

January 17, 2023

Shalby/SE/2022-23/98

The Listing Department
National Stock Exchange of India Ltd

Scrip Code : SHALBY

Through : <https://neaps.nseindia.com/NEWLISTINGCORP/>

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 Standalone and Consolidated Financial Results for the quarter ended December 31, 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

Impressive performance by Shalby Group in Q3 FY23 with Revenue and EBITDA up by 25% and 22.5% YoY respectively

Ahmedabad Gujarat, India, January 17, 2023: Shalby Limited, India's leading multi-specialty hospital, has announced its financial results for the quarter ending on December 31, 2022.

Consolidated Performance Highlights: Q3 FY2023 vs Q3 FY2022

- Consolidated Revenues of Rs. 2,067 million, growth of 25.1% y-o-y
- Consolidated EBITDA of Rs. 380 million, growth of 22.5% y-o-y
- Consolidated Profit After Tax was Rs. 153 million, growth of 18% y-o-y
- Basic EPS of Rs. 1.42 during the quarter, growth of 19% y-o-y
- Occupied Bed during the quarter were 544, growth of 6% y-o-y
- In patient count (incl. Day Care) of 18,000, growth of 15% y-o-y
- Total Surgery count of 6,782, growth of 19.4% y-o-y
- ARPOB during the quarter was 36,291, growth of 13% y-o-y

Mr. Shanay Shah, President said:

"I am happy to report that our hospital business continued to deliver consistent performance in all key operational and financial parameters with surgery count and In-patient count (Incl day care) grew by 19% and 15% Y-o-Y respectively in Q3 FY23. Hospital revenue and EBITDA also grew by 17.4% and 23.5% Y-o-Y with robust EBITDA margin of 21.5% in Q3 FY23.

ARPOB and ALOS were recorded at Rs.36,291 and 3.74 respectively in Q3 FY23 vis-à-vis Rs 32,049 and 4.02 in the same quarter of the previous year. Our core specialties such as Arthroplasty, Oncology, Cardiac Science, Orthopedic, Critical care & General Medicine, and Neurology contributed 85% to the revenues respectively in Q3 FY23.

International revenue continued to grow by 58% y-o-y in Q3 FY23 from Q3 FY22 whereby majority of the patients came from East African countries. Homecare business showed a strong performance grew by 42% y-o-y in Q3 FY23, from Q3 FY22. The Shalby Academy vertical also showed an encouraging response with 300+ students enrolled for various healthcare programs during Q3 FY23.

Our Realized Return on Capital Employed from hospital business recorded at 16.3% in 9M FY23 on annualized basis. We have closed the quarter with a net cash balance of Rs. 376 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:

Other than Hospital business, our growth platforms like SOCE Franchise business and Implant business have also delivered healthy performance in Q3 FY23. I am happy to inform that our Lucknow SOCE unit has been fully operationalized from November 2022 and Gwalior SOCE unit will be entirely operationalized soon. Both the above units are under franchise owned and Shalby Operated (FOSO) model. I am also glad to inform that we have signed a MOU in Aurangabad under SOCE franchise and 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 third quarter of this financial year with revenues of INR 228 million, wherein USA and India contributed 60% and 40% respectively. Our US customer sales mix from retail and wholesale remained at 60% and 40% respectively in Q3 FY23. With all the efforts to improve implant production, we are now able to produce average ~4,500 components per month from 3,000 components during the first quarter of FY23. We have strengthened our senior leadership team by onboarding two very senior talent in the last quarter at SAT. Further, we are staying focused on adding more 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. We continue to receive very positive response from the consumption of our Shalby-Consensus implants in our hospitals. I am very glad to mention that we have now launched our high-quality Knee and Hip Implants for other surgeons and hospital groups in India as per our plan and initial response has been encouraging. We are also to receive the registration and license approval to sell our implants in Indonesia in the next quarter.

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 10 multispecialty tertiary hospitals and 3 Orthopedic Centers under Shalby Orthopedics Center of Excellence (SOCE) across India with an aggregate bed capacity of over 2,000 hospital beds and also diversified into Knee and Hip Implants manufacturing in the US. Shalby has performed more than 1,44,000 Joint Replacement Procedure so far and became globally the no 1 player in joint replacements by volumes. It is the largest center of Joint Replacement Surgery in India with 15% market share in organized market. Shalby has more than 3,500 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.

Press Release

January 17, 2023

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.