

InterGlobe Aviation Ltd.

BUY

Sector: Aviation

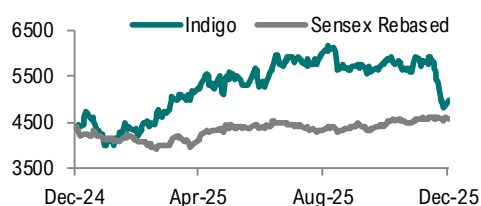
17th December 2025

Key Changes	Target		Rating		Earnings		Target	Rs.5,830
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame		CMP	Rs.4,973
Large Cap	INDIGO:IN	84,680	INDIGO	539448	12 Months		Return	+17%

Data as of: 16-12-2025, 18.00 hrs.

Company Data			
Market Cap (Rs. cr.)	1,91,410		
52 Week High — Low (Rs.)	6,225 - 3,946		
Enterprise Value (Rs. cr)	1,71,554		
Outstanding Shares (Rs cr)	38.6		
Free Float (%)	58.3		
Dividend Yield (%)	0.20		
6m average volume (cr)	0.1		
Beta	1.2		
Face value (Rs)	10.0		
Shareholding (%)	Q1FY26	Q1FY26	Q2FY26
Promoters	49.3	43.5	41.6
FII's	25.1	27.3	28.4
MFs/Institutions	20.7	24.0	24.6
Public	5.0	5.1	5.4
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-13.5%	-5.5%	12.3%
Absolute Sensex	2.7%	4.8%	7.6%
Relative Return	-15.7%	-10.3%	4.7%

*over or under performance to benchmark index



Y.E March (Rs.cr)	FY25A	FY26E	FY27E
Sales	80,803	85,833	97,488
Growth (%)	17.3	6.2	13.6
EBITDA	17,906	17,878	24,855
Margin (%)	22.2	20.8	25.5
PAT Adjusted	7,153	4,596	9,389
Growth (%)	12.4	(36.6)	104.3
Adjusted EPS	185.1	119.0	243.0
Growth (%)	(12.4)	(36.6)	104.3
P/E	26.5	27.7	22.1
P/B	20.6	13.8	8.2
EV/EBITDA	9.5	9.0	6.2
ROE (%)	129.1	39.6	50.5
D/E	0.2	0.1	0.1

Author: Anil R - Sr. Research Analyst

Temporary Setback...Long-term Flight Path Intact

InterGlobe Aviation Ltd. (Indigo) is one of the most efficient low cost air carriers (LCCs) with a market share of 64% in the Indian aviation sector.

- DGCA's 10% flight cut may erode IndiGo's market share as rivals fill slots, pressuring growth and pricing.
- IndiGo plans to add 158 pilots by Feb and 742 pilots by end-2026, which could escalate hiring costs amid intense industry competition
- Management has revised Q3 capacity growth guidance to high single digits for the peak season. However, near-term flight cancellations and elevated cost pressures are expected to weigh on FY26 earnings.
- IndiGo is expected to face heightened regulatory scrutiny and stricter compliance requirements in the near term, while the government is likely to promote greater competition and ensure operational stability.
- We downgrade our FY27E & FY28E earnings estimates by 43.1% & 10% to factor in the near term headwinds related to 10% cut in schedule, near term costs and increased competition.

Outlook & Valuation

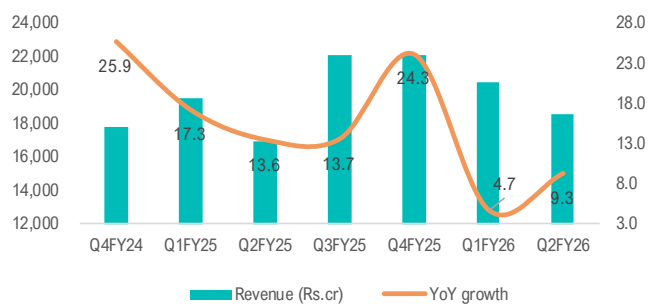
IndiGo faces near-term headwinds from regulatory scrutiny, competitive slot reallocation, and pilot hiring challenges. While operational stability has recovered to over and above 91%, these factors may constrain short-term performance. However, IndiGo's structural advantages—cost leadership, strong fleet pipeline, and scale—reinforce our positive long-term outlook.

After the recent correction, we maintain our BUY rating, valuing the stock at 24x FY27E EPS, with a revised target price of Rs.5,830.

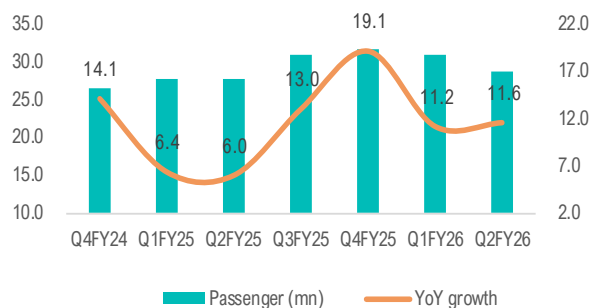
Quarterly Financials Standalone

Rs.cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Sales	18,555	16,970	9.3	20,496	(9.5)	39,052	36,540	6.9
EBITDA	545	1,618	(66.3)	5,205	(89.5)	5,750	6,764	(15.0)
Margin %	2.9	9.5	(659bps)	25.4	(2245bps)	14.7	18.5	(379bps)
EBIT	(2,084)	(460)	353.2	2,652	(178.6)	568	2,820	(79.9)
PBT	(2,514)	(909)	176.4	2,295	(209.5)	(218)	1,892	(111.5)
Reported PAT	(2,614)	(989)	164.4	2,161	(221.0)	(453)	1,738	(126.1)
Adjusted PAT	(2,614)	(989)	164.4	2,161	(221.0)	(453)	1,738	(126.1)
EPS (Rs)	(67.6)	(25.6)	164.3	55.9	(221.0)	(11.7)	45.0	(126.1)

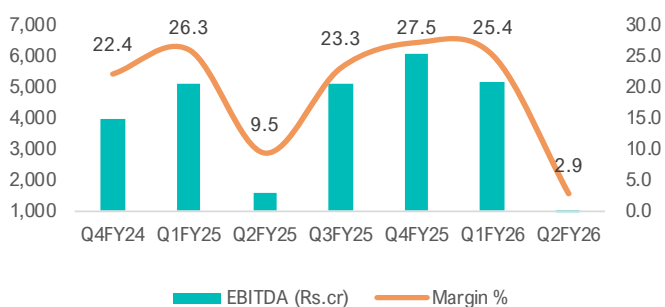
Revenue



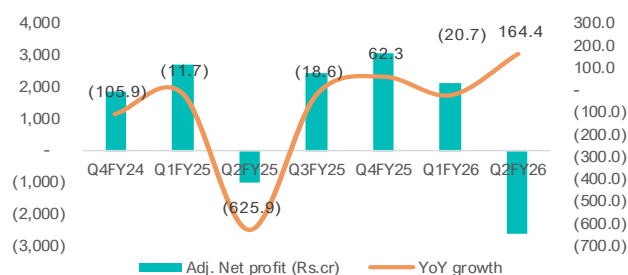
Passenger volumes (mn)



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	86,8975	99,130	85,833	97,488	(1.3)	(1.7)
EBITDA	20,779	24,489	17,878	24,855	(14.0)	1.5
Margins (%)	24.0	24.7	20.8	25.5	(100bps)	80bps
Adj. PAT	8,076	10,390	4,596	9,389	(43.1)	(9.6)
EPS	208.9	268.8	118.9	242.9	(43.1)	(9.6)

Standalone Financials

Profit & Loss

Y.E March (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	54,446	68,904	80,803	85,833	97,488
% change	110.0	26.6	17.3	6.2	13.6
EBITDA	6,485	16,293	18,006	17,878	24,855
% change	1122.9	151.2	10.5	(0.7)	39.0
Depreciation	5,088	6,389	8,616	10,824	12,697
EBIT	1,384	9,887	9,370	7,054	12,158
Interest	3,132	4,169	5,089	6,050	6,729
Other Income	1,431	2,326	3,307	3,939	4,776
PBT	(317)	8,043	7,588	4,942	10,206
% change	94.9	2,639.6	(5.7)	(34.9)	106.5
Tax	-	(124)	334	346	816
Tax Rate (%)	0.0	0.0	0.0	0.1	0.1
Reported PAT	(317)	8,168	7,253	4,596	9,389
Adj.*	-	-	-	-	-
Adj. PAT	(317)	8,168	7,253	4,596	9,389
% change	94.9	2,678.8	(11.2)	(36.6)	104.3
No. of shares (cr)	38.6	38.6	38.6	38.7	38.7
Adj EPS (Rs)	(8.2)	211.6	187.7	118.9	242.9
% change	94.9	2675.9	(11.3)	(36.6)	104.3
DPS (Rs)	0.0	0.0	0.0	0.0	0.0

Balance Sheet

Y.E March (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	1,244	689	997	748	764
Accounts Receivable	520	643	740	776	881
Inventories	591	625	820	835	1,000
Other Cur. Assets	17,208	27,202	34,968	36,685	44,871
Investments	11,514	16,453	26,402	31,402	37,902
Gross Fixed Assets	43,052	57,341	79,459	99,459	1,19,459
Net Fixed Assets	27,639	35,989	51,535	60,711	68,013
CWIP	-	0	1	10	10
Intangible Assets	31	49	32	32	32
Def. Tax (Net)	295	419	419	419	419
Other Assets	-	-	0	(0)	(0)
Total Assets	59,043	82,069	1,15,914	1,31,617	1,53,893
Current Liabilities	8,318	9,937	12,556	12,392	14,005
Provisions	1,591	2,774	4,096	4,468	5,342
Debt Funds	2,252	1,892	1,800	1,700	1,600
Other Liabilities	42,602	49,388	65,288	73,788	81,788
Financial Liabilities	10,583	16,146	22,866	25,366	27,866
Equity Capital	386	386	386	387	387
Reserves & Surplus	(6,689)	1,546	8,920	13,517	22,906
Shareholder's Fund	(6,303)	1,932	9,307	13,903	23,292
Total Liabilities	59,043	82,069	1,15,914	1,31,617	1,53,893
BVPS	(164)	50	242	362	606

Cash flow

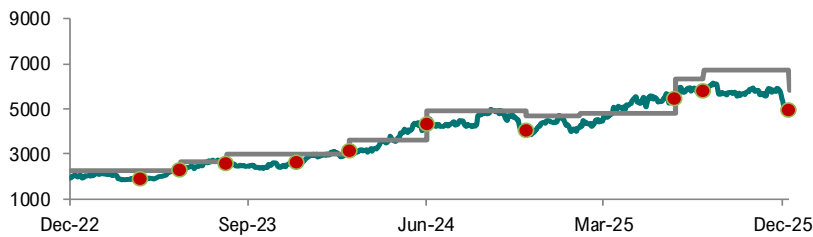
Y.E March (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	4,785	14,573	15,890	15,421	22,086
Non-cash adj.	4,798	2,271	3,711	2,111	1,953
Changes in W.C	3,120	4,338	4,464	(1,560)	(5,971)
C.F. Operation	12,703	21,183	24,065	15,972	18,068
Capital exp.	(532)	(992)	(1,218)	(20,009)	(20,000)
Change in inv.	(4,354)	(11,832)	(12,684)	(5,000)	(6,500)
Other invest.CF	831	1,167	1,147	3,939	4,776
C.F - Investment	(4,055)	(11,756)	(12,784)	(21,071)	(21,724)
Issue of equity	22	42	42	-	-
Issue/repay debt	(8,420)	(9,960)	(6,899)	8,500	8,000
Dividends paid	-	-	-	-	-
Other finance.CF	(34)	(61)	(26)	(6,050)	(6,729)
C.F - Finance	(8,432)	(9,979)	(10,975)	4,850	3,671
Chg. in cash	232	(555)	308	(248)	15
Closing cash	1,244	689	997	748	764

Ratios

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab & Return					
EBITDA margin (%)	11.9	23.6	22.3	20.8	25.5
EBIT margin (%)	2.5	14.3	11.6	8.2	12.5
Net profit mgn.(%)	(0.6)	11.9	9.0	5.4	9.6
ROE (%)	5.1	373.7	129.1	39.6	50.5
ROCE (%)	8.8	28.2	19.2	12.6	16.2
W.C & Liquidity					
Receivables (days)	2.9	3.1	3.1	3.2	3.1
Inventory (days)	5.1	5.6	5.7	6.5	6.4
Payables (days)	75.3	83.5	88.2	98.7	92.4
Current ratio (x)	2.0	2.3	2.3	2.3	2.5
Quick ratio (x)	0.1	0.1	0.1	0.1	0.1
Turnover & Leverage					
Gross asset T.O (x)	1.4	1.4	1.2	1.0	0.9
Total asset T.O (x)	1.0	1.0	0.8	0.7	0.7
Int. covge. ratio (x)	0.4	2.4	1.8	1.2	1.8
Adj. debt/equity (x)	(0.4)	NA	0.2	0.1	0.1
Valuation					
EV/Sales (x)	3.3	2.5	2.1	1.9	1.6
EV/EBITDA (x)	27.5	10.7	9.5	9.0	6.2
P/E (x)	NA	23.5	26.5	27.7	22.1
P/BV (x)	NA	101.5	20.6	13.8	8.2



Recommendation Summary (last 3 years)



Dates	Rating	Target
01.Sept.22	BUY	2,281
23.Mar.23	BUY	2,282
24.May.23	BUY	2,679
04.Aug.23	BUY	3,005
20.Nov.23	BUY	3,008
08.Feb.24	BUY	3,624
07.Jun.24	BUY	4,903
07.Nov.24	BUY	4,675
29.Jan.25	BUY	4,814
24.Jun.25	BUY	6,302
06.Aug.25	BUY	6,720
17.Dec.25	BUY	5,830

Investment rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:



Upgrade



No Change



Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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GRIEVANCES

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