



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

○ **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

○ **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

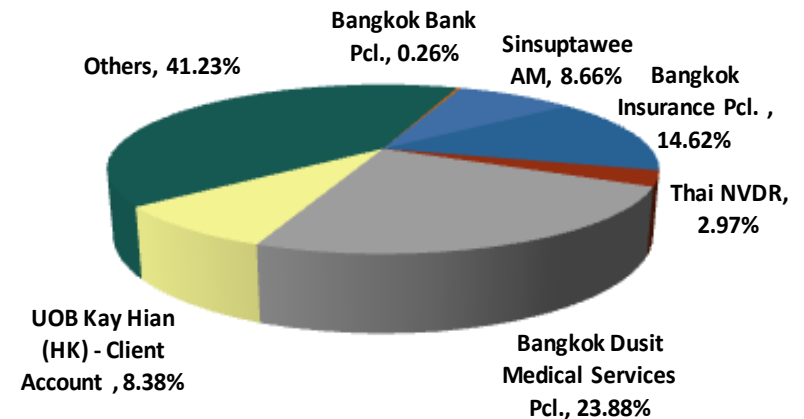
○ **Patients**

- Over 1.1 million patient episodes annually
- Over 520,000 international patient episode annually from over 200 countries

○ **Services**

- 55 Sub-Specialties

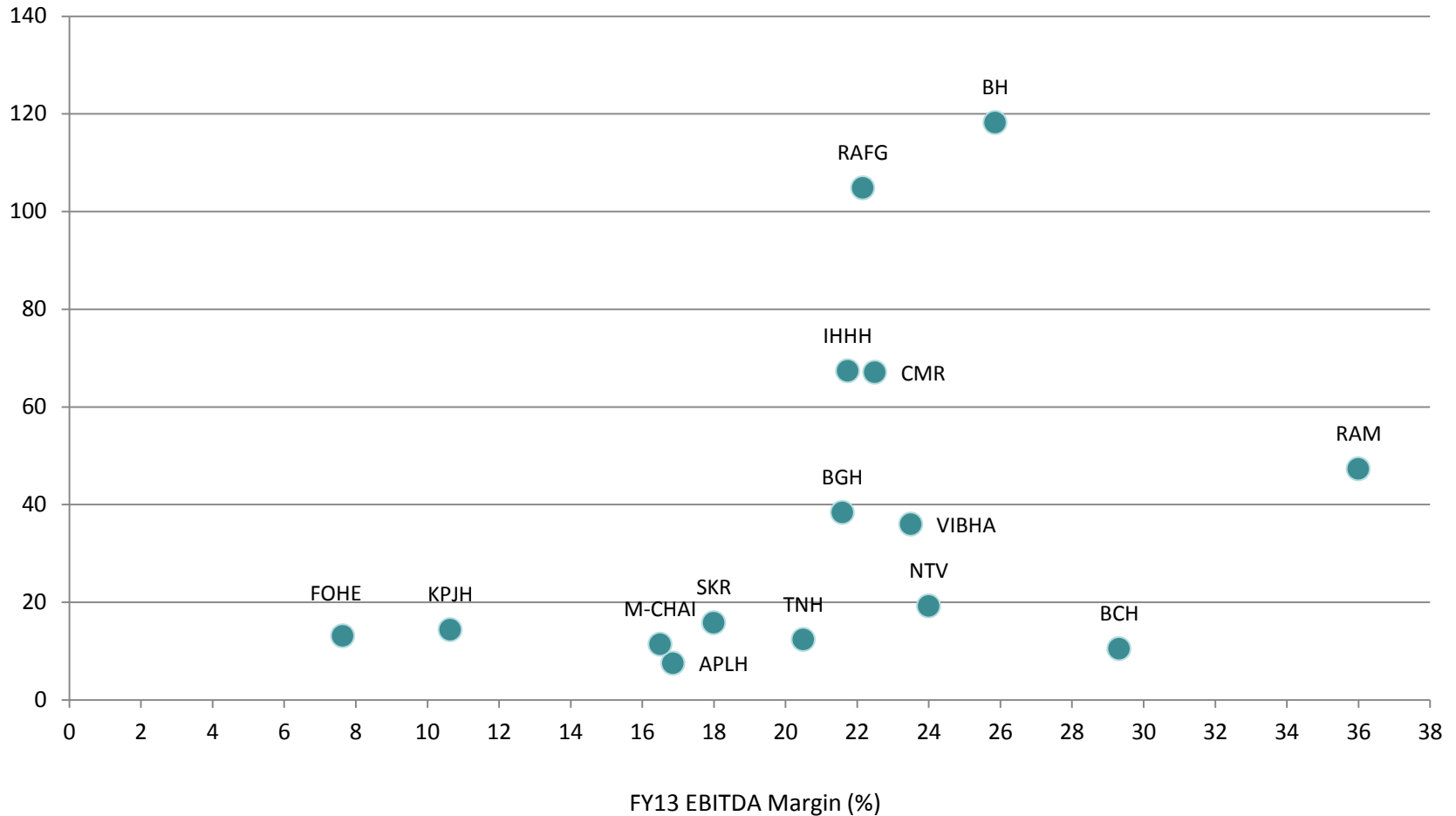
Shareholding Structure



As of 22 November, 2013

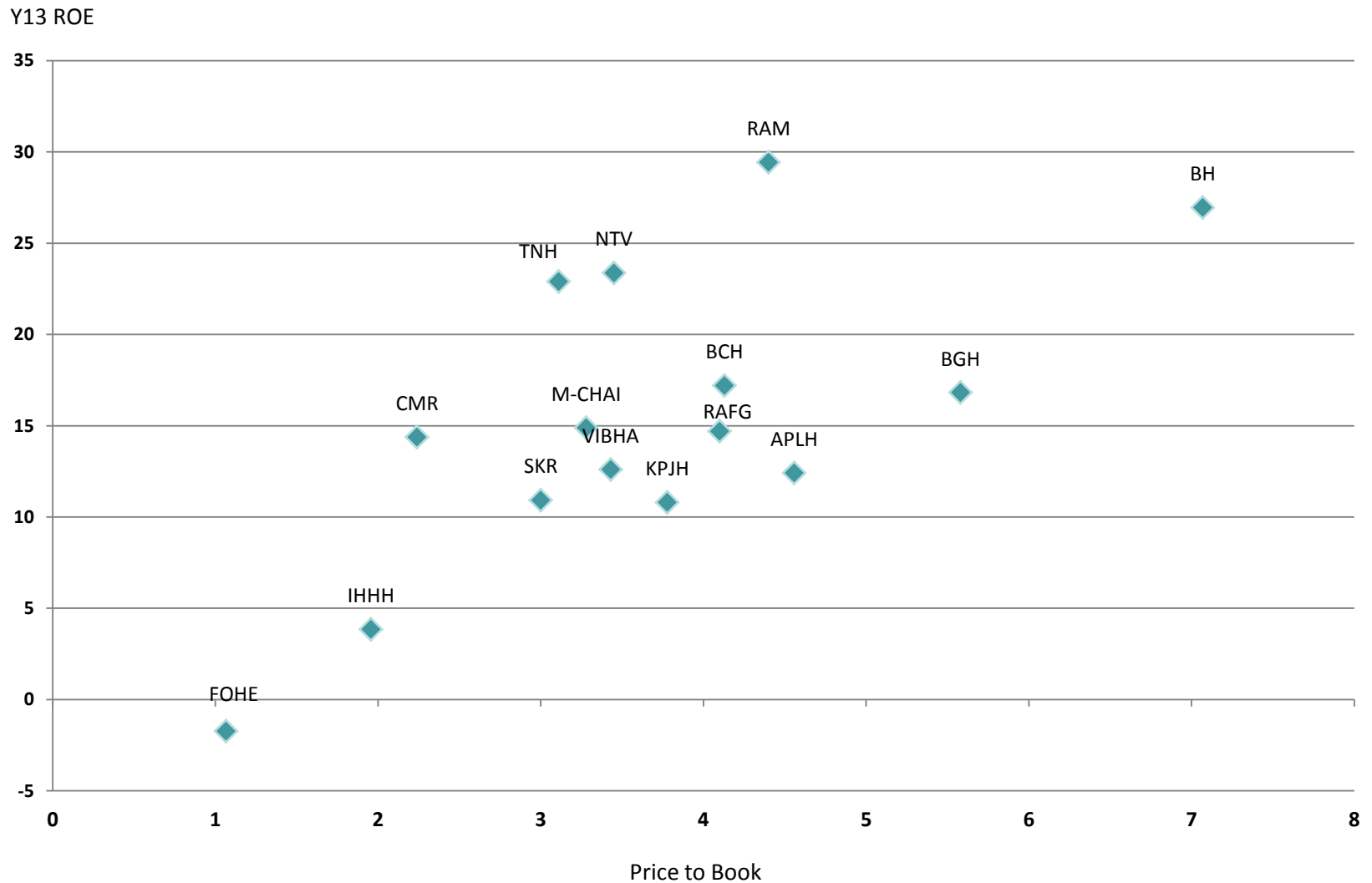
Value & Profitability Comparison

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



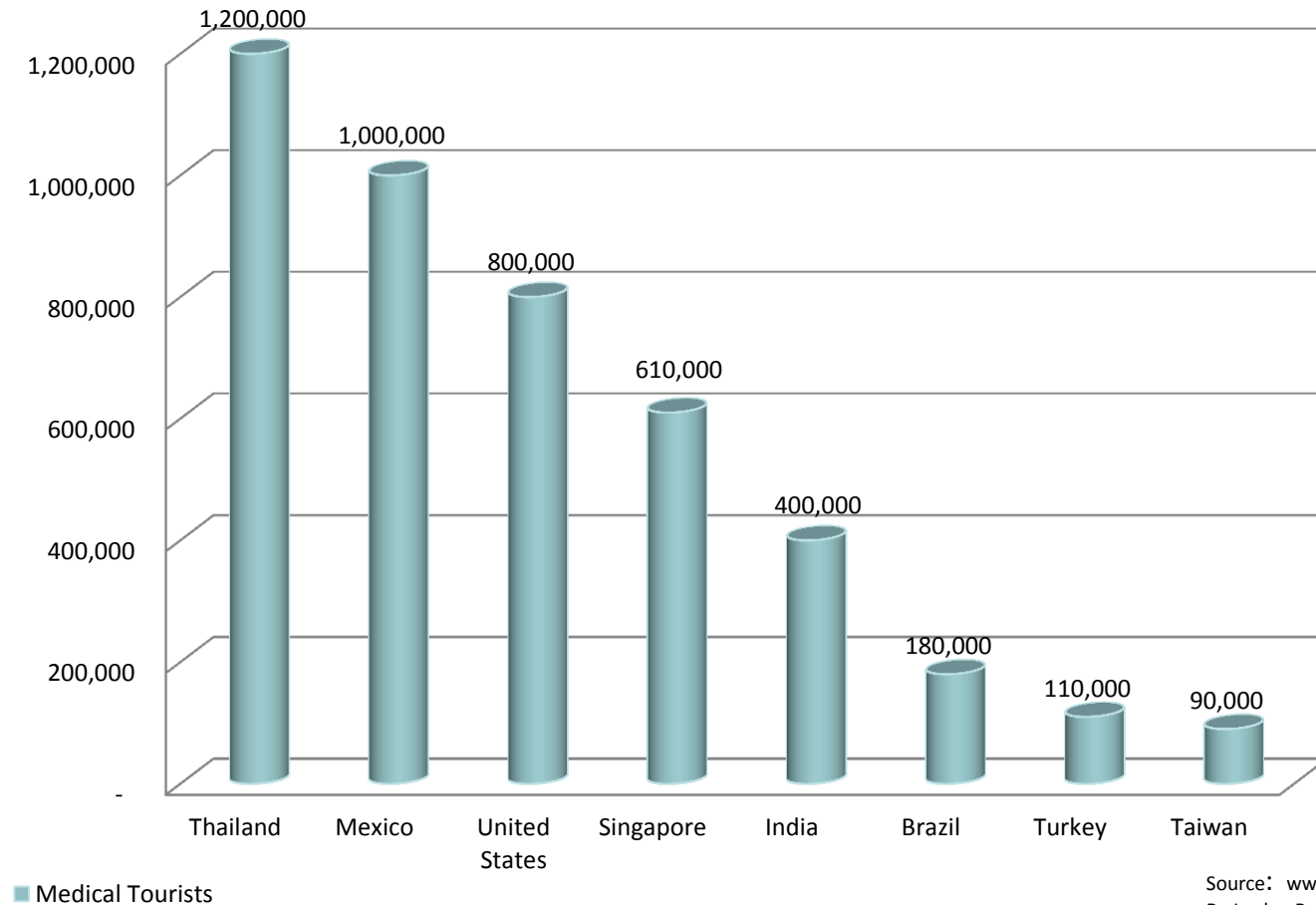
Source: Bloomberg

ROE & P/B Comparison



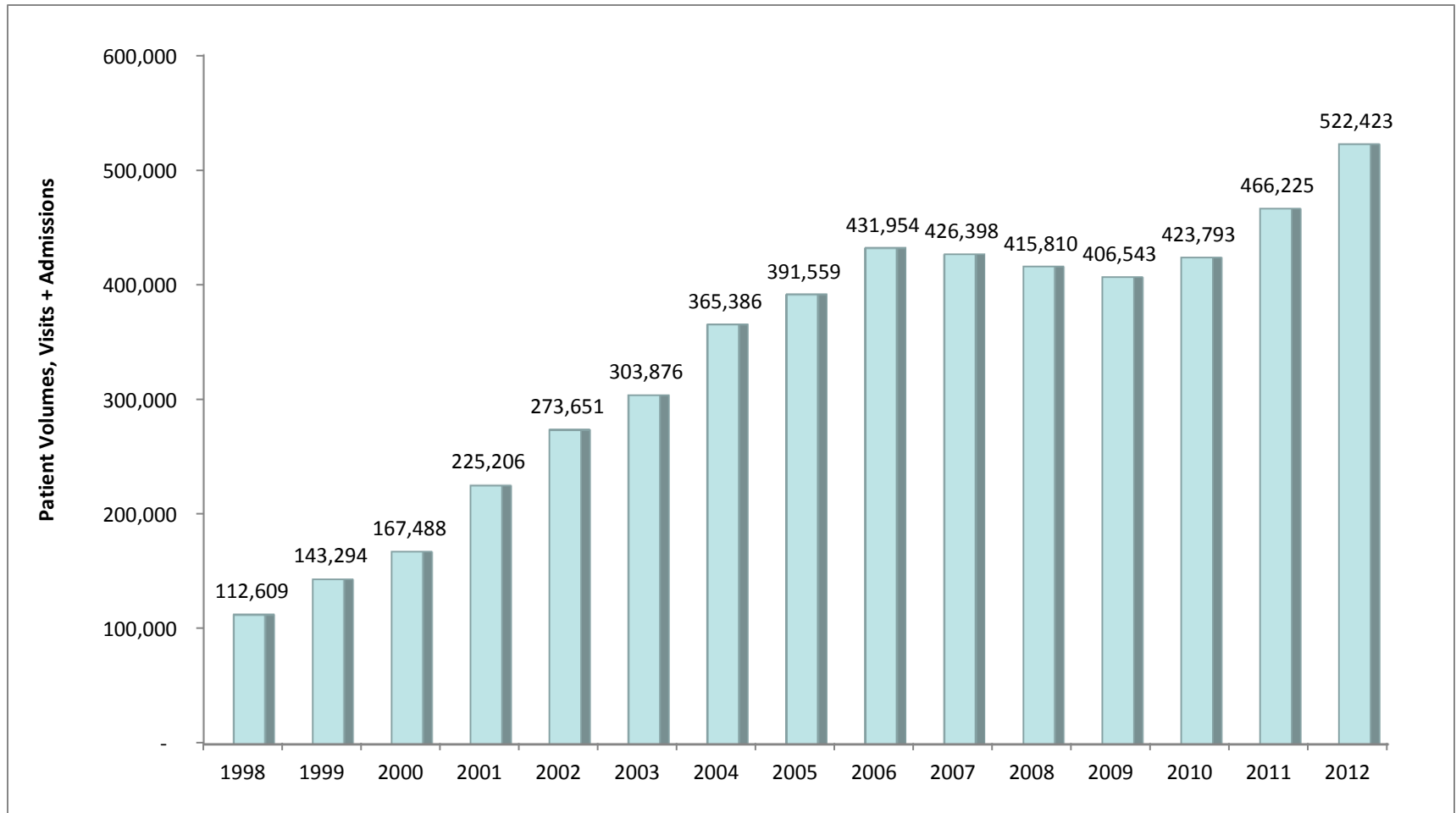
Source: Bloomberg

Top Travel Destinations for Medical Tourism

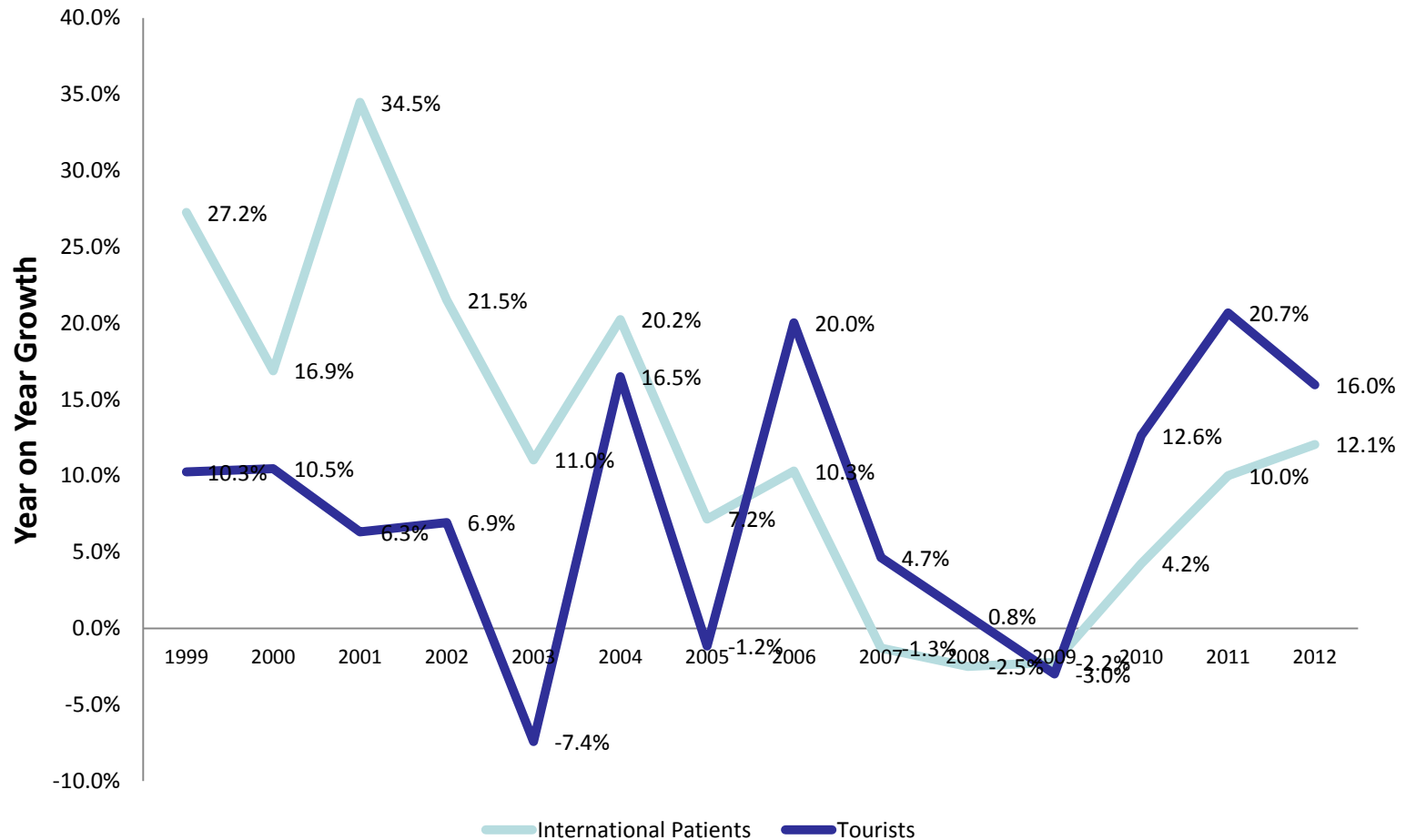


Source: www.bloomberg.com
By Jordan Robertson - Jun 25, 2013

Bumrungrad's International Volumes 1998 to 2012

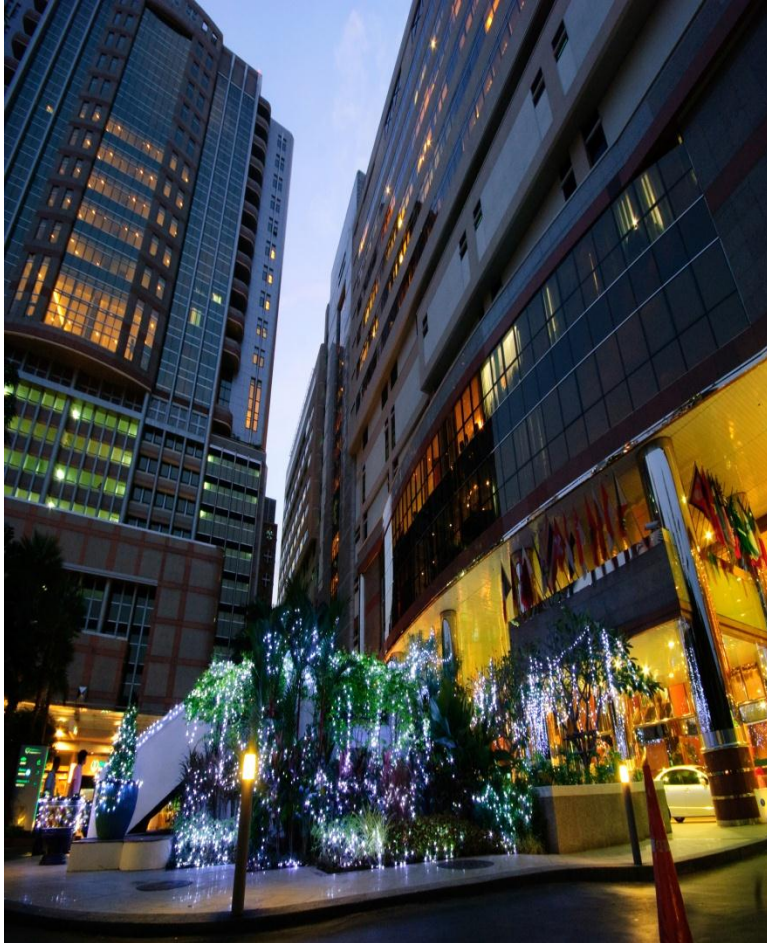


Effect of External Factors



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

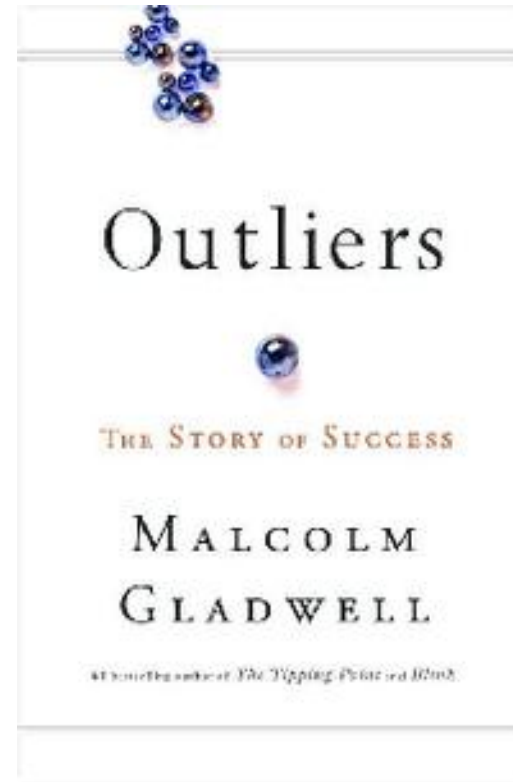


- **55 Sub-Specialties**
- **Over 2,000+ nurses and 1,200+ doctors**
- **International experience staff and overseas board certification (over 320 are US, UK or Australian Board certified)**



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

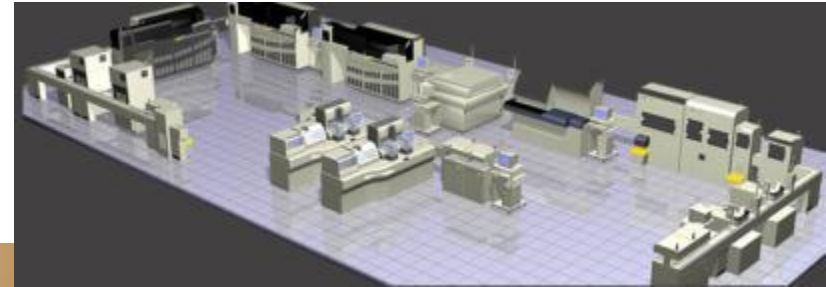


Japanese

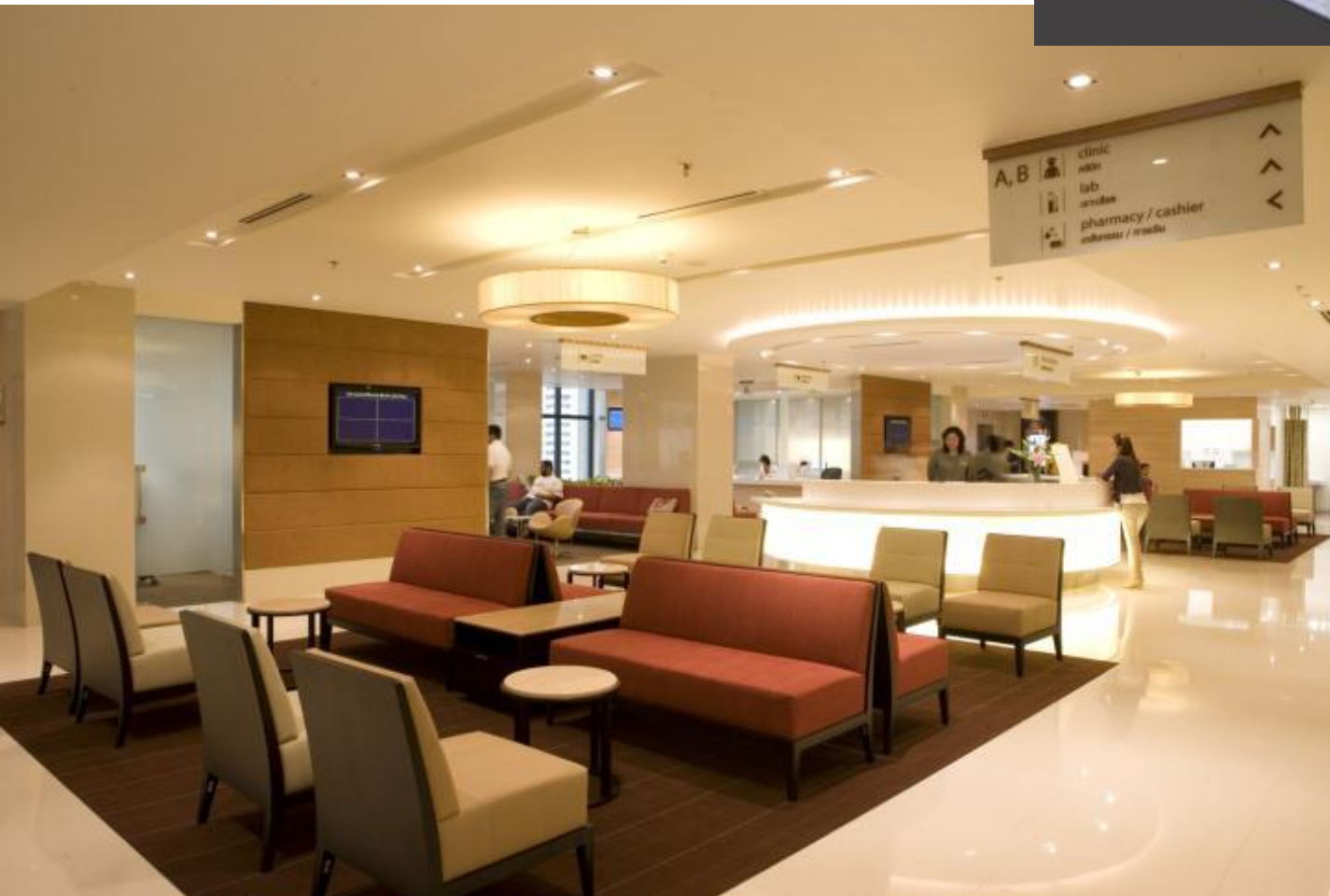


Invested in Technology - Integrated Services

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



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



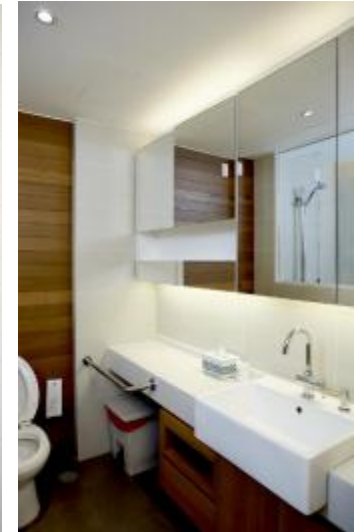
Integrated into the EMR and billing system

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



Ground Floor Lobby



New Clinics

Welcome Center



Sky Lobby



Processes - International Medical Coordination Office

12 Doctors & 37 Nurses dedicated to international patient care coordination

International Medical Coordination Physicians



**Medical
Report
Team**



Middle East 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

Agenda

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Associated Companies

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 rain water 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

Back office	<ul style="list-style-type: none"> Moved 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. Able to receive a bonus FAR of 20%
Campus Expansion on Soi 1	<ul style="list-style-type: none"> Bought 6,178 sq. meters of land on Sukhumvit Soi 1. Used for parking until more space is needed.
Acquire Additional Capacity	<ul style="list-style-type: none"> Acquired Boss Tower for employee houses and office space

Est. Capital Investment (Million THB)	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Total
	643	1,873	2,109	1,177	1,609	3,055	1,975	1,393	13,834

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

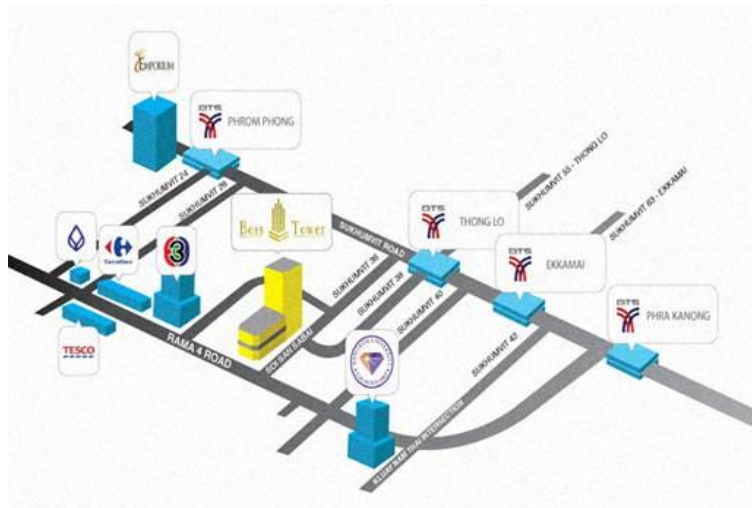


- Demolition already completed.
- Land banked Soi 1 property, will be a parking lot until it is needed.

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



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Strategy

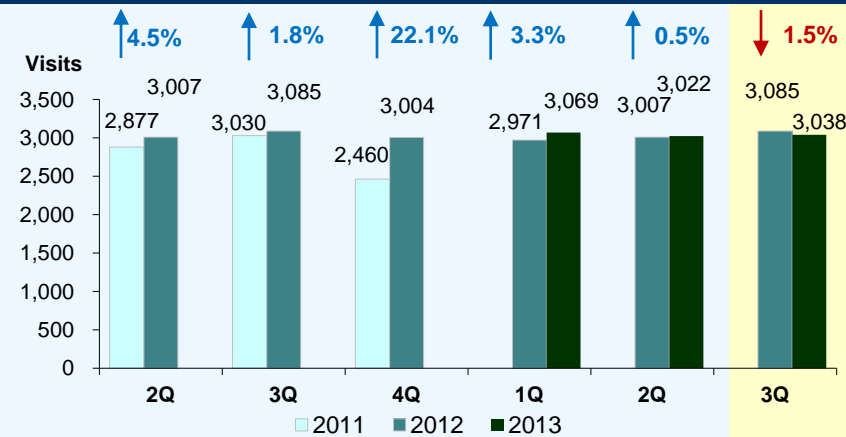
Operational Update

Financial Performance

Associated Companies

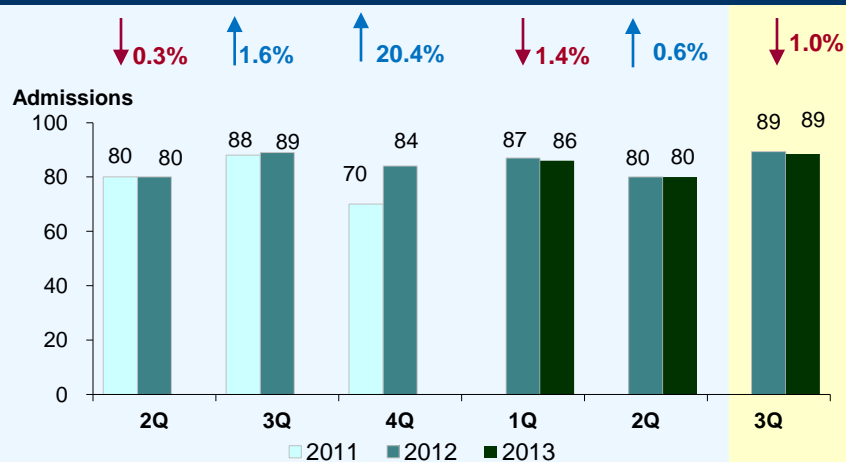
Overall Volume Trend

Average Visits per Day

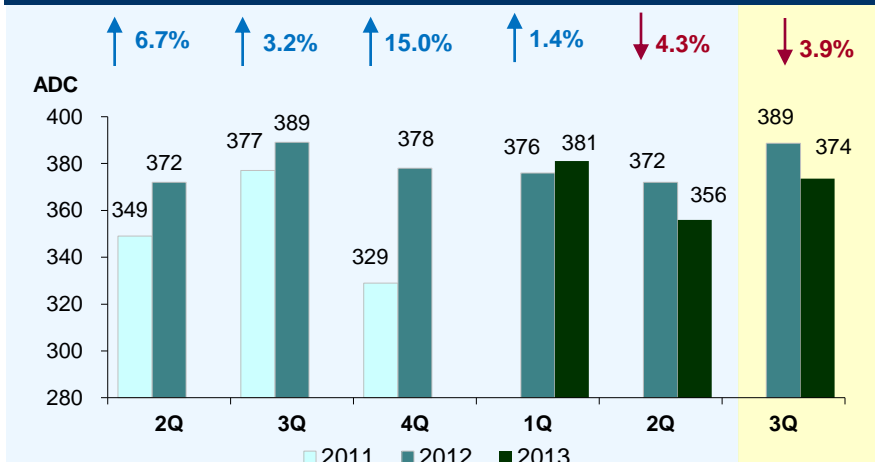


Outpatient and Inpatient volumes decreased in 3Q13 compared with 3Q12 in both Thai and international markets.

Average Admissions per Day

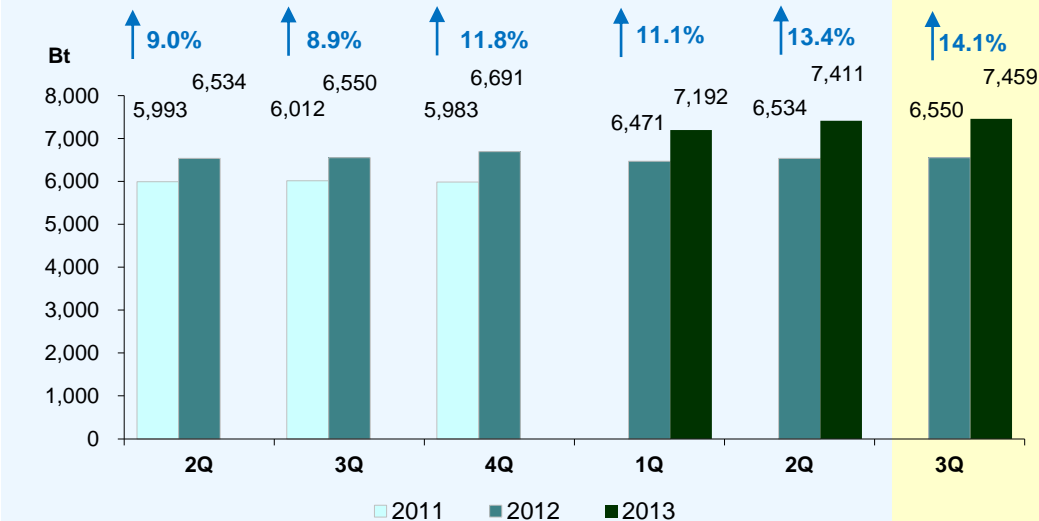


Average Daily Census



Revenue Intensity

Revenue per Visit

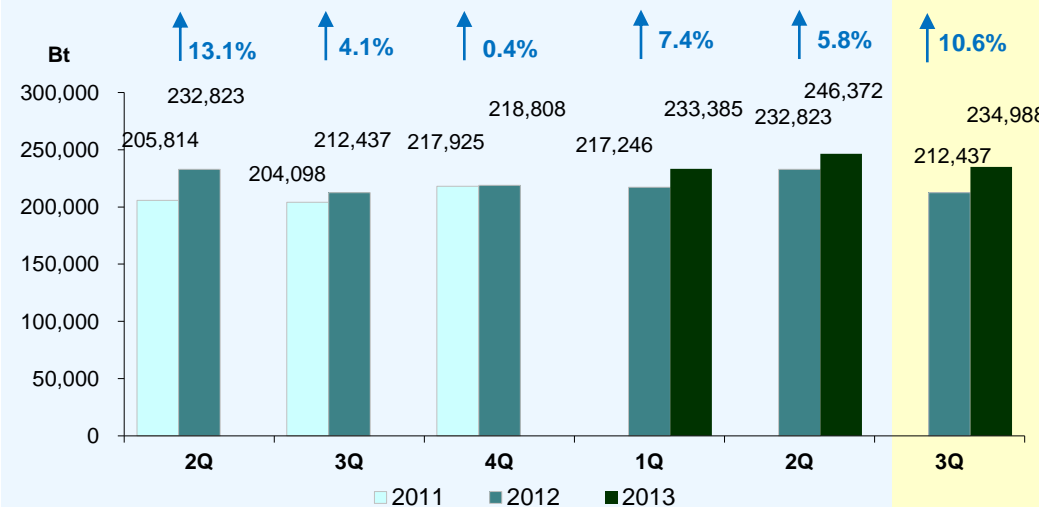


Revenue per episode reflects the price increase for 2013 and the increase in revenue intensity.

Revenue intensity:

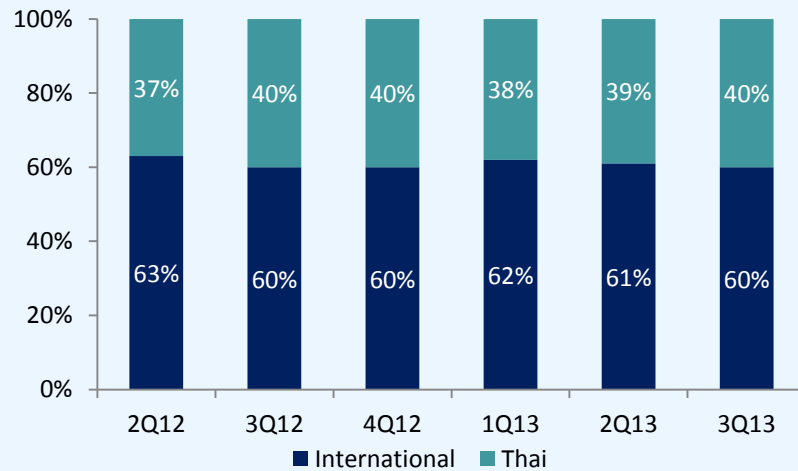
- OPD revenue intensity improved 3.9%.
- IPD revenue intensity per admission slightly increased 0.5%.
- IPD revenue intensity per patient day increased 3.4%.

Revenue per Admission



International Breakdown

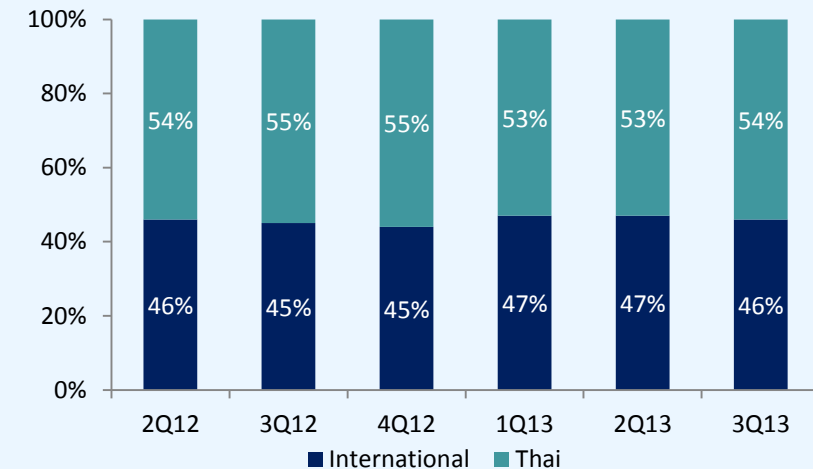
Revenue Contribution by Nationality



- 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

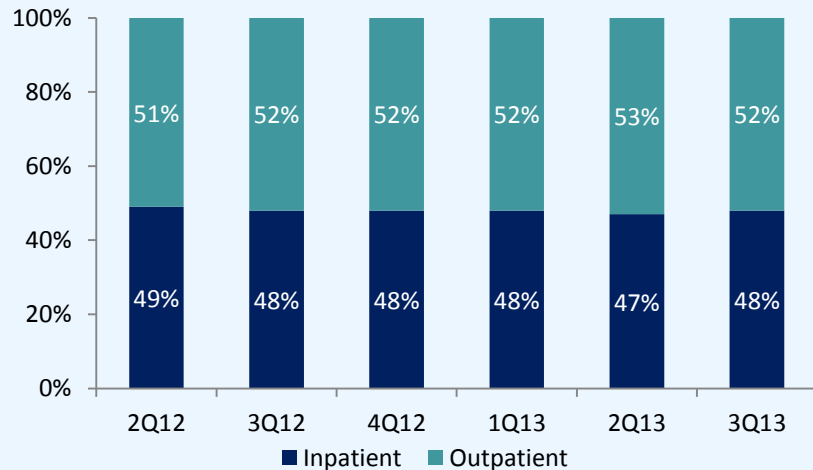
UAE	8%
Myanmar	7%
Oman	5%
USA	5%
Qatar	3%

Volume Contribution by Nationality

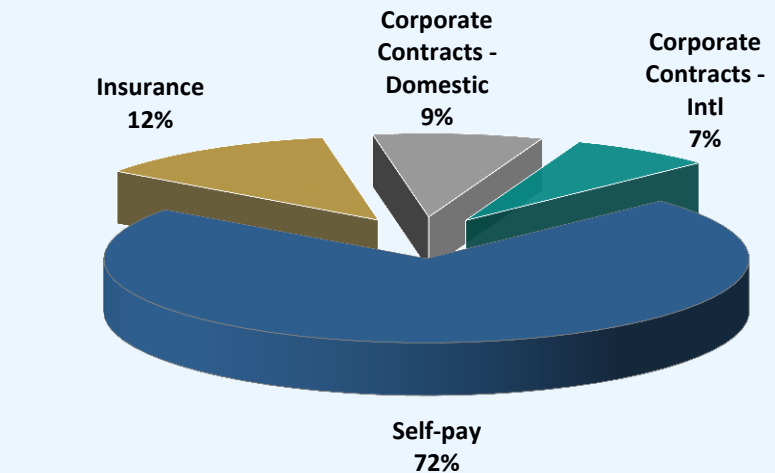


Revenue Breakdown

Inpatient vs. Outpatient (% of revenue)



Method of Payment (% of revenue)



YTD Sep13

- *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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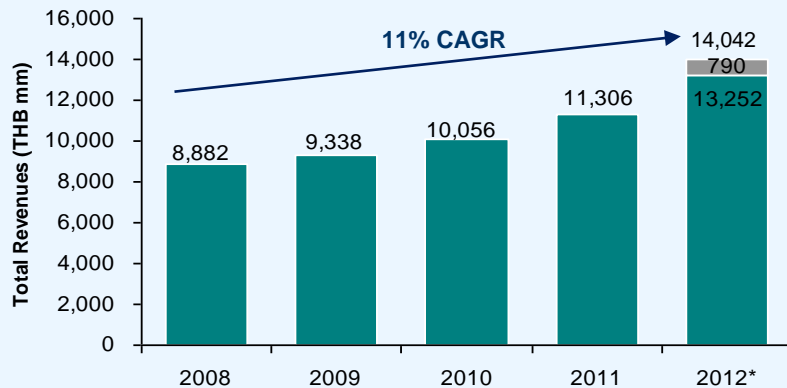
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Operating Performance 2008-2012

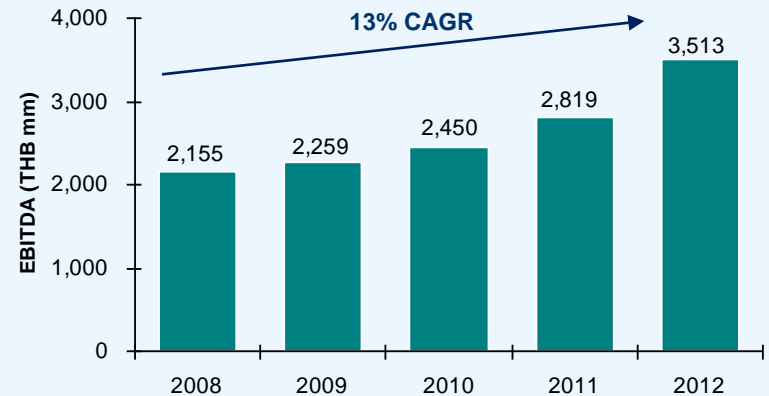
Total Revenues



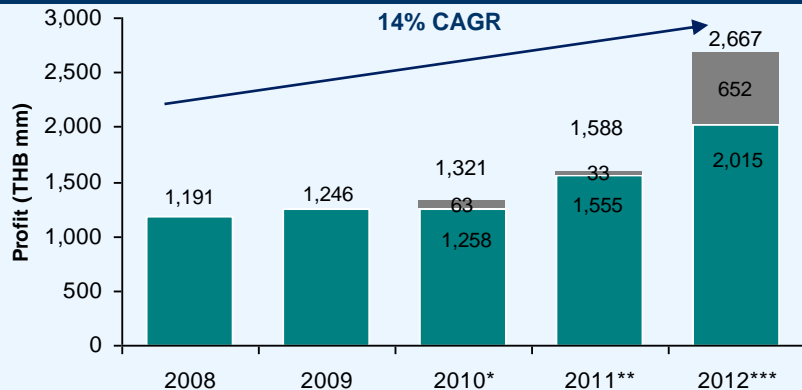
* One-time revenue of THB 790 million in 2012 was gain on sale of investment in subsidiary.

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

EBITDA



Profit



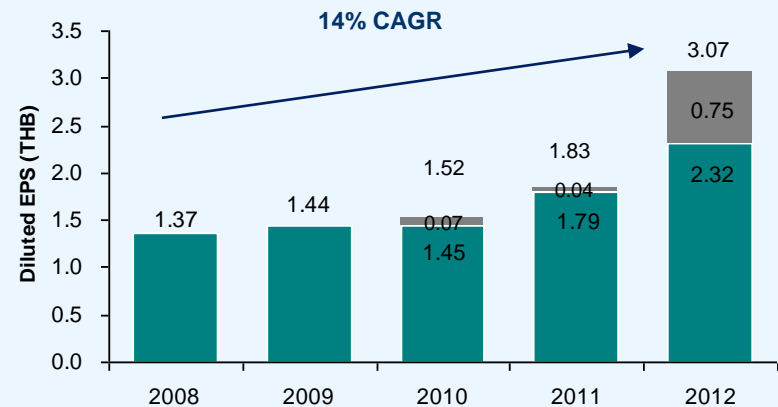
* One-time loss of THB 63 million in 2010 was loss on the translation adjustment from the sale of Asia Renal Care (ARC) Group

** 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

*** One-time profit of THB 652 million in 2012 was gain on sale of investment (KH), net of tax THB 586 million, tax saving on loss from sale of BMC THB 85 million offset with capital gain tax and tax advisory services on AHI sale THB 14 million and certain wind down and operation costs of BIL THB 5 million.

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

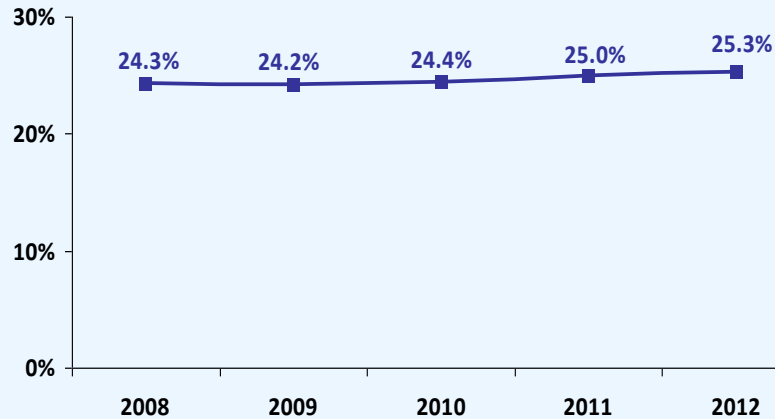
DILUTED EPS



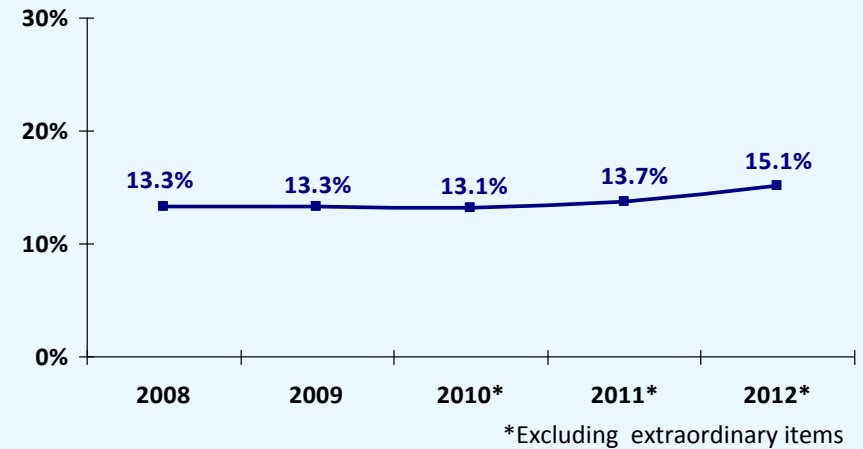
Remark: The calculation of CAGR is excluding the extraordinary items.

Margins & Trend

EBITDA Margin Trend



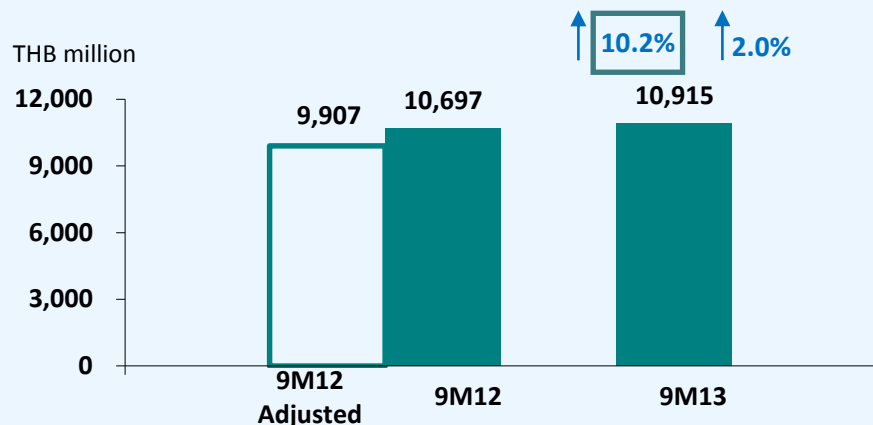
Net Profit Margin Trend



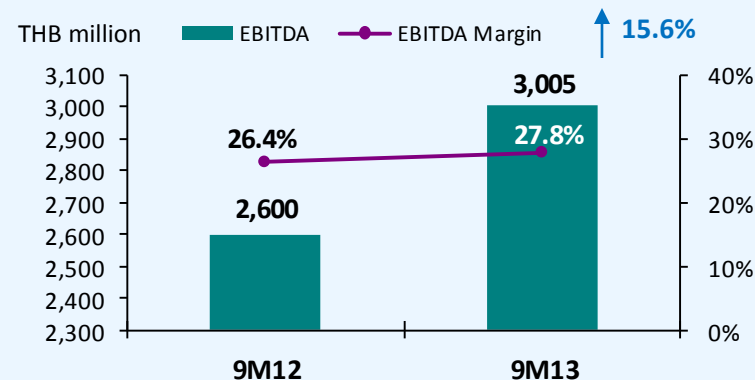
Margins have been strong and relatively stable over time

9M13 Update

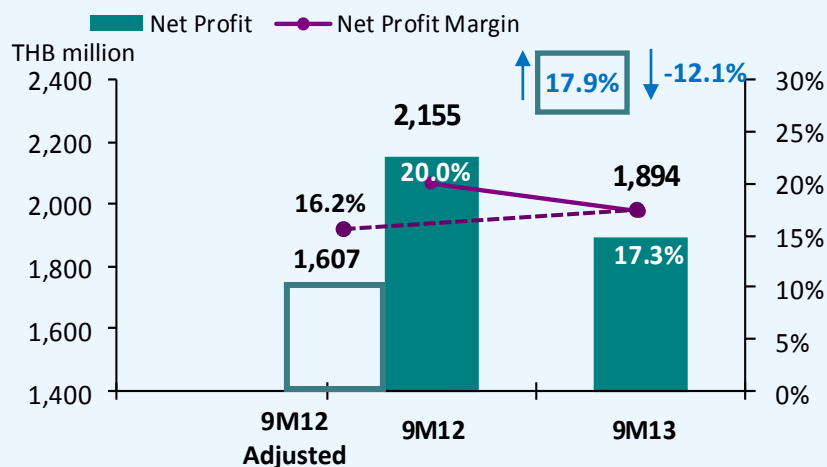
Total Revenues



EBITDA



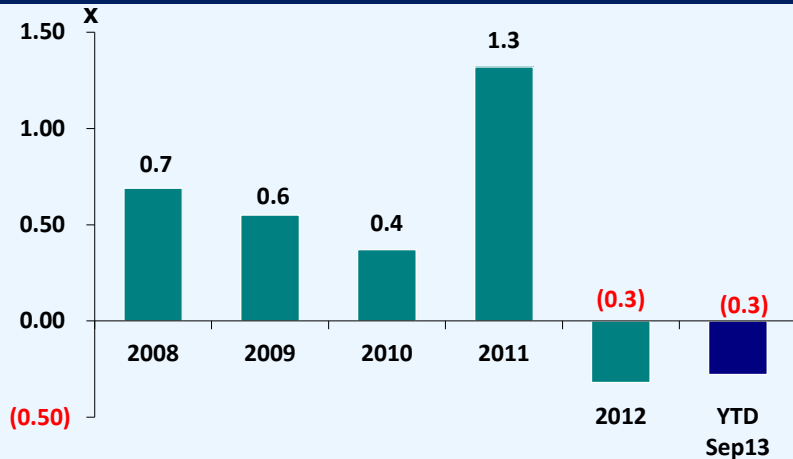
Net Profit



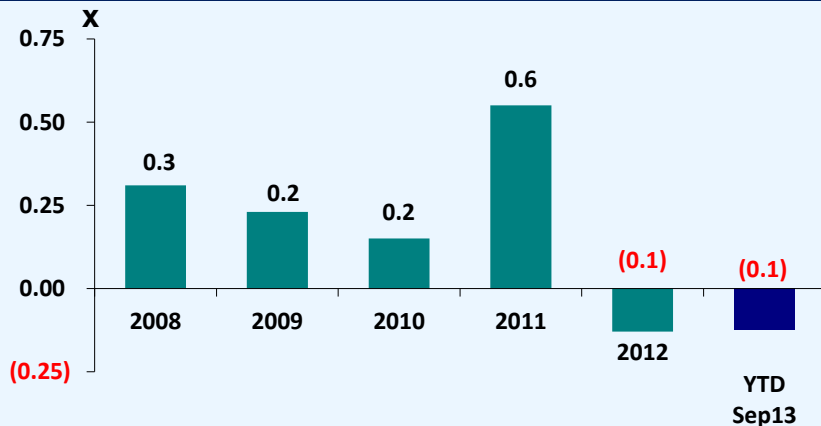
- The Company reported Cost of hospital operations (including Depreciation and amortization) of Baht 6,583 million for 9M13, or 7.8% more year-over-year from Baht 6,104 million in 9M12, which was less than the 10.3% growth in Revenues from hospital operations. The increase includes approximately Baht 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

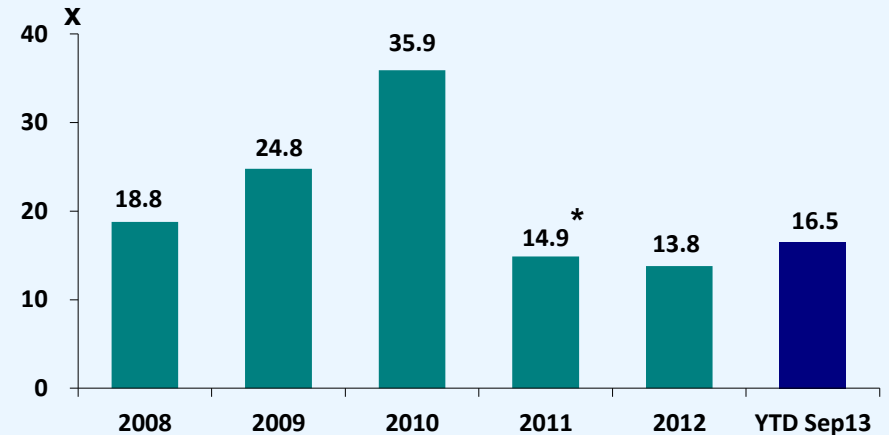
Net Debt to EBITDA



Net Debt to Equity



Interest Coverage

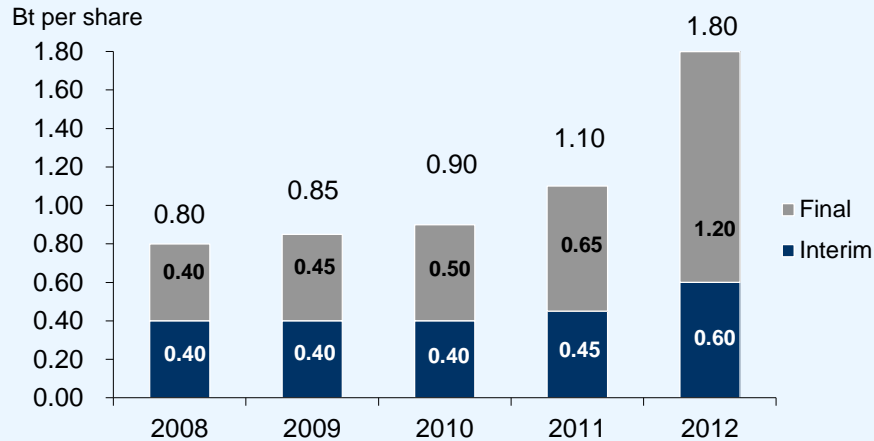


* Interest expense related to the purchase of common shares of Bangkok Chain Hospital PCL (doing business as "Kasemrad Hospital Group") to calculate interest coverage ratio was Baht 111 million based on remaining days after the transaction settled. Assuming this interest expense was incurred for the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

Dividend Payment

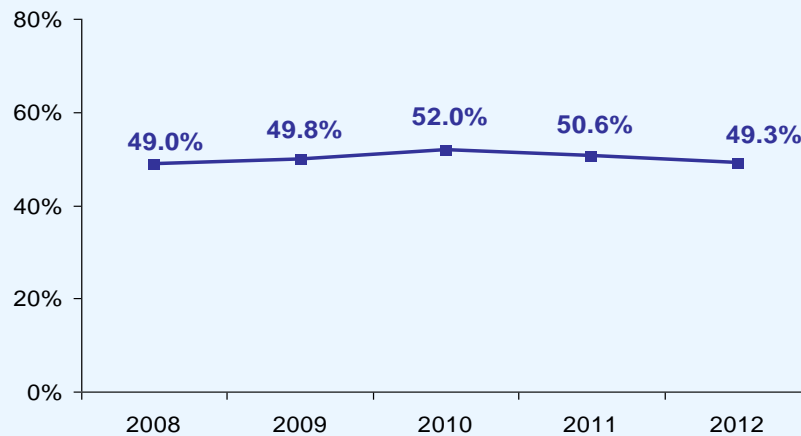
Dividend Payment



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.

Payout Ratio



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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:

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

* 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 than the value appraised by an independent valuer.