

Forex loss, international travel hit to mar Q4

08 April 2026

Expect domestic aviation traffic to decelerate from 11% YoY growth in Q4FY25 to 1% YoY drop in Q4FY26E, driven by the declining fleet size of non-INDIGO (INDIGO IN) carriers and INDIGO's focus on complying with new Flight Duty Time Limitations (FDTL) norms. Per the regulator and industry data, operating fleet size of Tata Group airlines fell 5% YoY to ~270, despite nine aircraft being delivered by Boeing and Airbus. As per our estimate, domestic airfares grew 5% YoY in response to rising fuel cost and INR weakening – most of the fares were hiked in March 2026 by 14% YoY, which would partially offset rising fuel cost in Q1FY26. INDIGO's international airfares grew more aggressively in March / April 2026 at 21% / 54% YoY, which partly offset the traffic loss in March in the Middle East amid US-Iran war (the Middle East comprises ~50% of INDIGO's total international departures).

Per the recent schedule for summer 2026, YoY domestic departures would drop ~6% YoY – INDIGO's departures dropped 3% YoY, but the share of departure rose to ~62% (+230bps). This implies a supply-constrained market for the next three quarters at least, which would lead to better pricing power and higher load factors.

Domestic passenger traffic may have grown only 1% YoY in Q4FY26E: Based on data from the Directorate General of Civil Aviation and the Ministry of Aviation, we estimate that domestic demand grew by mere 1% YoY in Q4E versus 2% growth in Q3FY26 and 11% YoY growth in Q4FY25, due to declining fleet size of non-INDIGO carriers and INDIGO's focus on complying with new FDTL norms. We expect the industry's passenger load factor (PLF) to be 87% in Q4FY26E from 86% in Q3FY26 and 87% in Q4FY25.

Expect industry airfares to likely grow 5% YoY in Q4FY26E: Expect Q4E industry airfares to likely rise 5% YoY – Airfares likely fell 4% in January followed by a growth of 1% in February and 14% growth in March. International airfares of INDIGO were likely up 24% QoQ in Q4FY26E, offsetting a 4% QoQ fall in domestic airfares.

INDIGO to post reported PAT loss of INR 7.0bn in Q4FY26E: Expect INDIGO to post a 123% YoY drop in reported PAT, led by forex loss and higher cost, though partly offset by a rise in airfare. Adjusted PAT (excluding forex impact) in Q4E would be INR 33.4bn versus INR 29.3bn in Q4FY25. We expect PLF at 88% in Q4FY26E versus 87% in Q4FY25. Q4E forex loss likely would be INR 40bn.

SpiceJet (SJET IN) to post reported PAT loss of INR 817mn in Q4FY26E: We expect SJET to post a 125% YoY drop in reported PAT. Adjusted PAT (excluding forex impact) in Q4E would be at INR 771mn versus PAT of INR 3.2bn in Q4FY25 (Q4FY25 saw other income of INR 4.9bn). We expect PLF at 90% in Q4FY26E versus 85% in Q4FY25. Expect Q4E forex loss at INR 1.6bn.

Company	Revenue (INR mn)		
	FY26E	FY27E	FY28E
InterGlobe Aviation	857,971	964,535	1,060,403
SpiceJet	54,487	93,735	111,830

Company	Adjusted PAT (INR mn)		
	FY26E	FY27E	FY28E
InterGlobe Aviation	83,978	89,120	96,518
SpiceJet	(11,389)	567	1,976

Source: Elara Securities Estimate

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Elara Aviation universe – Coverage matrix

Company	Ticker	Rating	Mcap	CMP	TP	Upside	P/E (x)				EV/EBITDA (x)				ROE (%)			
			(USD mn)	(INR)	(INR)	(%)	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
InterGlobe Aviation	INDIGO IN	BUY	17,916	4,313	6,020	40	18.8	19.8	18.7	17.2	9.8	9.1	8.1	7.3	156.2	88.9	66.3	44.7
SpiceJet	SJET IN	ACCUMULATE	174	11	39	269	8.7	nm	26.5	7.6	nm	nm	5.0	4.0	nm	nm	nm	nm

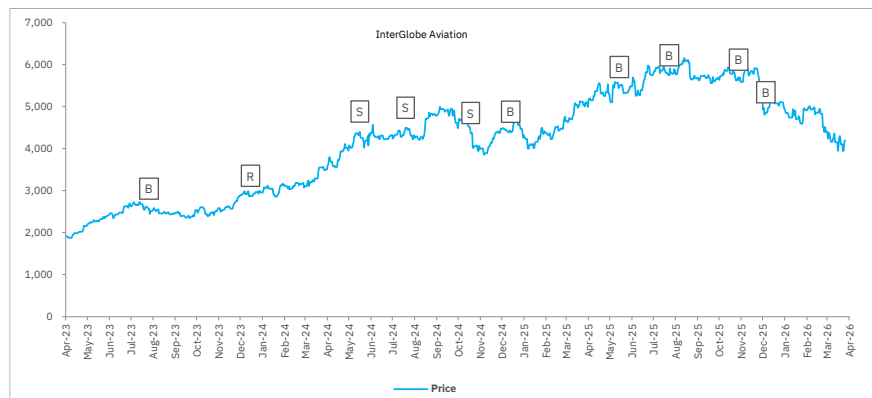
Note: TP and Rating as per last published report; Pricing as on 07 April 2026; Source: Company, Elara Securities Estimate

Exhibit 1: Elara Aviation Universe – Q4FY26E preview

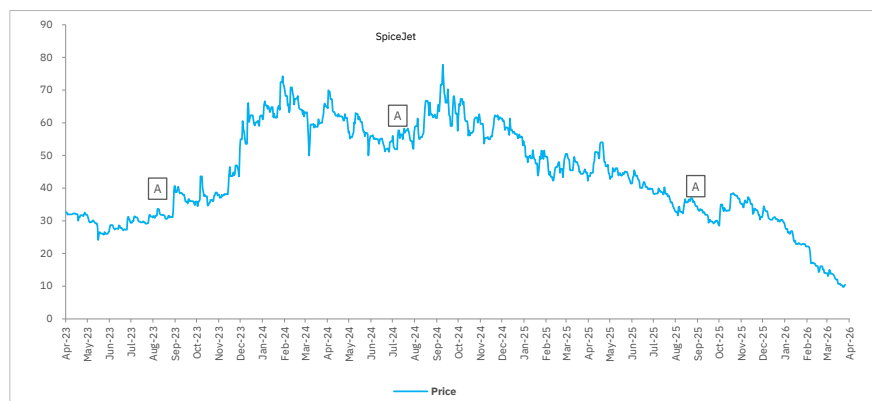
Company	Revenue (INR mn)					EBITDA (INR mn)					Adjusted net profit (INR mn)				
	Q4FY26E	Q3FY26	Q4FY25	QoQ (%)	YoY (%)	Q4FY26E	Q3FY26	Q4FY25	QoQ (%)	YoY (%)	Q4FY26E	Q3FY26	Q4FY25	QoQ (%)	YoY (%)
InterGlobe Aviation	240,055	234,719	221,519	2.3	8.4	66,115	64,808	59,528	2.0	11.1	33,410	32,090	29,309	4.1	14.0
SpiceJet	18,497	13,843	14,464	33.6	27.9	1,703	(1,419)	448	NM	279.9	771	(1,986)	3,171	NM	(75.7)
Total	258,552	248,562	235,983	4.0	9.6	67,818	63,389	59,976	7.0	13.1	34,181	30,104	32,480	13.5	5.2

Note: Adjusted PAT excluded the fore loss impact; Source: Company, Elara Securities Estimate

Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
02-Aug-2023	Buy	3,490	2,565
22-Dec-2023	Reduce	3,005	2,871
23-May-2024	Sell	3,556	4,401
26-Jul-2024	Sell	3,715	4,493
25-Oct-2024	Sell	3,847	4,366
20-Dec-2024	Buy	5,309	4,396
21-May-2025	Buy	6,531	5,462
30-Jul-2025	Buy	6,878	5,740
04-Nov-2025	Buy	7,241	5,637
12-Dec-2025	Buy	6,020	4,861



Date	Rating	Target Price (INR)	Closing Price (INR)
06-Dec-2019	Buy	186	104
20-Mar-2020	Buy	67	35
20-Nov-2020	Accumulate	77	73
11-May-2021	Reduce	67	70
21-Dec-2021	Accumulate	70	65
14-Nov-2022	Accumulate	41	39
24-Feb-2023	Accumulate	47	40
14-Aug-2023	Accumulate	37	34
15-Jul-2024	Accumulate	62	56
05-Sep-2025	Accumulate	39	34

Guide to Research Rating

- BUY (B)** Absolute Return > +20%
- ACCUMULATE (A)** Absolute Return +5% to +20%
- REDUCE (R)** Absolute Return -5% to +5%
- SELL (S)** Absolute Return < -5%

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