



SpiceJet
Investor Presentation
Q1 FY19



Disclaimer



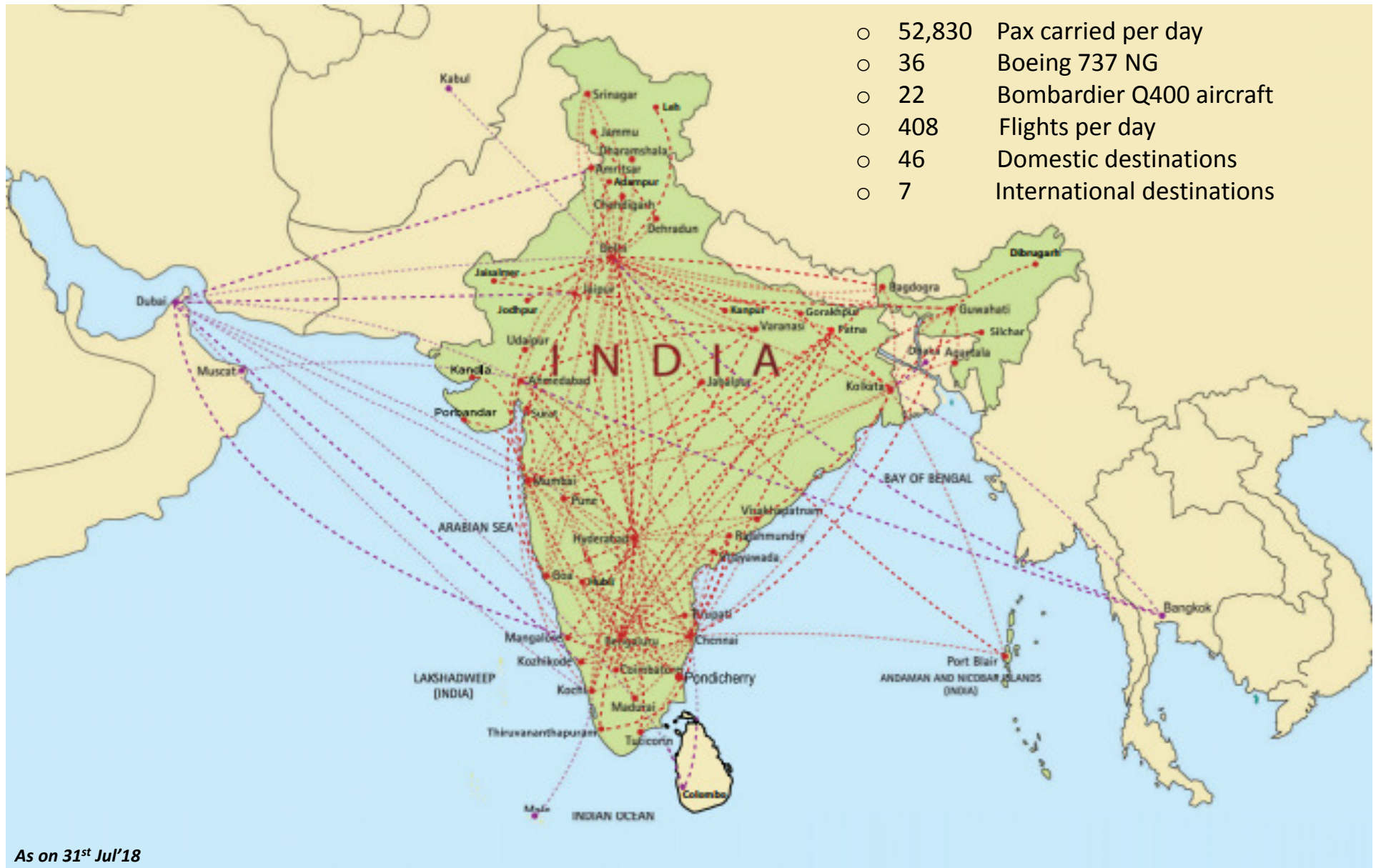
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In addition, certain statements contains our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. 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



As on 31st Jul'18



QUARTER HIGHLIGHTS

Q1 FY19



Management Comments



SpiceJet reports a net profit of INR 25.4 crore before exceptional item

For the quarter ending June 30, 2018

- 14th consecutive quarter of operating profit
- Operating profit of INR 50.6 Crore
- PAT before exceptional item of INR 25.4 Crore
- A provision of INR 63.5 Crore for Arbitration order; Loss after exceptional item of INR 38.1 Crore
- A notional provision of INR 25.2 Crore towards revaluation of FOREX obligations

Key financial highlights for the Quarter

- Capacity up by 14%
- Income up by 20%
- 4% growth in passenger yields
- Registers record domestic load factor of 94.53%

Key operating highlights

- SpiceJet has clocked the highest PLF in Indian skies for a record 39 successive months
- Launched four new routes under UDAN in the April-June Quarter
- Flights operational on all sectors allotted under UDAN I

Gurugram, August 14, 2018: SpiceJet, for the Quarter ending June 2018, reported a net profit of INR 25.4 crore before exceptional item; registering its 14th consecutive profitable quarter excluding exceptional item. The company has taken a provision of INR 63.5 Crore as an exceptional item on account of an arbitration award that cited interest payable of INR 92.5 Crore and interest receivable of INR 29 crore for SpiceJet. With this one time provision, SpiceJet has now fully provided for the maximum amount that may be payable under the arbitration award.

In addition to the above exceptional item, SpiceJet accounted for INR 51 Crore as forex losses (that includes the provision of INR 25.2 Crore of aforesaid forex revaluation) due to the depreciation of the Indian Rupee.



Management Comments, contd...



Income was INR 2,270.8 crore for the reported quarter as against INR 1,886.3 crore in the same quarter last year. For the same comparative period, expenses were INR 2,245.4 crore as against INR 1,711 Crore; EBITDA before exceptional items were INR 118.7 Crore as against INR 248.4 Crore; EBITDAR before exceptional items were INR 398.4 Crore as against INR 479.4 Crore.

The Company additionally paid an amount of INR 203 Crores on account of increase in cost of Aviation Turbine Fuel and an amount of INR 44 Crores on account of forex losses as compared to Q1 2017. A superior revenue performance ensured that an amount of INR 99 Crores of these losses was offset by an increase in revenue.

In percentage terms, income per ASKM grew by 6% as compared to same quarter last year due to increase in passenger load factor, and an increase in average fares and ancillary revenues; operating expenses per ASKM increased by 15% on account of 34% increase in ATF and 4% increase in exchange rate.

While the industry has been plagued with adverse macroeconomic conditions in the form of rising crude oil prices and weakening rupee, SpiceJet was able to demonstrate a superior revenue performance to overcome this drag and has been able to generate positive cash flow.

Ajay Singh, Chairman and Managing Director, SpiceJet, said, “SpiceJet has delivered yet another operational profitable quarter despite surging oil prices and a weak rupee. As we start inducting the new fuel-efficient B737 MAX and the Bombardier Q400, we will be able to significantly reduce our overall costs even as we aggressively expand our network both in India and overseas. We are confident that our operating model is robust to deal with this current unfavorable macro-economic headwinds”

In terms of operational parameters, SpiceJet had the best passenger load factor amongst all airlines in the country during the quarter. The average domestic load factor for the quarter was 94.53%. For 39 months in a row, SpiceJet has flown with the highest load factors in the Indian aviation market and for 38 months in a row the loads have been in excess of 90%, a feat unparalleled globally.

During the quarter, SpiceJet launched Spice Star Academy a first of its kind initiative by any airline where students will be offered a Bachelor of Business Administration degree recognized by UGC from Amity University along with a placement opportunity at SpiceJet. The state-of-the-art academy will nurture aspiring young men and women who wish to join the aviation industry through best-in-class training programs.

SpiceJet has been at the forefront driving the national agenda of UDAN or the regional connectivity scheme. During the quarter, SpiceJet launched four new routes namely Hubli – Chennai, Hubli – Hyderabad, Adampur – Delhi and Kanpur – Delhi. The airline now operates on all sectors allotted under UDAN I and has also begun operations to airports like Hubli, bagged under UDAN II.



Management Comments, contd...



SpiceJet currently operates 15 flights under UDAN on the routes of - Mumbai-Porbandar, Mumbai-Kandla-Mumbai, Hyderabad-Puducherry-Hyderabad, Jaipur-Jaisalmer-Jaipur, Delhi-Adampur-Delhi, Chennai-Hubli-Chennai and Hyderabad-Hubli-Hyderabad.

Key Business Updates

SpiceJet is poised to induct 15 aircraft till December 2018. These include 11 737MAX and 4 Bombardier Q400s. As indicated, the 737 MAX shall reduce costs by 8 - 9% as compared to the previous generation and the new generation Q400s with additional seating capacity is expected to improve the overall operating economics of this aircraft by 15 – 18%. This will also enhance capacities in the regional and UDAN routes.

About SpiceJet Limited

SpiceJet is India's favourite airline that has made flying affordable for more Indians than ever before. SpiceJet operates 412 average daily flights to 55 destinations, including 48 domestic and 7 international ones. The airline connects its network with a fleet of 36 Boeing 737NG and 22 Bombardier Q-400s. The majority of the airline's fleet offers SpiceMax, the most spacious economy class seating in India.

SpiceJet's standing as the country's favourite airline has been further reinforced by the multiple awards and recognitions which includes the US-India Strategic Partnership Forum Leadership Award to Ajay Singh, , Global 'Low-Cost Leadership Award' conferred to Mr Singh at the Airline Strategy Awards 2018 in London, 'BML Munjal Awards 2018' for 'Business Excellence through Learning and Development', 'Best Domestic Airline' Award at Wings India 2018, 'EY Entrepreneur of the year 2017 for Business Transformation' by Ernst & Young, The CAPA Chairman's Order of Merit for fastest turnaround in FY 2016, 'Asia's Greatest Brands - 2016', 'Global Asian of the Year Award' & 'Asia's Greatest CFO 2016' at the AsiaOne Awards held in Singapore, 'World Travel Leaders Award' at WTM London, 'Best Check- in Initiative' award by Future Travel Experience global awards in Las Vegas, 'Best Domestic Airline' award at the 10th ASSOCHAM International Conference & Awards (Civil Aviation & Tourism).

For more information on the release, please contact:

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Results



Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2018					
(Rupees in millions except EPS information and unless otherwise stated)					
S.No.	Particulars	Quarter ended			Year ended
		Unaudited 30-Jun-18	Audited 31-Mar-18 (Refer Note 10)	Unaudited 30-Jun-17	Audited 31-Mar-18
1	Income from operations				
	a) Net Income from Operations	21,997.0	20,047.1	18,561.3	77,234.1
	b) Other Operating Income	361.2	246.0	134.0	716.8
	Total Income from operations	22,358.2	20,293.1	18,695.3	77,950.9
	Other Income	349.9	614.3	168.1	1,373.2
	Total Income	22,708.1	20,907.4	18,863.4	79,324.1
2	Expenses				
	a) Operating Expenses				
	- Aircraft Fuel	8,124.4	7,249.3	5,343.7	24,326.3
	- Aircraft Lease Rentals	2,796.7	2,980.5	2,309.3	10,369.1
	- Airport Charges	1,769.4	1,787.5	1,599.5	6,605.6
	- Aircraft Maintenance Costs	3,427.9	2,871.2	3,004.8	11,880.5
	- Other Operating Costs	656.8	567.6	613.8	2,384.1
	b) Employee Benefits Expense	2,478.2	2,260.3	1,965.0	8,625.6
	c) Depreciation and Amortisation Expense	630.9	591.0	561.0	2,312.0
	d) Other Expenses	2,267.3	1,881.2	1,544.1	6,232.4
	e) Finance Costs	302.4	257.3	169.9	921.9
	Total expenses	22,454.0	20,445.9	17,111.1	73,657.5
3	Profit / (loss) before exceptional items and tax (1-2)	254.1	461.5	1,752.3	5,666.6
4	Exceptional items, Net (Refer Note 5)	(634.7)	-	-	-
5	Profit / (Loss) before tax (3+4)	(380.6)	461.5	1,752.3	5,666.6



Results, contd...



Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2018					
(Rupees in millions except EPS information and unless otherwise stated)					
S.No.	Particulars	Quarter ended			Year ended
		Unaudited 30-Jun-18	Audited 31-Mar-18 (Refer Note 10)	Unaudited 30-Jun-17	Audited 31-Mar-18
6	Tax Expense	-	-	-	-
7	Net Profit / (Loss) for the period / year (5-6)	(380.6)	461.5	1,752.3	5,666.6
8	Other Comprehensive income (net of tax)				
	Items that will not be reclassified to profit or loss in subsequent periods				
	Remeasurement gains and (losses) on defined benefit obligations (net)	1.5	14.7	(3.6)	2.3
	Income tax impact	-	-	-	-
9	Total Comprehensive Income (7+8)	(379.1)	476.2	1,748.7	5,668.9
10	Other equity				(6,424.2)
11	Earnings Per Share				
	a) Basic (Rs)	(0.63)	0.77	2.92	9.45
	b) Diluted (Rs)	(0.63)	0.77	2.92	9.45
		Not Annualised			
	See accompanying notes to the Standalone Financial Results				



Results, contd..



1. As permitted under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has opted to submit the quarterly and year-to-date standalone financial results prepared under Ind-AS to the stock exchange in respect of the financial year 2018-19. The standalone financial results for the quarter ended June 30, 2018 have been reviewed by the Audit Committee and approved by the Board at their meeting held on August 14, 2018 and have been subjected to a limited review by the statutory auditors of the Company.

2. Based on internal reporting provided to the chief operating decision maker, the standalone financial results relate to “Air transport services” as the only segment of the Company.

3. The Company had, in earlier financial years, received amounts aggregating Rs.5,790.9 Million from Mr. Kalanithi Maran and M/s KAL Airways Private Limited (“erstwhile promoters”) as advance money towards proposed allotment of certain securities (189,091,378 share warrants and 3,750,000 non-convertible cumulative redeemable preference shares, issuable based on approvals to be obtained), to be adjusted at the time those securities were to be issued. Pursuant to the legal proceedings in this regard before the Hon’ble High Court of Delhi (“Court”) between the erstwhile promoters, the present promoter and the Company, the Company was required to secure an amount of Rs.3,290.9 Million through a bank guarantee in favour of the Registrar General of the Court (“Registrar”) and to deposit the balance amount of Rs.2,500.0 Million with the Registrar. The Company has complied with these requirements as at March 31, 2018.

The parties to the aforementioned litigation concurrently initiated arbitration proceedings before a three member arbitral tribunal (the “Tribunal”), and the Tribunal pronounced its final award on July 20, 2018 (the “Award”). The management is examining the various aspects of the Award, including the manner, timing and other related matters, and other options available to the Company. In terms of the Award, the Company is required to (a) refund an amount of approximately Rs.3,082.2 million to the counterparty, (b) explore the possibility of allotting preference shares in respect of approximately Rs.2,708.7 million, failing which, refund such amount to the counterparty, and (c) pay interest calculated to be Rs.924.7 million (being interest on the amount stated under (a) above, in terms of the Award). The amounts referred to under (a) and (b) above, aggregating Rs.5,790.9 million, continue to be carried as current liabilities. Any delays in complying with these requirements may attract further obligations. Further, the Company is entitled to receive from the counterparty, under the said Award, an amount of Rs.290.0 million of past interest/servicing charges. Also refer Note 5 below.

In view of the uncertainties prevailing at the relevant time, with regard to the proposed allotment of certain securities in the previous periods, it was not possible to determine the effect thereof, if any, on Diluted Earnings per share calculation for such periods.

Considering the matters arising out of the arbitral award, there is no further effect on the dilutive earnings per share calculations.



Results, contd..



4. The effects of the matter stated in Note 3 above may attract the consequent provisions (including penal provisions) of applicable provisions of law, 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), of past events and actions in relation to the foregoing, will not have a material impact on the financial results of the Company. Accordingly, no adjustments have been made for any such consequential penal effects in this regard.

5. Exceptional items, Net of Rs.634.7 million in the statement of unaudited financial results represent the net effect of (a) the interest payable of Rs.924.7 million and (b) interest/servicing charges receivable, of Rs.290.0 million, mentioned in Note 3 above, arising from the Award discussed therein. The Company's accounting for the above mentioned amount of Rs.634.7 million, net, is without prejudice to the rights and remedies the Company may have in the matter discussed in Note 3 above.

6. The Company has been consistently profitable for the last three financial years, as a result of which the negative net worth of Rs 14,852 million as at March 31, 2015 has substantially reduced to Rs 765.8 million as at June 30, 2018. The Company's net current liabilities have also reduced by similar amounts. The earlier position of negative net worth and net current liabilities was the result of historical market factors.

As a result of various operational, commercial and financial measures implemented over the last three years, the Company has significantly improved its liquidity position, and generated operating cash flows during that period. In view of the foregoing, and having regard to industry outlook in the markets in which the Company operates, management is of the view that the Company will be able to maintain profitable operations and raise funds as necessary, in order to meet its liabilities as they fall due. Accordingly, these financial results have been prepared on the basis that the Company will continue as a going concern for the foreseeable future.

7. Non-current assets include, Rs. 703.9 million paid under protest (including Rs 142.3 million paid during the current quarter) representing Integrated Goods and Services Tax and Basic Customs duty, on overseas repairs and replacement of various aircraft equipment, which in the opinion of management and based on expert advise obtained, is not subject to such levy. Accordingly, these amounts have been considered as recoverable and no further adjustments have been made in this regard as at June 30, 2018.

8. Effective April 1, 2018, the Company has adopted Ind AS 115 Revenue from Contracts with customers under the modified retrospective approach without adjustment of comparatives. The Standard is applied to contracts that remain in force as at April 1, 2018. The application of the standard did not have any significant impact on the retained earnings as at April 1, 2018 and financial results for the current quarter.



Results, contd..



9. Other expenses include foreign exchange loss (net) for the quarter ended June 30, 2018 amounting to Rs. 509.1 million (Quarter ended March 31, 2018 - Rs. 159.5 million, quarter ended June 30, 2017 - Rs. 68.6 million and year ended March 31, 2018 - Rs. 214.9 million).

10. The results for the quarter ended March 31, 2018 are the balancing figures between the audited figures for the full financial year ended March 31, 2018 and unaudited year-to-date figures for the 9-month period ended December 31, 2017.

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

For SpiceJet Limited

**Place: Gurugram, Haryana
Date: August 14, 2018**

**Ajay Singh
Chairman and Managing Director**



Executive Summary



Amt in INR million (Qtrly)

	CY	LY	FAV/-ADV
Capacity(ASKM)	5,208	4,569	14%
Profit & Loss summary			
Total Income from operations	22,358	18,695	20%
Other Income	350	168	108%
Expenses	22,454	17,111	-31%
EBITDAR	3,984	4,793	-17%
EBITDA	1,187	2,483	-52%
EAT (<i>without exceptional items</i>)	254	1,752	-85%
Exceptional items	(635)		
EAT (<i>with exceptional items</i>)	(381)	1,752	-122%
Key Performance Indices *			
Revenue / ASKM	4.36	4.13	6%
Expenses / ASKM	4.31	3.74	-15%
EBITDAR margin	18%	25%	-7.9 pps
EBITDA margin	5%	13%	-7.9 pps
EAT margin (<i>without exceptional items</i>)	1%	9%	-8.2 pps

* Excludes exceptional items

CY: Current year ; LY: Last year ; ASKM: Available seat kilometers ; RPKM: Revenue passenger kilometers ;
 RASK: Revenue per ASKM ; CASK: Cost per ASKM



Revenue Breakup



Amt in INR million (Qtrly)

	CY	LY	FAV/-ADV
Capacity(ASKM)	5,208	4,569	14%
Revenue details			
PAX Revenue	20,025	16,919	18%
Ancillary Revenue	2,143	1,669	28%
Other Operating Revenue	190	107	77%
Other Income	350	168	108%
Total	22,708	18,863	20%
Key Performance Indices			
Load Factor (RPKM/ASKM)	94%	93%	0.5 pps
Fare (Pax rev/Pax)	4,098	3,943	4%
Total RASK	4.36	4.13	6%
PAX RASK	3.84	3.70	4%
Other RASK	0.52	0.43	21%



Expense Breakup

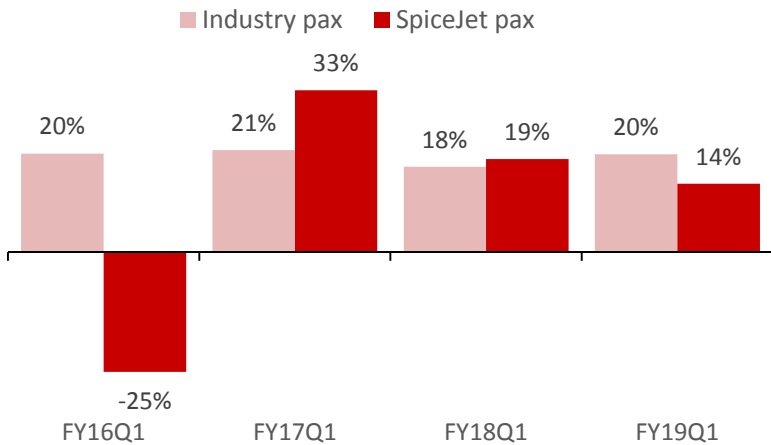


	<i>Amt in INR million (Qtrly)</i>		
	CY	LY	FAV/-ADV
Capacity(ASKM)	5,208	4,569	14%
Expense details			
Aircraft Fuel	8,124	5,344	-52%
Aircraft Lease Rentals	2,797	2,309	-21%
Airport Charges	1,769	1,600	-11%
Aircraft Maintenance	3,428	3,005	-14%
Other Operating Costs	657	614	-7%
Employee Benefits Expense	2,478	1,965	-26%
Depreciation and Amortisation Expense	631	561	-12%
Other Expenses	2,267	1,544	-47%
Finance Costs	302	170	-78%
Total Expenses	22,454	17,111	-31%
Key Performance Indices *			
Total CASK	4.31	3.74	-15%
Fuel CASK	1.56	1.17	-33%
Other CASK	2.75	2.58	-7%

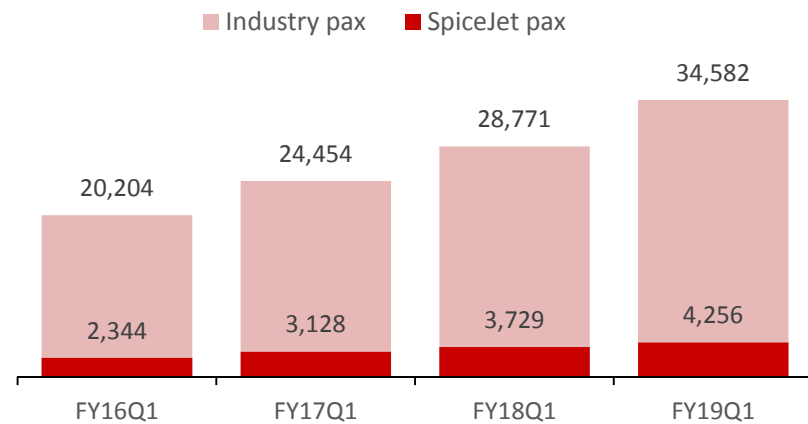
* Excludes exceptional items



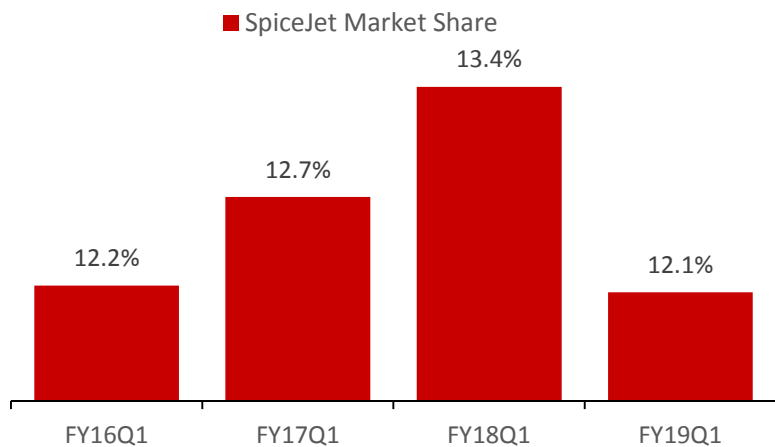
Aviation Market (Domestic)



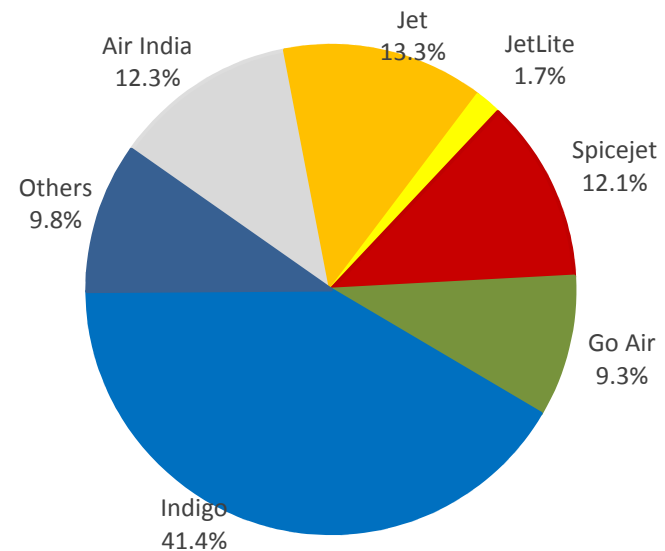
% Passenger growth (YoY)



Passenger in thousands

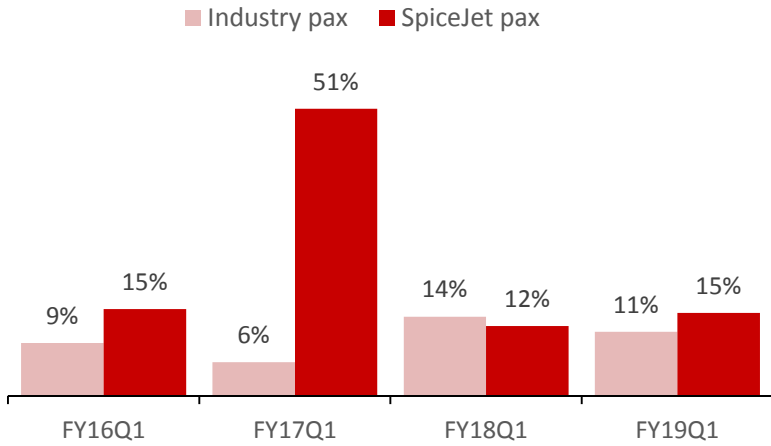


% Domestic market – quarter ending

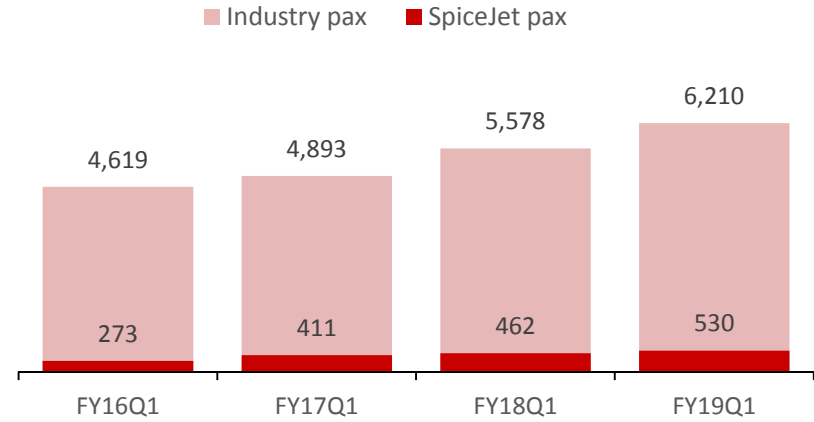




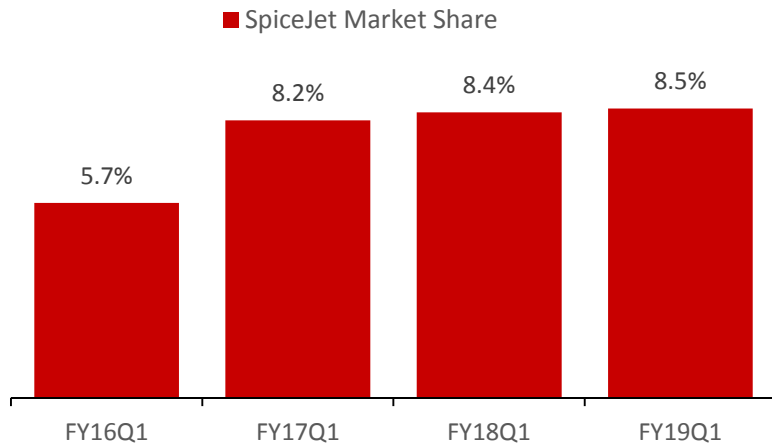
Aviation Market (International)



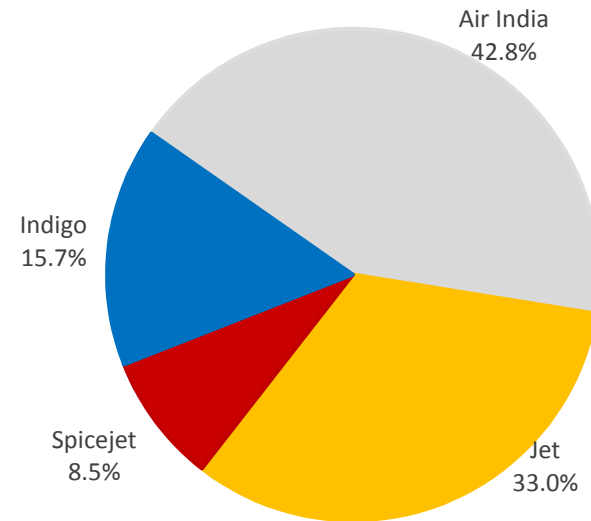
% Passenger growth (YoY)



Passenger in thousands



% Domestic market – quarter ending



As on Jun'18

Source: DGCA Statistics

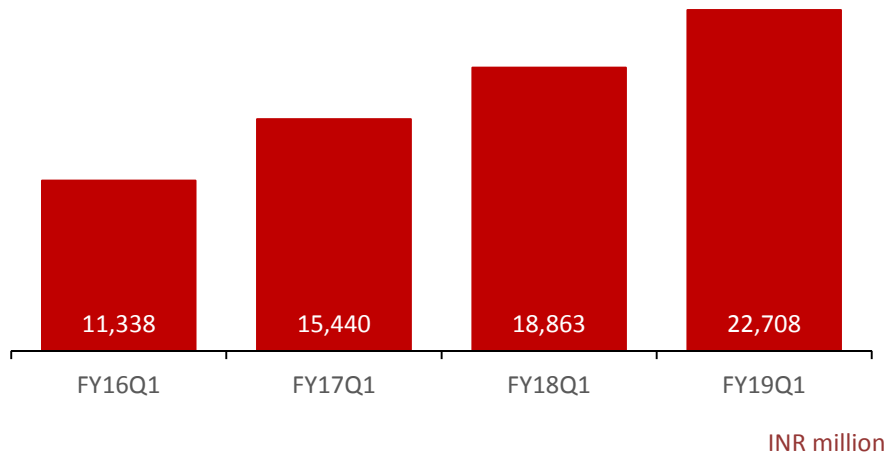


Financial Highlights

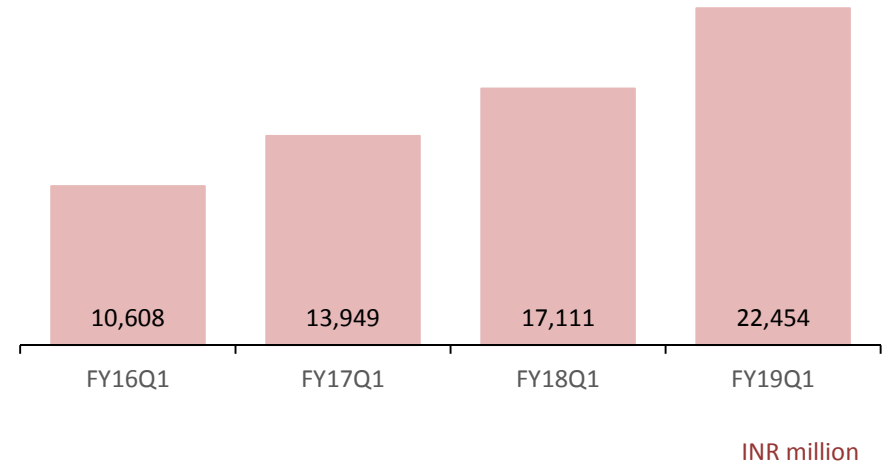
(excludes exceptional items)



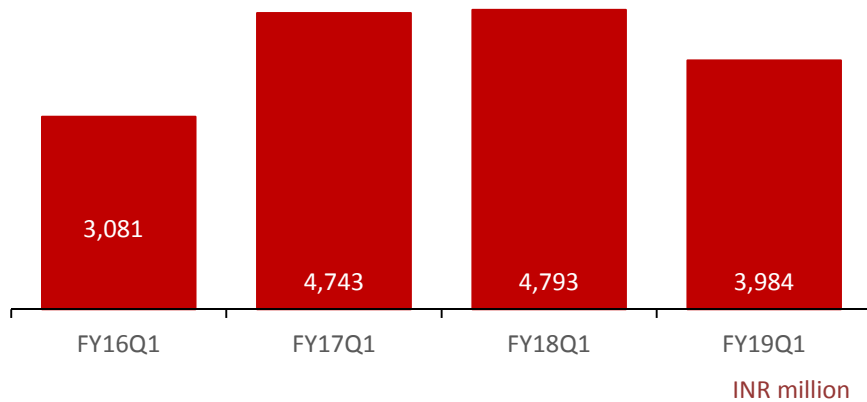
Total Revenue



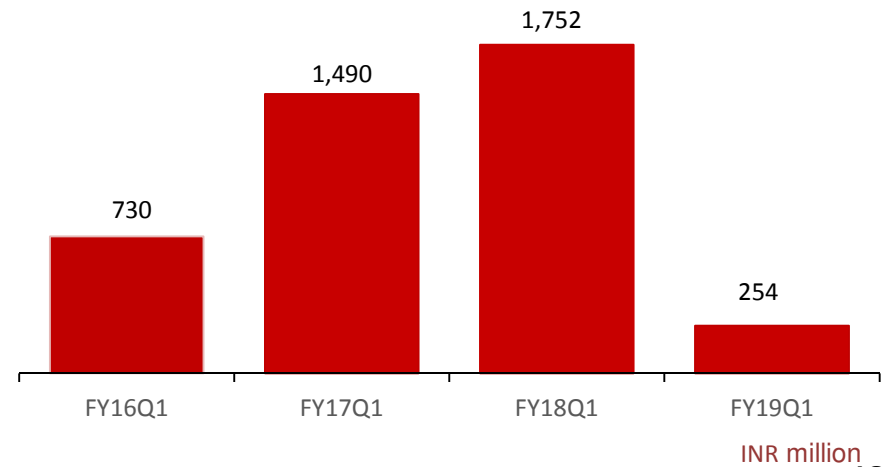
Total Expenses



EBITDAR



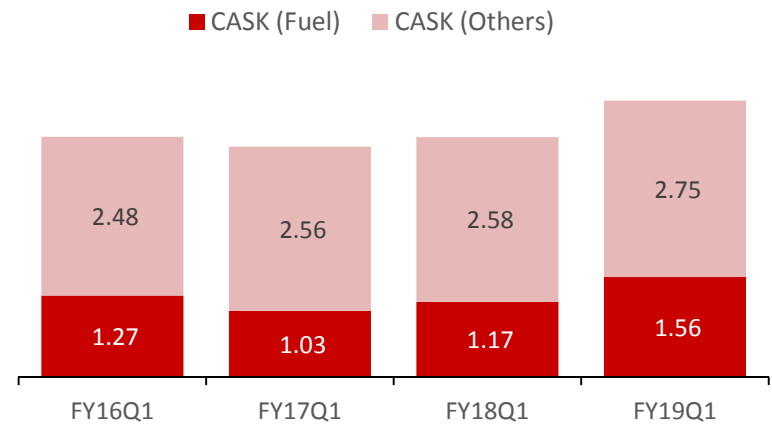
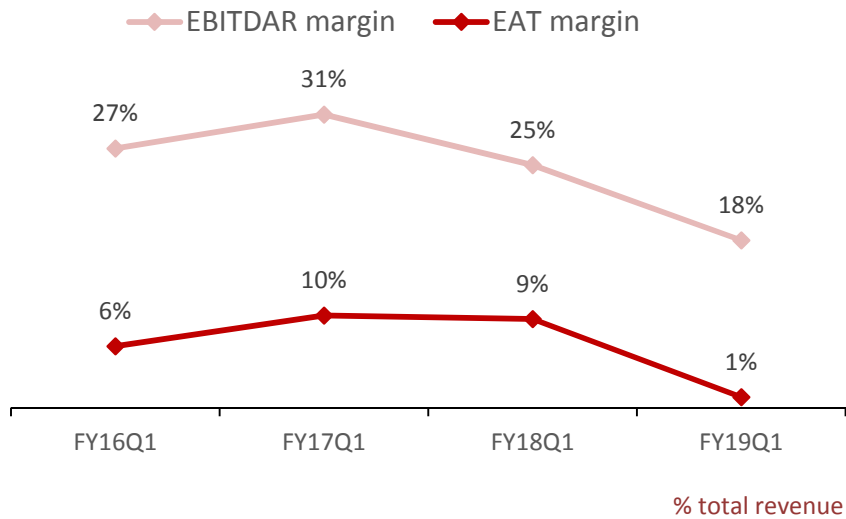
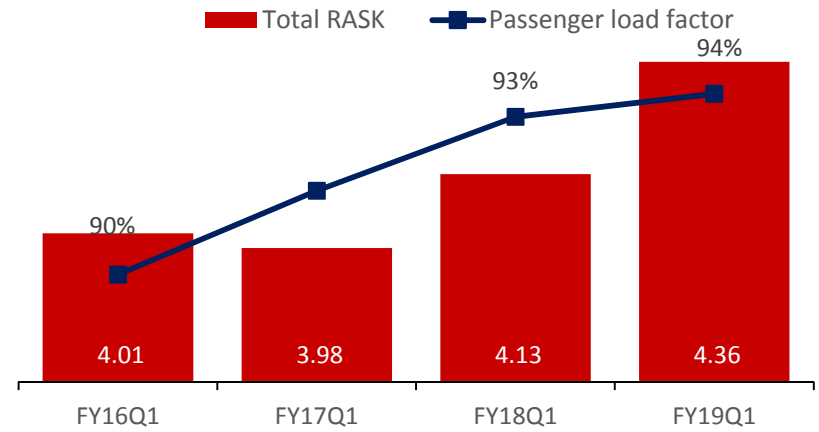
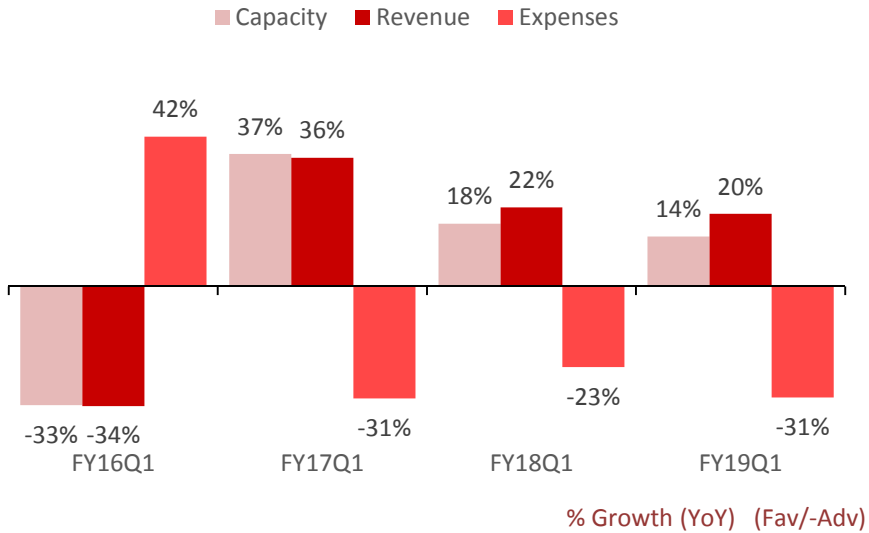
EAT





Key Indicators

(excludes exceptional items)



INR