

November 16, 2022

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

The Bombay Stock Exchange Ltd
Phiroze Jeejeeboy Towers
Dalal Street,
Mumbai- 400 001
(SCRIP CODE 539871)

Sub: Disclosure of information under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Meeting with Investors/Analysts

Dear Sir/Madam,

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Further to our letter dated November 16, 2022, we are enclosing herewith a copy of revised Corporate Roadshow Presentation, wherein certain minor corrections have been made.

This is also being made available on the Company's website viz. <https://investor.thyrocare.com/>

Yours Faithfully,

For **Thyrocare Technologies Limited**,

Ramjee Dorai
Company Secretary and Compliance Officer





Tests you can trust

**Thyrocare
Technologies Limited
Corporate presentation**

November 2022

Safe Harbour

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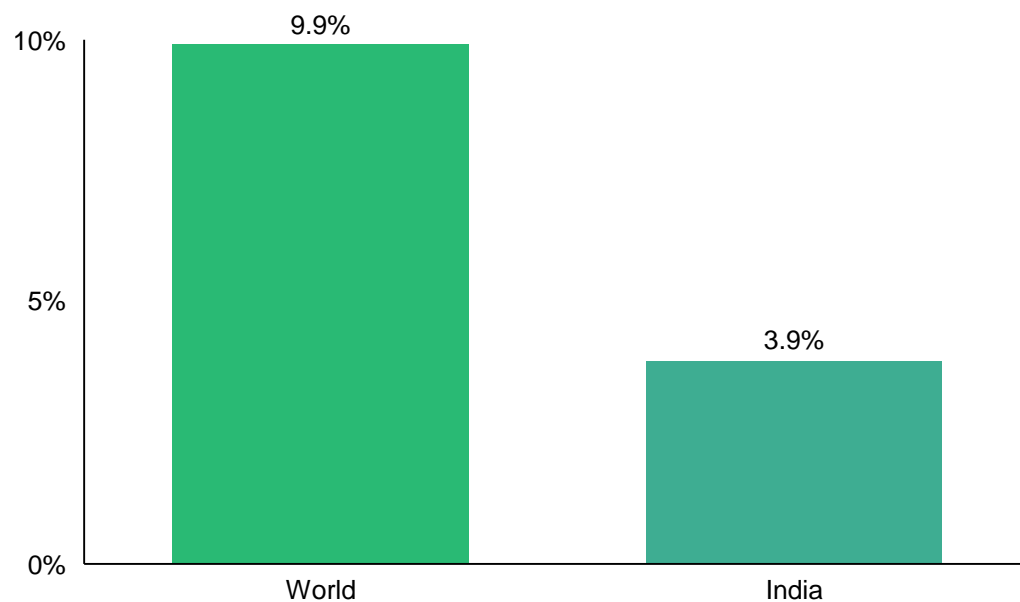
Agenda

- 1** **Diagnostics Overview**
- 2** **Our Strategy**
- 3** **Performance Summary**
- 4** **Looking ahead**

In terms of per capita spend on healthcare, India currently underpenetrated relative to the rest of the world

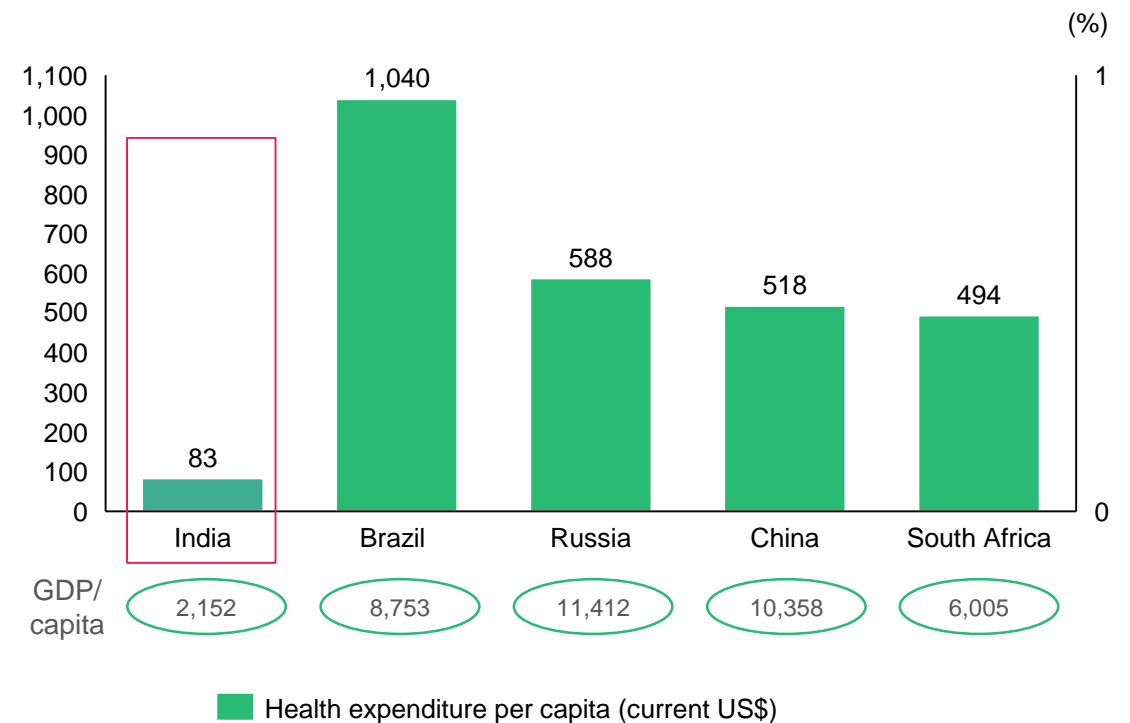
Indian healthcare spending as % of GDP is currently behind global average

Healthcare spending as a % of GDP



Low govt healthcare coverage, high out of pocket spend even relative to other emerging economies

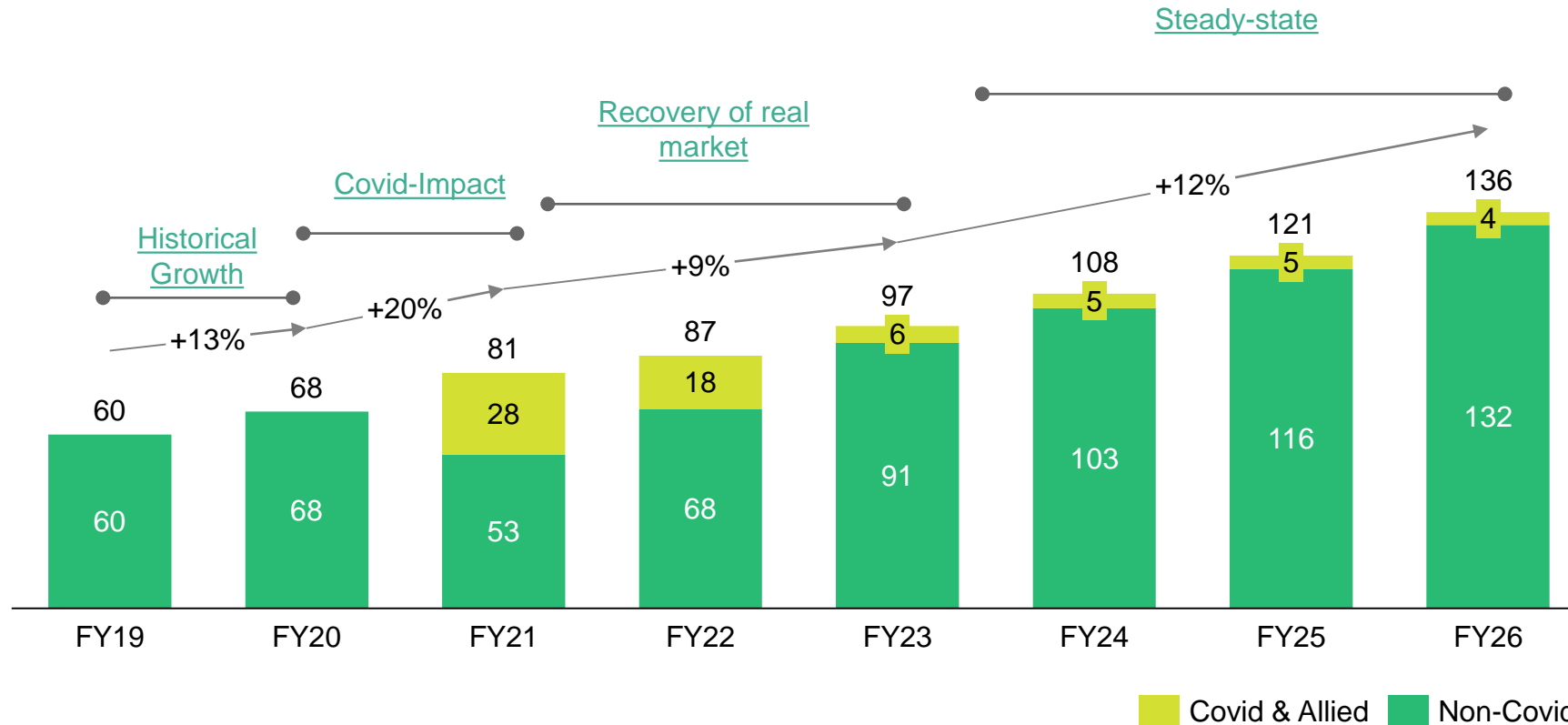
Per capita healthcare expenditure (\$)



Diagnosics market currently at INR ~87k Cr expected to grow at ~12% over next 5 years

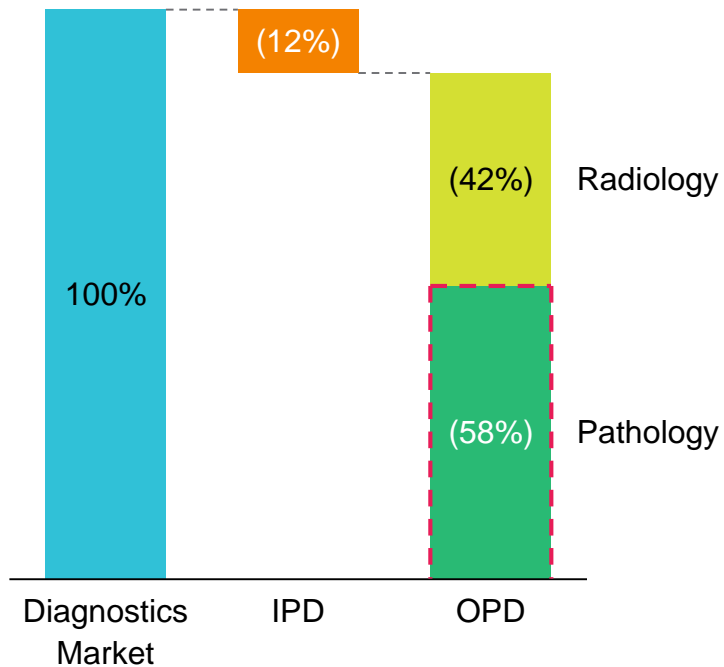
Diagnosics market in India

INR '000 Cr

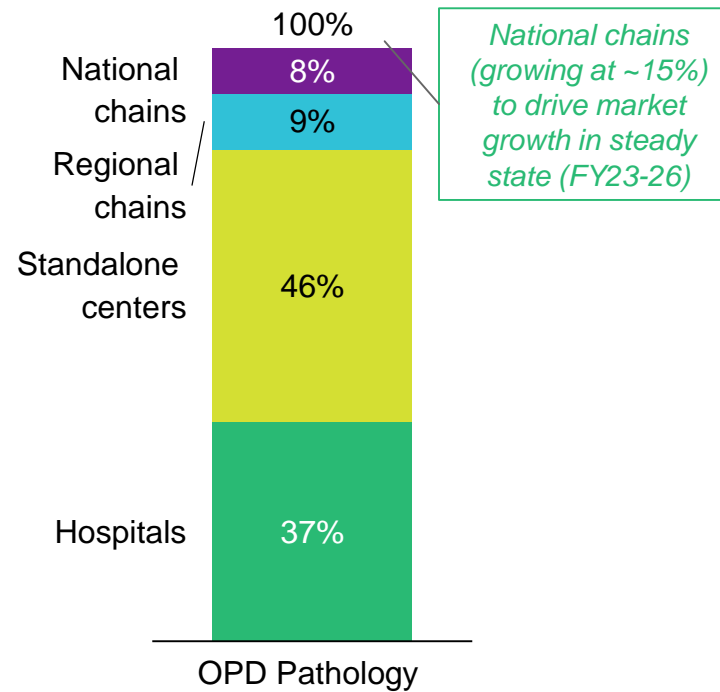


OPD Pathology is the primary focus market

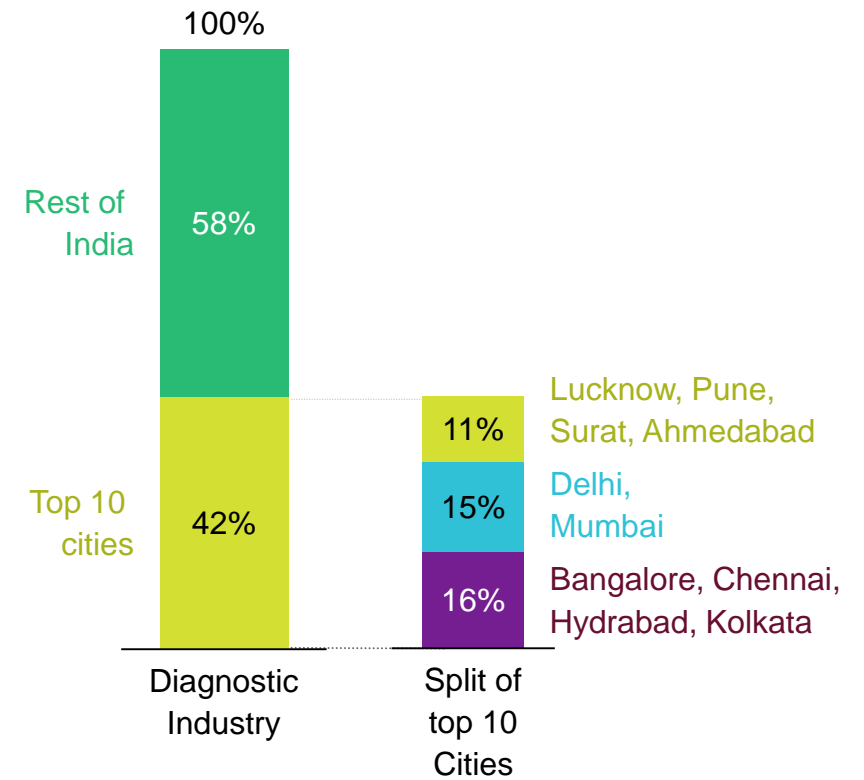
Diagnostic Market



OPD Pathology Market



OPD Pathology Market1



Breakdown for FY20 OPD pathology market as per industry reports
Source: Analyst Reports

Agenda

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About Us

4,00,000+
Clinical Investigations
Daily



10 NABL Labs



900+
Phlebotomists
Network

64,000+
Samples Processed
Daily



Tests you can trust

**25 Years in the
Diagnostics
Industry**



Presence in
500+ Districts
3,900+ Pincodes

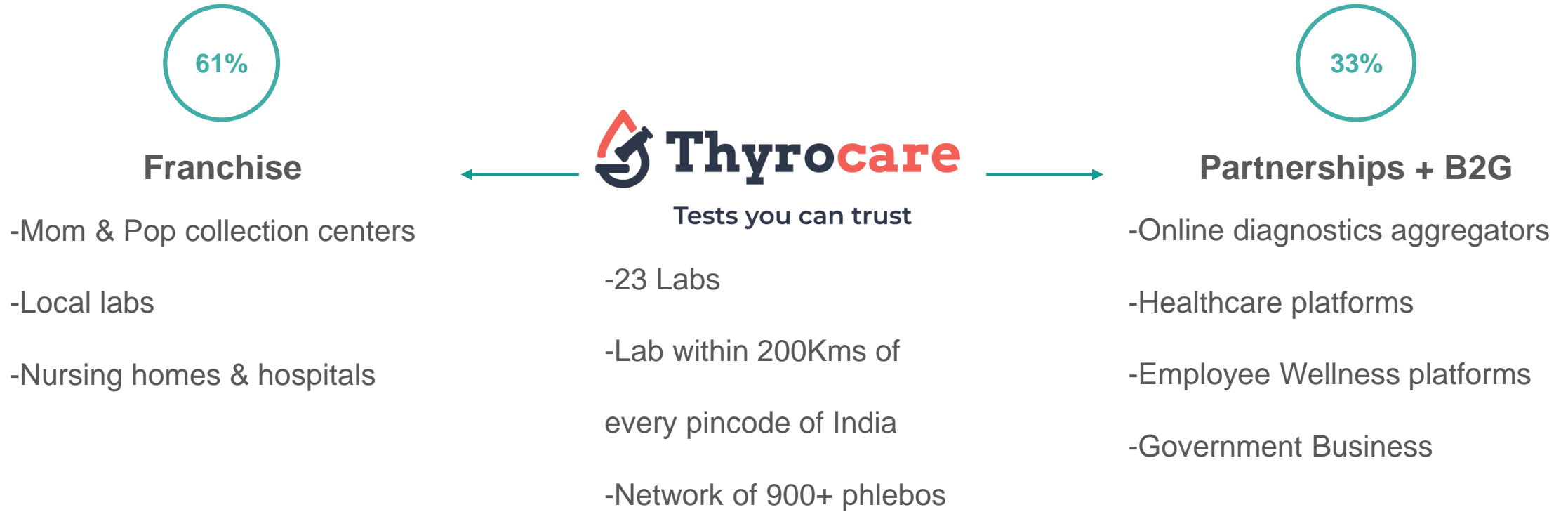
44,000+
Patients Served
Daily



Franchise Network of
950+ Branded
5,000+ Thirdparty

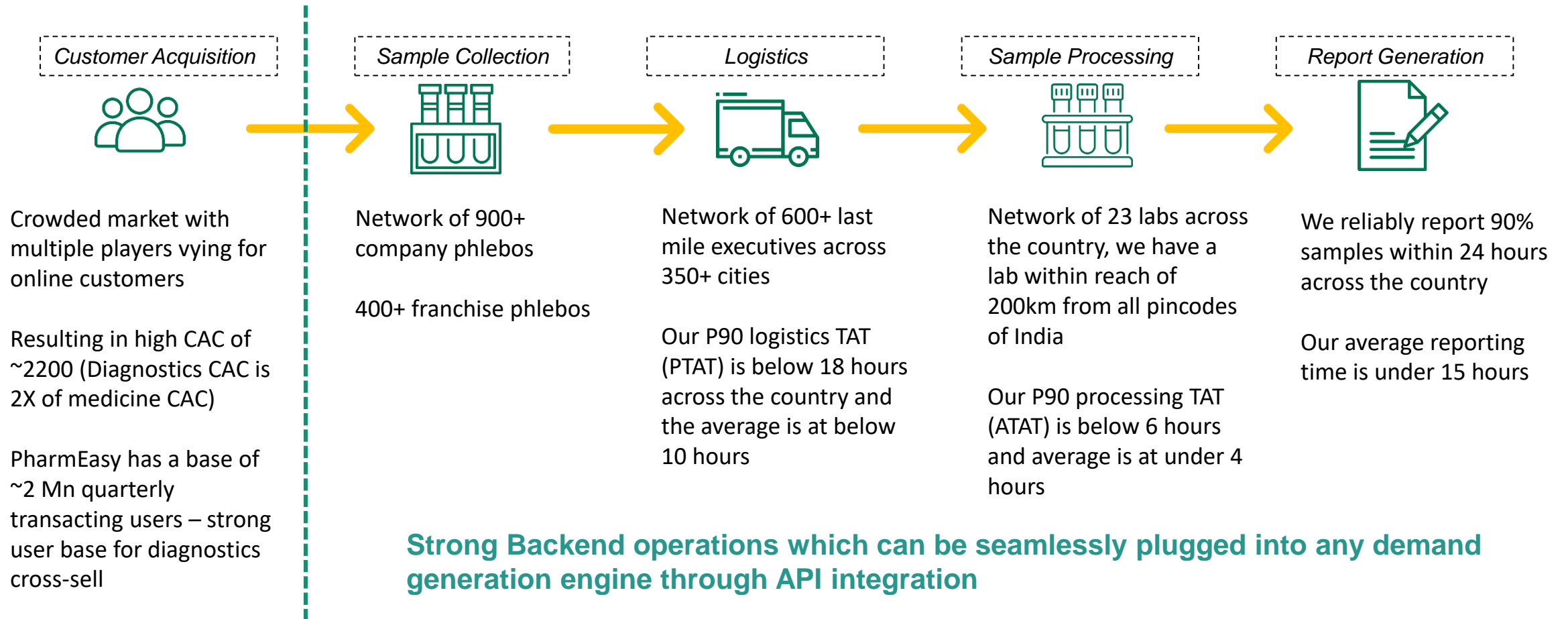
We conduct 280 clinical investigations every second

We aim to be the partner of choice for diagnostics to all healthcare providers



















Thyrocare is well placed to leverage best of both worlds

Why focus on B2B vs B2C ?



The combination of Thyrocare and PharmEasy 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

API + Thyrocare stronger together – we started the year with 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

We continue to focus on areas which we identified to drive sustainable growth



Geography Expansion

- **Pin Expansion:** Added 400+ active pincodes; 3900+ active pincodes in Q2 FY23 (1+ sample billed)
- **Lab Expansion:** Our lab network continues to remain at 26 labs (19 RPLS, 3 ZPLs, 1 CPL, 3 PCR labs)



Customer Connect

- Extending our lifestyle range by 25+ packages – Smoking Impact, Alcohol, Hairfall, Skin Care, etc.,
- Regional celebrity promotions for festive push – Ganesh Chaturthi, Durga Pooja & Navratri



Quality Perception

- **Accreditation:** NABL certificates received for 4 labs – Hyderabad, Gurgaon, Kolkata & Pune
- 10 labs NABL accredited, on track to process 90% sample in NABL accredited labs by FY23



TAT Improvement

- Moving to same day reports; 90% samples are reported within 24 hours
- Our average report release time is already at 15 hours across India



Doctor Engagement

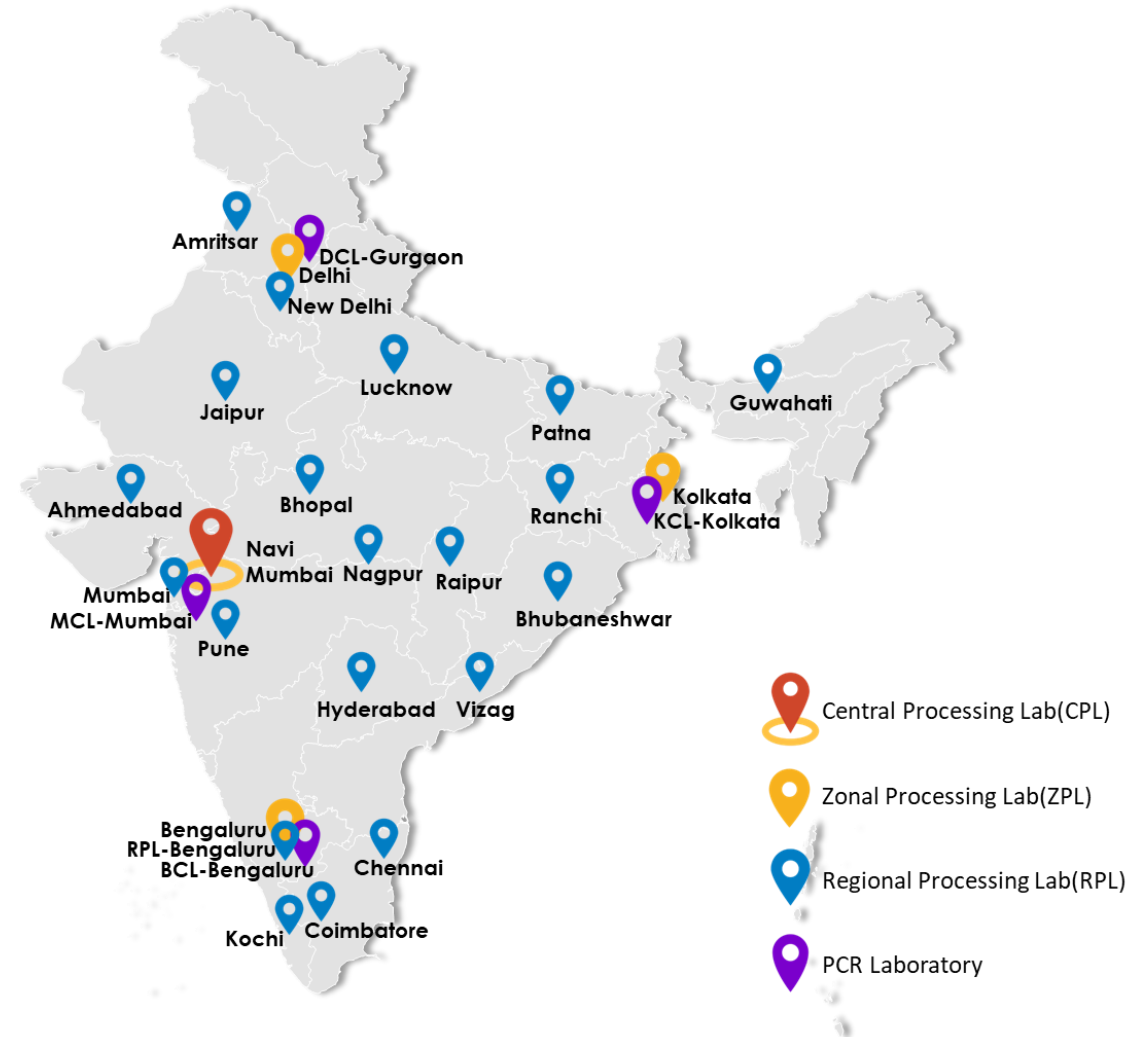
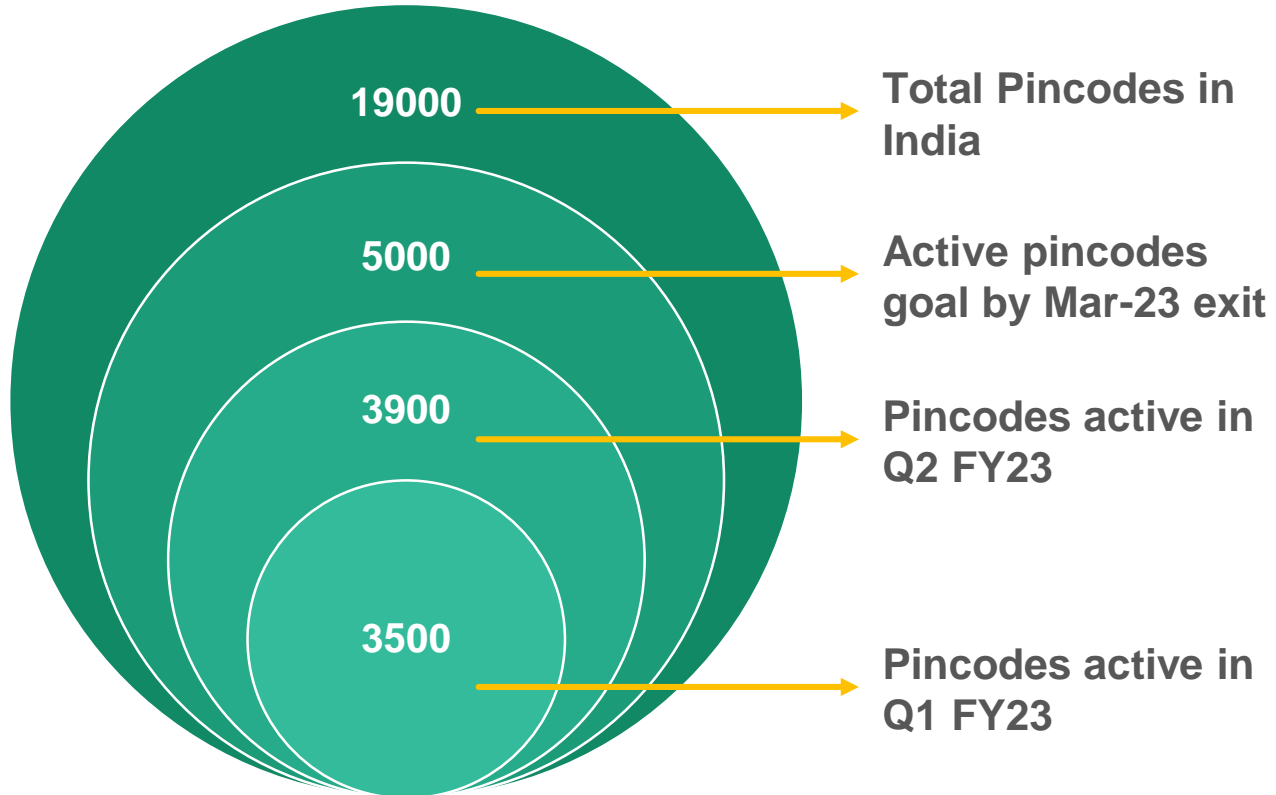
- **Field reach out :** 38 member field team to actively engage with doctors
- **Education videos :** Dr. Mangesh Tiwaskar's video on Importance of Preventive Care had 2.7L views



Leveraging API

- **Platform :** Continuing to drive cross-sell of diagnostics, currently at 4.3% of monthly transacting users
- **Retailio + Marg chemist activation:** 2500+ retailers on-boarded
- **Hospitals :** 110+ Active Hospitals for out-sourcing tests

Geography Expansion – Pin Expansion & Lab Network



Customer Connect – Lifestyle Packages & Celebrity Promotions

**Alcohol
Impact**



**Smoking
Impact**

**Hairfall
Screening**



**Skin Care
Checkup**

**Fitness
Essential**



**Weight
Management**

**Sedentary
Lifestyle**



**Stress
Impact**

**Diet
Impact**



**Food
Impact**



Tejashri Pradhan

Ganesh Chaturthi - Maharashtra



Manali Manisha Dey

Durga Pooja – West Bengal & Orissa



Falguni Pathak

Navratri – Gujarat & Maharashtra

Agenda

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Quarter Health-check

YoY Non-Covid Revenue

+18% ↑

YoY Non-Covid samples

+39% ↑

(6 Mn samples
in this Q)

QoQ Non-Covid Revenue

+5% ↑

QoQ Normalized EBITDA %

+100 bps ↑

(30% in Q2 FY23)

QoQ Pathology
Normalized EBITDA

+10% ↑

YoY Radiology Revenue

+30% ↑

YoY Covid Revenue

-97% ↓

YoY Total Revenue*

-23% ↓

YoY Non-Covid
Normalized EBITDA %

-400 bps ↓

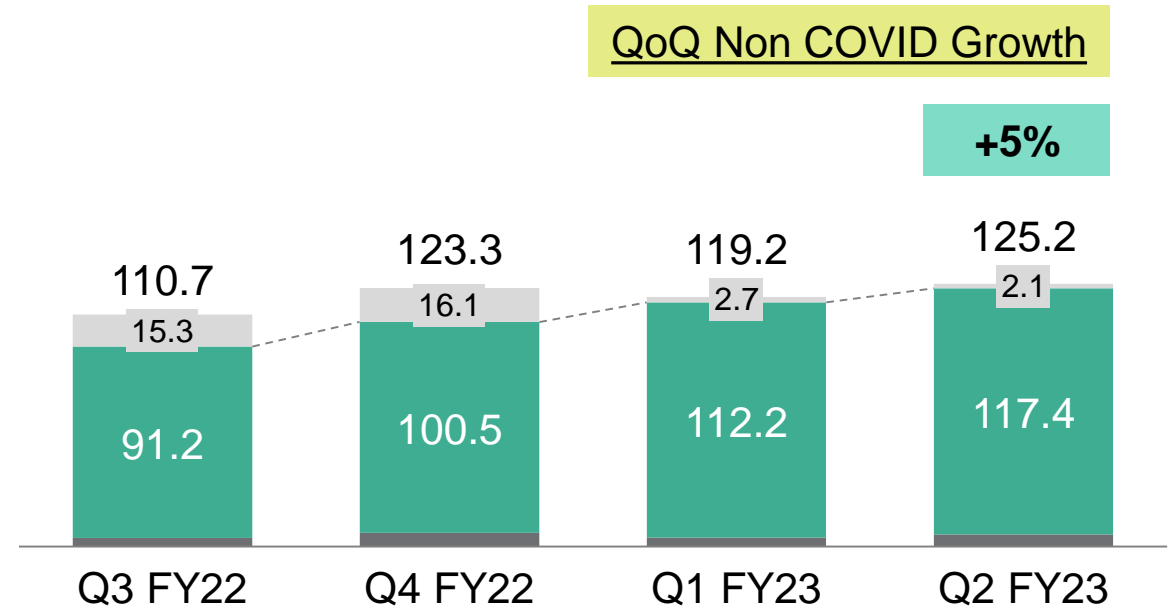
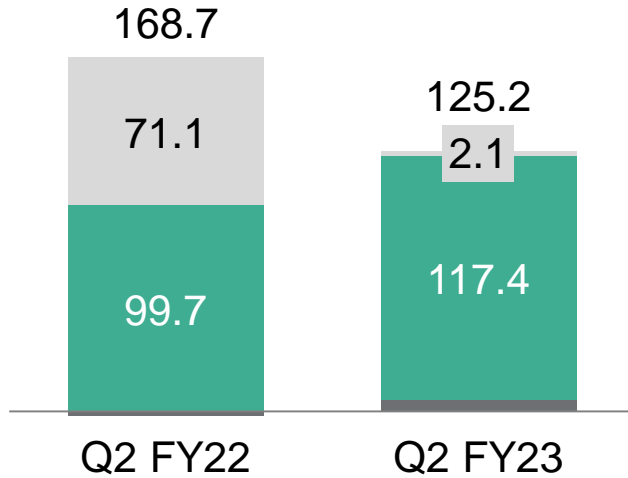
*Consolidated Revenue

We have consistently delivered QoQ non-covid revenue growth for 3 quarters

Significant growth in Non COVID over last year

Strong recovery of Non COVID business

Pathology Revenue (INR Cr)



YoY Growth

COVID	-97%
Non COVID	+18%

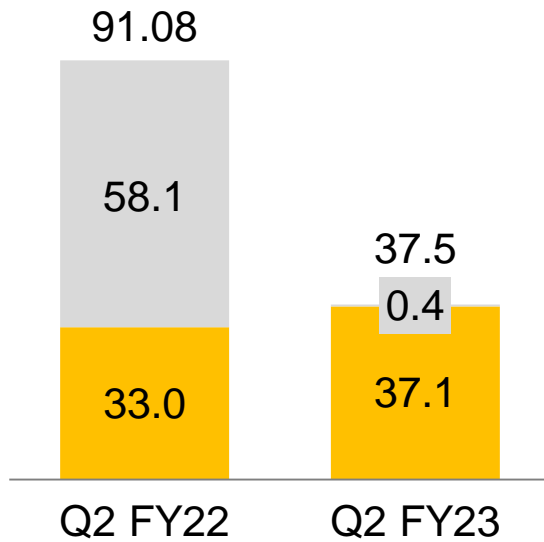
COVID Non COVID Material + Others

Note: All numbers refer to Pathology revenue

Normalized EBITDA continues to grow QoQ in line with the revenue growth

YoY revenue growth resulting in Normalized EBITDA growth

Pathology Normalized EBITDA (INR Cr)



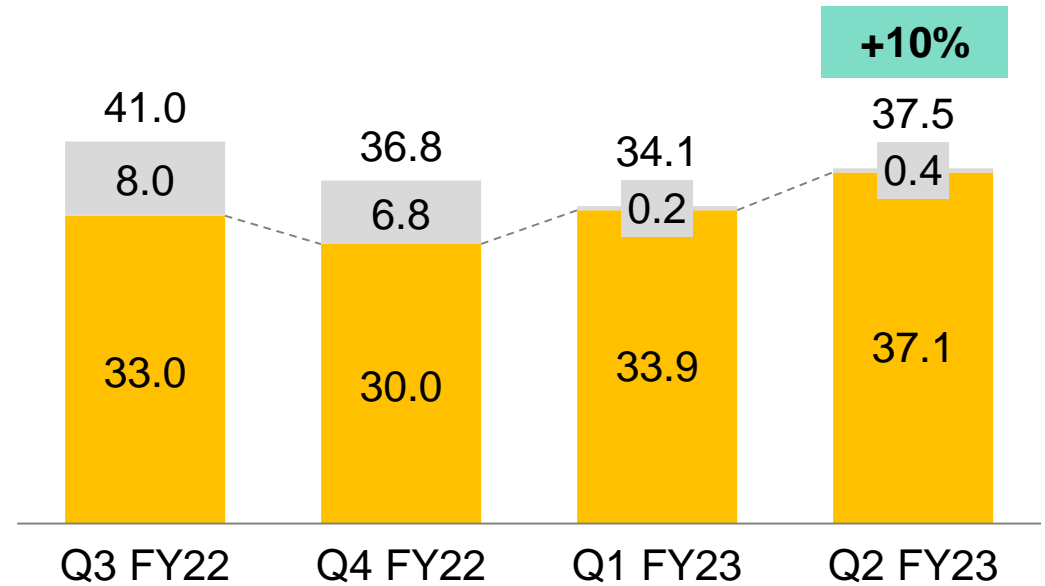
N. EBITDA % 54% 30%

YoY Growth

COVID -99%
 Non COVID +12%

Strong growth in QoQ Normalized EBITDA led by revenue growth and tight control over costs

QoQ Non COVID Growth



N. EBITDA % 37% 30% 29% 30%

COVID Non COVID

Note: All numbers refer to Pathology Normalized EBITDA

We have re-oriented our Non-COVID business verticals to explain our strategy



Franchise

- Network of 950+ branded and 5000+ third party partners – collections centres, local labs, nursing homes and small hospitals



Partnerships

- API, e-pharmacies, online consults, surgeries, at home healthcare & wellness providers
- Direct Selling Agents (DSA) promoting Thyrocare services via online & offline channels
- Corporate tie-ups for providing diagnostics services to their clients and employees



D2C

- Direct to Consumer base acquired through Thyrocare website, app and social media; loyalty base of 1 Mn users

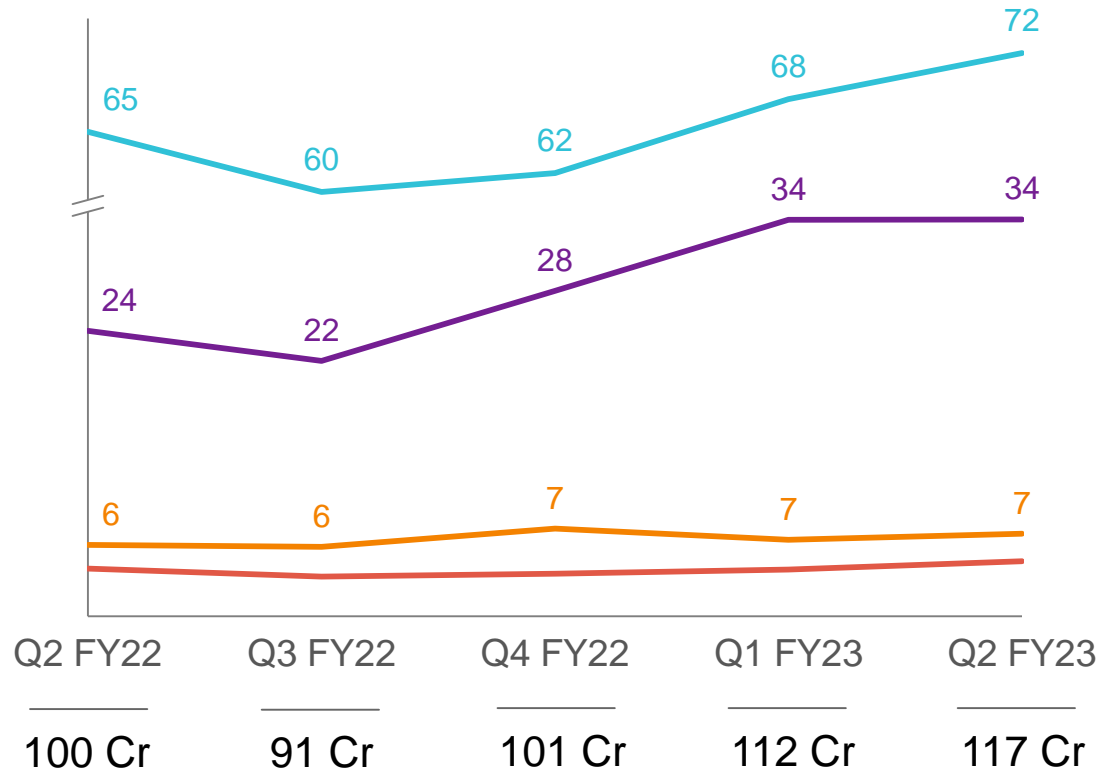


B2G

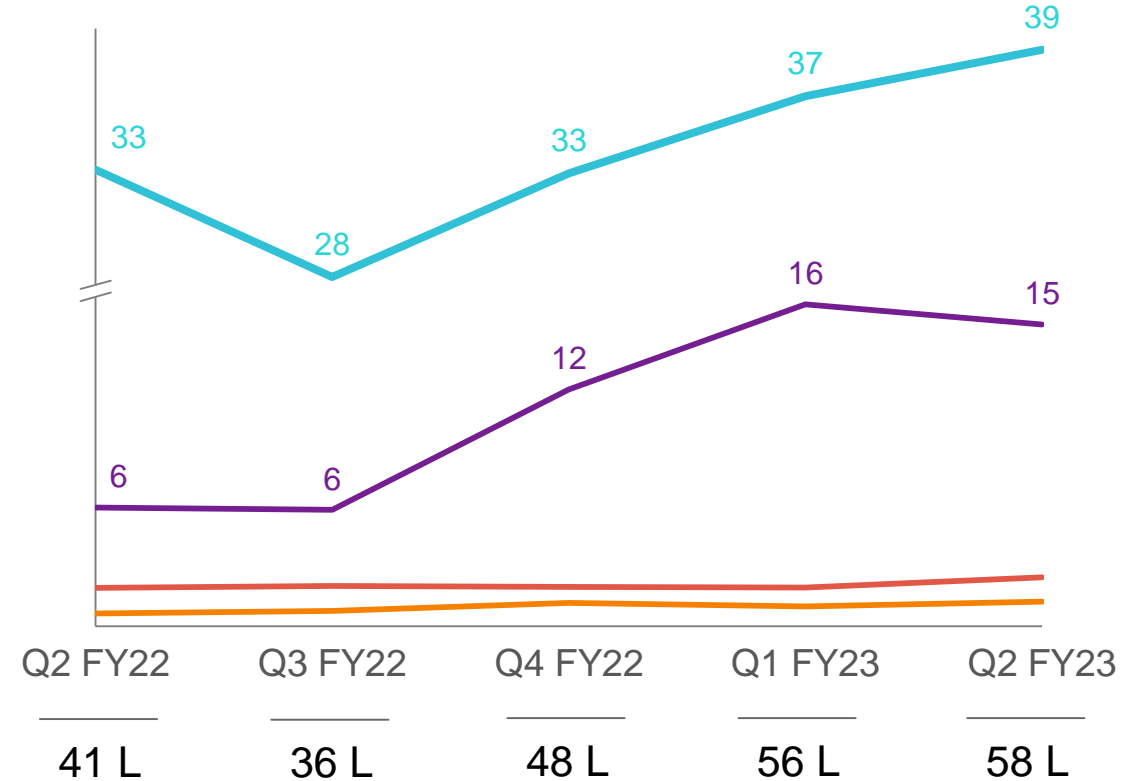
- Revenue generated through tenders from government

Our core business verticals continue to grow – Franchise business and Partnerships main drivers of growth

Non COVID Diagnostics Services Revenue (Rs Cr)



Non COVID Diagnostics Services Workload (Lakhs)



— Franchise — Partnerships — D2C — B2G

Income Statement – Pathology

	Quarter			Q Variance (%)	
	Q2 FY22	Q1 FY23	Q2 FY23	Seq.	YOY
INR crore					
Revenue from operations	168.74	119.24	125.23	5%	-26%
Cost of materials consumed/ sold	(42.41)	(38.26)	(39.46)	3%	-7%
Gross margin	126.33	80.98	85.77	6%	-32%
Employee benefit expenses	(14.68)	(20.57)	(21.50)		
Other expenses	(20.57)	(26.33)	(26.74)		
Normalized EBITDA	91.08	34.08	37.53	10%	-59%
ESOP Cost	-	-	(6.65)		
Provision for Receivables	(3.91)	-	(1.20)		
Reported EBITDA	87.17	34.08	29.68		
Depreciation and amortisation	(6.71)	(7.58)	(8.07)		
Finance cost	(0.61)	(0.55)	(0.51)		
Other income	1.95	0.89	1.16		
PBT and exceptional items	81.80	26.84	22.26	-17%	-73%
Tax expense	(21.29)	(6.51)	(7.85)		
Profit after tax	60.51	20.33	14.41	-29%	-76%
<i>Gross margin %</i>	75%	68%	68%		
<i>Normalized EBITDA%</i>	54%	29%	30%		
<i>PAT%</i>	36%	17%	12%		

*Normalized EBITDA – EBITDA before ESOP cost and Provisions for Receivables

Note: ESOP cost is ESOPs granted from parent group API Holdings to Thyrocare employees and recognized as share based payment in the P&L and appropriately recognized in the balance sheet as Equity contribution from the parent. Total value of the ESOPs granted are 45.53 Cr over a 6 year period ((Year 1 – 39.7%, Year 2 – 31.4%, Year 3 – 16.2%, Year 4 – 9.0%, Year 5 – 3.5%, Year 6 - 0.2%)

Pathology revenue increased 5% Q-o-Q. While it decreased 26% Y-o-Y, primarily on account of decrease in COVID business

Gross margin % remained steady during the quarter

Employee benefit expenses increased QoQ marginally on account of introduction of variable pay across organisation

Other expenses continue to remain at the same level QoQ on account of close control over costs

Normalized EBITDA increased 10% Q-o-Q

Non COVID P&L has improved QoQ, but COVID P&L continues to decline

	Non COVID			COVID			
	Q2'22	Q1'23	Q2'23	Q2'22	Q1'23	Q2'23	
Revenue#	97.60	116.52	123.17	71.14	2.69	2.06	Drop in COVID revenue as the pandemic subsided.
GM	63.49	79.16	84.23	62.84	1.79	1.54	COVID revenue through Franchise channel with lower margins decreased while the revenue through B2G channel at higher margins continued thus reflecting in higher GM% Q-o-Q.
%	65%	68%	68%	88%	67%	75%	
Normalized EBITDA*	33.02	33.85	37.09	58.06	0.21	0.44	Strong control over COVID overhead costs
%	34%	29%	30%	82%	8%	21%	

*Normalized EBITDA – EBITDA before ESOP cost and Provisions for Receivables

- Includes Materials + Others

Note: ESOP cost is ESOPs granted from parent group API Holdings to Thyrocare employees and recognized as share based payment in the P&L and appropriately recognized in the balance sheet as Equity contribution from the parent. Total value of the ESOPs granted are 45.53 Cr over a 6 year period ((Year 1 – 39.7%, Year 2 – 31.4%, Year 3 – 16.2%, Year 4 – 9.0%, Year 5 – 3.5%, Year 6 - 0.2%)

Income Statement – Radiology

	Quarter			Q Variance (%)	
	Q2 FY22	Q1 FY23	Q2 FY23	Seq.	YOY
INR crore					
Revenue from operations	7.47	8.55	9.74	14%	30%
Cost of materials consumed/ sold	(1.20)	(1.24)	(1.67)	35%	39%
Gross margin	6.27	7.31	8.07	10%	29%
Employee benefit expenses	(0.43)	(0.81)	(0.88)		
Other expenses	(4.15)	(4.53)	(5.55)		
Normalized EBITDA	1.69	1.97	1.64	-17%	-3%
ESOP Cost	-	-	-		
Provision for Receivables	-	-	-		
Reported EBITDA	1.69	1.97	1.64		
Depreciation and amortisation	(1.57)	(1.14)	(1.18)		
Finance cost	(0.05)	(0.02)	(0.03)		
Other income	13.47	0.36	0.97		
PBT and exceptional items	13.54	1.17	1.40	19%	-90%
Tax expense	3.62	0.16	(0.35)		
Profit after tax	17.16	1.33	1.04	-22%	-94%
<i>Gross margin %</i>	84%	86%	83%		
<i>Normalized EBITDA%</i>	23%	23%	17%		
<i>PAT%</i>	230%	16%	11%		

*Normalized EBITDA – EBITDA before ESOP cost and Provisions for Receivables

Note: ESOP cost is ESOPs granted from parent group API Holdings to Thyrocare employees and recognized as share based payment in the P&L and appropriately recognized in the balance sheet as Equity contribution from the parent. Total value of the ESOPs granted are 45.53 Cr over a 6 year period ((Year 1 – 39.7%, Year 2 – 31.4%, Year 3 – 16.2%, Year 4 – 9.0%, Year 5 – 3.5%, Year 6 - 0.2%)

Revenue from imaging services accounted for 7% consolidated revenue

Radiology business improved significantly during the current year, with patient footfall growing post COVID.

Decrease in GM% due to lower realization per scan from newly added centers at Surat & Baroda

Increase in other expenses is due to increase in CMC of 2 new centers added at Surat & Baroda

Other income of 13.47 Cr in Q2-FY22 is from sale of property

Income Statement – Consolidated

	Quarter			Q Variance (%)	
	Q2 FY22	Q1 FY23	Q2 FY23	Seq.	YOY
INR crore					
Revenue from operations	176.21	127.79	134.97	6%	-23%
Cost of materials consumed/ sold	(43.61)	(39.50)	(41.12)	4%	-6%
Gross margin	132.60	88.29	93.85	6%	-29%
Employee benefit expenses	(15.11)	(21.37)	(22.39)		
Other expenses	(24.38)	(30.72)	(31.90)		
Normalized EBITDA	93.11	36.20	39.56	9%	-58%
ESOP Cost	-	-	(6.65)		
Provision for Receivables	(3.91)	-	(1.20)		
Reported EBITDA	89.20	36.20	31.71		
Depreciation and amortisation	(8.16)	(8.61)	(9.15)		
Finance cost	(0.69)	(0.56)	(0.54)		
Other income	15.19	1.00	1.62		
PBT and exceptional items	95.54	28.03	23.64	-16%	-75%
Share of profit in associate entity	(0.19)	0.26	0.10		
Tax expense	(17.68)	(6.35)	(8.21)		
Profit after tax	77.67	21.94	15.53	-29%	-80%
<i>Gross margin %</i>	75%	86%	70%		
<i>Normalized EBITDA%</i>	53%	28%	29%		
<i>PAT%</i>	44%	17%	13%		

*Normalized EBITDA – EBITDA before ESOP cost and Provisions for Receivables

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Total revenue increased 6% QoQ. While it decreased 23% YoY, primarily on account of decrease in COVID business

ESOPs program to retain talent introduced at group level, it is a cashless charge and not a cash outflow

Receivables from government bodies for COVID business have been provisioned, co-ordinating with government for payments

Profit after Tax declined 29% QoQ due to non cash expenses of ESOP Cost and Provision for Receivables

Agenda

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We continue to execute against our strategy – will remain focused on the execution against this agenda



- 1 Serve Pharomeasy 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 Pharomeasy & DocOn offline collection points



- 5 Continue to improve our value proposition to our franchisee network, expand aggressively
- 6^{*} *Aggressively expanding partnerships to all Healthtech Platforms*
- 7 Expand Lab network selectively to address TAT challenges, invest in accreditation and PR
- 8 Leverage Pharomeasy technology expertise to improve our customer experience and phlebotomist productivity

* Slight modification in Strategy

Thank You

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