

1H23 RESULTS

SUPPLEMENTARY PRESENTATION

Qantas Airways Limited

23 February 2023

ASX: QAN

US OTC: QABSY



Disclaimer

This Presentation has been prepared by Qantas Airways Limited (ABN 16 009 661 901) (Qantas).

Summary information

This Presentation contains summary information about Qantas and its related bodies corporate (Qantas Group) and their activities current as at 23 February 2023, unless otherwise stated. The information in this Presentation does not purport to be complete. It should be read in conjunction with the Qantas Group's Appendix 4D and Consolidated Interim Financial Report for the half year ended 31 December 2022, along with other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

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All dollar values are in Australian dollars (A\$) and financial data is presented within the year ended 31 December 2022 unless otherwise stated.

This Presentation is unaudited. Notwithstanding this, the Presentation contains disclosures which are extracted or derived from the Consolidated Interim Financial Report for the half year ended 31 December 2022 which has been reviewed by the Qantas Group's Independent Auditor.

This Presentation also makes reference to certain non-International Financial Reporting Standards (non-IFRS) financial information. The non-IFRS financial information is unaudited and has not been reviewed by the Qantas Group's Independent Auditor.

Future performance and forward looking statements

Forward looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

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Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Not an offer

This Presentation is not, and should not be considered, an offer or an invitation to acquire Qantas shares or any other financial products.



GROUP PERFORMANCE

1H23 Key Group Financial Metrics

		1H23	1H22
Profit metrics			
Revenue	\$M	9,909	3,074
Underlying Profit/(Loss) Before Tax ¹	\$M	1,428	(1,277)
Statutory Profit/(Loss) Before Tax	\$M	1,435	(622)
Statutory Profit/(Loss) After Tax	\$M	1,001	(456)
Statutory Earnings per Share ²	c	53.9	(24.2)

Balance Sheet and Cash Flow metrics			
Rolling 12 month ROIC ³	%	33.0	(28.5)
Net Debt ⁴	\$B	2.40	5.52
Operating cash flow	\$M	2,811	137
Net free cash flow ⁵	\$M	2,094	552

- Record 1H Underlying Profit Before Tax (PBT) in top half of guidance range
- Strong Group RASK offsetting record fuel prices and temporary unit cost inefficiencies
- 1H22 Statutory Loss includes \$649m of net gain on disposal of assets from Mascot Land Sale recognised outside of Underlying PBT
- Net Debt below target range of \$3.9b - \$4.8b as at 1H23



1. Underlying PBT/(LBT) is a non-statutory measure and is the primary reporting measure used by the Chief Operating Decision-Making bodies, being the Chief Executive Officer, Group Management Committee and the Board of Directors, for the purpose of assessing the performance of the Qantas Group. All items in the 1H23 Results Presentation are reported on an Underlying basis unless otherwise stated. Refer to slide 6 of this Presentation for a reconciliation of Underlying to Statutory PBT/(LBT). 2. Weighted average number of shares used in basic Earnings Per Share calculation, excluding unallocated treasury shares. 3. Return on Invested Capital (ROIC). For a detailed calculation of ROIC please see slide 13. 4. Net Debt under the Group's Financial Framework includes Net on Balance Sheet Debt and capitalised aircraft lease liabilities. For a detailed calculation of the Net Debt Range, please see slide 15. 5. Cash from operating activities less net cash outflows from investing activities.

1H23 Key Group Operating Metrics

		1H23	1H22	Change (%)	Pre-COVID 1H19	Change (%)
Unit Revenue ¹ (RASK)	c/ASK	13.05	8.41	55.2%	8.94	46.0%
Total Unit Cost ²	c/ASK	10.47	17.86	(41.4)%	7.93	32.0%
Unit Cost (ex-Fuel and depreciation) ³	c/ASK	4.81	8.67	(44.5)%	4.44	8.3%
Available Seat Kilometres ⁴ (ASK)	M	55,438	13,506	310.5%	76,854	(27.9)%
Revenue Passenger Kilometres ⁵ (RPK)	M	47,322	7,103	566.2%	64,958	(27.1)%
Passengers carried	000	22,675	5,406	319.4%	28,500	(20.4)%
Revenue Seat Factor ⁶	%	85.4	52.6	32.8pts	84.5	0.9pts
Operating margin ⁷	%	15.6	<0	N/A	10.0	5.6pts
Full-time equivalent employees ⁸	FTE	23,296	20,296	14.8%	29,359	(20.7)%



1. Ticketed passenger revenue divided by available seat kilometres (ASKs). Refer to slide 11 for detailed calculation. 2. Underlying PBT/(LBT) less ticketed passenger revenue per ASKs. 3. Underlying PBT/(LBT) less ticketed passenger revenue, fuel and share of profit/(loss) of investments accounted for under the equity method, adjusted for the impact of changes in FX rates in prior years, non-cash impact of discount rate changes on provisions, excluding depreciation and impairments per ASKs. Refer to slide 11 for detailed calculation. 4. Total number of seats available for passengers multiplied by the number of kilometres flown. 5. Total number of passengers carried multiplied by the number of kilometres flown. 6. Revenue Passenger Kilometres divided by available seat kilometres. Also known as seat factor, load factor or load. 7. Operating Margin is Group Underlying EBIT divided by Group total revenue. 8. The total number of full-time equivalent (FTE) employees as at 31 December 2022, reported in total for each segment of the Qantas Group in Australia and overseas. This is calculated using standard working hours for full-time and part-time employees and actual hours worked by the casual and temporary workforce.

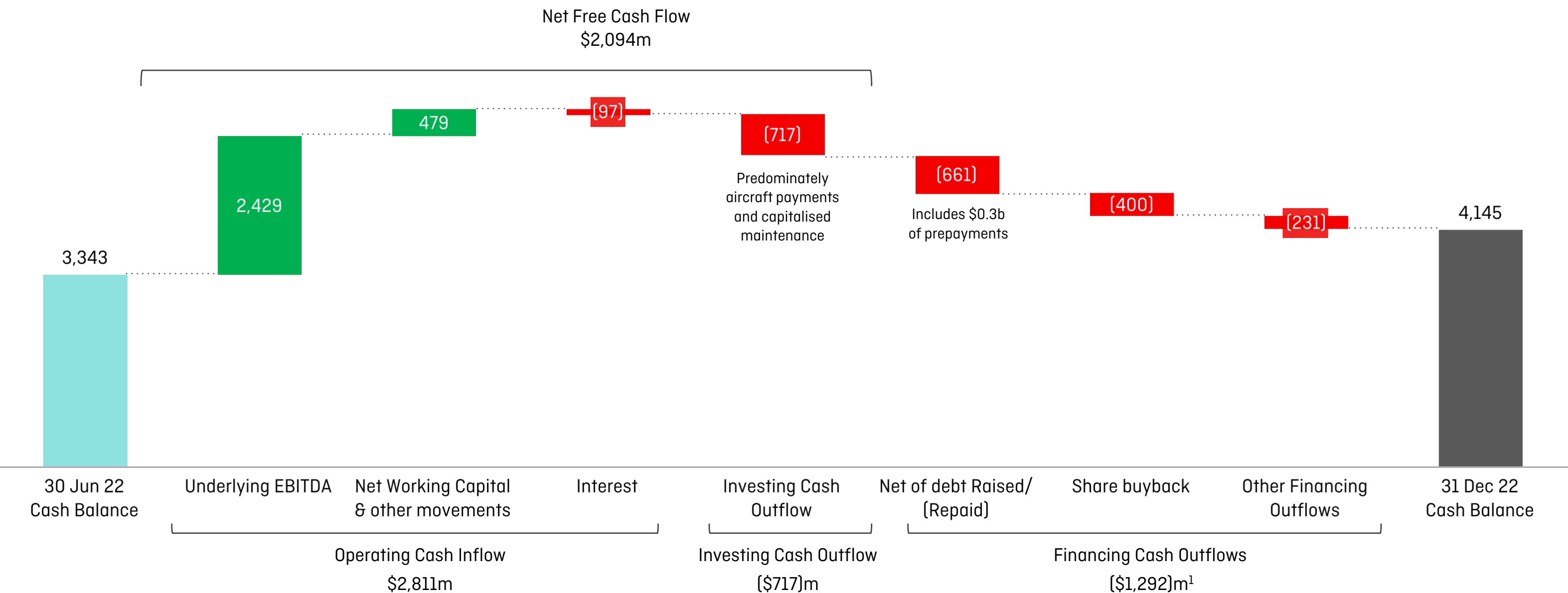
Reconciliation to Underlying Profit/(Loss) Before Tax

\$M	1H23			1H22		
	Statutory	Items not included in Underlying	Underlying ¹	Statutory	Items not included in Underlying	Underlying ¹
Net passenger revenue	8,393	–	8,393	1,534	–	1,534
Net freight revenue	810	–	810	920	–	920
Other revenue	706	–	706	620	–	620
Total Revenue	9,909	–	9,909	3,074	–	3,074
Manpower and staff-related	2,084	–	2,084	1,327	–	1,327
Aircraft operating variable	1,899	–	1,899	838	(7)	831
Fuel	2,335	–	2,335	474	–	474
Depreciation and amortisation	880	–	880	884	–	884
Share of net profit of investments accounted for under the equity method	21	–	21	47	–	47
Net gain on disposal of assets ²	(3)	2	(1)	(653)	649	(4)
Other	1,142	5	1,147	631	13	644
Total Expenditure	8,358	7	8,365	3,548	655	4,203
EBIT	1,551	(7)	1,544	(474)	(655)	(1,129)
Net finance costs	116	–	116	148	–	148
Profit/(Loss) Before Tax	1,435	(7)	1,428	(622)	(655)	(1,277)



1. Underlying PBT/(LBT) is a non-statutory measure and is the primary reporting measure used by the Chief Operating Decision-Making bodies, being the Chief Executive Officer, Group Management Committee and the Board of Directors, for the purpose of assessing the performance of the Qantas Group. All items in the 1H23 Results Presentation are reported on an Underlying basis unless otherwise stated. 2. Includes \$649m of net gain on disposal of assets from Mascot Land Sale in 1H22 recognised outside of Underlying PBT.

1H23 movement in cash position



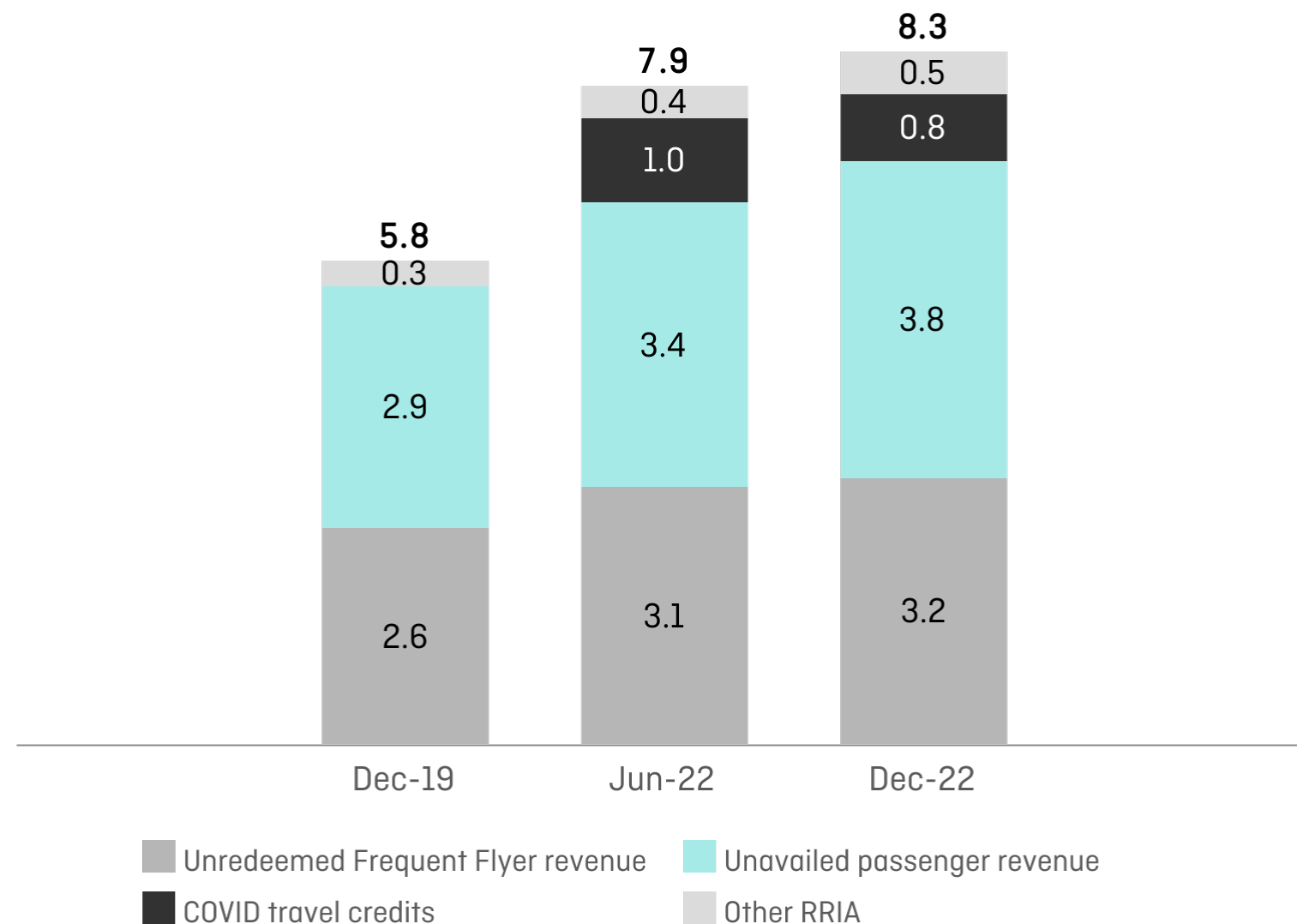
Net Free Cash Flow positive for 1H23; Balance Sheet in strong position



1. Other Financing Outflows includes the impact of FX on cash balance of \$4m reported in the Cash Flow Statement for 1H23.

Revenue received in advance (RRIA) and travel credits

Total Revenue Received in Advance (\$B)



- Unavailed passenger revenue >130% of pre-COVID levels with expectations to maintain substantially above pre-COVID levels
- Loyalty unredeemed Frequent Flyer revenue continues to grow, representing a structural uplift from pre-COVID
- Total COVID travel credits of \$0.8b as at 1H23 with majority expiring by 31 December 2023
- Management driving ongoing initiatives to support usage by customers including:
 - Promotional offers for bookings that use credit (e.g. double points offers)
 - Ongoing marketing, targeted communication and reminders
 - Flexibility for direct bookings through credit concierge and indirect bookings through agency incentives

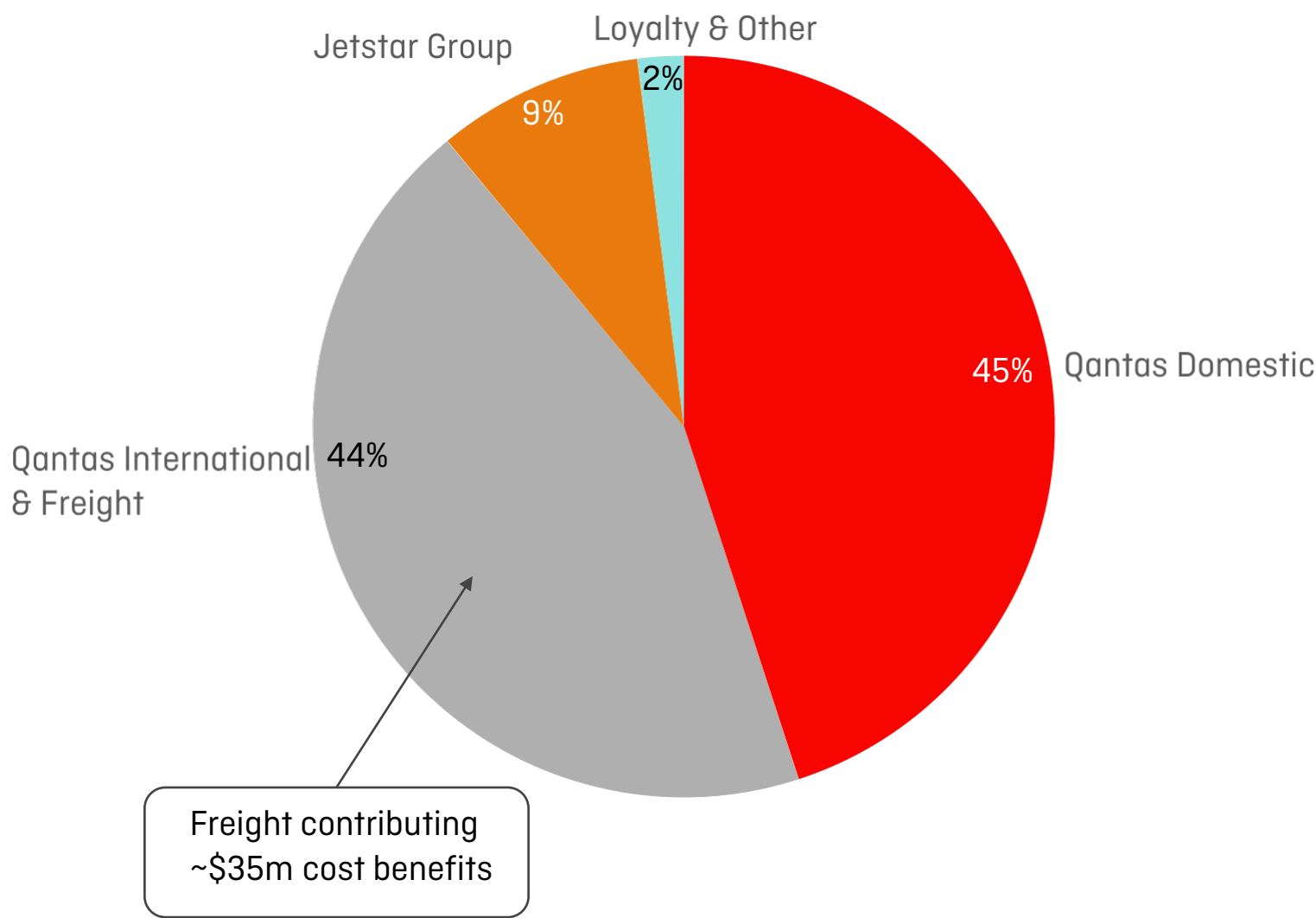
Recovery and rebuild of Revenue Received in Advance supporting positive net free cash flow



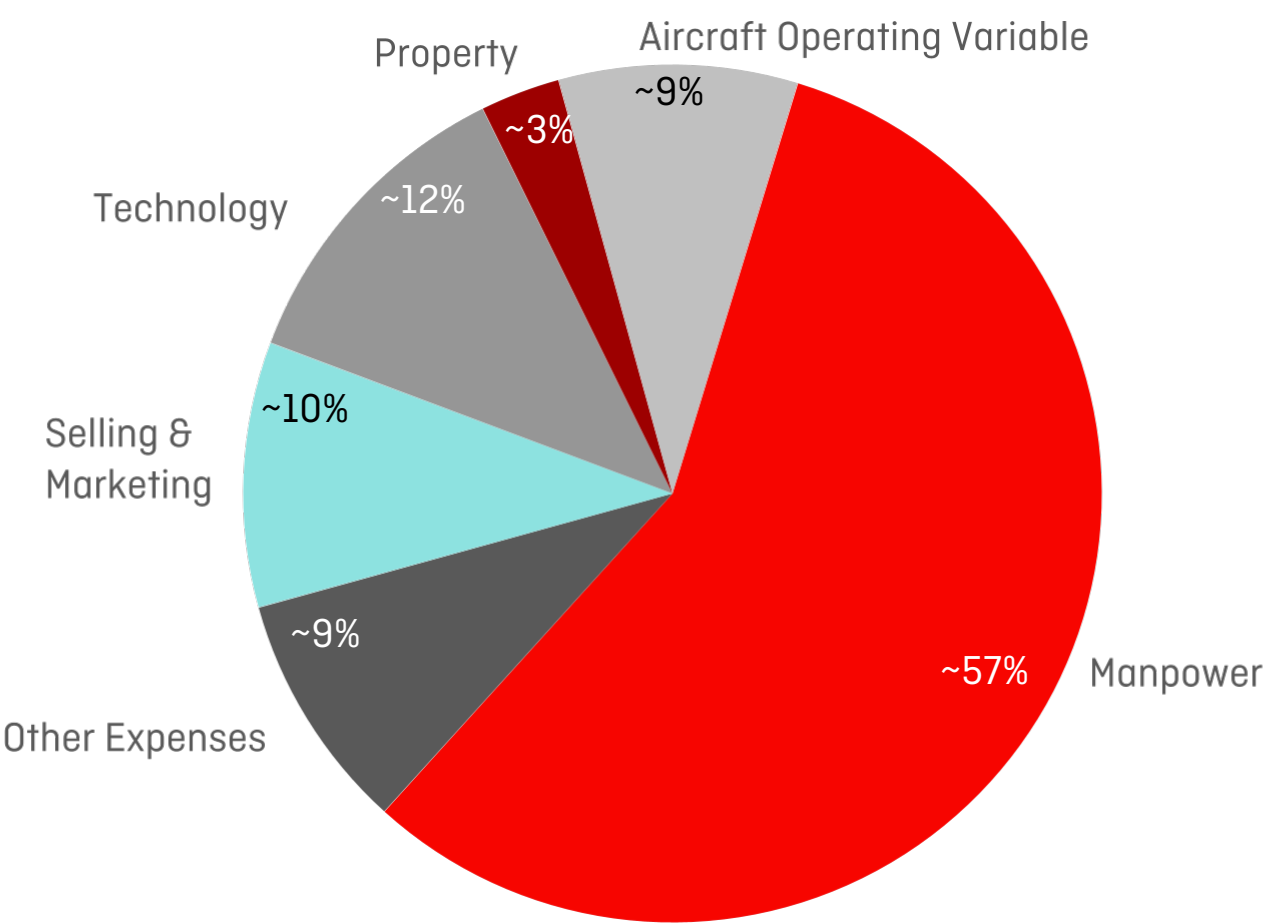
1. Outstanding travel credits issued during the pandemic. Total travel credits reported in FY22 Investor Presentation was \$1.3b which included \$1.0b of COVID travel credits and \$0.3b of other travel credits.

\$1b Recovery Plan benefits

Breakdown by Segment¹



Breakdown by category^{1, 2}




1. Breakdown is for the full \$1b Recovery Plan benefits. 2. Costs of Ground Handling outsourced as part of the transformation initiative are netted off against realised manpower benefit. Benefits dependent on flying activity.

Three-year Recovery Plan progress

KEY: ● Complete ▨ On-track

KEY AREA OF FOCUS	TARGET	STATUS	STATUS AS AT 31 DECEMBER 2022
Cash Flow	~\$0.75b capex ¹ for FY21 Sustainable Net Free Cash Flow ²		Complete : Sustainable Net Free Cash Flow ² restored
Fleet Management	Defer deliveries of A321neo and 787-9 aircraft Retire 6 x 747s and hibernate A380s		Complete : Fleet deliveries delayed during COVID-impacted years
Deleverage the Balance Sheet	Gross debt reduction of \$1.3b ³ by FY23 Net Debt ⁴ / EBITDA <2.5x by FY23		Complete : Financial strength restored, lowest Net Debt since GFC
Qantas Loyalty	Return to double digit growth		Complete : Returned to double digit growth from CY22
Cost Savings	8,500 exits by FY21 (9,800 exits by FY22) Restructuring benefits of \$1.0b by FY23		Complete : Total exits of 9,800 by FY22, 100% of \$1.0b cost out initiatives in place delivering \$989m benefits to date
	FY23 Group Unit Cost ⁵ (ex-fuel and dep.) 10% less than FY20		On track , adjusted for FY23 transitional costs and slower return of capacity with 1H23 Unit Cost ⁵ at 4.81 c/ASK.
Customer, brand and employee engagement	Maintain NPS ⁶ premium to domestic competitor	<i>Ongoing focus</i>	NPS recovering with continued focus on customer experience with investment in digital, aircraft, lounges and Loyalty program rewards. Strong rebound in Qantas Domestic NPS ⁶ aligned with OTP ⁷ improvements. International NPS improvement program implemented.
	Build brand and reputation	<i>Ongoing focus</i>	Long-term brand preference metrics stabilised for Qantas with improving operational reliability.
	Employee engagement	<i>Ongoing focus</i>	Sharing benefits of recovery with our people, including ongoing improvement to wages policy and bonuses for non-exec employees. “Your Say” surveys beginning to be rolled out in 2H23.



1. Net capital expenditure is equal to net expenditure of investing cash flows included in the Consolidated Cash Flow Statement and the impact to Invested Capital from the disposals/acquisitions of leased aircraft. 2. Cash from operating activities less net cash outflows from investing activities. 3. Compared to Gross Debt level as at 30 June 2020. 4. Net Debt includes on Balance Sheet debt and capitalised aircraft lease liabilities under the Group’s Financial Framework. Capitalised aircraft lease liabilities are measured at fair value at the lease commencement date and remeasured over lease term on a principal and interest basis. For a detailed calculation of the Net Debt target range, please see slide 15. 5. Underlying PBT/(LBT) less ticketed passenger revenue, fuel and share of profit/(loss) of investments accounted for under the equity method, adjusted for the impact of changes in FX rates in prior years, non-cash impact of discount rate changes on provisions, excluding depreciation and impairments per ASKs. Refer to slide 11 for detailed calculation. 6. Net Promoter Score. 7. On time performance – departure within 15 mins of scheduled time.

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Group Unit Revenue and Unit Cost (c/ASK)

	RASK ¹		1H23
	Net passenger revenue	\$m	8,393
	Excluding other passenger revenue	\$m	(1,160)
A	Ticketed passenger revenue	\$m	7,233
B	ASKs²	m	55,438
A/B	Unit Revenue	c/ASK	13.05

	CASK ³		1H23
	Underlying (Profit)/Loss Before Tax	\$m	(1,428)
	Excluding Ticketed passenger revenue	\$m	7,233
C	Net expenditure	\$m	5,805
	Less: Fuel	\$m	(2,335)
	Less: Impact on changes in discount rate provisions	\$m	49
	Less: Share of net (loss) of investments accounted under the equity method	\$m	(21)
D	Net expenditure (excluding fuel) (\$M)	\$m	3,498
	Less: Depreciation and impairment	\$m	(832)
E	Net expenditure (excluding fuel and depreciation)	\$m	2,666
B	ASKs²	m	55,438
C/B	Total Unit Cost⁴	c/ASK	10.47
D/B	Ex-Fuel Unit Cost⁵	c/ASK	6.31
E/B	Unit Cost (Ex-Fuel and depreciation)⁶	c/ASK	4.81

On track to FY23 Target Unit Cost (Ex-Fuel and depreciation) of 4.12, adjusting for transitional costs and slower return of capacity



1. Unit Revenue measure of Revenue over available seat kilometres, defined as Ticketed passenger revenue over ASKs. 2. Available seat kilometres calculated as total number of seats available for passengers multiplied by the number of kilometres flown. 3. Unit Cost measure of cost over available seat kilometres defined under Total Unit Cost, Ex-Fuel Unit Cost and Total Unit Cost (Ex-Fuel and depreciation). 4. Underlying PBT/(LBT) less ticketed passenger revenue per ASK. 5. Underlying (PBT)/LBT less ticketed passenger revenue, fuel and share of profit/(loss) of investments accounted for under the equity method and non-cash impact of discount rate changes on provisions, per ASK. 6. Underlying PBT/(LBT) less ticketed passenger revenue, fuel and share of profit/(loss) of investments accounted for under the equity method, non-cash impact of discount rate changes on provisions, excluding depreciation and impairments per ASKs.

FINANCIAL FRAMEWORK

Return on Invested Capital (ROIC) Calculation

\$M	12 mths to Dec 22	12 mths to Dec 21
Underlying EBIT	1,115	(1,739)
Add back: Lease depreciation under AASB 16	328	339
Less: Notional depreciation ¹	(127)	(106)
Less: Cash expenses for non-aircraft leases	(220)	(224)
ROIC EBIT	1,096	(1,730)

\$M	As at 31 Dec 2022	As at 31 Dec 2021
Net working capital ²	(10,423)	(7,687)
Fixed assets ³	11,161	11,043
Capitalised leased aircraft ¹	1,812	1,852
Invested Capital	2,550	5,208
Average Invested Capital⁴	3,322	6,064

Return on Invested Capital (%)	33.0	(28.5)
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- ROIC EBIT is derived by adjusting Underlying EBIT to exclude leased aircraft depreciation under AASB 16 and include notional depreciation for these aircraft as if they were owned
- Non-aircraft leases reduce ROIC EBIT for the full lease payment rather than depreciation to account for these items as a service cost.

- Aircraft financed via leases are adjusted as if they were owned, i.e. all AASB 16 accounting recognition and lease return provision are reversed and replaced with market value assets that are depreciated in line with other owned aircraft assets
- The resulting Invested Capital is used to determine Net Debt target range



1. For calculating ROIC, all statutory aircraft leases balances and provisions relating to the leased aircraft are adjusted to represent the capitalised value of the leased aircraft, as if they were owned. Capitalised leased aircraft are included in the Group's Invested Capital at the AUD market value (referencing AVAC) of the aircraft at the date of commencing operations at the prevailing AUD/USD rate and is notionally depreciated in accordance with the Group's accounting policies. The calculated depreciation expense is referred to as notional depreciation. The carrying value of leased aircraft (AUD market value less accumulated notional depreciation) and an adjustment to exclude aircraft lease return provisions is reported within Invested Capital as capitalised leased aircraft. 2. Net working capital is the net total of the following items disclosed in the Group's Consolidated Balance Sheet: receivables, inventories and other assets reduced by payables, provisions, revenue received in advance and liabilities held for sale. 3. Fixed assets is the sum of the following items disclosed in the Group's Consolidated Balance Sheet: investments accounted for under the equity method, property, plant and equipment, intangible assets, and assets classified as held for sale. 4. Equal to the 12 months average of monthly Invested Capital.

Balance Sheet Summary under Financial Framework

\$M	As at 31 Dec 2022	As at 31 Dec 2021
Net Assets	16	15
Less: Cash and cash equivalents	(4,145)	(2,705)
Add back: Interest-bearing liabilities	5,336	6,989
Less: Other financial (assets)/liabilities	(104)	(365)
Less: Tax balances	(614)	(854)
Less: Right of use assets	(963)	(1,051)
Add: Lease liabilities	1,263	1,380
Less: Finance lease receivables	(51)	(53)
Add: Capitalised leased aircraft ¹	1,812	1,852
Invested Capital	2,550	5,208
Average Invested Capital²	3,322	6,064

- Invested Capital can be defined as Net Assets adjusted for the following:
 - Exclusion of Cash and cash equivalents and Interest-bearing liabilities which are included in Net Debt
 - Exclusion of Other financial (assets)/liabilities which is primarily made up of derivatives and other financial instruments
 - Exclusion of Tax balances to reflect Invested Capital as pre-tax
 - Reversal of balances related to AASB16 accounting including Right of use assets, Lease liabilities and Finance lease receivables
 - Inclusion of capitalised leased aircraft as if they were owned and depreciated in line with other aircraft assets (adjusted for lease return provisions)
- The resulting Invested Capital is used to determine Net Debt target range and ROIC



1. Capitalised leased aircraft are included in the Group's Invested Capital at the AUD market value (referencing AVAC) of the aircraft at the date of commencing operations at the prevailing AUD/USD rate and is notionally depreciated in accordance with the Group's accounting policies. The calculated depreciation expense is referred to as notional depreciation. The carrying value of leased aircraft (AUD market value less accumulated notional depreciation) and an adjustment to exclude aircraft lease return provisions is reported within Invested Capital as capitalised leased aircraft. 2. Equal to the 12 months average of monthly Invested Capital.

Net Debt Target Range

- Net Debt target range = 2.0x — 2.5x ROIC EBITDA where ROIC = 10%
- At average Invested Capital of **\$3.3b**, optimal Net Debt range is **\$3.9b to \$4.8b**

	Dec 22 \$B	Drivers of Net Debt Range
Invested Capital <i>Avg Invested Capital for trailing 12 months</i>	3.3	▶ Invested Capital will grow in line with aircraft deliveries including Project Winton and Project Sunrise
10% ROIC EBIT <i>Invested Capital x 10%</i>	0.33	▶ Notional EBIT increases as Invested Capital grows
Plus rolling 12 month ROIC depreciation ¹ <i>Includes notional depreciation on aircraft operating leases</i>	1.60	▶ Depreciation changes as fleet renewed
EBITDA where ROIC = 10%	1.93	
Net Debt Target Range²		
Net Debt at 2.0x EBITDA where ROIC = 10%	3.9	▶ Net Debt target range moves over time with the above When actual results > 10% ROIC leveraged levels are below 2.0x
Net Debt at 2.5x EBITDA where ROIC = 10%	4.8	

Group leverage target consistent with investment grade credit metrics

Net Debt and Liquidity Position

\$M	As at 31 Dec 2022	As at 30 Jun 2022	Change ⁴
Current interest-bearing liabilities on Balance Sheet	895	669	(226)
Non-current interest-bearing liabilities on Balance Sheet	4,441	5,291	850
Cash at end of period	(4,145)	(3,343)	802
Net on Balance Sheet debt¹	1,191	2,617	1,426
Capitalised aircraft lease liabilities ²	1,207	1,320	113
Net Debt³	2,398	3,937	1,539

\$M	As at 31 Dec 2022	As at 30 Jun 2022	Change ⁴
Cash and cash equivalents at end of period	4,145	3,343	802
Undrawn facilities	1,330	1,330	—
Total Liquidity	5,475	4,673	802

Net Debt decreased by \$1.5b for the 12 months to December 2022

- Borrowing activity for the period included
 - \$0.3b of prepayments and \$0.4b of scheduled debt repayments
- Increase in cash balance supported by proceeds from the rebuild of EBITDA and Revenue Received in Advance (RRIA)

Total Liquidity increased by \$0.8b for the 12 months to December 2022

- Committed undrawn facilities of \$1.3b
- The Group also maintains an unencumbered asset base of >\$4.0b⁵



1. Net on Balance Sheet debt includes interest-bearing liabilities reduced by cash and cash equivalents. 2. Capitalised aircraft lease liabilities are measured at fair value at the lease commencement date and remeasured over lease term on a principal and interest basis. Residual value of capitalised aircraft lease liability denominated in foreign currency is translated at the long-term exchange rate. 3. Net Debt under the Group's Financial Framework includes net on Balance Sheet debt and capitalised aircraft lease liabilities. 4. Favourable variance shown as positive amounts. 5. Includes aircraft valuations based on Aircraft Value Analysis Company Limited (AVAC) as at 31 December 2022.

Net Debt movement under the Financial Framework

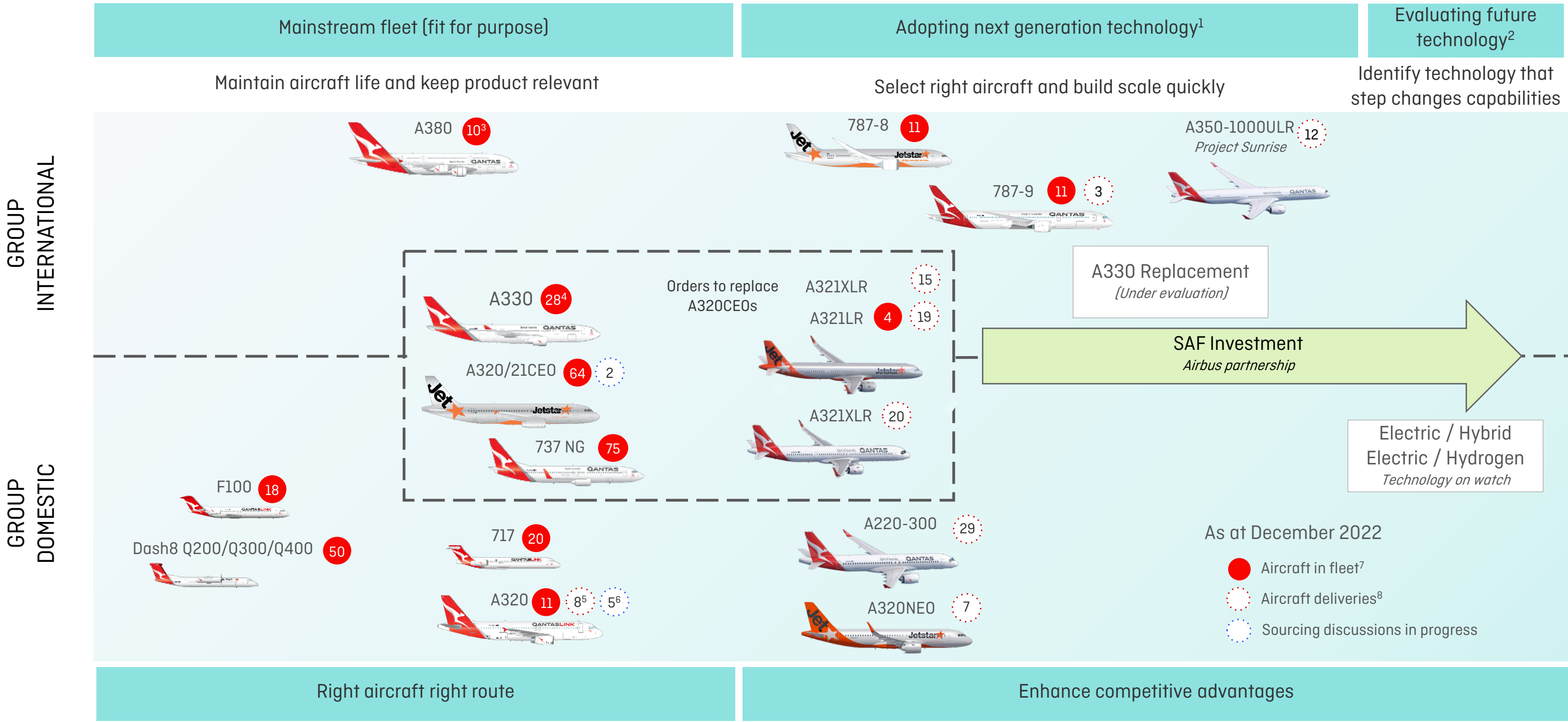
\$M	1H23	1H22
Opening Net Debt	(3,937)	(5,890)
Net cash from operating activities	2,811	137
Less: Net lease principal repayments under AASB 16	(236)	(184)
Add: Principal portion of aircraft lease rentals	89	78
Funds From Operations	2,664	31
Net cash from investing activities	(717)	415
Addition of leased aircraft	(45)	–
Return of leased aircraft	24	–
Lease adjustment for freighter conversion	–	(30)
Net Capital Expenditure	(738)	385
Dividend paid to shareholders	–	–
Payments for share buy-back	(400)	–
Shareholder Distributions	(400)	–
Payment for treasury shares	(3)	–
Net equity raise funds	–	–
FX revaluations and other fair value movements	16	(50)
Closing Net Debt	(2,398)	(5,524)

The Financial Framework considers aircraft leases as part of Net Debt

- Aircraft leases are initially recognised in Net Debt at fair value
- Principal portions of aircraft rentals are treated as debt reduction
- Purchase of aircraft leases are treated as refinancing
- Commencing (or returning) aircraft leases are treated as capital acquisitions / borrowings (or capital disposals / repayments)
- Under AASB 16, leases are recognised on the balance sheet and measured as the present value of future lease payments. This differs to the fair value at recognition approach under the Financial Framework



The Qantas fleet is 'fit for purpose'

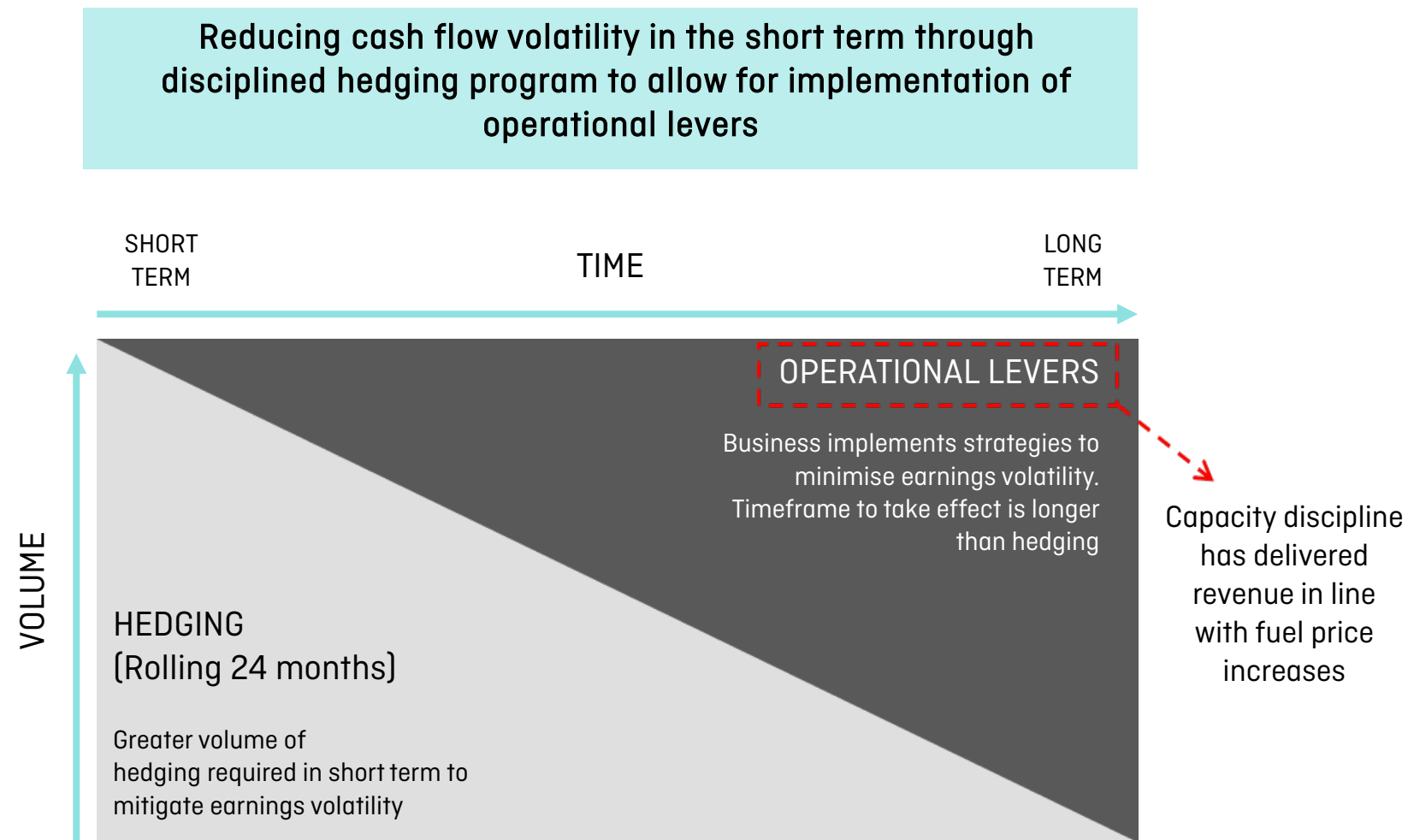


Maintain flexibility and prioritising new technology to support sustainability objectives

1. Aircraft with industry-leading technology, and greater fuel efficiency and range flexibility than mainstream technology. 2. Aircraft under production not yet in commercial operation or aircraft under development. 3. 6 x A380 aircraft in service with 5 x flying lines in operation as at 31 December 2022. 4. 2 x A330s to be converted to A330F: 1 x entered conversion in December 2022, 1 x planned for February 2023. 5. Sourced from Jetstar fleet to fulfil Network Aviation requirements. 6. Externally sourced A319s/A320s. 7. As at 31 December 2022 includes Qantas Airways, Jetstar Australia and New Zealand, Jetstar Asia (Singapore), Qantas Freight and QantasLink and excludes aircraft operated by Jetstar Japan. 8. Total committed orders for referenced fleet as at 23 February 2023 with estimated delivery by FY29.

Financial risk management framework

Hedging Program



Principles of Financial Risk Management

- Principles of financial risk management
 - Manage net cash flow impacts
 - Takes into consideration both revenue and cost drivers
 - Greater use of derivatives in the short term and reliance on operational levers in the long term
 - Rolling 24 month hedge horizon
 - Preference for optionality to minimise worst case outcome and allow participation in favourable market moves
- Remaining financial risks impacting earnings are largely accounting based and include
 - Interest rate impact on valuation of accounting provisions
 - FX revaluation of foreign currency non-hedged balance sheet items e.g. lease return provisions accounted for in USD
- As accounting estimates become cash obligations and fall within 24 month hedge horizon, principles of financial risk management are applied



Robust financial risk management

Operational Fuel and FX

- 1H23 fuel cost was \$2.33b; hedging approach provided substantial protection from elevated fuel prices allowing time to implement operational changes to deliver RASK uplift
- Record high fuel cost in FY23, expected to be \$4.8b¹, driven by higher capacity, increased Brent Crude prices and historically high refining margins
 - Remainder of FY23 Brent Crude price risk 77% hedged through a combination of outright options and collars²
- FY24 fuel and FX hedging remain consistent with long term approach to risk management
 - Preference for optionality allows for high level of participation to lower fuel prices

'000 bbls	1H23	1H22	% Change
Qantas Domestic	3,598	1,701	112%
Qantas International	4,409	349	1,163%
Qantas Freight	719	1,419	[49]%
Jetstar Group	3,046	786	288%
Total fuel consumption	11,772	4,255	177 %

Capital Expenditure FX – Hedging of USD Aircraft Payments

- Hedging remains consistent with long term approach to risk management
 - Preference for options allows for high level of participation to favourable FX rates
- Remainder of FY23 is 84%² hedged through a combination of outright options and collars

Interest rates

- Economic impact of rising interest rates limited due to
 - Fixed rate debt portfolio with cash holdings providing natural offset to floating rate debt portfolio
- On Balance Sheet fixed debt portfolio average interest rate of 3.96% p.a.



1. Fuel cost based on forecast consumption of 24.90 million barrels (including SAF). Assumes FY23 underlying into-plane cost of approximately A\$197 per barrel. Expected fuel cost is net of hedging benefits. 2. Hedge position as at 13 February 2023.

SUPPLEMENTARY SEGMENT INFORMATION

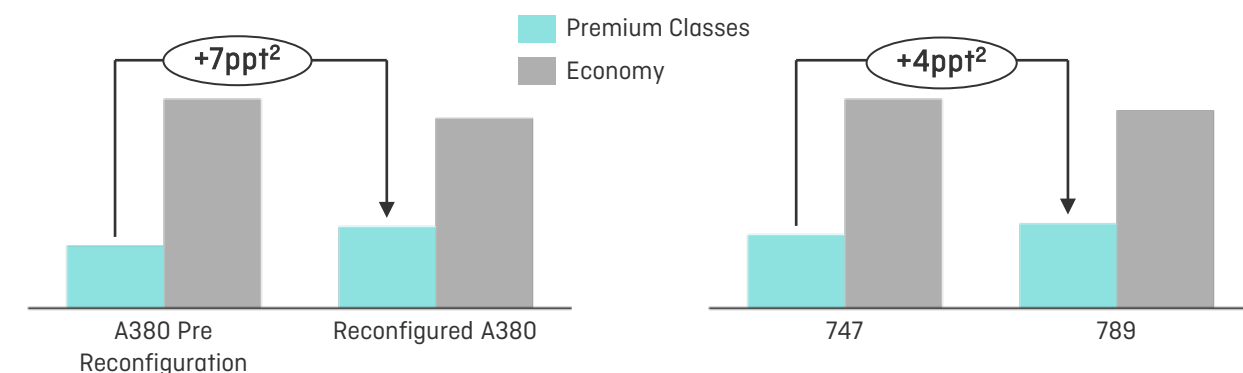
Qantas Domestic and International Overview

Qantas Domestic

- Full service offering targeting business purpose and premium leisure sectors
 - Market leading operational standards across OTP¹, safety and customer service
 - Comprehensive Loyalty & Business Rewards programs providing customers with points earn and burn opportunities
 - 35 lounges across 24 domestic ports
 - All-inclusive on-board service offering including food, beverage and Wi-Fi
- Multi-gauge domestic fleet uniquely positioned to serve Australian market
 - Largest domestic network and schedule providing customer choice and flexibility
 - Large narrow body fleet servicing high density routes such as Triangle and East West flying
 - Extensive range of small and medium narrow body aircraft to service regional network and resource customers
- Domestic fleet replacement program underway:
 - Committed orders for 20 x Airbus A321XLRs and 29 x A220-300s as Boeing 737s and 717s are gradually retired

Qantas International

- Globally recognised long haul carrier targeting high demand business and premium leisure segments into USA, Europe and South East Asia
 - Leverage new fleet technology to facilitate direct point-to-point network, including retirement of 747 fleet and investments in 789 and A350-1000ULR (Project Sunrise) aircraft
 - Unrivalled partnership portfolio for network reach and access to point-of-sale strengths
- Investment in premium-heavy cabin configurations to meet customer segment preferences and complement ultra long haul flying strategy



- Freight business that leverages Qantas' portfolio strength and delivers diversified earnings stream to the Group
 - Attractive domestic market as e-commerce adoption rates accelerate
 - Addition of 9 x Airbus A321F aircraft to support growth and unlock cost synergies

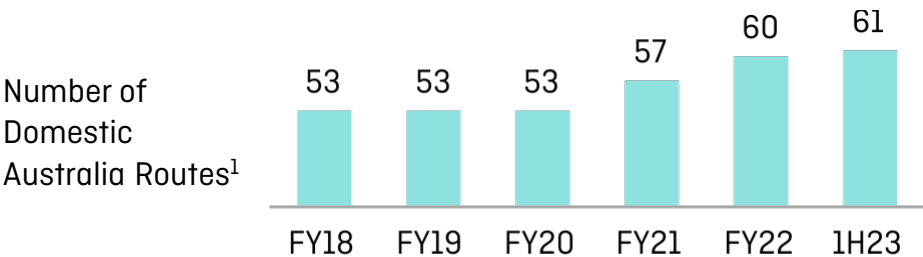
National carrier with global brand presence and reputation



Jetstar Group Overview

Jetstar Domestic

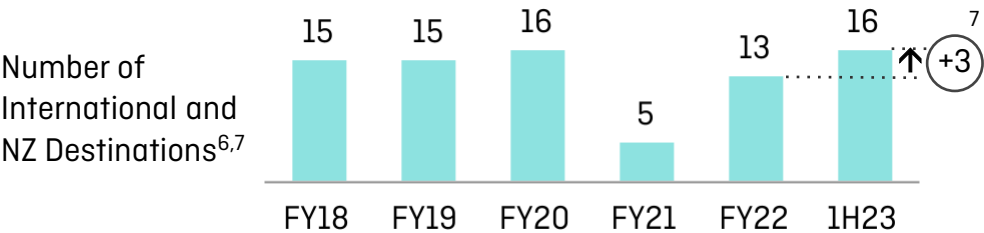
- Low fares leadership with margin premium over competitors driven by low-cost base, scale, network breadth and ancillary revenue advantage
- Arrival of A321LRs provides the most fuel efficient aircraft per seat in Australia, and grows margin advantage through further cost and utilisation benefits
- Continuing to innovate in customer experience introducing onboard streaming, dynamic retailing and new bundles
- Significant growth in ancillary revenue continuing



Jetstar Branded Airline	Ownership ²	Launch	Aircraft ³
Domestic AU	100%	2004	43 x A320 6 x A321 2 x A321LR

Jetstar International⁴

- Australia international
 - Competitive advantage through brand strength and local partnerships
 - Strong profitability and RASK⁵ performance in 1H23
 - All international destinations relaunched in 1H23, and first direct Jetstar service from Australia to Cook Islands announced for 2H23, utilising range and cost benefits of A321LR aircraft
- Jetstar New Zealand
 - Unique market low fares proposition, providing valuable connecting traffic across the Tasman



Jetstar Branded Airline	Ownership ²	Launch	Aircraft ³
International AU ⁸	100%	2006	11 x 787-8 7 x A320 2x A321LR
Jetstar NZ ⁹	100%	2009	7 x A320

Jetstar in Asia

- Jetstar Japan is positioned for recovery as international markets open up, demand fully returns and domestic over supply moderates
 - Japan international borders fully opened in October 2022, and Jetstar Japan restarted international services in December 2022
 - Received second A321LR aircraft in November 2022
- Jetstar Asia downsized to 7 aircraft during COVID. Delivered strong profitability in 1H23 and well positioned for growth
 - Double-digit profit performance in 1H23
 - Plans to move to Singapore Changi Terminal 4 in March 2023 and re-grow fleet whilst benefiting from strong performance and China reopening

Jetstar Branded Airline	Ownership ²	Launch	Aircraft ³
Jetstar Asia (Singapore)	49%	2004	7 x A320
Jetstar Japan	33%	2012	19 x A320 2x A321LR

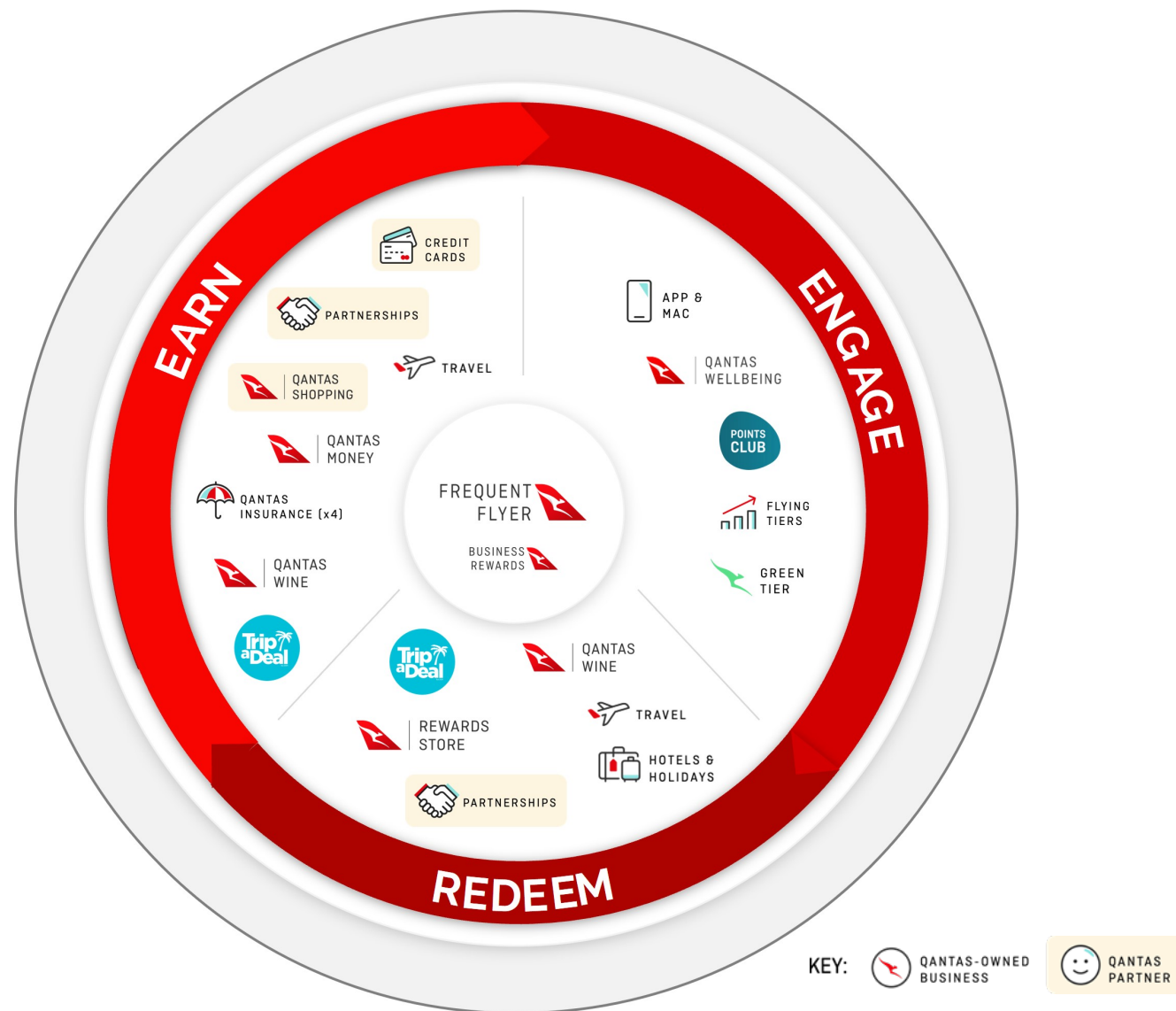
Margin premium over competitors driven by low cost base, scale, network agility and ancillary revenue



1. Includes any route scheduled for regular passenger transport, excluding International Freight Assistance Mechanism (IFAM) & APG (Australia Post Group) and excludes any diversions. 2. Based on voting rights. 3. Represents operational fleet. For Jetstar Domestic, includes access to aircraft for Jetstar Australia Domestic operations (6 from Jetstar Japan). 4. Australia International and New Zealand. 5. Ticketed passenger revenue divided by available seat kilometres. For a detailed calculation of RASK, please see slide 11. 6. Includes Jetstar Trans-Tasman services commenced in 2005 and Jetstar New Zealand (Domestic) services commenced in 2009. Excludes Jetstar New Zealand (Regional) business exited September 2019. Excludes Melbourne – Zhengzhou charter services that operated in FY18 – FY20 and also excludes IFAM & APG and any diversions. 7. Japan (Narita and Osaka) recommenced in July 2022 and South Korea (Seoul) commenced in November 2022. 8. Jetstar International AU includes Jetstar Australia long haul and short haul international services. 9. Includes Trans-Tasman and New Zealand Domestic.

Diversification and growth at Qantas Loyalty

One of the world's most diverse airline loyalty programs



- Contributing ~\$1b towards the Group Cash Flow¹ for 1H23; delivering long term value to the Qantas Group
- 7% growth² in Qantas Frequent Flyer membership to 14.7m members; 17% growth² in QBR³ membership with >400,000 SME members⁴
- >700 program partners⁵ across Qantas Frequent Flyer including ~50 Qantas Business Rewards
- Continuing to diversify Financial Services earnings in 1H23 – ANZ Home Loans campaign; and launch of Qantas Money Home Loans
- >2.5x² Qantas Hotels and Holiday booking activity, following the expansion of the Qantas Holidays brand and improved redemption value
- Growth continuing across direct to consumer businesses versus pre-COVID levels⁶ – 165% growth in Qantas Insurance customers, and >25% Qantas Wine sales



Leadership in customer advocacy in airline loyalty programs



1. Sales to external parties between 1 July and 31 December 2022. 2. Compared to December 2021. 3. Qantas Business Rewards. 4. Small and Medium Enterprises as at 31 December 2022. 5. Includes Airline, Retail, Financial Services and Health and Wellness partners. 6. 1H19 used as a proxy for pre-COVID performance

1H23 Group and Group Domestic Traffic Statistics vs Pre-COVID

		1Q23	Pre-COVID 1Q19	Change [%]	2Q23	Pre-COVID 2Q19	Change [%]	1H23	Pre-COVID 1H19	Change [%]
Total Qantas Group Operations										
Passengers Carried	'000	11,186	14,103	[21]	11,489	14,397	[20]	22,675	28,500	[20]
Revenue Passenger Kilometers	M	22,940	32,372	[29]	24,382	32,586	[25]	47,322	64,958	[27]
Available Seat Kilometres	M	26,796	38,698	[31]	28,642	38,156	[25]	55,438	76,854	[28]
Revenue Seat Factor	%	85.6	83.7	1.9pts	85.1	85.4	[0.3pts]	85.4	84.5	0.9pts
Group Unit Revenue	c/ASK	12.5	8.7	44	13.6	9.2	47	13.1	8.9	46
Group Domestic										
Available Seat Kilometres	M	12,719	13,667	[7]	12,605	13,340	[6]	25,324	27,007	[6]
Group Domestic Unit Revenue Change	%			19			26			23
Qantas Domestic										
Passengers Carried	'000	5,267	5,723	[8]	5,108	5,694	[10]	10,375	11,417	[9]
Revenue Passenger Kilometers	M	6,546	6,961	[6]	6,321	6,827	[7]	12,867	13,788	[7]
Available Seat Kilometres	M	8,169	8,792	[7]	8,002	8,522	[6]	16,171	17,314	[7]
Revenue Seat Factor	%	80.1	79.2	0.9pts	79.0	80.1	[1.1pts]	79.6	79.6	-pts
Jetstar Domestic										
Passengers Carried	'000	3,109	3,545	[12]	3,190	3,663	[13]	6,299	7,208	[13]
Revenue Passenger Kilometers	M	4,069	4,258	[4]	4,031	4,253	[5]	8,100	8,511	[5]
Available Seat Kilometres	M	4,550	4,875	[7]	4,603	4,818	[4]	9,153	9,693	[6]
Revenue Seat Factor	%	89.4	87.3	2.1pts	87.6	88.3	[0.7pts]	88.5	87.8	0.7pts



1H23 Group International Traffic Statistics vs Pre-COVID

		1Q23	Pre-COVID 1Q19	Change (%)	2Q23	Pre-COVID 2Q19	Change (%)	1H23	Pre-COVID 1H19	Change (%)
Group International										
Available Seat Kilometres	M	14,077	25,031	[44]	16,037	24,816	[35]	30,114	49,847	[40]
Group International Unit Revenue Change	%			56			58			57
Qantas International										
Passengers Carried	'000	1,321	2,184	[40]	1,597	2,244	[29]	2,918	4,428	[34]
Revenue Passenger Kilometers	M	8,390	14,911	[44]	9,617	15,133	[36]	18,007	30,044	[40]
Available Seat Kilometres	M	9,516	17,691	[46]	10,888	17,460	[38]	20,404	35,151	[42]
Revenue Seat Factor	%	88.2	84.3	3.9pts	88.3	86.7	1.6pts	88.3	85.5	2.8pts
Jetstar International										
Passengers Carried	'000	1,101	1,587	[31]	1,156	1,651	[30]	2,257	3,238	[30]
Revenue Passenger Kilometers	M	3,467	4,706	[26]	3,892	4,683	[17]	7,359	9,389	[22]
Available Seat Kilometres	M	3,999	5,415	[26]	4,532	5,325	[15]	8,531	10,740	[21]
Revenue Seat Factor	%	86.7	86.9	[0.2pts]	85.9	87.9	[2.0pts]	86.3	87.4	[1.1pts]
Jetstar Asia										
Passengers Carried	'000	388	1,064	[64]	438	1,145	[62]	826	2,209	[63]
Revenue Passenger Kilometers	M	468	1,536	[70]	521	1,690	[69]	989	3,226	[69]
Available Seat Kilometres	M	562	1,925	[71]	617	2,031	[70]	1,179	3,956	[70]
Revenue Seat Factor	%	83.3	79.8	3.5pts	84.5	83.2	1.3pts	83.9	81.5	2.4pts



1H23 Group and Group Domestic Traffic Statistics vs 1H22

		1Q23	1Q22	Change [%]	2Q23	2Q22	Change [%]	1H23	1H22	Change [%]
Total Qantas Group Operations										
Passengers Carried	'000	11,186	2,153	>100	11,489	3,253	>100	22,675	5,406	>100
Revenue Passenger Kilometers	M	22,940	2,790	>100	24,382	4,313	>100	47,322	7,103	>100
Available Seat Kilometres	M	26,796	5,627	>100	28,642	7,879	>100	55,438	13,506	>100
Revenue Seat Factor	%	85.6	49.6	36.0pts	85.1	54.7	30.4pts	85.4	52.6	32.8pts
Group Unit Revenue	c/ASK	12.5	8.3	51	13.6	8.5	59	13.1	8.4	55
Group Domestic										
Available Seat Kilometres	M	12,719	4,991	>100	12,605	6,386	97	25,324	11,377	123
Group Domestic Unit Revenue Change	%			73			93			82
Qantas Domestic										
Passengers Carried	'000	5,267	1,333	>100	5,108	1,899	>100	10,375	3,232	>100
Revenue Passenger Kilometers	M	6,546	1,708	>100	6,321	2,103	>100	12,867	3,811	>100
Available Seat Kilometres	M	8,169	3,494	>100	8,002	4,183	91	16,171	7,677	>100
Revenue Seat Factor	%	80.1	48.9	31.2pts	79.0	50.3	28.7pts	79.6	49.6	30.0pts
Jetstar Domestic										
Passengers Carried	'000	3,109	543	>100	3,190	1,097	>100	6,299	1,640	>100
Revenue Passenger Kilometers	M	4,069	815	>100	4,031	1,365	>100	8,100	2,180	>100
Available Seat Kilometres	M	4,550	1,497	>100	4,603	2,203	>100	9,153	3,700	>100
Revenue Seat Factor	%	89.4	54.4	35.0pts	87.6	62.0	25.6pts	88.5	58.9	29.6pts



1H23 Group International Traffic Statistics vs 1H22

		1Q23	1Q22	Change (%)	2Q23	2Q22	Change (%)	1H23	1H22	Change (%)
Group International										
Available Seat Kilometres	M	14,077	636	>100	16,037	1,493	>100	30,114	2,129	>100
Group International Unit Revenue Change	%			123			41			54
Qantas International										
Passengers Carried	'000	1,321	28	>100	1,597	91	>100	2,918	119	>100
Revenue Passenger Kilometers	M	8,390	69	>100	9,617	703	>100	18,007	772	>100
Available Seat Kilometres	M	9,516	154	>100	10,888	1,091	>100	20,404	1,245	>100
Revenue Seat Factor	%	88.2	44.8	43.4pts	88.3	64.4	23.9pts	88.3	62.0	26.3pts
Jetstar International										
Passengers Carried	'000	1,101	218	>100	1,156	100	>100	2,257	318	>100
Revenue Passenger Kilometers	M	3,467	164	>100	3,892	74	>100	7,359	238	>100
Available Seat Kilometres	M	3,999	229	>100	4,532	129	>100	8,531	358	>100
Revenue Seat Factor	%	86.7	71.6	15.1pts	85.9	57.4	28.5pts	86.3	66.5	19.8pts
Jetstar Asia										
Passengers Carried	'000	388	31	>100	438	66	>100	826	97	>100
Revenue Passenger Kilometers	M	468	34	>100	521	68	>100	989	102	>100
Available Seat Kilometres	M	562	253	>100	617	273	>100	1,179	526	>100
Revenue Seat Factor	%	83.3	13.4	69.9pts	84.5	24.9	59.6pts	83.9	19.4	64.5pts

