

May 23, 2019

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 Jeejeeboy Towers
Dalal Street,
Mumbai – 400001

Subject: Disclosure of information under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015

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 Financial Year 2018-19, 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



Corporate Presentation

May 2019

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Table of Contents

1	Company overview
2	Investment highlights
3	Q4 & FY19 highlights & financial performance
4	LPL strategy for future growth
5	Annexures

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

- **Our Evolution**
- **Dr. Lal PathLabs at a glance**
- **Experienced Management team**

Our Evolution

1949 – 2005

Foundation

- **1949:** Founded by Dr. Major S. K. Lal
- **1995:** Company incorporated as Dr. Lal PathLabs Private Ltd.
- **2000:** Three clinical labs receive NABL¹ accreditation
- **2001:** Received ISO 9001:2008 certification
- **2002:** Received 'International Accreditation' from CAP²

2005 – 2010

Building capabilities for scale up

- **2005:** onwards: Investment by WestBridge Capital
- **2008:** Acquisition of Paliwal Medicare Private Limited and Paliwal Diagnostics Private Limited
- **2010:** National Reference Lab set up in Delhi

2010 – 2019

Strong position in North India, building network in other geographies

- Investment by TA Associates
- Clinical laboratories expansion in North region
- Growing the business in East region
- Entry into the South and West regions
- Multiple acquisitions to scale network
- Successful IPO listing in Dec 2015
- New Regional Reference Lab in Kolkata started in 2018

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

Dr. Lal PathLabs at a glance

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 **478** test panels, **2,425** pathology tests and **1,772** radiology and cardiology tests^{2a}

Collected and processed **~10.6 mn** samples from **~4.3 mn** patients in Q4 FY19; **~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

Routine testing

- Bio-chemistry
- Hematology
- Clinical pathology
- Microbiology
- Basic radiology

Specialized testing

- Molecular diagnostics
- Flowcytometry
- Genetics / Cytogenetics
- Histopathology

Accreditations



1. Total area of 7,253 square meters 2. As on March 31, 2019. 2a As on Dec 31, 2018
3. Normalised EBITDA excl RSU and stock based comp. & CSR Cost

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



Ved Prakash Goel

Chief Financial Officer



Bharath Uppiliappan

CEO India Business



Shankha Banerjee

Chief Growth Officer



Munender Soperna

Chief Information Officer



Dr. Neelum Tripathi

National Director Lab Operations



Manoj Garg

Chief Human Resources Officer



Rajat Kalra

Company Secretary and Compliance Officer



Manoj Sahay

Chief Marketing and Strategy Officer

Investment Highlights

Investment Highlights

1

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

2

Established consumer healthcare brand in diagnostic services

3

Scalable model integrated through centralized IT platform allows for network expansion

4

Attractive operating metrics and multiple levers in place to drive next phase of growth

5

Robust financial performance and return on invested capital

Indian Healthcare Services is a large growth opportunity

1

1.42 bn
India's expected population in 2022

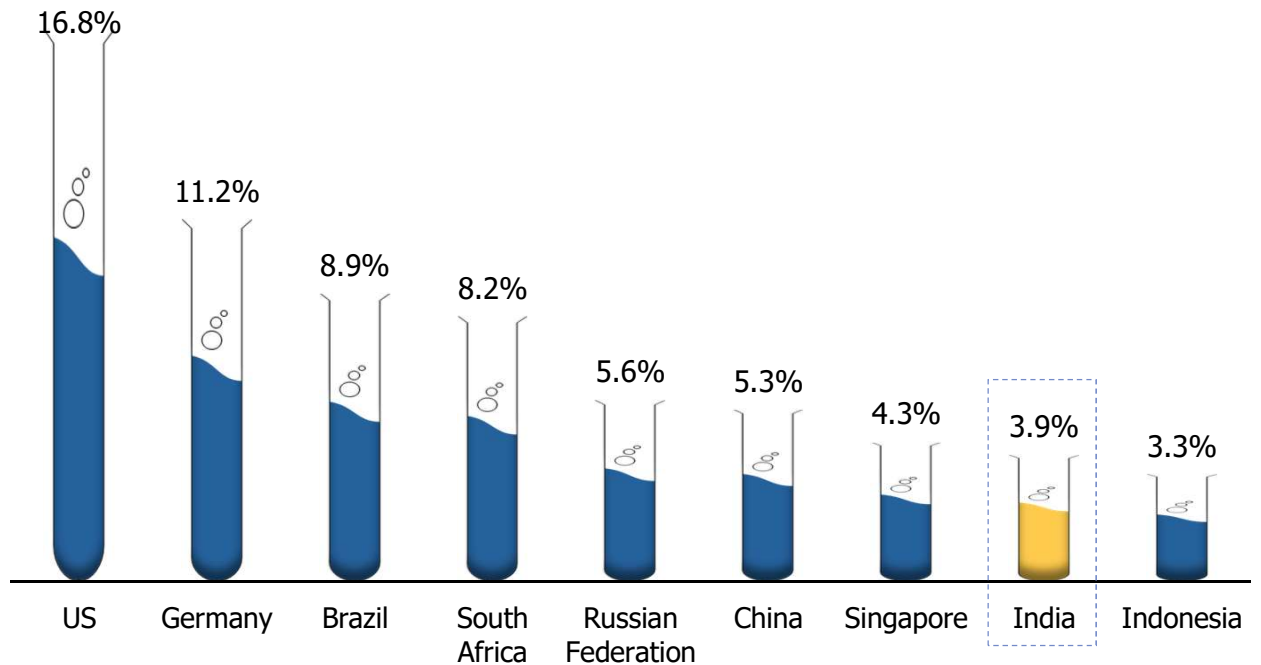
USD 2,483 bn
India GDP in FY20¹

USD 273 billion
FY20 India healthcare expenditure

~74%
Private expenditure on healthcare in 2015

India, highly underpenetrated market

Total Healthcare Expenditure as % of GDP (2015)



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

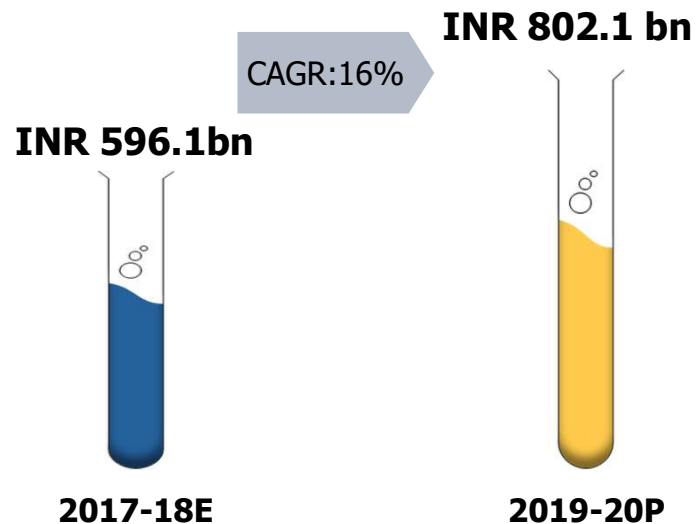
1. Financial Year ending March 31st.
2. Source: Report of the Insurance Regulatory and Development Authority ("IRDA")
3. Source: World Health Organization Global Health Expenditure database, October 2017, 4. IMF



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

1

Diagnostic Services Industry Size



Screening, early detection, and monitoring reduce downstream costs

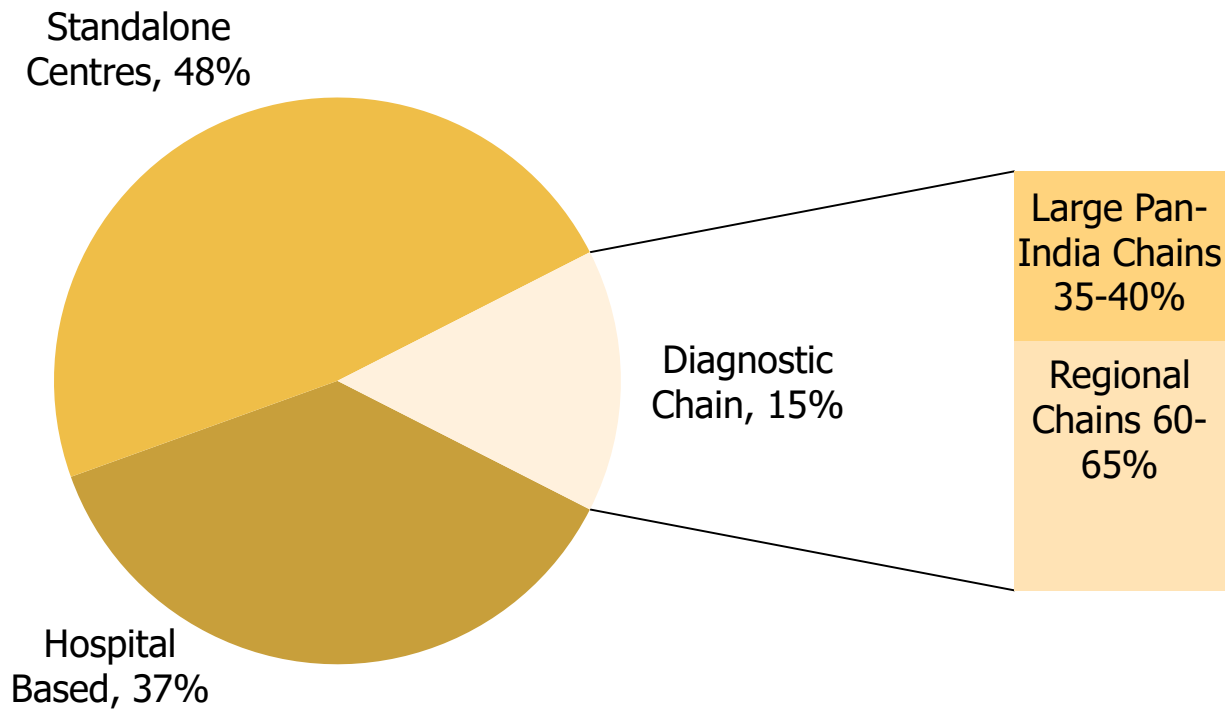
Growth Drivers

- 1 ***Increase in evidence-based treatments***
- 2 ***Demand for lifestyle diseases-related services to grow***
- 3 ***Focus on preventive diseases and wellness***

Diagnostic Services industry remains highly fragmented

1

Highly Fragmented Industry



Largely fragmented and unorganized

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

Established consumer healthcare brand in Diagnostic Services

2

Pillars of a Strong Brand

Accreditations

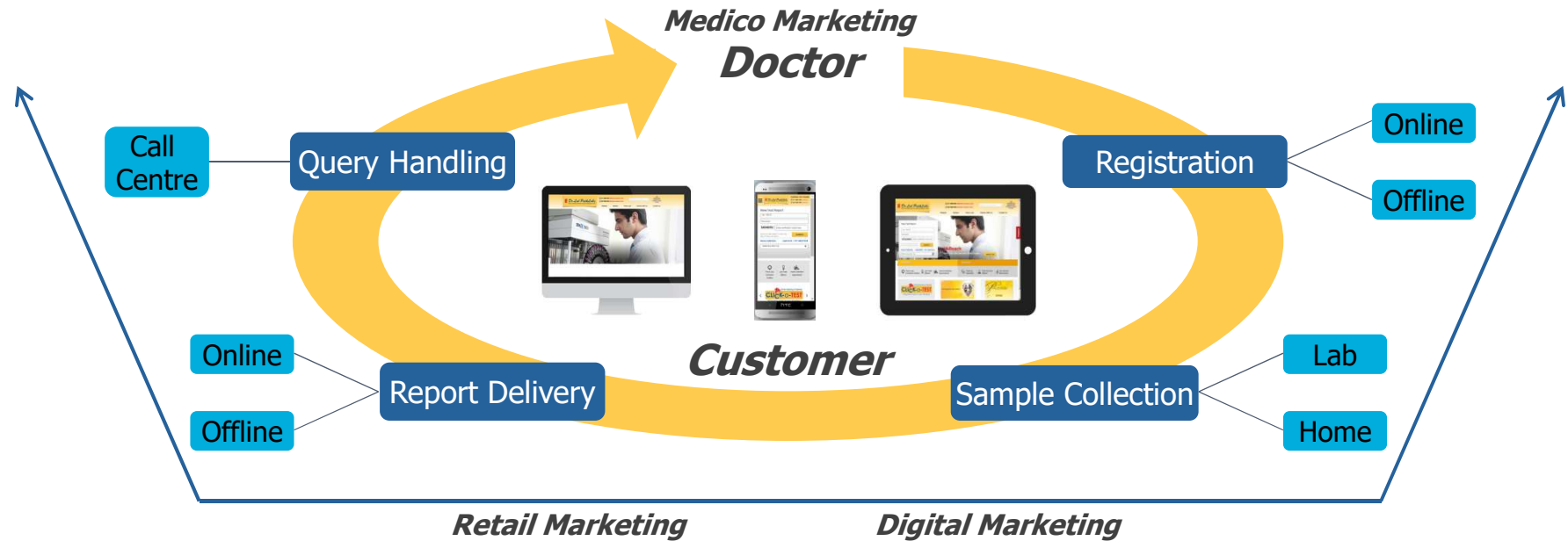
- Accreditations from CAP, NABL and ISO
- Centrally administered surveillance programs

Nationwide Network

- Coverage in metros, Tier 1 and Tier 2 cities
- Wide reach through PSCs and PUPs

Fast Turnaround Time

- 24x7 access including online access and home collection
- Dedicated logistics team



- Single brand pulls patients

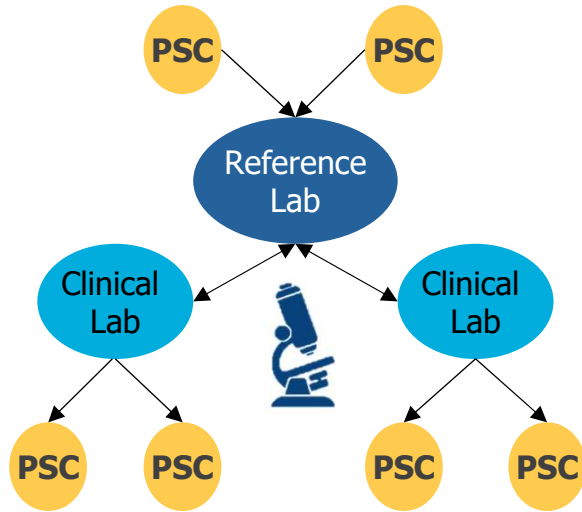
- Walk-in customers account for highest share of revenues

- Diverse and large customer pool

Scalable Model integrated through centralized IT platform allows for network expansion

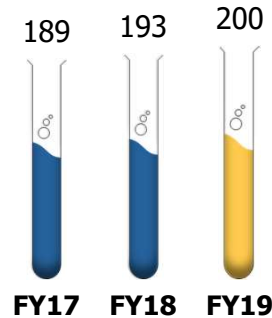
3

Hub and Spoke Model

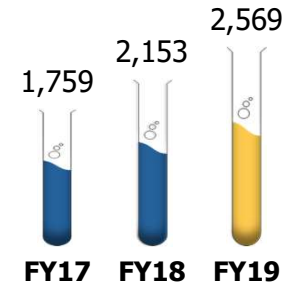


Network Expansion

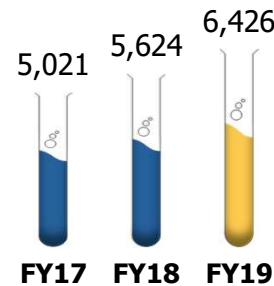
No. of Clinical Laboratories



No. of PSCs



No. of PUPs



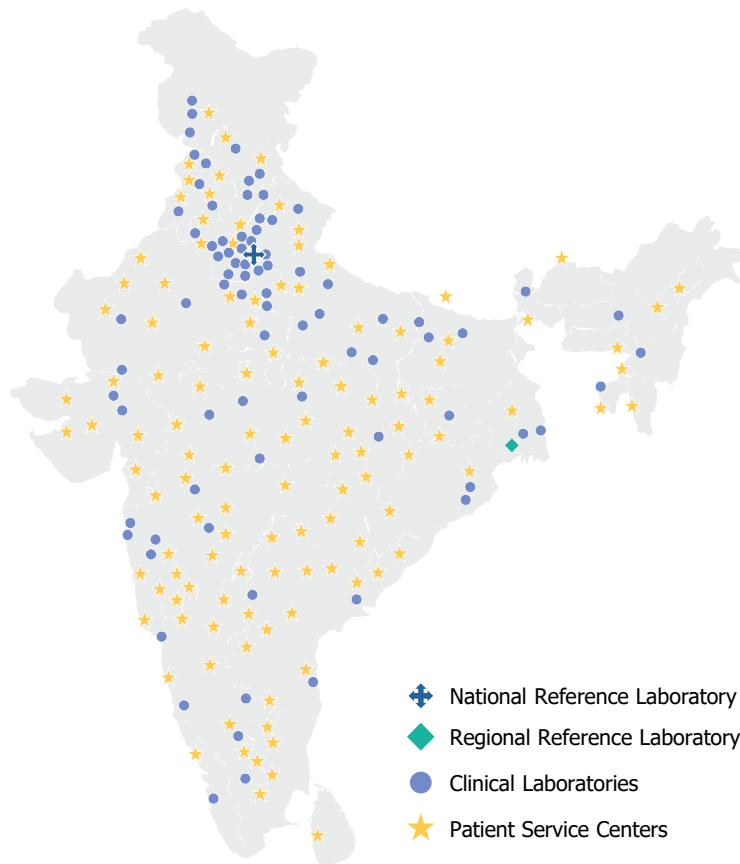
- Centralized diagnostic testing provides greater economies of scale
- PSCs and PUPs facilitate penetration within region and expand reach

1. Includes National Reference Laboratory.

Scalable Model integrated through centralized IT platform allows for network expansion

3

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

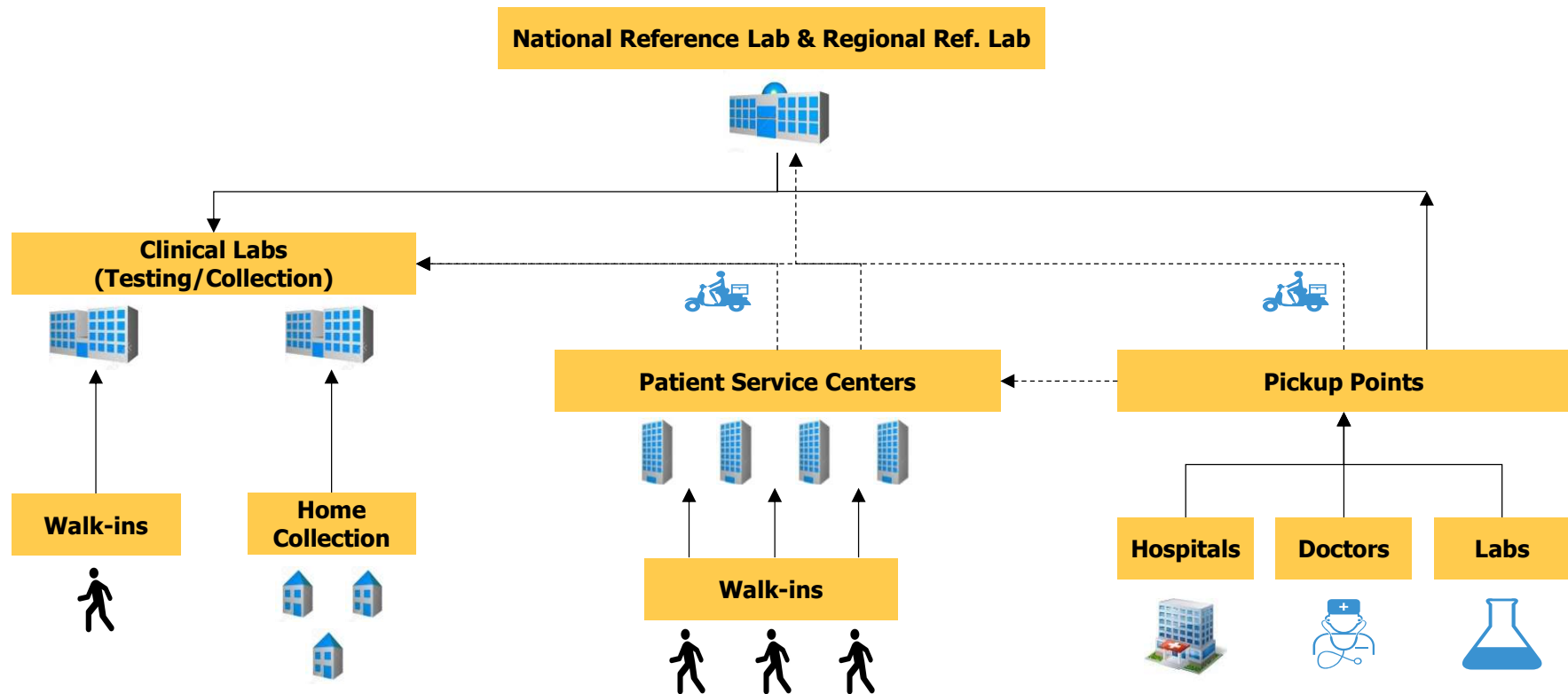
Data Collection and Analytics

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

Collection network

3

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



- Single brand pulls patients

- Walk-in customers account for highest share of revenues

- Diverse, large customer pool offers monetization opportunities

Attractive operating metrics

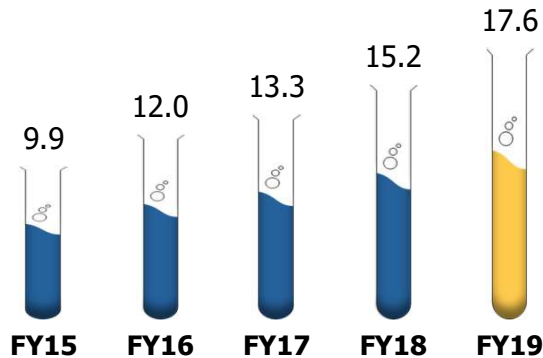
4

No. of patients

(Mn)

- Consumer brand and network expansion driving patient volumes

CAGR: 15.5%

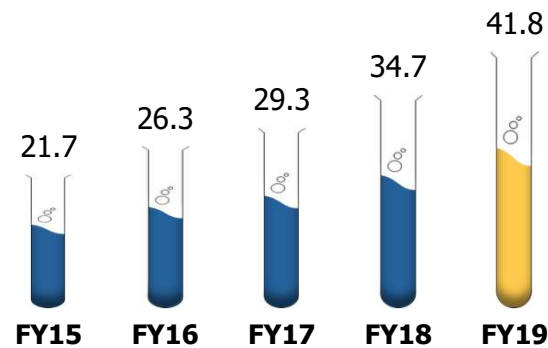


No. of samples

(Mn)

- Increase in samples with patient volumes growth

CAGR: 17.7%

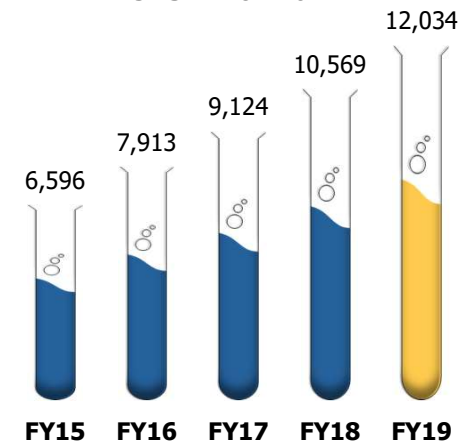


Total Revenue

(INR mn)

- 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

CAGR: 16.2%



Multiple levers in place to drive next phase of growth

4

Expand presence in existing markets

- Cluster and focused geography approach
 - Deepen presence in North India by developing additional reference labs
 - Scale up in East India by developing ecosystems via Kolkata reference lab
 - Targeted expansion in South and West India (focused city approach)

Expand through strategic acquisitions and partnerships

- M&A provides growth kicker
- Leverage prior track record
 - Completed several acquisitions since 2008
- Acquisition opportunities in select new geographies

Focus on hospital-based clinical labs

- Increase existing tie-ups
- Leverage scale and efficiency
- Provide lab management and specialized lab testing services to polyclinics

Increase breadth of diagnostic healthcare testing and services platform



Continuous focus on providing quality healthcare services

Strategies to deepen our presence

4



Focus on retail network and home collection

Commitment to **quality and reliability** of services

Online report; data analytics

Preventive healthcare screening and chronic / lifestyle disease management services. Bundling of tests

Focus on hospital lab management

Provide both **lab management** and **specialized lab testing** to **polyclinics**

Increase existing tie-ups in hospital lab management – **leverage scale and efficiency** of network

Focus on corporate customers

Marketing to HR departments and other decision makers

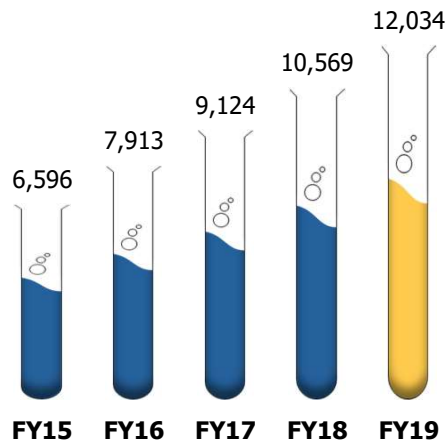
Healthcare packages across test types

Robust financial performance

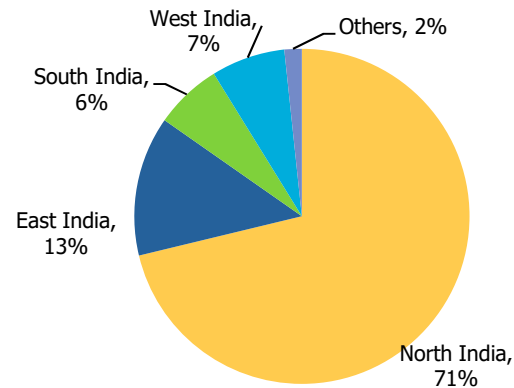
5

Total Revenue INR (Mn)

CAGR: 16.2%



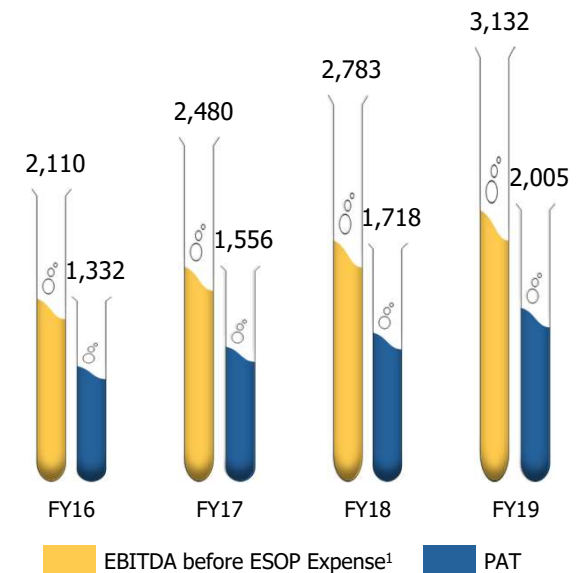
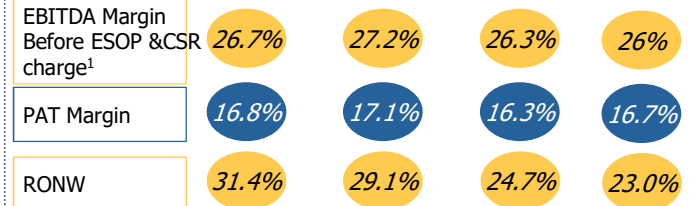
Revenue by Geography (FY19) (%)



Geography FY 15-19 CAGR (%)

Geography	FY 15-19 CAGR (%)
North India	16%
East India	18%
South India	21%
West India	11%
Others	30%

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



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

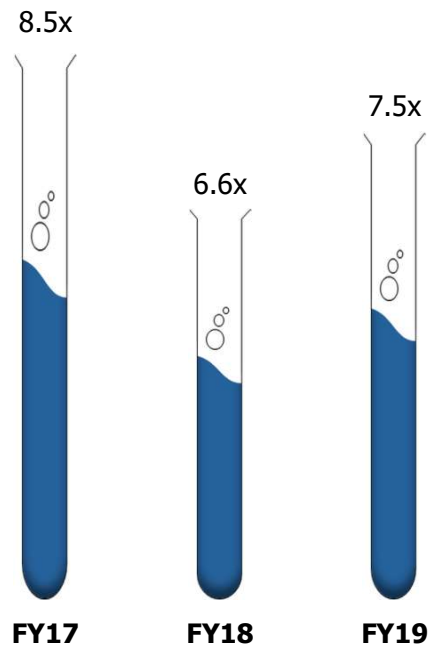
1. During FY14, LPL had reassessed the ESOP scheme as cash settled basis as against equity settled basis treated in earlier years' financial statements. As a result, LPL accounted for additional compensation cost of INR 8.9 mn in FY16. ESOP/RSU/ESPS charge of INR 86.1 mn in FY17 is also excluded. FY16 & 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)

5

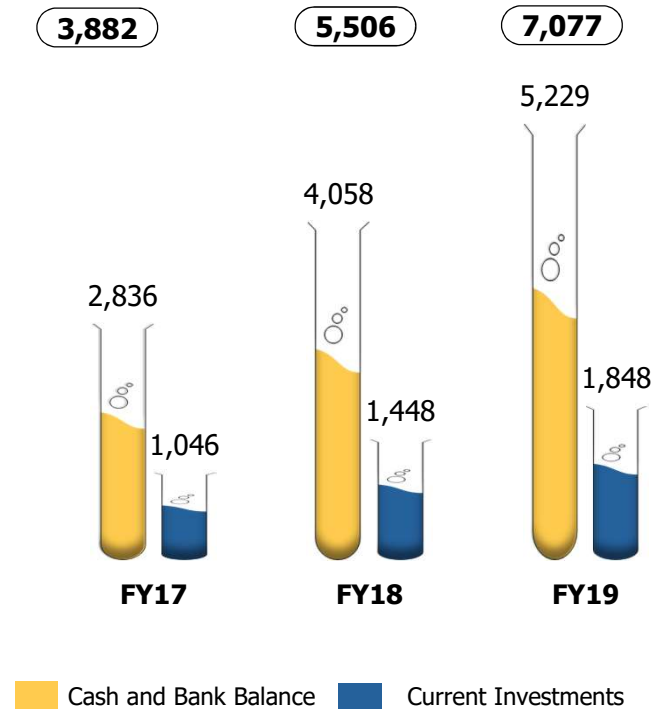
Fixed Asset Turnover¹

(Times)



Cash and Cash Equivalents

(INR mn)



- 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

Q4 & FY19 Highlights & Financial Performance

Q4 FY19 Snapshot

12.9%



Revenues

INR **3,011 mn**

Samples
Processed

~**10.6 mn**

6.0%



Normalised
EBITDA

INR **729 mn**

Patients
Tested

~**4.32 mn**

17.9%



PAT

INR **474 mn**

Total
Employees*

~**4,405**

*As on March 31, 2019

Key Performance Highlights

Consistent growth in patient volumes for Q4 at 12.5% driving revenue growth for the quarter

During Q4 FY19:

- Revenues gained 12.9% YoY to Rs 3,011 million
- Number of patients tested stood at 4.32 million in Q4
- Normalised EBITDA (after eliminating the impact of stock based remuneration and CSR) was at Rs 729 million
- PAT for Q4 stood at Rs 474 million which is a growth of 17.9% over Q4FY19

Cash, FDs and Liquid Investments at Rs. 7,077 million as at March 31, 2019 from Rs. 6,537 million as at December 31, 2018, an increase of Rs. 540 million in Q4 FY19

Company continues to deliver volume growth through increased penetration, introduction of newer tests and inorganic growth while retaining EBITDA margins

- Acquisition of a pathology laboratory in Maharashtra in April'19 further strengthening our presence in the Central and Western region
- Normalised EBITDA margins for FY'19 at 26 % as against 26.3% in FY'18
- Recommend Final Dividend of Rs 3.50 share in addition to Rs 2.50 paid as Interim Dividend

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.

Financial Table

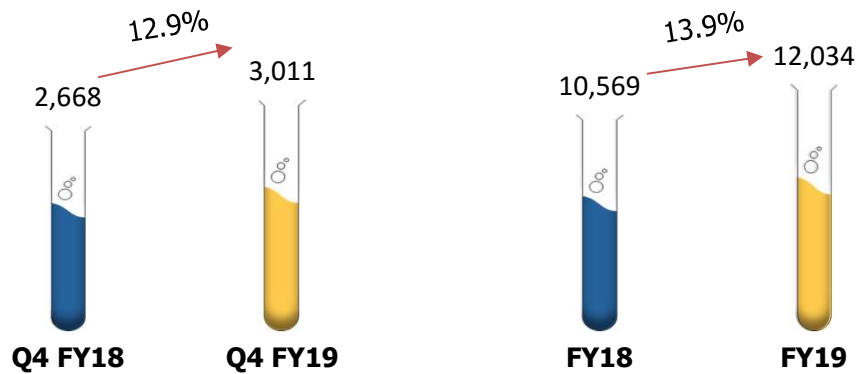
Particulars (Rs. mn)	Q4 FY19	Q4 FY18	Growth %	FY19	FY18	Growth %
Revenue	3,011	2,668	12.9%	12,034	10,569	13.9%
Expenditure	2,349	2,028		9,098	7,929	
EBITDA	662	640	3.4%	2,936	2,640	11.2%
Adj for stock based comp. & CSR Cost	67	48		196	143	
Normalised operating EBITDA	729	688	6.0%	3,132	2,783	12.5%
<i>Normalised Margins</i>	24.2%	25.8%		26.0%	26.3%	
Other income incl interest	135	89		459	312	
PBT	692	620	11.6%	3,006	2,613	15.0%
<i>Margins</i>	23.0%	23.2%		25.0%	24.7%	
PAT	474	402	17.9%	2,005	1,718	16.7%
<i>Margins</i>	15.7%	15.1%		16.7%	16.3%	
EPS (Basic)	5.72	4.88	17.2%	24.19	20.85	16.0%
EPS (Diluted)	5.71	4.87	17.2%	24.15	20.82	16.0%

All figures as per Ind-AS except where stated

Financial Highlights

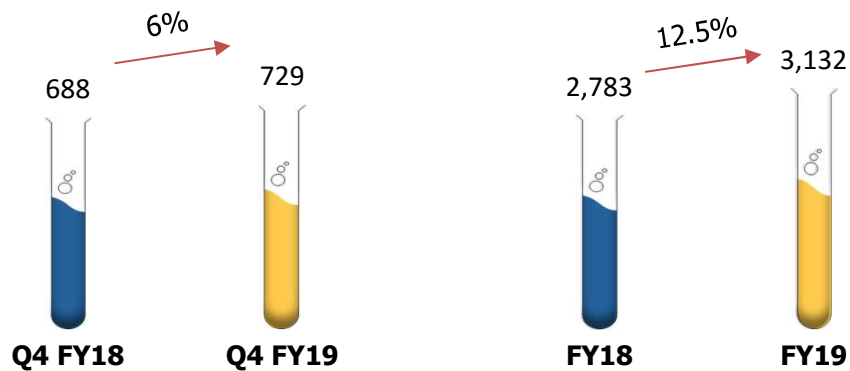
Revenues

All figures in Rs. mn



- Q4 saw 12.9% improvement in revenues at Rs. 3,011 million. This was the result of:
 - Consistent momentum in volumes with 12.5 % growth
 - Gains in tests per patient from 2.3 to 2.5
- Q4FY19 realisation per patient stood at Rs. 696 as against Rs. 694 in Q4FY18
- FY 19 revenues delivered 13.9% increase on the back of 15.3 % rise in volumes

Normalised EBITDA (after eliminating the impact of RSU and other stock based remuneration charges)



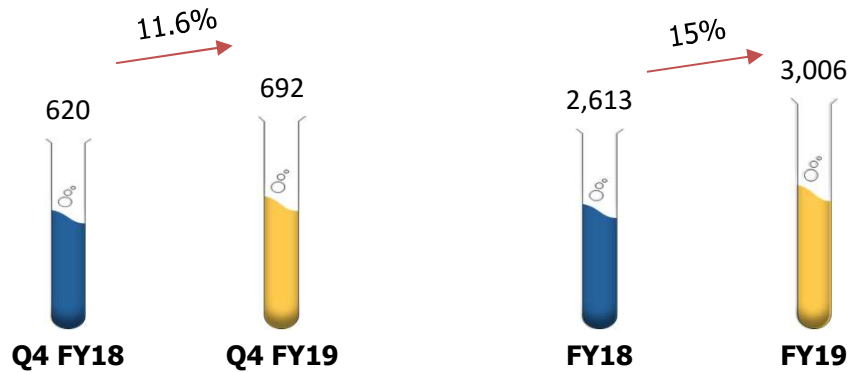
- Q4 normalised operating EBITDA (after eliminating the impact of stock based remuneration charges and CSR cost) grew 6%
- Q4 normalised EBITDA margin was at 24.2% as compared to 25.8% last year
- FY 19 normalised operating EBITDA (after eliminating the impact of stock based remuneration charges and CSR cost) showed a growth of 12.5%. Normalised EBITDA margins stood at 26%

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

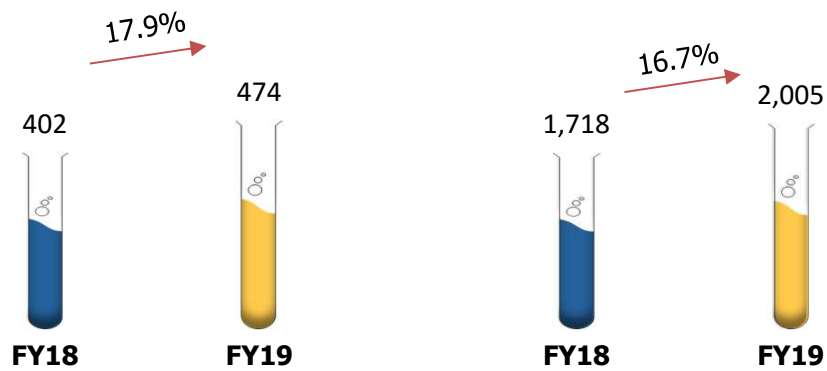
PBT

All figures in Rs. mn



- Q4 PBT was at Rs. 692 million vs. Rs. 620 million last year
- Q4 PBT margin was at 23% from 23.2% last year
- FY 19 PBT came in at Rs. 3,006 million with margins of 25%

PAT



- Q4 PAT came in at Rs. 474 million from Rs. 402 million, an increase of 17.9%
- Q4 PAT margin stood at 15.7%
- FY19 PAT at Rs. 2,005 million, higher by 16.7%. PAT margins at 16.7%

LPL Strategy for future growth

DLPL Strategy for future growth

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

Annexures

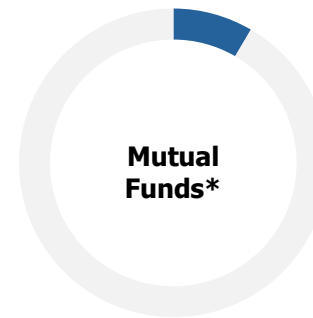
- **Shareholding as of 31st March, 2019**

Shareholding as of 31st Mar, 2019

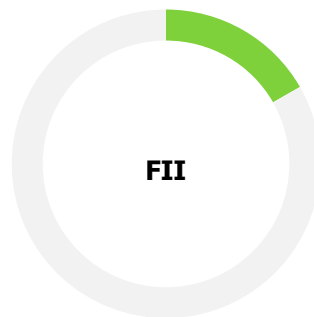
56.9%



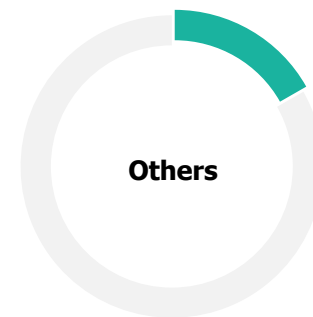
8.4%



17.7%



17.0%



*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 478 test panels, 2,425 pathology tests and 1,772 radiology and cardiology tests.

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>

*As on 31 Dec 2018

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Fax: +91 124 423 4468

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Email: siddharth@cdr-india.com / nishid@cdr-india.com