

03 February, 2020

Shalby/SE/2019-20/76

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

Scrip Code : SHALBY

Through : <https://www.connect2nse.com/LISTING/>

Corporate Service Department
BSE Limited
Mumbai 400 001.

Scrip Code: 540797

Through : <http://listing.bseindia.com>

Sub: Investor Presentation for the Third quarter & nine months ended 31 December, 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 Third quarter & Nine months ended 31 December 2019, which is also being made available on our website in the Investors section.

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. Off. : Opp. Karnavati Club, S G Road, Ahmedabad – 380015 (India)

Tel. No. : (079) 40203000 | Fax : (079) 40203109 | www.shalby.org | info@shalby.org

Regd. No. : 061000596 | CIN : L85110GJ2004PLC044667

Vapi - Indore - Jabalpur - Mohali - Naroda (Ahmedabad) Krishna Shalby (Ahmedabad) Surat - Jaipur Upcoming Hospitals : Nashik - Mumbai



INVESTOR PRESENTATION

Q3FY20

SHALBY[®]
MULTI-SPECIALTY
HOSPITALS

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.

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CORPORATE FACTS



OPERATIONAL PERFORMANCE



FINANCIAL PERFORMANCE



OTHER KEY UPDATES

SHALBY CONFERRED WITH MEDICAL VALUE TRAVEL SPECIALIST HOSPITAL

AWARD AT ADVANTAGE HEALTH CARE INDIA - 2019 SUMMIT



Shalby Multi-specialty hospitals has been conferred with the **“Medical Value Travel Specialist Hospital Awards-2019”**, in the **category-Orthopedics** (Joint Replacement), at Advantage Health Care India-2019 Summit, organized by the Ministry of Commerce and Industry, Govt. of India and FICCI, from 13th to 15th November, 2019 at Greater Noida.



The award and citation were presented by Mr Vinod Zutshi, Former Secretary, Ministry of Tourism, Government of India, and Dr Narottam Puri, Adviser MVT & Health Services, FICCI, and Ex-chairman, NABH.



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

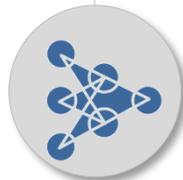
Leveraging global leadership in Joint replacement to establish multi-specialty care across geographies

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

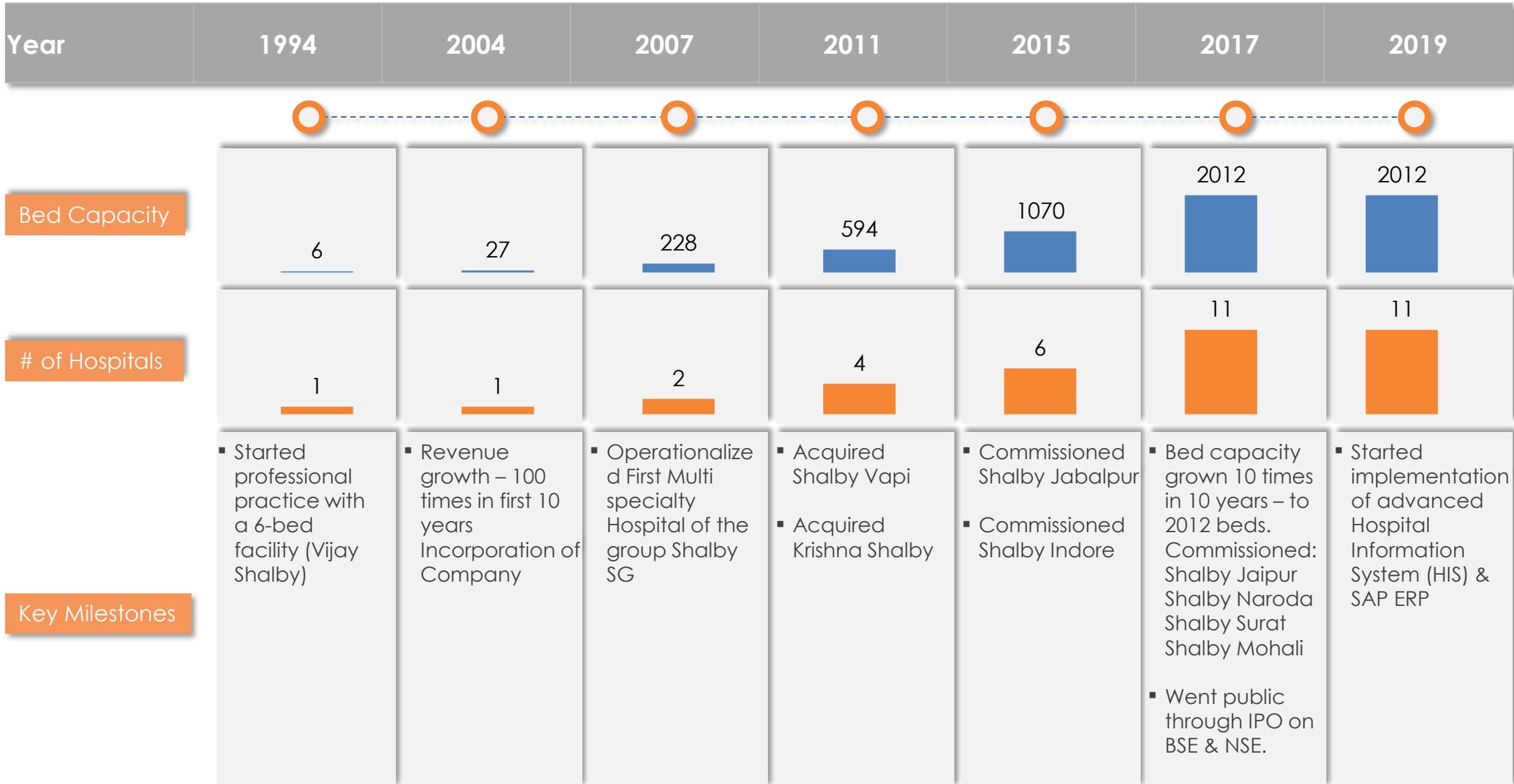
We work together for one objective : Patient satisfaction



EMPATHY

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

HISTORIC EVOLUTION



CORPORATE FACTS



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



1500+

Surgeries per month



32000+

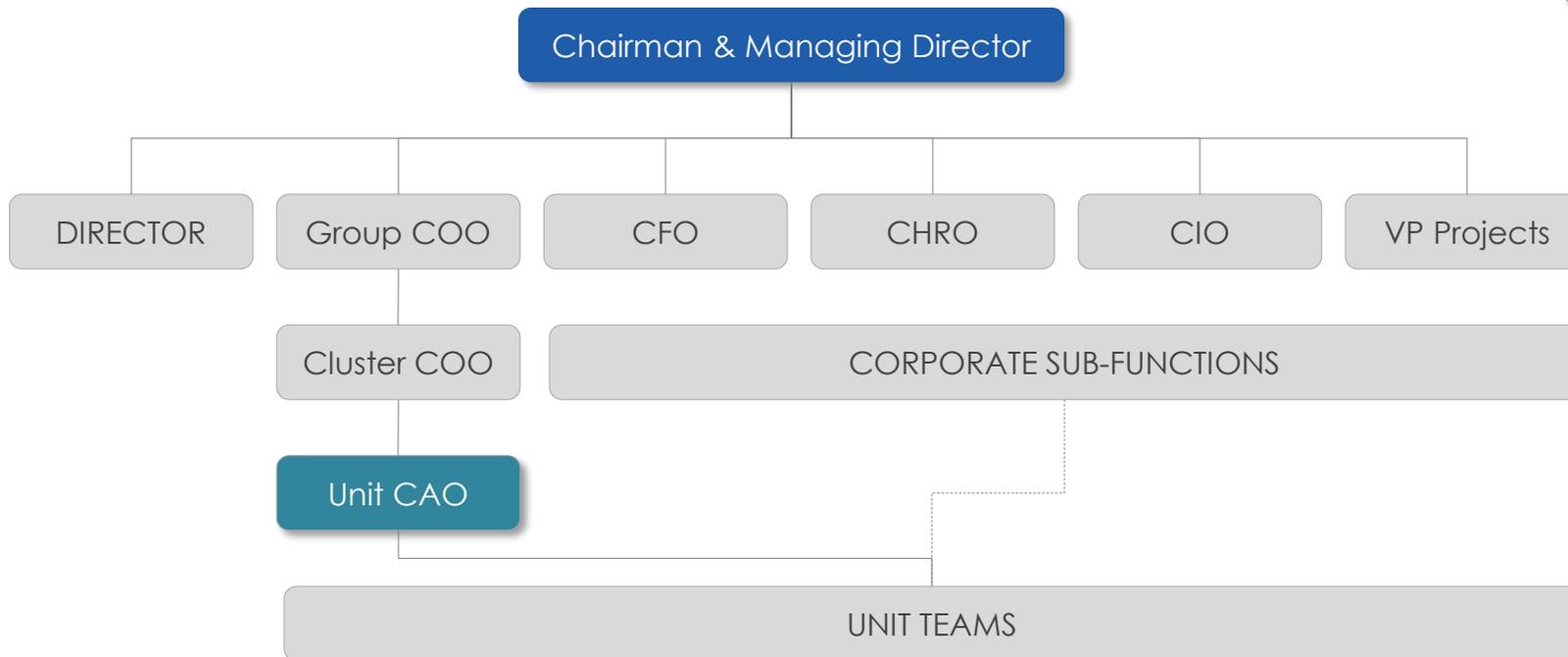
Patients served per month

▪ Higher Double-digit return ratios against industry trend

▪ Consistently superior ROCE of mature hospitals

ORGANISATION STRUCTURE

➤ CORPORATE STRUCTURE



➤ **INTERNAL AUDITOR**
▪ PWC

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

➤ UNIT LEVEL STRUCTURE





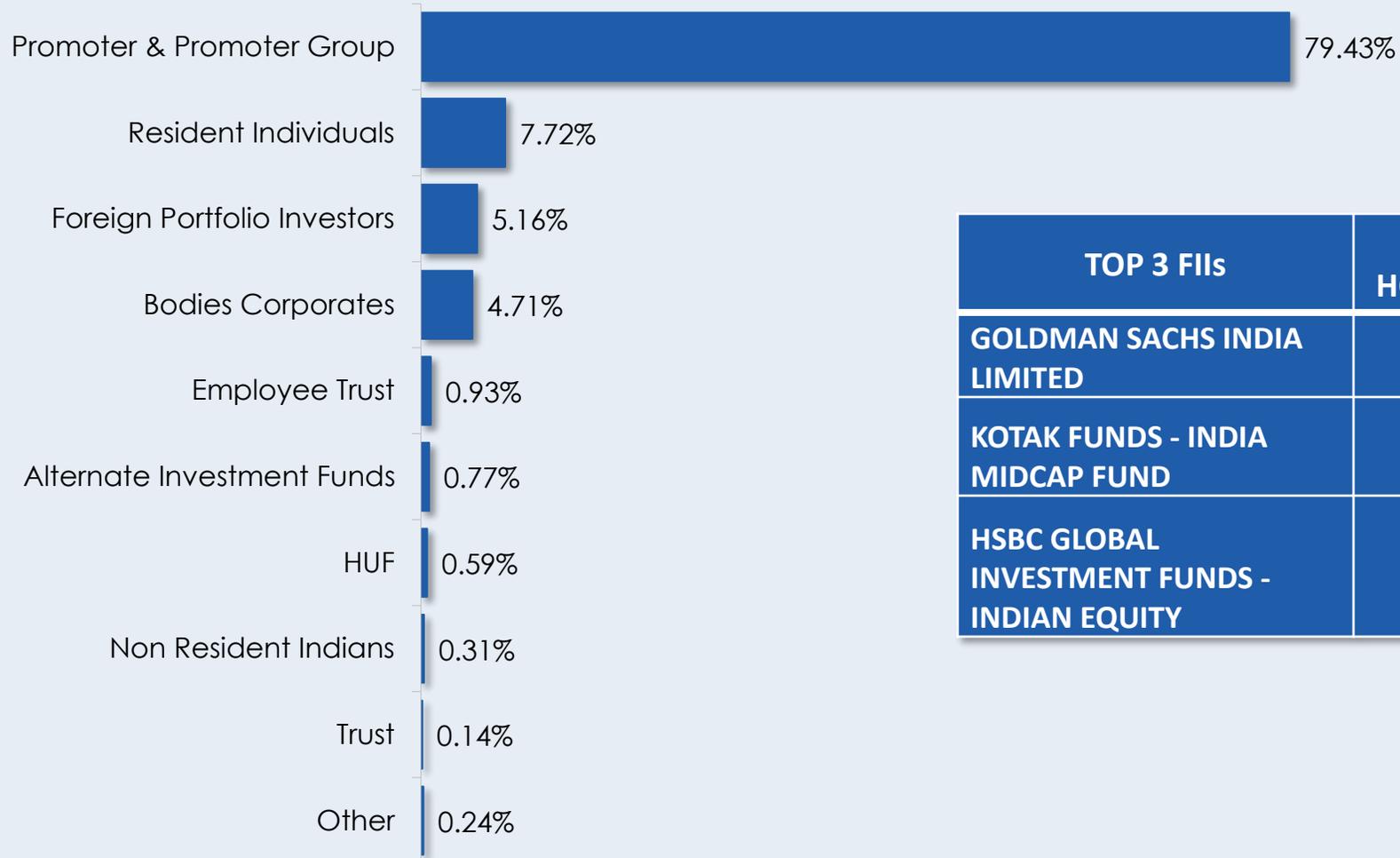
Dr. Vikram Shah
Chairman & Managing Director

- 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

SHAREHOLDING PATTERN AS ON 31st DEC 2019

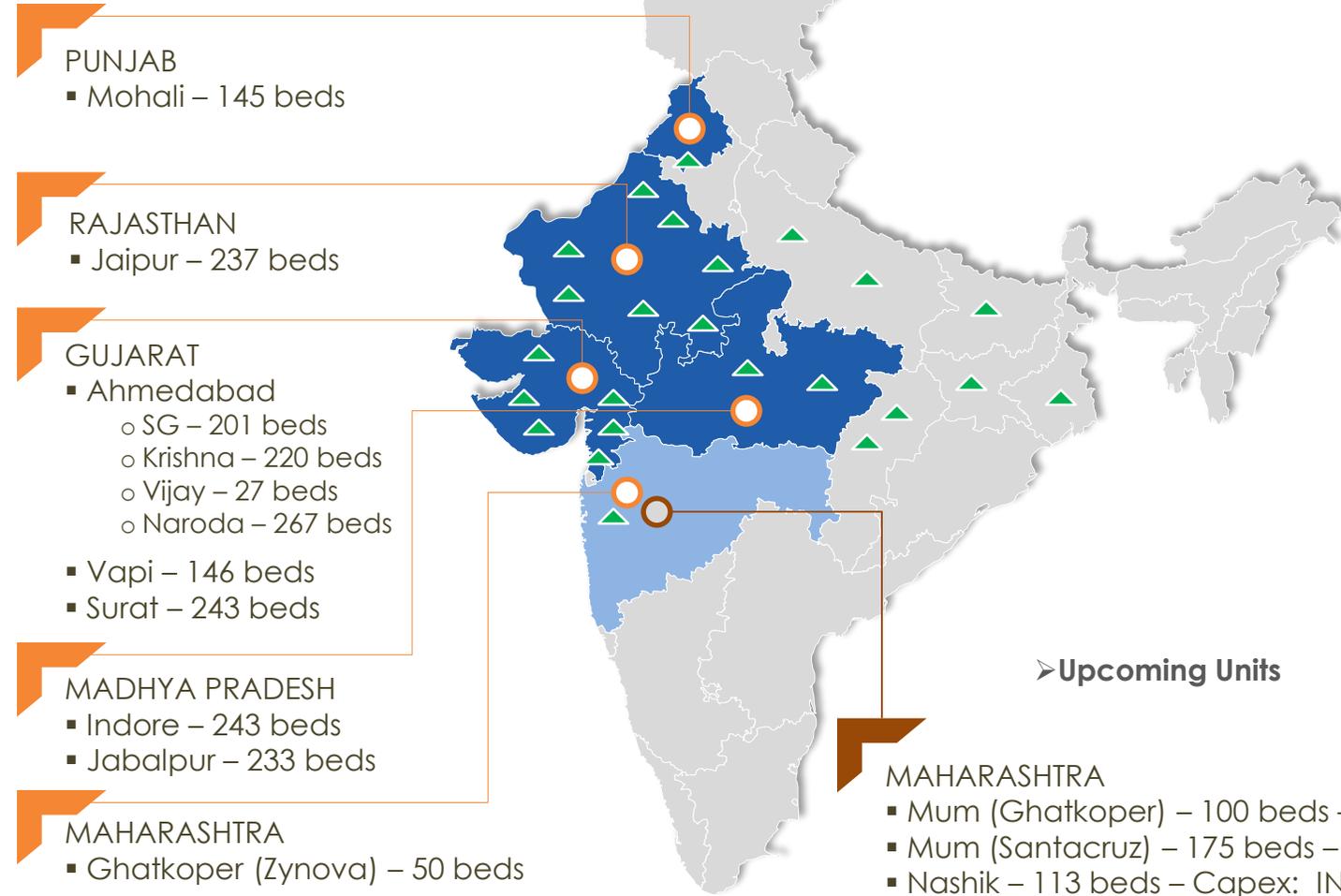


TOP 3 FIIs	% HOLDINGS
GOLDMAN SACHS INDIA LIMITED	3.01
KOTAK FUNDS - INDIA MIDCAP FUND	1.04
HSBC GLOBAL INVESTMENT FUNDS - INDIAN EQUITY	0.66

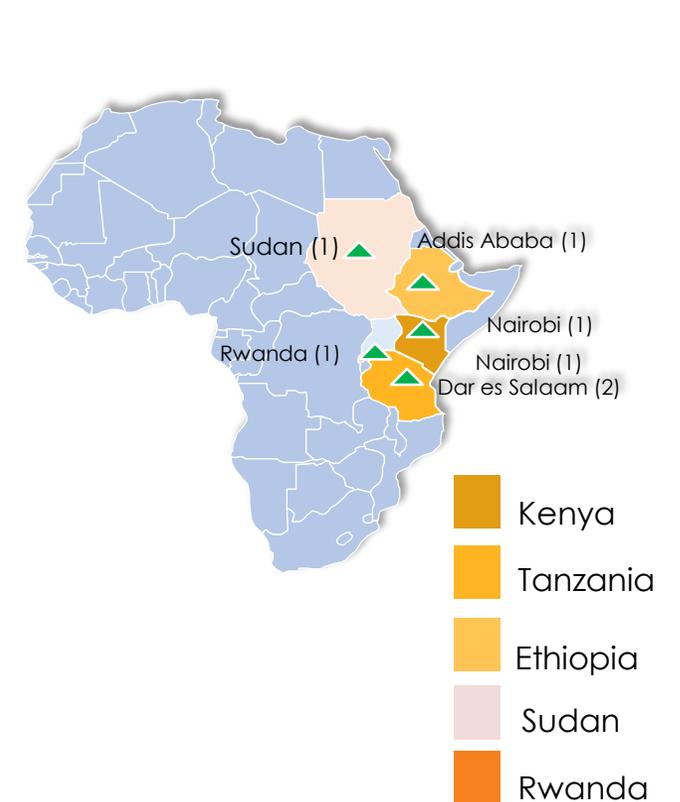
OUR PRESENCE

○ 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)





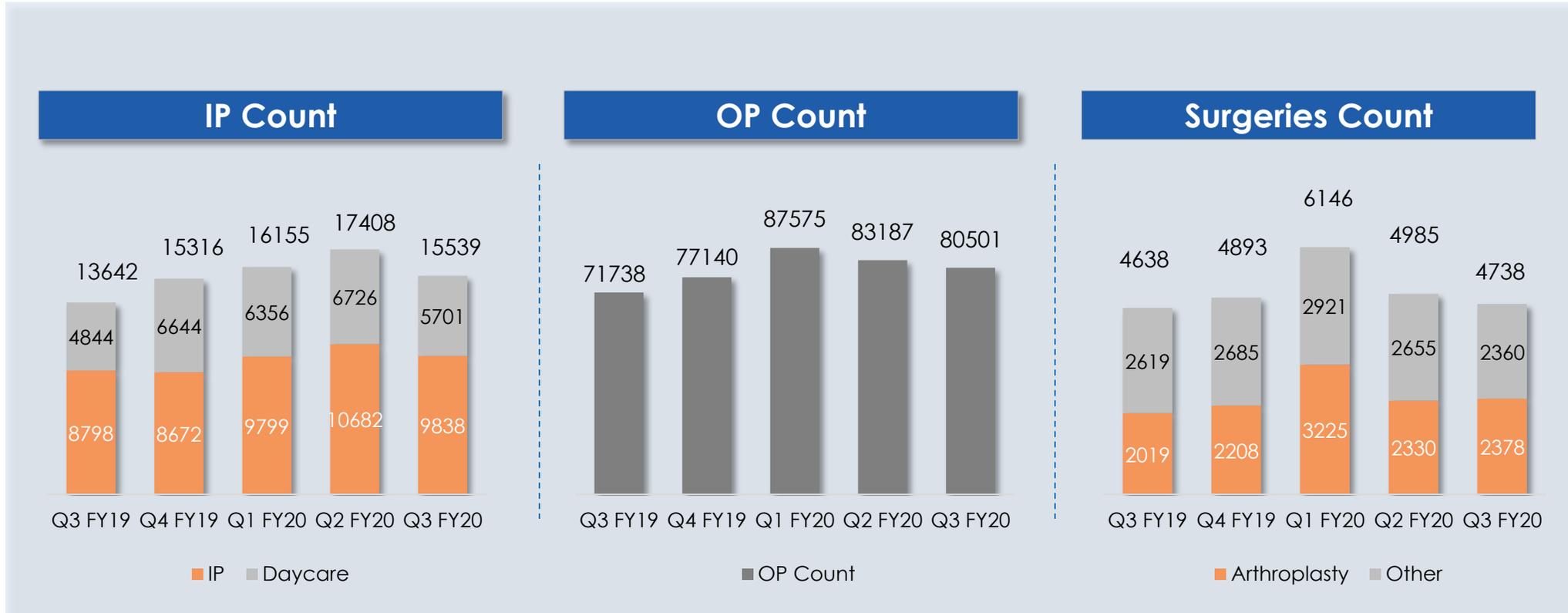
OPERATIONAL PERFORMANCE

PERFORMANCE SYNOPSIS – Q3 FY 20

Particulars	Q2 FY20	Q3 FY19	Q3 FY20	Growth Q3 FY19 Vs Q3 FY20(%)
Total Revenue (INR million)	1278.79	1,151.13	1229.15	6.78%
Total EBITDA (INR million)	301.32	213.34	240.67	12.81%
EBITDA Margin (%)	23.56%	18.53%	19.58%	
Bed Capacity (Nos.)	2012	2012	2012	-
Operational Beds (Nos.)	1200	1102	1200	8.89%
Average Length of Stay (without Daycare)	4.28	4.15	4.26	-
Occupancy (Beds)	473	397	456	14.86%
Occupancy (%) (based on operational beds)	39%	36%	38%	-
In-Patient Count (Nos.)	10682	8796	9838	11.85%
Day-Care Patient Count (Nos.)	6726	4846	5701	17.64%
Out patient Count (Nos.)	83187	71738	80501	12.22%
Surgeries Count	4985	4638	4738	2.16%
ARPOB (In Rs.)	29,399	31,517	29,299	-7.04%

Note: The operational bed count of 1,200 considers 36 operational beds at Zynova-Shalby Hospital, Mumbai, for which no other operational parameters are tracked

IP, OP, SURGERIES – QUARTERLY TREND

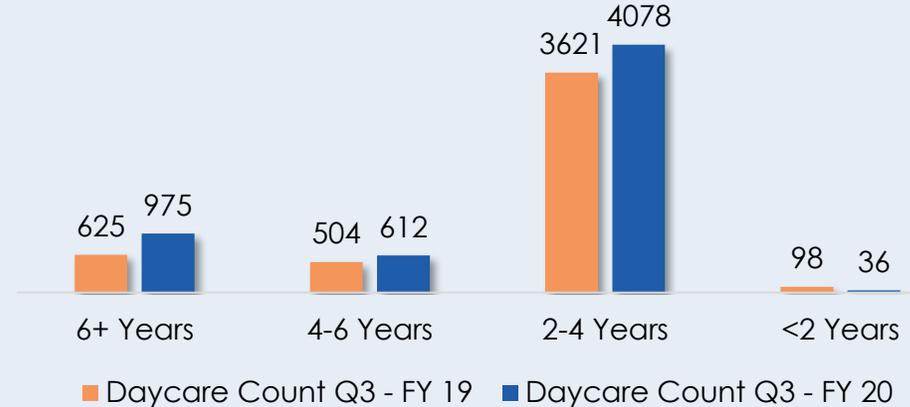


IP, OP, SURGERIES – MATURITY WISE QUARTERLY TREND

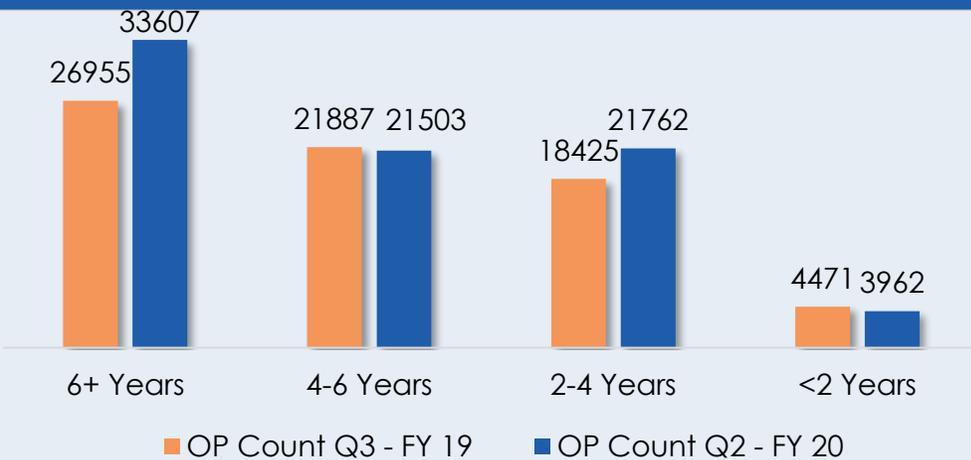
IP Count



Day Care Count



OP Count



Surgery Count

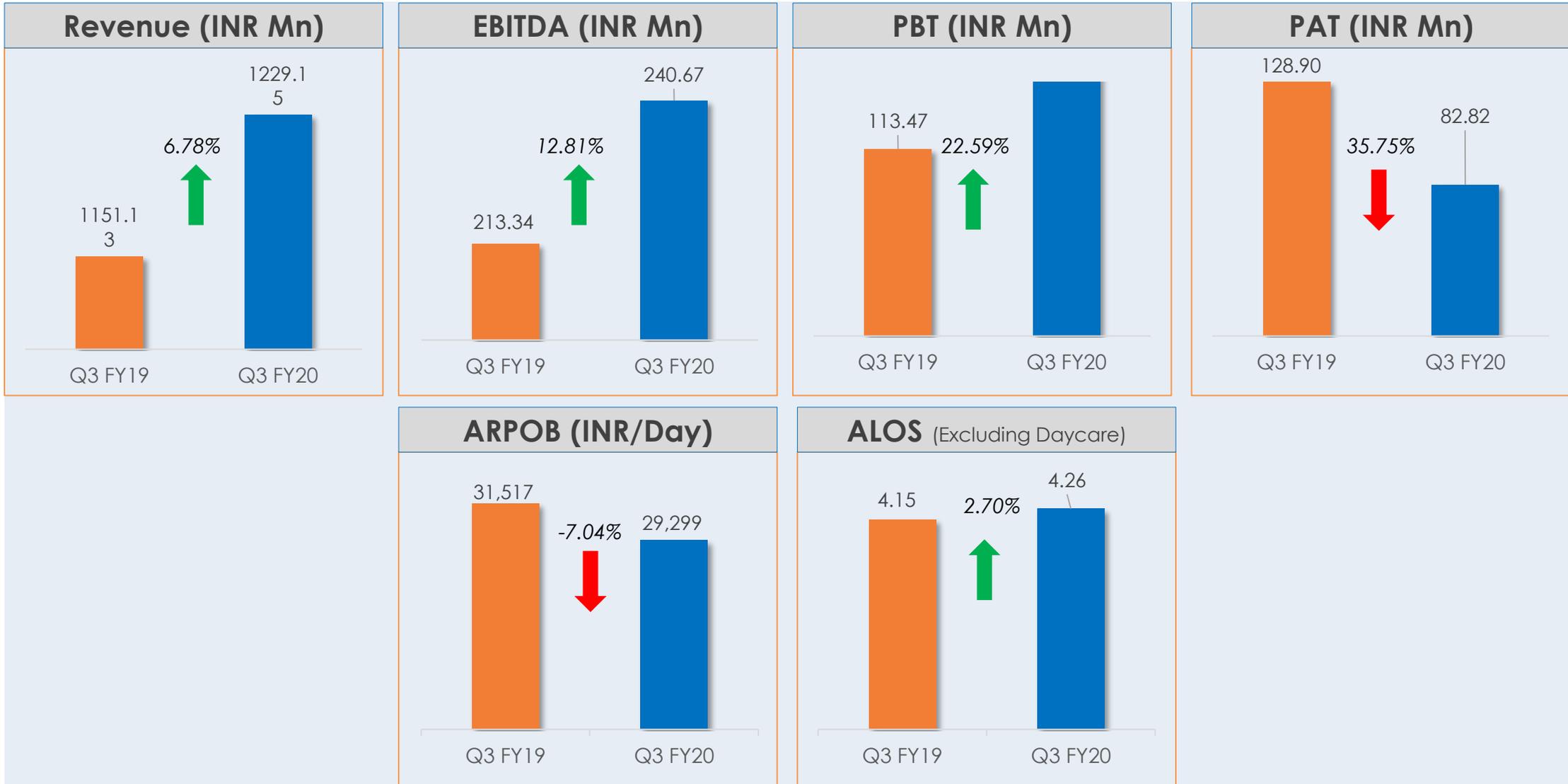


*6 Years : SG, Krishna, Vijay & Vapi | 4-6 Years: Jabalpur, Indore | 2-4 Years: Surat, Naroda, Jaipur | <2 Years: Mohali



FINANCIAL PERFORMANCE

KEY FINANCIAL PARAMETERS - Q3 FY20



FINANCIAL HIGHLIGHTS – Q3 FY 20

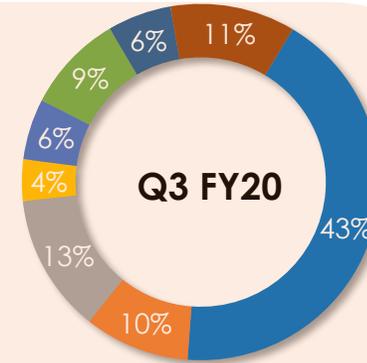
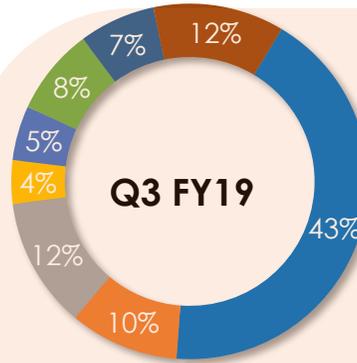
(Values in INR Mn)

Particulars	Q2 FY20	% of Revenue	Q3 FY19	% of Revenue	Q3 FY20	% of Revenue	Growth Q3 FY19 Vs Q3 FY20(%)
Revenue from Operations	1258.33		1,129.67		1207.70		6.91%
Other Income	20.46		21.46		21.45		-0.05%
Total Income	1278.79		1,151.13		1229.15		6.78%
Expenses							
Materials & Consumables	313.23	24.49%	298.48	25.93%	354.19	28.82%	18.67%
Fees to Doctors and Consultants	316.10	24.72%	310.99	27.02%	291.30	23.70%	-6.33%
Other Operative Expenses	43.88	3.43%	35.35	3.07%	36.84	3.00%	4.21%
Employee Costs	209.68	16.40%	215.81	18.75%	207.28	16.86%	-3.95%
Administrative Expenses	78.38	6.13%	58.69	5.10%	78.95	6.42%	34.50%
Advt. & Promotion	16.19	1.27%	18.47	1.60%	19.92	1.62%	7.85%
Total Operational Expenses	977.47	76.44%	937.79	81.47%	988.48	80.42%	5.41%
EBITDA	301.32	23.56%	213.34	18.53%	240.66	19.58%	12.81%
Finance Cost	10.46		14.64		13.04		
Depreciation & Amortization Expense	91.56		85.23		88.53		
Profit before tax (PBT)	199.30		113.47		139.10		22.59%
Tax Expense	70.33		-15.43		56.28		
Profit after tax (PAT)	128.97	10.09%	128.90	11.20%	82.82	6.74%	-35.75%

REVENUE MIX - Q3 FY19 Vs Q3 FY20

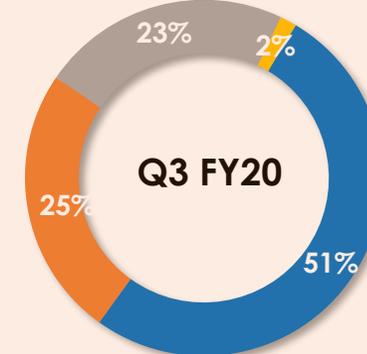
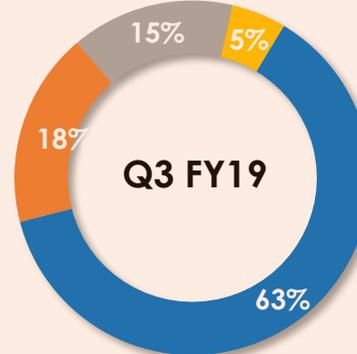
SPECIALITY MIX (Revenue)

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



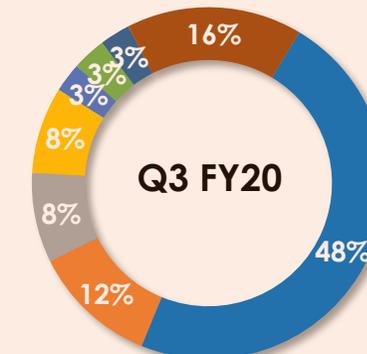
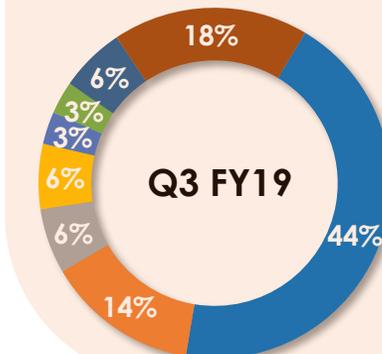
PAYER MIX (Revenue)

- Self Pay
- Corporate Government
- TPA
- Corporate Private



SURGERY MIX (Nos)

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



Note: Figures might not add up to 100% due to rounding off.

MATURITY PROFILE - Q3 FY19

Buckets	Units
6+ Years	Sg , Krishna , Vapi , Vijay
4-6 Years	Jabalpur, Indore
2-4 Years	Jaipur , Surat , Naroda
<2 Years	Mohali

> OPERATIONAL PARAMETERS

#	Parameters	6 Years+	4-6 Years	2-4 Years	<2 Years	Total
1	Total Bed Capacity	594	476	747	145	1962
2	Operational Beds	382	361	275	34	1052
3	Avg. Occupied Beds	149	121	112	15	397
4	Occupancy (%)	39%	34%	41%	44%	36%

> FINANCIAL PARAMETERS

#	Parameters	6 Years+	4-6 Years	2-4 Years	<2 Years	Total
1	Revenue Share	50%	22%	25%	3%	100%
1A	Arthroplasty	30%	4%	8%	1%	43%
1B	Non-Arthroplasty	20%	18%	17%	2%	57%
2	EBITDA %	31.43%	9.36%	11.15%	1.58%	18.53%
3	ARPOB (RS.)	40,757	22,775	28,475	32,969	31517
4	ALOS (DAYS)	4.49	4.03	3.79	5.25	4.15

MATURITY PROFILE – Q3 FY20

Buckets	Units
6+ Years	Sg , Krishna , Vapi , Vijay
4-6 Years	Jabalpur, Indore
2-4 Years	Jaipur , Surat , Naroda
<2 Years	Mohali

➤ OPERATIONAL PARAMETERS

#	Parameters	6 Years+	4-6 Years	2-4 Years	<2 Years	Total
1	Total Bed Capacity	613	488	766	145	2012
2	Operational Beds	437	330	324	73	1200*
3	Avg. Occupied Beds	158	139	142	17	456
4	Occupancy (%)	36%	42%	44%	23%	38%

➤ FINANCIAL PARAMETERS

#	Parameters	6 Years+	4-6 Years	2-4 Years	<2 Years	Total
1	Revenue Share	46%	23%	27%	4%	100%
1A	Arthroplasty	29%	4%	9%	1%	43%
1B	Non-Arthroplasty	18%	19%	18%	2%	57%
2	EBITDA %	31.87%	15.38%	16.09%	-12.14%	19.58%
3	ARPOB (RS.)	39,193	21,403	25,761	31,455	29,299
4	ALOS (DAYS)	4.66	4.51	4.05	4.41	4.26

*In 1200, Zynova's 36 operational beds have also been included



OTHER KEY UPDATES



Amarnath Gupta, Chattisgarh

Surgery: Septic Arthritis of the left hip joint

Patient was suffering from Septic Arthritis of left hip joint. He underwent many unsuccessful treatments including incision & drainage. Patient was then treated under Dr. Vikram Shah at Krishna Shalby. Since then, not only significant improvement has been seen but also he has been able to keep well & happy.



Hari Kumar Sharma, Ahmedabad

Surgery: Knee Replacement

Following his wife's successful bilateral knee replacement, the patient (aged 93) & his family were surprised to witness the quite short & effective journey – right from surgery to the recovery. Exceeding the expectations, as always.



Mansukh Patar, Gondal

Surgery: Kidney Transplant

Patient was in a dire need of a solution to his kidney problems. Following multiple dialysis, he was advised to go to Shalby, given its reputation in this domain. Dr. Kamal Goplani successfully transplanted the kidney. Indeed, the patient is feeling better to get back to be healthy again.



Sayali Yaul, Maharashtra

Surgery: Rheumatoid Arthritis

6 years ago, the patient had started having pain in certain body parts including joints. After consulting many doctors & undergoing Ayurvedic & Homeopathic treatments, she finally met Dr. Vikram Shah & got her bilateral knee as well as hip replacements done successfully.



Ganpat University & Shalby Academy

MOU signed date – 22nd NOV, 2019

Shalby Signed off its academic partnership with Ganpat University in the presence of Padmasree Ganpatbhai Patel (President and Patron of Ganpat University), Dr. Vikram Shah (CMD Shalby Ltd) and Dr. Mahendra Sharma (Vice Chancellor) & Mr. Shanay Shah (Director)



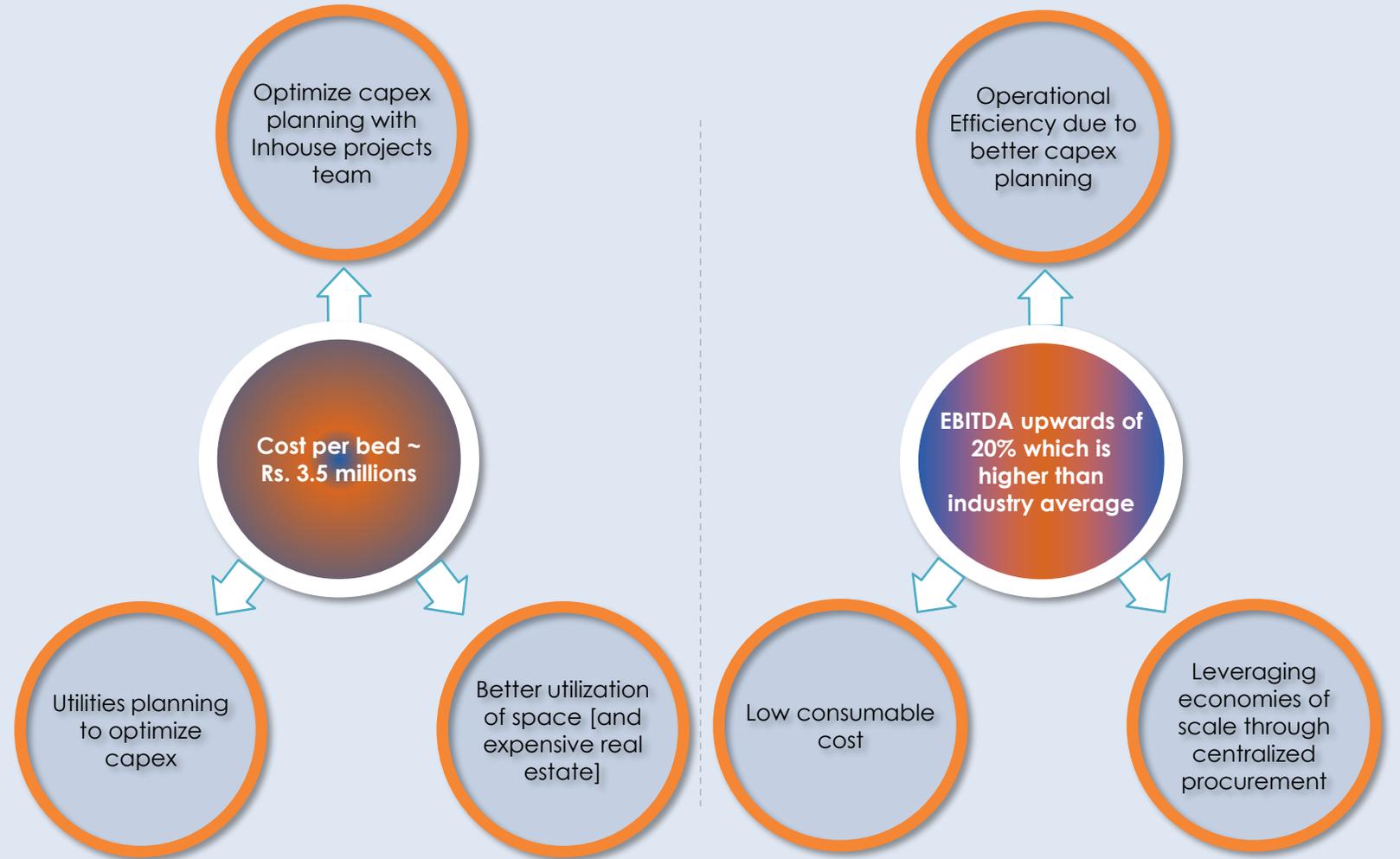
UPES, Dehradun & Shalby Academy

MOU signed date – 13th DEC, 2019

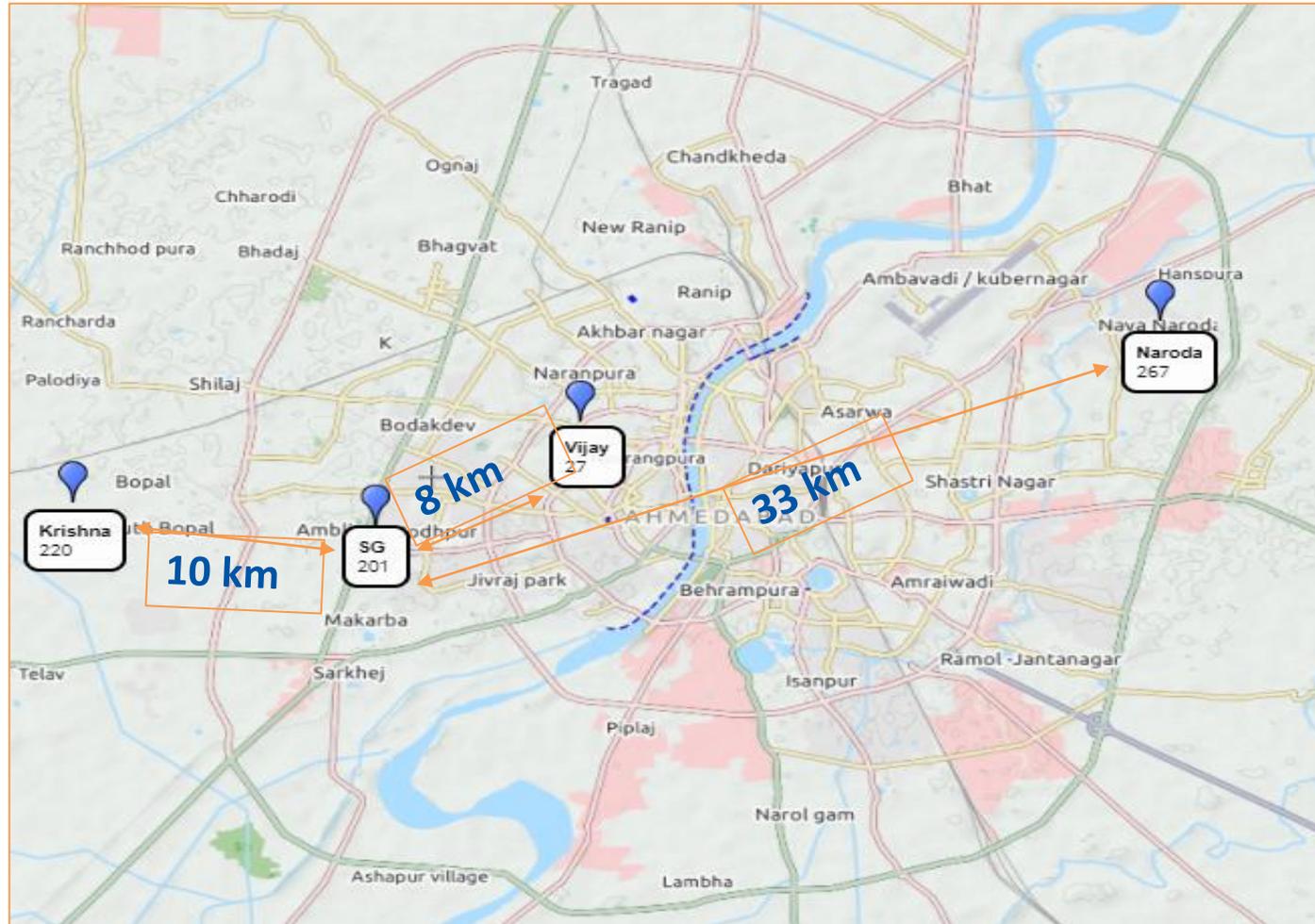
Another milestone for the team. Shalby Academy signed an MOU with University of Petroleum and Energy Studies (UPES) Dehradun to run Post Graduate Program in Healthcare Management.

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

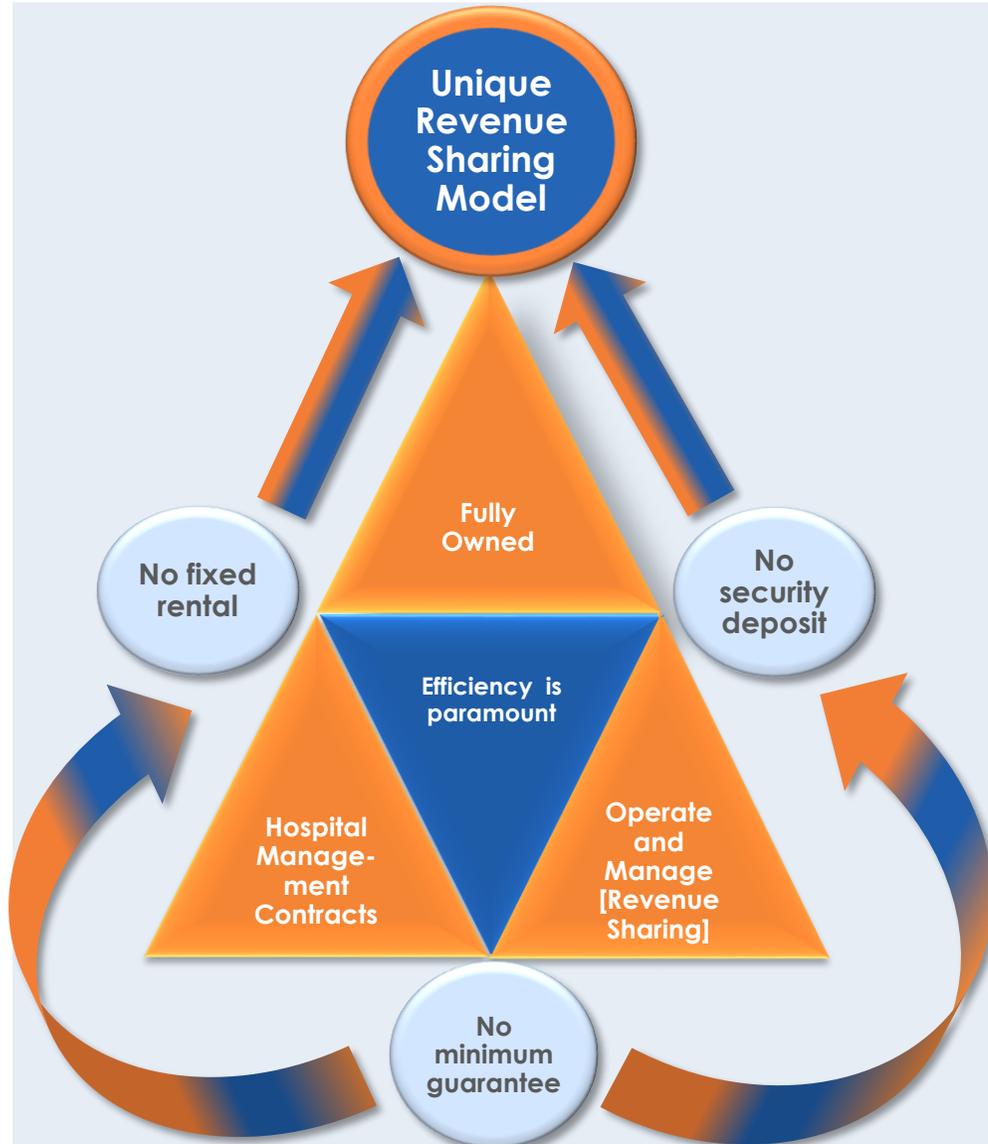


Facilities 10-15 kms away

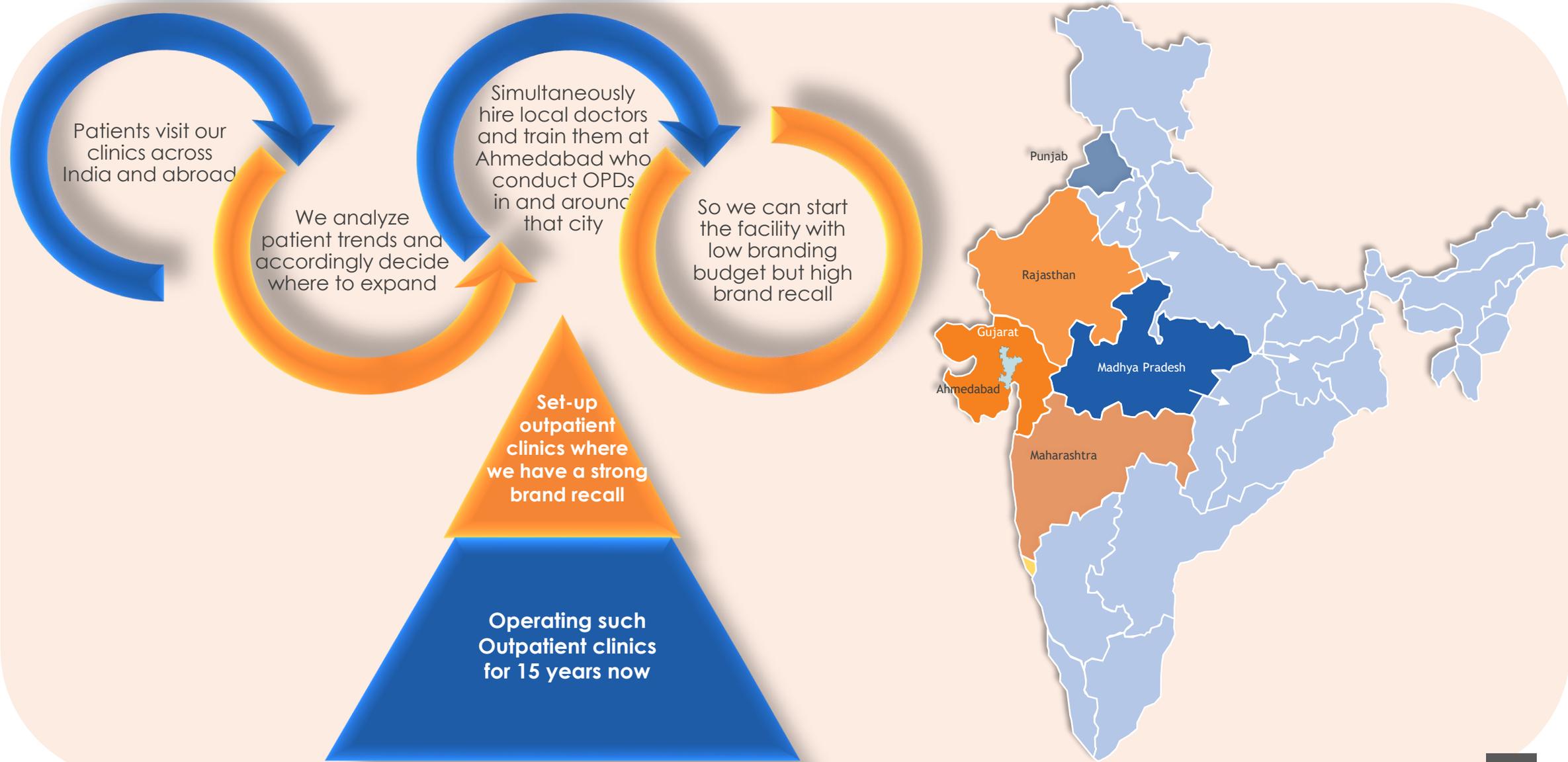
Local and Natural Footfalls from 4-5 kms radius helps to fill up ~50% beds

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

OUR BUSINESS MODEL & GROWTH DRIVERS



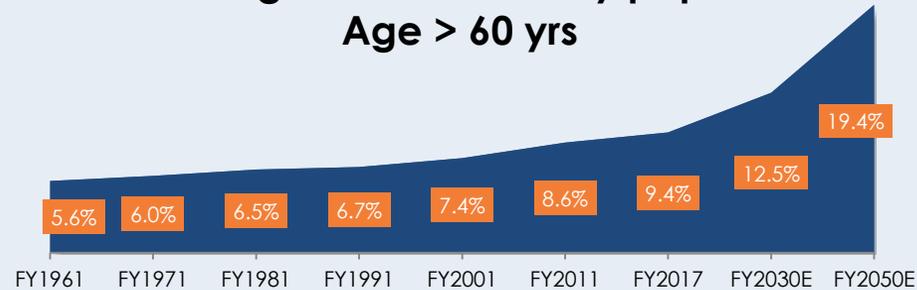
ROLE OF OPD FOR EXPANSION



SILVER LININGS IN THE HEALTHCARE SEGMENT

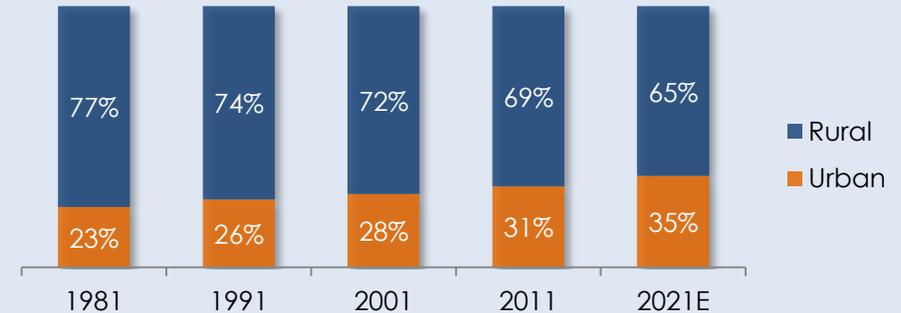
Global as well as Indian cues such as ever increasing % share of elderly population, favorable shift towards urbanization & rising OOP healthcare spends – foster positive developments in the Indian Hospital space.

Percentage share of elderly population Age > 60 yrs



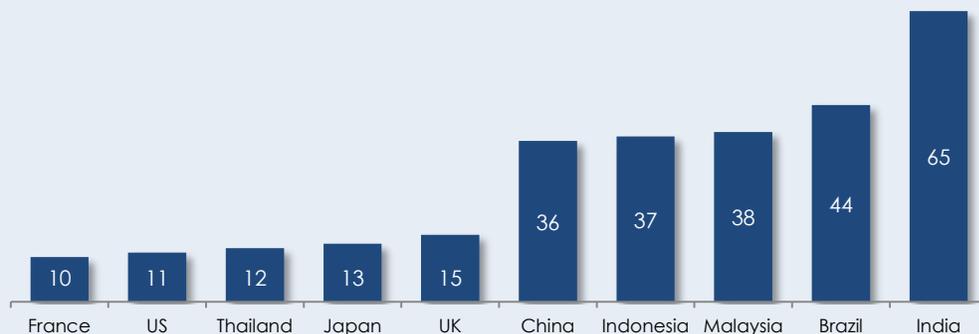
Source: Citi research, 2011 Census of India, *United Nations' Forecast

India : Rising Urbanization



Source: UN World Urbanization Prospects

Healthcare spend Out of the Pocket (OOP) component %



Source: Citi Research, CRISIL

- Elderly population (60+ years) in India is expected to grow by 64% between 2015 and 2030 and the share of population over the age of 60 years is projected to increase from 9.4% in 2017 to 12.5% in 2030 and 20% in 2050 – more scope for already expanding healthcare services.

- Private healthcare players are well placed to benefit from rising urbanization and affluence levels.

- Higher out of the pocket spending, poor affordability and limited infrastructure are some of the key reasons behind a low healthcare spending in India.

EMERGING MARKET TRENDS

The Cardiac Growth Story In India

Wide procedure penetration – to Tier 2 and 3 cities

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

1984
~500
surgeries

1994
~5000
surgeries

2004
~ 50,000
surgeries

2014
~ 2,00,000
surgeries and
8,00,000
Angioplasties

Knee Replacement - The Big Opportunity

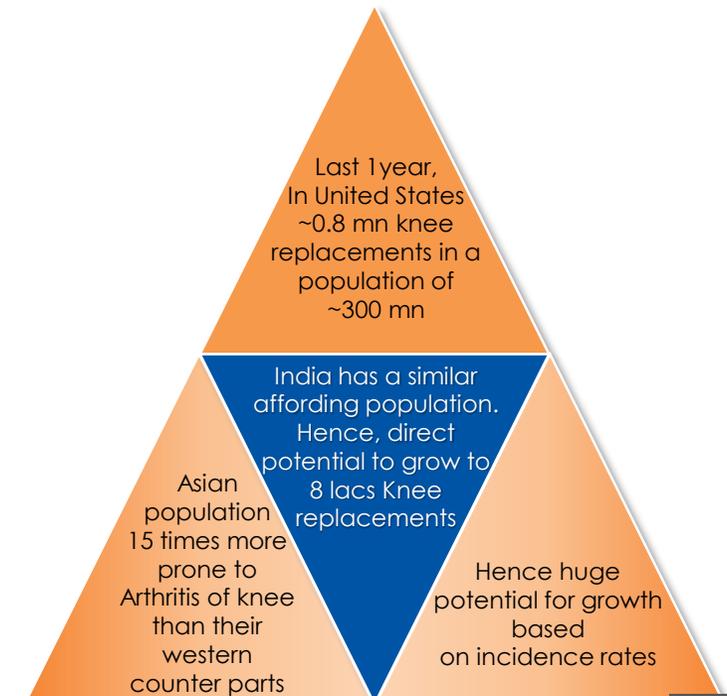
1994
~300
surgeries

2000
~6,000
surgeries

2010
~54,000
surgeries

2017
~1,75,000
surgeries

Surgery Count CAGR @32% in 23 years



CONDUCTIVE GOVERNMENT POLICIES DESPITE CHALLENGES

Swastha Bharat, Smriddha Bharat. Demographic dividend realization impossible without proper healthcare

Rashtriya Samaj Beema Yojana: 100 million 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. GOI has proposed budget of Rs. 69,000 Cr. in fiscal year 20-21 for Healthcare sector .

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 LIMITED | Regd Off: Opp. Karnavati Club, S.G. Road, Ahmedabad – 380015, Gujarat, India. Phone: 079 4020 3000 Fax: +91 79 4020 3120 |

Website: www.shalby.org | CIN: L85110GJ2004PLC044667

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