



June 4, 2026

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To
National Stock Exchange of India Limited
Exchange Plaza, C - 1, Block G
Bandra Kurla Complex, Bandra - (E)
Mumbai - 400 051
Symbol: INDIGO

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code: 539448

Subject: Transcript of earnings call on financial results for the quarter and financial year ended March 31, 2026

Dear Sir/ Madam,

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed transcript of earnings call held on May 29, 2026, on financial results for the quarter and financial year ended March 31, 2026.

This disclosure is also being made available on the Company's website at www.goindigo.in.

The above is for your information.

Thanking you,
For **InterGlobe Aviation Limited**

Neerja Sharma
Company Secretary & Chief Compliance Officer

Encl: a/a

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**“IndiGo Fourth Quarter and Fiscal Year 2026
Financial Results Conference Call”**

May 29, 2026



**MANAGEMENT: MR. RAHUL BHATIA – MANAGING DIRECTOR
MR. GAURAV NEGI – CHIEF FINANCIAL OFFICER
Ms. RICHA CHHABRA – HEAD OF INVESTOR
RELATIONS**

Operator: Good evening, ladies and gentlemen and welcome to IndiGo's Conference Call to discuss the fourth quarter and fiscal year 2026 financial results. My name is Neerav 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, Head of Investor Relations at IndiGo.

Richa Chhabra: Good evening, everyone, and thank you for joining us for the fourth quarter and fiscal year 2026 earnings call.

We have with us our Managing Director – Rahul Bhatia 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 Rahul Bhatia.

Rahul Bhatia: Good evening, everyone and thank you for joining us on this call.

We announced our fourth quarter and financial year 2026 results today. This quarter we reported a loss of 25.4 billion rupees and for the financial year ended March 2026 a loss of 23.9 billion rupees. As you are aware, the past year has been one of the most demanding periods for the Indian aviation industry.

We navigated a landscape shaped by repeated external disruptions. The year reinforced that disciplined execution and organizational resilience remain fundamental to sustaining operations in a volatile environment. Gaurav will discuss the financial outcomes in detail in a while.

First and foremost, let me address the events of December with candour and clarity. Not only did the December disruption cause a significant impact on our results, what transpired fell short of the standards we set for ourselves when we began this journey in 2006. Our customers deserve better. We are committed to the service standards we set for ourselves, and the customer promise that has differentiated IndiGo over the years. I am grateful to the 123 million customers who chose to fly with IndiGo during the financial year, for their patience, understanding, and continued trust

during the disruption.

At the same time, it is important to acknowledge the extraordinary professionalism, resilience, and sense of responsibility demonstrated by our frontline colleagues and operational teams in exceptionally demanding circumstances, their commitment and dignity under pressure truly reflects the spirit of IndiGo.

My colleagues worked with unwavering commitment—often through long hours, intense pressure, and considerable personal sacrifice—to stabilize operations, restore system integrity, and bring the airline back to normalcy.

I am equally grateful to our broader stakeholder community, including the Government of India, regulators, airport operators, partners, and suppliers, for their strong cooperation and support through this difficult period.

Since December, we have further strengthened resilience and execution discipline across the airline. This is evident in outcomes, with us consistently leading in on-time performance across the last quarter, clearly demonstrating the speed and effectiveness with which operational efficiency has been restored.

Further, from March onwards the escalation of geopolitical conflict in the Middle East has led to several route disruptions and a sharp increase in jet fuel prices. In response, airlines globally — including IndiGo — were required to take certain short-term measures to protect operational viability.

As IndiGo steps into its next phase of growth, scale, and global expansion, we have taken decisive steps to further strengthen our leadership. During the quarter, the Board has appointed Willie Walsh as IndiGo's new Chief Executive Officer. He is expected to join us from early August. Willie brings over four decades of deep global aviation experience. His proven leadership positions IndiGo well for its next stage of evolution. Alongside this, we have continued to build leadership depth across the organization with the appointment of Alope Singh as Chief Strategy Officer.

As IndiGo grows, we are strengthening leadership across the organization — investing in people, building depth, and placing accountability close to operations. Ultimately, the progress we make as an airline will be driven by our people.

While the current external environment remains uncertain and volatile, IndiGo's long-term direction remains unaltered. We continue to execute our strategy with discipline and consistency, remaining focused on the long-term fundamentals and opportunity.

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

Gaurav Negi: Thank you, Rahul and good evening, everyone.

Looking back at the financial year 2026, it was shaped by a series of external and operational challenges across quarters.

- The first quarter was impacted by geopolitical developments in the Indian-sub continent that affected capacity deployment and operating conditions across more than 10 airports in India.
- The second quarter is a seasonally soft quarter for industry, and during that period we took a deliberate call to rationalize capacity in line with demand.
- The third quarter was the most challenging for us operationally, as the disruption in December impacted our performance.
- In the fourth quarter, just as demand was normalizing, the developments in the Middle East introduced fresh disruptions through airspace constraints, network challenges and selective travel deferrals.

With this background both our capacity deployed and demand were impacted. Against a seat growth of around 5% our passengers grew by around 4%, and we clocked an ASK growth of 9.5% with an RPK growth of 7.5%. Despite these challenges, we did serve more than 123 million passengers in FY 2026, the highest ever.

Now for the financial performance, starting with the full year ended March 2026, on a consolidated basis we reported total income of around 895 billion rupees, a growth of 6.4% vs last year, with a net loss of 23.9 billion rupees. The primary driver of the loss was the significant impact of foreign exchange movement, where the rupee has depreciated by more than 11% against the US dollar in just 12 months, one of the steepest declines in many years.

Additionally, we reported exceptional items in Q3 & Q4 on account of adoption of the December disruption and the New Labor Code.

Despite significant external volatility, if one analyses the financial performance excluding the impact of foreign exchange and the exceptional items, IndiGo delivered an underlying net profit of 75 billion rupees in FY26 as compared to around 89 billion rupees in FY25.

Furthermore, in addition to the 5.8 billion rupees reported as exceptional for the December disruption, as per our assessment we had an incremental impact of approximately 15-16 billion rupees on account of lower capacity and reduced unit revenue. Factoring this one-off event, our performance for the year would have been meaningfully stronger and as compared to the prior year.

For the year ended March 2026, we reported an EBITDAR, excluding the impact of foreign exchange movement, of 231.9 billion rupees with a margin of 27.3% compared to an EBITDAR

of 228.6 billion rupees with a margin of 28.3% during the year ended March 2025.

Moving to the fourth quarter performance, the first two months of the quarter reflected a clear operational recovery for IndiGo following the disruption experienced in December. Network stability improved materially, schedules were brought back in line progressively, and operating discipline was re-established across the system.

In terms of demand environment, first half of January continued to carry some residual impact of the December disruption, while conditions stabilized through February the demand was disrupted again in March by escalating geopolitical tensions in the Middle East. Again, to remind you the point of comparison here is a very high base of last year due to the religious festival of the Maha-Kumbh.

The Middle East developments have had a meaningful impact on our international operations, disrupting flights to the region as well as to Europe. Together, these markets represent around 18 percent of our total capacity and approximately 160 daily flights, and this weighed on utilization and revenues towards the end of the quarter.

On capacity, we were tracking broadly in line with our planned growth trajectory, with capacity going up by around 10% year-on-year through January and February. However, the escalation of geopolitical tensions in the Middle East led to flight cancellations and network disruptions and also impacted our operations to UK and Europe as well. As a result, overall capacity growth for the quarter came in at 3%, which was lower than initially planned capacity.

For the quarter ended March 2026, we reported a total income of around 238 billion rupees, an increase of around 3 percent. The EBITDAR excluding the impact of foreign exchange movement came in at 64.4 billion rupees with a margin of 28.7% compared to an EBITDAR of 68.6 billion rupees with a margin of 31.0% during the same period last year. The quarter had a net loss of 25.4 billion rupees compared to a net profit of 30.7 billion rupees during the same period last year.

Again, to remind you the point of comparison here is a very high base of last year due to the religious festival of the Maha-Kumbh.

At the quarter end, the rupee depreciated sharply by around 5% against the US dollar resulting in foreign exchange losses of 48.2 billion rupees. As has been explained in earlier calls, the foreign exchange losses are largely mark-to-market losses and are primarily recognized on lease liabilities and maintenance accruals, which are long-term in nature and payable over a period of 8-10 years from a cash flow standpoint.

Additionally, as explained in the last quarter, the Government of India has consolidated multiple existing labour legislations into a unified framework comprising four new labour codes. We have evaluated the incremental impact arising from the implementation of these New Labour Codes, and based on our revised estimates, we have recognized an additional impact of around 2.5 billion rupees. The total provision for the financial year 2026 is 12.2 billion rupees.

Excluding the impact of the foreign exchange movement and exceptional items, we reported a net profit of 19.2 billion rupees for the March quarter vs. a net profit of 29.8 billion rupees during the same period last year.

As guided during the last earnings call, the passenger unit revenue (PRASK) came in at 4.46 rupees, which is 4 percent lower on a year-over-year basis. This is largely due to a higher base of Maha-Kumbh in Q4FY25.

On the cost side, fuel price volatility has intensified sharply following recent geopolitical developments in the Middle East. Benchmark jet fuel prices have spiked significantly over the past three months, materially impacting operating economics across markets. On the domestic front of our operations, the supportive and timely intervention by the Government and the Oil Marketing Companies and airports, to significantly soften and partially pass on the impact of global fuel price increases. Not only did this enable us to calibrate our fuel charge but also allowed us to respond to cost pressures in a prudent manner.

For clarity, for a large part of our business, there is a natural lag in the reflection of fuel price movements. Aviation turbine fuel prices are notified by the oil marketing companies on the first of each month, based on prevailing international fuel price indices and currency movements of the last month. As a result, changes in global fuel prices tend to flow through our fuel CASK with a roughly one-month lag, rather than on a real-time basis. Therefore, our fuel CASK for the quarter has not been impacted materially in Q4FY26 rather reduced by around 5 percent on a year over year basis primarily driven by reduction in benchmark Singapore Jet fuel prices.

The CASK ex fuel ex forex for the quarter came in at 3.15 rupees, which is higher by around 7 percent compared to same period last year 2025, primarily due to

- Inflated dollar-denominated costs due to depreciation of Indian rupee at an average of 5% as more than 50% of our costs are dollar denominated.
- Lower aircraft utilization due to airspace restrictions and the recent developments in the Middle East has also impacted the CASK ex fuel ex forex
- Annual contractual increases across line items such as airport charges and maintenance also added to the CASK ex fuel ex forex.

On the AOG situation, our Pratt and Whitney-related groundings are currently in the 40s and are expected to trend downwards by the end of the year in the 30's. At this point we do not have guidance from the OEM beyond this period.

While the operating environment remains volatile in the near term, our focus has remained firmly on disciplined execution of our long-term strategy. We have stayed anchored to our core principles - scale with discipline, enhance balance-sheet strength and invest selectively in areas that strengthen the franchise.

In terms of fleet, we are executing with one of the largest aircraft pipelines globally. During the financial year, we inducted 51 aircraft from our original orderbook. In addition, we also inducted 21 aircraft on damp lease basis — thus adding 72 aircraft on a gross basis.

We also redelivered 37 aircraft from our original orderbook and 28 damp-leases during the financial year resulting in a fleet of 441 aircraft at the end of FY26.

On the network side, at the end of financial year 2026, we operated 97 domestic and 45 international destinations. Over the last financial year, we have steadily expanded our international footprint with the announcement of new destinations such as Reunion Island and Shanghai across new regions while continuing to deepen connectivity within India, including at newer and under-served airports.

During the financial year, we inducted India's first A321 XLR. The A321 XLR is a central pillar of our international strategy. It allows IndiGo to connect long-haul international markets directly from India. We have already deployed the A321 XLR on services to high-potential markets such as Athens and Istanbul. As additional XLR aircraft join the fleet, we intend to progressively expand this footprint across select Asian and European destinations.

Moving to the balance sheet side, we ended the year with a capitalized operating lease liability of around 535 billion rupees and a total debt, including the capitalized operating lease liability of around 777 billion rupees. Our right to use assets at quarter end were around 521 billion rupees.

We continue to maintain strong liquidity as we ended the year with a total cash of around 516 billion rupees of which 362 billion rupees is free cash and restricted cash of 154 billion rupees. Globally, if you look at the most well-run carriers, they operate with liquidity levels of around 20-25% of their annual revenue. Against this global backdrop, our balance-sheet strength and liquidity remain a clear source of strategic advantage and allow us to invest today for the future.

Total cash has increased by 437 million rupees during the quarter as compared to profit excluding forex impact and exceptional item of 19.2 billion rupees primarily due to cash utilization in the form of purchases of aircraft and also due to reduction in forward sales.

We have remained prudent in capital allocation — prioritizing fleet, operational capability, and long-term efficiency — while protecting the balance sheet strength. Investments made during the year are aligned with strengthening core operations and future growth.

We have actively deployed free cash to accelerate aircraft loan prepayments and increase our fleet ownership. During the year, we had announced a capital investment of 820 million dollars in the GIFT City entity to be deployed primarily towards acquisition of aviation assets, and we have prepaid loans for 17 aircraft. With this, we now have 36 aircraft as unencumbered assets in our books aggregating more than 95 billion rupees of book value. Additionally, we have 53 aircraft on finance leases with underlying ownership, and this investment also adds to the balance sheet strength.

This is a strategic choice aimed at enhancing asset control, reducing risk, and strengthening the durability of our balance sheet over the long term. We view this as an ongoing lever and will continue to explore similar opportunities where increased ownership meaningfully strengthening the balance sheet. Further, we are also prepaying some of our finance lease obligations towards our gift city entity aggregating USD 450mn (43.4 bn rupees), such funds will be utilized towards acquisition of aircraft and engines through our gift city entity.

We announced the development of an Integrated Corporate Campus, reflecting a long-term investment in organizational scale, collaboration, and operational effectiveness as we continue to grow and scale. It reflects our confidence in the long-term growth of the business and our intent to build durable institutional infrastructure.

We also continued to invest in our loyalty platform — BluChip, during the year. BluChip's ecosystem has more than 11 million registered members and spans banking partnerships through multiple co-branded cards such as SBI Cards, Kotak Mahindra Bank, Axis Bank and IDFC first Bank, hospitality partnerships including The Postcard Hotels, and everyday-spend and lifestyle partners such as Swiggy, EazyDiner, and Adani Duty Free. Our focus is on building a simple, asset-light program that strengthens the customer ecosystem and supports revenue quality over time, while remaining economically disciplined.

Further, given the financial performance for the year and position of distributable reserves we have decided not to recommend a dividend for FY2026.

With the capacity deployed in the last two months wherein middle east has seen an upward trajectory through April and May, we are expecting to add capacity of around 3-4 percent in Q1FY27 as compared to the same period last year.

Further on the revenue side, based on booking and pricing trends observed across April and May, we currently estimate a mid-teens improvement in unit passenger revenue in Q1FY27 vs Q1FY26, primarily driven by the calibrated fuel charges which has been imposed, and a lower base during the same period last year due to the geopolitical developments in the Indian sub-continent. However, it is equally important to note that the costs have also become more elevated, driven by higher fuel prices, significant rupee depreciation and annual contractual escalations.

Further, as we enter a seasonally softer demand environment from mid-June onwards, combined with elevated fuel prices, we are adopting a measured approach to optimize capacity. As a part of this, selective recalibration of certain routes is warranted to protect margins, as was done last year as well.

This optimization will also involve reducing the usage of older-generation aircraft and returning certain narrow body damp-leased aircraft that are naturally more expensive. Additionally, we are also in discussions with our widebody ACMI partner to optimize our long-haul operations due to on-going airspace restrictions and elevated fuel costs.

In closing, while near-term conditions remain fluid, the strength of our network, cost discipline,

and balance sheet continues to support resilient operating fundamentals. These provide us the confidence to stay on the course in our long-term strategy, invest selectively, and manage volatility with discipline. As a result, we remain well positioned to deliver consistent performance and long-term shareholder value.

With this, let me hand it back to Richa.

Richa Chhabra: Thank you, Rahul 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: The first question is from the line of Binay Singh from Morgan Stanley.

Binay Singh: Just picking up from the opening remarks when you talk about mid-teens the yield increase or revenue per passenger increase. Are you able to fully pass on the cost pressures with that? If you could comment both on the international side and domestic side? And also, a little bit about how are the utilization rates when you said 3% to 4% growth, what is the breakup of domestic and international? So that's it. Thanks.

Gaurav Negi: Binay, as you're aware, the fuel prices have gone up significantly. So practically, the Singjet went up by more than 100 points. While there has been an intervention and support that has been passed on both from the government as well as from the oil marketing companies, where the increase on the fuel has been to the tune of 25% to 30%.

On the international side, the fuel continues to be on a much higher kind of scale at market prices. We did introduce a fuel charge to pass on some of those costs related to the increase that has happened. On the domestic side, we have managed to recover to a large part, the increased cost that is there, which is, like I mentioned, lower than what the market is. And equally, on the international side, we've tried to pass on a large part of the fuel increase, but not in its entirety have been, we've been able to pass on the fuel charge.

So, one is balancing out both in terms of what the fuel charge and the base price needs to be, along with the load factors that the revenue management teams are focused on. So, the objective is to see how much of the cost can be recovered through this increased revenue, but we've not been able to completely kind of offset the increased fuel environment that we are in. April was a tougher month, but what we've seen is at least for May, things are relatively better in terms of the load factors.

On the utilization side, yes, the utilization has been impacted because we had to cut a lot of our capacity going into the Middle East. So, because of that, like was mentioned, close to 160 flights got impacted both for the Middle East as well as for Europe. That was largely around 18% of our capacity.

While we did try to redeploy most of our capacity into the domestic routes, given that this is a season largely for domestic, but we do see pressure on the utilization also, which is what is reflected in the overall growth that we are expecting for Q1 2027.

The mix tends to move around. On an average, it used to be 70% domestic, 30% used to be international. But given Q1 is a more domestic heavy kind of a play given the seasonality, the ratio is going to be more skewed on the higher side towards domestic and less on the international and any which way.

International, largely the Middle East is something that we are still in the ramp phase. We are ramping back up again. The 160 flights that we had, especially with the war coming through, we had to cancel a large part of that. But today, that capacity is probably back to 2/3 of what we were.

So, utilization is lower, more capacity being deployed towards the domestic and ramp back up again in the Middle East, especially as we prepare for the Q2 season, which tends to be bigger on the Middle Eastern side than on the domestic side.

Binay Singh: Thanks for that. Any rough number where are the utilization rates on international now, like domestic data we get, just on international?

Gaurav Negi: So, the cash utilization on a stand-alone basis is going to be good for us. So, load factors, again, so we are trying to optimize PRASK, like I said. So, the objective is to increase fares given the fuel environment that we are. So, we are trying to increase that. They were low, as I mentioned, especially with the crisis that was being faced, especially in March and then April. May, things are improving right now. I can't give you a firm number in terms of load factors stand-alone for international.

Moderator: Next question is from the line of Arvind Sharma from Citi.

Arvind Sharma: You commented that mid-teen growth in unit revenue in the first quarter. That makes a fairly high number. So purely in qualitative terms, where do you think the demand is, how elastic it is because a mid-teen number would be a very high PRASK yield in 1Q? So, do you think it starts impacting or when does it start impacting the absolute demand?

Gaurav Negi: So, when you look at PRASK, Arvind, you've got to remember what happened in Q1 of last year also because we were severely impacted by the events that played out, especially in May. So till April, the quarter was pretty strong. We had the Pahalgam attack and then it followed.

So the May quarter of last year, May month was extremely weak. So that was the time when we were probably having a very low both load factors as well as the revenue environment. So when you do factor that into the base, this mid-teen increase is something which is seeming to be high. But on a base effect basis, it's not that significant.

Couple that with also the fuel increases that have happened. So in a way, it's positive for us that the overall yields have gone up as well as the PRASK is going up, but the base effect is low and the cost increases that we have in the month of both April and May are significant.

Arvind Sharma: Got it. And the impact on demand, if any?

Gaurav Negi: May is coming out to be stronger. So again, with the base. April was soft because we were still in the ramp phase. May is coming out to be positive. And as a result, that's why you have the PRASK

at mid-teens level, which is a combination of both the yield as well as the load factor. So the demand is good for the month of May.

Arvind Sharma: Got it. Thanks. And my second question would be on fleet strategy. Yes, over the near term, the fleet tends to be a little less flexible. But are you seeing any change in the delivery schedules given the demand or change in flights that you're going to take?

Gaurav Negi: We are looking at the capacity that we need to kind of put into production and operations. Our immediate attempt is to first kind of phase out the damp leases because those are the ones which was mentioned in the opening remarks also tend to be more expensive, both in terms of the cost because there's an inherent kind of markup that is there.

Plus some of them are not the most latest technology as a result, tend to consume a lot more fuel. So that's the first kind of a space that we are kind of addressing. We will return most of our damp leases, something similar that we had done last year also given a softer Q2 that we envisioned within the cycles that we have.

Then we are also looking at some of our older technology fleets that we have, which is the CO. So we'll look at it given the fuel environment that we are in. These aircraft tend to consume a lot of fuel. So we'll be looking at those. So that's our approach right now.

There is no shift as far as deliveries are concerned related to our order book. But our first attempt is going to be to address it both in a manner of returning the damp leases and then looking at if there are any kind of older technology aircraft that may not need to be utilized as much.

So and then we'll keep monitoring how the fuel environment works because it's anyone's guess in terms of how long this particular situation in the Middle East is going to last and then what the tail effect of that is going to be. So we're going to keep, we'll be a little more dynamic as far as our fleet planning is concerned.

Moderator: Next question is from the line of Aryn Pirani from JPMorgan.

Aryn Pirani: A 2-part question on your CASK ex fuel ex FX. So in 4Q, if I look at the line items, which comprise your ex-fuel costs, given the disruptions, given the currency depreciation, it seems that the cost inflation was quite well managed, if I look at lines like employee airport fees and even the supplementary rentals.

So, any mitigating factors that you have already deployed and any color on the cost management? And the second part would be, like you have been giving guidance last year, any guidance for the CASK ex fuel ex FX trends for the quarter or for the year, whatever you're comfortable providing?

Gaurav Negi: Yes, you're right, we've kind of tried to manage the cost dimension, but a large part of the cost will also have an underlying FX impact, which will start flowing through because what we absorbed in Q4 was a mark-to-market impact to begin with. So, the rupee depreciated. Going forward, that will also start playing into the CASK ex fuel ex forex.

Equally, the utilization aspects also that got discussed because the longer this conflict continues

and the lesser the deployment of our capacity is going to be, that also has a denominator effect because the ASKs are not going to be as much to defray the fixed cost related to that.

While we've kind of seen a headwind CASK ex fuel ex forex, which is somewhere, we had guided it's going to be somewhere in the mid-single digit, at least for the coming quarters and depending on how things play out in terms of our utilization levels also, we foresee that it's going to be in mid- to high single digits is what our anticipation is right now.

But just bear with us because there's so much volatility right now across the environment that most of these kind of directional kind of views that we are sharing can change significantly depending on how long this kind of continues.

We are making every measure that is there to see where we can tighten. Like I said, we are also kind of reducing fleet that is not the most efficient fleet. We are looking at those spaces. Obviously, cost is a focus area always and even more so in this particular environment for us.

Amyr Pirani: And just you had provided a sensitivity of INR900 crores for every USD-INR depreciation. Can you provide the latest sensitivity? Or is this still the same?

Gaurav Negi: Directionally, it's still the same. The good part is we had mentioned that we have started to do hedging to limit some of this exposure. Our overall net exposure in dollar terms somewhere comes out to be around INR10 billion. We've done a hedging of around INR1.3 billion.

So, give or take, we're still in that INR900 trajectory right now for every rupee movement on the mark-to-market side. So, anything on the balance sheet, we've got a \$1 movement or INR1 movement to dollar tends to translate into INR900 crores. And that's what you would have seen in the Q4 performance also. The impact of FX is somewhere around INR4,800 crores.

Moderator: Next question is from the line of Achal Kumar from HSBC.

Achal Kumar: I have 2. The first one is on the yield going back to your comments on the mid-teens. So I just want to understand if you could please give color in terms of how much of it is coming because of fuel surcharge and how much is the underlying increase in the fares and because of that, the yield is going. Can you please give a bit of color on that?

Gaurav Negi: So Achal, what I gave was the PRASK guidance of mid-teens. So it has both the yield and the load factor. So that's the balancing act that the teams are working. So it's more a PRASK guidance. A large part is obviously going to be fuel related because the fuel charge or the fuel cost that we need to kind of because the cost levels have anyways gone up.

So while the mid-teens will look quite positive. But bear in mind, the cost levels of -- or the impact of fuel and the FX that we now need to absorb also is also equally significant. And that's why I mentioned that we are not able to absorb the entirety of the cost increases that are there. So this is on a branch level. We'll keep balancing between the yield and the load factors to try to optimize this.

Achal Kumar: Right. Second question was on the cost side. And on the cost, one part of it is about the salary cost.

So because we thought we are going to hire more pilots because the new FDTL norms and the salary cost could go up actually, and we can see the Q4 salary cost is actually lower than Q3. How is happening? And any plans on the fuel hedging, please?

Gaurav Negi: On the fuel hedging, that's under again, given the environment already the fuel has run up significantly. There's obviously thinking that is going around in terms of developing similar to what we've developed on the currency side, but it's in early stages given that the fuel has already run up significantly.

So, we will be putting our minds to start looking at whether fuel hedging is another option or given that we already have a significant fuel-efficient fleet that we already operate as well as operationally to the extent we can minimize the fuel consumption, that will be the longest area of focus for us.

But given what we've experienced in the last 3 months now, that's going to be something that we'll probably start exploring. So not done yet, but something which is in its early kind of internal deliberations.

Moderator: Next question is from the line of Aditya Mongia from Kotak Securities.

Aditya Mongia: My first question was more from the perspective of the pricing strategy of the company. I think in light of the fuel and the cost increase that is there, will the pricing be determined more by that or the extent of demand disruption that may end up happening?

I think the underlying question over here is somewhere do you want to set a certain price point and the way costs are going to be passed through independent of demand disruption? Or will it be fairly sensitive to what demand disruption can happen?

Rahul Bhatia: Aditya, allow me to take this question. This is Rahul. So for us, it is very clear that we need to take fares up to protect ourselves against some of these additional costs that are showing up. And for the moment, what we are discovering is that the fares are sticking. The demand is there.

So you obviously have to take the pricing up to the point where you start to see elasticity come in. For the moment, what we are seeing is as we take the fares up, the market is inelastic to these hikes in fares. And we'll just deal with this on a daily basis and see where we go.

Aditya Mongia: Understood. The second question that I had was more on what you elaborated earlier on, I think this was Gaurav on the cash aspect and a fairly large cash position, how it's going to be deployed. There is a cost of aircraft ownership. Could you give us a sense of how much of that aircraft ownership cost can be mitigated over time as you use cash to purchase aircraft?

Gaurav Negi: So Aditya, if you were to think of cash which is sitting in the bank, you know what the returns on that is. It will range between 6.5% to 7.5%, depending which period you look at. So that's the kind of return you get on our cash, which is sitting versus an aircraft which has a lease rental value, which has a money cost, which is much higher.

So there's a natural arbitrage that does exist for one to start deploying the cash to start owning the

assets because there's always some money in terms of finances cost that is involved in this. The second dimension, which is also becoming even more meaningful is the FX related. So the sooner you lock in an aircraft and own it, the exposure related to the FX also kind of gets mitigated to some large extent also. So these are 2 dimensions that come into play as far as aircraft ownership is concerned versus using cash or keeping cash within the banks.

Now having said that, I did mention in my opening statement, given we are in an aviation industry, it's always prudent to keep at least 20% to 25% of your overall top line as a safety net.

That's been our stated strategy that we are sitting on a lot of cash, around 20% to 25%, which is roughly around INR20,000 crores to INR25,000 crores, give or take, is going to be something we'll keep as a safety net. But anything above that, we'll start deploying towards acquisition of assets, which otherwise would have a much higher money cost to pay than what we will get as returns on those from the banks or the mutual funds that we have.

Moderator: Next question is from the line of Pramod Kumar from UBS Securities.

Moderator: Pramod Kumar, can you hear us?

Management: Pramod, can't hear you.

Moderator: Pramod, your voice is breaking. Can you hear us?

Pramod Kumar: Yes, I can hear you. Can you hear me?

Moderator: Yes, now we can.

Management: Now we can.

Pramod Kumar: Yeah, yeah. Sorry. Sorry for that. Just a clarification on the employee cost. I think one of my peers did ask a question as to why the employee cost fell on a quarter-over-quarter basis, just clarify that, that will be very helpful.

Gaurav Negi: Sorry, what's the question, Pramod, I missed that.

Pramod Kumar: The employee cost, Gaurav, the sequential decline in employee cost even with higher hiring and all, what led to that decline on a quarter basis?

Gaurav Negi: Okay. So if you look at quarter-over-quarter sequentially, you're saying that there is some reversal that we've taken related to some accruals we were doing related to leadership payouts, which have been reversed out. That's why you see a kind of a reduction on a sequential basis. Other than that, year-over-year, the cost would be growing in line with the normalized kind of inflation and increases that we have on the salary front.

Pramod Kumar: Fair enough. And second question is on the corporate side, sir, because we've been hearing a lot of statements from companies publicly and privately that they are kind of tightening the belt on expenses, including travel. So -- and corporate travel trend. If you can just ask for any color target, any...

- Moderator:** Pramod, sorry we are again losing your audio.
- Pramod Kumar:** Sorry. Is it any better, sir? Sorry, I'm like -- I'll come back in the queue. Hello?
- Moderator:** Sir, were you able to get the question?
- Pramod Kumar:** It was on the corporate travel. Corporate travel, any changes you're seeing or moderation you're seeing on the corporate bookings?
- Gaurav Negi:** No. Like I said, May is coming relatively good. I've already given a bit of a guidance in terms of where we're looking at the PRASK/CASK. So we are not seeing any kind of a softness. So I can't differentiate between corporate right now versus what is for leisure and purposes. But overall, May is coming better. April was soft, but May is coming stronger.
- Moderator:** Next question is from the line of Krupashankar from Avendus Spark.
- Krupashankar:** My first question is on the international side of things. I just wanted to get a sense around the long-haul, Rahul, for the rest of the year. I do understand there are restrictions at this point. I wanted to get a sense on whether you continue to lease more widebodies and continue to cater to new destinations on the international side, the Far East destinations?
- Rahul Bhatia:** This is Rahul again. So when you talk about long haul, what markets are you talking about?
- Krupashankar:** For example, last we started Manchester, Amsterdam, etcetera. So something on those things, probably in the Far East or other geographies?
- Rahul Bhatia:** Yes. I mean in this journey, we will continue to, on a daily basis, optimize the network to suit the current needs. What that will be tomorrow morning, we can't tell you. But the assurance we give you is that we continue to watch this very closely and to ensure that we are running an optimal operation.
- Krupashankar:** Understood. The second question is on the new domestic airports, which are in key metros. Just wanted to get a sense around the incremental capacity deployment in domestic.
- Moderator:** Krupashankar, sorry, we lost your audio. Can you hear us? Due to no response, we move on to the next participant. Next question is from the line of Prateek Kumar from Jefferies India.
- Prateek Kumar:** I have a couple of questions. Firstly, you talked about ex fuel ex forex guidance of mid- to high-single digit. Of course, it's extremely volatile. But is it possible to give something on ASK growth for full year as well? You talked about the first quarter at 3% to 4%.
- Gaurav Negi:** Not yet, Prateek, we'll have to wait because we are not giving annual guidance right now. We're just giving for Q. So in due course, we'll also come up with that.
- Prateek Kumar:** Sure. Other question is on FDTL situation. Is this largely addressed now? Or is there a major pilot mismatch in terms of current situation. Of course, capacity is only lower right now. But overall, from where in December industry was, has that situation eased in terms of availability and hiring?

- Rahul Bhatia:** Yes, our readiness in terms of FDTL is complete and will remain like that into the future.
- Moderator:** Next question is from the line of Ankur Periwal from Axis Capital.
- Ankur Periwal:** First question on the capacity management, while you alluded towards this, just curious to understand, given the constraints on the international routes, this capacity you mentioned has been deployed on the domestic market.
- One, if you can highlight whether these are more metro or the non-metro routes? And combining this with your earlier comment that the fuel price increase, at least in the domestic market in the month of May, give and take is largely done in terms of yield matching the increase in the ATF prices. So your thoughts there, please?
- Gaurav Negi:** So large part of the redeployment is on the domestic side is going to be towards, the metro, especially the new airports that are coming up. We've got both Navi Mumbai as well as now Jewar starting shortly, going to be very important towards that.
- Plus a large part, at least in the fourth quarter is going to be towards the leisure market in India because this being a seasonally big quarter for travel domestically, these are going to be towards leisure markets. Sorry, I missed the second question that you had.
- Ankur Periwal:** Sure. Yes. The second part there was your comment on domestic yield largely matching the ATF prices, while on the international, maybe on a route-specific basis, it may vary. But on the domestic side, it's largely matching the increase in ATF prices has been largely passed through?
- Gaurav Negi:** Yes. Thanks to the fact that the increase on the fuel wasn't as big as we saw in the international side because we did get support from the government as well as the oil marketing companies where the increase was only 25% to 30% vis-a-vis international which was at market where the increase was more than 100%.
- So that's why we've been able to manage that relatively better, keep our prices, especially for the domestic season, lower. Otherwise, the price increase would have been even higher. So in effect, it's a tag teaming because the airports also helped out in terms of the airport charges being deferred out.
- So a combination of both the oil marketing companies, the airports, the airlines, all collectively working to make sure that the prices do not significantly increase for the consumer, especially in this period, which is Q1, which is big in domestic.
- Moderator:** Next question is from the line of Sabri Hazarika from Emkay Global.
- Sabri Hazarika:** Firstly, one clarification. This PRASK guidance of mid-teens, this includes the fuel surcharge or it excludes that?
- Gaurav Negi:** It includes. It's all in. And so would the all-in cost for us also. So it includes.
- Sabri Hazarika:** Okay. Now coming to the question in terms of fuel prices, I mean there has been a lot of development. I think Delhi as well as Maharashtra, they have reduced the VAT also significantly

on ATF. So do you see that it is probably the peak of the fuel pricing where we are right now, at least right now.

And I think they have not passed on, I guess, there has been no pass on of the lower VAT or anything of that sort, right? So do you see fuel prices coming down here on? And from April until now, not too much of clarity is there exactly on what is the real fuel prices for the airline. So can you give some idea on that also? Thank you.

Rahul Bhatia: Sabri, this is Rahul. This is work in progress. We are working between the Ministry of Civil Aviation and the Ministry of Petroleum and Natural Gas to come to an agreement into the future. And as soon as we have clarity, we would let you know.

Moderator: Next question is from the line of Jinesh Joshi from PL Capital.

Jinesh Joshi: Sir, my question is on our hedging policy. If I'm not mistaken, our earlier policy was to hedge the cash flows falling during the next 12 months. Now given the excessive volatility in rupee that we have seen of late, are we contemplating any change in strategy over here?

Gaurav Negi: We are enhancing the policy that we had, and I mentioned this the last time also. Our initial going in position to hedge was for the next 12 months, and we had a goal of hedging up to \$1 billion. Subsequently, we've increased that to \$3 billion. So we intend to hedge up to \$3 billion.

A large part is going to be \$1 billion towards the short-term cash flow hedges for the 12-month period. And the remainder of the \$2 billion is going to be spread over the 2-year to 5-year period. So we've kind of expanded and enhanced our policy. And as a result today, we are at \$1.3 billion, and we'll continue to keep scaling this up.

Jinesh Joshi: Sir, one last question from my side. In the month of March, our international ASK was down by about 33% due to the Middle East crisis. But I think some of the capacity loss would have also come because we might have canceled some of the flights which probably are going through that route and now maybe the maybe the rerouting would have been in place.

So just wanted to get some sense in April and May, how is our international capacity deployment shaping up? I mean is the situation better off than March? I mean if you can throw some color on that?

Gaurav Negi: Yes. So immediately, like was mentioned, we have close to 160 daily frequencies that we were running, went to the Middle East as well as into Europe. So once the crisis happened, which was February 28, a large part of this had to be cancelled for obvious reasons because it was a high-risk zone. So 160 flights got cancelled for a couple of days. After that, slowly, we started to ramp up.

We were in the 20s for a large part of March that we were operating. As things stand today, there is a high degree of normalcy that has started to come in into the Middle East. We've started operations approximately two-third of that 160 that we had are now operating, and we intend to kind of scale back to full capacity by the end of June, which incidentally then rolls into a peak period, which is for the Middle East in Q2.

So that's the way things have shaped up. February, we had to cancel. Slowly, we started to ramp up. We are back to 2/3, and then we intend to take full kind of capacity by the end of June. And this this all subject to the risk assessment that we do both internally as well as with various partners that we have.

Moderator: The next question is from the line of Karan Khanna from AMBIT Capital.

Karan Khanna: Firstly, with William Walsh set to take over as CEO in August '26, could you comment on key strategic priorities that are being handed over? And given Mr. Walsh's extensive experience with full-service global carriers, should we anticipate any further shift in IndiGo's hybrid model?

Rahul Bhatia: Well, this is Rahul. I'm going to talk about what strategic responsibilities we're going to hand over to him, we are going to hand over the business to him. He is going to be the CEO and he'll run the shop in its entirety.

Karan Khanna: In terms of given his experience as running several shops with full-service global carriers, is there going to be a change in business strategy? Or will it still be more hybrid focused?

Rahul Bhatia: So let me answer that in 2 parts. What is very clear for IndiGo is the fact that our single-aisle program with the 320s and the 21s is going to be always central to the future of this company. That's the very heart of this business. Now we're adding some mutation to it with the XLRs, with possibly the 350s into the future.

And that will be a hybrid model, and it's something that Willie is well experienced with. I mean he did that at Aer Lingus. So, we'll continue to build that strategy of starting to create an international footprint while we completely hermetically protect our short-haul business with our 320, 21 fleet.

Karan Khanna: Recently seen Air India take a much more aggressive stance on cutting capacity, slashing nearly 22% of the domestic flights and cutting deep into the international network to combat high ATF prices. Given that IndiGo's domestic curtailment is far milder and you are still inducting one plane per week, what is your stance on Air India's capacity cuts? Are you looking at this as a tactical opportunity to aggressively capture the space passenger base?

Rahul Bhatia: Well, we are not at liberty to answer questions on behalf of Air India. All I can say is that IndiGo, we will do what is right for us. We will continue to watch the space and our capacity and continue to optimize our operations on a daily basis.

Moderator: Thank you very much. Ladies and gentlemen, that will be the last question for today. On behalf of IndiGo, that concludes today's conference. Thank you all for joining us, and you may now disconnect your lines. Thank you.

Note: This transcript has been edited for readability and is not a verbatim record of the call. The financial information presented in this transcript is reported on a consolidated basis.