

November 3, 2016

The National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex, Bandra (E)
Mumbai - 400051

The Bombay Stock Exchange Limited
Phiroze Jeejeeboy Towers
Dalal Street,
Mumbai – 400001

Subject: Investors Presentation on Unaudited Financial Results (Standalone and Consolidated)

Dear Sir/Madam,

Please find attached a copy of Company's Q2/FY17 Earnings Presentation, which the Company proposes to share with Analysts / Investors with respect to its Unaudited Financial Results (Standalone and Consolidated) for the Quarter and half year ended September 30, 2016, approved by the Board of Directors in their meeting held on November 3, 2016.

We request you to please take the same on record.

Thanking You,

Yours Faithfully,

For **Dr. Lal PathLabs Limited**



Rajat Kalra
Company Secretary & Legal Head

Encl: As above



 *Dr Lal PathLabs*

Dr. Lal PathLabs Limited (LPL)

Q2 & H1 FY17 Results Presentation

November 03, 2016

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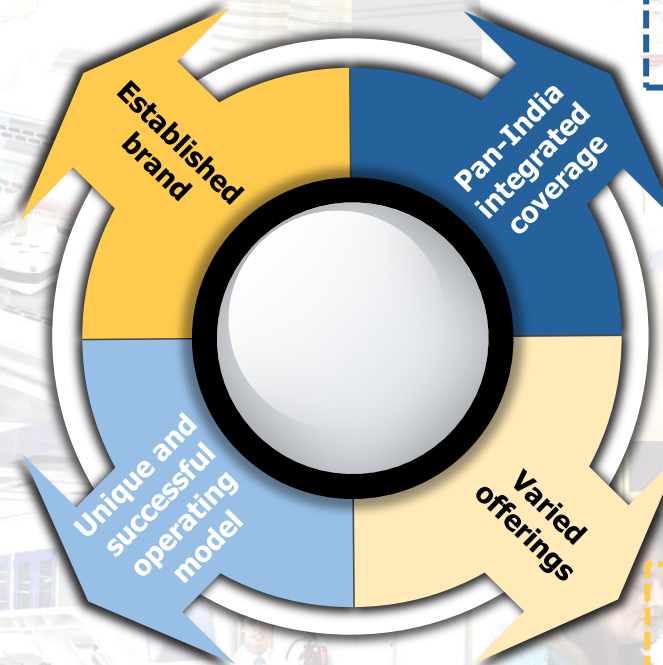


DISCLAIMER: This presentation may contain 'forward-looking' statements at places. The Company's business operations remain subject to undetermined contingencies and risks. Dr. Lal PathLabs Limited would not be liable for any action undertaken based on such 'forward-looking' statements and does not commit to revising/updating them publicly.

Overview of Dr Lal PathLabs

Established consumer healthcare brand in diagnostic services

172 clinical labs (including National Reference Lab at Delhi), 1,559 Patient Service Centers (PSCs) and 4,967 Pick-up Points (PUPs)*



Scalable model integrated through centralized IT platform allows for network expansion

Catalogue of 1,110 test panels, 1,934 pathology tests and 1,561 radiology and cardiology tests

Well-positioned in one of the fastest-growing segments of the Indian healthcare industry

*As on March 31, 2016

Key Highlights

- ❑ Performance gains driven by growth in volumes, seasonal factors, higher realization per patient, upward price revision and improved operational leverage
- ❑ During Q2 FY17 LPL :
 - Revenues grew 21.5% at Rs. 2,621.7 mn from Rs. 2,157.3 mn.
 - Price revision contributed 2.6% to revenue growth
 - EBITDA (excl ESOP) stood increased 37.7% to Rs. 798.2 mn from Rs. 579.8 mn
 - Surge in seasonal fevers and full quarter price increase impact contributed favourably to EBITDA
 - Normalised PBT (excl ESOP and Excp Item) stood higher by 42% at Rs. 793.8 mn from Rs. 557.6 mn
 - PAT at Rs 528.5 mn not strictly comparable with last year reported PAT of Rs 64.9 mn
- ❑ Cash, FDs and Liquid Investments at Rs. 3,675 mn as at September 30, 2016 from Rs. 3,288 mn as at June 30, 2016
- ❑ Operating growth resulted in augmented cash profits and strengthened balance sheet
 - Expansion underlined by asset light approach, helps maintain focus on ROI
 - Retains debt free status
- ❑ Strategic initiatives cover establishment of regional reference laboratories at Kolkata and Lucknow
 - Construction activity at Kolkata progressing as per schedule

Note: Financial results of the Company are best monitored on a year to date basis, as there is a certain level of seasonality in business and specific quarter performance may be influenced by certain occurrences in that quarter. All figures in the presentation pertain to the consolidated results

Q2 FY17 Financial Performance

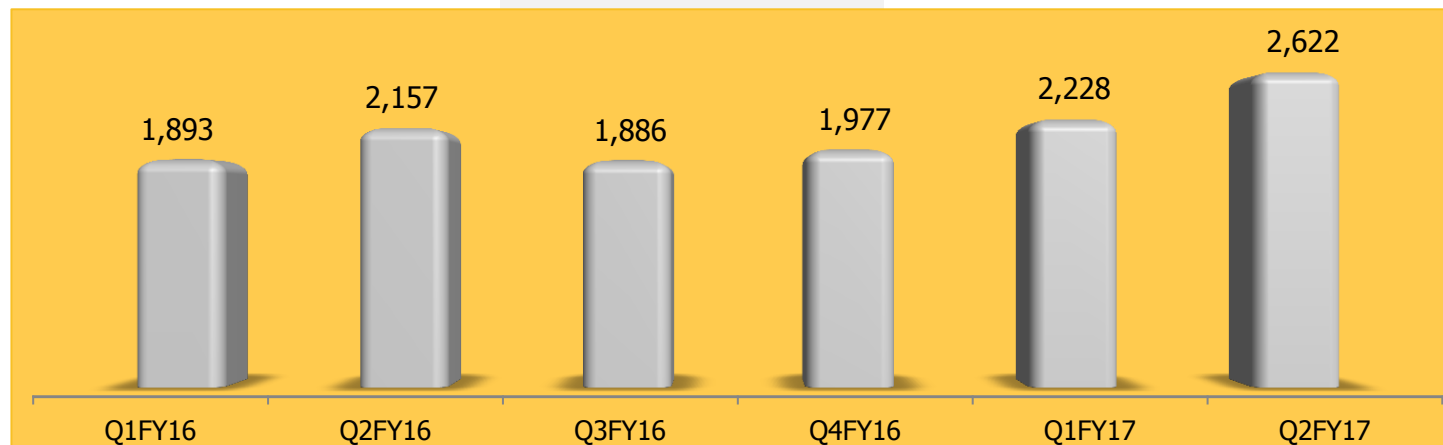
Particulars (Rs. mn)	Q2 FY17	Q2 FY16	Growth %	H1 FY17	H1 FY16	Growth %
Revenues	2,621.7	2,157.3	21.5%	4,850.1	4,050.4	19.7%
Total Expenditure	1,823.5	1,794.1	1.6%	3,447.9	3,195.1	7.9%
ESOP	-	216.6	-	-	239.1	-
EBITDA (excl ESOP)	798.2	579.8	37.7%	1,402.2	1,094.4	28.1%
<i>Margins</i>	<i>30.4%</i>	<i>26.9%</i>	<i>350 bps</i>	<i>28.9%</i>	<i>27.0%</i>	<i>190 bps</i>
PBT (excl ESOP + Excp Item)	793.8	557.7	42.3%	1,393.1	1,048.5	32.9%
<i>Margins</i>	<i>30.3%</i>	<i>25.9%</i>	<i>440 bps</i>	<i>28.7%</i>	<i>25.9%</i>	<i>284 bps</i>
PAT	528.5	64.9	714.3%	930.2	374.7	148.3%
<i>Margins</i>	<i>20.2%</i>	<i>3.0%</i>	<i>-</i>	<i>19.2%</i>	<i>9.3%</i>	<i>-</i>
EPS (Diluted)	6.30	0.75	-	11.08	4.47	-

- The ESOP charge of Rs. 216.6 mn is shown as a separate line item in the statutory financial results reporting and the EBITDA and PBT discussion in this note focusses on EBITDA and PBT performance without the prior period ESOP expenses to provide a fair picture of the Company's normal business results during the quarter
- PAT figures for FY16 are strictly not comparable as there were certain ESOP charges which were charged in Q1 & Q2 FY16 and later reversed in Q3'16

Financial Highlights

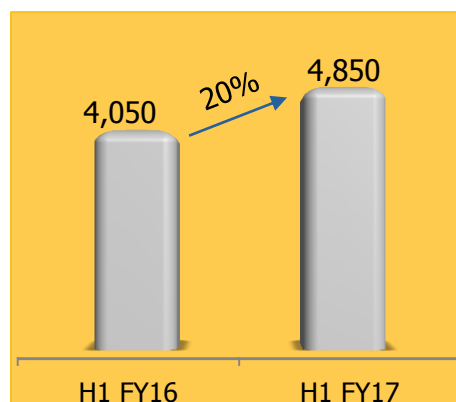
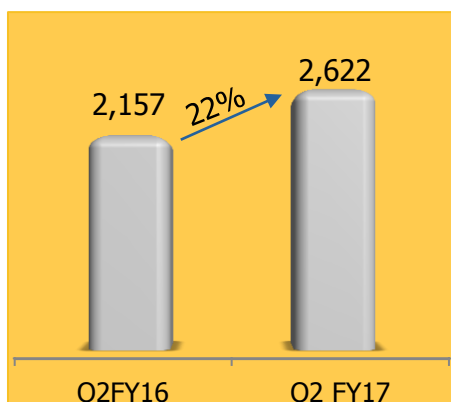
Revenues

All figures in Rs mn

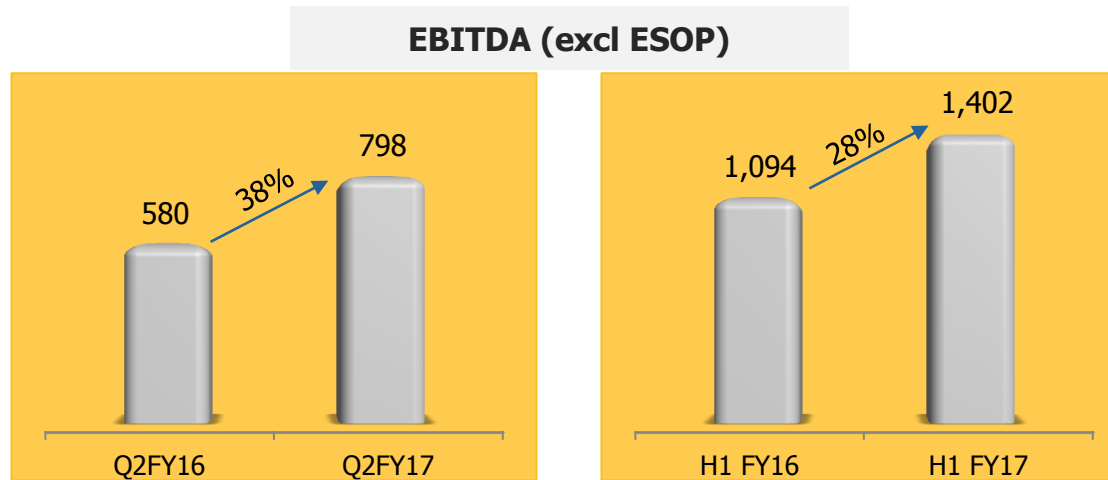


- Q2 FY17 revenues increased 22% on the basis of improved volumes and benefit of better realizations;

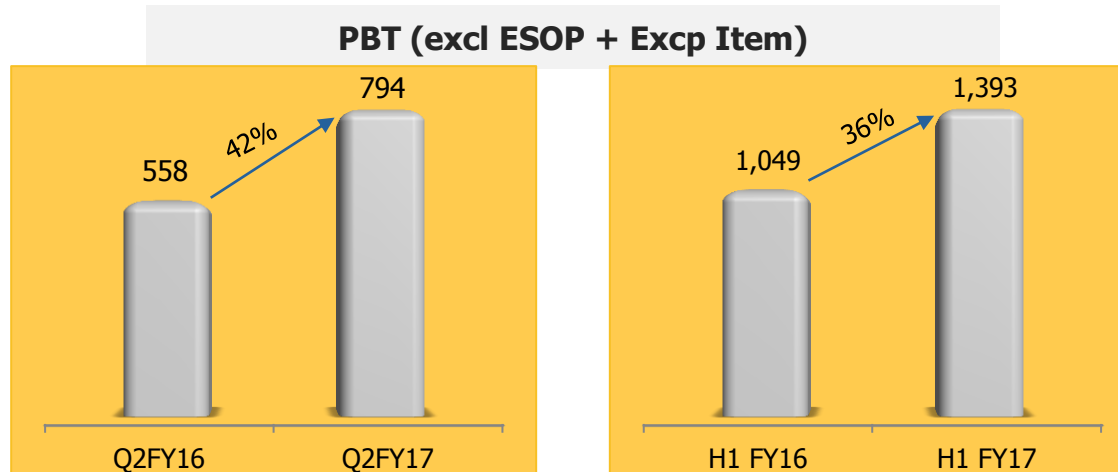
- 13.6% higher sample volumes in Q2 was the result of:
 - Better than expected uptrend due to seasonal fevers
 - Volume and revenue increase stood at 2% and 3% respectively on account of such fevers
 - Growth in patient walk-ins across regions and build-up in network business
- Realization/patient increased from Rs 699 in Q2 FY17 to Rs 654 in Q2 FY16 given the price revision taken earlier during the year in Delhi NCR and some other markets



Financial results of the Company are best monitored on a year to date basis, as there is a certain level of seasonality in business and specific quarter performance may be influenced by certain occurrences in that quarter



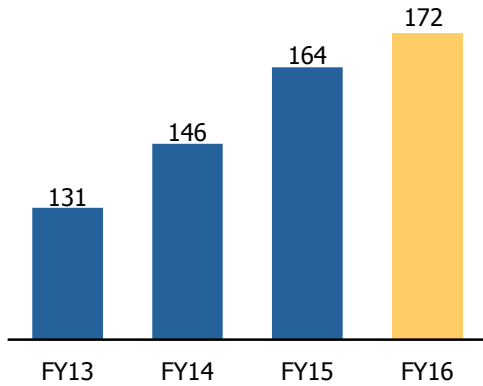
- EBITDA (excl ESOP) stood 38% higher with corresponding EBITDA Margins at 30.4% during Q2 FY17
 - This EBITDA growth was favourably impacted by seasonal fevers, price increase and operating leverage



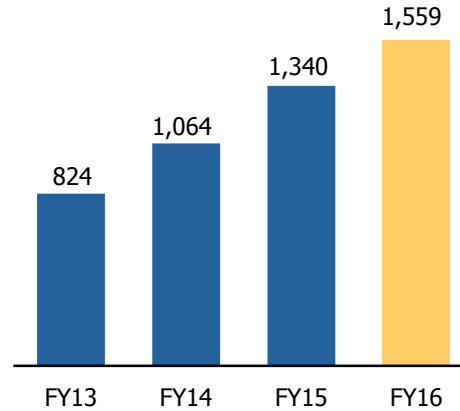
- PBT (excl ESOP + Excp Item) growth during Q2 FY17 stood at 42%
 - Margins were at 25.9%
- PAT during Q2 FY17 is not comparable on YoY basis due to ESOP charge taken in Q2 FY16

Operating Highlights

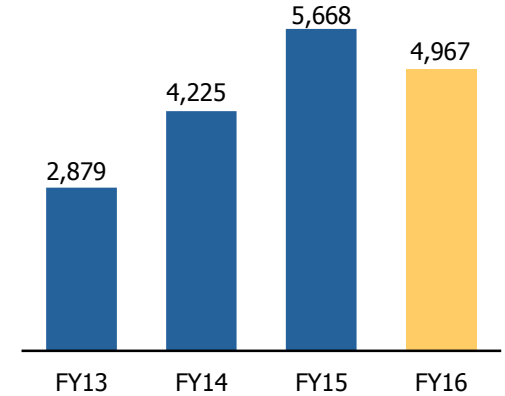
No. of Clinical Laboratories



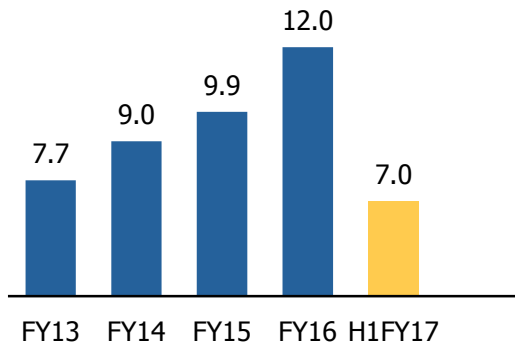
No. of PSCs



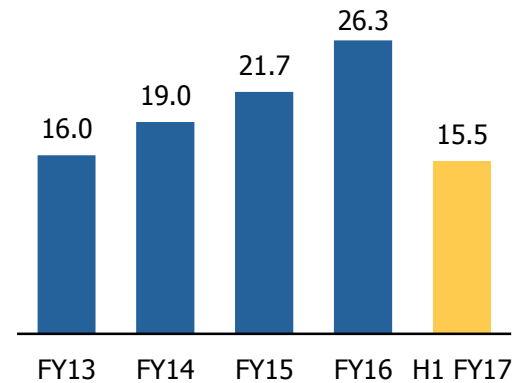
No. of PUPs



No. of patients (mn)



No. of samples (mn)



Commenting on the results announcement, Dr. Arvind Lal - Chairman and Managing Director said; "We delivered solid second quarter financial results driven by our passion to be pioneers in the diagnostic space and provide the highest quality of services to our patients. Thus our underlying initiatives towards this end have translated in notable progress across our key focus area. Our team is dedicated on creating innovative diagnostic tools, expanding our reach and accessibility across new and existing markets and growing LPL's brand awareness.

We are confident that our positive momentum will continue and believe we are well positioned to achieve future growth as we execute on our strategic initiatives."

Commenting on the results announcement, Dr. Om Manchanda, CEO - Dr Lal PathLabs said; "Our commitment to cater to our patients more efficiently through best-in-class services, anchored our progress during the quarter. A healthy growth led by brand expansion and increased accessibility, has translated into better volume growth. LPL experienced a relatively higher than expected uptick in volumes and value in Q2 on account of the outbreak of seasonal fevers, however we anticipate volumes to normalize in the ensuing weeks. With superior quality and diverse range of tests, scale in operations and improved realizations, our performance endorses the successful implementation of our business strategies.

We are well on track with our new regional reference labs at Lucknow & Kolkata which will further strengthening our operations. For the remainder of the year, we are confident in our ability to sharpen our business focus and execute on the tremendous opportunities which lie ahead of us."

Robust operating model best-positioned to capitalize on growth trends in diagnostic services -one of the fastest-growing segments of the Indian healthcare industry

Will leverage established position of a strong consumer healthcare brand in diagnostic services . Initiatives to improve brand connect to continue

To grow model with holistic approach with emphasis on scalability of reach and IT processes

Driving profitable growth while continuously strengthening our balance sheet

Corporate Overview

- **LPL Strategy for future growth**
- **Experienced Management team**



1) Strengthen Existing Operations



2) Expansion in Offering

3) Expand management of hospital based and clinical laboratories



4) Geographic expansion



1 Strengthen Existing Operations

Boosting quality & reliability standards

Improving turnaround times for testing

Grow basic radiology practice

Online initiatives and data analytics

Investment in branding

2 Expansion in Offering

Improve breadth of diagnostic testing

Cutting edge technology

Preventive healthcare screening

Chronic & Lifestyle disease mgmt. services

Expand reach in corporate segment

3 Expand management of hospital based and clinical laboratories

Tap incremental contracts for in sourcing test of hospitals and other clinical laboratories

Tap polyclinics

4 Geographic expansion

Focus city approach

Set up more clinical laboratories

Set up Regional Reference Laboratories at Lucknow and Kolkata

Consider alliances and acquisitions

Experienced Management team



(Hony.) Brig. Dr. Arvind Lal

Chairman and Managing Director



Dr. Om Manchanda

Whole-time Director and Chief Executive Officer



Dr. Vandana Lal

Whole-time Director



Dilip Bidani

Chief Financial Officer



Manoj Garg

Chief Human Resources Officer



Shankha Banerjee

COO – Strategic Business Unit II



Munender Soperna

Chief Information Officer



Dr. Neelum Tripathi

National Director Lab Operations



Bhaskar Ghoshal

Vice President Commercial



Ved Prakash Goel

Vice President Finance



Bharath Uppiliappan

COO (Strategic Business Unit 1)



Rajat Kalra

Company Secretary and Compliance Officer



Manoj Sahay

Chief Marketing and Strategy Officer

About Dr Lal PathLabs Limited (LPL)

Dr Lal PathLabs Limited is one of India's leading consumer healthcare brand in diagnostic services.

It has an integrated nationwide network, where patients and healthcare providers are offered a broad range of diagnostic and related healthcare tests and services for use in: core testing, patient diagnosis and the prevention, monitoring and treatment of disease and other health conditions. The services of LPL are aimed at individual patients, hospitals and other healthcare providers and corporates. The catalogue of services includes 1,110 test panels, 1,934 pathology tests and 1,561 radiology and cardiology tests.

As on March 31, 2016 LPL's has 172 clinical labs (including National Reference Lab at Delhi), 1,559 Patient Service Centers (PSCs) and 4,967 Pick-up Points (PUPs). In FY16 & H1 FY17, LPL collected and processed approximately 26.3 million samples and 15.5 million samples from approximately 12.0 million and 7.0 million patients, respectively.

Additional information on Dr Lal PathLabs Limited:

Corporate Identification No: L74899DL1995PLC065388

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