



**“IndiGo Fourth Quarter and Fiscal Year 2025
Financial Results Conference Call”**

May 21, 2025



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Operator: Good evening, ladies and gentlemen and welcome to IndiGo's Conference Call to discuss the fourth quarter and fiscal year 2025 financial results. My name is Yashashri, and I will be your coordinator. At this time, the participants are in a listen-only mode. A question-and-answer session will follow today's management discussion.

As a reminder, today's conference call is being recorded. I would now like to turn the call over to your moderator, Ms. Richa Chhabra from the Investor Relations team of IndiGo.

Richa Chhabra: Good evening, everyone, and thank you for joining us for the fourth quarter and fiscal year 2025 earnings call.

We have with us our Chief Executive Officer - Pieter Elbers and our Chief Financial Officer – Gaurav Negi to discuss the financial performance and are available for the Q&A session.

Please note that today's discussion may contain certain statements on our business or financials which may be construed as forward-looking. Our actual results may be materially different from these forward-looking statements.

The information provided on this call is as of today's date and we undertake no obligation to update the information subsequently.

We will upload the transcript of prepared remarks by day end. The transcript of the Q&A session will be uploaded subsequently.

With this, let me hand over the call to Pieter Elbers.

Pieter Elbers: Thank you so much, Richa. Good evening, ladies and gentlemen and thank you for joining this call. We announced our financial results for the fourth quarter and the financial year 2025 today.

Before we begin, I must take a moment to address the recent tragedy that shook our nation. Following the tragedy in Pahalgam, our country has gone through a tough time, and our hearts go out to the victims and their loved ones.

Now turning on to our financial performance, for the financial year 2025, we reported a total income of around 841 billion rupees which is 18% higher than financial year 2024. This, by the way ladies and gentleman, is for the first time we have reached a USD 10 billion mark in terms of revenue.

Excluding the impact of foreign exchange, we reported a profit of INR 88,676 million or INR 8,868 crores, maintaining a solid performance very much similar to last year. These results are a testament to our collective focus and strategic clarity. With the impact of foreign exchange loss, we reported a net profit of INR 72,584 million or INR 7,258 crores.

As we reflect on the financial year 2025, the first half witnessed a temporary moderation in demand led by the elections and the heatwave across our nation. By the beginning of the second half, we witnessed a remarkable surge in demand, primarily driven by festivities, wedding season and of course the Maha Kumbh.

For the fourth quarter of the financial year 2025, we reported a total income of 231 billion rupees and a net profit of 30.7 billion rupees or 3,068 crore rupees. This has been one of our best performances for the fourth quarter as we achieved many milestones including the highest number of customers served during any quarter and the strongest profit for the fourth quarter in any year since our inception.

During the quarter, we saw a surge in domestic traffic primarily driven by the Maha Kumbh. We responded swiftly to cater to this increased demand and optimized our network to operate incremental capacity through gauge upgrades and additional frequencies to Prayagraj and a few other airports around the region.

I, personally, also had the opportunity to attend the event, and I must say that it was a truly surreal and humbling experience. The scale, the spirit, and the devotion I witnessed were unlike anything I have ever seen.

The overall demand during the quarter, including in international markets, was high, as we served around 32 million passengers representing a growth of 20 percent and international markets demonstrating an even stronger growth of over 30 percent on a year-over-year basis.

During the financial year, we had the privilege of welcoming a total of 118.6 million passengers on board, around one million passengers every 3 days. With this, we closed the year with a growth in passengers of more than 11 percent. From families to business travellers, from first-time flyers to returning citizens – all placing their trust in us to fly them to their destinations, safely and comfortably. And, I would like to thank each and every of our customers for choosing to fly with IndiGo.

In terms of aircraft deliveries, in the financial year 2025 we added a total of 67 aircraft on a net basis. Further, during the year 2024, we received deliveries of 58 aircraft from Airbus as part of our original orderbook. This represents around 7 percent of the total commercial aircraft deliveries by Airbus during the year. It gives us a lot of pride at IndiGo that we were the single-largest receiver of Airbus aircraft globally. Here we are an 18-year-young Indian airline with one of the largest orderbooks in the world and taking the highest number of plane deliveries globally, representing our long-term vision, scale and rising leadership in the global aviation landscape.

Our investments in the world-class new generation fleet was recognized by ch-aviation and we were recognized as the “World’s Youngest Aircraft Fleet 2025” in the category of airlines operating more than 100 aircraft. This is a testament to our commitment of operating a world-class, young and efficient fleet.

Now on the operational performance, we had taken a comprehensive series of initiatives such as

reviewing block times and enhancing some of our operational procedures, which have really helped us to reclaim our leadership position in terms of on-time performance from September 2024 onwards. While these initiatives laid the foundation, it was driven by the “Power of We” spirit as demonstrated by all IndiGo employees. This is a remarkable achievement at our scale with operating more than 2,200 departures per day. Our IndiGo employees showed exceptional agility and commitment during challenging times such as the AOG situation, recent shifting of operations from terminal 2 to terminal 1 on the Delhi airport and the Crowdstrike outage. From ground operations to flight crews, maintenance to customer support, their commitment to performance, safety and hassle-free service has been nothing short of extraordinary.

On the network side, we continue to invest in scale and readiness and further densified our domestic network by adding 3 more new destinations, multiple routes and increased frequencies. Today, we operate out of 13 different bases in India. And our foundation remains deeply rooted in India and now we operate such a well-diversified network of nearly 490 routes domestically.

It is the diversity of our network that plays a key role in safeguarding our operations during times of disruption. More recently, this was tested in May wherein our operations from 11 airports, in the Northern part of India, were suspended for a period of 8 days leading to the cancellation of around 170 daily flights. Our teams, especially in the north-west region, rose to the occasion – supporting one another and most importantly caring for our customers with empathy. Operationally, the impact was limited, as we continued to operate more than 2,050 daily flights with strong domestic load factors of around 83 percent during the same period.

Internationalization remains a key focus strategic area as we added an impressive 7 new destinations across Asia during the financial year. When I joined IndiGo three years ago, we had around 25 international destinations. We closed the financial year 2025 with 40 international destinations. And last week we added Fujairah being our 41st destination. That’s nearly 65 percent growth within a period of less than three years. We have expanded into newer countries, regions and continents with enhancing connectivity to north and central Asia, to the west with a flight to Nairobi, and to the east to Indonesia. However, when it comes to international travel, India remains highly underserved. The further you go, the lower is the market share of Indian airlines. This presents us with a huge opportunity to expand into further markets. In terms of international capacity share, this year, we have reached around 30 percent of total ASKs, and we have projected that to go up to more than 40 percent by the end of financial year 2030.

As part of our broader strategy, we signed an agreement to damp lease six B787s wide bodies with Norse Atlantic Airways. We have already deployed the first B787 on the Delhi-Bangkok route and have received a positive response from our customers and we will be receiving the other 5 during the second half of this financial year. Starting July, we will be further expanding our horizons and will launch Amsterdam and Manchester from Mumbai using damp leased aircraft. This marks an important milestone in our journey to competing meaningfully on long haul routes and sets the foundation for our widebody operations.

During the financial year 2025, we launched a series of new initiatives including our business product – Stretch and our loyalty program – BluChip. We have launched Stretch on 5 domestic

routes so far with 16 aircraft. In addition, we have also launched Stretch on the Delhi-Bangkok route on our damp-leased B787. Going forward, as we get more deliveries we will continue to add routes with the Stretch product.

On the loyalty program, around 2.9 million customers have already signed up for the program in just 7 months. We have announced partnerships with brands such as Accor and Swiggy, which will help offer a value proposition that will drive deeper member engagement and loyalty. Apart from this, these partnerships will also provide us with additional revenue.

The year 2025 is an extremely exciting year for Indian aviation with two key upcoming events.

- The first one - after 42 years, the prestigious IATA AGM will be returning to India, with IndiGo inviting them and as such being the host airline. This comes at a very appropriate time with the global rise of India and Indian aviation is so much on the forefront. We are proud to welcome the global aviation community to India next week, providing opportunity to reaffirm IndiGo on its path of becoming a global aviation giant.
- The two megacities of India – Delhi and Mumbai will have second airports. We have committed strongly to both new airports. We had the honour of doing the first test flights at both locations and are committed to developing connectivity through these new airports. As of now, we are expecting to commence operations at these two airports sometime during this year.

Together, all these initiatives form a cohesive strategy, not only, aimed at achieving our vision of making IndiGo into a global aviation player but also help us realize India's vision of developing India into a global aviation hub. We are focused on our path ahead through a well-defined strategy and are investing for the future.

We remain focused on execution of our strategy — anchored in strong operations, cost leadership and a future focused mindset. In this direction, we are accelerating our international expansion — adding more destinations, wide-bodies and XLR aircraft. This will be a major step in building our global footprint.

To conclude, we closed the financial year with robust financial stability. Our retained earnings have also turned positive, and our balance sheet reflects a strong financial position.

Let me now hand over the call to Gaurav to discuss the financial performance in further detail.

Gaurav Negi:

Thank you, Pieter and good evening, everyone.

For the year ended March 2025, we reported a net profit of 72.6 billion rupees with a net profit margin of 9.0% compared to a net profit of 81.7 billion rupees for the year ended March 2024.

Excluding the foreign exchange impact, we delivered a profit of 88.7 billion rupees, closely aligned with our performance in the financial year 2024. This consistent performance underscores

our disciplined execution and operational efficiency, enabling us to effectively manage cost pressures while staying on course with our strategic goals.

We reported an EBITDAR of 212.5 billion rupees for the year ended March 2025 compared to an EBITDAR of 175.4 billion rupees for the year ended March 2024.

We reported a passenger revenue of INR 697 billion rupees for the financial year 2025, a growth of around 15% against a capacity increase of around 13% primarily driven by improvement in unit passenger revenue.

Now onto the quarterly performance, for the quarter ended March 2025, we reported a net profit of 30.7 billion rupees with a margin of 13.8% compared to a net profit of 18.9 billion rupees and a net margin of 10.6% for the quarter ended March 2024. This translates into a net margin improvement of 3.2 points driven primarily by improvement in unit passenger revenue and continued favorable fuel environment.

Further, in recognition of our strong financial performance and stable financial position, we are declaring a final dividend of 10 rupees per share subject to the approval from the shareholders in our ensuing AGM. This marks a significant milestone in our post pandemic recovery journey – a testament to the clearly defined strategy. We are committed to consistently deliver long-term value to our shareholders.

For the quarter ended March 2025, the unit revenues came in at 5.26 rupees, which is about 3% higher on a year-over-year basis. The yields improved by 2% and the load factors came in strong at 87.4%, an improvement of 1.1 points on a year over year basis, driven by the Maha Kumbh & an extended wedding season.

On the cost side, the fuel CASK reduced by 6.6% on a year over year basis primarily due to a reduction in average fuel prices.

The CASK ex fuel ex forex came in at 2.94 rupees, which is sequentially higher by 1.4% and 2.8% higher on a year-over-year basis driven by

- Annual escalations in the maintenance cost and airport charges
- Impact of currency depreciation on the dollar-denominated expenses
- Cost increases as we execute the redeliveries of our aircraft through the global MROs
- This impact was partially offset by savings from reduction in number of groundings on a year-over-year basis

We remain focused on cost leadership and are actively leveraging operational synergies to keep our costs range bound in the coming year.

Now, moving to the aircraft on ground situation, we reached the peak number of groundings in Q2 of financial year 2025. The number of AOGs has been reducing since Q2 from mid 70s to 60s in Q3 to 50s in Q4 and is currently in the 40s. It was our team's agility and executional capabilities, which enabled us to meet our capacity guidance despite the grounding situation.

In terms of the fleet, during the year, we inducted 67 aircraft on a net basis. This includes 33 aircraft which have been inducted through our entity in GIFT city. With the reduction in grounded aircraft and steady flow of incoming aircraft, we have also started to redeliver the damp-leased aircraft. We redelivered 8 aircraft in the March quarter and another 5 in April. Going forward, we will continue to assess the demand & supply situation to adjust our damp leased capacities.

Our balance sheet is strong, which is underpinned by financial prudence, disciplined capital allocation, and a robust capital structure. I am pleased to share that this financial strength has been firmly recognized through our debut international credit rating, where we are awarded an "Investment Grade" rating by leading global credit rating agency - Moody's. This initial assessment highlights our strong liquidity position, sound capital structure and the financial headroom to pursue our strategic goals.

Further, our liquidity has further improved as we ended the March quarter with free cash of 331.5 billion rupees. This translates to an increase of 42.5 billion rupees as compared to the December quarter end.

During the quarter, as part of our cash utilization initiatives, we have purchased 2 ATR aircraft in the quarter, with this we have a total of 8 owned ATRs. During the year, we have also invested in our training facilities and have added 4 new ifly training centres during the financial year, and made investments in digital initiatives such as NDC and Advanced Revenue Management System.

We ended the quarter with a capitalized operating lease liability of around 480 billion rupees and total debt, including the capitalized operating lease liability of around 668 billion rupees. Our right to use assets at the quarter end were 491 billion rupees.

Now, for the financial year 2026, we have already provided capacity guidance that we will broadly grow our capacity by early double digits as compared to the financial year 2025.

For the first quarter of financial year 2026, we expect to add mid-teens capacity compared to the same period last year. April performed well from a revenue standpoint. However, following the geopolitical disruptions, we have seen some impact on the overall revenue environment due to increase in cancellations and impact on booking trends. We are closely monitoring the evolving trends to assess the impact on PRASK for Q1 FY2026.

As Pieter mentioned, we launched a number of initiatives during this financial year in the direction of our broader vision of becoming a preferred airline globally and to represent our nation with pride. All these initiatives are building blocks of this unified and long-term strategy.

As we scale new heights, our investment-grade credit rating stands as a testament to our robust

financial health and prudent governance. Coupled with our continued commitment to shareholder returns, the announcement of the dividend reflects our confidence in the business and our disciplined capital allocation strategy. We remain well-positioned to deliver sustained value and lead from the front in the years ahead.

With this, let me hand it back to Richa.

Richa Chhabra: Thank you, Pieter, and Gaurav. To answer as many questions as possible, I would like to request that each participant limit themselves to one question and one brief follow-up question, if needed. And with that, we are ready for the Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. We will take our first question from the line of Binay Singh from Morgan Stanley.

Binay Singh: Hi team, thanks for the opportunity. Congratulations on the good set of numbers, and best wishes for the long-haul foray. I will actually just ask Gaurav to comment a little bit more about the trend in yields and cancellation that he talked about. Have we started to see improvement in those trends, or we have not seen any pickup over there? Or if you could comment a little bit about, what are you seeing on the yield side also?

Gaurav Negi: Like I mentioned, Binay in my script, April was very, very strong. So, both in terms of passenger growth as well as yields they were holding. So, it was coming to be very, very strong. The moment that the geopolitical event kind of transpired, we have seen a significant amount of cancellation that has also started to happen. So, between the period of April 22, still, I would say a few days back, the cancellation and the booking trends have taken a sharp decline.

What we have started to notice in the last few days, at least that has stabilized and has started to uptick now. To what extent it's going to bounce back and how quickly is it going to bounce back is something that we are monitoring. But at least from our vantage point, we have seen the worst in terms of the peaking of the cancellation and dip in booking, but the trend has started to reverse.

We are very still very optimistic and hopeful that it will probably, May as well as June, which is one of the holiday periods at least in India is probably going to see a recovery quickly, the same way that we had seen the geopolitical events also last only for a few days. Hopefully, the trend of cancellation of booking will also turn around quickly, and we will have a very strong June. But this is, again, our optimism. Let's see how it transpires.

Binay Singh: Right, right. Thanks for that. And my second question is, globally, when we look at low cost, long-haul foray, we have seen very mixed results across airlines. So as IndiGo is starting on to this journey, what are the challenges that you anticipate? And how is IndiGo or the IndiGo product changing or you are planning to change it to cater to that?

Pieter Elbers: I think if I may, you should make a difference between the low cost and low-cost operations or a low-cost basis, if you wish. And I think IndiGo prides itself, and we remain committed to that to be an operator with a very low-cost basis that has not meant domestically that we are having a product which is not from high quality.

On the contrary, courteous, hassle-free, on-time performance and affordable fares. So that has been the basis of success for IndiGo. What we have done, though, with the start of the operation into Europe, we will adjust our product to what is required for Europe. So, we will have meals all across the aircraft as part of the overall price proposition on the flights to Amsterdam and Manchester. And we have our premium product, IndiGoStretch being available on those flights as well.

That doesn't mean any change in the domestic and regional proposition. And actually, it's encouraging to see in other parts of the world where they basically go back to exactly the proposition IndiGo is already having on this domestic and regional network. So, I think IndiGo is on the way to becoming a global aviation giant, and this is precisely part of that trajectory. And it may be good to add that even for the XLR, we have announced a dual class configuration as well.

Binay Singh: Great. Thanks, Pieter, for that response. I will come back in the queue.

Moderator: We will take our next question from the line of Aryn Pirani from JPMorgan. Please go ahead.

Aryn Pirani: Hi, thanks for the opportunity. My first question is that if you could help us understand the sensitivity or quantify the impact that the closure of the Pakistan airspace could have on our operations and costs?

Pieter Elbers: Take a step back and look through the network of IndiGo. And here, really, the strength of a strongly diversified network operating from a country with a large geographical scope is really helping us. So, to put things in perspective, IndiGo operates 131 destinations. Due to the closure of the Pakistani airspace, we have suspended 2 - Almaty and Tashkent. So out of the 131, 2 have been suspended.

Then if we look to the other flights, it basically impacts around 19 routes and a total of around 30 flights. 34, I think, is the precise number, but it depends a bit on wins and directions and all. So, we have 2,200 daily flights. And there, we have a total of 34 being affected. Within the range of 20 to 30 minutes of additional flying time, which, of course, there's an impact financially when it comes to bringing additional fuel, but if you look to the overall scheme of things at IndiGo, and the size of the operation to other geographies, the impact for us is relatively limited and these flights is a low single-digit number as part of the total of our flights being affected.

Aryn Pirani: Okay. Thanks for that. And my second question was on broadly speaking, codeshare as a whole, how much does it form part of your overall revenue? And if you can help us understand how does the accounting work? Like is codeshare a direct flow through to profits? Or are there costs associated with it? If you can just help us understand that, that will be really helpful.

Pieter Elbers: Yes. Without making it into masterclass codeshares, let me simplify it. We have 2 types of codeshares - one codeshare foreign operators are having their codes on IndiGo's domestic flights. So Virgin Atlantic fly from London to Bangalore and connects Bangalore to Goa on IndiGo. So there, we get a certain amount of rupees on that flight. That is an arrangement we have with about 10 different airlines in place, and that's actually increasing a lot. And with the network of IndiGo and for example, the recent signing up with Japan Airlines is really helping us. So that has

increased a lot. It's still a single-digit number, but it has increased a lot compared to a few years back.

So that's one codeshare we are having. The other codeshare we are having is codeshare where we fly to a certain point and then beyond that certain point, we codeshare on someone else. And that is what we have with Turkish and with Qantas. So, we fly to Singapore from Chennai to Singapore, and there we connect on Qantas to Perth for that matter.

Then your second question, how does it accounting-wise works. That works very simple. We have agreed on a certain price for that Singapore-Perth. And that means we collect the overall price for the entire journey from the customer, and we pay Qantas for the remaining part. Also, that has really increased over the last few years. And again, Turkey is one of them with the 2 flights connecting over Istanbul to the rest of the network and the other one is Qantas.

Amyr Pirani: And any broad number like of our revenues, how much is it codeshare? Is it like a significant number like 5% or less than that?

Pieter Elbers: Well, if you look to the margins we operate and the overall margin, we operate. This quarter, we published a 9% margin. So even if it's a single-digit number, it's additional revenue, which is very helpful for us.

Amyr Pirani: Understood. Understood. Thanks for that. I will come back in the queue.

Moderator: We will take our next question from the line of Krupashankar NJ from Avendus Spark. Please go ahead.

Krupashankar NJ: Hi, and thank you for the opportunity. My first question is on business class. if you can share the load factors of business class in the domestic market, that would be really helpful. Or probably a few qualitative comment on the traffic, what you are seeing on new routes, which you have started?

Pieter Elbers: Thank you. Stretch is still in the implementation phase. We started in November with Stretch. We started on Delhi-Mumbai, and that route was completed. All the 20 daily return flights were operated with Stretch.

By now, we have 5 domestic routes in operation. and a total of 16 planes. Out of the 16 planes they are operating on these 5 routes, and we basically continue to add 1 plane every week on that, in order to come to that total number of around 40 planes with the Stretch configuration.

I think it's a bit too early to go into specific load factors. We see that the routes which are very well established, like Mumbai-Delhi, they are operating strong and solid, and we see some sort of initial additional attention needed on the new routes like Delhi-Chennai. And I am very confident that we will see the same as we saw on the Delhi-Mumbai route. By the time that all the frequencies are operated by Stretch, we will see an increase in load factors, because especially that segment of customers have the tendency to move from one flight to the next. So, it's important to have all the frequencies being operated on that. So, I guess by the end of this calendar year, all the flights are operated, and we will be able to have a proper evaluation of the load factors.

Krupashankar NJ: Thanks for that. My second question is on the international side. Is it possible to split between the leisure and VFR and business demand on your international routes?

Pieter Elbers: No, not really. And I don't think you will be surprised if we find that quite a few people combine VFR and business-related travel also. So, we are not really having that split being made. Where we see that, clearly, the strength of our network with domestic and international to have it both is really helping us for the customers to create a more holistic travel solution. And the fact that our BluChip program, we have like 3 million people who have already signed up, I think is a demonstration to the fact that we have that combination of an incredible domestic coverage with 490 routes and an increasing international presence.

And that presence international, just like domestic is actually serving all these different segments ranging from VFR to business. And the new routes, Amsterdam and Manchester, I think, are a great example of that as well. We see tourists from Europe coming to India. We see business travelers and we will see VFR as well. And they have gone in the open for sale as from today, and we are confident that we will see a similar mix as we see on other routes.

Krupashankar NJ: Last question, if I may. On the cost side, cost escalation side in FY'26, what are the major escalations you are forecasting. And any mitigation measures with respect to forex side, if at all? How have you taken that forward? Some thoughts over there, please.

Gaurav Negi: Addressing the second part, Krupa, we have shared with you the FX hedging strategy that we have laid out in the couple of calls that we have had in the past. So, we continue to push that particular where we said that we will continue to hedge our positions related to 12 months out, any cash outflow that we have, net of any inflows that are there. So, we continue to pursue that on the FX side from a currency standpoint.

Also, the fact that we continue to scale up our international operations that itself is also going to create a natural hedge for us.

As far as the first part of the question is concerned, the cost side. So, there is going to be a natural escalation that are going to be there in the contracts that we have. Whether it relates to maintenance contracts, whether it relates to the airport charges, so these are elements of costs that are going to be there. What we mentioned in my script also is the fact that we are trying to hold the cost at the similar levels of 2025, reason being we had a large part of our AOG mitigation strategy, which was damp leases.

We are scaling down those damp leases as some of the aircraft, which were AOGs are coming back. So those offsets will enable the inflationary increases that we will have in all the line items that are there. So, we are making this attempt to make sure that the cost levels remain at the same levels that we had in 2025, because we have seen an uptick in 2025, largely because of the increase in damp leases that we had introduced to offset the AOG situation that we faced.

Krupashankar NJ: Thank you very much for answering my questions. All the best.

Moderator: Thank you. We will take a next question from the line of Kushagra from CWC Advisors. Please go ahead.

Kushagra: Yes, hi. Thanks for the opportunity. Just 2 questions. One, so on your international aspirations with 40% international ASK target, if you can give us a sense on what kind of share you are anticipating among Indian airlines, ASK overall when you reach that target? And how much of this you are expecting from the long-haul travel once you reach that 40% international ASK target?

Pieter Elbers: No, I think when you look to international, we should not look at what is our share in the Indian market space. We should look at what's the total Indian and foreign operators and what would be our share in that.

I think what's extremely important that if you take a step back and probably 7-8 years ago, the share of Indian operators as part of international traffic was in the mid-30s. So, it was like 65-ish by international operators, 35-ish by Indian operators.

Over the last years, and thanks to a lot of the expansion of IndiGo, we have now moved to a share of Indian operators more in the range of 45-46-ish percent, but that is still tilting very much to regional capacity. The further you go away from India, as I mentioned, the lower that share is becoming. So, I think the opportunity is really to make sure that, for example, Europe, and that's part of our announcements today, the share of Indian operators is about 1/3rd, 2/3rd of all the traffic is going on non-Indian operators. And that's for direct flights only, and then there's still a lot of indirect flights as well.

So, the opportunity in that field is massive. And like for domestic, we are not setting a market share target, we don't do it for domestic, neither do we do it for international. But I think with the product and the cost basis IndiGo is having, we should be able to get a significant share of that market on IndiGo flight.

Kushagra: Sure. And so, there was one more part of the question, which was how much of your international would be your thinking of doing long haul only in that 40% international ASK target?

Pieter Elbers: It becomes a bit of a question, what is your definition of long haul? And here, the XLR, for us, is actually a very important tool, which is somewhere between the precise definition of long haul, 9-plus hours of flying and the definition of regional 5-6 hours of flying. And exactly in that space, the XLR will have a great opportunity for us to do that. So, we are very bullish on having those planes coming in, and start to operate the routes, for example, Delhi to Nairobi or Delhi to Bali, which today both Nairobi and Bali are being operated, but from Mumbai and Bangalore, respectively.

So, the opportunities are huge. If you just look to our fleet composition, the wide bodies eventually in 2030 will be in the range of 30 on a total fleet basis of around 600 aircraft and that 600 narrow-body aircraft will have a lot of regional operation and XLR. So that's how we come to this number in ASKs, but real long haul is going to be limited to the 350s.

Kushagra: All right. Sir, the second question is actually, can you tell us more about your capital allocation plans in terms of how much you are going to allocate between, let's say, dividends, keeping cash on balance sheet, buying planes and engines and the AIF investments, which you had called out earlier. So, a broad understanding there.

Gaurav Negi: So again, on the capital allocation, we have been prudent. Like we said that we have been now rated investment grade by Moody's also. The broad allocation that we have given in the past also is a large part of our cash is going to be deployed towards keeping a safety net. As a thumb rule, we have mentioned that it's going to be somewhere around 20% to 25% of our overall top line. So that's going to be a safety net that we will continue to carry.

As our ownership model changes, we will look at that particular percentage. Outside of that, the allocation is going to be largely towards our growth initiatives that we are driving. And towards that, the biggest part has been our digital initiatives that we are launching. A massive amount of investments we are doing in various digital tools for us to prepare for the growth that we see and the infrastructure that we need to build by 2030. So, there's investments happening towards that.

We have also highlighted that we have started to acquire some assets. So, we mentioned that we have acquired 8 ATRs. So, we started small because in order to deploy our cash towards prudent allocation, we started small. We started to own assets, which are ATRs as well as we are looking at acquiring and owning the engines. So, in a way, we are prioritizing in terms of where we are deploying capital.

And beyond that, whatever is going to be available is going to be kept for the purpose of acquisition of all forms of aircraft, which is going to be narrow-bodies or for that matter, the wide-bodies that are expected to start coming in 2027.

They may not be an outright purchase in its entirety. It could be a higher contribution of equity that we may want to do for the finance leases that we are doing. So that's the broad construct of the capital allocation that we are doing. We have kind of recommended and will go to the AGM for the shareholders to approve a dividend in order to reward our shareholders also. So that's also part of our capital allocation strategy.

Kushagra: All right. Thank you. Thank you and all the best.

Moderator: We will take our next question from the line of Prateek Kumar from Jefferies. Please go ahead.

Prateek Kumar: Hello, good evening, everyone, and congrats for great results. My first question is a bit of a clarification on your capacity growth. Have you increased your capacity group guidance from early double-digit to mid-teens expectation now?

Gaurav Negi: No, Prateek, the early double digit is for the whole year. So, what we have said for the mid-teens is for Q1 of FY'26, so this quarter.

Prateek Kumar: Sure. So, in relation to the redeliveries that is expected to moderate into the later part of this year, that is what we are sort of expecting.

Gaurav Negi: No sorry, I didn't get that question.

Prateek Kumar: So, because of redeliveries of aircrafts and maybe the returns of damp leases of aircraft. So, the growth is slightly coming off from like mid-teens expectation in 1st Quarter. That's what we are looking at during the year.

Gaurav Negi: So, I will just repeat. So, what we have guided is for the whole year, there is going to be early double-digit increase on the capacity side. So, we have closed this year with 157-odd billion of ASKs. There's going to be an early double-digit growth in this capacity.

Now contributing to this capacity growth is going to be additions in terms of new aircraft coming in, as well as redeliveries also happening. So, it's all factored in when we have given early double-digit guidance for the full year.

Now when we come to the quarter, which is Q1 of FY'26, we are saying the capacity increase is going to be in the tune of mid-teens levels from where we are today. So, it's going to be year-over-year. So, it's going to be an increase of mid-teens from Q1 of FY'25 to Q1 of FY'26, there's going to be a mid-teens increase in capacity.

Prateek Kumar: Sure. Other question is regarding recent geopolitical tensions that have had recent uproar against Turkish relationship across businesses. How do you see your partnership of damp lease with Turkish Airlines, which is also coincidentally up for renewal by this month end. And do you have any mitigating measures there if it ends there? And how does that particularly works with your codeshare agreements for 40-plus connections, which are related to that partnership?

Pieter Elbers: Let me take that one. Well, the flights between India and Turkey are governed and are within the framework of the air service agreement between the 2 nations. I think that's one. Two, the operations which are taking place are fully compliant and in line not only with the regulatory framework, but also by the other rules and regulations from the government. Then certainly, we had and we still have lots and lots of Indian customers booked on these flights, mostly connecting over Istanbul and fly to other parts of the world for their travel needs.

And then on the renewal, that's up for the government to decide on that. we have this operation in place for some time now. It has served the Indian customers well and whether it is compliant, and there the government has the view of what is the overall landscape and the overall setting and the holistic picture, and we operate within that guidance and framework.

Prateek Kumar: The related question was like if this relationship like doesn't continue beyond May. So, does that change anything in terms of business, because we have a codeshare agreement, which helps connection to other destinations in Europe?

Pieter Elbers: As a good airline, we make sure that we have full backup plans in case of changes. And I think we have demonstrated over the last years, be it domestic, be it international, be it the topic we just discussed around the closure of Pakistani airspace, we will deal with it, and we adjust our network accordingly. But for now, we focus on serving our customers and making sure that they can go to and come from their final travel destinations.

- Prateek Kumar:** Thank you and all the best.
- Moderator:** We will take our next question from the line of Ankur Periwal from Axis Capital. Please go ahead.
- Ankur Periwal:** Hi. Thanks for the opportunity and congratulations for a strong set of numbers. First question on your thoughts on yields, given where fuel prices are and sort of some pass-over there. So how are you looking at yield there? And the commensurate question will be on the spreads, your thoughts there, how do you see them happening over FY '26?
- Gaurav Negi:** Ankur, we usually don't give guidance around the yields. It's very difficult to give guidance even for the quarter right now, because of the recent events like we mentioned. So, where the yields are going to settle is something that we will have to monitor. They have obviously gone down, given the events that have happened between May 7 and May 10.
- We are hopeful that there's going to be a recovery, both in terms of the booking as well as the yields. So, it's very hard to give guidance right now where Q1 is going to be. But beyond that, we usually don't give a guidance. We are hopeful that things will come back to normal. The yields have held up if you look at the entire 2025. FY'25, the yields have held up to be strong, they have increased year-over-year. So, we are again hopeful. But given the recent events, it's very difficult to call out where Q1 is going to be, let alone what the total year is going to be like.
- Ankur Periwal:** Sure. I appreciate that. Just secondly, a clarification. So, you did mention earlier that overall costs are expected to be flattish for FY '26, if I am comparing FY '25, I am presuming this is ex of fuel cost?
- Gaurav Negi:** Yes, ex of fuel cost. The way fuel has been favorable, like we mentioned in our commentary also, is played to be favorable. Where I mentioned the offsets of the cost is going to be, the extent of the damp leases that we had is going to scale down and the offset to that is going to be the increase, normal escalation that one experiences across various line items.
- Ankur Periwal:** Okay. That's it from my side. Thank you.
- Moderator:** Thank you. We will take our next question from the line of Achal Kumar from HSBC. Please go ahead.
- Achal Kumar:** Hi. Thanks for taking my question. So, first of all, moving back to the Pakistan airspace closure, do you see any changes to your network plan or strategy towards your long-haul international operations? You have announced flights between Mumbai and these 2 preannounced destinations, Amsterdam and Manchester, although Delhi is the biggest international hub, and we are talking about Delhi quite a lot. So, has that decision been impacted because of Pakistan airspace closure? And how do you see that? And have you done any exercise on your brand awareness score in the international markets, because that is very important for inbound international tourism?
- Pieter Elbers:** Yes. Well, thank you for that. Let me cut the answer into 3 parts. Our today's network, I mentioned it before, we suspended Tashkent and Almaty, the remainder of the 19 routes is a bit longer, and

no further changes are being expected. So, we continue to operate, and there's no change in that. So that's one.

Two, when we look to our further international expansion, today, we only have one 787 and the others are coming in, in the second half of this year. So, we still have time to take a final call. And I think we have a good habit not to make our competition, sharing anything more than strictly necessary, so we keep it to the very last moment to disclose from where these flights are operating.

I think the opportunity of India really is with 787s, we can operate them from pretty any hub we have in India into Europe. So, we have chosen Mumbai for this time, but we can operate it from pretty much anywhere.

And even outside Delhi and Mumbai, we have opportunities. Specifically for Amsterdam and Manchester, I think the opportunity is great for actually both cities to be connected into Mumbai. Our connecting network in Mumbai is not as strong, and you are right in that, it's not as strong as it is in Delhi, yet it does have actually quite a couple of good connections even to the southern part of India, where some of these flows are going. So, we have made that evaluation, and we figured that this was actually a very good way of starting this operation.

When it comes to brand awareness, you are absolutely correct that the brand awareness is an important topic. But in one of the earlier calls, I shared the fact that we do have these codeshares. And even in today's call earlier, there was a question on codeshares. The fact that we have codeshare agreement with British Airways, Air France, KLM, Virgin, and they all have their customers on our domestic network, means that there's quite a lot of Europeans today who are increasingly aware of these flights. And by the way, by the time they figure out that these are competitive fares and that affordable fares of IndiGo are now also available in Europe that would, I am sure, stimulate and create demand from Europe into India and even beyond.

Achal Kumar:

Okay. Perfect. Thanks Pieter. My second question is around again, the international operations. How do you see the opportunities for your ancillary revenue, given that you are planning to sell hot meals and all, so the cost will go up. But do you have plans to increase your ancillary revenue sales, cargo or any other ancillary revenue to offset that cost pressure? And obviously, when it comes to international operations, I think it is very important on the FDTL things. So, do you see any challenges there on FDTL side, please?

Pieter Elbers:

Yes. Allow me to say that these are 2 very different things, FDTL and ancillary revenues. But I guess you just used the opportunity to address both questions, which is perfectly fine.

When it comes to ancillary, you are absolutely right. Cargo is an important aspect. And also there, the start which we have done, and that's actually quite nice for us that we have taken a lot of initiatives over the past 3 years, which were I guess, needed some explanation for people to see where it was leading to. And we inaugurated the narrow-body freighters some 2.5 years back, and we have a few of them in operation now.

And when we started our flights into Bangkok with the 787, actually, we saw suddenly cargo loads of 8, 9, 10 tons per flight, obviously, significantly larger than the kilos we carry on the narrow bodies. So, the opportunity for cargo really is very, very significant in terms of flights operating.

I think it nicely coincides with the fact that one, Made in India is becoming more and more prominent in terms of India as a global production hub, not only as a service, but also as a global production hub and I think very much in mind also with the vision of the Indian government.

If we look to the share of international cargo on Indian carriers, and we spoke earlier about the share of passengers on Indian carriers, on cargo, it's actually in often, it's a single-digit number, which is share on Indian operators. And that means all the rest is going on foreign operators.

So, the opportunity for us to take some of that international cargo on our widebody flights is really fantastic. So, the focus will be clearly on that.

I think for the meals, it's clear that for a flight of these distance to make an operational feasible product and to make sure that our customers have a holistic proposition, we opted for this one, and I think that will resonate actually very well in the market.

And FDTL for these flights is not so relevant, because these are so-called damp leases. So, the cockpit is being operated by the operator, Norse in this case. For domestic, clearly, the FDTL will have some impact, but that's a very different discussion than these long-haul operators. And again, for the first phase in July onwards, it looks like that there's a low single-digit impact on that for that phase. But again, that's domestic. It has nothing to do with the international piece.

Achal Kumar: Perfect. Thank you so much, Pieter.

Moderator: Thank you. We will take our next question from the line of Jinesh Joshi from PL Capital. Please go ahead.

Jinesh Joshi: Yes. Thanks for the opportunity. I think you mentioned that we redelivered about 8 aircraft, 8 damp lease aircrafts in 4Q. And I think more 5 are to be redelivered in April. But if I look at our aircraft engine, these rental costs, it has increased by about INR 64 crores. Perhaps this could be due to the escalation in wet lease rentals. So how should we think about this cost going ahead? Is it that the benefit of lower AOG, which was in 40s, as you mentioned in your commentary, will be eaten away by the higher wet lease rentals going ahead? So, your thoughts on that?

Gaurav Negi: The increase that you saw was on account of more damp leases that had come and when you start comparing it probably sequentially also. And if we look at Q2, there is a delta in terms of the rates that were applicable. So Q2 of FY'25, the significant increase in the damp leases on account of the summer rates that we had mentioned, that started to moderate down as we have entered into Q3 and then Q4. But at the same time, the number of damp leases has also increased when we had gone into Q4.

Fag end of Q4 as well as going into April, what we have called out is we have started to return some of these damp leases. So, you will start seeing a decline in this particular line category. We

also introduced the wide-body Norse that had also now come into, where the cost related to that will come in this particular line item. So, it's a play of rates started to moderate downwards from summer to winter.

Also, the fact that the smaller narrow-body damp leases now getting returned as our AOG situation improves. But at the same time, we have added now the wide-body damp lease on Norse aircraft that one has already come in, and there are more that will start coming in, but for a different purpose. So that's what you will start experiencing on this particular line item. That's when the moderation will start.

Jinesh Joshi: Understood. Sir, one last bookkeeping question from my side. I think the capitalized operating lease liability is up by about 10%. That is what we have stated in the PPT. And we have inducted about 67 aircraft if I compare it with March '24.

Now historically, when the number was slightly lower in terms of aircraft induction, the addition to the operating lease liability number was a bit high. So, just wanted to check, has there been any change in the capitalization method, I just thought of asking, because the share of finance lease is rising and over here the full value of the aircraft basically gets capitalized. So, what are your thoughts on that?

Gaurav Negi: You are right. You have captured it rightly. Earlier, we had all operating leases, what we have been calling out our number of finance leases continues to grow now. So, there's an even mix of operating leases as well as finance leases that continue to be added. And like you rightly pointed out, the liability associated with the finance lease is going to be higher than the operating leases, because at the end of the lease term, you get the right to own the aircraft. So that's what's transpiring and playing out, and that's why you will see an increase on the overall capitalized lease liability line.

Jinesh Joshi: So, the number in the PPT just captured the operating lease number, the finance lease liabilities captured separately is what you are saying?

Gaurav Negi: No, no. It's in the same line item. I am saying the contribution of the finance lease liability is going to be at an accelerated rate than what it used to be with the operating leases. So, the shift in the mix that has started to happen since last year has been that our finance lease liability numbers have started to start to increase. All the new deliveries that are coming in, has a higher mix of finance leases also.

Jinesh Joshi: Okay. Thank you. Thanks for the clarification.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I now hand the conference over to Mr. Pieter Elbers for closing comments. Thank you, and over to you, sir.

Pieter Elbers: Thank you so much. Ladies and gentlemen, thank you so much for joining us in this call today. We have delivered strong full year 2025 results as excluding the impact of foreign exchange, we reported a profit after tax of around INR 88.7 billion and welcomed an impressive 118.6 million passengers during this financial year.

In recognition of the strong financial performance for this year, we have declared or actually recommended a dividend of INR 10 per share subject to shareholders' approval. And this will be after a period of 5 years. Also, now IndiGo is part of a select few airlines in the world, which have received credit rating from leading international credit agency.

Ladies and gentlemen, thank you once again for joining. And on a personal level, Gaurav, this is the 11th time we do it together, and it's so nice to see how the strategy is turning out to these very positive numbers and development.

Ladies and gentlemen, looking forward to talking to you next quarter. And for now, thank you.

Moderator:

Thank you very much. Ladies and gentlemen, on behalf of IndiGo, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Note: This transcript has been edited for readability and is not a verbatim record of the call