



# **Bumrungrad Hospital Public Company Limited**

## ***Investor Presentation***

***August 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

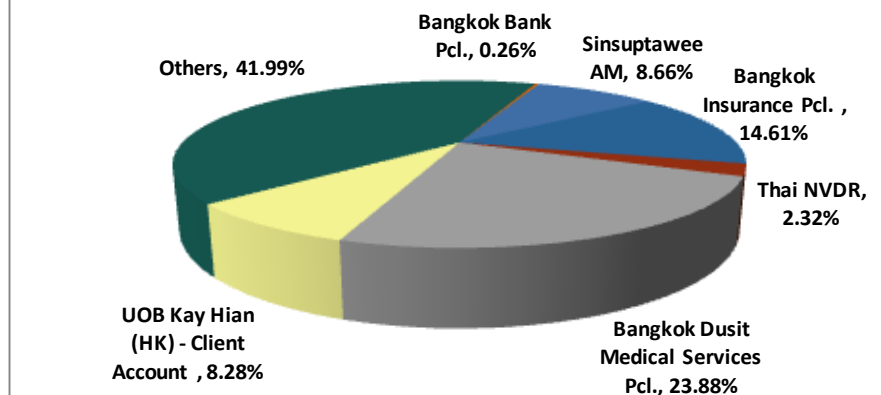
### ○ Patients

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

### ○ Services

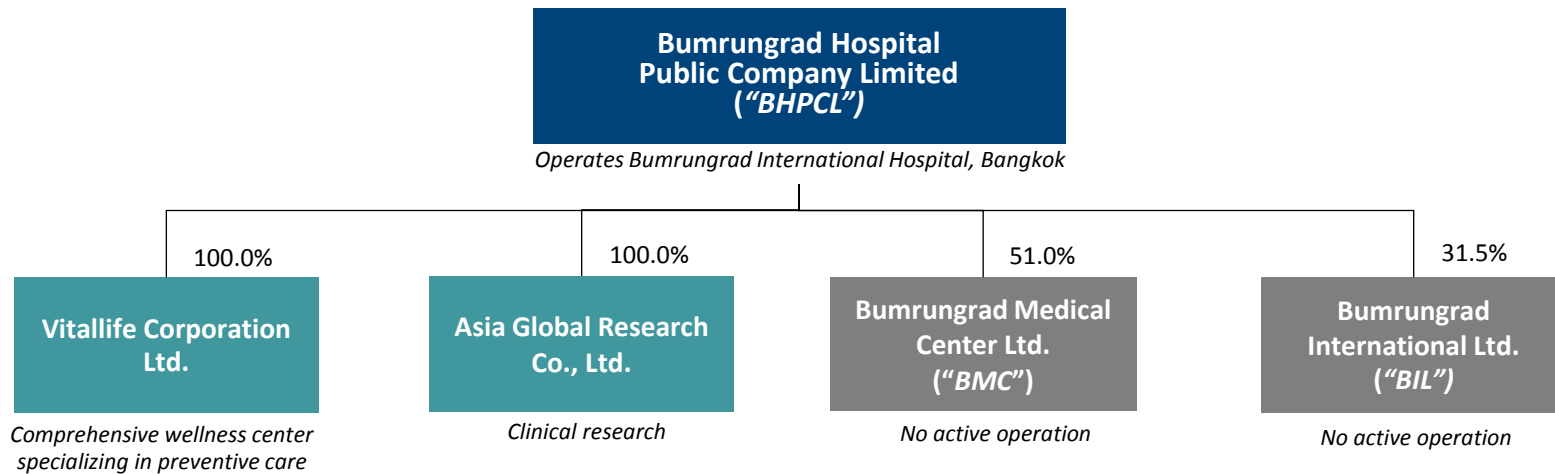
- 35 Clinics centers

## Shareholding Structure



As of 29 June, 2012

# Realignment of the Corporate Structure



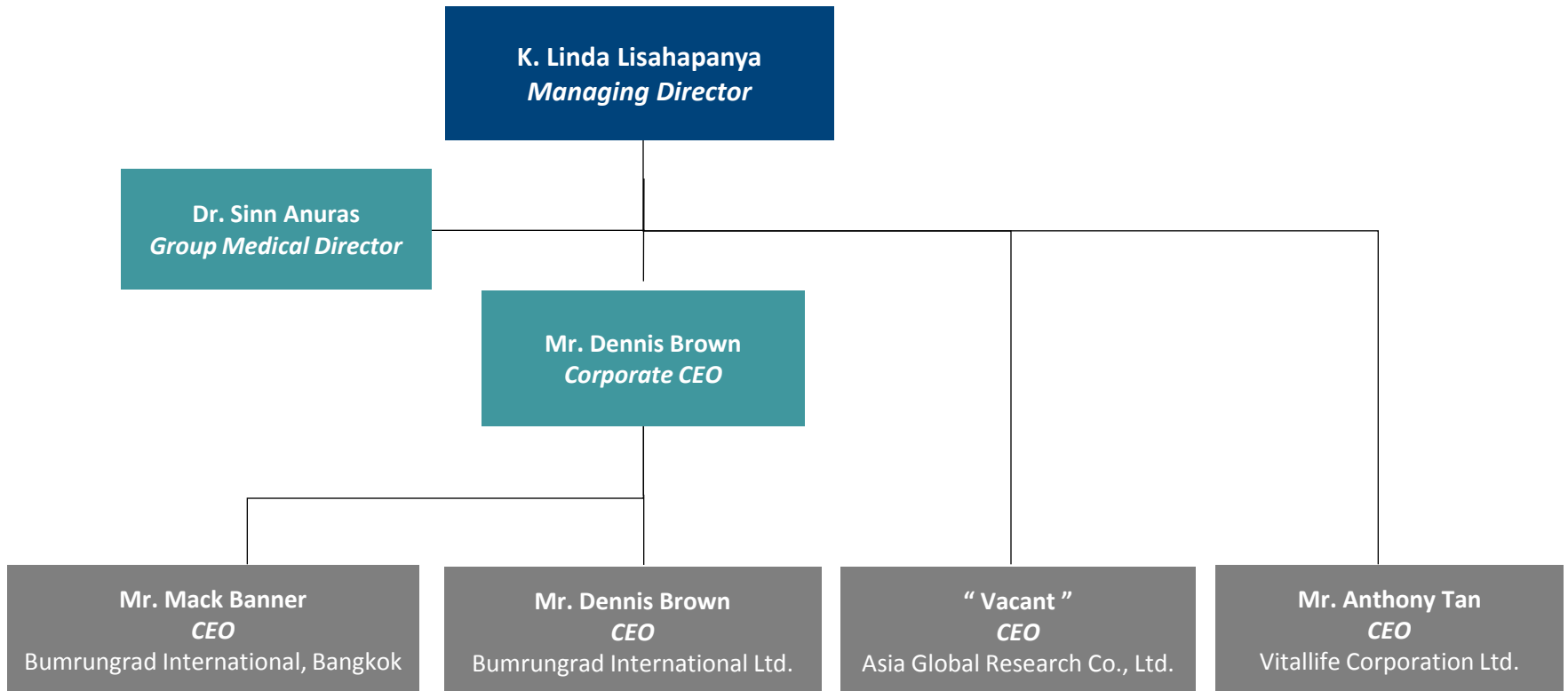
- Divestment of all KH shares on 10 July 2012.
- BIL ceased its operating activity.

## 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

# 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

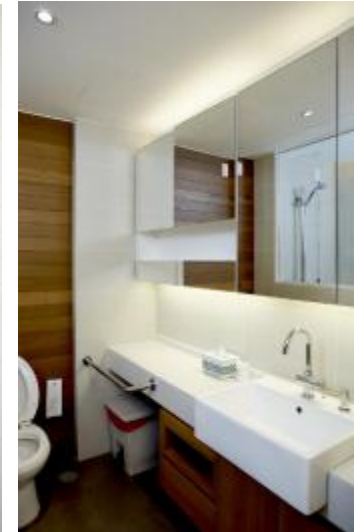
- Skilled medical staff
- Affordable wage levels
- Warm and efficient service culture
- Focus on patient preferences with a “self-pay” market
- Significant general tourism activity with global appeal
- Regulations and attitudes supporting private healthcare

## 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

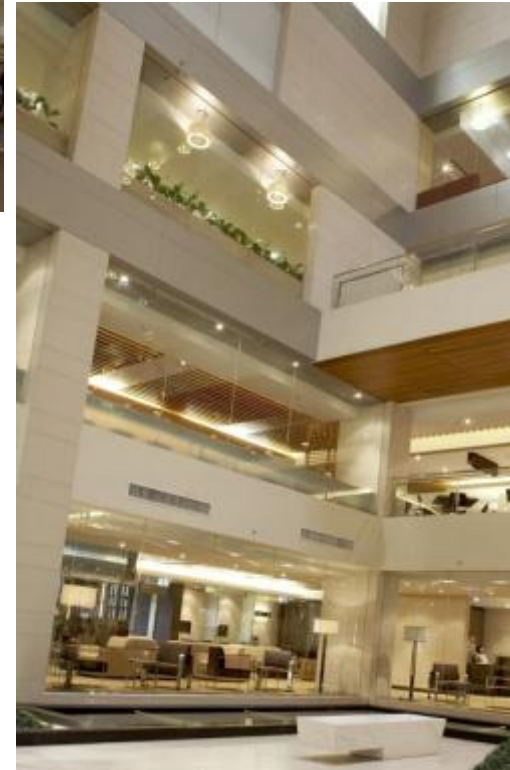


New Clinics

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

## 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 – 2<sup>nd</sup> 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

# Agenda

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*Overview*

*Strategy*

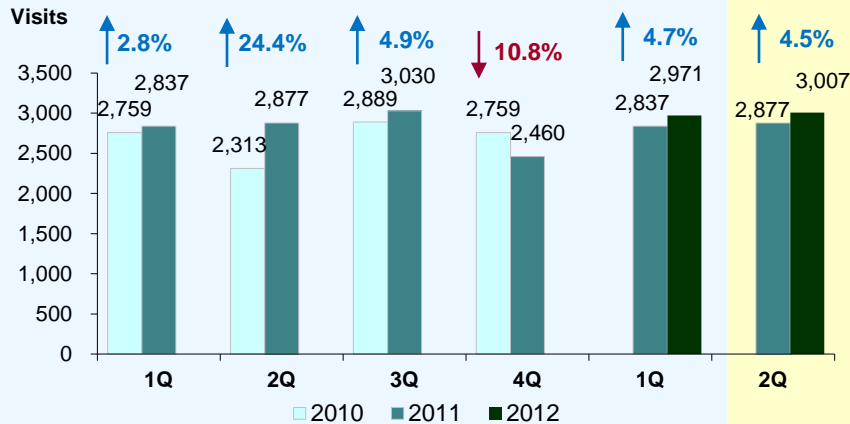
*Operational Update*

*Financial Performance*

*Associated Companies*

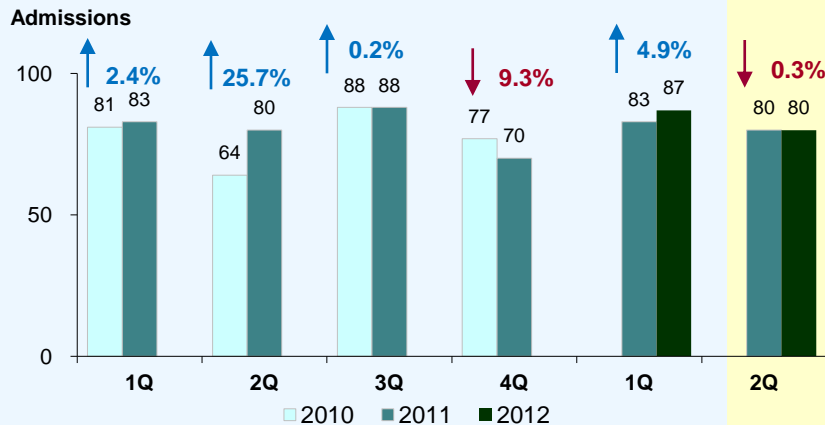
# Overall Volume Trend

## Average Visits per Day

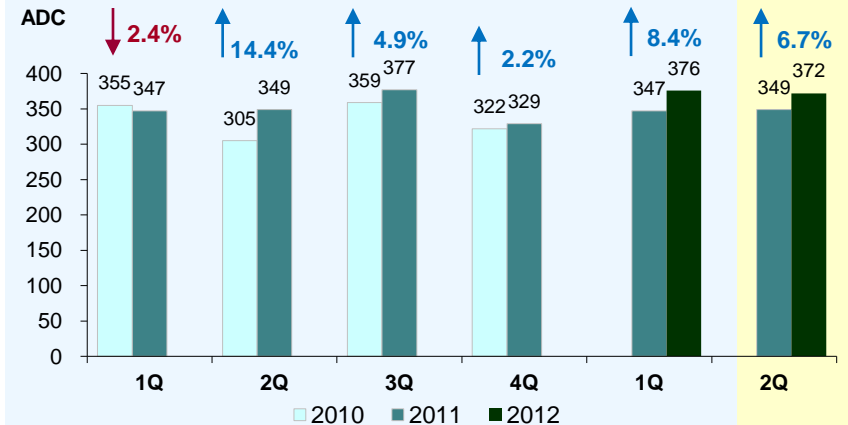


Outpatient volumes increased in 2Q12 compared with 2Q11, primarily due to strong growth in international markets. While inpatient admissions for 2Q12 approximated those of 2Q11, inpatient days increased due to a longer average length of stay from higher acuity cases.

## Average Admissions per Day

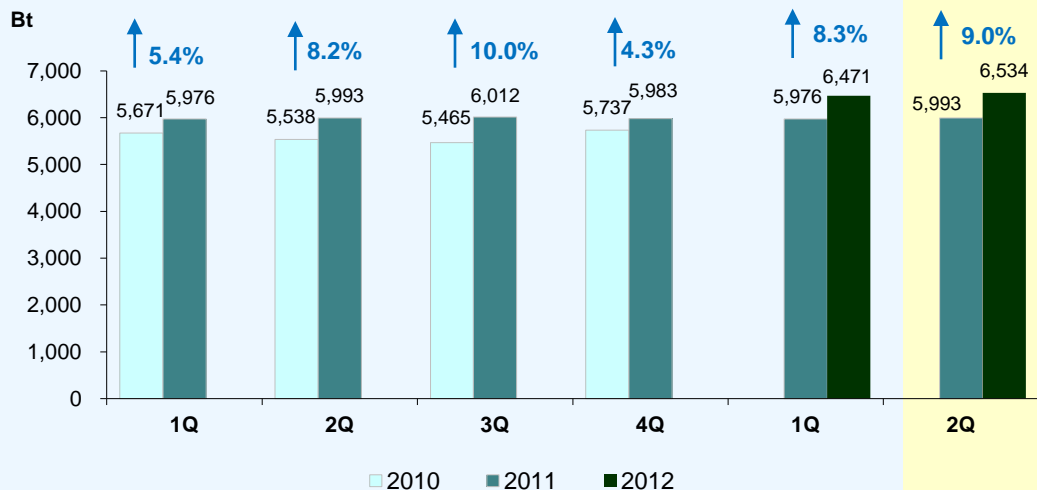


## Average Daily Census



# Revenue Intensity

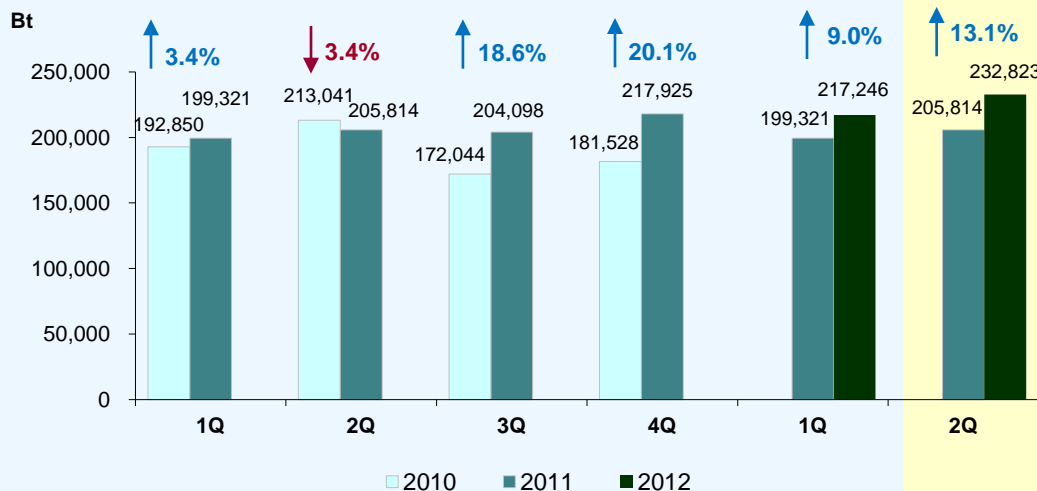
## Revenue per Visit



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

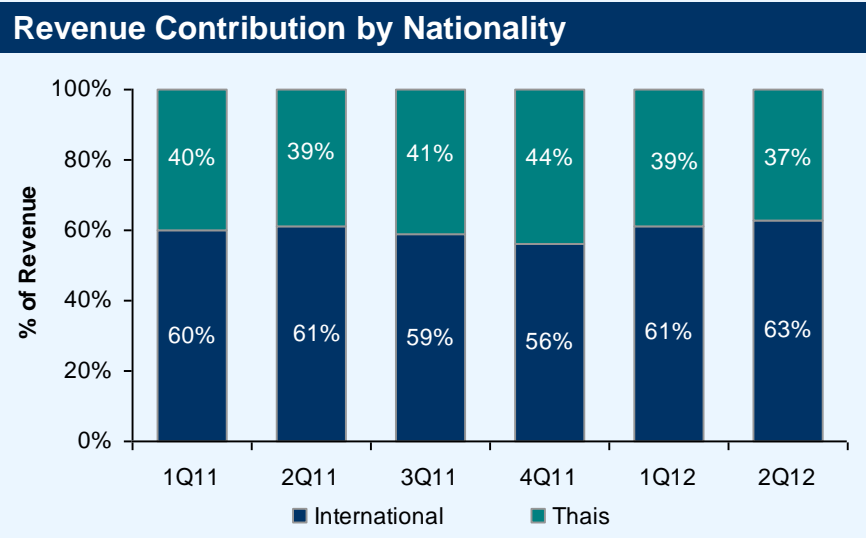
- OPD revenue intensity per visit increased 5.7% in 2Q12.
- IPD revenue intensity per admission increased 9.8% in 2Q12 from increased length of stay.

## Revenue per Admission



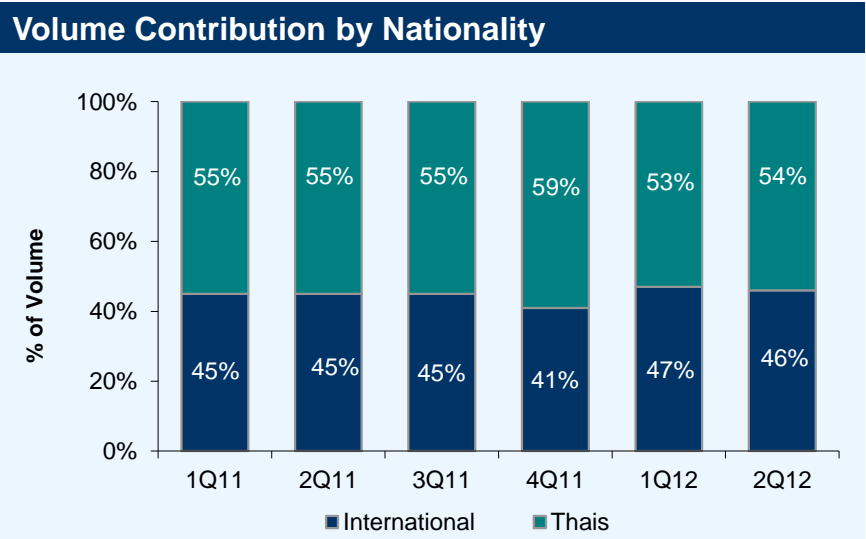


# International Breakdown

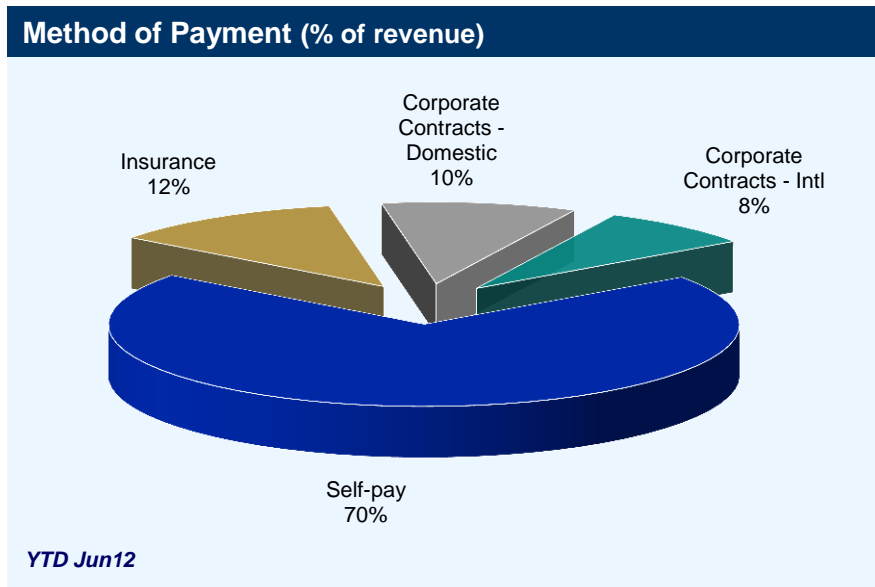
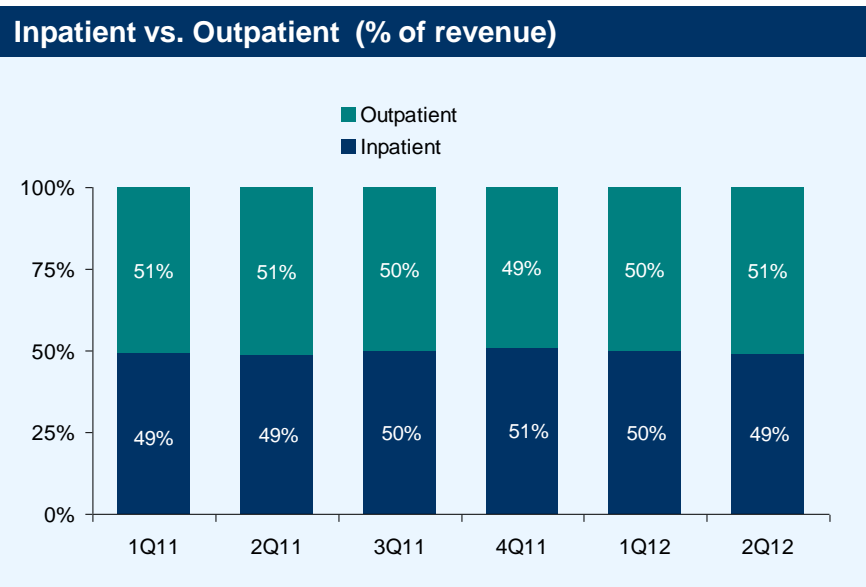


- For 2Q12, international revenue was up 17.3% from 2Q11, primarily from revenue intensity.
- Top 5 revenue contribution countries (1H12)

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

# Agenda

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*Overview*

*Strategy*

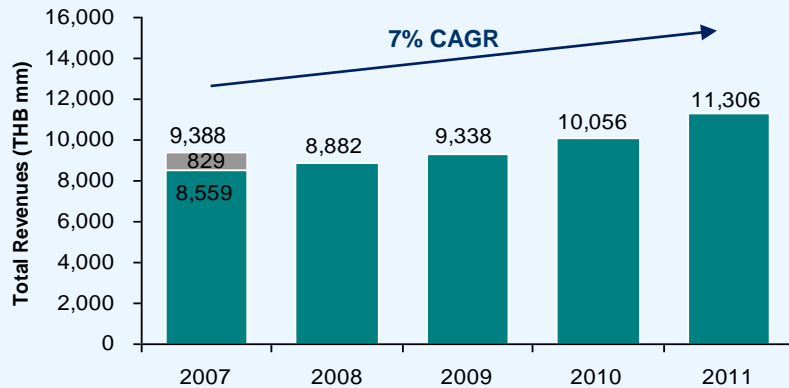
*Operational Update*

*Financial Performance*

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# Operating Performance 2007-2011

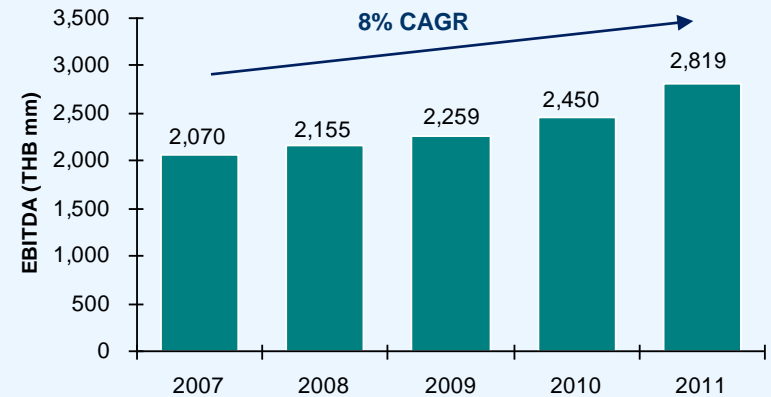
## Total Revenues



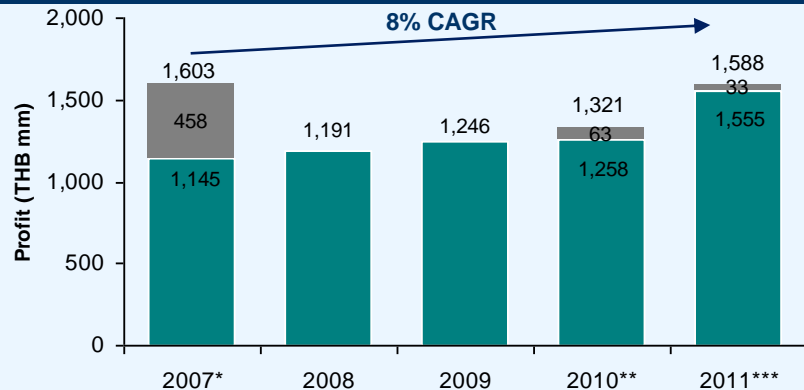
BH reported a one-time gain on share of profit in investment in CDE Trading (previously GCS Thailand) in 2007 of THB 829 million, mainly from sale of GCS Thailand's assets

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

## EBITDA



## Profit



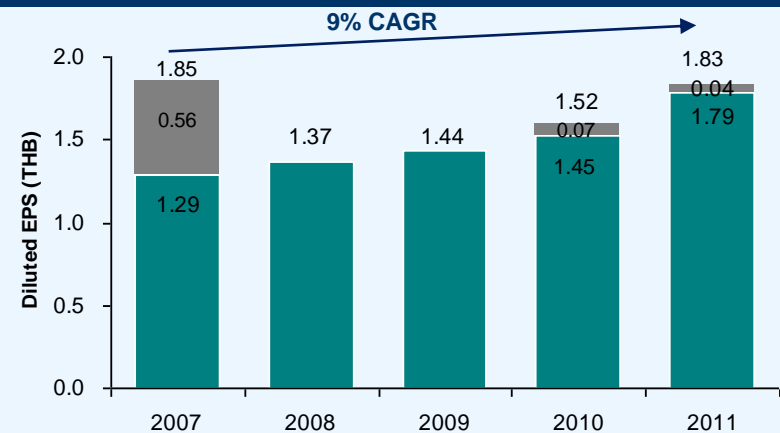
\* One-time profit of THB 458 million in 2007 was share of profit in investment in GCS Thailand, netted off with impairment of hospital software system

\*\* 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.

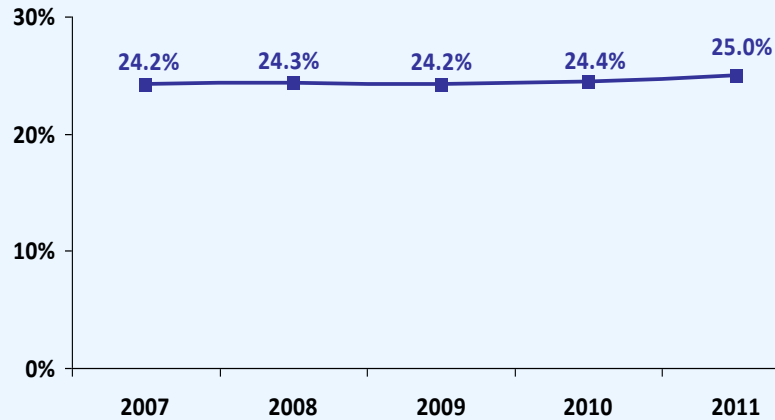
## DILUTED EPS



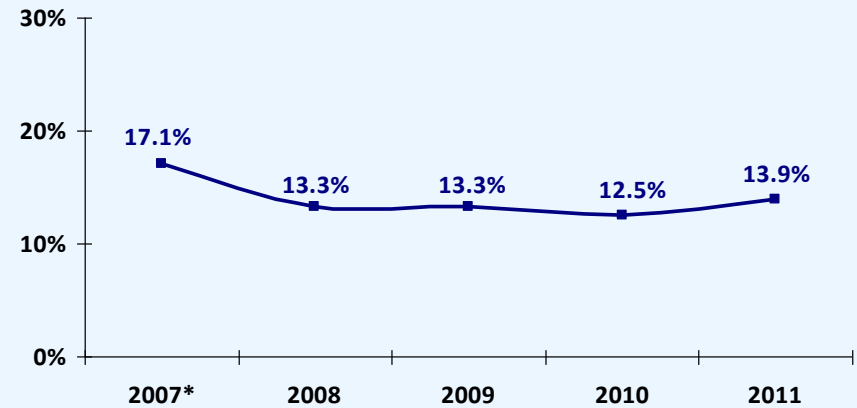
Remark: The calculation of CAGR is excluding the extraordinary items.

# Margins & Trend

## EBITDA Margin Trend



## Net Profit Margin Trend

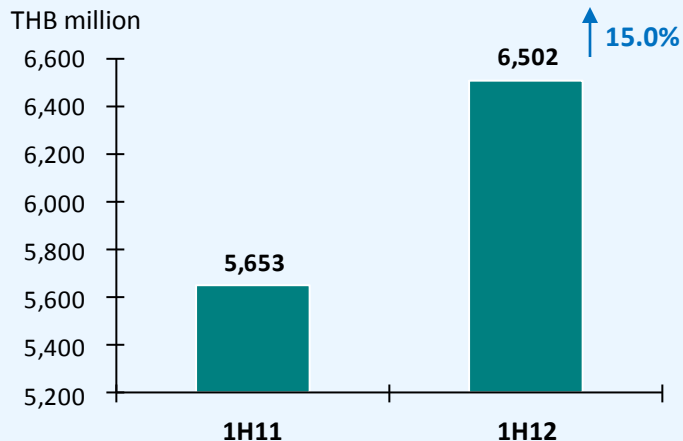


\*Net margin in 2007 includes the benefit of one-time non-operating items

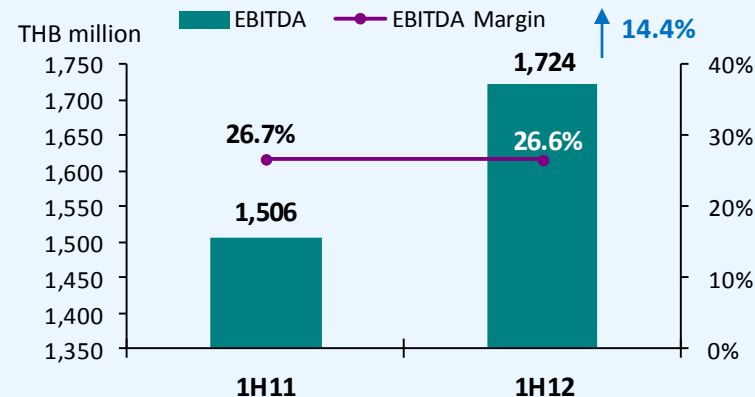
*Margins have been strong and relatively stable over time*

# 1H12 Update

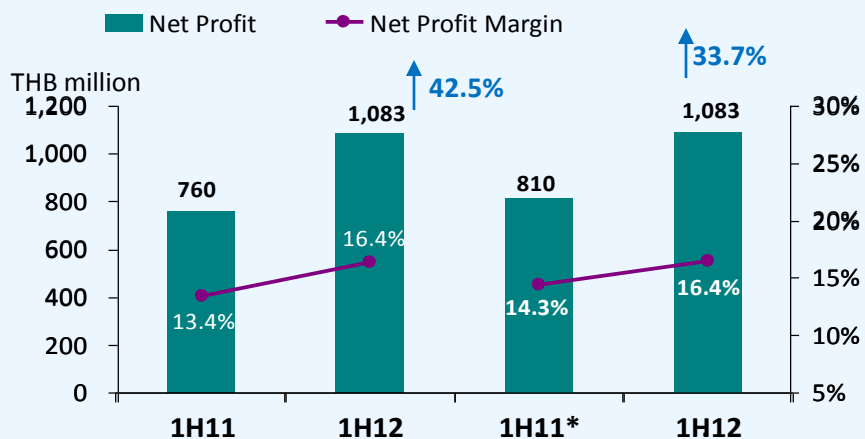
## Total Revenues



## EBITDA



## Net Profit

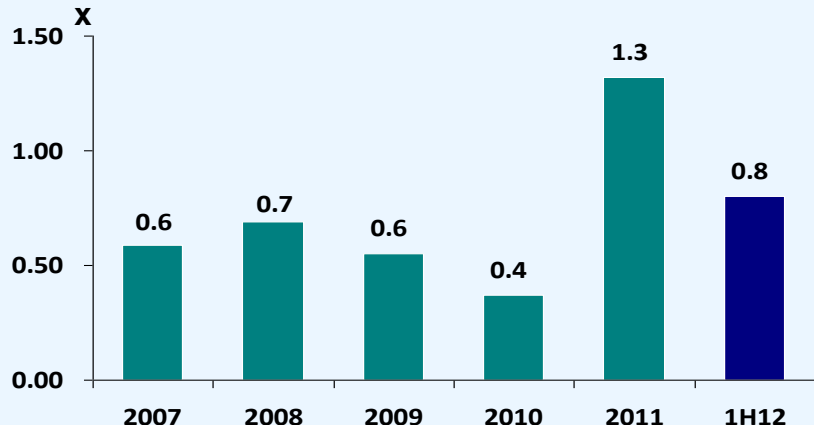


\*Excluded an extraordinary item

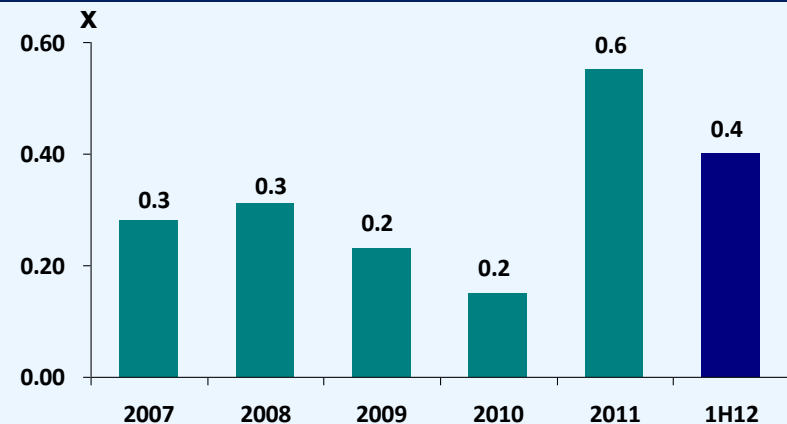
*As a result of the revenue growth and the statutory corporate income tax rate reduction, offset somewhat by additional expenses relative to the minimum wage adjustment, net profit increased by 42.5% in 1H12 from the same period in the prior year. Net profit margin improved from 13.4% in 1H11 to 16.4%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

# Leverage

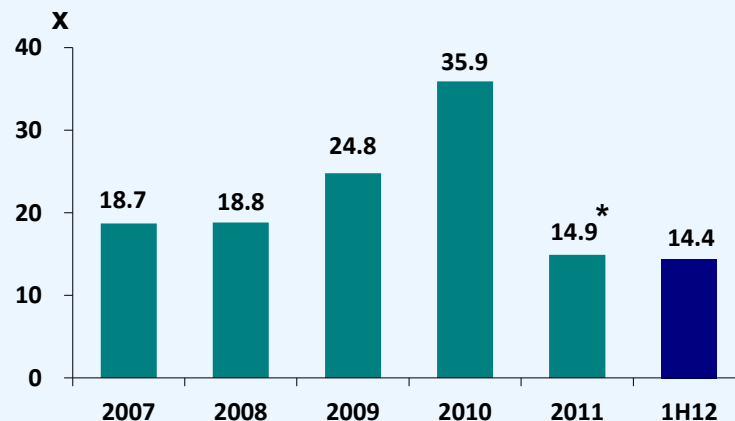
## Net Debt to EBITDA



## Net Debt to Equity



## Interest Coverage

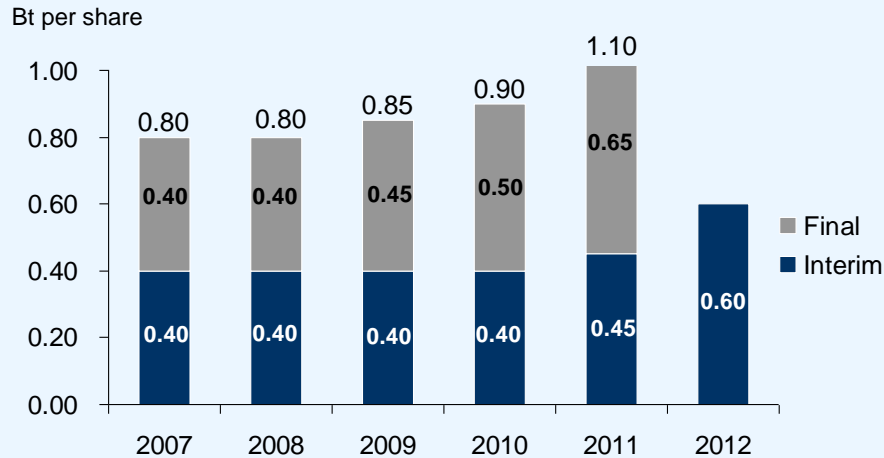


\*Interest expense related to the purchase of common shares of Bangkok Chain Hospital PCL doing business as Kasemrad Hospital Group to calculate Interest coverage ratio was Baht 111 million based on remaining days after the transaction settled. Assuming this interest expense was incurred for the full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

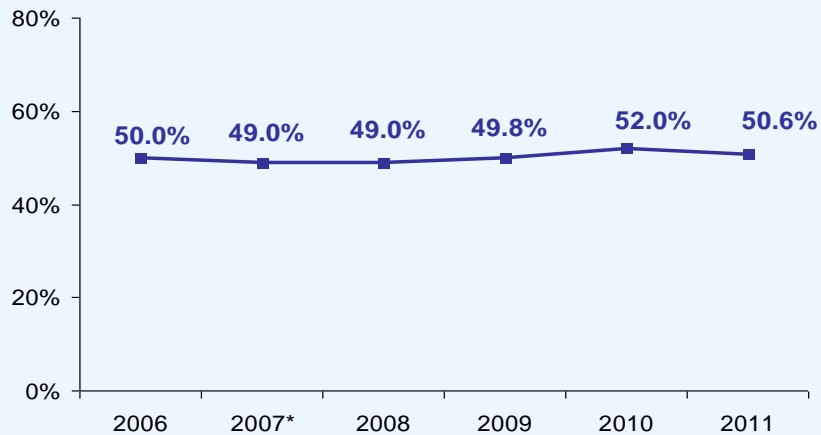
# Dividend Payment

## 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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# 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.

<b>(Unit: Thousand Baht)</b>	<b>1H12</b>	<b>1H11*</b>
<b>Share of income from KH</b>	<b>111,286</b>	<b>43,541</b>
Depreciation for fixed assets revaluation	(4,227)	-
<b>Share of income from KH -net</b>	<b>107,059</b>	<b>43,541</b>
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
<b>Net income/(loss) from KH</b>	<b>41,430</b>	<b>15,310</b>

\* 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

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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.
- 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%