

November 6, 2018

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 and Half Year ended September 30, 2018**

Dear Sir/Madam,

Please find attached a copy of Company's Q2 & H1 FY19 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, 2018.

We request you to please take the same on record.

Thanking You,

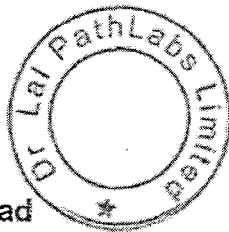
Yours Faithfully,

For Dr. Lal PathLabs Limited



Rajat Kalra

Company Secretary & Legal Head



Encl: As above



 *Dr Lal PathLabs*

# Dr. Lal PathLabs Limited (DLPL)

## Q2 & H1 FY19 Results Presentation

November 06, 2018

# Disclaimer

By attending the meeting / telephonic call where this presentation is made, or by reading the presentation materials, you agree to be bound by the following limitations:

The information in this presentation has been prepared by Dr. Lal PathLabs Limited (the "Company") for use in presentations by the Company at analyst and investor meetings and does not constitute a recommendation regarding the securities of the Company. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained herein. Neither the Company nor any of its advisors or representatives shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. Neither the Company nor any of its advisors or representatives is under any obligation to update or keep current the information contained herein. The information communicated in this presentation contains certain statements that are or may be forward looking. These statements typically contain words such as "will", "expects" and "anticipates" and words of similar import. By their nature forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Any investment in securities issued by the Company will also involve certain risks. There may be additional material risks that are currently not considered to be material or of which the Company and its advisors or representatives are unaware. Against the background of these uncertainties, readers should not unduly rely on these forward looking statements. The Company, its advisors and representatives assume no responsibility to update forward-looking statements or to adapt them to future events or developments.

This presentation has been prepared for informational purposes only. This presentation does not constitute a prospectus under the (Indian) Companies Act, 2013 and will not be registered with any registrar of companies. Furthermore, this presentation is not and should not be construed as an offer or a solicitation of an offer to buy securities for sale in the India. This presentation and the information contained herein does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities of the Company, nor should it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. The securities of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered, sold or delivered within the United States or to U.S. persons absent from registration under or an applicable exemption from the registration requirements of the United States securities laws. This presentation and the information contained herein is being furnished to you solely for your information and may not be reproduced or redistributed to any other person, in whole or in part. In particular, neither the information contained in this presentation nor any copy hereof may be, directly or indirectly, taken or transmitted into or distributed in the U.S., Canada, Australia, Japan or any other jurisdiction which prohibits the same except in compliance with applicable securities laws. Any failure to comply with this restriction may constitute a violation of the United States or other national securities laws. No money, securities or other consideration is being solicited, and, if sent in response to this presentation or the information contained herein, will not be accepted.

By reviewing this presentation, you are deemed to have represented and agreed that you and any person you represent are either (a) a qualified institutional buyer (within the meaning of Regulation 144A under the Securities Act) or (b) not a U.S. person (as defined in Regulation S under the Securities Act) and are outside of the United States and not acting for the account or benefit of a U.S. person.



## Q2 FY19 Snapshot

14.1%



Revenues

INR **3,175 mn**

Samples  
Processed

~**11.1 mn**

12.1%



Normalised  
EBITDA

INR **905 mn**

Patients  
Tested

~**4.8 mn**

12.8%



PAT

INR **574 mn**

Total  
Employees\*

~**4,316**

\*As on March 31, 2018,

# Table of Contents

1	Overview of Dr. Lal PathLabs
2	Key Performance Highlights
3	Financial Table
4	Financial Highlights
5	Operating Highlights
6	Management Commentary
7	Outlook
8	Corporate Overview
9	Shareholding
10	Contact Us

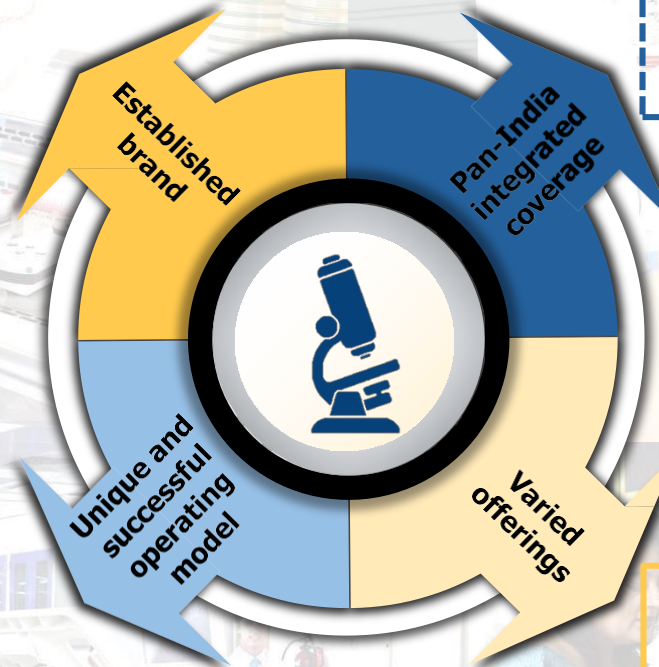


**DISCLAIMER:** This presentation may contain 'forward-looking' statements at places. The Company's business operations remain subject to undetermined contingencies and risks. Dr. Lal PathLabs Limited would not be liable for any action undertaken based on such 'forward-looking' statements and does not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

# Overview of Dr. Lal PathLabs

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

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



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

***Catalogue of 1110 test panels, 2028 pathology tests and 1561 radiology and cardiology tests\*\****

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

\*As on March 31, 2018,

\*\*As on March 31, 2017

# Key Performance Highlights

**Trend of volume improvement continues in Q2. Patient volumes and tests per patient show healthy increase**

## **During Q2 FY19:**

- Revenues showed 14.1% improvement to Rs. 3175 million in Q2 FY19, on the back of 18.8% gains in volumes
- Number of patients tested was at 4.8 million in Q2
- Normalised EBITDA (after eliminating the impact of RSU, other stock based remuneration charges and CSR) came in at Rs. 905 million, an increase of 12.1%

**Cash, FDs and Liquid Investments at Rs. 6,332 million as at September 30, 2018 from Rs. 6,085 million as at June 30, 2018.**

**Areas of focus include; bundled tests scheme -'SwasthFit', digital interactions, elevated experience for the customer and specialized tests. Key features of performance will be:**

- Improvement in proportion of walk-ins and digital interactions through an established consumer healthcare brand
- Higher value to patients by way of bundled offering, in turn building scale in operations at minimal additional cost
- Margin momentum on the back of initiatives to contain costs and drive up productivity

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

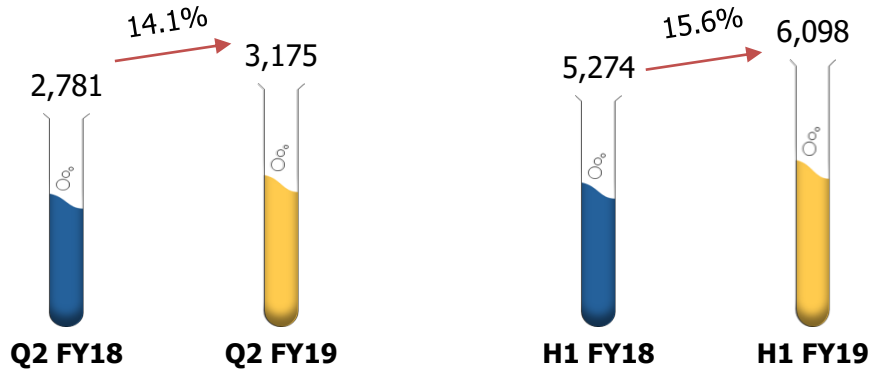
Particulars (Rs. mn)	Q2 FY19	Q2 FY18	Growth %	H1 FY19	H1 FY18	Growth %
<b>Total Revenue</b>	<b>3,175</b>	<b>2,781</b>	<b>14.1%</b>	<b>6,098</b>	<b>5,274</b>	<b>15.6%</b>
Total Expenditure	2,307	2,003		4,479	3,840	
<b>EBITDA</b>	<b>868</b>	<b>779</b>	<b>11.5%</b>	<b>1,618</b>	<b>1,434</b>	<b>12.9%</b>
Adj for RSU, and stock based comp. & CSR Cost	37	29		80	54	
<b>Normalised operating EBITDA</b>	<b>905</b>	<b>808</b>	<b>12.1%</b>	<b>1,698</b>	<b>1,487</b>	<b>14.2%</b>
<i>Normalised Margins</i>	28.5%	29.0%		27.8%	28.2%	
Other income incl interest	109	77		203	152	
<b>PBT</b>	<b>881</b>	<b>778</b>	<b>13.2%</b>	<b>1,635</b>	<b>1,438</b>	<b>13.6%</b>
<i>Margins</i>	27.8%	28.0%		26.8%	27.3%	
<b>PAT</b>	<b>574</b>	<b>509</b>	<b>12.8 %</b>	<b>1,071</b>	<b>953</b>	<b>12.3%</b>
<i>Margins</i>	18.1%	18.3%		17.6%	18.1%	
<b>EPS (Basic)</b>	<b>6.92</b>	<b>6.19</b>	<b>11.9%</b>	<b>12.93</b>	<b>11.59</b>	<b>11.6%</b>
<b>EPS (Diluted)</b>	<b>6.91</b>	<b>6.18</b>	<b>11.8%</b>	<b>12.91</b>	<b>11.57</b>	<b>11.5%</b>



# Financial Highlights

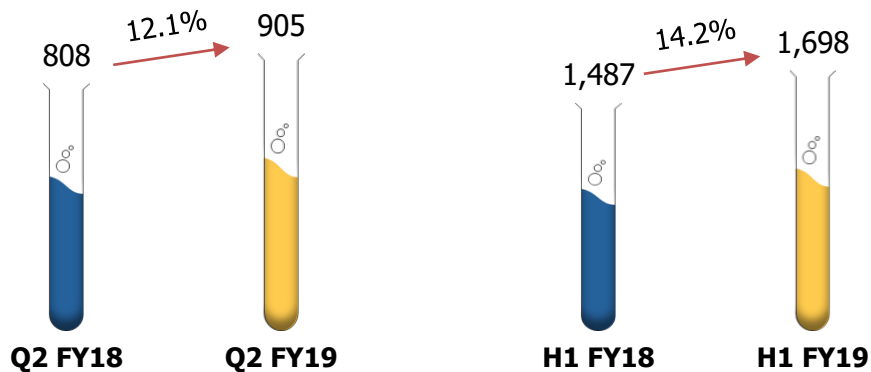
## Revenues

All figures in Rs. mn



- Q2 delivered 14.1% increase in revenues at Rs. 3,175 million. Drivers of performance were:
  - Continued traction in patient volumes at 18.8%
  - Stable tests per patient at 2.34 vs. 2.28
- Realisation per patient declined from Rs. 691 to Rs. 669 in Q2 on the back of change in Price & mix
- H1 revenues showed 15.6% growth given the 18.5% gains in volumes

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

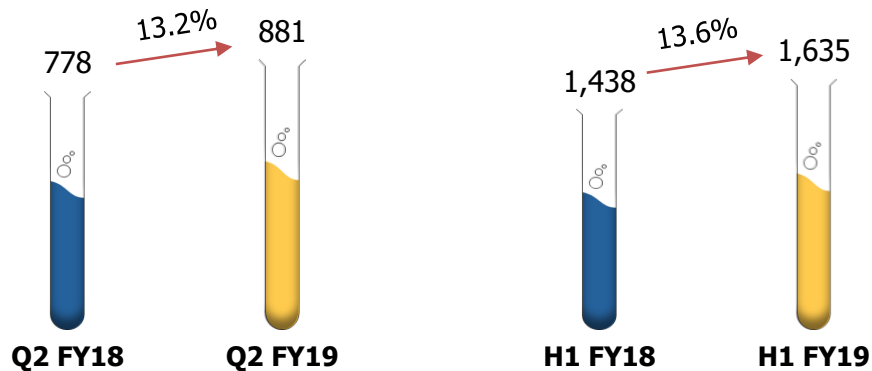


- Q2 normalised operating EBITDA (after eliminating the impact of RSU, other stock based remuneration charges and CSR cost) was up 12.1%, following:
  - Focused initiatives to drive productivity
  - Cost optimization measures undertaken
- Q2 Normalised EBITDA margin stood at 28.5% from 29% in Q2 last year
- H1 normalised operating EBITDA (after eliminating the impact of RSU, other stock based remuneration charges and CSR cost) up by 14.2% Margins at 27.8%

# Financial Highlights

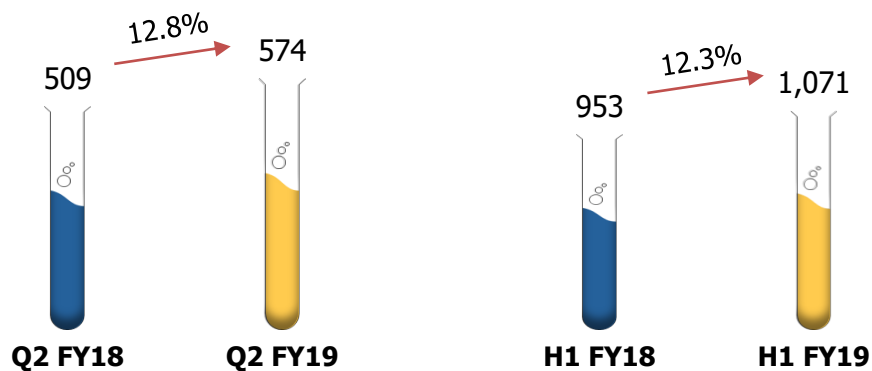
## PBT

All figures in Rs. mn



- Q2 PBT came in at Rs. 881 million vs. Rs. 778 million last year
- PBT margin stood at 27.8% from 28% last year
- H1 PBT stood at Rs. 1,635 million with margins at 26.8%

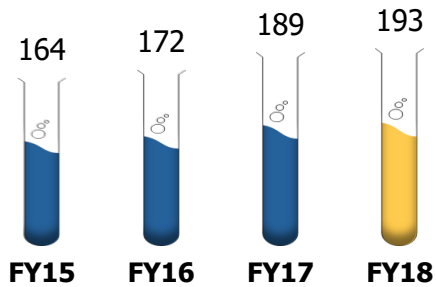
## PAT



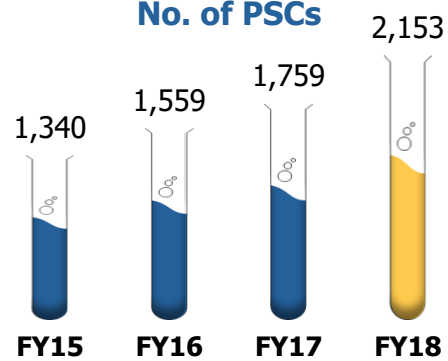
- Q2 PAT stood at Rs. 574 million from Rs. 509 million, higher by 12.8%
- Q2 PAT margin at 18.1%
- H1 PAT at Rs. 1,071 million, up 12.3% Margins at 17.6%

# Operating Highlights

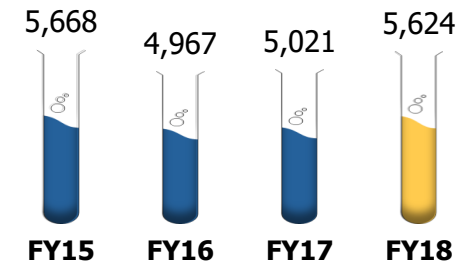
## No. of Clinical Laboratories



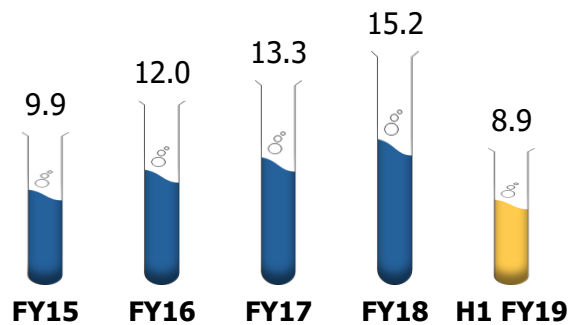
## No. of PSCs



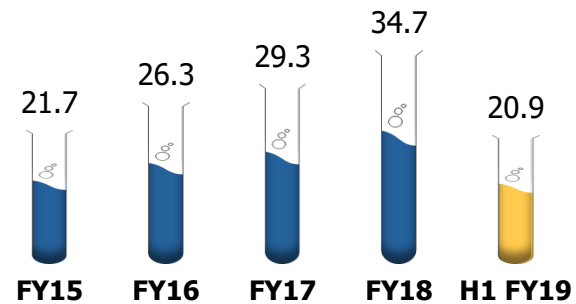
## No. of PUPs



## No. of patients (mn)



## No. of samples (mn)



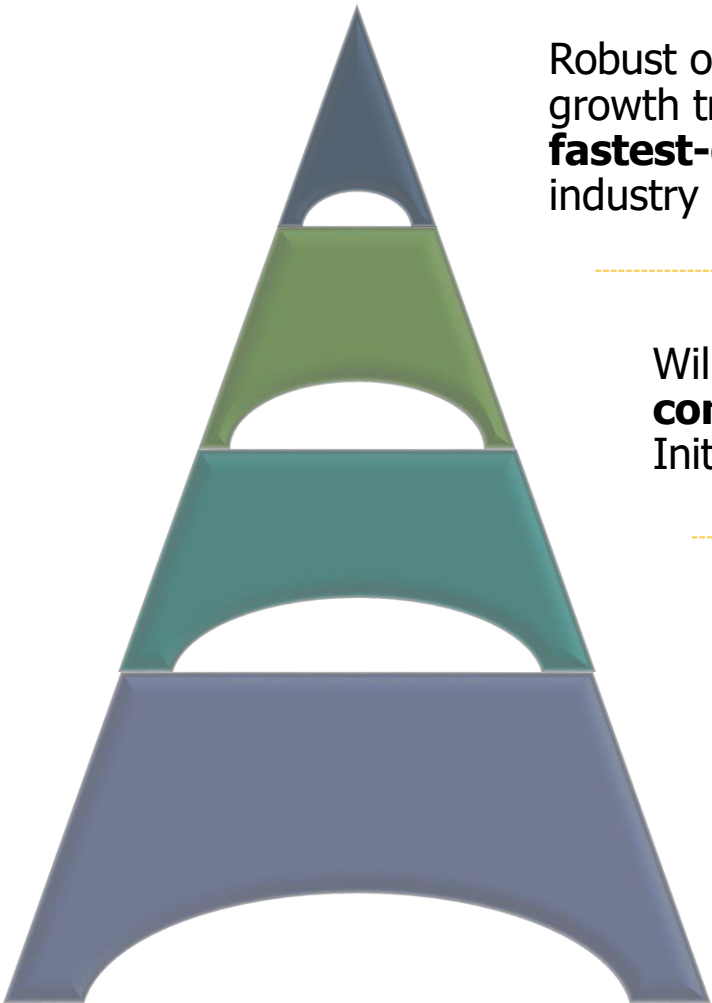
### **Commenting on the results announcement, Dr. Arvind Lal - Chairman and Managing Director said;**

*"The reported performance gives me comfort that we are headed in the right direction especially with regards to growth momentum and sharp focus on improving efficiencies in the system. Patients continue to repose trust in our brand, as evidenced in the improving trend in sample count and patient volumes. While we are maintaining our focus on regions where we are established, the new reference laboratory at Kolkata will raise our profile within the medical fraternity and draw in patients from the regions in Central and Eastern India and beyond."*

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

*"We are pleased with our performance and the accelerated growth of 14.1% reported this quarter driven by higher patient volumes which was in sync with our expectations. We were able to increase our samples per patient with the help of momentum created towards bundling tests under the 'SwasthFit' brand. As you are aware, we have been conscious with our prices and have managed our costs which have led to sustenance of our EBITDA margins at 28.5%.*

*Our focus continues to remain on expansion through franchisee collection center network and building scale in the markets we operate. Going forward, we will strive to continue to drive growth through volumes as well as test mix."*



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*



**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**

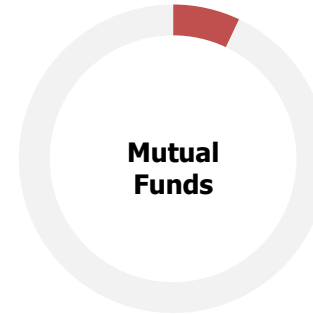
*Chief Marketing and Strategy Officer*

# Shareholding as of 30th September, 2018

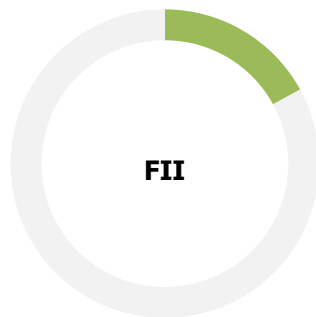
57.4%



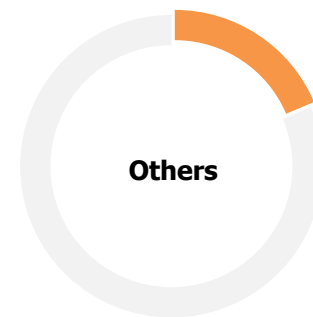
7.0%



17.0%



18.6%



### 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](mailto:Ved.Goel@lalpathlabs.com) / [Rajat.Kalra@lalpathlabs.com](mailto:Rajat.Kalra@lalpathlabs.com)

**Siddharth Rangnekar / Nishid Solanki**

**CDR India**

Tel: +91 22 66451209 / 1221

Fax: +91 22 66451213

Email: [siddharth@cdr-india.com](mailto:siddharth@cdr-india.com) / [nishid@cdr-india.com](mailto:nishid@cdr-india.com)