

Dr. Lal PathLabs Limited (DLPL)

Q3 & 9M FY20

Results Presentation

February 3, 2020



Disclaimer

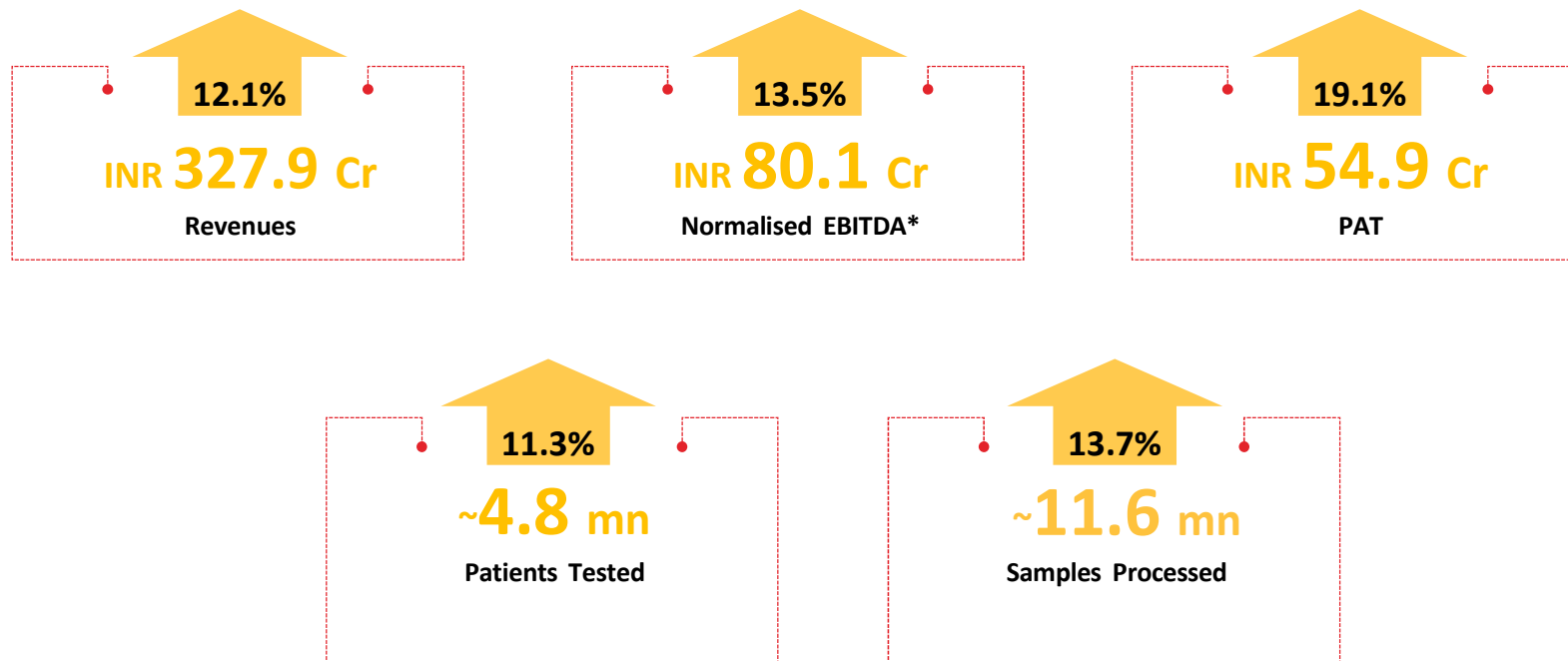
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Q3 FY20 Snapshot



* Excluding Ind AS 116 impact

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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

15%

3 Year Revenue CAGR

14%

3-Year PAT CAGR

Zero

Net Debt

59%

Revenue Contribution from Rest of India

~70%

ROCE Excl. Cash & Investments

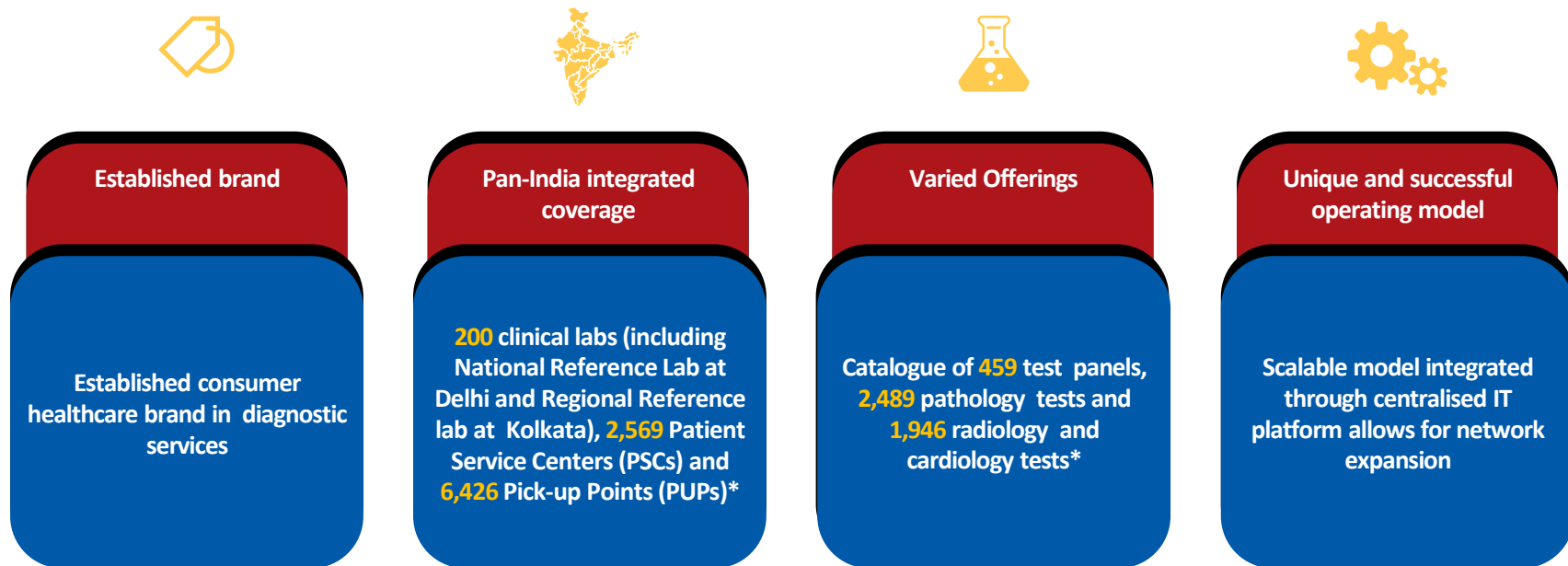
~4,900

Pathology & Radiology tests offered; highest in the industry

**CRISIL AA-
/Stable**

Long Term Rating

Overview of Dr. Lal PathLabs



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

*As on March 31, 2019

Key Performance Highlights

In Q3 FY20, patient volumes increased by 11.3% led by higher growth in the Rest of India market, further supported by stable momentum in the other regions

During Q3 FY20:

- Revenues increased by 12.1% Y-o-Y at Rs. 327.9 crore
- Number of patients tested stood at 4.8 million
- Normalised EBITDA (after eliminating the impact of stock based remuneration, CSR & Ind AS 116) came in at Rs. 80.1 crore
- Profit After Tax stood at Rs. 54.9 crore, representing a growth of 19.1% over the corresponding quarter of last year

Cash, FDs and Mutual Funds at Rs. 775.1 crore as on Dec 31, 2019, as against Rs. 707.7 crore as on March 31, 2019

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 leverage the brand, expansion of test menu and strengthening the digital presence
- Improve the contribution of bundled test program – 'Swasthfit', which currently contributes 15% to total revenues

Financials

Particulars (Rs. Cr.)	Q3 FY20	Q3 FY20	Q3 FY19	Gr %	Gr %	YTD	YTD	YTD	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	327.9	327.9	292.5	12.1%	12.1%	1028.7	1028.7	902.3	14.0%	14.0%
Other Income	13.8	13.8	12.2			43.0	43.0	32.5		
Total Income	341.7	341.7	304.7	12.1%	12.1%	1071.7	1071.7	934.8	14.6%	14.6%
Raw Material Consumed	74.4	74.4	65.3			226.7	226.7	197.2		
Personnel Expense	61.6	61.6	51.9			180.1	180.1	151.5		
Rent Expense	3.7	12.5	11.9			11.5	37.3	35.6		
Other Expenses	105.9	105.9	97.8			324.1	324.1	290.6		
Total Expenditure	245.6	254.4	226.9	8.2%	12.1%	742.4	768.2	674.9	10.0%	13.8%
EBITDA	82.3	73.5	65.6	25.5%	12.0%	286.3	260.5	227.4	25.9%	14.6%
<i>Margins</i>	25.1%	22.4%	22.4%			27.8%	25.3%	25.2%		
Adj for Stock based comp. & CSR cost	6.6	6.6	5.0			15.1	15.1	13.0		
Normalised EBITDA	88.9	80.1	70.6	25.9%	13.5%	301.4	275.6	240.4	25.4%	14.6%
<i>Normalised Margins</i>	27.1%	24.4%	24.1%			29.3%	26.8%	26.6%		
Interest Cost	3.9	0.0	0.3			11.4	0.0	0.7		
Depreciation Cost	18.8	11.4	9.6			52.8	30.9	27.8		
PBT	73.4	75.9	67.9	8.1%	11.8%	265.1	272.6	231.4	14.6%	17.8%
<i>Margins</i>	22.4%	23.1%	23.2%			25.8%	26.5%	25.6%		
PAT	54.9	56.7	46.1	19.1%	23.0%	195.0	200.3	153.1	27.4%	30.8%
<i>Margins</i>	16.7%	17.3%	15.8%			19.0%	19.5%	17.0%		
EPS (Basic) - In Rs.	6.56		5.56	18.0%		23.48		18.48	27.1%	
EPS (Diluted)- In Rs.	6.55		5.55	18.0%		23.42		18.45	26.9%	

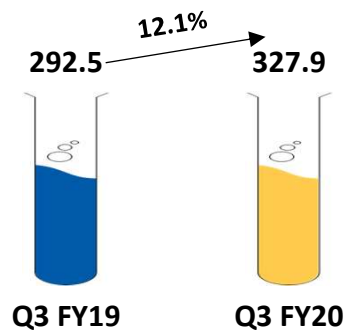
The current quarter reported numbers are as per Ind AS 116. The company has adopted Modified Retrospective Approach for transition to IND AS 116 from 1st April 2019. This approach does not require restatement of comparative information for Q3 FY19 and 9M FY19. However for the purpose of comparison Q3 FY20 and 9M 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

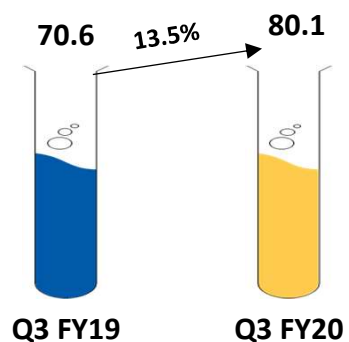
All figures in Rs. Crore

Revenue



- Revenue growth in Q3 FY20 stood at 12.1%, at Rs. 327.9 crore. This was contributed by:
 - Continued momentum in volumes, which grew by 11.3% and
 - Higher growth in tests per patient from 2.38 to 2.43
- Realisation per patient in Q3 FY20 came in at Rs. 688, higher as compared to Rs. 683 in Q3 of FY19

Normalised EBITDA (after eliminating the impact of stock based compensation, CSR and Ind AS 116)

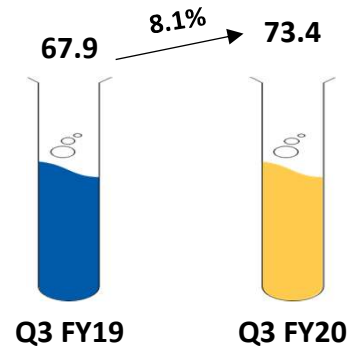


- Normalised operating EBITDA (after eliminating the impact of stock based compensation, CSR and Ind AS 116) stood at Rs. 80.1 crore in Q3 FY20, higher by 13.5% Y-o-Y
- Q3 FY20 Normalised EBITDA margin (after eliminating the impact of stock based compensation, CSR and Ind AS 116) came in at 24.4%

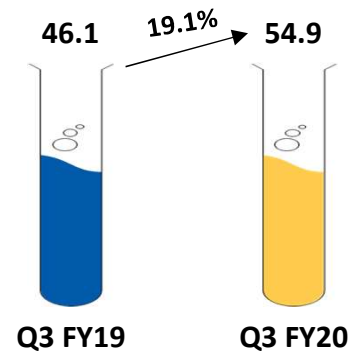
Financial results of the Company are best monitored on a year to date basis, as there is a certain level of seasonality in business and specific quarter performance may be influenced by certain occurrences in that quarter

Financial Highlights

All figures in Rs. Crore



- PBT for Q3 FY20 came in at Rs. 73.4 crore vs. Rs. 67.9 crore in the corresponding quarter of last year, representing a growth of 8.1%
- Q3 FY20 PBT margin stood at 22.4%, as against 23.2% in the same period of last year
- PBT for Q3 FY 20 is after impact of Ind AS 116

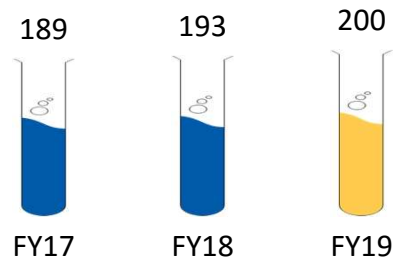


- PAT stood at Rs. 54.9 crore in Q3 FY20 as compared to Rs. 46.1 crore in Q3 FY19, higher by 19.1%
- Q3 FY20 PAT margin came in at 16.7% Vs. 15.8% in Q3 FY19

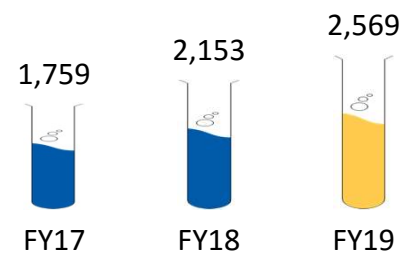
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Operating Highlights

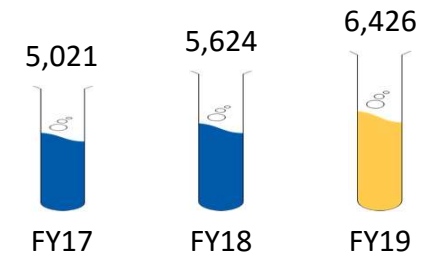
No. of Clinical Laboratories



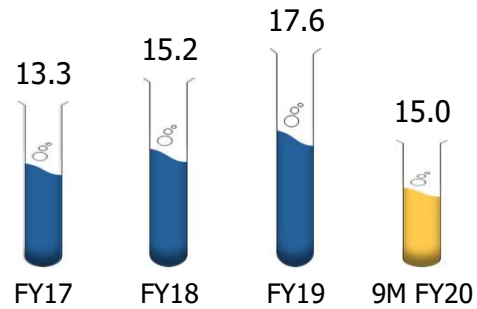
No. of PSCs



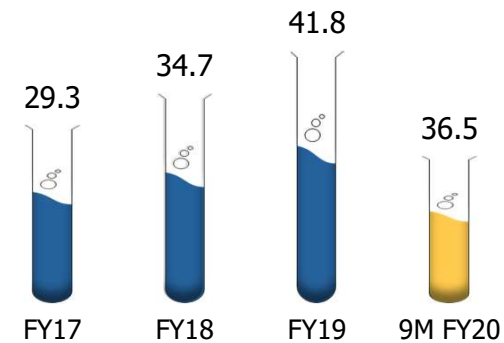
No. of PUPs



No. of Patients



No. of Samples



Management Commentary

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

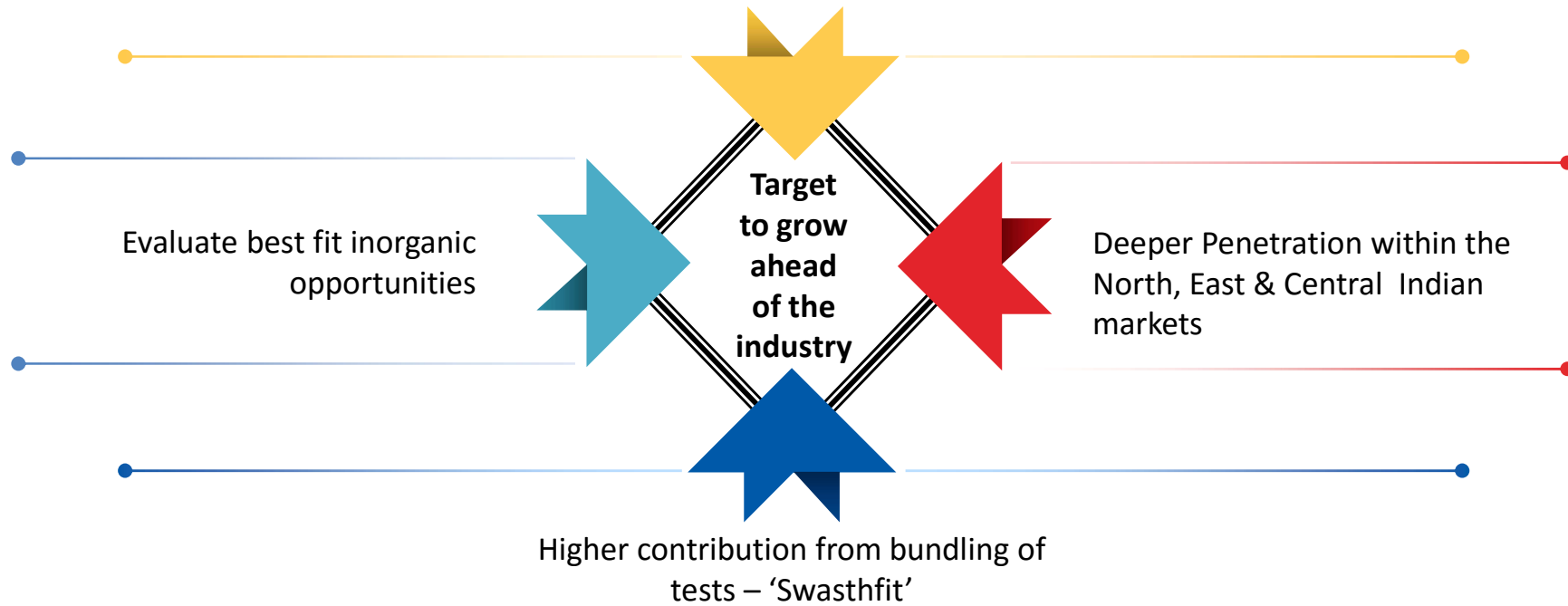
“We continue to demonstrate healthy performance quarter-on-quarter led by our focus on basic fundamentals of business and aspiration to maintain high levels of quality and scale. There are several opportunities available for an organized, large-scale national player as ourselves and we are sure to seize them as they come. Overall, we will continue to focus on expanding our test menu and geographical presence to further elevate our performance and provide accurate diagnostics services at affordable prices to our patients.”

Commenting on the results announcement, Dr. Om Manchanda, CEO - Dr. Lal PathLabs said:

“We drive our business by maintaining a sharp focus on driving volumes through expansion in our network, higher throughput in every PSC & laboratory and bundled tests initiatives. I am glad that this approach has played out in our favour, which is clearly visible in our performance delivered in the past so many quarters. While we continue to expand our reach, we are also reinforcing our presence in the existing markets by deeper penetration and leveraging technology by way of online outreach. Our growth objectives are aligned to enhance the quality of healthcare services by providing access to quality diagnostics.”

Vibrant Outlook

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

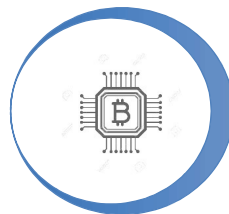


Leveraging digital to make life easier for patient



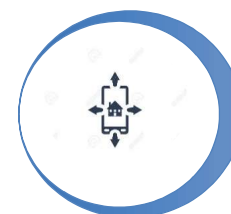
Digital Lab

- 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.



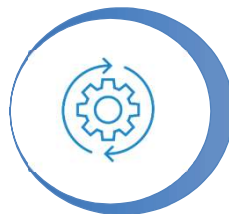
Mobile app

- 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

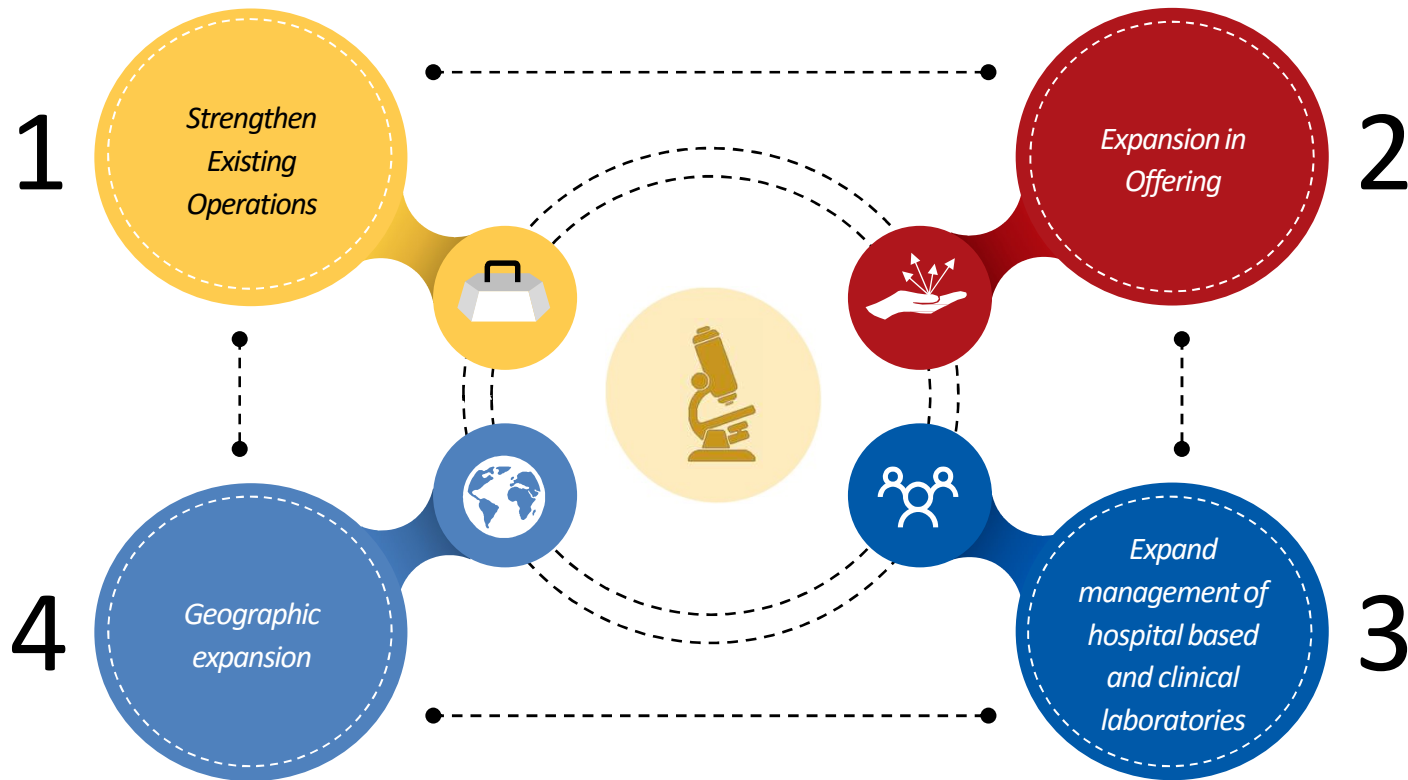
Corporate Overview

[DLPL Strategy for future growth](#)

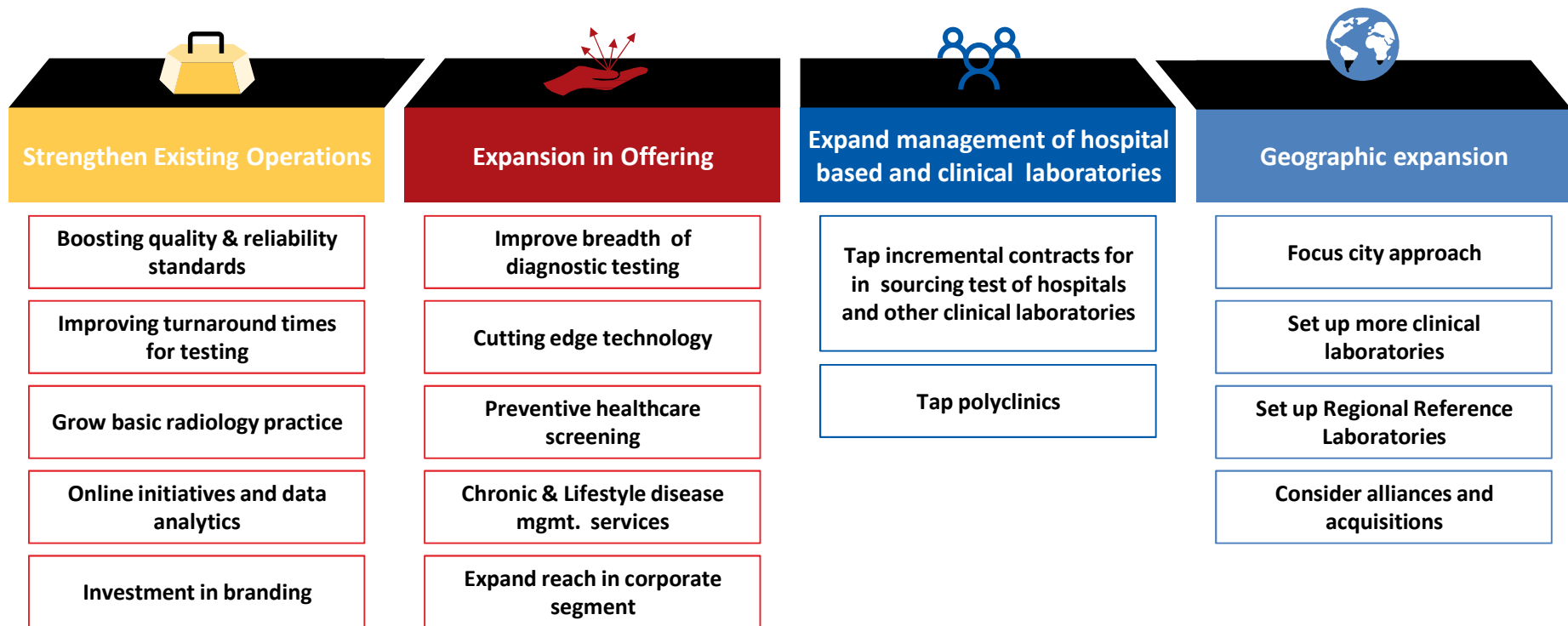
[Experienced Management team](#)



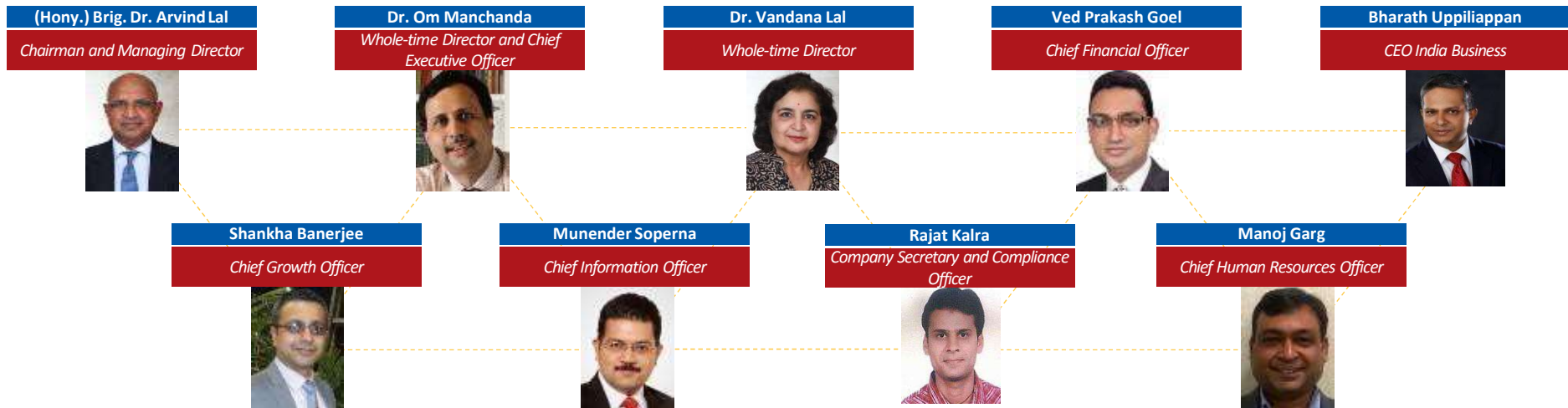
DLPL Strategy for future growth



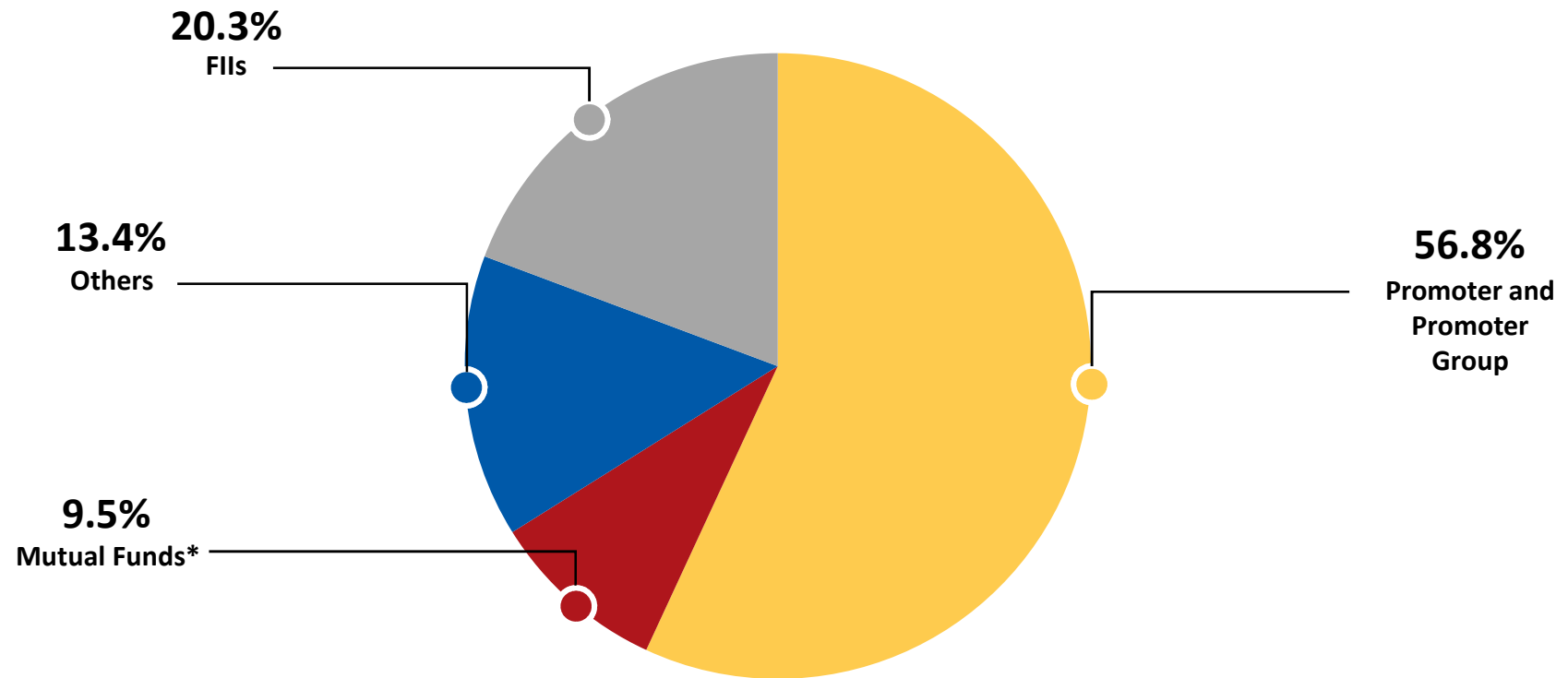
DLPL Strategy for future growth



Experienced Management team



Shareholding as of 31st December, 2019



*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 459 test panels, 2,489 pathology tests and 1,946 radiology and cardiology tests as on March 31, 2019.

As on March 31, 2019, DLPL's has 200 clinical labs (including National Reference Lab at Delhi & Regional Reference Lab at Kolkata), 2,569 Patient Service Centers (PSCs) and 6,426 Pick-up Points (PUPs). In FY18 & FY19, DLPL collected and processed approximately 34.7 million samples and 41.8 million samples from approximately 15.2 million and 17.6 million patients, respectively.

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

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

**For further
information
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