

Jupiter Life Line Hospitals | BUY

Strong 1Q; Greenfield additions to drive long-term upside

JLHL delivered a strong quarter with beat on revenue, and EBITDA /PAT being in-line. The company reported Revenue/EBITDA/PAT of INR 3.5bn/781mn/439mn, which were +21%/+22%/-2% on YoY basis. The performance was accompanied by IPD/OPD volumes and ARPOB growth, mainly Pune and Indore units. The occupancy took a dip (60% vs 64% in 1QFY25) on account of increased capacities; however, the company saw a 5% YoY increase in absolute occupied beds. The company increased its gross-debt to ~INR 3.3bn for its expansion needs; thereby finance cost was increased during the quarter. Further, capitalization of recent bed additions has increased depreciation for the company. These actions are likely to temporarily increase the wedge between EBITDA and PAT. 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%/20% on revenue/EBITDA/PAT. Thus, we maintain BUY with a TP of 1844 (27% upside).

- **Key metrics:** +11.7% YoY growth seen in patient volume, with IPD/OPD revenue growth of +19.6%/+15.5% YoY. Volume growth has been primarily led by the Pune and Indore units. Occupancy diluted to 60.1% (vs 63.9% 1QFY25) because of increased bed capacity, in absolute terms there's a 5% increase in occupied beds. ARPOB increased to INR 67.3k from INR 59.7k in 1QFY25 (+12.7% YoY), primarily owing to improved case mix (Pune and Indore) and price hikes.
- **Expansion update:** 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. The company also commissioned a 1.2 MW solar power plant in MP. JLHL spent INR 50mn on this plant and expects to save INR 10mn on an annual basis for next 20-25 years. The management is exploring adding a 3MW solar plant in Maharashtra too.
- **FY26 growth:** The organic growth in the coming quarters will continue to be on the back of Pune and Indore units, with Thane operating at a mature hospital's metrics. A peer hospital had recently started operations in Thane, but the management indicated that there has been no impact on Jupiter's volumes, occupancy or human resources in Thane. Further, there is still scope for case mix optimization in the Pune unit.
- **Suppressed margin guidance:** The management expects the Dombivli unit to breakeven in its second year of operations. Thus, EBITDA margin compression is expected in FY27 on account of Dombivli. Further, a temporary wedge is anticipated between the EBITDA and PAT for the near to medium term future owing to: 1. Increased debt to finance the greenfield heavy expansion plans; 2. Increased depreciation as the units gets commercialized with the associated revenue yet to catch up.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	10,734	12,615	14,830	17,687	21,161
Sales Growth (%)	20.3	17.5	17.6	19.3	19.6
EBITDA	2,421	2,966	3,537	4,068	5,184
EBITDA Margin (%)	22.6	23.5	23.9	23.0	24.5
Adjusted Net Profit	1,766	1,935	2,148	2,565	3,331
Diluted EPS (INR)	28.7	29.5	32.8	39.1	50.8
Diluted EPS Growth (%)	105.3	3.0	11.0	19.4	29.9
ROIC (%)	23.1	16.9	15.4	16.9	20.0
ROE (%)	23.0	15.3	14.7	15.1	16.7
P/E (x)	50.6	49.1	44.3	37.1	28.5
P/B (x)	7.6	7.0	6.1	5.2	4.4
EV/EBITDA (x)	38.3	31.9	26.4	22.7	17.5
Dividend Yield (%)	0.1	0.1	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 04/Aug/2025



Amey Chalke

amey.chalke@jmfl.com | Tel: (91 22) 66303056

Abin Benny

abin.benny@jmfl.com | Tel: (91 22) 69703621

We acknowledge the support of **Gourav Bhama** (gourav.bhama@jmfl.com) in preparation of this report

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,844
Upside/(Downside)	27.2%
Previous Price Target	1,851
Change	-0.4%

Key Data – JLHL IN

Current Market Price	INR1,450
Market cap (bn)	INR95.1/US\$1.1
Free Float	46%
Shares in issue (mn)	65.6
Diluted share (mn)	65.6
3-mon avg daily val (mn)	INR61.9/US\$0.7
52-week range	1,770/1,250
Sensex/Nifty	81,019/24,723
INR/US\$	87.7

Price Performance

%	1M	6M	12M
Absolute	-3.8	-11.9	7.6
Relative*	-0.9	-14.9	4.6

* To the BSE Sensex

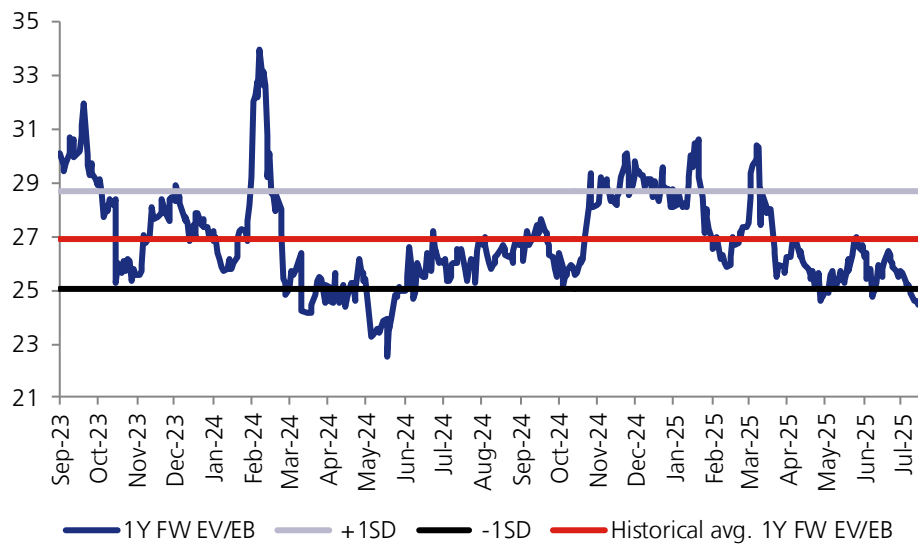
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■ Financial Highlights:

- Revenue at INR 3.5bn (+5.8%/+8.6% vs street/JMFe) and is +21.1% YoY
- Gross Profit of INR 2.8bn, +17.9% YoY, with gross margin at 80.3% (-92bps vs JMFe; -218bps YoY)
- EBITDA at INR 781mn (+3.2%/+7.0% vs street/JMFe) and is +22.4% YoY
- EBITDA Margin at 22.5% (-55bps/-34bps vs street/JMFe) and is +24bps YoY
- Depreciation increased on account of capitalization of newly added beds
- Finance cost increased due to debt taken to finance expansion; INR 3250mn gross debt with INR 6,000+mn in cash
- PAT at INR 439mn (-2.8%/-0.3% vs street/JMFe) and is -1.6% YoY
- The company guided for lower PAT margin for the remainder of the year, while preserving the EBITDA margin
- Project related CAPEX for 1Q at ~INR 400mn

Exhibit 1. Available at attractive valuations



Source: Bloomberg

Exhibit 2. 1QFY26 review

Jupiter Lifeline Hospital Limited - P&L (INR mn)	1Q25A	1Q26A	% YoY	1Q26E	% YoY	1Q26E (cons)	% Delta vs cons	4Q25A	% QoQ
Net Sales	2,871	3,476	21.1%	3,200	8.6%			3,267	6.4%
Other op income									
Revenue	2,871	3,476	21.1%	3,200	8.6%	3,287	5.8%	3,267	6.4%
Raw Material/FG	502	684	36.1%	600	13.9%			611	11.8%
Gross Profit	2,369	2,793	17.9%	2,600	7.4%			2,656	5.1%
- % of revenue	82.5%	80.3%	-218 bps	81.3%	-92 bps			81.3%	-95 bps
Staff Cost	513	594	15.9%	520	14.3%			538	10.5%
R&D Expense									
Other expenses	1,218	1,417	16.4%	1,350	5.0%			1,335	6.1%
EBITDA	639	781	22.4%	730	7.0%	757	3.2%	783	-0.2%
EBITDA (%)	22.2%	22.5%	24 bps	22.8%	-34 bps	23.0%	-55 bps	24.0%	-148 bps
Other Income	84	129		60				70	
Interest	11	83		30				56	
Depreciation	110	212		170				176	
Add: Share of profit/(loss) of Associates									
Exceptional items	0	0		0				0	
PBT	601	615	2.3%	590	4.3%			621	-0.9%
Tax	155	177		150				172	
Tax Rate (%)	25.8%	28.7%		25.4%				27.7%	
Minority Interest	0	0		0				0	
PAT (Reported)	446	439	-1.6%	440	-0.3%	451	-2.8%	449	-2.2%
PAT Margin (%)	15.5%	12.6%		13.8%		13.7%		0	
PAT (Adjusted)	446	439	-1.6%	440	-0.3%			449	-2.2%
PAT Margin (%)	15.5%	12.6%		13.8%				13.7%	
EPS (Reported)	6.8	6.7	-1.6%	6.7	-0.3%			6.8	-2.2%
Cost margins	1Q25A	1Q26A	% YoY	1Q26E	% YoY			4Q25A	% QoQ
Raw material cost/sales	17.5%	19.7%	218 bps	18.8%	92 bps			18.7%	95 bps
Staff cost/sales	17.9%	17.1%	-76 bps	16.3%	85 bps			16.5%	63 bps
Other expenditure/sales	42.4%	40.8%	-165 bps	42.2%	-142 bps			40.9%	-11 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	14,830	17,687	21,161
Sales Growth	20.3%	17.5%	17.6%	19.3%	19.6%
Other Operating Income	0	0	0	0	0
Total Revenue	10,734	12,615	14,830	17,687	21,161
Cost of Goods Sold/Op. Exp	1,895	2,302	2,862	3,343	3,915
Personnel Cost	1,899	2,145	2,425	2,989	3,513
Other Expenses	4,519	5,203	6,006	7,287	8,549
EBITDA	2,421	2,966	3,537	4,068	5,184
EBITDA Margin	22.6%	23.5%	23.9%	23.0%	24.5%
EBITDA Growth	20.3%	22.5%	19.3%	15.0%	27.4%
Depn. & Amort.	424	570	883	889	1,013
EBIT	1,997	2,396	2,654	3,179	4,171
Other Income	220	287	520	570	600
Finance Cost	263	106	330	330	330
PBT before Excep. & Forex	1,954	2,577	2,844	3,419	4,441
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	1,954	2,577	2,844	3,419	4,441
Taxes	188	642	697	855	1,110
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	1,766	1,935	2,148	2,565	3,331
Adjusted Net Profit	1,766	1,935	2,148	2,565	3,331
Net Margin	16.5%	15.3%	14.5%	14.5%	15.7%
Diluted Share Cap. (mn)	61.6	65.6	65.6	65.6	65.6
Diluted EPS (INR)	28.7	29.5	32.8	39.1	50.8
Diluted EPS Growth	105.3%	3.0%	11.0%	19.4%	29.9%
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	2,844	3,419	4,441
Depn. & Amort.	424	570	883	889	1,013
Net Interest Exp. / Inc. (-)	70	-92	330	330	330
Inc (-) / Dec in WCap.	-809	201	-204	32	39
Others	4	-48	-520	-570	-600
Taxes Paid	-497	-674	-697	-855	-1,110
Operating Cash Flow	1,145	2,533	2,636	3,245	4,113
Capex	-853	-3,207	-3,000	-2,500	-2,500
Free Cash Flow	292	-674	-364	745	1,613
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	-174	985	1,883
Opening Cash Balance	1,345	3,013	4,887	6,291	7,276
Closing Cash Balance	3,013	6,466	4,712	7,276	9,158

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	11,687	13,562	15,710	18,274	21,605
Share Capital	656	656	656	656	656
Reserves & Surplus	11,032	12,907	15,054	17,618	20,949
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	19,762	22,327	25,657
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	10,232	12,327
Inventories	213	241	288	344	411
Sundry Debtors	572	419	618	737	882
Cash & Bank Balances	3,013	4,887	6,291	7,276	9,158
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	3,055	3,261	3,512
Current Liabilities	2,201	2,608	2,650	2,856	3,107
Provisions & Others	435	405	405	405	405
Net Current Assets	2,259	4,410	6,019	6,971	8,815
Total - Assets	10,176	16,036	19,762	22,326	25,657

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	16.5%	15.3%	14.5%	14.5%	15.7%
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%	14.7%	15.1%	16.7%

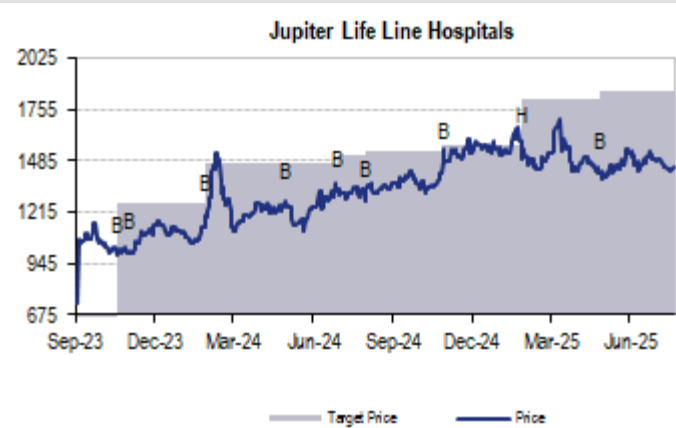
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	189.6	206.9	239.6	278.7	329.5
ROIC	23.1%	16.9%	15.4%	16.9%	20.0%
ROE	23.0%	15.3%	14.7%	15.1%	16.7%
Net Debt/Equity (x)	-0.3	-0.1	-0.2	-0.2	-0.2
P/E (x)	50.6	49.1	44.3	37.1	28.5
P/B (x)	7.6	7.0	6.1	5.2	4.4
EV/EBITDA (x)	38.3	31.9	26.4	22.7	17.5
EV/Sales (x)	8.6	7.5	6.3	5.2	4.3
Debtor days	19	12	15	15	15
Inventory days	7	7	7	7	7
Creditor days	27	39	35	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

Recommendation History



APPENDIX I

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Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Chenergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com

Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: sahil.salastekar@jmfl.com

Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: instcompliance@jmfl.com

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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.

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