



**Bangkok Dusit Medical Services (BDMS)**  
**Analyst Presentation 4Q18 & 2018 Results**

**1 March 2019**

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- **Availability and Expertise of BDMS Clinical Personnel**
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# BDMS Summary & Updates



# Consolidated Financial Summary

## 4Q18 & 2018 Results

	4Q18		2018	
	Chg (yoy)	% to Revenue	Chg (yoy)	% to Revenue
Operating income	+7% (THB 19,961 mm)		+9% (THB 79,333 mm)	
Patient revenue	+6% (THB 18,853 mm)		+9% (THB 75,331 mm)	
<b>Breakdown by location</b>				
▪ Bangkok & Vicinity	+5%	60%	+7%	59%
▪ Upcountry	+6%	40%	+11%	41%
<b>Breakdown by nationality</b>				
▪ Thai	+6%	70%	+9%	70%
▪ International	+8%	30%	+9%	30%
<b>Breakdown by type of patients</b>				
▪ Outpatients	+9%	48%	+8%	46%
▪ Inpatients	+3%	52%	+9%	54%

# Consolidated Financial Summary

## 4Q18 & 2018 Profitability Ratio

(THB mm)	4Q18	4Q17	Chg (yoy)	2018	2017	Chg (yoy)
EBITDA	3,562	3,898	(9)%	17,175	15,477	+11%
EBITDA margin	17.8%	20.8%		21.6%	21.3%	
Core profit	2,077	2,035	+2%	9,918	8,021	+24%
Core profit margin	10.4%	10.9%		12.5%	11.0%	
Non-recurring items	(727)*	0	n.a.	(727)*	2,195**	(133)%
Net profit	1,350	2,035	(34)%	9,191	10,216	(10)%
Net profit	6.8%	10.9%		11.6%	14.0%	

■ Lower EBITDA margin in 4Q18 was mainly from

	THB mm
1) Conservatively set up provision for lifelong membership program (actuarial assessment)	185
2) Provision for long service awards	115
3) Marketing expenses for Happy and Healthy Bike and the winter festival	82
4) Increase in repair and maintenance for local and JCI reaccreditation	53
<b>Total</b>	<b>435</b>

\* Income tax expense from disposal of all investment in RAM \*\* Gain on partial sale of investment in BH (net of tax)

# 1 Divestment in RAM

## Divestment all equity investment in RAM

- In 1Q19, the Company divested all investment in RAM totaling 4,588,424 ordinary shares (or approx. 38.24% of RAM's total issued and paid-up share) at selling price of THB 2,800 per share
  - The Company would realized total gain (net of tax) from this transaction of approx. THB 5,369 million
- 1) 4Q18: Income tax expense of THB 727 million (Thai Accounting Standard No.12)
  - 2) 1Q19: Net gain from RAM divestment of approx. THB 6,096 million

(THB mm)	4Q18	1Q19	Total
Net received from RAM divestment		12,711	
<u>Less</u> Equity method investment		(5,704)	
<u>Add</u> Unrealized profit sharing from RAM		612	
Gain before tax		7,619	7,619
<u>Less</u> Income tax	(727)*	(1,524)	(2,250)
<b>Net gain from RAM divestment</b>		<b>6,096</b>	<b>5,369</b>

\* Income tax expense was calculated from share of profit from RAM of THB 3,632 million that the Company had realized in income statement until 31 December 2018



## 2 Conversion of Convertible Bonds

### BDMS Convertible Bonds and Number of Shares Outstanding

Date	Status	Convertible Bonds Outstanding (THB mm)	Number of Share (mm)
18 Sep 14	Issued	10,000	15,490.96
18 Sep 17	Early Redemption (Put Option)	-1,560	-
2018	Conversion*	-3,746	+178.00
<b>Outstanding (End of 2018)</b>		<b>4,694</b>	<b>15,668.96</b>

\* Conversion price at THB 21.045 per share



### 3 Strategic Focus on Health Insurance

BDMS joined with Viriyah Insurance and TQM Corporation to Launch New Exclusive Health Insurance



- Launched “The Viriyah Insurance Program 3 (Delight)” in Feb 2019
- Exclusive for BDMS hospital network to secure more patient volume
- Targeted mid-income market

### 3 Strategic Focus on Health Insurance

#### Key Highlight of The Viriyah Insurance Program 3 (Delight)

- Inpatient Hospitalization benefits:
  - Maximum benefit for an injury or sickness per disability: Baht 450,000 to Baht 1,500,000
  - Room & board - including nursing service: Up to Baht 10,000/day
  - Doctor Fee: Full covered
  - Personal accident: Up to Baht 500,000
- Outpatient coverage (max 3 visits per year): Up to Baht 1,000 per visit

Benefits and Coverage	Maximum Benefit (THB)			
	Plan 1	Plan 2	Plan 3	Plan 4
Inpatient Hospitalization Benefits				
Maximum limit for an injury or sickness per disability	450,000	650,000	850,000	1,500,000
Room & Board-Including Nursing Service (maximum per day)				
- Non-intensive Care Room (per day) - maximum 365 days	3,500	5,000	6,500	10,000
- Intensive Care Unit (ICU) (per day) - maximum 15 days per disability	7,000	10,000	13,000	20,000
Hospital General Expenses				
- Hospital General Expenses	Full Cover*			
- Home medicine	5,000			
- Emergency Accidental Outpatient Treatment (first visit within 24 hours after the accident and follow-up treatment within 31 days)	Full Cover*			
- Ambulance	5,000			
Doctor's Fee				
- Surgeon's fee - Anesthetic fee - Physician's Visit (per day) and specialist's consultation fee	Full Cover*			
Embedded Outpatient Benefit (Maximum 3 visit per year)	1000 THB per visit per day			
OPD expenses for non-hospitalization. Maximum 1 visit per day and 3 visits per year.				
Personal Accident (P.A.2)				
- Accidental Death, Dismemberment, Loss of sight, Loss of hearing, Loss of speech and Total permanent disability. ; PA.2 (including murdered, ambushed and accident while riding a motorcycle whether as a rider or passenger)	500,000			

\*Full Cover but not exceeding the maximum benefit specified in the policy

### 3 Strategic Focus on Health Insurance

#### New Exclusive Health Insurance: The Viriyah Insurance Program 3 (Delight)

Health insurance premium per year (Baht)

Ages	Plan 1	Plan 2	Plan 3	Plan 4
	Premium (Baht)			
15 ปี – 5	42,216	48,480	55,008	75,780
6 – 10	17,664	19,944	22,188	29,172
11 – 15	20,304	22,908	25,464	33,768
16 – 20	19,848	22,332	24,828	32,832
21 – 25	20,796	23,448	26,064	34,548
26 – 30	21,084	23,772	26,424	35,088
31 – 35	24,216	27,432	30,600	40,956
36 – 40	24,444	27,696	30,960	41,508
41 – 45	27,432	31,188	34,944	47,124
46 – 50	28,392	32,340	36,264	49,044
51 – 55	30,816	35,196	39,564	53,688
56 – 60	33,972	38,880	43,800	59,676
61 – 65	39,396	45,228	51,012	69,864

### 3 Strategic Focus on Health Insurance

#### Setting Viriyah Insurance Booth at BDMS hospital network



BHQ



PLP



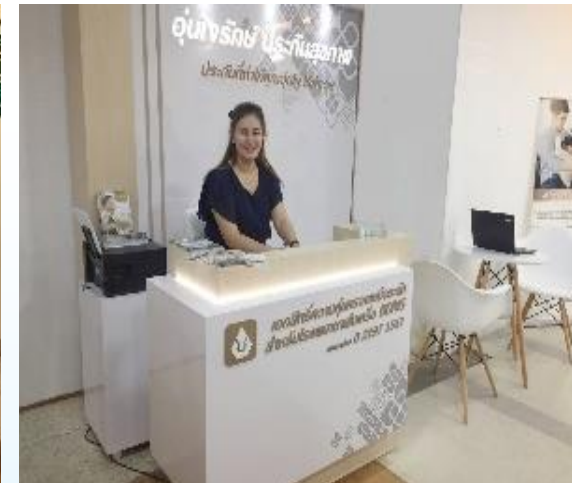
PLS



BNH



PT2



PLK



## 4 Opening Bangkok Hospital Chiangrai

### Enhancing Patient Referral Up North of Thailand

- Greenfield 80-bed secondary care hospital located in Tambon Nang Lae, Ampher Muang Chiangrai on the land of approx. 10 rai
- Opening 57 beds for the first phase since January 2019 targeting Thai and international patients in Chiangrai, Northern region and neighboring countries (Myanmar, Laos and Southern China)



## 4 Opening Bangkok Hospital Chiangrai

### Enhancing Patient Referral Up North of Thailand



## 4 Opening Bangkok Hospital Chiangrai

### Enhancing Patient Referral Up North of Thailand





## 4 Opening Bangkok Hospital Chiangrai

We Offer Wide Range of Medical Equipment



MRI Magnetom 1.5 Tesla



CT Ingenuity 128 Slices



Bone Densitometry Discovery Wi



Digital Mammogram  
Dimensions Aria 3000 2D



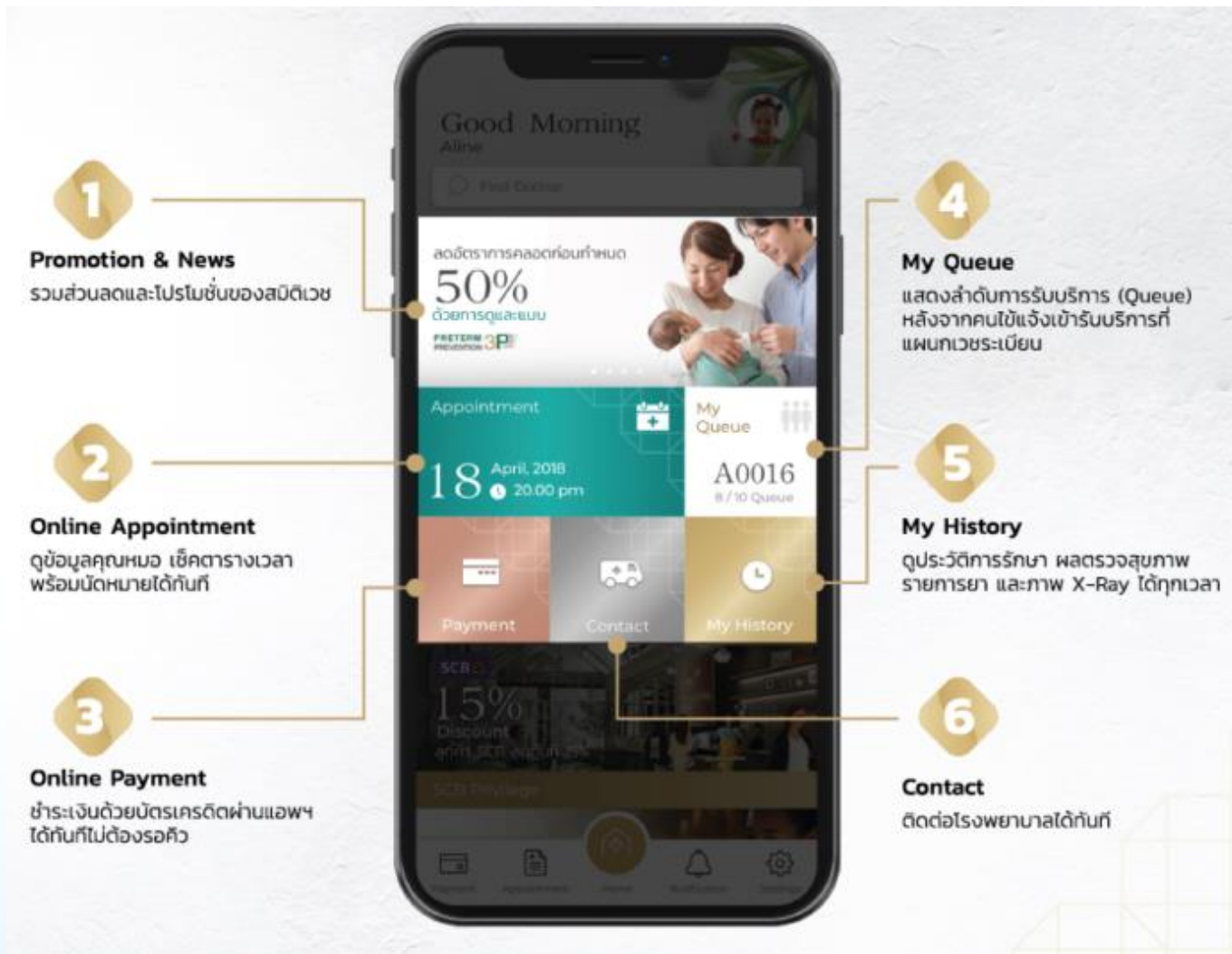
Ultrasound



General X-Ray Nova FA

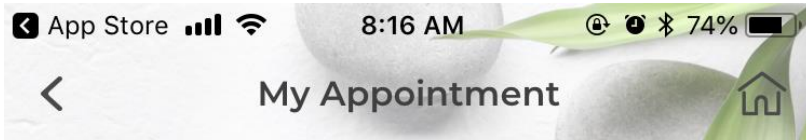
## 5 Samitivej Smart Hospital - Mobile Health

### Samitivej Plus: Mobile Application



## 5 Samitivej Smart Hospital - Mobile Health

### Samitivej Plus: Enables Patients to Make New Appointment Online



Search name



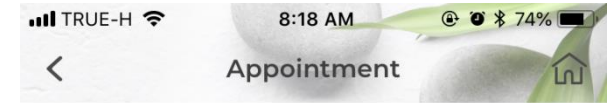
MAKE NEW APPOINTMENT



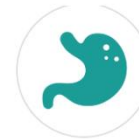
MY APPOINTMENT



FAVORITE DOCTORS



Choose your subject disease



Cut & Liver



Health Check-up



Skin



Female  
reproductive  
system



Surgery



Other



Child



Psychiatry

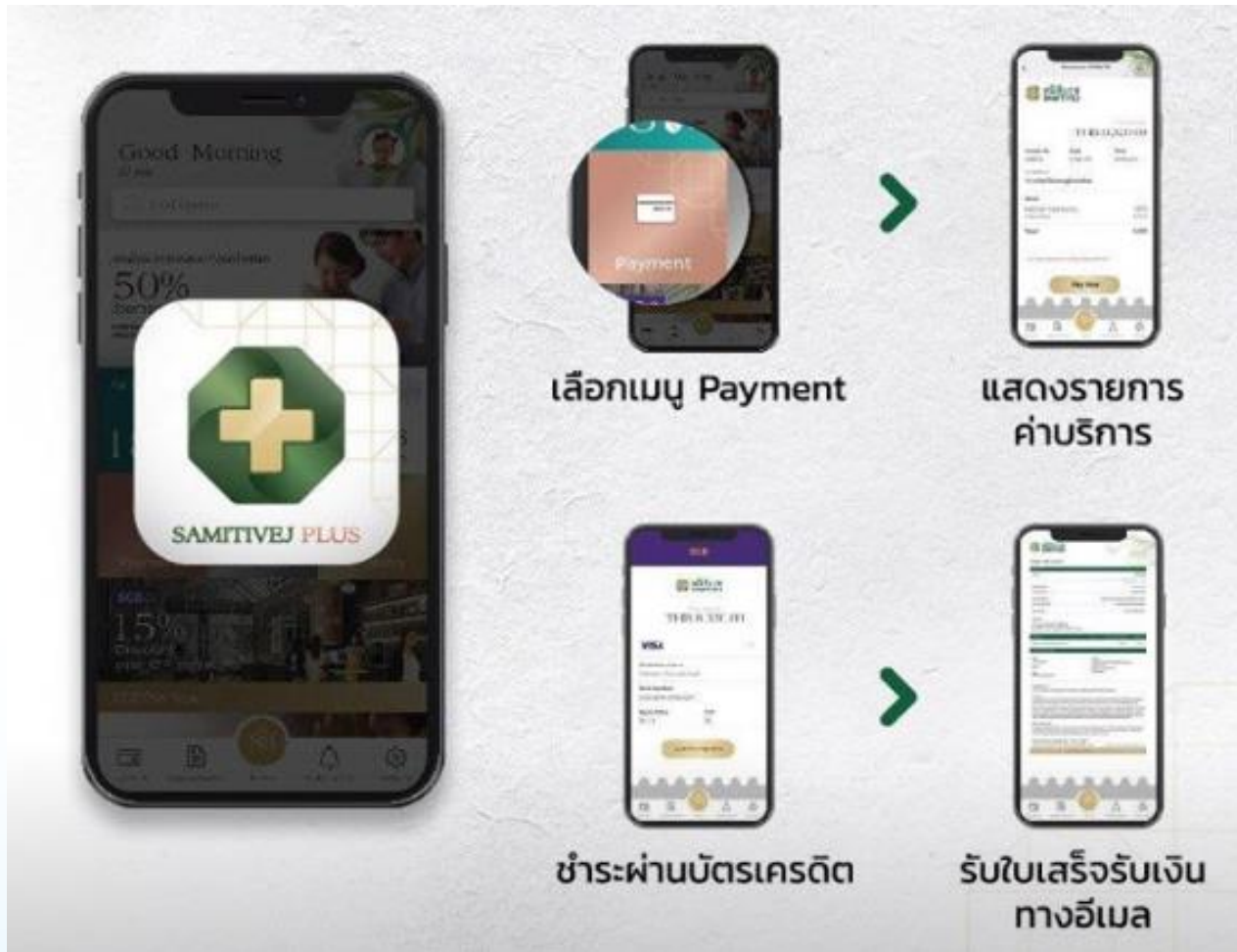


Ear Nose Throat



## 5 Samitivej Smart Hospital - Mobile Health

### Samitivej Plus: Makes Payments More Convenient

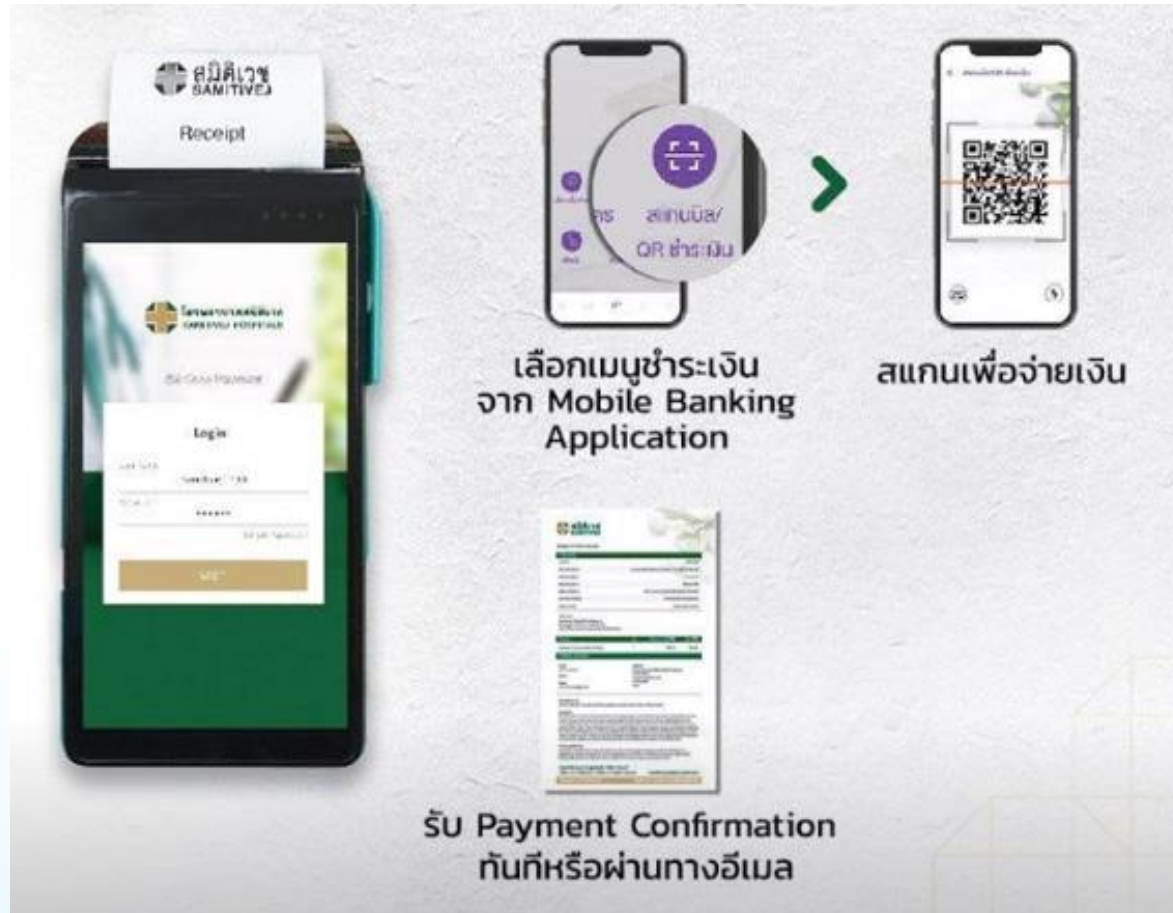




## 5 Samitivej Smart Hospital - Mobile Health

### Samitivej FastPay

- Patients can simply scan their specific QR code at any FastPay Station without having to wait at the cashier counter



## Availability and Expertise of BDMS Clinical Personnel



# Attracting and Retaining Top Talents

BDMS has the Largest Pool of Doctors and Nurses in Thailand



- Doctors 12,000+
- Full-time 2,800+
- Part-time 9,500+

- CoE doctors 4,500+
- Full-time 1,200+
- Part-time 3,200+

- Nurses 10,000+
- Registered nurses 7,600+
- Practical nurses 3,000+

- CoE nurses 4,500+
- Registered nurses 3,300+
- Practical nurses 1,200+

Remake: Data as of December 2018



# Overall BDMS Physician Engagement 2012-2018

Benchmarks



80% BDMS 2018

81% BDMS 2017

80% BDMS 2016

78% BDMS 2015

77% BDMS 2014

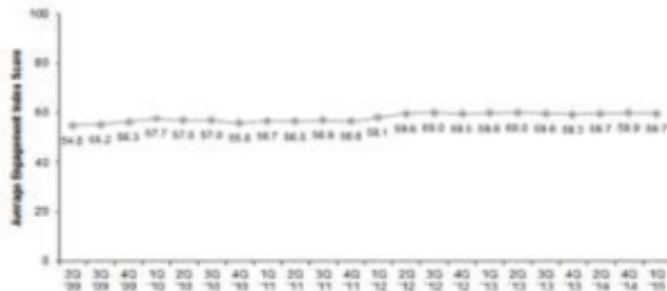
77% BDMS 2013

76% BDMS 2012

60% DSS Health Care  
Engagement Index (HCEI)

DSS Health Care Engagement Index™

The DSS Health Care Engagement Index (HCEI) has remained stable for yet another quarter, following in Q2 2012 after implementation of initial aspects of the Affordable Care Act (ACA). The latest HCEI survey confirmed significant differences between the most engaged and least engaged consumers and reveals some new relationships between level of engagement, attitudes towards health plans and loyalty to their current carrier.



- Physician at BDMS Group are more engaged than physician at DSS Health Care Engagement Index (HCEI)



Engagement Score

80.19%

4,964 Respondents  
45 Sites

Positive Areas

Hospital treats me with respect  
84.02%

Cleanliness of Facilities 83.63%

I am proud to work with hospital  
and I am a part of this  
organization 83.60%

Scheduling process  
responsive and appropriate  
83.32%

OR nurse are good  
82.94%

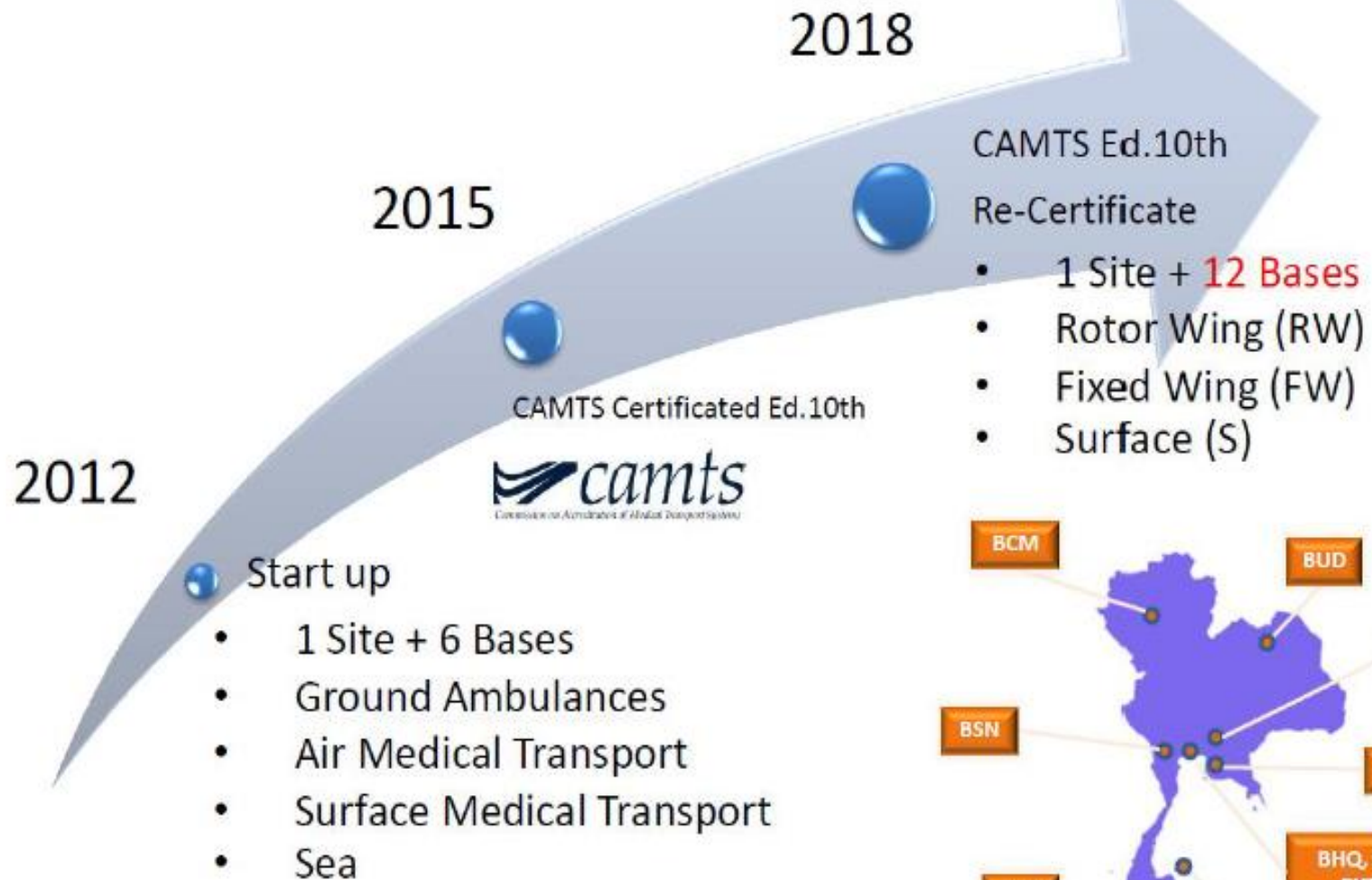
High

Low

Relationship with  
hospital and  
Loyalty



# Time Line



# Attracting and Retaining Top Talents

Our Qualified Doctors and Clinical Staff are Ready to Offer World-Class Medical Care to All Patients





## CSR Activities



## 1 Happy and Health Bike Lane at Suvarnabhumi Airport



- The bike lane with total distance of 23.5 km for general users, experienced bikers and children and open to the public free of charge
- Aiming to promote awareness of exercise and good health
- Well-equipped facilities, comprising of a parking space & emergency medical center



# 1 Happy and Health Bike Lane





## 2 BDMS at The Winter Festival, “Un Ai Rak Khlai Khwam Nao” during 9 Dec 2018 - 19 Jan 2019



อุ่นไอรัก  
← คลายความหนาว →  
“สร้างบ้านนั่งร้อนโกสสินทร์”



# Operational Statistics

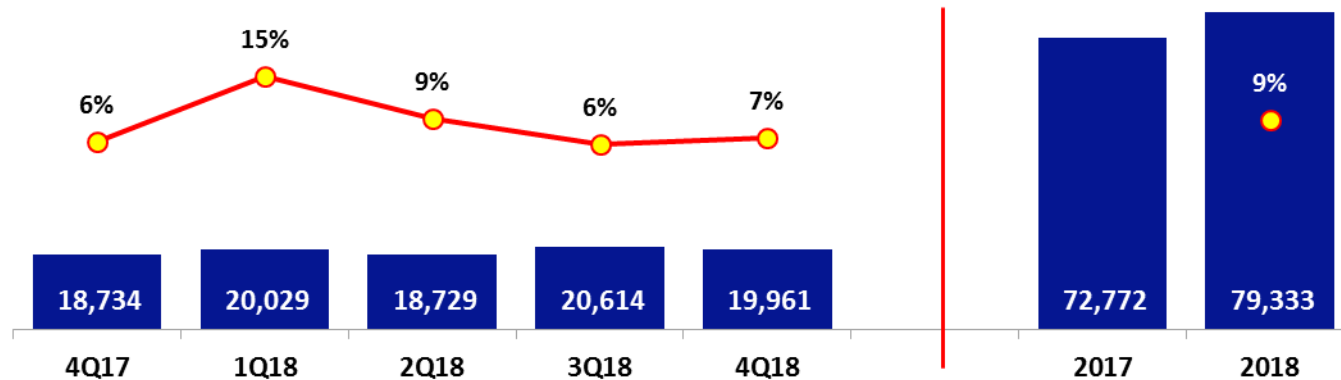


*"Prevention  
is the key."*

# Operating Income Growth

## Operating Income Trend

(THB mm)



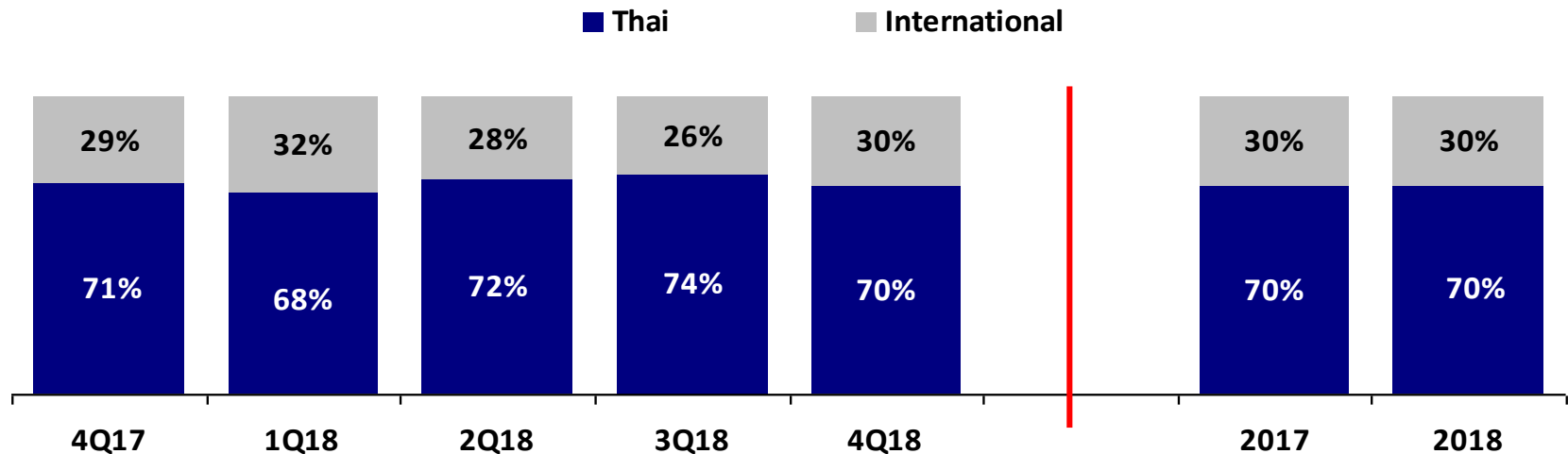
## Commentary

- 2018 Operating income increased by 9% yoy mainly from
  - Patient revenue increased 9% yoy, attributed to
    - Higher volume and price intensity from Center of Excellence
    - Expansion of insurance patients base
    - Increasing in influenza and outbreak during 1Q18
  - Revenue from sales of goods grew 10% yoy from increase in sales of The Medicpharma, A.N.B. Laboratories

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

# Thai and International Patients

## Revenue Contribution by Nationality

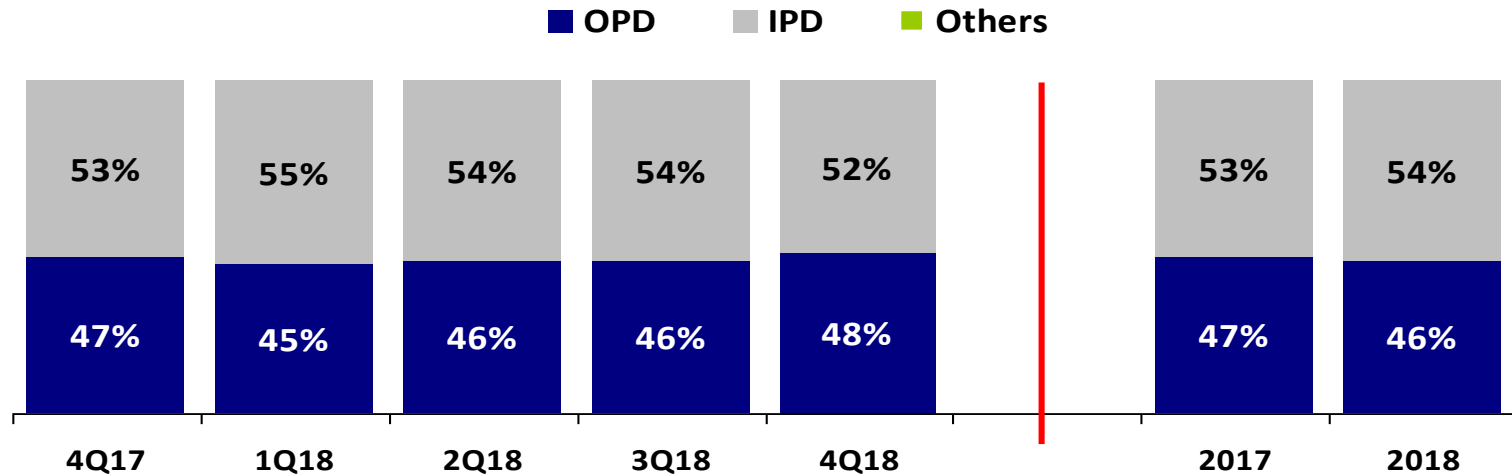


## Commentary

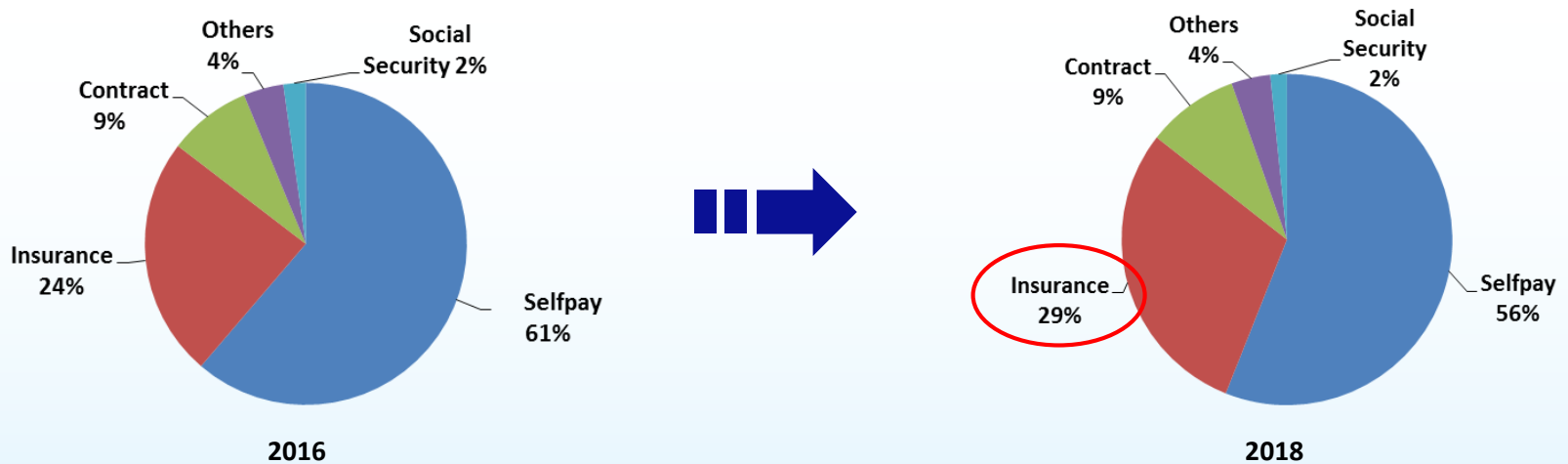
- 2018 revenues from Thai patients grew 9% yoy while international patients grew 9% yoy
  - Top 5 international patient revenues are from Japan, China, Cambodia, UAE and Myanmar which contribute 2.1%, 1.7%, 1.6%, 1.6% and 1.5% of total patient revenues respectively
  - Key growth for International patient revenues are Kuwait (+26%), Cambodia (+23%) and China (+20% yoy)

# Patient Mix

## Revenue Breakdown by Patient Types

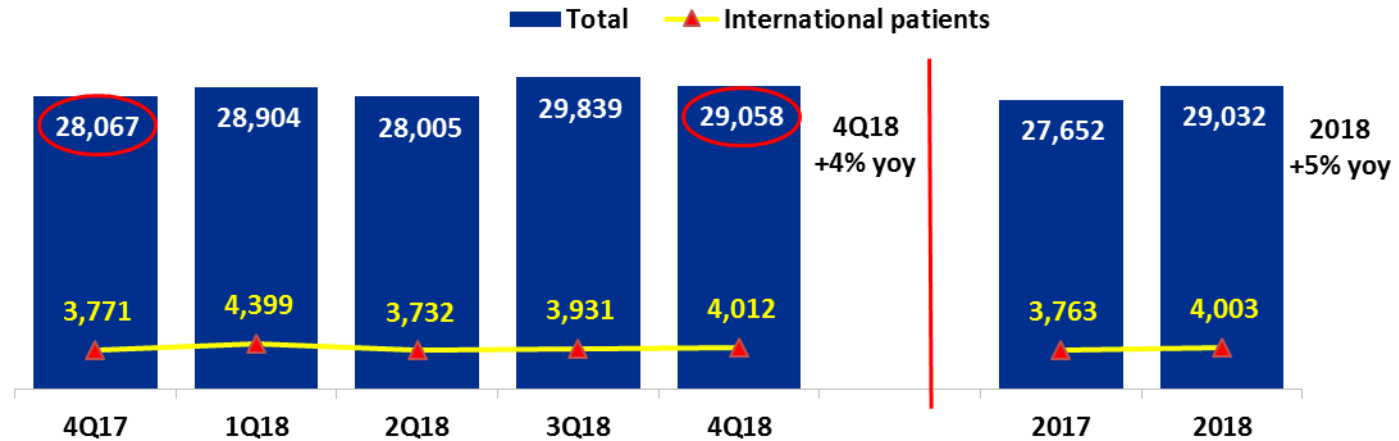


## Patient Revenue by Payor: Increasing Insurance Portion

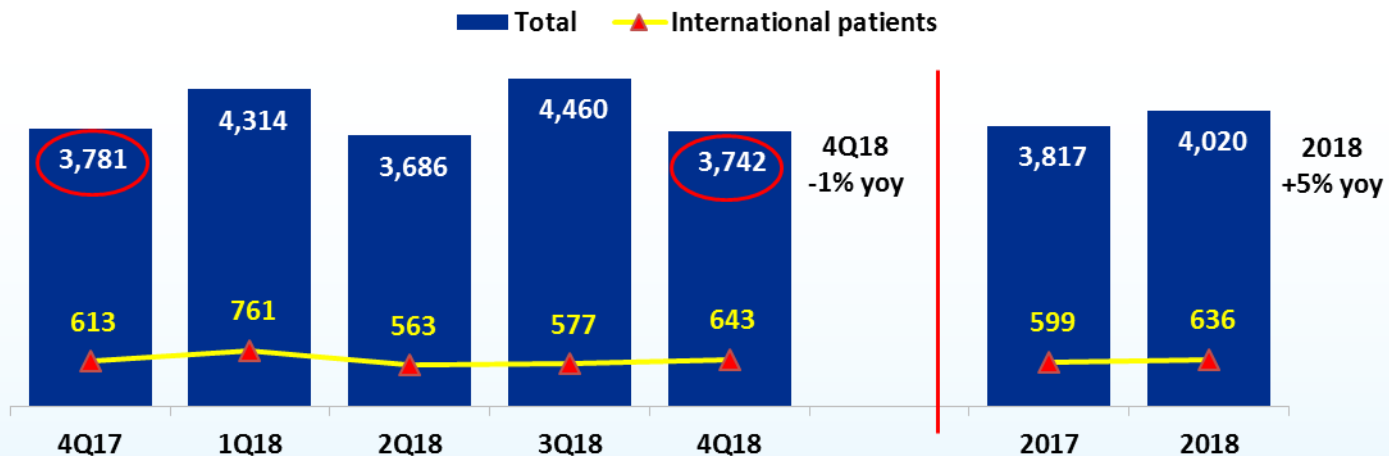


# Increasing Patient Volume

## Number of OPD Visits per Day



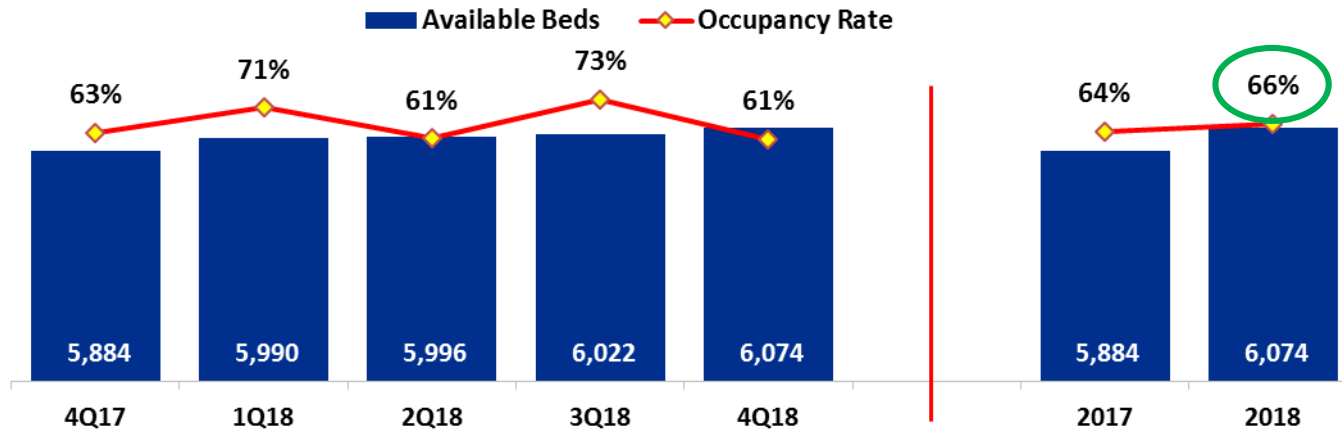
## Average Daily Census ( ADC )



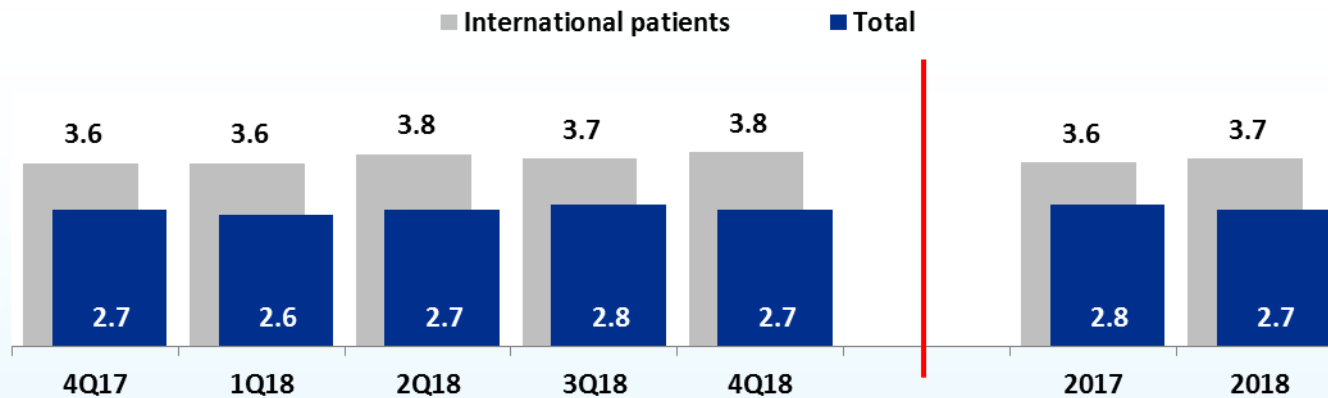
Remarks: - Including social security

# Utilization of Beds

## Occupancy Rate Based on Available Beds



## Average Length of Stay (days)



Remarks:- Including social security patients

# Financial Highlights



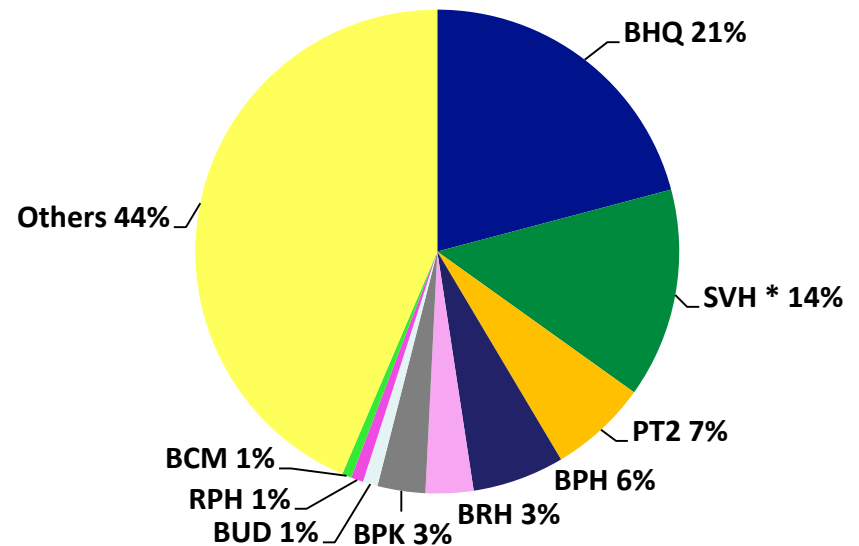
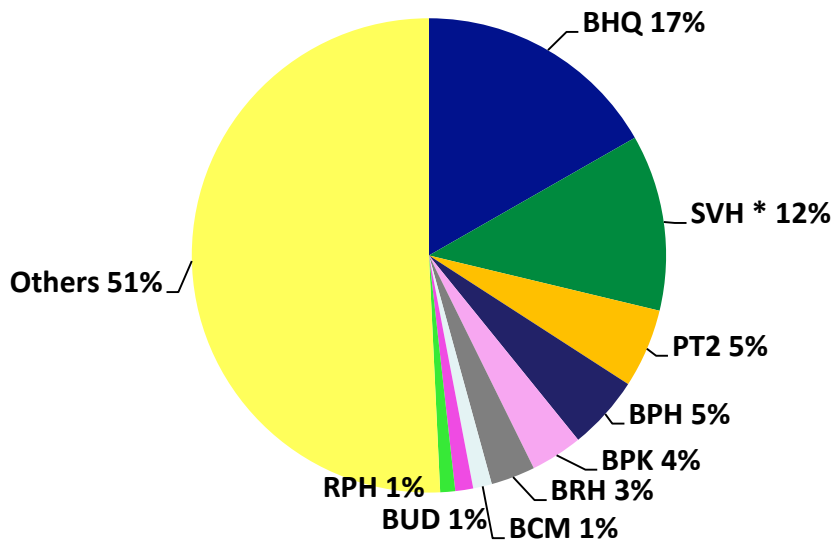
*Health Brings Wealth*



# Diversified Sources of Revenues and Profitability

CoE Operating Income Contribution in 2018

CoE Total EBITDA Contribution in 2018



## Commentary

- In 2018, 10 Centers of Excellence (CoE) contributed 49% of total revenues and 56% of total EBITDA
- The remaining 36 hospitals contributed 51% of total revenues and 44% of total EBITDA
- Key hospitals that drive revenue growth were PLR (+39%), SCH (+37%), RPH (+29%), BCM (+25%), BSN (+18%) and PT3 (+11%)

\* SVH also included SNH performance

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

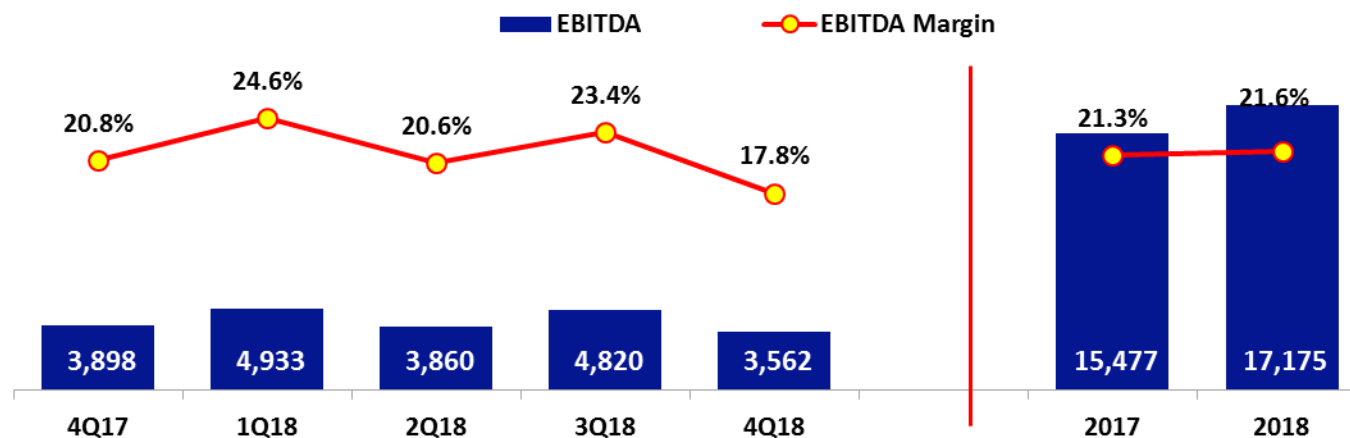
- EBITDA is calculated from revenue from hospital operations + revenue from F&B + other income – cost from hospital operations – SG&A expenses

- Hospital abbreviation shown on Appendix

# Profitability Trend

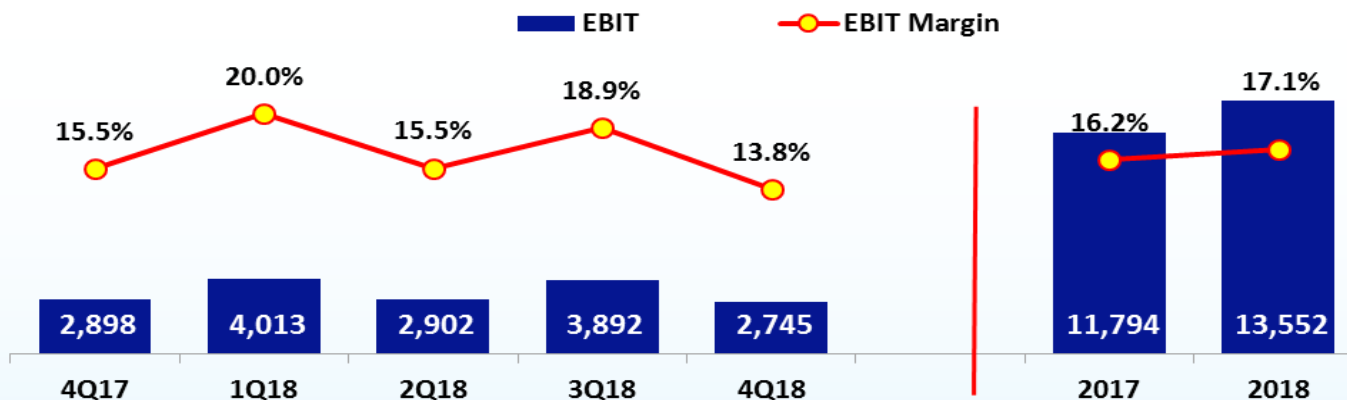
## EBITDA & EBITDA Margin

(THB mm)



## EBIT & EBIT Margin

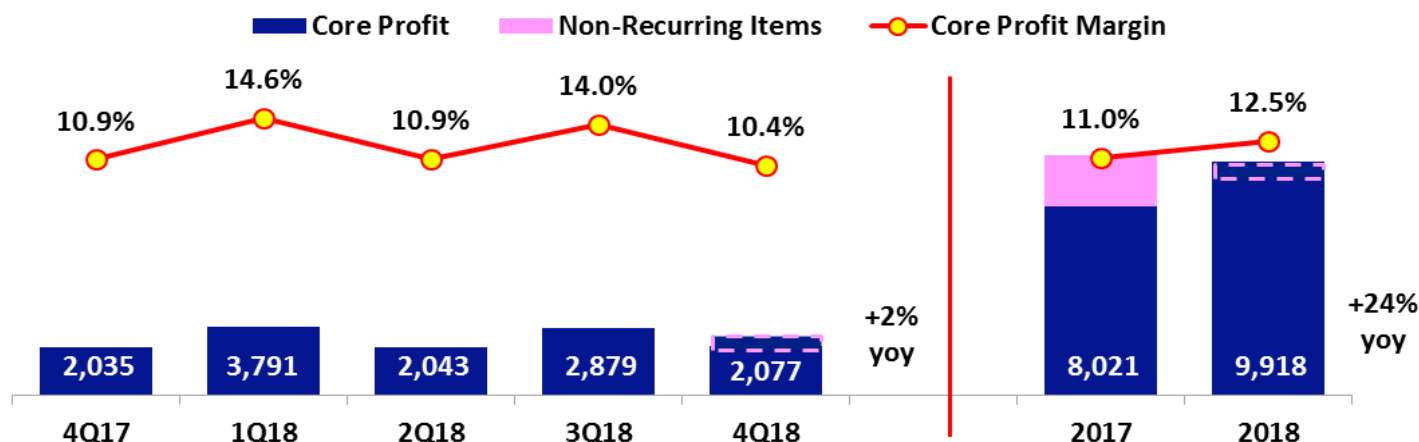
(THB mm)



# Profitability Trend

## Core Profit & Core Profit Margin \*

(THB mm)



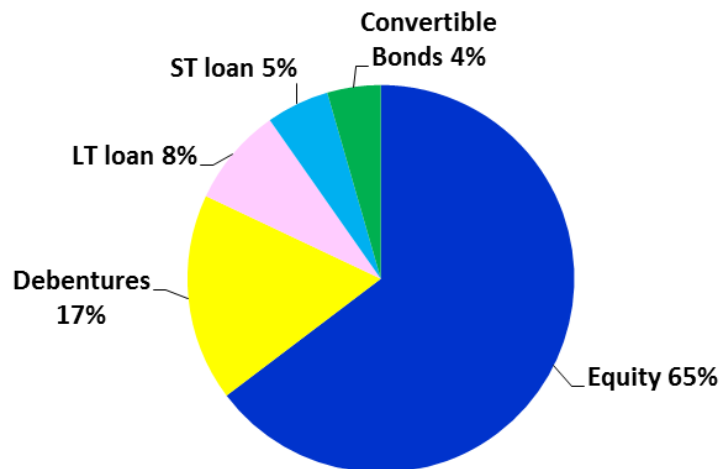
\* Excluding non-recurring items

## Commentary

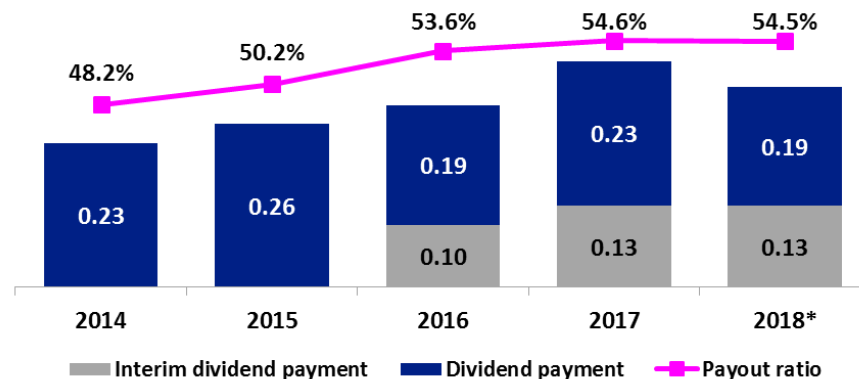
- In 2018, core profit were THB 9,918 million with net profit margin of 12.5%
- If included non-recurring items, net profit was 9,191 with net profit margin of 11.6%
  - Non-recurring items are
    - In 2017, gain on partial sales of investment in BH of THB 2,195 million (after tax)
    - In 2018, income tax expense from disposal of all investment in RAM of THB 727 million

# Capital Management

## Capital Structure as of December 2018

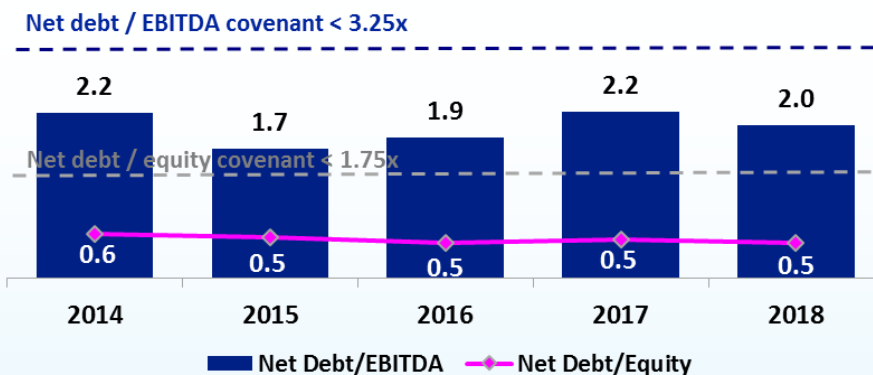


## Dividend Payment & Payout Ratio

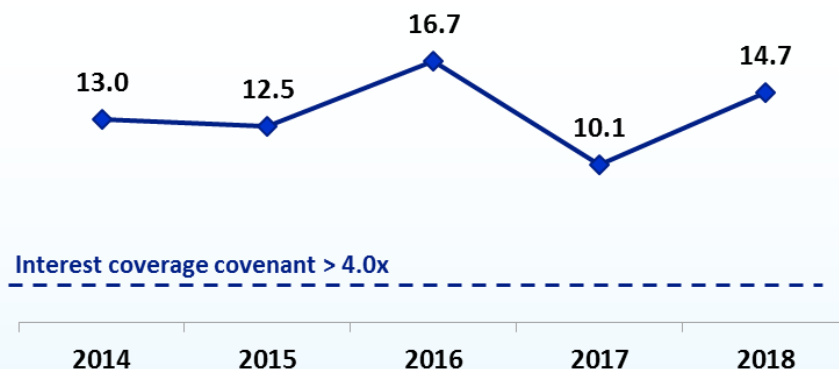


\* Board of Directors had resolution on 28 February 2019 to propose for dividend payment of Baht 0.32 per share

## Gearing Ratios: Well Within Covenants



## Interest Coverage











# Appendix

For More Information:- [www.bangkokhospital.com](http://www.bangkokhospital.com)




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

1. Bangkok Hospital	(BHQ)	100%		373
2. Bangkok Heart Hospital		100%		97
3. Wattanosoth Hospital		100%		48
4. Chiva Transitional Care		100%		52
5. Bangkok Huahin (BHN)		100%		64
6. Bangkok Sanamchan (BSN)		100%		210
7. Thepakorn (TPK)		44.5%		100
8. Bangkok Phetchaburi (BPR)		100%		255
9. Bangkok Muangraj (BMR)		100%		142
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)	70.1%		184
15. Samitivej Thonburi (STH)	63.5%		150
16. Samitivej Chonburi (SCH)	100%		220
17. Samitivej Chinatown (SCT)	100%		59
18. BNH Hospital (BNH)	91.5%		144

## Group 3 (East)

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

## Group 4 (North&Northeast)

24. Bangkok Chiangmai (BCM)	100%		175
25. Bangkok Ratchasima (BKH)	91.4%		180
26. Bangkok Pakchong (BHP)	91.4%		31




## Group 4 (North&Northeast)

27. Bangkok Udon (BUD)	100%		120
28. Bangkok Phitsanulok (BPL)	100%		195
29. Bangkok Khon Kaen (BKN)	100%		140
30. Bangkok Chiangrai (BCR)	100%		80

## Group 5

31. Phyathai 1 (PT1)	100%		224
32. Phyathai 2 (PT2)	99.2%		260
33. Phyathai 3 (PT3)	98.2%		267
34. Phyathai Sriracha (PTS)	75.1%		350
35. Phyathai Nawamin (PTN)	99.8%		140
36. Paolo Paholyothin (PLP)	100%		267
37. Paolo Samutprakarn(PLS)	93.6%		200
38. Paolo Chokchai 4 (PLC)	85.7%		169
39. Paolo Rangsit (PLR)	100%		150
40. Paolo Kaset (PLK)	100%		162
41. Paolo Phrapradaeng (PLD)	84.0%		60

## Group 6 (South)

42. Bangkok Phuket (BPK)	99.7%		266
43. Siriroj International (SIH)	100%		151
44. Dibuk (DBK)	99.7%		100
45. Bangkok Hat Yai (BHH)	98.8%		200
46. Bangkok Samui (BSH)	100%		52
47. 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	46.0%		

Remark:- Number of beds is structured beds

