

1H24 Results Supplementary Presentation

Qantas Airways Limited
22 February 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 22 February 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 4D and Consolidated Interim Report for the half year ended 31 December 2023, 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

This Presentation is for information purposes only and is not financial product or investment advice or a recommendation to acquire Qantas shares and has been prepared without taking into account the objectives, financial situation or needs of any individuals. Before making an investment decision, investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. Qantas is not licensed to provide financial product advice in respect of Qantas shares. Cooling off rights do not apply to the acquisition of Qantas shares.

Financial data

All dollar values are in Australian dollars (A\$) and financial data is presented within the half year ended 31 December 2023 unless otherwise stated.

This Presentation is unaudited. Notwithstanding this, the Presentation contains disclosures which are extracted or derived from the Consolidated Interim Report for the half year ended 31 December 2023 which has been reviewed by the 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. For definitions of non-IFRS financial information refer to the Glossary (see slide 3) and the Consolidated Interim Report for the half year ended 31 December 2023.

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.

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.

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 – Residual value of 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 10.

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

ESG – Environmental, Social and Governance

EPS – Refer to Statutory EPS

FFO – Funds From Operations

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 17 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 15

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 10.

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 13.

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

Statutory EPS – Statutory Earnings Per Share is calculated as Statutory Profit after Tax divided by the weighted average number of issued shares, excluding unallocated treasury shares. Measured as cents per share.

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 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 7 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 – Ticketed passenger revenue per ASK

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

Group Performance

1H24 Key Group Financial Metrics

		1H24	1H23
Profit metrics			
Revenue	\$M	11,127	9,909
Underlying Profit Before Tax ¹	\$M	1,245	1,428
Statutory Profit Before Tax	\$M	1,245	1,435
Statutory Profit After Tax	\$M	869	1,001
Statutory Earnings per Share	c	51.8	53.9

Balance Sheet and Cash Flow metrics			
Rolling 12 month ROIC ²	%	81.4	33.0
Net Debt ³	\$B	4.01	2.40
Operating cash flow	\$M	1,341	2,811
Net free cash flow	\$M	(73)	2,094
Weighted average number of Shares for the period	M	1,686	1,860

- Net Debt Target Range⁴ of \$4.0b - \$5.0b

1H24 Key Group Operating Metrics

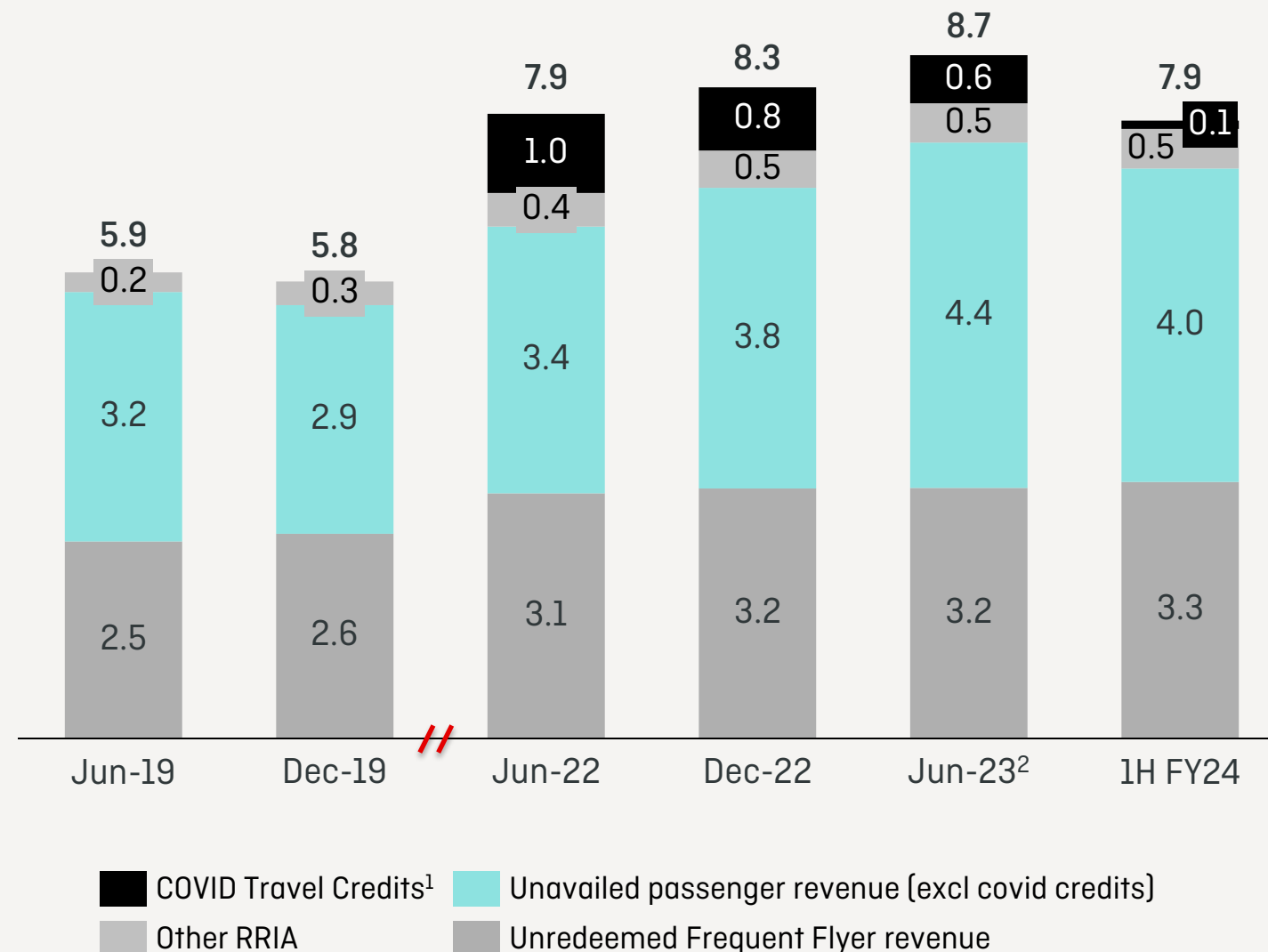
		1H24	1H23	Change (%)
Unit Revenue (RASK) ¹	c/ASK	11.65	13.05	(10.7) %
Total Unit Cost ¹	c/ASK	(9.85)	(10.47)	5.9%
Unit Cost (ex-Fuel) ¹	c/ASK	(5.99)	(6.32)	5.2%
Available Seat Kilometres (ASK)	M	69,324	55,438	25.0%
Revenue Passenger Kilometres (RPK)	M	57,989	47,322	22.5%
Passengers carried	000	26,012	22,675	14.7%
Seat Factor	%	83.6	85.4	(1.8) pts
Operating Margin	%	12.1	15.6	(3.5) pts
Full-time equivalent employees ²	FTE	26,778	23,296	14.9%

Reconciliation to Underlying Profit Before Tax

\$M	1H24			1H23		
	Statutory	Items not included in Underlying	Underlying	Statutory	Items not included in Underlying	Underlying
Net passenger revenue	9,614	–	9,614	8,393	–	8,393
Net freight revenue	605	–	605	810	–	810
Other revenue	908	–	908	706	–	706
Total Revenue	11,127	–	11,127	9,909	–	9,909
Salaries, wages and other benefits	2,395	–	2,395	2,084	–	2,084
Aircraft operating variable	2,421	–	2,421	1,899	–	1,899
Fuel	2,673	–	2,673	2,335	–	2,335
Depreciation and amortisation	854	–	854	880	–	880
Share of net (profit)/loss of investments accounted for under the equity method	(19)	–	(19)	21	–	21
Net gain on disposal of assets	1	–	1	(3)	2	(1)
Other	1,457	–	1,457	1,142	5	1,147
Total Expenditure	9,782	–	9,782	8,358	7	8,365
EBIT	1,345	–	1,345	1,551	(7)	1,544
Net finance costs	(100)	–	(100)	(116)	–	(116)
Profit Before Tax	1,245	–	1,245	1,435	(7)	1,428

Revenue received in advance (RRIA) and travel credits

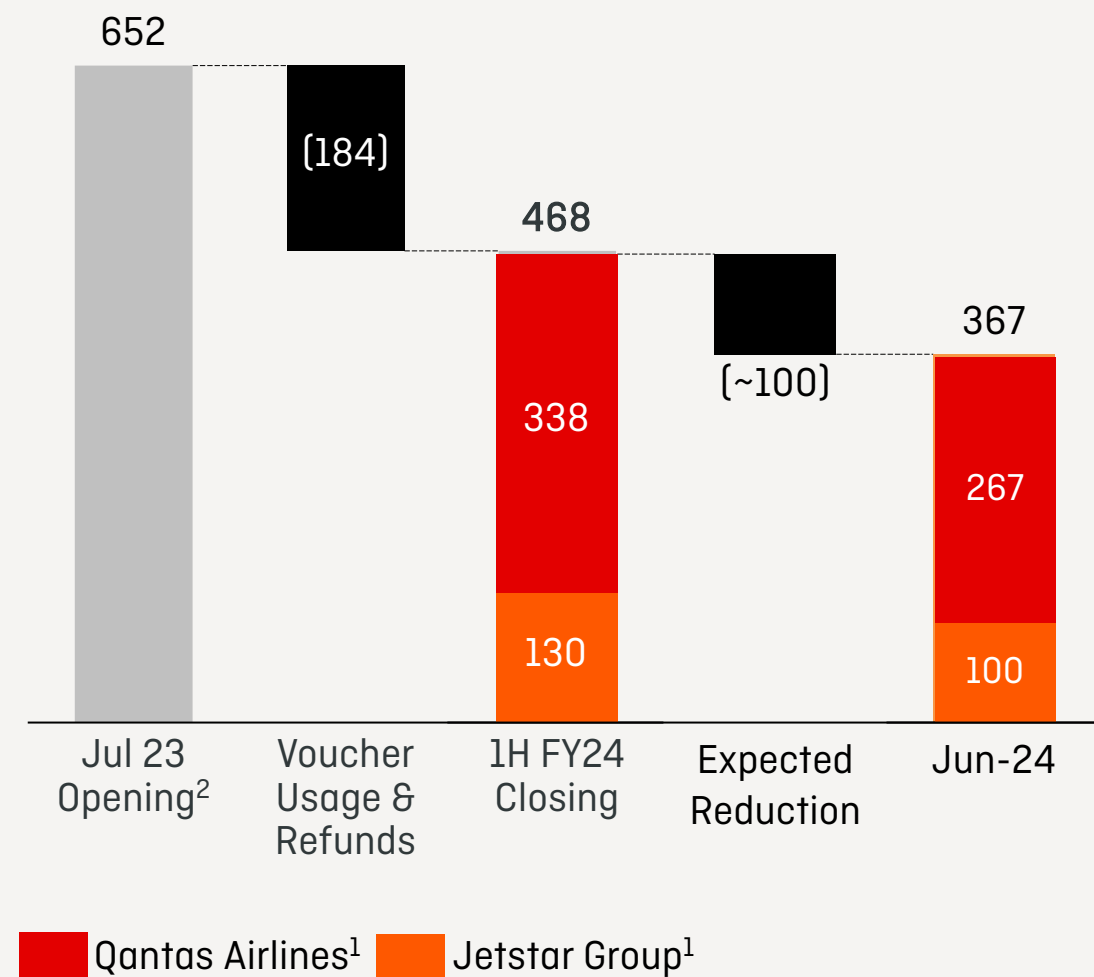
Total Revenue Received in Advance (\$B)



- Loyalty unredeemed Frequent Flyer revenue continues to grow in line with member and points activity
- Passenger RRIA declined since June 23 in line with historical seasonality but remains significantly above pre-COVID levels
- COVID credits within RRIA decreased by [\$0.5b]
 - Refunds and usage of COVID credits of [\$0.2b]
 - Remaining movement of Qantas 'COVID Credits' reclassified to payables as now only available for refund

COVID credit balance continues to wind down through usage and refunds

COVID Credit¹ Balance Movements (\$m)



- The COVID credit balance has decreased by >75% to \$468m from a COVID period high of \$2b
- As of 31 December 2023, \$468m of customer balances remaining in COVID credits
- Significant progress has been made in driving usage and refunds:
 - Persistent communications to COVID Flight Credit and COVID Voucher holders
 - Credit Concierge provides customers a dedicated help line
 - Travel Credits Hub established as a one-stop destination
 - Full page campaigns in major print newspapers
 - QF 'Find My Credit' online tool and JQ voucher balance checker launched
 - Points incentives for credit usage
- Exploring proactive refunds to further reduce COVID credit balance for Qantas customers

Group Unit Revenue and Unit Cost (c/ASK)




RASK			1H24
	Net passenger revenue	\$M	9,614
	Excluding Other passenger revenue	\$M	(1,537)
A	Ticketed Passenger Revenue	\$M	8,077
B	ASKs	M	69,324
A/B	Unit Revenue	c/ASK	11.65

CASK			1H24
	Underlying (Profit) Before Tax	\$M	(1,245)
	Excluding Ticketed passenger revenue	\$M	8,077
C	Net expenditure	\$M	6,832
	Less: Fuel	\$M	(2,673)
	Less: Impact on changes in discount rate of provisions	\$M	(22)
	Less: Share of net profit of investments accounted under the equity method	\$M	19
D	Net expenditure (excluding fuel) (\$M)	\$M	4,156
	Less: Impairment	\$M	(3)
E	Net expenditure (excluding fuel and impairment)	\$M	4,153
B	ASKs	M	69,324
C/B	Total Unit Cost	c/ASK	9.85
E/B	Unit Cost (Ex-Fuel)	c/ASK	5.99

Ongoing transformation focus

Targeting ~\$400m in FY24 cost and revenue transformation through initiatives already underway

Identified Pipeline of Value Creation for FY25+

FY24 Enablers		FY25+ Enablers	
			
Fleet & Network			
	1H24	2H24	
<ul style="list-style-type: none"> Fleet renewal: <ul style="list-style-type: none"> 3 x A321s and 2 x A330 deliveries to Qantas Freight 7 x A321LR deliveries to Jetstar 1 x additional B787-9 and 3 x A220-300 to QantasLink Network optimisation – e.g. 717 retirements & E190 utilisation A320 Perth-based simulator 	<ul style="list-style-type: none"> ✓ ✓ 	<ul style="list-style-type: none"> ✓✓ ✓ ✓ 	<ul style="list-style-type: none"> Continued growth in A321LR and A220 fleets Continued 717 retirements Introduction of A321XLR Installation of scimitar winglets on B738 fleet
			
Data & Digitalisation			
	1H24	2H24	
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓✓ ✓✓ ✓✓ ✓ 	<ul style="list-style-type: none"> Transitioning agents to new distribution capability Customer experience digital optimisation Maintenance system innovation (e.g. eLogbook) Continued ancillary revenue innovation (e.g. Flight Switch)
			
Ways of Working			
	1H24	2H24	
<ul style="list-style-type: none"> Fuel efficiencies – e.g. onboard weight reductions, APU use reduction Training optimisation – e.g. use of VR for cabin crew Freight terminals workforce productivity program Crew wellbeing initiatives – e.g. reduced absenteeism & overnights 	<ul style="list-style-type: none"> ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ 	<ul style="list-style-type: none"> Opening of SYD training centre Launch of catering management system New crew bases & optimisation Supplier contract optimisation

Financial Framework

Return on Invested Capital (ROIC) Calculation

\$M	12 mths to Dec 23	12 mths to Dec 22
Underlying EBIT	2,483	1,115
Add back: Lease depreciation under AASB 16	306	328
Less: Notional depreciation ¹	(112)	(127)
Less: Cash expenses for non-aircraft leases	(230)	(220)
ROIC EBIT	2,447	1,096
\$M	As at 31 Dec 2023	As at 31 Dec 2022
Net working capital ²	(10,012)	(10,423)
Fixed assets ³	13,658	11,161
Capitalised leased aircraft assets ¹	889	1,812
Invested Capital	4,535	2,550
Average Invested Capital⁴	3,006	3,322
Return on Invested Capital (%)	81.4	33.0

- 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, however structural changes in earnings, fleet and working capital 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 31 Dec 2023	As at 31 Dec 2022
Net Assets	117	16
Less: Cash and cash equivalents	(1,545)	(4,145)
Add back: Interest-bearing liabilities	4,902	5,336
Less: Other financial (assets)/liabilities	31	(104)
Less: Tax balances	(57)	(614)
Less: Right of use assets	(963)	(963)
Add back: Lease Liabilities	1,219	1,263
Less: Finance Lease Receivables	(58)	(51)
Add: Capitalised leased aircraft assets ¹	889	1,812
Invested Capital	4,535	2,550
Average Invested Capital²	3,006	3,322

- 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

Net Debt Target Range

- Net Debt target range = 2.0x — 2.5x EBITDA where ROIC = 10%
- Net debt target range is forward-looking and calculated on an annual basis
- At forecasted average Invested Capital of **\$4.3b¹**, optimal Net Debt range is **\$4.0b to \$5.0b**

	Forecast Jun 24 \$B	Drivers of Net Debt Range
Invested Capital <i>Avg Invested Capital for trailing 12 months</i>	4.3	▶ Invested Capital will rebuild with fleet reinvestment
10% ROIC EBIT <i>Invested Capital x 10%</i>	0.43	▶ Notional EBIT increases as Invested Capital grows
Plus rolling 12 month ROIC depreciation ² <i>Includes notional depreciation on aircraft leases</i>	1.57	▶ Depreciation changes as fleet renewed
EBITDA where ROIC = 10%	<u>2.00</u>	
Net Debt Target Range³		▶ Net Debt Target Range moves over time with the above when actual results > 10% ROIC leverage are below 2.0x
Net Debt at 2.0x EBITDA where ROIC = 10%	4.0	
Net Debt at 2.5x EBITDA where ROIC = 10%	5.0	

Net Debt and Liquidity Position

\$M	As at 31 Dec 2023	As at 30 Jun 2023	Change ²
Net on Balance Sheet debt ¹	3,341	1,998	(1,343)
Capitalised aircraft lease liabilities	672	887	215
Net Debt	4,013	2,885	(1,128)

\$M	As at 31 Dec 2023	As at 30 Jun 2023	Change ²
Cash and cash equivalents at end of period	1,545	3,171	(1,626)
Undrawn facilities	1,375	1,196	179
Short-term Liquidity	2,920	4,367	(1,447)

Net Debt increased by (\$1.1b) for the 6 months to December 2023

- (\$1.6b) cash decrease mainly driven by debt reduction, Net Capital Expenditure and Shareholder Distributions funded by Funds from Operations
- Gross debt reduced by \$0.4b of prepayments and \$0.6b of scheduled debt repayments, partially offset by \$0.6b drawdown of secured debt
- Capitalised aircraft lease liabilities decreased by \$0.2b reducing exposure to expensive operating leases

Short-term Liquidity movement of (\$1.4b) for the 6 months to December 2023 includes:

- \$0.2b secured aircraft financing on Boeing 787-9 delivery drawn in July 2023
- \$0.4b of committed undrawn Corporate Secured Debt drawn in February 2024

The Group maintains \$1.0b of undrawn revolving credit facilities and access to longer term liquidity via unencumbered asset base of >\$6.3b³ bringing total sources of liquidity to >\$9.2b

Net Debt movement under the Financial Framework

\$M	1H24	1H23
Opening Net Debt	(2,885)	(3,937)
Net cash from operating activities	1,341	2,811
Less: Net lease principal repayments under AASB 16	(509)	(236)
Add: Principal portion of aircraft lease rentals	395	89
Funds from Operations	1,227	2,664
Net cash from investing activities	(1,414)	(717)
Addition of leased aircraft	(76)	(45)
Return of leased aircraft	–	24
Net Capital Expenditure	(1,490)	(738)
Payments for share buy-back	(452)	(400)
Shareholder Distributions	(452)	(400)
Payment for treasury shares	(292)	(3)
FX revaluations and other fair value movements	(121)	16
Closing Net Debt	(4,013)	(2,398)

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

Robust financial risk management

Operational Fuel and FX

- 1H24 fuel cost at \$2.7b
 - Hedging strategy provided time to implement operational changes for RASK to offset record fuel prices
 - Inclusive of ~\$30m of SAF and offsets cost
- 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
 - 2H24 fuel exposure is 80%¹ hedged through a combination of Brent outright options and collars and Jet fuel swaps

'000 bbls	1H24	1H23	% Change
Qantas Domestic	3,849	3,598	7%
Qantas International	6,113	4,409	39%
Qantas Freight	670	719	[7%]
Jetstar Group	3,709	3,046	22%
SAF	31	22	43%
Total fuel consumption	14,373	11,794	22%

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
- 2H24 is 58%¹ hedged through a combination of outright options and collars

Interest rates

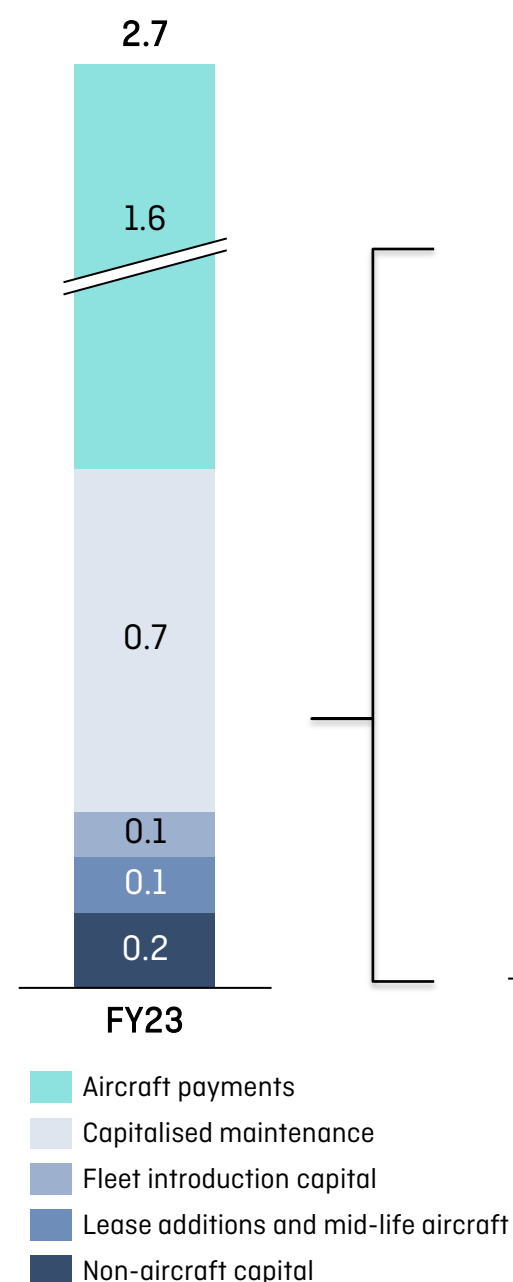
- Minimal economic impact to rising interest rates due to significant cash holdings providing natural offset to floating rate debt in portfolio
- On Balance Sheet fixed debt portfolio average interest rate of 3.90% p.a.

Carbon cost

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

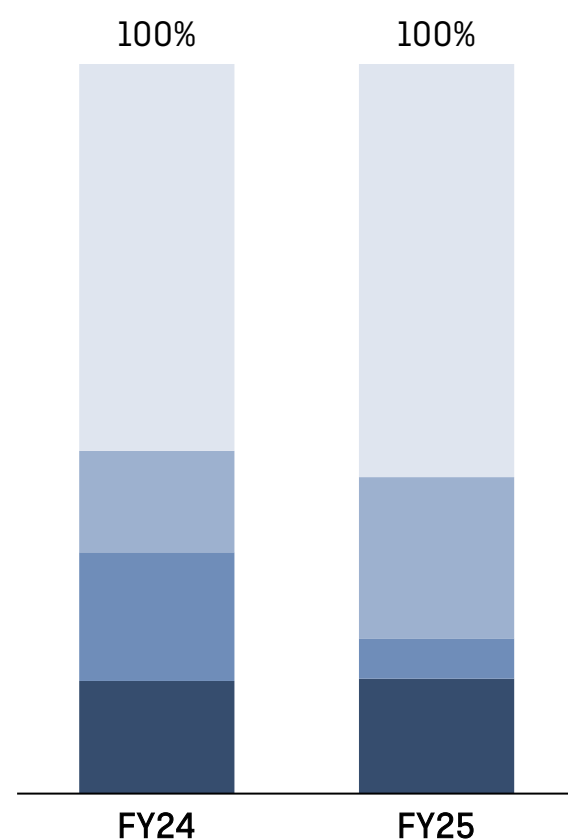
Group Net Capital Expenditure

Net Capex¹ A\$b



Capital allocation

Proportion of non-new aircraft capital by category



Capital Expenditure step change from FY23

1 Capitalised maintenance²

- ~A\$1.1b p.a. +/- A\$200m: Capital to maintain existing aircraft and cabin reconfigurations / refreshes
- Maintenance activity required to planned retirement date, based on aircraft utilisation and age (e.g. engine overhauls, airframe structural checks)

2 Fleet introduction capital²

- ~A\$200m-A\$400m p.a.: Investment associated with the entry-into-service of new aircraft
- Ongoing with the introduction of new aircraft types (e.g. A320NEOs, A220s, B787s, A350s)
- Split into aircraft related (e.g. spare engines, tooling and spares provisioning) and non-aircraft related (e.g. training equipment)

3 Leases additions and mid-life aircraft²

- ~A\$100m-A\$300m p.a.: Acquisition of leased or mid-life aircraft to support increased capacity into existing markets (e.g. A320s for Jetstar Asia, A319/20s to support the growth of the WA resources market)
- Financial Framework initially recognises leased aircraft at fair value which considers market conditions and remaining useful life³

4 Non-aircraft capital

- ~A\$300m-A\$400m p.a.: Investment to continually enhance customer experience across all touchpoints of the customer journey (airports, lounges, in-flight) and asset management (e.g. simulators, Freight terminals)
- Including Climate Fund investment (total fund of A\$400m to be deployed over next few years)

Supplementary segment information

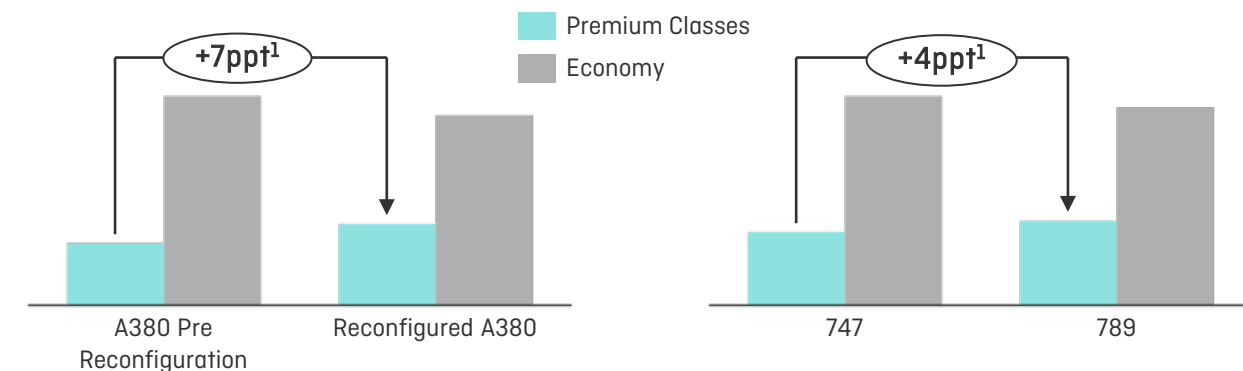
Qantas Domestic and International Overview

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 South East Asia
 - Leverage new fleet technology to facilitate direct point-to-point network, including retirement of 747 fleet and investments in Boeing 787-9 and Airbus A350-1000ULR (Project Sunrise) aircraft
 - Announced widebody replacement program in August 2023 to commence in FY27
 - 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

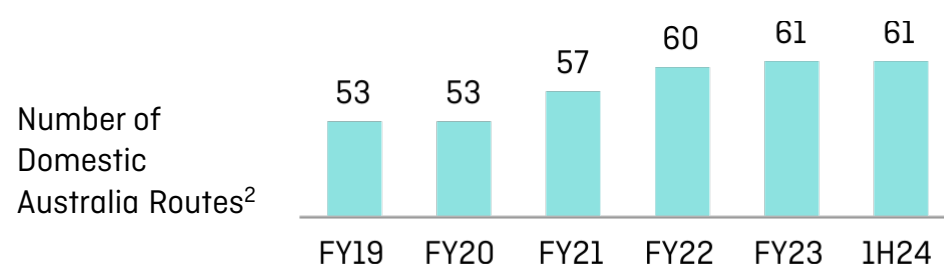


- Freight business that leverages Qantas' portfolio strength and delivers diversified earnings stream to the Group
 - Attractive domestic market as e-commerce adoption rates accelerate
 - Addition of 9 x Airbus A321F aircraft to support growth and unlock cost synergies

Jetstar Group Overview

Jetstar Domestic

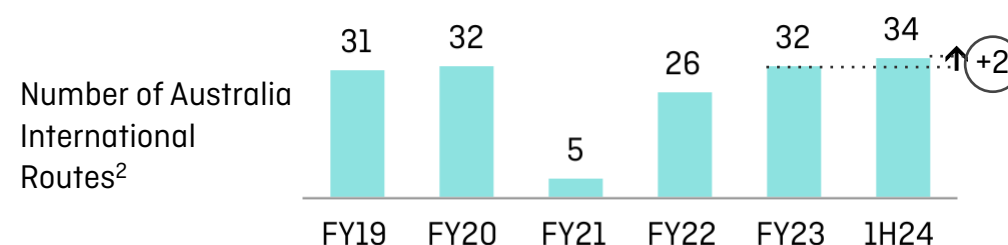
- Targeting industry-leading LCC¹ EBIT margin
- Low fares leadership with margin premium over competitors; driven by low-cost base, scale, network breadth and ancillary revenue advantage
- Arrival of A321LRs provides the most fuel efficient aircraft per seat in Australia, and grows margin advantage through further cost and utilisation benefits
- Continuing to innovate in customer experience, launching new Jetstar App, introducing onboard streaming, dynamic retailing and new bundles
- Ancillary product portfolio provides greater choice, driving revenue opportunities



Jetstar Branded Airline	Ownership ³	Launch	Aircraft ⁴
Domestic AU	100%	2004	42 x A320 6 x A321 6 x A321LR

Jetstar International⁵

- Targeting industry-leading LCC EBIT margin
- Strong profitability and RASK performance in 1H24
- Competitive advantage through brand strength and local partnerships
- #1 carrier serving Bali – Australia market in 1H24⁶
- A321LRs liberating 787s for new markets
 - Launched Brisbane-Tokyo in October 2023 and Osaka and Seoul in February 2024
- A321LR commenced on Melbourne-Nadi (Fiji) in December 2023, utilising additional range capability of aircraft (not possible on A320CEO aircraft)



Jetstar Branded Airline	Ownership ³	Launch	Aircraft ⁴
International AU ⁵	100%	2006	11 x 787-8 6 x A320 5 x A321LR

Jetstar in Asia and New Zealand

Jetstar Japan

- Jetstar Japan is the #1 domestic LCC¹ at Tokyo's Narita Airport and serves 22 routes
- 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
- Excellent operational performance and successful transition to Singapore Changi Terminal 4
- Re-growing fleet whilst benefiting from strong performance

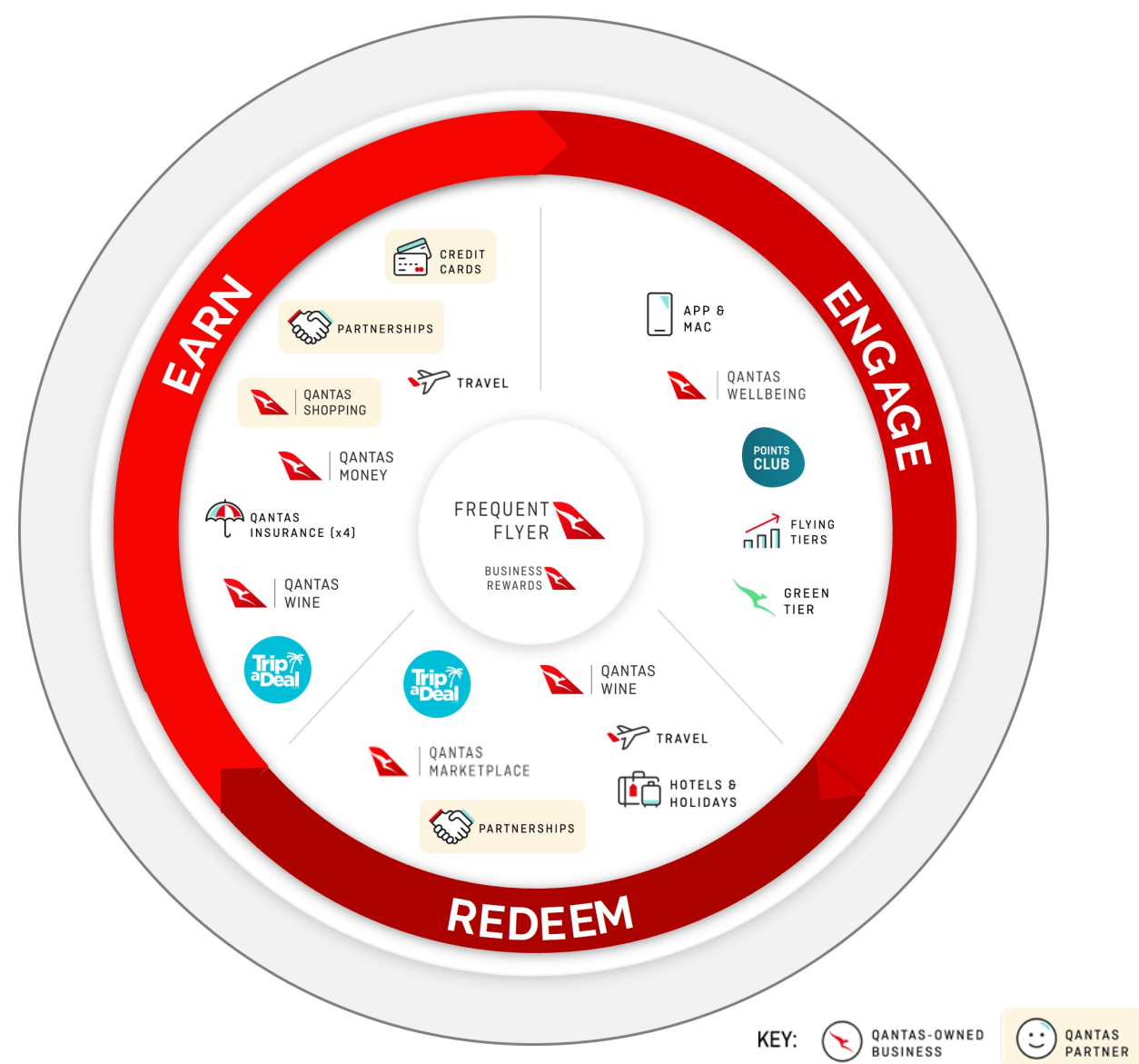
Jetstar New Zealand Domestic

- Serves domestic destinations in NZ with unique low fares proposition and provides valuable connecting traffic across the Tasman

Jetstar Branded Airline	Ownership ³	Launch	Aircraft ⁴
Jetstar Asia (Singapore)	49%	2004	8 x A320
Jetstar Japan	33%	2012	19 x A320 3 x A321LR
Jetstar NZ Domestic	100%	2009	5 x A320

Diversification and growth at Qantas Loyalty

One of the world's most diverse airline loyalty programs



- Contributing ~\$1.1b towards the Group Cash Flow¹ in 1H24; delivering long term value to the Qantas Group
- >1.1m new members joined Qantas Frequent Flyer in the last year +8% YoY to 15.8m; 20% growth² in QBR membership with now more than 500,000³ SME members⁴
- >700 program partners⁵ across Qantas Frequent Flyer including ~50 Qantas Business Rewards
- Continuing to diversify Financial Services earnings through Qantas Money Home Loans in 1H24 – Writing >\$0.5b in new home loans since launch
- >2m Classic Reward seats booked in 1H24
- 17% growth in TTV⁶ versus 1H23 across Qantas Hotels and Holidays following the expansion of the Qantas Holidays brand including Trip a Deal and increased redemption value
- Growth continuing across Insurance businesses: ~20% growth in Qantas Health Insurance customers, ~85% growth in Qantas Home customers and ~55% growth in Qantas Motor customers



1H24 Group and Group Domestic Traffic Statistics vs 1H23

		1Q24	1Q23	Change [%]	2Q24	2Q23	Change [%]	1H24	1H23	Change [%]
Total Qantas Group Operations										
Passengers Carried	'000	12,861	11,186	15	13,151	11,489	14	26,012	22,675	15
Revenue Passenger Kilometers	M	28,840	22,940	26	29,149	24,382	20	57,989	47,322	23
Available Seat Kilometres	M	34,556	26,796	29	34,768	28,642	21	69,324	55,438	25
Seat Factor	%	83.5	85.6	(2.1ppts)	83.8	85.1	(1.3ppts)	83.6	85.4	(1.8ppts)
Group Unit Revenue	c/ASK	11.4	12.5	(8)	11.9	13.6	(13)	11.7	13.1	(11)
Group Domestic										
Available Seat Kilometres	M	14,046	12,719	10	13,444	12,605	7	27,490	25,324	9
Group Domestic Unit Revenue Change	%			(5)			(6)			(6)
Qantas Domestic										
Passengers Carried	'000	5,455	5,267	4	5,429	5,108	6	10,884	10,375	5
Revenue Passenger Kilometers	M	6,667	6,546	2	6,532	6,321	3	13,199	12,867	3
Available Seat Kilometres	M	8,776	8,169	7	8,217	8,002	3	16,993	16,171	5
Seat Factor	%	76.0	80.1	(4.1ppts)	79.5	79.0	0.5ppts	77.7	79.6	(1.9ppts)
Jetstar Domestic										
Passengers Carried	'000	3,603	3,109	16	3,711	3,190	16	7,314	6,299	16
Revenue Passenger Kilometers	M	4,667	4,069	15	4,625	4,031	15	9,292	8,100	15
Available Seat Kilometres	M	5,270	4,550	16	5,227	4,603	14	10,497	9,153	15
Seat Factor	%	88.6	89.4	(0.8ppts)	88.5	87.6	0.9ppts	88.5	88.5	0.0ppts

1H24 Group International Traffic Statistics vs 1H23

		1Q24	1Q23	Change (%)	2Q24	2Q23	Change (%)	1H24	1H23	Change (%)
Group International										
Available Seat Kilometers	M	20,510	14,077	46	21,324	16,037	33	41,834	30,114	39
Group International Unit Revenue Change	%			(6)			(15)			(11)
Qantas International										
Passengers Carried	'000	1,820	1,321	38	1,972	1,597	23	3,792	2,918	30
Revenue Passenger Kilometers	M	11,722	8,390	40	12,187	9,617	27	23,909	18,007	33
Available Seat Kilometres	M	13,761	9,516	45	14,687	10,888	35	28,448	20,404	39
Seat Factor	%	85.2	88.2	(3.0ppts)	83.0	88.3	(5.3ppts)	84.0	88.3	(4.3ppts)
Jetstar International										
Passengers Carried	'000	1,553	1,101	41	1,542	1,156	33	3,095	2,257	37
Revenue Passenger Kilometers	M	5,252	3,467	51	5,163	3,892	33	10,415	7,359	42
Available Seat Kilometres	M	6,113	3,999	53	5,881	4,532	30	11,994	8,531	41
Seat Factor	%	85.9	86.7	(0.8ppts)	87.8	85.9	1.9ppts	86.8	86.3	0.5ppts
Jetstar Asia										
Passengers Carried	'000	430	388	11	497	438	13	927	826	12
Revenue Passenger Kilometers	M	532	468	14	642	521	23	1,174	989	19
Available Seat Kilometres	M	636	562	13	756	617	23	1,392	1,179	18
Seat Factor	%	83.6	83.3	0.3ppts	85.0	84.5	0.5ppts	84.3	83.9	0.4ppts