



Rajthanee Hospital Public Company Limited

1Q17 Results



Analyst Meeting: 22 May 2017



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Agenda

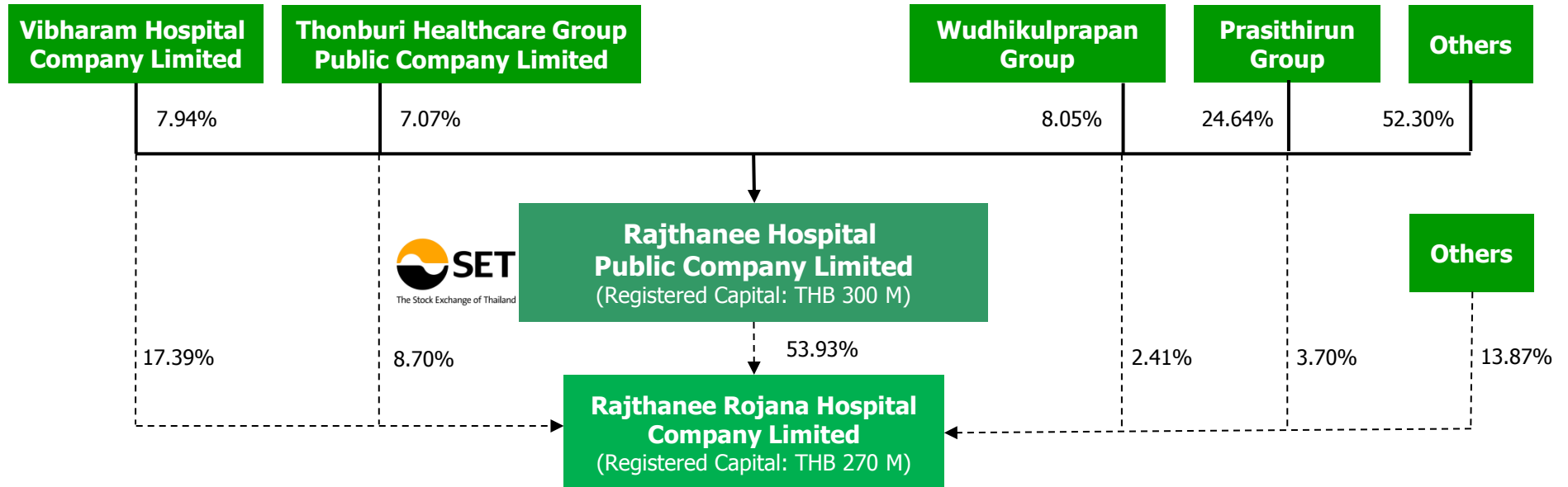
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1. Executive Summary



Executive Summary – Shareholding Structure



Remarks:

1. Shareholding in RJH is as of 22 March 2017
2. Shareholding in RRH is as of 15 November 2016



Executive Summary – Company Profile

Our History	Rajthanee Hospital Public Company Limited ("RJH") was established in 1990 and commenced its operations in 1992 under the management of experienced physicians. Most of which graduated from Siriraj Medical School and are currently major shareholders of RJH.
Business Overview	2 private general hospitals, namely Rajthanee Hospital and Rajthanee Rojana Hospital ("RRH"), located in Phra Nakhon Si Ayutthaya District and Bang Pa-In District, respectively, as part of Ayutthaya Province
Target Customers	2 primary, mid-to-low target customers: <ul style="list-style-type: none"> •Non-capitation patients ~49.44% and ~48.40% of the total revenue in 2016 and 1Q17, respectively •Capitation patients (mainly under social security scheme) ~50.56% and ~51.60% of the total revenue in 2016 and 1Q17, respectively
Number of Hospital Beds	353 registered hospital beds, 185 beds in service and 51 examination rooms
Shareholders (as of 29 August 2016)	<ul style="list-style-type: none"> • Prasithirun and Wudhikulprapan groups: 2 families of the founding physicians ~32.69% • 2 strategic shareholders and partners: Vibharam Hospital Company Limited (~7.94%) and Thonburi Healthcare Group Public Company Limited (~7.07%)
Excellence Medical Centers	<ul style="list-style-type: none"> • Emergency and Neurosurgery Center • Heart Center • Orthopedics Center
Financial Performances	Total revenue from hospital operations <ul style="list-style-type: none"> •2014–2016: THB 949.1 M, THB 1,024.3 M and THB 1,209.5 M, respectively (CAGR of 12.89%) •1Q17: THB 313.8 M
Future Projects (To be financed by the IPO proceeds)	Estimated capital expenditure: THB 660–720 M <ul style="list-style-type: none"> •Magnetic resonance imaging (MRI) – RJH •New 9-storey patient building – RJH •Capacity expansion (OPD/IPD) – Rajthanee Rojana Hospital ("RRH")



Executive Summary – Background & Major Events

Year	Description
1990	Established Ayutthaya Vechakarn Company Limited
1992	Commenced the business operations on 29 June 1992 with 33 beds in service
1995	Converted into public company and changed the company name to Rajthanee Hospital Public Company Limited
2010	On 8 December 2010, Building C commenced service mainly for capitation patients under the social security scheme.
2012	RJH received the accreditation for Level 1 and 2 of Hospital Accreditation (HA) from the Healthcare Accreditation Institute (Public Organization).
2014	RJH invested THB 126 M in the acquisition of 52.17% of total issued shares in Rojanavej Hospital Company Limited (subsequently renamed Rajthanee Rojana Hospital Company Limited ("RRH")).
2015	The Company launched cardiac catheterization service on 7 January 2015 for patients with heart diseases in Ayutthaya and nearby provinces. On 27 February 2015, RJH received the accreditation for Level 3 of HA from the Healthcare Accreditation Institute (Public Organization).
2016	The Company's shares were listed on the Stock Exchange of Thailand on 1 September 2016.





Executive Summary – Investment in RRH

Investment Opportunity :	<ul style="list-style-type: none"> • Rojanavej Hospital (renamed to Rajthanee Rojana Hospital (RRH)) suffered accumulated loss from the severe flood in 2011. • In 2013, its management decided to exit and invited prospective acquirers, including RJH, to buy out the shares in the company.
Investment Rationale:	<ul style="list-style-type: none"> • Prime location: In adjacent to Rojana Industrial Park coupling with expanding residential communities. • Benefit from patients referred from RRH for medical treatments to be provided by RJH's specialized physicians • Lessened crowdedness at the main campus: RJH would be able to refer to RRH a part of its social coverage patients whose medical conditions are not complicated. • Expected potential growth: RRH has potential to improve its competency in providing a high-standard level of medical service in the future to be in line with the same that RJH has to offer. • A proactive measure to prevent other hospital chains from entering into the market in Ayutthaya
Purchase Price & Shareholding:	<ul style="list-style-type: none"> • Acquisition of 12 million shares at THB 10.50 per share • Total investment of THB 126 M. • RJH's post-acquisition shareholding – 52.17% • Managerial control in RRH assumed – May 2014



2. Business Overview



Business Characteristics

Rajthanee Hospital (RJH)



Rajthanee Hospital Public Company Limited

Registered hospital beds	253 beds
Beds in service	167 beds
Examination rooms (average)	45 rooms
Number of the insured persons	150,896
Maximum quota of the insured persons in 2016	161,000
Full-time / Part-time physicians	37 / 126
Nurses	186

As of March 31, 2017

Rajthanee Rojana Hospital (RRH)



Rajthanee Rojana Hospital Company Limited

Registered hospital beds	100 beds
Beds in service	28 beds
Examination rooms (average)	6 rooms
Number of the insured persons	11,074
Maximum quota of the insured persons in 2016	40,250
Full-time / Part-time physicians	5 / 24
Nurses	28



Our Excellence Medical Centers

Emergency & Neurosurgery Center

- Regular road accidents take place on the main roads, namely Asian Highway and Rojana Road
- Facilitating the patients and dispatching ambulances to the scenes of the accidents in a timely manner
- Medical specialists available for 24 hours a day



Heart Center

- Cardiac Catheterization
- Echocardiogram
- Coronary Artery Bypass Graft
- Valve Replacement
- Atrial Septal Defect
- Electrophysiology



Orthopedics Center

- Orthopedics surgery for traumatic patients
- Arthroscopic surgery for patients with knee or joint injury
- Total hip replacement surgery
- Knee replacement surgery
- Medical treatments for osteoarthritis and osteoporosis





Scope of Our Medical Services

The Complete Scope of Medical Services

- Medicine
- Surgery and Orthopedics
- Pediatrics
- Obstetrics and gynecology
- Otolaryngology
- Ophthalmology
- Anesthesiology
- Radiology
- Dentistry





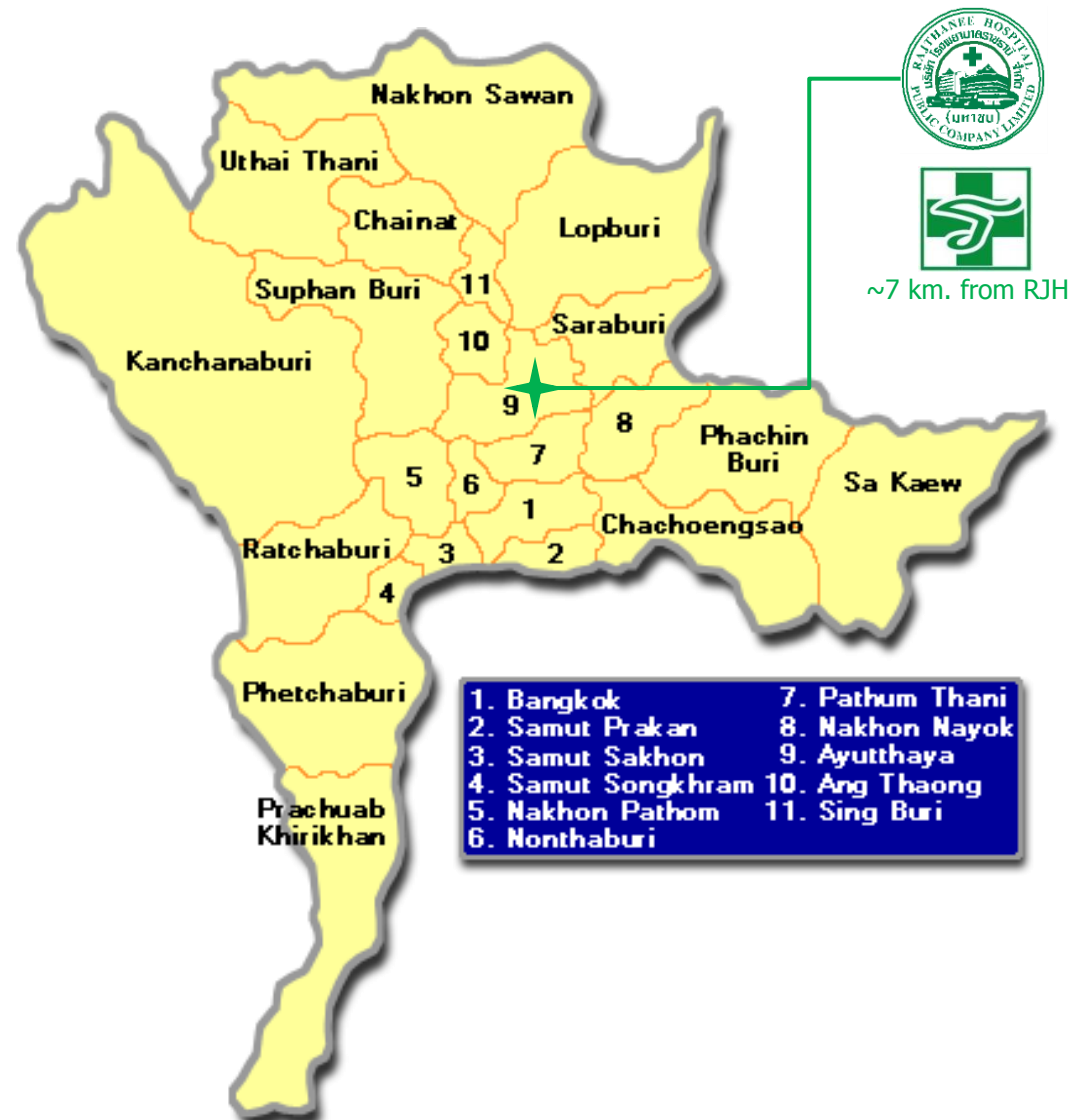
Scope of Our Medical Services

No	Medical Services	RJH	RRH
1	Heart center	✓	
2	Emergency medicine and neurosurgery center	✓	
3	Centers of specialties:		
	- Computerized tomography scan (CT)	✓	✓
	- Hemodialysis center	✓	✓
	- Health Check-up and Occupational Medicine Center	✓	
	- Dental center	✓	
	- Orthopedics center	✓	
	- Phacoemulsification center	✓	
4	Surgery clinic:		
	- General surgery clinic	✓	✓
	- Orthopedics surgery clinic	✓	✓
	- Plastic surgery clinic	✓	
	- Neurosurgery	✓	
	- Urology clinic	✓	

No.	Medical Services	RJH	RRH
5	Internal Medicine clinic:		
	- Internal medicine clinic	✓	✓
	- Gastroenterology	✓	
	- Dermatology	✓	
	- Hematology	✓	
	- Neurology	✓	
	- Nephrology	✓	
6	Healthcare clinics and other services:		
	- General practice clinic	✓	✓
	- Obstetrics and gynecology clinic	✓	✓
	- Pediatrics clinic	✓	✓
	- Otolaryngology clinic	✓	
	- Ophthalmology clinic	✓	
	- Acupuncture clinic	✓	
	- Emergency medicine clinic		✓
	- Radiology department	✓	✓
7	Occupational medicine clinic		✓



Location and Health Service Coverage





No.1 Hospital in Ayutthaya

Ayutthaya Province:

- High growth prospect for hospital business
- Large population and economy with increasing healthcare spending
- Locations of major industrial estates and industrial parks:
 - 3 industrial estates: Ban Wa (Hi-Tech) Industrial Estate, Bang Pa-in Industrial Estate and Saha Rattana Nakorn Industrial Estate
 - 2 industrial parks: Rojana Industrial Park and Factory Land Wangnoi Industrial Park

RJH as the leading private hospital group in Ayutthaya:

- The first private hospital in Ayutthaya celebrating its 24 years of operation
- With the largest number of registered hospital beds (i.e. 353 beds)
- Reputable medical staff and medical services of good quality and standard

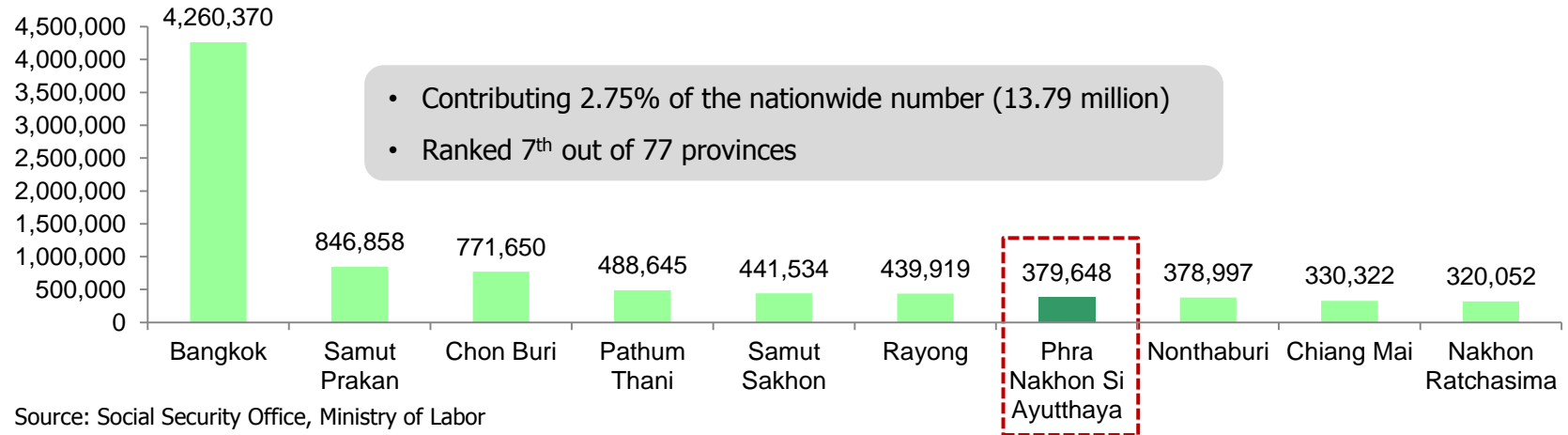
RJH's competitors are large government hospitals and private hospitals in Ayutthaya.

Hospitals	Gov't/ Private	Locations	Social Security Scheme	No. of Registered Beds
Phra Nakorn Sri Ayutthaya	Gov't	Phra Nakhon Si Ayutthaya District	✓	528
Sena Hospital	Gov't	Sena District	✓	180
Karunvej Ayutthaya Hospital	Private	Bang Pa-in District	✓	105
Supamitrsena General Hospital	Private	Sena District	-	100
Peravech Hospital	Private	Phra Nakhon Si Ayutthaya District	-	53

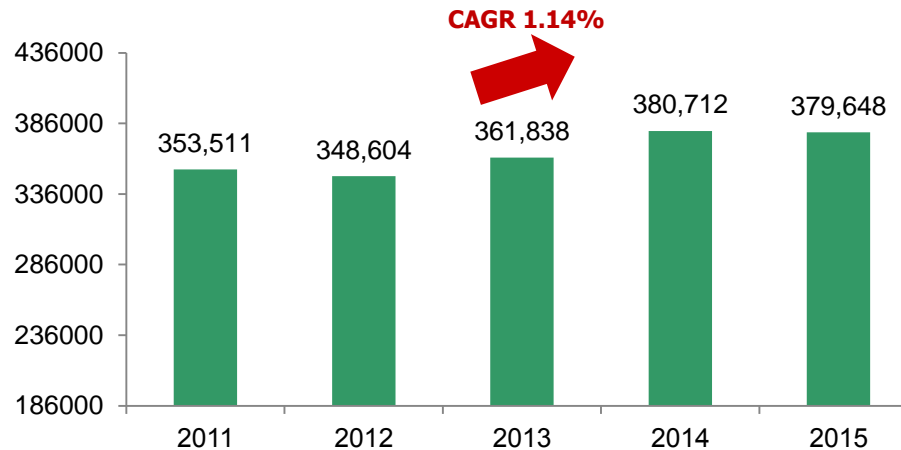


Ayutthaya's Healthcare Industry Outlook

Number of Insured Persons in Thailand (2015)

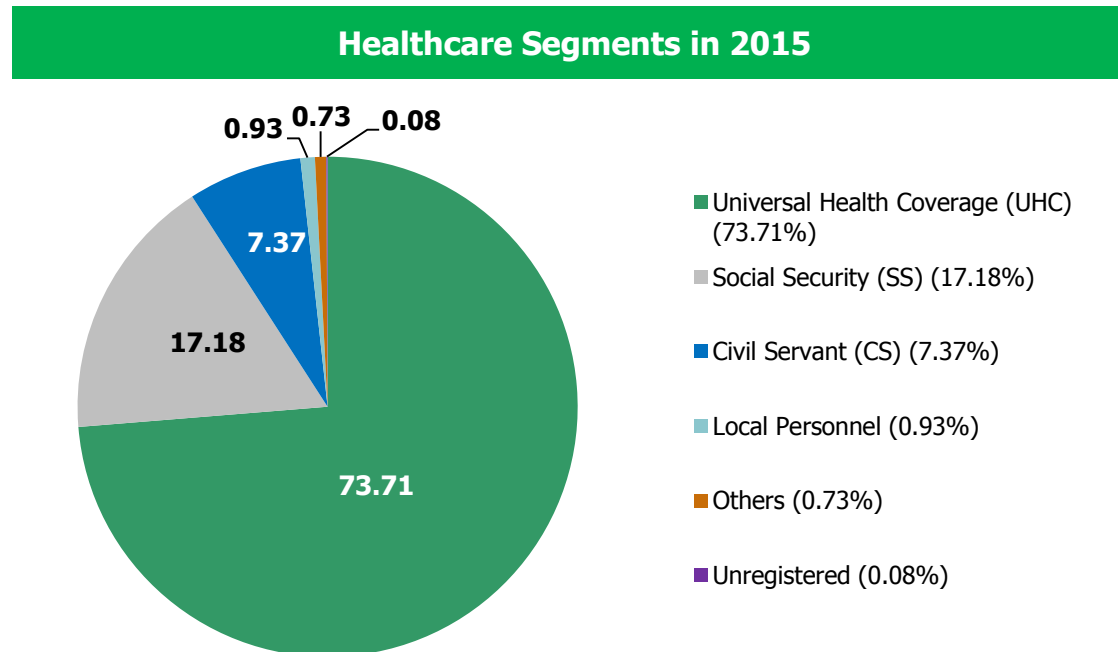


Number of Insured Persons in Ayutthaya





Thailand's Capitation Schemes

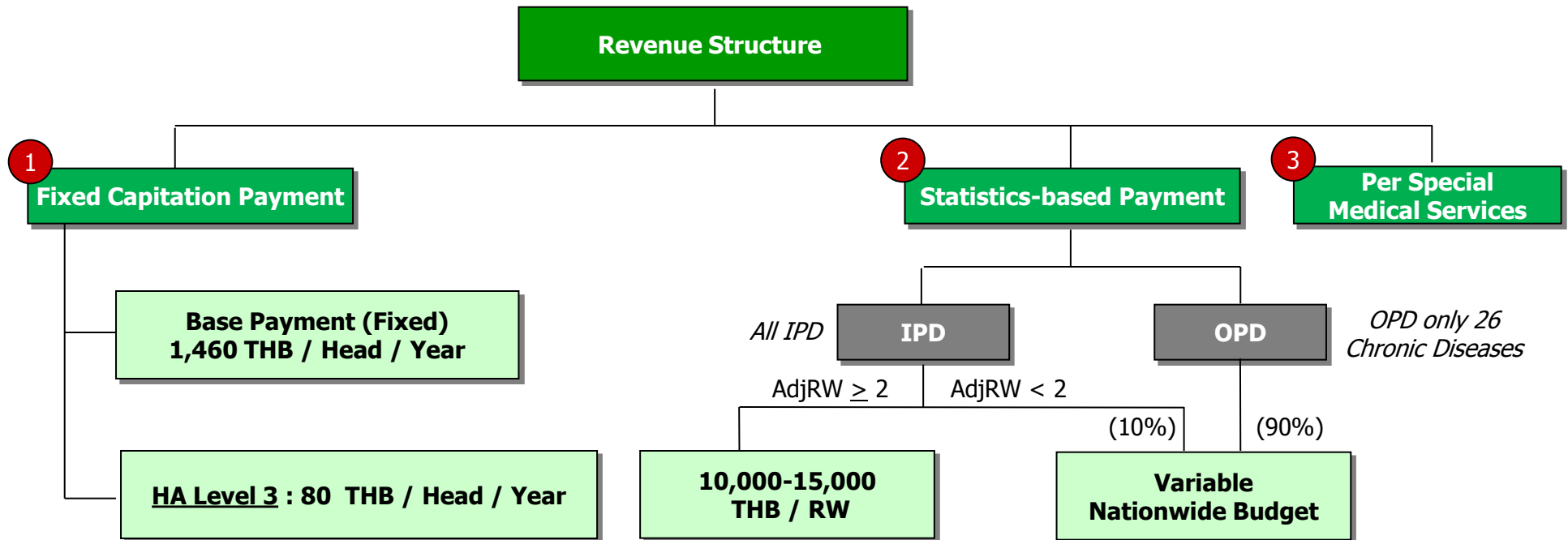


Source: National Health Security Office (NHSO)

Capitation Schemes	Description
Universal Health Coverage (UHC)	It was aimed to provide healthcare services for those who are not in any other healthcare scheme.
Social Security Scheme (SS)	This scheme offers healthcare benefits to employees in the private sector as a minimum requirement. The benefits cover sickness, disability, injuries from hazardous incidents and death, both from work or non-work.
Civil Servant (CS)	A welfare scheme for state and state enterprise employees



Revenue Structure under Social Security Scheme





Service Payments for Social Security Scheme

Payment type	2013	2014	2015
1. Fixed Capitation Payment (THB/Head/Year)	1,446	1,460	1,460
Additional Payments			
2. HA Accredited Hospital Payment (THB/head/year)	HA Level 1: 0 HA Level 2: 40 HA Level 3: 80	HA Level 1: 0 HA Level 2: 40 HA Level 3: 80	HA Level 1: 0 HA Level 2: 40 HA Level 3: 80
3. Payments subject to conditions • 26 Chronic diseases (OPD) ~ 90% • AdjRW < 2 (IPD) ~ 10%	Variable (nationwide budget)	Variable (nationwide budget)	Variable (nationwide budget)
4. Payments depending on high caring costs AdjRW ≥ 2 (THB / 1 AdjRW) (Able to refer cases to supra-contractors or medical schools with tertiary care)	< Tertiary Care: 11,500 Tertiary Care: 15,000	< Tertiary Care: 11,500 Tertiary Care: 15,000	< Tertiary Care: 10,000 Tertiary Care: 15,000
5. Other Payments – Equipment & Implants, etc.	As per actual payments made; subject to the Social Security Office's policy		

RJH was awarded the Level 3 of Hospital Accreditation (HA) on February 27, 2015.

RJH is of secondary care.

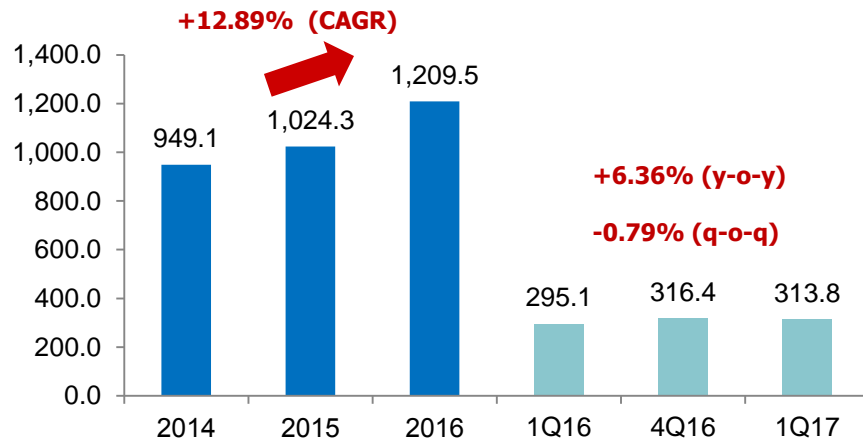


3. Financial Performance 1Q17 - RJH

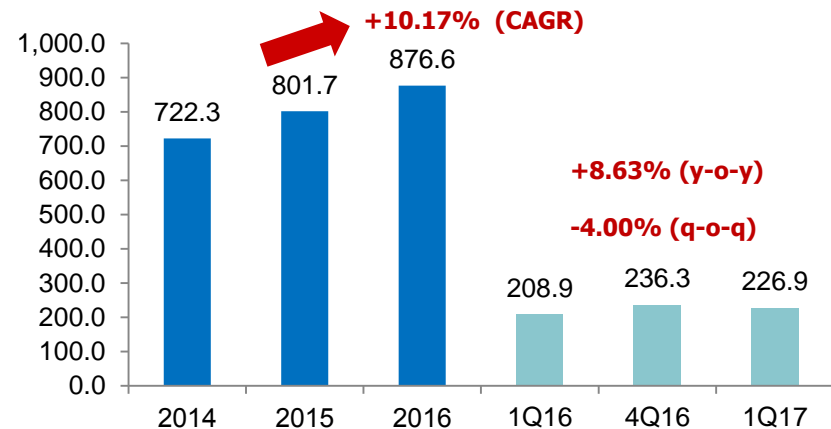


1Q17 Performance Summary

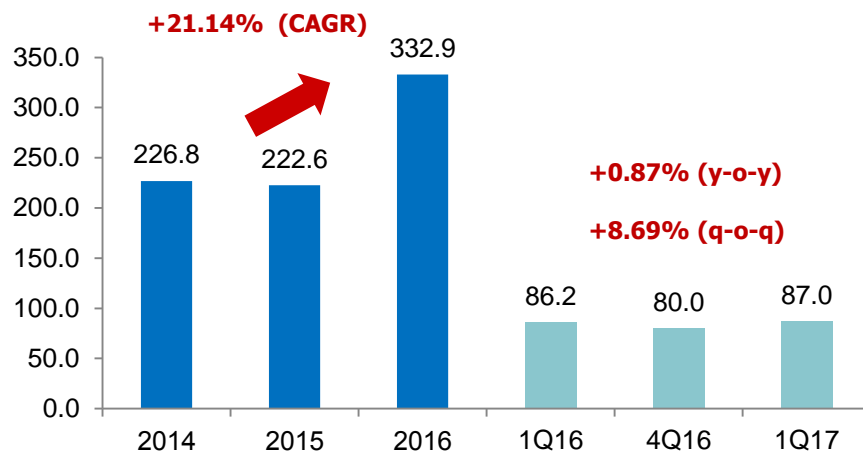
Revenue from Hospital Operations (THB Million)



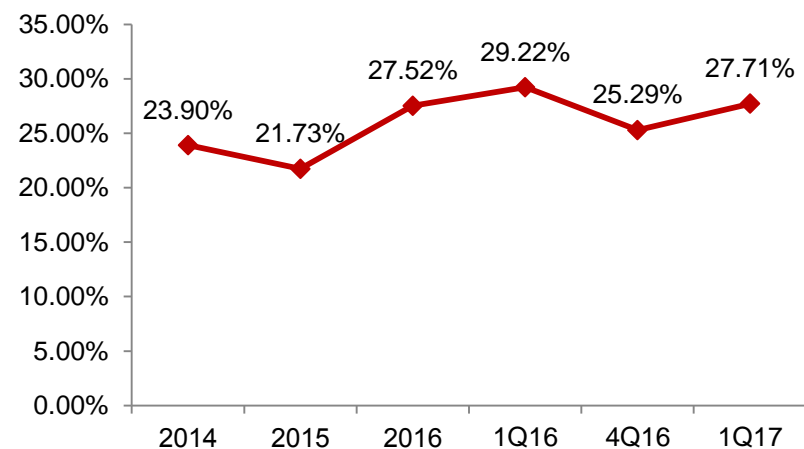
Cost of Hospital Operations (THB Million)



Gross Profit (THB Million)



Gross Profit Margin (%)





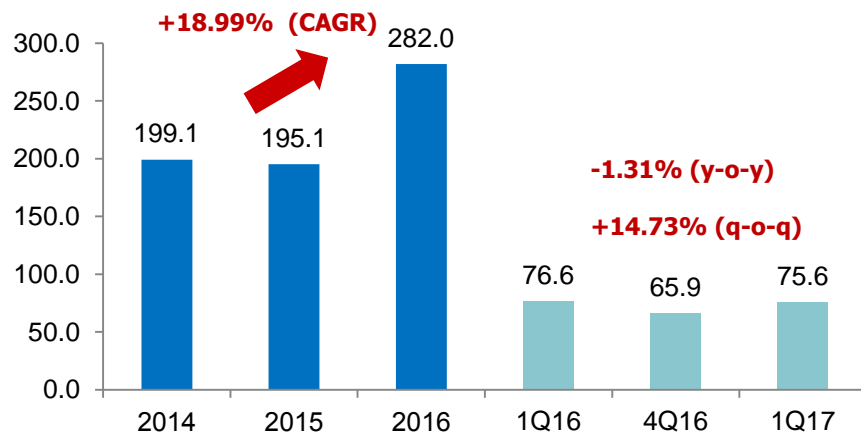
1Q17 Performance Summary

Costs of hospital operations:

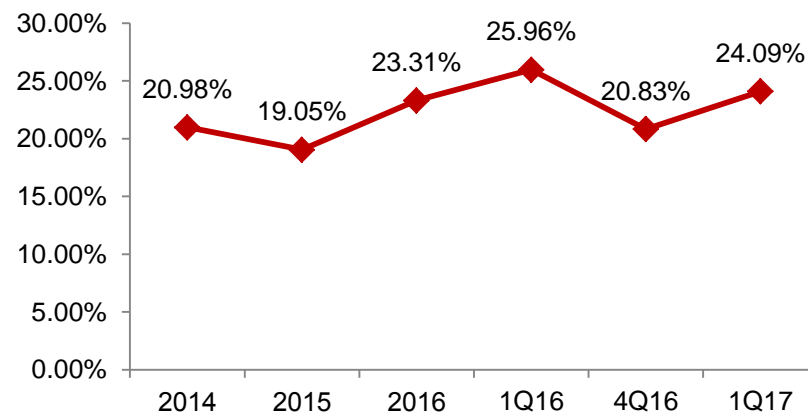
The proportion of the costs of hospital operations incurred compared to the total revenue rose 8.63% y-o-y due to:

1. higher quantity of medicines and medical supplies used in the capitation segment given the rising number of visits by SS patients and the number of cardiac catheterization cases at RJH's Heart Center; and
2. larger numbers and the rising compensation rates of medical staff secured for the future business expansion.

EBITDA (THB Million)



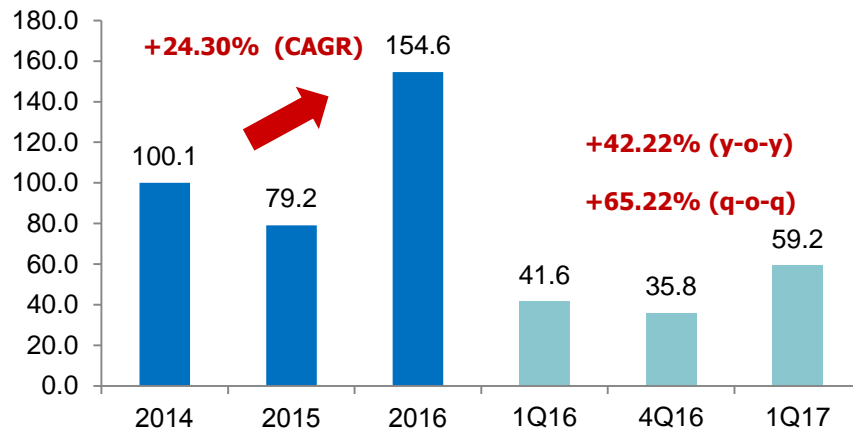
EBITDA Margin (%)



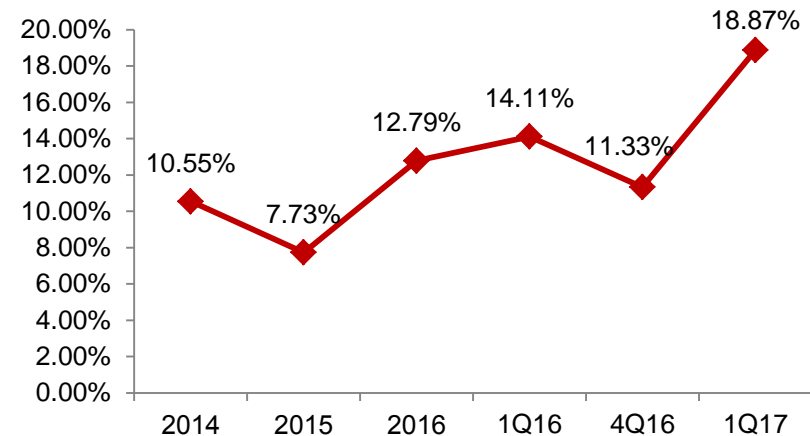


1Q17 Performance Summary

Net Profit (THB Million)



Net Profit Margin (%)



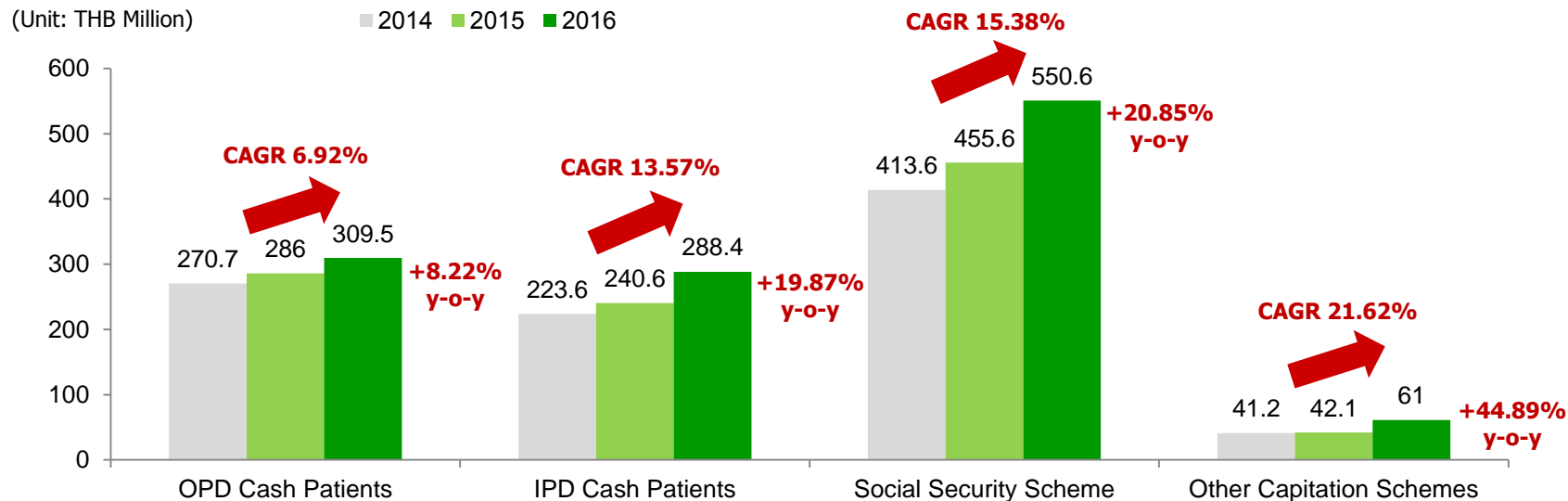
Net profit:

- RJH enjoyed RRH's stronger 1Q17 financial performance since its turnaround in 4Q16, and RRH also benefitted from tax losses carried forward of THB 27.8 million and recognized the income tax revenue of THB 28.6 million.
- RJH recognized the income tax revenue of THB 18.5 million (net of its CIT for 1Q17 of THB 10.4 million).
- RJH's normalized profit was THB 43.8 million, while RRH's was THB 4.1 million.



Top-line Growth Trend Continues to Rise

Revenue from hospital operations in 2016 grew y-o-y in all sectors (consolidated).



CAGR 9.98% (13.56% y-o-y) in revenue growth for non-capitation (cash) patients:

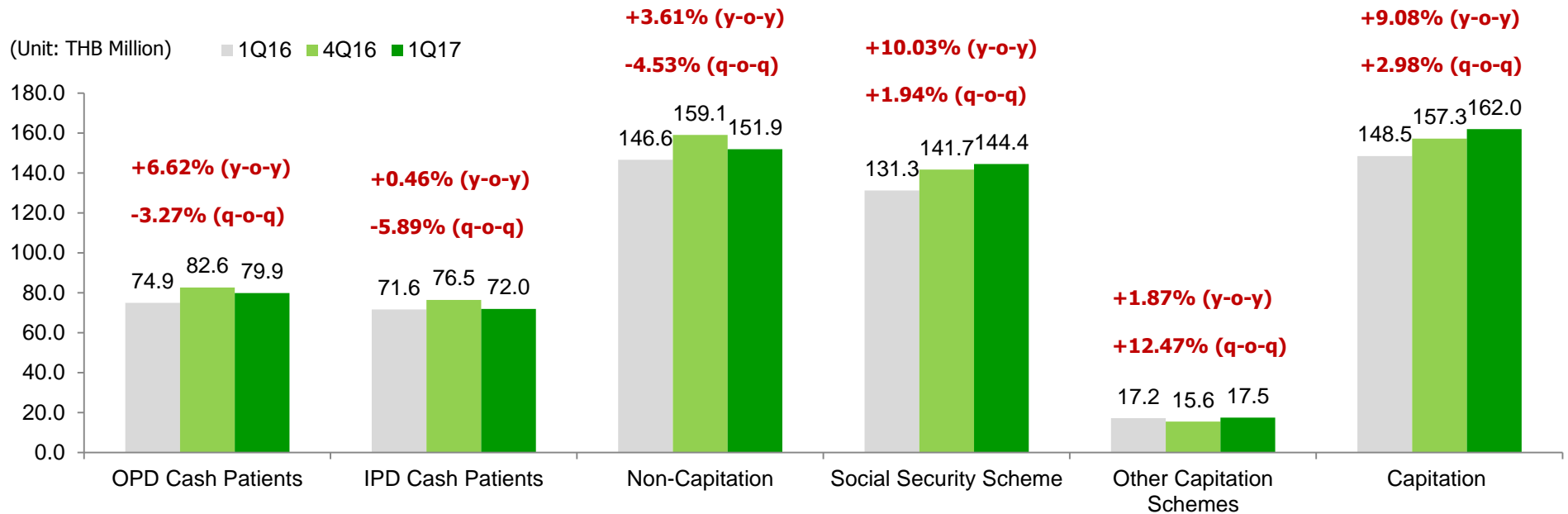
- OPD – increase in examination rooms and subspecialty doctors, especially cardiologists, ophthalmologists and dentists
- IPD – opening a new ward at RJH with additional 18 beds, increase in number of cash patients from ICU and obstetrical delivery cases

CAGR 15.96% (22.86% y-o-y) in revenue growth for capitation patients:

- SS – increasing registered social coverage patients, more admittance of patients with complicated diseases and the efficiency in patient data management
- Other capitation schemes (mainly UHC) – increase in number of patients from the Heart Center at RJH and the Hemodialysis Center at RRH.



Revenue still grew y-o-y in all sectors but at a slower pace



Revenue from cash patients dropped q-o-q but grew slightly y-o-y

- OPD – Number of visits dropped due weaker economic conditions, but revenue per visit increased at both hospitals largely due to certain items of service fees adjusted upward.
- IPD – In 1Q17, 4 ICU beds and 2 patient beds at RJH and 4 ICU beds at RRH were added. Number of admissions dropped since there was no widespread flu activity, but revenue per admission increased given more cases with complicated cases and the prices of certain items of medicine and medical supplies were adjusted upward.

Capitation revenue remains strong due to higher number of registered social coverage patients and UHC patients at RJH's Heart Center.

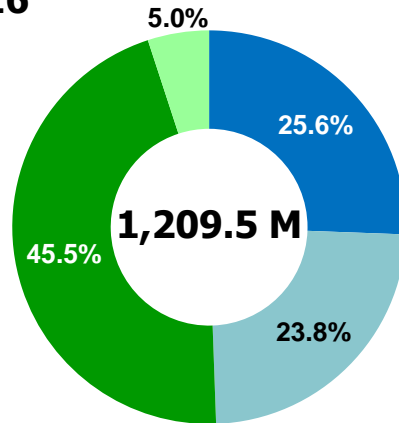


Revenue Breakdown

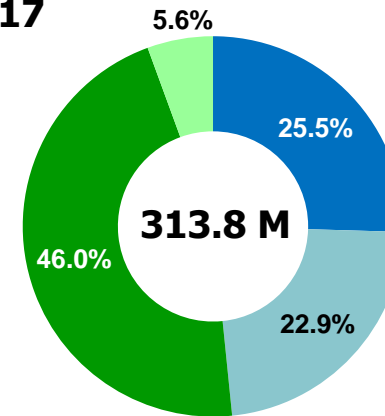
By Patient Type (Consolidated)

FY2016

- OPD Cash Patients
- IPD Cash Patients
- Social Security Scheme
- Other Capitation Schemes



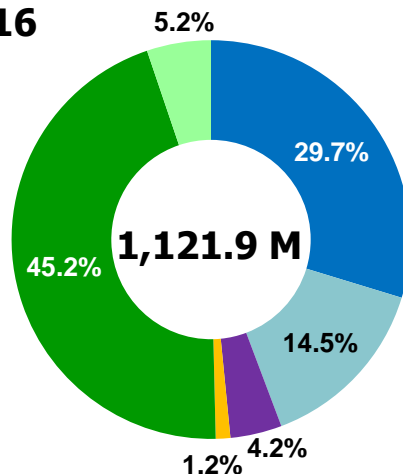
1Q17



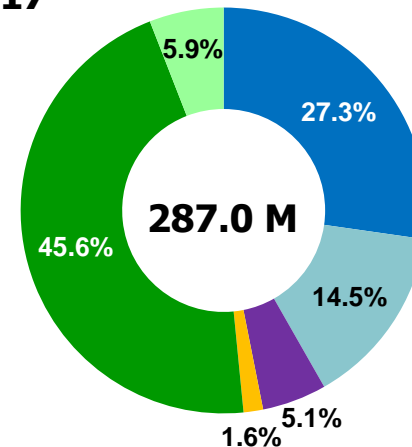
By Payor (RJH Only)

FY2016

- Self-Pay
- Insurance
- Contracts
- Revenue from RRH
- Social Security
- Others Capitation Scheme



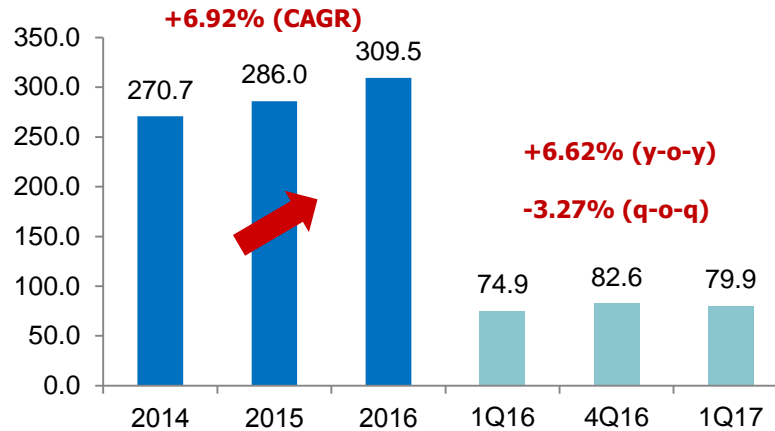
1Q17



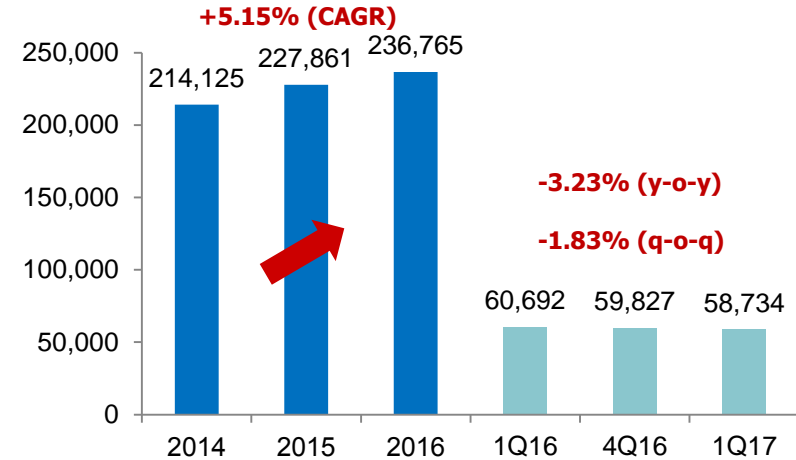


Non-Capitation Patients – OPD

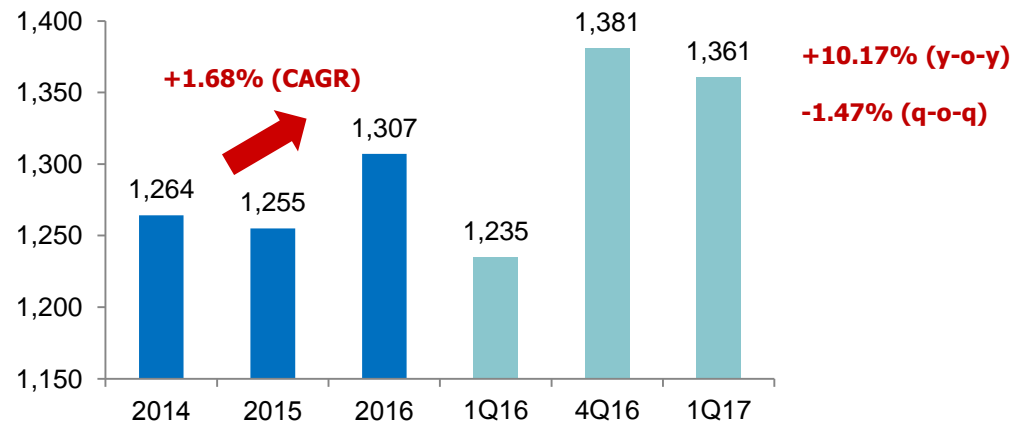
Revenue from OPD Patients (THB Million)



Number of OPD Visits (Visits)



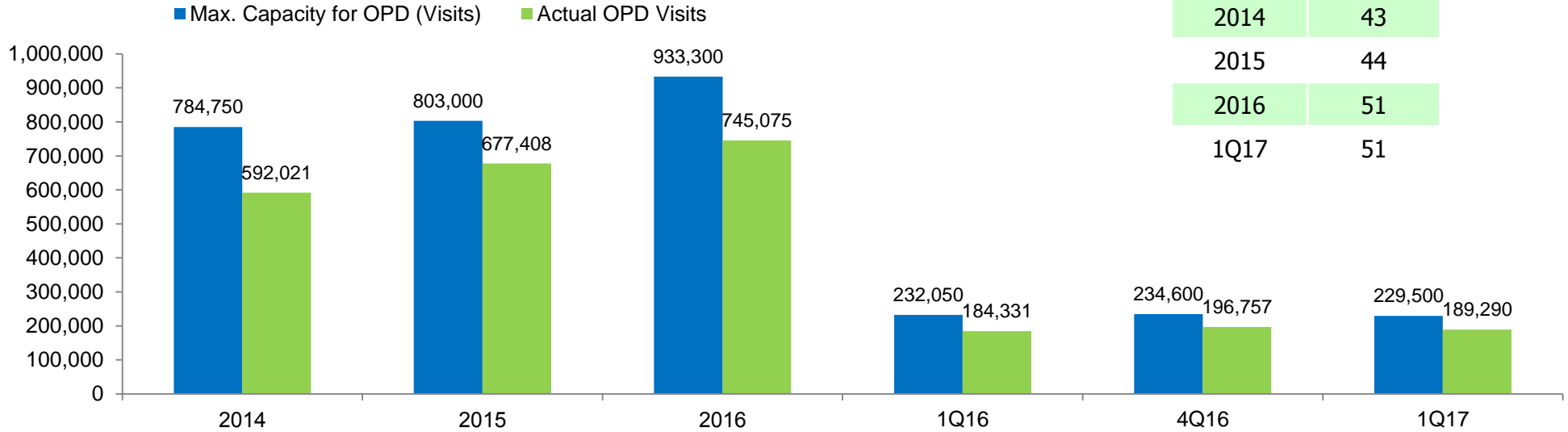
Revenue per OPD Visit (THB/Visit)





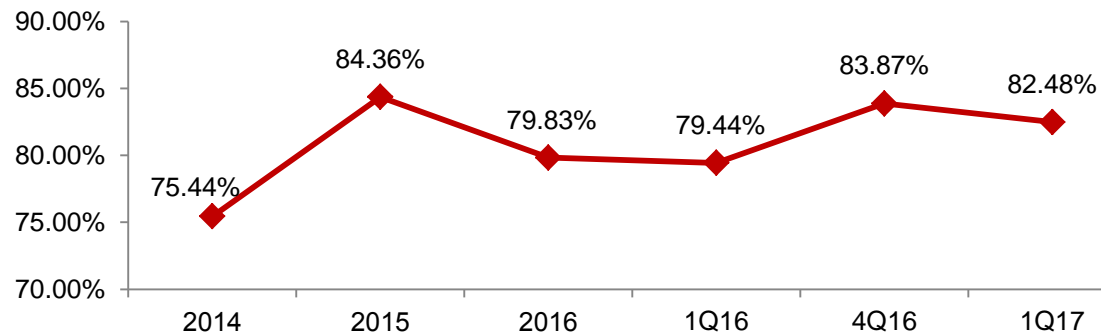
OPD Utilization Rate – All Sectors / Consolidated

OPD Visits



Period	No. of Exam. Rooms
2014	43
2015	44
2016	51
1Q17	51

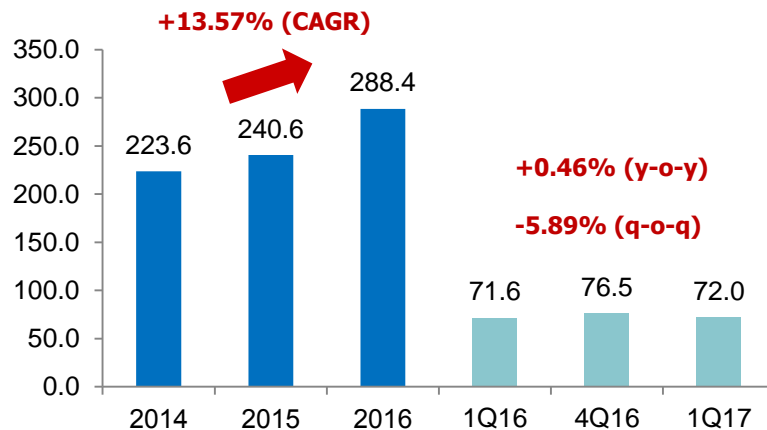
OPD Utilization Rate (%)



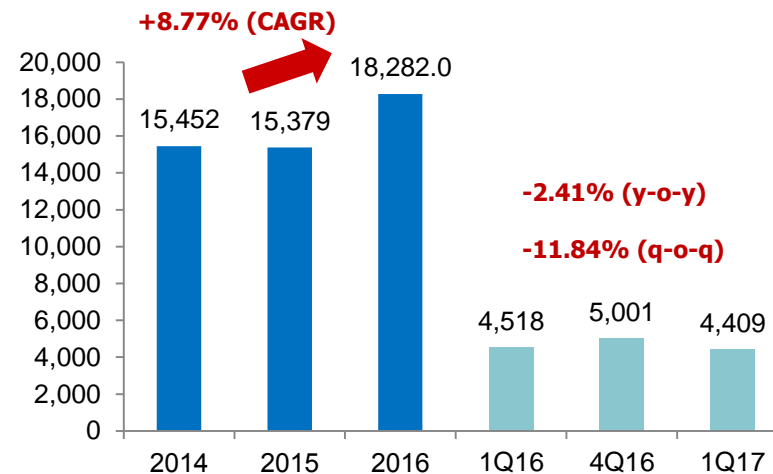


Non-Capitation Patients – IPD

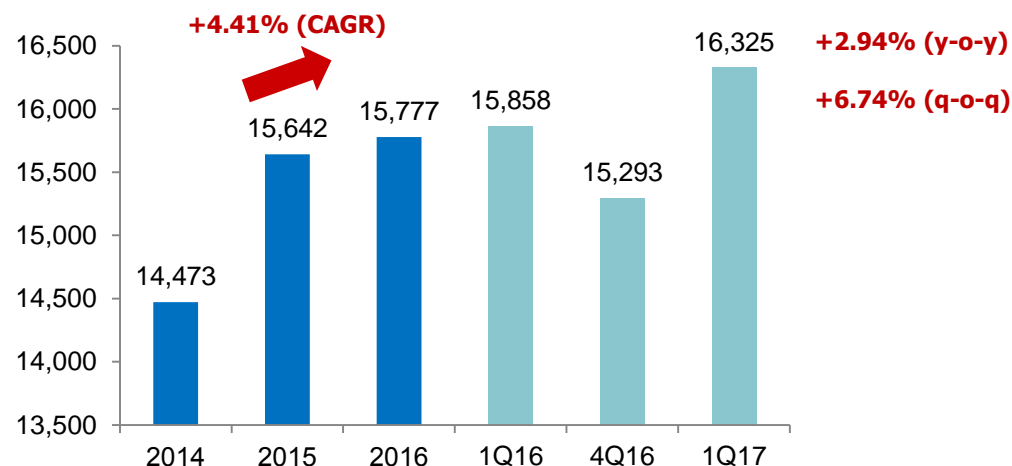
Revenue from IPD Patients (THB Million)



Number of IPD Admissions (Heads)



Revenue per Admission (THB/Head)

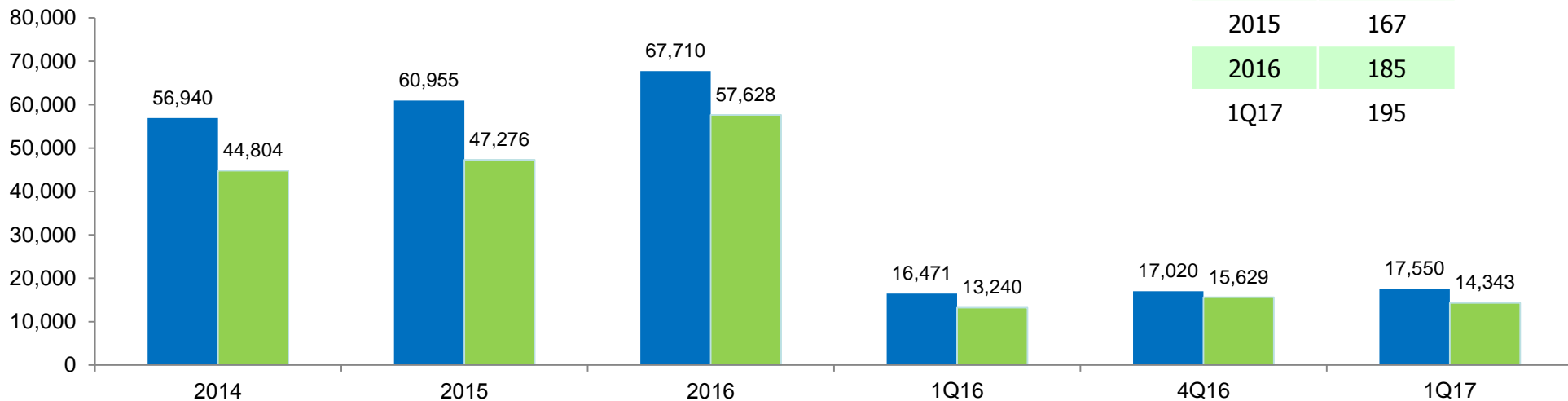




IPD Utilization Rate – All Sectors / Consolidated

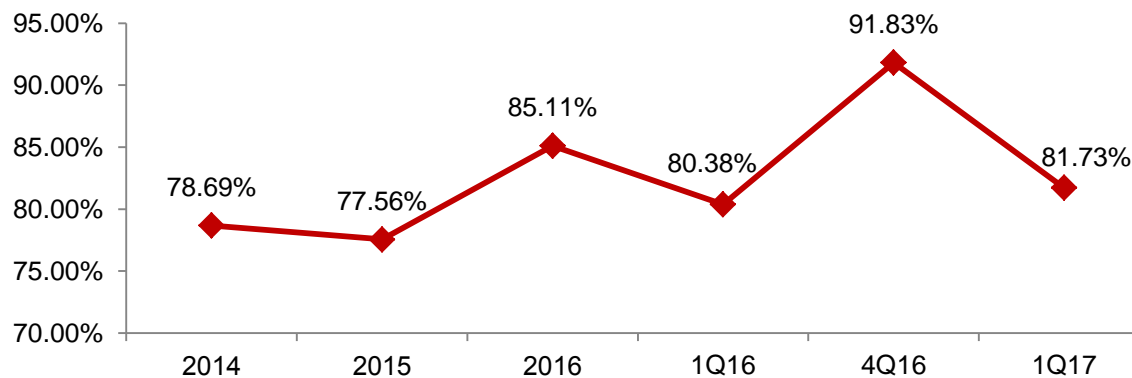
IPD Beds

■ Max. Capacity for IPD (Admissions) ■ Actual IPD Admissions



Period	No. of Beds in Service
2014	156
2015	167
2016	185
1Q17	195

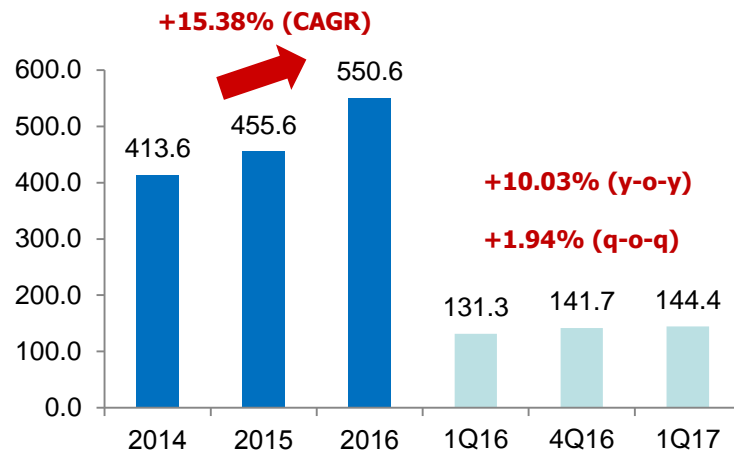
IPD Utilization Rate (%)



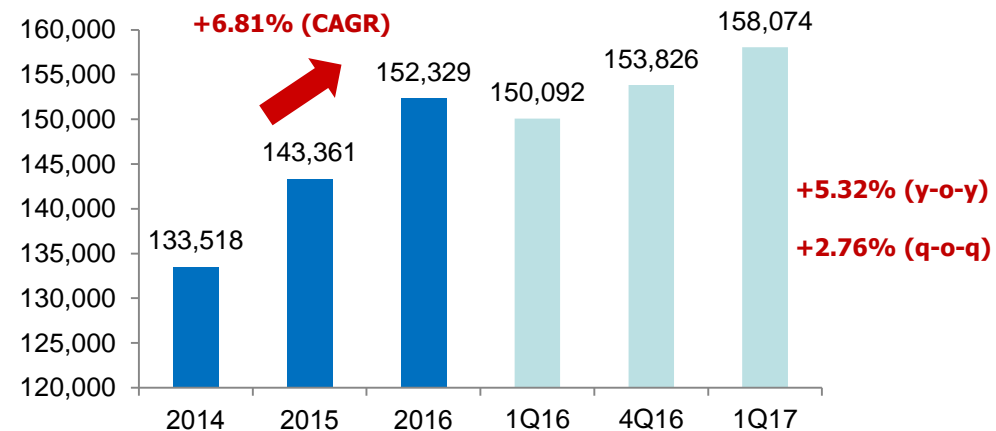


Capitation Patients – Social Security Scheme

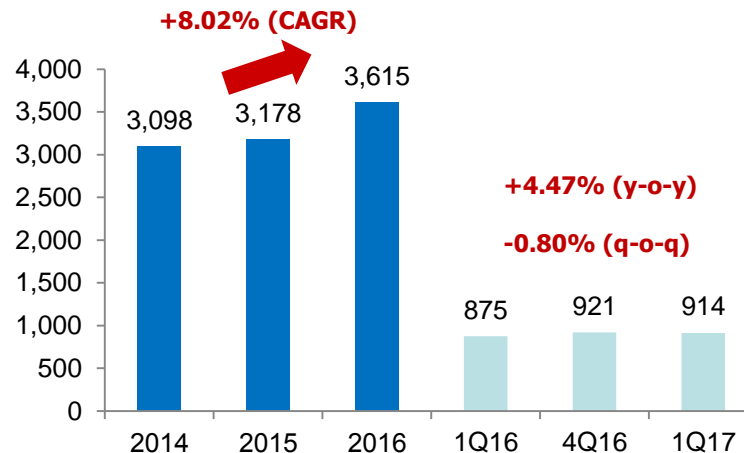
Revenue from SS Patients (THB Million)



Average Registered SS Patients (Heads)



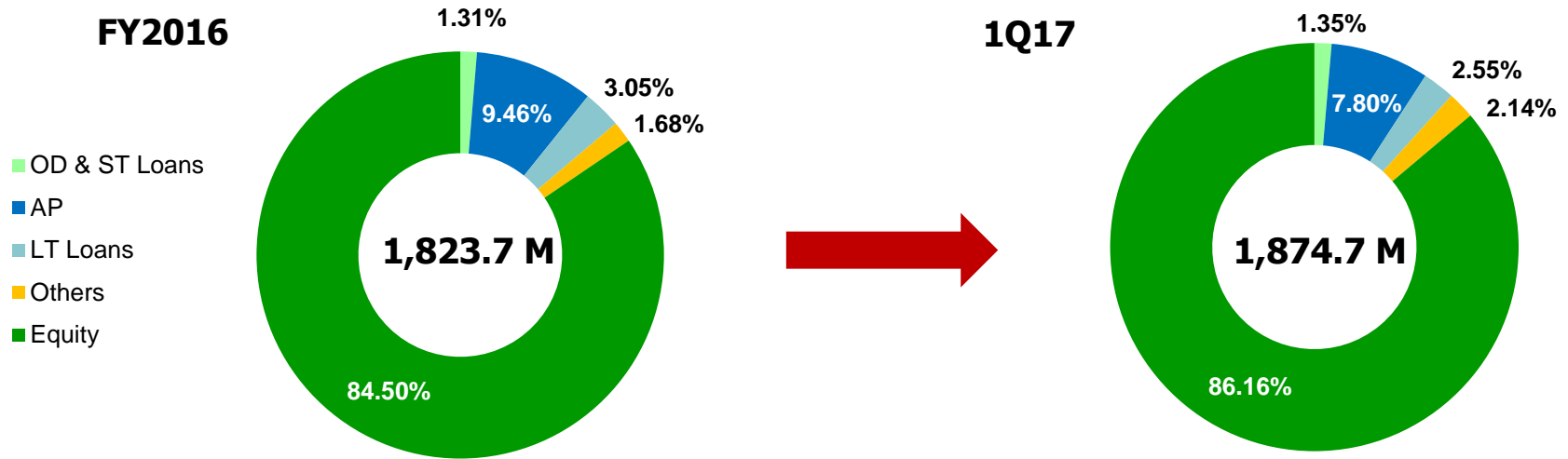
Revenue per Average Registered SS Patients (THB/Head)



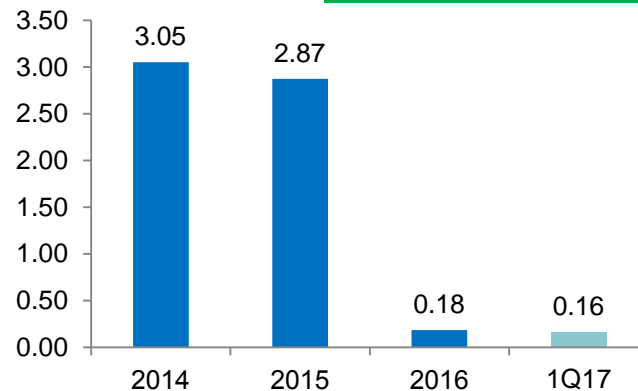


Capital Structure & Debt-to-Equity Ratio

Capital Structure



Debt-to-Equity Ratio (Times)



Remarks:

- The post-IPO shareholders' equity increased since 3Q16.
- Prepayment of loans with financial institutions in 2H16

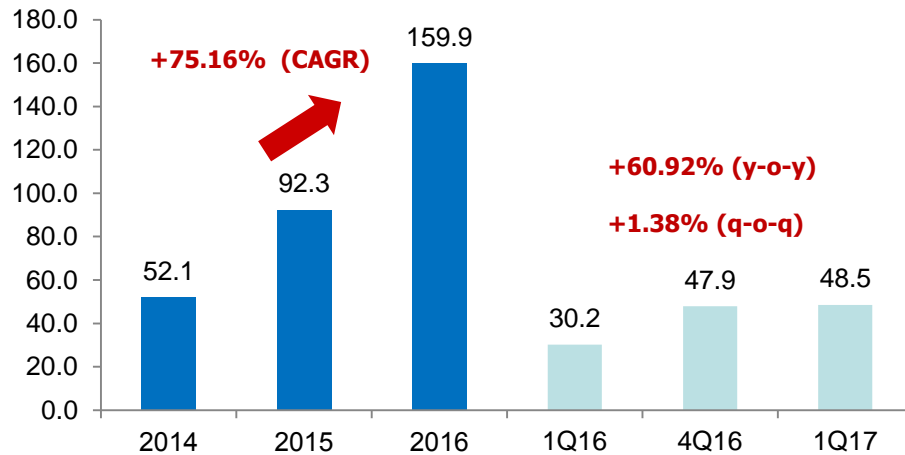


4. Financial Performance 1Q17 - RRH

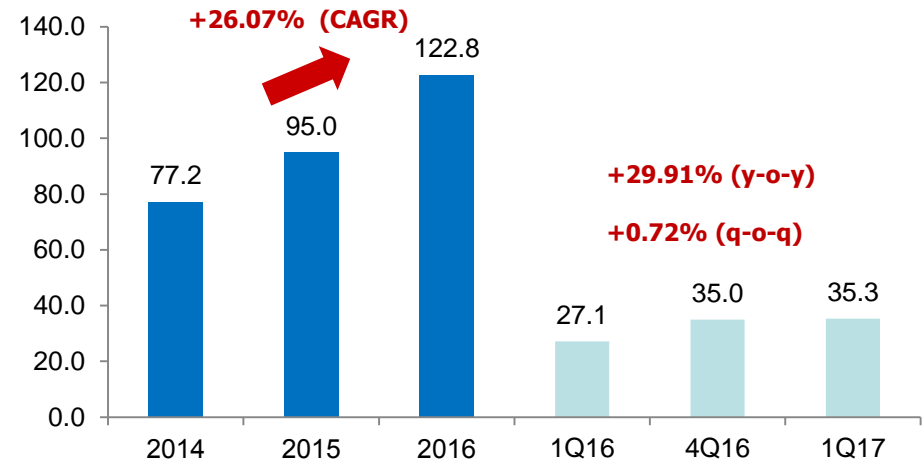


RRH's 1Q17 Performance Summary

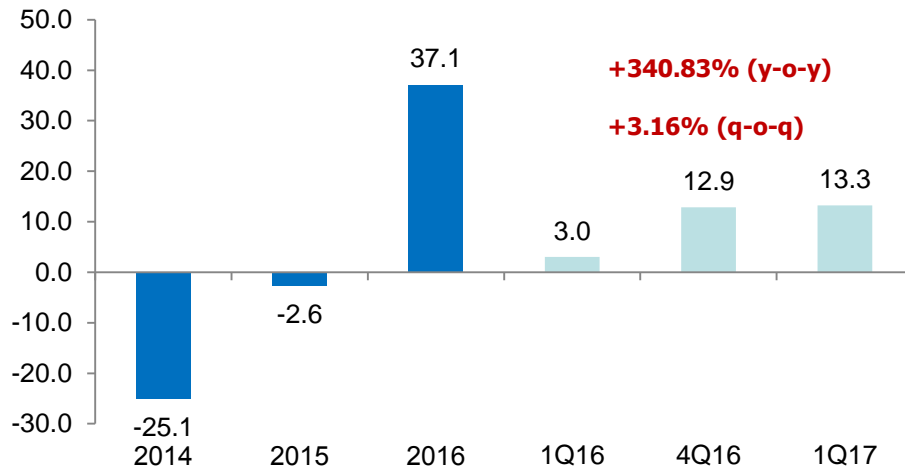
Revenue from Hospital Operations (THB Million)



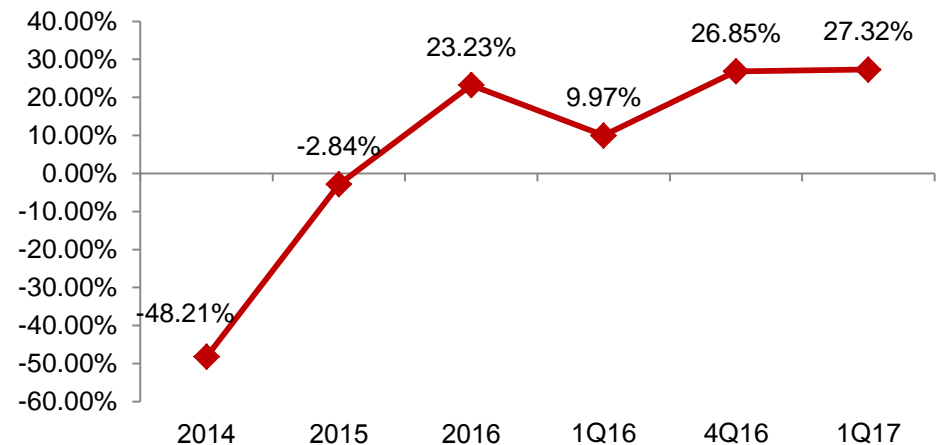
Cost of Hospital Operations (THB Million)



Gross Profit (THB Million)



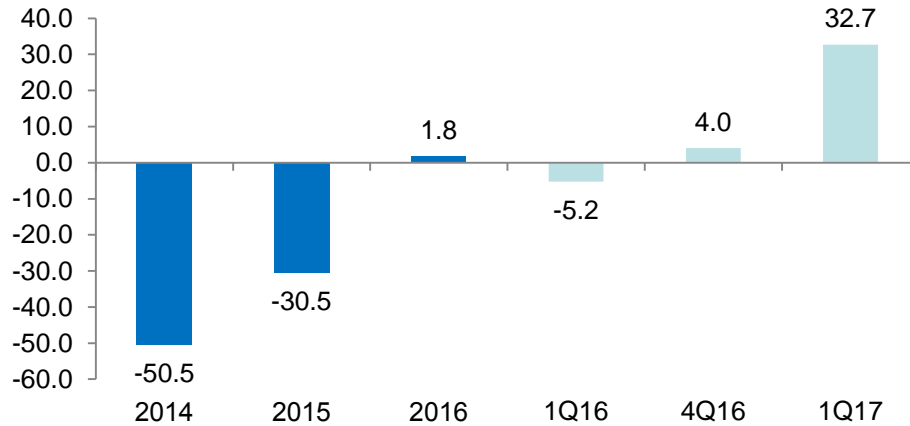
Gross Profit Margin (%)



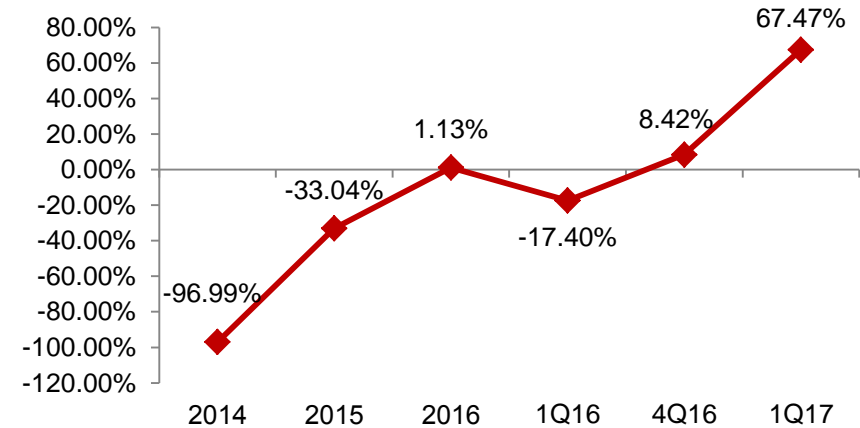


RRH's 1Q17 Performance Summary

Net Profit (THB Million)



Net Profit Margin (%)



Net profit

- RRH's stronger financial performance resulted from its improved core operations and was boosted up by the utilization of tax losses carried forward of THB 27.8 million in 1Q17 and recognized the income tax revenue of THB 28.6 million.
- RRH's normalized profit was THB 4.1 million.

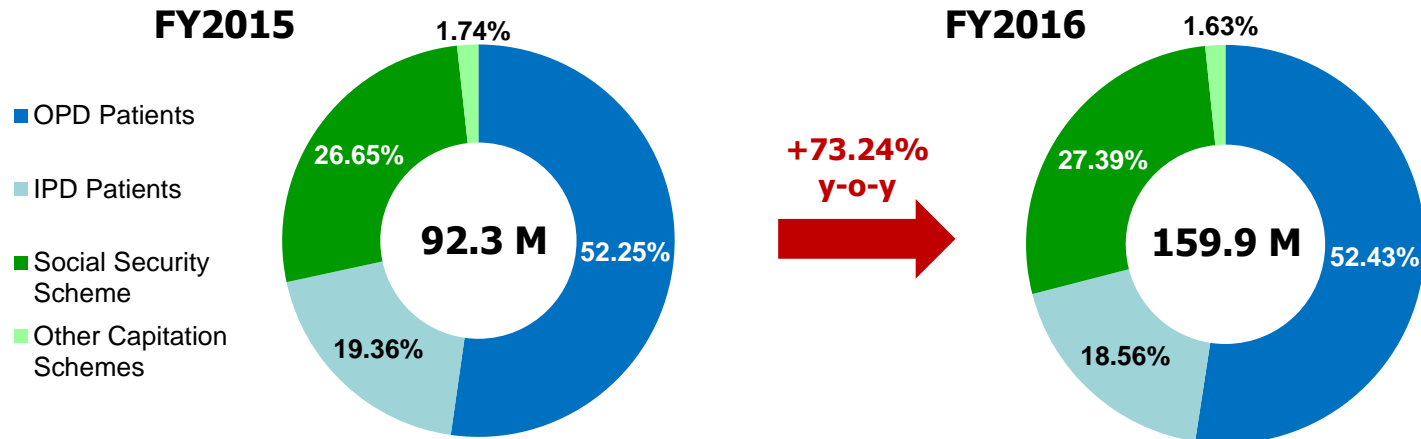
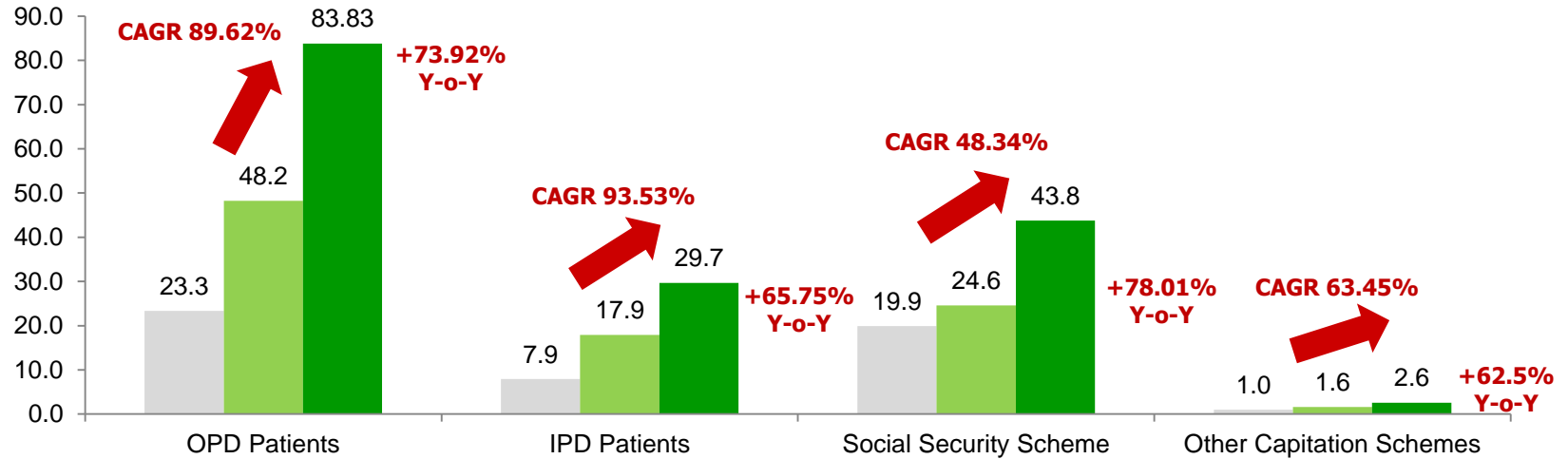


Strong Top-line Growth

Revenue from hospital operations in 2016 grew y-o-y in all sectors.

(Unit: THB Million)

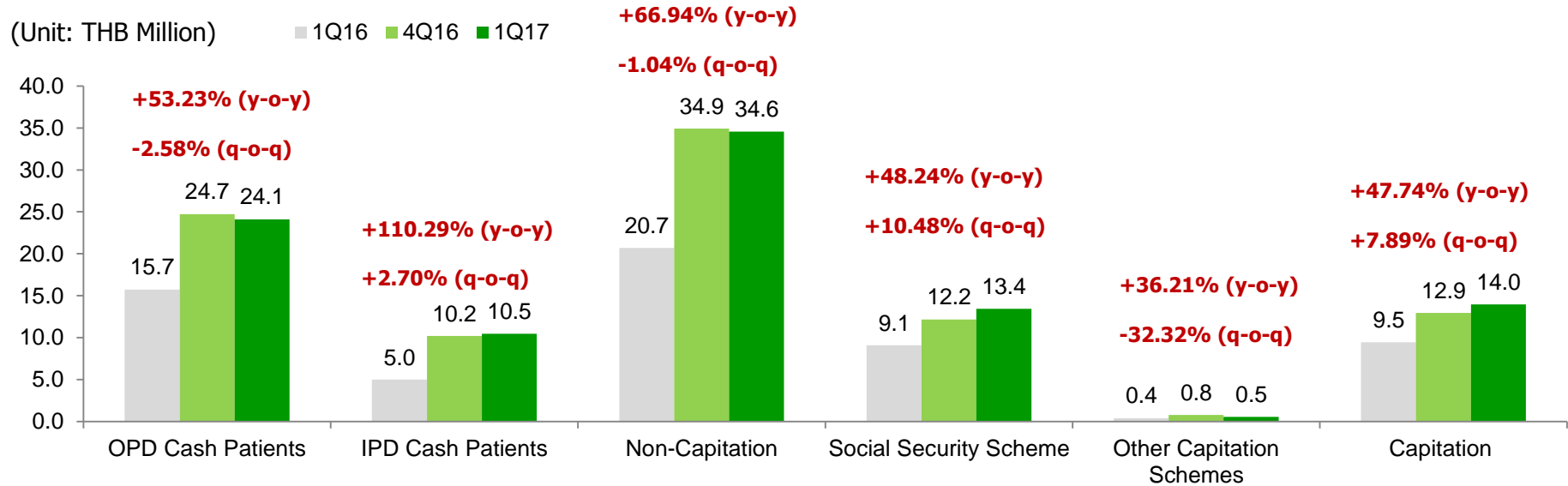
■ 2014 ■ 2015 ■ 2016





Strong Top-line Growth Continues

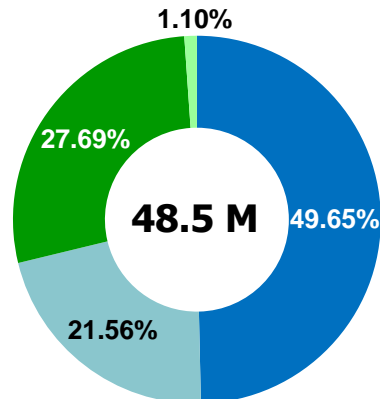
Revenue from hospital operations in 1Q17 still grew y-o-y in all sectors.



Revenue Breakdown By Patient Type

1Q17

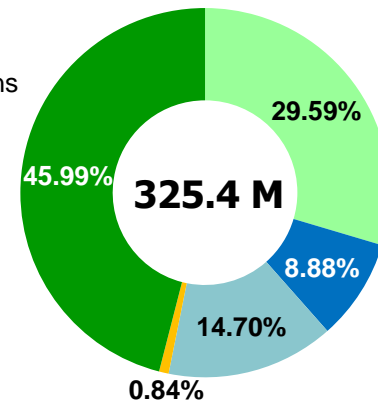
- OPD Cash Patients
- IPD Cash Patients
- Social Security Scheme
- Other Capitation Schemes



Capital Structure & D/E Ratio

1Q17

- OD & ST Loans
- AP
- LT Loans
- Others
- Equity



- The post-RO shareholders' equity increased since November 2016.
- Debt to Equity Ratio for 1Q17 (Times) is 1.17.



5. Strategies for 2017 & Future Projects



Strategies for 2017

Segments	Strategies
Total Revenue	<ul style="list-style-type: none"> Targeted total revenue growth of 10-15%
OPD	<ul style="list-style-type: none"> Focus on process improvement and growth in number of self-pay, insurance and contract patients from the Health Check-up and Occupational Medicine Center as well as Gastrointestinal & Liver clinic Expansion of medical services, such as dental implantation, and upgrade of medical equipment for shoulder arthroscopic surgery / laser slit lamp for ophthalmology procedures / 4D ultrasound for antenatal care (maternal-fetal medicine), etc. Increase the hemodialysis units at RRH Increase the OPD utilization rate
IPD	<ul style="list-style-type: none"> Addition of up to 23 hospital beds at RJH by 3Q17 and, at RRH, up to 4 hospital beds by 2Q17 and up to 6 hospital beds by 3Q17. Focus on growth in number of self-pay, insurance and contract patients as well as cardiac catheterization patients Focus on growth in number of obstetrical delivery cases
Social Security	<ul style="list-style-type: none"> Increase the number of insured persons at RJH and RRH
Heart Center	<ul style="list-style-type: none"> Increase the number of all categories of patients (UHC / SS / Cash) Targeted 50 cases/month



Future Projects (IPO Proceeds)

Projects	Capital Expenditure	Expected Completion	Project Details
MRI Center (RJH)	Approx. THB 20 M	Early 2018	<ul style="list-style-type: none"> To be the 1st MRI center in Ayutthaya Partnering with an MRI company with extensive experience in MRI market in the upcountry RJH to construct a new 1-storey building. The partner to procure all the MRI equipment and medical personnel. Revenue sharing scheme Expecting minimum of 160 cases per month
A New 9-storey Patient Building (RJH)	Approx. THB 600 M	Early 2020	<ul style="list-style-type: none"> Addition of 120 patient beds to serve only cash patients More capacity and facilities for the crowded centers and clinics Freeing up space for other clinics in the existing buildings to expand Expanded medical centers/clinics (e.g., Heart Center, Pediatric Center; Dental Center, Check-up Center and ICU) New medical centers (e.g., Gastrointestinal & Liver Center, Infertility Center and Skin & Beauty Center) Expecting to absorb demand of healthcare services for 5-10 years
Capacity Expansion (RRH)	THB 64 M	2018	<ul style="list-style-type: none"> Capital increase (rights offering) of THB 100 M in November 2016 Renovation of an IPD ward and the check-up center Adding up to 14 patient beds in 2017 Expanding OPD examination rooms, clinics and specialty medical centers
Total Capital Expenditure	Approx. THB 660-720 M		



Future Projects (IPO Proceeds)



Projects	Beds	Expected Completion	Project Details
New 9-storey Patient Building	120	Early 2020	<ul style="list-style-type: none"> Focus only on cash patients from both OPD and IPD segments 4 floors designated for OPD examination rooms together with a number of expanded and new clinics and centers 5 floors designated for IPD wards Conveniently located at the main campus of RJH and connected to the existing patient building



Future Projects (Non-IPO-Proceeds)

Projects	Capital Expenditure	Expected Completion	Description
Capacity Expansion (RJH)	Approx. THB 15 M	3Q 2017	<ul style="list-style-type: none"> Renovation of an IPD ward and purchase of medical equipment Adding up to 23 hospital beds
Hemodialysis Center (RJH)	Approx. THB 40 M	Early 2019	<ul style="list-style-type: none"> Expansion from 27 to 44 units Revenue sharing scheme
Total Capital Expenditure	Approx. THB 55 M		



Q&A

Thank You

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