

September 5, 2023

IPO Note

IPO DETAILS

Issue Details

Price Band: ₹ 695 to ₹ 735
Issue Opens on: September 6, 2023
Issue Closes on: September 8, 2023
Lot Size: 20 Shares & in Multiples thereafter

Issue Highlights

Issue Size : ₹ 869.08 Cr.
No of Shares : 11,824,163
Face Value : ₹ 10

Offer Structure

Issuance	₹ in Cr.
Fresh Issue	542.00
Offer for Sale	327.08
Total	869.08

Issue Breakup

Reservation for	% of Issue	₹ in Cr. (at upper band)
QIB	50	434.54
HNI	15	130.36
Retail	35	304.18
Total	100	869.08

Listing

BSE & NSE

Lead Managers

- ICICI Securities Limited
 - Nuvama Wealth Management Limited
 - JM Financial Limited

Registrar

KFin Technologies Limited

ANALYST

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COMPANY OVERVIEW

Jupiter Life Line Hospitals Limited 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 three hospitals under the "Jupiter" brand in Thane, Pune and Indore. 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 commenced construction in April 2023. They have equipped hospitals with over 30 key specialties, as of March 31, 2023.

The 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.

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).

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.

HIGHLIGHTS

1. Key multi-specialty tertiary and quaternary healthcare provider
2. 'All-hub-no-spoke' model
3. The low attrition rate over the years.
5. Robust revenue growth over the years.
6. Neuro-rehabilitation services through a dedicated robotic and computer-assisted neuro-rehabilitation center.

OBJECTS OF THE ISSUE

Fresh Issue proceeds utilization:

1. Repayment/pre-payment, in full or part, of borrowings availed from banks by the Company and Material Subsidiary (₹ 510.41 Cr.)
2. General corporate purposes.

Offer for sale up to 4,450,000 Equity Shares. The Company will not receive any proceeds from the Offer for Sale.

OUR VIEW

Established in 2007, Jupiter Hospital is a tertiary and quaternary healthcare hospital Focused on a 'Patient first' ideology. The group has 3 hospitals with 1100+ beds across three cities, 1 in Thane and Pune each and now the multi-specialty tertiary and quaternary care hospital in Indore, with Vishesh Jupiter Hospital being established in 2020. The company follows a Hub concept and owns the property where the hospitals are built. 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, and the hospital has a planned capacity of approximately 500 beds. The general CAPEX to set up such a hospital is about a crore per bed. The company views immense opportunity in the western areas and sees Dombivli as one of the prime locations to tap these opportunities.

The company grew at a Revenue CAGR of 35.5% over FY 2021 to FY 2023. The average occupancy rate increased from 45.25% in FY 2021 to 62.61% in FY 2023. The company operated on an EBIDTA Margin of 23.455 and PAT Margin of 8.07% for FY 2023, generating an ROE and ROCE of 20.03% and 20.94% respectively for the same period.

The listed peers like Apollo Hospitals trading at P/E 84x (Highest) and Fortis Healthcare is trading at P/E of 40x (Lowest) and industry average P/E is 50x. The company is asking for a PE of 56.75x on the upper end of the price band over its Diluted EPS of FY 2023 ₹ 12.95. At NAV of ₹ 64.39, the issue is priced at P/BV of 11.41.

The smooth functioning of the hospital highly depends on the consistent functioning of doctors and the support staff, any uptick in their attrition rates can affect the smooth operations of the hospital. The company also face competition from expansive hospitals already established.

Considering all factors the issue seems priced attractively. Cash surplus investors can invest with long-term investment horizon.

Brief Financials

PARTICULARS	₹ in Million		
	FY '23	FY '22	FY '21
Total Income	9,029.63	7,371.44	4,902.69
Total Expenditure	4,887.14	6,598.28	7,720.51
EBITDA	2,117.40	1,574.09	712.68
Profit before Tax	1,287.08	771.18	15.55
Profit after Tax	729.05	511.28	(22.97)
E.P.S. (Diluted)	12.95	9.65	(0.45)
P/E (x) (Diluted)	56.76	-	-
RONW (%)	20.03	17.73	(0.93)

PRICE CHART (@ ₹ 735) (Retail Category)

LOT SIZE	Amount
20	14,700
40	29,400
60	44,100
80	58,800
100	73,500
120	88,200
140	102,900
160	117,600
180	132,300
200	147,000
220	161,700
240	176,400
260	191,100

HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount(Rs.)
Between ₹ 2 to ₹ 10 Lakhs (Minimum Shares)	280	205,800
Between ₹ 2 to ₹ 10 Lakhs (Maximum Shares)	1,360	999,600
Above ₹ 10 Lakhs	1,380	1,014,300

Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	13/09/2023
Initiation of refunds/unblocking ASBA Fund	14/09/2023
Credit of Equity Shares to demat accounts of Allottees	15/09/2023
Commencement of trading of the Equity Shares on the Stock Exchanges	18/09/2023

For more details, Please refer RHP,

https://www.sebi.gov.in/filings/public-issues/aug-2023/jupiter-lifeline-hospitals-limited-rhp_76234.html

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