

October 18, 2022

Shalby/SE/2022-23/58

The Listing Department
National Stock Exchange of India Ltd

Scrip Code : SHALBY

Through : <https://digitalexchange.nseindia.com>

Corporate Service Department
BSE Limited

Scrip Code: 540797

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

Sub.: 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 on the Unaudited Financial Results for the quarter ended on September 30, 2022.

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.: as above

SHALBY LIMITED

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CIN: L85110GJ2004PLC044667

Shalby Limited

NSE: SHALBY; BSE: 540797

Stellar Q2 FY23 performance by Shalby hospital with PAT up by 31% YoY of Rs 218 million

Ahmedabad Gujarat, India, October 18, 2022: Shalby Limited, India's leading multi-specialty hospital, has announced its financial results for the quarter ending on September 30, 2022.

Hospital Performance Highlights: Q2 FY2023 vs Q2 FY2022

- Total Revenues of Rs. 1,830 million, growth of 13.5% y-o-y (excluding vaccination and covid revenue)
- EBITDA of Rs. 437 million with EBITDA margins of 24%
- Profit After Tax was Rs. 218 million, growth of 31% y-o-y
- Basic EPS of Rs. 2.03, growth of 32% y-o-y
- Bed occupied during the quarter were 600, with occupancy rate of 16%
- In patients count of 12,606, growth of 19% y-o-y
- Total Surgery count of 6,806, growth of 10% y-o-y

Mr. Shanay Shah, President said:

“I am happy to report that hospital revenue continued to grow by 13.5% (excluding covid and vaccination impact) Y-o-Y with robust EBITDA margin of 24% in Q2 FY23.

During the quarter, a total of 6,806 elective surgeries were performed, grew by 10% y-o-y. In-patients counts of 12,606 in Q2 FY23 saw a jump of 19% y-o-y. Occupied beds increased to 600 up by 16% in Q2 FY23 as compared to 517 in Q2 FY22. ARPOB an ALOS were recorded at Rs.33,439 and 3.90 respectively in Q2 FY23 vis-à-vis Rs 33,977 and 4.02 in the same quarter of the previous year. Our core specialty such as Arthroplasty, Oncology, Cardiac Science, Orthopedic, Critical care & General Medicine, and Neurology contributed 83% to the revenues respectively in Q2 FY23.

International revenue continued to make traction in Q2 FY23 with revenues of Rs 20.8 million whereby majority of the patients came from East African countries. Homecare business picked up very well with revenue of Rs. 22.5 million, grew by 27% y-o-y with patient served count of 6,818 in Q2 FY23. The Shalby Academy vertical also showed a promising response with 1,093 students enrolled for various healthcare programs during Q2 FY23.

Our Realized Return on Capital Employed from hospital business recorded at 17% in H1 FY23 on annualized basis. We have closed the quarter with a net cash balance of Rs. 561 million at group level and are well positioned to fund our strategic growth plans. Shalby continued to add many milestones backed by clinical excellence and patient satisfaction. We are proud to make a positive difference in people lives.

Mr. Sushobhan Dasgupta, Vice Chairman and Global President said:

“Our hospital business continued to deliver consistent performance in all key operational and financial indicators in the 2nd quarter of FY 2023 year-on-year basis with increase in occupancy rate to 49% and double-digit growth in surgery count. The said performance is a result of the continuous all-rounded efforts taken by Shalby through various business development initiatives throughout the country.

I am happy to inform that we have signed a MOU in Jammu under multispecialty Shalby operated model. For SOCE franchise model, we have made a soft launch at Lucknow and are in the process of taking over all operations in our brand name with whom we have signed MOUs so far. Moreover, our focus remains on capitalizing our expertise and excellence in Orthopedics to have over 50 Shalby franchise hospitals across India within the next 3 years.

Our implant business made some satisfactory strides during the second quarter of this financial year with revenues of INR 241 million, wherein USA and India contributed 58% and 42% respectively. With all the efforts to change our customer mix in USA to improve profitability, we have now reached a ratio of 61% and 39% sales from retail and wholesale, respectively. We are staying focused on adding talent and building a strong team with the right attitude, shifting our sales to retail customer mix from wholesale, continuously increasing operational capacity and thereby efficiencies, adding new products pipeline supported with extensive research & development activities and substantially bringing down our procurement costs. It has been more than a quarter now that we have been consuming Shalby-Consensus implants in our hospitals, and we continue to receive a very positive response. Our plans to launch Shalby Consensus implants pan India for other surgeons and hospital groups is in sync to our goals of launch during the third quarter of this financial year.

With all the key strategies in place, our team is extremely committed on flawless execution of these strategies. Shalby is well poised to deliver double digit growth in the hospital business with sustainable profitability, deepen and increase our footprints by adding Orthopedic units under SOCE and hit the coveted milestone of INR 100 crores and be EBITDA positive in implant business in this fiscal year. All this, in turn, will drive to create sustainable value for all stakeholders at Shalby

About Shalby Limited:

Shalby Limited (Shalby Hospitals) is India’s leading multi-specialty hospital established by Dr. Vikram Shah and has over 28 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 more than 3,800 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.

For more information please contact:

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Safe Harbour:

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.