

InterGlobe Aviation (INDIGO) - BUY

Result Update

Current Market Price (CMP)

Rs.5330

Target Price

Rs.6700

Rationale:

- Q4FY25: Indigo's 14% EBITDAR beat was driven by better ASK growth/higher yields.
- This is the second quarter of Indigo retaining all of the gains of a declining crude.
- Strong start to pricing in April and ability to maintain unit costs in FY26 were other key positives.
- Indigo appears to be sharing their right to win in international long-haul.
- We increase our PBT estimates by 5-6% and roll forward to FV of Rs6,700.

Q4FY25 Earnings update:

👍 Positives:

- Indigo reported a yoy growth in revenues/EBITDAR ex-forex of 24%/50% yoy, 4%/14% ahead of our estimates.
- Recent crude dip and impending supply constraints boost case for higher spread.
- IndiGo operating at higher-than-industry load factor in the quarter.

👎 Negatives:

- Fuel cost per ASK moderates at higher levels, reflective of higher fuel consumption due to wet lease aircraft.

(ASK: Available Seat Kilometers; PBT: Profit Before Tax; Forex: Foreign Exchange; FV: Fair Value; EBITDAR: Earnings Before Interest, Tax, Depreciation, Amortization and Rent)

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For detailed report dated 22th May 2025. Note: CMP & valuation may differ due to difference in dates



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