

### About Company

Incorporated in 2007, Jupiter Life Line Hospitals Limited is a multi-specialty tertiary and quaternary healthcare provider in the Mumbai Metropolitan Area (MMR) and western region of India. Jupiter Life Line Hospitals has been operating as a corporate quaternary care healthcare service provider in the western regions of India and currently operates three hospitals under the "Jupiter" brand in Thane, Pune, and Indore, with a total operational bed capacity of 1194 beds, and 1,306 doctors including specialists, physicians, and surgeons, as of March 31, 2023. The company is currently developing a multi-specialty hospital in Dombivli, Maharashtra, which is designed to accommodate over 500 beds and has commenced construction in April 2023. According to the CRISIL Report, the company's 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 center. Additionally, it operates one of the few multi-organ transplant centers in Thane. All the hospitals in Thane, Pune, and Indore have been certified by the National Accreditation Board for Hospitals & Healthcare Providers (NABH) and have been accredited in the field of medical testing by the National Accreditation Board for Testing and Calibration Laboratories (NABL).

### Objects of the Offer:

The company intends to utilize the net proceeds from the issue.

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

### Rationale

**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 in 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 December 31, 2022. Company's Thane hospital commenced operations in 2007 and over the last 15 years, they have established a track

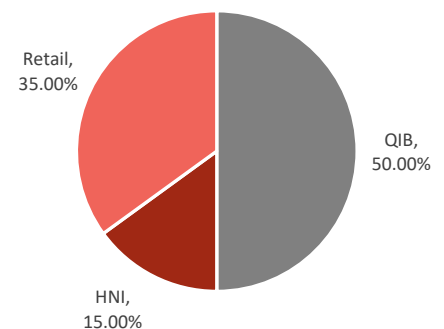
## SUBSCRIBE

Issue	
Open	Close
Wednesday	Friday
<b>06-Sep-23</b>	<b>08-Sep-23</b>

Issue Size	
Fresh Issue	542.00 cr
Offer for Sale	327.08 cr
<b>Total Issue</b>	<b>869.08 cr</b>

Per Equity Share	
Price Band	Face Value
<b>Rs.695 - Rs735</b>	<b>Rs 10</b>
<b>Minimum Shares</b>	<b>50 Qt y</b>

### NET OFFER STRUCTURE



Source: Dalal & Broacha Research

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 have 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 have 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. Moreover, all 3 of their hospitals are located on land owned by them on a freehold basis, which allows them operational control and consistency in quality care resulting in long-term operational and financial efficiencies as well as eliminates risk such as lease escalation or non-renewal of lease agreements.

### **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. 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.

### **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.

## **Conclusion**

Jupiter Lifeline Hospital is a multi-specialty, tertiary & quaternary care hospital in Mumbai Metro Region. Currently it operated 3 hospitals at Indore, Pune & Thane with a total bed capacity of 1194 beds. It has an operational bed capacity of 961 beds. It has a strong team of 1306 doctors including specialists, surgeons & physicians. The group company follows ‘All hub no Spoke’ model & their hospitals are equipped with

over 30 key specialties. The hospital also provides a dedicated lounge for its patients companions at no additional cost.

Currently, the company is in the process of developing its 4th hospital in Dombivli with a capacity of 500 beds. The construction for this facility has already commenced & is expected to be commissioned in 2-3 years. Indore hospital has additional capacity of ~200 beds. This brownfield expansion will be milestone based & will be taken up when the existing performance ramps up in terms of ARPOB & Occupancy.

On a consolidated level, they have an ARPOB of Rs 50,990 with occupancy of 62.61% for FY23. ARPOB & occupancy has consistently seen a rising trend for the past 3 years. Going forward ARPOBS are expected to increase in line with inflation (CAGR ~8% for FY21-23). The company has a robust ROE & ROCE of >20%. Operationally, In-patient/out-patient volumes have also seen a robust growth of 32%/31% (CAGR 2-years). The Revenue from Operations & EBITDA has seen a strong 2-year CAGR growth of 35% and 72% respectively. The EBITDA margins (~23.7% for FY23) have improved significantly by ~900 bps over the past 3 years.

2 major growth drivers for the company are- (i) Ramping up of Indore facility - 231 bedded, currently at ~40% occupancy & ARPOB of ~Rs 39,000. This is expected to increase and reach the consolidated group levels going forward. Post, which 200 beds will be expanded at this facility. (ii) 500 bedded Dombivli hospital to be operationalized in the next 2-3 years.

The object of the issue is to pay its debt which currently stands at ~Rs 470 cr (Long term + short term). At the upper price band of Rs 735, Jupiter is valued at 25.6x EV/EBITDA on a TTM basis. We believe the IPO is undervalued as the peer companies trade at more than 30x EV/EBITDA multiple (TTM).

We recommend **SUBSCRIBE** for the IPO.

### Disclaimer

#### Sources of the reports taken from: Red Herring Prospectus, Various other websites, etc.

This document has been prepared and compiled from reliable sources. While utmost care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the Company nor any of its Directors, Officers or Employees shall in any way be responsible for the contents. The Company, its Directors, Officers, or Employees may have a position or may otherwise be interested in the investment referred in this document. This is not an offer or solicitation to buy, sell or dispose off any securities mentioned in this document.

Report Prepared by: Dhruv Shah/ Tarun Bathija

For Further details contact: Mr. Mahendra Panikkar / Mr. Navish Bangera / Ms. Mita Sanghvi / Ms. Bijal Sanghvi/ Ms. Manisha Sonawala

**DALAL & BROACHA STOCK BROKING PVT**

1114/15, Maker Chamber V - 221, Nariman Point, Mumbai - 400 021

Tel: 91 - 22- 66212500/ 535 Direct: Fax: 91-22-6636 8905 E-mail: mf.sales@dalal-broacha.com