

August 14, 2024

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: Q1 FY25 Earning Conference Call – Transcript

Reference: Intimation of Earnings Conference Call dated August 05, 2024 and Audio Link of Analyst/ Investor Conference Call dated August 12, 2024

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Q1 FY25 Results Conference Call held on Monday, August 12, 2024 at 10:30 AM (IST) for the quarter ended on June 30, 2024.

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 Upparatti
Company Secretary & Compliance Officer



“Jupiter Life Line Hospitals Limited
Q1 FY25 Earnings Conference Call”

August 12, 2024

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 12th August 2024 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**

MS. FALGUNI SHAH – BUSINESS CONTROLLER

SGA- INVESTOR RELATIONS ADVISORS

**MODERATOR: MR. HIMANSHU BINANI – ANAND RATHI SHARE AND
STOCK BROKERS**

Moderator: Ladies and gentlemen, good day and welcome to the Jupiter Life Line Hospitals Q1 FY25 Earnings Conference Call hosted by Anand Rathi Share and Stock Brokers. As a reminder, all participant line will be in listen-only mode and there will be an opportunity for you to ask question 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. I now hand the conference over to Mr. Himanshu Binani from Anand Rathi Share and Stock Brokers. Thank you and over to you, sir.

Himanshu Binani: Thank you. Sejal. Good day everyone and on behalf of Anand Rathi Institutional Equities, I welcome all the participants on the call today. We have with us the management of Jupiter Life Line Hospitals to be represented by Dr. Ankit Thakker, ED and CEO of the company along with the senior management team. So without any further ado, I would like to hand over the call to the management for their opening remarks, post which we'll take the floor open for Q&A. Thank you and over to you, sir.

Ankit Thakker: Thank you, Himanshu. Good morning, everyone. Thank you for joining us on our earnings call to discuss the business and financial performance of Q1 FY25. I hope everyone had a chance to view our financial results and the presentation which were uploaded on our website and the stock exchanges.

I'm accompanied by our Chief of Business and Strategy, Mr. Anand Apte, our Head of Finance, Mr. Nitin Patodi, our Company Secretary and Compliance Officer, Mrs. Suma Upparatti and Falguni Shah, our Business Controller along with SGA, our Investor Relations Advisors on this call. We've had a good beginning to FY25. All three of our hospitals have been awarded the gold tier for the NABH Digital Accreditation.

All three of our hospitals are now also offering da Vinci robotic surgeries in addition to the robotic orthopedic surgeries that they were offering earlier. The capex for expansion is going as per plan. We have commissioned an additional 22 beds in Pune on 1st July'24. The construction activity for our expansion in Indore has also commenced. We will be adding about 75 beds there. They are expected to be ready by the end of this financial year and commence operations in early Q1 FY26.

The construction in Dombivli is also progressing as per plan. Our second hospital in Pune has now begun application for regulatory permissions. We hope to secure all the necessary clearances in the next one or two quarters and then begin with the construction there as well.

We shall keep you apprised of the progress on that front in our future calls. Coming to this quarterly financial performance, the total income for Q1 FY'25 stood at INR 288.6 crores, an increase of 18.2% year-on-year. EBITDA for the quarter stood at INR 65.3 crores, an increase of 20.9% year-on-year. The margin was 22.6%. PAT for the quarter, 44.6% (Please note 44.6% was mentioned erroneously, it should be read as INR 44.6 crores), representing a margin of

15.5%. The average occupancy was 63.9% in Q1 FY25, compared to 57.2% Q1 FY24. The ARPOB for this quarter was INR59,700 and the ALOS was 3.76 days. So, with this, I open the floor for questions and answers and I am happy to discuss what you would like. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Aman Vishwakarma from PhillipCapital. Please go ahead.

Aman Vishwakarma: Thank you for taking my question. I just had a question on your robotic surgery. So, have you seen any sort of traction there? Because I don't believe a lot of insurance companies also cover those. So, I mean, if you could give us some insight on that. Thank you.

Ankit Thakker: Hi, Aman. So, robotic surgeries, as I said, the orthopedic robotic surgeries we have had for a couple of years and they have been doing well. They are covered by quite a few of the insurance companies. The da Vinci robotics have just been installed maybe around a month back. So, it's too early to talk about traction. But we are in dialogue with insurance companies and quite a few of them have come on board to that as well. But as we have, you know, used it for more time, I'll be happy to update you of how it's going.

Aman Vishwakarma: Okay. And just quickly on the ARPOB. So, how are our ARPOBs in the robotic surgeries or the da Vinci robot surgeries different from standard ARPOBs, if you could just give me a broad number?

Ankit Thakker: So, we don't track surgery or procedure-wise ARPOBs or department-wise ARPOBs very closely. But broadly speaking, the consumables and the, what do you say, the cost of using the robot would probably push up the cost of surgery maybe between a lakh and two.

Aman Vishwakarma: Okay. Got it. Excellent. Thank you. That's all from me. Thank you.

Moderator: Thank you. The next question is from the line of Karan Mehra from Mehta Investments. Please go ahead.

Karan Mehra: Hello, sir. Thank you for the opportunity. A couple of questions. Sir, on a quarter-on-quarter basis, our revenue has been muted. So, if you can please highlight the reason for the same.

Ankit Thakker: Hi, Karan. So, over the past calls and whenever we have spoken, it has been discussed that the seasonality as far as our business goes is to the tune of maybe around 10% or so, with Q1 and Q3 being relatively weaker quarters. Q1 has traditionally been a weak quarter because a lot of elective work gets, pushed out of the quarter because of vacations and things like that in this part of the world.

So doctors want to travel, patients want to avoid what they can. And similarly Q3 with the weddings and festivals and things like that the lifestyle-related procedures tend to get avoided in Q1 and Q3. So for those reasons, these two are traditionally weaker quarters. So this is as per expectation.

- Karan Mehra:** Okay. And sir I believe so the occupancy at Thane Hospital was at around 69% in Q1. So this was on the lower side compared to previous quarters. So I believe the seasonality which you spoke this is related to the same?
- Ankit Thakker:** Correct.
- Karan Mehra:** Okay sir. That answers my question. Thank you.
- Moderator:** Thank you. The next question is from the line of Nishi Shah from RH Investment. Please go ahead.
- Nishi Shah:** Hello, sir. Thank you for the opportunity. I have a couple of questions. So are we planning any price hikes and self-payers in any of the hospitals in FY25? And if so when are we planning to hike and in which hospital?
- Ankit Thakker:** So, I do not think there is a plan of self-payer price hike currently in this year. We may do it at the end of the year or beginning of next year as far as the self-payers are concerned.
- Nishi Shah:** Okay, sir. And we added 22 beds in Pune Hospital. How much capex did we do and further is there any scope of adding few more beds in Pune Hospital or have we reached the maximum capacity?
- Ankit Thakker:** We just have a semi-finished ICU for 12 beds which has to be commissioned in Pune. Apart from that, there is nothing more which we can do in Pune. So some of the capex for these beds was already incurred in the previous period where we had again finished the raw shell and part interior, etc. In the current quarter or two we have probably spent about INR 10 lakhs, INR 15 lakhs per bed for the finishing of these beds.
- Nishi Shah:** Okay, sir. That answers my question. Thank you sir and all the best.
- Moderator:** Thank you. The next question is from the line of Ameya from JM Financials. Please go ahead.
- Ameya:** Yes thank you for taking my question and congrats on this set of numbers. Ankit the first question I have is on the expansion side. Last quarter if I remember correctly we had given an indication of adding one more hospital maybe second half of this year. So how things are panning out on that front?
- Ankit Thakker:** So yes you are right. We have a desire to add one more hospital in this financial year. We have a couple of negotiations underway, but Greenfield projects mean that you have to first buy land and in India that comes with its own set of timelines. So today I can't give you a definitive answer about where it is and when it will come up. But we are quite optimistic that in this year, we should be able to do one more.
- Ameya:** Sure so far we have the Dombivli which is coming in FY27 or maybe a fag end of FY26 then there will be another Pune hospital which is coming up, but for next one and a half year how the growth would pan out and from where it will come from?

Ankit Thakker: Yes, so Dombivli will come, then Pune will come and then the year after that we hope the third one will - we should be able to launch. So that is a longer term growth pipeline. The shorter term growth pipeline will predominantly be from Pune and Indore. With Pune still being at 53% of occupancy last year in Q1 has grown to 62% in this quarter. So it still has about a 10% headroom for growth in terms of occupancy. So Pune should contribute to growth over the next year and a half.

Indore similarly from last year around 46%, 47% has grown to 57% in this quarter in terms of occupancy. So Indore has a headroom for growth and plus in the next year as I said we'll also add 75 more beds. So, on an expanded base we will have a still bigger headroom for growth in Indore. So these are the two principal areas of growth. Thane, of course, is around 70% odd of occupancy. So its job is mainly to continue doing the performance that it is and continue generating the cash that it is in order to fund our future growth.

Ameya: Sure. So assuming all these three hospitals get matured over, let's say, next three years potentially is it fair to say that we could reach 25% plus margin?

Ankit Thakker: Yes. So around 25% give or take something is a respectable margin according to us and that can be expected.

Ameya: Sure. Thank you so much. I will join back.

Ankit Thakker: Thank you.

Moderator: Thank you. The next question is from the line of Raj Mehta from Wisdom Advisors. Please go ahead.

Raj Mehta: Yes. Hello. Good morning, sir and sorry for joining late. So I have a question on the robotic surgery part. So we have started robotic surgery across our hospitals. So can you please highlight which of the major divisions will get a benefit and also how will it improve our overall revenue?

Ankit Thakker: Hi, Raj. So, we did talk a little about this, but robotic surgeries will predominantly be for abdominal surgeries, for Urology, for Gynaecology, for general surgeries, for cancer, for transplants. Predominant indications are these for the robotic surgery. And there are certain clinical advantages associated with it. So, those will be passed on to the patient.

In terms of revenue increase, I don't really think we, at a blended, consolidated level, adding one or two these kind of branches or services will have a huge or a meaningful impact for you to notice from the outside. So, it is more of keeping in line with the medical advancements and offering the patients the best choices to seek their treatment.

Raj Mehta: Got it, sir. And on the location front, so apart from New Pune, which other locations are we looking for? So, is there anything in the final negotiations?

Ankit Thakker: Yes. So, again, as I said, we prefer to remain restricted to Western India for this phase of growth. And we are looking at certain locations across Maharashtra and Gujarat. So, yes, I think I really

can't get into too much detail about the location of the land because I don't want to engage in speculation. But as soon as we have something concrete to announce, I will definitely do this. We are optimistic to close something in this year.

Raj Mehta: Got it, sir. That's it from my side and thank you and all the best.

Ankit Thakker: Thank you, Raj.

Moderator: Thank you. The next question is from the line of Harshal Patel from Mirae Asset Capital Market. Please go ahead.

Harshal Patel: Thank you, sir. And thanks for the opportunity. So, I just have two questions to ask. One is for the Indore addition of 75 beds, typically what would be the capex per bed that we'd be targeting considering that there is some bit of construction already being done?

Ankit Thakker: Yes. Hi, Harshal. So, for Indore, we'll probably incur INR 20, 25 lakhs sort of capex for the new beds being constructed.

Harshal Patel: Okay. So, that's it. And so, just one point to understand. On the NABH acquisitions Gold standard that we've got for all the three hospitals, from an understanding perspective, sir, does this by any way help us in pricing renegotiations with the insurance companies or what can be a benefit that we could see out of that?

Ankit Thakker: No. So, this is not done with a pricing angle in mind. It is more of continual quality improvement. So, we have always been NABH accredited for the healthcare services. Recently, there is also an initiative to improve the digital spine of the hospital. And this is a new kind of accreditation initiated for the digital framework in the hospital. So, we volunteered and got ourselves accredited on that front as well. So, it is just a commitment to quality. It is not really done with a pricing angle.

Harshal Patel: Okay. That's it, sir. Thank you.

Ankit Thakker: All right. Thank you.

Moderator: Thank you. The next question is from the line of Aman Vishwakarma from Phillip Capital PCG. Please go ahead.

Aman Vishwakarma: My question is on the case mix that you operate in. So, I don't think you give out that data. So, if you could give us a broad number as to what cases predominantly are something that you cater to?

Ankit Thakker: Yes. So, we are truly a full service community hospital. So, we do everything from childbirth going up to transplant, oncology, everything. We don't really have a specific focus area in any of our hospitals. There is not a single branch which probably would go significantly above 15% or maybe not even 15%. So, it is well diversified and it is spread out quite evenly.

Aman Vishwakarma: And just I think, excuse my ignorance, but this has been answered previously. I mean, so how are we seeing that ARPOB growth coming through going forward? I mean, if not the case mix, do we expect any other driver to drive the growth in ARPOB?

Ankit Thakker: Yes. So, Thane and Pune, ARPOB will predominantly be driven only by inflation now. Indore case mix will have some role to play. So, when I say case mix, it is, complexity and the frequency of complex procedures. So, in a, let's say when you start a new hospital on day one, you may not be doing everything right. On day one of starting a new hospital, for example, you may not have a liver transplant team.

But over the years, once your gastroenterology, pathology get established, then you start doing transplant. But the day you, so that is an introduction of a new complexity in case mix, which is at the higher end of the spectrum and which can improve your ARPOB. The second driver now, which is happening in Indore for case mix, is that you have a transplant team, but the day you have a team, they don't start becoming fully busy or occupied.

They take a couple of months or years to fully settle down and get fully utilized. So, that is a second driver of case mix. That is a frequency of use. So, currently, Indore is in that second phase. The first phase of introduction of new specialties is pretty much over. The second phase of, getting matured into doing more tertiary and quaternary work is underway. So, maybe for another year or two, Indore will see this case mix driver. After that, Indore should also slide into this inflation-linked growth orbit.

Aman Vishwakarma: Okay, got it. And just lastly on our doctors. So, I mean, are we doing anything different to attract more talent to Jupiter? I mean, giving out there, I mean, so what is the structure like to hiring and, retaining them broadly?

Ankit Thakker: Yes, I don't know if I can give you anything concrete on that front. It is there are a lot of things which are cultural in nature in terms of manpower engagement of all kinds doctor included. So, yes, I don't have a short answer to this question. But we do have a strong team of doctors in all our units. And we have a very, very low attrition rate in doctors, maybe very low single digits. So, I don't know if that helps you.

Aman Vishwakarma: Okay, got it. Okay, that's all for my end. Thank you.

Moderator: Thank you. The next question is from the line of Aditi Sawant from ADM Advisors. Please go ahead.

Aditi Sawant: Yes, hi, thank you so much for the opportunity. I have a few questions on a Dombivli hospital. I just wanted to understand that as of Q1 FY '25, how much capex we have incurred for that hospital including land?

Ankit Thakker: So, we have incurred about INR 95 crores on Dombivli so far.

Aditi Sawant: Okay, and have we started tying up with doctors for the same hospital like when that process usually starts? I just wanted to get a sense on that. And what steps will you need to take to attract footfall initially?

Ankit Thakker: So, no, we haven't started engaging with doctors yet. It is too early for that. We'll probably start one quarter before we are ready to operationalize. So, that should be a good enough of a time to start team building. As far as attracting footfall, so, I don't know if you're aware of the geography of this region but Dombivli is kind of an extended training area or north of Thane. So, both in terms of doctors and the residential community Jupiter is quite well known and respected as a high-quality provider. So, we will definitely enjoy that brand recognition once we start there.

Aditi Sawant: Okay. Thanks. Thanks for that and all the best for upcoming quarter.

Moderator: Thank you. The next question is from the line of Ruchi Gupta from Value Capital. Please go ahead.

Ruchi Gupta: Yes. Good morning, sir. I just, I have two questions basically and I want to ask you the experience in an Indore hospital. Do you think that we will be able to add one more in that location?

Ankit Thakker: So, Ruchi, currently, there is no plan to add one more in Indore but the experience is very encouraging and we are getting extremely strong feedback and response from the local community and the doctors both. But currently there is no plan to add one more Indore.

Ruchi Gupta: Okay. All right. One more question, sir. Can you please share demographic of both the locations which are there at Pune?

Ankit Thakker: So, you mean geographical distance between them? What do you mean?

Ruchi Gupta: A demographic of both the locations.

Ankit Thakker: So, first one that we are operating now is in Baner, which is west of Pune. That area is relatively newer developed area of Pune, which is predominantly driven by the IT growth, which happened. So, with Hinjewadi on the far west and then Baner, Balewadi, Sus Pashan, Bavdhan these parts of Pune subsequently have developed very, very strongly.

So, this is a relatively younger and newer part of Pune with a significantly dense new population. As against that the new location which we are doing is in the south of Pune, which is a very, very dense residential population not much commercial activity happening there but very dense residential population, which is not very new but a traditional part of Pune. And both the locations are probably maybe around an hour away as a driving distance course.

Ruchi Gupta: Okay. That is very helpful. Thank you, sir.

Moderator: Thank you. The next question is from the line of Rohan from Anand Rathi. Please go ahead.

- Rohan:** Thank you for the opportunity and congratulations on a good set of numbers. So, I just had one question. So, post 1Q, what is the net cash available with the company? Thanks.
- Ankit Thakker:** So, net cash at the end of this quarter should be something between INR250 crores to INR300 crores.
- Moderator:** Mr. Rohan, does that answer your question?
- Rohan:** Yes. Thank you.
- Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.
- Ankit Thakker:** So, thank you very much for joining us on this call. I hope that we have been able to answer all the questions satisfactorily. But if you need any more questions or clarifications, please do not hesitate to contact our IR team and they should be able to connect you and answer the questions. Thank you so much. Good day.
- Moderator:** On behalf of Anand Rathi Shares and Stock Brokers that concludes this conference. Thank you for joining us and you may now disconnect your lines.