

**Dr. Lal PathLabs Limited records revenue of Rs 498.4 Cr in Q2 FY 2021-22**

**Enters into a Definitive Agreement for 100% Equity stake in Suburban Diagnostics**

New Delhi, India, October 26, 2021 – Dr. Lal PathLabs Limited (referred to as the “Company”; NSE: LALPATHLAB, BSE: 539524), a leading diagnostic and related healthcare services provider announces their financial results for the quarter ended September 30, 2021 and acquisition of Suburban Diagnostics (India) Private Limited as approved by the Board.

**Consolidated Performance Highlights: Q2 FY 2021-22 vs Q2 FY 2020-21**

**Revenue: Rs 498.4 Cr, a growth of 15.4%**  
**Normalised EBITDA at Rs 152.2 Cr with margin at 30.5%**  
**PBT at Rs 130.7 Cr with margin at 26.2%, and**  
**PAT Rs 96.3 Cr with margin at 19.3%**

- Operating Revenue increased by 15.4% in Q2 FY22 to Rs. 498.4 Cr vs Rs 431.9 Cr in Q2 FY21
- Covid and Allied contributed 10.1% to Revenue in Q2 FY22 with 4.7 lac RT-PCR tests
- Normalised EBITDA (after adjustment for stock based compensation & CSR cost) for Q2 FY22 is at Rs. 152.2 Cr vs Rs 134.7 Cr in the same quarter last year
- PBT is at Rs 130.7 Cr in Q2 FY22 vs Rs 116.6 Cr. in Q2 last year
- Profit after Tax in Q2 FY22 at Rs. 96.3 Cr as compared to Rs 87.1 Cr in Q2 last year

**Financial Overview (Consolidated) in Rs Cr**

Particulars	Q2 FY22	Q2 FY21	Gr %	FH FY22	FH FY21	Gr %
Revenue	498.4	431.9	15.4%	1,105.0	697.9	58.3%
Expenditure	357.0	304.7		774.6	522.4	
EBITDA	141.5	127.3	11.2%	330.4	175.5	88.3%
Adj for Stock Based Compensation & CSR cost	10.7	7.4		5.8	13.0	
Normalised EBITDA	152.2	134.7	13.1%	336.3	188.5	78.4%
Normalised Margins	30.5%	31.2%		30.4%	27.0%	
Other income	14.4	12.9		28.4	24.3	
PBT	130.7	116.6	12.1%	309.9	154.7	100.3%
Margins	26.2%	27.0%		28.0%	22.2%	
PAT	96.3	87.1	10.6%	230.0	115.5	99.1%
Margins	19.3%	20.2%		20.8%	16.5%	
EPS (Basic)	11.49	10.34	11.1%	27.38	13.79	98.5%
EPS (Diluted)	11.45	10.31	11.1%	27.27	13.75	98.3%

## Key Highlights of the Acquisition

**Dr Lal PathLabs revenue contribution from West region to go up from 10% to 24% post-acquisition basis FY21**

**Greater Mumbai cluster shall be the second highest revenue contributor at 14% after DNCR**

- Dr Lal PathLabs Limited (LPL) will acquire 100% equity of Suburban Diagnostics (India) Private Limited in an all cash deal for an enterprise value of 18.5x of FY22 audited EBITDA subject to a floor of Rs. 925 Cr. and a cap of Rs 1,150 Cr
  - The deal shall be funded through the existing cash reserves of LPL
  - Dr Sanjay Arora, Founder of Suburban Diagnostics, shall join LPL as Group Medical Director
  - Western India Region is a strategic priority for LPL. Suburban Diagnostics is a platform acquisition for LPL.
    - A platform to leverage Suburban's strong consumer and medical brand recognition, wide network and professional management team to further accelerate its growth trajectory
    - Access to 44 laboratories and Diagnostics centres (one of which is CAP accredited and five are NABL accredited) and 150+ collection centres
- Revenues of Rs 294 Cr in FY 21 with EBITDA of Rs 57.5 Cr
- The acquisition is expected to be closed within one month
- Ernst & Young acted as Financial Advisors and L&L Partners (formerly, Luthra & Luthra, Law offices) acted as Legal Advisors to LPL; Avendus Capital & Candle Partners acted as Financial Advisors and Phoenix Legal acted as legal advisors to Suburban Diagnostics.

*“Our joining hands with Suburban Diagnostics is a significant step in LPL’s endeavor to expand our footprint in Western India. I am confident that our combined strengths and a similar DNA of both the companies- led by doctor promoters, will lead to new heights in serving our customers across Western India.”*

**(Hony) Brig. Dr Arvind Lal, Padma Shri, Executive Chairman, Dr Lal PathLabs Limited**

*“Suburban Diagnostics transaction is in line with our stated strategy of driving growth through inorganic route especially in West and South regions. This transaction has a strategic significance for us from a long term stand point.”*

**Dr. Om Manchanda, Managing Director, Dr Lal PathLabs Limited**

*“One of my missions has been to unburden healthcare and add value to medical outcomes. By coming together with DLPL, I will get the right platform to make this impact at a national level. The core of any healthcare organization is to add medical value while continuing to drive good governance and positive commercial success. As a medical professional, I will be able to concentrate on adding value to medical outcomes. This association with DLPL allows us to play to our strengths while continuing to add value to society.”*

**Dr. Sanjay Arora, Founder, Suburban Diagnostics (India) Private Limited**

## About Dr. Lal PathLabs Limited

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Dr. Lal PathLabs is a provider of diagnostic and related healthcare tests and services in India. Through their integrated, nationwide network, the company offers patients and healthcare providers 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 diseases and other health conditions.

As on March 31, 2021 the company has 231 clinical laboratories (including National Reference Lab at Delhi & Regional Reference Lab at Kolkata), 3,705 Patient Service Centers (PSCs) and 9,247 Pick-up Points (PUPs). Their customers include individual patients, hospitals and other healthcare providers and corporate customers.

## Contact Details

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For further information on Dr. Lal PathLabs see [www.lalpathlabs.com](http://www.lalpathlabs.com)

## Safe Harbour

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This release contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Dr. Lal PathLabs future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Dr. Lal PathLabs undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

Classification: **Internal**

**Dr. Lal PathLabs Limited**

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