

Investors Presentation Financials: Q1 FY'14

5th August' 2013

SpiceJet delivers Profit After Tax of Rs 51 crores for quarter ended June 30, 2013

Chennai, August 5, 2013

SpiceJet Limited posted revenues of Rs. 1,704 crore as compared to Rs. 1,467 crore during the quarter ended June 30, 2013, a growth of 16% as compared to the corresponding quarter a year ago. The net profit was Rs. 51 crore for the latest quarter.

The overall performance should be considered satisfactory and has to be viewed in the context of several adverse circumstances that continue to make the business environment for the airline industry extremely challenging.

Notwithstanding the several headwinds in the form of a weak rupee and high cost of fuel, the management has executed with an emphasis on efficiency, elimination of waste and profitability. Fuel cost as a proportion fell to 43% of the total revenue in the current quarter as against 46% in the comparable quarter for the previous year, mainly due to better realizations from our overseas routes that now make up almost 11% of revenues. However, currency depreciation and higher crude prices continue to exert pressure on margins.

The average passenger yields in the quarter increased by 5% as compared to the corresponding quarter a year ago. Domestic market share in June 2013 increased to 19.50% from 18.60% in June 2012. Highlights for the quarter ended June 30, 2013 vs. June 30, 2012

Operational

- 13% growth in number of passengers
- 25% growth of Available Seat Kilometers
- 27% growth in number of departures
- Load factor decreased from 80% to 77%

Financial

- 16% increase in Revenue from Operations
- 5% increase in passenger yields to Rs. 4,278 from Rs. 4,068

International

- 322% growth in number of passengers
- 385% growth in number departures

SpiceJet continues to explore newer opportunities for business growth and to improve fleet utilizations. In this regard, the Company is aggressively adding to its international network and implementing multiple initiatives with a view to controlling the overall cost of doing business.

SPICEJET LIMITED



Regd Office : Murasoli Maran Towers, 73, MRC Nagar Main Road, MRC Nagar, Chennai 600 028

Part I - Statement of Unaudited Financial Results for the quarter ended June 30, 2013

(Rupees in Lakhs except EPS and Shareholding data)

S.No.	Particulars	Quarter ended		Year ended	
		Unaudited 30-Jun-13	Audited 31-Mar-13 (Refer note 7)	Unaudited 30-Jun-12	Audited 31-Mar-13
1	Income from operations				
	a) Net Sales / Income from Operations	168,847.9	143,774.7	141,216.1	560,067.8
	b) Other Operating Income	1,582.2	1,800.3	5,453.1	11,387.9
	Total Income from operations	170,430.1	145,575.0	146,669.2	571,455.7
2	Expenses				
	a) Operating Expenses				
	- Aircraft Fuel	73,983.5	77,513.6	66,967.3	280,331.5
	- Aircraft Lease Rentals	21,979.0	20,399.0	19,625.5	80,810.2
	- Airport Charges	11,457.2	10,493.6	7,656.6	35,401.1
	- Aircraft Maintenance	19,909.6	24,839.4	13,411.7	67,375.7
	- Other Operating Costs	5,164.8	5,156.1	3,942.7	17,129.2
	b) Employee Benefits Expense	15,402.1	13,276.4	13,134.6	52,679.9
	c) Depreciation and Amortisation Expense	3,101.6	2,872.5	1,373.2	8,354.5
	d) Other Expenses	13,195.5	9,506.4	14,314.4	45,967.8
	Total expenses	164,193.3	164,057.0	140,426.0	588,049.9
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	6,236.8	(18,482.0)	6,243.2	(16,594.2)
4	Other Income	1,676.4	3,477.5	1,216.2	7,772.0
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	7,913.2	(15,004.5)	7,459.4	(8,822.2)
6	Finance Costs	2,857.5	3,567.4	2,501.6	11,571.8
7	Profit / (Loss) before exceptional items (5-6)	5,055.7	(18,571.9)	4,957.8	(20,394.0)
8	Exceptional Item - Claims / costs towards engine maintenance (Note 6)	-	-	(1,286.4)	(1,286.4)
9	Profit / (Loss) before tax (7-8)	5,055.7	(18,571.9)	6,244.2	(19,107.6)
10	Tax Expense	-	-	629.1	-
11	Net Profit / (Loss) for the period (9-10)	5,055.7	(18,571.9)	5,615.1	(19,107.6)
12	Paid-up Equity Share Capital (Face Value Rs.10/- per Equity Share)	52,028.1	48,435.0	48,435.0	48,435.0
13	Reserves excluding Revaluation reserves				(72,236.4)
14	Earnings Per Share				
	a) Basic (Rs) *	0.97	(3.83)	1.17	(3.95)
	b) Diluted (Rs) *	0.97	(3.83)	1.17	(3.95)

* - Quarterly numbers are not annualised.

Part II - Select information for the quarter ended June 30, 2013

S.No.	Particulars	Quarter ended			Year ended
		Unaudited 30-Jun-13	Audited 31-Mar-13	Unaudited 30-Jun-12	Audited 31-Mar-13
A	PARTICULARS OF SHAREHOLDING				
1	Public Shareholding				
	- Number of Shares	249,021,425	249,021,425	249,021,425	249,021,425
	- Percentage of holding	47.86%	51.41%	51.41%	51.41%
2	Promoters and promoter group shareholding				
	a) Pledged / Encumbered				
	- Number of shares	52,345,626	52,345,626	91,675,001	52,345,626
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	19.30%	22.24%	38.96%	22.24%
	- Percentage of shares (as a % of the total share capital of the company)	10.06%	10.81%	18.93%	10.81%
	b) Non-encumbered				
	- Number of Shares	218,914,132	182,982,679	143,653,304	182,982,679
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	80.70%	77.76%	61.04%	77.76%
	- Percentage of shares (as a % of the total share capital of the company)	42.08%	37.78%	29.66%	37.78%

	Particulars	Quarter ended June 30, 2013
B	INVESTOR COMPLAINTS	
	Pending as at the beginning of the quarter	2
	Received during the quarter	13
	Disposed of during the quarter	13
	Remaining unresolved as at the end of the quarter	2

Notes

- 1 The above unaudited financial results for the quarter ended June 30, 2013 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 5, 2013 and have been subjected to a limited review by the auditors of the Company.
- 2 Accounting Standard (AS) 17 on 'Segment Reporting' requires the Company to disclose certain information about operating segments. The Company is managed as a single operating unit that provides air transportation only and has no other segment operation.
- 3 As explained in note 34 (a) of the audited financial statements for the year ended March 31, 2012, the unaccrued interest on inter corporate deposit of Rs.500 lakhs under litigation at Bombay High Court since November 30, 2001, amounts to Rs. 747.10 lakhs. Had the Company accrued for the outstanding interest as described above, the net profit reported for the quarter would have been lower by Rs. 747.10 lakhs and the accumulated loss as at June 30, 2013 would have been higher by the same amount. The Company's management believes that pending finality of the suit filed against the Company in the Bombay High Court, no interest needs to be accrued on the deposit at this point in time on account of its defence in the Court proceedings. The auditors have qualified their audit report for the quarter and year ended March 31, 2013, and limited review report for the quarters ended June 30, 2013 and June 30, 2012 for the above matter. This may be treated as our response to the observations in the auditors'
- 4 During the previous year, the Company issued 13,000,000 14% Unsecured Compulsorily Convertible Debentures of Rs.100 each aggregating to Rs.13,000 lakhs which are convertible into equity shares of the Company at a price of Rs. 36.18 per equity share to its Promoter by way of preferential issue. The Company has utilized the entire proceeds of the preferential issue towards meeting its expansion program and working capital requirements, in accordance with the objects of the said issue.
During the current quarter, the allottee exercised their right to convert the 13,000,000 14% Unsecured Compulsorily Convertible Debentures into equity shares of the Company, pursuant to which 35,931,453 equity shares of the Company were allotted at a price of Rs.36.18 per equity share.
- 5 The Company has achieved significant growth in revenues in the current quarter while managing to improve yields on a consistent basis. The Company's operating results continue to be materially affected by various factors, particularly high aircraft fuel costs, significant depreciation in the value of the currency and general economic slowdown. The Company has continuously implemented various measures such as fare and route rationalization, optimizing aircraft utilization (including short-term leasing out of aircrafts), improving operational efficiencies, renegotiation of contracts and other cost control measures to improve the Company's operating results and cash flows. In addition, the Company continues to explore various options to raise finance in order to meet its short term and long term obligations, with the promoters committing to provide operational and financial support. The Company believes that the recent amendments to FDI policy will improve the investor sentiment towards the Indian aviation industry. The Company believes that these measures will not only result in sustainable cash flows, but also enhance the Company's plans for expansion. Accordingly, the Company's financial statements have been prepared on a going concern basis whereby the realization of assets and discharge of liabilities are expected to occur in the normal course of business.
- 6 During the year ended March 31, 2012, the Company had incurred certain engine repair costs which were disclosed as an exceptional item. During the year ended March 31, 2013, the Company has received warranty claims from the engine manufacturer against these costs incurred. Such claims have been recognised as income and the same has been disclosed as an exceptional item.
- 7 The figures for the quarter ended March 31, 2013 are balancing figures between audited figures in respect of the full financial year ended March 31, 2013 and the un-audited published year-to-date figures up to December 31, 2012, being the end of the third quarter of the financial year which was subjected to limited review.
- 8 Previous periods' / year's figures have been regrouped / reclassified wherever considered necessary to conform to current periods' / year's classification.

For SpiceJet Limited

Place : Chennai, Tamil Nadu
Date : August 5, 2013

**S. Natrajhe
Managing Director**

Operational highlights



Amount in lakhs

	Actual Q1 '14	Actual Q1 '13	Fav/ (Adv)
Net Sales / Total Income from operations (Rs.Lakhs)	170,430	146,669	16%
Total cost of operations (Rs. Lakhs)	159,415	137,837	(16%)
- Fuel (Rs. Lakhs)	73,984	66,967	(10%)
- Other (Rs. Lakhs)	85,432	70,869	(21%)
EBIDTA (Rs. Lakhs)	11,015	8,833	
EBIDTA %	6%	6%	
EBIDTAR (Rs. Lakhs)	32,994	28,458	16%
EBIDTAR %	19%	19%	
PBT	5,056	6,244	(19%)
PAT	5,056	5,615	(10%)
PAT%	3%	4%	

Operating Parameters:

ASK (Lakhs)	47,333	37,762	25%
Block Hours	52,263	39,690	32%
Flight Hours	44,239	33,600	32%
Departures	31,272	24,604	27%
Pax Carried ('000)	3,678	3,256	13%
Average No. of Aircraft	52.5	40.2	31%
Flight Cycle Ratio	1.4	1.4	4%
Aircraft Utilization/day	10.9	10.9	1%
Departures per day per aircraft	6.5	6.7	(3%)
Fuel Cost / KL - Rs.	55,914	60,852	8%
Average Pax Revenue	4,278	4,068	5%
Load Factor	77%	80%	(4%)
Pax Revenue / Flight Rs.	503,111	538,291	(7%)
Fuel Cost / Flight - Rs.	236,581	272,181	13%
Revenue / ASK (Rs.)	3.6	3.9	(7%)
Cost / ASK (Rs.)	3.5	3.8	7%
- Fuel Cost / ASK	1.6	1.8	12%
- Cost (ex-fuel) / ASK	1.9	2.0	2%

Note : Parameteres Includes Aircraft on lease