

August 7, 2017

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: Analyst/Investors Presentation on Unaudited Financial Results (Standalone and Consolidated) for the quarter ended June 30, 2017.

Dear Sir/Madam,

Please find attached a copy of Company's Q1 FY18 Earnings Presentation, which the Company proposes to share with Analysts / Investors with respect to its Unaudited Financial Results (Standalone and Consolidated) for the Quarter ended June 30, 2017, approved by the Board of Directors in their meeting held on August 07, 2017.

We request you to please take the same on record.

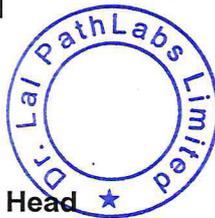
Thanking You,

Yours Faithfully,

For **Dr. Lal PathLabs Limited**



Rajat Kalra
Company Secretary & Legal Head



Encl: As above



 *Dr Lal PathLabs*

Dr. Lal PathLabs Limited (DLPL)

Q1 FY18 Results Presentation

August 07, 2017

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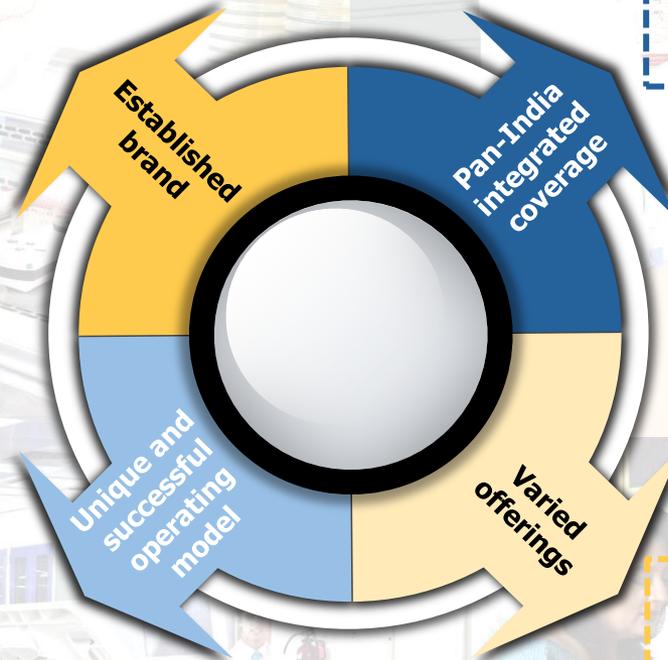


DISCLAIMER: This presentation may contain 'forward-looking' statements at places. The Company's business operations remain subject to undetermined contingencies and risks. Dr. Lal PathLabs Limited would not be liable for any action undertaken based on such 'forward-looking' statements and does not commit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

Overview of Dr Lal PathLabs

Established consumer healthcare brand in diagnostic services

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



Scalable model integrated through centralised IT platform allows for network expansion

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

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

*As on March 31, 2017

Key Highlights

- ❑ Volume growth is progressively picking-up and has shown QoQ improvement.
- ❑ During Q1 FY18 :
 - Revenues were higher by 12% at Rs. 2,493 million driven by a combination of volumes (9% growth) and price-mix improvement (2.5%)
 - Normalised EBITDA (after eliminating the impact of ESOP and other stock based remuneration charges) improved 11% driven by healthy revenue improvement and visible benefits from focused cost optimisation initiatives
- ❑ Cash, FDs and Liquid Investments at Rs. 4,426 million as at June 30, 2017 from Rs. 3,822 million as at March 31, 2017
- ❑ LPL continues to follow targeted path to growth outlined as under;
 - Deeper geographic penetration in existing markets. Focus-city approach in South and West regions
 - Commissioning of Kolkata regional reference laboratory by Q3 FY18
 - New tests profiles resulting in higher testing

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.

Q1 FY18 Financial Performance

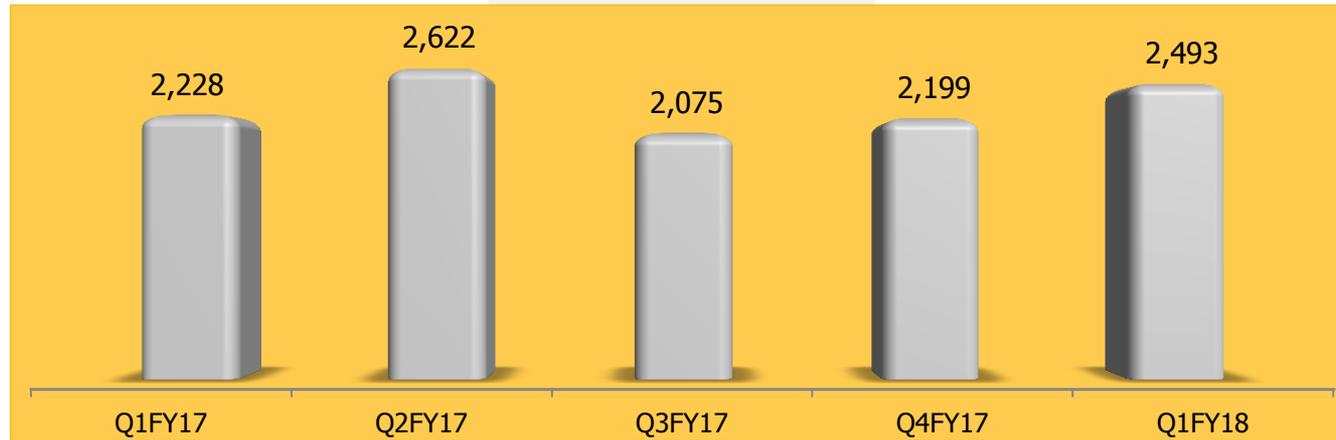
Particulars (Rs. mn)	Q1 FY18	Q1FY17	Growth %	FY'17 Ind AS	FY'17 IGaap
Revenues	2,492.6	2,228.4	11.9%	9,123.8	9,123.8
Total Expenditure	1,837.1	1,622.9	13.2%	6,749.2	6,758.4
EBITDA	655.2	605.4	8.2%	2,374.6	2,365.4
RSU & stock based comp. cost	24.8	7.4		86.1	80.5
Normalised EBITDA excl RSU	680.3	612.8	11.0%	2,460.7	2,445.9
<i>Normalised Margins</i>	<i>27.3%</i>	<i>27.5%</i>	<i>(20) bps</i>	<i>27.0%</i>	<i>26.8%</i>
Other income incl interest	74.6	64.4	15.9%	275.2	251.3
PBT	660.3	604.9	9.2%	2,367.3	2,333.0
<i>Margins</i>	<i>26.5%</i>	<i>27.1%</i>	<i>(60) bps</i>	<i>25.9%</i>	
PAT	445.5	398.9	11.7%	1,547.7	1,551.9
<i>Margins</i>	<i>17.9%</i>	<i>17.9%</i>		<i>17.0%</i>	<i>17.0%</i>
EPS (Diluted)	5.41	4.85	11.5%	18.85	18.55

All figures as per Ind-AS except where stated

Financial Highlights

Revenues

All figures in Rs mn

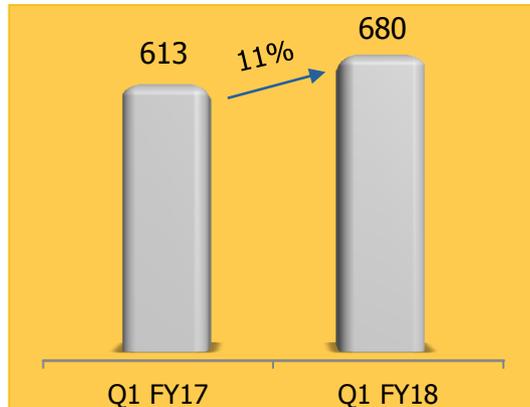


- ❑ Q1 FY18 revenues showed a continuing 11.9% YoY increase on account of volume growth of 9.1% and pricing mix benefit of 2.5%. The drivers include;
 - Enhanced footprint given addition to laboratories and PSC infrastructure
 - Strong traction in core markets of Delhi NCR
 - Gradual improvement in testing QoQ. Number of patients tested in Q1FY18 at 3.59 mn as compared to 3.29 mn in Q1FY17
- ❑ Realisation per patient was better at Rs. 696 as compared to Rs. 678 in Q1 FY17

Financial Highlights

All figures in Rs mn

Normalised EBITDA excl ESOP & other stock based remuneration charges



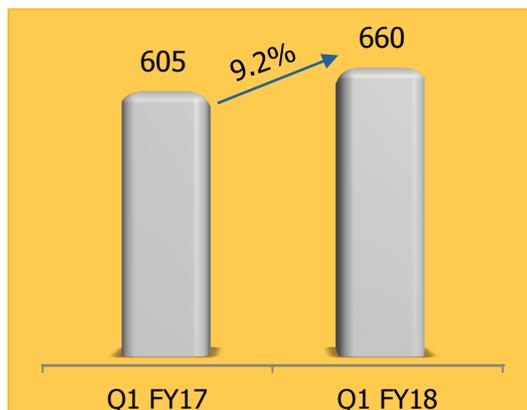
- Q1 FY18 normalised EBITDA (after eliminating the impact of ESOP and other stock based remuneration charges) showed 11.0% increase on the back of;

- Progressive improvement in volume trends and pricing mix
- Disciplined approach to cost optimisation across operation and productivity gains realized
- Higher operating expenses aligned to business growth

- Q1 FY18 Normalised EBITDA margin was 27.3%; Q1 FY17 margin was at 27.5%

- Expenses pertaining to Kolkata regional reference laboratories expected to reflect closer to commissioning

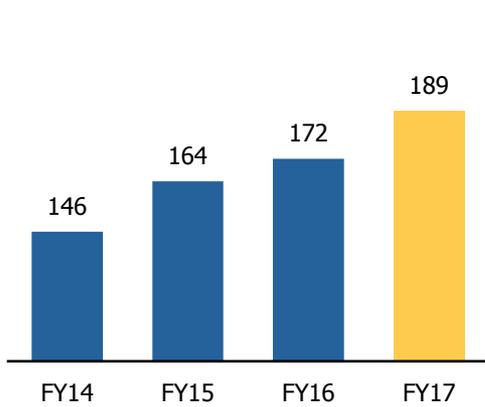
PBT



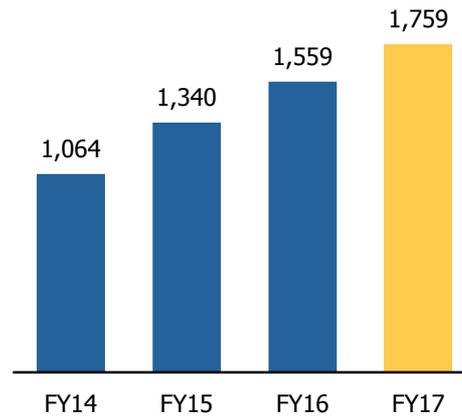
- Q1 FY18 PBT growth at 9.2% in accordance with EBITDA trends
- Q1 FY18 PAT stood enhanced 11.7% owing to higher other income;
 - Other income includes dividend from liquid funds and interest earned on FDs

Operating Highlights

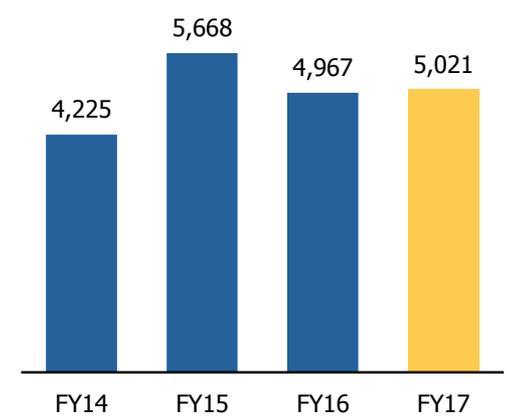
No. of Clinical Laboratories



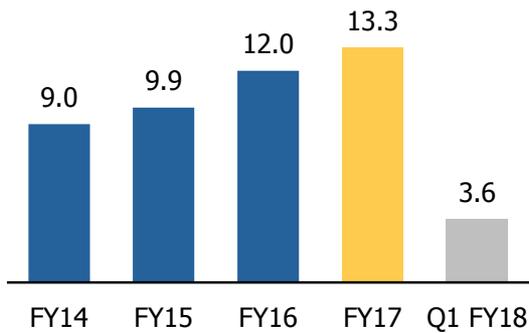
No. of PSCs



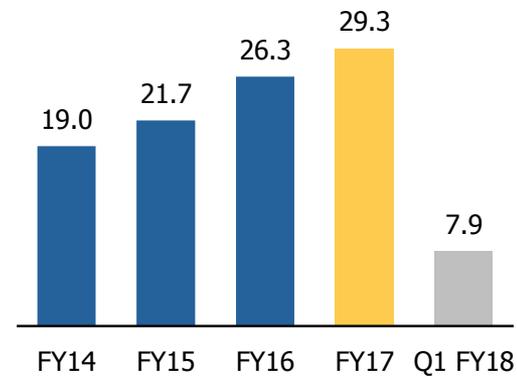
No. of PUPs



No. of patients (mn)



No. of samples (mn)



Commenting on the results announcement, Dr. Arvind Lal - Chairman and Managing Director said; "Overall, it was a productive quarter for our team in advancing our long-term strategic plans and to build a holistic diagnostics program. Our performance in Q1FY18 is largely driven by our endeavor to broaden business by unlocking growth opportunities in several new and existing markets. We also saw healthy progress on our efforts to strengthen our infrastructure, especially the Kolkata reference lab.

Going ahead too our efforts will revolve around leveraging our expertise and utilizing innovation to grow. We continue to add focus on quality parameters, patient convenience and new tests with a strong emphasis on streamlining costs. We believe, on implementation, these will singularly help us deliver growth and add value to shareholder returns."

Commenting on the results announcement, Dr. Om Manchanda, CEO - Dr Lal PathLabs said;" Q1FY18 saw continued traction and growth across all key regions. We have reported 12% growth in topline driven by a combination of 9.1% increment in volumes and improvement in realisations. The progress seen gives us the requisite confidence in our efforts to leverage our infrastructure, technology and scale to enhance the growth trajectory going forward.

During the quarter we have successfully further penetrated our core markets. Our dominance in Delhi NCR continues prime contributor to growth. We have been able to enhance network to reach a wider patient base of 3.59 million. Playing a crucial role in our performance are the initiatives implemented by the Company on cost and productivity enhancement.

As we move ahead, we have our levers engaged. With the agenda of delivering superior quality of diagnostic services, we are constantly evaluating the use of innovative tests and processes. Expansion by way of franchising will further fortify our reach. Our plans with respect to the new reference lab at Kolkata are progressing well."

Outlook

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 at Lucknow and Kolkata

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



Dilip Bidani

Chief Financial Officer



Bharath Uppiliappan

COO (Strategic Business Unit 1)



Shankha Banerjee

COO – Strategic Business Unit II



Munender Soperna

Chief Information Officer



Dr. Neelum Tripathi

National Director Lab Operations



Manoj Garg

Chief Human Resources Officer



Ved Prakash Goel

Vice President Finance



Rajat Kalra

Company Secretary and Compliance Officer



Manoj Sahay

Chief Marketing and Strategy Officer

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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