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Issue Detail	
Price Band (Rs)	Rs. 695 - 735
Face Value (Rs)	10
Issue Size (Rs)	869.08 Cr
Issue Type	Book Building
Minimum lot	20 Shares and in multiple thereof
Issue Opens	September 06, 2023
Issue Closes	September 08, 2023
Listing on	BSE, NSE

Indicative Timeline	On or before
Finalization of Basis of Allotment	September 13, 2023
Unblocking of Funds	September 14, 2023
Credit of shares to Demat Account	September 15, 2023
Listing on exchange	September 18, 2023

Other Detail	
Book Running Lead Managers	ICICI Securities Limited, Nuvama Wealth Management Limited and JM Financial Limited.
Registrar	Kfin Technologies Limited.

IPO Shareholding (%)

Category	Pre-Issue	Post-Issue
Promoters	49.79%	40.91%
Public	50.21%	59.09%
Total	100.00%	100.00%

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Jupiter Life Line Hospitals Limited

Company Background

Jupiter Life Line Hospitals Limited (JLHL) was incorporated on November 18, 2002. JLHL is among the key multi-specialty tertiary and quaternary healthcare providers in the Mumbai Metropolitan Area (MMR) and western region of India with a total bed capacity of 1,194 hospital beds across 3 hospitals as of March 31, 2023. They have been operating for over 15 years as a corporate quaternary care healthcare service provider in densely populated micro markets in the western regions of India and currently operate 3 hospitals under the "Jupiter" brand in Thane, Pune and Indore, with an operational bed capacity (i.e., census and non-census beds) of 950 beds & 961 beds respectively and 1,306 doctors including specialists, physicians and surgeons, as of March 31, 2023.

Issue Details:

Fresh Issue of Equity Shares aggregating upto ₹542 Crore and Offer for Sale of upto 44,50,000 Equity Shares.

Issue Objectives:

1. Repayment/pre-payment, in full or part, of borrowings availed from banks by Company and Material Subsidiary; and
2. General corporate purposes.

IPO Share Issue Structure

Category	Allocation	Number of Shares at ₹ 735	Value in ₹ Cr. at Upper Band
Non Institutional	15%	17,73,625	130.36
Retail	35%	41,38,458	304.18
Total	-	1,18,24,163	869.08

Source: Company RHP, ACMIIL Research

Outlook and Valuation

JLHL has equipped their hospitals with over 30 specialties, as of March 31, 2023, including key specialties of organ transplant, oncology, orthopaedics, cardiology, paediatrics, neurology, and neurosurgery as well as certain specialised quaternary services and precision-based treatments such as brachytherapy, radiotherapy, robotic knee replacement and robotic neuro rehabilitation. It has experienced and qualified professional management team. Their hospitals function on an 'all-hub-no-spoke' model with each hospital being a full-service hospital, operating independently and serving the healthcare needs of patients, right from diagnostics to surgery and rehabilitation. At the upper price band of Rs.735/-, stock is available at PE multiple of 56.75 of its FY23 EPS. **We recommend subscribing to the issue from a Medium to long-term perspective.**

Company & Business Overview

Jupiter Life Line Hospitals Ltd (JLHL) is among the key multi-specialty tertiary and quaternary healthcare providers in the Mumbai Metropolitan Area (MMR) and western region of India with a total bed capacity of 1,194 hospital beds across 3 hospitals as of March 31, 2023. They are also currently in the process of developing a multi-specialty hospital in Dombivli, Maharashtra, which is designed to accommodate over 500 beds and has recently commenced construction in April 2023.

Their Thane and Indore hospitals are amongst the few hospitals in the western region of India to provide neuro rehabilitation services through a dedicated robotic and computer-assisted neuro rehabilitation centre. Additionally, JLHL operates one of the few multi-organs transplant centres in Thane. Each of their hospitals at Thane, Pune and Indore has been certified by the National Accreditation Board for Hospitals & Healthcare Providers ("NABH") and has been accredited in the field of medical testing by the National Accreditation Board for Testing and Calibration Laboratories ("NABL"). In the past, the Thane hospital has also received the NABH Safe-I certification and the NABH 'Nursing Excellence' accreditation.

JLHL commenced operations in 2007 with their hospital in Thane, Maharashtra and subsequently scaled their operations by setting up a hospital in Pune, Maharashtra in 2017 and acquiring a hospital in Indore, Madhya Pradesh in 2020. Their hospitals are also located in densely populated micro markets which has a low presence of chained hospitals, which provides them an opportunity to offer their services to a larger population and helps their patients with greater access and connectivity to healthcare services.

Their Thane and Pune hospitals are "greenfield" projects, and all 3 of their hospitals are located on land owned by them on a freehold basis, which ensures operational control and allows them consistency in quality care resulting in long-term operational and financial efficiencies.

JLHL is led by their founder, Chairman and Managing Director, Dr. Ajay Thakker, who has been associated with the company since inception and has over 31 years of experience in the field of medicine and healthcare, and their Executive Director and Chief Executive Officer, Dr. Ankit Thakker, who has more than a decade of experience in the healthcare sector and is currently responsible for the overall management of the company. Their management team is also supported by a highly experienced professional team with a significant experience in the healthcare industry.

Particulars	For the Year Ended March 31,					
	2021		2022		2023	
	Volume (Nos.)	Income (₹ Cr)	Volume (Nos.)	Income (₹ Cr)	Volume (Nos.)	Income (₹ Cr)
Inpatient	24,553	397.23	34,650	576	42,956	710.14
Outpatient	4,23,020	86.2	6,10,796	150.19	7,30,981	170.59
Total	4,47,573	483.43	6,45,446	726.19	7,73,937	880.73

Competitive Strengths

Key multi-specialty tertiary and quaternary healthcare provider with a track record of over 15 years, strong brand recognition and clinical expertise

JLHL is a corporate quaternary care hospital located in densely populated micro markets in the western region of India and among the key multi-specialty tertiary and quaternary healthcare providers in the MMR and western region of India with a total bed capacity of 1,194 hospital beds across 3 hospitals as of March 31, 2023. Company's Thane hospital commenced operations in 2007 and over the last 15 years, they have established a track record of clinical and operational expertise, which has led them to build their reputation and brand largely through word-of-mouth marketing. Their expertise and dedication has helped in enhancing the "Jupiter" brand and that their patients have placed a high degree of trust in them. Their 3 hospitals in Thane, Pune and Indore has an operational bed capacity of 900 beds, as of December 31, 2022. They have also recently in March 2023 commissioned an additional 50 beds in their Pune hospital which has currently increased their operational bed capacity to 950 beds. Their total bed capacity for all 3 of their hospitals is 1,194 beds.

'All-hub-no-spoke' model with focus on quality patient care supported by modern infrastructure and technological capabilities

Company's 3 hospitals is a full-service hospital, operating on an 'all-hub-no-spoke' model where each hospital is independent, individually well-equipped with skilled healthcare professionals as well as advanced infrastructure to serve the healthcare needs of the patients, right from diagnostics to surgery and rehabilitation. They have constructed their "greenfield" hospitals at Thane and Pune and designed the Indore hospital in line with their "patient first" ideology, which primarily focuses on patient's care, comfort, privacy, and dignity.

Ability to attract and retain skilled and experienced healthcare professionals

The company maintains their standard of quality healthcare services by consistently employing a diverse pool of talented healthcare professionals including doctors and nurses. Their multi-specialty approach, combined with their "patient first" ideology, a tertiary and quaternary care model, long-standing presence in western India, investment in medical technology and advanced equipment and focus on teaching and research, has helped them in attracting and retaining skilled and experienced healthcare professionals including doctors and nurses. As of March 31, 2023, their healthcare professionals included 1,306 doctors, 1,416 nurses and 1,585 other professionals. Their doctors also regularly publish peer reviewed indexed journals. In order to continue to provide quality care to their patients, JLHL places a key focus on academics and training for continuous development of skills of their healthcare professionals, particularly their doctors.

Track-record of operational and financial performance with a diversified revenue mix

JLHL has grown from a single hospital in Thane in 2007 to 3 hospitals with an operational bed capacity of 950 beds and 961 beds (i.e., census and non- census beds), as of March 31, 2023, and as of date respectively. In Fiscals 2023, their inpatient volumes were 42,956 and outpatient volumes were 730,981. The average occupancy rate of beds for their Thane and Pune hospital was 69.99% in Fiscals 2023. The revenue from operations has significantly increased by 50.80% from ₹486.16 crore in Fiscal 2021 to ₹733.12 crore in Fiscal 2022 and further by 21.75% to ₹892.54 crore in Fiscal 2023. The inpatient and outpatient revenue is diversified across hospitals with Thane, Pune and Indore hospitals accounting for 54.18%, 34.03% and 11.79%, respectively, of their revenue from operations in Fiscal 2023.

Experienced and qualified professional management team with a focus on environmental, social and governance (ESG) initiatives

Company's senior management team is led by their founder, Dr. Ajay Thakker, who is also the Chairman and Managing Director. The other management team members have industry and technical knowledge as well as management expertise gained from their long tenure and wide exposure in the healthcare industry which enable the company to maintain their operational and administrative efficiency and provide them with advantages as they seek to grow their business.

Key Business Strategies

Strategically expand the footprint in western markets

The company is currently in the process of establishing a quaternary care hospital in Dombivli, Maharashtra, which will be spread over 600,000 sq. feet. The construction is commenced in April 2023 in a phased manner and the hospital have a planned capacity of approximately 500 beds. In addition to their proposed Dombivli hospital, they intend to establish additional hospitals in western India with the aim of having a network of several hospitals with an aggregate bed capacity of 2,500 in the next few years.

Continue to recruit and retain skilled healthcare professionals

Company's ability to recruit, retain and train skilled healthcare professionals is crucial for the successful implementation of their strategy to provide quality healthcare services to patients. Hiring surgeons and physicians with an established reputation in their respective specialisations is crucial for their branding, growth, and expansion. They intend to leverage their brand, clinical and operational expertise to continue to attract healthcare professionals and aim at continues to develop long term relationships with them. Additionally, they intend to continue to invest in academics and research in order to enable further growth and continuous upgradation of skills of their healthcare professionals.

Pursue strategic inorganic growth opportunities in the focus micro-markets

To complement the organic growth and clinical expertise, the company pursues selective acquisitions and strategic alliances in their focus micro-markets that provide them access to better infrastructure, high-value technological and operational capabilities, industry knowledge and geographical reach, and allow them to expand their patient base and service offerings. On November 15, 2020, they completed the acquisition of the Indore hospital to expand their geographic reach in the focus micro-markets in western India. The company also subsequently increased their shareholding in Jupiter Hospital Projects Pvt Ltd, which operates Vishesh Jupiter Hospital at Indore, and currently held 96.56% of its equity shareholding. They also intend to leverage their experience to successfully identify, execute and integrate new opportunities that may arise in the future.

Continue to improve quality of care and invest and employ latest technology

In line with the “patient first” ideology, company’s mission is to create the best infrastructure, technology, and support to put the patient first and foremost and be futuristic and innovative in delivery of healthcare. They also plan to further implement advanced technology to improve their hospitals’ offering.

Analysis of hospitals and beds for selected players as on FY23:

Key Parameters	Total Hospitals	Total Bed Capacity	Estimated Hospitals with 300+ beds in terms of Capacity	Headquarter State	Hospitals in Headquarter State	Hospitals (Rest of India)	Estimated Bed Capacity in headquarter	Estimated bed capacity in rest of India
Jupiter Life Line Hospitals Ltd (JLHL)	3	1,194	3	Maharashtra	2	1	763	431
Apollo Hospitals Enterprises Ltd (AHEL)	70	9,957	11	Tamil Nadu	20	50	2,519	7,438
Fortis Healthcare Ltd (FHL)	27	4,500	2	Haryana	2	25	509	3,991
Global Health Ltd (GHL)	5	2,595	2	Haryana	1	4	1,391	1,204
Manipal Health Enterprises Pvt Ltd (MHEP)	29	8,300	2	Karnataka	12	17	2,352	5,948
Krishna Institute of Medical Sciences (KIMS)	12	3,940	5	Telangana	4	8	1,700	2,240
Max Healthcare Group (MHIL)	17	3,444	5	New Delhi	7	10	2,015	1,429
Quality Care India Ltd (QCIL)	16	3,016	4	Telangana	5	11	1,226	1,790
Aditya Birla Health Services Pvt Ltd (ABHS)	1	500	1	Maharashtra	1	0	500	0
Ruby Hall Clinic Services Pvt Ltd (RHCS)	3	800	1	Maharashtra	3	0	800	0
Sahyadri Hospitals Pvt Ltd (SHPL)	9	1,118	0	Maharashtra	8	1	1,018	100
Narayana Hrudayalaya Ltd (NHL)	23	6,086	4	Karnataka	10	13	2,339	3,747

Source: Company RHP, ACMIIL Research

Financial Snapshot (Consolidated)

Particulars (₹ in Cr.)	FY21	FY22	FY23
Share Capital	50.87	50.87	56.52
Instruments entirely equity in nature	-	1.79	-
Reserves	188.11	240.9	309.17
Net Worth	246.44	288.43	363.91
Revenue from Operations	486.16	733.12	892.54
Revenue Growth (%)	-	50.80%	21.75%
EBITDA	71.27	157.41	211.74
EBITDA Margin (%)	14.54%	21.35%	23.45%
Profit before Tax	1.56	77.12	128.71
Net Profit for the period	-2.3	51.13	72.91
Net Profit Margin (%)	-0.47%	6.94%	8.07%
EPS - Basic (₹)	-0.45	10.05	13.95
EPS - Diluted (₹)	-0.45	9.65	12.95
RONW (%)	-0.93%	17.73%	20.03
Net Asset Value (₹)	48.45	56.7	64.39
ROCE (%)	6.07%	16.08%	20.94%

Source: Company RHP, ACMIIL Research

Comparison with Listed Peers FY23 (Consolidated):

Name of the Company	Face Value	Total Income for Fiscal 2023 (₹ in Cr)	EPS		NAV	P/E	RoNW (%)
			Basic (₹)	Diluted (₹)			
Jupiter Life Line Hospitals Ltd	10	902.96	13.95	12.95	64.39	56.75	20.03%
Apollo Hospitals Enterprise Ltd	5	16,702.80	56.97	56.97	378.33	84.64	16.40%
Fortis Healthcare Ltd	10	6,359.35	7.80	7.80	46.67	40.26	20.90%
Max Healthcare Institute Ltd	10	4,701.84	11.38	11.36	24.14	45.97	62.80%
Narayana Hrudayalaya Ltd	10	4,590.21	29.85	29.85	90.50	33.14	35.40%
Global Health Ltd	2	2,759.16	12.58	12.57	90.35	53.70	16.20%
Krishna Institute of Medical Sciences Ltd	10	2,223.55	42.03	42.03	193.96	45.09	42.03%

Source: Company RHP, ACMIIL Research

Risks and concerns:

- JLHL is highly dependent on their healthcare professionals including doctors and nurses, and any future inability to attract/ retain such professionals will adversely affect their business.
- Its ability to provide affordable healthcare depends on the maintenance of a high volume of patients, occupancy rates, managing project costs and effective capital management. Any increase in such costs could adversely affect their business, financial condition and results of operations.
- Any kind of delay in the construction or commencement of operations of their proposed hospitals or it may be unsuccessful in implementing their growth plans of expansion in western India in a timely manner or at all, which may have an adverse effect on its financial condition.

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