

May 15, 2021

**Shalby/SE/2021-22/25**

The Listing Department  
**National Stock Exchange of India Ltd**

Corporate Service Department  
**BSE Limited**

**Scrip Code : SHALBY**

**Scrip Code: 540797**

Through : <https://www.connect2nse.com/LISTING/>

Through : <http://listing.bseindia.com>

**Sub: Shalby acquires implant assets from Consensus Orthopedics for USD 11.45 million - Press Release**

**Dear Sir, Madam,**

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of press release for acquisition of implant assets from Consensus Orthopedics, headquartered in California for USD 11.45 million.

We request to take the same on your records.

Thanking you,

Yours sincerely  
For **Shalby Limited**



**Tushar Shah**  
**AVP & Company Secretary**

Mem. No: FCS-7216



**Encl.:** Press Release

## Shalby Limited

NSE: SHALBY; BSE: 540797

### Shalby acquires implant assets from Consensus Orthopedics for USD 11.45 million

- Mr. Sushobhan Dasgupta appointed as Vice Chairman and Global President of Shalby Limited
- Mr. Daniel Hayes, former CEO and founder of Consensus, appointed as CEO of US implant business
- This corporate development is fully in line with our stated strategy to grow the orthopedic business
- Enables Shalby to procure quality implants at a competitive price for its own consumption
- Transaction expected to be earnings accretive in FY2023 and post transaction Net Debt/Equity of 0.04x

**Ahmedabad, India, May 15, 2021:** Shalby Limited (“Shalby”), India’s leading multi-specialty hospital, today announced that it has entered into a definitive agreement to acquire certain assets from Consensus Orthopedics (“Consensus”) a company headquartered in El Dorado Hills, Sacramento, California for a cash consideration of USD 11.45 million. The assets were acquired by Shalby Advanced Technologies Inc, a wholly owned subsidiary of Mars Medical Devices, which in turn is a wholly owned subsidiary of Shalby.

Consensus designs and manufactures orthopedic implants and instruments with sales predominantly in North America. Key customers include hospitals, surgeons and wholesale distributors. Consensus has a long-standing track record of innovation and completed over 160,000 joint replacement procedures with zero recalls in the company’s history.

The acquired assets are primarily comprised of inventory and plant and equipment. Product inventory includes knee systems, mobile bearing knee systems, hip systems and revision knee systems. The manufacturing plant and equipment consists of machining & finishing (60,000 components per annum), inspection (75,000-80,000 components per annum) and cleaning, packaging & sterilization (150,000 components per annum). The manufacturing site is USFDA certified and has ISO certification 13485:2016. In addition, an experienced team of over 40 Consensus employees will be joining Shalby as part of this transaction.

Shalby is the leading hospital in hip and knee replacement surgeries in India with a 15% market share in private hospitals offering joint replacement. The strategic and financial rationale for this acquisition is compelling:

- Enables Shalby to procure quality implants at a competitive price for its own consumption in India
- Build on the existing asset platform to enhance implant sales across the US and international markets
- Diversify Shalby’s business and revenues mix. In FY2023 implant sales is expected to account for 15% of total revenues
- The transaction is expected to be earnings accretive in FY2023

During the acquisition due diligence process, Shalby worked closely with Mr. Daniel Hayes, a former CEO and founder of Consensus. In continuing this partnership and leveraging his previous experience, Shalby has appointed Mr. Hayes as the Chief Executive Officer of Shalby Advanced Technologies. As the founder and CEO of several orthopedic companies, he has previously successfully led the acquisition and turnaround of three orthopedic implant companies. As the CEO of Shalby Advanced Technologies, he will start to implement his 100 day plan centered on re-engaging with existing customers, developing a new sales pipeline and selectively investing in innovative technologies and patented products. Given his previous role as the founder and CEO of Hayes Medical (now called Consensus Orthopedics), Mr. Hayes will be instrumental in driving the strategy and financial performance of Shalby Advanced Technologies over the coming years.

Press Release

May 15, 2021

The transaction has been completed with no regulatory or other approvals required. The consideration for the acquired assets was USD 11.45 million in cash and has been funded by a combination of internal accruals and US Dollar denominated bank borrowings. Shalby retained Zukin Partners (US) and Deloitte (India) as a transaction advisor and appointed Stradling Yocca Carlson & Rauth (US) as the legal advisor.

Shalby has also appointed Mr. Sushobhan Dasgupta as Vice Chairman and Global President of Shalby Limited. Previously Mr. Dasgupta was Vice President-Orthopedics, DePuy Synthes at Johnson & Johnson Medical Asia Pacific. With over 30 years of experience in the field of healthcare, he has worked in several developed and emerging markets across several businesses and disciplines in the medical technology, orthopedics and consumer health sectors. As Vice Chairman and Global President of Shalby, he will be responsible for managing the hospital business and all business heads will be reporting directly to him. In addition, Mr. Dasgupta will be working closely with Mr. Hayes, to expand Shalby's implant business both in India and internationally.

**Commenting on the transaction, Dr. Vikram Shah, Chairman of Shalby said:**

“This acquisition is a strategic milestone in the history of Shalby and will enable us to diversify our core hospital healthcare services business into related and high growth implant product offerings. The synergies between the businesses are compelling and will return immediate benefits of sourcing quality implants into India across our hospital group. This corporate development is fully in line with our stated strategy to grow our orthopedic business. As we continue to grow Shalby across India, we will work closely with our doctor network to better appreciate the benefits of our implants in terms of higher operational efficiency and profitability. I very much welcome Mr. Sushobhan Dasgupta and Mr. Daniel Hayes to the Shalby group and I personally look forward to working closely with them to drive both Shalby and Shalby Advanced Technologies to the next level.”

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**About Shalby:**

Shalby is India's leading multi-specialty hospital established by Dr. Vikram Shah and has over 26 years' experience in delivering quality and affordable healthcare. It currently operates a chain of 11 multispecialty tertiary hospitals across India with an aggregate bed capacity of over 2,000 hospital beds. Shalby has a 4,000 plus in-house team of skilled doctors, surgeons and support staff with relevant industry experience and in-depth domain expertise, who have been leading the Company's growth. It is one of the top hospitals in joint replacement surgery in India with 15% market share in private hospitals offering joint replacement and 5% overall market share. Shalby is also the number one player worldwide for knee replacement surgery. The hospital is capitalising on this niche and working on an asset-light model around India.

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**For more information please contact:**

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**Forward Looking Statements:**

This release contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Shalby Limited's future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Shalby Limited undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.