# Bumrungrad Hospital

## Public Company Limited

### Analyst Meeting No. 3/2009

2Q09 Results Update

13 August 2009

Bumrungrad International

# Overview

**Operational Update**

- Thai volume starting to see an increase in 2Q09 as a result of the effective marketing activities
- Continued slight volume decline in 2Q09 for international market because of domestic political uncertainties and global economic slowdown
- The increased revenue intensity and effective cost control resulted in an increase in net profit

**Financial Performance**

| | | | |
|---|---|---|---|
| 2Q Sales | ↑ 2% y-o-y | 1H Sales | ↑ 3% y-o-y |
| 2Q EBITDA | ↑ 4% y-o-y | 1H EBITDA | ↑ 5% y-o-y |
| 2Q Net profit | ↑ 3% y-o-y | 1H Net profit | ↑ 5% y-o-y |

**Updates & Strategy**

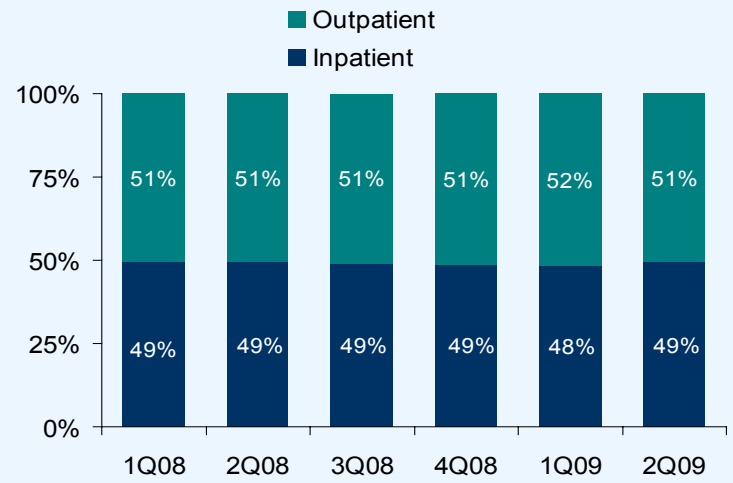
- Bumrungrad International Hospital Bangkok: Continuous focused marketing effort towards Thai and domestic market
- Bumrungrad International Limited seeing stable operations

# Agendas

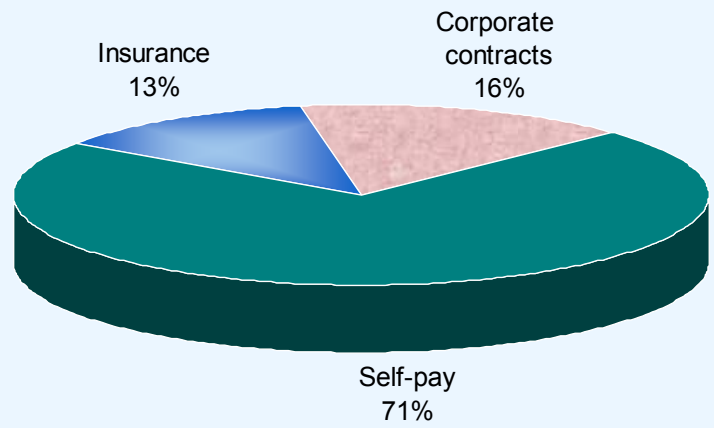
- Operational Update
- Financial Performance
- Recent Updates

# Revenue Breakdown

**Inpatient vs. Outpatient - Quarterly (% of revenue)**




**Method of Payment (% of revenue)**

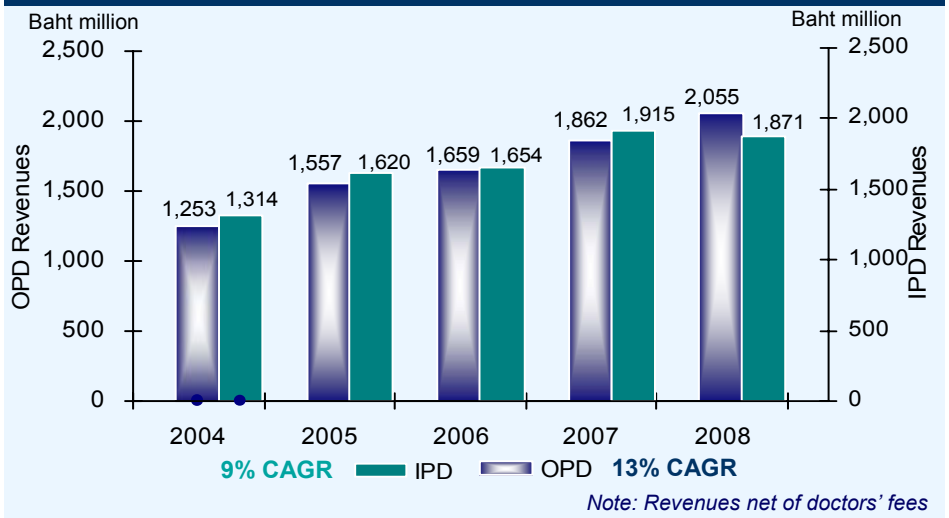



*As of June 2009*

- Revenue contribution from outpatient continues as majority share following worldwide trends towards ambulatory care; BI Clinic well positioned for future growth
- Corporate contracts increasing especially from foreign accounts; self-pay remains the primary method of payment

# International Patients

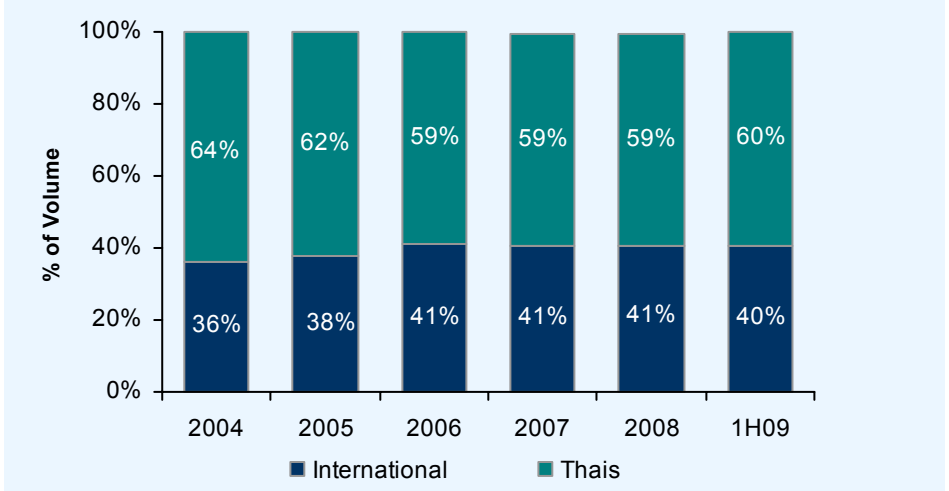
## International Revenues



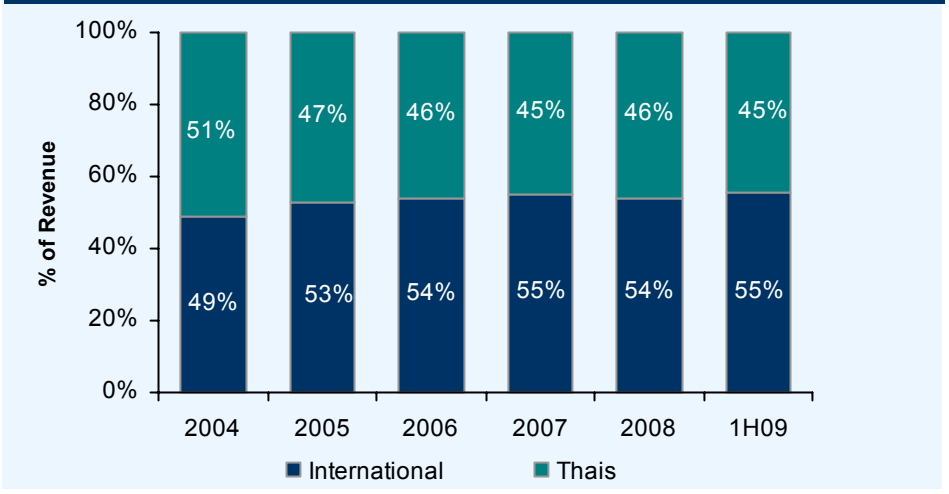

**1H09 statistics:**

- **International volume** for 1H09 y-o-y:
  - Volume down moderately for both OPD and IPD as a result of political uncertainties, global economic slowdown and the pandemic situation
- **International revenue** for 1H09 up 6% y-o-y primarily from the higher intensity

## Volume Contribution by Nationality

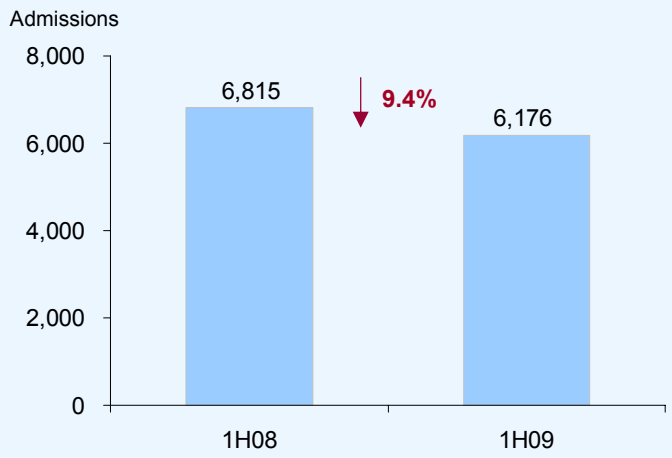



## Revenue Contribution by Nationality

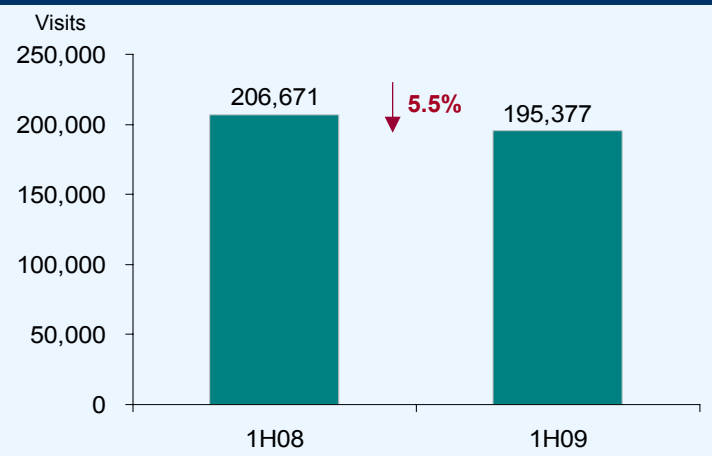


# International Volume

## International Admissions




## International Visits




- Continued slow international volume in 2Q09 following the continued political uncertainties, global economic slowdown and the pandemic situation
- **International revenue:** Despite the slow down in volume, 1H09 international revenue is up 6%, primarily from the higher intensity
- 1H09 significant changes in international revenue:

***Top 10 countries***

| | |
|---|---|
| - Middle East | +20% |
| - Myanmar | +10% |
| - US | flat |
| - Cambodia | -30% |

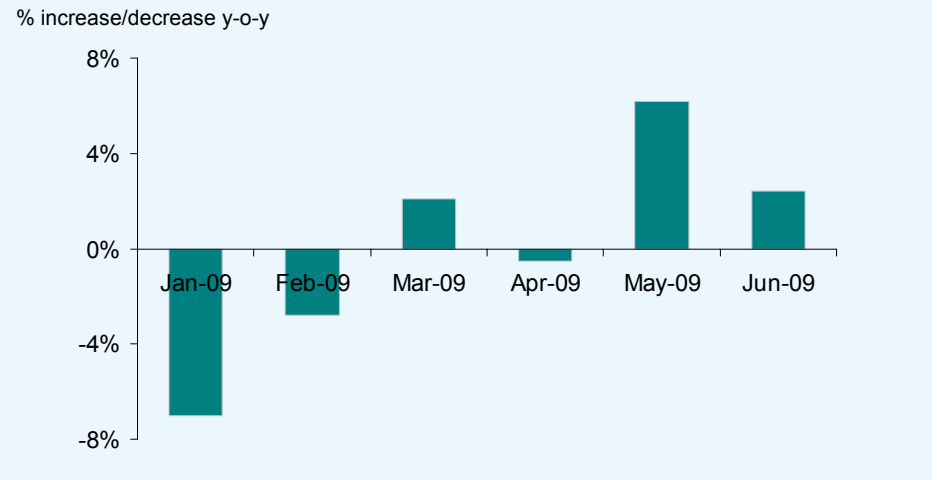
***Other targeted country highlights***

| | |
|---|---|
| - Nepal | +30% |
| - Sudan | +240% |
| - Switzerland | +40% |
| - Mongolia | +40% |

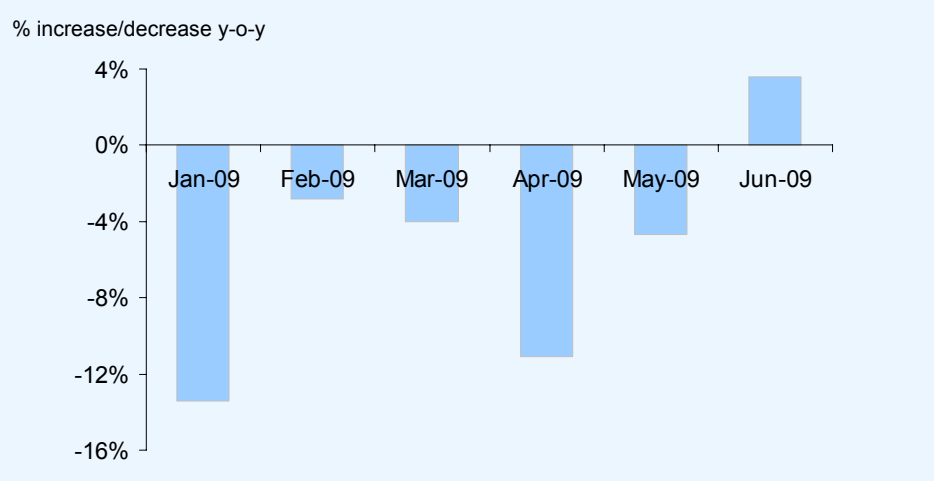
# Thai Patients Volume Trend

- Although the international volume continues to be slow, Thai volume is starting to see a pick-up, especially in outpatient, the faster-growing segment
- This is the result of the continuous effort in the domestic marketing activities since second half of 2008:
  - Healthy Living Club Membership
  - Quarterly fairs/ events
  - TV programs (Chid Moh)

**Thai Outpatient Visits (% y-o-y increase/decrease)**




**Thai Inpatient Admissions (% y-o-y increase/decrease)**

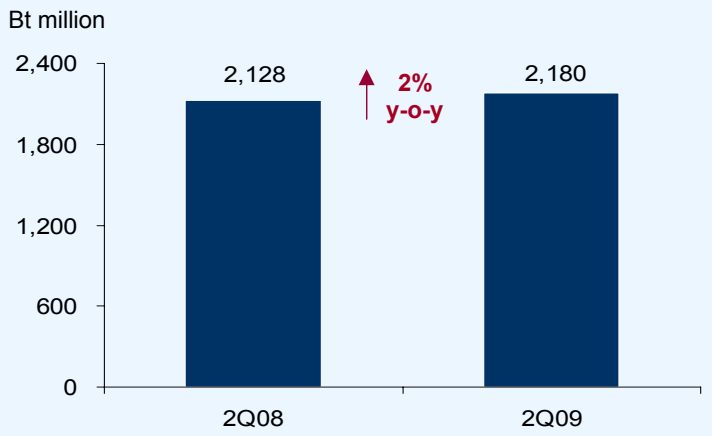


# Agendas

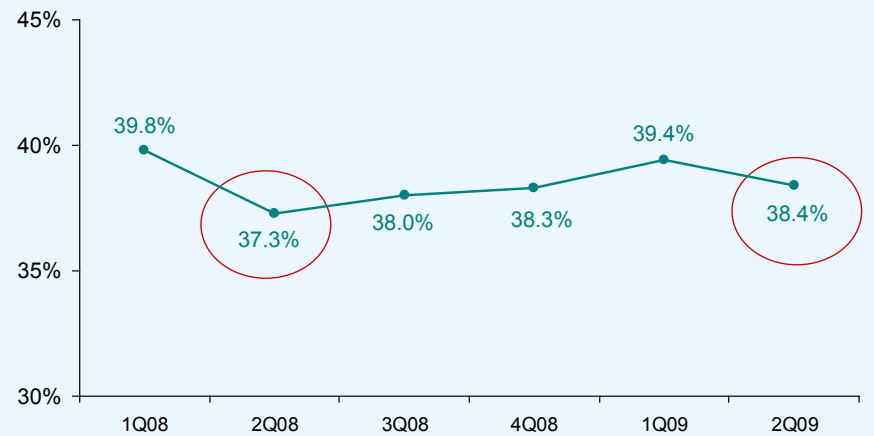
- Operational Update
- Financial Performance
- Recent Updates

# Sales & Gross Margin – 2Q09

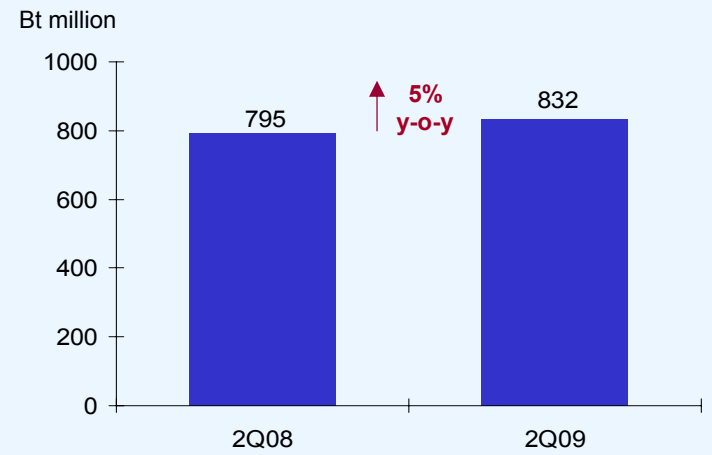
## Sales from Hospital Operations




## Gross Margin Trend



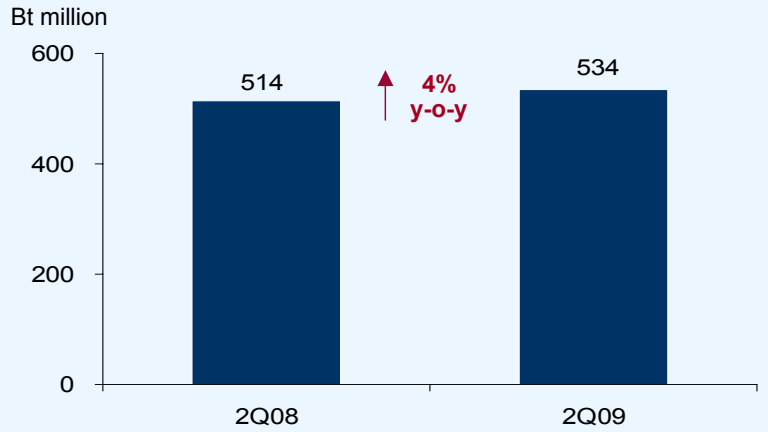

## Gross Profit




- Sales from hospital operations was up 2% y-o-y as a result of:
  - Inpatient revenue growth of 2%
  - Outpatient revenue growth of 6%
- 2Q09 gross margin improved to 38.4% from 37.3% as a result of tight cost control since end of 2008

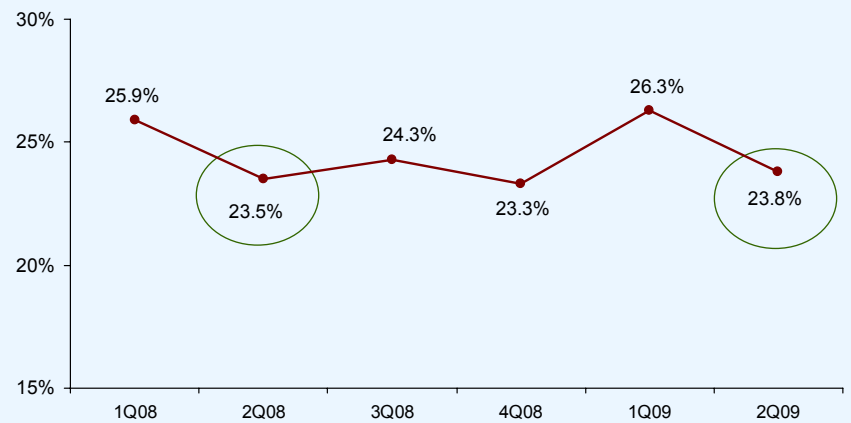
# EBITDA & EBITDA Margin – 2Q09

## EBITDA



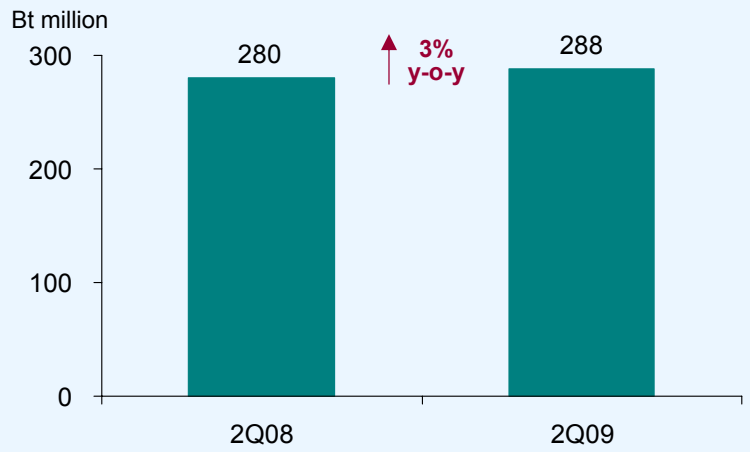

- EBITDA increase by 4% y-o-y
- Therefore EBITDA margin in 2Q09 improved to 23.8% from 23.5% in 2Q08

## EBITDA Margin Trend



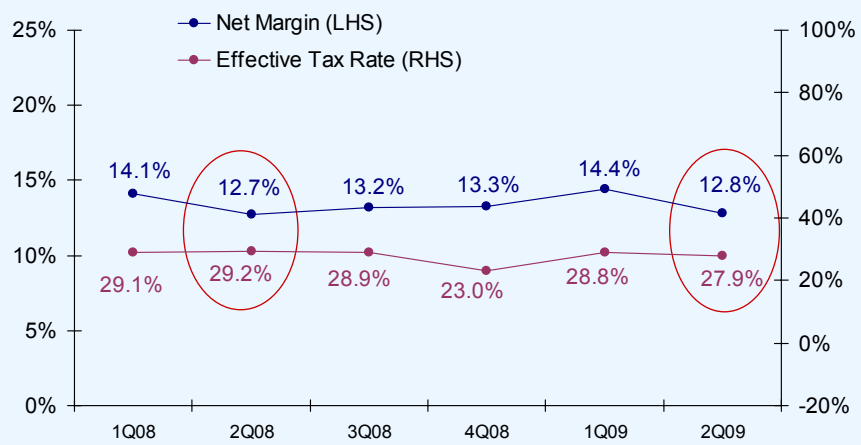
# Net Profit & Net Profit Margin – 2Q09

## Net Profit



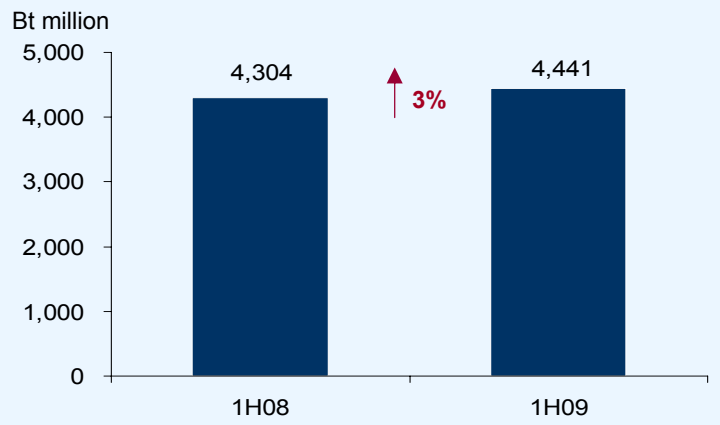

- Net profit increased by 3% y-o-y, with net profit margin at 12.8% in 2Q09, compared to 12.7% in 2Q08

## Net Profit Margin & Effective Tax Rate

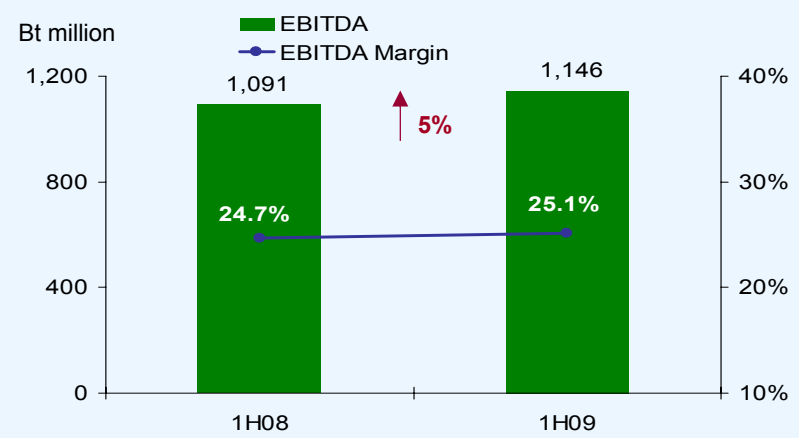


# Financial Summary – 1H09

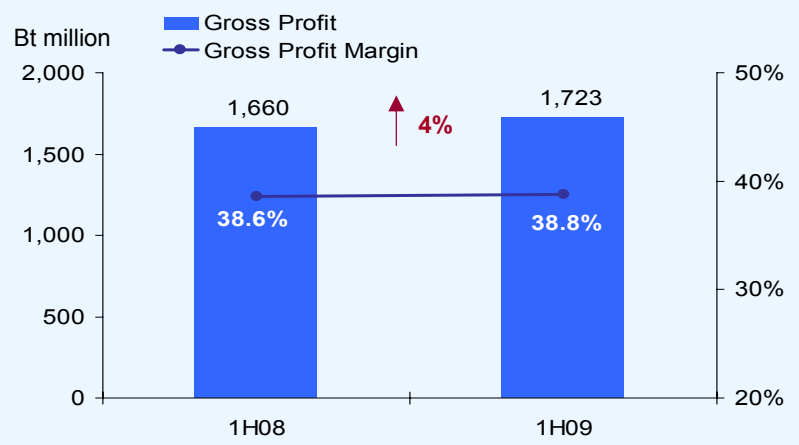
## Sales from Hospital Operations



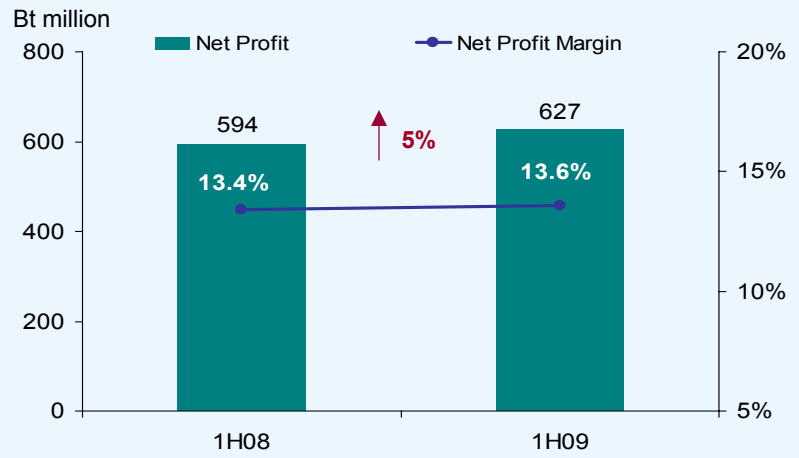

## EBITDA & EBITDA Margin




## Gross Profit & Gross Profit Margin

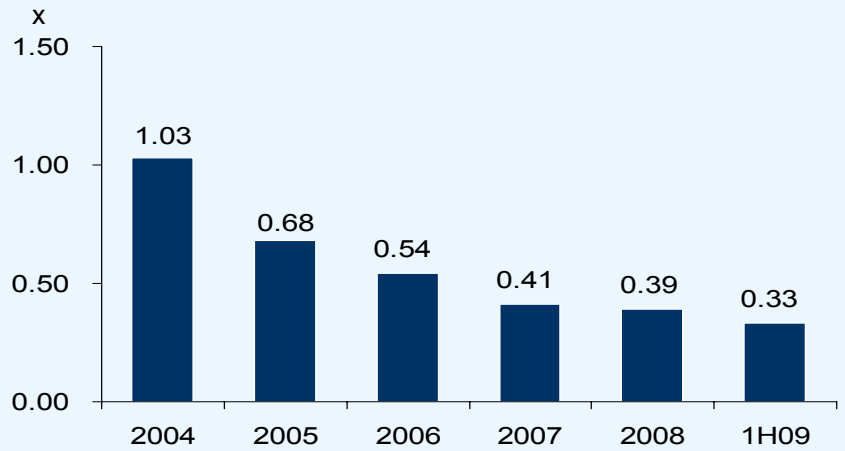



## Net Profit & Net Profit Margin

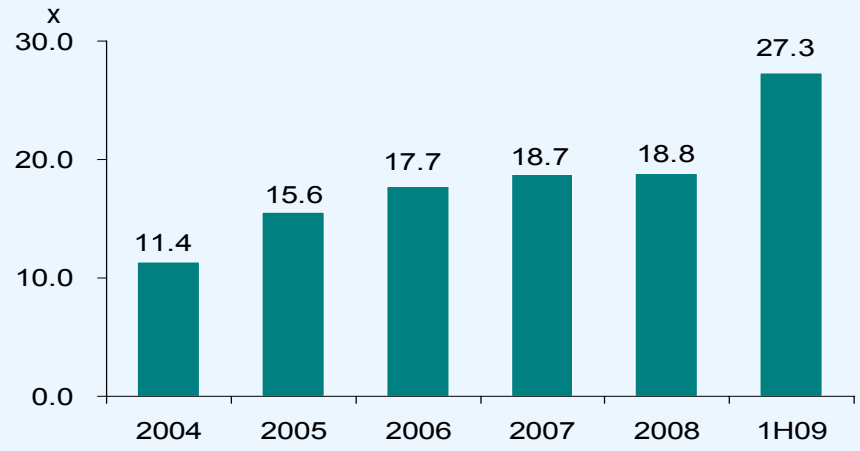


# Leverage

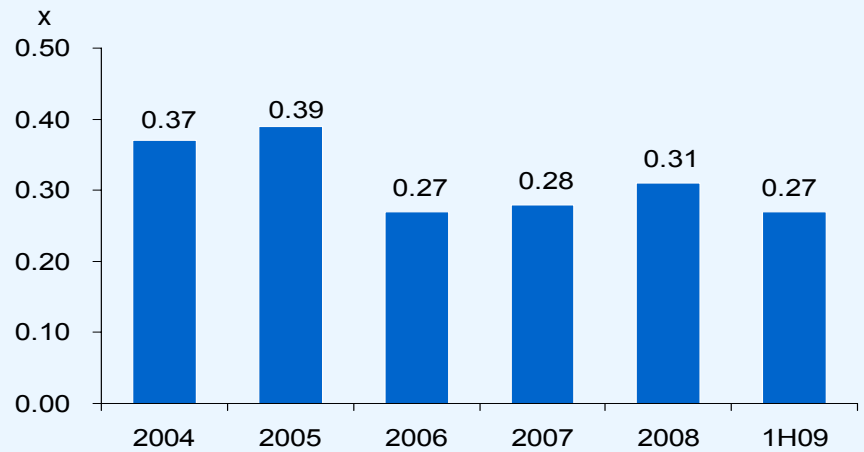
## Debt to Equity




## Interest Coverage



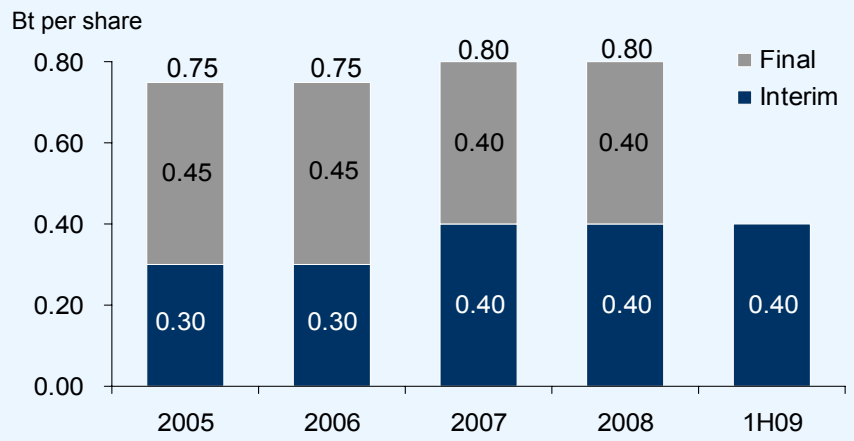

## Net Debt to Equity



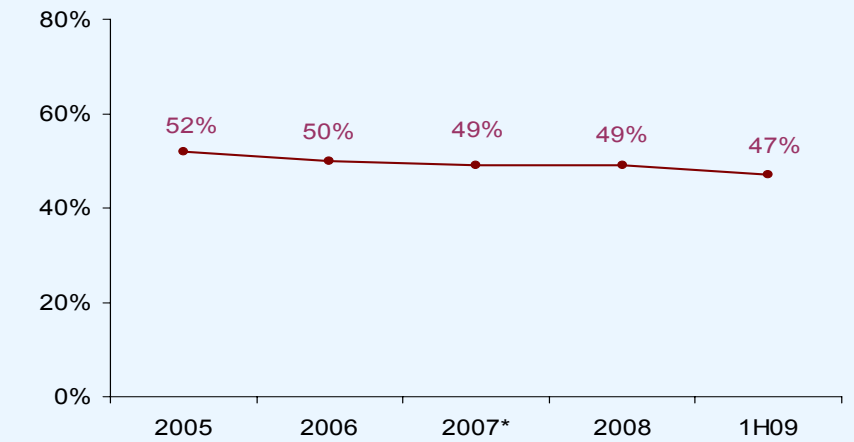

- Improvement of the balance sheet over the years, both in terms of D/E and interest coverage as the long-term debt is gradually paid-off

# Dividend Payment

## Dividend Payment




## Payout Ratio




- The board of directors announced an interim dividend payment:
  - Interim dividend payment of Bt 0.40 per share
  - Record date: 20 Aug 2009
  - Book closing date: 21 Aug 2009
  - Dividend payment date: 4 Sept 2009

* *Net profit used to calculate the dividend payout ratio in 2007 is the profit attributable to normal operations:*

| | |
|---|---|
| *2007 net profit* | *Baht 1,605 million* |
| *- share gain from GCS* | *- Baht 829 million* |
| *+ dividend received from GCS* | *+ Baht 418 million* |
| *= Net profit for dividend payment* | *Baht 1,195 million* |

# Agendas

- Operational Update
- Financial Performance
- Recent Updates

# Continuous Efforts on Thai Marketing

- **Results of the 2Q09 event ("Big Heart" Event)**
  - Public education
  - Mass media & publicity
  - Sold heart evaluation packages & healthy living club membership programs
  - Increased Thai volume and new patient registrations in May & June
- **Healthy Living Club members**
  - Continuous increase; approximately 16,000 members as of beginning of Aug 2009
- **3Q09 events: Cancer Event & "Living in Bangkok"**

# Updates on Bumrungrad International Limited

- AHI's profitability continues to improve
- Expansion plan is progressing on schedule

- Number of clinics increased from 96 to 103 clinics as of June 09
- +2 in Philippines, +2 in Singapore, +3 in Thailand

- Project is still on hold

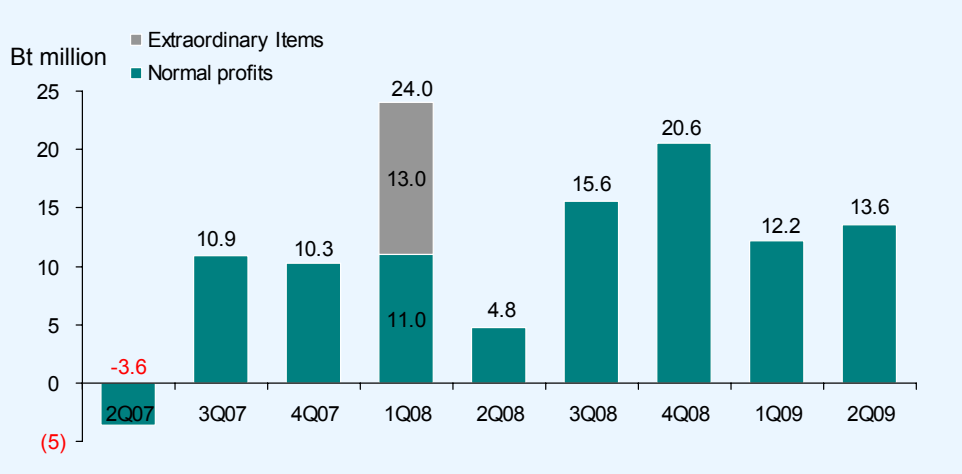
- Able to meet KPIs and is entitled to incentive fees

***Bumrungrad International Limited reported net profit of Baht 82 million in 1H09***

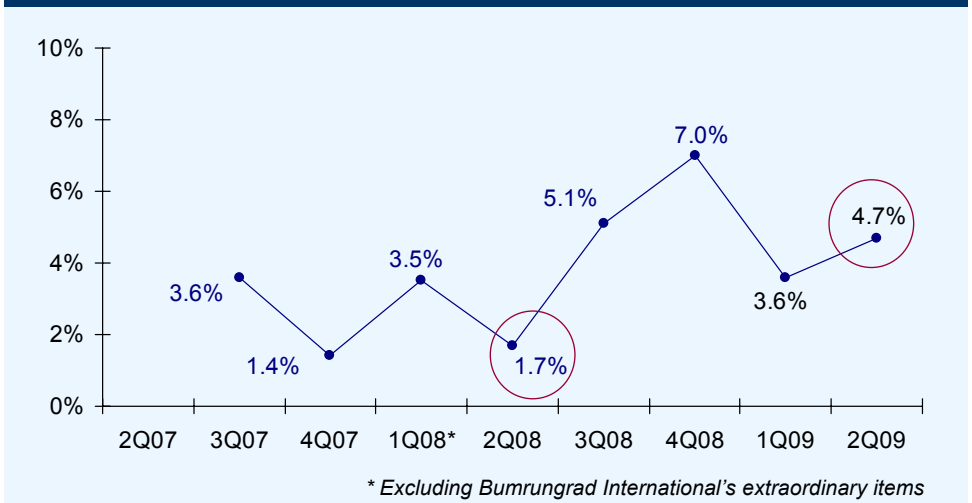
***Bumrungrad International Limited is still aggressively looking for acquisitions***

# Contribution from Bumrungrad International Limited

**Share of Profit from Bumrungrad International Limited to BH**




**% of Net Profit Contribution from Bumrungrad International Limited to BH**




- Improving trend on contribution from Bumrungrad International Limited

# Asia Global Research Co., Ltd.

- Asia Global Research Co., Ltd. (AGR) has been incorporated on 10 June 2009
- Paid-up capital is Baht 20 million
- The company operates clinical research businesses, with two functions:
  - Contract Research Organization (CRO)
  - Site Management Organization (SMO)

# Thank You