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## Performance Highlights

### Major Development

1. Partial disposition of investment in Bumrungrad Hospital Public Company Limited (“BH”)

On 28 April 2017, Company disposed the equity investment in BH of 25,189,494 shares or 3.45% of BH’s issued and paid-up capital to an institutional investor who is not related to the Company, at the price of Baht 179 per share, receiving total cash of Baht 4,508.92 million. The Company will recognize gain from selling these investments under equity method amounting to approximately Baht 2,198 million (net of income tax expenses). After transaction, BH will remain our associated company with stake in BH reducing from 23.95% to 20.50% of its issued and paid-up capital.
2. Issuance of Baht 7,000 million senior unsecured debentures

On 8 February 2017, Company issued senior unsecured debenture totaling of Baht 7,000 million for the expansion, investment and general purposes with an average interest rate of 2.84% p.a. and the issue rating of AA- by Tris. The debenture was successfully oversubscribed by investors.
3. Approved the issuance and offering of debentures in the amount of not exceeding Baht 40,000 million and increase the Company’s registered capital under the General Mandate

On 12 April 2017, the Shareholders’ Annual General Meeting approved the issuance and offering of debentures in the amount of not exceeding Baht 40,000 million. Moreover, the Shareholders also approved an increase the Company’s registered capital under General Mandate in the amount of Baht 154,909,565.40 from the current registered capital of Baht 1,603,314,001.80 to the new registered capital of Baht 1,758,223,567.20 by issuing 1,549,095,654 new ordinary shares at par value of THB 0.10 per share and approved the allocation of newly issued ordinary shares to public offering or private placement in aggregate not exceeding 5% of the Company’s paid-up capital.

Thailand



Overseas



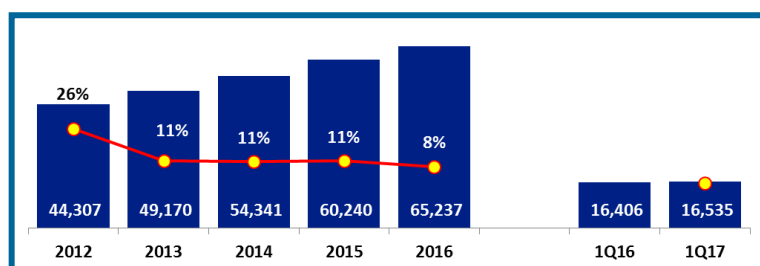
## IQ17 Performance

Bangkok Dusit Medical Services Public Company Limited (“Company”) reported consolidated net profit of Baht 1,974 million, decreased by 18% yoy. The summarized IQ17 consolidated performance is as follows:-

### 1. Operating income

Total operating income were Baht 17,395 million, an increase of Baht 98 million or 1% from IQ16, primarily due to:

- ◆ Revenues from hospital operations were Baht 16,535 million, an increase of Baht 129 million or 1% yoy. The growth was contributable to an increasing healthcare inflation, intensity and complexity cases together with the consolidation of Paolo Kaset Hospital since January 2017. Key growth driver was from revenue of network hospitals in the upcountry.



Revenue from hospital operations

However, the soft revenue growth was due mainly to the decline in number of Thai patients as a result of a significant decline yoy in influenza and dengue fever cases in Thailand. According to Department of Disease Control, Ministry of Public Health of Thailand, there are greater decline in the influenza cases in Bangkok and vicinity than in upcountry resulting in greater impact to our revenue of network hospitals in the

Bangkok and vicinity. The decline in number of Thai patients was also impacted from an exit from social security program of Paolo Paholyothin Hospital since the beginning of 2017. For international patients, the revenue growth was 4% yoy and recovered from 4Q16. Key drivers were mainly from Chinese, European and expatriate patients. The revenue proportion between Thai and international patients changed from 69%:31% in IQ16 to 67%:33% in IQ17.

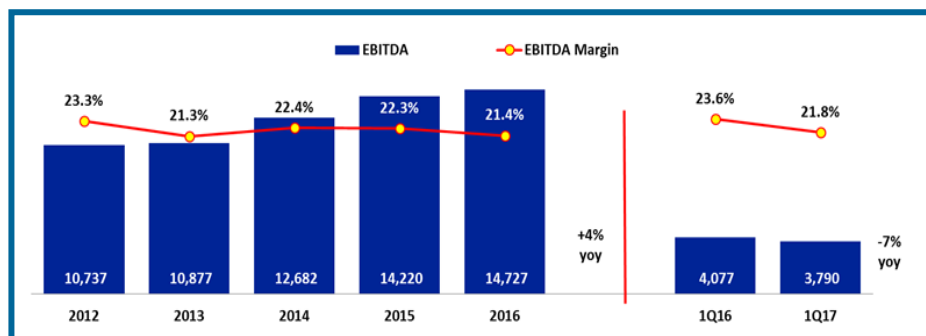
- ◆ Revenues from sales of goods and food were Baht 672 million in IQ17, decreased by 8% yoy due mainly to a decrease in sales of A.N.B.
- ◆ Other incomes were Baht 188 million in IQ17, increased by 14% yoy.

### 2. Operating expenses

The Company and its subsidiaries reported total operating expenses & depreciation of Baht 14,857 million, an increase of Baht 486 million or 3% yoy.

- ◆ Cost of hospital operations and others (including depreciation and amortization) were Baht 11,431 million, increased by 3% yoy. An increase was due mainly to rising in doctor 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 and opening of new outreach clinic at Ranong province and Khao Lak, Phang Nga province to strengthening referral network in Southern group.
- ◆ The administrative expenses (including depreciation and amortization) were Baht 3,426 million, increased by 5% yoy due mainly to an increase in non-clinical personnel expenses as a result of an increase in newly recruited personnel in preparation for opening of new network hospitals namely Paolo Kaset, Bangkok Hospital Surat, new factory of The Medicpharma Co., Ltd. and opening of new branches of Bangkok Save Drug Co., Ltd.

However, the Company realize an importance of managing manpower going forward adhere to the growth and expansion plan without an impact on patient safety and standard.



EBITDA &amp; EBITDA Margin

EBITDA increased from 4,077 million in 1Q16 to Baht 3,790 million in 1Q17 or decreased by 7% yoy. EBITDA margin also decreased from 23.6% in 1Q16 to 21.8% in 1Q17.

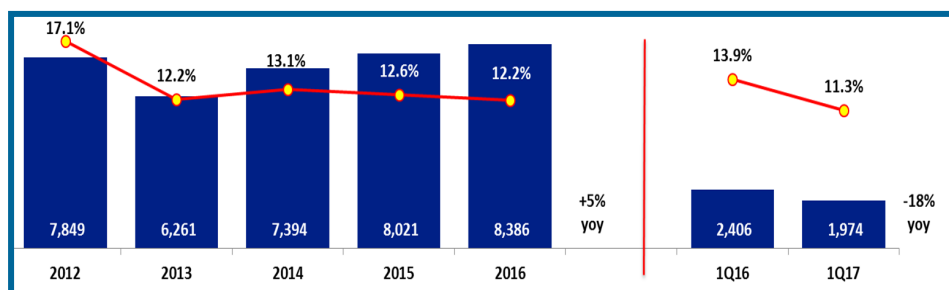
### 3. Depreciation and amortization expenses

The depreciation and amortization expenses were Baht 1,252 million in 1Q17, increased by 9% yoy due mainly to depreciation and amortization of new network hospitals.

### 4. Others majors items

- ◆ Share of income from investments in associated companies were Baht 324 million in 1Q17, a decrease of Baht 12 million or 4% yoy. Share of income from investments in associated companies were mainly from share of income from investment in BH of Baht 241 million, increased by 3% yoy together with investment in Ramkhamhaeng Hospital Public Co., Ltd. of Baht 76 million, decreased by 21% yoy.
- ◆ Finance expenses increased to Baht 363 million in 1Q17 or increased by 70% yoy due mainly to the adjustment in calculating the expected convertible bonds redemption together with an issuance of debenture of Baht 7,000 million.
- ◆ Taxes in 1Q17 were Baht 462 million, a decrease from Baht 563 million in 1Q16, due mainly to a decrease in pre-tax profit.

As a result, Net profit was Baht 1,974 million decreased by 18% yoy. As a result, net profit margin decreased from 13.9% in 1Q16 to 11.3% in 1Q17. EPS was Baht 0.13 per share or decreased by 18% yoy.



Net Profit &amp; Net Profit Margin

## Summary of Balance Sheets

(Unit : THB mm)	Mar-17	Dec-16	Chg %
Total Assets	120,263	106,939	12%
Total Liabilities	60,017	48,635	23%
Total shareholders' equity	60,246	58,305	3%

The consolidated financial position of the Company and its subsidiaries as of March 31, 2017: The Company and its subsidiaries reported total assets of Baht 120,263 million increased by 12% from December 31, 2016, due mainly to net increase in property, premises and equipment of Baht 11,796 million mainly from transfer of ownership of the land and building of Nai Lert Park project, expansion of our network hospitals both existing hospitals and new hospitals namely Paolo Kaset Hospital, Bangkok Hospital Surat and Bangkok Hospital Chiangmai together with upgrading of 9 hub hospitals to be Centers of Excellence and an increase in cash and cash equivalents of Baht 1,674 million.

Total consolidated liabilities as of March 31, 2017 were Baht 60,017 million, which was increased from December 31, 2016, due mainly to an increase in trade and other payables of Baht 7,533 million mainly from the remaining payment of Baht 7,720 million for purchasing land and building of Nei Lert Park project which will be paid in May 2017 together with an issuance of debentures of Baht 7,000 million netted with a decrease in short-term loans from financial institutions of Baht 1,500 million and accrual expenses of Baht 1,034 million.

Total consolidated shareholders' equity as of March 31, 2017 was Baht 60,246 million, increased by 3% from December 31, 2016, due mainly from net income during 2016.

<b>Financial Analysis</b>	<b>IQ17</b>	<b>IQ16</b>	
<b>Returns (%)</b>			Return on assets and return on equity decreased from IQ16 as a result of slower growth in IQ17 together with an increase in property, premises and equipment to accommodate expansion plan and Company strategy.
Return on Asset	6.9	9.4	
Return on Equity	13.9	17.7	
<b>Liquidity (x)</b>			Current ratio and quick ratio in IQ17 remained unchanged from IQ16.
Current Ratio	1.0 *	1.0	
Quick Ratio	0.9 *	0.9	Average collection period and average payable period decreased from 36.8 days and 37.8 days in IQ16 to 33.8 days and 35.1 days in IQ17 respectively while average inventory period increased from 10.1 days in IQ16 to 11.6 days in IQ17.
<b>Asset &amp; Liabilities Management (Days)</b>			Interest coverage ratio decreased from 19.1x in IQ16 to 10.4x in IQ17 due mainly to an increase in finance expenses as a results of the adjustment in calculating the expected convertible bonds redemption together with an issuance of debenture during the quarter.
Average Collection Period	33.8	36.8	
Average Inventory Period	11.6	10.1	
Average Accounts Payable	35.1 *	37.8	
<b>Leverage &amp; Coverage Ratio (x)</b>			Total interest bearing debt to equity increased from 0.5x as of December 31, 2016 to 0.6x as of March 31, 2017 while net interest bearing debt to equity remained unchanged at 0.5x as of December 31, 2016 and as of March 31, 2017. Net interest bearing debt to EBITDA increased from 1.9x as of December 31, 2016 to 2.1x as of March 31, 2017.
Interest Coverage	10.4	19.1	
	<b>Mar-17</b>	<b>Dec-16</b>	
Total Debt to Equity	0.6	0.5	
Net Debt to Equity	0.5	0.5	
Net Debt to EBITDA	2.1	1.9	

\* Excluding the remaining payment of land and buildings of Nai Lert Park project of Baht 7,720 million

**Remark**

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

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

# IR Activities

## Analyst Meeting 1Q17 Results



BDMS hosted the 2/2017 Analyst meeting for 1Q17 results on May 18, 2017. The meeting was led by Dr. Chatree Duangnet, Executive Vice President and COO-Medical Affairs, Khun Narumol Noi-Am, CFO, Dr. Poramaporn Prasarttong-Osoth, CEO Group I and Khun Ajaya 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.



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 120,263 million in assets as of March 2017. Bangkok Dusit Medical Services Public Company Limited ("BDMS") currently has 42 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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