15th June, 2026

Interglobe Aviation Ltd.

BSE: 539448 | NSE: INDIGO
M-Cap (Rs cr): 1,88,254

Recommendation	Time Period	Current Price	Target Price	Potential Upside
BUY	**12 months**	**4,870/-**	**5,845/-**	**20.0%**

Interglobe Aviation Ltd (Indigo) is India's largest passenger airline operating as a low-cost carrier. It has a market share of 64% in the domestic aviation industry serving 97 domestic and 45 international destinations. It has a fleet size of 441 aircraft as of Mar'26.

Key Investment Rationale:

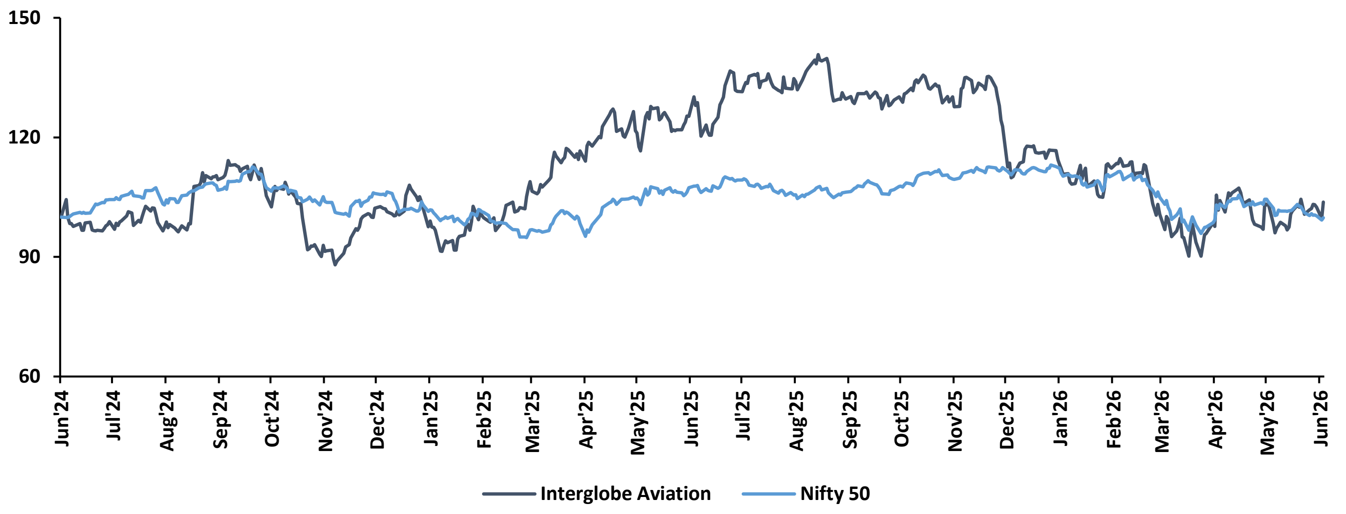
- **Strong operating metrics:** Indigo has consistently gained market share from its weaker peers in the domestic aviation market. Its market share has risen from 55% in Mar'22 to 64% currently led by multiple factors such as disruption in the operations of other carriers due to grounding of aircrafts, delay in deliveries of new aircrafts, financial troubles, pilot and cabin crew shortage as well as airspace closures. Its low cost operating model has allowed the airline to withstand multiple headwinds such as volatility in ATF prices and the currency, weather and geopolitical related disruptions to flight schedules and grounding of several aircraft due to engine related issues.
- **Headwinds of Middle East conflict now behind:** The signing of the peace deal between USA and Iran after a more than 3 month conflict will lead to correction in crude oil prices which also ease jet fuel (ATF) prices as well as supply fears. The rupee too is expected to appreciate vs the USD leading to beneficial impact for Interglobe on its aircraft lease payments. The opening of the airspace over Iran will also enable the company to relaunch its flights on the suspended routes to Central Asia and Europe.
- **Healthy growth outlook:** The aviation industry in India is on a high growth path with addition of newer airports, better infrastructure at terminals improving the ease of air travel, people migrating from long distance train travel to flights as well as rise in international air travel. Two new international airports at Noida and Navi Mumbai will allow Indigo to deploy incremental capacity and cater to the rising demand for air travel from these mega metropolitan hubs. Factors such as increase in corporate travel, surge in international travel to short-haul destinations such as Thailand, Vietnam, Middle East, Central Asia due to easy availability of visas as well as addition of flights on the domestic non-metro to metro routes is expected to drive demand in the near to medium term.
- **Valuation:** At CMP of Rs 4,870, the stock is trading at 10.4x/8.0x/6.8x FY27E/FY28E/FY29E consensus EV/EBITDA
- **Key Risks:** Fuel price and currency volatility; Delay in receipt of new aircraft; Airspace closure and weather related disruptions

Financial Summary

Particulars (Rs cr)	FY26A	FY27E	FY28E	FY29E
Net Sales	84,962	99,161	1,11,200	1,27,600
EBITDA	11,983	20,642	26,833	31,576
Adj. Net Profit	-993	4,473	8,097	9,839
EBITDA Margin (%)	14.1	20.8	24.1	24.7
EPS (Rs)	-25.7	115.6	209.2	254.2
RoE (%)	-14.2	43.6	57.6	40.9
P/E (x)	-	42.1	23.3	19.2
EV/EBITDA (x)	14.7	10.4	8.0	6.8

Source: Bloomberg, SSL Research

Stock Performance – Indexed to 100



Source: ACE Equity, SSL Research

Recommendation History

Date	Stock Price	Target Price	Recommendation	Status
24/06/2025	5,467	6,014	BUY	Booked Profit

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