

Pick of *the week*

Dr Lal Pathlabs

Recommendation: **BUY**

Target Price: ₹3,250

Current Price: ₹2,750

Time Period: **12 Months**

Date: **12th May 2025**



- DLPL's Q4FY25 sales at Rs600 cr (+10% yoy) were in line with our estimates.
- Patient volumes grew ~5% yoy, while test volumes grew ~9% yoy.
- North and East doing well; scope to expand in West and South India.
- Execution & strategy on track; DLPL to tide over leadership transition challenge.
- Also, volume-led traction and a higher Swasthfit contribution to drive EBITDA and adjusted EPS CAGRs of ~13% each for DLPL over FY25-28E.
- Competition still limit volume recovery, despite ebbing of price discounts in industry.
- We expect volume growth to pick up steadily in Suburban & Tier-3/4 towns, aided by its ongoing expansion and robust brand equity.

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