

November 09, 2017

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) or the Quarter and Half Year ended September 30, 2017**

Dear Sir/Madam,

Please find attached a copy of Company's Q2 & H1 FY18 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, 2017.

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 (DLPL)

## Q2 & H1 FY18 Results Presentation

November 09, 2017

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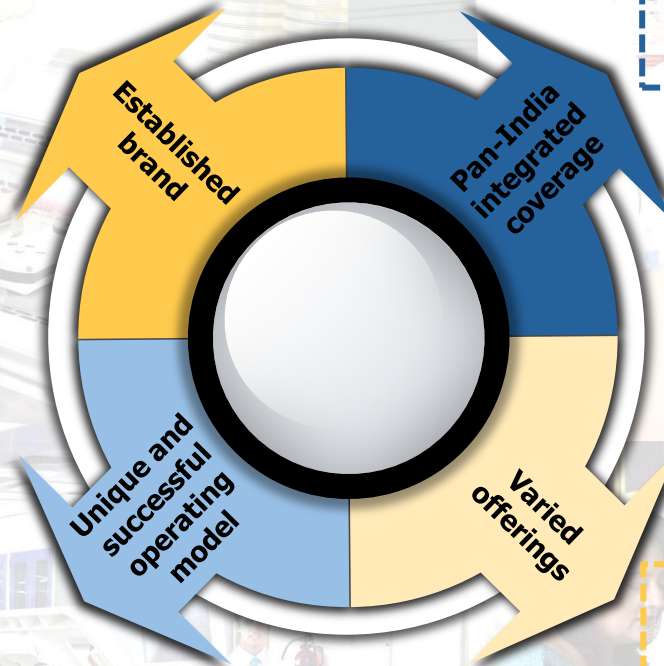


**DISCLAIMER:** This presentation may contain 'forward-looking' statements at places. The Company's business operations remain subject to undetermined contingencies and risks. Dr. Lal PathLabs Limited would not be liable for any action undertaken based on such 'forward-looking' statements and does not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

# Overview of Dr Lal PathLabs

***Established consumer healthcare brand in diagnostic services***

***189 clinical labs (including National Reference Lab at Delhi), 1,759 Patient Service Centers (PSCs) and 5,021 Pick-up Points (PUPs)\****



***Scalable model integrated through centralised IT platform allows for network expansion***

***Catalogue of 1,110 test panels, 2,028 pathology tests and 1,561 radiology and cardiology tests***

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

## Key Highlights

- ❑ Performance reflects measures to drive volumes, contain GST impact, manage overall cost structures and enhance productivity
- ❑ During Q2 FY18 :
  - Recorded highest ever revenues of Rs. 2,781 million in Q2 FY18, higher by 6.1% driven by 6.7% volume growth
    - Growth delivered despite high base of last year due to severe incidence of Chikungunya/Dengue in North India
  - Number of patients tested increased from 3.75 million in Q2 last year to 4.0 million in Q2 FY18 – highest ever during a quarter
  - Normalised EBITDA (after eliminating the impact of RSU and other stock based remuneration charges) stood at Rs. 807 million
- ❑ Cash, FDs and Liquid Investments at Rs. 4,330 million as at September 30, 2017 from Rs. 4,226 million as at June 30, 2017
- ❑ LPL continues to follow targeted path to growth outlined as under;
  - Driving branded collection network and building scale in existing & growth markets
  - Emphasis on realising profitable growth

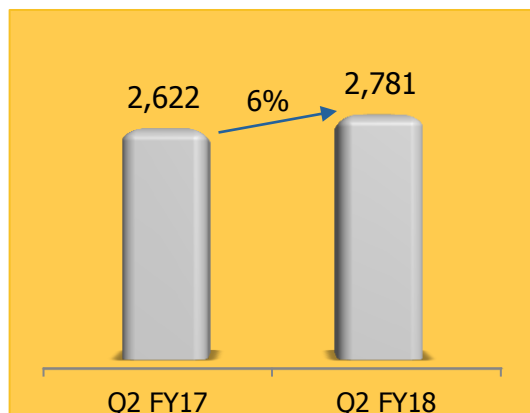
Note: Financial results of the Company are best monitored on a year to date basis, as there is a certain level of seasonality in business and specific quarter performance may be influenced by certain occurrences in that quarter. All figures in the presentation pertain to the consolidated results in Ind-AS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

## Q2 FY18 Financial Performance

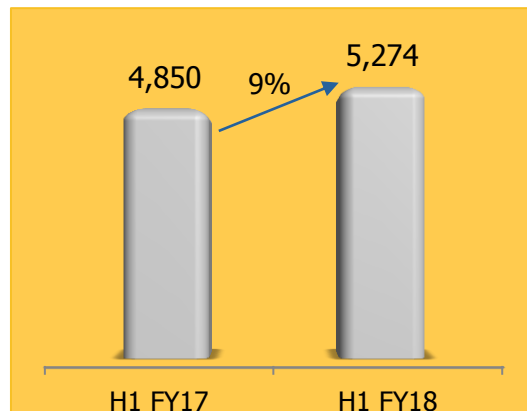
Particulars (Rs. mn)	Q2 FY18	Q2 FY17	Growth %	H1 FY18	H1 FY17	Growth %
<b>Total Revenue</b>	<b>2,781.0</b>	<b>2,621.7</b>	<b>6.1%</b>	<b>5,273.6</b>	<b>4,850.1</b>	<b>8.7%</b>
Total Expenditure	2,002.6	1,821.8		3,840.0	3,444.7	
<b>EBITDA</b>	<b>778.4</b>	<b>799.9</b>	<b>-2.7%</b>	<b>1,433.6</b>	<b>1,405.4</b>	<b>2.0%</b>
RSU and stock based remuneration charge	28.9	19.5		53.7	26.9	
<b>Normalised EBITDA excl RSU</b>	<b>807.3</b>	<b>819.4</b>	<b>-1.5%</b>	<b>1,487.3</b>	<b>1,432.3</b>	<b>3.8%</b>
<i>Normalised Margins</i>	<i>29.0%</i>	<i>31.3%</i>		<i>28.2%</i>	<i>29.5%</i>	
Other income incl interest	77.4	69.5		152.0	133.8	
<b>PBT</b>	<b>778.2</b>	<b>803.1</b>	<b>-3.1%</b>	<b>1,438.4</b>	<b>1,407.9</b>	<b>2.2%</b>
<i>Margins</i>	<i>28.0%</i>	<i>30.6%</i>		<i>27.3%</i>	<i>29.0%</i>	
<b>PAT</b>	<b>510.0</b>	<b>528.8</b>	<b>-3.6%</b>	<b>955.5</b>	<b>927.7</b>	<b>3.0%</b>
<i>Margins</i>	<i>18.3%</i>	<i>20.2%</i>		<i>18.1%</i>	<i>19.1%</i>	
<b>EPS (Basic)</b>	<b>6.19</b>	<b>6.47</b>	<b>-4.4%</b>	<b>11.61</b>	<b>11.35</b>	<b>2.3%</b>
<b>EPS (Diluted)</b>	<b>6.19</b>	<b>6.43</b>	<b>-3.8%</b>	<b>11.60</b>	<b>11.27</b>	<b>3.0%</b>

All figures as per Ind-AS

## Revenues



- ❑ Q2 Revenues improved 6.1% to Rs. 2,781 million underlined by 6.7% volume growth. This was achieved on the back of:
  - Increase in patients tested YoY together with higher tests per patient
  - Very high base in the same period of last year as well as delayed and weaker outbreak of vector borne diseases this year
- ❑ Realisation per patient was stable at Rs. 699 reflecting price rationalisations taken in select geographies this year and the benefit of price increases taken in Q2 last year which is now neutralised

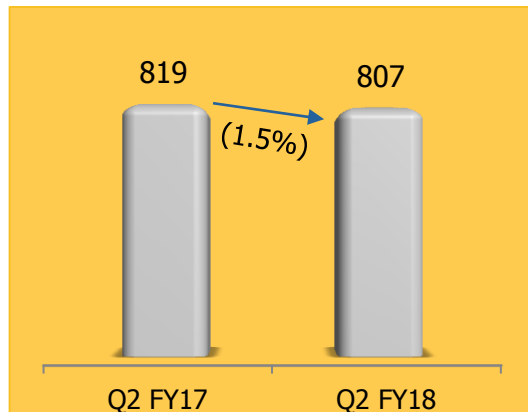


- ❑ Revenues in H1 stood at Rs. 5,273.6 million, an increase of 8.7% mainly driven by volume growth of 7.6%

# Financial Highlights

All figures in Rs. mn

## Normalised EBITDA (excl RSU & other stock based remuneration charges)

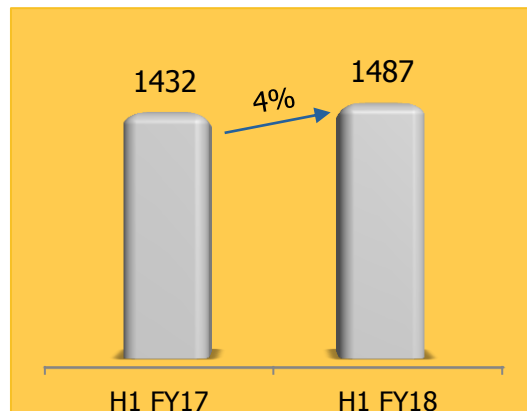


- ❑ Q2 normalised EBITDA (after eliminating the impact of RSU and other stock based remuneration charges) stood slightly lower reflecting operating trends and:

- Absorption of GST on input costs
- Increase in minimum wages in Delhi that added to the cost base

- ❑ Q2 Normalised EBITDA margin stood at 29.0%

- Factors in the initiatives to improve productivity and manage cost structures



- ❑ H1 normalised EBITDA (after eliminating the impact of RSU and other stock based remuneration charges) improved by 3.8% to Rs. 1,487.3 million

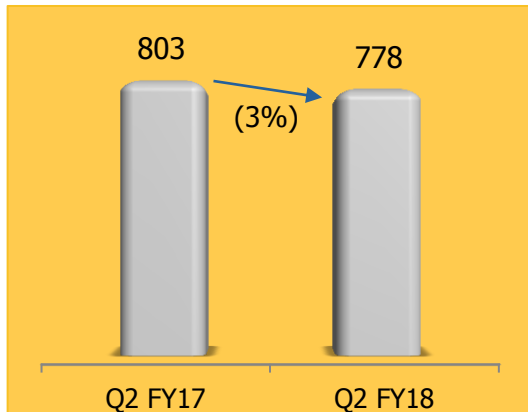
- ❑ H1 normalised EBITDA margin stood at 28.2%



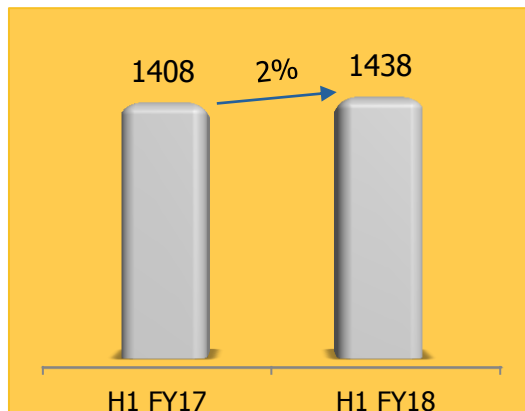
# Financial Highlights

All figures in Rs. mn

## PBT



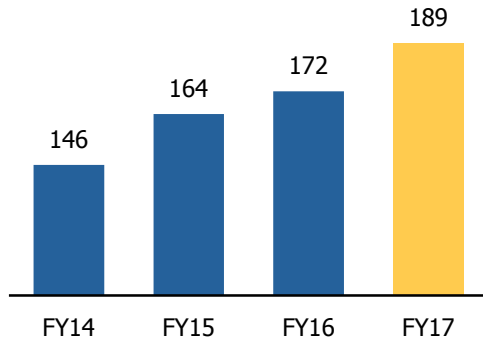
- ❑ Q2 PBT stood at Rs. 778.2 million in Q2 vs. Rs. 803.1 million in previous year
- ❑ Q2 PAT at Rs. 510 million in Q2 vs Rs 528.8 million in Q2 last year



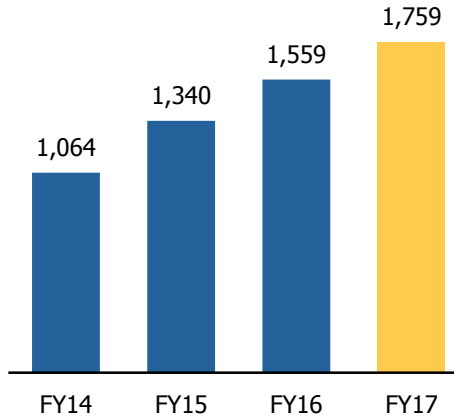
- ❑ H1 PBT grew 2.2% to Rs. 1,438.4 million from Rs. 1,407.9 million last year
- ❑ H1 PAT grew 3.0% to Rs. 955.5 million from Rs 927.7 million last year

# Operating Highlights

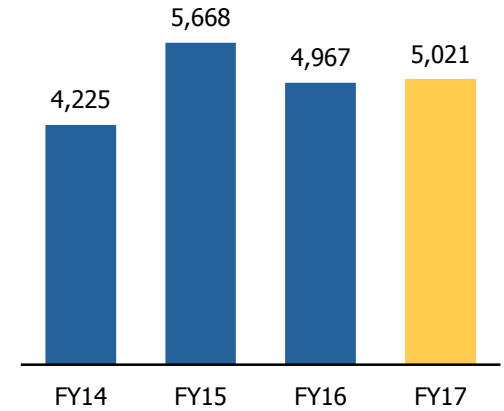
### No. of Clinical Laboratories



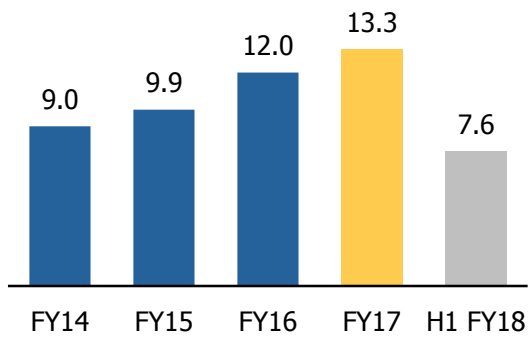
### No. of PSCs



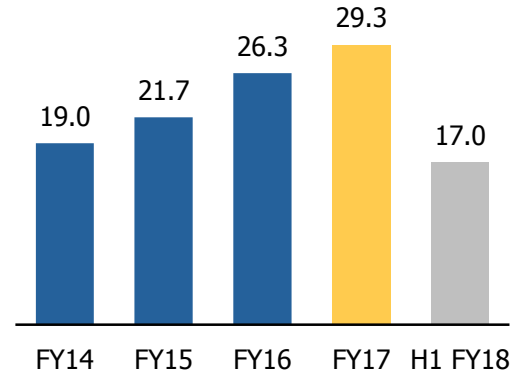
### No. of PUPs



### No. of patients (mn)



### No. of samples (mn)



**Commenting on the results announcement, Dr. Arvind Lal - Chairman and Managing Director said;** "The performance during Q2 captures our focus on realising volume based expansion while containing structural and imposed costs on the model. Backed by strong operational infrastructure it is always our aim to offer a convenient and reliable platform to patients for providing complete testing capabilities to help arrive at an accurate diagnosis of the underlying ailment/condition. This is a core factor that builds trust in the brand and ensures that we attract a higher proportion of walk-ins and specialised tests.

Moving forward, we shall be commissioning an additional Regional Reference Laboratory at Kolkata as per plan and are taking steps to augment the rest of the network nationwide, both in terms of increased reach and accessibility and the latest diagnostics tests and platforms for our patients."

**Commenting on the results announcement, Dr. Om Manchanda, CEO - Dr. Lal PathLabs said;**" We are pleased with our quarterly performance inspite of very high base in the same period last year. As you are aware North India, which is our largest market, experienced severe outbreak of Chikungunya and Dengue fever last year. This year, so far we have witnessed weaker and delayed outbreak of vector borne diseases.

During the quarter under review, we have decided to absorb the adverse impact of GST instead of passing it on to our customers. Our productivity initiatives have partly mitigated the overall GST impact thereby supporting the overall performance.

The road ahead appears promising as we continue to focus on increasing the contribution of high end tests as well as panels like health packages thereby increasing the tests per patient and patient volume growth rather than price increases."

***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

- **DLPL 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

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*



**Bharath Uppiliappan**

*Chief Operating Officer*



**Shankha Banerjee**

*Chief Operating Officer*



**Munender Soperna**

*Chief Information Officer*



**Dr. Neelum Tripathi**

*National Director Lab Operations*



**Manoj Garg**

*Chief Human Resources Officer*



**Ved Prakash Goel**

*Deputy CFO*



**Rajat Kalra**

*Company Secretary and Compliance Officer*



**Manoj Sahay**

*Chief Marketing and Strategy Officer*



### 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 1,110 test panels, 2,028 pathology tests and 1,561 radiology and cardiology tests.

As on March 31, 2017 DLPL's has 189 clinical labs (including National Reference Lab at Delhi), 1,759 Patient Service Centers (PSCs) and 5,021 Pick-up Points (PUPs). In FY16 & FY17, DLPL collected and processed approximately 26.3 million samples and 29.3 million samples from approximately 12.0 million and 13.3 million patients, respectively.

Additional information on Dr Lal PathLabs Limited:

Corporate Identification No: L74899DL1995PLC065388

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

### For further information please contact:

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#### Dr. Lal PathLabs Limited

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