

July 29, 2019

Shalby/SE/2019-20/36

The Listing Department
National Stock Exchange of India Ltd
Mumbai 400 051.

Scrip Code : SHALBY

Corporate Service Department
BSE Limited
Mumbai 400 001.

Scrip Code: 540797

Sub: Investor Presentation for the first quarter ended 30th June 2019 - disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("the SEBI LODR")

Dear Sir / Madam,

We are submitting herewith Investor Presentation on financial & operational performance of the Company for the first Quarter ended 30th June 2019, which is also being made available on our website.

We request to take the same on your records and disseminate the same to the members.

Thanking you,

Yours sincerely,
For **Shalby Limited**



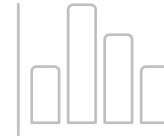
Jayesh Patel
Company Secretary & Compliance Officer
Mem. No: ACS14898

Encl.: as above

SHALBY[®]

MULTI-SPECIALTY HOSPITALS

INVESTOR PRESENTATION – Q1 FY20



SHALBY LIMITED (BSE CODE: 540797 | SHALBY, NSE CODE: SHALBY)

A leader in Joint Replacement surgeries in India with an established chain of multi-specialty tertiary care hospitals.

www.shalby.org

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- **Shalby Hospitals** recognized with **Best brand evolution Award**, category of the Healthcare Excellence Awards 2019 by Indian Express (Express Healthcare) on 11th July, 2019.





CORPORATE FACTS



OPERATIONAL PERFORMANCE



FINANCIAL PERFORMANCE



OTHER KEY UPDATES



CORPORATE FACTS

“

We value all **human life** placed in our hands and constantly working towards meeting the expectations of our **customers and stakeholders** by raising the standards of our service deliverables.

”

VISION

Exceeding expectation
from health

MISSION

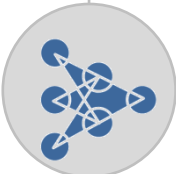
Leveraging global leadership in Joint
replacement to establish multi-specialty
care across geographies

ELITE :OUR CORE VALUES



EXCELLENCE

We work with
an intent to
achieve
excellence in
whatever we
do



LEARNING

We continuously
learn, evolve &
constantly look for newer
and more efficient ways
to achieve our goals.



INTEGRITY

We always do the
right thing, even
when no one is
watching



TEAMWORK

We work
together for
one objective :
Patient
satisfaction



EMPATHY

We do everything
possible for our
patient's well-
being, safety, com
fort & happiness

**Dr. Vikram Shah**

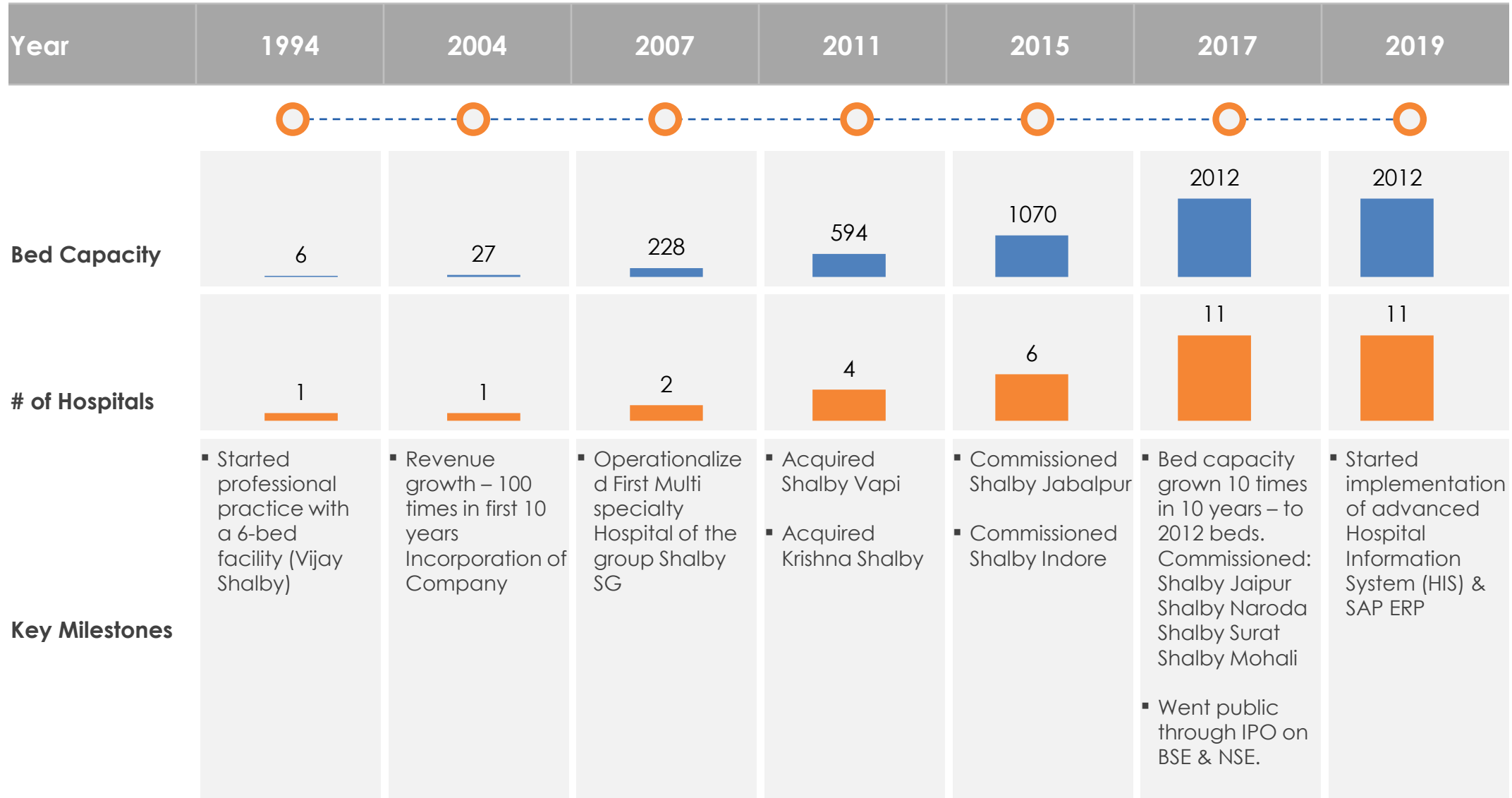
Chairman & Managing Director

- MS Orthopaedics
- AO Basic Course (London)
- F.A.O.A.A (Switzerland)
- F.A.I.S.F (Germany)

KEY ACHIEVEMENTS:

- Over two and a half decades of professional work experience across UK, USA and India. Serving as Director, Department of Knee Replacement at Shalby Hospitals since 1993
- Dr. Shah innovated zero '0' Technique in 2011 and was awarded the Double Helical Award 2017, for the innovation
 - Reduction of surgery time: 2.5 hours to 22 minutes
 - Reduction in patient stay: 15 days to 3 days
 - Drastic fall in infection rates due to minimum incision
- Invented the OS Needle, which is thick bore reverse cutting needle used in attaching soft tissues to the bone. Before the invention of the Needle, surgeons had to use complicated soft tissue procedures that had a very high failure rate. The needle can be attached with commonly available vicryl thread
- President of Indian Society of Hip & Knee Surgeons (ISHKS) for the year 2010-11
- Part of joint international faculty for development of new joints by Zimmer Inc., USA
- Receiver of several awards and accolades by reputed organizations

HISTORIC EVOLUTION



11 Hospitals

60% Operating bed to total bed capacity

2012 Total Bed Capacity

46% Bed Occupancy (based on 985 census beds)

1200 Operational beds

31% 12 year CAGR Revenue

3000+ Human Resource (Doctor + Staff)

36% 12 year CAGR EBITDA

2000+ Surgeries per month

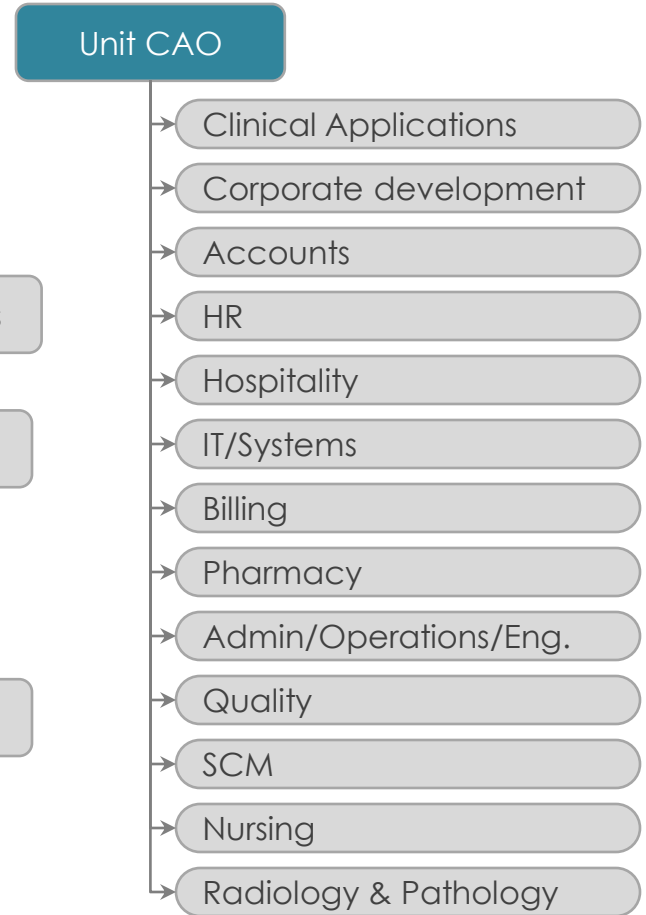
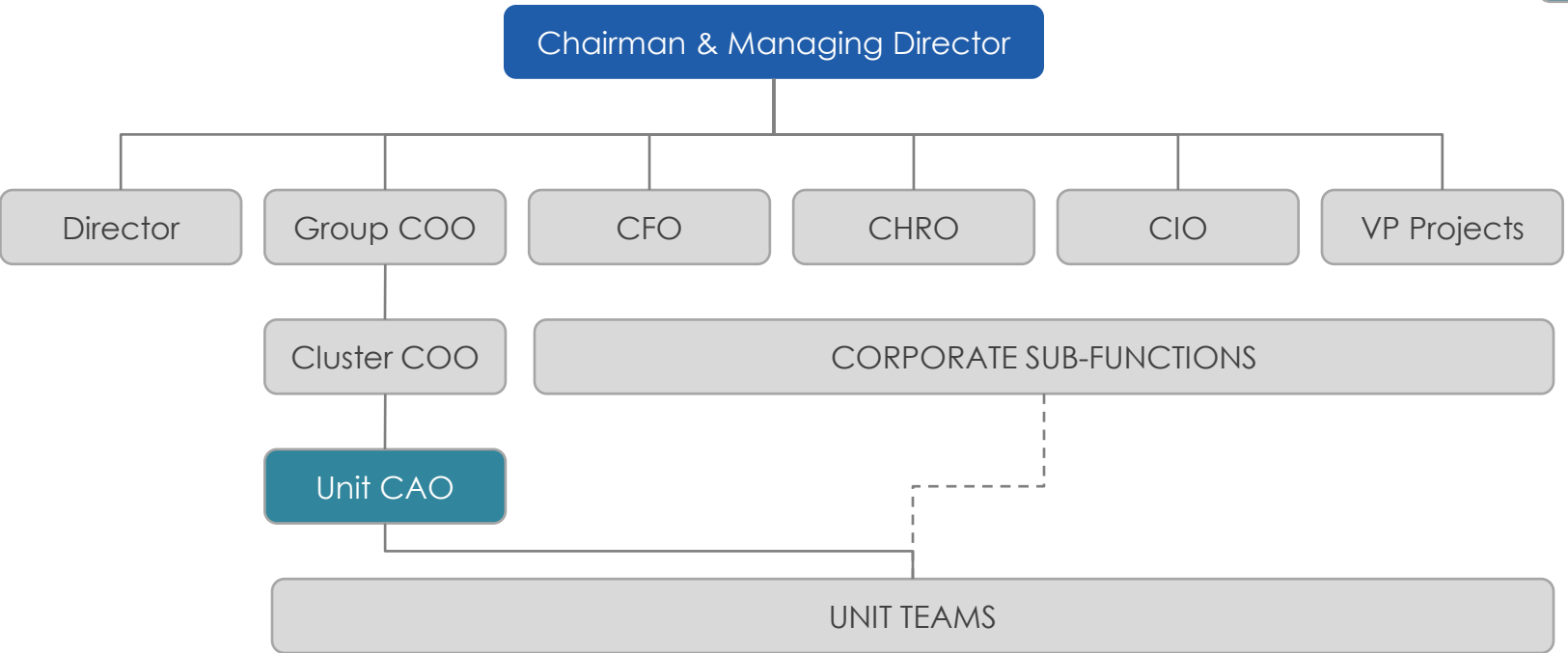
33000+ Patients served per month

▪ Double-digit return ratios against industry trend of single-digit

▪ Consistently superior ROCE of mature hospitals

➤ CORPORATE STRUCTURE

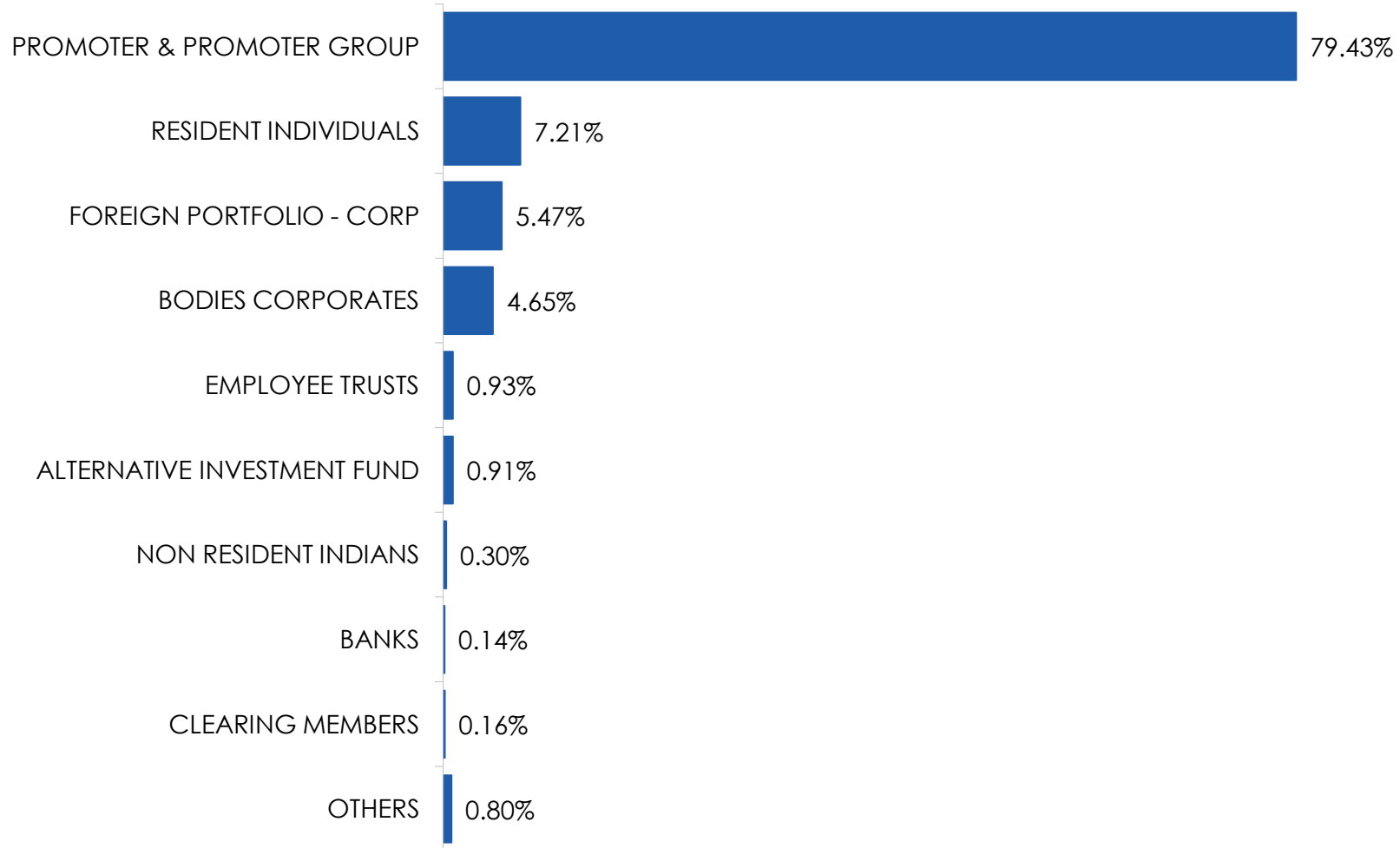
➤ UNIT LEVEL STRUCTURE



➤ **INTERNAL AUDITOR**
▪ PWC

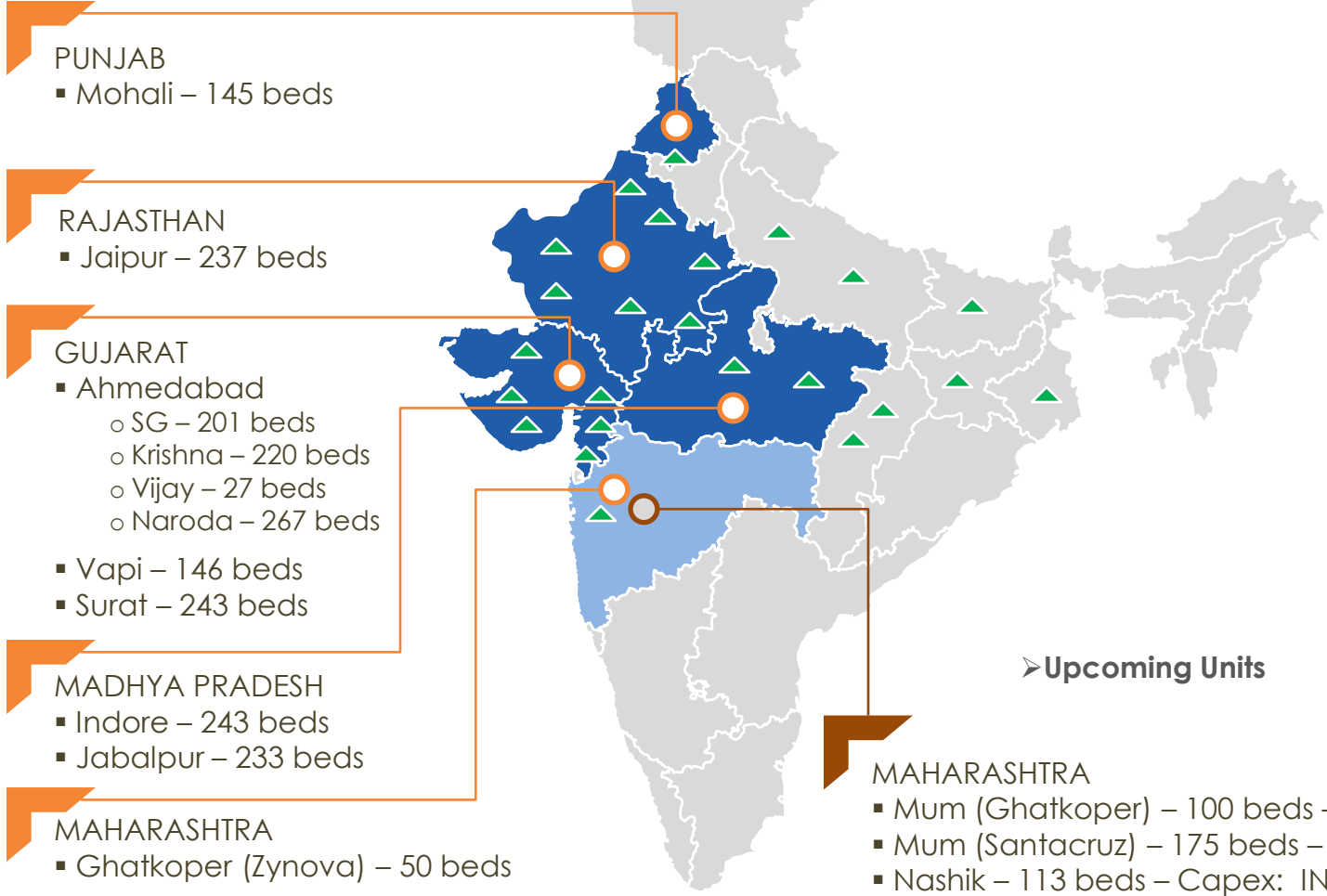
➤ **STATUTORY AUDITOR**
▪ T R Chdha & Co LLP

SHAREHOLDING PATTERN AS ON 30th JUN 2019

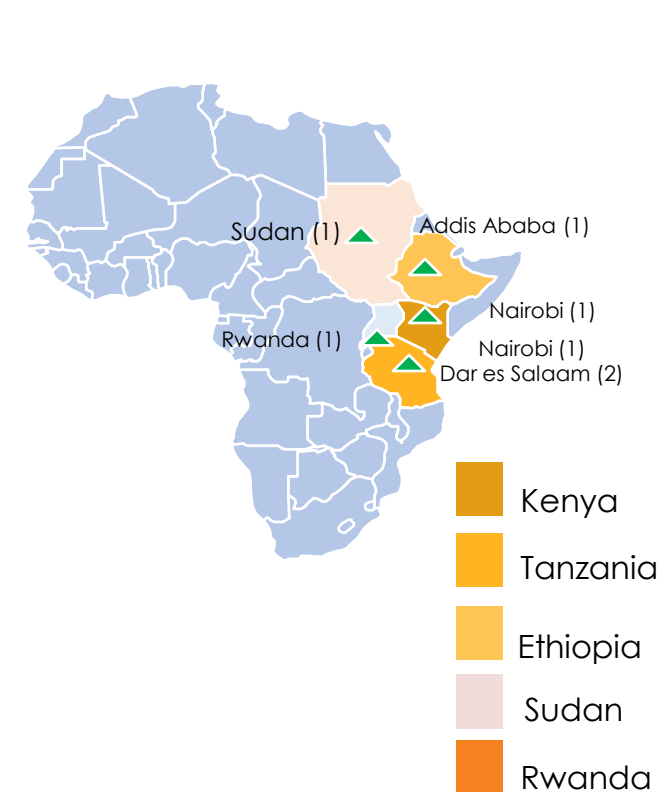


○ Existing 11 Units (2012 beds)
 ○ Upcoming 3 Units (388 beds)
 ▲ Network of 37 Outpatient Clinics across 11 states in India

➤ National Presence



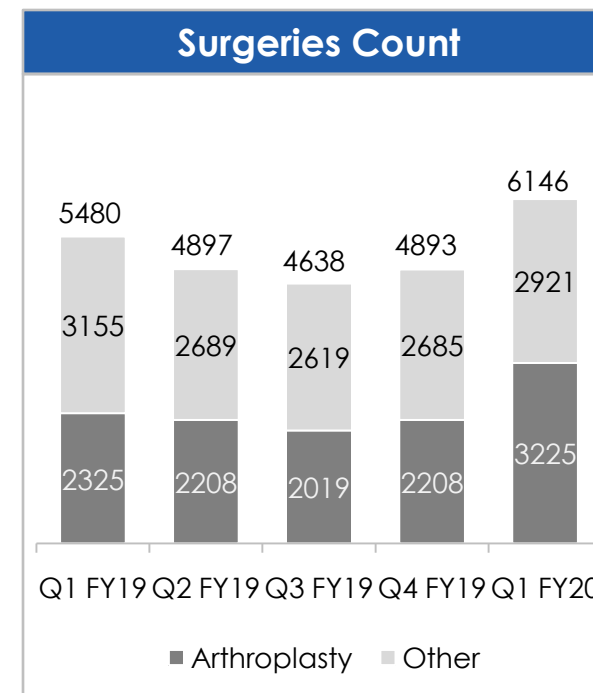
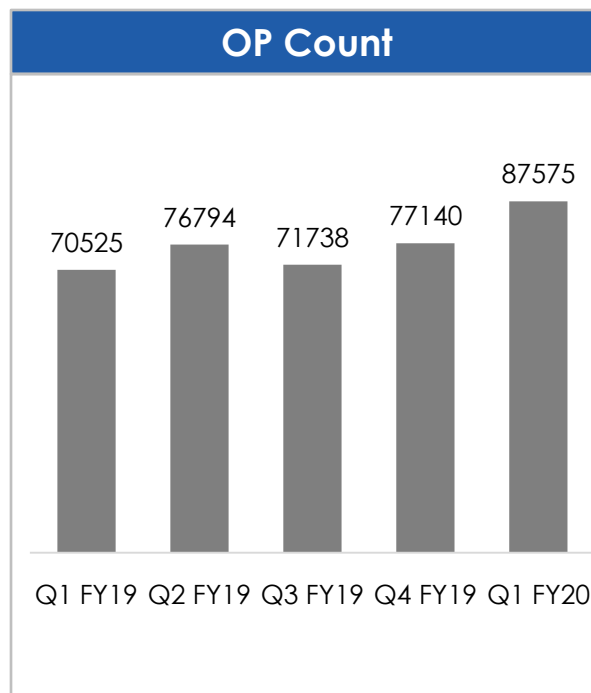
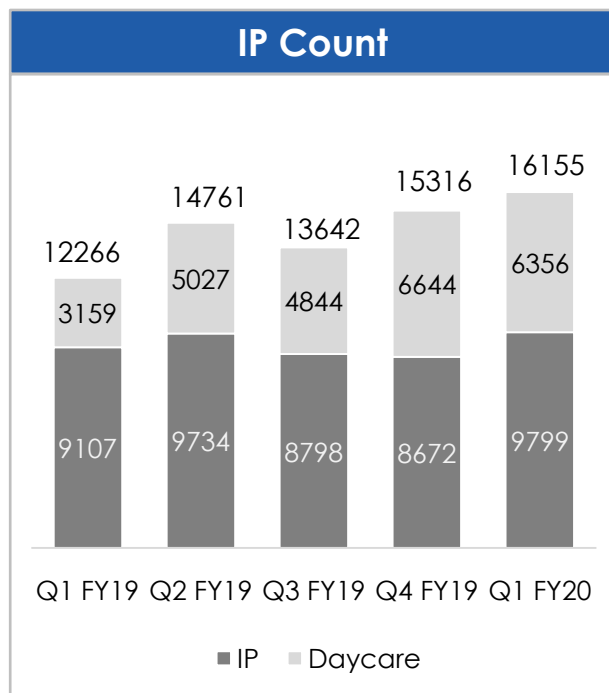
➤ International Presence (in Africa)





OPERATIONAL PERFORMANCE

Particulars	Q1 FY19	Q4 FY19	Q1 FY20	Growth Y-O-Y(%)	Growth Q-O-Q(%)
Total Revenue (INR million)	1,187.40	1153.9	1337.2	13%	16%
Total EBITDA (INR million)	275	169.8	311.5	13%	83%
EBITDA Margin (%)	23.20%	14.70%	23.30%	10 bps+	860bps+
Bed Capacity (Nos.)	2012	2012	2012	-	-
Operational Beds (Nos.)	1102	1102	1200	9%	9%
Average Length of Stay	4.19	4.38	4.24	-	-
Occupancy (Beds)	419	417	457	9%	10%
Occupancy (%) (based on operational beds)	38%	38%	38%	-	-
In-Patient Count (Nos.)	9107	8672	9799	8%	13%
Day-Care Patient Count (Nos.)	3159	6644	6356	101%	-4%
Out patient Count (Nos.)	70525	77140	87575	24%	14%
Surgeries Count	5480	4893	6146	12%	26%
ARPOB (In Rs.)	31,141	30,760	32,154	3%	5%



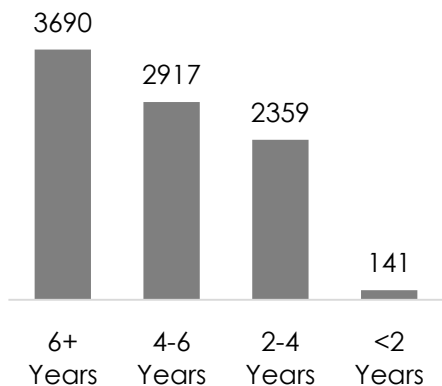
- IP GROWTH Q1FY19 Vs Q1FY20 : 8%
- IP GROWTH Q4FY19 Vs Q1FY20 :13%
- DAYCARE GROWTH Q1FY19 Vs Q1FY20 :101%
- DAYCARE GROWTH Q4FY19 Vs Q1FY20 :-4%

- OP GROWTH Q1FY19 Vs Q1FY20 : 24%
- OP GROWTH Q4FY19 Vs Q1FY20 :14%

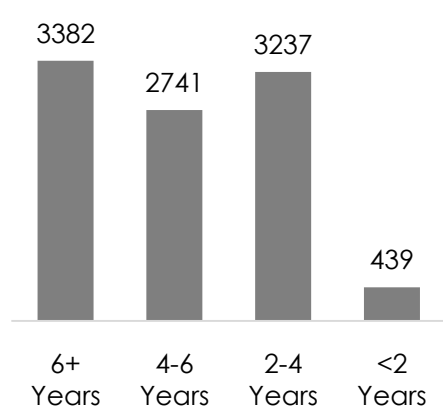
- SURGERY GROWTH Q1FY19 Vs Q1FY20 :12%
- SURGERY GROWTH Q4FY19 Vs Q1FY20 :26%

IP Count

Q1 FY19

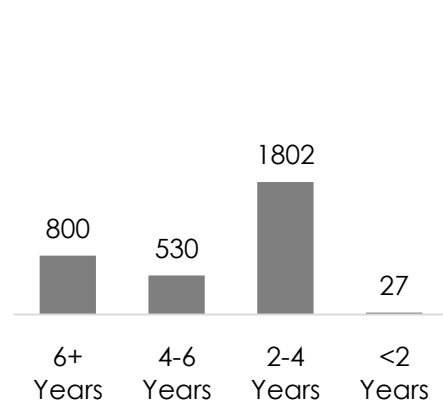


Q1 FY20

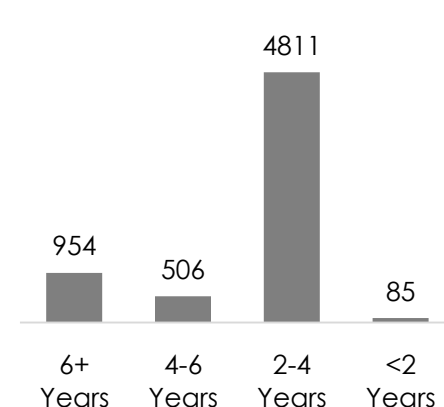


Day Care Count

Q1 FY19

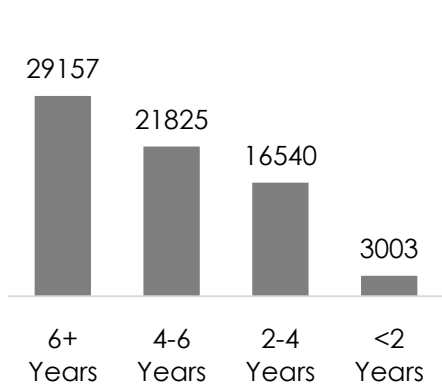


Q1 FY20

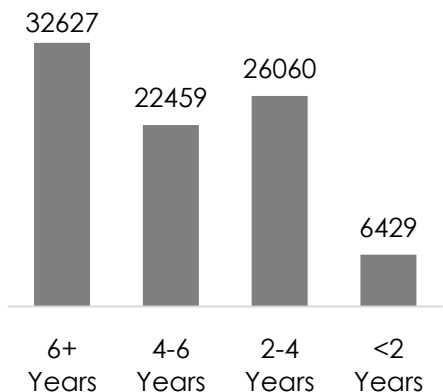


OP Count

Q1 FY19

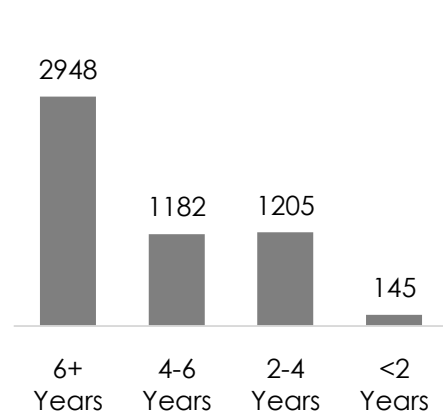


Q1 FY20

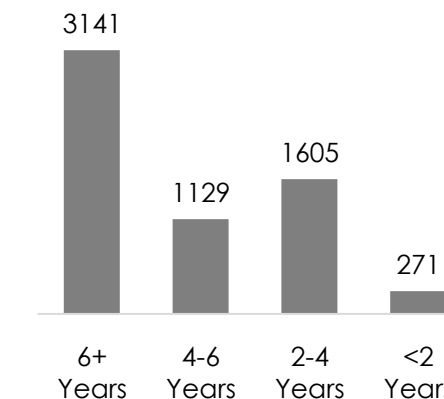


Surgery Count

Q1 FY19



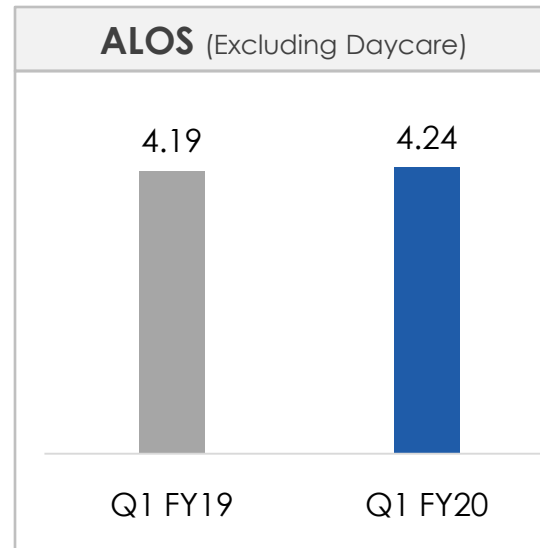
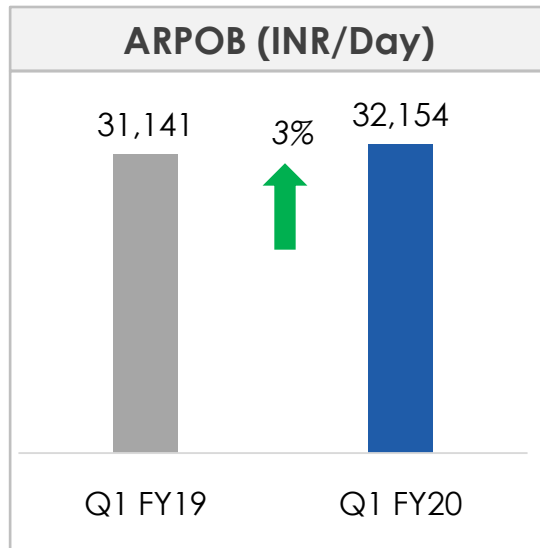
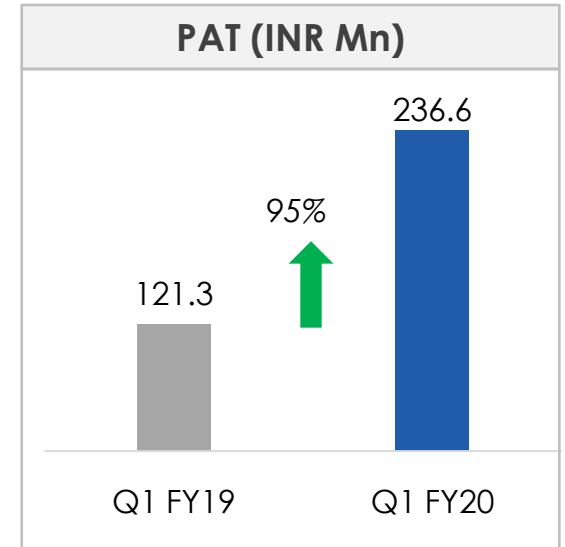
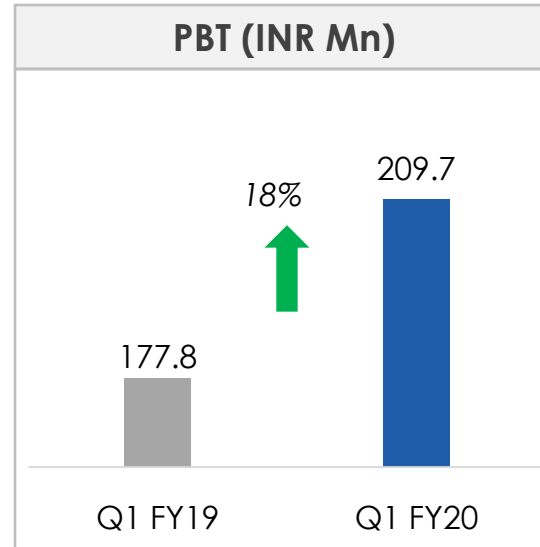
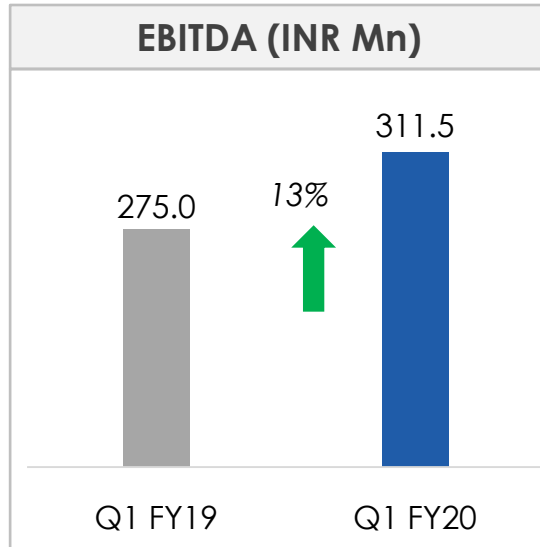
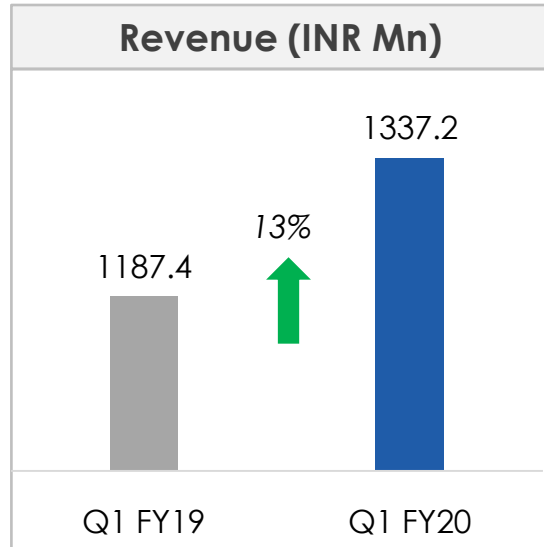
Q1 FY20



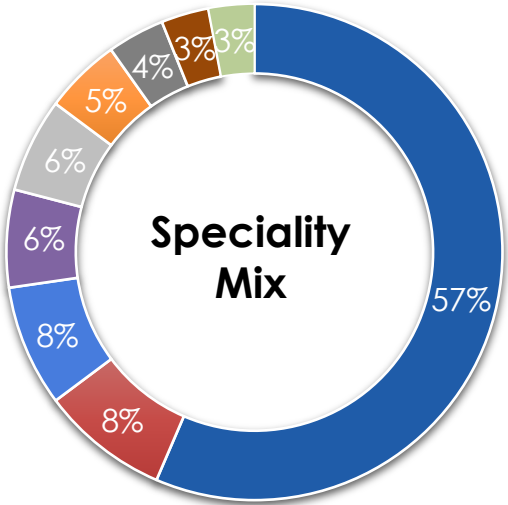


FINANCIAL PERFORMANCE

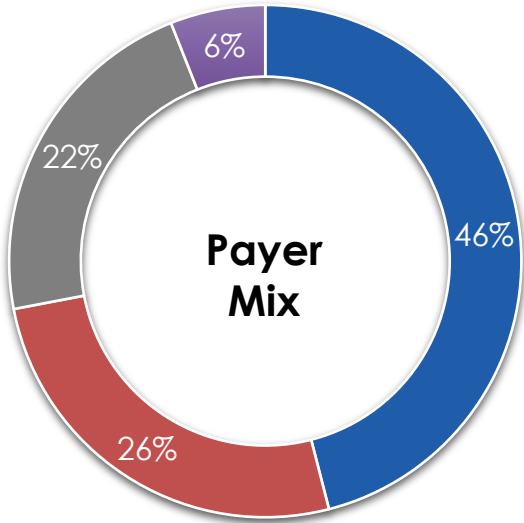
KEY FINANCIAL PARAMETERS – Q1 FY20



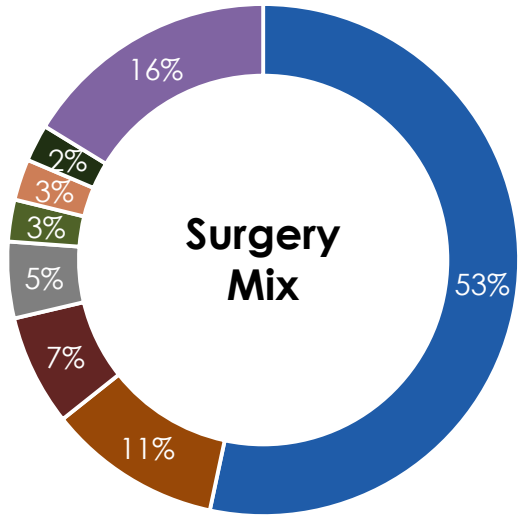
Particulars	Q1 FY19	% of Revenue	Q4 FY19	% of Revenue	Q1 FY20	% of Revenue	Growth (y-o-y)	Growth (Q-o-Q)
Revenue from Operations	1,159.7		1126.8		1317.7		14%	17%
Other Income	27.7		27.1		19.5		-30%	
Total Income	1,187.4		1153.9		1337.2		13%	16%
Expenses								
Materials & Consumables	298.2	25.1%	316.5	27.4%	345.1	25.8%	16%	9%
Fees to Doctors and Consultants	276.3	23.3%	328.7	28.5%	337.9	25.3%	22%	3%
Other Operative Expenses	44.8	3.8%	35.3	3.1%	44.1	3.3%	-1%	25%
Employee Costs	206.3	17.4%	217.1	18.8%	214.0	16.0%	4%	-1%
Administrative Expenses	67.6	5.7%	69.5	6.0%	66.8	5.0%	-1%	-4%
Advt. & Promotion	19.3	1.6%	16.9	1.5%	17.8	1.3%	-8%	5%
Total Operational Expenses	912.4	76.8%	984.1	85.3%	1025.7	76.7%	12%	4%
EBITDA	275	23.2%	169.8	14.7%	311.5	23.3%	13%	83%
Finance Cost	14.6		22.1		13.2			
Depreciation & Amortization Expense	82.6		78.8		88.5			
Profit before tax (PBT)	177.8		68.9		209.7		18%	204%
Tax Expense	56.5		35.0		-26.9			
Profit after tax (PAT)	121.3	10.2%	33.9	2.9%	236.6	17.7%	95%	598%



- Arthroplasty
- Cardiac Science
- Oncology
- Critical Care & General Medicine
- Orthopaedic
- Neurology
- General Surgery
- Nephrology
- Others



- Self Pay
- Corporate Government
- TPA
- Corporate Private



- Arthroplasty
- Orthopaedic
- Nephrology
- General Surgery
- Cosmetic & Plastic Surgery
- Oncology
- Cardiac Science
- Others

➤ OPERATIONAL PARAMETERS

#	Parameters	6 Years+	4-6 Years	2-4 Years	<2 Years	Total
1	Total Bed Capacity	594	476	747	145	2012
2	Operational Beds	437	330	324	73	1200
3	Avg. Occupied Beds	162	138	137	20	457
4	Occupancy (%)	37%	42%	42%	27%	38%

➤ FINANCIAL PARAMETERS

#	Parameters	6 Years+	4-6 Years	2-4 Years	<2 Years	Total
1	Revenue Share	47%	19%	29%	4%	100%
1A	<i>Arthroplasty</i>	33%	5%	16%	2%	57%
1B	<i>Non-Arthroplasty</i>	14%	14%	13%	2%	43%
2	EBITDA %	32.9%	10.5%	20.8%	-8.0%	23.3%
3	ARPOB (RS.)	42,874	20,190	31,463	32,617	32,154
4	ALOS (DAYS)	4.36	4.58	3.85	4.15	4.24

*6 Year+ : SG, Krishna, Vapi, Vijay | 4-6 Years: Indore, Jabalpur | 2-4 Years: Jaipur, Naroda, Surat | <2Years: Mohali



OTHER KEY UPDATES

- Implementation of advanced **Hospital Information System (HIS)** has been started in phased manner, complete implementation is expected to finish in next 7-9 months.

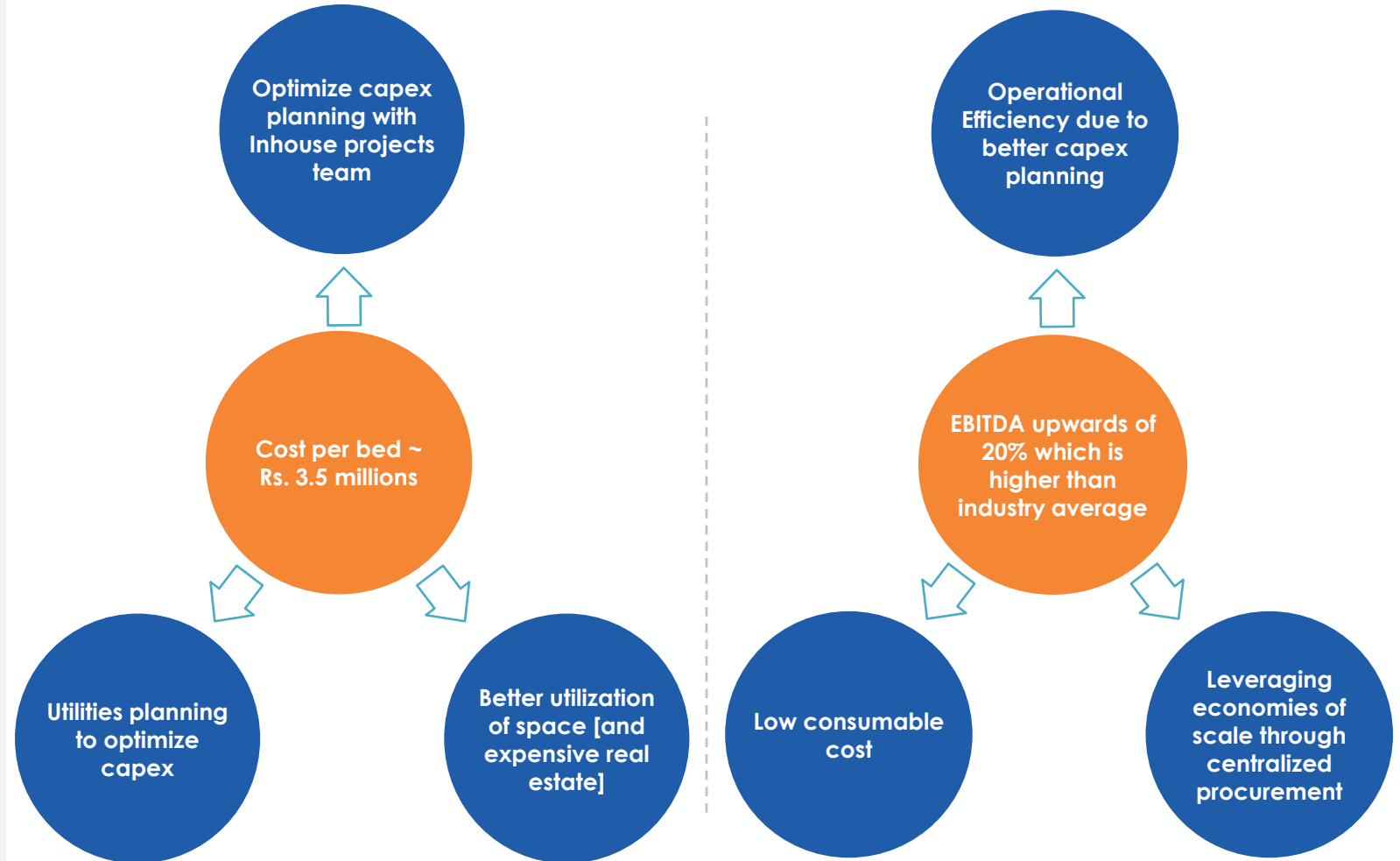
- Implementation of **SAP ERP (SAP S4 HANA)** also initiated, complete implementation is expected to finish in next 8-10 months.

➤ KEY BENEFITS

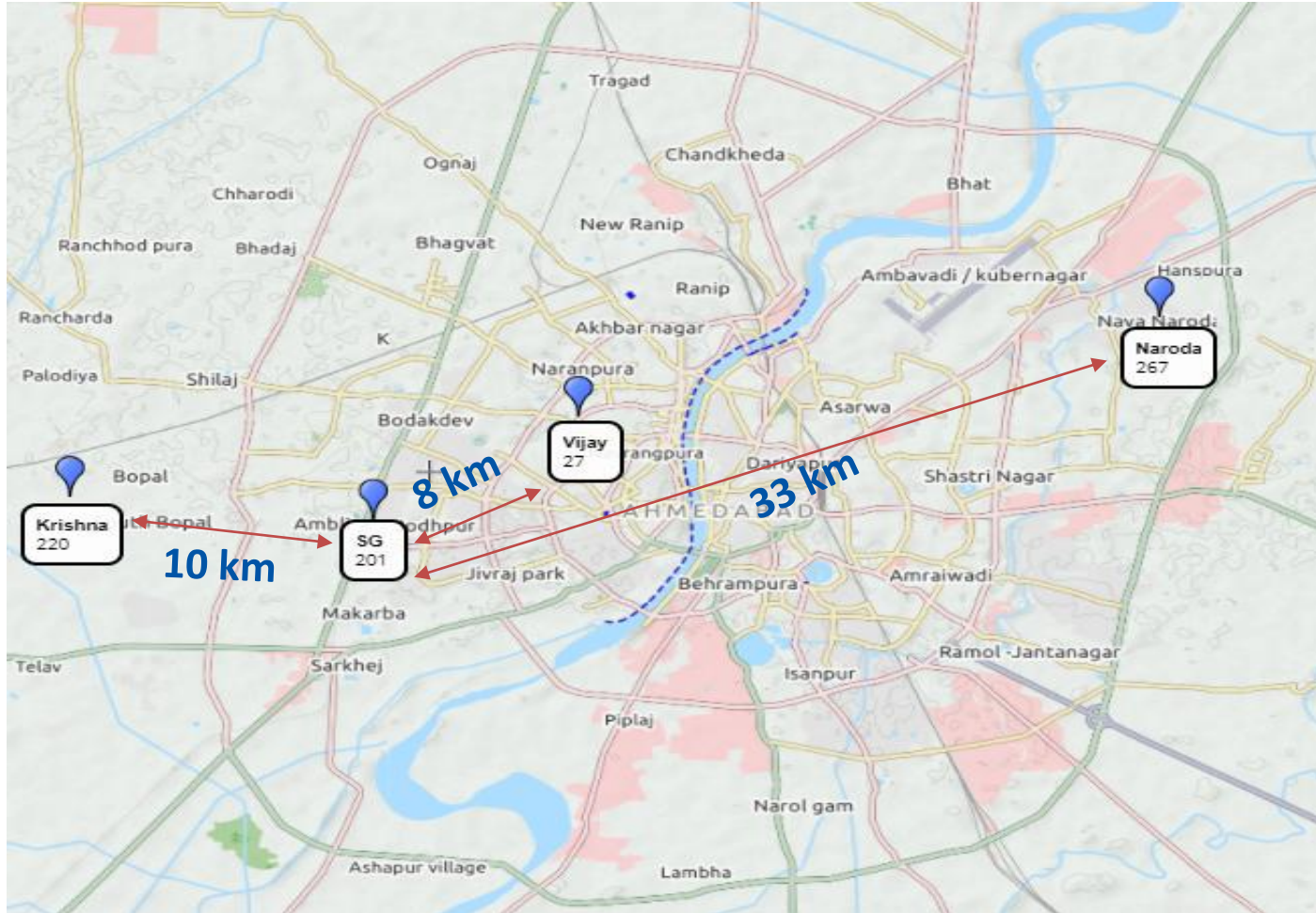
- Improve Quality of Patient Care and Safety
- Streamline Hospital Operations and Improve Efficiencies
- Facilitate Process Standardization and Great Customer Experience
- Enable Growth

OUR BUSINESS MODEL – FEATURES OPTIMISING CAPEX AND OPEX

- Lowest Capex and Opex per bed due to optimal use of real-estate
- Equipment planning and utilities planning
- In-house planning teams
- Focus on surgeries with higher ARPOB, better margins and return ratios
- Centralised procurement
- Gradual ramp-up of bed capacity
- Fully owned or O&M on revenue sharing (no fixed rentals, no security deposit or MG)



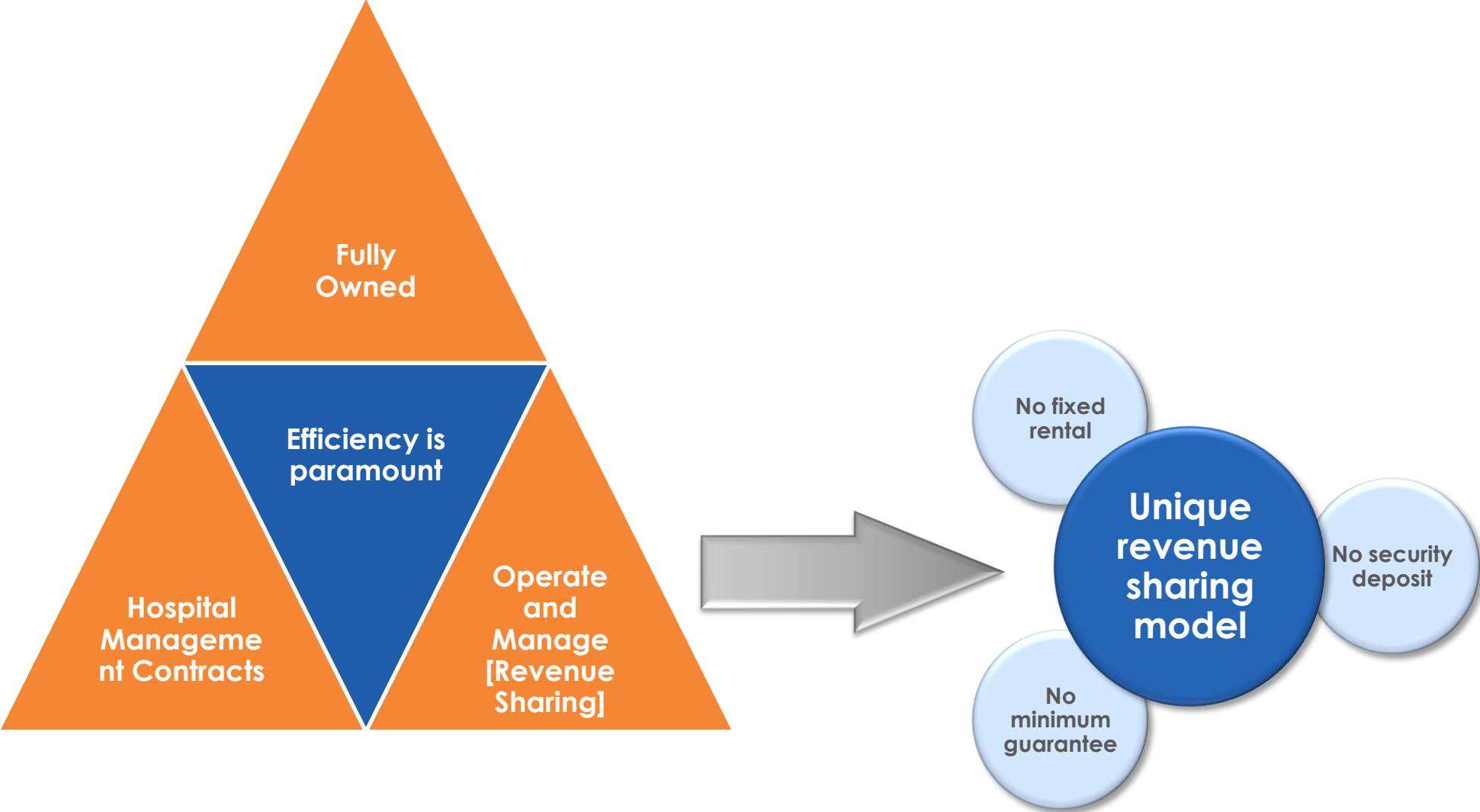
TYPICAL CONCEPT OF 200 (±20%) BED CAPACITY SET-UP

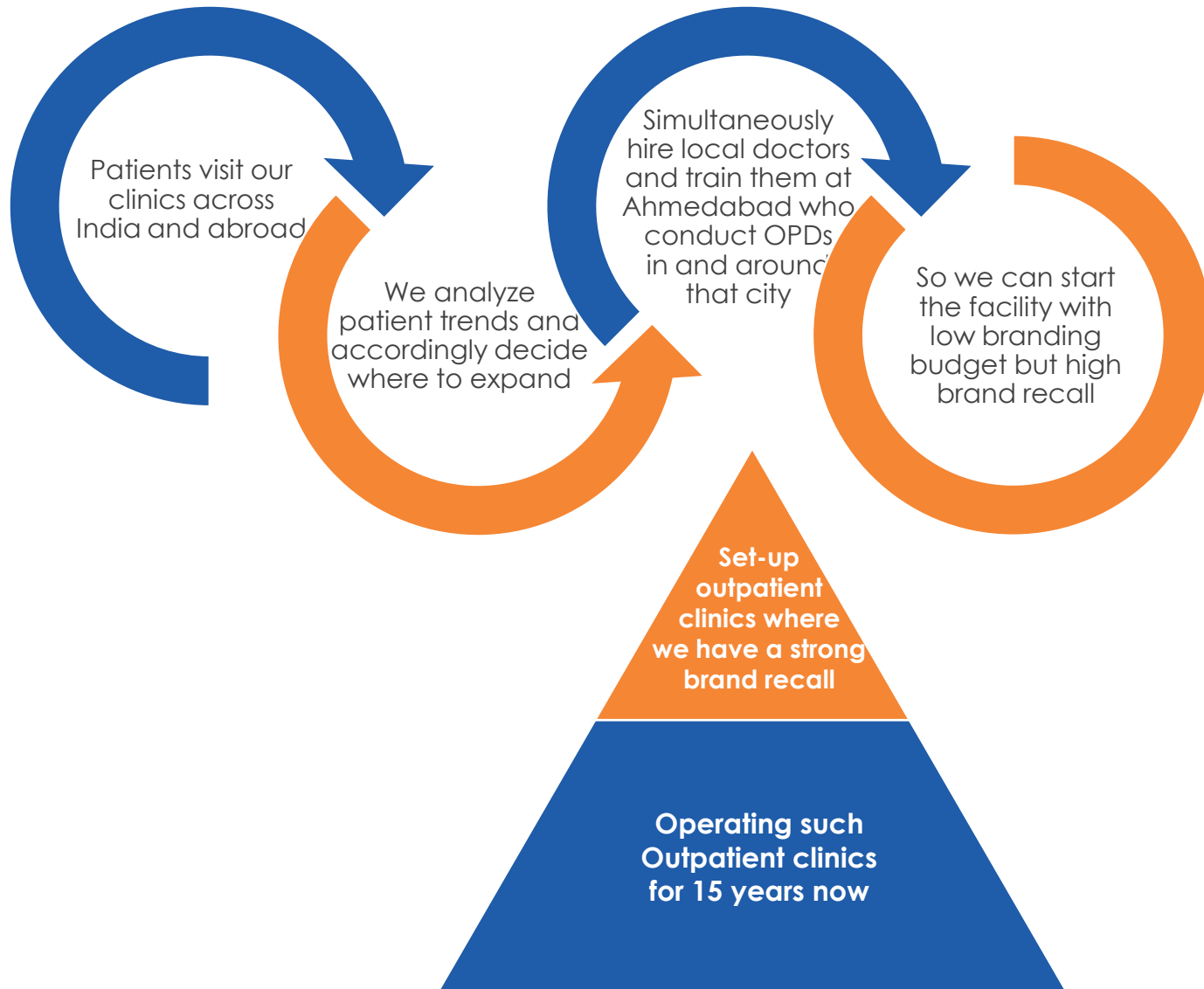


Facilities 10-15 kms away

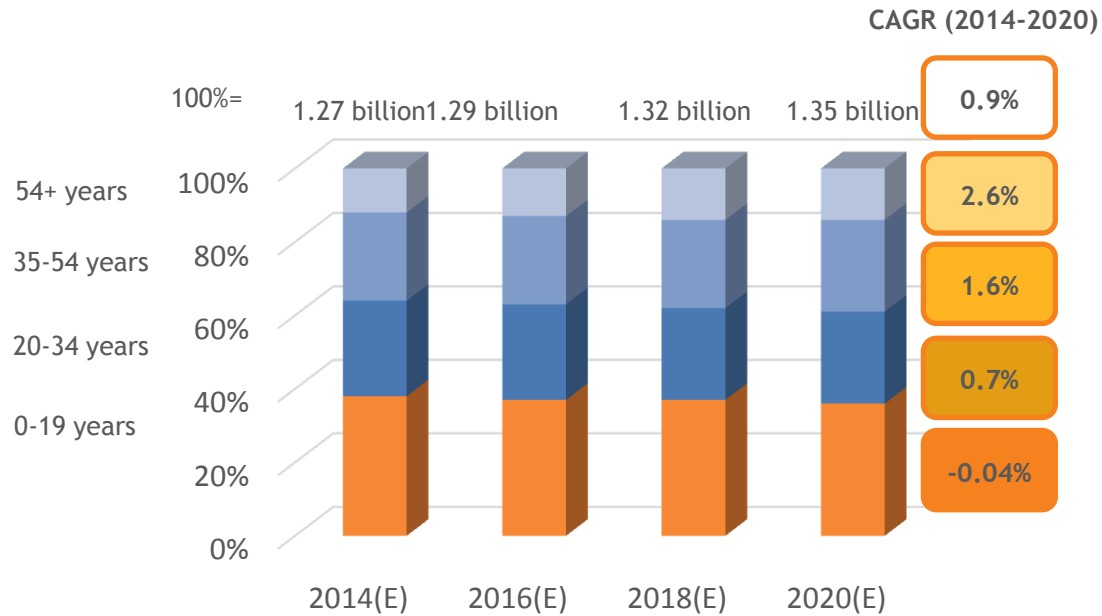
Local and Natural Footfalls from 4-5 kms radius helps to fill up ~50% beds

Balance ~50% – patients come in the name of doctors reducing thereby dependency on star doctors thus controlling doctor payout %



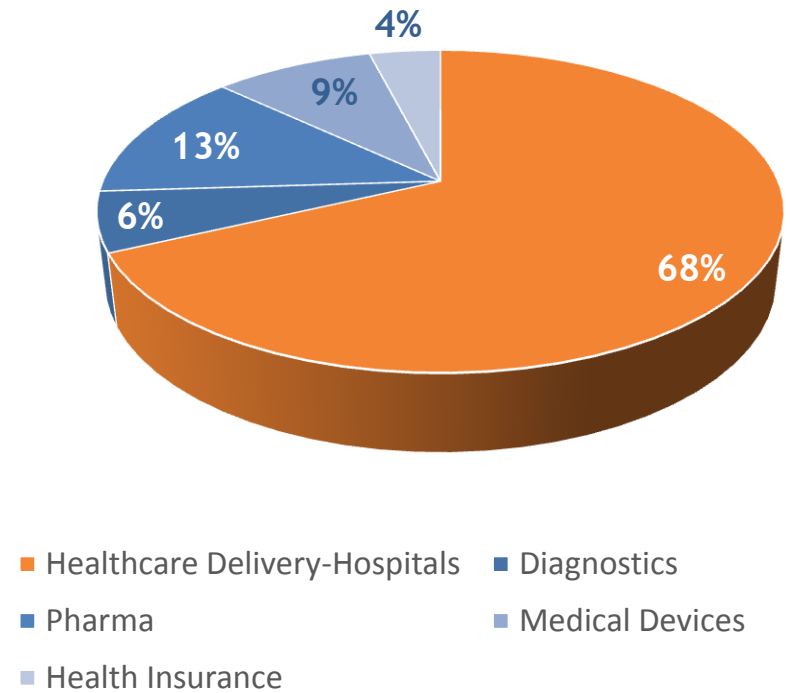


Population and Population Growth Rate of India
(Historical and Expected)

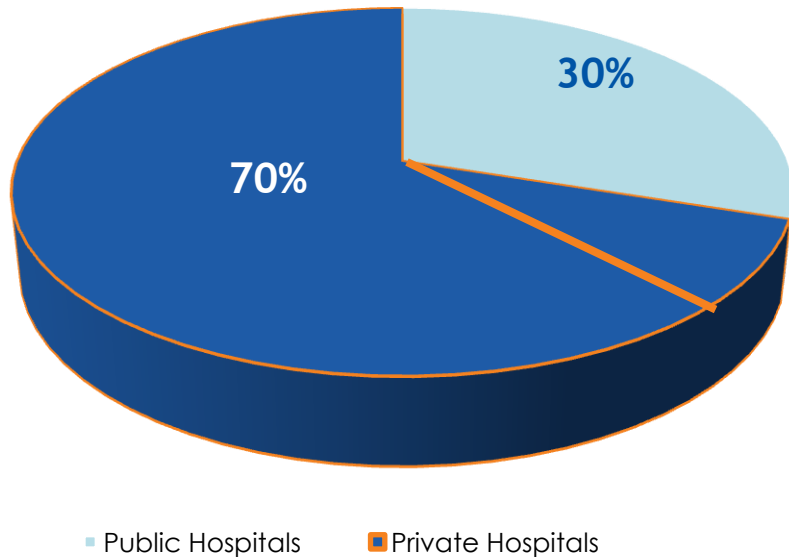


Spilt of Indian Healthcare Industry by Segments

Total market size (2016): INR 9.2 trillion

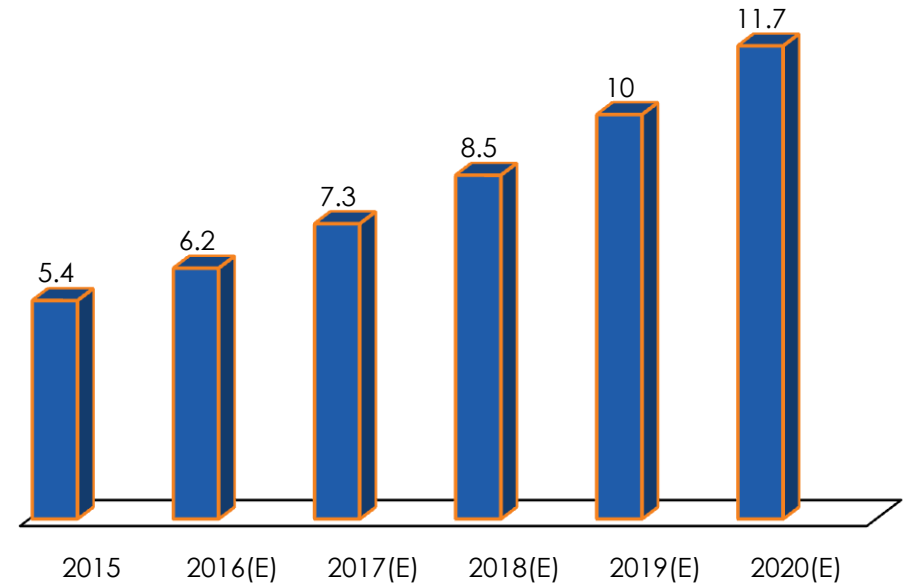


Spilt of Public and Private Hospitals in India

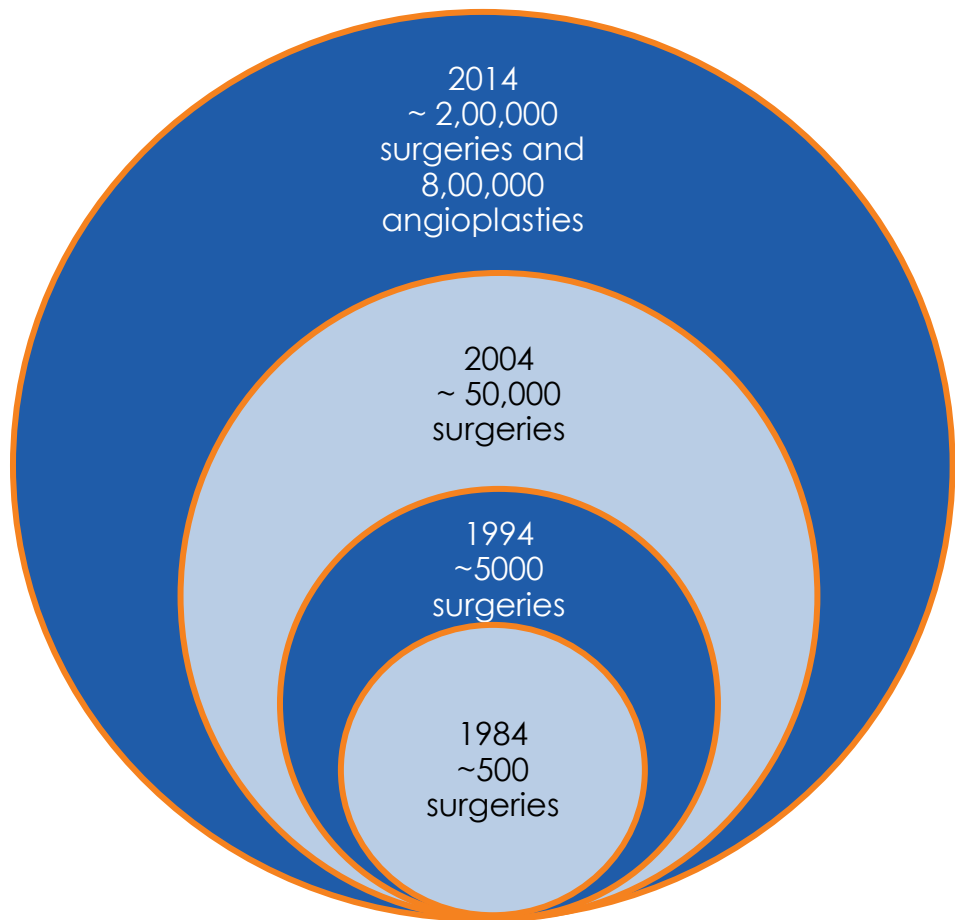


Private Corporate Hospitals account to less than 10% of the total Private Hospitals

Indian Healthcare Delivery Industry size (2015-2020) (INR in Trillion)

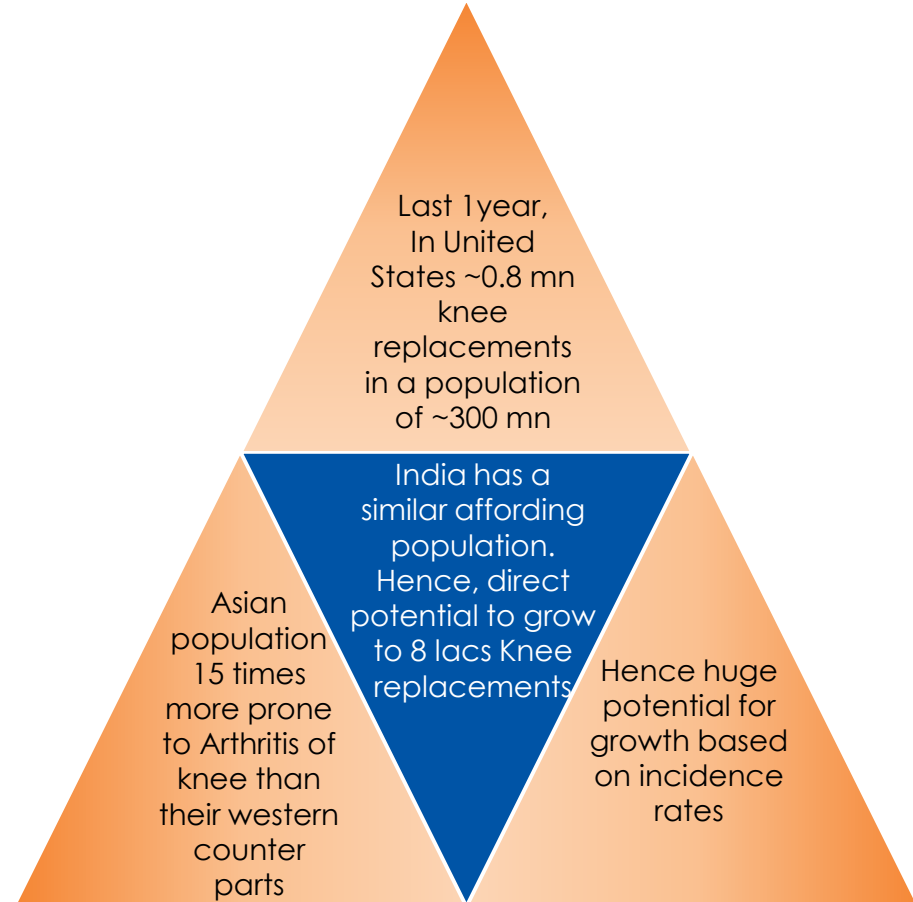
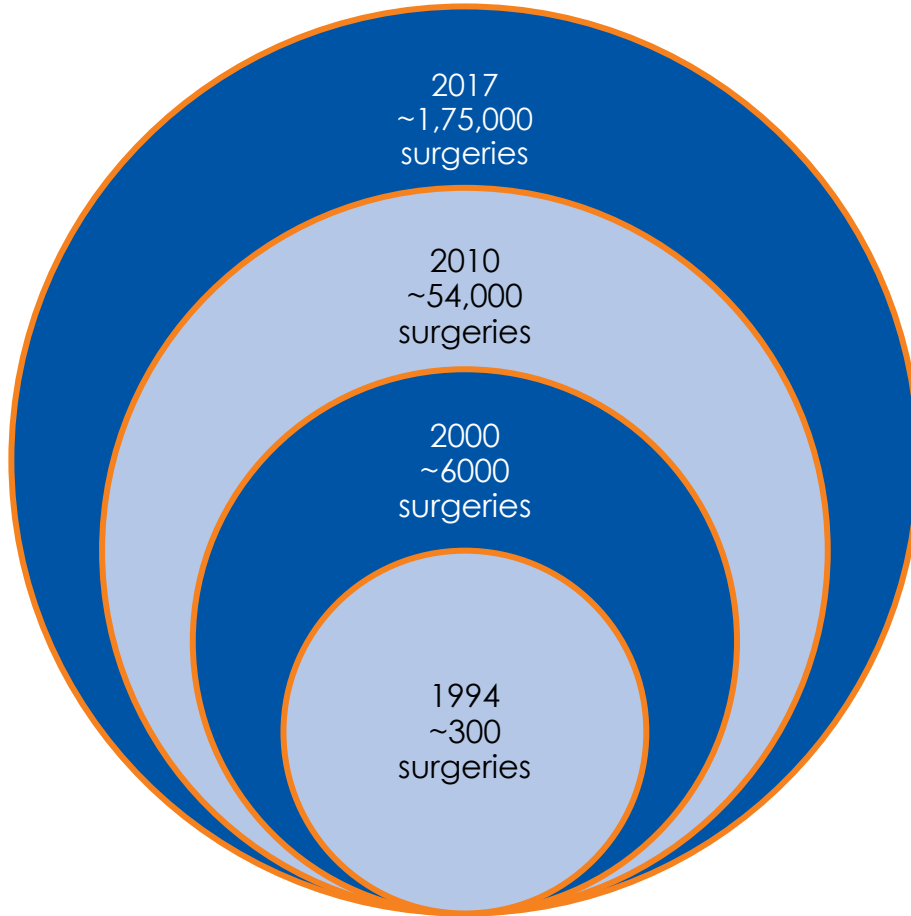


- Private sector investment has been increasing due to change in mind-set and better returns on investment
- Healthcare businesses can also be profitable as long the costs are affordable
- The advent of information technology has given a fillip to the healthcare business making it both controllable and scalable
- Rising aspirational middle-class today is not averse to paying for quality healthcare services
- Impact of health insurance, government schemes and emergence of medical tourism - key drivers of positive change
- Healthcare today in India is evolving to be a larger consumer story than ever before

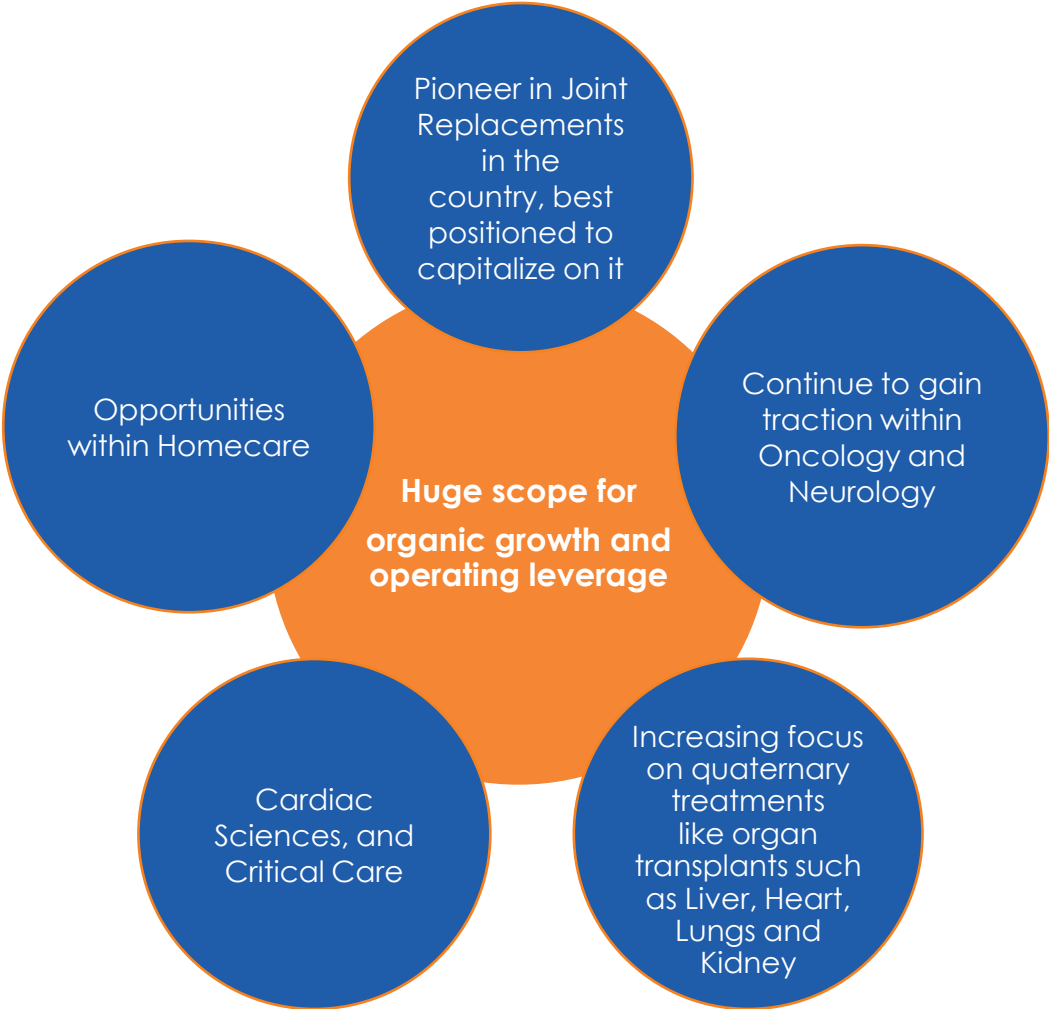


CAGR – 29% in 30 years.
Currently growing @ 2-3%

Wide procedure penetration –
to Tier 2 and 3 cities



Surgery Count CAGR @32% in 23 years

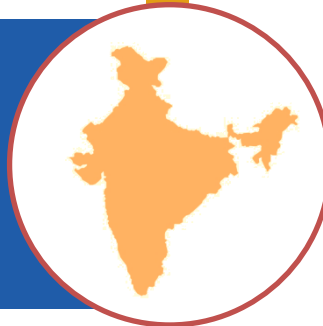


Swastha Bharat, Smridhdha Bharat. Demographic dividend realization impossible without proper healthcare
Rashtriya Samaj Beema Yojana: 100 mln families will get Rs 500,000 per year for their families to cover secondary and tertiary hospital expenses



100% depreciation on capex incurred, MAT credit can be availed for 15 years, all healthcare education and training services exempted from GST

State Policies include capital subsidy on purchase of medical equipment, capital investment subsidy on construction of tertiary-care hospitals and interest subvention, along with several other benefit



THANK YOU

SHALBY[®]
MULTI-SPECIALTY
HOSPITALS

Shalby Limited | Opp Karnavati Club | S G Highway | Ahmedabad - 380 015 | India.

www.shalby.org