



Bangkok Dusit Medical Services (BDMS)

Analyst Presentation 3Q17 Results

22 Nov 2017

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BDMS Summary & Updates



Consolidated Financial Summary

3Q17 Results

- Operating income of THB 19,498 mm increased 7% yoy due to increase in number of patients and price intensity together with strong growth from both Thai and International patients
- EBITDA of THB 4,422 mm increased 13% yoy. EBITDA margin increased from 21.6% in 3Q16 to 22.7% in 3Q17
- Core profit of THB 2,417 mm (NPAT margin of 12.4%) increased 9% yoy

9M17 Results

- Operating income of THB 54,038 mm increased by 6% yoy due to increase in price intensity with high growth from international patients
- EBITDA of THB 11,579 mm increased 5% yoy. EBITDA margin slightly declined from 21.6% in 9M16 to 21.4% in 9M17
- Core profit of THB 5,986 mm (NPAT margin of 11.1%) decreased by 4% yoy
- Net profit* of THB 8,181 mm (NPAT margin of 15.1%) increased by 28% yoy

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

Latest TRIS Rating

Affirmed Rating at AA- with Stable Outlook



- On November 8, 2017, TRIS Rating affirmed the Company and senior unsecured debenture rating of Company at “AA-” with **stable outlook**
- The ratings reflect Company’s strong business profile deriving from
 - The leading market position as the largest private hospital operator in Thailand
 - The solid reputation of hospital brands and extensive hospital network
 - Experienced management team and capable physicians
 - Sound operating performance with steady cash flow

BDMS Wellness Clinic

Predict-Prevent-Personalized



Redefining Longevity

“A wise man ought to realize that health is his most valuable possession.”

Hippocrates

Man has been chasing the magic elixir of youth since the beginning of time. Instead of looking outward, one needs merely to look within.

At BDMS Wellness Clinic we use the latest in science and technology to fully explore the physical condition down to genetic and molecular details. It is through this careful study of the body that we can predict future health and prescribe the ultimate preventive path to follow as well as improve mental and physical performance.

Making the conscious decision to take control of one's health can lead to longevity with an optimal quality of life.

Operational Statistics

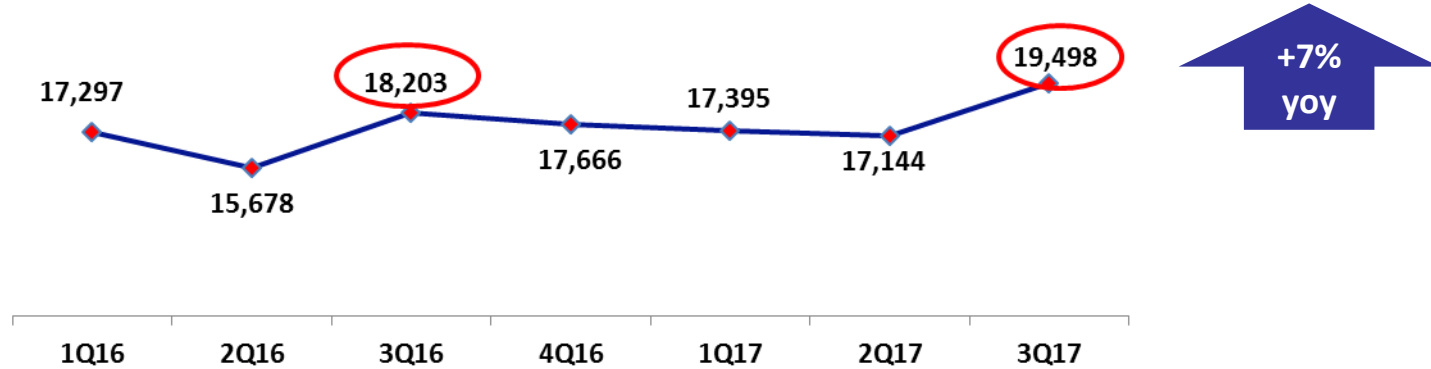


*"Prevention
is the key."*

Quarterly Operating Income Growth

Operating Income Trend

(THB mm)



Commentary

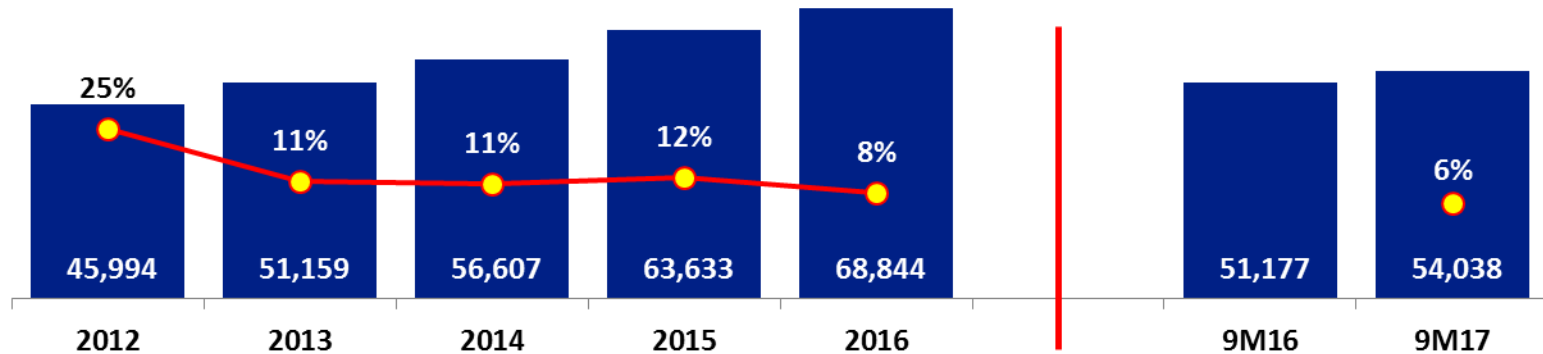
- 3Q17 Operating income increased by 7% yoy. This was attributed to
 - Strong revenue growth from hospitals in BKK +8% vs upcountry +7% yoy
 - Revenue growth from Thai +6% vs International patients +8% yoy
 - Increase in both number of patients and price intensity
 - New network hospitals:- Paolo Kaset and Bangkok Surat

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

YTD Operating Income Growth

Operating Income Trend

(THB mm)



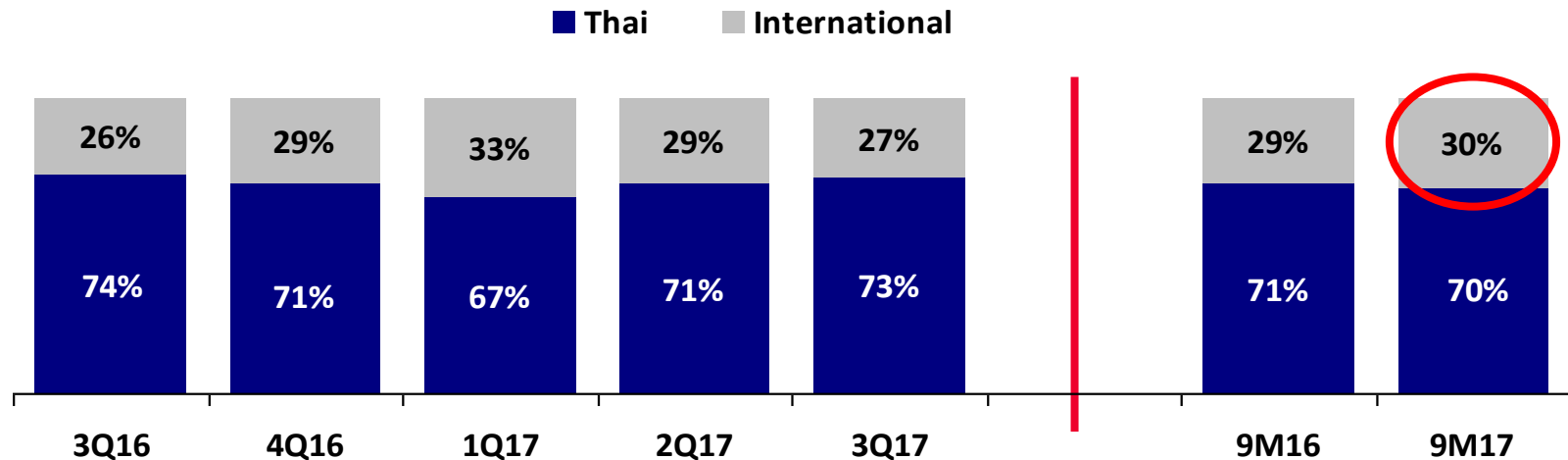
Commentary

- 9M17 Operating income increased by 6% yoy. This was attributed to
 - Strong revenue growth from hospitals in BKK +4% vs upcountry +8% yoy
 - Revenue growth from Thai +5% vs International patients +8% yoy
 - Increase in price intensity and complexity cases

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

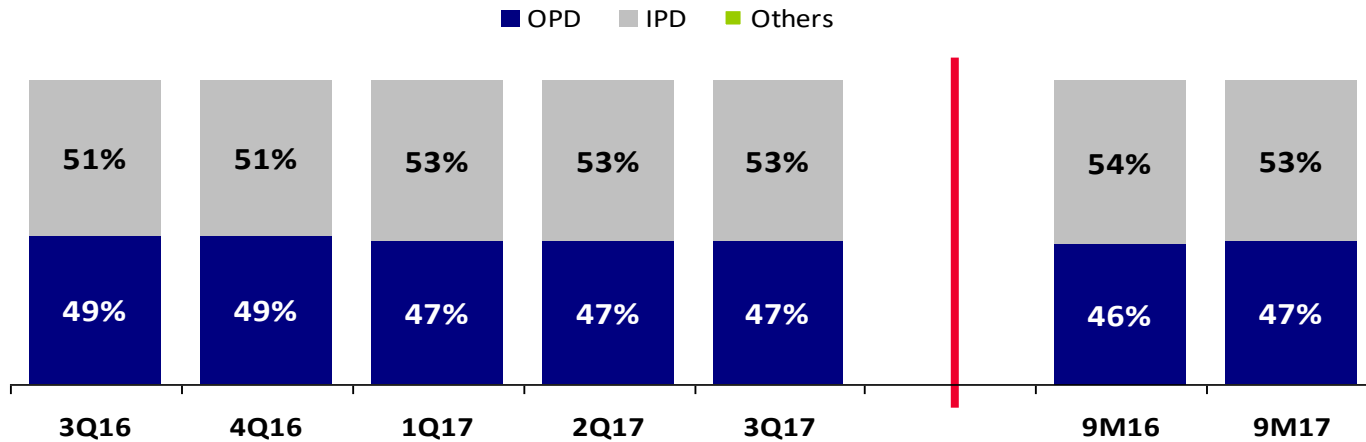


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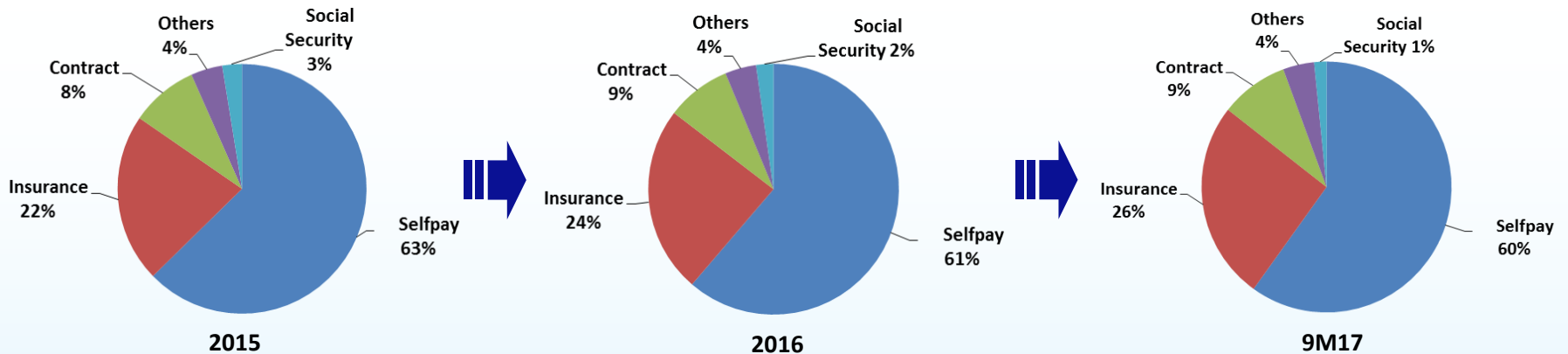
- 9M17 revenues from Thai patients grew 5% yoy while international patients grew 8% yoy
 - Top 5 international patient revenues are from Japan, Myanmar, UAE, UK and China which contribute 2.3%, 1.8%, 1.7%, 1.6% and 1.6% of total patient revenues respectively
 - Key growth for International patient revenues are China (+27%), USA (+19%) and France (+19% yoy)

Patient Mix

Revenue Breakdown by Patient Types

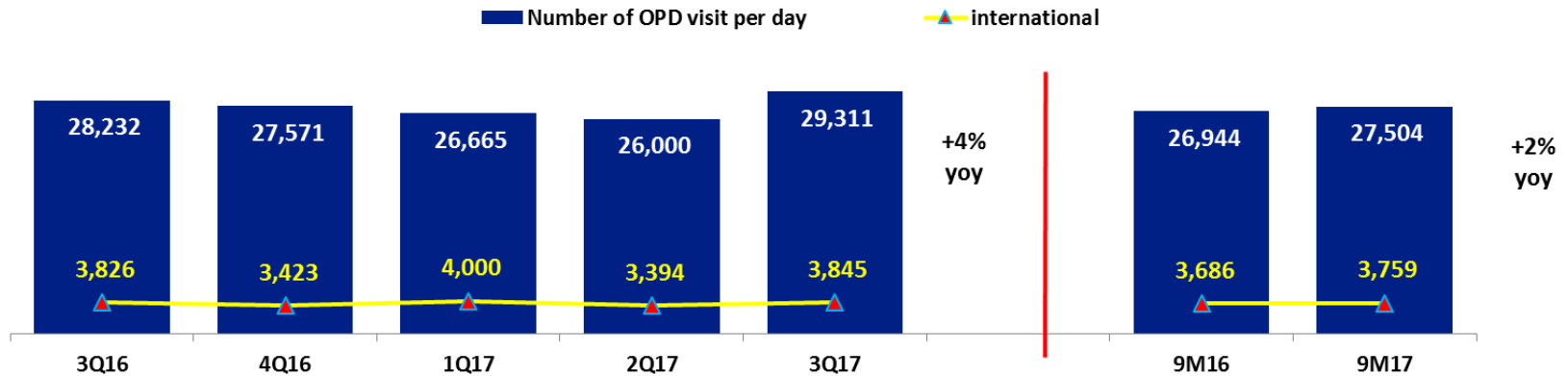


More Diversification of Payor

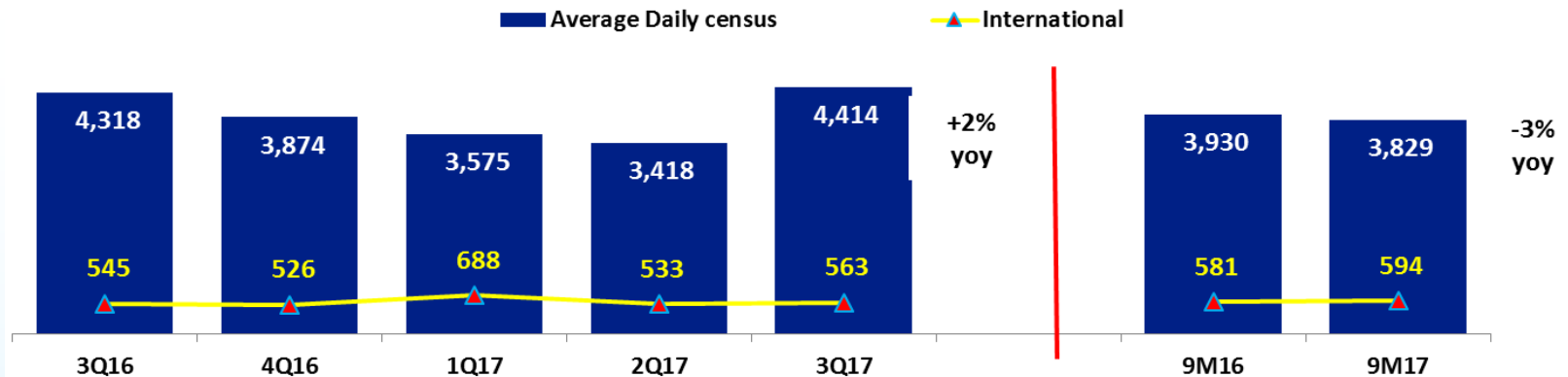


Growing Quarterly Number of Patients

Increasing OPD Visits per Day



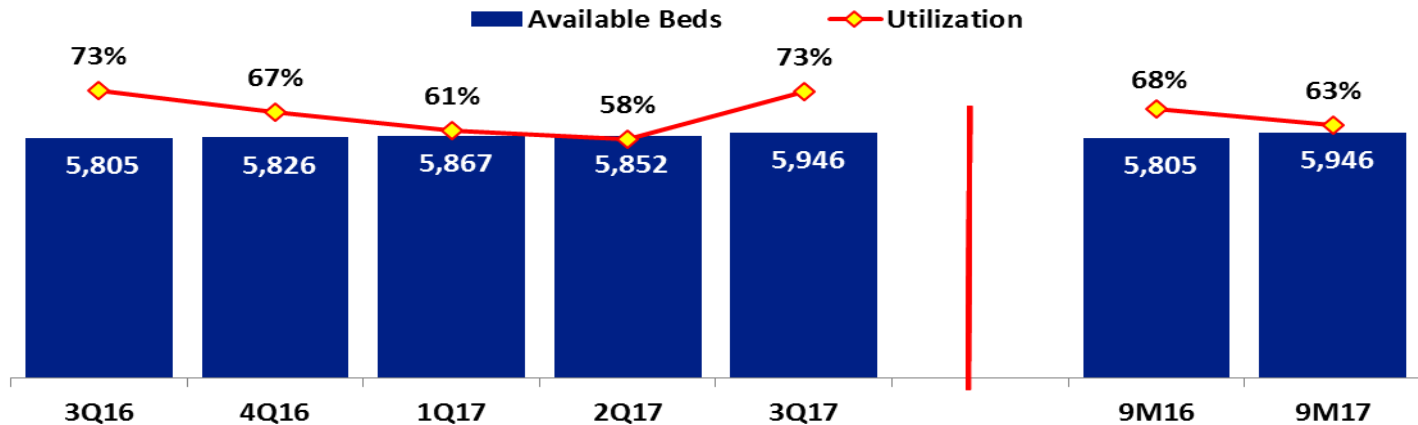
Increasing Average Daily Census (ADC)



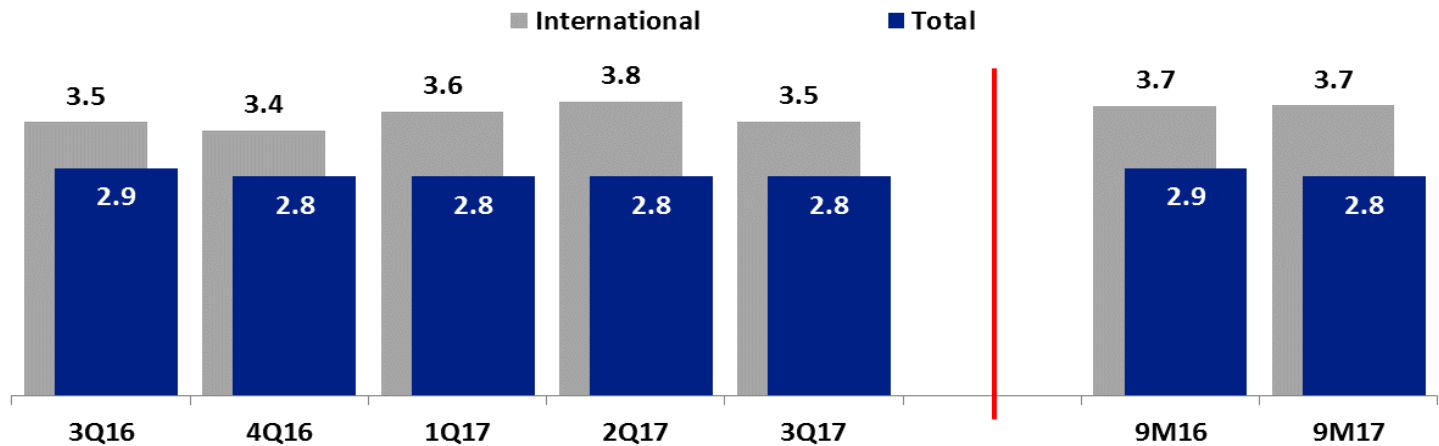
Remarks: - Including social security

Utilization of Beds

Improving Utilization Based on Available Beds in 3Q17



Average Length of Stay (days)



Remarks:- Including social security patients

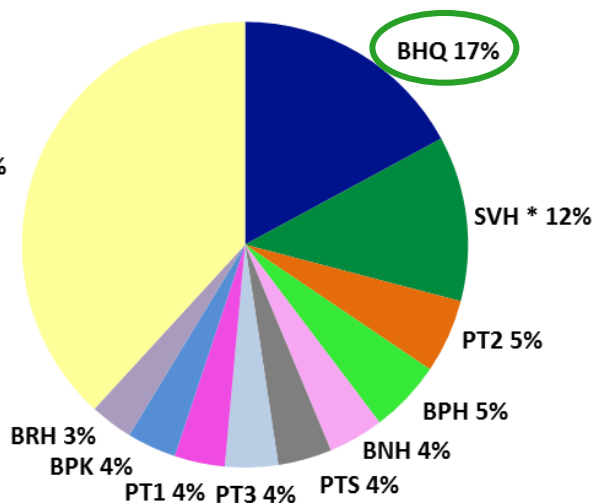
Financial Highlights



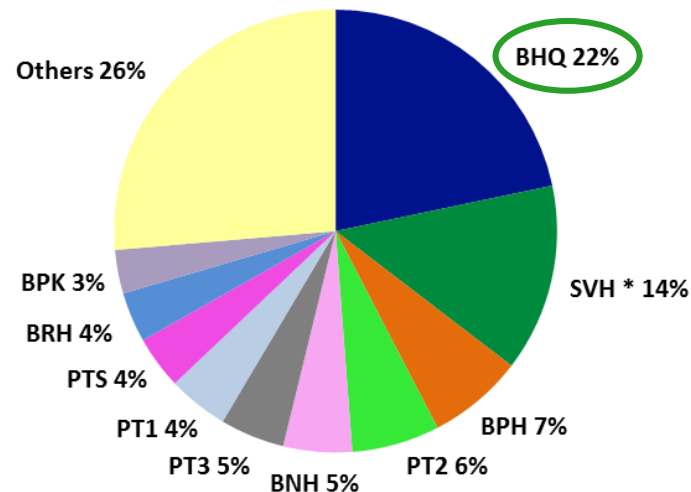
Health Brings Wealth

Diversified Sources of Revenues and Profitability

Operating Income Contribution in 9M17



Total EBITDA Contribution in 9M17



Commentary

- In 9M17, top 5 hospitals contributed 43% of total revenues and 54% of total EBITDA
- Key hospitals that drive revenue growth were BKN (+39%), SCH (+37%), BCM (+30%), BUD (+22%), PLC (+16%) and SIH (+12% yoy)

* SVH also included SNH performance

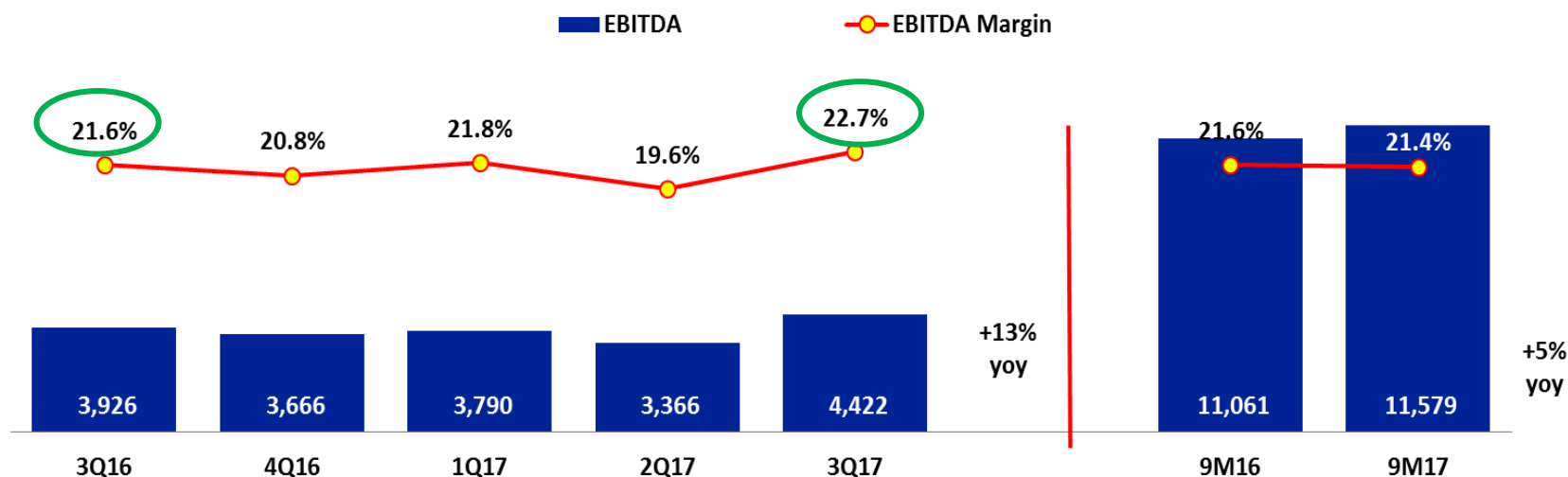
Remark: - Operating income is calculated from hospital revenue + revenue from sales of goods and food + other income

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

Improving Quarterly Profitability Trend

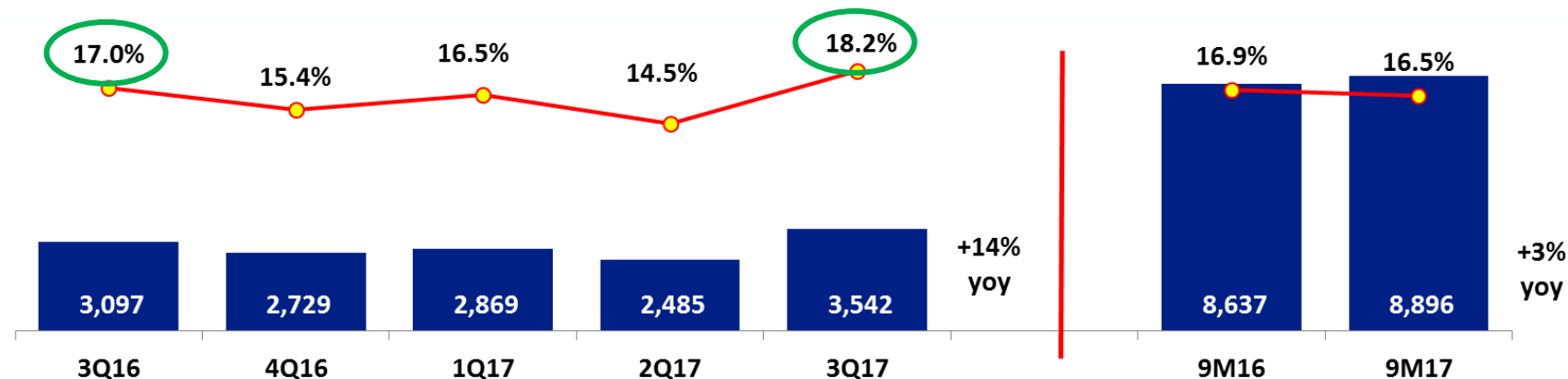
Increasing EBITDA & EBITDA Margin in 3Q17 from Continued Cost Containment

(THB mm)



EBIT & EBIT Margin *

(THB mm)

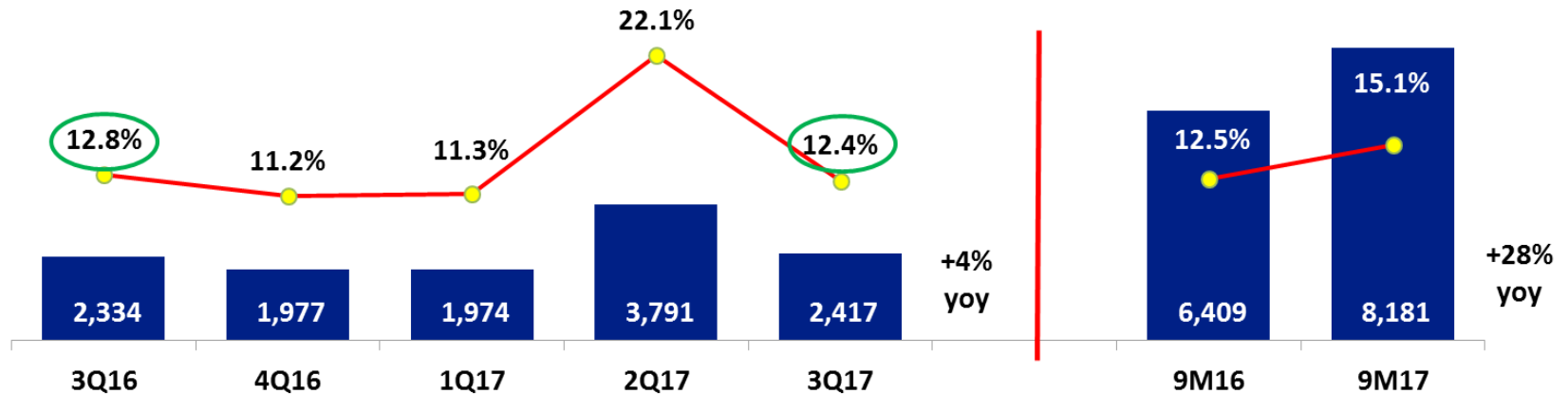


Remarks: - Excluding non-recurring items

Profitability Trend

Net Profit & Net Profit Margin

(THB mm)

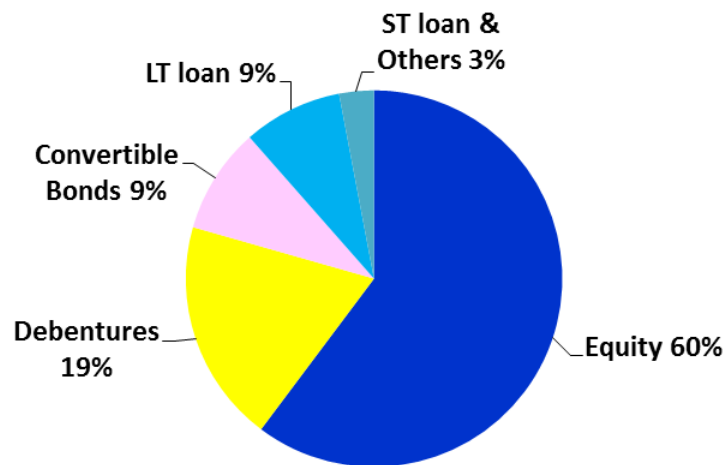


Commentary

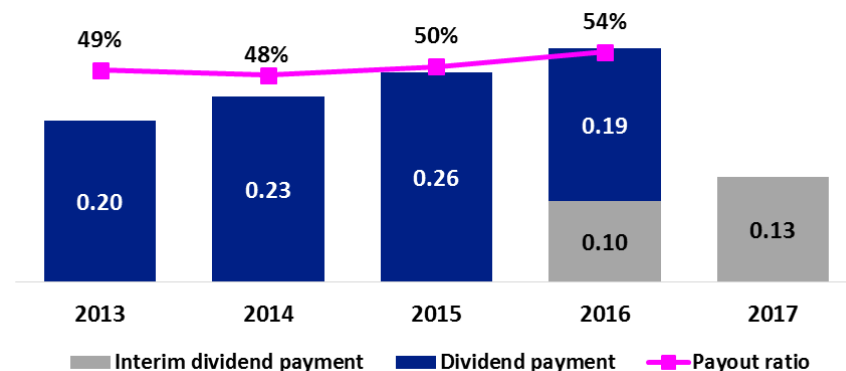
- 9M17 net profit increased +28% yoy due mainly to gain on partial sale of investment in BH totaling Baht 2,195 million (net of income tax)
- If excluded gain on sales of investment in BH, 9M17 net profit decreased 4% yoy mainly from
 - Increase in finance expenses from convertible bonds and an issuance of debentures in 1Q17
 - Finance expenses would decrease in 4Q17

Capital Management

Capital Structure as of September 2017

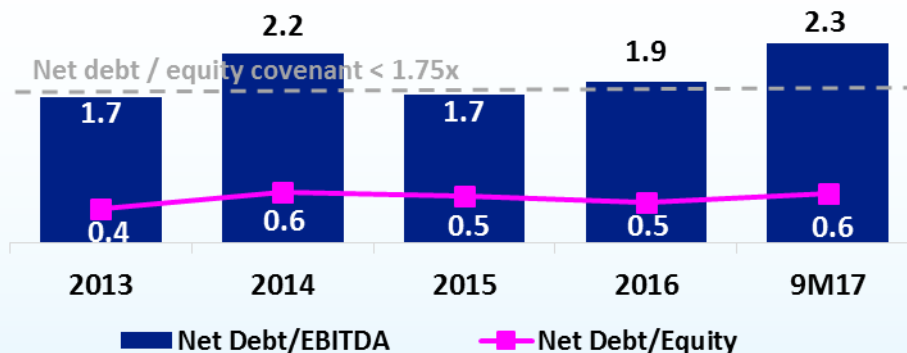


Dividend Payment & Payout Ratio

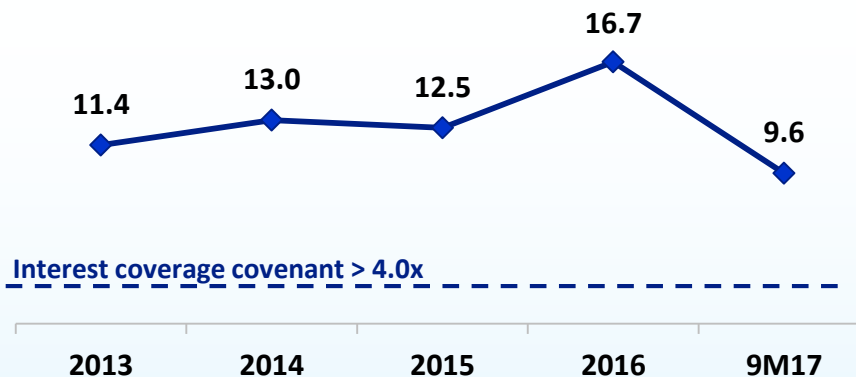


Gearing Ratios: Well Within Covenants

Net debt / EBITDA covenant < 3.25x








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. 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)

	<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. 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%