

Pick of the week

InterGlobe Aviation

Recommendation:	BUY
Target Price:	₹5,200
Current Price:	₹4,143
Time Period:	12 Months
Date:	25th November 2024



- Indigo has performed much better than peers on key operating metrics.
- Weak crude would help assuage concerns on financial viability of the sector. ATF prices are stabilizing at Rs90 per liter, down 20% yoy.
- Fuel spread have improved yoy in Q1FY25/Q2FY25; we expect trend to continue in H2.
- IndiGo has added 43 aircraft in H1FY25 versus 30 aircraft yoy; a large part of H1FY25 additions have come from damp lease.
- We expect earnings per share of Rs251.9 in FY26E and Rs266.4 in FY27E.
- BUY** with unchanged Rs5,200 fair value, which has upside risks from higher fuel spreads.

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 19th Nov'24, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

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