



## **Bumrungrad Hospital Public Company Limited**

*Investor Presentation*  
*November 2016*

# 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.*

# Agenda

---

*Overview*

*Strategy*

*Operational Update*

*Financial Performance*

# Highlights

## Operational Update

	<u>3Q16 growth</u>
OP Visits	1.2%
Admissions	1.1%

## Financial Performance

	<u>3Q16 growth</u>
Total revenues	5.6%
EBITDA	12.6%
Net Profit/ EPS	14.5%

## Key Updates

- Investment in an integrated digital hospital
- Thai community hospital network rollout

# Agenda

---

***Overview***

***Strategy***

***Operational Update***

***Financial Performance***

# Strategy

---

## Bumrungrad International Hospital

- Campus expansion continues (see next page)
- Investment in an integrated digital hospital

## Thailand

- Thai community hospital network

## International

- Middle East market update
- SE Asia tertiary referral development

# Campus Master Plan

## Outpatient Clinics

- BI Tower underway and tracking to finish mid-year 2017
- Imaging services expansion with a new 3T MRI and CT on schedule

## Inpatient

- Expand NICU by 7 cots

## BH Renovation

- Three year renovation program for patients rooms, main lobby and mezzanine area; additionally upgrading hospital MEP

## New Construction

- BI Hospital Annex planning underway (4,400 sq.m. of clinical space)

Actual/Estimated Capital Investment by Year of Commitment (Million THB)

Y16	Y17	Y18	Y19	Y20	Y21
1,696	1,456	294	7,643	3,082	315

# Agenda

---

***Overview***

***Strategy***

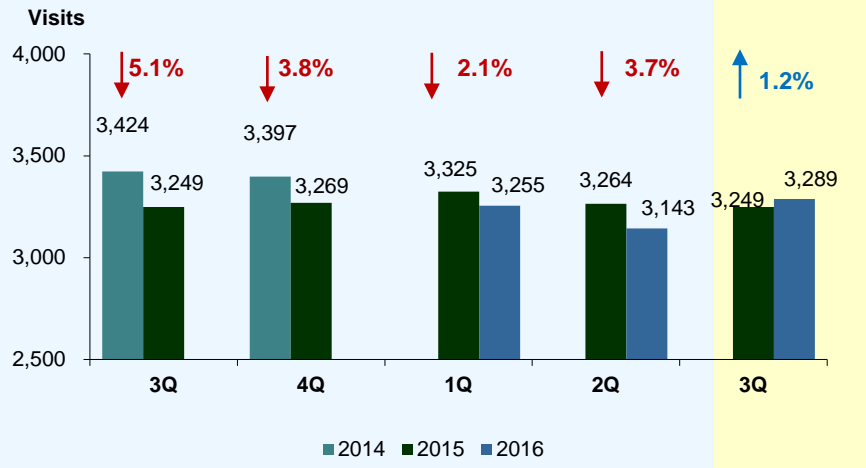
***Operational Update***

***Financial Performance***



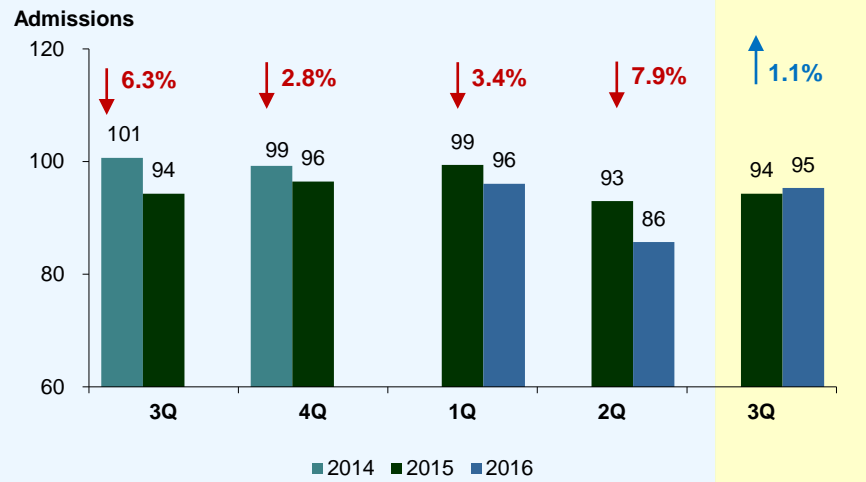
# Overall Volume Trend

## Average Visits per Day

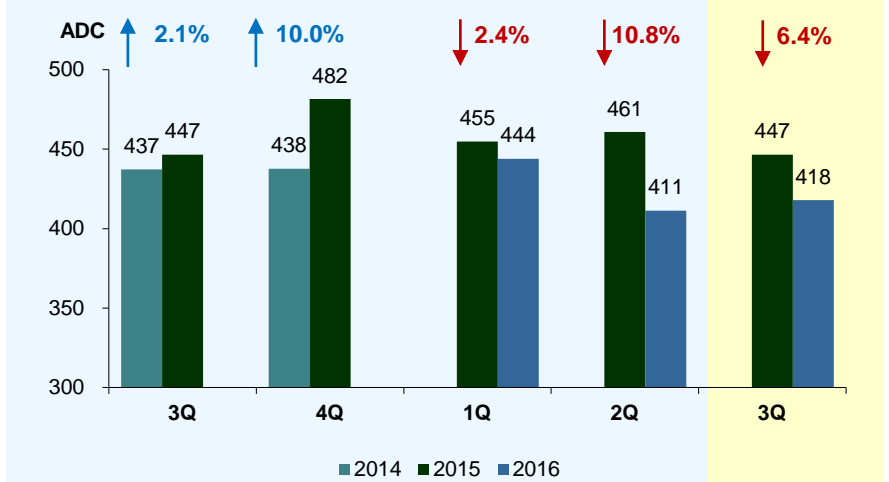


*For 3Q16: Outpatient volumes grew 1.2% in 3Q16 compared with 3Q15, mostly due to growth of 2.7% from international markets and 0.3% from the Thai market. Inpatient volumes advanced 1.1% in terms of admissions but declined 6.4% in terms of patient days. The increase in admissions was mostly due to a 7.3% rise year-over-year from the Thai market, offset by a 5.4% decline in international admissions. The fewer patient days resulted mostly from a lower average length of stay for non-Thai patients.*

## Average Admissions per Day

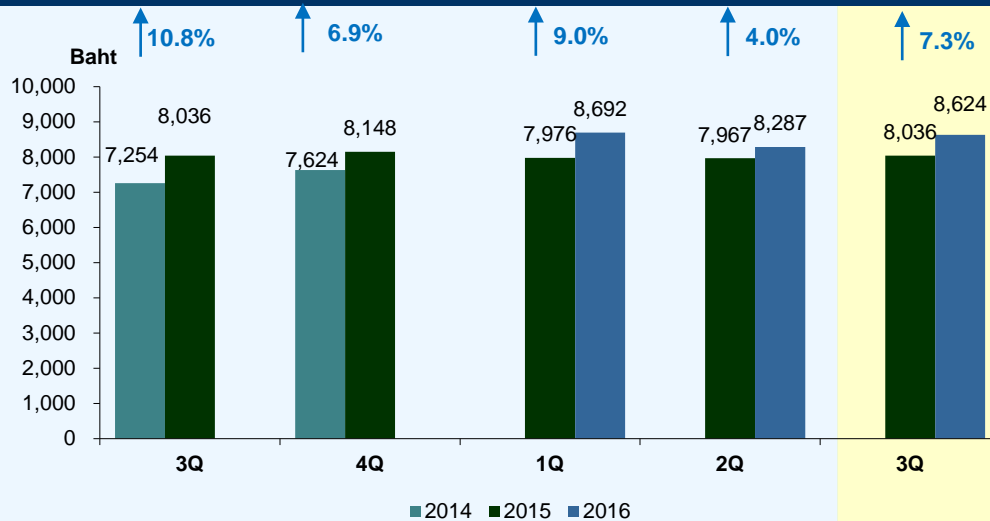


## Average Daily Census



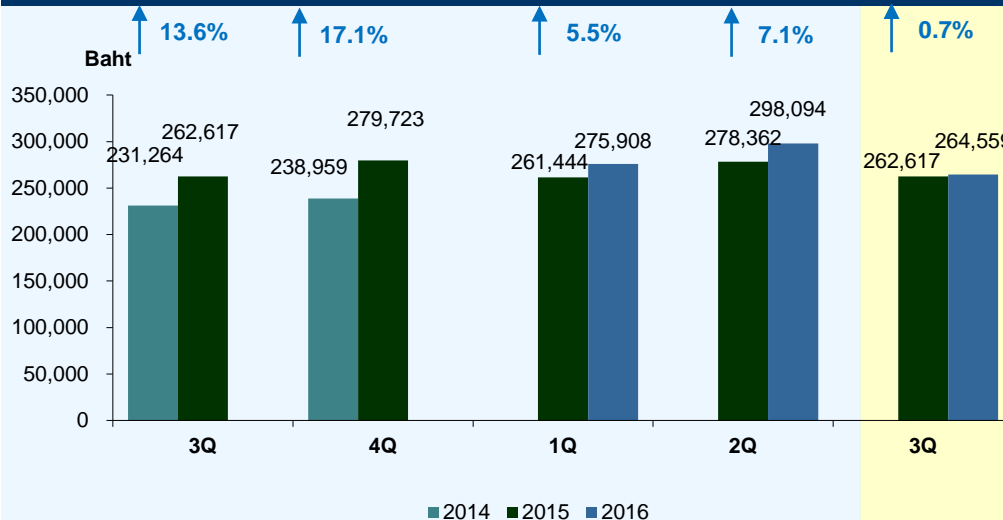
# Revenue Intensity

## Revenue per Visit



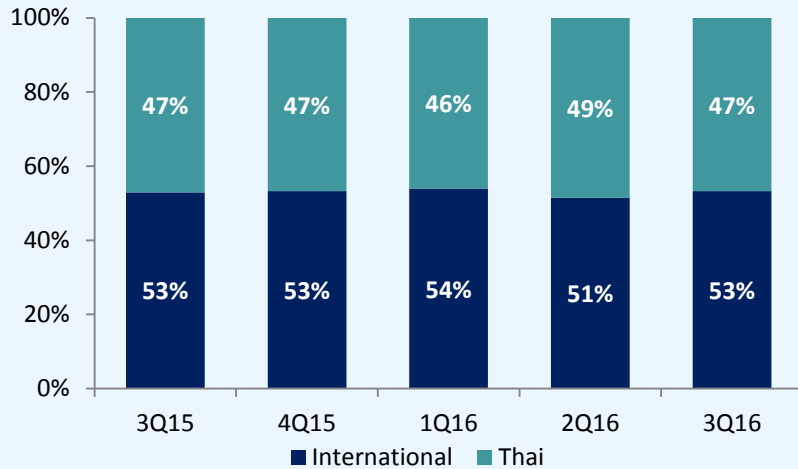
*For 3Q16: Revenue intensity improved 2.4% for outpatient services and 3.2% on a patient-day basis for inpatient services. The combined results of the above produced outpatient service revenue growth of 8.6% and inpatient service revenue growth of 1.8%. The revenue contribution from inpatient services in 3Q16 was 47.1% and from outpatient services 52.9%, compared with 48.7% and 51.3%, respectively, for 3Q15.*

## Revenue per Admission



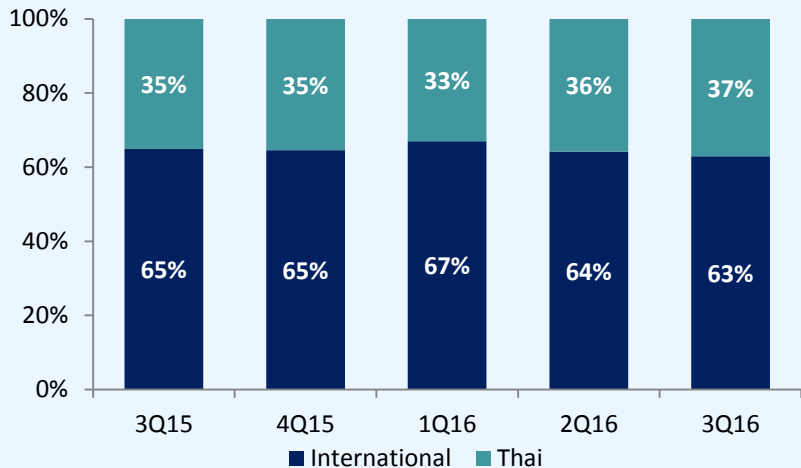
# International Volume and Revenue Contribution

## Volume Contribution by Nationality

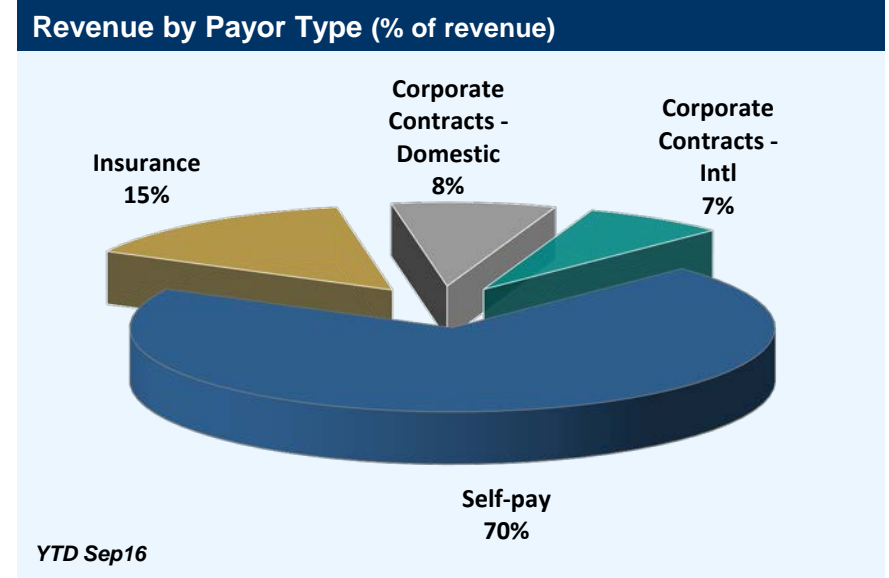
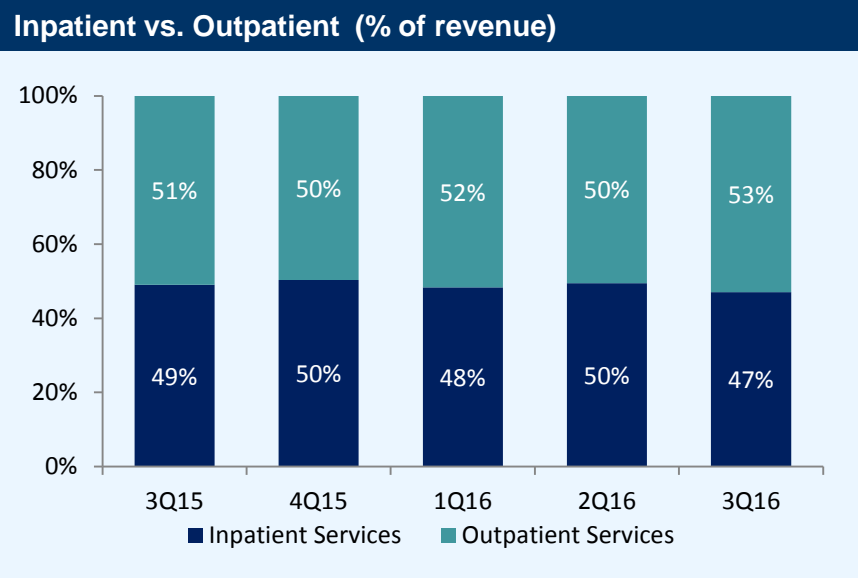


**For 3Q16:** In terms of revenues by market segment, non-Thai patients accounted for 62.9% of the total in 3Q16, with the remaining 37.1% from Thai patients, compared to 65.0% and 35.0% for non-Thai patients and Thai patients, respectively, in 3Q15.

## Revenue Contribution by Nationality



# Revenue by Service and Payor Type



## Revenue by Payor Type Comparison

	YTD Sep 2016	Y2015	Change
Self-pay	70%	68%	+1%
Insurance	15%	14%	+1%
Corporate contracts –Domestic	8%	9%	-1%
Corporate contracts -International	7%	9%	-1%

# Agenda

---

***Overview***

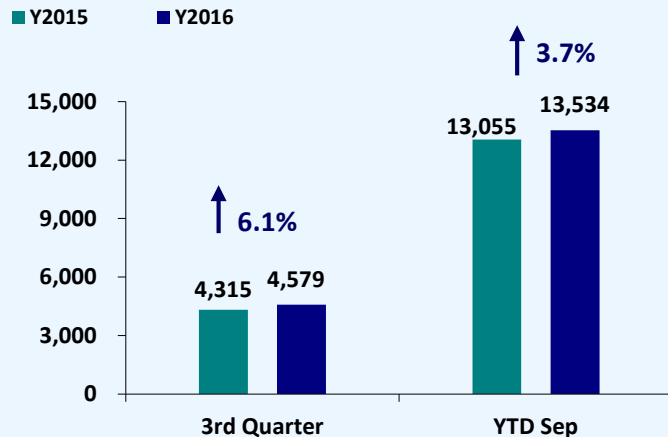
***Strategy***

***Operational Update***

***Financial Performance***

# Revenue from Hospital Operations

## Revenue from Hospital Operations (THB mm)

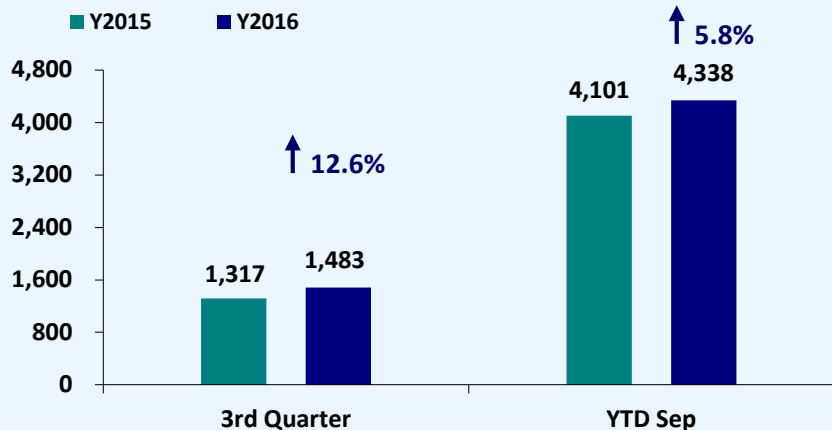


**3Q16:** The Company reported Revenues from hospital operations of Baht 4,579 million, a 6.1% improvement year-over-year from Baht 4,315 million in 3Q15. Outpatient volumes grew 1.2% in 3Q16 compared with 3Q15, mostly due to growth of 2.7% from international markets and 0.3% from the Thai market. Inpatient volumes advanced 1.1% in terms of admissions but declined 6.4% in terms of patient days. The increase in admissions was mostly due to a 7.3% rise year-over-year from the Thai market, offset by a 5.4% decline in international admissions. The fewer patient days resulted mostly from a lower average length of stay for non-Thai patients. Revenue intensity improved 2.4% for outpatient services and 3.2% on a patient-day basis for inpatient services. The combined results of the above produced outpatient service revenue growth of 8.6% and inpatient service revenue growth of 1.8%.

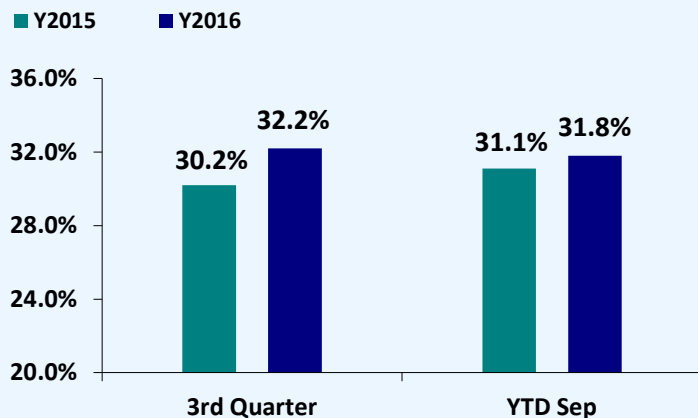
**YTD Sep16:** Revenues from hospital operations were Baht 13,534 million for YTD Sep16, a 3.7% improvement year-over-year from Baht 13,055 million in YTD Sep15. Outpatient volumes declined 1.2% year-over-year, while inpatient volumes decreased 3.0% and 6.2% in terms of admissions and patient days, respectively. The volumes decline occurred mostly from the international market, while Thai and expat volumes grew in both admissions and outpatient visits. Thai volumes advanced 3.9% and 0.5% for admissions and outpatient visits, respectively, while expat volumes increased 6.3% in admissions and 3.7% in outpatient visits. The reduction in patient days resulted mostly from a decline in international admissions and a lower average length of stay from the Thai market. Revenue intensity for outpatient services improved 1.8% year-over-year, while inpatient service intensity improved 2.4% year-over-year on a patient-day basis. The combined results of the above produced outpatient service revenue growth of 5.6% with inpatient service revenue increasing 1.2%.

# EBITDA and EBITDA Margin

## EBITDA (THB mm)



## EBITDA Margin

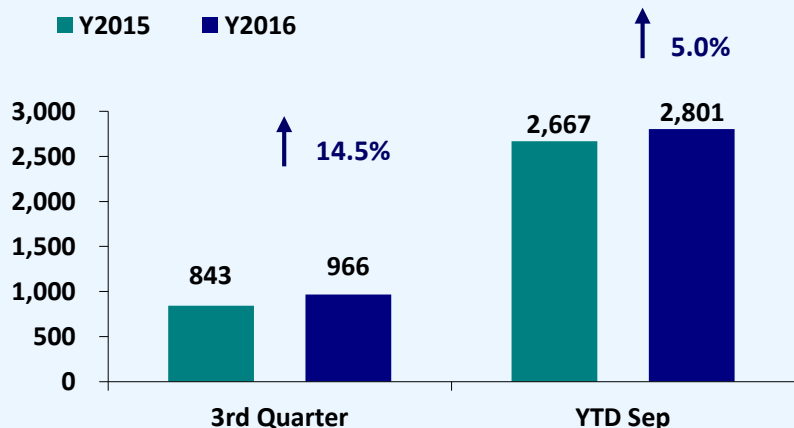


- 3Q16:** Cost of hospital operations (including Depreciation and amortization) was Baht 2,618 million for 3Q16, or 2.6% more year-over-year from Baht 2,551 million in 3Q15. This represents a favorable change when compared to the 6.1% growth in Revenues from hospital operations, and contributed to a reduction in the percentage of cost to Revenues from hospital operations to 57.2% in 3Q16 compared to 59.1% in 3Q15. Administrative expenses (including Depreciation and amortization) were Baht 798 million in 3Q16, or 5.7% more than Baht 755 million in 3Q15. The increase was mostly due to increased Depreciation and amortization, cost associated with the Company's 36th Anniversary, and certain marketing related expenses. EBITDA increased by 12.6% year-over-year to Baht 1,483 million in 3Q16 from Baht 1,317 million in 3Q15, with an EBITDA margin of 32.2% in 3Q16 compared to 30.2% in 3Q15.

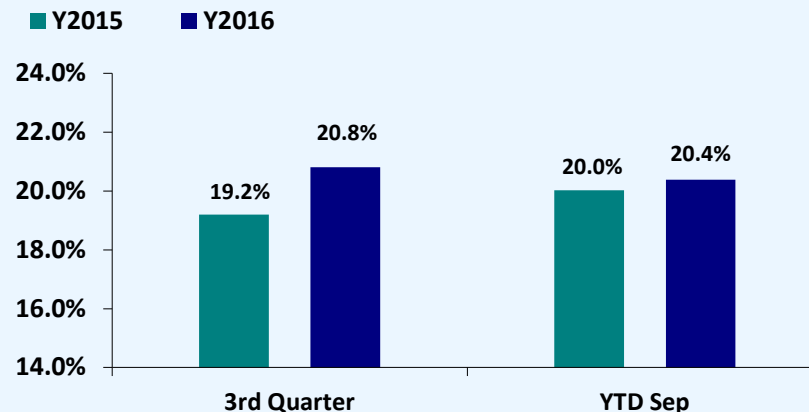
- YTD Sep16:** Cost of hospital operations (including Depreciation and amortization) was Baht 7,831 million for YTD Sep16, or 1.7% more year-over-year from Baht 7,698 million in YTD Sep15. This represents a favorable change when compared to the 3.7% growth in Revenues from hospital operations, and contributed to a reduction in the percentage of cost to Revenues from hospital operations to 57.9% in YTD Sep16 from 59.0% in YTD Sep15. Administrative expenses (including Depreciation and amortization) were Baht 2,333 million in YTD Sep16, increasing 7.2% from Baht 2,177 million in YTD Sep15. This change included increased staff and marketing costs, as well as additional Depreciation and amortization. EBITDA grew 5.8% year-over-year to Baht 4,338 million in YTD Sep16 from Baht 4,101 million in YTD Sep15, with the EBITDA margin of 31.8% in YTD Sep16 compared with 31.1% in YTD Sep15.

# Net Profit, Net Profit Margin and Diluted EPS

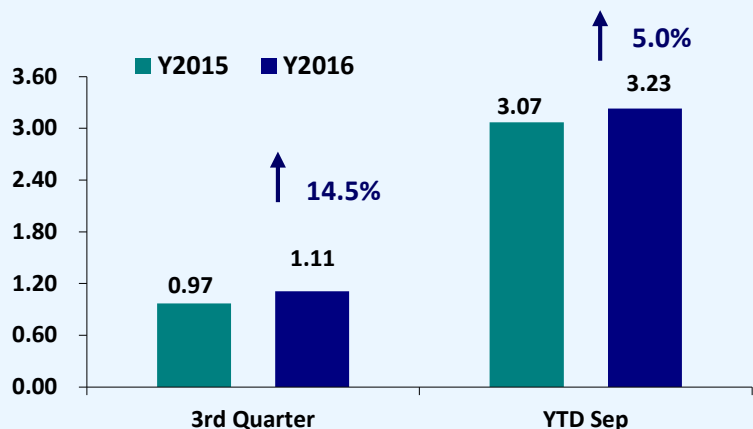
## Net Profit (THB mm)



## Net Profit Margin



## Diluted EPS (THB)



**3Q16:** Ongoing capital spending and accelerated depreciation associated with the campus expansion contributed to higher 3Q16 Depreciation and amortization of Baht 287 million from Baht 264 million in 3Q15.

Basic EPS for 3Q16 of Baht 1.33 was 14.5% more than Baht 1.16 in 3Q15, while 3Q16 Diluted EPS increased at the same rate to Baht 1.11 from Baht 0.97 in 3Q15.

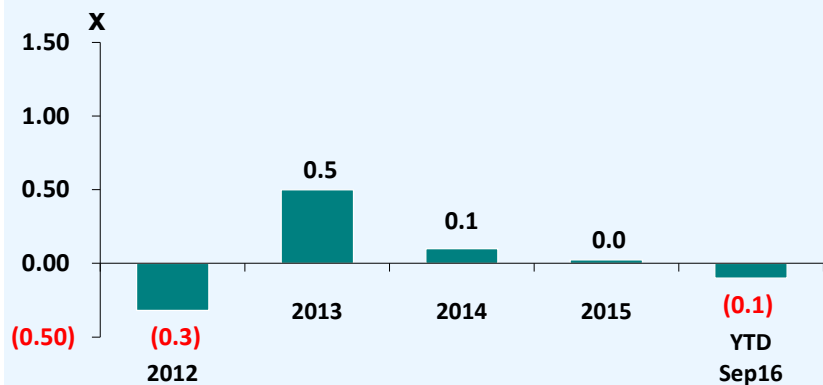
**YTD Sep16:** Ongoing capital spending and accelerated depreciation associated with the campus expansion contributed to higher YTD Sep16 Depreciation and amortization of Baht 848 million from Baht 772 million in YTD Sep15.

Basic EPS for YTD Sep16 of Baht 3.84 was 5.0% higher than Baht 3.66 in YTD Sep15, while YTD Sep16 Diluted EPS increased at the same rate to Baht 3.23 from Baht 3.07 in YTD Sep15.

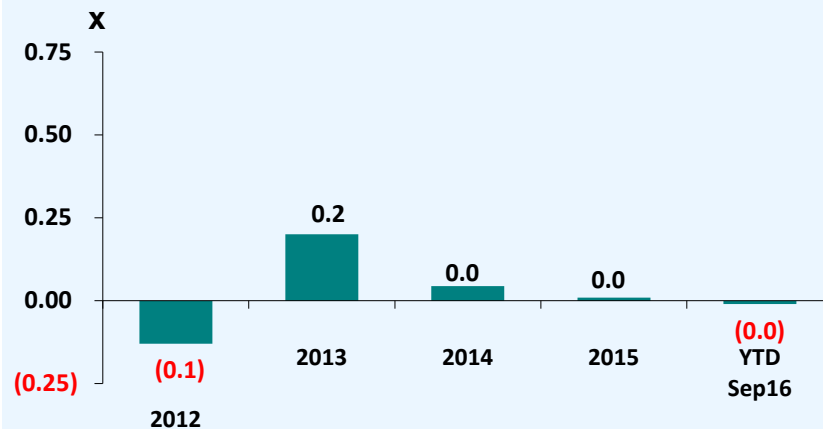


# Leverage

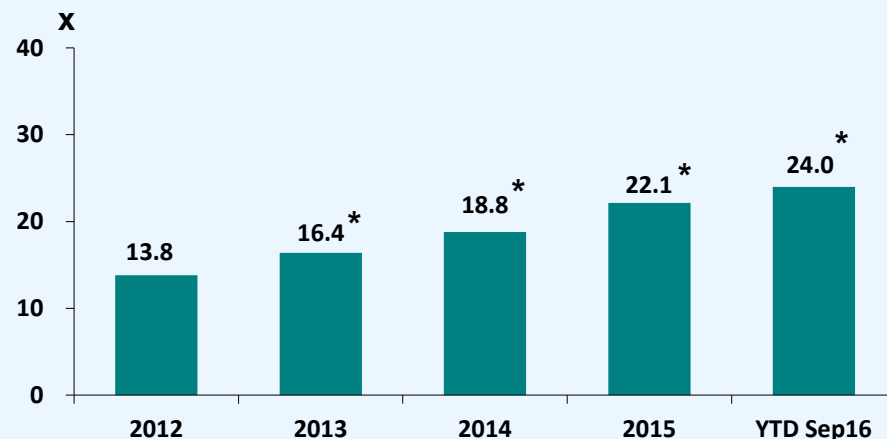
## Net Debt to EBITDA



## Net Debt to Equity



## Interest Coverage



\*After adding back YTD Sep16, 2015, 2014 and 2013 capitalized interest expense related to the campus expansion.

Cash and cash equivalent balances continued to exceed outstanding debt balances, resulting in a net cash versus net debt position as at 30 September 2016.

The Company's Interest coverage ratio improved to 24.0x in YTD Sep16 compared to 22.8x in YTD Sep15, due to higher EBITDA in YTD Sep16 compared to YTD Sep15.

# Revenue Guidance

---

As previously noted in 2Q16, the Company had adjusted revenue guidance for FY 2016 due to volume pressures in the international sector. Although volumes were materially affected by the Mongolian market, the revenue impact was immaterial. The Middle East volume declines do materially affect revenue. However, the revenue intensity for these same patients remained at high levels through YTD Sep16. In consideration of significant world economic pressures and corresponding oil price declines, the Company reconfirms its guidance for revenue from 8% to 10% growth to flat growth with a potential variance of 2% for the full year of 2016.