Jupiter Life Line Hospitals Limited

May 15, 2025

To,
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East), Mumbai-400 051
Symbol: JLHL

To,
BSE Limited
P. J. Towers,
25th Floor, Dalal Street, Fort
Mumbai 400 001
Code: 543980

Subject: Q4 & FY 25 Earnings Conference Call – Transcript

Reference: Intimation of Earnings Conference Call dated May 05, 2025 and Audio Link of Analyst/ Investor Conference Call dated May 12, 2025

Dear Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Q4 & FY 25 Results Conference Call held on Monday, May 12, 2025 at 10.00 AM (IST) for the quarter and Financial year ended on March 31, 2025.

The same will be available on the website of the Company at www.jupiterhospital.com.

You are requested to kindly take the afore-mentioned on record and oblige.

Thanking you.

For JUPITER LIFE LINE HOSPITALS LIMITED

SUMA VINAYAK UPPARATTI Digitally signed by SUMA VINAYAK UPPARATTI Date: 2025.05.15 10:51:05 +05'30'

Suma Upparatti
Company Secretary & Compliance Officer

“Jupiter Life Line Hospitals Limited

Q4 and FY '25 Earnings Conference Call”

May 12, 2025

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchanges and the Company website on 12th May 2025 will prevail.”

MANAGEMENT: **DR. ANKIT THAKKER – EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER**
MR. ANAND APTE – CHIEF OF BUSINESS AND STRATEGY
MR. NITIN PATODI – HEAD OF FINANCE
MRS. SUMA UPPARATTI – COMPANY SECRETARY AND COMPLIANCE OFFICER
SGA - INVESTOR RELATIONS ADVISORS

Moderator: Ladies and gentlemen, good day, and welcome to Jupiter Life Line Hospitals Limited Q4 and FY '25 Earnings Conference Call. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Dr. Ankit Thakker, ED and CEO of Jupiter Life Line Hospitals Limited. Thank you, and over to you, sir.

Ankit Thakker: Thank you. Good morning, everybody. Thank you for joining us on our earnings call to discuss the business and financial performance of the last quarter and FY '25. I hope you all had a chance to view the financial results and investor presentation that were uploaded on the website and the stock exchanges.

I'm accompanied by Mr. Anand Apte, our Chief of Business and Strategy; Mr. Nitin Patodi, our Head of Finance; and Ms. Suma Upparatti, our Company Secretary and Compliance Officer. I'm also joined on the call with our Investor Relations Advisors, SGA.

So we have consistently communicated that our post-listing initial objective was to establish 2,500 beds and expand our networks from 3 to 6 hospitals. We believe that we could achieve this milestone by leveraging our existing cash reserves and internal accruals. I'm pleased to report that this first target of 2,500 beds in the Western India region is now within sight.

Over the next 4, 5 years, as these hospitals become operational, we are confident that the operating cash flows generated should be sufficient to fund this capex and their ongoing operations. However, while 6 hospitals represented our initial target, they are certainly not the final destination.

We are exploring some opportunities in addition to the above 6, which could be greenfield or in the form of an acquisition. With this in mind, we have raised additional debt to fund these new projects. The Board has carefully considered this and is comfortable with a prudent and responsible level of leverage to optimize our growth in both scale and speed. The broad contours of this debt structure are detailed in the investor presentation, but I will reiterate some key aspects.

Let me begin with our subsidiary, JHPPL, which operates our Indore hospital. Following our listing and primary equity raise, we had extended a loan to our Indore subsidiary to facilitate the repayment of their bank obligations and also to fund some of their capex initiatives. We have now raised an INR250 crores debt within our Indore subsidiary to repay our intercompany loan.

Importantly, this Indore subsidiary now possesses sufficient cash flows to service this debt and the debt repayment benefits the listed entity directly because this amount represents equity in our books. Consequently, this money becomes available to pursue either a land purchase or a strategic acquisition, depending on the opportunities that may materialize.

Turning to the listed entity. We have secured a sanction of INR350 crores loan, which is earmarked for capex. Of this sanctioned amount, we have drawn INR75 crores. We have the option to utilize the remaining INR275 crores from this debt facility to fund our capex plans, which could be anywhere, Dombivli, Pune or something else.

This strategic move means that our surplus internal accruals, which are also reflected as equity, will be available for future expansion initiatives. The cost of carrying this loan is expected to be less than 1%. We have proactively availed this loan so that we are well positioned to act swiftly should a compelling opportunity present itself without the need for last-minute fundraising.

As you see on our balance sheet today, our cash position stands at about INR600 crores, comprising of INR325 crores from the new debt and INR275 crores from our existing cash reserves. In this financial year, we have also undertaken several significant brownfield capex initiatives.

Let me provide you an update on some of these, starting with our Indore facility. We executed a substantial expansion project, adding 2 additional floors to the existing hospital building, resulting in 78 new beds. These beds were commissioned on 1st January 2025. Furthermore, we have constructed an 11-bed ICU, which is now ready for commissioning, but will be operationalized based on occupancy demand.

We have also pursued multiple expansion projects in our Thane facility this year. To begin with, we have received approval from the Municipal Corporation to develop the building in accordance with the new UDCPR regulations. This could potentially entitle us to increase FSI, allowing us to add an additional floor to the Thane Hospital.

However, this is contingent upon obtaining environmental clearances and some other necessary statutory permissions. We will keep you updated about the potential size and scope of future expansions at the Thane facility as and when these approvals are received.

In the interim, we have undertaken some capex activities to cater to the current clinical needs. We decommissioned our 22-bed economy ward and strategically reconfigured certain areas to create 2 new operating theaters, a second MRI machine, a second cardiac cath lab, and expansion of our Daycare and chemo suites from 14 to 22 beds and a new OPD cluster.

We have also undertaken a comprehensive overhaul of some of our ageing engineering infrastructure, including chillers and cooling towers. The Dombivli Hospital construction is progressing as per plan with an expected commissioning within a year in Q1 of FY '27. The new Pune hospital is at the excavation stage after receiving all the environmental clearances. The construction is expected to begin post monsoon.

In Mira Road, the land has been acquired, and we are at the post-purchase regulatory stage of 7/12 updation, etc., and we will start working on the architectural drawings for that project shortly.

Coming to the numbers, Q4 of this year versus last year. The total income this quarter stood at INR326.7 crores, an increase of 12.1% year-on-year. The EBITDA was INR78.3 crores for this quarter. The EBITDA margin was 23.9%. The PAT stood at INR44.9 crores in this quarter, a decrease of 0.9% year-on-year on account of increased depreciation in this quarter. The PAT margin stood at 13.7%.

For the whole year, the income is INR1,261.5 crores, an increase of 17.5%. The EBITDA for the year is INR296.6 crores, an increase of 22.5% year-on-year, and the EBITDA margin is 23.5% for the financial year '25. The PAT for the year is INR193.5 crores, representing a margin of 15.3%. The ARPOB has increased by 10.4% to INR60,600 in this year. The ALOS is at 3.89 days. The average occupancy for the year is 65.3%, an improvement of 150 points year-on-year.

The breakup is 72.1% occupancy for Thane, 65.5% occupancy for Pune and 54.9% occupancy for the Indore hospital. The overall volume has increased 11.2% to 9.8 lakhs in the financial year. The payer mix split, insurance stood at 55.8%, self-payers 42.9% and government schemes at 1.3%.

So with this, I open the floor for questions.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Amey from JM Financial.

Amey: Congrats to Ankit and the management for the good set of numbers. Ankit, first question I have, although you mentioned some details at the back end of your speech regarding ARPOB. But for the quarter, is it possible to give ARPOB and occupancy how it has been and how it has performed year-on-year?

Ankit Thakker: You want the ARPOB for the quarter?

Amey: Yes.

Ankit Thakker: So ARPOB for the quarter is INR65,453.

Amey: Okay. And the year-on-year growth is around 10%

Ankit Thakker: Yes, around 10%, I think.

Amey: Yes. So do you expect this 10% year-on-year ARPOB growth to continue? And if yes, then what would be the levers for next year?

Ankit Thakker: No, I don't expect 10% to continue. As I was saying that the projection for ARPOB growth should be inflation-linked. Thane and Pune, both are matured hospitals. So besides inflation, there is no other lever for ARPOB growth. Indore may be slightly higher than inflation because for maybe one more year, it has a second lever that is of case mix optimization that is more tertiary work. So Indore may have an extra lever for maybe another year or so. But apart from that, I think if you want to extrapolate ARPOB, it is the safest to extrapolate it in line with inflation.

Amey: Sure. Then the volume growth has been around 10% as well for us on the IPD, OPD side. So that has resulted into something like 17%, 18% year-on-year growth on the revenue side. So how does that will shape up next year considering the ARPOB is going to fall a bit and the volumes for the existing hospital might not remain at around 10% level, right?

Ankit Thakker: So ARPOB is not going to fall. It will rise in line with inflation. The volume in Thane should be stable. In Pune and Indore, we could expect some growth in volumes.

Amey: Sure. The second question I have on the Thane, you said that you will get permission to add one more floor in Thane. So the current restructuring you have done where you have removed the economy ward, so is it keeping that thing in mind

Ankit Thakker: Yes. So now what is happening is that as you are seeing across the board, the length of stay for specific procedures and diseases is going down year-on-year with advancement of technology and medical science. So the supporting infrastructure is becoming more important and necessary. So we thought that we were in need of more operating rooms. We were falling short of our cath lab space.

So we added one more there. We were also struggling on the imaging side with MRs, so we added one there. Doctors' offices was becoming a challenge, which necessitated a need for another OPD cluster. So these supporting services were becoming more necessary because just adding beds is not going to solve all the problems.

Amey: Right. And once this added floor, whenever it gets completed, it's functional, do you expect there is a little scope to improve your margins on Thane Hospital because the incremental cost would be lower, right, for the incremental beds?

Ankit Thakker: Yes, ideally, if and when this floor does come up, we definitely think that it should contribute on a unit level a little more to the EBITDA margins because most of the fixed costs are taken care of and the added capacity in terms of manpower, power, etc., does not need as much fixed cost now. So yes, we think it should contribute well to the bottom line.

Moderator: The next question is from the line of Moksh Ranka from Aurum Capital.

Moksh Ranka: We are doing a greenfield capex in Pune, right? Could you please provide some color on the capex amount which will be investing in it? And it's actually we are doing a greenfield capex...

Ankit Thakker: Greenfield capex, yes, in Pune.

Moksh Ranka: Yes. And could you give me some details about the amount you would be investing in it and the time line for this? And it's actually a very good location, I would say, because I just live nearby, so I would just like your comments?

Ankit Thakker: Thank you, Moksh. So the new Pune hospital is supposed to be 500 beds in size. We think that the capex incurred for that project should be somewhere in the tune of INR500 crores excluding land.

Moksh Ranka: And for the land, we have got some favorable terms. Is my understanding correct?

Ankit Thakker: So the contours of the land deal are that currently, it is on a lease for 10 years without any escalation for the whole tenure. And after the third year is completed, we have a right to purchase the land. So those are the terms of the land.

Moderator: The next question is from the line of Abdulkader Puranwala from ICICI Securities.

Abdulkader Puranwala: Sir, firstly, on Thane, you spoke about an addition of new floor. So sir, any timeline you would like to provide on the quantum of bed you will add at this facility?

Ankit Thakker: Abdul, so no, I don't have a timeline, honestly, at this stage. It will depend on the regulatory framework. Currently, the environmental committee for the state and for this region is not very active. So once those committees start getting active and Thane starts coming back on the fold of the permission stage, we will move the applications. And then whenever those applications come through, we will keep you updated. So today, I don't have an exact timeline to share with you.

Moderator: Ladies and gentlemen, we seem to have lost the participant. The next question is from the line of Bino Pathiparampil from Elara Capital.

Bino Pathiparampil: Ankit, just in your speech, you had mentioned about the occupancy rates separately for each hospitals. One, could you please repeat that once? And was that for Q4 or the full year? And if it is full year, do you mind giving the Q4 numbers because you used to give it in the presentation earlier?

Ankit Thakker: So this is for the whole year, Thane 72.1%, Pune 65.5% and Indore 54.9%. And for the quarter, we have Thane 71.1%, Pune 61.1% and Indore 42.1%.

Bino Pathiparampil: Okay. Got it. And any reason why it's lower in Indore for the quarter?

Ankit Thakker: It's an expanded base. So we added 78 more beds. So in percentage terms, there is a dilution effect.

Moderator: The next question is from the line of Prisha Rathi from NMK Securities.

Prisha Rathi: So I have only one question. Could you please provide an update on the restructuring or the rationale behind Medulla Healthcare scheme?

Ankit Thakker: So Medulla is a wholly owned subsidiary. It was activated during the COVID period where we were trying to create a separate entity to build and run our IT services. It was at that time, IT engineers, etc., were in a different mode. And they were not very keen to work with hospitals and some of them who were maintaining our unit at that time were wanting to commercialize healthcare software.

So with that view, they wanted to spin it off and create a new entity. This activity lasted for probably a year or so, I'm not sure, but we never really ended up going down that route of commercialization. We have some team restructuring and realignment of thoughts, and we said that, that is not the road we want to go down under.

So now this Medulla is not a functional entity. We are just carrying it on the books. So we thought that we should merge it and stop carrying one more entity. So that is the reason Medulla is being merged.

Moderator: The next question is from the line of Abdulkader Puranwala from ICICI Securities.

Abdulkader Puranwala: Yes. So sir, I mean, when we talk about going inorganically, are we trying to look for certain brownfield expansion? And in terms of the kind of asset would we look at, would it be the same 500-bed kind of a facility setup you have been adding to your network so far?

Ankit Thakker: Yes. So there is no change in thought process on any front. A, to begin with, Western India remains the focus. B, full service flagship hub model continues to remain the focus. C, greenfield continues to remain a preferred choice. D, on the acquisition and brownfield front, like we have always said, if a good opportunity at a good value does present itself, we are not averse to it, but we will insist that the quality of asset and the value at which we are able to acquire it seems justifiable in our mind. If that does happen, we will look at an acquisition.

Abdulkader Puranwala: But sir, any target multiple in terms of the acquisition value or the kind of amount you would be ready to spend? Any color on that would be also very helpful.

Ankit Thakker: No, there is no target as such. It's dynamic, right? I mean are willing to spend different things for -- I mean, different value for different things. So I don't want to close my mind and just give you some number. The only thing I want to tell you as long as it makes sense in our view, and we will do it, we will not do it just in a mindless race to add numbers and add speed. If it makes sense, we will do it.

Moderator: The next question is from the line of Himanshu Binani from Anand Rathi.

Himanshu Binani: So sir, if you can help me with the ARPOB numbers for Q4 for Thane, Pune and Indore?

Ankit Thakker: So ARPOB number for Q4 consolidated is INR65,453. We are not giving specific ARPOBs.

Himanshu Binani: So unit-wise, ARPOB you have not given.

Ankit Thakker: No

Himanshu Binani: Got it, sir. And sir, secondly, can you please help me explain the Second Phase of this Indore expansion of 111 beds, by when this would be like coming?

Ankit Thakker: See, like I just answered some time back, if you look at the occupancy for this quarter in Indore is 40%, 45%, right? Once this number reaches 60%, 65%, we will start thinking about expansion.

Moderator: The next question is from the line of Aashita Jain from Nuvama Institutional Equities.

Aashita Jain: I just only have one question on Thane Hospital. So your competitors start its IT services soon and even Max has announced the new Thane hospital. So have you seen any impact on your senior doctors in this facility so far? And also with Thane attracting more hospitals in future, how do we plan to minimize such impact in the future?

Ankit Thakker: Aashita, so yes, so far, not a single one of our senior doctors has moved out and stopped association with us. So we continue to report 0 attrition at the senior consultant level. Going forward also, I don't perceive that to be a major risk factor. As I have said, we have fortunately developed strong and sticky teams in all the locations where we are operating. So attrition at the doctor side has not been a big problem.

However, with answering your question completely with new hospitals coming in, the supply of doctors in Thane is also extremely high as is the population of Thane, which is extremely high and growing at 3 million people. So I don't think that even if there is zero attrition from our side, the new hospitals will struggle in building teams. They will be able to build teams also. And with the population, I think on the demand side, there should not be challenge for any of the 3 hospitals.

Aashita Jain: It's helpful. And sir, if possible, can you provide ARPOBs on an annualized basis for the 3 units? I know you're not sharing for the quarter, but for annual basis…

Ankit Thakker: No, unit-wise, we are not sharing. Total, if you want me to repeat, I can, INR60,600 is annualized and INR65,000 is for the quarter.

Moderator: The next question is from the line of Rohit Mehra from SK Securities.

Rohit Mehra: My first question is regarding our Thane hospital that with the restructuring of the hospital in place, what is the expected increase in revenue per occupied bed?

Ankit Thakker: Yes, Rohit, so I have not done that math, and I have not done this restructuring purely from the lens of ARPOBs in revenue. It is predominantly from the occupancy and clinical needs. So it should have theoretically some impact. What impact it will have, maybe we'll see over the next couple of quarters. But I have not done the math. I don't have an answer to that question, unfortunately.

Rohit Mehra: Okay. No problem. Okay. My second question is considering our cash balance of approximately INR600 crores, are we planning any acquisition or any such opportunities under consideration?

Ankit Thakker: Yes. So as I said, we are open to both greenfield opportunities and an acquisition as long as the broad criteria that we have is met, Western India flagship and a logical capex plan.

Moderator: The next question is from the line of Harshal Patil from Mirae Asset Markets.

Harshal Patil: Just most of my questions are answered. Just one thing I wanted to know, you've been quite alluding to even pursuing inorganic opportunities and targets for expansion. And at the same time, we've been quite focused on the western part of India as of now.

So any thoughts just purely qualitative comments from your side, maybe you would be looking to go beyond the western part of India or is there any targets that you are kind of looking at evaluating or something? So any qualitative comments just from an understanding perspective?

Ankit Thakker: Yes, Harshal, currently, there is absolute clarity that we will not go beyond western part of India for now. And on the acquisition side, again, it is just to complete the whole story that greenfield remains the first choice. But if there is a sensible acquisition opportunity, we are not averse to it. So that is about it.

Moderator: The next question is from the line of Ashok Shah from Eklavya Invesco Family Office.

Ashok Shah: Sir, can you just inform or say about does this occupancy level can be increased at the Thane Hospital still by 10% to 15% or 20%?

Ankit Thakker: So Thane hospital occupancies are 72% currently. Anything in mid-70% is, in our view, peak occupancy because we measure it at midnight. So there isn't too much scope to increase occupancy in Thane at current levels.

Ashok Shah: Okay. So are there any plan to open a tertiary center near Pune area or near Thane area towards central suburb, towards Dadar area till, so we can get more and more elite patient for our hospital?

Ankit Thakker: Yes. So as I said, towards Dadar areas is great. Any health care there, the challenge remains land availability and cost of land. So if something sensible presents itself, we are open to doing things in Mumbai. And near Thane is Dombivli where we are doing a hospital. We are also doing a second hospital in Pune. So I hope that answers your question.

Ashok Shah: Okay. So any tertiary plan or something like, only OPD opening and then all the other requirement can be done at Thane Hospital, is it possible or not feasible?

Ankit Thakker: So only OPD, we don't do. We are into full-service tertiary care only. So wherever we are present, it is tertiary care. And that is the model that we are following. We are not doing only OPD kind of satellite base expansion.

Ashok Shah: So my question was, since the availability of land is very difficult, so that's why this can be a second view or something similar thing happens in the eye care hospital?

Ankit Thakker: Certainly, that can be one view and a lot of people have very successfully done hub and spoke and things like that. And like you alluded, single specialty eye care has done it very successfully. Our model is more hub focused. So it does not suit our model.

Ashok Shah: Sir, second point is we are doing a major expansion at 2, 3 places over next 2 to 3 years. Sir, with the expansion at full capacity, what could be our total turnover after 3 years?

Ankit Thakker: I wouldn't want to get into financial specific guidance after 3 years. But on the occupancy front, I can give you some color to understand that next financial year, Dombivli should get inaugurated and that should add about 250-odd beds to our capacity in Phase 1, which can be ramped up over the next couple of years as the capacity expands and then Pune a couple of years after that. So within 3 years, we should have 2 more functional hospitals, which should add to available bed capacity, and it should start contributing on the financial front as well.

Ashok Shah: So Dombivli will be 250 and how much will be Pune beds?

Ankit Thakker: So both are 500 beds. Phase 1 will be around 250, and then we will ramp it up as per need.

Ashok Shah: So in First Phase, total 500 beds will be opening. And Second Phase, we can have a look at the next 500 beds?

Ankit Thakker: Correct.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Ankit Thakker: So thank you, everyone, for joining on Monday morning. I hope the questions were answered satisfactorily. However, if there are any further questions or you need any more clarifications, please reach out to us through SGA, and we'll be happy to take them up. Thank you and best wishes.

Moderator: Thank you. On behalf of Jupiter Life Line Hospitals Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.