Building for the future

Bumrungrad Hospital Public Company Limited

Investor Presentation

November 2013
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Agenda

- 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**

  o **Facilities**
    • One of the largest and most sophisticated private hospitals in South-East Asia
    • 580 licensed inpatient beds and 5,500 outpatient visit capacity per day
    • Thailand’s leading tertiary medical center

  o **Accreditation**
    • 1st hospital in Asia to receive US JCI Accreditation, with additional certifications in disease specific categories
    • 1st private hospital in Thailand with Thai Hospital Accreditation

  o **Patients**
    • Over 1.1 million patient episodes annually
    • Over 520,000 international patient episodes annually from over 200 countries

  o **Services**
    • 55 Sub-Specialties

**Shareholding Structure**

As of 28 June, 2013
Value & Profitability Comparison

EV/bed (MB/bed) as of 30 Oct 13

Source: Bloomberg
ROE & P/B Comparison

Source: Bloomberg
Top Travel Destinations for Medical Tourism

- **Thailand**: 1,200,000
- **Mexico**: 1,000,000
- **United States**: 800,000
- **Singapore**: 610,000
- **India**: 400,000
- **Brazil**: 180,000
- **Turkey**: 110,000
- **Taiwan**: 90,000

Source: www.bloomberg.com
By Jordan Robertson - Jun 25, 2013
Bumrungrad’s International Volumes 1998 to 2012
Effect of External Factors

Correlation of 0.88 of actual volumes
Why Bumrungrad?

- Located in Thailand
- Invested the Time
- Invested into the Brand
- Invested into Training
- Invested into Technology
- Invested into Facilities
- Invested into Processes
Thailand’s unique advantages

- Good doctors
- Lower cost labor
- Service culture
- Image as value destination with good tourism infrastructure
- Consumer-driven healthcare
- Self pay, walk in environment
Doctors & Nurses

- 55 Sub-Specialties
- Over 2,000+ nurses and 1,200+ doctors
- International experience staff and overseas board certification (over 320 are US, UK or Australian Board certified)
Invested the Time

- The 10,000 Hour Rule
- Right Moment in Time
- "accumulative advantage"
International reputation

International Herald Tribune
“It’s better than anything I’ve seen; it’s a five star hospital.”

Reader’s Digest
“This hospital is really a five star medical hotel. I was gobsmacked by the treatment I received there.”

CBS 60 Minutes
“It’s the number one international hospital in the world.”

The Financial Times
“They (Bumrungrad) said, ‘you can have (surgery) done tomorrow if you want.’ Tomorrow! I have never heard that word in England in all my life.”

Newsweek
“Bumrungrad International Hospital in Bangkok is a magnet for medical tourists.”
Invested in Training to Serve International Patients

Cultural Training

English Classes
Invested in Languages

186 interpreters covering 14 languages spoken by our patients

Mandarin

Arabic

Burmese

Japanese
Invested in Technology - Integrated Services

Registration, Lab Collection, Cashier and Pharmacy on each clinic floor

Each clinic floor is connected to the Automated Lab and the OPD Pharmacy

Integrated into the EMR and billing system
Invested in Technology - Website

- Visual experience on web: pick your doctor or your room
- Information about medical procedures or specialty centers
- Cost estimates
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.
Processes - International Medical Coordination Office

12 Doctors & 37 Nurses dedicated to international patient care coordination

International Medical Coordination Physicians

Middle East Team

Medical Report Team
Processes - International Representative Offices

20 offices in 15 countries outside Thailand that arrange appointments and travel for BI patients

- Australia
- Bahrain
- Bangladesh
- Cambodia (3)
- UAE (Dubai)
- Ethiopia
- Hong Kong
- Lao PDR
- Indonesia (2)
- Mongolia
- Myanmar
- Nepal
- Oman
- Russia (2)
- Vietnam (2)
Processes - Health Screening Center

- Managed using Constraint Theory
- Entry portal for medical travelers
- One-stop floor for a complete check-up
- Average 200 per day, 7 days a week
- 50% walk-in

- Only screening services – No acute services
- No variation in screening services, based on medical evidence
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Strategy

**Bumrungrad International Hospital**
- Campus expansion
- Doctor recruitment in subspecialties
- Advanced technology
- Skilled work force

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

**International**
- Development of the Bumrungrad Network
- Review of selective opportunities in existing referral markets
Master Plan Changes

- Under the new city planning regulation, a bonus increase in the FAR of 20% can be obtained by adding capacity to the rainwater retention capacity.

- Build the maximum FAR of 78,727m² or a total construction of 88,683m² for the Petchburi Campus.

- Move the clinical functions planned for Soi 1 to the Petchburi campus or expand at the Soi 3 campus.

- Land bank Soi 1, use it as a parking lot until it is needed.
## Campus Expansion

<table>
<thead>
<tr>
<th>Back office</th>
<th>• Moved off campus into leased office space</th>
</tr>
</thead>
</table>
| Clinics                              | • Opened 5 floors in Bumrungrad International Clinic on 23 May 2013  
  • Expand clinics in Bumrungrad International Hospital |
| Inpatient                            | • Add 18 ICU beds and 58 ward beds in Bumrungrad International Hospital building  
  • Expand ancillary services |
| 2nd Campus                           | • Bought 8,200 sq. meters of land on Petchburi Road.  
  • Able to receive a bonus FAR of 20% |
| Campus Expansion on Soi 1            | • Bought 6,178 sq. meters of land on Sukhumvit Soi 1.  
  • Used for parking until more space is needed. |
| Acquire Additional Capacity          | • Acquired Boss Tower for employee houses and office space |

<table>
<thead>
<tr>
<th>Est. Capital Investment (Million THB)</th>
<th>Y11</th>
<th>Y12</th>
<th>Y13</th>
<th>Y14</th>
<th>Y15</th>
<th>Y16</th>
<th>Y17</th>
<th>Y18</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>643</td>
<td>1,873</td>
<td>2,109</td>
<td>1,177</td>
<td>1,609</td>
<td>3,055</td>
<td>1,975</td>
<td>1,393</td>
<td>13,834</td>
</tr>
</tbody>
</table>
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) in use
- The rest of IPD (33 Rooms) will be opened in November 2013
- An additional 18 ICU beds will be added in March 2014
Current Status – Petchburi Project

- With total land area 8,200 sq.m. and 20% bonus increase in the FAR (from adding capacity to the rain water retention capacity) allowed a total construction area of 88,683 sq.m.
- Design and Environmental Impact Assessment in progress
- Construction will start in the first half of 2014
Current Status – Soi 1 Project

- Demolition already completed.
- Land banked Soi 1 property, will be a parking lot until it is needed.
Newly-Acquired Building

- Boss Tower on Rama IV road
- 23-storey building in good condition
- Land area 3,368 sq.m.
- Total building area of 40,650 sq.m. will accommodate
  - 300-400 back office employees
  - Dorm rooms for 1,000 nurses
- Total Acquisition Price of 837.5 MB
Agenda

- Overview
- Strategy
- **Operational Update**
- Financial Performance
- Associated Companies
Overall Volume Trend

Outpatient and Inpatient volumes decreased in 3Q13 compared with 3Q12 in both Thai and international markets.
Revenue Intensity

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

Revenue intensity:

- OPD revenue intensity improved 3.9%.
- IPD revenue intensity per admission slightly increased 0.5%.
- IPD revenue intensity per patient day increased 3.4%.
• For 3Q13, Thai revenue was up 12.6%, while International revenue was up 11.2% from 3Q12.

• 9M13 Top 5 revenue contribution by Non-Thai Nationalities

<table>
<thead>
<tr>
<th>Nationality</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAE</td>
<td>8%</td>
</tr>
<tr>
<td>Myanmar</td>
<td>7%</td>
</tr>
<tr>
<td>Oman</td>
<td>5%</td>
</tr>
<tr>
<td>USA</td>
<td>5%</td>
</tr>
<tr>
<td>Qatar</td>
<td>3%</td>
</tr>
</tbody>
</table>
Revenue Breakdown

- **3Q13 Revenue growth:**
  - Outpatient revenue increased by 12.1% y-o-y
  - Inpatient revenue increased by 9.5% y-o-y
- **Self-pay remains the primary method of payment**
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Operating Performance 2008-2012

**Total Revenues**

- **2008**: THB 8,882
- **2009**: THB 9,336
- **2010**: THB 10,056
- **2011**: THB 11,306
- **2012**: THB 13,252

11% CAGR

*One-time revenue of THB 790 million in 2012 was gain on sale of investment in subsidiary.*

**EBITDA**

- **2008**: THB 2,155
- **2009**: THB 2,259
- **2010**: THB 2,450
- **2011**: THB 2,819
- **2012**: THB 3,513

13% CAGR

**Profit**

- **2008**: THB 1,191
- **2009**: THB 1,246
- **2010**: THB 1,321
- **2011**: THB 1,555
- **2012**: THB 2,015

14% CAGR

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

**DILUTED EPS**

- **2008**: THB 1.37
- **2009**: THB 1.44
- **2010**: THB 1.52
- **2011**: THB 1.83
- **2012**: THB 0.75

14% CAGR

*Remark: The calculation of CAGR is excluding the extraordinary items.*
Margins & Trend

Margins have been strong and relatively stable over time
9M13 Update

- The Company reported Cost of hospital operations (including Depreciation and amortization) of Baht 6,583 million for 9M13, or 7.8% more year-over-year from Baht 6,104 million in 9M12, which was less than the 10.3% growth in Revenues from hospital operations. The increase includes approximately Baht 131 million in merit, minimum wage, benefits, and inflationary increases associated with employee labor costs; Baht 54 million additional Depreciation and amortization costs; and Baht 14 million in additional electricity cost. Administrative expenses (including Depreciation and amortization) were Baht 1,796 million in 9M13, increasing 7.1% from Baht 1,676 million in 9M12. This change included Baht 27 million additional marketing related expenses due to timing differences of expenditures between periods; Baht 25 million in merit, minimum wage, benefits, and inflationary increases associated with employee labor costs; and Baht 18 million additional software support and maintenance costs. EBITDA grew 15.6% year-over-year from Baht 2,600 million in 9M12 to Baht 3,005 million in 9M13, with the EBITDA margin advancing to 27.8% in 9M13 compared with 26.4% in 9M12.

- The Company’s Net profit for 3Q12 and 9M12 included extraordinary items related to the sale of investments in Bangkok Chain Hospital PCL (doing business as “Kasemrad Hospital Group”), and the Share of loss from Bumrungrad International Limited mostly associated with the sale of the investment in Asian Hospital Inc. and certain wind-down costs.
Leverage

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 September 2013 was lower than the Cash and cash equivalents balance, leading to a net cash balance after considering outstanding debt.

Interest coverage ratio improved to 16.5x in YTD Sep13, compared to 14.4x in YTD Sep12, due to higher EBITDA in YTD Sep13 compared to YTD Sep12.

* 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
Dividend Payment

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

On 6 Aug 2013, the Board of Directors Meeting approved an interim dividend payment for the Company's operations from 1 Jan 2013 to 30 Jun 2013 of Baht 0.70 per share.
Agenda

Overview

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 Sep13, as a result of the sale of all shares in early July 2012
- The Share of profit from KH recognized by BH in YTD Sep12, following the investment in March 2011, is set out in the table below:

<table>
<thead>
<tr>
<th>(Unit: Thousand Baht)</th>
<th>YTD Sep13</th>
<th>YTD Sep12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of profit from KH</td>
<td>-</td>
<td>111,286</td>
</tr>
<tr>
<td>Depreciation for fixed assets revaluation</td>
<td>-</td>
<td>(4,227)</td>
</tr>
<tr>
<td>Share of profit from KH - net</td>
<td>-</td>
<td>107,059</td>
</tr>
<tr>
<td>Interest income*</td>
<td>80,676</td>
<td>-</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(123,949)</td>
<td>(124,403)</td>
</tr>
<tr>
<td>Amortization of bond issuance cost</td>
<td>(2,986)</td>
<td>(2,973)</td>
</tr>
<tr>
<td>Decrease in corporate income tax</td>
<td>9,252</td>
<td>30,269</td>
</tr>
<tr>
<td><strong>Net profit (loss) from KH transactions</strong></td>
<td><strong>(37,007)</strong></td>
<td><strong>9,952</strong></td>
</tr>
</tbody>
</table>

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

1. On 25 October 2013, the Company set up and registered a new subsidiary, Life and Longevity Limited, in the Hong Kong Special Administrative Region of the People’s Republic of China with a registered capital of USD 100,000, comprising of 100,000 common shares with par value of USD 1 each.

   The investment was made in accordance with a resolution of the Investment Committee Meeting held on 20 September 2013, which approved the Company’s established of a new subsidiary for the benefit of overseas investments of the Company.

2. On 30 October 2013, the Company acquired land and building from a third party at a price of Baht 837.5 million, for use in its operations, as approved on 6 August 2013 by a meeting of the Company’s Board of Directors. This purchase price was less then the value appraised by an independent valuer.