

May 22, 2025

Q4FY25 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	6,084		5,875	
Sales (Rs. m)	8,85,403	10,61,281	8,96,146	10,53,867
% Chng.	(1.2)	0.7		
EBITDA (Rs. m)	2,29,362	2,65,493	2,12,611	2,45,633
% Chng.	7.9	8.1		
EPS (Rs.)	238.7	251.1	211.0	228.4
% Chng.	13.1	10.0		

Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	6,89,043	8,08,029	8,85,403	10,61,281
EBITDAR (Rs. m)	1,73,928	2,10,686	2,29,362	2,65,493
Margin (%)	25.2	26.1	25.9	25.0
PAT (Rs. m)	88,899	88,763	92,220	97,042
EPS (Rs.)	230.3	229.7	238.7	251.1
Gr. (%)	234.6	(0.3)	3.9	5.2
DPS (Rs.)	-	10.0	10.0	10.0
Yield (%)	-	0.2	0.2	0.2
RoE (%)	(418.3)	156.2	66.9	42.4
RoCE (%)	(18,656.8)	124.6	74.0	56.7
EV/Sales (x)	2.6	2.1	1.8	1.4
EV/EBITDAR (x)	14.7	12.8	12.0	10.5
PE (x)	23.7	23.8	22.9	21.7
P/BV (x)	105.6	22.5	11.6	7.7

Key Data INGL.BO | INDIGO IN

52-W High / Low	Rs.5,666 / Rs.3,779
Sensex / Nifty	81,597 / 24,813
Market Cap	Rs.2,111bn/ \$ 24,644m
Shares Outstanding	386m
3M Avg. Daily Value	Rs.5576.23m

Shareholding Pattern (%)

Promoter's	49.27
Foreign	25.12
Domestic Institution	20.66
Public & Others	4.95
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(0.6)	34.2	26.6
Relative	(3.3)	26.9	14.7

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Yield and benign crude aids profits

Quick Pointers:

- ASKM growth is likely to be in mid-teens during 1QFY26E.
- Board recommends a dividend of Rs10 per share after a gap of 5 years.

We increase our FY26E/FY27E PAT estimates by 13%/10% as we fine tune our yield and fuel CASK assumptions. INDIGO reported better than expected performance with FX adjusted EBITDAR margin of 30.8% (PLe 28.5%) led by 1) 2.2% rise in yield to Rs5.32 aided by Maha Kumbh and 2) 6.6% fall in fuel CASK to Rs1.60 amid benign ATF prices. Notwithstanding near-term challenges amid the ongoing geo-political tensions, ASKM growth guidance of mid-teens for 1QFY26E is encouraging. Further, we expect the overall pricing environment to remain stable with yields of Rs5.1 over next 2 years as the aviation market is now a duopoly with limited threat of predatory pricing. Plans to deepen international penetration (ASKM share to rise to 40% by FY30E), strategic focus on premiumization ("Indigo Stretch" already launched on 5 routes with 16 aircrafts) and subsiding AoG count will act as key growth and margin levers. We expect sales/EBITDAR CAGR of 15%/12% over FY25-FY27E and retain BUY on the stock with a TP of Rs6,084 (11x Sep-26E EBITDAR). Excess FX and ATF volatility is a key risk to our call.

Revenue up 24.3% YoY: Revenue increased 24.3% YoY to Rs221.1bn (PLe Rs217.8bn). Passenger revenue increased 25.4% YoY to Rs195.7bn, while ancillary revenue increased 25.2% YoY to Rs21.5bn. Load factor stood at 87.4% (PLe 88.4%), while RASK was at Rs5.26. ASKM/RPKM was up 21.0%/22.7% to 42.1bn/36.8bn. Fuel CASK decreased 6.6% YoY to Rs1.60. Yield increased 2.2% YoY to Rs5.32 (PLe Rs5.19). Total fleet count stood at 434.

PAT at Rs30.7bn: EBITDAR increased 58.8% YoY to Rs69.5bn (PLe Rs62.1bn) (FX adjusted EBITDAR was Rs68.2bn) with a margin of 30.8% (PLe 28.5%). PAT increased 61.9% YoY to Rs30.7bn (PLe Rs28.9bn) (FX-adjusted PAT was Rs29.3bn).

Key takeaways: **1)** 3 domestic and 7 international destinations have been added during the year. **2)** Amid geo-political tensions, operations across 11 airports were suspended for 8 days in May leading to a cancellation of 170 daily flights. **3)** Share of international ASKM stood at 30% in FY25. It is expected to touch 40% by FY30E. **4)** Indigo has signed an agreement to damp lease 6 aircrafts from Norse Atlantic with plans to lease 5 more in 2HFY26. **5)** Launched "Indigo Stretch" on 5 routes so far with 16 aircrafts with plans to extend it to 40 aircrafts **6)** AoG count is in 40s. **7)** Inducted 67 aircrafts during the year. **8)** Purchased 2 ATR aircrafts (owned count is 8) in 4QFY25. **9)** ASKM growth is likely to be in early double-digits in FY26E. **10)** Around 19 routes and 34 flights have been impacted due to closure of Pakistan's airspace. Flights to 2 destinations have been suspended. Indigo operates 2,200 daily flights and prima facie the impact from air-space closure appears limited. **11)** As a policy, Indigo plans to hedge the cash outflows falling due in next 12 months after accounting for the natural hedge coming from international operations. **12)** The aircraft engine and lease rental cost is expected to decline as damp leases would fall amid reduction in AoG count.

Exhibit 1: Q4FY25 Result Overview (Rs mn)

Y/e March	4QFY25	4QFY24	YoY gr. (%)	4QFY25E	% Var	3QFY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Net Sales	2,21,519	1,78,253	24.3	2,17,839	1.7%	2,21,107	0.2	8,08,029	6,89,043	17.3
Fuel cost	67,530	59,791	12.9	69,680	-3.1%	64,226	5.1	2,61,973	2,39,046	9.6
Supplementary rentals	30,126	27,587	9.2	30,450	-1.1%	28,580	5.4	1,12,185	99,316	13.0
Airport fees & charges	15,635	11,863	31.8	15,213	2.8%	15,187	2.9	57,531	46,239	24.4
Other input costs	1,074	871	23.4	1,172	-8.4%	1,090	(1.5)	3,832	3,423	12.0
Employee cost	19,472	17,987	8.3	20,075	-3.0%	19,187	1.5	74,725	64,619	15.6
Forex gain/(loss)	(1,366)	1,654	NM	-	NM	14,564	NM	16,179	7,174	125.5
Other expenses	19,513	14,705	32.7	19,136	2.0%	18,902	3.2	70,918	55,299	28.2
Total expenses	1,51,984	1,34,458	13.0	1,55,727	-2.4%	1,61,736	(6.0)	5,97,343	5,15,116	16.0
EBITDAR	69,535	43,795	58.8	62,113	11.9%	59,371	17.1	2,10,686	1,73,928	21.1
Aircraft and engine rentals	8,641	3,860	123.9	5,886	46.8%	7,585	13.9	30,103	10,752	180.0
EBITDA	60,894	39,935	52.5	56,227	8.3%	51,786	17.6	1,80,583	1,63,176	10.7
Depreciation	24,914	18,033	38.2	23,471	6.1%	22,255	11.9	86,802	64,257	35.1
EBIT	35,980	21,903	64.3	32,756	9.8%	29,531	21.8	93,781	98,918	(5.2)
Other income	9,456	6,798	39.1	8,385	12.8%	8,821	7.2	32,953	23,268	41.6
Interest	13,742	10,991	25.0	12,723	8.0%	13,081	5.1	50,800	41,694	21.8
PBT	31,694	17,710	79.0	28,418	11.5%	25,271	25.4	75,934	80,493	(5.7)
Tax expense	1,019	(1,239)	NM	(515)	NM	783	30.1	3,350	(1,232)	NM
PAT	30,675	18,948	61.9	28,933	6.0%	24,488	25.3	72,584	81,725	(11.2)
EPS	79.4	49.1	61.7	75.0	5.9%	63.4	25.1	187.8	211.7	(11.3)

Source: Company, PL

Exhibit 2: Operating Metrics

Particulars	4QFY25	4QFY24	YoY gr. (%)	4QFY25E	% Var	3QFY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
ASKM (in mn)	42,101	34,800	21.0	41,858	0.6%	40,834	3.1	1,57,384	1,39,052	(11.6)
RPKM (in mn)	36,800	30,000	22.7	36,895	-0.3%	35,526	3.6	1,35,306	1,19,502	(11.7)
Load Factor (%)	87.4	86.2	119 bps	88.4	-95 bps	87.0	40 bps	86.0	85.9	-3 bps
Yield (Rs)	5.3	5.2	2.2	5.2	2.4%	5.4	(2.0)	5.2	5.1	(1.2)
RASK (Rs)	5.26	5.12	2.7	5.20	1.1%	5.41	(2.8)	5.13	4.96	(3.5)
Aircraft Fuel/ASKM	1.60	1.72	(6.6)	1.66	-3.6%	1.57	2.0	1.66	1.72	3.3
Gross Margin	3.66	3.40	7.4	3.54	3.3%	3.84	(4.8)	3.47	3.24	(6.7)
Employee Cost/ASKM	0.46	0.52	(10.5)	0.48	-3.6%	0.47	(1.6)	0.47	0.46	(2.1)
Ownership cost/ASKM	1.12	0.94	18.9	1.01	11.8%	1.05	6.9	1.07	0.84	(21.2)
Other Operating Exp./ASKM	1.54	1.63	(5.2)	1.58	-2.1%	1.92	(19.5)	1.66	1.52	(8.2)
Non-Fuel Op.Exp/ASKM	3.13	3.09	1.3	3.06	2.2%	3.44	(9.0)	3.20	2.82	(11.6)
CASK	4.73	4.81	(1.6)	4.73	0.2%	5.01	(5.6)	4.86	4.54	(6.5)
CASK net of Other Income	4.51	4.61	(2.3)	4.53	-0.4%	4.80	(6.0)	4.86	4.54	(6.5)
RASK-CASK with other income	0.75	0.51	47.9	0.68	10.9%	0.62	21.6	0.27	0.41	50.7
Fleet	434	367	18.3	459	-5.4%	437	(0.7)	434	367	(15.4)

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	6,89,043	8,08,029	8,85,403	10,61,281
YoY gr. (%)	26.6	17.3	9.6	19.9
Aircraft Fuel Expenses	2,39,046	2,61,973	2,94,513	3,61,179
Employee Cost	64,619	74,725	88,476	1,07,592
Other Expenses	2,08,029	2,56,813	2,68,756	3,21,844
EBITDAR	1,73,928	2,10,686	2,29,362	2,65,493
YoY gr. (%)	155.0	21.1	8.9	15.8
Margin (%)	25.2	26.1	25.9	25.0
Aircraft Lease Rentals	10,752	30,103	15,937	10,613
Depreciation and Amortization	64,257	86,802	99,887	1,17,895
EBIT	98,918	93,781	1,13,537	1,36,986
Margin (%)	14.4	11.6	12.8	12.9
Net Interest	41,694	50,800	58,786	72,864
Other Income	23,268	32,953	40,321	43,703
Profit Before Tax	80,493	75,934	95,072	1,07,824
Margin (%)	11.7	9.4	10.7	10.2
Total Tax	(1,232)	3,350	2,852	10,782
Effective tax rate (%)	(1.5)	4.4	3.0	10.0
Profit after tax	81,725	72,584	92,220	97,042
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	88,899	88,763	92,220	97,042
YoY gr. (%)	235.0	(0.2)	3.9	5.2
Margin (%)	12.9	11.0	10.4	9.1
Extra Ord. Income / (Exp)	7,174	16,179	-	-
Reported PAT	81,725	72,584	92,220	97,042
YoY gr. (%)	(2,772.7)	(11.2)	27.1	5.2
Margin (%)	11.9	9.0	10.4	9.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	81,725	72,584	92,220	97,042
Equity Shares O/s (m)	386	386	386	386
EPS (Rs)	230.3	229.7	238.7	251.1

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	5,74,808	8,18,076	9,98,052	12,47,566
Tangibles	5,74,808	8,18,076	9,98,052	12,47,566
Intangibles	-	-	-	-
Acc: Dep / Amortization	2,13,756	3,00,558	4,00,445	5,18,340
Tangibles	2,13,756	3,00,558	4,00,445	5,18,340
Intangibles	-	-	-	-
Net fixed assets	3,61,052	5,17,518	5,97,607	7,29,226
Tangibles	3,61,052	5,17,518	5,97,608	7,29,226
Intangibles	483	299	329	362
Capital Work In Progress	15	30	30	30
Goodwill	-	-	-	-
Non-Current Investments	9,748	13,183	13,183	13,183
Net Deferred tax assets	4,192	4,192	4,402	4,622
Other Non-Current Assets	88,223	1,16,182	1,23,153	1,30,542
Current Assets				
Investments	1,55,711	2,47,748	2,60,135	2,73,142
Inventories	6,248	8,203	7,277	8,723
Trade receivables	6,425	7,397	7,277	8,723
Cash & Bank Balance	1,67,206	1,89,629	2,37,862	3,12,453
Other Current Assets	22,941	54,054	48,515	55,245
Total Assets	8,22,245	11,58,435	12,99,771	15,36,250
Equity				
Equity Share Capital	3,860	3,864	3,864	3,864
Other Equity	16,105	89,818	1,78,174	2,71,352
Total Network	19,964	93,682	1,82,038	2,75,216
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	22,301	24,079	25,283	26,547
Other non current liabilities	93,060	1,51,765	1,59,353	1,67,321
Current Liabilities				
ST Debt / Current of LT Debt	18,917	18,000	13,000	13,000
Trade payables	31,576	41,756	43,664	49,430
Other current liabilities	1,42,544	1,79,055	1,69,045	1,99,838
Total Equity & Liabilities	8,22,245	11,58,435	12,99,771	15,36,250

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	80,493	75,934	95,072	1,07,824
Add. Depreciation	64,257	86,802	99,887	1,17,895
Add. Interest	41,694	50,800	58,786	72,864
Less Financial Other Income	23,268	32,953	40,321	43,703
Add. Other	(23,268)	(32,953)	(40,321)	(43,703)
Op. profit before WC changes	1,63,176	1,80,583	2,13,424	2,54,881
Net Changes-WC	53,498	12,905	(1,518)	26,937
Direct tax	(11)	(3,350)	(3,062)	(11,002)
Net cash from Op. activities	2,16,663	1,90,138	2,08,844	2,70,815
Capital expenditures	(1,49,016)	(2,43,099)	(1,80,007)	(2,49,546)
Interest / Dividend Income	-	-	-	-
Others	7,771	65,223	42,143	45,546
Net Cash from Inv. activities	(1,41,245)	(1,77,875)	(1,37,864)	(2,04,000)
Issue of share cap. / premium	705	4,998	-	(3,864)
Debt changes	64,258	1,55,298	52,290	97,511
Dividend paid	-	(3,864)	(3,864)	-
Interest paid	(41,694)	(50,800)	(58,786)	(72,864)
Others	-	-	-	-
Net cash from Fin. activities	23,269	1,05,631	(10,360)	20,783
Net change in cash	98,688	1,17,894	60,620	87,598
Free Cash Flow	67,648	(52,961)	28,838	21,269

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	1,95,707	1,69,696	2,21,107	2,21,519
YoY gr. (%)	17.3	13.6	13.7	24.3
Raw Material Expenses	856	812	1,090	1,074
Gross Profit	1,94,851	1,68,884	2,20,017	2,20,445
Margin (%)	99.6	99.5	99.5	99.5
EBITDA	57,833	23,947	59,371	69,535
YoY gr. (%)	11.9	-	9.0	58.8
Margin (%)	29.6	14.1	26.9	31.4
Depreciation / Depletion	18,758	20,875	22,255	24,914
EBIT	32,834	(4,564)	29,531	35,980
Margin (%)	16.8	NA	13.4	16.2
Net Interest	11,576	12,401	13,081	13,742
Other Income	6,782	7,894	8,821	9,456
Profit before Tax	28,040	(9,071)	25,272	31,696
Margin (%)	14.3	NA	11.4	14.3
Total Tax	752	796	784	1,021
Effective tax rate (%)	2.7	(8.8)	3.1	3.2
Profit after Tax	27,288	(9,867)	24,488	30,675
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	27,863	(7,461)	39,052	29,309
YoY gr. (%)	(6.3)	NA	28.1	42.3
Margin (%)	14.2	(4.4)	17.7	13.2
Extra Ord. Income / (Exp)	575	2,406	14,564	(1,366)
Reported PAT	27,288	(9,867)	24,488	30,675
YoY gr. (%)	(11.7)	NA	(18.3)	61.9
Margin (%)	13.9	(5.8)	11.1	13.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	27,288	(9,867)	24,488	30,675
Avg. Shares O/s (m)	386	386	386	386
EPS (Rs)	72.3	(19.4)	101.3	76.0

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	230.3	229.7	238.7	251.1
CEPS	396.8	454.4	497.2	556.3
BVPS	51.7	242.4	471.1	712.3
FCF	175.3	(137.1)	74.6	55.0
DPS	-	10.0	10.0	10.0
Return Ratio(%)				
RoCE	(18,656.8)	124.6	74.0	56.7
ROIC	19.8	13.0	14.2	14.4
RoE	(418.3)	156.2	66.9	42.4
Balance Sheet				
Net Debt : Equity (x)	(15.2)	(4.5)	(2.7)	(2.1)
Net Working Capital (Days)	(10)	(12)	(12)	(11)
Valuation(x)				
PER	23.7	23.8	22.9	21.7
P/B	105.6	22.5	11.6	7.7
P/CEPS	13.8	12.0	11.0	9.8
EV/EBITDAR (Adj)	14.7	12.8	12.0	10.5
EV/Sales	2.6	2.1	1.8	1.4
Dividend Yield (%)	-	0.2	0.2	0.2

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
EBITDAR (Rs mn)	1,73,928	2,10,686	2,29,362	2,65,493
EBITDAR %	25.2	26.1	25.9	25.0
ASK (bn)	139	157	179	216
RPK (bn)	120	135	154	185
PLF %	86	86	86	86
RASK (Rs)	5.0	5.1	4.9	4.9
CASK (Rs)	4.5	4.9	4.6	4.6
RASK-CASK (Rs)	0.4	0.3	0.3	0.3
Fleet Size	367.0	434.0	511.0	563.0

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Apr-25	BUY	5,875	5,157
2	21-Mar-25	BUY	5,861	5,087
3	27-Jan-25	BUY	5,246	4,162
4	09-Jan-25	Accumulate	4,919	4,262
5	28-Oct-24	Accumulate	4,919	4,366
6	09-Oct-24	Accumulate	5,177	4,708
7	28-Jul-24	Accumulate	4,958	4,493
8	08-Jul-24	Accumulate	4,667	4,322
9	26-May-24	Accumulate	4,667	4,257

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Chalet Hotels	BUY	1,130	875
2	Delhivery	BUY	387	321
3	DOMS Industries	BUY	3,308	2,635
4	Imagicaaworld Entertainment	BUY	97	67
5	Indian Railway Catering and Tourism Corporation	BUY	850	715
6	InterGlobe Aviation	BUY	5,875	5,157
7	Lemon Tree Hotels	BUY	173	139
8	Mahindra Logistics	Hold	287	310
9	Navneet Education	Hold	152	136
10	Nazara Technologies	BUY	1,127	973
11	PVR Inox	Hold	1,040	966
12	S Chand and Company	BUY	294	193
13	Safari Industries (India)	BUY	2,437	1,960
14	Samhi Hotels	BUY	267	176
15	TCI Express	BUY	924	636
16	V.I.P. Industries	BUY	404	338
17	Zee Entertainment Enterprises	BUY	137	111

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Jinesh Joshi- MS(Finance) and CFA, Ms. Stuti Beria- MBA Finance, Mr. Dhvanit Shah- CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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