

Jupiter Life Line Hospitals Ltd

Bolstering presence in the western region through expansion.



Kyon ki bhaiya, sabse bada rupaiya.

SUBSCRIBE @ Upper price band of INR 735

Bolstering presence in the Western region through expansion

Jupiter Life Line Hospitals Limited (JLHL) was established on November 18, 2002. JLHL is a prominent multi-specialty tertiary and quaternary healthcare provider in the Mumbai Metropolitan Area (MMR) and the western region of India. As of March 31, 2023, they manage three hospitals under the "Jupiter" brand located in Thane, Pune, and Indore, with a combined bed capacity of 1,194 hospital beds. As of March 31, 2023, they have a dedicated team of 1,306 doctors, including specialists, physicians, and surgeons, serving a current operational bed capacity of 961 beds.

Each of their hospitals at Thane, Pune and Indore has been certified by NABH and has been accredited in the field of medical testing by NABL. Their hospitals follow an 'all-hub-no-spoke' model, where each hospital operates as a comprehensive healthcare facility, independently providing a wide range of services from diagnostics to surgery and rehabilitation. Both the Thane and Pune hospitals are newly established "greenfield" projects. Importantly, all three hospitals are situated on land they own outright.

Furthermore, they are actively working on a new multi-specialty hospital project in Dombivli, Maharashtra. This facility is designed for more than 500 beds and construction commenced in April 2023.

JLHL's proposed issue size is INR 869.08 cr out of which INR 542 cr is a fresh issue and the remaining INR 327.08 cr is OFS. The proposed fresh issue will be utilized for

- INR 510.4 cr for repayment/pre-payment, in full or part, of borrowings availed from banks by our Company and Material Subsidiary
- And the balance amount would be used for general corporate purposes

At the IPO price of INR 735(upper price band), JLHL is valued at P/E of 59.9x. Considering the growth opportunities in the company and strong fundamentals, we recommend a SUBSCRIBE rating

Industry	Healthcare
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Issue Details

Listing	BSE & NSE
Open Date	6 th Sept 2023
Close Date	8 th Sept 2023
Price Band	INR 695-735
Face Value	INR 10
Market Lot	20 shares
Minimum Lot	1 Lot

Issue Structure

Offer for Sale	37.64%
Fresh Issue	62.36%
Issue Size (Amt)	INR 869 cr
Issue Size (Shares)	1,18,24,163
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre issue sh (nos)	5,81,91,859
Post issue sh (nos)	6,59,90,434
Post issue M Cap	4819 cr

Shareholding (%)	Pre (%)	Post (%)
Promoter	40.69	36.11
Promoter Group	9.10	4.80
Public	50.21	59.09
TOTAL	100	100

Key Consolidated Financial Data (INR Cr, unless specified)

	Reve- nue	EBITDA	PAT	EBITDA (%)	PAT (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (X)	P/BV (X)	EV/EBITDA (X)
FY21	486.2	67.2	-2.3	13.8	-0.5	-0.5	44.0	-1.0	5.8	NA	16.7	67.0
FY22	733.1	153.4	51.1	20.9	7.0	10.1	51.5	17.4	17.4	73.1	14.3	29.3
FY23	892.5	201.3	73.0	22.6	8.2	14.0	65.0	20.0	23.3	52.7	11.3	22.1

Issue Structure and Offer Details

The proposed fresh issue size of NTL is INR 869.08 cr (INR 542 cr fresh issue and 327.08 cr OFS) and the price band for the issue is in the range of INR 695– 735 and the bid lot is 20 shares and multiples thereof.

Issue Structure		
Investor Category	Allocation	No. of shares offered
QIB	Not more than 50% of the Offer	59,12,080
NIB	Not less than 15% of the Offer	17,73,625
Retail	Not less than 35% of the Offer	41,38,458

Number of shares based on a higher price band of INR 735

Source: Company Reports

Details of the selling shareholders		
Promoter Selling shares	Amount offered	No of shares
Devang Vasantlal Gandhi	Not more than 91.9 Cr	12,50,000
Devang Gandhi jointly with Neeta Gandhi	Not more than 66.2 Cr	9,00,000
Nitin Thakker jointly with Asha Thakker	Not more than 73.5 Cr	10,00,000
Bhaskar P Shah (HUF)	Not more than 29.4 Cr	4,00,000
Anuradha Ramesh Modi with Megha Ramesh Modi	Not more than 29.4 Cr	4,00,000
Rajeshwari Capital Market Limited	Not more than 14.7 Cr	2,00,000
Vadapatra Sayee Raghavan (HUF)	Not more than 14.7 Cr	2,00,000
Sangeeta Ravat jointly with Dr. Hasmukh Ravat	Not more than 2.9 Cr	40,000
Dr. Hasmukh Ravat jointly with Sangeeta Ravat	Not more than 2.9 Cr	40,000
Shreyas Ravat jointly with Sangeeta Ravat	Not more than 2.9 Cr	40,000

The amount is based on a higher price band of INR 735

Source: Company Reports

JLHL's financial analysis

Fig in INR Cr (unless specified)	FY21	FY22	FY23	Fig in INR Cr (unless specified)	FY21	FY22	FY23
Income Statement				Per share data & Yields			
Revenue	486.2	733.1	892.5	Adjusted EPS (INR)	(0.5)	10.1	14.0
<i>YoY Growth (%)</i>	<i>5.0</i>	<i>50.8</i>	<i>21.7</i>	Adjusted Cash EPS (INR)	5.1	15.6	19.9
Raw Material Cost	98.4	142.2	157.2	Adjusted BVPS (INR)	44.0	51.5	65.0
<i>RM Cost to Sales (%)</i>	<i>20.2</i>	<i>19.4</i>	<i>17.6</i>	Adjusted CFO per share (INR)	18.7	24.5	31.5
Employee Cost	104.5	133.8	155.6	CFO Yield (%)	2.5	3.3	4.3
<i>Employee Cost to Sales (%)</i>	<i>21.5</i>	<i>18.2</i>	<i>17.4</i>	Adjusted FCF per share (INR)	(36.6)	3.0	7.3
Other Expenses	216.0	303.7	378.4	FCF Yield (%)	(5.0)	0.4	1.0
<i>Other Exp to Sales (%)</i>	<i>44.4</i>	<i>41.4</i>	<i>42.4</i>	Solvency Ratio (X)			
EBITDA	67.2	153.4	201.3	Total Debt to Equity	1.7	1.7	1.3
<i>Margin (%)</i>	<i>13.8</i>	<i>20.9</i>	<i>22.6</i>	Net Debt to Equity	1.6	1.3	0.9
<i>YoY Growth (%)</i>	<i>(17.5)</i>	<i>128.4</i>	<i>31.2</i>	Net Debt to EBITDA	5.8	2.5	1.7
Depreciation & Amortization	30.7	36.2	38.5	Return Ratios (%)			
EBIT	36.4	117.2	162.8	Return on Equity	(1.0)	17.4	20.0
<i>Margin (%)</i>	<i>7.5</i>	<i>16.0</i>	<i>18.2</i>	Return on Capital Employed	(8.2)	9.9	11.1
<i>YoY Growth (%)</i>	<i>(34.3)</i>	<i>221.8</i>	<i>38.9</i>	Return on Invested Capital	5.8	17.4	23.3
Other Income	4.1	4.0	10.4	Working Capital Ratios			
Finance Cost	39.0	43.9	42.2	Payable Days (Nos)	44	30	29
Interest Coverage (X)	0.9	2.7	3.9	Inventory Days (Nos)	10	8	8
Exceptional Item	0.0	(0.2)	(2.2)	Receivable Days (Nos)	16	14	19
PBT	1.6	77.1	128.8	Net Working Capital Days (Nos)	-18	-9	-2
<i>Margin (%)</i>	<i>0.3</i>	<i>10.5</i>	<i>14.4</i>	Net Working Capital to Sales (%)	(4.9)	(2.4)	(0.7)
<i>YoY Growth (%)</i>	<i>(95.3)</i>	<i>4,860.3</i>	<i>67.0</i>	Valuation (X)			
Tax Expense	3.9	26.0	55.8	P/E	(1,633.3)	73.1	52.7
<i>Tax Rate (%)</i>	<i>247.7</i>	<i>33.7</i>	<i>43.3</i>	P/BV	16.7	14.3	11.3
PAT	(2.3)	51.1	73.0	EV/EBITDA	67.0	29.3	22.1
<i>Margin (%)</i>	<i>(0.5)</i>	<i>7.0</i>	<i>8.2</i>	EV/Sales	9.3	6.1	5.0
<i>YoY Growth (%)</i>	<i>(107.8)</i>	<i>(2,325.8)</i>	<i>42.8</i>	Cash Flow Statement			
Min Int/Sh of Assoc	0.0	0.0	0.0	PBT	1.6	77.1	128.8
Net Profit	(2.3)	51.1	73.0	Adjustments	102.0	91.6	115.3
<i>Margin (%)</i>	<i>(0.5)</i>	<i>7.0</i>	<i>8.2</i>	Change in Working Capital	23.7	(5.8)	(11.9)
<i>YoY Growth (%)</i>	<i>(107.8)</i>	<i>(2,325.8)</i>	<i>42.8</i>	Less: Tax Paid	(3.9)	(26.0)	(55.8)
Balance Sheet				Cash Flow from Operations	123.4	137.0	176.4
Share Capital	50.9	50.9	56.5	Net Capital Expenditure	(241.6)	(91.1)	(76.9)
Total Reserves	195.5	237.6	307.4	Change in Investments	(54.3)	5.8	(17.4)
Shareholders Fund	246.4	288.5	363.9	Cash Flow from Investing	(295.8)	(85.2)	(94.2)
Long Term Borrowings	421.2	464.5	452.5	Change in Borrowings	153.9	64.3	(8.8)
Deferred Tax Assets / Liabilities	25.5	32.5	37.0	Less: Finance Cost	(39.0)	(43.9)	(42.2)
Other Long Term Liabilities	0.0	0.0	0.0	Proceeds from Equity	70.0	11.8	0.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	0.0	0.0	0.0	Dividend Paid	0.0	0.0	0.0
Total Liabilities	693.0	785.5	853.4	Cash flow from Financing	184.9	32.2	(51.1)
Net Block	630.0	683.9	719.0	Net Cash Flow	12.5	83.9	31.1
Capital Work in Progress	25.9	26.6	29.1	Forex Effect	0.0	0.0	0.0
Intangible assets under development	0.6	0.8	0.7	Opening Balance of Cash	7.0	19.4	103.4
Non Current Investments	0.2	0.2	0.2	Closing Balance of Cash	19.4	103.4	134.5
Long Term Loans & Advances	7.0	10.6	22.8				
Other Non Current Assets	13.1	7.0	4.4				
Net Current Assets	16.3	56.5	77.2				
Total Assets	693.0	785.5	853.4				

Source: Ventura Research

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