



Bangkok Dusit Medical Services (BDMS)

Analyst Presentation 3Q19&9M19 Results

18 November 2019



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BDMS Summary & Updates



2019 All – Asia Executive Team Most Honored Companies

Thank You for Your Votes and Continue Support to BDMS



- BDMS won 3 awards of “All-Asia Executive team 2019” – Healthcare & Pharmaceuticals industry from Institutional Investor magazine
 1. Most Honored Companies : BDMS
 2. Special achievement awards : Best CEO - Dr. Prasert Prasarttong-Osoth
 3. Special achievement awards : Best CFO - Narumol Noi-am

Upgrades Company Rating to “AA” from “AA-” with Stable Outlook

	24 Oct 2019	Previous
Company rating	AA	AA-
Senior unsecured debentures	AA	AA-
Outlook	Stable	Stable

■ The upgrades reflect following factors:-

- **Deleveraging strengthens financial profile:** faster-than-expected debt reduction efforts and larger equity base, while maintaining sound operating performance and strong cash flow
- **BDMS has the largest hospital referral network nationwide**
 - Helps reduce reliance on its flagship hospitals and diversify the source of income
 - Maintains its very strong market position and solid competitive edge over peer
- **Strong brand franchises with various customer segments help support revenue growth**
- **Adequate liquidity**

Convertible Bonds

BDMS Currently has no Outstanding Liability of the Convertible Bonds

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
2019	Conversion	-4,694	+223.05
Outstanding (As of September 2019)		-	15,892.00

Conversion price at THB 21.045 per share

Attracting and Retaining Top Talents

BDMS has the Largest Pool of Doctors and Nurses

Doctors



*Thailand ~ 58,000**

BDMS
~ 12,500

Part-time
77%

Full-time
23%

Non-COE
61%

COE
39%

Outside BKK
44%

BKK
56%

Full-time Registered Nurses



*Thailand ~ 160,000**

BDMS ~ 9,000

Non-COE
55%

COE
45%

Outside BKK
53%

BKK
47%

Remake: BDMS data as of September 2019

Source: Ministry of Public Health and The Medical Council of Thailand

* Data as of 2018

Attracting and Retaining Top Talents

Overall BDMS Physician Engagement

80% BDMS 2018

81% BDMS 2017

80% BDMS 2016

78% BDMS 2015

77% BDMS 2014

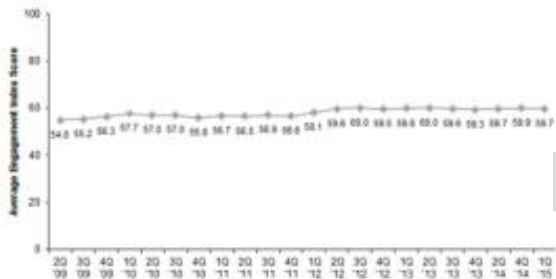
77% BDMS 2013

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, performing in Q2 2012 after implementation of initial aspects of the Affordable Care Act (ObamaCare). The latest HCEI survey confirms 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.



High

Low



Engagement Score 2019

81.20%

**5,350 Respondents
47 Sites**

Strength Areas

Hospital treats me with respect 84.93%

I am proud to work with hospital and I am a part of this organization 84.78%

Cleanliness of Facilities 84.28%

Scheduling process responsive and appropriate 84.26%

Reception service 84.20%

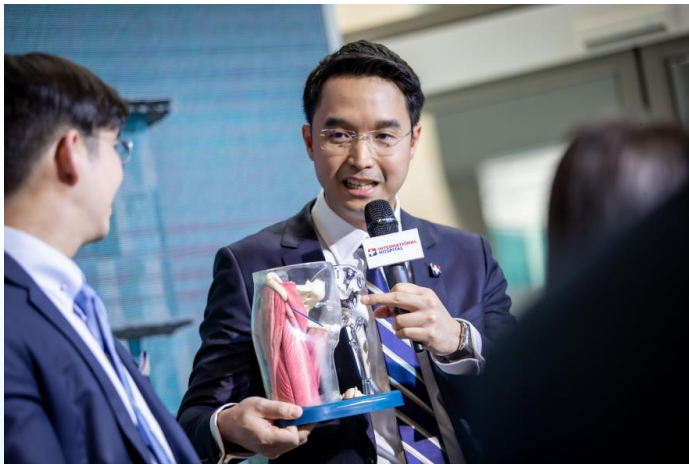


**Relationship with
hospital and Loyalty**

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

The Grand Opening of Bangkok International Hospital on 14 Nov 19

The Next Level of Experience and Satisfaction in Neurological, Orthopedic and Spine Care



The Grand Opening of Bangkok International Hospital on 14 Nov 19

The Next Level of Experience and Satisfaction in Neurological, Orthopedic and Spine Care





- **BDMS join 2nd Thailand-China Capital Market Corporation Seminar organized by SET and Shenzhen Stock Exchange (SZSE) at SZSE on 31 October 2019 to provide information to participants and Chinese institutional investors.**
- **Interested person can also view information via V-next Platform of SZSE covering more than 35 countries**

2nd Thailand-China Capital Market Corporation Seminar



Consolidated Financial Summary

3Q19 & 9M19 Results

	3Q19		9M19	
	Chg (yoy)	% to Revenue	Chg (yoy)	% to Revenue
Operating income	+8% (THB 21,887 mm)		+6% (THB 62,293 mm)	
Patient revenue	+8% (THB 20,838 mm)		+7% (THB 59,323 mm)	
Breakdown by location				
▪ Bangkok & Vicinity	+6%	58%	+5%	58%
▪ Outside Bangkok	+9%	42%	+8%	42%
Breakdown by nationality				
▪ Thai	+8%	72%	+6%	69%
▪ International	+5%	28%	+7%	31%
Breakdown by type of patients				
▪ Outpatients	+7%	45%	+7%	45%
▪ Inpatients	+8%	55%	+6%	55%

Remark: - Details and operational statistics are from BDMS management report

Consolidated Financial Summary

3Q19 & 9M19 Profitability Ratio

(THB mm)	3Q19	3Q18	Chg (yoy)	9M19	9M18	Chg (yoy)
EBITDA *	5,089	4,820	+6%	14,051	13,612	+3%
EBITDA margin *	23.3%	23.7%		22.6%	23.2%	
Core profit	2,890	2,879	0%	7,680	7,841	(2)%
Core profit margin	13.2%	14.2%		12.3%	13.4%	
Net profit	2,890	2,879	0%	13,195	7,841	68%
Net profit	13.2%	14.2%		21.2%	13.4%	

* Excluding non-recurring items

9M19 Non-recurring items (net of income tax)	THB mm
1. Gain on divestment in Ramkhamhaeng Hospital Public Co., Ltd. ("RAM")	6,094
2. Provisions for employee benefits	(493)
3. One-time expenses in finding the land to locate electricity sub-station to accommodate the electricity usage at Bangkok International Hospital	(88)
4. Gain on sales in other long-term investment	1
Total	5,514

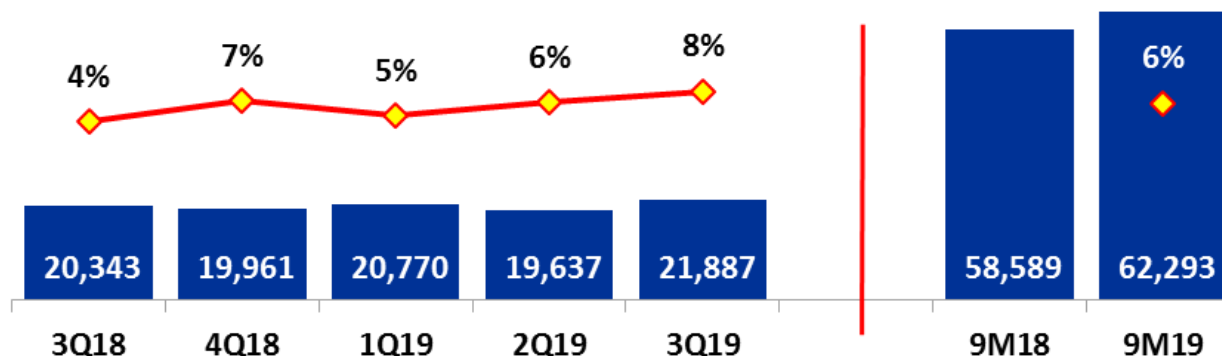
Operational Statistics



*“Prevention
is the key.”*

Operating Income Trend

(THB mm)



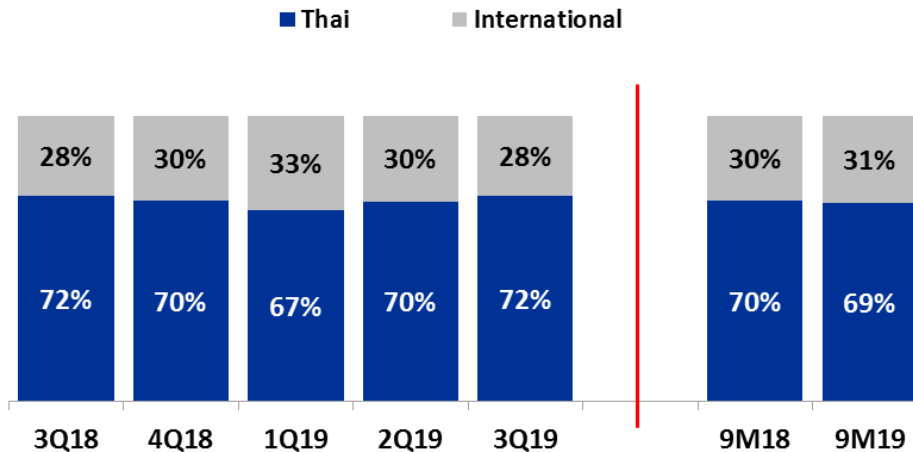
Commentary

- 9M19 Operating income increased by 6% yoy mainly from
 - Patient revenue increased 7% yoy, attributed to
 - Increase insurance patient base of 12% yoy (Thai insurance grew 11% while international insurance grew 14%)
 - Higher revenue from hospitals outside of Bangkok of 8% yoy
 - Growth from both Thai patients of 6% and international patients of 7% yoy
 - Revenues from sales of goods decreased 1% yoy due mainly to a decrease in sales of Save Drug Center Co., Ltd (SDC) and export sales of A.N.B. Laboratories Co., Ltd.

Thai and International Patients

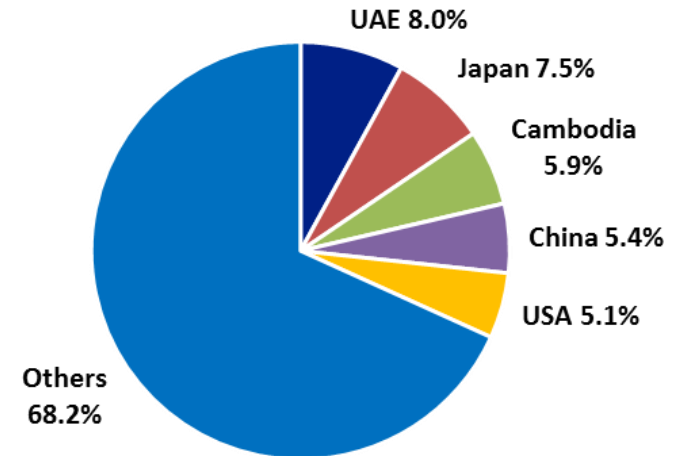
Revenue Contribution by Nationality

% to patient revenue



Top 5 Nationality contribution in 9M19

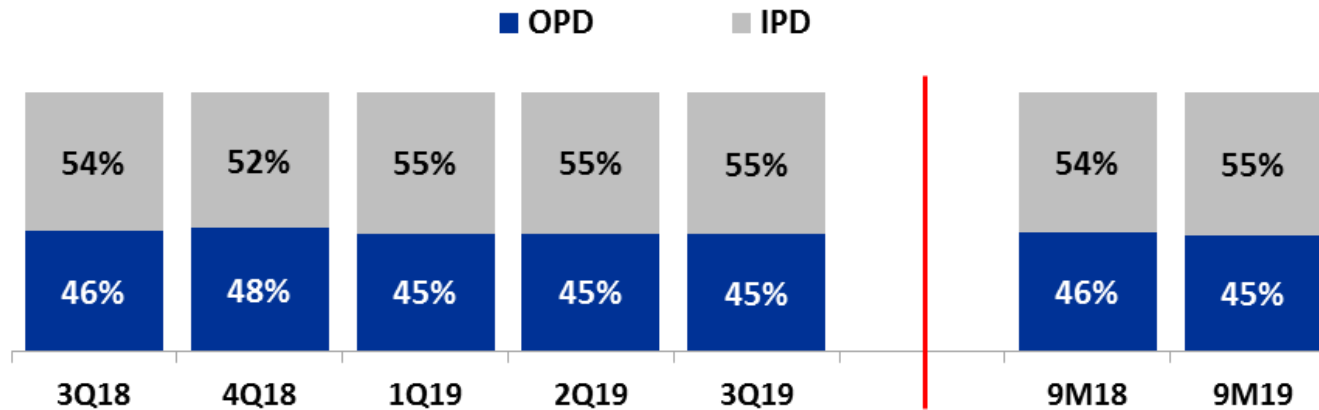
% to international patients' revenue



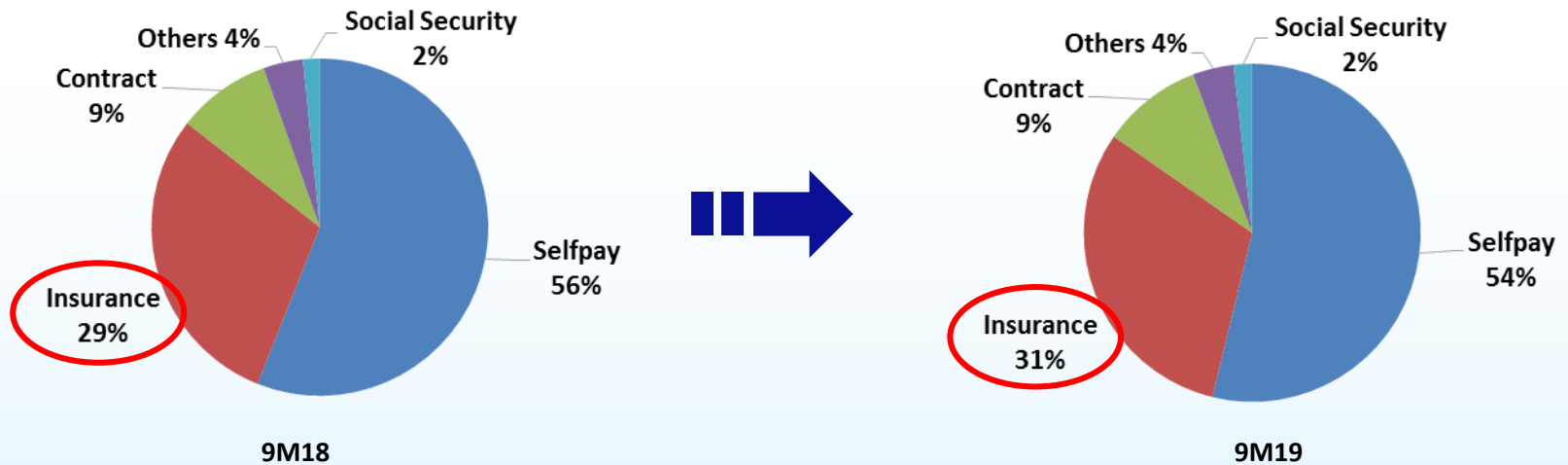
Commentary

- In 9M19, strong growth from both Thai patients of 6% yoy and international patients of 7% yoy
 - Key growth for International patient revenues are UAE (+78%), Oman (+67%) and Cambodia (+17% yoy)

Revenue Breakdown by Patient Types

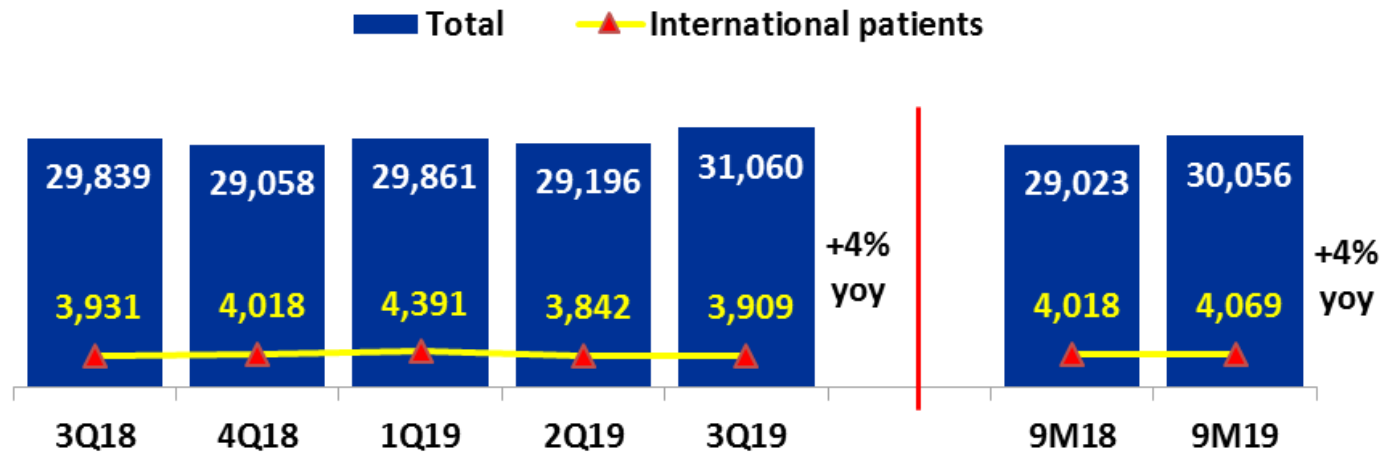


Patient Revenue by Payor: Increasing Insurance Portion

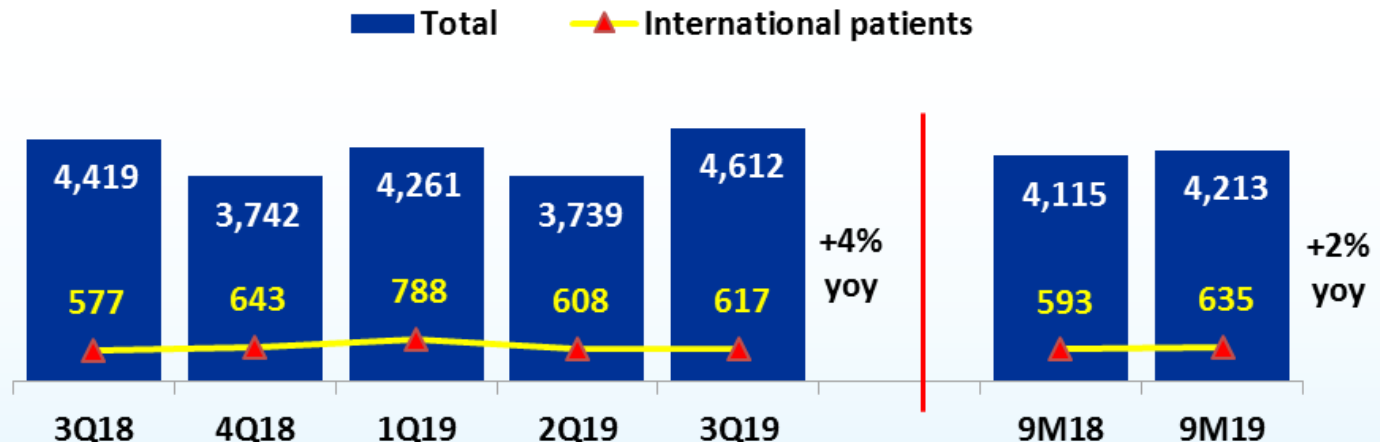


Increasing Patient Volume

Number of OPD Visits per Day



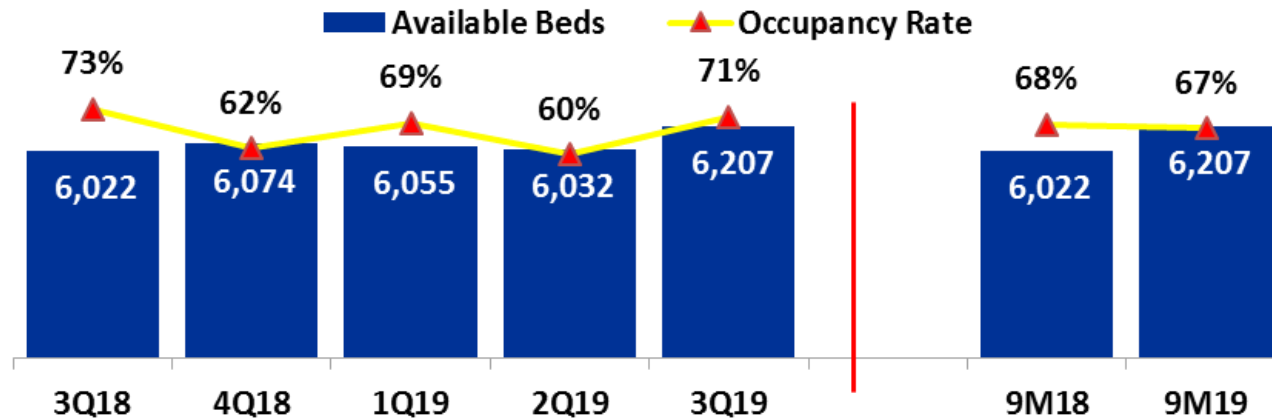
Average Daily Census (ADC)



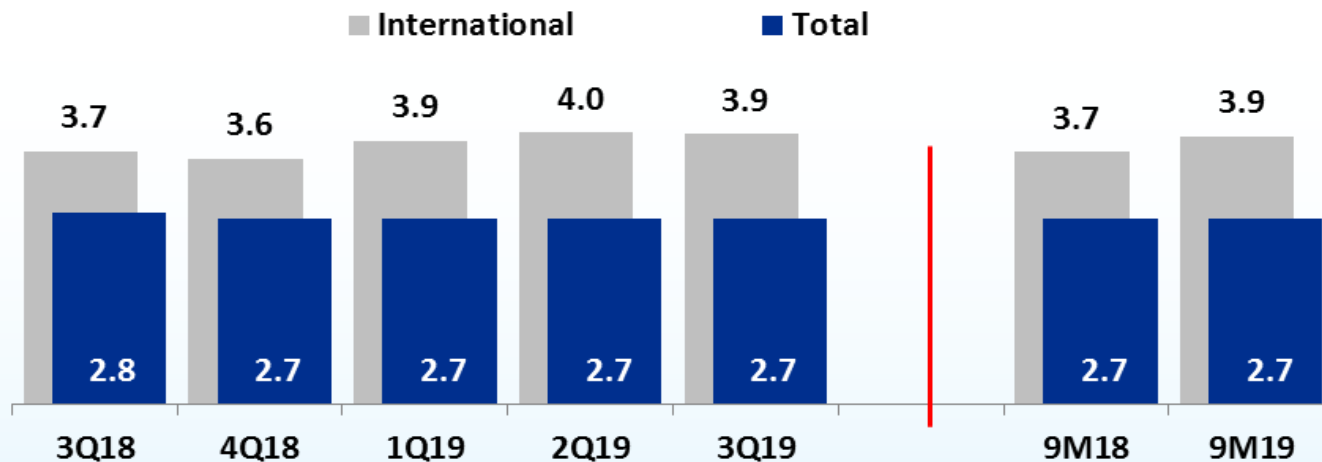
Remarks:- Including social security patients and new born patients

Utilization of Beds

Occupancy Rate Based on Available Beds



Average Length of Stay (days)



Remarks:- Including social security patients

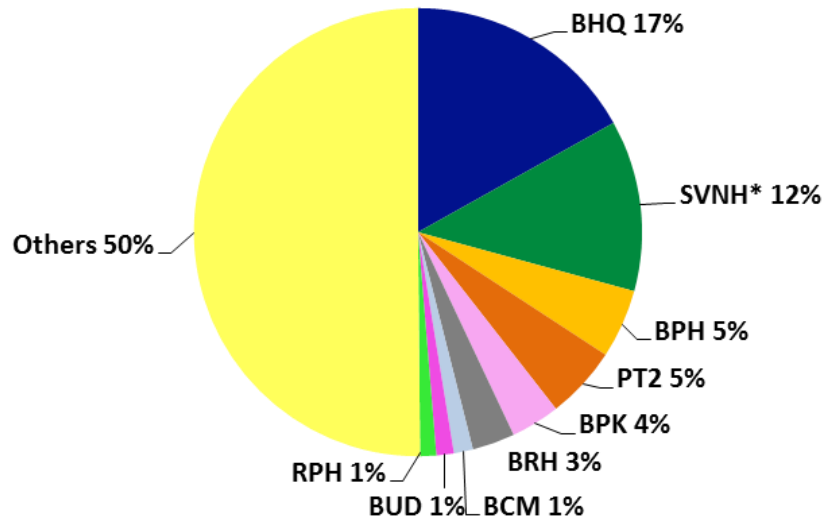
Financial Highlights



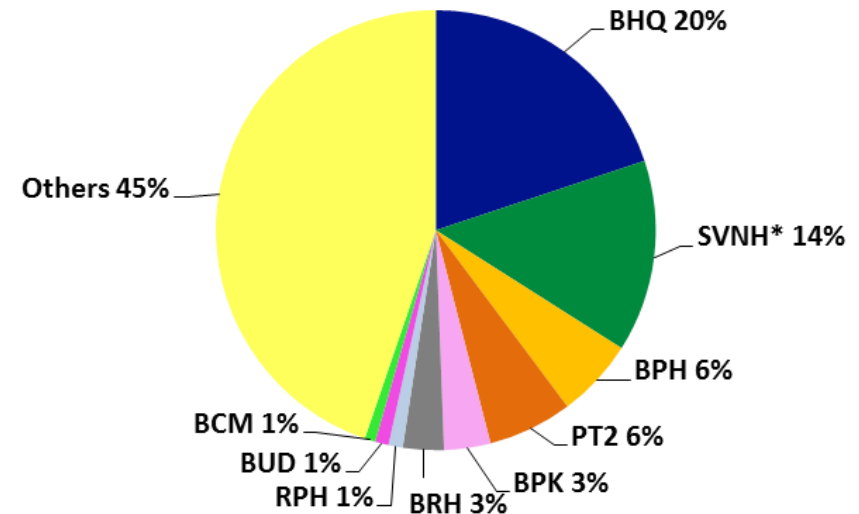
Health Brings Wealth

Diversified Sources of Revenues and Profitability

COE Operating Income Contribution in 9M19



COE Total EBITDA Contribution in 9M19



Commentary

- In 9M19, 10 Center of Excellence (COE) contributed 50% of total revenues and 55% of total EBITDA
- Key hospitals that drive revenue growth were PLK (+30%), RPH (+25%), STH (+23%), SCH (+22%), PLR (+21%) and BCM (+15%)

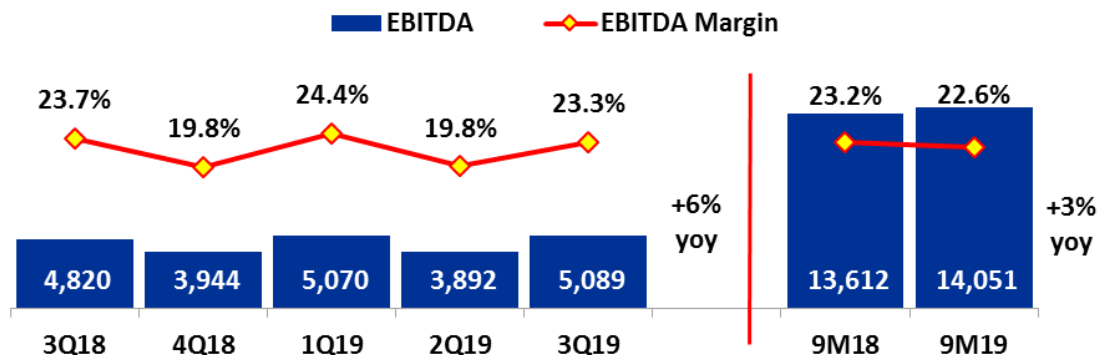
* SVNH included SVH and SNH performance

Remark: - EBITDA is calculated from revenue from hospital operations + revenue from goods + other income – cost from hospital operations – SG&A
- Hospital abbreviation shown on Appendix

Profitability Trend

EBITDA & EBITDA Margin *

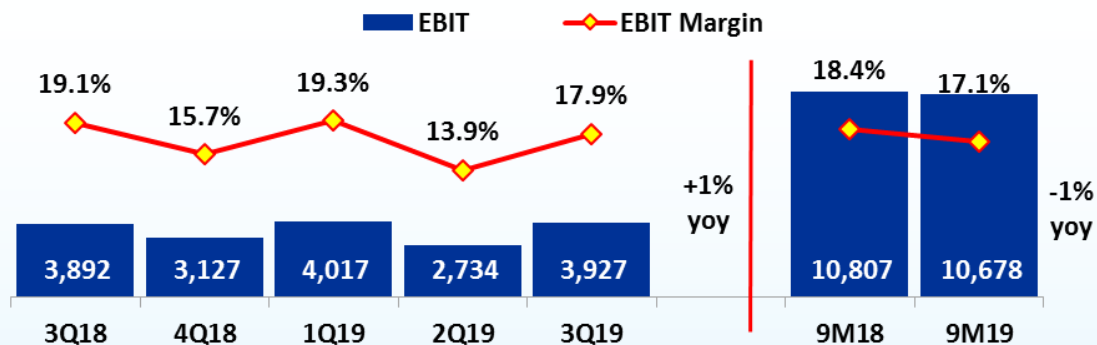
(THB mm)



- In 9M19, EBITDA margin decreased mainly from losses of non-hospital operations (SDC and Wellness) and new hospitals

EBIT & EBIT Margin *

(THB mm)

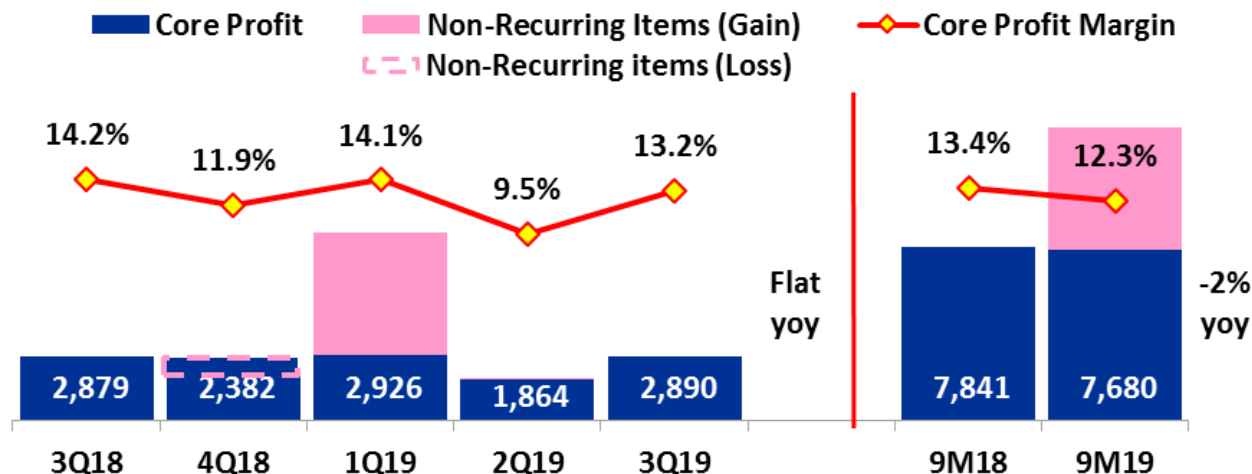


- In 9M19, EBIT margin decreased due mainly to divestment of all investment in RAM during 1Q19

* Excluding non-recurring items

Core Profit & Core Profit Margin

(THB mm)

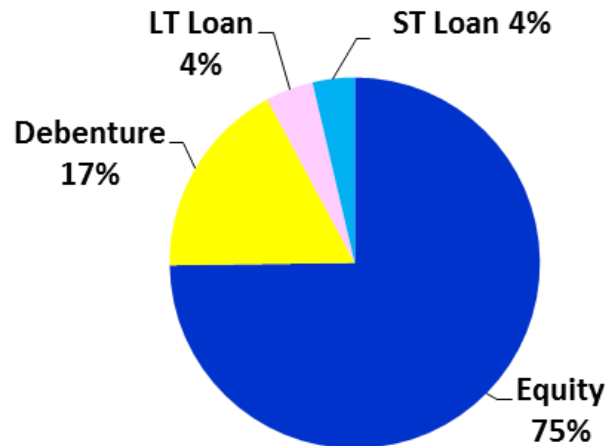


Commentary

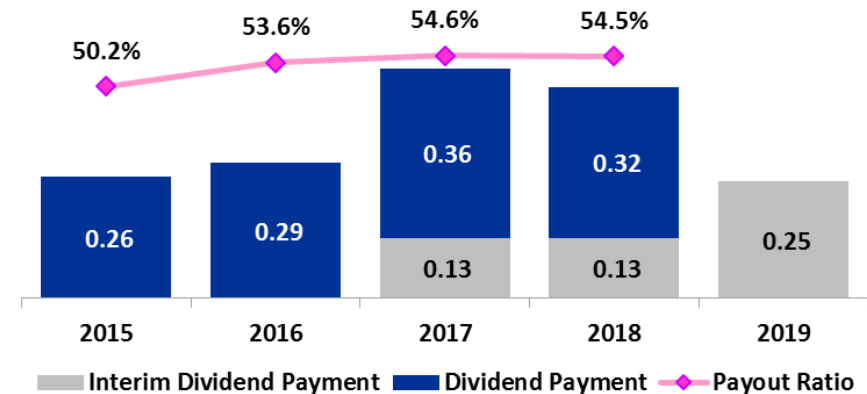
- In 9M19, core profit were THB 7,680 million with core profit margin of 12.3%
- If included non-recurring items totaling of THB 5,514 million, net profit was THB 13,195 million with net profit margin of 21.2%

Capital Management

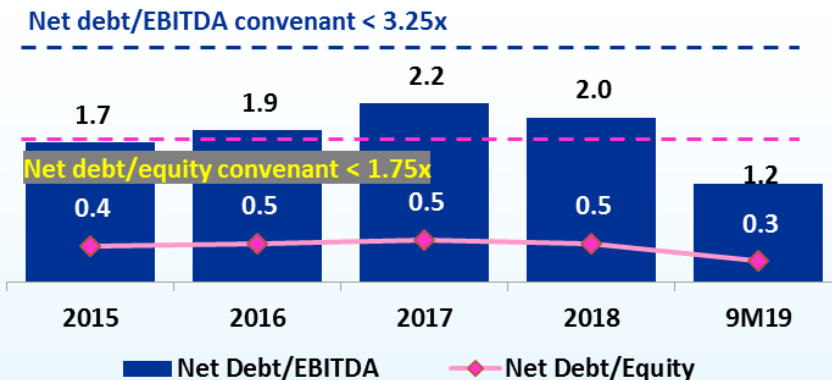
Capital Structure as of September 2019



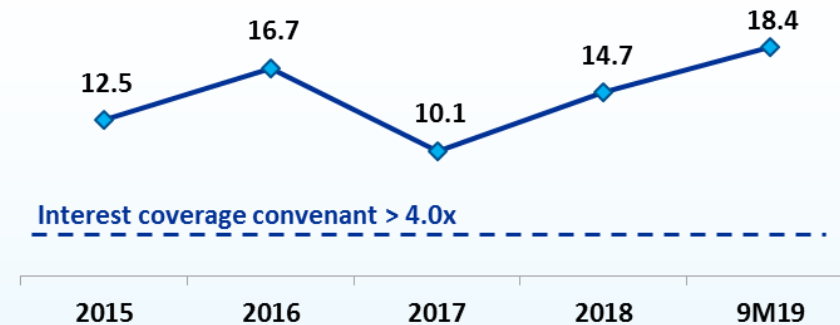
Dividend Payment & Payout Ratio



Gearing Ratios: Well Within Covenants



Interest Coverage



For More Information:- 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 International		100%		172
6. Bangkok Huahin (BHN)		100%	🥇	64
7. Bangkok Sanamchan (BSN)		100%		210
8. Thepakorn (TPK)		50.0%		100
9. Bangkok Phetchaburi (BPR)		100%		255
10. Bangkok Muangraj (BMR)		100%		142
11. Royal Phnom Penh (RPH)		100%	🥇	100
12. Royal Angkor International (RAH)		80.0%		30

Group 2

13. Samitivej Sukhumvit (SVH)	95.8%	🥇	311
14. Samitivej Srinakarin (SNH)	95.8%	🥇	400
15. Samitivej Sriracha (SSH)	70.1%	🥇	184
16. Samitivej Thonburi (STH)	63.5%		150
17. Samitivej Chonburi (SCH)	100%		220
18. Samitivej Chinatown (SCT)	100%	🥇	59
19. BNH Hospital (BNH)	91.5%	🥇	144

Group 3 (East)

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

Group 4 (North&Northeast)

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

Group 4 (North&Northeast)

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

Group 5

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

Group 6 (South)

43. Bangkok Phuket (BPK)	99.7%	🥇	266
44. Bangkok Siroj (BSI)	100%	🥇	151
45. Dibuk (DBK)	99.7%		100
46. Bangkok Hat Yai (BHH)	98.8%		200
47. Bangkok Samui (BSH)	100%	🥇	52
48. 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 (SDC)	100%
6. General Hospital Products	46.0%

Remark:- Number of beds is structured beds