

SHALBY[®]
MULTI-SPECIALTY
HOSPITALS



January 8, 2021

Shalby/SE/2020-21/94

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 quarter and nine months ended December 31 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 quarter and nine months ended December 31, 2020, which is being made available on our website under tab 'Investor Presentation' in the investor section, www.shalby.org

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

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

Earnings Presentation

Q3 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.



Q3 FY2021 PERFORMANCE HIGHLIGHTS



HOSPITAL BUSINESS UPDATE



VISIT OUR ESG PROFILE ON ESG WORLD



Q3 FY2021 PERFORMANCE HIGHLIGHTS

Q3 FY2021 PERFORMANCE HIGHLIGHTS

Total Income up by 17.8% on q-o-q and 6.9% on y-o-y basis
EBITDA up by 3.0% on q-o-q and 32.9% on y-o-y basis

In Patient Count (Nos.)

8,945

7,573 in Q2 FY21

Surgeries Count

1,840

1,622 in Q2 FY21

Beds Occupied (Nos.)

537

489 In Q2 FY21

Avg. Occupancy Rate

45%

41% in Q2 FY21

ARPOB (Rs.)

26,660

Rs. 24,837 in Q2 FY21

ALOS (Days)

5.52

5.94 in Q2 FY21

Total Income

Rs. 1,317 mn

Q2 FY21 Rs. 1,118 mn

Operating EBITDA

Rs. 323 mn

Q2 FY21 Rs. 314 mn

PBT

Rs. 222 mn

Q2 FY21 Rs. 215 mn

Net Profit

Rs. 163 mn

Q2 FY21 Rs. 242 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

Q3 FY2021 PERFORMANCE HIGHLIGHTS



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

"The company continues to respond to the pandemic and we are proud of the resiliency and perseverance demonstrated by the Shalby team during these challenging times. During the quarter, we treated over 2,700 Covid-19 patients across our hospital group and total surgeries performed were 1,840, a growth of 13.4% on q-o-q basis.

During the quarter, Shalby delivered robust performance that was in line with our expectations. Total income was at Rs. 1,317 million, an increase of 6.9% y-o-y and 17.8% on a q-o-q basis. This was driven by increased bed occupancy levels of 45% in Q3 FY21 as compared to 38% in the same quarter last year. The occupancy growth was underpinned by an increase in both the number of Covid-19 patients and elective surgeries.

EBITDA for the quarter was Rs. 323 million with margins of 24.5% as compared to 19.7% in Q3 FY20 and 28.0% in Q2 FY21. The y-o-y margin improvement was due to higher occupancy from Covid-19 patients resulting in lower usage of materials and consumables. Overall, net profit was Rs. 163 million with margins of 12.4%. Our balance sheet and cash flow generation remains strong with net cash of Rs. 598 million at the end of December 2020 compared with Rs. 398 million at the end of March 2020.

Looking ahead with a Covid-19 vaccine on the horizon, we are cautiously optimistic that a transition toward normalcy will soon begin although it will take time for the vaccine to have a pronounced effect on the pandemic. Management is fully committed to deliver uninterrupted healthcare services to its patients. We are confident that Shalby is well positioned for long-term success with its patient-focused approach and home care initiatives."

Notes:

1. All numbers are on Standalone basis

Key Quarter Highlights

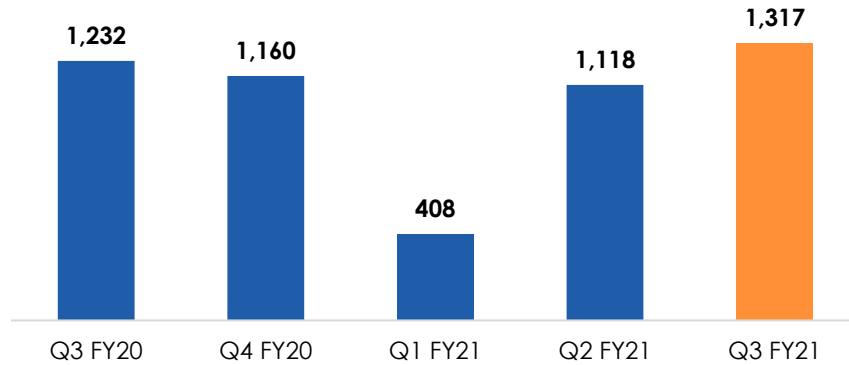
- Treated over 2,700 Covid-19 patients in Q3 FY21
- Bed occupancy levels up to 45% in Q3 FY21
- Total income of Rs. 1,317 million, up 17.8% q-o-q
- EBITDA of Rs. 323 million, up 3.0% q-o-q
- EBITDA margins of 24.5%
- Net profit Rs. 163 million with margins of 12.4%
- Net cash up by Rs. 199 million over March 20

Capital Structure

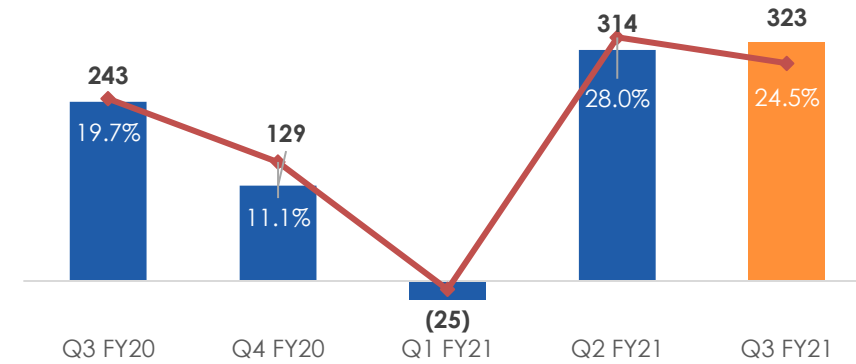
Rs Million	Dec-20	Mar-20
Gross Borrowings	458	622
Cash and Investments	1,056	1,021
Net Debt/ (Net Cash)	(598)	(398)
Equity	8,372	8,137

Q3 FY2021 PERFORMANCE HIGHLIGHTS

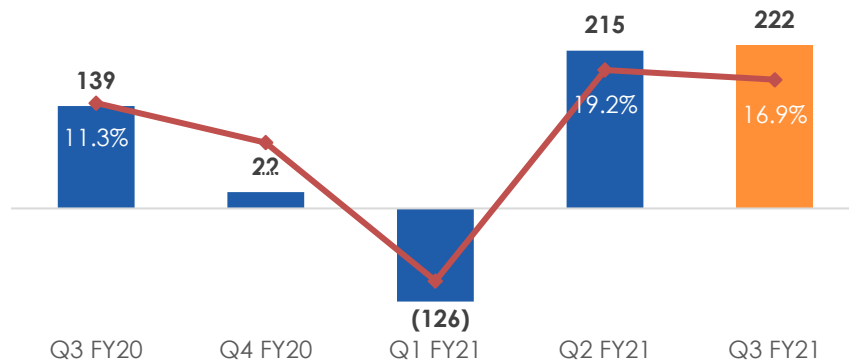
Total Income (Rs. Mn)



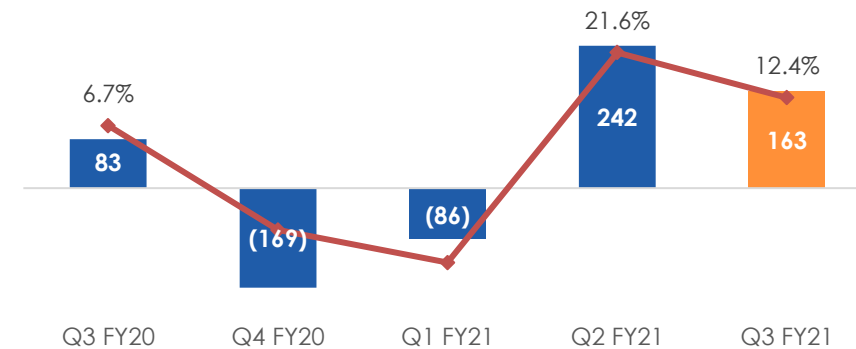
EBITDA (Rs. Mn) and Margin



PBT (Rs. Mn) and Margin



PAT (Rs. Mn) and Margin

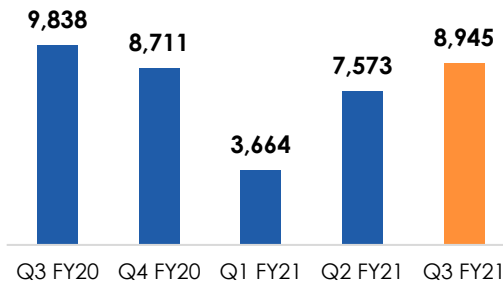


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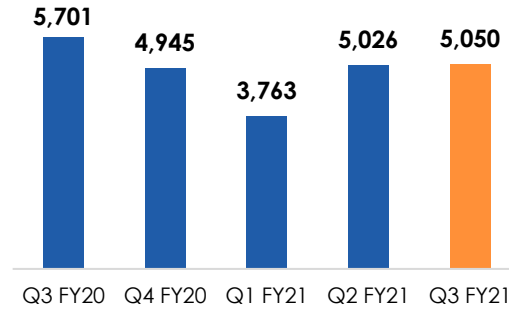
1. All numbers are on Standalone basis

Q3 FY2021 PERFORMANCE HIGHLIGHTS

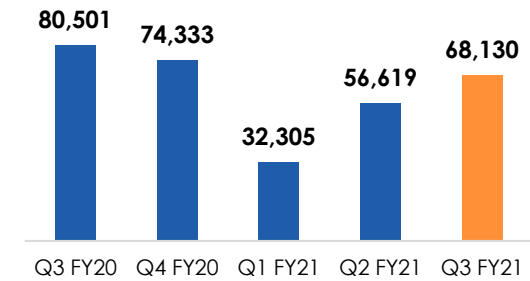
In Patients



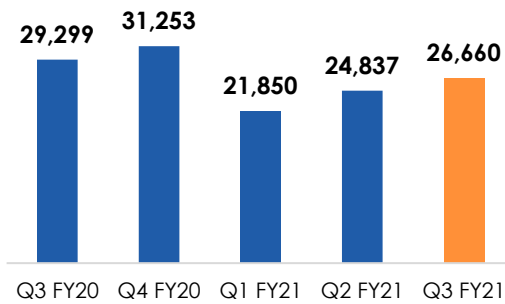
Day Care



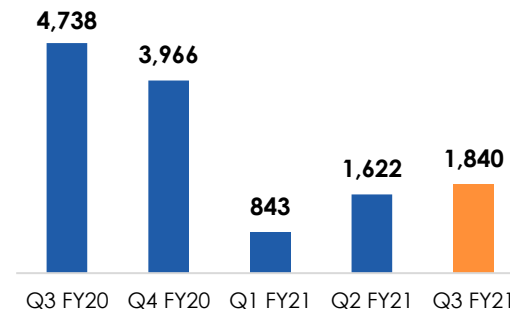
Out Patients



ARPOB (Rs.)

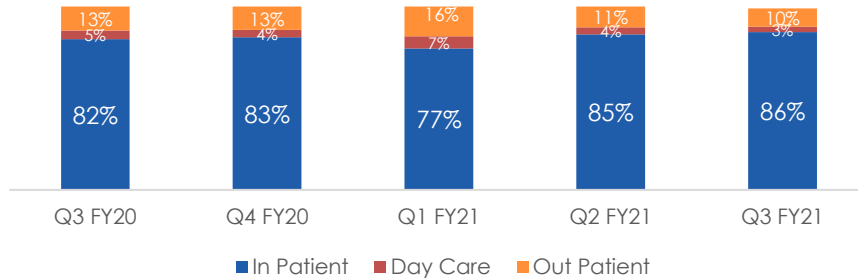


Surgery Count

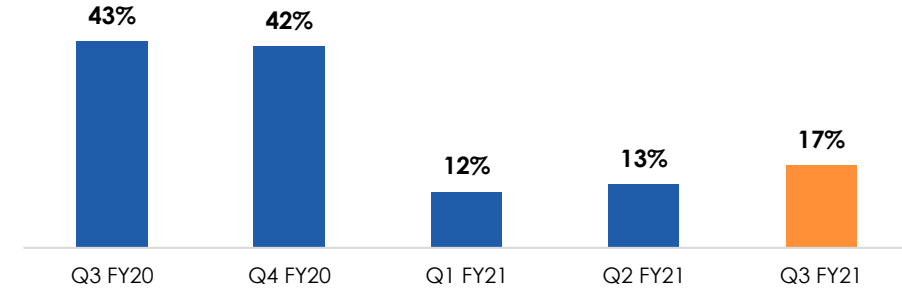


Q3 FY2021 PERFORMANCE HIGHLIGHTS

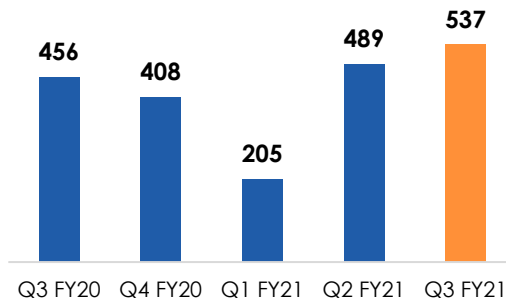
Revenue Mix by Care



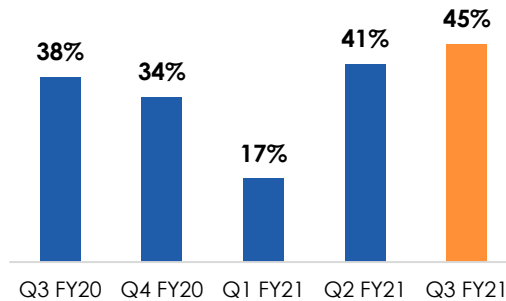
% of Revenue from Arthroplasty



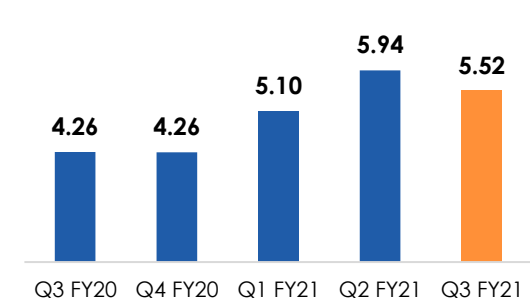
No of Bed Occupied



Occupancy Rate



ALOS

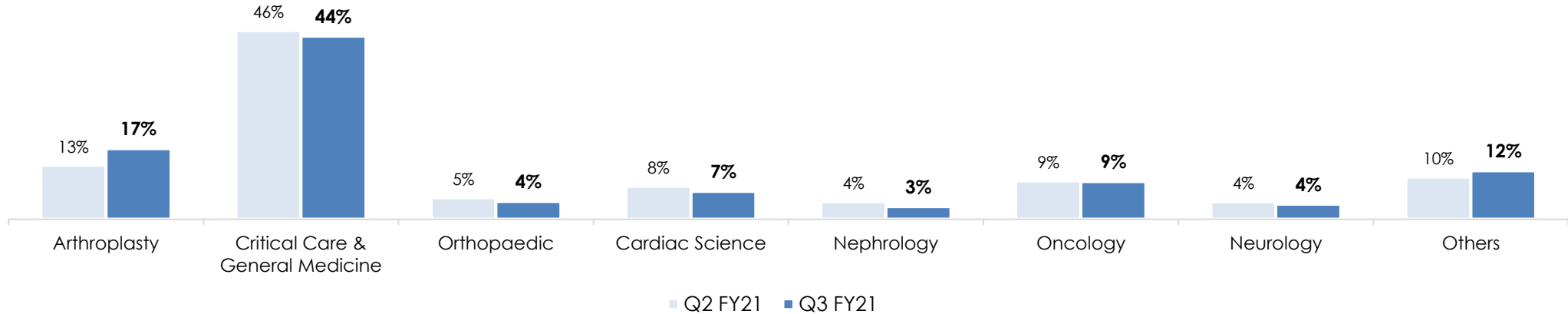


Notes:

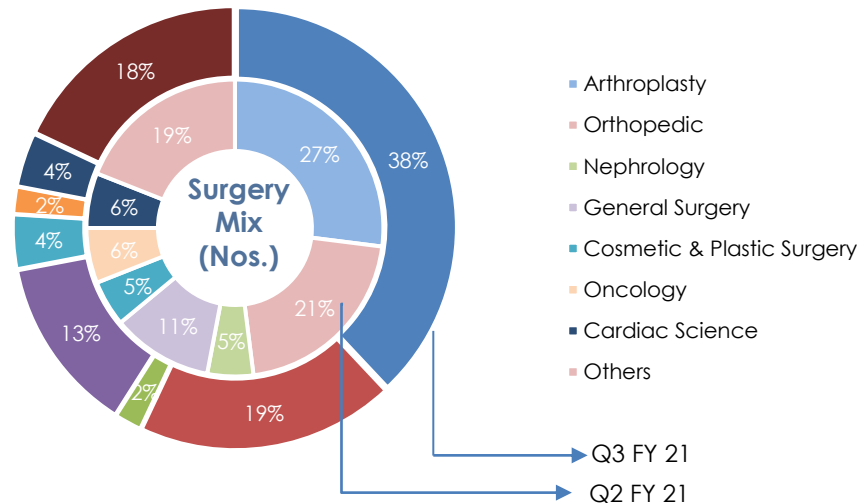
1. Occupancy rate is on the basis of operational beds
2. ALOS is excluding Day Care
3. All numbers are on Standalone basis

Q3 FY2021 PERFORMANCE HIGHLIGHTS

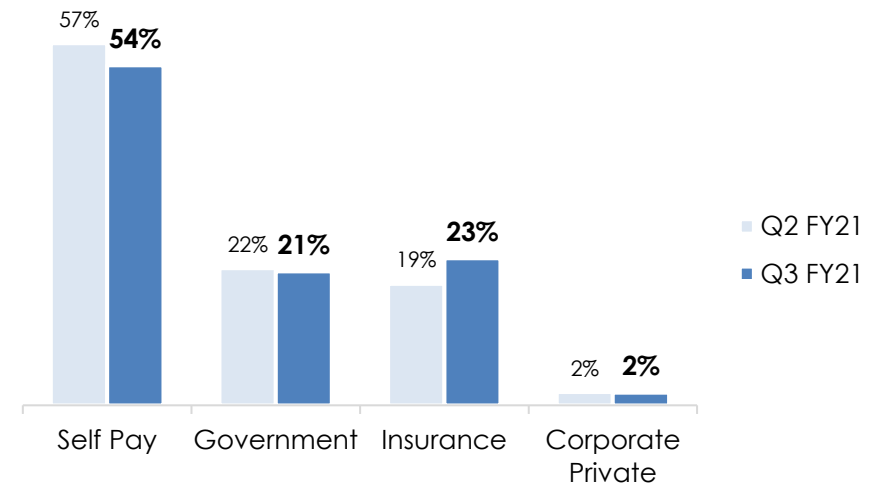
Revenue by Hospital Specialty



Number of Surgeries by Specialty



Revenues by End Patient

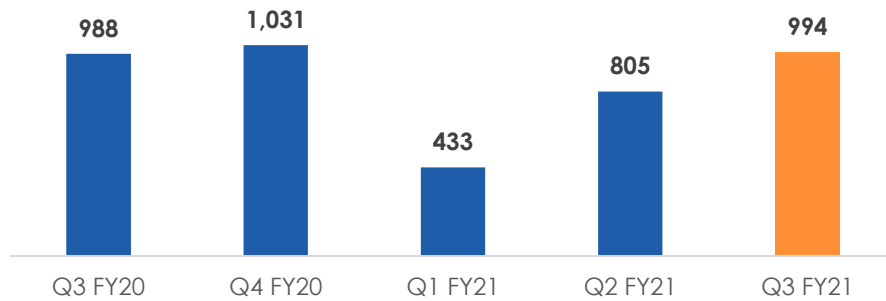


Note:

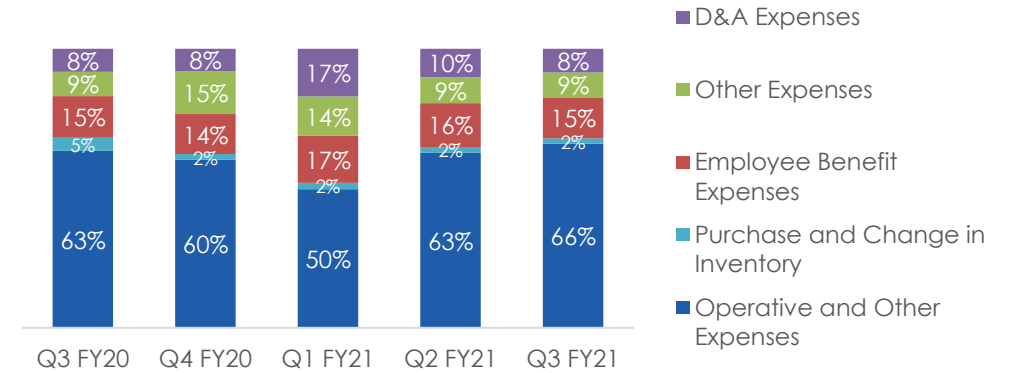
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Q3 FY2021 PERFORMANCE HIGHLIGHTS

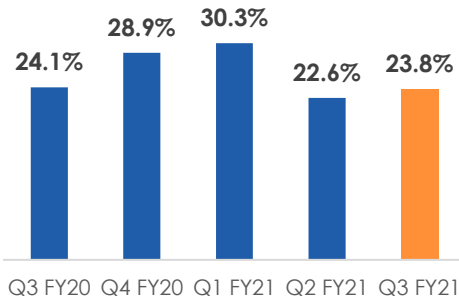
Total Operating Expenses (Rs. Mn)



Total Costs Mix (Rs. Mn)

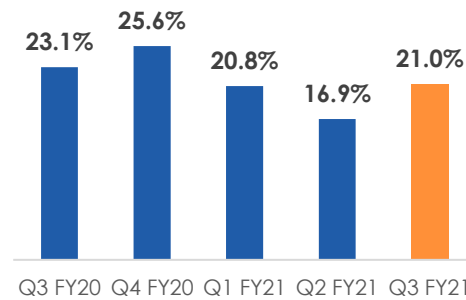


Doctor Costs as % of Revenue from Operations



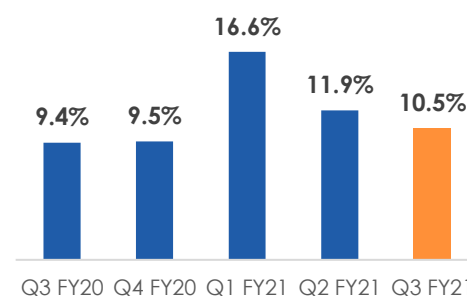
Q2 FY21 Rs. 248 mn | Q3 FY21 Rs. 308 mn

Consumables as % of Revenue from Operations



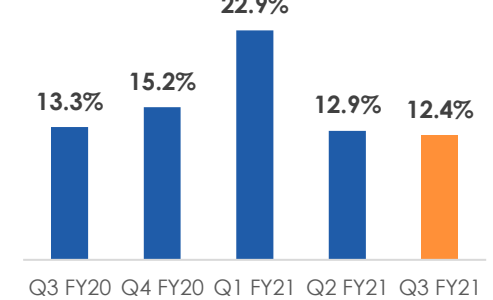
Q2 FY21 Rs. 184 mn | Q3 FY21 Rs. 272 mn

Other Operative Expense as % of Revenue from Operations



Q2 FY21 Rs. 130 mn | Q3 FY21 Rs. 136 mn

Employee Costs as % of Revenue from Operations



Q2 FY21 Rs. 141 mn | Q3 FY21 Rs. 160 mn

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

Q3 FY2021 PERFORMANCE HIGHLIGHTS

Particulars (in Rs. Million)	Q3 FY21	Q2 FY21	Q-o-Q Growth	Q3 FY20	Y-o-Y Growth
Revenue from Operations	1,293	1,093	18.3%	1,208	7.1%
Other Income	24	25	(3.5)%	24	0.7%
Total Income	1,317	1,118	17.8%	1,232	6.9%
Expenses					
COGS	737	581	26.9%	734	0.4%
% of Revenue	57%	53%		61%	
Employee Benefit Expenses	160	141	13.8%	160	0.2%
% of Revenue	12%	13%		13%	
Other expenses	96	83	16.4%	94	2.2%
% of Revenue	7%	8%		8%	
Total Operating Expenses	995	805	23.5%	989	0.5%
% of Revenue	77%	74%		82%	
EBITDA	323	314	3.0%	243	32.9%
EBITDA Margins %	24.5%	28.0%		19.7%	
Depreciation and Amortisation	92	92	0.7%	89	4.1%
Finance Cost	9	8	19.8%	15	(41.7)%
PBT	222	215	3.5%	139	59.6%
Total tax	59	(27)	nm	56	4.1%
Effective Tax Rate %	26.4%	(12.6)%		40.5%	
PAT	163	242	(32.4)%	83	97.2%
PAT Margins %	12.4%	21.6%		6.7%	

Notes:

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

Q3 FY2021 PERFORMANCE HIGHLIGHTS

Operational Metrics	Q3 FY21	Q2 FY21	Q-o-Q Growth	Q3 FY20	Y-o-Y Growth
In Patient Count (Nos.)	8,945	7,573	18.1%	9,838	(9.1)%
Day Care Patient Count (Nos.)	5,050	5,026	0.5%	5,701	(11.4)%
Out Patient Count (Nos.)	68,130	56,619	20.3%	80,501	(15.4)%
Surgeries Count (Nos.)	1,840	1,622	13.4%	4,738	(61.2)%
ARPOB (In Rs.)	26,660	24,837	7.3%	29,356	(9.0)%
Bed Capacity (Nos.)	2,012	2,012	0.0%	2,012	0.0%
Operational Beds (Nos.)	1,200	1,200	0.0%	1,200	0.0%
Occupancy (Beds)	537	489	9.7%	456	17.8%
Occupancy (%)(based on operational beds)	44.7%	40.8%	9.7%	38.0%	17.8%
Average Length of Stay (without Daycare)	5.52	5.94	(7.1)%	4.26	29.5%

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

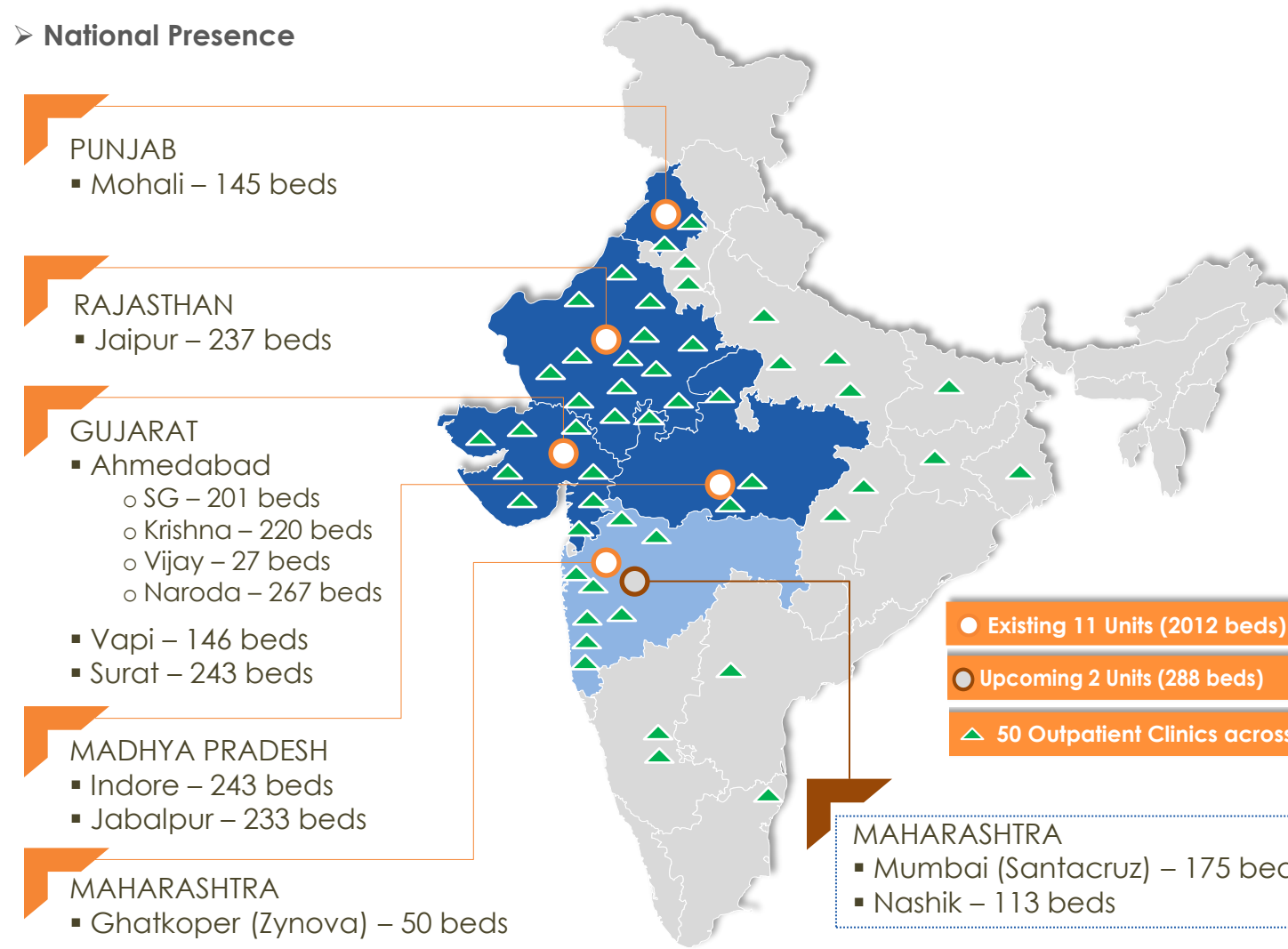


HOSPITAL BUSINESS UPDATE

OUR REGIONAL PRESENCE

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

➤ National Presence



➤ International Presence (in Africa)



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

MAHARASHTRA

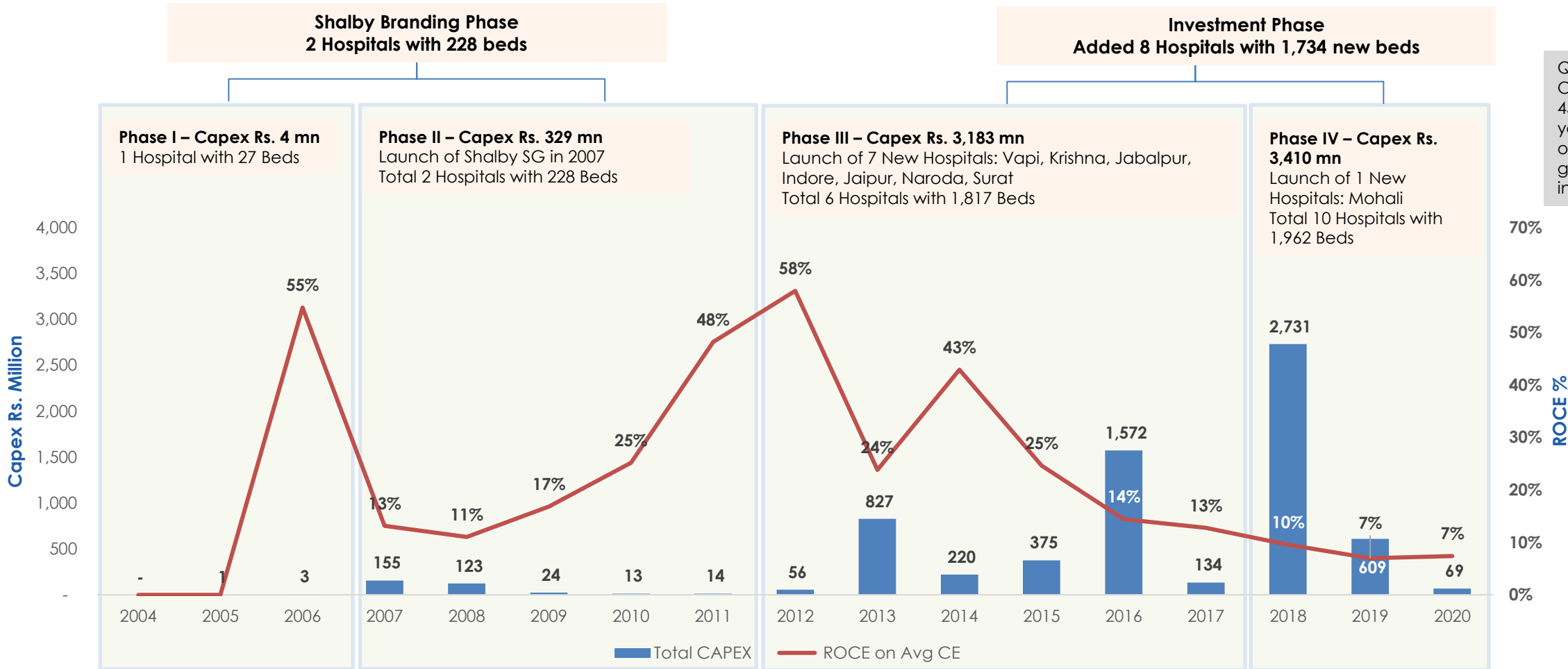
- Mumbai (Santacruz) – 175 beds
- Nashik – 113 beds

Upcoming Two Units

- Ghatkoper (Zynova) – 100 beds

HOSPITAL INVESTMENT JOURNEY

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



Q3 FY21
Occupancy of 45% 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). Formed a wholly owned subsidiary in the name of Shalby Hospitals Mumbai Private Limited to manage Mumbai hospital



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. Shell structure is ready. MEP & interior work is underway



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%

Notes:

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

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

- First hospital in Gujarat to use Imaged Intensified Television in Spine and Orthopedic surgery

Catchment: Ahmedabad and surrounding areas of Gujarat

- In this quarter, treated highest number of Covid-19 patients on private basis along with AMC beds

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





- More than 660 patients treated for Covid-19 in Q3 FY21
- Critical care specialty witnessed good traction

Catchment: Ahmedabad and surrounding areas of Gujarat

- Treated more than 915 Covid-19 patients




SG Group

HOSPITAL BUSINESS UPDATE

Surat		Commencement	2017 3 Years	Catchment: South Gujarat, North Maharashtra (including Mumbai) <ul style="list-style-type: none"> Treated More than 1500 Covid-19 patents Empanelment of 2 major corporates: SBI & DGVCL Empanelment of 5 new private insurance companies Arthroplasty started to show signs of recovery in the month of November and December 	Surat Group
		No. of beds / Occupancy	243 39.1%		
		Type of Arrangement	Freehold		
		Revenue Contribution%	10.0%		
Vapi		Commencement	2012 8 Years	Catchment: South Gujarat <ul style="list-style-type: none"> Average occupancy continue to increase Outreach activity started with cardiac bus 	Surat Group
		No. of beds / Occupancy	146 20.0%		
		Type of Arrangement	Freehold		
		Revenue Contribution%	1.4%		
Indore		Commencement	2012 8 Years	Catchment: Madhya Pradesh <ul style="list-style-type: none"> Experienced surgeons added to perform complex surgeries: 1) Total Enderarterectomy of LAD done on beating heart 2) Shoulder Process Surgery 3) IVC Mass Removal done on beating heart 	Surat Group
		No. of beds / Occupancy	243 46.0%		
		Type of Arrangement	Freehold		
		Revenue Contribution%	13.0%		
Jabalpur		Commencement	2015 5 Years	Catchment: Madhya Pradesh <ul style="list-style-type: none"> Digital Branding campaign of Hospital in Jabalpur and periphery areas Engagement of full time & visiting consultants to enlarge the portfolio and array of services Successful in house OPD camps were conducted 	Surat Group
		No. of beds / Occupancy	233 35.3%		
		Type of Arrangement	Leased – Revenue Share		
		Revenue Contribution%	7.6%		

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%
Jaipur		Commencement	2017 3 Years
		No. of beds / Occupancy	237 36.0%
		Type of Arrangement	Freehold
		Revenue Contribution%	10.8%
Zynova		Commencement	2017 3 Years
		No. of beds / Occupancy	50 / na
		Type of Arrangement	O&M Model
		Revenue Contribution%	na

Catchment: Punjab, Uttrakhand

- Collaboration done with elite orthopedics (Dr. Manuj Wadhwa) to enhance our Arthroplasty Business
- Dr. Sawan Verma – DM – Neurology on board to promote neurosciences and stroke Clinic
- Revenue sharing arrangement with top orthopedic surgeons of tri-city (Mohali, Chandigarh & Panchkula)

Catchment: Rajasthan, Western UP, Punjab, Delhi

- Tie up with nearby doctors for increasing revenue with almost 30 active visiting doctors
- Growth in Arthroplasty, Spine, cardiac, gynae neonatal and internal medicine

Catchment: Mumbai

- Cath-lab has performed 100 procedures in December 2020.
- 15 New consultants have started admitting patients in Q3 FY21
- Significant growth in neuro surgery and general surgery cases

Quarterly Business Update

Notes:

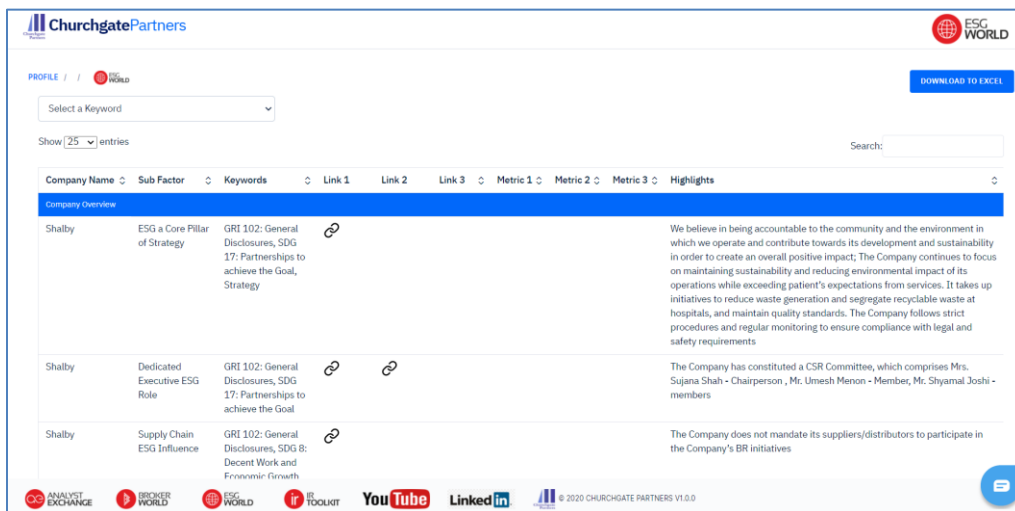
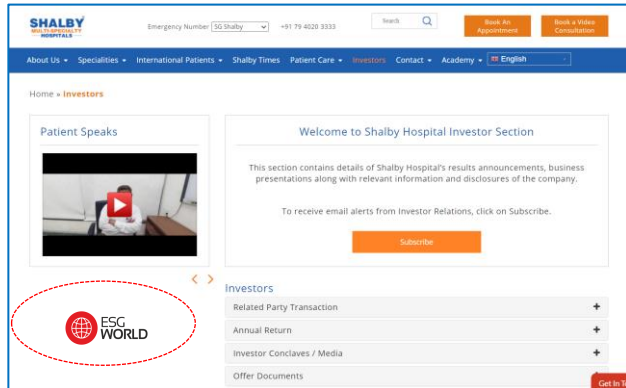
1. Revenue contribution % is a contribution to total hospital revenue
2. All numbers are on Standalone FY2020 basis



VISIT OUR ESG PROFILE ON [ESG WORLD](#)

ESG a Core Pillar of Strategy

“The Company continues to focus on maintaining sustainability and reducing environmental impact of its operations while exceeding patient’s expectations from services. It takes up initiatives to reduce waste generation and segregate recyclable waste at hospitals, and maintain quality standards.”



Environment

“As part of environment strategy, the Company has adopted various initiatives to restore environment, building orientation along with windows have been so designed that helps to maximize the use of day Light and to use polyfilms to reduce heat radiation in order to reduce energy consumption” [Environment Strategy in Place](#)

“Introduction of timer-based operation of air handling units to reduce power consumption; Phasing out of CFL lamps to LED lights” [Energy Efficiency Initiatives](#)

“For recently commissioned units, building orientation has been designed to maximize use of daylight and to reduce heat gain in order to reduce energy consumption” [Green Building Design](#)

“Waste water from RO plants is recycled in STP plant and the same be used for the purposes, more than 20% of the treated waste water is recycled in various processes; As a part of water conservative initiatives, domestic waste water generated from the hospitals is recycled in STP plant and it is being re-used in the hospitals for suitable purposes, i.e. gardening, flushing and use in cooling tower” [Waste Water Safe Discharge](#)

“Recyclable waste was collected and disposed of through authorized recycler; E-waste generated at the facility was disposed of through authorized agent” [Recycling Waste](#)

Social

“Our accountability goes beyond maintaining highest standards of corporate behaviour towards our investors, stakeholders and employees to cover the society at large” [Social Strategy in Place](#)

“42% of our workforce are females” [Diversity and Inclusion](#)

“The Company follows strict procedures and regular monitoring to ensure compliance with legal and safety requirements. Considering the risks involved, the Company also emphasizes following radiation surveillance procedures and maintenance of all records for legal references” [Health and Safety Initiatives](#)

“The Company has spent Rs30 million towards CSR activities in terms of CSR policies during FY 2020. The Company has conducted numerous Community connect programmes which includes health talks, CSR camp, Blood donation camp” [Community Support Initiatives](#)

“We are able to project a robust employer brand to ensure attracting excellent talent for various roles. We extensively use social media platforms to create awareness and publicity of our employer brand to prospective candidates. In spite of higher attrition rate prevailing in hospital sector, Shalby has been able to limit the same at a healthy level with our employee friendly policies” [Talent Attraction and Retention](#)

Governance

“We at Shalby believe in being transparent and we commit to adhere to good governance practices at all times, as it generates goodwill among our clients and shareholders and helps the Company to grow” [Corporate Governance Policies](#)

“The Company has established a vigil mechanism and accordingly framed a Whistleblower Policy. The policy enables the employees to report genuine concerns to the management regarding instances of unethical behavior, actual or suspected fraud or violation of Company’s Code of Conduct or mismanagement, if any” [Fraud Risk Control Policies](#)

“Any cartelization at the Company level is avoided and at the vendor level is discouraged. No cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year” [Anti Competitive Practices Controls](#)

“5 out of 6 board members are Non-Executive” [Board Non Executives](#)

“Dr. Vikram Shah: 47.28%; M/s Zodiac Mediquip Limited: 29.21%” [Shareholder over 20% Ownership](#)

“The Auditors Report does not contain any qualification or adverse remarks” [Concerns Identified in Audit Report](#)

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