SHALBY
MULTI-SPECIALTY
HOSPITALS

Financial Results Review

Q4 and Year Ended 31.03.2018

...because passion drives perfection...

...and perfection drives performance

“

Snapshot

11 Hospitals

2,012 Total Installed Bed Capacity

1,150 Operational beds

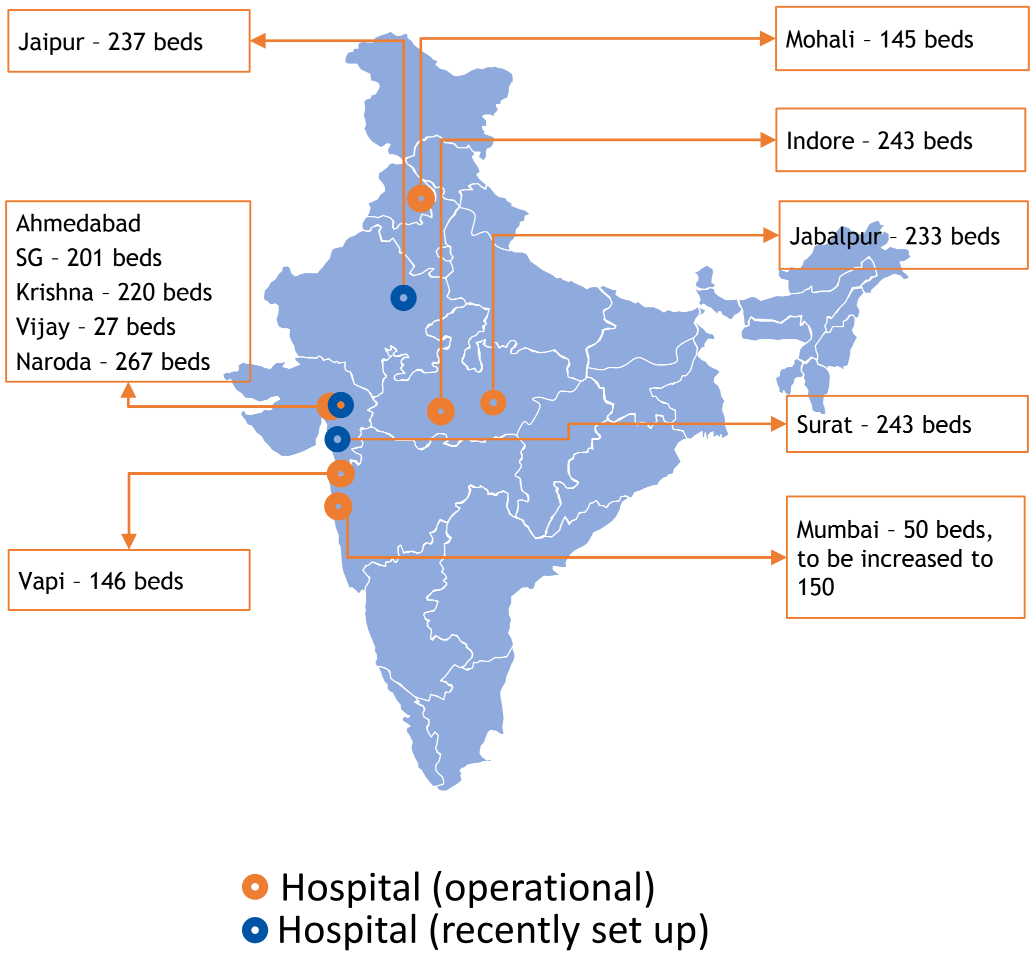
48 Outpatient clinics

400+ Doctors & **2,400+** Support Staff

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

Consistently superior ROCE of mature hospitals

Reach & Presence



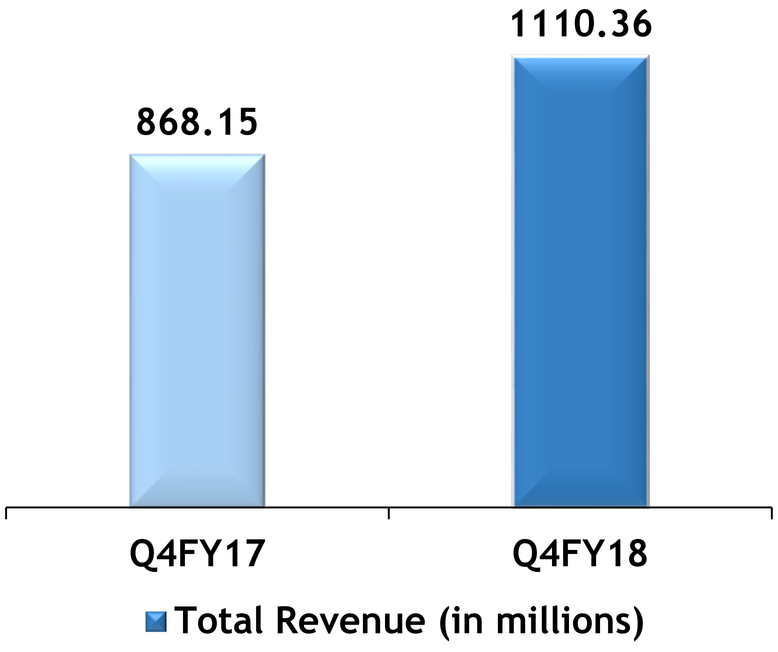
Key Developments of the Year

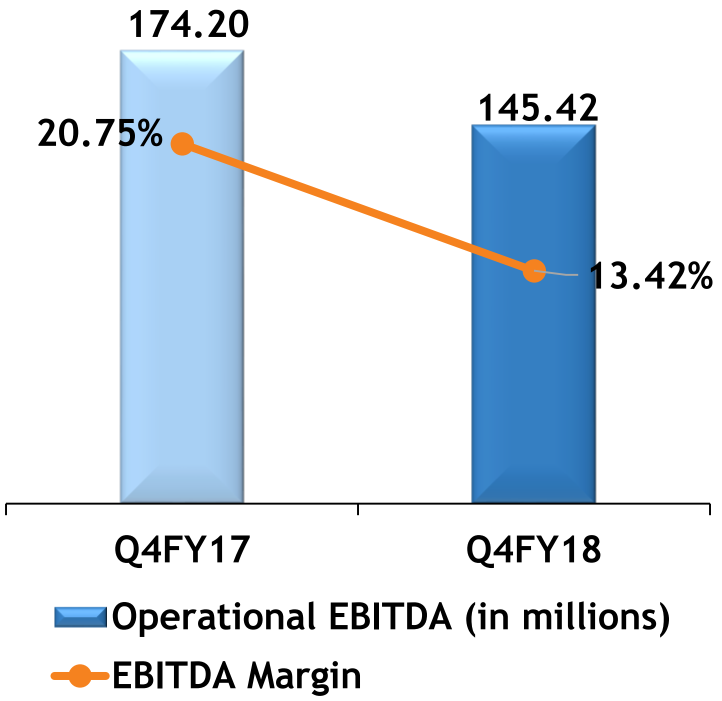
Historically highest revenue during the quarter & year

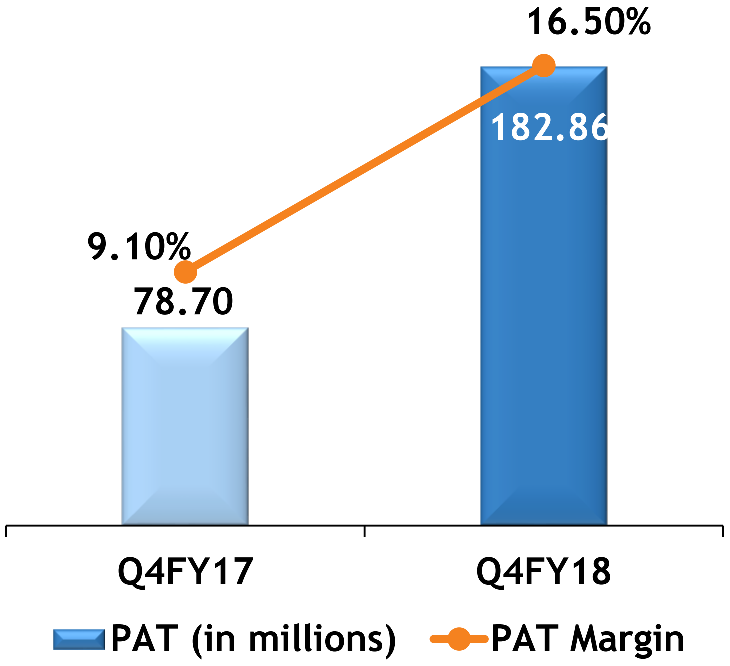
Successful conclusion of the IPO of INR 5,048 million and listing on the stock exchanges

Jaipur, Surat and Naroda units operationalized in FY18

Financial Highlights Q4FY18







- Total Revenue grew by 27.9%

- Drop in EBITDA and margin by 16.4% and 7.3% respectively inter alia due to higher advertisement spend for commissioning of new units ,launch expenses for the same

- PAT grew by 132.4%
- PAT margin expanded by 7.4% due to higher revenue and operating leverage and normalization of taxes

Operational Performance Synopsis

(INR in million)

Particulars	Quarter Ended 31-03-18	% of Revenue	Quarter Ended 31-03-17	% of Revenue	Growth
Total Revenue	**1110.36**		868.15		**27.90%**
Total EBITDA	**172.09**	**15.50%**	202.69	23.35%	**-15.1%**
Bed Capacity (Nos.)	**2,012**		1,265		**59.05%**
Operational Beds (Nos.)	**1,150**		781		**47.25%**
Average Length of Stay	**3.6 days**		3.9 days		**N.A.**
Occupancy (Beds)	**396**		253		**56.52%**
In-Patient Count (Nos.)	**9,998**		5,818		**71.85%**
Out patient Count (Nos.)	**64,189**		42,060		**52.61%**
ARPOB (In Rs.)	**30,625**		36,941		**-17.10%**

Note: The operational bed count of 1,150 considers 50 operational beds at Zynova-Shalby Hospital, Mumbai, for which no other operational parameters are tracked

Financial Highlights Q4FY18

(INR in million)

Particular	Quarter Ended 31-03-18	% of Revenue	Quarter Ended 31-03-17	% of Revenue	Growth	Variation
Revenue from Operations	**1,083.69**		**839.48**		**29.09%**	
Expenses						
Materials & Consumables	264.44	24.40%	188.67	22.47%	40.16%	1.93%
Fees to Doctors and Consultants	300.13	27.70%	222.48	26.50%	34.90%	1.19%
Other Operative Expenses	111.81	10.32%	80.03	9.53%	39.71%	0.78%
Employee Costs	139.06	12.83%	99.5	11.85%	39.76%	0.98%
Administrative Expenses	122.83	11.33%	74.61	8.89%	64.63%	2.45%
Total Operational Expenses	**938.27**	86.58%	**665.28**	79.25%	41.03%	7.33%
Operational EBITDA	**145.42**	**13.42%**	**174.20**	**20.75%**	**-16.52%**	**-7.33%**
Other Income	26.67		28.67		-6.98%	
Total EBITDA	172.09		202.87		-15.17%	
Finance Cost	-3.13		26.47		-111.82%	
Depreciation & Amortization Expense	64.13		45.00		42.51%	
Profit before tax (PBT)	**111.09**		**131.22**		-15.34%	
Tax Expense	-71.77		52.52		-236.65%	
Profit after tax (PAT)	**182.86**		**78.7**		**132.35%**	

Financial Highlights Q4FY18

- **Factors contributing to increase in profitability**

a. Growth in Revenue of 29.1% over Q4FY17 inter alia contributed by price increase, occupancy growth of 56.5%, In-patient and Out-Patient growth of 71.8% and 52.6% respectively

b. Normalization and restatement of deferred tax expense on first time implementation of Ind AS

- **Factors responsible for dampening profitability growth**

a. Reduction in ARPOB by 17.10% due to change to the specialty mix and geographical expansion, which has enabled de-risking

b. Increase in 'Fees to Doctors and Consultants' by 1.2% of Revenue

c. Increase in costs of 'Materials & Consumables' by 1.9% of Revenue on account of price cap on stents and knee implants pursuant to NPPA orders during the year

d. Initial temporary operating losses of recently commissioned units

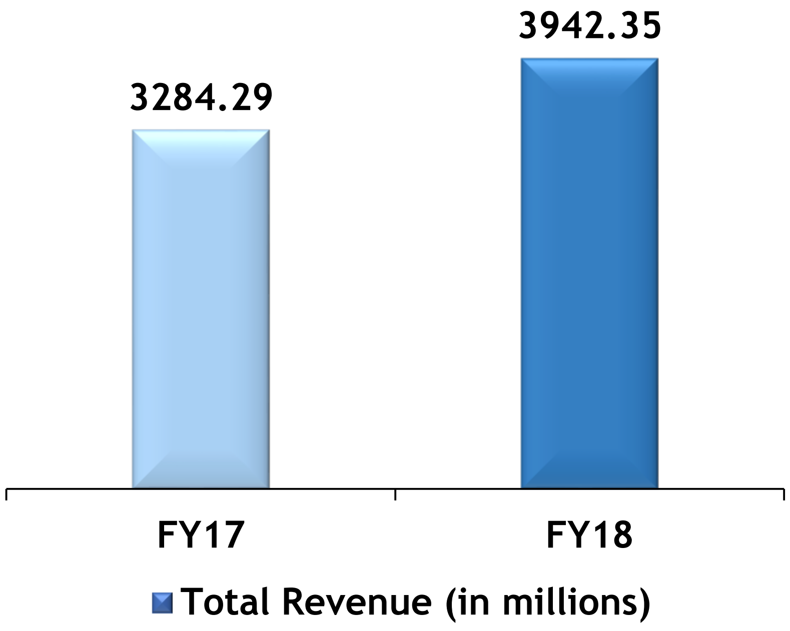
e. Increase in 'Employees Cost' of 1.0% of Revenue due to recruitment for new units

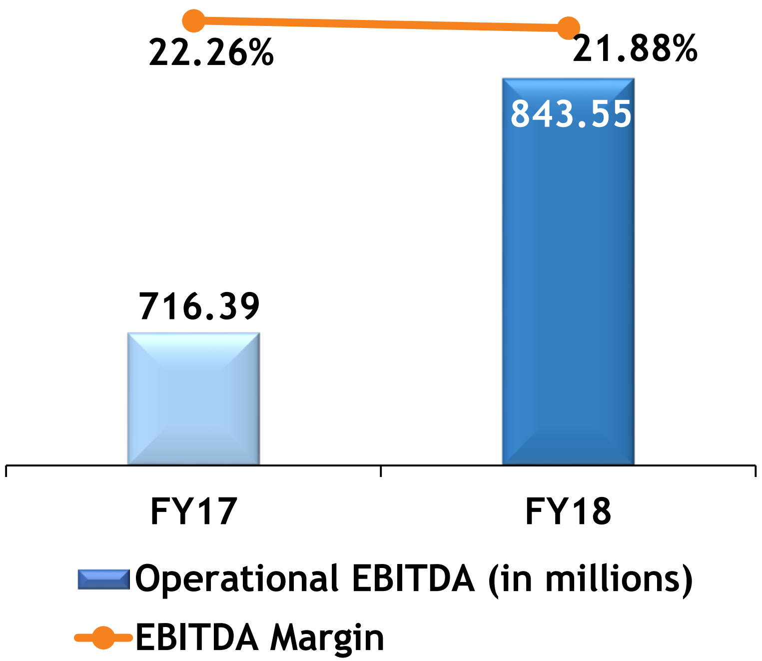
f. Increase in 'Administrative Costs' of 2.45% of Revenue due to higher ad spend for new units

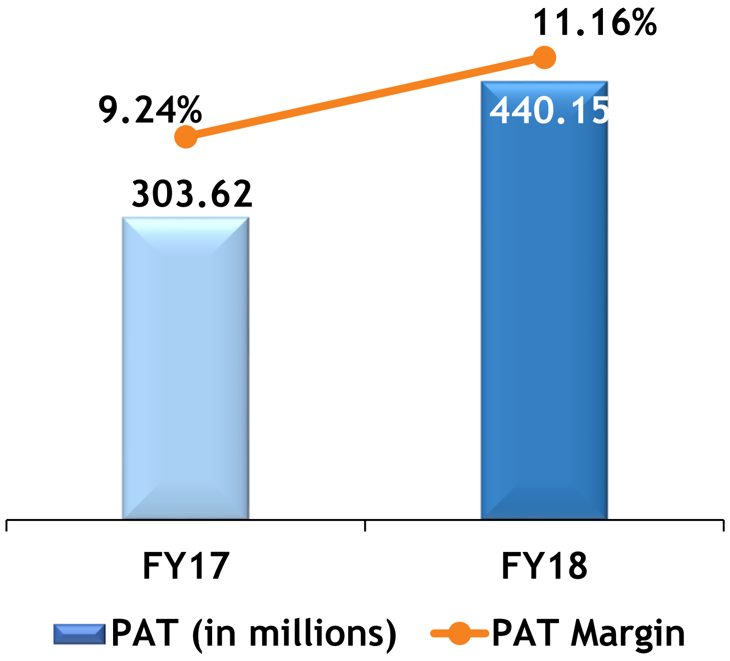
g. Increase in 'Other Operative Expenses' by 0.8% of Revenue

h. Foreign exchange loss of Rs 16.8 million on buyers' credit against import of medical equipment

Financial Highlights FY18







Operational Performance Synopsis

(INR in million)

Particulars	YTD Mar'18	% of Revenue	YTD Mar'17	% of Revenue	Growth
Total Revenue	3,942.35		3,284.29		20.04%
Total EBITDA	930.67	23.61%	782.43	23.82%	18.95%
Bed Capacity (Nos.)	2,012		1,265		59.05%
Operational Beds (Nos.)	1150		781		47.25%
Average Length of Stay	3.7 days		4.0 days		N.A.
Occupancy (Beds)	335		271		23.62%
In-Patient Count (Nos.)	32,967		24,704		33.45%
Out patient Count (Nos.)	222,970		166,519		33.90%
ARPOB (In Rs.)	31,564		32,671		-3.39%

Note: The operational bed count of 1,150 considers 50 operational beds at Zynova-Shalby Hospital, Mumbai, for which no other operational parameters are tracked

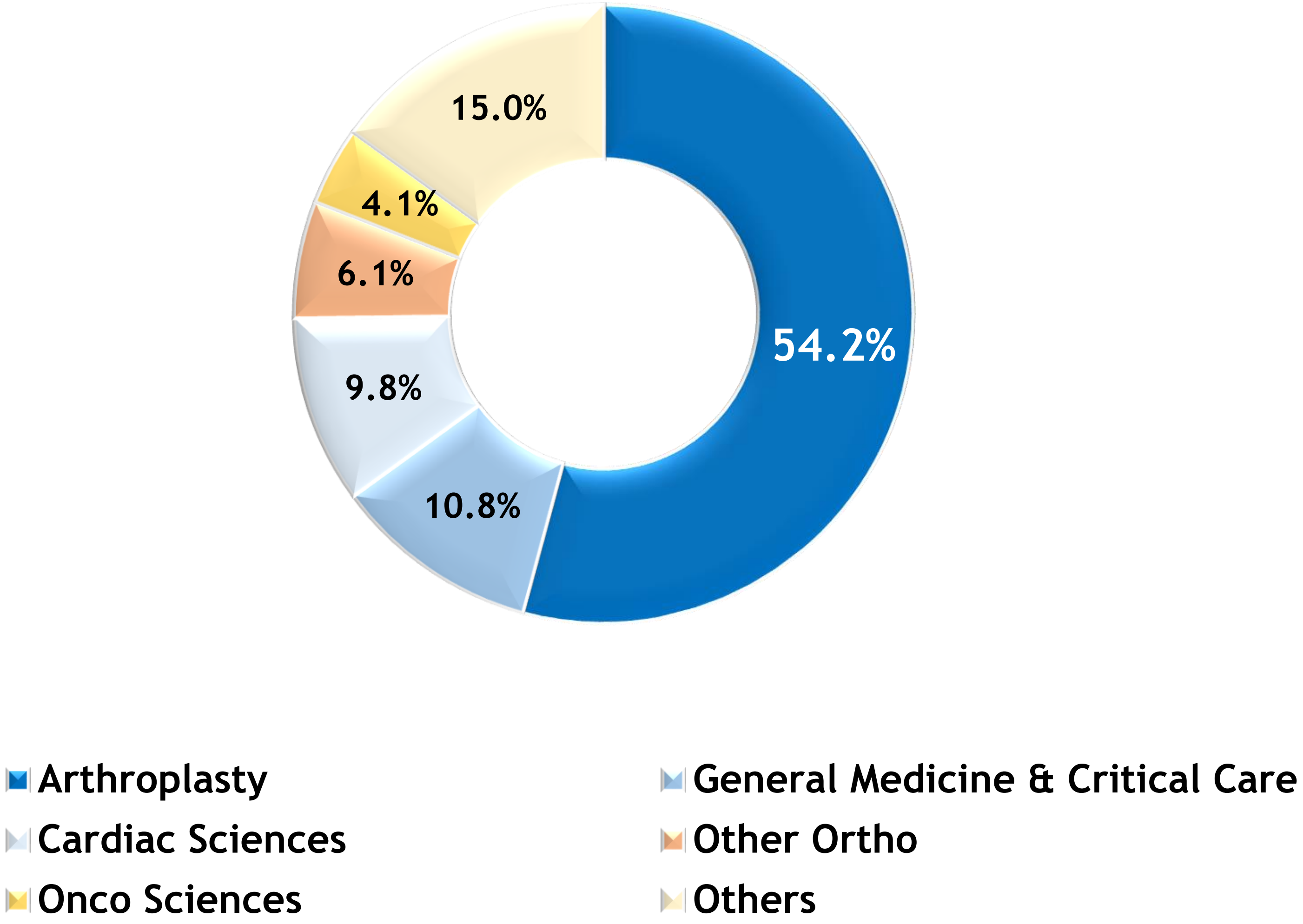
Financial Highlights FY18

(INR in million)

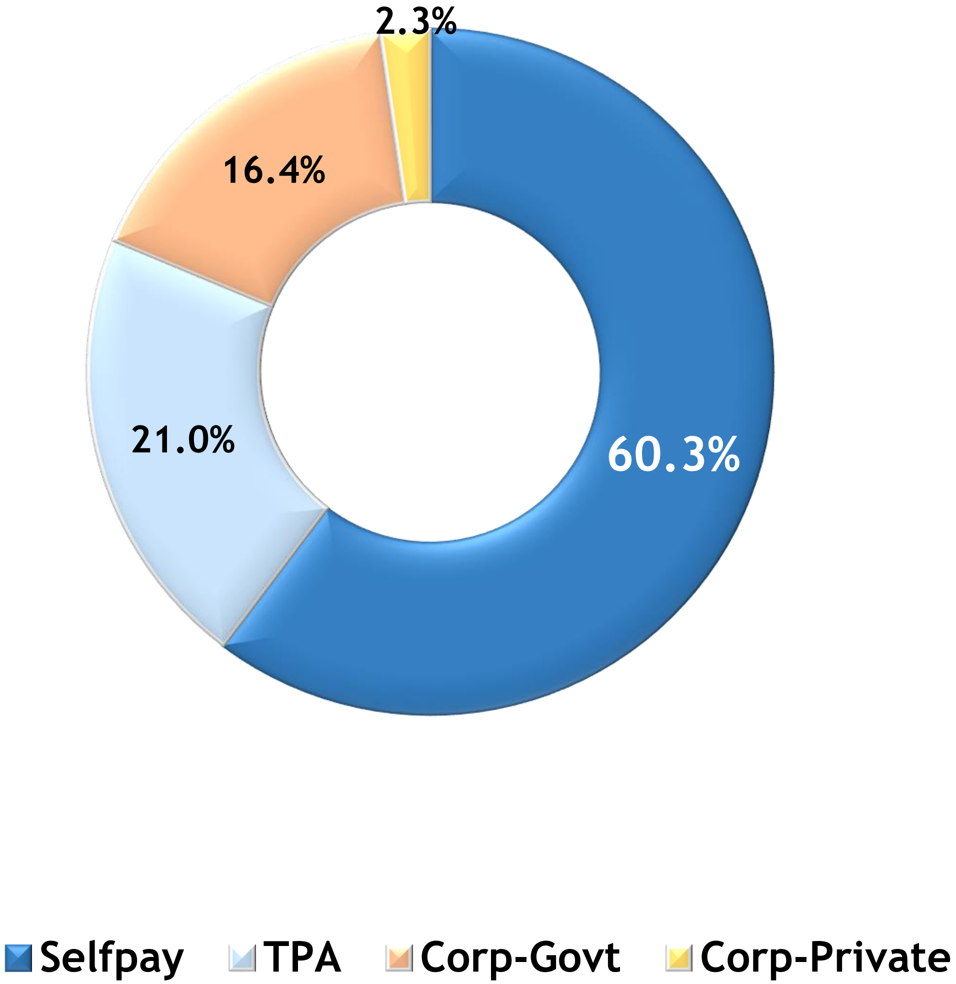
Particular	YTD Mar'18	% of Revenue	YTD Mar'17	% of Revenue	Growth	Variation
Revenue from Operations	**3,855.23**		**3,218.26**		19.79%	
Expenses						
Materials & Consumables	947.71	24.58%	784.87	24.39%	20.75%	0.19%
Fees to Doctors and Consultants	898.06	23.29%	774.76	24.07%	15.91%	-0.78%
Other Operative Expenses	398.38	10.33%	315.56	9.81%	26.25%	0.53%
Employee Costs	447.96	11.62%	376.89	11.71%	18.86%	-0.09%
Administrative Expenses	319.57	8.29%	249.79	7.76%	27.94%	0.53%
Total Operational Expenses	**3,011.68**	**78.12%**	**2,501.87**	**77.74%**	20.38%	0.38%
Operational EBITDA	**843.55**	**21.88%**	**716.39**	**22.26%**	17.75%	**-0.38%**
Other Income	87.12		66.04		31.93%	
Total EBITDA	930.67		782.43		18.95%	
Finance Cost	121.34		102.15		18.78%	
Depreciation & Amortization Expense	224.32		160.08		40.13%	
Profit before tax (PBT)	585.01		520.20		12.46%	
Tax Expense	144.86		216.58		-33.11%	
Profit after tax (PAT)	**440.15**		**303.62**		44.97%	

Revenue Composition FY18

Specialty Mix

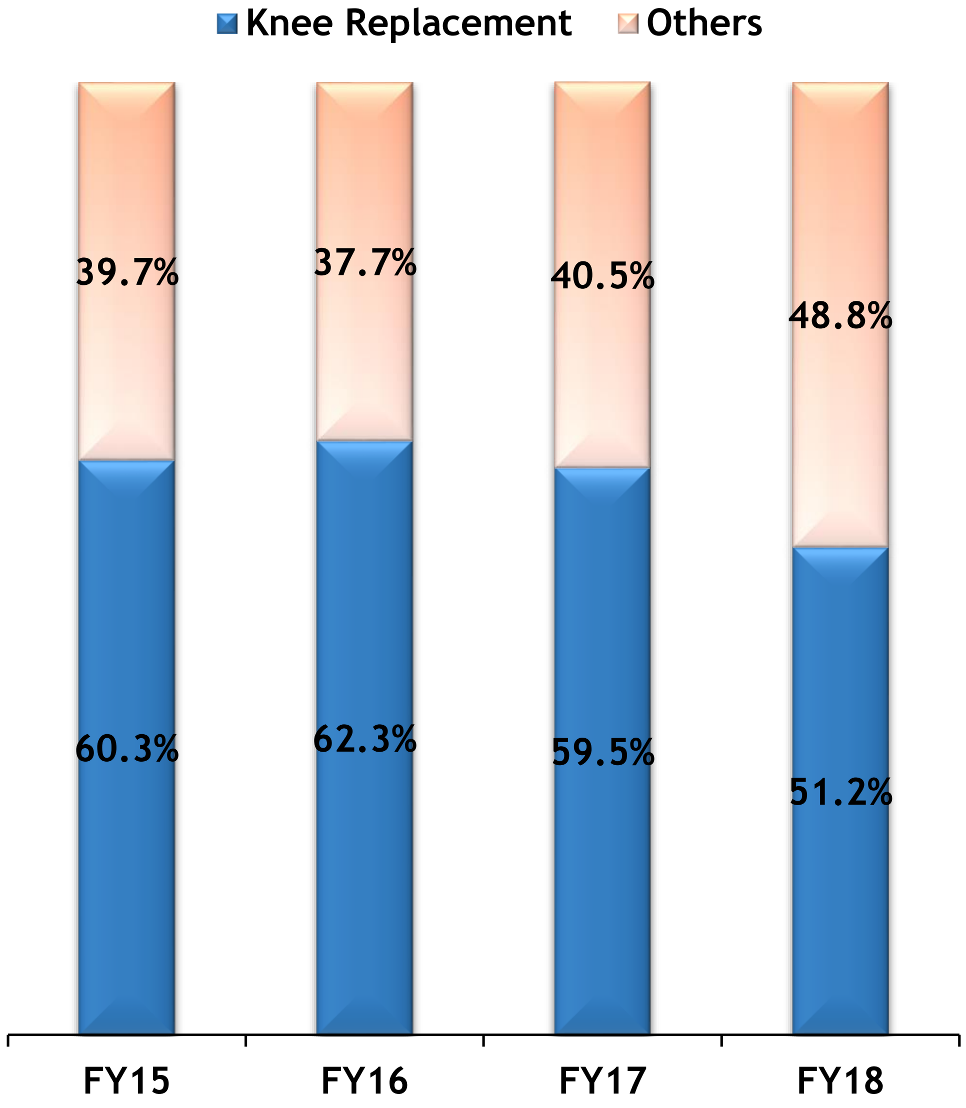


Payee Profile

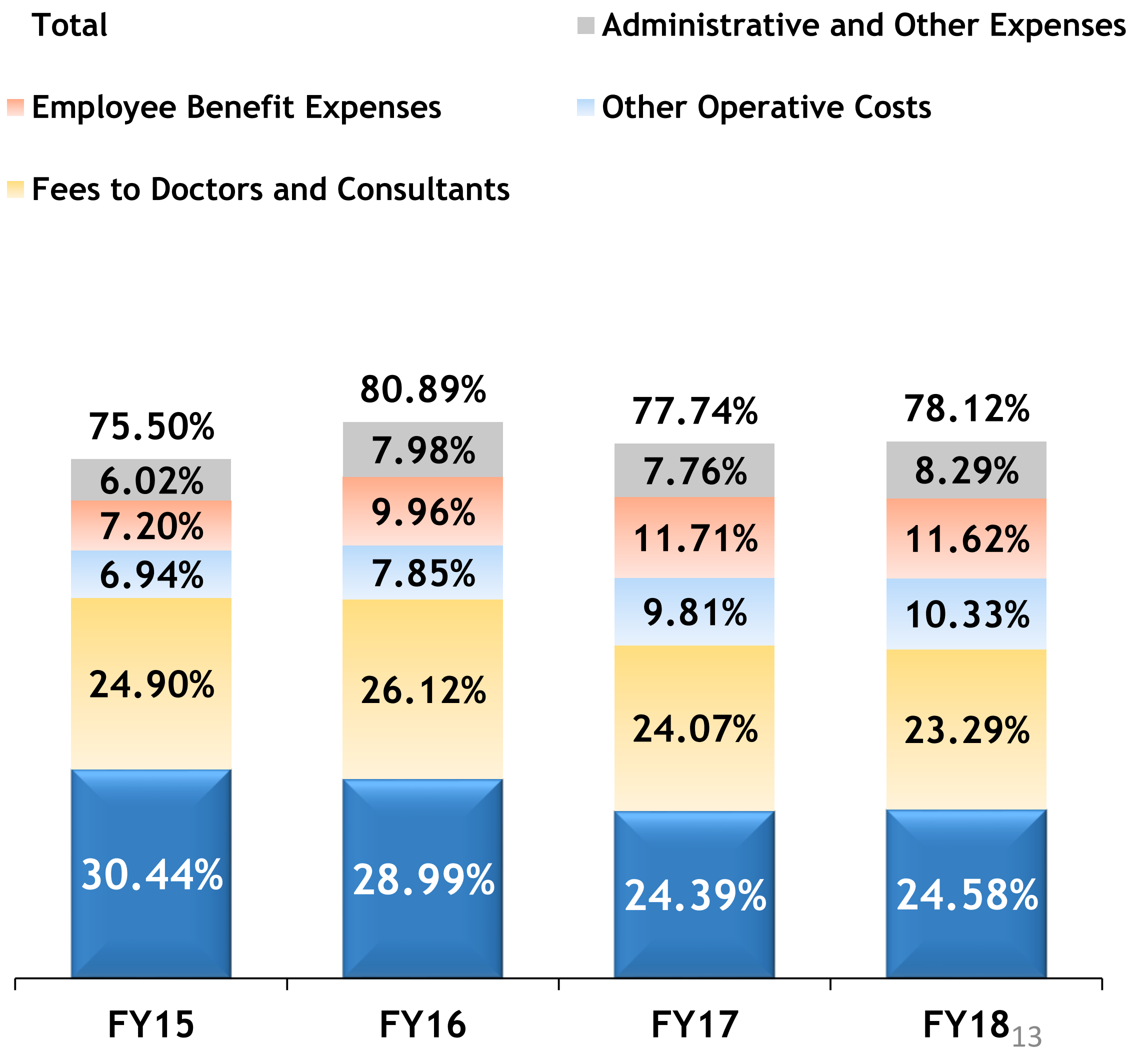


Revenue Composition & Cost Structure

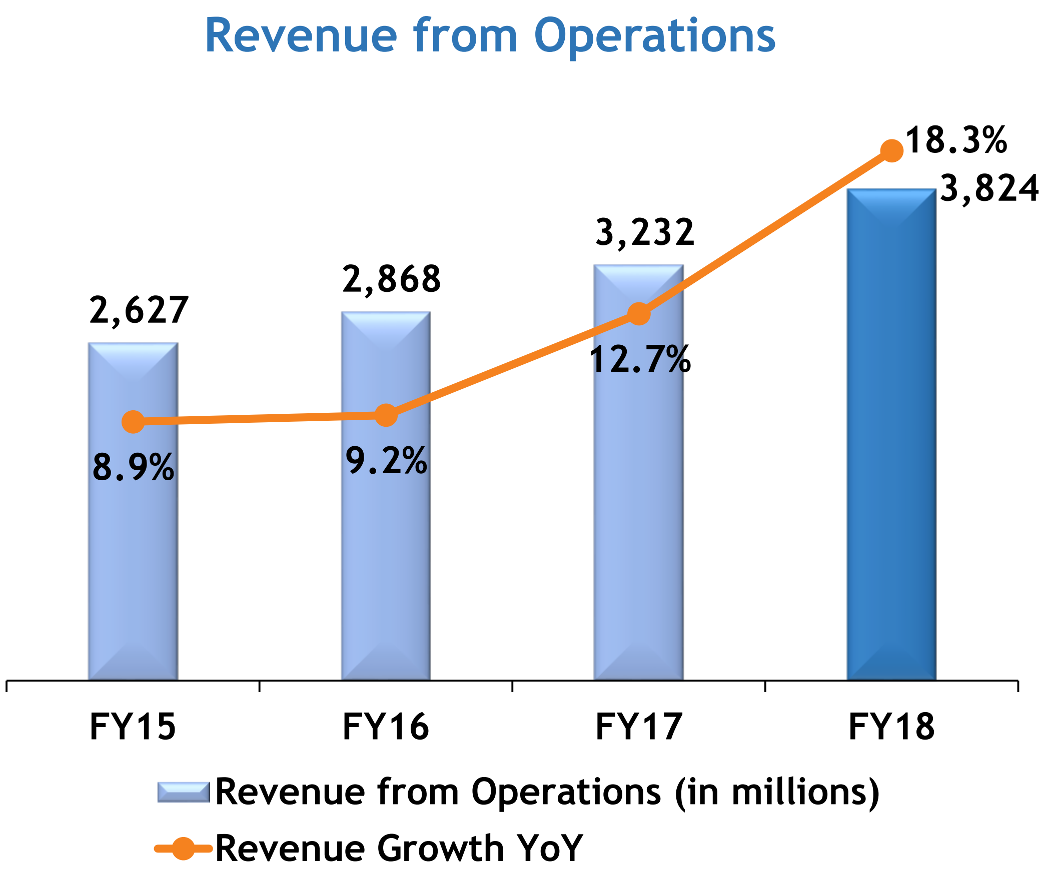
Revenue Mix



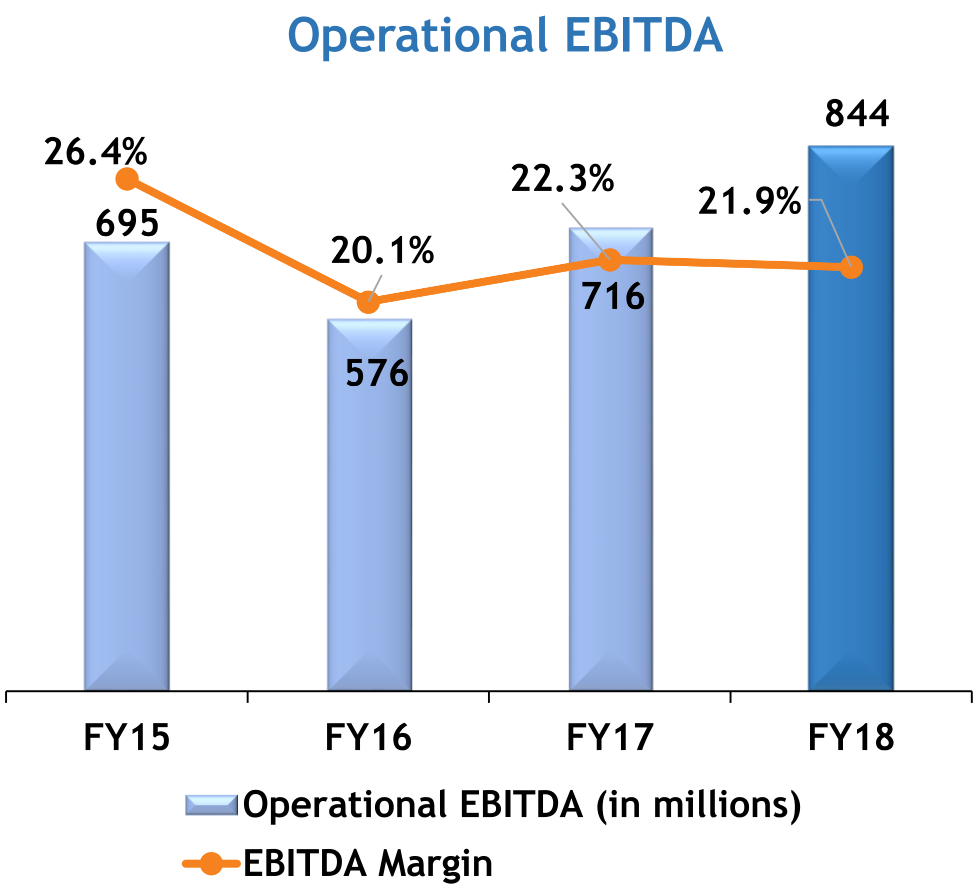
Cost Structure



4 Year Trend



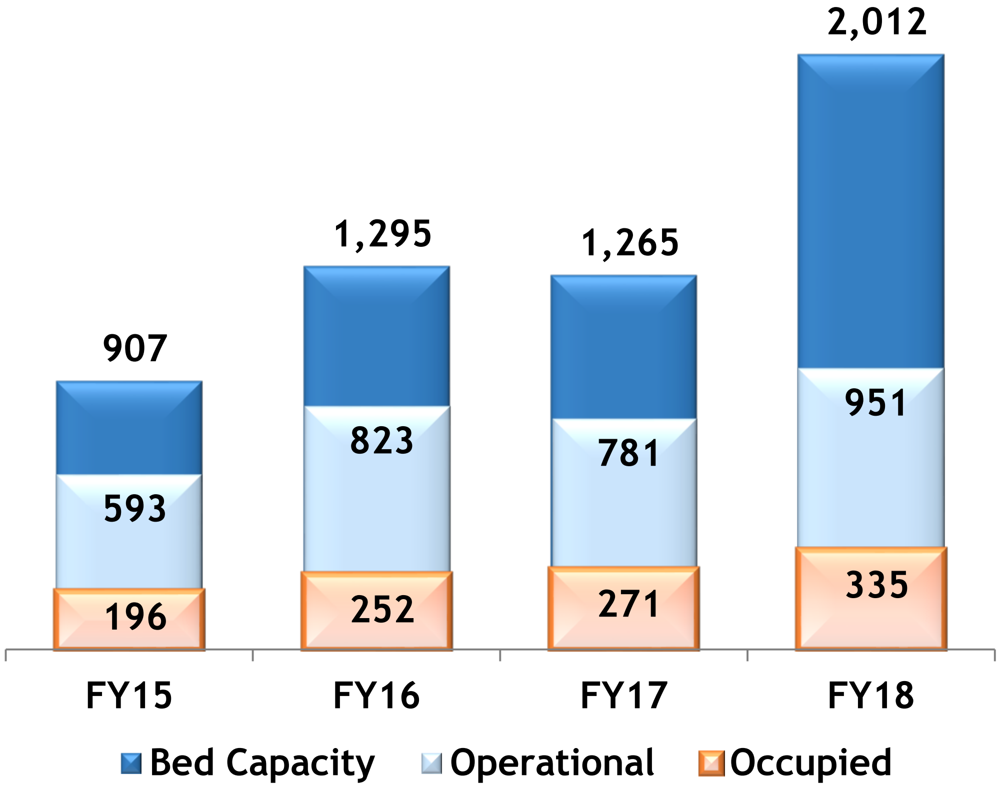
Revenue from Operations
18.3%
3,824
3,232
2,868
2,627
12.7%
8.9%
9.2%
FY15
FY16
FY17
FY18
Revenue from Operations (in millions)
Revenue Growth YoY



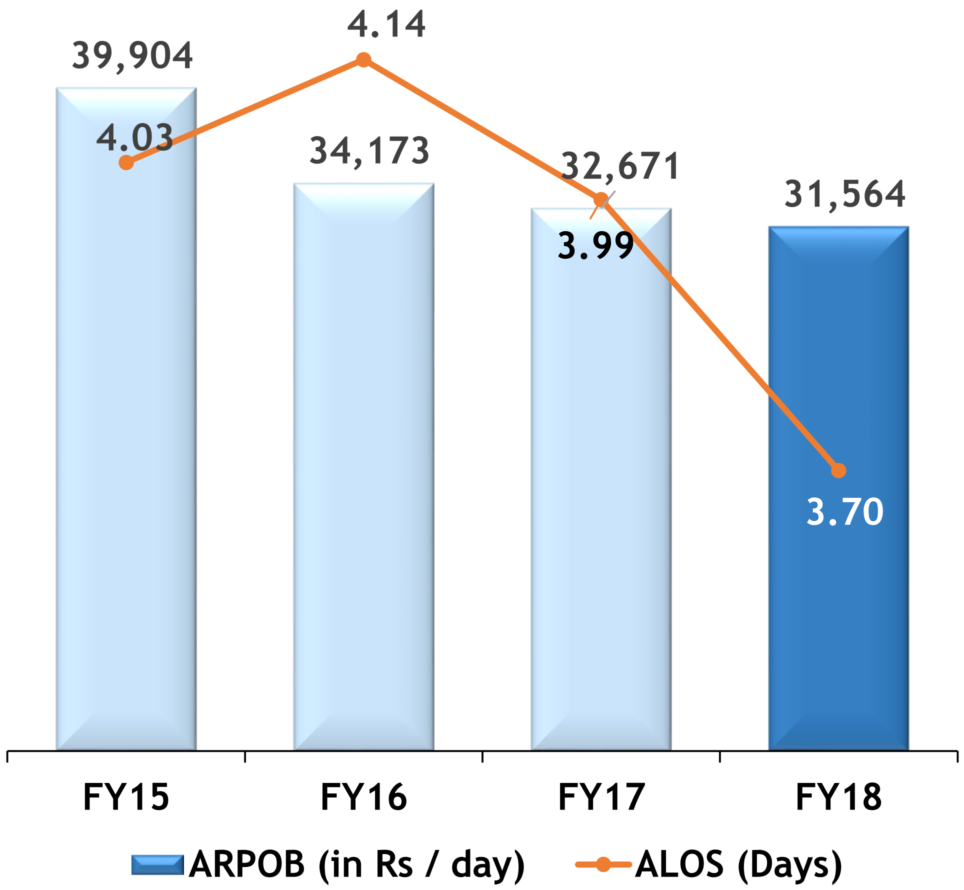
Operational EBITDA
844
26.4%
22.3%
21.9%
695
20.1%
716
576
FY15
FY16
FY17
FY18
Operational EBITDA (in millions)
EBITDA Margin

4 Year Trend

Bed Count Split



Operational Parameters



- ARPOB dropping is due to de-risking by way of expansion to newer geographies and increased multispecialty focus, which has altered our specialty mix
- Decreasing ALOS is a positive sign as it means early discharge for the patients and increased bed turnover rate for us

Maturity Profile - Mar’18

Maturity Stage	% of Operational Revenue	% of Operational Beds	Operational Beds	Occupancy	ALOS (Days)	Bed Capacity
5 years + (SG; Vijay; Krishna; Vapi)	62%	38%	418	42%	3.94	594
2-5 years (Jabalpur, Indore)	22%	30%	335	38%	3.58	476
< 2 years (Jaipur; Naroda; Surat; Mohali)	14%	32%	347	23%	3.26	892

Balance Sheet Standalone

(Rs. in Millions)

Statement of Audited Assets and Liabilities	STANDALONE	
Particulars	As at 31/03/2018	As at 31/03/2017
ASSETS		
NON- CURRENT ASSETS		
Property, plant and equipment	6,480.55	3,120.37
Capital work-in-progress	376.48	2,207.02
Goodwill	81.97	-
Intangible Assets	-	1.61
Intangible assets under development	2.24	2.27
Financial Assets		
Investments	9.10	94.10
Loans	77.70	-
Other Financial Assets	229.37	19.12
Deferred Tax assets	111.56	71.61
Other non current assets	74.79	363.69
Total Non-Current Assets	**7,443.76**	**5,879.79**
CURRENT ASSETS		
Inventories	118.81	75.58
Financial assets		
Investments	13.54	4.30
Trade Receivables	601.49	334.58
Cash and Cash Equivalents	108.83	115.82
Other Bank Balances	1,042.29	41.21
Loans	-	86.07
Other Financial Assets	158.94	153.69
Current tax asset	97.03	81.30
Other Current Assets	111.06	47.59
Assets classified as held for sale	131.92	-
Total current Assets	**2,383.91**	**940.14**
Total Assets	**9,827.67**	**6,819.93**

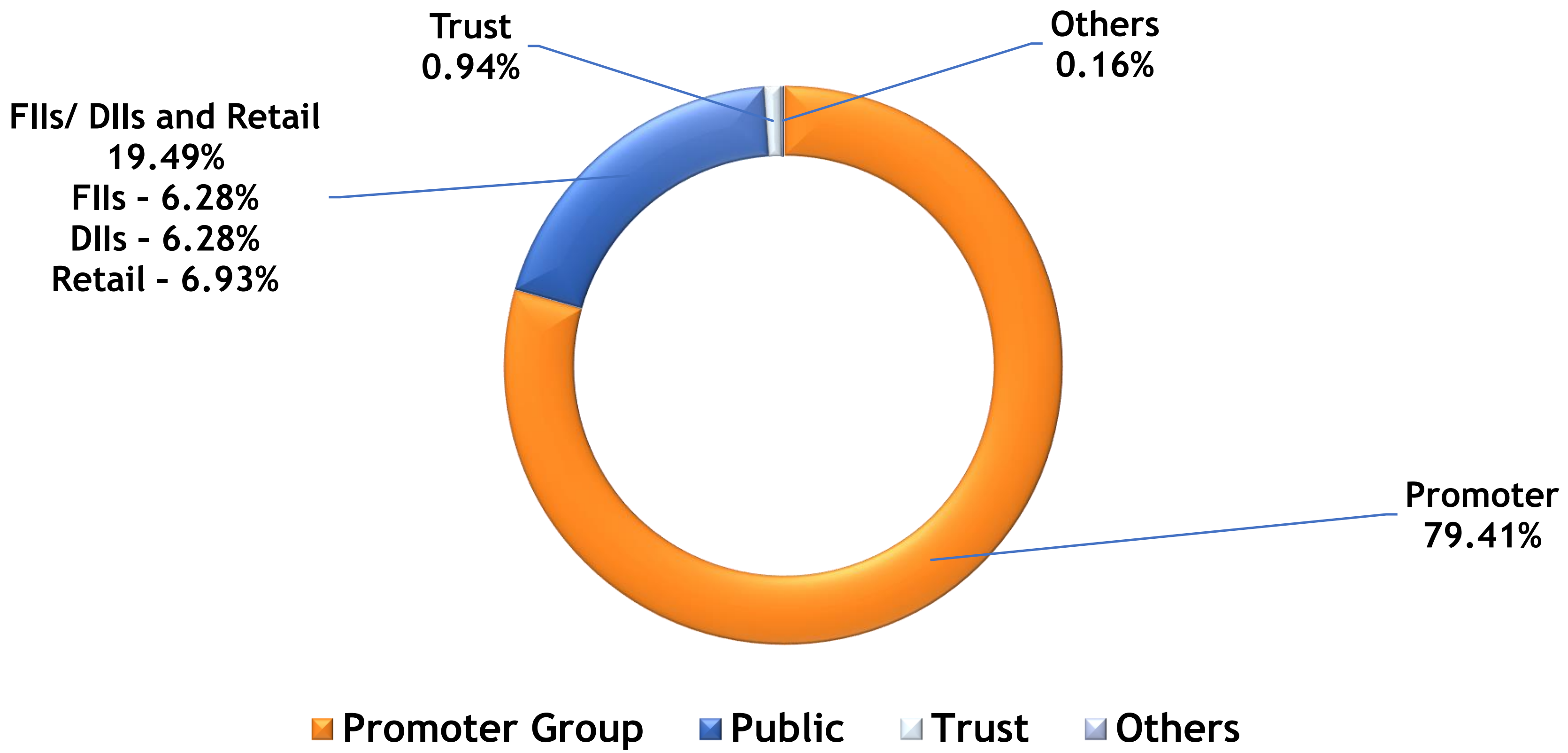
(Rs. in Millions)

Statement of Audited Assets and Liabilities	STANDALONE	
Particulars	As at 31/03/2018	As at 31/03/2017
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	1,080.10	874.09
Other equity	6,672.36	1,711.34
Total Equity	**7,752.46**	**2,585.43**
NON- CURRENT LIABILITIES		
Financial liabilities		
Borrowings	749.83	2,854.04
Other Financial Liabilities	46.23	22.47
Provisions	13.71	15.18
Deferred Tax Liabilities (Net)	-	-
Other Non-current Liabilities	128.41	88.77
TOTAL NON-CURRENT LIABILITIES	**938.18**	**2,980.46**
CURRENT LIABILITIES		
Financial liabilities		
Borrowings	157.16	229.72
Trade Payables	479.93	391.78
Other Financial Liabilities	445.30	577.81
Other Current liabilities	45.04	43.51
Provisions	6.06	7.51
TOTAL CURRENT LIABILITIES	**1,137.03**	**1,254.04**
TOTAL LIABILITIES	**2,075.21**	**4,234.50**
TOTAL EQUITY AND LIABILITIES	**9,827.67**	**6,819.93**

SHALBY MULTI-SPECIALTY HOSPITALS

Shareholding Pattern

Shareholding as on 31st March 2018



- Total Number of Shares: 108,009,770

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Thank you

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