



Bumrungrad Hospital Public Company Limited

Analyst Meeting No. 1/2013 – 4Q12 and 2012 Results Update

4 March 2013

Disclaimer

- *The information contained in this presentation is for information purposes only and does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for any securities of Bumrungrad Hospital Public Company Limited (the "**Company**") in any jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.*
- *This presentation is being communicated only to persons who have professional experience in matters relating to investments and/or to persons to whom it is lawful to communicate it under the laws of applicable jurisdictions. Other persons should not rely or act upon this presentation or any of its contents.*
- *Certain information and statements made in this presentation contain the Company's forward-looking statements. All forward-looking statements are the Company's current expectation of future events and are subject to a number of factors that could cause actual results to differ materially from those described in the forward-looking statements. Prospective investors should take care with respect to such statements and should not place undue reliance on any such forward-looking statements.*
- *This presentation has been prepared by the Company solely for the use at this presentation. The information in this presentation has not been independently verified. No representation, warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information and opinions in this presentation. None of the Company, any of its affiliates or any of their respective agents, advisors or representatives, shall have any liability (in negligence or otherwise) for any loss or damage howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information presented or contained in this presentation is current as of the date hereof and is subject to change without notice and its accuracy is not guaranteed. None of the Company, any of its affiliates or any of their respective agents, advisors or representatives, makes any undertaking to update any such information subsequent to the date hereof.*
- *This presentation should not be construed as legal, tax, investment or other advice. No part of this presentation shall be relied upon directly or indirectly for any investment decision-making or for any other purposes. Prospective investors should undertake their own assessment with regard to any investment and should obtain independent advice on any such investment's suitability, inherent risks and merits and any tax, legal and accounting implications which it may have for them.*
- *Certain data in this presentation were obtained from various external data sources, and none of the Company, any of its affiliates or any of their respective agents, advisors or representatives have verified such data with independent sources. Accordingly, the Company makes no representation as to the accuracy or completeness of those data, and such data involve risks and uncertainties and are subject to change based on various factors.*

Overview

Operational Update

- 4Q12: As a result of flooding in parts of Bangkok and surrounding provinces in 4Q11, volumes increased from 4Q11 for both outpatient and inpatient services provided, and for both Thai and international markets.
- 4Q12: Inpatient revenue per admission remained stable in 4Q12 due to a shorter average length of stay than that experienced during the floods. For outpatient services, revenue intensity improved 9.5% year-over-year, with a slight intensity increase for inpatient services on a patient day basis. As a result, outpatient and inpatient service revenues grew by 36.6% and 20.8%, respectively.
- Results for 2012 and 2011 included extraordinary items related to the sale of investments in Bangkok Chain Hospital PCL (doing business as “Kasemrad Hospital Group”) and ABSPC Group Co., Ltd. (formerly known as “BMC”), as well as wind-down activity within the Bumrungrad International Limited (BIL) group. The details of these transactions are presented in the Associated Companies section. Applicable amounts including and excluding these extraordinary items are presented below:

Financial Performance

	<u>4Q12 growth</u>	<u>2012 growth</u>
Total revenues	29.8%	24.2%
Total revenues excluding extraordinary items	29.8%	17.2%
EBITDA	33.6%	18.0%
Net profit	8.0%	67.9%
Net profit excluding extraordinary items	38.7%	29.6%

Updates and Ongoing Focus

- BI Bangkok
- Thailand
- International

Agenda

Strategy

Operational Update

Financial Performance

Associated Companies

Strategy

Bumrungrad International Hospital

- Campus Expansion
- Doctor Recruitment

Thailand

- Expand in our existing market segment
- Expand into a new market segment – **2nd Brand**
- Development of the Bumrungrad Network

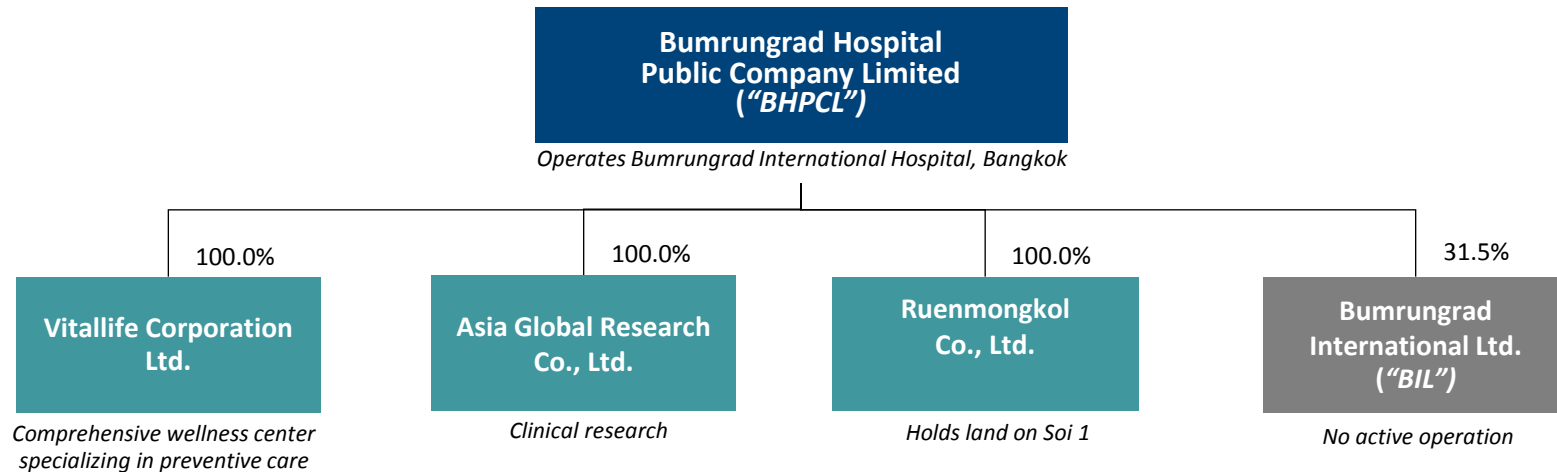
International

- Review of selective opportunities

Campus Expansion

Back office	<ul style="list-style-type: none"> • Move off campus into leased office space 																
Clinics	<ul style="list-style-type: none"> • Open 5 floors in Bumrungrad International Clinic • Expand clinics in Bumrungrad International Hospital 																
Inpatient	<ul style="list-style-type: none"> • Add 44 ICU beds and 58 ward beds in Bumrungrad International Hospital building • Expand ancillary services 																
Bumrungrad International – 2nd Campus	<ul style="list-style-type: none"> • Bought 7,965 sq. meters of land on Petchburi Road. • Capability to construct 150 – 200 bed hospital 																
New Land for Capacity on Soi 1	<ul style="list-style-type: none"> • Bought 6,178 sq. meters of land on Sukhumvit Soi 1. • This land would facilitate the expansion of capacity near the main campus. 																
Acquire Additional Capacity	<ul style="list-style-type: none"> • Determine alternatives for employee housing • Determine alternatives for office space 																
Est. Capital Investment (Million THB)	<table border="1"> <thead> <tr> <th>Y11</th> <th>Y12</th> <th>Y13</th> <th>Y14</th> <th>Y15</th> <th>Y16</th> <th>Y17</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>643</td> <td>1,873</td> <td>2,839</td> <td>1,514</td> <td>487</td> <td>2,239</td> <td>114</td> <td>9,709</td> </tr> </tbody> </table>	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Total	643	1,873	2,839	1,514	487	2,239	114	9,709
Y11	Y12	Y13	Y14	Y15	Y16	Y17	Total										
643	1,873	2,839	1,514	487	2,239	114	9,709										

Realignment of the Corporate Structure



- Divestment of all Kasemrad Hospital Group ("KH") shares on 10 July 2012.
- Purchase of 100% of issued and paid-up share capital of Ruenmongkol Co., Ltd. ("Soi1") on 24 September 2012.
- Divestment of remaining 51% of Bumrungrad Medical Center Ltd. ("BMC") on 26 September 2012.

BIL Capital Reductions

Date	From (THB)	To (THB)	BHPCL Received
19 April 2011	3,199.3 million	1,176.0 million	612.6 million
15 March 2012	1,176.0 million	294.0 million	270.6 million
18 May 2012	294.0 million	73.5 million	69.5 million
23 July 2012	73.5 million	18.4 million	17.4 million
25 September 2012	18.4 million	4.6 million	4.3 million

Agenda

Strategy

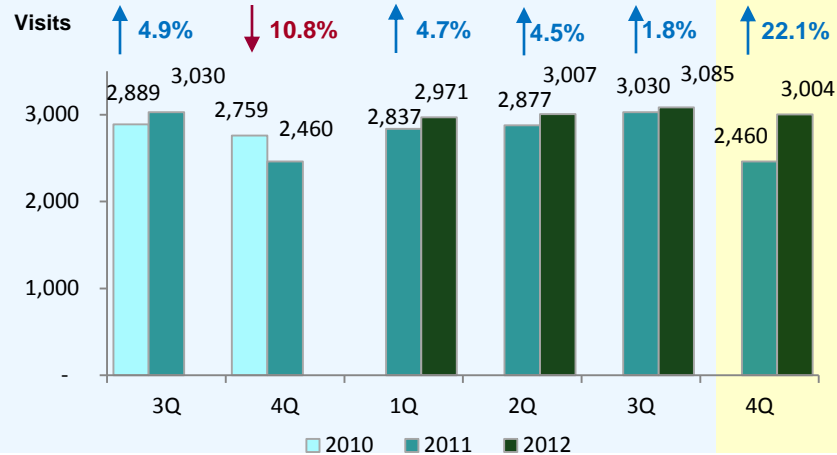
Operational Update

Financial Performance

Associated Companies

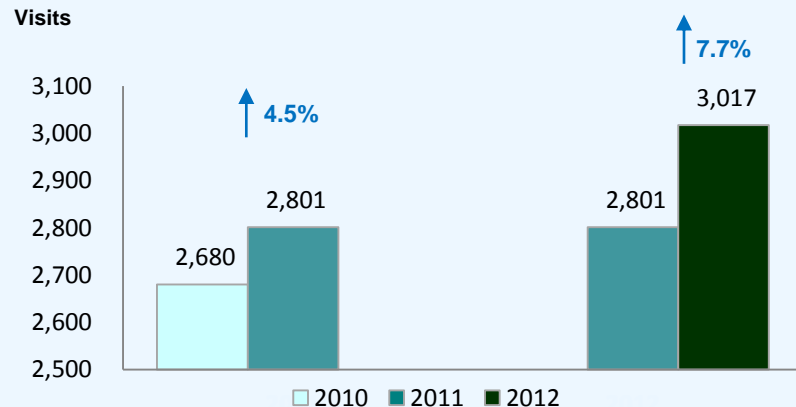
Outpatient Visits Volume Trend

Average Visits per Day



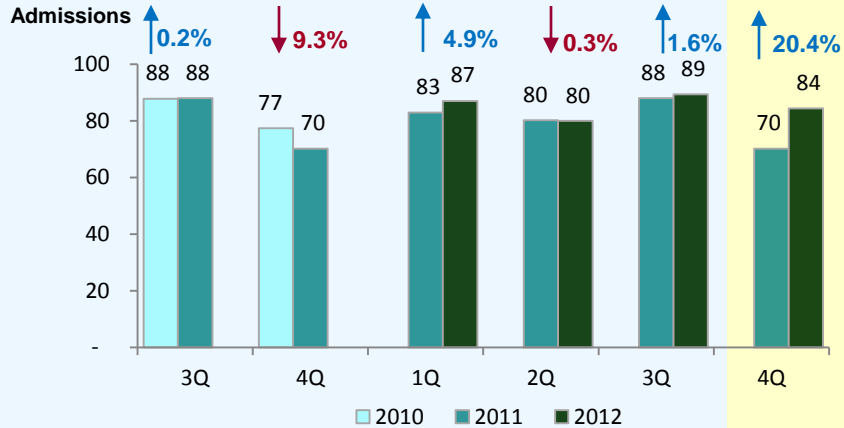
- As a result of flooding in parts of Bangkok and surrounding provinces in 4Q11, volumes rose in 4Q12 compared with 4Q11 in both Thai and international markets.
- 2012 outpatient volumes improved compared with 2011, driven by increases in both international and Thai markets.

Average Visits per Day



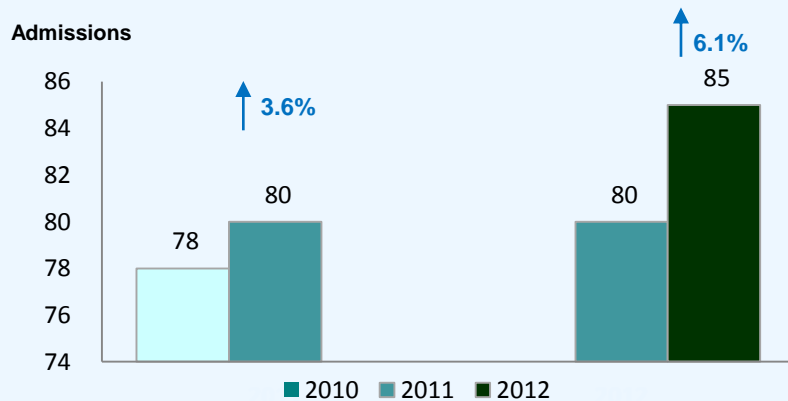
Admissions Volume Trend

Average Admissions per Day



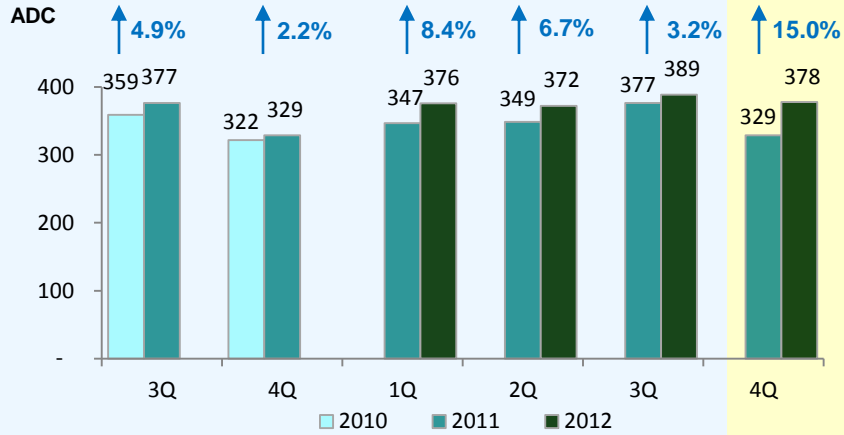
- As a result of flooding in parts of Bangkok and surrounding provinces in 4Q11, volumes rose in 4Q12 compared with 4Q11 in both Thai and international markets.
- 2012 inpatient volumes improved compared with 2011, driven by increases in both international and Thai markets.

Average Admissions per Day



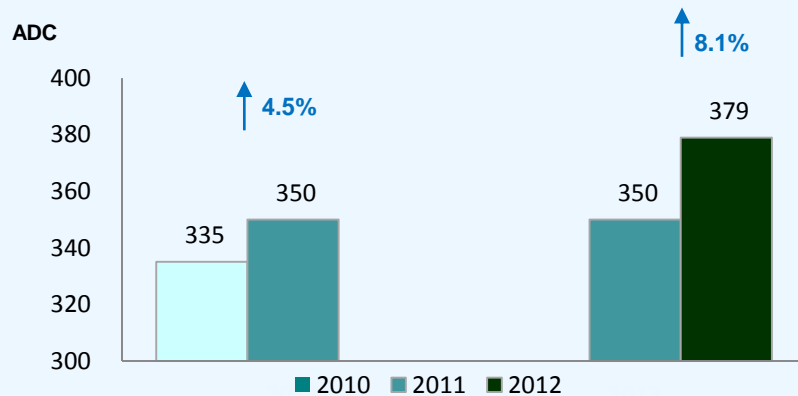
Average Daily Census Volume Trend

Average Daily Census



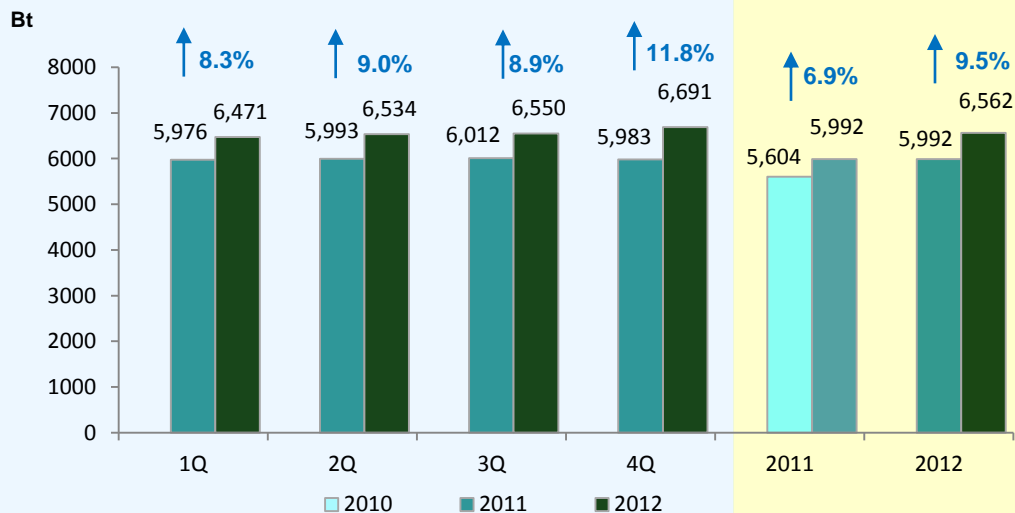
- As a result of flooding in parts of Bangkok and surrounding provinces in 4Q11, volumes rose in 4Q12 compared with 4Q11 in both Thai and international markets.
- 2012 ADC improved due to an increase in admissions and a longer average length of Stay.

Average Daily Census



Revenue Intensity

Revenue per Visit

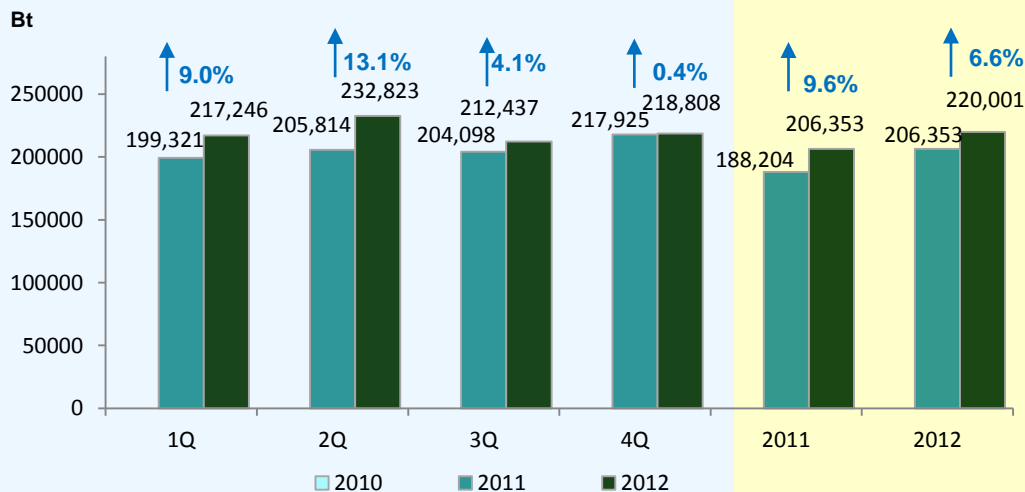


Revenue intensity change:

4th Quarter,

- OPD revenue intensity increased 9.5%.
- IPD revenue intensity per admission decreased 4.5% due to a shorter average length of stay than that experienced during the floods. On a patient day basis, IPD revenue intensity increased slightly.

Revenue per Admission

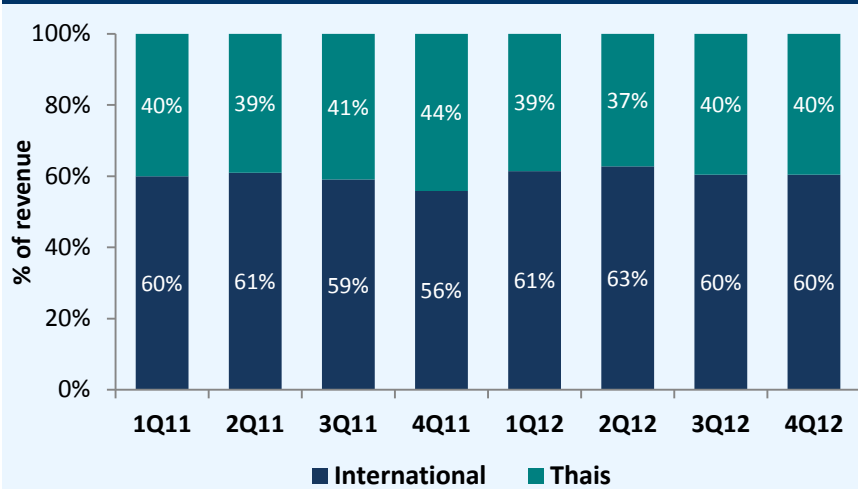


YTD Dec,

- OPD revenue intensity increased 6.3%.
- IPD revenue intensity increased 3.0% from increased average length of stay.

International Breakdown

Revenue Contribution by Nationality

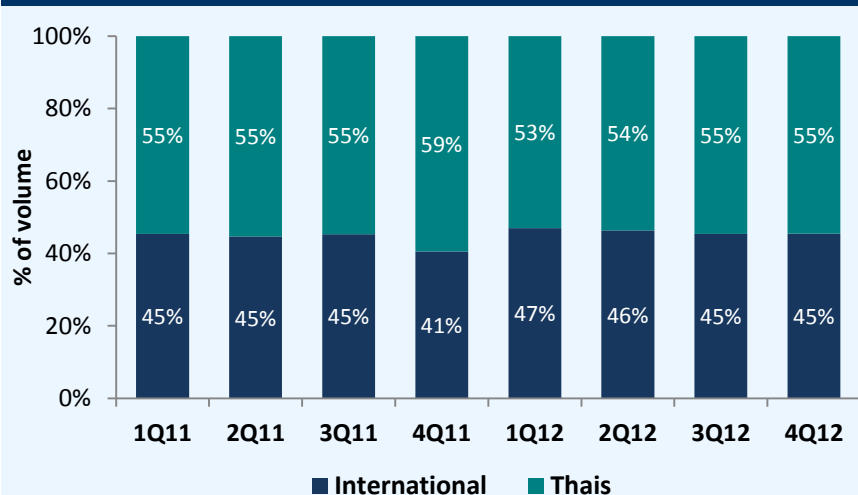


- For 4Q12, International revenue was up 38.2% from 4Q11, primarily from volume increases, some of which as a result of flooding in 2011.

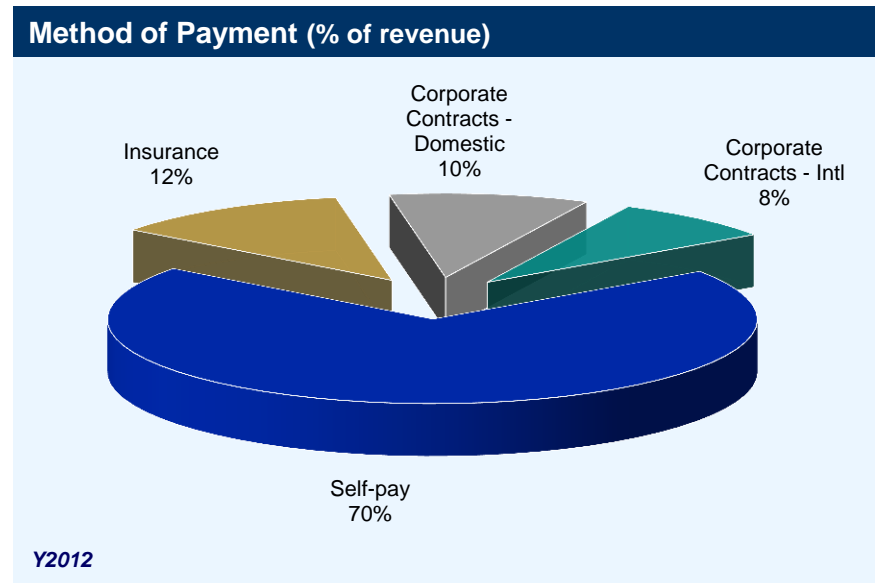
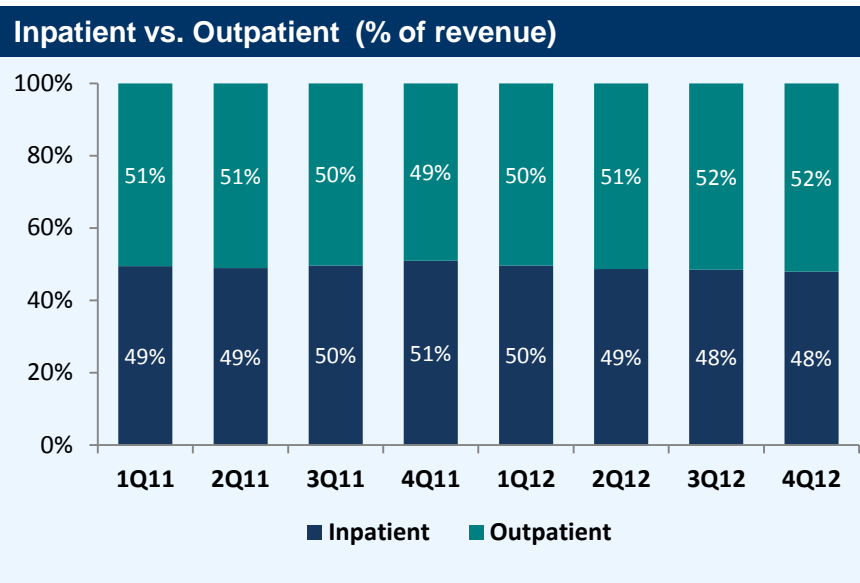
- 2012 Top 5 revenue contribution by Non-Thai Nationalities

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

Volume Contribution by Nationality



Revenue Breakdown



- *4Q12 Revenue growth:*
 - *Outpatient revenue increased by 36.6% y-o-y*
 - *Inpatient revenue increased by 20.8% y-o-y*
- *Self-pay remains the primary method of payment*

Agenda

Strategy

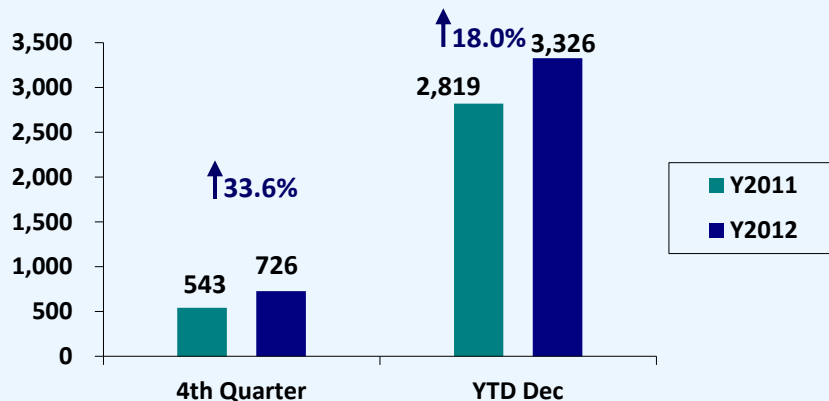
Operational Update

Financial Performance

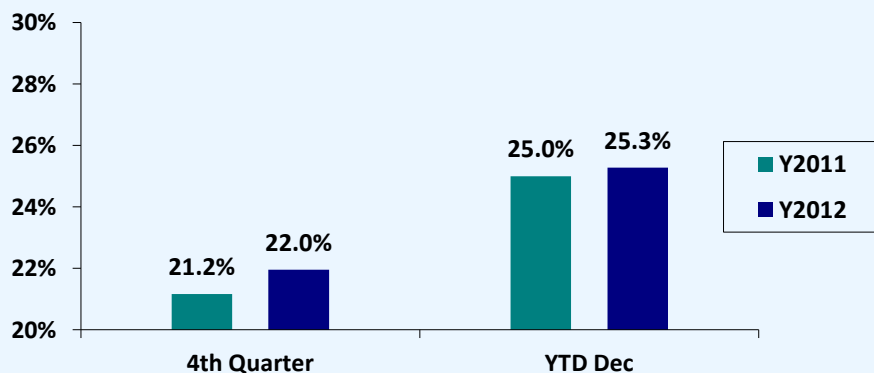
Associated Companies

EBITDA and EBITDA Margin

EBITDA (THB mm)



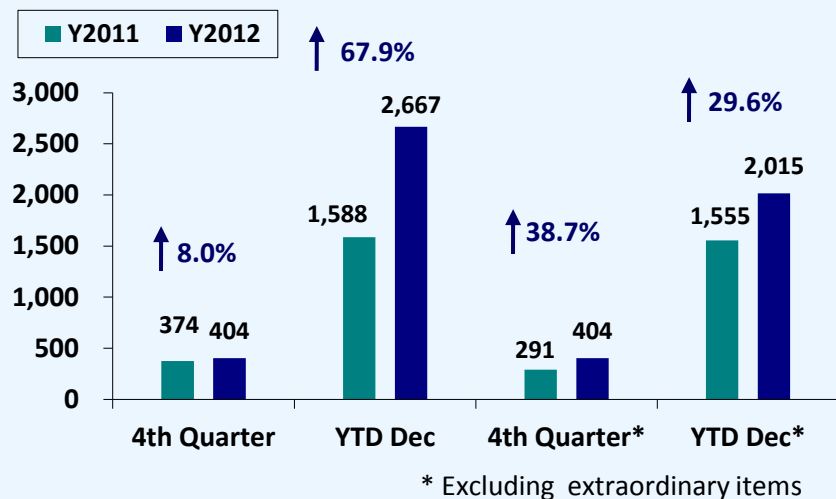
EBITDA Margin



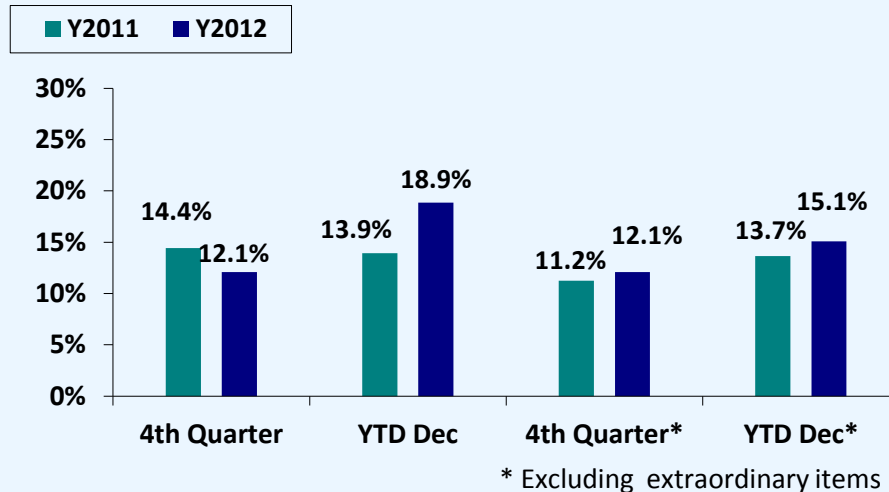
- 4Q12: Cost of hospital operations (including Depreciation and amortization of Baht 130 million) increased 25.9% year-over-year from 4Q11. Administrative expenses (including Depreciation and amortization of Baht 47 million) increased 26.0% year-over-year from 4Q11.
- Revenue from hospital operations increased by 29.2%, outpacing the above increases in cost and contributing to improved margins. EBITDA was Baht 726 million in 4Q12, a 33.6% increase from Baht 543 million in 4Q11, with EBITDA margin improving to 22.0% in 4Q12 from 21.2% in 4Q11.
- Y2012: Cost of hospital operations (including Depreciation and amortization of 518 million) increased 16.4% from 2011. Administrative expenses (including Depreciation and amortization of Baht 192 million) increased 13.3% from 2011.
- Revenue from hospital operations increased by 16.7%, outpacing the above increases in cost and contributing to improved margins. EBITDA was Baht 3,326 million in 2012, or 18.0% more than Baht 2,819 million in 2011, with EBITDA margin improving to 25.3% in 2012 versus 25.0% in 2011.

Net Profit, Net Profit Margin and Diluted EPS

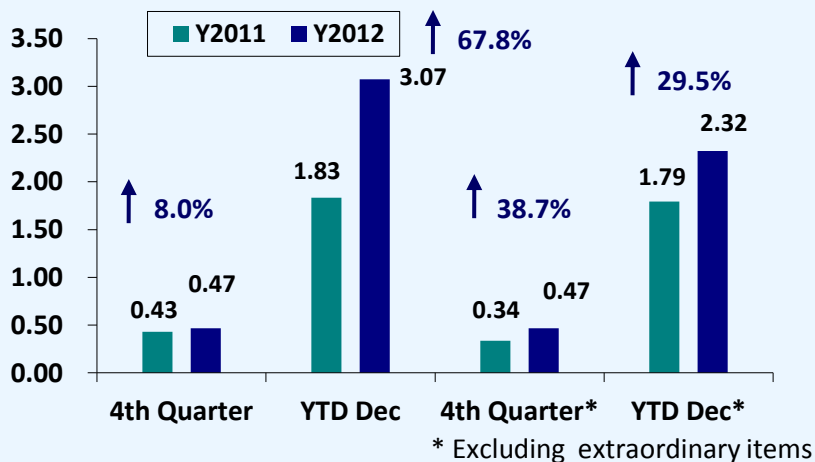
Net Profit (THB mm)



Net Profit Margin



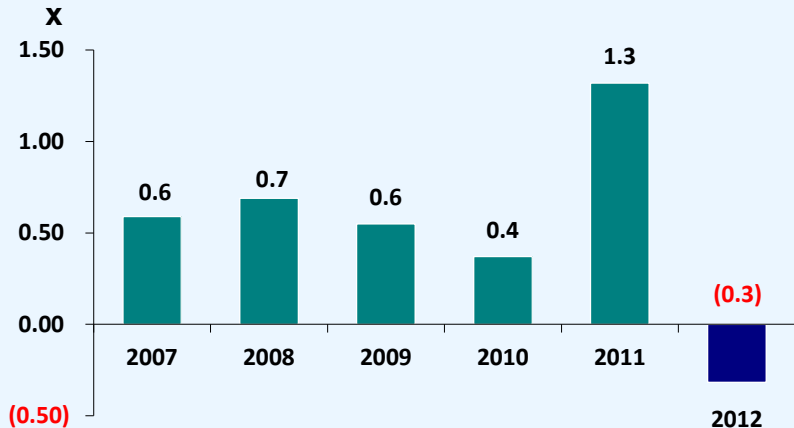
Diluted EPS (THB)



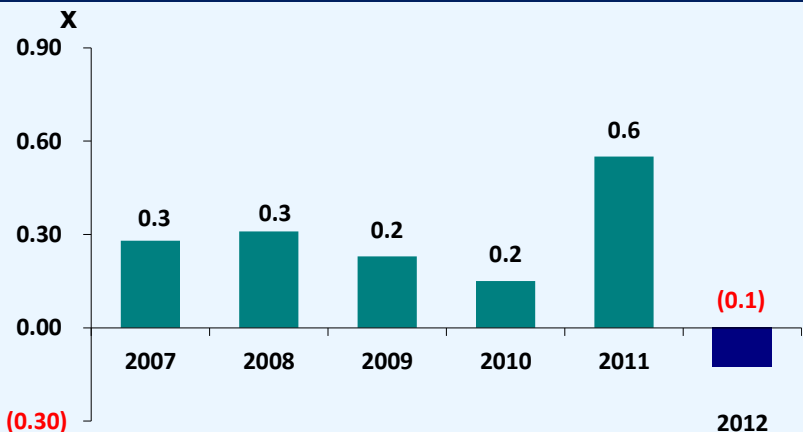
- The Company's results for Y2012 included extraordinary items related to the sale of all of its investment in Bangkok Chain Hospital PCL (doing business as "Kasemrad Hospital Group"), its remaining investment in ABSPC Group Co., Ltd. (formerly known as "Bumrungrad Medical Center Co., Ltd."), and its Share of loss from Bumrungrad International Limited (BIL) due to certain taxes paid on the gain of the sale of all its investment in Asian Hospital Inc. The Company's results for 2011 and 4Q11 included the extraordinary items related to the sale of its partial investment in ABSPC Group Co., Ltd., the share repurchase of Bumrungrad International Holdings (Hong Kong) Limited, and the sale of all investment in Asian Hospital Inc. by its associate, BIL.
- Excluding these extraordinary items, Adjusted Net profit grew by 38.7% in 4Q12 and 29.6% in Y2012, each over the prior year, and Adjusted Net Profit Margin improved from 11.2% in 4Q11 to 12.1% in 4Q12 and from 13.7% in Y2011 to 15.1% in Y2012.

Leverage

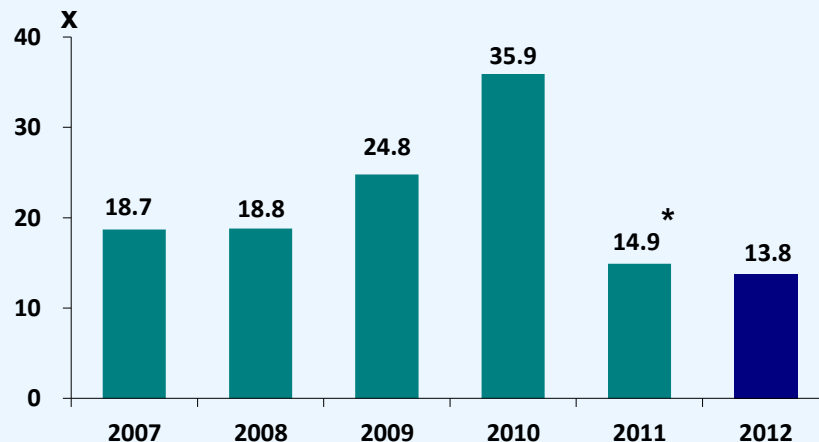
Net Debt to EBITDA



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

- As a result of the increase in Cash and cash equivalents related to strong operating results and net cash proceeds from sale of investment in Kasemrad Hospital Group, the total debt as at 31 December 2012 was lower than the cash and cash equivalents balance, leading to a net cash balance after considering outstanding debt.
- Interest coverage ratio improved slightly from the Adjusted 12.9x noted above in 2011.

Agenda

Strategy

Operational Update

Financial Performance

Associated Companies

Kasemrad Hospital Group (“KH”) – Share of Profit

- KH Acquisition Date: 18 March 2011
- BH Investment % : 24.99%
- KH Divestment Date: 10 July 2012
- BH recognized Share of KH’s profit in 2012, following the investment in March 2011, is set out in the table below.

(Unit: Thousand Baht)	2012*	2011**
Share of profit from KH	111,286	92,238
Depreciation for fixed assets revaluation	(4,227)	-
Share of profit from KH -net	107,059	92,238
Consulting fee for KH loan	-	(4,141)
Interest expenses	(82,633)	(69,483)
Amortization of bond issuance cost	(2,001)	-
Decrease in corporate income tax	19,006	22,087
Net Share of profit from KH	41,430	40,701

* The Company did not recognize any Share of profit from KH in 3Q12 and 4Q12, as a result of the sale of all shares in early July 2012

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

Kasemrad Hospital Group (“KH”) - Divestment

- The KH shares were divested on 10 July 2012 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 million in gross proceeds and THB 4,482 million in net proceeds (after transaction costs) received from the share sale.
- Consolidated pretax gain on sale (Equity Basis) of THB 789.8 million after applicable transaction costs.
- Net Gain on sale (Equity Basis) of approximately THB 586 million (THB 598 million in 3Q12).
- Cumulative Gross ROI was 31.4% & Annualized pretax IRR was 20.5%.

Results from KH-Divestment	
Gross Sales Proceeds	THB 4,564 million
Net Sales Proceeds	THB 4,482 million
Consolidated pretax gain	THB 789.8 million
Net Gain on sale -Equity Basis	THB 586 million
Cumulative Gross ROI	31.4%
Annualized pretax IRR	20.5%

Investment in Ruenmongkol Co., Ltd. (“Soi 1”)

- On 24 September 2012, the Company acquired 100% of Ruenmongkol Co., Ltd. at a transaction value of Baht 1,045 million (including investment acquisition expenses)
- This investment results in ownership of land on Sukhumvit Soi 1, which will be utilized for expansion of capacity near the main campus.



- The land covers an area of 1,544.4 square wah or 6,178 square meters and has a street frontage of 86 meters.

BMC Divestment and the Share of loss from BIL

- On 26 September 2012, the Company sold all of its investment in ABSPC Group Co., Ltd., (formerly known as “BMC”) resulting in a small gain on the sale of less than Baht 0.1 million. The Company recognized an associated tax benefit, from the tax loss on sale, of Baht 85 million in 3Q12.
- In 3Q12, the Company recorded the Share of loss from BIL which included the capital gain taxes and tax advisory services of Baht 14 million associated with the sale of investment in Asian Hospital Inc., as well as certain wind-down costs of BIL of Baht 5 million. BIL had applied for Tax Treaty Relief on the sale of Asian Hospital Inc. which was ultimately not granted in the final phase of the process, triggering capital gain taxes on the transaction.

Q & A