

April 30, 2022

To,

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

BSE Limited
Phiroze Jeejeeboy Towers
Dalal Street,
Mumbai- 400 001

Dear Sirs,

Sub: Presentation on Audited Financial Results for the quarter / whole year ended 31-03-2022.

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We are forwarding copy of Presentation on the Audited Financial Results of our company for the quarter / whole year ended 31-03-2022.

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

Yours Faithfully,

For **Thyrocare Technologies Limited**,



Ramjee Dorai
Company Secretary and Compliance Officer



Thyrocare Technologies Limited

Thyrocare[®]

The Trust. The Truth.

**Thyrocare
Technologies
Limited**

Quarterly Presentation – March 2022

Agenda

- 1** Setting the baseline - drivers for FY22
- 2** Going forward - key strategic drivers and progress
- 3** Summary results & Q&A

Revenue breakdown for FY22

Total Pathology Revenue (in crore)				
Q1-22	Q2-22	Q3-22	Q4-22	FY22
159.26	168.74	110.20	123.33	561.53

Diagnostic Services (in crore)				
Q1-22	Q2-22	Q3-22	Q4-22	FY22
152.84	164.94	106.00	117.58	541.36
96%	98%	96%	95%	96%

Sale of Goods (in crore)				
Q1-22	Q2-22	Q3-22	Q4-22	FY22
6.42	3.80	4.20	5.75	20.17
4%	2%	4%	5%	4%

NON COVID B2B				
Q1-22	Q2-22	Q3-22	Q4-22	FY22
64.90	66.96	66.01	75.28	273.15
41%	40%	60%	61%	49%

COVID				
Q1-22	Q2-22	Q3-22	Q4-22	FY22
68.43	71.14	15.31	16.13	171.01
43%	42%	14%	13%	30%

Sale of Consumables				
Q1-22	Q2-22	Q3-22	Q4-22	FY22
3.62	1.62	0.90	4.43	10.57

NON COVID B2C				
Q1-22	Q2-22	Q3-22	Q4-22	FY22
15.89	22.92	21.52	22.75	83.08
10%	14%	20%	18%	15%

Digital Rapid Technologies				
Q1-22	Q2-22	Q3-22	Q4-22	FY22
2.80	2.18	3.30	1.32	9.60

NON COVID B2G				
Q1-22	Q2-22	Q3-22	Q4-22	FY22
3.62	3.92	3.16	3.42	14.12
2%	2%	3%	3%	3%

Revenue from operations for the financial year at Rs. 561.53 crores grew by 18% YOY, mainly due to contribution of government COVID business in the first two quarter of the year and growth of non COVID business in the subsequent two quarters.

Total Revenue from operations significantly consists of Revenue from Diagnostic Services of Rs. 117.58 crore, grew sequentially by 11%. While it constitutes covid revenue on account of 3rd wave, most of the growth is from revenue growth in B2B segment of non covid business.

Resetting the base: A de-averaged view of the COVID vs. NON COVID business ...

Total Pathology P&L

P&L	FY21	FY22	Gr(%)
Revenue	474.27	561.53	18%
GM	313.72	396.3	
GM (%)	66.15%	70.58%	
Overheads	142.99	165.45	
Overheads (%)	30.15%	29.47%	
EBITDA	170.73	230.83	35%
EBITDA %	36.00%	41.11%	
Workload	167 L	210 L	26%

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Total Pathology COVID P&L

P&L	FY21	FY22	Gr (%)
Revenue	151.39	171.01	13%
GM	108.01	143.1	
GM (%)	71.35%	83.68%	
Overheads	22.53	36.69	
Overheads (%)	14.88%	21.45%	
EBITDA	85.48	106.41	24%
EBITDA %	56.46%	62.22%	
Workload	19 L	50 L	163%

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Total Pathology NON COVID P&L

P&L	FY21	FY22	Gr (%)
Revenue	322.88	390.52	21%
GM	205.71	253.2	
GM (%)	63.71%	64.84%	
Overheads	120.46	128.77	
Overheads (%)	37.31%	32.97%	
EBITDA	85.25	124.43	46%
EBITDA %	26.40%	31.86%	
Workload	148 L	160 L	8%

... and accounting for COVID recovery in Q1 between FY21 and FY22

Total Pathology P&L

P&L	Q2-Q4 21	Q2-Q4 22	Gr(%)
Revenue	419.87	402.27	-4%
GM	284.93	290.26	
GM (%)	67.86%	72.16%	
Overheads	123.71	130.1	
<i>Overheads (%)</i>	<i>29.46%</i>	<i>32.34%</i>	
EBITDA	161.22	160.16	-1%
<i>EBITDA %</i>	<i>38.40%</i>	<i>39.81%</i>	
Workload	149 L	157 L	5%

Total Pathology COVID P&L

P&L	Q2-Q4 21	Q2-Q4 22	Gr(%)
Revenue	127.65	102.58	-20%
GM	94.55	85.67	
GM (%)	74.07%	83.52%	
Overheads	19.75	24.25	
<i>Overheads (%)</i>	<i>15.47%</i>	<i>23.64%</i>	
EBITDA	74.8	61.42	-18%
<i>EBITDA %</i>	<i>58.60%</i>	<i>59.88%</i>	
Workload	18 L	32 L	77%

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Total Pathology NON COVID P&L

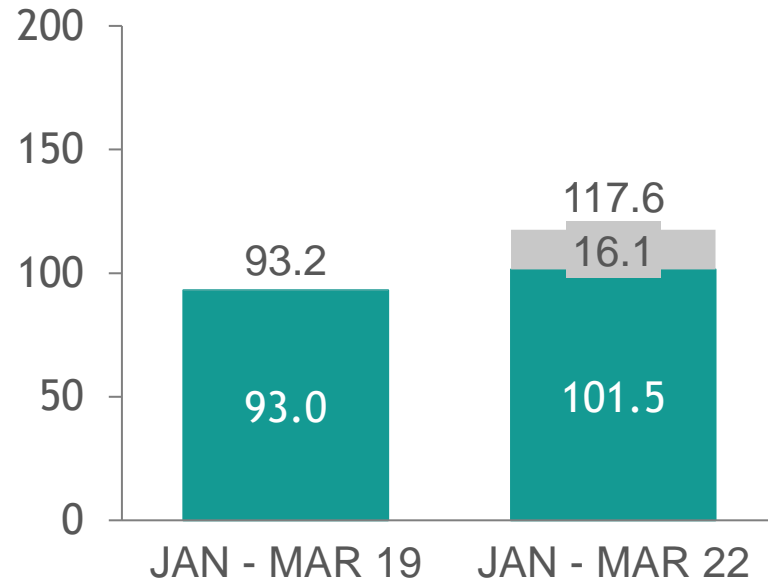
P&L	Q2-Q4 21	Q2-Q4 22	Gr(%)
Revenue	292.22	299.69	3%
GM	190.38	204.59	
GM (%)	65.15%	68.27%	
Overheads	103.96	105.85	
<i>Overheads (%)</i>	<i>35.58%</i>	<i>35.32%</i>	
EBITDA	86.42	98.74	14%
<i>EBITDA %</i>	<i>29.57%</i>	<i>32.95%</i>	
Workload	131 L	125 L	-5%

Note: Total Diagnostics P&L – includes Diagnostics Revenue and Material Sales

However, as we look at the year, our NON COVID business has recovered significantly vs. pre-COVID levels

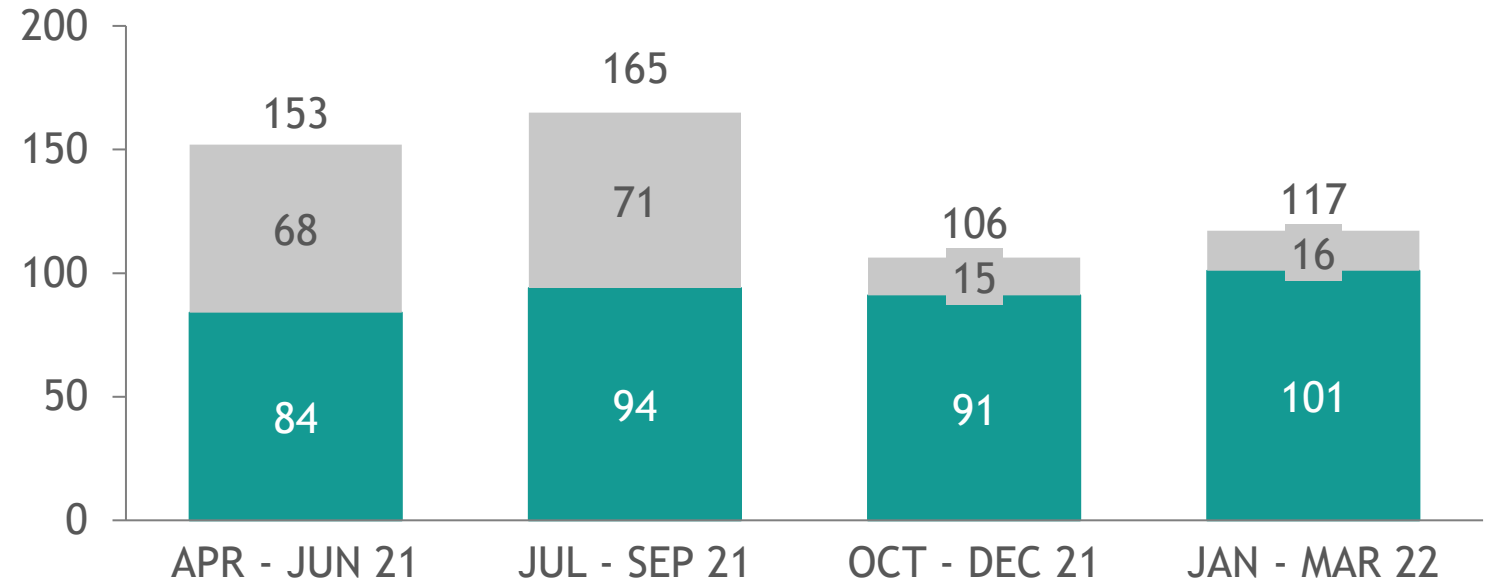
In Q4 FY22, we have recovered to pre-COVID in B2B, growth in B2C

Diagnostic Services Revenue (Rs Cr)



Continued focus on NON COVID business to drive the recovery of the business

Diagnostic Services Revenue (Rs Cr)

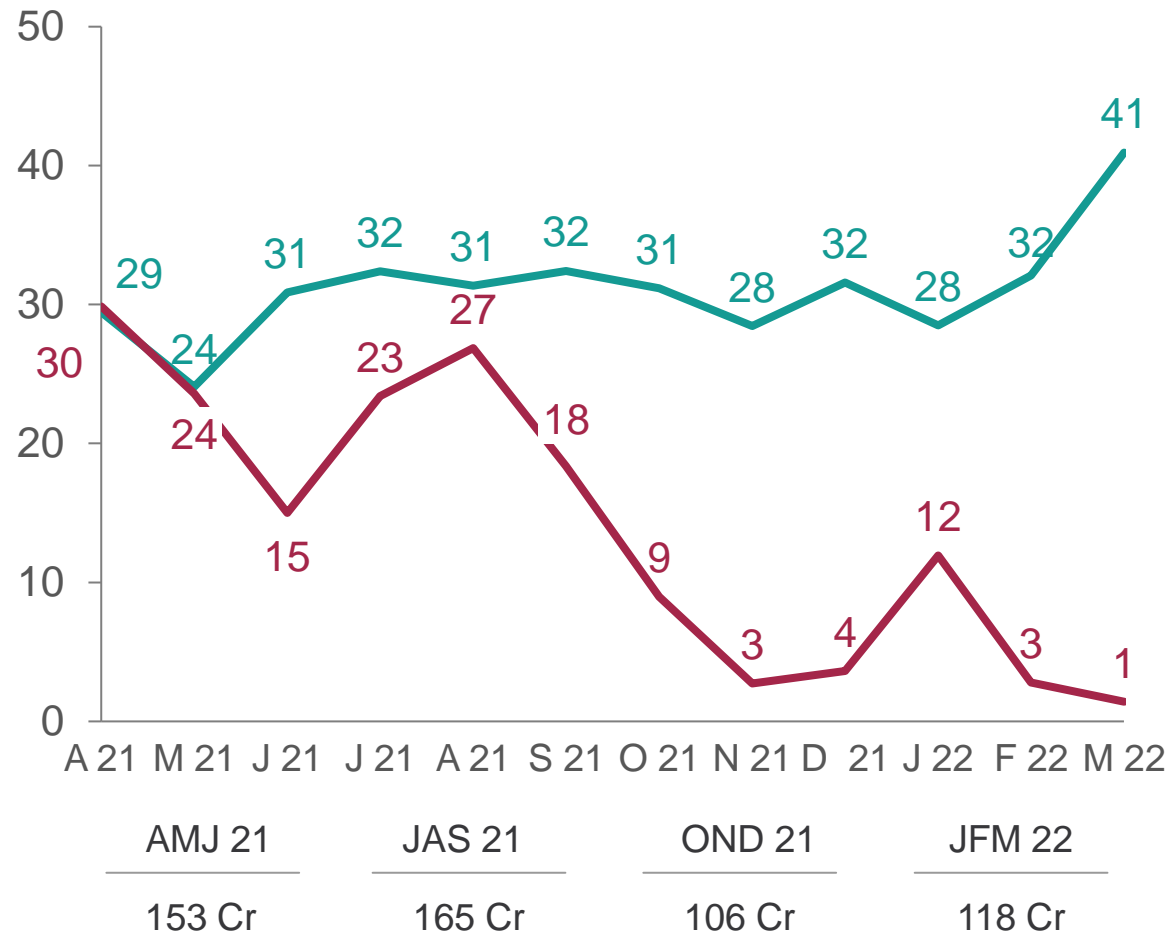


COVID NON COVID 5

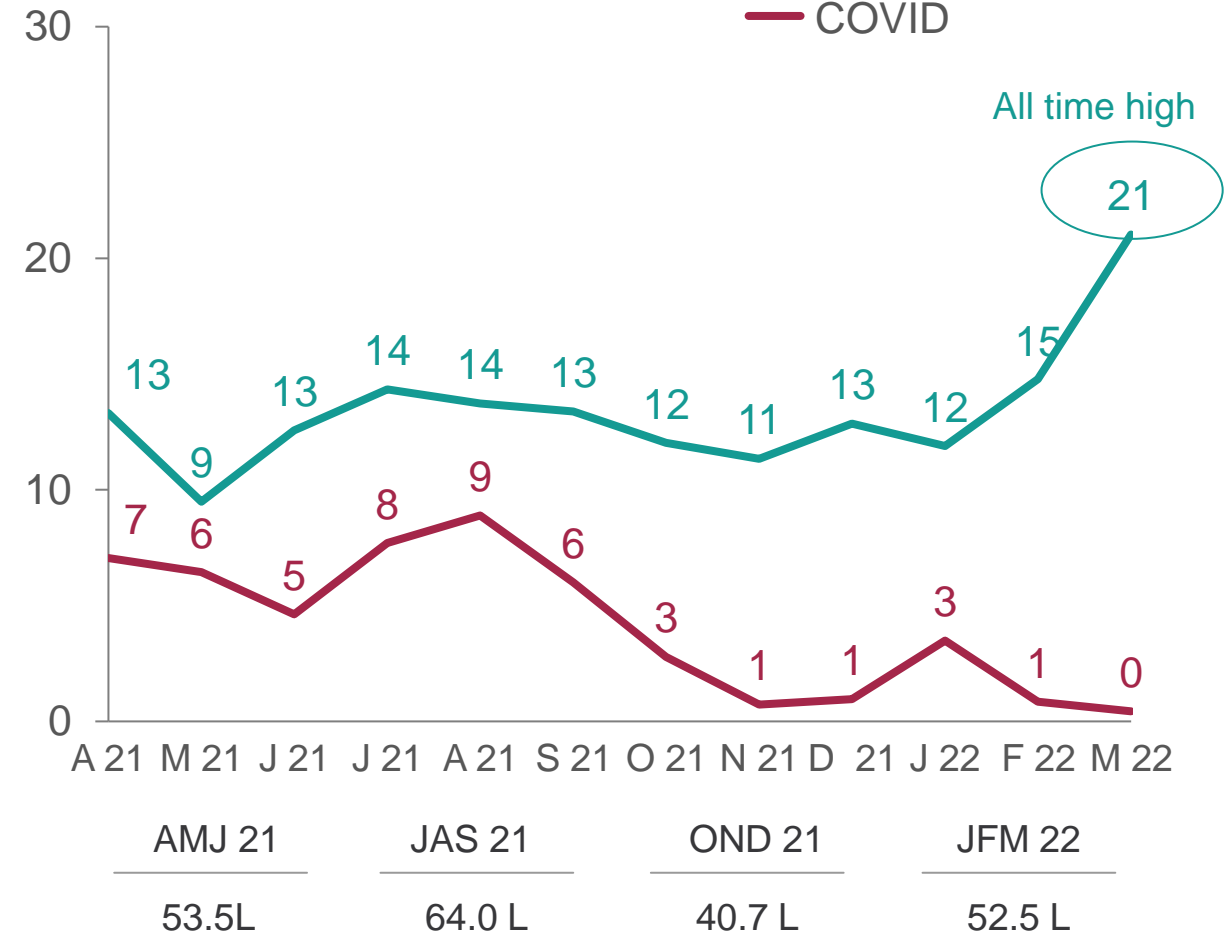
Note: All numbers refer to Diagnostics Services revenue

Our focus has been on driving volumes in the NON COVID business, March exit at an all time high in NON COVID, lowest levels in COVID volumes

Diagnostic Services Revenue (Rs Cr)

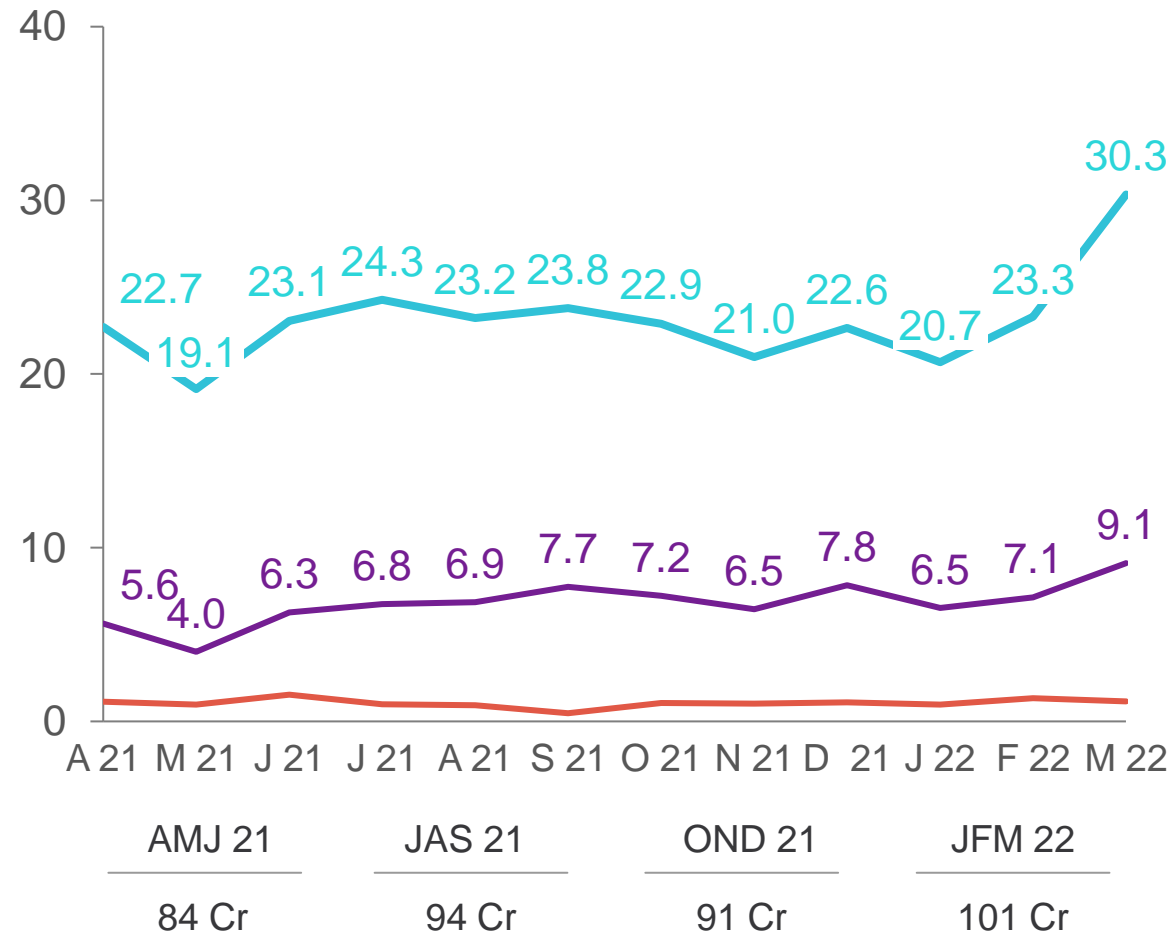


Diagnostic Services Workload (Lakhs)

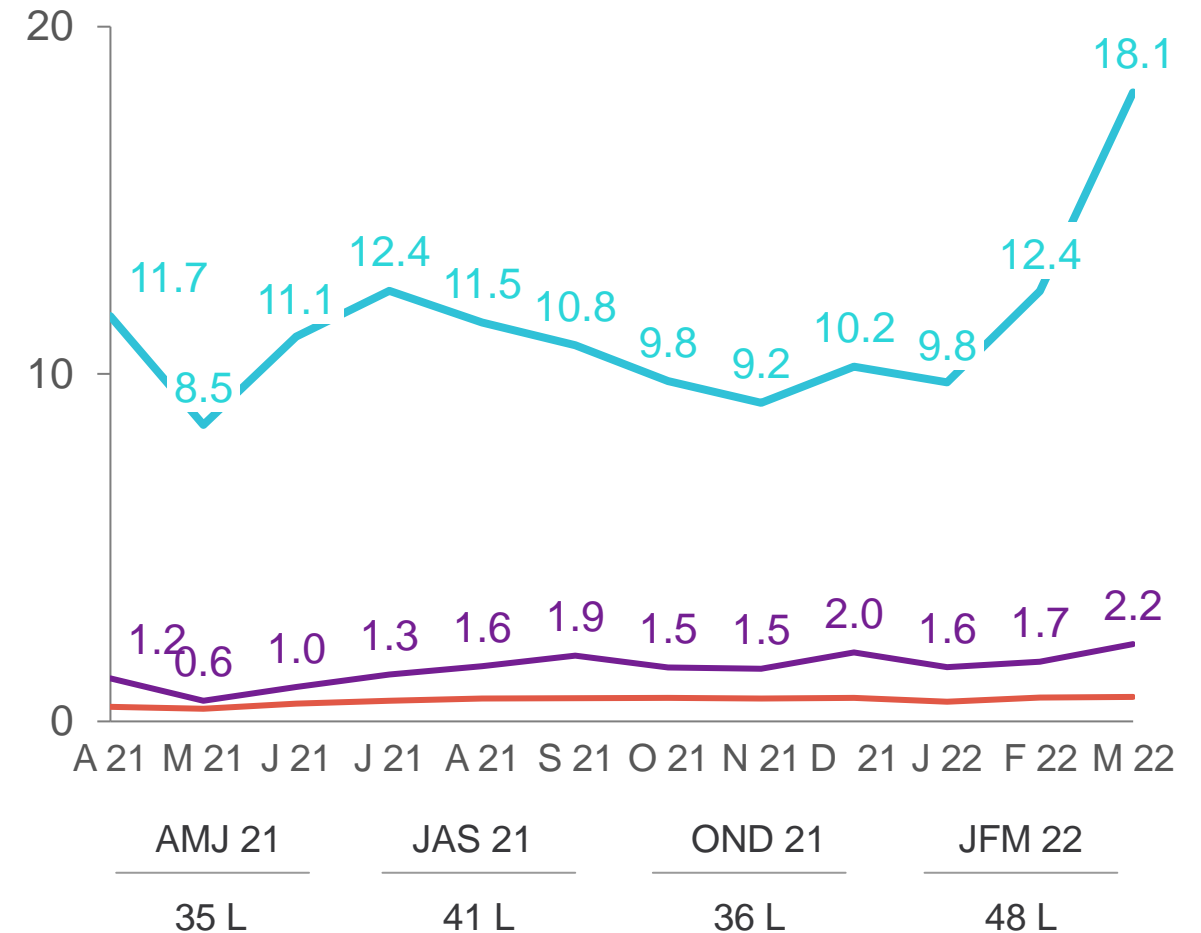


Our B2B and B2C verticals are well on their way to recovery – particularly in last 4-5 months, both in revenue and volume terms

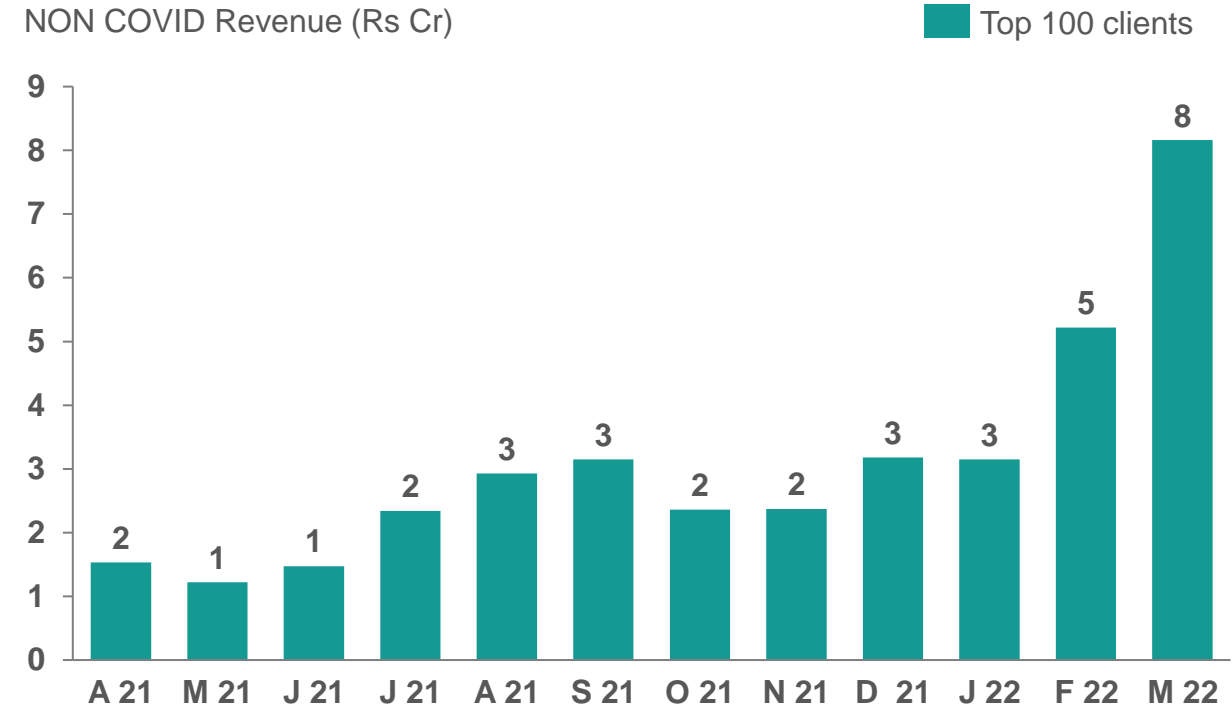
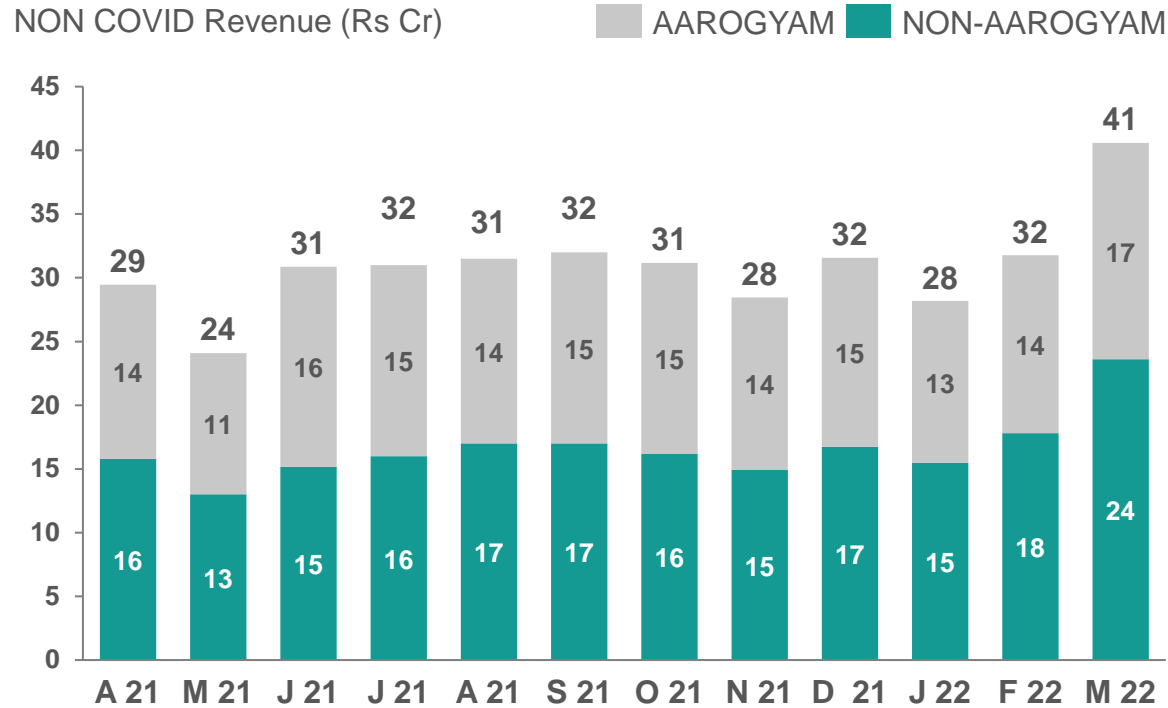
NON COVID Diagnostics Services Revenue (Rs Cr)



NON COVID Diagnostics Services Workload (Lakhs)



While our AAROGYAM business has picked up, our NON-AAROGYAM business has recovered significantly as well – additionally our Top 100 clients have driven a significant growth



Amongst our Top 100 clients we count –

- All 3 leading online pharmacy companies
- Top 3 e-Consult platforms
- 3 largest search aggregators of health and diagnostics services

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API + Thyrocare stronger together – an 8 point agenda



















- 1 Serve Pharmeasy Online customer base of 2.1 M quarterly transacting users
- 2 Partner with Retailio & MARG retailer network of 2.8L+ counters to expand order points
- 3 Leverage Aknamed to build a diagnostic presence in the hospital space
- 4 Ensure the expansion of Pharmeasy & DocOn offline collection points



- 5 Continue to improve our value proposition to our franchisee network, expand aggressively
- 6 Focus on our Health packages i.e. Aarogyam and promote to corporates, online & offline
- 7 Expand Lab network selectively to address TAT challenges, invest in accreditation and PR
- 8 Leverage Pharmeasy technology expertise to improve our customer experience and phlebotomist productivity

The combination of Pharmeasy and Thyrocare is uniquely advantaged in the diagnostics space

Benchmarking	Pharmeasy + Thyrocare	Digital diagnostics	Standalone diagnostic player	Healthcare platforms
Product & tech depth	 Tech team spread across 4 large verticals, can invest in scale capability	 Focused on single vertical	 Digital strength is limited, will take time to scale up	 Spread across verticals, can invest in scale capability
Customer acquisition cost	 Customer acquisition cost lower as we defray cost across multiple verticals	 Customer acquisition cost in Diagnostics only is 2x that for medicines	 Customer acquisition cost in Diagnostics only is 2x that for medicines	 Similar Customer acquisition costs, but don't have the advantage of own back-end
National presence	 22 Labs across the country, Pan India presence	 Presence in few metros, not very deep	 Large chains have a regional presence, very few have true PAN India presence	 Metro / Tier 1 presence at best among all platforms
Cost structure	 Largest scale – process 20L samples a month – largest player by volume	 Sub-scale	 Have scale, but given the fixed costs, lower margin per test	 Sub-scale

Continued efforts maximize Thyrocare as a B2B brand in diagnostics

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Addressing churn

All time high of 21 Lakh samples in March 22

Quality perception

3 Labs accredited for NABL in last 3 months
Another 5 due for accreditation in coming 3 months

Doctor Engagement

Hosted roundtable on Genome Sequencing in TB

Working on TAT

67% of samples reach our lab within 12 hours
95% of samples processed at Lab within 6 hours

Network expansion

Pan India presence
22 Regional Labs across the country

Menu expansion

Extensive test menu
Now with 700+ tests beyond Thyroid

Full power of the API network being leveraged to drive diagnostics



Cross-sell

Targeting to reach 7% cross-sell (Pharmeasy users buying diagnostics) by end of FY23

API already at 8% of Thyrocare revenue

Consultation

4200 prescribing doctors on DocOn

1500+ orders per month from 433+ doctors

Collection centers

Targeting to have 1,000 collection centers by March 23

317+ collection points initiated

Hospitals

Leveraging our Hospital relationships to target 60 top hospitals

13 Hospitals on-boarded through Aknamed

Pharmacies

6,000 Super-retailers selling Diagnostics by Mar 23

Full scale roll out started, 273 active counters onboarded

Our focus areas for the next growth horizons

400 Cr
NON COVID
in FY22

Next 3 years

FY25
Horizon 1

Next3 years

FY28
Horizon 2

Current Focus

- Addressing churn
- Quality perception
- Doctor engagement
- TAT improvement
- Menu expansion

Strategic Platforms

- Target 15% of Pharmeasy users on the platform for cross-sell, focused expansion across online platforms
- Rio / Marg-expansion to 35,000 retailers
- Hospital business in 200+ hospitals
- Thyrocare geographical expansion
- Base business growth at pre covid levels

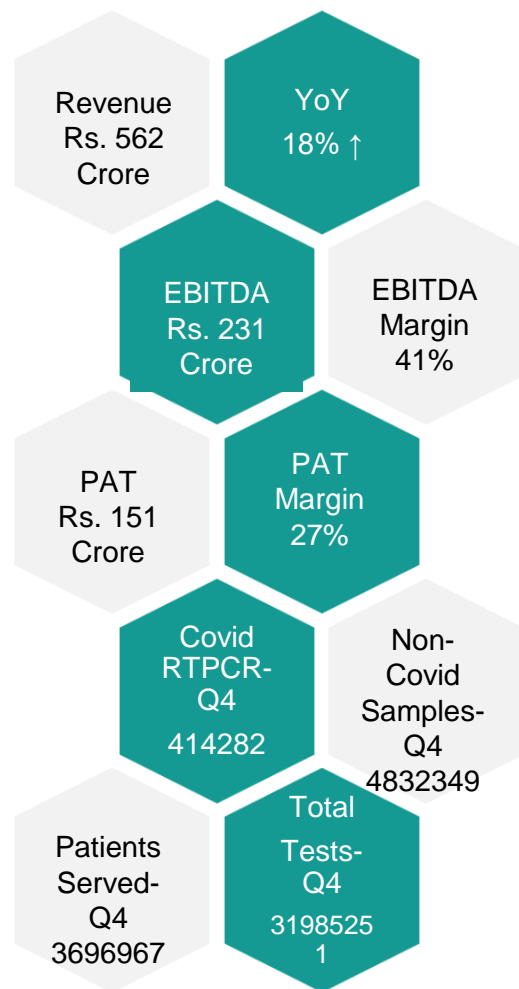
Strategic Platforms

- Continue to expand cross-sell and retail presence across all Pharmeasy touch-points
- International expansion at a Regional level
- Integrated Corporate wellness offering

Agenda

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Key Highlights - Pathology



Revenue from operations of Rs. 562 Crore, grown by 18% YOY. Revenue for the final quarter of the year of Rs. 123 Crore, grown by 12% in sequential quarters mainly with revival of the base non covid business. Revenue from COVID business was flat in sequential quarters despite of 3rd wave in January. Non Covid business however revived significantly and surpassed the pre-COVID business. Continued focus on B2B business enabled us to garner lost volumes. Revenue and volumes for the month of March were all time high.

Gross margin for the year improved mainly on account of reduction in the covid reagent/ consumables, however to enable growth aggressive prices are offered in the last quarter on routine non aarogyam tests and certain aarogyam profiles that has lead to impact on Q4 gross margins which shall settle down in the coming period.

Absolute EBITDA of Rs. 231 crore, grown by 35% YOY, mainly on account of better EBITDA margins on account of lower reagent/ consumable and operations cost in Government COVID business. The EBITDA margin at 41% for the year were tampered down in the last two quarters mainly on account of impact on the topline due to erosion of high margin government contract business, aggressive discounts to the network on some routine tests/ profiles to revive the business, spendings on manpower in particular growth teams to sustain growth and infrastructure to improve turnaround time to the patients.

4.40 million COVID RTPCR tests were performed in the year, though despite 3rd wave in January only 0.41 million were performed in the last quarter, thereby the focus is now shifted to non COVID segment.

Total 21.07 million samples (including COVID) sourced from 16.32 million patients (including COVID) were processed during current year.

110.30 million tests were processed in the current year that includes standalone tests, COVID tests and tests included in the preventive care Aarogyam profiles.

Income Statement - Pathology

Pathology business grew by 12% in sequential quarter and yearly by 18%. Growth in the current quarter was mainly on account of revival of B2B non COVID business.

Income Statement

	Quarter			Q Variance (%)		Year		Variance (%)
	Q 31.03.2022	Q 31.12.2021	Q 31.03.2021	Seq.	YOY	31.03.2022	31.03.2021	YOY
INR in crore								
Revenue from operations	123.33	110.20	139.16	12%	-11%	561.53	474.27	18%
Cost of materials consumed/ sold	(40.63)	(29.00)	(43.11)	40%	-6%	(165.23)	(160.55)	3%
Gross margin	82.70	81.20	96.04	2%	-14%	396.30	313.71	26%
Employee benefit expenses	(16.72)	(14.10)	(18.24)	19%	-8%	(58.82)	(56.79)	4%
Other expenses	(29.15)	(31.10)	(27.12)	-6%	7%	(106.65)	(86.19)	24%
EBITDA	36.83	36.00	50.69	2%	-27%	230.83	170.73	35%
Depreciation and amortisation	(8.57)	(7.40)	(5.74)	16%	49%	(28.47)	(21.08)	35%
Finance cost	(0.58)	(0.60)	(0.01)	-3%	10546%	(2.38)	(0.66)	261%
Other income	1.70	1.10	2.48	55%	-31%	7.40	12.28	-40%
Profit before tax and exceptional items	29.38	29.10	47.42	1%	-38%	207.38	161.27	29%
Tax expense	(9.03)	(6.50)	(12.07)	53%	-18%	(55.33)	(41.51)	35%
Profit after tax	20.35	22.60	35.35	-14%	-45%	152.05	119.77	26%
Other comprehensive income	0.16	-	(1.41)	100%	-111%	(0.04)	(1.41)	-97%
Total comprehensive income	20.51	22.60	33.94	-13%	-42%	152.01	118.36	28%

Revenue growth	n/a	12%	(11%)
Gross margin %	67%	74%	69%
EBITDA%	30%	33%	36%
PAT%	16%	21%	25%

18%	19%
71%	66%
41%	36%
27%	25%

Revenue from operations – primarily comprised of Revenue from diagnostic services Rs. 117 crore and revenue from sale of consumables and digital rapid technology products of about Rs. 6 crore. Diagnostic revenue growth in sequential quarter is about 12%, primarily is on account of revival of B2B non COVID business.

Gross margin impacted during the quarter mainly account of erosion of high margin COVID business, aggressive prices offered on routine non aarogyam tests and certain aarogyam profiles.

Employee benefit expenses at 17 crores increased with additions in growth team to sustain growth and in laboratory team to maintain quality in reporting.

Other expenses consists of service charges, sales incentives, power and fuel, repairs and maintenance. Service charges includes cost of phlebotomist for home collection order, and LME costs whereas sales incentives are for channel partners to promote tests. There is an increase in the overall fixed costs anticipated with expansion of RPL network throughout the country.

Income Statement - Radiology

Radiology business accounted for about 5% of reported consolidated revenue of Thyrocare Group revived significantly after complete shut down for couple of months in covid and thereafter out of the impact of lockdowns, posting 34% YOY growth in the current year.

Income Statement

INR in crore	Quarter			Q Variance (%)		Year		Variance (%)
	Q 31.03.2022	Q 31.12.2021	Q 31.03.2021	Seq.	YOY	31.03.2022	31.03.2021	YOY
Revenue from operations	7.22	7.26	7.68	-1%	-6%	27.35	20.41	34%
Cost of materials consumed/ sold	(1.26)	(1.00)	(1.28)	26%	-1%	(4.46)	(3.35)	33%
Gross margin	5.96	6.26	6.40	-5%	-7%	22.89	17.07	34%
Employee benefit expenses	(0.76)	(0.62)	(0.29)	23%	160%	(2.30)	(1.29)	78%
Other expenses	(4.78)	(4.94)	(5.37)	-3%	-11%	(17.16)	(15.66)	10%
EBITDA	0.42	0.70	0.74	-40%	-43%	3.43	0.11	2904%
Depreciation and amortisation	(1.19)	(1.47)	(2.13)	-19%	-44%	(5.80)	(9.42)	-38%
Finance cost	0.02	(0.03)	(0.35)	-167%	-106%	(0.25)	(1.53)	-84%
Other income	0.78	0.53	1.71	47%	-54%	23.01	2.02	1041%
Profit before tax and exceptional items	0.03	(0.27)	(0.03)	-111%	-203%	20.39	(8.81)	-331%
Tax expense	0.29	(0.75)	2.19	-279%	-39%	3.75	2.19	120%
Profit after tax	0.32	(1.02)	2.16	-234%	-37%	25.20	(6.63)	-480%
Other comprehensive income	-	(0.01)	0.01	-100%	-100%	(0.02)	0.01	-261%
Total comprehensive income	0.32	(1.03)	2.17	-233%	-37%	24.12	(6.61)	-481%

Revenue growth	n/a	(1%)	(6%)
Gross margin %	83%	86%	83%
EBITDA%	6%	10%	10%
PAT%	19%	(14%)	28%

34%	(40%)
84%	84%
13%	1%
92%	(32%)

Revenue from operations – Revenue from imaging services accounted for 5% of reported consolidated revenue of Thyrocare Group in current year. Radiology business improved significantly during the current year, with patient footfall growing after the COVID impact. Revenue from sale of FDG for the year was Rs. 2.36 crore.

Nuclear sold some of its properties acquired with the intention of setting up PETCT during the year, to settle the loans and other liabilities.

Nuclear has invested in innovations during the last quarter of the year to enhance the production yield of FDG and reduce the costs, that shall enable it to offer PETCT services at significantly competitive prices.

The operations at Baroda center were commence after a gap of about two years due to legal dispute.

The operations cost have remained stable throughout the year though there is an increase in the manpower cost.

Income Statement - Consolidated

Consolidated annual revenue of the group grew by 19% YOY, with positive signs of revival in non covid business. COVID business significantly eroded in last two quarters and radiology business growing at pre COVID level.

Income Statement

	Quarter		Q Variance (%)		Year		Variance (%)	
	Q 31.03.2022	Q 31.12.2021	Q 31.03.2021	Seq.	YOY	31.03.2022	31.03.2021	YOY
INR in crore								
Revenue from operations	130.56	117.40	146.84	11%	-11%	588.86	494.62	19%
Cost of materials consumed/ sold	(41.89)	(30.00)	(44.39)	40%	-6%	(169.69)	(163.90)	4%
Gross margin	88.67	87.40	102.45	1%	-13%	419.17	330.72	27%
Employee benefit expenses	(17.43)	(14.70)	(18.53)	19%	-6%	(61.13)	(58.07)	5%
Other expenses	(33.65)	(35.90)	(32.38)	-6%	4%	(123.15)	(101.41)	21%
EBITDA	37.59	36.80	51.54	2%	-27%	234.89	171.24	37%
Depreciation and amortisation	(9.67)	(8.80)	(7.81)	10%	24%	(33.87)	(30.28)	12%
Finance cost	(0.57)	(0.50)	0.09	14%	-757%	(2.37)	(0.87)	174%
Other income	2.15	1.40	3.64	54%	-41%	29.25	12.43	135%
Profit before tax and exceptional items	29.50	28.90	47.45	2%	-38%	227.90	152.53	49%
Share of profit in associate entity	0.52	(0.20)	0.18	-360%	191%	(0.18)	(0.07)	143%
Tax expense	(8.78)	(7.20)	(9.88)	20%	-13%	(51.58)	(39.32)	31%
Profit after tax	21.24	21.50	37.75	0%	-43%	176.14	113.13	56%
Other comprehensive income	0.22	-	(1.39)	100%	-116%	(0.08)	(1.39)	-94%
Total comprehensive income	21.46	21.50	36.36	1%	-41%	176.06	111.74	58%

Revenue growth	n/a	11%	(11%)
Gross margin %	68%	74%	70%
EBITDA%	29%	31%	35%
PAT%	16%	18%	26%

19%	14%
71%	67%
40%	35%
30%	23%

Revenue from operations – primarily comprised of Revenue from diagnostic services to the extent of 96%. Base B2B non COVID business has revived to pre-COVID level. Overall growth in topline is about 19%.

Gross margin for the year though improved due to higher contribution of high margin COVID business, impacted during the later quarters due erosion of COVID business, aggressive prices offered on routine non aarogyam tests and certain aarogyam profiles.

Employee benefit expenses increased with additions in growth team to sustain growth and in laboratory team to maintain quality in reporting. The cost is net off reversals of excess provision on employee benefits.

Other expenses consists of service charges, sales incentives, power and fuel, repairs and maintenance and CMC cost of machines for Nuclear. There is an increase in the overall fixed costs anticipated with expansion of RPL network and spendings on business promotions.

Thank You

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