

# BONANZA WEALTH MANAGEMENT



29<sup>th</sup> April 2025

## Jupiter Hospitals – BUY

**CMP** : Rs.1,461.0  
**Target Price** : Rs.1,815.4  
**Upside** : 24%+  
**Stop Loss** : Rs.1,318.0 (Closing basis)

### Investment Thesis

- Jupiter Life Line Hospitals stands as a premier multi-specialty tertiary and quaternary healthcare provider in the Mumbai Metropolitan Region, backed by promoters with over a decade of successful hospital management experience. The hospital's strategic expansion initiatives are poised to significantly enhance profitability in the near term. With the recent addition of facilities in Dombivli and ongoing occupancy improvements at Indore and Pune locations, Jupiter is experiencing accelerated growth momentum. The company achieved impressive occupancy rates of 65.7% overall, with Thane, Pune, and Indore facilities reaching 72.1%, 65.1%, and 60.6% respectively as of February 2025.
- Jupiter's extensive expansion pipeline demonstrates its commitment to strategic growth. The 500-bed Dombivli hospital is on track for Q1FY27 operations, with significant progress already made through Rs. 1 billion capex investment. Additional projects include a second 500-bed facility in Pune-Bibewadi (construction beginning March 2025) and a new 300-bed hospital in Mira Road to address the significant unmet healthcare demand in the area.
- Operational efficiency remains strong with ARPOB increasing 15.2% year-over-year to Rs. 61,700, while maintaining a balanced payor mix (55.4% insurance, 43.5% self-pay). Jupiter maintains healthy liquidity with over Rs. 2.5 billion cash reserves, enabling funding of expansion through internal accruals without incurring additional debt. Management's confidence in breaking even new greenfield hospitals by the second year of operations reflects operational discipline and market understanding. Despite competitive pressures in certain markets, Jupiter's established brand presence and focus on addressing underserved regions position it favorably for continued market leadership.

### Financials

- Jupiter reported revenue growth of 17.6% YoY to Rs. 3,200 mn in Q3 FY25, while 9M FY25 revenue increased by 19.5% YoY to Rs. 9,348 mn. This robust growth was primarily driven by higher occupancy rates, which surged to 65.7% (vs. 63.2% YoY), and a significant 15.2% YoY increase in ARPOB to Rs. 61.7k per day, reflecting stronger operational performance across all facilities.

Consol. (Rs. Mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	7,331	8,925	10,695	13,034	14,870
EBITDA	1,534	2,013	2,382	3,011	3,658
EBITDA Margin (%)	20.9%	22.6%	22.3%	23.1%	24.6%
PAT	511	729	1,766	2,063	2,554
EPS (Rs.)	10.0	12.9	26.9	31.5	39.0
P/E (x)	146.1	113.3	54.3	46.4	37.5
RoE (%)	19.14%	22.12%	21.96%	25.41%	26.59%

### Stock Data

Market Cap (Rs. Mn)	95,842
Market Cap (\$ Mn)	1,122.39
Shares O/S (in Mn)	65.6
Avg. Volume (3 month)	37,760
52-Week Range (Rs.)	1,770.00 / 1,067.65

### Shareholding Pattern

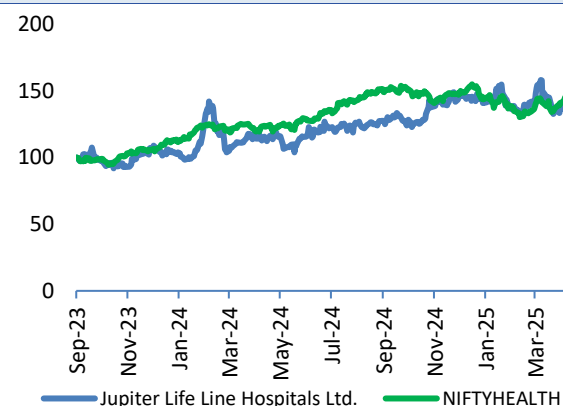
Promoters	40.91%
FII's	10.04%
Institutions	15.64%
Others (incl. body corporate)	33.41%

### Key Ratios

Div Yield	0.07%
TTM PE	50.0x
ROE	21.96%
TTM EPS (Rs.)	29.60/-

### Stock Performance

Performance (%)	1M	6M	1Yr
ABSOLUTE	-7.9%	8.1%	18.3%
NIFTY HEALTH	3.2%	-1.7%	17.2%



- EBITDA rose 21.2% YoY to Rs. 750 mn in Q3FY25, with margins expanding by 69 bps YoY to 23.4%. For 9M FY25, EBITDA grew 22% YoY to Rs. 2,183 mn. The margin improvement was largely attributed to effective overhead cost management, while maintaining quality healthcare services across facilities in Thane, Pune, and Indore.
- Adjusted PAT increased 19.9% YoY to Rs. 525 mn in Q3 FY25, with 9M FY25 PAT growing 13.2% YoY to Rs. 1,486 mn. PAT margins for Q3 improved year-on-year, supported by strong operational metrics and strategic capacity expansion, including the addition of 78 new beds at the Indore hospital in January 2025.

## Key Business Highlights

- Jupiter Life Line Hospitals has established itself as a premier quaternary care provider in Western India's densely populated markets over the past 15 years. Currently operating three facilities under the "Jupiter" brand in Thane, Pune, and Indore, the organization boasts 983 operational beds and a team of 1,306 medical professionals.
- Under the leadership of Dr. Ajay Thakkar, who brings over 30 years of healthcare expertise, the hospital has become a cornerstone of tertiary and quaternary care in the Mumbai Metropolitan Region (MMR). The management team's decade-plus track record demonstrates consistent operational excellence.
- Jupiter is executing an ambitious expansion strategy with new facilities in Dombivli, Bibevadi (second Pune unit), and Mira-Bhayander, alongside enhancements to existing hospitals. This growth initiative aims to reach approximately 2,500 total beds across Western India.

## Valuation

- With the recent addition of new hospital units at Dombivli, Pune, and Mira-Bhayander, coupled with the ongoing ramp-up of operations at Indore and Pune facilities, we anticipate a significant acceleration in Jupiter's profitability. This expansion strategy is expected to substantially improve return ratios, which were temporarily suppressed in FY24 due to fund-raising activities.
- Jupiter is currently trading at Rs. 1,461.00 which near 17.5% down from its 52-week high of Rs. 1,770.00. It currently commands a PE of 50.0x against a 5-Yr Median PE of 54.5x.
- With a robust expansion strategy including plans at existing facilities, coupled with upcoming facilities in Dombivli, Mira Bhayander and Pune (Bibdevadi) we are assigning a BUY rating to Jupiter Life Line Hospitals. We maintain our price target of Rs. 1,815 (39x Mar'26E EPS), which provides an upside of 24.2% from the current market price, driven by strong expansion strategy at new and existing geographies will significantly accelerate profitability.

## Risk & Concern

- Potential talent retention issues could disrupt the continuity of high-quality medical services and strategic expertise.
- Emerging regulatory pressures around price controls, margin limitations, and mandatory bed allocation could compress operational flexibility and profitability.
- Declining international patient volumes might adversely impact revenue streams and global market positioning.

## Graphs & Charts

Figure 1: Net Sales Trend

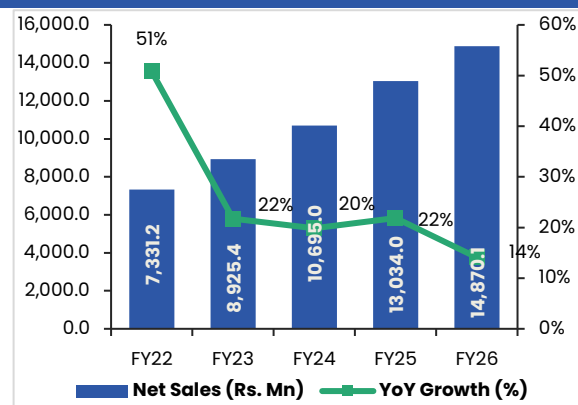


Figure 2: EBITDA & EBITDA Margin Trend

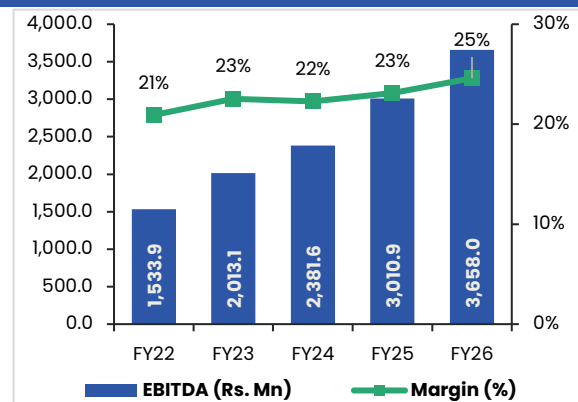


Figure 3: Payor-wise Revenue

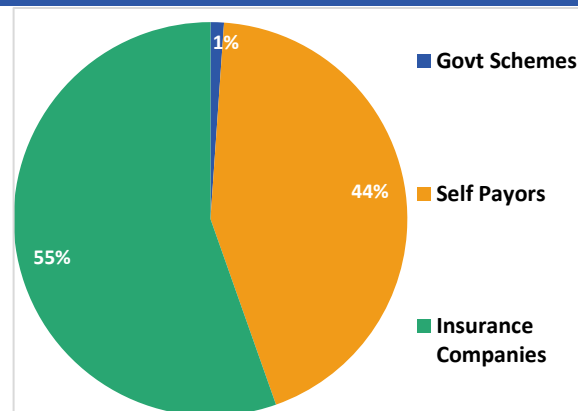
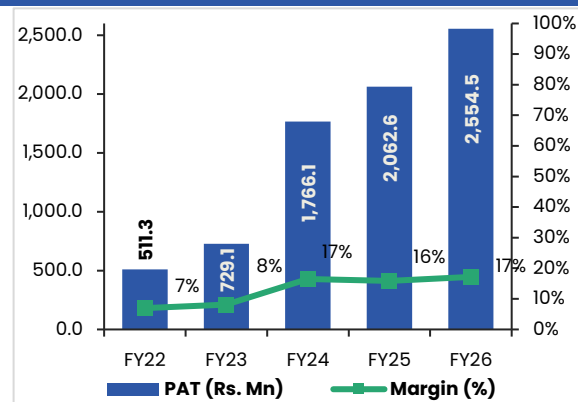


Figure 4: PAT & PAT Margin Trend



Name	Designation
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