

RESULT UPDATE

KEY DATA

Rating	HOLD
Sector relative	Neutral
Price (INR)	35
12 month price target (INR)	40
52 Week High/Low	80/31
Market cap (INR bn/USD bn)	45/0.5
Free float (%)	40.1
Avg. daily value traded (INR mn)	325.7

SHAREHOLDING PATTERN

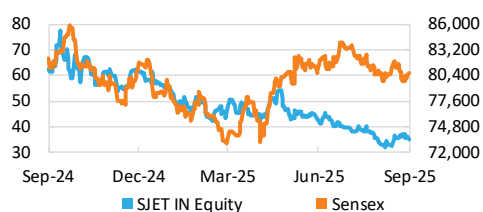
	Jun-25	Mar-25	Dec-24
Promoter	33.5%	33.5%	29.1%
FII	11.8%	11.9%	15.8%
DII	6.3%	6.9%	7.6%
Pledge	44.0%	42.2%	40.3%

FINANCIALS

(INR mn)

Year to March	FY24A	FY25A	FY26E	FY27E
Revenue	70,500	52,840	58,663	68,456
EBITDA	(90)	2,465	11,248	17,676
Adjusted profit	(4,094)	581	2,252	7,740
Diluted EPS (INR)	(2.9)	0.4	1.6	5.5
EPS growth (%)	0	0	287.8	243.7
RoAE (%)	14.1	(6.1)	28.3	59.8
P/E (x)	0	84.8	21.9	6.4
EV/EBITDA (x)	(1,617.7)	56.3	9.5	5.4
Dividend yield (%)	0	0	0	0

PRICE PERFORMANCE



Below-par Q1 showing; Q2 outlook steady

SpiceJet (SJ) posted Q1FY26 EBITDAR of INR123mn versus INR2.8bn in Q1FY25 on lower ASKM (-28%), PLFs (-736bp) and higher CASK (+8%).

Highlights: i) ASKM crashed 28% YoY due to operational fleet reduction. ii) Q1 yields inched up 2% YoY (IndiGo: -5% YoY). iii) Operational fleet expansion likely delayed due to no material change in fleet post INR30bn QIP and resulting restructuring of lessors' dues. iv) Read-through from IndiGo management for Q2FY26 indicates a stable revenue environment; SJ's scheduled flights were flat YoY in Q2. v) Revival likely to be gradual post-QIP with turnaround a key monitorable. We are cutting FY26E and FY27E EBITDAR by 14% each on a delayed turnaround, yielding a TP of INR40; retain 'HOLD'.

Q1: EBITDAR crashes YoY due to ASKM and PLF contraction; CASK up

SpiceJet's Q1FY26 EBITDAR at INR123mn decreased from INR2.8bn in Q1FY25 primarily due to a sharp fall in ASKM (-28%) and PLFs (-736bp) while CASK rose 8% YoY at INR5/km. Yields came in at INR6/km, up 2% YoY, compared with IndiGo's INR5/km, down 5% YoY, as SpiceJet outperformed for a second consecutive quarter on a better route mix due to a lower operational fleet, limiting capacity. ASKM decreased to 2.2bn km (-28% YoY) while PLF fell to 83.2% (from 90.5% YoY). CASK rose 8% YoY, as negative operating leverage offset a decrease in overhead costs due to a reduction in fleet size. Fuel CASK dipped 18% YoY, outpacing a 15% cut in ATF prices while CASK ex-fuel ex-forex surged 31% YoY to INR3.3/km.

Operational fleet increase slow and delayed; Q2 read-through steady

SpiceJet's operational fleet stood at 25 aircraft as on end-Mar'25, below 28 aircraft disclosed as on end-Jun'24, at the time of INR30bn QIP closure in Sep-24, indicating an inability to expand the operational fleet post-restructuring of lessors' dues. IndiGo management is expecting a flattish PRASK YoY for Q2FY26, indicating a stable demand environment. Q2FY26E scheduled flights for SpiceJet are flattish YoY, indicating flattish capacity (ASKM), reversing the trend of a consistent contraction in previous quarters on a sharp fall in operational fleet due to liquidity issues.

Recovery likely to be gradual, monitoring turnaround; retain 'HOLD'

SJ's QIP of INR30bn shall allow repayment of outstanding dues and induction of AoG, which has commenced; we reckon a recovery shall be gradual with a full turnaround to be a key monitorable. We are cutting FY26E and FY27E EBITDAR by 14% each on the back of a delayed turnaround, yielding a TP of INR40; retain 'HOLD'.

Financials

Year to March	Q1FY26	Q1FY25	% Change	Q4FY25	% Change
Net Revenue	11,061	16,955	(34.8)	14,464	(23.5)
EBITDA	123	2,835	(95.7)	2,163	(94.3)
Adjusted Profit	(2,351)	1,500	(256.8)	3,249	(172.4)
Diluted EPS (INR)	(1.7)	1.9	(188.0)	2.3	(172.4)

Financial Statements

Income Statement (INR mn)

Year to March	FY24A	FY25A	FY26E	FY27E
Total operating income	70,500	52,840	58,663	68,456
Gross profit	40,674	32,324	41,744	49,758
Employee costs	7,705	6,177	6,213	6,586
Other expenses	33,059	23,682	24,282	25,496
EBITDA	(90)	2,465	11,248	17,676
Depreciation	7,479	6,377	6,401	7,042
Less: Interest expense	4,613	2,908	2,460	2,214
Add: Other income	14,470	14,522	3,878	3,490
Profit before tax	(4,094)	581	2,252	7,740
Prov for tax	0	0	0	0
Less: Other adj	0	0	0	0
Reported profit	(4,094)	581	2,252	7,740
Less: Excp.item (net)	0	0	0	0
Adjusted profit	(4,094)	581	2,252	7,740
Diluted shares o/s	1,413	1,413	1,413	1,413
Adjusted diluted EPS	(2.9)	0.4	1.6	5.5
DPS (INR)	0	0	0	0
Tax rate (%)	0	0	0	0

Important Ratios (%)

Year to March	FY24A	FY25A	FY26E	FY27E
Avg. fleet size (No.)	163.0	183.0	197.4	198.0
Avg. flying hours (Hrs)	2.4	1.5	1.1	1.1
ASKMs (Mn)	14,049.6	10,209.6	10,144.0	11,808.2
EBITDA margin (%)	(0.1)	4.7	19.2	25.8
Net profit margin (%)	(5.8)	1.1	3.8	11.3
Revenue growth (% YoY)	(20.5)	(25.0)	11.0	16.7
EBITDA growth (% YoY)	(98.5)	(2,839.7)	356.4	57.1
Adj. profit growth (%)	0	0	287.8	243.7

Assumptions (%)

Year to March	FY24A	FY25A	FY26E	FY27E
GDP (YoY %)	6.7	7.2	7.0	6.8
Repo rate (%)	6.5	6.0	5.0	4.5
USD/INR (average)	82.8	84.4	86.5	85.0
RPKM (Mn)	12,553.1	8,731.5	8,909.6	10,627.4
PLF (%)	89.3	85.5	87.8	90.0
CASK (INR)	4.7	5.0	3.8	3.6
Lease rent/Aircrart (USDmn)	0.5	0.5	0.5	0.5
Passenger (mn)	9.9	6.8	6.0	6.8
Pax yield/RPKM	5.5	5.9	6.4	6.0

Valuation Metrics

Year to March	FY24A	FY25A	FY26E	FY27E
Diluted P/E (x)	0	84.8	21.9	6.4
Price/BV (x)	0	7.2	5.4	2.9
EV/EBITDA (x)	(1,617.7)	56.3	9.5	5.4
Dividend yield (%)	0	0	0	0

Source: Company and Nuvama estimates

Balance Sheet (INR mn)

Year to March	FY24A	FY25A	FY26E	FY27E
Share capital	7,834	14,134	14,134	14,134
Reserves	(33,693)	(7,304)	(5,051)	2,689
Shareholders funds	(25,859)	6,830	9,083	16,823
Minority interest	0	0	0	0
Borrowings	53,755	42,138	37,924	34,132
Trade payables	33,579	23,306	23,385	25,044
Other liabs & prov	26,544	17,802	17,802	17,802
Total liabilities	89,568	91,160	89,278	94,885
Net block	25,415	20,939	16,925	12,773
Intangible assets	0	0	0	0
Capital WIP	0	0	0	0
Total fixed assets	25,415	20,939	16,925	12,773
Non current inv	185	185	185	185
Cash/cash equivalent	1,980	3,715	9,883	18,491
Sundry debtors	10,432	9,844	6,429	7,502
Loans & advances	7,358	10,668	10,668	10,668
Other assets	9,543	10,752	10,130	10,209
Total assets	89,568	91,160	89,278	94,885

Free Cash Flow (INR mn)

Year to March	FY24A	FY25A	FY26E	FY27E
Reported profit	(4,094)	581	2,252	7,740
Add: Depreciation	7,479	6,377	6,401	7,042
Interest (net of tax)	0	0	0	0
Others	(9,857)	(11,613)	(1,419)	(1,277)
Less: Changes in WC	1,867	20,259	(4,116)	(507)
Operating cash flow	(8,339)	(24,915)	11,351	14,013
Less: Capex	(6,891)	(10,336)	(10,336)	(10,336)
Free cash flow	(1,448)	(35,251)	1,015	3,677

Key Ratios

Year to March	FY24A	FY25A	FY26E	FY27E
RoE (%)	14.1	(6.1)	28.3	59.8
RoCE (%)	1.0	6.1	6.6	13.6
Inventory days	8	12	9	6
Receivable days	55	70	51	37
Payable days	170	196	145	129
Working cap (% sales)	(48.7)	(20.6)	(25.6)	(22.7)
Gross debt/equity (x)	0	0	0	0
Net debt/equity (x)	0	0	0	0
Interest coverage (x)	(3.0)	(3.8)	0.3	2.9

Valuation Drivers

Year to March	FY24A	FY25A	FY26E	FY27E
EPS growth (%)	0	0	287.8	243.7
RoE (%)	14.1	(6.1)	28.3	59.8
EBITDA growth (%)	(98.5)	(2,839.7)	356.4	57.1
Payout ratio (%)	nm	0	0	0

Exhibit 1: Q1 EBITDAR falls on lower ASKM and PLF; yields improve 2% YoY

Year to March	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Revenue	11,061	16,955	(34.8)	14,464	-23.5
EBITDAR	123	2,835	(95.7)	2,163	-94.3
Adjusted PAT	-2,351	1,500	(256.8)	3,249	-172.4
Diluted EPS (INR)	(1.7)	1.9	(188.0)	2.3	-172.4
Load Factor %	83.2	90.5	-736bps	88.0	-481bps
Yield (INR/Km)	6.0	5.9	2.1	6.4	-5.1

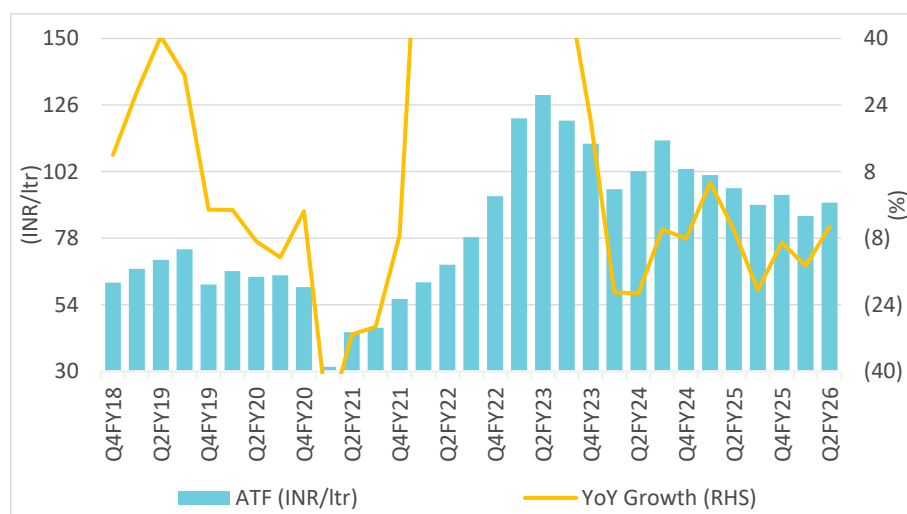
Source: Company, Nuvama Research

Exhibit 2: Fuel CASK decreases; fall in ASKM and PLF lead to increase in CASK

Year to March	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
ASKM (Mn)	2,557	3,611	(29.2)	2,497	2.4
RPK (Mn)	2,127	3,270	(35.0)	2,198	(3.2)
Load factor (%)	83.2	90.5	(8.1)	88.0	(5.5)
Yield (INR)	6.0	5.9	2.1	6.4	(5.1)
RASK (INR)	5.1	5.6	(8.9)	5.7	(10.2)
CASK (INR)	5.0	4.6	8.1	4.8	4.4
Fuel CASK (INR)	1.8	2.2	(18.1)	1.9	(8.9)
CASK ex-fuel (INR)	3.3	2.5	30.8	2.9	13.4

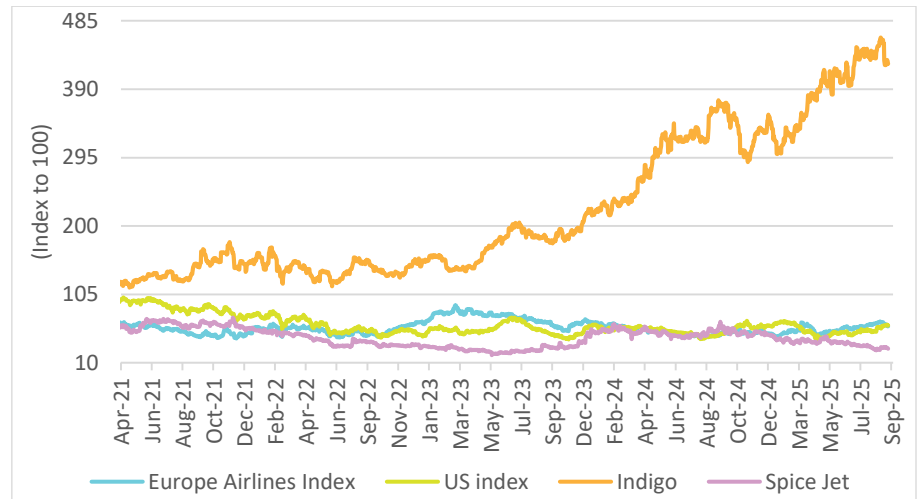
Source: Company, Nuvama Research

Exhibit 3: ATF prices fall 15% YoY in Q1 and 5% YoY in Q2 in line with oil prices



Source: Company, Nuvama Research

Exhibit 4: SpiceJet stock performance versus global airlines



Source: Bloomberg, Nuvama Research

Exhibit 5: Quarterly comparison with peers

	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)
PAX (Mn)														
Indigo	10.3	18.5	22.3	23.4	26.2	26.3	27.6	26.6	27.8	27.8	31.1	31.9	31.0	11.5
Spicejet	3.6	2.8	3.2	3.1	2.5	2.0	2.8	2.6	2.1	1.3	1.6	1.7	1.3	(37.5)
Yield (INR/km)														
Indigo	5.2	5.1	5.4	4.9	5.2	4.4	5.5	5.2	5.2	4.5	5.4	5.3	5.0	(4.9)
Spicejet	5.4	4.9	5.4	5.1	7.0	5.4	4.9	5.0	5.9	5.2	5.7	6.4	6.0	2.1
PLF (%)														
Indigo	79.6	79.1	85.1	84.2	88.7	83.2	85.8	86.2	86.7	82.7	86.9	87.4	84.5	(2.5)
Spicejet	84.9	84.0	88.7	89.9	90.9	87.0	88.0	91.6	90.5	80.7	84.0	85.1	83.2	(8.1)
RASK (INR/km)														
Indigo	4.7	4.5	5.2	4.7	5.1	4.2	5.3	5.1	5.4	4.4	5.4	5.3	4.9	(10.0)
Spicejet	5.0	4.6	5.0	4.7	6.4	4.7	4.5	4.8	5.6	4.3	4.9	5.7	5.1	(8.9)
Fuel CASK (INR/km)														
Indigo	2.2	2.3	2.0	1.8	1.6	1.7	1.9	1.7	1.8	1.7	1.6	1.6	1.4	(21.9)
Spicejet	3.4	3.5	3.5	2.2	2.2	2.1	2.1	2.1	2.2	2.0	1.9	1.9	1.8	(18.1)
CASK ex fuel (INR/km)														
Indigo	2.9	2.9	2.8	2.6	2.7	2.7	2.8	3.1	3.0	3.2	3.4	3.1	3.2	4.4
Spicejet	3.3	3.1	1.3	2.1	2.9	3.8	2.4	2.7	2.5	3.4	3.1	2.9	3.3	NA
RASK-CASK (INR/km)														
Indigo	(0.4)	(0.6)	0.4	0.2	0.8	(0.1)	0.7	0.3	0.6	(0.4)	0.4	0.5	0.3	(48.9)
Spicejet	(1.7)	(2.0)	0.1	0.4	1.2	(1.2)	(0.0)	(0.0)	0.9	(1.1)	(0.1)	0.8	0.1	(94.0)

Source: Company, Nuvama Research

Exhibit 6: SotP valuation of INR40/share

	FY27E	Multiple (X)	INR mn	INR/share
EBITDAR	17,676	7.0	1,22,845	87
Less: Aircraft lease rentals	4,170	6.0	25,189	18
Less: Net debt (cash)			39,763	28
Equity value			57,893	40
Market Cap / CMP			49,257	35
% upside				15%

Source: Company, Nuvama Research

Exhibit 7: Global peer valuation

Company	MCap	EV	EBITDAR (LC mn)			EV/EBITDAR (x)			ROE (%)		
	(USD mn)	(LC mn)	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
India Aviation											
Indigo	24,879	24,22,431	2,09,257	2,47,180	2,64,607	11.6	9.8	9.2	NM	NM	NM
SpiceJet	501	82,387	17,353	19,265	23,450	4.7	4.3	3.5	NM	NM	NM
India Aviation-Mean						8.2	7.0	6.3			
US Aviation											
Delta Airlines	40,058	58,007	9,098	8,864	9,844	6.4	6.5	5.9	32.5	21.1	21.5
American Airlines	8,700	37,328	6,297	5,041	6,335	5.9	7.4	5.9	-11.8	-6.0	5.4
South West Airlines	16,430	17,930	2,223	2,319	3,438	8.1	7.7	5.2	4.9	7.0	14.0
US Aviation-Mean						6.8	7.2	5.7	8.5	7.4	13.6
Europe Aviation											
Ryanair	29,936	23,442	2,839	3,621	3,982	8.3	6.5	5.9	21.1	28.0	26.6
Lufthansa	10,649	14,516	4,583	5,084	5,625	3.2	2.9	2.6	10.5	11.4	11.9
Europe Aviation-Mean						5.7	4.7	4.2	15.8	19.7	19.2
APAC Aviation											
Singapore Airlines	15,960	25,028	4,356	4,000	4,201	5.7	6.3	6.0	14.7	7.4	7.4
Air China	16,552	3,17,075	28,941	35,070	45,441	11.0	9.0	7.0	0.5	7.4	16.0
Cathay Pacific Airways Ltd	8,975	1,26,319	27,518	27,635	27,275	4.6	4.6	4.6	14.1	15.4	15.3
Japan Airlines Co Ltd	9,317	15,28,385	3,19,778	3,72,100	3,89,205	4.8	4.1	3.9	10.9	11.8	10.4
APAC Aviation-Mean						6.5	6.0	5.4	10.1	10.5	12.3
Global Aviation-Mean						6.8	6.2	5.4	11.5	12.5	15.0

Source: Company, Nuvama Research

Exhibit 8: Quarterly financial snapshot (INR mn)

Year to March	Q1FY26	Q1FY25	YoY	Q4FY25	QoQ	FY25	FY26E	FY27E
Total operating revenue	11,061	16,955	(34.8)	14,464	(23.5)	52,840	58,663	68,456
Aircraft Fuel Expenses	3,835	6,540	(41.4)	4,947	(22.5)	20,516	16,919	18,698
Employee Expenses	1,530	1,717	(10.9)	1,493	2.5	6,177	6,213	6,586
Selling and Distribution Exp.	0	0	NA	0	NA	0	0	0
Other Expenses	5,572	5,864	(5.0)	5,861	(4.9)	23,682	24,282	25,496
EBITDAR	123	2,835	(95.7)	2,163	(94.3)	2,465	11,248	17,676
Aircraft Lease Rentals	1,019	2,485	(59.0)	1,637	(37.8)	7,120	4,013	4,170
Depreciation	1,676	1,699	(1.3)	1,665	0.7	6,377	6,401	7,042
EBIT	-2,572	-1,349	NA	-1,139	NA	-11,033	834	6,464
Interest Expense	624	869	(28.2)	565	10.5	2,908	2,460	2,214
Other income	845	3,717	(77.3)	4,952	(82.9)	14,522	3,878	3,490
Exceptionals	0	0	NA	0	NA	0	0	0
Profit before tax	-2,351	1,500	NA	3,249	NA	581	2,252	7,740
Provision for Tax	0	0	NA	0	NA	0	0	0
Reported Profit	-2,351	1,500	NA	3,249	NA	581	2,252	7,740
Adjusted PAT	-2,351	1,500	NA	3,249	NA	581	2,252	7,740
No of shares	1,413	793	78.1	1,413	-	1,413	1,413	1,413
Diluted EPS (INR)	(1.7)	1.9	NA	2.3	NA	0.4	1.6	5.5
Diluted P/E (x)						84.8	21.9	6.4
EV/EBITDAR (x)						56.3	9.5	5.4
as % of total operating income								
Aircraft fuel expenses	34.7	38.6		34.2		38.8	28.8	27.3
Employee expenses	13.8	10.1		10.3		11.7	10.6	9.6
Selling and distribution expenses	0.0	0.0		0.0		0.0	0.0	0.0
Other operating expenses	50.4	34.6		40.5		44.8	41.4	37.2
EBITDAR	1.1	16.7		15.0		4.7	19.2	25.8
Aircraft lease rentals	9.2	14.7		11.3		13.5	6.8	6.1
Depreciation	15.2	10.0		11.5		12.1	10.9	10.3
Interest Expense	5.6	5.1		3.9		5.5	4.2	3.2
Reported Profit	-21.3	8.8		22.5		1.1	3.8	11.3

Source: Company, Nuvama Research

Company Description

SpiceJet is among India's leading and most preferred low-cost airline. The company is constantly adding more destinations, expanding its fleet, and enhancing its services to reach out to millions of flyers across the world. The company has a dedicated logistics and technology platform, SpiceXpress, providing innovative modular supply chain solutions.

Investment Theme

Recovery gradual post INR30bn QIP, operational fleet increase delayed

We expect a gradual recovery and rise in operational fleet due to inadequate progress in the past few months post QIP fund infusion and restructuring of lessors' dues.

Revenue maximisation an appropriate strategy at current scale

SpiceJet's revenue maximisation strategy has been backed by tactical pricing and dynamic revenue management, which has successfully propped up occupancy. This coupled with its obsessive focus on ancillary revenue generation has yielded rich dividends.

Next big focus on industry-leading cost structure

Shirking legacy issues and to ensure structural cost advantages, management is restructuring its long-term contracts. Towards this, it is working with lessors and other service providers to rationalise its cost base.

Key Risks

The economic slowdown is exerting pressure on demand for corporate and leisure travel that would affect load factor and, hence, profitability—given the high operating leverage structure of the airline business. Failure to maintain occupancy at 90%-plus or any demand weakness would pressure RASK and, hence, pose a risk to earnings and valuations.

Uncertainty and unpredictability in policy/regulatory framework remains a concern. Adverse taxation structure would drive up the cost of doing business, hurting profitability.

Existing airports at Indian metros such as Mumbai, Chennai and Kolkata running at peak capacity could prove to be bottlenecks for growth.

Additional Data

Management

CEO	AJAY SINGH
Independent Director	Ajay Chhotelal Aggarwal
Director	Mrs. Shiwani Singh
Independent Director	Manoj Kumar
Auditor	M/s Walker Chandio & Co LLP

Holdings – Top 10*

% Holding		% Holding	
Ajay Singh	26.44	Morgan Stanley	1.53
DISCOVERY GLOBA	3.17	Goldman Sachs A	1.50
AUTHUM INVESTME	2.90	VOLRADO VENTURE	1.39
Spice Healthcar	2.67	Tata Asset Mana	1.33
IDFC Mutual Fun	2.27	PLUTUS WEALTH M	1.29

*Latest public data

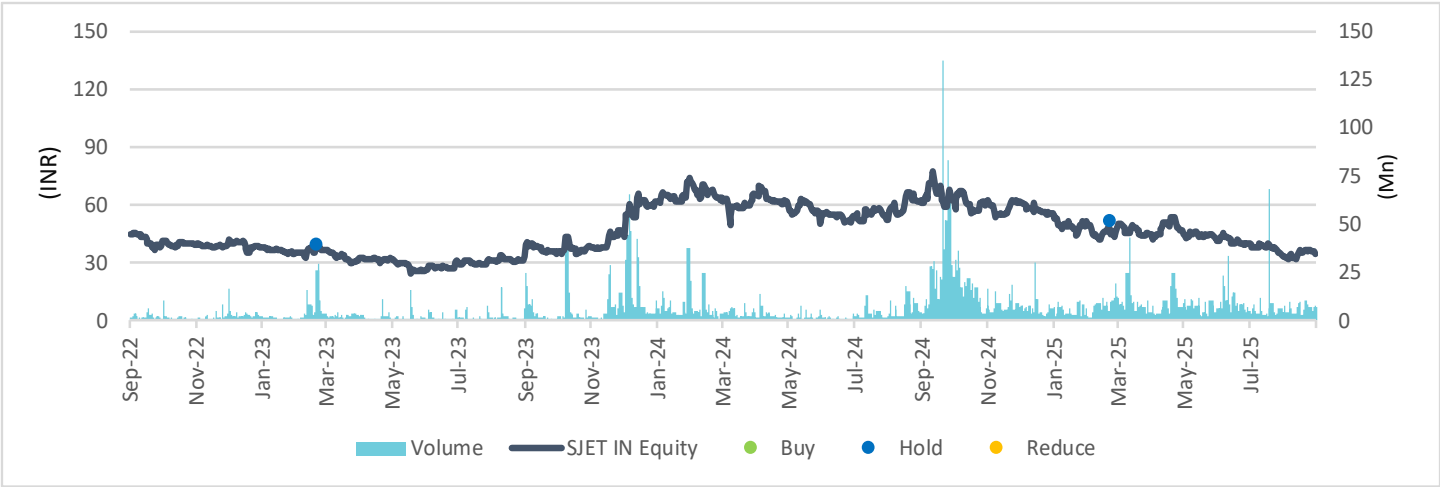
Recent Company Research

Date	Title	Price	Reco
15-Jun-25	Strong Q4; buckle up, turbulence ahead; <i>Result Update</i>	43.9	Hold
26-Feb-25	Signs of improvement; recovery gradual; <i>Result Update</i>	47.9	Hold
12-Dec-23	Turbulence lingers; silver lining ahead; <i>Result Update</i>	45.6	Hold

Recent Sector Research

Date	Name of Co./Sector	Title
30-Jul-25	IndiGo	Weak demand affects Q1; Q2 steady; <i>Result Update</i>
18-Jun-25	Aviation	Geopolitical headwind for Indian carrier; <i>Sector Update</i>
22-May-25	IndiGo	Strong demand buoys Q4; Q1FY26 bleak; <i>Result Update</i>

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	198
Hold	<15% and >-5%	70
Reduce	<-5%	36

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