

MANAGEMENT DISCUSSION AND ANALYSIS

**Executive Summary
4Q20 and 2020 Performance**

4Q20	THB mm	% Chg (yoy)
Operating Income	18,101	(16)%
Core EBITDA	3,412	(25)%
Core Profit	1,224	(48)%

Bangkok Dusit Medical Services Public Company Limited (“Company”) reported consolidated operating income for fourth quarter of 2020 (“4Q20”) of Baht 18,101 million, a decrease of 16% yoy. This was attributable to a decrease in revenue from hospital operations of 16% yoy mainly from a decrease in international patient revenue as a result of travel restrictions from COVID-19 outbreak. Meanwhile, revenue from Thai patients improved and turned into positive growth in November and December 2020 due to higher patient volume partly from an increase in Respiratory Syncytial Virus (RSV) cases affecting young children during 4Q20.

When comparing with 3Q20, revenue from hospital operations increased 7% QoQ reflecting gradual improvement.

In 4Q20, the Company and subsidiaries recorded gain on divestment of all investment in Bumrungrad Hospital Public Co., Ltd. (“BH”) (net of income tax) of Baht 1,164 million.

If excluding non-recurring item, the Company and its subsidiaries reported EBITDA of Baht 3,412 million, decreased by 25% yoy. EBITDA margin decreased from 21.1% in 4Q19 to 18.8% in 4Q20.

The Company and its subsidiaries reported core profit of Baht 1,224 million, decreased by 48% yoy due mainly to unfortunate factors from COVID-19 outbreak and no share of profit from investments in BH.

If including non-recurring items, net profit was Baht 2,388 million, increased by 3% yoy.

2020	THB mm	% Chg (yoy)
Operating Income	69,057	(18)%
Core EBITDA	14,938	(20)%
Core Profit	6,045	(40)%

For the year ended 31 December 2020 (“2020”), the consolidated operating income was Baht 69,057 million, a decrease of 18% yoy. This was attributable to a decrease in revenue from hospital operations of 18% yoy affected by negative impact from COVID-19 outbreak causing the significant decrease in international patients throughout the year.

Since 2Q20, the Company and its subsidiaries managed the situation in all areas including pursuing cost saving initiatives while maintaining quality and standard of care. Costs saving initiatives were mainly consisted of decreasing staff expenses for both clinical and non-clinical staff, doctor related expenses and other administrative expenses. Consequently, in 2020, the Company and its subsidiaries reported EBITDA of Baht 14,938 million, decreased by 20% yoy resulting in decrease in EBITDA margin from 22.2% in 2019 to 21.6% in 2020.

In 2020, the Company recorded gain on divestment of all investment in BH (net of income tax) of Baht 1,169 million.

If excluding non-recurring item, the Company and its subsidiaries reported core profit of Baht 6,045 million, decreased by 40% yoy. If including non-recurring items, net profit was Baht 7,214 million, decreased by 54% yoy.

4Q20 Consolidated Financial Summary

Operating Income				
(THB mm)	4Q20	4Q19	%YoY	%QoQ
Hospital operations	17,134	20,308	(16)%	7%
Sales of goods	694	831	(16)%	7%
Other income	273	341	(20)%	6%
Total Operating Income	18,101	21,480	(16)%	7%

Remarks

YoY means changes comparing to 4Q19.

QoQ means changes comparing to 3Q20.

Operating Income Comparing to 4Q19 (YoY)

In 4Q20, total operating income were Baht 18,101 million, a decrease of Baht 3,379 million or 16% yoy, primarily due to

- Revenues from hospital operations were Baht 17,134 million, a decrease of Baht 3,174 million or 16% yoy mainly from decrease in patient volume especially international patient volume which affected by travel restriction.

With these uncontrollable factors, revenue from international patients decreased 53% yoy while revenue from Thai patients remained flat yoy as a result of the improving trend in November and December 2020 partly from the RSV which caused respiratory disease mostly in young children.

Consequently, the revenue proportion between Thai and international patients

changed from 70%:30% in 4Q19 to 83%:17% in 4Q20.

Revenue of Bangkok & vicinity hospitals decreased 18% yoy while revenue of outside Bangkok & vicinity hospitals decreased 11% yoy. Bangkok & vicinity hospitals have affected more than outside Bangkok & vicinity hospitals because they have higher portion of international patients.

The occupancy rate decreased from 66% in 4Q19 to 57% in 4Q20.

Revenues from hospital operations in 4Q20	Chg. (yoy)	% of revenues
Revenues growth from hospital operations	(16)%	100%
Breakdown by location		
Bangkok & Vicinity	(18)%	57%
Outside Bangkok	(11)%	43%
Breakdown by nationality		
Thai	Flat	83%
International	(53)%	17%
Breakdown by type of patients		
Outpatients	(12)%	47%
Inpatients	(18)%	53%

- Revenues from sales of goods were Baht 694 million, decreased by 16% yoy mainly from decrease in sales of A.N.B. Laboratories Co., Ltd. ("A.N.B") and Save Drug Center Co., Ltd. ("Save Drug").
- Other incomes were Baht 273 million, decreased by 20% yoy.

Operating Income Comparing to 3Q20 (QoQ)

In 4Q20, total operating income increased Baht 1,125 million or increased by 7% from 3Q20. This was attributable to an increase in revenue from hospital operations of Baht 1,063 million or increased by 7% from 3Q20 due mainly to increase in patient volume. Revenue from Thai and international patients increased approximately 7% and 6% QoQ, respectively.

Such increases were mainly from RSV and recovery of expatriates living in Thailand.

Moreover, there were an improvement of inpatient revenue which grew approximately 10% QoQ resulting in an increase in occupancy rate from 48% in 3Q20 to 57% in 4Q20.

Operating Expenses				
<i>(THB mm)</i>	4Q20	4Q19	%YoY	%QoQ
Hospital operations and others	12,401	13,810	(10)%	11%
Administrative expenses	3,899	4,691	(17)%	19%
Total Operating Expenses (Including depreciation)	16,299	18,502	(12)%	13%

Total Operating Expenses Comparing to 4Q19 (YoY)

Since 2Q20, the Company and its subsidiaries carefully managed cost while maintaining quality and standard of care. Costs saving initiatives include decreasing staff expenses, doctor related expenses and other administrative expenses such as marketing expenses, utility expenses and repair & maintenance expenses.

In 4Q20, the Company and its subsidiaries reported total operating expenses & depreciation of Baht 16,299 million, decrease of Baht 2,202 million or 12% yoy.

However, depreciation and amortization were Baht 1,610 million, increased by 7% yoy due mainly to TFRS 16 leases, a new financial reporting standard, which required the Company and its subsidiaries to recognize asset and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value. This resulted in additional depreciation and amortization of Baht 95 million in 4Q20. If excluding impact from TFRS 16, depreciation and amortization will slightly increase 1% yoy.

Total Operating Expenses Comparing to 3Q20 (QoQ)

In 4Q20, the Company and its subsidiaries reported total operating expenses & depreciation increased Baht 1,858 million or increased by 13% from 3Q20. Cost of hospital operations and others grew 11% while administrative expenses grew 19% from 3Q20. Such increases were mainly from special funds paid to clinical and non-clinical personnel for morale and encouragement of Baht 850 million.

Other Major Items

- Share of profit from investments in associates decreased from Baht 247 million in 4Q19 to Baht 26 million in 4Q20 or decreased by 90% yoy. Such decrease was mainly from no share of profit from BH from divestment in all investment in BH during the quarter. (Details in non-recurring items)
- Finance expenses slightly increased from Baht 206 million in 4Q19 to Baht 210 million in 4Q20.
- Taxes in 4Q20 were Baht 1,538 million, increased 159% yoy due to tax expenses of Baht 1,252 million from divestment of all investment in BH.

Non-recurring items

During 4Q19, the Company recognized impairment loss on commercial rights from Save Drug of Baht 50 million.

During 4Q20, the Company recognized gain on disposal of all investment in BH under equity method in the consolidated financial statements of Baht 1,164 million (net of income tax).

Profitability Analysis			
<i>(Baht mm)</i>	4Q20	4Q19	%Chg
EBITDA *	3,412	4,528	(25)%
EBITDA margin *	18.8%	21.1%	
Share of profit from associates	26	247	(90)%
EBIT *	1,839	3,291	(44)%
EBIT margin *	10.2%	15.3%	
Core profit	1,224	2,373	(48)%
Core profit margin	6.8%	11.0%	
Non-recurring items	1,164	(50)	2,427%
Net profit	2,388	2,323	3%
Net profit margin	13.2%	10.8%	
Core EPS <i>(Baht)</i>	0.08	0.15	(49)%
EPS <i>(Baht)</i>	0.15	0.15	2%
<i>Weighted average number of ordinary shares</i>			
<i>(mm shares)</i>	15,892	15,743	

* Excluding non-recurring items

Remarks

EBITDA = Total operating income – Total operating expenses (Excluding depreciation and amortization)

Profitability margin calculated based on operating income

Core EBITDA decreased from Baht 4,528 million in 4Q19 to Baht 3,412 million in 4Q20, decreased by 25% yoy. EBITDA margin also decreased from 21.1% in 4Q19 to 18.8% in 4Q20.

Core profit was Baht 1,224 million, decreased by 48% yoy due mainly to no share of profit from BH. As a result, net profit margin decreased from 11.0% in 4Q19 to 6.8% in 4Q20.

If including non-recurring items, net profit was Baht 2,388 million, increased by 3% yoy with net profit margin of 13.2% in 4Q20. EPS was Baht 0.15 per share or slightly increased by 2% yoy.

Major Development in 2020

1. TRIS Rating affirmed the Company rating and senior unsecured debentures rating at “AA”

On 26 October 2020, TRIS Rating affirmed the Company and senior unsecured debenture ratings at “AA” with stable outlook. The ratings reflect Company’s leading market position as the largest private hospital operator in Thailand, with extensive network and strong franchise of hospital brands. The rating also takes into consideration the Company’s satisfactory operating performance, moderate financial risk profile and adequate liquidity.

2. Partnership on Health Insurance

• Partnership with Ping An Health Insurance Company of China Limited (PAH)

The Company has entered into a joint agreement with PAH, the largest insurance company in China in term of market capitalization, making a significant milestone in providing Chinese patients with medical access accommodating our plan to increase Chinese patients to BDMS network hospitals.

• Partnership with Viriyah Insurance Public Company Limited launching “Viriyah Healthcare by BDMS”

The Company has collaborated with Viriyah Insurance Public Company Limited in promoting our medical services for Thai people by launching a new BDMS exclusive health insurance policy, namely “**Viriyah Healthcare by BDMS**”.

This policy offered a low premium with lump sum benefits and unlimited number of services. The benefits continue every year with the protection covering the age range between 16 and 60 years old and continuing to the age of 80 years old.

3. Opening of Jomtien Hospital

On 15 May 2020, Jomtien Hospital, a secondary care hospital with total of 232 structured beds, opened as our 49th network hospital and currently operates 30 beds. Jomtien hospital would not only targeting middle income and local patients but also expanding Bangkok Hospital Pattaya patient base.

4. Innovative approaches against COVID-19

The Company has developed a number of key initiatives to help our doctors, staff and patients deal more effectively with the pandemic and develop communication tools and guidelines for patients including identifying separation areas in hospitals, using telemedicine and health application together with offering in-home healthcare services for blood test, vaccination and medication delivery. The Company also offered medical innovation such as Healthy Bot and Tycocare to facilitate patients.

Moreover, Bangkok Hospital Headquarter together with Mövenpick BDMS Wellness Resort Bangkok were qualified as Alternative State Quarantine (ASQ) from government to offer 15 days self-quarantine for both Thai citizens and expatriates who returning from aboard.

5. Divestment in BH

In 2020, the Company and its subsidiaries disposed all investment in BH totaling 182,513,006 shares and recognized gain on disposal of investment in BH under equity method in the consolidated financial statements amounting to Baht 1,169 million.

2020 Consolidated Financial Summary

Operating Income			
<i>(Baht mm)</i>	2020	2019	%Chg
Revenues from hospital operations	65,166	79,630	(18)%
Revenue from sales of goods	2,908	3,092	(6)%
Other income	983	1,051	(6)%
Total Operating Income	69,057	83,774	(18)%

In 2020, total operating income were Baht 69,057 million, a decrease of Baht 14,717 million or 18% yoy, primarily due to

- Revenues from hospital operations were Baht 65,166 million, a decrease of Baht 14,464 million or 18% yoy. Such decrease was mainly from decrease in patient volume which affected by COVID-19 outbreak. Hence, revenue from international patients decreased 43% yoy mainly from a decrease in Middle East patients 78% yoy, Myanmar patients 70% and Australian patients 57% yoy. Revenue from Thai patients also decreased 8% yoy. The revenue proportion between Thai and international patients changed from 70%:30% in 2019 to 79%:21% in 2020.

Hospital in Bangkok & vicinity decreased 21% yoy while outside Bangkok & vicinity hospitals decreased 13% yoy.

The occupancy rate decreased from 67% in 2019 to 52% in 2020.

Revenues from hospital operations in 2020	Chg. (yoy)	% to revenues
Revenues growth from hospital operations	(18)%	100%
Breakdown by location		
Bangkok & Vicinity	(21)%	56%
Outside Bangkok	(13)%	44%
Breakdown by nationality		
Thai	(8)%	79%
International	(43)%	21%
Breakdown by type of patients		
Outpatients	(15)%	47%
Inpatients	(20)%	53%

- Revenues from sales of goods were Baht 2,908 million, decreased by 6% yoy due mainly to a decrease in export sales of A.N.B.
- Other income were Baht 983 million, decreased by 6% yoy.

Operating Expenses			
(Baht mm)	2020	2019	%Chg
Cost of hospital operations and others	46,371	54,277	(15)%
Administrative expenses	14,161	17,447	(19)%
Total Operating Expenses (Including depreciation)	60,532	71,723	(16)%

In 2020, the Company and its subsidiaries reported total operating expenses & depreciation of Baht 60,532 million, a decrease of Baht 11,191 million or 16% yoy

The depreciation and amortization were Baht 6,413 million in 2020, increased by 11% yoy due mainly to TFRS 16 leases resulting in additional depreciation of Baht 391 million in 2020. If excluding impact from TFRS 16, depreciation and amortization would increase 5% yoy.

Other Major Items

- Share of profit from investments in associates were Baht 273 million in 2020, decreased by 73% yoy due mainly to decrease in share of

profit in BH and the divestment of all investment in BH during 4Q20.

- Finance expenses decreased to Baht 871 million or decreased by 6% yoy due mainly to decrease in liabilities from redemption of convertible bonds ("CB") in September 2019 together with repayment of loans from financial institutions during 2020.
- Tax expenses in 2020 were Baht 2,751 million, decreased by 29% from 2019, due mainly to decrease in pre-tax profit in 2020. The Company and its subsidiaries recorded tax expenses from non-recurring items in 2020 and 2019 totaling of Baht 1,260 million and Baht 1,379 million, respectively.

Non-recurring items

During 2020 and 2019, the Company and its subsidiaries recorded non-recurring items (net of income tax) of Baht 1,169 million and Baht 5,464 million, respectively. Details as follows:-

(Baht mm)	Amount	Tax	Net of tax
2020			
Gain on sales in BH	2,429	(1,260)	1,169
2019			
1. Gain on sales in RAM	7,617	(1,523)	6,094
2. Provisions for employee benefits (400 days)	(616)	123	(493)
3. One-time expenses in finding the land to locate electricity sub-station	(110)	22	(88)
4. Impairment loss on commercial rights of Save Drug	(50)	-	(50)
5. Gain on sales in other long-term investment	2	(1)	1
Total	6,843	(1,379)	5,464

Profitability Analysis			
<i>(Baht mm)</i>	2020	2019	%Chg
EBITDA *	14,938	18,579	(20)%
EBITDA margin *	21.6%	22.2%	
EBITDA	14,938	17,803	(16)%
EBITDA margin	21.6%	21.3%	
Share of profit from associates	273	1,022	(73)%
EBIT *	8,843	13,969	(37)%
EBIT margin *	12.8%	16.7%	
Core profit	6,045	10,053	(40)%
Core profit margin	8.8%	12.0%	
Non-recurring items	1,169	5,464	(79)%
Net profit	7,214	15,517	(54)%
Net profit margin	10.4%	18.5%	
Core EPS <i>(Baht)</i>	0.38	0.64	(40)%
EPS <i>(Baht)</i>	0.45	0.99	(54)%
<i>Weighted average number of ordinary shares</i>			
<i>(mm shares)</i>	15,892	15,743	

* Excluding non-recurring items

Remarks

EBITDA = Total operating income – Total operating expenses (Excluding depreciation and amortization)

Profitability margin calculated based on operating income

If excluding non-recurring items, core EBITDA decreased from Baht 18,579 million in 2019 to Baht 14,938 million in 2020 or decreased by 20% yoy. Core EBITDA margin also decreased from 22.2% in 2019 to 21.6% in 2020.

Core profit was Baht 6,045 million, decreased by 40% yoy resulting a decrease in core profit margin from 12.0% in 2019 to 8.8% in 2020.

If including non-recurring items, net profit were Baht 7,214 million, decreased by 54% yoy with net profit margin of 10.4%. EPS was Baht 0.45 per share or decreased by 54% yoy.

Assets			
<i>(Baht mm)</i>	Dec 20	Dec 19	%Chg
Cash & cash equivalents	19,666	4,696	319%
Trade & other receivables	7,192	8,850	(19)%
Inventories	1,855	1,843	1%
Investment in associates	939	17,538	(95)%
Property, premises & equipment	81,313	78,440	4%
Goodwill	17,539	17,539	0%
Right-of-use asset	3,315	-	n.a.
Other assets	4,231	4,755	(11)%
Total assets	136,050	133,662	2%

As of 31 December 2020, the Company and its subsidiaries reported total assets of Baht 136,050 million, slightly increased by 2% from 31 December 2019, due mainly to an increase in cash & cash equivalents of Baht 14,970 million from divestment in all investment in BH together with an increase in right-of-use assets of Baht 3,315 million from a new financial reporting standards, TFRS 16 leases and increase in property, premises & equipment of Baht 2,873 million, netted with decrease in investment in associates of Baht 16,600 million and decrease in trade & other receivables of Baht 1,658 million.

The Company carried goodwill of Baht 17,539 million, which remain unchanged from 31 December 2019. Goodwill were mainly from acquisition of (1) Phyathai and Paolo group of Baht 9,310 million, (2) Bangkok Hospital Sanamchan, Tepakorn Hospital, Bangkok Hospital Muangraj and Bangkok Hospital Petchaburi of Baht 3,285 million and (3) Bangkok Siriroj Hospital of Baht 2,702 million. Such goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. However, the Company has considered that this goodwill is not impaired.

Other assets of Baht 4,231 million mainly consisted of intangible assets which are computer

software of Baht 1,356 million together with current financial assets which are investment in mutual funds, fixed deposit and treasury bill of Baht 1,273 million.

Liquidity and Capital Management

Cash Flow	
(Baht mm)	2020
Net cash from operating activities	11,681
Net cash from investing activities	12,385
Net cash used in financing activities	(9,096)
Net increase in cash and cash equivalents	14,970
Beginning cash and cash equivalents	4,696
Ending cash and cash equivalents	19,666

For the year ended 31 December 2020, the Company and its subsidiaries had net decrease in cash and cash equivalent of Baht 14,970 million from the beginning balance of Baht 4,696 million. As a result, cash and cash equivalents at the end of period was Baht 19,666 million. Details of cash flow by activities during the period are as follows:-

Net cash flows from operating activities were Baht 11,681 million, resulting mainly from profit during the year.

Net cash flows used in investing activities were Baht 12,385 million comprising mainly from divestment of all investment in BH of Baht 18,774 million, netted with purchase of property, premises and equipment of Baht 6,335 million from hospital network expansion and renovation.

Net cash flows used in financing activities were Baht 9,096 million comprising mainly from repayment of debentures of Baht 5,000 million, dividend payment of Baht 4,741 million and repayment of long-term loans from financial institutions of Baht 3,593 million, netted with cash received from long-term loans from financial institutions of Baht 5,000 million.

Liabilities and Equity			
(Baht mm)	Dec 20	Dec 19	%Chg
Trade & Other payables	4,450	5,990	(26)%
Accrued expenses	3,710	6,178	(40)%
Debentures *	14,594	19,591	(26)%
Long-term loans *	6,107	4,701	30%
Liabilities under lease agreements *	3,462	-	n.a.
Other liabilities	12,265	10,019	22%
Total liabilities	44,588	46,480	(4)%
Equity attributable to equity holder of the Company	87,910	83,813	5%
Non-controlling interests	3,553	3,368	5%
Total equity	91,463	87,182	5%

* Including current portion

Total consolidated liabilities as of 31 December 2020 were Baht 44,588 million, decreased by 4% from 31 December 2019 due mainly to repayment of debentures of baht 5,000 million, decrease in accrued expenses of Baht 2,469 and trade and other payables of Baht 1,540 million, netted with increase in long-term loans from financial institutions of Baht 1,407 million and liabilities under lease agreements of Baht 3,462 million from TFRS 16 leases.

Total consolidated shareholders' equity as of 31 December 2020 was Baht 91,463 million, increased by 5% from 31 December 2019.

Ratios Analysis

Returns (%)	2020	2019
Return on Asset (ROA)	4.5	7.5
Return on Equity (ROE)	7.0	13.0
Liquidity (x)		
Current ratio	2.7	0.8
Quick ratio	2.4	0.7
Assets & Liabilities Management (Days)		
Average Collection Period	43.8	36.8
Average Inventory Period	14.4	12.0
Average Payable Period	40.5	37.1
Leverage & Coverage Ratios (x)		
Interest coverage	17.2	19.2
Total debt to equity	0.3	0.3
Net debt to equity	0.1	0.2
Net debt to EBITDA	0.3	1.1

Remarks

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

If excluding non-recurring items, ROA and ROE in 2020 decreased from 2019 as a result of decrease in profit from operations in 2020.

Current ratio and quick ratio increased from 2019 due to increase in cash & cash equivalents from divestment in all investment in BH together with no CB outstanding and decrease in current portion of debentures.

Average collection period increased from 36.8 days in 2019 to 43.8 days in 2020 due to COVID-19 resulting in declining operating income and some inconvenience from domestic and international account receivables collection. The Company and subsidiaries have credit policies and assess credit limit base on hospital's customer creditworthiness. Average credit term for domestic payers are approximately 30-60 days while international payers are approximately 30-90 days. The credit terms are

reviewed annually to monitor and control credit risk.

Average inventory period increased from 12.0 days in 2019 to 14.4 days in 2020 to ensure that inventory is adequate for the current situation. The inventories were mostly medicines and medical supplies. The Company and its subsidiaries have appropriate inventory management plan with internal control. The Company and its subsidiaries perform physical inventory count at least once a year and record allowance for the expired, slow-moving and deteriorated inventories to reduce its cost to net realizable value.

Average payable period also increased from 37.1 days in 2019 to 40.5 days in 2020 as a result of debt management.

Interest coverage ratio decreased from 19.2 in 2019 to 17.2 in 2020.

Total interest bearing debt to equity remained unchanged at 0.3x as of 31 December 2019 and as of 31 December 2020. Net interest bearing debt to equity decreased from 0.2x as of 31 December 2019 to 0.1x as of 31 December 2020.

Net interest bearing debt to EBITDA also decreased from 1.1x as of 31 December 2019 to 0.3x as of 31 December 2020 due mainly to increase in cash & cash equivalents.

The impact of COVID-19 remains a great deal of uncertainty surrounding the trends and duration of the impact. However, the Company strongly believes that it has sufficient liquidity and will continue to be able to successfully adapt as the situation evolves.

Management's Outlook

Looking ahead into 2021, overall business trend is expected to be gradually improved following the likelihood of the arrival of the vaccine. If outbreak is under control, we believe that our business would be positive turnaround from both Thai and International patients.

Key strategic priorities

The Company's diverse portfolio of network hospitals with multiple brands and diversified market segments play a crucial role in the growth in healthcare business and serving rising healthcare demand in the future. The company would focus on the following strategic priorities:

- *Customer base expansion*

Since COVID-19 pandemic has negative impact on patient volume especially on international patients from travel restriction, the Company would focus more on growing domestic customer base for preventive care, check-up and curative care to increase outpatient and inpatient volume by offering high quality care at affordable price and launching more of the promotional campaigns including check-up packages, comprehensive treatment and surgery packages.

- *Increasing private health insurance*

The Company is currently working closely with both domestic and international insurance companies. We also promote our exclusive insurance policies that would help expand our patient base. In addition, the development of e-claims and e-billing system will provide convenience for both insurance companies and patients. These initiatives would help diversify our payer base by growing private health insurance portion and increase our bed utilization unlocking the true potential of our hospital network growth prospects.

- *Promoting health innovation and technology*

The COVID-19 was a catalyst to help accelerate the healthcare innovation and technology allowing BDMS to improve patient experience by offering online consultation (Telemedicine), in-home health services for blood sample, vaccination and medication delivery. BDMS also has health applications for patients to conveniently access health information, make appointment and update on other privileges. In addition, BDMS partnered with leading on-line shopping platform (e-commerce) making healthcare products and related services more accessible.

BDMS moves toward Smart Hospital that relies on optimized and digitized healthcare process to achieve better patient care and experience.

- *Improving operational efficiencies and standard of care*

BDMS continues to improve operational efficiencies, profitability and asset utilization by improving their standard of care and encouraging cooperation among our network hospitals to utilize shared services functions and enhance efficiency of our operations.

With the determination for continuous development of Center of Excellence to be in accordance with the Joint Commission International (JCI), we also would continue to collaborate with world leading institutions to uplift our Thai standard of care effectively to be equivalent to the international standard.
