SpiceJet Ltd — Sep 2024 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

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

Result: Inline (Strategic baseline) **One-line:** The thesis shifts from a terminal liquidity spiral to a high-stakes recapitalization play; success depends entirely on the execution of the □3,236 Cr fundraise to unground a fleet that has shrunk by 62% since 2019.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance	Inline	Performance is baseline; focus is on the □3,236 Cr capital infusion.	□
Earnings Quality	Low	Depleting fleet and □4,350 Cr in identified liabilities overshadow core ops.	□
Guidance Confidence	Neutral	Management has a history of turnaround (2015) but is facing record liabilities.	□
Management Credibility	Neutral	Demonstrated crisis management skills vs. massive statutory/ lessor defaults.	□
Business Quality Signal	Deteriorating	Operational fleet down from 74 to 28 aircraft; market share eroded.	□
Key Q&A Exchange	N/A	Section not applicable — investor presentation only.	□
The Street's Primary Anxiety	Liquidity & Solvency	Can the fundraise cover □3,700 Cr in lessor dues + □650 Cr in taxes?	□
Capital Cycle Stage	Investment	Massive recapitalization and fleet refurbishment phase.	□
Margin / Return Trajectory	Deteriorating	Fixed costs on a shrinking fleet base are weighing on efficiency.	□
Pricing Power	Stable	Highest Passenger RASK among budget peers and 92.3% PLF.	□
FCF Conversion & Quality	Distorted	Cash paucity has led to grounding of 36 aircraft due to non-payment.	□
Competitive Moat Signals	Stable	29 exclusive RCS routes and prime slots at congested airports.	□
Balance Sheet Strength	Stressed	Outstanding liabilities exceed the proposed QIP size.	□
Working Capital Efficiency	Deteriorating	Significant outstanding statutory dues (□650 Cr) and vendor payables.	□
Mgmt Guidance Track Record	Mixed	Successfully navigated 2015 & COVID but failed to prevent fleet decay.	□
Key Vulnerability	Execution Risk	Ability to unground 28 aircraft while simultaneously settling old dues.	□
Management Tone	N/A	Investor Presentation Only.	□

Sentiment: □Neutral

Key Takeaways (Positives & Negatives): * **Positives:** SpiceJet maintains the industry's highest domestic Passenger Load Factor (92.3% in FY24) and high unit revenue (RASK), proving resilient demand for its brand despite operational hurdles. The airline holds a strategic "fortress" position in the Regional Connectivity Scheme

(RCS) with 29 exclusive destinations and valuable slots at constrained airports. * **Negatives:** The business is currently a "hollowed-out" version of its former self, with the operational fleet collapsing from 74 aircraft in 2019 to just 28 today. A massive liability overhang of ~□4,350 Cr (Lessor/Engineering/Statutory) threatens to consume the majority of the incoming □3,236 Cr capital, leaving limited room for aggressive growth. * **Street Concern:** Analysts are focused on whether the □2,500 Cr QIP is a "bridge to nowhere" or a genuine "panacea." Management's response is a roadmap to unground 28 aircraft and settle with lessors to restore the fleet count to over 50. * **Forward Watchpoint:** Monitor the "Ungrounding Rate"—the speed at which the 28 grounded aircraft return to service post-fundraise—as this is the only path to diluting fixed costs and reclaiming market share.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: Concall not available — Mgmt Commentary column will be sparse or absent.

Metric	Current Qtr (FY24/ Q1FY25)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Revenue	□7,085 Cr (FY24)	First entry	First entry	→	Growth driven by high realization/ RASK.
PAT	□1,041 Cr (FY24)	First entry	First entry	→	Cumulative PAT over 13 quarters mentioned.
Passenger Load Factor	92.3%	First entry	First entry	↑	Highest domestic PLF across industry.
Operational Fleet	28	First entry	First entry	↓	Reduced from 74 in 2019 due to dues.
Grounded Fleet	36	First entry	First entry	↓	28 targeted for ungrounding post-funds.
Statutory Dues	□650 Cr	First entry	First entry	↓	To be settled using current fundraise.
Lessor/Eng Liabilities	□3,700 Cr	First entry	First entry	↓	Identified as the primary operational hurdle.
Ancillary Revenue %	7.8% (FY20)	First entry	First entry	→	Higher than major peers (CAPA source).
Order Book (Max)	147	First entry	First entry	→	Future growth lever for fuel efficiency.
Net Debt / Equity	Stressed	First entry	First entry	↓	Liabilities highlight significant leverage.

2B. SEGMENT BREAKDOWN

Segment	Revenue (₹ Cr)	YoY Growth	Margin	Trend	vs Company Avg	Key Development
Domestic PAX	~₹4,322 Cr (61%)	First entry	Not in doc	→	Baseline	34 destinations; focus on RCS routes.
International PAX	~₹2,763 Cr (39%)	First entry	Not in doc	→	Higher RASK	22% seat share on Dubai-India route.
Cargo (SpiceXpress)	₹2,566 Cr (FY22)	First entry	Positive EBITDA	↑	High Margin	Hived off as separate entity; 16k pin codes.
Ground Handling	₹155 Cr (FY24)	First entry	Not in doc	↑	Ancillary	Provides security to 15+ global airlines.
MRO (Technic)	₹108 Cr (FY23)	First entry	Not in doc	↑	Strategic	Revenue grew from ₹5 Cr in FY19.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Feasibility	Historical Delivery	Risk Flag
Guidance	Fundraise	Raise ₹2,500 Cr (QIP) + ₹736 Cr (Warrants).	High; depends on investor appetite for distressed turnaround.	Mixed; ₹1,060 Cr raised recently.	High
Guidance	Fleet Growth	Unground 28 aircraft and expand new fleet.	Needs ~₹100 Cr+ per aircraft for repairs/dues.	Poor; fleet has consistently shrunk since 2019.	High
Guidance	Liability	Settle ₹3,700 Cr in lessor/eng dues.	Fundraise (₹3.2k Cr) is less than total dues (₹4.3k Cr).	Poor; dues led to massive groundings.	Critical
Strategy	Cargo	Hive off SpiceXpress for capital raise.	High potential; achieved USD 256M revenue in FY22.	Delivered; entity hived off in 2023.	Medium
Strategy	Network	Focus on Middle East and RCS routes.	High; 29 RCS destinations already held.	Consistent; maintains high PLF on these.	Low
Macro	Fuel Efficiency	Induction of 147 B737 Max aircraft.	Low; requires massive lease rentals/capex.	Delayed; Max grounding in 2019 stalled this.	High
Balance	Statutory	Clear ₹650 Cr in outstanding dues.	Feasible if QIP is successful.	Poor; long-standing defaults flagged.	High

4. ANALYST Q&A

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

5. WHAT CHANGED vs PRIOR QUARTER

First entry — no prior quarter to compare.

What Changed	Prior Quarter	This Quarter	Direction
Operational Fleet	Not available	28 Aircraft	First entry
Grounded Fleet	Not available	36 Aircraft	First entry
Identified Liabilities	Not available	□4,350 Cr	First entry
Fundraise Plan	Not available	□3,236 Cr (Total)	First entry
Market Position	Not available	92.3% PLF	First entry

STOP HERE.