November 4, 2026 IGAL/SECT/11-26/2

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 half year ended September 30, 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 October 29, 2026, on financial results for the quarter and half year ended September 30, 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

Digitally signed by: NEERJA SHARMA
DN: CN = NEERJA SHARMA email = NEERJA.SHARMA@GOINDIGO. IN C = IN O = Personal
Date: 2026.11.04 17:38:41 +05'30'

Neerja Sharma
Company Secretary & Chief Compliance Officer

Encl: a/a

"IndiGo Second Quarter Fiscal Year 2027 Financial Results Conference Call"

October 29, 2026

MANAGEMENT: MR. WILLIE WALSH – CHIEF EXECUTIVE OFFICER
MR. KIRAN THADIMARRI – 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 second quarter of fiscal year 2027 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 second quarter of fiscal year 2027 earnings call.

We have with us our Chief Executive Officer – Willie Walsh and our Chief Financial Officer – Kiran Thadimarri 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 Willie Walsh.

Willie Walsh: 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.

I joined IndiGo just before the airline completed 20 years of operations — an important milestone and 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. 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.

- Second, a seasonally soft period, falling between the summer and festive travel peaks and including 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 percent 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. This positions us to navigate near-term volatility while retaining the flexibility to invest in our long-term growth priorities.

And 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 aviation 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 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 A350s while preserving the strengths of our low-cost model.

Alongside this growth, we are strengthening our relationship with customers through IndiGo

BluChip. The programme completed two 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 Thadimarri: 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 earnings strength of the business.

- First, fuel costs remained elevated. The benchmark Singapore jet fuel index was 60 percent higher than Q2 last year. This increase, along with the rupee depreciation, flowed directly through to our cost base, a 69 percent 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 percent lower year-on-year. If you recall, industry capacity in Q2 last year also reflected seasonal adjustments.

- Third, in this environment, we delivered a 31 percent increase in PRASK, which exceeded our guidance of more than 25 percent 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 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 percent year-on-year during the quarter.

Moving on to the headline numbers, we reported a total income of 243 billion rupees, representing a growth of 24 percent year over year, with a yield growth of over 34 percent and a 2-percentage point reduction in load factor.

In terms of profitability, EBITDAR came in at 25 billion rupees, at a margin of around 11 percent, compared to an EBITDAR of 11 billion rupees and a margin of 6 percent for the same period last year. On a like-for-like basis, excluding the impact of MTM and hedging, EBITDAR margin declined by 5 percentage points, largely driven by fuel and cost escalations.

For the quarter ended 30 September 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 percent higher year-on-year. The increase was largely attributable to following factors:

- The 9 percent depreciation of the Indian rupee over the past 12 months, which increased the rupee cost of our US dollar-denominated expenses, and.

- 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 widebody damp-lease operations with effect from 1st November. 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 orderbook, all of which were inducted through our entity in GIFT city. We redelivered 10 aircraft and 2 damp-leased 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 digit year-on-year. The capacity outlook reflects the conclusion of our damp-leased widebody 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 percent year-on-year.

For the full financial year 2027, 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 Chhabra: Thank you, Willie, 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. And with that, we are ready for the Q&A.

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

Binay Singh: The company is managing quite well in a pretty tough environment. Just 2 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 load factor outlook, both on domestic and international? The second is on the wide-body exit that we'll do from November, what will be the impact of that on the spreads, RASK minus CASK? Is that a positive impact? Anything you could share on that?

Willie Walsh: Okay. I'll comment first and if Kiran has anything to add. So we think load factors in the third quarter, and remember, it is seasonally stronger, will be flat during the quarter based on our current position and forward bookings that we're witnessing at the moment. And in relation to the wide-body, let me hand over to Kiran.

Binay Singh: Sorry, this flat on a Y-o-Y basis or on a quarter -- flat on a Y-o-Y basis?

Willie Walsh: Yes, flat on Y-o-Y.

Kiran Thadimarri: Yes. 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. And it was just a prudent economic decision in the current geopolitical situation of extremely high fuel costs and currency depreciation. We would expect an accretion to the spreads.

Binay Singh: So, any numbers on that? Will it be around 3% or so of your ASKM, so higher percentage of CASK? Is that the right way to see?

Willie Walsh: So, I don't think we give the 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%. So it's really looking at the international ASKs. But the decision to end the lease was an easy decision given the high fuel price, geopolitical issues impacting on the operation. As Kiran said in his opening remarks, we've learned a lot from the operation, which will stand us in good stead when we introduce the A350s in 2028.

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

Arvind Sharma: This quarter, you actually reported a fuel CASK, which was down quarter-on-quarter, a bit not so much, but 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 is my first question. Second question would be on the winter schedule.

Long-haul is down, as you rightly said, wide bodies are concluding. We also see more and more flights from the new airports, especially Navi Mumbai. Does that help you? Or does that impact negatively the profitability? Those are the 2 questions.

Kiran Thadimarri: Yes. Why don't I address the question on fuel CASK. As we indicated in the last quarter as well, the first quarter benefited from a 25% fuel cap that we had on domestic fuels, which the government had sort of provided support for the aviation industry. So that's come off effective June 8, ,So post that, our prices were linked to market prices.

That's the predominant driver for the difference that you see versus what you would expect. Further, we've got a little bit of support from the government as well. There have been some VAT reductions for which we are thankful. So these would explain the movement in the fuel costs.

Willie Walsh: And the new airports, very important to us in the long term. These are clearly strategically critical to support the long-term growth that we intend to pursue. So, it's broadly, some of the charges are slightly higher. But to be honest, this is an investment in the long-term growth plans for the airline. So, very pleased to have the opportunity to move some of our operations to Navi Mumbai.

I think that's going to help with our plans and enable the airports, Mumbai Airport to redevelop Terminal 1, which is clearly in bad need of redevelopment.

Arvind Sharma: Got it, sir. So 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 Thadimarri: The first quarter had a fuel cap that the Government had instituted. So they had supported the aviation industry by putting a cap on fuel prices to the extent of 25% over March prices. So we were buying fuel in April, May and up to June 8 on those capped prices. June 8 onwards, they come off. So June to now, we've been buying at market prices.

Arvind Sharma: But they are still low quarter-on-quarter, 2Q is below first quarter, the fuel CASK.

Kiran Thadimarri: SingJet came down. What we are trying to say is the SingJet in first quarter was higher than the government prices on an overall basis So that's why you would have a sort of lower price.

Arvind Sharma: Sir, one clarification on your guidance. On the 3% ASK growth in the third quarter, are the cuts more in domestic or international operations?

Willie Walsh: 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.

Moderator: Next question is from the line of Krupashankar from Avendus.

Krupashankar: My first question is for Willie. Just a strategic question. Given that you built a lot of full-service carriers. And I wanted to understand how do you see IndiGo balancing its low-cost core with its wide-body and long-haul ambitions?

Willie Walsh: Yeah, I don't really see it as being a particular challenge. I think where airlines have maybe got it wrong before is that they've accepted a compromise on their short-haul operation given the expected contribution that short-haul feed makes the long haul. We're not going to make that mistake. And given the very significant short-haul network that we have in the Indian domestic market, I don't see any need for us to compromise on our short-haul model to facilitate feed into the long haul. So we're very clear.

We have a very low cost base today. That's going to give us the opportunity to expand into long-haul off that low base. And we're not going to allow people internally to be distracted by the introduction into service of the wide-body. And the simple outlook for India, I think, is very, very strong. I've been commenting on this.

Last year, 78 million international passengers in India. Heathrow had 79 million. So you have one airport in Europe with more international passengers than the country here. So 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 on the long-haul introduction.

Krupashankar: Got it. The second question was largely on recent news that government is planning to use strong levers to prevent very sharp fare surges. And do you see any impact of this decision on peak season pricing and your overall free market pricing for the airline?

Willie Walsh: No, we don't see that at this stage. I think if there is a price stabilization fund that makes sense for us to participate in, then we'll clearly look to do that. But we wouldn't do anything that would artificially impact on taking the right decisions given the high fuel prices that we're encountering today.

So, 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. But clearly, the terms of that will be the important issue for us.

Moderator: Next question is from the line of Sabri Hazarika from Emkay Global.

Sabri Hazarika: So, first question is, how do you see the elasticity of demand right now in terms of -- given the increase in fare and increase in cost. So are you seeing some sort of like stabilization? How do you see it?

Willie Walsh: Yeah, I think it's a bit early to call that on the basis of 1 quarter, which is traditionally soft in India. I've been very encouraged by what we've seen in the quarter and encouraged by what we're looking at going into Q3 and also encouraged by what other airlines are seeing across the world. So this situation isn't unique to us. I suppose what has hit us a bit harder than particularly the U.S. carriers who are also unhedged, has been our depreciation of the rupee against the dollar.

But when we look at the actions that airlines are taking, I think we're all taking similar action. I think we're looking at that balance between yield management and load factor to ensure that we're maximizing the revenue generation for the airline. But demand has held up pretty well. And obviously, we're going into a much stronger quarter with Q3 and I haven't seen anything in the figures to date that would suggest there's an issue there.

Sabri Hazarika: Got it. And second small question. Any reason why other expenses have fallen sequentially?

Kiran Thadimarri: I think there is a little bit of accounting grouping play over here to the tune of about INR178-odd crores. There is a little bit of a classification play, which makes hedging gain on a full 1H basis squared up. So that's sort of what's -- there is a little bit of offset of that because of airport handling costs, which have increased primarily due to higher international departures in the second quarter. I mean, if you want the details of this.

Moderator: Next question is from the line of Prateek Kumar from Jefferies, India.

Prateek Kumar: I have a couple of questions. Firstly, on your CASK ex-fuel, ex-forex guidance of high single to low double digits. Your first half numbers for this is like around 13%, which is, I guess, higher than low double digits. So we are looking at like a sharp moderation on a year-on-year basis in second half? Or should we work with higher -- I mean, a 12% kind of number only for full year?

Kiran Thadimarri: So the primary reason for a higher second quarter would be like we've been talking about having a disciplined approach to capacity. And as we mentioned, we are looking at capacity increases to come up in the second half. So the utilization will catch up is what we're expecting. And that's why we are calling a late single digit to early double digit on an overall year basis.

Prateek Kumar: Okay. So it can still probably end at a midpoint at, let's say, 10%, which implies around only 7%, 8% year-on-year growth for second half versus 13% in first half. Sure. Yes. Okay.

And the other international exit from wide-body could also be contributing to this assumption, I believe.

Kiran Thadimarri: Correct.

Prateek Kumar: Other question.

Kiran Thadimarri: Stop, decline, or conclusion of the international operations with Norse would be accurate.

Prateek Kumar: Other question is on your -- like this exit of -- from wide-body International. Does this impact the preparedness for when you start like launching XLRs like because you lose -- I don't know if you lose the London slot or Heathrow slot or some other slots. Another related question is like are you also reviewing your aircraft delivery schedule with Airbus?

Willie Walsh: So the exit doesn't have any impact. We're using the XLR to maintain the slot at Amsterdam. So there's no longer-term impact as a result of the termination of the Norse wet lease. So it won't impact in any way on our plans going forward.

Prateek Kumar: Sorry, I had another question. Are you reviewing the fleet?

Willie Walsh: No. No, we're not reviewing the fleet. Obviously, like every airline, there are some delays to the delivery schedules from Airbus. We are still committed to the fleet orders that we have and looking forward to taking delivery in 2028 of the A350.

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

Pramod Kumar: Welcome the Top Management to the new role and wish all the best for the future. My question is Willie, regarding the capacity reduction we've seen in 2Q. And given that we continue to add aircraft quite aggressively, what is the framework you're using which decides how do you add that capacity over the next few quarters? Is there a particular fuel yield or margin threshold? I just want to understand what the framework which will guide you.

Willie Walsh: Yes. Obviously, we've got a very strong team who will look very carefully and take a prudent approach to the addition of any capacity. So we'll clearly do a detailed network analysis. So it's really on a flight-by-flight basis that we're looking at capacity. And I think the measures we took in Q2 were proven to be or have proven to be absolutely right, and we'll continue to apply that discipline as we go forward.

But we do see much stronger demand in the third quarter to the seasonally soft second quarter that we've just come out of.

Pramod Kumar: So is there any particular numbers you guys track internally, which will guide the expansion? And also related to that, could this also affect our FY, the next fiscal growth plans as well, the exceptionally high fuel prices, if they do not kind of normalize very soon?

Willie Walsh: 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 historically, as you know, the industry tends to adapt to the fuel price. So if the fuel price moves to a structurally higher level. And I think for jet fuel, it's particularly in relation to the crack spreads, we've seen crude prices moderate a little. They're in around $110, $115, but it's the crack spread that has been significantly elevated.

And I think some of that is down to the disruption in refining capacity, which should be corrected over time. So historically, the crack spread has been around 20%, a little over 20%. This year, we're seeing it. This year, it will probably average around 60%-65%. So while we would expect maybe to see some elevated crack spread, I don't think we'll expect to see it at such high levels going.

But whatever the fuel price will be, the industry traditionally adapts to that change in the fuel price because it's such a key element of the overall cost base of the industry.

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

Jinesh Joshi: Sir, I have a question which does not necessarily pertain to this quarter, but with respect to the ASK guidance of 300 billion by FY '30 that we gave some time ago.

Now given our 1H performance and the guidance that we have given for 3Q that is in early single digit, perhaps we may end the year with an ASKM of, say, about 178 to 180 billion. And 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%.

So just wanted to know what are the key drivers of growth here given the fact that in domestic market, we have peaked out in terms of market share. And again, on the international side, given the current scenario where we are kind of slowing down a bit. So how to think of the growth lever with respect to achieving the long-term guidance that we gave?

Willie Walsh: Yes. Look, there's a lot of moving parts. But at this stage, I'm happy to stick to the long-term guidance. I don't see any change in our long-term approach to the business. We're starting with a very strong foundation.

We're uniquely positioned in having fleet and aircraft deliveries that are well positioned over the next few years that gives us the opportunities to grow. There are lots of markets that we're not participating in today that we can participate and where we see significant growth. So we're all the time looking not just at the domestic market, which is clearly important for us, but also our ability to expand into international markets. And I mentioned about the industry adapting to fuel prices. I think the industry also adapts very well to geopolitical issues.

So we find our way around these issues. It may take a little bit of 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. And I've seen nothing in my short time here and my knowledge of the industry, I've seen nothing that would cause me to say that those long-term targets are not achievable.

Jinesh Joshi: Sure. And sir, one last question from my side. I think this was asked earlier in the call as well, but just wanted some clarity on this bit with respect to the load factor and yield movement that we have seen in 1Q and 2Q. So for example, in this quarter, our load factor was down by about 220 basis points, while the yield was up by about 34%. Even in 1Q, we saw a similar environment wherein yield jump was quite high, and we saw a 130 basis points decline in the load factor.

So just wanted to kind of get some sense on this bit. Is it kind of fair to assume that the current repricing that we are seeing due to ATF inflation, that is having an impact on demand as evident by the decline in load factors? The moment the crude settles, we may revert back to our original pricing in terms of yield. So your thoughts on that?

Willie Walsh: Well, the critical issue is the revenue. And that obviously, as you know, is a combination of both the yield and the load factor. And we look at the trade-off all the time. And not just across the network, but we'll take a view on every sort of part of the network that we're operating on. I'll give you one example.

We see opportunities to generate additional revenues through the premium product that we've introduced. Now in the second quarter, it's small. We'll be growing on this. That's something that we've not seen historically. But I think the early indications of the performance of the Stretch products, which I think is excellent, gives us reasons to be optimistic there.

So that's going to be a feature of the business going forward. And obviously, the other thing we

need to look at is our ability to generate ancillary revenues. So it's not just a focus on the fare. It's on the total revenues that we can generate. And we believe that there is scope for us to increase our average ancillary revenue per passenger as well as we go forward.

Moderator: Next question is from the line of Ankur Periwal from Axis Capital Limited.

Ankur Periwal: First question on your thoughts on ASK growth for financial year '28, given that the aircraft deliveries have been slightly back ended. And I'm combining the international expansion here, given that most of the incremental supplies were supposed to be absorbed in international. Given the fuel volatility, is there a possibility that ASK growth could be slightly back-ended even next year, given the fuel-led volatility and the macro?

Willie Walsh: We keep all of this under review. And I think we demonstrated our flexibility during the second quarter and also our ability to move quickly to respond to any opportunities or challenges we see.

So right now, we're not changing the financial year '28 growth guidance of mid-teens. But clearly, we'll 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're looking at more than 1 per week deliveries.

So we can and we have played with utilization as we've gone through this year, and we will continue to look at that. So all of our decisions will be taken to ensure that we take a prudent approach to the growth that we're adding to the network.

Ankur Periwal: Sure, Willie. And just one follow-up there on the non-fuel CASK inflation. This year, we are expecting high single digit, low double digit. But what should be a steady-state number here, let's say, '28 onwards?

Kiran Thadimarri: So like I mentioned before, we're talking about early double digit or late single digits. It's a combination of 2 things. It's a combination of foreign currency depreciation, which is very, very sharp this year. And then there is the regular inflation which you have seen over the last many years, which is in early single digits or in that range. So that will sort of continue.

Ankur Periwal: Yes. So my question was more on FY28, while I appreciate your comment on the current year inflation, but more on a steady-state basis, FY28. So, INR depreciation may continue. But, yes, structurally.

Kiran Thadimarri: Yes. If you back that out, it's in the mid-single-digit range is what we are seeing

Moderator: Next question is from the line of Joseph George from IIFL Capital Services.

Joseph George: The question that I had was when you look at the pricing lever that we have exercised, say, this quarter and projected into 3Q, it's pretty significant. We're talking about 30% kind of an increase in yield, even though it's at a small cost in terms of volumes. Now theoretically, if crude were to fall back to, say, $60 or $70, the scope for improvement in profitability is immense, that is if you maintain current pricing. So, in that kind of a situation, what is the guiding factor you would look at maybe in terms of sustainable spreads that you would like to operate?

Willie Walsh: Well, first, I'd say it's not the crude price that's going to really impact us because as we said, it would be jet fuel. We're not seeing the same movement in jet as we see in crude, principally because we've seen widening crack spreads. So we clearly have to be much more focused on the jet fuel price rather than the crude price. I think if crude price comes down, that will probably play into lower general inflation, which would be a positive given the impact that inflation would have on disposable income. So I would say that is a positive for us.

So we'll continue to monitor the fuel price and take pricing action that we think is appropriate in the environment in which we're operating. And obviously, we'll be looking at what other airlines do around the world because I think we're all responding in pretty similar ways. So going forward, we see opportunities, as I mentioned earlier, to grow revenue contribution of the premium products and opportunities to grow the contribution that we get from ancillary.

And the other thing we've seen in the second quarter, which I think will continue in the third quarter, has been strong cargo performance. Now, obviously, with the departure of the 787s, that will impact on the cargo that we can carry on long haul, but the underlying trends in cargo have been encouraging as well.

Joseph George: Sure. Just one follow-up on the ATF bit. So if I look at the average ATF in 2Q, could you guide us on where that number would be compared to 2Q as things stands today, maybe the average for October, or some guidance there based on the current crude and jet crack.

Kiran Thadimarri: Look, I think this will move in line with the benchmark indexes, like SingJet and currency changes, So that would be the guidance. Obviously, we cannot talk to specific terms with purchase prices and things like that. But largely, the differential would follow the SingJet benchmarks.

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

Achal Kumar: First of all, I wanted to understand a bit more about the domestic market. You mentioned the demand is very strong in the domestic market. Then obviously, you have a Tier 1, Tier 2, Tier 3 cities. Tier 1 is more -- have strong penetration from the cargo -- sorry, from the corporate, which are least price sensitive, but Tier 2, Tier 3 is actually more leisure, where IndiGo has a very strong presence as compared to your peers. So now with the higher fares, of course, Tier 1 will still continue to sort of travel and you see more demand strength.

But how do you see Tier 2, Tier 3? And have you done or are you thinking about doing any sort of network restructuring within the domestic market? Any color on that, please?

Willie Walsh: Yes. So I don't see any need to do any major restructuring on the domestic market. But you've highlighted our approach to reviewing our capacity. Obviously, we'll -- if we see any softness in certain areas, we can adjust capacity there. And that's pretty much the approach we took during the second quarter, and we'll continue to do that.

So we'll be very agile in terms of how we manage our capacity. And we'll make corresponding adjustments, both positive and negative depending on where we see the demand. And I think that's one of our strengths. We're 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, and

we'll continue to do that as we go through the third quarter and fourth quarter as well.

Achal Kumar: Right. And then I have a follow-up on the products -- different products which IndiGo launched recently, including your loyalty, including your business class, including ancillaries. So how has been the performance? Of course, the business class has not been performing so well, your stretch product on some of the routes. International was doing great.

So now can you please give a bit of a color in terms of how these products are doing? And what kind of potential upside do you see, especially in ancillary, the land where you are coming from really has a very strong ancillary revenue. But in India, I think there are some government restrictions. So there are some limitations there where we can reach. So can you please give a bit of a color on all that, please?

Willie Walsh: Yes. No, you're right, like the European environment, if you look at Ryanair's ancillaries, I think they're about 5-6 times the average ancillary revenues per passenger that we generate. And much of that is because of the what must be offered as part of the fare in India compared to Europe. But we have seen growth in the per passenger ancillary during the second quarter. It went up from about INR525 to INR590, which is encouraging.

And I think there's still scope for further development in that. And obviously, we're only scratching the surface of the contribution that loyalty can make. Now it will take us a bit of time. But when you consider the number of members that we have now coming up close to 20 million, the ability to generate additional revenues through a structured program there, and we brought in a new leadership there, very encouraged by the early developments and then if I look at the premium, the stretch product, it's actually very encouraging. I think we've probably been a bit shy about promoting the product in the premium market.

I think it's an excellent product. More and more people are getting to know about it. People are very encouraged when they experience it. The research we've done is encouraging. And the figures on international are very positive as well.

So without question, there's scope for growth in those 3 segments, premium, ancillary revenues per passenger and in the longer term loyalty.

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

Aditya Mongia: My first question was especially on the interplay between pricing strategy and your capacity as in the context is that some of the U.S. majors have started talking about kind of ensuring that their capacity planning depends on where crude is with the end game of maintaining price points in the market from where they are today. You talked about near term following this kind of strategy in the next 1-2 quarters. But thinking about FY '28, what are your thoughts on kind of continuing to kind of tinker with capacity additions so that the pricing in the market remains pretty much where it is at this point of time?

Willie Walsh: I've heard some CEOs say that they're going to keep the prices where they are even if the fuel price falls. Nice thing to say. I think it's going to be challenging to implement. I've heard CEOs say that before. My experience is there's almost a 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. Not exactly in line, but there is a correlation there, and I would expect to see that continue. I think what we've seen so far this year has been very encouraging. We are going to continue to be prudent. We look at the reaction to the market when we do make adjustments to the pricing, be that in the price or in the fuel surcharge.

But the bottom line, and we've been saying this very publicly; there's no way you can avoid increases in fares when you see such significant increases in the fuel price. It's inevitable that the fuel price will ultimately get passed through to consumers. And that's the reality of the industry. So the response that you should expect to see will be similar to everybody participating in the industry because everybody has -- ultimately has to pay the same price for fuel. And even if you look at the airlines in Europe that are hedged, their hedging will start expiring.

So while maybe European consumers have not seen the same degree of fare increases in the short haul, you've heard Michael O'Leary talk about unprecedented increases in fares next year. And what that reflects is the fact that the fuel hedges that the likes of Ryanair, easyJet and Wizz have in place will start unwinding.

Aditya Mongia: Second question -- the final question from my side. Again, I wanted to get your views on this aspect. There have been talks of airports being allowed to be owning airlines in the country. I wanted to get a sense that if this was to become an eventuality, how do you think through the risk that emanate for IndiGo in the very near term and then maybe over the medium term as well?

Willie Walsh: No, I think the issue there is there's a clear conflict of interest in terms of an airport that owns an airline and slot distribution. And I would expect regulators to look very closely at that. This is a brutally competitive industry. And we've got a lot of experienced airline people who are doing a great job running airlines that are very efficient and not making money. And if airports want to do that, they want to lose money.

I'd suggest they reduce their prices actually. Maybe that would be easier if they want to give money away, why don't they give it to the customers that are using their airports at the moment rather than do something that's not necessary.

Moderator: Next question is from the line of Kushagra Bhattar from CWC Advisors.

Kushagra Bhattar: Thanks for the opportunity, and welcome to the new management. Strong show on the pricing. Just 2 questions. One is if you can give some more color on, let's say, how many of your bookings came from BluChip members? And a related thing would be, let's say, if you can give us some more sense as to the base has already reached to 20 million, but let's say, the top 2 million unique customers would be contributing meaningfully given they would be high-frequency customers, right?

So a color on that will be really helpful. And I have a second follow-up question as well.

Willie Walsh: Yes. It's 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. So I know from my previous roles that this can be a very significant contributor to revenue. And what you tend to find is active members tend to

book and generate revenue that are multiples of what the sort of casually engaged customers are.

So I think it will be too early for me to give you any figures that would be meaningful. But we do have, as I said, around 20 million. The challenge or the opportunity, actually, it's not a challenge. The opportunity is to turn those members into active members and to develop a scheme that's attractive for them and encourages them to fly with us, to earn points with us and to redeem those points with us and with our partners. And we're going to follow the same business model that has been so successful with other airlines including my experience at IAG through Avios.

So we'll certainly give you a lot more information on this as we go forward, but it's very early now.

Kushagra Bhattar: Sure, Willie. A second question would be on -- if you can give more color on the pricing and the utilization. So you gave a lot of color, but let's say, if you can give us more sense on how the pricing and utilization trended out in the domestic market between the 3 segments, which you generally call out on your Investor Day, right, metro to metro, metro to non-metro and between, let's say, non-metro to non-metro, like where the revenue maximization worked out best for you versus your own expectations between these 3 subsegments will be really helpful?

And a related question would be how much of the yield increase would have come from increasing share of the premium products, right, would be really helpful.

Willie Walsh: Yes. No, on the second one, it wasn't meaningful. What I'm talking about in the premium product is where we see the contribution going forward. And that's why you may have seen we had an advertising campaign around Stretch. I think it started last week and finishes up.

But that's why we're encouraged by what we're seeing there. And actually, the experience was pretty consistent right across the network during the second quarter. So we'll keep that under review, but it was encouraging what we saw and it was pretty consistent on the 3 segments that you've called out.

Moderator: Thank you very much. Ladies and gentlemen, we'll 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.

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