

Research Report

INTERGLOBE AVIATION LTD



Prepared By-

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Company Overview

Interglobe Aviation Ltd (Indigo) is India's largest passenger airline operating as a low-cost carrier. Serving 86 destinations including 24 international destinations, it provides passengers with a simple, unbundled product, fulfilling its singular brand promise of providing "low fares, on-time flights, and a courteous and hassle-free service" to its customers. IndiGo commenced operations in August 2006 with a single aircraft and has grown its fleet to 262 aircrafts

Key Business segments

InterGlobe Aviation Ltd generates revenue primarily through passenger services, which account for 90-92% of total revenue (₹74,211 crore out of ₹80,803 crore in recent FY).

- Passenger Tickets: 86% of revenue (₹15,967 Cr in Q2 FY26, +11.2% YoY)
- Ancillary Services: 12% (₹2,141 Cr, +14% YoY) from baggage, seats, meals
- Cargo: ~2-8% via IndiGo CarGo
- Other: Minimal from charters/partnership

Synopsis of Financials

- Total revenue: ₹80,803 crore (+17.3% YoY)
- Total income: ₹84,098 crore (+18.1% YoY)
- Net profit: ₹7,258 crore (9.0% margin, -11.2% YoY)
- EBITDA margin: 22.4% (down from 23.7%)
- Passengers carried: 119.77 million (+12.5%)
- Cash reserves: ₹48,171 crore (+38.7%)
- Total debt: ₹66,810 crore (+30.3%)
- Net debt/EBITDAR ratio: 1.6x

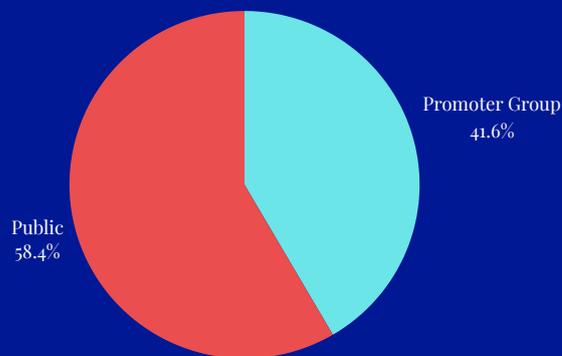
Stock data (as 28th November 2025)

Nifty Price	: 26,260.00
52 week High (in Rs.)	: 6,232.00
52 week Low (in Rs.)	: 3,945.00
Market Cap. (in Crore)	: 2,28,703.00
NSE Code	: INE646L01027

Stock data



Shareholding Pattern (Sep-25)



Financial Summary

Particulars	Mar-23	Mar-24	Mar-25
Sales	54,446	68,904	80,803
Sales Growth %	109.97%	26.55%	17.27%
Expenses	47,926	52,573	62,753
Operating Profit	6,521	16,331	18,050
OPM %	12%	24%	22%
Net Profit	-317	8,168	7,253
EPS in Rs	-8.21	211.6	187.7

Quarterly Results

Particular	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Sales	19,571	16,970	22,111	22,152	20,496	18,555
Expenses	14,425	15,352	16,951	16,070	15,292	18,010
Operating Profit	5,146	1,618	5,160	6,082	5,205	545
OPM %	26%	10%	23%	27%	25%	3%
Other Income	680	790	884	953	1,046	1,045
Interest	1,158	1,240	1,308	1,383	1,403	1,475
Depreciation	1,866	2,078	2,215	2,477	2,553	2,629
Profit before tax	2,802	-909	2,520	3,175	2,295	-2,514
Tax %	3%	9%	3%	3%	6%	4%
Net Profit	2,727	-989	2,442	3,073	2,161	-2,614

Source: Screener

Key Ratios

S. No.	Ratio	Explanation of numerator and denominator	Units	March 31, 2025	March 31, 2024	% Variance	Reason for variance (where the change is more than 25%)
1	Current ratio	Current ratio has been computed as current assets divided by current liabilities.	Times	1.48	1.16	27.23%	Increase in current assets in excess of current liabilities during the year resulted in increase in the ratio.
2	Debt – equity ratio ^(a)	Debt - equity ratio has been computed as total debt divided by shareholder's equity. Total debt is defined as current and non current borrowings and lease liabilities. Shareholder's equity includes equity share capital and other equity.	Times	7.21	26.54	(72.84%)	Increase in shareholder's equity has resulted in decrease in the ratio.
3	Debt service coverage ratio	Debt service coverage ratio has been computed as earning for debt service divided by debt service. Earning for debt service represents net profit after tax after adjusting certain non cash items and interest expense. Debt service includes interest & lease payments and principal repayments.	Times	1.71	1.84	(6.90%)	

Source: Annual Report

Yearly Results

Particulars	Mar-23	Mar-24	Mar-25
Equity Capital	386	386	386
Reserves	-6,695	1,546	8,920
Borrowings	44,860	51,280	67,088
Other Liabilities	20,492	28,857	39,519
Total Liabilities	59,043	82,069	1,15,914
Fixed Assets	27,650	36,036	51,565
CWIP	21	1	3
Investments	11,514	16,453	26,402
Other Assets	19,858	29,578	37,944
Total Assets	59,043	82,069	1,15,914

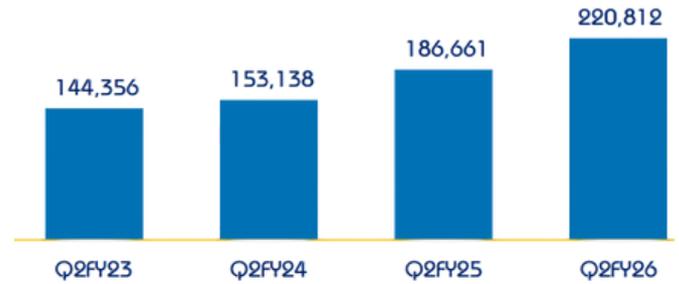
Highlights



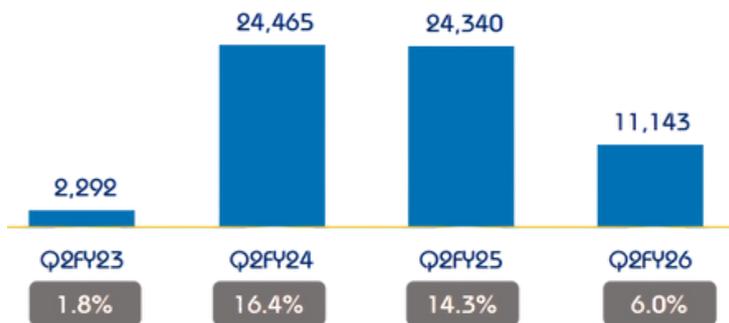
Total revenue (INR mn)



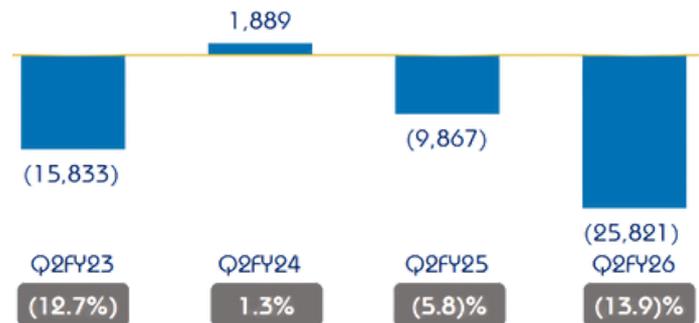
Total expenses (INR mn)



EBITDAR (INR mn)



PAT (INR mn)



Peer Comparison

Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
Interglobe Aviat	5915.90	45.17	228702.87	0.17	-2614.10	-164.37	18555.30	9.34	17.34
SpiceJet	33.80		4777.99	0.00	-633.80	-43.48	781.22	-14.25	9.10
FlySBS Aviation	575.00	21.16	994.96	0.00	23.84	358.46	137.61	64.39	34.65
TAAL Enterprises	2948.00	17.84	918.69	1.03	14.27	-1.79	48.83	-0.59	32.73
Global Vectra	200.20		280.28	0.00	-6.16	-48.43	117.62	-5.37	6.66

Source: Screener

Synopsis Quarter Results

Q2 FY26 Performance

Inter Globe Aviation Ltd reported revenue from operations of about ₹18,555 crore, up 9–10% year-on-year, with total income near ₹19,600 crore. Despite this growth, the company posted a net loss of roughly ₹2,582 crore, primarily driven by large foreign-exchange losses on lease liabilities and higher finance costs, while underlying operations remained profitable.

Profitability And Cash

EBITDA was around ₹3,450–3,500 crore, translating into an EBITDA margin of about 18–19%, supported by better yields and strong ancillary revenue. The airline maintained a robust liquidity position with cash and cash equivalents of roughly ₹53,500 crore, giving comfort on leases, capex, and near-term volatility.

Key Operational Metrics

- Revenue from operations: ₹18,555 Cr (+9.3% YoY)
- Passengers: 28.8 Mn (+3.6% YoY); Capacity: +7.8% (41.2 Bn ASKM)
- Load factor: 82.5%; Yield: +3.2% (₹4.69)
- EBITDA margin: ~18.7%; Cash: ₹53,515 Cr

Operating Metrics

Passenger traffic reached about 28.8 million in the quarter, with capacity growth of around 7–8% and a load factor in the low-80s, indicating healthy demand but some pressure from increased supply. Yields improved by a few percentage points year-on-year, reflecting better pricing power and supportive domestic demand, partly offsetting cost pressures from fuel and currency

Final Outlook

goindigo.in: HOLD | LTP: 5,916.00

Inter Globe Aviation Ltd represents a compelling long-term growth opportunity in India's structural aviation boom. While Q2 FY26 losses reflect near-term macro headwinds (forex, depreciation), the company's operational excellence, market dominance, and strategic international expansion position it for strong recovery.

- Executive Summary & Company Overview with market positioning (64.2% domestic share, 430+ aircraft)
- Detailed Q2 FY26 Financial Analysis showing 10.4% YoY revenue growth but ₹2,582 Cr net loss due to forex and depreciation headwinds
- Valuation Metrics including P/E ratio (33.4-44.8x), P/B (24.1x), and comparable analysis vs. global LCCs
- Growth Drivers: Early-teens capacity growth, widebody international expansion, market consolidation tailwinds
- Risk Assessment with mitigating factors for forex volatility, fuel inflation, and competition
- Bull/Bear Case Analysis (70/30 weighting) supporting investment thesis
- Revenue & Earnings Projections through FY28E with 25-35% growth trajectory
- DCF & Comparable Valuation frameworks yielding ₹7,800-₹7,950 fair value
- Investment Suitability recommendations and key catalysts

Final Outlook: BUY with 31.8% upside potential for long-term investors. Strong structural Indian aviation growth + IndiGo's operational excellence justify premium valuation despite near-term Q2 losses.

Recommend BUY for long-term investors comfortable with near-term volatility. Strong structural tailwinds in Indian aviation, coupled with IndiGo's unmatched operational capabilities, justify a premium valuation. Expect sustained 12-15% earnings CAGR through FY28, driving price target of ₹7,800-₹7,950 within 12 months.

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