

Shalby/SE/2021-22/26

The Listing Department  
National Stock Exchange of India Ltd

Corporate Service Department  
BSE Limited

Scrip Code : SHALBY

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

Scrip Code: 540797

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

**Sub: Schedule of Investor Conference call to discuss acquisition announcement of implant assets from Consensus Orthopedics - pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir / Madam,

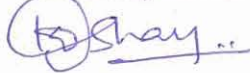
Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to inform that Investor / Analyst Conference call is scheduled on Tuesday, May 18, 2021 at 4:30 p.m. IST to discuss acquisition announcement of implant assets from Consensus Orthopedics as per invitation enclosed herewith.

We are also attaching herewith Investor Presentation for the said acquisition.

We request to take the same on your records.

Thanking you,

For Shalby Limited



Tushar Shah  
AVP & Company Secretary  
Mem. No. FCS-7216

**Encl:** Invitation for investor Conference Call and Investor Presentation



# Investor Conference Call

Elara Securities (India) Private Limited is pleased to invite you to a Conference Call with

## Shalby Limited

represented by

**Dr. Vikram Shah**, Chairman and Managing Director

**Mr. Prahlad Inani**, Chief Financial Officer

**Dr. Nishita Shukla**, Chief Operating Officer

**Mr. Babu Thomas**, Chief Human Resources Officer

**Mr. Shanay Shah**, President

**Mr. Murari Rajan**, Principal Advisor to CMD

**Subject:** Conference call to discuss acquisition announcement of implant assets from Consensus Orthopedics

**Date:** Tuesday, 18 May, 2021

**Time: 04.30 PM IST**

12.00 Noon (UK) - 07.00 PM (Singapore, Hong Kong)  
07.00 AM (East Coast, US) - 04.00 AM (West Coast, US)

**Diamond Pass Login:** [click here for Registration](#)

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# Shalby Acquires Implant Assets from Consensus Orthopedics

May 17, 2021

**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.

01 TRANSACTION OVERVIEW

02 CONSENSUS ASSETS

03 TRANSACTION STRUCTURE

04 BUSINESS LEADERSHIP

05 100 DAY PLAN

06 STRATEGIC RATIONALE



## Shalby acquires selected implant assets from Consensus Orthopedics for a cash consideration of USD 11.45 million

### Transaction Overview

- ✓ Shalby has entered into a definitive agreement to acquire certain assets from Consensus Orthopedics (“Consensus”), a company headquartered in El Dorado Hills, Sacramento, California
- ✓ 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
- ✓ Shalby retained Zukin Partners (US) and Deloitte (India) as a transaction advisor and appointed Stradling Yocca Carlson & Rauth (US) as the legal advisor
- ✓ The transaction has been completed with no regulatory or other approvals required

### Transaction Highlights

- ✓ Mr. Sushobhan Dasgupta appointed as Vice Chairman and Global President of Shalby Limited
- ✓ Mr. Daniel Hayes, former CEO and founder of Consensus, has been appointed as CEO of Shalby Advanced Technologies
- ✓ This corporate development is fully in line with Shalby’s stated strategy to grow the orthopedic business
- ✓ Enables Shalby to procure quality implants at a competitive price for its own consumption
- ✓ Transaction is expected to be earnings accretive in FY2023

## 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
  - Inspection: 75,000-80,000 components
  - Cleaning, packaging & sterilization: 150,000 components
- ✓ 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

### KNEE SYSTEM



### MOBILE BEARING KNEE SYSTEM



### UNI-KNEE



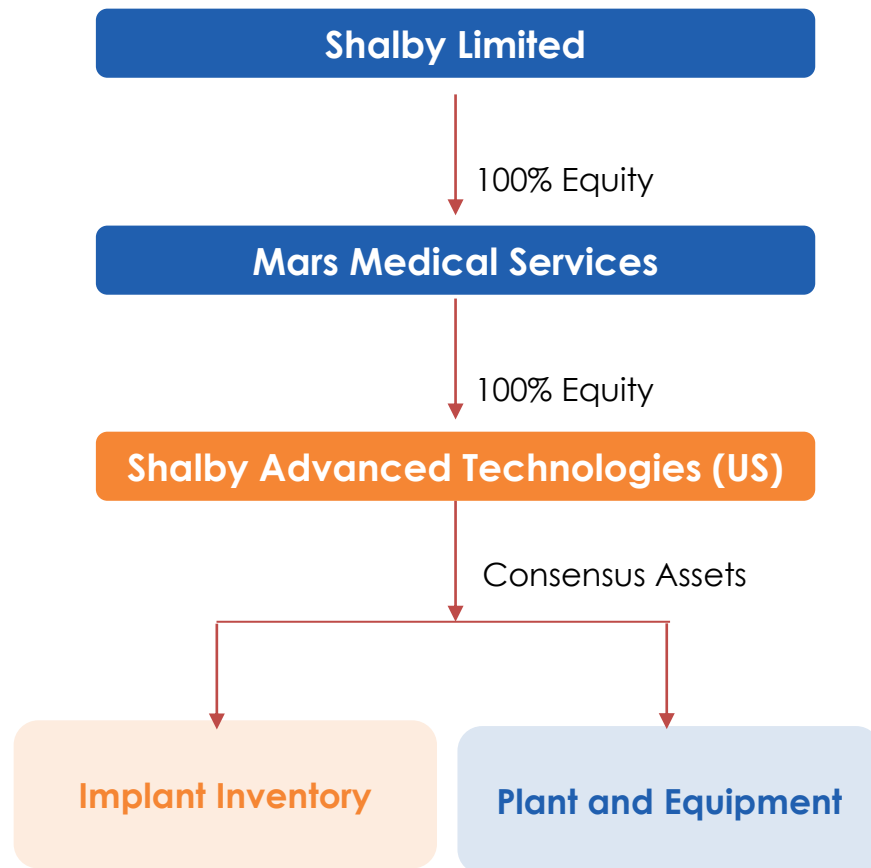
### HIP



\*Plant and equipment capacity is on per annum basis

# TRANSACTION STRUCTURE

The assets have been acquired by Shalby Advanced Technologies Inc, a wholly owned subsidiary of Mars Medical Devices which in turn is a wholly owned subsidiary of Shalby



**USD 11.45 million**  
Deal Consideration

**USD 3.35 million**  
Cash

**USD 12.65 million**  
Bank Borrowings

Note: US Dollar denominated bank borrowings and working capital facility of USD 4.55 million to be used to meet working capital requirements and near term operating expenses

## Shalby Proforma Capital Structure

Rs. In million	March 31, 2021	Adjustments	Post Acquisition
Debt	440	931	1,371
Cash	(1,293)	247	(1,046)
<b>Net Debt / (Cash)</b>	<b>(853)</b>	<b>1,177</b>	<b>324</b>
<b>Net Debt/Equity (x)</b>	<b>-</b>	<b>-</b>	<b>0.04x</b>

Note: USD-INR – 75.59

## Shalby appointed Sushobhan Dasgupta as Vice Chairman and Global President of Shalby Limited and Daniel Hayes as the Chief Executive Officer of Shalby Advanced Technologies

- ✓ Sushobhan Dasgupta, former Vice President -Orthopedics, DePuy Synthes at Johnson & Johnson Medical Asia Pacific
- ✓ With over 30 years experience in the field of healthcare, he has worked in several developed & emerging markets across several businesses and disciplines in the medical technology, orthopedics and consumer health sectors
- ✓ Successful in developing and nurturing talent, have led multifunctional teams at both strategic and operational levels with critical responsibilities as a profit center head, as well as a Asia Pacific Regional business lead
- ✓ As Vice Chairman and Global President of Shalby Limited, he will be responsible for managing the hospital business and all the business heads will be directly reporting to him
- ✓ In addition, Mr. Dasgupta will be working closely with Daniel Hayes, to expand Shalby Implant business both in India and internationally
- ✓ Daniel Hayes, former CEO and founder of Consensus
- ✓ 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, Daniel 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 prove instrumental in driving the strategy and financial performance of Shalby Advanced Technologies over the coming years



## Management focused on implementing 100 day business plan

- ✓ Define vision, mission, operating norms and culture
- ✓ Establish governance mechanisms for SOP (implant and instruments forecasting) processes, sales and market reporting and data analytics
- ✓ Strengthen relationships with suppliers, distributors and doctor network
- ✓ Ramp up production to normalized capacity utilization level
- ✓ Optimize cost structure to be consistent with global benchmarks
- ✓ Initiate the process of attaining required regulatory approvals in India for captive consumption

## The strategic and financial rationale for this acquisition is compelling

- ✓ Internationally experienced management team appointed to lead Shalby's implant business
- ✓ 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

**International  
Management Team**

**Product Offering  
Complements  
Hospital Services**

**Post Transaction  
Net Debt/Equity of  
0.04x**

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