

November 15, 2021

The National Stock Exchange of India Limited  
Exchange Plaza  
Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051

The Bombay Stock Exchange Ltd  
Phiroze Jeejeeboy Towers  
Dalal Street,  
Mumbai- 400 001

Dear Sirs,

Sub: Presentation on Quarterly Results for the quarter / half year ended 30-09-2021

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We are forwarding a copy of Presentation on Quarterly Results of our company for the quarter / half year ended 30-09-2021.

Please note that this is only uploaded in our website, and has not been distributed or advertised in newspapers or otherwise publicised.

Yours Faithfully,

For **Thyrocare Technologies Limited,**



**Ramjee Dorai**  
**Company Secretary and Compliance Officer**



Thyrocare Technologies Limited



# Thyrocare Technologies Limited

*Quarterly Presentation – September 2021*





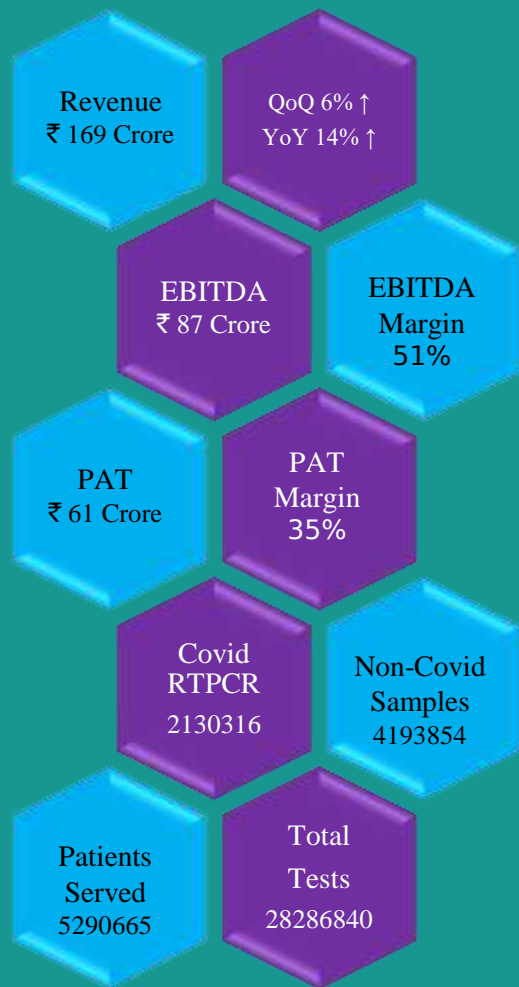
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# Key Highlights - Pathology



Revenue from operations of Rs. 169 Crore, primarily consists of Revenue from Covid of Rs. 69 Crore, mainly from Government contracts. Revenue for half year ended 30 September 2021 of Rs. 328 Crore grew by 62 % YOY, this despite reduced realization per test for Covid RTPCR tests.

Covid related infectious parameters like IL-6, Dimer, PRACL, CRP, LDH, etc. have contributed about Rs. 18 crore on account of epidemic surge since march though the impact and the volume subsided in the second quarter.

Non Covid business revived significantly in sequential quarters and reached to pre-Covid level.

In particular the per sample and per patient realization improved across all the segments over the last few quarters.

Gross margin and EBITDA margin improved significantly on account of reduction in the cost of reagents/ consumables for Covid RTPCR tests, volume benefits in sourcing/ aggregating these samples at source and significant savings in the logistics cost apart from other administration costs in servicing this business segment.

The current EBITDA margin however is not sustainable in the long run and largely depends on the Covid RTPCR related government business and the volume benefits in sourcing these samples.

Profits after tax too improved in absolute and in % margin terms due to increase EBITDA and margins.

2.13 million Covid RTPCR tests were processed in current quarter highest compared to any other earlier quarters.

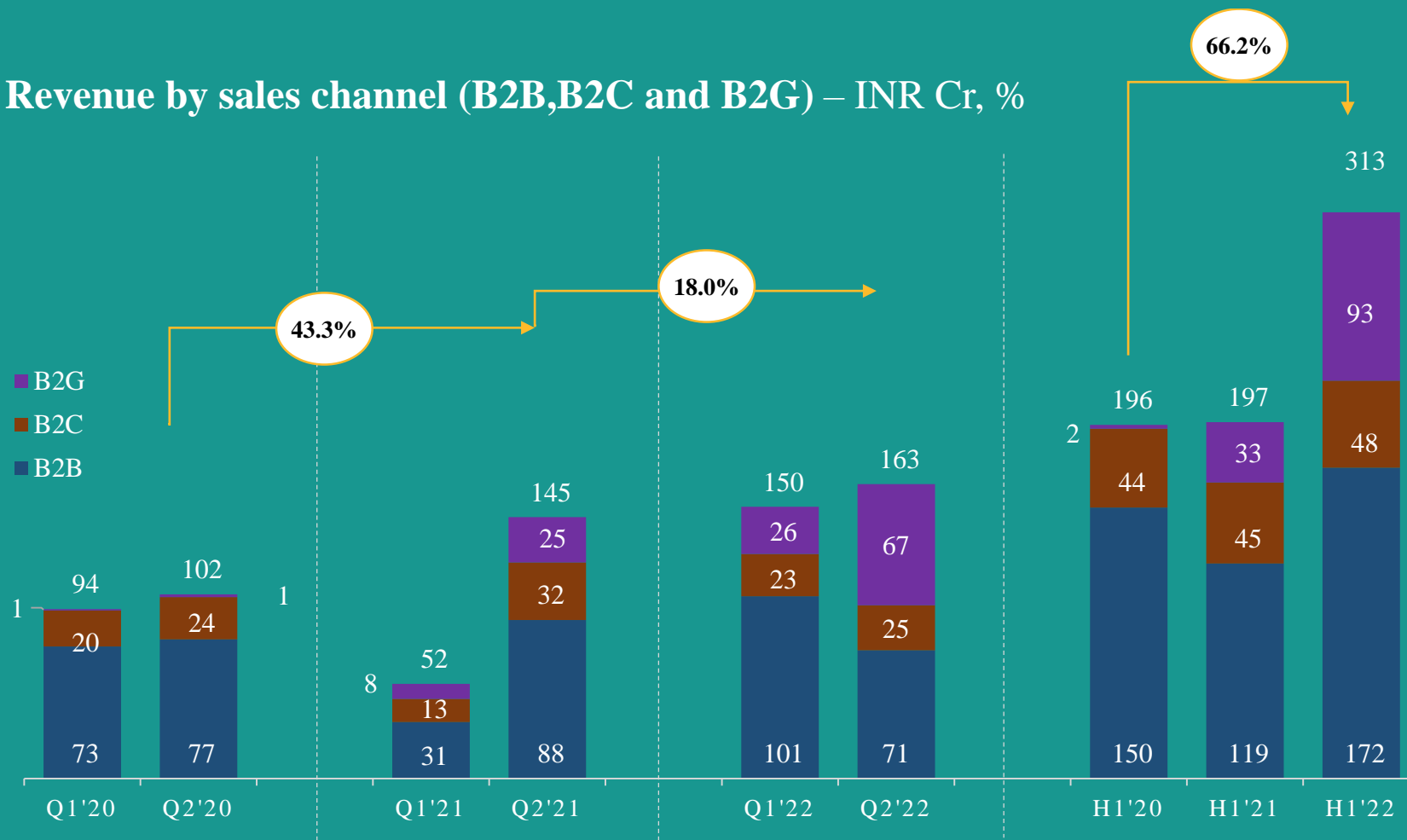
6.40 million samples sourced from 5.29 million patients were processed during current quarter of which about 4.19 million samples were for non – Covid related tests/ parameters.

28.28 million tests were processed in the current quarter that includes standalone tests and tests included in the preventive care Aarogyam profiles.

# Highest Revenue clocked in Q2FY22, mainly driven by the B2G Business



Revenue by sales channel (B2B,B2C and B2G) – INR Cr, %



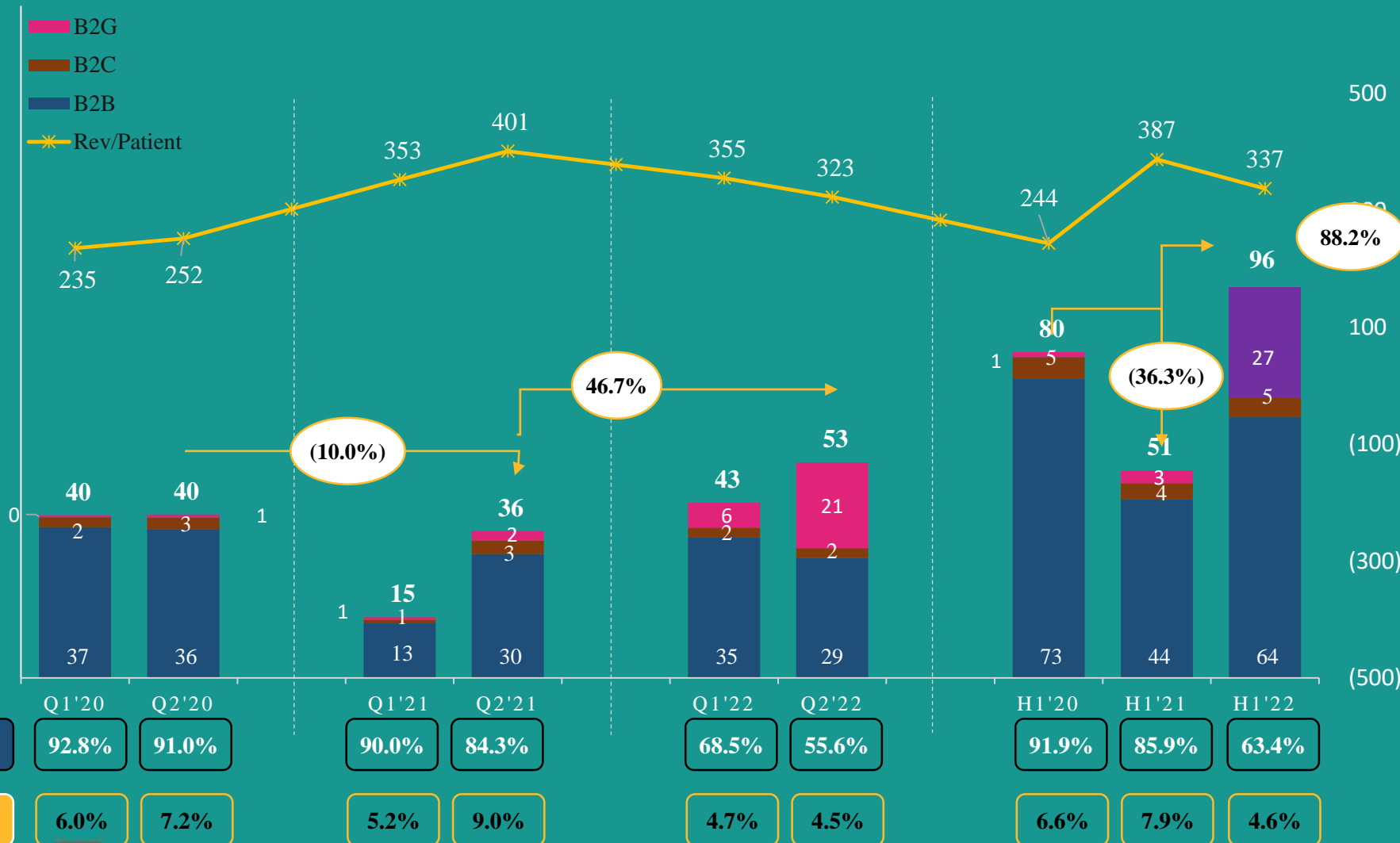
Channel	Q1'20	Q2'20	Q1'21	Q2'21	Q1'22	Q2'22	H1'20	H1'21	H1'22
B2B	77.9%	75.3%	59.8%	60.6%	67.7%	45.0%	76.6%	60.4%	55.7%
B2C	21.3%	23.3%	24.5%	22.1%	15.2%	15.8%	22.3%	22.7%	15.5%
B2G	1.0%	1.8%	15.7%	17.3%	17.1%	39.2%	1.1%	16.9%	28.8%

- Company clocked highest sales in Q2. Pathology segment revenue crossed INR 300 cr. In half year.
- B2B, B2C & B2G mix has changed in Q2. B2B business has dropped from contributing ~68% to now contributing ~ 45% of the overall revenue. This is due to bulk Covid Business coming from B2G segment (~ 18% in Q1 to 40% in Q22)
- Contribution of B2G business and Covid business in the overall business lead to growth in revenue, this is sustainable as far as we continue to cater to this business.

# A surge in patients witnessed due to high volumes of business coming from NHM Maharashtra



Patient count by sales channel (B2B,B2C and B2G) – Lacs, %

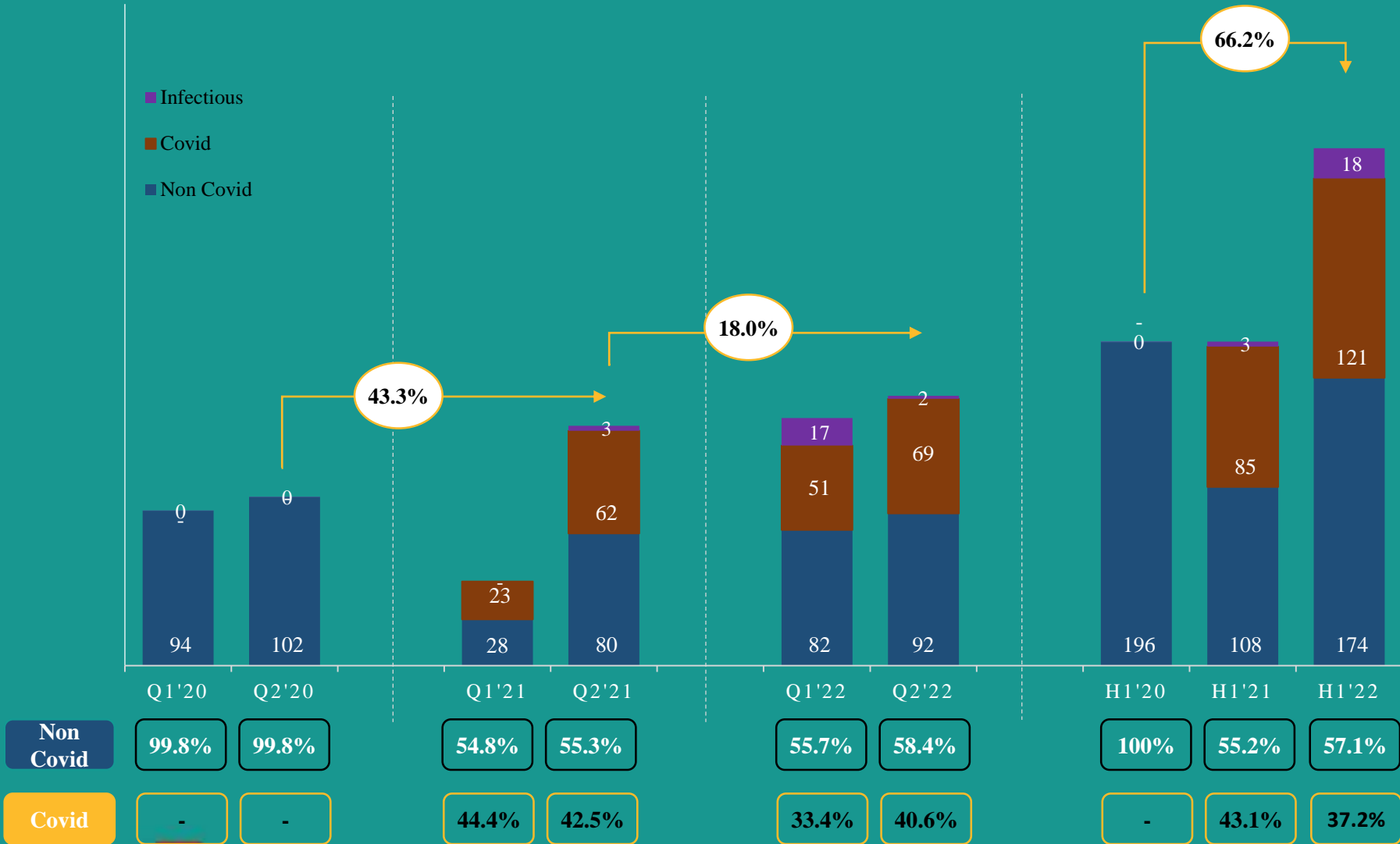


- The volume growth has exceeded revenue growth due to a steep reduction in COVID prices over the last year. This has also led to a decline in revenue per patient
- B2B patient volumes have fallen Q2FY22 over Q2FY21 due to reduction in Covid Business in line with the Country's Covid Curve.
- B2B NOVID pricing increased by 70% in AA and by 20% in NAA in Q2'22 vs Q2'20 which led to decline in patients

# Significant uptick is observed in Covid business due to second wave



Revenue by Test Type (NOVID vs COVID) – INR Cr, %

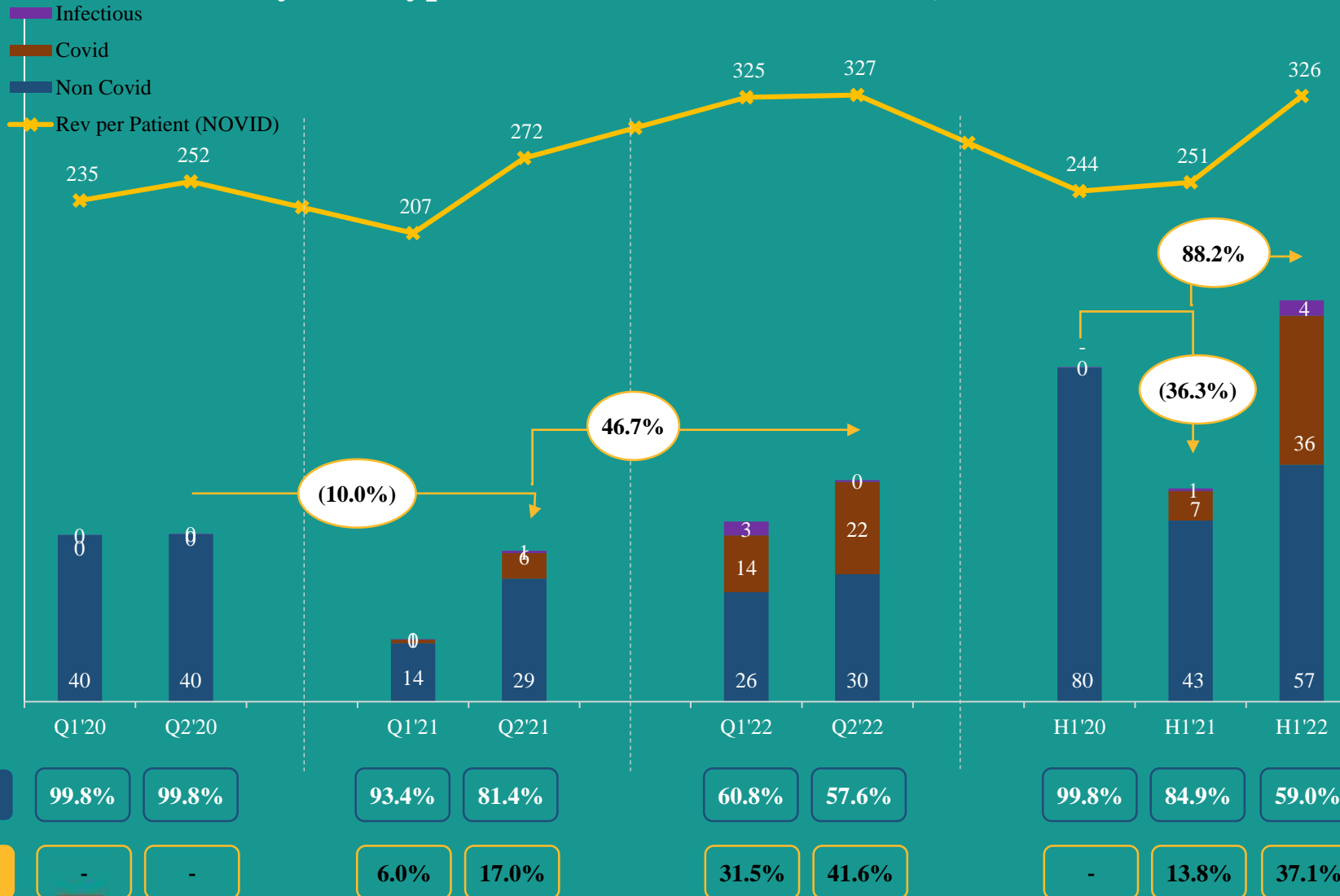


- Covid revenue increased sequentially in Q2 on account of bulk business coming from B2G vertical
- Covid however is expected to taper down steeply in Q3 onwards with the reduction in covid cases
- Non Covid revenue in Q2 is back to pre-covid levels

# Consistent surge in per patient revenue post-covid due to increase revenue share of Covid and preventive care business



Patient count by Test Type (NOVID vs COVID) – Lacs, %



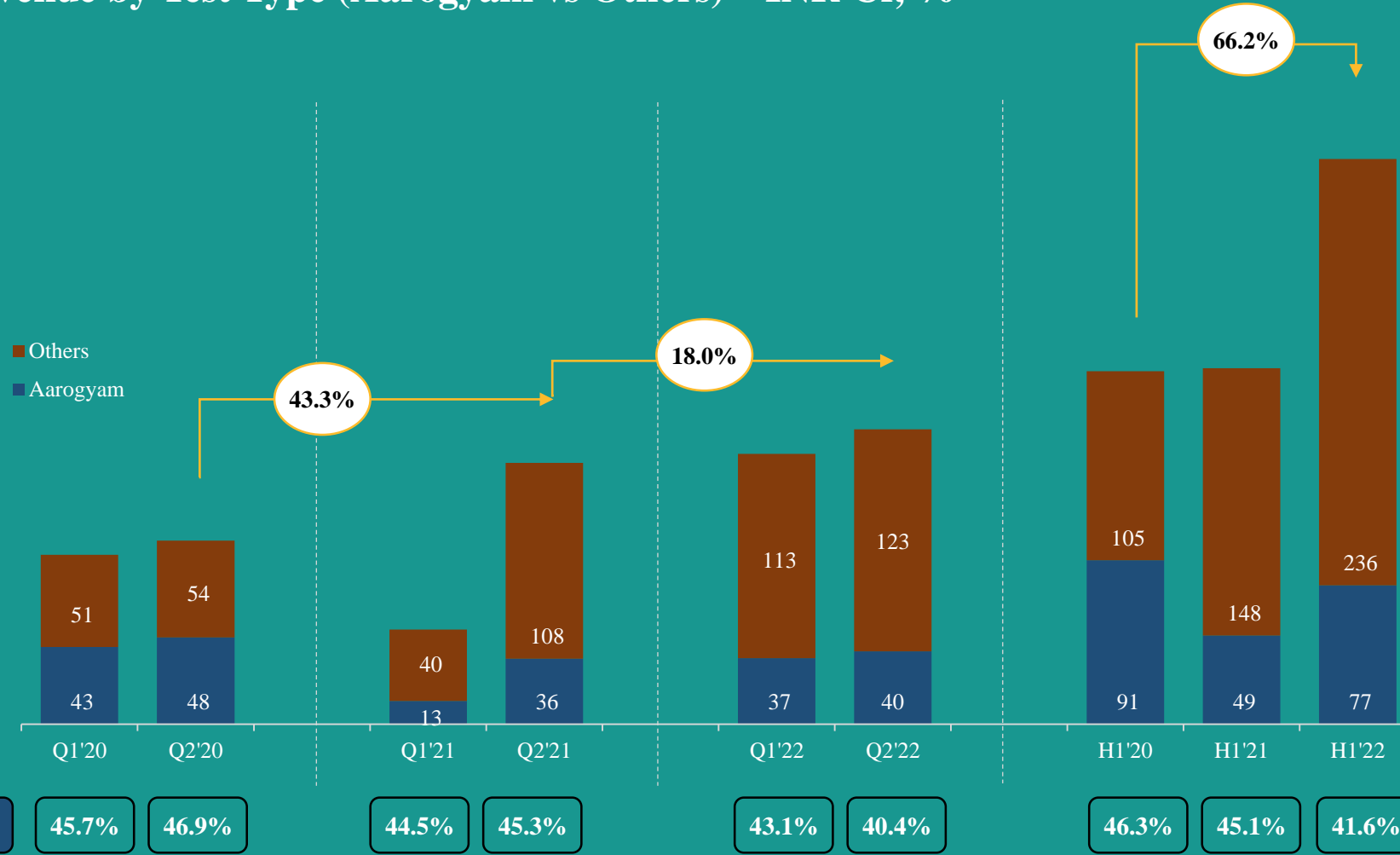
- Growth in patient count is not significant, however per patient revenue is improved due to Covid and preventive care business.
- Rationalisation in prices of key tests/ profiles and across affected geographies are initiated to retain patients and increase the counts on revival from Covid.
- Rationalisation may lead to some impact on per patient revenue, mainly after subsiding of Covid.





# Preventive care business is on the growth trajectory after witnessing a significant de-growth due to pandemic

## Revenue by Test Type (Aarogyam vs Others) – INR Cr, %



- Growth in Aarogyam in Q2 is mainly from B2C channel driven by D2C and Camps.
- Contribution of Aarogyam within Non Covid has decreased due to reduced spending on promotion and revision in the incentive structure with Covid being major contributor, this would likely to reverse in the next half with various marketing initiatives of cross selling, field marketing, digital marketing, etc.

As % of Non Covid

# Income Statement - Pathology



Revenue from operations of Rs. 169 Crore, primarily consists of Revenue from Covid of Rs. 69 Crore, mainly from Government contracts. Revenue for half year ended 30 September 2021 of Rs. 328 Crore grew by 62 % YOY, this despite reduced realization per test for Covid RTPCR tests. Non Covid business revived significantly in sequential quarters and reached to pre-Covid level. In particular the per sample and per patient realization improved across all the segments over the last few quarters.

INR in crore	30.09.2021	30.06.2021	30.09.2020	Seq.	YOY
Revenue from operations	168.7	159.3	148.5	6%	14%
Cost of materials consumed/ sold	(42.7)	(53.2)	(50.1)	-20%	-15%
<b>Gross margin</b>	<b>126.1</b>	<b>106.0</b>	<b>98.4</b>	<b>19%</b>	<b>28%</b>
Employee benefit expenses	(14.6)	(13.4)	(12.8)	9%	14%
Other expenses	(24.5)	(22.0)	(24.0)	11%	2%
<b>EBITDA</b>	<b>87.0</b>	<b>70.7</b>	<b>61.7</b>	<b>23%</b>	<b>41%</b>
Depreciation and amortisation	(6.7)	(5.8)	(5.2)	16%	28%
Finance cost	(0.6)	(0.6)	(0.2)	-3%	183%
Other income	2.0	2.7	5.4	-27%	-64%
<b>Profit before tax and exceptional items</b>	<b>81.6</b>	<b>66.9</b>	<b>61.6</b>	<b>22%</b>	<b>33%</b>
Tax expense	(21.5)	(18.5)	(15.8)	16%	36%
<b>Profit after tax</b>	<b>60.1</b>	<b>48.4</b>	<b>45.8</b>	<b>24%</b>	<b>31%</b>
Other comprehensive income	(0.0)	(0.2)	-	-75%	100%
<b>Total comprehensive income</b>	<b>60.1</b>	<b>48.2</b>	<b>45.8</b>	<b>25%</b>	<b>31%</b>
Revenue growth	n/a	6%	14%		
Gross margin %	75%	67%	66%		
EBITDA%	52%	44%	42%		
PAT%	36%	30%	31%		

**Revenue from operations** – primarily comprised of Revenue from diagnostic services Rs. 165 crore and revenue from sale of consumables and digital rapid technology products of about Rs. 4 crore. Revenue from diagnostic services includes revenue from Covid RTPCR of Rs. 69 crore.

Diagnostic revenue growth in sequential quarter of 6% was primarily on account of revival of Non Covid business with subsiding Covid 2<sup>nd</sup> wave and increase in Covid RTPCR business from government.

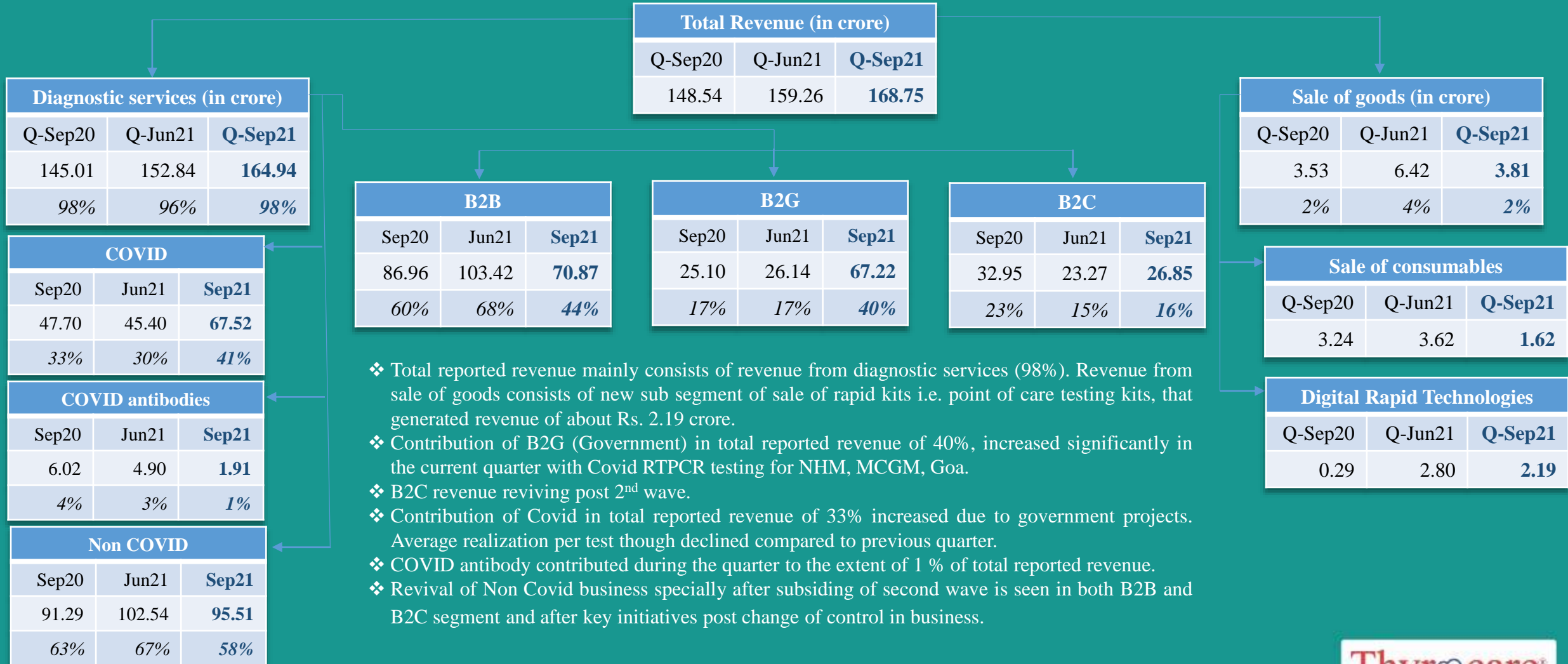
**Gross margin** – increased significantly due to *one-off* government project managed for state government wherein the cost of consumables were spent by state and large volume enabled us to improve margins. 35% of the revenue of the current quarter was contributed by the government project. That apart preventive care business is back in growth after witnessing de-growth due to pandemic

**Employee benefit expenses** – was 9% of reported revenue, in line with the growth in the topline.

**Other expenses** - consists of service charges (5% of reported revenue for the quarter), sales incentives (3%), power and fuel (1%), repairs and maintenance (1%). Service charges includes cost of phlebotomist for home collection order, and LME costs.



# Revenue - source



# Income Statement - Radiology

Radiology business accounted for 4% of reported consolidated revenue of Thyrocare Group in current quarter. Significant revival in PETCT revenue in second quarter is evidenced after subsiding of the 2<sup>nd</sup> wave. Patient footfall increased across the centres in the second quarter.

## Income Statement

	Nuclear			Variance (%)	
	30.09.2021	30.06.2021	30.09.2020	Seq.	YOY
<b>INR in crore</b>					
Revenue from operations	7.5	5.4	4.7	39%	59%
Cost of materials consumed/ sold	(1.2)	(1.0)	(0.7)	20%	69%
<b>Gross margin</b>	<b>6.3</b>	<b>4.4</b>	<b>4.0</b>	<b>43%</b>	<b>57%</b>
Employee benefit expenses	(0.4)	(0.5)	(0.4)	-20%	17%
Other expenses	(4.2)	(3.3)	(3.9)	30%	10%
<b>EBITDA</b>	<b>1.6</b>	<b>0.6</b>	<b>(0.2)</b>	<b>160%</b>	<b>-920%</b>
Depreciation and amortisation	(1.5)	(1.6)	(2.5)	-4%	-39%
Finance cost	(0.1)	(0.2)	(0.4)	-67%	-84%
Other income	13.5	8.2	0.1	64%	9521%
<b>Profit before tax and exceptional items</b>	<b>13.5</b>	<b>7.1</b>	<b>(2.9)</b>	<b>91%</b>	<b>-560%</b>
Tax expense	3.6	0.6	-	500%	100%
<b>Profit after tax</b>	<b>17.1</b>	<b>7.7</b>	<b>(2.9)</b>	<b>123%</b>	<b>-682%</b>
Other comprehensive income	(0.0)	-	-	100%	100%
<b>Total comprehensive income</b>	<b>17.1</b>	<b>7.7</b>	<b>(2.9)</b>	<b>123%</b>	<b>-682%</b>
Revenue growth	n/a	39%	59%		
Gross margin %	84%	81%	85%		
EBITDA%	22%	12%	(4%)		
PAT%	229%	142%	(62%)		

Revenue from operations – Revenue from imaging services accounted for 4% of reported consolidated revenue of Thyrocare Group in current quarter. During the quarter, Nuclear operated 9 PET-CT scanners across 8 imaging centres.

Revenue comprised of revenue from sale of FDG of Rs. 0.58 crore in current quarter.

Patient footfall increased across the centres and the newly opened centres attained near break even in the first 90 days of operation in Mumbai.

Unviable PETCT centre at Aurangabad is transferred as is where is during the quarter.

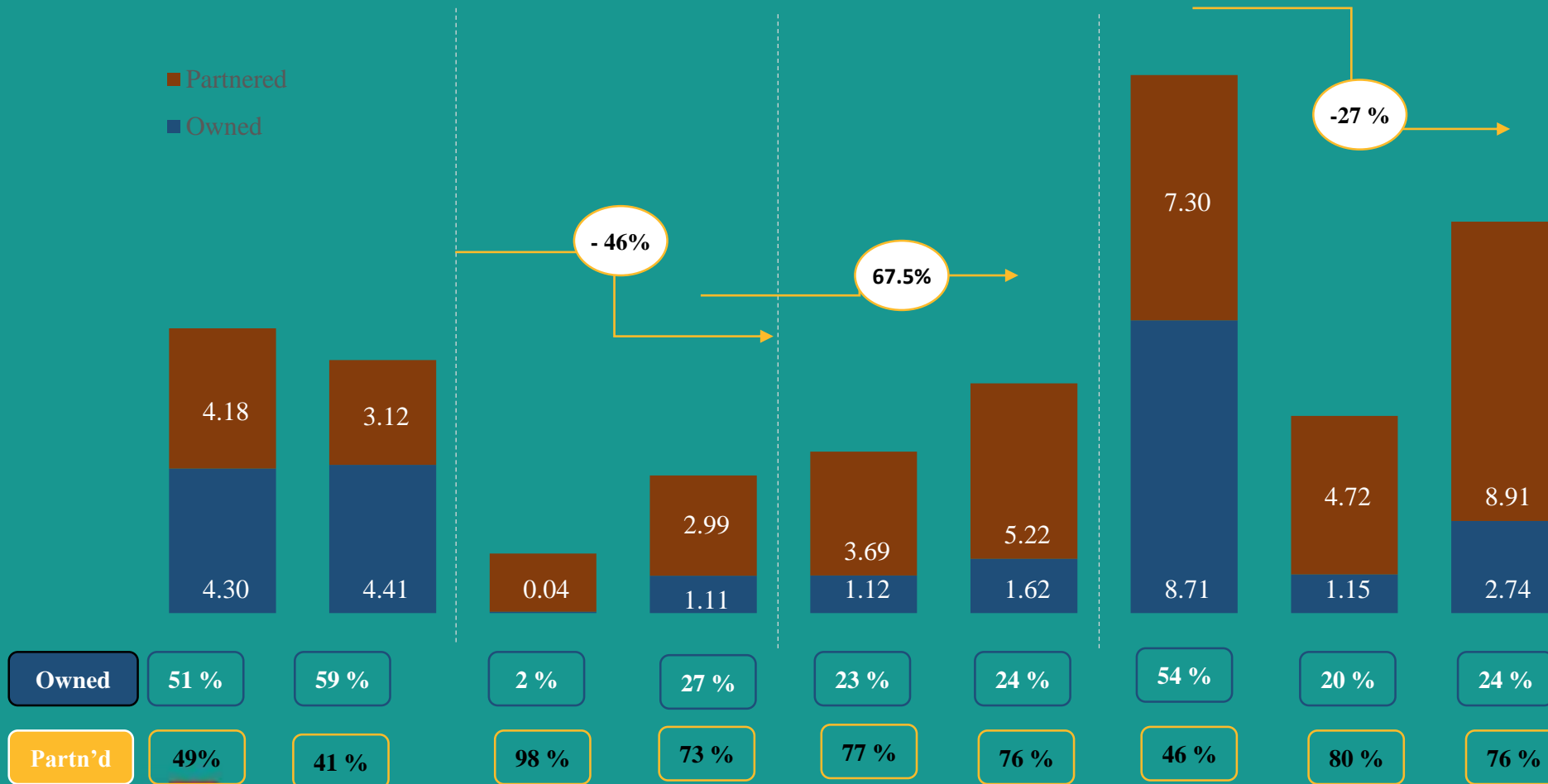
EBITDA margin – of 22% is revived to near pre-covid period, due to increase in the number of scans and higher per scan realization at matured centres.

Nuclear sold some of its properties acquired with the intention of setting up PETCT, to settle the loans and other liabilities.

Significant revival is evidenced after subsiding of the 2nd wave. Patient footfall increased across the centres in the second quarter.



Revenue Radiology by sales channel (Owned/ Partnered) – INR Cr, %





Thank You