BANGKOK CHAIN HOSPITAL PUBLIC COMPANY LIMITED

Bangkok Chain Hospital PCL (BCH)

Opportunity Day
FY2017

27 March 2018

YOUR FAMILY
YOUR **HOSPITAL**

โรงพยาบาลเกษมราษฎร์ KASEMRAD HOSPITAL
โรงพยาบาลเกษมราษฎร์ อินเตอร์เนชั่นแนล KASEMRAD INTERNATIONAL HOSPITAL
โรงพยาบาลเวิลด์เมดิคอล World Medical Hospital
โรงพยาบาลการุญเวช KARUNVEJ HOSPITAL

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Agenda

- Company Overview
- 2017 Financial Summary
- 2017 Overview
- Financial Performance
- 2018 Highlight
- Q&A

BCH Group

Company Overview

- First hospital was established since 1984
- BCH was incorporated in 1993 through corporate restructuring, and Listed in SET in 2004
- Registered and paid up capital of THB 2,494 million
- Obtained "A-" by Tris Rating, "Good" rating in CG Report 2017, and CAC certified against corruption
- Leading position in middle-income cash patients and a largest service provider under Social Security Scheme
- Owns and operates 12 private hospitals & 1 polyclinic under 4 hospital brands

Brands	#Hospitals	#Licensed Beds	Target Group
World Medical Hospital ("WMC")	1	150	High-income and International patients
Kasemrad International Hospital ("KIH")*	1	400	Upper mid-tier cash patients
Kasemrad Hospital ("KH")	7	1,134	Middle-income cash patients and social security patients
Karunvej Hospital ("KV")	3	524	Social security patients
	12	2,208	

Major Shareholders

Information as of 31 Aug 2017

- Free Float as of: 15 March 2017
- Minor Shareholders (Free float) : 7,491
- Shares in Minor Shareholders (%Free float): 50.01%

No.	Shareholders' Name	% Shareholding
1	Harnphanich Family	49.99%
2	Social Security Office	5.75%
3	Thai NVDR Co., Ltd.	4.52%
4	The Bank Of New York Mellon	3.61%
5	Mr.Paiboon Sereewiwattana	1.07%
6	N.C.B Trust Limited-Norges Bank 11	0.92%
7	HSBC (Singapore) Nominees Pte Ltd	0.83%
8	Nortrust Nominees LTD-CL AC	0.74%
9	AIA TH-EQ2-P	0.72%
10	SCB Dividend Stock 70/30 Long Term Equity Fund	0.72%
11	Others	31.13%
Total		**100.00%**

Source: *Thailand Securities Depository Company Limited (TSD)*

Historical Timeline and Key Milestones

Building a solid platform through business expansions

1984
- Kasemrad Hospital Bangkae founded as the first branch

1993
- BCH was established.
- Open Kasemrad Hospital Rattanathibeth
- Acquire Sriburin Medical Co.Ltd. to open Kasemrad Hospital Sriburin

1996
- Setup Saraburi Vetchakit Co.Ltd. to operate Kasemrad Hospital Saraburi

1997
- Open Kasemrad Hospital Prachachuen

2000
- Open Kasemrad Hospital Sukhapibal 3, later renamed to Karunvej Hospital Sukhapiban 3 in 2014

2004
- List in the Stock Exchange of Thailand
- Open Kasemrad Sriburin Clinic (Maesai branch)

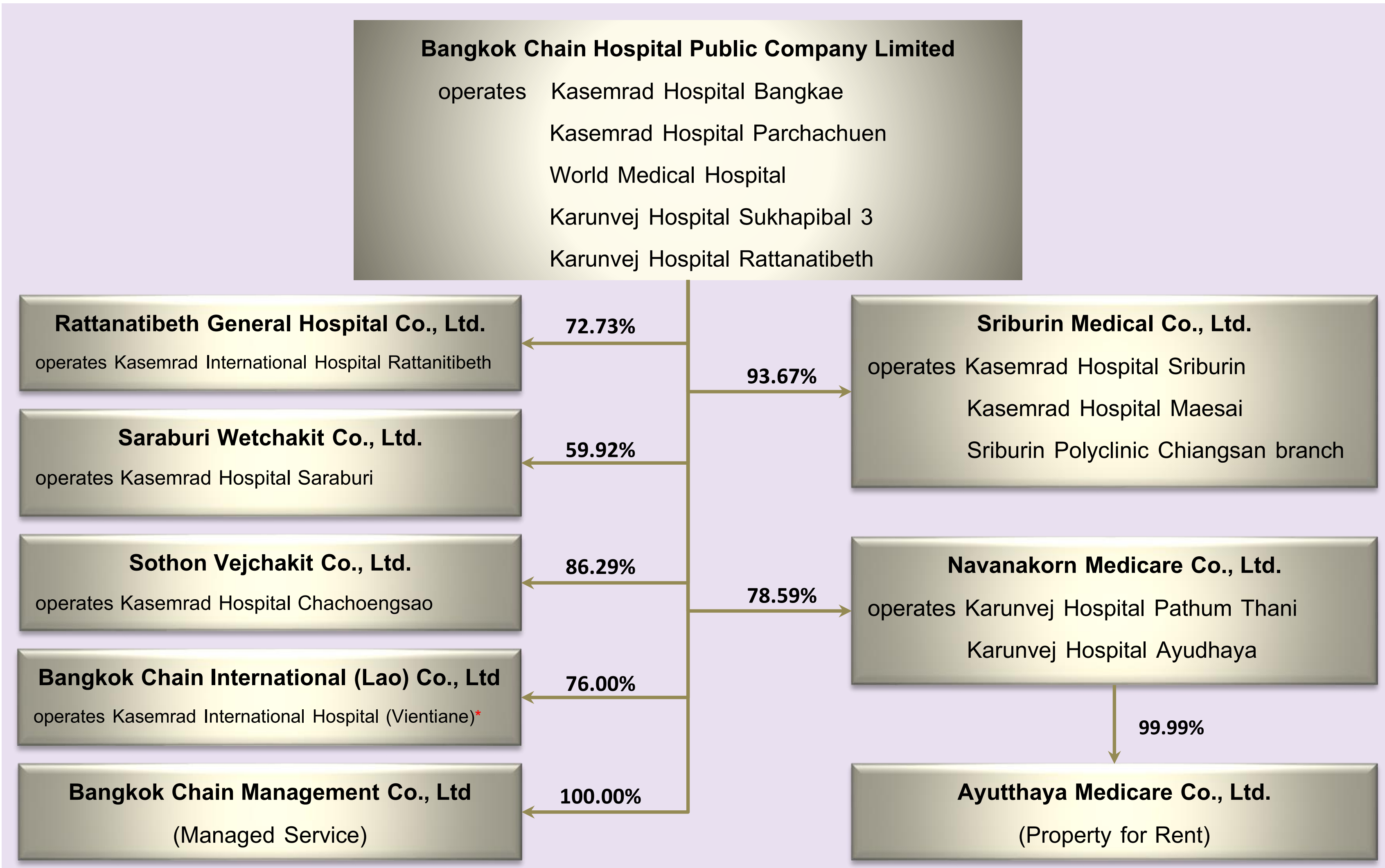
2013
- Open World Medical Center Hospital
- JCI and DNV-GL accredited
- Receive credit rating A- from Tris for first bond issuance

2014
- Acquire Navanakorn Medicare Co.,Ltd. to open Karunvej Hospital Pathum-Thani and Karunvej Hospital Ayudhaya
- Open Kasemrad Sriburin Clinic (Chiang-san branch)

2015
- Acquire Sotravej Co.,Ltd. to open Kasemrad Hospital Chacheongsao
- Open Karunvej Hospital Rattanathibeth

2016
- Upgrade Kasemrad Sriburin Clinic (Maesai) to Kasemrad Hospital Maesai

BCH Group Structure



As of 31 Oct 2017

*Remark: * under construction*

Service Capacity

No.	Hospital	Established year	Hospital Accreditation Level	#Exam Room (OPD)	# Licensed beds (IPD)
1	Kasemrad Bangkae	1984	III	60	311
2	Kasemrad Sriburin	1993	III	40	120
	- Sriburin Clinic, Chiangsan Branch	2014	-	13	-
3	Kasemrad International Rattanatibeth	1993	III	41	400
4	Kasemrad Saraburi	1996	III	16	200
5	Kasemrad Prachachuen	1997	III	55	373
6	Kasemrad Maesai	2004	-	14	30
7	Kasemrad Chacheongsao	2015	II	32	100
8	Kasemrad Rattanatibeth	2015	II	18	119
9	World Medical	2014	JCI, DNV GL	84	150
10	Karunvej Sukhapibal 3	2000	II	13	100
11	Karunvej Pathum Thani	2013	III	22	200
12	Karunvej Ayudhaya	2013	II	6	105
Total				**414**	**2,208**

Laboratory Accreditation
Thailand Medical Technology Council

REGISTERED
OHSAS 18001

MASCI
TIS 18001

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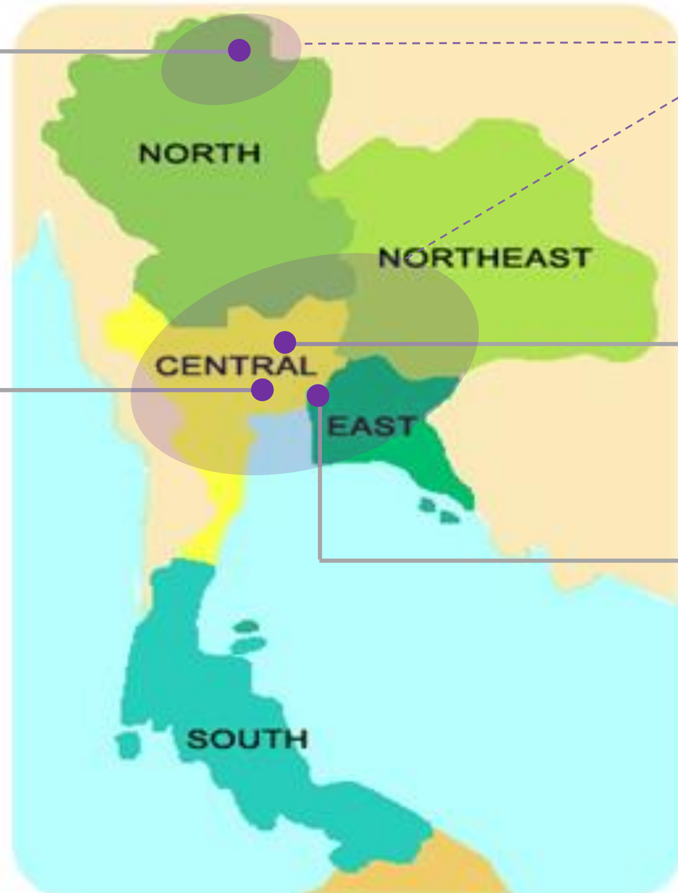
KARUNVEJ HOSPITAL

Geographical Presences and Service Coverage Areas

Expanding service coverage and patient referral bases

North
- Kasemrad Sriburin
- Kasemrad Maesai
  - Sriburin Clinic, Chieng-San

Bangkok and Metropolitan
- World Medical
- Kasemrad International Rattanatibeth
- Kasemrad Bangkae
- Kasemrad Prachachuen
- Karunvej Sukhapabal 3
- Karunvej Pathum Thani
- Karunvej Rattanatibeth



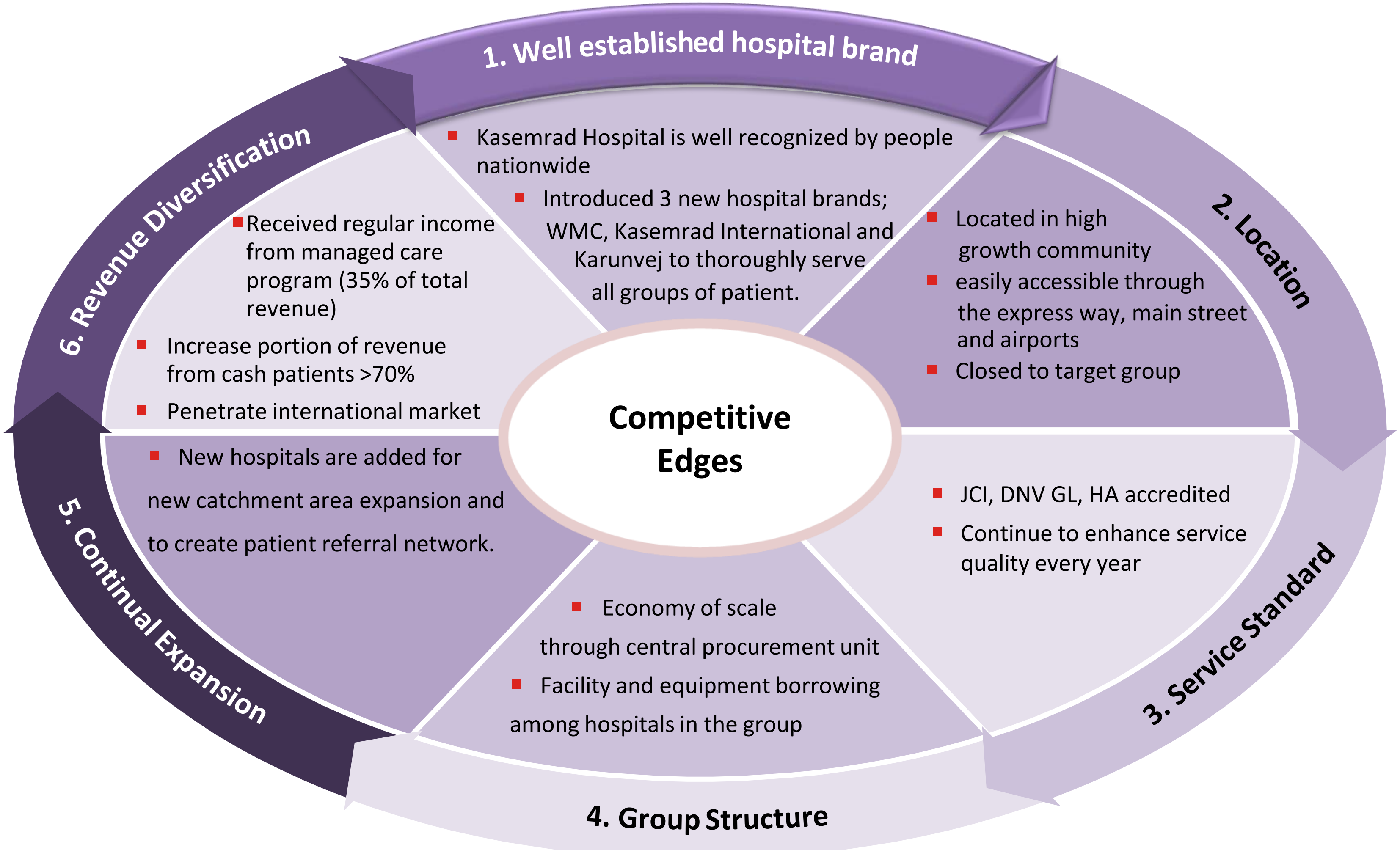
Patient Referral Coverage

Central
- Kasemrad Saraburi
- Karunvej Ayudhaya

East
- Kasemrad Chachoengsao

BCH 's presences cover 3 regions, 7 provinces in Thailand

BCH’s Competitive Edges



Referral Network

Products and Services

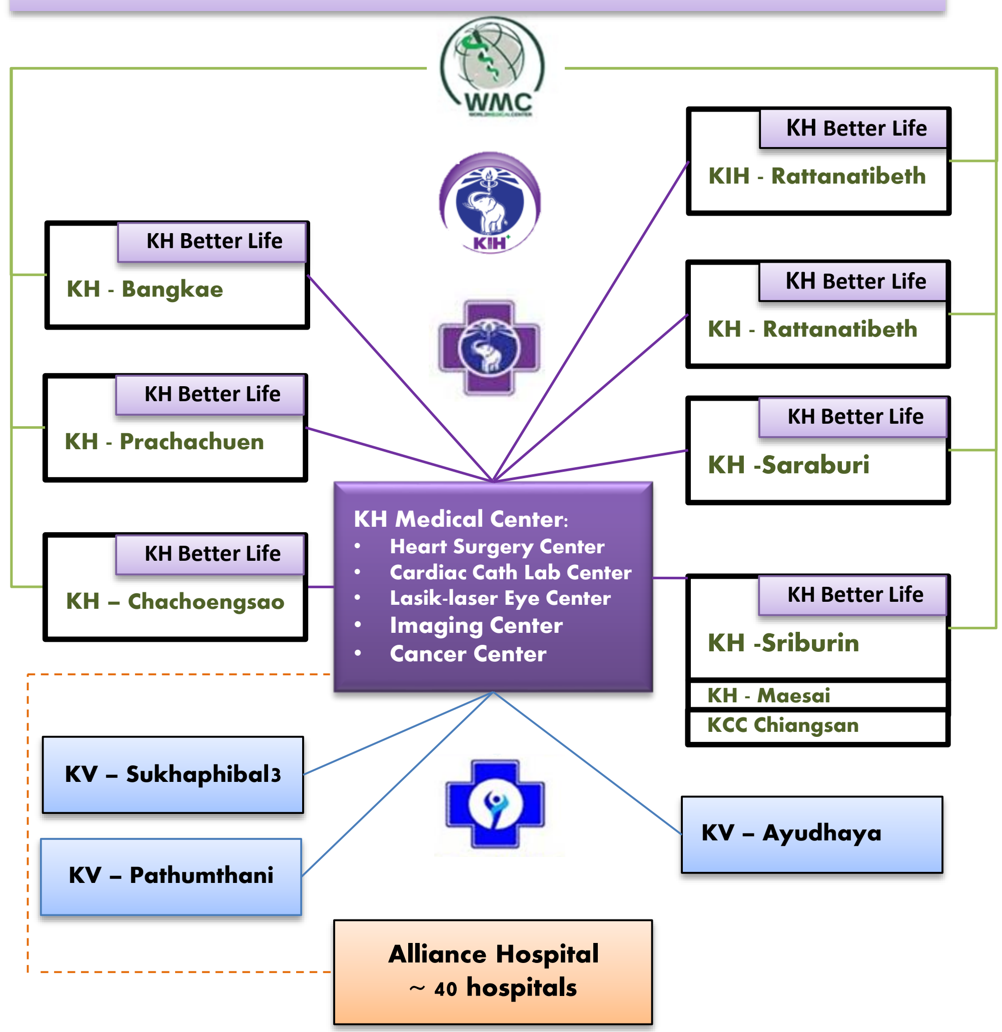
Target Group
- High income and international patients (WMC)
- Middle income patients (KH)
- Social Security patients (KH & KV)

Centers of Excellences
- Heart Surgery Center (Opened Heart Surgery)
- Cardiac Cath Lap Center
- Lasik-laser and Eye Center
- Imaging Center (MRI / CT Scan)
- Cancer Center

KH Better Life (Alternative medicine)
- Aesthetic (Skin Care & Non-Invasive)
- Cosmetic Surgery
- Dental & Aesthetic Dentistry
- Wellness Center (Check-up)
- Thai Traditional Medicine

Referral Coverage
- For group hospitals
- For alliance hospitals under SC and UC scheme

Centers of Excellences and Referral Bases



Referral Network (Cont')

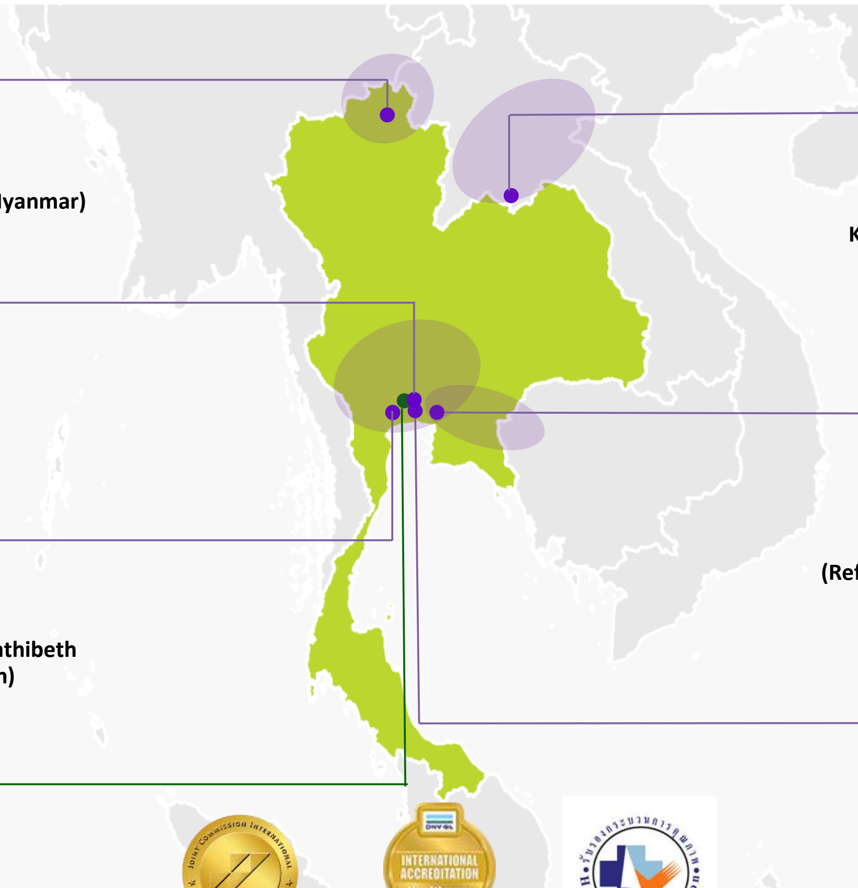
Regional Referral Centers in Thailand and Overseas

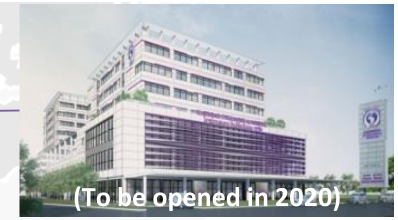
Kasemrad Hospital Sriburin
(Referral Center for northern region and Myanmar)

Kasemrad Hospital Prachachuen
(Referral Center for all regions)

Kasemrad International Hospital Rattanathibeth
(Referral Center for western region)

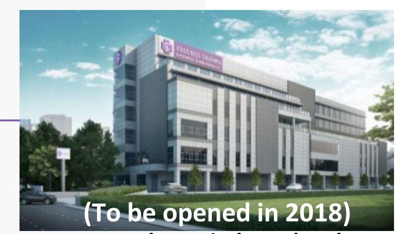
World Medical Hospital
(Referral Center for all regions, AEC & Overseas)





(To be opened in 2020)
Kasemrad International Hospital (Vientiane)
(Referral Center for Lao and Vietnamese)

Kasemrad Hospital Chachoensao
(Referral Center for eastern region and Cambodia)



(To be opened in 2018)
Kasemrad Hospital Ramkamhang
(Referral Center for eastern region)

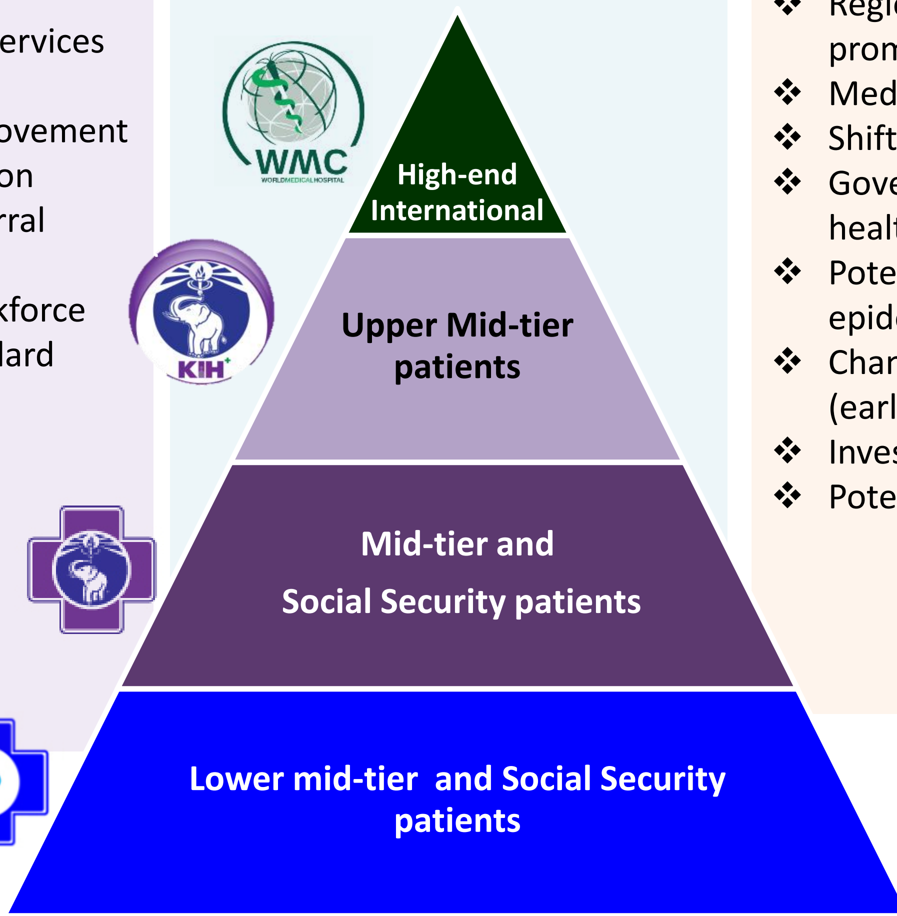
Our regional referral centers shall provide medical services at tertiary care level accredited by HA III, JCI and DNV GL

BCH's Strategic Plan

Action Plan

- Internationalization
- Increase products & services
- Patient diversification
- Internal process improvement
- Geographical expansion
- Expand patients' referral network
- Develop medical workforce
- Improve service standard
- Upgrade hospital's accreditation level

Patient Mix



Potential External Factors

- Regional medical hub promotion
- Medical tourism
- Shift of patients' classes
- Governmental policy change on healthcare
- Potential widespread of epidemic
- Change of seasonal effect (early rainy season)
- Investment promotion
- Potential growth of community

Projects in Pipeline

Timeline of expansion plan

2018

Kasemrad Hospital Ramkamhang
139 beds (To be opened 4Q2018)

Kasemrad Hospital Chieng-Khong
30 beds (To be opened 2Q2019)

2019

Kasemrad Hospital Prachinburi
116 beds (To be opened 1Q2020)

2020

Kasemrad Hospital Sa-Kaeo
115 beds (To be opened 2Q2020)

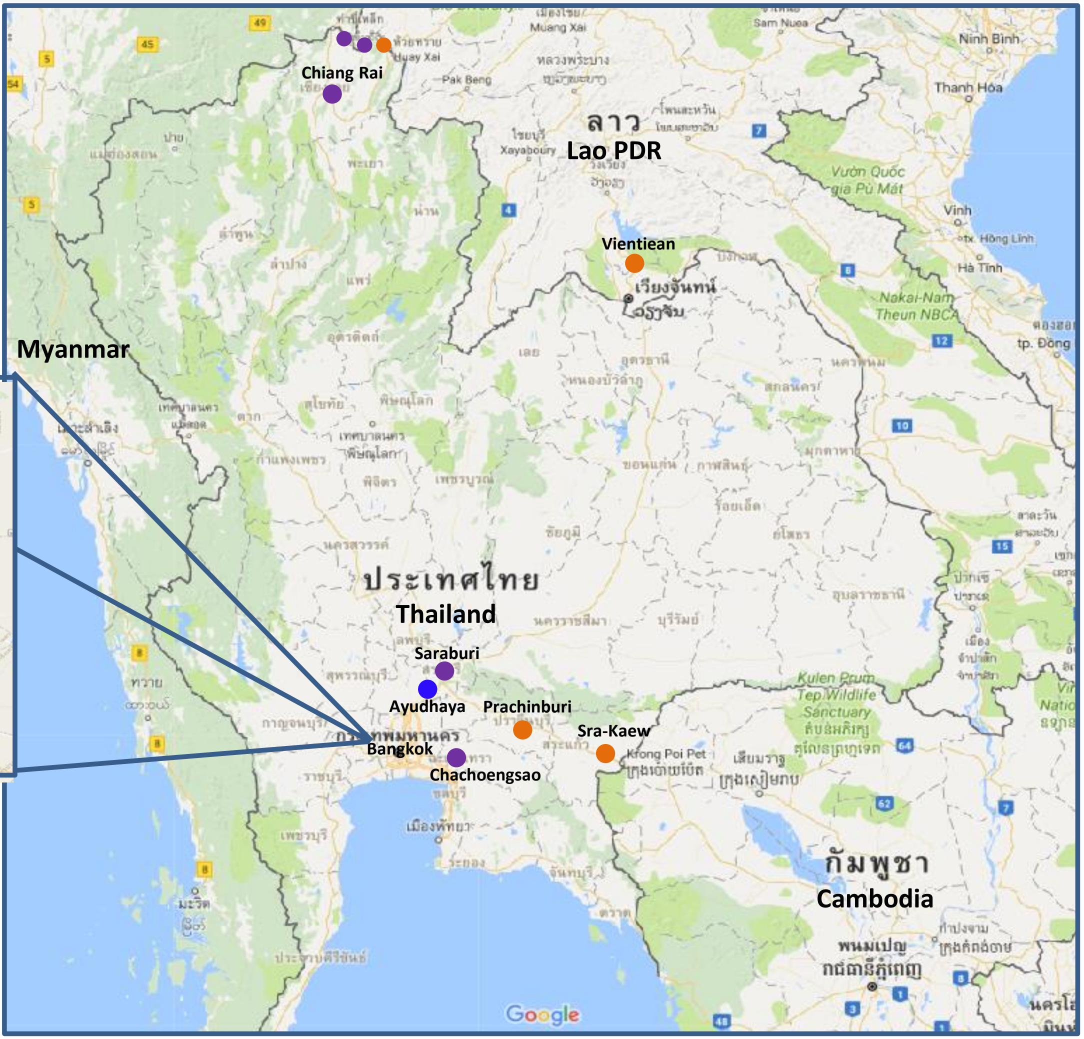
Kasemrad International Hospital (Vientiane)
254 beds (To be opened 3Q2020)

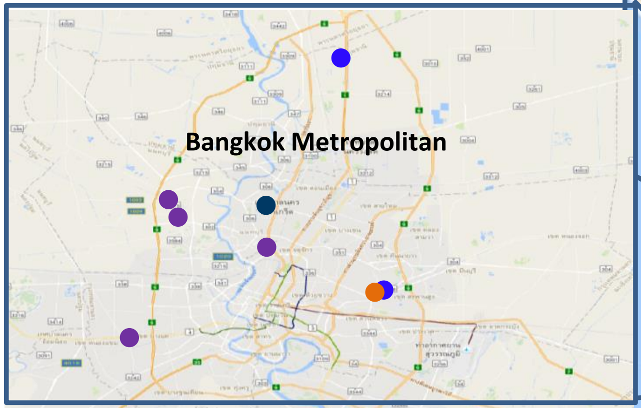
Projects in Pipeline (Cont')

Geographical Expansion Plan

New Greenfield Projects

1. Kasemrad Hospital Ramkamhang (139 beds)
2. Kasemrad Hospital Sa Kaeo (115 beds)
3. Kasemrad Hospital Prachinburi (116 beds)
4. Kasemrad Hospital Chiang-Khong (30 beds)
5. Kasemrad International (Vientiane) (254 beds)





Remark:
- Kasemrad Hospitals
- World Medical Center Hospital
- Karunvej Hospitals
- New Greenfield Hospitals

Projects in Pipeline

Investments in New Hospitals and Project Costs (Mil Baht)

New Hospital Projects	Project Information	Construction Progress	Total Cost	Paid	2018	2019	2020
	KH Ramkamhang 139 beds Open Q4/18	47%	928	380	548	-	-
	KH Sa Kaeo 115 beds Open Q1/20	Expected to start the construction in Q2/18	706	62	278	366	-
	KH Prachinburi 116 beds Open Q2/20	Expected to start the construction in Q2/18	712 (BCH: 86%)	74	195	443	-
	KIH Vientiane 250 beds (1st - 114 beds) Open Q3/20	Expected to start the construction in Q2/18	1,330 (BCH: 76%)	351	170	405	404
Total			**3,676**	**867**	**1,191**	**1,214**	**404**

Financial Progress

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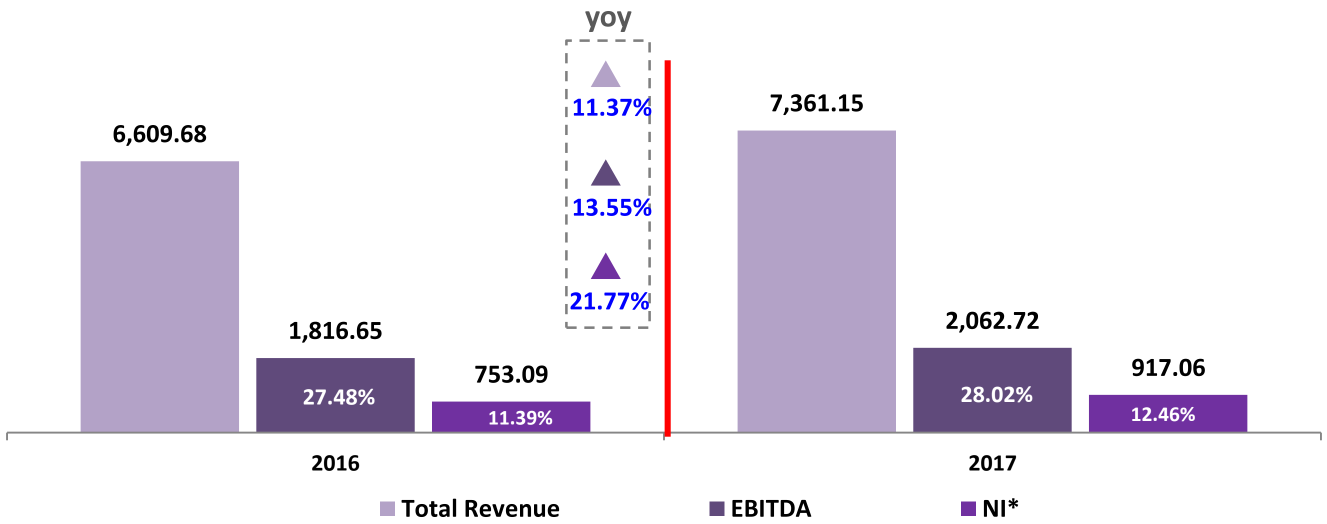
Consolidated Financial Summary

Results (12M2017)

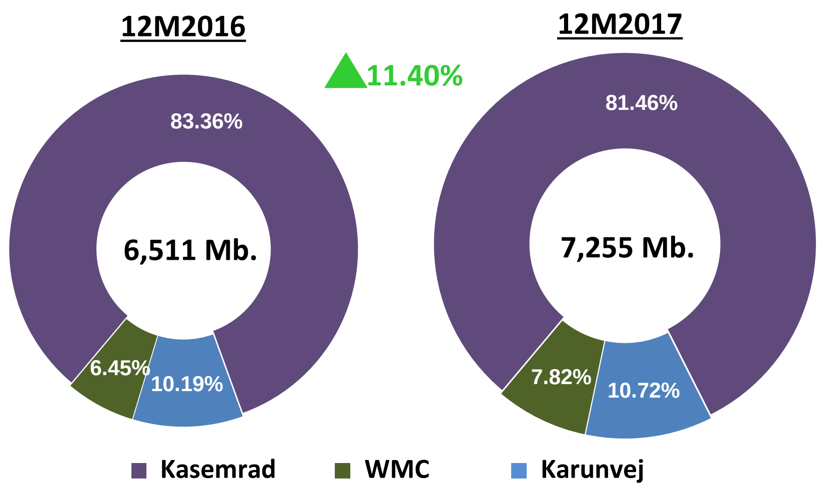


Comments

- Additional revenue from SS health check campaign started since 1 January 2017
- Additional adjustment of SS payment by SSO since 1 July 2017
- Increase in number of SS registered person (6% yoy)
- Recovery of WMC with full year positive EBITDA and achieving net profit in Nov 2017
- Price adjustment for cash patient to reflect the current market situation

2017 Overview

Operational Revenue Contribution by Brand (yoy)



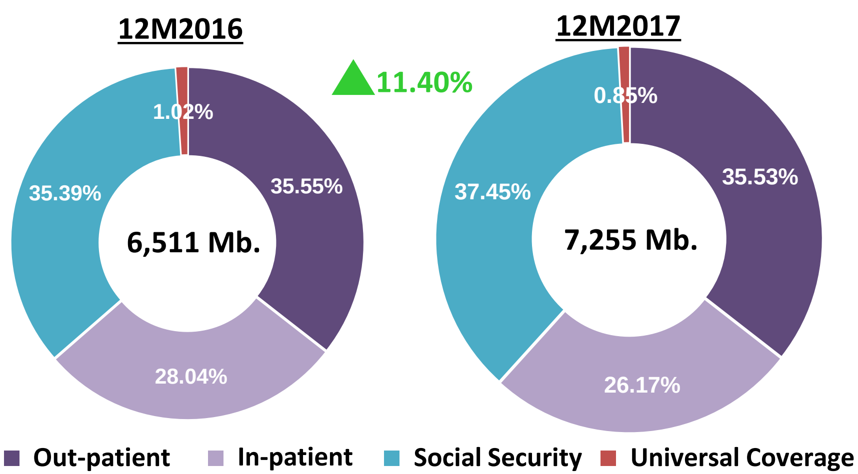
Operational Revenue Growth by Brand (yoy)

8.9%

35.1%

17.2%

Operational Revenue Contribution by Type (yoy)



Operational Revenue Growth by Type (yoy)

OPD 11.4%

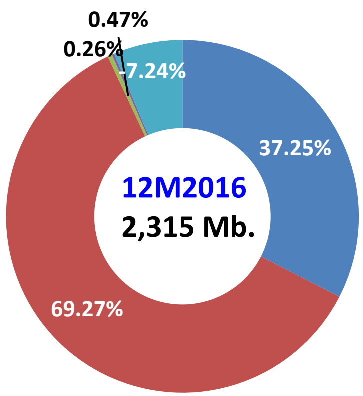
IPD 4.0%

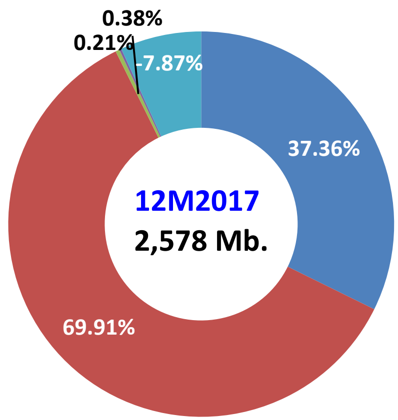
SC 17.9%

UC -7.3%

2017 Overview (Cont’)

Revenue from OPD Cash Patients



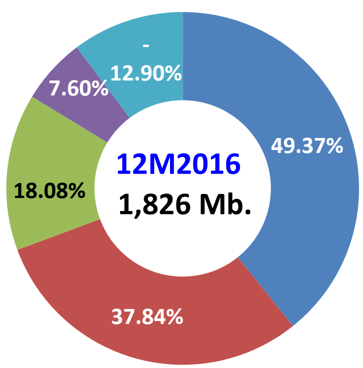


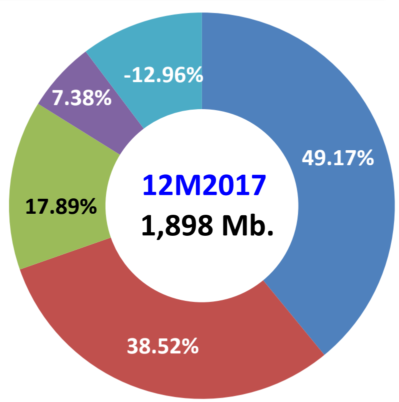
■ Drugs & Medical Supplies ■ Medical Service, Lab & X-ray ■ Room & other related services ■ Other services ■ Discounts

Growth Perspective (yoy)

Revenue	↑ 11.4%
# Patients	↑ 1.9%
Revenue per bill	↑ 9.2%

Revenue from IPD Cash Patients





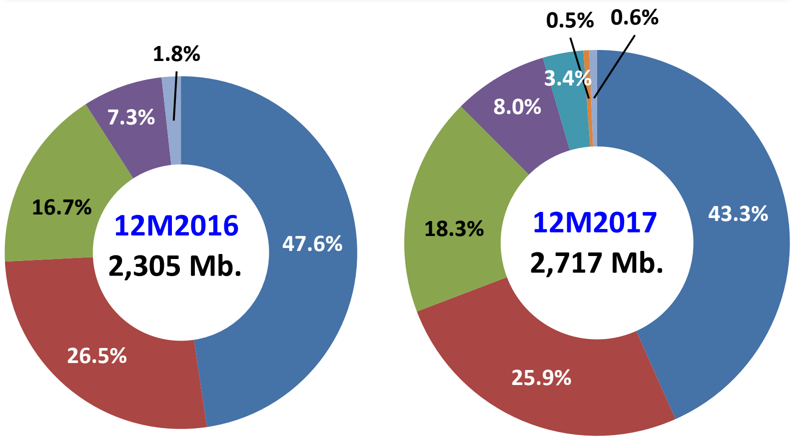
■ Drugs & Medical Supplies ■ Medical Service, Lab & X-ray ■ Room & other related services ■ Other services ■ Discounts

Growth Perspective (yoy)

Revenue	↑ 4.0%
# Patients	↓ -5.7%
Revenue per bill	↑ 10.3%

2017 Overview (Cont')

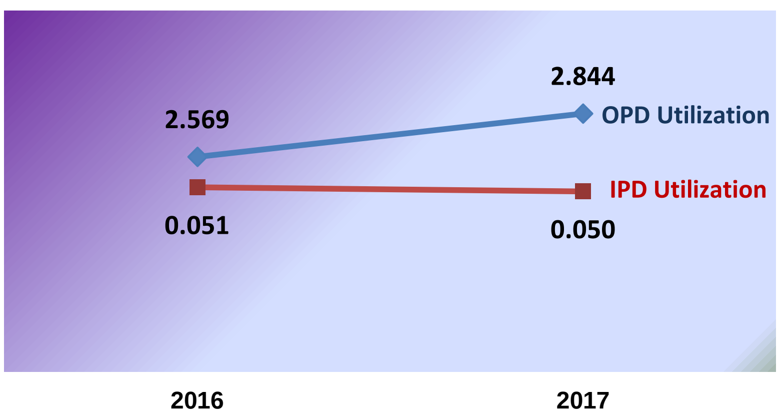
Revenue from SC Patients



Growth Perspective (yoy)

Revenue	17.9%
#Avg. Registered Persons	6.1%
Revenue per head	11.1%

SC Annual Utilization Rate



Comments

- Increased number of SC registered persons
- Additional revenue from Check-up and Dental
- SC Payment Adjustment from 1 July 2017
- Received revenue payment as a result of credit term enhancement for Risk Adjusted Capitation

2017 Overview (Cont')

COGS Analysis

Description	2017 (mb)	2016 (mb)	Growth	Remarks
Medical and supply costs	1,347.22	1,246.52	8.08%	Efficiently utilized
Personnel expense	1,244.41	1,138.87	9.27%	Efficiently utilized
Doctor fee	1,383.54	1,275.85	8.44%	Efficiently utilized
Depreciation and amortization	430.37	411.59	4.56%	N/A
Utility	141.12	175.66	(19.66%)	Efficiently utilized
Others	330.09	223.77	47.51%	Higher Lab cost due to SS check-up and referral fee
Total	**4,876.74**	**4,472.26**	**9.04%**	**Better performed**

Percent of Revenue	2017	2016	Diff	Remarks
Medical and Supply costs	18.57%	19.14%	-0.57%	Efficiently utilized
Personnel expense	17.15%	17.49%	-0.34%	Efficiently utilized
Doctor fee	19.07%	19.59%	-0.52%	Efficiently utilized
Depreciation and amortization	5.93%	6.32%	-0.39%	N/A
Utility	1.95%	2.70%	-0.75%	Efficiently utilized
Others	4.55%	3.44%	1.11%	More Lab cost due to SS check-up and referral fee
Total	**67.22%**	**68.68%**	**-1.46%**	**Better performed**
Gross Profit Margin	**32.78%**	**31.32%**	**+1.46%**	**Better performed**

2017 Overview (Cont')

SG&A Analysis

Description	2017 (mb)	2016 (mb)	Growth (%)	Remarks
Promotion Expense	55.24	40.45	36.58%	More promotion to boost revenue
Personnel Expense	306.39	284.72	7.61%	Efficiently utilized
Depreciation and amortization	107.59	102.90	4.56%	N/A
Provision for doubtful debt	43.89	(21.05)	N/A	In accordance with accounting policy
Repair & Maintenance	105.21	91.19	15.37%	Year of renovation
Utilities +rental	163.13	152.58	6.91%	Efficiently utilized
Others	178.20	184.47	(3.41%)	Efficiently utilized
Total	**959.64**	**835.25**	**14.89%**	**Better performed**

Percent of Revenue	2017	2016	Diff	Remarks
Promotion Expense	0.76%	0.62%	0.14%	More promotion to boost revenue
Personnel Expense	4.22%	4.37%	(0.15%)	Efficiently utilized
Depreciation and amortization	1.48%	1.58%	(0.10%)	N/A
Provision for doubtful debt	0.60%	(0.32%)	0.93%	In accordance with accounting policy
Repair & Maintenance	1.45%	1.40%	0.05%	Year of renovation
Utilities + Securities + Cleaning	2.25%	2.34%	(0.09%)	Efficiently utilized
Others	2.46%	2.83%	(0.38%)	Efficiently utilized
Total	**13.23%**	**12.83%**	**0.26%**	**Better performed**
Operating Profit Margin	**19.55%**	**18.49%**	**1.06%**	**Better performed**

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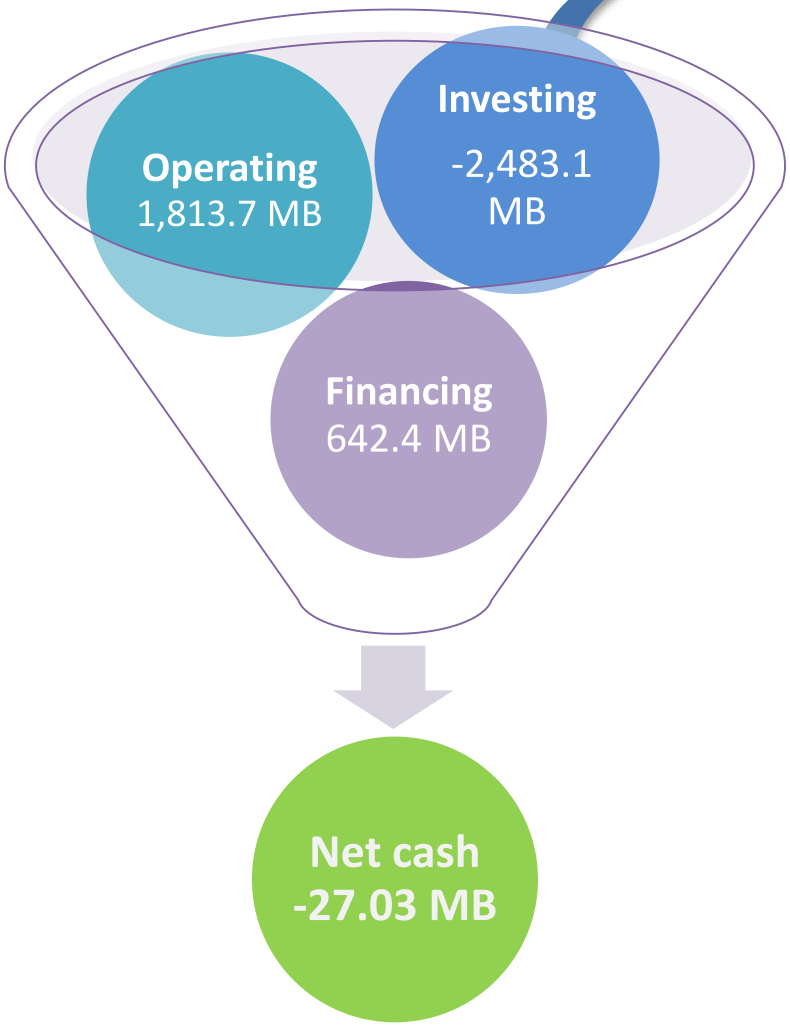
2017 Overview (Cont')

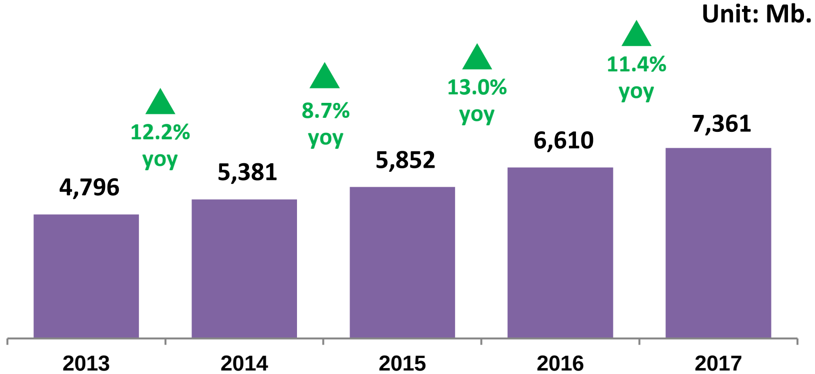


Short term financial management	-1,410.7 MB
Investment in land use right	-341.7 MB
Purchase of medical equipment	-189.0 MB
Construction cost for - Kasemrad Ramkamhang - Kasemrad Sriburin - Kasemrad Chachoengsao - Renovation of other branches	-467.3 MB
Other investing activities	-74.4 MB

Total amount of -2,483.1 MB

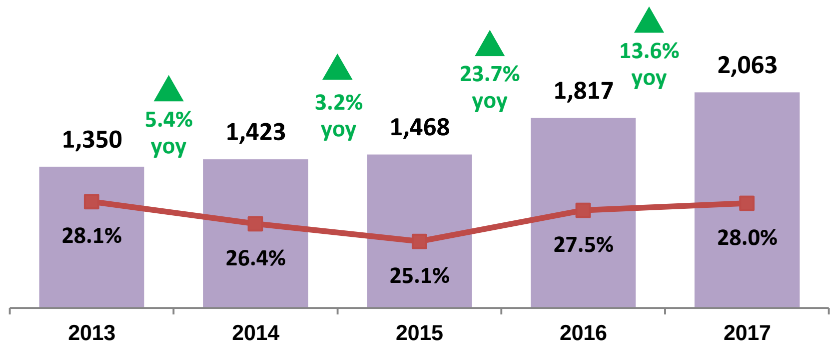
Profitability

Revenue Trend



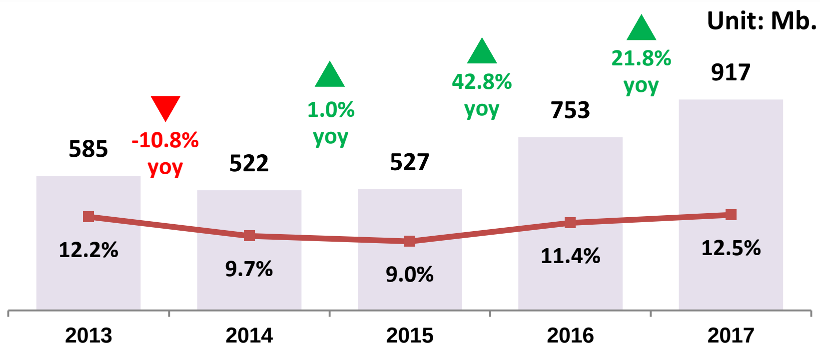
- ❑ Revenue grew about 8% per annum in the past 5 years as a result of strong business platform and business expansion since 2013.

EBITDA and EBITDA Margin



- ❑ Establishment of WMC resulted to a reduction in 2013 however EBITDA started to recover in the following years since WMC generated revenue .

Net Profit & Net Profit Margin



- ❑ Similar rational accordingly to the EBITDA.

Financial Highlight

Profitability Ratios (%)	2013	2014	2015	2016	2017
Gross Profit	32.12	30.76	30.82	31.32	32.78
Operating Margin	19.36	17.16	15.99	18.49	19.55
ROE*	15.87	14.37	13.67	17.48	18.92
ROA*	7.19	6.71	6.35	8.83	8.83**

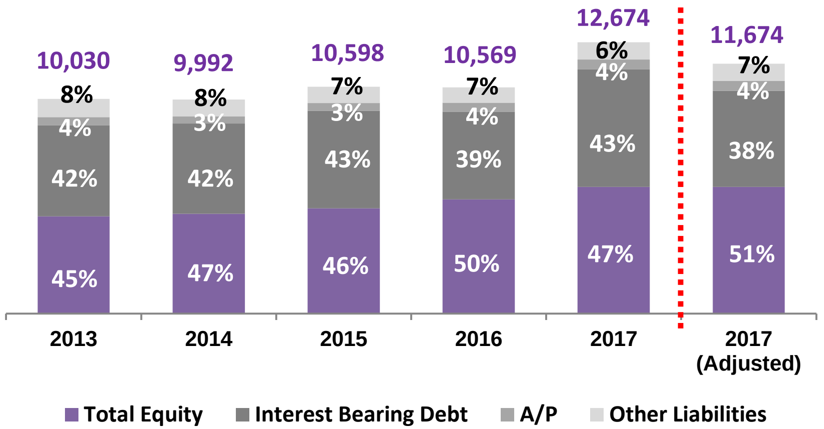
*Using net profit for the year

** If we adjusted for debenture issuance in Dec 2017, ROA will be 9.58%

Capital Structure Management

Capital Structure

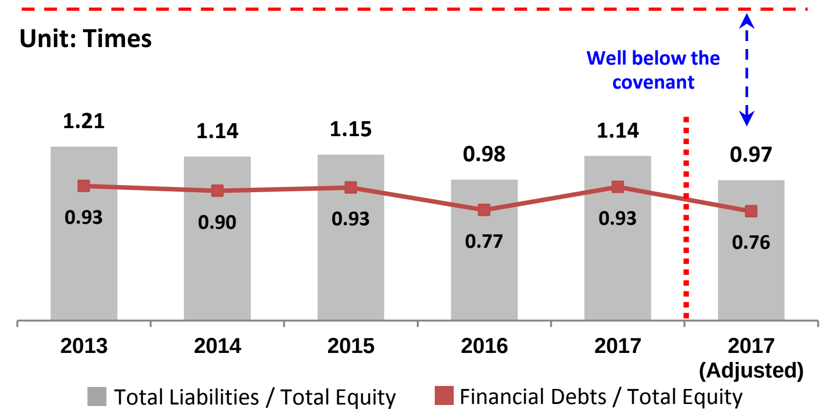
Unit: Mb.



Gearing Ratios

Total Liabilities / Total Equity Covenant < 2X

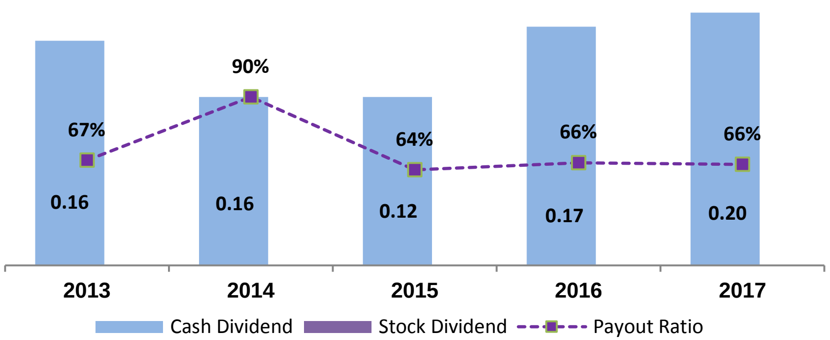
Unit: Times



Note: Use total equity which is inclusive of Non-controlling interests

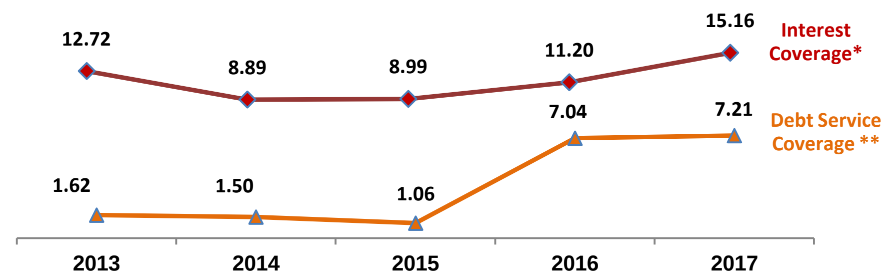
Dividend Payment and Payout Ratios

DPS: Baht per share



Interest Coverage and Debt Service Coverage

Unit: Times



Note: Debt Service Coverage in 2016 and 2017 were exclusive of current portion of debenture which were rolled over in 2017 and 2018

** Interest Coverage = EBITDA / Interest Expense*

*** Debt Service Coverage: EBITDA / (ST Loan + CP of LT Loan + Lease + Interest Expense)*

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Future Trend 2018

BANGKOK CHAIN HOSPITAL PUBLIC COMPANY LIMITED

1. Full year additional SS revenue realization
2. Expected continual growth of WMC + IVF
3. Upgrade Clinic at Maesai to be 30-beds hospital with BOI incentive since Feb 2018
4. Rebrand KH RTB to KIH RTB and Rebrand KV RTB to KH RTB
5. Start 2018 with epidemics, Rotavirus and rabies
6. Renovated hospitals will be well equipped
7. Open KH RAM in 4Q2018

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Q&A

BCH

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