

PRESS RELEASE
April 10, 2025

Indian airport operators to report revenue growth of 18-20% in FY2026: ICRA

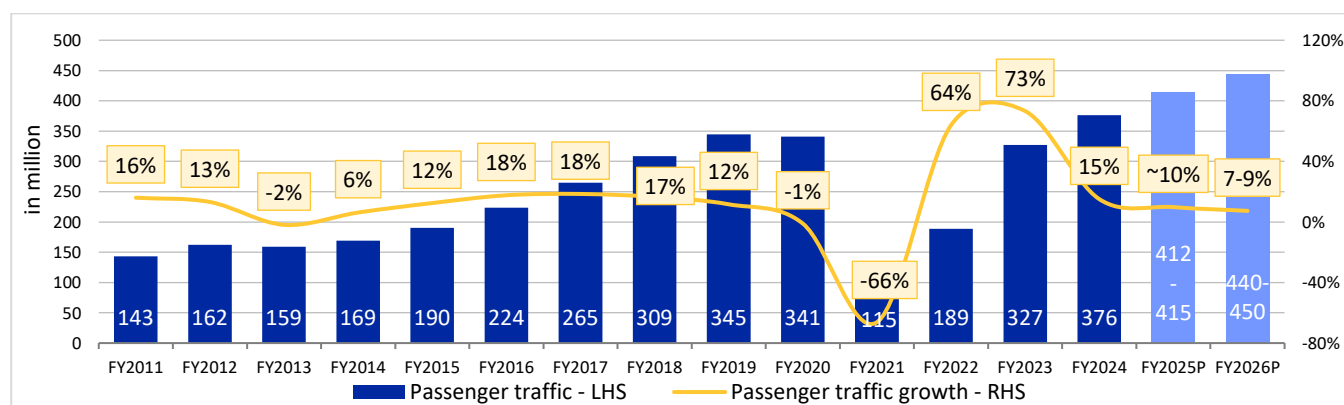
- **Indian airport sector to reach new highs of 440-450 million passenger traffic in FY2026**
 - **International passenger traffic to outpace domestic traffic growth**

ICRA projects the overall airport passenger traffic¹ to witness healthy growth of around 7-9% YoY to reach new highs of 440-450 million in FY2026, after witnessing growth of ~10% to 412-415 million in FY2025. The revenues of ICRA's sample set² are likely to grow by around 18-20% YoY in FY2026. The sector's debt coverage metrics are projected to remain comfortable with interest cover above 5 times and DSCR at above 3.5 times in FY2026.

FY2025 saw an 11% expansion in international traffic and a 9% rise in domestic traffic. The continued healthy growth momentum was driven by a steady increase in international travel amid improving connectivity to newer destinations, continued uptick in leisure and business travel in the domestic segment, along with improvement in air connectivity to tier II cities/ key tourist destinations.

Giving more insights, **Vinay Kumar G, Sector Head, Corporate Ratings, ICRA**, said: *"International traffic continues to outpace domestic traffic growth, driven by healthy international tourism activity, along with improved connectivity to newer destinations. The growth momentum is likely to sustain in FY2026 as well, with expected YoY growth of 7-11% and 6-8% in international and domestic traffic, respectively. The healthy rise in international traffic will augur well for the airport sector, given that it is relatively more remunerative than domestic traffic. The revenues of ICRA's sample set companies are likely to grow by a robust 18-20% YoY in FY2026, driven by the sustained improvement in both passenger traffic, increase in tariffs at Delhi, Bangalore and Hyderabad airports and ramp-up in non-aeronautical revenues."*

EXHIBIT 1: TREND IN PASSENGER TRAFFIC (IN MILLION)



Source: AAI, ICRA Research; Includes both domestic as well as international traffic

Given the capacity bottleneck faced by a few airports, the sector will continue to witness substantial capex. Investments of more than Rs. 1,00,000 crore are expected over the next 4-5 years, including greenfield airports

¹ Refers to both domestic and international passengers across all airports in India

² ICRA sample set includes Airports Authority of India, Delhi, Bangalore, Hyderabad and Cochin International airports

(Jewar (Noida), Navi Mumbai, Bhogapuram, Parandur (Chennai)), brownfield expansions (Bangalore, Hyderabad, Cochin, Mumbai and Nagpur) and upgradation of airports under the Airports Authority of India (AAI).

Commenting on the airport operators' performance, **Kumar** said: *"With healthy profitability margins, the debt coverage metrics are expected to remain comfortable at in FY2026, despite higher interest outgo and debt repayments with the commercialisation of the capex programme at some of the key airports. The credit profile of airport operators is projected to remain stable, supported by healthy accruals and comfortable liquidity."*

Click the below link to access our previous press releases on the sector:

[Overall passenger traffic to touch record highs of 373-380 million in FY2024](#)

[Domestic air passenger volume reaches pre-Covid level for second straight month in January 2023, despite Covid scare](#)

[Turbulence-free operations supported healthy ramp-up in air passenger traffic](#)

Media Contacts:

Naznin Prodhani

Head Group Media & Corporate Communications

ICRA Ltd

Tel: + (91 124) 4545300,

Email:

naznin.prodhani@icraindia.com

Ashwani Singh

Deputy Manager - Media & Communications

ICRA Ltd

Tel: +91- 9560842447

Email:

ashwani.singh@icraindia.com

© Copyright, 2025 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions presented in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

Disclaimer:

This Press Release is being transmitted to you for the sole purpose of dissemination through your newspaper / magazine / agency. The Press Release may be used by you in full or in part without changing the meaning or context thereof, but with due credit to ICRA Limited. However, ICRA Limited alone has the sole right of distribution of its Press Releases for consideration or otherwise through any media including, but not limited to, websites and portals.

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency. Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

Click on the icon to visit our social media profiles.

