

July 20, 2023

Shalby/SE/2023-24/42

The Listing Department
National Stock Exchange of India Ltd
Mumbai 400 051.

Scrip Code : SHALBY

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

Corporate Service Department
BSE Limited
Mumbai 400 001.

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 June 30, 2023.

You are requested to take the same on your record.

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

Highest quarterly performance by Shalby Group in Q1 FY24

Revenue up by 15% QoQ and 17% YoY**EBITDA up by 37% QoQ and 8% YoY**

Ahmedabad Gujarat, India, July 20, 2023: Shalby Limited, India's leading multi-specialty hospital, has announced its financial results for the quarter ending on June 30, 2023.

Consolidated Performance Highlights:

- Consolidated Revenues of Rs. 2,400 million, growth of 15% q-o-q and 17% y-o-y
- Consolidated EBITDA of Rs. 477 million, growth of 37% q-o-q and 8% y-o-y
- Consolidated PBT of Rs. 330 million, growth of 72% q-o-q and 8% y-o-y
- Basic EPS of Rs. 1.94 during the quarter, growth of 50% q-o-q

Standalone Performance Highlights:

- Standalone Revenues of Rs 2,164 million, growth of 18% q-o-q and 20% y-o-y
- Standalone EBITDA of Rs. 497 million, growth of 36% q-o-q and 16% y-o-y
- Standalone PBT of Rs. 400 million, growth of 51% q-o-q and 22% y-o-y
- EBITDA margin of 23% in Q1 FY24 v/s 20% in Q4 FY23 and 23.6% in Q1 FY23
- In patient count (incl. Day Care) of 20,661, growth of 11% q-o-q and 24% y-o-y
- Total Surgery count of 8,183, growth of 25% q-o-q and 14% y-o-y
- Occupancy rate at 50% in Q1 FY24 v/s 46% in Q4 FY23 and 45% in Q1 FY23
- ARPOB during the quarter was 38,000, growth of 9% q-o-q and 8% y-o-y

Mr. Shanay Shah, President said:

“I am very happy to report that this quarter reflected our best hospital business performance so far, across most financial and operating parameters, recording significant growth year-on-year and quarter-on-quarter. I am also proud to say that Shalby has achieved a landmark of 150,000 joint replacement surgeries (since inception) in Q1 FY24 and with this we continue to maintain the leadership position in global volumes in the Orthopedics segment.

Our hospital business continued to grow high double-digit in the key metrics of In-Patient counts and surgery counts, growing by 24% and 14% respectively Y-o-Y in Q1 FY24. Our hospital occupancy levels improved by 12% Y-o-Y and 8% Q-o-Q and recorded 50% occupancy rate in Q1 FY24. ARPOB and ALOS were recorded at Rs.38,000 and 3.97 respectively in Q1 FY24 vis-à-vis Rs 35,304 and 4.08 in the same quarter of the previous year.

Hospital revenue and EBITDA also grew by 18% and 36% Q-o-Q respectively and 20% and 16% Y-o-Y respectively with robust EBITDA margin of 23% in Q1 FY24 v/s 20% in Q4 FY23. Our core specialties like Arthroplasty, Oncology, Cardiac Science, Orthopedic, Critical care & General Medicine, and Neurology contributed 85% to the revenues in Q1 FY24.

Our Homecare business demonstrated a strong performance in Q1 FY24, grew by 70% y-o-y and 30% q-o-q. International revenue continued to grow in Q1 FY24 from Q1 FY23 whereby majority of the patients came from East African countries. Shalby also takes pride in nurturing young talent through our Shalby Academy vertical with 290+ students registered in the various healthcare programs during Q1 FY24.

Realized Return on Capital Employed from hospital business recorded at 20% in Q1 FY24 on an annualized basis. We have closed the quarter with a net cash balance of Rs. 806 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 care. We remain committed to make a positive difference in people lives.

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

Our SOCE Franchise business delivered a satisfactory performance in Q1 FY24. We performed a total of 154 surgeries in Q1 FY24 in all four SOCE units, grew by 44% q-o-q and 38% y-o-y. Total Revenue from operated and managed SOCE units has increased by 31% q-o-q and 40% y-o-y. I am also pleased to inform that Shalby, has signed an agreement with Divine Super Specialty Hospital Pvt. Ltd., in Ranchi, Jharkhand, to operate a 60 bed Franchise-Owned Shalby-Managed (FOSM) hospital in that region and we expect this unit to be operationalized under our brand from the next month onwards.

Our implant business has shown a slightly soft performance than plan during the first quarter of FY24. We recorded revenues of INR 16.5 crore v/s INR 20.8 crores in Q4 FY23, mainly due to lower patient flow into elective surgeries in the US, delay in full commercial launch of our Uni knee across the US due to delay in instruments manufacturing and an unanticipated delay in our full commercial launch of our new Knee brand in India. The contribution in sales mix from USA and India accounted for 70% and 30% respectively in Q1 FY24. We are expected to receive the full instrumentation of TUKS next month that would enable us to go for a full commercial launch. We also have recently received the first bulk order from our distributor in Indonesia and supplies are expected to happen next month. Further we remain focus to hire new people mainly in key areas like sales and engineering that are direct contributors to our growth roadmap as well as continuously working on improving operational efficiencies in an incremental manner, and substantially bringing down our procurement and day to day operational costs.

With all the key strategies in place, 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 franchise vertical and growing implant business in the existing markets and entering new territories 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 and 4 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 1,50,000 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 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.

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.