



November 8, 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 & Half Year ended September 30, 2019.**

Dear Sir/Madam,

Please find attached a copy of Company's Q2 & H1 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 & Half Year ended September 30, 2019, approved by the Board of Directors in their meeting held on November 8, 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)

**Q2 & H1 FY20**

**Results Presentation**

November 8, 2019



# Disclaimer

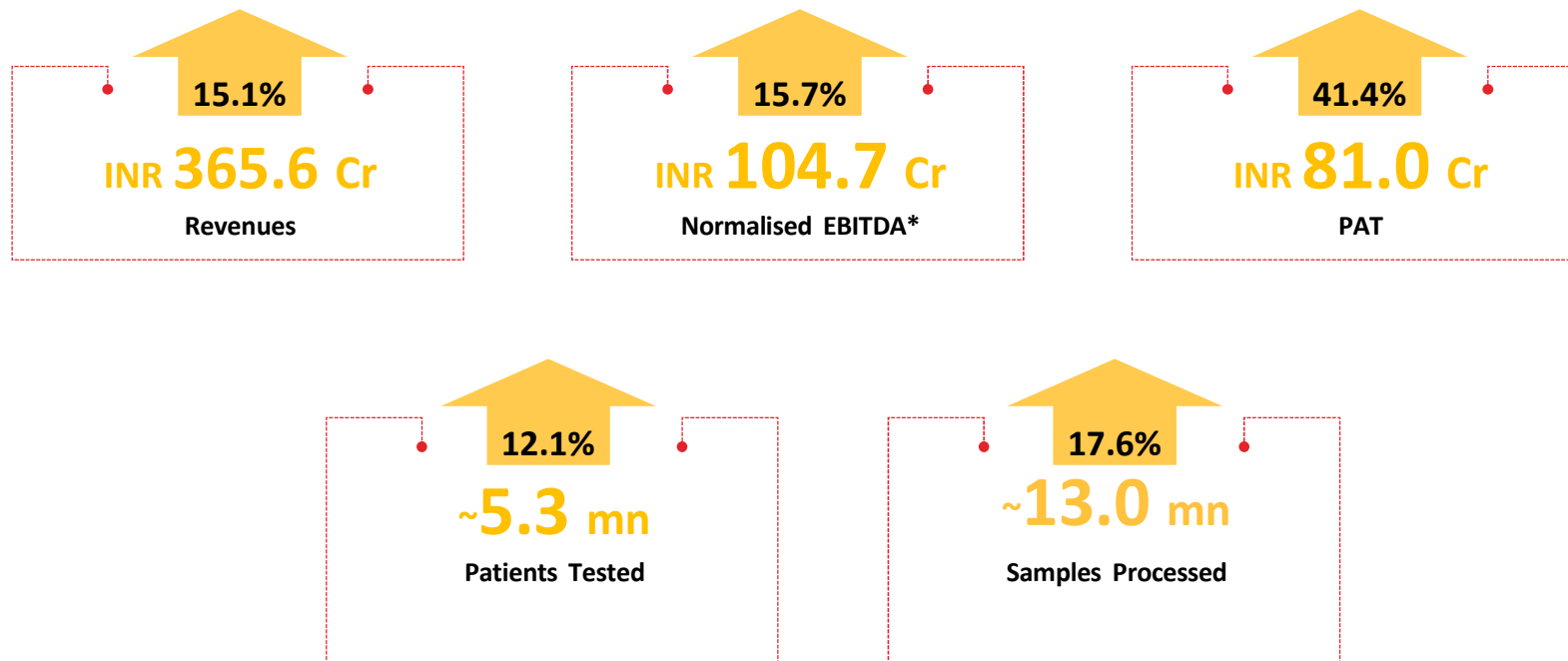
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## Q2 FY20 Snapshot



\* 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

**Zero**  
Net Debt

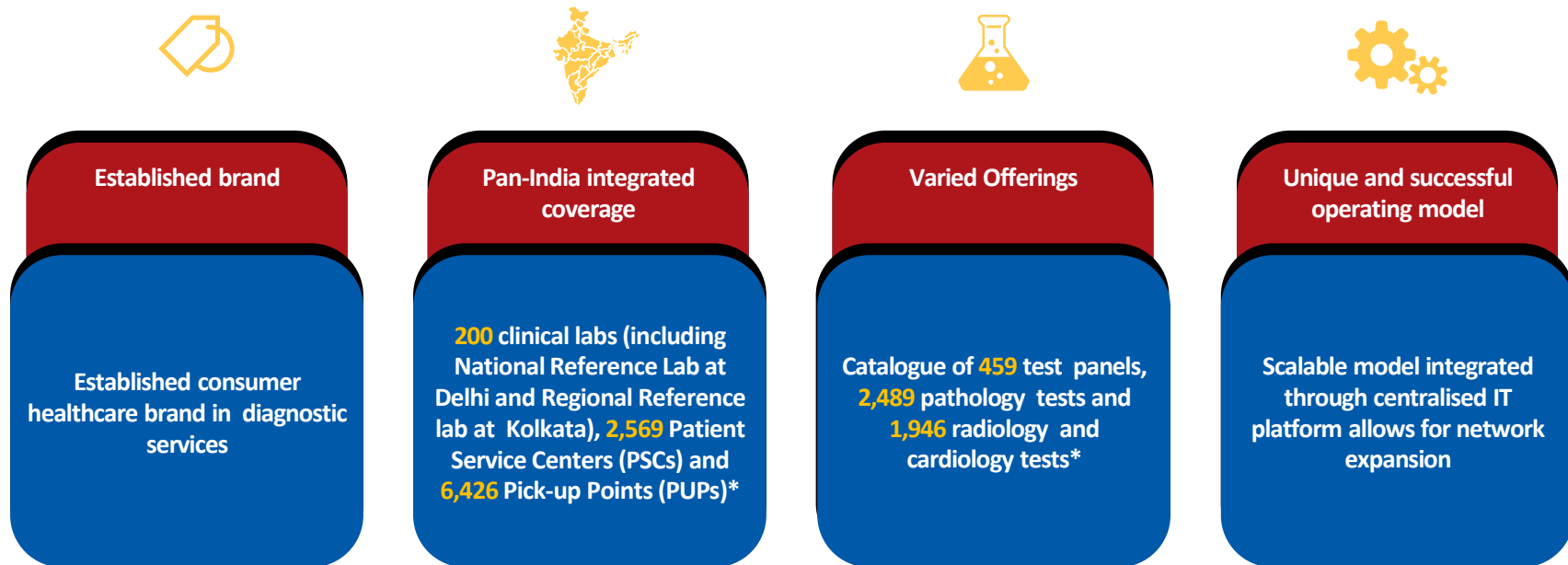
**59%**  
Revenue  
Contribution from  
Rest of India

**~70%+**  
ROCE  
Excl. Cash &  
Investments

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

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

# 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

12.1% increase in patient volumes during Q2 FY20 driven by sustained growth in the Rest of India market

During Q2 FY20:

- Revenues registered 15.1% gains Y-o-Y at Rs. 365.6 crore
- Number of patients tested stood at 5.3 million
- Normalised EBITDA (after eliminating the impact of stock based remuneration and CSR) is Rs. 113.5 crore
- PAT for the quarter under review stood at Rs. 81.0 crore, a growth of 41.4% over the corresponding quarter of last year
- Interim dividend of 60% i.e. Rs. 6 per share has been approved by the Board of directors of the Company

Cash, FDs and Mutual Funds at Rs. 781.7 crore as on Sept 30, 2019, as against Rs. 707.7 crore as on March 31, 2019

Continue to maintain leadership position in the branded diagnostics industry through focus on deepening the penetration in home market and expanding coverage in the newer markets

- Leverage the brand by increasing revenue contribution from Rest of India markets. Acquisition of smaller labs across focused cities to support this momentum
- Strategically enhance the 'Swasthfit' contribution to the overall portfolio, currently at 15% of revenue



# Financials

Particulars (Rs. Cr.)	Q2 FY20 (With IND-AS 116)	Q2 FY20 (W/O IND-AS 116)	Q2 FY19 (W/O IND-AS 116)	Gr % (With IND AS 116)	Gr % (W/O IND AS 116)	FH FY20 (With IND-AS 116)	FH FY20 (W/O IND-AS 116)	FH FY19 (W/O IND-AS 116)	Gr % (With IND AS 116)	Gr % (W/O IND AS 116)
Revenue	365.6	365.6	317.5	15.1%	15.1%	700.8	700.8	609.8	14.9%	14.9%
Other Income	14.8	14.8	10.9			29.2	29.2	20.3		
<b>Total Income</b>	<b>380.4</b>	<b>380.4</b>	<b>328.4</b>	<b>15.8%</b>	<b>15.8%</b>	<b>730.0</b>	<b>730.0</b>	<b>630.1</b>	<b>15.9%</b>	<b>15.9%</b>
Raw Material Consumed	81.1	81.1	67.7			152.3	152.3	131.9		
Personnel Expense	60.2	60.2	50.2			118.5	118.5	99.6		
Rent Expense	3.6	12.4	12.0			7.8	24.8	23.7		
Other Expenses	111.8	111.8	100.8			218.2	218.2	192.8		
<b>Total Expenditure</b>	<b>256.7</b>	<b>265.5</b>	<b>230.7</b>	<b>11.3%</b>	<b>15.1%</b>	<b>496.8</b>	<b>513.8</b>	<b>448.0</b>	<b>10.9%</b>	<b>14.7%</b>
<b>EBITDA</b>	<b>108.9</b>	<b>100.1</b>	<b>86.8</b>	<b>25.5%</b>	<b>15.3%</b>	<b>204.0</b>	<b>187.0</b>	<b>161.8</b>	<b>26.1%</b>	<b>15.6%</b>
<i>Margins</i>	29.8%	27.4%	27.3%			29.1%	26.7%	26.5%		
Adj for Stock based comp. & CSR cost	4.6	4.6	3.7			8.5	8.5	8.0		
<b>Normalised EBITDA</b>	<b>113.5</b>	<b>104.7</b>	<b>90.5</b>	<b>25.4%</b>	<b>15.7%</b>	<b>212.5</b>	<b>195.5</b>	<b>169.8</b>	<b>25.1%</b>	<b>15.1%</b>
<i>Normalised Margins</i>	31.0%	28.6%	28.5%			30.3%	27.9%	27.8%		
Interest Cost	3.7	0.1	0.2			7.5	0.2	0.4		
Depreciation Cost	17.7	10.2	9.4			34.0	19.5	18.2		
<b>PBT</b>	<b>102.3</b>	<b>104.6</b>	<b>88.1</b>	<b>16.1%</b>	<b>18.7%</b>	<b>191.7</b>	<b>196.5</b>	<b>163.5</b>	<b>17.2%</b>	<b>20.2%</b>
<i>Margins</i>	28.0%	28.6%	27.7%			27.4%	28.0%	26.8%		
<b>PAT</b>	<b>81.0</b>	<b>82.9</b>	<b>57.3</b>	<b>41.4%</b>	<b>44.7%</b>	<b>140.1</b>	<b>143.6</b>	<b>107.0</b>	<b>30.9%</b>	<b>34.2%</b>
<i>Margins</i>	22.2%	22.7%	18.0%			20.0%	20.5%	17.5%		
<b>EPS (Basic) - In Rs.</b>	<b>9.77</b>		<b>6.91</b>	<b>41.4%</b>		<b>16.91</b>		<b>12.91</b>	<b>30.9%</b>	
EPS (Diluted)- In Rs.	9.75		6.90	41.3%		16.86		12.89	30.8%	

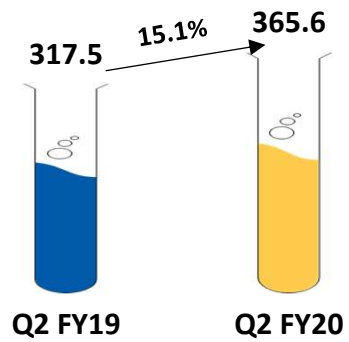
The current quarter reported numbers are as per Ind AS 116. The company has adopted Modified Retrospective Approach for transition to IND AS 116 from 1<sup>st</sup> April 2019. This approach does not require restatement of comparative information for Q2 FY19 and FH FY19. However for the purpose of comparison Q2 FY20 and FH 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

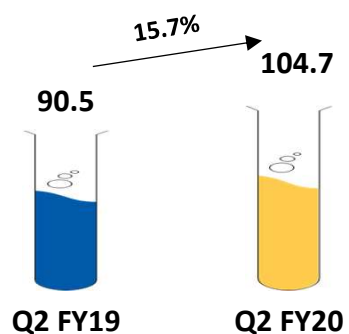
All figures in Rs. Cr

## Revenue



- Recorded 15.1% revenue growth in Q2 FY20 at Rs. 365.6 crore driven by:
  - Higher volume growth of 12.1% and
  - Healthy growth in tests per patient from 2.34 to 2.45
- Q2 FY20 realisation per patient came in at Rs. 687 which is higher than Rs. 669 in Q2 FY19

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

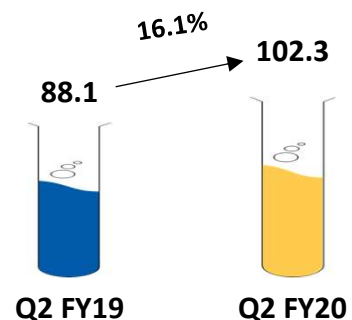


- Normalised operating EBITDA (after eliminating the impact of stock based compensation, CSR and Ind AS 116) increased by 15.7% to Rs. 104.7 crore in Q2 FY20
- Q2 FY20 normalised EBITDA margin (after eliminating the impact of stock based compensation, CSR and Ind AS 116) came in at 28.6%

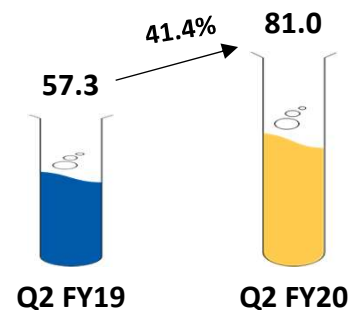
Financial results of the Company are best monitored on a year to date basis, as there is a certain level of seasonality in business and specific quarter performance may be influenced by certain occurrences in that quarter

# Financial Highlights

All figures in Rs. Cr



- Q2 FY20 PBT stood at Rs. 102.3 crore vs. Rs. 88.1 crore in the corresponding quarter of last year
- Q2 FY20 PBT margin is at 28%, as against 27.7% in Q2 last year

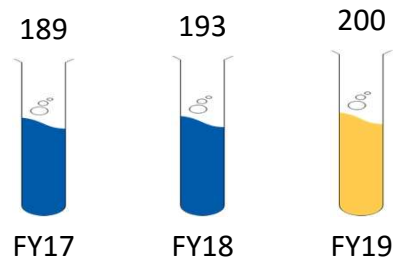


- Q2 FY20 PAT came in at Rs. 81.0 crore vs. Rs. 57.3 crore, representing a growth of 41.4%
- Q2 FY20 PAT margin stood at 22.2% vs. 18.0% in Q2 of FY19

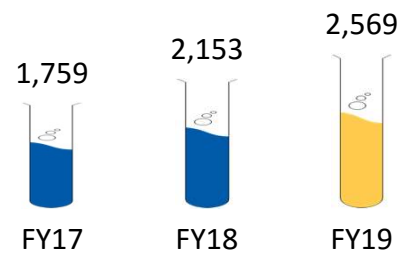
Financial results of the Company are best monitored on a year to date basis, as there is a certain level of seasonality in business and specific quarter performance may be influenced by certain occurrences in that quarter

# Operating Highlights

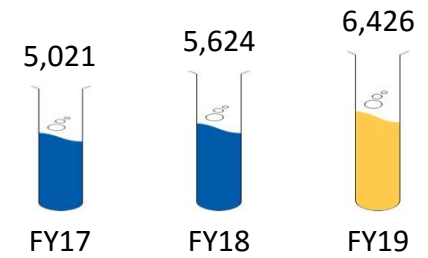
### No. of Clinical Laboratories



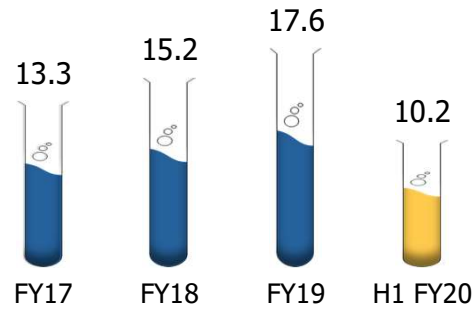
### No. of PSCs



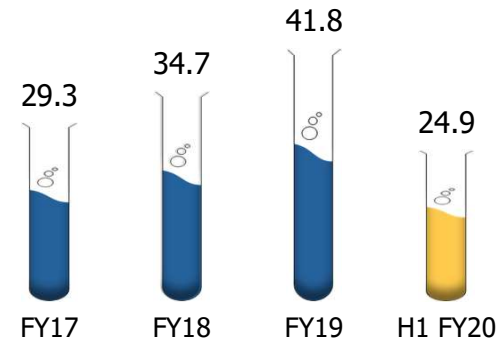
### No. of PUPs



### No. of Patients



### No. of Samples



## Management Commentary

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

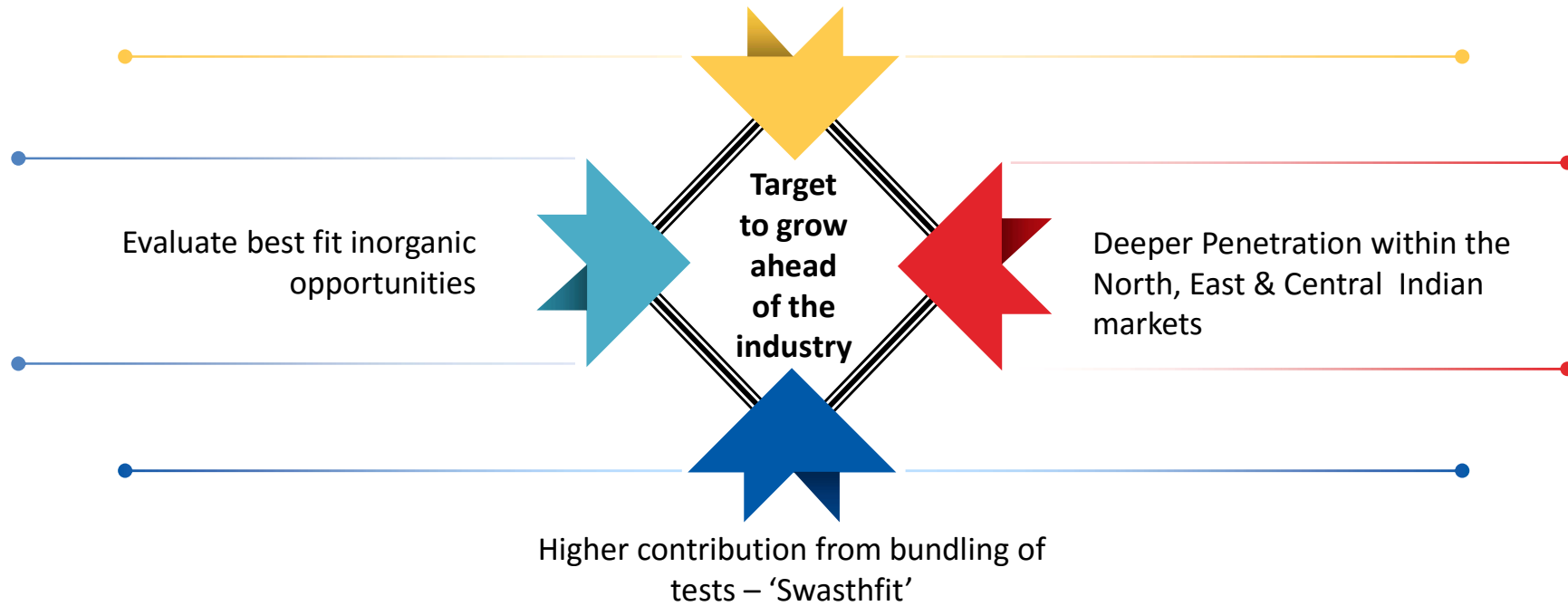
*“We have once again reported consistent performance during the quarter under review, further strengthening our premier position as a branded national diagnostics player in the country. We continue to believe that there are enough opportunities available for a national player like us with a proven track record and decades of deep experience in diagnostics. DLPL will continue to gain market share through focus on accurate and affordable diagnostics services, with more efforts on expanding the test menu and geographical reach.”*

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

*“We believe we are placed uniquely to drive volume growth. The drivers available to us are plenty and we are using the affinity towards the Dr. Lal PathLabs brand to deliver predictable performance. Whereas we seek to nurture a balanced pan India presence, we are leveraging opportunities in key existing regions through deeper targeting, test bundling and online outreach. The emphasis remains on building upon our volume momentum sustainably and enhancing engagement with our patient community.*

# Vibrant Outlook

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

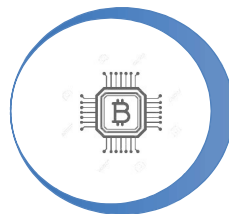


# Leveraging digital to make life easier for patient



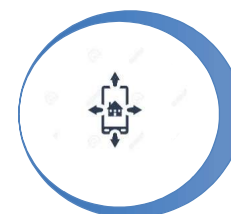
## Digital Lab

- 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.



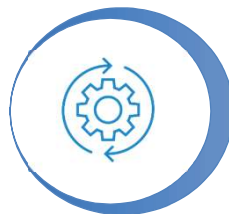
## Mobile app

- Test booking, view and download current and historical test reports
- Trend chart along 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

# Corporate Overview

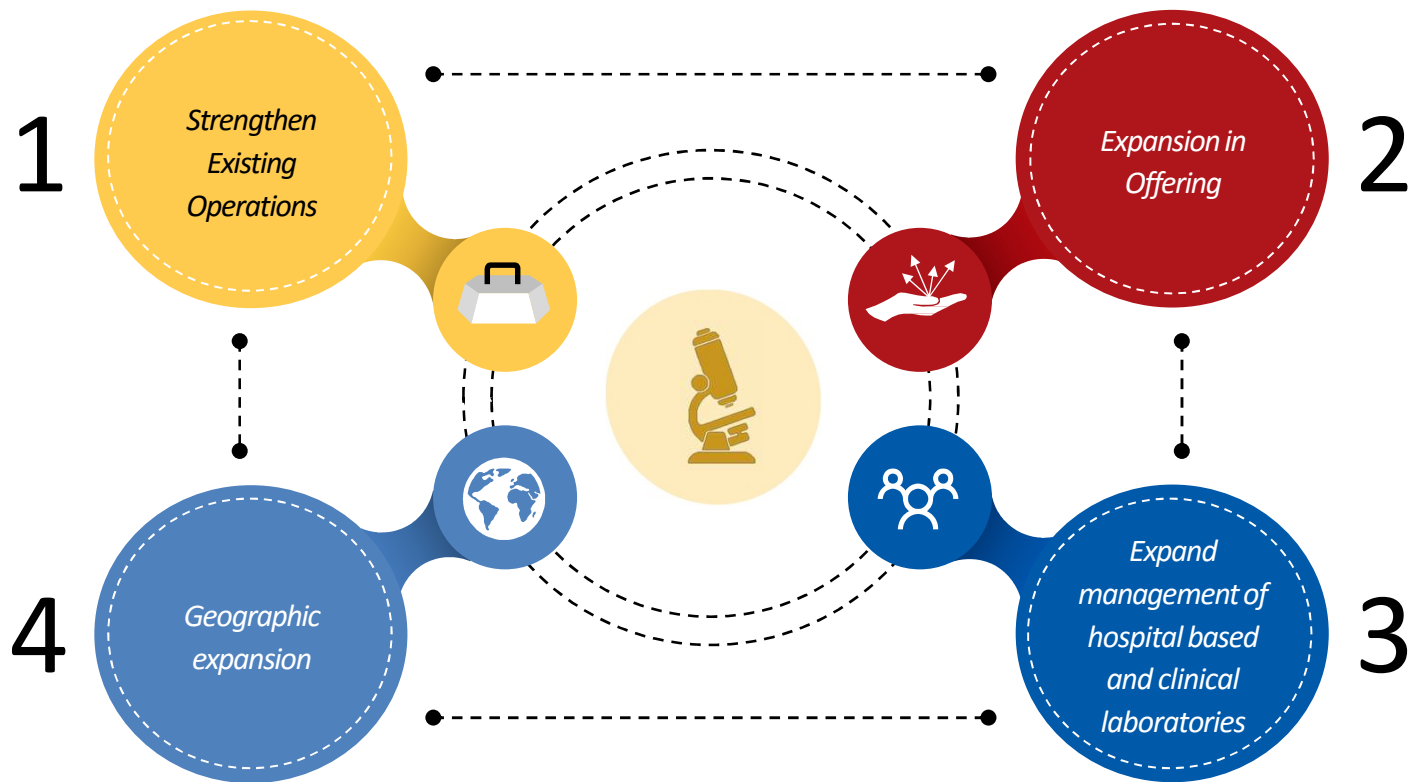
[DLPL Strategy for future growth](#)

[Experienced Management team](#)

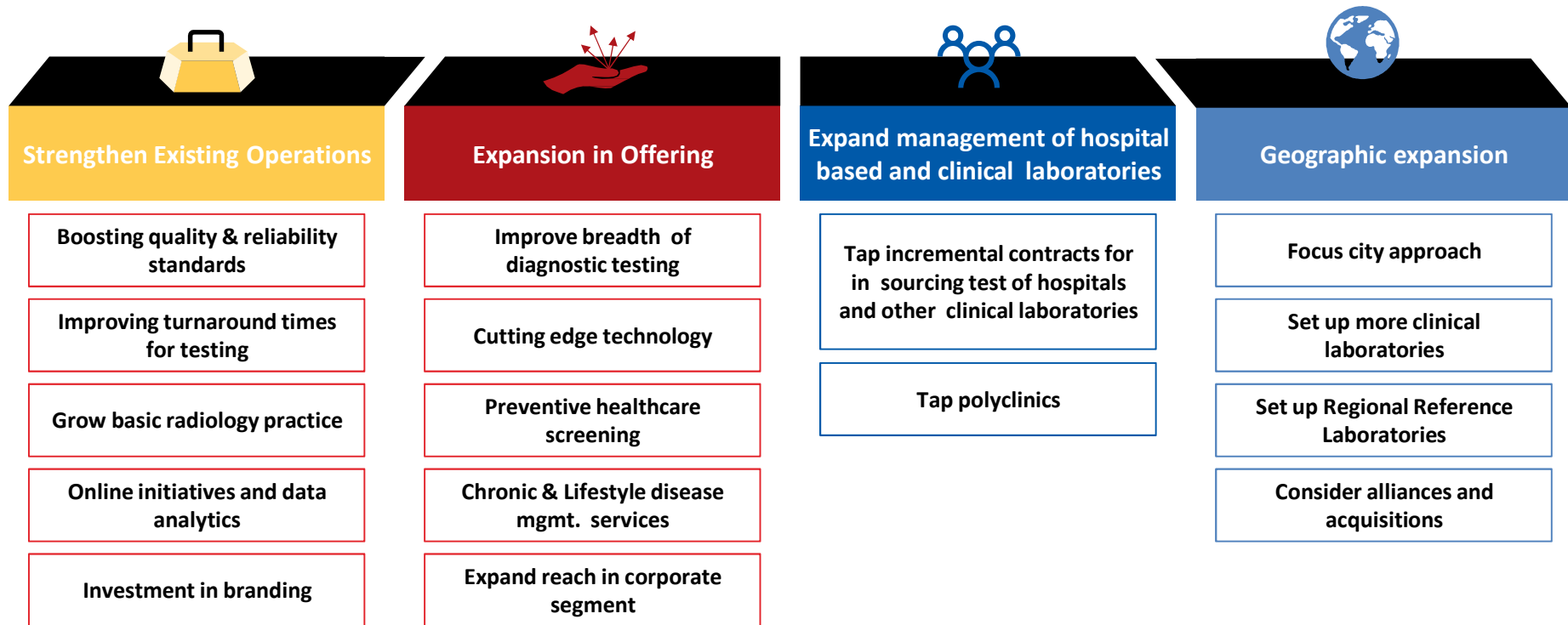




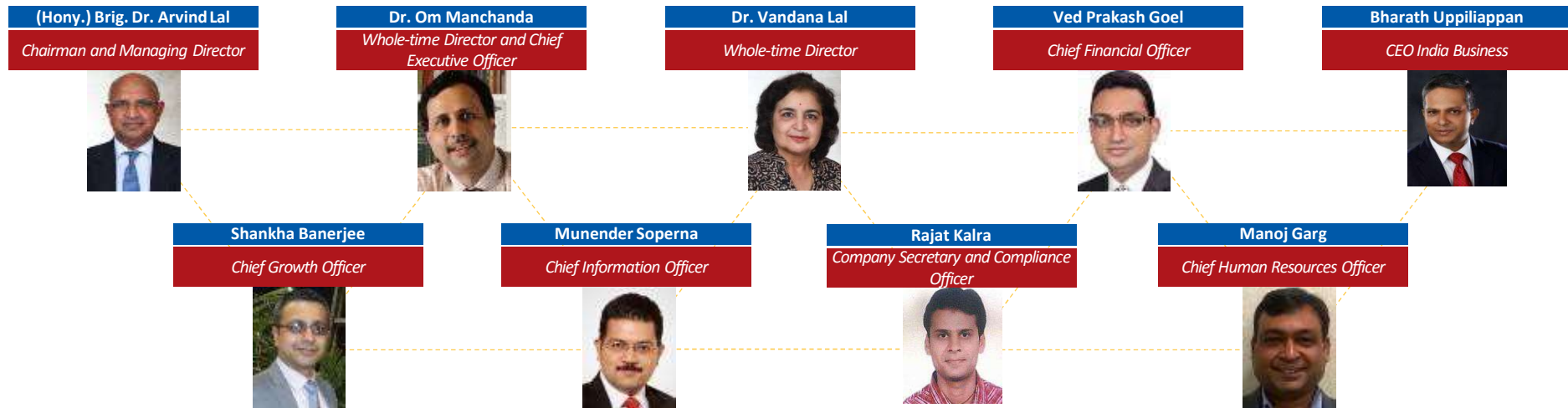
# DLPL Strategy for future growth



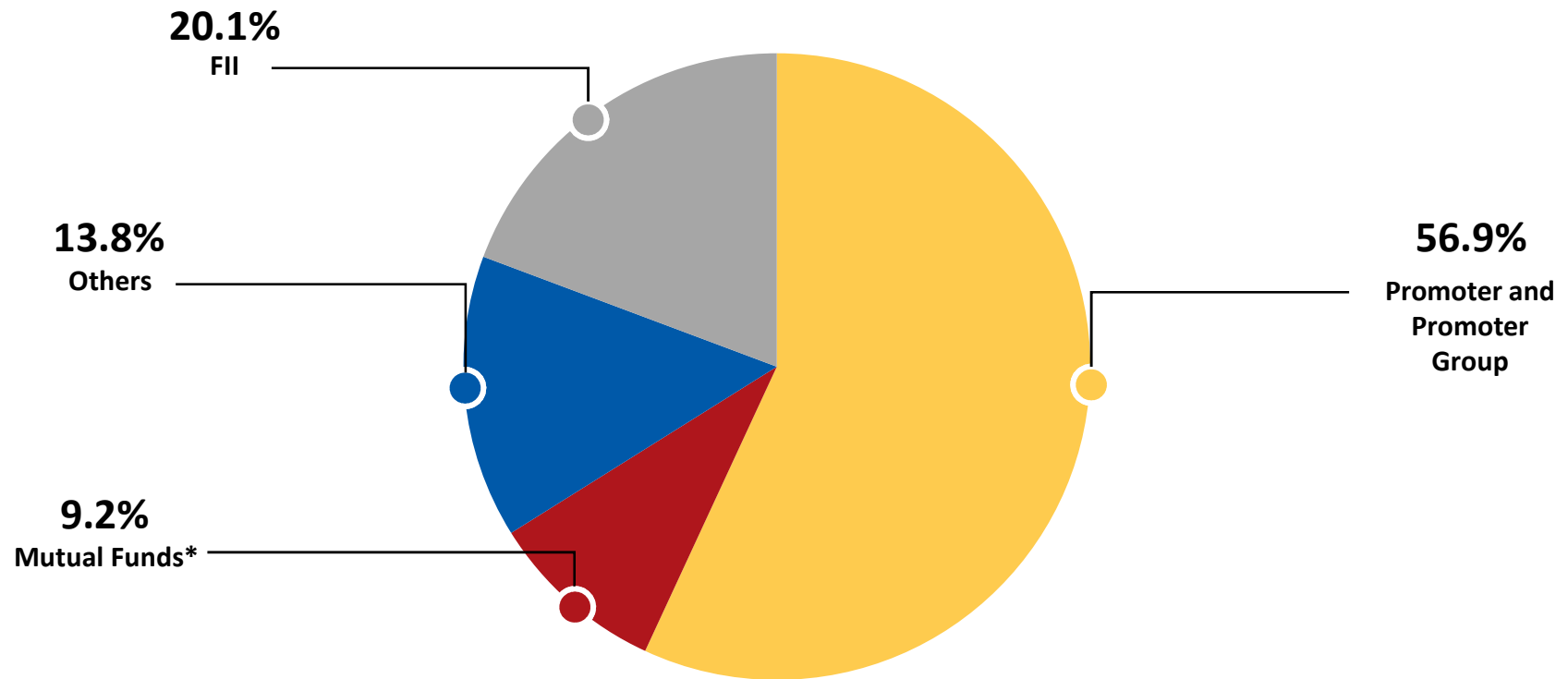
# DLPL Strategy for future growth



# Experienced Management team



## Shareholding as of 30th September, 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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**Ved Goel / Rajat Kalra**

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