



Building for the future



Bumrungrad Hospital Public Company Limited

Analyst Meeting No. 3/2013 – 2Q13 Results Update

19 August 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

- 2Q13: Outpatient volumes increased in 2Q13 compared with 2Q12 in the international market and were essentially the same for the Thai market. Inpatient volumes increased slightly in terms of admissions but declined on a patient-day basis, due to the impact of an unusually long average length of stay from high-acuity cases in 2Q12. Revenue intensity improved 4.8% for outpatient services and 2.1% on a patient-day basis for inpatient services. As a result, inpatient and outpatient service revenues grew by 6.5% and 14.0%, respectively.
- The Company's Net profit for 2Q12 and 1H12 included Share of profit from Bangkok Chain Hospital PCL (doing business as "Kasemrad Hospital Group") of Baht 52 million and Baht 107 million, respectively. On 10 July 2012, the Company sold all of its investment in Bangkok Chain Hospital PCL, resulting in no corresponding Share of profit in 2Q13 and 1H13.

Financial Performance

	<u>2Q13 growth</u>	<u>1H13 growth</u>
Total revenues	10.0%	10.1%
EBITDA	14.8%	11.0%
Net profit	16.0%	10.4%

Updates and Ongoing Focus

- BI Bangkok
- Thailand
- International

Agenda

Strategy

Operational Update

Financial Performance

Associated Companies

Strategy

Bumrungrad International Hospital

- Campus expansion
- Doctor recruitment in subspecialties
- Advanced technology
- Skilled work force

Thailand

- Development of the Bumrungrad Network
- As part of the Network development acquire hospitals in a new market segment – 2nd Brand

International

- Development of the Bumrungrad Network
- Review of selective opportunities in existing referral markets

Campus Expansion

Back office	<ul style="list-style-type: none"> • Move(d) off campus into leased office space
Clinics	<ul style="list-style-type: none"> • Opened 5 floors in Bumrungrad International Clinic on 23 May 2013 • Expand clinics in Bumrungrad International Hospital
Inpatient	<ul style="list-style-type: none"> • Add 18 ICU beds and 58 ward beds in Bumrungrad International Hospital building • Expand ancillary services
2nd Campus	<ul style="list-style-type: none"> • Bought 8,200 sq. meters of land on Petchburi Road. • Capability to construct 150 – 200 bed hospital
Campus Expansion on Soi 1	<ul style="list-style-type: none"> • Bought 6,178 sq. meters of land on Sukhumvit Soi 1. • 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)	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Total
	643	1,873	2,812	1,919	2,105	1,863	1,997	13,212

Campus Expansion – BI Clinic Building



- Levels 17 – 21 completed, opened on 23rd May 2013
- L21 : Conference Center
- L20 : Spine Institute, Pain Clinic, Orthopaedic Center, Rehabilitation, Joint Replacement
- L19 : Endocrinology, Diabetes & Clinical Nutrition, Nephrology, Neurology, Neurosurgery
- L18 : Eye Center
- L17 : Children Center, Pediatric Ophthalmology, Early Intervention, Pediatric Endocrinology

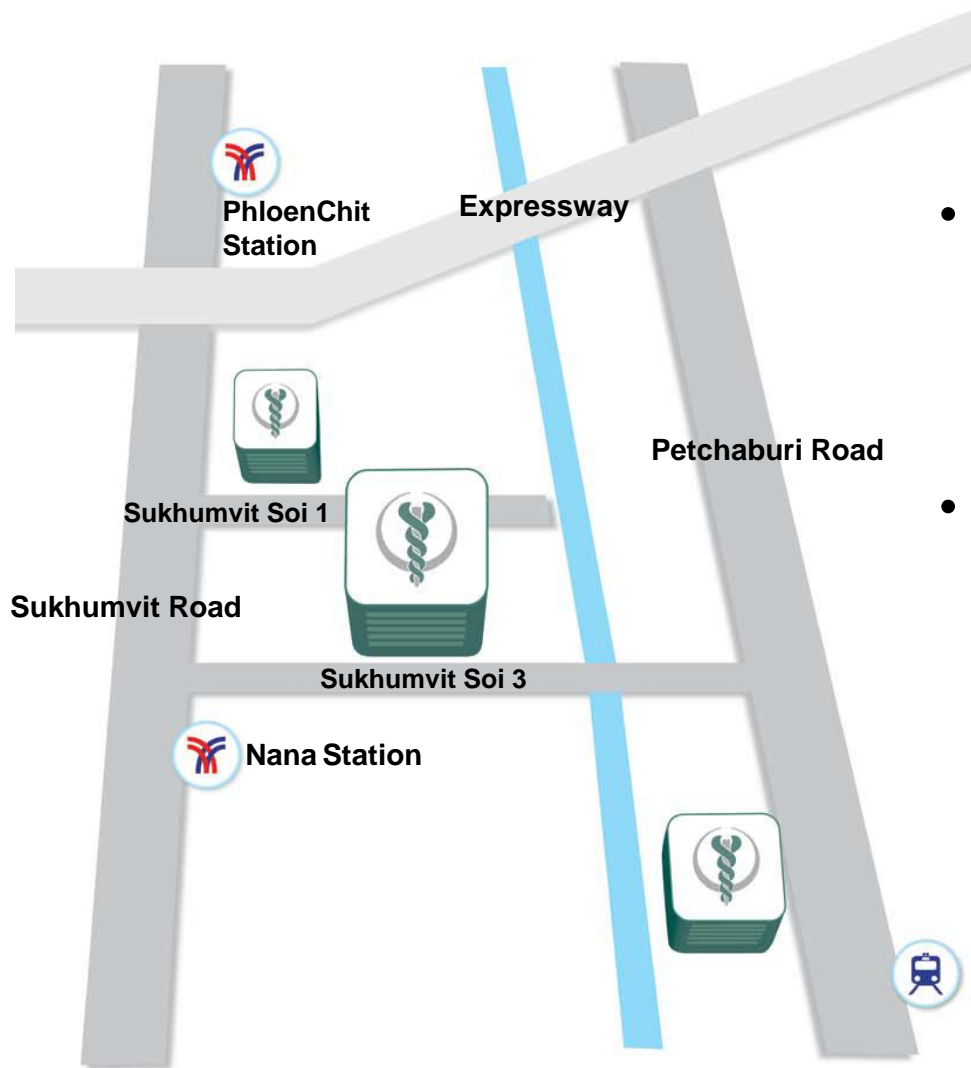
Campus Expansion – BI Hospital Building



- L12 : IPD Phase 1 (25 Rooms) completed
- The rest of IPD (33 Rooms) will be opened by the beginning of 2014



Campus Expansion – Petchburi and Soi 1 Projects



- The Petchburi project: Planning is already underway for a new Women & Children’s Hospital on the Petchaburi Road site.
- The newly-acquired site on Sukhumvit Soi 1 will house complementary outpatient centers, such as Physical Therapy, Dental, Dialysis, and health screening.

Current Status – Petchburi Project



- Acquired additional 10 shop houses (59 Sq. Wah)
- Design and Environmental Impact Assessment in progress
- Construction will start Q1 2014

Current Status – Soi 1 Project



- Demolition and Design in progress
- Construction will start end of 2013

Agenda

Strategy

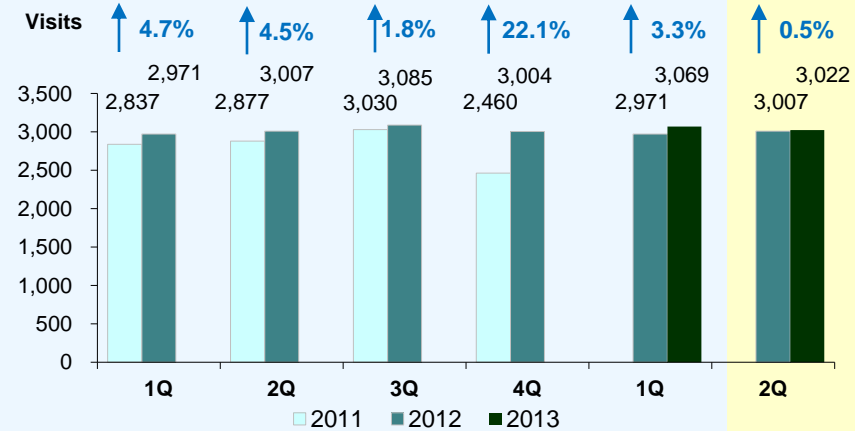
Operational Update

Financial Performance

Associated Companies

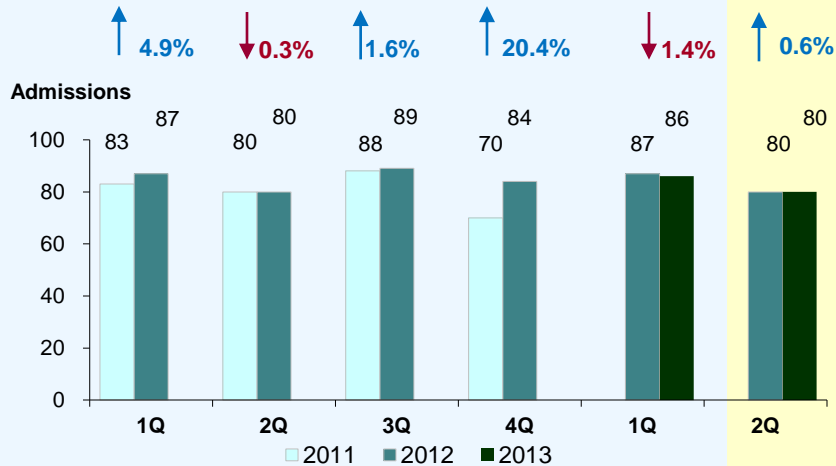
Overall Volume Trend

Average Visits per Day

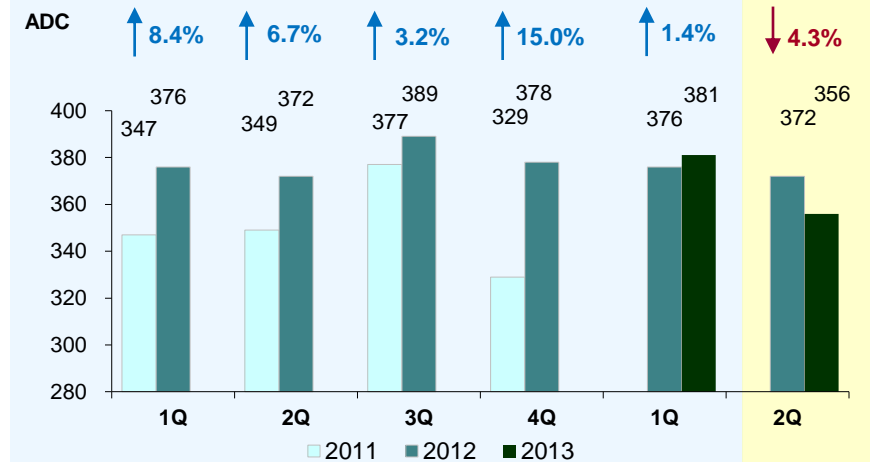


- Outpatient volumes increased in 2Q13 compared with 2Q12 in the international market and were essentially the same for the Thai market.
- Inpatient volumes increased slightly in terms of admissions but declined on a patient-day basis, due to the impact of an unusually long average length of stay from high-acuity cases in 2Q12

Average Admissions per Day

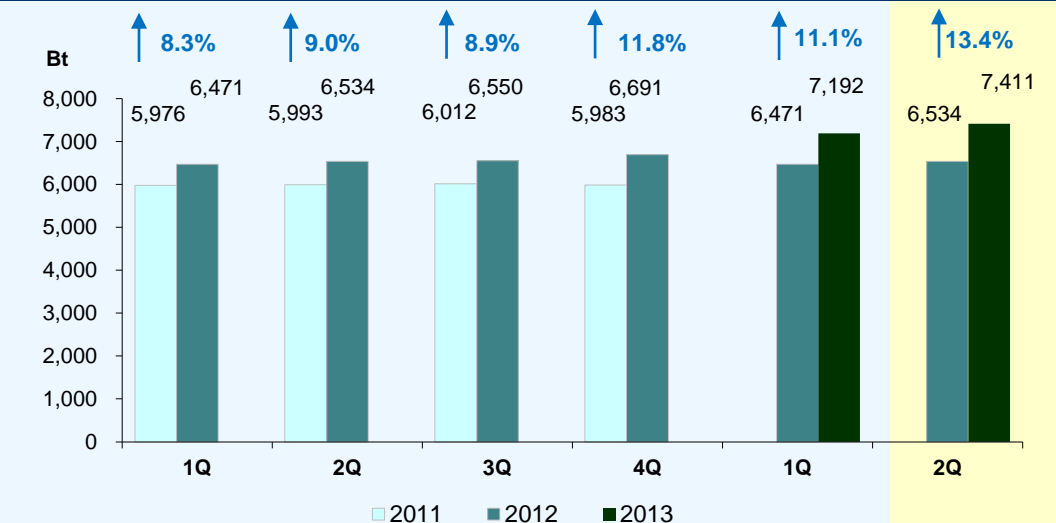


Average Daily Census



Revenue Intensity

Revenue per Visit

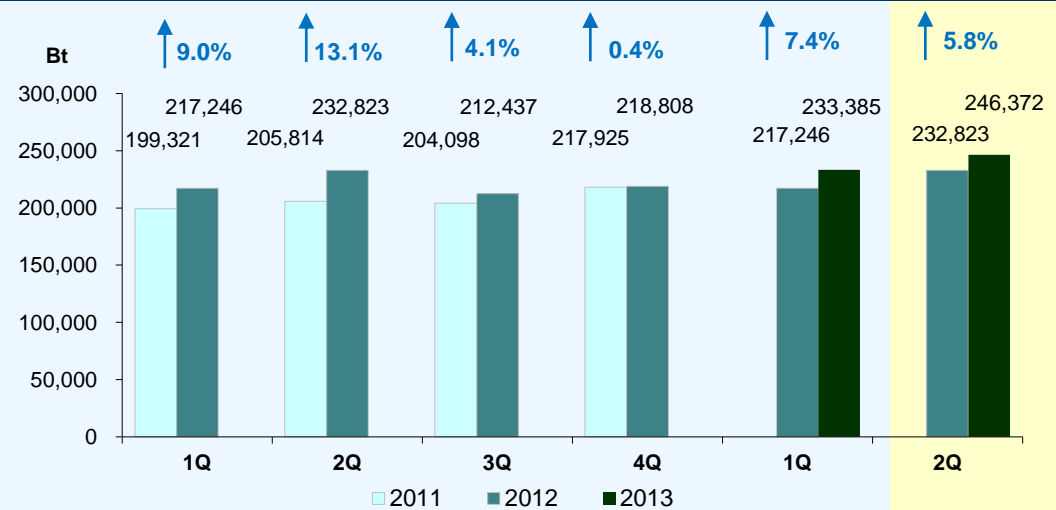


Revenue per episode reflects the price increase for 2013 and the increase in revenue intensity.

Revenue intensity:

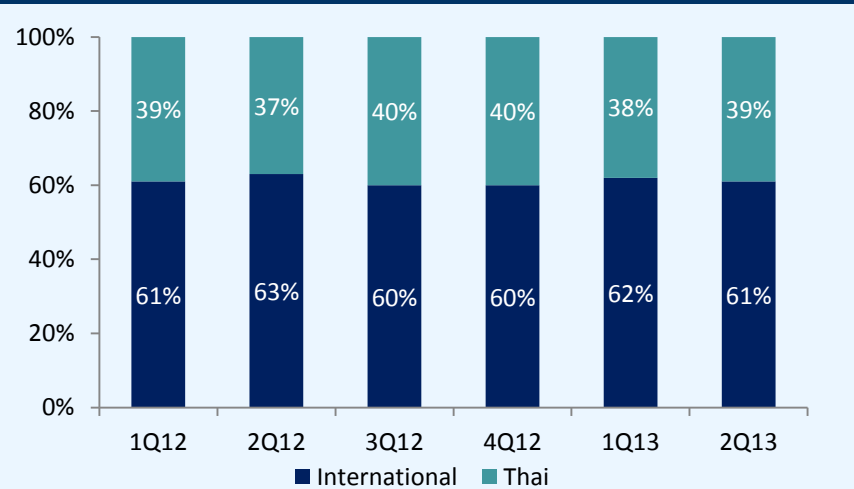
- OPD revenue intensity increased 4.8%.
- IPD revenue intensity per admission decreased 2.9% due to a lower average length of stay.
- IPD revenue intensity per patient day increased 2.1%.

Revenue per Admission



International Breakdown

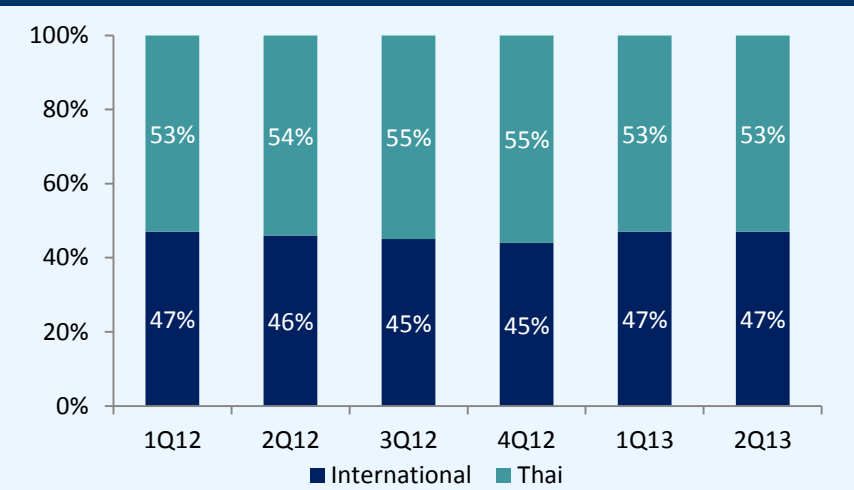
Revenue Contribution by Nationality



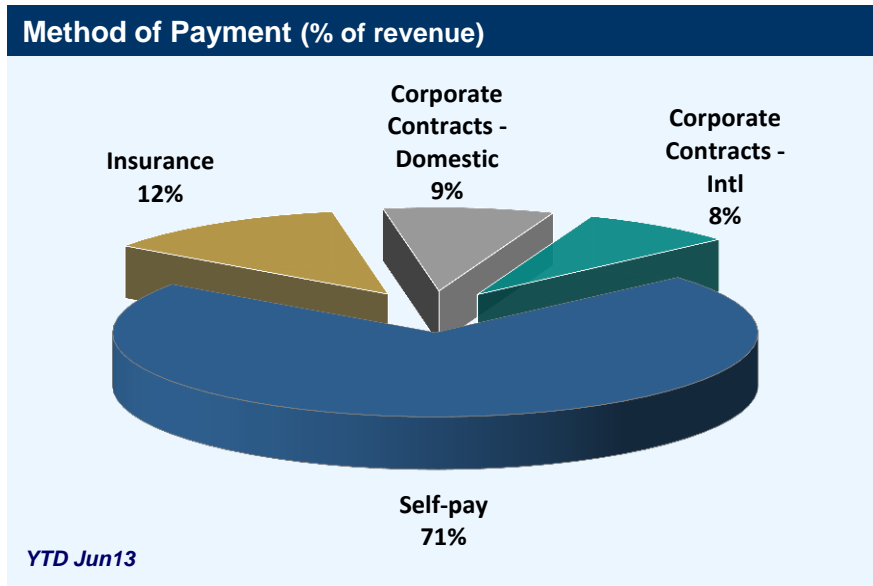
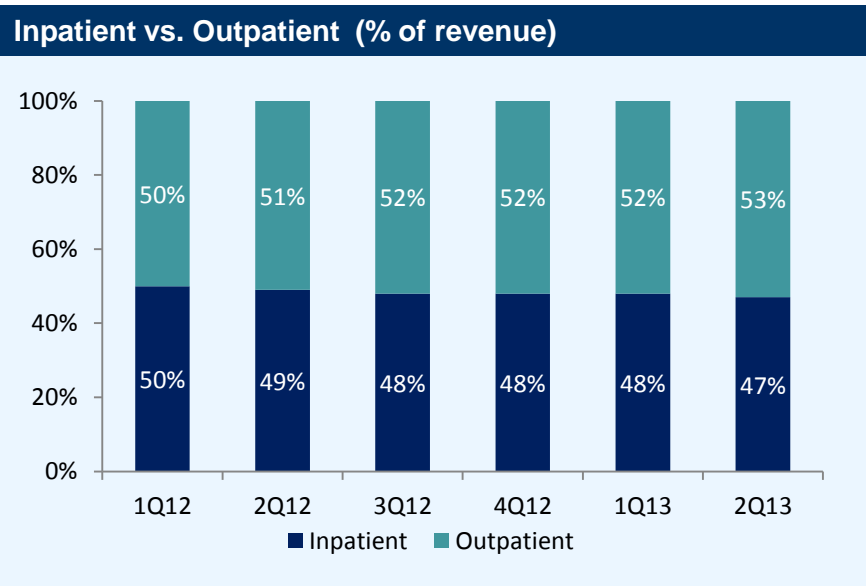
- For 2Q13, Thai revenue was up 16.7%, while International revenue was up 9.1% from 2Q12.
- 1H13 Top 5 revenue contribution by Non-Thai Nationalities

UAE	8%
Myanmar	7%
Oman	5%
USA	5%
Qatar	3%

Volume Contribution by Nationality



Revenue Breakdown



- *2Q13 Revenue growth:*
 - *Outpatient revenue increased by 14.0% y-o-y*
 - *Inpatient revenue increased by 6.5% y-o-y*
- *Self-pay remains the primary method of payment*

Agenda

Strategy

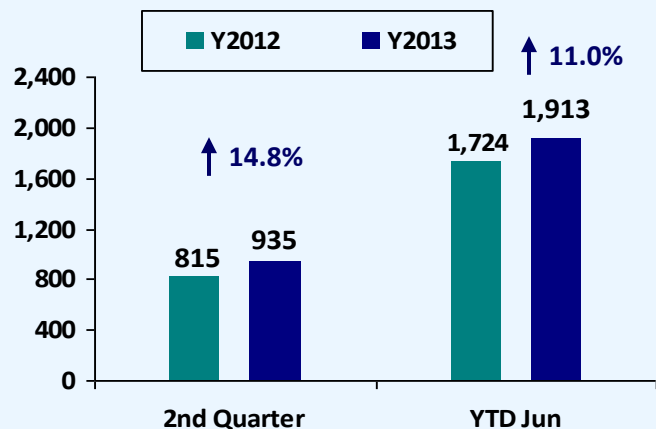
Operational Update

Financial Performance

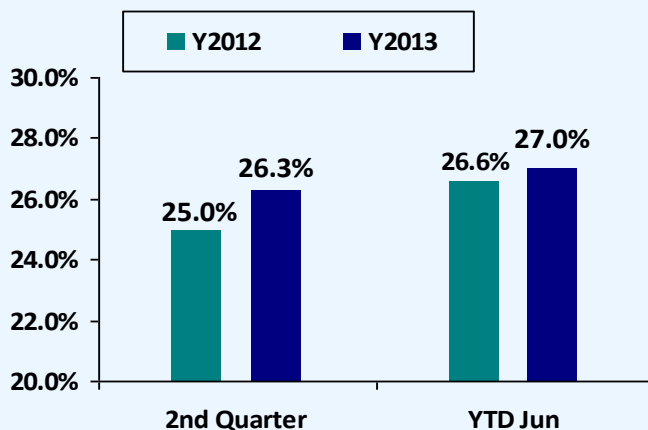
Associated Companies

EBITDA and EBITDA Margin

EBITDA (THB mm)



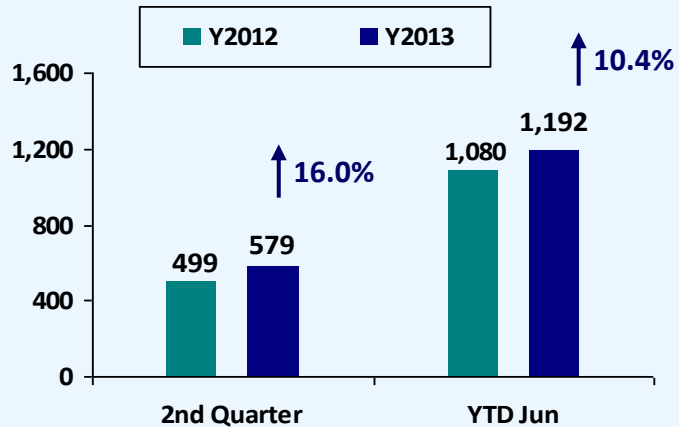
EBITDA Margin



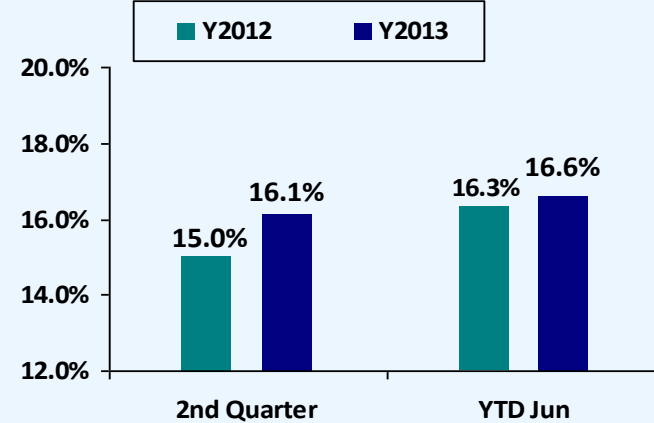
- 2Q13 : Cost of hospital operations (including Depreciation and amortization) was Baht 2,204 million for 2Q13, or 8.0% more year-over-year from Baht 2,041 million in 2Q12, which was in line with the 10.1% growth in Revenues from hospital operations. Administrative expenses (including Depreciation and amortization) were Baht 605 million in 2Q13, increasing 5.7% from Baht 572 million in 2Q12. This change included Baht 13 million additional marketing related expenses due to timing differences of expenditures between periods, Baht 9 million merit and inflationary increases for employee salaries and wages, and Baht 4 million more in software support and maintenance expense. EBITDA grew 14.8% year-over-year from Baht 815 million in 2Q12 to Baht 935 million in 2Q13, with an EBITDA margin of 26.3% in 2Q13 compared to 25.0% in 2Q12.
- YTD Jun13 : Cost of hospital operations (including Depreciation and amortization) was Baht 4,347 million for YTD Jun13, or 8.7% more year-over-year from Baht 3,998 million in YTD Jun12, which was in line with the 9.8% growth in Revenues from hospital operations. Administrative expenses (including Depreciation and amortization) were Baht 1,201 million in YTD Jun13, increasing 8.4% from Baht 1,109 million in YTD Jun12. This change included Baht 21 million additional marketing related expenses due to timing differences of expenditures between periods, Baht 17 million impact from the minimum wage adjustment effective on 1 April 2012, Baht 17 million merit and inflationary increases for employee salaries and wages, and Baht 10 million additional software support and maintenance costs. EBITDA grew 11.0% year-over-year from Baht 1,724 million in YTD Jun12 to Baht 1,913 million in YTD Jun13, with the EBITDA margin advancing to 27.0% in YTD Jun13 compared with 26.6% in YTD Jun12.

Net Profit, Net Profit Margin and Diluted EPS

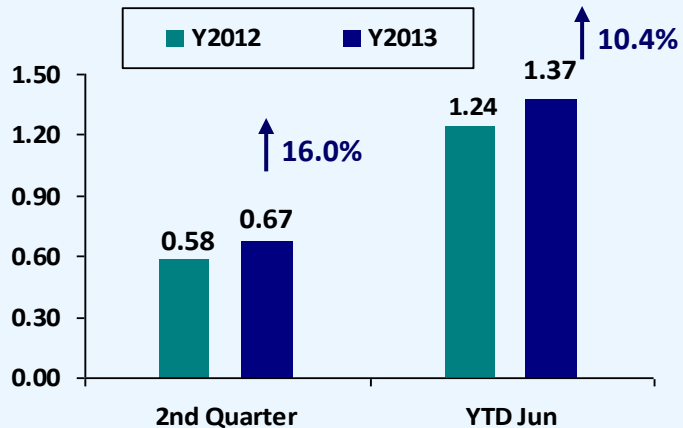
Net Profit (THB mm)



Net Profit Margin



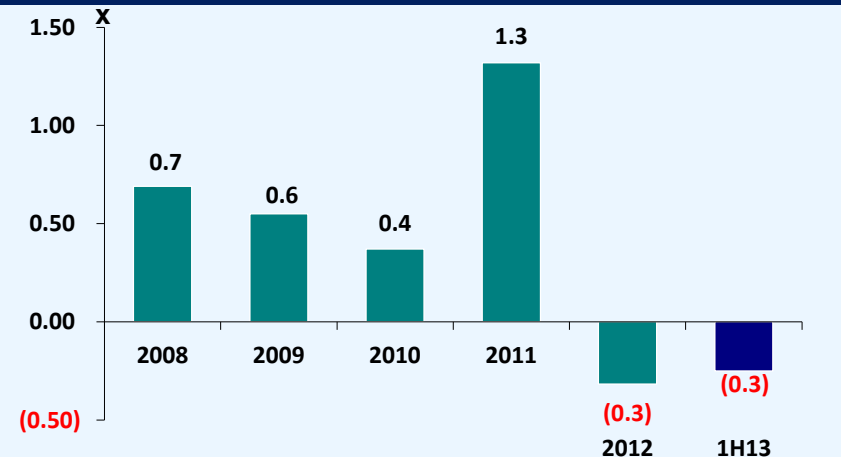
Diluted EPS (THB)



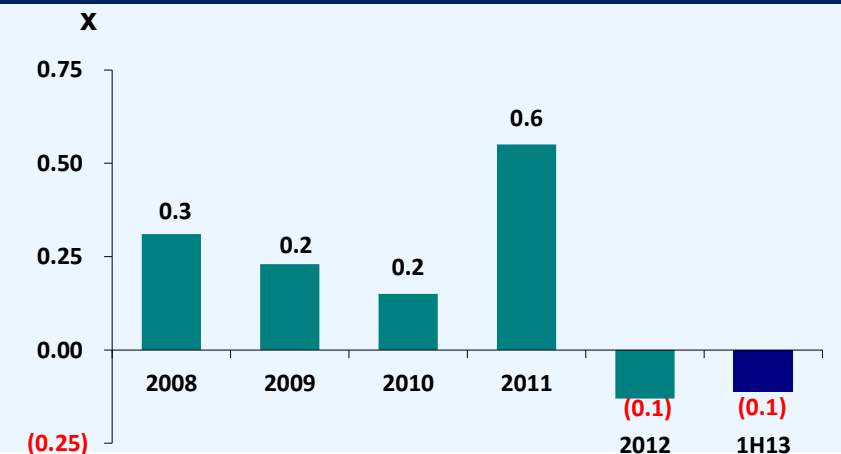
The Company's Net profit for 2Q12 and YTD Jun12 included Share of profit from Bangkok Chain Hospital PCL (doing business as "Kasemrad Hospital Group") of Baht 52 million and Baht 107 million, respectively. On 10 July 2012, the Company sold all of its investment in Bangkok Chain Hospital PCL, resulting in no corresponding Share of profit in 2Q13 and YTD Jun13.

Leverage

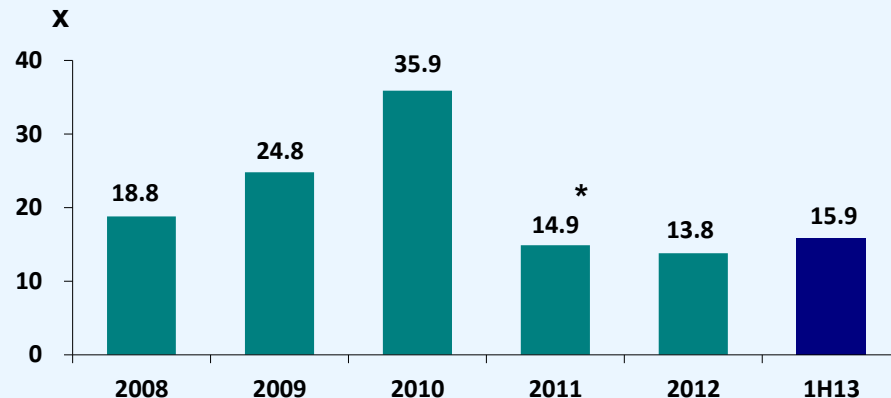
Net Debt to EBITDA



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 will be 12.9x

- As a result of the increase in Cash and cash equivalents related to strong operating results, increased collections, and net cash proceeds from the sale of investments, the total debt as at 30 June 2013 was lower than the cash and cash equivalents balance, leading to a net cash balance after considering outstanding debt.
- Interest coverage ratio was 15.9x in YTD Jun13 compared to 14.4x in YTD Jun12. The increase in the Interest coverage ratio was due to higher EBITDA in YTD Jun13 compared to YTD Jun12.

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
- The Company did not recognize any Share of profit from KH in YTD Jun13, as a result of the sale of all shares in early July 2012
- BH recognized Share of KH’s profit in YTD Jun12, following the investment in March 2011, is set out in the table below.

(Unit: Thousand Baht)	YTD Jun13	YTD Jun12
Share of profit from KH	-	111,286
Depreciation for fixed assets revaluation	-	(4,227)
Share of profit from KH -net	-	107,059
Interest income*	55,383	-
Interest expense	(82,179)	(82,633)
Amortization of bond issuance cost	(1,968)	(2,001)
Decrease in corporate income tax	5,753	19,006
Net profit (loss) from KH transactions	(23,011)	41,430

* Represents interest income on net cash proceeds of 4,482MB from the sale of investment in KH.

Q & A