



Bangkok Dusit Medical Services (BDMS)
Investor Presentation 3Q17&9M17 Results
December 2017

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- Healthcare Industry

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Overview

Overview



45 Hospitals



8,000+ Beds



9 Centers of Excellence



BDMS Wellness Clinic







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



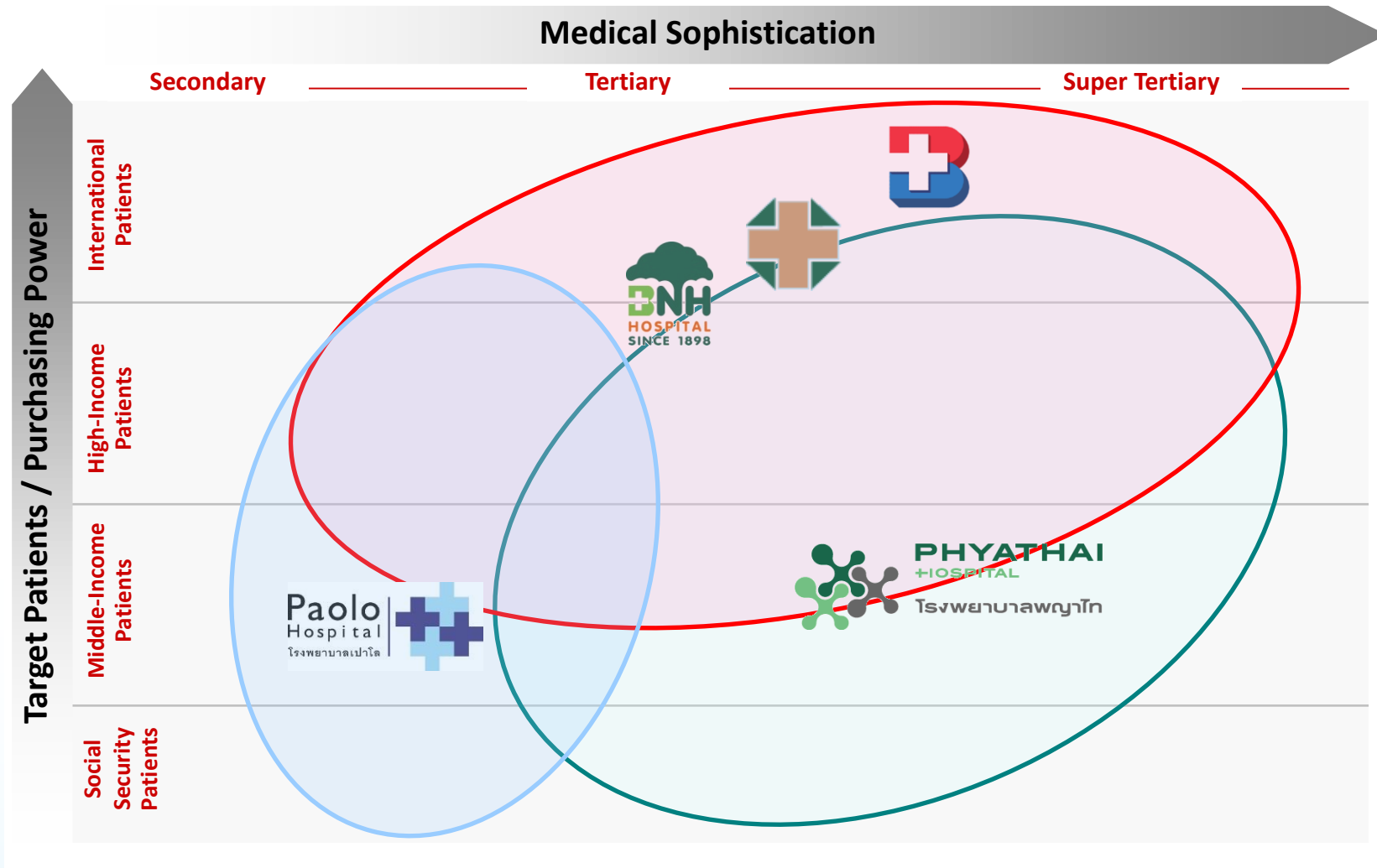
Pharmaceutical manufacturer and drug stores

- 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



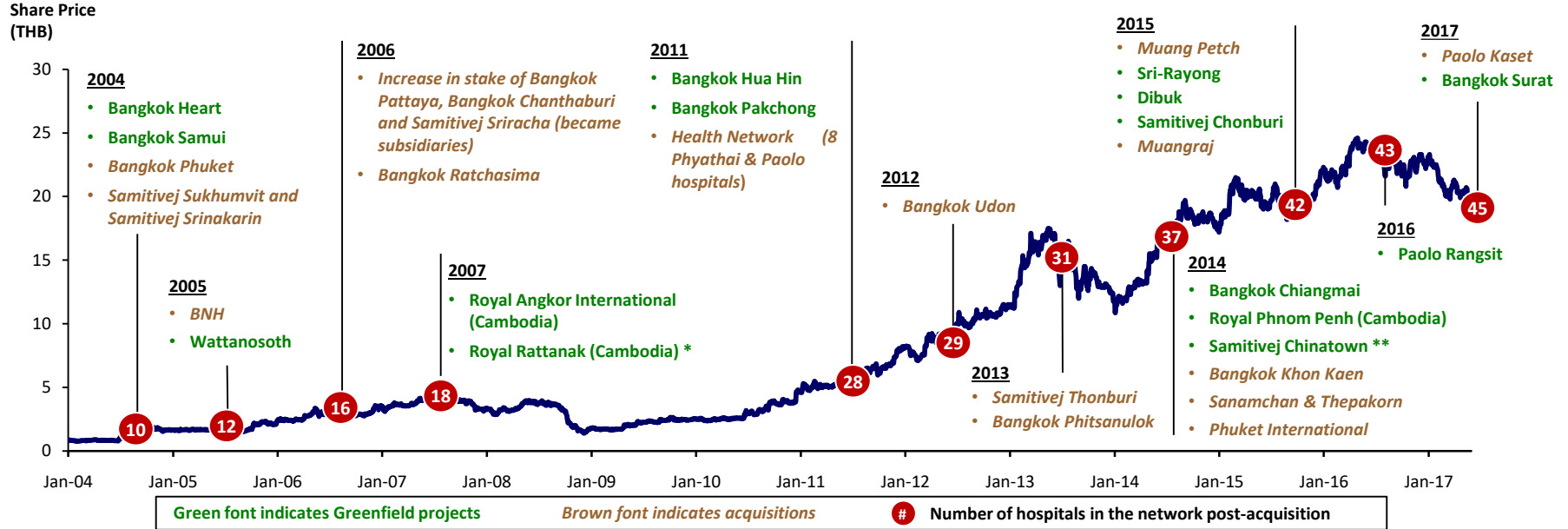
BDMS Future Plan

Key Strategies

	2017	2018	2019	2020
Hospitals in Pipeline	<ul style="list-style-type: none"> 45 Hospitals 8,015 beds ✓ 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) 	<ul style="list-style-type: none"> ~ 50 hospitals ~ 8,500 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

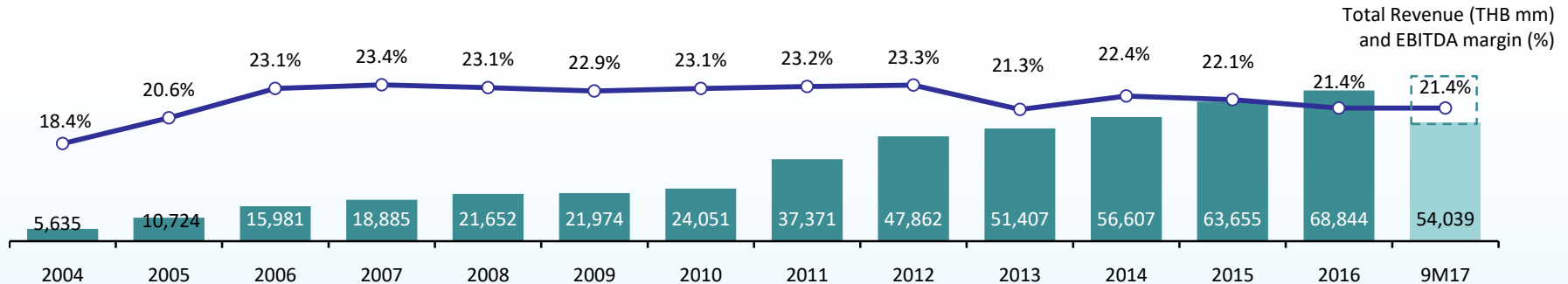
Strong Share Price Performance Backed by a Successful Expansion Track Record



* 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

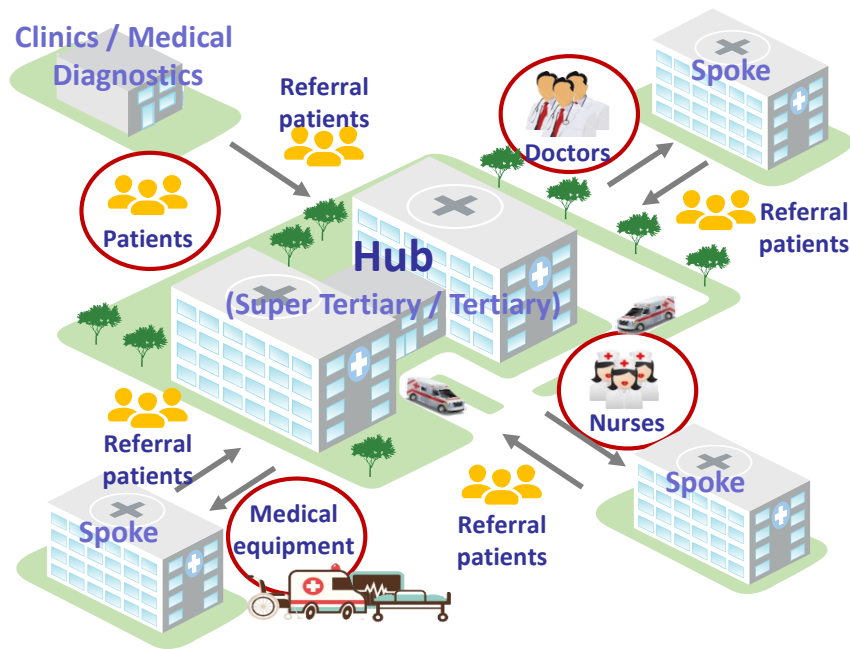


Source: Derived from BDMS' financial statements

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



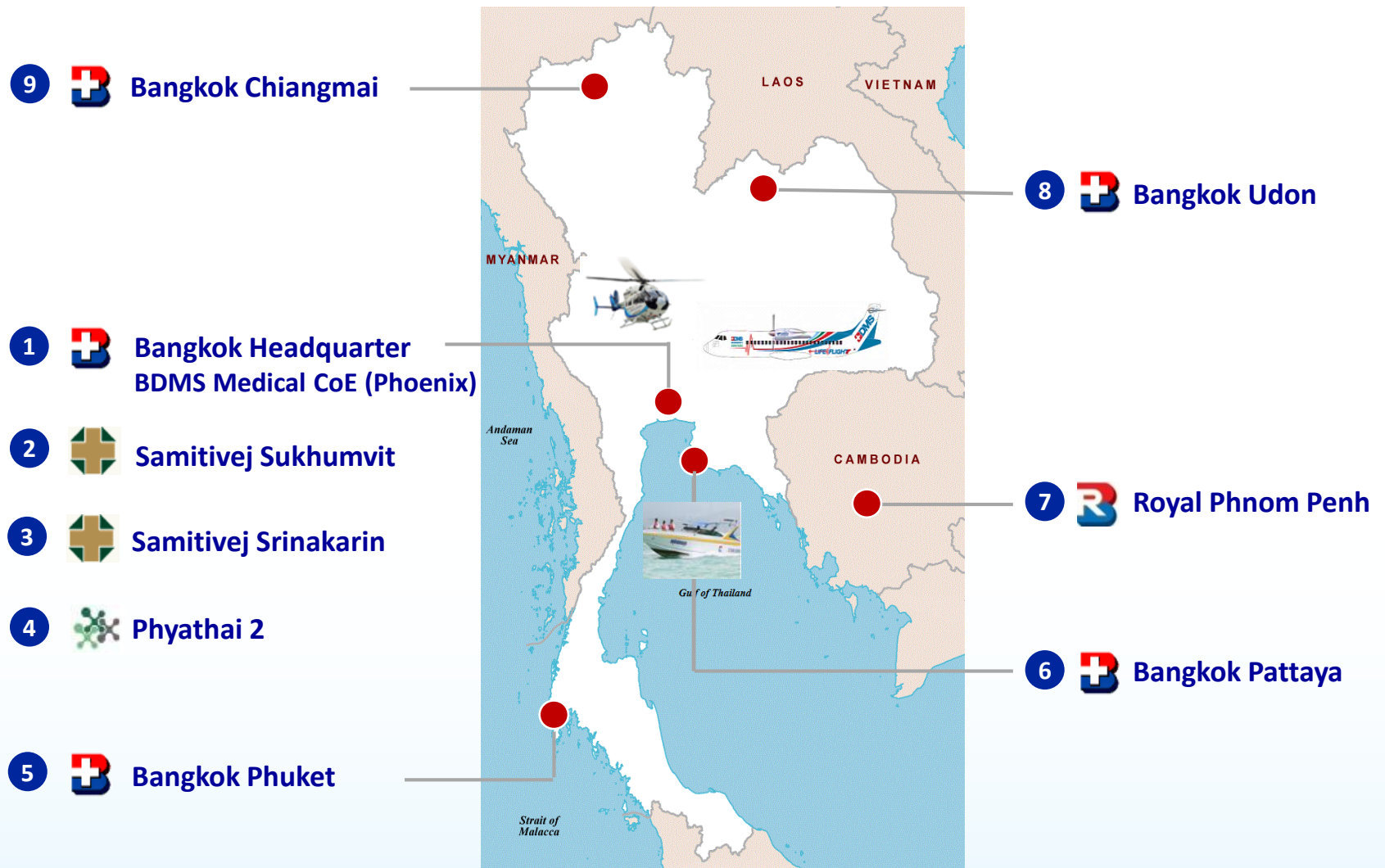
Phoenix Project



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 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
5 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 	2020

Investments

Investments in Other Hospitals : - Listed Companies

- Ramkhamhaeng Hospital PCL (RAM) 38.24%
- Bumrungrad Hospital PCL (BH) 20.50%

Non- Hospital Strategic Investments *

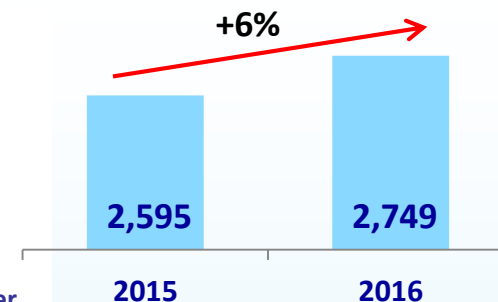
Pharmaceutical Business

- 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

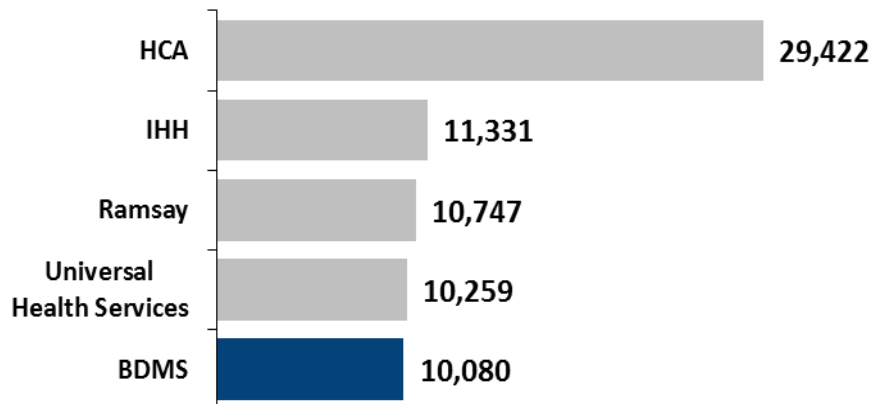
Non-Hospital Revenues *THB mm*



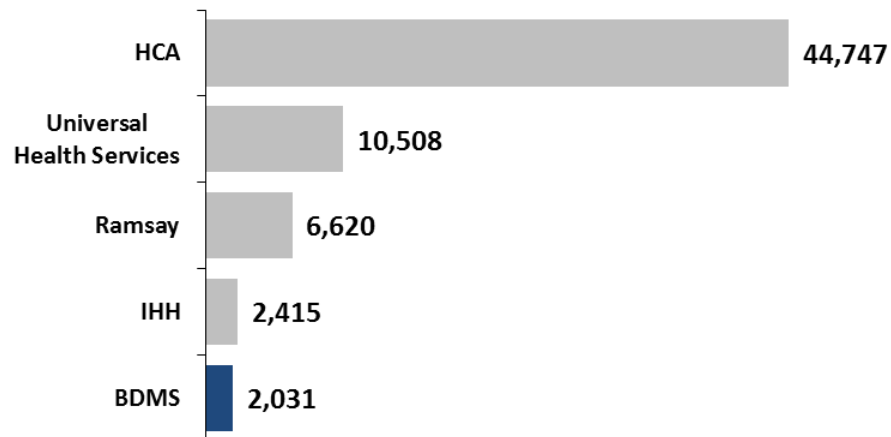
* Not included all BDMS' investments

Global Hospital Rankings

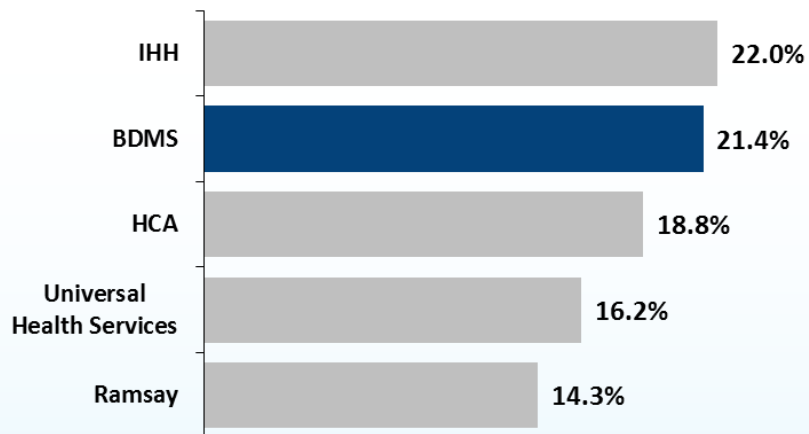
Market Capitalization (USD mm)



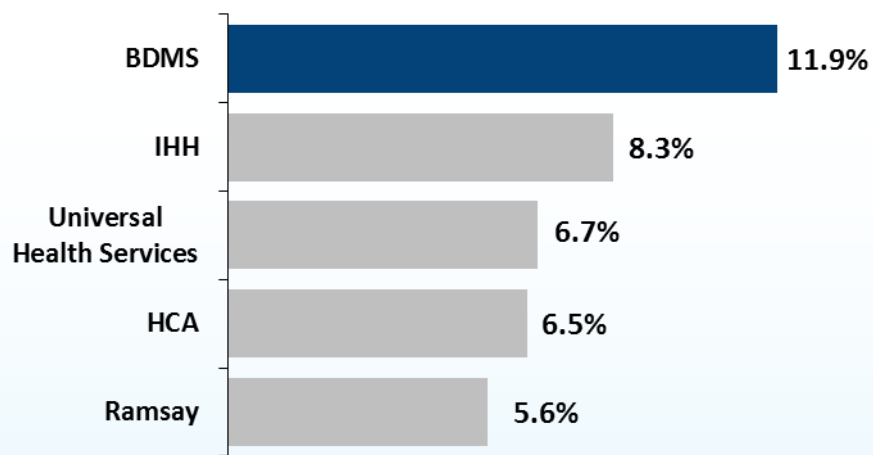
Revenue (USD mm)



EBITDA Margin



Net Profit Margin



Remark: - Market capitalization as of 6 December 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

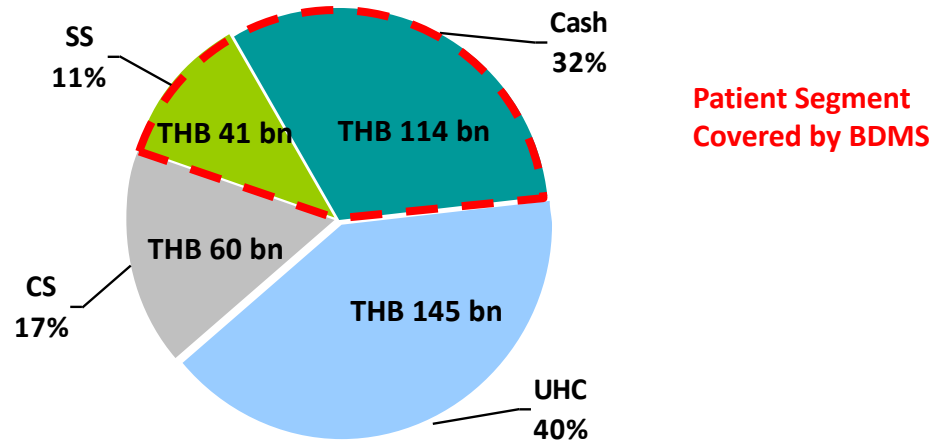
- Mobile health apps would increase health conscious and preventive care
- Support existing healthcare service rather than replacement
- Mostly in searching for doctor and personal health information

* 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

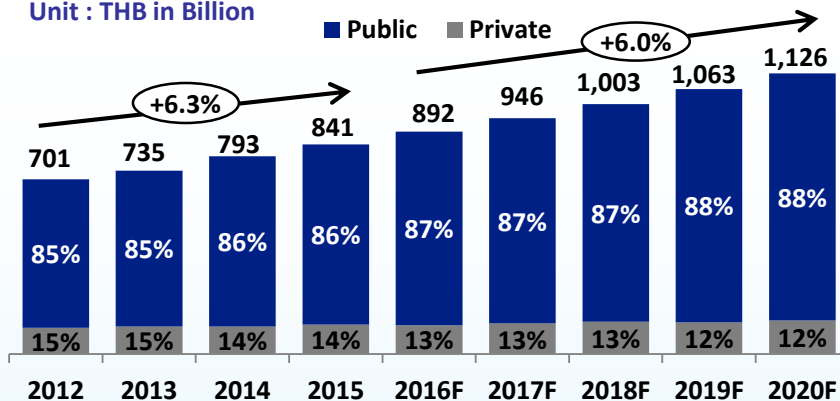
BDMS Market Coverage (2014)

	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

Increasing Healthcare Expenditures in Thailand

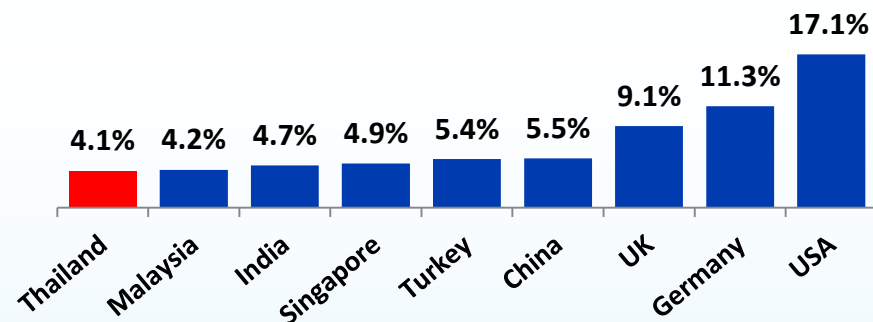
Unit : THB in Billion



Source : EIC SCB and WHO

Low Healthcare Penetration

% of Healthcare expenditure to GDP

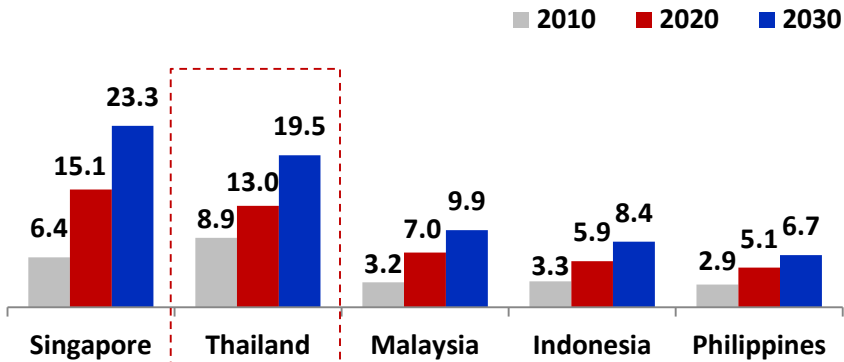


Source: WHO (2014)

Increasing Healthcare Demand

Population Growth and Aging Profile

Percentage of population above 65 years (%)

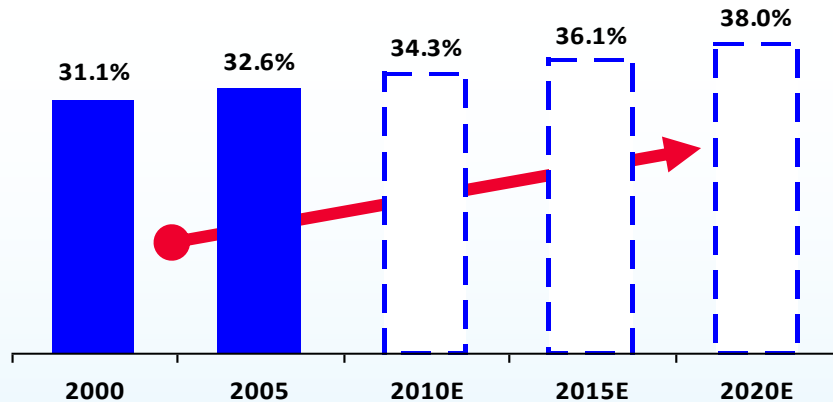


Source: UN Population Database: 2015

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

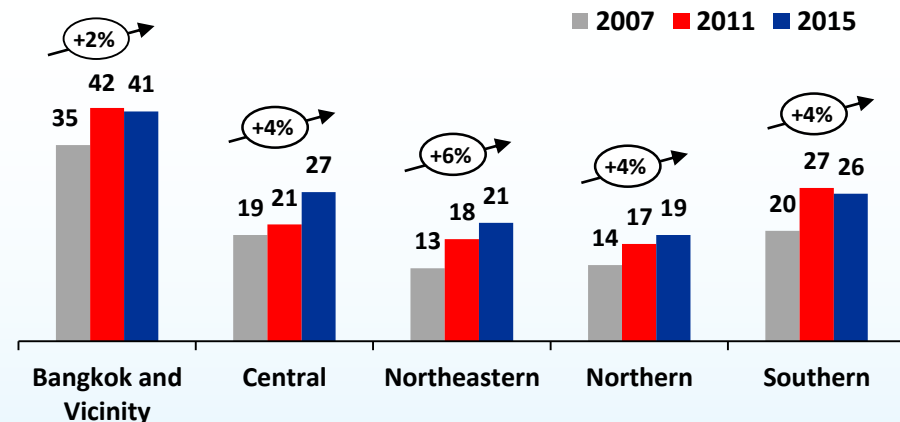
Urbanization



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

Rising Monthly Income per Capita

Unit : THB Thousand

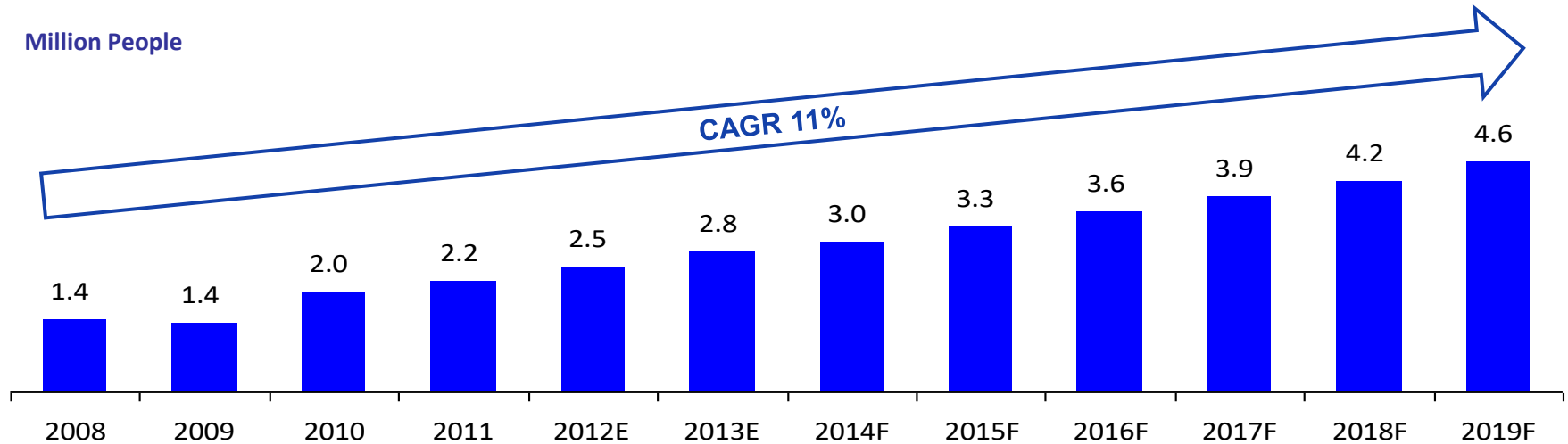


Source : NSO

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
Heart Bypass	123,000	17,200	15,000	12,100	7,900
Heart Valve Replacement	170,000	16,900	17,200	13,500	9,500
Hip Replacement	40,364	13,900	17,000	8,000	7,200
Knee Replacement	35,000	16,000	14,000	7,700	6,600
Spinal Fusion	110,000	12,800	9,500	6,000	10,300
Gastric Bypass	25,000	13,700	16,800	9,900	7,000
IVF Treatment	12,400	14,900	4,100	6,900	2,500

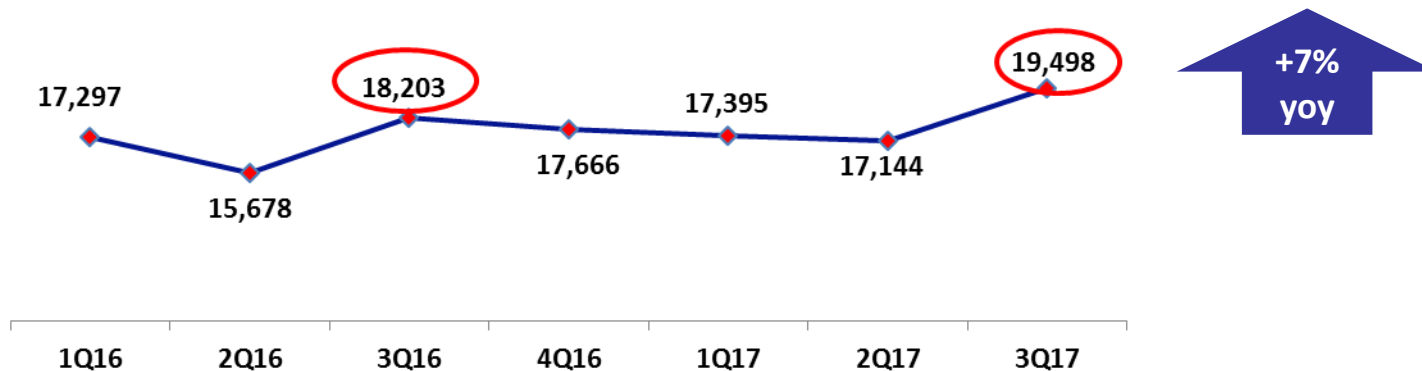
Source: Medicaltourism.com (2016)

Operational Statistics

Operating Income Growth

Operating Income Trend

(THB mm)



Commentary

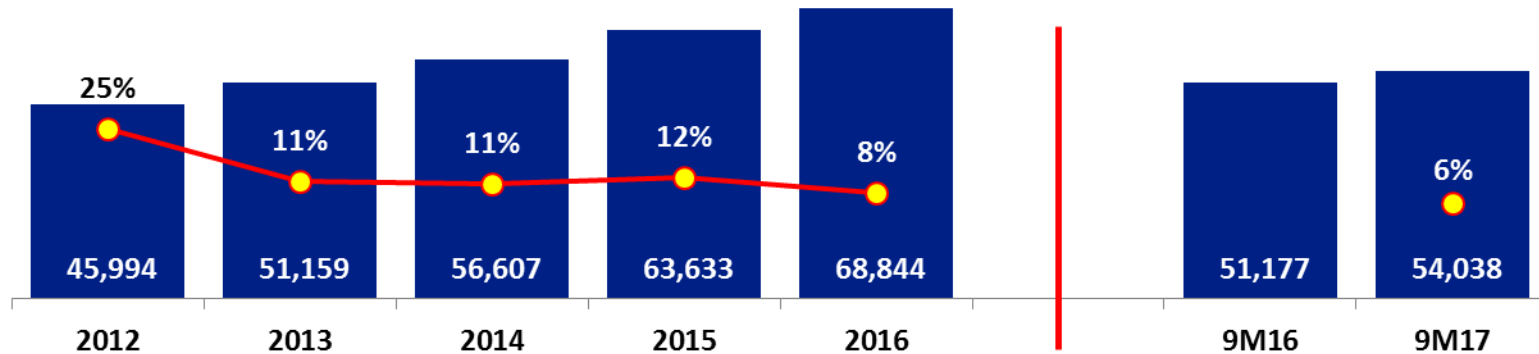
- 3Q17 Operating income increased by 7% yoy. This was attributed to
 - Strong revenue growth from hospitals in upcountry +8% vs BKK +7% yoy
 - Revenue growth from Thai +6% vs International patients +8% yoy
 - Increase in both number of patients and price intensity
 - New network hospitals:- Paolo Kaset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

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

Operating Income Growth

Operating Income Trend

(THB mm)



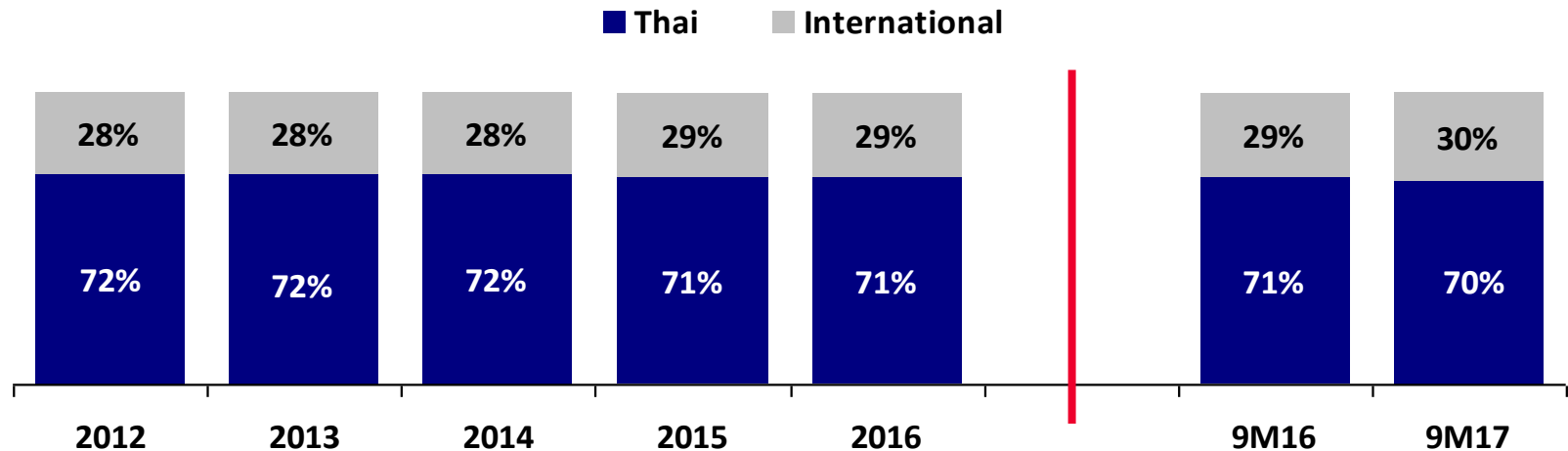
Commentary

- 9M17 Operating income increased by 6% yoy. This was attributed to
 - Strong revenue growth from hospitals in upcountry +8% and in BKK +4% 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

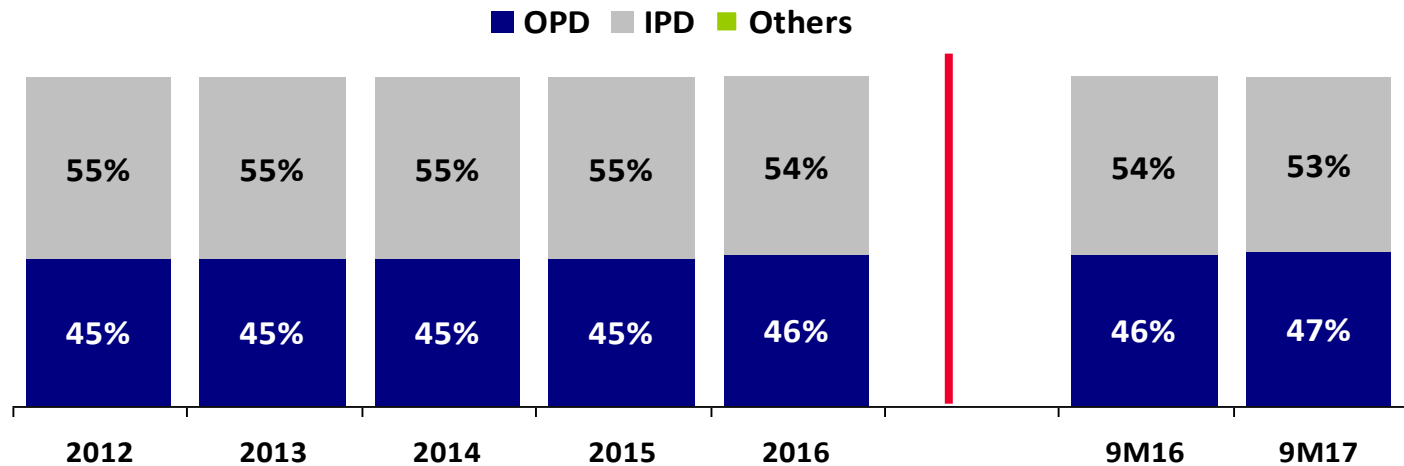


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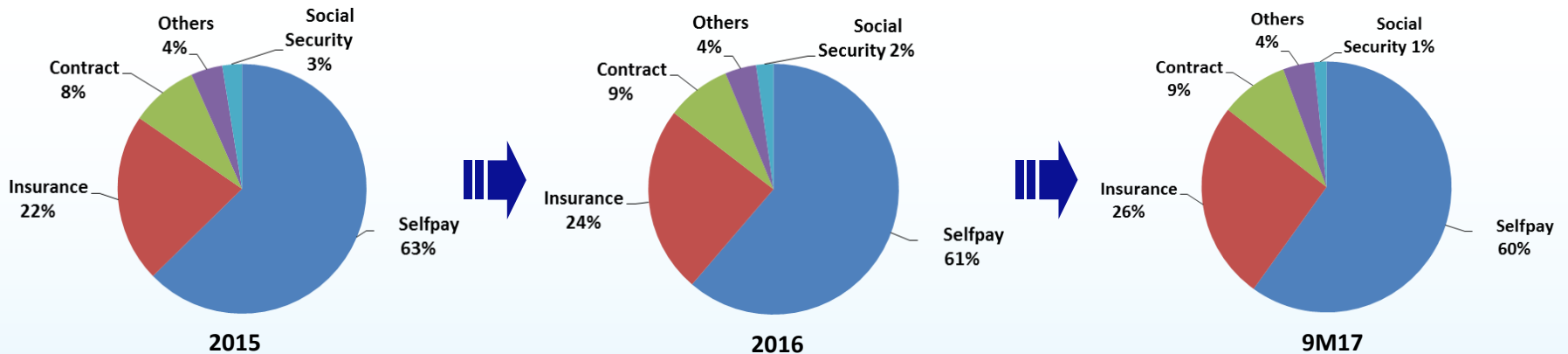
- 9M17 revenues from Thai patients grew 5% yoy while international patients grew 8% yoy
 - Top 5 international patient revenues are from Japan, Myanmar, UAE, UK and China which contribute 2.3%, 1.8%, 1.7%, 1.6% and 1.6% of total patient revenues respectively
 - Key growth for International patient revenues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

Patient Mix

Revenue Breakdown by Patient Types

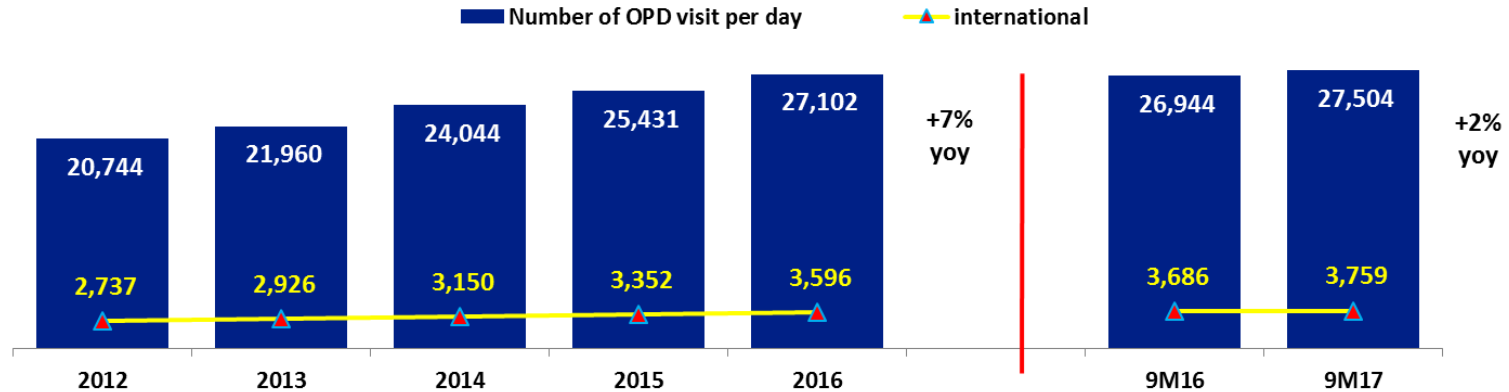


Patient Revenue by Payor: Increasing Insurance Portion

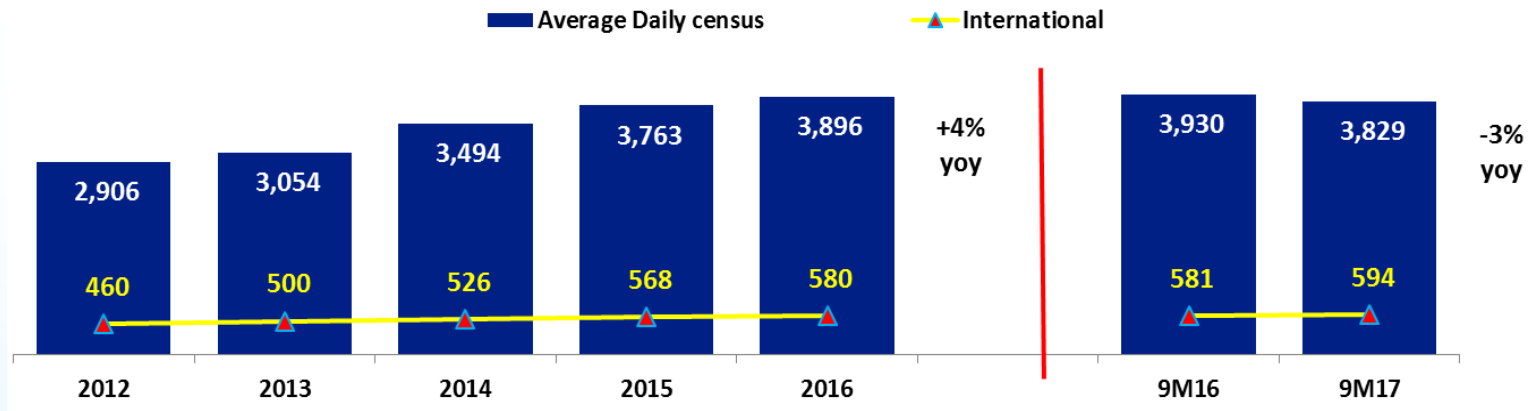


Patient Volume

Number of OPD Visits per Day



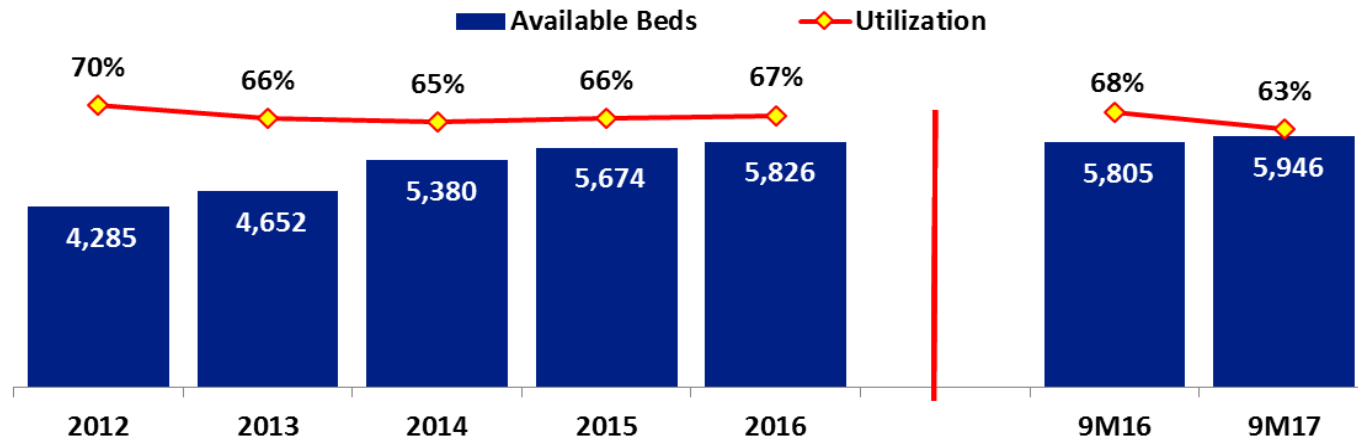
Average Daily Census (ADC)



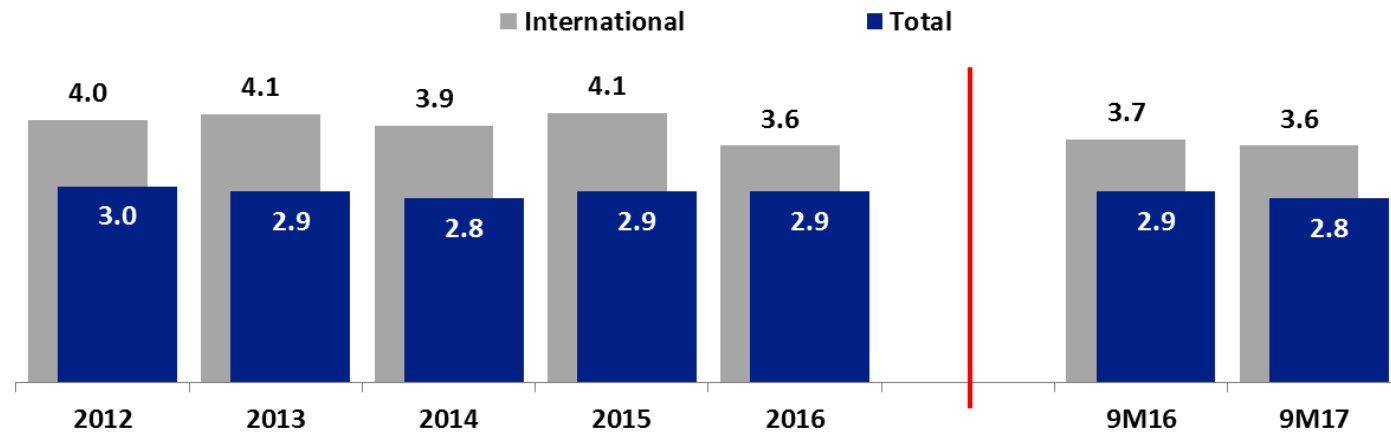
Remarks: - Including social security

Utilization of Beds

Utilization Based on Available Beds



Average Length of Stay (days)

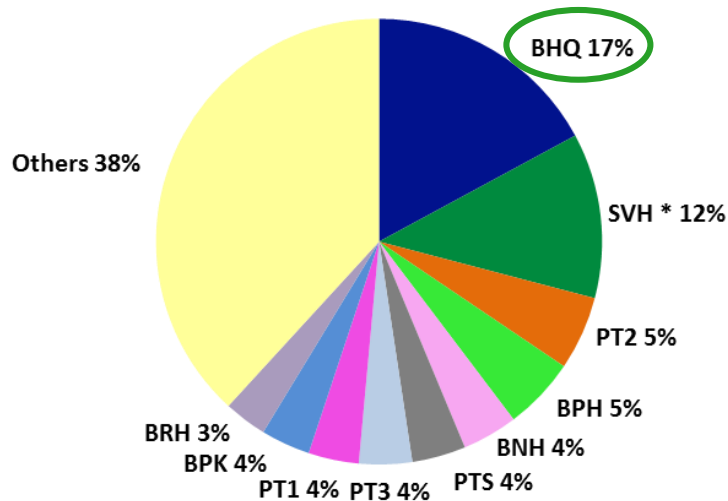


Remarks:- Including social security patients

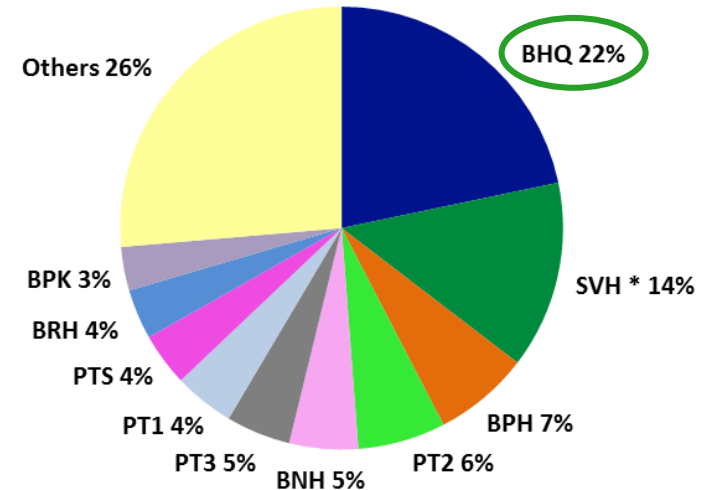
Financial Highlights

Diversified Sources of Revenues and Profitability

Operating Income Contribution in 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

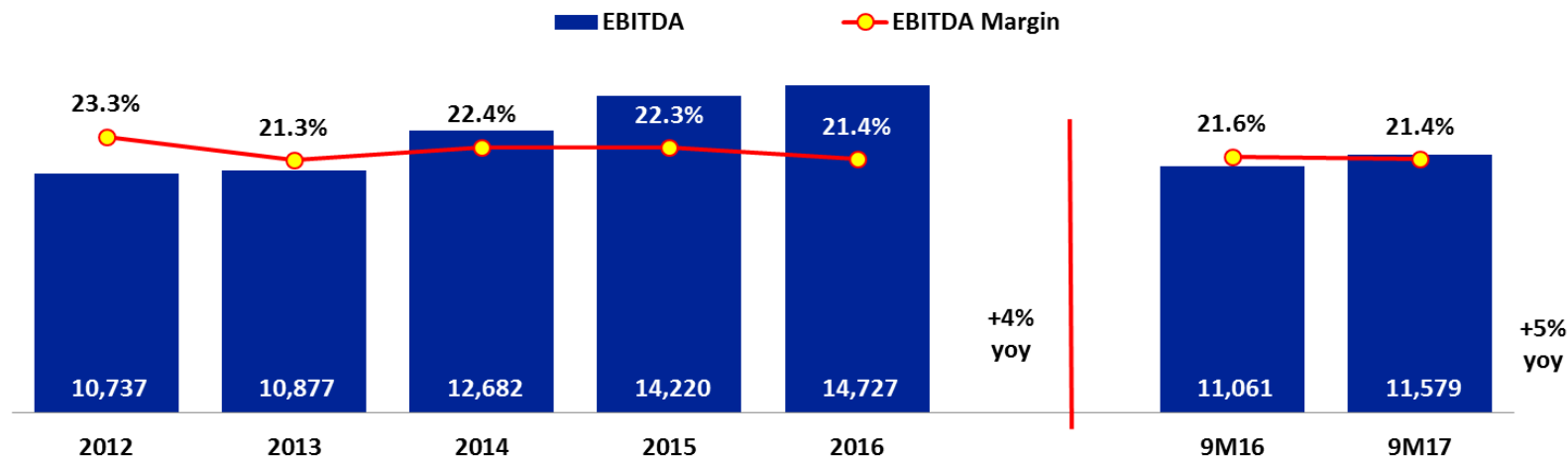
Remark: - Operating income is calculated from hospital revenue + revenue from sales of goods and food + other income

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

Profitability Trend

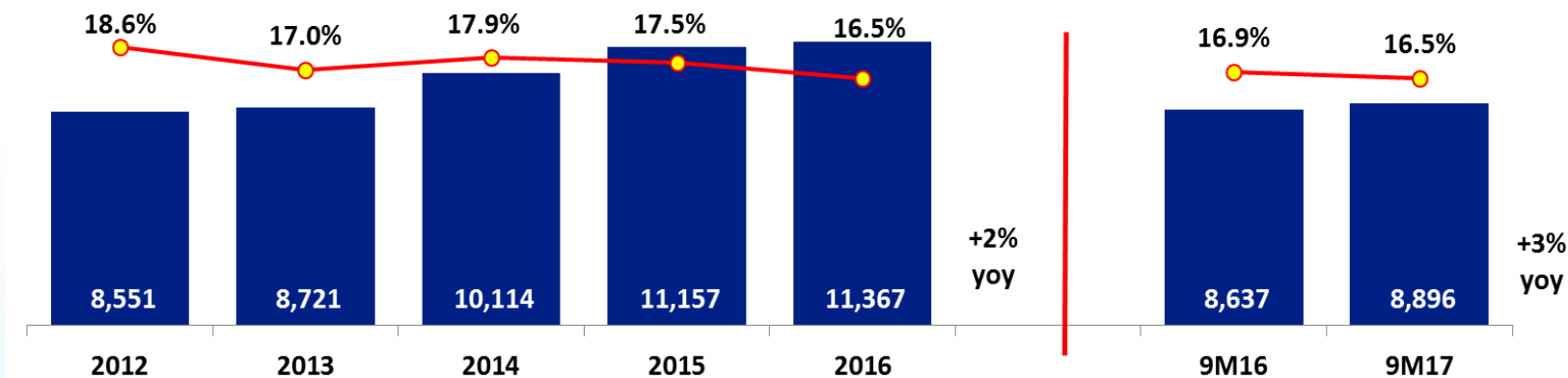
EBITDA & EBITDA Margin

(THB mm)



EBIT & EBIT Margin *

(THB mm)

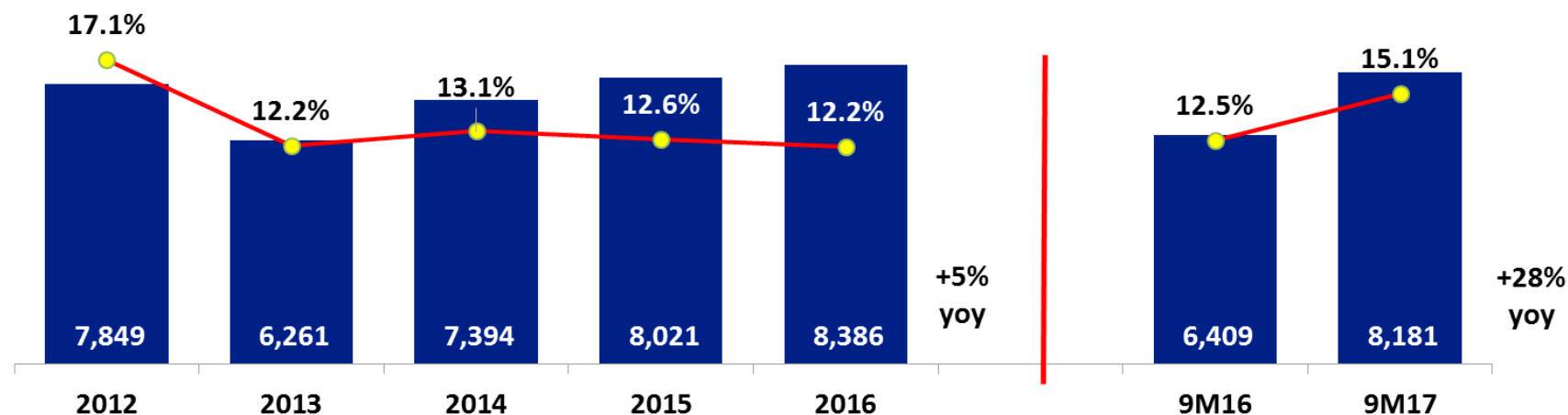


Remarks: - Excluding non-recurring items

Profitability Trend

Net Profit & Net Profit Margin

(THB mm)

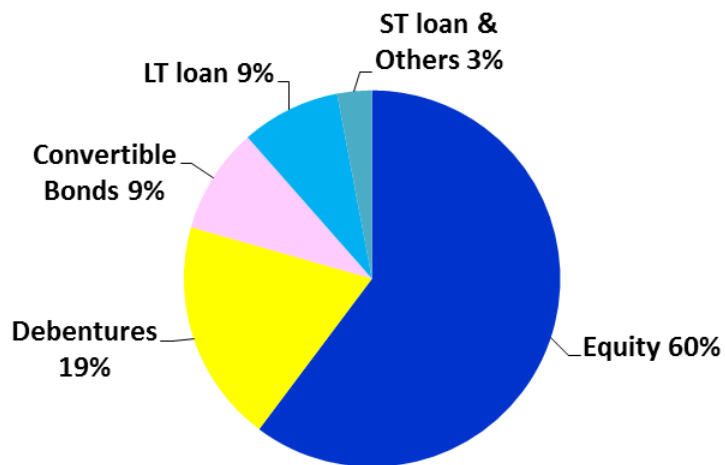


Commentary

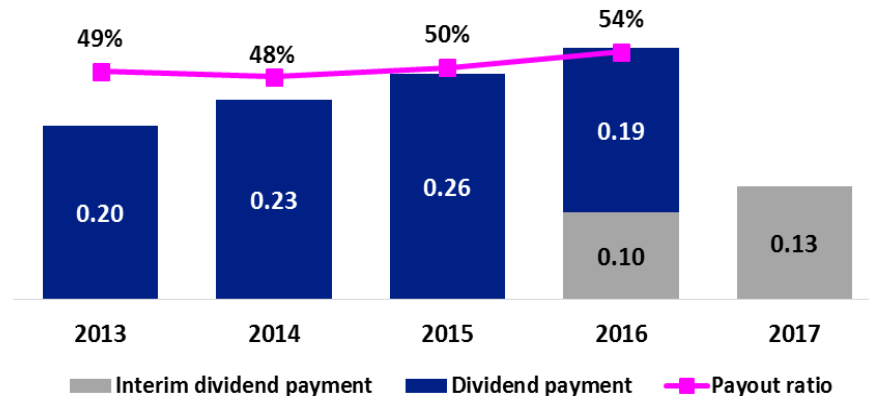
- 9M17 net profit increased +28% yoy due mainly to gain on partial sale of investment in BH totaling Baht 2,195 million (net of income tax)
- If excluded gain on sales of investment in BH, 9M17 net profit decreased 4% yoy mainly from
 - Increase in finance expenses from convertible bonds and an issuance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

Capital Management

Capital Structure as of September 2017

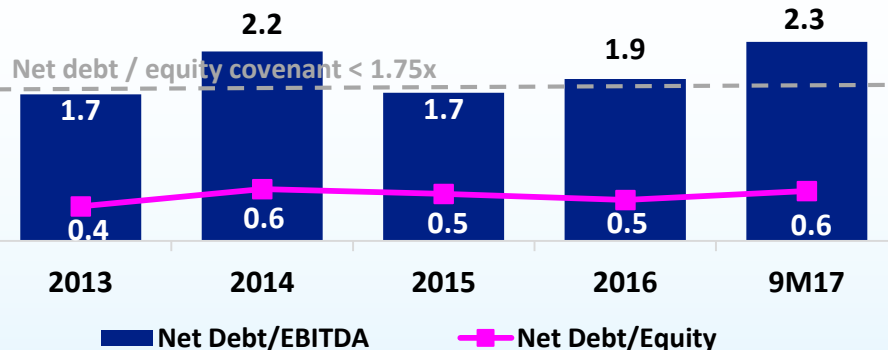


Dividend Payment & Payout Ratio

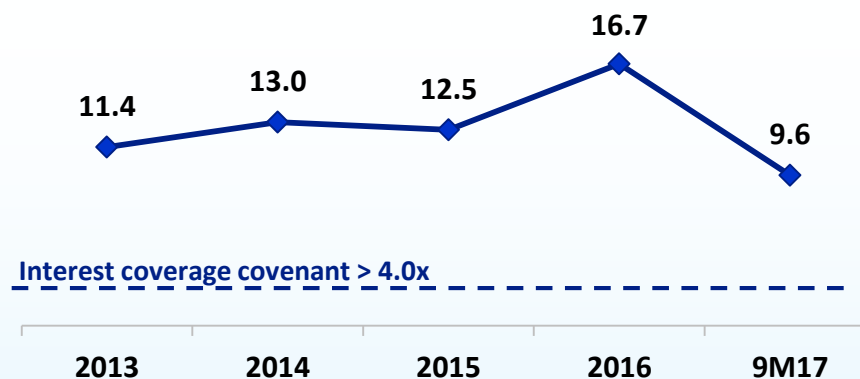


Gearing Ratios: Well Within Covenants

Net debt / EBITDA covenant < 3.25x



Interest Coverage



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