



May 20, 2020

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 Q4,& FY 20

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 Q4 & FY 20, 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 (DLPL)

Corporate Presentation

May 2020



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Table of Contents

Company overview	4
Investment highlights	9
Q4 & FY20 highlights & financial performance	21
DLPL strategy for future growth	35

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

[Dr. Lal PathLabs at a glance](#)

[Our Evolution](#)

[Dr. Lal PathLabs overview](#)

[Experienced Management team](#)



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**

12%

3 Year Revenue
CAGR

15%

3-Year PAT
CAGR

Zero

Net Debt

60%

Revenue
Contribution from
Rest of India

~67%

ROCE
Excl. Cash &
Investments

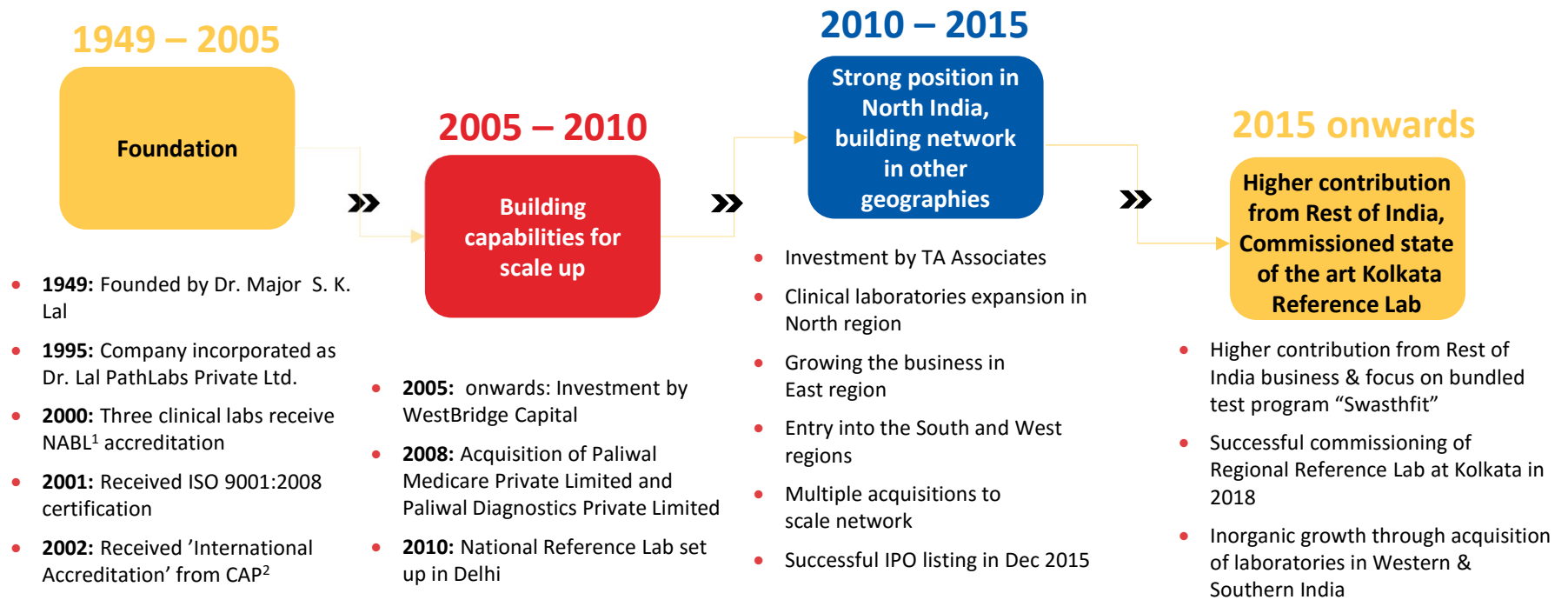
4,953

Pathology &
Radiology tests
offered; highest
in the industry

**CRISIL AA-
/Stable**

Long Term Rating

Our Evolution



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

Dr. Lal PathLabs overview

Established **consumer healthcare brand in diagnostic services**

Pan-India integrated coverage with **216** clinical labs (including National Reference Lab¹ at Delhi and Regional Ref Lab at Kolkata), **3,095** Patient Service Centers (PSCs) and **6,995** Pick-up Points (PUPs)²

Catalogue of **455** test panels, **2,537** pathology tests and **1,961** radiology and cardiology tests²

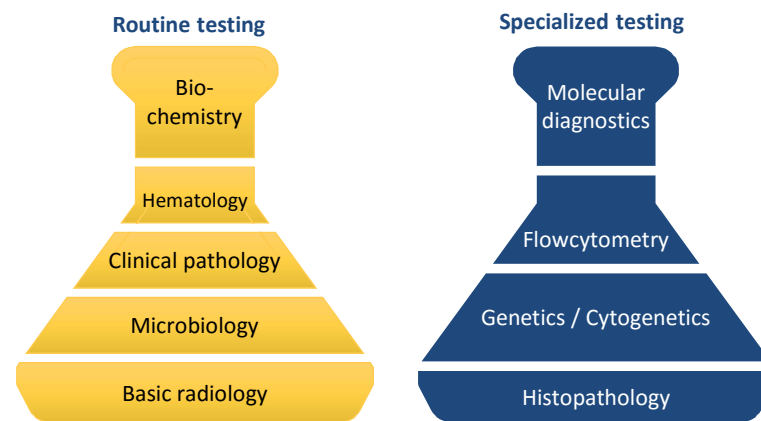
Collected and processed **~11.2 mn** samples from **~4.4 mn** patients in Q4 FY20; **~47.7 mn** samples from **~19.4 mn** patients in FY20; **~41.8 mn** samples from **~17.6 mn** patients in FY19

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

FY20: Revenue: **INR 1,330.4 Cr.**; EBITDA: **INR 331.1 Cr**³ (Margin: **24.9%**); PAT: **INR 227.6 Cr** (Margin: **17.1%**);
 FY19: Revenue: **INR 1,203.4 Cr**; EBITDA : **INR 313.2 Cr** (Margin: **26%**); PAT: **INR 200.5 Cr**(Margin: **16.7%**)

1. Total area of 7,253 square meters
 2. As on March 31, 2020.
 3. Normalised EBITDA excl ESOP, CSR Cost & impact of Ind AS 116

Test Menu



Accreditations

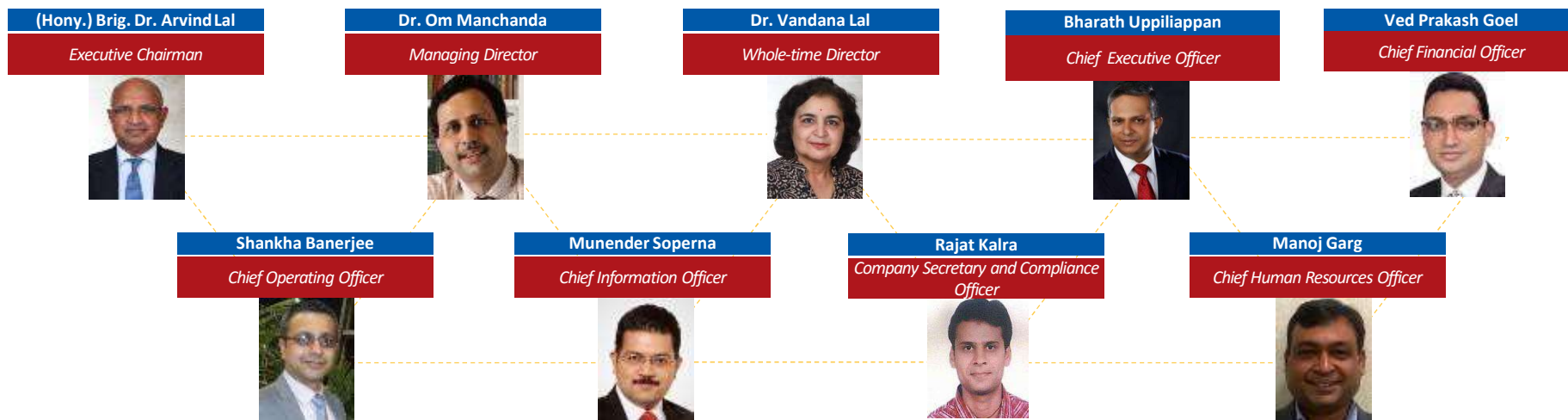


NABL
33 Labs



ISO15189:2007
 IS9001:2008
 ISO27001:2013

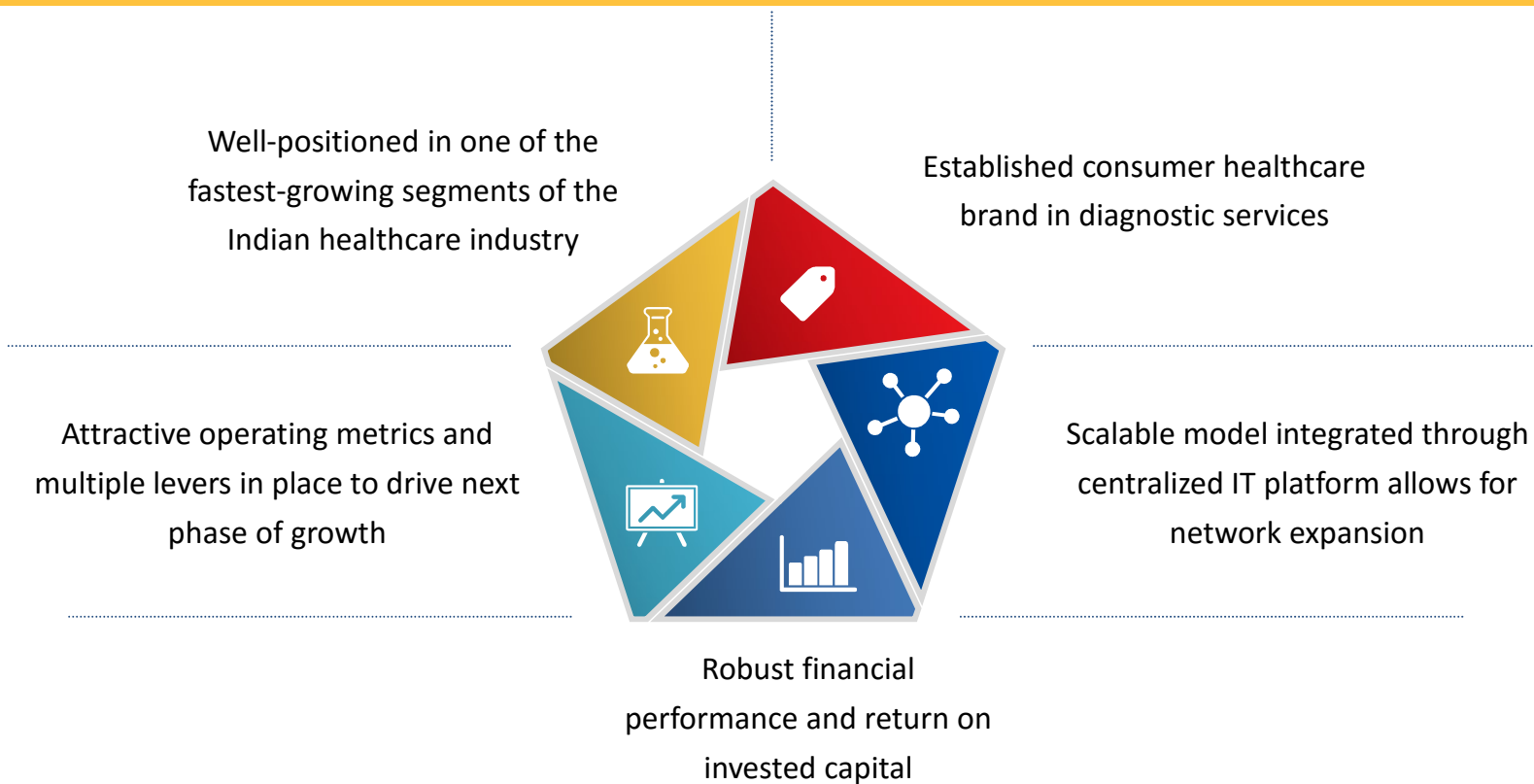
Experienced Management team



Investment Highlights



Investment Highlights



Indian Healthcare Services is a large growth opportunity



1.42bn

India's expected population in 2022

USD 2,483 bn

India GDP in FY20¹

USD 273 bn

FY20 India healthcare expenditure

~74%

Private expenditure on healthcare in 2015

17.1%



US

11.2%



Germany

8.9%



Brazil

8.2%



South Africa

5.6%



Russian Federation

5.3%



China

4.3%



Singapore

3.9%



India

3.3%



Indonesia

Total Healthcare Expenditure as % of GDP (2015)

India, highly underpenetrated market

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

1. Financial Year ending March 31st.

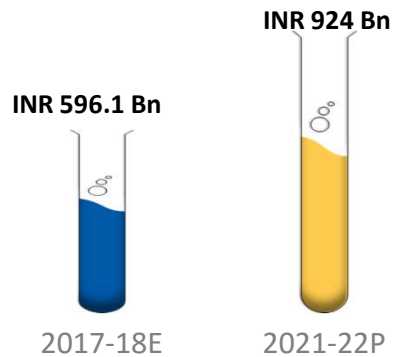
2. Source: Report of the Insurance Regulatory and Development Authority ("IRDA")

3. Source: World Health Organization Global Health Expenditure database, October 2017, 4. IMF

INR 596 Bn Diagnostic Services industry expected to grow to INR 924 Bn in 2022



Diagnostic Services Industry Size



Screening, early detection, and monitoring reduce downstream costs

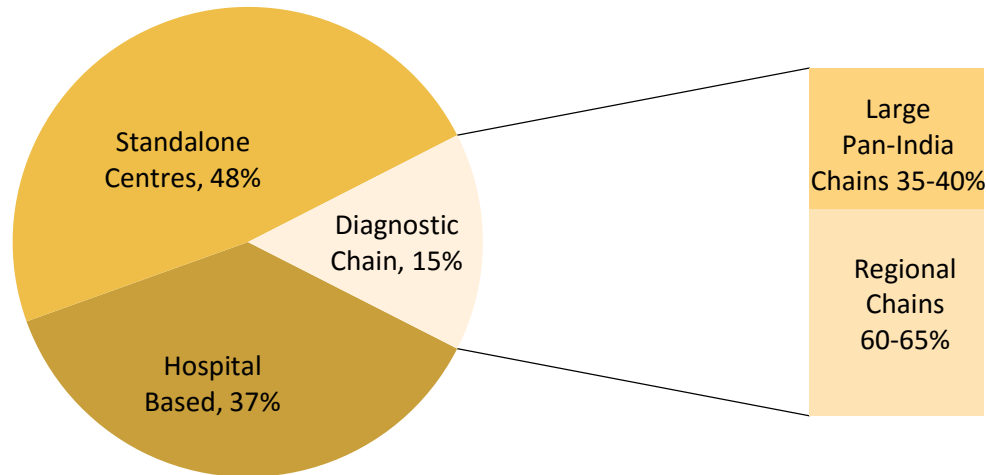
Growth Drivers



Diagnostic Services industry remains highly fragmented



Highly Fragmented Industry



Largely fragmented and unorganized

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

Established consumer healthcare brand in Diagnostic Services



Pillar of a Strong Brand

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

Accreditations

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

Nationwide Network

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

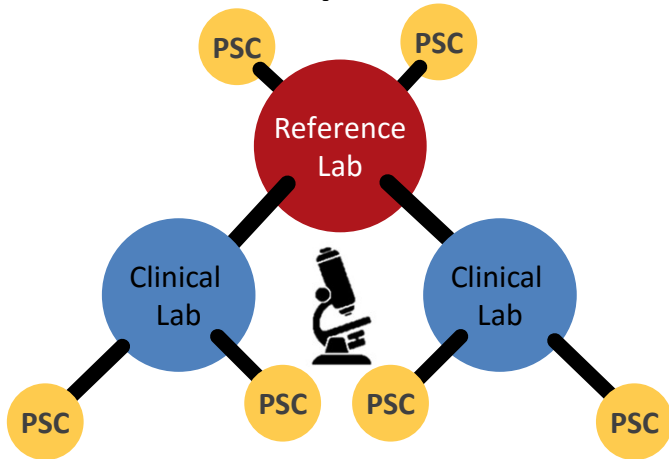
Fast Turnaround Time



Scalable Model integrated through centralized IT platform allows for network expansion

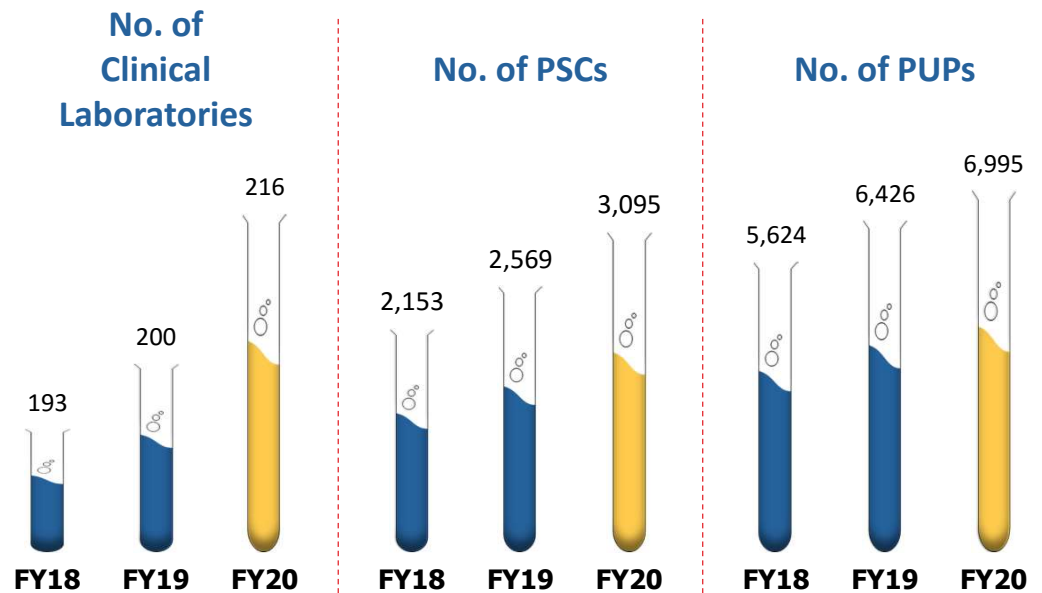


Hub and Spoke Model



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

Network Expansion

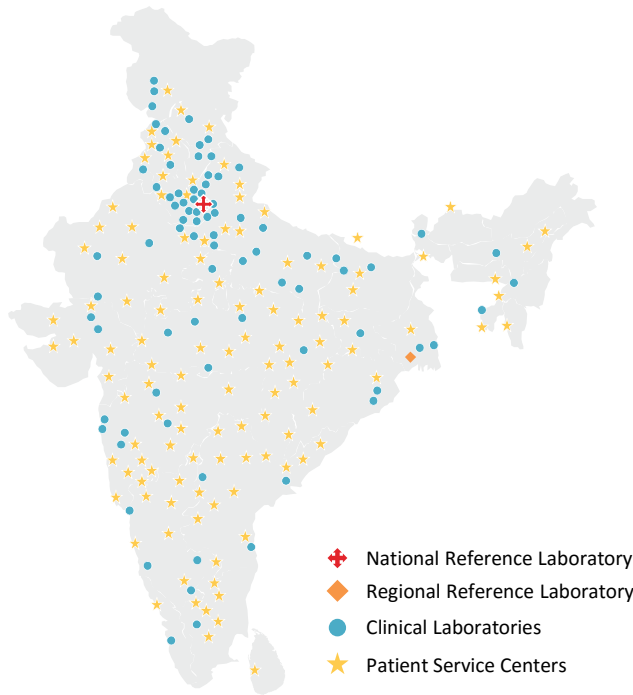


1. Includes National Reference Laboratory and Regional Reference Lab in Kolkata

Scalable Model integrated through centralized IT platform allows for network expansion



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

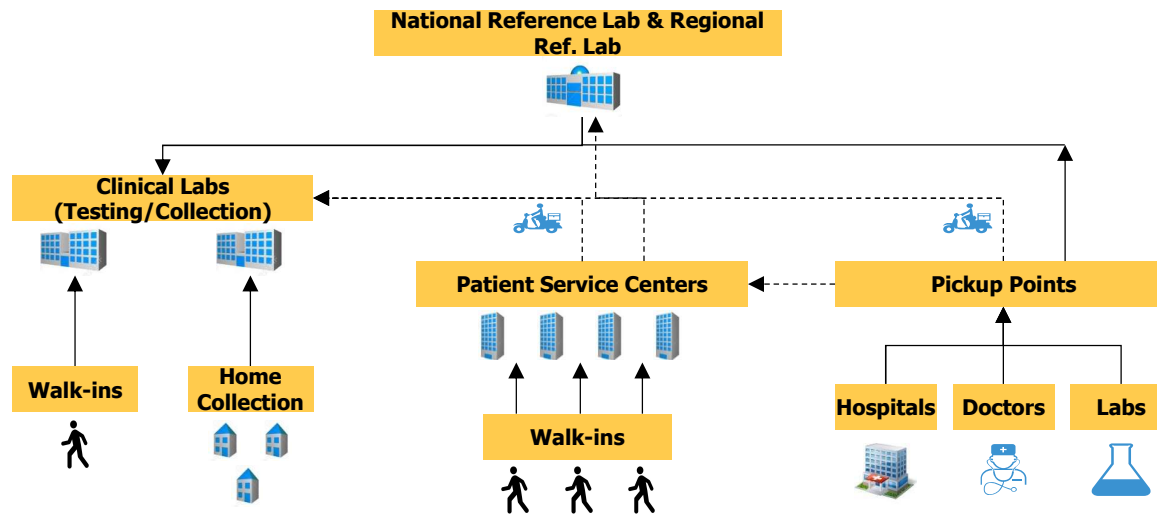
Data Collection and Analytics

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

Collection network



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



Single brand pulls patients

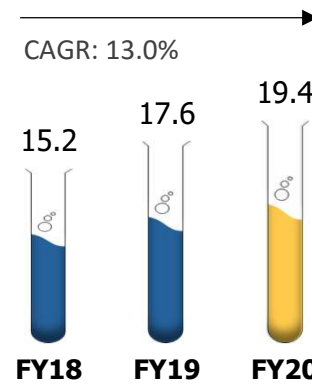
Walk-in customers account for highest share of revenues

Diverse, large customer pool offers monetization opportunities

Attractive operating metrics

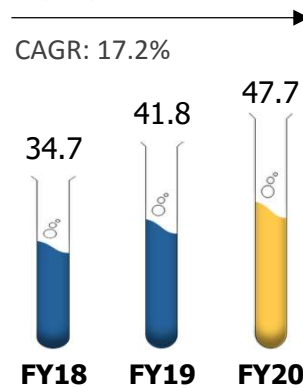


No. of patients (Mn)



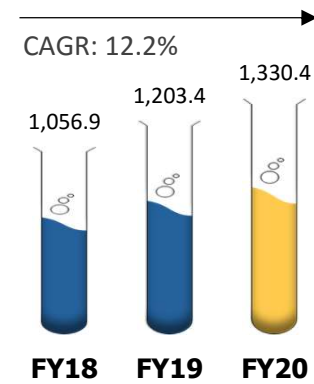
- Consumer brand and network expansion driving patient volumes

No. of samples (Mn)



- Increase in samples with patient volumes growth

Total Revenue (INR Cr.)



- FY20 Revenues increased on account of :
 - Marked gains in patient volumes at 10.3%
 - Increase in tests per patient at 2.5 vs 2.4

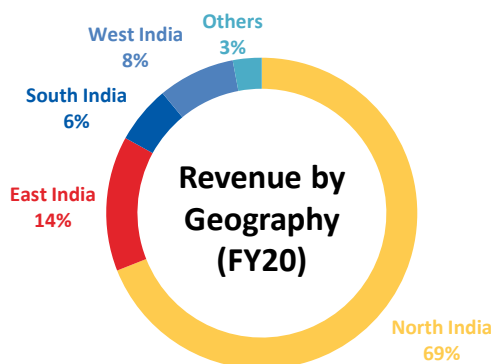
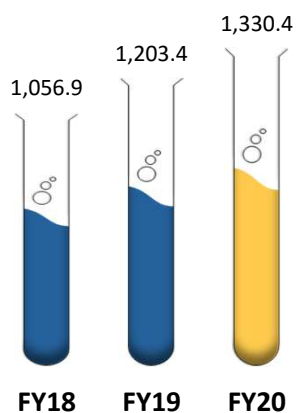
Robust financial performance



Total Revenue

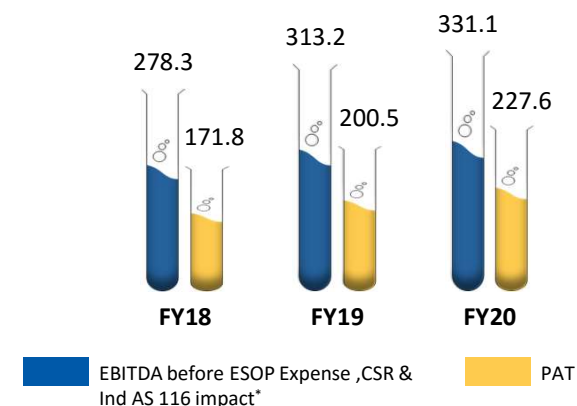
(INR Cr.)

CAGR: 12.2%



Geography	FY 18-20 CAGR
North India	11%
East India	17%
South India	11%
West India	21%
Others	12%

EBITDA*, PAT and Return on Net Worth (INR Cr./%)



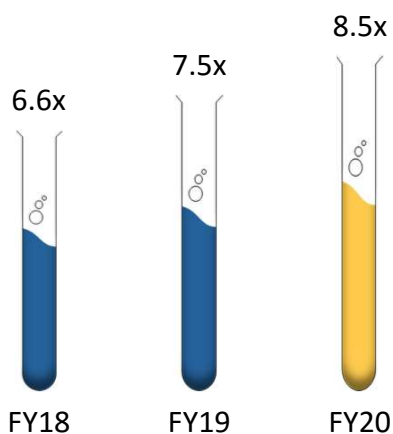
EBITDA Margin Before ESOP, CSR & Ind As 116 impact	26.3%	26.0%	24.9%
PAT Margin	16.3%	16.7%	17.1%
RONW	24.7%	23.0%	22.7%

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

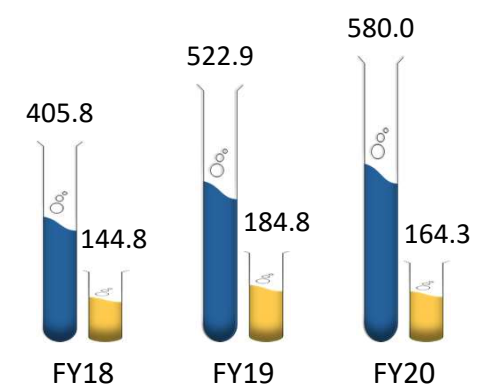
Robust financial performance (Cont'd)



Fixed Asset Turnover¹ Times



Cash and Cash Equivalents (INR Cr.)



■ Cash and Bank Balance
 ■ Current Investments

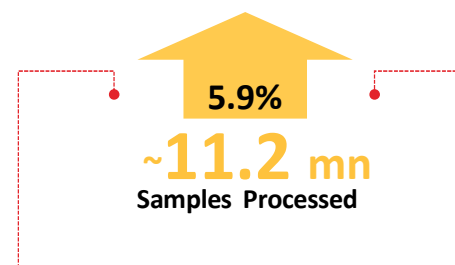
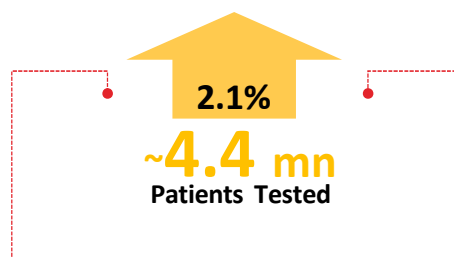
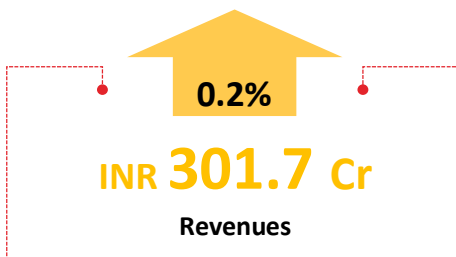
- Self funded growth on account of strong cash flow generation
- Attractive fixed asset turnover ratio given asset-light model
- Current net cash position and internal accruals expected to fund next phase of growth

1. Fixed Asset Turnover = Total Revenue / Net PP&E as per Ind AS

Q4 & FY20 Highlights & Financial Performance



Q4* FY20 Snapshot



* Q4 results have been adversely impacted due to COVID-19 pandemic and subsequent lockdown in the month of March
^Excluding Ind AS 116 impact

Overview of Dr. Lal PathLabs



Established brand

Established consumer healthcare brand in diagnostic services



Pan-India integrated coverage

216 clinical labs (including National Reference Lab at Delhi and Regional Reference lab at Kolkata), 3,095 Patient Service Centers (PSCs) and 6,995 Pick-up Points (PUPs)*



Varied Offerings

Catalogue of 455 test panels, 2,537 pathology tests and 1,961 radiology and cardiology tests*



Unique and successful operating model

Scalable model integrated through centralised IT platform allows for network expansion

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

*As on March 31, 2020

Update on COVID-19

NRL, Rohini amongst the first set of private labs to start COVID 19 testing



Sample collection enabled through mobile vans and booths



Update on COVID-19

Commissioned BSL 2 Lab within a record time for capacity augmentation



Logistics ensured that the samples kept moving despite the nationwide lockdown



Donation of Rs 1 Crore to PM CARES fund to help the government in its fight against COVID-19

COVID-19 - Impact on DLPL & Response

IMPACT

<p>Restriction on movement of</p> <ul style="list-style-type: none"> • Samples • Materials • Employees 	<p>Liaising with local administration to facilitate smooth flow of operations as diagnostics comes under essential services. Stocked up adequately with reagents and other supplies</p>
<p>Reduction in patient footfalls across all channels of sales owing to lockdown</p>	<p>Continuous digital communication with patients conveying that our lab and collection center infra is open Further enhancement of home collection in key cities. Promotion of online test booking</p>
<p>Increase in number of queries and interface with Govt. and external environment on COVID -19 Planning for testing capacity and sourcing of raw material etc.</p>	<p>Formation of a dedicated task force to address all COVID related issues.</p>
<p>Planning horizon shifts to daily and weekly</p>	<p>Careful monitoring of cost structure started - Re-tuning agreements on rentals, maintenance contracts, IT, Logistics etc.</p>

RESPONSE

Key Performance Highlights

In Q4 FY20, patient volumes increased by 2.1% led by higher growth in the Rest of India market, further supported by stable momentum in the other regions. The performance for the second fortnight of Mar'20 has been adversely impacted by the nationwide lockdown due to COVID-19 outbreak

During Q4 FY20:

- Revenues increased by 0.2% Y-o-Y at Rs. 301.7 crore
- Number of patients tested stood at 4.4 million
- Normalised EBITDA (after eliminating the impact of stock based remuneration, CSR & Ind AS 116) came in at Rs. 55.5 crore
- Profit After Tax stood at Rs. 32.6 crore for Q4 FY20 and Rs. 227.6 crore for FY 20; a growth of 13.5% over FY19

Cash, FDs and Mutual Funds at Rs. 744.3 crore as on Mar 31, 2020, as against Rs. 707.7 crore as on March 31, 2019

The COVID-19 breakout continues to adversely impact sample flow pending easing of the lockdown. At a macro level, DLPL to continue to drive volumes through focus on expanding the reach in Rest of India market as well as growing in the existing market. This will be supported by:

- Initiatives to strengthen the brand through better patient service, wider test menu, increased convenience covering home collections
- Strengthening the digital presence and further developing the app with greater functionality and customization
- Higher share of bundled test program – 'Swasthfit', which currently contributes 15% to total revenues

Financials

Particulars (Rs. Cr.)	Q4 FY20	Q4 FY20	Q4 FY19	Gr %	Gr %	FY20	FY20	FY19	Gr %	Gr %
	(With IND-AS 116)	(W/O IND-AS 116)	(W/O IND-AS 116)	(With IND-AS 116)	(W/O IND-AS 116)	(With IND-AS 116)	(W/O IND-AS 116)	(W/O IND-AS 116)	(With IND-AS 116)	(W/O IND-AS 116)
Revenue	301.7	301.7	301.1	0.2%	0.2%	1330.4	1330.4	1203.4	10.6%	10.6%
Other Income	12.0	12.0	13.5			55.0	55.0	46.0		
Total Income	313.7	313.7	314.6	-0.3%	-0.3%	1385.4	1385.4	1249.4	10.9%	10.9%
Raw Material Consumed	72.0	72.0	65.2			298.7	298.7	262.4		
Personnel Expense	62.5	62.5	56.8			242.6	242.6	208.3		
Rent Expense	3.6	12.3	12.3			15.1	49.6	47.8		
Other Expenses	106.3	106.3	100.6			430.4	430.4	391.3		
Total Expenditure	244.4	253.1	234.9	4.0%	7.7%	986.8	1021.3	909.8	8.5%	12.3%
EBITDA	57.3	48.6	66.2	-13.4%	-26.6%	343.6	309.1	293.6	17.0%	5.3%
<i>Margins</i>	19.0%	16.1%	22.0%			25.8%	23.2%	24.4%		
Adj for Stock based comp. & CSR cost	6.9	6.9	6.7			22.0	22.0	19.6		
Normalised EBITDA	64.2	55.5	72.9	-11.9%	-23.9%	365.6	331.1	313.2	16.7%	5.7%
<i>Normalised Margins</i>	21.3%	18.4%	24.2%			27.5%	24.9%	26.0%		
Interest Cost	3.9	0.4	0.1			15.3	0.5	0.8		
Depreciation Cost	20.0	12.7	10.4			72.8	43.6	38.2		
PBT	45.4	47.5	69.2	-34.4%	-31.4%	310.5	320.0	300.6	3.3%	6.5%
<i>Margins</i>	15.0%	15.7%	23.0%			23.3%	24.1%	25.0%		
PAT	32.6	35.5	47.4	-31.2%	-25.1%	227.6	239.4	200.5	13.5%	19.4%
<i>Margins</i>	10.8%	11.8%	15.7%			17.1%	18.0%	16.7%		
EPS (Basic) - In Rs.	3.94		5.72	-31.1%		27.42		24.19	13.4%	
EPS (Diluted)- In Rs.	3.93		5.71	-31.2%		27.37		24.15	13.3%	

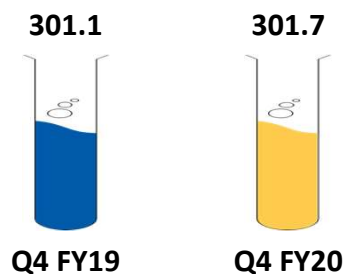
The current quarter reported numbers are as per Ind AS 116. The company has adopted Modified Retrospective Approach for transition to IND AS 116 from 1st April 2019. This approach does not require restatement of comparative information for Q4 FY19 and FY19. However for the purpose of comparison Q4 FY20 and 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

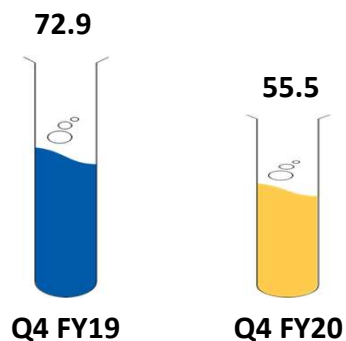
All figures in Rs. Crore

Revenue



- Revenue growth in Q4 FY20 stood at 0.2%, at Rs. 301.7 crore. This was contributed by:
 - Continued momentum in volumes, which grew by 2.1% and
 - Adverse Impact caused by lockdown in second fortnight of Mar'20
- Realisation per patient in Q4 FY20 came in at Rs. 684, lower as compared to Rs. 697 in Q4 of 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) stood at Rs. 55.5 crore in Q4 FY20, lower by 23.9% Y-o-Y
- Q4 FY20 Normalised EBITDA margin (after eliminating the impact of stock based compensation, CSR and Ind AS 116) came in at 18.4%

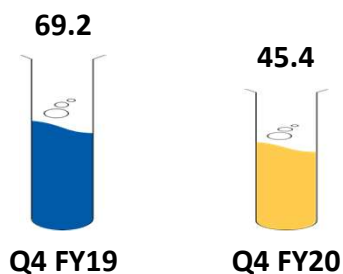
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Financial Highlights

All figures in Rs. Crore



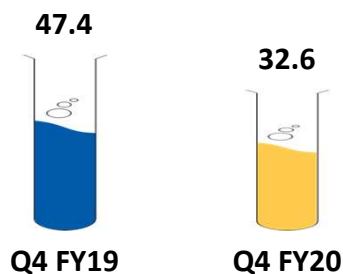
PBT



- PBT for Q4 FY20 came in at Rs. 45.4 crore vs. Rs. 69.2 crore in the corresponding quarter of last year, representing a decline of 34.4%
- Q4 FY20 PBT margin stood at 15%, as against 23% in the same period of last year
- PBT for Q4 FY 20 is after impact of Ind AS 116



PAT



- PAT stood at Rs. 32.6 crore in Q4 FY20 as compared to Rs. 47.4 crore in Q4 FY19, lower by -31.2%
- Q4 FY20 PAT margin came in at 10.8% Vs. 15.7% in Q4 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

Management Commentary

Commenting on the results announcement, Dr. Arvind Lal – Executive Chairman

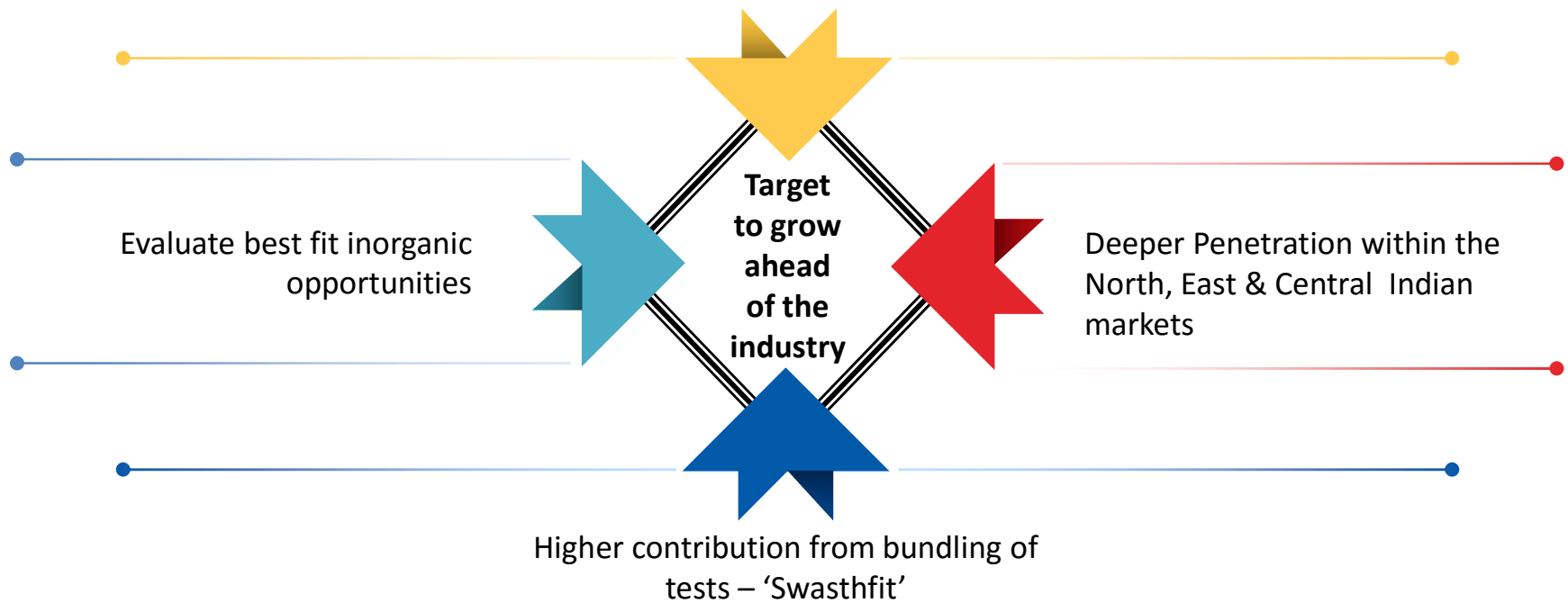
“We are in an unprecedented and difficult times. These times are not only impacting the current financial year but impacted Q4FY20 results as well not just for Dr. Lal Pathlabs, but for the entire nation and the economy. Business was impacted adversely, with volumes getting hit. However, we are confident of things returning to normal and the business performance getting back on track in some time post normalization. With the shift in trend from unorganized to organized players and our robust hub and spoke model, this will be achieved as we get back to providing accurate diagnostics services at affordable prices to our patients.”

Commenting on the results announcement, Dr. Om Manchanda, Managing Director

“With our normal business getting impacted, we are at the forefront of testing for COVID-19 cases, while also testing for non-COVID cases as much as possible. Despite such a tough environment, our performance for the quarter has been satisfactory as per the circumstances and the underlying trends until the outbreak had been encouraging.”

Vibrant Outlook

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

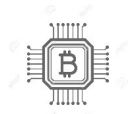


Leveraging digital to make life easier for patient



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 with 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

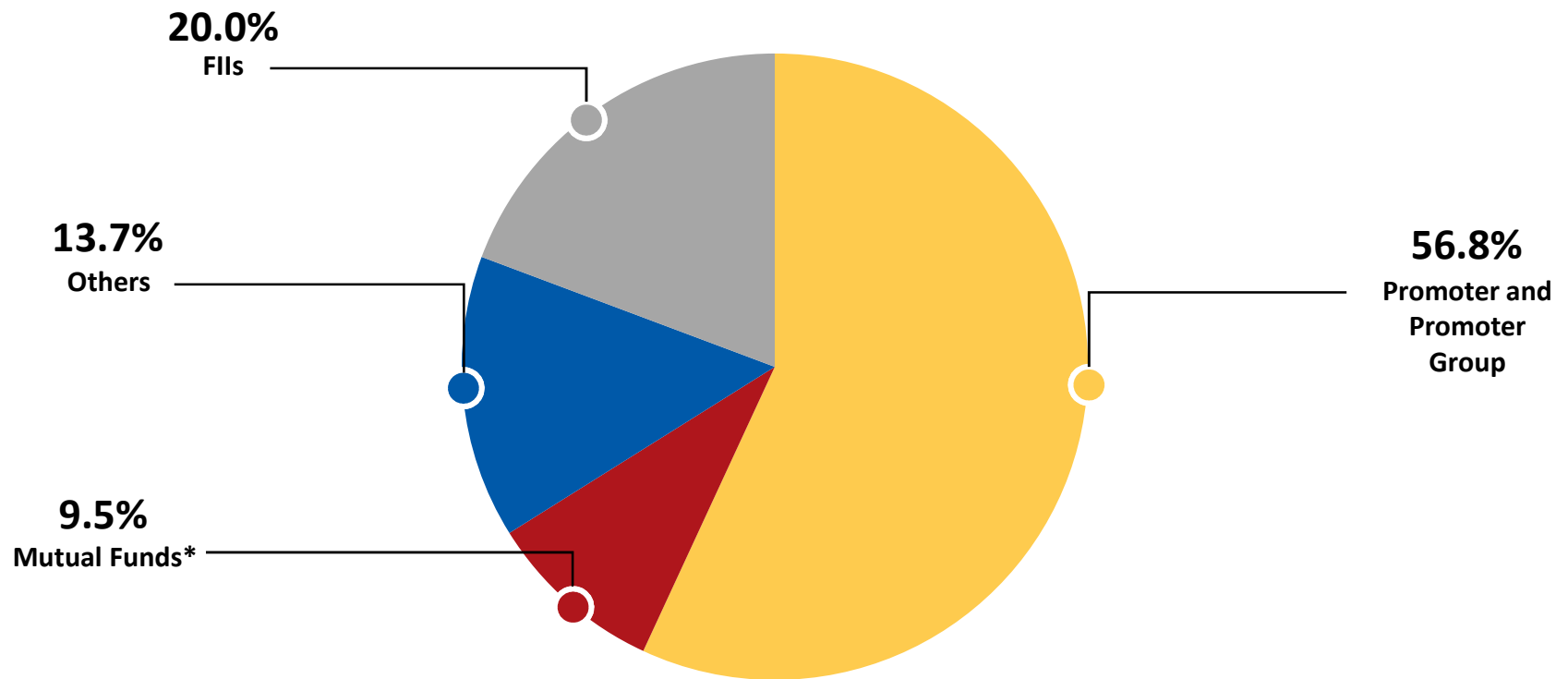
- Totally integrated Track with centralized LIMS for higher Output and faster processing, built in analytics and Business Intelligence capabilities



Business Continuity Plan

- 'Multi Site' model
- Quick recovery in case of disaster
 - Real time Data Replication between sites
 - Centrally Hosted and real time monitored

Shareholding as of 31st March, 2020

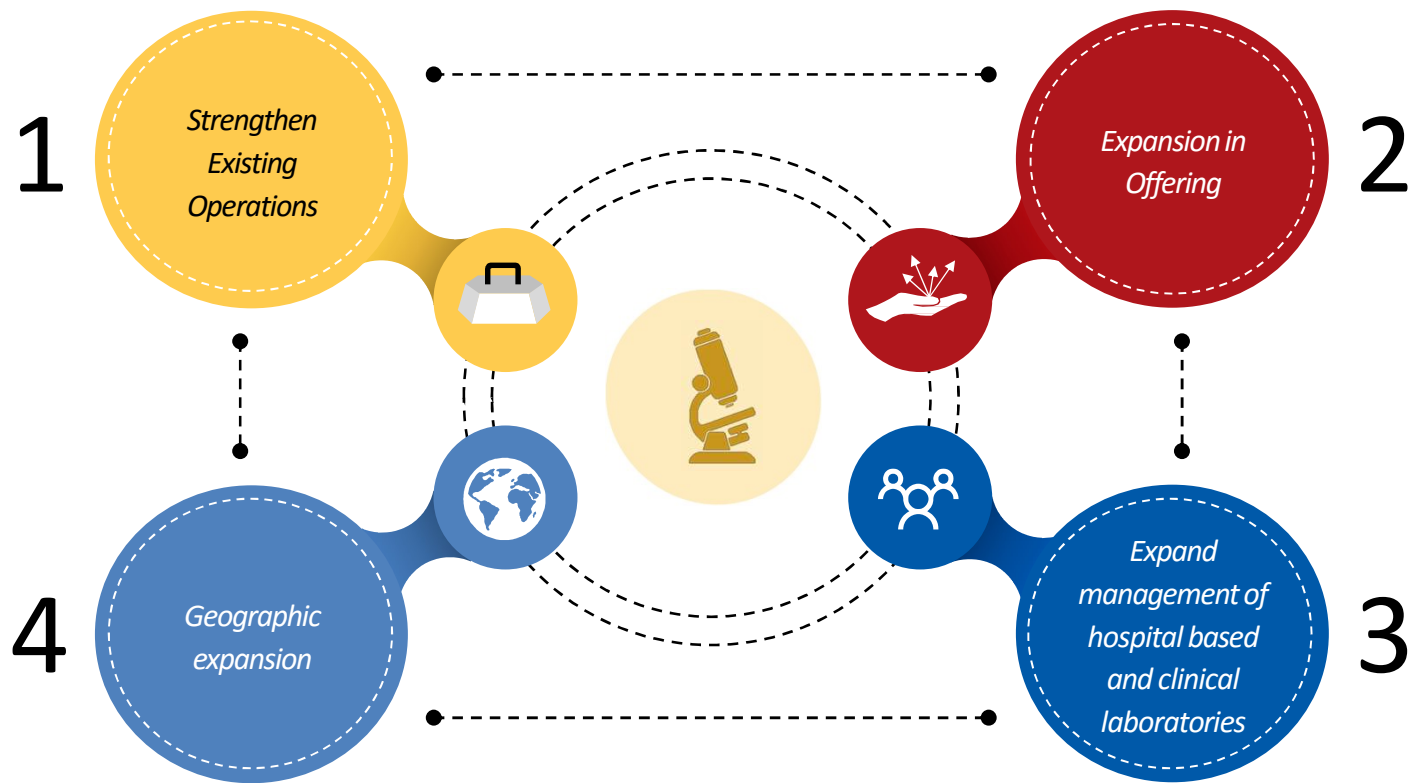


*Mutual Funds includes Alternate Investment Funds as well

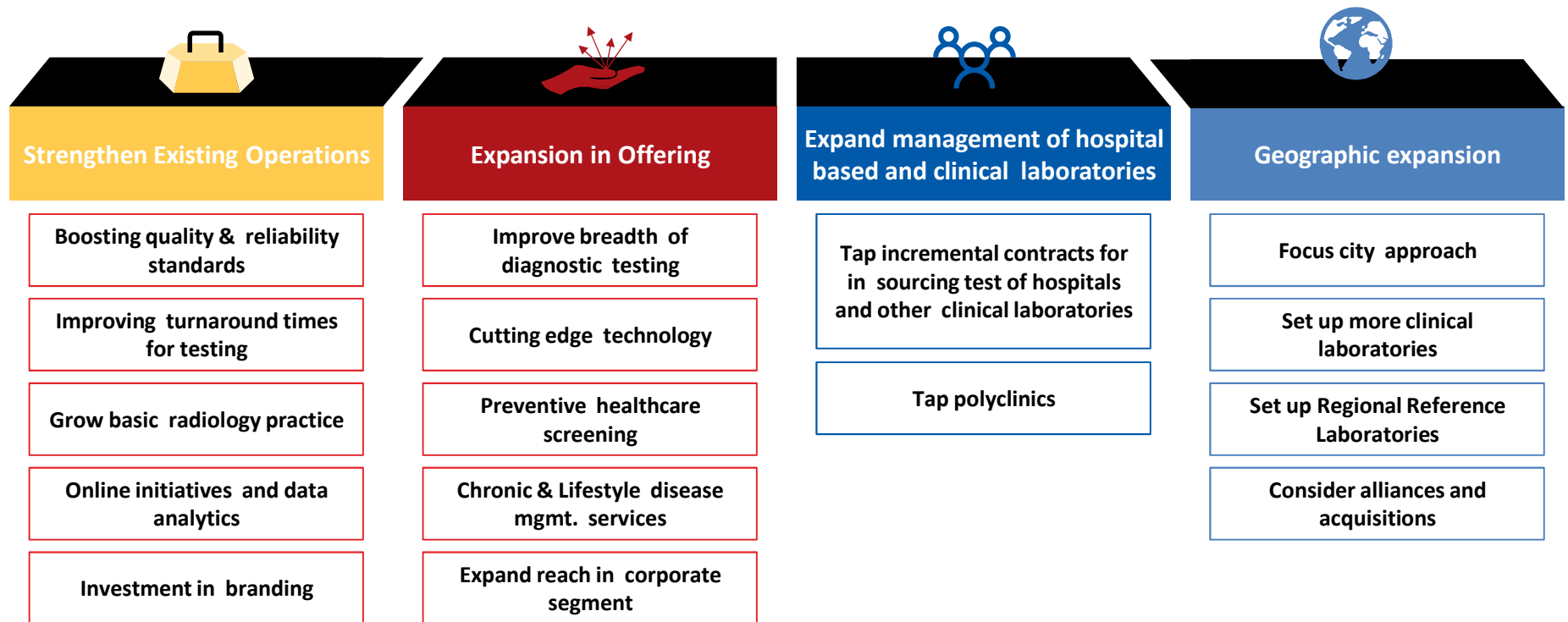
DLPL Strategy for future growth



DLPL Strategy for future growth



DLPL Strategy for future growth



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 455 test panels, 2,537 pathology tests and 1,961 radiology and cardiology tests as on March 31, 2020.

As on March 31, 2020, DLPL's has 216 clinical labs (including National Reference Lab at Delhi & Regional Reference Lab at Kolkata), 3,095 Patient Service Centers (PSCs) and 6,995 Pick-up Points (PUPs). In FY19 & FY20, DLPL collected and processed approximately 41.8 million samples and 47.7 million samples from approximately 17.6 million and 19.4 million patients, respectively.

Additional information on Dr. Lal PathLabs Limited: Corporate Identification No: L74899DL1995PLC065388

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

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