

**Price:** 2,818

**Recommendation:** Buy

**Industry:** Healthcare Service

**Sector:** Healthcare

**Report Date:** 28-Apr-2025

Dr. Lal PathLabs Limited (DLPL) is a leading diagnostic service provider in India, renowned for its asset-light model and innovative offerings. With a robust network, advanced testing capabilities, and a focus on digital transformation, DLPL delivers accessible, high-quality healthcare solutions. Its strategic expansion and sustainability initiatives position it as a trusted partner in India's evolving diagnostics sector.

Sales		Profit & Loss		Profitability Matrix	
Current Year	2352 Cr	Operating Profit(Year)	666 Cr	Operating Profit Margin	28.3 %
Previous Year	1967 Cr	Operating Profit(Quarter)	159 Cr	EBITDA Margin	33.04 %
Current Quarter	577 Cr	PAT (Year)	497 Cr	Net Profit Margin	21.2 %
Previous Quarter	569 Cr	PAT (Quarter)	148 Cr	EPS	59.5
Revenue (QYoY)	521 Cr				
Valuation Matrix		Growth(YoY)		Growth(QoQ)	
Trailing P/E	47.4	Sales Growth	19.6 %	Sales Growth	1.41 %
PEG Ratio	2.72	PAT Growth	29.43 %	Sales Growth QYoY	10.75 %
EV/EBITDA	29.5	EPS Growth	0.0 %	PAT Growth	40.95 %
P/B	11.0	Dividend Yield	0.84	PAT Growth QYoY	83.17 %
Capital Allocation		Holdings		Leverage	
RoE	24.7 %	Promoter	53.9 %	Debt/Equity	0.07
RoA	19.8 %	FII	23.9 %	Debt	151 Cr
RoCE	29.8 %	DII	15.8 %	Market Cap	23556 Cr
RoIC	25.8 %	Public	5.84 %	Enterprise value	22940 Cr
		No of Shares	8.36 Cr	Cash Equivalents	768 Cr

source : Company filings

## Company's Overview Based on Recent Concall and Performance:

Dr. Lal PathLabs Limited (DLPL) showcased robust financial performance for FY25, driven by strategic initiatives and operational efficiencies. The company reported a 10.5% YoY revenue growth to 2,461 crore, supported by a 9.5% increase in sample volumes and a 4.2% rise in patient numbers. EBITDA margins improved to 28.3%, reflecting disciplined cost management and economies of scale. Key initiatives included deeper penetration into Tier 3 and 4 markets, calibrated expansion in West and South India, and the successful integration of Suburban Diagnostics. The SwasthFit bundled test program contributed 24% to FY25 revenues, underscoring its role in driving patient-centric solutions. DLPL's asset-light model and strong cash position enabled self-funded growth, with 1,229 crore in cash and equivalents as of March 31, 2025.

DLPL's diversification strategy focused on enhancing its test portfolio and leveraging digital infrastructure. The company launched advanced diagnostics like Amyloid Typing, a first in South Asia, and expanded its genetic testing division, Genevolve, with specialized offerings in oncology, neurology, and reproductive genomics. Investments in AI/ML-powered analytics and digital platforms improved patient experience, operational efficiency, and scalability. The implementation of Microsoft Dynamics 365 and Starlims across its network further streamlined operations. DLPL also emphasized ESG initiatives, including solar energy adoption, electric bikes for sample collection, and biodegradable materials, showcasing its commitment to sustainability.

Future growth perspectives are centered on scaling operations and maintaining leadership in core markets. DLPL plans to drive volume growth through its cluster city approach, targeting high-potential regions like Maharashtra and Bengaluru. The company aims to deepen penetration in underserved areas while reinforcing its presence in metros and Tier 1 cities. Digital transformation remains a cornerstone, with enhanced patient touchpoints, real-time sample tracking, and advanced reporting systems. DLPL's focus on high-end tests and bundled solutions positions it to capture incremental market share in India's growing diagnostics sector, which is expected to reach 1,200 billion by FY28.

DLPL's consistent execution, innovative offerings, and strategic expansion highlight its ability to adapt to evolving healthcare needs. The company's strong brand equity, integrated network, and commitment to quality standards have established it as a trusted partner in diagnostics. With a scalable business model, robust financials, and a forward-looking strategy, DLPL is well-positioned to drive sustainable growth and create long-term value for stakeholders. Its focus on accessible, affordable, and high-quality diagnostics aligns with India's healthcare transformation, ensuring continued leadership in the industry.

LALPATHLAB Daily Closing One Year Price Chart



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
<b>Fortis Health.</b>	50955.89	64.83	7.85%	-3.02%	14.80%	4.58%	76.38%
<b>Narayana Hrudaya</b>	36784.95	46.87	31.43%	-2.38%	13.55%	-2.86%	2.62%
<b>Global Health</b>	32343.30	63.72	17.93%	-1.37%	12.79%	9.21%	15.64%
<b>Krishna Institu.</b>	26889.46	77.18	17.63%	-0.63%	27.49%	-17.41%	23.47%
<b>Poly Medicure</b>	26186.61	83.03	19.08%	1.00%	24.91%	-2.54%	31.08%

Aspect	Commentary
<b>Revenue</b>	Revenue grew 19.6% YoY to Rs.2,352 Cr, driven by increased sample volumes and patient numbers. Quarterly revenue rose marginally by 1.41% QoQ to Rs.577 Cr, reflecting stable demand. SwasthFit program contributed significantly, showcasing the company's focus on bundled solutions for patient-centric growth.
<b>Profit &amp; Loss</b>	Operating profit for FY25 reached Rs.666 Cr, with a margin of 28.3%, indicating disciplined cost management. PAT grew 29.43% YoY to Rs.497 Cr, supported by operational efficiencies. Quarterly PAT surged 40.95% QoQ to Rs.148 Cr, reflecting strong profitability momentum.
<b>Profitability Matrix</b>	Operating profit margin of 28.3% and EBITDA margin of 33.04% highlight efficient cost control and economies of scale. Net profit margin of 21.2% underscores robust profitability. EPS of 59.5 reflects strong earnings growth, enhancing shareholder value.
<b>Valuation Matrix</b>	Trailing P/E of 47.4 and PEG ratio of 2.72 suggest premium valuation due to growth prospects. EV/EBITDA of 29.5 indicates high enterprise value relative to earnings. Dividend yield of 0.84% reflects moderate shareholder returns amidst reinvestment focus.
<b>Growth (YoY)</b>	Sales grew 19.6% YoY, driven by higher sample volumes and patient numbers. PAT growth of 29.43% YoY reflects improved operational efficiency. EPS growth remained flat, indicating reinvestment in expansion initiatives rather than immediate earnings distribution.
<b>Growth (QoQ)</b>	Quarterly sales growth of 1.41% reflects stable demand, while PAT growth of 40.95% QoQ highlights improved profitability. Sales growth QYoY of 10.75% and PAT growth QYoY of 83.17% indicate strong recovery and operational efficiency in the current quarter.
<b>Capital Allocation</b>	RoE of 24.7% and RoCE of 29.8% reflect efficient capital utilization. Cash equivalents of Rs.768 Cr and low debt/equity ratio of 0.07 highlight financial stability. Asset-light model supports self-funded growth, ensuring sustainable expansion.
<b>Holdings</b>	Promoter holding of 53.9% ensures strong governance. FII and DII holdings of 23.9% and 15.8% respectively indicate institutional confidence. Public holding of 5.84% reflects limited retail participation, aligning with the company's premium valuation.
<b>Leverage</b>	Debt/equity ratio of 0.07 and total debt of Rs.151 Cr highlight minimal leverage, ensuring financial stability. Market cap of Rs.23,556 Cr and enterprise value of Rs.22,940 Cr reflect strong market positioning. Asset-light model supports low-risk growth strategy.

**Analyst viewpoint:** Dr. Lal PathLabs Limited (DLPL) demonstrates strong growth potential in the short to mid-term, supported by robust financial performance and strategic initiatives. The company reported a 19.6% YoY revenue growth to 2,352 crore, driven by increased sample volumes and patient numbers, while quarterly PAT surged 40.95% QoQ to 148 crore, reflecting improved profitability. Its asset-light model and disciplined cost management have resulted in an operating profit margin of 28.3% and EBITDA margin of 33.04%, showcasing operational efficiency and scalability. DLPL's focus on bundled solutions like SwasthFit, which contributed 24% to FY25 revenues, and its expansion into Tier 3 and 4 markets further solidify its position in India's growing diagnostics sector. Additionally, investments in advanced diagnostics, digital infrastructure, and ESG initiatives highlight the company's commitment to innovation and sustainability, ensuring long-term value creation for stakeholders.

DLPL's valuation metrics, including a trailing P/E of 47.4 and PEG ratio of 2.72, reflect premium pricing driven by strong growth prospects. With a RoE of 24.7%, RoCE of 29.8%, and cash equivalents of 768 crore, the company is well-positioned for self-funded expansion and deeper penetration into high-potential regions. Peer comparison indicates DLPL's superior profitability and operational efficiency, with PAT growth QYoY of 83.17% outpacing competitors. However, the company's moderate dividend yield of 0.84% suggests a reinvestment focus over immediate shareholder returns. Overall, DLPL's innovative offerings, strategic expansion, and financial stability make it a compelling buy recommendation, with minor concerns around valuation premiums being outweighed by its growth trajectory.

Please read detailed disclosure on next page.

Explanation of Investment Rating*	
Investment Rating	Expected Return (over 12-month)
BUY	>=15%
SELL	<-10%
NEUTRAL	>-10% to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (hereinafter referred to as the Regulations).

1. GOALZEN CAPITAL SERVICES PRIVATE LIMITED is a SEBI-Registered Research Analyst having SEBI registration number INH000013448. GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"), the research entity, is engaged in providing research services on securities and information on personal financial products. This Research Report (called Report) is prepared and distributed by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with brand name 'GoalFi' (brand name trademarked to research analyst and company director 'Robin Arya') and used by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with mutual consent.

2. GOALZEN CAPITAL SERVICES PRIVATE LIMITED, its partners, employees, directors or agents, do not have any material adverse disciplinary history as on the date of publication of this report.

3. I, Robin Arya, author/s and the name/s in this report, hereby certify that all of the views expressed in this research report accurately reflect my/our views about the subject issuer(s) or securities. I/We also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any financial interest in the subject company.

4. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any material conflict of interest. I/we have not served as director / officer, etc. in the subject company in the last 12-month period.

5. I, Robin Arya, do not hold this stock as part of my investment portfolio at the date of recommendation. I/analysts in the Company have not traded in the subject stock thirty days preceding this research report and will not trade within five days of publication of the research report as required by regulations.

6. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received any compensation from the subject company in the past twelve months. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not been engaged in market making activity for the subject company.

7. In the last 12-month period ending on the last day of the month immediately preceding the date of publication of this research report, GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received compensation or other benefits from the subject company of this research report or any other third-party in connection with this report.

#### Analyst Certification:

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

**Disclaimers:**

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent.

This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment.

The investment discussed or views expressed may not be suitable for all investors. Certain transactions - including those involving futures, options, another derivative product as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document.

This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of GOALZEN CAPITAL SERVICES PRIVATE LIMITED. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject GOALZEN CAPITAL SERVICES PRIVATE LIMITED to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees responsible for any such misuse and further agrees to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of GOALZEN CAPITAL SERVICES PRIVATE LIMITED only.

GOALZEN CAPITAL SERVICES PRIVATE LIMITED has a contractual arrangement with a vendor - Smallcase Technologies Private Limited (STPL) whereby STPL provides technology solutions and related back-end infrastructure along with support for back-office related operations & processes. STPL does not provide any investment advice or recommendation nor does it make any claim of returns or performance with respect to any advice or recommendation.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

**Terms & Conditions:**

These Terms and Conditions govern the use of the research subscription services provided by GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"). By subscribing to our services, you agree to these terms, if you disagree with any part of the terms, you must not use our services.

**Payment and Renewal:**

The subscription fee is non-refundable. No such requests over email or any other channel requesting for refund or for pro-rata refund will be acknowledged if smallcase constituents or research provided is accessed by the user. Please do not subscribe if you disagree with any part of the terms. Subscription renewals will be charged the standard rate unless otherwise notified.

**Limitation of Liability:**

GoalFi provides research based on data and analysis. The subscriber acknowledges that all investment decisions carry inherent risks, and GoalFi shall not be liable for any losses incurred based on our research.

**No Investment Advice:**

The content provided under the subscription is purely for informational purposes and should not be construed as investment advice. GoalFi, being a SEBI Registered Research Analyst (RA), provides research insights and not investment advisory services.

**Termination:**

GoalFi reserves the right to terminate the subscription at any time due to non-compliance with these terms or any other reasons deemed appropriate by us and no refund will be made.

**No Guarantee:** While we strive to provide accurate and reliable research, there is no guarantee on the returns or performance of the recommendations. Investing in securities involves risks, and there's the potential for losing money.

**Review and Update:** Our research products are reviewed and updated periodically to reflect the latest market conditions and insights. However, market conditions can change rapidly, and there's no guarantee that the conditions on which recommendations and insights are based will remain the same.

**Research Analyst Details:**

Name: Robin Arya

Email: [smallcase@goalfi.in](mailto:smallcase@goalfi.in)

Contact: +91-9394306085

GOALZEN CAPITAL SERVICES PRIVATE LIMITED

CIN: U66190TS2023PTC176030

Address: Co ikeva Office 10, Level 3, NSL Centrum, Serene Estate Pvt Ltd, Site No. Phase I and II, Opp KPHB Colony Lane Opp. Forum Mall Kukatpally, HYDERABAD, TELANGANA, 500072

Support Telephone: +91 9063309052, Support Email – [support@goalfi.in](mailto:support@goalfi.in)

Customer having any query/feedback/ clarification/ In case of grievances for any of the services rendered by GOALZEN CAPITAL SERVICES PRIVATE LIMITED, write to [hello@goalfi.app](mailto:hello@goalfi.app)

Website: [goalfiresearch.smallcase.com](http://goalfiresearch.smallcase.com)