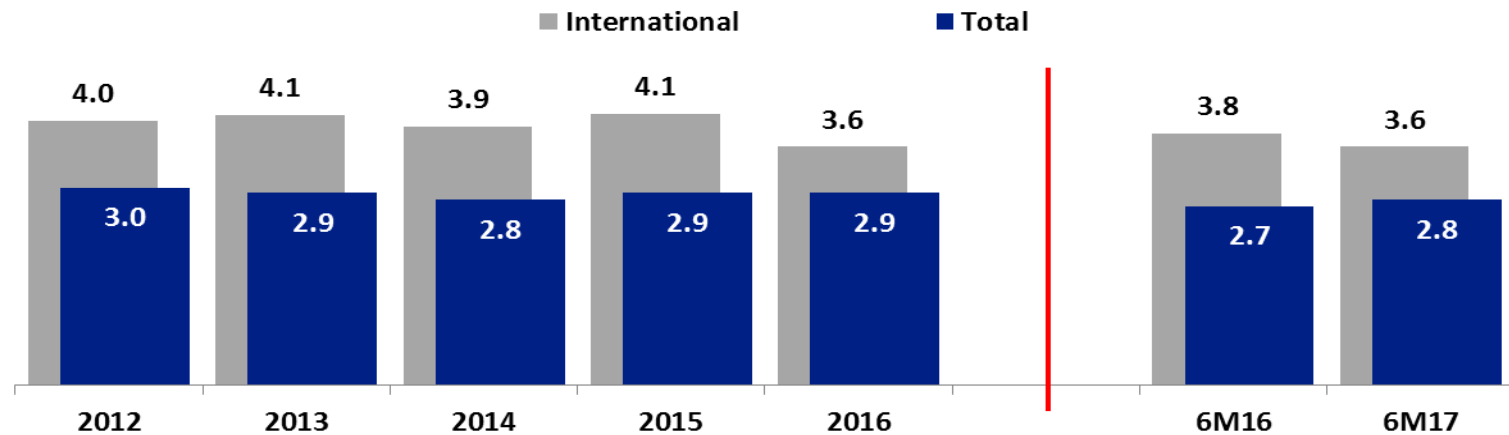
Remarks: - Including social security

Utilization of Beds

Utilization Based on Available Beds



Average Length of Stay (days)

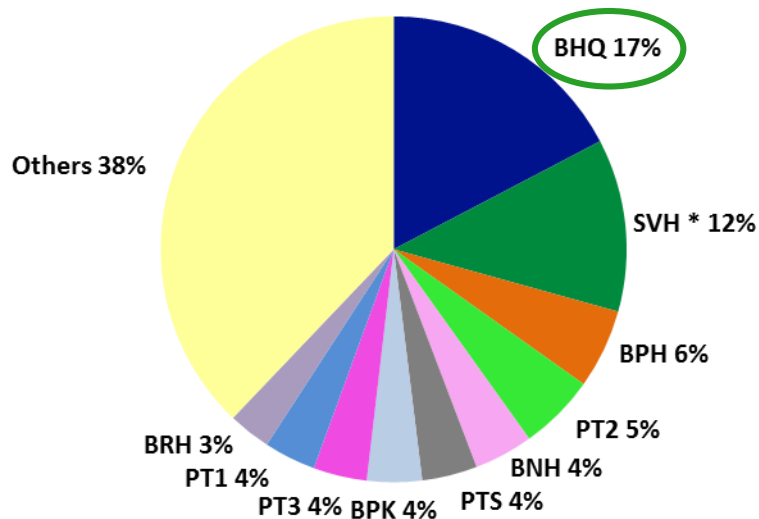


Remarks:- Including social security patients

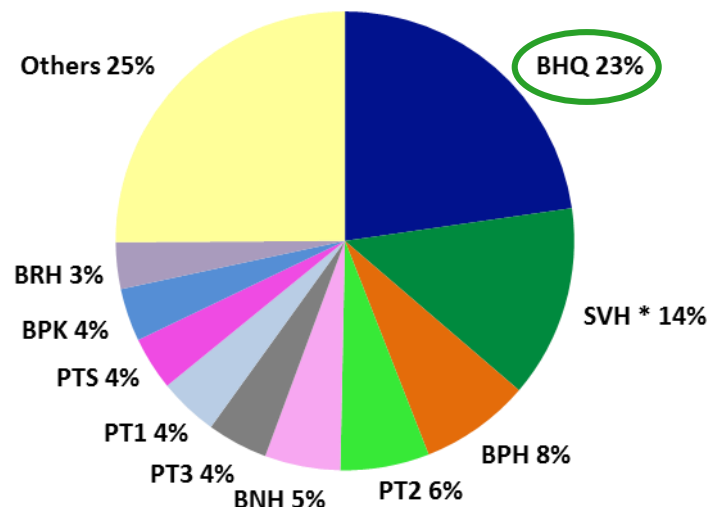
Financial Highlights

Diversified Sources of Revenues and Profitability

Operating Income Contribution in 6M17



Total EBITDA Contribution in 6M17



Commentary

- In 6M17, top 5 hospitals contributed 44% of total revenues and 56% of total EBITDA
- Key hospitals that drive revenue growth were PLR (+84%), BKN (+39%), BCM (+35%), SCH (35%), BUD (+21%) and BNH (+10% yoy)

* SVH also included SNH performance

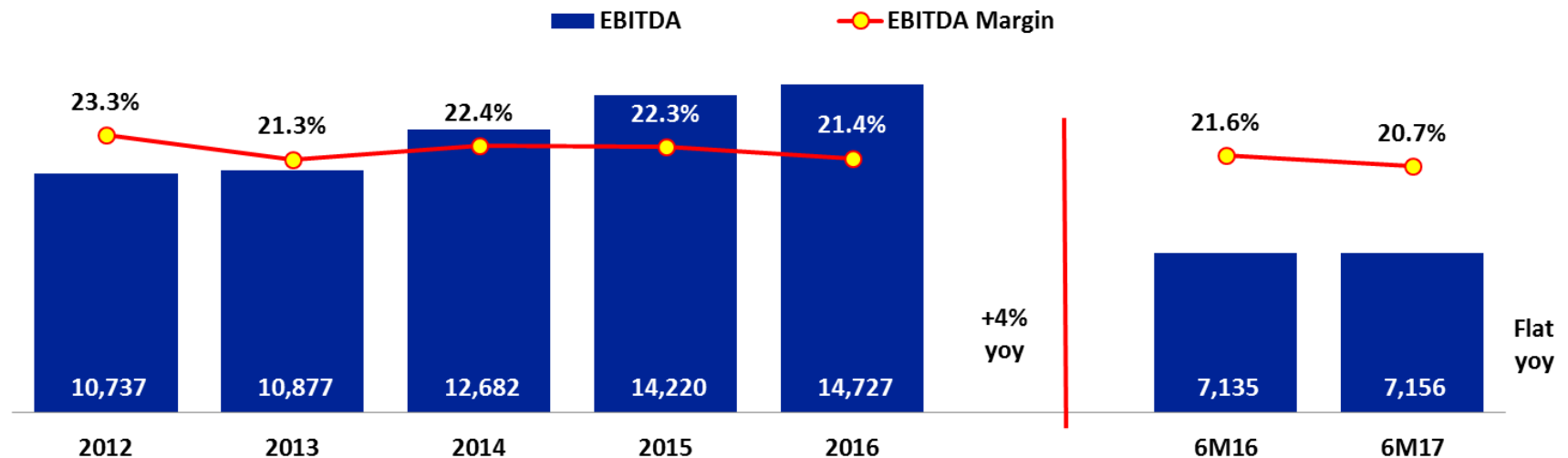
Remark: - Operating income is calculated from hospital revenue + revenue from sales of goods and food + other income

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

Profitability Trend

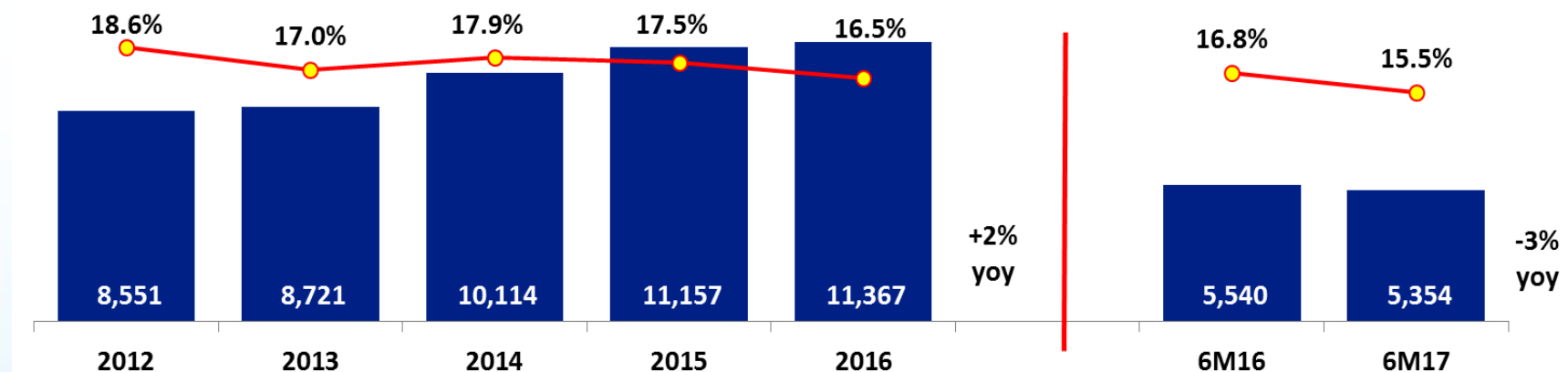
EBITDA & EBITDA Margin

(THB mm)



EBIT & EBIT Margin *

(THB mm)

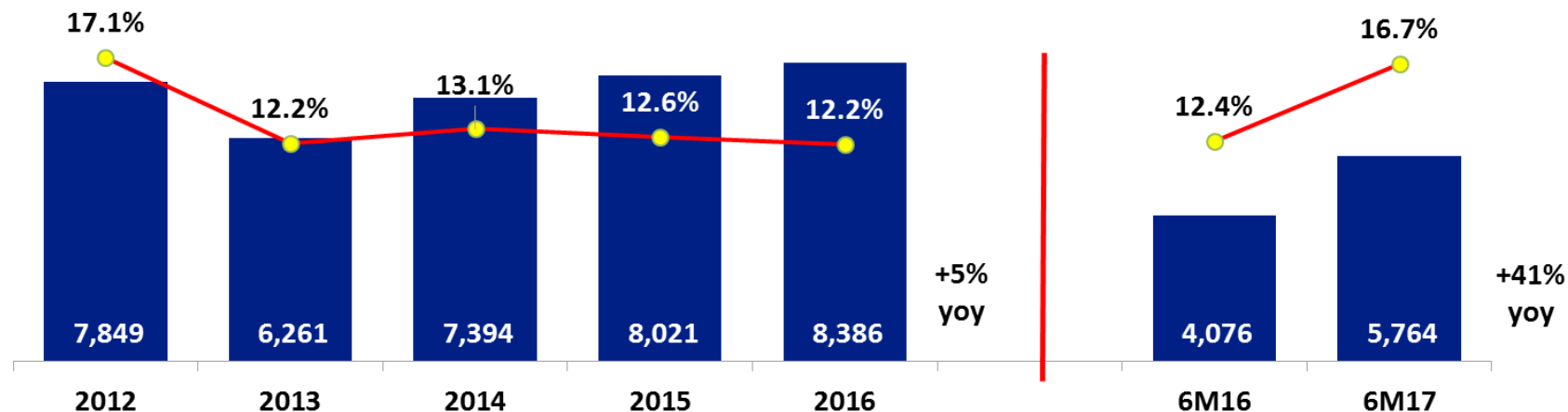


Remarks: - Excluding non-recurring items

Profitability Trend

Net Profit & Net Profit Margin

(THB mm)

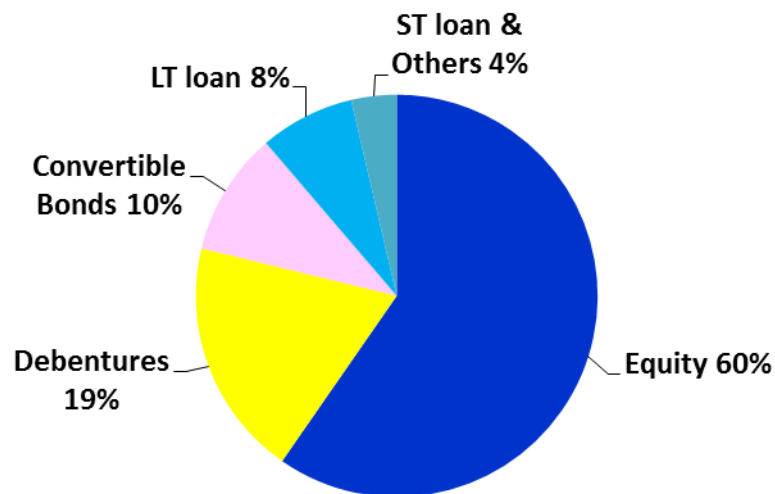


Commentary

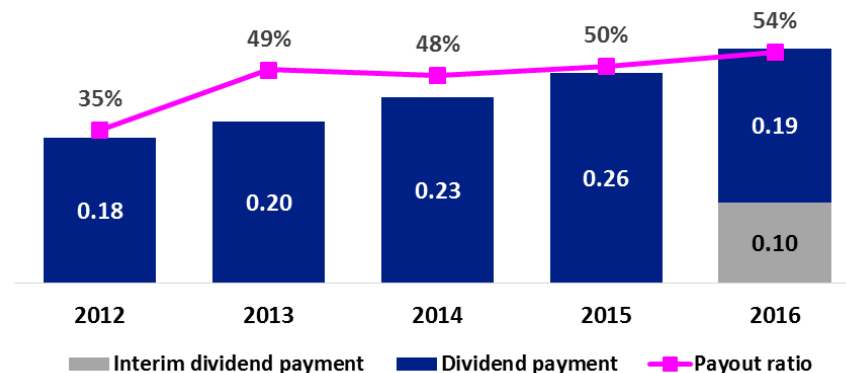
- 6M17 net profit increased +41% yoy due mainly to gain on partial sale of investment in Bumrungrad Hospital Public Co., Ltd. ("BH") totaling Baht 2,195 million (net of income tax)
- If excluded gain on sales of investment in BH, net profit decreased 11% yoy mainly from
 - Increase in finance expenses of 96% yoy from an adjustment in calculating the expected convertible bonds redemption together with an issuance of debentures during the period

Capital Management

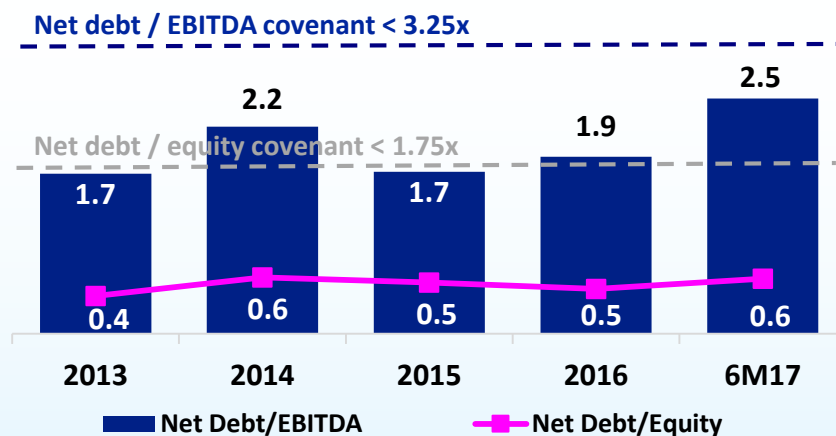
Capital Structure as of June 2017



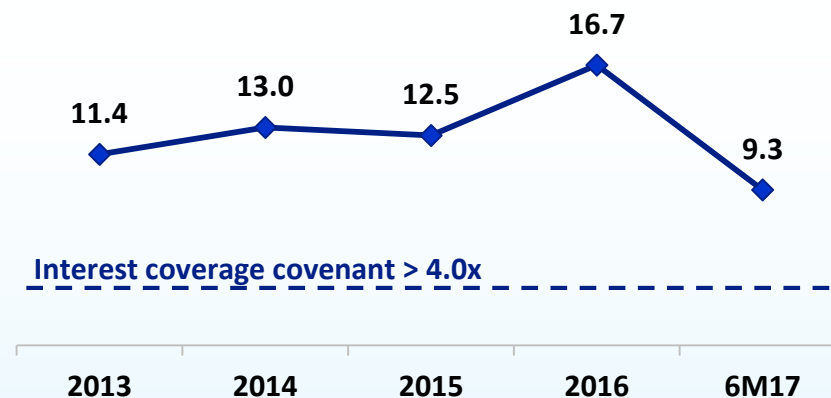
Dividend Payment & Payout Ratio



Gearing Ratios: Well Within Covenants



Interest Coverage



Sustainability Development

Your Trusted Healthcare Network

Good Corporate Governance

Practiced good Corporate Governance to ensure long-term growth and sustainability

Employee Well-Being and Human Rights

Fully committed to support diversity and human rights in term of gender and cultural differences

Environmental Friendly

Encouraged reductions of energy use without reducing the quality of care and raised awareness on efficient energy consumption

Social and Community Development

Encouraged donation of medical supplies and equipment to unfortunate person
Provided health check-up to promote health and well-being of communities



Appendix 1

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. Samitivej Chinatown (SCT)	100%	59
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. Siroj 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%

Appendix 2

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