



Dr Lal PathLabs

February 12, 2016

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: Investors Presentation on Unaudited Financial Results

Dear Sir/Madam,

Please find attached a copy of Company's Q3 & 9M FY16 Earnings Presentation, which the Company proposes to share with Analysts / Investors with respect to its Un-Audited Financial Results for the Quarter and Nine-Months ended December 31, 2015, approved by the Board of Directors in their meeting held on February 12, 2016.

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

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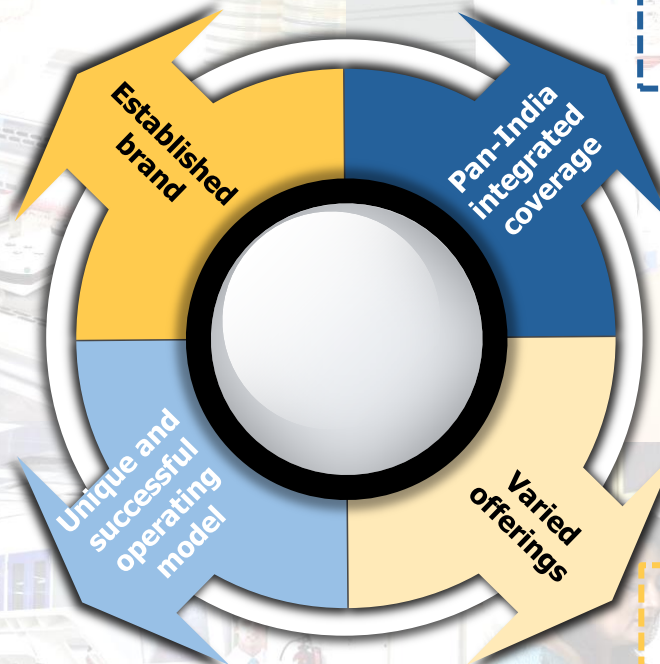


DISCLAIMER: This presentation may contain 'forward-looking' statements at places. The Company's business operations remain subject to undetermined contingencies and risks. Dr. Lal PathLabs Limited would not be liable for any action undertaken based on such 'forward-looking' statements and does not commit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

Overview of Dr Lal PathLabs

Established consumer healthcare brand in diagnostic services

172 clinical labs (including National Reference Lab at Delhi), 1,554 Patient Service Centers (PSCs) and 7,059 Pick-up Points (PUPs)*



Scalable model integrated through centralized IT platform allows for network expansion

Catalogue of 1,110 test panels, 1,934 pathology tests and 1,561 radiology and cardiology tests

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

Key Highlights

- Steady growth continues –outlook remains positive and promising
- Operational scale up of business in line with plan
- Strengthened position in core markets and expanding in new markets
- During 9M FY16 LPL reported:
 - Total Revenue growth of 22% to Rs. 5,936 mn from Rs. 4,878 mn
 - EBITDA (Without ESOP Reversal) increase of 12% to Rs. 1,521 mn from Rs. 1,359 mn
 - PBT (Without ESOP Reversal) higher by 16% to Rs. 1,445 mn from Rs. 1,244 mn
- During Q3 FY16 LPL reported:
 - Total Revenue growth of 21% to Rs. 1,886 mn from Rs. 1,558 mn
 - EBITDA (Without ESOP Reversal) increase of 5.3% to Rs. 427 mn from Rs. 405 mn
 - PBT (Without ESOP Reversal) higher by 9% to Rs. 396 mn from Rs. 364 mn

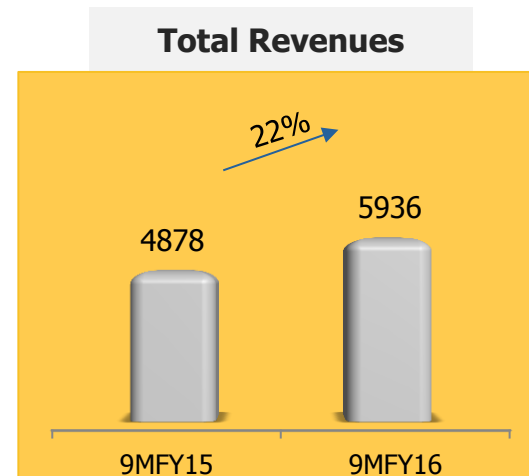
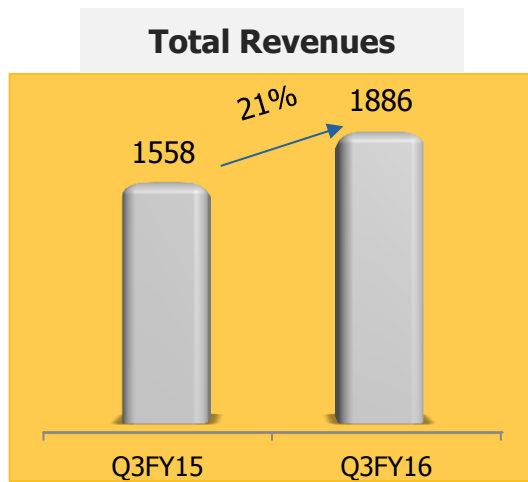
Note: Financial results of the Company are best monitored on a year to date basis, as there is a certain level of seasonality in business and specific quarter performance may be influenced by certain occurrences in that quarter
All figures in the presentation pertain to the consolidated results

- Prior to listing the Company's equity shares, the accounting of options granted/shares issued against exercise of options under ESOP Plan 2010 was carried out on cash settled basis as per provisions of said plan. Accordingly, liability created of Rs. 166.3 mn as on September 30, 2015 in respect of equity shares held by the employees pursuant to exercise of options has been reversed during the current quarter since there is no obligation on the Company to provide to liquidity to employees after listing. The said amount is included under exceptional items in the statutory results reported. Further, on the same basis liability of Rs. 273.8 mn as on September 30, 2015 (Net of Amount pertaining to options exercised prior to listing), created in respect of options held by the employees as on listing date, has also been reversed under ESOP cost in the statement of profit and loss.
- The reversal for ESOP charge of Rs. 273.8 mn is shown as a separate line item in the statutory financial results reporting and the EBITDA and PBT discussion in this note focusses on EBITDA and PBT performance without the prior period ESOP expenses reversal to provide a fair picture of the Company's normal business results during the quarter. "Without ESOP Reversal" EBITDA and PBT figures should be considered when evaluating the Q3 FY16 and 9M FY16 performance.
- As disclosed in the RHP the Company has an ESPS (Stock Grant) scheme for its employees where the charge is related to market prices of shares. This charge may vary in the future in either direction based on the stock prices at close of the quarter. The charge in Q3 FY16 is for Rs. 32 mn and is included under Employee Benefit Expenses - Others

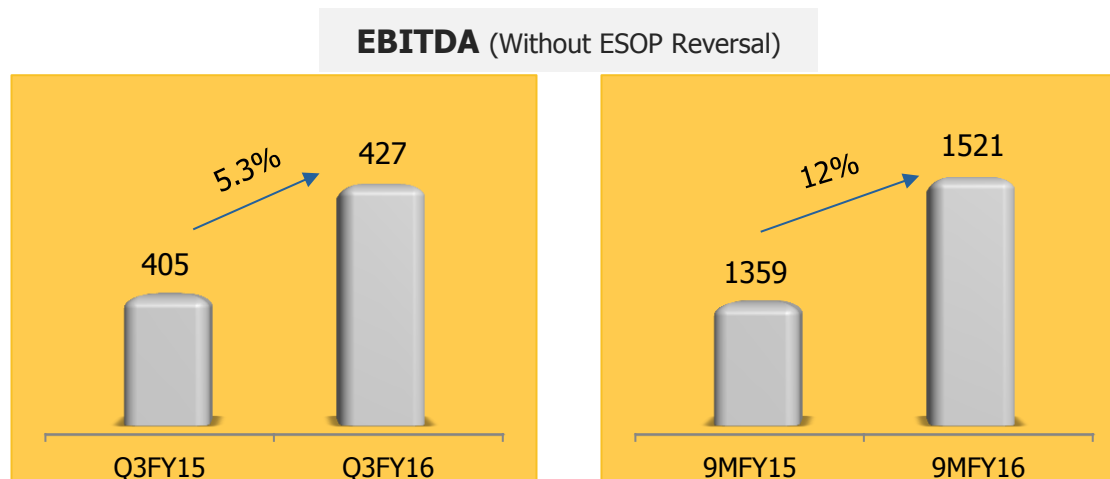
Q3 & 9M Financial Performance

Particulars (Rs. mn)	Q3 FY16	Q3 FY15	Growth %	9M FY16	9M FY15	Growth %
Total Revenues	1,885.7	1,558.3	21.0%	5,936.1	4,877.5	21.7%
Total Expenditure	1,185.1	1,175.5	0.8%	4,380.2	3,755.8	16.6%
EBITDA	700.6	382.8	83.0%	1,555.9	1,121.7	38.7%
EBITDA (without ESOP reversal)	426.8	405.3	5.3%	1,521.2	1,359.2	11.9%
<i>Margins</i>	<i>22.6%</i>	<i>26.0%</i>	<i>(340) bps</i>	<i>25.6%</i>	<i>27.9%</i>	<i>(230) bps</i>
PBT *	670.0	341.6	96.1%	1479.4	1006.8	46.9%
PBT (without ESOP reversal)	396.2	364.1	8.8%	1,444.7	1,244.3	16.1%
<i>Margins</i>	<i>21.0%</i>	<i>23.4%</i>	<i>(240) bps</i>	<i>24.3%</i>	<i>25.5%</i>	<i>(120) bps</i>
PAT	611.1	228.5	167.4%	985.8	676.8	45.7%
EPS (Diluted)	7.31	2.77	163.9%	11.83	8.18	44.6%

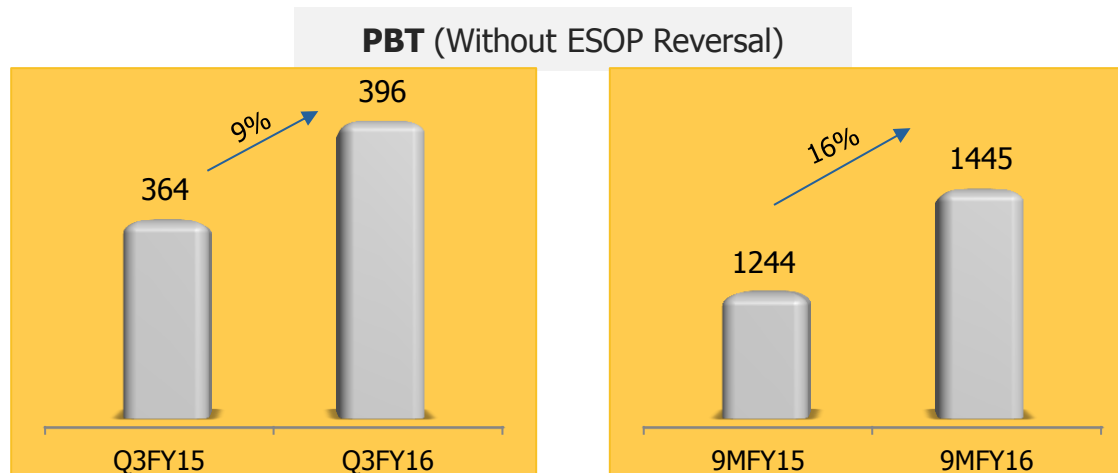
* before exceptional items



- Revenue gains of 21% YoY in Q3 FY16 followed a combination of enhancement in volumes and steady realizations
- Traditionally Q3 is a slightly moderated quarter for patient inflows
- Q3 FY16 revenue growth driven by:
 - Continuing benefit from improvement in volume of samples and increase in patient count
 - Further expansion of network in core geographies namely, North, Central and East India
 - Seasonal occurrence of Dengue resulted in higher requirement for diagnostic testing



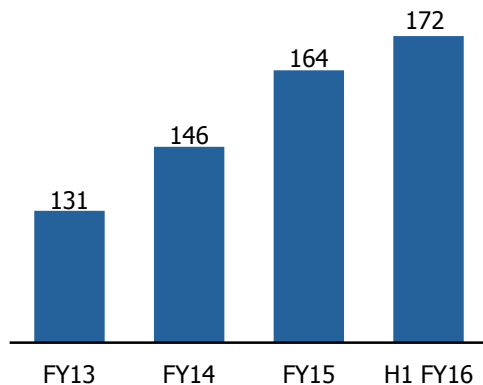
- Continued momentum in EBITDA (Without ESOP Reversal) with 12% YoY improvement in 9M FY16; 5.3% YoY gains in Q3 FY16
- EBITDA Margins (Without ESOP Reversal) stood at 25.6% for 9M FY16 and at 22.6% for Q3 FY16
 - EBITDA performance reflects:
 - Prior period charge of Rs. 16 mn in Q3 FY16 on account of new Bonus Act provisions. Further, charge on account of ESPS (Stock Grant) scheme was Rs. 32 mn as explained earlier during the quarter. Without these charges EBITDA growth for the quarter will be 17.3%
 - For the 9M FY16 the charge would be Rs. 8 mn and ESPS charge Rs. 57 mn - the YTD growth would be 16.7%
 - Increased volume of low margin testing during the Dengue outbreak
 - Higher costing for imported consumables including reagents used owing to depreciation of the currency



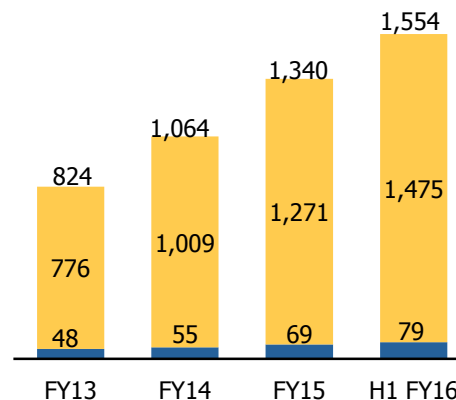
- PBT (Without ESOP Reversal) growth during Q3 FY16 and 9M FY16 stood at 8.8% and 16.1% respectively
 - Without the prior period charge of Rs. 16 mn in Q3 FY16 on account of new Bonus Act provisions the PBT growth will be 13.2% for the quarter and 16.7% YTD
 - PBT Margins (Without ESOP Reversal) stood at 24.3% for 9M FY16 and at 21.0% for Q3 FY16
- Results reflect strong underlying operating trends in business
- Balance Sheet position remains strong to drive growth plans
- Cash flows from operations remain robust for both Q3 FY16 and 9M FY16
- PAT in Q3 FY16 and 9M FY16 stood at Rs. 611.1 mn and Rs. 985.8 mn respectively

Operating Highlights

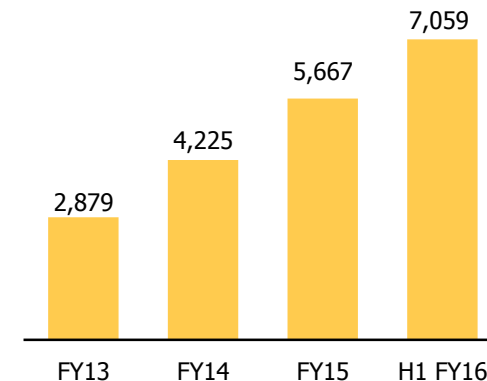
No. of Clinical Laboratories



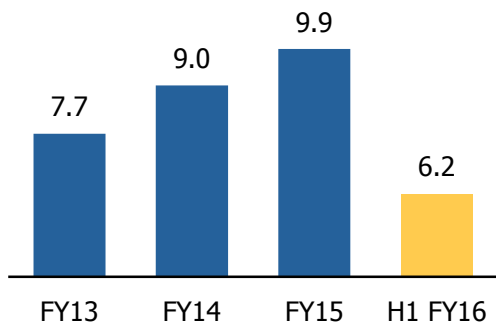
No. of PSCs



No. of PUPs

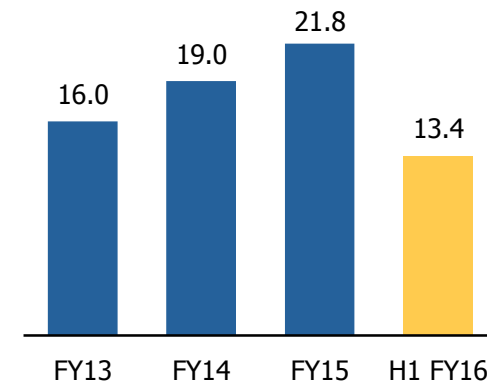


No. of patients (mn)



Franchised ■ Owned ■

No. of samples (mn)



- During Q3 FY16 LPL:
 - Added 4 clinical laboratories, 38 PSCs and 300 PUPs
 - Attended to 2.9 mn number of patients
 - Collected 6.3 mn number of samples

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

"I am delighted to be sharing the first financial and operating performance of the Company as a listed entity and I extend a warm welcome to our public shareholders. I am proud to share that all of us at LPL have very meticulously built-up a very scalable model in one of the fastest growing segment of the healthcare industry. The trend is tilting in favour of established players like LPL who with world-class infrastructure and modern logistics and IT infrastructure have demonstrated a progressive scale-up in operations.

I am pleased with the reported growth this year which is in line with our plan. For us the future is even more exciting and given our expanding presence, strong brand, solid financial position combined with a committed team that is focused on providing best quality services to our patients and resultantly driving growth. I am sure that the business will continue to create significant value for all our stakeholders."

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

"I am pleased to report our Q3 performance which is driven the successful execution and our focus on strategic areas that have enabled us to achieve our target of expanding LPL's network and diversify our presence in our core markets with sustained efforts to systematically grow in other markets. With our powerful brand we have been able to attend to millions of customers with our broad range of test catalogue and related services. This has translated into a positive growth in topline and earnings.

Going forward, our growth will be fueled by positive momentum in our network expansion program along with a commitment to deliver diagnostic solutions to consumers across a wide spectrum. We are confident of strengthening our leadership status and plan to create new pathways in healthcare industry."

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

Key Financial Highlights

- Cash and cash equivalents as on December 31, 2015 of Rs. 2,579 mn
- Debt free Company with zero debt at net level
- Asset light balance sheet with fixed asset investments focused on specific goals and ability to generate attractive medium-to-long term returns
- Adequately funded to drive growth in operations including stated strategic initiatives of:
 - Strengthening position in core markets
 - Expanding into new markets
 - Setting up new regional reference laboratories at Lucknow and Kolkata

Corporate Overview

- **LPL 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



Manoj Garg

Chief Human Resources Officer



Shankha Banerjee

COO – Strategic Business Unit II



Munender Soperna

Chief Information Officer



Dr. Neelum Tripathi

Head of Lab Operations



Bhaskar Ghoshal

Commercial Controller



Ved Prakash Goel

Financial Controller



Rajat Kalra

Company Secretary and Compliance Officer

About Dr Lal PathLabs Limited (LPL)

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 LPL are aimed at individual patients, hospitals and other healthcare providers and corporates. The catalogue of services includes 1,110 test panels, 1,934 pathology tests and 1,561 radiology and cardiology tests (as on September 30, 2015).

As on September 30, 2015 LPL's has 172 clinical labs (including National Reference Lab at Delhi), 1,554 Patient Service Centers (PSCs) and 7,059 Pick-up Points (PUPs). In FY2015 and H1FY16, LPL collected and processed approximately 21.8 million samples and 13.4 million samples from approximately 9.9 million and 6.2 million patients, respectively.

Additional information on Dr Lal PathLabs Limited:

Corporate Identification No: U74899DL1995PLC065388

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

For further information please contact:

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