Jupiter Life Line Hospitals | BUY

ARPOB led growth, expansion plans on track

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JLHL delivered a strong quarter with beat on all fronts. The company reported Revenue/EBITDA/PAT of INR 3.9bn/922mn/575mn, which were +22%/+23%/+12% on YoY basis. The performance was led by 16% YoY ARPOB growth, offsetting the 3% decline in patient volumes. The occupancy took a dip (64% vs 73% in 2QFY25) on account of increased capacities; however, the company saw a 9% YoY increase in absolute occupied beds. The greenfield expansion plans are on track, with Dombivli being the first project coming live in 1QFY27. However, the company expects a drag on EBITDA margins for FY27 owing to the same, with the breakeven for Dombivli unit expected in the second year of commissioning. The Pune-II and Mira units are expected to commercialise in CY28 and CY29, respectively. In our view, Jupiter has carefully chosen its target markets in the under-served micro-markets of Western India. Further, the new additions, along with maturing of Pune and Indore units, provides long runway for growth and value creation for investors. Over FY25-28, we expect the company to grow at 19%/20%/19% on revenue/EBITDA/PAT. Thus, we maintain BUY with a TP of INR 1,935 (28% upside).

- **Lower incidence of infectious diseases this quarter:** Typically, a higher infection load drives stronger occupancy in 2Q for the company, but Pune experienced a lower outbreak this year, affecting peak occupancy. Thane occupancies have stabilised at around 70%, and Pune is trending toward similar levels, while Indore continues to ramp up well. Case mix improvement in Indore and insurance rate revisions are contributing to ARPOB growth.
- **Dombivli project- set to launch in 1QFY27:** The Dombivli project is progressing as planned and is expected to be commissioned in 1QFY27. Recruitment discussions have already begun to support the ramp-up. The company has incurred INR1.1bn of capex on the project this year. The market has limited supply, which should support strong demand for the new facility. Breakeven is expected by the second year of operations at an occupancy level of around 40–50%. ARPOBs will be aligned with MMR market pricing over time, although they may remain slightly lower during the initial period.
- **Change in revenue reporting format:** The company has started reporting unbilled revenue in its presentation from this quarter. This represents revenue related to admitted patients where billing is not yet completed or payment is still pending. The unbilled revenue for the quarter stood at INR 192mn, which creates a one-time delta in the reported numbers. The associated cost for this unbilled revenue is INR 123mn, which has been included under professional fees. Of this, INR 30mn relates to direct costs, while INR 93mn is accounted for as a provision.
- **Expansion plans on track:** All three greenfield projects at same stage as previous concall. Dombivli (500 bed capacity) is progressing as scheduled and will be commissioned in 1QFY27. The second Pune hospital's (500 bed capacity) construction is set to begin from 3QFY26 and is expected to operationalize by CY29.

Recommendation and Price Target	
Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,935
Upside/(Downside)	28.2%
Previous Price Target	1,844
Change	4.9%

Key Data – JLHL IN	
Current Market Price	INR1,509
Market cap (bn)	INR98.9/US$1.1
Free Float	45%
Shares in issue (mn)	65.6
Diluted share (mn)	65.6
3-mon avg daily val (mn)	INR54.5/US$0.6
52-week range	1,770/1,250
Sensex/Nifty	83,535/25,574
INR/US$	88.7

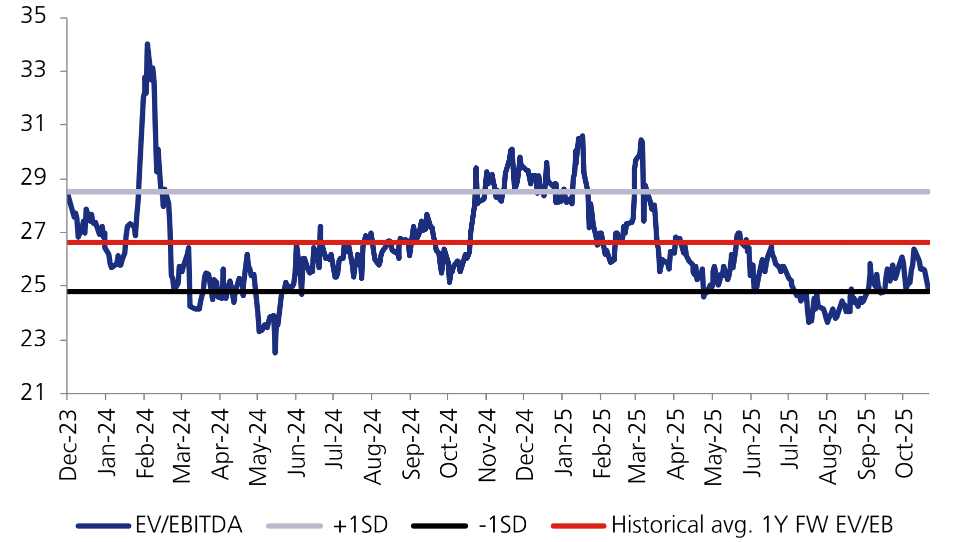
Price Performance			
%	1M	6M	12M
Absolute	-0.3	6.1	6.0
Relative*	-1.5	1.0	0.8

** To the BSE Sensex*

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	10,734	12,615	14,986	17,870	21,372
Sales Growth (%)	20.3	17.5	18.8	19.2	19.6
EBITDA	2,421	2,966	3,522	4,021	5,119
EBITDA Margin (%)	22.6	23.5	23.5	22.5	24.0
Adjusted Net Profit	1,766	1,935	2,136	2,529	3,282
Diluted EPS (INR)	28.7	29.5	32.6	38.6	50.1
Diluted EPS Growth (%)	105.3	3.0	10.4	18.4	29.8
ROIC (%)	23.1	16.9	15.4	16.6	19.7
ROE (%)	23.0	15.3	14.6	14.9	16.5
P/E (x)	52.7	51.1	46.3	39.1	30.1
P/B (x)	8.0	7.3	6.3	5.4	4.6
EV/EBITDA (x)	39.9	33.3	27.6	23.9	18.5
Dividend Yield (%)	0.1	0.1	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 10/Nov/2025

Exhibit 1. The stock is currently trading close to -1SD



Source: Bloomberg, JM Financial

Exhibit 2. 2QFY26 review

Jupiter Lifeline Hospital Limited - P&L (INR mn)	2Q25A	2Q26A	% YoY	2Q26E	% YoY	2Q26E (cons)	% Delta vs cons	1Q26A	% QoQ
Net Sales	**3,226**	**3,936**	**22.0%**	**3,750**	**5.0%**			**3,476**	**13.2%**
Other op income									
Revenue	**3,226**	**3,936**	**22.0%**	**3,750**	**5.0%**	**3,680**	**7.0%**	**3,476**	**13.2%**
Raw Material/FG	600	738	22.9%	725	1.7%			684	7.9%
Gross Profit	2,626	3,199	21.8%	3,025	5.7%			2,793	14.5%
- % of revenue	81.4%	81.3%	-14 bps	80.7%	60 bps			80.3%	93 bps
Staff Cost	539	632	17.4%	605	4.5%			594	6.4%
R&D Expense									
Other expenses	1,337	1,644	22.9%	1,550	6.1%			1,417	16.0%
EBITDA	**750**	**922**	**23.0%**	**870**	**6.0%**	**854**	**8.1%**	**781**	**18.1%**
EBITDA (%)	23.2%	23.4%	19 bps	23.2%	24 bps	23.2%	24 bps	22.5%	96 bps
Other Income	94	113	19.4%	125				129	
Interest	11	78		82				83	-5.1%
Depreciation	144	215	49.1%	215				212	1.2%
Add: Share of profit/(loss) of Associates									
Exceptional items	0	0		0				0	
PBT	689	742	7.7%	698	6.3%			615	20.6%
Tax	174	167		192				177	
Tax Rate (%)	25.2%	22.6%		27.5%				28.7%	
Minority Interest	0	0		0				0	
PAT (Reported)	**515**	**575**	**11.6%**	**506**	**13.6%**	**505**	**13.8%**	**439**	**31.0%**
PAT Margin (%)	**16.0%**	**14.6%**		**13.5%**		**13.7%**		**0**	
EPS (Reported)	**7.9**	**8.8**	**11.6%**	**7.7**	**13.6%**			**6.7**	**31.0%**
Cost margins	**2Q25A**	**2Q26A**	**% YoY**	**2Q26A**	**% YoY**			**1Q26A**	**% QoQ**
Raw material cost/sales	18.6%	18.7%	14 bps	19.3%	-60 bps			19.7%	-93 bps
Staff cost/sales	16.7%	16.1%	-64 bps	16.1%	-7 bps			17.1%	-103 bps
Other expenditure/sales	41.4%	41.8%	31 bps	41.3%	43 bps			40.8%	100 bps

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	10,734	12,615	14,986	17,870	21,372
Sales Growth	*20.3%*	*17.5%*	*18.8%*	*19.2%*	*19.6%*
Other Operating Income	0	0	0	0	0
Total Revenue	**10,734**	**12,615**	**14,986**	**17,870**	**21,372**
Cost of Goods Sold/Op. Exp	1,895	2,302	2,892	3,377	3,965
Personnel Cost	1,899	2,145	2,503	3,056	3,633
Other Expenses	4,519	5,203	6,069	7,416	8,656
EBITDA	**2,421**	**2,966**	**3,522**	**4,021**	**5,119**
EBITDA Margin	*22.6%*	*23.5%*	*23.5%*	*22.5%*	*24.0%*
EBITDA Growth	*20.3%*	*22.5%*	*18.8%*	*14.2%*	*27.3%*
Depn. & Amort.	424	570	883	889	1,013
EBIT	1,997	2,396	2,639	3,132	4,105
Other Income	220	287	520	570	600
Finance Cost	263	106	330	330	330
PBT before Excep. & Forex	1,954	2,577	2,829	3,372	4,375
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	1,954	2,577	2,829	3,372	4,375
Taxes	188	642	693	843	1,094
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	1,766	1,935	2,136	2,529	3,282
Adjusted Net Profit	**1,766**	**1,935**	**2,136**	**2,529**	**3,282**
Net Margin	*16.5%*	*15.3%*	*14.3%*	*14.2%*	*15.4%*
Diluted Share Cap. (mn)	61.6	65.6	65.6	65.6	65.6
Diluted EPS (INR)	**28.7**	**29.5**	**32.6**	**38.6**	**50.1**
Diluted EPS Growth	*105.3%*	*3.0%*	*10.4%*	*18.4%*	*29.8%*
Total Dividend + Tax	57	66	0	0	0
Dividend Per Share (INR)	0.9	1.0	0.0	0.0	0.0

Source: Company, JM Financial

Balance Sheet (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	11,687	13,562	15,698	18,227	21,508
Share Capital	656	656	656	656	656
Reserves & Surplus	11,032	12,907	15,043	17,571	20,853
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	0	3,931	3,931	3,931	3,931
Def. Tax Liab. / Assets (-)	68	121	121	121	121
Total - Equity & Liab.	**11,756**	**17,615**	**19,751**	**22,280**	**25,561**
Net Fixed Assets	7,916	11,625	13,742	15,354	16,840
Gross Fixed Assets	10,029	13,172	13,672	17,172	18,172
Intangible Assets	21	46	46	46	46
Less: Depn. & Amort.	2,874	3,444	4,327	5,215	6,229
Capital WIP	740	1,851	4,351	3,351	4,851
Investments	1	1	1	1	1
Current Assets	4,896	7,422	9,073	10,199	12,246
Inventories	213	241	291	347	416
Sundry Debtors	572	419	624	745	890
Cash & Bank Balances	3,013	4,887	6,281	7,231	9,064
Loans & Advances	6	4	4	4	4
Other Current Assets	1,092	1,872	1,872	1,872	1,872
Current Liab. & Prov.	2,637	3,013	3,066	3,274	3,527
Current Liabilities	2,201	2,608	2,661	2,870	3,123
Provisions & Others	435	405	405	405	405
Net Current Assets	2,259	4,410	6,007	6,924	8,719
Total – Assets	**10,176**	**16,036**	**19,751**	**22,279**	**25,561**

Source: Company, JM Financial

Cash Flow Statement (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	1,954	2,577	2,829	3,372	4,375
Depn. & Amort.	424	570	883	889	1,013
Net Interest Exp. / Inc. (-)	70	-92	330	330	330
Inc (-) / Dec in WCap.	-809	201	-203	32	39
Others	4	-48	-520	-570	-600
Taxes Paid	-497	-674	-693	-843	-1,094
Operating Cash Flow	**1,145**	**2,533**	**2,626**	**3,210**	**4,064**
Capex	-853	-3,207	-3,000	-2,500	-2,500
Free Cash Flow	*292*	*-674*	*-374*	*710*	*1,564*
Inc (-) / Dec in Investments	-143	919	0	0	0
Others	237	202	520	570	600
Investing Cash Flow	**-759**	**-2,086**	**-2,480**	**-1,930**	**-1,900**
Inc / Dec (-) in Capital	6,326	0	0	0	0
Dividend + Tax thereon	-57	-66	0	0	0
Inc / Dec (-) in Loans	-4,725	3,148	0	0	0
Others	-263	-76	-330	-330	-330
Financing Cash Flow	**1,282**	**3,006**	**-330**	**-330**	**-330**
Inc / Dec (-) in Cash	**1,668**	**3,453**	**-184**	**950**	**1,834**
Opening Cash Balance	1,345	3,013	4,887	6,281	7,231
Closing Cash Balance	3,013	6,466	4,703	7,231	9,064

Source: Company, JM Financial

Dupont Analysis

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	16.5%	15.3%	14.3%	14.2%	15.4%
Asset Turnover (x)	1.0	0.9	0.8	0.8	0.8
Leverage Factor (x)	1.3	1.2	1.3	1.3	1.3
RoE	23.0%	15.3%	14.6%	14.9%	16.5%

Key Ratios

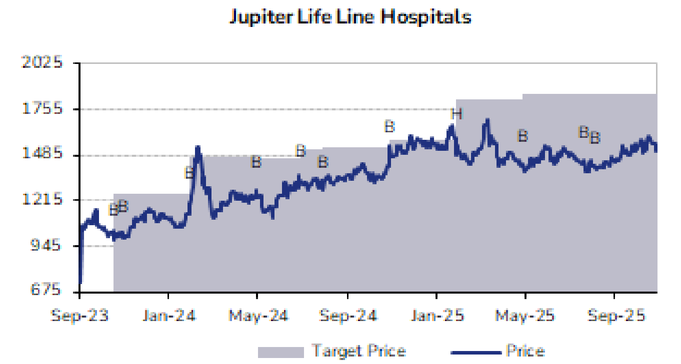
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	189.6	206.9	239.4	278.0	328.1
ROIC	23.1%	16.9%	15.4%	16.6%	19.7%
ROE	23.0%	15.3%	14.6%	14.9%	16.5%
Net Debt/Equity (x)	-0.3	-0.1	-0.1	-0.2	-0.2
P/E (x)	52.7	51.1	46.3	39.1	30.1
P/B (x)	8.0	7.3	6.3	5.4	4.6
EV/EBITDA (x)	39.9	33.3	27.6	23.9	18.5
EV/Sales (x)	9.0	7.8	6.5	5.4	4.4
Debtor days	19	12	15	15	15
Inventory days	7	7	7	7	7
Creditor days	27	39	34	34	35

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
1-Nov-23	Buy	1,260	
15-Nov-23	Buy	1,260	0.0
12-Feb-24	Buy	1,475	17.1
13-May-24	Buy	1,470	-0.3
13-Jul-24	Buy	1,515	3.1
13-Aug-24	Buy	1,535	1.3
11-Nov-24	Buy	1,570	2.3
10-Feb-25	Hold	1,810	15.3
12-May-25	Buy	1,851	2.3
4-Aug-25	Buy	1,844	-0.4
19-Aug-25	Buy	1,844	0.0

Recommendation History



APPENDIX I

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New Rating System: Definition of ratings	
Rating	**Meaning**
BUY	Expected return >= 15% over the next twelve months.
ADD	Expected return >= 5% and < 15% over the next twelve months.
REDUCE	Expected return >= -10% and < 5% over the next twelve months.
SELL	Expected return < -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	**Meaning**
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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