SpiceJet Ltd — Nov 2025 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

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

Result: Weak Miss (Crisis phase) **One-line:** The "restoration" thesis has effectively collapsed this quarter as unit losses widened by 227% (from □-1.09 to □-3.57 spread), driven by a simultaneous crash in yields and a massive spike in non-operational costs.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance / Prior Quarter	Weak Miss	PAT loss deepened from □238 Cr to □635 Cr QoQ; Revenue fell 31%.	□
Earnings Quality	Low	13% of CASK (□1.06) driven by Forex; EBITDAR is now deeply negative (-□392 Cr).	□
Guidance Confidence	Weak	Capacity (ASKM) fell 18% QoQ despite "Ungrounding CASK" increasing.	□
Management Credibility	Weak	Unable to stop the bleed; cost of grounded aircraft is rising, not falling.	□
Business Quality Signal	Deteriorating	Negative operating leverage is extreme; RASK-CASK spread is now -76% of RASK.	□
Key Q&A Exchange	N/A — PPT_ONLY	Section not applicable.	□
The Street's Primary Anxiety	Solvency/Liquidity	How long can the recapitalization funds last at a □635 Cr/ quarter burn rate?	□
Capital Cycle Stage	Distressed	Consuming capital to maintain a shrinking, inefficient network.	□
Margin / Return Ratio Trajectory	Deteriorating	EBITDAR margin moved from near-breakeven to profoundly negative.	□
Pricing Power	Eroding	Passenger yields collapsed 14.5% QoQ (□5.32 to □4.55).	□
FCF Conversion & Quality	Distorted	Massive cash burn; ungrounding costs (□0.17 CASK) yielding no volume growth.	□
Competitive Moat Signals	Vanishing	Load factors falling (84.2%) alongside shrinking capacity; losing relevance.	□
Balance Sheet Strength	Stressed	Net worth likely turning negative again as losses exceed capital infusion.	□
Working Capital Efficiency	Deteriorating	Grounded Aircraft CASK rose 48% QoQ to □0.68; paying for "dead" assets.	□
Mgmt Guidance Track Record	Poor	Capacity restoration is moving backward (ASKM down 18% QoQ).	□
Key Vulnerability / Red Flag	Negative Unit Spread	The airline loses □3.57 for every kilometer flown by a single seat.	□
Management Tone	N/A	Based on PPT: Purely technical, masking the severity of the operational tailspin.	□

Sentiment: □Negative

Key Takeaways (Positives & Negatives): * **Positives:** Transparency remains high regarding the "Grounded" (₹0.68) and "Ungrounding" (₹0.17) CASK components, allowing analysts to isolate the specific cost of the legacy fleet issues. * **Negatives:** The business is in a freefall. Yields have dropped to ₹4.55 (vs ₹5.32 last quarter), while costs have ballooned to ₹8.23 CASK. The "Grounded Aircraft" drag is accelerating, costing the company ₹0.68 per ASKM—a 48% increase in inefficiency QoQ. Most alarmingly, capacity (ASKM) continues to shrink (-18% QoQ), meaning the airline is becoming a smaller, more expensive, and less profitable version of itself. * **The Street's Primary Concern:** The "Inversion Point." Management is spending money to unground planes (Ungrounding CASK is up 31% QoQ), yet the total flying capacity (ASKM) is falling. This suggests that for every aircraft being repaired, multiple others are being pulled from service or utilization is collapsing. * **Forward Watchpoint:** The depletion rate of the recent fundraise. At a quarterly loss of ₹635 Cr, any capital buffer is being rapidly exhausted.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: Concall not available — Mgmt Commentary absent.

Metric	Current Qtr (Q2FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Total Income	₹1,190 Cr	-23%	-31.0%	↓	Volume decline combined with yield collapse.
Revenue from Ops	₹1,106 Cr	-14%	-29.2%	↓	Pax revenue hit by lower yields and fewer flights.
EBITDAR	-₹392 Cr	NA	NA	↓	Swung from positive in Q4 to deep negative.
PAT	-₹635 Cr	NA	NA	↓	Loss widened by 167% QoQ.
ASKM (Millions)	1,501.3*	-16%	-18.0%	↓	Capacity continues to shrink.
Load Factor (%)	84.2%	+120 bps	-170 bps	↓	Deteriorating even on a smaller base.
Pax Yield (₹)	4.55	0%	-14.5%	↓	Pricing power has entirely evaporated.
Total RASK (₹)	4.66	-8%	-14.8%	↓	Total revenue per unit falling.
Total CASK (₹)	8.23	+14%	+25.5%	↓	Costs spiraling out of control.
RASK-CASK Spread (₹)	(3.57)	-330%	-227.5%	↓	Unit economics are profoundly broken.
Fuel CASK (₹)	1.76	-14%	0.0%	→	Stable unit fuel cost; not the driver of loss.
CASK Ex-Fuel (₹)	6.48	+26%	+35.0%	↓	Fixed cost absorption is failing.
Grounded CASK (₹)	0.68	+51%	+47.8%	↓	The "dead weight" cost is accelerating.
Forex CASK (₹)	1.06	+864%	NA	↓	Massive currency tailwind in Q1 turned to headwind.
Finance Costs	₹113 Cr**	-39%	-15.0%	↑	Slight reduction in interest burden.

**Derived from Q1 ASKM (1,830.8M) less 18% QoQ decline. **Calculated from Expense Breakup %.*

2B. SEGMENT BREAKDOWN

Segment	Revenue (□ Cr)	YoY Growth	Margin	Trend	vs Company Avg	Key Development
Pax Operations	□1,106 Cr	-14%	Negative	↓	Inline	Yields stagnated YoY and fell 14% QoQ.
Other Income	□84 Cr	-72%	NA	↓	Underperformer	Non-operating income drying up.
Other RASK	□0.26	-67%	NA	↓	Underperformer	Ancillary revenue per seat collapsed from □0.39 QoQ.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Strategy	Fleet Restoration	Ungrounding aircraft (□0.17 CASK being spent).	Needs ASKM to grow >25% in Q3 just to reach Q1 levels.	**Missed**; ASKM fell 18% instead of rising.	High
Financials	Unit Profitability	Return to positive spread.	Requires Yield to rise by 78% or CASK to fall by 43%.	**Missed**; Spread worsened from -1.09 to -3.57.	High
Cost Control	Fixed Cost Absorption	Reducing grounded aircraft drag.	Grounded CASK needs to drop from 0.68 to <0.10.	**Missed**; Grounded CASK rose 48% QoQ.	High
Strategy	Yield Management	Sustaining yields above □5.00.	Requires immediate price hikes in a competitive market.	**Missed**; Yield fell to □4.55.	High
Macro	Forex Protection	Manage currency volatility.	N/A	**Missed**; Forex hit of □1.06 per ASKM.	High

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 (Q1FY26)	This Quarter (Q2FY26)	Direction
Net Loss	₹238 Cr	₹635 Cr	↓
Unit Loss (Spread)	-₹1.09	-₹3.57	↓
Passenger Yield	₹5.32	₹4.55	↓
Capacity (ASKM)	1,830.8 Million	1,501.3 Million (est)	↓
Grounded Aircraft Drag	₹0.46 CASK	₹0.68 CASK	↓
Forex Impact	-₹0.02 CASK (Gain)	₹1.06 CASK (Loss)	↓
Load Factor	85.9%	84.2%	↓
Total RASK	₹5.47	₹4.66	↓
Total CASK	₹6.56	₹8.23	↓
Ancillary Revenue	₹0.39 (Other RASK)	₹0.26 (Other RASK)	↓

Investor Notes: * **The Vicious Cycle:** We are seeing the worst-case scenario: shrinking capacity (ASKM -18%) leading to higher unit costs (CASK +25%), while simultaneously losing pricing power (Yield -14.5%). This suggests the network has lost its critical mass. * **The Ungrounding Paradox:** Management is spending more on ungrounding (₹0.17 vs ₹0.13), but the total flying fleet appears to be shrinking. The money is being spent, but the revenue-generating assets aren't appearing on the line. * **Forex Vulnerability:** The sudden ₹1.06 CASK hit from Forex shows the extreme vulnerability of the unhedged balance sheet to USD/INR fluctuations (88.77 vs 85.55). * **Conclusion:** The thesis has shifted from "Distressed Recovery" to "Survival Watch." The core business is currently structurally incapable of breaking even. Without a massive and immediate infusion of operational aircraft and a total reset of the cost base, the airline is on a path to total capital depletion.

STOP HERE.