

November 11, 2019

Shalby/SE/2019-20/60

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 Second quarter & Half year ended 30th September 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 Second quarter & Half year ended 30th September 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 LIMITED

Regd. Office: Opp. Karnavati Club, S. G. Road, Ahmedabad - 380 015, Gujarat, India.

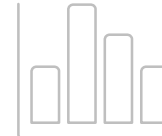
Tel: 079 40203000 | Fax: 079 40203109 | info.sg@shalby.org | www.shalby.org

CIN: L85110GJ2004PLC044667

SHALBY[®]

MULTI-SPECIALTY HOSPITALS

INVESTOR PRESENTATION – Q2 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

No representation or warranty, express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. The information contained in this presentation is only current as of its date. Certain statements made in this presentation may not be based on historical information or facts and may be “forward looking statements”, including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects, and future developments in its industry and its competitive and regulatory environment. Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in the Company's business, its competitive environment and political, economic, legal and social conditions in India. This communication is for general information purpose only, without regard to specific objectives, financial situations and needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any shares in the Company and neither any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. The Company may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes. This presentation can not be copied and/or disseminated in any manner.

- **Shalby Hospital** recognized for **Company of the Year Award** for the Healthcare category by SAP and Zee Business on 11th Oct 2019.





CORPORATE FACTS



OPERATIONAL PERFORMANCE



FINANCIAL PERFORMANCE



OTHER KEY UPDATES



CORPORATE FACTS

“

We value each and every **human life** placed in our hands and constantly work towards meeting the expectations of our **customers and stakeholders** by raising the standards of our service deliveries , every time.

”

VISION

Exceeding expectation
from health

MISSION

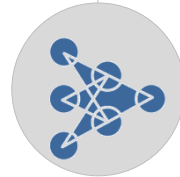
Leveraging global leadership in Joint
replacement to establish multi-specialty
care across geographies

ELITE :OUR CORE VALUES



EXCELLNACE

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



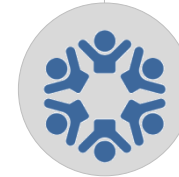
LEARNING

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,
comfort &
happiness

**Dr. Vikram Shah**

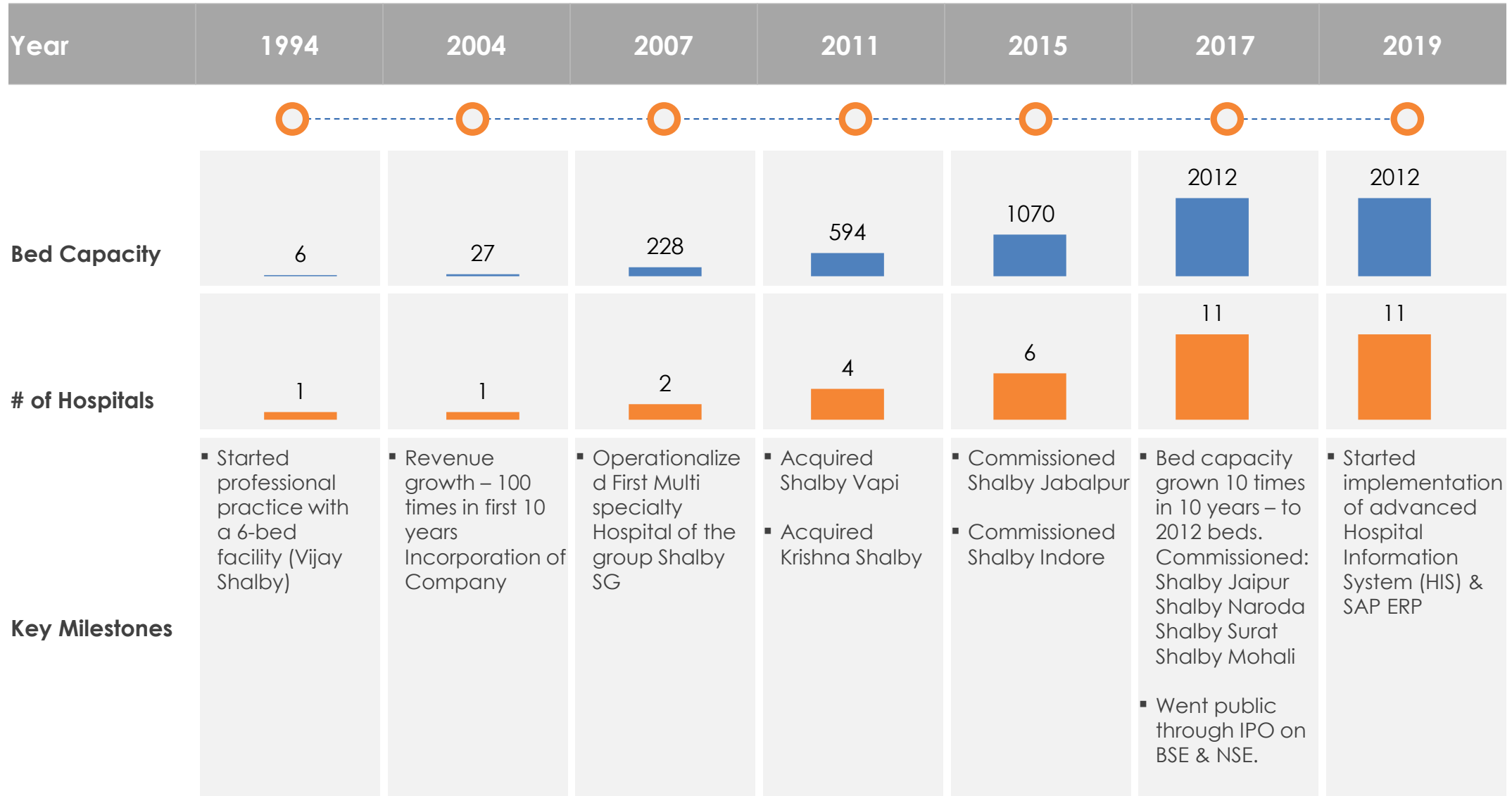
Chairman & Managing Director

- 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

48% 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

1600+ Surgeries per month

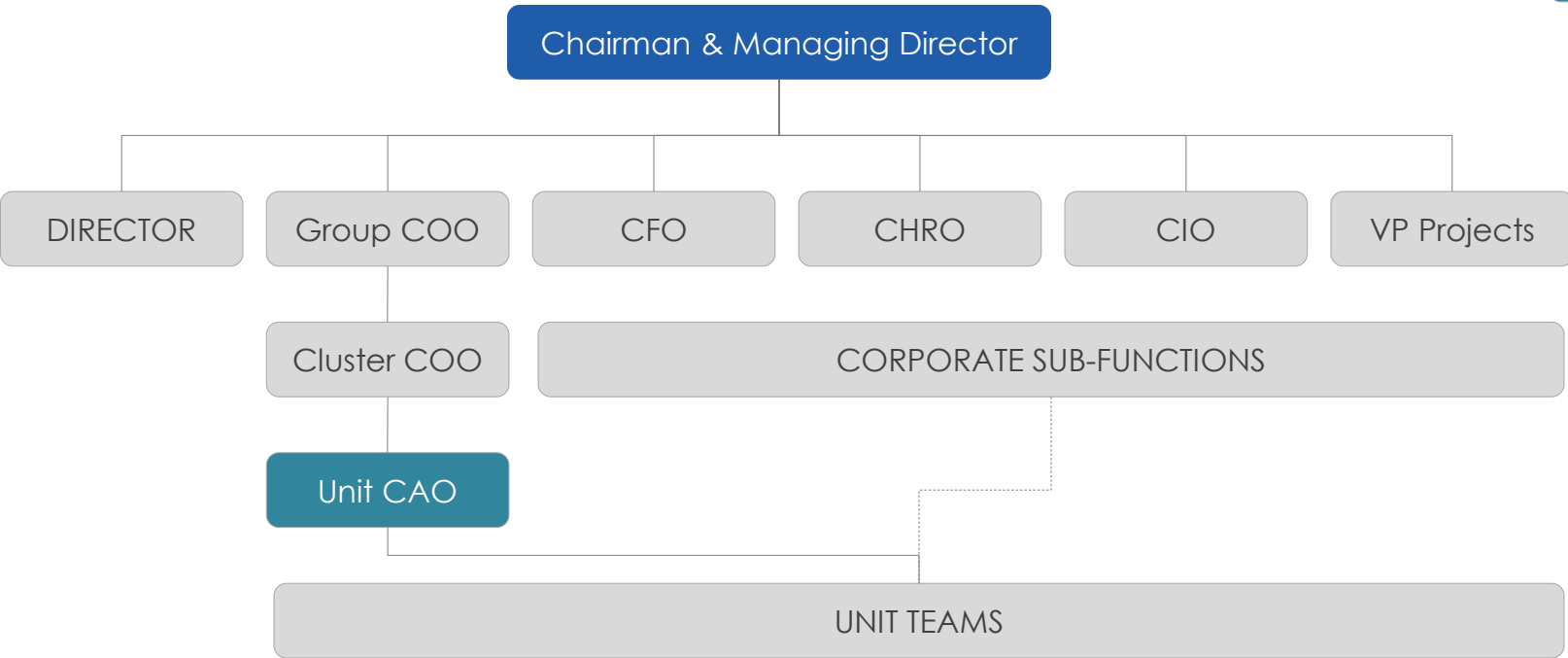
33000+ Patients served per month

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

- Consistently superior ROCE of mature hospitals

➤ CORPORATE STRUCTURE

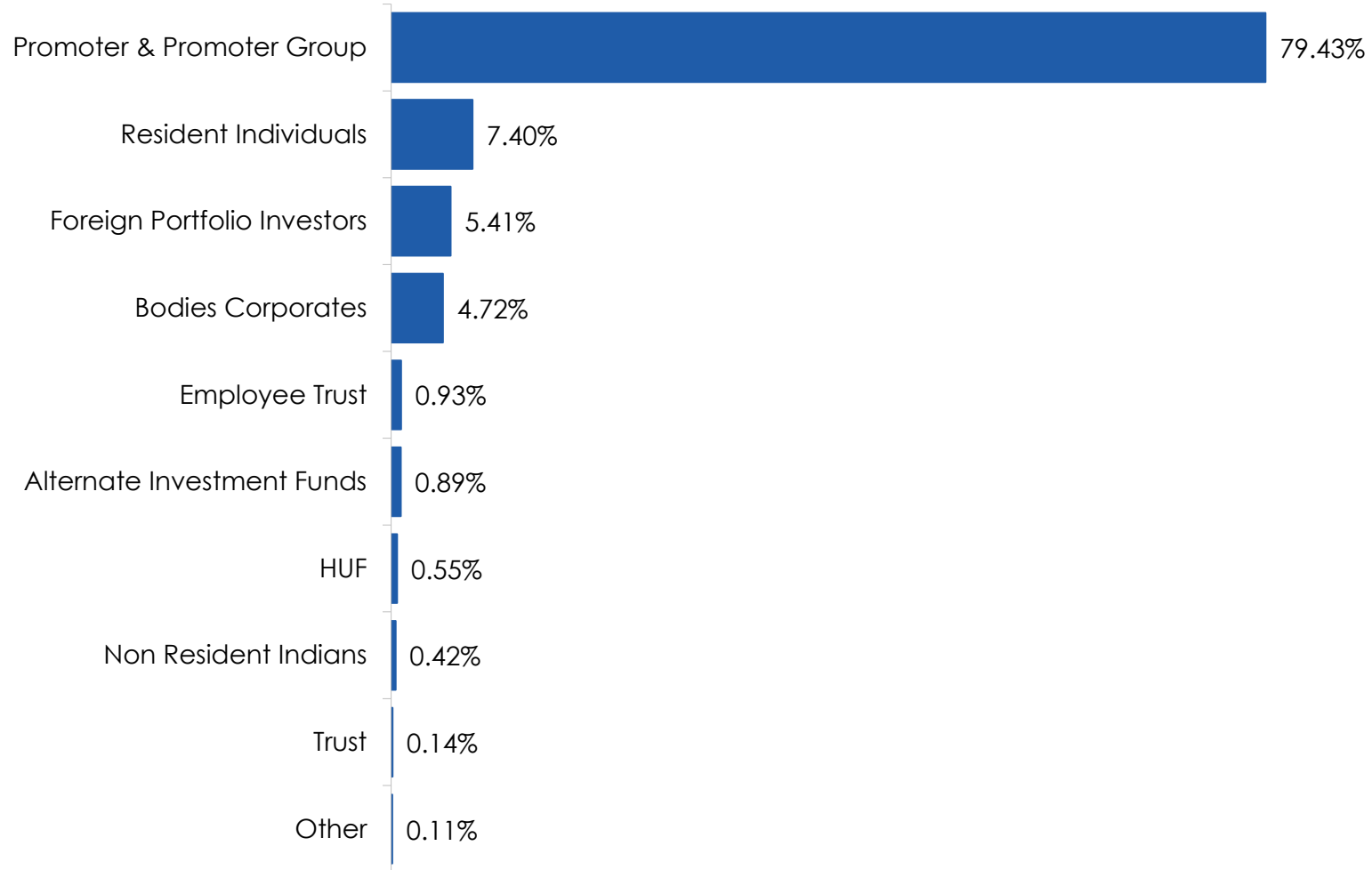
➤ UNIT LEVEL STRUCTURE



➤ **INTERNAL AUDITOR**
▪ PWC

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

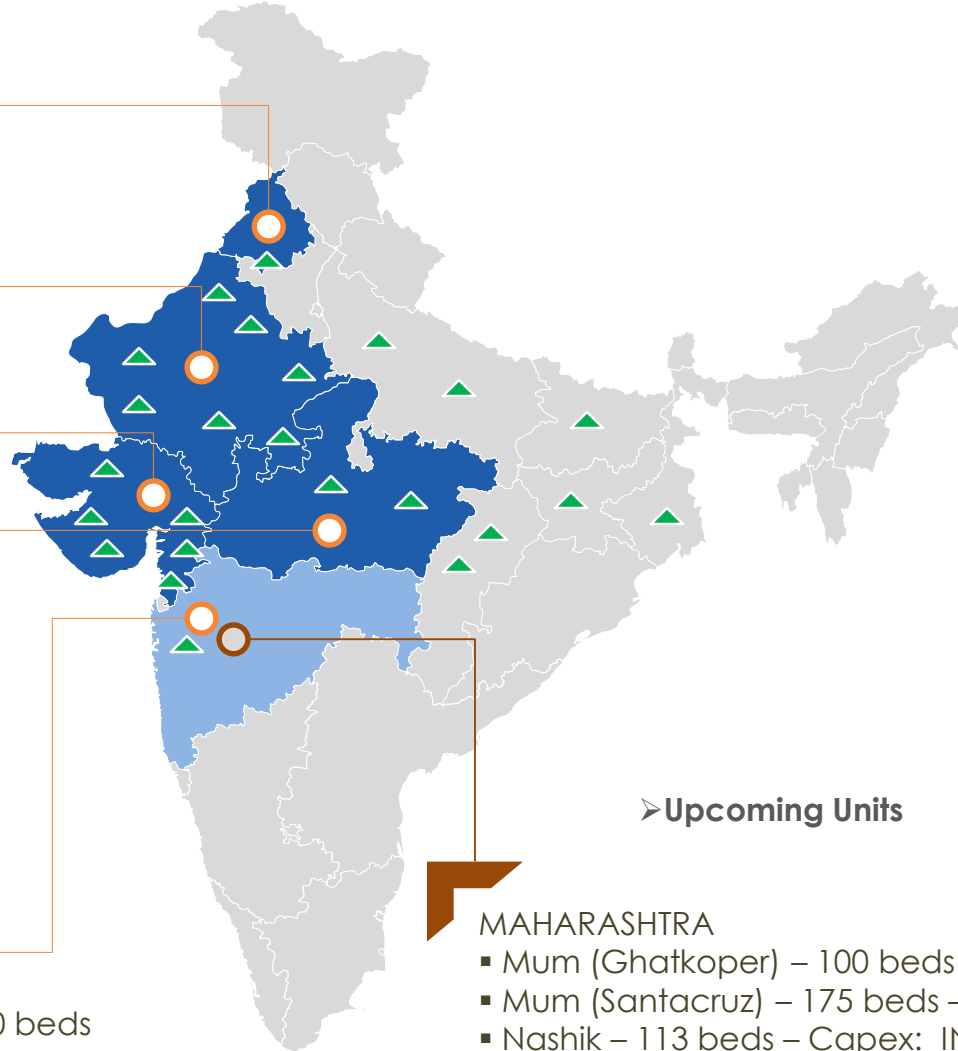
SHAREHOLDING PATTERN AS ON 30th SEP 2019



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

➤ National Presence

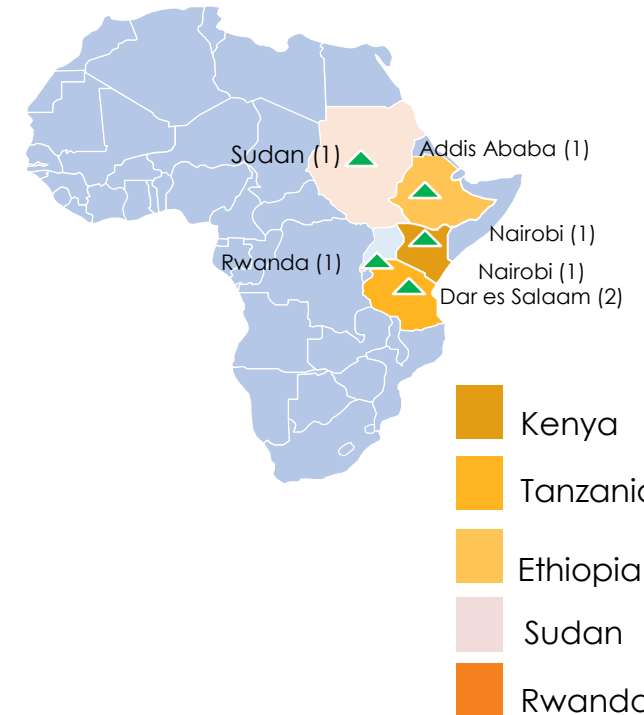
- PUNJAB**
 - Mohali – 145 beds
- RAJASTHAN**
 - Jaipur – 237 beds
- GUJARAT**
 - Ahmedabad
 - SG – 201 beds
 - Krishna – 220 beds
 - Vijay – 27 beds
 - Naroda – 267 beds
 - Vapi – 146 beds
 - Surat – 243 beds
- MADHYA PRADESH**
 - Indore – 243 beds
 - Jabalpur – 233 beds
- MAHARASHTRA**
 - Ghatkoper (Zynova) – 50 beds



➤ Upcoming Units

- MAHARASHTRA**
 - Mum (Ghatkoper) – 100 beds – Capex : Nil
 - Mum (Santacruz) – 175 beds – Capex: INR 150Cr
 - Nashik – 113 beds – Capex: INR 25Cr

➤ International Presence (in Africa)



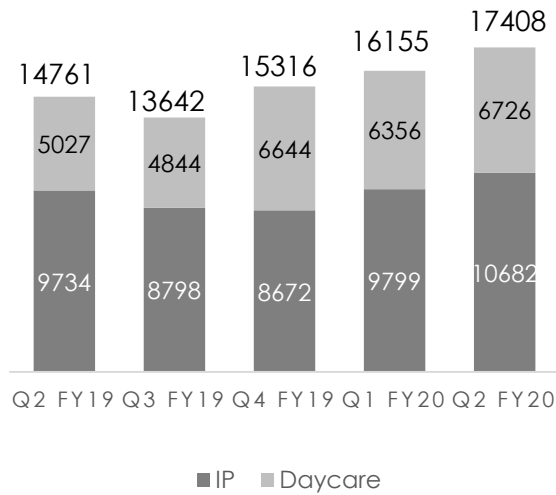


OPERATIONAL PERFORMANCE

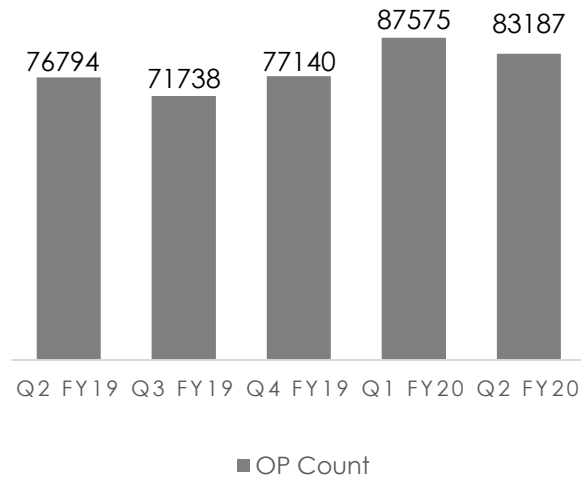
Particulars	Q2 FY19	Q1 FY20	Q2 FY20	Growth Y-O-Y(%)	Growth Q-O-Q(%) - Q2
Total Revenue (INR million)	1,216.1	1337.2	1278.8	5%	-4%
Total EBITDA (INR million)	250.6	311.5	301.3	20%	-3%
EBITDA Margin (%)	20.60%	23.29%	23.56%		
Bed Capacity (Nos.)	2012	2012	2012		
Operational Beds (Nos.)	1102	1200	1200	9%	0%
Average Length of Stay (without Daycare)	3.91	4.24	4.28		-
Occupancy (Beds)	452	457	473	5%	4%
Occupancy (%) (based on operational beds)	41%	38%	41%		-
In-Patient Count (Nos.)	9644	9799	10682	11%	9%
Day-Care Patient Count (Nos.)	5027	6356	6726	34%	6%
Out patient Count (Nos.)	76794	87575	83187	8%	-5%
Surgeries Count	4897	6146	4985	2%	-19%
ARPOB (In Rs.)	29,244	32,154	29,399	1%	-9%

IP, OP, SURGERIES – QUARTERLY TREND

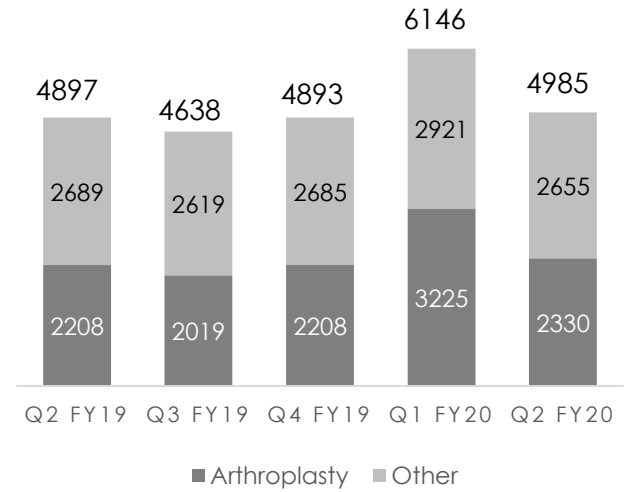
IP Count



OP Count

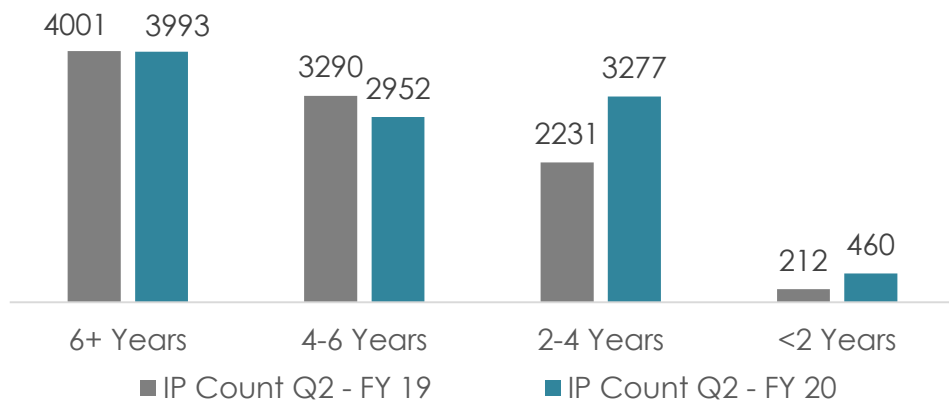


Surgeries Count

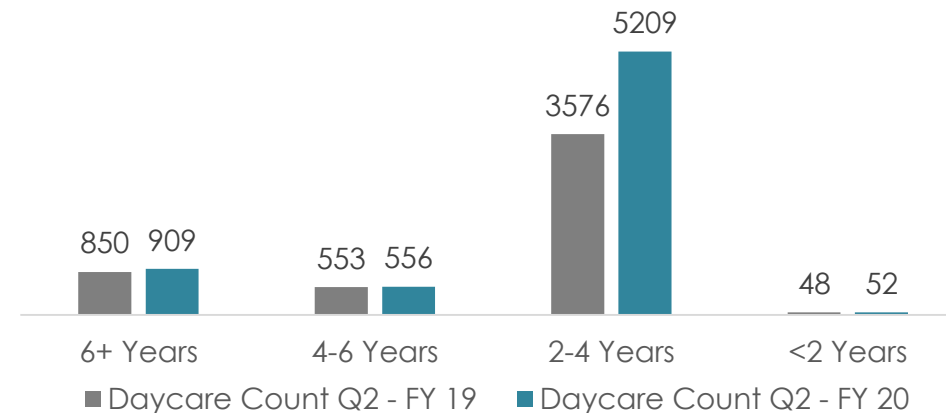


IP, OP, SURGERIES – MATURITY WISE QUARTERLY TREND

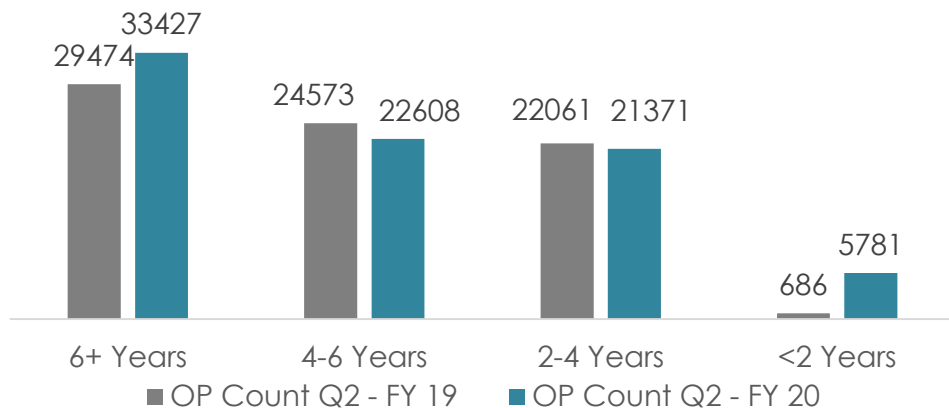
IP Count



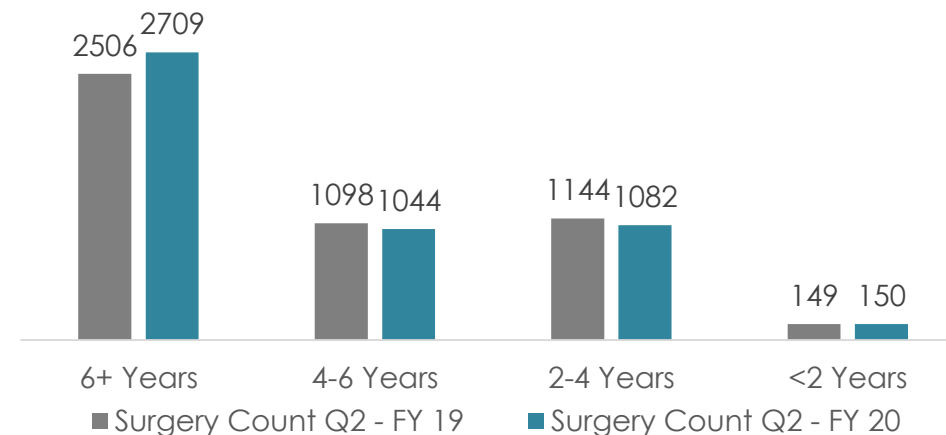
Day Care Count



OP Count



Surgery Count



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



FINANCIAL PERFORMANCE

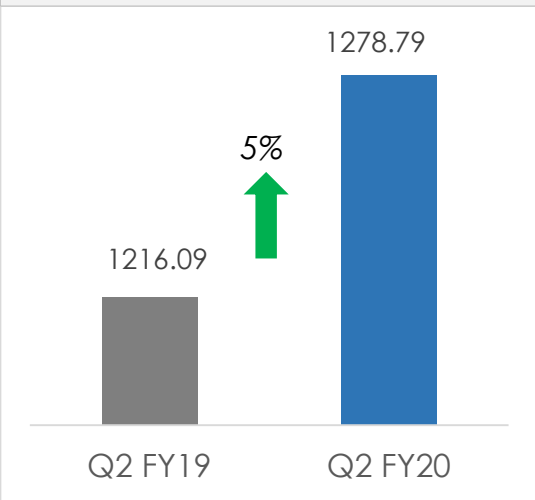
KEY FINANCIAL PARAMETERS – H1 FY20

(Values in INR Mn)

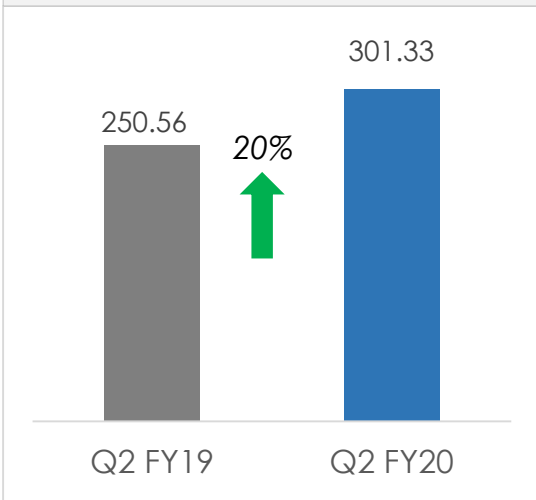
Particulars	Q1 FY19	Q2 FY19	H1 FY19	Q1 FY20	Q2 FY20	H1 FY20	Growth (H1 FY19 Vs H2 FY20)
Revenue	1187.4	1216.1	2403.5	1337.2	1278.8	2616.0	9%
EBITDA	275.0	250.5	525.5	311.5	301.3	612.8	17%
EBITDA Margin	23.2%	20.6%	21.9%	23.3%	23.6%	23.4%	
PBT	177.8	147.0	324.8	209.7	199.3	409.0	26%
PAT	121.3	36.8	158.1	236.6	129.0	365.6	131%
PAT Margin	10%	3%	7%	18%	10%	14%	

KEY FINANCIAL PARAMETERS – Q2 FY20

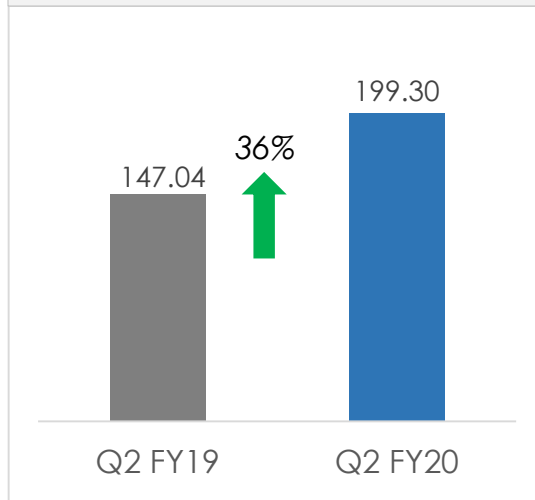
Revenue (INR Mn)



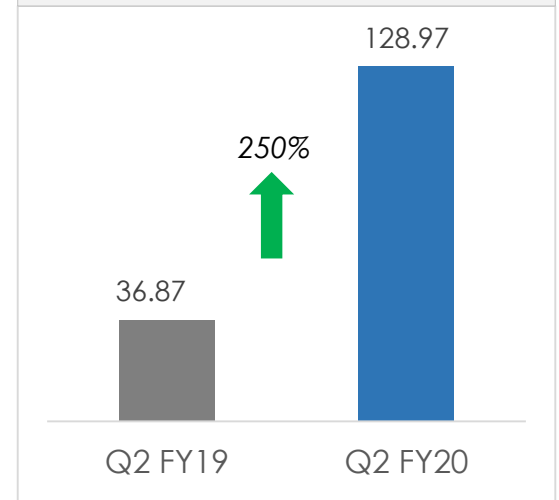
EBITDA (INR Mn)



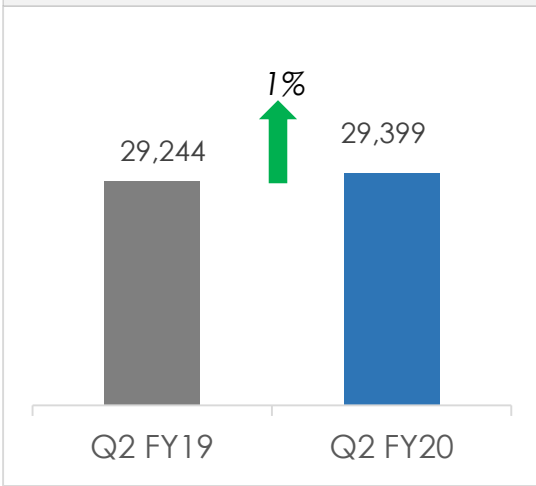
PBT (INR Mn)



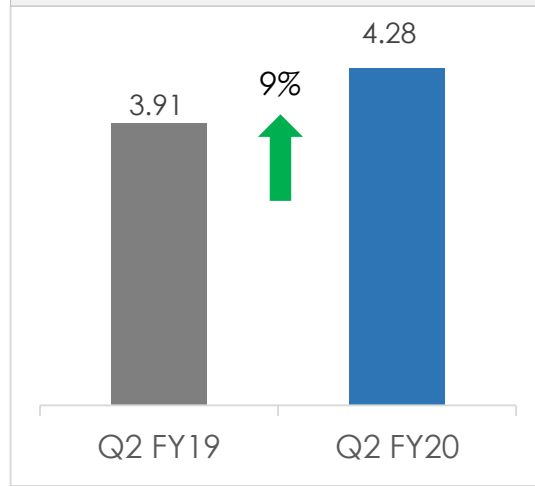
PAT (INR Mn)



ARPOB (INR/Day)



ALOS (Excluding Daycare)

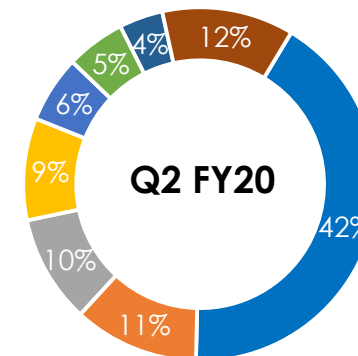
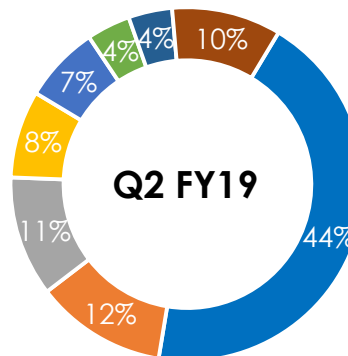


(Values in INR Mn)

Particulars	Q2 FY19	% of Revenue	Q1 FY20	% of Revenue	Q2 FY20	% of Revenue	Growth (y-o-y)	Growth (Q-o-Q)
Revenue from Operations	1,193.9		1317.7		1,258.3		5%	-5%
Other Income	22.2		19.5		20.5		-8%	5%
Total Income	1,216.1		1337.2		1,278.8		5%	-4%
Expenses								
Materials & Consumables	304.5	25.0%	345.1	25.8%	312.7	24.5%	3%	-9%
Fees to Doctors and Consultants	327.1	26.9%	337.9	25.3%	316.1	24.7%	-3%	-6%
Other Operative Expenses	41.9	3.4%	44.1	3.3%	43.9	3.4%	5%	-1%
Employee Costs	212.2	17.4%	214.0	16.0%	209.7	16.4%	-1%	-2%
Administrative Expenses	65.8	5.4%	66.8	5.0%	78.9	6.2%	20%	18%
Advt. & Promotion	14.1	1.2%	17.8	1.3%	16.2	1.3%	15%	-9%
Total Operational Expenses	965.6	79.4%	1025.7	76.7%	977.5	76.4%	1%	-5%
EBITDA	250.5	20.6%	311.5	23.3%	301.3	23.6%	20%	-3%
Finance Cost	20.1		13.2		10.5			
Depreciation & Amortization Expense	83.4		88.5		91.6			
Profit before tax (PBT)	147.0		209.7		199.3		36%	-5.0%
Tax Expense	110.2		-26.9		70.3			
Profit after tax (PAT)	36.9	3.0%	236.6	17.7%	129.0	10.1%	250%	-45%

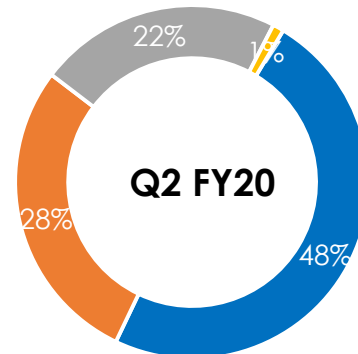
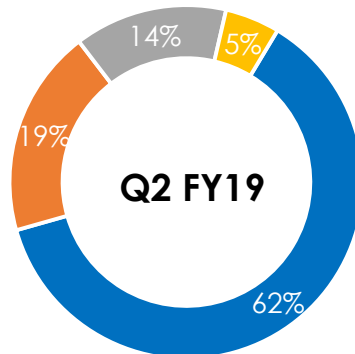
SPECIALITY MIX (Revenue)

- Arthroplasty
- Critical Care & General Medicine
- Cardiac Science
- Oncology
- Other Ortho
- Neurology
- Nephrology
- Others



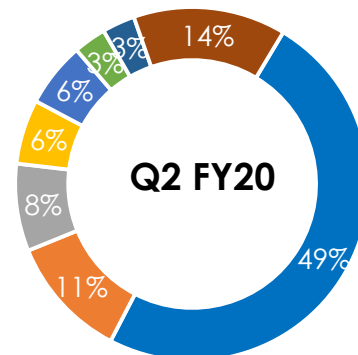
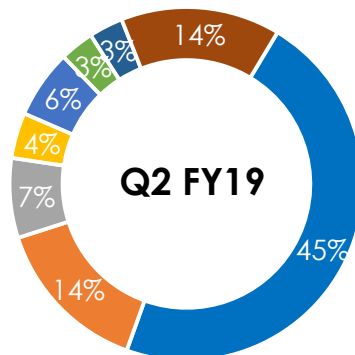
PAYER MIX (Revenue)

- Self Pay
- Corporate Government
- TPA
- Corporate Private



SURGERY MIX (Nos)

- Arthroplasty
- Other Orthopedics
- Nephrology
- Cardiac Science
- General Surgery
- Cosmetic & Plastic Surgery
- Oncology
- Other



➤ 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	177	145	127	24	473
4	Occupancy (%)	41%	44%	39%	33%	41%

➤ FINANCIAL PARAMETERS

#	Parameters	6 Years+	4-6 Years	2-4 Years	<2 Years	Total
1	Revenue Share	49%	21%	27%	4%	100%
1A	Arthroplasty	28%	4%	9%	1%	42%
1B	Non-Arthroplasty	21%	17%	18%	3%	58%
2	EBITDA %	35.45%	12.88%	13.48%	-16.28%	23.56%
3	ARPOB (RS.)	36,540	20,066	29,721	31,479	29,399
4	ALOS (DAYS)	4.55	4.52	3.59	4.78	4.28

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

*Zynova Shalby has total 50 Beds, out of these 36 are operational. These are included in Total Bed & Operational beds
Occupancy is calculated excluding Zynova Shalby Bed counts.



OTHER KEY UPDATES

Voice conservative surgery for Vocal Cord Cancer

- Tumor of left Vocal Cord in a middle aged male removed endoscopically and successfully treated post operative, by chemo radiotherapy at Shalby Indore. The patient was discharged without any recurrence of tumor and with fair voice quality.

Shalby Neurology Excellence

- A 36 year old female patient with Right Side Sensory disturbance cured at SG Shalby Neurology Department

Critical Care Excellence

- A female patient from Rajkot with severe breathing difficulty cured at SG Shalby with the Help of ECMO (Extra Corporeal Membrane Oxygenation). She was kept on ECMO for 8 days and the total hospitalization period was 20 days.

- Launched "Certificate of Internship Program" in Physiotherapy, Paramedical, Biomedical Engineering & Nursing.- August 2019.

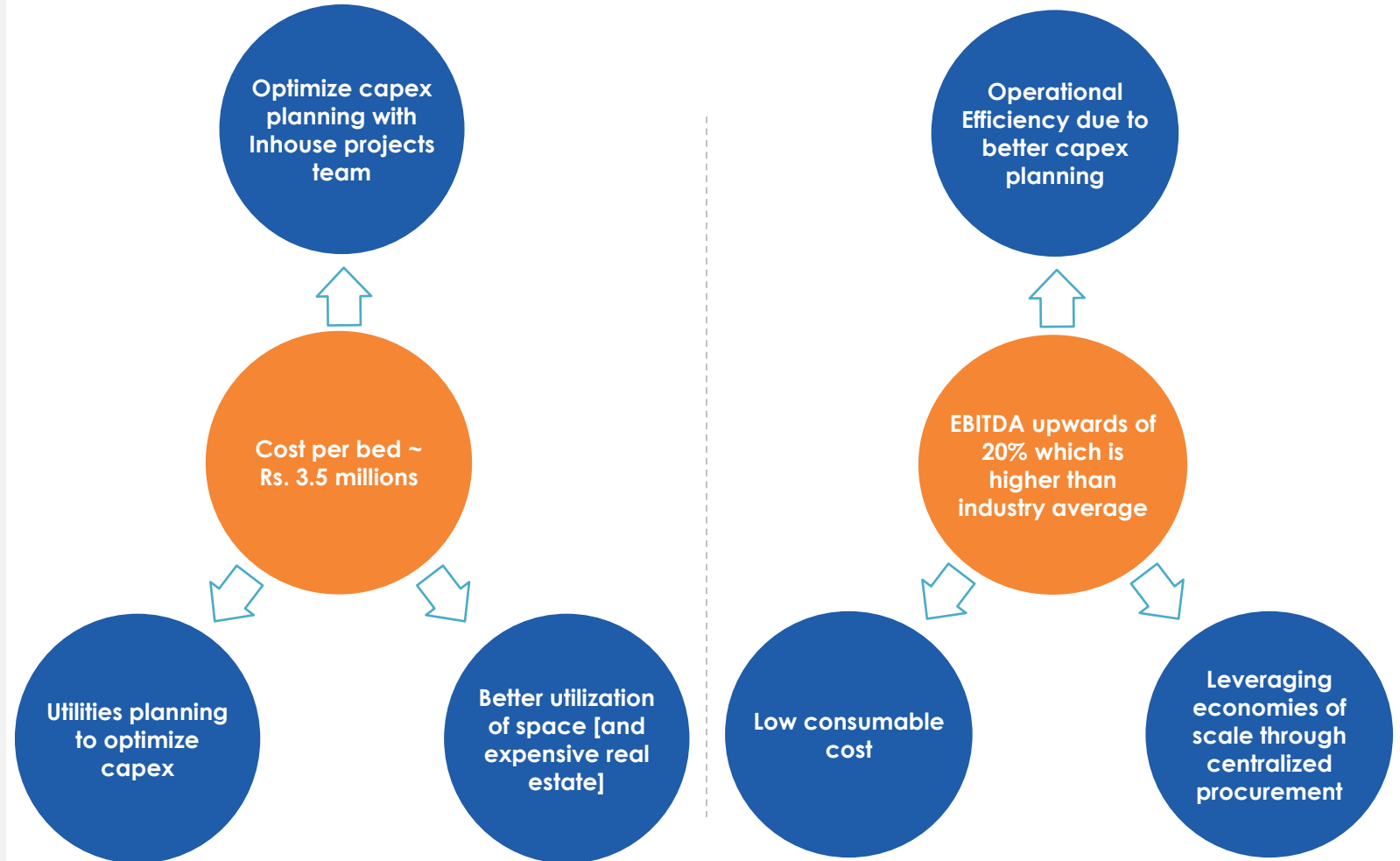
- Successfully Inducted batch of 61 physiotherapist for "Certificate of Internship program"

- Launched new courses in association with National Council of Paramedical, Delhi. Courses are CT SCAN Technician , Cathlab Technician in this current academic year.



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)



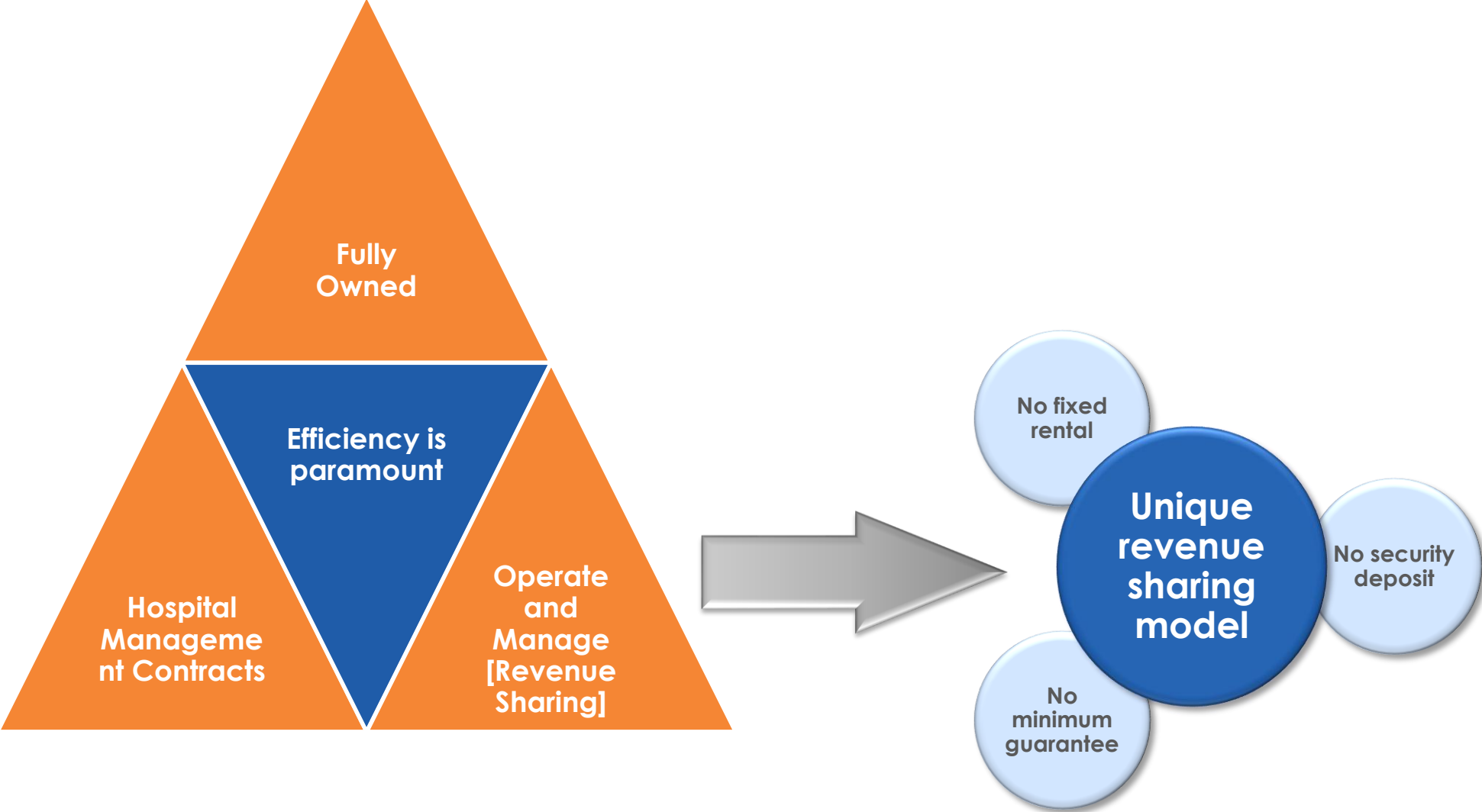
TYPICAL CONCEPT OF 200 (±20%) BED CAPACITY SET-UP

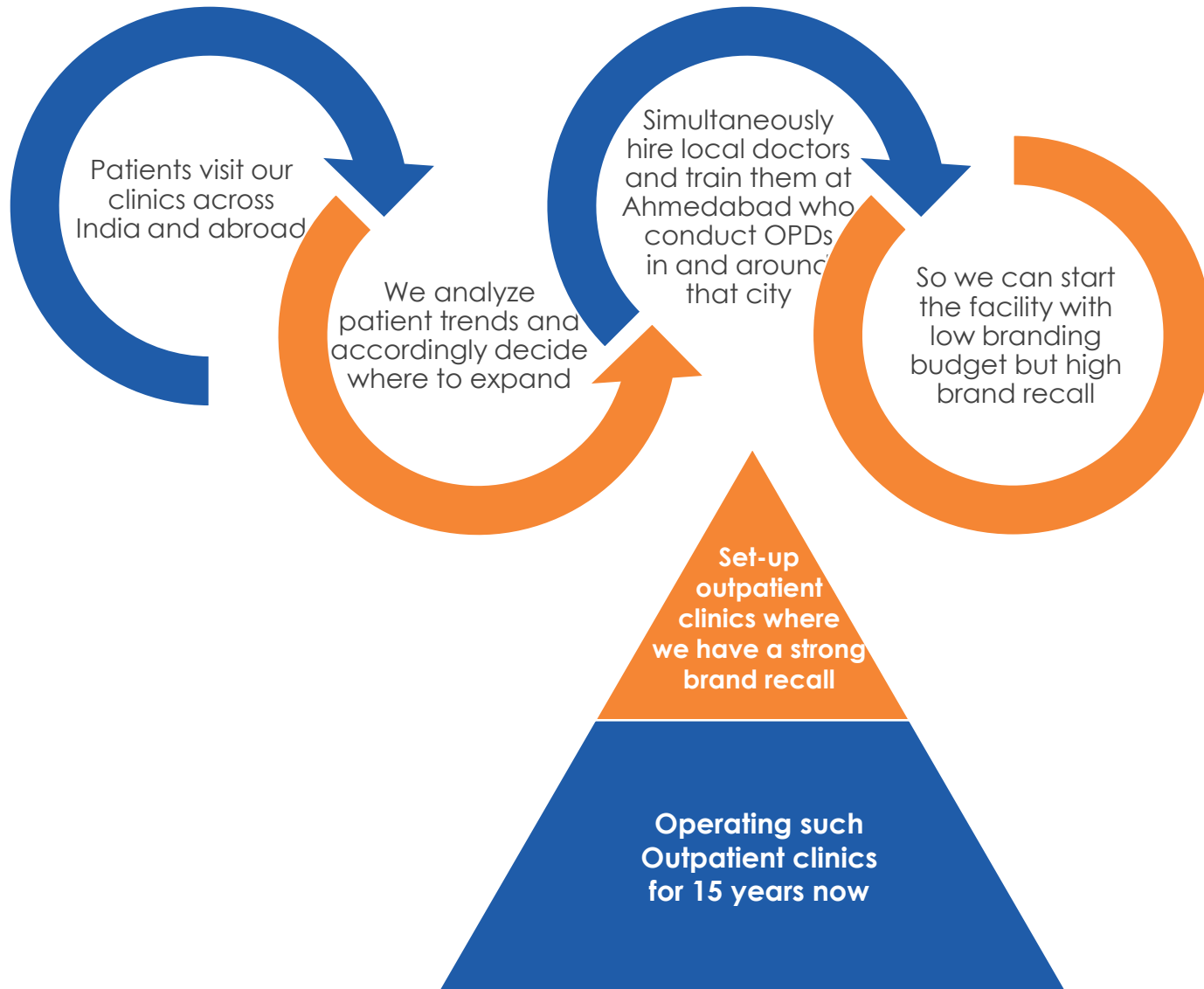


Facilities 10-15 kms away

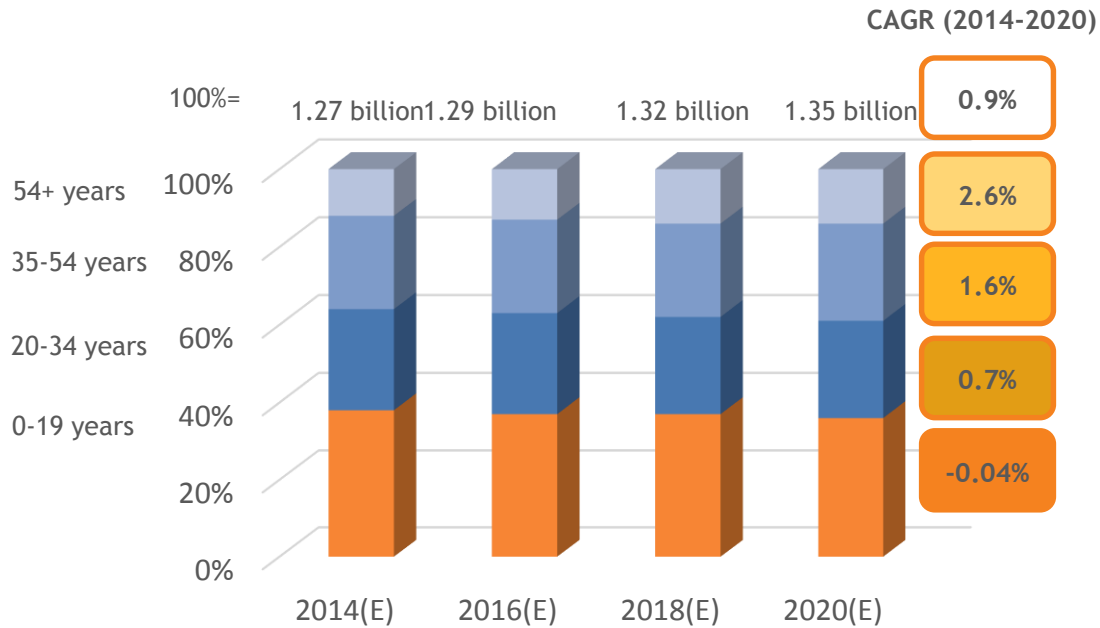
Local and Natural Footfalls from 4-5 kms radius helps to fill up ~50% beds

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



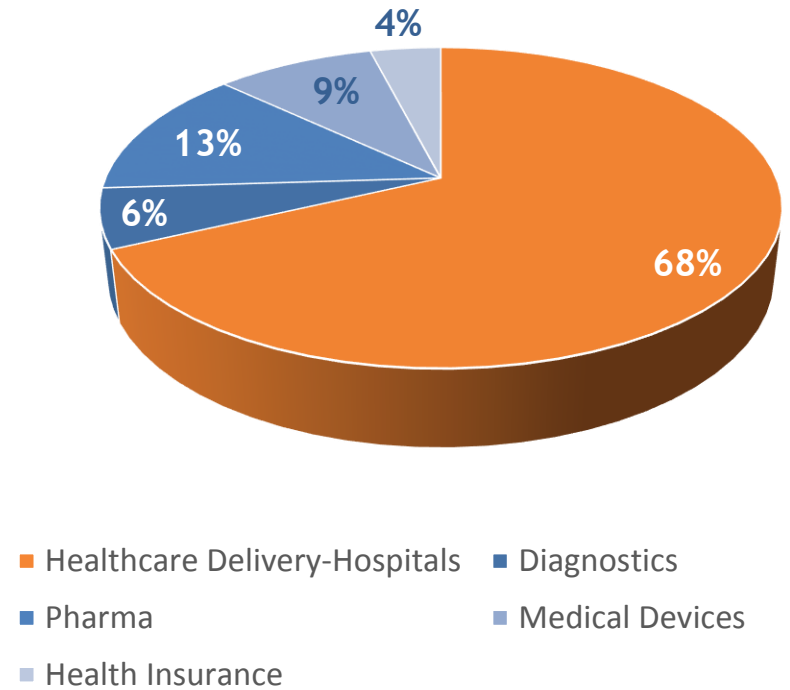


Population and Population Growth Rate of India
(Historical and Expected)

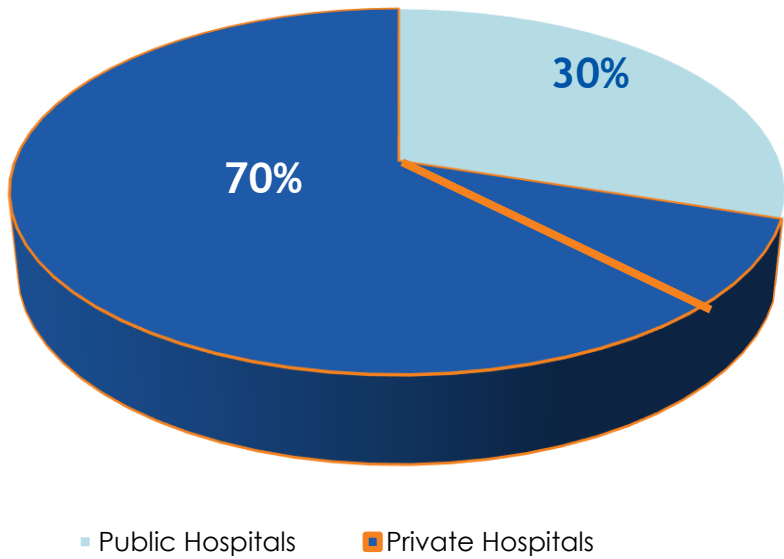


Spilt of Indian Healthcare Industry by Segments

Total market size (2016): INR 9.2 trillion

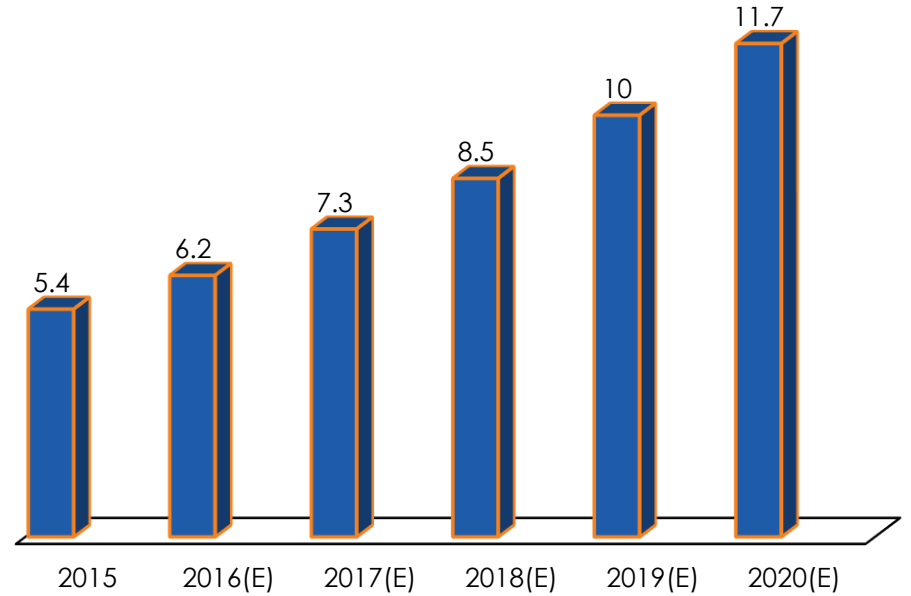


Spilt of Public and Private Hospitals in India

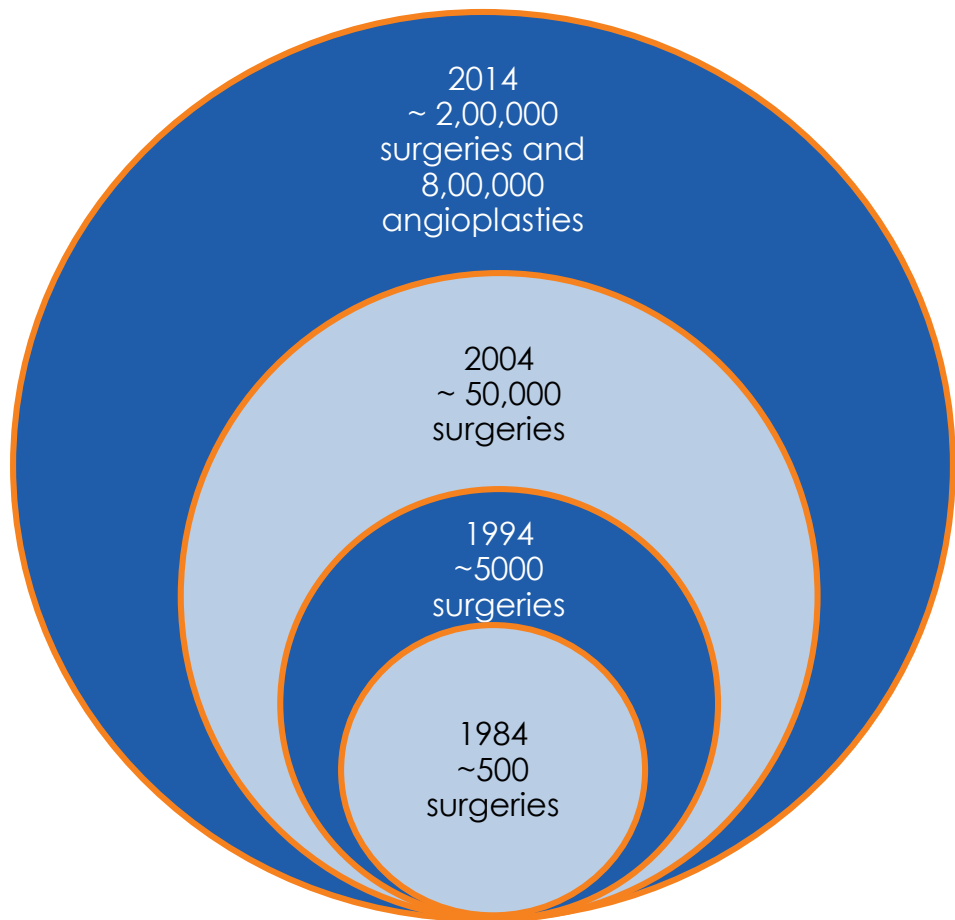


Private Corporate Hospitals account to less than 10% of the total Private Hospitals

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

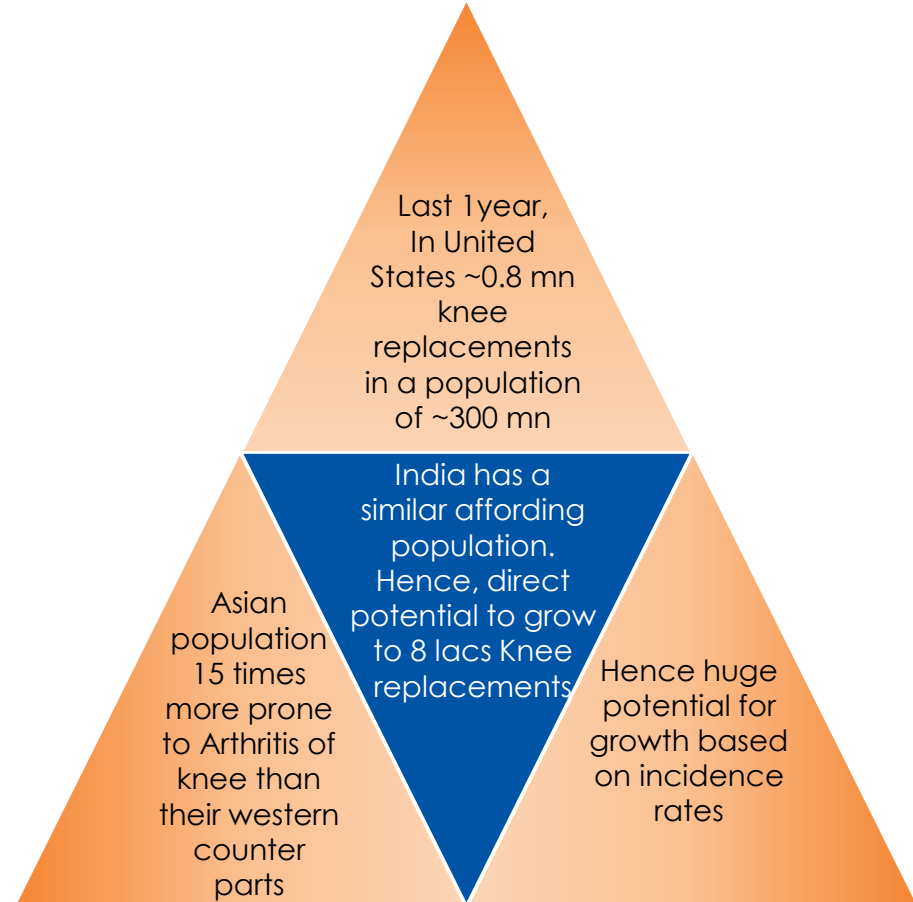
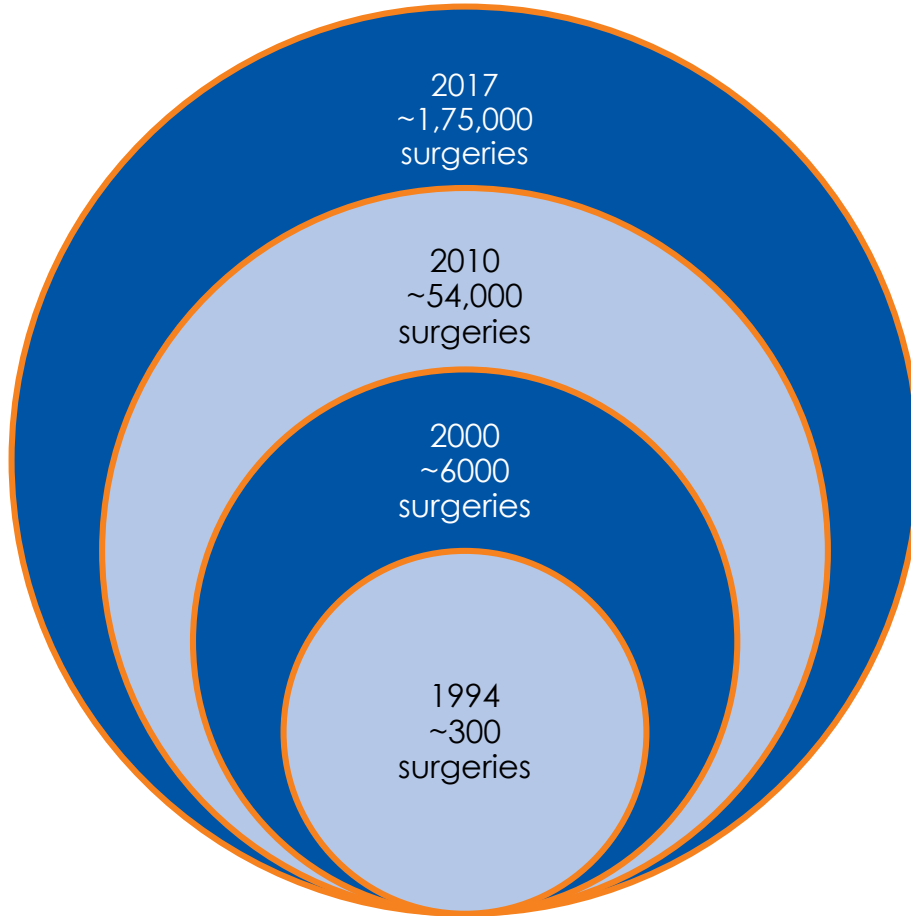


- Private sector investment has been increasing due to change in mind-set and better returns on investment
- Healthcare businesses can also be profitable as long the costs are affordable
- The advent of information technology has given a fillip to the healthcare business making it both controllable and 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**

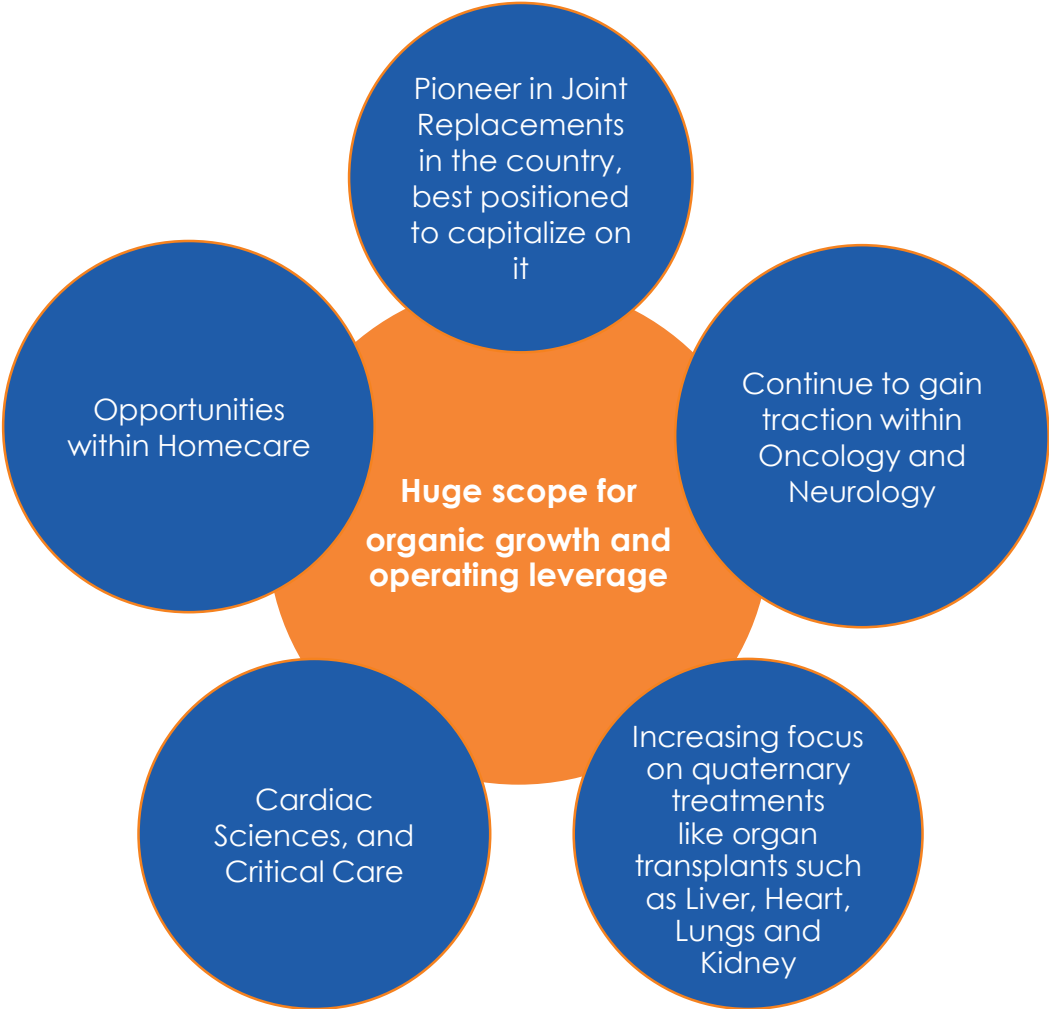


CAGR – 29% in 30 years.
Currently growing @ 2-3%

Wide procedure penetration –
to Tier 2 and 3 cities



Surgery Count CAGR @32% in 23 years



Swastha Bharat, Smridha 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