

November 10, 2017

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, which the Company proposes to share with analysts/investors.


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

November 2017

Table of Contents

- 1 Our Evolution**
- 2 Dr Lal PathLabs at a glance**
- 3 Experienced Management team**
- 4 Investment Highlights**
- 5 Key Q2 & H1 FY18 Highlights**
- 6 Q2 & H1 FY18 Financial Performance**
- 7 LPL Strategy for future growth**
- 8 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.

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 – 2017

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 listing in Dec 2015
- Initiated process to set up new Regional Reference Lab in Kolkata

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 **189** clinical labs (including National Reference Lab¹ at Delhi), **1,759** Patient Service Centers (PSCs) and **5,021** Pick-up Points (PUPs)²

Catalogue of **1,110** test panels, **2,028** pathology tests and **1,561** radiology and cardiology tests²

Collected and processed **~17.0 mn** samples from **~7.6 mn** patients in H1 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)

~4,265 employees including full time consultants, pathologists, phlebotomists and radiologists²

H1 FY18: Revenue: **INR 5,274mn**; EBITDA: **INR 1,487mn**⁴ (Margin: **28.2%**); PAT: **INR 955mn** (Margin: **18.1%**);
FY17: Revenue: **INR 9,124mn**; EBITDA: **INR 2,461mn**³ (Margin: **27.0%**); PAT: **INR 1,548mn** (Margin: **17.0%**)

Test Menu

Routine testing

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

Specialized testing

- Molecular diagnostics
- Flowcytometry
- Genetics / Cytogenetics
- Histopathology

Accreditations



NABL

27 Labs



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



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

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

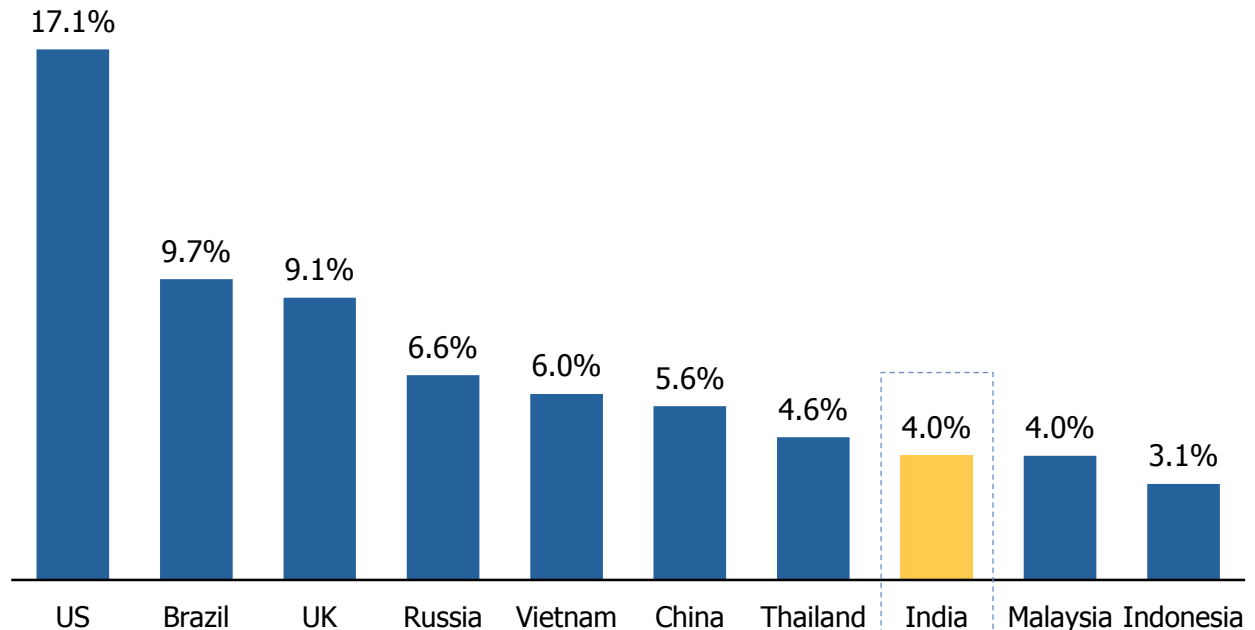
~68%
Private expenditure on healthcare in 2013

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)

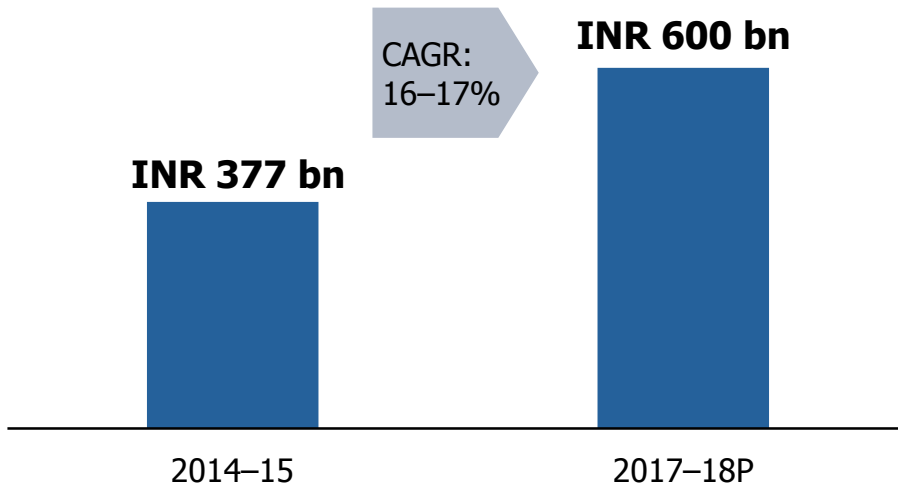


Source: CRISIL Report titled "Assessment of Diagnostics Industry in India".

1. Financial Year ending March 31st.

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

Diagnostic Services Industry Size

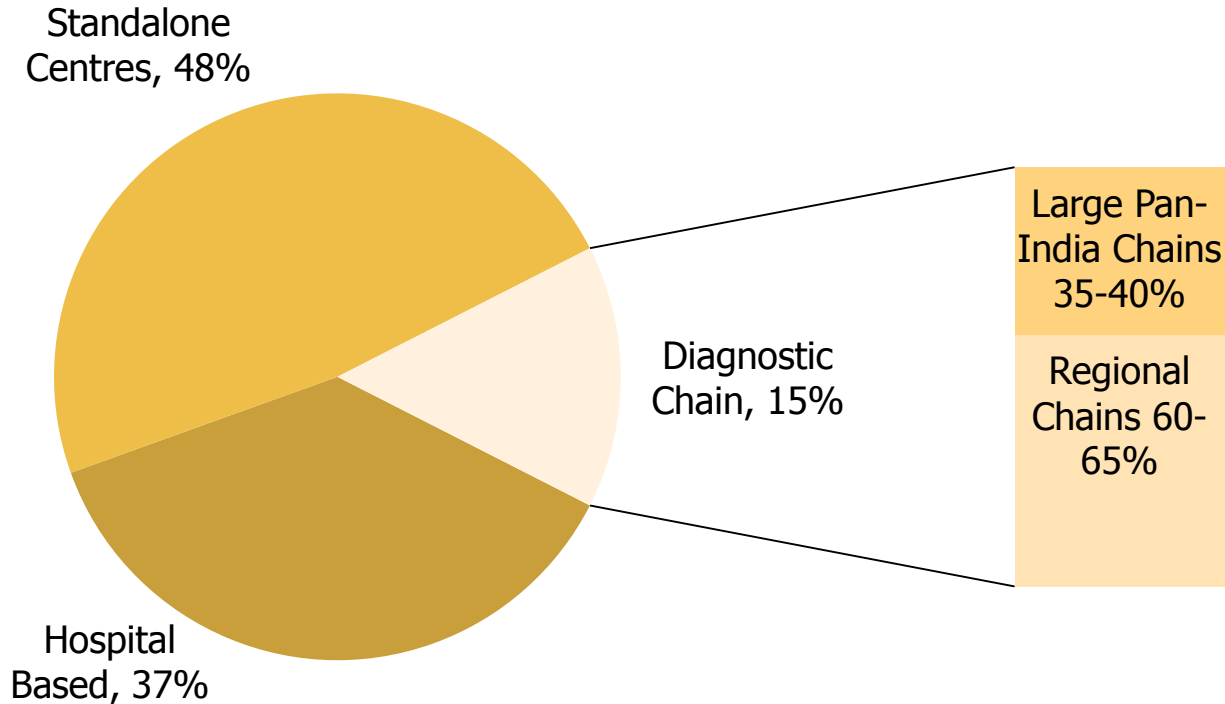


Screening, early detection, and monitoring reduce downstream costs

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

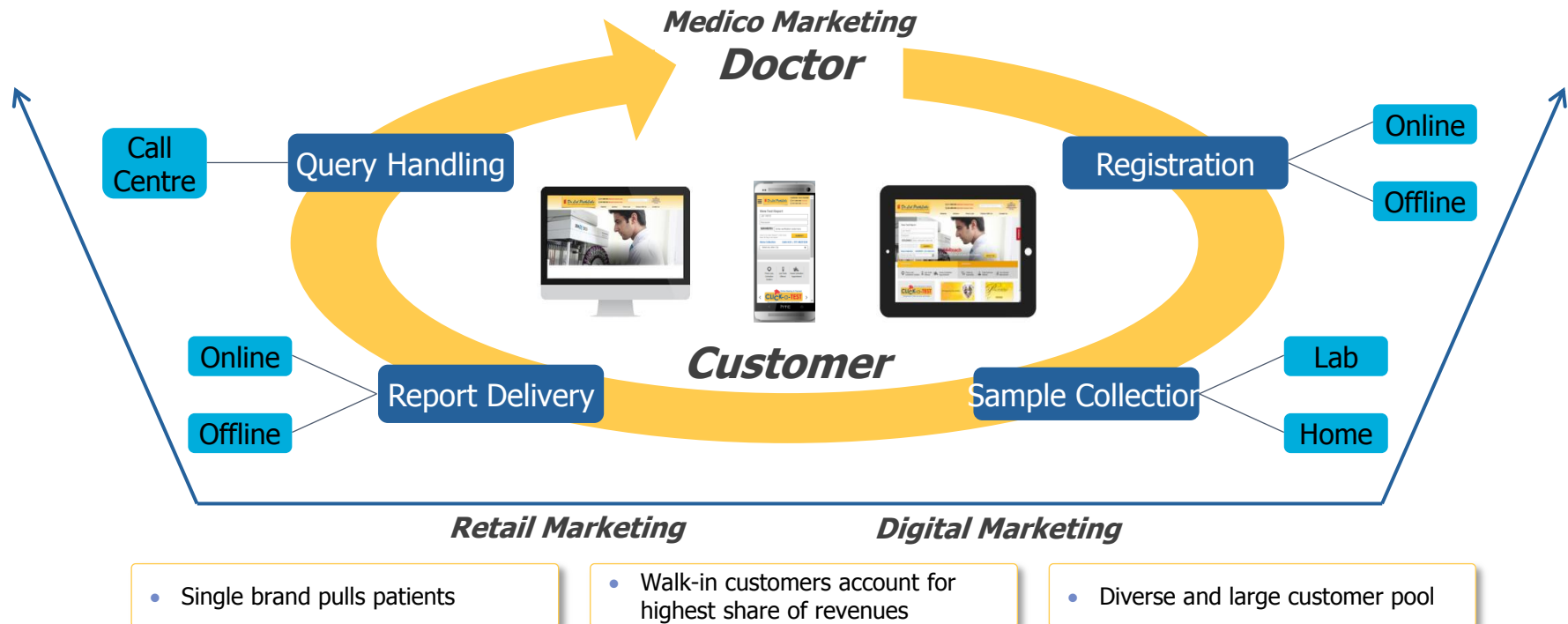
- Accreditations from CAP, NABL and ISO
- Centrally administered surveillance programs

Nationwide Network

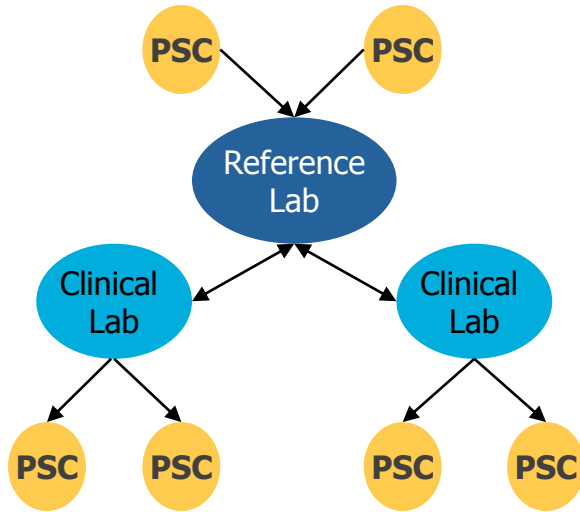
- Coverage in metros, Tier 1 and Tier 2 cities
- Wide reach through PSCs and PUPs

Fast Turnaround Time

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



Hub and Spoke Model

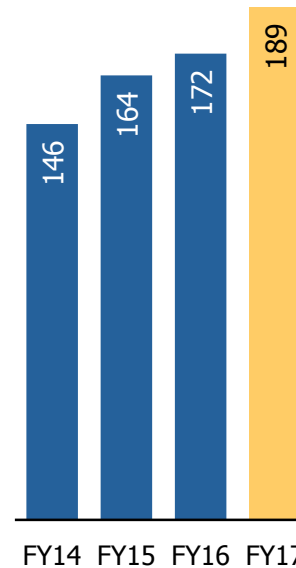


- Centralized diagnostic testing provides greater economies of scale
- PSCs and PUPs facilitate penetration within region and expand reach

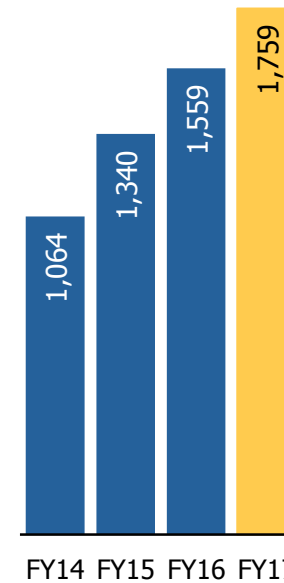
1. Includes National Reference Laboratory.

Network Expansion

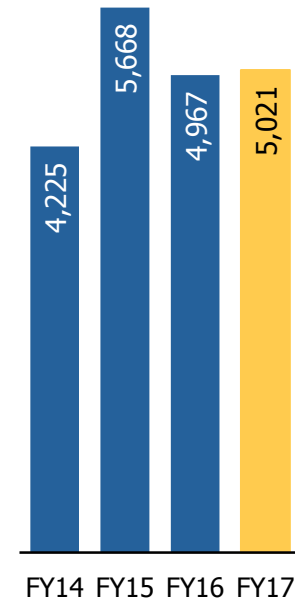
No. of Clinical Laboratories



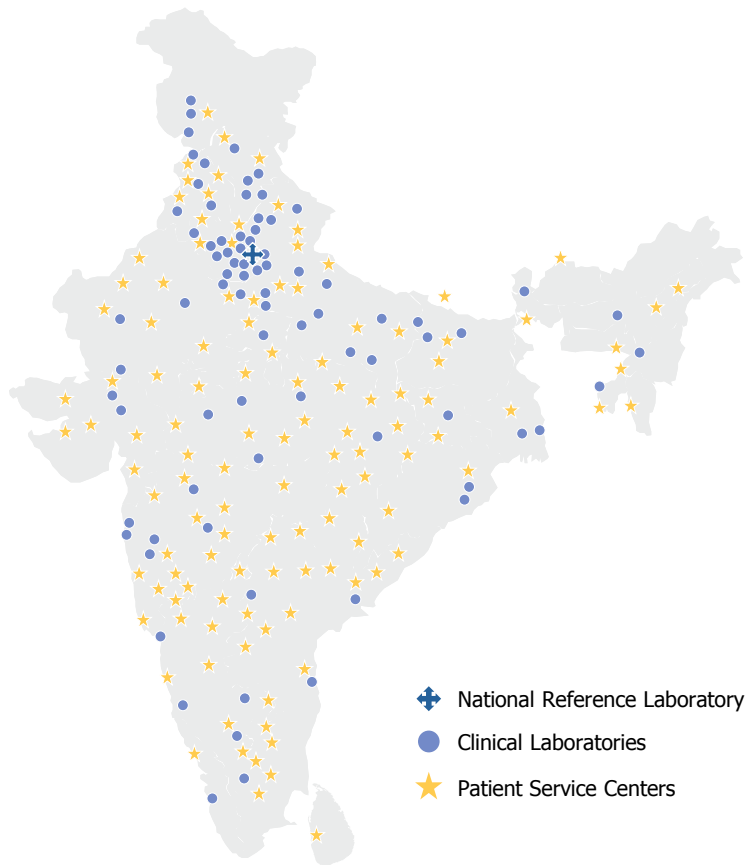
No. of PSCs



No. of PUPs



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

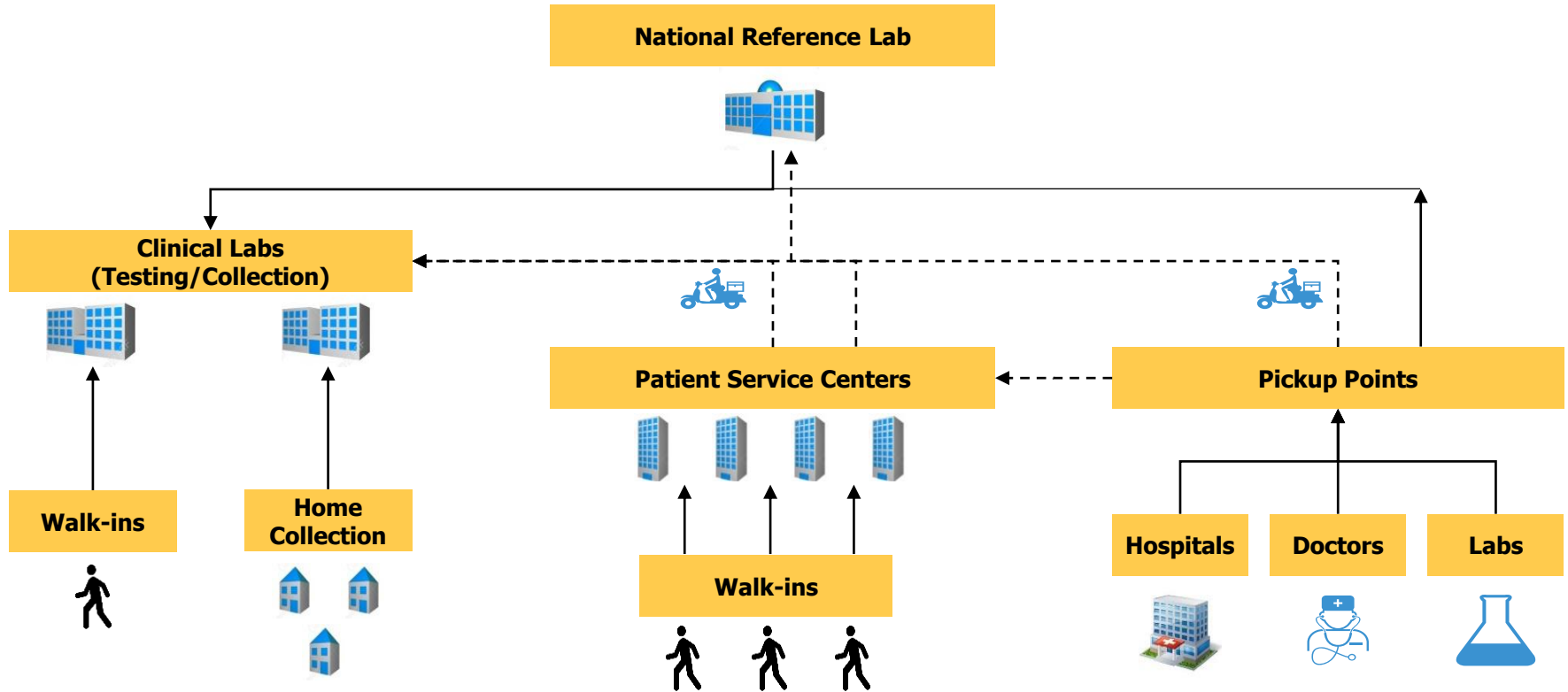
Laboratory Information Management System

- 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



- Single brand pulls patients

- Walk-in customers account for highest share of revenues

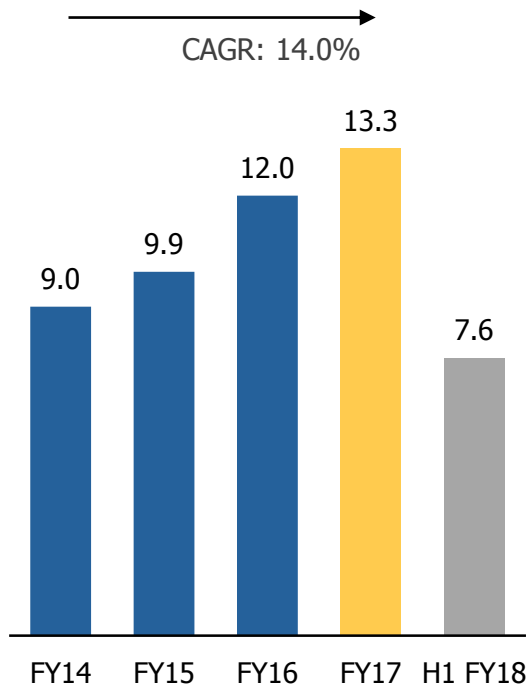
- Diverse, large customer pool offers monetization opportunities

No. of patients

(Mn)

- Consumer brand and network expansion driving patient volumes

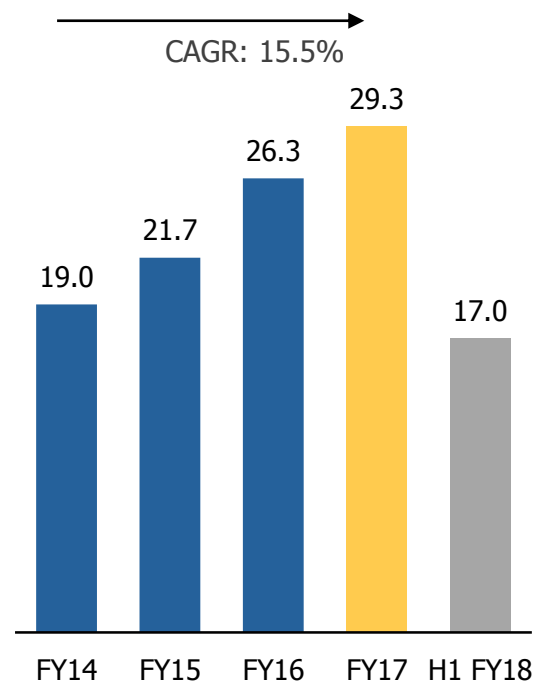
CAGR: 14.0%

**No. of samples**

(Mn)

- Increase in samples with patient volumes growth

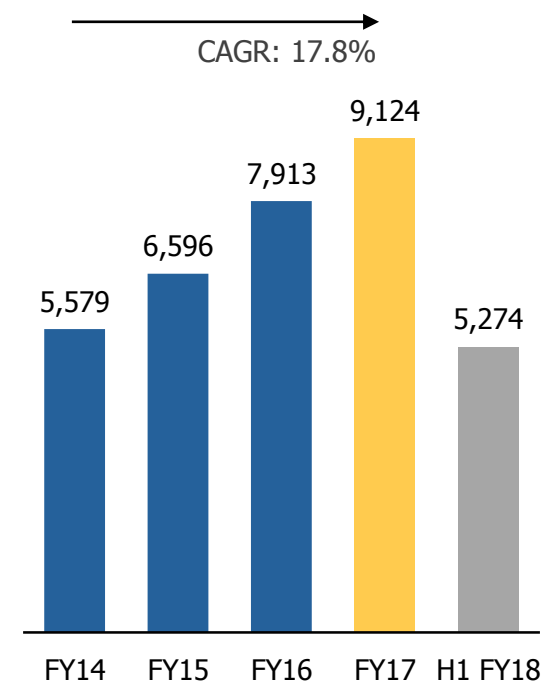
CAGR: 15.5%

**Total Revenue**

(INR mn)

- Higher revenue realization per patient on account of:
 - Growth in walk-in customers
 - Higher no. of tests per patient
 - Demand for "higher-end" tests

CAGR: 17.8%



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 (such as in Lucknow)
 - 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

*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*

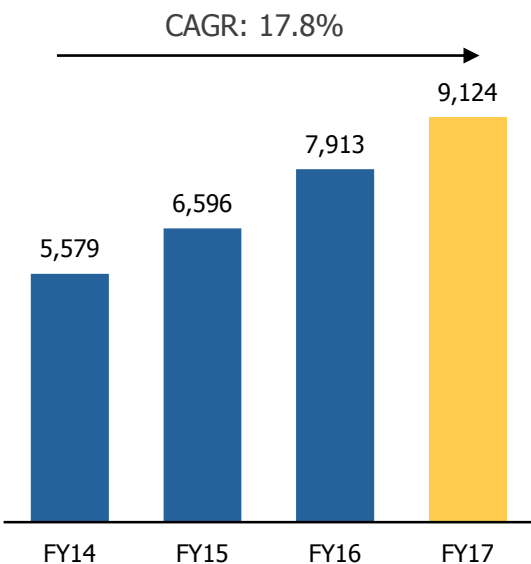
**Marketing to HR
departments** and other
decision makers

Healthcare packages
across test types

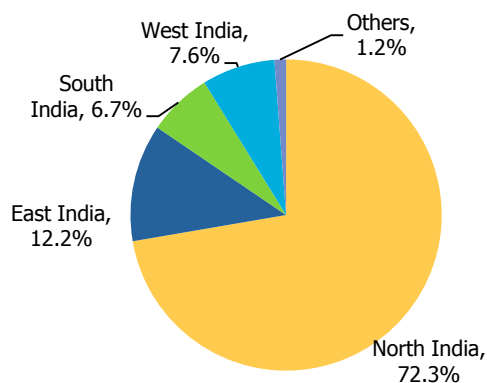
Robust financial performance

5

Total Revenue INR (Mn)

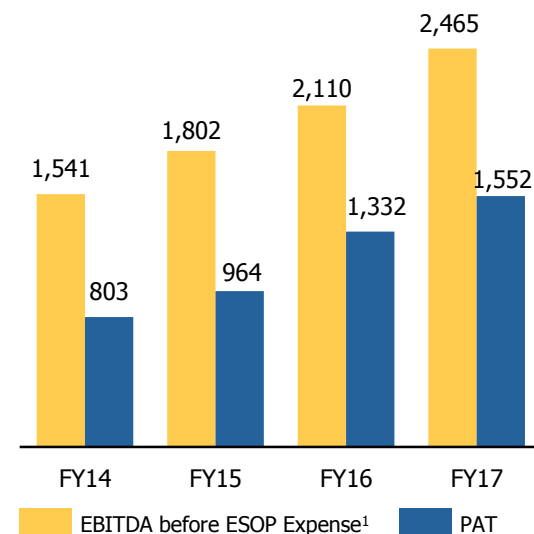
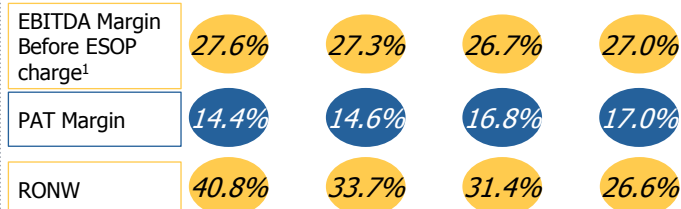


Revenue by Geography (FY17) (%)



Geography	FY14-17 CAGR (%)
North India	17.3%
East India	18.3%
South India	28.0%
West India	13.5%
Others	24.9%

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

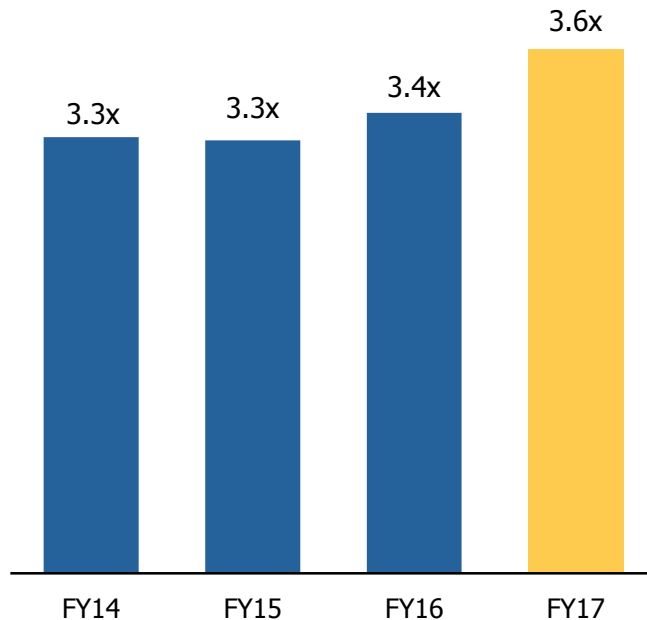


- Growth driven primarily by increasing patient volumes, samples and higher revenue realization per patient
- Increase in operating margin due to economies of scale

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 155 mn in FY14, INR 242 mn in FY15, INR 8.9 mn in FY16. ESOP/RSU/ESPS charge of INR 80.5 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. Also, FY14 PAT is based on restated figures as disclosed in our prospectus.

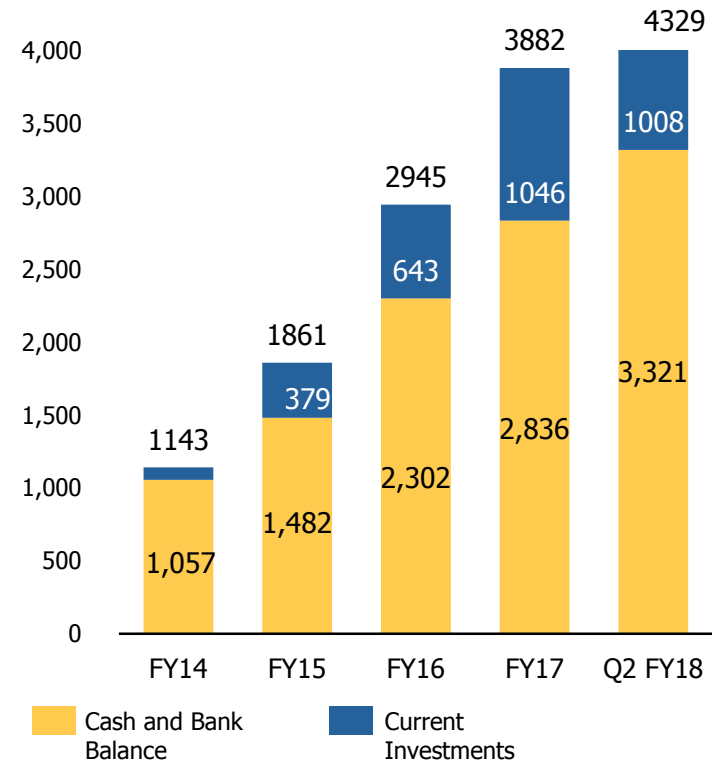
Fixed Asset Turnover¹

(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

Key Q2 FY18 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. 4,329 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

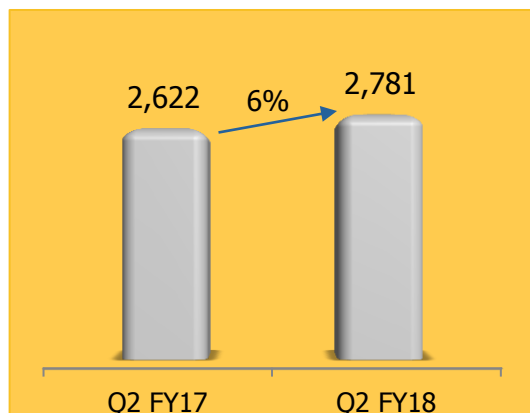
Note: Financial results of the Company are best monitored on a year to date basis, as there is a certain level of seasonality in business and specific quarter performance may be influenced by certain occurrences in that quarter. All figures in the presentation pertain to the consolidated results

Q2 FY18 Financial Performance

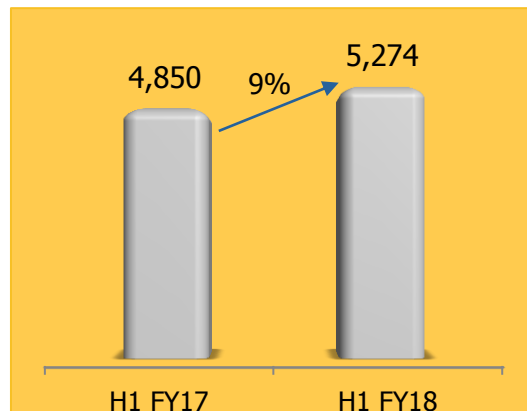
Particulars (Rs. mn)	Q2 FY18	Q2 FY17	Growth %	H1 FY18	H1 FY17	Growth %
Total Revenue	2,781.0	2,621.7	6.1%	5,273.6	4,850.1	8.7%
Total Expenditure	2,002.6	1,821.8	9.9%	3,840.0	3,444.7	11.5%
EBITDA	778.4	799.9	-2.7%	1,433.6	1,405.4	2.0%
RSU and stock based remuneration charge	28.9	19.5		53.7	26.9	
Normalised EBITDA excl RSU	807.3	819.4	-1.5%	1,487.3	1,432.3	3.8%
<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	11.4%	152.0	133.8	13.6%
PBT	778.2	803.1	-3.1%	1,438.4	1,407.9	2.2%
<i>Margins</i>	<i>28.0%</i>	<i>30.6%</i>		<i>27.3%</i>	<i>29.0%</i>	
PAT	510.0	528.8	-3.6%	955.5	927.7	3.0%
<i>Margins</i>	<i>18.3%</i>	<i>20.2%</i>		<i>18.1%</i>	<i>19.1%</i>	
EPS (Basic)	6.19	6.47	-4.4%	11.61	11.35	2.3%
EPS (Diluted)	6.19	6.43	-3.8%	11.60	11.27	3.0%

All figures as per Ind-AS except where stated

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

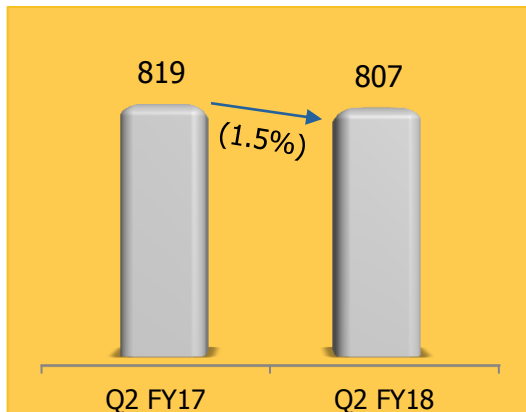


- ❑ Revenues in H1 stood at Rs. 5,273.6 million, an increase of 8.7% mainly driven by volume growth of 7.6%

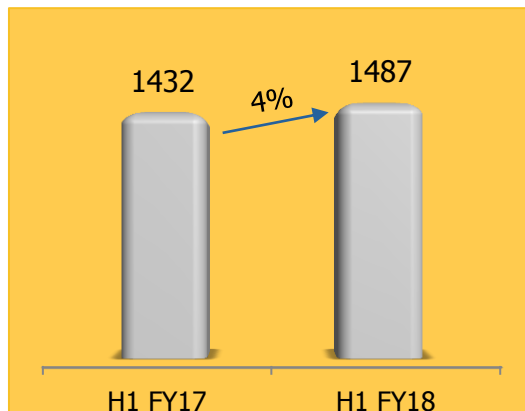
Financial Highlights

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 came in at 29.0%
 - Factors in initiatives to improve productivity and manage cost structures

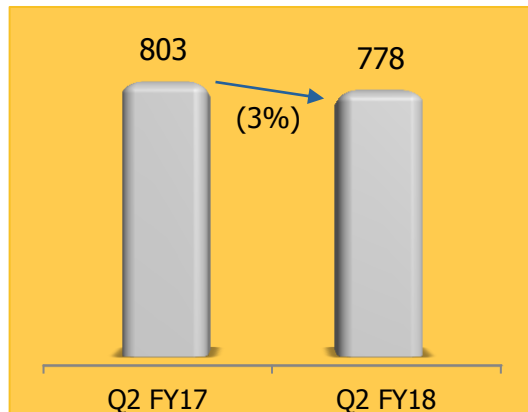


- ❑ H1 normalised EBITDA (after eliminating the impact of RSU and other stock based remuneration charges) improved by 3.8% to Rs. 1,487.3 million
- ❑ H1 normalised EBITDA margin came in at 28.2%

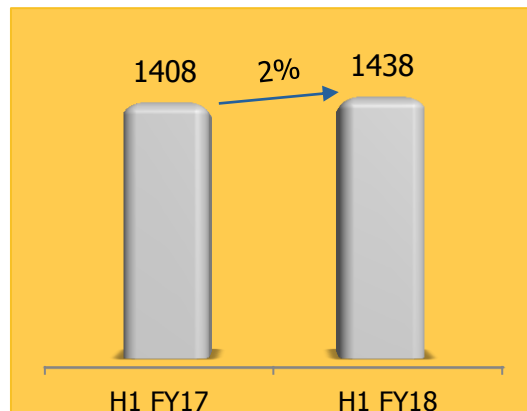
Financial Highlights

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

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

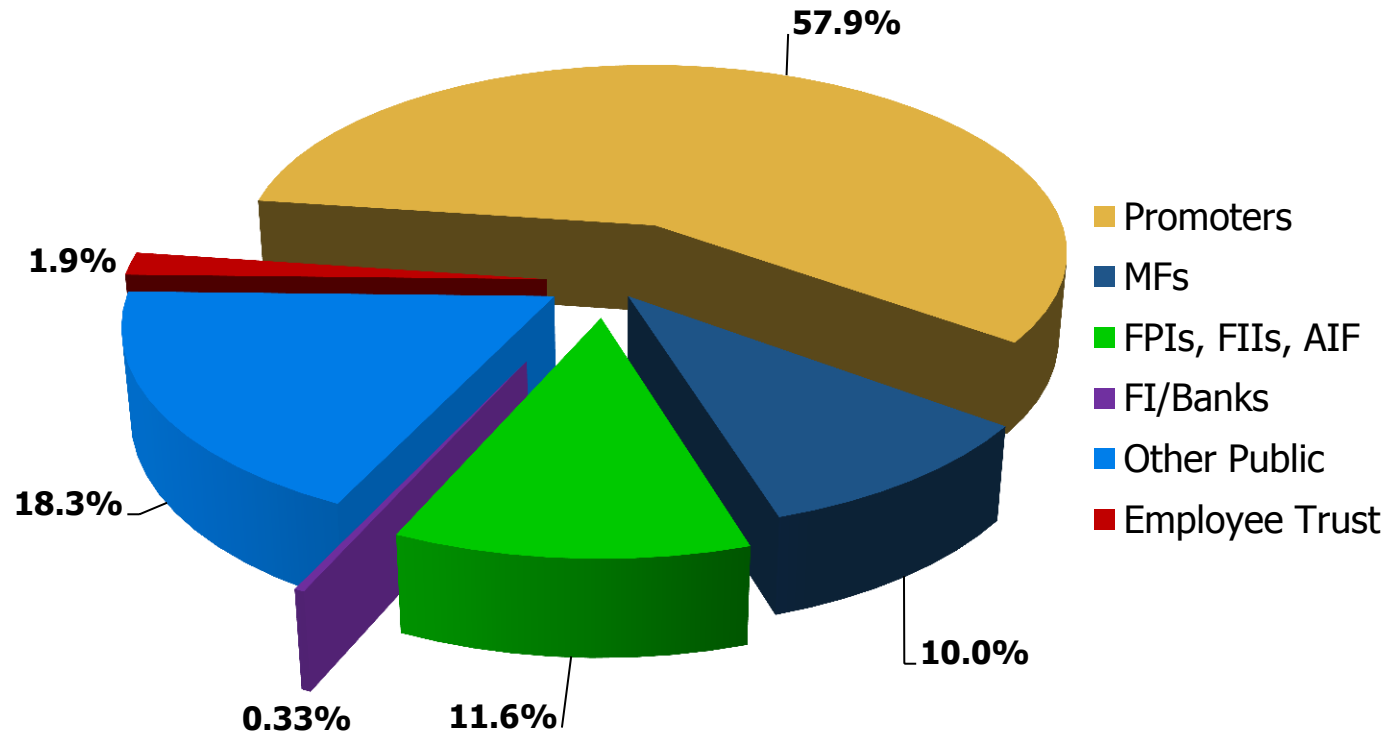
Set up Regional Reference Laboratories

Consider alliances and acquisitions

Annexures

- **Present Shareholding**

Shareholding as on September 30, 2017



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 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/>

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