



Press Release

High fuel cost, rupee depreciation and intense competition significantly impacted profitability. IndiGo reports a net loss of INR 6,521 million and EBITDAR of INR 2,204 million for the quarter ended September 2018.

Gurgaon, October 24, 2018: InterGlobe Aviation Ltd. (“IndiGo”) today reported its second quarter fiscal year 2019 results

- Revenue from Operations of INR 61,853 million for the quarter ended September 2018, an increase of 16.9% compared to the same period last year
- EBITDAR of INR 2,204 million with EBITDAR margin of 3.6% for the quarter ended September 2018, compared to EBITDAR of INR 15,811 million with EBITDAR margin of 29.9% for the same period last year
- Net Loss of INR 6,521 million for the quarter ended September 2018 compared to a net profit of INR 5,516 million for the same period last year.
 - Higher fuel prices responsible for more than half of the profitability decline; remainder due to currency depreciation and lower yields
- Strong balance sheet with a total cash of INR 131,637 million including free cash of INR 44,175 million
- Significantly strengthened our route network – added 5 new destinations and 35 new routes

Profitability Metrics

Particulars (INR mn)	Quarter ended		
	Sep '18	Sep '17	Change
EBITDAR	2,204	15,811	-86.1%
PBT	(9,881)	7,645	-229.2%
PAT	(6,521)	5,516	-218.2%

Operational Metrics

Particulars	Quarter ended		
	Sep '18	Sep '17	Change
ASK (billion)	19.5	15.1	+28.9%
RPK (billion)	16.4	12.7	+29.7%
Load Factor	84.5%	84.0%	+0.5 pts

The Company’s co-founder and interim CEO, Mr. Rahul Bhatia said, “Aviation in India is facing significant pressures from high fuel costs, rupee depreciation and intense competition, all of which have impacted our profitability this quarter. Despite this difficult environment, IndiGo remains well positioned thanks to our low cost structure and strong balance sheet. Along our journey to build the leading nationwide air transport network, we added 20 aircraft this quarter, entered an additional 5 cities and started 35 new routes. We now fly over 100 daily departures from each of the six metros. I would like to thank all the IndiGo team, who work relentlessly to create a world class airline for our customers.”

Revenue and Cost Comparisons

Total income for the quarter ended September 2018 was INR 65,142 million, an increase of 18.3% over the same period last year. For the quarter, our passenger ticket revenues were INR 52,852 million, an increase of 17.2% and ancillary revenues were INR 7,167 million, an increase of 12.8% compared to the same period last year.

Particulars (INR mn)	Quarter ended		
	Sep '18	Sep '17	Change
Revenue from Operations	61,853	52,910	+16.9%
Other Income	3,289	2,146	+53.3%
Total Income	65,142	55,056	+18.3%
RASK* (INR)	3.23	3.52	-8.1%
Yield (INR/Km)	3.21	3.56	-9.7%

* Net of finance income of INR 2,195 million and INR 1,909 million for quarter ended Sep'18 and Sep'17 respectively

Total expenses for the quarter ended September 2018 were INR 75,023 million, an increase of 58.2% over the same quarter last year. CASK excluding fuel was INR 2.18, an increase of 13.5% over the same quarter last year. Our CASK excluding fuel was majorly impacted by the adverse movement in foreign exchange in the quarter. Excluding the impact of currency depreciation, our CASK excluding fuel increased by 2.3% over the same period last year.

Particulars (INR mn)	Quarter ended		
	Sep '18	Sep '17	Change
Fuel Cost	30,355	16,473	+84.3%
Other Costs excluding fuel	44,668	30,938	+44.4%
Total Cost	75,023	47,410	+58.2%
CASK* (INR)	3.74	3.01	+24.1%
CASK ex fuel* (INR)	2.18	1.92	+13.5%

* Net of finance income of INR 2,195 million and INR 1,909 million for quarter ended Sep'18 and Sep'17 respectively

Cash and Debt

As of 30th September 2018, IndiGo had a total cash balance of INR 131,637 million comprising of INR 44,175 million of free cash and INR 87,462 million of restricted cash.

The total debt as on 30th September 2018 was INR 26,411 million. The entire debt for IndiGo is aircraft related. IndiGo does not have any working capital debt.

Network and Fleet

As of 30th September 2018:

- Fleet of 189 aircraft including 127 A320neos, 50 A320neos and 12 ATRs; a net increase of 20 aircraft during the quarter
- Operated a peak of 1,294 daily flights including international operations during the quarter
- Service to 57 destinations including 9 international cities; added 4 domestic and 1 international destination during the quarter

Operational Performance

- For the period July-September 2018, the Company had a Technical Dispatch Reliability of 99.87%, on-time performance of 86.8% at four key metros and flight cancellation rate of 0.95%

Future Capacity Growth

- Third quarter fiscal 2019 year over year capacity increase in ASKs is expected to be 35%
- Full year fiscal 2019 year over year capacity increase in ASKs is expected to be 30%

Awards and Accolades

- IndiGo was awarded the “Best Airline on On-Time Performance” at the third edition of ICONIC awards
- IndiGo was also awarded the “Best Domestic Budget Airline” at the Zee Business Travel Awards, 2018

Conference Call

The Company will conduct a live audio earnings call today, October 24 at 5 pm IST which will be available to the public on a listen only mode followed by Q&A session. The dial-in details are given below:

Dial-in Numbers	
Mumbai	Primary Number : +91 22 7115 8212
Local Access Number	Primary Number: +91 7045 6712 21
Other Regions	USA: 18667462133 or 13233868721 UK: 08081011573 or 442034785524 Singapore: 8001012045 or 6531575746 Hong Kong: 800964448 or 85230186877 Japan: 00531161110 or 81345899421
Pre-register at the following URL and get your unique dial-in details for the call	
Diamond Pass	http://services.choruscall.in/diamondpass/registration?confirmationNumber=7851197

About IndiGo

IndiGo is amongst the fastest growing low cost carriers in the world. IndiGo has a simple philosophy: offer fares that are low, flights that are on time, and a courteous, hassle-free travel experience. **With its fleet of 177 Airbus A320 and 12 ATR aircraft as of 30th September 2018**, the airline offered 1,294 peak daily flights during the quarter and connected 48 domestic destinations and 9 international destinations.

Disclaimer

This document may contain some statements on the Company's business or financials which may be construed as forward looking. The actual results may be materially different from these forward looking statements.

InterGlobe Aviation Limited

CIN: L62100DL2004PLC129768

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Statement of Unaudited Standalone Financial Results for the quarter and half year ended 30 September 2018

(Rupees in millions, except for share data and if otherwise stated)

S. No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2018	30 June 2018	30 September 2017	30 September 2018	30 September 2017	31 March 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Income						
	a. Revenue from operations	61,853.12	65,119.74	52,909.80	126,972.86	110,438.92	230,208.87
	b. Other income	3,288.90	3,063.60	2,145.82	6,352.50	4,172.17	9,468.56
	Total income	65,142.02	68,183.34	55,055.62	133,325.36	114,611.09	239,677.43
2.	Expenses						
	a. Aircraft fuel expenses	30,354.96	27,156.45	16,472.53	57,511.41	34,064.19	77,601.36
	b. Aircraft and engine rentals (net)	11,160.70	10,423.66	8,192.95	21,584.36	16,729.87	36,101.99
	c. Purchases of stock-in-trade	335.09	318.92	294.38	654.01	612.05	1,238.76
	d. Changes in inventories of stock-in-trade	(6.28)	5.10	14.35	(1.18)	34.39	12.65
	e. Employee benefits expense	7,728.81	6,535.66	6,004.06	14,264.47	11,846.83	24,550.22
	f. Finance costs	1,300.24	1,086.83	856.68	2,387.07	1,626.43	3,398.15
	g. Depreciation and amortisation expense	1,819.71	1,552.65	1,025.26	3,372.36	2,008.67	4,368.77
	h. Foreign exchange loss (net) (Refer to Note 9)	3,353.82	2,461.06	460.43	5,814.88	394.79	516.17
	i. Other expenses (net)	18,975.73	18,329.60	14,089.61	37,305.33	28,405.15	60,622.59
	Total expenses	75,022.78	67,869.93	47,410.25	142,892.71	95,722.37	208,410.66
3.	Profit/ (loss) from operations before exceptional items and tax (1-2)	(9,880.76)	313.41	7,645.37	(9,567.35)	18,888.72	31,266.77
4.	Exceptional items	-	-	-	-	-	-
5.	Profit/ (loss) before tax (3+4)	(9,880.76)	313.41	7,645.37	(9,567.35)	18,888.72	31,266.77
6.	Tax expense						
	a. Current tax	(70.08)	70.08	1,847.87	-	4,656.67	6,689.82
	b. Deferred tax charge/ (credit)	(3,289.38)	(34.57)	281.94	(3,323.95)	605.03	2,153.21
	Total tax expense/ (credit)	(3,359.46)	35.51	2,129.81	(3,323.95)	5,261.70	8,843.03
7.	Profit/ (loss) for the period/ year (5-6)	(6,521.30)	277.90	5,515.56	(6,243.40)	13,627.02	22,423.74
8.	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
	- Remeasurements of defined benefit plans	5.91	46.14	(6.63)	52.05	(0.95)	3.84
	- Income tax relating to above mentioned item	(2.06)	(16.12)	2.29	(18.18)	0.32	(1.33)
	Other comprehensive income for the period/ year, net of tax	3.85	30.02	(4.34)	33.87	(0.63)	2.51
9.	Total comprehensive income for the period/ year (7+8)	(6,517.45)	307.92	5,511.22	(6,209.53)	13,626.39	22,426.25
10.	Paid-up equity share capital (face value of Rs. 10 each, fully paid)	3,844.07	3,844.07	3,840.70	3,844.07	3,840.70	3,844.07
11.	Reserves excluding revaluation reserves as per balance sheet						66,930.39
12.	Earnings/ (loss) per share (of Rs. 10 each) (Refer to Note 8):						
	a. Basic (Rs.)	(16.96)	0.72	15.19	(16.24)	37.61	60.03
	b. Diluted (Rs.)	(16.96)	0.72	15.15	(16.24)	37.52	59.90
	See accompanying notes to the financial results						

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Statement of Assets and Liabilities as at 30 September 2018

(Rupees in millions, except for share data and if otherwise stated)

S. No.	Particulars	Standalone	
		As at	As at
		30 September 2018 (Unaudited)	31 March 2018 (Audited)
I. ASSETS			
	Non-current assets		
a.	Property, plant and equipment	56,942.98	45,347.56
b.	Capital work-in-progress	499.54	294.20
c.	Intangible assets	392.43	440.53
d.	Intangible assets under development	10.05	30.70
e.	Financial assets		
	(i) Investments	1.25	1.27
	(ii) Loans	8,147.90	6,831.34
	(iii) Other financial assets	4,900.48	8,195.22
f.	Income tax assets (net)	914.67	386.39
g.	Other non-current assets	3,495.14	3,451.22
	Total non-current assets	75,304.44	64,978.43
	Current assets		
a.	Inventories	3,335.00	1,832.27
b.	Financial assets		
	(i) Investments	37,822.92	63,439.12
	(ii) Trade receivables	2,319.55	2,263.15
	(iii) Cash and cash equivalents	4,967.08	6,706.28
	(iv) Bank balances other than cash and cash equivalents, above	84,231.84	59,099.73
	(v) Loans	2,139.32	1,914.95
	(vi) Other financial assets	6,849.23	4,580.25
c.	Other current assets	9,193.74	6,479.22
	Total current assets	150,858.68	146,314.97
	TOTAL ASSETS	226,163.12	211,293.40
II. EQUITY AND LIABILITIES			
	Equity		
a.	Equity share capital	3,844.07	3,844.07
b.	Other equity	57,774.90	66,930.39
	Total equity	61,618.97	70,774.46
	Liabilities		
	Non-current liabilities		
a.	Financial liabilities		
	(i) Borrowings	23,999.57	22,413.70
	(ii) Other financial liabilities	42,212.01	29,959.08
b.	Provisions	2,352.24	1,968.93
c.	Deferred tax liabilities (net)	389.49	3,695.25
d.	Other non-current liabilities	424.04	673.93
e.	Deferred incentives	30,290.65	20,578.19
	Total non-current liabilities	99,668.00	79,289.08
	Current liabilities		
a.	Financial liabilities		
	(i) Trade payables	15,619.75	10,001.56
	(ii) Other financial liabilities	12,993.82	15,472.83
b.	Provisions	1,526.24	1,032.46
c.	Current tax liabilities (net)	127.51	127.51
d.	Other current liabilities	26,991.36	29,156.70
e.	Deferred incentives	7,617.47	5,438.80
	Total current liabilities	64,876.15	61,229.86
	TOTAL EQUITY AND LIABILITIES	226,163.12	211,293.40
	See accompanying notes to the financial results		

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Notes:

1. The above standalone financial results for the quarter and half year ended 30 September 2018 were reviewed by the Audit Committee at its meeting held on 23 October 2018 and were approved by the Board of Directors at its meeting held on 24 October 2018. The Statutory Auditors of InterGlobe Aviation Limited ("Company") have carried out limited review of the above results pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and have issued an unmodified review opinion.
2. The income tax authority has assessed and revised the taxable income for various assessment years on account of disallowance of certain expenses, provisions, depreciation and/or adjustments, and in respect of the tax treatment of certain incentives received from the manufacturer with the acquisition of aircraft and engines. The Company has received favourable order from the final fact finding authority, Income Tax Appellate Tribunal ("ITAT") for Assessment Year 2007-08 against certain such disallowance and/or adjustments made by tax authority. However, the tax authority has filed an appeal before the Hon'ble High Court against the order of the ITAT. The Company believes, based on legal advice from counsel, that the view taken by the ITAT is sustainable in higher court and accordingly, no provision is required to be recorded in the books of account. The tax exposure (excluding interest and penalty) estimated by the Company pertaining to these matters for various assessment years, which are presently under dispute, amounts to Rs. 6,346.42 as at 30 September 2018. This exposure is net of Rs. 1,017.21, which represents minimum alternate tax recoverable written off in the earlier years.
3. Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chief Operating Decision Maker ('CODM') evaluates the Company's performance at an overall company level as one segment i.e. 'air transportation services' based on the nature of operations, the risks and rewards and the nature of the regulatory environment across the Company's network and the interchangeability of use of assets across the network routes of the Company. Accordingly, the disclosures as per Regulation 33 (1)(e) read with Clause (L) of Schedule IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable for the Company.
4. On 2 May 2018, the Board of Directors had recommended a final dividend of Rs. 6 per equity share (face value of Rs. 10 per equity share) for the financial year ended 31 March 2018, which has been approved by the shareholders in the Annual General Meeting held on 10 August 2018. Accordingly, Rs. 2,780.54 including corporate dividend tax was appropriated as distribution to equity shareholders during the quarter ended 30 September 2018.
5. During the quarter ended 30 September 2018, the Company has paid Integrated Goods and Services Tax ('IGST') amounting to Rs. 496.21 under protest, on re-import of repaired aircraft, aircraft engines and other certain aircraft parts, to custom authorities and therefore as at 30 September 2018, cumulative amount paid under protest is Rs. 2,918.57. The Company, based on legal advice from counsel, believes that no IGST is payable on such re-import of repaired aircraft, aircraft engines and other certain aircraft parts and accordingly, such amounts have been shown as recoverable.
6. During the quarter ended 30 September 2018, the Nomination and Remuneration Committee has granted 100,000 stock options to the eligible employee under InterGlobe Aviation Limited Employees Stock Option Scheme - 2015 ("Scheme"), which are convertible into equivalent number of equity shares of Rs. 10 each as per the terms of the Scheme and grant letter.
7. With effect from 1 April 2018, the Company has adopted Ind AS 115, 'Revenue from Contracts with Customers' using the cumulative effect method which does not require comparative information to be restated in the above standalone financial results. The standard is applied retrospectively only to contracts that were not completed as at the date of initial application (i.e. 1 April 2018). There is no significant net impact on retained earnings as at 1 April 2018. Moreover, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue from operations and other related items in the standalone financial results of the Company.
8. Earnings/ (loss) per share is not annualized for the quarter ended 30 September 2018, 30 June 2018 and 30 September 2017 and half year ended 30 September 2018 and 30 September 2017.
9. Foreign exchange loss (net), which were earlier included in other expenses, has now been shown as separate line item in above standalone financial results.

(For and on behalf of the Board of Directors)

Place : Gurgaon
Date : 24 October 2018

Sd/-
Rahul Bhatia
Director and Interim Chief Executive Officer