SpiceJet Ltd — Jun 2025 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

The punchline. Read this first — it frames everything below.

Result: Inline (Stabilization phase) **One-line:** The thesis has transitioned from "Liquidity Crisis" to "Margin Recovery" as SpiceJet achieved a positive unit margin (RASK-CASK spread of □124) and restored positive Net Worth (□683 Cr), though the 29% YoY capacity collapse remains the primary hurdle to absolute profitability.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance / Prior Quarter	Inline	Completed promoter infusion of □500 Cr; cash levels stabilized at □708.8 Cr.	□
Earnings Quality	Moderate	Q4 operating profit of □318.6 Cr (implied); Annual PAT still negative due to Forex and grounded costs.	□
Guidance Confidence	Neutral	Strategic partnerships (StandardAero/Carlyle) show intent, but fleet ungrounding targets lack specific Q-on-Q timelines.	□
Management Credibility	Improving	Followed through on recapitalization and statutory clearance; Net Worth is now positive.	□
Business Quality Signal	Improving	Unit economics are robust; Yields surged 29% YoY to □576, proving brand pricing power.	□
Key Q&A Exchange	N/A — no concall	Section not applicable.	□
The Street's Primary Anxiety	Shrinking Footprint	Can the airline reclaim market share before competition permanently fills the 29% capacity gap?	□
Capital Cycle Stage	Recapitalization	Shifting from "debt-settlement" to "fleet-restoration" mode.	□
Margin / Return Ratio Trajectory	Improving	EBITDAR grew 15.6% YoY (Annual); Q4 RASK-CASK spread widened significantly YoY.	□
Pricing Power	Expanding	Passenger Yield up 28.9% YoY; Total RASK up 16.5% YoY.	□
FCF Conversion & Quality	Distorted	Cash consumed for fleet restoration and liability cleaning; CFO not disclosed in PPT.	□
Competitive Moat Signals	Stable	Retention of Haj mandates and high PLF (88%) indicates resilient demand despite lower fleet count.	□
Balance Sheet Strength	Adequate (Improved)	Net worth turned positive (□683 Cr) vs deep negative in prior years.	□
Working Capital Efficiency	Improving	Paydown of high-cost finance costs (-43.8% in Q4) and statutory settlements.	□
Mgmt Guidance Track Record	Mixed	Strong on fundraising; slow on fleet ungrounding (ASKM still down 29% YoY).	□
Key Vulnerability / Red Flag	Capacity Decline	ASKM down from 3,610M to 2,557M YoY; a 29% smaller airline cannot support the same fixed cost base long-term.	□
Management Tone	N/A	Based on PPT: Operationally focused and engineering-centric.	□

Sentiment: □Positive

Key Takeaways (Positives & Negatives): * **Positives:** The airline is finally "unit profitable." Q4 RASK (□759) significantly outperformed CASK (□635), a massive improvement over the near-breakeven spread in Q4FY24.

The successful completion of the ₹500 Cr promoter infusion and the resulting positive Net Worth of ₹683 Cr removes the immediate threat of regulatory or insolvency-led shutdown. Yield growth (+29%) and load factors (88%) remain industry-leading, proving demand is not the bottleneck. * **Negatives:** Capacity remains the "achilles heel." ASKM (volume) is down 29% YoY, and market share is struggling to break past 3.4%. While unit margins are good, the absolute scale of the airline is shrinking, which increases the pressure on the remaining fleet to cover corporate overheads. * **The Street's Primary Concern:** Analysts are focused on the "missing fleet." Management's response via PPT is the Carlyle/StandardAero partnership, but the actual ungrounding pace remains opaque, with the fleet target table for year-end 2025 left blank in the presentation. * **Forward Watchpoint:** Monitor the "Other RASK" sustainability. It grew 10.2% to ₹1.94; any dip here would immediately compress the narrow unit margin.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: Concall not available — Mgmt Commentary column absent.

Metric	Current Qtr (Q4FY25)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Total Income	₹1,941.6 Cr	-17.5%	Not in doc	↓	Capacity cuts (ASKM -29%) outpaced by yield gains.
Revenue from Ops	₹1,446.4 Cr	-15.9%	Not in doc	↓	Pricing gains partially offset the volume drop.
PAT (Implied Q4)	₹318.6 Cr	NA	Not in doc	↑	Computed as Total Income minus Total Expenses.
EBITDAR (Annual)	₹1,635.4 Cr	+15.6%	Not in doc	↑	Improving core operational profitability.
RASK (Total INR)	7.59	+16.5%	Not in doc	↑	Driven by 28.9% hike in passenger yields.
CASK (Total INR)	6.35	+2.6%	Not in doc	↓	Cost control strong despite capacity shrinkage.
Load Factor (%)	88.0%	-356 bps	Not in doc	↓	Remains high but down from 92% YoY.
Passenger Yield (₹)	5.76	+28.9%	Not in doc	↑	Reflects aggressive pricing/yield management.
ASKM (Million)	2,557	-29.2%	+0.2%	→	Capacity is bottoming out; flat versus Q3.
Total Cash Balance	₹708.8 Cr	+153.4%	-4.0%	→	Stable post-settlement; includes ₹610.4 Cr free cash.
Fuel Cost (₹ Cr)	₹494.7 Cr	-33.7%	Not in doc	↑	Savings from lower capacity and -6.4% fuel CASK.
Finance Costs (₹ Cr)	₹100.5 Cr	-43.8%	Not in doc	↑	Significant reduction in interest/debt burden.
Net Worth (₹ Cr)	₹683.0 Cr	NA	Not in doc	↑	Successfully turned positive post-infusion.
Market Share %	3.38% (Mar)	Not in doc	-2.6%	↓	Down from 3.47% in Dec; competition eating share.

2B. SEGMENT BREAKDOWN

Segment	Revenue (□ Cr)	YoY Growth	Margin	Trend	vs Company Avg	Key Development
Pax Revenue	□1,446.4 Cr	-15.9%	Not in doc	↓	Average	Capacity-constrained; yield-driven performance.
Other Income	□495.2 Cr	-22.0%	Not in doc	↓	Underperformer	Includes ancillary and non-core RASK (1□94).
Haj Operations	Not in doc	NA	Not in doc	→	NA	Mandates secured for 4 cities for upcoming season.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Strategy	Fleet Restoration	Partnership with StandardAero & Carlyle for engine overhaul.	Need to unground 15+ aircraft to return to FY24 capacity.	Mixed; ASKM still down 29%.	High
Strategy	Network Expansion	Launched 24 new flights for Summer 2025.	Requires high utilization of the currently active fleet.	Delivered on summer slots.	Low
Strategy	Liability Management	Promoter completed □500 Cr infusion.	Completed as of March 2025.	Delivered.	Low
Strategy	Certification	Renew IOSA safety certification.	Done; globally recognized benchmark achieved.	Delivered.	Low
Balance	Net Worth	Restore positive Net Worth.	Achieved □683 Cr as of March 2025.	Delivered.	Low

(N/A — no concall conducted or available.)

4. ANALYST Q&A

Section not applicable — investor presentation only. No concall conducted or available.

5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q3 FY25)	This Quarter (Q4 FY25)	Direction
Net Worth	Deeply Negative (Distressed)	□683 Cr (Positive)	↑
Promoter Infusion	Ongoing Tranches	Completed (□500 Cr total)	↑
RASK-CASK Spread	Not highlighted	1□24 (Positive per-unit margin)	↑
Unit Revenue (RASK)	Not provided	7□59 (+16.5% YoY)	↑
Market Share	3.47% (Dec-24)	3.38% (Mar-25)	↓
On-Time Performance	61.5% (Dec-24)	72.1% (Feb) / ~70% (Mar)	↑
Free Cash Balance	□656.3 Cr	□610.4 Cr	↓
Credit Rating	Upgraded to B+/BB-	Ratings reaffirmed/maintained	→
Finance Costs	□178.8 Cr (est)	□100.5 Cr (44% YoY reduction)	↑

STOP HERE.