

August 13, 2019

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) for the Quarter ended June 30, 2019.**

Dear Sir/Madam,

Please find attached a copy of Company's Q1 FY20 Earnings Presentation, which the Company proposes to share with Analysts / Investors with respect to its Unaudited Financial Results (Standalone and Consolidated) for the Quarter ended June 30, 2019, approved by the Board of Directors in their meeting held on August 13, 2019.

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)

## Q1 FY20 Results Presentation

August 13, 2019



# Disclaimer

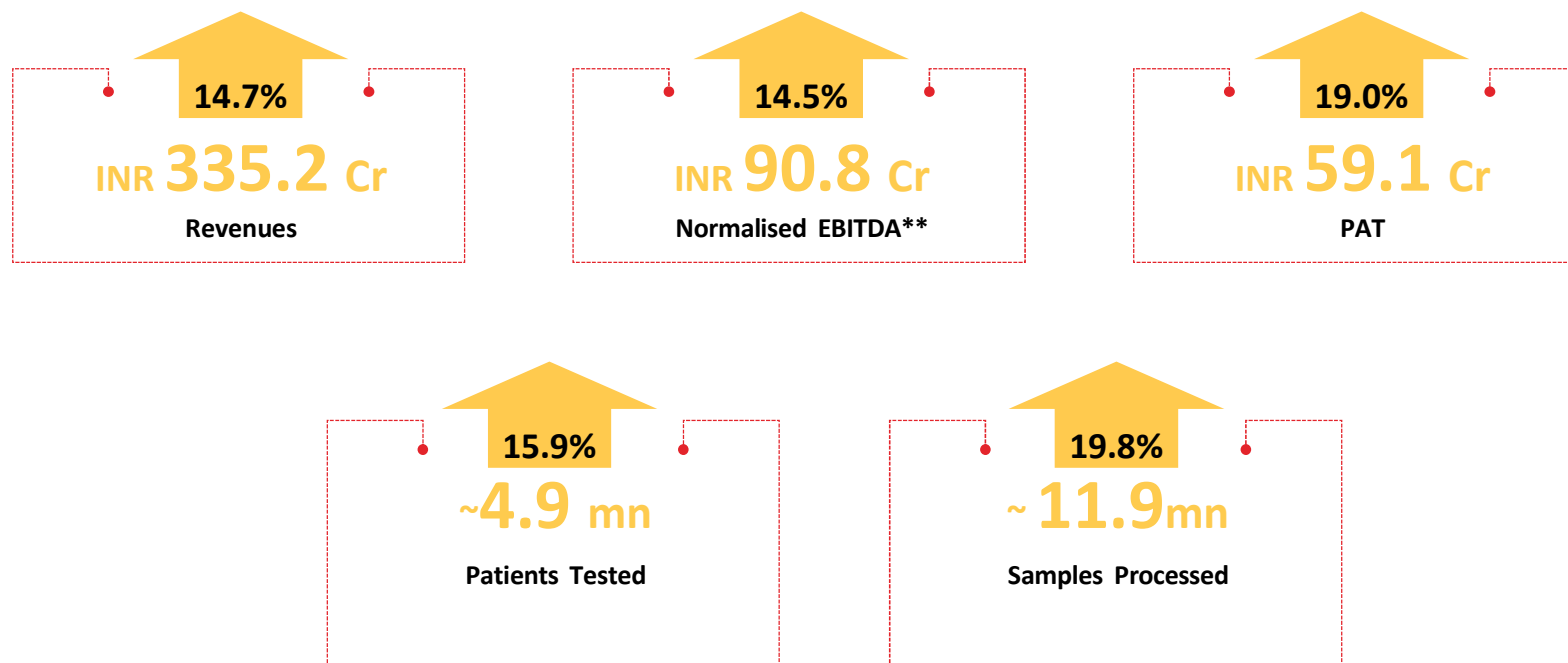
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# Q1 FY20 Snapshot



\* As on March 31, 2019

\*\* Excluding Ind AS 116 impact

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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.

# 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

**16%**  
5-Year Revenue  
CAGR

**20%**  
5-Year PAT CAGR

**25%**  
Dividend Payout

**70%+**  
ROCE  
Excl. Investments

**58%**  
Revenue  
Contribution from  
Rest of India

**Zero**  
Net Debt

**~4,900**  
Pathology &  
Radiology tests  
offered; **highest in  
the industry**

**CRISIL AA-  
/Stable**  
Long Term Rating

# Overview of Dr. Lal PathLabs



Established brand

Established consumer healthcare brand in diagnostic services



Pan-India integrated coverage

200 clinical labs (including National Reference Lab at Delhi and Regional Reference lab at Kolkata), 2,569 Patient Service Centers (PSCs) and 6,426 Pick-up Points (PUPs)\*



Varied Offerings

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



Unique and successful operating model

Scalable model integrated through centralised IT platform allows for network expansion

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

\*As on March 31, 2019

# Key Performance Highlights

Healthy improvement in patient volume trends during Q1 at 15.9% supporting sustained momentum in revenues

During Q1 FY20:

- Revenues showed increase of 14.7% YoY at Rs 335.2 Cr
- Number of patients tested were at 4.9 million
- Normalised EBITDA (after eliminating the impact of stock based remuneration and CSR) at Rs 99 Cr
- PAT for Q1 at Rs 59.1 Cr which is a growth of 19.0% over Q1 FY19

Investments in FDs and Mutual Funds at Rs. 791.6 Cr as on June 30, 2019, up from Rs. 707.7 Cr as on March 31, 2019

Focused on deepening presence in existing geographies and following distinct strategy for newer cities. Emphasis on creating sustainable volumes across routine & specialized tests. Methodical efforts to enhance productivity and contain costs to support margins

- Acquired 70% stake in Centrapath Labs Private Limited which owns the business of Central Labs Indore and M/S Vinita Kothari to augment presence in Central India. Continuing to evaluate inorganic opportunities that offer the right organization and operational fit
- Witnessing improvement in SwasthFit and other bundled test offerings



# Financials

Particulars (Rs. Cr.)	Q1 FY20 (With IND-AS 116)	Q1 FY20 (W/O IND-AS 116)	Q1 FY19 (W/O IND-AS 116)	Gr % (With IND AS)	Gr % (W/O IND-AS 116)	FY'19
Revenue	335.2	335.2	292.3	14.7%	14.7%	1,203.4
Other Income	14.4	14.4	9.4	53.2%	53.2%	46.0
<b>Total Income</b>	<b>349.6</b>	<b>349.6</b>	<b>301.7</b>	<b>15.9%</b>	<b>15.9%</b>	<b>1,249.4</b>
Raw Material Consumed	71.2	71.2	64.1			262.4
Personnel Expense	58.3	58.3	49.4			208.3
Rent Expense	4.2	12.4	11.7			47.8
Other Expenses	106.4	106.4	92.1			391.3
<b>Total Expenditure</b>	<b>240.1</b>	<b>248.3</b>	<b>217.3</b>	<b>10.5%</b>	<b>14.3%</b>	<b>909.8</b>
<b>EBITDA</b>	<b>95.1</b>	<b>86.9</b>	<b>75.0</b>	<b>26.8%</b>	<b>15.9%</b>	<b>293.6</b>
<i>Margins</i>	28.4%	25.9%	25.7%			24.4%
Adj for Stock based comp. & CSR cost	3.9	3.9	4.3			19.6
<b>Normalised EBITDA</b>	<b>99.0</b>	<b>90.8</b>	<b>79.3</b>	<b>24.9%</b>	<b>14.5%</b>	<b>313.2</b>
<i>Normalised Margins</i>	29.5%	27.1%	27.1%			26.0%
Interest Cost	3.8	0.1	0.2			0.8
Depreciation Cost	16.3	9.3	8.8			38.2
<b>PBT</b>	<b>89.4</b>	<b>91.9</b>	<b>75.4</b>	<b>18.6%</b>	<b>21.9%</b>	<b>300.6</b>
<i>Margins</i>	26.7%	27.4%	25.8%			25.0%
<b>PAT</b>	<b>59.1</b>	<b>60.7</b>	<b>49.7</b>	<b>19.0%</b>	<b>22.2%</b>	<b>200.5</b>
<i>Margins</i>	17.6%	18.1%	17.0%			16.7%
<b>EPS (Basic) - In Rs.</b>	<b>7.14</b>		<b>6.00</b>	<b>19.0%</b>		<b>24.19</b>
EPS (Diluted)- In Rs.	7.13		6.00	18.8%		24.15

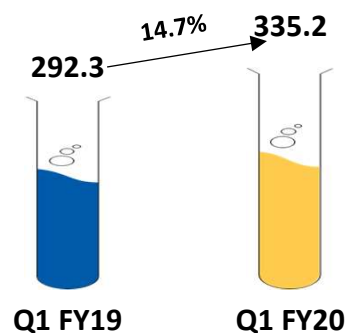
The current quarter reported numbers are as per Ind AS 116. The company has adopted Modified Retrospective Approach for transition to IND AS 116 from 1<sup>st</sup> April 2019. This approach does not require restatement of comparative information for Q1 FY19. However for the purpose of comparison Q1 FY 20 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

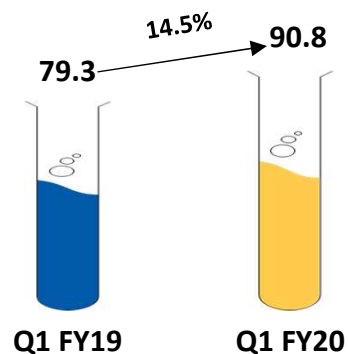
All figures in Rs. Cr

## Revenue



- Q1 FY20 delivered 14.7% increase in revenues at Rs. 335.2 Cr. This followed:
  - Healthy trend in volume growth at 15.9%
  - Increase in tests per patient from 2.3 to 2.4
- Q1 FY20 realisation per patient is at Rs. 684 from Rs. 691 in Q1 FY19

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



- Q1 FY20 normalised operating EBITDA (after eliminating the impact of stock based compensation, CSR and Ind AS 116) improved 14.5%
- Q1 FY20 normalised EBITDA margin (after eliminating the impact of stock based compensation, CSR and Ind AS 116) is at 27.1%, same as Q1 FY19

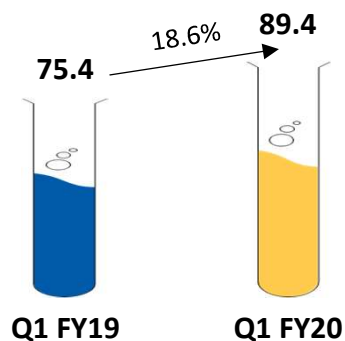
Financial results of the Company are best monitored on a year to date basis, as there is a certain level of seasonality in business and specific quarter performance may be influenced by certain occurrences in that quarter

# Financial Highlights

All figures in Rs. Cr



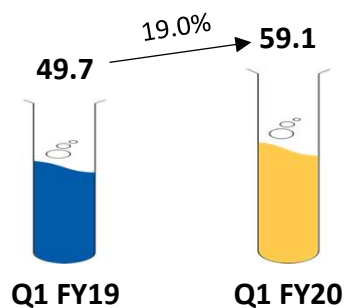
PBT



- Q1 FY20 PBT at Rs 89.4 Cr vs. Rs. 75.4 last year
- Q1 FY20 PBT margin at 26.7 % vs. 25.8% last year



PAT

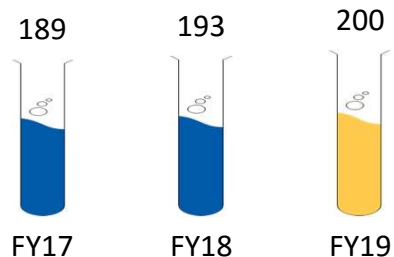


- Q1 FY20 PAT at Rs. 59.1 Cr vs Rs. 49.7 Cr, a growth of 19.0%
- Q1 FY20 PAT margin at 17.6% vs. 17.0% last year

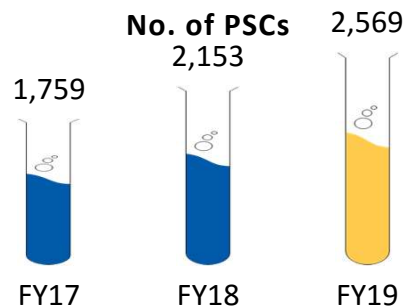
Financial results of the Company are best monitored on a year to date basis, as there is a certain level of seasonality in business and specific quarter performance may be influenced by certain occurrences in that quarter

# Operating Highlights

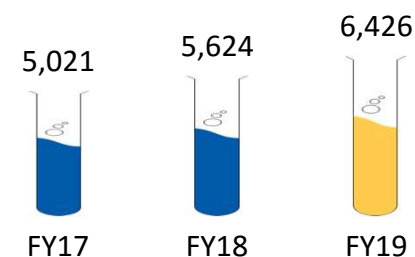
**No. of Clinical Laboratories**



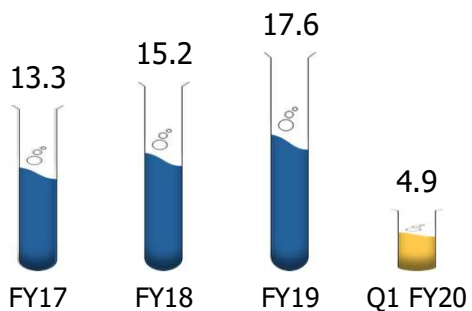
**No. of PSCs**



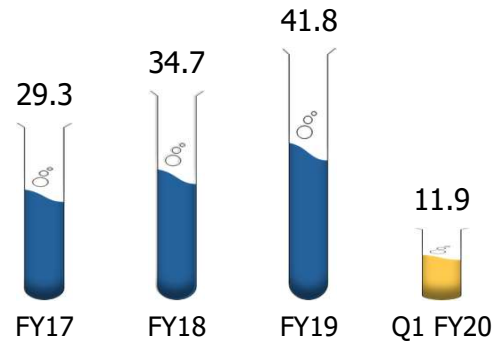
**No. of PUPs**



**No. of Patients**



**No. of Samples**



## Management Commentary

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

*“We have grown as a national healthcare services brand on the back of patient centric solutions that we have developed. As we move to the next phase, we will strive to strengthen our network presence and test menu, both to enhance accessibility to existing and new patients. The diagnostics sector remains attractive for brands like DLPL where we can offer differentiated service and accurate diagnoses. As the country moves towards access to healthcare for all, we will play a strong role in the development of the sector.”*

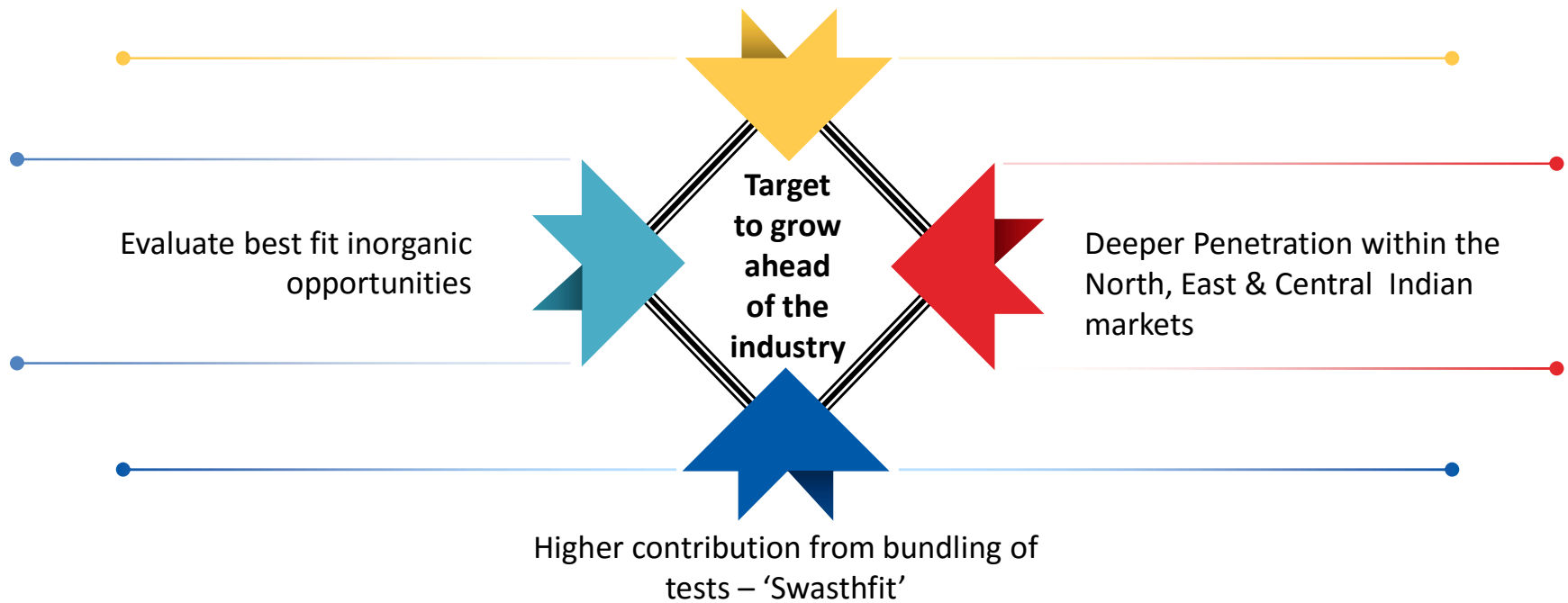
**Commenting on the results announcement, Dr. Om Manchanda, CEO - Dr. Lal PathLabs said;**

*“Our primary objective has been to widen our geographical presence and drive value & volume growth through competitive price-value equation. Strategies and initiatives are already at play in order to realize this growth. During the past year, we have focused on scaling up the Kolkata RRL in order to build a strong base in Eastern and Central India and this has seen good progress. We also recently announced a venture with local partner at Indore, Madhya Pradesh, which will extend our presence in key geographies where we are expecting good progress.*

*We are pursuing a multi-tired strategy towards focus cities in South and West, selective pursuit of HLM while we encourage our PSCs to reach out and further develop their respective regions. The decision we have taken to increase share of bundled testing is yielding results and we intend to add further combinations geared towards enhancing value to the patients.”*

# Vibrant Outlook

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



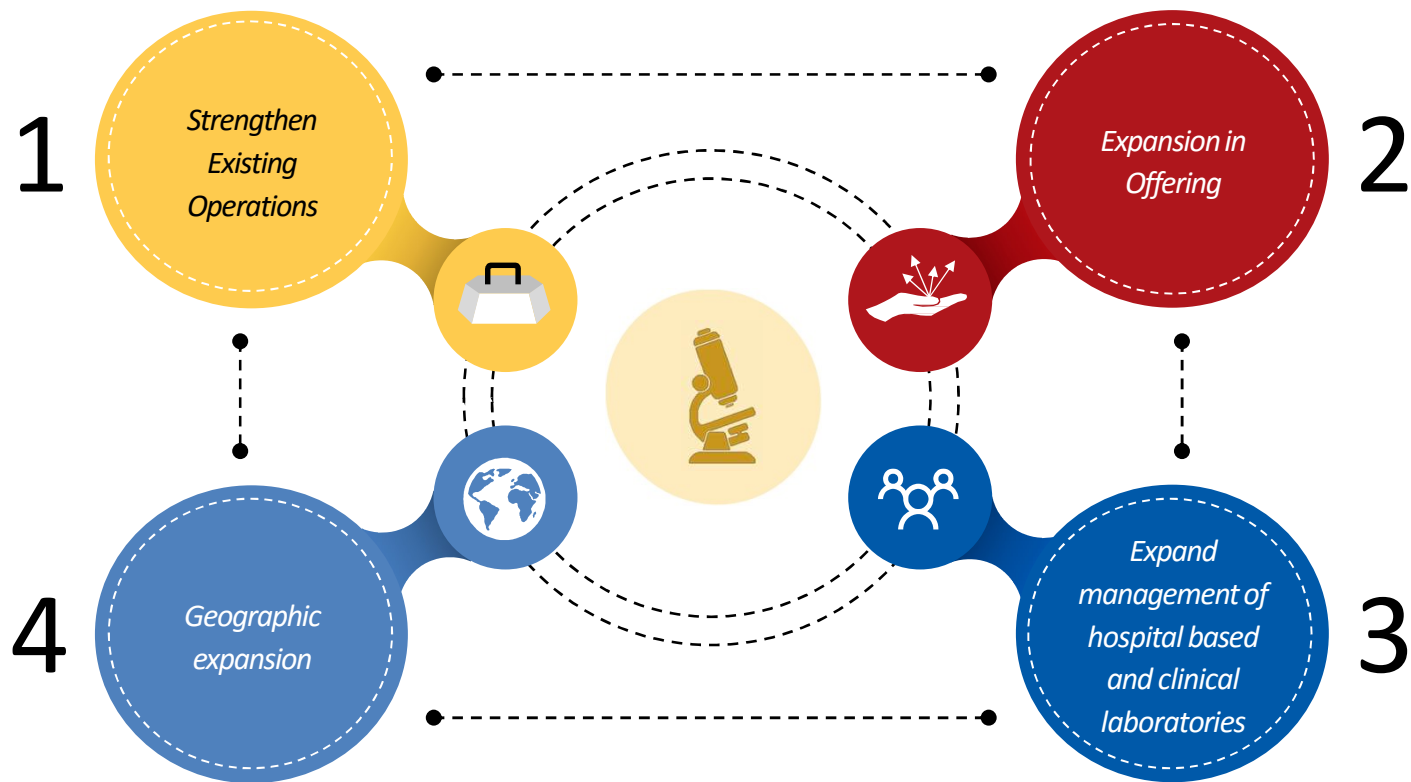
# Corporate Overview

[DLPL Strategy for future growth](#)

[Experienced Management team](#)

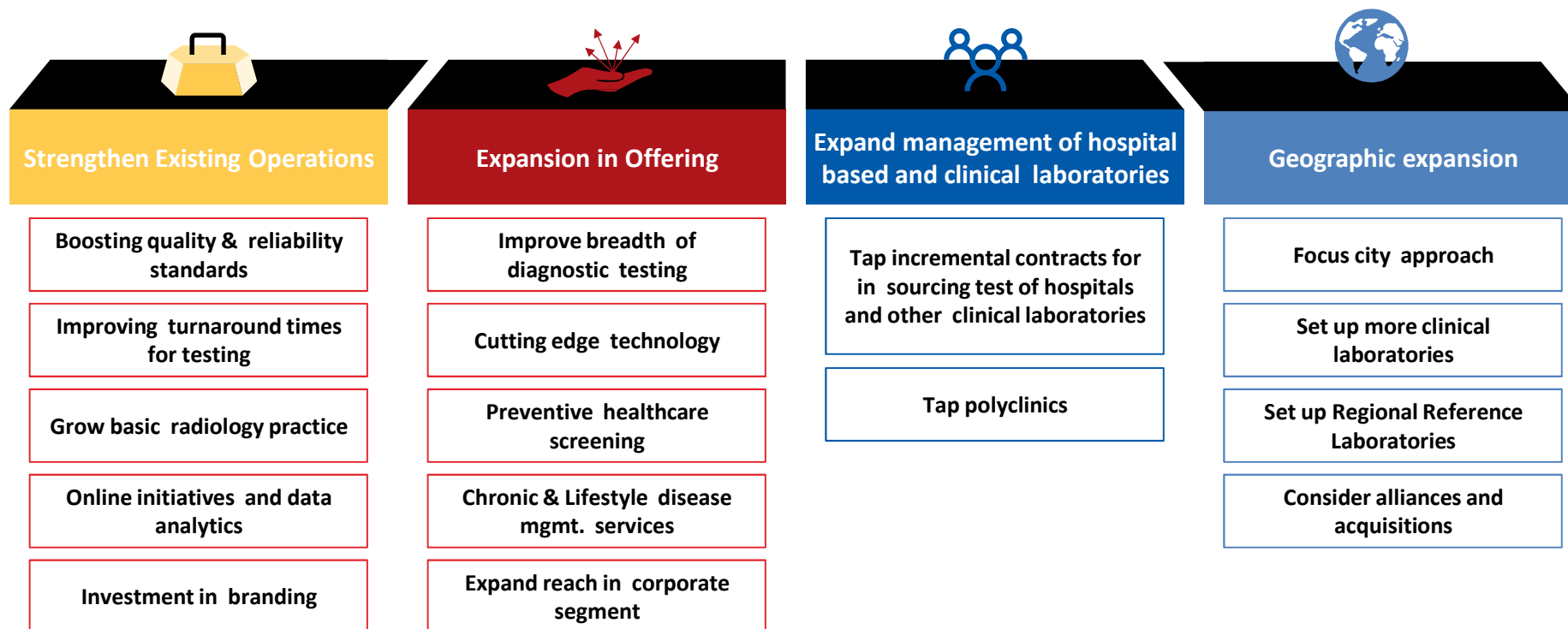


## DLPL Strategy for future growth

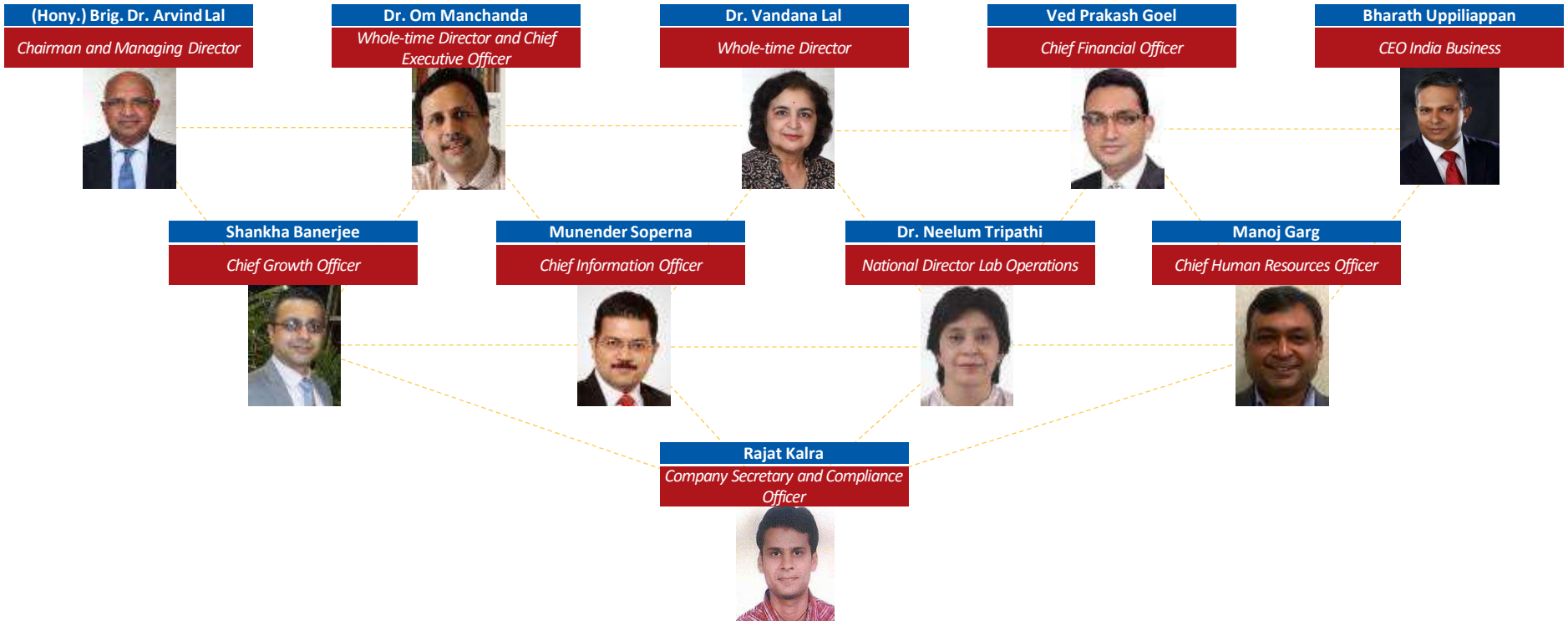




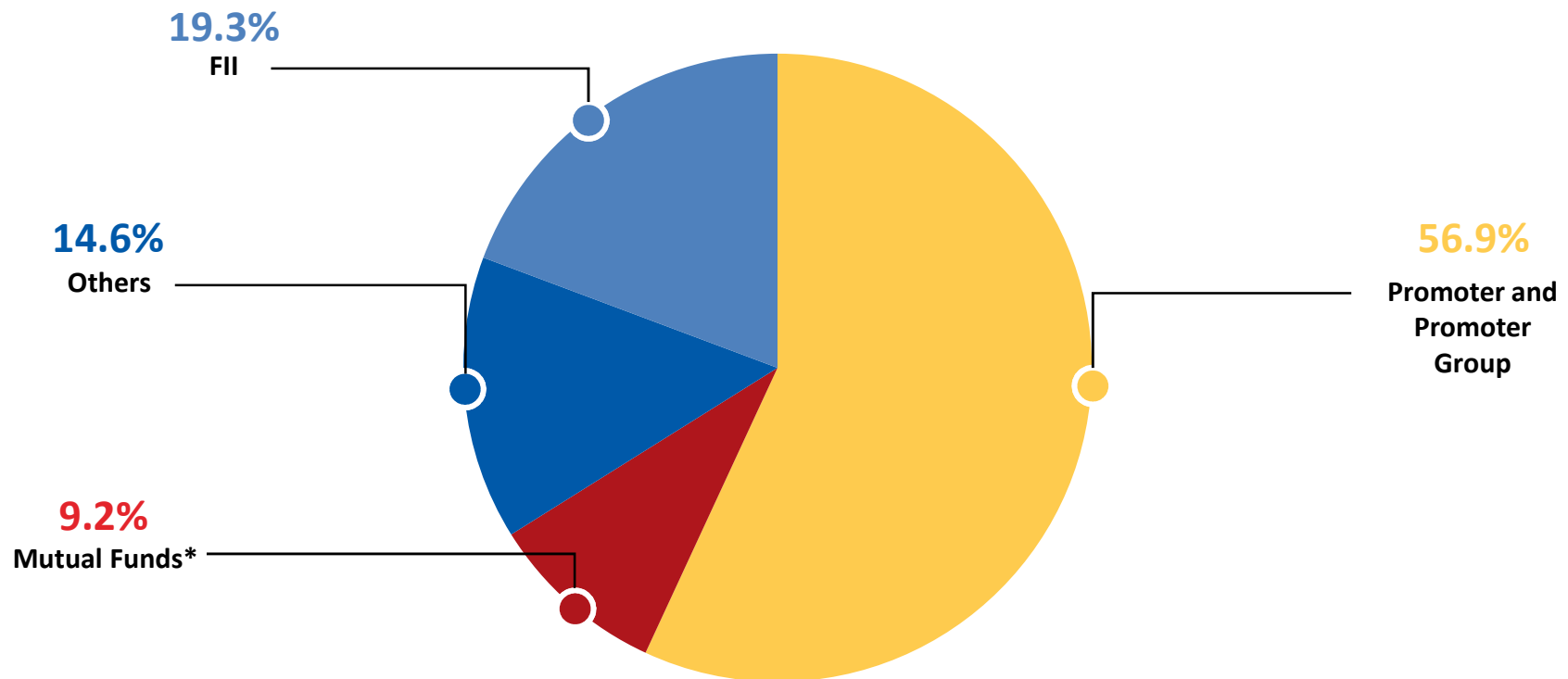
# DLPL Strategy for future growth



# Experienced Management team



## Shareholding as of 30th June, 2019



\*Mutual Funds includes Alternate Investment Funds as well

# 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. The catalogue of services includes 459 test panels, 2,489 pathology tests and 1,946 radiology and cardiology tests as on March 31, 2019.

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>

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information  
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