



Dr. Lal PathLabs Limited (DLPL)

ENABLING
HEALTHIER
LIVES

Q3 FY22 Results Presentation

Feb 10, 2022



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Dr. Lal PathLabs – At a Glance

India's Leading & Trusted
Diagnostics Company

70+ years of experience
in the field of diagnostics

85.7 Mn patients
serviced in last 5 years

30 NABL accredited Labs;
National Reference Lab
accredited by CAP

**Largest*
diagnostics
chain in the
country with
PAN India
presence and
consistent track
record of
quality and
growth**

15%

3 Year Revenue
CAGR

22%

3-Year PAT
CAGR

200%

Equity Dividend
for FY 20-21

~86%

ROCE
Excl. Cash &
Investments

Rs. 331 crore (Net)

Cash & Investments as on
31st Dec, 21

231

Labs;
Geographically
spread out
network

5,008

Pathology &
Radiology tests;
Comprehensive
Test menu

**CRISIL AA-
/Stable**

Long Term Rating;
Strength of Balance
Sheet

As on March 31, 2021

*Largest on the basis of revenue and presence

Overview of Dr. Lal PathLabs

Established brand

Established consumer healthcare brand in diagnostic services



Pan-India integrated coverage

231 clinical labs (including National Reference Lab at Delhi and Regional Reference lab at Kolkata), 3,705 Patient Service Centers (PSCs) and 9,247 Pick-up Points (PUPs)*



Varied Offerings

Catalogue of 471 test panels, 2,590 pathology tests and 1,947 radiology and cardiology tests*



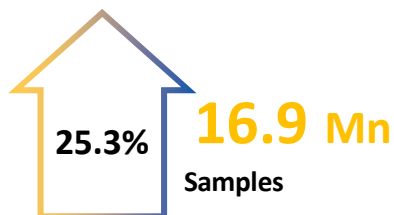
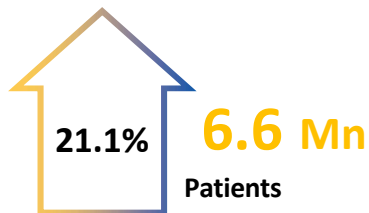
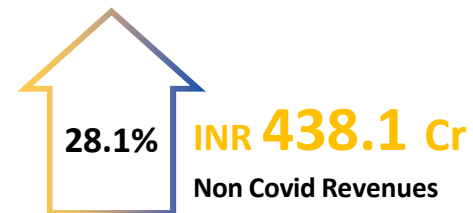
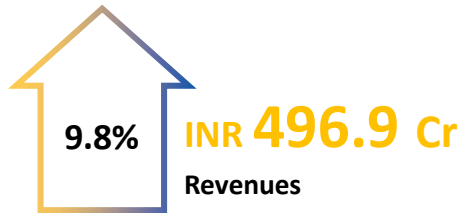
Unique and successful operating model

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

Q3 FY22 Snapshot



* Normalised EBITDA excl. RSU, CSR & Onetime acquisition expenses

**Normalised PAT excl. Onetime acquisition expenses & notional depreciation on consolidation of Suburban

Note: Results includes Suburban financials wef 12th Nov'21

Key Performance Highlights

In Q3 FY22:

- Revenues up by 9.8% Y-o-Y to Rs. 496.9 crore
- Normalised EBITDA* came in at Rs. 141.8 crore, margin of 28.5%
- Normalised Profit After Tax** at Rs. 83.6 crore, margin of 16.8%

Net Cash and Cash Equivalents at Rs. 331 crore as on December 31, 2021

Witnessed strong trajectory in non-COVID business following ease of mobility restrictions across the country; growth in non-COVID business at 28.1% Y-o-Y

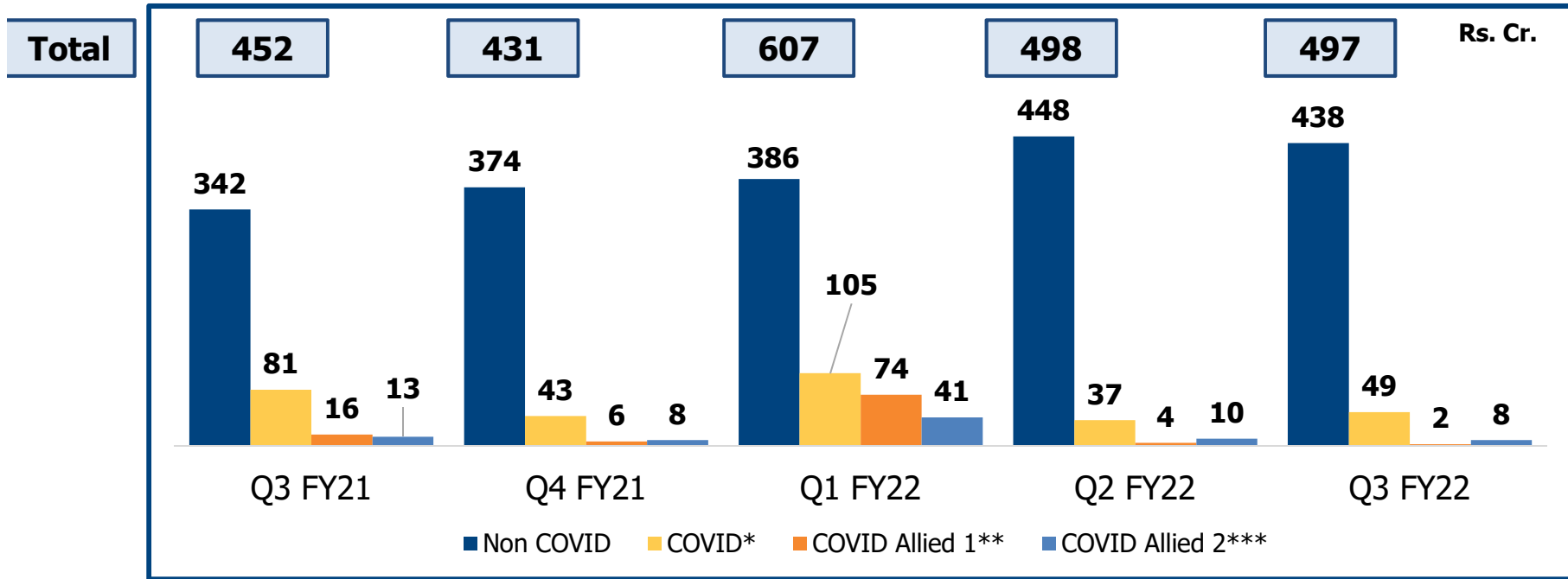
- Revenues from COVID and allied portfolio declined sharply by 46.8% vs same quarter last year
- Revenues from Non-COVID business at Rs 438 Cr with 'Swasthfit' contributing 15% to total revenues
- Enhanced focus on driving volumes while maintaining prices; tactical penetration in West & South through modular cluster city approach playing out well. HUB lab program helping add revenue gains

* Normalised EBITDA excl. RSU, CSR & Onetime acquisition expenses

**Normalised PAT excl. Onetime acquisition expenses & notional depreciation on consolidation of Suburban

Note: Results includes Suburban financials wef 12th Nov'21

Non-COVID, COVID & Allied Revenue



*COVID includes RTPCR and Antibody tests; **COVID Allied 1 includes IL-6 & D-Dimer; ***COVID Allied 2 includes CRP, Ferritin & LDH

Total Covid and Covid allied contribution at 12% in Q3 FY22, 24% in Q3 FY21

Note: Revenue in Q3 22 includes Rs 49.1 Cr (Non Covid 24.7 Cr, Covid Rs 24.4 Cr) of Suburban wef 12th Nov'21

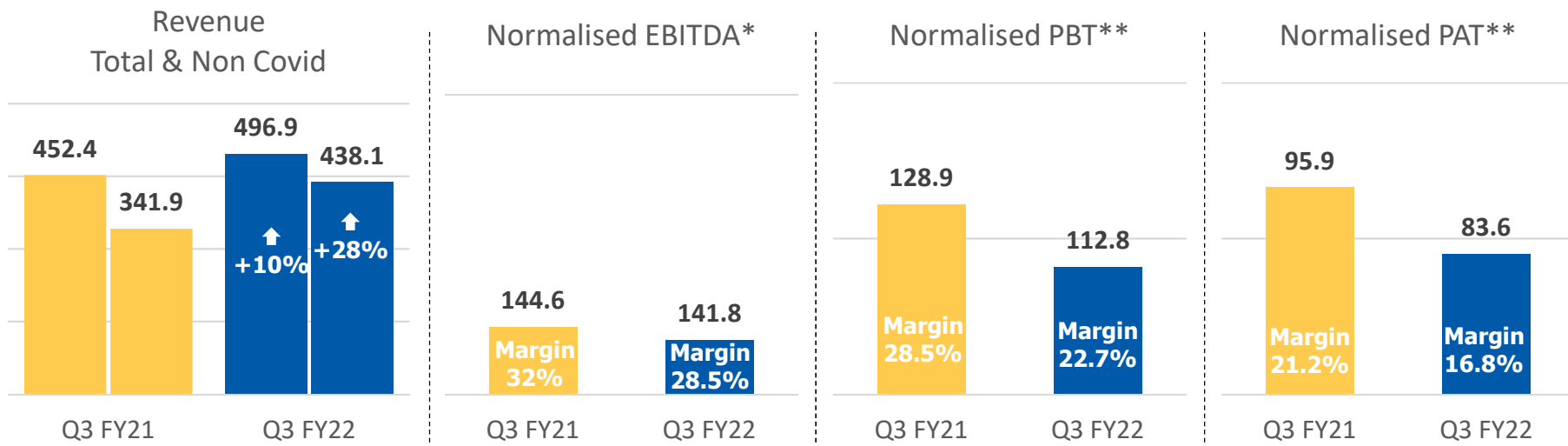
Financials

Particulars (Rs. Cr.)	Q3 FY22	Q3 FY21	Gr %	YTD Dec'21	YTD Dec'20	Gr %
Revenue	496.9	452.4	9.8%	1,601.9	1,150.3	39.3%
Expenditure	387.6	313.6		1,162.2	836.1	
EBITDA	109.2	138.7		439.6	314.3	
Stock based comp., CSR cost & One time Acquisition Expenses	32.6	5.8		53.4	18.8	
Normalised EBITDA	141.8	144.6	-1.9%	493.0	333.1	48.0%
<i>Normalised Margins</i>	<i>28.5%</i>	<i>32.0%</i>		<i>30.8%</i>	<i>29.0%</i>	
Other Income	3.0	9.6		22.2	26.2	
PBT	81.5	128.9	-36.8%	391.4	283.6	38.0%
<i>Margins</i>	<i>16.4%</i>	<i>28.5%</i>		<i>24.4%</i>	<i>24.7%</i>	
PAT	58.2	95.9	-39.3%	288.2	211.4	36.4%
<i>Margins</i>	<i>11.7%</i>	<i>21.2%</i>		<i>18.0%</i>	<i>18.4%</i>	
EPS (Basic)	6.93	11.44		34.27	25.23	
Normalised PBT*	112.8	128.9	-12.6%	422.7	283.6	49.0%
<i>Margins</i>	<i>22.7%</i>	<i>28.5%</i>		<i>26.4%</i>	<i>24.7%</i>	
Normalised PAT*	83.6	95.9	-12.8%	313.6	211.4	48.4%
<i>Margins</i>	<i>16.8%</i>	<i>21.2%</i>		<i>19.6%</i>	<i>18.4%</i>	

*Normalised PBT & PAT are excl. Onetime acquisition expenses & notional depreciation on consolidation of Suburban Results includes Suburban financials wef 12th Nov'21

Financial Highlights

All figures in Rs. Crore



* Normalised EBITDA excl. RSU, CSR & Onetime acquisition expenses

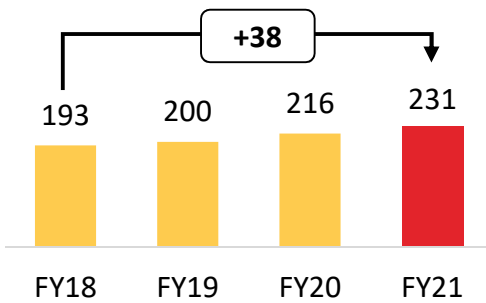
**Normalised PBT & PAT excl. Onetime acquisition expenses & notional depreciation on consolidation of Suburban

Note: Results includes Suburban financials wef 12th Nov'21

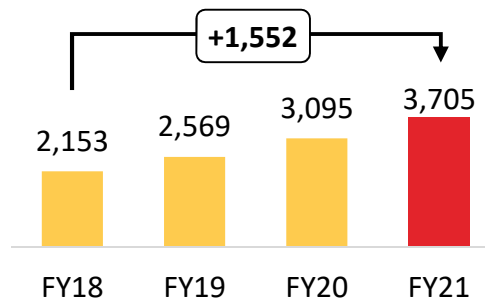
Financial results of the Company are best monitored on a year to date basis, as there is a certain level of seasonality in business and specific quarter performance may be influenced by certain occurrences in that quarter

Operating Highlights

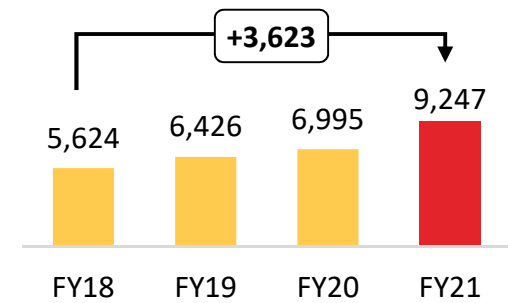
No. of Clinical Laboratories



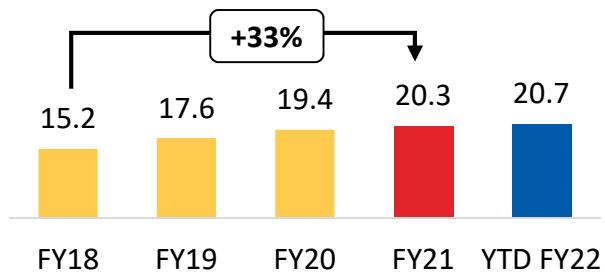
No. of PSCs



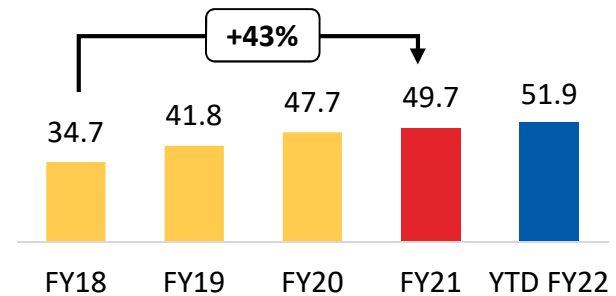
No. of PUPs



No. of Patients (Mn)



No. of Samples (Mn)



Management Commentary

Commenting on the results announcement, (Hony) Brig. Dr. Arvind Lal, Executive Chairman said:

"I am glad to share that we have completed the acquisition of Suburban Diagnostics. With this, we have become one of the leading players in the fast-growing Western region and endeavor to take our share even further. The objective is to leverage the expertise and capabilities of both the companies to deliver accurate diagnostics with better patient experience. As a process, our team tracks latest technological innovations, and we deploy them on a timely basis to stay ahead of the curve when it comes to digitization. Through this, we aim to ensure a seamless and convenient experience for our patients, allowing them to book tests and receive their reports at a touch of their fingers on their smartphones, iPads, laptops, etc.."

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

"The coming months will see the fruition of our agreement to incorporate the Suburban Diagnostics brand. We will be spending our energies on augmenting our brand infrastructure. That is the lifeblood of our model. The consumer connect in diagnostic services is paramount. It will be a prime objective to work with our franchisee partners to bring the DLPL and Suburban Diagnostic brands closer to patients. The coming quarters shall see revitalized approach to managing the patient's relationship with the brand digitally. We have dedicated teams working on strengthening these processes and incremental improvements are already being rolled out. Technology and interoperability with other constituents in the healthcare stack will be key and as an entity, we will be prepared."

Commenting on the results announcement, Mr. Bharath Uppiliappan, Chief Executive Officer said:

"This strong growth in Non Covid revenue is led by patient volumes. I am glad to share with you that our Non Covid business sees further acceleration in growth momentum as compared to previous quarters. This is in line with our stated direction to bring back our growth rates to pre-covid levels. Our Service enhancement and market activation programs including new lab and collection centre opening alongwith strong patient and channel partner marketing programs continue to make good progress. During the quarter we have successfully integrated Artificial Intelligence in prostate cancer reporting leveraging FDA approved technology. This combines the strengths of humans and machines to bring unparalleled patient care."



 *Dr Lal PathLabs*

Corporate Overview

Vision, Mission & Values

VISION



Be the most trusted healthcare partner, enabling healthier lives



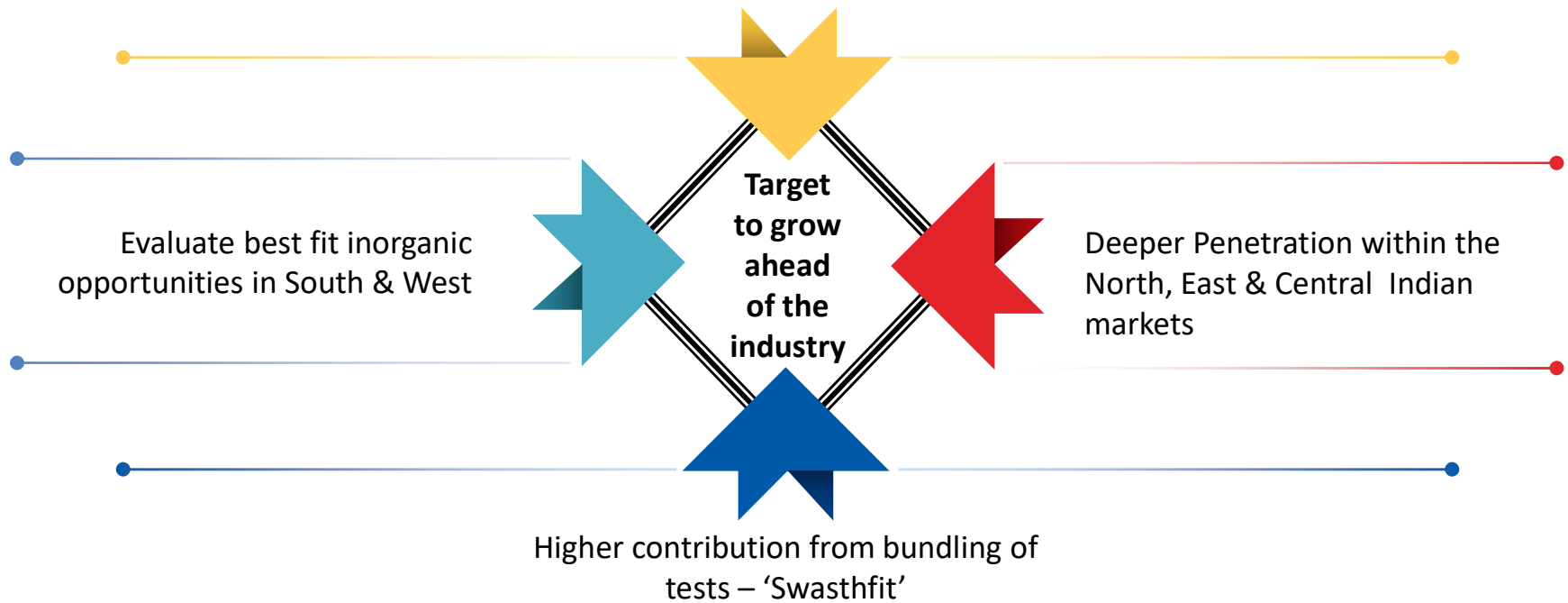
To be the undisputed market leader by providing accessible, affordable, timely and quality healthcare, diagnostics, applying insights and cutting edge technology to create value for all stakeholders

MISSION

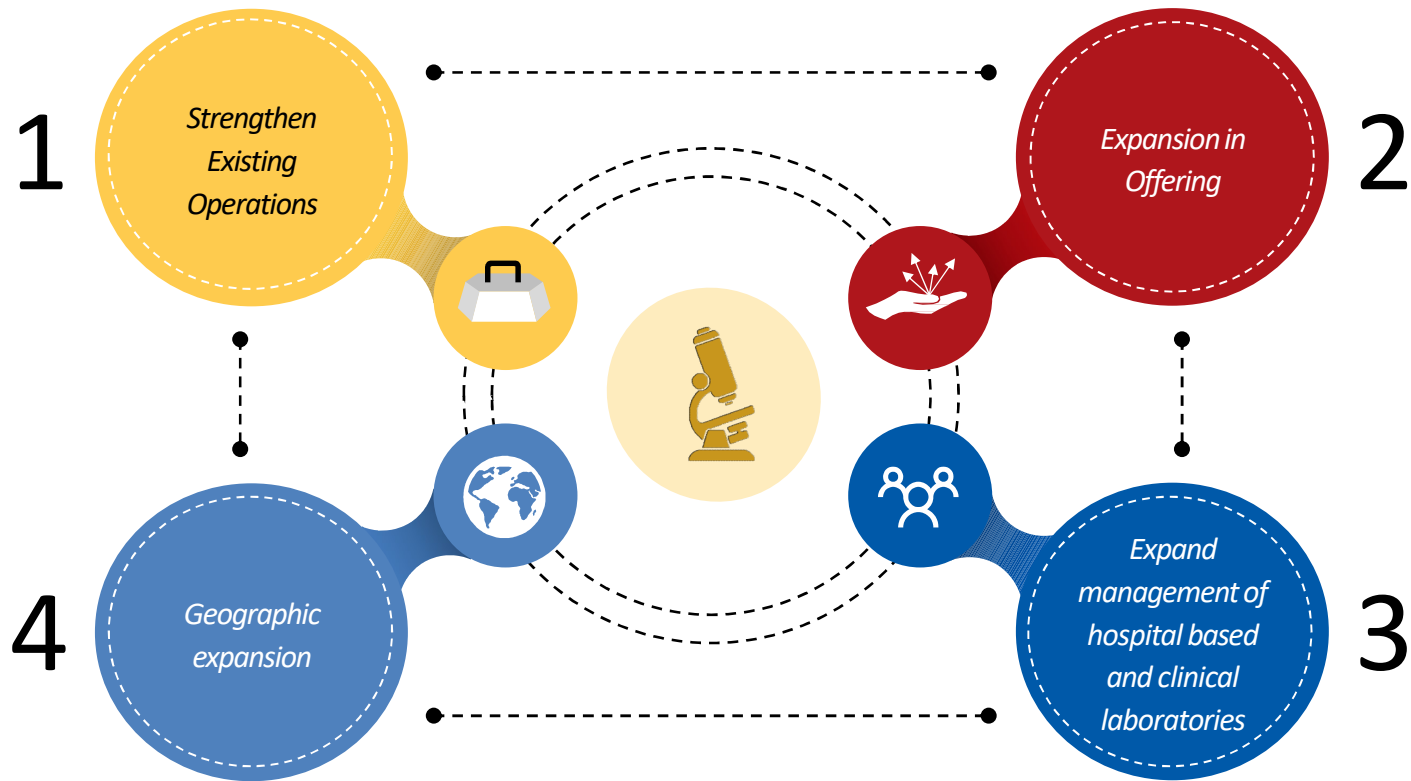


Vibrant Outlook

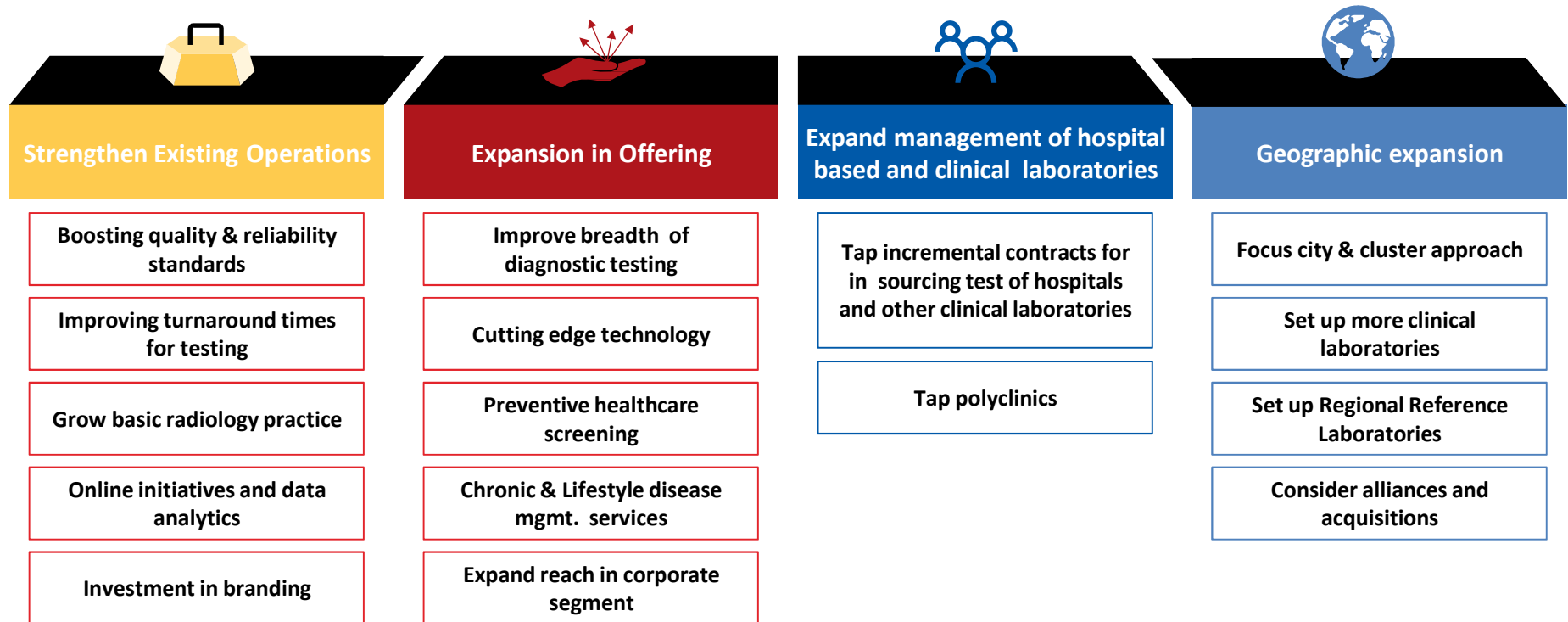
Strongly develop Rest of India geographies, through Regional Reference Labs and cluster city approach for attractive markets



DLPL Strategy for future growth



DLPL Strategy for future growth

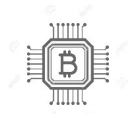


Leveraging digital to make life easier for patient



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

Consistent investments in R&D

DSIR recognized In House R&D unit with an experienced team of research scientists and doctors

R&D Collaboration with marquee institutions

Successful commercialization of tests



Jawaharlal Nehru University for development of diagnostics kit for detection of mycobacterium tuberculosis and mycobacterial species



CSIR-Institute of Genomics and Integrative Biology for acquisition of know-how for 27 diagnostic assays

- Spino-Bulbar-Muscular Atrophy
- Sickle Cell Trio Prenatal Mutation Detection
- Sanger Sequencing, Single Variant
- Leigh Syndrome Mitochondrial Mutation Detection
- Episodic Ataxia Type 2

Genevolve: The Genomics initiative



GENEVOLVE brings the dawn of a new era of Genomic testing!

Genevolve: Genomics division focuses on Genetic testing

Offers wide range of key tests related to Oncogenomics, Neurogenomics, Rare disease & Pre-natal/ Post-natal



New Tests

- Sperm DNA
- Y Chromosome



New Tie-ups

- Caris MI (USA)
- Caris Tumor Seek



ONCOPATH

- Niche Segmentation

Tests are carried out using cutting edge technologies such as Next Generation Sequencing (NGS), MLPA, ddPCR, FISH & Sanger Sequencing among others

PAN India network of clinical laboratories, collection centers and pick- up points makes Dr. Lal PathLabs the most reliable genetic testing service provider in India

In-house adoption of Digital Histopathology

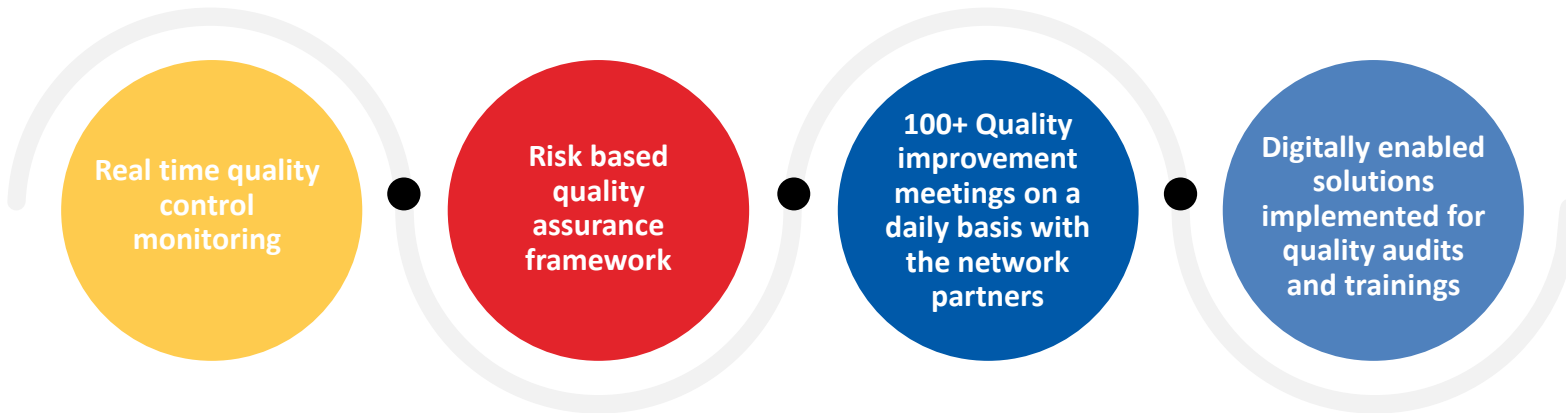
- ✓ Reporting of Digital Breast cancer Panels using AI based algorithms
- ✓ Digital Histopathology for remote routine reporting



Opportunities created by Digital Histopathology

- Enhanced access to second opinion, synchronous review of slides
- Enhanced quality of reporting
- Potential for insourcing services
- Leveraging Artificial Intelligence for Histopathology
- Potential for de-centralization of histopathology reporting

Highest Quality Standards in the Industry

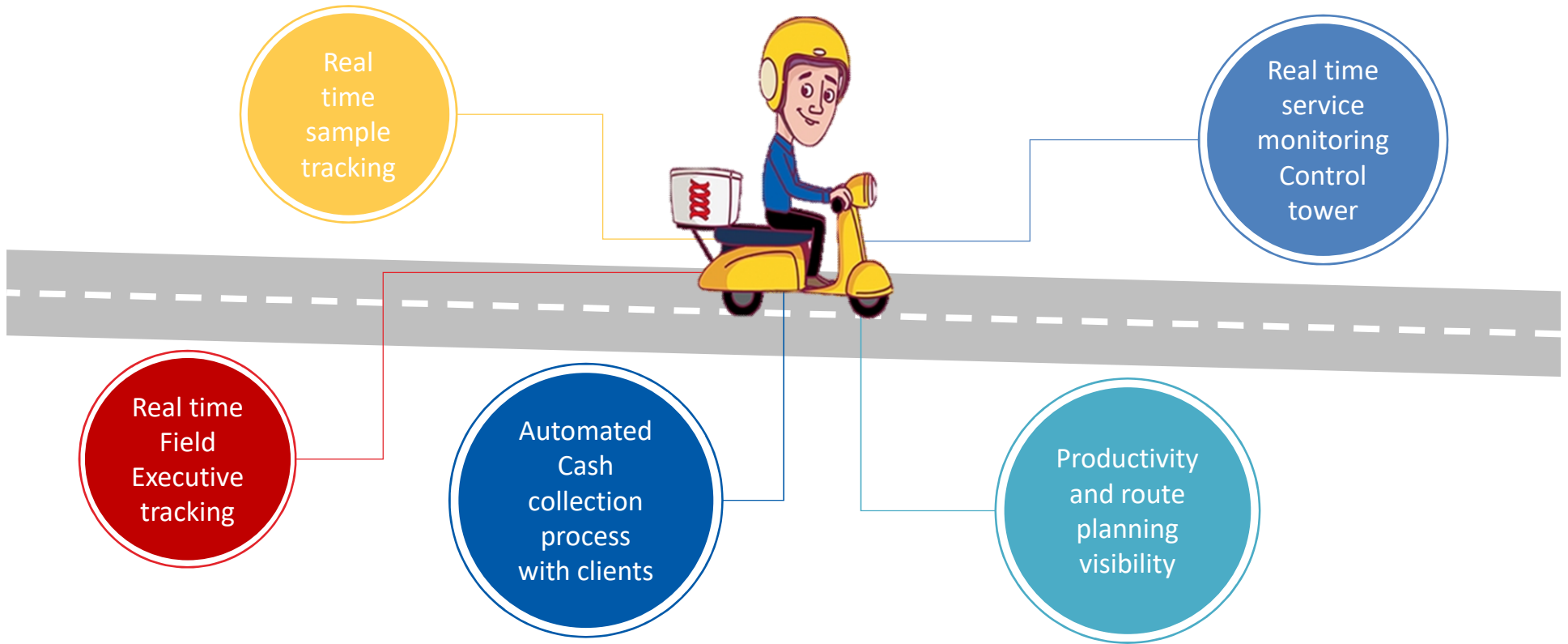


Best in the Industry CAP Proficiency Testing Score at 98.3% for National Reference Lab

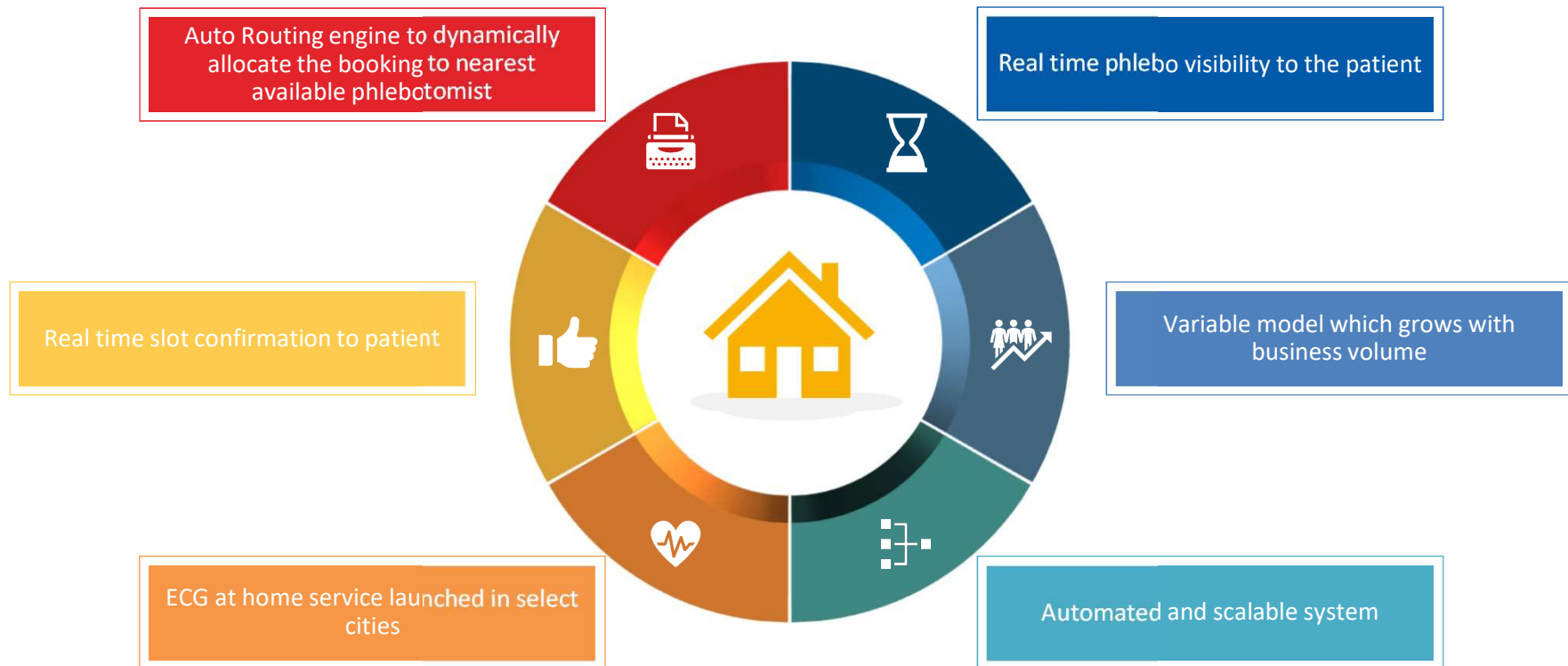
Consistently high EQAS Performance Testing Score at 98.7% for Satellite Labs

NABL Accreditation granted to 14 Labs for processing Covid-19 samples

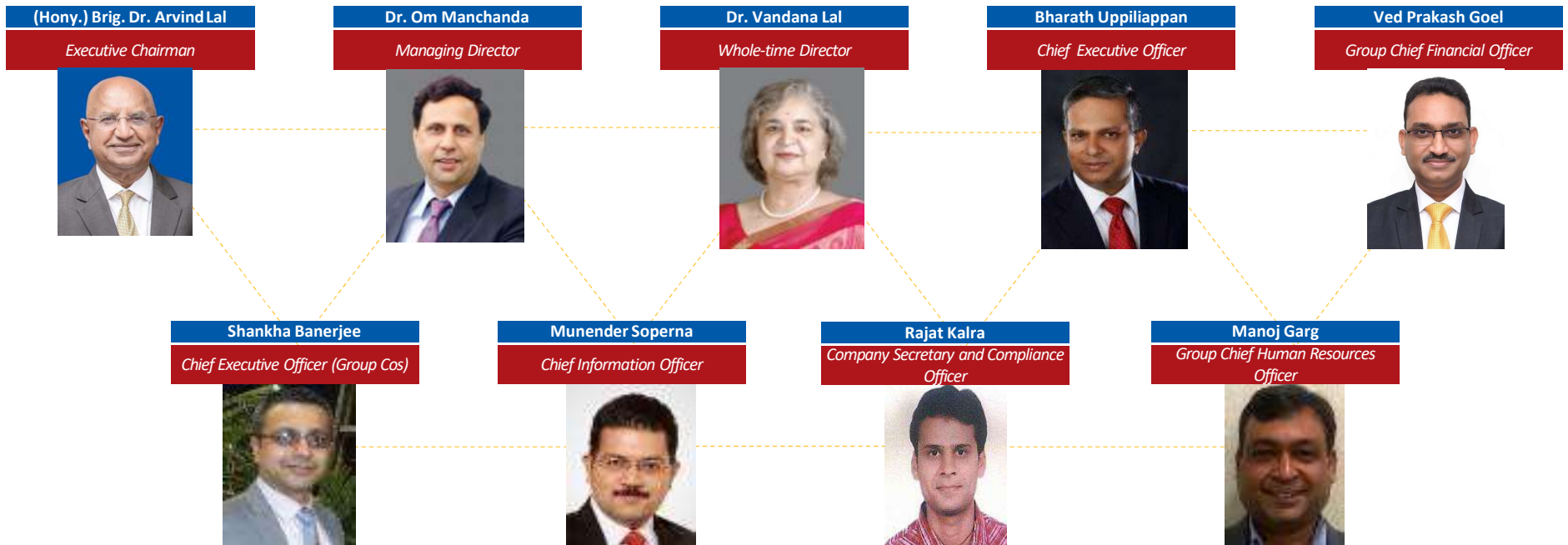
Best in class Logistics and Supply Chain management



Enhanced Customer Experience in Home Collection



Experienced Management team



Key Awards & Recognition



Dr. Om Manchanda honoured and awarded as 'Healthcare Personality of the Year, 2020' by FICCI



ICICI Lombard & CNBC TV18 India Risk Management Awards 2020 – Emerging Corporates



EY Entrepreneur of The Year 2019 – Life Sciences & Healthcare



Data Quest Technology Award 2015 – Excellence in Implementation of Technology



VC Circle Healthcare Summit 2013 – Best Diagnostic Company



Computerworld Honors Laureate Program, 2012



Frost and Sullivan 4th Annual India Healthcare Excellence Award, 'Diagnostic Service Provider Company of the Year 2012'



Franchise India Excellence Award in Hall of Fame Category (2011, 2012)

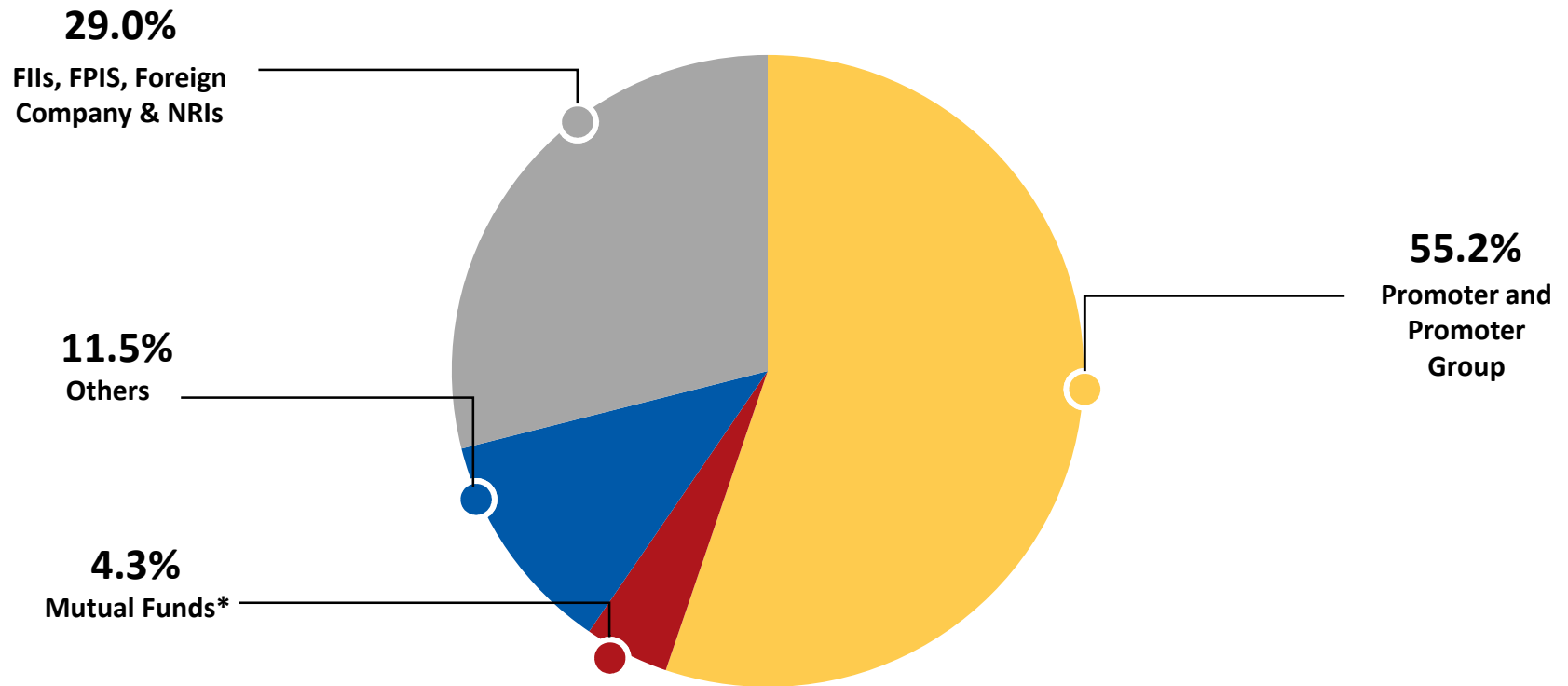


Franchisor of the Year (Healthcare) - Franchise Plus Awards 2010



Padma Shri – (Hony) Brig. Dr. Arvind Lal (2009)

Shareholding as of 31st December, 2021



*Mutual Funds includes Alternate Investment Funds as well

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 471 test panels, 2,590 pathology tests and 1,947 radiology and cardiology tests as on March 31, 2021.

As on March 31, 2021, DLPL's has 231 clinical labs (including National Reference Lab at Delhi & Regional Reference Lab at Kolkata), 3,705 Patient Service Centers (PSCs) and 9,247 Pick-up Points (PUPs). In FY20 & FY21, DLPL collected and processed approximately 47.7 million samples and 49.7 million samples from approximately 19.4 million and 20.3 million patients, respectively.

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

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

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