



# Bumrungrad Hospital Public Company Limited

## Investor Presentation

November 2006

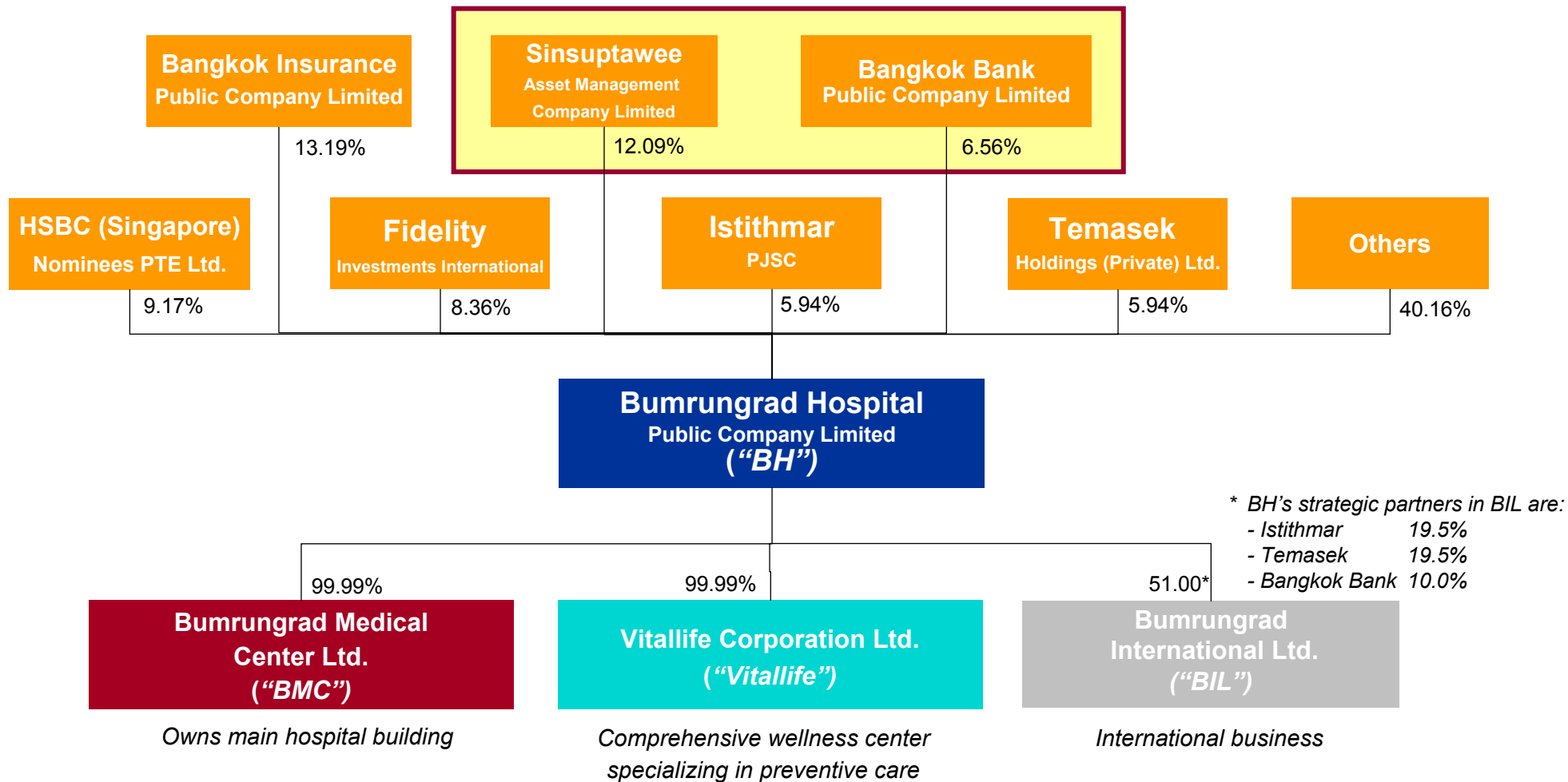
# Agendas

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- **Introduction to BH**
- **BH Profile**
- **BH Financial Performance**
- **Key Success Factors and Business Strategy**
- **Recent Updates**

# Introduction: Group Structure

Core business of BH is the renowned Bumrungrad Hospital



Note: As of July 2006

# Introduction: Fact Sheet

With a 25 year track record, BH is now the leading healthcare service provider in Thailand and the South-East Asian region

## Facilities

- ✓ One of the largest and most sophisticated private hospitals in South-East Asia
- ✓ 554 inpatient beds and 3,500 outpatient capacity per day
- ✓ Thailand's leading tertiary medical center

## Accreditation

- ✓ 1st hospital in the world with ISO 9001:2000
- ✓ 1st hospital in Asia to receive US JCIA Accreditation
- ✓ 1st hospital in Thailand with Thai Hospital Accreditation

## Patient Volume & Revenue

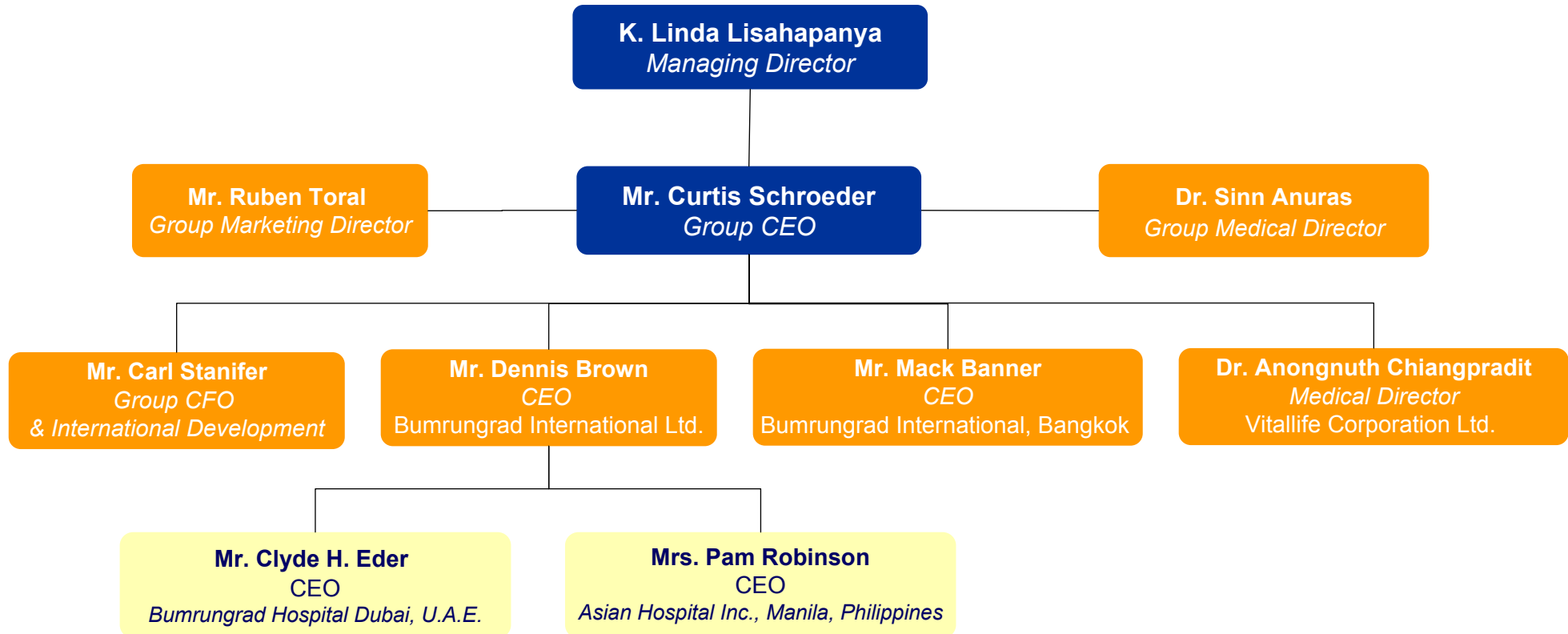
- ✓ Over one million patients treated annually
- ✓ International following with 400,000 international patients from 190 countries
- ✓ Thailand's largest and fastest growing private hospital

## Services

- ✓ 19 specialist departments
- ✓ 102 sub-specialist departments

# Introduction: Management Team

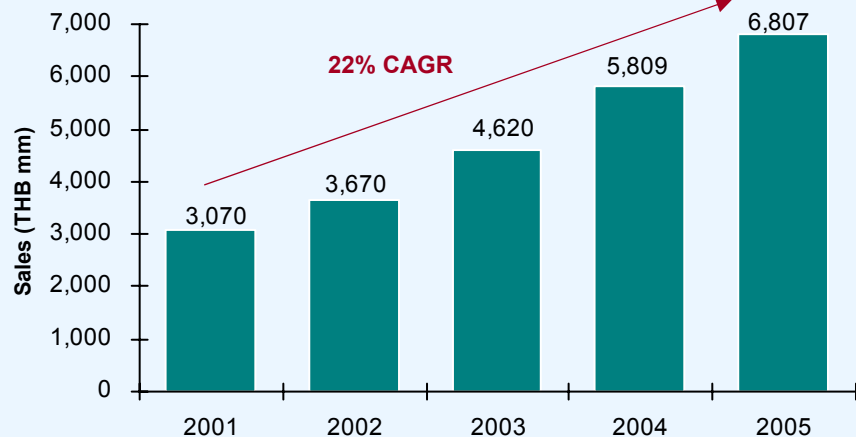
BH's management team comprises individuals with extensive experience in healthcare management



Note: As of October 2006

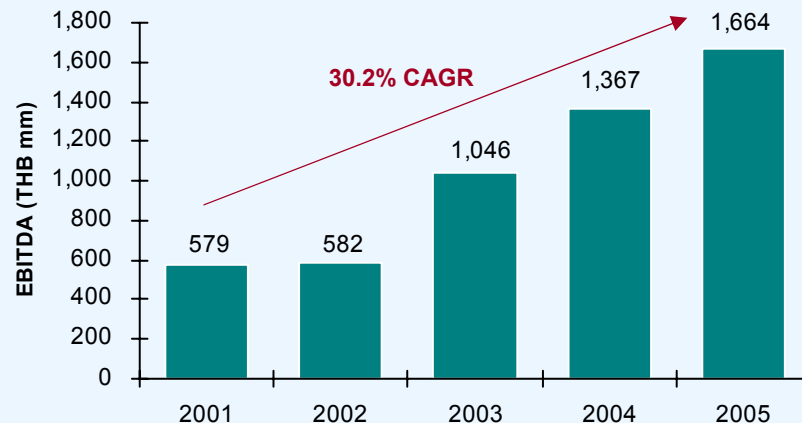
# Operating Performance Y2001-2005

## Total Revenue



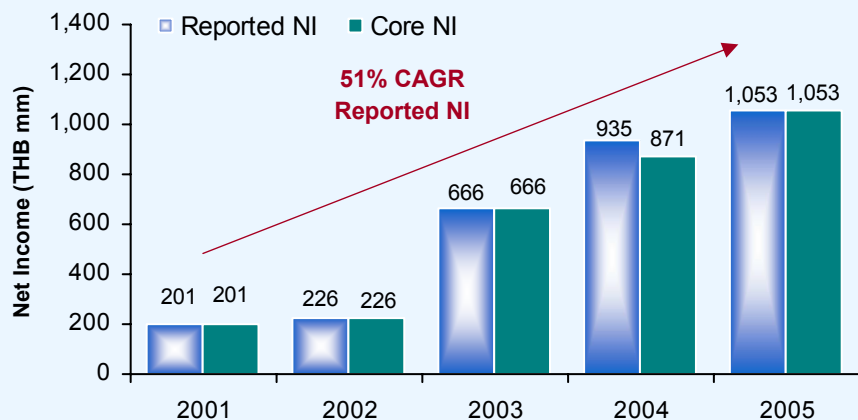
Source: Audited FS

## EBITDA



Source: Audited FS

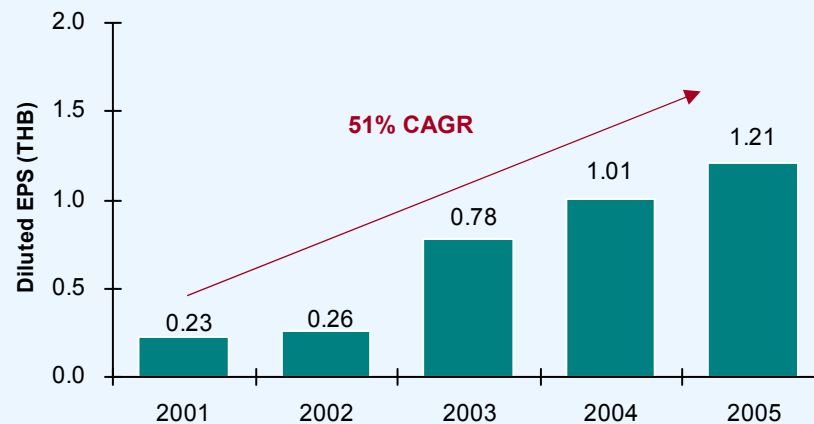
## Net Income



\* Core earnings is equal to net income before extraordinary items.

Source: Audited FS

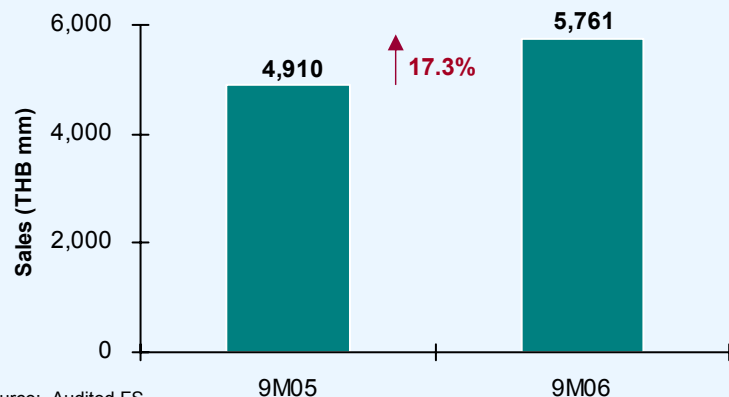
## DILUTED EPS



Assume that par value is THB 1 since 2001 for comparative purpose.

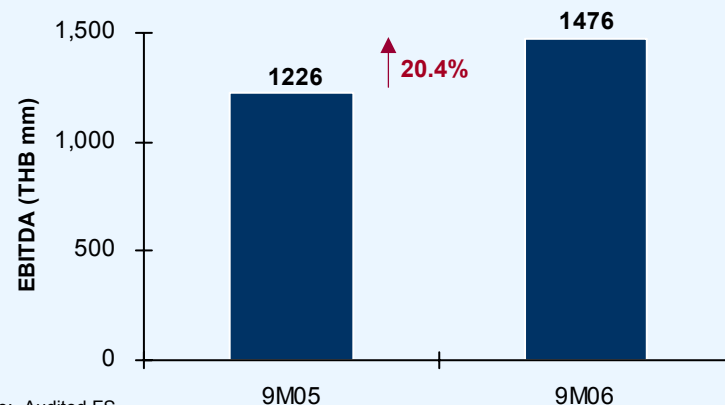
# 9M06 Update

## Revenue from Hospital Operations (THB mm)



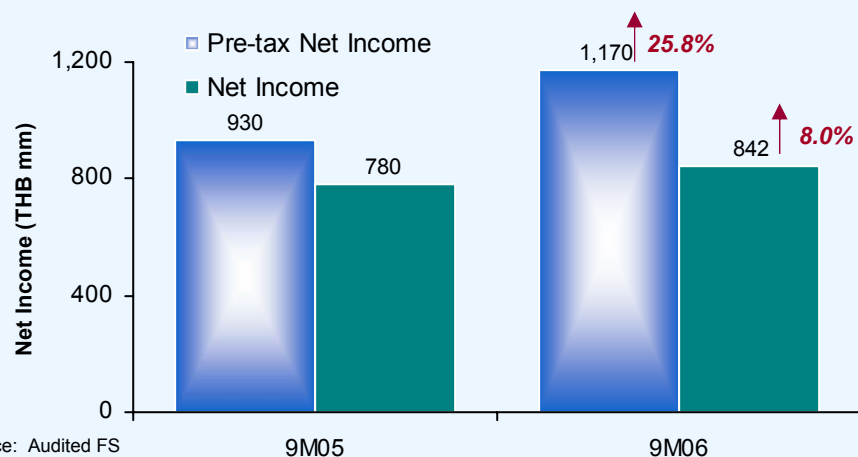
Source: Audited FS

## EBITDA (THB mm)



Source: Audited FS

## Net Income (THB mm)

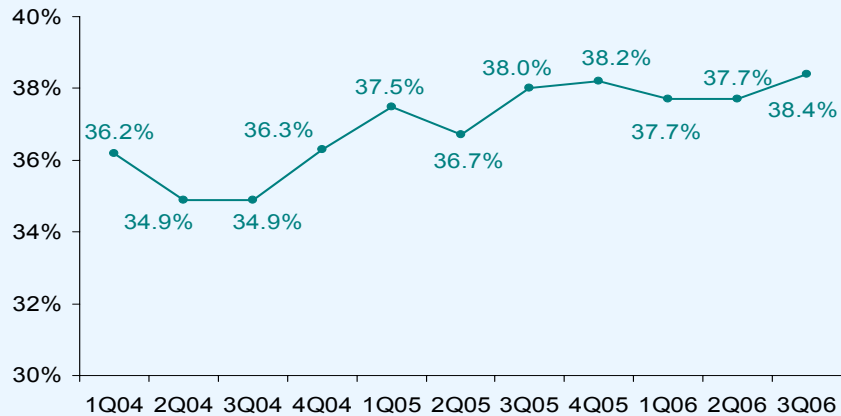


Source: Audited FS

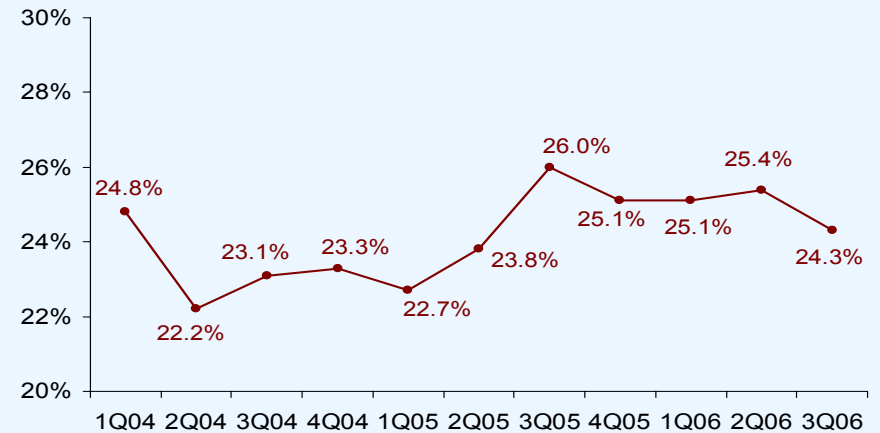
- 9M06 sales from hospital operations was up 17.3% as a result of:
  - Inpatient revenue growth of 14%
  - Outpatient revenue growth of 22%
- EBITDA increased by 20.4% because of economies of scale & higher intensity
- Pre-tax net profit increased by 25.8%, signifying continuous impressive growth in hospital operations while net profit increased at a slower rate of 8% due to higher corporate income tax (effective tax rate of 18% in 9M05 vs. 29% in 9M06)

# Margins & Trend

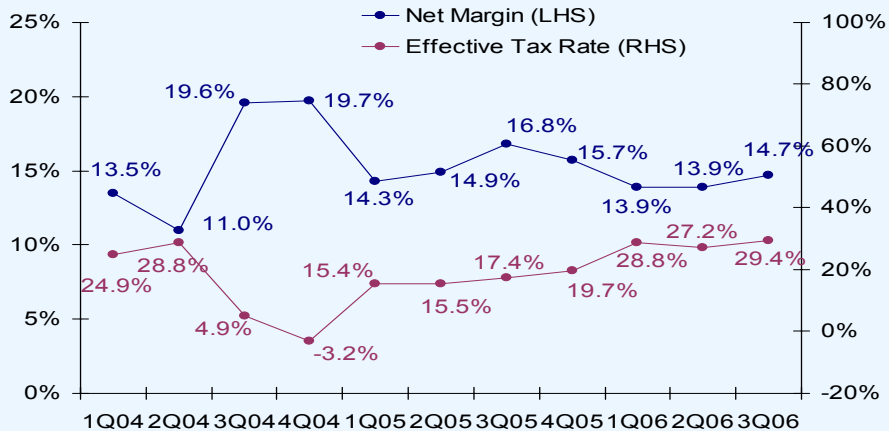
## Gross Margin Trend



## EBITDA Margin Trend



## Net Profit Margin Trend vs. Effective Tax Rate

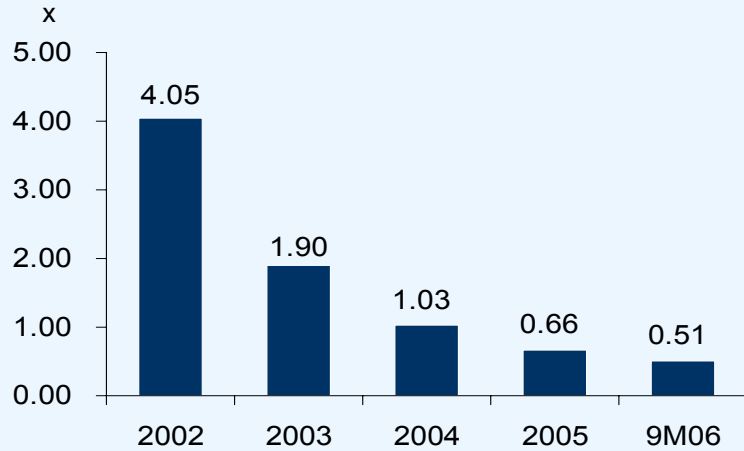


- Both gross margin and EBITDA margin are on a rising trend, signifying the efficiency of the operation
- Net profit margin, however, was more dependent on the effective tax rate
- BH has used up all of its tax-loss-carried-forward in 2005 and started to pay full tax rate since 1Q06

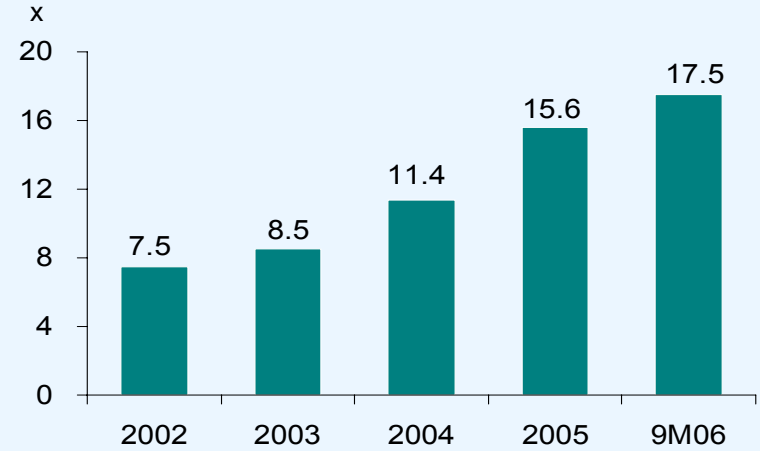


# Leverage

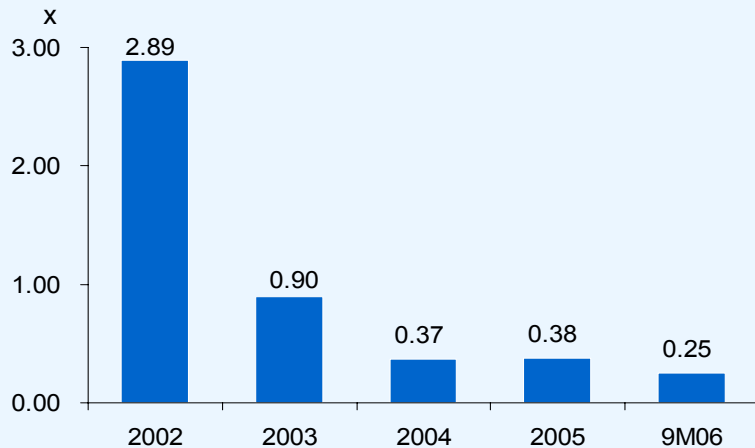
## Debt to Equity



## Interest Coverage



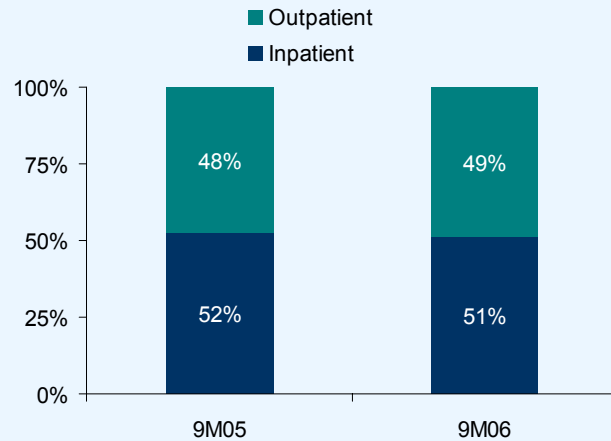
## Net Debt to Equity



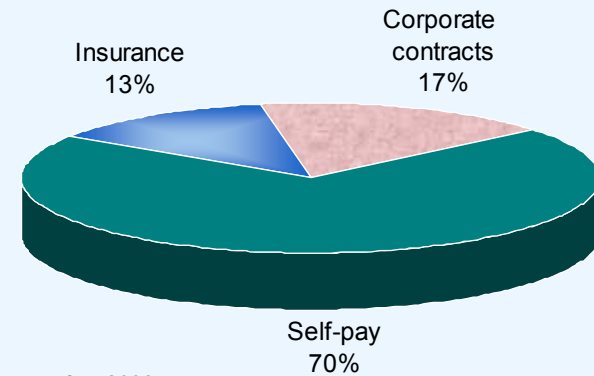
- Significant improvement of the balance sheet over the years as:
  - Debt outstanding position decreases
  - Shareholders' equity improves as a result of better performance
- In May 2006, BH obtained additional credit line of THB 1,370 million. With the currently low D/E level, the increased loan will be acceptable on BH's balance sheet

# Revenue Breakdown

## Inpatient vs. Outpatient (% of revenue)



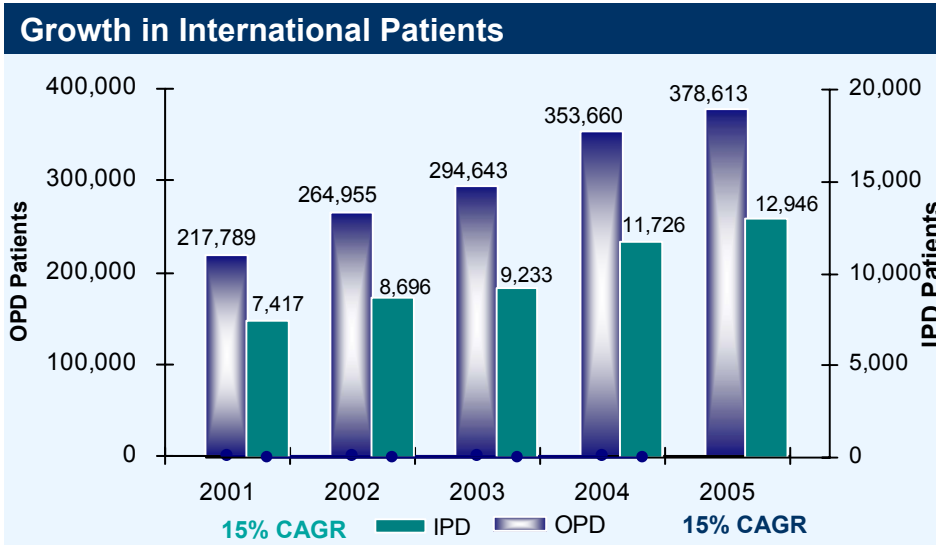
## Method of Payment (% of revenue)



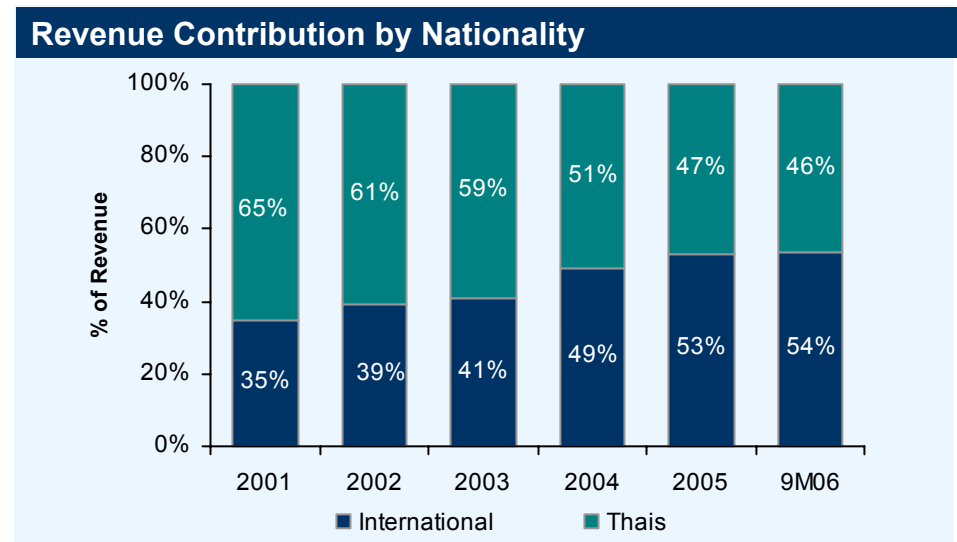
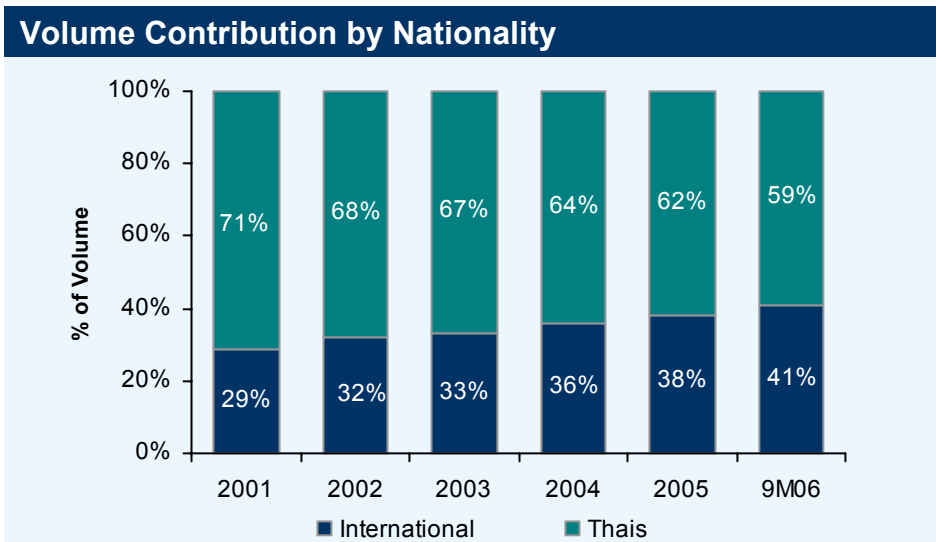
Info. as of September 2006

- Revenue contribution from outpatient gradually moves up as technology allows more inpatient procedures to be done in outpatient clinics
- Self-pay remains the primary method of payment

# International Patients



- BH served close to 400,000 international patients in 2005
- OP Visits and admissions continue to see strong growth in 2005, with Middle East volumes continuing to grow at close to 40%.
- Due to the generally high revenue intensity for international patients, foreign patients revenue expanded at a very fast rate of 31.6% CAGR
- Two main sources of international patients
  - Domestic expatriate community
  - Foreign “medical tourists”



# Business Strategy



# Bangkok Facility Expansion Plan

*Bumrungrad International Bangkok plans to expand and upgrade its facilities over the next 5 years*

## New BI Clinic

- To double space for outpatient clinics and add new parking



## Expand Inpatient Capacity

- To re-acquire BH Tower building from Bangkok Bank
- To renovate the building for inpatient beds



## Existing Hospital Building

- To renovate & upgrade building and invest in technology upgrade as the building is entering its 10<sup>th</sup> year
- To convert some space into additional ICU beds

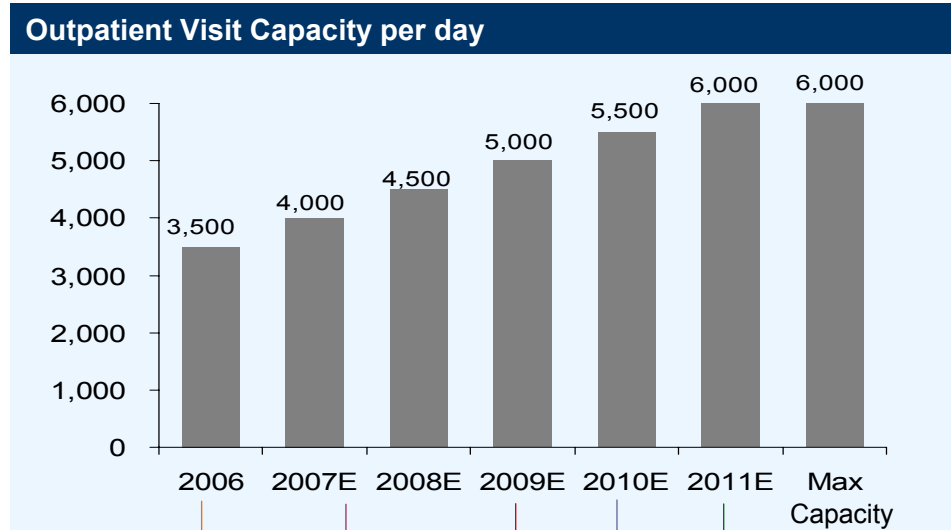
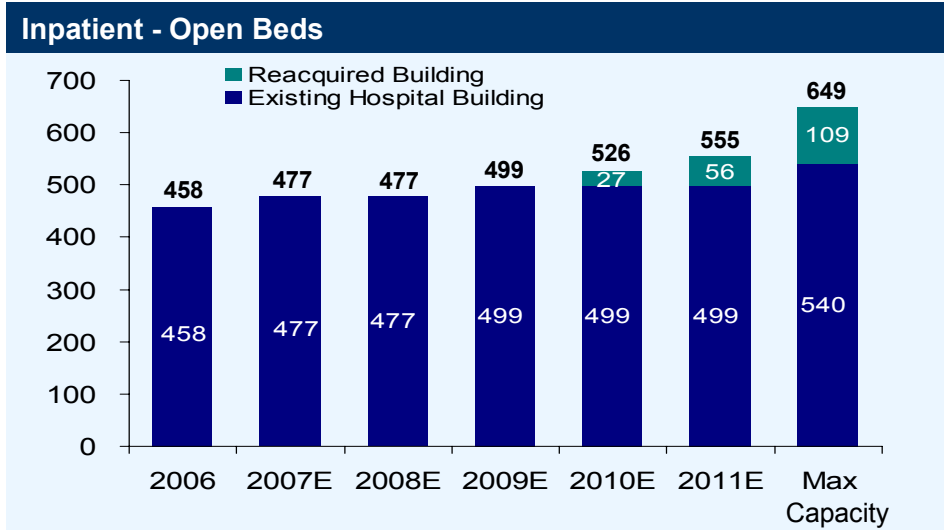
The facilities will give a better overall hospital experience for the patients

Increased capacity in the Bangkok facilities will double clinical revenue capability

**Outpatient: 3,500 ➡ 6,000 patients per day**

**Inpatient: 500 ➡ 650 beds**

# Capacity Plan



**Maximum Capacity:**

**Inpatient beds:**

- Existing hospital building	540 beds
- Reacquired Building	109 beds
<b>Total</b>	<b>649 beds</b>

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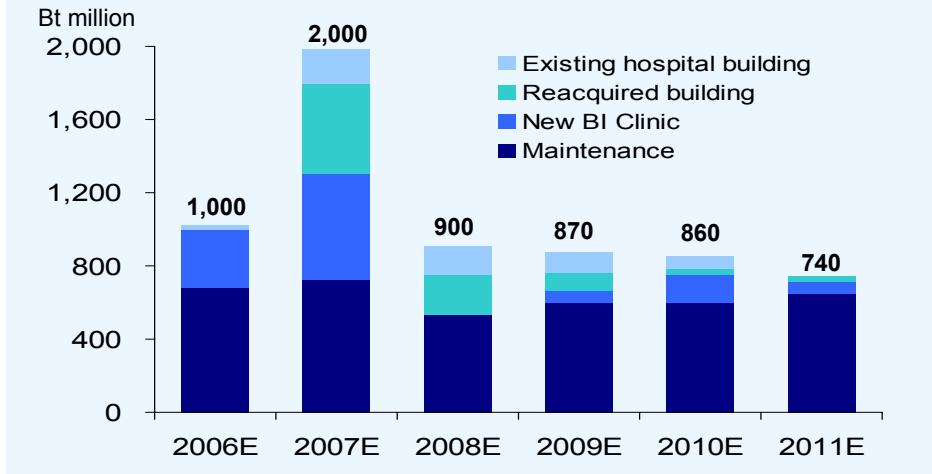
**Outpatient Capacity per Day:**

- New BI Clinic + existing hospital building	6,000 patients
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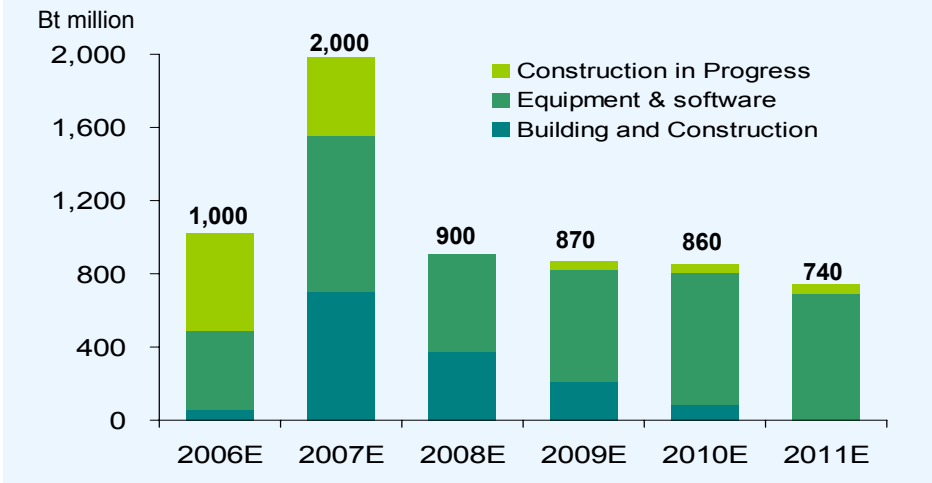
- Ground FI
  - Atrium
  - FI 11-Check-up
- FI 18
- FI 19
- FI 20
- Sky Lobby
  - Mezzanine Food Center
  - FI 12 including new OPD ancillaries
  - FI 14 new heart center
  - FI 15 new clinics
  - FI 16 new clinics
  - FI 17 new clinics
  - + Renovation of OPD clinic space in the existing hospital building

# CAPEX Program

## CAPEX allocated by project



## CAPEX allocated by asset type



**Total CAPEX for the capacity expansion and renovation over the next 5 years (2007-2011):**

*(Excluding Maintenance CAPEX)*

– New BI Clinic*	Bt 870 million
– Reacquired Building	Bt 870 million
– Existing hospital building	Bt 530 million
<b>Total</b>	<b>Bt 2,270 million</b>

\* Total CAPEX for new BI Clinic is Bt 1.5 million, of which approx. Bt 630 million has been spent in 2006 and earlier

# An All New Concept – New BI Clinic





# An All New Concept – New BI Clinic



Ground Floor

# An All New Concept – New BI Clinic



Atrium

# An All New Concept – New BI Clinic



The Buffet

# An All New Concept – New BI Clinic



Health Screening  
Lobby

# Bumrungrad International (BIL)

## Business Scope

- Hospital Ownership & Management
- Hospital Design & Equipment Planning
- Information Systems

## Holdings

### 1. Asian Hospital, Greater Manila, Philippines

- Acquired 43% in Feb. 2005

- Other major shareholders in AHI:

Dr. Garcia	11%
Insular Life	16%
Filinvest	9%
Others	21%

### 2. Bumrungrad Hospital Dubai, U.A.E.

- Expected ownership: 49%

- Partner: Istithmar: 51%



*Asian Hospital, Inc.*



*Bumrungrad Hospital Dubai*

# Asian Hospital Inc., Philippines

- ⇒ BIL made investment for a 43% holding in Asian Hospital Inc. in February 2005
- ⇒ Management is now looking at expanding the hospital from 258 beds to 400+ beds
- ⇒ Initiated planning on capacity expansion



	'04 vs '05	1H05 vs 1H06	
<b>Volume</b>	No of visits	↑ 52%	↑ 15%
	No of admissions	↑ 50%	↑ 7%
<b>Financial Performance</b>	Total Revenues	↑ 53%	↑ 29%
	EBITDA	↑ 3,515%*	↑ 44%
	Operating Profits	↑ 565%*	↑ 45%
	Net Profit	Positive in 2005**	
<b>Balance Sheet</b>	D/E ratio significantly improved from 3.7x in 2004 to 0.9x in 2005 as a result of significant improvement in shareholders' equity		

\* from a very small base in 2004

\*\* because of extraordinary gain from debt restructuring

# Bumrungrad Hospital Dubai, U.A.E.

- *Hospital Site*



# Bumrungrad Hospital Dubai, U.A.E.

## Shareholding

- BIL to hold 49% in the operating company of Bumrungrad Hospital Dubai
- JV agreement was signed in February 2006

## Partner

- Istithmar, prominent government owned investment company

## Partner Contribution

- Istithmar provides land & building through a lease to operating company (approx US\$ 41 million)
- BIL will have management control and provide H2000 systems

## Investment size

- US\$9.7 million

## Hospital size

- 250 beds; first phase 125 beds

## Progress

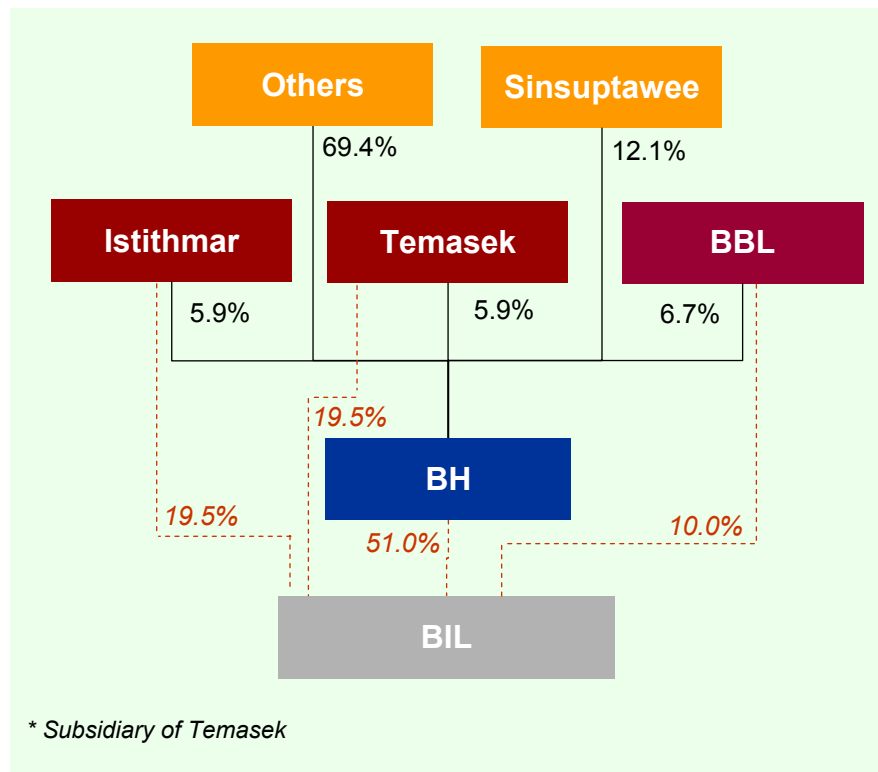
- Hospital currently under construction
- Expected to be open in 2008





# Strategic Partners for International Expansion

*Investments for international expansion by strategic partners completed*



## 1. Jan 06: Investment at BH level:

- Temasek and Istithmar each bought 5.94% of BH shares (collectively 11.9%) from Sinsuptawee Asset Management, a wholly owned subsidiary of BBL
- BBL's collective holding (BBL + Sinsuptawee) in BH was reduced from 30.6% to 18.8%

## 2. July 06: Investment at BIL level:

- Istithmar, Temasek and BBL invested in BIL through new capital increase
- BH shareholding in BIL was diluted from 100% to 51%
- The transaction will raise a total of THB 885 million (5.8 million new shares @ THB 153.52 per share); of which THB 453 million has already been injected into BIL. The remaining amount will be injected as the capital is needed.

The parties also made a commitment to raise new capital of THB 800 million (8 million new shares @ THB 100 per share) on a pro-rata basis of existing shareholding, whenever additional capital is needed to fund BIL overseas expansion

# Business Strategy

## Bangkok Facility

### *Continued expansion of the Bangkok facility through:*

- ⇒ Management of revenue yield for the benefit of shareholders
- ⇒ Gradual relocation of outpatient clinics as needed to the new OPD building
- ⇒ Renovation of the existing hospital building and hospital technology upgrade
- ⇒ Re-acquire the serviced apartment and parking building from BBL and convert into inpatient facility

## International Expansion

- ⇒ Begin the expansion plan for the capacity of Asian Hospital in the Philippines from 258 beds to 400+ beds
- ⇒ Commencement of hospital construction in Dubai
- ⇒ Pursue additional international opportunities in the region