



# Bumrungrad Hospital Public Company Limited

## *Investor Presentation*

*July 2012*

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# Agenda

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***Overview***

***Strategy***

***Operational Update***

***Financial Performance***

***Associated Companies***

# Fact Sheet

*BHPCL, an early mover in medical tourism, is an international leader in combining clinical quality with customer service oriented patient care*

- Established in 1980; listed on SET in 1989

## Bumrungrad International Hospital

### ○ Facilities

- One of the largest and most sophisticated private hospitals in South-East Asia
- 538 licensed inpatient beds and over 4,500 outpatient visit capacity per day
- Thailand's leading tertiary medical center

### ○ Accreditation

- 1<sup>st</sup> hospital in Asia to receive US JCI Accreditation, with additional certifications in disease specific categories
- 1<sup>st</sup> private hospital in Thailand with Thai Hospital Accreditation

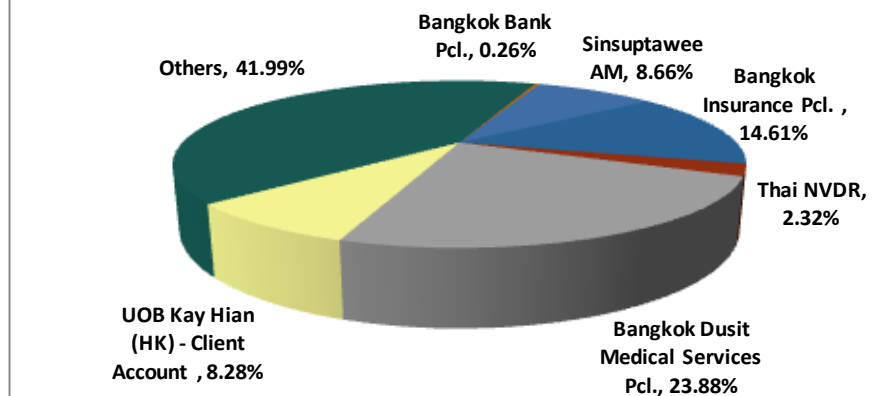
### ○ Patients

- Over one million patient episodes annually
- Over 460,000 international patient episodes annually from over 200 countries

### ○ Services

- 35 Clinics centers

## Shareholding Structure

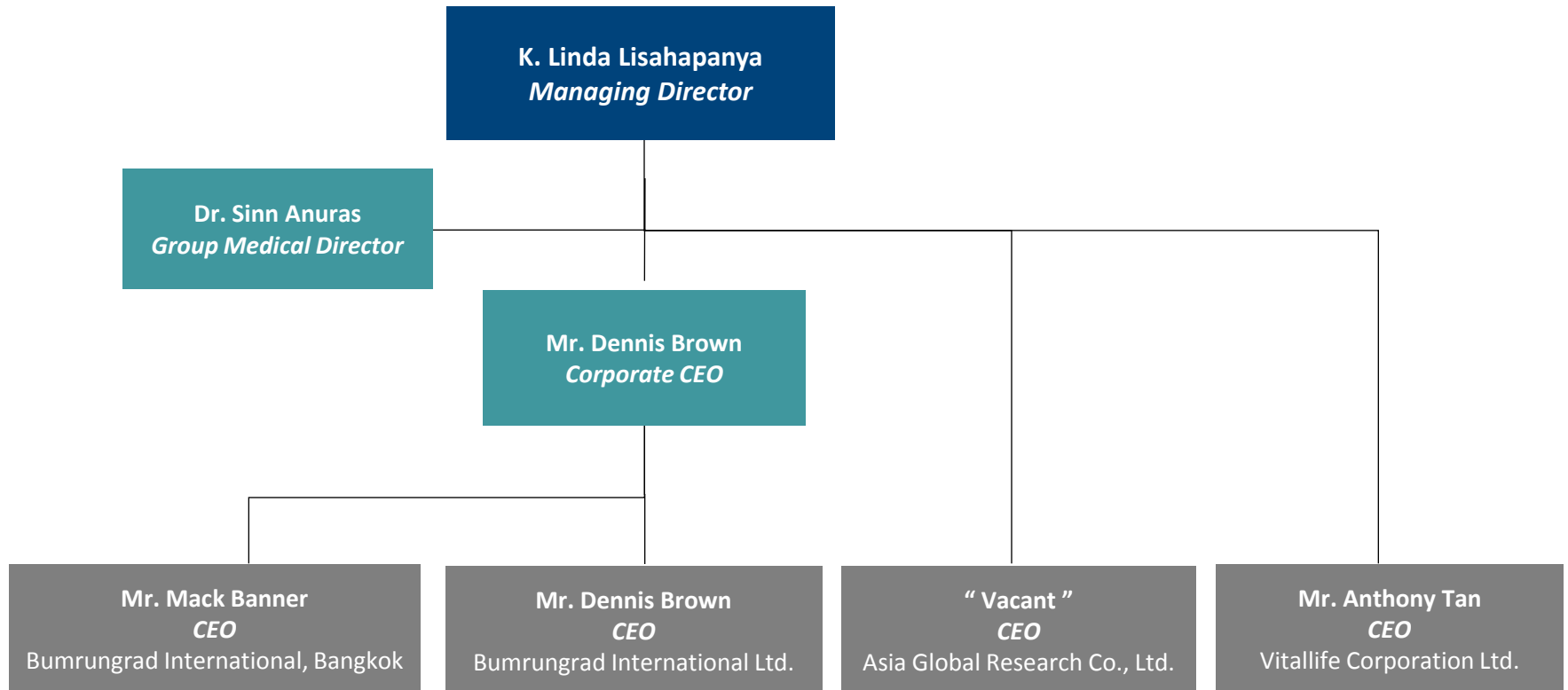


As of 29 June, 2012



# BH - Management Team

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



# Doctors & Nurses



- Leading medical staff provides first tier clinical quality and customer-oriented patient care
- 35 Clinics centers
- Over 1,200 experienced doctors, of which over 320 are US, UK or Australian Board certified
- Over 900 dedicated nurses



# Medical Tourism



## Thailand

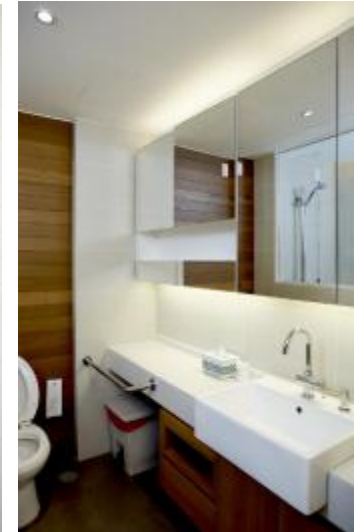
- Skilled medical staff
- Affordable wage levels
- Warm and efficient service culture
- Focus on patient preferences with a “self-pay” market
- Significant general tourism activity with global appeal
- Regulations and attitudes supporting private healthcare

## Bumrungrad International

- First tier medical staff
- Transparency for inquiries and patient cost estimation
- Premium customer-focused patient experience
- Expansive service infrastructure with overseas referral offices, translators and other services



# Premium Inpatient Facilities



Customer-oriented patient service culture supported by hotel-like ambience in a warm and restful environment



# Expansive Outpatient Facilities

Large scale outpatient facilities allow extensive variety of services with privacy, comfort and efficiency



Ground Floor Lobby

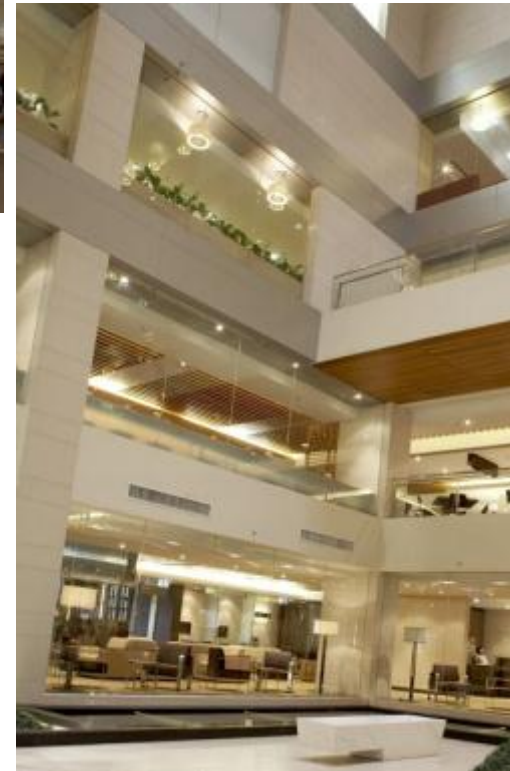


New Clinics

Welcome Center



Sky Lobby



# Agenda

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*Overview*

*Strategy*

*Operational Update*

*Financial Performance*

*Associated Companies*

# Strategy

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## Bumrungrad International Hospital

- Campus Expansion
- Doctor Recruitment

## Metro Bangkok

- Expand in our existing market segment – **2<sup>nd</sup> Campus**
- Expand into a new market segment – **2<sup>nd</sup> Brand**

## International

- Review of selective opportunities

# Campus Expansion

## Back office

- Move off campus into leased office space
- Move into new BI Support Building

## Clinics

- Open 5 floors in Bumrungrad International Clinic building
- Expand clinics in Bumrungrad International Hospital Building

## Inpatient

- Add 44 ICU beds and 61 ward beds in Bumrungrad International Hospital building
- Expand ancillary services

## Bumrungrad International Support Building

- Bought 7,965 sq. meters of land on Petchburi Road.
- Capability to construct building for back offices, employee housing and parking

Est. Capital Investment (Million THB)	Y11	Y12	Y13	Y14	Y15	Total
	648	1,171	1,389	718	299	4,225

# Agenda

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*Overview*

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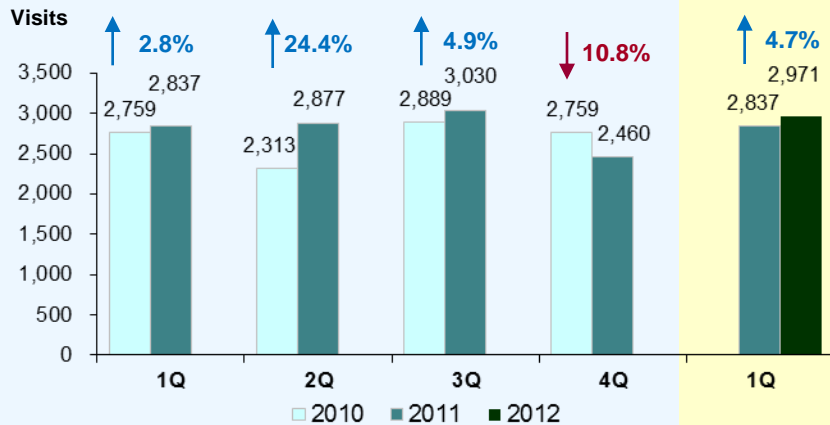
*Operational Update*

*Financial Performance*

*Associated Companies*

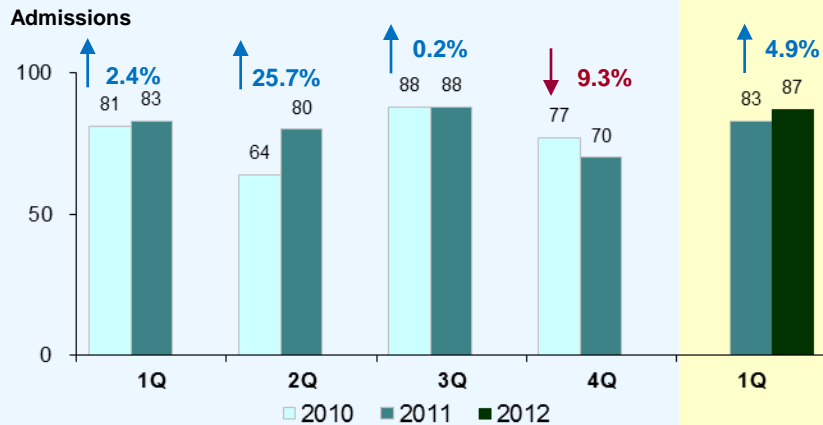
# Overall Volume Trend

## Average Visits per Day

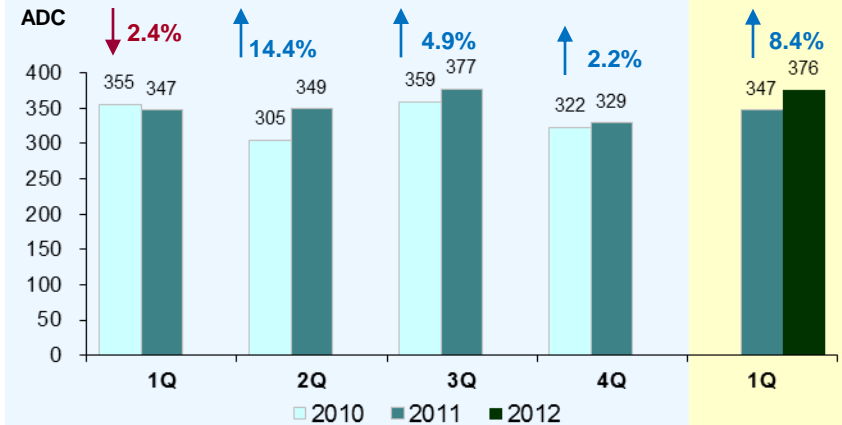


*Inpatient and outpatient volumes increased in 1Q12 compared with 1Q11, primarily due to strong growth in international markets.*

## Average Admissions per Day

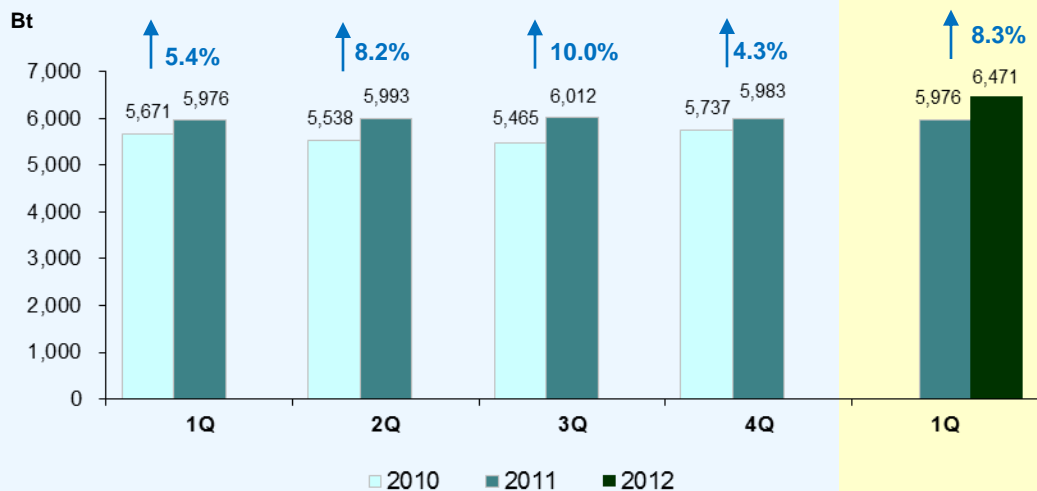


## Average Daily Census



# Revenue Intensity

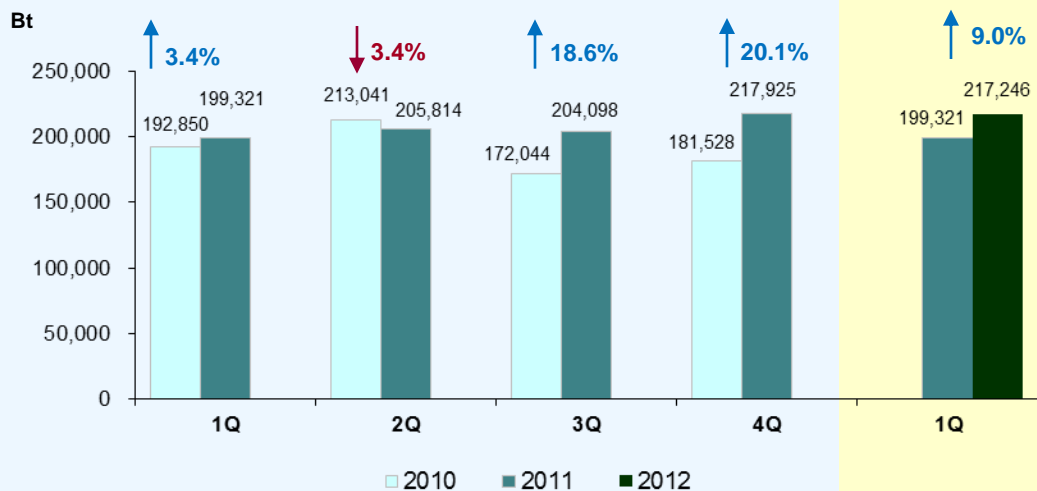
## Revenue per Visit



Revenue per unit of service reflects a 3.3% increase from the annual price adjustment. The remaining amount is revenue intensity or increased consumption:

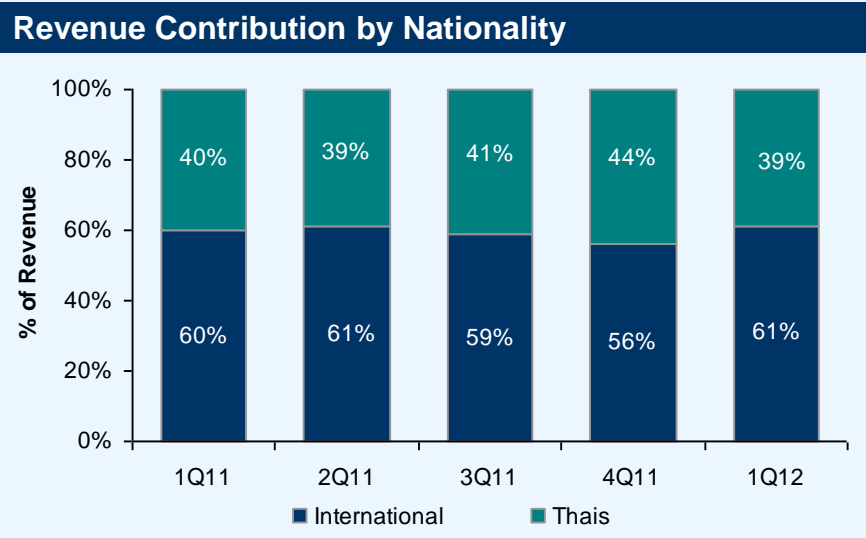
- OPD revenue intensity per visit increased 5.0% in 1Q12.
- IPD revenue intensity per admission increased 5.7% from increased length of stay.
- IPD revenue intensity per patient day increased 2.1% from the international patients.

## Revenue per Admission



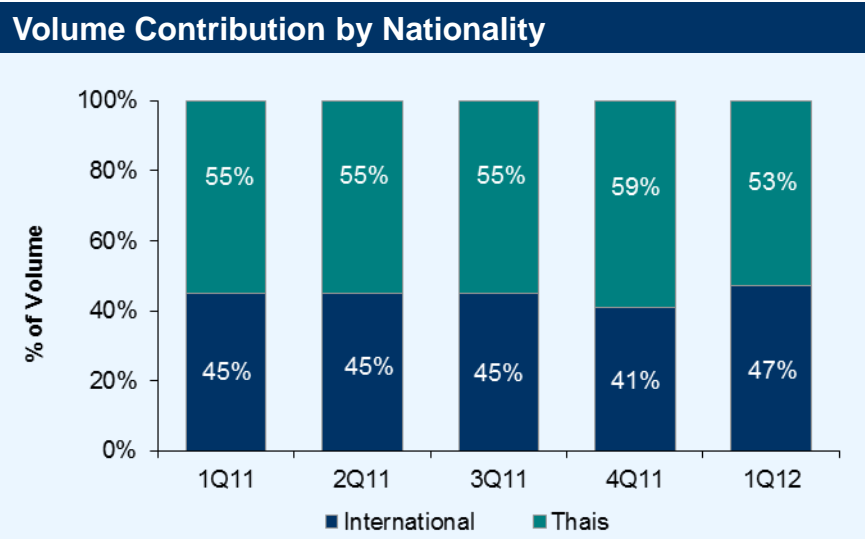


# International Breakdown



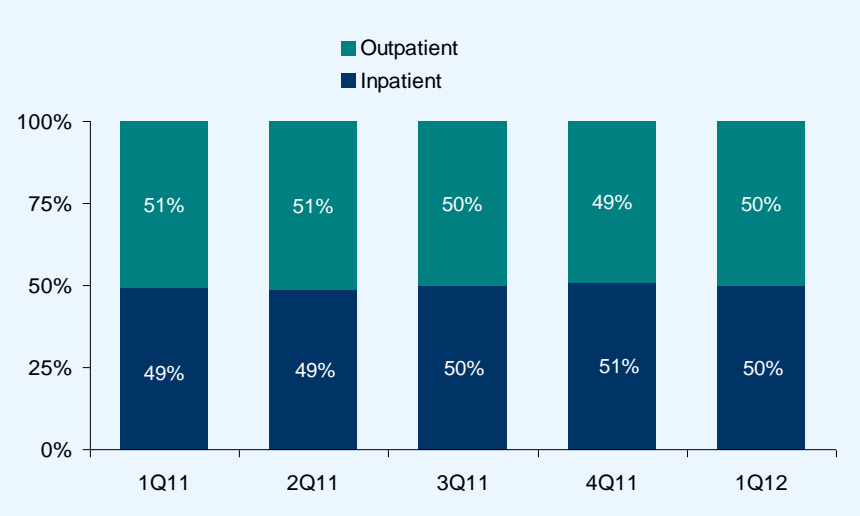
- For 1Q12, international revenue was up 17.7% from 1Q11, primarily from revenue intensity.
- Top 5 revenue contribution countries (1Q12)

UAE	8%
USA	6%
Myanmar	5%
Oman	5%
Kuwait	4%

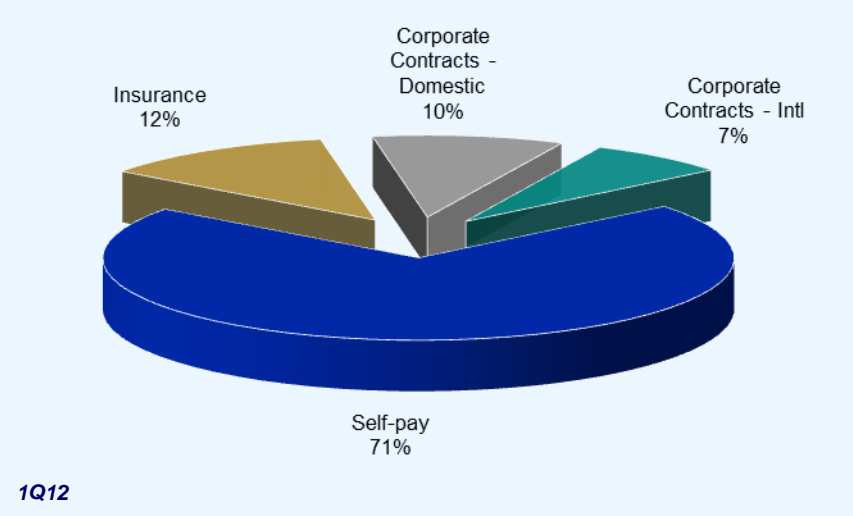


# Revenue Breakdown

## Inpatient vs. Outpatient (% of revenue)



## Method of Payment (% of revenue)



- Revenue contribution for outpatient and inpatient services mostly in line with historical amount.
- 1Q12 Revenue growth:
  - Outpatient revenue increased by 14.7% y-o-y
  - Inpatient revenue increased by 15.6% y-o-y
- Self-pay remains the primary method of payment

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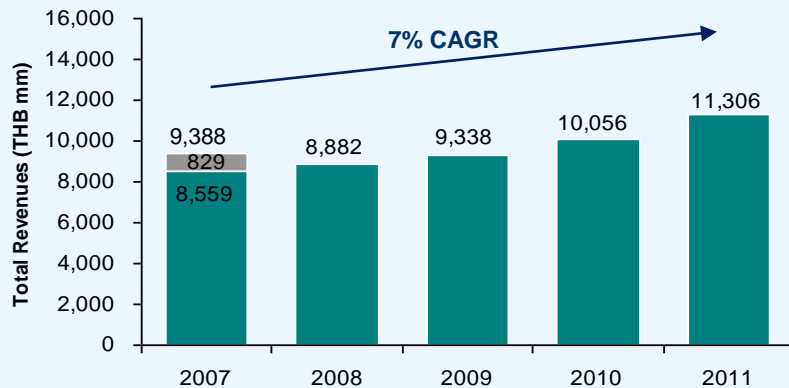
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# Operating Performance 2007-2011

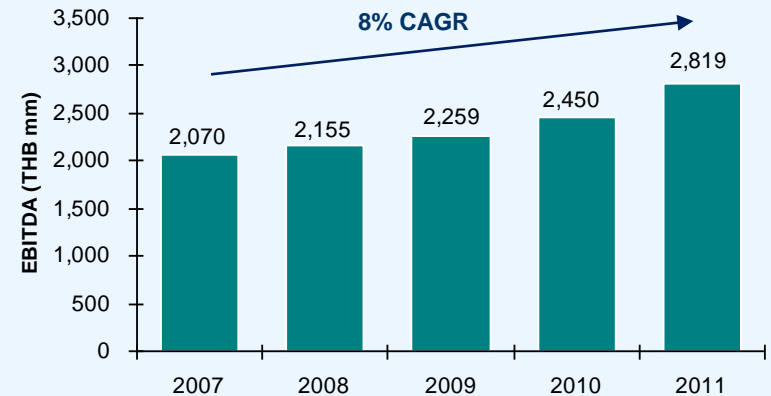
## Total Revenues



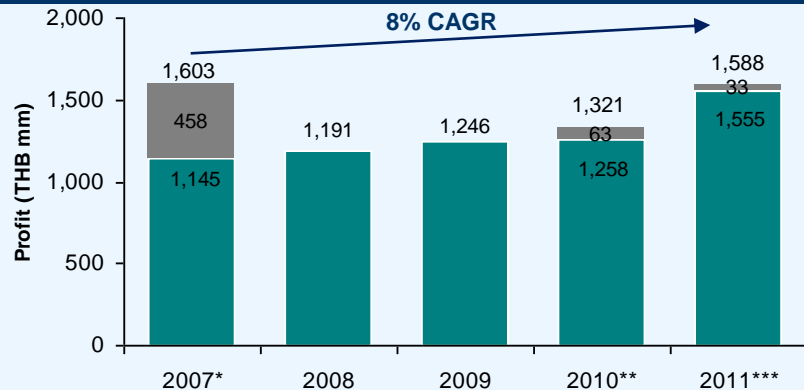
BH reported a one-time gain on share of profit in investment in CDE Trading (previously GCS Thailand) in 2007 of THB 829 million, mainly from sale of GCS Thailand's assets

Remark: The calculation of CAGR is excluding the extraordinary items.

## EBITDA



## Profit



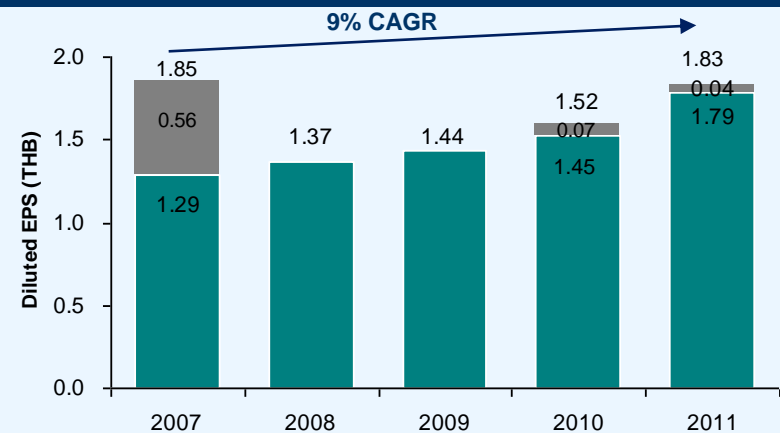
\* One-time profit of THB 458 million in 2007 was share of profit in investment in GCS Thailand, netted off with impairment of hospital software system

\*\* One-time loss of THB 63 million in 2010 was loss on the translation adjustment from the sale of Asia Renal Care (ARC) Group

\*\*\* One-time profit of THB 33 million in 2011 was tax loss on sale of BMC THB 106 million offset with loss on sale of AHI THB 24 million and loss on share repurchase THB 50 million

Remark: The calculation of CAGR is excluding the extraordinary items.

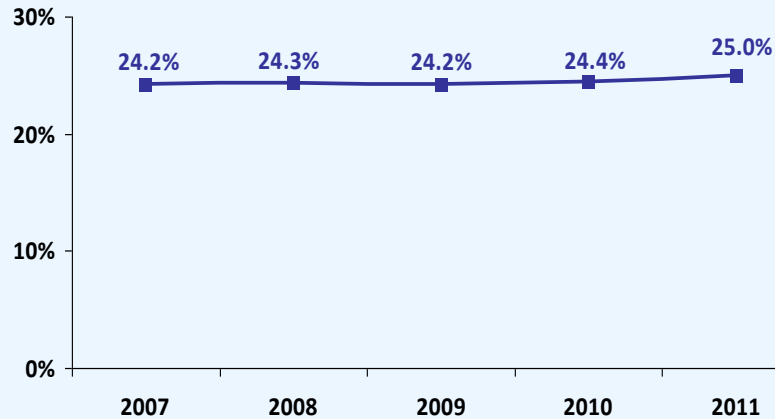
## DILUTED EPS



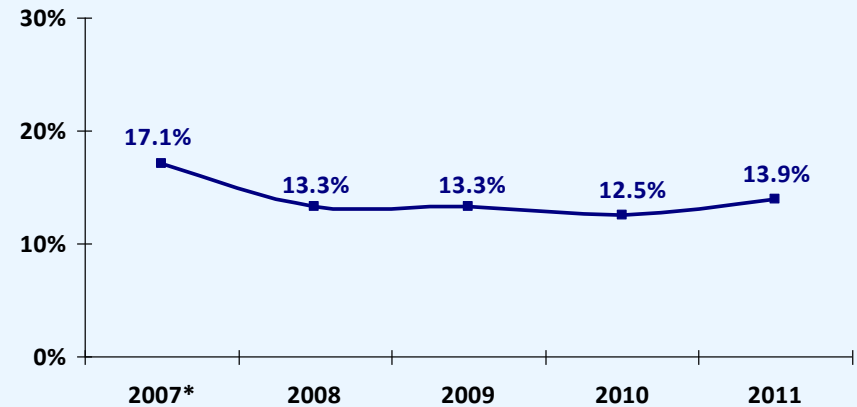
Remark: The calculation of CAGR is excluding the extraordinary items.

# Margins & Trend

## EBITDA Margin Trend



## Net Profit Margin Trend

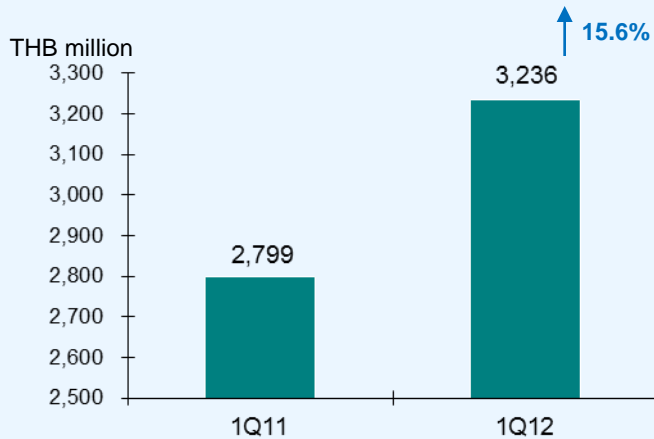


\*Net margin in 2007 includes the benefit of one-time non-operating items

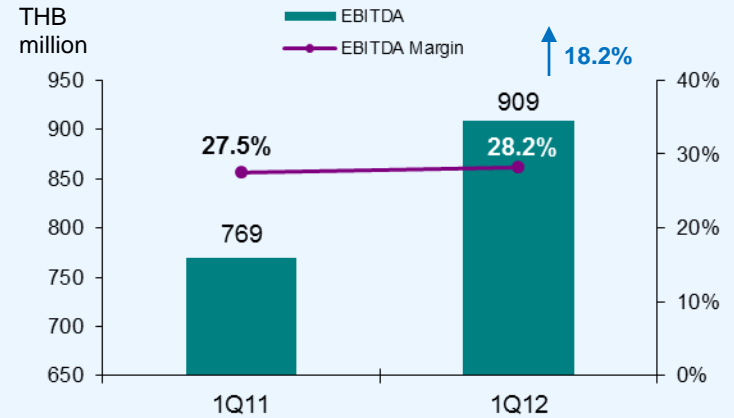
*Margins have been strong and relatively stable over time*

# 1Q12 Update

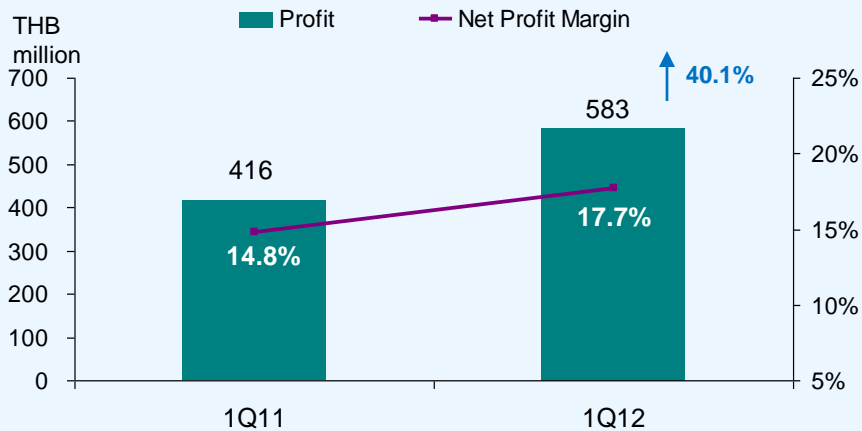
## Total Revenues



## EBITDA



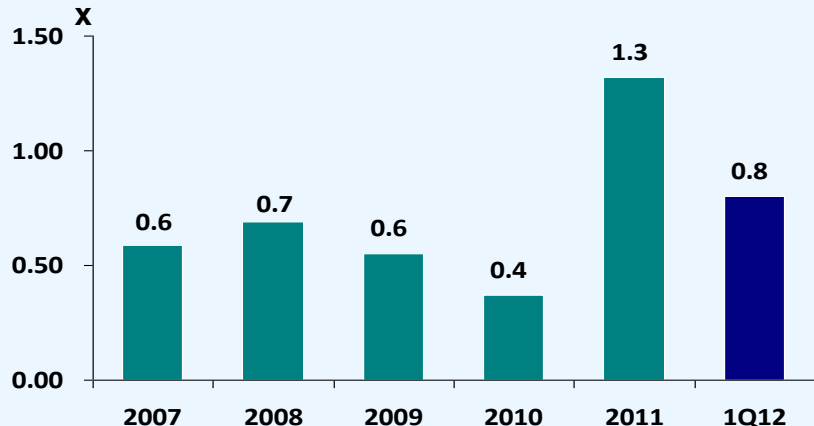
## Profit



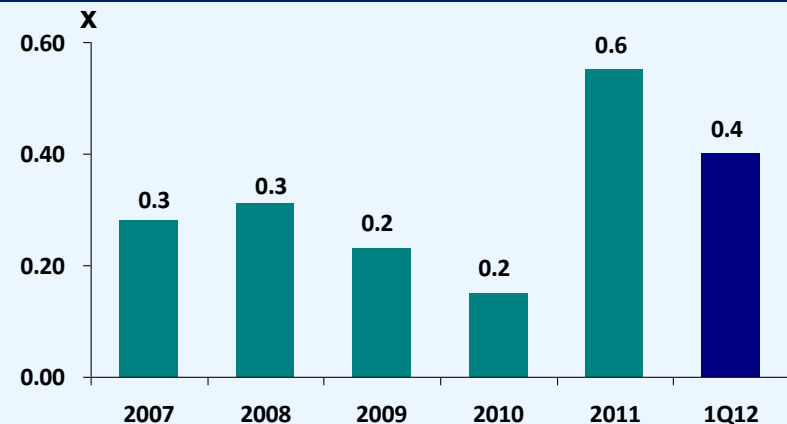
*As a result of the robust revenue growth, cost efficiency, and reduced statutory corporate income tax rate, net profit jumped by 40.1% in 1Q12 from the same period in the prior year, and the Net profit margin improved 19.6% from 14.8% to 17.7%*

# Leverage

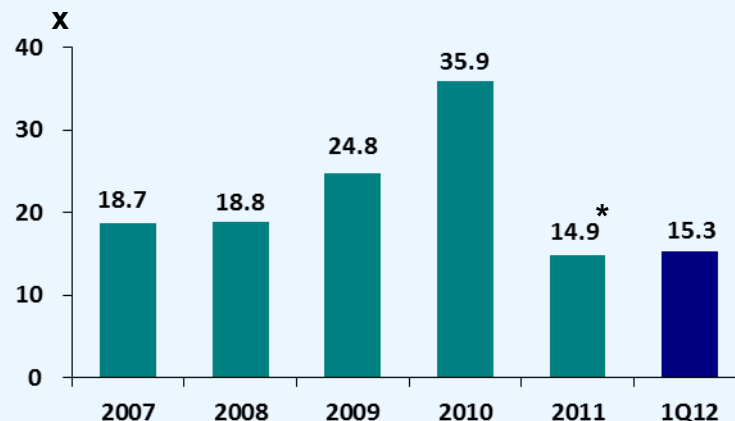
## Net Debt to EBITDA



## Net Debt to Equity



## Interest Coverage

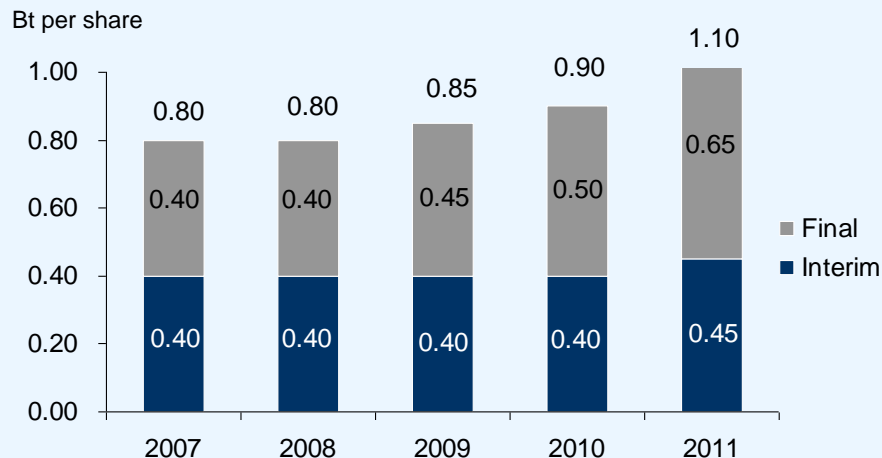


\*Interest expense related to the purchase of common shares of Bangkok Chain Hospital PCL doing business as Kasemrad Hospital Group to calculate interest coverage ratio was Baht 111 million based on remaining days after the transaction settled. Assuming this interest expense was incurred for the full year, interest expense from this transaction would be Baht 140 million and interest coverage ratio would be 12.9x

Net debt to EBITDA, Net debt to equity, and Interest coverage ratio for 1Q12 all improved from YE2011. The improvements were the direct result of the strong operating results and cash collections, providing the significant increase in Cash and cash equivalents.

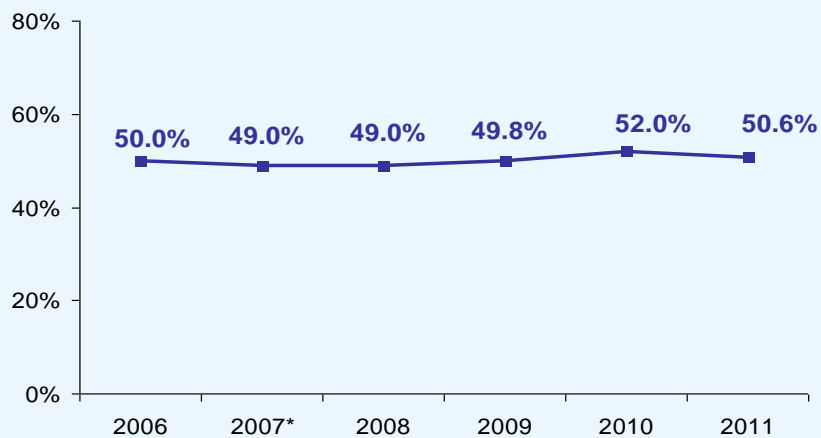
# Dividend Payment

## Dividend Payment



Margin have been strong and relatively stable, with recent improvement in EBITDA margin

## Payout Ratio



\* 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  
 = Net profit for dividend payment Baht 1,195 million



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# KH-Divestment

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- The KH shares were divested given the favorable market valuation which provided an opportunity for an attractive return and the potential to deploy capital for alternative uses.
- Approximately THB 4.6 billion gross proceeds received from the share sale.
- Other preliminary data (final transaction costs not yet received) relative to the divestiture:
  - Annualized pretax IRR in excess of 20%.
  - Consolidated pretax gain on sale of approximately THB 800 million after applicable transaction costs.

Results from KH-Divestment	
Gross Sales Proceeds (approximately)	THB 4,564 million
Annualized pretax IRR	> 20%
Consolidated pretax gain (approximately)	THB 800 million