

October 12, 2020

**Shalby/SE/2020-21/75**

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 First Quarter and Half year ended September 30 2020, 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 and Half year ended September 30, 2020, which is 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

# Earnings Presentation

Q2 FY2021

**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.



Q2 FY2021 PERFORMANCE HIGHLIGHTS



HOSPITAL BUSINESS UPDATE



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## Q2 FY2021 PERFORMANCE HIGHLIGHTS

# Q2 FY2021 PERFORMANCE HIGHLIGHTS

Quarter on quarter, Total Income up by 174% and EBITDA returned to profitability.  
Record high EBITDA and PAT margins of 28.0% and 21.6% respectively

## In Patient Count (Nos.)

**7,573**

3,664 in Q1 FY21

## Surgeries Count

**1,622**

843 in Q1 FY21

## Beds Occupied (Nos.)

**489**

205 In Q1 FY21

## Avg. Occupancy Rate

**41%**

17% in Q1 FY21

## ARPOB (Rs.)

**24,837**

Rs. 21,848 in Q1 FY21

## ALOS (Days)

**5.94**

5.10 in Q1 FY21

## Total Income

**Rs. 1,118 mn**

Q1 FY21 Rs. 408 mn

## Operating EBITDA

**Rs. 314 mn**

Q1 FY21 Rs. (25) mn

## PBT

**Rs. 215 mn**

Q1 FY21 Rs. (126) mn

## Net Profit

**Rs. 242 mn**

Q1 FY21 Rs. (86) mn

### Notes:

1. Occupancy rate is on the basis of operational beds
2. ALOS is excluding Day Care
3. All numbers are on Standalone basis

# Q2 FY2021 PERFORMANCE HIGHLIGHTS



## Commenting on performance, Mr. Shanay Shah, President Said:

All our hospitals, except SG Shalby, have continued to treat Covid-19 patients and provide the required infrastructure support and medical facilities needed to try to address this ongoing unprecedented health crisis. In addition to having treated over 3,250 Covid-19 patients in total across our hospital group, during the last quarter we have also registered an increase in both arthroplasty and orthopedics elective surgeries. As a result of this, we have seen a sharp rebound in both our business and financial key performance indicators during Q2 FY21.

During the quarter, Shalby delivered total income of Rs. 1,118 million, an increase of 174% on a q-o-q basis and a decline of 12.9% on y-o-y basis. This was due to bed occupancy levels moving up meaningfully to 41% in Q2 FY21 as compared to 39% in the same quarter last year. EBITDA returned to profitability at Rs. 314 million and margins improved significantly to 28.0% as compared to 23.9% in Q2 FY2020. The margin improvement was primarily driven by higher occupancy from Covid-19 patients coupled with lower consumption of materials and consumables. Overall, net profit was Rs. 242 million with margins of 21.6%. From a balance sheet perspective, Shalby remains well capitalized with net cash of Rs. 503 million at the end of September 2020 compared with Rs. 398 million last quarter.

With the removal of lockdown and travel restrictions, business activity started to show early signs of normalization, however Covid-19 cases continue to rise across the country. Our senior management team remains fully committed to ensure best in class healthcare facilities are being provided to patients across our hospital group. Furthermore, Shalby continues to provide patients with affordable home care medical services.

## Key Quarter Highlights

- Treated over 3,250 Covid-19 patients in total
- Bed occupancy levels up to 41% in Q2 FY21
- Total income of Rs. 1,118 million, up 174% q-o-q
- EBITDA returned to profitability at Rs. 314 million
- EBITDA margins increased to 28.0%
- Net profit Rs. 242 million with margins of 21.6%
- Net cash up by Rs. 105 million over March 20

## Capital Structure

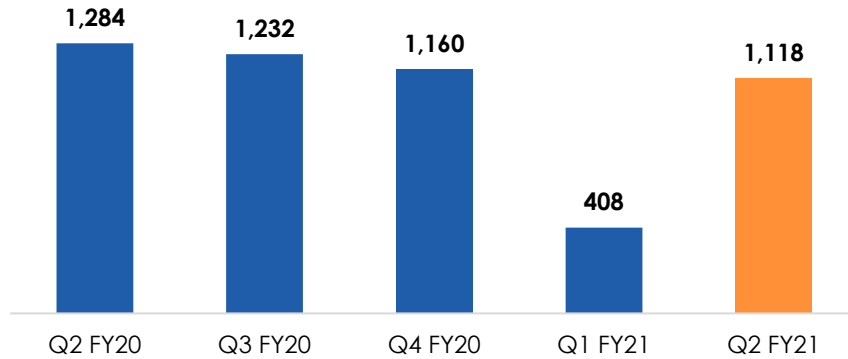
Rs Million	Sep-20	Mar-20
Gross Borrowings	476	622
Cash and Investments	980	1,021
<b>Net Debt/ (Net Cash)</b>	<b>(503)</b>	<b>(398)</b>
<b>Equity</b>	<b>8,229</b>	<b>8,137</b>

Notes:

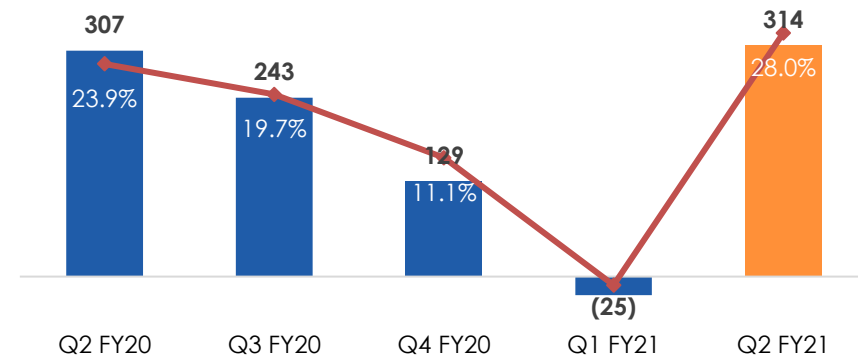
1. All numbers are on Standalone basis

# Q2 FY2021 PERFORMANCE HIGHLIGHTS

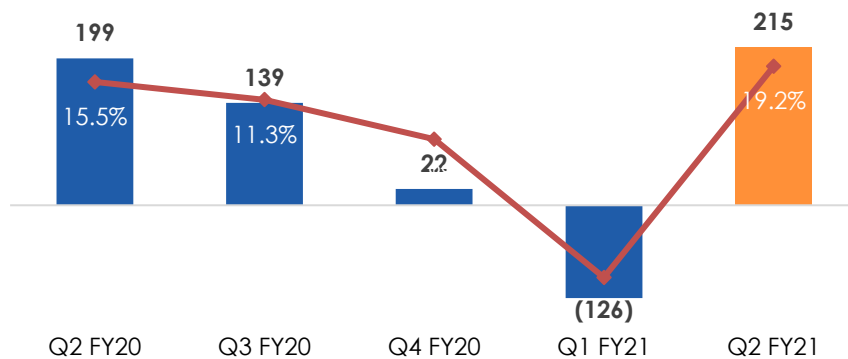
Total Income (Rs. Mn)



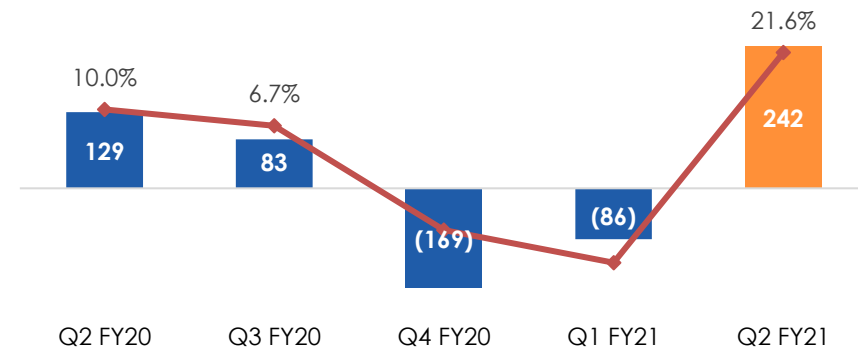
EBITDA (Rs. Mn) and Margin



PBT (Rs. Mn) and Margin



PAT (Rs. Mn) and Margin

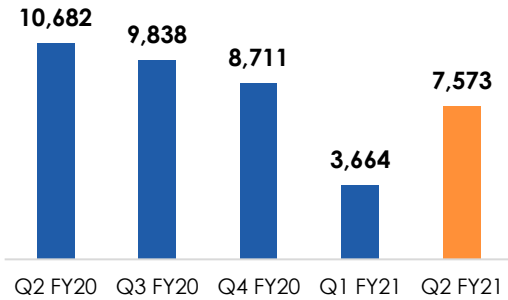


Note:

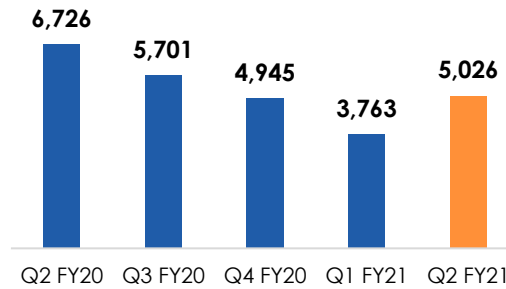
1. All numbers are on Standalone basis

# Q2 FY2021 PERFORMANCE HIGHLIGHTS

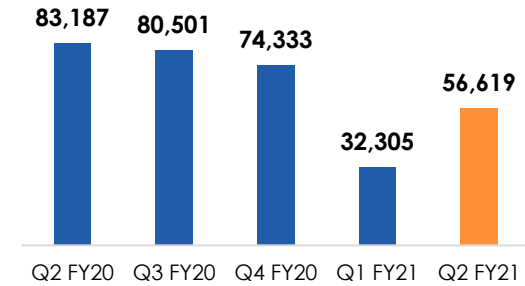
## In Patients



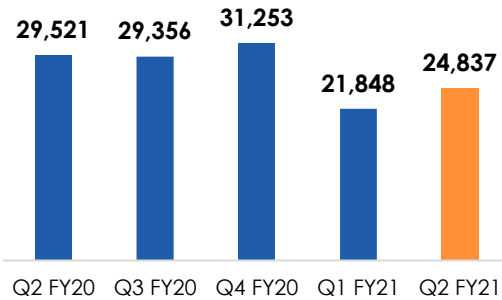
## Day Care



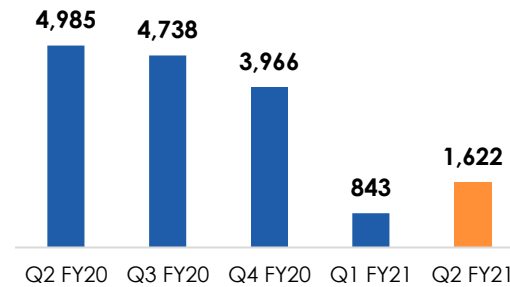
## Out Patients



## ARPOB (Rs.)



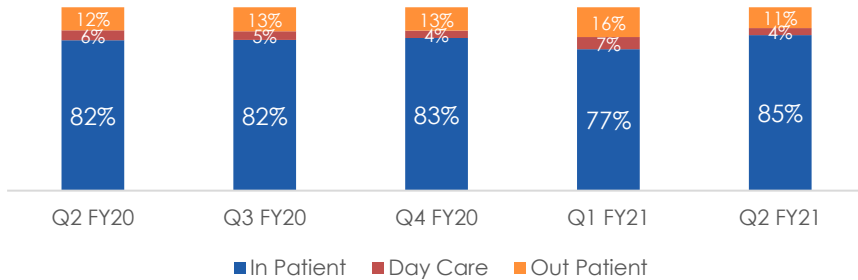
## Surgery Count



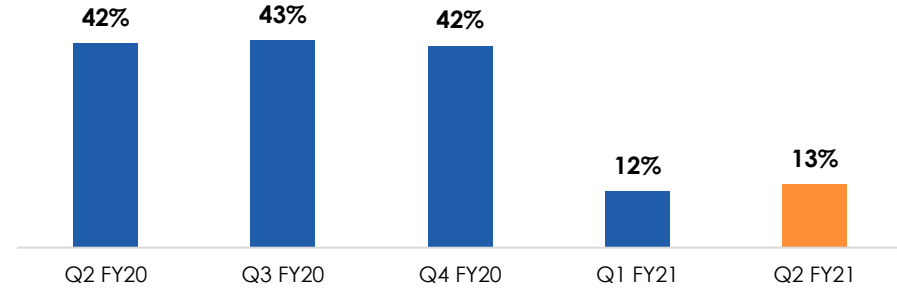


# Q2 FY2021 PERFORMANCE HIGHLIGHTS

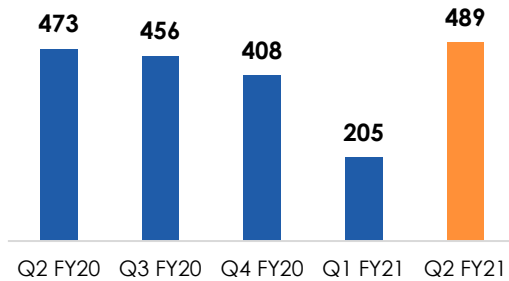
## Revenue Mix by Care



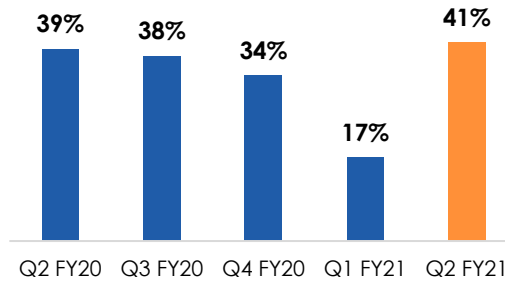
## % of Revenue from Arthroplasty



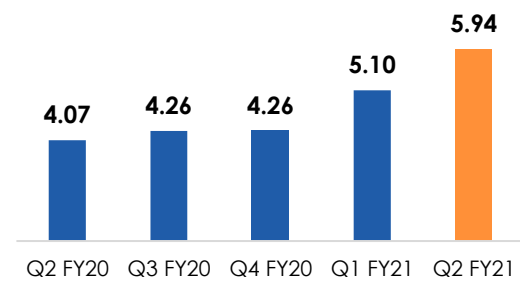
## No of Bed Occupied



## Occupancy Rate



## ALOS

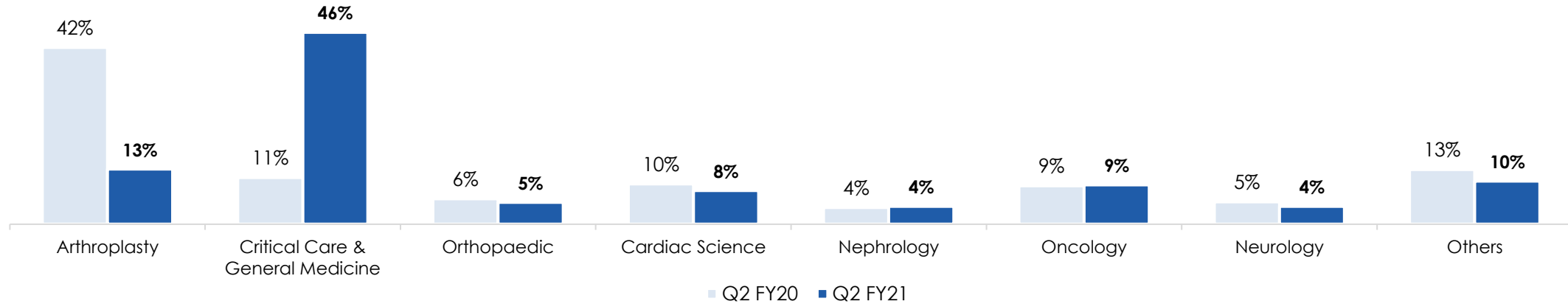


Notes:

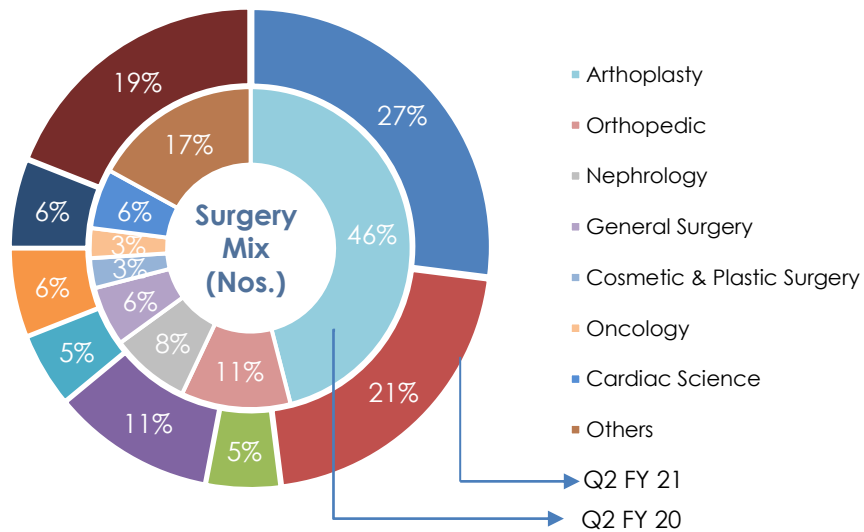
1. Occupancy rate is on the basis of operational beds
2. ALOS is excluding Day Care
3. All numbers are on Standalone basis

# Q2 FY2021 PERFORMANCE HIGHLIGHTS

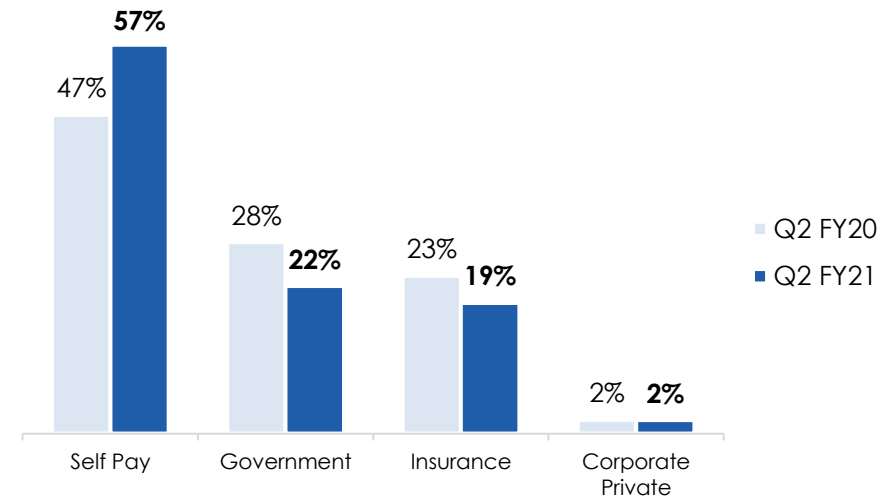
## Revenue by Hospital Specialty



## Number of Surgeries by Specialty



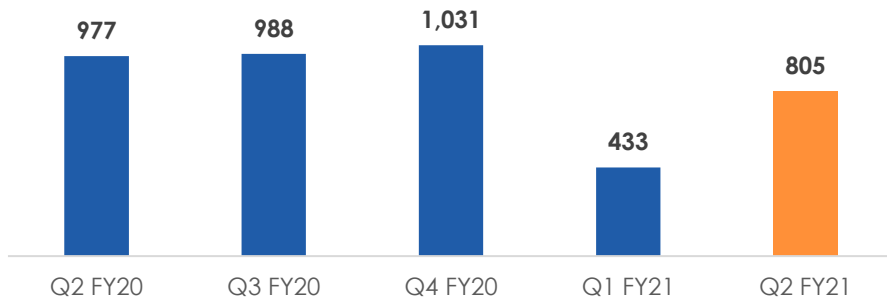
## Revenues by End Patient



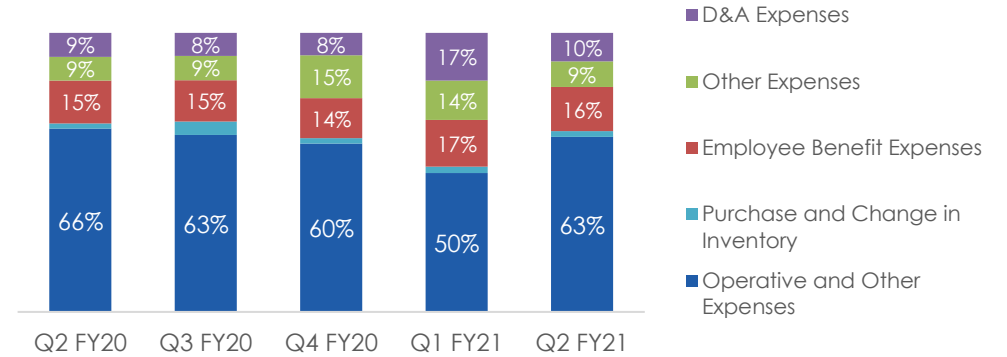
Note:  
1. All numbers are on Standalone basis

# Q2 FY2021 PERFORMANCE HIGHLIGHTS

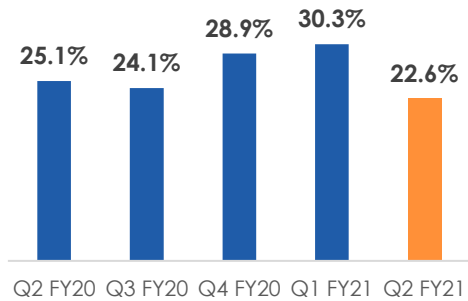
## Total Operating Expenses (Rs. Mn)



## Total Costs Mix (Rs. Mn)

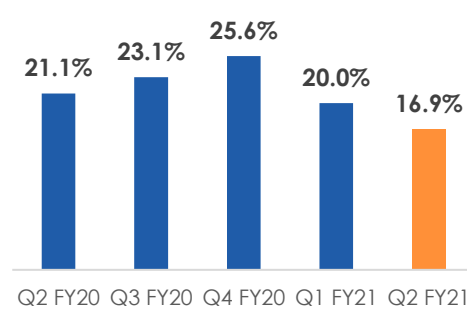


## Doctor Costs as % of Revenue from Operations



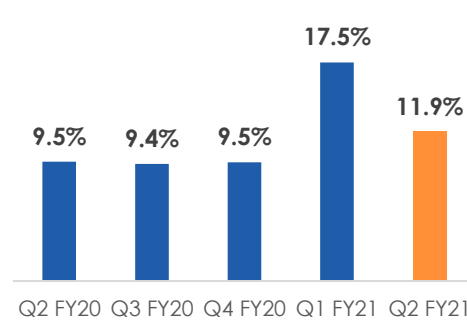
Q2 FY21 Rs. 248 mn vs Rs. 316 mn Q2 FY20

## Consumables as % of Revenue from Operations



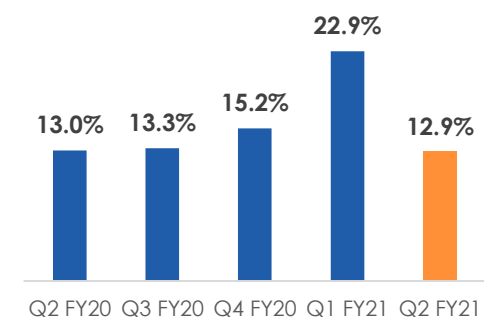
Q2 FY21 Rs. 184 mn vs Rs. 266 mn Q2 FY20

## Other Operative Expense as % of Revenue from Operations



Q2 FY21 Rs. 130 mn vs Rs. 120 mn Q2 FY20

## Employee Costs as % of Revenue from Operations



Q2 FY21 Rs. 141 mn vs Rs. 164 mn Q2 FY20

Notes:

- Total Operating Expenses comprises of Operative and other expenses, Purchase and Change in Inventory, Employee costs and Other Expenses
- All numbers are on Standalone basis

# Q2 FY2021 PERFORMANCE HIGHLIGHTS

Particulars (in Rs. Million)	Q2 FY21	Q2 FY20	Q1 FY21	Q-o-Q Growth
<b>Revenue from Operations</b>	1,093	1,258	384	185.0%
Other Income	25	26	24	2.1%
<b>Total Income</b>	<b>1,118</b>	<b>1,284</b>	<b>408</b>	<b>174.0%</b>
<b>Expenses</b>				
COGS	581	722	272	113.9%
% of Revenue	53%	57%	71%	
Employee Benefit Expenses	141	164	88	60.3%
% of Revenue	13%	13%	23%	
Other expenses	83	91	74	12.4%
% of Revenue	8%	7%	19%	
<b>Total Operating Expenses</b>	<b>805</b>	<b>978</b>	<b>434</b>	<b>85.5%</b>
% of Revenue	<b>74%</b>	<b>78%</b>	<b>113%</b>	
<b>EBITDA</b>	<b>314</b>	<b>307</b>	<b>(25)</b>	-
<b>EBITDA Margins %</b>	<b>28.0%</b>	<b>23.9%</b>	<b>(6.2)%</b>	
Depreciation and Amortisation	92	92	89	2.5%
Finance Cost	8	16	12	(36.4)%
<b>PBT</b>	<b>215</b>	<b>199</b>	<b>(126)</b>	-
Total tax	(27)	70	(40)	-
Effective Tax Rate %	(12.6)%	35.3%	31.5%	
<b>PAT</b>	<b>242</b>	<b>129</b>	<b>(86)</b>	-
<b>PAT Margins %</b>	<b>21.6%</b>	<b>10.0%</b>	<b>(21.2)%</b>	

Notes:

1. Margins are calculated on the basis of Total Income
2. All numbers are on Standalone basis

# Q2 FY2021 PERFORMANCE HIGHLIGHTS

Operational Metrics	Q2 FY21	Q2 FY20	Q1 FY21	Q-o-Q Growth
In Patient Count (Nos.)	<b>7,573</b>	10,682	3,664	<b>106.7%</b>
Day Care Patient Count (Nos.)	<b>5,026</b>	6,726	3,763	<b>33.6%</b>
Out Patient Count (Nos.)	<b>56,619</b>	83,187	32,305	<b>75.3%</b>
Surgeries Count (Nos.)	<b>1,622</b>	4,985	843	<b>92.4%</b>
ARPOB (In Rs.)	<b>24,837</b>	29,521	21,848	<b>13.7%</b>
Bed Capacity (Nos.)	<b>2,012</b>	2,012	2,012	<b>0.0%</b>
<b>Operational Beds</b> (Nos.)	<b>1,200</b>	1,200	1,200	<b>0.0%</b>
Occupancy (Beds)	<b>489</b>	473	205	<b>138.4%</b>
<b>Occupancy</b> (%)(based on operational beds)	<b>40.8%</b>	39.4%	17.1%	<b>138.4%</b>
<b>Average Length of Stay</b> (without Daycare)	<b>5.94</b>	4.07	5.10	<b>16.6%</b>

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



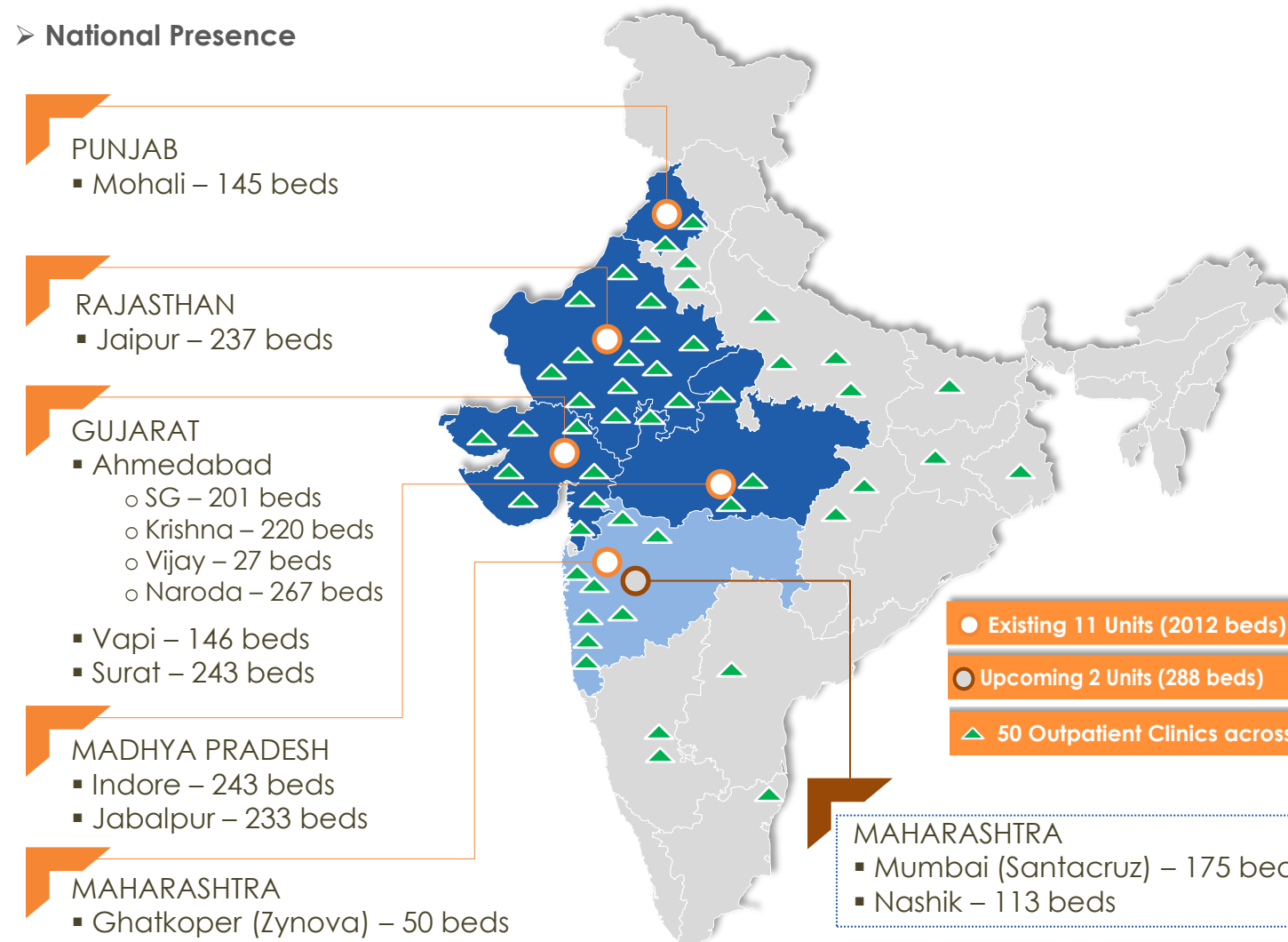
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## HOSPITAL BUSINESS UPDATE

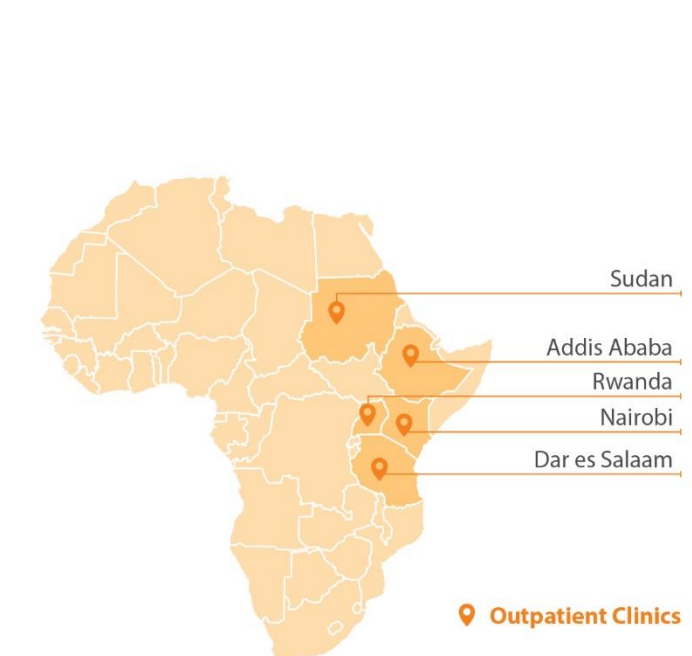
# OUR REGIONAL PRESENCE

Shalby has developed strong brand recognition in its core markets and is well positioned for further expansion

## ➤ National Presence



## ➤ International Presence (in Africa)



- Existing 11 Units (2012 beds)
- Upcoming 2 Units (288 beds)
- ▲ 50 Outpatient Clinics across 15 states in India

**MAHARASHTRA**

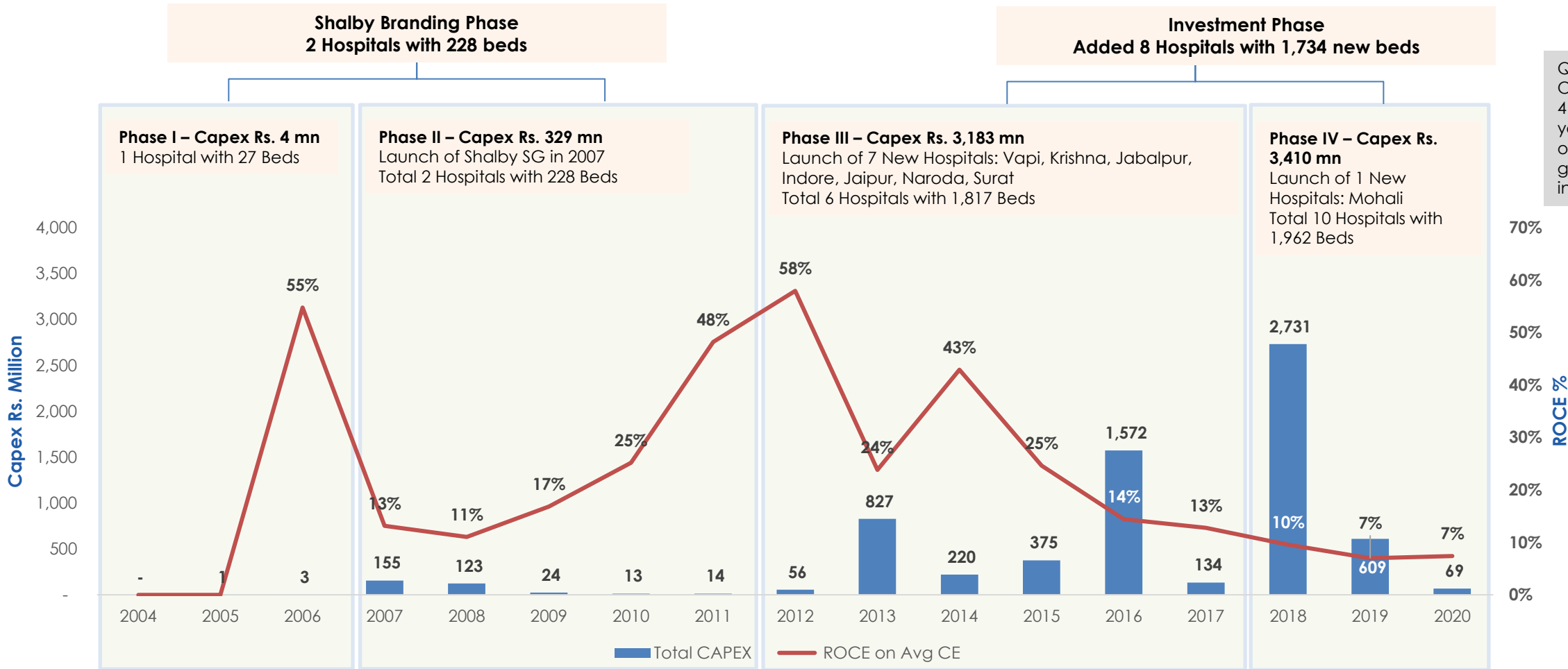
- Mumbai (Santacruz) – 175 beds
- Nashik – 113 beds

Upcoming Two Units

- Ghatkoper (Zyonova) – 100 beds

# HOSPITAL INVESTMENT JOURNEY

Return on Capital Employed currently reflects real estate investments and a relatively younger maturity portfolio



Q2 FY21 Occupancy of 41% reflects younger maturity of hospital portfolio given Phase IV investments

Notes:  
 1. ROCE is calculated as EBIT divided by Average Capital Employed  
 2. Total bed count of 1,962 at the end of FY2020 is excluding Zynova bed count of 50  
 3. All numbers are on Standalone FY2020 basis  
 4. Occupancy rate is calculated on operational number of beds



## Santa Cruz Development Update

Business Model: **Revenue Sharing**

Bed Capacity: **175**

Operating and Management Term: **30 + 30 years**

Operationalization Year: **FY 2024**

Estimated Cost: **Rs. 1,600 million**

Approval awaited from Brihanmumbai Municipal Corporation (BMC)

## Nashik Development Update

Business Model: **Revenue Sharing**

Bed Capacity: **113**

Operating and Management Term: **30 years**

Operationalization Year: **FY 2023**

Estimated Cost: **Rs. 310 million**

Brownfield development with Shalby to invest in medical equipments



# HOSPITAL BUSINESS UPDATE

SG		Commencement	2007   13 Years
		No. of beds / Occupancy	201   50.3%
		Type of Arrangement	Leased – Fixed Rent
		Revenue Contribution %	32.8%
Vijay		Commencement	1994   26 Years
		No. of beds / Occupancy	27   11.1%
		Type of Arrangement	Freehold
		Revenue Contribution%	0.4%
Krishna		Commencement	2012   8 Years
		No. of beds / Occupancy	220   36.9%
		Type of Arrangement	Freehold
		Revenue Contribution%	12.3%
Naroda		Commencement	2017   3 Years
		No. of beds / Occupancy	267   55.1%
		Type of Arrangement	Leased – Revenue Share
		Revenue Contribution%	8.0%

SG Group	Catchment: Ahmedabad and surrounding areas of Gujarat, Rajasthan and Mumbai
	<ul style="list-style-type: none"> <li>Cardiac science business increased by 28.6% compared to Q2 FY20</li> <li>Average occupancy continue to increase in Q2 FY21</li> <li>Home care increased by 50% compared to Q2 FY20</li> </ul>
	Catchment: Ahmedabad and surrounding areas of Gujarat
	<ul style="list-style-type: none"> <li>Vijay was one of the first to start Covid-19 treatment in Ahmedabad</li> </ul>
SG Group	Catchment: Ahmedabad and surrounding areas of Gujarat and Rajasthan. Also attracts international patients
	<ul style="list-style-type: none"> <li>Average occupancy continue to increase in Q2 FY21</li> <li>Critical care specialty witnessed good traction</li> </ul>
	Catchment: Ahmedabad and surrounding areas of Gujarat
	<ul style="list-style-type: none"> <li>Treated more than 500 Covid-19 positive patients</li> <li>Growth in oncology, nephrology, cardiology and critical care</li> <li>Tie-up with nearby nursing home and consultants</li> </ul>

Notes:  
 1. Revenue contribution % is a contribution to total hospital revenue  
 2. All numbers are on Standalone FY2020 basis




# HOSPITAL BUSINESS UPDATE

Surat		Commencement	2017   3 Years
		No. of beds / Occupancy	243   39.1%
		Type of Arrangement	Freehold
		Revenue Contribution%	10.0%
Vapi		Commencement	2012   8 Years
		No. of beds / Occupancy	146   20.0%
		Type of Arrangement	Freehold
		Revenue Contribution%	1.4%
Indore		Commencement	2012   8 Years
		No. of beds / Occupancy	243   46.0%
		Type of Arrangement	Freehold
		Revenue Contribution%	13.0%
Jabalpur		Commencement	2015   5 Years
		No. of beds / Occupancy	233   35.3%
		Type of Arrangement	Leased – Revenue Share
		Revenue Contribution%	7.6%

Surat Group	Catchment: South Gujarat, North Maharashtra (including Mumbai)
	<ul style="list-style-type: none"> <li>Treated more than 600 Covid-19 patients</li> <li>Highest ever occupancy in ICU</li> <li>Great response to Covid-19 home care packages</li> </ul>
	Catchment: South Gujarat
	<ul style="list-style-type: none"> <li>First private hospital to start Covid-19 treatment in Valsad district</li> <li>Delivered first healthy baby of Covid-19 positive mother in Vapi</li> </ul>
Surat Group	Catchment: Madhya Pradesh
	<ul style="list-style-type: none"> <li>Star consultants engaged in departments of cardiology, neuro surgery, general surgery on visiting mode</li> </ul>
	Catchment: Madhya Pradesh
	<ul style="list-style-type: none"> <li>Treated more than 200 Covid-19 patients</li> <li>Starting of Covid-19 ICU Services</li> <li>Digital promotion of clinical services</li> </ul>

Notes:  
 1. Revenue contribution % is a contribution to total hospital revenue  
 2. All numbers are on Standalone FY2020 basis

# HOSPITAL BUSINESS UPDATE

Mohali		Commencement	2017   2+ Years	<p>Catchment: Punjab, Utrakhand</p> <ul style="list-style-type: none"> <li>• Top floor dedicated for Covid-19 patients</li> <li>• Major specialties like arthroplasty, urology and medicine showing recovery in Q2 FY2021</li> <li>• Revenue sharing arrangement with top orthopedic surgeons of tri-city (Mohali, Chandigarh &amp; Panchkula)</li> </ul>
		No. of beds / Occupancy	145   24.7%	
		Type of Arrangement	Freehold	
		Revenue Contribution%	3.7%	
Jaipur		Commencement	2017   3 Years	<p>Catchment: Rajasthan, Western UP, Punjab, Delhi</p> <ul style="list-style-type: none"> <li>• Zero doctor attrition amidst the Covid-19 crisis</li> <li>• Highest number of child deliveries amongst all corporate multispecialty hospitals in Jaipur</li> <li>• Growth in Spine, cardiac, gynae neonatal &amp; internal medicine</li> <li>• Good occupancy levels with highest ever in September 2020</li> </ul>
		No. of beds / Occupancy	237   36.0%	
		Type of Arrangement	Freehold	
		Revenue Contribution%	10.8%	
Zynova		Commencement	2017   3 Years	<p>Catchment: Mumbai</p> <ul style="list-style-type: none"> <li>• Converted into Covid-19 facility from 1st June to 31st Aug 2020</li> <li>• 24 beds were given for Covid-19 including 15 beds in ICU</li> <li>• Rebound in occupancy levels in Q2 FY21</li> </ul>
		No. of beds / Occupancy	50 / na	
		Type of Arrangement	O&M Model	
		Revenue Contribution%	na	
Quarterly Business Update				

Notes:

1. Revenue contribution % is a contribution to total hospital revenue
2. All numbers are on Standalone FY2020 basis



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