FY24 Results

Supplementary Presentation

Qantas Airways Limited
29 August 2024

ASX:QAN
US OTC: QABSY

Disclaimer

Summary information

This Presentation contains summary information about Qantas and its related bodies corporate (Qantas Group) and their activities as at 29 August 2024, 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 4E and Preliminary Final Report for the year ended 30 June 2024, along with other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

Not financial product advice

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Financial data

All dollar values are in Australian dollars (A$) and financial data is presented within the year ended 30 June 2024 unless otherwise stated.

This Presentation is unaudited. Notwithstanding this, the Presentation contains disclosures which are extracted or derived from the Annual Financial Report for the year ended 30 June 2024 which is being audited by the Group's Independent Auditor and is expected to be made available in September 2024.

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. For definitions of non-IFRS financial information refer to the Glossary (see slide 3) and the Appendix 4E and Preliminary Final Report for the year ended 30 June 2024.

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

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

Glossary

Available Seat Kilometres (ASK) – Total number of seats available for passengers, multiplied by the number of kilometres flown

Cancellation rate – Measured as number of flights cancelled as a percentage of number of flights scheduled (if cancelled or rescheduled less than 7 days prior to scheduled departure time)

Capex – Refer to Net Capital Expenditure (Net Capex)

Capitalised aircraft lease liabilities – Capitalised aircraft lease liabilities 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.

CASK – Underlying PBT less ticketed passenger revenue divided by ASKs. For a detailed calculation of CASK, please see slide 11.

EBIT – Earnings before interest and tax

EBIT margin (Operating Margin) – Underlying EBIT divided by Total Revenue

EBITDA – Earnings before interest, tax, depreciation, amortisation and impairment

EIS – Entry into service

ESG – Environmental, Social and Governance

EPS – Refer to Underlying EPS

FFO – Funds From Operations

Financial Framework – The Group has a financial framework that guides shareholder value creation, optimal capital structure and capital allocation. The framework has three pillars supported by measurable targets, aligned with those of shareholders. Refer to slide 24 in the Investor Presentation for further details.

FX – Foreign exchange

Invested Capital (IC)– Net assets (excluding cash, debt, other financial assets and liabilities and tax balances) including capitalised aircraft lease assets (which includes an adjustment to exclude aircraft lease return provisions from Invested Capital)

Net Capital Expenditure (Net Capex) – Net expenditure of investing cash flows included in the Consolidated Cash Flow Statement and the impact to Invested Capital from acquiring or returning leased aircraft. Refer to slide 19 for the calculation of Net Capital Expenditure

Net Debt – Under the Group's Financial Framework, includes net on Balance Sheet debt and capitalised aircraft lease liabilities

Net Debt Target Range – For a detailed calculation of the Net Debt Target Range, please see slide 17

Net Free Cash Flow – Cash from operating activities less net cash outflows from investing activities

NPS – Net promoter score. Customer advocacy measure

Operating Margin (EBIT margin) – Underlying EBIT divided by Total Revenue

OTP – On Time Performance (within 15 minutes of departure time)

PBT – Profit Before Tax

PPTS – Percentage Points

QBR – Qantas Business Rewards

QFF – Qantas Frequent Flyer

RASK – Ticketed passenger revenue divided by ASKs. For a detailed calculation of RASK, please see slide 11

Return on Invested Capital (ROIC) – ROIC EBIT for the 12 months ended for the reporting period, divided by the 12 months average Invested Capital. Refer to slide 15 for the calculation of ROIC.

Revenue Passenger Kilometres (RPK) – Total number of passengers carried, multiplied by the number of kilometres flown

RRIA – Revenue Received in Advance

RRP – Recovery and Retention Plan

SAF – Sustainable Aviation Fuel

Seat Factor (Load factor) – RPKs divided by ASKs

SME – Small to medium enterprise

Ticketed passenger revenue – Uplifted passenger revenue included in Net Passenger Revenue

Total Unit Cost – Underlying PBT less ticketed passenger revenue per ASK

TSR – Total Shareholder Returns

Underlying EPS – Underlying Earnings Per Share is calculated as Underlying PBT adjusted for 30% corporate tax rate divided by the weighted average number of issued shares, excluding unallocated treasury shares. Measured as cents per share.

Underlying PBT – A non-statutory measure and is the primary reporting measure used by the Chief Operating Decision-Making bodies, being the Chief Executive Officer, Group Leadership Team and the Board of Directors, for the purpose of assessing the performance of the Qantas Group. Refer to slide 8 for a reconciliation of Underlying PBT to Statutory PBT.

Unit Cost (ex-fuel) – Underlying PBT less ticketed passenger revenue and fuel per ASK

Unit Revenue – See RASK

WACC – Weighted average cost of capital calculated on a pre-tax basis

Group Performance

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FY24 Key Group Financial Metrics

		FY24	FY23
Profit metrics			
Revenue	$M	**21,939**	19,815
Underlying Profit Before Tax[1]	$M	**2,078**	2,465
Underlying Earnings per Share[2]	c	**88.0**	94.9
Statutory Profit/(Loss) After Tax	$M	**1,251**	1,744
Statutory Earnings per Share	c	**75.9**	96.0

Balance Sheet and Cash Flow metrics			
Rolling 12 month ROIC[3]	%	**57.9**	103.6
Net Debt[4]	$B	**4.11**	2.89
Operating cash flow	$M	**3,441**	5,085
Net free cash flow	$M	**554**	2,460
Weighted Average Shares Outstanding	M	**1,653**	1,818

Net Debt Target Range[5] as at 30 June 2024 of $3.9b - $4.9b

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1. Refer to slide 8 of this Presentation for a reconciliation of Underlying to Statutory PBT. 2. Calculated as underlying PBT adjusted for 30% corporate tax rate divided by the weighted average number of issued shares 3. For a detailed calculation of ROIC please see slide 15. 4. For a detailed calculation of Net Debt, please see slide 19. 5. For a detailed calculation of the Net Debt Target Range, please see slide 17.

FY24 Key Group Operating Metrics

		FY24	FY23	Change (%)
Unit Revenue (RASK)[1]	c/ASK	11.20	12.29	(8.9)%
Total Unit Cost[1]	c/ASK	9.73	10.19	(4.5)%
Unit Cost (ex-Fuel)[1]	c/ASK	5.97	6.34	(5.8)%
Available Seat Kilometres (ASK)	M	141,357	117,258	20.6%
Revenue Passenger Kilometres (RPK)	M	116,895	97,693	19.7%
Passengers carried	000	51,798	45,725	13.3%
Seat Factor	%	82.7	83.3	(0.6)pts
Operating Margin	%	10.4	13.5	(3.1)pts
Full-time equivalent employees[2]	FTE	27,467	25,426	8.0%

1. Refer to slide 11 for detailed calculation. 2. The total number of full-time equivalent (FTE) employees as at 30 June, reported for 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.

Items not included in Underlying PBT

$M	FY24	Comments
Legal provisions and related costs	(198)	($128)m ACCC settlement (compensation and penalties) and related costs with cash outflow largely expected to occur in FY25; ($70)m Increase in provision for ground handling outsourcing Federal Court case
Net gain on disposal of Perth terminal assets	4	
Total items not included in Underlying PBT[1]	**(194)**	

ACCC settlement (compensation and penalties) and related costs

$M	FY24
Penalty	(100)
Customer Compensation	(20)
Legal and other costs	(8)
Total Expenses	**(128)**

1. Items which are identified by Management and reported to the Chief Operating Decision-Making bodies as not representing the underlying performance of the business are not included in Underlying PBT. The determination of these items is made after consideration of their nature and materiality and is applied consistently from period to period. Items not included in Underlying PBT primarily result from revenues and expenses relating to business activities in other reporting periods, transformational/restructuring initiatives, transactions involving investments and impairments of assets and other transactions outside the ordinary course of business.

Reconciliation to Underlying Profit Before Tax

$M	FY24			FY23		
	Statutory	Items not included in Underlying	Underlying	Statutory	Items not included in Underlying	Underlying
Net passenger revenue	18,903	–	18,903	16,923	–	16,923
Net freight revenue	1,211	–	1,211	1,380	–	1,380
Other revenue	1,825	–	1,825	1,512	–	1,512
Total Revenue	**21,939**	**–**	**21,939**	**19,815**	**–**	**19,815**
Salaries, wages and other benefits	4,777	–	4,777	4,261	–	4,261
Aircraft operating variable	4,839	–	4,839	3,996	–	3,996
Fuel	5,316	–	5,316	4,555	–	4,555
Depreciation and amortisation	1,773	–	1,773	1,762	–	1,762
Share of net (profit)/loss of investments accounted for under the equity method	(4)	–	(4)	44	–	44
Net gain on disposal of assets	(18)	4	(14)	(4)	2	(2)
Other	3,171	(198)	2,973	2,512	5	2,517
Total Expenditure	**19,854**	**(194)**	**19,660**	**17,126**	**7**	**17,133**
EBIT	**2,085**	**194**	**2,279**	**2,689**	**(7)**	**2,682**
Net finance costs	(201)	–	(201)	(217)	–	(217)
Profit Before Tax	**1,884**	**194**	**2,078**	**2,472**	**(7)**	**2,465**

Statutory Income Statement Detail

$M	FY24
Net passenger revenue	18,903
Net freight revenue	1,211
Other revenue	1,825
Total Revenue	**21,939**
Salaries, wages and other benefits	4,777
Aircraft operating variable	4,839
Fuel	5,316
Depreciation and amortisation	1,773
Share of net (profit)/loss of investments accounted for under the equity method	(4)
Net gain on disposal of assets	(18)
Other	3,171
Total Expenditure	**19,854**
EBIT	**2,085**
Net finance costs	(201)
Profit Before Tax	**1,884**
Income Tax benefit/(expense)	(633)
Profit After Tax	**1,251**

Net passenger revenue up 12%

- Group capacity increased 21% as flying restoration has returned to 100% pre-covid levels
  - Group Domestic[1] Unit Revenue down 2% as fare prices stabilise
  - Group International[2] Unit Revenue down 11% due to softer demand, offset by increased demand for Europe during peak leisure months

Net freight revenue down 12% - Weaker yields from increased international competition across bellyspace and freighters

Salaries, wages and other benefits up 12%

- Increased flying activity and FTE requirement across the Group
- Group Wage Policy of 3% escalation

Aircraft operating variable (AOV) costs up 21%

- Increase in passenger service charges, route navigation, landing fees, engineering and maintenance costs, passenger expenses and other variable costs due to increased flying
- Price increases from CPI and rising industry costs i.e. airport charges

Fuel up 17%

- Increased consumption due to higher flying activity
- Higher SAF and carbon-offsetting program expenses vs FY23

Depreciation and amortisation up 1%

- Depreciation increased with delivery of new aircraft, increased capital maintenance and impact of lease buyouts offset by 717 retirement and intangible assets fully amortised in FY23

Share of net loss/(profit) of investments, favourable to FY23

- Improved profitability in Jetstar Japan and stronger performance across investments in FY24

1. Includes Qantas Domestic and Jetstar Domestic. 2. Group International includes Qantas International, Jetstar International Australian operations, Jetstar New Zealand (including Jetstar Regionals) and Jetstar Asia (Singapore).

Statutory Other Revenue and Expenses Detail – Compared to FY23

$M	FY24	FY23	Variance
Other Revenue and Income	1,825	1,512	313

Frequent Flyer marketing revenue and other Qantas Loyalty businesses up 29%

- Increased TripADeal holiday package revenue +$149m driven by uplift in international travel, tours and expanded cruise offering
- Higher marketing revenue (primarily Financial Services from partners) driven by increased Frequent Flyer activity
- Growth in Qantas Insurance businesses drives higher revenue

Qantas Marketplace and other redemption revenue up 19%

- Redemption on other airline carriers increased from higher flying activity and redemption availability

Third-party services revenue up 6%

- Higher codeshare commission and freight terminal fee revenue

Other Income:

- **Third party lounge revenue increased** from ramped up International flying
- **Membership revenue increased** in Qantas Club, Club Jetstar and Corporate Sustainable Aviation Fuel (SAF) program with increase in new sales

$M	FY24	FY23	Variance
Other Expenditure	3,171	2,512	659

Commissions and other selling costs up 5%

- Sales agency expenses increased from higher passenger revenue performance

Technology and digital up 24%

- Increased technology and digital expense due to higher IT spend on customer experience and fleet readiness projects

Capacity hire up 24%

- Higher capacity hire expenditure related to overall activity growth, 8 additional Alliance E190 aircraft and commencement of 2 x Finnair aircraft

Discretionary bonuses to non-executive employees down (84%)

- One-off RRP and Recovery Boost[1] largely incurred in FY23

Impact of discount rate changes to provisions, unfavourable to FY23

Other:

- **TripADeal holiday/package costs increased +$138m** in line with higher checked-in total revenue transaction volume
- **ACCC settlement and related costs in FY24**
- **Increase in ground handling outsourcing provision from Federal Court case**

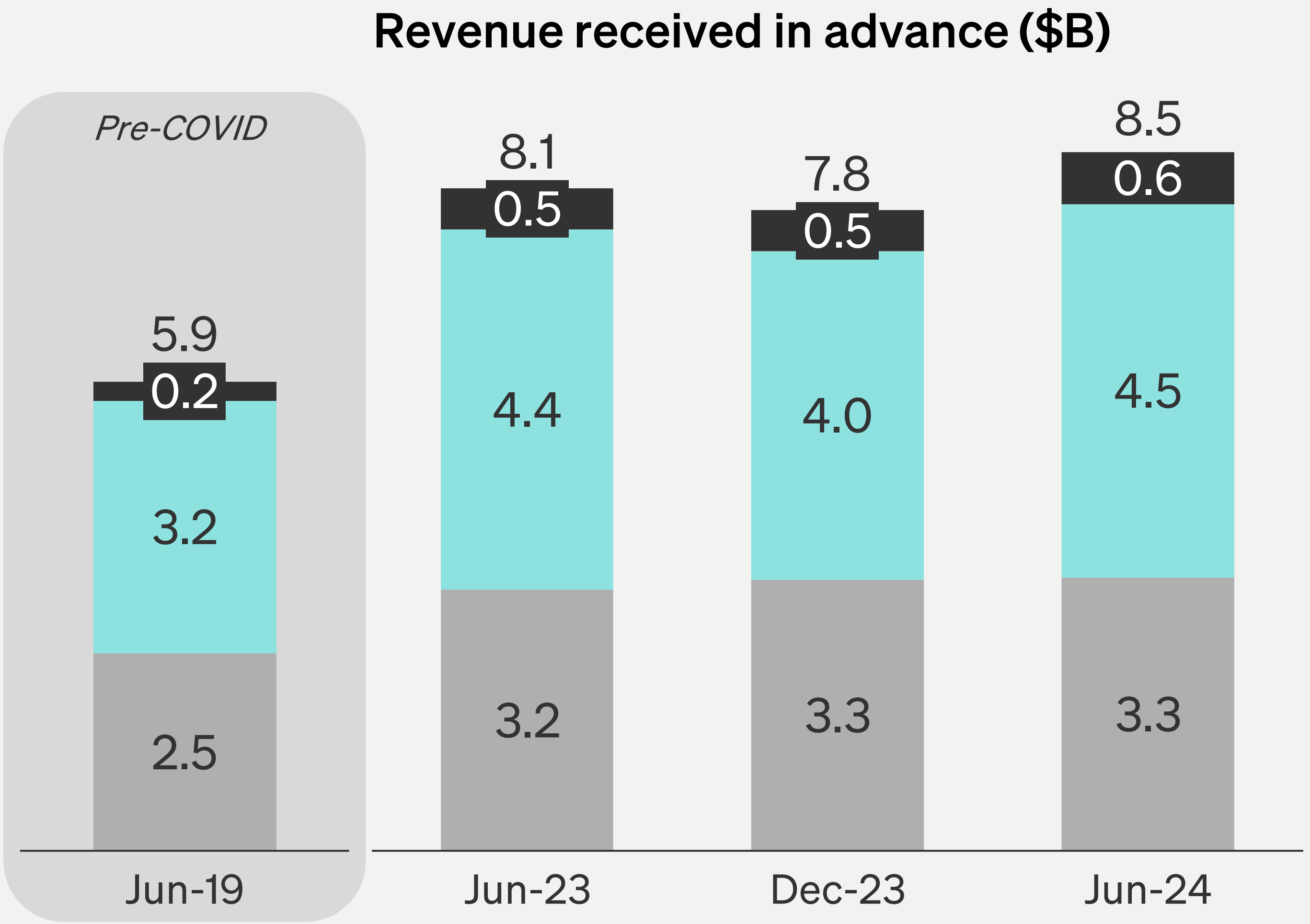
1. The Group shared a one-off $5,000 boost to employees as part of sharing benefits of its post-COVID recovery.

Group Unit Revenue and Unit Cost (c/ASK)

	RASK		FY24
	Net passenger revenue	$M	18,903
	Excluding Other passenger revenue	$M	(3,071)
A	Ticketed Passenger Revenue	$M	15,832
B	ASKs	M	141,357
A/B	Unit Revenue (Pax Rev)	c/ASK	11.20

	CASK		FY24
	Underlying (Profit)/Loss Before Tax	$M	(2,078)
A	Less: Ticketed Passenger Revenue	$M	15,832
C	Net expenditure	$M	13,754
	Less: Fuel	$M	(5,316)
	Less: Impact of discount rate changes to provisions	$M	(3)
	Less: Share of net profit of investments accounted under the equity method	$M	4
	Net expenditure (excluding fuel) ($M)	$M	8,439
	Less: Impairment	$M	—
D	Net expenditure (excluding fuel and impairment)	$M	8,439
B	ASKs	M	141,357
C/B	Total Unit Cost	c/ASK	9.73
D/B	Unit Cost (Ex-Fuel)	c/ASK	5.97

Revenue received in advance (RRIA) and travel credits



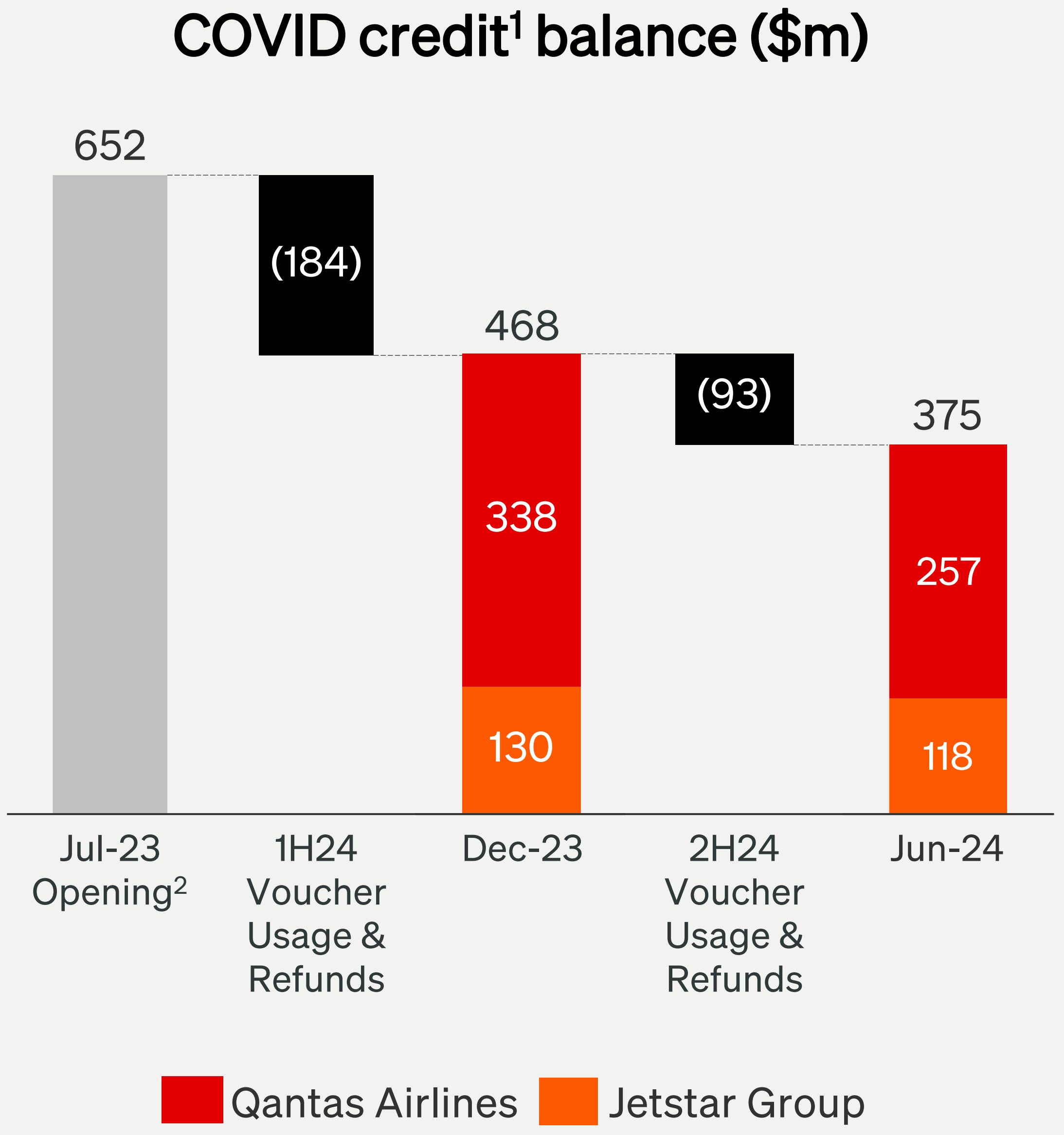
	Jun-23	Dec-23	Jun-24
COVID Travel Credits[1]	0.6	0.1	0.1
Total RRIA	**8.7**	**7.9**	**8.6**

Unredeemed Frequent Flyer revenue
Unavailed passenger revenue (excl covid credits)
Other RRIA

- Airline RRIA experienced modest growth vs FY23 as Group capacity restored, offset by RASK moderation
- Unredeemed Frequent Flyer revenue grew vs FY23 in line with member and points activity
- In line with historical seasonality, 30 June 2024 RRIA balance closed stronger than 31 December 2023
- Qantas 'COVID Credits' re-classified to payables; Jetstar 'COVID Vouchers' remain in RRIA $0.1b as at 30 June 2024
- Remaining Qantas COVID credits $0.3b as at 30 June 2024, refer to next slide for further details

1. Refers to Qantas COVID Credit and Jetstar COVID Voucher. For Qantas customers, a 'COVID Credit' refers to travel credits for bookings up to and including 30 September 2021. For Jetstar customers, a 'COVID Voucher' refers to all Jetstar Airways and Jetstar Asia vouchers that had an expiry date of 31 December 2023 which have since been extended.

COVID credit balance continues to wind down through usage and refunds



- As of 30 June 2024, $375m of customer balances remaining in COVID credits
- The COVID credit balance has decreased by 40% in FY24
- Qantas customers holding COVID credits can request a cash refund at any time (no expiry date). Jetstar customers can use their COVID vouchers for flights indefinitely.
- Continued effort to ensure customers are able to use and refund COVID credits
  - — Credit Concierge capability transitioned into contact centre permanent operating model, consistently achieving CSAT[3] above 90%
  - — Travel Credits Hub maintained as one-stop destination for credit information

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1. Refers to Qantas COVID Credit and Jetstar COVID Voucher. For Qantas customers, a 'COVID Credit' refers to travel credits for bookings up to and including 30 September 2021. For Jetstar customers, a 'COVID Voucher' refers to all Jetstar Airways and Jetstar Asia vouchers that had an expiry date of 31 December 2023 which have since been extended. 2. Represents opening balance from 1 July 2023 increased by $20m due to increased scope from changes to the credit refund policy. 3. Customer satisfaction score.

Financial Framework and Fleet

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Return on Invested Capital (ROIC) Calculation

$M	FY24	FY23
Underlying EBIT	2,279	2,682
Add back: Lease depreciation under AASB 16	295	320
Less: Notional depreciation[1]	(91)	(131)
Less: Cash expenses for non-aircraft leases	(243)	(228)
ROIC EBIT	**2,240**	**2,643**

$M	As at 30 Jun 2024	As at 30 Jun 2023
Net working capital[2]	(10,687)	(10,777)
Fixed assets[3]	14,280	12,599
Capitalised leased aircraft assets[1]	982	1,409
Invested Capital	**4,575**	**3,231**
Average Invested Capital[4]	**3,869**	**2,552**
Return on Invested Capital (%)	**57.9**	**103.6**

- ROIC EBIT is derived by adjusting Underlying EBIT to exclude AASB 16 lease depreciation and includes notional depreciation for leased aircraft as if they were owned
- Non-aircraft leases reduce ROIC EBIT for the lease payment rather than depreciation to account for these items as a service cost

- Aircraft financed via leases are adjusted as if owned, i.e. AASB 16 accounting and lease return provision replaced with market value assets depreciated in line with owned aircraft assets
- Average Invested Capital is used to determine Net Debt Target Range
- ROIC to moderate as Invested Capital rebuilds, with continued investment in fleet expected to deliver ROIC greater than pre-COVID levels

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 assets 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 assets. 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, and revenue received in advance. 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 30 Jun 2024	As at 30 Jun 2023
Net Assets	**294**	**10**
Less: Cash and cash equivalents	(1,718)	(3,171)
Add back: Interest-bearing liabilities	5,035	5,169
Less: Other financial (assets)/liabilities	(379)	(11)
Add/Less: Tax balances	178	(367)
Less: Right of use assets	(1,315)	(1,303)
Add back: Lease Liabilities	1,556	1,557
Less: Finance Lease Receivables	(58)	(62)
Add: Capitalised leased aircraft assets[1]	982	1,409
Invested Capital	**4,575**	**3,231**
Average Invested Capital[2]	**3,869**	**2,552**

Invested Capital is 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 AASB 16 accounting including Right of use assets, Lease liabilities and Finance lease receivables
- Inclusion of capitalised leased aircraft assets as if owned and depreciated in line with owned 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 assets 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 assets. 2. Equal to the 12 months average of monthly Invested Capital.

Net Debt Target Range

- Net Debt Target Range = 2.0x — 2.5x EBITDA where ROIC = 10%
- At average Invested Capital of **$3.9b**, optimal Net Debt range is **$3.9b to $4.9b**

	Jun 24 $B	Drivers of Net Debt Target Range
Invested Capital *Avg Invested Capital for trailing 12 months*	3.9	Invested Capital will rebuild with fleet reinvestment
10% ROIC EBIT *Invested Capital x 10%*	0.39	Notional EBIT increases as Invested Capital grows
12 month ROIC depreciation[1] *Includes notional depreciation on aircraft leases*	1.57	Depreciation changes as fleet renewed
EBITDA where ROIC = 10%	1.96	
Net Debt Target Range[2] 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 leverage are below 2.0x
Net Debt at 2.5x EBITDA where ROIC = 10%	4.9	

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1. Equal to the ROIC depreciation for the 12 months to 30 June 2024 and includes Group Underlying depreciation and amortisation (excluding lease depreciation under AASB 16), and notional depreciation on leased aircraft. 2. The appropriate level of Net Debt reflects the Qantas Group's size, measured by Invested Capital and is premised on maintaining ROIC above 10%.

Net Debt and Liquidity Position

$M	As at 30 Jun 2024	As at 30 Jun 2023	Change
Net on Balance Sheet debt[1]	3,311	1,998	(1,313)
Capitalised aircraft lease liabilities	795	887	92
Net Debt	**4,106**	**2,885**	**(1,221)**

Net Debt increased by ($1.2b) for the 12 months to June 2024

- ($1.5b) cash decrease mainly driven by debt reduction, Net Capital Expenditure and Shareholder Distributions funded by Funds from Operation
- Gross debt reduced by $0.4b of prepayments and $0.8b of scheduled debt repayments, partially offset by $1.0b drawdown of secured debt
- Capitalised aircraft lease liabilities decreased by $0.1b reducing exposure to expensive operating leases

$M	As at 30 Jun 2024	As at 30 Jun 2023	Change[2]
Cash and cash equivalents at end of period	1,718	3,171	(1,453)
Undrawn facilities	1,000	1,196	(196)
Unencumbered assets[3]	7,494	5,684	1,810
Total Sources of Liquidity	**10,212**	**10,051**	**161**

Total Sources of Liquidity movement of $0.2b for the 12 months to June 2024 includes:

- $0.2b secured aircraft financing on Boeing 787-9 delivery drawn in July 2023
- $1.8b increase in unencumbered asset base from new aircraft deliveries, lease buy-outs and increase in aircraft valuations

1. Net on Balance Sheet debt includes cash and cash equivalents, interest-bearing liabilities and fair value hedge of debt entered into for Corporate secured debt. 2. Favourable variance shown as positive amounts. 3. Includes aircraft valuations based on Aircraft Value Analysis Company Limited (AVAC) as at 30 June 2024.

Net Debt movement under the Financial Framework

$M	FY24	FY23
Opening Net Debt	**(2,885)**	**(3,937)**
Net cash from operating activities	3,441	5,085
Less: Net lease principal repayments under AASB 16[1]	(701)	(682)
Add: Principal portion of aircraft lease rentals	483	500
Funds from Operations	**3,223**	**4,903**
Net cash from investing activities	(2,887)	(2,625)
Addition of leased aircraft	(261)	(65)
Return of leased aircraft	–	24
Net Capital Expenditure	**(3,148)**	**(2,666)**
Payments for share buy-back	(852)	(1,000)
Shareholder Distributions	**(852)**	**(1,000)**
Payment for treasury shares	(292)	(103)
FX revaluations and other fair value movements[1]	(152)	(82)
Closing Net Debt	**(4,106)**	**(2,885)**

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

1. FY23 variance to PY reported numbers relates to the reclass of proceeds from lease receivable of $8m into the net lease principal repayments made.

Financial Framework versus Statutory Net Debt

$M	FY24	FY23
Interest-bearing liabilities	5,035	5,169
Fair value hedge	(6)	–
Cash and Cash Equivalents	(1,718)	(3,171)
Capitalised aircraft lease liabilities	795	887
Financial Framework Net Debt	**4,106**	**2,885**

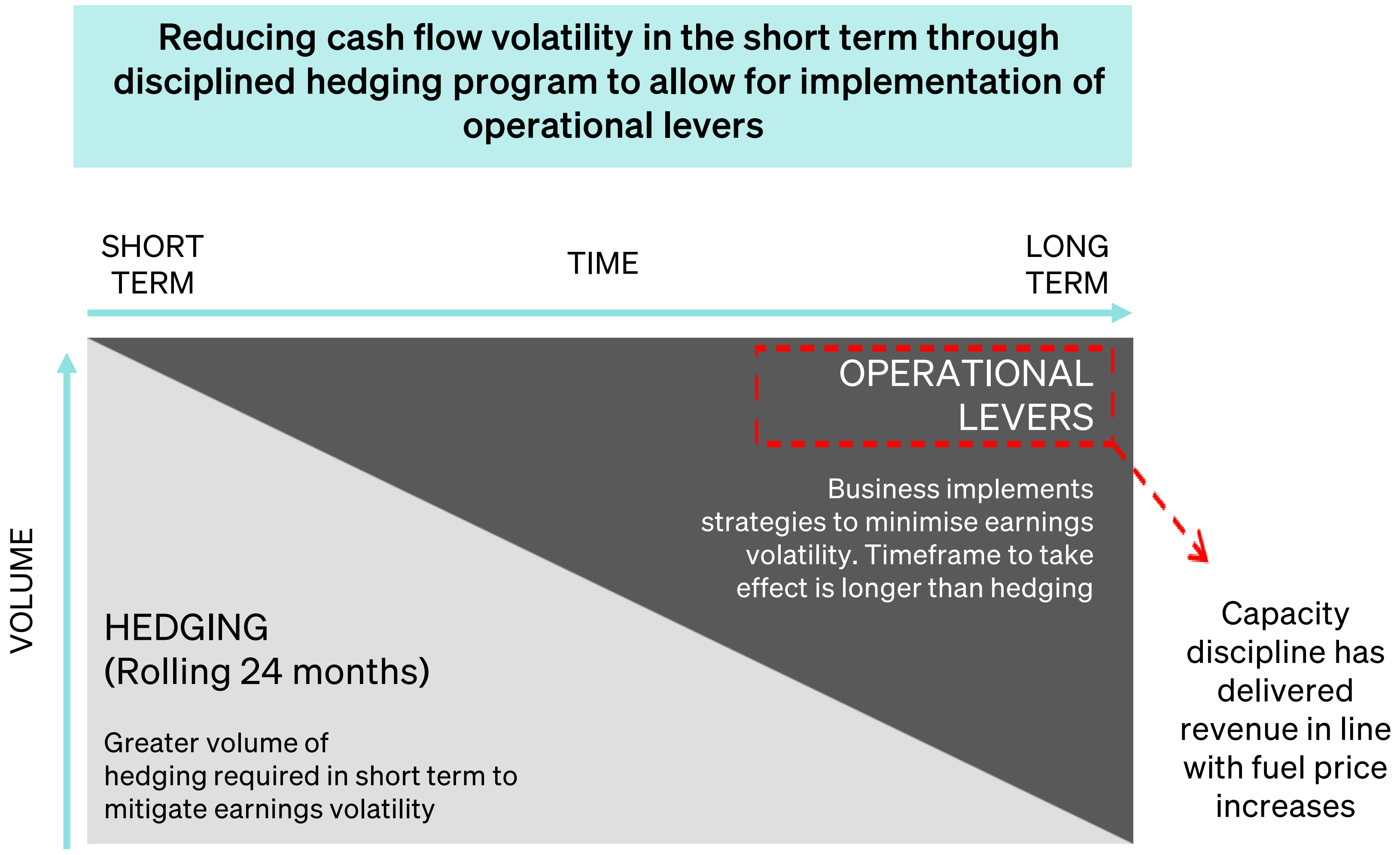
- Under the Financial Framework, aircraft leases are treated as capital acquisitions and recognised at fair value (through Net Capex) and a notional borrowing recognised as part of Net Debt as Capitalised aircraft lease liabilities
- Principal portions of aircraft rentals are treated as debt repayments
- Focus on income producing assets and as a result non-aircraft leases (e.g. property leases including airports) are excluded

$M	FY24	FY23
Interest-bearing liabilities	5,035	5,169
Cash and Cash Equivalents	(1,718)	(3,171)
Lease Liabilities	1,556	1,557
Statutory Net Debt	**4,873**	**3,555**

- Under AASB 16, leases are recognised on balance sheet and measured at present value of future lease payments
- Statutory lease liabilities includes both aircraft and non-aircraft leases
- This differs to the Financial Framework which recognises aircraft at fair value and excludes non-aircraft which is not income generating

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:
  - Discount 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

- FY24 fuel cost at $5.3b
  - FY24 total fuel cost lower than guided at 1H24 results due to lower consumption in 2H24
- FY24 fuel and FX hedging remain consistent with long term approach to risk management
  - Declining wedge hedge profile - greater volume of hedging in short term to mitigate earnings volatility
  - Preference for options in hedging allowing high level of participation to lower fuel prices
  - 1H25 fuel exposure is 83%[1] hedged through a combination of Brent outright options and collars and Jet fuel swaps

bbls[2] of fuel ('000)	FY24	FY23	% Change
Qantas Domestic	7,519	7,277	3 %
Qantas International	12,632	9,722	30 %
Qantas Freight	1,279	1,350	(5) %
Jetstar Group	7,641	6,329	21 %
Total fuel consumption	29,071	24,678	18%

Capital Expenditure FX – Hedging of USD Fleet Payments

- Hedging remains consistent with long term approach to risk management
  - Preference for options allows for high level of participation
- 1H25 is 83%[1] hedged through a combination of outright options and collars

Interest rates

- Minimal economic impact to rising interest rates due to significant cash holdings providing natural offset to floating rate debt in portfolio
- On Balance Sheet fixed debt portfolio average interest rate of 3.90% p.a.

Carbon cost

- Carbon cost is being managed in line with broader financial risk management framework

1. Hedge position as at 1 August 2024 for remaining 1H25. 2. Barrels.

Profit drivers of new fleet technology

Cost drivers	**Fuel efficiencies** Greater fuel efficiency from new fleet	
	Reduced maintenance In early years for new fleet	
	Scale cost efficiencies Reduced unit cost due to higher ASKs from new fleet and commonality of fleet across the Group	
	Asset depreciation *(Cost increase)* Depreciation of upfront capital expenditure on new aircraft	
Revenue drivers	**Yield premium** Customer willingness to pay more for point-to-point services and better schedule (timing and frequency); greater mix of premium seats (Qantas)	
	Utilisation Greater aircraft utilisation and growth enabled by greater range and improved route economics	
	Network/capacity growth New routes and capacity growth enabled by new fleet and redeployment of existing fleets	
	Seat count More seats per aircraft driving higher capacity	

Enhanced customer offering supporting NPS

Modernised cabin design improving comfort and convenience across seats, noise, and larger overhead baggage compartments

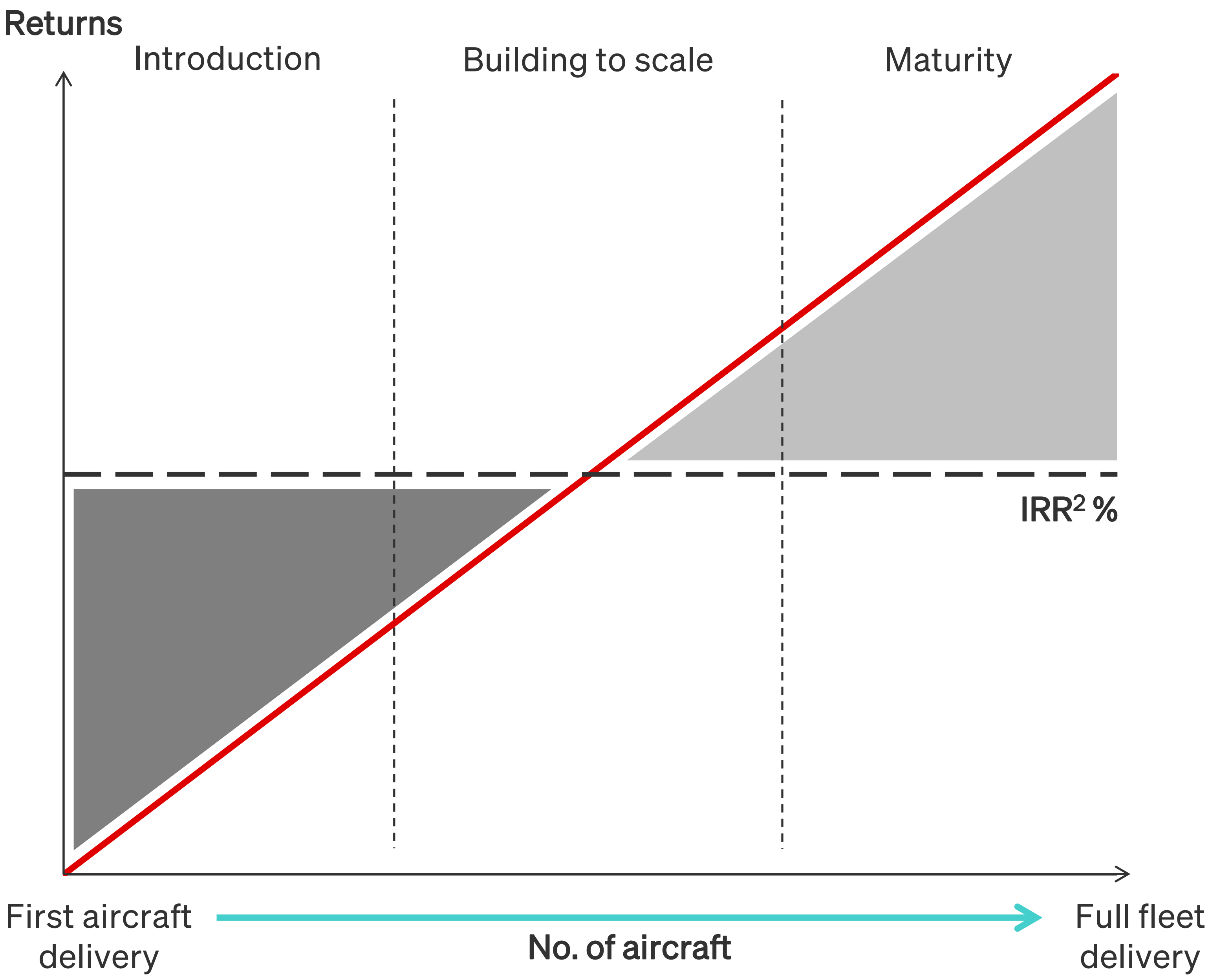
IFE improvements including on-board WiFi and seat back power

Improved operations enabled by greater reliability and flexibility

Improved fuel burn and reduced noise from new technology

Illustrative: Fleet benefits cycle

Benefits by fleet type over delivery timeline



Benefits expected to be realised over period of fleet investment

Introductory

- Entry-into-service (EIS) costs[1] of new aircraft types impact initial returns of fleet investment (e.g. training and labour, spare engines, tooling and other spare parts, etc.)
- Small scale of new fleet types limits network benefits
- Invested Capital is higher when asset values not yet depreciated

Building to scale

- Focus on building scale to efficiently improve return towards IRR[2]
- As fleet scale grows operational capabilities and efficiencies improve

At maturity

- Full fleet benefits achieved once fleet at scale
- ROIC above IRR as a result of depreciated asset values (i.e. low invested capital)

1. Entry-into-service (EIS) include training, purchases of parts. 2. Internal Rate of Return.

Supplementary Segment Information

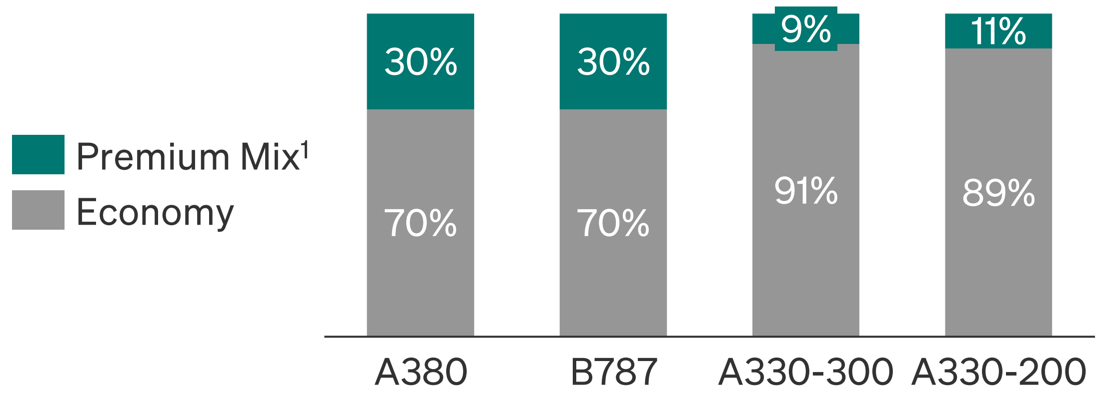
Qantas Domestic and International Overview

Qantas Domestic

- Full service offering targeting business purpose and premium leisure sectors
  - — Market leading operational standards across OTP, 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
- Narrowbody fleet replacement program underway:
  - — Committed orders for 28 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 Asia
  - — Leverage new fleet technology to facilitate direct point-to-point network, including investments in Boeing 787-9 and Airbus 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 6 x Airbus A321F aircraft to support growth and unlock cost synergies

1. First, Business and Premium Economy.

Jetstar Group Overview

Jetstar Domestic

- Australian industry-leading LCC[1]
- 100% owned by Qantas Group[2]
- Strong operational performance, customer service and profitability
- New fleet arrivals to provide the most fuel efficient aircraft per seat in Australia, and grows margin advantage through further cost and utilisation benefits
- Continual innovation in customer experience, introducing onboard streaming, dynamic retailing and new bundles
- Ancillary product portfolio provides greater choice, driving revenue opportunities

Jetstar International[3] and New Zealand

Jetstar International

- Australian industry-leading LCC[1] capitalising on opportunities in Asia Pacific
- 100% owned by Qantas Group[2]
- Strong profitability through competitive advantage through brand strength and local partnerships
- Investment in new fleet and fleet expansion providing more fuel efficient aircraft per seat, enabling new short haul international markets (Melbourne-Fiji), additional frequency on Bali and redeployment of 787s in International long haul markets

Jetstar New Zealand Domestic

- 100% owned by Qantas Group
- Serves domestic destinations in NZ with unique low fares proposition and provides valuable connecting traffic across the Tasman

Jetstar in Asia

Jetstar Japan

- Jetstar Japan is the #1 domestic LCC[1] at Tokyo's Narita Airport and serves 24 routes
- 33% owned by Qantas Group[2]
- Growing capacity and aircraft utilisation in line with increased leisure demand and international flying

Jetstar Asia

- Uniquely positioned in large Asia market with significant growth potential
- 49% owned by Qantas Group[2]
- Solid operational performance and customer service
- Re-grown fleet to 11 aircraft by the end of FY24

QANTAS GROUP 1. Low-Cost Carrier. 2. Based on voting rights. 3. Jetstar International AU includes Jetstar Australia long haul, short haul and Trans-Tasman international services.

Diversification and growth at Qantas Loyalty

Members

- Deliver everyday engagement between members and the Qantas brand
- Incentivise members to join and participate through Qantas and partner channels
  - Providing engaging options for members across travel, entertainment, experiences, and retail
  - Capturing SMEs by delivering value for business travel and rewards for everyday expenses
- Innovate to support member engagement
  - Grow digital engagement primarily through mobile app investment
  - Recognise and reward non-flying behaviours (e.g. Green Tier, Points Club)

Redemption

- Increase points earn through the flywheel effect from growth in overall redemptions
- Diversify redemption options that deliver more choice for members
  - Enhance flight reward propositions to meet member demand (e.g. Classic Plus)
  - Expand Hotels & Holidays propositions
  - Invest in tour and packages segment through TripADeal acquisition
  - Strategic network of partners with major Australian retailers
  - New retail redemption offerings with small, more attainable rewards for more frequent engagement (e.g. Ticketek)

Earn

- Large ecosystem for members to engage in everyday earn
  - Market leading airline loyalty program
  - Portfolio of partnerships across financial services, travel, retail and other categories capturing on-the-ground spend
- Targeted expansion to capture all everyday needs
  - Increase engagement through Financial Services and Insurance products
  - More everyday opportunities across retail partnerships
  - Scale QBR by rewarding SMEs for their business expenses

Growth Forecast to FY30 Target	Member Base	Points Redeemed	Points Earned
	+3% p.a.	+7% p.a.	+6% p.a

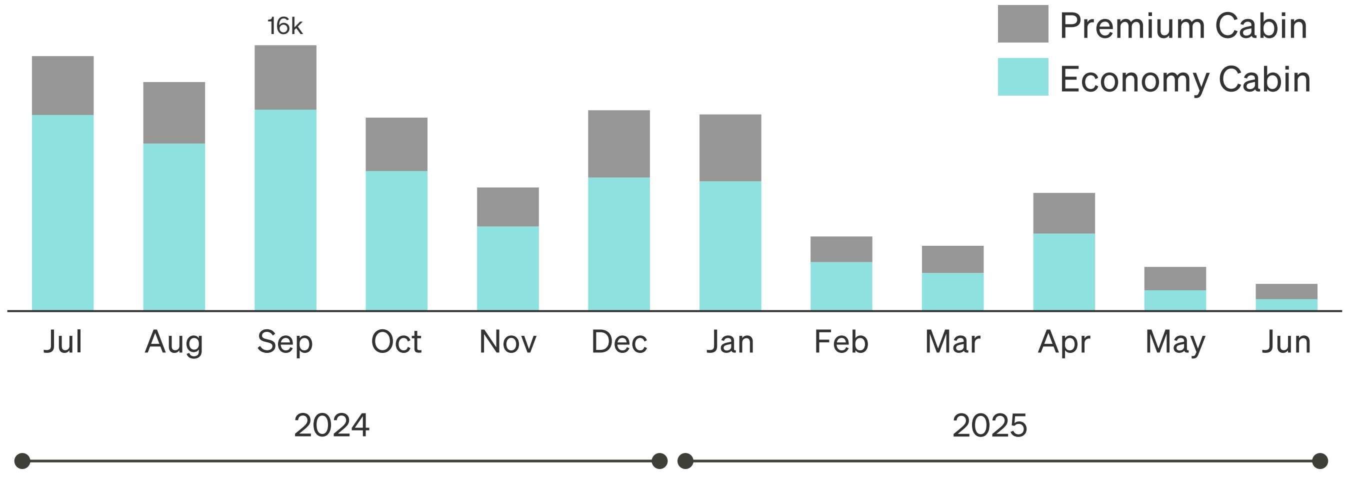
Classic Plus

>100,000 seats redeemed since launch to our most popular International destinations

Top 10 Classic Plus Destinations
International, ex-AU

1. London-Sydney
2. Haneda-Sydney
3. Melbourne-Singapore
4. Sydney-Queenstown
5. Singapore-Sydney
6. Denpasar-Sydney
7. London-Singapore
8. London-Perth
9. Sydney-Bangkok
10. Melbourne-Narita

Classic Plus providing members greater availability of reward seats during peak travel periods in preferred cabins



Since April 2024 launch, early evidence of increased engagement from members who have redeemed on Classic Plus[1]

10ppt premium in program confidence

Higher representation of tier flyers (41% tiered flyers)

Higher engagement with Qantas Points Earn Credit Cards (83% QPECC[2] holder) vs members who have not engaged in Classic Plus

22% of members have not redeemed a Flight reward in 5 years

Early indications of accelerating flywheel to date

Points Earned from external partners 1.2x higher than prior year following launch

Increasing partner interest

QANTAS GROUP 1. When compared to Classic Flight Rewards. 2. Qantas Points Earning Credit Card.

Investing to scale and access climate solutions through the Qantas Climate Fund

QANTAS GROUP | CLIMATE FUND

SILVA CAPITAL

- In August 2024, the Qantas Climate Fund announced a cornerstone **investment into Silva Capital Origination Fund (SCOF) alongside Rio Tinto and BHP**
- SCOF will acquire agricultural land for **joint carbon and regenerative agriculture projects** – focusing on environmental plantings on cleared grazing land to generate Australian Carbon Credit Units (ACCUs)
- **Projects are designed to sequester carbon and enhance biodiversity** while maintaining productive farmland
- **Fund targeting $250m**, with initial $80m close - **$20m from Qantas Climate Fund**
- Secures Qantas **access to high-integrity ACCUs**

SAFFA

- In January 2024, **Qantas joined the Sustainable Aviation Fuel Financing Alliance (SAFFA)** to boost biofuel production, investing in SAF technology and repurposing US infrastructure
- Investors include **Airbus, Air France-KLM, Mitsubishi HC Capital Inc., BNP Paribas, and Associated Energy Group**
- Fund total $US200m; **$US50m (~$A75m) from Qantas Climate Fund**
- **Scales near-term SAF production and access** to offtake for Qantas
- **First SAFFA investment in Crysalis Biosciences** to upgrade an ethanol plant in Illinois for SAF and biochemicals

Corporate and Unallocated/Eliminations

Corporate		FY24	FY23	Change
Revenue	$M	12	9	+33%
Underlying EBIT	$M	(263)	(212)	(24%)

Includes investment in Sustainability, our People and Group Cyber

- Investment in Group Cyber
- Investments in corporate systems and upgrades
- Sustainability spend including 'Fly Carbon Neutral' , 'Qantas Future Planet' programs and SAF investments, which is included in the Climate Fund
- Restart of the Graduate program in FY23 (all people and program costs held within Corporate segment)
- Invested in centralised resources for strategic projects e.g. resources in preparation for Western Sydney International Airport and ongoing Perth terminal deal

Unallocated/Eliminations		FY24	FY23	Change
Revenue	$M	(1,475)	(1,347)	(10%)
Underlying EBIT	$M	(85)	(137)	+38%

Includes internal/external revenue eliminations across the Group

- Reduction in RRP and Recovery boost[1] one-off bonuses from prior year
- Adverse impact of discount rate changes to provisions, legal costs and other provisions
- Eliminations of intercompany segment revenue and costs between segments to balance to nil at Group level

1. The Group shared a one-off $5,000 boost to employees as part of sharing benefits of its post-COVID recovery.

Ongoing transformation focus

Fleet & Network

Transformation ~$390m delivered in FY24	
3 x A321s and 2 x A330 deliveries to Qantas Freight	✓
— Retirement of 767F and 737-300Fs	✓
5 x A321LR deliveries to Jetstar Australia and New Zealand	✓
1 x additional 787-9 and 2 x A220-300 to QantasLink	✓
Network optimisation – e.g. 717 retirements & E190 utilisation	✓
A320 Perth-based simulator	✓

Targeting ~$400m for FY25+	Focus for 1H25	Focus for 2H25
Continued growth in A321LR and A220 fleets and A320neo EIS	✓	✓
Completing 717 retirements	✓	
Installation of scimitar winglets on 738 fleet	✓	
Introduction of Qantas A321XLR		✓

Data & Digitalisation

Transformation ~$390m delivered in FY24	
Exit of residual IT applications post cloud migration	✓
Rollout of SME Online Business Tool	✓
Revenue management system innovation & data analytics	✓
Ancillary revenue extensions – e.g. bid now, neighbour free seating	✓
Data driven ops decision making – e.g. predictive maintenance	✓

Targeting ~$400m for FY25+	Focus for 1H25	Focus for 2H25
Customer experience mobile first & digital optimisation	✓	✓
Continued ancillary revenue innovation – e.g. Flight Switch	✓	
World class integrated disruptions management	✓	
Launch of engineering & catering supply chain systems		✓

Ways of Working

Transformation ~$390m delivered in FY24	
Fuel efficiencies – e.g. onboard weight reductions, APU use reduction	✓
Freight terminals workforce productivity program	✓
Crew wellbeing initiatives – e.g. reduced absenteeism & overnights	✓
Commencement of Group Boarding in mainline domestic operations	✓

Targeting ~$400m for FY25+	Focus for 1H25	Focus for 2H25
Fuel efficiencies – APU reduction & flight procedures	✓	
Flight training transformation – e.g. SYD SIM centre, VR	✓	
Engineering asset optimisation – i.e. base health checks	✓	✓
Optimised aircraft patterning to improve reliability – e.g. 737s		✓

2H24 Group and Group Domestic Traffic Statistics vs 2H23

		3Q24	3Q23	Change (%)	4Q24	4Q23	Change (%)	2H24	2H23	Change (%)
Total Qantas Group Operations										
Passengers Carried	'000	12,894	11,270	14	12,892	11,780	9	25,786	23,050	12
Revenue Passenger Kilometers	M	29,267	24,348	20	29,639	26,023	14	58,906	50,371	17
Available Seat Kilometres	M	35,707	29,581	21	36,326	32,239	13	72,033	61,820	17
Seat Factor	%	82.0	82.3	(0.3)ppts	81.6	80.7	0.9ppts	81.8	81.5	0.3ppts
Group Unit Revenue	c/ASK	11.2	12.2	(8)	10.3	11.0	(7)	10.8	11.6	(7)
Group Domestic										
Available Seat Kilometres	M	13,054	12,312	6	13,512	13,216	2	26,566	25,528	4
Group Domestic Unit Revenue Change	%			1			2			1
Qantas Domestic										
Passengers Carried	'000	4,884	4,703	4	5,159	5,117	1	10,043	9,820	2
Revenue Passenger Kilometers	M	5,772	5,716	1	6,087	6,196	(2)	11,859	11,912	–
Available Seat Kilometres	M	7,726	7,765	(1)	8,231	8,577	(4)	15,957	16,342	(2)
Seat Factor	%	74.7	73.6	1.1ppts	74.0	72.2	1.8ppts	74.3	72.9	1.4ppts
Jetstar Domestic										
Passengers Carried	'000	3,826	3,205	19	3,604	3,178	13	7,430	6,383	16
Revenue Passenger Kilometers	M	4,625	3,910	18	4,577	4,031	14	9,202	7,941	16
Available Seat Kilometres	M	5,328	4,547	17	5,281	4,639	14	10,609	9,186	15
Seat Factor	%	86.8	86.0	0.8ppts	86.7	86.9	(0.2)ppts	86.7	86.4	0.3ppts

2H24 Group International Traffic Statistics vs 2H23

		3Q24	3Q23	Change (%)	4Q24	4Q23	Change (%)	2H24	2H23	Change (%)
Group International										
Available Seat Kilometres	M	22,653	17,269	31	22,814	19,023	20	45,467	36,292	25
Group International Unit Revenue Change	%			(13)			(10)			(11)
Qantas International										
Passengers Carried	‘000	2,012	1,669	21	1,940	1,678	16	3,952	3,347	18
Revenue Passenger Kilometers	M	12,529	10,050	25	12,412	10,660	16	24,941	20,710	20
Available Seat Kilometres	M	15,365	11,829	30	15,065	12,954	16	30,430	24,783	23
Seat Factor	%	81.5	85.0	(3.5)ppts	82.4	82.3	0.1ppts	82.0	83.6	(1.6)ppts
Jetstar International										
Passengers Carried	‘000	1,623	1,244	30	1,631	1,361	20	3,254	2,605	25
Revenue Passenger Kilometers	M	5,520	4,136	33	5,739	4,581	25	11,259	8,717	29
Available Seat Kilometres	M	6,333	4,808	32	6,797	5,397	26	13,130	10,205	29
Seat Factor	%	87.2	86.0	1.2ppts	84.4	84.9	(0.5)ppts	85.8	85.4	0.4ppts
Jetstar Asia										
Passengers Carried	‘000	549	449	22	558	446	25	1,107	895	24
Revenue Passenger Kilometers	M	821	536	53	824	555	48	1,645	1,091	51
Available Seat Kilometres	M	955	632	51	952	672	42	1,907	1,304	46
Seat Factor	%	86.0	84.8	1.2ppts	86.6	82.6	4.0ppts	86.3	83.7	2.6ppts

Qantas Domestic

		FY24	FY23	FY Variance%	1H24	1H23	1H Variance%	2H24	2H23	2H Variance%
Revenue	$M	7,241	6,980	4	3,758	3,634	3	3,483	3,346	4
Underlying EBIT	$M	1,063	1,270	(16)	641	785	(18)	422	485	(13)
Operating Margin	%	14.7	18.2	(3.5)ppts	17.1	21.6	(4.5)ppts	12.1	14.5	(2.4)ppts
ASKs	M	32,950	32,513	1	16,993	16,171	5	15,957	16,342	(2)
Seat factor	%	76.0	76.2	(0.2)ppts	77.7	79.6	(1.9)ppts	74.3	72.9	1.4ppts

Qantas International and Freight

		FY24	FY23	FY Variance%	1H24	1H23	1H Variance%	2H24	2H23	2H Variance%
Revenue	$M	8,666	7,749	12	4,340	3,802	14	4,326	3,947	10
Underlying EBIT	$M	556	906	(39)	322	464	(31)	234	442	(47)
Operating Margin	%	6.4	11.7	(5.3)ppts	7.4	12.2	(4.8)ppts	5.4	11.2	(5.8)ppts
ASKs	M	58,878	45,187	30	28,448	20,404	39	30,430	24,783	23
Seat factor	%	83.0	85.7	(2.7)ppts	84.0	88.3	(4.3)ppts	82.0	83.6	(1.6)ppts

Jetstar Group

		FY24	FY23	FY Variance%	1H24	1H23	1H Variance%	2H24	2H23	2H Variance%
Revenue	$M	4,922	4,235	16	2,486	2,096	19	2,436	2,139	14
Underlying EBIT	$M	497	404	23	325	177	84	172	227	(24)
Operating Margin	%	10.1	9.5	0.6pts	13.1	8.4	4.7pts	7.1	10.6	(3.5)pts
ASKs	M	49,529	39,558	25	23,883	18,863	27	25,646	20,695	24
Seat factor	%	86.8	86.4	0.4pts	87.4	87.2	0.2pts	86.2	85.8	0.4pts

Qantas Loyalty

		FY24	FY23	FY Variance%	1H24	1H23	1H Variance%	2H24	2H23	2H Variance%
Revenue[1]	$M	2,573	2,189	18	1,271	1,027	24	1,302	1,162	12
Underlying EBIT	$M	511	451	13	270	220	23	241	231	4
Operating Margin	%	19.9	20.6	(0.7)pts	21.2	21.4	(0.2)pts	18.5	19.9	(1.4)pts
QFF Members[2]	M	16.4	15.2	8	15.8	14.7	8	16.4	15.2	8
Points Earn	B	202	175	15	99	88	13	103	87	18
Points Redeemed	B	171	155	10	82	72	14	89	83	7

1. Includes revenue from points sales to external partners, commissions received, revenue generated through Qantas Wine, Qantas Store, Qantas Shopping and points issued and redeemed on Qantas Group and partner airlines. 2. Members as at 31 December for 1H and 30 June for 2H and full year.