

August 16, 2018

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: Corporate Presentation for Q1 FY19

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 Q1 FY19.

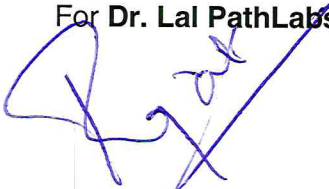
The aforesaid presentation is also available on the Company's website - www.lalpathlabs.com

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 Limited



Corporate Presentation

August 2018

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Table of Contents

- 1 Company Overview**
- 2 Investment Highlights**
- 3 Q1 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 – 2018

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 **193** clinical labs (including National Reference Lab¹ at Delhi and Regional Ref Lab at Kolkata), **2,153** Patient Service Centers (PSCs) and **5,624** Pick-up Points (PUPs)²

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

Collected and processed **~34.7 mn** samples from **~15.2 mn** patients in FY18; **~29.3 mn** samples from **~13.3 mn** patients in FY17; **~26.3mn** samples from **~12.0mn** patients in FY16

Customers include individual patients, corporates and institutions, healthcare providers as well as hospital and clinical labs (lab management)

~4,316 employees including full time consultants, pathologists, phlebotomists and radiologists²

Q1 FY19: Revenue: **INR 2,923 mn**; EBITDA: **INR 793 mn**³ (Margin: **27.1%**); PAT: **INR 497 mn** (Margin: **17.0%**);
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



NABL

30 Labs²



ISO15189:2007
ISO9001:2008
ISO27001:2013

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

Chief Operating Officer



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 2026

7.6%
GDP growth in FY16¹

INR 4.2 trillion
FY14 India healthcare expenditure

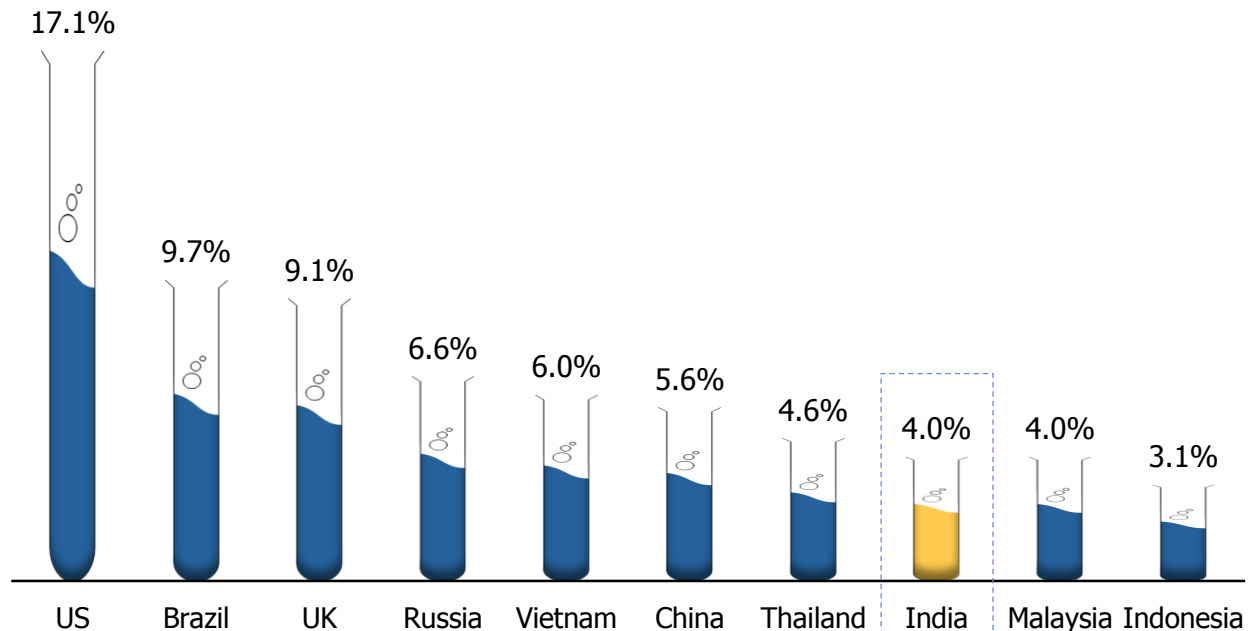
~68%
Private expenditure on healthcare in 2013

12% CAGR
Expected healthcare delivery market growth over the next 5 years

INR 175 bn
Health insurance premium market²
– growing rapidly given low insurance coverage

India, highly underpenetrated market

Total Healthcare Expenditure as % of GDP (2013)



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

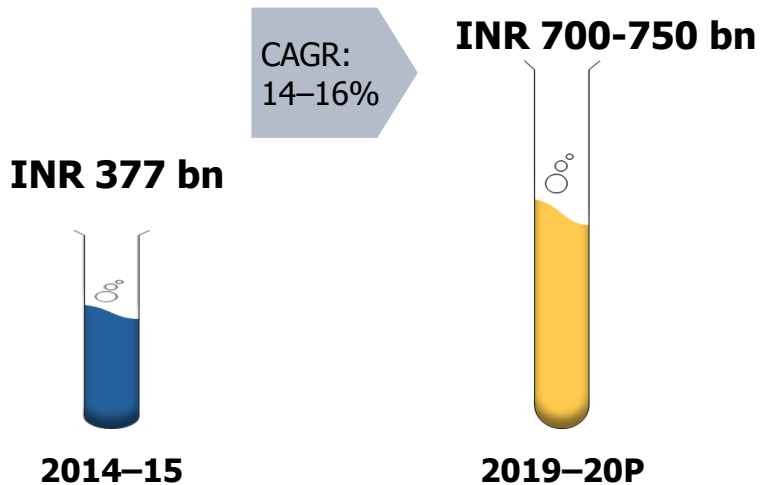
1. Financial Year ending March 31st.

2. Source: Report of the Insurance Regulatory and Development Authority ("IRDA")

INR 377 bn Diagnostic Services industry expected to grow to INR 700 bn by FY20

1

Diagnostic Services Industry Size

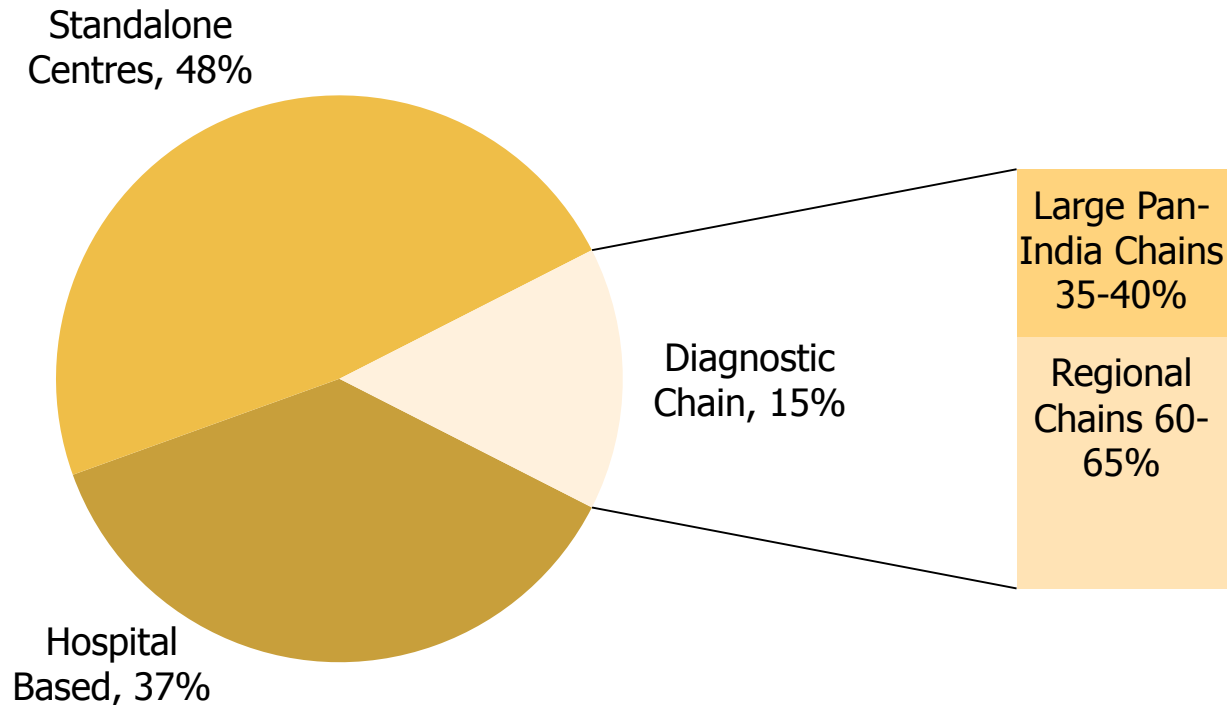


Screening, early detection, and monitoring reduce downstream costs

Growth Drivers

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

Highly Fragmented Industry



Largely fragmented and unorganized

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

Pillars of a Strong Brand

Accreditations

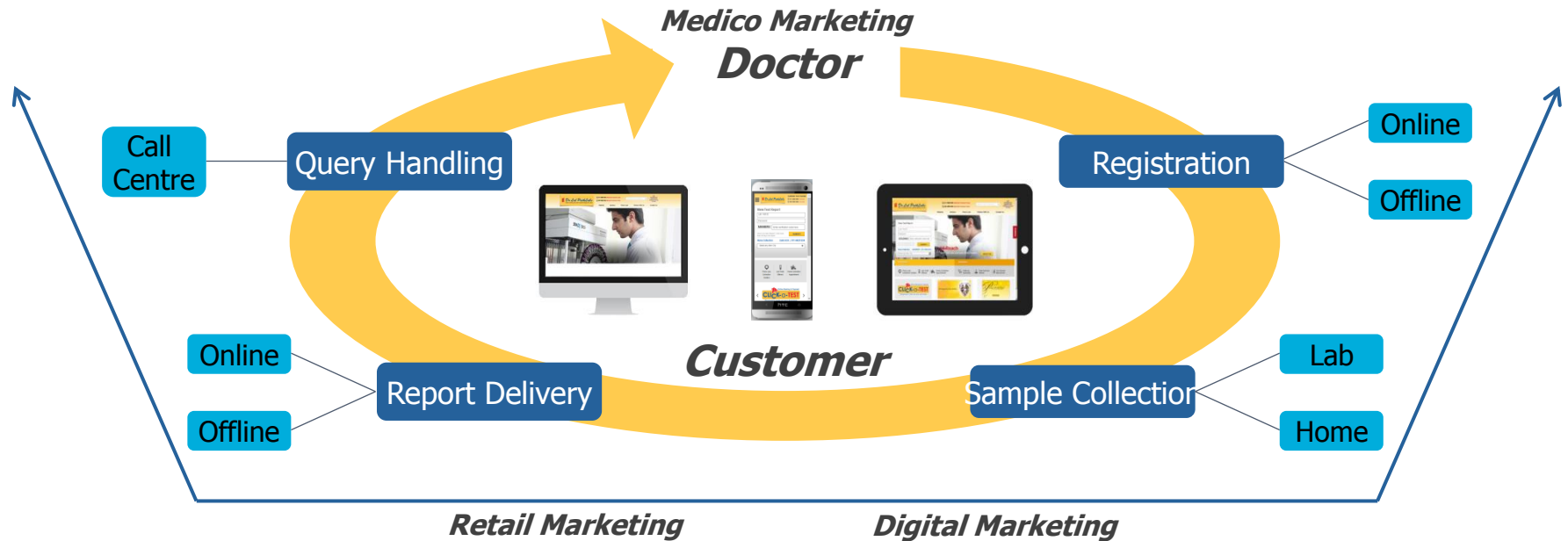
- Accreditations from CAP, NABL and ISO
- Centrally administered surveillance programs

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



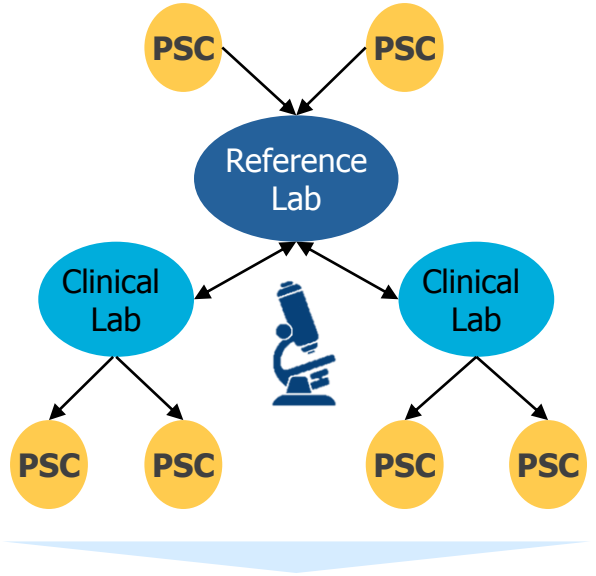
- Single brand pulls patients

- Walk-in customers account for highest share of revenues

- Diverse and large customer pool

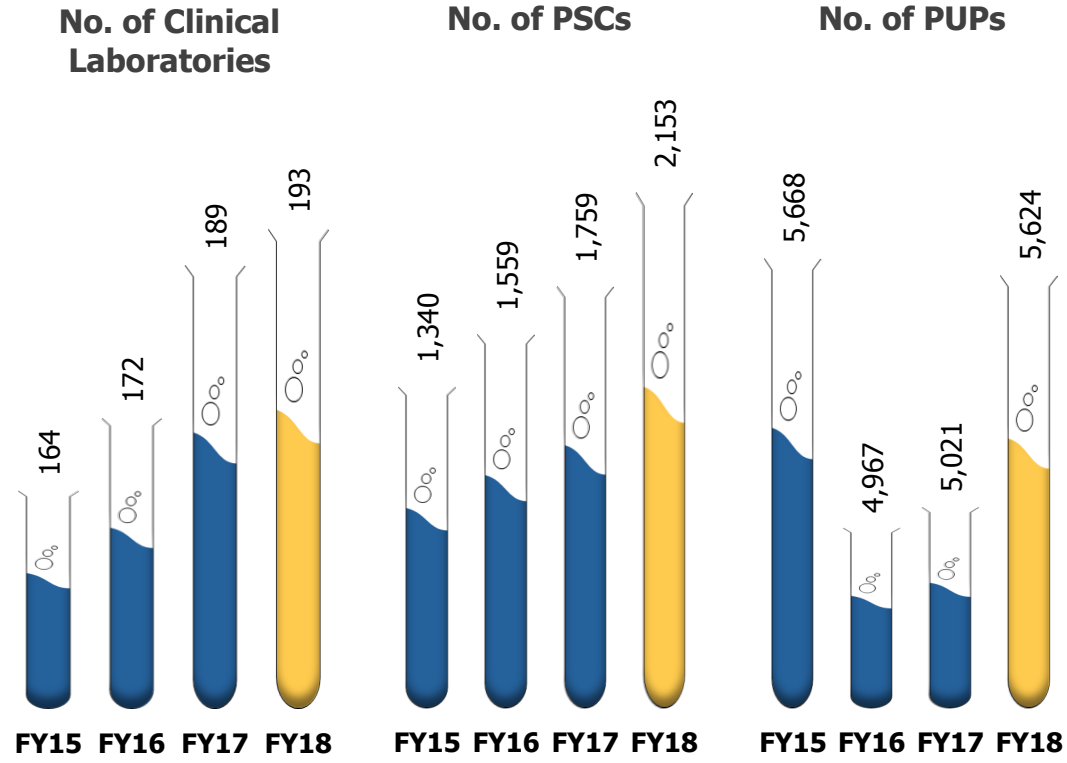
Scalable Model integrated through centralized IT platform allows for network expansion

Hub and Spoke Model



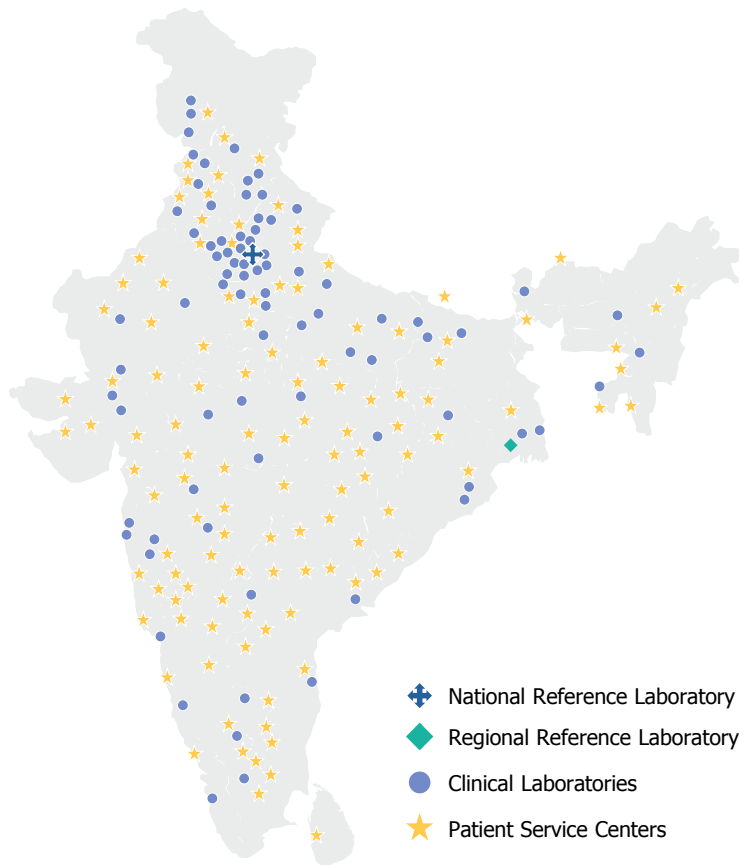
- Centralized diagnostic testing provides greater economies of scale
- PSCs and PUPs facilitate penetration within region and expand reach

Network Expansion



1. Includes National Reference Laboratory.

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

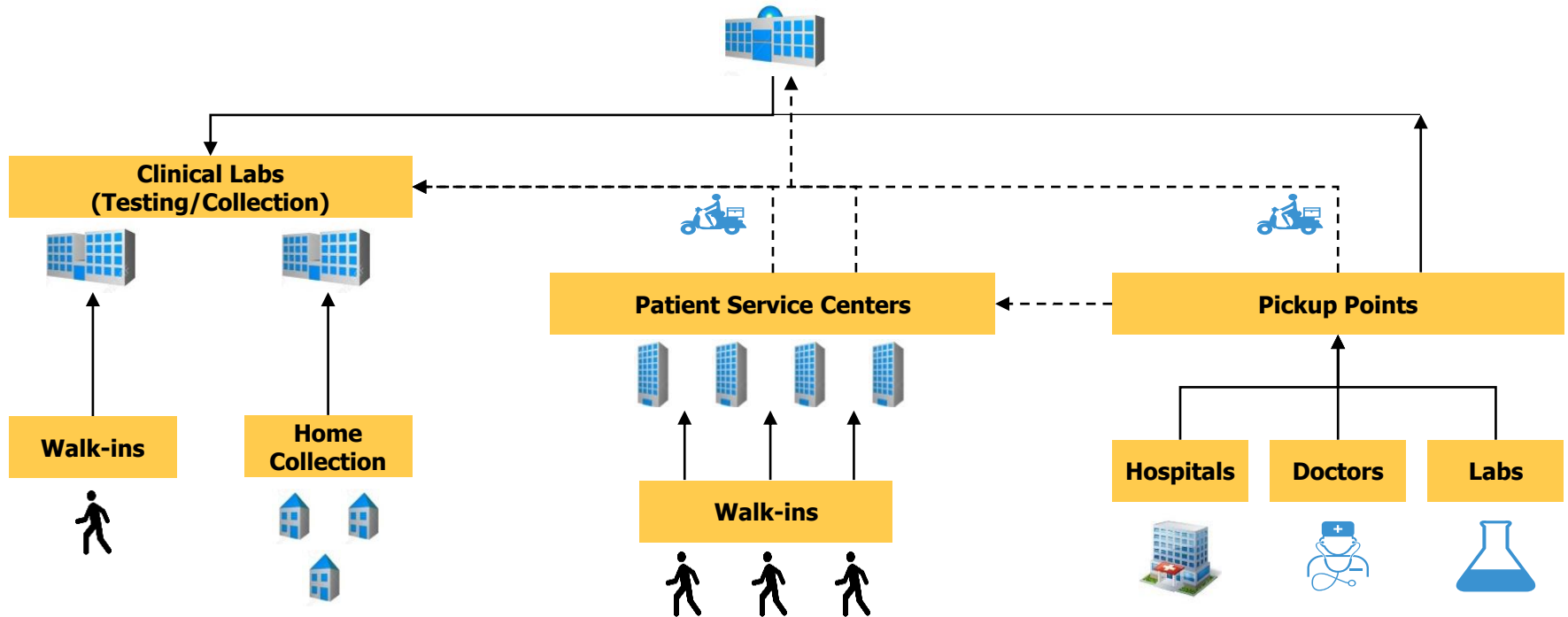
- Bi-directional interface; tracks specimen collection, shipping and testing in real time
- Assigns unique ID / barcode for each sample

Data Collection and Analytics

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

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

National Reference Lab & Regional Ref. Lab



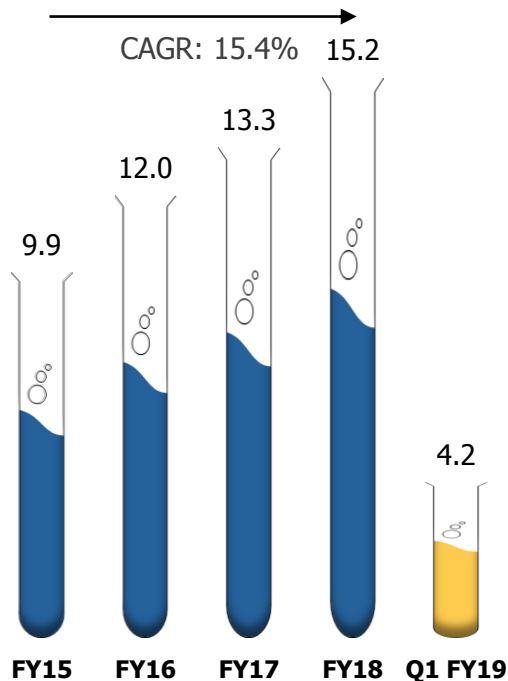
- Single brand pulls patients

- Walk-in customers account for highest share of revenues

- Diverse, large customer pool offers monetization opportunities

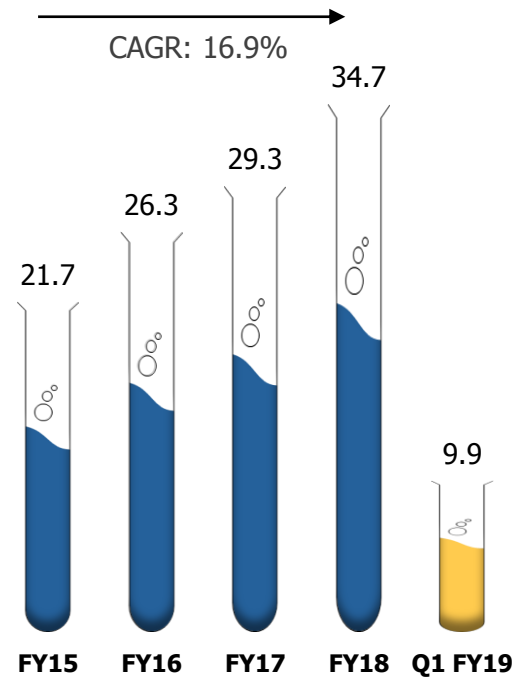
No. of patients (Mn)

- Consumer brand and network expansion driving patient volumes



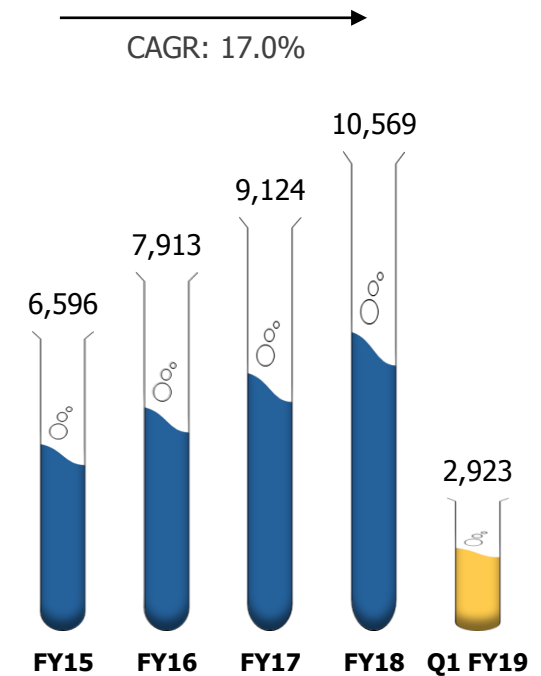
No. of samples (Mn)

- Increase in samples with patient volumes growth



Total Revenue (INR mn)

- Q1 FY19 Revenues increased on account of :
 - Marked gains in patient volumes at 18.1%
 - Increase in tests per patient at 2.34 vs 2.21



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

North India

East India

**South and
West India**

*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*

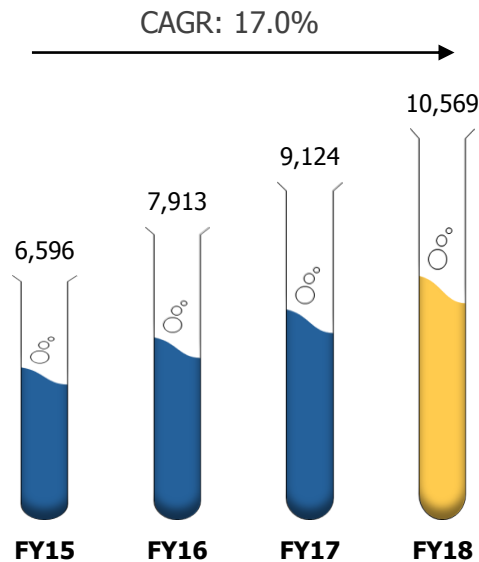
**Marketing to HR
departments** and other
decision makers

Healthcare packages
across test types

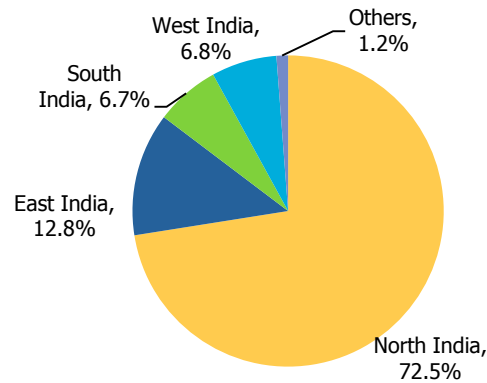
Robust financial performance

5

Total Revenue INR (Mn)

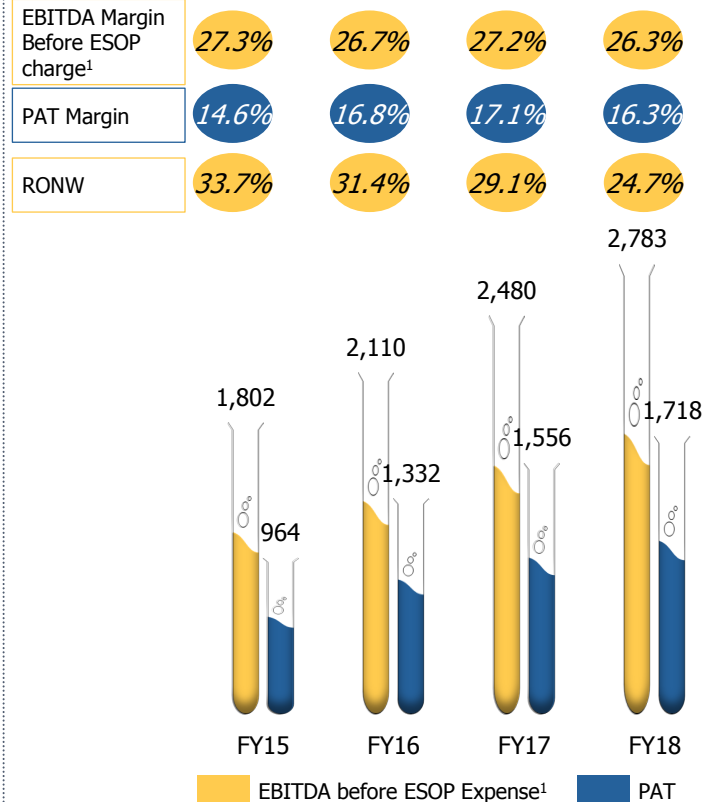


Revenue by Geography (FY18) (%)



Geography	FY14-18 CAGR (%)
North India	17.0%
East India	19.1%
South India	24.6%
West India	11.1%
Others	23.1%

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

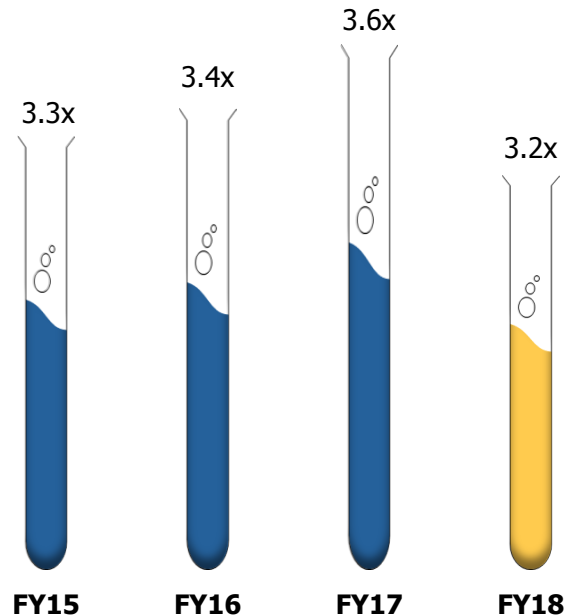


- Growth driven primarily by increasing patient volumes, samples and higher revenue realization per patient
- Increase in operating margin due to economies of scale

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 242 mn in FY15, 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.

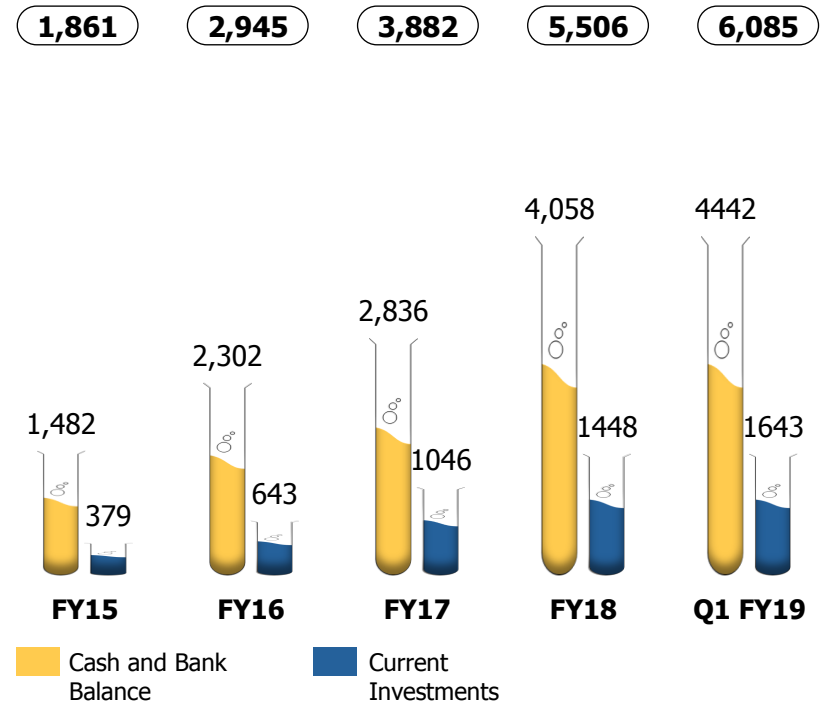
Fixed Asset Turnover¹

(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 / Gross Fixed Assets. FY18 Fixed Asset Turnover as per IndAS is 6.6x

Q1 FY19 Highlights & Financial Performance

Q1 FY19 Snapshot

17.3%



Revenues

INR **2,923** mn

Samples
Processed

~**9.90** mn

16.7%



EBITDA

INR **793** mn

Patients
Tested

~**4.23** mn

11.7%



PAT

INR **497** mn

Total
Employees*

~**4,316**

*As on March 31, 2018,

Key Performance Highlights

Trend of volume improvement continues in Q1. Patient volumes and tests per patients show healthy increase.

During Q1 FY19:

- Revenues increased to Rs. 2,923 million in Q1 FY19, up 17.3% driven by 18.1% volume improvement
- Number of patients tested stood at 4.23 million in Q1
- Normalised EBITDA (after eliminating the impact of RSU, other stock based remuneration charges and CSR) stood at Rs. 793 million showing gains of 16.7%

Cash, FDs and Liquid Investments at Rs. 6,085 million as at June 30, 2018 from Rs. 5,506 million as at March 31, 2018. Cash increased by Rs. 1,859 mn from June 2017

Key focus areas include 'SwasthFit', digital technology, enhancing customer experience and specialized tests. Key features of performance will be:

- Consumer centricity of brand to draw in higher share of patients; to be aided by more visibility online
- Bundled tests to enhance utilization across testing network, building out new stream of growth
- Continued emphasis on margins through cost containment and productivity gains

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.

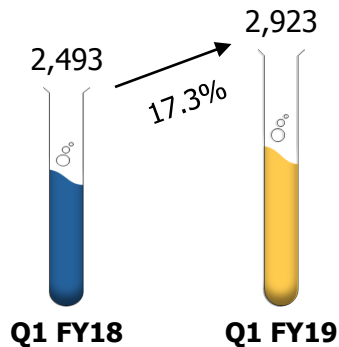
Financial Table

Particulars (Rs. mn)	Q1 FY19	Q1 FY18	Growth %	FY2018
Total Revenue	2,922.8	2,492.6	17.3%	10,569.2
Total Expenditure	2,172.5	1,837.5		7,929.2
EBITDA	750.3	655.1	14.5%	2,640.0
Adj for RSU, and stock based comp. & CSR Cost	43.0	24.8		142.7
Normalised operating EBITDA	793.3	679.9	16.7%	2,782.7
<i>Normalised Margins</i>	<i>27.1%</i>	<i>27.3%</i>		<i>26.3%</i>
Other income incl interest	93.7	74.6		312.2
PBT	753.5	660.3	14.1%	2,613.2
<i>Margins</i>	<i>25.8%</i>	<i>26.5%</i>		<i>24.7%</i>
PAT	496.5	444.3	11.7%	1,717.9
<i>Margins</i>	<i>17.0%</i>	<i>17.8%</i>		<i>16.3%</i>
EPS (Basic)	6.00	5.40	11.1%	20.85
EPS (Diluted)	6.00	5.40	11.1%	20.82

Financial Highlights

Revenues

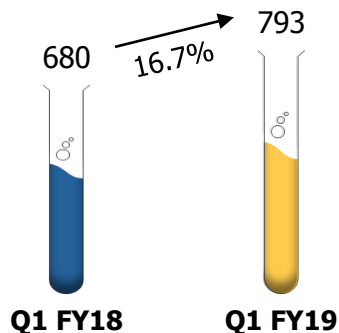
All figures in Rs. mn



- Q1 reported continued improvement in revenues at 17.3% to Rs. 2,923 million. Key aspects of performance were:
 - Marked gains in patient volumes at 18%
 - Increase in tests per patient at 2.34 Vs. 2.21

- Realisation per patient stood largely flat at Rs. 691 Vs. Rs. 694 last year mainly due to price rationalisation in select market and product offerings

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



- Q1 normalised operating EBITDA (after eliminating the impact of RSU, other stock based remuneration charges and CSR cost) showed growth of 16.7% :
 - Sustained drive to improve productivity
 - Measures to contain cost

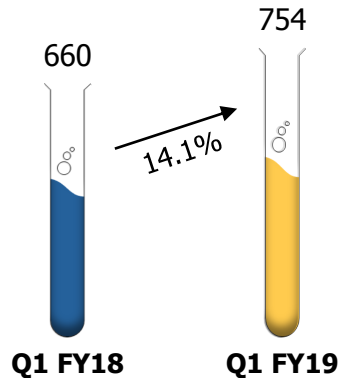
- Q1 Normalised EBITDA margin maintained at 27.1% compared to 27.3% in Q1 FY18

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

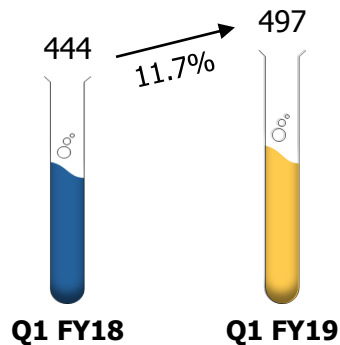
All figures in Rs. mn



- Q1 PBT stood at Rs. 753.5 million vs. Rs. 660.3 million in same quarter last year

- PBT margin came in at 25.8% during the quarter – marginally lower than previous year at 26.5%

PAT



- Q1 PAT came in at Rs. 496.5 million as compared to Rs. 444.3 million in the same period last year, representing a growth of 11.7%

- Q1 PAT margin stood at 17.0%

LPL 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

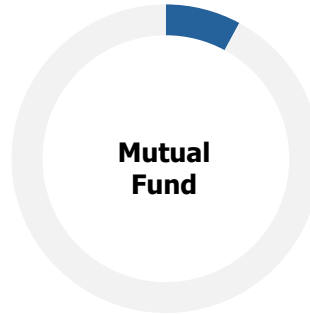
- **Shareholding as of 30th June, 2018**

Shareholding as of 30th June, 2018

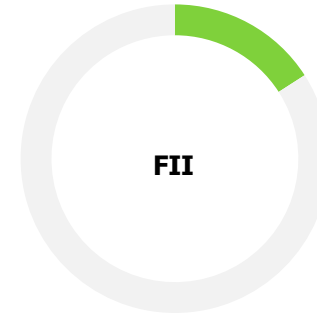
57.4%



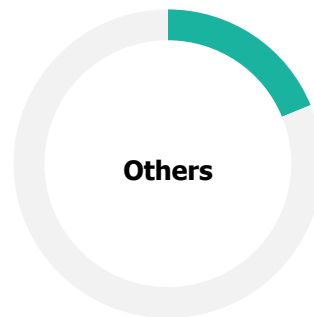
7.9%



15.9%



18.8%



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, 2018 DLPL's has 193 clinical labs (including National Reference Lab at Delhi), 2153 Patient Service Centers (PSCs) and 5624 Pick-up Points (PUPs). In FY17 & FY18, DLPL collected and processed approximately 29.3 million samples and 34.7 million samples from approximately 13.3 million and 15.2 million patients, respectively.

Additional information on Dr Lal PathLabs Limited:

Corporate Identification No: L74899DL1995PLC065388

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

* As on 31 March 2017

For further information please contact:

Ved Goel / Rajat Kalra

Dr. Lal PathLabs Limited

Tel: +91 124 301 6500

Fax: +91 124 423 4468

E-mail: Ved.Goel@lalpathlabs.com/Rajat.Kalra@lalpathlabs.com

Siddharth Rangnekar / Nishid Solanki

CDR India

Tel: +91 22 66451209 / 1221

Fax: +91 22 66451213

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