



Bumrungrad Hospital Public Company Limited

Analyst Meeting No. 3/2012 – 2Q12 Results Update

16 August 2012

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Overview

Operational Update

- 2Q12: Outpatient volumes increased while inpatient admissions approximated those of 2Q11
- 2Q12: High revenue intensity in 2Q12 caused the growth rate in revenue from hospital operations. Inpatient and outpatient service revenue increased by 12.8% and 14.0%, respectively.
- 2Q12 reported net profit increased 45.4% from 2Q11.

Financial Performance

• 2Q12 Revenues	14.4% y-o-y	1H12 Revenues	15.0% y-o-y
• 2Q12 EBITDA	10.5% y-o-y	1H12 EBITDA	14.4% y-o-y
• 2Q12 Net profit	45.4% y-o-y	1H12 Net profit	42.5% y-o-y

Updates and Ongoing Focus

- BI Bangkok
- Thailand
- International

Agenda

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Operational Update

Financial Performance

Associated Companies

Strategy

Bumrungrad International Hospital

- Campus Expansion
- Doctor Recruitment

Metro Bangkok

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

International

- Review of selective opportunities

Campus Expansion

Back office

- Move off campus into leased office space

Clinics

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

Inpatient

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

Bumrungrad International – 2nd Campus

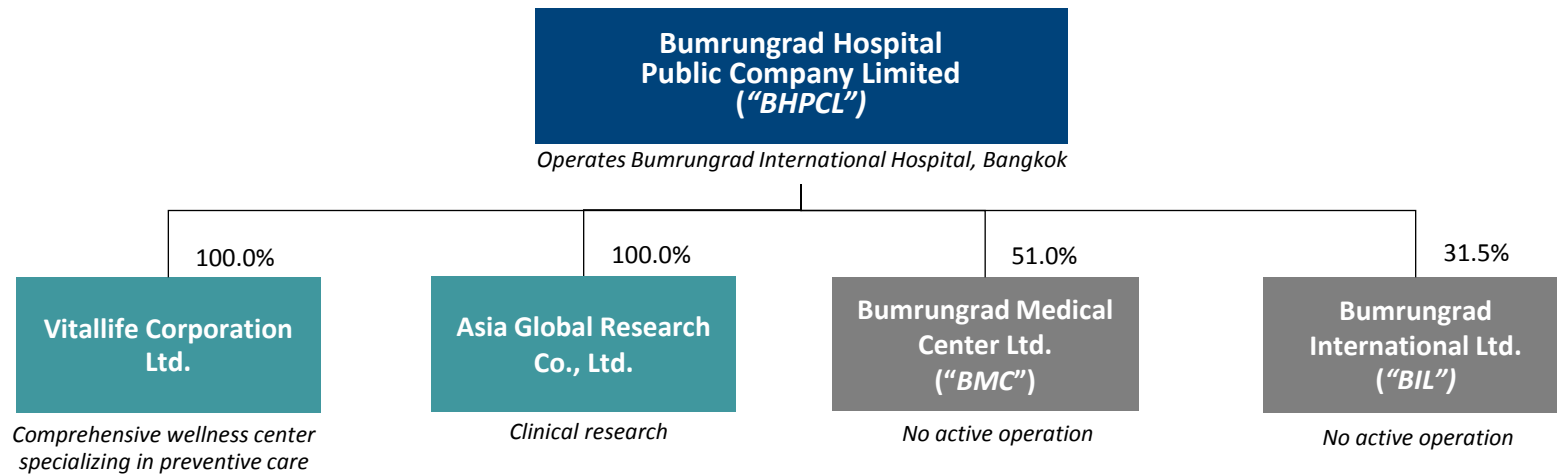
- Bought 7,965 sq. meters of land on Petchburi Road.
- Capability to construct 150 – 200 bed hospital

Acquire Additional Capacity

- Determine alternatives for employee housing
- Determine alternatives for office space

Est. Capital Investment (Million THB)	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Total
	643	892	1,811	625	514	2,234	120	6,839

Realignment of the Corporate Structure



- Divestment of all KH shares on 10 July 2012.
- BIL ceased its operating activity.

BIL Capital Reductions

Date	From	To	BHPCL Received
19 April 2011	THB 3,199.3 million	THB 1,176.0 million	THB 612.6 million
15 March 2012	THB 1,176.0 million	THB 294.0 million	THB 270.6 million
18 May 2012	THB 294.0 million	THB 73.5 million	THB 69.5 million
23 July 2012	THB 73.5 million	THB 18.4 million	THB 17.4 million

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Strategy

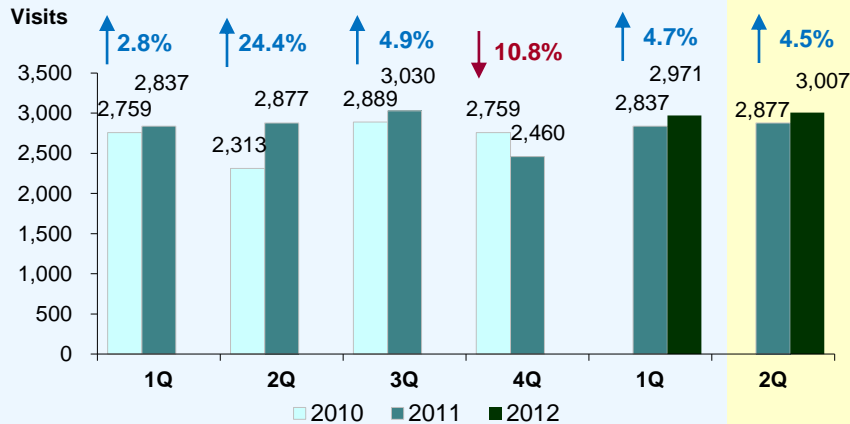
Operational Update

Financial Performance

Associated Companies

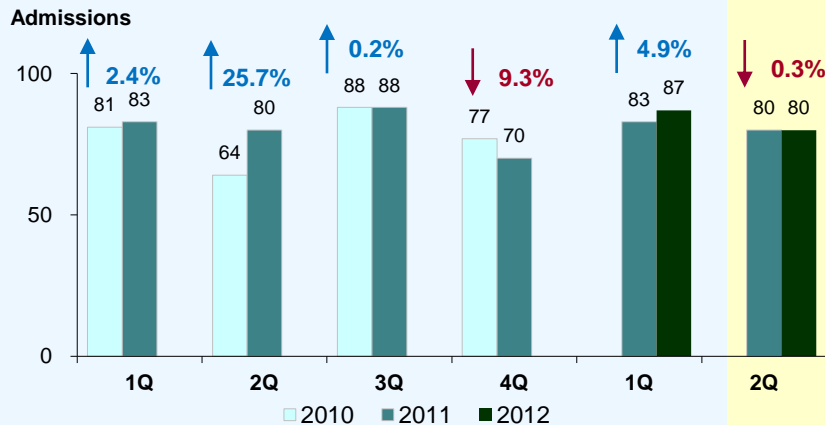
Overall Volume Trend

Average Visits per Day

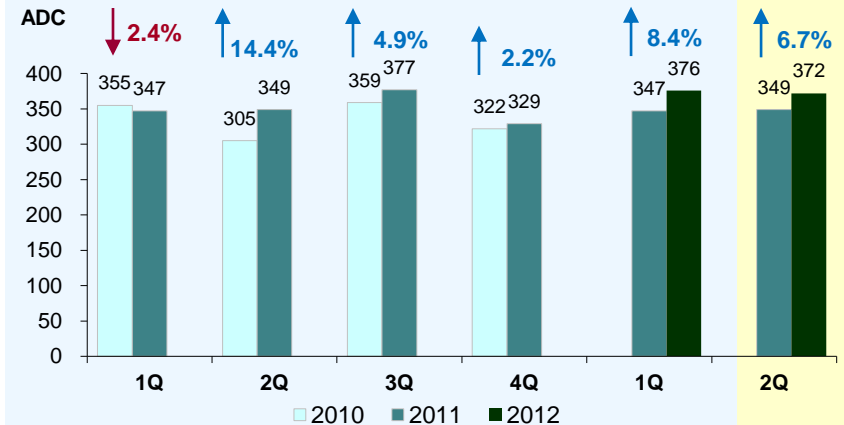


Outpatient volumes increased in 2Q12 compared with 2Q11, primarily due to strong growth in international markets. While inpatient admissions for 2Q12 approximated those of 2Q11, inpatient days increased due to a longer average length of stay from higher acuity cases.

Average Admissions per Day

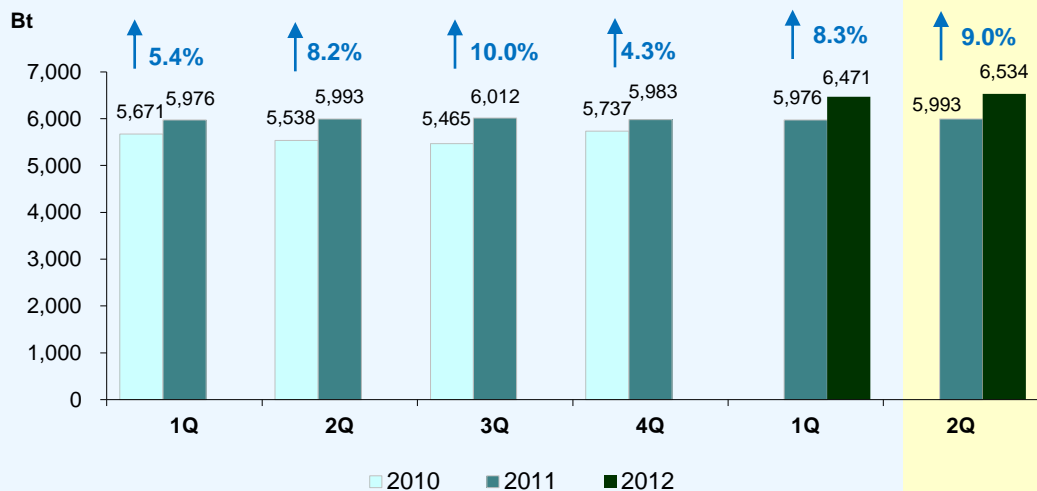


Average Daily Census



Revenue Intensity

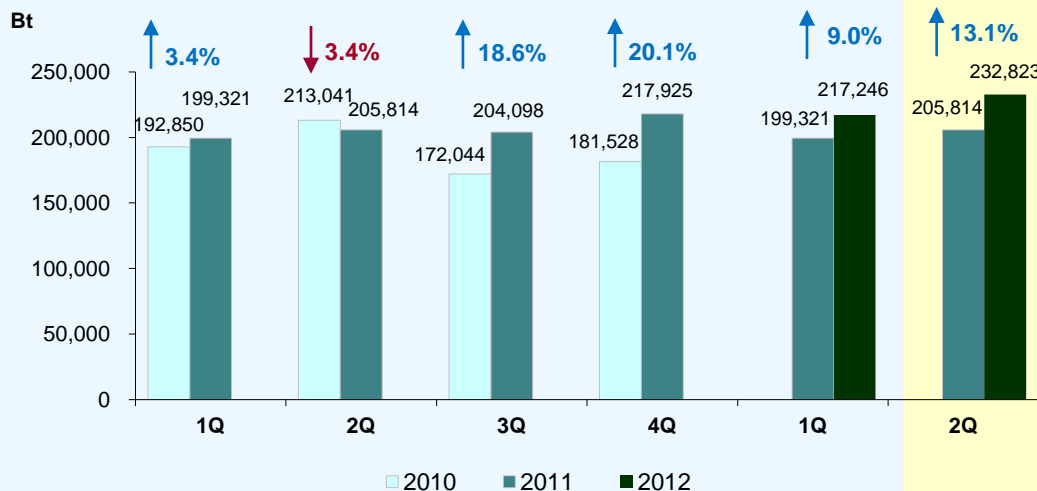
Revenue per Visit



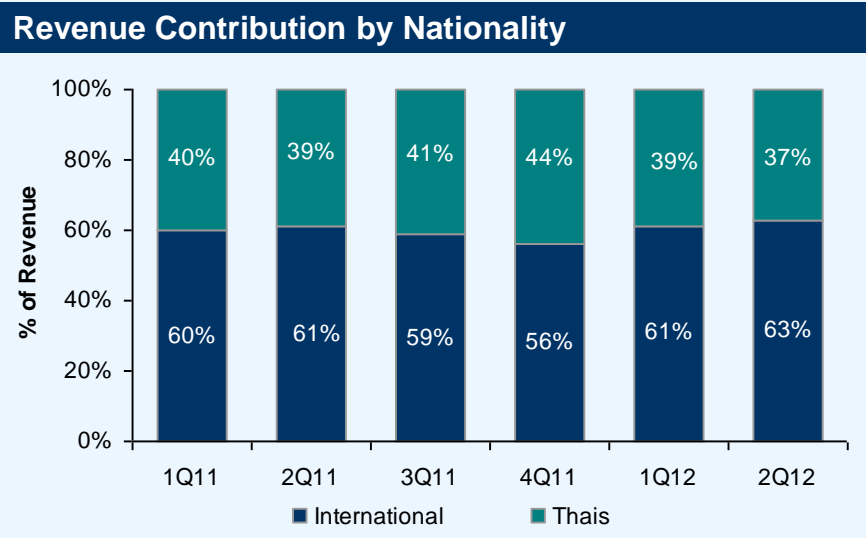
Revenue per unit of service reflects a 3.3% increase from the annual price adjustment. The remaining amount is revenue intensity or increased consumption:

- OPD revenue intensity per visit increased 5.7% in 2Q12.
- IPD revenue intensity per admission increased 9.8% in 2Q12 from increased length of stay.

Revenue per Admission

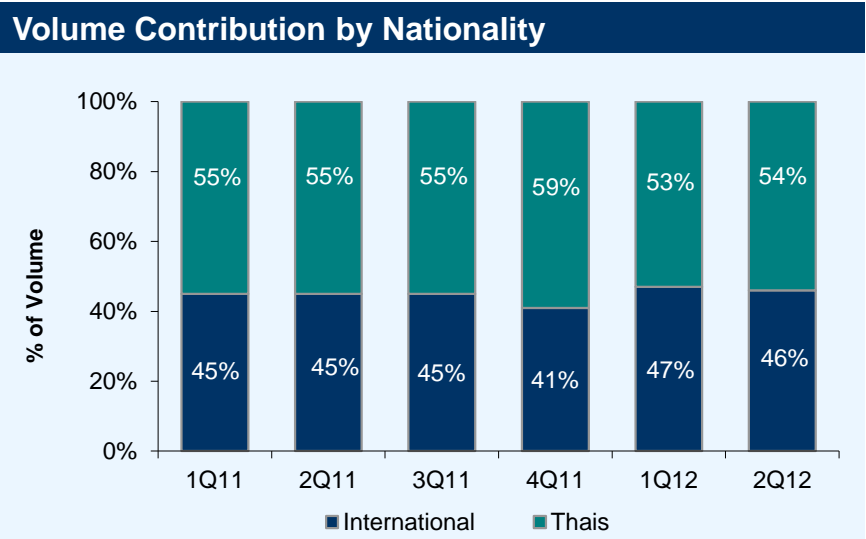


International Breakdown

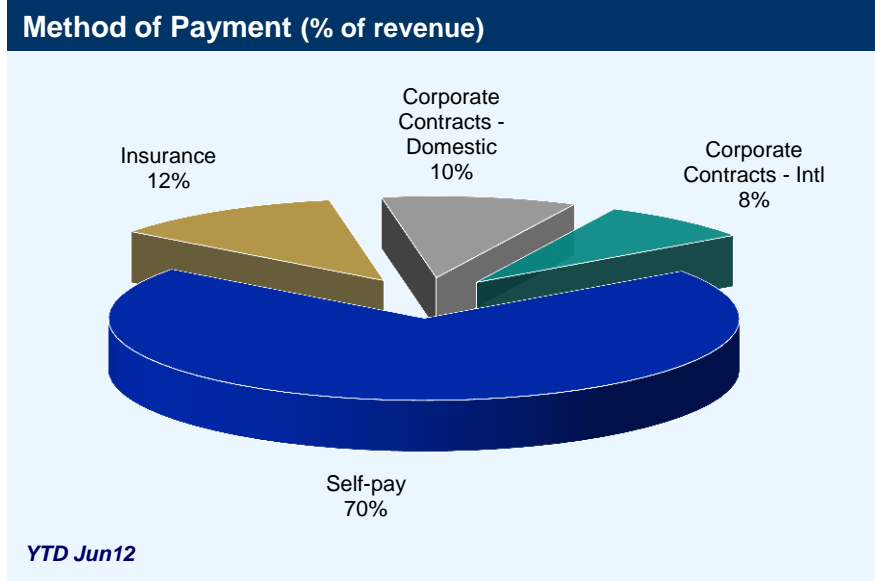
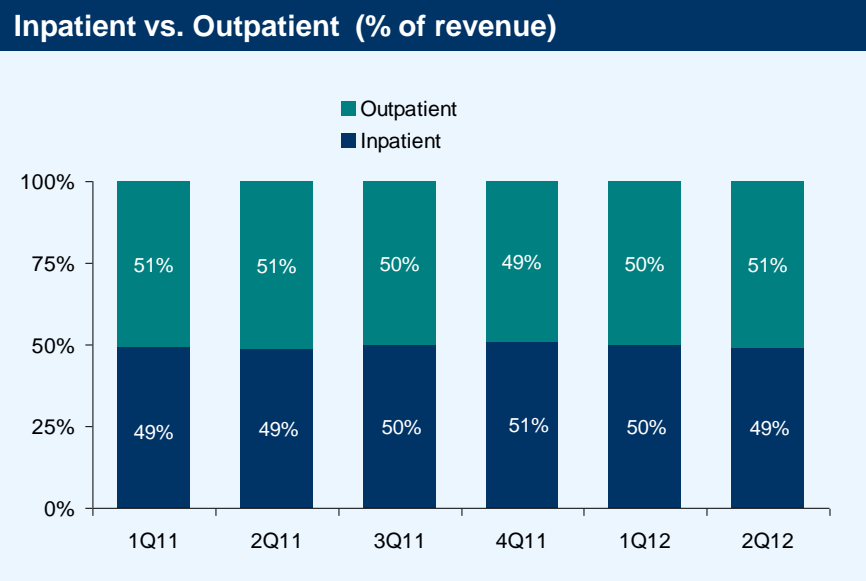


- For 2Q12, international revenue was up 17.3% from 2Q11, primarily from revenue intensity.
- Top 5 revenue contribution countries (1H12)

UAE	9%
USA	6%
Myanmar	5%
Oman	5%
Kuwait	4%



Revenue Breakdown



- Revenue contribution for outpatient and inpatient services mostly in line with historical amount.
- 2Q12 Revenue growth:
 - Outpatient revenue increased by 14.0% y-o-y
 - Inpatient revenue increased by 12.8% y-o-y
- Self-pay remains the primary method of payment

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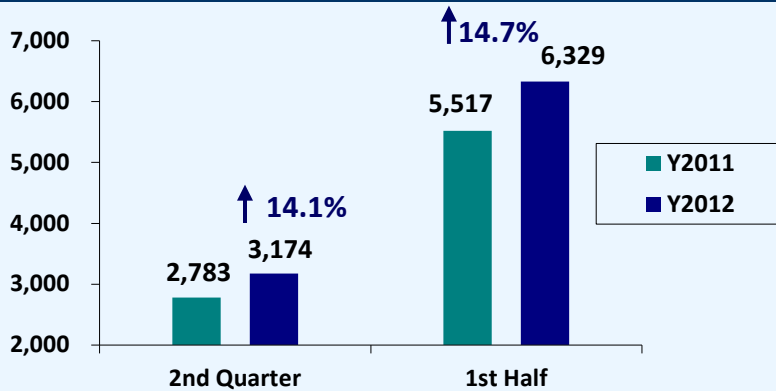
Operational Update

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Revenue and Gross Margin

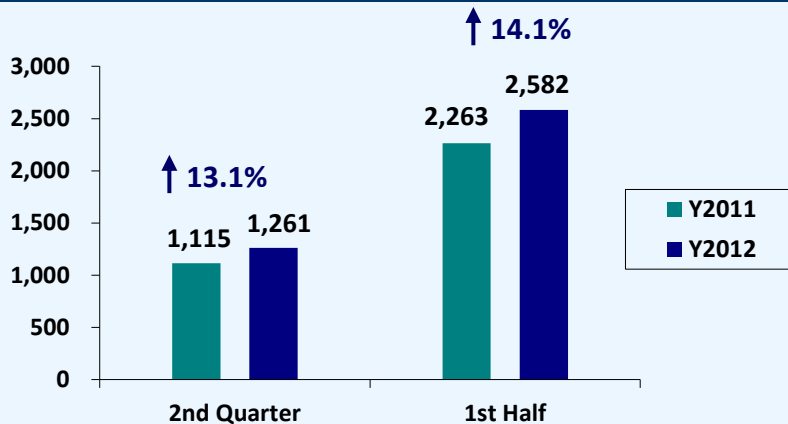
Revenue from Hospital Operations (THB mm)



Gross Profit Margin Trend



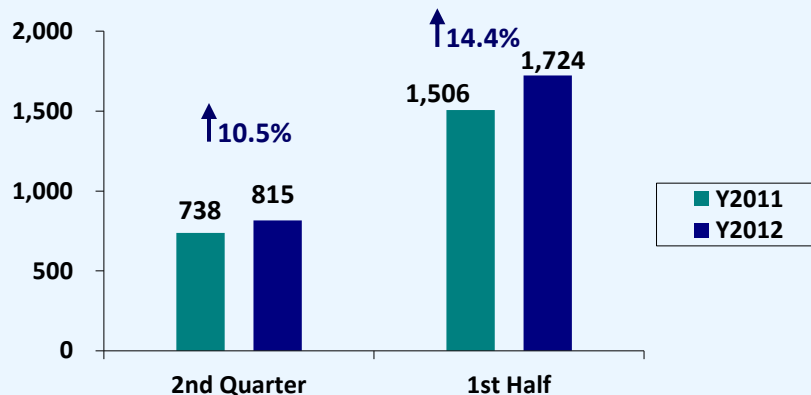
Gross Profit (THB mm)



- Cost of hospital operations increased by 14.7% in 2Q12 and 15.2% in 1H12.
- The increase in Cost of hospital operations was slightly higher than the increase in revenue from hospital operations due to additional staff related expense mostly as a result of the government mandated minimum wage adjustment effective 1 April 2012.
- Gross profit margin of 39.7% in 2Q12 compared to 40.1% in 2Q11. Excluding the impact of the minimum wage adjustment, the Gross profit margin improved year-over-year.

EBITDA and EBITDA Margin

EBITDA (THB mm)



- *Administrative expenses increased by 18.4% in 2Q12 and by 14.0% in 1H12.*
- *The increase in Administrative expenses was mostly due to additional staff related expense and outsourced services expense as a result of the minimum wage adjustment, and increased marketing related expenses due to timing differences of expenditures between periods.*

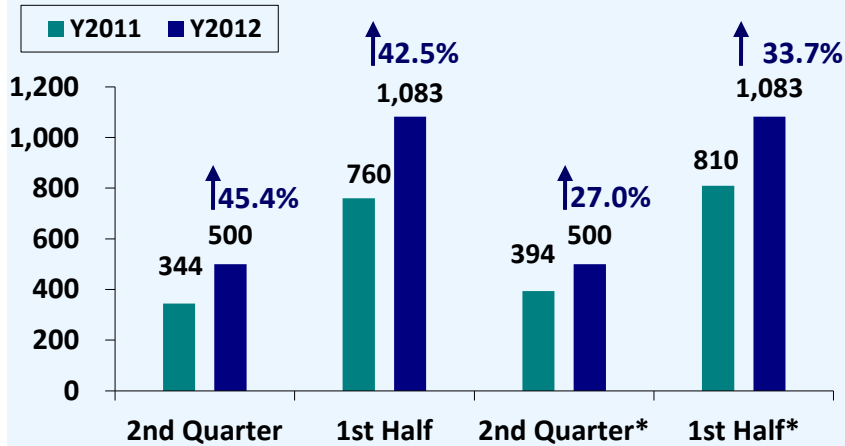
EBITDA Margin Trend



- *EBITDA margin at 25.0% in 2Q12 compared to 25.9% in 2Q11 and 26.6% in 1H12 compared to 26.7% in 1H11. When the effect of the minimum wage adjustment is excluded, EBITDA margin improved both in 2Q12 and 1H12 from the prior year.*

Net Profit, Net Profit Margin and Diluted EPS

Net Profit (THB mm)

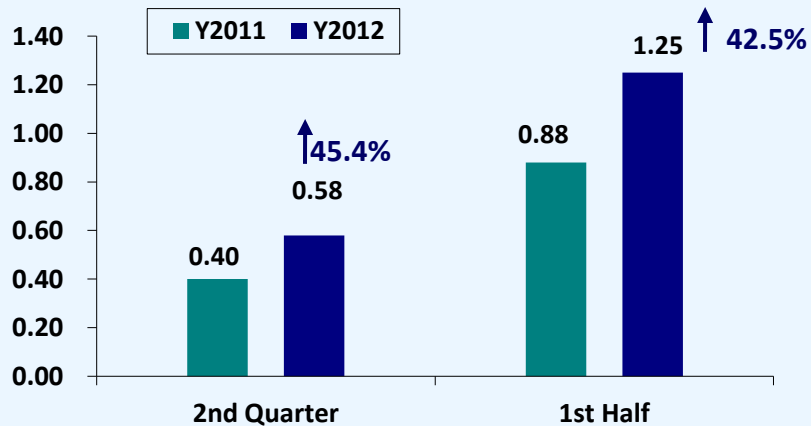


* Excluding an extraordinary item

Net Profit Margin



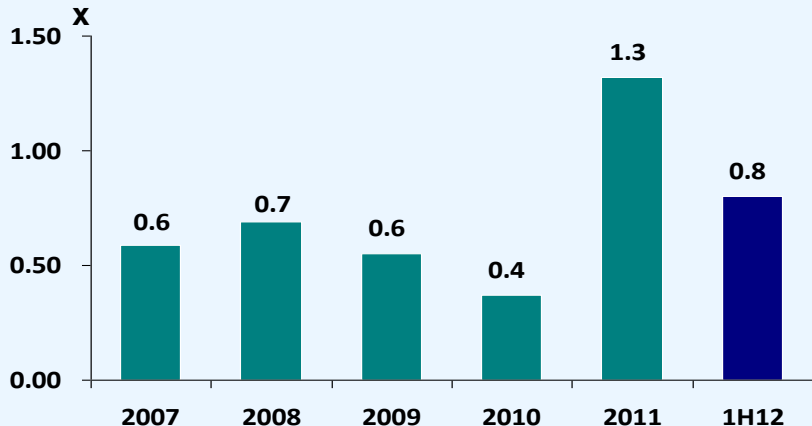
Diluted EPS (THB)



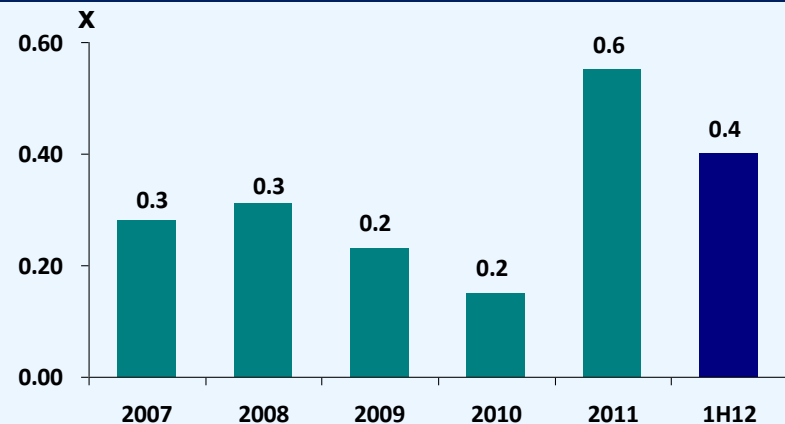
- As a result of the revenue growth and the statutory corporate income tax rate reduction, offset somewhat by additional expenses relative to the minimum wage adjustment, net profit increased by 45.4% in 2Q12 and 42.5% in 1H12 from the same period in the prior year. Net profit margin improved from 12.1% in 2Q11 to 15.1% in 2Q12 and from 13.4% in 1H11 to 16.4% in 1H12.

Leverage

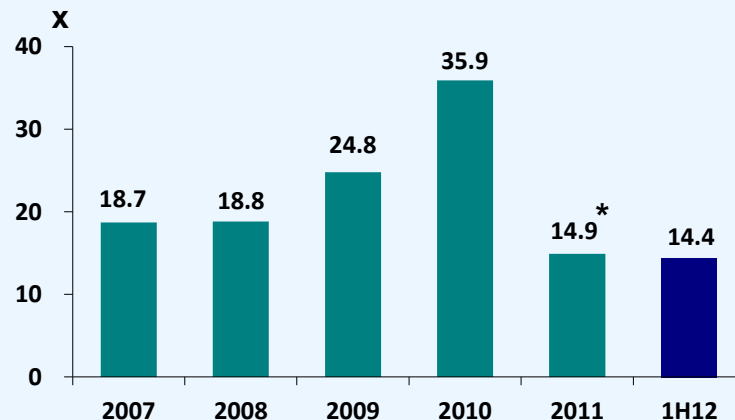
Net Debt to EBITDA



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 and Net debt to equity for 1H12 all improved from 2011. The improvements were the direct result of the strong operating results and cash collections, providing the significant increase in Cash and cash equivalents.
- Interest coverage ratio for 1H12 decreased slightly from 2011. If we assumed full year impact on interest expense from Kasemrad investment in 2011, interest coverage ratio improved from 12.9 in 2011 to 14.4 in 1H12.

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Kasemrad Hospital Group (KH)

- KH Acquisition Date: 18 March 2011
- BH Investment % : 24.99%
- BH recognized share of KH's income in 1H12, following the investment in March 2011, is set out in the table below.

(Unit: Thousand Baht)	1H12	1H11*
Share of income from KH	111,286	43,541
Depreciation for fixed assets revaluation	(4,227)	-
Share of income from KH -net	107,059	43,541
Consulting fee for KH loan	-	(4,141)
Interest expenses	(82,633)	(36,189)
Amortization of bond issuance cost	(2,001)	-
Decrease in corporate income tax	19,006	12,099
Net income/(loss) from KH	41,430	15,310

* The Company did not recognize the share of income of Baht 3.6 million from Kasemrad Hospital Group in 1Q11, as the acquisition occurred during the last few days of 1Q11

KH-Divestment

- 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.
- THB 4.564 billion in gross proceeds received from the share sale.
- Consolidated pretax gain on sale of THB 789.8 million after applicable transaction costs.
- Estimated Net Gain on sale (Equity Basis) of approximately THB 579 million.
- Cumulative Gross ROI was 31.4% & Annualized pretax IRR was 20.5%.

Results from KH-Divestment	
Gross Sales Proceeds	THB 4,564 million
Consolidated pretax gain	THB 789.8 million
Estimated Net Gain on sale -Equity Basis	THB 579 million
Cumulative Gross ROI	31.4%
Annualized pretax IRR	20.5%

Q & A