



Opportunity Day

[Year 2017]

Business Alignment Public Company Limited

19 March 2018

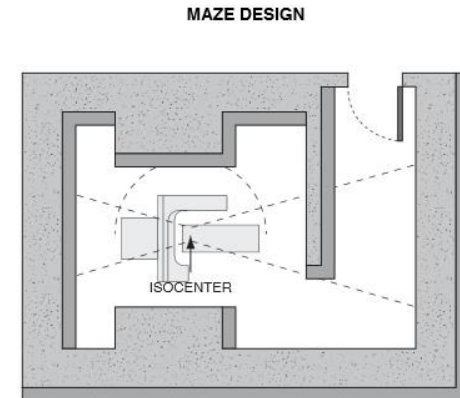
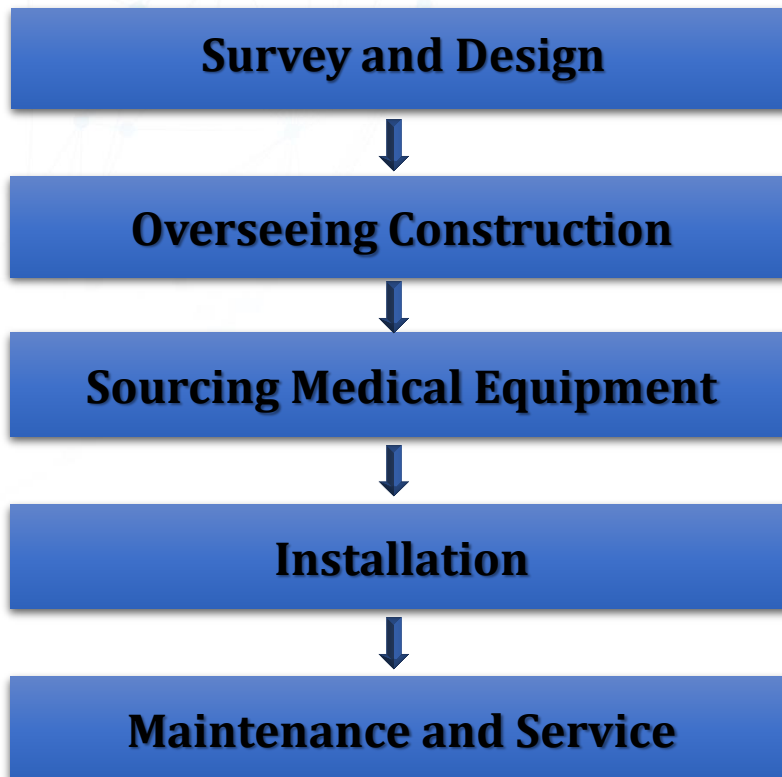
A network diagram background consisting of a complex web of light blue lines connecting small circular nodes. The nodes are more densely packed on the left side and become sparser towards the right. The overall color scheme is light blue and white.

BIZ

Business Overview

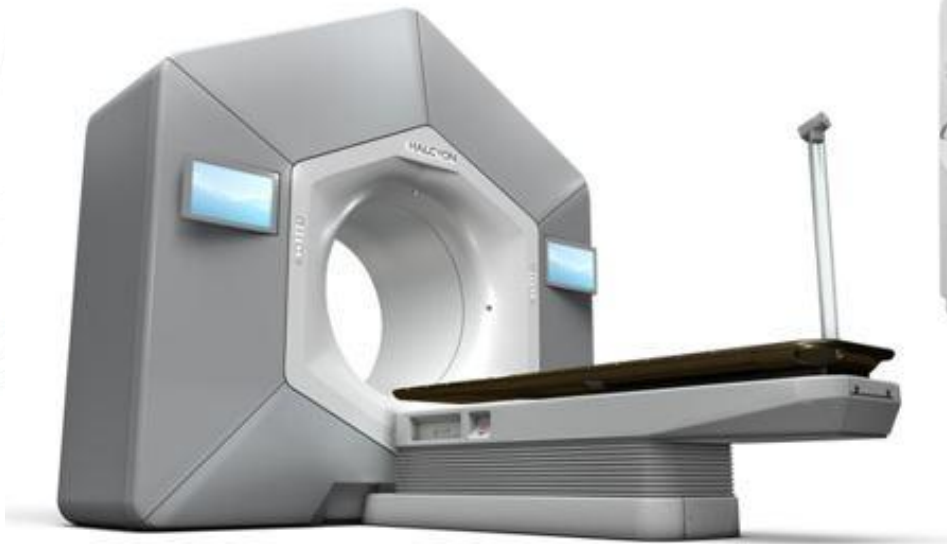
WHAT WE DO

- **Business Alignment** prides itself as the ultimate Solution Provider for Radiotherapy in Thailand:



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- **Business Alignment** prides itself as the ultimate Solution Provider for Radiotherapy in Thailand:



Our Products

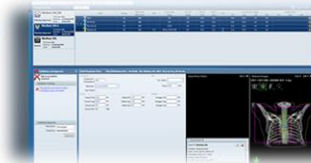
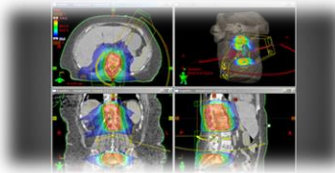
1. Products

1. Treatment Delivery - Radiotherapy



2. Treatment Systems

*1. Treatment Planning System
2. Oncology Information System*



3. Other Products and Equipment

*1. Quality Assurance and Pretreatment Verification Tool
2. Other Products*



Our Services

Maintenance Service

Once the warranty of the radiotherapy equipment expires, the Company offers an annual Maintenance Agreement, which commits to service the equipment when required and to update the equipment as necessary.



Our main clients

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Private Hospitals

University Hospitals

Our Clients

Cancer Hospitals

General Hospitals





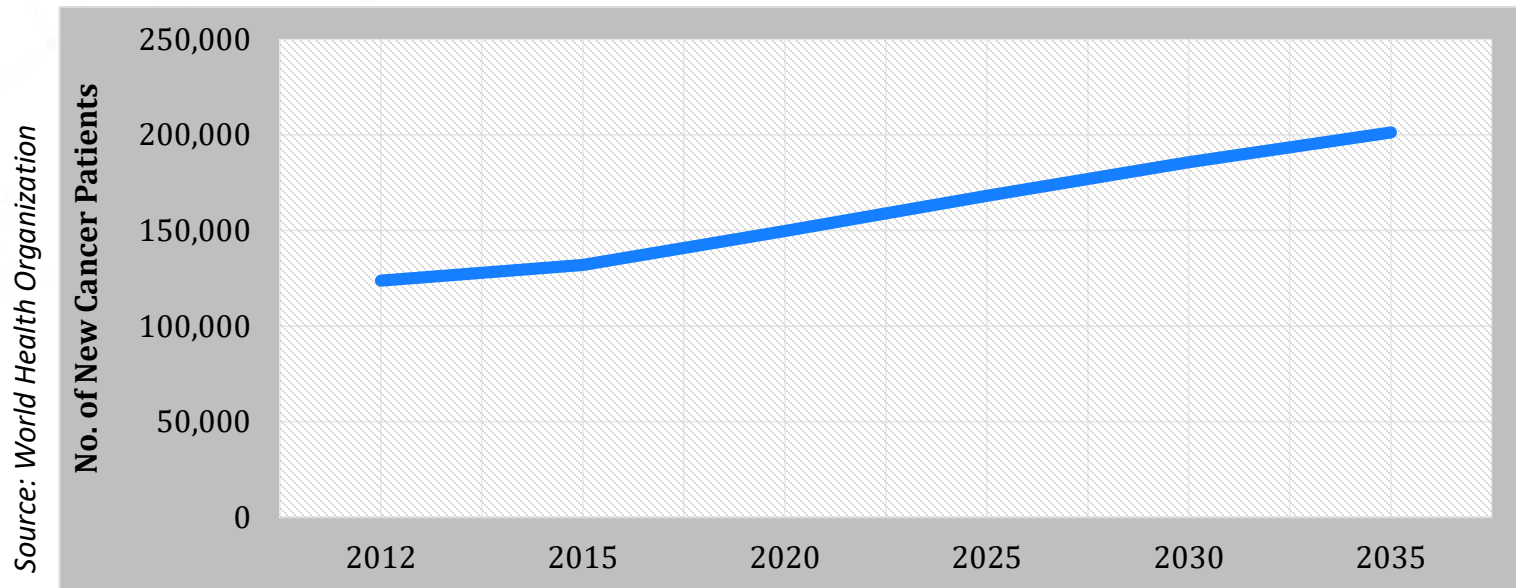
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The Industry

Cancer Statistics

The World Health Organization estimates there to be a consistent increase in the number of new cancer patients each year in Thailand.

No. of New Cancer Patients	WHO's Estimation of New Cancer Patients per year in Thailand					
	<u>2012</u>	<u>2015</u>	<u>2020</u>	<u>2025</u>	<u>2030</u>	<u>2035</u>
	123,800	131,885	149,758	168,039	185,735	201,209



Demand for Radiotherapy in Thailand

The radiotherapy delivery systems currently available in Thailand are not sufficient to provide appropriate treatment for all patients.

DEMAND

131,885 new cancer patients (2015)

50% of all cancer patients require radiotherapy (M. Samiei 2013)

~**65,943** new cancer patients who required radiotherapy (2015)

400 new cancer patients can be admitted to each delivery system each year.

165 radiotherapy systems required

Current Availability

There are currently **70** radiotherapy systems in Thailand..

Of which, **28** are old technology that needs replacement.

42 up-to-date radiotherapy systems available.

NEEDED

123 additional radiotherapy systems needed in Thailand

Backlog (as of 15 March 2018)

No.	Project	Value (Million Baht)	Expected Completion and Handover
1	Project centers treating cancer patients with protons radiotherapy (King Chulalongkorn Memorial Hospital)	1,200*	Year 2020
2	Radiotherapy System at Cancer Hospital Lopburi	63.7	Q2/2018
3	Trading and installing the linear accelerator machine that produces only over 6 MV photon beam with Chonburi Cancer Hospital	98.6	Q4/2018
4	Medical Supplies Agreement Electron Linear Accelerator Machine with Thachalom Hospital Foundation, Samutsakhon	90	Q4/2018
5	Medical Supplies Agreement High Energy Radiation (LINAC) with with Maharat Nakhon Ratchasima Hospital	129.10	Q1/2019
		1,460.74	

* The company partially recognized revenue from construction revenue as at December 31, 2017 amounting to 120.66 million Baht.

Disclaimer: The completion date of each project is subjected to change, according to the progress of the project, which is often hampered by the client's inability to hand over the project space as planned, therefore the installation process may be delayed. This could affect the project completion and handover date, and consequently the revenue recognition. As the Company entirely recognizes its revenue once the project is completed, the delay could potentially affect the Company's performance and consistency.

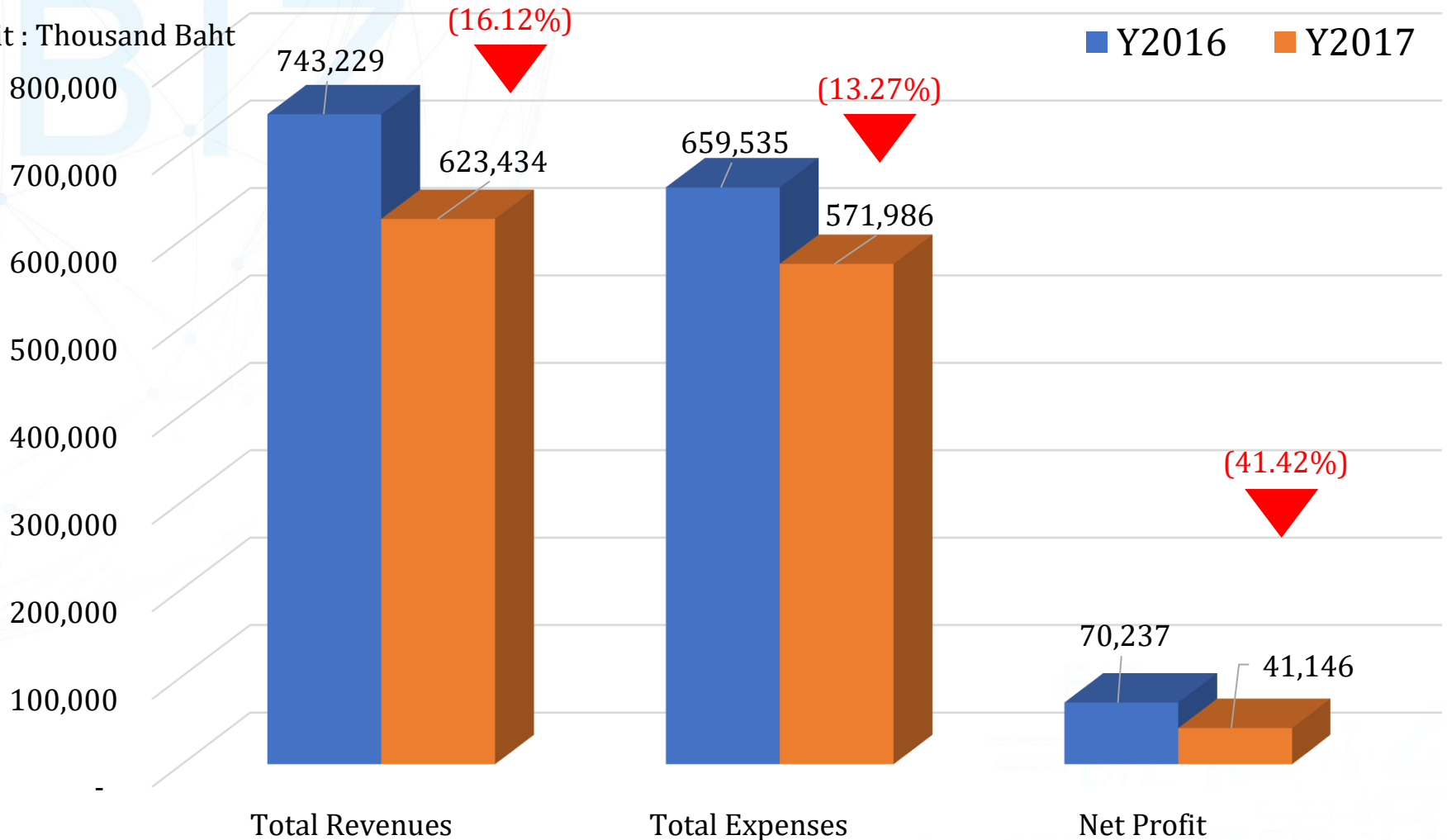
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Financial Performance



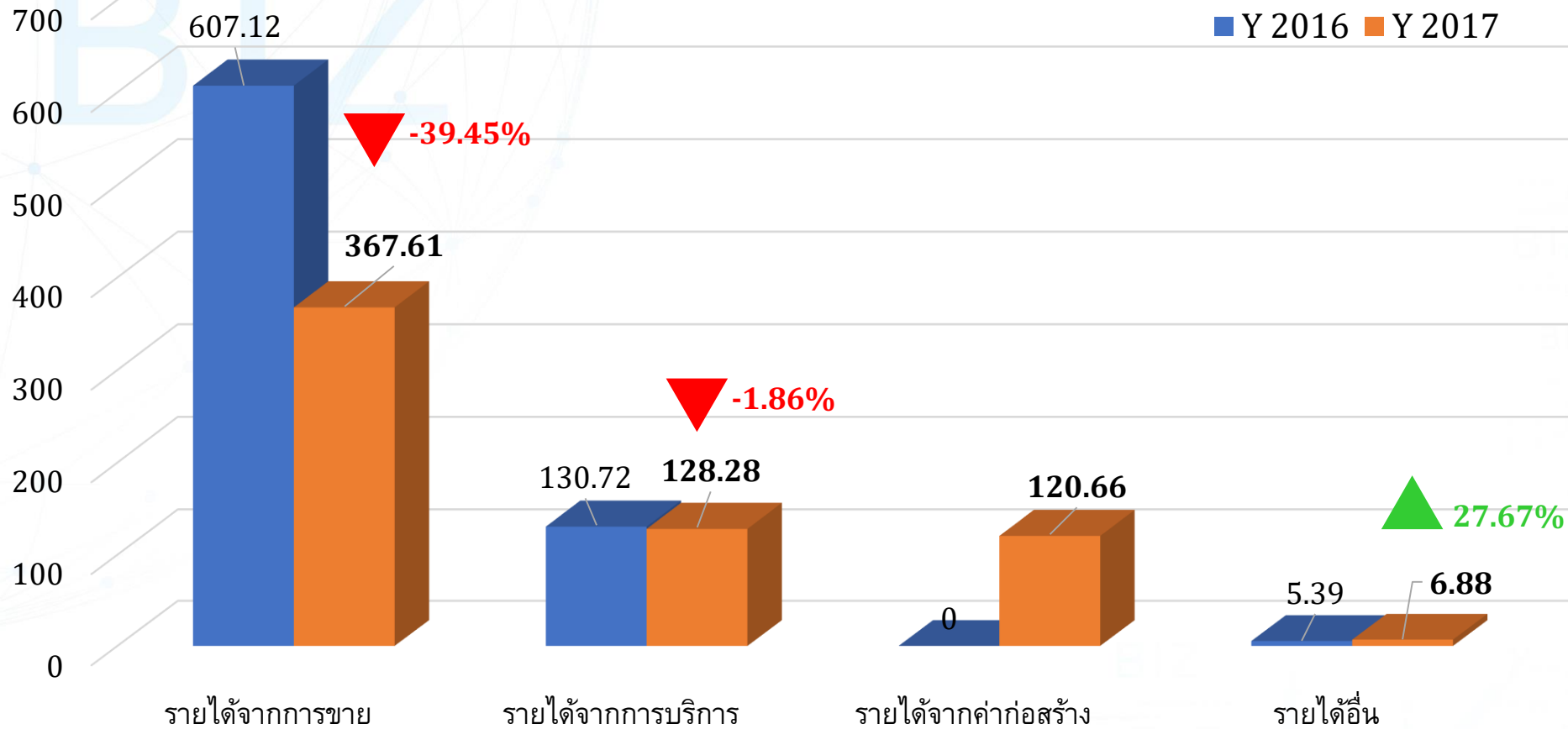
Total Revenues and Net Profit (Compare Year 2016-2017)

Unit : Thousand Baht



Revenue Structure (Y2016 -2017)

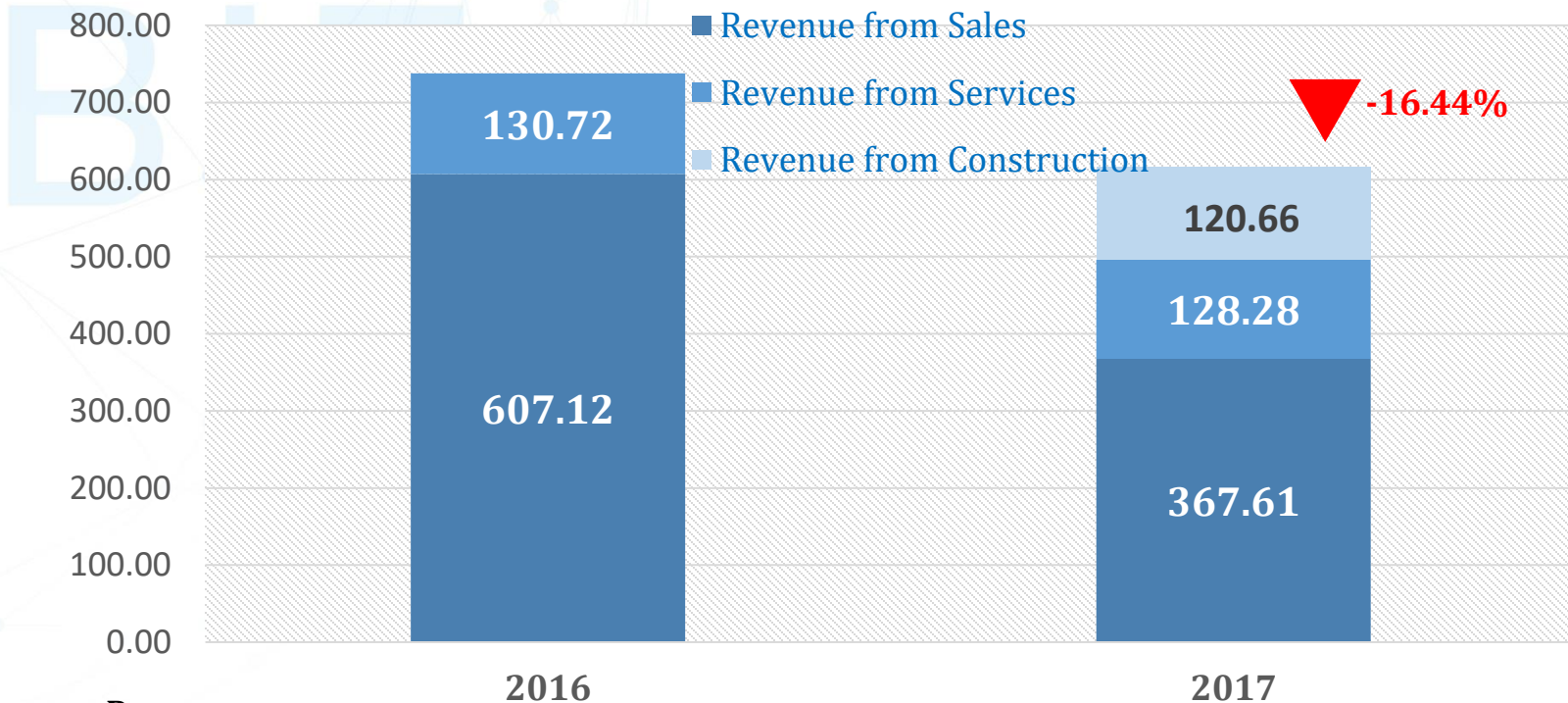
Unit : Million Baht



Performance

(Revenue from Sales & Services and Construction)

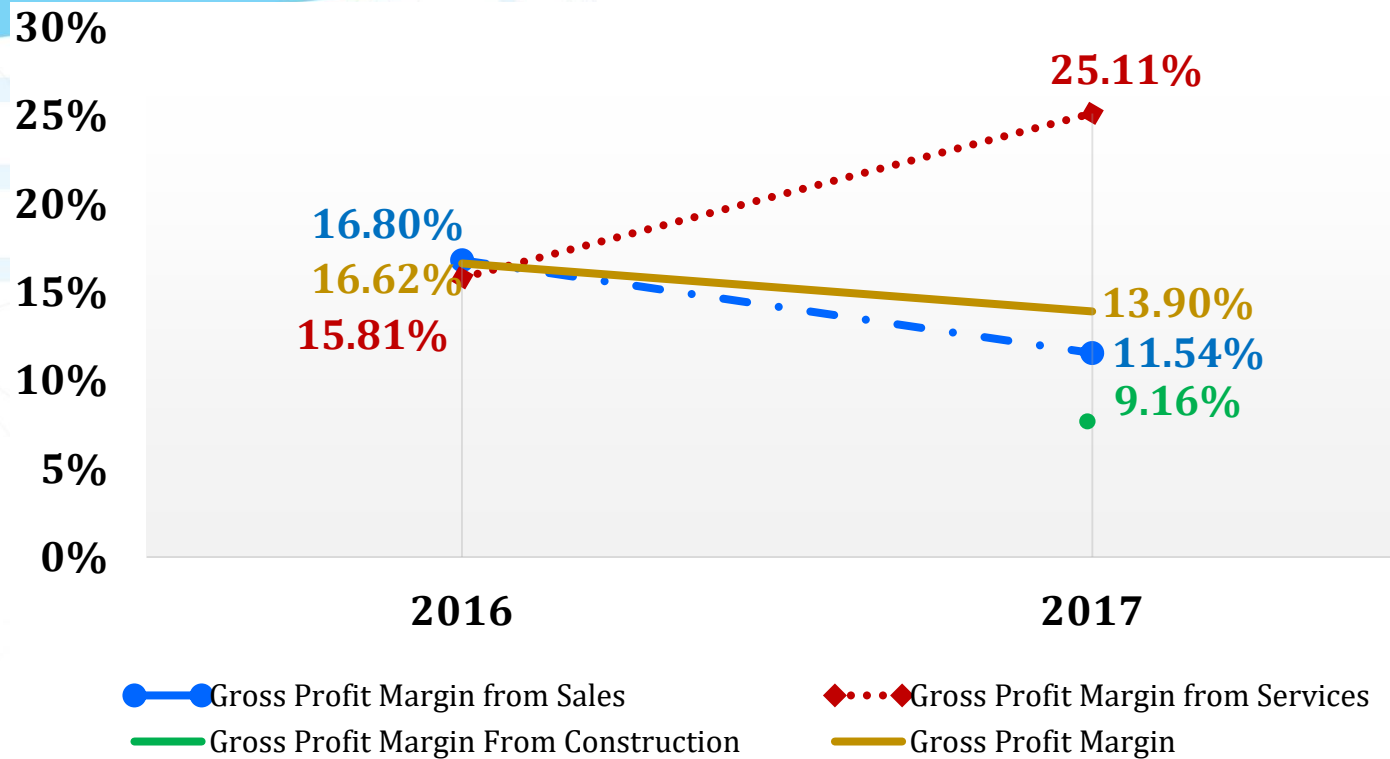
Unit : Million Baht



Revenue

- ❖ The **revenue from sales in 2017 declined by 39.45%**, when compared to the same period in the previous year. This decrease is due to the completion and revenue recognition of only three large-scale project as expected in the Company's backlog.
- ❖ The **revenue from services in 2017 declined by 1.86%**, from that of the same period in 2016.
- ❖ The **revenue from Construction of 120.66 million Baht in 2017** was from the establishment of project centers treating cancer patients with protons radiotherapy which will be recognized from the ratio of the cost of work performed under the contract to the estimated total cost of construction.

Gross Profit Margin

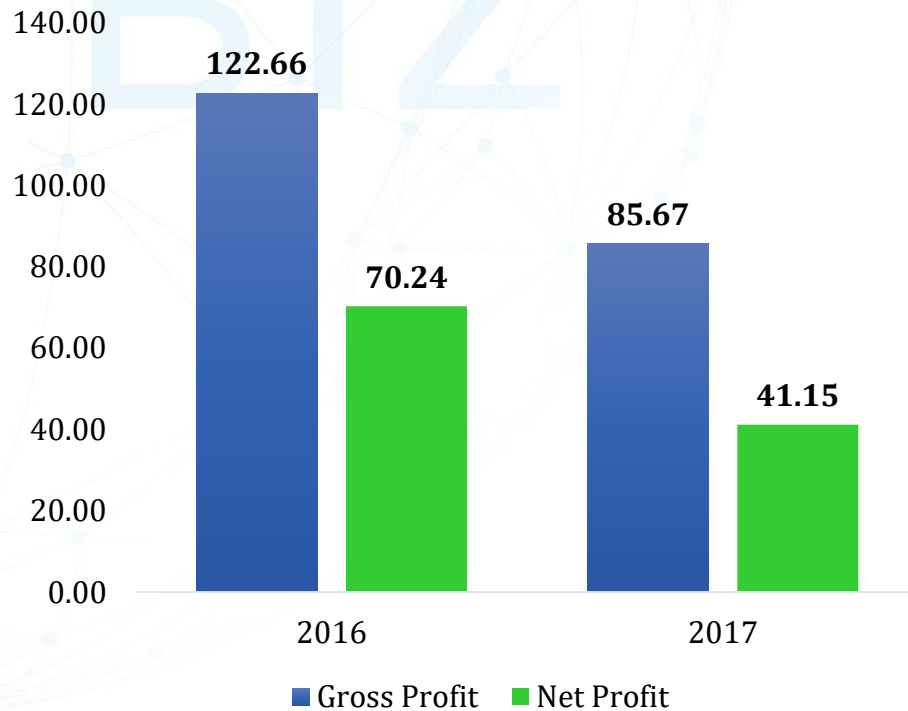


Gross Profit Margin

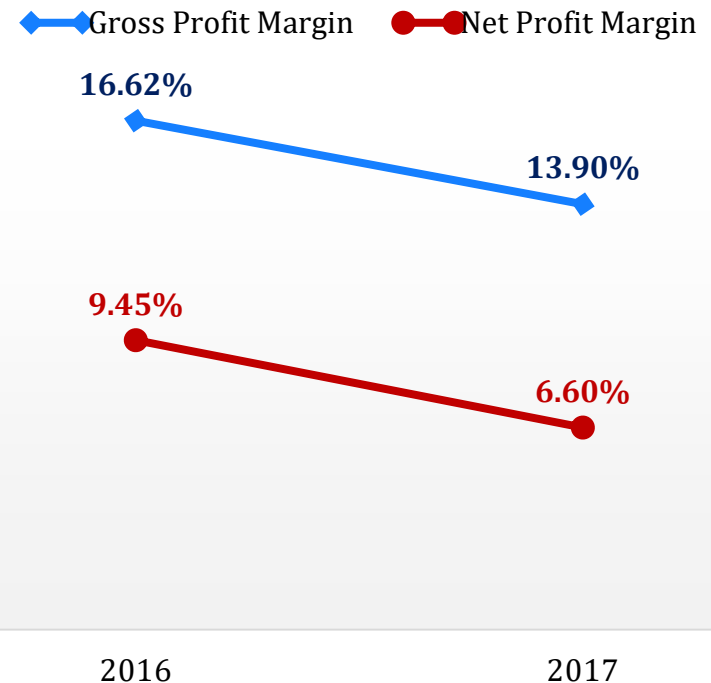
- Gross profit margin from **sales** for 2017 lower than that of 2016, as the company has delivered a project which would typically generate low gross margins as it is expected to be a market penetration strategy, contributing to relatively low overall gross profit margin from sales.
- Gross profit margin from **services** for 2017 significantly higher than that of 2016, as the Company had recently increased the price of its maintenance agreements and new contracts were renewed from expired warranty period.
- Gross profit margin from **Construction** was realized in Q2/2017 as first time due to establishment of project centers treating cancer patients with protons radiotherapy which the Company has gross profit from construction as planned project budget.

Gross Profit and Net Profit

Profit (Million Baht)



Profit Margin (%)



Net Profit Margin

- ❖ The net profit margin in 2017 decreased significantly from that of the same period in 2016 from decrease in gross profit margin, and revenue which lead to the lower proportion of revenue per fixed cost.

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What's Next?



Business Plan

- **Expand our clientele into the private hospital sector**
- **Become the primary importer of state-of-the-art radiotherapy technology, enabling Thailand to become the healthcare center of the ASEAN Economic Community**

Thank You

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