

## IPO ANALYSIS

**Sector:** Hospitals

**Issue Price:** INR 695 to INR 735

**Issue Size:** INR 851 to 869 Crores

**Issue Opens/Closes:** Sep 06/ Sep 08

## IPO Basics

**Promoter:** Dr. Ajay Thakker, Dr. Ankit Thakker and Western Medical Solutions LLP.

**Selling Shareholders:** Devang Gandhi, Neeta Gandhi and Others

**Lead Managers:** ICICI Securities, Nuvama Wealth, JM Financial

**Registered Office:** Mumbai

**Registrar:** KFin Technologies Ltd.

**Listing:** BSE and NSE

## IPO Capital Structure

<b>Fresh Issue</b>	INR 615 Cr.
<b>Offer for Sale</b>	4,450,000 Equity Shares (Aggregating upto INR 254.08 Cr.)
<b>Total Issue as % of total capital (Post-Issue)</b>	18.03%
<b>Post Issue No. of Shares</b>	65,566,022
<b>Post Issue Market Cap</b>	INR 4,589 – 4,819 Cr
<b>Face Value</b>	INR 10
<b>Issue Route</b>	Book Build Issue
<b>Bid Lot (Shares)</b>	20
<b>Minimum Bid Amount</b>	INR 14,700
<i>All values calculated at upper band</i>	

## Financial Snapshot (INR in crs)

Y/E Mar	FY21	FY22	FY23
Equity Share Capital	50.87	50.87	56.52
Instruments equity in nature	-	1.79	-
Reserves	188.11	240.90	309.17
<b>Net worth</b>	<b>246.44</b>	<b>288.43</b>	<b>363.91</b>
Revenue from Ops	486.16	733.12	892.54
Growth (%)	-	50.80%	21.75%
EBITDA	71.27	157.41	211.74
EBITDA (%)	14.54%	21.35%	23.45%
Net Profit	-2.3	51.13	72.91
Net Profit (%)	-0.47%	6.94%	8.07%
Basic EPS	-0.45	10.05	13.95
Diluted EPS	-0.45	9.65	12.95
RONW (%)	-0.93%	17.73%	20.03%
ROCE (%)	6.07%	16.08%	20.94%
NAV (INR)	48.45	56.70	64.39
<b>Shareholding Pattern</b>			
<b>Holders</b>	<b>Pre-issue</b>	<b>Post Issue</b>	
Promoters	58.01%	44.70%	
Public	41.99%	55.30%	
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	

## Jupiter Life Line Hospitals Ltd

Sep 05, 2023

### Issue Highlights:

- 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 and 1,306 doctors including specialists, physicians and surgeons, as of March 31, 2023. The current operational bed capacity is 961 beds.
- 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.
- 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”).
- 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. 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.
- 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.

### Issue Size

Particulars	No. of shares at Lower Band (Rs. Cr.)	No. of shares at Upper Band (Rs. Cr.)	Issue Size Amount Lower (Rs. Cr.)	Issue Size Amount Upper (Rs. Cr.)	% Of Issue
<b>QIB</b>	0.61	0.59	425.64	434.54	50.00%
<b>NIB</b>	0.18	0.18	127.69	130.36	15.00%
<b>Retail</b>	0.43	0.41	297.95	304.18	35.00%
<b>Total Issue</b>	<b>1.22</b>	<b>1.18</b>	<b>851.28</b>	<b>869.08</b>	<b>100.00%</b>

### An Indicative Timetable Post Issue Closing

Particulars	Tentative Date
<b>Finalization of Basis of Allotment</b>	September 13, 2023
<b>Refunds/un-blocking of ASBA Accounts</b>	September 14, 2023
<b>Credit of Equity Shares to DP Ac</b>	September 15, 2023
<b>Trading Commences</b>	September 18, 2023

Investors are advised to refer disclosures made at the end of the research report.

## **BACKGROUND**

### **Company and Directors**

The Company was incorporated on November 18, 2002. Dr. Ajay Thakker, Dr. Ankit Thakker and Western Medical Solutions LLP are the Promoters of the company. Currently, the Promoters, holds 23,677,415 Equity Shares representing 40.69% of the issued, subscribed, and paid-up Equity Share capital of the company.

### **Brief Biographies of Directors**

**Dr Ajay Thakker** is the Promoter, Chairman and Managing Director of the company. He has been associated with the company since inception and has also been associated with Jupiter Scan and Imaging Centre Pvt Ltd as a director. He has over 31 years of experience in the field of medicine and healthcare. He is currently responsible for the overall management of the company.

**Dr Ankit Thakker** is the Promoter, Executive Director, and Chief Executive Officer of the company. He has more than a decade of experience in the healthcare sector and has been a director of the company since 2016 and is currently responsible for the overall management of the Company.

**Dr Bhaskar Shah** is a Non-Executive Director of the company. He is also registered as an M.D. in the Maharashtra Medical Council. He is a practicing cardiologist.

**Vadapatra Raghavan** is a Non-Executive Director of the Company. He has over 33 years of experience in the audit and accounts sector.

**Dr Darshan Vora** is an Independent Director of the company. He has experience as a dentist.

Dr Jasmin Patel is an Independent Director of the Board of the company. She is currently associated with Sarvoday Hospital as the chief operating officer. She has over 18 years of experience in the healthcare sector.

**Satish Utekar** is an Independent Director of the company. Prior to joining the company, he was associated with TJSB Sahakari Bank Ltd as the managing director and chief executive officer.

**Urmi Popat** is an Independent Director of the Board of the company. Prior to joining the company, she was associated with Premilal Vithaldas Polytechnic, SNDT Women's University, as a lecturer.

### **Key Managerial Personnel**

**Sudeep Kastwar** is the Chief Financial Officer of the company. He was appointed as the Chief Financial Officer of the company with effect from March 1, 2023.

**Harshad Purani** is the Chief Financial Officer as well as the president – administration and head of corporate social responsibility of the company. He has been associated with the company since September 9, 2007. He has over 15 years of experience.

### **Objects of the Issue**

<b>Objects</b>	<b>Amount ( ₹ Cr)</b>
▪ Repayment/pre-payment, in full or part, of borrowings availed from banks by the company and MaterialSubsidiary	510.41
▪ General Corporate Purposes	[ • ]
<b>Total</b>	<b>[ • ]</b>

## Offer Details

The Offer	No. of Shares	
Fresh Issue (₹ 542 Cr)	Upto 7,798,575~ - 7,374,163^ Equity Shares	
Offer for Sale	Upto 4,450,000 Equity Shares	Weighted Average Price per share (₹)
<b>The Promoter Group Selling Shareholder</b>		
Devang Vasantlal Gandhi HUF	Upto 1,250,000 Equity Shares	23.00
Devang Gandhi jointly with Neeta Gandhi	Upto 900,000 Equity Shares	10.00
<b>The Other Selling Shareholder</b>		
Nitin Thakker jointly with Asha Thakker	Upto 1,000,000 Equity Shares	8.17
Bhaskar P Shah (HUF)	Upto 400,000 Equity Shares	15.00
Anuradha Ramesh Modi with Megha Ramesh Modi	Upto 400,000 Equity Shares	13.00
Rajeshwari Capital Market Limited	Upto 200,000 Equity Shares	11.00
Vadapatra Sayee Raghavan (HUF)	Upto 200,000 Equity Shares	75.00
Sangeeta Ravat jointly with Dr. Hasmukh Ravat	Upto 40,000 Equity Shares	13.00
Dr. Hasmukh Ravat jointly with Sangeeta Ravat	Upto 40,000 Equity Shares	13.00
Shreyas Ravat jointly with Sangeeta Ravat	Upto 40,000 Equity Shares	13.00

## Shareholding Pattern

Shareholders	Pre-offer		Fresh Issue and Offer for Shares	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoters	23,677,415	40.69%		23,677,415	36.11%
Promoters Group	5,298,208	9.10%	2,150,000	3,148,208	4.80%
<b>Total for Promoter and Promoter Group</b>	<b>28,975,623</b>	<b>49.79%</b>	<b>2,150,000</b>	<b>26,825,623</b>	<b>40.91%</b>
Public – Other Selling Shareholders	4,782,500	8.22%	2,300,000	2,482,500	3.79%
Public - Others	24,433,736	41.99%	7,374,163	36,257,899	55.30%
<b>Total for Public Shareholders</b>	<b>29,216,236</b>	<b>50.21%</b>	<b>9,674,163</b>	<b>38,740,399</b>	<b>59.09%</b>
<b>Total Equity Share Capital</b>	<b>58,191,859</b>	<b>100.00%</b>	<b>11,824,163</b>	<b>65,566,022</b>	<b>100.00%</b>

## Details of Pre- IPO Placement of ₹ 123 Cr

The company has undertaken a Pre-IPO Placement of 1,673,469 Equity Shares at a price of ₹ 735/- per share, aggregating to ₹ 123 crore as under:

Name of the Entity	No. of Equity Shares	Amount (₹ Cr)
SBI Magnum Children's Benefit Fund - Investment Plan	541,497	39.80
Neuberger Berman Emerging Markets Equity Fund	268,186	19.71
SBI Healthcare Opportunities Fund	200,000	14.70
High Conviction Fund - Series 1	149,660	11.00
Ashoka India Equity Investment Trust Plc	149,660	11.00
Think India Opportunities Master Fund LP	149,660	11.00
DC Ikka Limited	122,448	9.00
SBI Optimal Equity Fund	74,830	5.50
Neuberger Berman Strategic India Equity Master Fund Holdings Ltd	9,793	0.72
Neuberger Berman Europe Holdings LLC	7,735	0.57
<b>Total</b>	<b>1,673,469</b>	<b>123.00</b>

## 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 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 and 1,306 doctors including specialists, physicians and surgeons, as of March 31, 2023. The current operational bed capacity is 961 beds. 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.

JLHL follows a ‘patient first’ ideology by creating the best infrastructure, technology, and support to put the patient first and foremost and be futuristic and innovative in delivery of healthcare. They have 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

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 have 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 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. 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. They focus on promoting and maintaining a culture that encourages retention and growth of their healthcare professionals. In Fiscals 202, 2022 and 2023, the attrition rate for doctors (who work as consultants at their hospitals) was 3.40%, 5.08% and 1.85%, respectively.

Particulars	For the Year Ended March 31,					
	2023		2022		2021	
	Volume (Nos.)	Income (₹ Cr)	Volume (Nos.)	Income (₹ Cr)	Volume (Nos.)	Income (₹ Cr)
Inpatient	42,956	710.14	34,650	576.00	24,553	397.23
Outpatient	730,981	170.59	610,796	150.19	423,020	86.20
<b>Total</b>	<b>773,937</b>	<b>880.73</b>	<b>645,446</b>	<b>726.19</b>	<b>447,573</b>	<b>483.43</b>

Hospital’s payor mix showcases that they have very low dependence on central and state government schemes for their revenues, with payments made through (i) self-payers; (ii) insurance companies, third party administrators and corporations; and (iii) government schemes, accounting for 45.33%, 53.35% and 1.32%, respectively, of their income from hospital services in Fiscal 2023.

### Significant Developments subsequent to March 31, 2023

Dombivli Hospital: On March 1, 2023, the architectural plans of the proposed 500 bed hospital at Dombivli have been approved by the appropriate statutory authority, i.e., ADTP, Thane, Government of Maharashtra. Further, this project has also received the environment clearance from Ministry of Environ GoI on April 11, 2023 and the consent to establish issued by the Maharashtra Pollution Control Board of May 22, 2023.

### KEY FINANCIAL AND OPERATIONAL INFORMATION

Key Operational and Financial Indicators:

Particulars	For the Year Ended March 31,		
	2023	2022	2021
Inpatient volume	42,956	34,650	24,553
Outpatient volume	730,981	610,796	423,020
Operational bed capacity	950	869	744
Census bed capacity	802	757	666
Average occupancy rate (%)	62.61%	53.96%	45.25%
Average revenue per occupied bed ("ARPOB") (₹)	50,990	48,711	43,946
Average length of stay in hospitals ("ALOS") (days)	4.02	4.30	4.48
Income from healthcare services (₹ Cr)	880.73	726.20	483.43
Revenue from operations (₹ Cr)	892.54	733.12	486.16
Inpatient income (₹ Cr)	710.14	576.00	397.23
Outpatient income (₹ Cr)	170.59	150.19	86.20
EBITDA (₹ Cr)	211.74	157.41	71.27
EBITDA Margin (%)	23.45%	21.35%	14.54%
Profit or Loss for the year (₹ Cr)	72.91	51.13	(2.30)
Net profit ratio (%)	8.07%	6.94%	(0.47)%
Return on Equity /Return on Networth (%)	20.03%	17.73%	(0.93)%
Return on Capital Employed (%)	20.94%	16.08%	6.07%

### REVENUE FROM OPERATIONS (Rs crs)

Particulars	For the Year Ended March 31,		
	2023	2022	2021
Inpatient Income	710.14	576.00	397.23
Outpatient Income	170.59	150.19	86.20
Income from Hotel	11.81	6.93	2.73
<b>Total for Revenue from Operations</b>	<b>892.54</b>	<b>733.12</b>	<b>486.16</b>

### HOSPITALS

The company operates 3 hospitals located in Thane, Pune and Indore with an operational bed capacity (i.e. census and non- census beds) of 950 beds and 961 beds as of March 31, 2023 and as of August 2023, respectively.



Hospital	For the Year Ended March 31,					
	2023		2022		2021	
	Revenue ₹ Cr	% to Total	Revenue ₹ Cr	% to Total	Revenue ₹ Cr	% to Total
Thane*	483.55	54.18%	423.62	57.78%	313.59	64.50%
Pune	303.77	34.03%	233.66	31.87%	147.50	30.34%
Indore	105.22	11.79%	75.84	10.35%	25.07	5.16%
<b>Total</b>	<b>892.54</b>	<b>100.00%</b>	<b>733.12</b>	<b>100.00%</b>	<b>486.16</b>	<b>100.00%</b>

\* Revenue from operations comprises income from hospital services, which consists of inpatient income and outpatient income, and income from hotel.

### **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 December 31, 2022. 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 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.

### **'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, 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 have 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.



The financial and operational performance of each of the hospitals for the periods indicated:

Particulars	Thane Hospital			Pune Hospital			Indore Hospital		
	As of and for the fiscal year ended March 31,								
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Operational bed capacity	366	366	366	353	303	228	231	200	150
Census bed capacity	318	318	318	298	248	209	186	191	139
Average occupancy rate (%)	72.00%	66.51%	52.30%	67.45%	56.58%	47.63%	40.00%	29.66%	25.55%
ARPOB (₹)	56,448	53,980	51,209	48,996	45,623	40,592	38,747	36,684	19,337
ALOS (days)	4.36	4.60	4.62	3.85	4.14	4.57	3.53	3.76	3.74
Revenue from operations (₹ Cr)*	483.55	423.62	313.59	303.77	233.66	147.50	105.22	75.84	25.07
As a % of revenue from operations (%)	54.18%	57.78%	64.50%	34.03%	31.87%	30.34%	11.79%	10.35%	5.16%

### 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 has 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 has 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.

## INDUSTRY OVERVIEW

## Analysis of Hospital Beds of select players

Key Parameters	Total Hospitals	Total Bed Capacity	Estimated Hospitals with 300+ beds in terms of Capacity	Head-quarter State	Hospitals in Headquarter State	Hospitals (Rest of India)	Estimated Bed Capacity in headquarter	Estimated bed capacity in rest of India
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
Narayana Hrudayalaya Ltd (NHL)	23	6,086	4	Karnataka	10	13	2,339	3,747
Aditya Birla Health Services Pvt Ltd (ABHS)	1	500	1	Maharashtra	1	0	500	0
Jupiter Life Line Hospitals Ltd (JLHL)	3	1,194	3	Maharashtra	2	1	763	431
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

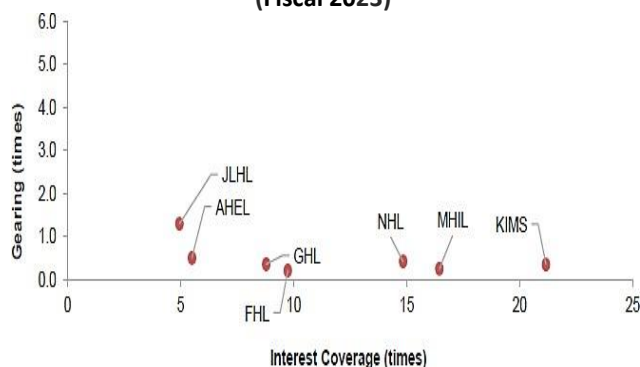
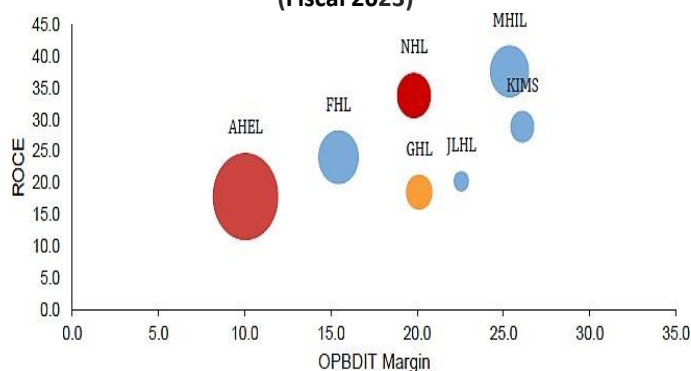
## Key financial parameters (Fiscal 2023)

	Operating Income			OPBDIT			PAT		
Hospital	Operating Income (₹ Cr)	Y-O-Y Growth (%)	CAGR (Mar-21 to Mar-23) (%)	OPBDIT (₹ Cr)	Y-O-Y Growth (%)	CAGR (Mar-21 to Mar-23) (%)	PAT (₹ Cr)	Y-O-Y Growth (%)	CAGR (Mar-21 to Mar-23) (%)
AHEL	16,612.45	13.19%	25.38%	2,049.61	(7.00)%	33.90%	844.57	(23.80)%	148.56%
FHL	6,297.63	11.33%	25.80%	1,101.34	9.07%	78.12%	632.98	(19.87)%	NA
GHL	2,694.25	23.75%	36.00%	619.83	33.03%	72.80%	326.08	66.20%	236.46%
KIMS	2,197.68	32.09%	28.41%	604.01	14.24%	27.12%	365.81	6.40%	33.43%
MHIL	5,904.00	13.15%	34.39%	1,636.00	17.70%	60.38%	1,328.00	58.66%	NA
NHL	4,524.77	22.02%	32.18%	965.82	42.63%	119.11%	606.67	77.30%	NA
JLHL	893.04	21.76%	35.53%	201.81	31.31%	73.35%	72.91	42.59%	NA

## Key Financial Ratios for major hospital players (Fiscal 2023)

Hospital	Operating Margin (%)	PAT Margin (%)	ROCE (%)	ROA	Fixed Assets Turnover Ratio	ROE (%)	Gearing Ratio	Receivables Turnover Ratio	Payables Turnover Ratio	Working Capital Days	Avg. Collection period	Av. Payment Period	Debt service Coverage Ratio	Interest Coverage Ratio
AHEL	12.3	5.1	17.9	1.9	2.1	16.4	0.5	7.4	4.5	(23)	49	82	2.9	5.5
FHL	17.5	10.1	24.1	1.1	1.2	20.9	0.2	10.8	2.0	(137)	34	179	6.0	9.7
GHL	23.0	12.1	18.6	1.2	1.1	16.2	0.3	13.9	3.2	(77)	26	114	2.7	8.8
KIMS	27.5	16.6	28.9	1.7	1.2	25.7	0.3	8.7	2.8	(81)	42	132	10.4	21.2
MHIL	27.7	22.5	37.6	2.0	2.1	62.8	0.2	10.4	1.7	(172)	35	215	12.3	16.5
NHL	21.3	13.4	33.8	1.9	2.0	35.4	0.4	10.5	1.6	(182)	35	224	10.5	14.8
JLHL	22.6	8.2	20.3	1.0	1.2	22.4	1.3	19.5	2.2	(136)	19	164	3.0	5.0



Gearing and Interest Coverage for major hospital players  
(Fiscal 2023)ROCE and operating margin for major hospital players  
(Fiscal 2023)

## Planned expansion of key players

Hospital	Expansion Planned	Location of Planned expansion	Estimated capex per Bed
AHEL	2,000 Beds at ₹ 3,000 Cr	Mumbai, Bangalore, Gurgaon, Chennai	₹ 1.5 Cr
FHL	300-400 Beds per annum for the next 2-4 years	Mumbai, Bangalore, Delhi, Noida	₹ 0.8 Cr
KIMS	320 beds	Nashik	₹ 0.63 – 0.80 Cr
SHPL	The group is adding over 100 beds at its Hadapsar hospital and plans to construct a new hospital building a Deccan Gymkhana for which land plots are being acquired	Pune	NA
MHIL	~2,840 Beds	Pan India	₹ 1.2 – 1.3 Cr
GHL	300 Beds	West India	NA
JLHL	500+ Beds	Dombivli, West India	NA

## COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)

Name of the Company	Consolidated / Standalone	Face Value	Total Income for Fiscal 2023 (₹ in Cr)	EPS		NAV	P/E	RoNW (%)	Current Market Price*
				Basic	Diluted				
Jupiter Life Line Hospitals Ltd	Consolidated	10	902.96	13.95	12.95	64.39	[ • ]	20.03%	NA
Apollo Hospitals Enterprise Ltd	Consolidated	5	16,702.80	56.97	56.97	378.33	84.64	16.40%	4822.00
Fortis Healthcare Ltd	Consolidated	10	6,359.35	7.80	7.80	46.67	40.26	20.90%	314.05
Max Healthcare Institute Ltd	Consolidated	10	4,701.84	11.38	11.36	24.14	45.97	62.80%	522.20
Narayana Hrudayalaya Ltd	Consolidated	10	4,590.21	29.85	29.85	90.50	33.14	35.40%	989.20
Global Health Ltd	Consolidated	2	2,759.16	12.58	12.57	90.35	53.70	16.20%	675.00
Krishna Institute of Medical Sciences Ltd	Consolidated	10	2,223.55	42.03	42.03	193.96	45.09	42.03%	1895.00

Source: RHP; P/E Ratio has been computed based on the closing market price of equity shares on NSE on August 14, 2023

## Comparison of operational and financial KPIs of the Company and the listed peers ( As at and for Fiscal 2023)

Particulars	Jupiter Life Line Hospital	Apollo Hospitals Enterprise	Fortis Healthcare	Max Healthcare Institute	Narayana Hrudayalaya	Global Health	Krishna Institute of Medical Sciences
Inpatient volume	42,956	540,881	290,000	NA	229,000	135,000	177,181
Outpatient volume	730,981	1,879,171	2,830,000	2,281,000	2,363,000	2,275,000	1,462,439
ARPOB (₹ in '000)	51.0	51.7	55.1	67.4	34.8	59.1	29.9
ALOS (days)	4.0	3.4	3.7	4.3	4.5	3.3	4.1
Bed Occupancy %	63%	64%	67%	76%	48%	59%	69%
IP Revenue (₹ in Cr)	710.14	7,601.70	3,603.20	NA	2,635.80	2,290.10	NA
OP Revenue (₹ in Cr)	170.59	1887.80	537.30	NA	945.20	469.10	NA
Revenue from operations (₹ in Cr)	892.54	16,612.45	6,297.63	5,904.00	4,524.77	2,694.25	2,197.68
EBITDA (₹ in Cr)	211.74	2,049.61	1,101.34	1,636.00	965.82	619.83	604.01
EBITDA Margin (%)	23.45%	12.3%	17.5%	27.7%	21.3%	23.0%	27.5%
PAT (₹ in Cr)	72.91	844.57	632.98	1,328.00	606.67	326.08	365.81
PAT Margin (%)	8.07%	5.1%	10.1%	22.5%	13.4%	12.1%	16.6%
ROE Equity (%)	20.03%	16.4%	20.9%	62.8%	35.4%	16.2%	25.7%
ROCE (%)	20.94%	17.9%	24.1%	37.6%	33.8%	18.6%	28.9%

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