

# Thyrocare®

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November 03, 2018

The National Stock Exchange of India Limited  
Exchange Plaza  
Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051

The Bombay Stock Exchange Ltd  
Phiroze Jeejeeboy Towers  
Dalal Street,  
Mumbai- 400 001

Dear Sirs,

Sub: Presentation on Quarterly Results for the quarter / half year ended 30-09-2018.

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We are forwarding copy of Presentation on Quarterly Results of our company for the quarter / half year ended 30-09-2018.

Please note that this is only uploaded in our website, and is not being distributed or advertised in newspapers or otherwise publicised.

Yours Faithfully,

For **Thyrocare Technologies Limited**,

  
**Ramjee Dorai**  
Company Secretary and Compliance Officer



Thyrocare Technologies Limited

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(CIN : L85110MH2000PLC12388)

## Press Release

Mumbai, 3rd November 2018

**QUARTERLY CONSOLIDATED Revenue of ₹ 103.88 Crore, Up 18%**

**QUARTERLY CONSOLIDATED EBIDTA of ₹ 43.46 Crore, Up 22%\***

**QUARTERLY CONSOLIDATED Profit Before Tax of ₹ 39.12 Crore, Up 14%**

**QUARTERLY STANDALONE Revenue of ₹ 95.68 Crore, Up 17%**

**QUARTERLY STANDALONE EBIDTA of ₹ 41.30 Crore, Up 21%\***

**QUARTERLY STANDALONE Profit Before Tax of ₹ 40.43 Crore, Up 19%**

*Above comparative percentages are as to the same period of previous financial year*

*\* Adjusted for non-recurring expenditure like buyback expenses, CSR expenses and loss on sale of investments and assets.*

Thyrocare Technologies Limited (the “company”) today reported its financial performance for the quarter and six months ended 30 September 2018.

### Revenues and operational performance

**Pathology business Growth was 17% with underlying sample growth at 21% and investigations growth at 26%**, after rationalization of certain key profiles under the ‘Aarogyam’ series since mid of May of this calendar year. The base year impact on account of high growth in the comparative period after spending on advertisement after initial public offering has settled down in the current quarter.

The growth in the current quarter was significantly contributed by the growth in B2B revenue about 23% that constitutes more than 78% of the total revenue from pathology business.

The preventive care revenue within pathology business that constitutes about 54% continued to grow and in the current quarter grown by 23%.

The company has processed 4.94 million samples consisting of 26.17 million investigations during the current quarter, thus served about 3.19 million patients.

**Radiology business Growth was 31%** mainly with higher PET scans performed and newly opened centers getting matured. The newer centers have started increasing the footholds in the respective regions. The regional competition in particular in Tier 1 cities like Mumbai, Delhi had stagnated the growth of the centers operated at these locations however with competitive prices and patient discounts have enabled these centers to maintain the positions in the respective regions.

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### Earnings before interest depreciation and tax (EBITDA)

The adjusted EBITDA margins at consolidated level were maintained at 42%, this being despite rationalization in the prices of key 'Aarogyam' profiles and aggressive pricing for PET scans, mainly due to control on the material, employee and other operational cost.

### **The adjusted EBITDA margins at standalone level for pathology business were maintained at 43%, despite of rationalization in the prices of key 'Aarogyam' profiles.**

The additional discounts negotiated from the reagent vendors after acquisition of underlying assets had allowed the company to maintain and enhance the profitability.

The employee cost continued to remain below 10%. The increase in absolute terms was mainly on account increase in headcounts (current headcount – 1219), increment cycle during the period and provision for employee benefit expenses.

The other expenses too as % of revenue not deviated materially. The company has started processing certain outsourced tests within the laboratory. The service cost of the sample has decreased with decrease in the number of B2C leads. The newer concepts of LMEs/ BTECHs had enabled the company to streamline the customer service cost, turnaround time and retention of customer. The company has ensured to adopt cloud storage and fire wall protection to ensure its data security, which had resulted an additional recurring cost. With the transition to GST, the cost of the LBT has reduced for the company. The company has also discontinued/ controlled the practice of issuing physical report and more shifted to online report generation.

The EBITDA was adjusted for non-recurring expenditure like buyback expenses, CSR expenses and loss on sale of investments and assets.

### **The EBITDA margins at standalone level for radiology business were maintained at 23%, continuously +/- 2% at that level over 5 consecutive financial quarters.**

The cost of material consumed increased in absolute terms with newer arrangements negotiated for procurement of FDG at Delhi. The subsidiary is in discussion with other cyclotron owners in respective locations to enter into similar kind of arrangements.

The employee cost remained at the same level with newer centers operating on joint arrangement with cost of personnel to be incurred by the partner.

The other expenses have increased mainly since the CMC cost of the PETCTs purchased has started recurring for majority of the locations. The rent, power, fuel and other operating costs for the Bangalore, Coimbatore proposed PETCTs shall impact profitability in the initial period of operations. The cost of share of partners under joint arrangement is debited to profit and loss under other expenses head.

### Recent updates and developments

The company has bought back 958900 equity shares (1.78% of the then outstanding paid up equity shares), from the open market through stock exchange, in accordance with the SEBI (Buyback of Securities) Regulations, 1998, as amended. The aggregate amount utilized for buyback was Rs. 63 Crore. The equity shares were extinguished and the relevant compliance under the regulations is completed.

The company has launched set of new tests and profiles like HPV DNA PCR and skin care profile during the current quarter. The Next Generation Sequencing (NGS) laboratory is slated to commence operations from

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the next quarter. The company has secured RNTCP level 1 and level 2 certification for the tuberculosis laboratory operating under FocusTB brand.

The company has started its advertising campaign this year with branding of Thyrocare and Nueclear in print media like Hindu and TOI. Simultaneously, it has started branding through the ongoing cricket series between India and West Indies, through branding across boundary lines, HD big screens, sight screens, logo boards on tier 1.

The subsidiary has received AERB approval for procurement of radioactivity at its proposed Bangalore PETCT center. The PETCT at Coimbatore is already delivered and the installation thereof is under process. The subsidiary has also finalized the location for its PETCT center at Chennai and actively discussing with partner for setting up PETCT center at Borivali, Mumbai.

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