

February 11, 2020

The National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400051

The Bombay Stock Exchange Limited
Corporate Relationship Department
Phiroze Jeejeebhai Towers
Dalal Street,
Mumbai – 400001

Subject: Corporate Presentation Q3 FY 20

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Regulations"), please find attached herewith Corporate Presentation of the Company for Q3 FY 20, which the Company proposes to share with analysts/investors.

We request you to please take the same on record.

Thanking You,

Yours Faithfully,

For Dr. Lal PathLabs Limited



Rajat Kalra
Company Secretary and Legal Head



Encl: As above

Dr. Lal PathLabs Limited (DLPL)

Corporate Presentation

February 2020



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DLPL strategy for future growth	36

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.

Company Overview

[Dr. Lal PathLabs at a glance](#)

[Our Evolution](#)

[Dr. Lal PathLabs overview](#)

[Experienced Management team](#)



Dr. Lal PathLabs – At a Glance



Professionally managed operations; **7 decades of experience** in the world of diagnostics



Well diversified outside home market of 'Delhi NCR'



Created **strong intrinsic shareholder value** which continues till date



Longest track record of network build out, operational excellence and financial performance

NO. 1 BRANDED NATIONAL DIAGNOSTICS CHAIN WITH HIGHEST REVENUES AND PROFITABILITY

15%

3 Year Revenue CAGR

14%

3-Year PAT CAGR

Zero

Net Debt

59%

Revenue Contribution from Rest of India

~70%

ROCE Excl. Cash & Investments

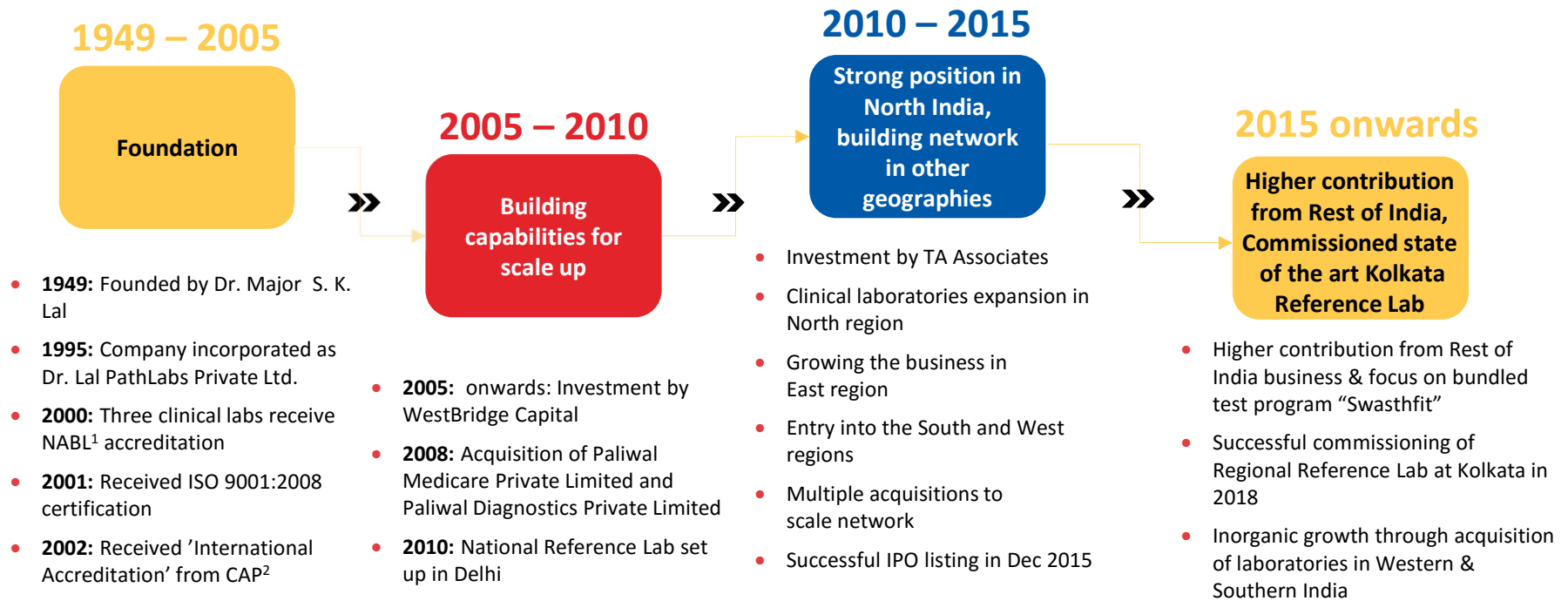
~4,900

Pathology & Radiology tests offered; highest in the industry

**CRISIL AA-
/Stable**

Long Term Rating

Our Evolution



1. NABL: National Accreditation Board for Calibration and Testing Laboratories.
 2. CAP: College of American Pathologists.

Dr. Lal PathLabs overview

Established **consumer healthcare brand in diagnostic services**

Pan-India integrated coverage with **200** clinical labs (including National Reference Lab¹ at Delhi and Regional Ref Lab at Kolkata), **2,569** Patient Service Centers (PSCs) and **6,426** Pick-up Points (PUPs)²

Catalogue of **459** test panels, **2,489** pathology tests and **1,946** radiology and cardiology tests²

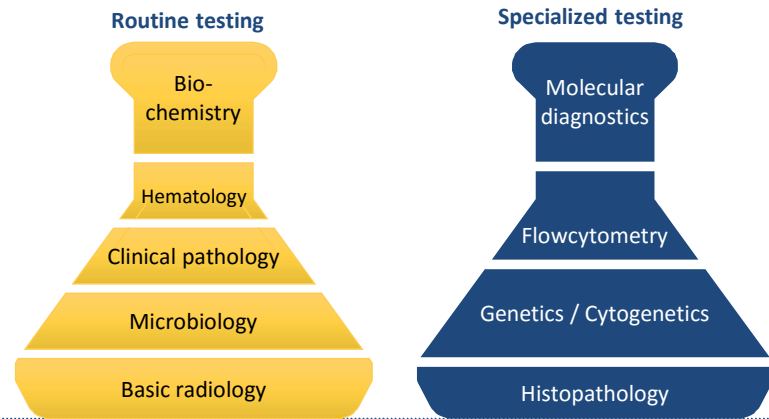
Collected and processed **~36.5 mn** samples from **~15.0 mn** patients YTD 9M FY20; **~41.8 mn** samples from **~17.6 mn** patients in FY19; **~34.7 mn** samples from **~15.2 mn** patients in FY18

Customers include individual patients, corporates and institutions, healthcare providers as well as hospital and clinical labs (lab management)

~4,405 employees including full time consultants, pathologists, phlebotomists and radiologists²

FY19: Revenue: **INR 12,034 mn**; EBITDA: **INR 3,132 mn**³ (Margin: **26%**); PAT: **INR 2,005 mn** (Margin: **16.7%**);
 FY18: Revenue: **INR 10,569 mn**; EBITDA : **INR 2,783 mn** (Margin: **26.3%**); PAT: **INR 1,718 mn** (Margin: **16.3%**)

Test Menu

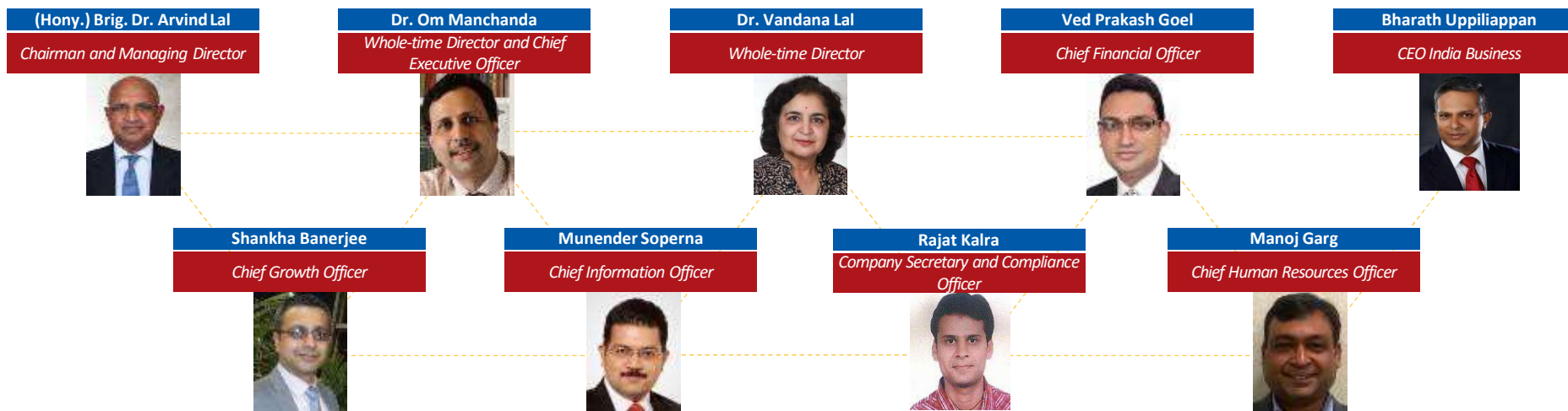


Accreditations



1. Total area of 7,253 square meters
 2. As on March 31, 2019.
 3. Normalised EBITDA excl RSU and stock based comp. & CSR Cost

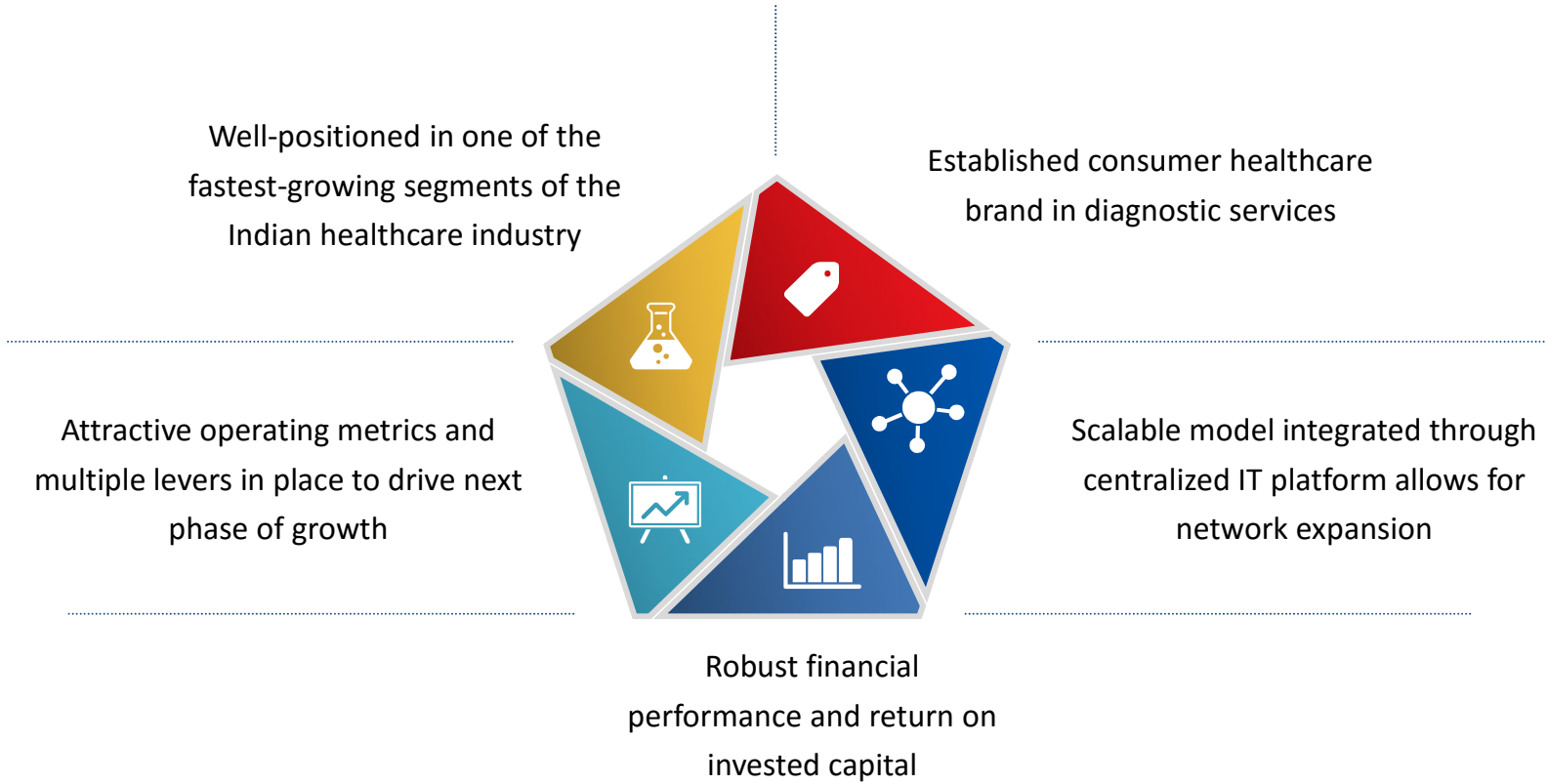
Experienced Management team



Investment Highlights



Investment Highlights



Indian Healthcare Services is a large growth opportunity



1.42bn

India's expected population in 2022

USD 2,483 bn

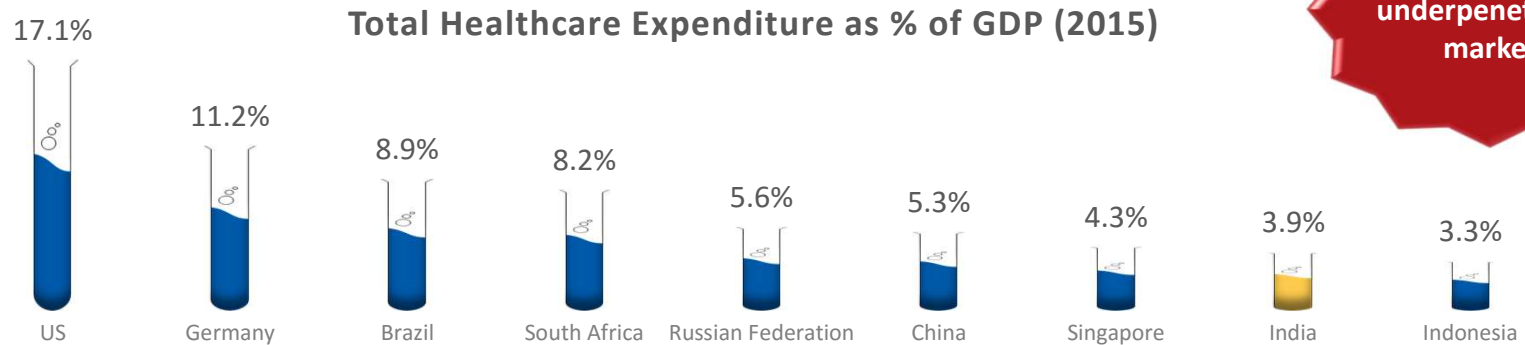
India GDP in FY20¹

USD 273 bn

FY20 India healthcare expenditure

~74%

Private expenditure on healthcare in 2015



India, highly underpenetrated market

Source: CRISIL Report titled "Assessment of Diagnostics Industry in India".

1. Financial Year ending March 31st.

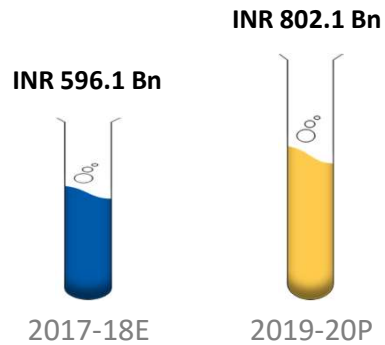
2. Source: Report of the Insurance Regulatory and Development Authority ("IRDA")

3. Source: World Health Organization Global Health Expenditure database, October 2017, 4. IMF

INR 596 bn Diagnostic Services industry expected to grow to INR 802 bn by FY20

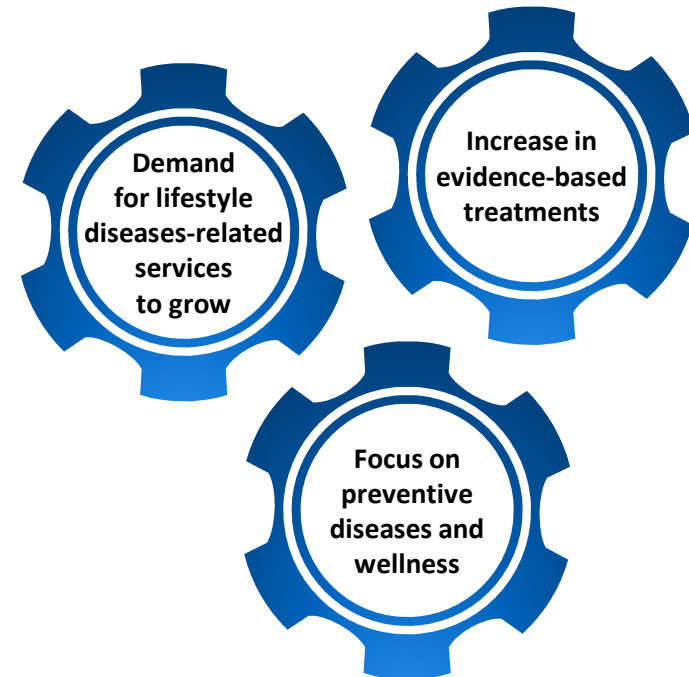


Diagnostic Services Industry Size



Screening, early detection, and monitoring reduce downstream costs

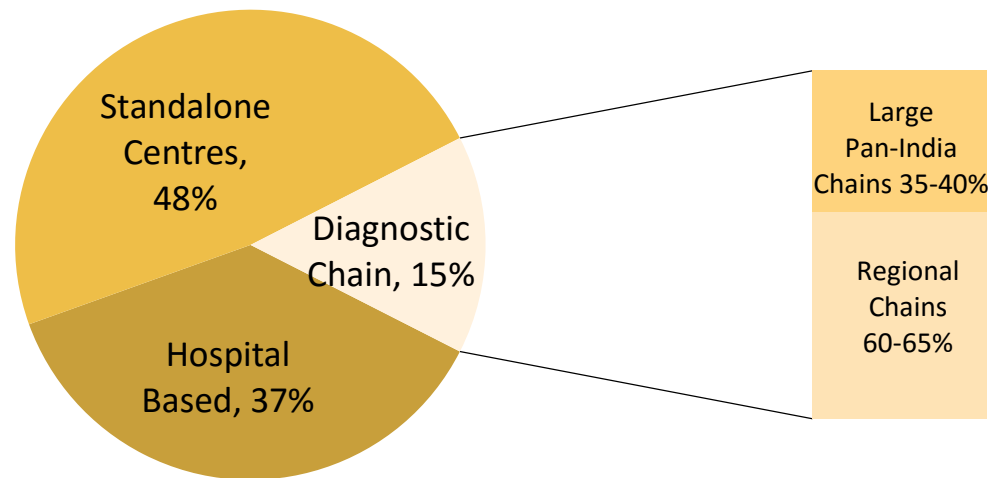
Growth Drivers



Diagnostic Services industry remains highly fragmented



Highly Fragmented Industry



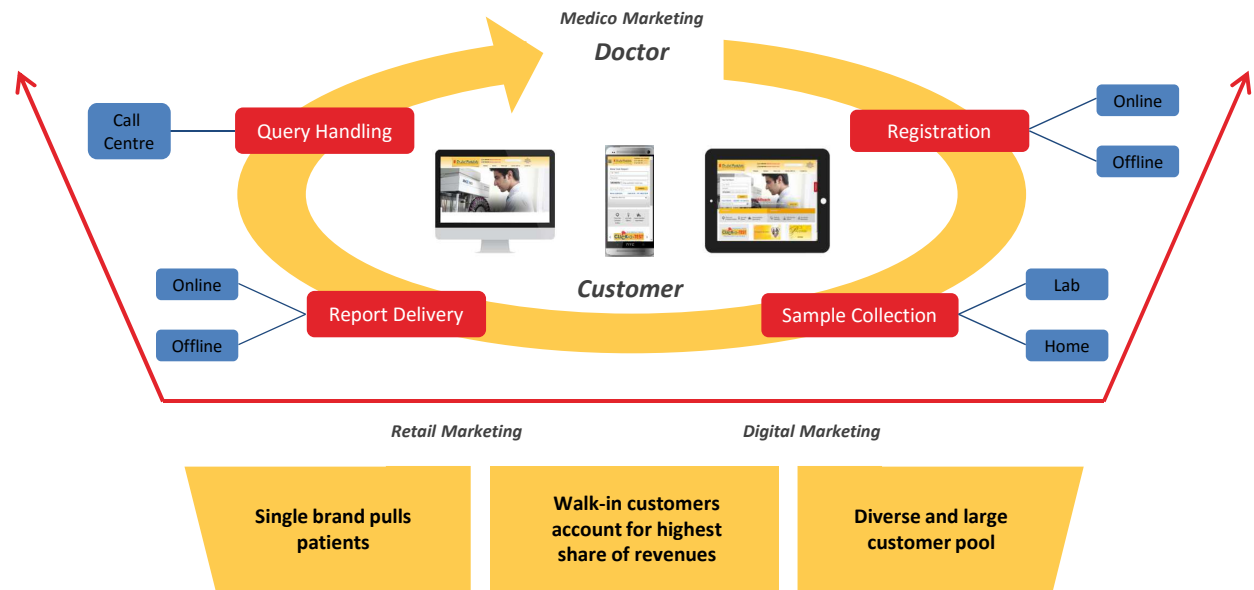
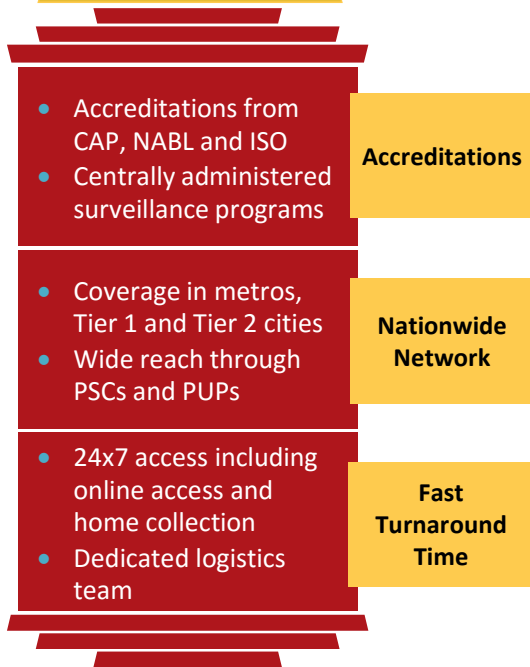
Largely fragmented and unorganized

Source: CRISIL Report titled "Assessment of Diagnostics Industry in India".

Established consumer healthcare brand in Diagnostic Services



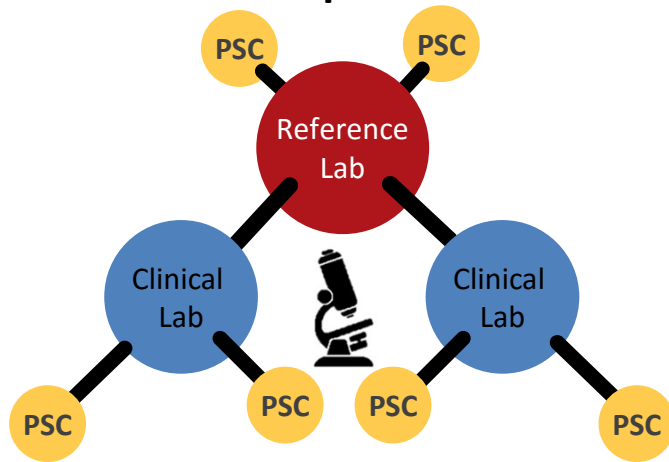
Pillar of a Strong Brand



Scalable Model integrated through centralized IT platform allows for network expansion

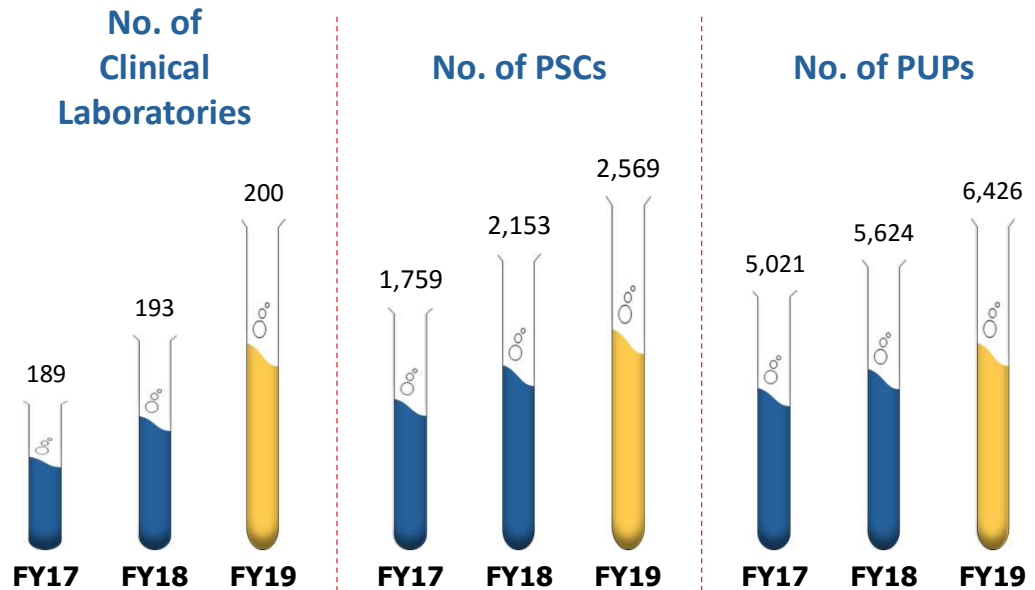


Hub and Spoke Model



- Centralized diagnostic testing provides greater economies of scale
- PSCs and PUPs facilitate penetration within region and expand reach

Network Expansion

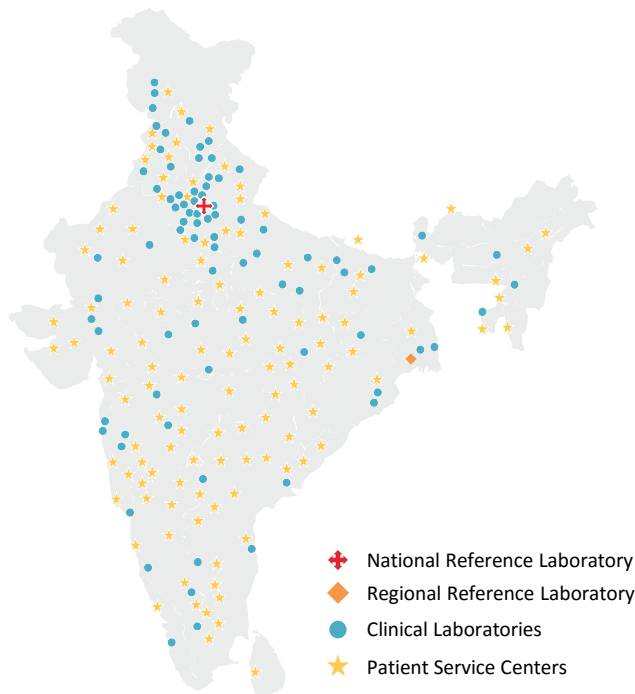


1. Includes National Reference Laboratory.

Scalable Model integrated through centralized IT platform allows for network expansion



Integrated National Network...



...backed by Centralized IT platform which fully integrated network

Enterprise Resource Planning (ERP) System

- Payables, receivables, inventory, ledgers etc.
- Scalability and connectivity – web-based

Laboratory Information Management System

- Bi-directional interface; tracks specimen collection, shipping and testing in real time
- Assigns unique ID / barcode for each sample

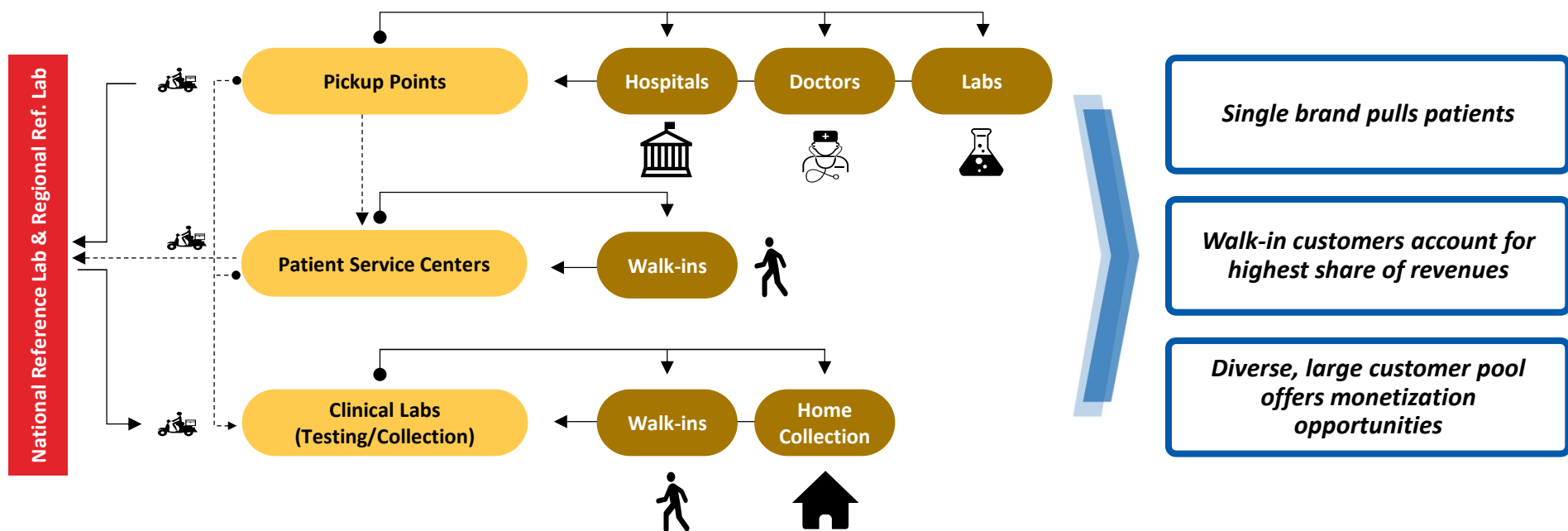
Data Collection and Analytics

- Improve diagnostic services via data analyses
- Demand for tests are analyzed using past data

Collection network



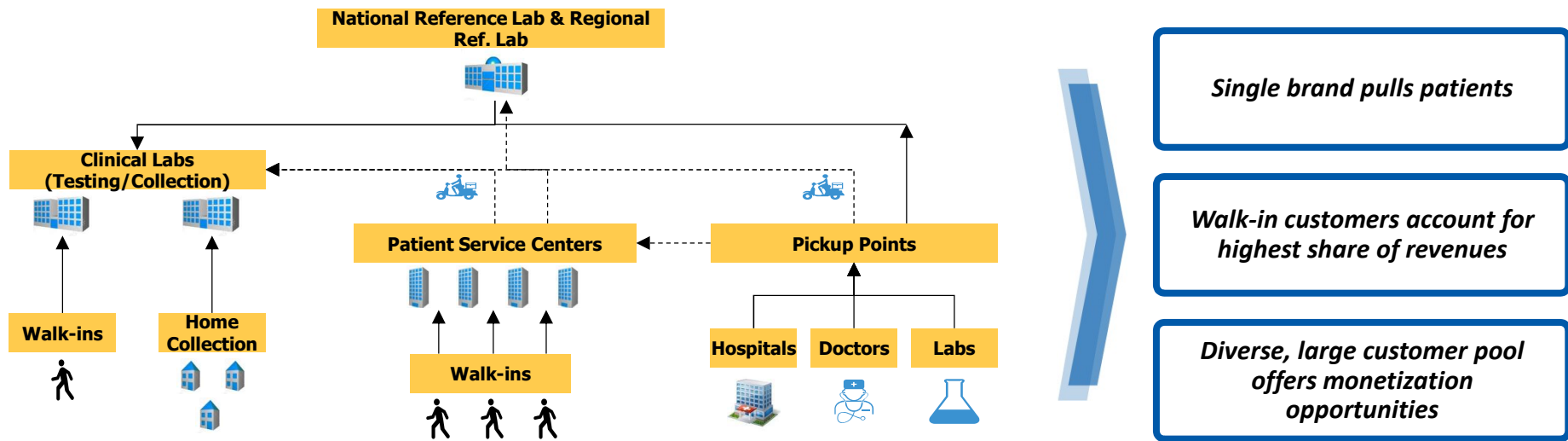
LPL's scalable business model provides strategic advantage for expansion and consolidation



Collection network



LPL's scalable business model provides strategic advantage for expansion and consolidation



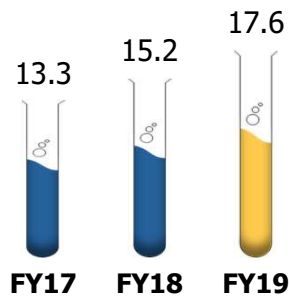
Attractive operating metrics



No. of patients

(Mn)

CAGR: 15.0%

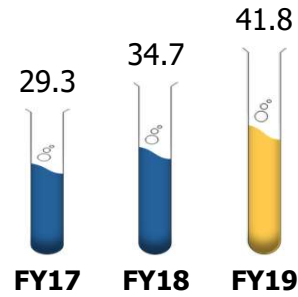


- Consumer brand and network expansion driving patient volumes

No. of samples

(Mn)

CAGR: 19.4%

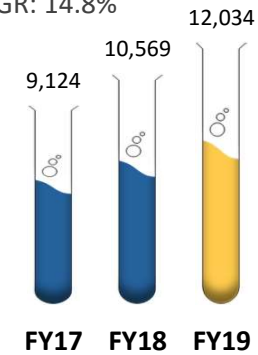


- Increase in samples with patient volumes growth

Total Revenue

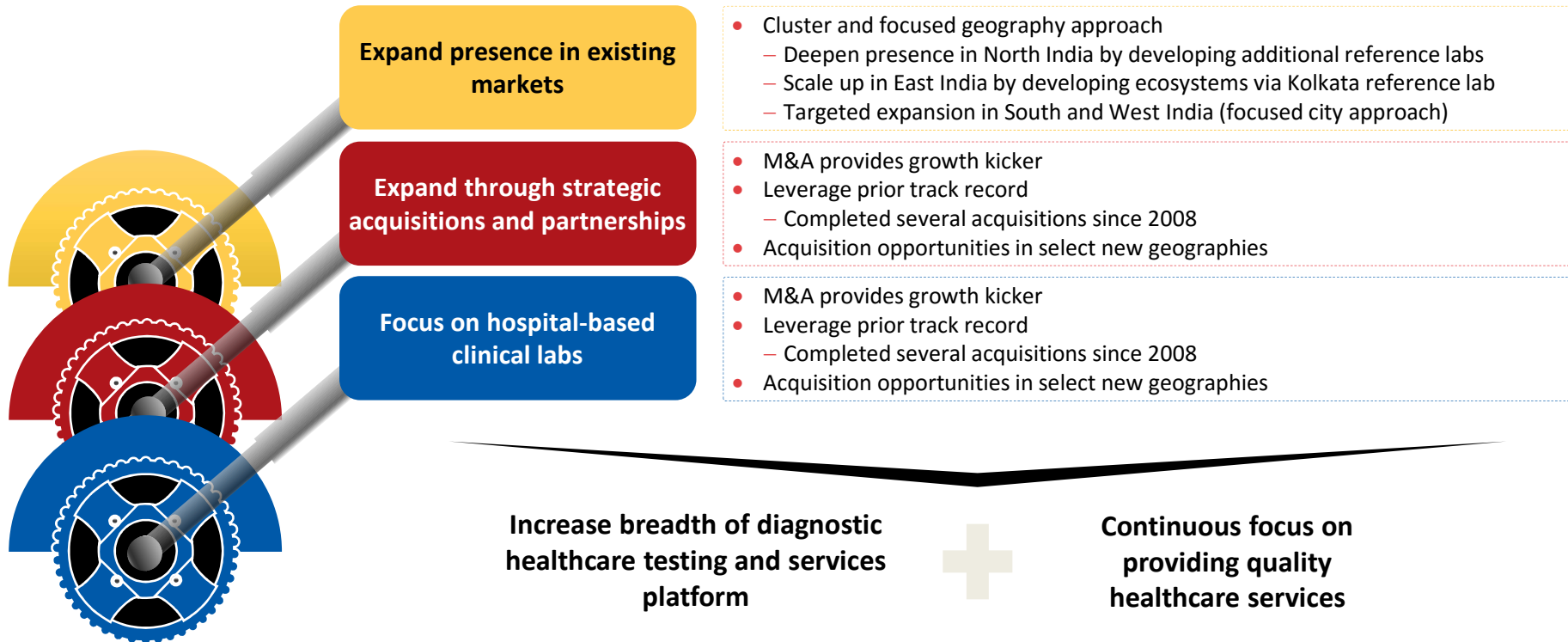
(INR mn)

CAGR: 14.8%

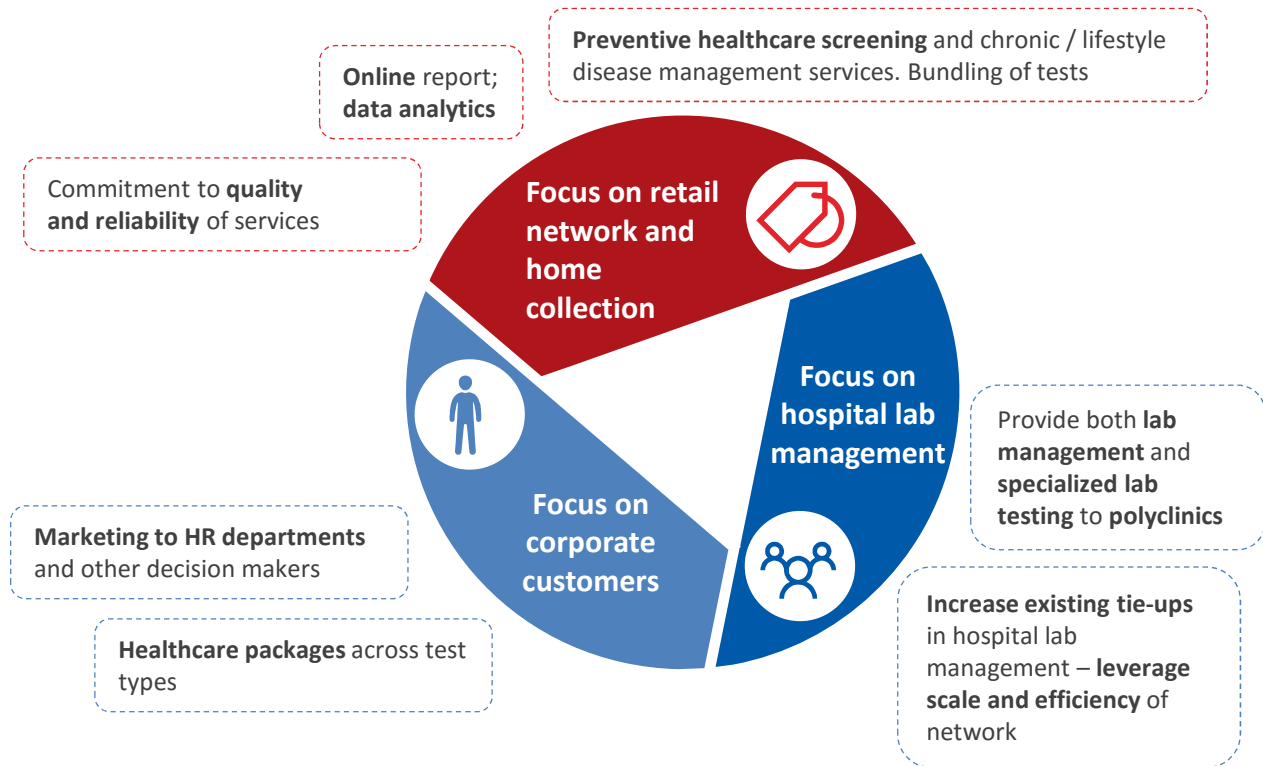


- FY19 Revenues increased on account of :
 - Marked gains in patient volumes at 15.3%
 - Increase in tests per patient at 2.4 vs 2.3

Multiple levers in place to drive next phase of growth



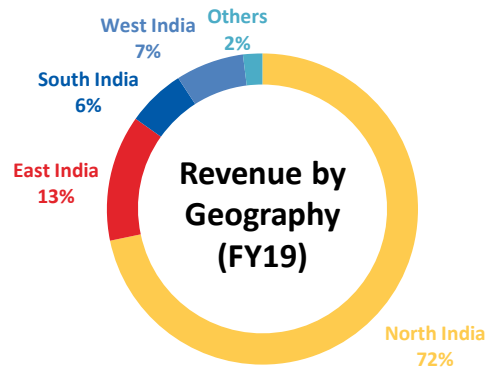
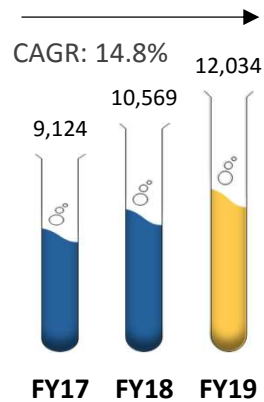
Strategies to deepen our presence



Robust financial performance



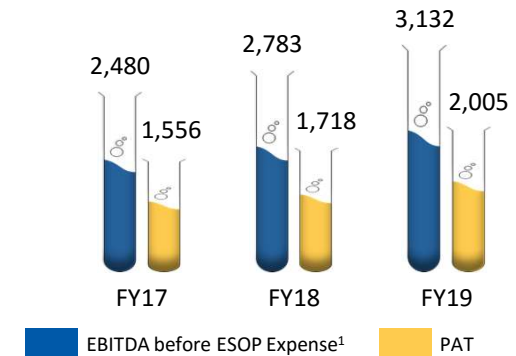
Total Revenue INR (Mn)



Geography	FY 17-19 CAGR
North India	14%
East India	21%
South India	13%
West India	11%
Others	33%

EBITDA¹, PAT and Return on Net Worth (INR Mn/%)

EBITDA Margin Before ESOP & CSR charge ¹	27.2%	26.3%	26.0%
PAT Margin	17.1%	16.3%	16.7%
RONW	29.1%	24.7%	23.0%



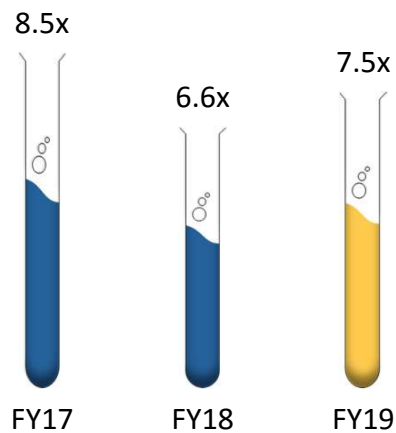
- Growth driven primarily by increasing patient volumes and samples
- Increase in operating margin due to economies of scale

1. During FY14, DLPL had reassessed the ESOP scheme as cash settled basis as against equity settled basis treated in earlier years' financial statements. As a result, DLPL accounted for additional compensation cost of INR 8.9 mn in FY16. ESOP/RSU/ESPS charge of INR 86.1 mn in FY17 is also excluded. FY16 & FY17 also excluded the impact of CSR Expense of INR 3.8 mn and INR 18.7 mn respectively for ease of comparison.

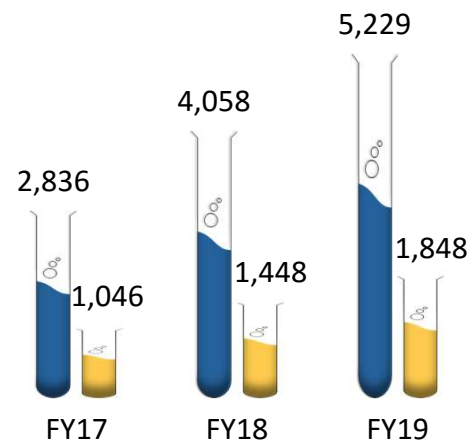
Robust financial performance (Cont'd)



Fixed Asset Turnover¹ Times



Cash and Cash Equivalents (Mn)



■ Cash and Bank Balance
 ■ Current Investments

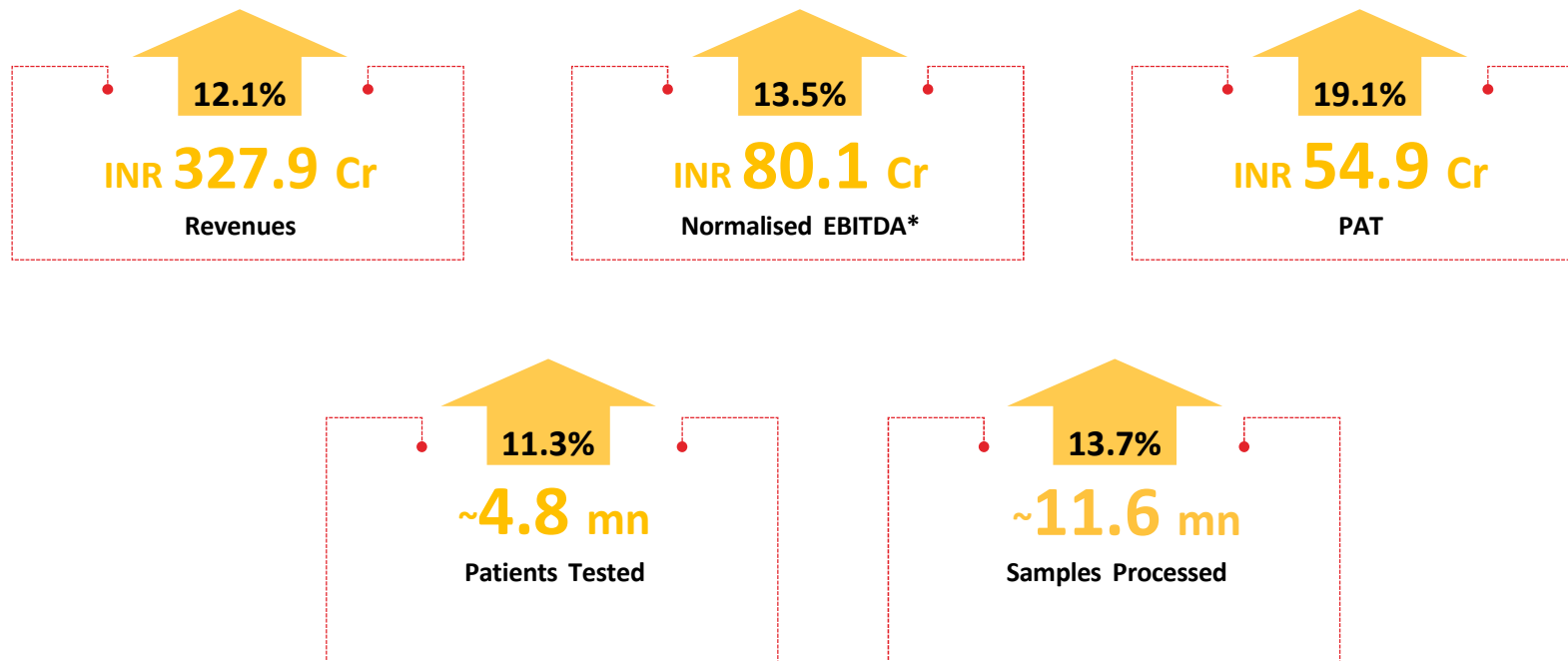
- Self funded growth on account of strong cash flow generation
- Attractive fixed asset turnover ratio given asset-light model
- Current net cash position and internal accruals expected to fund next phase of growth

1. Fixed Asset Turnover = Total Revenue / Net Fixed Assets as per IndAS

Q3 & 9M FY20 Highlights & Financial Performance

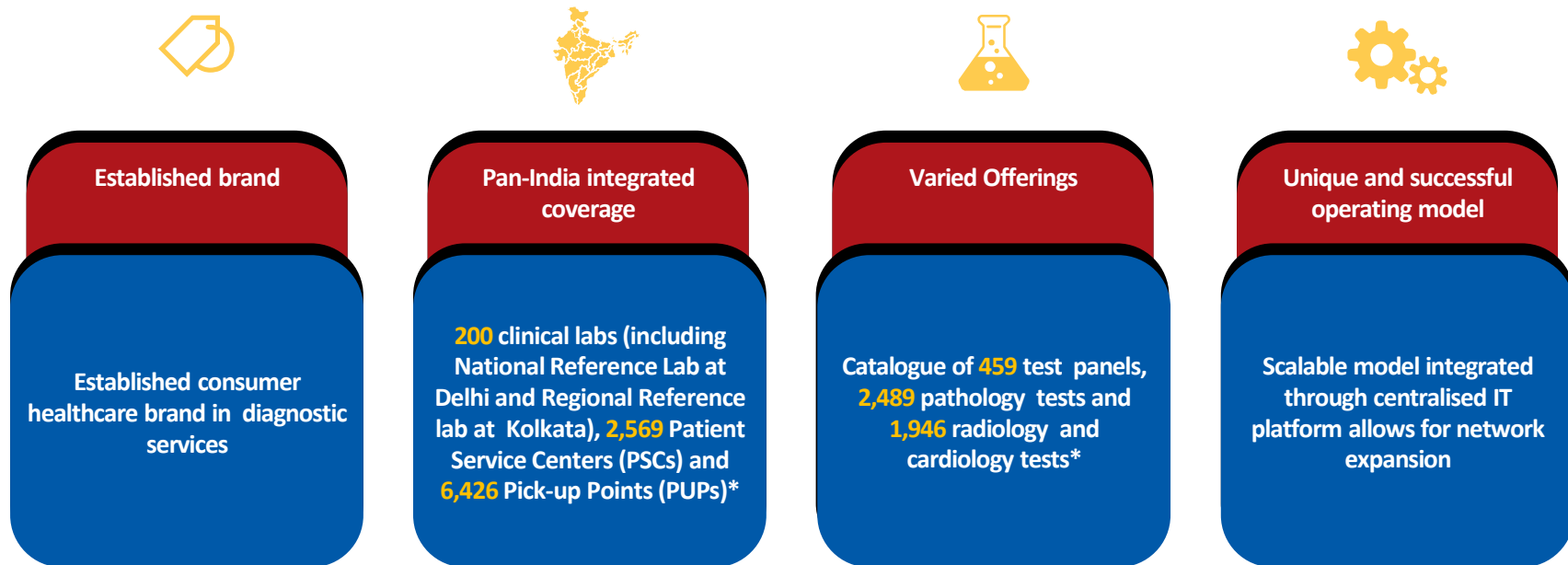


Q3 FY20 Snapshot



* Excluding Ind AS 116 impact

Overview of Dr. Lal PathLabs



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

*As on March 31, 2019

Key Performance Highlights

In Q3 FY20, patient volumes increased by 11.3% led by higher growth in the Rest of India market, further supported by stable momentum in the other regions

During Q3 FY20:

- Revenues increased by 12.1% Y-o-Y at Rs. 327.9 crore
- Number of patients tested stood at 4.8 million
- Normalised EBITDA (after eliminating the impact of stock based remuneration, CSR & Ind AS 116) came in at Rs. 80.1 crore
- Profit After Tax stood at Rs. 54.9 crore, representing a growth of 19.1% over the corresponding quarter of last year

Cash, FDs and Mutual Funds at Rs. 775.1 crore as on Dec 31, 2019, as against Rs. 707.7 crore as on March 31, 2019

Continue to drive volumes through focus on expanding the reach in Rest of India market as well as growing in the existing market. This will be supported by:

- Initiatives to leverage the brand, expansion of test menu and strengthening the digital presence
- Improve the contribution of bundled test program – 'Swasthfit', which currently contributes 15% to total revenues

Financials

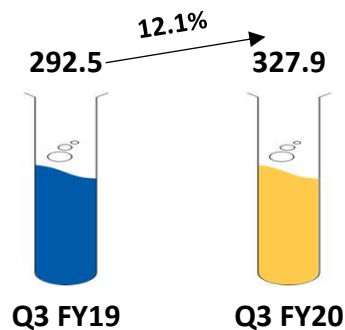
Particulars (Rs. Cr.)	Q3 FY20	Q3 FY20	Q3 FY19	Gr %	Gr %	YTD	YTD	YTD	Gr %	Gr %
	(With IND-AS 116)	(W/O IND-AS 116)	(W/O IND-AS 116)	(With IND-AS 116)	(W/O IND-AS 116)	(With IND-AS 116)	(W/O IND-AS 116)	(W/O IND-AS 116)	(With IND-AS 116)	(W/O IND-AS 116)
Revenue	327.9	327.9	292.5	12.1%	12.1%	1028.7	1028.7	902.3	14.0%	14.0%
Other Income	13.8	13.8	12.2			43.0	43.0	32.5		
Total Income	341.7	341.7	304.7	12.1%	12.1%	1071.7	1071.7	934.8	14.6%	14.6%
Raw Material Consumed	74.4	74.4	65.3			226.7	226.7	197.2		
Personnel Expense	61.6	61.6	51.9			180.1	180.1	151.5		
Rent Expense	3.7	12.5	11.9			11.5	37.3	35.6		
Other Expenses	105.9	105.9	97.8			324.1	324.1	290.6		
Total Expenditure	245.6	254.4	226.9	8.2%	12.1%	742.4	768.2	674.9	10.0%	13.8%
EBITDA	82.3	73.5	65.6	25.5%	12.0%	286.3	260.5	227.4	25.9%	14.6%
<i>Margins</i>	25.1%	22.4%	22.4%			27.8%	25.3%	25.2%		
Adj for Stock based comp. & CSR cost	6.6	6.6	5.0			15.1	15.1	13.0		
Normalised EBITDA	88.9	80.1	70.6	25.9%	13.5%	301.4	275.6	240.4	25.4%	14.6%
<i>Normalised Margins</i>	27.1%	24.4%	24.1%			29.3%	26.8%	26.6%		
Interest Cost	3.9	0.0	0.3			11.4	0.0	0.7		
Depreciation Cost	18.8	11.4	9.6			52.8	30.9	27.8		
PBT	73.4	75.9	67.9	8.1%	11.8%	265.1	272.6	231.4	14.6%	17.8%
<i>Margins</i>	22.4%	23.1%	23.2%			25.8%	26.5%	25.6%		
PAT	54.9	56.7	46.1	19.1%	23.0%	195.0	200.3	153.1	27.4%	30.8%
<i>Margins</i>	16.7%	17.3%	15.8%			19.0%	19.5%	17.0%		
EPS (Basic) - In Rs.	6.56		5.56	18.0%		23.48		18.48	27.1%	
EPS (Diluted)- In Rs.	6.55		5.55	18.0%		23.42		18.45	26.9%	

The current quarter reported numbers are as per Ind AS 116. The company has adopted Modified Retrospective Approach for transition to IND AS 116 from 1st April 2019. This approach does not require restatement of comparative information for Q3 FY19 and 9M FY19. However for the purpose of comparison Q3 FY20 and 9M FY20 numbers in this slide have also been presented without Ind AS 116
 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.

Financial Highlights

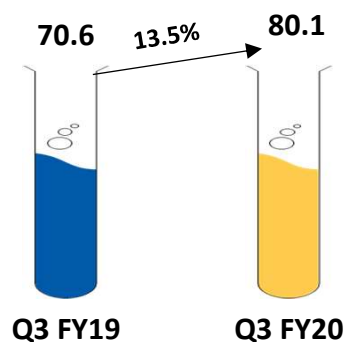
All figures in Rs. Crore

Revenue



- Revenue growth in Q3 FY20 stood at 12.1%, at Rs. 327.9 crore. This was contributed by:
 - Continued momentum in volumes, which grew by 11.3% and
 - Higher growth in tests per patient from 2.38 to 2.43
- Realisation per patient in Q3 FY20 came in at Rs. 688, higher as compared to Rs. 683 in Q3 of FY19

Normalised EBITDA (after eliminating the impact of stock based compensation, CSR and Ind AS 116)

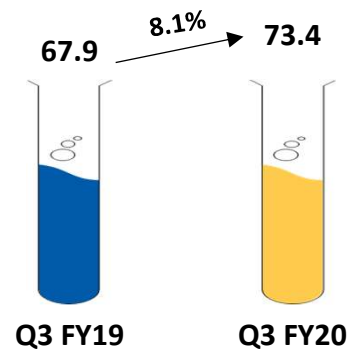


- Normalised operating EBITDA (after eliminating the impact of stock based compensation, CSR and Ind AS 116) stood at Rs. 80.1 crore in Q3 FY20, higher by 13.5% Y-o-Y
- Q3 FY20 Normalised EBITDA margin (after eliminating the impact of stock based compensation, CSR and Ind AS 116) came in at 24.4%

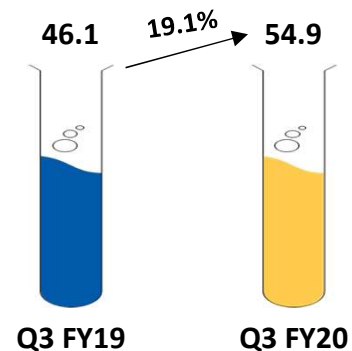
Financial results of the Company are best monitored on a year to date basis, as there is a certain level of seasonality in business and specific quarter performance may be influenced by certain occurrences in that quarter

Financial Highlights

All figures in Rs. Crore



- PBT for Q3 FY20 came in at Rs. 73.4 crore vs. Rs. 67.9 crore in the corresponding quarter of last year, representing a growth of 8.1%
- Q3 FY20 PBT margin stood at 22.4%, as against 23.2% in the same period of last year
- PBT for Q3 FY 20 is after impact of Ind AS 116

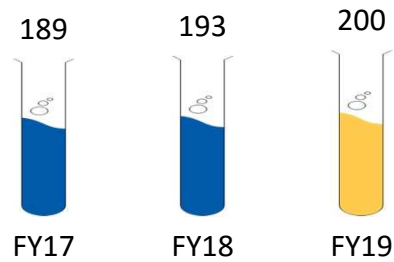


- PAT stood at Rs. 54.9 crore in Q3 FY20 as compared to Rs. 46.1 crore in Q3 FY19, higher by 19.1%
- Q3 FY20 PAT margin came in at 16.7% Vs. 15.8% in Q3 FY19

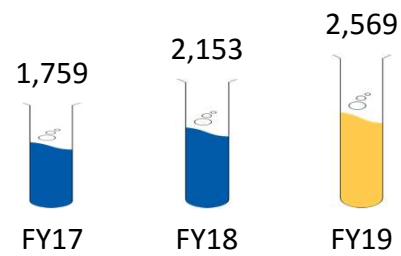
Financial results of the Company are best monitored on a year to date basis, as there is a certain level of seasonality in business and specific quarter performance may be influenced by certain occurrences in that quarter

Operating Highlights

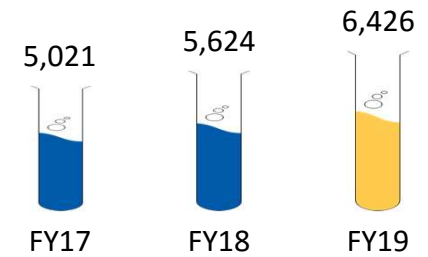
No. of Clinical Laboratories



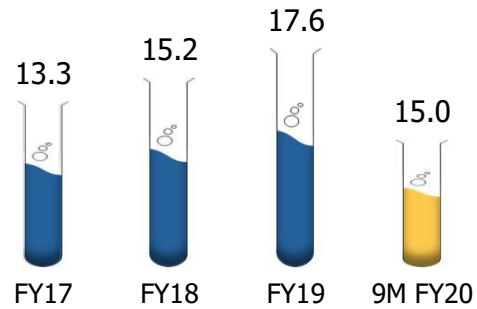
No. of PSCs



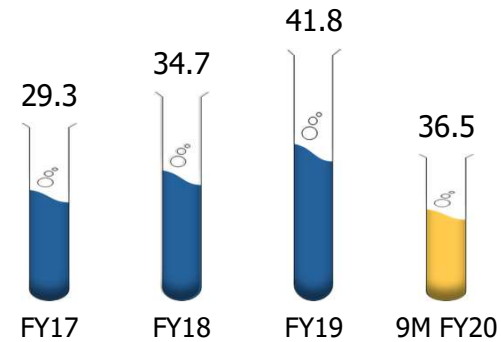
No. of PUPs



No. of Patients



No. of Samples



Management Commentary

Commenting on the results announcement, Dr. Arvind Lal - Chairman and Managing Director said:

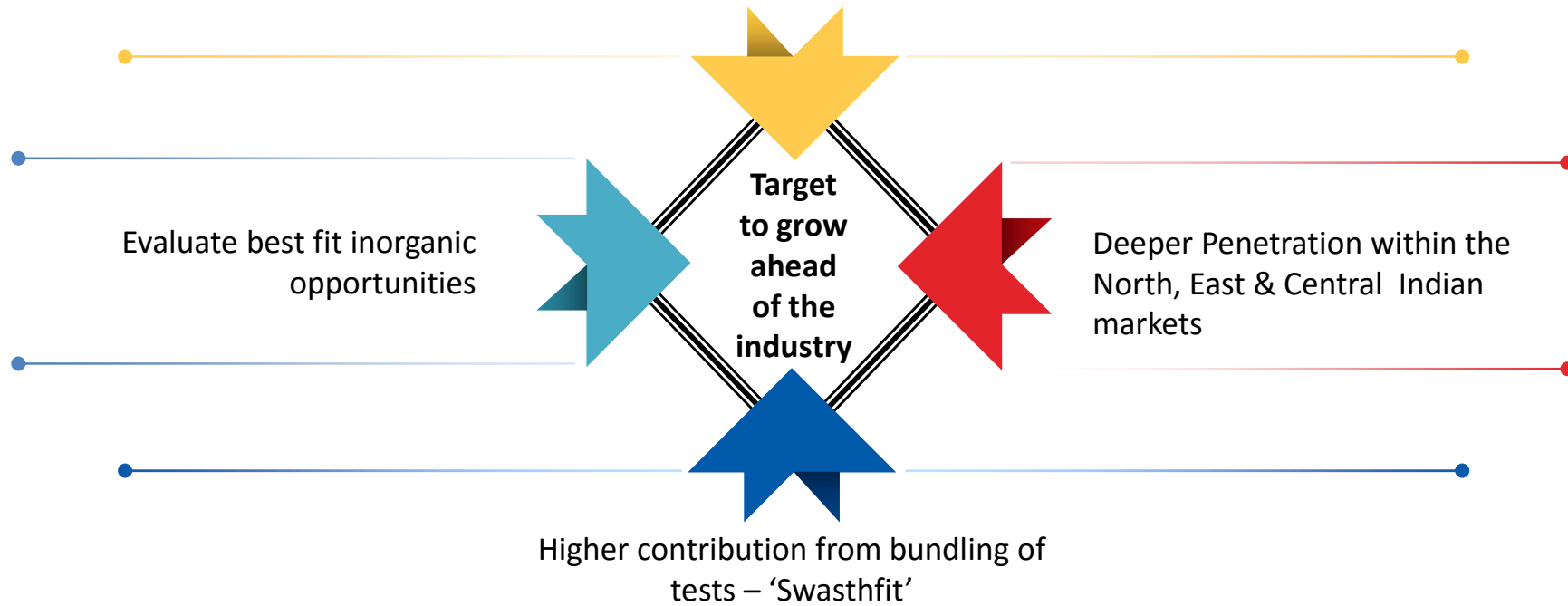
“We continue to demonstrate healthy performance quarter-on-quarter led by our focus on basic fundamentals of business and aspiration to maintain high levels of quality and scale. There are several opportunities available for an organized, large-scale national player as ourselves and we are sure to seize them as they come. Overall, we will continue to focus on expanding our test menu and geographical presence to further elevate our performance and provide accurate diagnostics services at affordable prices to our patients.”

Commenting on the results announcement, Dr. Om Manchanda, CEO - Dr. Lal PathLabs said:

“We drive our business by maintaining a sharp focus on driving volumes through expansion in our network, higher throughput in every PSC & laboratory and bundled tests initiatives. I am glad that this approach has played out in our favour, which is clearly visible in our performance delivered in the past so many quarters. While we continue to expand our reach, we are also reinforcing our presence in the existing markets by deeper penetration and leveraging technology by way of online outreach. Our growth objectives are aligned to enhance the quality of healthcare services by providing access to quality diagnostics.”

Vibrant Outlook

Strongly develop Rest of India geographies, through Kolkata National Laboratory and cluster city approach for attractive markets

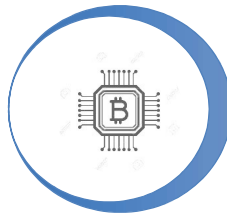


Leveraging digital to make life easier for patient



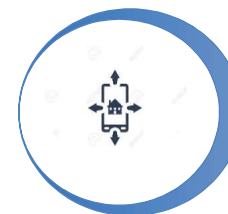
Digital Lab

- Self Registration Kiosk for patients
- Integrated payment gateway for online payment
- Self Report printing Kiosks for 24 by 7 Report printing similar to a bank ATM



e-Commerce

- Online test / health package booking
- Online payment, order related notifications at various touch points
- Integrated Cross Channel communication with strong automated backend using cloud, predictive analytics & AI
- Phlebo Mobile App for home collection booking along with route plan.



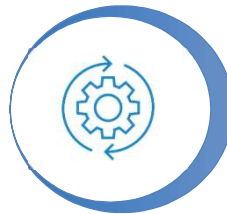
Mobile app

- Test booking, view and download current and historical test reports
- Trend chart along with Cumulative Reporting
- Find a Lab near you
- Self Monitoring – My Wellness



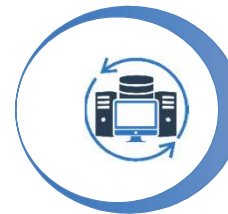
Logistics Automation

- Field Executive Mobile App for Route Traceability & Field Executive Tracking
- Real Time visibility of patient samples



Lab Operations Automation

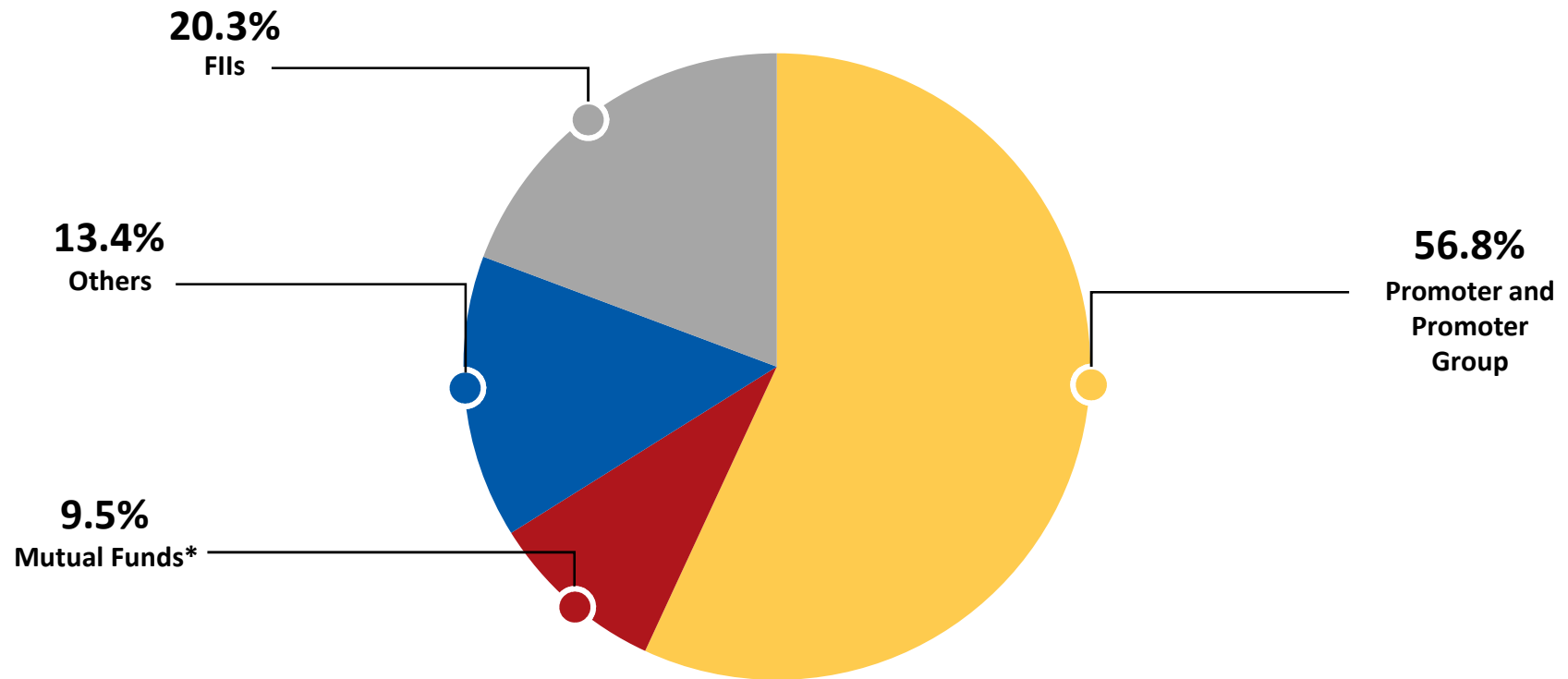
- Totally integrated Track with centralized LIMS for higher Output and faster processing, built in analytics and Business Intelligence capabilities



Business Continuity Plan

- 'Multi Site' model
- Quick recovery in case of disaster
 - Real time Data Replication between sites
 - Centrally Hosted and real time monitored

Shareholding as of 31st December, 2019

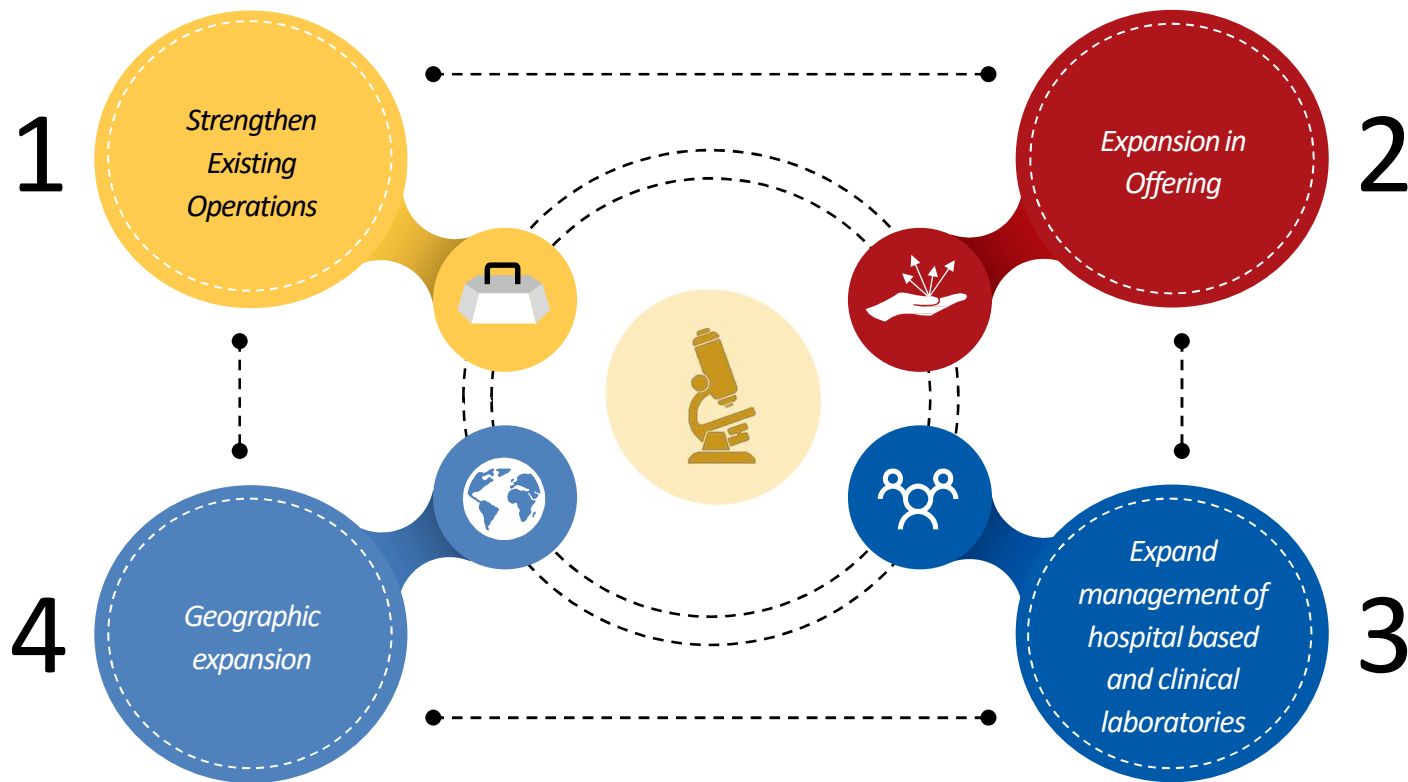


*Mutual Funds includes Alternate Investment Funds as well

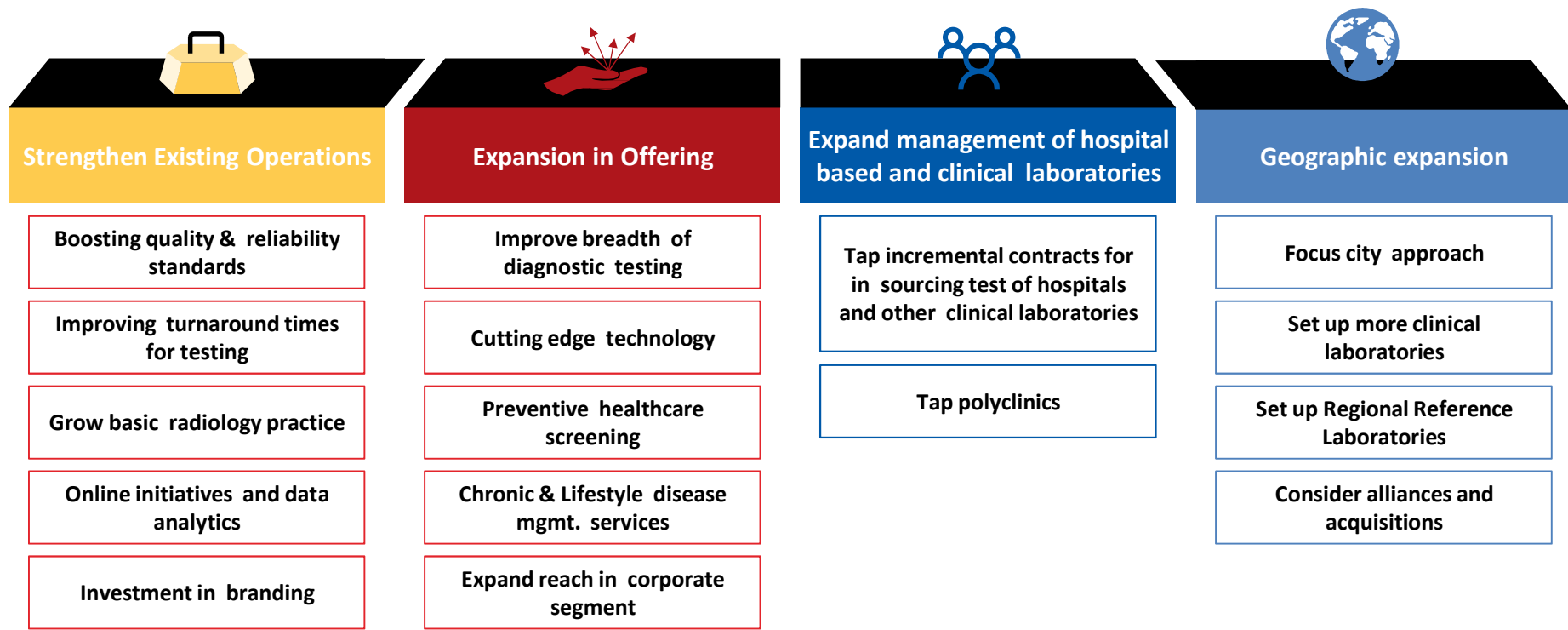
DLPL Strategy for future growth



DLPL Strategy for future growth



DLPL Strategy for future growth



Contact us

About Dr. Lal PathLabs Limited (DLPL)

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 DLPL are aimed at individual patients, hospitals and other healthcare providers and corporates.

As on March 31, 2019, DLPL's has 200 clinical labs (including National Reference Lab at Delhi & Regional Reference Lab at Kolkata), 2,569 Patient Service Centers (PSCs) and 6,426 Pick-up Points (PUPs). In FY18 & FY19, DLPL collected and processed approximately 34.7 million samples and 41.8 million samples from approximately 15.2 million and 17.6 million patients, respectively.

Additional information on Dr. Lal PathLabs Limited: Corporate Identification No: L74899DL1995PLC065388

Website: <https://www.lalpathlabs.com>

**For further
information
please contact:**

Ved Goel / Rajat Kalra
Dr. Lal PathLabs Limited
Tel: +91 124 301 6500
Fax: +91 124 423 4468
E-mail: Ved.Goel@lalpathlabs.com/Rajat.Kalra@lalpathlabs.com

Siddharth Rangnekar / Nishid Solanki
CDR India
Tel: +91 22 66451209 / 1221
Fax: +91 22 66451213
Email: siddharth@cdr-india.com / nishid@cdr-india.com