SHALBY®
MULTI-SPECIALTY
HOSPITALS

October 12, 2020

Shalby/SE/2020-21/75

The Listing Department	Corporate Service Department
National Stock Exchange of India Ltd	**BSE Limited**
Mumbai 400 051.	Mumbai 400 001.
Scrip Code : SHALBY	**Scrip Code: 540797**
Through : https://www.connect2nse.com/LISTING/	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 I SHALBY, NSE CODE: SHALBY)

A leader in Joint Replacement surgeries in India with an established chain of multi-specialty tertiary care hospitals.

CONTENT

Q2 FY2021 PERFORMANCE HIGHLIGHTS

Q2 FY2021 PERFORMANCE HIGHLIGHTS

SHALBY MULTI-SPECIALTY HOSPITALS

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

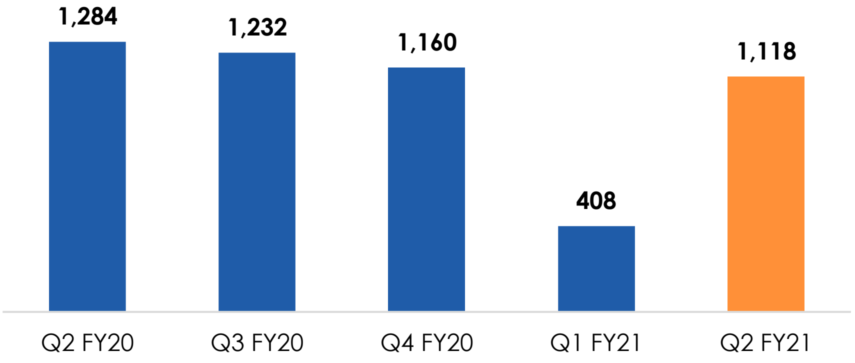
Capital Structure

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

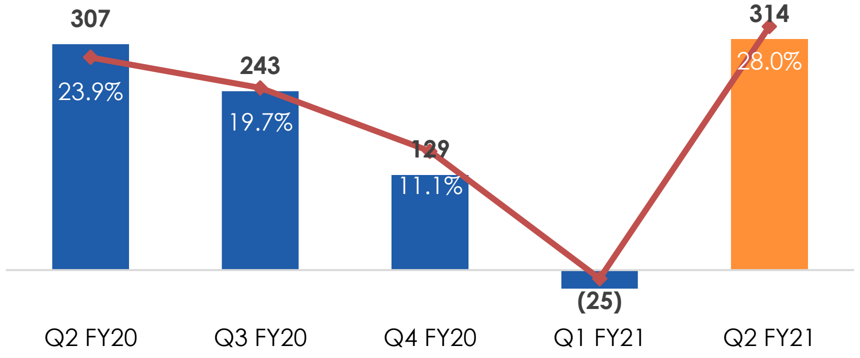
Notes:
1. All numbers are on Standalone basis

Q2 FY2021 PERFORMANCE HIGHLIGHTS

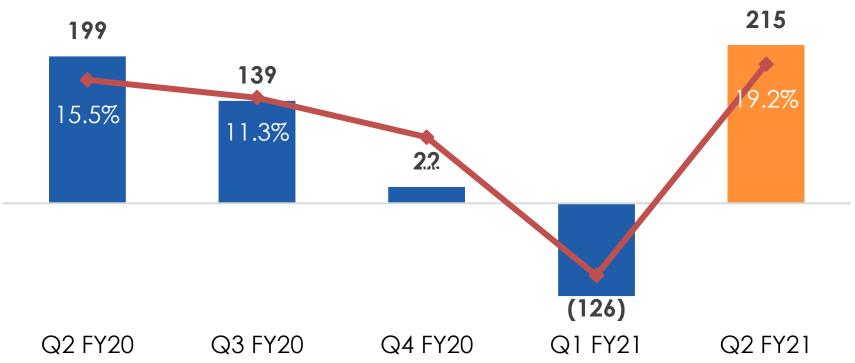
Total Income (Rs. Mn)



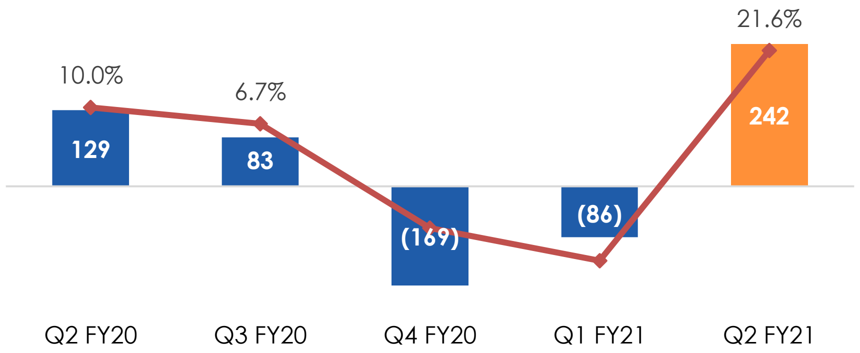
EBITDA (Rs. Mn) and Margin



PBT (Rs. Mn) and Margin



PAT (Rs. Mn) and Margin



Note:
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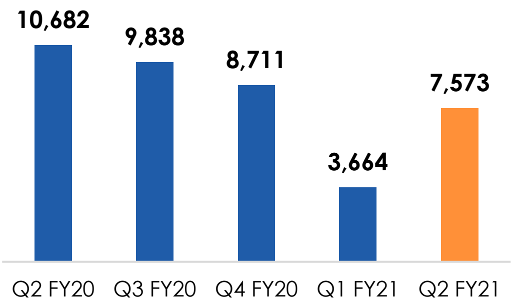
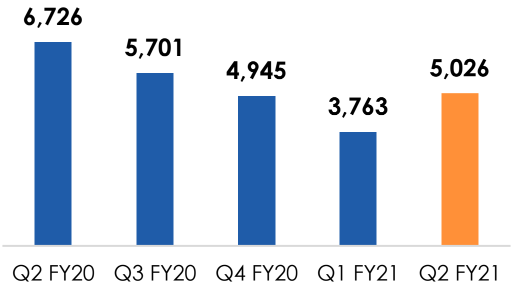
Q2 FY2021 PERFORMANCE HIGHLIGHTS

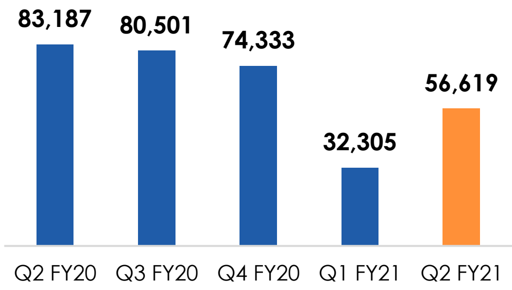
In Patients



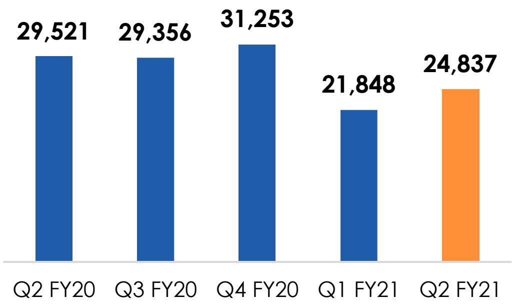
Day Care



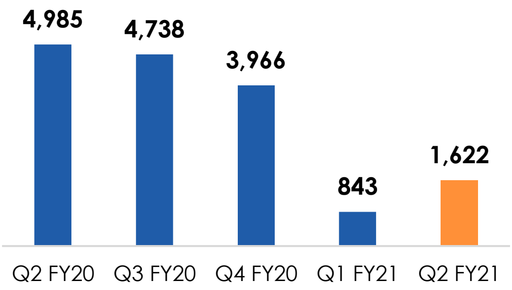
Out Patients



ARPOB (Rs.)

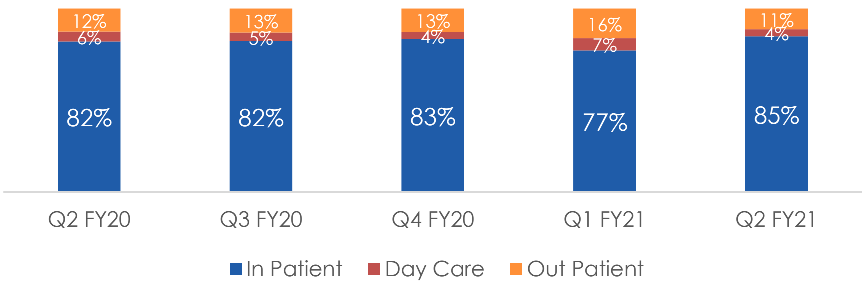


Surgery Count

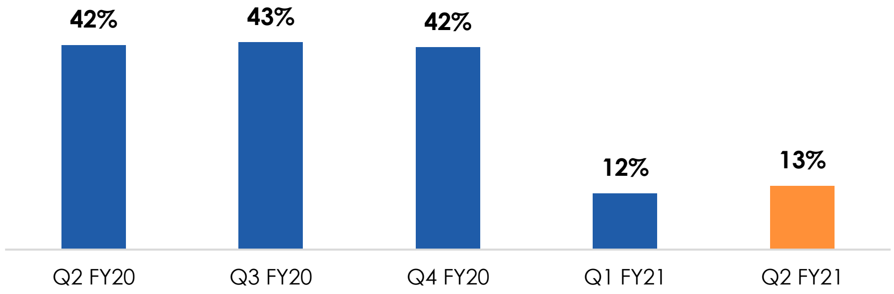


Q2 FY2021 PERFORMANCE HIGHLIGHTS

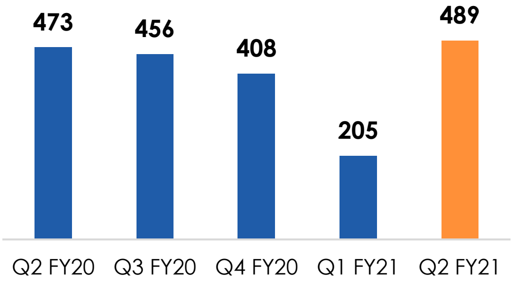
Revenue Mix by Care



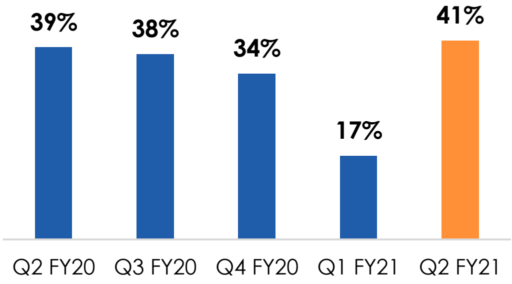
% of Revenue from Arthroplasty



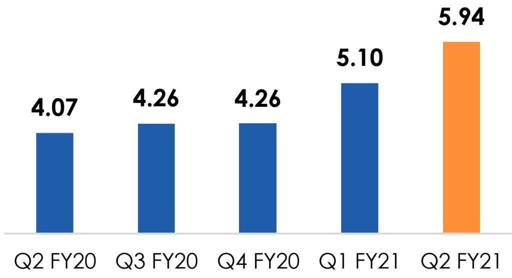
No of Bed Occupied



Occupancy Rate



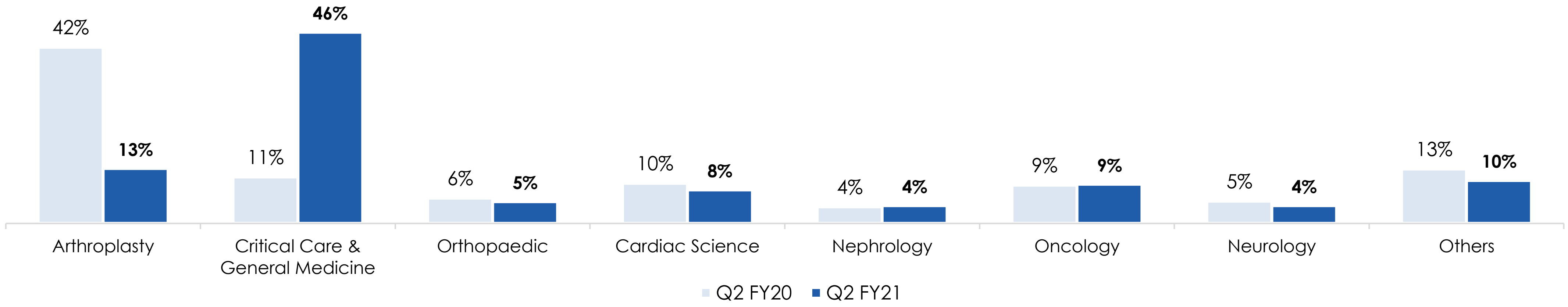
ALOS



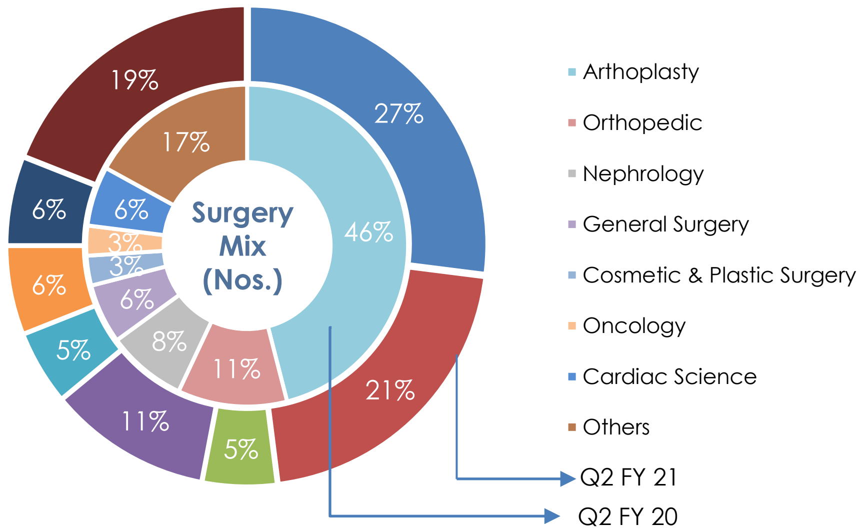
Notes:
1. Occupancy rate is on the basis of operational beds
2. ALOS is excluding Day Care
3. All numbers are on Standalone basis

Q2 FY2021 PERFORMANCE HIGHLIGHTS

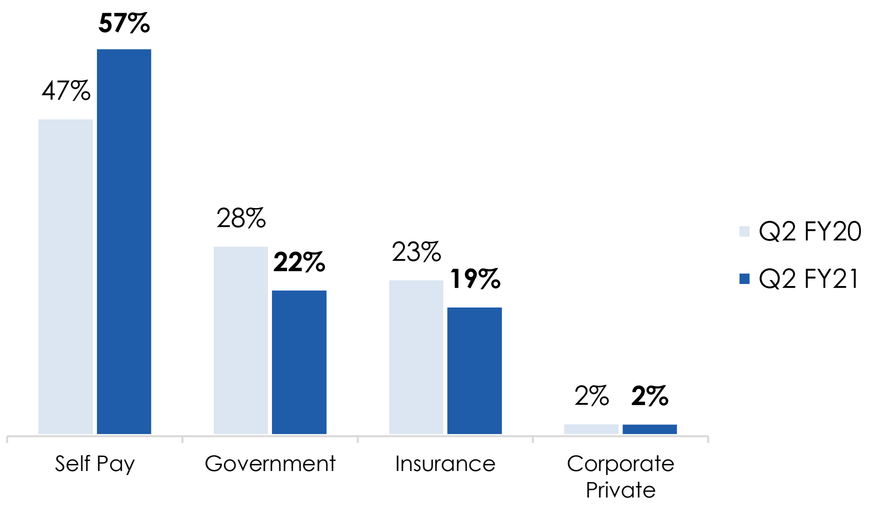
Revenue by Hospital Specialty



Number of Surgeries by Specialty



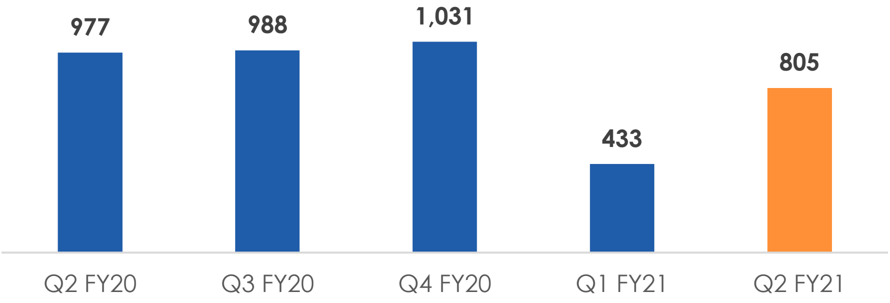
Revenues by End Patient



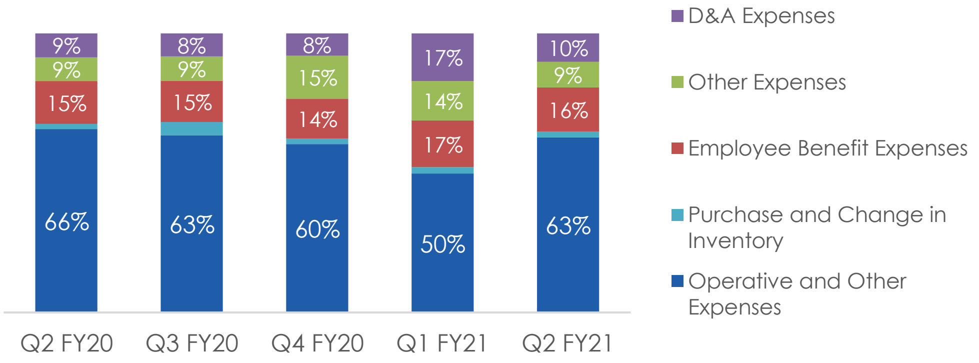
Note:
1. All numbers are on Standalone basis

Q2 FY2021 PERFORMANCE HIGHLIGHTS

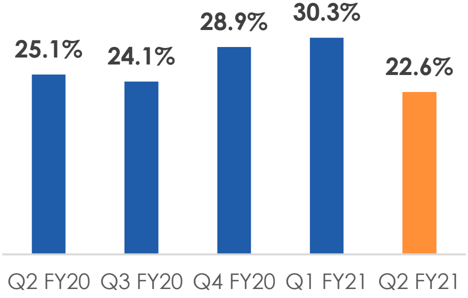
Total Operating Expenses (Rs. Mn)



Total Costs Mix (Rs. Mn)

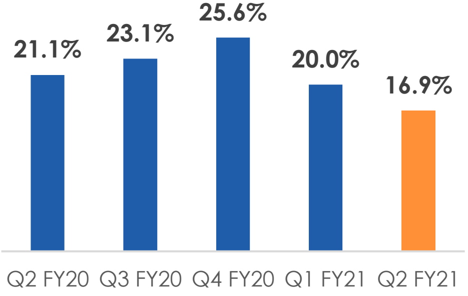


Doctor Costs as % of Revenue from Operations



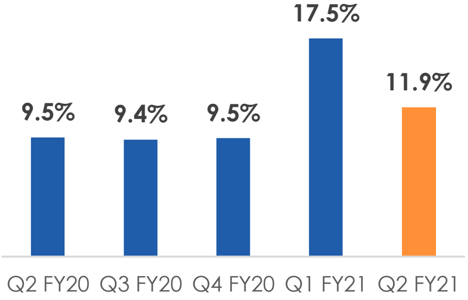
Q2 FY21 Rs. 248 mn vs Rs. 316 mn Q2 FY20

Consumables as % of Revenue from Operations



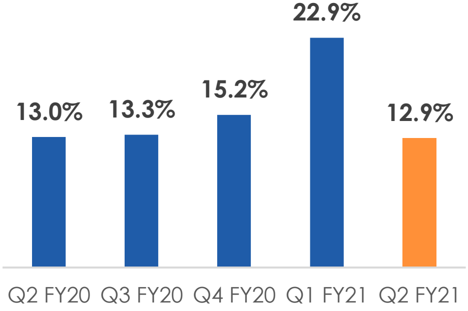
Q2 FY21 Rs. 184 mn vs Rs. 266 mn Q2 FY20

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

Q2 FY2021 PERFORMANCE HIGHLIGHTS

Particulars (in Rs. Million)	Q2 FY21	Q2 FY20	Q1 FY21	Q-o-Q Growth
Revenue from Operations	1,093	1,258	384	*185.0%*
Other Income	25	26	24	*2.1%*
Total Income	**1,118**	**1,284**	**408**	***174.0%***
Expenses				
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%*	
Total Operating Expenses	**805**	**978**	**434**	***85.5%***
% of Revenue	***74%***	***78%***	***113%***	
EBITDA	**314**	**307**	**(25)**	**-**
EBITDA Margins %	***28.0%***	***23.9%***	***(6.2)%***	
Depreciation and Amortisation	92	92	89	*2.5%*
Finance Cost	8	16	12	*(36.4)%*
PBT	**215**	**199**	(126)	**-**
Total tax	(27)	70	(40)	-
Effective Tax Rate %	(12.6)%	35.3%	31.5%	
PAT	**242**	**129**	**(86)**	**-**
PAT Margins %	***21.6%***	***10.0%***	***(21.2)%***	

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

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

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**

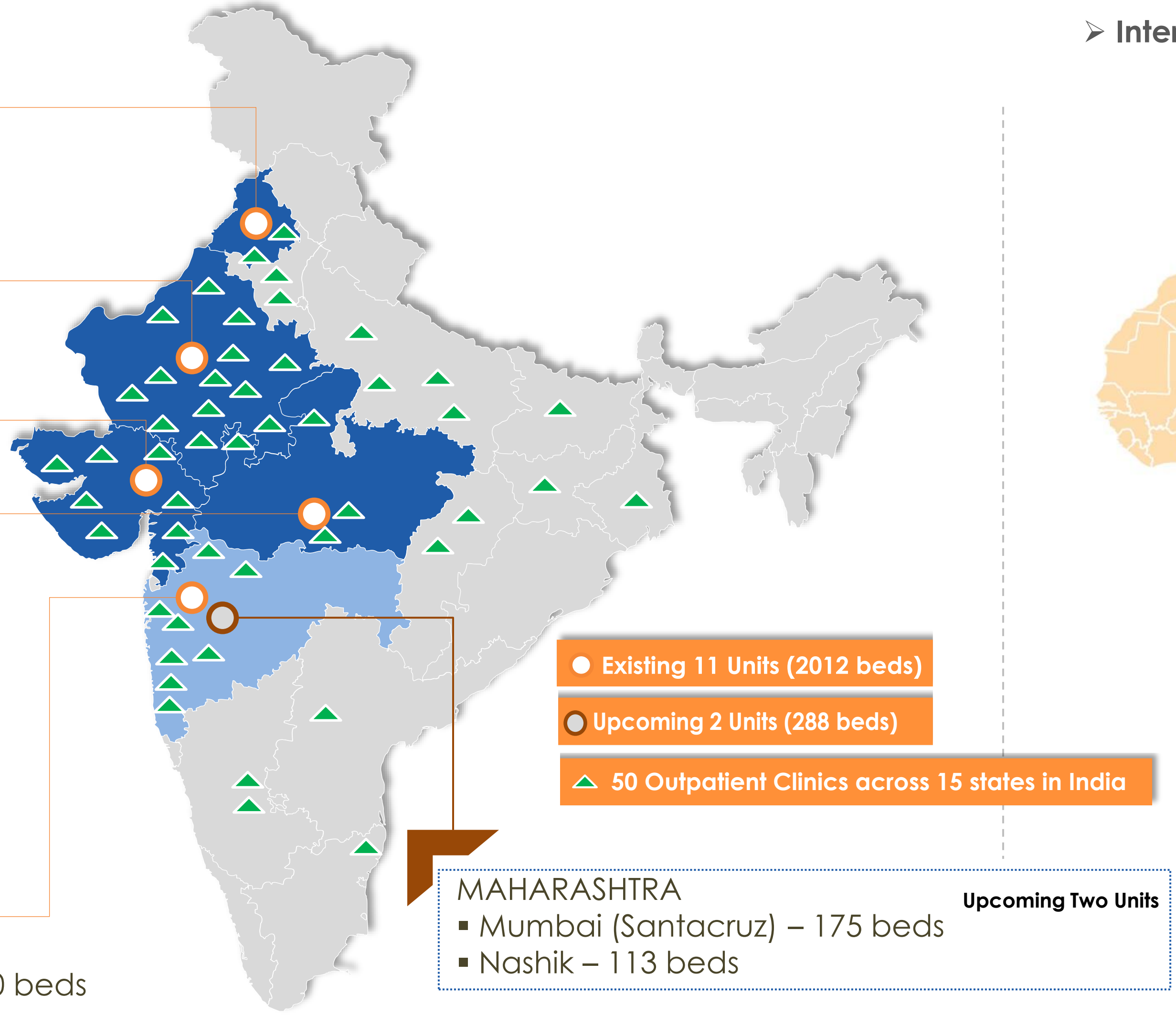
PUNJAB
- Mohali – 145 beds

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

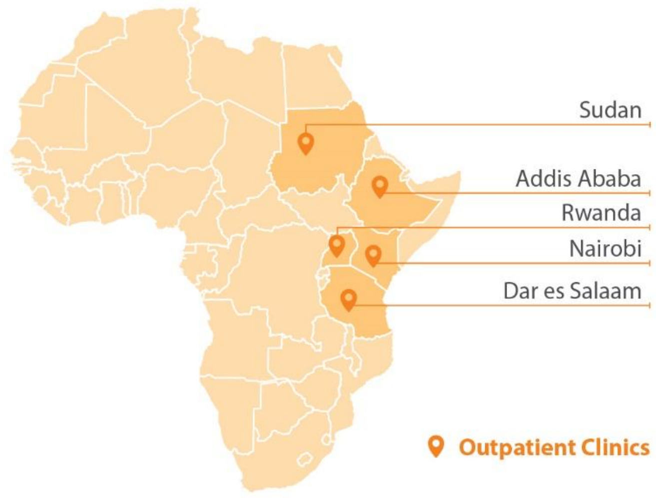


MAHARASHTRA
- Mumbai (Santacruz) – 175 beds
- Nashik – 113 beds

Upcoming Two Units

- Ghatkoper (Zyonova) – 100 beds

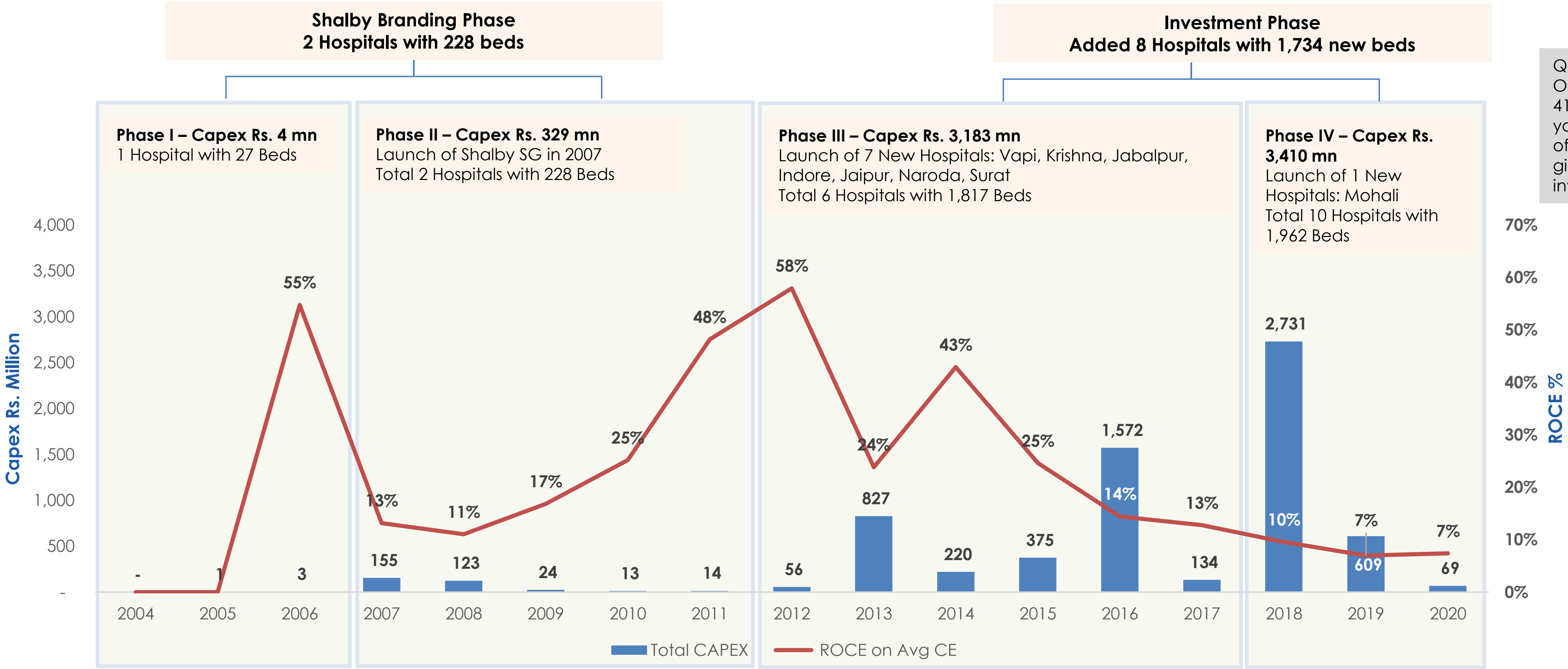
➢ **International Presence (in Africa)**



HOSPITAL INVESTMENT JOURNEY

SHALBY MULTI-SPECIALTY HOSPITALS

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

HOSPITAL BUSINESS **UPDATE**

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**

SHALBY MULTI-SPECIALTY HOSPITALS

SG

Commencement	2007 | 13 Years
No. of beds / Occupancy	201 | 50.3%
Type of Arrangement	Leased – Fixed Rent
Revenue Contribution %	32.8%

Catchment: Ahmedabad and surrounding areas of Gujarat, Rajasthan and Mumbai

- Cardiac science business increased by 28.6% compared to Q2 FY20
- Average occupancy continue to increase in Q2 FY21
- Home care increased by 50% compared to Q2 FY20

Vijay

Commencement	1994 | 26 Years
No. of beds / Occupancy	27 | 11.1%
Type of Arrangement	Freehold
Revenue Contribution%	0.4%

Catchment: Ahmedabad and surrounding areas of Gujarat

- Vijay was one of the first to start Covid-19 treatment in Ahmedabad

SG Group

Krishna

Commencement	2012 | 8 Years
No. of beds / Occupancy	220 | 36.9%
Type of Arrangement	Freehold
Revenue Contribution%	12.3%

Catchment: Ahmedabad and surrounding areas of Gujarat and Rajasthan. Also attracts international patients

- Average occupancy continue to increase in Q2 FY21
- Critical care specialty witnessed good traction

Naroda

Commencement	2017 | 3 Years
No. of beds / Occupancy	267 | 55.1%
Type of Arrangement	Leased – Revenue Share
Revenue Contribution%	8.0%

Catchment: Ahmedabad and surrounding areas of Gujarat

- Treated more than 500 Covid-19 positive patients
- Growth in oncology, nephrology, cardiology and critical care
- Tie-up with nearby nursing home and consultants

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

Quarterly Business Update

HOSPITAL BUSINESS **UPDATE**

SHALBY MULTI-SPECIALTY HOSPITALS

Surat

Commencement	2017 | 3 Years
No. of beds / Occupancy	243 | 39.1%
Type of Arrangement	Freehold
Revenue Contribution%	10.0%

Catchment: South Gujarat, North Maharashtra (including Mumbai)

- Treated more than 600 Covid-19 patients
- Highest ever occupancy in ICU
- Great response to Covid-19 home care packages

Vapi

Commencement	2012 | 8 Years
No. of beds / Occupancy	146 | 20.0%
Type of Arrangement	Freehold
Revenue Contribution%	1.4%

Catchment: South Gujarat

- First private hospital to start Covid-19 treatment in Valsad district
- Delivered first healthy baby of Covid-19 positive mother in Vapi

Surat Group

Indore

Commencement	2012 | 8 Years
No. of beds / Occupancy	243 I 46.0%
Type of Arrangement	Freehold
Revenue Contribution%	13.0%

Catchment: Madhya Pradesh

- Star consultants engaged in departments of cardiology, neuro surgery , general surgery on visiting mode

Jabaplpur

Commencement	2015 | 5 Years
No. of beds / Occupancy	233 | 35.3%
Type of Arrangement	Leased – Revenue Share
Revenue Contribution%	7.6%

Catchment: Madhya Pradesh

- Treated more than 200 Covid-19 patients
- Starting of Covid-19 ICU Services
- Digital promotion of clinical services

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
No. of beds / Occupancy	145 | 24.7%
Type of Arrangement	Freehold
Revenue Contribution%	3.7%

Catchment: Punjab, Uttrakhand

- Top floor dedicated for Covid-19 patients
- Major specialties like arthroplasty, urology and medicine showing recovery in Q2 FY2021
- Revenue sharing arrangement with top orthopedic surgeons of tri-city (Mohali, Chandigarh & Panchkula)

Jaipur

Commencement	2017 | 3 Years
No. of beds / Occupancy	237 | 36.0%
Type of Arrangement	Freehold
Revenue Contribution%	10.8%

Catchment: Rajasthan, Western UP, Punjab, Delhi

- Zero doctor attrition amidst the Covid-19 crisis
- Highest number of child deliveries amongst all corporate multispecialty hospitals in Jaipur
- Growth in Spine, cardiac, gynae neonatal & internal medicine
- Good occupancy levels with highest ever in September 2020

Zynova

Commencement	2017 | 3 Years
No. of beds / Occupancy	50 / na
Type of Arrangement	O&M Model
Revenue Contribution%	na

Catchment: Mumbai

- Converted into Covid-19 facility from 1st June to 31st Aug 2020
- 24 beds were given for Covid-19 including 15 beds in ICU
- Rebound in occupancy levels in Q2 FY21

Quarterly Business Update

Notes:
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2. All numbers are on Standalone FY2020 basis

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