



SpiceJet  
FY17Q1  
Investor Presentation





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In addition, certain statements contains our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in aviation sector including those factors which may affect our cost advantage, wage fluctuations, our ability to attract and retain highly skilled professionals, time and cost overruns on various parameters, our ability to manage international operations, reduced demand for air travel, liability for damages, withdrawal or expiration of governmental fiscal incentives, political instability, legal restrictions on raising capital or general economic conditions affecting our industry.

The words "anticipate", "believe", "estimate", "expect", "intend" and similar expressions, as they relate to us, are intended to identify certain of such forward-looking statements. The Company may, from time to time, make additional written and oral forward-looking statements, including statements contained in our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.



# Operation snapshot



39,500	~Pax carried per day
28	Boeing 737 NG aircraft
14	Bombardier Q400 aircraft
300	Flights per day
35	Domestic destinations
6	International destinations



# QUARTER HIGHLIGHTS

Q1 FY17



# Management Comments



## SpiceJet doubles net profit to Rs. 149 crore in Q1 FY2017

### Highest Q1 profit in SpiceJet history

### Sixth consecutive profitable quarter

**Gurgaon, September 7, 2016:** SpiceJet reported a net profit of Rs. 149 Crore for Q1 FY17 as against Rs. 73 crore for the same quarter last year, an improvement of 104%. Capacity deployed registered a growth of 37% over the same quarter last year and operating revenue was Rs. 1,522 crores, a growth of 37%.

On an EBITDA basis, SpiceJet reported a profit of Rs.215 crore at 14% EBITDA margin. On EBITDAR basis, the Company reported a profit of Rs.474 Crore, a margin of 31%.

Profits for the quarter were adversely impacted by rupee depreciation, inflation and the presence of more expensive wet lease aircraft. However, profits outperformed capacity and revenue growth rates.

This is the sixth consecutive profitable quarter for SpiceJet after the challenges faced by the Company in December, 2014 and the change in management and control.

The airline recorded a passenger load factor of 92.5% in Q1, the highest in the industry. Passenger load factor has been in excess of 90% in every month since April 2015. Operating performance showed improvement with industry leading On Time Performance and low cancellations rates for SpiceJet flights.

“This quarter’s results further demonstrate the impact of efforts that are being put into strengthening SpiceJet.” said **Ajay Singh, Chairman & Managing Director, Spicejet Limited**. “We remain focussed on growing responsibly in a growing but a challenging market” he added.



# Management Comments, contd..



## **About SpiceJet Ltd:**

SpiceJet is India's #2 budget airline that has made flying more affordable for more Indians than ever before. SpiceJet operates 298 daily flights to 41 destinations, including 35 domestic and 6 international ones. SpiceJet connects its network with a fleet of 28 Boeing 737NG and 14 Bombardier Q-400s. The majority of SpiceJet's fleet offers SpiceMAX, the most spacious economy class seating in India and perhaps the world, as an additional fee option.

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GM – Corporate Affairs

Senior Manager



# Results



Statement of Unaudited Financial Results for the quarter ended June 30, 2016					
(Rupees in Lakhs except EPS)					
S.No.	Particulars	Quarter ended			Year ended
		Unaudited 30-Jun-16	Unaudited 31-Mar-16 (Refer Note 2)	Unaudited 30-Jun-15 (Refer Note 2)	Unaudited 31-Mar-16 (Refer Note 2)
<b>1</b>	<b>Income from operations</b>				
	a) Net Sales / Income from Operations	150,636.0	144,866.7	110,323.5	502,039.6
	b) Other Operating Income	1,516.7	2,632.3	976.6	6,767.6
	<b>Total Income from operations</b>	<b>152,152.7</b>	<b>147,499.0</b>	<b>111,300.1</b>	<b>508,807.2</b>
<b>2</b>	<b>Expenses</b>				
	a) Operating Expenses				
	- Aircraft Fuel	39,967.5	32,866.4	35,888.0	139,195.9
	- Aircraft Lease Rentals	25,949.0	24,923.8	16,164.5	81,109.2
	- Airport Charges	11,201.6	10,889.9	8,274.1	37,103.1
	- Aircraft Maintenance Costs	19,720.7	34,577.6	12,669.5	76,248.2
	- Aircraft Redelivery Costs	312.5	2,684.0	236.0	6,122.9
	- Other Operating Costs	5,678.8	4,614.2	4,107.9	19,630.9
	b) Employee Benefits Expense	14,749.6	13,344.8	11,557.6	49,245.1
	c) Depreciation and Amortisation Expense	4,488.0	4,264.7	4,477.6	17,980.7
	d) Other Expenses	15,336.4	14,537.3	9,847.4	46,402.3
	<b>Total expenses</b>	<b>137,404.1</b>	<b>142,702.7</b>	<b>103,222.6</b>	<b>473,038.3</b>
<b>3</b>	<b>Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>14,748.6</b>	<b>4,796.3</b>	<b>8,077.5</b>	<b>35,768.9</b>
4	Other Income	2,242.5	4,256.2	2,083.4	15,205.6
<b>5</b>	<b>Profit / (Loss) before finance costs and exceptional items (3+4)</b>	<b>16,991.1</b>	<b>9,052.5</b>	<b>10,160.9</b>	<b>50,974.5</b>
6	Finance Costs	2,088.4	4,634.2	2,864.1	12,365.0
<b>7</b>	<b>Profit / (Loss) after finance costs but before exceptional items (5-6)</b>	<b>14,902.7</b>	<b>4,418.3</b>	<b>7,296.8</b>	<b>38,609.5</b>
8	Exceptional items (Refer note 5)	-	6,369.4	-	6,369.4
<b>9</b>	<b>Profit / (Loss) before tax (7+8)</b>	<b>14,902.7</b>	<b>10,787.7</b>	<b>7,296.8</b>	<b>44,978.9</b>
10	Tax Expense	-	-	-	-
<b>11</b>	<b>Net Profit / (Loss) for the period / year (9-10)</b>	<b>14,902.7</b>	<b>10,787.7</b>	<b>7,296.8</b>	<b>44,978.9</b>
12	Other Comprehensive income	(3.0)	(3.1)	(24.3)	(54.7)
<b>13</b>	<b>Total Comprehensive Income (11+12)</b>	<b>14,899.7</b>	<b>10,784.6</b>	<b>7,272.5</b>	<b>44,924.2</b>
14	Paid-up Equity Share Capital (Face Value Rs. 10/- per Equity Share)	59,945.0	59,945.0	59,945.0	59,945.0
<b>15</b>	<b>Earnings Per Share</b>				
	a) Basic (Rs)	2.49	1.80	1.22	7.50
	b) Diluted (Rs) * (Refer Note 6)	2.49	1.37	0.98	5.70
	See accompanying notes to the Financial Results				

\* Quarterly numbers are not annualised.



# Results, contd..



1. Pursuant to various changes in the constitution of the board of directors and the Audit Committee during earlier quarters, the Audit Committee continues to remain dissolved due to inadequacy of independent directors. In the meeting of the board of directors held on September 7, 2016, two additional independent directors have been inducted into the Company's board after receipt of requisite approvals, and the Company is in the process of reconstituting the Audit Committee. Pending such reconstitution, these unaudited financial results have not been subjected to review by the audit committee as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on legal advice obtained by the Company, the Board of Directors of the Company has approved the financial results at their meeting held on September 7, 2016, and no material adjustments or consequences are expected in relation to this matter, affecting these financial results.
2. Pursuant to notification issued by Ministry of Corporate Affairs dated, February 16, 2016 notifying the Companies (Indian Accounting Standards) Rules, 2015, the Company has early-adopted Indian Accounting Standards ("Ind-AS") applying a transition date of April 1, 2015. Accordingly, the results for the quarter ended June 30, 2016 are in compliance with the recognition and measurement principles of Ind-AS (prescribed under Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016), with effect from April 1, 2016. Based on the SEBI Circular CIR/CFD/FAC/62/2016 dated July 5, 2016, the Company has opted to present the results for the comparative periods, being the quarter ended June 30, 2015 and the quarter and year ended March 31, 2016, restated under Ind-AS to make them comparable. Such comparative information in the accompanying statement of unaudited financial results have not been subjected to limited review or audit as permitted by the aforesaid circular. However, the management has exercised due diligence to ensure that the financial results presents a true and fair view of its affairs.
3. The Company is managed as a single operating unit that primarily provides air transportation services.
4. The Company had received amounts aggregating Rs 57,908.9 lakhs from Mr. Kalanithi Maran and M/S KAL Airways Private Limited ("erstwhile promoters") as advance money towards proposed allotment of certain securities, to be adjusted at the time those securities were to be issued. These securities were in the nature of 189,091,378 share warrants and 3,750,000 non-convertible cumulative redeemable preference shares, which were to be issued to the erstwhile promoters, based on shareholders' / board's resolution approving the issuance of such securities.





# Results, contd..



During the quarter ended March 31, 2016, the erstwhile promoters had sought certain relief under Section 9 of the Arbitration and Reconciliation Act, 1996 pending initiation of arbitration proceedings with respect to non-allotment of the said securities vide a petition filed before the Hon'ble High Court of Delhi ("Court"). As part of the proceedings before the Ld. Single Judge, the Bombay Stock Exchange clarified that the issuance of the warrants under previously agreed terms has become an impossibility in law. Further, the Court, in its order dated on July 29, 2016, without expressing anything on the merits of the dispute, ordered the Company to deposit the amount of Rs 57,900 lakhs with the Court, in 5 equal monthly instalments, and directed the parties to take necessary steps for the purpose of constitution of an arbitral tribunal.

The Company has preferred an appeal against this order, which is pending disposal before the Hon'ble Division Bench of the Court. Based on the submissions made by the parties during the appeal proceedings, and legal advice obtained, management believes that no amounts are due under the original order, until disposal of the appeal by the Division Bench. In view of the foregoing, and the averments made before the Hon'ble Division Bench, by the Company, no amounts have been deposited with the Court till date.

In view of the uncertainties involved as explained above, management believes that the manner, timing and other related aspects of adjustment of these amounts, are currently not determinable. The effects of this matter may attract the consequent provisions (including penal provisions) of applicable rules, including deeming provisions, relating to acceptance of deposits. Based on their assessment and legal advice obtained, management is of the view that any possible consequential effects, including penal consequences and any compounding thereof, will not have a material impact on the unaudited financial results of the Company. Accordingly, no adjustments have been made for any such consequential penal effects in this regard.

5. The loss on account of damages to aircraft and consequent insurance compensation receivable were disclosed as an extraordinary item (net), in the financial results of the Company for the quarter and year ended March 31, 2016, prepared under Indian GAAP at that time. In view of the nature and size of the amounts involved and applicable requirements of Ind-AS, these been disclosed as exceptional items for the relevant comparative periods, in the accompanying statement of unaudited financial results.

6. Having regard to the status of the matters relating to the allotment and conversion of share warrants, as stated in Note 4, it is not possible to determine the dilutive effect, if any, of those on Diluted Earnings Per Share calculations. Accordingly, diluted earnings per share for the quarter ended June 30, 2016 is determined after considering only the potential dilutive ordinary equity shares arising out of unexpired stock options. However, for the comparable periods presented in the accompanying statement of unaudited financial results, Diluted earnings per share additionally considered dilutive potential ordinary shares arising from allotment and conversion of share warrants referred to in Note 4 above, into equity shares, based on management's expectation of the outcome of such instruments, at the time of finalisation of results for those comparative periods.



# Results, contd..



7. As at June 30, 2016, the Company has accumulated losses of Rs. 248,275.6 lakhs against shareholders' funds of Rs. 159,375.4 lakhs. As of this date, the Company's total liabilities (also refer Note 4) exceed its total assets by Rs. 88,900.2 lakhs. Historically, the Company's financial results were adversely affected by various market factors and their consequent effects on the Company's operations, which have been further affected by the order of the Court described as part of Note 4, requiring the Company to deposit Rs 57,900 lakhs with the Court. These factors result in a material uncertainty that may cause significant doubt about the Company's ability to continue as a going concern.

Over the last six quarters, the Company has undertaken various operating and financial measures, and continues to negotiate with counter-parties for improved commercial terms and favorable financing arrangements, in order to improve its liquidity position. These measures as well as improvement in the macroeconomic conditions for the airline industry in the markets in which the Company operates, are expected to increase operational efficiency and maintain profitability. The Company has generated operating cash flows since the quarter ended June 2015, and has earned profits of Rs. 14,902.7 lakhs for the quarter ended June 30, 2016. In view of the foregoing, management is of the view that the Company will be able to sustain profitable operations and raise funds as necessary to meet its liabilities as they fall due. Also for the reasons stated in Note 4, no amounts have been deposited with the Court till date. Accordingly, these unaudited financial results have been prepared on the basis that the Company will continue as a going concern for the foreseeable future.

8. Consequent to transition from the Previous GAAP to Ind AS, the reconciliation of profit is provided as below for the previous periods in accordance with the requirements of paragraph 32 of Ind AS 101 – First time adoption of Ind AS.

Particulars	For the quarter ended March 31, 2016	For the quarter ended June 30, 2015	For the year ended March 31, 2016
<b>Net profit under IGAAP</b>	<b>7,318.4</b>	<b>7,184.7</b>	<b>40,719.9</b>
<b>Impact on account of:</b>			
Actuarial loss on defined employee benefit plans recognised in Other Comprehensive Income	3.1	24.3	54.7
Reversal of provision for maintenance cost in respect of finance-leased aircraft, net of additional depreciation on overhaul component relating to such aircraft	3,014.0	328.2	4,111.3
Adjustments on account of recognition and measurement of Financial Instruments at fair value (net)	422.3	(239.4)	69.4
Measurement of Investments at fair value through Statement of profit and loss	44.8	-	46.4
Others	(14.9)	(1.0)	(22.8)
<b>Net profit for the period under Ind AS</b>	<b>10,787.7</b>	<b>7,296.8</b>	<b>44,978.9</b>



# Results, contd..



9. Previous periods' / year's figures have been regrouped / reclassified wherever considered necessary to conform to current periods' classification.

**For SpiceJet Limited**

**Place: Gurgaon, Haryana  
Date: September 7, 2016**

**Ajay Singh  
Chairman and Managing Director**



# Executive Summary



Amount in INR million

	LY	CY	FAV/-ADV
Capacity(ASKM)	2,830	3,884	37%
<b>Profit &amp; Loss summary</b>			
Total Income from operations	11,130	15,215	37%
Other Income	208	224	8%
Expenses	10,609	13,949	-31%
EAT	730	1,490	104%
EBITDA	1,464	2,148	47%
EBITDAR	3,080	4,743	54%
<b>Key Performance Indices</b>			
Revenue / ASK	4.01	3.98	-1%
Expenses / ASK	3.75	3.59	4%
Load Factor (RPKM/ASKM)	89.8%	92.5%	3%
Fare (PAX rev/Pax )	3,715	3,605	-3%
PAX RASK	3.55	3.46	-2%
EBITDAR margin	27%	31%	13%
EBITDA margin	13%	14%	8%
EAT margin	6%	10%	50%



# Revenue Breakup



Amount in INR million

	LY	CY	FAV/-ADV
Capacity(ASKM)	2,830	3,884	37%
Revenue details			
PAX Revenue	10,042	13,445	34%
Ancillary Revenue	998	1,640	64%
Total	11,040	15,085	37%
Key Performance Indices			
Load Factor (RPKM/ASKM)	89.8%	92.5%	3%
Fare (Pax rev/Pax )	3,715	3,605	-3%
Total RASK	4.01	3.98	-1%
PAX RASK	3.55	3.46	-2%



# Expense Breakup

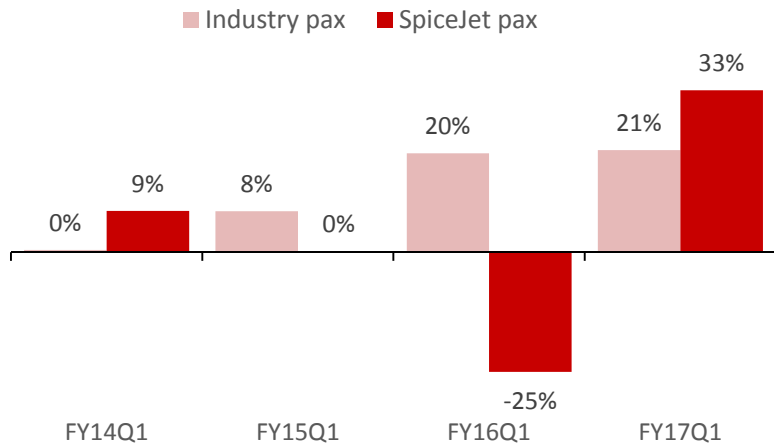


Amount in INR million

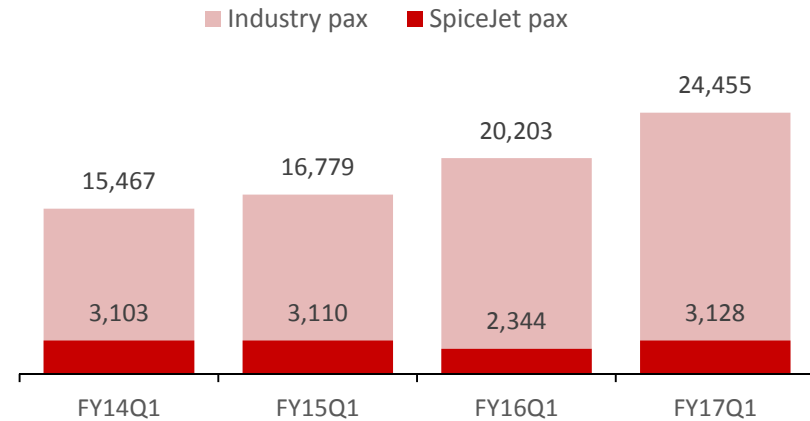
	LY	CY	FAV/-ADV
<b>Expense summary</b>			
Capacity(ASKM)	2,830	3,884	37%
<b>Expense details</b>			
Aircraft Fuel	3,589	3,997	-11%
Aircraft Lease Rentals	1,616	2,595	-61%
Airport Charges	827	1,120	-35%
Aircraft Maintenance	1,267	1,972	-56%
Aircraft Redelivery Expenses	24	31	-32%
Other Operating Costs	411	568	-38%
Employee Benefits Expense	1,156	1,475	-28%
Depreciation and Amortisation Expense	448	449	0%
Other Expenses	985	1,534	-56%
Finance Costs	286	209	27%
<b>Total Expenses</b>	<b>10,609</b>	<b>13,949</b>	<b>-31%</b>
<b>Key Performance Indices</b>			
Total CASK	3.75	3.59	4%
Fuel CASK	1.27	1.03	19%
Other CASK	2.48	2.56	-3%



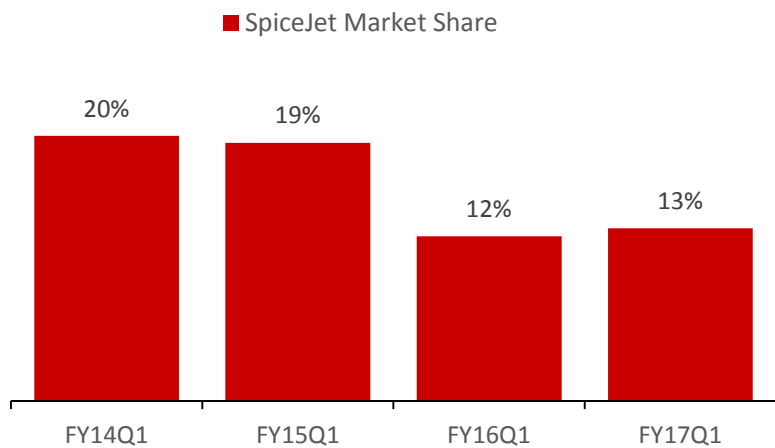
# Aviation Market (Domestic)



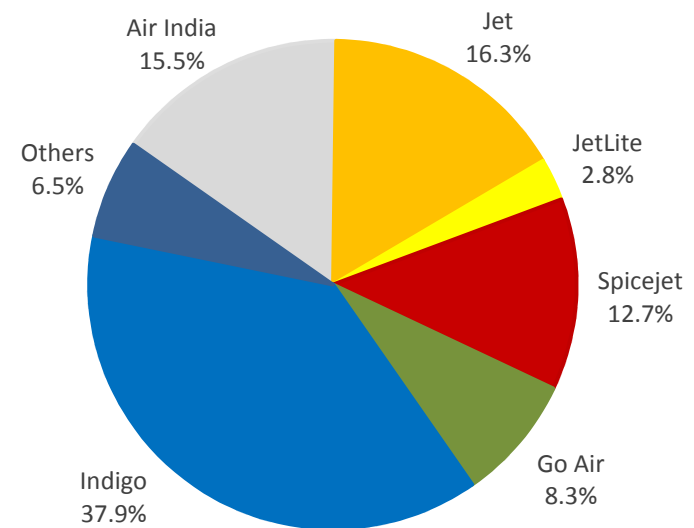
% Passenger growth (YoY)



Passenger in thousands

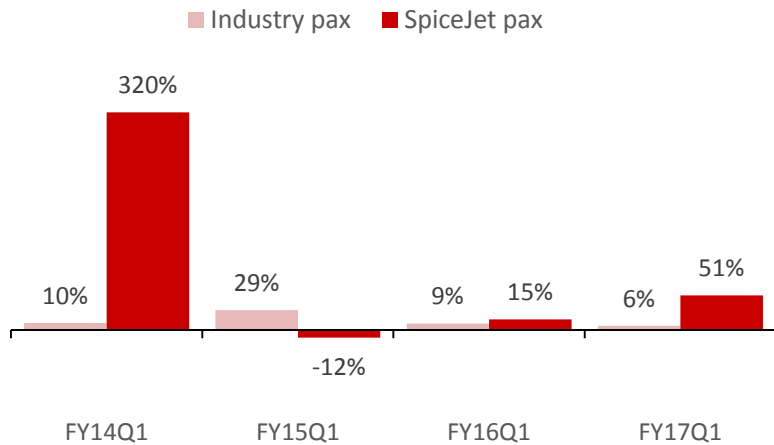


% Domestic market – quarter ending

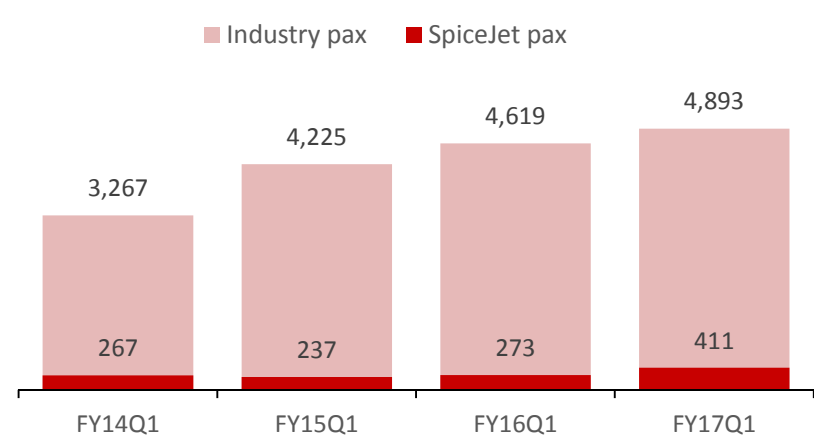




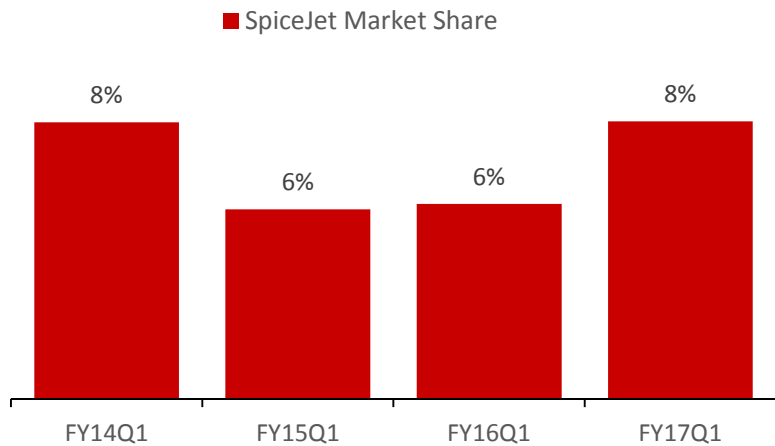
# Aviation Market (International)



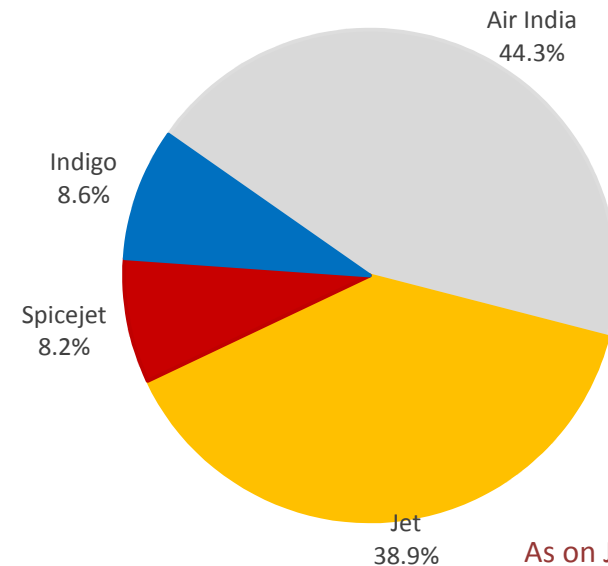
% Passenger growth (YoY)



Passenger in thousands



% Domestic market – quarter ending

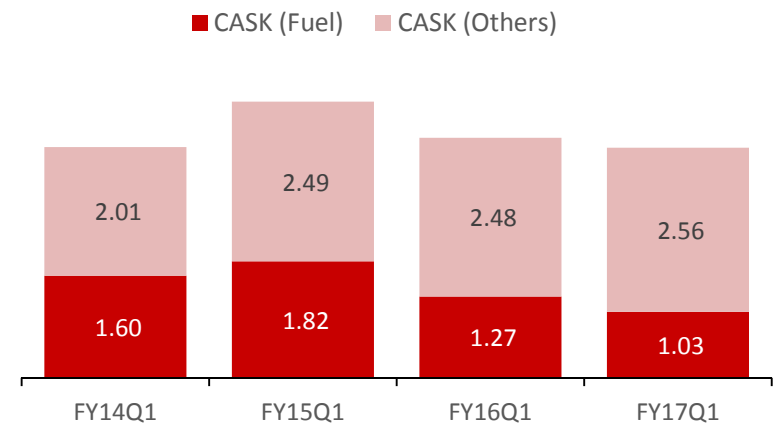
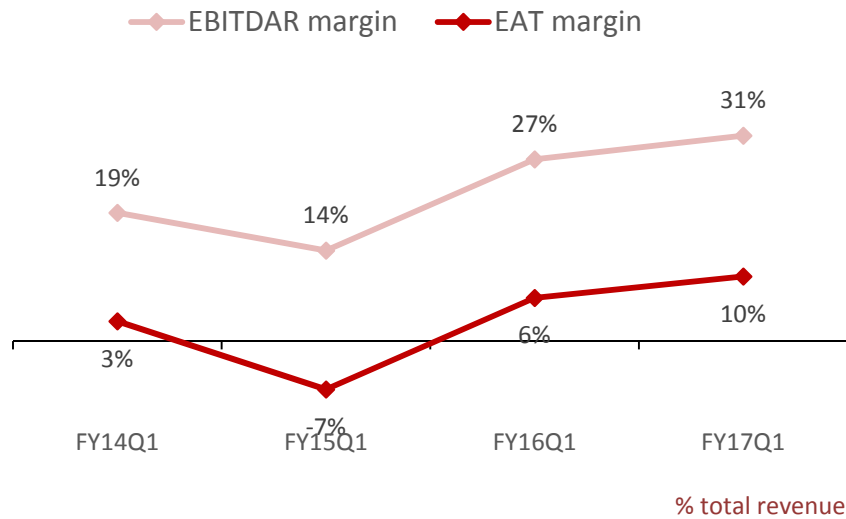
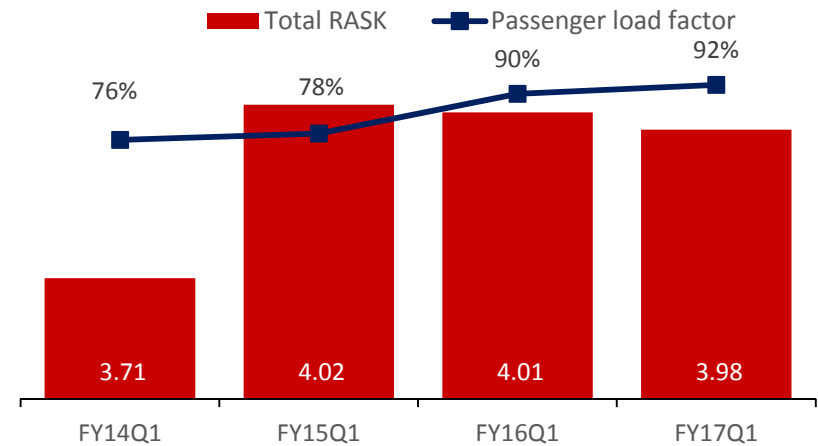
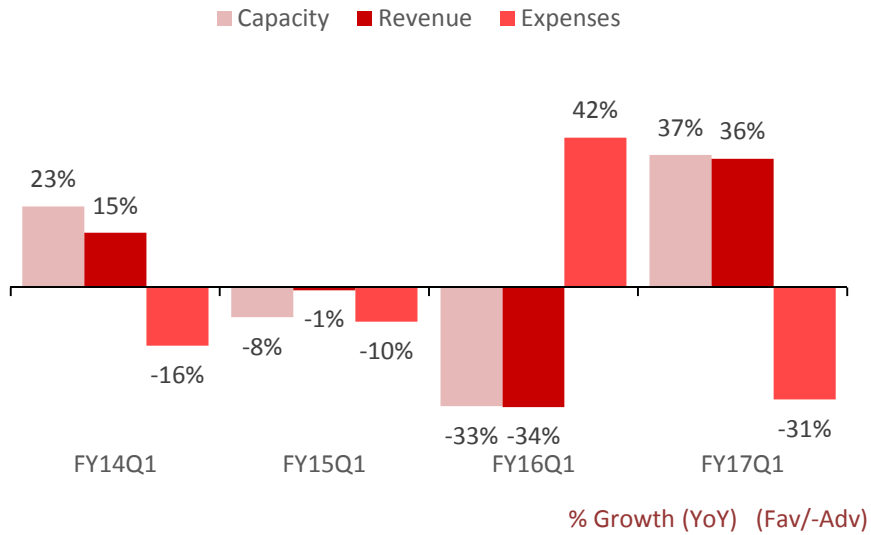


As on Jun'16





# Key Indicators



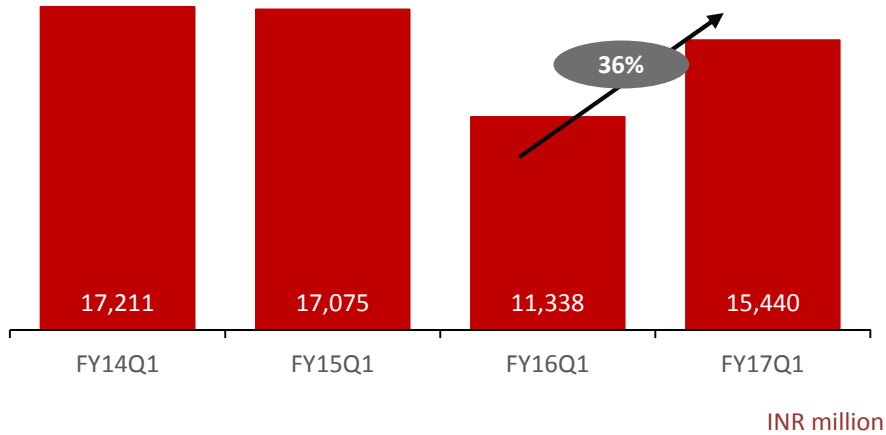
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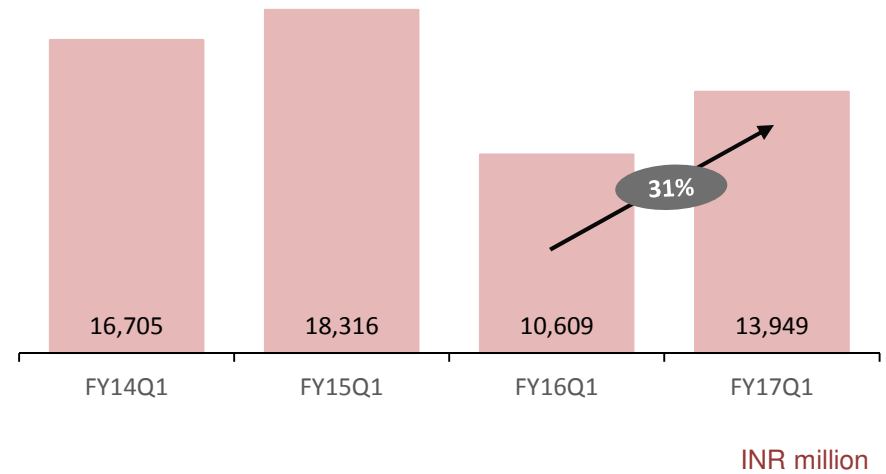
# Financial Highlights



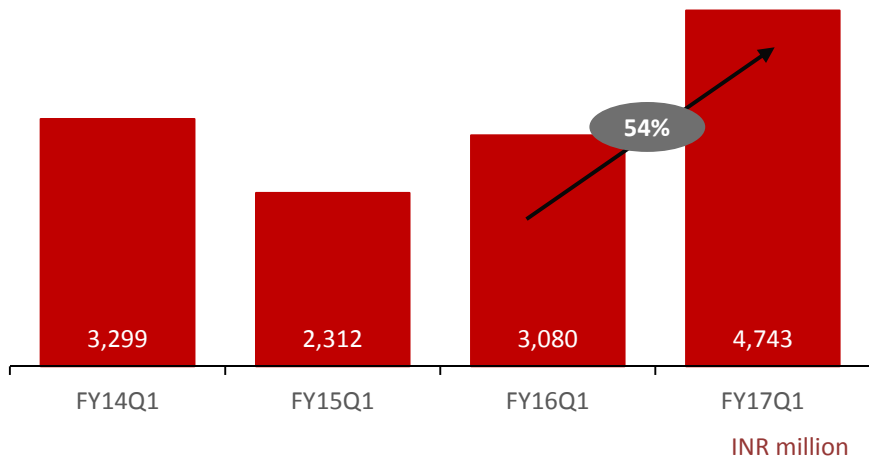
Total Revenue



Total Expenses



EBITDAR



EAT

