FlySBS Aviation

Operator: Good afternoon and welcome to the webinar meeting of Fly SBS Limited. From the management side, we have Captain Deepak Parashuraman, the Managing Director, and Mr. Kannan Ramakrishnan, the Non-Executive Director. Just a disclaimer, the webinar is set for one hour. To begin, I would like to give a brief introduction about the company, after which I will hand over the floor to the management for more details.

Fly SBS Aviation Limited is a premium DGCA-approved non-scheduled air charter operator based in Chennai, offering bespoke private jet services. The company operates through a combination of dry and wet lease arrangements, providing high-end air travel solutions across both domestic and international sectors. As said earlier, I now hand over the floor to the management. Over to you, sir.

Management: Good morning everyone. In this webinar, we will walk you through our presentation. We are a private jet operator based out of the southern part of India, specifically Chennai. We have been in this business for the last 5 years. During this time, we have achieved extensive coverage across various continents. Our fleet includes an Embraer Legacy 13-seater aircraft, and we also operate a few wet-leased aircraft.

Looking at our key milestones, the company was incorporated in 2020. we undertook our first international charter in 2022. By the end of 2023, we obtained our Air Operator's Permit and registered a 13-seater Legacy aircraft under our company name. In 2024, for the first time, we recorded revenue exceeding 100 crores. We also received our Continuous Airworthiness Management Organization (CAMO) approval under CAR M from the DGCA. This empowers us to oversee aircraft maintenance and maintain our internal quality department, giving us authority over the MRO (Maintenance, Repair, and Overhaul) during engineering and service tasks.

In August 2025, we successfully listed the company on the NSE exchange. Regarding our footprint, we have traveled to almost all major metropolitan cities and the majority of Tier-2 cities in India. Internationally, we have covered almost every continent. We have conducted extensive trips across Europe, Africa, the ASEAN region, and the Far East.

Our board is led by Captain Deepak Parashuraman, an industry veteran with over 30 years of experience in aviation. A pilot by profession, he has more than 23,000 hours of flying experience and is rated on more than 20 different types of aircraft as a Pilot-in-Command (PIC). He has successfully driven aviation businesses, particularly private jet chartering, in India.

Mr. Amba Shankar, our Whole-Time Director and CEO, brings nearly three decades of experience in luxury brands. Personally, I come from an automotive background with over 20 years of experience with brands like Mercedes-Benz, Volkswagen, and Lexus. We are assisted by three independent directors: Mr. K. Raghuram, who has a rich background in luxury products; Ms. Divya, a practicing Company Secretary; and Mr. Vaidyanathan, a senior experienced ex-banker.

We operate an asset-light model, and our objective is to transition the entire fleet into a dry-lease model over time. Currently, we are audit-ready for our financial figures. For FY25, we recorded 44.66 crores in domestic revenue. In H1 FY26, domestic revenue stands at 34.96 crores. In Q3 FY26 alone, we achieved 25.2 crores in domestic business. For international travel, we recorded 149 crores in the last financial year. In H1 FY26, we reached 102 crores, with Q3 FY26 alone

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contributing 59.54 crores. This shows our strength in international travel, and we are working to capitalize on this momentum.

Regarding our sales channels, we work with travel agents and A-grade brokers. Currently, the demand-supply gap in the market is wide. While our internal inquiries and repeat clients provide enough utilization for our limited aircraft, our strategy is to leverage all available channels as we expand our fleet. We maintain a healthy repeat clientele contribution of approximately 80%. Specifically, it was 89.26% last year and approximately 79% in the last quarter.

Safety and quality are our primary objectives. We have an internal quality control department and a CAMO manager. Beyond this, we get external audits done to ensure high standards. We have a former Joint Director General of the DGCA, who was the head of safety there, conduct monthly internal audits.

Currently, we have a team of 27 people. There are 21 full-time employees and 6 on a contract basis. We have 9 trained operating crew members. Our policy is to operate each aircraft with a minimum of three sets of crew to maintain flexibility for client schedules without compromising on Flight Duty Time Limitations (FDTL). Maintenance is handled by DGCA-approved partners, with oversight remaining in-house through our CAMO organization.

Management: Quality and CAMO are managed in-house. Our engineers oversee all jobs carried out on our aircraft when sent for maintenance. Ensuring quality is our responsibility.

Regarding fleet induction, we aim to add 6 additional aircraft under a dry-lease model. All 6 aircraft have been identified. A couple are already in our possession. These aircraft are currently going through various stages of induction, acquisition, and import. Three Citation CJ2+ aircraft will be a new model for our Air Operator's Permit. Since this is a new category, we must follow a five-phase DGCA process. We have already submitted the applications, a core committee has been constituted, and we have successfully completed three of the five phases. Once the aircraft lands in India, we can quickly complete Phase 4 and Phase 5 to start commercial operations.

Identifying assets at the right value is a critical success factor. Finding available assets is difficult. For new private jets, the delivery time is usually 2–3 years as they are custom-made. We have been able to secure 6 aircraft that we intend to induct.

Management: Let us be clear about our timeline. Three Legacy aircraft will join us before the end of March, specifically in Q4 FY26. Two Citations will also join within the same period. Import permits have been obtained for these. We are targeting the sixth aircraft, a CJ2, to join by Q1 FY27, though we are attempting to bring it in within this current financial year.

In the last year, we had 479 departures. In H1 FY26, we had 291 departures, and in Q3 FY26, we had 175 departures. We covered 168 unique destinations in H1 and 90 in Q3.

Management: As the fleet increases, so will our crew. Recruitment for the incoming CJ2 has already started, and training slots have been booked. At the moment, dry-lease contribution is moving higher. In FY25, it was 23%, and in Q3 FY26, it reached 34%. This transition is helping our utilization.

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The international contribution is substantial. The addition of three more Legacies with long-haul capabilities will further capitalize on this. Our focus on adding new clients has resulted in 45 new clients between April and December. The contribution from Ultra High Net Worth Individuals (UHNIs) is also improving as part of our strategy to expand our base.

We operate in a high-entry-barrier sector. Getting all approvals, an organic set-up, and the Air Operator's License is time-consuming. India is one of the fastest-growing aviation markets. The private jet industry, which recorded 274 million dollars in 2024, is expected to reach 550 million dollars with a CAGR of 15%.

Currently, there are only 110 private jets in India, with only 70 available for charter. In comparison, the United States has 15,800 jets. Even accounting for lower per capita income, India has a minimum requirement for 3,000 jets. The limiting factor is the number of assets available. Our goal is to have 9 aircraft in phase one of our expansion.

Demand is driven by rising HNIs, UHNIs, and the need for flexibility. Many Tier-2 and Tier-3 cities lack direct connectivity. For example, traveling from Kolkata to Kochi via a commercial airline can take an entire day due to layovers. In a private jet, it takes 1 hour and 45 minutes.

Management: To summarize our financials based on H1 audit numbers, our EBITDA and PAT margins are growing. From an EBITDA of 21% last year, we reached 23.71% in H1 FY26. PAT margin stands at 17.08%. Using dry-lease aircraft improves these margins, and we are optimistic about further improvement as we add 6 more dry-lease planes.

Our strengths include experienced promoters, a strategic niche in a high-entry-barrier industry, and synergies with our group company, Afcom Holdings. Afcom is an international cargo airline, and its scale allows us to negotiate better prices for fuel, spares, and MRO services. We are ready for technology interventions that will be a game-changer once the fleet reaches its desired size. We can now open the floor for Q&A.;

Operator: Thank you, sir. The floor is now open for Q&A.; Please restrict yourself to one question each.

The first question from the chat: How many aircraft are flying currently and how many by the end of FY26?

Management: Currently, we have 3. We are targeting to add 5 more by March 31, 2026, making it 8 aircraft. The 9th aircraft will join in Q1 FY27.

Operator: Thank you. Mr. Raja Shekhar asks: Any new fleet added after the IPO?

Management: Yes, as mentioned, three Legacy planes and three CJ2s are being added. One Legacy is expected by mid-next month and two more before the end of March. Two CJ2s will also join by the end of March.

Operator: Next question is from Mr. Nilang Jain.

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Nilang Jain: I want to understand the pilot situation. What is the talent pool and salary differential compared to airlines like IndiGo?

Management: There is a substantial difference between a jetliner pilot and a corporate jet pilot. Regarding the recent issues at other airlines, that was mainly due to changes in FDTL norms. We are well-prepared and have a substantial number of pilots for our operations.

Nilang Jain: Once these planes land, how long does it take to start commercial flying and reach optimum utilization?

Management: Once the aircraft arrives, it takes about 10 days to become commercially operational because we complete most activities at the overseas MRO. For utilization, there is a vast demand, so the assets are immediately utilized. The capital for this is fully tied up from our IPO proceeds.

Operator: Next is Mr. Chitresh Ranaut.

Chitresh Ranaut: regarding the Legacy planes, what is the cost of acquisition?

Management: We use an asset-light model, so these are on lease. Our costs are limited to entry-into-service costs like lease deposits, customs duty, tooling, and spares, rather than the purchase price of the asset.

Chitresh Ranaut: How much revenue does one Legacy aircraft generate at capacity?

Management: A conservative estimate for optimum utilization is 65 hours of flying per month. That would contribute roughly 50-55 crores on an annual basis. In reality, our utilization has been significantly higher.

Operator: Next is Mr. Ronak Pant.

Ronak Pant: Regarding the notifications in September and October for 7-seat and 13-seat flights, have any of those 6 planned aircraft reached you yet?

Management: The acquisition process for private jets is lengthy. When we announce to the market, it means the aircraft is identified and the technical and commercial pedigree is verified. Those two aircraft are now in our possession undergoing refurbishment. They should reach India by mid-next month. Out of the 6, at least 5 will join the fleet before the end of this financial year.

Operator: Next is Mr. Kushal.

Kushal: Typically, if you receive 100 queries for booking, what percentage do you reject, and what are the common reasons?

Management: We are listening, sir. We are a charter operator, so we fly wherever the customer wants. The primary cause for rejection is the non-availability of the asset. We only have 3 aircraft and they are fully booked. We turn down many queries because we just don't have enough planes.

Kushal: What is that number? If you get 100 queries, how many do you reject?

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Management: We don't have a specific percentage on hand, but it is a good idea to track. It is much larger than 30-40%. For example, today we received 6 inquiries but could not honor any because our flights are already booked and flying.

Kushal: That is very reassuring for the 6-fleet addition. Why would a UHNI choose Fly SBS over other chartered operators?

Management: It is an interesting question. Those who have used our services keep coming back, which is why our repeat client rate is so high. Word of mouth is strong. Once our fleet plan is achieved, we will unleash an aggressive marketing strategy to reach new geographies. I would suggest you try a flight with us once.

Kushal: You would be shocked to know I actually called Fly SBS and tried booking once, but I could not afford it.

Management: Since you are our investor, we will give you a special discount.

Operator: Next is Mr. Deepak.

Deepak: Congratulations on the Q3 revenue. You mentioned all 6 new aircraft will be dry leased. After that, we will have 2 wet-lease and 7 dry-lease planes?

Management: Yes, we will have a fleet of 9. We will eventually turn the wet-lease aircraft into dry-lease in the following year, but our immediate focus is inducting these 6 additional dry-lease planes.

Deepak: For 9 aircraft, would the revenue potential be around 600 crores on an optimum value?

Management: You have seen the numbers; please do your own extrapolation. I do not want to provide specific forward-looking statements or outlooks. We have performed better in 9 months than we did in the entire previous year. You can extrapolate the potential with the additional aircraft.

Operator: Next is Mr. Mukesh.

Mukesh: What is the current capacity utilization?

Management: Utilization is measured differently here. Currently, we have improved from an average of 7 hours per day to 11 hours per day.

Mukesh: What is the maximum we can go up to?

Management: We can easily do 13 or 14 hours with multiple sets of crew. It depends on the sector and the client's schedule. Sometimes the aircraft waits for hours at an airport for a client to return, which limits usage.

Mukesh: Are the 6 new aircraft similar to what you have?

Management: Three are similar, and three will be smaller cabin sizes, which are useful for regional and short-haul sectors. This will help us establish a hub-and-spoke model.

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Operator: Next is Mr. Shivprakash.

Shivprakash: Regarding margins, how different is the margin for dry lease versus wet lease?

Management: Dry lease margins are definitely better because we control all cost levers. Utilization is not an issue, only availability.

Shivprakash: Can you quantify the margin?

Management: Our recorded margins are in the presentation. Our EBITDA is around 23.5%. As the majority of the fleet becomes dry-lease, you can imagine the upside possibilities for growth and PAT.

Operator: Due to time constraints, we have to conclude this meeting.

Management: Some investors may have further questions. Please compile them and send them to us, and we are more than glad to respond.

Operator: Thank you very much to everyone for your time. If you have any further questions, you can reach out to us at research@greenvisor.com. Thank you, Mr. Kannan and Captain Deepak.

Management: Thank you, goodbye.

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