

Earnings Presentation Q2 FY18

Jul – Sep 2017



October 31st, 2017

Safe harbor

This document may contain some statements on the Company's business or financials which may be construed as forward looking. The actual results may be materially different from these forward looking statements.

This document forms part of the quarterly earnings release and should be viewed together with the Earnings Press Release and Earnings Conference Call

Overview

Key highlights

- Profit after tax of INR 5.5 billion with a profit margin of 10.4% for the quarter ended September 2017
 - Profitability favorably impacted by better revenue management and credits received from manufacturers related to aircraft grounding and delivery delays
- Successfully completed an Institutional Placement Programme (IPP) of 33.6 million shares:
 - Fresh issue of 22.4 million shares and offer for sale of 11.2 million shares
- For Q2 FY18, on time performance was 87.0%, technical dispatch reliability was 99.84% and flight cancellation rate was 0.37%
 - Ranked No.1 in OTP in July, August and September
- Ended the quarter with a fleet of 141 aircraft including 24 A320neos

Financial Overview

Financial highlights for the quarter

| Particulars (in INR million) | Quarter Ended | | |
|------------------------------|---------------|--------|----------|
| | Sep'17 | Sep'16 | Change% |
| ASK (billion) | 15.1 | 13.4 | 13.0% |
| | | | |
| Total revenue | 55,056 | 43,277 | 27.2% |
| RASK (INR) | 3.52 | 3.12 | 12.6% |
| | | | |
| Total cost | 47,410 | 41,511 | 14.2% |
| CASK (INR) | 3.01 | 2.99 | 0.7% |
| CASK ex fuel (INR) | 1.92 | 1.83 | 5.0% |
| | | | |
| EBITDAR | 15,811 | 9,774 | 61.8% |
| EBITDAR Margin | 29.9% | 23.5% | 6.4 pts |
| PBT | 7,645 | 1,766 | 333.0% |
| PBT Margin | 14.4% | 4.2% | 10.2 pts |
| PAT | 5,516 | 1,398 | 294.4% |
| PAT Margin | 10.4% | 3.4% | 7.1 pts |

Revenue breakup for the quarter

| Particulars (in INR million) | Quarter Ended | | |
|------------------------------|---------------|--------|---------|
| | Sep'17 | Sep'16 | Change% |
| Revenue from operations | 52,910 | 41,669 | 27.0% |
| Other income | 2,146 | 1,608 | 33.5% |
| Total revenue | 55,056 | 43,277 | 27.2% |
| | | | |
| ASK (billion) | 15.1 | 13.4 | 13.0% |
| RPK (billion) | 12.7 | 11.0 | 15.4% |
| Load factor (%) | 84.0% | 82.2% | 1.8 pts |
| Yield (INR) | 3.57 | 3.28 | 8.9% |
| RASK (INR) | 3.52 | 3.12 | 12.6% |

Cost breakup for the quarter

| Particulars (in INR million) | Quarter Ended | | |
|--|---------------|--------|---------|
| | Sep'17 | Sep'16 | Change% |
| Aircraft fuel expenses | 16,473 | 15,524 | 6.1% |
| Aircraft and engine rentals | 8,193 | 7,721 | 6.1% |
| Purchase of stock in trade | 294 | 317 | -7.2% |
| Changes in inventories of stock in trade | 14 | 16 | -11.9% |
| Employee benefits | 6,004 | 5,080 | 18.2% |
| Other expenses | 14,550 | 11,055 | 31.6% |
| Depreciation and amortization | 1,025 | 1,189 | -13.7% |
| Total operating expenses | 46,554 | 40,902 | 13.2% |
| Finance cost | 857 | 610 | 40.5% |
| Total expenses | 47,410 | 41,511 | 14.2% |
| | | | |
| CASK (INR) | 3.01 | 2.99 | 0.7% |
| CASK ex fuel (INR) | 1.92 | 1.83 | 5.0% |
| Exchange Rate (US\$/INR) | 65.28 | 66.61 | -2.0% |
| Fuel Price (INR / Litre)* | 50.17 | 48.96 | 2.5% |

* Average fuel price announced by IOCL for domestic airlines for the 4 metros – Delhi, Mumbai, Kolkata and Chennai

Cash and Debt

| Particulars (in INR million) | As of | | |
|------------------------------|----------------|---------------|--------------|
| | Sep'17 | Sep'16 | Change |
| Free Cash | 76,018 | 23,865 | 218.5% |
| Restricted Cash | 53,238 | 44,707 | 19.1% |
| Total Cash | 129,256 | 68,572 | 88.5% |
| | | | |
| Debt | 25,368 | 27,428 | -7.5% |

Capacity update

- For third quarter fiscal year 2018, year over year capacity increase in ASKs is expected to be 14%
- For fiscal year 2018, year-over-year increase in ASKs is expected to be 19%

Appendix

Fleet breakup

30th Sep, 2017

141

- 17 Owned/finance Lease
- 124 Operating Lease

- 24 A320neo
- 117 A320ceo

30th Jun, 2017

135

- 17 Owned/finance Lease
- 118 Operating Lease

- 22 A320neo
- 113 A320ceo

30th Sep, 2016

118

- 22 Owned/ Finance Lease
- 96 Operating Lease

- 10 A320neo
- 108 A320ceo

Definitions and Abbreviations

| Term | Description |
|----------------|--|
| ASK | Available Seat Kilometer |
| CASK | Total Cost net of finance income per Available Seat Kilometer |
| CASK ex fuel | Total Cost excluding fuel cost net of finance income per Available Seat Kilometer |
| EBITDAR | Earnings before finance income and cost, tax, depreciation, amortization and aircraft and engine rentals |
| EBITDAR margin | EBITDAR / Revenue from Operations |
| Load Factor | Revenue Passenger Kilometer / Available Seat Kilometer |
| OTP | On Time Performance |
| RASK | Total Revenue net of finance income per Available Seat Kilometer |
| RPK | Revenue Passenger Kilometer |
| Yield | Passenger Ticket Revenue / Revenue Passenger Kilometer |

Thank You