

QANTAS GROUP MARKET UPDATE – APRIL 2026

14 April 2026

The Qantas Group is providing an update on its FY26 outlook given the conflict in the Middle East.

Fuel outlook

Since the Group provided outlook guidance at its 1H26 financial results, jet fuel prices have more than doubled and remain highly volatile. The Group has hedged approximately 90 per cent of its 2H26 exposure in crude oil but is largely exposed to movements in jet refining margins¹, which have increased from US\$20 per barrel in February to a peak of around US\$120. As a result, the estimated fuel cost for 2H26 is now \$3.1 – 3.3 billion².

The Group is working closely with the Government and jet fuel suppliers who continue to provide confidence in fuel supply for the remainder of April and well into May. We are closely monitoring the situation given the ongoing uncertainty in global fuel supply chains.

Customers, capacity and fares

The Group has taken action to mitigate the impact of the conflict in the Middle East, including international network changes, capacity adjustments and fare increases.

While the Group does not operate to the Middle East, Qantas has provided additional support to customers booked to travel on partner airlines, including more flexibility to move flights or receive a refund.

Qantas continues to see strong demand for international travel to Europe as customers seek alternative routes. In response, the Group has redeployed capacity from the US and its domestic network to increase flights to Paris and Rome.

Given the continued volatility in fuel prices and the global economic conditions, the Group has reduced domestic capacity in 4Q26 by around 5 percentage points. Affected Qantas and Jetstar customers are being contacted directly and offered alternative flights or a refund.

Group International unit revenue (RASK) growth for 2H26 is now expected to be 4 to 6 per cent³, double previous RASK guidance. This includes the 50 per cent of revenue for 4Q26 that was sold prior to the conflict commencing. Group Domestic unit revenue (RASK) growth for 2H26 is expected to be approximately 5 per cent, and 6 per cent³ for 4Q26. The revised RASK outlook assumes current demand levels are sustained across Domestic and International.

The Group continues to closely monitor the dynamic environment and retains optionality to take further actions to mitigate fuel cost increases over time.

Financial Framework

The Group maintains a strong financial position in accordance with its Financial Framework and is well progressed with its FY27 funding plans.

The Group's FY26 capital expenditure will now be at or below \$4.1 billion, the bottom end of the previously guided range.

¹ Jet refining margins refer to the difference in price between crude oil and refined jet fuel.

² 2H26 fuel cost impact based on forecast consumption of approximately 16.1 million barrels (including SAF); assumes 2H26 market jet fuel price of between ~A\$185 to ~A\$200 per barrel excluding hedging, into-plane costs, SAF premium and carbon credit costs. Market jet fuel pricing based on forward curve pricing over the past week.

³ Compared to the prior corresponding period. RASK calculated as Ticketed Passenger Revenue divided by Available Seat Kilometres.

As announced on 26 February, the \$300 million interim dividend (19.8 cents per share) will be paid on Wednesday 15 April. Given the current uncertainty, the planned \$150 million on-market buyback has not commenced.

Net Debt is now expected to be at or above the middle and within its Net Debt Target Range at 30 June 2026.

In light of the ongoing volatility, the Group will provide an update on the FY27 outlook at a later date.

Qantas Group capacity

(vs prior corresponding period)

	3Q26	4Q26	2H26	FY26
Group Domestic	+5%	(1%)	+2%	+3%
Qantas Domestic	+5%	(1%)	+2%	+3%
Jetstar Domestic	+5%	(0%)	+2%	+4%
Group International	+4%	+3%	+4%	+3%
Qantas International	+8%	+9%	+9%	+7%
Jetstar International ⁴	(4%)	(7%)	(5%)	(3%)
Group	+4%	+2%	+3%	+3%

The statements in this market update are predicated on the Group's current assessment of the profile of key external factors that will impact the Group's financial performance, including economic conditions and geopolitical considerations.

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Authorised for release by the Qantas Board of Directors.

⁴Jetstar International includes Jetstar Airways' Australian International and New Zealand operations and Jetstar Asia.