kotak neo

Dated: 9 June 2026

InterGlobe Aviation (INDIGO) - BUY

Company Update

Current Market Price (CMP)	Fair Value (FV)
Rs.4,360	**Rs.5,400**

Rationale:

- Analyst meet suggests an unchanged playbook of the market leader unfazed by risks that typically worry investors.
- The discussions of management with the ministry and beyond suggests very low risk of pricing caps imposed on the sector.
- Recent challenges make the company more conscious and thus, now Indigo is targeting single-digit ASK growth for FY27.
- While it may moderate growth in FY27, it shared a 15% ASK CAGR guidance over FY26-30, with 2-3% contribution from new products.
- The near term would see pricing getting reset as Indigo continues to take up base pricing and sector realizes the need to have buffers.
- We tweak our earnings estimates on the basis of the updated near-term guidance, which is largely offset by better load factors
- We largely maintain our earnings estimates for FY28/29 and FV of Rs5,400.

Positives:

- Maintaining focus on affordable air travel while transitioning into global aviation player.
- The company is aiming for 40% international capacity share by FY30.
- The company aims to double its size and scale by FY30; plans to operate a fleet of 550+ aircraft and manage roughly 3,000 daily departures by FY30.

Negatives:

- We continue to see losses for the airline in FY27.

(ASK: Available Seat Kilometers; CAGR: Compounded Annual Growth Rate)

The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com).Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

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RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY – We expect the stock to deliver more than 15% returns over the next 12 months

ADD – We expect the stock to deliver 5% - 15% returns over the next 12 months

REDUCE – We expect the stock to deliver -5% - +5% returns over the next 12 months

SELL – We expect the stock to deliver < -5% returns over the next 12 months

NR – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.

SUBSCRIBE – We advise investor to subscribe to the IPO.

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NA – **Not Available or Not Applicable.** The information is not available for display or is not applicable

NM – **Not Meaningful.** The information is not meaningful and is therefore excluded.

NOTE – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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