



## **Analyst Meeting No. 3/2008**

**2Q08 Results Update**

**14 August 2008**

**Bumrungrad Hospital Public Company Limited**

# Overview

## Operational Update

- Stable volume in face of domestic political uncertainties and global economic slowdown

## Financial Performance

- |                 |            |               |            |
|-----------------|------------|---------------|------------|
| • 2Q Sales      | ↑ 3% y-o-y | 1H Sales      | ↑ 4% y-o-y |
| • 2Q EBITDA     | ↓ 2% y-o-y | 1H EBITDA     | ↑ 3% y-o-y |
| • 2Q Net profit | ↓ 1% y-o-y | 1H Net profit | ↑ 3% y-o-y |

## Updates & Strategy

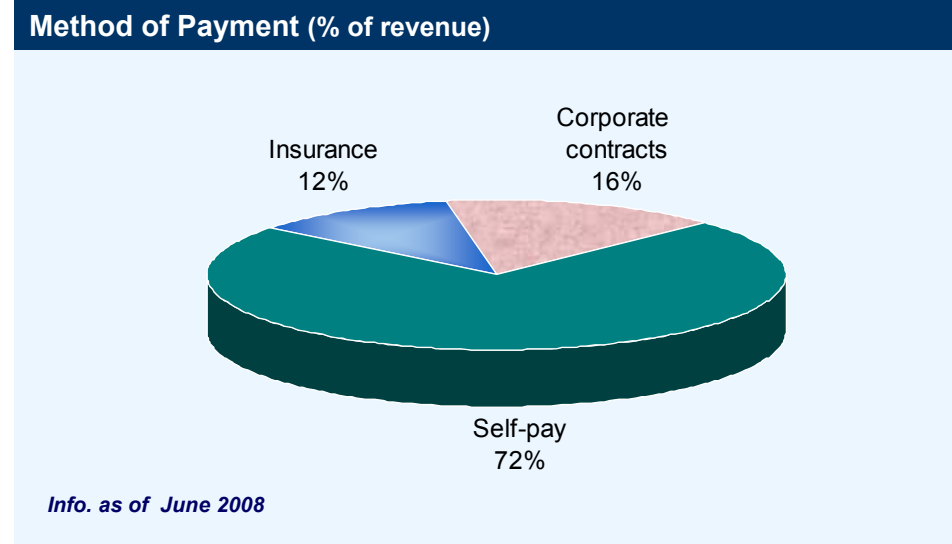
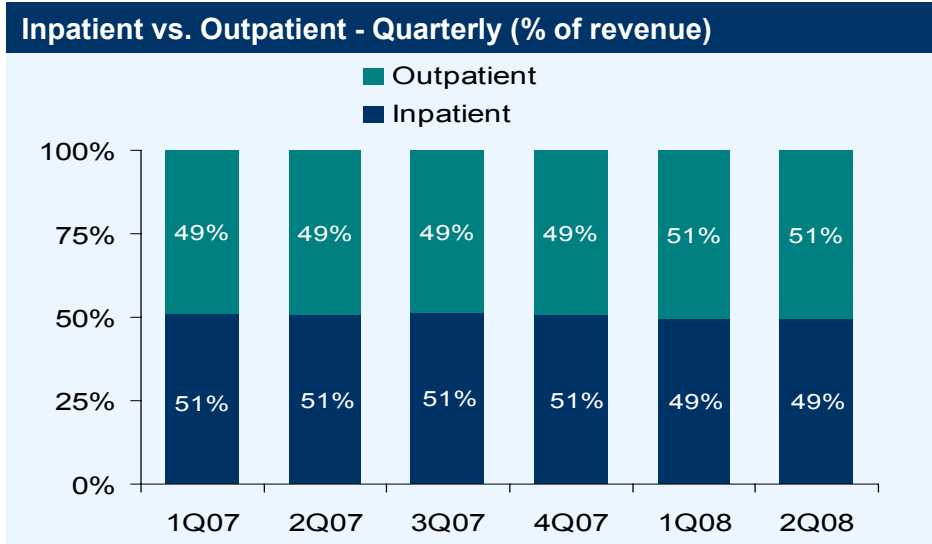
- New BI Clinic opens; popular with patients
- 3<sup>rd</sup> quarter launch of domestic marketing initiatives
- Overseas representative offices expansion

# Agendas

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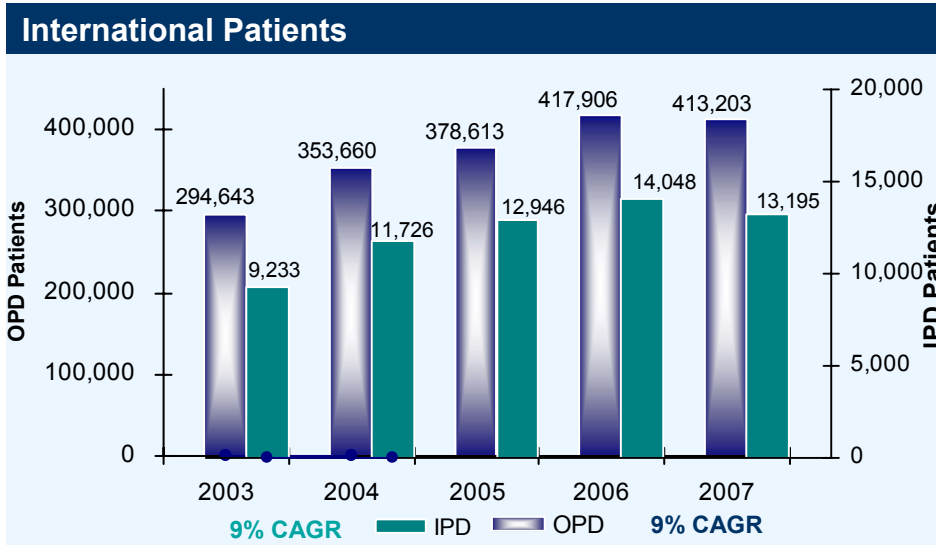
- **Operational Update**
- **Financial Performance**
- **Recent Updates**

# Revenue Breakdown



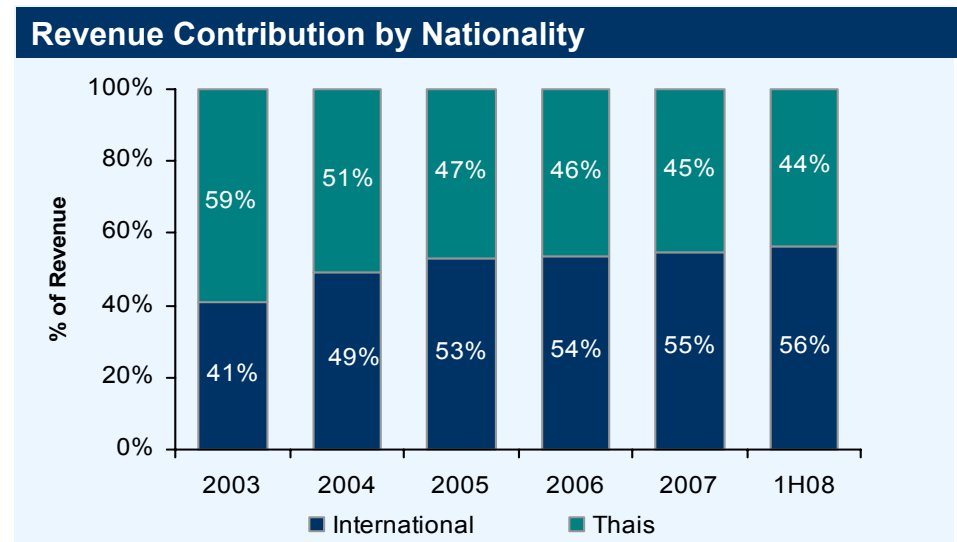
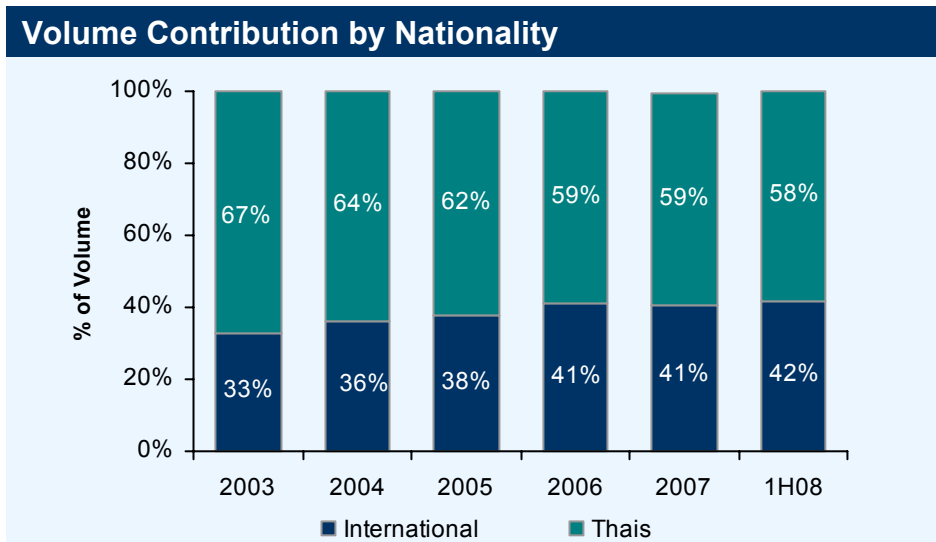
- Revenue contribution from outpatient continues as majority share following worldwide trends towards ambulatory care; BIC well positioned for future growth.
- Corporate contracts increasing especially from foreign accounts; self-pay remains the primary method of payment
- Significant progress on US based “Global Patient Option” for US beneficiaries to access overseas hospitals.

# International Patients



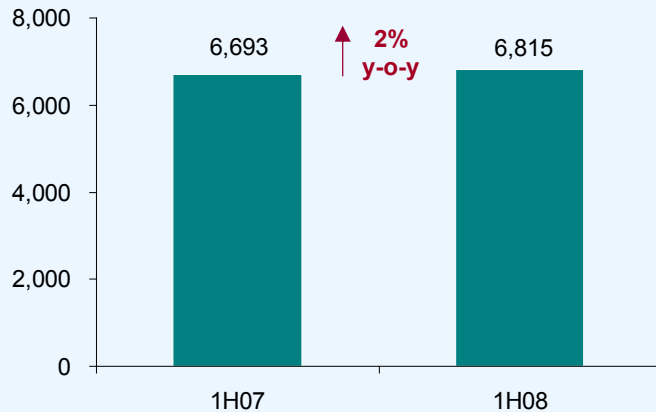
### 1H08 statistics:

- **International volume** for 1H08 y-o-y:
  - OPD volume saw a slight increase
  - IPD volume up 1.8% y-o-y
- **International revenue** for 1H08 y-o-y up 7%



# 1H08 International Patients

## International Admissions



- **International revenue** for 1H08 y-o-y up 7%
- Record volumes for Middle East
- 1H08 significant y-o-y changes in international revenue:

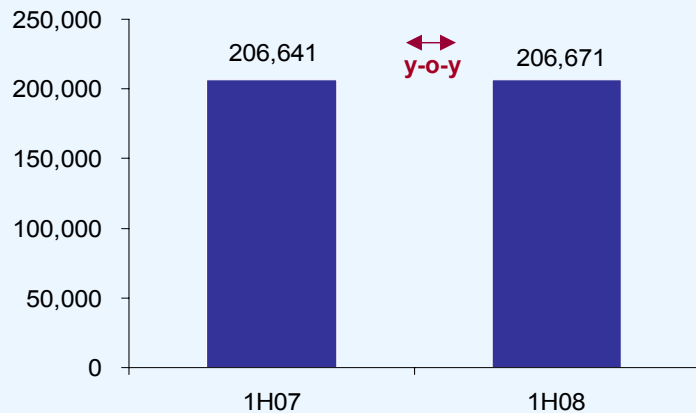
### Top 10 countries

- Middle East +7%
- Myanmar +30%
- Cambodia +20%
- US -10%

### Other targeted country highlights

- Vietnam +50%
- Denmark +100%
- Mongolia +250%
- Nepal +50%
- Maldives +90%

## International Visits



# Agendas

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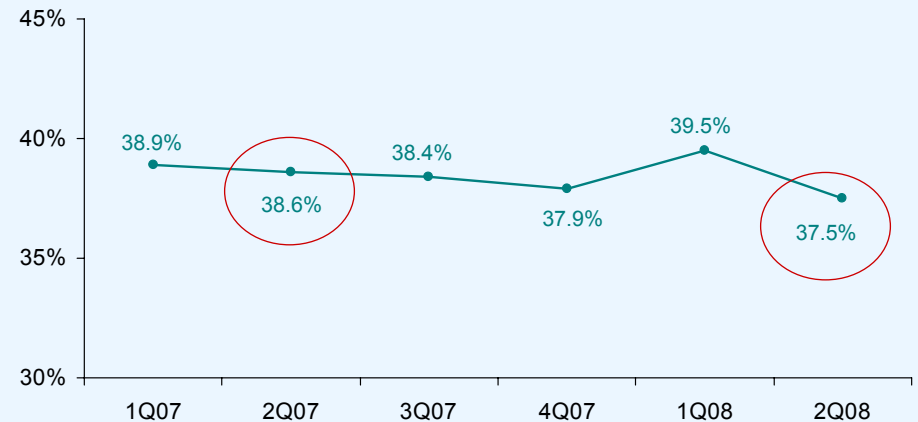
- **Operational Update**
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# Sales & Gross Margin - Quarterly

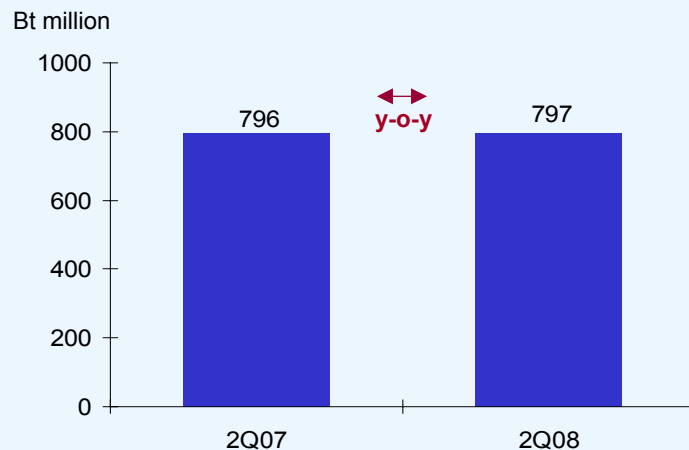
## Sales from Hospital Operations



## Gross Margin Trend



## Gross Profit



- Sales from hospital operations was up 3% y-o-y as a result of:
  - Inpatient revenue growth of 2%
  - Outpatient revenue growth of 8%
- 2Q08 gross margin of 37.5% is lower than 2Q07 of 38.6% as a result of:
  - higher pre-operating costs, such as electricity, before the opening of the new Bumrungrad International Clinic on 30 May 2008
  - higher one-time salary overtime costs for the preparation of the opening of BI Clinic and the continued implementation of new software system
  - Management cost plan in place for 3<sup>rd</sup>/4<sup>th</sup> Qtr



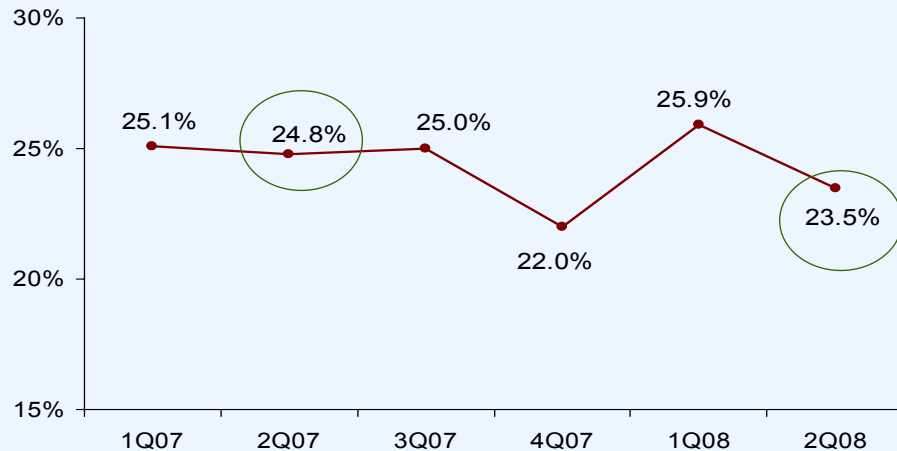
# EBITDA & EBITDA Margin - Quarterly

## EBITDA



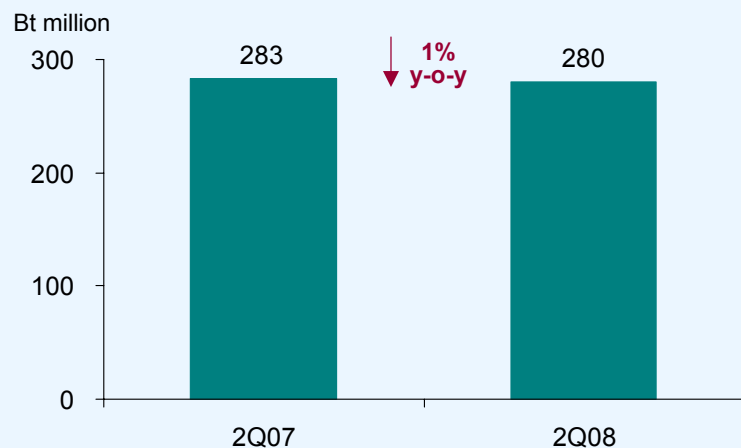
- EBITDA slightly decreased by 2% y-o-y, as a result of higher administrative expenses from the pre-operating costs of BI Clinic
- Therefore EBITDA margin in 2Q08 decreased to 23.5% from 24.8% in 2Q07

## EBITDA Margin Trend



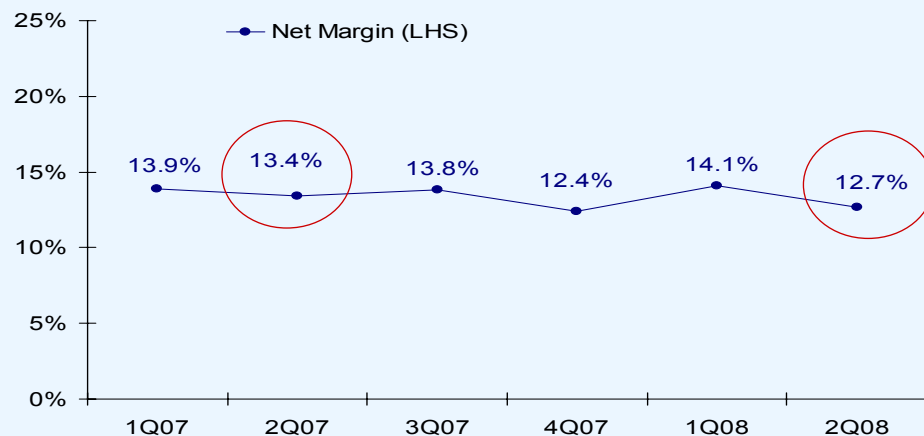
# Net Profit & Net Profit Margin - Quarterly

## Net Profit



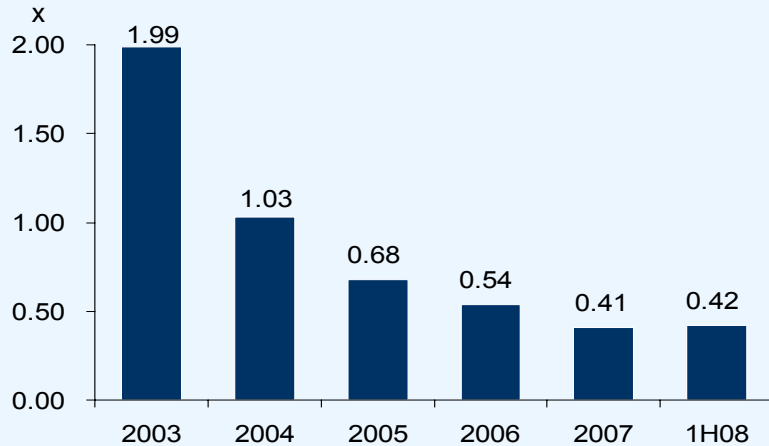
- Net profit from operations slightly decreased by 1% y-o-y, with net profit margin at 12.7% in 2Q08, compared to 13.4% in 2Q07

## Net Profit Margin & Effective Tax Rate

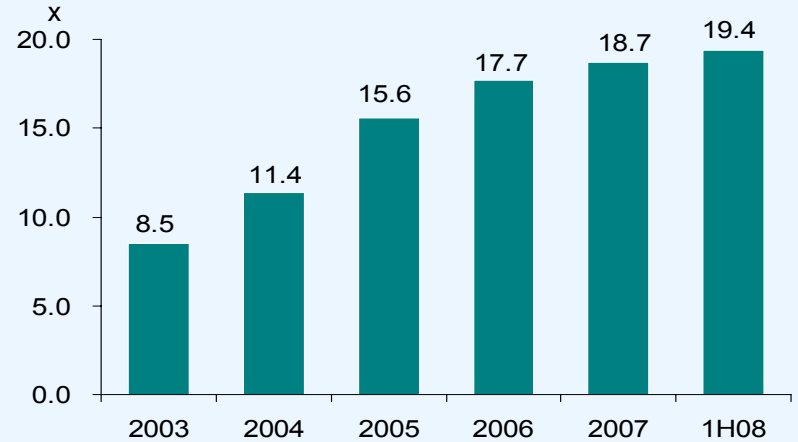


# Leverage

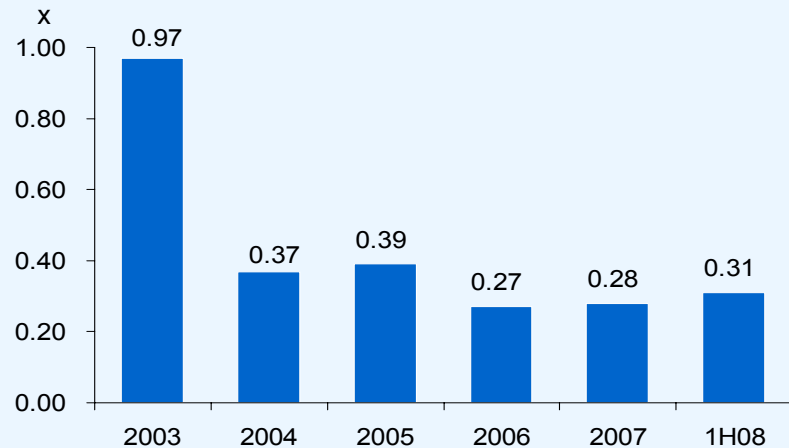
## Debt to Equity



## Interest Coverage

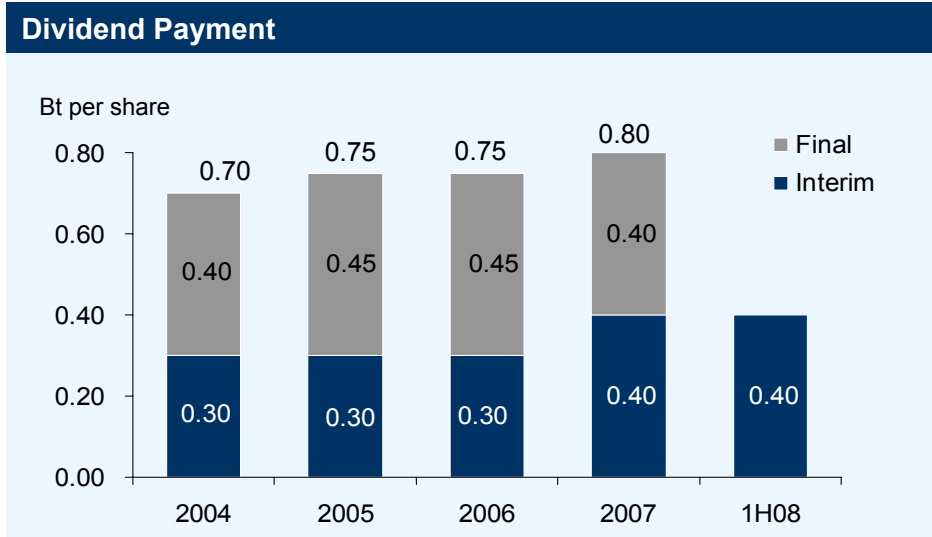


## Net Debt to Equity

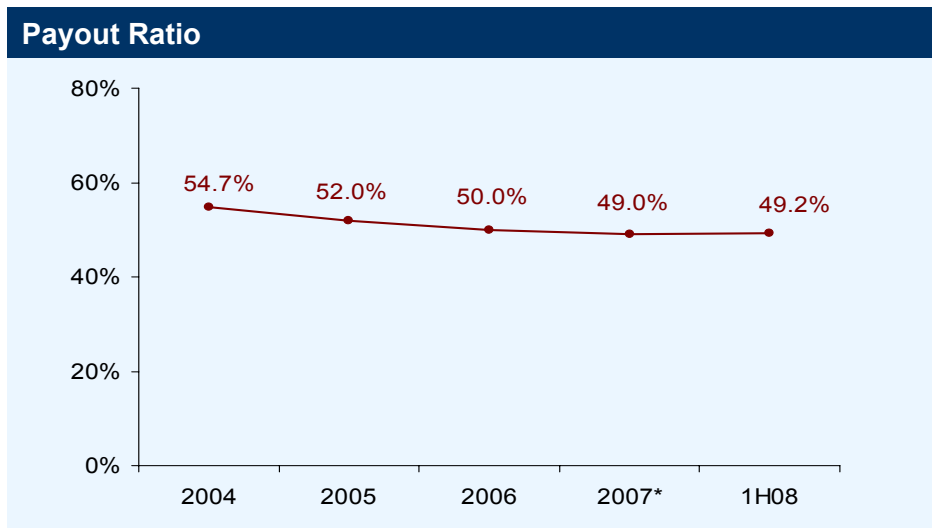


- Significant improvement of the balance sheet over the years as:
  - Debt outstanding position decreases
  - Shareholders' equity improves as a result of better performance
- Debt to equity and net debt to equity ratios slightly increased in 1H08 as BH made a drawdown of THB 400 million to finance the reacquisition of BH Tower in February 2008

# Dividend Payment



- The board of directors announced an interim dividend payment with details as follows:
  - Interim dividend payment for 1H08 of Bt 0.40 per share
  - Book closing date: 22 Aug 2008
  - Dividend payment date: 4 Sep 2008



\* The net profit used to calculate the dividend payout ratio in 2007 is:

2007 net profit	Baht 1,605 million
- share gain from GCS	- Baht 829 million
+ dividend received from GCS	+ Baht 418 million
<b>= Net profit for dividend payment</b>	<b>Baht 1,195 million</b>

# Agendas

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- **Operational Update**
- **Financial Performance**
- **Recent Updates**

- **About 1/3 of outpatient clinics have been moved to Bumrungrad International Clinic**
- **BI Clinic was opened on 30 May 2008**
- **BI Clinic held its grand opening on 31 July 2008**



16 Clinic	<ul style="list-style-type: none"> <li>• Neurology</li> <li>• Neurosurgery</li> <li>• Urology</li> <li>• General Surgery</li> <li>• Physical Medicine &amp; Rehabilitation (PM &amp; R)</li> </ul>	<ul style="list-style-type: none"> <li>• Breast Surgery</li> <li>• Pain Management</li> <li>• Forensic Medicine</li> <li>• Men Center</li> </ul>
15 Clinic	<ul style="list-style-type: none"> <li>• Infectious Disease</li> <li>• Pulmonology</li> <li>• Rheumatology</li> <li>• General Practice</li> </ul>	<ul style="list-style-type: none"> <li>• Internal Medicine</li> <li>• Hematology</li> <li>• Primary Care</li> <li>• Allergy</li> </ul>
14 Clinic	<ul style="list-style-type: none"> <li>• Heart Center</li> <li>• Cardiac Assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-Coagulation Clinic</li> <li>• Nephrology</li> </ul>
12 X-ray, Clinic	<ul style="list-style-type: none"> <li>• Imaging</li> <li>• Body Composition Analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Pulmonary Function Laboratory</li> <li>• Endocrinology &amp; Clinical Nutrition</li> </ul>
11 Health Screening Center	<ul style="list-style-type: none"> <li>• Health Screening Center</li> </ul>	
10A The Mezz	<ul style="list-style-type: none"> <li>• The Mezz Food Court</li> </ul>	
10 Sky Lobby	<ul style="list-style-type: none"> <li>• Patient Services</li> <li>• Medical Coordination</li> </ul>	<ul style="list-style-type: none"> <li>• International Lounge</li> <li>• Napa Lounge</li> </ul>

# Healthy Living Club Launched



Healthy Living Club

สิทธิพิเศษสำหรับสมาชิก  
Privileges for member

Bumrungrad International

Healthy Living Club

00001  
Name: Bumrungrad  
Expire: 01/05/2011

Bumrungrad International

The graphic features a collage of green images including leaves, a person in a white coat, and a water drop. Below the collage is the text 'Healthy Living Club' and 'สิทธิพิเศษสำหรับสมาชิก Privileges for member'. A central image shows a green membership card with the Bumrungrad International logo and 'Healthy Living Club' text. At the bottom right is the Bumrungrad International logo.

- **The Healthy Living Club is available to all Bumrungrad patients who live in Thailand. Memberships cost Baht 6,300 and the member receives a voucher for an executive check-up worth Baht 6,300 + discounts + privileges**
- **The program was launched on 17 June 2008**
- **Over 2,000 members as at end of July 2008**

**The only card that provides international-standard healthcare at a great value.**

Healthy Living Club

**Benefits**

- 3-year membership
- 30% discount on inpatient room charge\*
- 15% discount on outpatient medicine and medical supplies, lab tests, x-ray\*
- Free access to Wi-Fi internet, access to the Napa Lounge
- Receive Better Health magazine
- Pre-booking privileges for our public health seminars
- Special discount privileges from retailers at Bumrungrad
- Other additional privilege programs are offered to members only
- Members may purchase Supplementary Cards for family members for 3,000 baht and receive a coupon worth 3,000 baht towards a check-up.

*\* Please see the application form for details and conditions.*

This program is for residents of Thailand.

For more information please call 0 2667 2400 or [www.bumrungrad.com/hlc](http://www.bumrungrad.com/hlc)

Bumrungrad International



# Men Center Launched

- **Men Center was launched on 8 July 2008 to help men over 40 manage their health and lifestyles**
- **One of the first such centers in Thailand**



## สะเทือนใจ กับคำว่าทวิ

คุณเกษม และกวีระ: ผู้ชายวัยกลางคน และผู้สูงอายุ ผู้คนเหล่านี้เป็นผู้ที่ดูแลและดูแลสุขภาพของ MEN CENTER เป็นอย่างดีและทุ่มเทอย่างมากเพื่อช่วยให้ผู้ชายที่มีปัญหาสุขภาพสามารถเข้าถึงบริการสุขภาพได้ดียิ่งขึ้น

## มีเรื่อง คาดไม่ถึง ทุกวัน

คุณสุวิทย์และคุณวิมล: คู่สามีภรรยาที่มีลูกสาววัยรุ่นและลูกชายวัยรุ่น ผู้คนเหล่านี้เป็นผู้ที่ดูแลและดูแลสุขภาพของ MEN CENTER เป็นอย่างดีและทุ่มเทอย่างมากเพื่อช่วยให้ผู้ชายที่มีปัญหาสุขภาพสามารถเข้าถึงบริการสุขภาพได้ดียิ่งขึ้น

## กะปรีบ กะปรอย

คุณวิภาและคุณวิภา: คู่สามีภรรยาที่มีลูกสาววัยรุ่นและผู้สูงอายุ ผู้คนเหล่านี้เป็นผู้ที่ดูแลและดูแลสุขภาพของ MEN CENTER เป็นอย่างดีและทุ่มเทอย่างมากเพื่อช่วยให้ผู้ชายที่มีปัญหาสุขภาพสามารถเข้าถึงบริการสุขภาพได้ดียิ่งขึ้น

## ลืมนไปแล้ว ว่าลืมนอะไร

คุณพรวิภา: ผู้หญิงที่มีลูกสาววัยรุ่นและผู้สูงอายุ ผู้คนเหล่านี้เป็นผู้ที่ดูแลและดูแลสุขภาพของ MEN CENTER เป็นอย่างดีและทุ่มเทอย่างมากเพื่อช่วยให้ผู้ชายที่มีปัญหาสุขภาพสามารถเข้าถึงบริการสุขภาพได้ดียิ่งขึ้น

## เริ่มขึ้น ไม่ครบเพลง

คุณวิภาและคุณวิภา: คู่สามีภรรยาที่มีลูกสาววัยรุ่นและผู้สูงอายุ ผู้คนเหล่านี้เป็นผู้ที่ดูแลและดูแลสุขภาพของ MEN CENTER เป็นอย่างดีและทุ่มเทอย่างมากเพื่อช่วยให้ผู้ชายที่มีปัญหาสุขภาพสามารถเข้าถึงบริการสุขภาพได้ดียิ่งขึ้น



# Talui Rong Moh TV Program

- *Talui Rong Moh health education program will be aired throughout 2008*
- *The program is on Channel 9, Sundays 4.30 – 5.00 pm*



# Overseas Rep Office Expansion

REP OFFICES AT BEGINNING OF 2008 (21)

- Australia (2)
- Bangladesh
- Cambodia
- Canada
- Ethiopia (2)
- Hong Kong
- Indonesia
- Macau
- Mongolia
- Myanmar
- Nepal
- Netherlands
- Oman
- Seychelles
- Sri Lanka
- Sweden
- Taiwan
- Vietnam (2)



# Overseas Rep Office Expansion

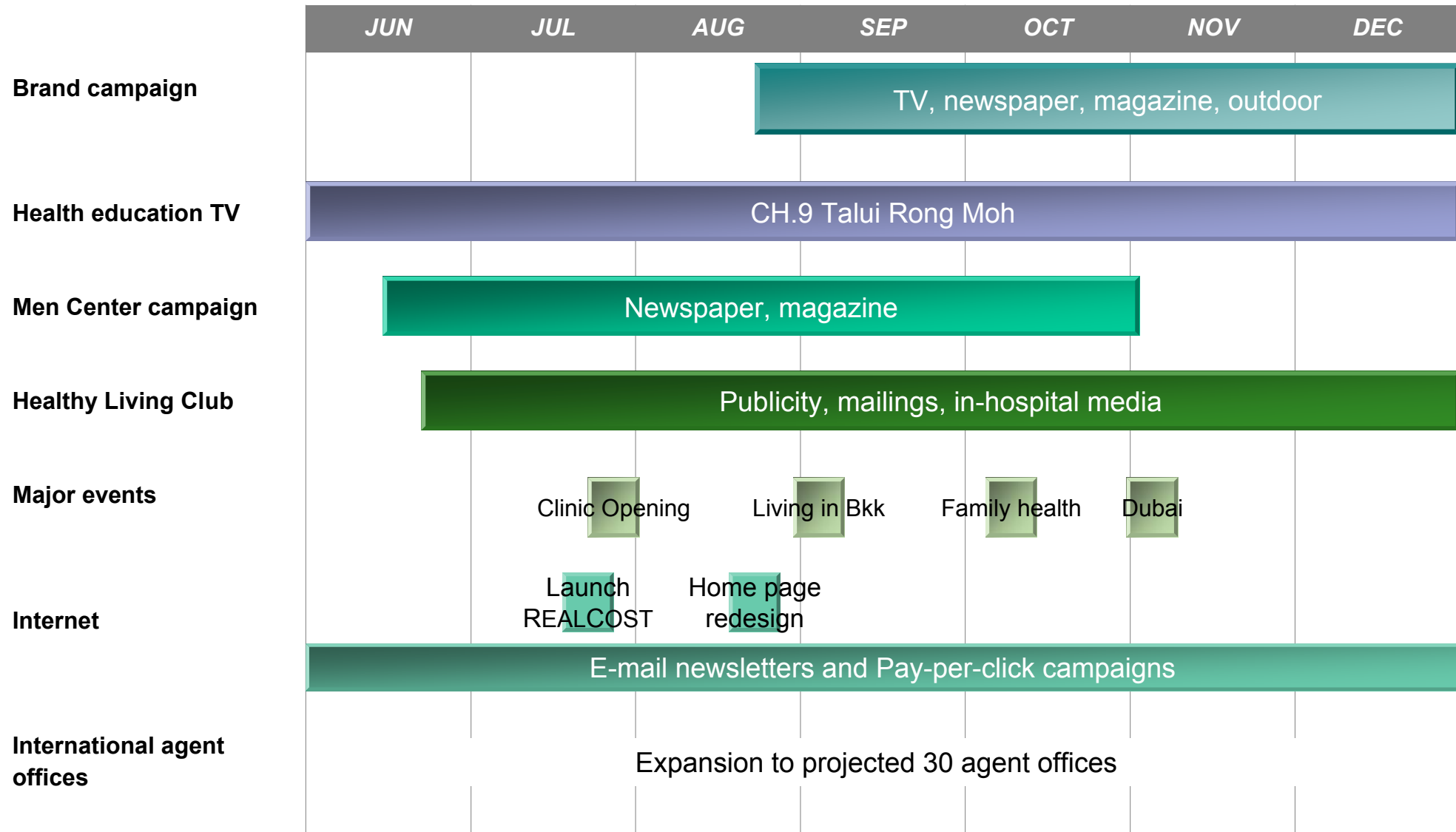
ADDITIONAL AGREEMENTS TO JULY 2008 (TOTAL = 26)

- Australia (2)
- Bangladesh
- Cambodia
- Canada
- Ethiopia (2)
- **Germany**
- Hong Kong
- Indonesia
- **Kuwait**
- Macau
- **Maldives**
- Mongolia
- Myanmar
- Nepal
- **Nigeria**
- Netherlands
- Oman
- Seychelles
- Sri Lanka
- Sweden
- Taiwan
- **Uganda**
- Vietnam (2)



**+ 5 additional offices in 2H08**

# 2H08 Major Marketing Activities



# Updates on Bumrungrad International Limited

## Asian Hospital

- Expansion plan is progressing on schedule

## Asia Renal Care

- Number of clinics increased to 82 as of June 2008

## Bumrungrad Hospital Dubai

- Construction is in progress

## Bumrungrad Mafraq Hospital

- Discussion on equity stake underway

***Bumrungrad International Limited reported net profit of Baht 90 million in 1H08***

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**Thank You**