

Jupiter Life Line Hospitals | BUY

Muted quarter, long-term growth intact

Jupiter's 4QFY25 Revenue/EBITDA/PAT grew 12.5%/25.7%/-0.9% YoY to INR 3.3bn/783mn/449mn; and was -5%/-4%/-20% vs JMFe and -3%/-3%/-17% vs street consensus. Topline growth for 4QFY25 was aided by YoY ARPOB growth of ~10%; with ARPOB being INR 65,453 for the quarter. Underperformance on PAT is predominantly because of higher depreciation due to the on-going expansion. The quarter saw addition of 78 beds in the Indore unit and initiation of brownfield expansion in the Thane unit. We believe Indore's scale-up and Pune's improving occupancy would be key growth drivers in the near-term. The Dombivli Hospital is on track for 1QFY27 launch. The new Pune facility and Mira road facilities are expected to be commissioned in CY28 and CY29, respectively. We believe that these greenfield additions provide longer term runway for growth and significant value creation for investors. Supported by strong double digit growth (20%/21%/22% Rev/EB/PAT CAGR over FY25-28), superior EBITDA/occupied bed (INR 5.2mn) and strong cashflow generation (INR 1.9bn FCFF over next 3 years), we value Jupiter at 27x EV/EB on Jun'27 EBITDA to arrive at TP of INR 1,851, implying 30.2% upside. Maintain BUY.

- **Key Metrics:** ARPOB grew 10% YoY to INR 65,453 for the quarter. Thane and Pune are mature units and ARPOB growth for the same is likely to be at inflation rate going forward. The management is of the view that Indore has additional growth lever of case mix optimization and hence can deliver higher than inflation ARPOB growth for another year. Thane had stable volume during the quarter, with Pune & Indore showing slight growth. Occupancy for 4QFY25 at standalone units being – 71.1% for Thane, 61.1% for Pune, 42.1% for Indore (lower than FY25).
- **Thane Unit – plans to add another floor:** The management perceives that the current occupancy level of 72% on annual basis falls in the peak range of 70%-75%, scope to further increase the same is limited. The Thane unit has received municipality approval for additional floor, subject to other clearances. The construction is currently being delayed because of environmental committee being not active in the area. The newer beds are likely to expand unit's operating margins. During the quarter, the unit decommissioned 22 bed economy ward and strategically reconfigured certain areas to create 2 OTs, place 2nd MRI machine, 2nd Cardiac cath lab, expand chemo suites from 14 to 22 beds and create a new OPD cluster.
- **Indore Unit – 78 additional beds commissioned:** Jupiter added 2 floors to the unit resulting in 78 additional bed which were commissioned on 1st Jan 2025. The company also added 11 ICU beds which are ready for commissioning. The same will be operationalized depending upon the demand. The company will evaluate further expansion of the unit once it reaches 60-65%. The occupancy for Q4FY25 fell to 42.1% owing to addition of the new 78 beds. The unit also raised INR 2.5bn in debt to repay the loan taken from the listed entity, the unit is now being able to generate sufficient cash to serve the debt.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	10,734	12,615	14,668	17,106	21,689
Sales Growth (%)	20.3	17.5	16.3	16.6	26.8
EBITDA	2,421	2,966	3,535	4,080	5,238
EBITDA Margin (%)	22.6	23.5	24.1	23.9	24.2
Adjusted Net Profit	1,766	1,935	2,258	2,674	3,504
Diluted EPS (INR)	28.7	29.5	34.4	40.8	53.4
Diluted EPS Growth (%)	105.3	3.0	16.7	18.5	31.0
ROIC (%)	23.1	16.9	16.3	17.6	20.6
ROE (%)	23.0	15.3	15.4	15.6	17.3
P/E (x)	49.6	48.2	41.3	34.9	26.6
P/B (x)	7.5	6.9	5.9	5.0	4.2
EV/EBITDA (x)	37.5	31.3	25.9	22.2	17.0
Dividend Yield (%)	0.1	0.1	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 09/May/2025



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(We acknowledge the support of Gourav Bhamra in preparation of this note)

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,851
Upside/(Downside)	30.2%
Previous Price Target	1,810
Change	2.3%

Key Data – JLHL IN

Current Market Price	INR1,422
Market cap (bn)	INR93.2/US\$1.1
Free Float	47%
Shares in issue (mn)	65.6
Diluted share (mn)	65.6
3-mon avg daily val (mn)	INR57.2/US\$0.7
52-week range	1,770/1,068
Sensex/Nifty	79,454/24,008
INR/US\$	85.4

Price Performance

%	1M	6M	12M
Absolute	-2.0	-3.9	14.7
Relative*	-7.3	-4.8	4.9

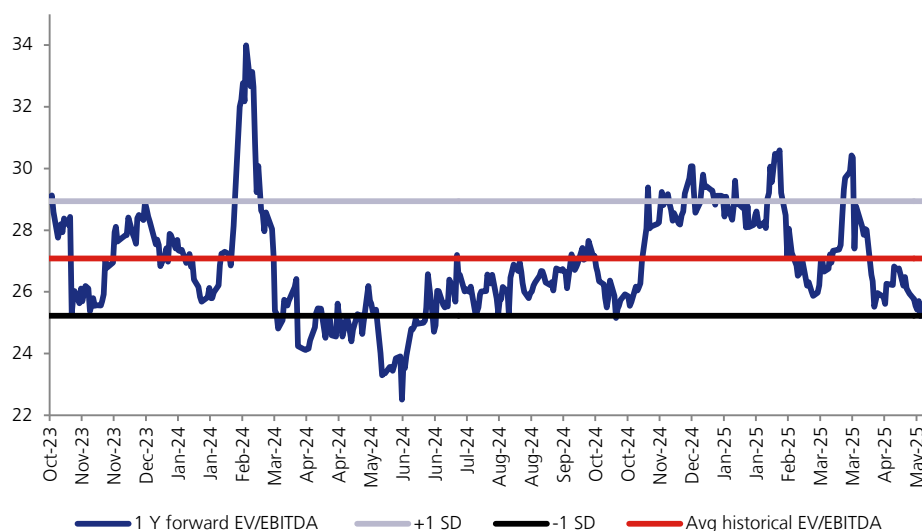
* To the BSE Sensex

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- **Pune:** The management believes that there is scope for upward movement of 5-10% in occupancy from current 65% annual occupancy in the existing unit. The land parcel for new unit is on 10 year lease with no annual increment and option to buy the land pocket post 3rd year.
- **Expansion Strategy:** The management maintains focus on Western India for the near to mid-term future. Future units are likely to follow the hitherto “full service flagship Hub” business model. Though the company has a preference for greenfield expansion, it is open to acquisitions. Quality of asset and cost of acquisition are two key parameters for evaluation of any opportunity. The company has secured an INR 3.5bn loan sanction, of which INR 750mn has been availed. The cost of carrying this loan is less than 1%. Firm is confident that the current debt levels and internal accruals will take care of future growth.
- **Greenfield traction:** Dombivli hospital is on track for Q1FY27 commissioning. Phase 1 of Dombivle is expected to have 250 beds. The new pune hospital is at activation stage with construction expected to start post monsoon season. Land has been acquired for Mira Road unit and the company is at the moment seeking approvals, architectural drawings too will start soon for the same.
- **Key Financials:**
 - Revenue /EBITDA/ PAT for the quarter were INR 3.3bn/783mn/449mn growing 13%/26%/-1% YoY; were -5%/-4%/-20% vs JMFe and -3%/-3%/-17% vs street consensus;
 - Gross Margins come in at 81.3% (vs 81.7% JMFe);
 - EBITDA margins at 24.0% (vs 23.8% JMFe, 23.9% consensus); YoY margin expansion due to operating leverage partially offset by higher than anticipate gross cost;
 - PAT Margin of of 13.7% (vs 16.4% JMFe, 16.2% Street). Underperformance in PAT on account of higher than anticipated Interest and Depreciation, as well lower than expected other income.

Exhibit 1. Trading at attractive valuation



Source: Bloomberg

Exhibit 2. 4QFY25 Review

Jupiter Lifeline Hospital Limited - P&L (INR mn)	4Q24A	4Q25A	% YoY	4Q25E	% YoY	4Q25E (cons)	% Delta vs cons	3Q25A	% QoQ
Net Sales	2,905	3,267	12.5%	3,433	-4.8%			3,206	1.9%
Other op income									
Revenue	2,905	3,267	12.5%	3,433	-4.8%	3,354	-2.6%	3,206	1.9%
Raw Material/FG	528	611	15.8%	628	-2.6%			588	4.0%
Gross Profit	2,377	2,656	11.7%	2,805	-5.3%			2,618	1.4%
- % of revenue	81.8%	81.3%	-54 bps	81.7%	-42 bps			81.7%	-38 bps
Staff Cost	515	538	4.5%	571	-5.8%			555	-3.1%
R&D Expense									
Other expenses	1,240	1,335	7.7%	1,418	-5.8%			1,313	1.7%
EBITDA	623	783	25.7%	816	-4.2%	803	-2.5%	750	4.3%
EBITDA (%)	21.4%	24.0%	251 bps	23.8%	17 bps	23.9%	2 bps	23.4%	56 bps
Other Income	90	70		90				83	
Interest	9	56		15				28	
Depreciation	104	176		145				140	
Add: Share of profit/(loss) of Associates									
Exceptional items	23	0		0				0	
PBT	622	621	-0.2%	746	-16.8%			666	-6.7%
Tax	169	172		184				140	
Tax Rate (%)		27.7%		24.7%				21.1%	
Minority Interest	0	0		0				0	
PAT (Reported)	453	449	-0.9%	562	-20.2%	543	-17.4%	525	-14.6%
PAT Margin (%)	15.6%	13.7%		16.4%		16.2%			
PAT (Adjusted)	475	449	-5.6%	562	-20.2%			525	-14.6%
PAT Margin (%)	15.6%	13.7%		16.4%				16.4%	
EPS (Reported)	6.9	6.8	-0.9%	8.6	-20.2%			8.0	-14.6%
Cost margins	4Q24A	4Q25A	% YoY	4Q25E	% YoY			3Q25A	% QoQ
Raw material cost/sales	18.2%	18.7%	54 bps	18.3%	42 bps			18.3%	38 bps
Staff cost/sales	17.7%	16.5%	-125 bps	16.6%	-17 bps			17.3%	-85 bps
Other expenditure/sales	42.7%	40.9%	-181 bps	41.3%	-43 bps			40.9%	-8 bps

Source: Company, JM Financial, Bloomberg

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	10,734	12,615	14,668	17,106	21,689
Sales Growth	20.3%	17.5%	16.3%	16.6%	26.8%
Other Operating Income	0	0	0	0	0
Total Revenue	10,734	12,615	14,668	17,106	21,689
Cost of Goods Sold/Op. Exp	1,895	2,302	2,626	3,036	3,828
Personnel Cost	1,899	2,145	2,450	2,891	3,644
Other Expenses	4,519	5,203	6,058	7,099	8,979
EBITDA	2,421	2,966	3,535	4,080	5,238
EBITDA Margin	22.6%	23.5%	24.1%	23.9%	24.2%
EBITDA Growth	20.3%	22.5%	19.2%	15.4%	28.4%
Depn. & Amort.	424	570	692	697	807
EBIT	1,997	2,396	2,843	3,383	4,431
Other Income	220	287	272	289	347
Finance Cost	263	106	106	106	106
PBT before Excep. & Forex	1,954	2,577	3,010	3,566	4,672
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	1,954	2,577	3,010	3,566	4,672
Taxes	188	642	752	891	1,168
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	1,766	1,935	2,258	2,674	3,504
Adjusted Net Profit	1,766	1,935	2,258	2,674	3,504
Net Margin	16.5%	15.3%	15.4%	15.6%	16.2%
Diluted Share Cap. (mn)	61.6	65.6	65.6	65.6	65.6
Diluted EPS (INR)	28.7	29.5	34.4	40.8	53.4
Diluted EPS Growth	105.3%	3.0%	16.7%	18.5%	31.0%
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

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	1,954	2,577	3,010	3,566	4,672
Depn. & Amort.	424	570	692	697	807
Net Interest Exp. / Inc. (-)	70	-92	106	106	106
Inc (-) / Dec in WCap.	-809	201	-206	27	51
Others	4	-48	-272	-289	-347
Taxes Paid	-497	-674	-752	-891	-1,168
Operating Cash Flow	1,145	2,533	2,576	3,216	4,121
Capex	-853	-3,207	-3,000	-2,500	-2,500
Free Cash Flow	292	-674	-424	716	1,621
Inc (-) / Dec in Investments	-143	919	0	0	0
Others	237	202	272	289	347
Investing Cash Flow	-759	-2,086	-2,728	-2,211	-2,153
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	-106	-106	-106
Financing Cash Flow	1,282	3,006	-106	-106	-106
Inc / Dec (-) in Cash	1,668	3,453	-257	899	1,862
Opening Cash Balance	1,345	3,013	4,887	6,208	7,107
Closing Cash Balance	3,013	6,466	4,630	7,107	8,969

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	11,687	13,562	15,820	18,494	21,997
Share Capital	656	656	656	656	656
Reserves & Surplus	11,032	12,907	15,164	17,838	21,342
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	19,873	22,547	26,050
Net Fixed Assets	7,916	11,625	13,933	15,736	17,429
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	4,136	4,833	5,640
Capital WIP	740	1,851	4,351	3,351	4,851
Investments	1	1	1	1	1
Current Assets	4,896	7,422	8,981	10,028	12,170
Inventories	213	241	285	333	422
Sundry Debtors	572	419	611	713	904
Cash & Bank Balances	3,013	4,887	6,208	7,107	8,968
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	3,043	3,219	3,550
Current Liabilities	2,201	2,608	2,638	2,814	3,145
Provisions & Others	435	405	405	405	405
Net Current Assets	2,259	4,410	5,938	6,809	8,620
Total - Assets	10,176	16,036	19,872	22,546	26,050

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	16.5%	15.3%	15.4%	15.6%	16.2%
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%	15.4%	15.6%	17.3%

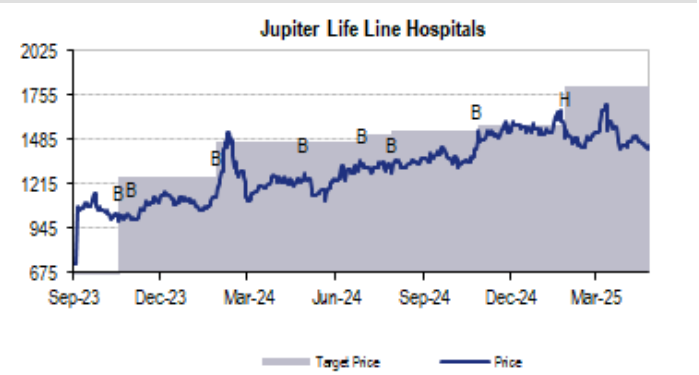
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	189.6	206.9	241.3	282.1	335.5
ROIC	23.1%	16.9%	16.3%	17.6%	20.6%
ROE	23.0%	15.3%	15.4%	15.6%	17.3%
Net Debt/Equity (x)	-0.3	-0.1	-0.1	-0.2	-0.2
P/E (x)	49.6	48.2	41.3	34.9	26.6
P/B (x)	7.5	6.9	5.9	5.0	4.2
EV/EBITDA (x)	37.5	31.3	25.9	22.2	17.0
EV/Sales (x)	8.5	7.4	6.2	5.3	4.1
Debtor days	19	12	15	15	15
Inventory days	7	7	7	7	7
Creditor days	27	39	35	35	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	Buy	1,810	15.3

Recommendation History



APPENDIX I

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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.

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