SHALBY®
MULTI-SPECIALTY
HOSPITALS

May 25, 2019

Shalby/SE/2019-20/17

The Listing Department **National Stock Exchange of India Ltd** Mumbai 400 051.	Corporate Service Department **BSE Limited** Mumbai 400 001.
Scrip Code : **SHALBY**	**Scrip Code: 540797**

Sub: Investor Presentation for the Fourth Quarter and year ended 31st March 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 Fourth Quarter and year ended 31st March 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

Encl.: as above

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HOSPITALS

Investor Presentation
Q4 FY19 & FY19

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…because passion drives perfection…

…and perfection drives

performance

"

1

Shalby Limited

A proxy for growth in the Indian Healthcare space

Current Scale of Operations

11 Hospitals

2,012* Total Bed Capacity

1,102** Operational beds

887 Census Beds

165 Non Census Beds

55% Operating bed to total bed capacity

47% Bed Occupancy (based on census beds)

31% 12 year CAGR Revenue

36% 12 year CAGR EBITDA

500+ Doctors & **2600+** Support Staff

- Double-digit return ratios against industry trend of single-digit
- Consistently superior ROCE of mature hospitals

* Maximum number of beds according to structure of the hospital

***The operational bed count of 1,102 considers 50 operational beds at Zynova-Shalby Hospital, Mumbai, for which no other operational parameters are tracked*

Promoter

Dr. Vikram Shah
Chairman & Managing Director

Qualifications

Academic Qualifications:

- MBBS
- MS (Orthopaedics)

Professional Qualifications

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

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

Our Journey so far…

1994 — 6 beds

Started professional practice with a 6-bed facility

2004 — 27 beds

Revenue growth – 100 times in first 10 years
Incorporation of Company

2007 — 228 beds

Operationalized First Multispecialty Hospital of the group Shalby SG
[Bed Capacity: 201]

2011 — 674 beds

Acquired Shalby Vapi
[Bed Capacity: 146]
Acquired Krishna Shalby
[Bed Capacity: 220]

2015 — 1150 beds

Commissioned Shalby Jabalpur
[Bed Capacity: 233]
Commissioned Shalby Indore
[Bed Capacity: 243]

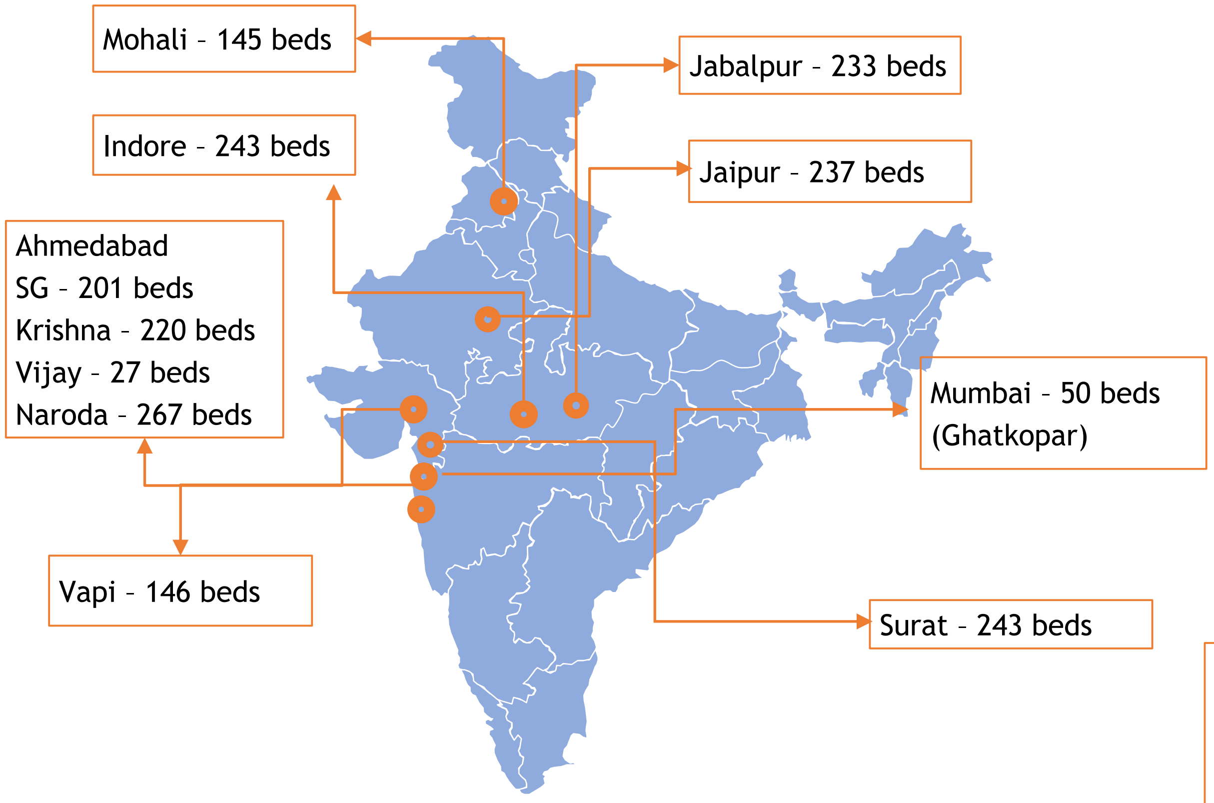
2017 — 2012 beds

Bed capacity grown 10 times in 10 years – to 2012 beds
Commissioned:
Shalby Jaipur [Bed Capacity: 237]
Shalby Naroda [Bed Capacity: 267]
Shalby Surat [Bed Capacity: 243]
Shalby Mohali [Bed Capacity: 145]*

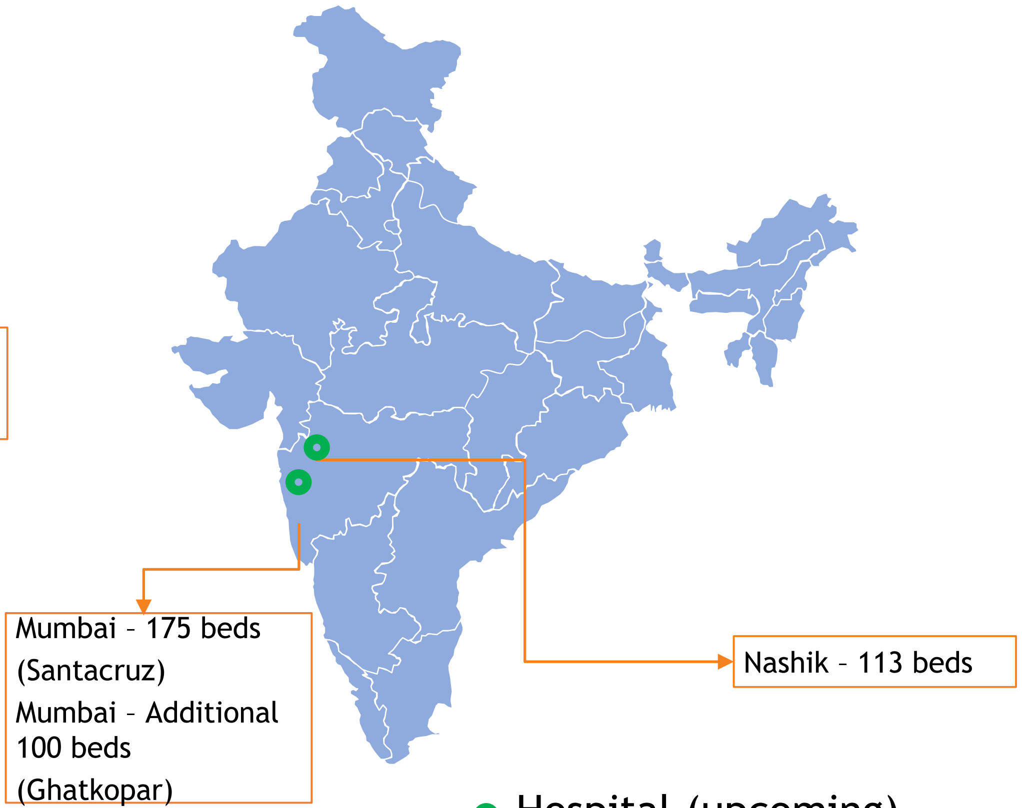
Operationalized in Q1 FY 19

Reach and Presence - Hospitals

Network of Hospitals in India with bed capacity



Hospital (operational)

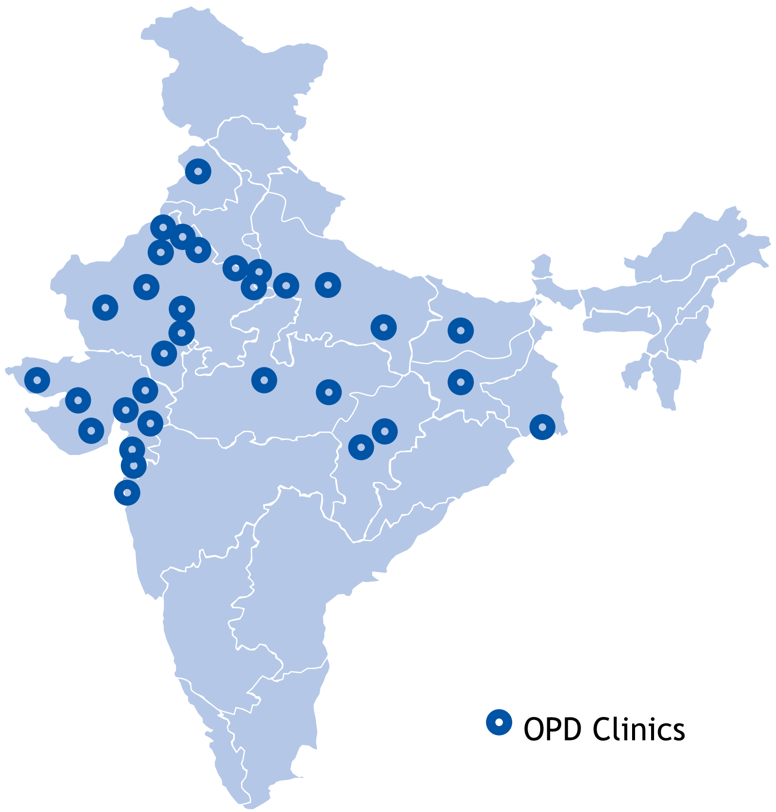


Hospital (upcoming)

Has a total bed capacity of 2,012 beds across 11 multi-specialty hospitals

Reach and Presence - OPD

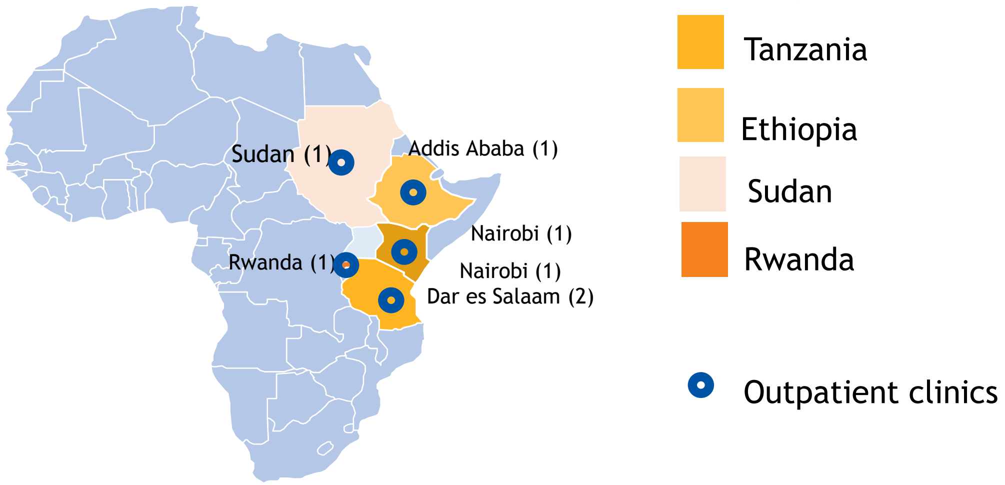
Network of Outpatient Clinics in India



Has a network of 40 patient outreach centres in India

International Footprint

Presence in Africa



International footprint consists of 6 outpatient clinics in Africa

Expansion Plans in Progress

Investment Plans for Upcoming facilities

Nashik
- Bed Capacity 113
- Capex – Rs 25 Crore

Mumbai [Santa Cruz]
- Bed Capacity 175
- Capex – Rs 150 Crore

Mumbai [Ghatkopar]
- Current bed capacity 50.
- Addition 100 beds
- Capex – Nil

Total capex planned – Rs. 175 Crore for addition of 388 beds

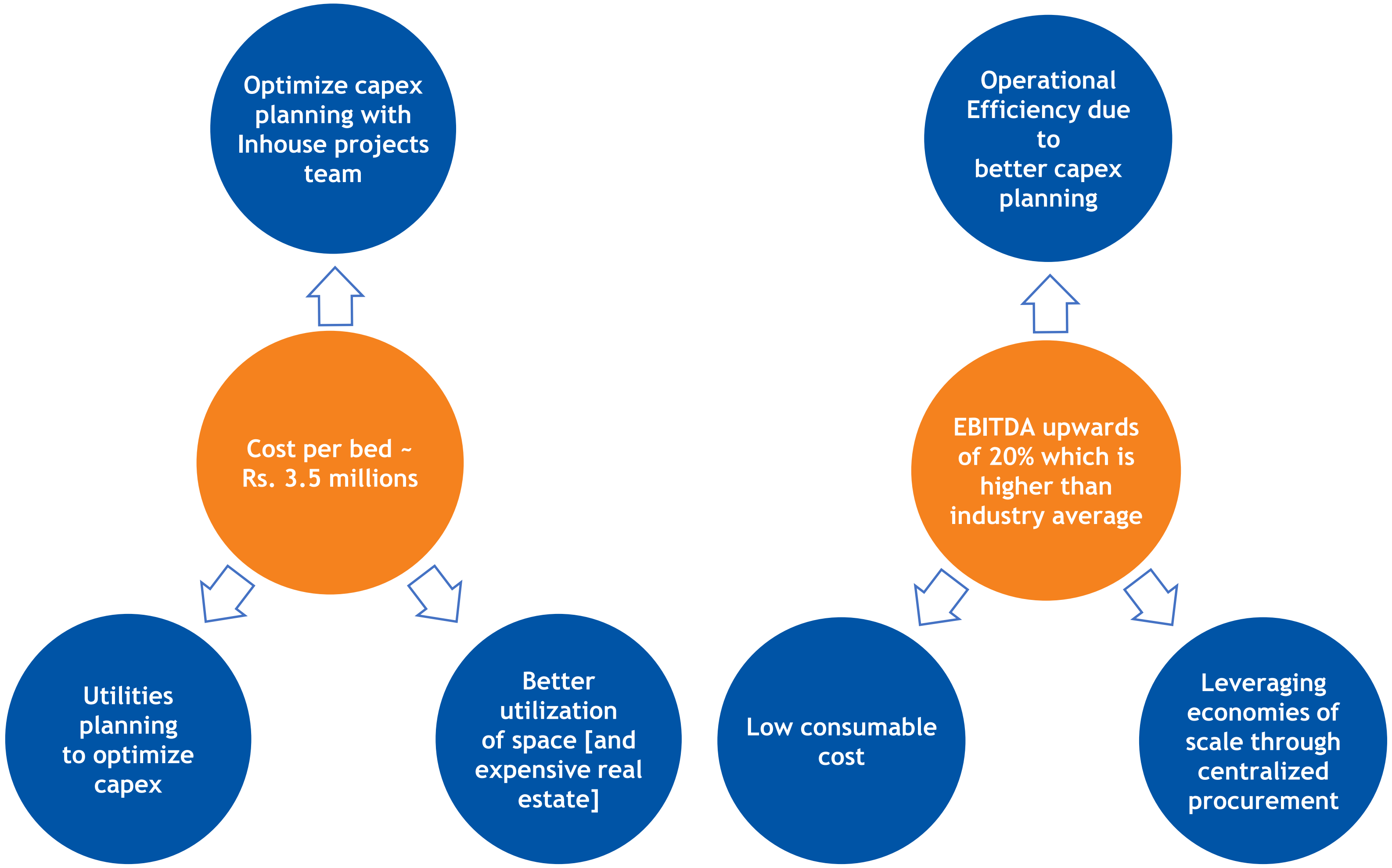
2

Our Unique Business Model

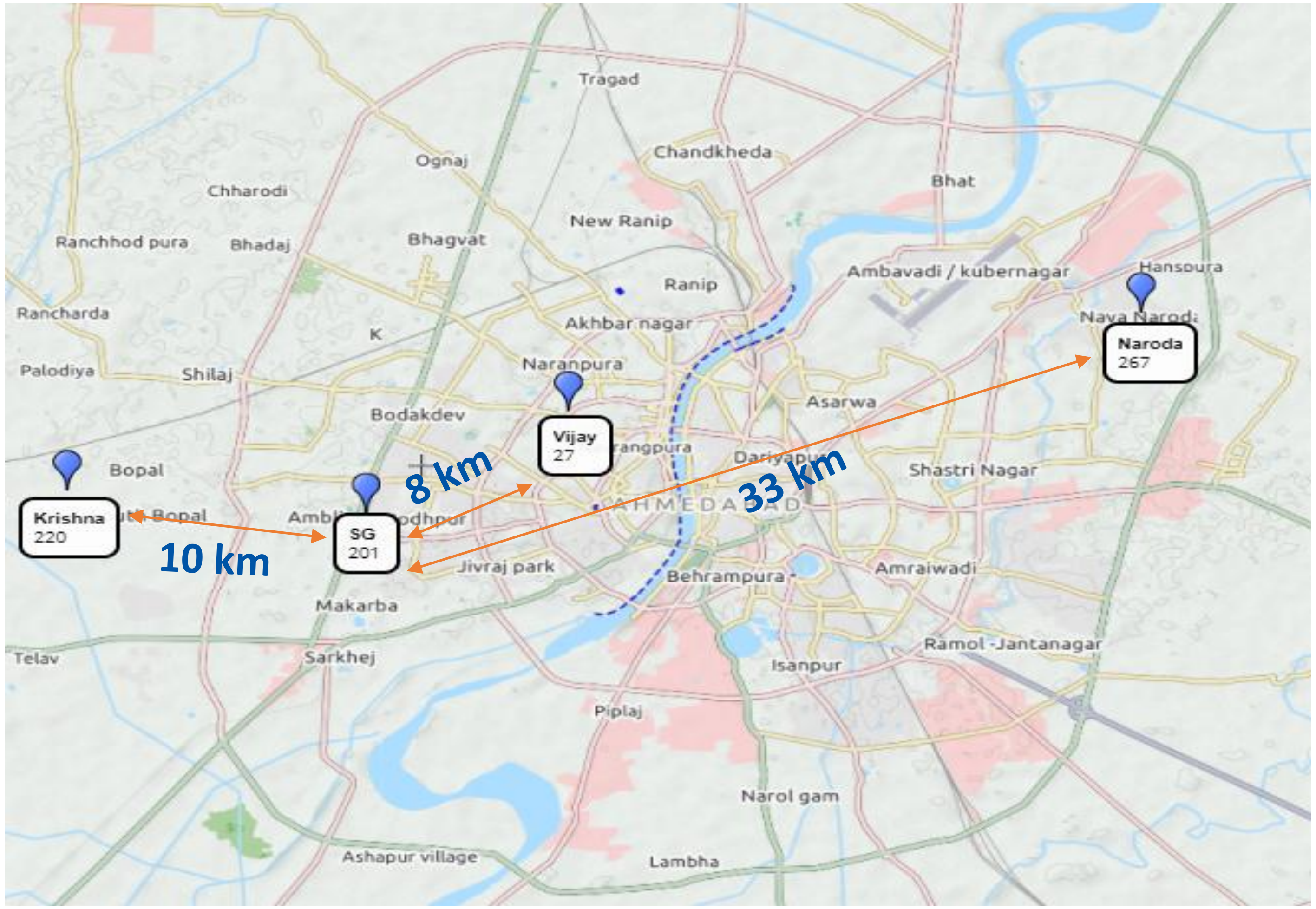
is the key to our outperformance

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

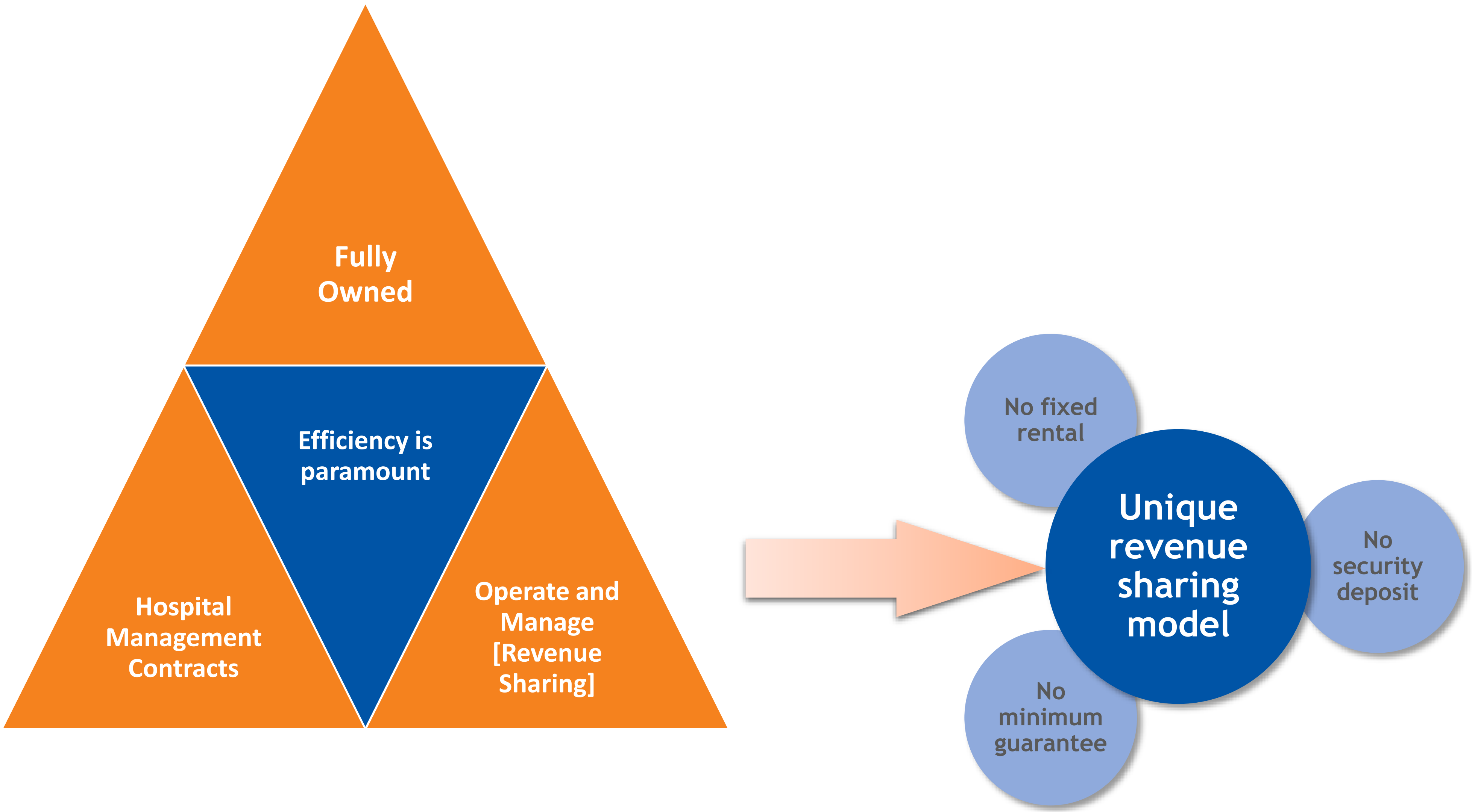


Facilities 10-15 kms away

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 %

Our Business Models…



Role of OPDs for expansion

Patients visit our clinics across India and abroad

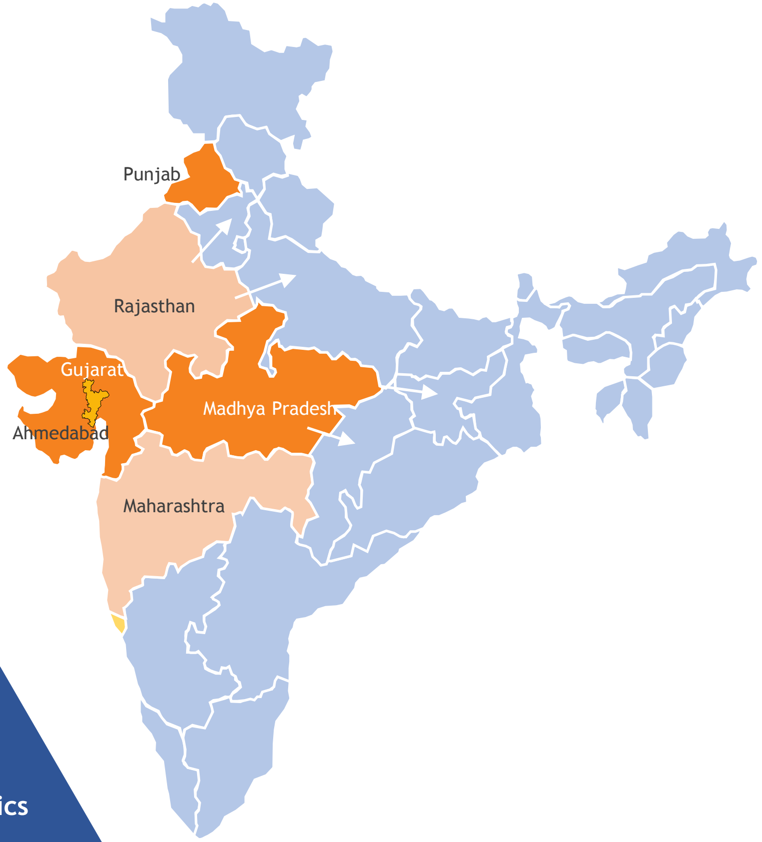
We analyze patient trends and accordingly decide where to expand

Simultaneously hire local doctors and train them at Ahmedabad who conduct OPDs in and around that city

So we can start the facility with low branding budget but high brand recall

Set-up outpatient clinics where we have a strong brand recall

Operating such Outpatient clinics for 15 years now



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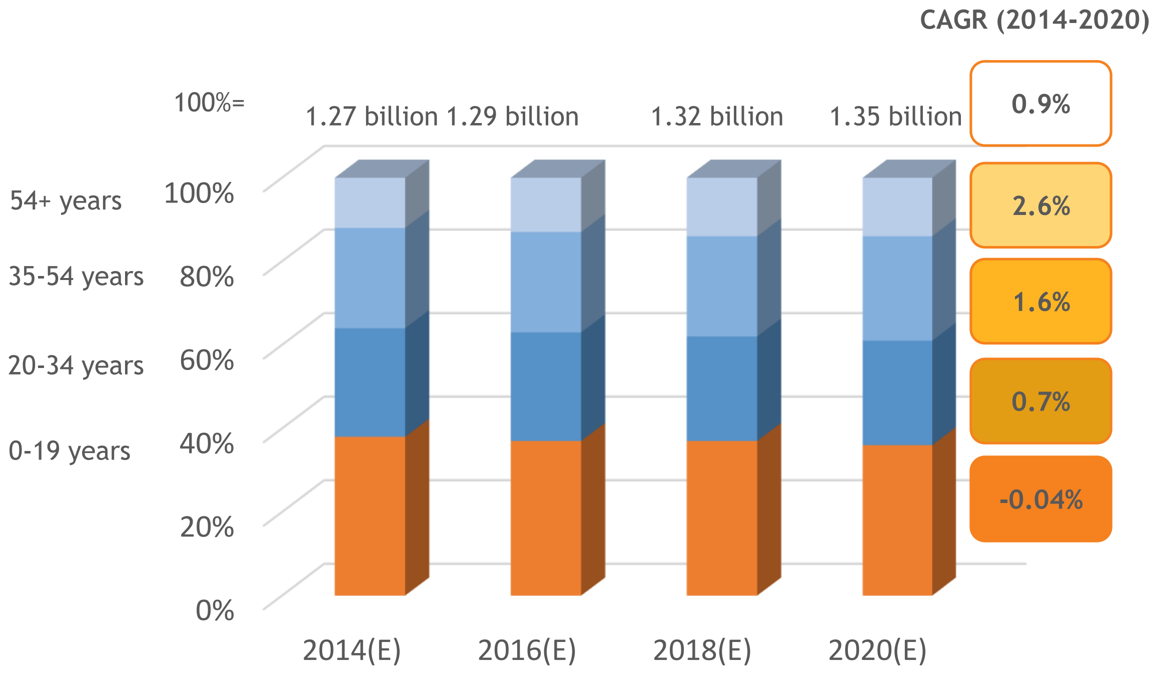
Case for Expansion

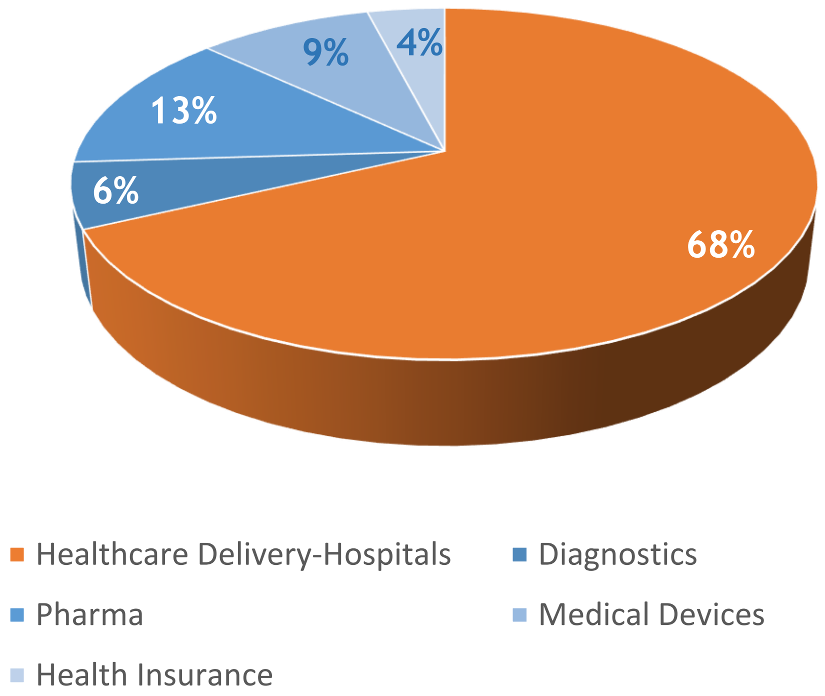
The Opportunity Set

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



Spilt of Indian Healthcare Industry by Segments

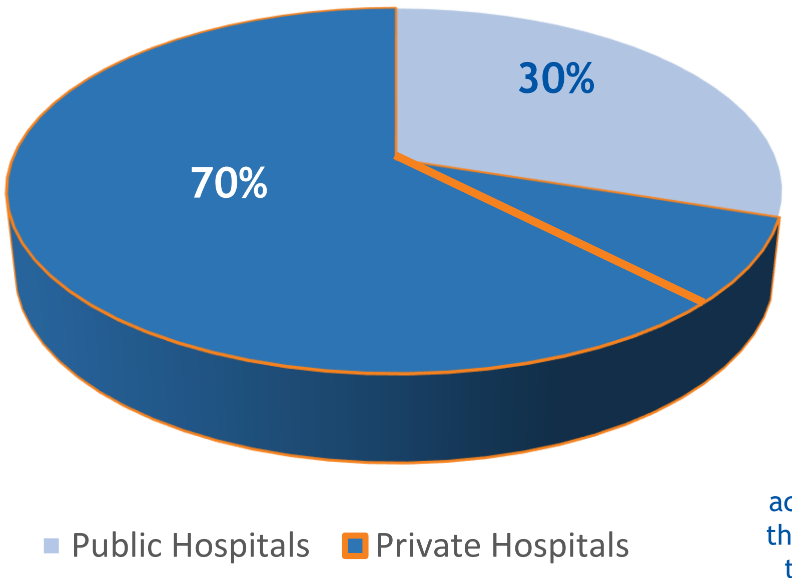
Total market size (2016): INR 9.2 trillion



Source: National Commission Population Frost & Sullivan analysis.

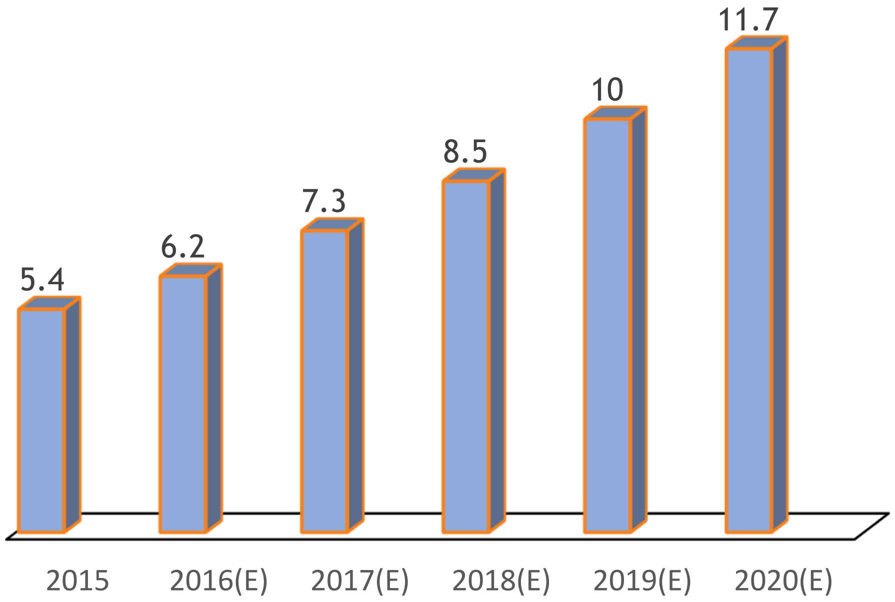
The Opportunity Size

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)

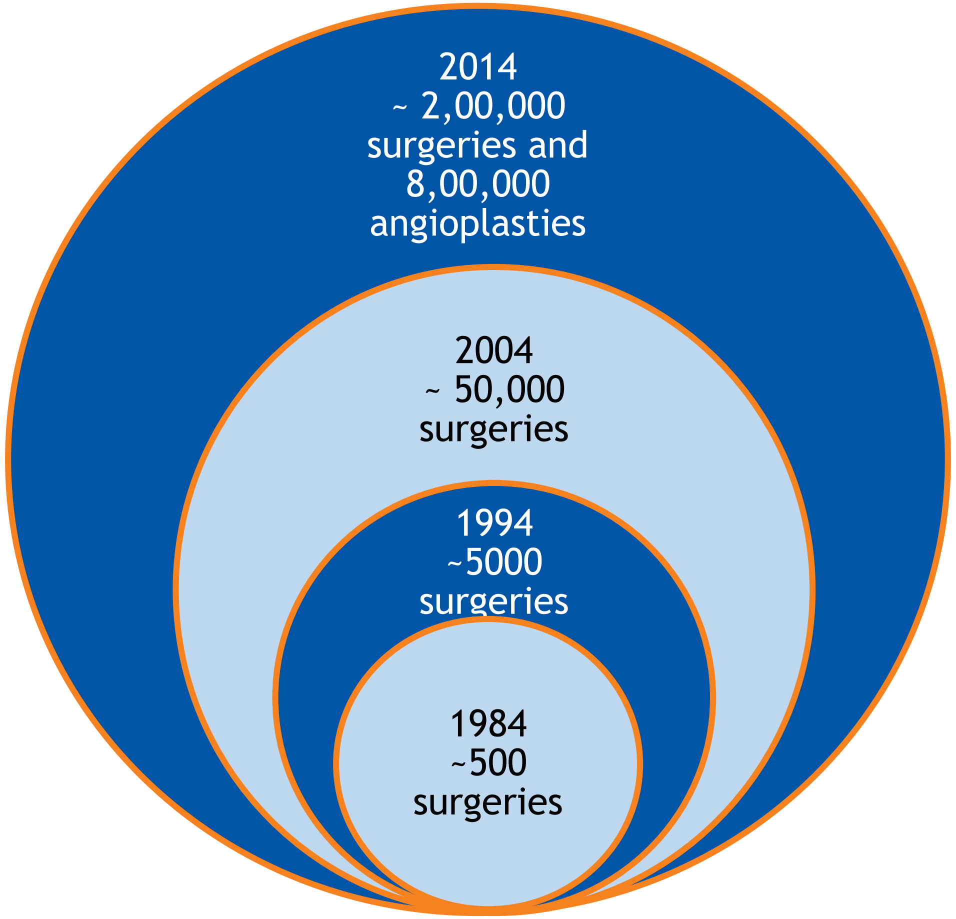


Source: Frost & Sullivan analysis.

Recent transformation

- 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*

Case study - the Cardiac growth story in India

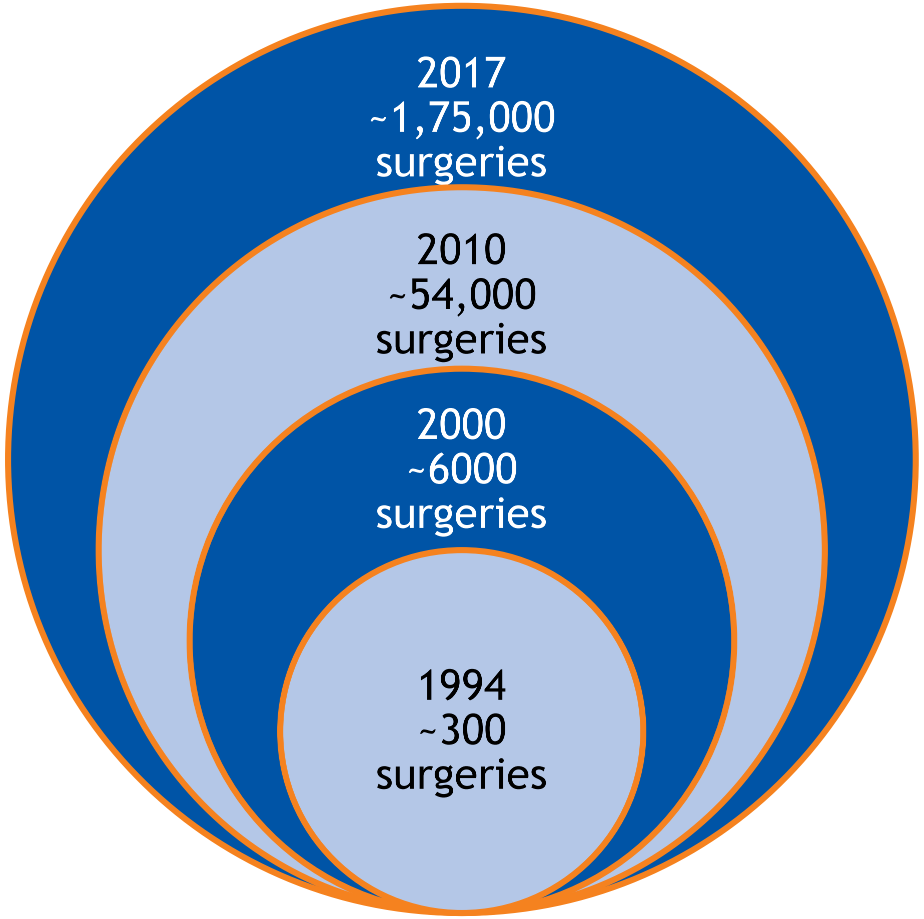


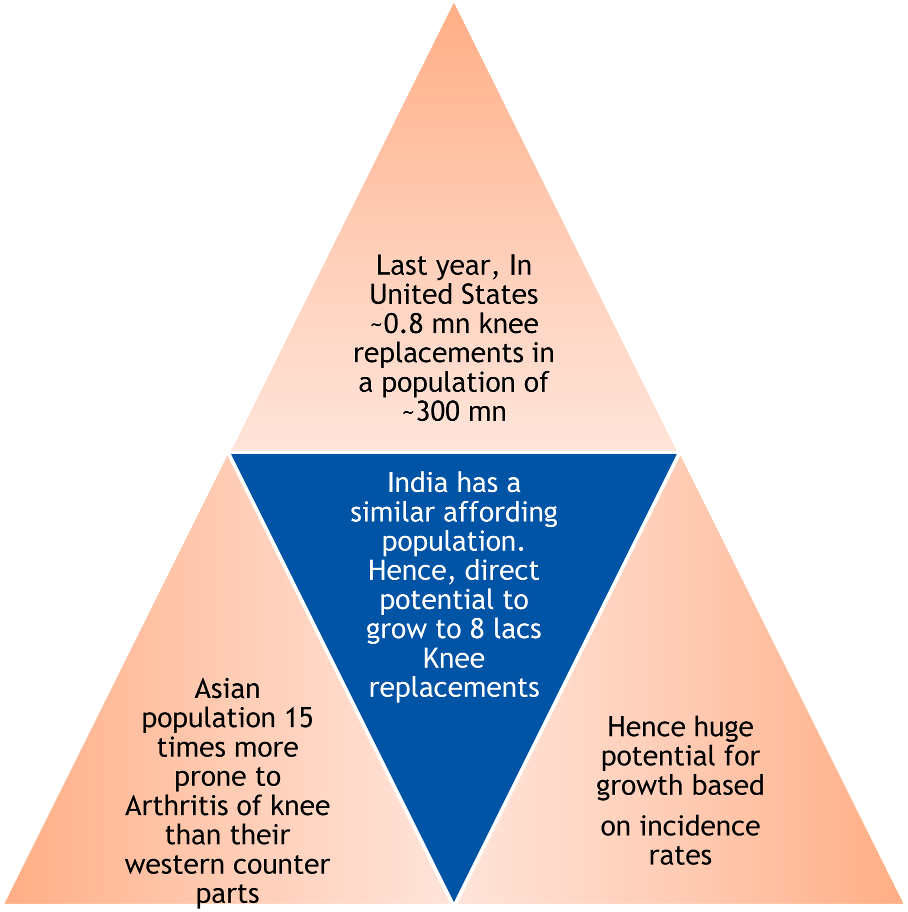
CAGR – 29% in 30 years.
Currently growing @ 2-3%

Wide procedure penetration –
to Tier 2 and 3 cities

Source: Industry reports

Knee Replacement - the big opportunity





Surgery Count CAGR @32% in 23 years

Source: Industry reports

Growth Drivers for Shalby

Huge scope for organic growth and operating leverage

- Pioneer in Joint Replacements in the country, best positioned to capitalize on it
- Continue to gain traction within Oncology and Neurology
- Increasing focus on quaternary treatments like organ transplants such as Liver, Heart, Lungs and Kidney
- Cardiac Sciences, and Critical Care
- Opportunities within Homecare

Conducive Government Policies Despite Challenges

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Swastha Bharat, Smriddha 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

NATIONAL HEALTH POLICY 2017
TOWARDS A HEALTHY TOMORROW

सत्यमेव जयते
Government of India

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

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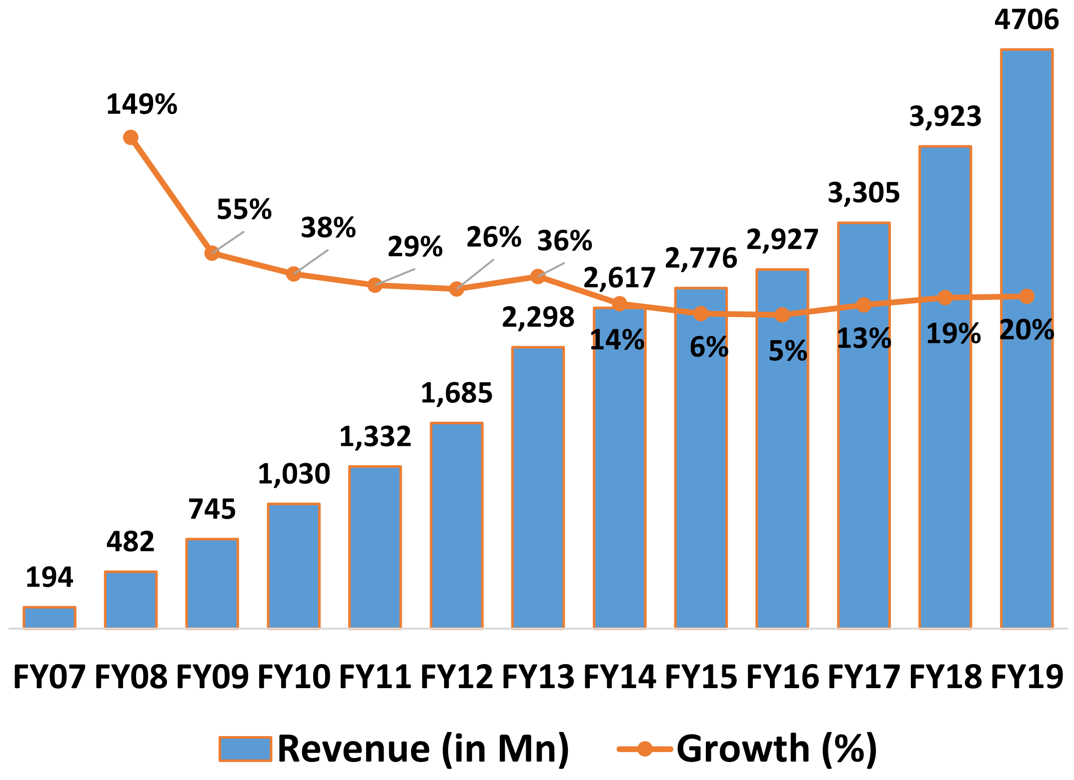
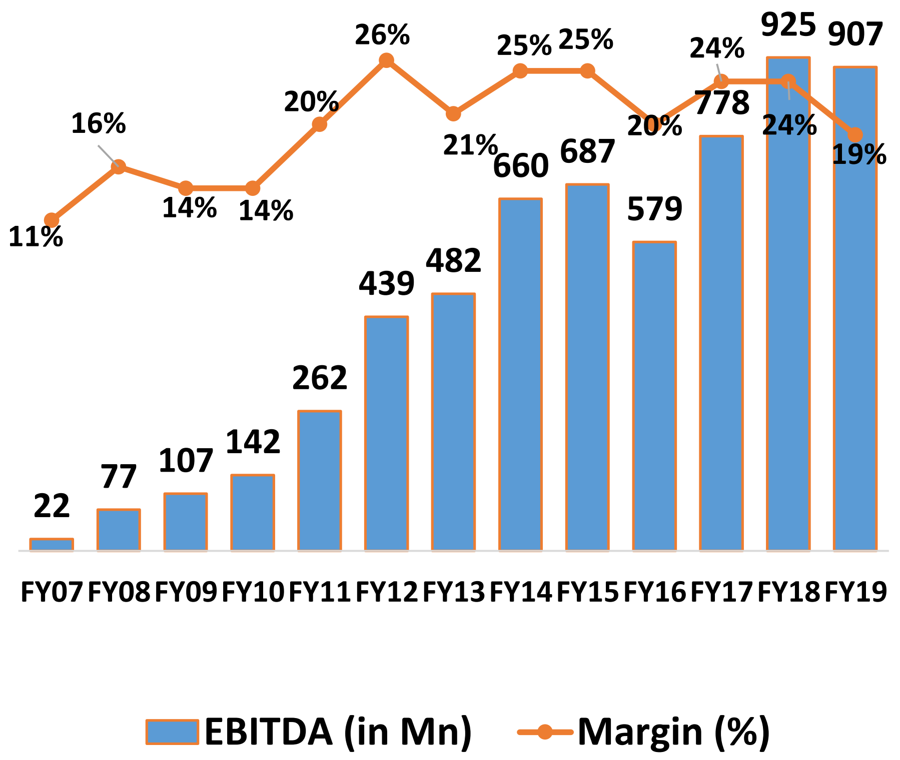
Track record

Best in class economic returns

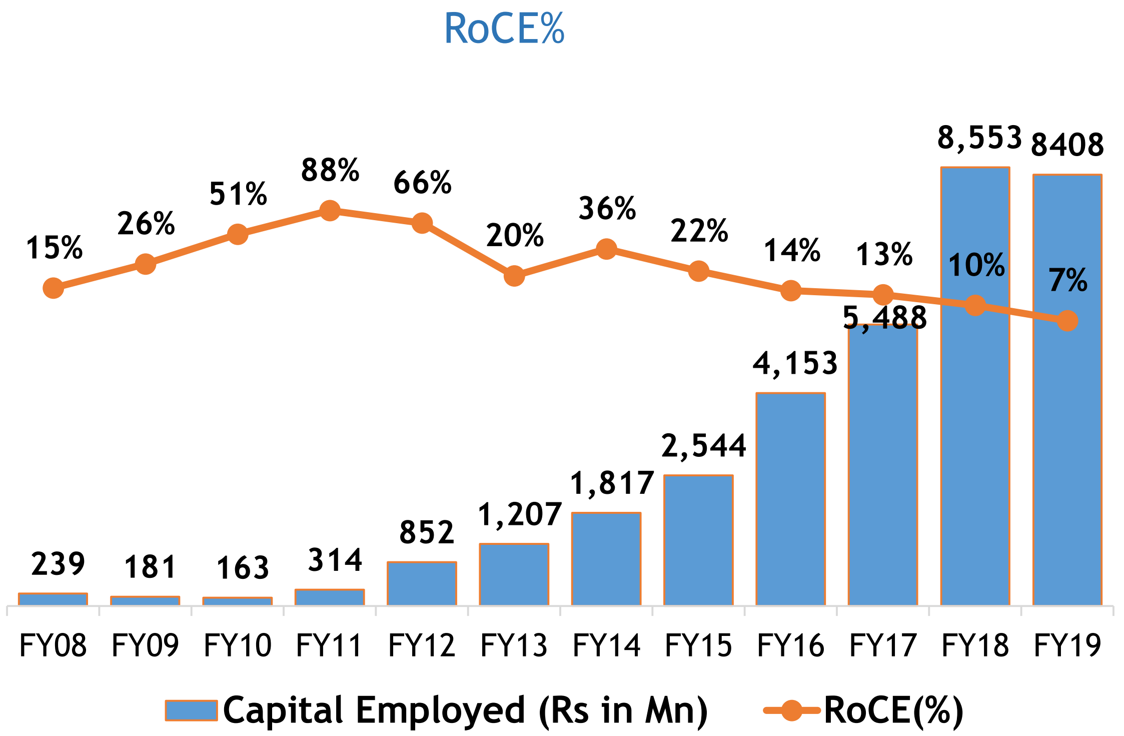


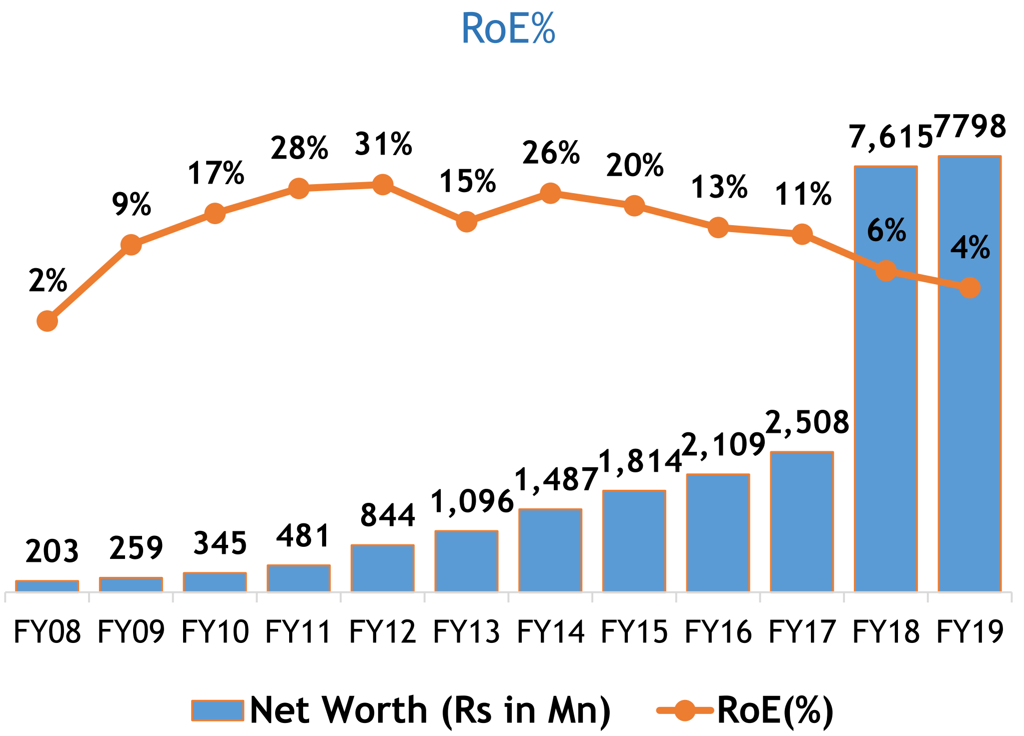


Revenue CAGR growth 31% in last 12 years

EBITDA CAGR growth 36% in last 12 years

Best in class economic returns





Performance Q4FY19

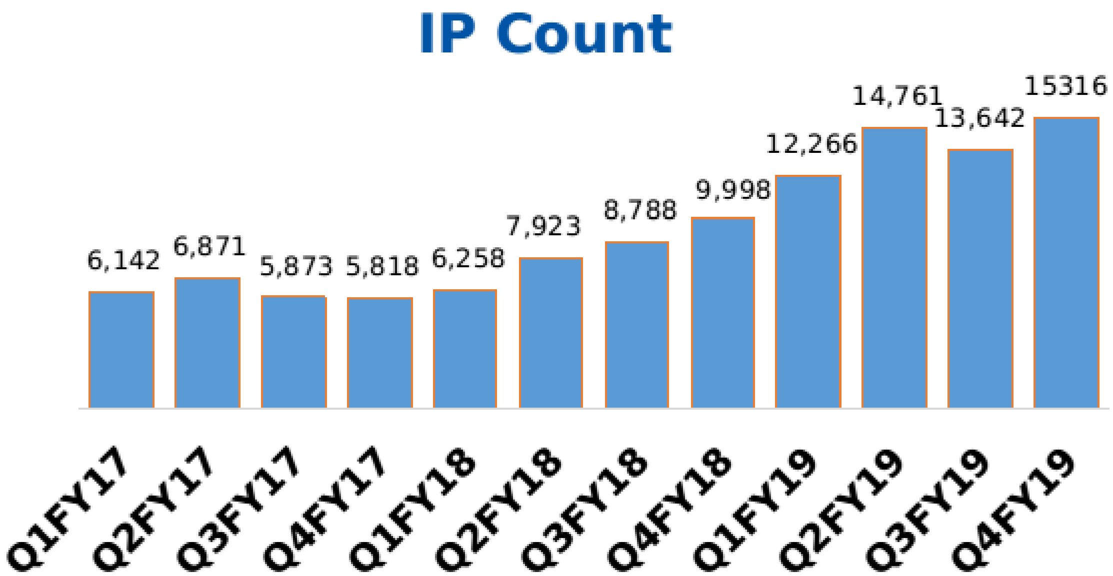
Key Achievements of the Quarter

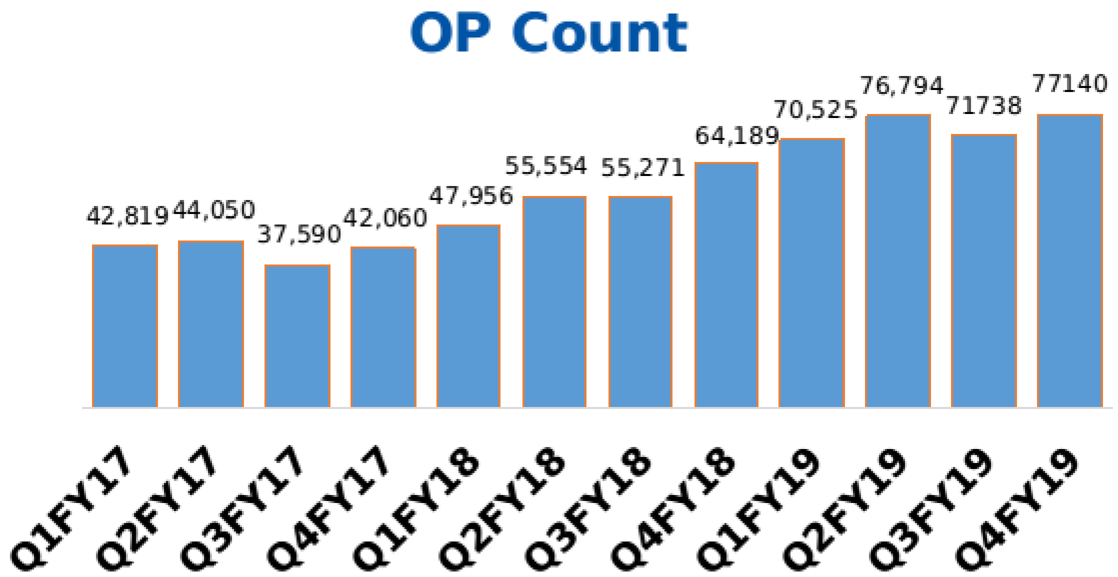
Cancer Surgeon team at Shalby successfully performed Esophageal Cancer (Cancer of the Food Pipe) through Keyhole Surgery avoiding the need for Open Chest Surgery

Gall Bladder Cancer in an 84 year old patient cured at Shalby through surgery and treatment

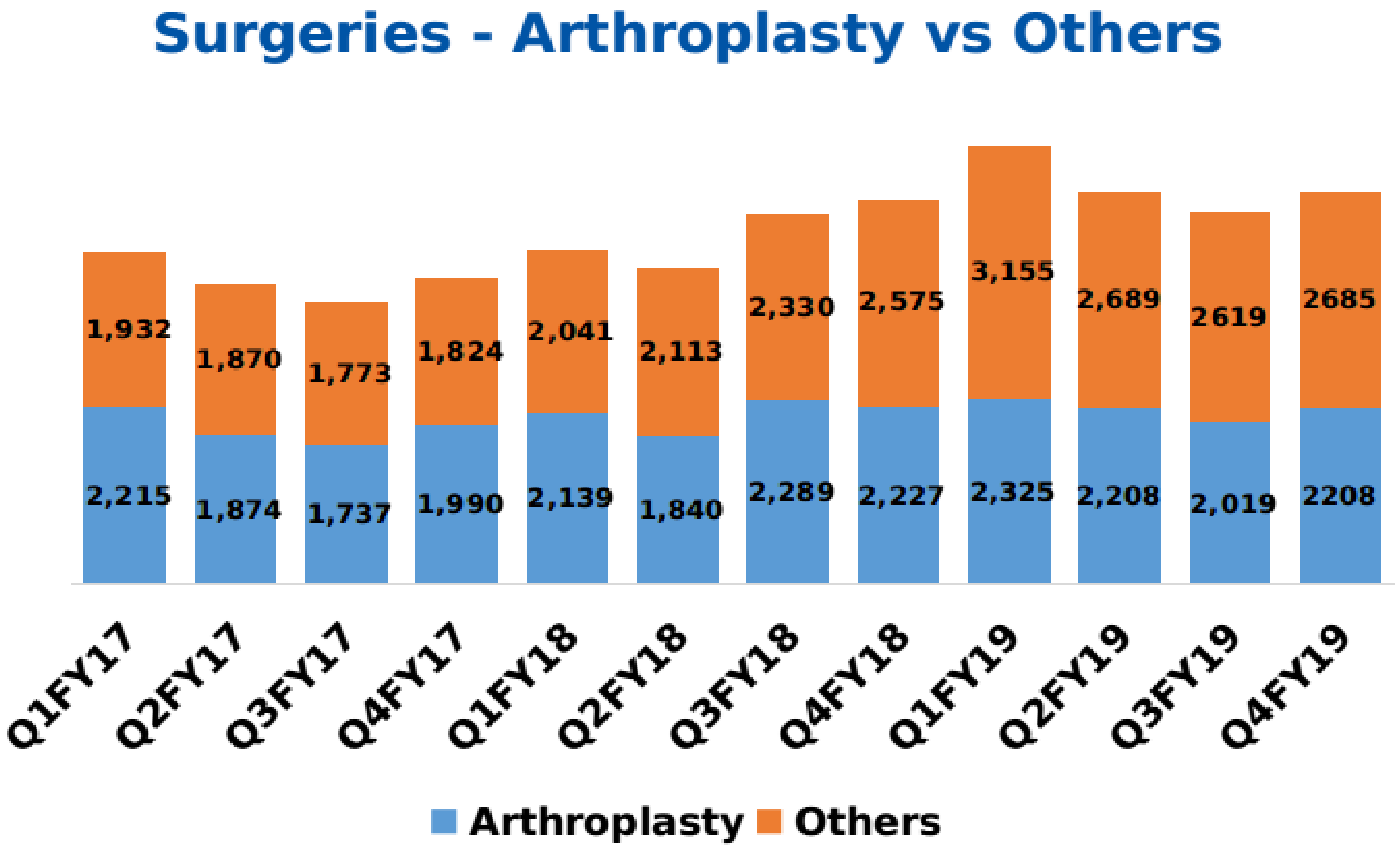
Blockage in Vein supplying blood to Liver, removed in a rare surgery at Shalby Hospitals

IP and OP Count (Quarterly Trend)

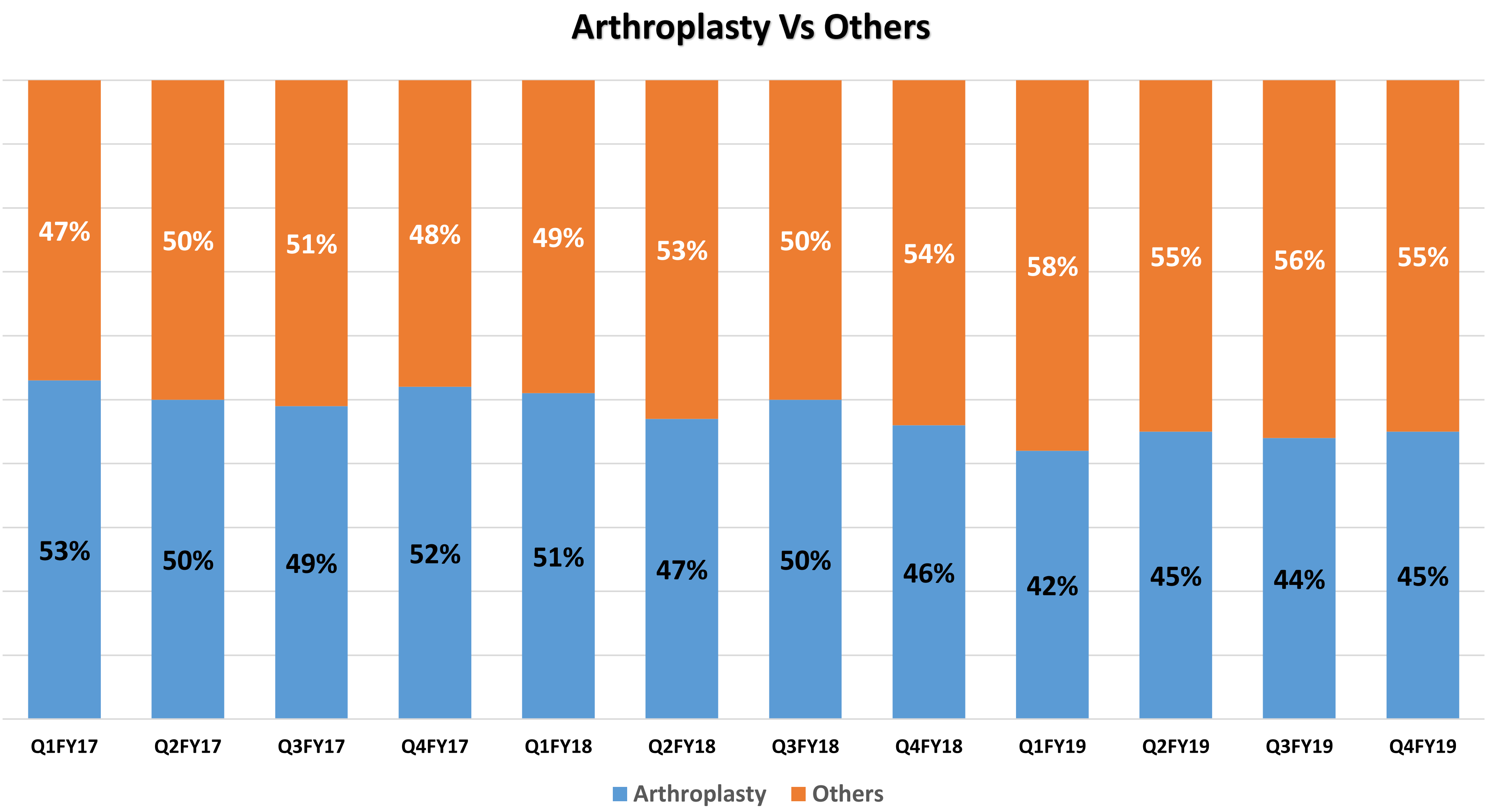




Surgeries Count (Quarterly Trend)



Surgeries Count (Quarterly Trend)



Performance Synopsis Q4 FY19

Particulars	Quarter Ended 31-03-19	% of Revenue	Quarter Ended 31-03-18	% of Revenue	Growth
Total Revenue (INR in million)	1153.9		1110.4		4%
Total EBITDA (INR in million)	169.8	14.7%	172.1	15.5%	(1%)
Bed Capacity (Nos.)	2012		2012		N.A
Operational Beds (Nos.)	1102		1102		N.A
Average Length of Stay	2.45		3.6		N.A
Occupancy (Beds)	417		396		5%
In-Patient Count (Nos.)	15316*		9998		53%
Out patient Count (Nos.)	77140		64189		20%
Surgeries Count	4893		4802		2%
ARPOB (In Rs.)	30760		30625		0.4%

*** Increase in IP Count is witnessed due to drastic increase of day care procedures like Radiation therapy, Dialysis etc in Units having < 2 years of Maturity Profile**

Note: The operational bed count of 1,102 considers 50 operational beds at Zynova-Shalby Hospital, Mumbai, for which no other operational parameters are tracked

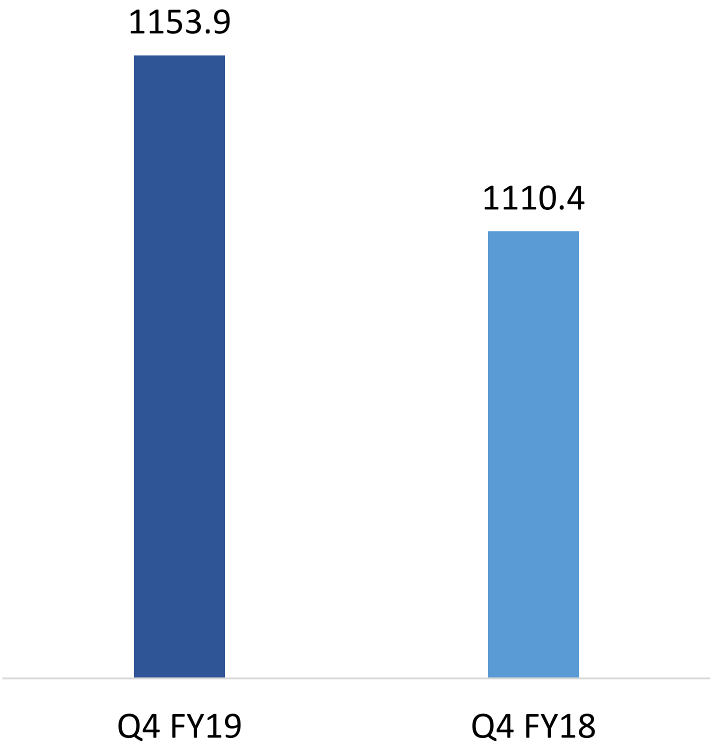
Financial Highlights Q4FY19 Standalone

(INR in million)

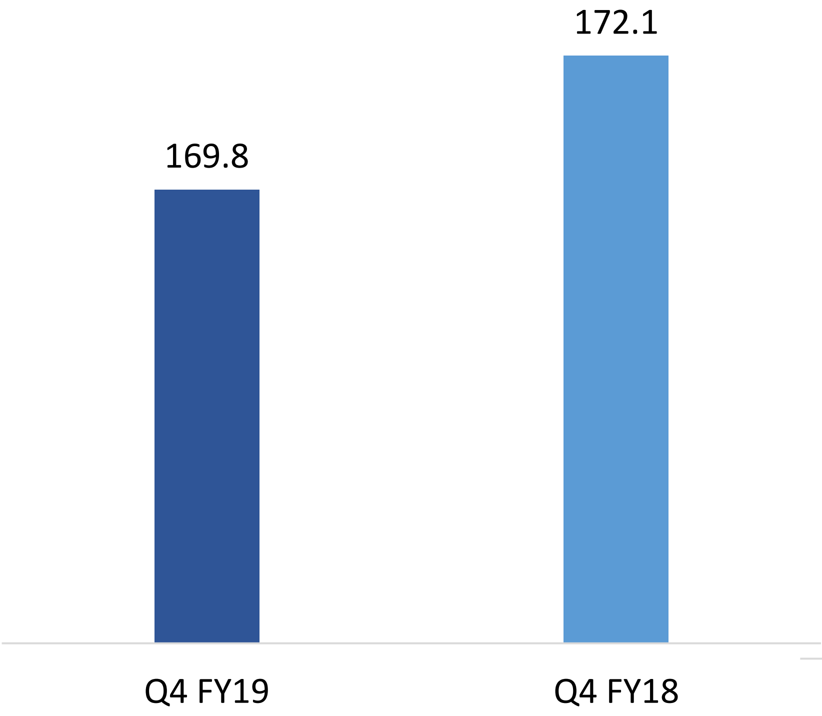
Particulars	Quarter Ended 31-03-19	% of Revenue	Quarter Ended 31-03-18	% of Revenue	Growth
Revenue from Operations	1126.8		1083.7		**4.0%**
Other Income	27.1		26.7		1.6%
Total Income	**1153.9**		**1110.4**		3.9%
Expenses					
Materials & Consumables	316.5	27.4%	264.4	23.8%	
Fees to Doctors and Consultants	328.7	28.5%	300.1	27.0%	
Other Operative Expenses	35.3	3.1%	78.3	7.1%	
Employee Costs	217.1	18.8%	139.1	12.5%	
Administrative Expenses	69.5	6.0%	122.8	11.1%	
Advt. & Promotion	**16.9**	1.5%	33.5	3.0%	
Total Operational Expenses	**984.1**	85.3%	**938.3**	84.5%	
EBITDA	**169.8**	**14.7%**	**172.1**	**15.5%**	**(1.3%)**
Finance Cost	22.1		(3.1)		
Depreciation & Amortization Expense	78.8		64.1		
Profit before tax (PBT)	**68.9**		**111.1**		(38.0%)
Tax Expense	35.0		(71.8)		
Profit after tax (PAT)	**33.9**	**2.9%**	**182.9**	**16.5%**	**(81.5%)**

Company is falling under MAT for FY19 as well as FY18 and taxed @ 21.54%

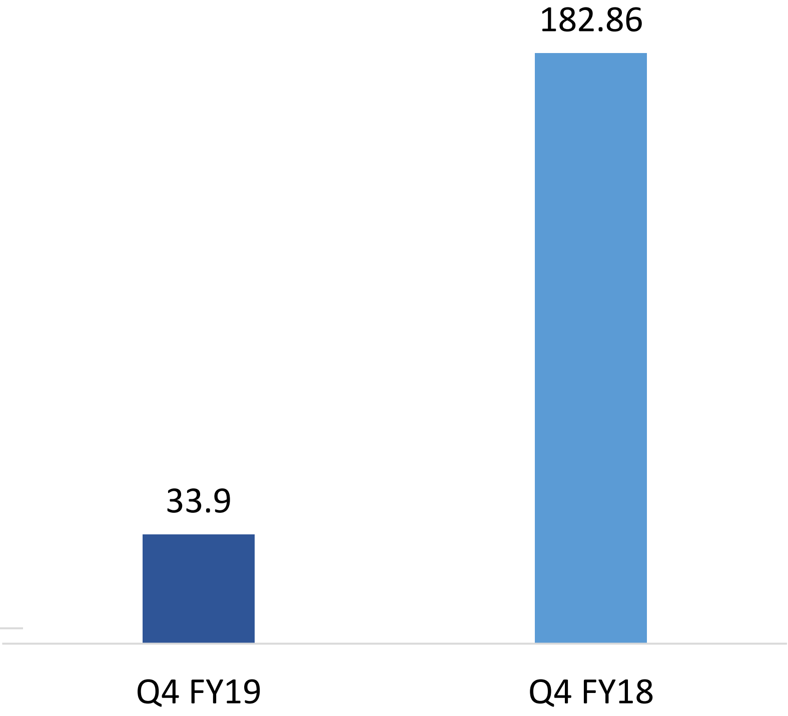
Financial Parameters Q4 FY19



Total Revenue (In Rs. Mn.)

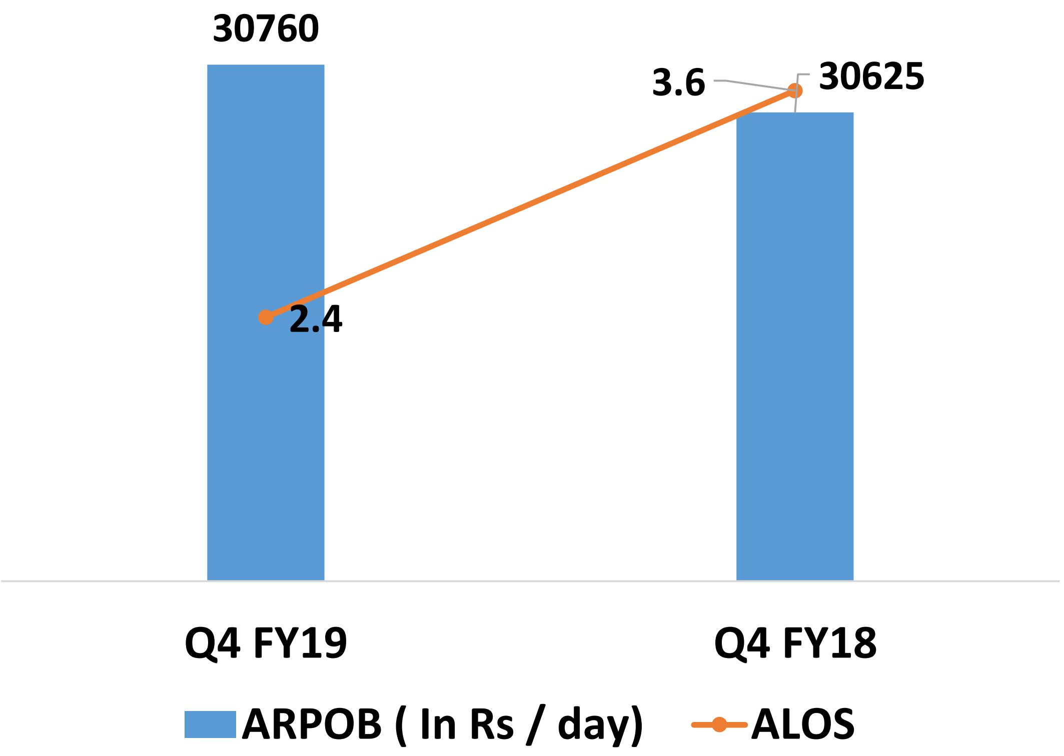


EBITDA (In Rs. Mn.)



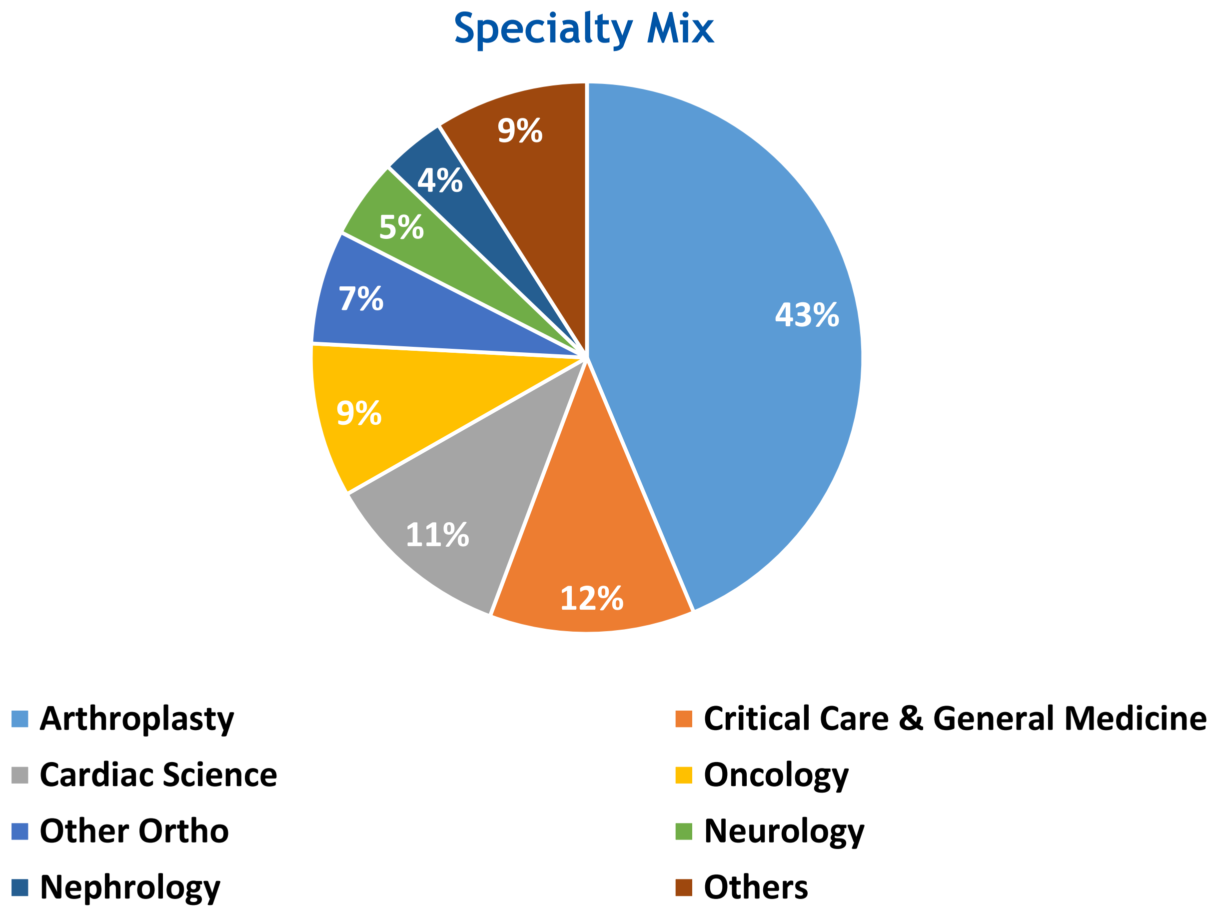
PAT (In Rs. Mn.)

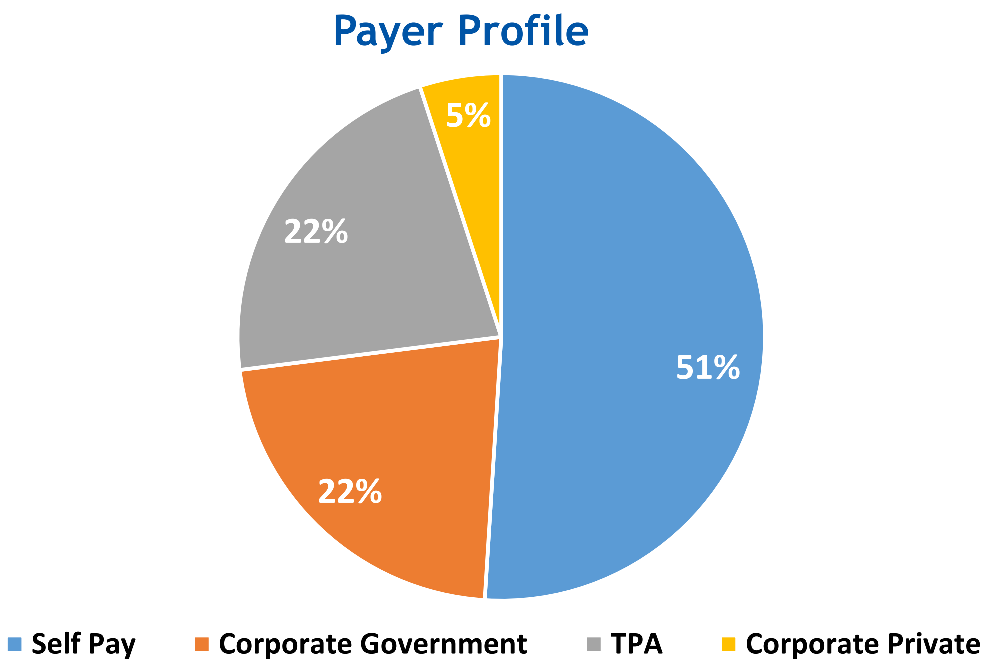
ARPOB and ALOS (Quarterly)



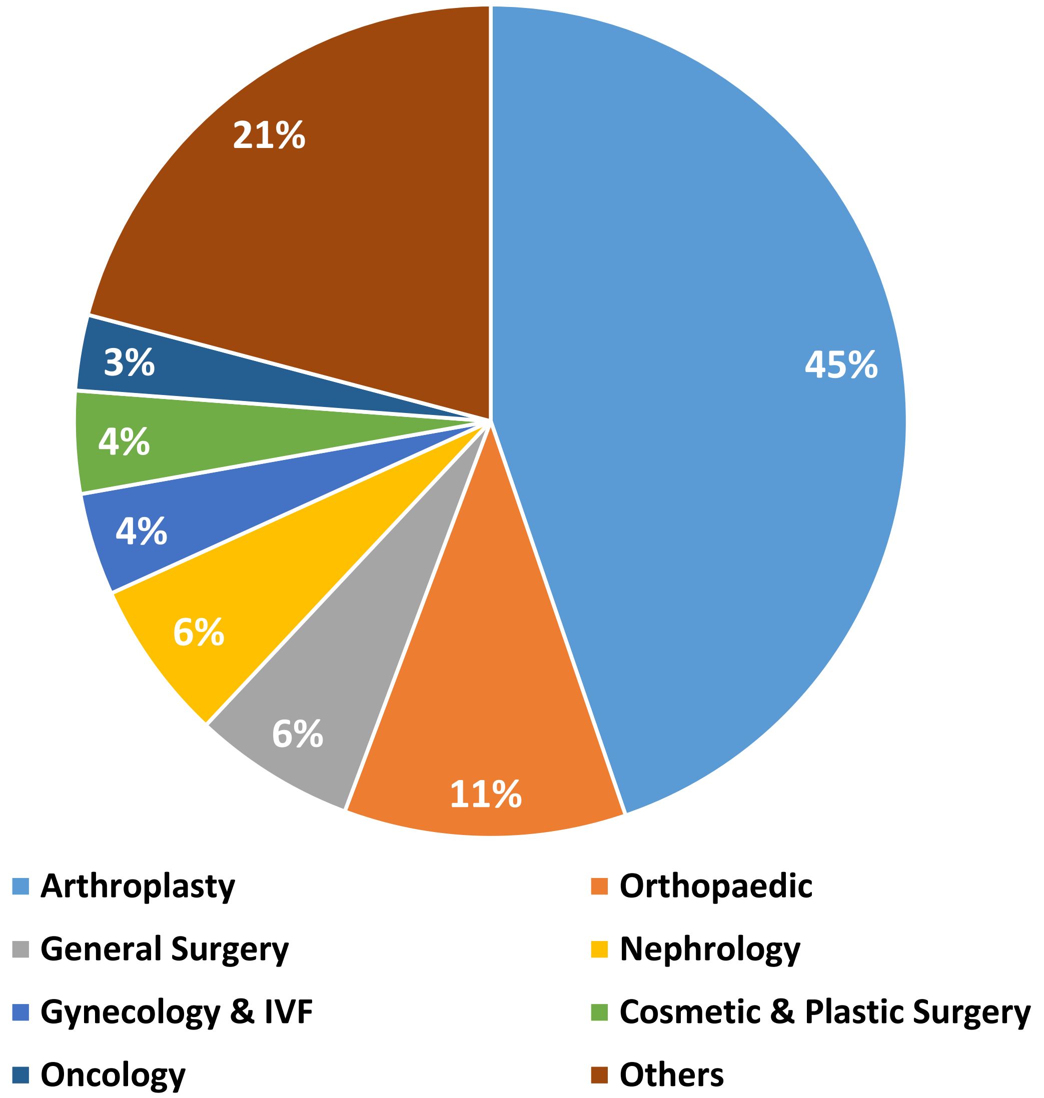
*   Decrease in ALOS is witnessed due to drastic increase of day care procedures like Radiation therapy, Dialysis etc in Units having < 2 years of Maturity Profile

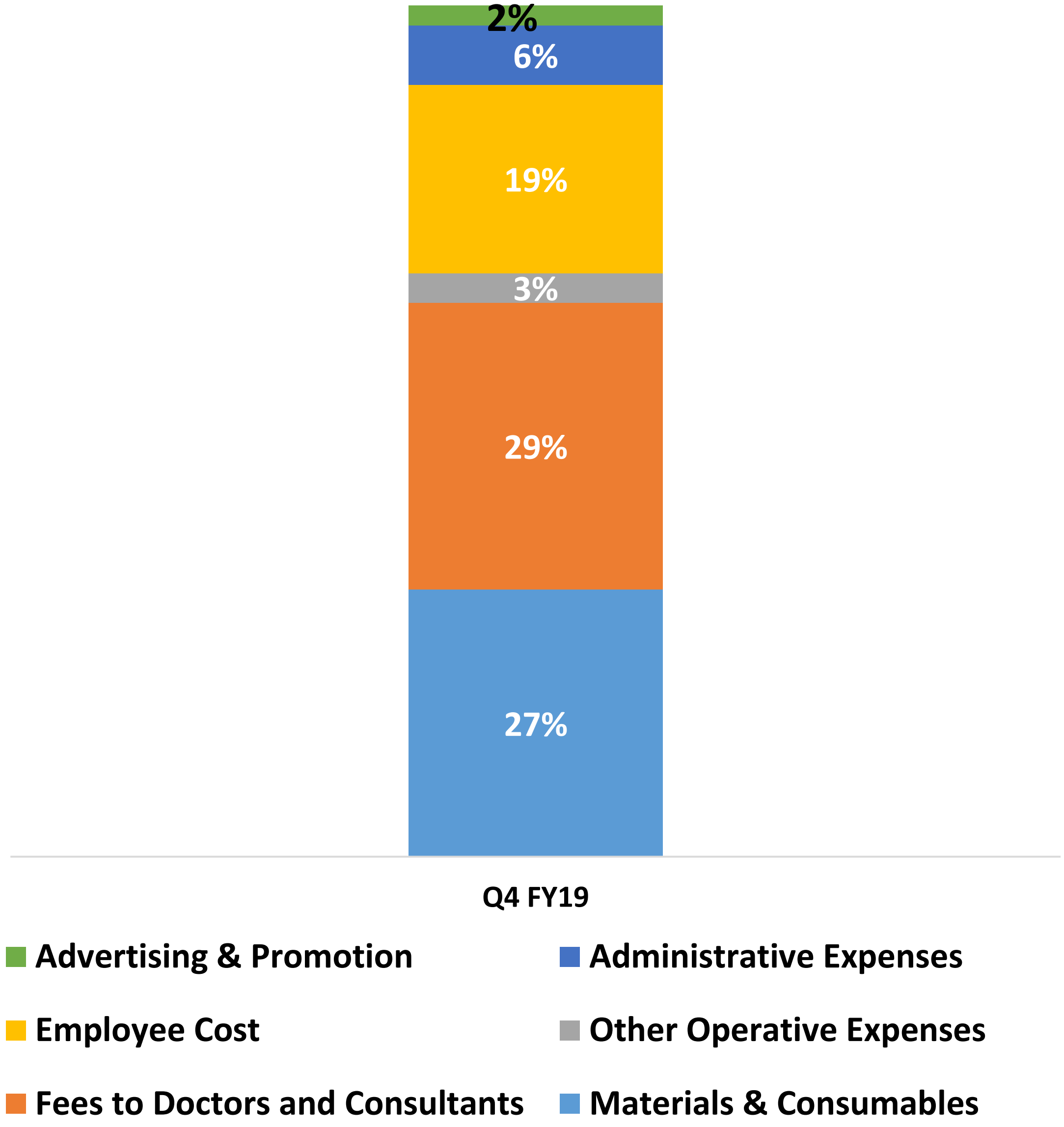
Revenue Mix Q4FY19



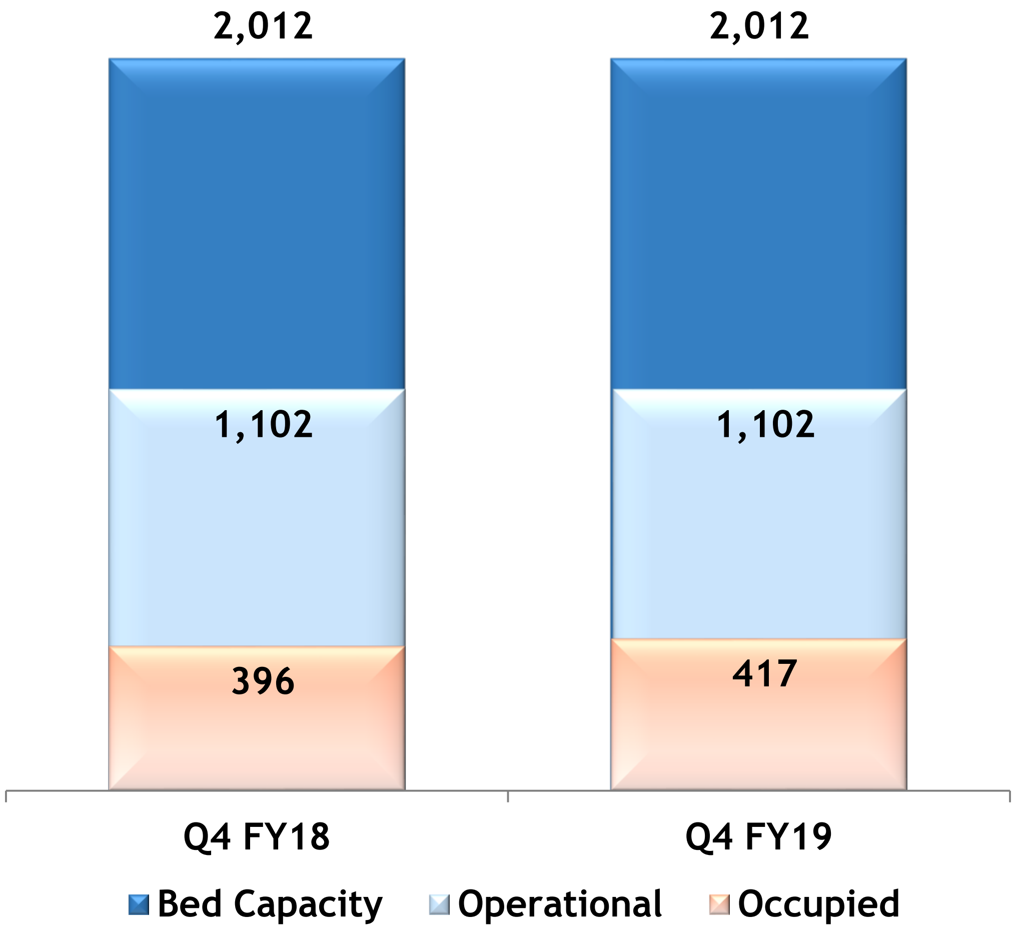


Surgery Count and Cost Structure Q4FY19





Bed Count Split(Quarterly)



Maturity Profile – Q4FY19

Maturity Profile	Avg. Occupied Beds	Census Beds	Non-Census Beds	Operational Beds	Non-Operational Beds	Total Bed Capacity
4 years + (SG; Vijay; Krishna; Vapi)	159	325	+ 57	= 382	+ 212	= 594
2-4 years (Jabalpur, Indore)	124	309	+ 52	= 361	+ 115	= 476
< 2 years (Jaipur; Naroda; Surat; Mohali)	134	253	+ 56	= 309	+ 583	= 892
Total	**417**	**887**	**165**	**1,102***	**910**	**2,012**

Note: The operational bed count of 1,102 considers 50 operational beds at Zynova-Shalby Hospital, Mumbai, for which no other operational parameters are tracked

Maturity Profile – Q4 FY19 vs Q4 FY18 – Operational Parameters

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Q4 FY 19

Maturity Profile	IP Count	OP Count	Surgery Count
4 years + (SG; Vijay; Krishna; Vapi)	4005	29507	2807
2-4 years (Jabalpur, Indore)	3085	22736	937
< 2 years (Jaipur; Naroda; Surat; Mohali)	8226	24897	1,149
Total	15316	77140	4,893

Q4 FY 18

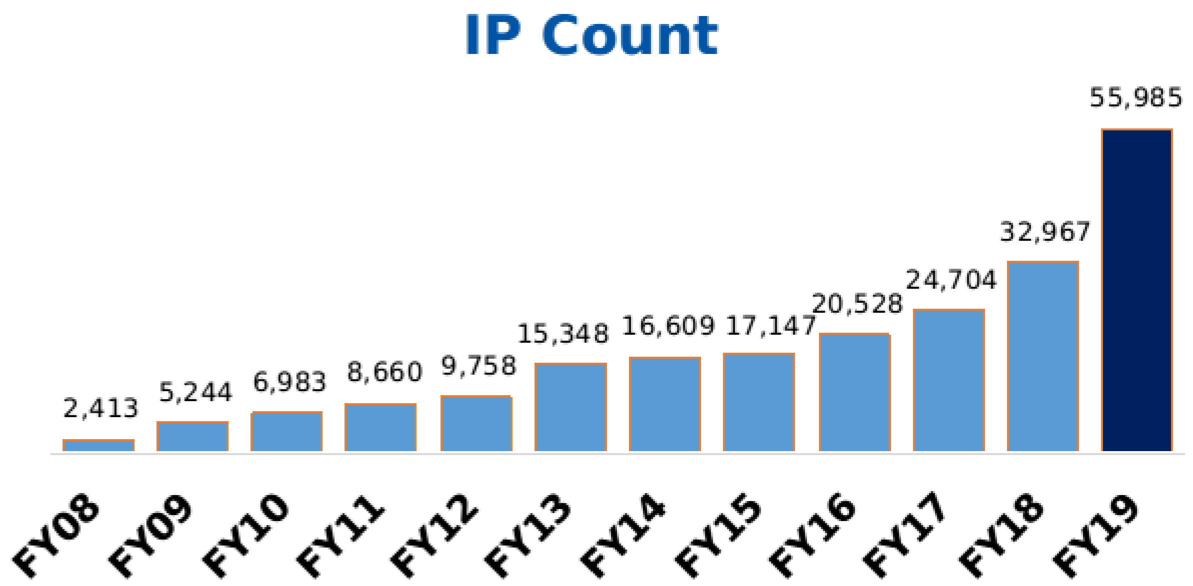
Maturity Profile	IP Count	OP Count	Surgery Count
4 years + (SG; Vijay; Krishna; Vapi)	4294	30140	2963
2-4 years (Jabalpur, Indore)	3303	20575	1039
< 2 years (Jaipur; Naroda; Surat; Mohali)	2401	13474	800
Total	9998	64189	4802

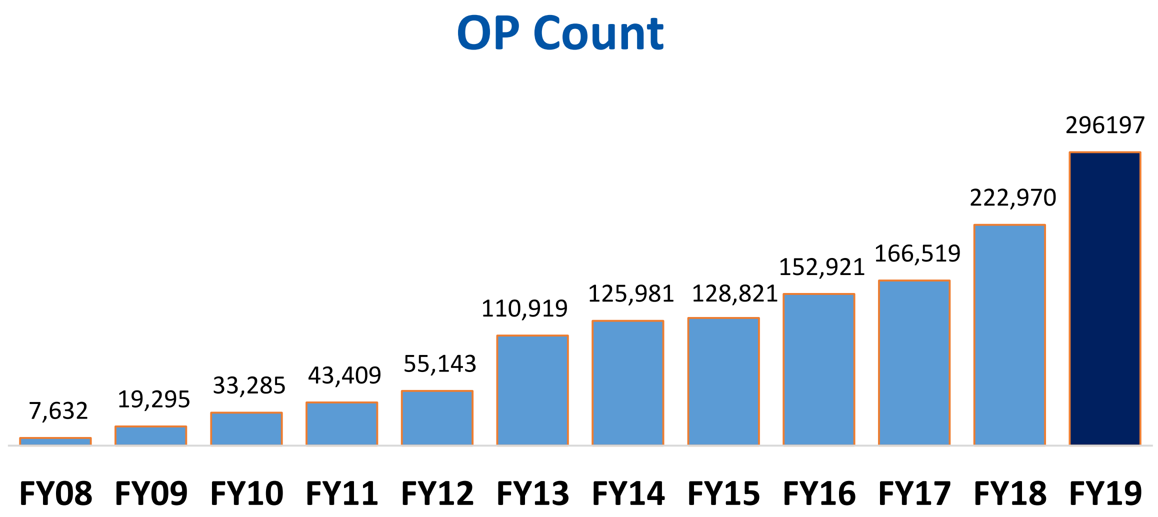
Maturity Profile – Q4FY19 – with Revenue mix

Maturity Profile	% of Total Revenue	Arthroplasty	Non Arthroplasty	ARPOB(Rs)	ALOS(Days)	EBITDA %
4 years + (SG; Vijay; Krishna; Vapi)	51%	30%	21%	40966	3.57	27%
2-4 years (Jabalpur, Indore)	20%	4%	16%	20460	3.63	3.8%
< 2 years (Jaipur; Naroda; Surat; Mohali)	29%	9%	20%	27171	1.46	1.3%
Total	**100%**	**43%**	**57%**	**30760**	**2.45**	**14.7%**

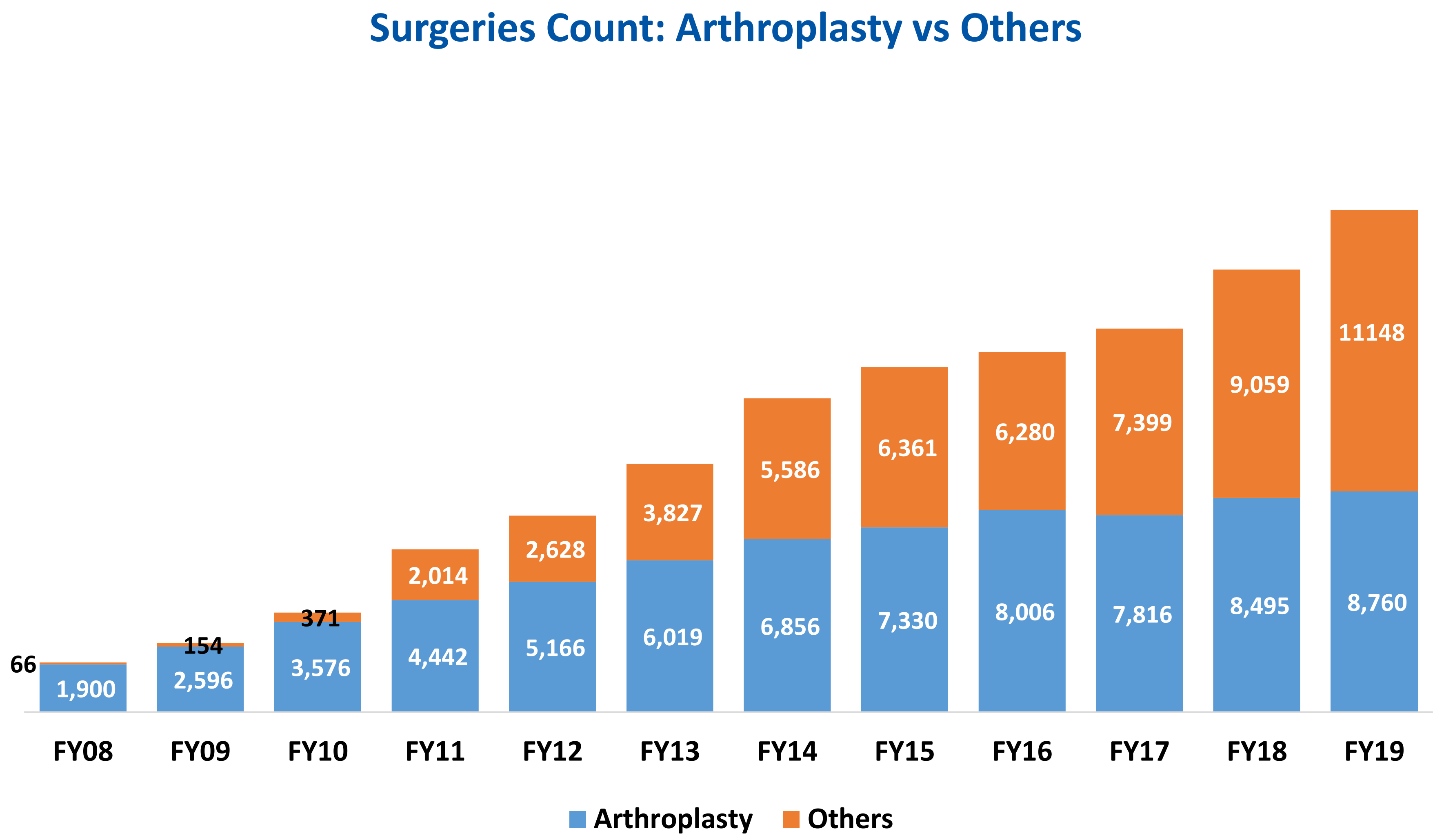
Track record (Yearly Trend)

IP and OP Count (Yearly Trend)

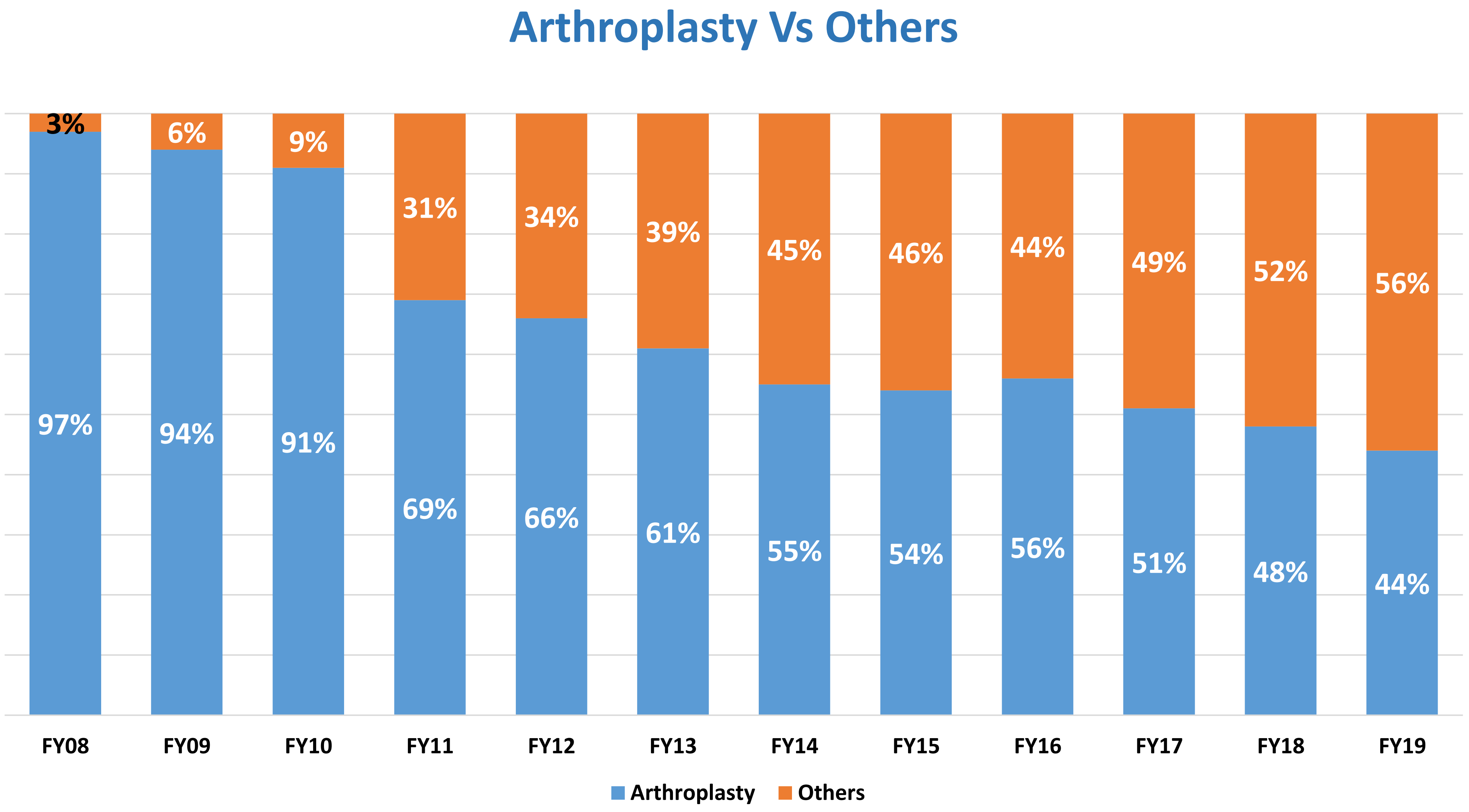




Surgeries Count (Yearly Trend)



Surgeries Count (Yearly Trend)



Performance Synopsis FY19

Particulars	Year Ended 31-03-19	% of Revenue	Year Ended 31-03-18	% of Revenue	Growth
Total Revenue (INR in million)	4708.5		3942.35		19.4%
Total EBITDA (INR in million)	908.7	19.3%	930.67	23.6%	(2.4%)
Bed Capacity (Nos.)	2012		2012		N.A
Operational Beds (Nos.)	1102		1102		N.A
Average Length of Stay	2.7		3.7		N.A
Occupancy (Beds)	413		335		23.3%
In-Patient Count (Nos.)	55985 *		32967		69.8%
Out patient Count (Nos.)	296,197		222,970		32.8%
Surgeries Count	19908		17,554		13.4%
ARPOB (In Rs.)	31235		31564		(1.0%)

*** Increase in IP Count is witnessed due to drastic increase of day care procedures like Radiation therapy, Dialysis etc in Units having < 2 years of Maturity Profile**

Note: The operational bed count of 1102 considers 50 operational beds at Zynova-Shalby Hospital, Mumbai, for which no other operational parameters are tracked

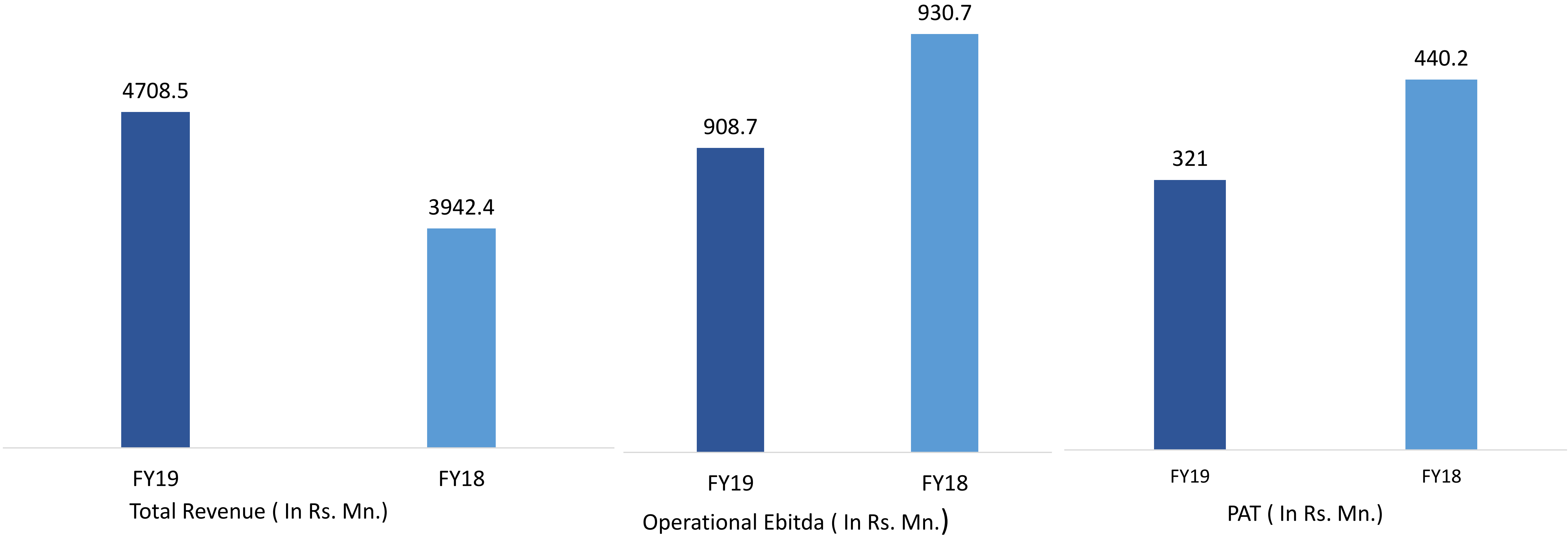
Financial Highlights FY19 Standalone

(INR in million)

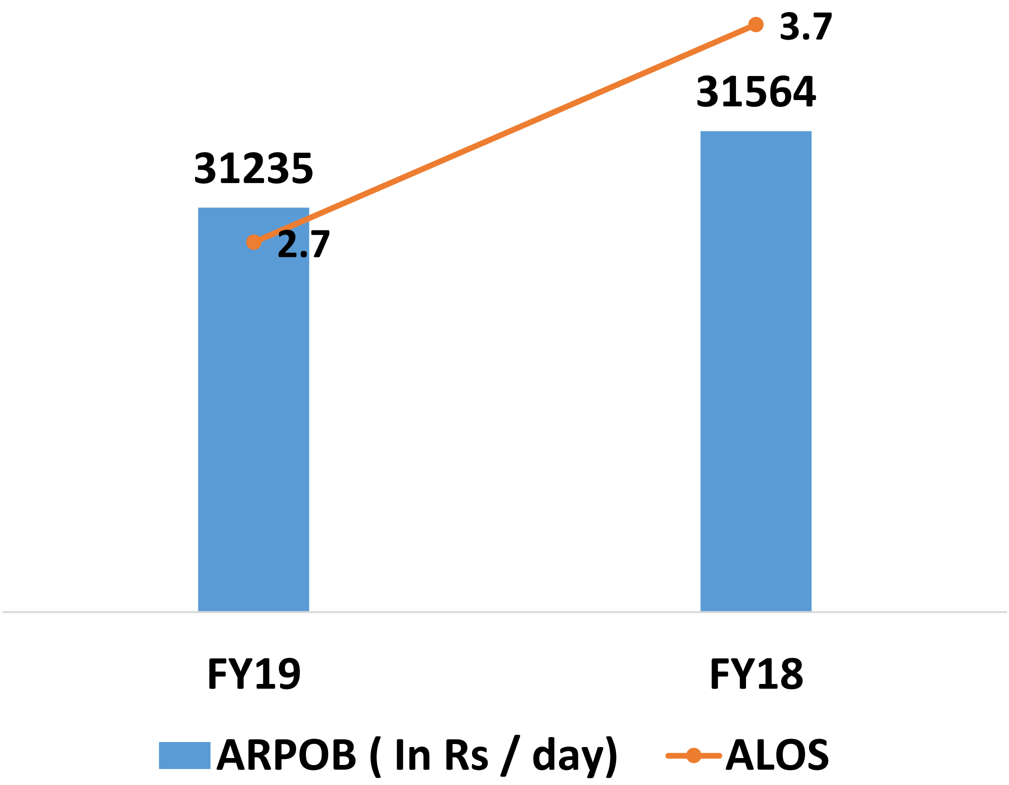
Particulars	Year ended 31-03-19	% of Revenue	Year ended 31-03-18	% of Revenue	Growth
Revenue from Operations	4611.1		3855.2		19.6%
Other Income	97.5		87.1		11.9%
Total Income	4708.5		3942.4		19.4%
Expenses					
Materials & Consumables	1215.4	25.8%	947.7	24.0%	
Fees to Doctors and Consultants	1243.1	26.4%	898.1	22.8%	
Other Operative Expenses	155.6	3.3%	326.7	8.3%	
Employee Costs	851.4	18.1%	447.9	11.4%	
Administrative Expenses	265.6	5.6%	319.6	8.1%	
Advt. & Promotion	68.8	1.5%	71.7	1.8%	
Total Operational Expenses	3799.8	80.7%	3011.7	76.4%	
EBITDA	908.7	19.3%	930.7	23.6%	(2.4%)
Finance Cost	71.4		121.3		
Depreciation & Amortization Expense	330.0		224.3		
Profit before tax (PBT)	507.3		585.01		(13.3%)
Tax Expense	186.2		144.9		
Profit after tax (PAT)	321.0	6.8%	440.2	11.2%	(27.1%)

Company is falling under MAT for FY19 as well as FY18 and taxed @ 21.54%

Financial Parameters FY19

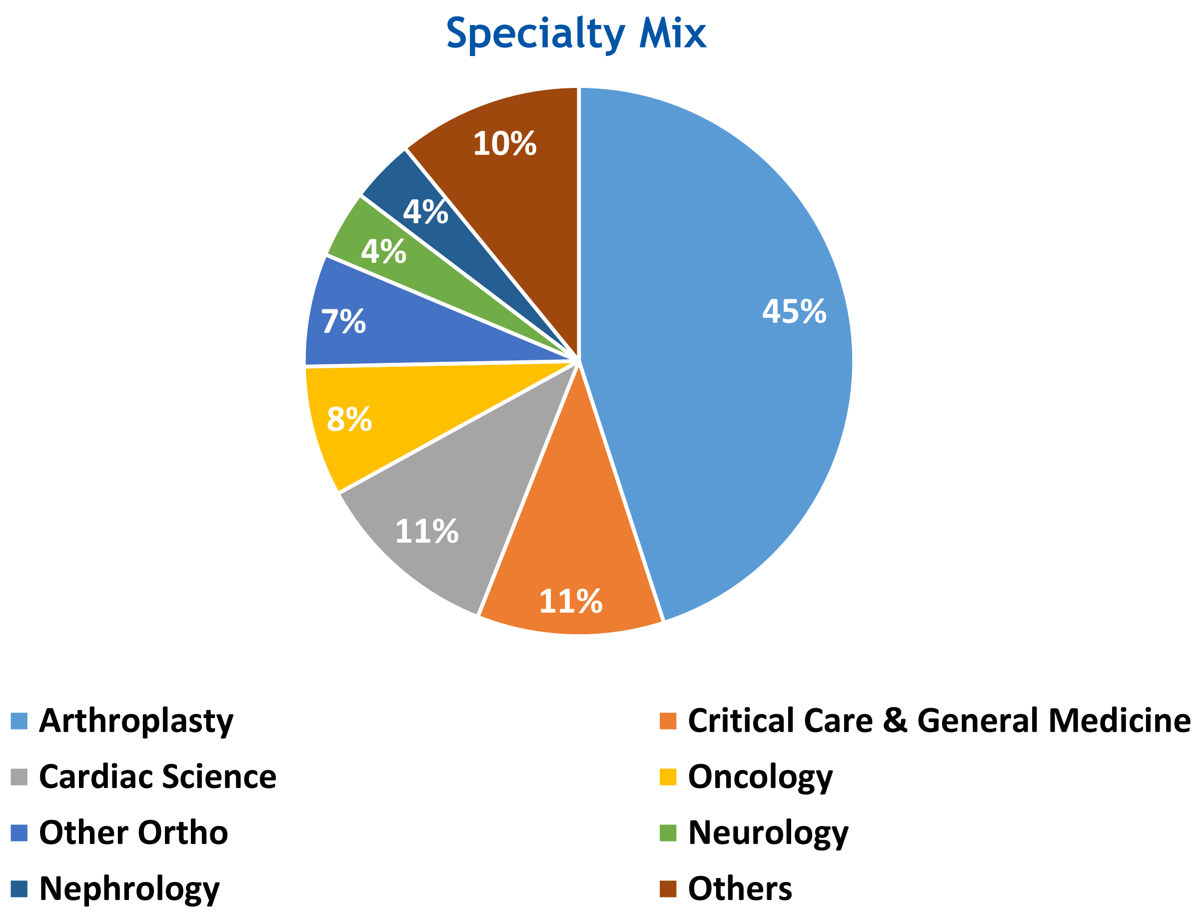


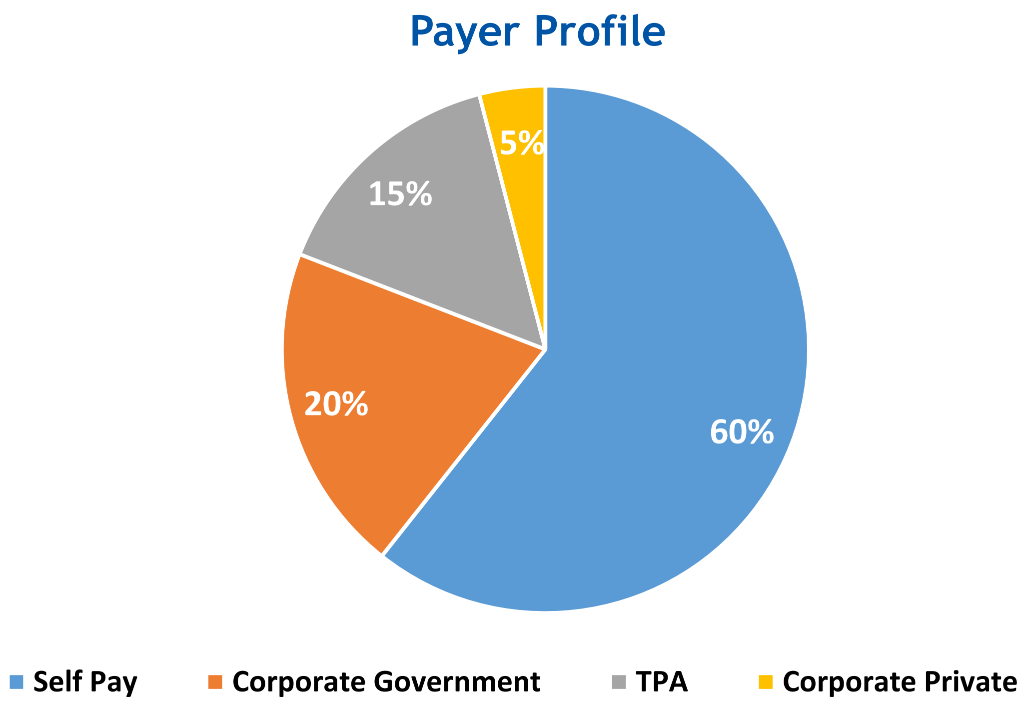
ARPOB and ALOS (Yearly)



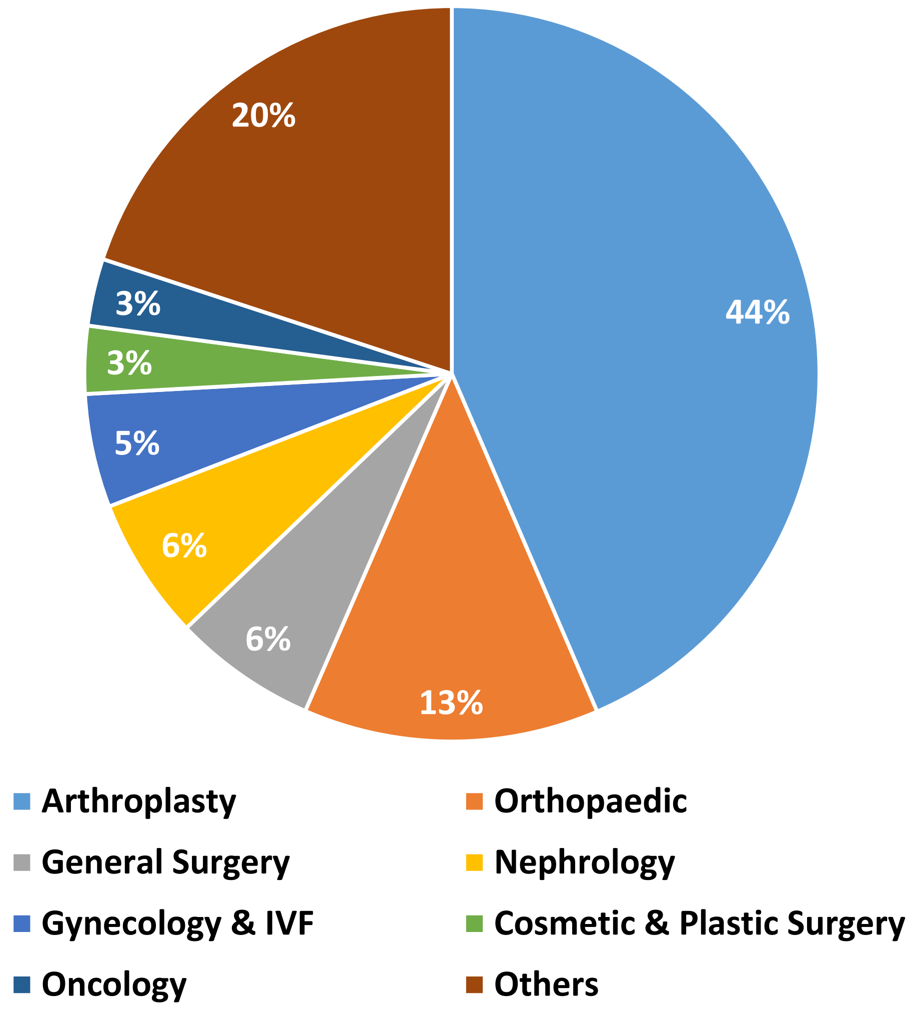
* Decrease in ALOS is witnessed due to drastic increase of day care procedures like Radiation therapy, Dialysis etc in Units having < 2 years of Maturity Profile

Revenue Mix FY19

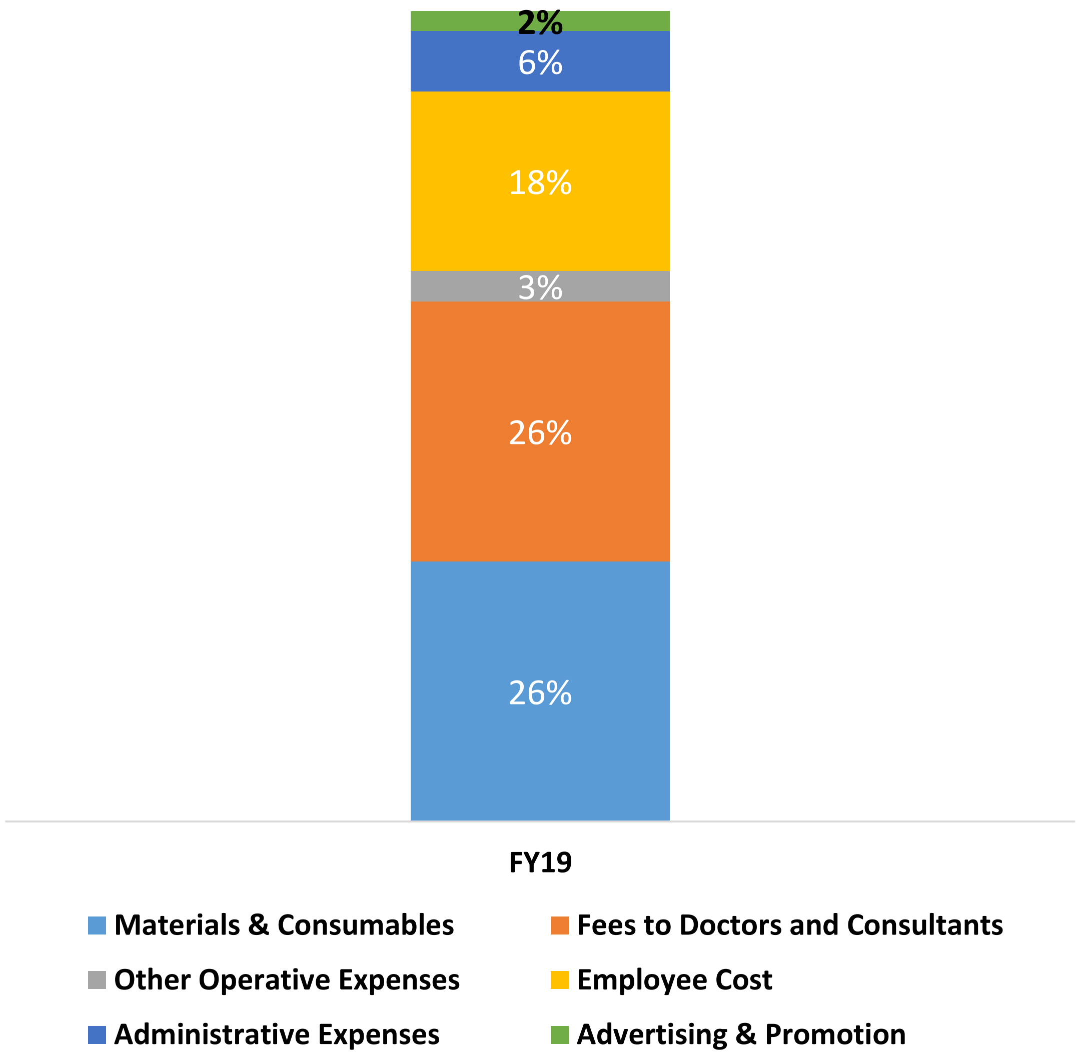




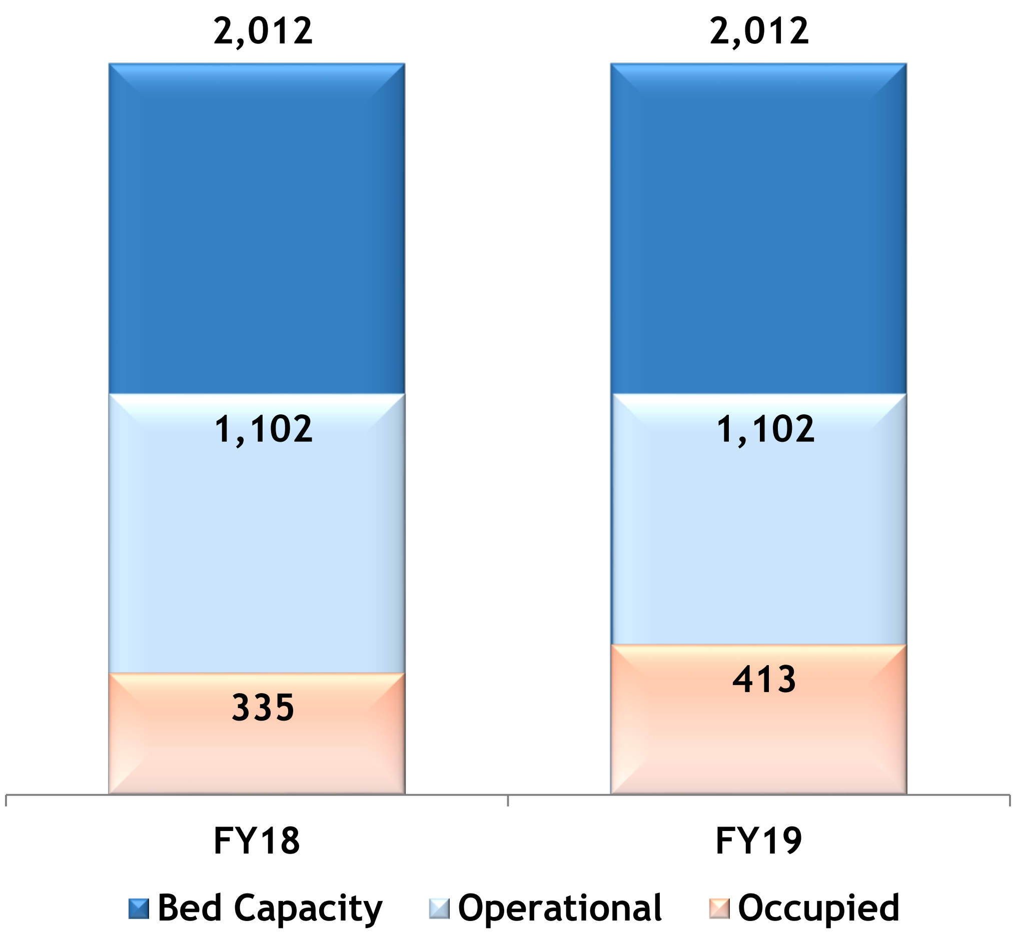
Surgery Count and Cost Structure FY19



Cost Structure



Bed Count Split(Yearly)



Maturity Profile – FY19 – with Revenue mix

Maturity Profile	% of Total Revenue	Arthroplasty	Non Arthroplasty	ARPOB(Rs)	ALOS(Days)	EBITDA %
4 years + (SG; Vijay; Krishna; Vapi)	51%	31%	20%	42107	3.32	30%
2-4 years (Jabalpur, Indore)	22%	4%	18%	20735	3.64	9.0%
< 2 years (Jaipur; Naroda; Surat; Mohali)	28%	10%	18%	29127	1.76	7.3%
Total	**100%**	**45%**	**55%**	**31235**	**2.69**	**19.3%**

SHALBY MULTI-SPECIALTY HOSPITALS

Maturity Profile – Operational Parameters

FY 19

Maturity Profile	IP Count	OP Count	Surgery Count
4 years + (SG; Vijay; Krishna; Vapi)	17019	115093	10792
2-4 years (Jabalpur, Indore)	13640	91021	4193
< 2 years (Jaipur; Naroda; Surat; Mohali)	25326	90083	4923
Total	55985	296197	19908

FY 18

Maturity Profile	IP Count	OP Count	Surgery Count
4 years + (SG; Vijay; Krishna; Vapi)	15,989	110710	12,026
2-4 years (Jabalpur, Indore)	11,725	74,357	3,317
< 2 years (Jaipur; Naroda; Surat; Mohali)	5,253	37,903	2,211
Total	32967	222970	17554

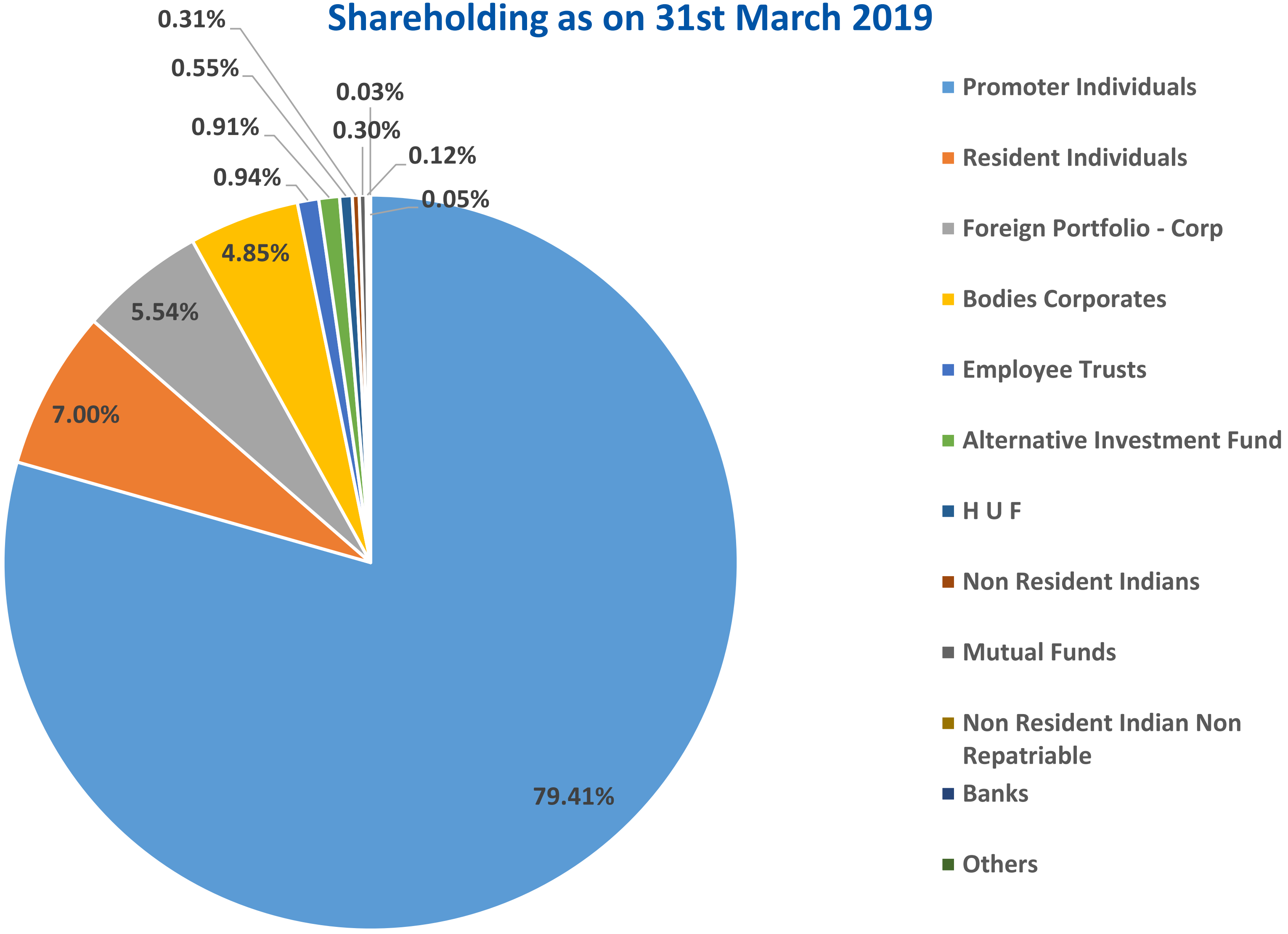
SHALBY MULTI-SPECIALTY HOSPITALS

Maturity Profile – FY19 – with Revenue mix

Maturity Profile	% of Total Revenue	Arthroplasty	Non Arthroplasty	ARPOB(Rs)	ALOS(Days)	EBITDA %
4 years + (SG; Vijay; Krishna; Vapi)	51%	30%	21%	42107	3.32	30%
2-4 years (Jabalpur, Indore)	22%	4%	18%	20735	3.64	9.0%
< 2 years (Jaipur; Naroda; Surat; Mohali)	28%	10%	18%	29127	1.76	7.3%
Total	100%	44%	56%	31235	2.69	19.3%

Shareholding Pattern

Shareholding as on 31st March 2019



SHALBY MULTI-SPECIALTY HOSPITALS

Dividend for FY 2018-19

We take pleasure to inform that Company has recommended dividend of 5% .

Our Strengths and Differentiators

- Experienced promoters with hands-on involvement
- Strong brand, global leadership in Joint Replacement
- Optimized Business Model now being replicated
- Increasing focus on Quaternary treatments such as Oncology and Organ transplants
- Even after the IPO promoter holding is ~80%
- Unleveraged Balance Sheet
- Strong emphasis on governance and compliance
- Leadership and succession plan in place

Detailed Information

For more detailed information please click on the link below:

- Q4FY19 result
- Q3FY19 result
- Q2FY19 result
- Q1FY19 result
- Monitoring Agency Report for IPO proceeds
- FY19 result

Thank you

SHALBY
MULTI-SPECIALTY
HOSPITALS

SHALBY LIMITED

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Script code: BSE: 540797 | **NSE: SHALBY**