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## Performance Highlights

### Major Development

#### Issuance of unsecured debenture totaling Baht 3,000 million

On 24 June 2016, the Company had issued unsecured, name registered and unsubordinated debentures without a debenture holders' representative debenture totalling Baht 3,000 million. This debenture is 10-year debentures at the coupon rate of 2.99% per annum, payable semiannually. Tris Rating assigns the rating of "AA-" to this debenture. The ratings reflect Company's leading market position as the largest private hospital operator in Thailand, extensive referral network of hospitals, sound operating performance and healthy balance sheet and our experienced management team and capable physicians.

### 6M16 Performance

Bangkok Dusit Medical Services Public Company Limited ("Company") reported consolidated net profit of Baht 4,014 million, increased by 6% yoy. If including non-recurring items which are gain on sale of investment in BCH totaling Baht 62 million in 6M16, net profit would be Baht 4,076 million or increased by 8% yoy. The summarized IQ16 consolidated performance is as follows:-

#### 1. Operating income

Total operating income were Baht 32,975 million, an increase of Baht 2,374million or 8% from 6M15, primarily due to:

- ◆ Revenues from hospital operations were Baht 31,269 million, an increase of Baht 2,307 million or 8% from 6M15. The growth was contributable to an increase in number of outpatients and inpatients across our network hospitals, patient ward renovation, patient referral system and qualified clinical staffs and specialist doctors together with the opening of Paolo Rangsit since January 2016 and an increasing healthcare inflation, intensity and complexity cases.

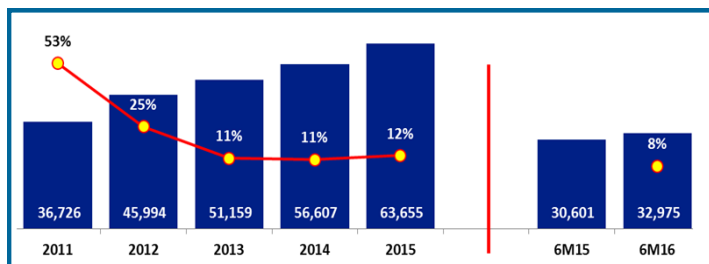
Existing hospitals grew approximately 6% yoy and the new network hospitals grew approximately 2% yoy. Revenue of network hospitals in Bangkok and vicinity grew 6% yoy while revenue of network hospitals in the upcountry grew 11% yoy.

Thailand



Overseas





Revenue from hospital operations

During 2015, both Thai and international patients grew 8% yoy resulting in the revenue proportion between Thai and international patients remains unchanged at 70%:30% in 2Q15 and in 2Q16. From type of patient perspectives, outpatient revenues grew by 10% yoy while the inpatient revenues increased by 6% yoy.

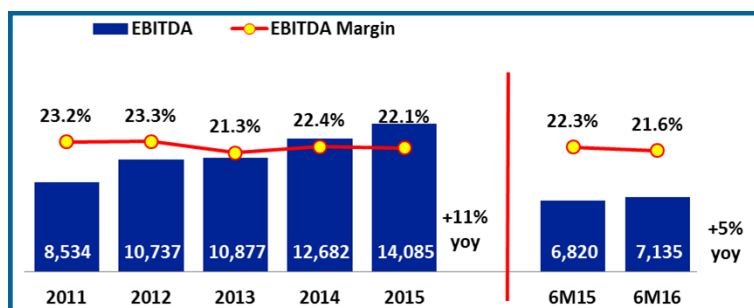
- ◆ Revenues from sales of goods and food were Baht 1,363 million, an increase of 9% yoy, mainly from an increase in sales of A.N.B., Medicpharma and Save Drug.
- ◆ Other incomes were Baht 343 million, decreased by 12% yoy mainly from income tax refund of our subsidiary from The Revenue Department totaling Baht 57 million in IQ15 perspectives, outpatient revenues grew by approximately 12% yoy while the inpatient revenues increased by approximately 8% yoy.

2. Operating expenses

The Company and its subsidiaries reported total operating expenses & depreciation of Baht 28,146 million, an increase of Baht 2,248 million or 9% yoy.

- ◆ Cost of hospital operations and others (including depreciation and amortization) were Baht 21,683 million, increased by 10% yoy. An increase was due mainly to rising in doctor fees and clinical staffs expenses as a result of an increase in newly recruited specialist doctors both full-time and part-time and clinical staffs to accommodate the network expansion.
- ◆ The administrative expenses (including depreciation and amortization) were Baht 6,463 million, increased by 6% yoy, due mainly to an increase non-clinical personnel expenses and other administrative expenses.
- ◆ The depreciation and amortization expenses were Baht 2,307 million in 6M16, increased by 9% yoy due mainly to depreciation and amortization of new network hospitals.

EBITDA increased from 6,820 million in 6M15 to Baht 7,135 million in 6M16 or increased by 5% yoy. However, EBITDA margin decreased from 22.3% in 6M15 to 21.6% in 6M16.



EBITDA & EBITDA Margin

3. Others majors items

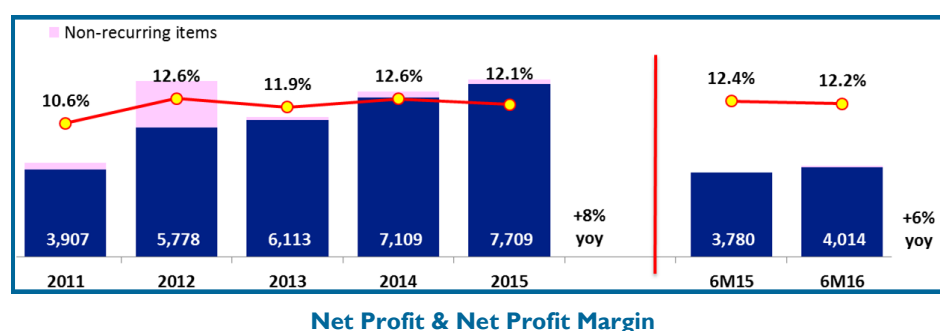
- ◆ Share of income from investments in associated companies were Baht 667 million in 6M16, an increase of Baht 28 million or 4% yoy. Share of income from investments in associated companies were mainly from investment in BH of Baht 439 million together with investment in RAM of Baht 197 million.
- ◆ Finance expenses decreased to Baht 393 million or decreased by 30% yoy due mainly to (1) an interest rate swap contract with financial institution for debenture totaling Baht 4,000 million by the exchange of a floating interest rate for a fixed rate resulting in interest savings during this period together with (2) an adjustment in the assumption for calculating expected convertible bonds redemption as the current BDMS share price already exceeds the

redemption price of convertible bonds.

- ◆ Tax expenses in 6M16 were Baht 956 million, an increase from Baht 897 million in 6M15, due mainly to an increase in pre-tax profit.

#### 4. Non-recurring items

During 6M16, the Company and its subsidiaries recorded non-recurring items of totaling Baht 62 million (before taxes) from gain on sale of investment in BCH.



As a result, Net profit was Baht 4,014 million in 6M16, increased by 6% yoy. However, net profit margin decreased from 12.4% in 6M15 to 12.2% in 6M16. Basic earnings per share was Baht 0.26 per share or increased by 6% yoy.

If including the non-recurring items, net profit was Baht 4,076 million, increased by 8% yoy. However, net profit margin remained unchanged at 12.4% in 6M15 and in 6M16. Basic earnings per share was Baht 0.26 per share or increased by 8% yoy.

## Summary of Balance Sheets

(Unit : THB mm)	Jun-16	Dec-15	Chg %
Total Assets	102,142	102,335	(0)%
Total Liabilities	45,746	46,160	(1)%
Total shareholders' equity	56,396	56,175	0%

The consolidated financial position of the Company and its subsidiaries as of June 30, 2016: The Company and its subsidiaries reported total assets of Baht 102,142 million slightly decreased from December 31, 2015.

Total consolidated liabilities as of June 30, 2016 were Baht 45,746 million, which was slightly decreased from December 31, 2015, due mainly to decrease in trade and other payables of Baht 842 million, decrease in long-term loans from financial institutions of Baht 898 million, decrease in accrued expenses of Baht 815 million and redemption of maturing debentures of Baht 1,000 million netted with an issuance of debentures of Baht 3,000 million.

Total consolidated shareholders' equity as of June 30, 2016 was Baht 56,396 million, slightly increased from December 31, 2015.

<b>Financial Analysis</b>	<b>6M16</b>	<b>6M15</b>
<b>Returns (%)</b>		
Return on Asset	7.9	8.1
Return on Equity	14.9	16.1
<b>Liquidity (x)</b>		
Current Ratio	1.0	0.9
Quick Ratio	0.9	0.8
<b>Asset &amp; Liabilities Management (Days)</b>		
Average Collection Period	37.7	38.4
Average Inventory Period	10.7	10.1
Average Accounts Payable	37.5	40.0
<b>Leverage &amp; Coverage Ratio (x)</b>		
Interest Coverage	18.1	12.2
	<b>Jun-16</b>	<b>Dec-15</b>
Total Debt to Equity	0.6	0.5
Net Debt to Equity	0.5	0.4
Net Debt to EBITDA	1.9	1.7

Return on assets and return on equity during 6M16 decreased from 6M15 as a result of the performance of new network hospitals which are ramping up and currently generate lower returns than existing hospitals together with an increase in net fixed assets from our network expansion.

Current ratio and quick ratio during IQ16 slightly increased from 6M15. Average collection period slightly decreased from 38.4 days in 6M15 to 37.7 days in 6M16.

Interest coverage ratio increased from 12.2x in 6M15 to 18.1x in 6M16. Total interest bearing debt to equity increased from 0.5x as of December 31, 2015 to 0.6x as of June 30, 2016. Net interest bearing debt to equity also increased from 0.4x as of December 31, 2015 to 0.5x as of June 30, 2016 and net interest bearing debt to EBITDA increased from 1.7x as of December 31, 2015 to 1.9x as of June 30, 2016.

The leverage and coverage ratios are well within the financial covenants of the long-term loans and debentures.

Remark

- Excluding non-recurring items
- Assets & Liabilities Management is calculated based on 360 days
- Interest coverage = EBITDA/Interest Expenses
- Debt refers to interest bearing debt

## IR Activities

### Analyst Meeting 2Q16 Results



BDMS hosted the 3/2015 Analyst meeting for 2Q16 and 6M16 results on August 24, 2016. The meeting was led by Dr. Prasert Prasarttong-Osoth, Group CEO and President, Dr. Chatree Duangnet, Executive Vice President and COO-Medical Affairs, CEO-Bangkok Medical Center and Senior CEO-Group 6, Khun Narumol Noi-am, CFO, and Khun Aja-ya Intaraprasong, AVP, Investor Relations. The meeting provided the investment community an opportunity to update on the Company's performance and strategic direction together with addressing any questions or comment to the management.

Presentation material also posted on our website at [www.bangkokhospital.com](http://www.bangkokhospital.com) under investor relations.

### Meeting with Stakeholders



BDMS management and Investor Relations welcomed professor and students of Political Science and Economics of Meiji University, Japan. The purpose of the meeting is to share the knowledge on Thai healthcare and to build good relationship between the two institutions.



Bangkok Dusit Medical Services

Thailand



Overseas



**Bangkok Dusit Medical Services Public Company Limited** ( SET Symbol : BDMS ) is the largest private hospital operator in Thailand in terms of patient services revenue and market capitalization with approximately THB 102,142 million in assets as of June 2016. Bangkok Dusit Medical Services Public Company Limited ("BDMS") currently has 41 hospitals in Thailand and 2 hospitals in Cambodia. BDMS is focused on Bangkok and various high-growth markets in Thailand and overseas. The Company is committed to be the leading network healthcare provider by meeting the needs of Thai and foreign patients with high quality, internationally-accepted standards, and value for money services together with the state-of-the art medical technology.

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