Operator: Good evening, ladies and gentlemen, and welcome to InterGlobe Aviation Ltd.'s conference call to discuss the Q2 FY27 financial results. My name is Nirav, and I will be your coordinator. At this time, the participants are in listen-only mode. A question-and-answer session will follow today's management discussion. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I would now like to turn the call over to your moderator, Ms. Richa Chhabra, Head of Investor Relations at IndiGo. Thank you, and over to you, ma'am.

Richa Chhabra – Head of Investor Relations: Good evening, everyone, and thank you for joining us for the Q2 FY27 earnings call. We have with us our Chief Executive Officer, Willie Walsh, and our Chief Financial Officer, Kiran, 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 the prepared remarks by the end of the day. The transcript of the Q&A session will be uploaded subsequently.

With this, let me hand over the call to Willie Walsh.

Willie Walsh – CEO: Good evening, everyone, and thank you for joining us on this call. As this is my first earnings call as CEO of IndiGo, I thought I would start by sharing a few thoughts from my first few months with the business. As you know, I joined IndiGo just before the airline completed 20 years of operations, an important milestone and also a good time to reflect on how far the business has come.

Obviously, I knew IndiGo well before joining and had always respected what the airline had built, and my first few months inside the business have given me a much clearer view of what drives IndiGo's success: strong cost discipline, a relentless focus on operations, and an experienced team that knows how to deliver at scale.

Moving to the quarter, let me start with the operating environment. The global aviation industry continues to face uncertainty, particularly from geopolitical events, which are affecting travel patterns, operating costs, and, in some cases, the way airlines operate their networks. We monitor these developments closely, both from a commercial and operational standpoint. Where conditions affect our ability to operate safely, we review the risks and make the necessary adjustments to our network. Safety will always be our top priority.

At the same time, the industry continues to operate with fuel costs well above historical levels. Airlines across the world, including IndiGo, have responded through capacity and network adjustments and pricing actions, but cost pressures remain elevated.

Moving to our financial performance, our reported results were primarily shaped by two factors. First, exceptionally high fuel costs continued to weigh on our financial performance, and second, a

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seasonally soft period falling between the summer and festive travel peaks that includes the monsoon season.

In response, we acted decisively to rationalize capacity across parts of our network. Our pricing actions and disciplined capacity deployment, together with a 5% reduction in industry seats, supported stronger revenue performance. However, due to the elevated cost environment, we reported a net loss of 19 billion rupees.

Our liquidity remains strong, with free cash of around 399 billion rupees, and this positions us to navigate near-term volatility while retaining the flexibility to invest in our long-term growth priorities. Those plans are supported by the significant opportunity we see in India. The near-term outlook may be challenging, but the foundations for long-term growth remain strong.

I have spoken about the opportunity in India on many occasions, and I continue to believe it represents one of the most compelling aviation markets in the world. Continued investment in infrastructure, increasing connectivity, and the growing importance of air travel within the broader economy provide a strong foundation for long-term demand.

IndiGo's strong base puts us in a good position to capture this opportunity. Our priorities are clear: first, to continue building on the core strengths that have made IndiGo—sorry, India's preferred airline; second, to maintain the operating and cost discipline that has been fundamental to the company's success; third, to be disciplined about where and how we grow, with a clear focus on long-term value creation; and fourth, to build our international footprint in a measured way, taking advantage of the capabilities of the XLRs and the A350s while preserving the strengths of our low-cost model.

Alongside this growth, we are strengthening our relationship with customers through IndiGo BluChip. The program completed 2 years in October and is approaching 20 million members with more than 30 partners.

With that, let me hand over to Kiran, our new Chief Financial Officer, who will take you through the financial performance in more detail.

Kiran - Chief Financial Officer: Thank you, Willie, and good evening, everyone. I would like to begin by putting the quarter's performance in context. As Willie mentioned, in the September quarter, we delivered strong revenues in a seasonally soft quarter amid significantly elevated fuel costs. While the reported results capture the combined effect of these factors, it is important to distinguish their near-term impact from the underlying earning strength of the business.

First, fuel costs remained elevated. The benchmark Singapore jet fuel index was 60% higher than in Q2 last year. This increase, along with the rupee depreciation, flowed directly through to our cost base, resulting in a 69% increase in our fuel CASK.

Second, the quarter reflected a measured and disciplined approach to capacity in a period of seasonally softer demand, with seat deployment across the industry approximately 5% lower year-on-year. If you recall, the industry capacity in Q2 last year also reflected seasonal adjustments.

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Third, in this environment, we delivered a 31% increase in PRASK, which exceeded our guidance of more than 25% growth. While this represents strong revenue performance, it did not fully offset the abnormally elevated costs.

Beyond ticket revenue, we are also strengthening ancillary revenues through a combination of a broader range of customer choices, easier access to add-on services across our digital channels, and pricing. Our cargo business is also performing well, delivering strong revenue growth of 37% year-on-year during the quarter.

Moving on to the headline numbers, we reported total income of 243 billion rupees, representing growth of 24% year-over-year, with yield growth of over 34% and a 2 percentage point reduction in load factors. In terms of profitability, EBITDA came in at 25 billion rupees at a margin of around 11%, compared to EBITDA of 11 billion rupees and a margin of 6% for the same period last year. On a like-for-like basis, excluding the impact of MTM and hedging, EBITDA margin declined by 5 percentage points, largely driven by fuel and cost escalations.

For the quarter ended September 30, 2026, we reported a net loss of 19 billion rupees, compared to a loss of 26 billion rupees in the same quarter last year. Excluding the MTM and hedging impact, we reported a net loss of around 7 billion rupees, compared to a net profit of around 1 billion rupees in the same period last year.

Turning to our cost performance, CASK ex-fuel, ex-forex MTM came in at INR 3.45 for the quarter, approximately 15% higher year-on-year. The increase was largely attributable to the following factors: the 9% depreciation of the Indian rupee over the past 12 months, which increased the rupee cost of our US dollar-denominated expenses; capacity rationalization, which led to under-absorption of fixed costs across the operating fleet; and annual contractual escalations.

In this volatile environment, we considered it economically prudent to conclude our wide-body damp lease operations with effect from November 1. We have derived useful long-haul operating experience ahead of the arrival of our A350s.

Even as we respond to the near-term operating environment, we continue to invest in our long-term growth priorities. During the quarter, we announced Dar es Salaam as our newest international destination, with daily direct services from Mumbai beginning in November. The route expands our presence in Africa and further strengthens connectivity between India and key international markets.

Moving to the fleet, we inducted a total of 22 aircraft from our original order book, all of which were inducted through our entity in GIFT City. We re-delivered 10 aircraft and 2 damp lease aircraft during the quarter, resulting in a total closing fleet of 442 aircraft at the quarter end.

Turning to the balance sheet, we continue to maintain a strong liquidity position, ending the quarter with total cash of 527 billion rupees, comprising free cash of 399 billion rupees and restricted cash of 128 billion rupees.

Moving to our outlook for the third quarter of this financial year, we expect capacity to grow in the early single digits year-on-year. The capacity outlook reflects the conclusion of our damp lease

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wide-body operations, the prevailing geopolitical environment, and our disciplined approach to capacity deployment. On the revenue side, the environment remains supportive, with pricing continuing to reflect the higher cost backdrop and the base impact from last year. Based on the trends observed in October, we expect PRASK to grow by more than 25% year-on-year.

For the full financial year, we expect capacity to grow in the early single digits. On the cost side, we expect CASK ex-fuel, ex-forex MTM to increase in the high single digits to early double digits range, largely reflecting the impact of rupee depreciation in addition to the usual escalations. We remain mindful of the near-term challenges posed by elevated costs and continued volatility. At the same time, pricing remains supportive, and our liquidity position is strong. We will continue to act with discipline, carefully managing capacity, allocating capital prudently, and protecting profitability while investing in opportunities that support sustainable long-term growth. With this, let me hand it back to Richa.

Richa: Thank you, Willy and Kiran. 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. With that, we are ready for the Q&A.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. The first question is from the line of Binay Singh from Morgan Stanley. Please go ahead.

Binay Singh – Morgan Stanley: Hi, team. The company is managing quite well in a pretty tough environment. I have two questions, one on PRASK and one on the wide-body announcement. On the PRASK side, when we talk about 25% plus in Q3, which implies the usual sequential jump, how are the customers responding to it? How are the load factors when you look into the Diwali week and all? Could you share a little bit about the load factor outlook, both on domestic and international? The second is on the wide-body exit that we will undertake from November. What will be the impact of that on the spreads, RASK minus CASK? Is that a positive impact? Is there anything you could share on that? Thanks.

Willy: I will comment first, and Kiran can add anything if needed. We think load factors in the third quarter, which is seasonally stronger, will be flat during the quarter based on our current position and forward bookings that we are witnessing at the moment. In relation to the wide-body, let me hand over to Kiran.

Binay Singh – Morgan Stanley: Sorry to interrupt. Flat on a year-on-year basis or flat on a quarter-on-quarter basis?

Willy: Yes, flat year-on-year.

Binay Singh – Morgan Stanley: Great. Thanks.

Kiran: On the wide-body removal, we expect it to be accretive to spreads. This was always an investment case for us in the initial time period. It was simply a prudent economic decision in the

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current geopolitical situation of extremely high fuel costs and currency depreciation. We would expect an accretion to the spreads.

Binay Singh – Morgan Stanley: Any numbers on that? Will it be around 3% or so of your ASKM, and therefore a higher percentage of CASK? Is that the right way to see it?

Willy: I do not want to give exact figures, but just to remind you that in the second quarter, our domestic ASKs were broadly flat, and our international ASKs were down about 2.9%. It is really a matter of looking at the international ASKs. The decision to end that lease was an easy decision given the high fuel price and the geopolitical issues impacting the operation. As Kiran said in his opening remarks, we have learned a lot from the operation, which will stand us in good stead when we introduce the A350s in 2028.

Binay Singh – Morgan Stanley: Great. Thanks, team.

Operator: Thank you. The next question is from the line of Arvind Sharma from Citi. Please go ahead.

Arvind Sharma – Citi: Good evening, sir. Thank you for taking my question. This quarter, you actually reported fuel CASK which was down quarter-on-quarter, albeit not by much, but it was still down quarter-on-quarter. While you did highlight that ATF prices have been going up, what was the driver behind the slight decline on a quarter-on-quarter basis in fuel CASK? That would be my first question.

My second question would be on the winter schedule. Long-haul is down, as you rightly said, and wide-bodies are concluding. We also see more and more flights from the new airports, specifically Navi Mumbai. Does that help you, or does that negatively impact profitability? Those are my two questions, sir.

Willy: Yes, sure.

Kiran: I will address the question on fuel costs. As we had indicated in the last quarter as well, the first quarter benefited from a 25% fuel cap that we had on domestic fuels, for which the government had provided support to the aviation industry. That support came off effective June 8, so after that, our prices were linked to market prices. That is the predominant driver for the difference that you see versus what you would expect.

Further, we received some support from the government as well. There have been some VAT reductions, for which we are thankful. These factors explain the movement in fuel costs.

Willy: The new airport is very important to us in the long term. These airports are clearly strategically critical to support the long-term growth that we intend to pursue. Some of the charges are slightly higher, but to be honest, this is an investment in the long-term growth plans for the airline. We are very pleased to have the opportunity to move some of our operations to Navi Mumbai. I think that is going to help with our plans and enable Mumbai Airport to redevelop Terminal 1, which is clearly in bad need of redevelopment.

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Arvind Sharma – Citi: Correct, sir. Essentially, fuel CASK coming down is primarily because of government support and VAT reduction. Is my understanding correct on a quarter-on-quarter basis?

Kiran: In the first quarter. The first quarter had a fuel cap that the government had instituted. The government supported the aviation industry by putting a cap on fuel prices to the extent of 25% over March prices. All of us were buying fuel in April, May, and up to June 8 at those capped prices. From June 8 onward, the cap came off. From June until now, we have been buying at market prices.

Arvind Sharma – Citi: But it is still low quarter-on-quarter. Q2 is below the first quarter in terms of fuel CASK.

Kiran: [pause] Correct. {? SingJet ?} has come down. What we are trying to say is that {? SingJet ?} in the first quarter was higher than the government prices on an overall basis. That is why you would have a price difference. There was also volatility within the month. If you remember, in July, the prices came down more significantly. So there is also a little bit of volatility impact there.

Arvind Sharma – Citi: One clarification on your guidance. In the 3% ASK growth in the third quarter, are the cuts more in domestic or international operations?

Willy: It will be more international in the third quarter. As you know, the third quarter is very strong in the Indian domestic market given the festive season.

Operator: Thank you. A request to all participants: please limit yourself to two questions per participant and rejoin for a follow-up. The next question is from the line of Kripashankar from Avendus. Please go ahead.

Kripashankar – Avendus: Good evening, and thank you for the opportunity. My first question is for Willy. This is a strategic question. Given that you have built a lot of full-service carriers, I wanted to understand how you see IndiGo balancing its low-cost core with its wide-body and long-haul ambitions.

Willy: I do not really see it as being a particular challenge. I think where airlines may have got it wrong before is that they accepted a compromise on their short-haul operation given the expected contribution that short-haul feed makes to long-haul. We are not going to make that mistake. Given the very significant short-haul network that we have in the Indian domestic market, I do not see any need for us to compromise on our short-haul model to facilitate feed into the long-haul.

We are very clear. We have a very low cost base today, and that is going to give us the opportunity to expand into long-haul from that low base. We are not going to allow people internally to be distracted by the introduction into service of the wide-body.

The simple outlook for India, I think, is very, very strong. I have been commenting on this. Last year, there were 78 million international passengers in India, while Heathrow had 79 million. So, you have one airport in Europe with more international passengers than the country here. I think the long-term opportunity is very significant, and we want to participate in that. But we will remain absolutely laser-focused on our short-haul, low-cost operation and will not be distracted by anything that we need to do for the long-haul introduction.

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Kripashankar – Avendus: The second question was largely on recent news that the government is planning to use strong measures to prevent very sharp fare surges. Do you see any impact of this decision on peak-season pricing and your overall free-market pricing for the airline?

Willy: No, we do not see that at this stage. If there is a price stabilization fund that makes sense for us to participate in, then we would clearly look to do that. However, we would not do anything that would artificially affect our ability to take the right decisions given the high fuel prices that we are encountering today.

If it makes sense, we will participate, and I give credit to the government for looking at an innovative way of trying to moderate the increase in the fuel price. Clearly, the terms of that will be the important issue for us.

Operator: The line for the participant dropped. The next question is from the line of Sabri Hazarika from Emkay Global. Please go ahead.

Sabri Hazarika – Emkay Global: Good evening. My first question is, how do you see the elasticity of demand right now in terms of the increase in fares and increase in costs? Are you seeing some sort of stabilization? How do you see it?

Willy: I think it is too early to call that on the basis of one quarter, which is traditionally soft in India. I have been very encouraged by what we have seen in the quarter and by what we are looking at going into Q3. I am also encouraged by what other airlines are saying across the world.

This situation is not unique to us. I suppose what has affected us somewhat more than the US carriers, which are also unhedged, has been the depreciation of the rupee against the dollar. When we look at the actions that airlines are taking, I think we are all taking similar action. We are looking at the balance between yield management and load factor to ensure that we are maximizing revenue generation for the airline.

Demand has held up pretty well, and obviously we are going into a much stronger quarter with Q3. We have not seen anything in the figures to date that would suggest there is an issue there.

Sabri Hazarika – Emkay Global: Understood. My second small question is whether there is any reason why other expenses have fallen sequentially.

Kiran: [pause] I think there was [trails off] a little bit of an accounting grouping issue here to the tune of about 178 crores. There is a little bit of a classification issue which makes it, on a full 1H basis, balance out. That is what is causing it.

There is also a little bit of an offset because of airport handling costs, which have increased primarily due to higher international departures in the second quarter.

Management: I mean, if you want the details of this, [crosstalk]

Sabri Hazarika – Emkay Global: No, it is fine. Thank you so much, and I wish the new team all the best.

Management: Thank you.

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Operator: Thank you. The next question is from the line of Prateek Kumar from Jefferies India. Please go ahead.

Prateek Kumar – Jefferies India: Good evening. I have a couple of questions. Firstly, on your CASK ex-fuel, ex-forex guidance of high single-digit to low double-digit, your first-half numbers for this are around 13%, which is higher than low double-digit, I guess. Are we looking at sharp moderation on a year-on-year basis in the second half, or should we work with a high, perhaps 12%, number for the full year?

Management: The primary reason for the higher second quarter would be our disciplined approach to capacity. As we mentioned, we are looking at capacity increases in the second half. Utilization will catch up, which is what we are expecting. That is why we are calling for late single-digit to early double-digit growth on an overall year basis.

Prateek Kumar – Jefferies India: It can still probably end at a midpoint of, let us say, 10%, which implies only around 7-8% year-on-year growth for the second half versus 13% in the first half? The other international exit from wide-body could also be contributing to this assumption, I would assume.

Management: Correct. A stop, decline, or conclusion of the international operations with Norse would be a factor.

Prateek Kumar – Jefferies India: The other question is regarding this exit from wide-body international operations. Does this impact your preparedness for when you start launching XLRs, because you may lose a London slot or Heathrow slot or some other slots? The other related question is whether you are also reviewing your aircraft delivery schedule with Airbus.

Management: The exit does not have any impact. We are using the XLR to maintain the slot at Amsterdam. There is no longer-term impact as a result of the termination of the Norse wet lease. It will not impact our plans going forward in any way.

Prateek Kumar – Jefferies India: And the other question?

Management: Are you reviewing the [inaudible]?

Prateek Kumar – Jefferies India: Yes.

Management: In the fleet? No, we are not reviewing the fleet. Obviously, like every airline, there are some delays to the delivery schedules from Airbus, but we are still committed to the fleet orders that we have and are looking forward to taking delivery of the A350s in 2028.

Prateek Kumar – Jefferies India: Great. Thank you. These were my questions.

Operator: Thank you. Participants, kindly limit yourself to one question and one brief follow-up, and rejoin for the next question. The next question is from the line of Pramod Kumar from UBS Securities. Please go ahead.

Pramod Kumar – UBS Securities: Thanks a lot for the opportunity. I welcome the top management to the new role and wish you all the best for the future. My question is regarding the capacity

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reduction we saw in Q2. Given that we continue to add aircraft quite aggressively, what framework are you using to decide how to add back capacity over the next few quarters? Is there a particular fuel yield or margin threshold? I just want to understand the framework that will guide you.

Management: We have a very strong team who will look carefully at and take a prudent approach to the addition of any capacity. We will clearly conduct a detailed network analysis. We are looking at capacity on a flight-by-flight basis.

I think the measures we took in Q2 proved to be absolutely right, and we will continue to apply that discipline as we move forward. However, we do see much stronger demand in the third quarter compared to the seasonally soft second quarter that we have just come out of.

Pramod Kumar – UBS Securities: Are there any particular numbers that you track internally to guide the expansion? Also related to that, could this affect our growth plans for the next financial year as well if exceptionally high fuel prices do not normalize very soon?

Management: To be honest, I have no idea where the fuel price is going to be in a couple of months, never mind next year. What I can tell you is that, historically, the industry tends to adapt to the fuel price.

If the fuel price moves to a structurally higher level, I think for jet fuel it is particularly related to the crack spread. We have seen crude prices moderate somewhat. They are around 110-115, but it is the crack spread that has been significantly elevated. I think some of that is due to the disruption in refining capacity, which should be corrected over time.

Historically, the crack spread has been around 20%, a little over 20%. This year, we are seeing that it will probably average around 60-65%. While we would expect to see some elevated crack spread, I do not expect to see it at such high levels going forward.

Whatever the fuel price may be, the industry traditionally adapts to that change in the fuel price because it is such a key element of the overall cost base of the industry.

Pramod Kumar – UBS Securities: Fair enough. Thank you. Best of luck.

Operator: Thank you. The next question is from the line of Jinesh Joshi from PL Capital. Please go ahead.

Jinesh Joshi – PL Capital: Thanks for the opportunity. I have a question which does not necessarily pertain to this quarter, but with respect to the ASKM guidance of 300 billion by FY '30 that we gave sometime ago. Given our 1H performance and the guidance that we have given for Q3, which is in the early single digits, perhaps we may end the year with an ASKM of about 178-180 billion. From that base, if we have to reach 300 billion by FY '30, the essential CAGR that we will have to deliver has to be in the band of about 18-19%.

I wanted to know what the key drivers of growth are here, given the fact that in the domestic market we have peaked out in terms of market share. On the international side, given the current scenario, we are slowing down somewhat. How should we think about the growth levers with respect to achieving the long-term guidance that we gave?

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Management: There are a lot of moving parts, but at this stage, I am happy to stick to the long-term guidance. I do not see any change in our long-term approach to the business.

We are starting with a very strong foundation. We are uniquely positioned in having fleet and aircraft deliveries that are well positioned over the next few years, which gives us opportunities to grow. There are many markets in which we are not participating today where we can participate and where we see significant growth.

We are continually looking not just at the domestic market, which is clearly important for us, but also at our ability to expand into international markets. I mentioned the industry adapting to fuel prices. I think the industry also adapts very well to geopolitical issues. We find our way around these issues.

It may take a little time. We may have to incur some short-term challenges and some short-term noise, but the long term remains very positive in terms of the outlook for India. In my short time here and with my knowledge of the industry, I have seen nothing that would cause me to say that those long-term targets are not achievable.

Jinesh Joshi – PL Capital: One last question from my side. I think this was asked earlier in the call as well, but I wanted some clarity with respect to the load factor and yield movement that we have seen in Q1 and Q2.

For example, in this quarter, our load factor was down by about 220 basis points, while the yield was up by about 34%. In Q1 as well, we saw a similar environment, where the yield jump was quite high and we saw a 130 basis point decline in the load factor.

I wanted to get some sense on this. Is it fair to assume that the current repricing we are seeing due to ATF inflation is having an impact on demand, as evidenced by the declining load factors? Once crude settles, may we revert to our original pricing in terms of yields? I would like to hear your thoughts on that.

Management: The critical issue is the revenue, which, as you know, is a combination of both yield and load factor. We look at the trade-off all the time, not just across the network, but also by each part of the network in which we operate.

I will give you one example. We see opportunities to generate additional revenue through the premium product that we have now introduced. In the second quarter, it is small, but we will be growing it. That is something that we have not seen historically, but I think the early indications of the performance of the Stretch product, which I think is excellent, give us reasons to be optimistic. That is going to be a feature of the business going forward.

The other thing we need to look at is our ability to generate ancillary revenues. It is not just a focus on the fare; it is about the total revenues that we can generate. We believe that there is scope for us to increase our average ancillary revenue per passenger as we go forward.

Jinesh Joshi – PL Capital: Thank you. Thank you so much.

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Operator: Thank you. The next question is from the line of Ankur Periwal from Axis Capital Limited. Please go ahead.

Ankur Periwal – Axis Capital Limited: Thanks for the opportunity. My first question is on your thoughts on ASK growth for Financial Year '28, given that aircraft deliveries have been slightly back-ended. I am combining the international expansion here, given that most of the incremental supply was supposed to be absorbed internationally. Given the fuel volatility, is there a possibility that ASK growth could be slightly back-ended even next year because of fuel-led volatility and the macro environment?

Management: We keep all of this under review, and I think we demonstrated our flexibility during the second quarter as well as our ability to move quickly to respond to any opportunities or challenges we see.

Right now, we are not changing the Financial Year '28 growth guidance of mid-teens, but clearly we will keep that under review. The aircraft deliveries are coming. There may be some short-term delays to some aircraft given some of the issues we see with the OEMs, but we are looking at more than one per week.

We can and have adjusted utilization as we have gone through this year, and we will continue to look at that. All of our decisions will be taken to ensure that we take a prudent approach to the growth that we add to the network.

Ankur Periwal – Axis Capital Limited: Just one follow-up on the non-fuel CASK inflation. This year, we are expecting high single-digit to low double-digit growth, but what should be a steady-state number here, say from '28 onward?

Management: As I mentioned before, we are talking about early double-digit or late single-digit growth. It is a combination of two things. It is a combination of foreign currency depreciation, which is very sharp this year, and regular inflation, which you have seen over the last many years and which is in the early single digits or in that range. That will continue.

Ankur Periwal – Axis Capital Limited: Sure. Thank you.

My question was more on FY '28. I appreciate your comment on the current-year inflation, but I was asking more about a steady-state basis for '28. Rupee depreciation may continue, but structurally?

Management: Structurally, yes.

Management: If you back that out, it is the mid-single-digit range that you are seeing, right?

Ankur Periwal – Axis Capital Limited: Okay. That is helpful. Thank you, and all the best.

Operator: Thank you. The next question is from the line of Joseph George from IIFL Capital Services. Please go ahead.

Joseph George – IIFL Capital Services: Thank you for the opportunity. My question is regarding the pricing lever that you have exercised this quarter and projected into Q3. It is quite significant, right? We are talking about a 30% kind of increase in yields, even though it comes at a small cost in terms

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of volumes.

Theoretically, if crude were to fall back to, say, $60 or $70, the scope for improvement in profitability would be immense if you maintain current pricing. In that kind of situation, what guiding factor would you look at, perhaps in terms of sustainable spreads at which you would like to operate?

Management: Firstly, I would say that it is not the crude price that is really going to impact us because, as we have said, jet and crude have somewhat diverged. We are not seeing the same movement in jet as we see in crude, principally because we have seen widening crack spreads.

We clearly have to be much more focused on the jet fuel price rather than the crude price. If the crude price comes down, that will probably contribute to lower general inflation, which would be positive given the impact that inflation would have on disposable income. I would see that as a positive for us.

We will continue to monitor the fuel price and take pricing action that we think is appropriate in the environment in which we are operating. Obviously, we will also look at what other airlines are doing around the world, because I think we are all responding in fairly similar ways.

Going forward, we see opportunities, as I mentioned earlier, to grow the revenue contribution of the premium product and the contribution that we get from ancillary revenues. The other thing we saw in the second quarter, which I think will continue into the third quarter, was strong cargo performance.

Obviously, with the departure of the 787s, that will affect the cargo that we can carry on long-haul, but the underlying trends in cargo have also been encouraging.

Joseph George – IIFL Capital Services: Just one follow-up on the ATF point. If I look at the average ATF in Q2, could you guide us on where that number would be compared to Q2 as things stand today? Perhaps the average for October, or some guidance based on the current crude price and {? jet crack ?}?

Management: I think this will move in line with benchmark indexes such as SingJet and currency changes. That would be the guide. Obviously, we cannot discuss specific terms relating to purchase prices and things like that. However, the differential would largely follow the SingJet benchmarks.

Joseph George – IIFL Capital Services: Sure, okay. Thank you.

Operator: Thank you. The next question is from the line of Achal Kumar from HSBC. Please go ahead.

Achal Kumar – HSBC: Thanks for taking my question. First, I wanted to understand a bit more about the domestic market. You mentioned that demand is very strong in the domestic market. You have Tier 1, Tier 2, and Tier 3 cities. Tier 1 has strong penetration from corporate customers, which are least price-sensitive, while Tier 2 and Tier 3 are more leisure-oriented, where IndiGo has a very strong presence compared to its peers.

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With the higher fare, Tier 1 customers will obviously continue to travel and we will see stronger demand. But how do you see Tier 2 and Tier 3? Have you done, or are you considering, any network restructuring within the domestic market? Any color on that, please?

Management: I do not see any need to undertake any major restructuring of the domestic market, but you have highlighted our approach to reviewing capacity.

If we see any softness in certain areas, we can adjust capacity there, and that is essentially the approach we took during the second quarter. We will continue to do that. We will be very agile in terms of how we manage our capacity. We will make corresponding adjustments, both positive and negative, depending on where we see demand.

I think that is one of our strengths. We are able to respond very quickly, and I think the measures we took in the second quarter had a positive impact on the overall financial performance of the business. We will continue to do that as we move through the third and fourth quarters.

Achal Kumar – HSBC: I have a follow-up on the different products that IndiGo launched recently, including loyalty, business class, and ancillary products. How has the performance been? Of course, business class has not been performing particularly well, and your Stretch product has performed differently on some routes. Internationally, it was doing very well.

Could you please provide some color on how these products are doing and what kind of potential upside you see, especially in ancillary revenues? The business model you are coming from has very strong ancillary revenue, but in India there are some government restrictions and limitations on how far it can reach. Could you provide some color on all of that?

Management: You are right. In the European environment, if you look at Ryanair's ancillaries, I think they are about 5-6 times the average ancillary revenues per passenger that we generate. Much of that is because of what must be offered as part of the fare in India compared to Europe.

However, we saw growth in per-passenger ancillary revenue during the second quarter. It increased from about 525 rupees to 590 rupees, which is encouraging, and I think there is still scope for further development in that area.

We are only scratching the surface of the contribution that loyalty can make. It will take us some time, but when you consider the number of members we now have, approaching 20 million, there is an ability to generate additional revenues through a structured program.

We have brought in new leadership for that area, and we are very encouraged by the early developments. If I look at the premium Stretch product, it is actually very encouraging. I think we have probably been somewhat shy about promoting the product in the premium market. I think it is an excellent product, and more and more people are becoming aware of it. People are very encouraged when they experience it.

The research we have done is encouraging, and the figures internationally are also very positive. Without question, there is scope for growth in those three segments: the premium product, ancillary revenues per passenger, and, over the longer term, loyalty.

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Achal Kumar – HSBC: Okay, perfect. Thank you so much.

Operator: Thank you. The next question is from the line of Aditya Mongia from Kotak Institutional Equities. Please go ahead.

Aditya Mongia – Kotak Institutional Equities: Thank you for the opportunity. My first question is on the interplay between pricing strategy and capacity. The context is that the US majors have started talking about ensuring that capacity planning depends on where crude is, with the end goal of maintaining the price points in the market at their current levels.

You have talked about following this kind of strategy in the near term, perhaps over the next 1-2 quarters. Thinking about FY '28, what are your thoughts on continuing to adjust capacity additions so that pricing in the market remains more or less where it is at this point?

Management: I have heard some CEOs say that they are going to keep prices where they are, even if the fuel price falls. It is a nice thing to say, but I think it will be challenging to implement. I have heard CEOs say that before.

My experience is that there is an almost direct correlation between the fuel price and ticket prices. As fuel prices go up, ticket prices go up. As fuel prices come down, ticket prices come down. It is not exactly in line, but there is a correlation, and I would expect that to continue.

What we have seen so far this year has been very encouraging. We will continue to be prudent. We look at the market's reaction when we make adjustments to pricing, whether that is in the price or in the fuel surcharge.

The bottom line, and we have been saying this very publicly, is that there is no way to avoid increases in fares when you see such significant increases in the fuel price. It is inevitable that the fuel price will ultimately be passed through to consumers, and that is the reality of the industry.

The response that you should expect to see will be similar across everyone participating in the industry because ultimately everyone has to pay the same price for fuel. Even if you look at the airlines in Europe that are hedged, those hedges will start expiring. While European consumers may not have seen the same degree of fare increases on short-haul routes, you have heard Michael O'Leary talk about unprecedented fare increases next year. That reflects the fact that the fuel hedges held by the likes of Ryanair, easyJet, and Wizz will start unwinding.

Aditya Mongia – Kotak Institutional Equities: My second question, and the final question from my side, is again on this aspect. There have been discussions about airports being allowed to own airlines in the country. I wanted to understand how you think through the risks that could emerge for IndiGo in the very near term and then over the medium term if this were to become a reality.

Management: I think the issue there is that there is a clear conflict of interest in terms of an airport owning an airline and slot distribution. I would expect regulators to look very closely at that.

This is a brutally competitive industry. We have a lot of experienced airline people doing a great job running airlines that are very efficient and are not making money. If airports want to do that and lose money, I would suggest that they reduce their prices. That might be easier.

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If they want to give money away, why do they not give it to the customers who are using their airports at the moment rather than do something that is not necessary?

Aditya Mongia – Kotak Institutional Equities: Understood. Thank you. Those were my questions. Thank you.

Operator: Thank you. The next question is from the line of Kushagar Bhattar from CWC Advisors. Please go ahead.

Kushagar Bhattar – CWC Advisors: Thanks for the opportunity, and welcome to the new management. It was a strong show on pricing. I have two questions.

The first is whether you can provide some color on how many of your bookings came from BluChip members. A related question is whether, given that the base has already reached 20 million, the top 2 million unique customers would be contributing meaningfully because they would be high-frequency customers. Some color on that would be really helpful. I also have a second follow-up question.

Management: It is still very early days, and I think some of our early figures may not give you an accurate assessment of where we see the long-term value. From my previous roles, I know that this can be a very significant contributor to revenue. What you tend to find is that active members tend to book and generate revenue that is a multiple of what the more casually engaged customers generate.

I think it would be too early for me to give you any figures that would be meaningful. However, as I said, we have around 20 million members. The challenge—or, actually, the opportunity, because it is not a challenge—is to turn those members into active members and develop a scheme that is attractive to them and encourages them to fly with us, earn points with us, and redeem those points with us and with our partners.

We will follow the same business model that has been successful with other airlines, including my experience at IAG through Avios. We will certainly give you a lot more information on this as we move forward, but it is very early now.

Kushagar Bhattar – CWC Advisors: A second question would be whether you can provide more color on pricing and utilization. You have provided a lot of color, but could you give us more sense of how pricing and utilization trended in the domestic market across the three segments that you generally call out on your Investor Day: metro-to-metro, metro-to-non-metro, and non-metro-to-non-metro?

It would be helpful to understand where revenue maximization worked out best for you versus your own expectations across these three sub-segments. A related question is how much of the yield increase would have come from the increasing share of premium products. That would be helpful. That is it from my side. Thank you, and all the best, everyone.

Management: On the second point, it was not meaningful. What I am talking about in the premium product is the contribution we see going forward. That is why you may have seen that we had an advertising campaign around Stretch. I think it started last week and finishes at the [trails off] but

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that is why we are encouraged by what we are seeing there.

The experience was actually very consistent across the network during the second quarter. We will keep that under review, but what we saw was encouraging and was fairly consistent across the three segments that you called out.

Kushagar Bhattar – CWC Advisors: All right. Thank you, and all the best.

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

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