

# Investor Presentation 2Q2023







### Agenda

**Overview** 

**Business** update

Financial Performance

Investment highlights



### Agenda

**Overview** 

Business

Financial Investment update Performance

highlights



# Company overview

The company operates private hospitals in Thailand, both in Bangkok and other parts of the country, through direct management, affiliated firms as well as joint ventures. The business covers ten main facilities in Thailand-five Bangkok and vicinity-based hospitals and five provincial hospitals. Otherwise, THG operates one hospital in the Republic of the Union of Myanmar. In addition, THG also provides healthcare service beyond the hospital to offer customer-centric, innovative, and reasonable healthcare solutions to people of all ages, no matter what their health needs, and to always strive for a higher standard of service, expertise, and professionalism in our people for the benefit of all our stakeholders



Established since 1977 (Listed in SET in 2017)



Registered and paid-up capital of THB 847 million (Capital reduction to 847 mn at 3/2/2022)



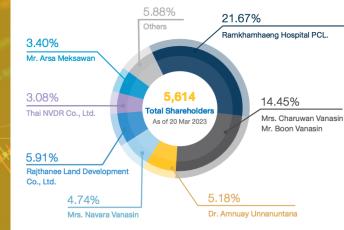
Investments in

13 Subsidiaries, 4 associates, and 1 Joint venture



Operates 11 private hospitals (10 Thailand and 1 oversea)

#### SHAREHOLDING STRUCTURE



As of 20 Mar 2023



Thonburi

Hospital

started

operation

Invested in

Ubonrak

Hospital

1991

### **Vision & Milestones**

**DENTAL SIAM** 

Invested in

Dental

Siam

1997

To enhance people's quality of life by being their most preferred health partner

MSE MODULAR SOFTWARE

Invested in

Modular

*Software* 

Expertise

2009





Restructure and prepare for IPO

Signed JV for

Ar Yu

International

Hospital in

Myanmar

2017

BAMRUNGMUANG H O S P I T A L

Grand opening of Thonburi Bamrungmuang Hospital and Ar Yu Hospital

2019

✓ TH Health Invested in Telehealth ☑ Thonburi Canabiz ☑ Get license for Thonburi Health

CareCompany Limited



Invested in

Village



2022



Registered

as a public

company

limited

1994

Opened Thonburi 2 Hospital





Invested in Sirivej Hospital





Invested in Rajyindee Hospital





โรงพยาบาลเมืองพัทยา

PPP agreement to

provide hospital

management for

Pattaya City

Hospital

2012

PPP agreement to provide hospital management for Phuket Provincial Hospital





Invested in Thonburi Hospital Heart centers and Premier Home Health Care





PPP agreement

for Koh Lan

CMU

2015

Signed JV for Welly Hospital in China



2018

Acquired

shares for

Thonburi

Thungsong



Divested JV for Welly Hospital, China

Addition invested in Phatara-Thonburi hospital and Thonburi Trang 📴 **รพ.ภัทร**-ธมบรี



#### Registered Capital (THB mn)

300 600 849 764







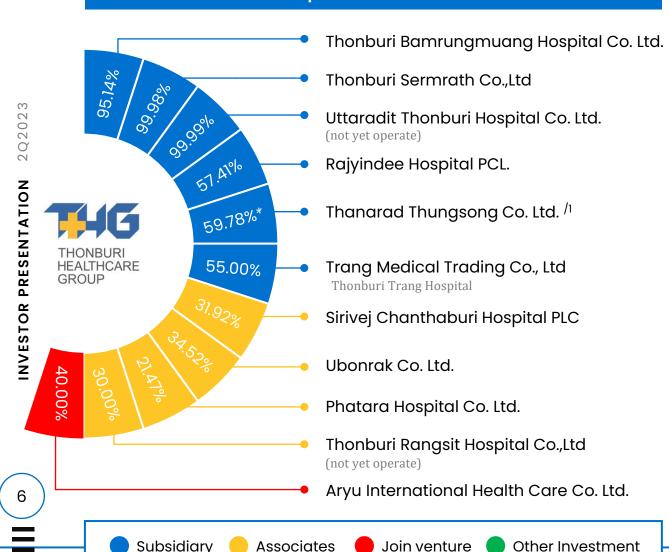


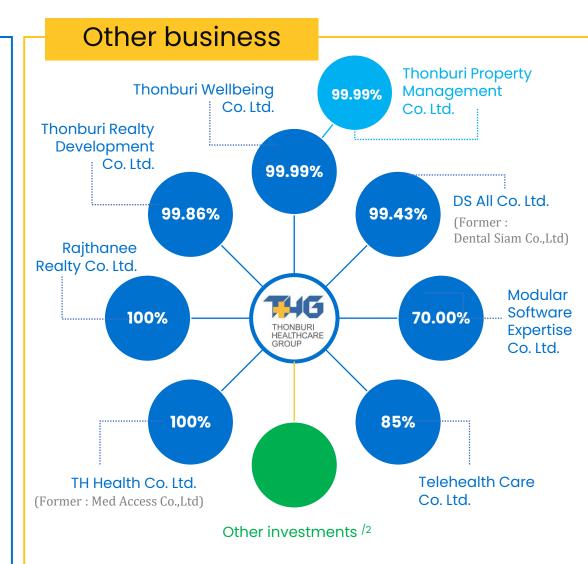


### Shareholder structure of the company



#### Hospital business





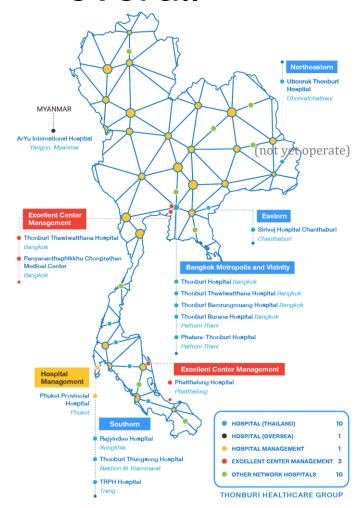
<sup>/1</sup>The company has indirect voting shareholder interest in Thanarad Thung Song Co.,Ltd. via a subsidiary – Rajyindee Hospital PCL.

 $^{/2}$ Other investments are investments in ordinary shares of the Company Holding more than 10%

 $^{\circ}$ 

### **Hospital Business**

- overall







#### Bangkok









95 beds



**127** beds

<mark>โรมพยาบาลราษฎร์ยินดี</mark> RAJYINDEE HOSPITAL

**196** beds

โรงพยาบาลสิริเวช จันทบุรี

150 beds\*

(Chanthaburi)

(Songkhla)







55 beds (Pathum Thani)





85 beds (Nakorn Si Thammarat) On process for approval







100 beds (Ubonratchathani)







**112** beds (Pathum Thani)



### Hospital Business – Positioning benchmark











### **SUBSEQUENT EVENT**



#### **SPRIT PAR VALE**

- Thonburi Sermrath Co., Ltd.

At the EGM no. 3/2566 held on 11 July 2023, the meeting resolved to split the par value from 10,000 shares at a par value of 10,000 Baht per share to 10,000,000 shares at a par value of 10 Baht per share. Ministry of Commerce already on 19 July 2023.



### Financial Summary – 2Q2023



(THB mm)	2Q2023	2Q2022	%Change	1Q2023	%Change	
Revenue from medical service	2,421	2,424	-0.1%	2,398	+1.0%	
% total revenue	96.3%	90.7%		95.6%		
Total revenue	2,515	2,674	-5.9%	2,508	+0.3%	
Gross profit	679	794	-14.5%	768	-11.6%	
Gross profit margin	27.0%	29.7%		30.6%	11.076	
EBITDA	585	801	-27.0%	674	-13.2%	
EBITDA margin	23.3%	30.0%	27.076	26.9%	-1 <b>3.</b> 27 <sub>0</sub>	
Net profit	152	412	-63.1%	250	20.2%	
Net profit margin	6.0%	15.4%	-03.1%	10.0%	-39.2%	
Net profit -parent company	128	398	-67.8%	211	-39.3%	
Net profit -parent company margin	5.1%	14.9%	07.0%	8.4%	-39.5%	



### Financial Summary – 1H2023



(THB mm)	1H2O23	1H2O22	%Change	
Revenue from medical service	4,819	5,868	-17.9%	
% total revenue	95.9%	94.6%		
Total revenue	5,023	6,204	-19.0%	
Gross profit	1,447	1,984	-27.1%	
Gross profit margin	28.8%	32.0%		
EBITDA	1,259	1,827	-31.1%	
EBITDA margin	25.1%	29.4%		
Net profit	402	964	_EQ 2º/	
Net profit margin	8.0%	15.5%	-58.3%	
Net profit -parent company	339	925	-63.4%	
Net profit -parent company margin	6.7%	14.9%		



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### **THG Business**

#### **Hospital Business**



1H23 Revenue: THB 4,819 mm (95.9%)

#### Domestic / International Hospital

- 10 Hospitals in Thailand (3 hospitals presents as associates)
- 1 Hospital overseas

#### **Management Service**

• 1 Hospitals in Thailand

#### **Excellent Center Management Service**

· 3 Heart Centers under management

### Healthcare Solution Provider



1H23 Revenue: **THB 198 mm** (4.0%)

#### **Senior living**

- Jin Wellbeing County, mixed-use development to provide services needed by senior
- Thonburi Health Village, to serve various segments

#### **Dental Supplies Retailer**

- Exclusive distributor for dental supplies
- Telehealth Care Company
- Operating a health care business and telemedicine with technology to support the core business

#### **Other business**



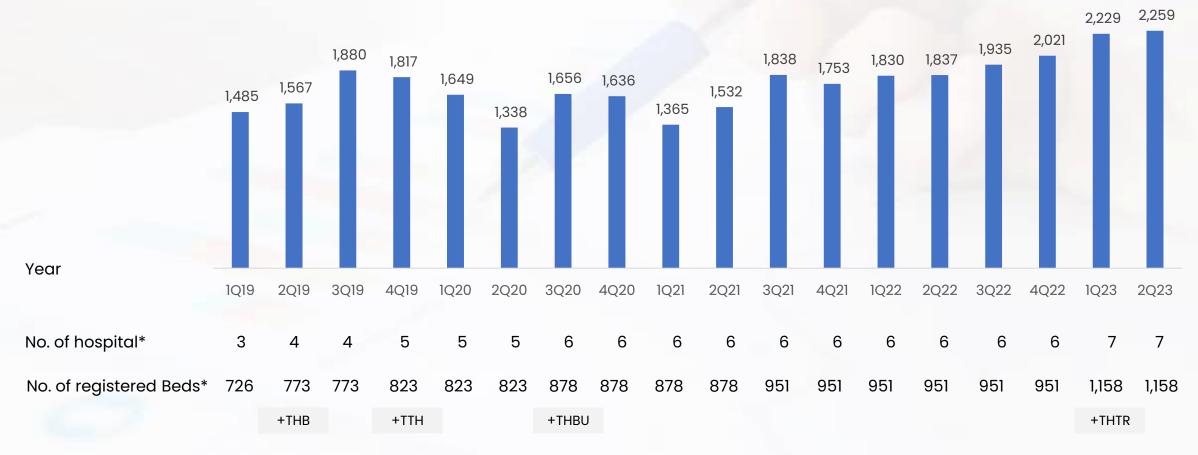
1H23 Revenue: **THB 6 mm** (0.1%)

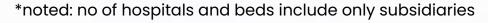
#### **Software Development**

 Develop software to support internal departments and connect with other networks such as Social Security Office, National Health Security Office, The Comptroller's General Department

Project Development for Healthcare & Medical Services







: Only hospital revenue which is not included hospitels, field hospitals, and Moderna vaccine



Hospital	Standard	Status
<b>ISOWETUTABUUS</b> THONBURI HOSPITAL	HA,AACI	Certified
<b>ธนบุรีท</b> ี่วัฒนา	AACI	Certified
<b>ธนบุรี</b> บูรณา THONBURI BURANA	AACI	Certified
<b>ธนบุรี</b> บำรุงเมือง THONBURI BAMRUNGMUANG	HA JCI	Certified On process
โร <mark>่วพยาบาลราษฎร์ยินดี</mark> RAJYINDEE HOSPITAL	AACI	On process (within Sep'23)
<b>SUUS NOTA</b> THONBURI THUNG SONG	AACI	Certified
<b>ธนบุรี</b> ตรัง THONBURI TRANG	НА	Certified
โรงพยาบาลอุบลรักษ์ ธนบุรี บองกรุ่น Thonburi Hospital www.ubonrak.co.th	НА	Certified
โรงพยาบาลสิริเวช จันทบุรี sirivej hospital chanthaburi	НА	Certified
SW.ÑIS-BUUS Phatara-Thonburi Hospital	НА	Certified
INTERNATIONAL TO THE PARTIES AND THE PARTIES A	JCI	Certified











### Hospital Business – International hospitals



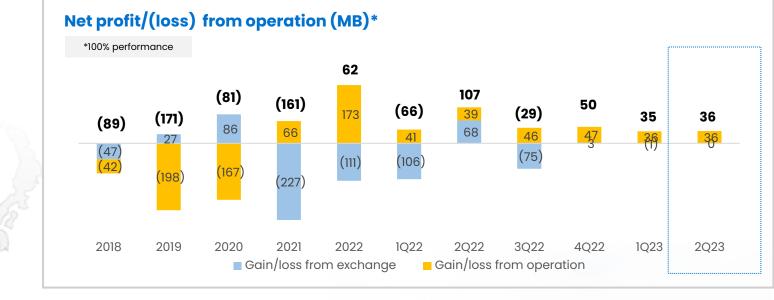


#### **Ar Yu International Hospital**

Project: 200-bed private hospital which is the first with international standard

Partners: GMP 50%, THG 40%, AMS 10%

- Ga Mone Pwint: Leader in brand developer, property & real estate, hotel, retail, and trading business in Myanmar
- Aryu Ananta Medical Services: A group of leading local doctors









### Hospital Business – Hospital Management





- o Local governments to spend budget for public health
- o Public and private hospitals to spend budget for heart center

**Thonburi Thawiwattana** 

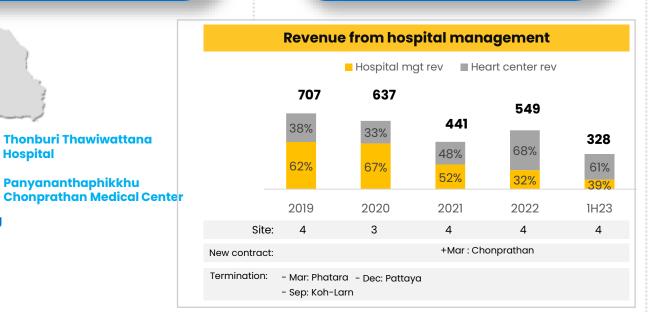
Panyananthaphikkhu

Hospital

**Phathalung** 



- First private hospital doing PPP
- o THG provides consulting and management services to cater efficient medical services for public hospitals





- o THG provides highly skilled cardiologists, medical staffs and advanced machines (coinvestment or THG's investment)
- Heart patients get access to high quality care at a lower price

#### **Phuket Provincial Hospital**



Heart center, the management plans to expand 1-2 site per year



# **Healthcare Solutions**Provider Business



### Senior care and senior living







#### Healthcare mixed use development comprises of

- Active Living, with medical staff, 24-hour emergency aid and Centralized Health Monitor System
- o Thonburi Burana Hospital low-tone care for elderly who need special care
- o **Jin Wellness** for physical rehabilitation and health activities



#### Thonburi Health Village:

Provides 24 hours of medical and nursing care for seniors, convalescent patients, bedridden patients, and chronic patients (NCD) with high-quality medical standards



#### Nursing Care Center





# Healthcare Solutions Provider Business





#### **Dental All:**

one-stop service dental supplies shop



### **Dental** supplies



#### **Telehealth Care**



#### Telehealth Care Company Limited

Operating a health care business and telemedicine with technology to support the core business of the company making customers access treatment conveniently, quickly and reducing customer's expenses.













### THAN x FORUM 2023

Health and Wellness Sustainability





### **Rolling Loud Thailand**

13-15 April 2023 @Legend Siam, Pattaya



























### **Premiere Health Clinic**

@ PTT station - Ramintra 2

### **Hospital Business**

Innovation and other support hospital business

2Q2023

#### **Building Healthcare Service Mind**

Equip participants with service mindset to provide the best possible care to their patients.

#### **Enhancing Internal Capability for Healthcare Service**

Via service design process and frameworks/tool sets providing along with experts in field.

#### **Generate Tons of New Healthcare Service**

To exercise creativity and build innovation via hackathon for generating Healthcare service idea.

#### พญาหลงจู๊ Transformative Journey for Nurse

















### งานเสวนาวิชาการ SICMPH

Al Disruption in healthcare industry



### Jin Wellbeing County



- Key differentiation is comprehensive medical service with expertise from Thonburi Hospital.
- With growing senior population in Thailand, the project can become a big community with potential of recurring income from residents.
- Comprising active living, rehab hospital and wellness center

















#### Jin Residence

- 494 units
- One-bedroom and two-bedroom at 85,000-120,000 baht/m2
- 43 and 63 Sq.M. at THB4-6mn



#### Thonburi Burana Hospital

 Low-tone hospital for elderly who need special care, such as chronic patients, Alzheimer etc.



#### **Jin Wellness**

 Wellness center to take care of residents physically, mentally and emotionally



### Jin Wellbeing County





Remaining units transferred in 1H23











### Thonburi Health Village



Land area Total 8-2-35.5 rai

Phase 14-0-39 rai

GFA 26,000 Sq.M.

SFA 13,824 Sq.M.

Tower B 11 fl. (plan: 159 rooms 272 beds)

Tower C 8 fl. (6 parking fl., wellness center)

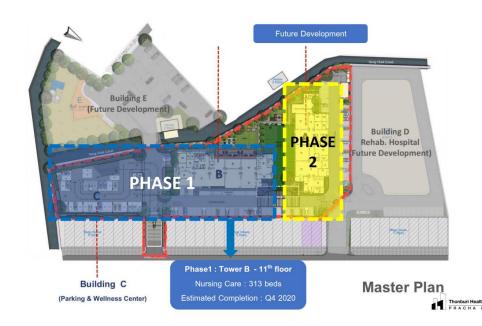
Tower A 11 fl. 206 rooms (Phase II)



Nursing home serviced for rent

#### **Target**

- Elderly
- O Chronic illness underlying NCD
- Convalescent care
- O Palliative care







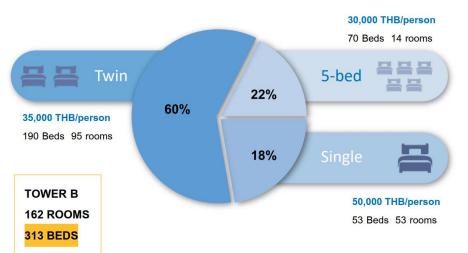
#### **Nursing Care**

#### การบริการ และ สิ่งอำนวยความสะดวก

- ห้องพัก พร้อมสิ่งอำนวยความสะดวก
- อาหาร 3 มื้อ
- บริการช่วยเหลือกิจวัตรประจำวัน
- พยาบาลและผู้ช่วยเหลือ 24 ชั่วโมง
- แพทย์ตรวจเยี่ยม
- กายภาพ
- กิจกรรมสันทนาการ ร่างกาย อารมณ์ จิตใจ
- บริการทำความสะอาดห้องพัก บริการซักรีด



### Thonburi Health Village









#### **Status**

- Currently, operated 1st -4th floor, total 72 beds 46 rooms
- 7<sup>th</sup>-11<sup>th</sup> floor is under construction, the project is expected to complete in by the end of Q2'23
- Currently, occupancy rate approximately 60% from 72 beds



### Other supporting business

#### **Software Development**

Modular Software Expertise Co., Ltd. (MSE), one of Thailand's leading Hospital Information System (HIS) provider with experienced IT team and healthcare management professionals





- Hospital Information Management System (HIMS)
- Goods Management and Distribution System (GMDS)
- Retail Store Information Management System (RIMS)
- Car Park Management System (CPMS)



#### Project development for healthcare/ medical service

Thonburi Realty Development Company Ltd. and Rajthanee Realty Company Ltd. develop projects related to medication for future project under group, for example senior living home and step-down care

Company	Location	Area	Book value	Market value
Thonburi Realty Development Co., Ltd.*	Ratchaburi	796-0-97 rai	THB 198.9 mn	THB 310.1mn
Rajthanee Realty Co., Ltd.	Surat-thani (Koh Samui)	345-3-2.1 rai	THB 1,449.0 mn	THB 2,568.6mn



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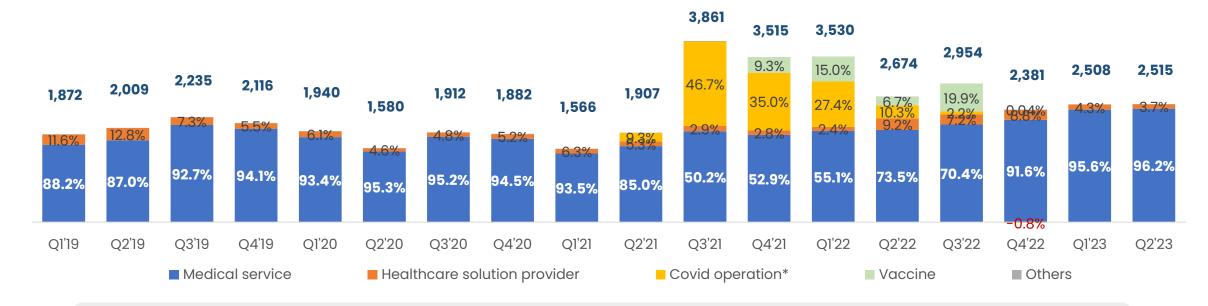
### 1H23 Financial Performance





#### Total revenue (mn THB)

Total revenue -5.9% YoY Medical service +23.0% YoY



#### Revenue 3M decreased by 29.0% YoY mainly fro

- COVID-19 related service (, treatment for COVID-19 patients at hospitels and field ICUs) did not generate revenue in 1H23 whereas account for 20.0% of total revenue in 1H22
- o Vaccination service which started in 4Q21, for 1H23, the revenue covered 11.4% of total revenue, and the project ended 3Q22.
- o Normal medical service revenue increase 23.0% YoY. In 2Q23, the growth of these sectors helps to compensate for the reduced revenue related to COVID-19. (2Q22: 2,421 2Q23: 2,419)
- Thonburi Bamrungmuang Hospital changes its OPD operations to treat COVID-19 patients only (moderate and severe cases),
   however, revenues which generated from Thonburi Bamrungmuang Hospital has include in medical service revenue

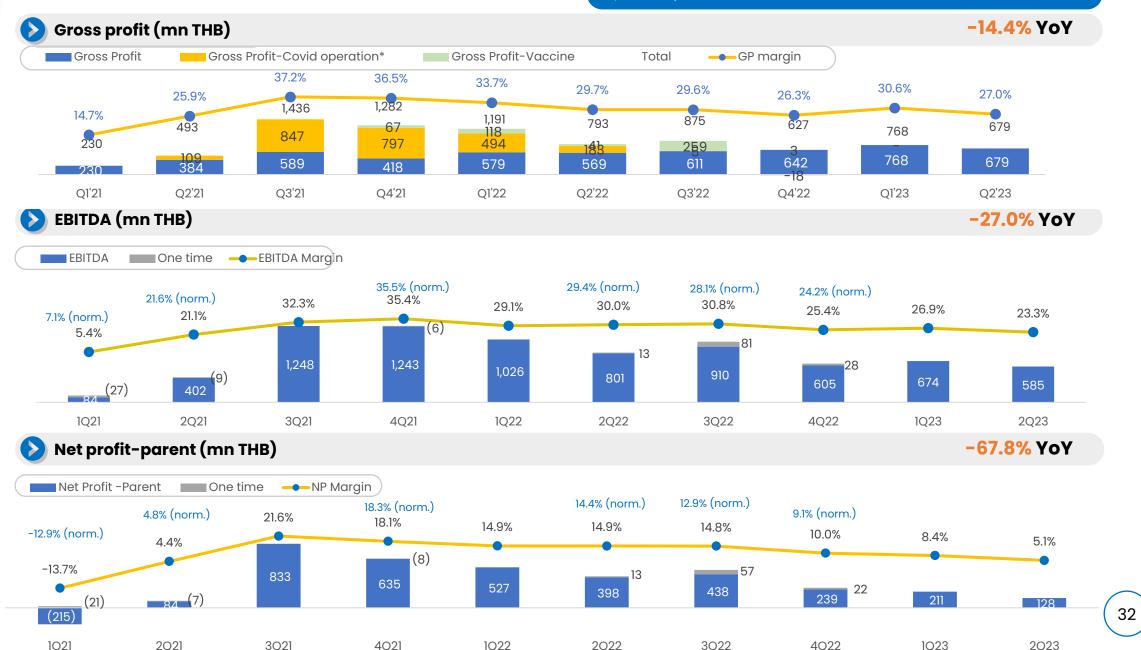




#### 1H23 Financial Performance

Note: normalized values (before tax) exclu

- 1) Expenses from the end of a management contract with a government hospital (net corporate income tax) THB28mn: comprising of THB21mn in 1021 and THB7mn in 2021.
- 2) Impairment inventories of THB 6mn in 4Q21
- 3) Gain from classify Phatara-Thonburi hospital as associate company amounting to THB 13mn in 2Q22
- 4) Gain from disposal land THB 65 mn. In 3Q22



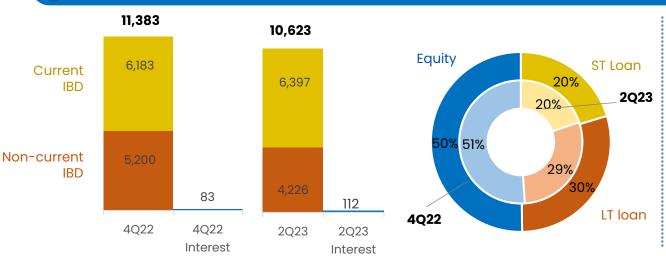
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2Q202

INVESTOR PRESENTATION

#### Capital structure (mn Baht)

Dividend



On 3 Jan 23, BOD approved interim dividend payment of THB 0.30 per share for 9M2022 performance.

On 27 April 23, AGM approved dividend payment of THB 0.60 per share for 2022 performance.

THB 0.30/share XD date 16 Jan 23 Payment date 31 Jan 23

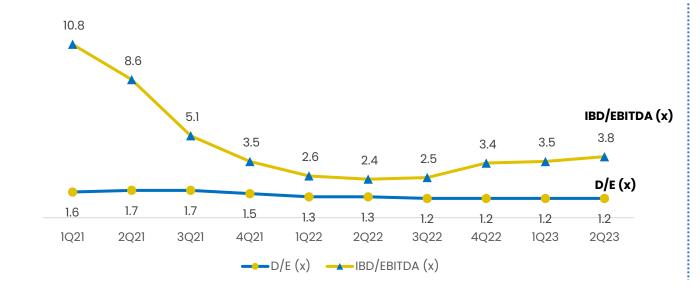
THB 0.60/share XD date 20 Mar 23 Payment date 26 May 23

**Dividend policy:** not less than 40% of net profit according to separate financial statements

#### Gearing ratio

#### Interest coverage ratio (x)









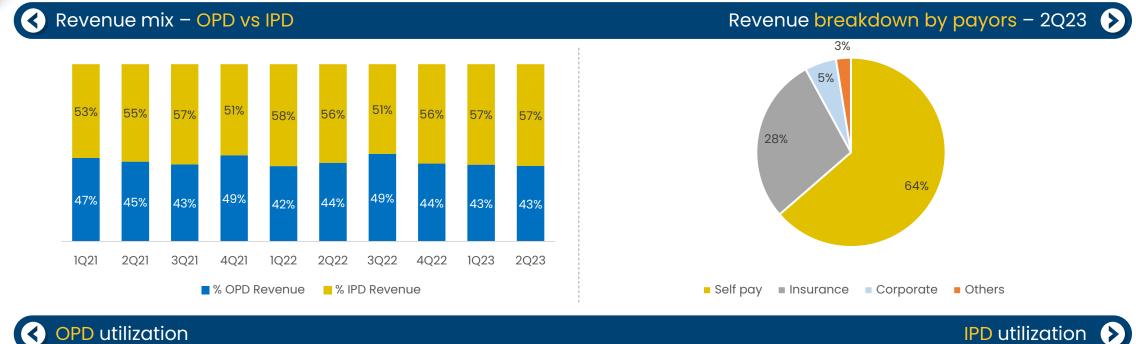


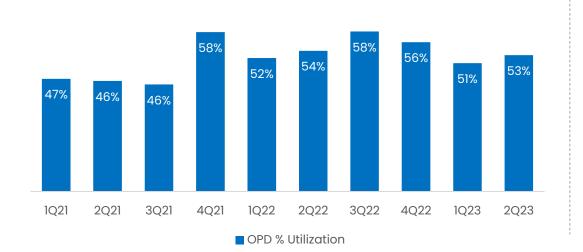
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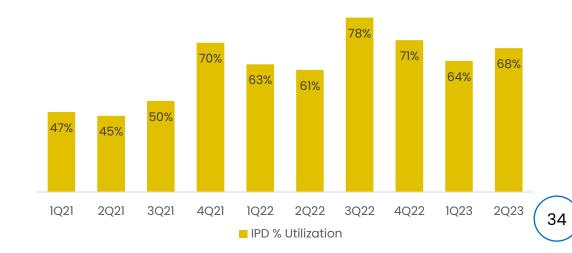


### **2Q23 Operational statistics** – TH1, TH2, RYD, TTH,THTR\*

\*Included THTR started 1Q23









INVESTOR PRESENTATION

### **2Q23 Operational statistics** – TH1, TH2, RYD, TTH

Pay per sequence Total



35

Pay per bed day Total



# CAPEX Plan

#### CapEx (MB)



Project	1H23	2H23(E)	2024(E)	2025(E)	3 years plan
Thonburi Hospital 1/THG	222	356	622	960	2,160
Thonburi Thaweewatthana Hospital	42	251	363	306	962
Thonburi Bamrungmuang	184	16	100	120	420
Jin Wellbeing County	3	47	-	-	50
Thonburi Health Village	15	35	-	-	50
Rajyindee Hospital	81	136	212	240	669
Thonburi Thungsong Hospital	3	11	13	13	40
Thonburi Trang	6	43	170	159	378
Total	556	895	1,480	1,798	4,729



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# Investment highlights

**Top line growth** 



**Cost** reduction



People efficiency



Investment (M&A)



Innovation (Sandbox)







#### Key Growth Drivers and Target for the Next 3 Years



#### **Expansion the existing business**

Renovation, new construction, and increase capacity



#### Seek for the potential partner

Both domestic and overseas



#### Increase the existing stake

- Associated companies
- Other investments



Spin-off potential companies



## Key Growth Drivers and target for the Next 3 Years (2023-2025 E)



Area	Target	Key Driver
Revenue	Existing Operation 3 years CAGR growth of 10%	<ul> <li>Enhance and expand critical care services to increase capacity &amp; capability e.g. Expend OPD rooms and IPD beds</li> <li>Continue to develop/promote high acuity &amp; high revenue-generated centers: Oncology, GI, Sub-Specialty e.g. Neurology</li> <li>Develop transitional care services and enhance telehealth services</li> <li>Enhance Personalized Medicine &amp; Precision Medicine Services</li> <li>Expand referral network, referral of choice in THG group</li> </ul>
EBITDA	EBITDA margin not lower than 25%	<ul> <li>Enhance the ability to treat intensity diseases</li> <li>Increase Effective Cost Management</li> </ul>
Staff	People efficiency	"Longju next" for talent staff
Investment	M&A 2-3 companies per year	Seek for the potential partner
Innovation	Best telehealth provider	Cooperate with tech company to develop application
Branding	Patient recognized brand THG as TOP3	<ul> <li>Sponsor speaker in healthcare event</li> <li>Attend the healthcare events as the sponsor</li> </ul>







### **Expansion project**





PERSPECTIVE >> FRONT

: Thonburi Hospital

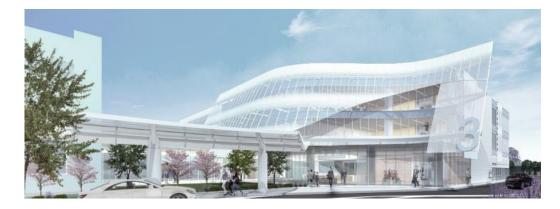
Project : OPD Building

Location : Pranok, Bangkok

Facility : OPD 90 rooms

**CAPEX** : THB 600mn.





: Thonburi Thawiwatthana Hospital

Project : Building 3

Location : Thawi Watthana, Bangkok

Facility : OPD 45 rooms IPD 49 beds

**CAPEX** : THB 422mn.

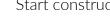
**3Q23** 



**1Q24** Start operation



Now Under construction



Start construction Under construction

Now

3Q24

Start operation







### Expansion project





Hospital : Rajyindee Hospital

Project : Wellness center and car parking

Location : Hatyai

Facility: OPD 5 rooms

CAPEX: THB 150mn.



**1Q23**Start construction

**Now**Under construction

**2Q24**Start operation



Hospital : Rajyindee Hospital

Project :7<sup>th</sup> floor building

Location : Hatyai

Facility: OPD 10 rooms IPD 24 beds

CAPEX: THB 350mn.



**Now**Design finalization

**4Q23**Delivery site

**4Q26**Start operation



 $\odot$ 





### New investment project





Hospital : Thonburi Trang Hospital

Project : Thonburi Lanta Medical Center

Location: Koh Lanta, Krabi

Facility: OPD 4 rooms IPD 23 beds

CAPEX: THB 170mn.



**Now**Design finalization

**3Q23**Delivery site

**4Q24**Start operation

#### **Thonburi Rangsit Hospital**



Hospital : Thonburi Rangsit

Project : New investment

Location : Patumthani

Facility : OPD 80 rooms IPD 250 beds

CAPEX: THB 2,700mn.





Conceptual design



EIA approval

**3Q24** 

**3Q26** 

Deliver site Start operation







#### For more information, please contact IR department.

Email: ir@thg.co.th

Contact

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