



Bangkok Dusit Medical Services (BDMS)
Morgan Stanley Virtual Asia Pacific Conference

24 September 2020

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BDMS Overview

Overview



49 Hospitals



~ 8,600 Beds



11 Centers of Excellence







BDMS Wellness Clinic & Mövenpick BDMS Wellness Resort Bangkok

12,000+ Doctors
9,000+ Nurses
24,000+ Staffs

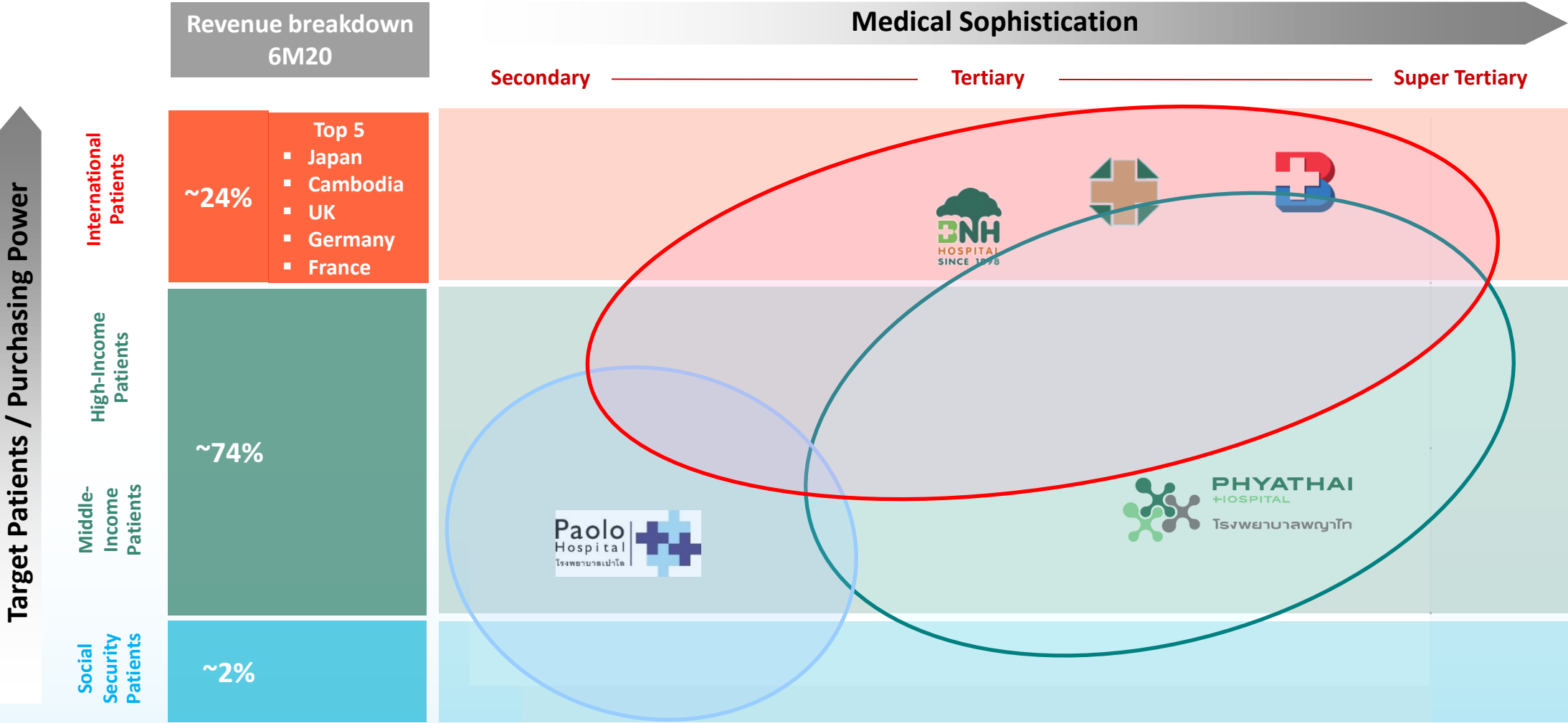
Pharmaceutical manufacturer and drug stores

- 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 with the patients volume of
 - OPD visit ~ 30,500 patients a day
 - Average daily census ~ 4,100

Brand	No. of Hospitals	No. of Beds*
 Bangkok Hospital	25	4,063
 Samitivej Hospital	6	1,364
 Phyathai Hospital	5	1,241
 Paolo Hospital	6	1,008
 BNH Hospital	1	144
 Royal Hospital	2	130
Local Hospital	4	627

* Maximum number of beds according to structure of the hospitals

Diversification of Patient Mix



BDMS Complete Continuum of Healthcare



Center of Excellence



Super Tertiary Care

Tertiary Care

Secondary Care

Promotive

Preventive

Early
Detection

Curative

Transitional

Rehabilitative



BDMS Wellness Clinic



Bangkok International



Chiva Transitional Care Hospital

Non-Hospital Strategic Investment



Sterile Drug Manufacturer &
Distributor



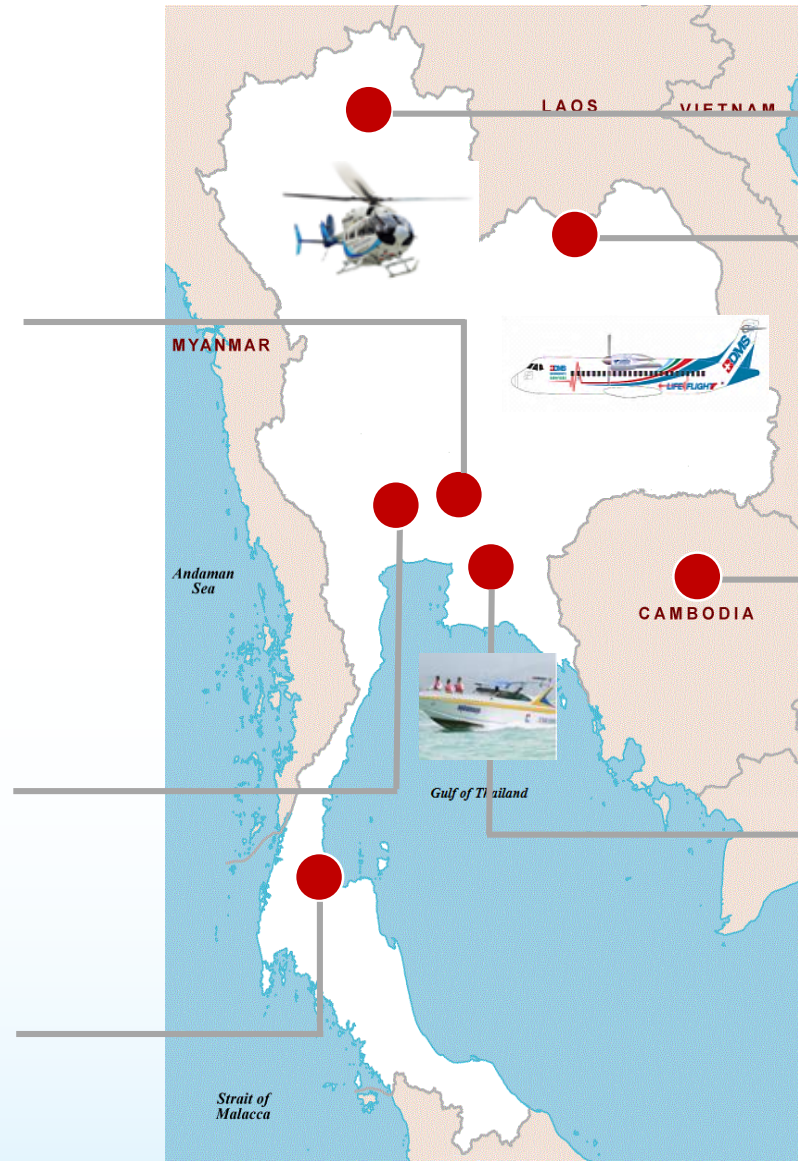
Generic Drug Manufacturer



Drug Store

Development of 11 Center of Excellence

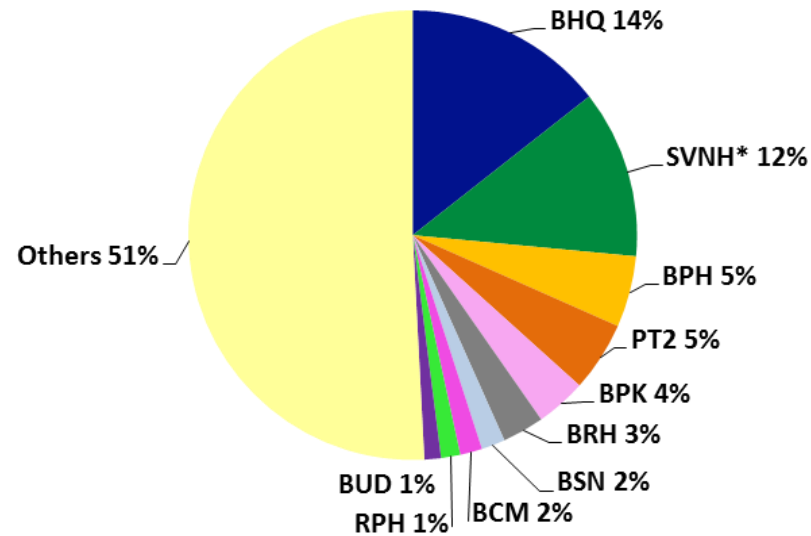
- 1  Bangkok Headquarter
- 2  Samitivej Sukhumvit
- 3  Samitivej Srinakarin
- 4  Phyathai 2
- 5  Bangkok Sanamchan
- 6  Bangkok Phuket



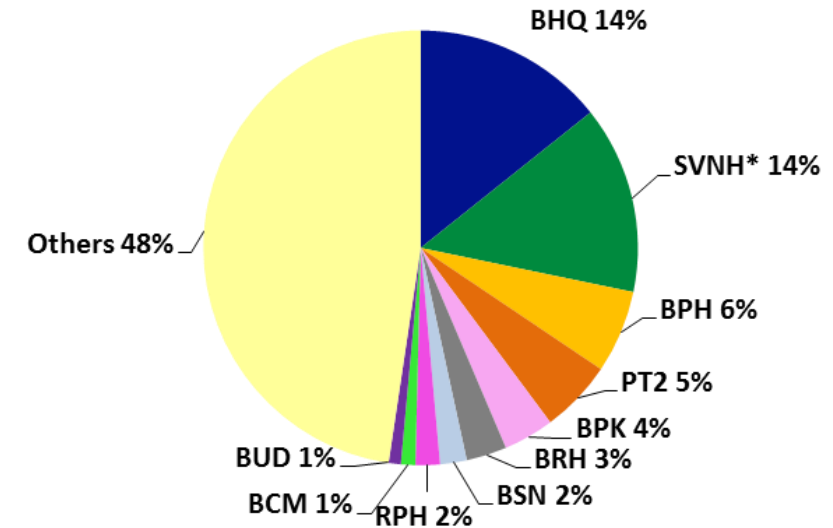
- 7  Bangkok Chiangmai
- 8  Bangkok Udon
- 9  Royal Phnom Penh
- 10  Bangkok Pattaya
- 11  Bangkok Rayong

Diversified Sources of Revenues and Profitability

CoE Operating Income Contribution in 6M20



CoE Total EBITDA Contribution in 6M20



Commentary

CoE Revenue	%Growth	% of operating Income	% of total EBITDA
2Q20	(34)%	48%	52%
6M20	(21)%	49%	52%

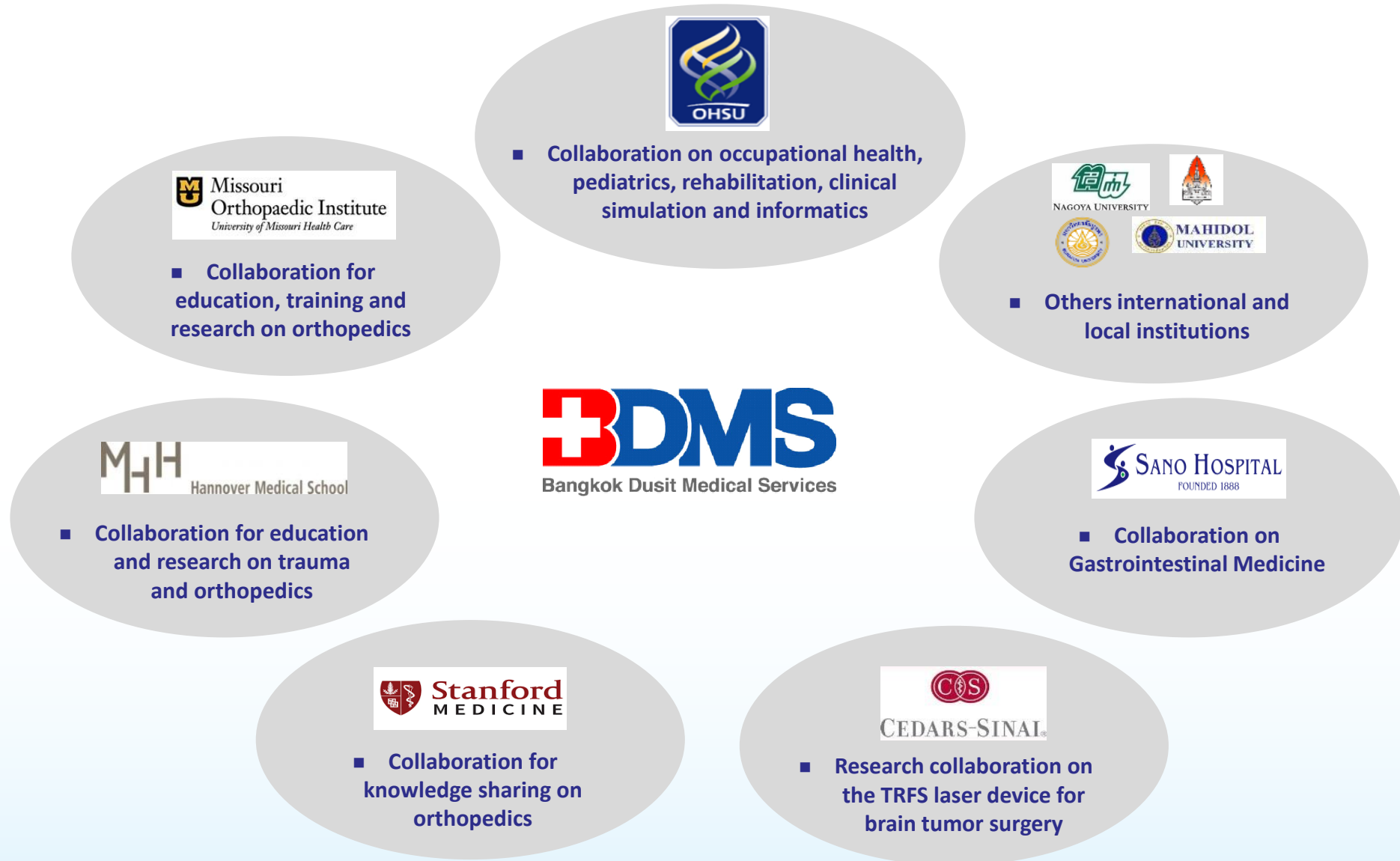
- CoE revenue decreased significantly in 2Q20 due to lower revenue from inter patients from travel restrictions and concern of COVID-19 outbreak

* 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

Local and International Partnership



Exclusive Health Insurance at BDMS Hospital Network

My First Class Healthcare @ BDMS by Allianz Ayudhya



With Coverage limit up to 100 million Baht per year



Covers all medical treatments

1st Class for you by World Class Health Care Service
& World Class Health Protection

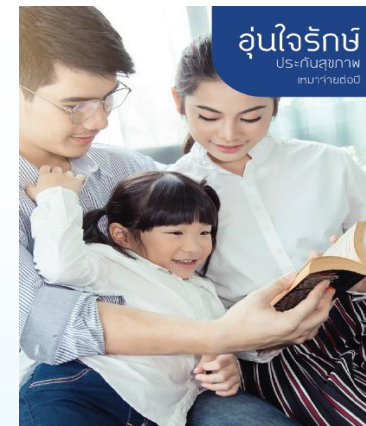
The Viriyah Insurance Program



Aun Jai Rak Gold
Maximum Benefit (THB)
: 1-5 MB



Delight
Maximum Benefit (THB)
: 450k-1.5m



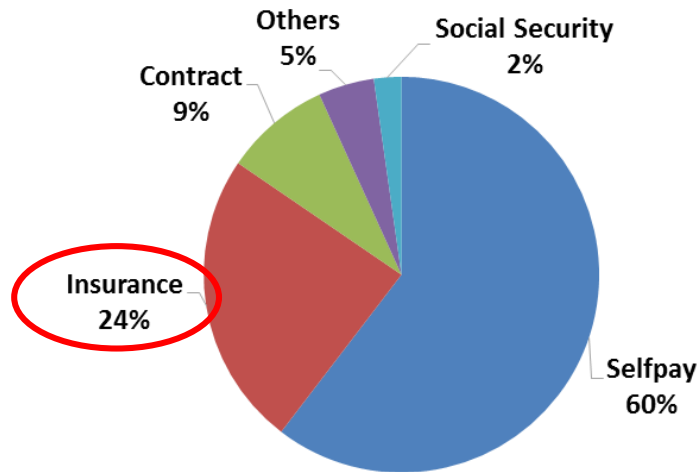
Deductible Plan
Maximum Benefit (THB)
: 400k-800k



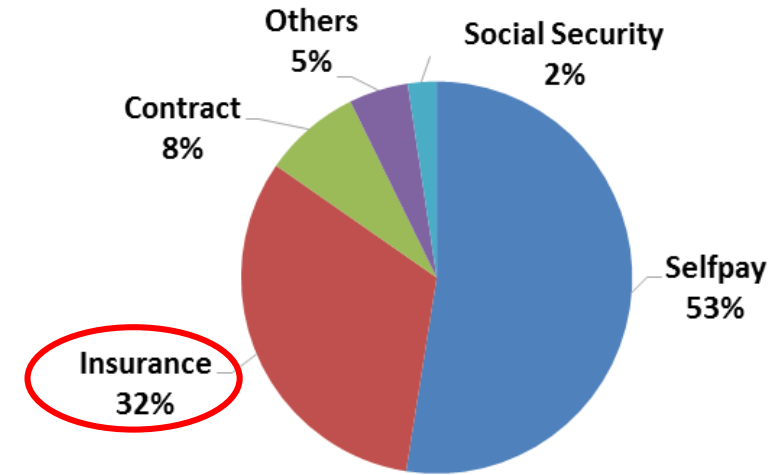
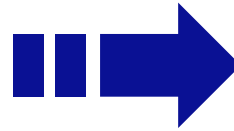
Viriyah Healthcare by BDMS
Maximum Benefit (THB)
: 100k-700k

Expanding Insurance Patient Base

Patient Revenue by Payor: Increasing Insurance Portion with a Target to Reach 40% in the Next 3 Years



2016



6M20

Partnership with Ping An Health Insurance (PAH) – To Bolster Chinese Patients to BDMS Hospital Network



- BDMS offers PAH members with a wide spectrum of medical care including cancer screening and treatment programs, cardiovascular procedures, neurological and orthopedic services
- This partnership would help bolster Chinese patients from 4th largest inter patients in 2019 to be one of the top 3 inter patients in the next 3 years

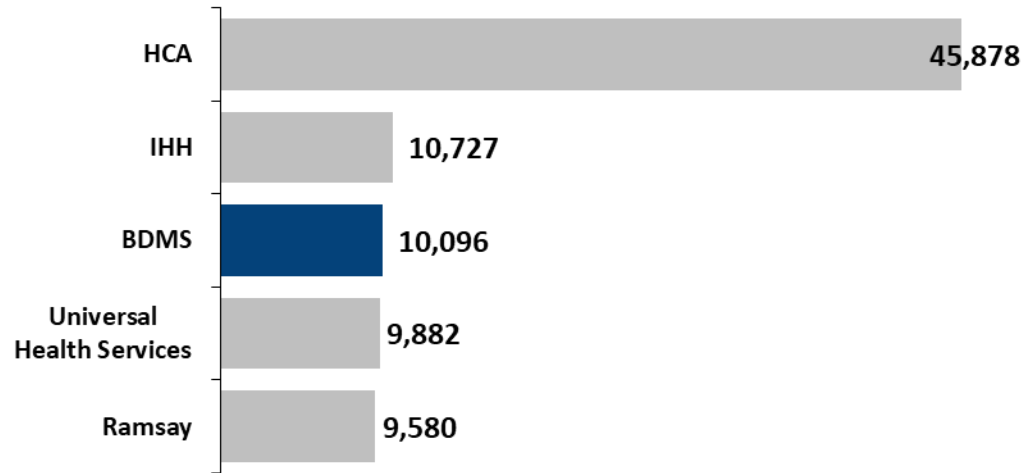
Strategy & Projects in Pipeline

Strategy	Volume & Margin Driven		Innovation & Digital		Sustainability	
	<ul style="list-style-type: none"> ▪ Leverage more on Hub&Spoke ▪ Center of Excellence ▪ Increase occupancy rate ▪ Expand insurance patient base 		<ul style="list-style-type: none"> ▪ International medical affiliation ▪ Smart Virtual Hospital ▪ Health application 		<ul style="list-style-type: none"> ▪ Quality & safety standard ▪ Good corporate governance ▪ Social responsibility 	

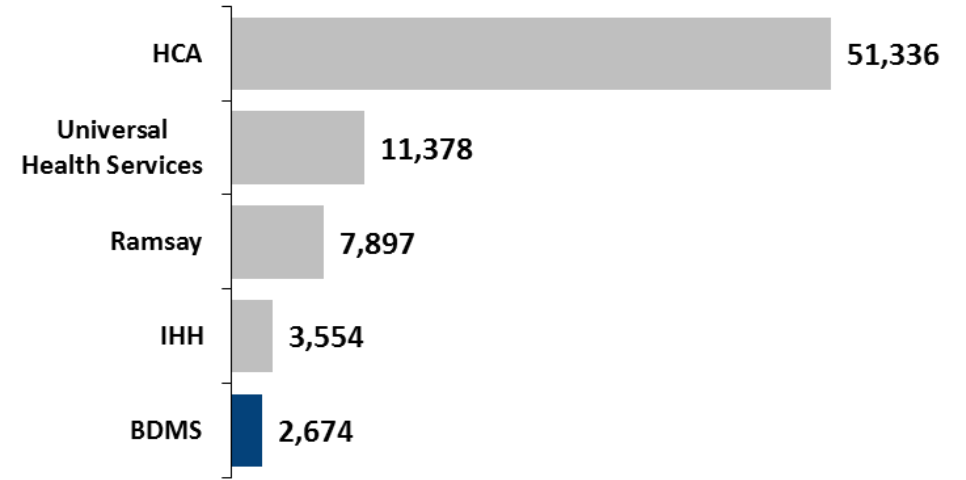
Projects in Pipeline	2020	2021	2022	2023-2024
	<ul style="list-style-type: none"> ▪ 49 Hospitals ▪ ~ 8,600 beds 			<ul style="list-style-type: none"> ▪ ~ 50 hospitals ▪ ~ 9,300 beds
	<ul style="list-style-type: none"> ✓ Jomtien Hospital (232 beds) 			<ul style="list-style-type: none"> ○ Samitivej International Children (100 beds)
	Existing Hospital Expansion (Occupancy Rate > 80%)			
	<ul style="list-style-type: none"> ✓ Samitivej Chonburi (74 beds) ○ Paolo Chokchai 4 (30 beds) 	<ul style="list-style-type: none"> ○ Bangkok Chanthaburi (96 beds) ○ Bangkok Ratchasima (166 beds) 	<ul style="list-style-type: none"> ○ Paolo Chokchai 4 (59 beds) ○ Phyathai Sriracha (100 beds) ○ Bangkok Udon (142 beds) 	<ul style="list-style-type: none"> ○ Expansion of our Network Hospitals

Global Hospital Rankings

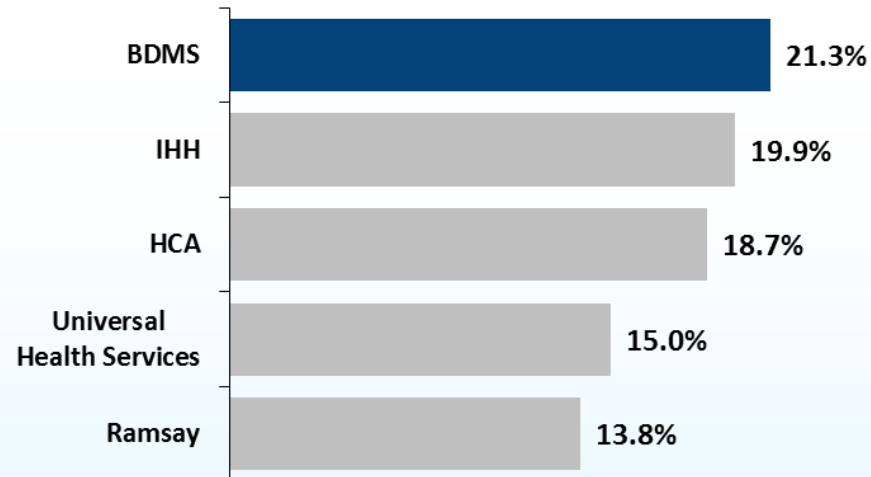
Market Capitalization (USD mm)



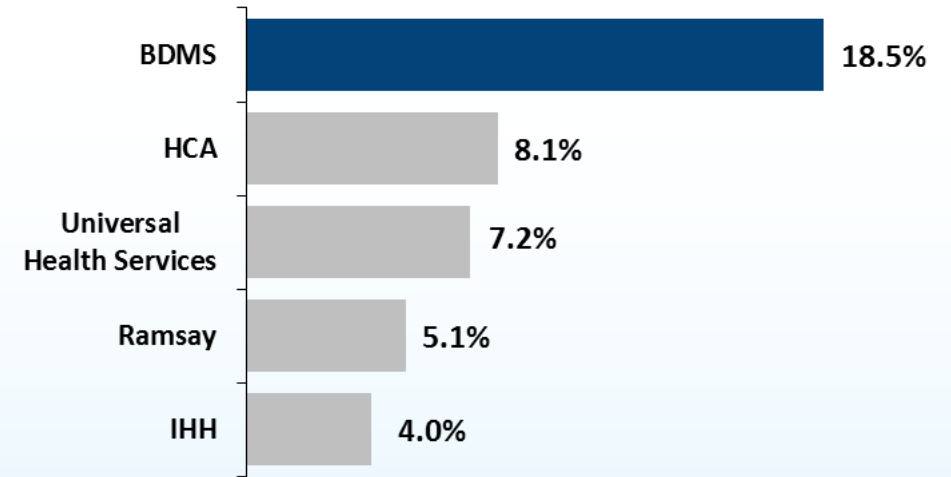
Revenue (USD mm)



EBITDA Margin



Net Profit Margin



Remark: - Market capitalization as of 14 September 2020
 - Financial performance for year ended December 2019 except Ramsay for the year ended June 2019
 - IHH performance without impact of MFRS 16 (Lease)

2Q20 & 6M20 in Review & Update on COVID-19

2Q20 Operational Recap and Financial Summary

2Q20 Highlights

	2Q20	
	% Chg	% to Revenue
Operating income	(29)%	
	THB 13,977 mm	
Patient revenue	(30)%	
	THB 13,080 mm	
Breakdown by location		
▪ Bangkok & Vicinity	(32)%	56%
▪ Outside Bangkok	(25)%	44%
Breakdown by nationality		
▪ Thai	(22)%	82%
▪ International	(58)%	18%
Breakdown by type of patients		
▪ Outpatients	(30)%	48%
▪ Inpatients	(32)%	52%

Remark: - Operating income is calculated from hospital revenue + revenue from sales of goods + other income
 - All operational statistics are from BDMS management report

Profitability and Ratio

(THB mm)	2Q20	2Q19	Chg. (yoy)
EBITDA	2,587	3,892	(34)%
EBITDA margin	18.5%	19.8%	
Share of income from associates	(37)	199	(188)%
Core profit	458	1,865	(75)%
Core profit margin	3.3%	9.5%	

Remark: - Margin was calculated as a percentage of operating income

Commentary

- Patient revenue decreased by 30% yoy mainly from impact of COVID-19 most notably on inter patients
- Despite cost saving initiatives across BDMS, EBITDA dropped 34% yoy from high portion of fixed cost
- Net profit decreased by 75% yoy mainly from
 - Performance of Bumrungrad Hospital Public Co., Ltd. ("BH")
 - Decrease in share of profit from dilution of investment in BH (from 24.99% to 22.94%)

6M20 Operational Recap and Financial Summary

6M20 Highlights

	6M20	
	% Chg	% to Revenue
Operating income	(16)%	
	THB 33,980 mm	
Patient revenue	(17)%	
	THB 31,962 mm	
Breakdown by location		
▪ Bangkok & Vicinity	(19)%	56%
▪ Outside Bangkok	(13)%	44%
Breakdown by nationality		
▪ Thai	(11)%	76%
▪ International	(22)%	24%
Breakdown by type of patients		
▪ Outpatients	(17)%	47%
▪ Inpatients	(18)%	53%

Profitability and Ratio

(THB mm)	6M20	6M19	Chg. (yoy)
EBITDA⁽¹⁾	7,377	8,962	(18)%
EBITDA margin⁽¹⁾	21.7%	22.2%	
Share of income from associates	181	484	(63)%
Core profit	3,026	4,790	(37)%
Core profit margin	8.9%	11.9%	
Non-recurring items	-	5,514 ⁽²⁾	n.a.
Net profit	3,026	10,304	(71)%
Net profit margin	8.9%	25.5%	

(1) Excluding non-recurring items

(2) non-recurring items in 6M19 were gain on sales in Ramkhamhaeng Hospital Public Co., Ltd. ("RAM"), provision for employee benefits and one-time expenses in finding land to locate electricity sub-station

BDMS Continued Cost Containment Measures in 2H20

Operating Expenses



01 Clinical, Non-clinical Staff & Doctor Related Expenses

- Maintain Zero OT policy and freeze full-time headcount
- Encourage staff to use holiday leave or leave without pay
- Decrease minimum guarantee of doctors

02 Reduction of Non-Essential Expenses

- Continue to decrease marketing, repair & maintenance and other expenses
- Reduction of all meeting allowance

CAPEX



- Reduce normal CAPEX spending of around THB 2 bn in 2020
- Delay some investments especially renovation and supporting projects

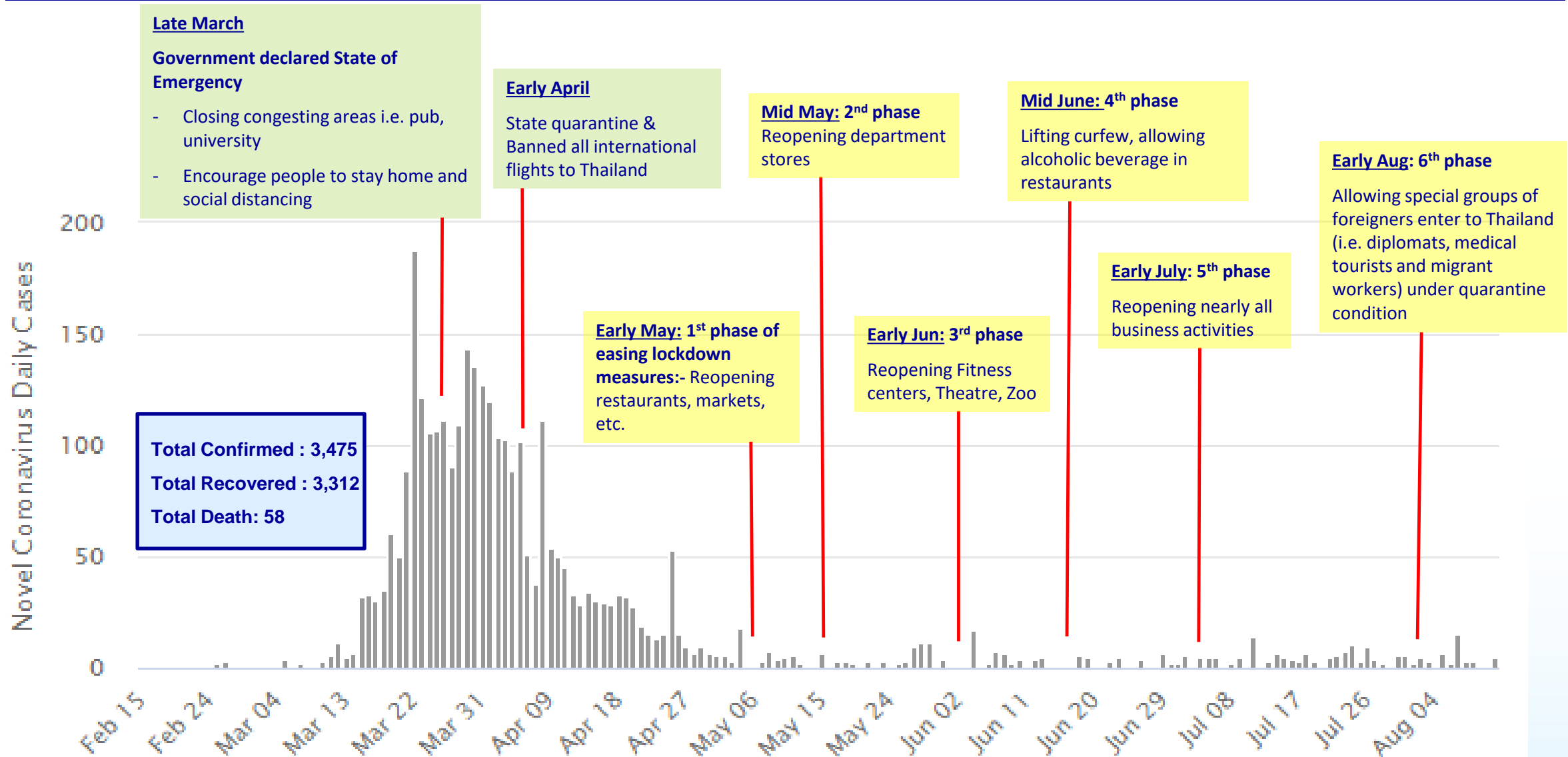
Cash Flow Management



- Cash on hand end of June 2020 was THB 3-4 billion with total uncommitted credit facility from financial institutions of THB 20 billion
- Maintain healthy liquidity level to support on going operations amidst uncertainty

Update COVID-19 Situation in Thailand

Thailand has no Domestic Infection More Than Three Months; New Cases Mostly Seen at State Quarantine








BDMS Alternative Hospital Quarantine & Alternative State Quarantine



Alternative
Hospital Quarantine

30
Hospitals


Bangkok 17

-  BHQ, WSH
-  SVH, SNH, STH, SCT
-  BNH
-  PT1, PT2, PT3, PTN
-  PLP, PLK, PLR, PLD, PLS, PLC


East 6

-  BPH, BRH, BTH
-  SCH, SSH
-  PTS

North/Northeast 3

-  BCM, BCR, BUD

South 4

-  BPK, BSI, BHH, BSH



Alternative
State Quarantine

1
Resort

**Mövenpick BDMS
Wellness
Resort Bangkok**
15 Day Homecoming
Health Watch



Wellness Suite

Deluxe room

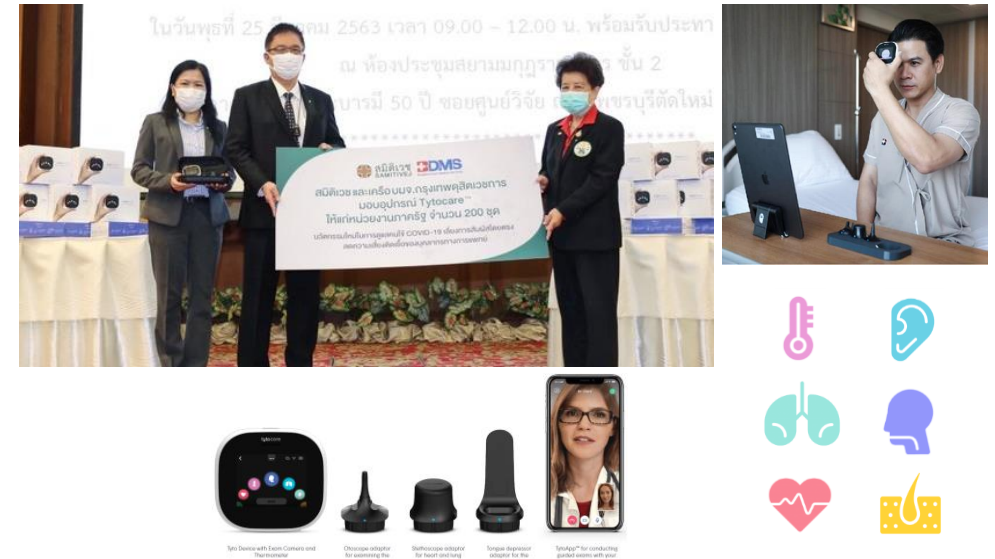
Key Initiatives During COVID-19

Healthy BOT



- A Healthy Bot, equipped with a camera and microphone, helps connecting patients under investigation in isolation unit to reduce human contact and to avoid cross infection
- The smart robot, available 24 hours, also helps ease the workload of clinical staffs

Tytocare



- Tytocare is an innovative medical exam device in a modern, portable format, designed for use at home by anyone, anywhere
- It can online examination can check temperature, lung, heart and ears, throat and skin
- BDMS donated 200 TytoCare devices to use in public hospitals

Key Initiatives During COVID-19

Example of Our Services



- **Samitivej Virtual Hospital**
An online hospital providing real-time consultation with doctors via mobile phone application



- **Bangkok Hospital Delivery**
Services, a tele-consultation and in-home health services for blood sample, vaccination and medication



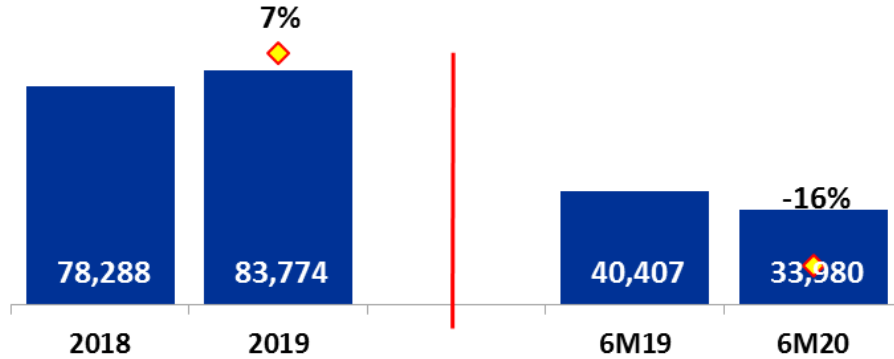
- **Many hospitals in our network offer drive thru services for vaccination**

Operational Statistics & Financial Highlights

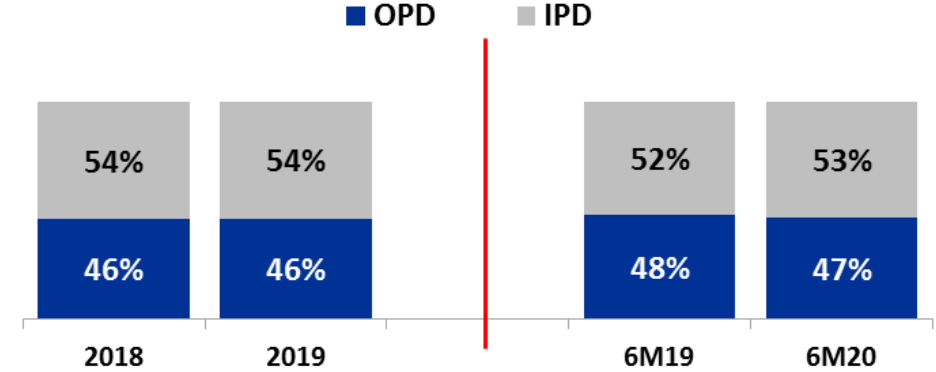
Operating Income Growth

Operating Income

(THB mm)



Revenue Breakdown by Patient Types

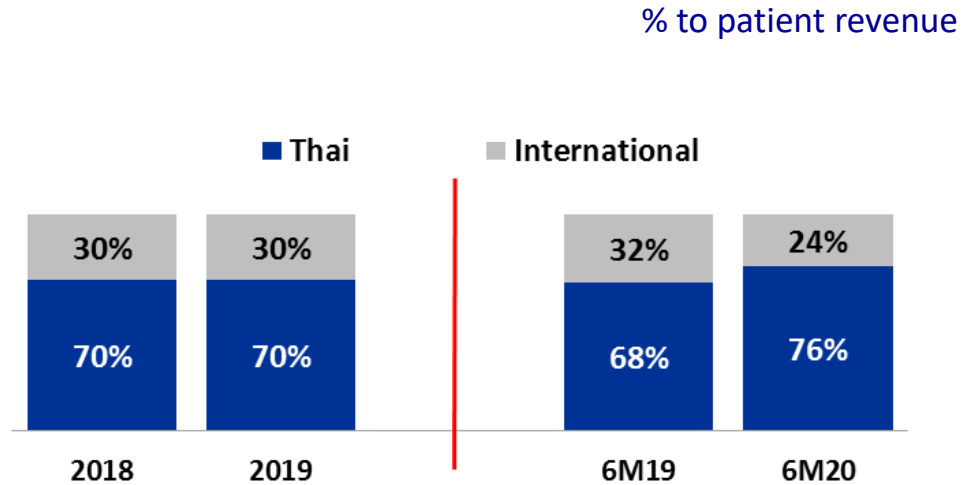


Commentary

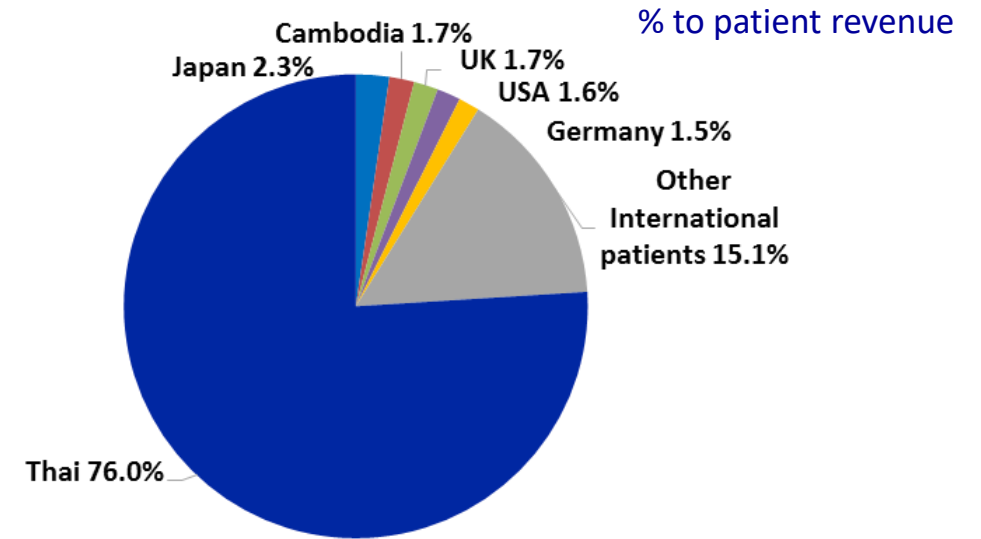
- 6M20 Operating income decreased by 16% yoy mainly from
 - Patient revenue decreased by 17% due to decrease in patient volume both Thai and inter patients especially in 2Q20 which affected by
 - COVID-19 outbreak
 - Travel restrictions
 - Government infection control measures such as state of emergency, home quarantine order (recommendation for people age over 70 years old and below 5 years old to stay home)

Thai and International Patients

Revenue Contribution by Nationality



Top 5 Nationality contribution in 6M20

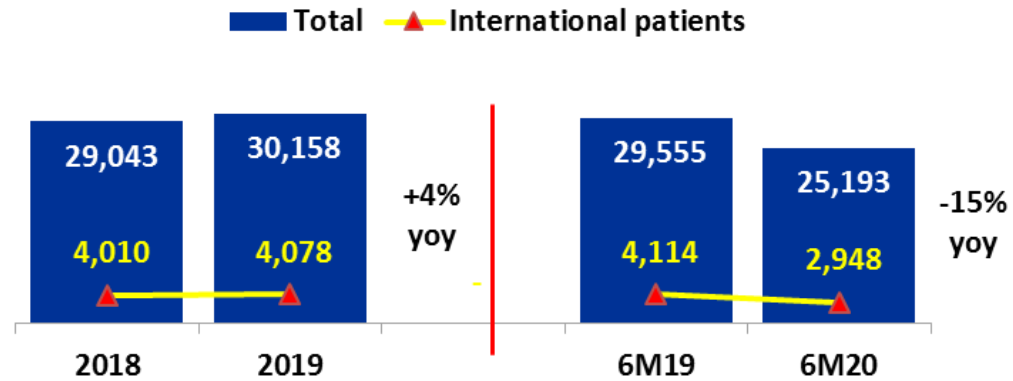


Commentary

- In 6M20, Inter patients decreased by 35% yoy while Thai patients decreased by 11% yoy
 - The significant decrease was in 2Q20 due mainly to travel restrictions. In 2Q20, Inter patients decreased by 58% yoy while Thai patients decreased by 22% yoy
- Key drivers of negative growth in Inter patient revenue are Middle East (-63%), China (-45%) and Australia (-41% yoy)

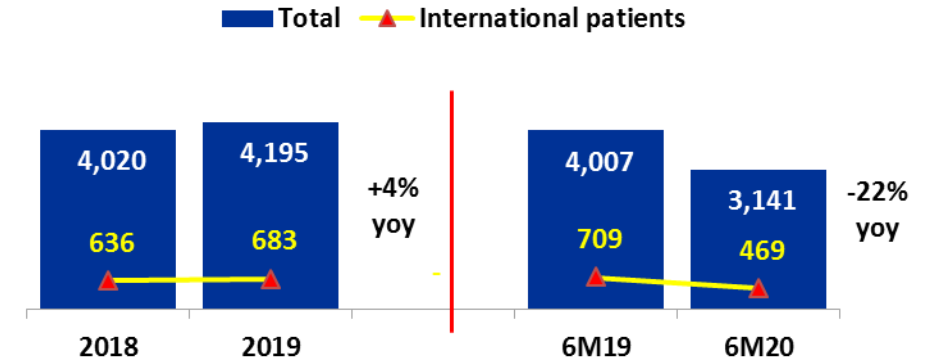
Operational Statistics

Number of OPD Visits per Day



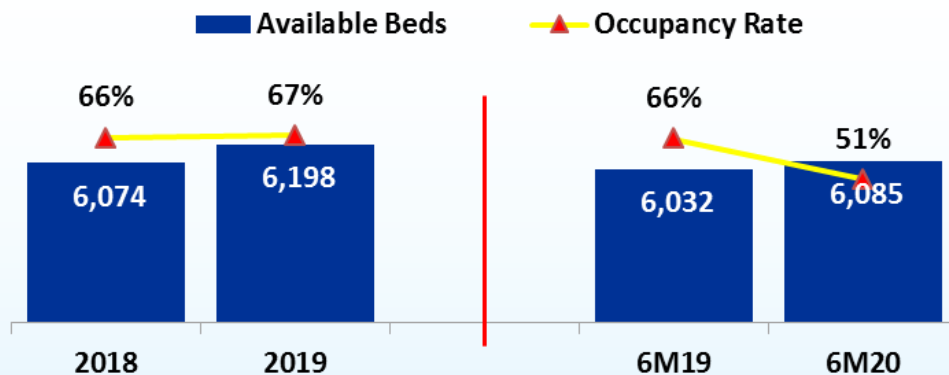
Remarks: - Including social security

Average Daily Census (ADC)

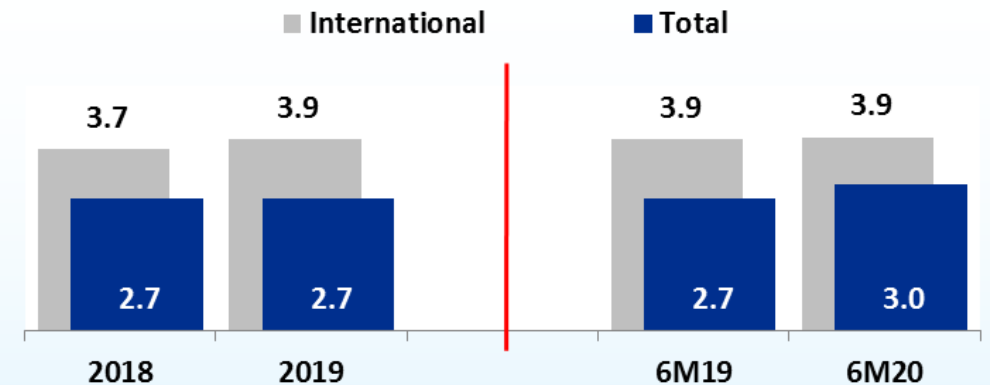


Remarks: - Including social security and new born patients

Occupancy Rate Based on Available Beds

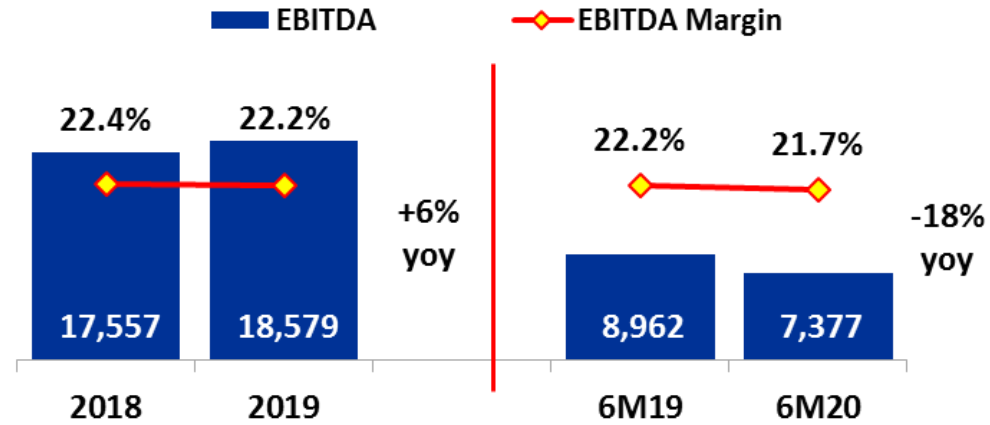


Average Length of Stay (days)

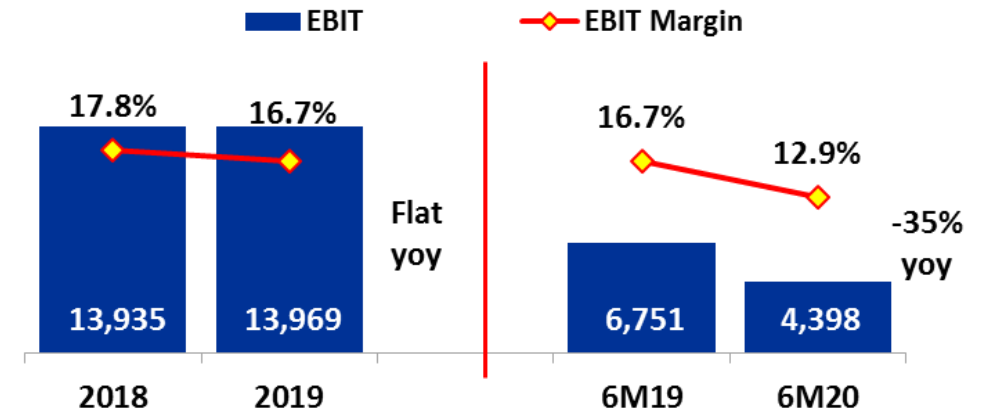


Profitability Trend

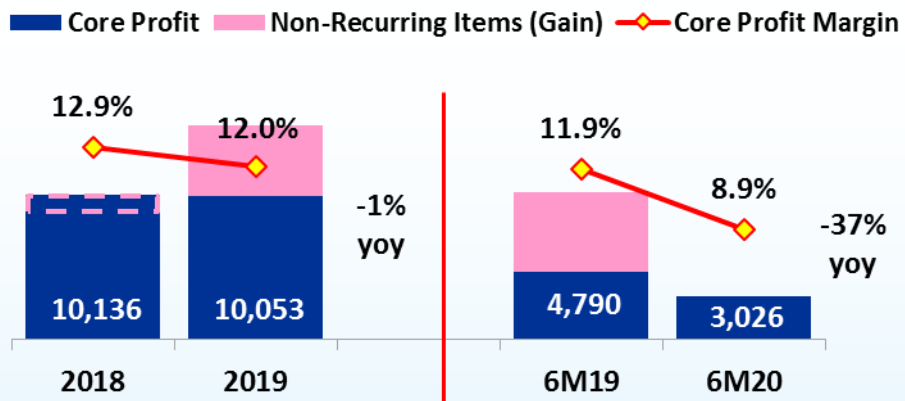
EBITDA & EBITDA Margin * (THB mm)



EBIT & EBIT Margin * (THB mm)



Core Profit & Core Profit Margin * (THB mm)



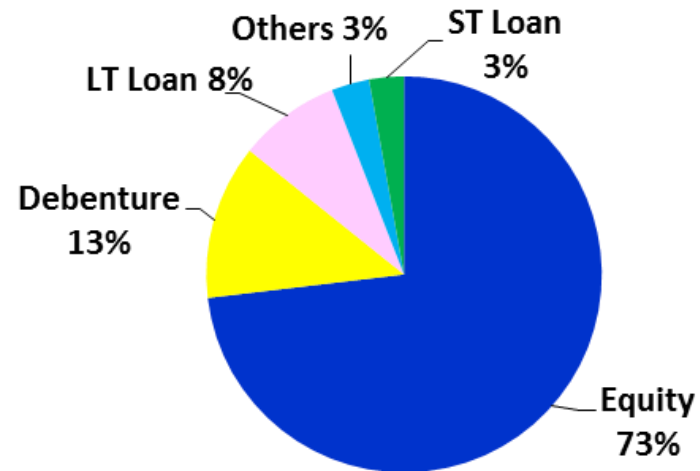
Commentary in 6M20

- In 6M20, core profit was THB 3,026 million, decreased by 37% yoy. If including non-recurring items of THB 5,513 million in 6M19, net profit decreased 71% yoy

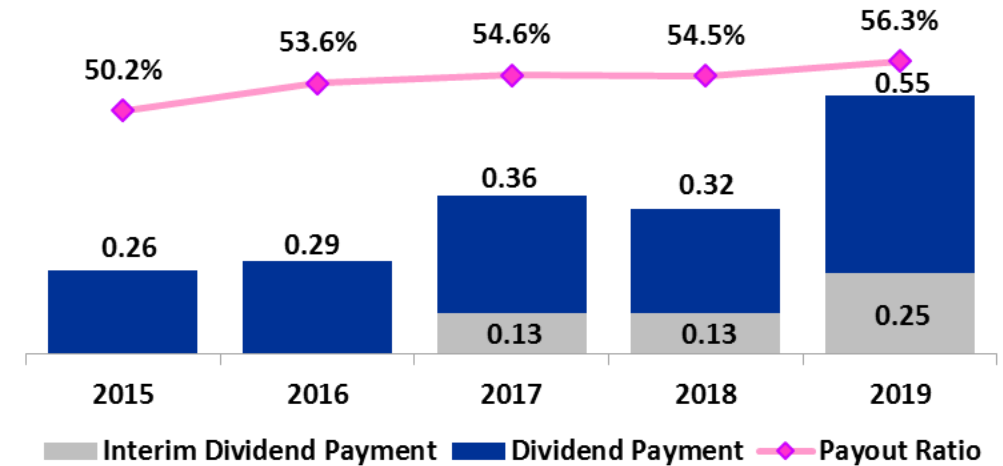
* Excluding non-recurring items

Capital Management

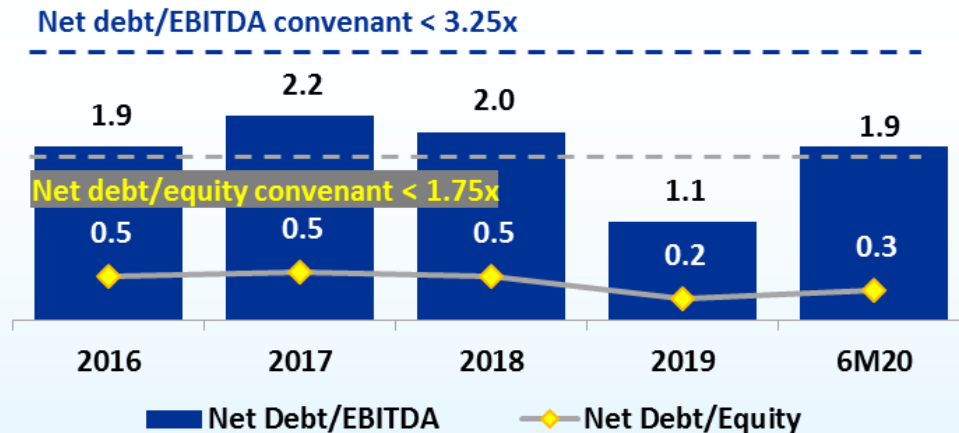
Capital Structure as of June 2020



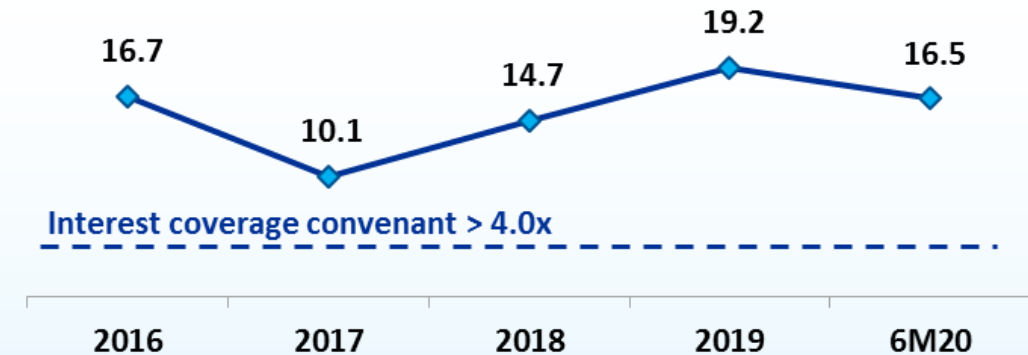
Dividend Payment & Payout Ratio



Gearing Ratios: Well Within Covenants



Interest Coverage



Healthcare Industry

Despite sluggish local and global economy, Thai healthcare sector continues to be resilient

Rising Demand for Healthcare

- ✓ Aging demographics and increasing non-communicable diseases
- ✓ Growing medical tourism from capable medical personnel, convenient infrastructure and value for money

Positive Private Health Insurance Momentum

- ✓ Co-operation between insurance companies and local hospitals driving private health insurance penetration
- ✓ Thai Government tax break on premium for health insurance

Preventive Trend

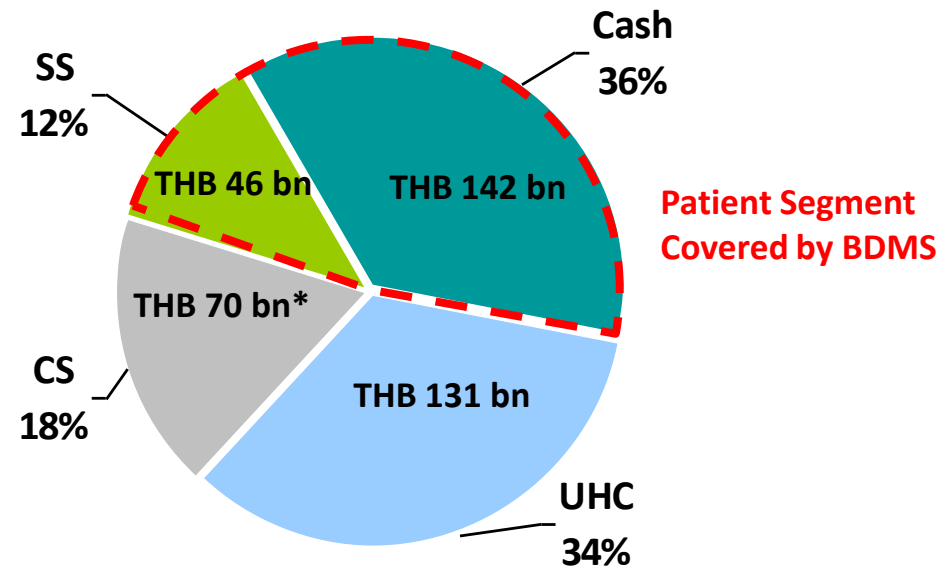
- ✓ Increasing health conscious lifestyle
- ✓ Focusing on precision medicine, wellness, early detection and exercise including mental health awareness

Health Tech

- ✓ Smart hospitals
- ✓ Mobile health application helps increase healthcare accessibility

Healthcare Segments in Thailand

Total Expenditure for 2018: THB 389 bn



Source: National Health Security Office (NHSO), The Office of the National Economic and Social Development Board (NESDB) and Social Security Office (SSO)
* BDMS estimated

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 and Supply

Healthcare Supply in Thailand (2020)

	# of Hospitals	# of Beds
Private	381	36,044
Public	899	97,791
Total	1,592	133,968

(Number per 10,000 population)	Thailand	Global
Doctor (2018)	8	15
Nurse (2018)	28	38
Bed (2016)	22	26

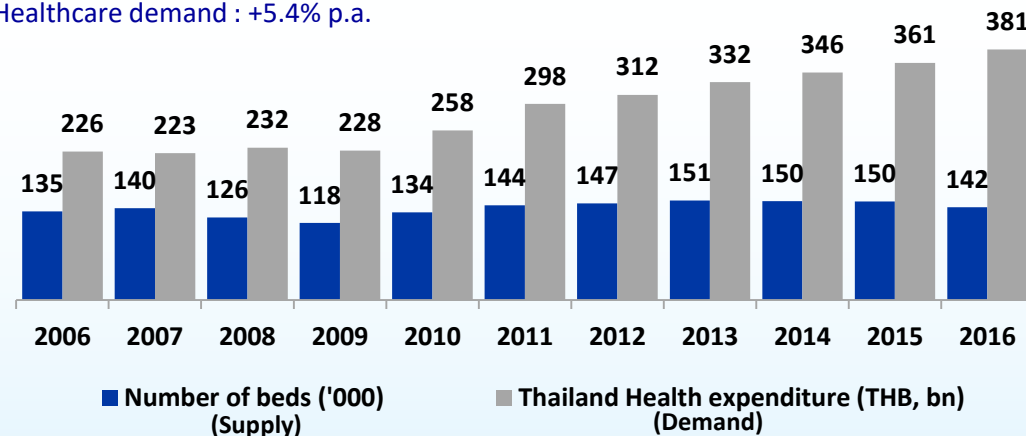
Source: WHO and Ministry of Public Health

Healthcare Demand Growing Faster than Supply

10 Years CAGR (2006-2016)

Healthcare supply : +0.5% p.a.

Healthcare demand : +5.4% p.a.



Source : NESDB and NSO

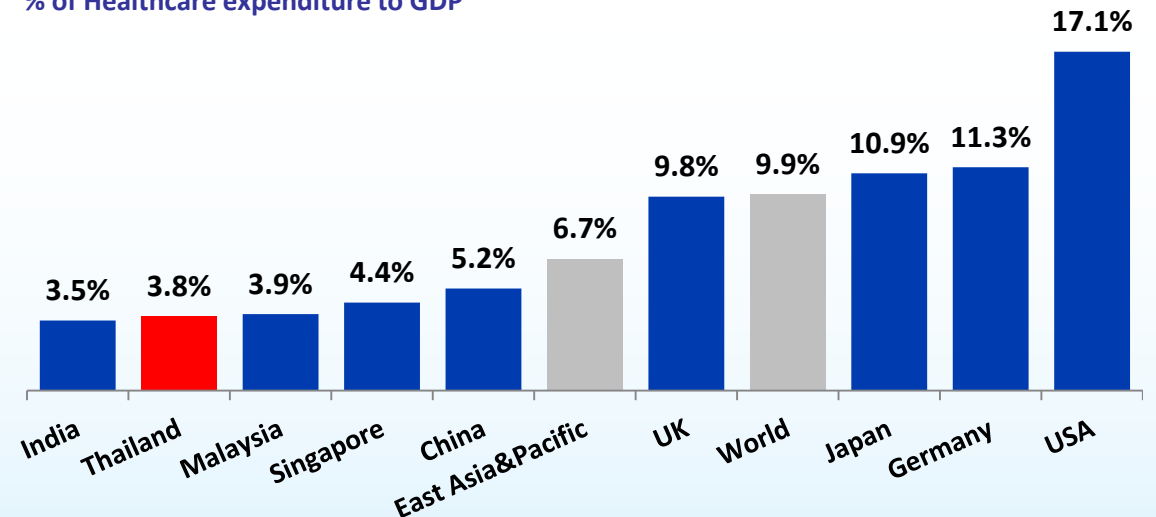
BDMS Market Coverage (2020)

	Total Private Beds	BDMS Registered Beds	Market Share
Bangkok	13,980	2,702	19%
Central	11,611	2,308	20%
South	2,863	729	25%
Northeast	3,318	384	12%
North	4,272	264	6%
Total	36,044	6,387	18%

Source: Department of Health Service Support, Ministry of Public Health

Low Healthcare Penetration

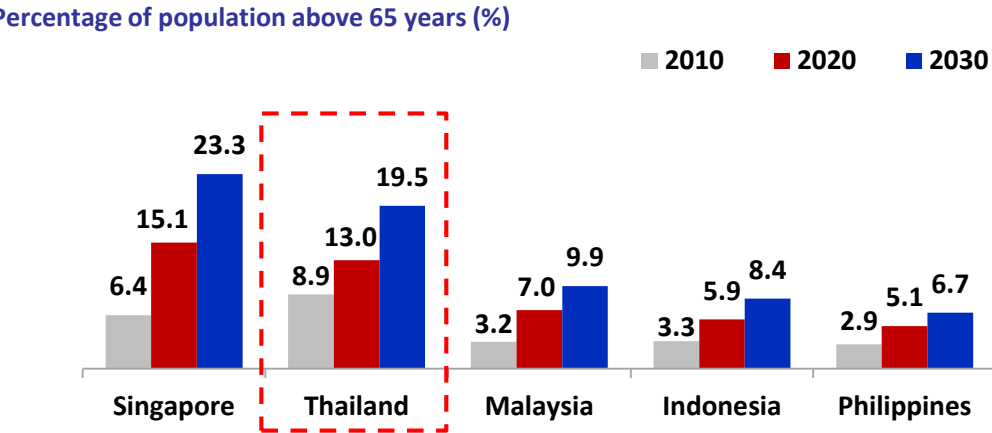
% of Healthcare expenditure to GDP



Source: WHO (2017)

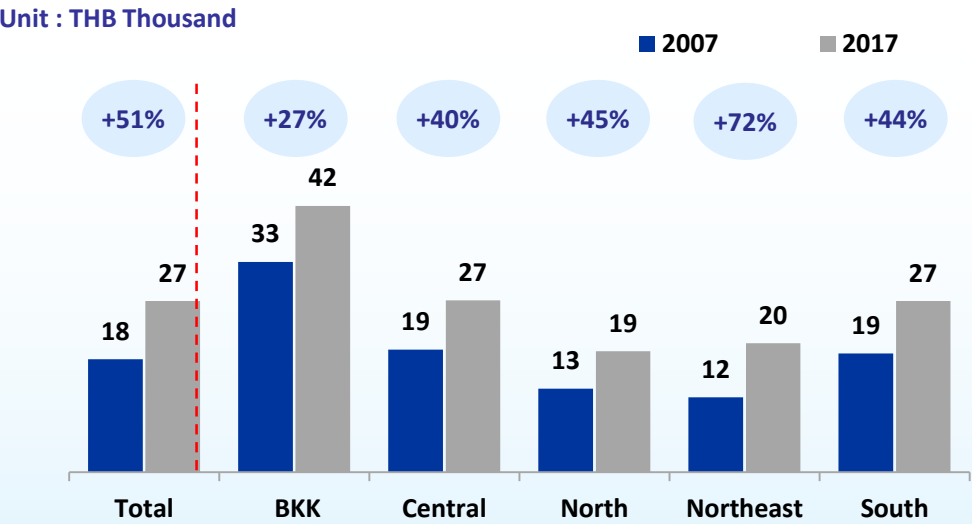
Increasing Thailand Healthcare Demand

Population Growth and Aging Profile



Source: UN Population Database: 2015

Thailand Monthly Income per Household

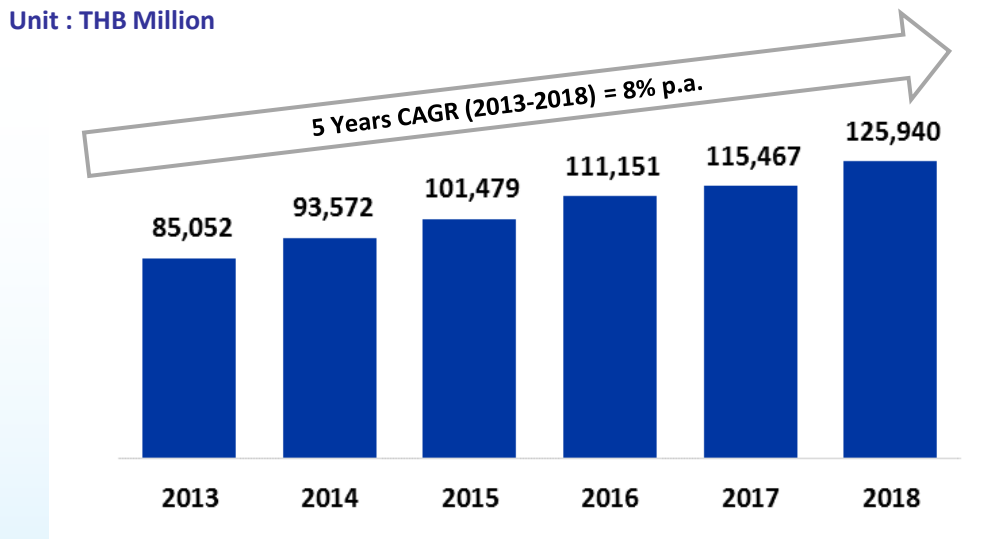


Source : NESDB

Commentary

- Aging population generates greater demand for healthcare expenditure
- Monthly income per household in Thailand increased by 51% during 2007-17. This would support growing demand for healthcare
- Health insurance reduces financial burden of out-of-pocket expense. Increasing trend for health insurance will benefit private hospitals

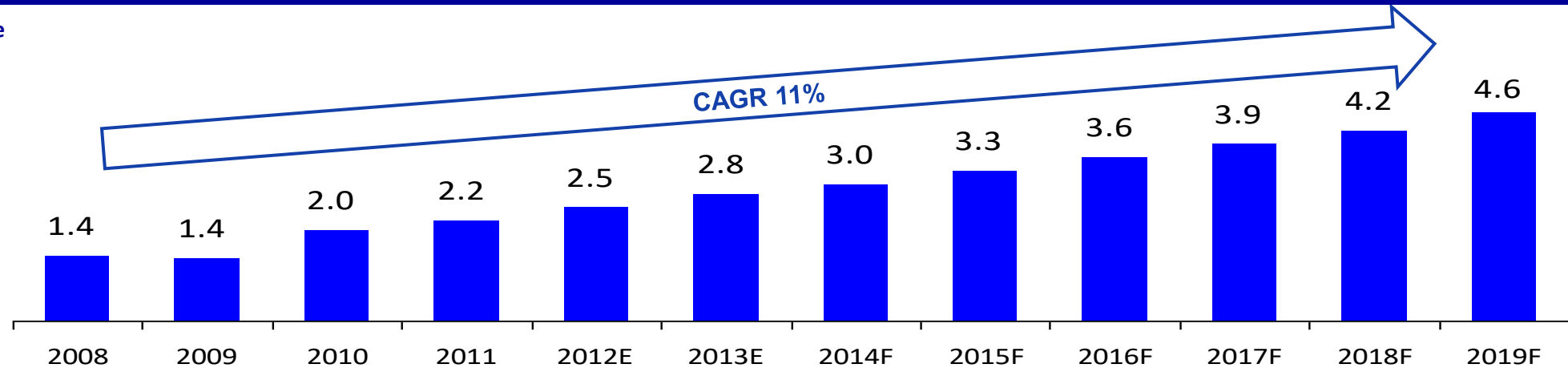
Health & Personal Accident Insurance Premium



Source: OIC

Increasing Trend of Medical Tourists to Thailand

Million People



Source: EIC, SCB and Ministry of Commerce

Medical Tourism as a Rising Phenomenon

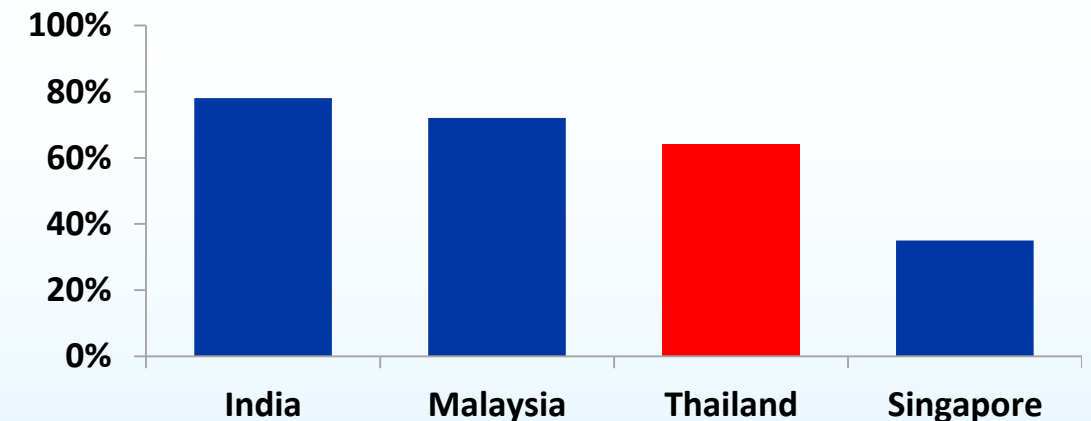
Procedures (In USD)	USA	Singapore*	Thailand	Malaysia*	India
Heart Bypass	123,000	17,200	15,000	12,100	7,900
Heart Valve Replacement	170,000	16,900	17,200	13,500	9,500
Knee Replacement	35,000	16,000	14,000	7,700	6,600
IVF Treatment	12,400	14,900	4,100	6,900	2,500

* Excluding doctor fee

Source: Medicaltourism.com (2019)

Saving as Compared to Other Medical Tourism Market

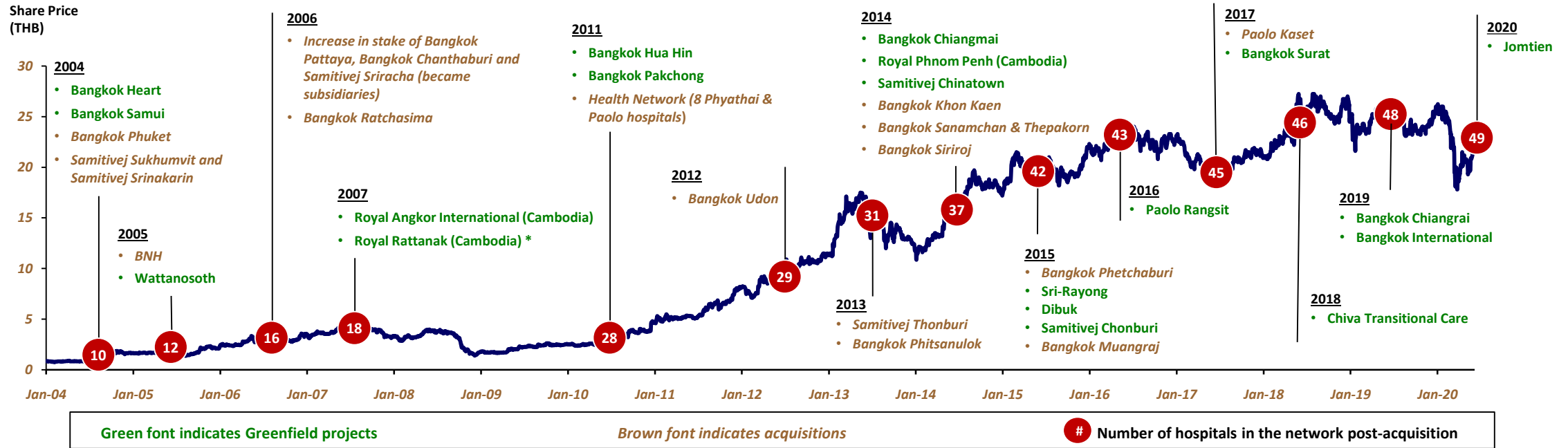
Saving % Compared to US



Company Information

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

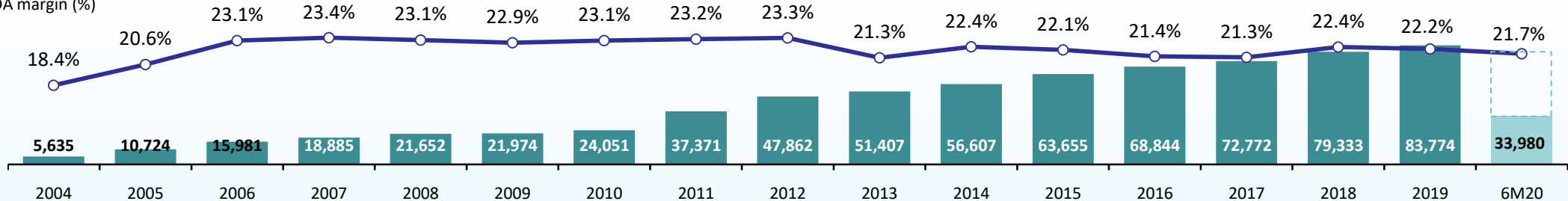
Strong Share Price Performance Backed by a Successful Expansion Track Record



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

Solid Revenue Growth Over the Past Decade (2004-2019 CAGR of 19.7%) with Resilient EBITDA margin *

Operating Income(THB mm)
and EBITDA margin (%)



Source: Derived from BDMS' financial statements

* Excluding non-recurring items

BDMS has developed 18 new hospitals and acquired a total of 30 hospitals to date

Shareholding Structure

(As of 11 June 2020)

	% of Shareholding
1 Mr. Prasert Prasarttong-Osoth, M.D. and spouse	15.9%
2 Thai NVDR Co., Ltd.	8.3%
3 Bangkok Airways PCL and Bangkok Airways Holding Co., Ltd.	6.5%
4 The Viriyah Insurance PCL	5.9%
5 Miss Poramaporn Prasarttong-Osoth, M.D.	3.5%
6 Social Security Office	3.3%
7 Mr. Chirothana Suchato, M.D. and spouse	2.5%
8 South East Asia UK (Type C) Nominees Limited	2.4%
9 UBS AG Singapore Branch	2.3%
10 Mr. Att Thongtang and spouse	2.1%
Total	52.7%

Investments in Other Hospitals : - Listed Companies

- Bumrungrad Hospital PCL (BH) 22.94%

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 47% 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 Insurance Broker 100% Health & life insurance broker
- Bangkok Helicopter Services 100% Transportation of patients via helicopter services

* Not included all BDMS' investments

For More Information:- www.bangkokhospital.com

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

1. Bangkok Hospital	100%	373
2. Bangkok Heart Hospital	100%	97
3. Wattanosoth Hospital	(BHQ) 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)	64.0%	150
17. Samitivej Chonburi (SCH)	100%	260
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%	185
23. Bangkok Trat (BTH)	99.8%	114
24. Sri Rayong (SRH)	100%	195
25. Jomtien (JTH)	100%	232

Group 4 (North&Northeast)

26. Bangkok Chiangmai (BCM)	100%	175
27. Bangkok Ratchasima (BKH)	91.4%	171
28. Bangkok Pakchong (BHP)	91.4%	31
29. Bangkok Udon (BUD)	100%	120
30. Bangkok Phitsanulok (BPL)	100%	195
31. Bangkok Khon Kaen (BKN)	100%	140
32. Bangkok Chiangrai (BCR)	100%	80

Group 5

33. Phyathai 1 (PT1)	98.6%	224
34. Phyathai 2 (PT2)	97.8%	260
35. Phyathai 3 (PT3)	97.6%	267
36. Phyathai Sriracha (PTS)	74.2%	350
37. Phyathai Nawamin (PTN)	99.8%	140
38. Paolo Paholyothin (PLP)	100%	267
39. Paolo Samutprakarn(PLS)	93.7%	200
40. Paolo Chokchai 4 (PLC)	85.7%	169
41. Paolo Rangsit (PLR)	100%	150
42. Paolo Kaset (PLK)	100%	162
43. Paolo Phrapradaeng (PLD)	84.0%	60

Ownership No. of Beds

Group 6 (South)

44. Bangkok Phuket (BPK)	99.7%	266
45. Bangkok Siriroj (BSI)	100%	151
46. Dibuk (DBK)	99.7%	100
47. Bangkok Hat Yai (BHH)	98.8%	200
48. Bangkok Samui (BSH)	100%	52
49. 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	47.0%