



 *Dr Lal PathLabs*

Dr. Lal PathLabs Limited (DLPL)

Q4 & FY18 Results Presentation

May 14, 2018

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Q4 FY18 Snapshot

21.4%



Revenues

INR **2,668 mn**

Samples
Processed

~**8.99 mn**

26.3%



EBITDA

INR **688 mn**

Patients
Tested

~**3.85 mn**

27.2%



PAT

INR **402 mn**

Total
Employees

~**4316**

Testing operations commenced in Jan 2018 – stabilization in progress



Kolkata Reference Lab started testing of samples in early Jan.

The World-class Lab will cater the demand from Northeast as well as Eastern regions of India. It will also cater to neighboring international markets.

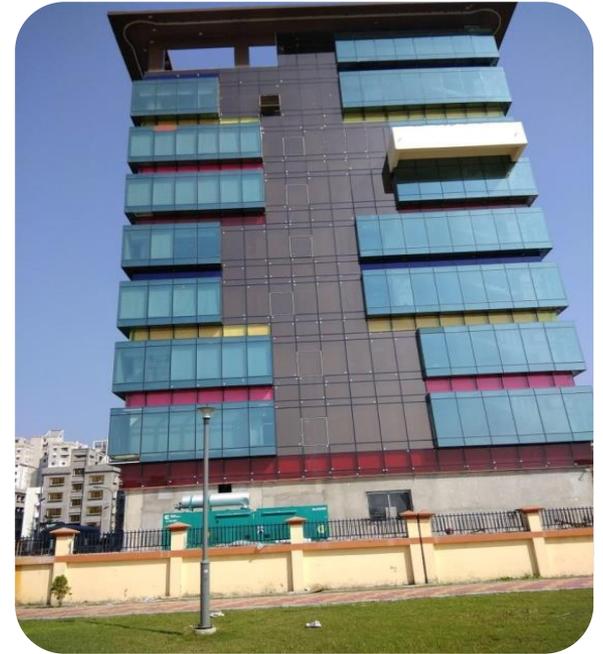


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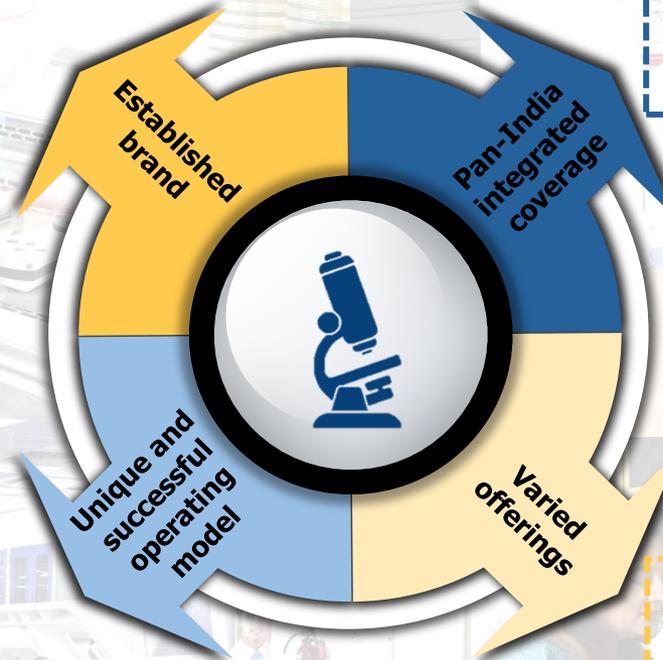


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Overview of Dr. Lal PathLabs

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 5624 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

Strong volume momentum achieved in Q4 expected to continue; captures growth in patient volumes and tests per patient. Initiatives of test bundling thereby delivering greater value to customers, and focus on specialised tests aiding growth momentum

During Q4 FY18:

- Recorded revenues of Rs. 2,668 million in Q4 FY18, up 21.4% led by 20.8% volume growth
- Number of patients tested stood at 3.85 million in Q4
- Normalised EBITDA (after eliminating the impact of RSU, other stock based remuneration charges and CSR) stood at Rs. 688.3 million a growth of 26.3%

Cash, FDs and Liquid Investments at Rs. 5,506 million as at March 31, 2018 from Rs. 4,903 million as at December 31, 2017. Increase of Rs 1609 million from March 2017

Completion of Kolkata RRL, focus on test bundling, digital technology and specialised tests to be the main drivers for growth. Key features of performance will be:

- Traction in walk-ins expected to improve; online presence driving healthy uptake of services
- Additional streams to accrue from bundled tests rolled out nationally
- Disciplined approach to managing costs and driving margins

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.

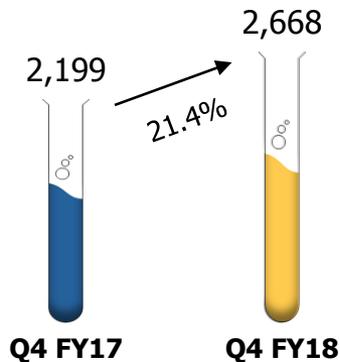
Financial Table

| Particulars (Rs. mn) | Q4 FY18 | Q4 FY17 | Growth % | FY2018 | FY2017 | Growth % |
|---|----------------|----------------|--------------|-----------------|----------------|--------------|
| Total Revenue | 2,668.4 | 2,199.2 | 21.4% | 10,569.2 | 9,123.8 | 15.8% |
| Total Expenditure | 2028.2 | 1,700.4 | | 7,929.2 | 6,748.7 | |
| EBITDA | 640.2 | 498.8 | 28.3% | 2,640.0 | 2374.6 | 11.2% |
| Adj for RSU, and stock based comp. & CSR Cost | 48.1 | 46.1 | | 142.7 | 104.9 | |
| Normalised operating EBITDA | 688.3 | 544.9 | 26.3% | 2782.7 | 2479.5 | 12.2% |
| <i>Normalised Margins</i> | <i>25.8%</i> | <i>24.8%</i> | | <i>26.3%</i> | <i>27.2%</i> | |
| Other income incl interest | 89.2 | 67.4 | 32.4% | 312.2 | 275.4 | 13.4% |
| PBT | 619.9 | 488.2 | 27.0% | 2613.2 | 2368.2 | 10.3% |
| <i>Margins</i> | <i>23.2%</i> | <i>22.2%</i> | | <i>24.7%</i> | <i>26.0%</i> | |
| PAT | 401.7 | 315.9 | 27.2% | 1717.9 | 1555.9 | 10.4% |
| <i>Margins</i> | <i>15.1%</i> | <i>14.4%</i> | | <i>16.3%</i> | <i>17.1%</i> | |
| EPS (Basic) | 4.88 | 3.85 | 26.8% | 20.85 | 19.02 | 9.6% |
| EPS (Diluted) | 4.87 | 3.84 | 26.8% | 20.82 | 18.95 | 9.9% |

Financial Highlights

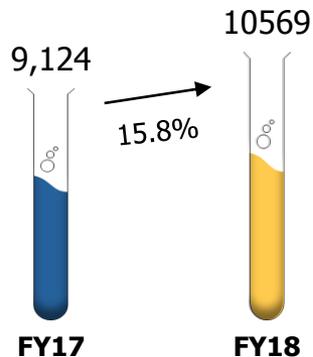
Revenues

All figures in Rs. mn



- Q4 showed strong growth in revenues at 21.4% to Rs. 2,668 million. Drivers during the quarter were:
 - Expansion in patient volumes which stood at 20.8%.
- This maps to growth in the number of patients tested together with improvement in tests per patient metric

- Realisation per patient has improved marginally to Rs. 694 owing to price rationalisations undertaken during the year in select geographies. This was partially offset by higher realisation from bundled tests which delivers greater value to customers

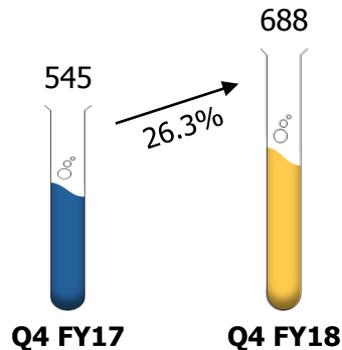


- Revenues for 12M is Rs. 10,569 million, rising 15.8% with healthy volume growth of 15.0%

Financial Highlights

All figures in Rs. mn

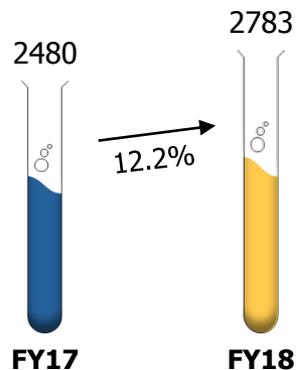
Normalised EBITDA (after eliminating the impact of RSU and other stock based remuneration charges)



- Q4 normalised operating EBITDA (after eliminating the impact of RSU, other stock based remuneration charges and CSR cost) showed 26.3% growth following:

- Measures taken to enhance productivity
- Better traction in cost management

- Q4 Normalised EBITDA margin was at 25.8% vs 24.8% last year



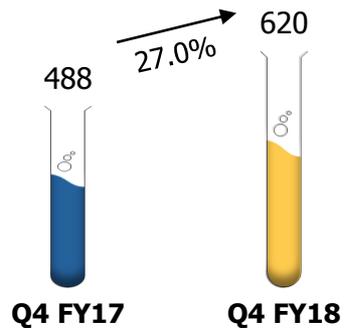
- 12M normalised EBITDA (after eliminating the impact of RSU, other stock based remuneration charges and CSR cost) showed growth of 12.2% to Rs. 2,783 million

- 12M normalised EBITDA margin stood at 26.3%

Financial Highlights

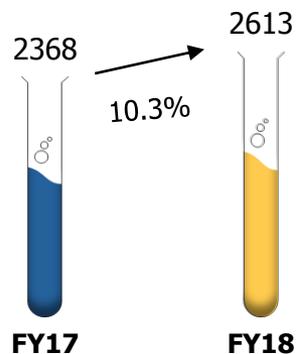
PBT

All figures in Rs. mn



- Q4 PBT stood at Rs. 620 million vs. Rs. 488 million in same quarter last year

- Q4 PAT stood at Rs. 402 million vs Rs. 316 million in Q4 previously

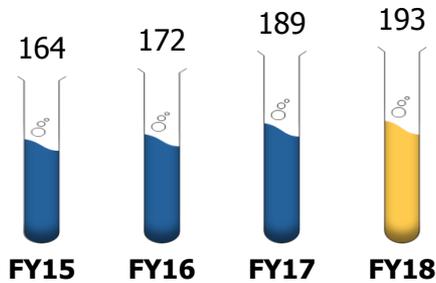


- 12M PBT rose 10.3% to Rs. 2,613 million from Rs. 2,368 million the year ago

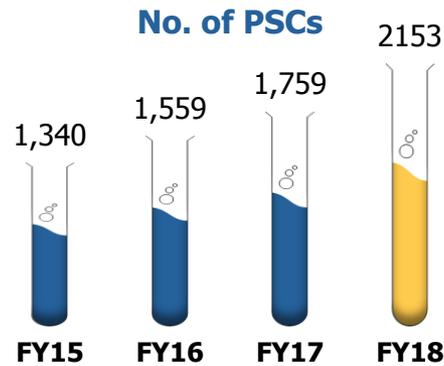
- 12M PAT increased 10.4% to Rs. 1,718 million from Rs 1,556 million in the previous period

Operating Highlights

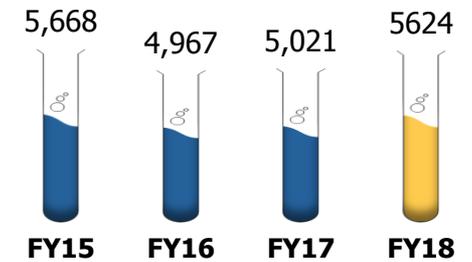
No. of Clinical Laboratories



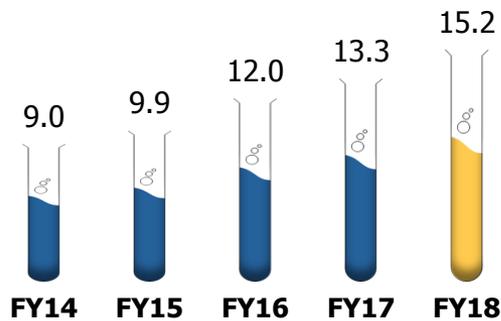
No. of PSCs



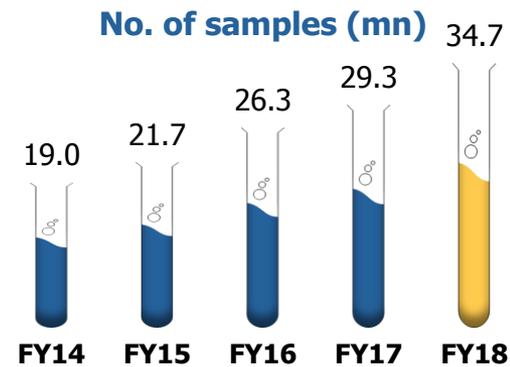
No. of PUPs



No. of patients (mn)



No. of samples (mn)

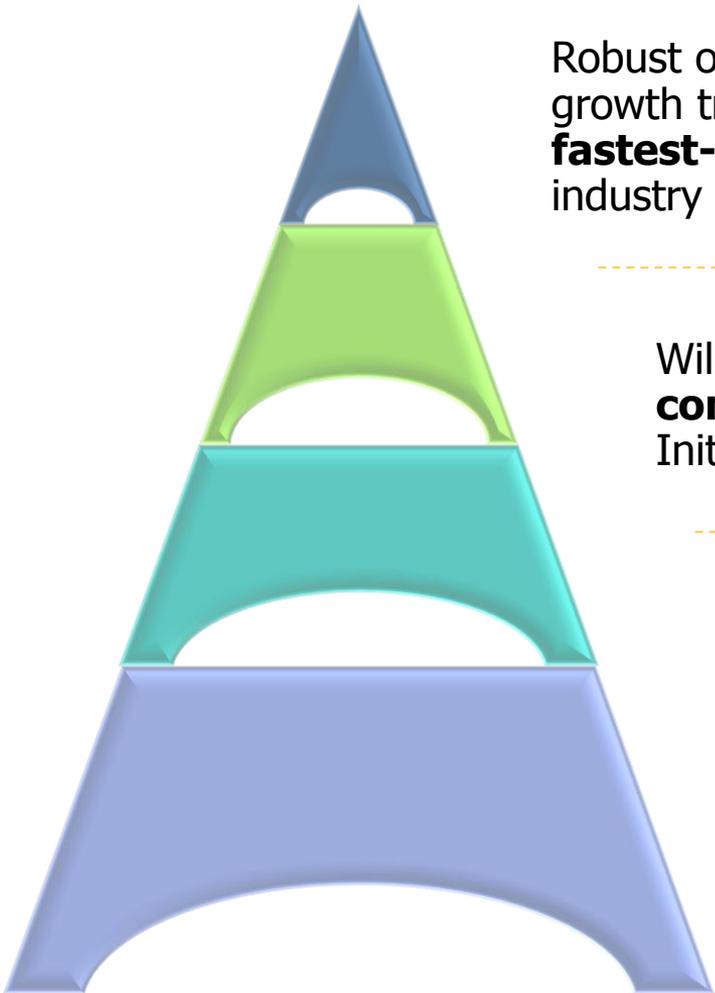


Commenting on the results announcement, Dr. Arvind Lal - Chairman and Managing Director said: "We have demonstrated a strong performance during the quarter with annual revenues crossing Rs 10 bn for the first time! This performance continues to be backed by our focus on providing reliable and accurate diagnostic healthcare services to our customers through a robust network. With focus on quality and reliability of services combined with expanded product offerings, Dr. Lal is today one of India's leading consumer healthcare brand in diagnostic services. I am glad to share that our Regional Reference Laboratory at Kolkata is stabilising well and remains on track to add more network for testing"

Commenting on the results announcement, Dr. Om Manchanda, CEO - Dr. Lal PathLabs said: " We reported yet another quarter of accelerated revenue growth of over 20%! Normalised EBITDA growth during the quarter at 26.3% underlined our efforts on optimising costs as well as higher volumes recorded from gains in patient volumes and tests per patient.

We are mindfully managing the costs, optimising productivities and maintaining a disciplined approach to our business operations. With the commissioning of the Kolkata Regional Reference Laboratory, we aim to realise the success of driving a hub and spoke set up in Eastern India and beyond in neighboring countries.

The outlook for the coming year looks encouraging as our strategy to grow with focus on building networks, test bundling and specialised tests continues to gain momentum."



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



Dilip Bidani

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



Ved Prakash Goel

Deputy CFO



Rajat Kalra

Company Secretary and Compliance Officer



Manoj Sahay

Chief Marketing and Strategy Officer

Shareholding as of 31st March, 2018

57.4%



10.1%



13.3%



0.2%



19.0%



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

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* As on 31 March 2017

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