



November 10, 2025

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To  
National Stock Exchange of India Limited  
Exchange Plaza, C - 1, Block G  
Bandra Kurla Complex, Bandra - (E)  
Mumbai - 400 051  
Symbol: INDIGO

To  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001  
Scrip Code: 539448

**Subject: Transcript of earnings call on financial results for the quarter and half year ended September 30, 2025**

Dear Sir/ Madam,

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed transcript of earnings call held on November 4, 2025, on financial results for the quarter and half year ended September 30, 2025.

This disclosure is also being made available on the Company's website at [www.goindigo.in](http://www.goindigo.in).

The above is for your information.

Thanking you,  
For **InterGlobe Aviation Limited**

**Neerja Sharma**  
**Company Secretary & Chief Compliance Officer**

Encl: a/a

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CIN no.: L62100DL2004PLC129768

**goindigo.in**



“IndiGo Second Quarter Fiscal Year 2026  
Financial Results Conference Call”

**November 04, 2025**



**MANAGEMENT: MR. PIETER ELBERS – CHIEF EXECUTIVE OFFICER  
MR. GAURAV NEGI – CHIEF FINANCIAL OFFICER  
Ms. RICHA CHHABRA – HEAD OF INVESTOR  
RELATIONS**

**Operator:** Good evening, ladies and gentlemen and welcome to IndiGo's Conference Call to discuss the second quarter of fiscal year 2026 financial results. My name is Neerav, and I will be your coordinator. At this time, the participants are in a listen-only mode. A question-and-answer session will follow today's management discussion.

As a reminder, today's conference call is being recorded. I would now like to turn the call over to your moderator, Ms. Richa Chhabra from the Investor Relations team of IndiGo.

**Richa Chhabra:** Good evening, everyone, and thank you for joining us for the second quarter of fiscal year 2026 earnings call.

We have with us our Chief Executive Officer - Pieter Elbers and our Chief Financial Officer – Gaurav Negi to discuss the financial performance and are available for the Q&A session.

Please note that today's discussion may contain certain statements on our business or financials which may be construed as forward-looking. Our actual results may be materially different from these forward-looking statements.

The information provided on this call is as of today's date and we undertake no obligation to update the information subsequently.

We will upload the transcript of prepared remarks by day end. The transcript of the Q&A session will be uploaded subsequently.

With this, let me hand over the call to Pieter Elbers.

**Pieter Elbers:** Good evening, ladies and gentlemen and thank you for joining the call. We announced our financial results for the second quarter of the financial year 2026 today.

For the quarter ended September 2025, we reported a total income of 196 billion rupees, which is an increase of over 10 percent as compared to the same period last year. In terms of profitability excluding the impact of foreign exchange movement and hedging, we reported a profit of 1 billion rupees or 104 crore rupees against a loss of INR 7.5 billion rupees, during the same period last year.

Including the impact of foreign exchange movement, we reported a loss of around 25.8 billion rupees during the quarter. This is the consequence of currency movement pertaining to dollar based future obligations during this quarter. The uncertainties around global policy related matters led to a significant rupee depreciation during this quarter, Gaurav will delve into greater details on this topic.

We have delivered strong operational results driven by disciplined capacity deployment, supported by stronger revenue environment and lower fuel prices.

With Indian aviation market growing and also maturing, we see seasonality coming into the picture and as in any part of the world, we have started to structurally incorporate this seasonality into our planning. In the same direction as we had communicated during our last earnings call, along with the capacity cuts due to the Delhi runway closure, we also optimized our capacity allocation during this quarter, to ensure the right flights were available in the right markets at the right times. Against this backdrop, we had the privilege to serve 28.8 million passengers during the quarter.

While the first quarter of the financial year was shaped by significant external challenges in terms of geopolitical tensions and airspace restrictions leading to an impact on revenue performance. In the last earnings call we had mentioned July to witness stabilization and anticipated August & September to witness further recovery leading to a notable revenue performance improvement when compared on a year-over-year basis.

During the quarter, we took deliberate steps on the path of disciplined execution against our long-term strategy. Every pillar of our plan — network expansion, fleet strategy, operational excellence, and customer engagement — moved forward with intent and momentum.

- Our domestic network continues to be the backbone of IndiGo's scale and reach across India. In Q2FY26, we expanded to 94 destinations, further reinforcing our position as the country's most connected airline. The launch of operations from Hindon Airport in Ghaziabad opened new access points in the Delhi-NCR region. During the quarter, we also added Jalandhar in Punjab and Purnea in Bihar, strengthening our presence in high-potential regional markets, and reinforcing our commitment to connect every corner of our country.
- We announced mid-October, we will be introducing our first A321 XLR in the next few months, which will be offered in two class cabins having 183 economy and 12 Stretch seats. And in the new year, we would start operations to Athens from Delhi and Mumbai through this aircraft. It marks a significant step forward in our growth journey as it extends our operational range from the current 5–6 hours to approximately 7–8 hours, unlocking access to a much broader set of international destinations across Asia and Europe that were previously beyond our reach. With this extended range, we will be able to deploy nonstop connections to high-demand international markets, reduce dependency on one-stop itineraries, and offer greater comfort, convenience, and choice to our passengers.
- To complement our fleet expansion and accelerate international connectivity, we have also announced MoU for codeshare partnership with Aegean Airlines in Greece. These alliances extend our reach far beyond our own network, giving customers seamless access to more than 80 destinations worldwide. More importantly, they amplify our brand presence in key international markets and position us as a trusted global player.
- We have already spearheaded the resumption of flights to China and are operating flights from Kolkata to Guangzhou currently since October 26<sup>th</sup>. We are super proud to

be starting Delhi to Guangzhou in a few days as from November 10<sup>th</sup> onwards. With this very important step, we are looking at adding more direct flights to China.

- India stands at the centre of a global aviation opportunity. Long-range connectivity is the next frontier, and we are moving decisively to capture it. To position ourselves for this growth, we have doubled our order of A350 widebodies from 30 to 60, securing the capability to serve new international destinations and connect India to key global markets.
- During the quarter, we also broke ground on our new state-of-the-art MRO facility in Bengaluru. Once operational, it will allow us to handle heavy maintenance in-house for our widebodies, cut turnaround times and reduce reliance on third-party providers to some extent. Just as importantly, it will also create high-quality employment opportunities in aviation engineering and technical services — supporting skill development and job creation in the region.
- While we await the delivery of our own widebodies from 2028 onwards, in the interim to support rising demand and maintain flexibility, we have already added 4 B787 widebodies on damp-lease basis and will be adding 2 more in the coming months. These aircraft are flying to Amsterdam, Manchester, Copenhagen, and London Heathrow. Addition of these destinations is a milestone moment for us — expanding beyond our traditional network and giving customers direct access to markets that were previously out of reach.
- When we launched our tailored business product – Stretch, almost a year ago, it was a bold move to redefine the travel experience of our customers. Today, through our 40 plus A321 dual class aircraft, Stretch is operational on 7 key domestic routes and 8 international routes. We will be adding it to 1 more international route –and Mumbai to Phuket and to 1 more domestic route – Mumbai to Chennai – later this month. Additionally, the Stretch is also available on our new long-haul destinations, being serviced through damp leased aircraft with a differentiated product offering to suit the requirements of our customers.
- In terms of our loyalty program, BluChip continues to gain strong traction and is fast becoming a key pillar of our customer engagement strategy. In just over a year since its launch, BluChip has grown to around 7 million members, reflecting the growing affinity travellers have for the IndiGo brand. This quarter, we accelerated the program’s momentum with the launch of three co-branded credit cards in partnership with Kotak Mahindra Bank, IDFC First Bank, and SBI Cards. These offerings are designed to seamlessly integrate travel rewards into our customers’ everyday spending, allowing them to earn and redeem points across a growing ecosystem of benefits. And as we continue to scale this platform, we see significant headroom to unlock value through personalization, partnerships, and digital innovation.

Further, operational performance continues to be a source of strength and consistency for IndiGo. We have led the industry especially compared to domestic players in on-time performance for 9 consecutive months now across all major metro airports, a reflection of meticulous planning, real-time coordination across teams, and a relentless focus on execution. This leadership has held firm even as we scaled our fleet, added new destinations, and navigated seasonal disruptions.

As we entered the seasonally strong December quarter, our fleet and operational plans have been scaled up to meet the festive and peak travel seasonal demand. We remain fully committed to delivering a reliable and seamless travel experience through the busiest months of the year. In October itself, we operated more than 2,300 daily flights on several days on our 600 plus routes and as we move forward, we continue to add more flights. With these increases in capacity, we estimate early teens capacity growth for the full financial year 2026 which is slightly higher than our earlier communicated early double-digit guidance of capacity growth.

In closing, the September quarter enabled positive operational results through well-defined and executed fleet strategy. We delivered ahead of expectations on revenue (plus 10 percent), executed with discipline across all key priorities, and maintained operational leadership in a season marked with external weather-related disruptions across India.

Our entry into long-haul markets, the rapid expansion of our international footprint and the deepening of global partnerships all underscore a singular fact that we are building our future and the future of Indian aviation with purpose, precision, and pace.

With this, ladies and gentlemen, let me now hand over the call to Gaurav to discuss the financial performance in more detail.

**Gaurav Negi:**

Thank you, Pieter and good evening, everyone.

For the quarter ended September 2025, we reported a total income of 196 billion rupees an increase of more than 10 percent as compared to the same period last year. Operationally, the business remained resilient, and we reported a profit excluding the impact of foreign exchange movement and hedging gains of around 1 billion rupees with a profit margin of around 1 percent in seasonally weak September quarter.

The tariff imposition on India and the continued FPI outflows in the second quarter led to a sharp depreciation of rupee of around 4% at the quarter end. The impact of this sharp rupee depreciation has weighed down on our reported profitability for the September quarter as we reported a net loss of 25.8 billion rupees as against a net loss of 9.9 billion rupees during the same period last year.

We reported an adjusted EBITDAR, which is excluding the impact of foreign exchange movement and hedging gains, of 38 billion rupees, with a margin of around 20 percent compared to an adjusted EBITDAR of 27 billion rupees and a margin of around 16 percent during the same period last year.

We added capacity in an optimized manner and grew by around 3 percent in terms of seats deployed and around 8 percent in terms of ASKs. This resulted in a flattish domestic capacity growth and a growth of more than 26 percent on international sectors, as compared to the same period last year.

In terms of topline, the quarter was marked by revenue performance exceeding our earlier expectations due to stronger than anticipated performance in August and September, especially in the domestic markets.

The number of passengers served by us during the quarter grew by around 4 percent on a year-over-year basis whereas the overall industry remained largely stagnant.

As explained in our earlier earnings calls, our exposure to foreign exchange risk is primarily from our lease liabilities and maintenance obligations denominated in US dollars. While we have some dollar-denominated assets — in the form of deposits — the net exposure as of the end of September is approximately 9 billion dollars. This would amount to a foreign exchange loss of around 9 billion rupees or 900 crore rupees for every rupee depreciation at the quarter end.

While these liabilities are long-term in nature and payable over 8-10 years from a cash flow standpoint. However, based on accounting norms we recognize the currency impact at the end of each reporting period. With the 3.18 rupees depreciation at the September quarter end as compared to June quarter end, we ended up with around 29 billion rupees foreign exchange loss under the foreign exchange line item in the income statement.

As we highlighted earlier, we have been actively taking steps to mitigate these exposures by hedging part of our foreign currency outflows and have around 850 million USD positions in the hedge book. We have recognized a gain on hedging of around 2 billion rupees in this quarter. In the coming years we will continue to enhance this position. Additionally, as we continue to scale up our international operations and enhance our brand globally, we expect the natural hedge — through dollar inflows from international revenues to increase which will provide us with further insulation against currency fluctuations over time.

On the revenue side, the passenger unit revenue came in at 3.87 rupees, which is 3 percent higher on a year-over-year basis. The yields came in at 4.69 rupees, which is around 3 percent higher as compared to the same period last year. The seat factors grew by around 1 percent, however, with increased stage length, our load factors remained flattish at around 83 percent.

On the cost side, the fuel CASK reduced by around 16 percent on a year over year basis largely driven by reduction in fuel prices and the redelivery of some older-generation damp leased aircraft.

The CASK ex fuel ex forex came in at 3.01 rupees, which is higher by 3.9 percent on a year-over-year basis. The increase in CASK ex fuel ex forex was primarily driven by:

- The depreciation of the Indian rupee had an impact on our dollar-denominated cost base.

We have more than 60% of our total expenses such as the fuel, maintenance, directly or indirectly dollar denominated. This leads to inflated costs from a constant currency perspective.

- Annual contractual increases across line items and
- Disciplined capacity deployment leading to reduction in aircraft utilization due to which our fixed costs is being spread over a lower base of ASKs.

Based on our current estimates, due to

- Higher than anticipated currency depreciation,
- Lower than anticipated reduction in aircraft on ground,
- And induction of some additional damp leases,

We are estimating early single digit percentage increase in our unit costs excluding fuel and forex for the full financial year 2026 as compared to the full financial year 2025. Also note, some of these will also have an offset in the revenue line item largely towards claims from OEMs for AOGs.

Moving on to the balance sheet side, we ended the September quarter with a capitalized operating lease liability of 497 billion rupees and a total debt including the capitalized operating lease liability of around 748 billion rupees. Our right to use assets at the quarter end were around 538 billion rupees.

Our liquidity has further improved as we ended the September quarter with a free cash of 385 billion rupees and a restricted cash of 150 billion rupees.

Also, our balance sheet continues to remain strong, and we continue to maintain a healthy cash balance which gives us the flexibility to support growth while navigating external uncertainties. This strength is allowing us to take a more strategic view on our fleet ownership.

In terms of fleet, during the quarter we inducted 15 aircraft from our original orderbook — 8 on operating lease and 7 on finance lease — through our captive leasing unit in the GIFT city. We also redelivered 11 aircraft from our original orderbook. During the quarter, we also purchased 6 finance lease aircraft, whose lease terms had ended, at a nominal value. These are now re-classified as owned from finance leased.

At September 30<sup>th</sup>, we had a total of 14 owned aircraft and 62 finance leased aircraft. In totality, we had a fleet of 417 at the September quarter end of which 56 aircraft have been acquired through the GIFT city entity.

As communicated earlier, while we have historically operated with an operating lease-heavy



model, we are now actively transitioning towards a more balanced structure. By 2030, our goal is to have 30 – 40% of our total fleet held on our balance sheet either in the form of owned or finance leased structures.

Aligned with this approach, as Pieter mentioned we are also deploying around 1,000 crore rupees of cash over the next 3-4 years towards building a world class 12 Bay MRO for both our narrowbodies and widebodies in Bengaluru.

Moving on to the AOG situation, the number of grounded aircraft remains stable in the range of 40s. Based on the latest guidance as received from the OEM, the number of grounded aircraft is expected to remain range bound at the current levels till the year end. Beyond this we are in active discussions with the OEM for further guidance on grounded aircraft.

While we remain on track to receive one aircraft per week from our original orderbook, the grounding situation has not eased as quickly as we had anticipated and there is market opportunity at hand. Hence, to ensure we are well-positioned to meet strong and sustained demand, particularly through the peak travel season, we have taken steps to augment our fleet through additional damp lease arrangements. We have already added 2 A320s on damp lease basis in September and plan to add more narrowbodies on damp lease in the coming months.

As we move to the seasonally strong second half of the financial year, based on the market opportunity and addition of long-haul, we are pleased to announce that we will be able to grow by high teens for both the third and fourth quarter of the current financial year as compared to the same period last year. This will translate to a slightly upward revision to early teens capacity growth for the full financial year 2026 as compared to our earlier guidance of early double digits growth.

On the revenue side, basis the trends of October, we are estimating a flattish to slight growth in passenger unit revenues (PRASK) for the third quarter as compared to a high base during the same period last year.

In summary, the first quarter saw a series of events including geopolitical tensions, airports closures etc., followed by stabilization in July and a strong rebound in August and September. We are gearing up for the second half of the year, which is a seasonally strong period. We are prepared to navigate the evolving landscape with agility, and to continue delivering value to our customers, employees, and shareholders.

With this, let me hand it back to Richa.

**Richa Chhabra:**

Thank you, Pieter, and Gaurav. To answer as many questions as possible, I would like to request that each participant limit themselves to one question and one brief follow-up question, if needed. And with that, we are ready for the Q&A.

- Moderator:** First question is from the line of Krupashankar from Avendus Spark.
- Krupashankar:** My first question would be on the capacity addition, while you did mention that there will be high-teens capacity addition in the second half of FY '26. We're also noting that the competitors are also adding substantial capacities in the sector. Now taking this into consideration, are you seeing the yields remain robust? And any challenges with respect to the yields? Also, do you expect any escalation in costs and that can shape up the yields over the second half?
- Gaurav Negi:** Krupa, you're right. We're looking at a significant capacity addition as we go into Q3. It's going to be in the high teens. So based on the trends that we've seen in October, there is definitely an increase in the yields. Again, that is also given the fact that Diwali, which was in November last year has moved into October.
- So, we did have a very strong October performance. Like I said in the opening statements also, for Q3, we are at least looking at a flattish PRASK, if not slightly better. So, the October has been very strong. We are still looking at a flattish to a slightly better performance in terms of PRASK unit revenue performance.
- Given the fact that last year also was a very strong Q3 performance. So, our strong Q3 performance last year, similar performance from PRASK, we are anticipating this quarter also, Q3, and a significant capacity push, which is in the high teens is the way we are looking at the quarter.
- Krupashankar:** Got it. And any cost escalations you're expecting, Gaurav?
- Gaurav Negi:** For the cost escalation also I kind of alluded to. One is going to be the FX. We'll have to see because we do have U.S. dollar-denominated expenses. So, while we do have the mark-to-market movements, but there are underlying costs related to U.S. dollar-denominated expenses, which will naturally move in line with the way the FX is going to move.
- Having said that, one of the elements that we covered in our opening statement is the AOGs, the AOGs what we had anticipated were to taper down. We were in the high 70s in Q1 of last year. We've managed the situation very well to bring it down to mid-40s. We are actively engaged with the OEMs, but the guidance right now is that this number will remain in that particular range. So, it's going to be a range bound. We are in active discussion.
- If the AOG doesn't trend downwards, obviously, there is going to be a cost dimension. There's an element of claims, and we've always said that the claims do not cover the cost. So that's going to be one dimension of the cost that we do foresee.
- Let's see how that plays out, depending on how the AOG situation plays out. Alternate to that, we are going to be beefing up capacity in the form of damp leases. So, we are bringing in more damp leases. Those damp leases, as we had earlier also kind of mentioned, are at a marginally higher cost compared to if they were our own fleet.

That was something that had tapered down. We had returned most of our damp leases by the time we were coming into Q2. We'll start scaling up. So, there is going to be a bit of a cost element, which is going to start creeping upwards. We've mentioned that also in our opening script, where we're seeing at least early single digit increases in unit cost structures.

But let's see how the yield environment plays out. It's been very strong in October. We anticipate, again, a flattish to a slightly higher yield structure, which will offset some of these costs that I've talked about.

**Krupashankar:** Got it. I think on pilot inflationary costs, given the attrition pressures, which have been spoken about on public forum. Anything to talk about that?

**Gaurav Negi:** The attrition scenario remains stable, and we've spoken about this also in the past that there's a new FDTL norm that has kicked in from November. So given that the FDTL has now kicked in, there is going to be some element of cost dimension that is going to start playing out. There is going to be an increased cost that we'll have to incur related to the implementation of the FDTL.

How that kind of plays out given the various efforts that we are trying internally within the organization to optimize productivity and to keep the cost low. But we do anticipate there will be a slight uptick in the cost given the new Phase 2 that has been kind of implemented. While it's a scaled-down version from what was initially proposed by the regulators, but nonetheless, there will be some incremental cost.

**Moderator:** Next question is from the line of Binay from Morgan Stanley.

**Binay:** Congratulations for a good set of results.

**Moderator:** Binay, sorry to interrupt you. Can you speak a little louder, please, you are sounding too soft.

**Binay:** Congratulations on a good quarter. I'll just pick up from the earlier question. Gaurav, you talked about early single digit increase in CASK ex fuel. Earlier, we were talking about it to be flat. And in your opening remarks, you also said there is a counter support in that in the top line also in terms of compensation. So, when you take both into account at the profitability level, also the picture sort of deteriorate or it remains unchanged?

**Gaurav Negi:** So, there are various drivers that are hitting the CASK. One is the FX. So, there's no offset to that. So, there is going to be pressure that is going to come in from an FX standpoint, the U.S. dollar denominated. The piece I was alluding to offset is going to be the AOG.

So, if the number of the AOG doesn't kind of move in what we had anticipated, the cost related to AOG is going to come in the cost side, whereas the claims will come as we've kind of communicated in the past on the revenue side, so revenue from other operations.

So that's going to be the offset that will be there, but not all elements of costs will not have an offset. It's largely the AOG bit that will have an offset sitting in the revenue side. But barring that, there is going to be costs related to what I mentioned in terms of FX that is there. Obviously, the damp leases that we are getting in will be an increased cost, there's no offset to that also.

So, there is going to be a marginal increase on the CASK side in the early single digits that I mentioned. So, part of it, offset in the revenue but large part is still going to be an increased cost.

**Binay:** And secondly, when we look at your capacity guidance, on a Q-o-Q basis, this will be one of the sharpest capacity increases that we've seen from IndiGo in a long time. Could you share a little bit of thoughts about how does it go between domestic and international? Because like last quarter, bulk of the capacity went to international.

And secondly, linked to that, typically, we see Q2 is always a buildup quarter. You had a lot of costs ahead of Q3 in terms of staff, in terms of damp leases. So fair to say that some of these costs for this very sharp 16% jump in capacity Q-o-Q are built into Q2?

**Gaurav Negi:** Binay, your voice is all muffled, so we were hardly able to hear. I don't know the moderator if you were able to hear, but at least at our end, it was not coming through.

**Binay:** Is this better, Gaurav?

**Gaurav Negi:** Yes. Now it's better. Again, please try.

**Binay:** Yes. So, when we look at capacity guidance for Q3, on a Q-o-Q basis, this is one of the biggest increases that we've seen from the company. Could you share the breakup between domestic international, how you are thinking? And secondly, fair to assume that some of the costs related to this capacity would have been built into Q2 costs also?

**Gaurav Negi:** Again, the large part of the capacity increase is going to happen again, disproportionate towards the international. Like as you're aware that we are scaling up to a large extent, on the wide-body operations and long-haul operations. So, we've already announced some of those partly got played out in the second quarter with Manchester as well as Amsterdam.

And subsequently, we've also opened Copenhagen and London Heathrow. And there's more to come. So, a large part of the capacity development, both on the wide-body side, even on the narrow body is going to be on the international.

We will continue to kind of grow capacity on the domestic side subject to, again, the opening of some of these airports that have got deferred out while we were hopeful that they will open up a little earlier than what we had anticipated, but they're kind of moving to the right. So, in short, we will deploy capacity where there is an opportunity and we feel it's the right place to go, but a disproportionate increase is going to be towards international.

**Pieter Elbers:** If I may add there, I think the quarter-over-quarter capacity development is not the most important. We just take a step back and look to the strategy, which we have launched 3 years ago, we would become for largely domestic operator into an international or, if you wish, global operator.

And the things we have been doing ever since, we have kind of doubled our international footprint from a little over 20 destinations 3 years back to 43 today, and we continue to build on that. The growth is even larger when we look to the number of routes, and the number of routes today is exceeding the number of hundreds.

So, we're kind of building on these numbers. And we'll continue to do that quarter-over-quarter. We've given an earlier guidance of having in the range of 30% of our ASKs in terms of international. We have achieved that. And with the wide bodies coming in, that percentage will grow to 40%.

So, you'll continue to see these variations, and I think it's good when we speak about Q2, optimize capacity. We see that on the domestic side, we had basically a flattish situation and basically all the growth was only in international side. And domestic was a mixture of the Delhi airport closure and some capacity reallocation, which we have done.

So, the opportunity, I mean, more strategically rather than quarter-over-quarter comparison, is there's an enormous growth market and with that growth market, IndiGo continues to grow well. I think IndiGo is very well positioned with enormous order book we're having. That's one.

Two, the international side, where the capacity share of Indian operators was significantly lower than foreign operators. We're rapidly catching up. And we see now that on the international side we are one of the leading airlines rather than a small player in that field going forward.

In the near future, the XLR will help us to make the next step that's arriving in the next quarter, and we'll go into the operation in Q4. And clearly, the further growth of the wide body. So again, quarter-over-quarter, we see this dimension, but it's part of a holistic and larger strategy where you see the dimension moving into building that network.

And our domestic network will remain the backbone of the IndiGo operation connecting the nation, having this impressive 94 destination I have shared that earlier, 90% of the Indian population lives within 100 kilometres of an IndiGo served airport, that in itself, I think, is a very strong statement and a very strong asset we're having.

And with that, that international connectivity is building, not only for Indian customers, but increasingly also for foreign customers who choose India as a transfer point for their journey. And we see that for example, with the flights coming from both Manchester and Amsterdam, connecting in Mumbai to other parts, either domestic or international.

**Moderator:** Next question is from line of Prateek Kumar from Jefferies India.

**Prateek Kumar:** Congrats for the results. My question is around you said that you're looking to accelerate international, while still your PRASK guidance remains flat to positive year-on-year. There is a general perception or understanding that international yields are like kind of weaker versus domestic. So that PRASK guidance kind of factor your accelerated addition into international side?

**Pieter Elbers:** If you look at the yields per ASK, by definition, the longer that you fly, the lower the yield per ASK. So that, I guess, is an observation. But the same would go for the cost per ASK, the further you fly the lower the cost per ASK. So, I think that, you cannot just draw the conclusion that flying

international is having a lower yield because also you have a lower unit cost.

That's one. Second observation here is that given the geographical position of India, we're having the opportunity to expand to East, West, North, now clearly with China being added. We have a new opportunity of opening new revenue markets. So, the international network also allows us to participate in markets, which have stronger seasonality and stronger variations.

I think some of the things we have been doing is moderate our domestic capacity and reallocated international and also, we could do the other way around. So increasingly, this international footprint allows us to put capacity where at that point in time, market and demand is and as such, optimize the revenues.

Another thing, and perhaps that will come in a later question, but let me preemptively address it. The internationalization helps us also by addressing some of the natural currency hedges we're going to do a more internationalization that clearly brings in again here in unit revenue, not only unit revenue in rupees, but also in dollars or euros or British pounds.

So, we get all this foreign currency coming in, which clearly helps us to provide a more natural hedge. So again, here, it's a combination of all the different factors as, I would say, holistic ingredients of our strategy.

**Prateek Kumar:**

Sure. And one other question is kind of related. So, we have like now an almost 1 year of launch of Stretch seats on domestic routes. How is the unit revenue like sort of panned out on a blended basis on that segment versus your ongoing economy segment in domestic routes? Or maybe a blended average for company?

**Pieter Elbers:**

Yes. We're very pleased with the start. So, we started indeed almost 1 year ago in the middle of November of last year. You may recall, we started on the route Delhi to Mumbai and then it took a couple of months before all the planes were there, and that's from I guess the middle of Jan of this year, that was done.

And then we moved to Bangalore and then moved to Hyderabad. So, what we see now is that the flights which were launched initially have really picked up steam and customers are increasingly better aware and knowledgeable of the product and things were happening. It's to some extent, also connected, I would say, to our loyalty program because clearly, a certain part of the Stretch customers are those who are flying frequently and those were also signed up for a loyalty program.

So, we see that the actual load on those flights with a combination of Stretch and economy class is actually doing very, very well. Again, the ones we introduced at the beginning, like Delhi-Mumbai has matured, the ones we have introduced more recently like Delhi-Kolkata or are still in, I would say, in the growing phase and will take a bit of time to further mature and get the market awareness. Enthused by the positive reaction on the wide body in Bangkok, we've decided to accelerate or prepone some of the international expansion.

So, we started flights into Singapore, Bangkok and Dubai with international stretch. Load factors there are actually better even than the domestic one. It's just 12 seats on these highly business routes and actually performing well as the demand is actually very good. So that enthruses us to look at

other opportunities. We haven't decided it yet, but clearly, we will look to further optimization.

I think here, again, the strategic picture is not what was the load factor on a specific route in the last quarter. But as part of our journey in becoming a global aviation player, does this make sense and if we take stock now after a year it certainly has and will optimize a little bit the exact allocation of domestic and international. I think we have done the right thing by putting this only on the nation's busiest and business routes.

We may optimize a little bit here and there. We put our toe in the water when it comes to short-range international, Bangkok, Dubai, Singapore, that's resonating very well. So, for sure, we'll continue to build on that. And the overall unit revenue of a plane with and without actually is a better proposition on the planes with.

**Moderator:** Next question is from the line of Bhavin from Sameeksha Capital.

**Bhavin:** Yes. I just wanted to ask and wondering on from a cash flow perspective, and I'm only looking at the cash items in the cash flow, what is likely to be the growth or relationship of increase in the lease payments and interest on lease, those items in the financing that reflect the aircraft cost. How do we think about that in relation to capacity growth or whichever metric you can track because of the change in the aircraft acquisition strategy?

**Gaurav Negi:** Bhavin, probably this will take a bit more time, and we can have a separate discussion. But if you look at the cash flow that we published for September, you will see our CFOA increasing. So, year-over-year, you'll see the increase in CFOA. As we continue to grow business, the cash flow correspondingly is increasing.

Through that increased cash flow, obviously, we've been able to manage to pay all our leases as well as any obligation related to the leases. We do have incremental cash that got generated in this quarter. Between June to September, we've added close to INR4,000 crores of cash on top. So we continue to kind of increase our cash generation through the operations and the growth that we have, the cash flow is supposed to keep increasing.

Having said that, we now need to disclose the cash to utilization. We already have, as I mentioned in my opening remarks, close to INR38,000 crores of cash that we've accumulated. A large part of that is going to be towards our safety net that we want to ensure we have. Beyond that, we are deploying cash towards, what was mentioned, towards investments in MROs that we are coming up with.

A large part is going to be going towards infrastructure bills and digitization, and the rest is going to be towards financing most of our aircrafts, whether it's in the form of taking more finance lease where you have an equity participation or outright purchases, those are the areas we'll continue to kind of explore. But if you need further colour around the cash, you can separately have a conversation with the IR team.

**Bhavin:** And just one quick one. The wide body wet leases, now you're going from 4 to 6. Does it mean that you already have seen enough in terms of evidence of profitability for this particular type of activity?

**Pieter Elbers:** When we started this wide body expansion, the notion for us was we have ordered the Airbus 350s. However, it will take a couple of years before they will be delivered. That's the nature of the industry we're in. And I think I mentioned at that point in time, India is in a hurry and so is IndiGo. So we didn't want to wait for that.

So, we signed up for the 6 in basically 2 steps. It's too early to judge. We started on July 1, actually, the flights into Amsterdam and Manchester. The fact that we're expanding on Manchester that we have expanded on Amsterdam, you can take both of that as a positive sign. Same goes for the first start on Copenhagen and London.

Now it takes a bit of time. We've launched these flights relatively short for departure. But looking at the performance, we speak a lot on the passenger side, but also on the cargo side, I think it's important to mention that the number is 90-plus percent of all cargo out of India is flying on non-Indian operators. So, the opportunity for Indian operators is to be part of the Make in India story is really helpful.

So we actually see good loads on the cargo side, both in and outbound. So we're very encouraged by the 6. I think it's more loads and initial market response than exact numbers, but clearly, we'll move forward. And with the start of London, for every airline with global ambitions flying into Heathrow is a very important milestone.

**Moderator:** Next question is from the line of Pulkit Patni from Goldman Sachs.

**Pulkit Patni:** I've got a couple of them. The first is there are 2 thought processes. One is, okay, let me add capacity because I have the benefit of fleet availability being the largest player having access to fleet. So, let me add fleet and passengers will follow?

And the second is because you have access to data way better than us, are you seeing the passenger traffic growth all sort of picking up? And my question comes because at least based on what we are tracking the growth is still sort of subpar relative to what we've seen.

So, I just wanted to get your thoughts on what's driving this optimistic capacity addition? Is it saying we want to just go and capture market right now and then traffic will follow or we are actually seeing traffic demand or bookings being so strong? That's question number one, sir.

**Moderator:** Management, can you hear us?

**Pieter Elbers:** Yes, we can hear you.

**Pulkit Patni:** Okay. I'll repeat my question. So, my question is your capacity addition guidance, which is very optimistic. Is it based on some data and foresight because when we look at hindsight and the data that we have seen, the classic trends are not as encouraging? So just wanted to know your thought process on that?

**Pieter Elbers:** Yes. So I think that's the part of the question, which we got. We started to build our strategy as part of the India growth story. And there's a couple of metrics which are there. One is that what's the GDP growth and how do we see the GDP growth for India going forward and what's correlation



between GDP growth on the one hand side and growth of passengers on the other hand side.

So that is I would say, a global metric where in a market which is still growing a lot, there's a certain ratio between GDP growth and passenger growth. And whether that is 1.5 or whether that is 2, there's a relation between the GDP and market growth. That's one.

The second element is India is still largely underserved looking at the number of planes, looking at the seats per capita, looking at the international seats. India, it's not only the largest population in the world, but also the largest diaspora in the world.

So if we take these factors, we actually have next to the GDP metric, we have the population and the young population and the growing middle class. And with that, the seats per capita, which when you compare it to not only mature markets like the U.S. or Europe, but even markets like China or Indonesia, there are still significant growth opportunities going forward. So that's two.

So those 2 drivers are driving our long-term capacity growth, and we're fueling our decisions which we took to order the 500 planes and to have today world's largest order book in terms of fleet going forward.

Then naturally, quarter-over-quarter, we see some fluctuations. And let me just refresh the memory. Q4 of last year with the Mahakumbh was a phenomenal quarter in terms of passenger growth overall, and everyone was like, are we going to have this for the next couple of quarters? Are we going to have this growth?

Then Q1 following Q4 was a quarter with a couple of very sad external events, external sort of when it comes to IndiGo. But we had the Pahalgam, then we had the Operation Sindoor. And then, of course, we had the tragic AI171, which dampened the situation in Q1.

And in Q2, it was a combination of recovery on the one hand side, and the Delhi Airport restrictions on the other hand side. So, we take a holistic look on that capacity. We are confirming our capacity guidance for the year basis all these different dynamics with the growth in the first half. Clearly, we are stepping up our growth efforts in the second half because we believe that in the long run, this capacity will be needed to fuel this.

Whether that is exactly the same demand for Q3 and Q4, we are confident that these markets will be there and both the combination of domestic and international. So going back to the GDP and the overall projections and looking what happened in H1, we see that more as a consequence of some events which happened rather than a structural change in the market demand.

You will see whatever the 2 new airports are opening in Navi Mumbai and Jaipur, you get a totally different landscape again. So, we keep an eye on the long-term trends. And with that, we're comfortable with the capacity which we have added in Q3 and later on Q4.

**Pulkit Patni:**

Okay. That's very helpful. My second question is on these draft paper for cancellation within 48 hours and name change between 48 hours. Any rough sense on what kind of impact it could have if it's implemented? I know it's early, but if you could just help us understand this?

**Pieter Elbers:** No, we need to see what exactly it means. I should also, I guess, draw some lessons what happened on a global basis. I think we have done operationally well, but clearly, the market and looking at the overall market, these are quite challenging sort of performances here and there. So, we should make sure that we find a good balance in that.

So, we will be looking at what does it exactly mean, what are the exact consequences of it. But clearly, if we have kind of free cancellations in such time frame, there's going to be some consequences to that, and that will share and not per say for us only. It's going to be for everyone. And with that, we should look at how do we build up a sustainable aviation ecosystem in the country. And I think that is a very important part.

So, it's perhaps a bit premature to precisely react on that. But more generically, I think all policies and efforts should strike a right balance between what's good for the customer and how to, at the same time, maintain our vision and our strategy to build up an aviation ecosystem in India, which can stand the test of time, and which can continue to deliver on its growth promise.

**Moderator:** Next question is from line of Aditya Mongia from Kotak Securities.

**Aditya Mongia:** Congratulations on a very strong set of results. I'll go ahead with my first question. This one is on the BluChip program where the company has made good trades. You're at today 7 million kind of count. When do you start seeing the real monetization happening from BluChip perspective at what kind of...

**Moderator:** I'm sorry to interrupt you, your voice is breaking.

**Aditya Mongia:** Is it any better right now? I'll join into the queue again.

**Moderator:** No, it's still breaking.

**Aditya Mongia:** Let me join back in the queue. That will be better. Sure.

**Moderator:** Next question is from the line of Jinesh Joshi from PL Capital.

**Jinesh Joshi:** I just wanted to check with respect to the MRO remarks that we made in the opening statement. I mean currently, are we fully outsourcing the MRO work? And with this new captive unit that is expected to come up in Bangalore, what kind of savings can we expect?

**Pieter Elbers:** So, I couldn't hear the question properly. I don't want to guess what the answer is.

**Jinesh Joshi:** Am I audible now?

**Pieter Elbers:** Yes.

**Jinesh Joshi:** I just wanted to check on the remarks that were made on MRO in the opening statement. So just wanted to know whether currently, are we fully outsourcing our MRO work? And with this new capital unit that is expected to come up in Bangalore, what kind of savings can we expect?

**Gaurav Negi:** In summary, large part, I would say 90% - 95% of our activities are outsourced, meaning we send it to third-party MROs, whether domestic or international. The large part is going to international. Some is going to domestic also because we've got 3 domestic MROs also. If I got your question right, the captive MRO that we are building is going to come up in the next 3 to 4 years. So that's what the time frame that we are looking at.

And it's going to offset some of these aircrafts and the aircraft that we are sending outside to third-party MROs to be then serviced within the captive MRO, which we are building within India.

**Pieter Elbers:** I think it's an enormous strategic opportunity for us. What we see in other parts of the world, there's a shortage of labour, there's a shortage of parts and there's a shortage of pretty much everything. And that is driving up lead times. It's driving up cost and it is sort of not helping us in the operational performance.

By bringing this work into India, we serve a lot of different objectives at the very same time. First, it will help us to reduce the cost by bringing it into India with a lower cost base. Secondly, we're building up capabilities in a country and company where we don't have a shortage of skilled people. On the contrary, we have a lot of very well skilled and very well trained and capable workers when it comes to this part.

Three, we're building up an Indian aviation ecosystem, which will allow us to also be better when it comes to seasonality, when it comes to developing certain repair capabilities. And that, in the long run, should give us not only cost advantage, but even an operational advantage. So, I think it's a very strategic step for us. It will take a few years before it's fully operational, but given the growth we're having, given the objective to double by the end of the decade.

By that time, we should have 600-plus aircraft in operation slightly even more. And on that number to have our own large MRO facilities, I think it's not only a great opportunity, but it is a necessity when it comes to delivering and continue to keep our cost leadership to continue to be a leader in terms of utilization and continue to develop capabilities in India itself rather than bringing everything outside the geographical shores in India.

**Jinesh Joshi:** Sure, sure. Sir, one last question from my side. I think we also mentioned in the opening remarks that for every rupee depreciation, the MTM FX impact is approximately INR900 crores. But I guess in the past, this number was slightly lower at about INR700 crores to INR800 crores.

Now I do understand that if more aircrafts get added, the FX liability will increase and consequently, the loss impact will also be there if the rupee depreciates. But if I look at 3Q of FY '25 where we saw a material FX loss come through because of rupee depreciation. Our aircraft count in that quarter was 436 and currently, we are slightly lower than that number. But our MTM impact has widened. So if you can just, please clarify on this part?

**Gaurav Negi:** What you saw in the earlier period, and you're trying to translate this in terms of number of aircrafts. The mix of the aircrafts has also changed. So the mix has gone from operating lease liabilities, finance lease liability. With the finance lease liabilities per aircraft is going to be higher than what you will have for an operating lease liability.

So as a result, you'll not be able to correlate this on a number of aircraft basis, but you'll have to look at the mix also. The finance lease liability is higher than the operating lease liability. Hence, the mark-to-market has increased.

**Moderator:** Ladies and gentlemen, that will be our last question for today. I would now like to hand the conference to Mr. Pieter Elbers for closing comments.

**Pieter Elbers:** Thank you so much. Ladies and gentlemen, thank you so much for joining us in this call, and we're actually happy that we have delivered a solid 10% growth in top line revenues and turned into an operational profit of INR104 crores compared to an operational loss last year without the currency impact.

As India's aviation sector continues to grow and mature, we understand how critical it is to structurally align capacity during seasonally weaker periods to maintain profitability. Beyond the financials, this quarter was also strong operationally. IndiGo continues to lead the on-time performance chart, and we have seen great customer appreciation, and we have expanded our network meaningfully.

Now while the year started with some significant external challenges across the industry, we saw things stabilize in July and recovery through August and September. Looking ahead, we have scaled up our operational plans for the second half to meet the robust demand and keep driving growth. And with that momentum, we have notched up our capacity guidance for the full financial year 2026. We are expecting slight upward revision to our earlier guidance of early double digits growth.

Ladies and gentlemen, once again, thank you for joining and looking forward to talking to you next quarter. And for now, thank you.

**Moderator:** Thank you very much. On behalf of IndiGo, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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Note: This transcript has been edited for readability and is not a verbatim record of the call