



NSE: LALPATHLAB | BSE: 539524

# **FINANCIAL MODELING AND VALUATION**

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# Dr Lal PathLabs Ltd

## Summary Outputs

### SUMMARY VALUES - BASE CASE

	Trend	2023A	2024A	2025A	Projected					
					2026	2027	2028	2029	2030	
Income Statement Items										
Net Revenue (Rs. Cr.)	<div><div></div><div></div><div></div><div></div><div></div></div>	₹ 2,059	₹ 2,296	₹ 2,555	₹ 2,840	₹ 3,171	₹ 3,542	₹ 3,955	₹ 4,391	
Growth (%)			11.5%	11.3%	11.2%	11.6%	11.7%	11.7%	11.0%	
EBITDA (Rs. Cr.)	<div><div></div><div></div><div></div><div></div><div></div></div>	₹ 532	₹ 678	₹ 789	₹ 861	₹ 969	₹ 1,085	₹ 1,220	₹ 1,354	
Margin (%)		25.8%	29.5%	30.9%	30.3%	30.6%	30.6%	30.9%	30.8%	
Net Income (Rs. Cr.)	<div><div></div><div></div><div></div><div></div><div></div></div>	₹ 241	₹ 362	₹ 492	₹ 529	₹ 599	₹ 673	₹ 760	₹ 868	
Margin (%)		11.7%	15.8%	19.3%	18.6%	18.9%	19.0%	19.2%	19.8%	
Intrinsic Share Price: ₹ 3,058		Intrinsic Equity Value ₹ 25,563		Intrinsic Enterprise Value (EV): ₹ 24,570						

### SUMMARY VALUES - BEST CASE

	Trend	2023A	2024A	2025A	Projected					
					2026	2027	2028	2029	2030	
Income Statement Items										
Net Revenue (Rs. Cr.)	<div><div></div><div></div><div></div><div></div><div></div></div>	₹ 2,059	₹ 2,296	₹ 2,555	₹ 2,930	₹ 3,286	₹ 3,689	₹ 4,146	₹ 4,634	
Growth (%)			11.5%	11.3%	14.7%	12.1%	12.3%	12.4%	11.8%	
EBITDA (Rs. Cr.)	<div><div></div><div></div><div></div><div></div><div></div></div>	₹ 532	₹ 678	₹ 789	₹ 903	₹ 1,023	₹ 1,153	₹ 1,310	₹ 1,472	
Margin (%)		25.8%	29.5%	30.9%	30.8%	31.1%	31.3%	31.6%	31.8%	
Net Income (Rs. Cr.)	<div><div></div><div></div><div></div><div></div><div></div></div>	₹ 241	₹ 362	₹ 492	₹ 560	₹ 640	₹ 725	₹ 827	₹ 956	
Margin (%)		11.7%	15.8%	19.3%	19.1%	19.5%	19.6%	20.0%	20.6%	
Intrinsic Share Price: ₹ 3,305		Intrinsic Equity Value ₹ 27,632		Intrinsic Enterprise Value (EV): ₹ 26,637						

### SUMMARY VALUES - WORST CASE

						Projected					
	Trend	2023A	2024A	2025A	2026	2027	2028	2029	2030		
Income Statement Items											
Net Revenue (Rs. Cr.)	<div><div></div><div></div><div></div><div></div><div></div></div>	₹ 2,059	₹ 2,296	₹ 2,555	₹ 2,735	₹ 3,019	₹ 3,328	₹ 3,672	₹ 4,025		
Growth (%)			11.5%	11.3%	7.0%	10.4%	10.2%	10.3%	9.6%		
EBITDA (Rs. Cr.)	<div><div></div><div></div><div></div><div></div><div></div></div>	₹ 532	₹ 678	₹ 789	₹ 814	₹ 904	₹ 997	₹ 1,106	₹ 1,212		
Margin (%)		25.8%	29.5%	30.9%	29.8%	30.0%	30.0%	30.1%	30.1%		
Net Income (Rs. Cr.)	<div><div></div><div></div><div></div><div></div><div></div></div>	₹ 241	₹ 362	₹ 492	₹ 494	₹ 550	₹ 608	₹ 674	₹ 761		
Margin (%)		11.7%	15.8%	19.3%	18.1%	18.2%	18.3%	18.4%	18.9%		
Intrinsic Share Price:	₹ 2,757	Intrinsic Equity Value ₹ 23,045		Intrinsic Enterprise Value (EV): ₹ 22,056							

# Dr Lal PathLabs Ltd

## Inputs and Assumptions

### GENERAL

- First year of forecast in financial model: **2026**
- Three scenarios have been used for Cost Inflation, Test Pricing and Volume Growth

### TEST PRICING

- The test pricing cases used in the model are as follows:

<b>Pricing Case</b>	<b>2026 - 2030</b>
Base Case	Research Forecast
Best Case	+3%
Worst Case	(3%)

### COSTS

<b>Cost Item</b>	<b>2026</b>	<b>Increases</b>
Materials	₹ 57.80 per test	Inflation on a unit basis
Lab Test Charges	₹ 1.71 per test	Inflation on a unit basis
Utilities	1.12% of revenue	Inflation on a total basis
SG&A	50% of revenue	Inflation on a total basis
Annual reduction in per unit cost of Materials & Lab Test Charges:		4%

### DEPRECIATION & AMORTIZATION

- Depreciation & Amortization Methodology Used: **Straight Line**
- Years remaining for amortization of existing assets: **4 Years**
- Years used for amortization of new assets: **10 Years**
- Years remaining for depreciation of existing assets: **5 Years**
- Years used for depreciation of new assets: **10 Years**

### EQUITY & VALUATION

Common Dividend Payout Rate	45.0%
Fully Diluted Shares O/S (Cr.) - March. 31, 2025	8.36
Terminal Multiple (Based on peer analysis)	25x
WACC (Based on peer analysis)	9.5%

### OPERATIONS & FINANCIAL ASSETS

No. of Tests Annually (Cr.)	8.58
No. of Operating Labs	298
Bank Deposit as percentage of FCF (CFO-CAPEX):	30%
MF purchase as percentage of FCF (CFO-CAPEX):	15%
Loans & Other Financial Assets expected to remain constant	

### LEASE & DEBT

- Annual Lease Payments - Existing Leases (Cr.)	₹ 53.0
- Lease Term	20 Years
- Effective Lease Interest Rate	7.5%
- Principal Repayment - Existing Leases (Cr.)	₹ 34.0
- Short-Term Debt expected to reduce 50% annually	

### TAXES & OTHER ASSUMPTIONS

- Tax rate assumed in the model: **25.0%**
- Tax paid as percentage of Current Tax: **99.0%**
- (Additional tax assumptions in "Other Assumptions" box)
- Goodwill is assumed to stay constant over the 5 years
- Non-Controlling Interest assumed to stay constant

# Dr Lal PathLabs Ltd

## Inputs and Assumptions

OTHER ASSUMPTIONS		2026	2027	2028	2029	2030
<b>Income Statement</b>						
Revenue - Other Income	<i>Crore</i>	110.0	125.0	134.0	165.0	198.0
Cost Adjustments - Gain/(Loss)	<i>Crore</i>	0.0	0.0	0.0	0.0	0.0
Repairs & Maintenance - P&E	<i>Crore</i>	19.4	24.0	29.0	36.0	45.0
<b>Cash Flow Statement</b>						
Capital Expenditures	<i>Crore</i>	55.0	60.0	60.0	75.0	75.0
Other Intangible Assets	<i>Crore</i>	12.5	9.0	5.0	35.0	12.0
Acquisitions	<i>Crore</i>	5.0	4.0	0.0	24.0	7.0
<b>Balance Sheet Statement</b>						
Other Non-Current Assets	<i>Crore</i>	7.0	7.0	7.0	5.0	5.0
Other Financial Liabilities	<i>Crore</i>	98.5	135.5	173.5	205.5	268.5
Rights-of-Use (ROU) Assets	<i>Crore</i>	40.0	55.0	60.0	80.0	85.0
<b>Income Tax</b>						
Increase in EBT for timing differences	<i>Crore</i>	25.0	25.0	60.0	60.0	25.0
<b>Working Capital Days</b>						
Accounts Receivable	<i>days</i>	11.7	11.7	11.5	11.5	11.6
Inventories	<i>days</i>	25.3	24.9	25.5	25.0	24.5
Other Current Assets	<i>days</i>	14.3	14.5	14.5	14.9	14.9
Accounts Payable	<i>days</i>	132.0	132.0	135.0	135.0	138.0
Other Current Liabilities	<i>days</i>	26.3	26.6	26.8	26.8	27.1
<b>Change in Debt &amp; Equity</b>						
Senior Term Debt Issuance / (Repayment)	<i>Crore</i>	0.0	0.0	0.0	0.0	0.0
Common Stock Issuance / (Buy-back)	<i>Crore</i>	0.0	0.0	0.0	0.0	0.0
Other Equity Increase / (Decrease)	<i>Crore</i>	5.0	5.0	5.0	5.0	5.0

# Dr Lal PathLabs Ltd

## Economic and Sales Scenarios

SCENARIO SWITCH: Base Case ▼

2026      2027      2028      2029      2030

### ECONOMIC SCENARIOS

#### Cost Inflation

Base Case  
Best Case  
Worst Case

3.2%	3.5%	3.5%	4.0%	4.2%
3.2%	3.5%	3.5%	4.0%	4.2%
3.0%	3.0%	3.2%	3.2%	3.2%
4.0%	4.0%	4.0%	4.5%	4.5%

### REVENUE SCENARIOS

#### Test Price - Rs./Test

Base Case  
Best Case +3%  
Worst Case -3%

288.0	290.0	292.0	292.0	290.0
288.0	290.0	292.0	292.0	290.0
296.6	298.7	300.8	300.8	298.7
279.4	281.3	283.2	283.2	281.3

#### Test Volume Growth

Base Case  
Best Case  
Worst Case

10.5%	10.8%	11.1%	11.2%	11.4%
10.5%	10.8%	11.1%	11.2%	11.4%
10.8%	11.3%	11.7%	12.0%	12.2%
9.5%	9.5%	9.6%	9.8%	9.9%

### OTHER SCENARIOS

#### Provisions (Cr.)

Base Case  
Best Case  
Worst Case

51.4	69.5	76.9	94.1	127.6
51.4	69.5	76.9	94.1	127.6
40.9	45.4	35.7	30.3	34.4
63.1	97.4	126.7	172.4	241.5

## Dr Lal PathLabs Ltd

### Revenue Schedule

		2023A	2024A	2025A	Projected				
					2026	2027	2028	2029	2030
Pricing & Volume									
Test Price	(Rs./unit)			286.9	288.0	290.0	292.0	292.0	290.0
Sales Volume Growth	(%)				10.5%	10.8%	11.1%	11.2%	11.4%
Annual Test Volume	(Cr. units)			8.58	9.48	10.50	11.67	12.98	14.46
Revenue from operations				₹ 2,461.4	₹ 2,730.5	₹ 3,046.4	₹ 3,407.9	₹ 3,789.6	₹ 4,192.7

## Dr Lal PathLabs Ltd

### Costs of Production Schedule

			Projected						
		2023A	2024A	2025A	2026	2027	2028	2029	2030
Annual Test Volume	(Cr. units)			8.58	9.48	10.50	11.67	12.98	14.46
Cost Inflation	(%)				3.2%	3.5%	3.5%	4.0%	4.2%
Annual reduction in per unit cost of Materials & Lab Test Charges (%)					4.0%	4.0%	4.0%	4.0%	4.0%
COSTS PER UNIT									
Materials	(Rs./unit)				57.8	57.4	57.1	57.0	57.0
Lab Test Charges	(Rs./unit)				1.7	1.7	1.7	1.7	1.7
Total Cost Per Unit	(Rs./unit)				59.51	59.13	58.75	58.66	58.68
COSTS IN CRORES									
Materials	(Rs. Cr.)				548.0	603.3	666.0	739.4	823.9
Lab Test Charges	(Rs. Cr.)				16.2	17.8	19.7	21.9	24.4
Utilities	1.12% of revenue				30.6	34.1	38.2	42.4	47.0
Repairs & Maintenance- P&E	(Rs. Cr.)				19.4	24.0	29.0	36.0	45.0
Cost of Sales	(Rs. Cr.)				614.2	679.3	752.8	839.7	940.3
SG&A	50% of revenue				1,365.2	1,523.2	1,703.9	1,894.8	2,096.3
Total Costs	(Rs. Cr.)				1,979.5	2,202.5	2,456.8	2,734.5	3,036.6

# Dr Lal PathLabs Ltd

## Income Statement

(Rs. Crores)

	2023A	2024A	2025A	Projected				
				2026	2027	2028	2029	2030
Annual Test Volume (Cr. units)			8.58	9.48	10.50	11.67	12.98	14.46
<b>Revenue</b>								
Revenue from operations	2,016.9	2,226.6	2,461.4	2,730.5	3,046.4	3,407.9	3,789.6	4,192.7
Other income	41.7	69.2	93.4	110.0	125.0	134.0	165.0	198.0
<b>Total Revenue</b>	<b>2,058.6</b>	<b>2,295.8</b>	<b>2,554.8</b>	<b>2,840.5</b>	<b>3,171.4</b>	<b>3,541.9</b>	<b>3,954.6</b>	<b>4,390.7</b>
<b>Cost of Sales</b>	<b>499.1</b>	<b>500.0</b>	<b>539.1</b>	<b>614.2</b>	<b>679.3</b>	<b>752.8</b>	<b>839.7</b>	<b>940.3</b>
<b>SG&amp;A</b>	<b>1,027.9</b>	<b>1,117.4</b>	<b>1,226.7</b>	<b>1,365.2</b>	<b>1,523.2</b>	<b>1,703.9</b>	<b>1,894.8</b>	<b>2,096.3</b>
<b>Total Costs</b>	<b>1,527.0</b>	<b>1,617.4</b>	<b>1,765.8</b>	<b>1,979.5</b>	<b>2,202.5</b>	<b>2,456.8</b>	<b>2,734.5</b>	<b>3,036.6</b>
Cost Adjustments - Gain/(Loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>531.6</b>	<b>678.4</b>	<b>789.0</b>	<b>861.0</b>	<b>968.9</b>	<b>1,085.1</b>	<b>1,220.1</b>	<b>1,354.1</b>
Depreciation & Amortization	150.2	143.6	141.9	137.0	148.5	161.0	176.7	160.6
<b>EBIT</b>	<b>381.4</b>	<b>534.8</b>	<b>647.1</b>	<b>724.1</b>	<b>820.4</b>	<b>924.1</b>	<b>1,043.4</b>	<b>1,193.5</b>
Interest Expense	37.5	29.4	22.3	19.0	22.0	26.1	30.6	36.6
<b>EBT</b>	<b>343.9</b>	<b>505.5</b>	<b>624.8</b>	<b>705.1</b>	<b>798.4</b>	<b>898.0</b>	<b>1,012.7</b>	<b>1,156.9</b>
Current Tax	107.9	148.0	172.0	182.5	205.9	239.5	268.2	295.5
Deferred Tax	(5.1)	(4.9)	(39.5)	(6.3)	(6.3)	(15.0)	(15.0)	(6.3)
<b>Total Income Taxes</b>	<b>102.8</b>	<b>143.2</b>	<b>132.6</b>	<b>176.3</b>	<b>199.6</b>	<b>224.5</b>	<b>253.2</b>	<b>289.2</b>
<b>Net Income</b>	<b>₹ 241.12</b>	<b>₹ 362.30</b>	<b>₹ 492.25</b>	<b>₹ 528.81</b>	<b>₹ 598.80</b>	<b>₹ 673.50</b>	<b>₹ 759.56</b>	<b>₹ 867.64</b>

<b>Margins</b>								
EBITDA Margin	25.8%	29.5%	30.9%	30.3%	30.6%	30.6%	30.9%	30.8%
EBIT Margin	18.5%	23.3%	25.3%	25.5%	25.9%	26.1%	26.4%	27.2%
Return on Equity	14.2%	19.2%	22.3%	21.1%	21.1%	21.0%	20.9%	21.1%



# Dr Lal PathLabs Ltd

## Cash Flow Statement

(Rs. Crores)

	2023A	2024A	2025A	<i>Projected</i>				
	2026	2027	2028	2029	2030			
<b>Operating Activities</b>								
Net Income	241.1	362.3	492.3	528.8	598.8	673.5	759.6	867.6
Depreciation & Amortization	150.2	143.6	141.9	137.0	148.5	161.0	176.7	160.6
Interest Expense	37.5	29.4	22.3	19.0	22.0	26.1	30.6	36.6
Other Non-Cash Items	99.7	97.0	70.3	110.0	125.0	134.0	165.0	198.0
Changes in working capital	35.7	35.6	6.6	13.5	11.5	19.1	16.6	28.4
Income Taxes Paid	(106.4)	(132.0)	(163.9)	(180.7)	(203.8)	(237.1)	(265.5)	(292.5)
<b>Operating Cash Flow</b>	<b>457.7</b>	<b>535.8</b>	<b>569.5</b>	<b>627.6</b>	<b>702.0</b>	<b>776.6</b>	<b>883.0</b>	<b>998.8</b>
<b>Investing Activities</b>								
CAPEX	(36.5)	(51.1)	(44.2)	(55.0)	(60.0)	(60.0)	(75.0)	(75.0)
Intangible Assets	(8.1)	(6.3)	(9.6)	(12.5)	(9.0)	(5.0)	(35.0)	(12.0)
Acquisitions	(17.8)	(0.0)	0.0	(5.0)	(4.0)	0.0	(24.0)	(7.0)
Investment Income	30.6	47.3	66.6	110.0	125.0	134.0	165.0	198.0
Financial Investments	(256.0)	(14.7)	(316.2)	(257.7)	(288.9)	(322.5)	(363.6)	(415.7)
<b>Investing Cash Flow</b>	<b>(287.7)</b>	<b>(24.7)</b>	<b>(303.4)</b>	<b>(220.2)</b>	<b>(236.9)</b>	<b>(253.5)</b>	<b>(332.6)</b>	<b>(311.7)</b>
<b>Financing Activities</b>								
Borrowings / (Repayment)	(109.0)	(153.3)	(83.3)	0.0	0.0	0.0	0.0	0.0
Lease Liability / (Repayment)	(34.2)	(33.5)	(33.8)	(34.0)	(33.0)	(31.6)	(30.1)	(28.1)
Common Shares Issuance/ (Buy-Back)	0.7	3.5	12.7	0.0	0.0	0.0	0.0	0.0
Interest Paid	(37.7)	(29.4)	(22.3)	(19.0)	(22.0)	(26.1)	(30.6)	(36.6)
Dividend Paid	(103.0)	(201.2)	(207.3)	(238.0)	(269.5)	(303.1)	(341.8)	(390.4)
<b>Financing Cash Flow</b>	<b>(283.2)</b>	<b>(413.8)</b>	<b>(334.0)</b>	<b>(291.0)</b>	<b>(324.5)</b>	<b>(360.8)</b>	<b>(402.5)</b>	<b>(455.2)</b>
Change in the Cash Position	(113.2)	97.2	(67.9)	116.5	140.7	162.3	147.9	231.9
Beginning Cash	378.2	265.0	362.2	294.3	410.8	551.4	713.7	861.6
Ending Cash	265.0	362.2	294.3	410.8	551.4	713.7	861.6	1093.5

# Dr Lal PathLabs Ltd

## Balance Sheet

(Rs. Crores)

	2023A	2024A	2025A	<i>Projected</i>				
	2026	2027	2028	2029	2030			
<b>ASSETS</b>								
Cash & Cash Equivalents	665.4	830.3	838.7	1128.6	1461.9	1839.1	2229.4	2738.4
Accounts Receivable	70.8	77.4	88.1	91.1	101.7	111.3	124.6	139.5
Inventories	33.8	37.3	36.1	42.6	46.3	52.5	57.5	63.1
Short-Term Investments	149.9	113.8	326.7	412.6	508.9	616.4	737.6	876.1
Loans & Other Financial Assets	37.1	48.3	51.5	51.5	51.5	51.5	51.5	51.5
Other Current Assets	16.1	19.6	22.4	24.1	27.0	29.8	34.3	38.4
<b>Total Current Assets</b>	973.1	1,126.7	1,363.5	1,750.4	2,197.2	2,700.6	3,234.8	3,907.1
Net PP&E	203.4	237.1	236.9	241.8	245.9	244.0	250.4	249.3
Right-of-Use Assets	200.6	143.6	135.7	146.6	167.7	188.0	221.4	251.5
Goodwill	547.8	548.2	548.1	548.1	548.1	548.1	548.1	548.1
Other Intangible Assets	358.2	304.3	251.1	205.9	156.1	101.7	75.2	57.6
Loans & Other Financial Assets	40.1	31.7	81.2	81.2	81.2	81.2	81.2	81.2
Deferred Tax Assets	37.5	42.5	83.2	89.5	95.7	110.7	125.7	132.0
Other Non-Current Assets	21.9	19.5	13.7	7.0	7.0	7.0	5.0	5.0
<b>Total Non-Current Assets</b>	1,409.5	1,326.8	1,349.9	1,320.0	1,301.7	1,280.7	1,307.0	1,324.6
<b>Total Assets</b>	<b>₹ 2,382.60</b>	<b>₹ 2,453.50</b>	<b>₹ 2,713.38</b>	<b>₹ 3,070.35</b>	<b>₹ 3,498.92</b>	<b>₹ 3,981.28</b>	<b>₹ 4,541.82</b>	<b>₹ 5,231.72</b>
<b>LIABILITIES AND EQUITY</b>								
Short-term Debt	206.2	143.9	54.8	27.4	13.7	6.8	3.4	1.7
Accounts Payable	156.1	186.6	198.8	222.1	245.7	277.7	310.6	355.5
Other Financial Liabilities	46.2	48.7	56.8	98.5	135.5	173.5	205.5	268.5
Provisions	29.1	37.9	37.1	51.4	69.5	76.9	94.1	127.6
Current Tax Payable	0.5	13.3	13.8	15.7	17.7	20.1	22.8	25.8
Other Current Liabilities	31.6	34.9	43.0	44.3	49.5	55.1	61.7	69.8
<b>Total Current Liabilities</b>	469.7	465.1	404.3	459.4	531.6	610.2	698.1	848.9
Borrowing	83.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lease Liabilities	130.0	103.0	102.7	108.7	130.7	159.0	208.9	265.8
<b>Total Non-Current Liabilities</b>	213.3	103.0	102.7	108.7	130.7	159.0	208.9	265.8
<b>Total Liabilities</b>	<b>683.1</b>	<b>568.2</b>	<b>506.9</b>	<b>568.0</b>	<b>662.3</b>	<b>769.2</b>	<b>907.0</b>	<b>1,114.7</b>
Common Shares	83.4	83.5	83.6	83.6	83.6	83.6	83.6	83.6
Retained Earnings	1,350.6	1,508.5	1,860.0	2,150.8	2,480.1	2,850.6	3,268.3	3,745.5
Other Equity	232.4	257.3	229.2	234.2	239.2	244.2	249.2	254.2
Non-Controlling Interest	33.2	36.1	33.8	33.8	33.8	33.8	33.8	33.8
<b>Total Equity</b>	<b>1,699.5</b>	<b>1,885.4</b>	<b>2,206.5</b>	<b>2,502.3</b>	<b>2,836.7</b>	<b>3,212.1</b>	<b>3,634.8</b>	<b>4,117.0</b>
<b>Total Liabilities and Equity</b>	<b>₹ 2,382.60</b>	<b>₹ 2,453.50</b>	<b>₹ 2,713.38</b>	<b>₹ 3,070.35</b>	<b>₹ 3,498.92</b>	<b>₹ 3,981.28</b>	<b>₹ 4,541.82</b>	<b>₹ 5,231.72</b>
<i>Check</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>

# Dr Lal PathLabs Ltd

## Depreciation Schedule

(Rs. Crores)

		2023A	2024A	2025A	Projected				
					2026	2027	2028	2029	2030
Years Remaining Existing Assets:		5 Years							
Depreciation Years on New Assets:		10 Years							
Depreciation to Existing PP&E:					47.4	47.4	47.4	47.4	47.4
<b>CAPEX</b>									
2026	₹ 55.0				2.8	5.5	5.5	5.5	5.5
2027	₹ 60.0					3.0	6.0	6.0	6.0
2028	₹ 60.0						3.0	6.0	6.0
2029	₹ 75.0							3.8	7.5
2030	₹ 75.0								3.8
<b>Total Depreciation on PP&amp;E</b>					₹ 50.1	₹ 55.9	₹ 61.9	₹ 68.6	₹ 76.1
Depreciation to Existing ROU Assets:					27.1	27.1	27.1	27.1	27.1
<b>ROU Assets</b>									
2026	₹ 40.0				2.0	4.0	4.0	4.0	4.0
2027	₹ 55.0					2.8	5.5	5.5	5.5
2028	₹ 60.0						3.0	6.0	6.0
2029	₹ 80.0							4.0	8.0
2030	₹ 85.0								4.3
<b>Total Depreciation on ROU Assets</b>					₹ 29.1	₹ 33.9	₹ 39.6	₹ 46.6	₹ 54.9
<b>Total Depreciation</b>					₹ 79.3	₹ 89.8	₹ 101.5	₹ 115.3	₹ 131.0

# Dr Lal PathLabs Ltd

## Amortization Schedule

(Rs. Crores)

	2023A	2024A	2025A	Projected				
				2026	2027	2028	2029	2030
Years Remaining Existing Assets:								
Amortization Years on New Assets:								
Amortization to Existing Assets:				57.1	57.1	57.1	57.1	22.8
<b>Other Intangible Assets</b>								
2026	₹	12.5		0.6	1.3	1.3	1.3	1.3
2027	₹	9.0			0.5	0.9	0.9	0.9
2028	₹	5.0				0.3	0.5	0.5
2029	₹	35.0					1.8	3.5
2030	₹	12.0						0.6
<b>Total Amortization</b>				<b>₹ 57.7</b>	<b>₹ 58.8</b>	<b>₹ 59.5</b>	<b>₹ 61.5</b>	<b>₹ 29.6</b>

# Dr Lal PathLabs Ltd

## Lease Liability Schedule

(Rs. Crores)

	2023A	2024A	2025A	<i>Projected</i>				
				2026	2027	2028	2029	2030
Lease Term:	20 Years							
Lease Interest Rate:	7.5%							
Annual Lease Payment:				53.0	55.0	57.8	60.8	64.8
Amount Outstanding - Opening				102.7	108.7	130.7	159.0	208.9
Additions				40.0	55.0	60.0	80.0	85.0
Principal Repayment				34.0	33.0	31.6	30.1	28.1
Amount Outstanding - Ending			102.7	108.7	130.7	159.0	208.9	265.8
<b>Annual Interest Expense</b>				<b>19.0</b>	<b>22.0</b>	<b>26.1</b>	<b>30.6</b>	<b>36.6</b>

## Dr Lal PathLabs Ltd

### Income Tax Schedule

(Rs. Crores)

		<i>Projected</i>				
		2026	2027	2028	2029	2030
Tax Rate:	25.0%					
Tax Paid as (%) of Current Tax:	99.0%					
<b>Accounting EBT (as is on I/S)</b>	<b>A</b>	₹ 705.1	₹ 798.4	₹ 898.0	₹ 1,012.7	₹ 1,156.9
Increase (Decrease) in EBT for timing differences <sup>(1)</sup>		25.0	25.0	60.0	60.0	25.0
<b>Government EBT</b>	<b>B</b>	₹ 730.1	₹ 823.4	₹ 958.0	₹ 1,072.7	₹ 1,181.9
Accounting Taxes (25% of A)		176.3	199.6	224.5	253.2	289.2
<b>Taxes as Appearing on Income Statement</b>						
Current Tax (25% of B)		182.5	205.9	239.5	268.2	295.5
Increase (Decrease) in Deferred Income Taxes		(6.3)	(6.3)	(15.0)	(15.0)	(6.3)
<b>Total Income Taxes (Same as Accounting Taxes Above)</b>		<b>176.3</b>	<b>199.6</b>	<b>224.5</b>	<b>253.2</b>	<b>289.2</b>
Tax Paid During Year		180.7	203.8	237.1	265.5	292.5
<b>Current Tax Payable</b>		<b>1.8</b>	<b>2.1</b>	<b>2.4</b>	<b>2.7</b>	<b>3.0</b>

(1) Assumes aggregate increase in government pre-tax earnings due to timing differences between accounting and government rules, resulting in the recognition of DTA only.

## Dr Lal PathLabs Ltd

### Working Capital Schedule

(Rs. Crores)

		2023A	2024A	2025A	<i>Projected</i>				
					2026	2027	2028	2029	2030
Days per Year	(days)	365	366	365	365	365	366	365	365
<b>Income Statement Items</b>									
Net Revenue	(Rs. Cr.)	2,058.6	2,295.8	2,554.8	2840.5	3171.4	3541.9	3954.6	4390.7
Cost of Sales	(Rs. Cr.)	499.1	500.0	539.1	614.2	679.3	752.8	839.7	940.3
<b>Days In</b>									
Accounts Receivable	(days)	12.6	12.3	12.6	11.7	11.7	11.5	11.5	11.6
Inventories	(days)	24.7	27.3	24.5	25.3	24.9	25.5	25.0	24.5
Other Current Assets	(days)	11.8	14.3	15.2	14.3	14.5	14.5	14.9	14.9
Accounts Payable	(days)	114.2	136.6	134.6	132.0	132.0	135.0	135.0	138.0
Other Current Liabilities	(days)	23.1	25.5	29.1	26.3	26.6	26.8	26.8	27.1
<b>Account Balances</b>									
Accounts Receivable	(Rs. Cr.)	70.8	77.4	88.1	91.1	101.7	111.3	124.6	139.5
Inventories	(Rs. Cr.)	33.8	37.3	36.1	42.6	46.3	52.5	57.5	63.1
Other Current Assets	(Rs. Cr.)	16.1	19.6	22.4	24.1	27.0	29.8	34.3	38.4
Accounts Payable	(Rs. Cr.)	156.1	186.6	198.8	222.1	245.7	277.7	310.6	355.5
Other Current Liabilities	(Rs. Cr.)	31.6	34.9	43.0	44.3	49.5	55.1	61.7	69.8
<b>Net Working Capital</b>	<b>(Rs. Cr.)</b>	(67.0)	(87.2)	(95.2)	(108.7)	(120.2)	(139.2)	(155.8)	(184.3)
<b>Change in Working Capital</b>	<b>(Rs. Cr.)</b>				₹ 13.5	₹ 11.5	₹ 19.1	₹ 16.6	₹ 28.4

## Dr Lal PathLabs Ltd

### Investment Schedule

(Rs. Crores)

	2025A	2026	2027	<i>Projected</i>		2029	2030
Bank Deposit as percentage of FCF:							
MF purchase as percentage of FCF:							
Free Cash Flow (Op. Cash Flow - CAPEX)		572.6	642.0	716.6	808.0	923.8	
<b>Bank Deposit</b>							
Amount Outstanding - Beginning		546.1	717.8	910.4	1,125.4	1,367.8	
Increase / (Decrease) in Deposits		171.8	192.6	215.0	242.4	277.1	
<b>Amount Outstanding - Ending</b>	₹ 546.1	₹ 717.8	₹ 910.4	₹ 1,125.4	₹ 1,367.8	₹ 1,645.0	
<b>Investment in Mutual Funds</b>							
Amount Outstanding - Beginning		326.7	412.6	508.9	616.4	737.6	
Purchase / (Sale) of Mutual Funds		85.9	96.3	107.5	121.2	138.6	
<b>Amount Outstanding - Ending</b>	₹ 326.7	₹ 412.6	₹ 508.9	₹ 616.4	₹ 737.6	₹ 876.1	



# Dr Lal PathLabs Ltd

## Shareholders' Equity Schedule

(Rs. Crores)

	2025A	<i>Projected</i>				
		2026	2027	2028	2029	2030
<b>Common Shares</b>						
Amount Outstanding - Beginning		83.6	83.6	83.6	83.6	83.6
New Issuance / (Buy-Back)		0.0	0.0	0.0	0.0	0.0
<b>Amount Outstanding - Ending</b>	₹ 83.6	₹ 83.6	₹ 83.6	₹ 83.6	₹ 83.6	₹ 83.6
Dividend Payout Rate		45.0%	45.0%	45.0%	45.0%	45.0%
Net Income		528.8	598.8	673.5	759.6	867.6
<b>Common Dividend</b>	₹ 238.0	₹ 269.5	₹ 303.1	₹ 341.8	₹ 390.4	
<b>Retained Earnings</b>						
Amount Outstanding - Beginning		1,860.0	2,150.8	2,480.1	2,850.6	3,268.3
Net Income		528.8	598.8	673.5	759.6	867.6
Common Dividend		(238.0)	(269.5)	(303.1)	(341.8)	(390.4)
<b>Amount Outstanding - Ending</b>	₹ 1,860.0	₹ 2,150.8	₹ 2,480.1	₹ 2,850.6	₹ 3,268.3	₹ 3,745.5
<b>Other Equity</b>						
Amount Outstanding - Beginning		229.2	234.2	239.2	244.2	249.2
Other Equity Increase / (Decrease)		5.0	5.0	5.0	5.0	5.0
<b>Amount Outstanding - Ending</b>	₹ 229.2	₹ 234.2	₹ 239.2	₹ 244.2	₹ 249.2	₹ 254.2

# Dr Lal PathLabs Ltd

## DCF Analysis

(Rs. Crores)

	2025A	2026	2027	2028	2029	2030
				<i>Projected</i>		
Tax Rate: 25%						
WACC: 9.5%						
EBIT		724.08	820.41	924.12	1043.37	1193.48
Tax		(181.02)	(205.10)	(231.03)	(260.84)	(298.37)
<b>NOPAT</b>		<b>543.06</b>	<b>615.30</b>	<b>693.09</b>	<b>782.52</b>	<b>895.11</b>
Depreciation & Amortization		136.96	148.53	160.98	176.73	160.60
CAPEX		(55.00)	(60.00)	(60.00)	(75.00)	(75.00)
Change in Working Capital		13.54	11.48	19.07	16.59	28.43
<b>Total Unlevered Free Cash Flow</b>		<b>638.56</b>	<b>715.32</b>	<b>813.15</b>	<b>900.85</b>	<b>1009.14</b>
<b>Total Discounted Unlevered Free Cash Flow</b>		<b>₹ 583.16</b>	<b>₹ 596.58</b>	<b>₹ 619.34</b>	<b>₹ 626.61</b>	<b>₹ 641.03</b>
<b>PV of Unlevered FCF</b>						<b>₹ 3,066.73</b>

# Dr Lal PathLabs Ltd

Intrinsic Enterprise / Equity Valuation from DCF Analysis		
Forward EBITDA (2030)	Crore	₹ 1,354.08
Terminal Multiple		25x
Terminal Value	Crore	₹ 33,851.98
PV of Terminal Value	Crore	₹ 21,503.72
PV of Unlevered FCF	Crore	₹ 3,066.73
Add: PV of Terminal Value	Crore	₹ 21,503.72
<b>Intrinsic Total EV / Present Value</b>	Crore	<b>₹ 24,570.44</b>
Add: Cash	Crore	₹ 1,128.62
Less: Debt	Crore	(136.05)
<b>Intrinsic Equity Value</b>	Crore	<b>₹ 25,563.01</b>
Shares Outstanding	Crore	8.36
<b>Intrinsic Share Price Valuation</b>	per share	<b>₹ 3,057.78</b>

Sensitivity Analysis						
Enterprise Value (Cr.)						
		Terminal Multiple				
EV	₹ 24,570.44	21x	23x	25x	27x	29x
WACC	8.5%	₹ 22,065.0	₹ 23,866.0	₹ 25,667.0	₹ 27,468.1	₹ 29,269.1
	9.0%	₹ 21,591.1	₹ 23,351.2	₹ 25,111.3	₹ 26,871.4	₹ 28,631.6
	9.5%	₹ 21,129.8	₹ 22,850.1	₹ 24,570.4	₹ 26,290.7	₹ 28,011.0
	10.0%	₹ 20,680.8	₹ 22,362.4	₹ 24,043.9	₹ 25,725.5	₹ 27,407.0
	10.5%	₹ 20,243.6	₹ 21,887.5	₹ 23,531.3	₹ 25,175.2	₹ 26,819.0
Intrinsic Share Price						
		Terminal Multiple				
Price	₹ 3,057.78	21x	23x	25x	27x	29x
WACC	8.5%	₹ 2,758.1	₹ 2,973.5	₹ 3,189.0	₹ 3,404.4	₹ 3,619.8
	9.0%	₹ 2,701.4	₹ 2,911.9	₹ 3,122.5	₹ 3,333.0	₹ 3,543.6
	9.5%	₹ 2,646.2	₹ 2,852.0	₹ 3,057.8	₹ 3,263.6	₹ 3,469.3
	10.0%	₹ 2,592.5	₹ 2,793.7	₹ 2,994.8	₹ 3,195.9	₹ 3,397.1
	10.5%	₹ 2,540.2	₹ 2,736.8	₹ 2,933.5	₹ 3,130.1	₹ 3,326.7